TIME RELEASE STUDY
2018

CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS
JAWAHARLAL NEHRU CUSTOM HOUSE

Vijay Singh Chauhan
Commissioner of Customs
INDIA
April 17, 2018
JNCH – Light House

• The largest container port in India.
• Accounts for about 21% of national customs revenue.
• Covered under the World Bank Ease of Business Index survey
• Pioneer in conducting TRS since 2013
• Completed a comprehensive and path-breaking TRS 2018
Objectives: Best Foot Forward

• Spreading awareness about time release: among all stakeholders and their role
• Measuring distance to National Trade Facilitation Action Plan target of release time of three days for import of sea cargo and two days for export of sea cargo
• Highlighting the “Path to promptness”
• Identifying relatively more time-consuming categories of bills of entry, commodities and sub-processes
• Improving coordinated border management
• Presenting first set of time release data for export cargo
• Capacity building
Scope

• Covered both exports and imports
• Sample period: January 1-7, 2018

Imports
• All 14,973 bills of entry filed
• Tracked till February 7, 2018: freezing data
• 1.4% bills of entry excluded

Exports
• Based on sample study
• Six major commodities with five top exporters for each
Methodology

• Multiple data sources, coupled with sample surveys
• Definition of release time

• Imports: Entry Inward to Out of Charge – standard definition
  : Before the beginning & after out of charge (31 minutes)
  : Advance bills of entry - time upto entry inwards is ignored (35 hrs)

• Exports:
  : Gross release time – departure from manufacturers’ premises to
departure of vessel
  : Net release time – GRT less domestic transportation time to
customs area
Essence of the efforts

![Graph showing average release time in hours for 2017 and 2018]
Four way analysis
By category of bills of entry

• **All-in-one release time:** 181 hours in 2017 to 144 hours in 2018

• **Fastest clearance:** 11.01 hours

• Incorporated the four essentials of expeditious clearance
  ✓ Advance document filing by importer
  ✓ Full facilitation based on Risk Management System
  ✓ Authorized Economic Operator Status (AEO)
  ✓ Direct Port Delivery (DPD) scheme
Facilitation Matters

<table>
<thead>
<tr>
<th>Category</th>
<th>Facilitated (Advance)</th>
<th>Facilitated (Normal)</th>
<th>Non- Facilitated (Advance)</th>
<th>Non- facilitated (Normal)</th>
<th>Release Time in Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5876 (188.12)</td>
<td>3236 (157.30)</td>
<td>2858 (221.24)</td>
<td>5645 (91.06)</td>
<td></td>
</tr>
<tr>
<td>Total (Facilitated)</td>
<td>8881 (115.18)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

( ) - Release Time in Hours
Helps to be AEO

- Total 15.4% (174.54)
- 9.60% (135.54)
- 5.80% (239.54)
- 26.10% (136.24)
- 58.50% (69.18)

( ) - Release Time in Hours
- Facilitated (Normal)
- Facilitated (Advance)
- Non-facilitated (Normal)
- Non-Facilitated (Advance)

Total 84.6% (90.00)
Path to Promptness
Auto-components from South Korea

- 34 (126.54) - Total Bills of Entry
- 20 (74.12) - Advance Bills of Entry
- 19 (69.36) - Advance Facilitated Bills of Entry
- 16 (60.30) - Advance Facilitated DPD Bills of Entry
- 13 (58.12) - Advance Facilitated DPD Bills of Entry - AEO

() Release time in Hours
Four way analysis by commodity

• In view of issues and procedure involved, some commodities are expected to have higher release time.

• Study calculated release time for:
  Food; Pharmaceuticals; Fertilizers; Plastics; Textiles

• Participating Government Agencies
  – for assessing impact of Single Window initiative (SWIFT)

• Auto-components (8708)
  – for comparison with perception under EODB
    - more specifically from South Korea
    - 267 hours perception vis-à-vis 127 hours reality!
Partners in Common Pursuit (SWIFT)
Four way analysis

Sub-processes

• Certain processes are expected to involve additional time.

• Attempt has been made to approximate the time taken in these processes.

  ❖ Queries in assessment (5.3%; 13.2% of non-facilitated bills of entry)

  ❖ Chemical tests (0.76%; 1.9% of non-facilitated bills of entry)

  ❖ Scanning (11.3% of all bills of entry)
The “nudge”

- Study the impact of statutory changes – quantifying the improvement

- **Time of filing bills of entry**
  - increase in share of advance bills of entry
  - prompt filing of normal bills of entry

- **Prompt payment of duty**
  - minor increase in promptness in paying duty

- **Compliance gap**
  - further research and analysis is underway
Export Results

- Average Gross Release Time: 108 hours
- Average Net Release Time: 84 hours
- World Bank EODB perception: 85 hours
- Perception and reality are aligned!
Net Release Time

commodity wise

Frozen Meat
Frozen Fish
Pharmaceuticals
Automobile Parts
Bikes & Autorickshaws
Electrical Machinery (Chapter 85)
AVERAGE

0.0
20.0
40.0
60.0
80.0
100.0
120.0

53.4
81.5
87.9
84.2
97.8
99.7
84.1

AVERAGE

17-04-2018
WCO PTC 2018
Net Release Time
Stage-wise analysis

- 10% in parking plaza
- 3% parking plaza to terminal gate
- 1% at the terminal gate
- 40% arrival in terminal to loading
- 46% loading to departure

84.1 Hours

17-04-2018 WCO PTC 2018
Highlights and Challenges

- Reliance on multiple data sources:
  Customs, Port terminals, CFSs and PGAs
- Involvement of PGAs in data analysis and recommendations:
- Live tracking of bills of entry:
  Involving customs brokers
- Significant policy learnings – an on-going exercise
- Challenges:
  Limitations of live tracking
  Gap between perception and statistics
  Time and resource constraints
Thank You
Email: Chauhan@nic.in