

| Content | page no. |
|--|-----------------|
| Introduction | 01 |
| Vision | 02 |
| Mission | 02 |
| Functions | 03 |
| Output | 03 |
| Staff | 04 |
| Information Technology and Management | 06 |
| Enhancement of Service | 07 |
| Training and Capacity Building | 07 |
| New Regulations Published in 2016 | 11 |
| Revenue Analysis-2016 | 16 |
| Expenditure Analysis-2016 | 17 |
| Revenue and Expenditure Analysis | 19 |
| Number of license and income generated during last 5 years | 20 |
| Review of income and License data during last 5 years | 22 |
| Annexure 01- Organizational Structure | 24 |

Introduction

The Department of Import and Export Control was established in 1969 by the Import and Export (Control) Act No. 01 of 1969 with the objective of controlling of imports and Exports of Sri Lanka. This department plays a major role in the economy of the country as a regulatory body which is responsible for the imports and exports being subjected to a license requirement. Prior to 1977, there were a lot of restrictions for import and exports which resulted in a heavy volume of work for the department. This year department completes 47 years of service to the nation.

At present role of the Department has expanded from controlling mechanism to a regulatory approach (or regulator) and with a future perspective of guardian of the country with respect to international trade, while promoting and facilitating of country's international trade integration. Specially, National security, health concerns, environmental sustainability and social welfare of general public are considered as priorities. Standardization of import and export items is conducted to protect local industries, environment and people of the country. Money laundering is also controlled by implementing necessary policy frameworks together with the exchange control department.

Necessary steps have been taken to control or ban critical items that has harmful effect to the environment and public security according to the International Conventions such as Basel, Rotterdam and Stockholm's. Eg. Banning of Glyphosate. Further, two third of the shelf life is an essential requirement for importation of pharmaceuticals and it is a critical step that has been taken to avoid expired drugs.

Import and Export Control Department has planned to implement automated computerized system link with other agencies to ensure providing efficient and effective service to the trade community.

Since, Sri Lanka situated in a prime location in the Indian Ocean and mid of the Silk Road, world has identified Sri Lanka is a good trans-shipment point for international trade. Apart from that Chinese and Indian trade expansion policies give us a sign to develop a sound policy framework in the boarder protection and international trade relations. Import and Export Control Department strengthen the policy protection during maintaining a good trade relationship with other countries.

Vision

To safe guard the community and environment for better future.

Mission

“Implementation of import and export policy decisions taken by the government from time to time in relation to security, economy, public health and environment etc. of the country in accordance with the Import and Export Control Act No.1 of 1969”

Functions

- Publish or make regulations required to implement government policies on import and export.
- Control of the importation and exportation of selected commodities or items subject to issuance of import and export licenses.
- Assist the Director General of the Customs and Banks pertaining matter on import and export control regulations.
- Issuing operational instructions related to import and export control regulations to the commercial banks.

Output

- During the year 2016, the mission of the Department was accomplished by way of issuing 15498 licenses for the benefit of the country and its economy, subject to the import s and export control.
- Regularization of import control by debits subsequent to the receipt of verification that the goods were imported in compliance with the license.
- Granting licenses on the basis of foreign exchange not being spent on importation as per the import and export control policies.
- Giving necessary assistance to the Director General of the Customs and the Controller of Exchange in the event of non compliance with import and export control regulations
- Issuance Operational guidelines pertaining to import and export control to the commercial bank.
- Collection of revenue amount of Rs. 1370 million as license fee and crediting the amount to the Consolidated Fund.

Staff

Following permanent staff of the department served to carry out the administrative functions, i.e. issuance of import and export licenses, debiting, and collection of revenue and for activities related to policy planning as well. (Table I)

The staff committed collectively with responsibility to accomplish services of the Department of Import and Export Control at optimal level while providing effective and efficient service to the clients in friendly manner.

The Staff as at 31.12.2016

Table No. 01

| N o | Designation | Salary Code | Service | Approved Designations | Existing up to 31.12.2016 | Deficit |
|--------|---------------------------------------|--------------|---|-----------------------|---------------------------|---------|
| 1 | Controller General of Import & Export | SL3 - 2016 A | Sri Lanka Administrative Service -Special | 1 | 1 | 0 |
| 2 | Controller of Import & Export | SL1 - 2016 A | Sri Lanka Administrative Service - I | 1 | 1 | 0 |
| 3 | Assistant Controller | SL1 - 2016 A | Sri Lanka Administrative Service - II/III | 7 | 4 | 3 |
| 4 | Accountant | SL1 - 2016 A | Sri Lanka Accountancy Service - II/III | 1 | 1 | 0 |
| 5 | Internal Auditor | SL1 - 2016 A | Sri Lanka Accountancy Service - II/III | 1 | Acting | 1 |
| 6 | Administrative Officer | MN7 - 2016 A | Public Management Assistant Service - Supra Class | 1 | 1 | 0 |
| 7 | Translator | MN6 - 2016 A | Language translator Service | 2 | - | 2 |
| 8 | Information Technology Officer | MN6 - 2016 A | Sri Lanka Information Technology Service | 1 | 2 | 0 |
| 9 | Investigation Assistant | MN4 - 2016 A | Departmental | 2 | 2 | 0 |
| 10 | Research Assistant | MN4 - 2016 A | Departmental | 1 | 1 | 0 |

| | | | | | | |
|--------------|----------------------------------|--------------|--|------------|-----------|-----------|
| 11 | Policy & Planning Assistant | MN4 - 2016 A | Departmental | 1 | 1 | 0 |
| 12 | Information Technology Assistant | MN4 - 2016 A | Departmental | 1 | 1 | 0 |
| 13 | Data Management Assistant | MN4 - 2016 A | Departmental | 1 | 1 | 0 |
| 14 | Budget Assistant | MN4 - 2016 A | Departmental | 1 | - | 1 |
| 15 | Development Officer | MN4 - 2016 A | Development Officer Service-I/II/III | 4 | 2 | 2 |
| 16 | Public Management Assistant | MN2 - 2016 A | Public Management Assistant Service-I/II/III | 57 | 48 | 9 |
| 17 | Drivers | PL3 - 2016 A | Drivers Service | 5 | 5 | 0 |
| 18 | Office Assistants | PL1 -2016 A | Office Assistant - I/II/III | 15 | 7 | 8 |
| Total | | | | 103 | 78 | 26 |

Summary of the Staff as at 31.12.2016

Table No. 2

| No | Designation, Service and Grade | Approved Cadre | Actual Cadre | Deficits |
|--------------|--------------------------------|----------------|--------------|-----------|
| 1 | Staff Grade | 12 | 8 | 4 |
| 2 | Non-Staff Grade | 71 | 57 | 14 |
| 3 | Primary Level | 20 | 12 | 8 |
| Total | | 103 | 77 | 26 |

06. Information Technology and Management

In early 2014, it was taken almost two days to issue an import/export license from this department. But now it has been reduced to 2 hours with the existing IT management system. However importer should submit hard copies of the documents issued by recommendation authorities.

During the year 2016, preparation for upgrading the existing IT management system has been done. This system upgrade focused on three main objectives.

1. Reducing the processing time
2. Ensure the reliability of the documents and recommendations
3. Increase efficiency.

Apart from that identification of external authorities to be linked with Import and Export Control Department also been completed last year. Specially, in the process of issuing licenses this department has recognized the direct interrelationship among external institutions becomes a major factor in order to implement new computer system effectively. There are a number of institutions directly connected with this department that provide recommendations for issuance of licenses. For example:

- Sri Lanka Customs
- Department of Motor Traffic
- Office of the Registrar of Pesticides
- National Drugs Control Unit
- National Medicine Regulatory Authority
- Ministry of Petroleum Resources Development etc.

By connecting those institutions directly to the Imports and Exports Control Department, it is identified that there will be more efficient service and less irregularities.

Enhancement of the Service

A number of various measures have been taken by the Department to upgrade the services. Such as alteration of the Departmental structure, introduction of the highly efficient and effective computer system, provision of training opportunities to the staff in order develop the capacities and continuous growth of their carrier.

The department has moved over to a (automated) solution which handles the complete process from the point of raising an application to the point of generating the licenses, and monitoring of debits against the licenses. This includes the receipting process as well.

License issuing and debiting system have been linked with Sri Lanka Customs to transfer the license information electronically as soon as it is generated and to receive the information from Customs on debits to facilitate the debiting process.

Systems to be connected online with all the recommendation authorities to receive the recommendation directly to license issuing and debiting system, It will be able to provide easy and rapid service to the customers by connecting to the new license issuing procedure.

Accordingly, it is obvious that the direct and indirect measures could be taken to upgrade the services which should be provided to business community and the general public equally and impartially and the Department was able to provide such services efficiently, effectively and accurately.

Training and Capacity Building

During the year 2016, Officers of the Department in all levels have been directed for local and foreign training as mentioned below, with a view to enhancing their knowledge and attitudes in order to carry out the functions of the Department efficiently and effectively.

Training Programs**Local Training Programs for Associated Officers / State Management Assistants / Office Assistants****Table 3**

| No | Institute | Course of Training | Number of staff | Date/Dates | Amount of spend |
|-----------|---|--|------------------------|-------------------|------------------------|
| 1 | CIDA | Training course on Scientific & Safety driving For Drivers | 01 | 2016.03.01 | Rs.3,000.00 |
| 2 | Nipunatha piyasa | Training course on Procurement of Information Technology equipment | 02 | 2016.03.14/15 | Rs.17,000.00 |
| 3 | Ministry of Power & Energy | Energy Conservation & Evaluation | 02 | 2016.04.05 | |
| 4 | PRAG' Institute | Training course on Formal Bank & Cheque | 02 | 2016.04.07 | Rs.12,000.00 |
| 5 | SLIDA | Advanced Excel | 01 | 2016.05.12/17 | Rs.16000.00 |
| 6 | Nipunatha piyasa | Training Course on Office Equipment Maintain | 02 | 2016.05.26/27 | Rs.17,000.00 |
| 7 | National Library & Information System Authority | Training Course regarding Library Software usage | 02 | 2016.06.15 | Rs.10,000.00 |
| 8 | SDFL | Training Course regarding Personal Files Maintaining | 02 | 2016.06.20/21 | Rs.17,000.00 |
| 9 | PRAG' Institute | Training Course regarding Formal Letters Writing & Filing | 01 | 2016.07.12 | Rs.6000.00 |
| 10 | Nipunatha piyasa | Training course aimed on EB Exams | 03 | 2016.08.05./06 | Rs.24,000.00 |

| | | | | | |
|----|--|---|----|------------------|------------|
| 11 | PRAG' Institute | Training Course regarding Salary Management & Translation | 01 | 2016.10.11 | Rs.6000.00 |
| 12 | Sri Lanka Atomic Energy Regulation Council | National Training Course on “Nuclear or Radiological Emergency Preparedness & Response” | 02 | 2016.12.07/08/09 | - |
| 13 | Ministry of Mahaweli Development and Environment | Training course on “Polychlorinated Biphenyl’s usage” | 03 | 2016.12.19 | - |
| 14 | Embassy of United States | International Dual use Investigation Program | 02 | 2016.12.12 - 16 | - |
| 15 | SDFL | Work shop on “ Role & Responsibilities of office Aids” | 01 | 2016.12.19/20 | - |

Local Training Programs for Staff Grade Officers

table 4

| No | Institute | Course of Training | Number of Staff | Date/Dates | Amount of spend |
|----|-----------------------|--|-----------------|-----------------|-----------------|
| 1 | Cinnamon Lake side | Follow up Seminar on Sida International Training Program “ Quality Infrastructure Development in Training Program” | 01 | 2016.01.23 - 30 | - |
| 2 | Comfort International | Conflict Management & Negotiations for Managers & Executives | 02 | 2016.02.20 | Rs.13,000.00 |
| 3 | PRAG Institute | Information System Audit | 01 | 2016.07.24 | Rs.6,000.00 |
| 4 | MILODA Institute | Public Procurement Policy & Guidelines | 01 | 2106.08.26 | Rs.6,750.00 |
| 5 | PRAG Institute | Salary Management and Conversion | 01 | 2016.10.11 | Rs.6000.00 |
| 6 | SDFL | Stores Management & Purchasing Procedures | 01 | 2016.11.24/25 | Rs.8,500.00 |

| | | | | | |
|---|--------------------------|---|----|-----------------|--------------|
| 7 | SDFL | Workshop on Tax System & Taxation Proposals of the Budget -2017 | 02 | 2016.12.22 | Rs.10,000.00 |
| 8 | Embassy of United States | International Dual use Investigation Program | 01 | 2016.12.12 - 16 | - |

International Training Programs for Associated Officers table 5

| No | Country | Course of Training | Number of staff | Duration |
|----|---------|--|-----------------|-------------------------|
| 1 | China | Seminar for Diplomats from South Asian Countries | 01 | 2016.11.02 – 2016.11.24 |

International Training Programs for Staff Grade Officers table 6

| No | Employee Name | Course of Training | Country | Duration |
|----|-------------------------|--|---------|-------------------------|
| 1 | China | Seminar on Import Export Commodity Quality Inspection for Developing Countries | 01 | 2016.03.30 – 2016.04.23 |
| 2 | United State of America | Export Control and Related Borders Security Program | 01 | 2016.05.08-2016.05.15 |
| 3 | Czech Republic | 15 th International Export Control Conference | 01 | 2016.11.02 – 2016.11.04 |
| 4 | Bangkok | Precursor Chemical Control for Asian Narcotics Law enforcement officers | 01 | 2016.11.21 2016.11.28 |

New Regulations published during the year 2016

Implementing the policies of the Government in respect of importation and exportation, the following Extraordinary Gazette Notifications were published to declare and enforce new regulations.

Regulations under Imports and Exports Control Act No.1 of 1969**table 7**

| The date of issuing Gazette Extraordinary | Gazette Extraordinary No. | Contents |
|--|------------------------------|--|
| 11.02.2016 | 1953/27 | Regulation on import of water fittings to Sri Lanka |
| 11.02.2016 | 1953/28 | Regulation on use vehicles, vehicle parts, used computers and household appliances |
| 07.06.2016 | 1970/9 | Regulations on age limits for importation of vehicles and quality standards of helmets |
| 11.11.2016 | 1992/74 | Canned fish brought under Import License requirement |
| 30.12.2016 | 1999/47 | Regulation on age limit for importation of vehicle and inclusion of synthetic lubricant into controlled list |

1. Extraordinary Gazette No.1953/27 dated 11.02.2016**Regulation on import of water fittings to Sri Lanka**

- The Government of Sri Lanka has given priority to provide safe drinking water supply for all people by 2025 and to provide piped water to 60% out of total population by year 2020.

- National Water Supply and Drainage Board (NWSDB) provides drinking water for 1.5 million families at present and also expected to increase the coverage up to 60% by year 2020. According to NWSDB data, cost of water production is Rs.160.00 per m³.
- However, the purified water is wasted through the distribution system and in the domestic level due to the leakages in plumbing system because of the poor quality water fittings and poor plumbing practice, wastage of leakages of water is 250,000m³ per day.
- Therefore, minimization of water leakages saves huge amount of money and this money can be invested on expansion of activities of distribution of piped water.
- In order to achieve this objective float operated valves were taken to product conformity assessment procedure prior to entry of market both from local and foreign.
- Having considering the above fact, Extraordinary Gazette No.1953/27 dated 11.02.2016 has been published for maintaining the high standards of water equipment in Sri Lanka and for quality controlling and checking whether water equipment are in conformity with the specifications.
- The Extraordinary Gazette was submitted on 8th of March 2016 to the parliament and has been approved on 22nd of July 2016.

2. Extraordinary Gazette No.1953/28 dated 11.02.2016

Regulation on use vehicles, vehicle parts, used computers and household appliances

- License fees were prescribed and levied for the commodities subjected to import or export control as per the legal provisions of Import and Export Control Act No 01 of 1969. Accordingly Gazette (Extra Ordinary) No 1518/4 dated 08.10.2007 has been published and license fees were levied.
- It has been further amended by the Gazette(Extra Ordinary) No 1919/49 dated 18.06.2015.
- Above Gazette Notification could not be tabled in the parliament since parliament was dissolved.
- Therefore License fees and other charges were republished by the Gazette (Extra Ordinary) No 1953/28 dated 11.02.2016. Accordingly Gazette (Extra Ordinary) No

1953/28 dated 11.02.2016 was submitted on 9th of March 2016 to the parliament and has been approved on 22nd of July 2016

3. Extraordinary Gazette No.1970/9dated 07.06.2016

Regulations on age limits for importation of vehicles and quality standards of helmets

- Special safety helmets worn during motor vehicle / motor cycle racing or sporting events and helmets not covering the back of the skull has been subjected to import control licensing for safety reasons by the budget proposals 2016. Further, in order to facilitate development projects, allowed age limit for importation of the special purpose vehicles such as Crane Lorries and Concrete Mixtures were extended from seven years to ten years. As per the above decisions Helmets would have to be subjected to import control licensing and age limit of the special purpose vehicles would have to be extended from seven years to ten years by repealing the existing regulations.
- Age limits for imports of vehicles categorized under H.S. 8702 has been extended from five years to ten years from first registration and vehicles categorized under H.S. 8703 has been extended from two years to three years from first registration according to the amendment of revenue protection order. Accordingly, motor vehicles categorized under HS.8702 exceed ten years and HS. 8703 exceed three years from the first registration are subjected to Import Control Licensing requirement. Since Gazette Extraordinary No 1903/41 dated 26.02.2015 was published repealing existing regulations. However, it could not be tabled in the Parliament within the period of one month.
- Therefore, Gazette (Extra Ordinary) No.1970/09 dated 07.06.2016 has been published in order to execute the proposals mentioned above. It was submitted on 1st of July 2016 to the parliament and has been approved on 22nd of July 2016

4. Extraordinary Gazette No.1992/74dated 11.11.2016

Regulation on imported canned fish and mackerel

- Around 20,000MT of canned fish is imported to Sri Lanka annually to cater the existing demand and it is annually expended 5 Billion Rupees of foreign exchange. Therefore, with the objective of encouraging local production of canned fish, it was imposed a special commodity levy on imported canned fish to control the imports from the year 2012.
- In order to provide a relief for consumers, the government has taken steps to reduce the special commodity levy imposed on imported canned fish with effect from 2015 and control the consumer prices of the imported canned fish by imposing a maximum price.
- The volume of imported canned fish has gone up steeply in 2015 to 49,016 metric tons which is more than double of the imports in previous year, incurring a foreign exchange outflow of 11.9 Billion Rupees. Imposing a maximum price control for imported canned fish has forced to close down the operation of local canned fish manufacturing factories and newly established fish canning factories due to the inability of operating profitably as their cost of production exceeds the market value of the imported canned fish.
- Hence, in order to ensure the entrance of quality products into the local market while protecting the local manufacturers, cabinet decision has been taken by the Cabinet Paper No. 16/0093/725/003 dated 12th January 2016 to bring canned fish under Import Control License requirement.
- Due to the relief of levy on importation of frozen mackerel under H. S. Code 0303.54 applies to all importers irrespective of whether they produce canned fish or not, some importers have imported large quantities of mackerel and release them to the local market. This has had a very adverse impact on local small scale fishermen since such release to the local market has resulted in a lowering of the producer prices of fish.
- Hence, in order to grant the duty concession for importation of mackerel fish only for the local canned fish manufacturers, the cabinet decision has been taken by the Cabinet Paper No. 16/0093/725/003 dated 12th January 2016, to bring the mackerel fish under Import Control License requirement. Accordingly, Gazette (Extraordinary) No.1992/74

dated 11.11.2016 has been published in order to execute the proposals mentioned above and other following objectives

- Protecting local fisheries industry
 - Protecting local canned fish manufacturers
 - Control entering of low quality products to the local market
 - Control canned fish prices and quantity of imports
- The gazette was submitted to the parliament on 06.12.2016 and it has been approved on 25.01.2017

5. Extraordinary Gazette No.1999/47 dated 30.12.2016

Regulation on age limit for importation of vehicle and inclusion of synthetic lubricant into controlled list

Motor vehicles and vehicle bodies

- As per the budget proposal 2017, two main categories of changes have been made for the import control regulations regarding the importation of vehicles.
- 16 new H.S. Codes were introduced for the vehicles and vehicle bodies for the purpose of easy administration of vehicle importation with the new taxation system.
- These new H.S. Codes were created for Hybrid vehicles based on the engine capacity and for the electric vehicles based on the energy conversion separately for the solar power charge vehicles and vehicles powered by the external electric sources. Vehicle bodies for the motor vehicles have been further classified according to the accessories equipped with
- Extension of the age limits of tankers, browsers, refrigerated trucks and other vehicles for the transport of goods up to ten years from five years this has been done with large number of request made by the construction industry and transportation sector

Synthetic Lubricants

- In terms of the Ceylon Petroleum Corporation Act No.28 of 1961 as amended, all lubricating oils and greases (Whether mineral or synthetic origin) are restricted items and

only duly authorized parties are granted the right to import, export, sell, supply or distribute the same in Sri Lanka

- As per the gazette notification No 1453/6 dated 12th July 2006, 13 selected parties have been granted the authority to import, export, sell, supply or distribute lubricants in Sri Lanka. However, synthetic lubricants are not licensed items under the Import and Export Control Act. Even if we identified synthetic lubricant separately from HS Code 3403, both mineral and synthetic lubricants are produced by using mineral products. Only the production process varied from each other.
- Since synthetic lubricant is an environment friendly product comparatively lower import tax rate is determined. In order to enjoy the lower tax benefit lubricant importers import mineral lubricant and declare as synthetic at the customs.
- Apart from that, synthetic lubricant is not a license product, those importers who do not have authority to import lubricant also import mineral lubricant by declaring them as synthetic.
- Therefore, Government loose the income which should be borne by importing mineral lubricant and observed lower quality lubricant product import to the market. In order to prevent such malpractices and to ensure the government revenue, synthetic lubricants brought under Import Control License (ICL) requirement.
- Accordingly, Gazette (Extraordinary) No.1999/47 dated 30.12.2016 has been published in order to execute the proposals mentioned above and it was submitted the parliament on 26.01.2017.

Revenue Analysis- 2016

Estimated revenue for the year 2016 was Rs. 1100 million, The Department was able to earn revenue of Rs. 1370 million in the year 2016. The Revenue has increased by 25.8% compared to the year 2015 and it can be classified as follows.

Licensing Revenue -Rs.1,370,847,281.23

Above revenue is included the additional charges and revised charges

I. Revenue

Details of revenue have been given in below Table

table8

| Description | Actual Revenue- 2015 Rs. | Estimate Approved-2016 Rs. | Revised Estimate-2016 Rs. | Actual Revenue- 2016 Rs. |
|--------------------------------------|--------------------------------|----------------------------------|---------------------------------|--------------------------------|
| Import and Export License Fees | 1,089,153,993 | 1,100,000,000 | 0.00 | 1,370,847,281 |

Expenditure Analysis– 2016**Recurrent and Capital Expenditure**

A sum of RS.65.875 million has been provisioned in the year 2016 for recurrent and capital expenditure. An expenditure of Rs59.66 million has been incurred. It is 91% of the total provision. Details in this respect have been given below.

Head No : 296
 Ministry : Ministry of Development Strategies and International Trade-
 Department of Import and Export Control
 Program No : 01
 Project : 01

table9

| Description | Actual Expenditure- 2015 Rs. | Estimate Approved- 2016 Rs. | Revised Estimate- 2016 Rs. | Actual Expenditure- 2016 Rs. | Utilization of Provisions % |
|--|---------------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|
| Recurrent | | | | | |
| Personal Emoluments | 39,284,605 | 41,950,000 | 41,950,000 | 40,025,561 | 95% |
| Other Recurrent | 15,106,544 | 18,075,000 | 17,881,000 | 16,294,599 | 91% |
| Recurrent Expenditure Total | 54,391,149 | 60,025,000 | 59,831,000 | 56,320,161 | 94% |

| Capital | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|------------|
| 2001 - Building Constructions | - | - | - | - | - |
| 2003 - Vehicles | 16,216 | 250,000 | 351,000 | 338,756 | 96% |
| 2102 - Furniture and Office Equipments | 2,331,252 | 5,000,000 | 5,000,000 | 2,321,528 | 46% |
| 2401 - Training and Capacity Building | 308,000 | 600,000 | 693,000 | 679,894 | 98% |
| Capital Expenditure Total | 2,655,468 | 5,850,000 | 6,044,000 | 3,340,178 | 55% |
| Grand Total | 57,046,617 | 65,875,000 | 65,875,000 | 59,660,338 | 91% |

Financial Sources

Measures have taken to spend the provisions allocated under the local funds by the Consolidated Fund, effectively and efficiently.

Table No.10

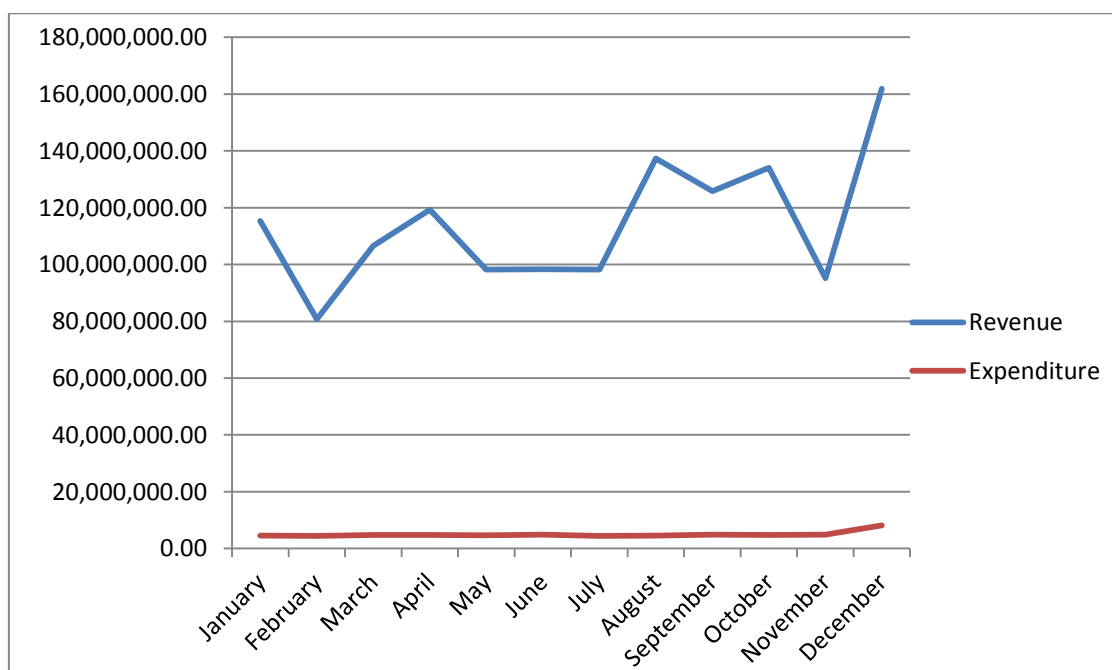
| Description | Actual Expenditure-2015 Rs. | Estimate Approved-2016 Rs. | Revised Estimate-2016 Rs. | Actual Expenditure-2016 Rs. |
|---------------------------------------|--------------------------------|-------------------------------|------------------------------|--------------------------------|
| Consolidated Fund 11 - Local Funds | 57,046,616.00 | 65,875,000.00 | 65,875,000.00 | 59,660,338.39 |
| Total Expenditure | 57,046,616.00 | 65,875,000.00 | 65,875,000.00 | 59,660,338.39 |

Revenue and Expenditure Analysis- 2016

The Department has earned a revenue of Rs.1,370 million spending Rs.59 million. Monthly income and expenditure summary is as follows. (Table No.11)

table 11

| Month | Revenue | Expenditure |
|--------------|-------------------------|----------------------|
| January | 115,368,345.37 | 4,593,953.14 |
| February | 80,768,448.15 | 4,411,098.56 |
| March | 106,526,814.36 | 4,763,535.43 |
| April | 119,322,762.46 | 4,804,437.34 |
| May | 98,170,125.13 | 4,634,013.02 |
| June | 98,322,458.53 | 4,856,921.30 |
| July | 98,193,819.16 | 4,463,009.45 |
| August | 137,281,230.76 | 4,496,721.70 |
| September | 125,763,491.81 | 4,923,605.99 |
| October | 134,070,446.44 | 4,763,142.56 |
| November | 95,155,721.07 | 4,847,103.96 |
| December | 161,903,618.02 | 8,102,795.94 |
| Total | 1,370,847,281.26 | 59,660,338.39 |

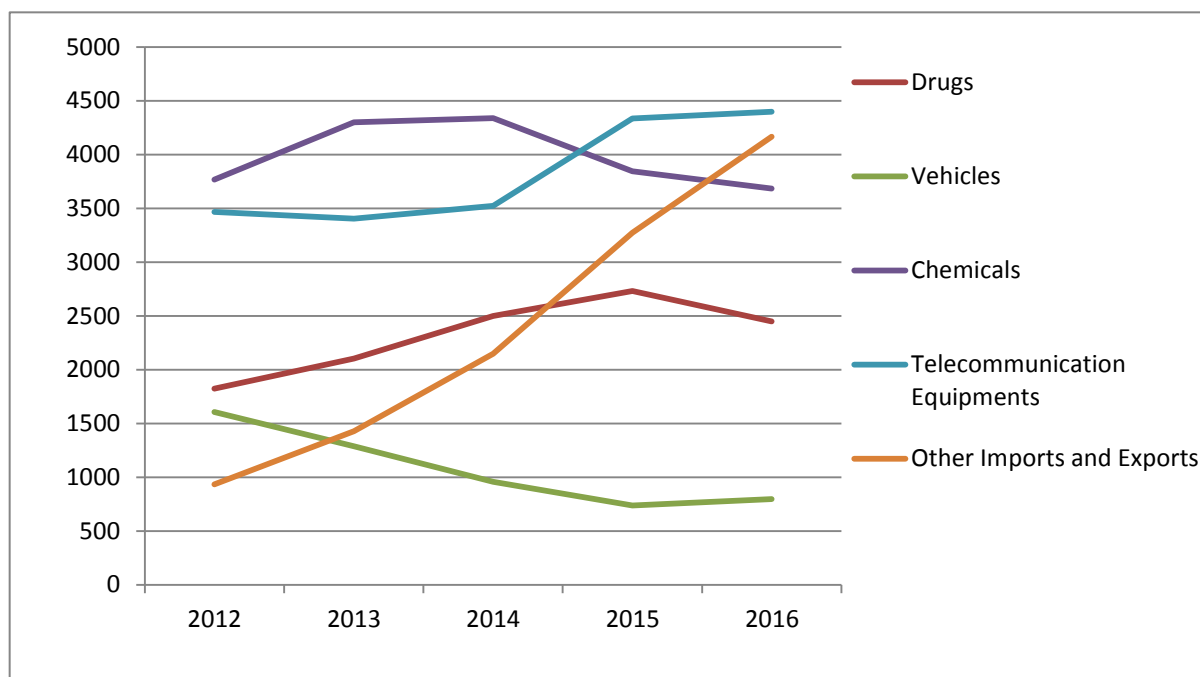


Number of license generated during the last 5 years

Number of license (see graph I)

table 12

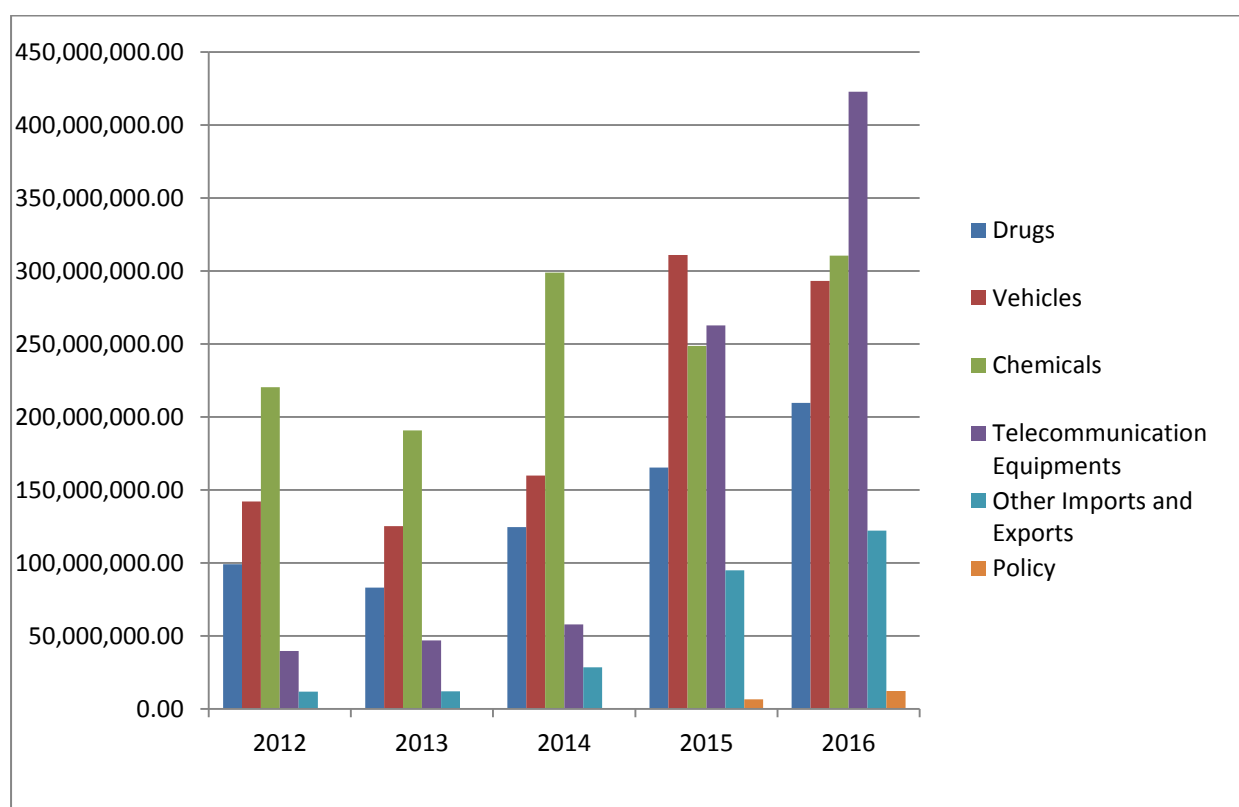
| Items | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------------------|------|------|------|------|-------|
| Drugs | 1823 | 2104 | 2500 | 2732 | 2,450 |
| Vehicles | 1606 | 1288 | 958 | 739 | 797 |
| Chemicals | 3767 | 4301 | 4339 | 3844 | 3,684 |
| Telecommunication Equipments | 3468 | 3406 | 3523 | 4338 | 4,399 |
| Other Imports and Exports | 934 | 1427 | 2148 | 3274 | 4,168 |



License fee income (Rs.) (see graph II)

table 13

| Items | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------------------|--------------------|--------------------|--------------------|----------------------|-------------------------|
| Drugs | 98,973,707 | 83,036,455 | 124,551,191 | 165,323,691 | 209,568,743.70 |
| Vehicles | 141,991,581 | 125,202,590 | 159,721,793 | 311,027,758 | 293,250,180.66 |
| Chemicals | 220,405,559 | 190,727,940 | 298,927,118 | 248,677,073 | 310,511,640.29 |
| Telecommunication Equipments | 39,543,218 | 46,973,837 | 57,901,028 | 262,610,141 | 422,736,764.24 |
| Other Imports and Exports | 11,757,369 | 12,059,178 | 28,414,399 | 94,895,008 | 122,142,866.85 |
| Policy | | | | 6,620,319 | 12,244,795.95 |
| | | | | | 392,289.57 |
| | 512,671,434 | 458,000,000 | 669,515,529 | 1,089,153,990 | 1,370,847,281.26 |



Review of income and license data during last 5 years

Number of license issued during the last 5 years by the respective units is shown above. It is observed even the number of license decreased during the year 2016 license income has gone up. This may be due to depreciation of rupee on US dollar during the year 2016.

Drugs – Unit 1

Even though, Number of license issued to import of drugs has been slightly gone down, income has gone up. Income increase occurs due to rupee depreciation and importer might have predicted drugs requirement will increase and they have taken large number of block license during last year.

Vehicle – Unit 2

Even if the number of license issued to import used vehicles went down during the year 2015 slight increase can be observed in year 2016, licence income has gone up during last two years with compared to the year 2014. This increase recorded due to the revision of license fee Gazette Notification on 18th June 2015 and 11th Feb 2016.

Chemical – Unit 3

Highest number of license issued and income generated for import of chemicals recorded in 2014, but during the year 2015 and 2016 number of license issued have gone down continuously. But income has gone up during the 2016 due to rupee depreciation. Petroleum products are the main part of chemicals and it is used for production processors in the country. During the year 2015 and 2016 production sector of the economy shown less expansion and it affects the drop of chemicals imports.

Telecommunication Equipments and other – Unit 4

Telecommunication equipments have been recorded rapid increase issuing number of licences and generated increasing income. Mobile phone import is the main component among importation of telecommunication equipments. During the year 2015 and 2016 telecommunication sector has recorded expansion and several massive projects have been implemented during those two years

Other Imports and Exports – Unit 5

Other imports such as project related telecommunication material and equipments have been increased during the year 2015 and Unit 5 started issuing license for the items which are registered under BOI.

Policy Division

Policy is one of the main divisions in the Imports and Exports Control Department and its main activities are implementation of new regulations, revise existing regulation and review current regulation according to the Import and Export Control act. 1 of 1969

As well as publishing necessary regulation by Gazette Notification to control imports and export of goods by bringing into license control according to the Government interest.

Apart from that, assist importers and exporters to solve problems during the process of business work as the service provider by providing necessary instruction and guidelines to commercial banks and Sri Lanka Customs Department.

Prepare periodical Activity plans, policy frameworks, progress reports, performance reports.

According to the Extra Ordinary Gazette Notification No. 1917/24 dated 3rd June 2015, charges are applied for the approvals given by policy matters from that date. During the year 2016, 12.2 million rupees were recorded as the income of policy division.