

Frontier Logistics performance in Sri Lanka-The role play of the Customs

Lalith Edirisinghe¹, Sarath.Jayatilake²

¹ CINEC Maritime Campus, City Branch, NO.15, Kinross Avenue, Colombo, 04 Sri Lanka

² NO.117/30, Ananda Rajakaruna Mawatha, Colombo 10, Sri Lanka

¹<lalithedirisinghe2@gmail.com>(¹correspondence author), ²<sarathjayatilake251@gmail.com>

Abstract— Sri Lanka (SL) is expected its economic growth achievement through five hubs concept – namely, Maritime, Aviation, Commercial, Knowledge and Energy Hubs. SL even now serves as an effective hub for maritime goods transport and air-passenger transport in the southern sub-continental region, drawing on its geographical and economic advantages primarily due to the location advantage. However the country's logistics performance plays a major role in above hub concept especially with respect to Maritime, Aviation and Commercial hubs. Therefore improving logistics performance has a significant importance in the current context. This could never be achieved without highly efficient, modernized Customs administration in the country, which performs the agency and regulatory functions of the state, at the frontiers.

The study draws the literature to ascertain the role played by Customs with respect to a country's economic growth, Logistics in particular. While the customs role as a border management organization is explicit the study also draws its attention to the knowledge about Customs functionality by the respective "stakeholders" Further the study analyses the Revised Kyoto Convention (RKC), the data of The Global Competitiveness Reports of World Economic Forum, United Nations, World Customs Organization, Doing Business Reports of The World Bank And The International Finance Corporation. Depth interviews have been conducted with 3 industry/commerce personnel and 2 senior officers of Customs and Board of Investment of Sri Lanka.

A solid and modern legal framework is the foundation of effective customs operations. This legal framework bench marking should be based on internationally accepted standards and best practices as set out in the RKC which provides

important guidelines for the design and operation of a modern and efficient customs organization. Customs reform, modernization or re-engineering considered a priority in many countries and implementation of change management is needed especially in Sri Lanka due to rapid development expected in the means of Hub status. On the other hand to enable the users to achieve the full benefits, private sector counterparts need to be included in the process and incorporate their inputs.

Keywords— Customs, Logistics, Revised Kyoto Convention

I. INTRODUCTION

Achievement of economic growth of Sri Lanka (SL) is expected through five hubs concept –namely, Maritime, Aviation, Commercial, Knowledge and Energy Hubs on a development agenda based on the *Mahinda Chintanaya - the future vision of SL*. SL even now serves as an effective hub for maritime goods transport and air-passenger transport in the southern sub-continental region, drawing on its geographical and economic advantages primarily due to the location advantage. However, in the above hub concept the country's logistics performance plays a vital role especially with respect to Maritime, Aviation and Commercial hubs. Therefore improving logistics performance has a significant importance in the current context. This could never be achieved without highly efficient, modernized Customs administration in the country, which performs the agency and regulatory functions of the state, at the frontiers. "Customs plays a crucial role in trade operations and revenue collection, and it directly affects the private rights and obligations of citizens' [Wulf & Sokol, 2005].

There is growing international recognition that concerted action by law enforcement agencies working together is