

EXECUTIVE SUMMARY

Efficiency of clearing container cargo affects directly to the domestic economy because Sri Lankan economy has a high dependency upon imports. During the past two decades, there are many initiatives to expedite cargo clearance and these efforts have both positive and negative impacts in the cargo clearing process. Still Sri Lanka Customs (SLC) faces difficulties in expediting cargo clearance. In order to suggest solutions to this issue, the project focusses on introducing new tools in to the prevailing cargo clearance system. This project targets the bulk of containers imported to Sri Lanka, and prevents the unnecessary traffic created by these container bulks in the clearing process.

The Container Clearing Process (CCP) is the same for these bulks, and at a certain point in clearing process, these containers refer to examination. This is the point that creates traffic in CCP, and at this point of issue, the field project suggests expediting the examination of these bulks of containers by using new tools introduced by the World Customs Organization (WCO) and the World Trade Organization (WTO). There after it will automatically expedite the whole clearing system.

The project focused on certain commodities and applied identified tools in to clearing process of these commodities. Then analyse the advantages to the CCP by using these tools. Risk Management (RM), X-Ray Scanning and Cyclic Post Audits (CPA) are internationally accepted tools to expedite a CCP. Both WCO and WTO publishes and update these tools as soon as possible to be utilize in expediting cargo clearance in international trade. In addition, this project suggests to re-arrange existing Customs staff in to three teams in order to reduce administrative issues arise in CCP and aimed to apply those three tools on commodity basis.

Expediting the CCP in SLC by expediting yard clearance aims in this analysis. Before applying any tool in order to expedite clearance, it needs to identify what are the commodities to apply each of these tools. Initially this project focuses on three important commodities which continuously holds a considerable importance in tax revenue and accounts for a higher traffic in CCP. By applying Risk Management, X-Ray Scanning and Post Auditing in yard clearance with in CCP, based on international standards has discussed here. A yard must restructure its officials as teams according to three

components. Then decide which method should be applied to examine a cargo based on the nature of commodity. The analysis has done with real time data in order to compare the time and cost saving by using those methods. More importantly, these suggestions of author does not require large amount of additional resources other than existing and available resources.

By using RM, X-Ray Scanning and CPA tools in CCP at examination point, has simultaneously support to expedite the CCP and reduce the delays in it. Providing necessary resources, technical assistance and secure the safety of staff, staff allocation and rotation, training, legal support, and corporation with headquarters are focal points observed through this analysis that directly effects to successful implementation of this project . The project expedites the CCP by applying international tools without changing the whole process or large amount of additional resources. This project suggests the minimum requirement of additional resources apart from the existing resources is a catalyst to implement it in practical environment of the CCP. It is the requirement of economy in a developing country, which saves government expenses, and importers cost with time. Ultimately this effects to price levels of domestic economy.