Sri Lanka is a small Island in the Indian Ocean situated just below India. Its land area is 25,608 sq. kms and population is estimated as 19.6 million in 2005. The average per capita GDP in 2005 was US$ 1203 and it was US$ 936 in 2004 and the GDP growth rate for the year 2005 was 6.2.

Background

The Statistics Division of Sri Lanka Customs is responsible for the collection, compilation and publication of international trade statistics. This Division is headed by a Deputy Director of the Department of Census & Statistics (DCS), which is the National Statistical Agency of the Government which is a responsible for providing official statistics, relating to various sectors of the economy of the country.

Coverage and Source of Data

International Trade Statistics are compiled in accordance with the United Nation's recommendations in UN statistical paper M 52, which sets out the concepts and definitions for this kind of data collection. Sri Lanka uses the General Trade System as laid down in the paper, for recording goods moving in and out of its territories.

The basic source of data for International trade statistics in Sri Lanka is the Customs declaration (entry). Importers and Exporters are required to lodge a "statistical copy" of their customs declaration which, after processing by the Customs, is forwarded to the Statistics Division of the DCS.

Goods to be excluded

Most commodities imported and exported are included in the statistics. There are certain items of goods or articles that have to be crossed the Customs frontier but to be excluded in the International Trade Statistics.

(a) Goods consigned by a Foreign Government for its Diplomatic representatives in Sri Lanka and also goods consigned to Sri Lanka Government to her Diplomatic Representatives abroad.

(b) Vehicles engaged solely in the carriage of goods or passengers between countries.

(c) Monitory gold, securities, bank notes and coins (current) in circulation.

(d) Travelers and Tourist personal effects.
Goods to be included

Goods/Animals which are temporarily imported or exported for exhibitions, trade fairs, construction, racing or breading, equipment for temporary use in industries, trade samples and non-monitory gold are included in the trade statistics.

Bunkering and ship stored are included but recorded separately. Sri Lanka has started classifying the goods which are traded in commercial quantities through parcel post. This step was taken due to the increased imports through parcel post after the liberalization of imports. Trade on government account and foreign aid is also included in the regular trade statistics.

Commodity Classification

The commodity classification adopted in Sri Lanka's trade statistics after 1958 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Based on</th>
<th>No. of characters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958 - 68</td>
<td>SITC</td>
<td>7</td>
</tr>
<tr>
<td>1969 - 79</td>
<td>BTN</td>
<td>6</td>
</tr>
<tr>
<td>1979 - 89</td>
<td>CCCN</td>
<td>6</td>
</tr>
<tr>
<td>1989</td>
<td>H.S.</td>
<td>8</td>
</tr>
</tbody>
</table>

Sri Lanka is presently adopting the eight digits Harmonized System of Commodity Classification. Up to six digits level of this system is accepted by most of the member countries of Customs co-operative council, Local sub divisions are classified by the remaining two digits.

Quantity Measurement

Sri Lanka is recording the Quantum figures on a net weight basis for those commodities whose physical units of measure are expressed on the basis of weight. All measurements are in metric units.

Valuation

The value practices in Sri Lanka are based on the Brussels Definition of value. The values recorded are CIF in the case of imports and FOB in the case of exports. If the transaction value is expressed in foreign currency, it is converted in to local currency at the appropriate rates of exchange notified by the Central Bank from time to time and adopted by the Customs purposes.
Information extracted

According to the present system, the following items are extracted from the customs entries.

a. Serial Number of entry
b. Name of the importer/exporter
c. H.S. Number
d. Country of origin (for imports) and
   Country of destination (for exports)
e. Unit of Quantity as specified in the tariff codes.
f. Quantity
g. Value for duty in Sri Lanka rupees.
h. Duty payable
i. Name of the Vessel

Processing of Customs Data

(a) Coding, Checking, Data Entry & Verification

Customs entries are sent to the Statistical Division throughout the month by each customs duty point and by the Board of Investment (an institute which is the monitoring authority of private enterprises having duty tax and free concession for imports and exports) Details on entries are coded (input numerical codes for Importer, Exporter, country and unit of quantity) and checked for accuracy of codes and correctness. The coded information is transferred on to the computer for processing after the hundred per cent verification is done.

(b) Validation Checks

A first step to checks invalid HS codes for Importer & Exporter, unit of quantity and country. Once the editing is over, the information is put in the computer for another check. In this checking procedure possible range of unit values are given for selected commodities and checks are carried out to ascertain whether they fall within the limits. This type of check is done to detect errors like shifting of decimal points, killogrames entered as metric tons or vise versa, which is not detectable during the edit checks.

Once the errors are corrected, the monthly Trade Statistics are processed and printed in the form of computer print outs with the relevant tables. The information is stored in Tape cartridges and kept for future use, for the last two decades.
Availability of Statistics

Monthly International Trade Statistics is made available approximately five weeks after the end of the each month. (now a fresh editing programme has been written to reduce this time gap further) in addition to the monthly trade statistics a bi-annual publication named "External Trade Statistics " is also produced and published showing commodity details for such period covered. This is the only official source document on foreign trade statistics available in Sri Lanka.

The frequency details and completeness of the data provided by Customs

- During the reference period (month) some of the declarations processed by the customs are not received by the Statistics Division in time for processing.

- Frequently it is noticed, that some declarations received by the Customs Statistics Branch are incomplete. That is mainly when the quantity is not given in the prescribed units.

The follow-up / clarification of questions from the Statistical Office to the Customs.

In the declarations sometimes some of the HS Codes are not valid and also the country of origin and destination are not recorded properly, in such cases the Statistics Branch has to get them clarified from the Customs.

The most Important problems encountered in customs data

- Reference Year (Specified year)

  In some cases, the declarations for the specified reference year are not received by the Statistics Branch in time. This creates problems when compiling customs statistics for any specified period.

- Coverage

  In some cases, the declaration from processing points like Board of Investments, etc. are not received in time by the Statistics Division and therefore it is difficult for the Statistics Branch to provide relevant information giving the total picture.
Use of "ASYCUDA"

DCS Statistics Branch Office in the Customs Department, is not using ASYCUDA to compile the External Trade Statistics, as it can not rely on the Statistics provided by these systems. As the information is entered by a large number of customs officers and their main interest is collection of revenue, very little attention is given to statistics. As such, it is not possible to depend on the Statistical Information provided by the ASYCUDA systems. The Statistics Division in the customs Department has developed all the data entry and editing programme to enter and create error free data files. It also has developed the necessary computer programmes to produce the required tabulations. The statistics produced by the Statistical Division are reliable and up-to-date and the data users have confidence in the statistics provided by the Statistics Branch of the DCS.