

EXECUTIVE SUMMARY

Sri Lanka Customs is the sole authority in the island when it comes to the movement of goods across the national boundary. It is responsible for the collection of due revenue and protecting the society from the possible harms from the imports and exports. Facilitating legitimate trade and providing accurate trade statistics are the other two major objectives of the department. To achieve all those objectives, it is essential that the information provided by traders are tallying with the actual goods that are traded. Central Cargo Examinations Directorate (CCED) is the main operational arm of Sri Lanka Customs that fulfils that requirement.

This project aims at improving the process efficiency of cargo examinations, focusing on the consignments brought into the country as Full Container Loads (FCL) of cargo. Such cargo consignments are examined at special Container Examination Facilities (CEFs) outside the Colombo Harbour. During the study of the existing process, it was identified that the existing process has so many procedures that adds no value to the overall process which cause unnecessary delays. The expected improvement in the examination process can be measured in terms of the average time per examination and the percentage increase in number of container examinations per day.

Those procedures needed to be removed and replaced with more efficient procedures supported by improvements in people and technological fronts. A study of literature regarding process revealed that the examination process needs a Just-in-time like approach similar to the Toyota Production System. In order to achieve the intended overall improvement, it was also identified that people development through effective training initiatives is also essential. The technological advancements related to the cargo examination process too were identified under two categories, information technology and technology that supports cargo examination.

The project itself was divided into the three factors identified in the literature review, process, people and technology. The unnecessary and repetitive documentation procedures are eliminated in the proposed process. The CEF will be ready to examine a container as and when it arrives, similar to a Just-in-time process. The office and examination areas will be re-structured to support the new development and to provide more space for unloading cargo. Cross-functional teams to be formed to carry out

examinations with minimum referring to other units of Customs, such as valuation. Officers and labourers at CEFs will be trained on cargo examining techniques with reference to best practices of more developed Customs services in the world. This is coupled with the acquisition of the latest technology to support the examination process and an advanced information system to provide better communication and risk assessing.

The improvements to the process is expected to give a 50% decrease in the average time per examination and a 10% increase in the number of containers examined. But, the most important benefit of the project goes beyond financial measures. The improved efficiency or the reduction in time a container spends at examination yards directly benefits the trading community in terms of cost and wastage. The reduced cost will be transferred to the consumers further reducing the cost of living. The image of the department and the country as a facilitator of international trade and global supply chain will attract investors to the country's ailing economy.