



TIME RELEASE STUDY 2018

**CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS
JAWAHARLAL NEHRU CUSTOM HOUSE**

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INDIA

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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

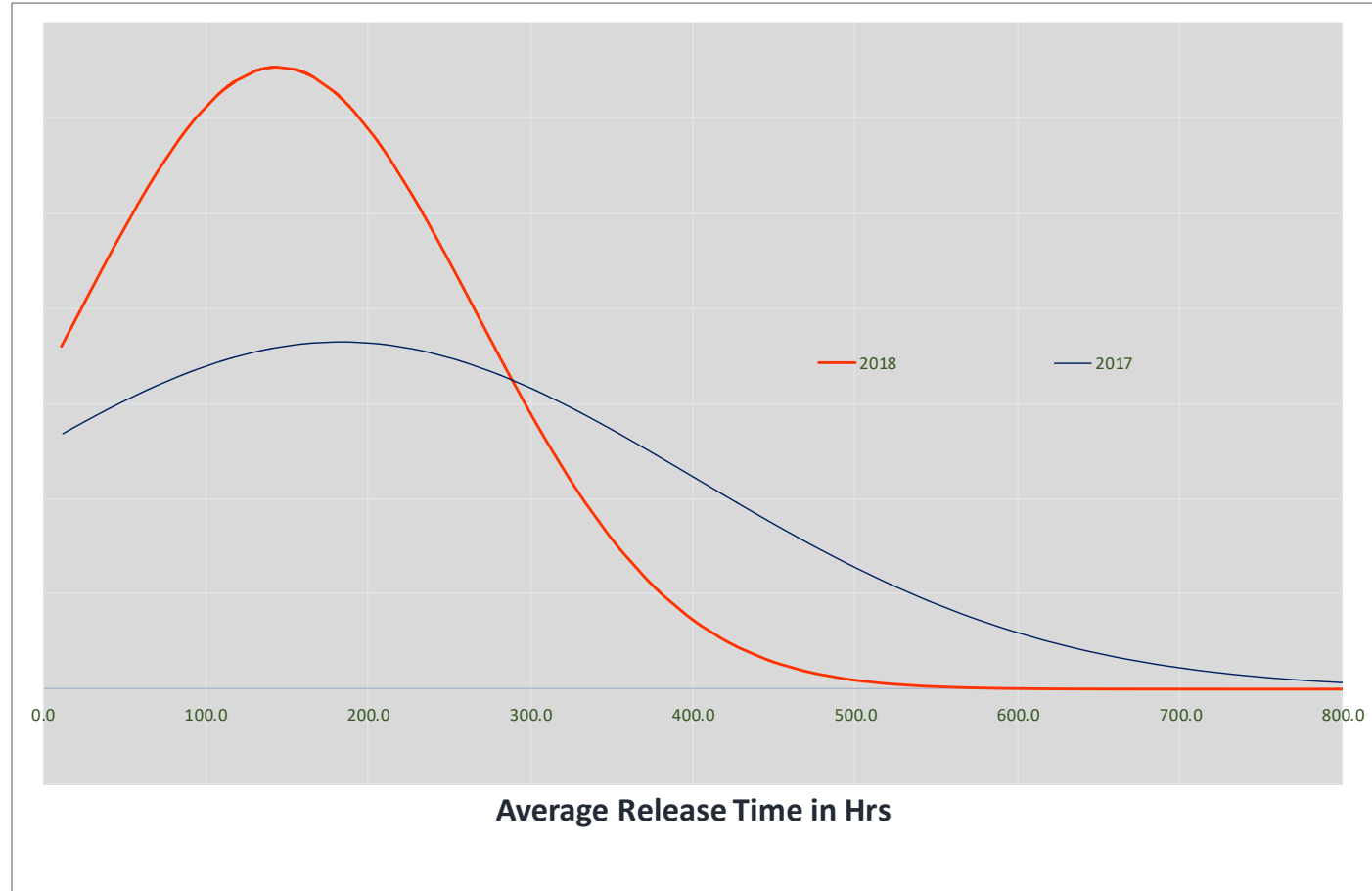


Methodology

- 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



Four way analysis

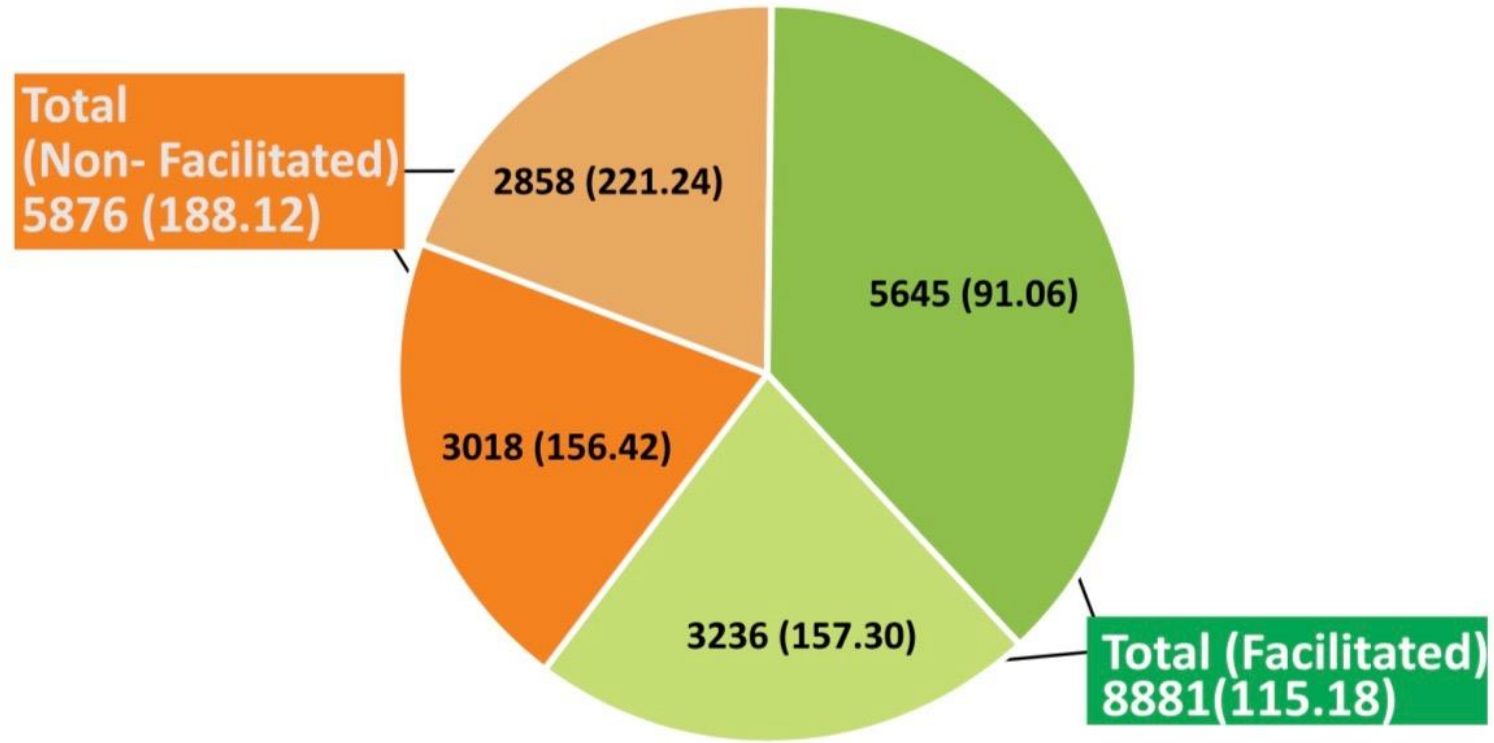
By category of bills of entry

- **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

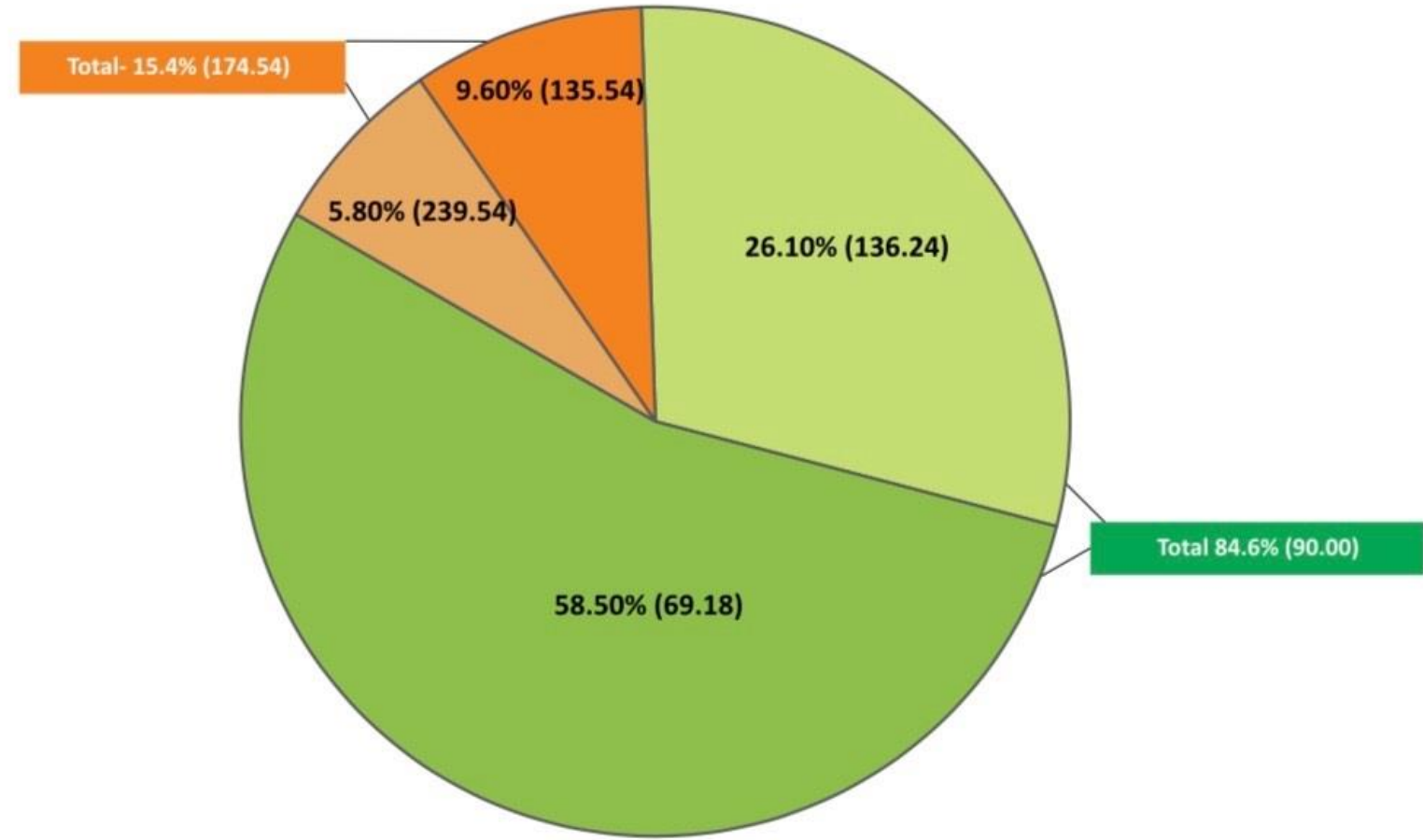


- Facilitated (Advance)
- Facilitated (Normal)
- Non-Facilitated (Advance)
- Non-facilitated (Normal)

() - Release Time in Hours



Helps to be AEO

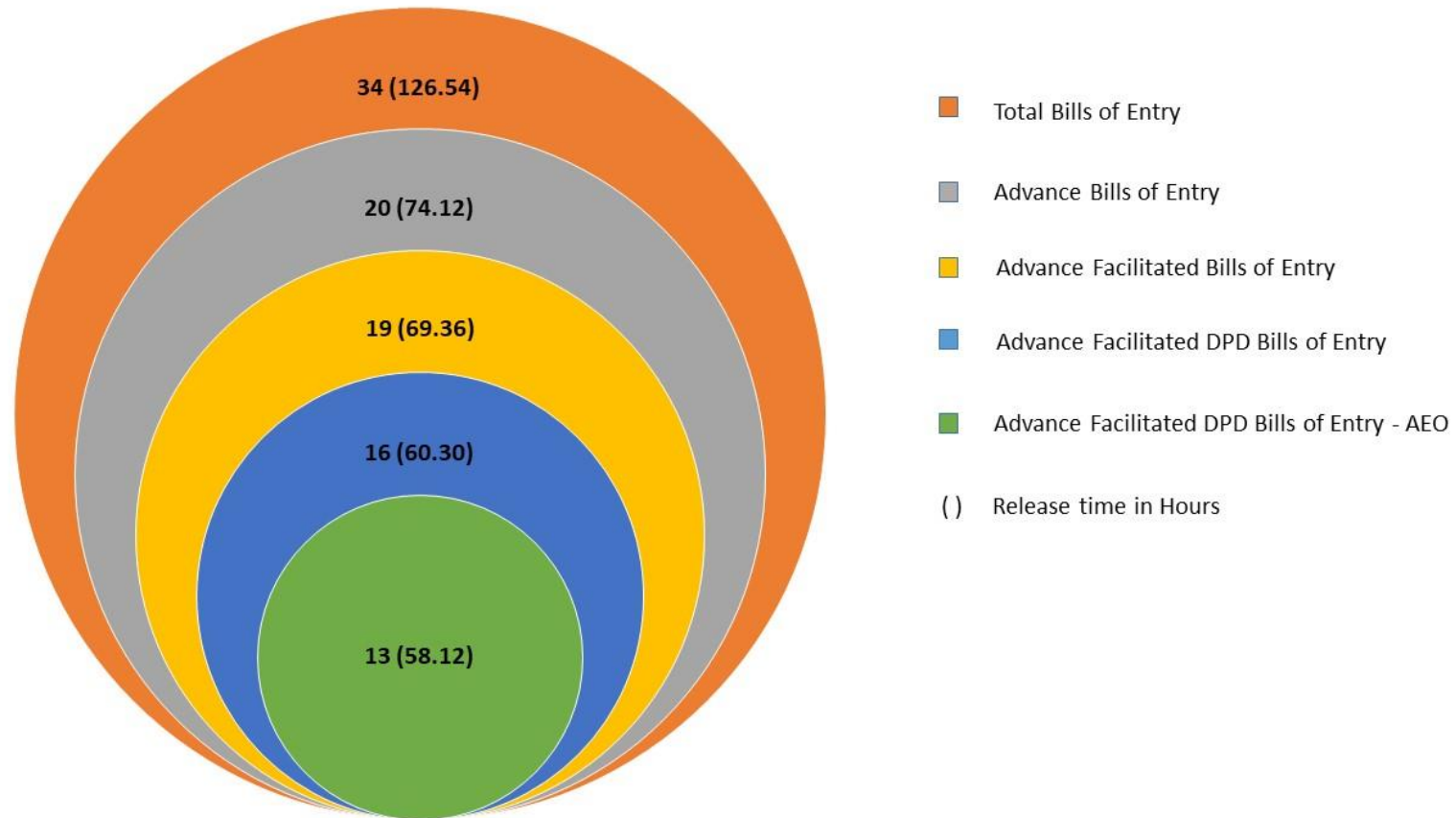


() - Release Time in Hours ■ Facilitated (Normal) ■ Facilitated (Advance) ■ Non-facilitated (Normal) ■ Non-facilitated (Advance)



Path to Promptness

Auto-components from South Korea

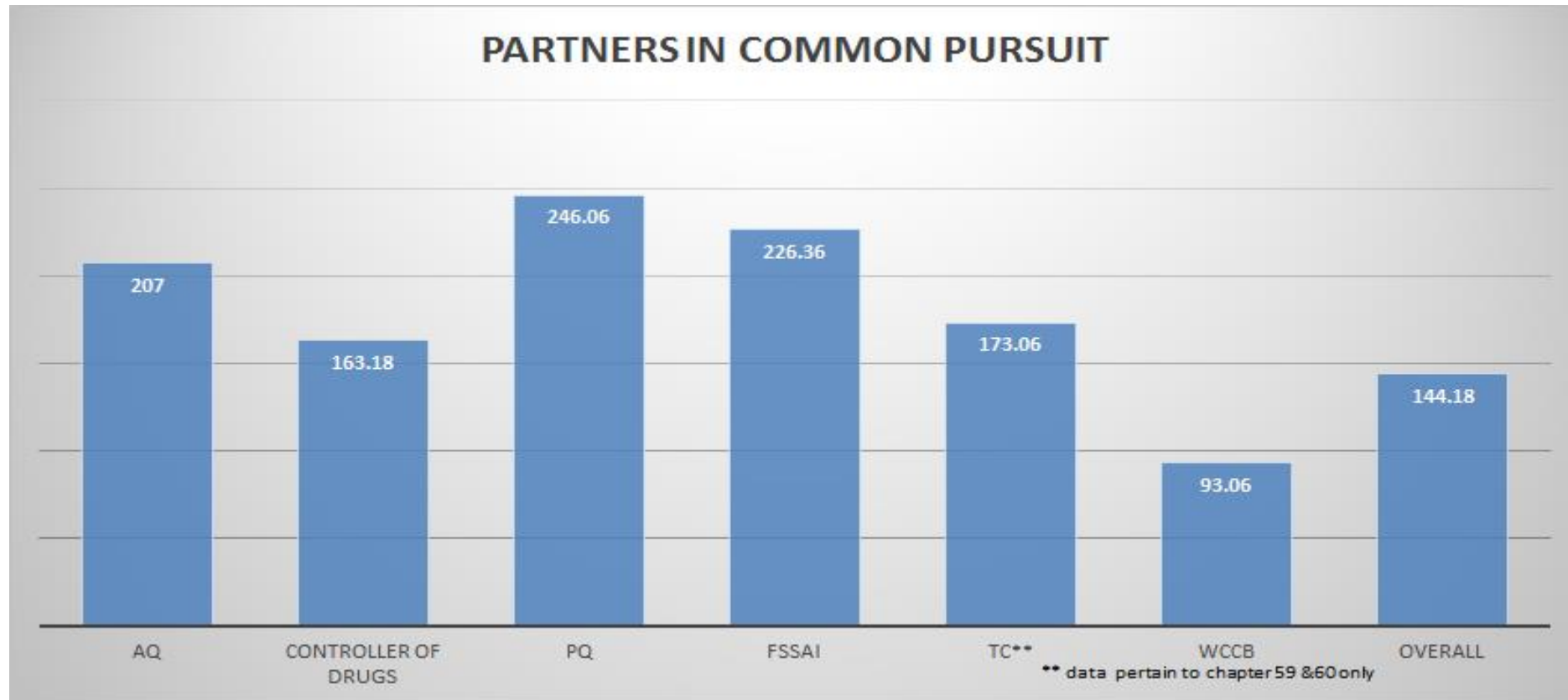


Four way analysis by commodity

- 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

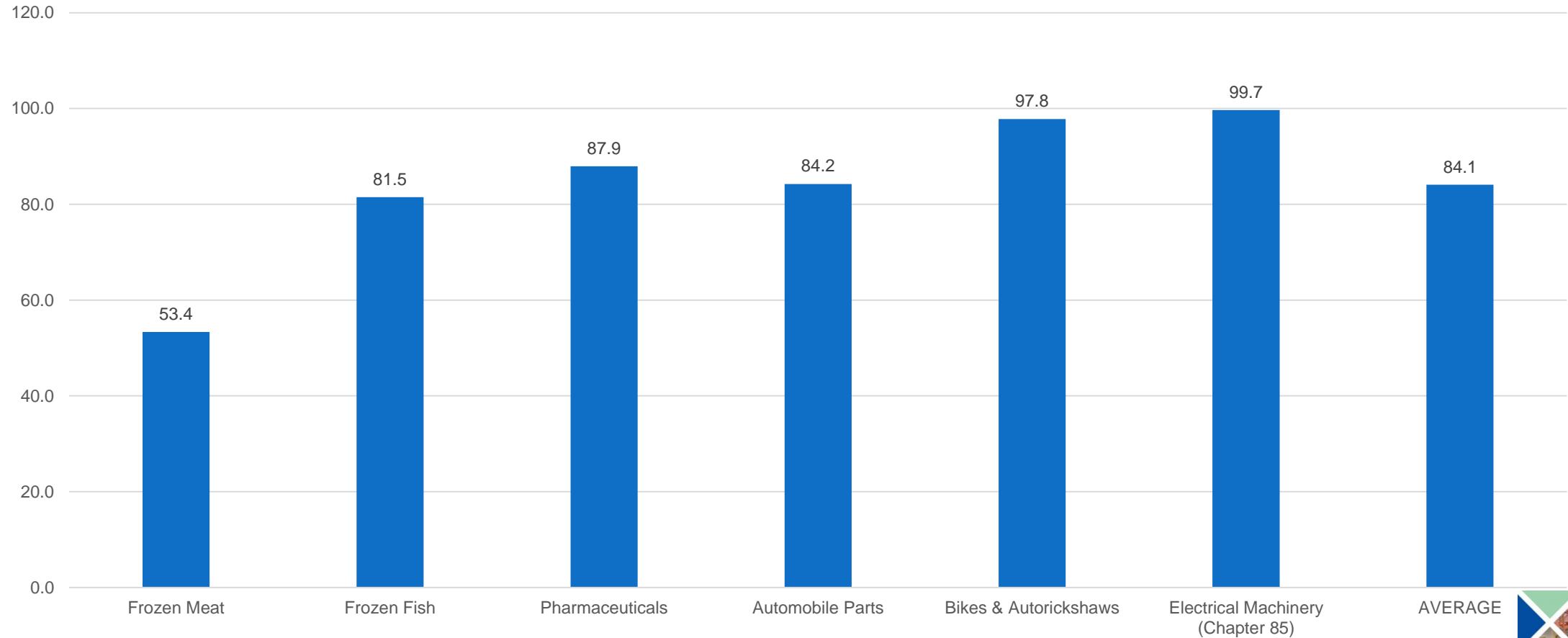
- Average Gross Release Time : 108 hours
- Average Net Release Time: 84 hours
- World Bank EODB perception: 85 hours
- Perception and reality are aligned!





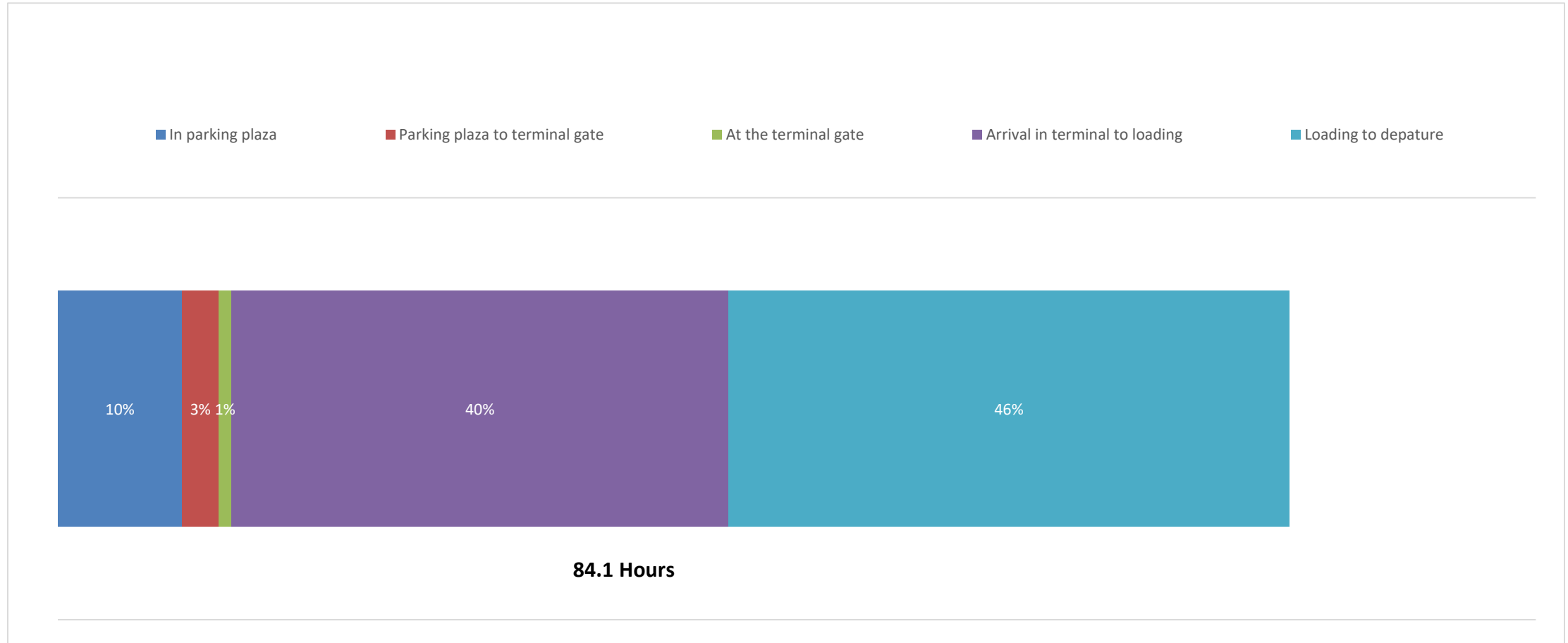
Net Release Time

commodity wise



Net Release Time

Stage-wise analysis





Thank You

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