



Tea - the drink second only
to water

Sri Lanka's Tea industry - Overview

- The prime export agricultural product in Sri Lanka for over 200 years
- 02% of GDP
- 05% of the population directly or indirectly involved
- Industry is dominated by local multi national firms
- Their concerns
 - Maintain supremacy in quality /price
 - Protection from local and foreign competition

Automation of tea export procedure: The experience of Sri Lanka



By T S A De Silva

Tea export system

- Bulk of the tea is sent to brokers to sell at Colombo Tea Auction
- Teas purchased are blended to be exported (in different forms)
- Regulated by the Sri Lanka Tea Board (SLTB) (Production to export)
- Export permits issued by SLTB
- Customs monitor

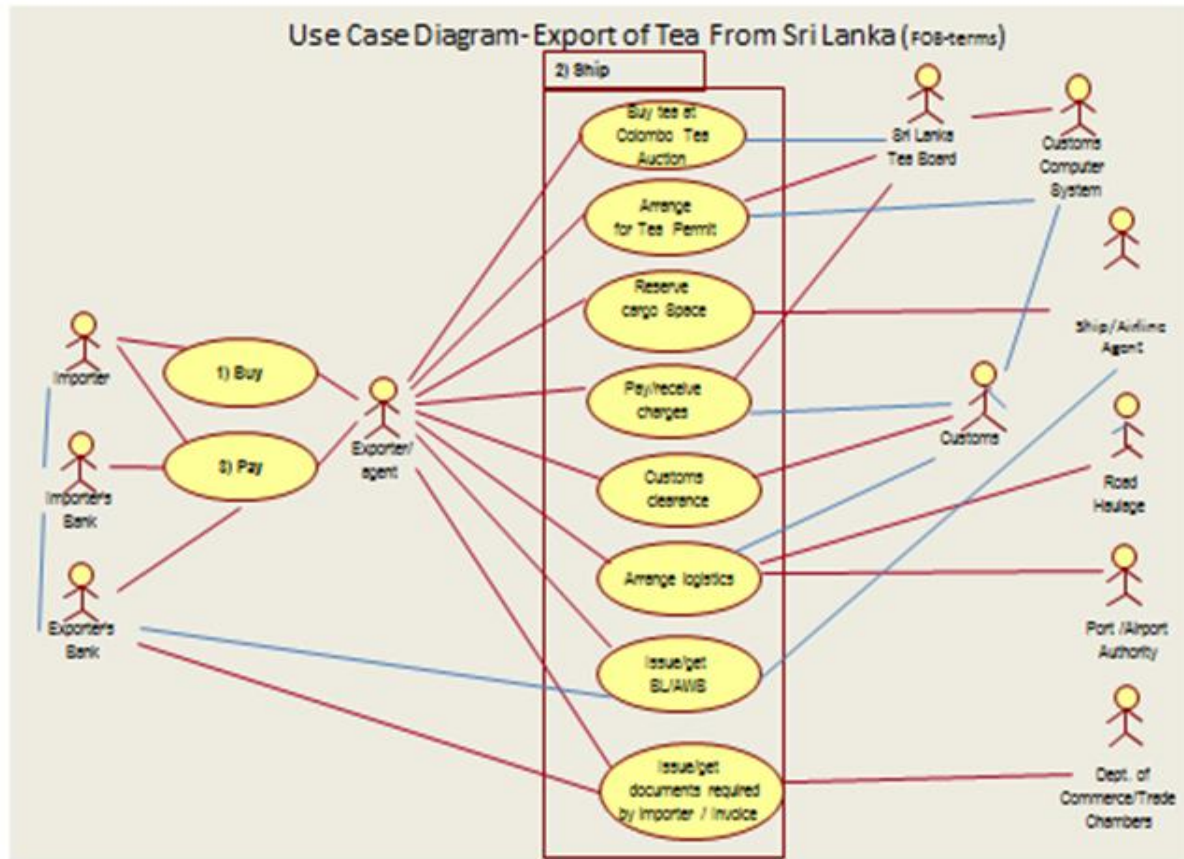
Path to automation - SRILPRO 1980

- Reduction of licences/permits
- Elimination of redundant procedures / paperwork in logistics (66 forms for 10)
- 11 forms for 11 types of Tea)
- Aligned documents with UNLK
- Registration number to identify exporters
- Introduction of Standard codes--HS LOCODES , INCOTERMS

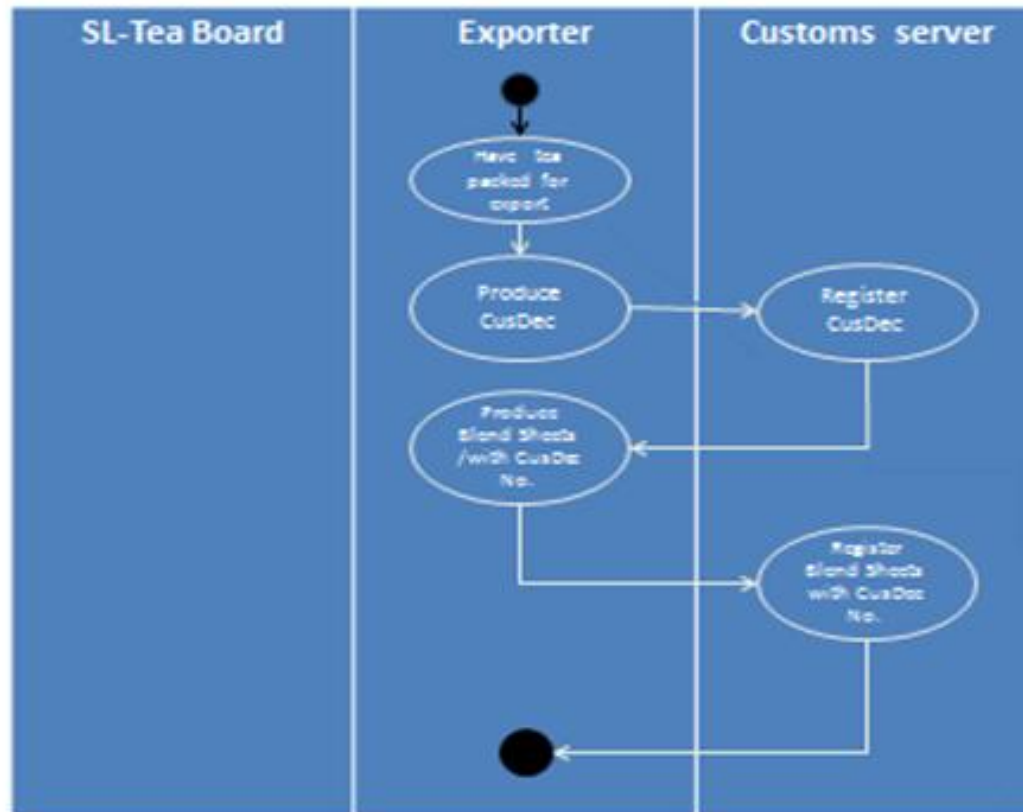
Automation efforts

- 1986/1987 ADP/EDP Sub-Committee
- 1995 EDI
- ASYCUDA 1997
- eServices 2002 (EDI)
- ASYCUDA ++
- ASYCUDA World

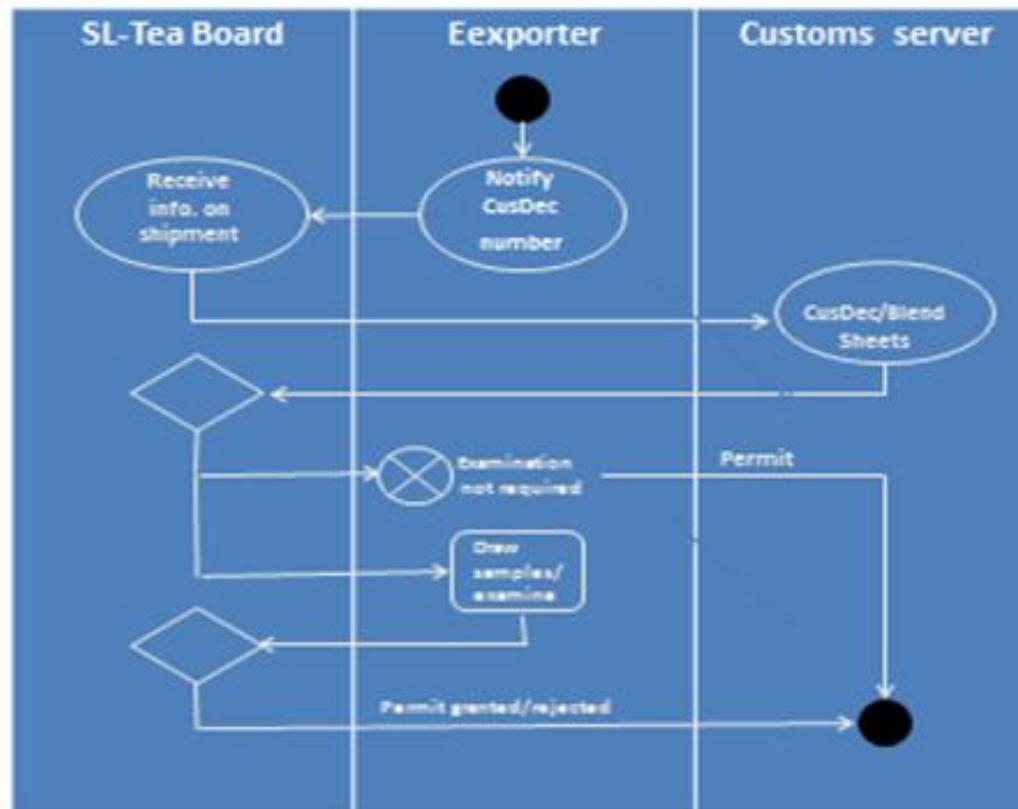
Use Case



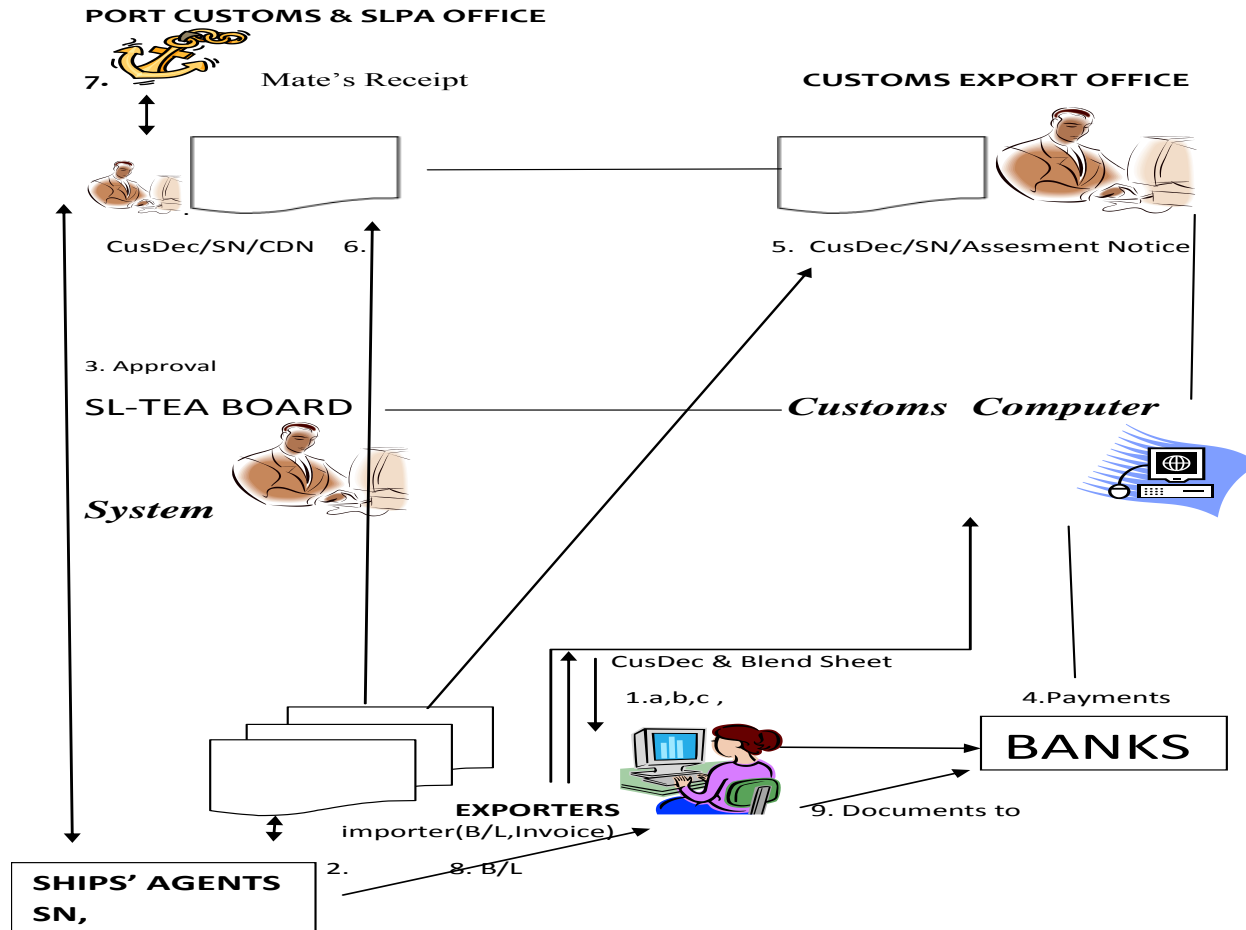
Activity diagram: registering CusDec & Tea Blend Sheets



Tea permit procedure



An overview of the Tea export procedure of Sri Lanka



Outcomes

- Less paper for exporter/FF/SLTB /Customs/Port
- Exporter has to inform SLTB to start processing
- No automation at SLTB
- No reduction of time in processing by the SLTB
- Reduction in processing time at Customs

Charges applicable to export of Tea

As at April 2014

Customs

- Rs. 10/- per kg or 2.5% of Auction average price which ever is higher
- Computer facilitation charge Rs. 250 per entry
- Customs examination fee Rs. 550 per container

SLTB

- Rs. 3.50 per kg
- CESS on Tea bags/Packets **Net. Wt.** per Kg. **X Rs. 4.0035**
- Annual registration fee per exporter Rs. 25,000

Recommendations

- ◉ Exempt AEO from SLTB procedures
- ◉ Adoption of UCR numbering system- (Unique Consignment Reference)
- ◉ SLTB -Periodic declarations or use Customs data
- ◉ More emphasis on physical quality than blends
- ◉ SLTB to promote value added products (Need for checking blend sheets would not arise)
- ◉ Rationalise/Simplify/amalgamate all charges.
- ◉ Collect charges at one point / direct debit

Lessons learnt

- Need for
 - commitment
 - clear direction
 - coordination
- simplify/rationalise docs/procedures before automation
- simplify/amalgamate charges
- Introduce best practices: e.g. AEO, Pre/Post audits etc.
- Borden system boundaries to be effective

THANK YOU

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At UN-ESCAP

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