

Table of Contents

LIST OF FIGURES, TABLES & BOXES	II
ACKNOWLEDGEMENT	III
ABSTRACT	IV
<hr/>	
1. Introduction	1
1.1 Rationale and Objectives of the Study	1
2. Background: Trade with South Asia and the Study	2
2.1 Sri Lanka's Trade Performance and Trade with South Asia	2
3. Main Trade Routes and Trade Logistics Performance of Sri Lanka	8
3.1 Main Trade Routes	8
3.1.1 Colombo Port	9
3.1.2 Bandaranaike International Airport	10
3.1.3 Rail Transportation in Sri Lanka	11
3.1.4 Road Transport in Sri Lanka	11
3.2 Trade Logistics Performance of Sri Lanka vis-à-vis South Asia	13
4. Institutions and Regulations	15
4.1 Institutions	15
4.1.1 Sri Lanka Customs	15
4.1.2 Department of Commerce	15
4.1.3 Chambers	16
4.2 Export/ Import Procedures & Documentation Requirements	16
4.2.1 Documents Necessary to Prepare an Export Goods Declaration	16
4.2.2 Export Process	18
4.2.3 Import Process and Documentation Requirements	19
4.3 Air Cargo Export and Import Process	19
5. Agreements and Conventions	21
6. Literature Review of Trade Facilitation Studies in Sri Lanka	22
7. Trade Facilitation Related Issues and Concerns when Trading with South Asia	25
8. Methodology	26
8.1 Products Selected for the Survey	28
8.1.1 Pepper and Spices Exports	28
8.1.2 Insulated Wire and Cables Exports	29
8.1.3 Cane and Beet Sugar Imports	31
8.1.4 Portland Cement Imports	32
9. Survey Results	33
9.1 Publication of Trade Related Rules and Regulations	33
9.1.1 National Customs Website	33
9.1.2 Inquiry Point on Trade Procedures and Formalities	34
9.2 Rules and Procedures for Export and Import	34
9.2.1 Border Management Agencies	34
9.2.2. Export Documentation and Signature Requirements	35

9.2.3	Imports Documentation and Signature Requirements	36
9.2.4	Cargo Clearance Times	37
9.2.5	Automation of the Export/Import Procedures	38
9.2.6	Advance Ruling and Pre-Arrival Processing of Documents	39
9.2.7	Valuation of Customs Duties and Guarantees	40
9.2.8	Availability of a Non-Judiciary Review/Appeal Procedure	40
9.2.9	Risk/Threat Assessment Technique and Physical Inspection of Inward Consignments	41
9.2.10	Payment of Irregular Payments and Bribes	42
9.3	Trade Related Infrastructure and Services	42
9.3.1	Quality of Infrastructure Facilities	42
9.3.2	Efficiency of Service Providers	43
9.3.3	Cost of Logistic Services	44
9.3.4	Losses and Damages Incurred	44
10.	Priority Areas of Trade Facilitation	45
10.1	Publication and Administration of Policies Related to Trade Issues	45
10.2	Rules and Procedures for Imports and Exports	45
10.3	Trade Related Infrastructure	46
10.4	Use of ICT for Exports and Imports	47
11.	Policy Recommendations	47
11.1	Country Level	48
11.2	Regional Level	51
<hr/>		
	References	53
	Annex 1: Imports - Comparison of BOI and Non-BOI Processes	54
	Annex 2: Export Facilitation Centre- Container Flow	55
	Annex 3: Export Facilitation Centre- Examinations	56
	Annex 4: Export Facilitation Centre- Boat Note Passing	57

List of Figures

Figure 2.1:	Sri Lanka's Trade Performance 1990-2014	3
Figure 2.2:	Sri Lanka's Exports Share from 1990-2014	3
Figure 2.3:	Sri Lanka's Total World Exports and Exports to SAARC, 2001-2014	4
Figure 2.4:	Share of Each SAARC country in Sri Lanka's Total Export, 2001 - 2014	4
Figure 2.5:	Sri Lanka's Total World Imports and Imports from SAARC, 2001-2014	4
Figure 2.6:	Share of Each SAARC country in Sri Lanka's Total Imports, 2001 - 2014	5
Figure 2.7:	Sri Lanka's Direction of Trade - Export from 1990- 2014	5
Figure 2.8:	Sri Lanka's Exports to SAARC	6
Figure 2.9:	Sri Lanka's Direction of Trade - Imports from 1990-2014	6
Figure 2.10:	Sri Lanka's Imports from SAARC	7
Figure 3.1:	Cargo Handled and No. of Vessels Arrived in Sri Lankan Ports, 2014 (%)	10
Figure 3.2:	International Cargo Movements via BIA, 2010-2014	10
Figure 3.3:	Time and Cost to Export/Import from Sri Lanka, 2010-2015	13
Figure 8.1:	Sri Lanka's Total Spice Exports, from 2002-2014 (US\$ '000)	28
Figure 8.2:	Direction of Spice Exports of Sri Lanka to South Asia, 2001-2014	29
Figure 8.3:	Sri Lanka's Composition of Spice Exports to SAARC, 2014 (Percentage)	29
Figure 8.4:	Sri Lanka's Cable Exports from the World and SAARC Region, from 2001 - 2014 (US\$ '000)	30
Figure 8.5:	Direction of Insulated Wire and Cable Exports of Sri Lanka to South Asia	30
Figure 8.6:	Sri Lanka's Sugar Imports from the World and SAARC Region, from 2001 - 2014 (US\$ '000)	31
Figure 8.7:	Top 5 Cane and Beet Sugar Importers to Sri Lanka, from 2001-2014	31
Figure 8.8:	Sri Lanka's Portland Cement Imports from the World and SAARC Region, from 2001 - 2014 (US\$ '000)	32
Figure 8.9:	Direction of Portland Cement Imports from Sri Lanka to South Asia	32
Figure 9.1:	Availability of a National Customs Website	33
Figure 9.2:	Availability and Effectiveness of the Information Available on the Customs Website	34
Figure 9.3:	Availability of an Inquiry Point on Trade Procedures and Formalities	34
Figure 9.4:	Customs Operational Efficiency	34
Figure 9.5:	Coordination between Border Management Agencies	35
Figure 9.6:	Average Times to Clear Outward Goods	38
Figure 9.7:	Average Days Taken to Clear Inward Goods	38
Figure 9.8:	Ability to Submit and Process CUSDECs Online	39
Figure 9.9:	Quality of Submitting and Processing the CUSDEC	39
Figure 9.10:	Issuance of advance Rulings	40
Figure 9.11:	Availability of a Non-Judicial Review/Appeal Procedure	41
Figure 9.12:	Proportion on Physical Inspection on Inward Consignments	41
Figure 9.13:	Frequency of the Need to Make Irregular Payments/Bribes	42
Figure 9.14:	Quality of Infrastructure Facilities	43
Figure 9.15:	Efficiency of Service Providers	43
Figure 9.16:	Cost of Logistic Services	44
Figure 9.17:	Losses and Damages Incurred	44
Figure 10.1:	Publication and Administration of Policies Related to Trade Issues	45

Figure 10.2: Rules and Procedures for Imports and Exports: High Priority Areas	46
Figure 10.3: Trade Related Infrastructure and Services: Priority Areas	46
Figure 10.4: Use of ICT for Exports and Imports	47
Figure 11.1: Waste and Effort Associated in the Trading Process	47

List of Tables

Table 2.1: Sri Lanka's Top 10 SAARC Exports (in US\$ in '000)	7
Table 2.2: Sri Lanka's Top 10 SAARC Imports (in US\$ '000)	7
Table 3.1: Performance of the Port Sector in Sri Lanka, 2009-2014	9
Table 3.2: Performance of Sri Lanka Railways, 2010-2014	11
Table 3.3: Major Ongoing and Recently Completed Road, Port and Airport Development Projects	12
Table 3.4: Time and Cost Breakdown	13
Table 3.5: Enabling Trade Index 2014: South Asia and Singapore	14
Table 4.1: Products That Require Registration/License/Certificates for Exports/Imports	17
Table 5.1: Trade Agreements of Sri Lanka	21
Table 6.1: Summary of Literature on Trade Facilitation in Sri Lanka	22
Table 8.1: Selected Products for the Study	27
Table 8.2: Breakdown of the Respondents	27
Table 8.3: Key Informant Interviews	28
Table 9.1: Number of Export Documents	35
Table 9.2: Export Documents	36
Table 9.3: Number of Days Required to Prepare Export Documents	36
Table 9.4: Import Documentation Needs	37
Table 9.5: Import Documents	37

List of Boxes

Box 3.1: Improving Connectivity through Expressways	12
Box 6.1: Case Study: Colombo Port Expansion Project	24
Box 11.1: Lao PDR Trade Portal	49
Box 11.2: Meeting the Investment Needs	52

Acknowledgement

The authors would like to acknowledge the financial support provided by the Australian Government (Australian AID) to carry out the Sri Lankan study under the 'Trade and Infrastructure Facilitation Audit in South Asia' project, which was coordinated by the South Asia Watch on Trade, Economics & Environment (SAWTEE), Nepal. We would also like to thank the research assistance provided by Pradeepa Kulasekera, Chinthani Sooriyamudali and Kethumala Kodikara in collecting and collating the data for the study. The encouragement of Dr. Saman Kelegama, the Executive Director of the IPS to bring out the study as a publication, the support of Mr. D.D.M. Waidyasekera in editing the paper, and the formatting of the publication by Ms. Asuntha Paul are noted with appreciation. Last but not least, we wish to thank the companies and other key government and private stakeholders for taking their time to participate in the study including the members of the project advisory committee for the study (Mr. S. Rajendran, Additional Director of the Sri Lanka Customs) for the guidance and those who took part in the consultation meeting held in 2015 to discuss preliminary findings. Any errors or omissions remain the responsibility of the authors.

Abstract

Sri Lanka has undertaken key initiatives in recent years to facilitate trade and transport, with leading agencies in the trading process such as the Sri Lanka Customs and the Sri Lanka Ports Authority undertaking automation, infrastructure expansions and other measures to facilitate trade. Sri Lanka also ratified the WTO Trade Facilitation Agreement in May 2016 which would make commitments in identified areas of trade facilitation binding, when it comes into effect. Despite these developments, Sri Lanka is far from reaching the facilitation levels of best performing countries such as Singapore. Given that the country is an island economy, it can position itself much better than its South Asian neighbours to facilitate trade and gain from higher levels of trade, investment and economic growth. In this context, this study aims to, (a) assess the current status of trade facilitation in Sri Lanka and, (b) identify trade facilitation reforms required in the country and their prioritization. The findings are based chiefly on a perception survey carried out among 121 different stakeholders in the import/export process including exporters, importers, freight forwarders, shipping lines, airline operators and others. Information was gathered particularly on the areas of publication of trade related rules and regulations; rules and procedures for export and import; trade-related infrastructure and services; and priority areas of trade facilitation. In addition to this, key informant interviews were also carried out with key government and private sector organizations. In addition to the the current status of trade facilitation the findings also provide stakeholder perception of the quality and efficiency of the provided services. The findings highlight the need for, a single inquiry point, change in mindset of key agencies as well as the private sector, capacity building of testing laboratories in the country, extension of pre-arrival processing facilities for more products, improved warehousing and scanning facilities, improvements in rail transport, and automating systems. The findings of this study will feed into a regional study carried out by SAWTEE.

සාරාංශය

පසුගිය වර්ෂ කිහිපයේදී ශ්‍රී ලංකාව වෙළෙඳ සහ ප්‍රවාහන ක්ෂේත්‍රයන්හි පහසුකම් සැලසීම වෙනුවෙන් පියවරයන් රැසක්ම ගනු ලැබූ අතර ශ්‍රී ලංකා ටේරුව සහ ශ්‍රී ලංකා වරාය අධිකාරිය වැනි වෙළෙඳ අංශය සමග සබැඳි ප්‍රධාන ආයතන එහිදී මූලිකත්වය ගෙන කටයුතු කරන ලදී. එහිදී වෙළෙඳ ක්ෂේත්‍රයට අවශ්‍ය පහසුකම් සැලසීම සඳහා ස්වයංක්‍රීයකරණය, යටිතල පහසුකම් ව්‍යාප්තිකරණය සහ තවත් ක්‍රියා මාර්ග ගන්නා ලදී. 2016 වර්ෂයේ මැයි මාසයේදී ශ්‍රී ලංකාව ලෝක සංවිධානයේ වෙළෙඳ පහසුකම් සැලසීමේ ගිවිසුම අනුමත කරන ලදී. මෙම ගිවිසුම බලගැන්වූ විට ශ්‍රී ලංකාවට මෙම ක්‍රියාවලියට අනුගත වීමට සිදුවනු ඇත. මෙම සංවර්ධනයන් නොසලකා වෙළෙඳ පහසුකම් සැලීමේ මට්ටම් වෙත ළඟා නොවී සිටීමෙන් සිංගප්පූරුව වැනි විශිෂ්ට කාර්යසාධනයක් පෙන්නුම්කරන රාජ්‍යයන් වෙත ළඟාවීමේ ඉලක්කයෙන් ඉතා ඈතකට ගමන්කිරීම නොවැලැක්විය හැකිය. දැන් ආර්ථිකයක් සහිත රාජ්‍යයක් වශයෙන් සිය දකුණු ආසියානු අසල්වැසි රාජ්‍යයන් අතරින් වෙළෙඳ ක්ෂේත්‍රයට අවශ්‍ය පහසුකම් සලසමින් ආයෝජන සහ ආර්ථික වර්ධනයේ උපරිම තලයට ළඟාවීමේ හැකියාව ශ්‍රී ලංකාව සතු වේ. මෙම සන්ධිතය තුළ මෙම අධ්‍යයනයෙන් ඉලක්කගත කරන්නේ (a) ශ්‍රී ලංකාවේ වත්මන් වෙළෙඳ ක්ෂේත්‍ර පහසුකම් සැලසීම පිළිබඳව තක්සේරුවක් සිදුකිරීම සහ (b) රටට අවශ්‍ය වෙළෙඳ පහසුකම් ප්‍රතිසංස්කරණයන් සහ ඒවායේ ප්‍රමුඛතාකරණයන් හඳුනාගැනීමයි. ආනයන/ අපනයන අංශ නියෝජනය කරමින් සහයෝගිතාකරුවන් 121 ගේ සහභාගිත්වයෙන් සිදු කළ සමීක්ෂණයක් මත පදනම්ව ප්‍රධාන වශයෙන්ම මෙම සොයාගැනීම් ලබා ගෙන තිබෙන අතර, අපනයනකරුවන්, ආනයනකරුවන්, භාවික සමාගම්, ගුවන් ගමන් සේවා සැපයුම්කරුවන් සහ වෙනත් ක්ෂේත්‍ර කිහිපයකම නියෝජිතයින් ඊට අයත් වූහ. මෙහිදී වෙළෙඳාම් ආශ්‍රිත ඊනි සහ රෙගුලාසි, අපනයන සහ ආනයන ඊනි සහ ක්‍රියාමාර්ග, වෙළෙඳාම් ආශ්‍රිත යටිතල පහසුකම් සහ සේවා, සහ වෙළෙඳ පහසුකම් සැලසීමෙහි ප්‍රමුඛතා ක්ෂේත්‍ර පිළිබඳ තොරතුරු ගොනු කරගන්නා ලදී. ඊට අමතරව ප්‍රධාන පෙළේ රාජ්‍ය සහ පෞද්ගලික ආයතන සමග තොරතුරු ලබා ගන්නා සම්මුඛ සාකච්ඡා කිහිපයක්ම සිදුකරන ලදී. වත්මන් වෙළෙඳ පහසුකම් සැලසීමේ තත්ත්වයට අමතරව ලබා දෙන සේවාවන්හි ප්‍රමිතිය සහ ඵලදායිතාවය සම්බන්ධයෙන් සහයෝගිතාකරුවන් සතු අවබෝධය පිළිබඳව මෙහිදී අධ්‍යයනය කරන ලදී. කේන්ද්‍රීය විමසීම් මධ්‍යස්ථානයක්, රටේ පර්යේෂණාගාර ශබ්දනාමයන් වැඩි දියුණු කිරීම, භාණ්ඩ සඳහා පෙර පැමිණීම් ක්‍රියාවලි තව නිෂ්පාදන සඳහා ලබා දීම, ගබඩා සහ ස්කෑන් පහසුකම් වැඩි දියුණු කිරීම, දුම්රිය ප්‍රවාහනයේ වර්ධනයන් සිදුකිරීම, සහ ස්වයංක්‍රීය පද්ධතිවල වැඩි දියුණුව ආදිය මෙම අධ්‍යයනයෙහි සොයා ගත් කරුණු අතර ප්‍රමුඛ ස්ථානයක් ගනී. මෙම අධ්‍යයනයෙහි සොයාගත් කරුණු (SAWTEE) විසින් සිදුකරන කලාපීය අධ්‍යයනයට පදනමක් සපයනු ඇත.

பிரித்தெடுப்பு

இலங்கைச் சுங்கம் மற்றும் இலங்கை துறைமுகங்கள் அதிகாரசபை போன்ற வர்த்தகச் செயன்முறையில் முன்னணி வகிக்கின்ற முகவரங்கள் தொடர்பில் வர்த்தகத்தை மேம்படுத்துவதற்காக தன்னியக்கச் செயற்பாடு, உட்கட்டமைப்பு வர்த்தக வரிவுபடுத்தல் மற்றும் ஏனைய செயற்பாடுகள் ஊடாக வர்த்தகம் மற்றும் போக்குவரத்து துறைக்கு வசதியளிப்புக்களைச் செய்வதற்காக அண்மைய ஆண்டுகளில் பிரதான முன்னெடுப்புக்களை இலங்கை செய்துள்ளது. இலங்கை, 2016 மே மாதத்தில் உலக வர்த்தக ஸ்தாபனத்தின் வர்த்தக உடன்படிக்கையினை உறுதிப்படுத்தியதுடன் இந்த உடன்படிக்கையானது அமுலுக்கு வரும் போது இனங்காணப்பட்ட வர்த்தக வசதியளிப்புக்கள் தொடர்பாக அர்பணிப்புக்களை இந்த உடன்படிக்கை ஏற்படுத்தும். இந்த அபிவிருத்திகளுக்குப் புறம்பாக, சிங்கப்பூர் போன்ற உயர் செயலாற்றுகை மட்டங்களில் வசதியளிப்புக்களை வழங்குகின்ற நாடுகளுடன் ஒப்பீடு செய்யும் போது இலங்கை பின்தங்கிய நிலையில் உள்ளது. இலங்கை ஒரு தீவாக பொருளாதாரமாக இருப்பதுடன் அதன் அமைவிடம் தென் ஆசிய அயல் நாடுகளின் அமைவிடங்களையும் பார்க்க சிறந்ததாக திகழ்வதனால் வர்த்தகத்திற்கு ஒத்துழைப்பு வழங்குவதற்கும் வர்த்தகம், முதலீடு மற்றும் பொருளாதார வளர்ச்சியில் உயர் மட்டத்தை அடைந்து கொள்வதற்கும் ஏதுவாக உள்ளது. இந்தப் பின்னணியில், இந்த ஆய்வானது (அ) இலங்கையின் வர்த்தக ஒத்துழைப்பு வழங்குவதில் அதன் தற்பொழுதைய நிலைமை தொடர்பாக பிரவேசிப்பதற்கும் (ஆ) நாட்டினதும் முன்னுரிமை படுத்தப்பட்ட விடயங்களின் வர்த்தக ஒத்துழைப்பு மறுசீரமைப்புக்களை இனங்கண்டு கொள்வதற்கும், இலக்கு வைத்துள்ளது. ஏற்றுமதியாளர்கள், இறக்குமதியாளர்கள், கப்பல் சரக்கு கையாள்பவர்கள், கப்பல்கள் போக்குவரத்துச் சேவைகள், விமானப் போக்குவரத்து செயற்படுத்துனர்கள் மற்றும் ஏனையோர் உள்ளடங்கலான இறக்குமதி .: ஏற்றுமதி செயற்பாட்டில் ஈடுபட்டுள்ள பல்வேறுபட்ட துறைகளில் ஆர்வம் கொண்டவர்கள் 121 பேர் மத்தியில் மனோபாவ நோக்கு ஆய்வொன்றினை அடிப்படையாகக் கொண்டதாக ஆய்வின் முடிவுகள் உள்ளன. வர்த்தகத்துடன் தொடர்புடைய சட்டதிட்டங்கள் மற்றும் ஒழுங்குவிதிகளுடன் தொடர்புடைய வெளியீடுகள், ஏற்றுமதி மற்றும் இறக்குமதி தொடர்பான சட்டதிட்டங்களும் ஒழுங்குவிதிகளும், வர்த்தகத்துடன் தொடர்புடைய உட்கட்டமைப்பு மற்றும் சேவைகள், வர்த்தக ஒத்துழைப்பு தொடர்பான முன்னுரிமை பிரதேசங்கள் தொடர்பில் தகவல்கள் சேகரிக்கப்பட்டன. இவற்றுக்கு மேலதிகமாக, மிக முக்கியமான அரச மற்றும் தனியார் துறை நிறுவனங்களுடன் இந்த தகவல் அறிதல் நேர்காணல்கள் மேற்கொள்ளப்பட்டன. வர்த்தக ஒத்துழைப்பு தொடர்பான நடைமுறை நிலைமைக்கு மேலதிகமாக, வழங்கப்பட்ட சேவைகளின் தரம் மற்றும் வினைத்திறன் பற்றி இத்துறை தொடர்பாக அக்கறை காட்டுனர்களின் மனோபாவத்தை இந்த கண்டறிதல்கள் வெளிப்படுத்துகின்றன. பிரத்தியேக விசாரணைப் புள்ளியொன்று, பிரதான முகவரங்களின் மனோநிலை மாற்றம் மற்றும் மற்றுமல்லாது தனியார் துறை, நாட்டின் பரிசோதனை ஆய்வு கூடங்களின் இயலாவினைக் கட்டியெழுப்பல், அதிகமான உற்பத்திகளுக்கான முன் வருகை செயன்முறை வசதியளிப்பு விஸ்தரிப்பு, மேம்படுத்தப்பட்ட களஞ்சியசாலைகள் மற்றும் பரிசோதனை வசதியளிப்புக்கள், புகையிரதப் போக்குவரத்து மேம்பாடுகள் மற்றும் தன்னியக்க முறைமைகள் தொடர்பான தேவைகளை இந்த கண்டறிதல்கள் முக்கியப்படுத்தி வெளிக்காட்டுகின்றன. நூயுறுவநு இனால் பிராந்திய ரீதியிலானதொரு ஆய்வொன்றை மேற்கொள்வதற்கு இந்த ஆய்வுக் கண்டறிதல்கள் ஏதுவாக அமையும்.