

## EXECUTIVE SUMMARY

Customs Department is the border protection agency of Sri Lanka. Customs Department contributes more than sixty percent to national annual budget. Facilitate legitimate trade and passenger is one of the main Customs objectives other than collecting revenue. Customs has given approval to Sri Lanka ports authority and five private warehouses to clear unaccompanied passenger baggage. This project is focused on reducing the Customs clearance time of unaccompanied passenger baggage (UPB) clearance at Ceylon Shipping Lines UPB Warehouse. This is the best period to reconsider the present efficiency and effectiveness of the passenger baggage clearance procedure. Customs should re introduce an improved system based on new developments to fasten the passenger baggage clearance process.

Main drawback of the clearance process is cyclic time. Inefficient procedures of the prevailing system and lack of the risk management application is the main reasons for this delay. This project critically analyse the existing system and finds the significant time consumption of each critical point of the clearance process. Most of the passengers spend more money than the value of the goods to clear their baggage. According to the passengers, most of them are being misguided by the agents who collect the goods overseas. They are bringing used clothes, used refrigerators and used furniture that pollutes nature. Most of the passengers are coming from the Middle East and they are migrant workers. Passenger ignorance is a main reason for above mal practices. Customs should launch a proper awareness programme for passengers.

Literature review reveals the theoretical suggestions for these drawbacks. It is recommended studying the existing process and introducing new developments that connect with organizational culture. Process management is the key to streamline the clearance processes. Inventory Management System of CSL UPB Warehouse is in a poor stage. The best solution is introducing an Advanced Inventory Management System. Customs can reduce examination time rapidly by installing a new scanner. Officers can be smarter by using modern examination tools. Infrastructure development is a must to achieve efficiency and effectiveness.

WCO risk management initiatives help to create practical working modules and structures. The risk - based Compliance Management Pyramid draws together the various elements of risk management style to provide a structured approach to the management of compliance. These changes will affect on the culture of organization. So change management should take place. This is more focused on change the organizational structure and the way in which people work. Organic Change Management model is the most appropriate model for this project. Formal Communication Management Plan should develop and identify the rational factors of the change. Communication must be open and all stakeholders should provide their views.

Strategic Training Plan should prepare for the training process of Customs officials. Training need analysis should be conduct. Evaluation should conduct based on the feedback and outcomes. There are lots of theoretical models for capacity building of people. Situational leadership model and Ulrich's leadership model are most suitable for this context. We have selected these two leadership models for this project and practical modules will be constructing based on these theories. There is a Public - Private Partnership between Ceylon Shipping Lines and Sri Lanka Customs. This project will improve the understanding between both parties. Customs administrations are required to meet the challenges of the globalization of trade. Benchmarking can be a useful mechanism to face these new developments.

Foreign employment is the main none tax revenue earning source in Sri Lanka. It is very important to explore the opportunities for passenger facilitation as a tribute to the migrant workers. Implementation of this project will reduce the existing clearance time. It will offer passenger satisfaction, passenger facilitation and reduction in cost. It will help the Department to achieve its core objectives more efficiently and effectively. This project will uplift the image of Customs among public and align with global standards to improve all the key objectives of Sri Lanka Customs. Image of the Department and the country will be improved in the global arena.