

## **EXECUTIVE SUMMARY**

This research project is centered on optimizing the export release process at the Trico Export Facilitation Centre (EFC) within the Sri Lanka Customs Department. The main goal is to minimize non-released export Customs Declarations (CusDecs) by streamlining procedures, enhancing transparency, and leveraging ASYCUDA system improvements, ultimately leading to more accurate value declaration and economic gains.

Notable strengths include a skilled workforce, export facilitation focus, robust legal framework, a reward scheme for officers, and preferential trade agreements. Weaknesses encompass inadequate staffing, bi-annual transfer policy disruption, paperwork inefficiencies, lack of standardized procedures, and infrastructure limitations. Opportunities arise from training programs, technology advancements, collaborative partnerships, and e-commerce growth. Threats consist of sudden policy changes, social media influence, trader influence, and post-COVID-19 economic challenges. Addressing these aspects will enhance Customs operations, trade facilitation, and adaptability. Additionally, the analysis identifies root causes in the export releasing process, such as system integration gaps, amendment process failures, unclear instructions, lack of SOPs, deficient training, and absence of post-review methods, emphasizing the need for systematic improvements in these areas for streamlined Customs procedures and enhanced efficiency.

Key factors influencing the efficiency and transparency of the export clearance process, includes inter-departmental cooperation, process standardization, training, and capacity development. The need to enhance connectivity between departments and modernize their systems is emphasized, given the prevailing bureaucracy and paper-based environments. The significance of standardized processes for transparency, predictability, and stakeholder readiness is highlighted. The analysis underscores the importance of addressing gaps in the export release process, with insights from both developing and developed countries suggesting that process standardization, information system enhancements, and ongoing training are critical for reducing non-released export CusDecs and enhancing Customs operations.

The successful enhancement of the export release process at Sri Lanka Customs relies on strategic allocation of resources, particularly capital and human resources. Capital resources

are directed towards developing and integrating the information system, with collaboration from the ICT Directorate of Customs, ensuring seamless data exchange and technological innovation. Human resources from various directorates, including ICT, Policy Planning and Research, Human Resource Management, and Exports, play pivotal roles in shaping the project's development, offering domain-specific insights, technical proficiency, training strategies, and comprehensive frameworks. This collaborative effort aims to optimize the export release process, aligning with Customs intricacies and fostering efficient cross-border trade while adhering to budgetary constraints.

The project's implementation promises substantial tangible benefits by bridging the gap between Customs Values and Actual Export repatriations, resulting in significant reductions in value gaps and annual savings. Alongside these measurable gains, the project introduces a range of intangible benefits, including improved stakeholder collaboration, enhanced confidence and professionalism among Customs officers, a culture of compliance, and an empowered trade community. The project's favorable Benefit-to-Cost ratio of 756:1 and its minimal annual cost underscore its value and potential to elevate Sri Lanka's standing in global trade while fostering a streamlined, resilient, and efficient export facilitation process.

The recommendations for improving Sri Lanka's Customs process encompass a comprehensive strategy that spans information systems, policy and procedures, and workforce development. By establishing robust monitoring mechanisms, enhancing technological connectivity, continually refining policies, nurturing human resources, and securing sustained financial support, the plan aims to reduce non-released export Customs Declarations (CusDecs) in the sea cargo trade. This holistic approach is poised to create a harmonious and efficient Customs ecosystem, resulting in smoother trade operations, enhanced stakeholder collaboration, and a positive impact on Sri Lanka's export facilitation process. The proposed solutions, rooted in a balanced combination of systemic improvements and capacity-building initiatives, hold the potential to transform Sri Lanka's Customs landscape and drive tangible positive outcomes.