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## Imports and Exports Control Department

### 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 the importation and Exportation of the country. 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.

The present role of the Department has expanded from acting as a 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 have harmful effect to the environment of public security, Eg. 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 planed to implement automated computerized system link with other agencies to ensure providing efficient and effective service to the trade community.

## **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

- Publications of regulations required to implement government policies on import and export.
- Control of the importation and exportation subject to issuance of import and export licenses.
- Assisting the Director General of the Customs and the Controller of Exchange on matters pertaining to import and export control regulations.
- Issuing operational instructions of import and export control regulations to the commercial banks.

## Output

- During the year 2015, the mission of the Department was accomplished by way of issuing 14916 licenses for the benefit of the country and its economy, subject to the import s and export control.
- Regularization of import control by debits of 22724 subsequent to the receipt of verification that the goods were imported in compliance with the license.
- Granting licenses for imports 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 of Operational guidelines pertaining to import and export control to the commercial bank.
- Collection of revenue amounting to Rs.1089 million as license fee and crediting the amount to the Consolidated Fund.
- Renovation of computer system by introducing new computer programs, installation of new information storage system by replacing new computers and accessories and thereby, installation of a formal computer system to issue import and export licenses.

## Staff

The service of the following permanent staff was envisaged 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. (Annexure 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 31.12.2015

Chart No.01

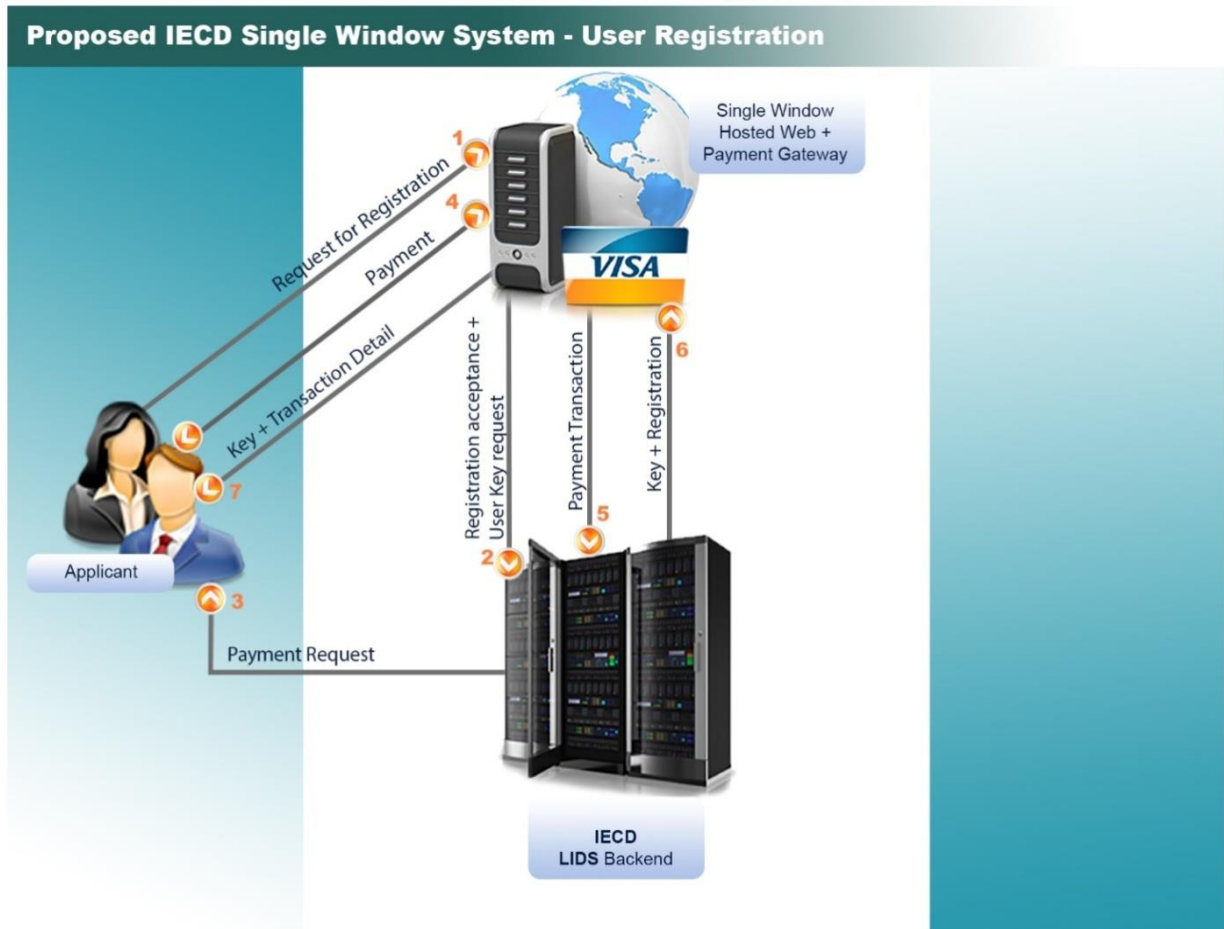
No	Designation, Service and Grade	Approved Cadre	Actual Cadre	Difference/Supernumerary/Vacancies
01	Staff Grade	10	07	03
02	Non-Staff Grade	58	53	05
03	Primary Level	19	17	02
	<b>Total</b>	<b>87</b>	<b>77</b>	<b>10</b>

### Information Technology and Management

In early 2014, it was taken almost two days to issue an import/export license. However, after implementing new computer system to issue licenses during 2014, the same process could be implemented very efficiently & effectively.

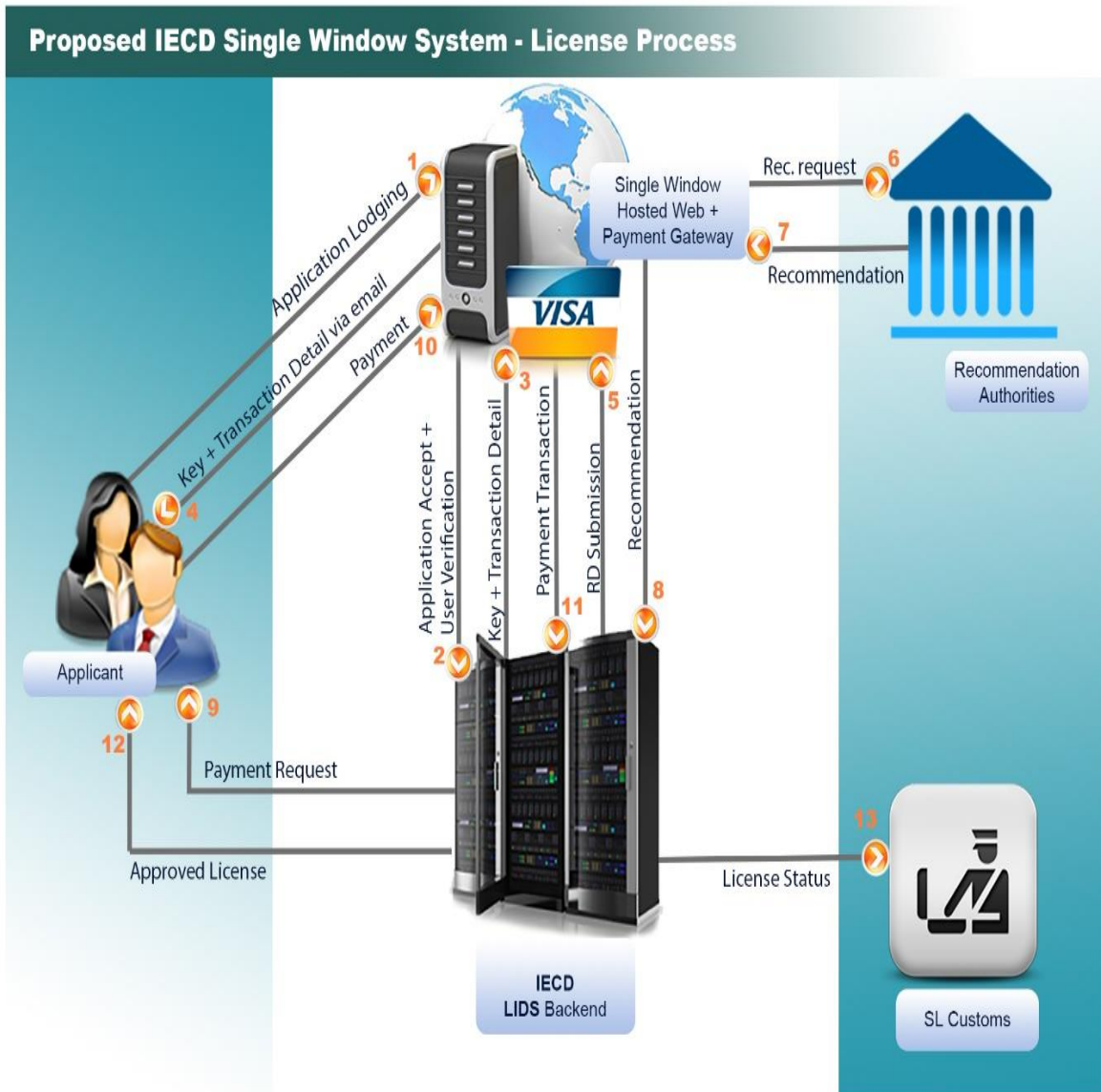
New computer system was implemented in three phases to develop efficient and effective license issuing process.

In the first phase, the timeframe required to issue import and export licenses has been limited to one hour for the applicants those who submit documents with accuracy and the department has been facilitated to debit the license within half an hour.

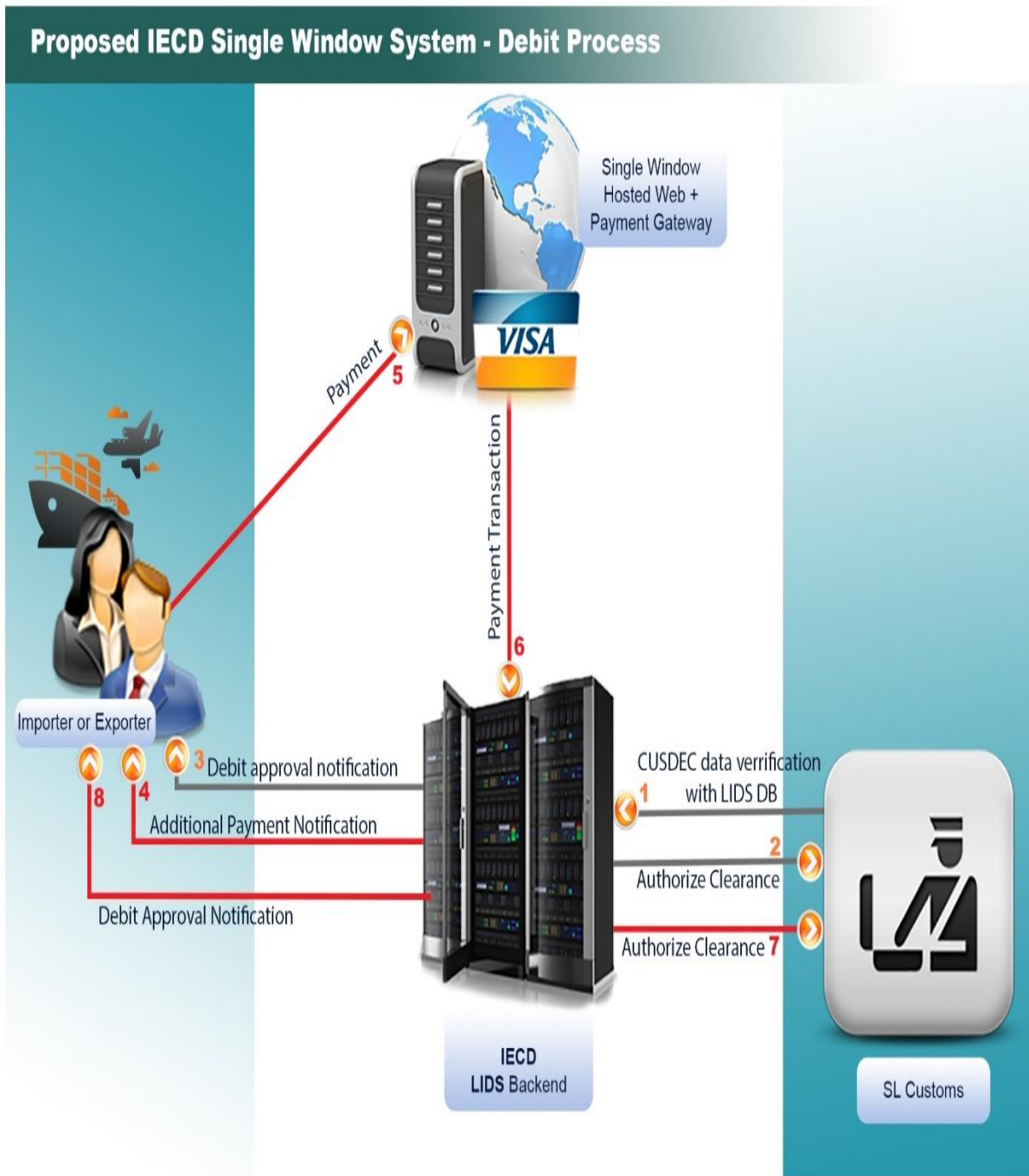


In the second phase, this computer system links with the relevant external bodies. Specially, in the process of issuing licenses this department has recognized the direct interrelationship among external institutions becomes a major factor in order to implement new computer system effectively. There are lots 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..



As a first step of the second phase this department is successfully launched the interrelationship between Sri Lanka customs. As a consequence of this Sri Lanka Customs can authenticate the licenses issued by this department at any time. By using this on line system Sri Lanka Customs can clear the goods with 100% accuracy.



It is decided to link all the relevant external institutions before end of the year 2016.

In the third phase, online application submission system will be launched and the online payment system will be developed.



## Training and Capacity Building

During the year 2015, Officers of the Department 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.

### Local Training

#### I. Staff Officers

- Training Programme on regulatory frame work applicable to Imports & Exports -01
- Certificate in English for Professionals –Level 1 -01
- Workshop on HR Strategy to buildup managerial skills in the public sector -01

#### II. Officers of the Management Assistant Service

- National IT Conference 2015 -01

### Foreign Training

Name of the Officer	Training Courses
Miss. I. N. Weerasekara – Assistant Controller	<ol style="list-style-type: none"> <li>1. Pre-shipment and cracking down on fake and counterfeit product for developing countries – China</li> <li>2. International programme on Advanced Management – AIT Bangkok – Thailand</li> </ol>
Mrs. H. M. P. C. Kumarihamy – Assistant Controller	<ol style="list-style-type: none"> <li>1. Investment &amp; Trade Facilitation – Singapore</li> </ol>
Mrs. P. L. G. Gunarathne – Assistant Controller	<ol style="list-style-type: none"> <li>1. Seminar on quality and safety management of agricultural exports for developing countries – Mongolia</li> <li>2. International programme on Advance Management – AIT Bangkok –Thailand</li> </ol>
Miss. K. N. K Vidyalankara – Assistant controller	<ol style="list-style-type: none"> <li>1. Training programme on Quality infrastructure development in support of world trade – Sweden</li> </ol>

	2. Seminar on Import and Export food inspection officials for developing countries – China
Miss D. C. Jayamali Jayathunga-Policy & Planning Assistant	1. Association of Export and Import Enterprises for developing countries - China

### **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 to 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.

## New Regulations Published During the Year 2015

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.

Table No.02

The date of issuing Gazette Extraordinary	Gazette Extraordinary No.	Contents
29.01.2015	1899/34	Amendment of the description of H.S. Code for Motor Vehicles
26.02.2015	1903/41	Amendment to H.S Code of motor vehicles
30.04.2015	1912/31	Areca nuts are brought under Import & Export License requirement
03.06.2015	1917/24	Amendment of Import and Export control license& Additional Fee
11.06.2015	1918/22	Glyphosate importation to Sri Lanka is Banned
18.06.2015	1919/45	Amendment of import & export license fee for the Areca nuts

## Number of Licenses Issued and License Fees Charged In 2015

Table No.03

No	Description	HS Code	Number of Licenses	License Fee
<b>Unit 01 - Drugs</b>				
1	Western Drugs	400	1928	78,318,085.47
2	Veterinary drugs	410	415	4,556,846.01
3	Ayurveda	420	203	670,363.57
4	Homeopathy	430	08	11,113.04
5	Surgical Accessories	450	178	2,438,451.21
<b>Sub Total</b>			<b>2732</b>	<b>85,994,859.30</b>
<b>Unit 02-Vehicles</b>				
6	On Foreign Exchange Earning	100	08	410,494.50
7	Donations of Foreign Employees	110	-	-

8	Vehicles imported by Foreigners	120	01	4381.30
9	Embassies	130	01	1441.90
10	Donations for Disabled persons	140	02	84,143.55
11	Donations of Social Services Organizations	150	11	439,282.50
12	Residential Foreigners	160	02	92,110.04
13	Importation of Vehicles for Sacred Places	170	01	166,500.00
14	Special Purposes Machines	180	32	25,638,884.48
15	Motor Trailers (used)	185	01	249,750.00
16	Temporary importation for export promotion	190	01	33,300.00
17	Hearses	200	07	360,750.00
18	Air Craft and Helicopter Spare parts	210	71	235,252.03
19	Engines	220	1	1120.00
20	Cabins	230	36	127,681,606.95
21	Body Shells	235	18	560,074.93
22	Used Motor Bicycles	240	20	312,576.73
23	Miscellaneous	250	145	20,181,640.57
24	Vehicles imported by the Offices of the Foreign Service	260	17	129,295.81
25	Heavy Vehicles	270	123	37,942,954.39
26	Heavy Vehicles (LC Permit)	275	04	34,410.00
27	Spare Parts of Vehicles	280	28	349,545.38
28	Tires	285	11	63,623.21
29	Chassis	290	27	7,721,227.12
30	Seats	320	171	13,036,746.24
31	Non Compliance with conditions of Inspections	321	-	-
<b>Sub-Total</b>			<b>739</b>	<b>235,731,111.63</b>
<b>Unit 03 - Chemicals</b>				
32	Chemicals	500	1074	9,224,237.59
33	Petroleum Products	510	920	157,778,397.15
34	Pesticides	520	1373	45,388,499.92
35	Radioactive Materials	530	76	405,062.56
36	Alcohol	540	285	21,571,304.61
37	Animal Products	550	-	-
38	Crops	570	116	12,871,996.28
<b>Sub- Total</b>			<b>3844</b>	<b>247,239,498.11</b>
<b>Unit 04 - Telecommunication Appliances and other</b>				
39	Cigarette Paper	670	611	473,314.58
40	Computers	625	189	25,344,814.90
41	Refrigerant Gases	640	30	123,918.39
42	Printing Machines and Photocopiers	690	157	1,141,959.90
43	Remote Control Toys	660	124	199,668.91

44	Communication Equipment and Mobile Phones	620	2068	34,998,764.81
45	Used Air Conditioners, used Refrigerator and Deep freezers	630	53	260,261.96
46	Used Washing machines	635	28	1,210,049.22
47	Weather Balloons	695	03	12,873.08
48	Air conditioners (brand new)	645	39	724,138.31
49	Mobile phones (used/brand new)	615	1586	186,082,866.49
			<b>4338</b>	<b>250,572,630.55</b>
<b>Sub- Total</b>				
<b>Unit-05-Variou Import and Export</b>				
50	Air Craft Spare Parts	210	11	365,330.26
51	Alcohol	540	49	1,822,025.39
52	Animals and Animal Products	550	1567	27,412,143.63
53	Tea	570	187	1,689,243.44
54	Chemicals and Herbicides	500	32	135,443.46
55	Chemicals ,Agricultural Chemical Herbicides	520	54	261,052.32
56	Coins	610	02	2,208,792.99
57	Explosives and Firearms	600	169	1,339,622.99
58	Pieces of Metal, Debris and other	715	18	715,575.86
59	Waste Metal Debris	710	209	6,684,145.43
60	Miscellanies	250	-	-
61	Petroleum and Petroleum Products	510	25	80,329.12
62	Sludge oil	700	418	3,682,705.23
63	Used Garments	720	65	141,728.53
64	Sports Items	650	08	38,392.65
65	Communication Equipment and Mobile Phones	620	177	31,285,540.37
66	Sawed Timber Pieces	602	10	14,430.04
67	Used Furniture	680	58	3,365,854.40
68	Disposed-cylinders	640	-	-
69	Plastic Food Containers	730	-	-
70	Radioactive Substances	530	-	-
71	Tea	580	204	9,323,760.79
72	Exports	605	01	5,549.99
73	Wood Swarm	440	01	2,220.00
74	Organic Waste	735	09	322,411.01
<b>Sub-Total</b>			<b>3274</b>	<b>90,896,297.90</b>
<b>Total</b>			<b>14,927</b>	<b>910,434,397.49</b>

## Revenue Analysis- 2015

The Department was able to earn revenue of 1089 million in the year 2015. The Revenue has increased by 68.9% compared to the year 2014 and it can be classified as follows.

Licensing Revenue -Rs.1,089,153,993.23

Above revenue is included the additional charges and revised charges

### I. Revenue - 2015

Details of revenue have been given in the Table No.03.

Table No.04

Description	Actual Revenue- 2013 Rs.	Estimate Approved-2014 Rs.	Revised Estimate-2014 Rs.	Actual Revenue- 2014 Rs.
Import and Export License Fees	751,552,566,055	800,000,000	900,000,000	1,089,153,993

### II. Refund From Revenue – 2015

Table No.05

Description	Amount Rs.
Refund - Import and Export License Fees	38,115.41

## Expenditure Analysis– 2015

### I. Recurrent and Capital Expenditure

A sum of RS.54.83 million has been provisioned in the year 2015 for recurrent and capital expenditure. An expenditure of Rs 54.40 million has been incurred. It is 99.22% of the total provision. Details in this respect have been given in the table No 06

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

Program No : 01  
Project : 01

Table No.06

Description	Actual Expenditure-2014 Rs.	Estimate Approved-2015 Rs.	Revised Estimate-2015 Rs.	Actual Expenditure-2015 Rs.	Utilization of Provisions %
<b>Recurrent</b>					
Personal Emoluments	31,537,653	31,400,000	40,980,000	39,284,605	96%
Other Recurrent	14,446,621	16,720,000	17,319,260	15,106,544	87%
Recurrent Expenditure Total	45,984,274	48,120,000	58,299,260	54,391,149	93%
<b>Capital</b>					
2001 - Building Constructions	-	-	-	-	-
2003 - Vehicles	181,948	300,000	300,000	16,216	5%
2102 - Furniture and Office Equipments	7,561,692	4,000,000	4,000,000	2,331,252	58%
2401 - Training and Capacity Building	679,000	600,000	600,000	308,000	51%
Capital Expenditure Total	8,422,640	4,900,000	4,900,000	2,655,468	54%
Grand Total	54,406,914	53,020,000	63,199,260	54,046,616	90%

## II. Financial Sources

Measures have taken to spend the provisions allocated under the local funds by the Consolidated Fund, effectively and efficiently.( Table No. 07)

Table No.07

Description	Actual Expenditure-2014 Rs.	Estimate Approved-2015 Rs.	Revised Estimate-2015 Rs.	Actual Expenditure-2015 Rs.
Consolidated Fund 11 - Local Funds	54,406,915.14	53,020,000.00	63,199,260.00	57,046,616.00
<b>Total Expenditure</b>	<b>54,406,915.14</b>	<b>53,020,000.00</b>	<b>63,199,260.00</b>	<b>57,046,616.00</b>

## Revenue and Expenditure Analysis- 2015

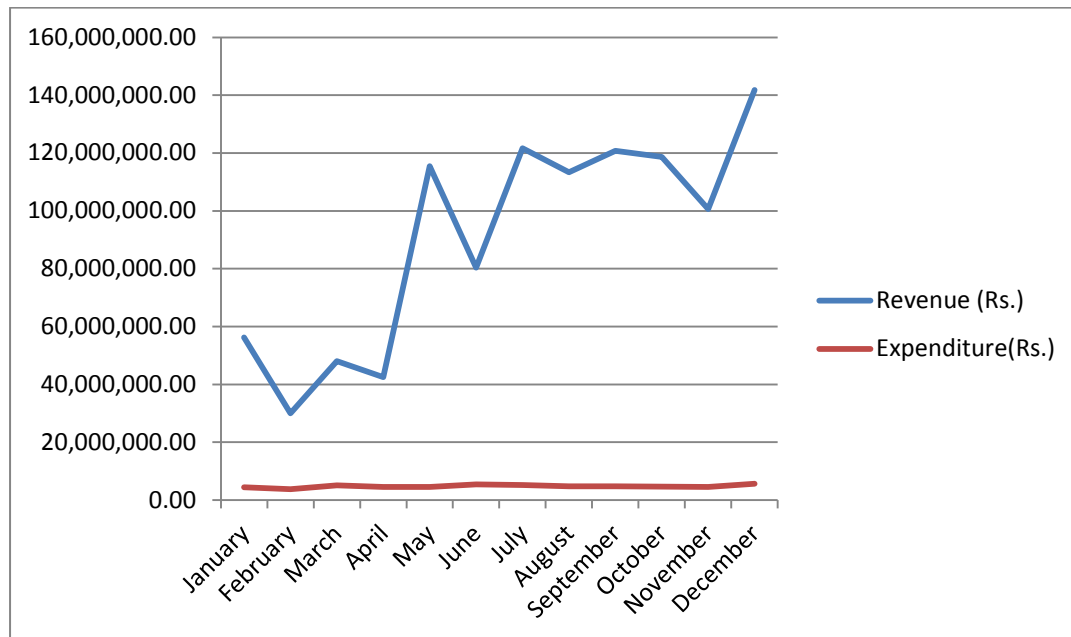
The Department has earned a revenue of Rs.1089 million spending Rs.57 million.It has been indicated by a table.(Table No.08)

Table No.08

Month	Revenue (Rs.)	Expenditure(Rs.)
January	56,200,504.48	4,369,748.35
February	29,962,826.15	3,727,664.79
March	47,995,720.32	5,063,375.45
April	42,454,665.37	4,524,313.40
May	115,400,884.27	4,483,331.13
June	80,370,640.05	5,367,216.80
July	121,621,329.95	5,208,137.12
August	113,372,259.51	4,743,589.80
September	120,801,333.66	4,718,719.75
October	118,615,894.50	4,622,575.59
November	100,571,005.67	4,538,154.44
December	141,786,929.30	5,679,789.77
<b>Total</b>	<b>1,089,153,993.23</b>	<b>57,046,616.39</b>



**Revenue and Expenditure Analysis- 2015**



**Number of License and Income Generated During the Last 5 Years**

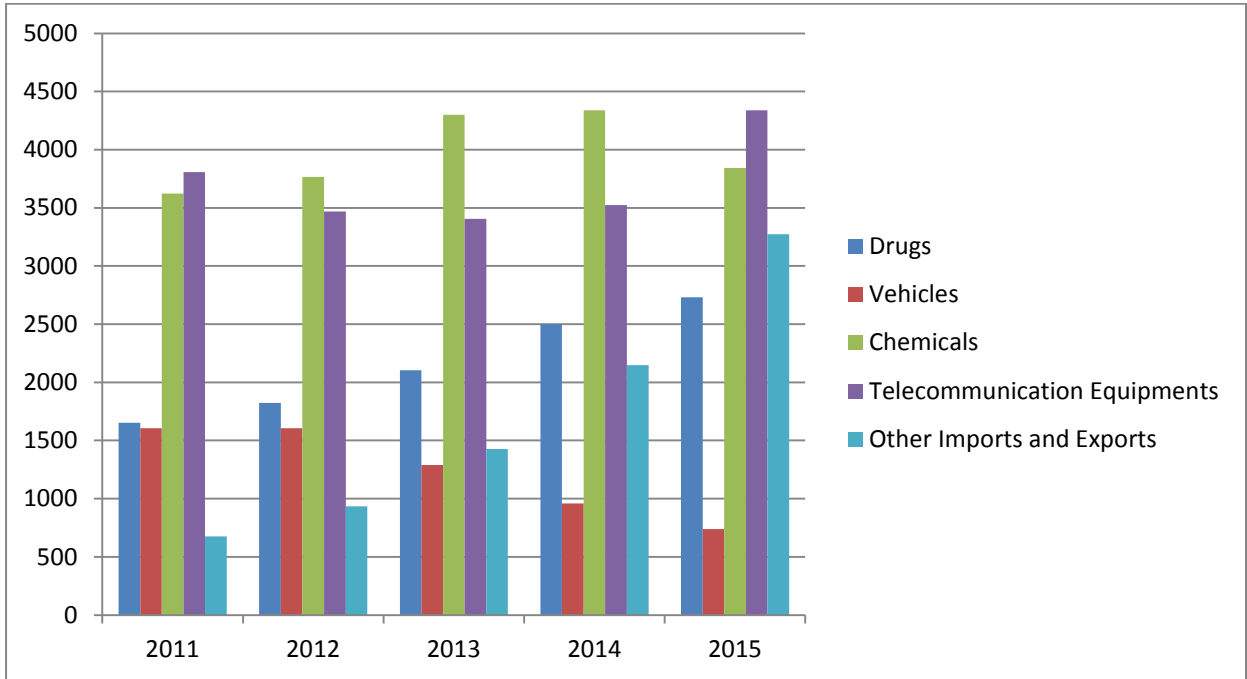
**Number of License (See Graph I)**

	2011	2012	2013	2014	2015
<b>Drugs</b>	1652	1823	2104	2500	2732
<b>Vehicles</b>	1607	1606	1288	958	739
<b>Chemicals</b>	3623	3767	4301	4339	3844
<b>Telecommunication Equipments</b>	3807	3468	3406	3523	4338
<b>Other Imports and Exports</b>	675	934	1427	2148	3274

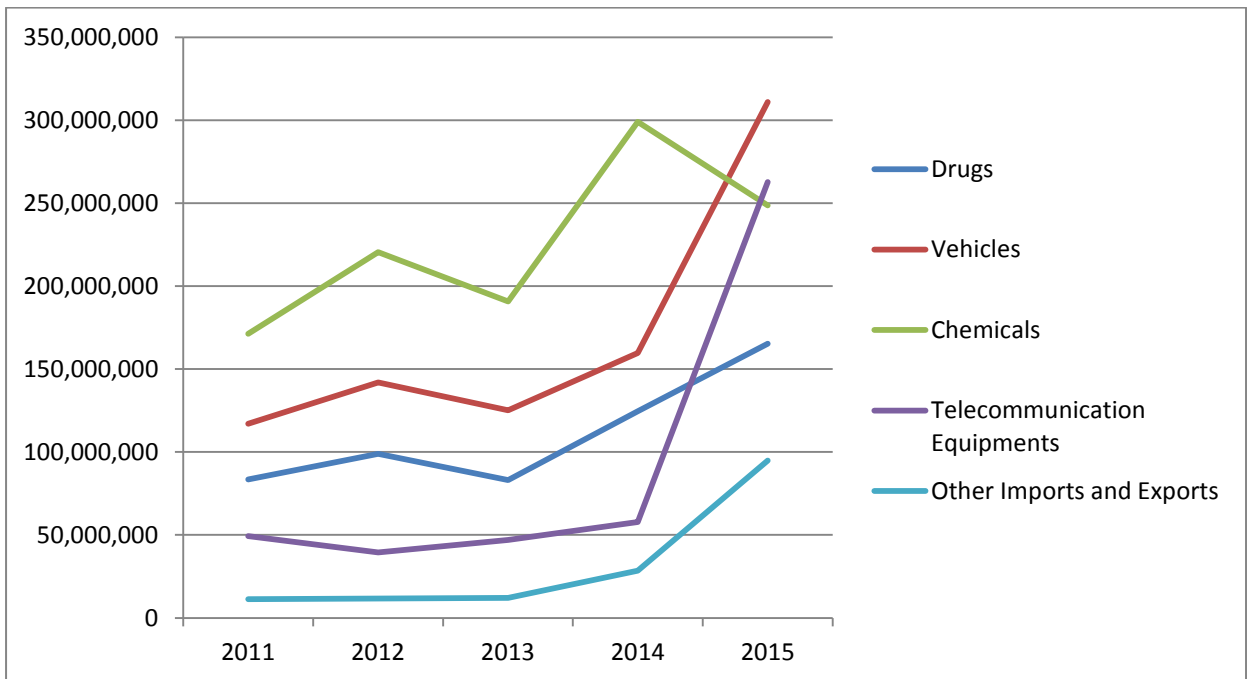
**License Fee Income Rs. (See Graph II)**

	2011	2012	2013	2014	2015
Drugs	83,513,399	98,973,707	83,036,455	124,551,191	165,323,691
Vehicles	117,007,354	141,991,581	125,202,590	159,721,793	311,027,758
Chemicals	171,284,655	220,405,559	190,727,940	298,927,118	248,677,073
Telecommunication Equipments	49,327,806	39,543,218	46,973,837	57,901,028	262,610,141
Other Imports and Exports	11,349,653	11,757,369	12,059,178	28,414,399	94,895,008
Policy					6,620,319

**Number of License Issued by each Unit during the Last 5 Years (Graph I)**



**License Income Generated during Last 5 Years (Graph II)**



## **Review of income and license data during last 5 years**

According to the graph I number of license issued during the last 5 years has been increased and income also increased significantly from year 2013.

Even if the number of license issued to import used vehicles dropped during the 2014 and 2015, the income of licence has gone up rapidly. This is due to increase of license fee for import of used vehicles and policy decision made by the present government

Highest number of license issued and income generated for import of chemicals recorded in 2014, but during the year 2015 income and the licence issued have gone down. Petroleum products are the main part of chemicals and used for production processors in the country. During the year 2015 production sector of the economy shown less expansion and it affects the drop of chemicals imports

Telecommunication equipments have been recorded rapid increase in issuing licences and generated increasing income. Mobile phone import is the main component of telecommunication equipment imports. During the year 2014 and 2015 telecommunication sector has recorded expansion and several massive projects have been implemented during those two years

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

Policy division also applied charges for policy approvals according to the Gazette Notification No. 1917/24 dated 03<sup>rd</sup> June 2015. During the last 7 months policy division recorded Rs. 6.6 million incomes for the policy approvals

## **Government Officers' Advance Account- 29601**

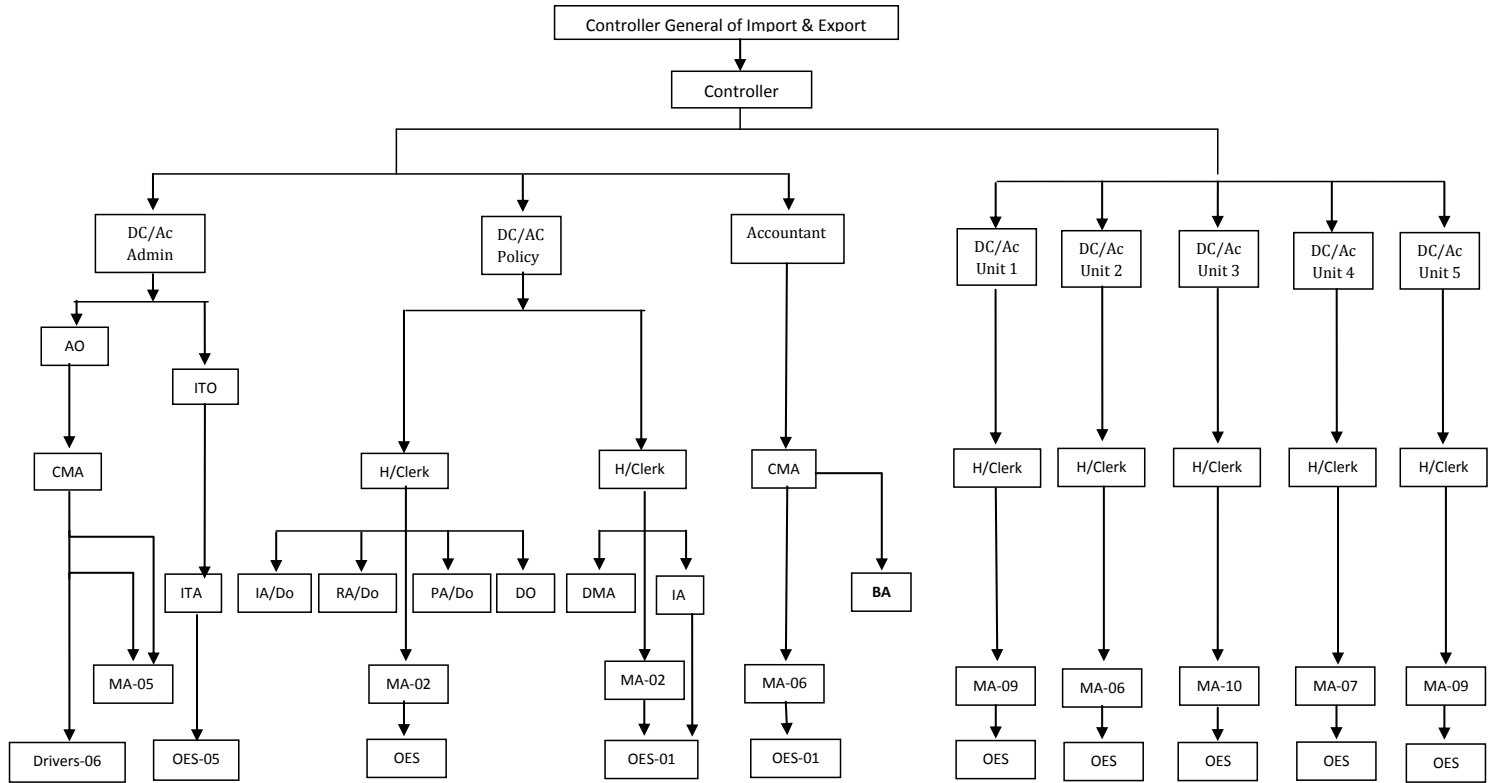
The Department has maintained the Government Officers' B Account in relation to the year 2015 under the approved limits. (Table No. 09)

Head No: 296

Ministry: Ministry of Development Strategies and International Trade - Department of Import and Export Control

Table No. 09

<b>Description</b>	<b>Actual Expenditure-2014</b>	<b>Approved Estimate- 2015</b>	<b>Revised Estimate-2015</b>	<b>Actual Expenditure-2015</b>
Opening balance	12,783,664.00			14,383,047.50
Add:				
Total Debits for the year	3,354,428.00	4,000,000.00	4,415,000.00	2,117,046.80
Add:				
Tranfers	2,195,304.50			1,649,203.00
<b>Total</b>	<b>18,333,396.50</b>			<b>18,149,297.30</b>
Less				
Total Credits for the year	2,367,557.00	2,000,000.00	2,200,000.00	3,121,696.00
Less				
Tranfers	1,582,792.00			2,803,235.00
<b>Final Debit Balance</b>	<b>14,383,047.50</b>			<b>12,224,366.30</b>



Controller General	- 01	Accountant	- 01	H Clerk : Head Clerk (MA)	- 07	ITA : Information Technology Assistant	- 01
Import and Export Controller	- 01	AO : Administrative Officer	- 01	MA : Management Assistant	- 46	DMA : Data Management Assistant	- 01
AC : Assistant Controller	- 07	ITO : Information Technology Officer	- 01	CMA : Chief Management Assistant	- 02	PA : Policy & Planning Assistant	- 01
		IA/DO Investigation Assistant or Development Officer	- 06	RA : Research Assistant	- 01	BA : Budget Assistant	- 01
						OES : Office Employee Service Drivers	- 15 - 04