"Each time the goal is reached, it becomes Not So Much Fun, and we're off to reach the next one, then the next one, then the next. That doesn't mean that the goals we have don't count. They do, mostly because they cause us to go through the process and it's the process that makes us wise, happy, or whatever."

- Benjamin Hoff
The Tao of Pooh

The cover is the winning entry by Mr Jitender Singh in the design competition organised by JNCH to select the best cover presenting the combined idea of sea trade, time and cooperation.

Ms Rujuta Danait submitted five paintings in the competition. In acknowledgment of her enthusiasm, one of the paintings has been included in this study.

TIME RELEASE STUDY 2019

CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS
JAWAHARLAL NEHRU CUSTOM HOUSE

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TRS has emerged as an effective tool not only for assessing the impact of various administrative and statutory measures on the behavior of trade but also for evidence-based policy-making

1 MESSAGE FROM CHAIRMAN

It gives me great pleasure to learn that JNCH continues to push the envelope in conducting TRS by expanding the scope of the TRS 2019 with respect to exports and attempting to quantify cost savings of select trade facilitation measures.

Trade facilitation and improving the ease of doing business is at the heart of a11 endeavours of the CBIC. India's improved ranking in World Bank's Ease of Doing Business Index 2019 under the 'Trading Across Borders' category to 80, a quantum leap of 66 ranks from 146 in 2018, is a testament to this commitment and concerted efforts made in this direction.

I wish to place on record my compliments to Team TRS for having brought out a study that sets new benchmarks for such studies in terms of scope, methodology and participation from stakeholders. JNCH TRS 2018 was adopted by the CBIC as a model study and selected by WCO as a case study too. I am happy that many other custom houses have taken a leaf out of JNCH TRS and brought out excellent studies pertaining to their formations.

TRS has emerged as an effective tool for assessing the impact of various administrative and statutory measures on the behavior of trade as also for evidence-based policy-making. It is also a useful resource for outreach and capacity-building. In this backdrop, I am particularly happy to note that CBIC officers have continued to refine and deepen the release time data analyses, which has helped in bringing out a more sophisticated TRS 2019.

I congratulate the entire team of departmental officers led by Mr Vivek Johri on achieving an excellent result in terms of export and import release time as well as bringing out this insightful study, which, I am confident, would be immensely beneficial to all stakeholders.

PRANAB KUMAR DAS
Chairman, CBIC

2 MESSAGE FROM MEMBER (WESTERN ZONE)

The effectiveness and utility of these studies is best reflected in the significant reduction in the overall import release time from 181.34 hours in 2017 to 144.18 hours in 2018 and now to 105.41 hours in 2019.

It is a matter of great satisfaction that JNCH is releasing the Time Release Study (TRS) 2019, which would help the Customs and other stakeholders to identify the areas of improvement in the Customs clearance process and thereby further enhance trade facilitation. It is also noteworthy that the TRS 2019 is the result of a collaborative effort by JNCH and a number of other CBIC formations in Mumbai.

The previous TRS studies undertaken by JNCH have helped CBIC assess the effectiveness of various Customs processes, identify the constraints, and put in place suitable remedial measures to reduce the release time of export and import cargo. The effectiveness and utility of these studies is best reflected in the significant reduction in the overall import release time from 181.34 hours in 2017 to 144.18 hours in 2018 and now to 105.41 hours in 2019. This is a visible improvement and it is reassuring that through the TRS 2019, JNCH is striving to do even better.

I am very happy to note that by expanding the scope of the export TRS, JNCH has accorded primacy to export release time this year. Another important feature of the TRS 2019 is the analyses of cost savings of specific trade facilitation measures. The TRS 2019 is therefore a comprehensive tool to measure trade facilitation and achieve the targets set under the National Trade Facilitation Action Plan 2017-2020.

I congratulate Shri Vivek Johri, Principal Chief Commissioner, JNCH and his entire TEAM TRS for bringing out this extremely useful TRS 2019. I wish them the very best in its practical implementation with the expectation that JNCH would set new standards of excellence in faster and hassle free Customs clearance for the benefit of all importers and exporters.

SANDEEP MOHAN BHATNAGAR
Member, CBIC

③ FOREWORD BY
CHIEF COMMISSIONER

The period since the completion of the last Time Release Study in March 2018 has seen the reform process gain stronger momentum and a heftier mass.

Being the Customs House that contributes a fifth of the national Customs revenue and services the largest containerized port, Jawaharlal Nehru Customs House (JNCH) is a natural cradle and laboratory for Customs and border management reforms. Introduction of fresh reform initiatives and continuous refinement of existing ones so that their impact is Pareto optimal have become the two abiding values of the work culture of CBIC as well as our Customs House. What is significant is that the introduction of reform measures and modifications to them have invariably been preceded by stakeholder engagement and followed by outreach to and training of Customs brokers and officers. This has helped reduce resistance, engendered better understanding and brought stronger ownership for these changes. Further, the use of simple tools such as e-mail and informal social media groups, has created a robust feedback loop from the field officers and trade thereby reducing considerably the response time for correcting course, where required.

The period since the completion of the last Time Release Study in March 2018 has seen the reform process gain stronger momentum and a heftier mass. Appreciable growth both in the number of AEO status holders as well as DPD/DPE beneficiaries; increase in the percentage of TEUs cleared under Direct Port Delivery to 52%; better targeting of risky consignments/ entities- especially for interdiction by Participating Government Agencies; stabilization of e-Sanchit and electronic sealing of export containers and installation of a state-of-art Drive Through scanner are a few examples.

The annual Time Release Study is primarily an instrument for assessing the impact of reforms on release time, gauging the efficiency of the transmission mechanism of reforms and identifying bottlenecks. Equally, it is a powerful tool for changing perceptions.

This time-release study picks up the threads from TRS 2018. The warp and the weft for the study are the same so that results are comparable over time but an attempt has been made to weave more intricate patterns on that base. On the import side, for instance, the release time has been measured separately for regular and non-regular importers for the first time. On the export side, a more elaborate study has been attempted with a larger sample size and more rigorous cross-verification of data. The study makes a small beginning on measurement of release cost by assessing the cost-saving owing to the reform measures. Over a period of time, it is hoped that this would make better convergence possible between the findings of TRS and the World Bank TAB Survey. As regards the process, JNCH has tried to spread the net wider to involve officers not just from other Customs Zones within Mumbai in this exercise but also

from the Mumbai CGST Zone and various Directorates. Of course, this participation is voluntary and is meant to foster a better appreciation of the TRS process.

I take this opportunity to thank and congratulate the entire Team TRS for doing such a professional job within the agreed time lines. I am particularly thankful to representatives of Participating Government Agencies, Customs Brokers, the port authorities, CFS operators, and Shipping Lines who have volunteered to associate with the study so actively and provided data/ inputs.

I must place on record my special thanks to Shri Vijay Singh Chauhan, ADG (Vigilance) and Shri Subhash Agrawal, ADG (DRI) who have shouldered considerable responsibility at each

stage of the study in order to make it happen despite the fact that they are currently posted outside JNCH. The same holds for Shri Arun Prasath, DD (DRI) and Ms Sruti Vijayakumar, Assistant Commissioner, CGST. Likewise, I applaud the young Probationers who volunteered to work on the team out of interest and have made a useful contribution.

I commend the report to its readers and hope it meets their expectations. I also hope that it stimulates more interest and academic work on how movement of goods across borders can be made even more painless.

VIVEK JOHRI
Chief Commissioner, JNCH

4

EXECUTIVE SUMMARY

Time Release Study 2019 presents the findings of the study conducted at JNCH in respect of both import and export cargo spanning the first week of January 2019. Conducted under the slogan, "Marching Further Ahead", it builds on the success of TRS 2018 and compares the performance this year vis-à-vis 2018, based on the same methodology.

This study presents deeper insights into import TRS, presented in a crisper style. On exports, the scope of study has been expanded to cover export release time by different categories of shipping bills. In addition, for the first time, this study has made a tentative beginning to present cost savings from certain trade facilitation measures undertaken in JNCH.

TRS 2019 continues to be an in-house effort of CBIC, albeit it has been prepared by a larger team, including officers from JNCH, various other CBIC formations across Mumbai and probationers from NACIN.

Imports:
The study has adhered to the core methodology, including the sample period of January 1-7, population data and exclusion guidelines adopted for conduct of TRS 2017 and 2018 to facilitate inter-temporal comparability.

The study covered 15,744 bills of entry filed during the sample period, showing an increase of 5.1% over January 2018. The bills of entry were tracked until February 7, 2019, post which the data was frozen for further analyses.

The standard definition of import release time is the time taken from the arrival of goods, represented by entry inwards to release of cargo by customs, represented by grant of out of charge.

The all-in-one average release time for imports has improved from 181.34 hours in 2017 to 144.18 hours in 2018 and to 105.41 hours in 2019.

The *"Essence of the Effort"* shows that the percentage of bills of entry cleared in less than 72 hours has increased from 21% in 2017 to 29% in 2018 and has jumped to 50% in 2019.

ESSENCE OF THE EFFORT
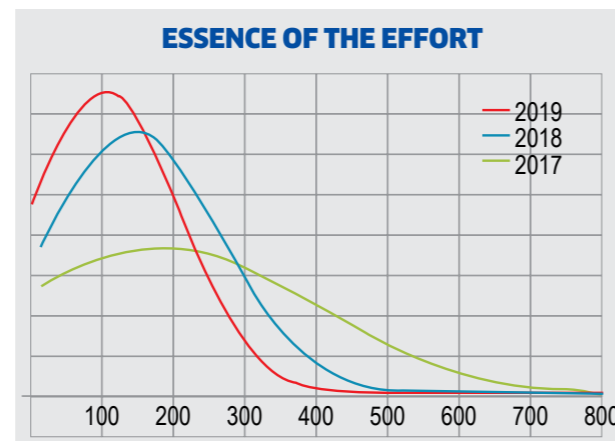
The fastest bill of entry was cleared with an impressive release time of 14 minutes in comparison to 11.01 hours of 2018. The fastest bill of entry is characterized by the four essential features recognised as the four-fold *"Path to Promptness"* for minimizing release time, namely: (i) filing of advance bills of entry, allowing for pre-arrival processing, (ii) enhanced levels of facilitation, (iii) promotion of AEO scheme and (iv) increasing utilization of DPD scheme.

The time of submission of bills of entry plays a crucial role in the reduction of average release time. As a result of "nudge", the share of advance bills of entry has jumped from around 15% in 2016 to 66.2% in 2019. In addition, early filing of advance bills of entry has enabled higher degree of pre-arrival processing and thereby lower release time. The average release time for different categories of bills of entry highlighting the benefits of pre-arrival processing and impact of delays in filing of bills of entry is presented in the "Pre-arrival Benefits" graph.

The extant customs clearance process is managed through a risk management system (RMS). Level of facilitation and interdiction represent the impact of regulatory environment on average release time. The comparative release time in respect of each category of bills of entry subjected to various levels of interdiction is
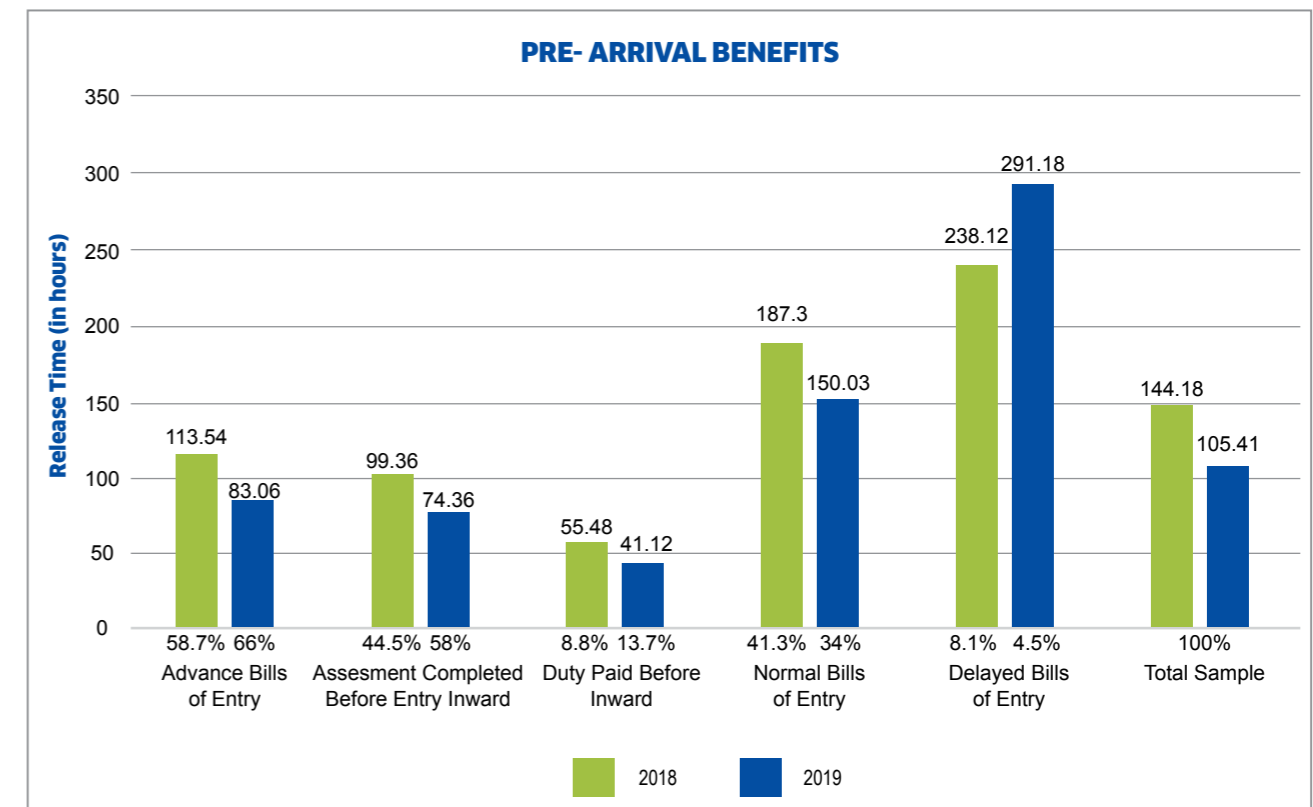
outlined in the graph "Facilitation Pays, Interdiction Must Be Efficient".

It is significant that the reduction in the overall average release time is the result of considerable drop in each of these categories and not just a few. The trusted clients like AEOs and importers eligible for Direct Port Delivery Scheme, besides regular importers are expected to have significant benefit from lower release time. The study shows increased adoption of AEO and DPD schemes and all-round improvement in the release time for these clients. The average release time for advance facilitated bills of entry for AEO clients is 47.22
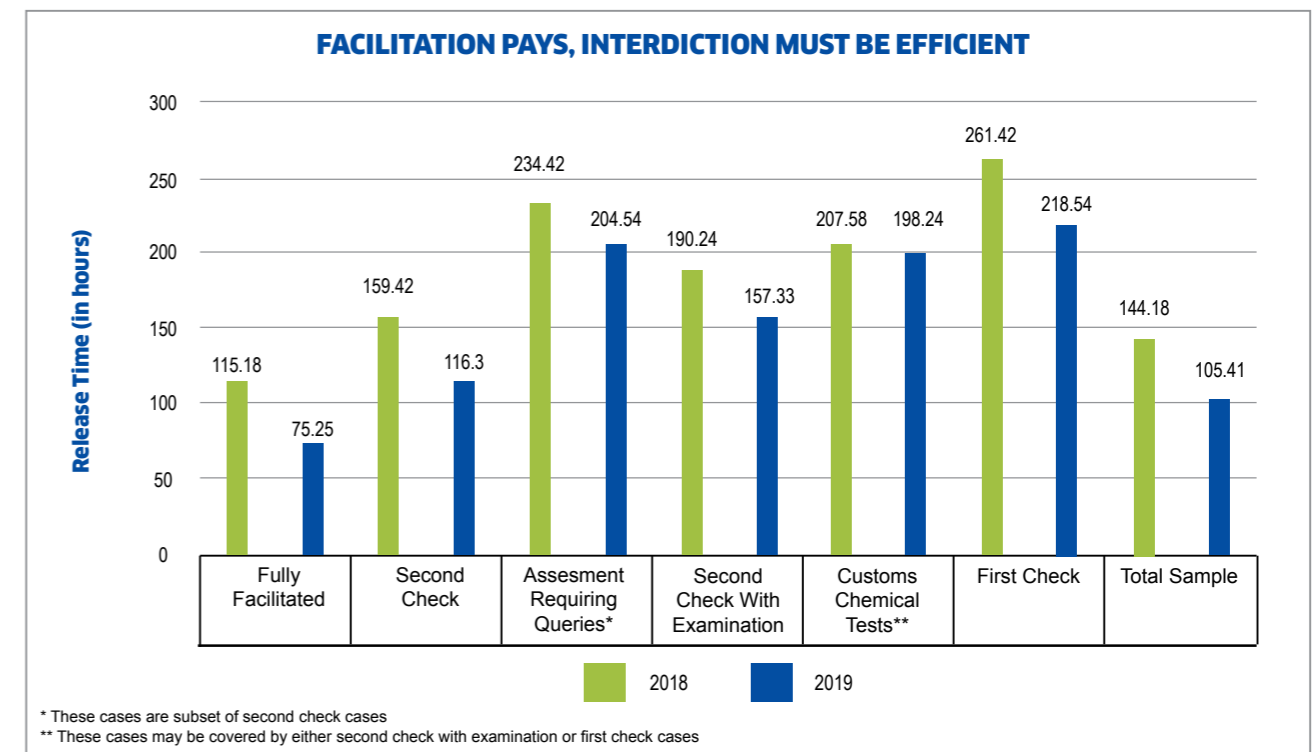
PRE- ARRIVAL BENEFITS

FACILITATION PAYS, INTERDICTION MUST BE EFFICIENT

* These cases are subset of second check cases
** These cases may be covered by either second check with examination or first check cases

hours. Similarly, the average release time for advance facilitated bills of entry for DPD clients is 51.52 hours.

The impressive improvement in average release time for liquid bulk cargo bills of entry from 249.36 hours in 2018 to 109.49 hours in 2019 is perhaps the testimony to the utility of TRS as a trade facilitation diagnostic tool.

The average release time for auto-components falling under customs tariff heading of 8708 imported from South Korea, reckoned by the World Bank's Ease of Doing Business Index, shows further improvement and validates the *"Path to Promptness"*.
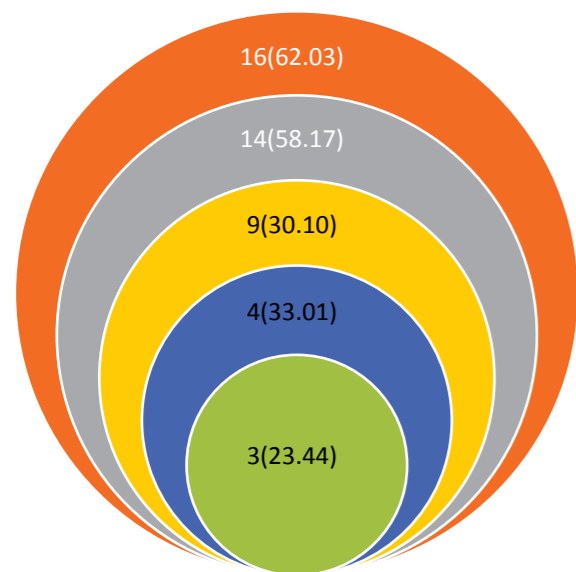
Auto components from South Korea

Total Bills of Entry
Advance Bills of Entry
Advance Facilitated Bills of Entry
Advance Facilitated DPD Bills of Entry
Advance Facilitated DPD Bills of Entry -AEO
( )　Release time in Hours

The study covers the bills of entry that were referred to different Participating Government Agencies (PGA) which have joined the SWIFT initiative of CBIC. This study highlights that there is a decline in the number of bills of entry referred to PGAs and more importantly there is a reduction in the average release time by each of the PGAs. The release time for these bills of entry are summarized as follows: -
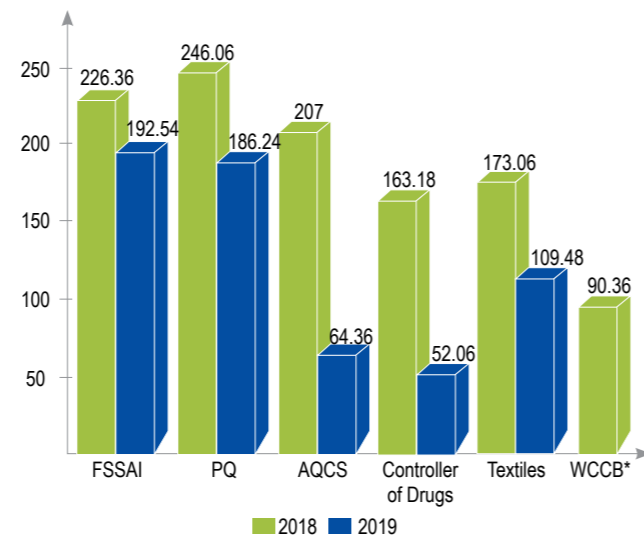
* No Bills Of Entry marked to WCCB during the study period

Realising the importance of stage-wise analyses in understanding the behavioural response of the importers to different policy initiatives, the study conducts a more detailed stage-wise analyses compared to TRS 2018. It presents interesting insights into the impact of statutory and policy initiatives and the behavioural response of the trade, highlighting the need for further research in the area.

Exports:

JNCH conducted its first ever export TRS in 2018. The scope of Export in TRS 2019 is substantially expanded to cover more commodities, as well as present average release time for various categories of shipping bills. The methodology adopted for computation of export release time is similar to 2018.

In this TRS, shipping bills filed by top exporters of top 10 commodities, viz. (i) frozen fish, (ii) frozen meat, (iii) cotton, (iv) pharmaceuticals, (v) two wheeled automobiles, (vi) crankshafts, (vii) stainless steel coils, (viii) chemicals, (ix) electrical machinery, and (x) bedsheets, were considered for the computation of export release time.

The sample data consisted of 760 shipping bills in respect of 10 commodities filed by 71 exporters; of which 95.6% were facilitated by RMS.

The average "gross export release time", i.e. time of departure of export cargo from the factory gate to the departure of the vessel from the port for exports through the Parking Plaza was 105.35 hours in 2019 vis-à-vis 115.19 hours in 2018.

However, the average "net export release time", i.e. time of departure of export cargo from the Parking Plaza to the departure of the vessel
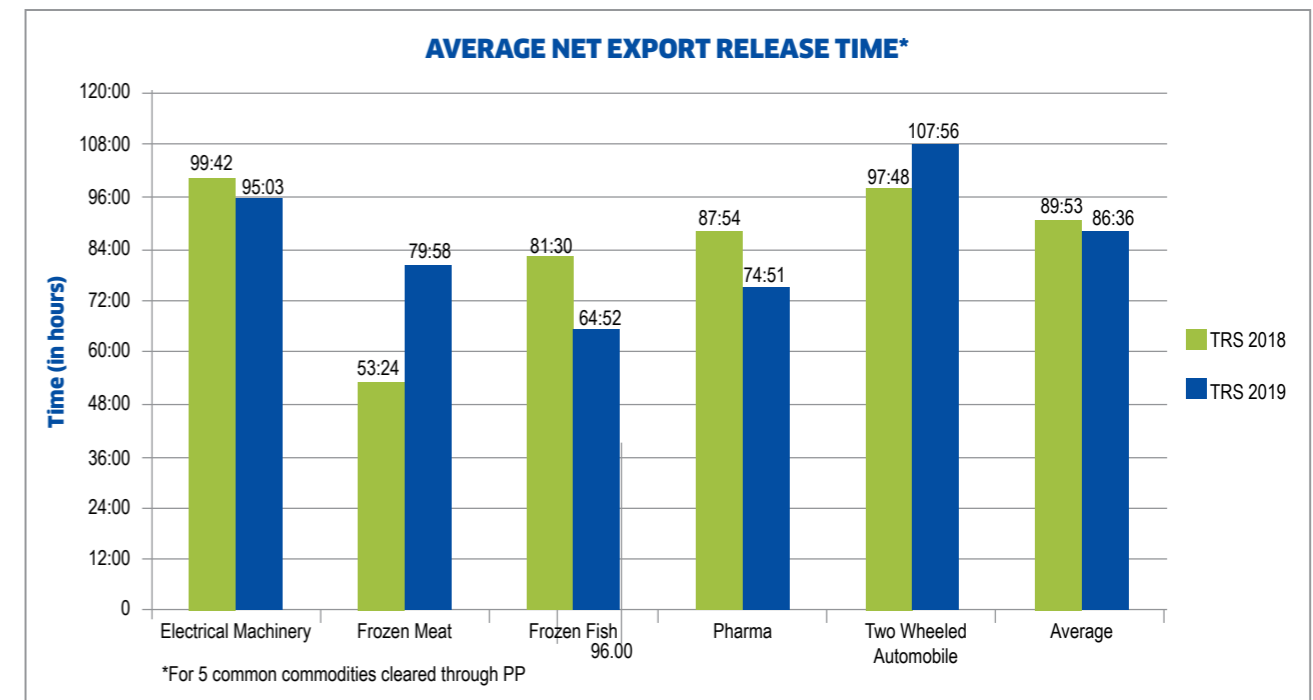
from the port was 86.36 hours in 2019 vis-à-vis 89.53 hours in 2018. The graph above summarizes the comparative average net release time.

The stage-wise analyses reveals that main factor responsible for reduction in net export release time is decrease in 'registration to LEO' time from 5.30 hours to 1.15 hours. The stage-wise average time taken is presented below: -

The study revealed an average net release time of 96.14 hours for DPE shipping bills vis-à-vis 195.34 hours for Non-DPE shipping bills. The study also reported that the net export release time for AEO exporter is less as compared to Non-AEO exporter, if they are availing DPE.

The performance of various stakeholders,
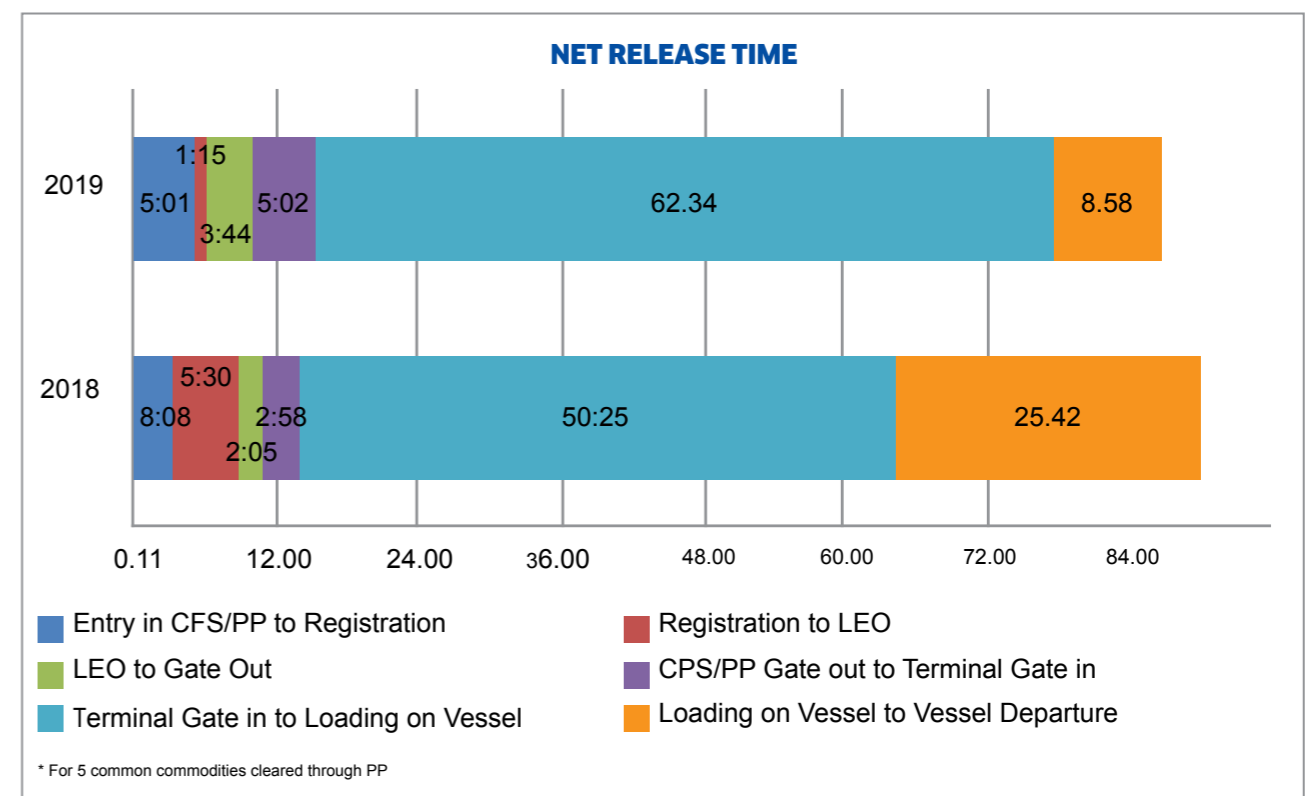
viz. exporters, customs brokers, CFS, parking plaza and port terminals have been analysed to identify the best performers among them.

Cost Analyses:

TRS 2019 has taken 'baby-steps' on measurement of cost-savings from trade facilitation initiatives of CBIC at JNCH, separately for exports and imports. Relying on the survey and interview method, an attempt has been made to approximate cost savings as a result of (i) higher levels of facilitation, (ii) increased utilization of DPD/DPE Scheme, (iii) enrollment under AEO Scheme, (iv) installation of Drive Through Scanner, and (v) reduction of average release time for CFS routed consignments.

The study also presents a set of recommendations for improvement of release time for import and export cargo, besides a number of areas for further research and analyses.

With minimization of time and costs being the two goals of trade facilitation measures for both imports and exports, TRS 2019 is an attempt to provide greater analytical insights and inter-temporal comparison of the effects of such initiatives.

5 INTRODUCTION, JOURNEY SINCE TRS 2018 AND OBJECTIVES OF TRS 2019

The importance of trade facilitation and ease of doing business in improving the global competitiveness of a developing economy like India can hardly be over emphasised. Facilitating the expeditious movement of exim cargo across borders, based on robust risk parameters, also enables optimal deployment of scarce official resources so that their attention is focussed on non-compliant and suspicious cargo or traders. It is now widely acknowledged that tardy border procedures and superfluous documentation, whether on account of customs or other agencies, cause a hindrance to trade and avoidable cost escalation.

Taking the lead among all border management agencies, the Central Board of Indirect Taxes and Customs (CBIC) has not only launched several trade facilitation initiatives but also worked continually to improve their effectiveness based on feedback from the trade. In doing so, it has relied on a variety of strategies such as higher degree of automation or adoption of technology, sharper risk management, better coordination with other regulatory agencies, proactive outreach with stakeholders and capacity building of its own officers. Greater enrolment of trusted traders under the Authorised Economic Operator (AEO) scheme and broader coverage of Direct Port Delivery (DPD)/ Direct Port Entry (DPE) schemes both in terms of entities and percentage of containers have been important planks of this strategy. Standards established over time by the World Customs Organization (WCO) through instruments such as the Revised Kyoto Convention (RKC) and the more recent binding commitments under the WTO Trade Facilitation Agreement (TFA) culminating in the National Trade Facilitation Action Plan (NTFAP) have been key sources of guidance in shaping this strategy.

It is evident that unless the impact of these initiatives is measured from time to time, the strategy would be a blind one. Release time of exim cargo and the average cost incurred in its release have thus come to represent the two critical yardsticks for performance measurement of border management agencies especially customs, with release time receiving primacy. Inter-temporal and inter-spatial comparisons of average release time through periodic Time Release Studies help the CBIC and its formations gauge whether the direction and pace of reform is satisfactory and indicate to the trade whether reforms are translating into tangible benefits for it.

In specific terms, the NTFAP 2017-2020 has set a goal of reducing the release time for import goods to within 3 days for sea cargo and within 2 days for air cargo and Inland Container Depots and on the same day for Land Customs Stations. Similarly, the goal for release of export goods is below 2 days for sea cargo and on the same day for air cargo, Inland Container Depots and Land Customs Stations. Subsequently, the government has prescribed a more ambitious target of reducing the import release time at seaports to 2 days, i.e. 48 hours. TRS also helps assess the extent to which these goals are being met and the kind of course correction that is needed if there is a shortfall.

The WCO itself has been advocating the use of TRS since 1994. More recently, Article 7.6 of the WTO TFA encourages Members to conduct studies to establish average release time, from time to time and in a consistent manner. Another motivation has been the interest generated by the annual ranking of 190 countries by the World Bank under the 'Trading Across Borders' parameter of its Ease of Doing Business Index (EODB). The scope of the Trading Across Borders intersects partially with that of Time Release Studies in as much as both measure the average release time of exim cargo with the former going a step further by measuring the release cost too. Although the two are quite different in scope, methodology and coverage, the outcome of the Time Release Study helps

both in shaping the perception of respondents of the World Bank EODB Survey as well as in validating its results.

When the World Bank's EODB 2019 announced that India had jumped a whopping 66 ranks on the Trading Across Borders Index, from 146 in 2018 to 80 in 2019 it led to a sense of vindication for Team JNCH. This was because the survey-based findings of the EODB were more in alignment with the average release time for import of auto-components falling under customs tariff 8708 and export of electrical machinery under chapter 85 as measured for JNCH by TRS 2018.

CBIC has, therefore, mandated that the customs formations at major seaports, airports, dry ports and land customs stations should conduct regular Time Release Study (TRS) as per the WCO guidelines.

JNCH has been conducting import TRS since January 2013, which can be accessed at http://www.jawaharcustoms.gov.in/index1.php. However, the methodology was revised for TRS 2017 and that allows for inter-temporal comparability of average import release time since 2017. On the export side, TRS 2018 presented the first set of export release time for few select commodities based on limited sample survey. This year, even as efforts have been made to present average export release time comparable to 2018, the scope of Export TRS has been substantially expanded to

World Bank's EODB 2019 announced that India had jumped a whopping 66 ranks on the Trading Across Borders Index, from 146 in 2018 to 80 in 2019 it led to a sense of vindication for Team JNCH

cover more commodities, as well as present average release time for cargo exported under Direct Port Entry (DPE) vis-à-vis through CFS, etc.

TRS 2019 has been conceptualised and conducted within the above context, benefiting from the rich experience of conducting TRS 2018 and subsequent developments relating thereto.

TRS 2018 was acknowledged as setting a new benchmark for its rigorous methodology using different data sources, scope of study and style of presentation. Adopted by CBIC as a 'model' TRS, JNCH TRS was selected as a case study by the WCO. During the 219th/220th Permanent Technical Committee (PTC) in April 2018, in the session relating to updating the Guide for the Time Release Study, the Indian delegation, led by Mr P. K. Das, made a presentation sharing the experience and results of JNCH TRS 2018. This was followed by publication of an article titled *"Assessing the clearance process: India shares its experience"* authored by Mr Vijay Singh Chauhan, Commissioner in the WCO News 86, June 2018.

It is also gratifying to note that the Report of the Logistics Development Committee of the Economic Advisory Council to the Prime Minister on Key Challenges in Logistics Development and the Associated Commerce – Policy Reforms for Ease of Doing Business/ Trade in India has extensively drawn upon JNCH TRS 2018.

One of the objectives of TRS 2018 was to assess the impact of statutory and administrative changes on trade behavior over time. Following up on the findings of the TRS 2018 in this regard, Mr Vijay Singh Chauhan, with the assistance of Mr Arun Prasath, Deputy Commissioner submitted a paper titled *"An assessment of behavioural response of importers to trade facilitation initiatives: A case study at Jawaharlal Nehru Custom House"*, which was presented at Partnerships in Customs Academic Research and Development (PICARD) Conference in Malatya, Turkey in October 2018 (hereinafter referred to as PICARD paper).

In this paper, comparison of the data from TRS 2017 and 2018 revealed that the importers had responded positively to four identified measures (two statutory and two administrative), albeit with varying degree of compliance gaps.

The response of the importers to these policy measures suggested that they had taken voluntary "impact-augmenting" action in certain cases, such as payment of duty even before the arrival of cargo, including in the case of DPD. However, the paper had also discerned certain "impact-dissipating actions" by importers that have offset the gains from prompt filing of normal bills of entry, which was illustrated with comparative stage-wise analyses in respect of normal non-facilitated bills of entry. In view of these findings, TRS 2019 includes a more detailed stage-wise analyses.

Aiming to place JNCH Time Release Study firmly in the academic domain, Mr Vijay Singh Chauhan and Mr Arun Prasath jointly authored a paper titled "Three-legged race to trade facilitation: Case study at Jawaharlal Nehru Custom House" which has been published in Studies in Microeconomics, SAGE Journals [https://doi.org/10.1177/2321022218805275] (hereinafter referred to as SAGE paper). In this paper, the authors presented a three-way categorisation of issues impacting release time, namely time of submission of the import declaration by importers (commonly known as bill of entry), level of facilitation or intervention (as determined by the risk management system) and involvement of non-fiscal concerns that may require processing by regulatory authorities, other than customs. The presentation of TRS 2019 draws upon the SAGE paper to highlight the average release time for these three categories, even as it has highlighted the differences in release time by other categorisations as well.

The scope and utility of TRS, particularly in the context of JNCH experience, was discussed during a session conducted by Prof. Porus Munshi in the Mid-Career Training Programme of CBIC officials at the Indian School of Business (ISB), Hyderabad during December 2018. This session encouraged the Team TRS to push the envelope further as a tool for bringing about revolutionary changes in customs clearance process.

In the words of Mr Vivek Johri, TRS 2018 was, "unlike in the past, not a post-facto statistical analyses, but a real-time sensitization exercise to highlight the role and importance of various stakeholders in the expeditious clearance of import and export cargo through JNCH." This had raised some concerns regarding the potential bias that such an approach may induce on the trend of average release time.

As part of this TRS, the monthly average dwell time for JNCH presented by CBIC on its

website [http://www.cbic.gov.in/htdocs-cbec/dwell_time] and [http://www.cbic.gov.in/htdocs-cbec/dwell-time/archived_dwell_time] for green channel (facilitated) and red channel (non-facilitated) since January 2017 have been analysed. The time series data, along with the trend line, as presented below, validate our assumption that a time release study combined with sensitization campaign does not artificially impact the average release time.
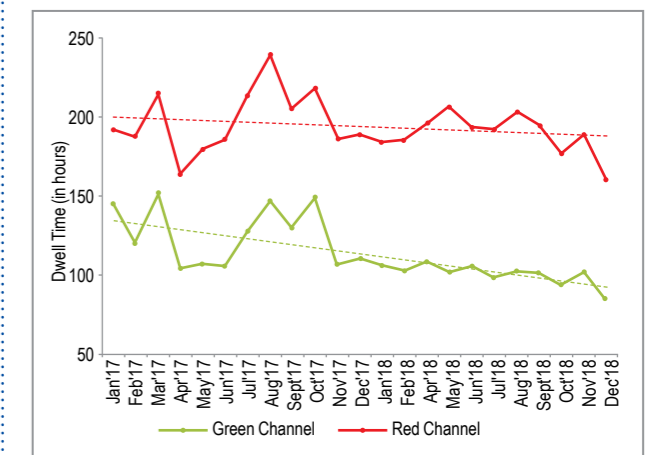
TRS 2018 had identified the four-fold 'Path to Promptness' that forms the core of the efforts to reach the NTFAP release time target, namely, (i) filing of advance bills of entry to enable pre-arrival processing, (ii) enhanced level of facilitation, (iii) higher Authorized Economic Operator (AEO) enrolment and (iv) increasing utilization of direct port delivery (DPD) scheme. Over the year, all stakeholders were sensitized about the benefits of these initiatives/facilities, in terms of both release time and cost. TRS 2018 had also highlighted two major categories of bills of entry with significantly higher release time, namely (i) those with non-fiscal concerns requiring 'no objection' certificate from the concerned regulatory agencies, and (ii) liquid bulk cargo. As the results of TRS 2019 clearly suggest, identification of the problem in the last TRS and subsequent concerted and coordinated efforts have resulted in more than average improvement in release time for these categories of bills of entry.

The preparation for TRS 2019 entailed detailed discussions at the senior management level of JNCH, comprising Mr Vivek Johri, Chief Commissioner and Mr Manas Ranjan Mohanty, Mr Subhash Agrawal and Mr Rajesh Kumar Mishra, all Commissioners. This team benefitted from valuable inputs from Mr P. K. Das,

A historical jump in Trading Across Borders

as per the World Bank's Doing Business Report

EASE OF DOING **BUSINESS**
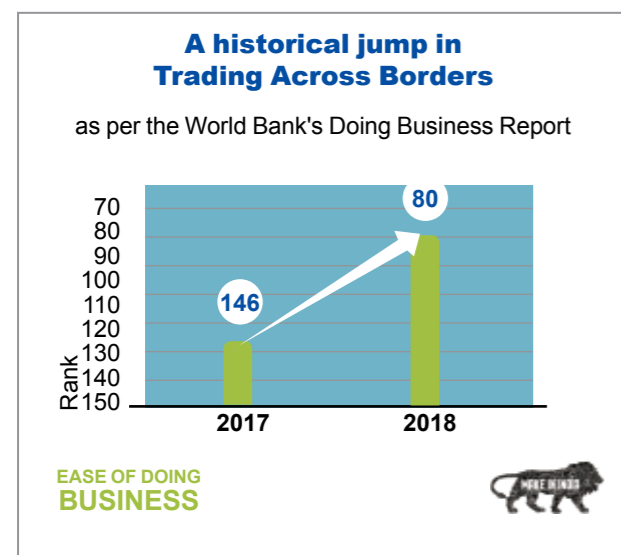
Chairman, CBIC and Mr Satya Srinivas, Joint Secretary (Customs), CBIC. It was decided to entrust the task of coordinating and supervising the TRS 2019 to Mr Vijay Singh Chauhan and Mr Subhash Agrawal, who had piloted the TRS 2018 and had since been transferred out of JNCH to other CBIC formations in Mumbai. JNCH had issued Office Order No.03/2018 dated 07.12.2018 constituting a team of officers for TRS 2019 (Refer Annexure). It was also decided to put in place a larger team drawn from all CBIC formations located in Mumbai, including those who were involved with the conduct of previous TRS to conduct JNCH TRS 2019, motivated by the twin objective of undertaking a more ambitious study and the opportunity to build capacity among younger departmental officers, particularly NACIN probationers.

The formal launch of groundwork for TRS 2019 began with the unveiling of TRS 2019 banner with the slogan "Marching Further Ahead" on 2nd December 2018 by Mr P. K. Das, the then Member (Customs), CBIC, Mr Vivek Johri and Ms Sungita Sharma, Chief Commissioner of CGST, Mumbai.

The run up to the data collection and study period have been utilised in myriad ways to use TRS as an outreach tool, by increasing its visibility at major events like the Tata Mumbai Marathon & the Customs Regatta and involving officers of different formations across hierarchy, the evidence of which are strewn across this study.

Benefiting from the successful conduct of TRS 2018, the objectives of TRS 2019 have been formulated with the broad intention of retaining strict comparability of data, providing greater analytical insights, further expanding the scope of export TRS and for the first time, attempting approximating financial savings due to major trade facilitation measures.

Specific objectives of TRS 2019 are

(i) Measure the average release time and distance to NCTF revised target of two days for import of sea cargo and one day for export of sea cargo;

(ii) Expand the scope of export TRS substantially;

(iii) Present a comparative release time for various categories, including several new categories of import and export cargo;

(iv) Present a deeper analyses of release time, inter alia, to recognise the outstanding performers among various stakeholders and to "nudge" others towards excellence;

(v) Attempt approximating financial savings due to major trade facilitation measures;

(vi) Use TRS as a tool to spread awareness about release time among all departmental officers and other stakeholders to imbibe sensitivity to promptness; and

(vii) Capacity building by on-boarding larger team of officers, not presently working at JNCH from across all CBIC formations, particularly NACIN probationers in Mumbai.

It is expected that the publication of TRS 2019 would receive even greater accolades and be followed by more research and publications, resulting in further improvement in release time and trade facilitation. It is also hoped that the study would lead to deeper research about key challenges in logistics development.

6 JAWAHARLAL NEHRU PORT STATISTICS

Jawaharlal Nehru Port Trust (JNPT) at Nhava Sheva is India's largest containerized port handling about 55% of the containerized exim cargo of the country. Commissioned on 26th May, 1989, the port has evolved from being a single government-owned terminal to a world class facility with four terminals that include three privately-operated port terminals. The fourth terminal, viz. Bharat Mumbai Container Terminals (BMCT), operated by Port of Singapore Authority (PSA), was inaugurated after the completion of data collection period of TRS 2018. When BMCT is fully commissioned, it will have a berth length of 2,000 meters and the deepest berths in JNPT to handle large super post-panamax vessels. At present JNPT also has facility for handling liquid cargo at the Liquid Bulk Terminal with twin side berthing terminal (LB1/LB2) and additional dolphins.

The port includes 34 Container Freight Stations (CFS) where cargo is moved for border management agencies including customs to carry out their controls and procedure (except for import cargo delivered under Direct Port Delivery Scheme). Three Parking Plazas have also been created in the port for expeditious processing and clearance of export cargo carted in a sealed condition.

Jawaharlal Nehru Custom House (JNCH) caters to the clearance of containers discharged and loaded from all the four terminals of JNPT, besides liquid bulk cargo. The port also handles containers that are transhipped to and from various Inland Container Depots (ICDs), located in the hinterland, with the objective of providing customs clearance facility and logistics solution to the EXIM trade closer to their doorsteps. Such containers account for 1.1% of the total volume of TEUs handled at the port in 2018-19.

Since its inception, JNPT has emerged as one of the most preferred clearance port for India's exim trade, with container traffic continuing to grow from 4400964 TEUs in 2017-18 to 4662177 TEUs in 2018-19, an increase of 6% in volume terms. It now ranks as one of the biggest ports in the world with ranking between 30-35 [33rd as per UNCTAD: https://unctad.org/en/PublicationChapters/rmt2017ch4_en.pdf]

The comparative container handling data is presented in the table below:

The JNCH TRS covers exim cargo, both containers and liquid bulk, cleared directly through JNCH and not those transhipped to or from any ICD.

JNPT Container Traffic	2017-18						2018-19 (upto Feb. 2019)					(in TEU)
	JNPCT	NSICT	APMT	NSIGT	BMCT	JNPT port Total	JNPCT	NSICT	APMT	NSIGT	BMCT	JNPT port Total
Vessel Discharge	729779	254534	1076775	338627	11319	2411034	511625	188523	975671	436928	220054	2332801
Vessel Load	717357	380378	937343	312946	11468	2359492	463131	306682	878460	414363	219069	2281705
Transhipment	34632	6210	13777	7827	425	62871	10647	2581	17009	7312	10122	47671
Total of Terminal	1481768	641122	2027895	659400	23212	4833397	985403	497786	1871140	858603	449245	4662177

SECTION B – IMPORTS

7

IMPORT RELEASE TIME

7.1 METHODOLOGY AND SCOPE

Time release study at the national level should focus on maintaining inter-temporal and inter-spatial comparability of import release time. Towards the objective of inter-temporal comparability, JNCH has scrupulously adhered to the revised methodology adopted for conduct of TRS 2017. This methodology was formulated and transparently spelt out in TRS 2017 and 2018. The revision in 2017 was particularly required to take into account increasing share of advance bills of entry and focus on pre-arrival processing.

In order to encourage inter-spatial comparability, CBIC has adopted the JNCH methodology and encouraged other major customs formations to conduct TRS following the same methodology. It is understood that several custom houses have conducted TRS adopting the common methodology, albeit with local adaptations.

Methodology:

Standard definition of release time: The definition of release time in this study is consistent with the WCO definition of release time being equal to the arithmetic mean of the time taken between the arrival of cargo at the seaport and their final release into the economy via standardised system. The precise quantification of the release time based on the aforesaid definition, adopted by this study, is the time taken from the grant of entry inwards, approximating the time of arrival of the cargo at the seaport to grant of out of charge by customs, approximating the release of cargo by customs upon completion of all regulatory formalities. This standard definition is applied in respect of both, normal bills of entry, which are filed after grant of entry inwards, as well as advance bills of entry, which are filed before the grant of entry

inwards. Therefore, in the case of advance bills of entry, the time taken between filing of advance bills of entry and grant of entry inwards has been ignored by setting the same to zero in respect of each such bill of entry. Similarly, the time taken in the sub-processes that are fully completed before grant of entry inwards is assumed as zero; and where the process begins before the grant of entry inwards but is completed after the same, only the time taken from grant of entry inwards to the completion of the sub-process is taken into account.

The respective milestones for the processing of advance bills of entry and normal bills of entry, when not facilitated are given below:

Lengthening the timeline: The above-mentioned standard quantification of the release time based on the approximation of the arrival and release of cargo, is ascertainable from the ready availability of unimpeachable timestamps for the said two events in the customs IT system. However, JNCH TRS has attempted to assess the differential impact of alternate quantification of the release time.

As regards the starting point, study of all the vessels berthing at JNPT during the sampling period, utilising the data from the Terminal Operating System (TOS) and customs IT system, to quantify the time taken from actual berthing of the vessel till the grant of entry inwards, suggest that the time difference due to adoption of entry inwards as the time of arrival of the cargo is minimal.

JNCH had issued Public Notice No. 157/2016 to enable grant of entry inwards when the vessel reports at the pilot station or upon boarding, thereby enabling the commencement of processes contingent upon such grant of entry inwards. This advances the grant of entry inwards by upto 4 hours before the actual berthing of the vessel.

Analysing the data relating to 39 vessels that berthed in JNPT during the study period, it seen that in the case of 23 vessels, entry inwards

ADVANCE NON-FACILITATED BILLS OF ENTRY

NORMAL NON-FACILITATED BILLS OF ENTRY
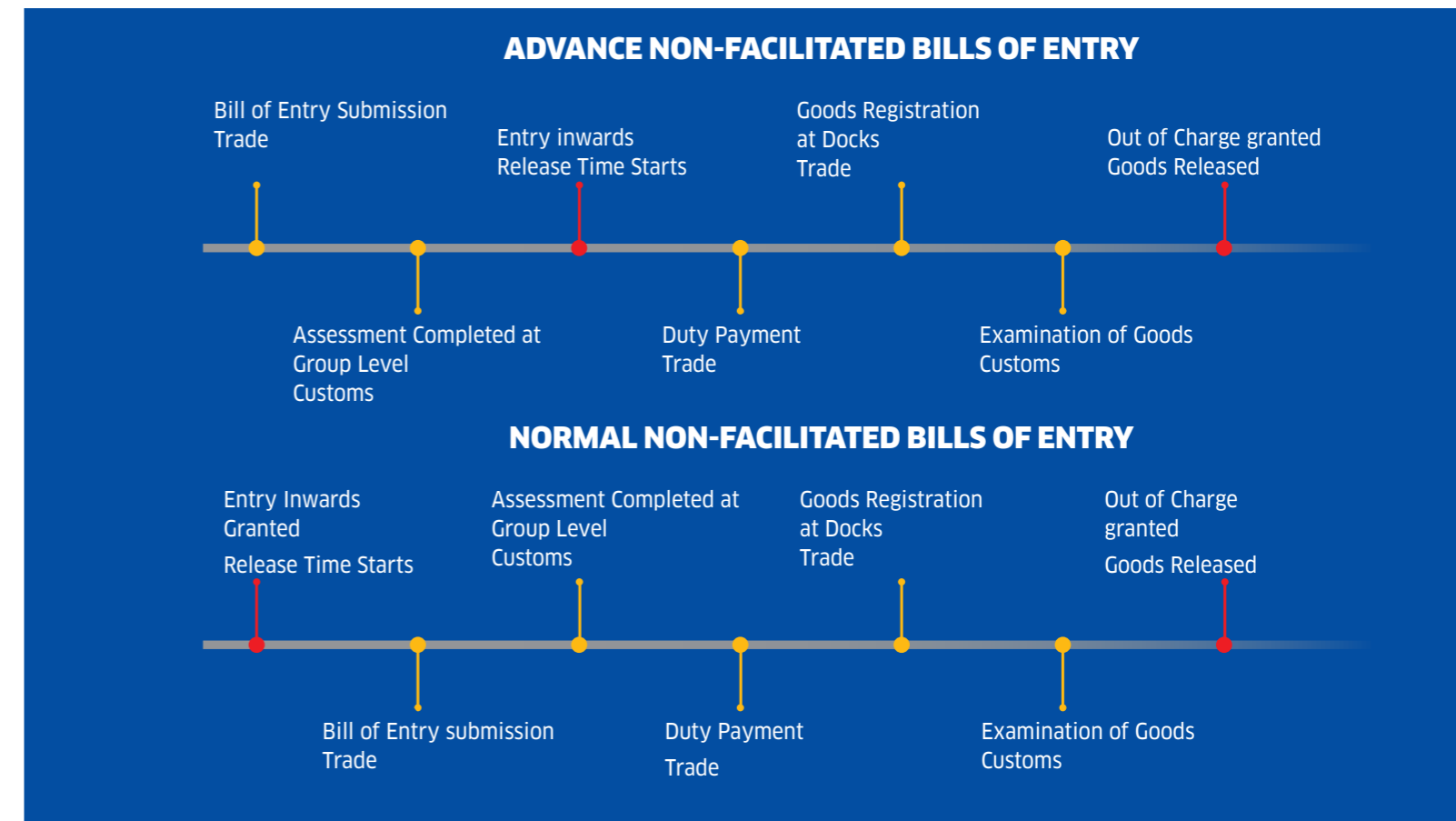
was granted before berthing of the vessel. In the remaining 16 cases, entry inwards was granted upon the berthing of the vessel. Overall, the study found that the average time taken from the berthing of the vessel to grant of entry inwards stands at negative 24 minutes vis-à-vis a positive 31 minutes of January 2018. This affirms that entry inwards was granted, on an average, 24 minutes prior to the actual berthing of the vessel.

However, at the other end of the process chain, sample based sub-studies covering select Container Freight Stations (CFS) to quantify the time taken by trade after being given "out of charge" till "gate out" from the CFS premises were conducted during earlier Time Release Studies. Since the final timestamp in customs IT system is that of the grant of out of charge, the quantification of this time duration required correlation of the gate out time in respect of each bill of entry with the data obtained from the CFS IT system. TRS 2017 has quantified this additional time at 37.7 hours, which had declined to 35.4 hours in TRS 2018. As pointed out therein "the time taken from out of charge to gate out is not attributable to any process relating to

customs clearance or trans-border movement of goods". The study also concluded that the grant of out of charge may be treated as the "final event" for the purpose of TRS. As such, TRS 2019 has dispensed with this sub-study.

Categorization: This study presents the standard average release time for all bills of entry filed during the sample period, as well as average release time for different categories of bills of entry, as briefly mentioned below:

(i)   Though JNPT is mainly a containerised port, it also caters to liquid bulk cargo. The average release time for LCL (goods covered by more than one bill of entry may be stuffed in one container), FCL (a single bill of entry may cover one or more container cargo), as well as liquid bulk cargo, have been separately quantified.

(ii) Level of facilitation and interdiction represent the impact of regulatory environment on average release time. Therefore, average release time for bills of entry subjected to different levels of facilitation are presented, category-wise.

(iii) Impact of time of submission of bills of entry by the importers/customs brokers

highlights advantages of pre-arrival processing. Therefore, release time data are generally presented in stratified manner to indicate the impact of filing advance bills of entry.

(iv) The extant customs clearance process places high emphasis on trust. The AEOs and DPD clients represent trusted importers. Therefore, the study has presented the average release time for AEO and DPD clients separately, seeking to highlight the benefits of these schemes.

(v) Different commodities entail varying degree of fiscal vulnerability, besides application of non-fiscal regulatory regime. Therefore, TRS 2018 had presented average release time for different categories of commodities, besides more specific average release time for bills of entry routed through SWIFT for scrutiny and approval of the concerned partner government agency. In this study, in the interest of brevity, commodity-wise study has been restricted to those handled by PGAs and auto-components-the latter being a case study for the Trading Across Borders parameter of the WB Doing Business Report.

(vi) TRS 2019 has introduced a new category of classification of bills of entry, as those filed by regular vs non-regular importer, with regular importers being categorised as those who filed seven or more bills of entry during the sample period.

Sub-processes: Timely completion of the customs clearance process requires prompt action by different stakeholders. Since different sub-processes entail action on the part of specific stakeholders, determination of release time by disaggregated sub-process is useful for understanding the role of specific stakeholders for delays in release time and therefore, crucial for designing strategy for improvements. Sub-process Analyses have been utilised by team of officers at JNCH to study the behavioural response of trade to different trade facilitation initiatives. Certain sub-process Analyses included in TRS 2018 have been included in the sub-section on "Risk-based Facilitation and Interdiction" as they were essentially additional plausible interdictions by customs.

Data Source: The TRS has relied primarily upon the data retrieved from the customs IT system. In addition, wherever necessary, data has been obtained from Terminal Operating System, FSSAI, Textiles Committee, ADC, DYCC and special purpose surveys, particularly for cost savings analyses has been adduced and juxtaposed with customs data to enrich the analyses.

The robustness of the release time data has been validated in the following three ways:

i.   Bureau of Research on Industry and Economic Fundamentals (BRIEF) presents dwell time analyses of cargo cleared through JNCH relying on the raw data obtained, inter alia, from the customs IT system;

ii. Logistics Data Bank (LDB) system integrates multiple information nodes across various agencies and provides common visibility platform for all, thereby ensuring information symmetry within a single window leveraging RFID technology at its backend.

iii. CBIC releases monthly average dwell time data for red channel and green channel cargo for major customs formations, including JNCH. As mentioned in the Introduction, the trend analyses of data since January 2017 does not show any out-of-trend drop in the average monthly dwell time during the TRS months.

Scope:

The import TRS began with 15,744 bills of entry filed during the sample period, viz. 01-07 January 2019 (hereinafter referred to as 2019), including both advance and normal bills of entry, showing 5.1% increase over 14,973 bills of entry filed during the period of 01-07 January 2018 (hereinafter referred to as 2018). At the end of the data collection period, viz. 07 February 2019, consistent with the TRS 2018 methodology, 138 bills of entry, accounting for 0.8% of the total bills of entry filed, have been excluded for the reasons discussed in the sub-section titled Excluded Bills of Entry. Therefore, 15,606 bills of entry, comprising 99.2% of all bills of entry filed during the sample period, have been considered for the calculation of the average release time.

This TRS has sought to benefit from the data analyses and research conducted by the team of officers at JNCH after the completion of TRS 2018, particularly the SAGE paper, in making the presentation crisper and more reader-friendly.

The scope of study has been expanded, inter alia, to assess the spread of gains in terms of improvement in release time among importers, identify certain high performers in different categories with the objective of setting benchmarks and "nudge" the trade to emulate these high performers. There is a more detailed stage-wise analyses to assess the impact of statutory changes in Section 47 of the Customs Act, 1962 to enable grant of out of charge electronically and support further research in behavioural studies.

TRS 2018 had attempted live tracking of bills of entry with the objective, inter alia, of confirming the robustness of timestamps in the customs IT system. The limited live tracking had presented a lower average release time of 128.36 hours vis-à-vis data based average release time of 144.18 hours. However, based on the limited purpose the live tracking had served and the human resource intensity of the exercise, it was decided to dispense with such live tracking of randomly selected bills of entry in this TRS. It was recognized that the objective of spreading awareness regarding the importance of minimizing release time would be attempted in the course of normal conduct of TRS 2019.

To sum up, the methodology of this TRS is precisely the same as TRS 2017 and 2018 to allow for inter-temporal comparison, and the scope of study has been mainly to deepen the analyses to make this TRS more perceptive and provide leads for further research in the area.

7.2 IMPORT PROCEDURE

The standard import clearance process begins with filing of the Import General Manifest (IGM) by the shipping lines. However, the Customs Act also allows for electronic submission of bill of entry by the importer or customs broker (CB) on his/her behalf based on self-assessment upto thirty days in advance of filing of IGM.

Depending on the timing of submission, bills of entry can be classified as normal or advance bills of entry. Those filed after grant of entry inwards, an event with precise timestamp closely approximating the arrival of the cargo at the seaport are known as **normal bills of entry**. While the ones filed before the grant of entry inwards, allowing for certain degree of pre-arrival processing, are called **advance bills of entry**.

NORMAL BILL OF ENTRY PROCESS FLOW

IMPORTER	CUSTOMS	IMPORTER	CUSTOMS	CUSTOMS
ENTRY INWARD	ASSESSMENT	DUTY PAYMENT	EXAMINATION	OUT OF CHARGE
BILL OF ENTRY FILING		GOODS REGISTRATION		

ADVANCE BILL OF ENTRY PROCESS FLOW

IMPORTER	CUSTOMS	IMPORTER	CUSTOMS	CUSTOMS
BILL OF ENTRY FILING	ASSESSMENT	DUTY PAYMENT	EXAMINATION	OUT OF CHARGE
ENTRY INWARD		GOODS REGISTRATION		

The self-assessed bills of entry, whether normal or advance, are thereafter processed by the Risk Management System (RMS), based on risk parameters. This computerized system determines whether the self-assessment by the importer is to be accepted as such or not. In case, the self-assessment is accepted completely, the said bill of entry is categorized as **fully facilitated bill of entry**. In case of fully facilitated bills of entry, the importer proceeds to make the duty payment and, thereafter, register the goods for subsequent out of charge. Alternatively, the RMS selects bills of entry that merit either documentary verification or in certain cases, physical examination by the docks officer. The entire set of bills of entry selected for further verification in this manner are treated as **non-facilitated bills of entry**. The selection for scanning is done based on IGM data-container wise.

However, based on the degree of intervention, the non-facilitated bills of entry can be further sub-divided into following categories: (i) those selected for documentary verification only. In this case, no physical examination of goods is prescribed. The import declaration is assessed by the respective group to which it belongs, and thereafter the goods are taken for registration after payment of customs duty. After carrying out a final inspection of documents, the goods are given out of charge by the docks officer. These bills of entry are called **second check bills of entry**; and (ii) In case of certain bills of entry, RMS may prescribe both document-based assessment and physical examination or only physical examination. In these cases, after the assessment and duty payment is over at the group level, examination of the goods is carried out by the docks officer. Thereafter, if the goods are found as per declaration by the docks officer, the subject consignment is given out of charge. These are called **second check with examination bills of entry**.

There are certain special categories of cargo, namely, second-hand machinery, certain chemicals, textiles, food items, drugs, highly sensitive items, designated as those which are prone to mis-declaration and duty evasion, which undergo a procedure called first check. First check may be sought by the importer in case, she has doubt about the accuracy of the self-declaration and may request for examination of the goods before assessment of the duty liability. As the name suggests, the goods are first examined by the docks officer and based on her report and certain other parameters like test reports, certificates, including by partner government agencies, as applicable, the goods are assessed by the respective assessing groups. After assessment, customs duties are paid and the goods are given out of charge by the docks officer. These bills of entry are called **first check bills of entry**.

Thus, the second mode of categorization of bills of entry is based on the extent of risk management-based facilitation or intervention by customs or other regulatory agencies.

JNCH is primarily a CFS-based containerized port, wherein traditionally containers were mandatorily shifted to CFS for completion of customs and other regulatory formalities. With the introduction of self-assessment and risk management-based facilitation, the need for shifting the containers to CFS was eliminated. The DPD scheme is aimed at reaping the benefit of facilitation by allowing direct clearance of such containers from the terminal premises upon obtaining out of charge. Viewed this way, **DPD bills of entry** should constitute a subset of facilitated bills of entry. However, in this study, all bills of entry filed by DPD clients are treated as DPD bills of entry, some of which may not be fully facilitated. In case of DPD facilitated bills of entry, since out of charge is given from the terminal premises itself and the goods are not required to move to CFS for registration and out of charge, it is expected that the release time for such bills of entry would be significantly lower. In order to enable easy clearance of DPD bills of entry, process of registration and out of charge in case of DPD cargo is completed at JNCH RMS Facilitation Cell itself. However, DPD non-facilitated bills of entry, as well as other non-facilitated bills of entry, require the goods to move to CFS, pending assessment and examination, before eventual out of charge.

The role of Participating Government Agencies (PGA) in the clearance of certain cargo is crucial. CBIC has introduced a single window system to bring onto one platform six PGAs for providing single documentation facility as well as common risk management system. However, in case of compliance with certain other allied laws, different procedures are prescribed, with ultimate responsibility of ensuring their compliance with the customs officers. Clearance for such goods can be under both facilitated as well as second or first check, depending on the conditions imposed on their importability and risk profile. The release time of such cargo is expected to be considerably higher in comparison to cargo which does not require reports/NOC from respective PGAs.

Time release study seeks to capture the time taken in clearance of cargo after its arrival at the customs port. Hence, in the case of advance bills of entry, the time taken in the processes that are completed before grant of entry inwards are assumed to be zero. Consistent with the said principle, for normal bills of entry the time clock begins with the grant of entry inwards and includes the time taken in submission of bills of entry by the importer.

8

ANALYSES OF IMPORT RELEASE TIME

8.1 ALL IN ONE: CONSOLIDATED AVERAGE RELEASE TIME

The National Trade Facilitation Action Plan - 2017-2020 (NTFAP), drawn up by National Committee of Trade Facilitation (NCTF) had envisaged bringing down the average import cargo release time to within three days (72 hours). This target has since been revised by the Government of India to two days (48 hours).

In order to benchmark our performance and measure the distance to the NTFAP goal, TRS 2018 had presented, for the first time, the average release time for all 12,431 bills of entry filed during 1-7 January 2017 (hereinafter this period is referred to as 2017) at 181.34 hours. The overall average release time for 14,757 bills of entry filed during the same period in January 2018 (hereinafter referred to as 2018) had improved to 144.18 hours.

For the 15,606 bills of entry filed during 1-7 January 2019 (hereinafter referred to as 2019), based on exactly the same methodology, the overall average release time has improved further quite significantly to 105.41 hours constituting a drop of almost 27%. Therefore, the distance to the original NTFAP goal (72 hours) has come down from 109.34 hours to 33.41 hours within two years.

This study highlights the measures, including the four-fold path to promptness, that have gone into this commendable improvement in the release time. It has also attempted to identify relatively intractable behavioural positions, particularly of certain categories of importers, that constitute the categories of bills of entry with relatively higher release time.

The graph below, presents the normal distribution of the bills of entry according to their release time for the last three years: 2017

(green), 2018 (blue) and 2019 (red), capturing the *"Essence of the Efforts"*. The percentage of bills of entry cleared in less than 72 hours has increased from 21% in 2017 to 29% in 2018 and has jumped to 50% in 2019. In fact, in 2019 34 % of the bills of entry were cleared within the stiffer revised target of 48 hours.

ESSENCE OF THE EFFORT
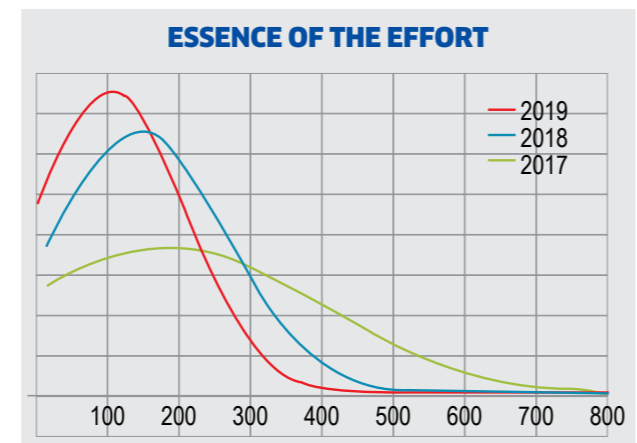
At the other end of the curve, it is seen that while maximum time-consuming 1% bills of entry were cleared with average release time of 1600 hours in 2017, it has declined significantly to 719 hours in 2019. Considering the maximum-time consuming 5% bills of entry, it is seen that the average release time for these bills of entry has improved from 864 hours to 466 hours during the same period.

The study then compared the average release time for individual importers, who had imported during both 2018 and 2019, to find that out of 2441 such importers, 72% of the importers have achieved improvement in release time. The average release time of this set of beneficiary importers has improved by 51% in one year. It would be useful to analyse the factors responsible either for worsening or for no change in the release time for the remaining 28% of the importers.

8.1.1 THE EXCLUDED BILLS OF ENTRY

Robust statistical analyses may require exclusion of certain population data for clearly stated reasons, particularly if arithmetic mean is treated as representing the population data. Consistent with this principle, TRS 2018 had excluded 216 bills of entry, accounting for 1.4% of the total bills of entry filed, which itself was an improvement over 385 bills of entry, accounting for 3% of the total bills of entry filed in 2017.

Following the same criteria for exclusion, this study has excluded 138 bills of entry, accounting for 0.8%, of the total 15,744 bills of entry filed at JNCH during the week-long period of 1-7 January 2019. Therefore, 15,606 bills of entry, comprising 99.2% of all bills of entry filed during the sample period, have been considered for the calculation of the average release time.
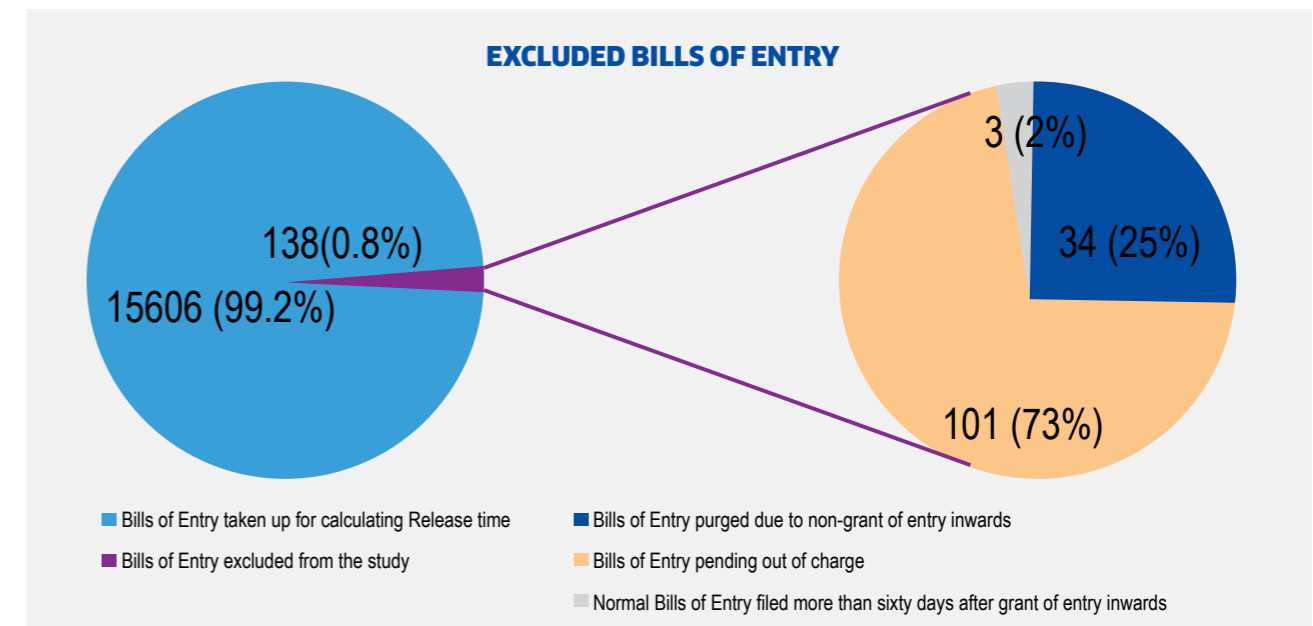
The reduction in the number and share of excluded bills of entry is a positive development, reflecting inter alia, the decline in the number of significantly delayed bills of entry for each of the categories. The graph below presents the broad categories of reasons for their exclusion:

The reasons for exclusion are as follows:
(i)   In case of 34 advance bills of entry, the corresponding entry inwards was not

granted till 7 February 2019, the date for freezing the data for further analyses.
(ii) In case of 101 bills of entry, the final clearance, i.e. out of charge was not accorded till 7 February 2019. Reasons for the same were scrutinized and it was found that in certain cases required action was pending by the importers and in few other cases, prima facie, infringements, including outright mis-declaration were detected. In those cases, the required procedures as per law, which includes investigation and adjudication had not been completed at the time of freezing of data for analyses.
(iii) Finally, 3 bills of entry that were filed more than 60 days after the grant of entry inwards have been excluded, in order to ensure consistency with the 2018 data, wherein 25 bills of entry were excluded on this ground.

At the time of TRS 2018, it was seen that these small outliers had disproportionate impact on the average release time represented as the arithmetic mean. With measures such as: (i) outreach to importers, (ii) penal provision in the Customs Act for delayed filing of the bills of entry, and (iii) plausible threat of initiation of the statutory process for disposal of such cargo (on expiry of stipulated 30 days period), it is expected that the number of bills of entry filed more than 60 days after grant of entry inwards would remain very small.

EXCLUDED BILLS OF ENTRY

- Bills of Entry taken up for calculating Release time
- Bills of Entry excluded from the study
- Bills of Entry purged due to non-grant of entry inwards
- Bills of Entry pending out of charge
- Normal Bills of Entry filed more than sixty days after grant of entry inwards

AND THE WINNER IS ..

The decision to recognize the bill of entry that clocked the minimum release time is motivated by the twin desire to felicitate the importer and the customs broker for their promptness and to identify the features that go into such expeditious clearance, thereby assisting in drawing up the *"Path to Promptness"*.

This year, the advance bill of entry No. 9515386 dated 04.01.2019 filed by M/s Om Freight

It is not surprising that the fastest bill of entry in both 2018 and 2019 are characterized by the four essential features that have been recognised as *"Path to Promptness"* for minimizing release time, namely:

(i) filing of advance bills of entry, allowing pre-arrival processing, (ii) enhanced level of facilitation, (iii) promotion of AEO scheme and (iv) enhanced utilization of DPD scheme, consistent with prudent risk management parameters. In this case, the payment of duty by the importer prior to entry inwards was also a contributing factor.
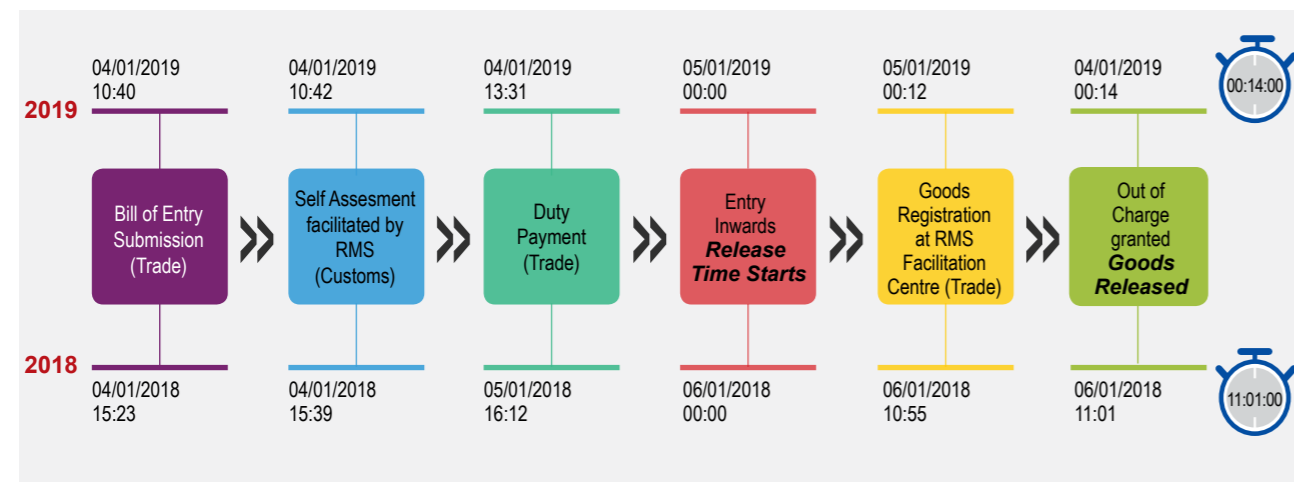
Forwarders Pvt. Ltd. on behalf of M/s Jindal Polyfilms Ltd., an AEO and DPD client, was cleared within an impressive release time of 14 minutes. TRS 2018 had reported the minimum release time of 11.01 hours.

The comparative timestamp for the fastest cleared bill of entry in 2018 and 2019, as presented below, reveal that this reduction has been achieved at the stage of entry inwards to goods registration at the 'RMS Facilitation Centre'. This improvement has been made possible owing to close coordination between the Boarding Office and RMS Facilitation Centre with a view to identify bills of entry ripe for registration so that they could be given "Suo-moto Registration" and subsequent out of charge. Another local initiative launched by JNCH that helped in many cases was the facility of lodging an online request for registration of a bill of entry that was transmitted to the concerned officer in the RMS Facilitation Centre through a sms message who would do so and allow Out of Charge is a time-bound manner. This was in addition to the facility of on-line registration provided by the Directorate General of Systems to Customs Brokers.

It is, therefore, recommended that JNCH should continue with the administrative measures and outreach programme to encourage trade to walk this *"Path to Promptness"*.

Time is of essence, in trade facilitation and in many other walks of life. However, the truest appreciation of every minute and every second comes perhaps most naturally to a marathoner!

JNCH TRS team applauds Mr Rajesh Kalyanam, with timing of 03:58:35 hours in the Tata Mumbai Marathon 2019 and Mr Jomy Jacob, with timing of 03.44.11 hours in the IDBI New Delhi Marathon 2019, who led the pack of marathoners from amongst the Indian Customs family.

TIME OF FILING BILLS OF ENTRY AND PRE-ARRIVAL PROCESSING

The previous studies have brought out the critical role of time of submission of bills of entry in reducing the average release time. Therefore, increasing the share of advance bills of entry and prompt filing of normal bills of entry have received major attention of the CBIC and JNCH for taking statutory and administrative measures to reduce release time.

Given that the release time clock begins with the arrival of the cargo (represented by entry inwards granted to the vessel), it is obvious that, ceteris paribus, the advance bills of entry should log a lower release time than normal bills of entry.

Increase in share of advance bills of entry: Since late 2016, a series of administrative and outreach measures have been taken by JNCH to "nudge" the importers to file advance bills of entry. As a result, the share of advance bills of entry, which had stagnated around 15-20% since July 2012 till July 2016, has shown a significant upward trend since then, increasing to 58.7 percent in 2018 and has improved further to 66.2 percent in 2019.

SHARE OF ADVANCE BILLS OF ENTRY
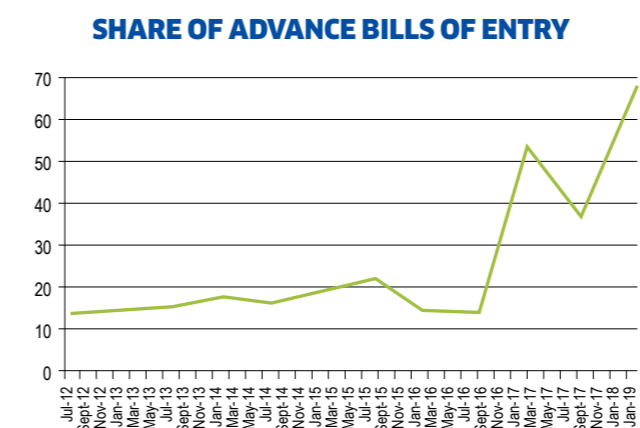
Lower and declining release time for advance bills of entry: Consistent with the expectation, the average release time for advance bills of entry at 83.06 hours is 55.4% of the average release time of 150.03 hours for normal bills of entry in 2019.

The comparative average release time for advance vs normal bills of entry for 2018 and 2019, showing a higher degree of improvement for advance bills of entry, are

presented below:

ADVANCE VS NORMAL : AVERAGE RELEASE TIME
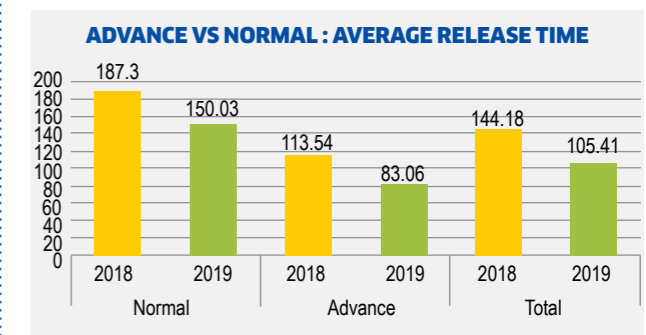
Higher level for facilitation for advance bills of entry: The extant JNCH guidelines seeking to encourage advance filing of bills of entry assure the trade of a higher level of full facilitation for such bills of entry. This assurance is borne out by the TRS 2019 findings that the full facilitation benefit for advance bills of entry at 61.2 percent was higher than 51.5 percent for normal bills of entry.

Even as the significant increase in the share of advance bills of entry is a healthy trend, the fact that every third bill of entry is not filed in advance, despite the demonstrated benefits in terms of higher facilitation and lower release time, besides persistent 'nudge' by the JNCH administration, suggests either genuine difficulty or indifference, lack of awareness and the comfort of being 'safe' in filing after arrival of goods on the part of trade in filing advance bills of entry. Anecdotal evidence at JNCH suggests that the larger part of the reason is indifference on the part of customs brokers. The procedural difficulties such as non-receipt of shipping documents in the case of short-haul voyages or the risk of short-landing of goods do not sufficiently explain the large gap of one-third of all bills of entry filed.

It is, therefore, recommended that CBIC may consider moving from administrative nudge to statutory requirement for trade to file advance bills of entry in a phased manner.

Early filing of advance bills of entry: Along with advance filing of bills of entry, it is expected that reasonably early filing of such advance bills of entry would increase the extent of pre-arrival processing, in view of the fact that, in most cases, it is possible to complete the assessment and payment of duty even before the entry inwards.

The PICARD and SAGE papers had

examined the impact of time of submission of bills of entry on release time in greater detail and validated the hypothesis that early submission of advance bills of entry enabled more stages in the procedure to be completed pre-arrival of goods and thereby lower release time. Using the framework developed therein, this study has found the following:

(i) the average time from submission to entry inwards at 42.54 hours in 2018 was lower than 55.47 hours in 2019, thereby enabling completion of subsequent processes in respect of larger number of advance bills of entry;

(ii) in 2019, in the case of 60% advance bills of entry, the assessment was completed before entry inwards, an improvement over 44.5% in 2018; and

(iii) further, in 2019, in the case of 14% bills of entry, the subsequent event of duty payment was also completed before entry inwards, as against 8.9% in 2018.

Normal bills of entry: As against the administrative measures to encourage filing of advance bills of entry and pre-arrival processing, timely filing of bills of entry after the arrival of the goods are sought to be ensured through introduction of statutory provision in the Customs Act. Section 46 of the said Act was amended vide Finance Act, 2017 to require the bill of entry to be filed before the end of the next day following the day (excluding holidays) on which the vessel carrying the goods arrives at customs station from which such goods are to be cleared for home consumption or warehouse. The law also provides for imposition of penalty for late filing of bill of entry without sufficient cause for such delay.

The SAGE paper has brought out the significant impact of this statutory provision on the timely filing of bills of entry. It reported that in the case of normal bills of entry, the average time taken from entry inwards to submission dropped significantly from 136.42 hours in 2017 to 48.18 hours in 2018. In 2019, this average time has declined further to 43.30 hours. However, this time of 43.30 hours is unacceptably high, for as many as one-third of all bills of entry filed, when viewed in the context of the eventual target release time of 48 hours.

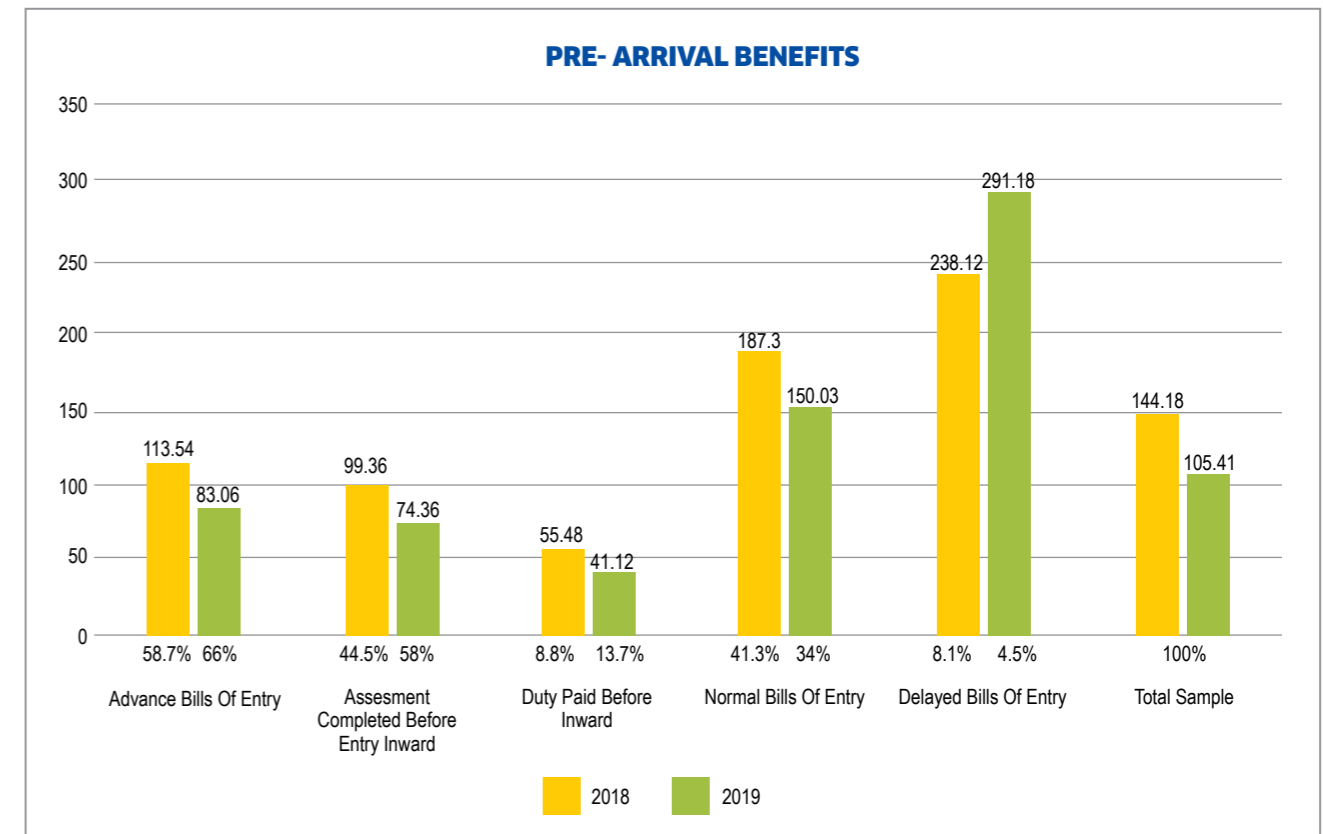*Delayed bills of entry:* TRS 2018 had found that

in 2018, in respect of 1201 bills of entry (8.1% of the sample bills of entry) charge for late filing of bills of entry was paid. For these bills of entry, called delayed bills of entry, the average time taken from entry inwards to submission was much higher at 129.30 hours. TRS 2019 has reported a significant decline in the number of delayed bills of entry to 700 (5% of the sample bills of entry). However, the average time taken from entry inwards to submission for these delayed bills of entry has increased to 152 hours, which has resulted in payment of late charges amounting to Rs.2.08 crore, compared to Rs.3.10 crore in 2018. In line with the delay in submission, the average release time for the smaller number of delayed bills of entry have increased significantly to 291.18 hours in 2019 vis-à-vis 238.12 hours in 2018.

While this study has not analysed the reasons for increase in delay in submission and even higher increase in the average release time because of paucity of time, it is expected that such an analyses would enable identification of the categories of such importers and the reasons for their indifference to prompt action, even in the face of penal consequences.

The stratified average release time: The graph as follows, presents the comparative release time for different categories of bills of entry, seeking to highlight the benefits of pre-arrival processing and the negative impact of delay in filing of bills of entry.

In view of this analyses, the following is recommended:

(i) JNCH should utilise its consultative fora such as Permanent Trade Facilitation Committee (PTFC) and Customs Clearance Facilitation Committee (CCFC) and outreach initiatives to emphasise not just the benefit of advance filing of bills of entry but also early filing thereof;

(ii) the in-house action plan should focus on completion of assessment sub-process in larger number of cases before arrival of the cargo; and

(iii) trade needs to be encouraged or "nudged" to pay duty immediately upon assessment. It is seen that the trade is relatively unwilling to pay duty till the arrival of cargo even after completion of assessment. In this regard, the analyses in the sub-section on Stage-wise Analyses may also be referred to.

PRE- ARRIVAL BENEFITS

Bar chart titled "PRE-ARRIVAL BENEFITS" comparing 2018 (yellow) and 2019 (green):
- Advance Bills Of Entry: 113.54 (58.7%), 83.06 (66%)
- Assessment Completed Before Entry Inward: 99.36 (44.5%), 74.36 (58%)
- Duty Paid Before Inward: 55.48 (8.8%), 41.12 (13.7%)
- Normal Bills Of Entry: 187.3 (41.3%), 150.03 (34%)
- Delayed Bills Of Entry: 238.12 (8.1%), 291.18 (4.5%)
- Total Sample: 144.18, 105.41 (100%)

It is also recommended that CBIC may consider statutory measures, such as providing for a graded interest payment provision for delays in payment of duty after completion of assessment. Alternatively, a scheme could be designed whereby customs brokers/importers would earn reward points for making timely duty payments which could be encashed to pay late filing charges for delay in filing of bills of entry. However, the monetary value assigned to cash reward point would need to be calibrated carefully to make sure that the scheme does not provide a perverse behaviour incentive either way.

8.3 RISK-BASED FACILITATION AND INTERDICTION

One of the important factors impacting the release time is the extent of risk management-based facilitation or interdiction, taking into account the concerns of revenue as well as other non-fiscal issues. These are variables that can be more directly impacted by the customs authorities and other government regulatory agencies, which have been assigned specific responsibilities under different statutes. All these agencies face a dilemma in terms of striving to maintain a fine balance between facilitation and ensuring compliance.

Under the current customs clearance process, all bills of entry are statutorily required to be electronically submitted along with self-assessment of duty liability, along with compliance of other non-fiscal regulatory requirements and all supporting documents are to be submitted electronically under the eSanchit scheme. These bills of entry are mandatorily risk-assessed by the Risk Management System (RMS), which determines, at the first level, whether the self-declaration filed by the importer merits acceptance. In this most probable case, the bill of entry is treated as fully facilitated and out of charge is given upon payment of self-assessed duties, and in a few select cases after minimal documentary checks such as verification of a license or country of origin certificate.

In case the risk management system finds that the self-declaration by the importer cannot be accepted without further scrutiny by the customs or other regulatory authorities, it routes the bills of entry for human intervention. Based on the level of perceived risk, RMS advises the extent of scrutiny, which is broadly of three levels: (i) verification of documents only, commonly known as second check; (ii) verification of documents and partial or complete examination of the cargo upon assessment, commonly known as second check with examination; and (iii) most rigorous compulsory physical examination of the cargo before assessment can be completed, commonly known as first check are resorted to by the assessing officer, either at the request of the CB or on his own decision.

In the standard risk management parlance, fully facilitated and second check bills of entry, without examination are treated as "facilitated" bills of entry for the reason that they are not subjected to any intervention.

Based on the findings of the previous studies, JNCH has endeavoured to reduce the cargo release time by two broad categories of measures:
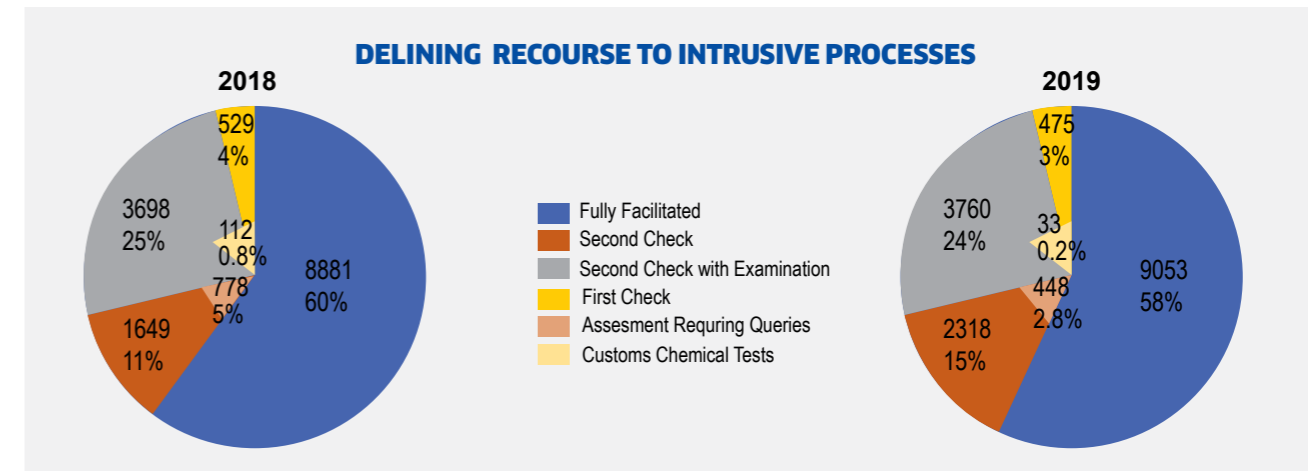
The first category includes: (i) minimising recourse to first check process, (ii) increasing the share of "facilitated" bills of entry, particularly the fully facilitated bills of entry and (iii) streamlining the second check cases. In the second check cases, the officer assigned the task of assessment may need to raise queries and/or request for supply of additional documents before deciding on the assessment. In a small number of cases, particularly those that attract non-fiscal restrictions, or trade remedial duties such as anti-dumping or safeguard duties, or intellectual property rights, representative samples may need to be drawn from the cargo and tested to ascertain the correctness of description of the goods. Sometimes, recourse to chemical examination may be required to arrive at definitive conclusions.

However, since these interventions have negative impact on release time, they should be used only after careful consideration about their necessity and efforts must be made to minimise the time taken therein. The second category of measures, therefore, include: (i) efforts to sensitise officers to be more careful in taking recourse to these time-intensive checks, (ii) reduce the percentage of examination, relying preferably on the availability of the state-of-art drive-through scanning facility, (iii) not to raise piecemeal queries, (iv) impress upon the agencies like chemical laboratories to complete the testing and communicate their results promptly, and (v) proactively engage with the customs brokers in obtaining documents/responses, etc.

To assess the performance of JNCH in respect of the first set of measures, the following graph presents the comparative data for the levels of interdiction in 2019 vis-a-vis 2018:
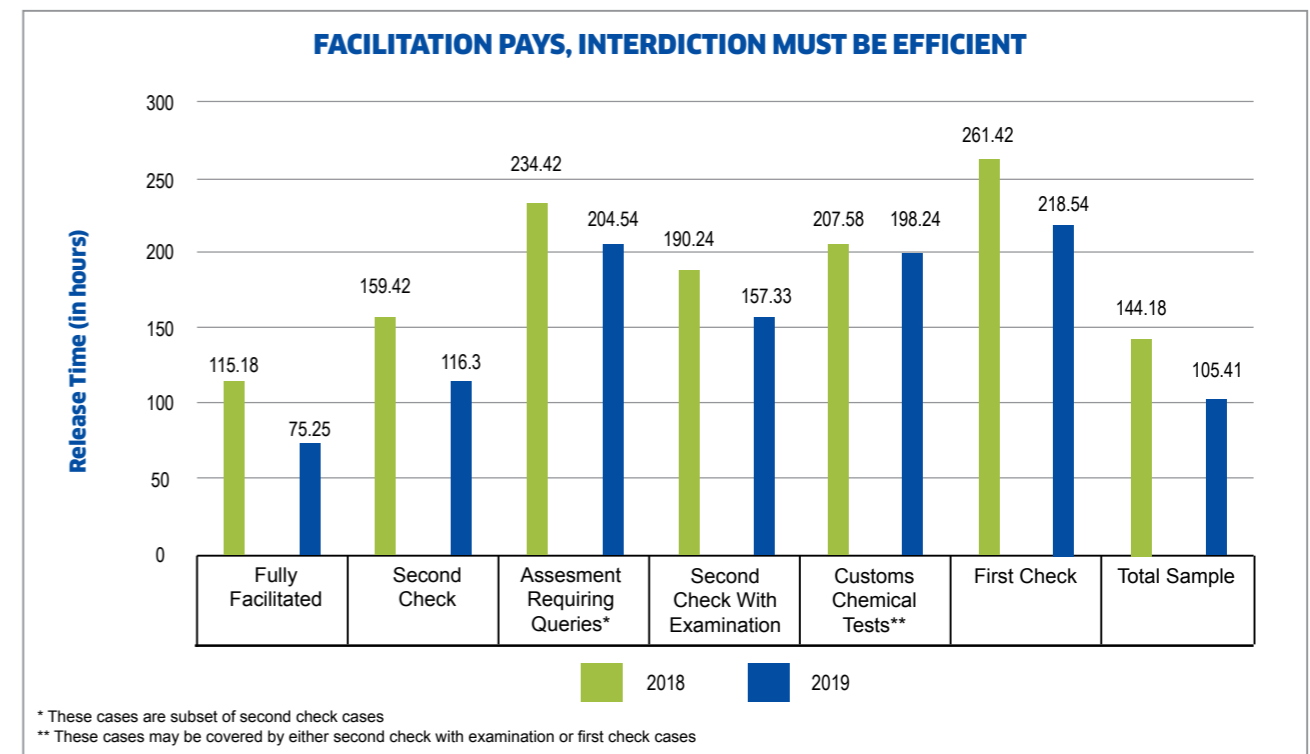
The following salient features were noted:
(i)   In 2018, the share of fully facilitated bills of entry was 60.2 percent, up from 55.4 percent in 2017. In 2019, however, the share of fully facilitated bills of entry has declined marginally to 58%. One school of thought considers this decline to suggest a plateauing of the full facilitation possibilities, given the present level of revenue & other enforcement concerns,

DELINING RECOURSE TO INTRUSIVE PROCESSES

subscription to the trust based AEO scheme, sophistication of the risk management system, and on-boarding of the other regulatory authorities under the single window SWIFT scheme;
(ii)   However, the share of "facilitated" bills of entry, which combines the fully facilitated and second check bills of entry without examination, increased from 71.4% in 2018 to 72.9% in 2019. The second school of thought considers this classification to be a better indicator of facilitation and is of the view that it will continue to show improvement, albeit at a slower rate;

(iii) It is also praiseworthy to find that the recourse to first check has declined not just in terms of percentage, from 3.6% to 3.0%, but also in absolute number; and
(iv) Perhaps the most creditable improvement is noticed in the substantive decline in the recourse to queries and chemical tests, which is discussed later in this sub-section.

The study, thereafter, compared the average release time for different categories of bills of entry that were fully facilitated or were subjected to different interdictions in 2019 vis-à-vis 2018.

FACILITATION PAYS, INTERDICTION MUST BE EFFICIENT

* These cases are subset of second check cases
** These cases may be covered by either second check with examination or first check cases

The study found that the average release time for fully facilitated bills has improved significantly by 34.5% from 115.18 hours in 2018 to 75.25 hours in 2019, indicating more timely completion of the sub-processes by the concerned stakeholders.

The findings that similar improvements have been reported in respect of each of the category of the bills of entry, which have been subjected to different levels of interdiction, is a vindication of evidence-based policy making and sensitisation cum outreach efforts of JNCH. It also shows that the administrative strategy of focussing on each of these categories through close monitoring and better coordination between the Appraising Groups and Docks has produced good results and needs to be continued. The comparative release time is summarized in the graph below.

The study delved deeper to analyse the impact of three interdictions by customs authorities, namely, (i) chemical tests (ii) queries in assessment (iii) non-intrusive scanning of cargo, on the average release time. These interdictions were covered in TRS 2018 as part of "Assessment of sub-processes". However, it was felt that it would be more appropriate to include the impact of these selective interdictions on average release time in this sub-section.

Chemical tests: In certain small number of cases, representative sample may need to be drawn from the cargo and tested at the JNCH located chemical laboratory (DYCC) to ascertain the correctness of description of goods. The goods sent for testing are either under first check examination or second check examination. In 2019, 33 bills of entry, accounting for 0.2% of the total bills of entry were subjected to test by DYCC, a substantive decline from 112 bills of entry that were subjected to such in 2018. Besides reduction in the recourse to chemical tests, it is seen that there is an improvement in release time of such bills of entry from 207.58 hours in 2018 to 198.24 hours in 2019.

It may be mentioned that chemical tests often provide the best method to resolve disputes regarding appropriate classification or the rate of duty applicable to a material. CBIC has been working towards substantial upgradation and expansion of the chemical laboratory catering to JNCH. It is expected that its completion during the year ahead would result in benefits in terms of facilitation as well as compliance.

Queries: In certain second check cases, the concerned officer may need to raise queries or seek additional documents from the importers/CBs before deciding on the assessment. The study found that in 2019 such queries were raised in the case of 448 bills of entry, accounting for 2.8% of total bills of entry, which is an impressive decline from 778 bills of entry in 2018. One of the major reasons for the decline in queries is the introduction and stabilization of the e-Sanchit facility, which provides for online uploading of the supporting documents. The other reasons for the decline is the rigorous monitoring by supervisory officers to reduce frivolous and piecemeal queries.

The impact of such queries in terms of additional release time would depend on the time taken in raising the query by the officer, reply to the query by the importer, and subsequent scrutiny by the concerned officer. Needless to say, quick and precise query, followed by prompt and specific reply would minimize the additional time taken in the process. As a result of these efforts, the average release time for these queried bills of entry has declined from 234.42 hours in 2018 in 204.54 hours in 2019.

Scanning queues: Non-intrusive inspection of cargo by means of scanning of containers has the advantage of reducing release time by diverting higher percentage of suspicious containers for scanning before physical examination/clearance. In 2018, JNCH was serviced by an aging mobile scanner installed in the terminal premises and a fixed scanner installed in Distripark CFS. However, in early December 2018, a state of the art Drive-Through Scanner (DTS) facility, located on the main exit route from the terminal premises, adjacent to JNCH, was inaugurated. The installation of DTS is proposed to be followed by installation of other scanning facilities catering to different terminals at JNCH. TRS 2019 has been conducted during the period of stabilization of the DTS facility and it is expected that its impact on release time will be even more pronounced than reported below.

The study found that the average release time for all the 1439 bills of entry selected for scanning was 120 hours, as compared to 180.47 hours in 2018.

On the basis of above analyses, it is recommended that JNCH may continue with the twin strategy: (i) to reduce the share of interdicted bills of entry, and move down, inter se, the interdiction ladder, and (ii) minimise the time-release impact of such interdictions. For

DRIVE THROUGH SCANNER

this purpose, a comprehensive strategy at improving risk management through data analytics, artificial intelligence and machine learning, etc.; technology for more efficient non-intrusive and intrusive checks, such as more state-of-the-art scanners and chemical laboratory in close proximity to the port terminal; increase in enrolment under trust-based AEO scheme, combined with greater reliance on post clearance audit (PCA); and reducing the shortage of officers at cutting-edge levels, at JNCH is required.

This study has focussed on the extent and efficiency of interdiction in terms of the release time. **However, there is a need for detailed analyses of efficiency of interdiction in terms of infringements detected as a result of these interdictions. It is recommended that JNCH may consider carrying out a pilot study in this regard using the data collected for the TRS 2019.**

We value the arrival of Group C officers everyday before the office begins

8.4 IMPORTER STATUS: AUTHORIZED ECONOMIC OPERATOR, DIRECT PORT DELIVERY & REGULAR VS NON-REGULAR

Trust-based trade facilitation measures have been adopted by customs administrations across the world. Two of these measures that have been central to the JNCH reforms process are: revised three-tier AEO scheme and DPD scheme of the CBIC. It is also expected that regular importers, with better understanding and familiarity with the clearance process, will report a lower release time vis-à-vis non-regular importers, who may include many of the importers who are indifferent to the benefits of trade facilitation and beyond the JNCH outreach programme.

Authorised Economic Operators (AEO):

The revised AEO programme, launched by CBIC in July 2016, recognizes the safe, secure and legally compliant importers/exporters as trusted business partners of CBIC. These AEOs are provided with a bouquet of benefits and facilitation measures, which are expected to result in significantly lower release time, without entailing any additional risk.

In view of the outreach efforts of the CBIC and peer-acknowledged facilitation and release time benefits, the number of AEO partners has increased from 550 (400 importers/exporters plus 125 logistics operators) in 2018 to 2565, including 503 logistics operators, in 2019. The attractiveness of the AEO scheme has also been enhanced at JNCH by introduction of facilities like module for prioritization for AEO clients in assessment and examination and 'Online Out of Charge Facility'.

The break-up of the AEOs, according to the graded three-tier arrangement is: Tier - I : 1759; Tier - II : 301; and Tier –III : 2, with tier –III clients being eligible for maximum benefits, including deferred duty payment facility.

TRS 2019 reports the following significant improvement in respect of bills of entry filed by AEO importers:

(i) with 5773 bills of entry filed by AEO clients (hereinafter AEO bills of entry) in 2019, the share of AEO bills of entry has increased from 29% in 2018 to 37% in 2019;

(ii) full facilitation level for AEO bills of entry at 84.5%, is significantly higher than overall full facilitation level of 58.1%. However, the full facilitation level has remained virtually unchanged at 84.6% in 2018 to 84.5% in 2019;
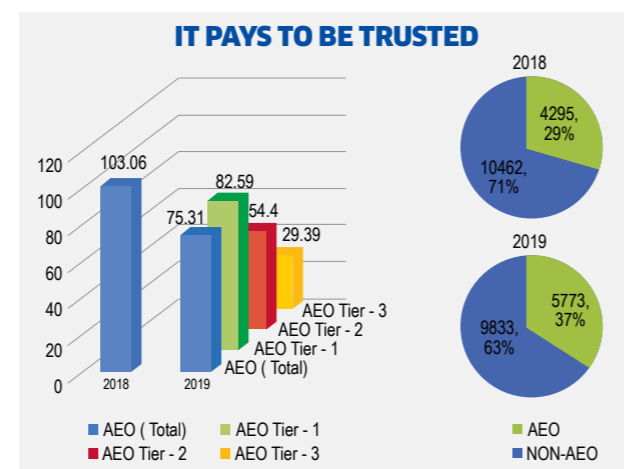
(iii) the average release time for AEO bills of entry has improved from 103.06 hours in 2018 to 75.31 hours in 2019;

(iv) the average release time of 75.31 hours for AEO bills of entry in 2019 is significantly better than the average release time of 123.24 hours for the non-AEO bills of entry; and

(v) 74.3% of the AEO bills of entry that were filed as advance bills of entry in 2019 registered an average release time of 56.51 hours, vis-à-vis 102.36 hours for the comparable category of bills of entry in 2018.
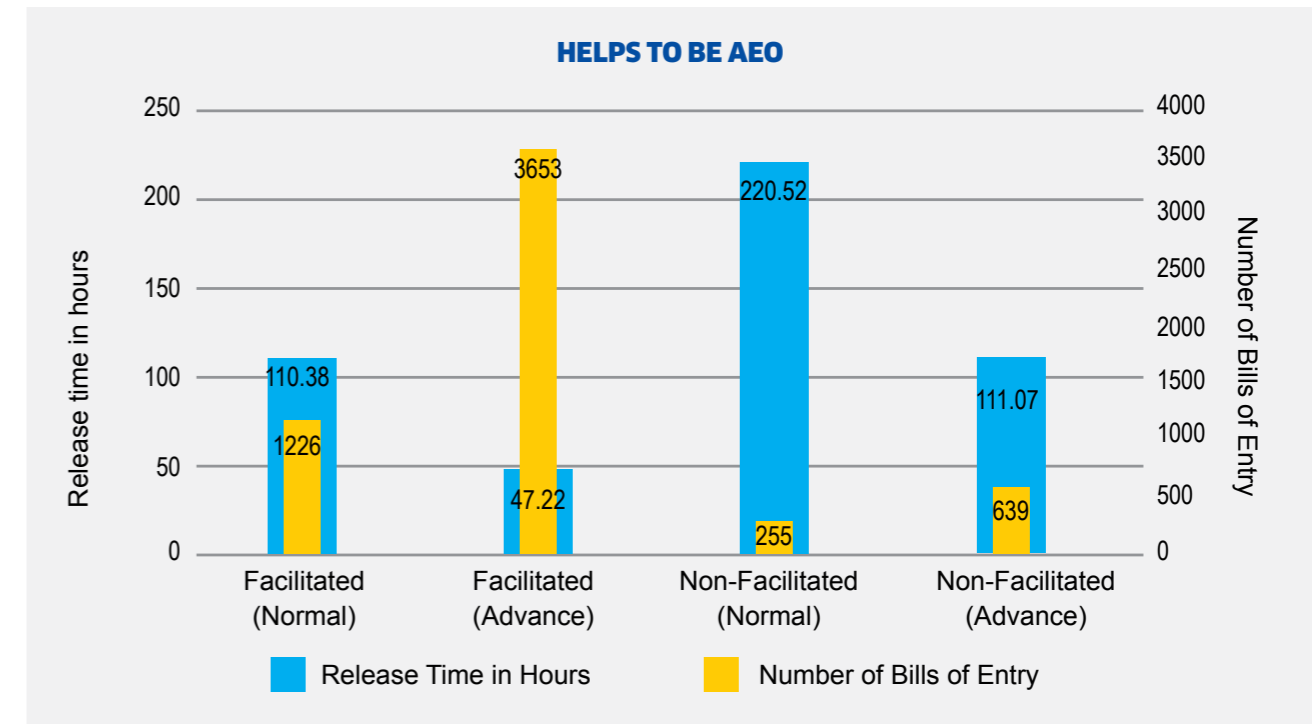
The study confirms the general expectation of level of facilitation as well as the average release time to be aligned with the tier-wise status of the AEO clients. The level of full facilitation accorded to bills of entry filed by tier –III, tier –II and tier- I AEO importers are 92.6%, 87.97% and 83.25% respectively.

The graph below, on the left, presents the tier-wise average release time, which is a result of increasing levels of facilitation, general non-recourse to even non-intrusive checks like scanning and the substantial benefit of deferred payment of duty for tier-III importers. The increase in the share of AEO bills of entry in 2019 over 2018 is shown in the graph on the right.

IT PAYS TO BE TRUSTED

The graph as follows, presents the number of bills of entry (in yellow) and the average release time (in blue) for AEO bills of entry in 2019.

The analyses above shows that maximum number of AEO bills of entry are in the category of advance facilitated bill of entry with impressive release time of 47.22 hours, whereas a small number of normal non-facilitated bills of entry have average release time of 220.52 hours. **Going forward, it is recommended that there is a need to delve deeper into this normal**

HELPS TO BE AEO

Release time in hours / Number of Bills of Entry

- Facilitated (Normal): 110.38 / 1226
- Facilitated (Advance): 47.22 / 3653
- Non-Facilitated (Normal): 220.52 / 255
- Non-Facilitated (Advance): 111.07 / 639

■ Release Time in Hours ■ Number of Bills of Entry

non-facilitated category of bills of entry and impress upon the AEO clients to move towards 100% advance filing of bills of entry.

Mutual Recognition Agreements (MRA): In order to observe the impact of MRA that India has signed with South Korea, Taiwan and Hong Kong, which provides for mutual recognition to the tier-II and tier –III clients of each other, the average release time of eligible AEO bills of entry for shipments from these three countries was calculated. It is seen the comparable average release time for shipments from these three countries at 45.24 hours is lower than the overall average release time of 51.26 hours for this category of importers.

Direct Port Delivery (DPD):

DPD is an innovative scheme, introduced at JNCH and replicated at other CFS-based ports in India, that has transformed the process of cargo clearance, by allowing the facilitated consignments to be given out of charge directly from the terminal premises, thereby eliminating the requirement of containers being moved to CFSs for completing customs formalities before grant of out of charge. DPD has been a major factor in improving ease of doing business, trade facilitation and reduction in cargo release time, since it reduces unnecessary transport to and handling of containers at the CFS, thereby resulting in substantial savings in cost of clearance as well.
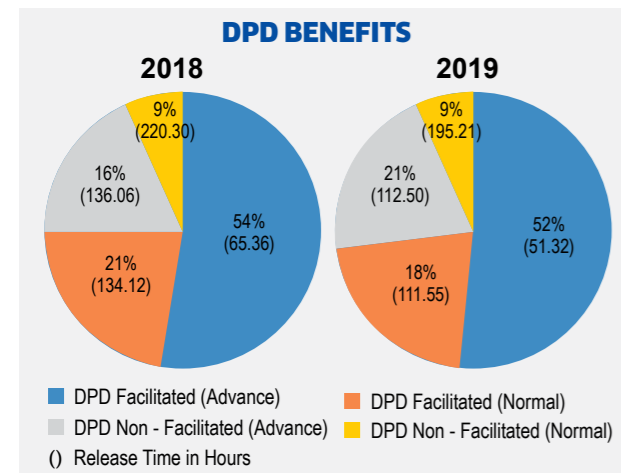
The number of DPD clients at JNCH had increased from around 15 in 2016 to 1522 in 2018. Since then, as recommended by TRS 2018, JNCH has launched further drive, and presently 3080 importers/exporters have been accorded DPD status, many of them suo moto. Accepting the TRS 2018 recommendations, JNCH has also introduced "One Time Default Intimation" option for DPD mode of delivery by importers to the shipping lines and JNPT has created the facility of "On Wheel Sampling" inside terminal premises.

It is, however, seen that despite the demonstrated and quantified benefits of DPD, only 2067 traders have completed the mandatory registration with the port authorities. This reluctance to avail DPD facilities by many traders, despite sustained 'nudge' by JNCH authorities, appear to be attributable to concerns, logistical and commercial, that merit deeper analyses, which is beyond the scope of TRS 2019.

There has been a significant increase in the number of DPD clients as well as the number of bills of entry filed by such DPD clients (hereinafter referred to as DPD bills of entry), which has increased from 5634 (38.2% of the total bills of entry filed) in 2018 to 9023 (57.8% of the total bills of entry filed) in 2019. It is also seen that 26% of total number of importers who filed bills of entry in 2019 are DPD clients, as against only 11% in 2018.

The results of the detailed time release analyses of the DPD bills of entry are presented below:

DPD BENEFITS

2018
- 9% (220.30)
- 16% (136.06)
- 21% (134.12)
- 54% (65.36)

2019
- 9% (195.21)
- 21% (112.50)
- 18% (111.55)
- 52% (51.32)

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

It is heartening to note that the average release time for all four categories of bills of entry have witnessed significant improvement. The study shows that the average release time of DPD advance facilitated bills of entry at 51.32 hours, is very close to the revised national goal of average release time of 48 hours. **This impressive result, seen along with the active resistance of a significant section of the trade to adoption of DPD scheme, merits a deeper analyses to ascertain the reasons for non-adoption of DPD that may be entrusted to an agency with expertise in research in trade and transport logistics**.

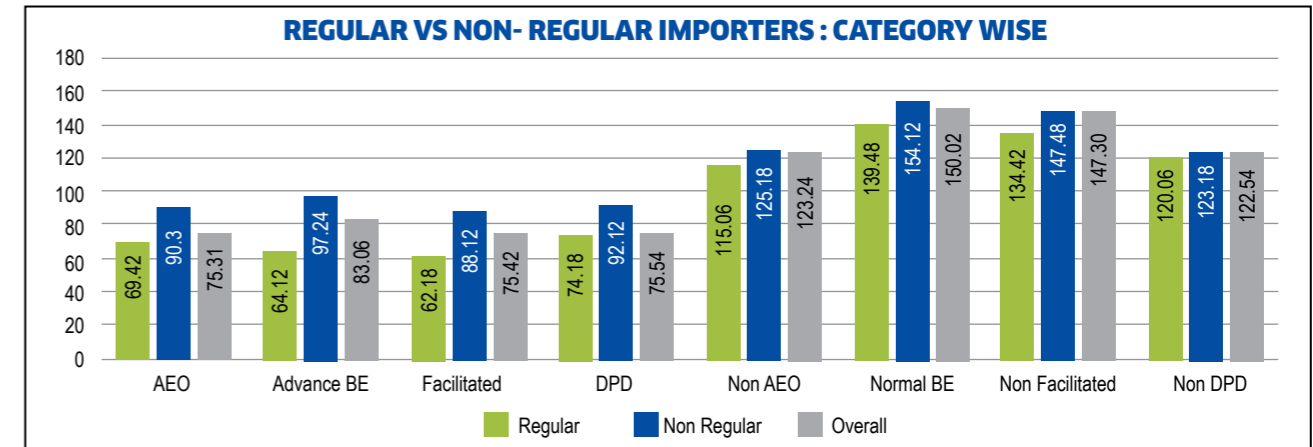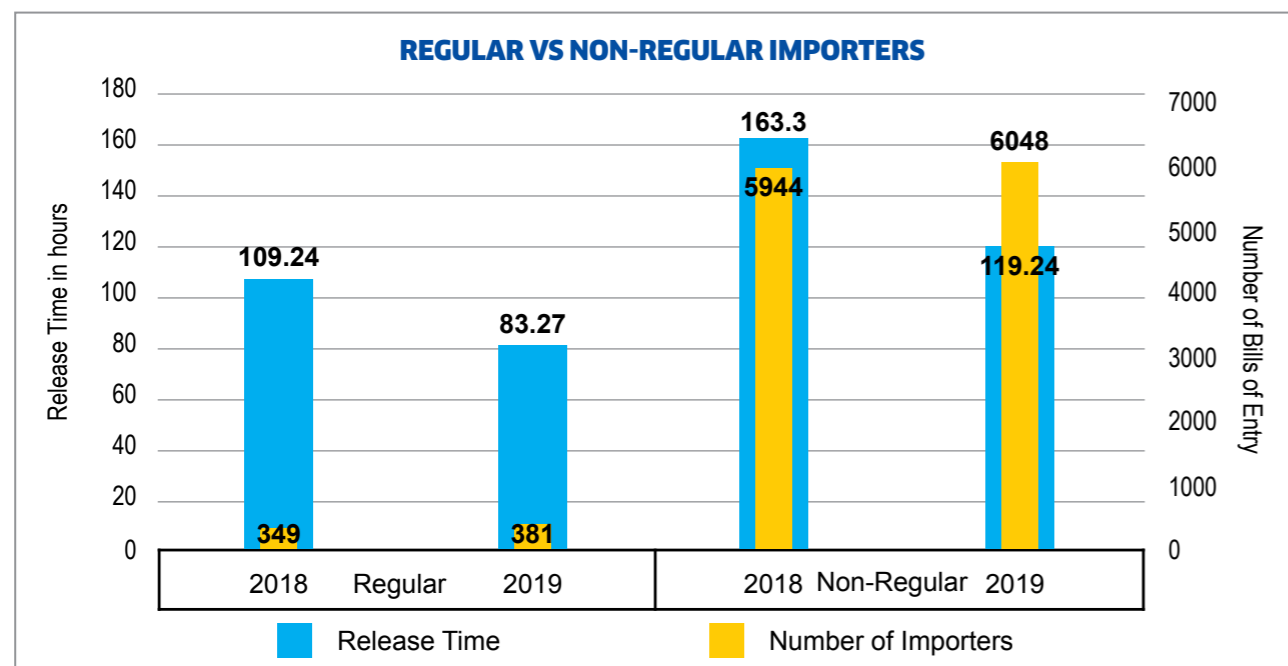**REGULAR VS NON-REGULAR IMPORTERS**

Regular Vs Non-Regular Importers:

The findings of the TRS show a high level of indifference amongst certain categories of importers/customs brokers to trade facilitation measures and administrative 'nudges' to comply with or adopt schemes that would result in lower release time. Motivated by the desire for deeper understanding of importer behaviour, this sub-section presents comparative analyses of regular and non-regular importers in terms of average release time for different categories of bills of entry.

This study categorises importers, who have filed seven or more bills of entry during 1-7 January 2019, as regular importers and others as non-regular importers. The study analysed the population data for TRS 2018 period to present comparative results.

It was found that, consistent with the intuition, in 2019, the average release time for 381 regular importers, at 83.27 hours, was significantly lower than the average release time for 6048 non-regular importers at 119.24 hours. Similar results were found for 2018, albeit the difference in the release time between regular and non-regular bills of entry has declined significantly in 2019. The graph below presents number and release time for regular and non-regular importers.

The graph on the following page, presents category-wise release time of regular and non-regular importers in 2019, showing that for each of the category the average release time of regular importers is less than average release time of the non-regular importers.

REGULAR VS NON- REGULAR IMPORTERS : CATEGORY WISE
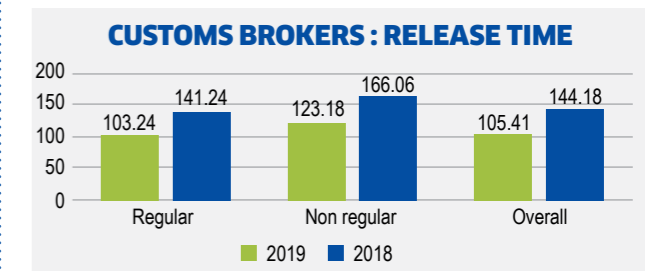

■ Regular ■ Non Regular ■ Overall

The study found that 75 percent of bills of entry filed by regular importers are advance bills of entry, as compared to only 61 percent in case of non-regular importers. It also found that 28 regular importers had filed 100% of their bills of entry in advance as compared to 18 regular importers in 2018. It is recommended that JNCH may consider recognising these 28 importers, subject to meeting other compliance parameters, and hope that the number of such importers will increase substantially next year. The conclusion also suggests that JNCH should consider more effective means of reaching out to and supporting non-regular importers in negotiating customs and other regulatory procedures and making available the information they need to avail the benefit of facilitation measures.

As an effort in this direction, TRS 2019 applauds M/s. HP India Sales Pvt. Ltd., a regular importer, which filed the highest number of bills of entry in both years, out of which 99% were filed in advance in 2019 as compared to 73% of last year. The comparative release time for M/s. HP India Sales Pvt. Ltd. has improved from 59.24 hours in 2018 to 20.54 hours in 2019.

Regular Vs. Non-Regular Customs Brokers:

Similar methodology was used to segregate regular and non-regular Customs Brokers involved in filing the Bills of Entry during the study period. The average release time of the bills of entry filed by regular CBs is distinctly lower than those filed by non-regular CBs in both 2018 and 2019. It is also seen that the improvement in the release time in case of bills of entry for regular CBs at 27% was marginally higher than 26% reported for non-regular CBs, even as the decline in the release time in absolute terms is higher for the non-regular CBs. The graph presents the comparative average release time for regular and non-regular CBs.

Further, analyses of the CB wise data shows that the total number of CBs, who filed bills of entry in 2019 marginally increased to 1174 from 1117 in 2018. However, the share of regular CBs who filed bills of entry declined marginally from 51% in 2018 to 49% in 2019, even as the percentage of bills of entry filed by regular CBs increased from 88% in 2018 to 89% in 2019.

CUSTOMS BROKERS : RELEASE TIME

	Regular	Non regular	Overall
2019	103.24	123.18	105.41
2018	141.24	166.06	144.18

■ 2019 ■ 2018

TRS 2019 applauds M/s Manilal Mohanlal Parekh & Co., a regular CB who filed 100% bills of entry as advance bills of entry. It is recommended that JNCH may put in place a mechanism to recognise best performing CBs on the basis of yardstick of filing advance bills of entry and prompt registration of goods after payment of duty, besides prompt payment of duty, on the ground that it is the duty of the CBs to convince their clients to adopt trade facilitation friendly measures.

It is seen that the extant regulations allow for customs brokers to register with prescribed custom houses, but they are entitled to provide services at any of the custom formations in the country. It is therefore, plausible that the non-regular CBs, may be those registered at custom houses outside Mumbai. Therefore, it is felt that as the outreach programme of various customs houses gather further momentum, the responses of these non-regular CBs will show improvements.

8.5 SHIPMENT TYPE: FULL CONTAINER LOAD, LESS THAN CONTAINER LOAD AND LIQUID BULK

The linkage between the cargo size and its release time are expected to provide interesting and administratively useful insights. On the basis of cargo size, bills of entry are categorized as Full Container Load (FCL) and Less than Container Load (LCL). In addition, a small percentage of bills of entry relate to import of liquid bulk cargo through the liquid bulk terminal of JNCH.

FCL vs LCL Bills of Entry:

LCL bills of entry represents small size consignments, which may belong to small importers, which need to be aggregated for import purposes. In the case of LCL cargo, goods covered by more than one bill of entry would be contained in a single container. FCL cargo are more common and FCL bills of entry may cover one or more than one container. FCL bills of entry may, therefore, be used as proxy for large consignments.

The graph below shows the comparative share of bills of entry on the basis of cargo size/ nature in 2019 vis-à-vis 2018:
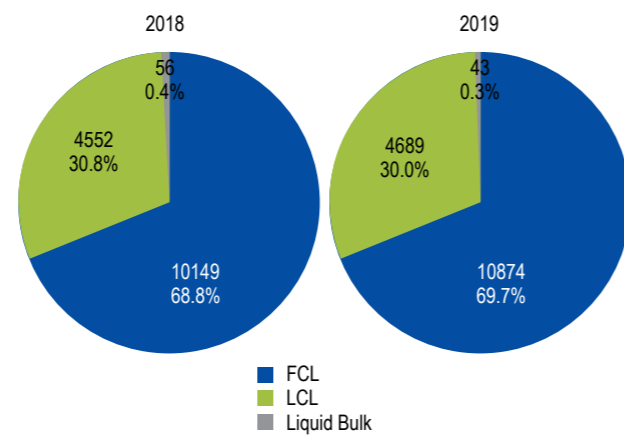
TRS 2018 had found that the average release time of LCL bills of entry at 151.36 hours was higher than the FCL bills of entry at 140.24 hours, thereby showing that LCL bills of entry entailed 7.9% higher release time.
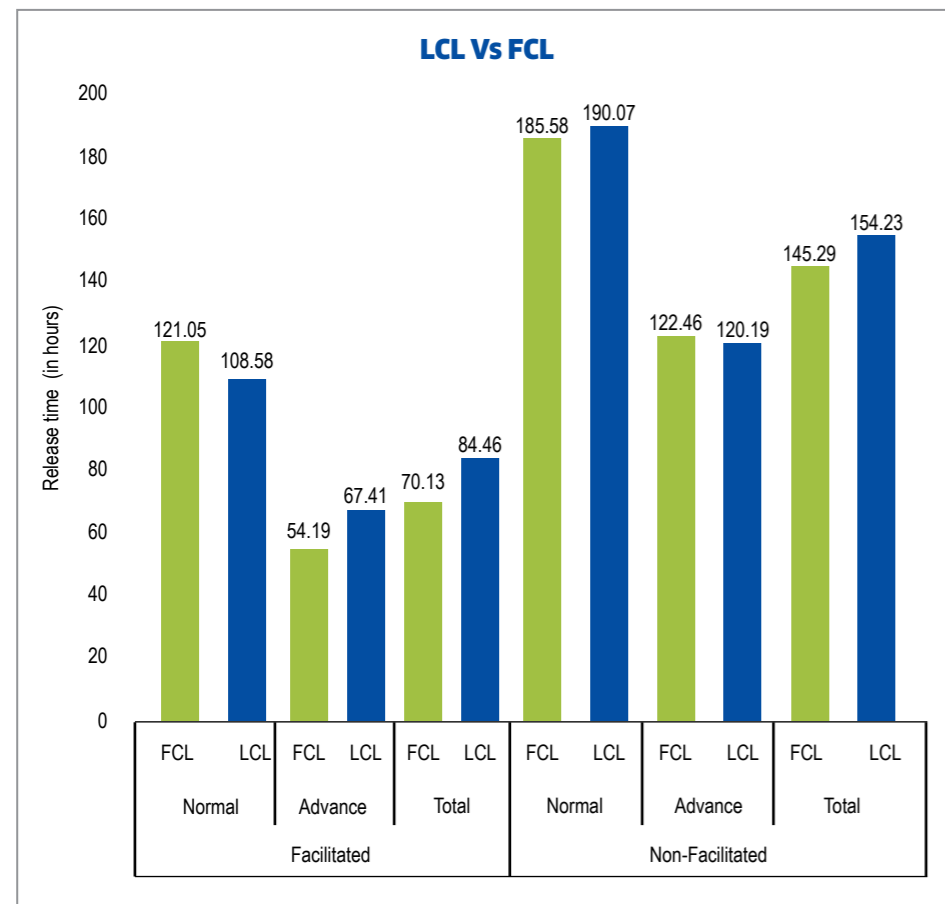
This year the average release time for both categories of bills of entry have shown significant reduction vis-à-vis 2018 and the average release time for LCL bills of entry continues to be higher than the FCL bills of entry. However, with average release time for LCL bills of entry at 107.28 hours vis-a-vis FCL bills of entry at 104.54 hours in 2019, the differential in the release time has narrowed to 2.6% only.

The graph presents the stratified analyses of release time for LCL vs FCL bills of entry:

Further analyses of the release time for LCL bills of entry vis-à-vis FCL reveal the following:
(i) In continuation of the pattern found in 2018, the share of LCL bills of entry filed as advance bill of entry at 56.1% is significantly lower than 70.6% for FCL bills of entry.
(ii) The comparative release time for LCL and FCL bills of entry show that while the average release time for FCL bills of entry is lower than LCL bills of entry, for both facilitated and non-facilitated bills of entry, the LCL bills of entry for sub-categories normal facilitated and advance non-facilitated show lower release time than FCL bills of entry.
(iii) The fact of lower release time for FCL bills of entry vis-à-vis LCL cargo suggest that the release time analyses based on containers, rather than bills of entry, may present a more impressive release time performance by JNCH.

This study recommends that a more granular analyses of FCL vs. LCL release time, with focus on stage-wise analyses, may be undertaken to ascertain specific actionable points for LCL-focused trade facilitation measures.

Liquid Bulk Cargo:

JNPT, which is generally known as a major containerized port, also has two berths, known as BPCL jetty, that are earmarked for vessels transporting liquid bulk cargo. As mentioned above, the share of bills of entry filed in respect of liquid bulk cargo is very small, constituting only 0.3% of all bills of entry filed in 2019. The liquid bulk cargo cleared through JNCH are of the following three types: (i) Edible Oil, including crude palm oil, soya bean oil, crude sunflower seed oil, crude kernel oil, RBD palmolein oil; (ii) petroleum products, such as base oil; and (iii) chemicals, including butyl acrylic, acetone, phenol, acetic acid, aniline, etc.

TRS 2018 had found that there were certain specific issues relating to clearance of liquid bulk cargo that resulted in average release time of 249.36 hours for 56 liquid bulk bills of entry. It was found that the facilitation level for liquid bulk cargo was lower at 51.8%, since there was a need to ascertain the crude grade and content, in order to determine the applicability of tariff value and edible status provisions. It was also found that in many cases chemical tests were being carried out by FSSAI and DYCC.

Following the recommendations of TRS 2018, JNCH paid special attention to streamline the liquid bulk cargo clearance process, in association with FSSAI.

As a result of these measures, TRS 2019 notes the following improvements:
(i) The facilitation level for liquid bulk cargo has increased significantly from 51.8% in 2018 to 67.4% in 2019;
(ii) The facilitation level for liquid bulk cargo at 51.8% in 2018 was significantly lower than the average facilitation level of 60.2%. In 2019, the liquid bulk cargo facilitation level of 67.4% is higher than the average facilitation level of 58%. The higher facilitation level for liquid bulk cargo is on account of limited number of regular importers availing the liquid bulk import facility at JNCH, enabling easier implementation of trust-based clearance system.
(iii) The average release time for liquid bulk cargo bills of entry has been drastically reduced from 249.36 hours in 2018 to 109.49 hours in 2019.

The commendable improvement in the cargo release process for liquid bulk cargo, so that the average release time for 2019 is only about 44% of the 2018 release time, appears to be the result of the cooperative efforts of JNCH and FSSAI. It is also perhaps the best testimony to the utility of TRS as a trade facilitation tool.
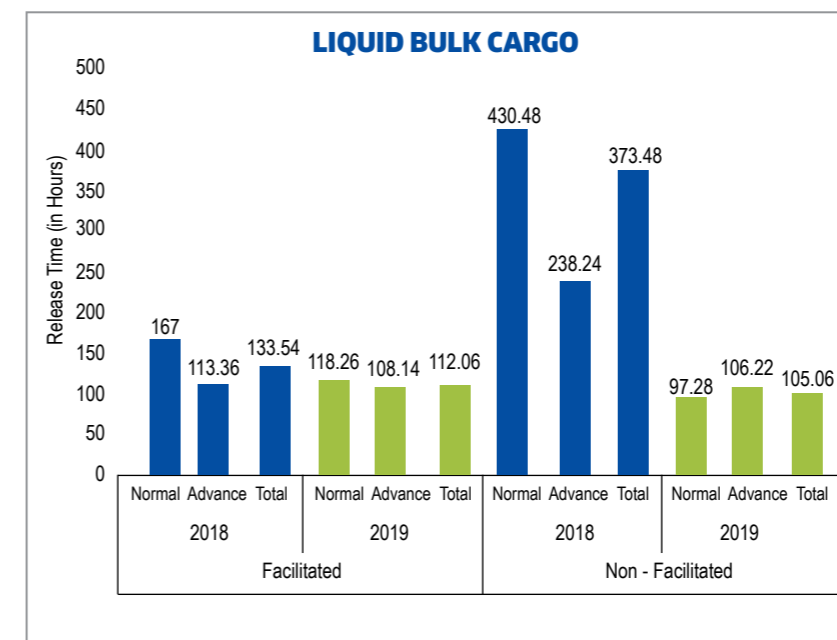
9 ANALYSES OF IMPORT RELEASE TIME BY COMMODITIES

## 9.1 WITH NON-FISCAL CONCERNS: INVOLVING PARTICIPATING GOVERNMENT AGENCIES THROUGH SWIFT

Import of various commodities often involve different sensitivities, which may be revenue or non-fiscal in nature, that have direct impact on their release time. TRS 2018 had included a detailed analyses of six categories of commodities, besides covering the bills of entry that were handled by different participating government agencies (PGAs) which have joined the Single Window Interface for Facilitating Trade (SWIFT) initiative of the CBIC.

SWIFT has been acknowledged as a major trade facilitation initiative to improve ease of doing business and reduce cargo release time. The major import regulatory agencies that have joined SWIFT are: Food Safety and Standards Authority of India (FSSAI), Animal Quarantine and Certification Service (AQ), Directorate of Plant Protection, Quarantine and Storage (PQ), Central Drugs Standard Control Organization (Controller of Drugs), Textile Committee (TC) and Wildlife Crime Control Bureau (Wildlife Control). Therefore, it was decided to continue with separate analyses of release time pertaining to bills of entry handled under SWIFT by partner regulatory agencies, which are entrusted with enforcement of major non-fiscal regulations, even as separate commodity-wise analyses has been dispensed with in the interest of brevity. In addition, separate analyses of release time for auto-components falling under customs tariff heading 8708 has been continued, in order to allow ready comparability with the survey-based findings of World Bank's Ease of Doing Business Index.

The comparative study brings out two significant areas of improvement: (i) the number of bills of entry being routed to the PGAs have declined significantly, reflecting an improvement in the risk management parameters relating to these specific PGAs; and (ii) a significant reduction in the average release time has been registered by most of the PGAs.

Credit for improved PGA risk management is shared by Risk Management Division (RMD) of CBIC and the PGAs, who have classified the relevant customs tariff heads under different categories on the basis of risk, including those relating to importer, exporter and country of origin.

The comparative release time for bills of entry handled by PGAs under SWIFT in 2018 and 2019 is presented below.

PARTNERS IN TRADE FACILITATION

*No Bills of Entry marked to WCCB during the study period
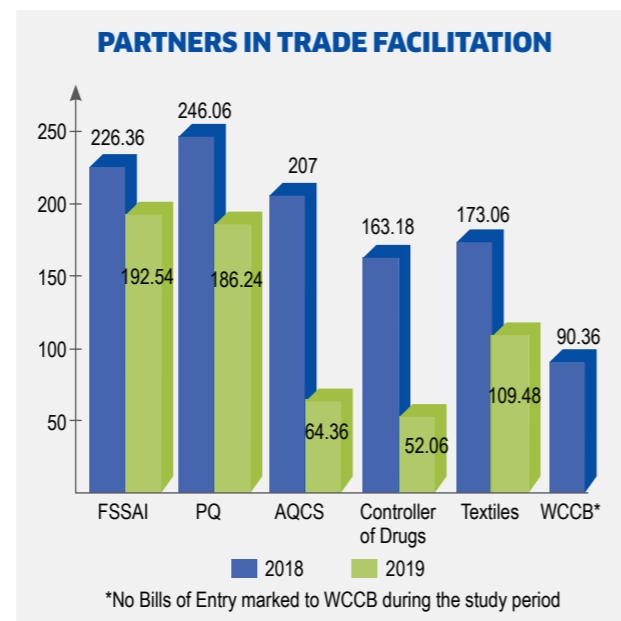
Food Safety and Standards Authority of India (FSSAI):

FSSAI acts as a Participating Government Agency (PGA) with customs for the purpose of food import clearance and has established a robust administrative and procedural mechanism as Nhava Sheva for this purpose. An Authorized Officer has been appointed by the Authority for the purpose of performing functions of food import clearance under section 25 of Food Safety and Standards Act, 2006.

The total number of bills of entry referred to FSSAI has declined from 739 bills of entry (5% of the total) in 2018 to 406 bills of entry (2.6%) in 2019. The sharp decline in the bills of entry referred to FSSAI is on account of more effective utilization of the risk management principles under FICS in respect of FSSAI related items.

The disaggregated release time, highlighting the benefits of advance filing of bills of entry and availing of the Food Import
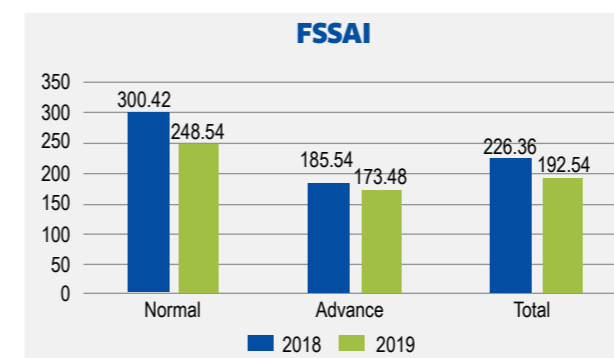
FSSAI

Prioritization System (FIPS), is presented below: FSSAI has taken several steps that have resulted in improvement in the average release time of bills of entry handled by them. Some of the major initiatives are as follows:

(i) Prompt actions have been emphasised at various stages, including scrutiny, drawl and dispatch of samples, along with prescription of specific timelines for laboratory analyses of particular commodities.

(ii) Dedicated Food Import Clearance System (FICS) team has adopted 6 working days per week schedule.

(iii) Facility for provisional release of consignments based on an undertaking, without waiting for analyses report, has been extended beyond refrigerated cargo to retail articles of food, irrespective of temperature conditions.

(iv) 3-4 additional laboratories have been engaged in order to expedite food sample analyses.

(v) On receipt of food analyses report, requisite NOC gets auto-generated without manual intervention.

(vi) Outreach and training programme for CBs handling food imports has been undertaken.

FSSAI has also identified certain other areas for improvements:

(i) Training and awareness: - Taking into account the training needs of CBs, FSSAI has proposed an annual training.

(ii) Adoption of New Techniques: - In order to reduce food analyses time, Authority is encouraging adoption of new methods and techniques for analyses like Reverse Transcription Polymerase Chain Reaction (RT-PCR).

(iii) Infrastructure and Capacity building: - Full-fledged infrastructure facilities required for food import clearance including laboratories has been proposed by FSSAI for which land has already been allocated by JNPT within the vicinity of port.

Animal Quarantine and Certification Service (AQCS):

The total number of bills of entry referred to AQCS during the sample period this year was 20, accounting to 0.12% of the total bills of entry, as compared to 107 bills of entry (0.7% of the total) in 2018.

The average release time in respect of these bills of entry at 64.36 hours is a very significant improvement over the comparative average release time of 207 hours in 2018. The reduction of more than 200 hours in respect of normal bills of entry is perhaps the most impressive improvement amongst all categories of bills of entry covered by this study. The
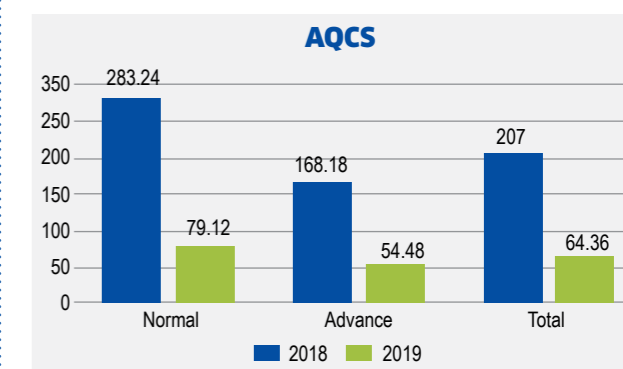
AQCS

stratified release time data is presented below: This impressive improvement in the release time has been achieved owing to the following major initiatives by AQCS to enable hassle-free imports at JNCH:

(i) Outreach programmes for importers/CBs at regular intervals to find effective solutions to problems.

(ii) Provision for pre-vetting of health certificates before arrival of cargo.

(iii) Customs sealed samples are being

considered as authentic and immediately processed for testing to obviate the problem of shortage of staff with AQCS.
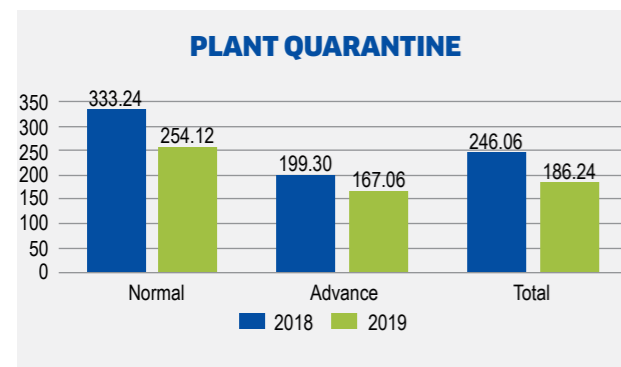
(iv) Recognizing that most of the testing parameters overlap with other PGAs like FSSAI, now single report from FSSAI is being considered to avoid delay in double testing.

(v) Provisional clearance is being accorded on the same day of submitting all the documents with sample instead of waiting for test report under the Single Day Decision Policy (SDDP).

(vi) Risk analyses of commodities has been fine-tuned to segregate customs tariff headings into those requiring compulsory testing (CT), random testing (RT) and no testing (NT).

Directorate of Plant Protection, Quarantine and Storage (PQ)

Plant Quarantine Directorate is entrusted with the task of preventing the entry, establishment and spread of exotic pests in India as per the provisions of the Destructive Insects & Pests Act, 1914.

During the sample period, 375 bills of entry, accounting for 2.4% of the total bills of entry, were referred to PQ, down from 638 bills of entry (4.3% of the total) in 2018.

As with the other participating government agencies (PGA), the average release time of bills of entry referred to PQ has declined from 246.06 hours in 2018 to 186.24 hours in 2019. The comparative stratified release time is presented in the graph below:

PLANT QUARANTINE

(Bar chart showing values: Normal 2018: 333.24, 2019: 254.12; Advance 2018: 199.30, 2019: 167.06; Total 2018: 246.06, 2019: 186.24. Legend: 2018, 2019)

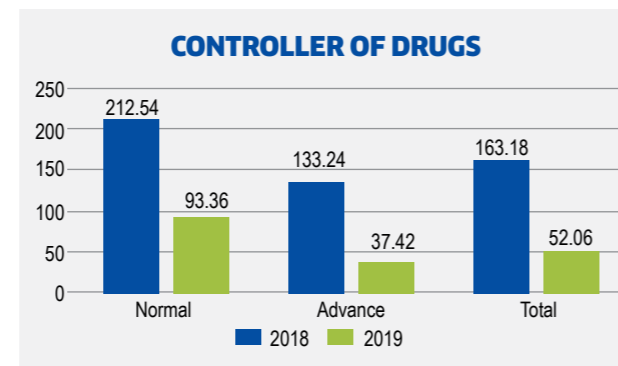## Central Drugs Standard Control Organization (Controller of Drugs):

Under the Drugs and Cosmetics Act, 1940, the regulation of manufacture, sale and distribution of drugs is primarily the concern of the State authorities whereas the Central Authorities are responsible for approval of new drugs, clinical trials in the country, laying down the standards for drugs, control over the quality of imported drugs, coordination of the activities of State Drug Control Organizations and providing expert advice with a view to bring about the uniformity in the enforcement of the Drugs and Cosmetics Act. The rules framed for implementation of the provisions of the said Act have been substantially modified during 2018.

During the sample period, 252 bills of entry, accounting for 1.6% of all bills of entry were referred to the Controller of Drugs, which is a significant reduction from 804 bills of entry (5.4% of the total) during 2018.

The average release time in respect of these bills of entry have shown an impressive reduction from 163.18 hours in 2018 to 52.06 hours in 2019.

The stratified release time data for bills of entry referred to Controller of Drugs is

CONTROLLER OF DRUGS

(Bar chart showing values: Normal 2018: 212.54, 2019: 93.36; Advance 2018: 133.24, 2019: 37.42; Total 2018: 163.18, 2019: 52.06. Legend: 2018, 2019)

presented below:

The significant improvement in the average release time of bills of entry handled by Controller of Drugs are attributable mainly to:

(i) Outreach to CBs to encourage submission of the undertaking for import of dual use items to zonal office of the Controller of Drugs well in advance before the arrival of the cargo based on invoice or sales contract so as to enable pre-arrival issue of dual-use No Objection Certificate (NOC).

(ii) For consignments due for testing, upon drawal of sample, a facility for clearance of cargo on submission of Letter of Guarantee, pending receipt of test report has been put in place.

(iii) Consignments not requiring Controller of Drugs NOC, commonly known as "out of scope items" are cleared immediately without any delay.

(iv) For further trade facilitation, Controller of Drugs office has started working on

Saturdays, except 2nd & 5th Saturdays.

(v) Emphasis has been placed on sensitisation and capacity enhancement for online clearance of the consignments, adopting risk-based approach, wherever possible as per ISO guidelines and Standard Operating Procedure.
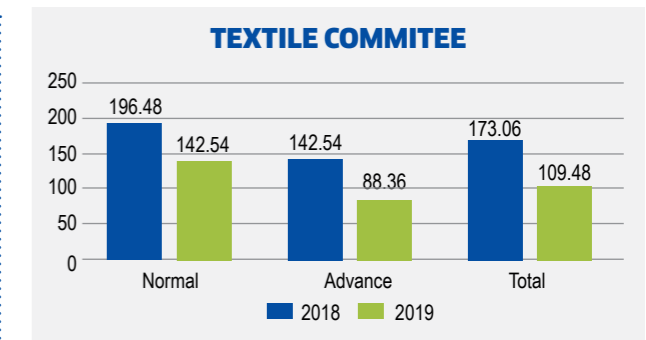
Textile Committee:

The role of Textile Committee in the process of clearance of textile items is seminal. Import of textile and textile article are permitted subject to the condition that they shall not contain any of the hazardous dyes. Samples of textile items are also referred to the Textile Committee for testing and determining their composition both for the purpose enforcing the EXIM Policy and for determining their classification and rate of Customs Duty.

Though textile items may fall under any of the chapters of Section XI, TRS 2019 covered the bills of entry falling under Chapters 59 and 60 of Schedule I of the Customs Tariff Act, 1975 as representative of all textile items.

During the study period, 1277 bills of entry, accounting for 8.18% of the total bills of entry, were filed covering goods under Chapters 59 and 60.

The comparable average release time in respect of textiles bills of entry has declined from 173.06 hours in 2018 to 109.48 hours in 2019.

In addition, TRS 2019 also covered the bills of entry solely referred to Textile Committee for

TEXTILE COMMITEE

(Bar chart showing values: Normal 2018: 196.48, 2019: 142.54; Advance 2018: 142.54, 2019: 88.36; Total 2018: 173.06, 2019: 109.48. Legend: 2018, 2019)

testing. During the study period, 64 bills of entry, accounting for 0.41% of total bills of entry were referred to TC. The average release time in respect of these bills of entry was 175.54 hours.

TC has attributed the improvement in the average release time mainly to measures taken to reduce time taken in payment of charges for testing, which was identified as a major factor in delaying release of cargo. TC has now enabled online payment facility through RTGS, IMPS and UPI, besides the existing Passbook scheme. In addition, TC has introduced a "Tatkal Scheme", wherein a test report can be obtained within 24 hours by paying 1.5 times of the regular testing charges.

Wildlife Crime Control Bureau (Wildlife Control):

It may be mentioned that during the study period in 2018, only one bill of entry was marked to WCCB

9.2 AUTO COMPONENTS

and none in 2019.

TRS 2018 had analysed the average release time for auto components, falling under customs tariff head 8708, as part of its commodity-wise analyses. This commodity was selected for study so that its average release time (calculated following the TRS methodology), may be compared with the results of the Trading Across Borders parameter of the Doing Business Report of the World Bank. Imports of automotive components from South Korea, inter alia, through JNCH, is a case study for the World Bank survey.
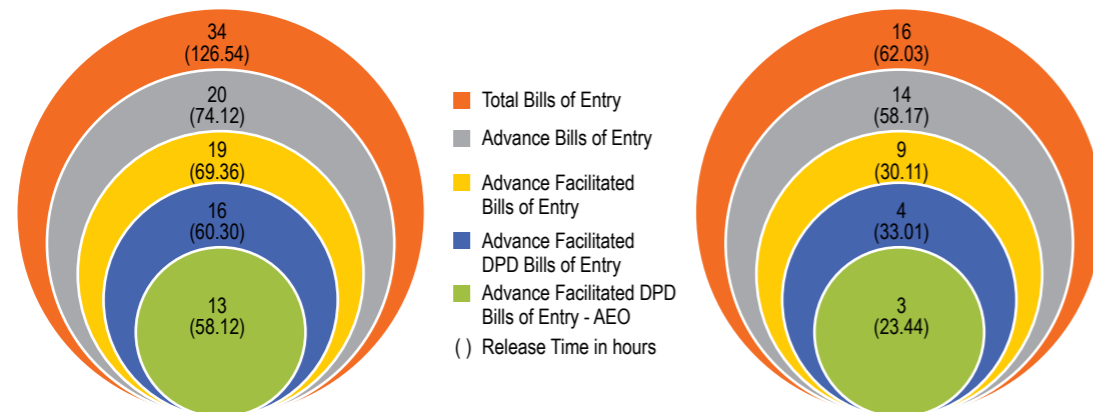
It is seen that during the sample period, 302 bills of entry for auto-components were filed, down marginally from 332 bills of entry filed in 2018. The number of bills of entry filed for imports of auto-components from South Korea is much lower at 17 bills of entry vis-à-vis 34 bills of entry in 2018. The average release time for all auto-components bills of entry has improved from 91.52 hours in 2018 to 70.52 hours in 2019.

In the graph below, the comparative average release time for different categories of bills of entry for 2018 and 2019 are presented, excluding one outlier bill of entry in 2019. The reasons for doing so is that in respect of the said advance facilitated bill of entry, there was an unusual delay of 133.11 hours after grant of entry inwards till payment of duty. Given the small number of data, the single bill of entry has a disproportionate impact on the arithmetic mean.

This analyses, adopted as the *"Path to Promptness"*, seeks to highlight the beneficial impact of advance filing, full facilitation, AEO and DPD status, in terms of progressively improving release time. The study reveals continuation of their beneficial impact, with about 50.6% reduction in the release time for all auto-component bills of entry from South Korea from 126.54 hours in 2018 to 62.03 hours this year. The improvement in respect of AEO advance facilitated bill of entry availing DPD is much sharper at 59.7%. In absolute terms, the latter registered a steep drop from 58.12 hours in 2018 to only 23.44 hours in 2019. It is noteworthy that for all sub-categories of bills of entry of this item, except those filed only in advance (but neither facilitated, DPD or AEO), the average release time was found to be lower than the target of 48 hours stipulated in the National Trade Facilitation Action Plan.

AUTO COMPONENTS FROM SOUTH KOREA

Legend:
- Total Bills of Entry
- Advance Bills of Entry
- Advance Facilitated Bills of Entry
- Advance Facilitated DPD Bills of Entry
- Advance Facilitated DPD Bills of Entry - AEO
- ( ) Release Time in hours

2018 (left): 34 (126.54); 20 (74.12); 19 (69.36); 16 (60.30); 13 (58.12)

2019 (right): 16 (62.03); 14 (58.17); 9 (30.11); 4 (33.01); 3 (23.44)

10 STAGE-WISE ANALYSES

TRS 2018 had focused primarily on the cumulative average release time in respect of different categories of bills of entry, with limited emphasis on the stage-wise analyses. However, the stage-wise analyses conducted with the data collected for TRS 2018 for the PICARD paper, indicated the importance of stage-wise analyses in understanding the behavioural response of the importers to different policy initiatives. In addition, since the conduct of TRS 2018, certain specific improvements have been made in the system of obtaining registration (after payment of duty) and the grant of Out of Charge. The Directorate General of Systems has introduced a facility whereby Customs Brokers can register bills of entry electronically from their offices but it has been very sparingly used. Alternatively, JNCH introduced two local initiatives- the first allowed Customs brokers to lodge a request for registration electronically which was conveyed via sms to the concerned officer in the RMS Facilitation Centre who registered the document and granted Out of Charge subsequently. A further facilitation measure introduced locally was that the RMS Facilitation Centre started a system of suo-moto registration based on identification of bills of entry ready for that stage from the system and subsequent grant of Out of Charge. It was considered useful to present the impact of this provision on the release time, by undertaking stage-wise analyses.

In the first part, the time taken by different stakeholders at various sub-stages of customs clearance process in respect of advance bills of entry and normal bills of entry, for facilitated and non-facilitated categories, are presented below.

This analyses supplements the data presented in the sub-section on "Time of Filing Bills of Entry and Pre-Arrival Processing". It also, in some sense, provides the motivation for analyses of average release time for regular vs non-regular importers. This study acknowledges that for better understanding of stakeholder behaviour, particularly of the non-regular importers, a more granular analyses would be required. Further, in view of the, facility of online registration by CBs, electronic lodging of registration requests or suo-moto registration by the RMS Facilitation Centre introduced locally after payment of duty, it may be more appropriate to consider the stage from registration to out of charge as a combined stage. Subsequent analyses indicates that there has been a very remarkable improvement in the time taken between payment to registration in all categories of bills of entry handled by the RMS Facilitation Centre as a result of the initiatives discussed above as well as in the combined stage from duty payment to out of charge.
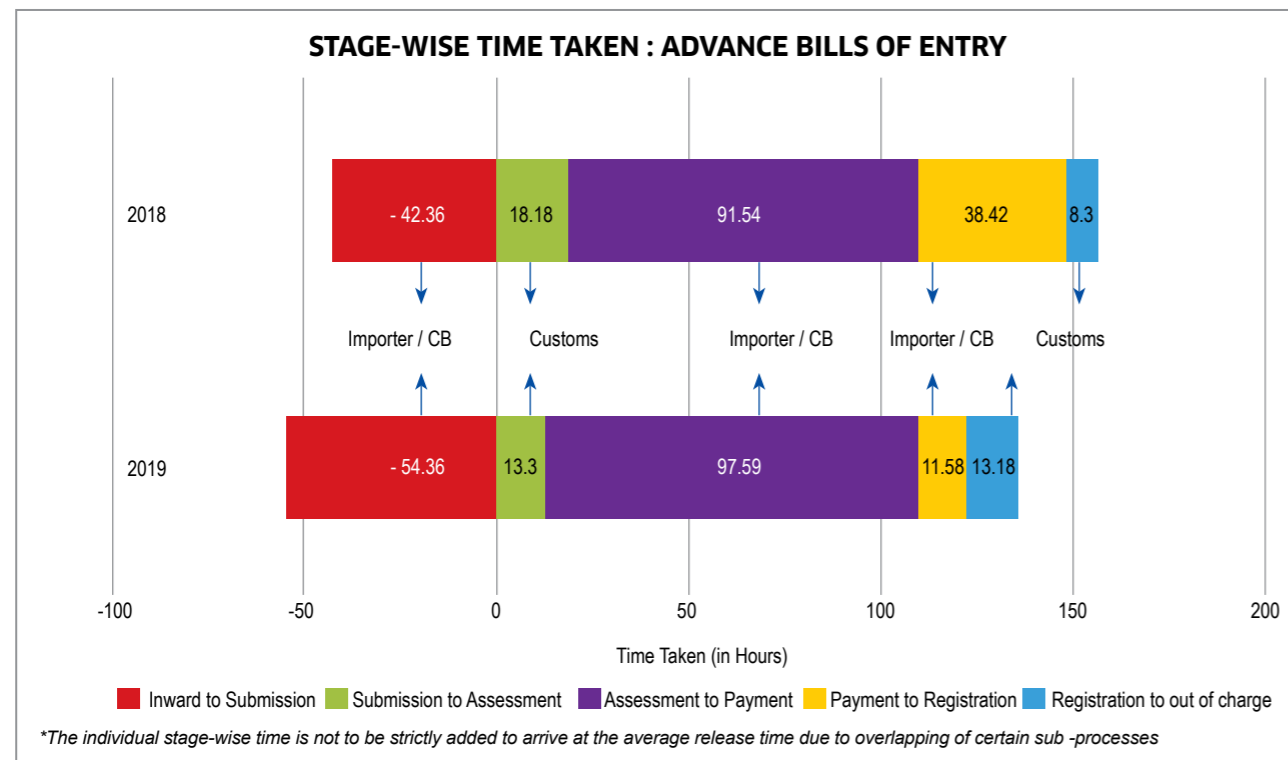
In the following graph, the comparative stage-wise time taken by importer/CB and Customs/other regulatory agencies in respect of all advance bills of entry in 2018 and 2019, are presented:

It is interesting to note that, in 2019 vis a-vis 2018, while the importers/CBs, on an average, have filed the advance bills of entry earlier, by about 12 hours, this benefit of advance submission for completion of pre-arrival processing is partially negated due to average increase of about 6 hours in payment of duty after completion of assessment.

Presented in the next page, is the graph depicting the comparative stage-wise time taken by importer/CB and customs/other regulatory agencies in respect of a sub-set of the above bills of entry, viz. advance facilitated bills of entry, in 2018 and 2019:

The above data shows marginally better improvement of about 13 hours, in terms of timing of submission of advance facilitated bills of entry (as against 12 hours for advance bills of entry), but similar elongation of about 6 hours in payment of duty after assessment, thereby partially negating the increased opportunity for pre-arrival processing.

The impressive decline in the time taken by importer/CB from payment to registration from 37.03 hours to negligible 0.16 hours is a result of the aforesaid statutory changes and JNCH Public

STAGE-WISE TIME TAKEN : ADVANCE BILLS OF ENTRY

The individual stage-wise time is not to be strictly added to arrive at the average release time due to overlapping of certain sub-processes

STAGE-WISE TIME TAKEN : ADVANCE FACILITATED BILLS OF ENTRY

The individual stage-wise time is not to be strictly added to arrive at the average release time due to overlapping of certain sub-processes

Notice which enabled the CBs to either register electronically after payment of duty or lodge an electronic request for registration or suo-moto registration followed by Out of Charge by the RMS Facilitation Centre. However, viewed as separate stage, the early electronic registration appears to result in increase in the time taken from registration to out of charge the reasons for which
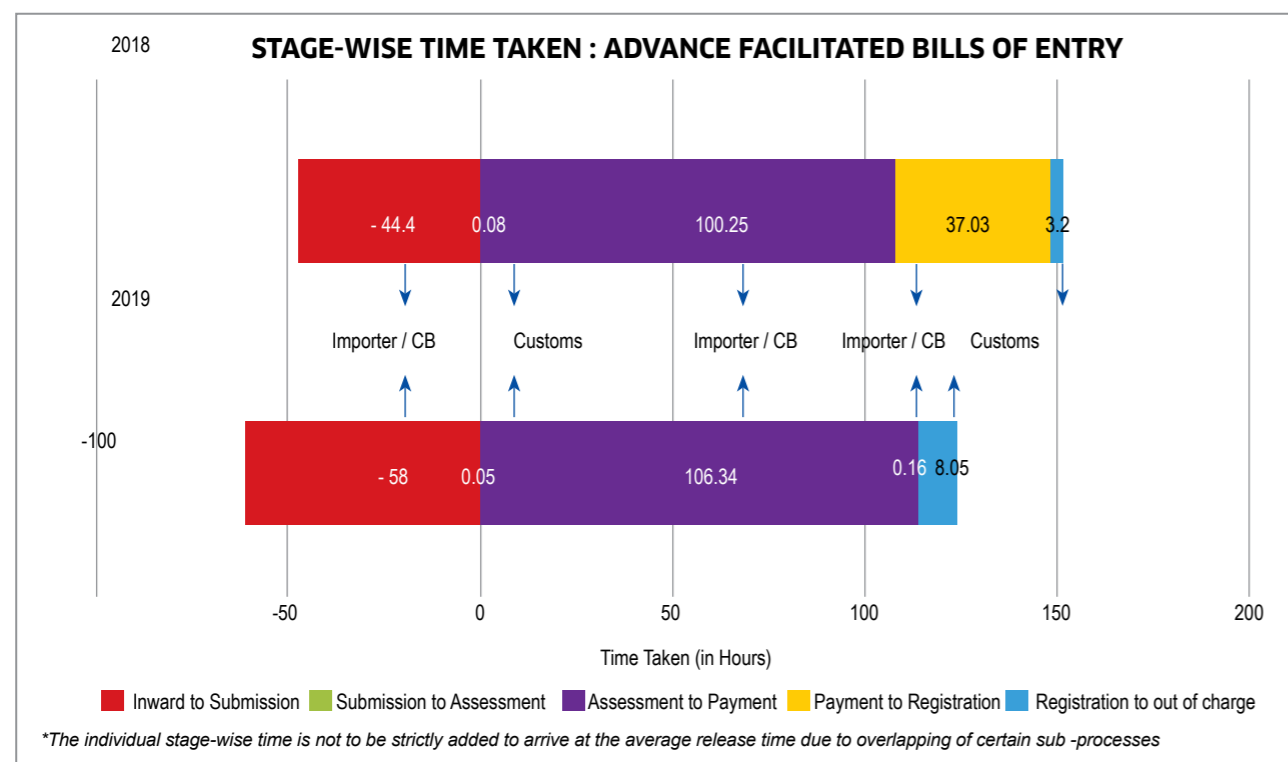
need to be investigated.

The analyses of stage-wise time taken in the case of normal bills of entry, along with segregated data for facilitated and non-facilitated bills of entry, for 2018 and 2019 is presented below.

The comparison of stage-wise data for advance and normal bills of entry, shows that the difference in the average release time between advance bills of entry at 83.06 hours and normal bills of entry at 150.02 hours is substantially explained by the time taken from entry inwards to submission of bills of entry.

It is seen that the time taken between assessment and payment of duty in the case of normal bills of entry as compared to advance bills of entry is lower by about 37 hours. This appears to be broadly attributable to reluctance on the part of the importers to discharge their duty liabilities before the arrival of the goods, even in the case of bills of entry being facilitated, as it is seen that in the case of 4171 advance facilitated bills of entry, accounting for 72% of such bills of entry, the average time taken in payment of duty after the entry inwards was 83.03 hours.
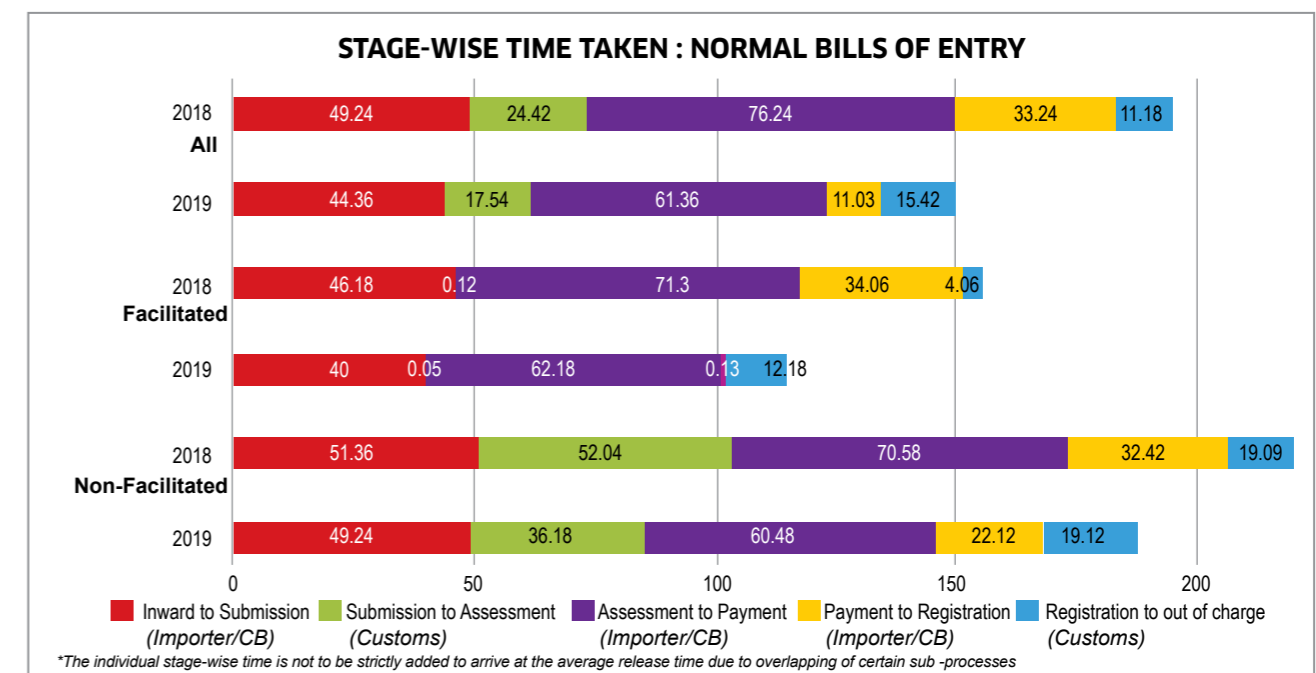
As mentioned earlier, one of the objectives of stage-wise analyses is to assess the impact of initiatives to improve the system of registration and out of charge, viz. facility for electronic registration of bills of entry by the CBs or electronic request for registration or suo-moto registration and subsequent out of charge by the RMS Facilitation Centre. It is expected that these major initiatives would reduce the average release time of the bills of entry, subjected to them.

Our analyses found that 11,245 bills of

entry, falling under different categories in this study, were accorded out of charge by the RMS Facilitation Centre, with average release time of 83.12 hours. In comparison, 4361 bills of entry in which out of charge was not granted by the RMS Facilitation Centre (but at the docks/ CFSs), the average release time was almost double at 163.28 hours. Since, only part of the lower release time would be due to the said initiatives, impacting the combined stage from registration of goods to out of charge, this study assessed the combined time taken in the RMS Centre out of charged bills of entry and those not granted out of charge by the RMS Centre. The study found that the average time taken for bills of entry from payment to out of charge in respect of bills of entry given out of charge by the RMS Centre was significantly lower 14.40 hours, as against 53.48 hours for those granted out of charge by the Docks or CFSs.

The above stage-wise Analyses conclude that the statutory and administrative measures to improve timely filing of bills of entry and expedite registration and out of charge have brought about significant improvements in terms of lower release time.

The study also suggests that for further significant improvement in release time, CBIC and JNCH would need to focus on substantially increasing the share of advance bills of entry, by further amendment in the provisions of the Customs Act to prescribe compulsory filing of advance bills of entry for notified categories of bills of entry and increasing the rate of interest on delayed payment of duty after assessment.

STAGE-WISE TIME TAKEN : NORMAL BILLS OF ENTRY

The individual stage-wise time is not to be strictly added to arrive at the average release time due to overlapping of certain sub-processes

SECTION C – EXPORTS

11

EXPORT TIME RELEASE

Introduction:

Promotion of exports contribute to the growth and development of national economies. Facilitation of exports is a major priority of the Government, since cutting down the transaction cost and time are expected to make Indian goods more competitive in the global markets. Further, in view of limited revenue concerns, the compliance requirements are lower in the case of exports vis-à-vis imports.

JNCH had conducted its first export TRS in 2018 and found that the average release time for export cargo was significantly lower than the average release time for imports. However, the average net export release in 2018 was 84:06 hours, as against the NTFAP 2017-2020 target release time for export cargo of 48 hours.

The main objective of Export TRS 2019 is to present the second iteration of comparable export release time, improve the methodology of data collection, expand the scope of study and analyse the findings to make recommendations for further improvements in export release time.

Scope & Methodology:

Consistent with the methodology adopted in 2018, the sample period of 1st to 7th January 2019 (hereinafter 2019) and data collection through sample survey have been continued. However, this year, the method of data collection has been made more efficient and reliable by adoption of an online web-based application.

In order to enable exporters/CBs to provide information online, a link was created on the website of JNCH and the exporters/CBs were encouraged to feed and upload the data in the "forms" specifically created, so as to calculate time required for completion of various export procedures.

Features of Export TRS 2019

- Larger sample size of 760 shipping Bills: four times the 2018 size.
- 10 commodities, as against 6 in 2018.
- More than 70 exporters covered.
- Comparative study of shipping bills by following categories:
  i. Direct Port Entry (DPE) vs CFS-routed.
  ii. Facilitated vs Non- facilitated.
  iii. Refrigerated cargo vs. Non- refrigerated cargo.
  iv. Authorized Economic Operator (AEO) exporters vs Non-AEO exporters.
  v. Micro, Small and Medium Enterprises (MSME) exporters vs Non-MSME exporters.
  vi. Less than Container Load (LCL) Vs Full Container Load (FCL).
- Comparative release time: Parking Plaza wise, CFS wise and Terminal wise study has been conducted.
- Customs Broker wise study has also been attempted.
- Data gathering through online-web application.
- Data obtained from exporters has been validated with data captured in ICES and database maintained by CFSs, Parking Plazas, Port Terminals and Seal Vendors.
- Few data field also validated with Logistic Data Bank (LDB) database.

This year, attempts have been made to analyse data obtained from different data sources, i.e. timestamps available in the Customs EDI systems, Logistic Data Bank (LDB), data furnished by exporters/CBs and other stakeholders, such as Parking Plaza (PP), CFSs, port terminals etc. The reason for using multiple data sources is the absence of any single database, unlike on the import side, which captures timestamps of movement of export goods at all stages. Customs EDI mainly tracks movement of the document, whereas LDB and other stakeholders' databases captures movement of goods at various pre-fixed stages.

The definition of export release time remains unchanged: it seeks to compute the average time taken for the export of cargo, starting with the time when export goods are stuffed in the container (either self-sealed or supervised sealing) till the sailing out of the vessel. It includes the time taken by the exporter, customs, terminal operators and other stakeholder at various stages of export.

This study aimed to compute "Net Export Release Time" as well as "Gross Export Release Time" besides analysing the time taken for completion of various individual stages during export. Gross export release time is the total time taken from the dispatch of the cargo from factory/ premises of the exporter to sailing of the vessel carrying the cargo from JNPT. Net export release time indicates average time taken in export, starting from the point when the cargo arrived in customs area, i.e. at the parking plaza, in case of DPE consignment, or at CFS, in the case of other consignments, (including LCL cargo), till the sailing of the vessel. It essentially means that domestic transport time, i.e. from factory to parking plaza/ CFS is excluded from the gross release time to arrive at the net release time.

During this export clearance process, the total time taken can be attributed to the exporters, customs brokers, including other government authorities (if NOC is required from authorities like Plant Quarantine in case of requirement of phyto-sanitary certificate) and port terminals. The exporters/CBs are responsible for the following stages: (a) from factory to parking plaza/CFS; (ii) from entry inside the parking plaza/CFS to registration; (iii) from Let Export Order (LEO) to exit from parking plaza/CFS; (iv) from parking plaza/CFS to terminal gate. The customs authorities are responsible for time taken for: (i) verification of e-seal; and (ii) from registration to issue of LEO.

At the final stage of release of export cargo, port terminals are responsible for the following time taken: (i) at the terminal gate; (ii) from entry inside terminal to loading on vessel and (iii) from loading on the vessel to sailing thereof.

In the entire export process, time taken by customs can be split into 3 stages:

(i) **Assessment of shipping bill:** Customs IT system captures the time from the date and time of filing of shipping bill. But the relevant time is when CB approaches assessing officer for assessment, as unlike import, there is no queue at the end of export assessment officer. She needs to pick-up/select the shipping bill for completion of verification. Presently, more than 80% shipping bills are facilitated by RMS system. Even in case of non-facilitated shipping bills, average time for verification of assessment is minimal 10-30 minutes. Further, most of the times, export declaration processing by customs is simultaneous to movement of goods from factory to port.

(ii) **Verifying electronic seal:** Verification of electronic seals is done either at fixed reader, which takes less than a minute, or with handheld reader, which may take less than 10 minutes. There are no timestamps available in the ICES data for this activity.

(iii) **Registration to Let Export Order (LEO):** At this stage, two important processes are undertaken, first registration, which essentially involves verification of documents, and second examination of goods, if selected for examination by RMS or inspection of container, as the case may be. At registration stage, documents are checked in all cases. However, if consignment is selected for examination, then, in-case of consignment routed through CFS, it is examined in the same CFS and in-case it is routed through parking plaza, which account for about 60% of the cargo, the same is required to be moved to a CFS for examination. As regards to the time taken for examination, it is seen that more than 80% shipping bills are facilitated by RMS. The only timestamp available in ICES relevant to measurement of export release time pertains to registration to grant of Let Export Order (LEO).

Though, details of Export General Manifest (EGM) filed by shipping lines is captured in ICES, but EGM is normally filed

after departure of vessel. Therefore, effectively, no timestamp after the LEO stage is available in customs IT system indicating processing for export clearance. As such, estimates of time taken by exporters at various other stages is based on details provided by exporter and terminal operators.

The time taken by terminal or breakup of time spent inside terminal can be summarised as under: (i) containers are allowed to enter terminal premises upto 4 days prior to cut-off, though cut off time is usually 6-8 hours prior to arrival of vessel. Loading generally starts within 2 hours of berthing of the vessel and continues for about 15-20 hours. However, in view of the possible congestion on the road and other uncertainties associated with shipping, the exporters prefer to bring export cargo to the terminal premises in advance.

Since no data in this regard is available in the customs system, this study looked into data available under the Logistic Data Bank (LDB) maintained by DMIDC. As per LDB, in the month of January 2019, during the export process at JNPT: the average time spent by a container inside the port terminal was 69:6 hours, and average time taken from CFS to the terminal gate was 5:8 hours.

TRS 2018 had made a modest beginning by presenting the average export release time, both gross and net, in respect of 6 select commodities, exported by top 21 exporters, as FCL cargo, adopting the DPE scheme, i.e. through the Parking Plaza, relying on the sample size of 199 shipping bills. This TRS has sought to expand the scope in respect of each of the above-mentioned parameter. The number of commodities covered has been increased to 10; survey has covered 71 exporters and all 760 shipping bills filed by these exporters during the survey period, out of total 26,588 filed during the sample period; exports routed through Parking Plaza, as last year, as well as routed through CFS, have been covered. Separate average release time for various different categories of shipping bills have also been presented. In brief, the adoption of a more scientific method of data collection and more comprehensive coverage, is expected to provide a more robust set of results.

This study has presented the average export release time of different commodities, as in TRS 2018, attempting to provide broadly comparable release time data.

For export of FCL, the cargo is either stuffed at the premises of the exporter or at the CFS. However, LCL is required to brought to CFS for consolidation, aggregation and stuffing. This study seeks to ascertain the difference in the export release time between FCL and LCL shipping bills.

Direct Port Entry (DPE) scheme for export cargo is a facility similar to DPD for the import cargo. The DPE facility has been extended to exporters as part of the initiative to provide ease of doing business through reduction in transaction time and cost.

The DPE facility was introduced at JNCH in October 2009 for the following five categories of cargo: (i) refrigerated containers; (ii) over dimensional cargo (ODC); (iii) motor vehicles; (iv) perishable non-refrigerated cargo; and (v) factory stuffed cargo of exporters having Status Certificate, 100% EOUs and units of SEZs.

In October 2016, the DPE facility was extended to all factory stuffed containers of all the manufacturing entities, thereby significantly increasing the number of exporters entitled to DPE.

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12 ANALYSES OF EXPORT RELEASE TIME

12.1 ALL IN ONE: CONSOLIDATED DATA

In this section, comparable average release time data for 2018 and 2019 have been presented, using the data gleaned in respect of 5 commodities common to both the TRS. The reasons for exclusion of automobile parts from TRS 2019 is that it did not figure in the top 10 commodities of JNCH during the sample period in 2019.

12.1.1 AVERAGE GROSS EXPORT RELEASE TIME

The gross export release time, calculated as the time taken from departure of export cargo from the factory gate to the departure of the vessel carrying the export cargo from the port, routed through Parking Plaza, has improved from 115:19 hours in 2018 to 105:35 hours in 2019, i.e. by 10:16 hours. The graph below presents the comparative gross export release time for the five common commodities:

The above analyses reveals that the gross release time varies across commodities, ranging from the minimum 78:36 hours in respect of export of frozen fish to maximum 133:38 hours in respect of two wheeled-automobile. The lower release time in respect of frozen fish and frozen meat is attributable to the priority being given to perishable/refrigerated cargo. It is also seen that the gross release time has declined for four of the five commodities covered, but has increased for two-wheeled automobiles.

12.1.2 Average Net Export Release Time

The study reveals average net export release time, excluding the domestic transport time for the five common commodities routed through parking plaza has improved marginally from 89:53 hours in 2018 to 86:36 hours in 2019. The graph on the next page presents the comparative net export release time for the five common commodities:
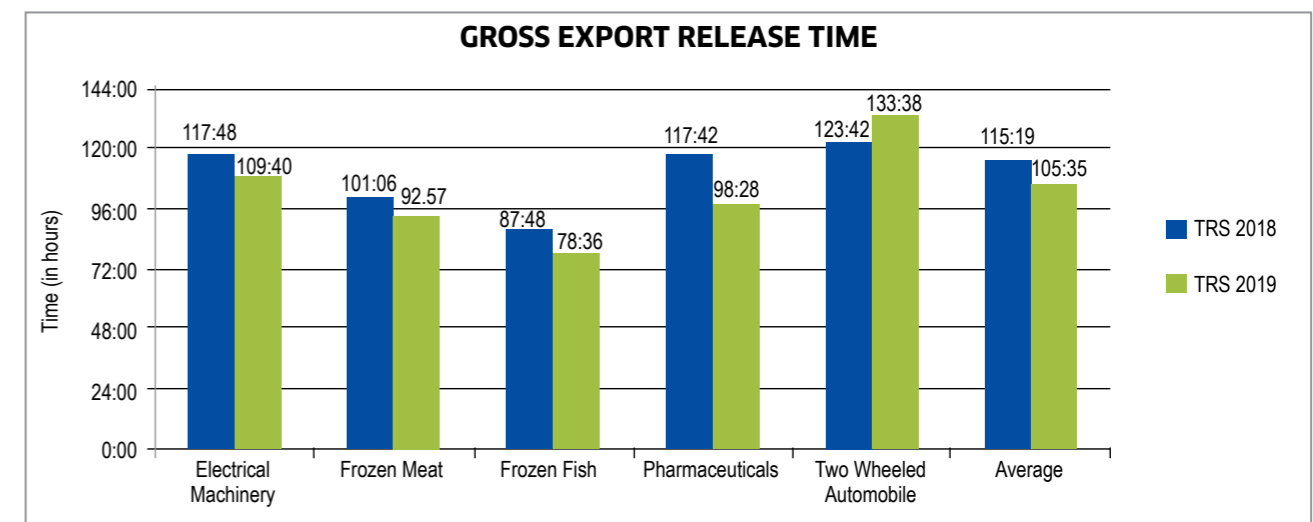
The above analyses reveals that, in line with the gross release time, the net release time varies across commodities, ranging from the minimum 64:52 hours in respect of export of frozen fish to
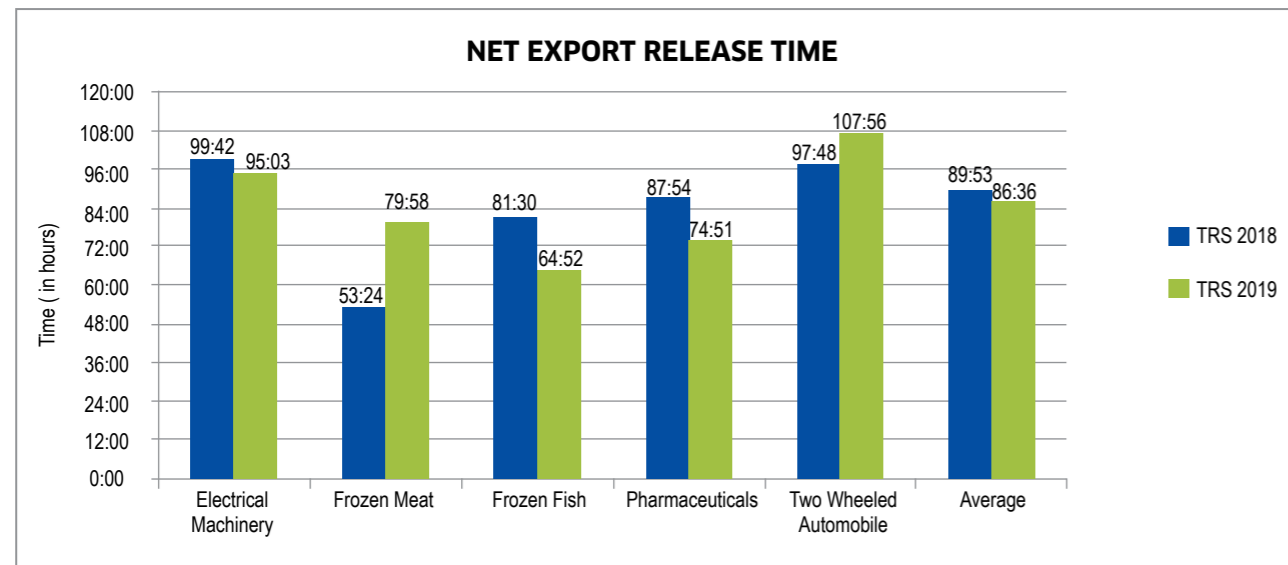
GROSS EXPORT RELEASE TIME

Commodity	TRS 2018	TRS 2019
Electrical Machinery	117:48	109:40
Frozen Meat	101:06	92.57
Frozen Fish	87:48	78:36
Pharmaceuticals	117:42	98:28
Two Wheeled Automobile	123:42	133:38
Average	115:19	105:35

NET EXPORT RELEASE TIME

maximum 107:56 hours in respect of two wheeled-automobile. In view of the priority being given to perishable/refrigerated cargo, it is expected that release time in respect of frozen fish and frozen meat would be lower than the other commodities. It is seen that while the net release time has declined for three of the five commodities covered, it has increased for two-wheeled automobiles and more worryingly for frozen meat. It is recommended that JNCH may look into the reasons for increased release time, particularly for frozen meat.

Thereafter, the study looked at the average net release time for all ten commodities, separately for those routed through parking plaza and through CFS.

In respect of the 566 shipping bills routed through the parking plaza, the average net release time was 96:14 hours. The commodity-wise break-up of the net release time is presented in the graph below:

The analyses shows that the average net export release time for shipping bills routed through parking plazas, ranges from 64:52 hours in respect of export of frozen fish to 159:01 hours in respect of chemicals.

The average net release time for the entire sample of shipping bills covered by this TRS for all ten commodities, routed through parking plaza and CFS was found to be 121:36 hours.

The analyses shows that the average net export release time for shipping bills routed through parking plazas or CFS, ranges from 66:25 hours in respect of export of frozen fish to 188:01 hours in respect of bedsheets.

AVERAGE NET RELEASE TIME : CONSOLIDATED

AVERAGE NET RELEASE TIME (ONLY PP CLEARANCES)
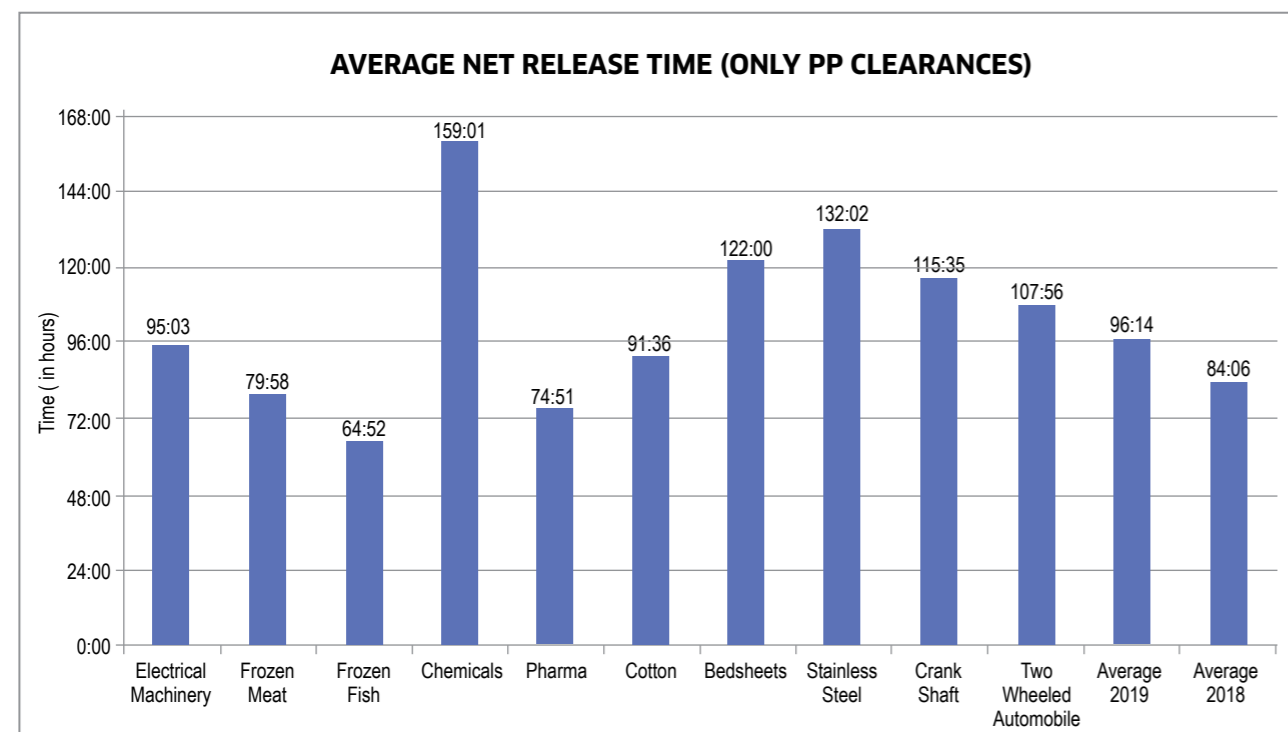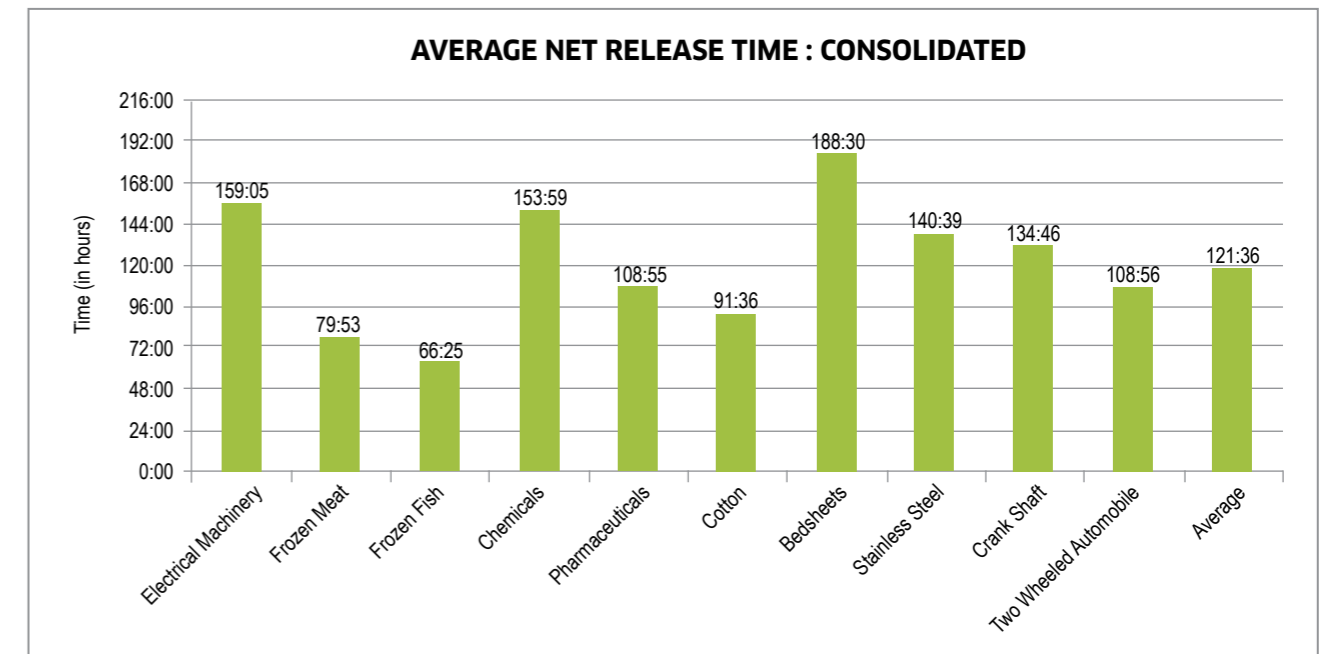
12.2 CATEGORY OF SHIPPING BILLS

12.2.1 DPE vs Non-DPE:

It is expected that the average release time of shipping bills routed through CFS would be relatively higher than those availing DPE and routed through parking plaza, for that is the primary objective of DPE.

It is seen that the average net release time for 566 shipping bills through the parking plaza was 96:14 hours, which is almost half of the average net release time for 194 shipping bills routed through the CFS at 195:34 hours.

NET RELEASE TIME: PARKING PLAZA VS CFS
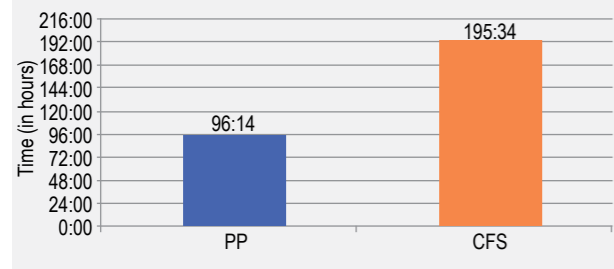
The comparative stage-wise analyses of the net release time, for the shipping bills routed through CFS and parking plaza separately are presented in the following graph:

It is seen that the additional time taken in the case of non-DPE CFS routed shipping bills is mainly on account of time taken at two stages, viz. from entry to registration and issue of LEO to gate out. The reason for higher time taken in registration at CFS is the early arrival of LCL

cargo in CFS, pending consolidation, which entails waiting time by CBs before initiating registration process.

12.2.2 Facilitated vs Non-facilitated:

Of the total 760 shipping bills considered for study, 95.6% were facilitated shipping bills and only 4.4%, i.e. 33 shipping bills were non-facilitated. It may, however, be pointed out that very high level of facilitation in the sample of shipping bills is attributable to the fact that the study covered the top exporters in major commodities being exported through JNCH. The average release time for facilitated vs non-facilitated shipping bills is presented below:
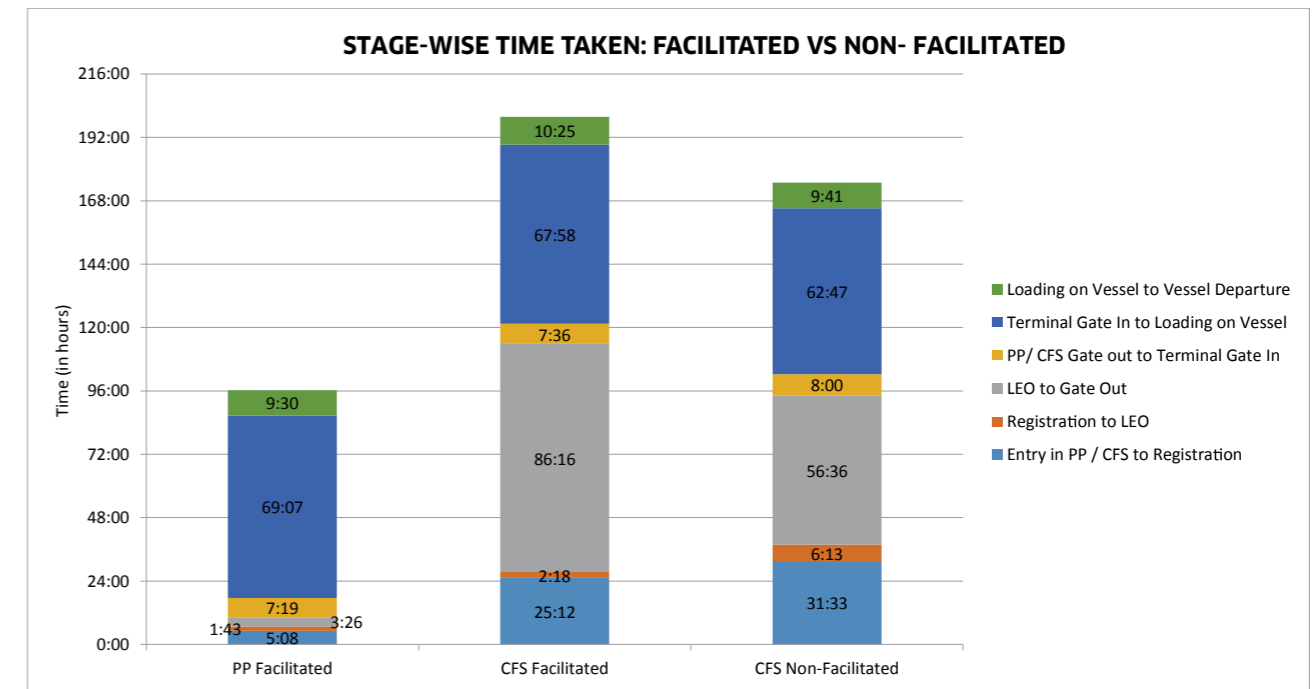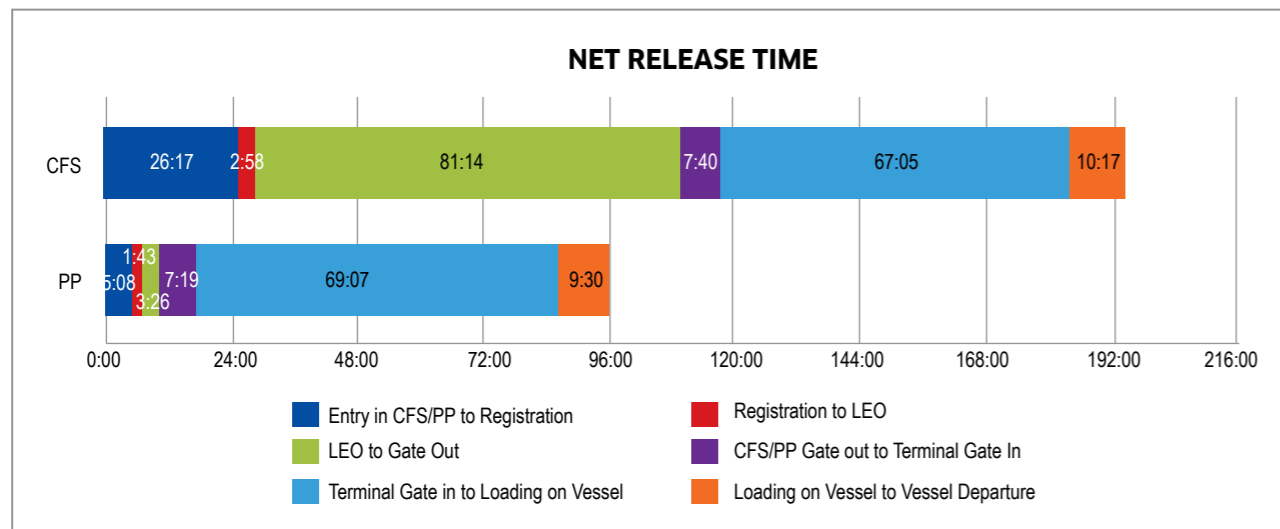
FACILITATED VS NON- FACILITATED
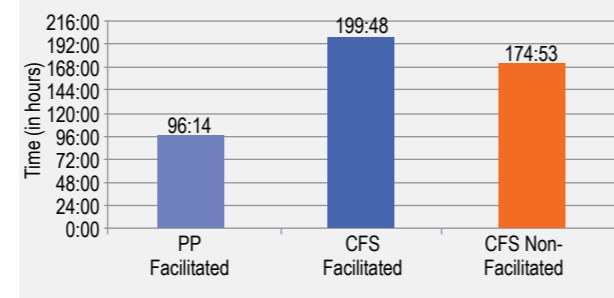
Note: Only facilitated shipping bills routed through Parking Plaza have been considered, excluding those small number of shipping bills that were diverted to CFS for examination.

The comparative stage-wise analyses of time taken at different stages for facilitated and non-facilitated shipping bills is presented in graph on next page.

NET RELEASE TIME

### STAGE-WISE TIME TAKEN: FACILITATED VS NON- FACILITATED

The above analyses highlights the following:

i. time taken by customs is less than 2 hours only, i.e. 1.5% of the net release time, under the DPE mode. It increases only marginally to around 2 hours, in case of facilitated shipping bills routed through CFS;

ii. time taken for registration is more in respect of clearances made through CFS as these are primarily LCL consignments, which arrive at the CFS well in advance. Further, facilitation status of document has no significant effect on such time as stuffing happens in the presence of customs, even if shipping bill is facilitated.

iii. LEO to gate-out time in clearances made through CFS is mainly due to time taken for aggregation; and facilitation has no apparent effect on this time. Actually, this time is the prominent reason for difference in "net release time" of consignment routed through PP and CFS.

iv. The study found that net release time in respect of non-facilitated shipping bills was lower compared of that of facilitated shipping bills, which is attributed to the fact that majority of non-facilitated consignments routed through CFS were FCL, for which there was no need to wait for aggregation/consolidation and their holding time in the CFS was lesser than that of LCL consignment.

v. Aforesaid results also indicate that the average time taken by customs in examination of the cargo was 6.13 hours, accounting for 3.6% of net release time.

12.2.3 Refrigerated vs Non- Refrigerated:

The study looked at the data for the commodities falling under customs tariff heading 0202 covering frozen meat and heading 0306 frozen fish, categorizing these two as refrigerated or reefer goods, and the rest as non-refrigerated/non-reefer goods. In the sample data, there are 193 shipping bills for reefer cargo, accounting for 25.39% of the sample shipping bills. Out of these 193 shipping bills, 189 shipping bills were processed through parking plaza and only 04 shipping bills were processed through CFS. The result of the study is summarized below

REEFER VS NON-REEFER RELEASE TIME
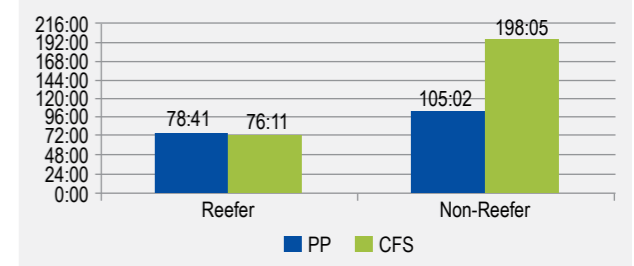
The above data suggest that reefer cargo, representing perishable goods, are accorded priority at JNCH at all stages, both at parking plaza and CFS. The benefit of DPE is, therefore, more pronounced in the case of non-reefer shipping bills.

12.2.4 AEO Vs Non-AEO:

The AEO clients are eligible for higher level of trade facilitation on the export side as well. In the sample data, 406 shipping bills were filed by AEO exporters, accounting for 53.42% of the total sample shipping bills. Out of these, 291 shipping bills were processed through the parking plaza and balance 115 shipping bills were processed through CFS. The result of the study is summarized below:

AEO VS NON-AEO
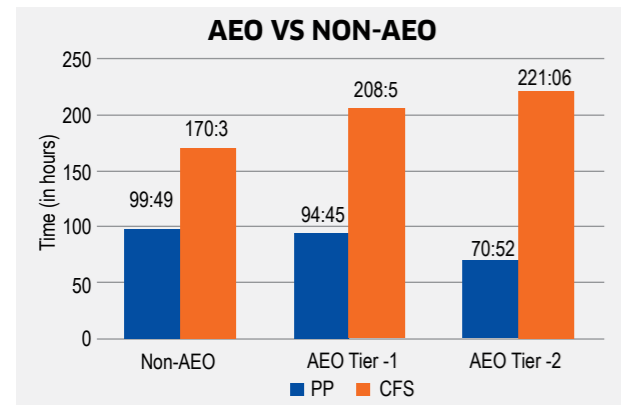
The above analyses indicates the following:

i. Net export release time for AEO exporter is lower than Non-AEO exporter, only if they are availing DPE. Further, the release time improves as the accreditation level increases.

ii. Since, the consignments cleared through CFS are LCL cargo, the status of exporter is found to have no direct co-relation with export release time, as majority of time is taken during aggregation/consolidation.

12.2.5 MSME Vs Non- MSME Exporters:

In order to appreciate the challenges of the MSME exporter, this study also attempted to compare net export release time of MSME exporter to ascertain whether size of exporter impacts the export release time. The categorization of an exporter as MSME is based on their self-declaration in the online forms submitted by them. In the sample data, 661 shipping bills, accounting for 86.9%, were filed by non-MSME, and the rest by MSME. The average release time for the MSME and non-MSME shipping bills are presented below:

**NET RELEASE TIME: MSME VS NON-MSME**
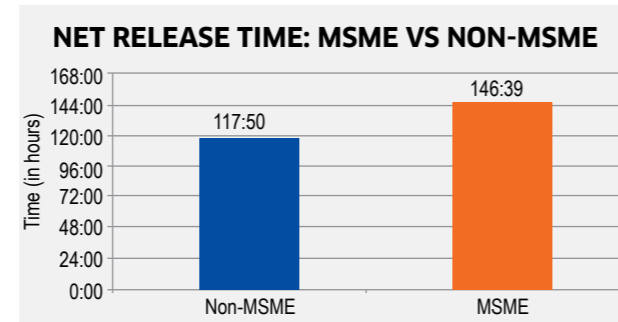
The above findings are consistent with our intuitive understanding that the release time for MSME exporters would be higher than non-MSME exporter, since the probability of MSME shipping bills being LCL is higher for which the facilitation level is lower.

12.2.6 LCL Vs FCL:

As mentioned earlier, LCL cargo can be exported only through the CFS mode, since it is required to be aggregated/consolidated at the CFS premises. Therefore, in order to compare the average release time of LCL vs FCL shipping bills, it is appropriate to take only the CFS routed shipping bills. Using the 194 CFS routed shipping bills, with 124 relating to LCL and balance 70 relating to FCL, it is seen that the average release time for FCL shipping bills at 159:21 hours is lower than 216:0 hours for LCL - a difference of almost 57 hours.

In order to highlight the stages at which the LCL shipping bills take higher time, stage-wise analyses of the above 194 shipping bills was conducted. The results, summarized below, show that the higher time is attributable to the two main stages of carting to registration and LEO to gate out, essentially due to consolidation time at the stuffing stage:

**LCL VS FCL - STAGEWISE RELEASE TIME**
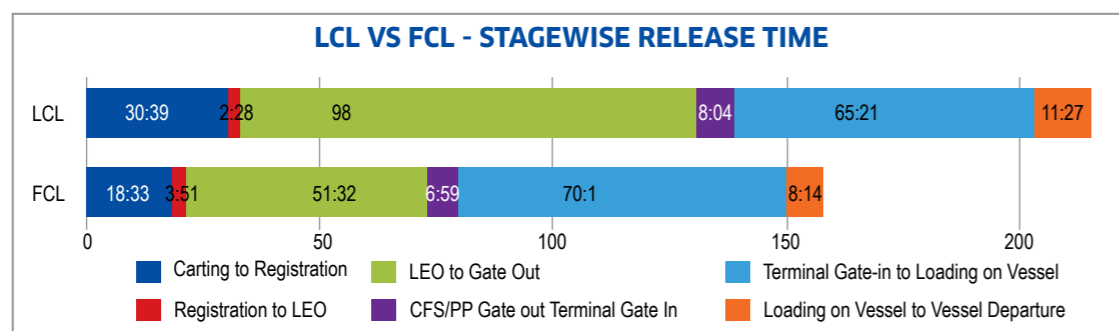
12.3 STAGE-WISE ANALYSIS

In order to present comparative data, the stage-wise analyses has been conducted using the sample data in respect of 5 commodities that were covered in TRS 2018 as well. The graph below presents the stage-wise time taken in respect of five commodities, exported through parking plaza.

12.3.1 From Factory to PP:

The study found that the average time taken from factory to Parking Plaza was 18:58 hours in 2019 as compared to 25:26 hours in 2018. Though, this time depends on several factors including distance of factory from Parking Plaza, road condition, traffic etc, but prima-facie, reduction in time indicates improvement in road and other infrastructure.

**NET RELEASE TIME (FOR 5 COMMON COMMODITIES CLEARED THROUGH PP)**
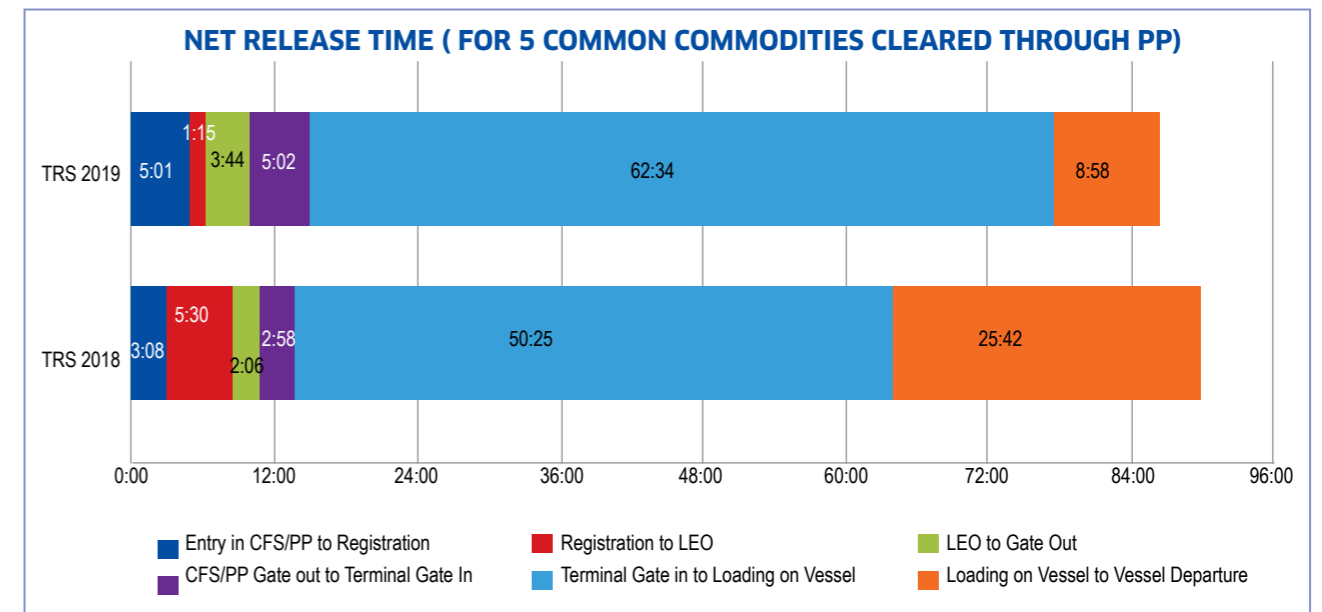
It is seen that the time taken at all stages, barring 'Registration to LEO' and 'Loading on vessel to vessel departure' has improved in 2019 vis-a-vis 2018. Stagewise analyses explaining time taken at various stages of export process is explained in the graph above.

Further, the study also indicates that even after considering all the 10 commodities, average domestic transportation time was 19:22 hours in 2019, which is also much lower than that of year 2018. Commodity-wise analyses indicates that domestic transport time varies from 12:59 hours

AVERAGE TIME FROM FACTORY TO PP GATE-IN (FOR THE 5 COMMODITIES CLEARED THROUGH PP)
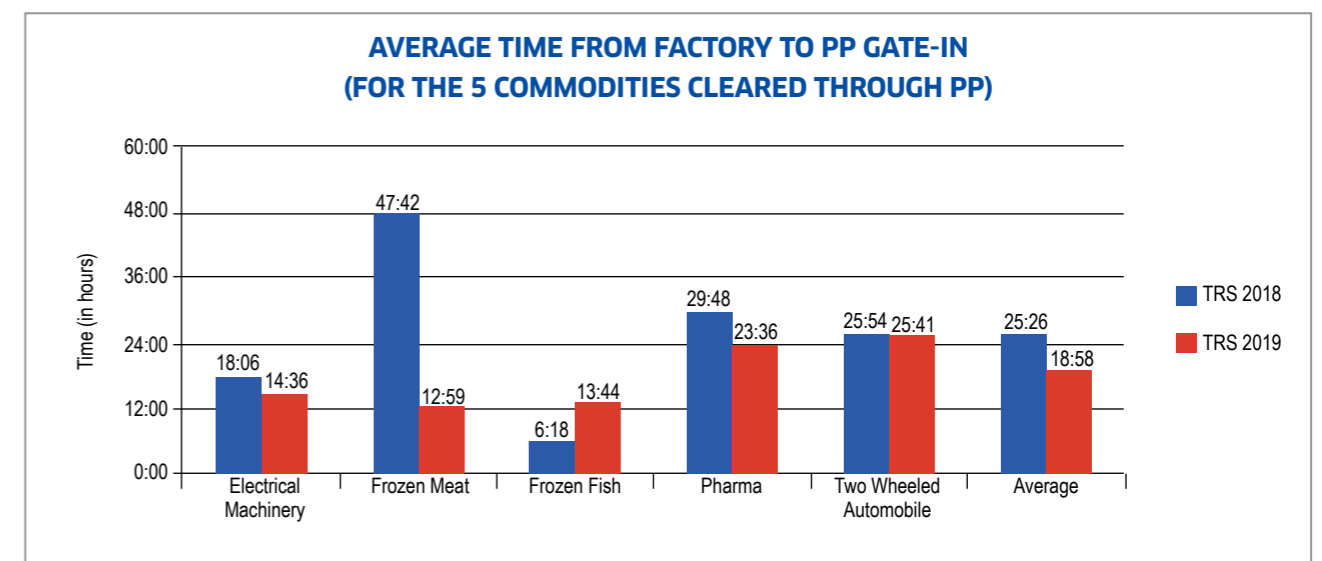
for "Frozen Meat" to 29.44 hours for "Stainless Steel" but variation is primarily due to distance between factory / stuffing premises of exporter to Parking Plazas at Nhava Sheva.

taken in obtaining e-form-13 from shipping lines. Last year, Customs allowed registration without the need for e-form-13 whereas as per changed procedure, obtaining e-form-13 is a

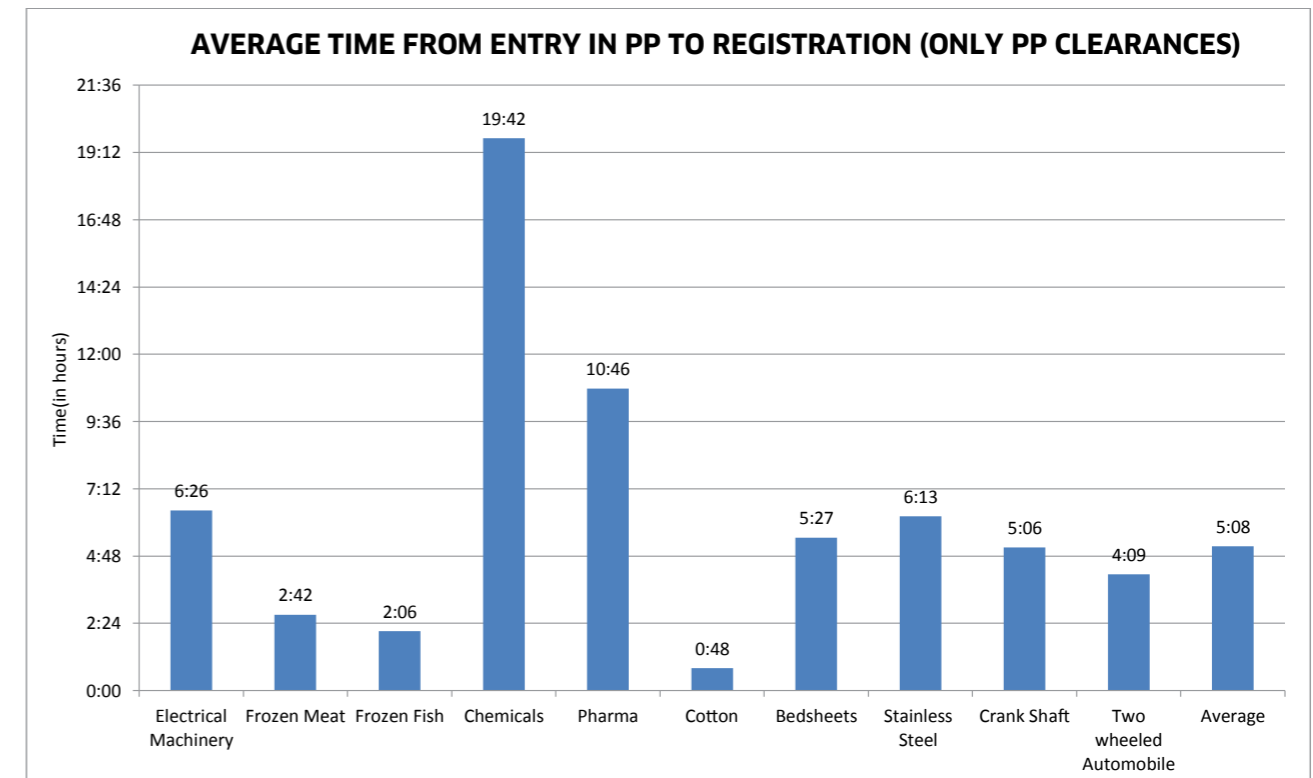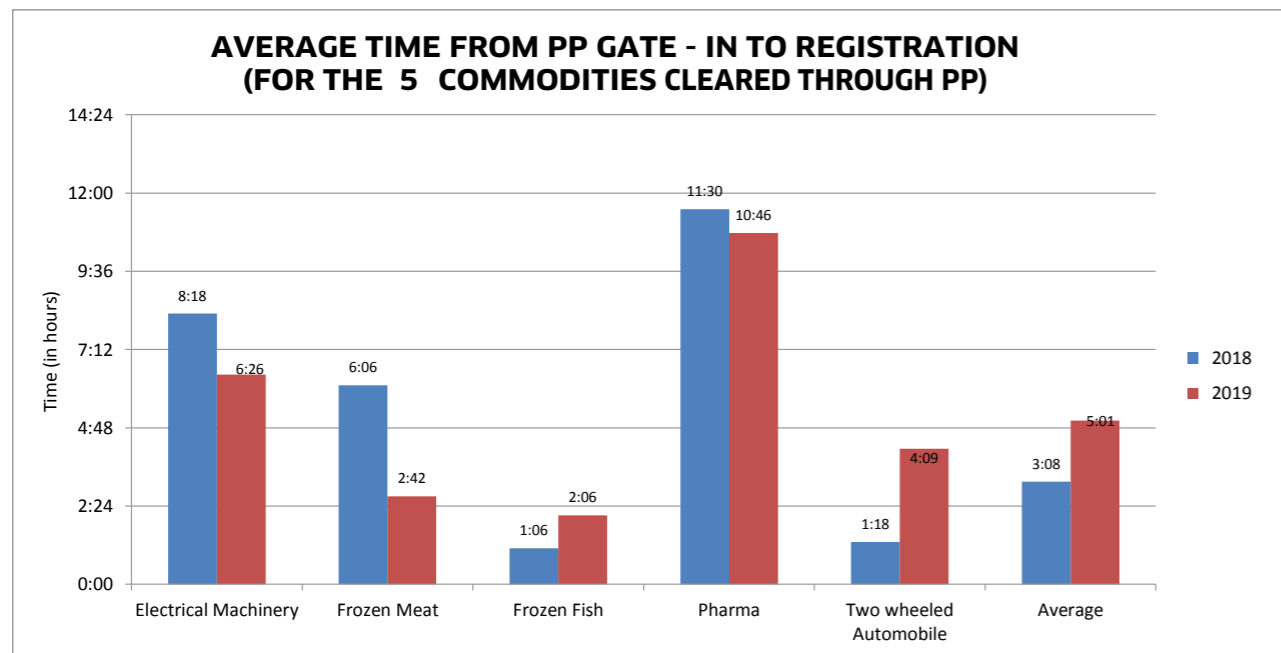**AVERAGE TIME TAKEN FROM FACTORY TO PP**
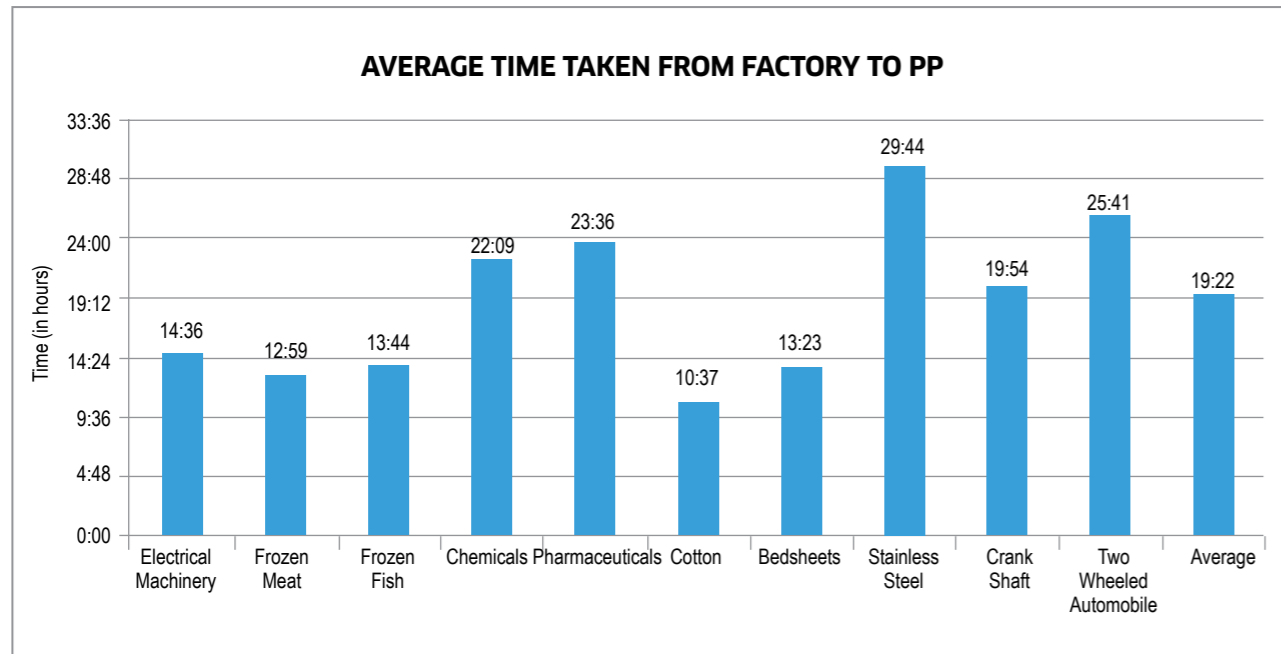
12.3.2 From PP Gate-in to Registration:

This study found that the average time taken from Parking Plaza gate-in to registration was 05:01 hours in 2019 as compared to 03:08 hours in 2018. Two reasons as ascertained during discussion with exporters / customs brokers are first, early arrival inside parking plaza due to lesser domestic transport, and second, time

pre-requirement for registration now. Intention of introducing this additional compliance requirement was to ensure that documentation should be complete whenever container arrives at Parking Plaza so that Parking Plaza space can be optimally utilized for handling increasing volume of export.

Further, the study also found that, after inclusion of remaining 5 commodities, the

AVERAGE TIME FROM PP GATE - IN TO REGISTRATION (FOR THE 5 COMMODITIES CLEARED THROUGH PP)

**AVERAGE TIME FROM ENTRY IN PP TO REGISTRATION (ONLY PP CLEARANCES)**

average time taken from Parking Plaza gate-in to registration, in respect of 566 shipping bills was 05:08 hours.

Commodity wise analyses further indicates that it is just 00:48 hours in respect of cotton whereas it is as high as 19:42 hours in respect of chemicals. Further, in respect of perishable commodities, it is around 2 hours only. It clearly indicates that if exporter is ready

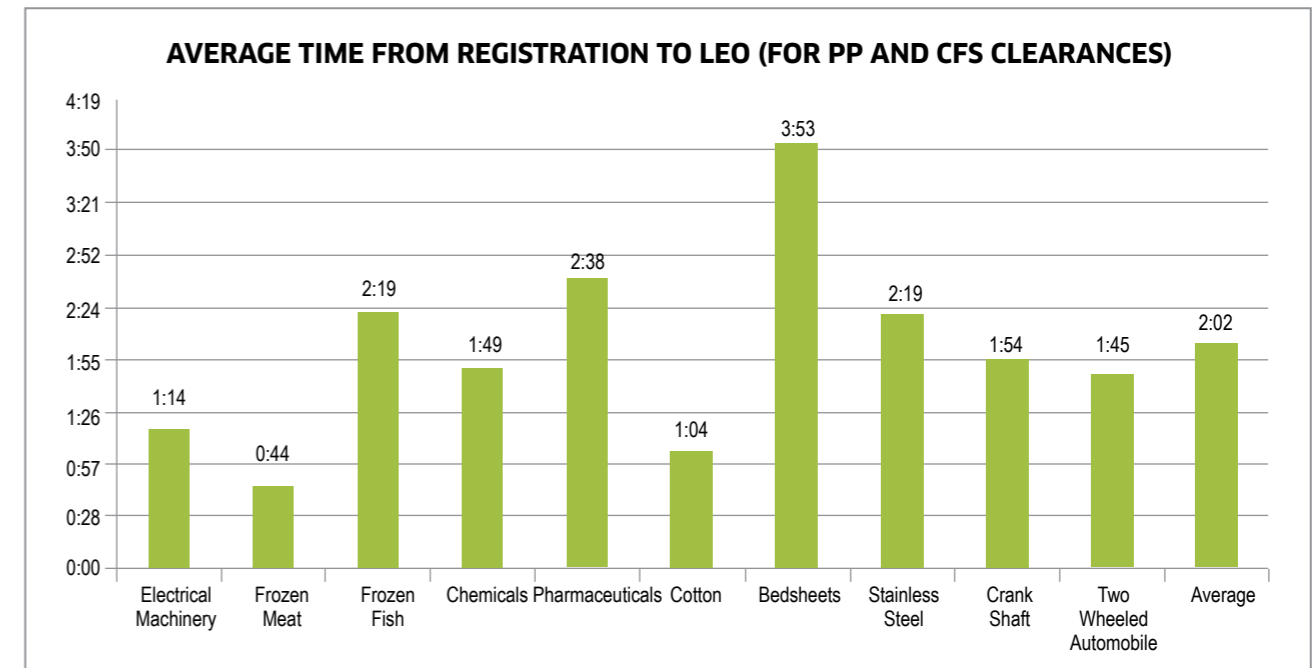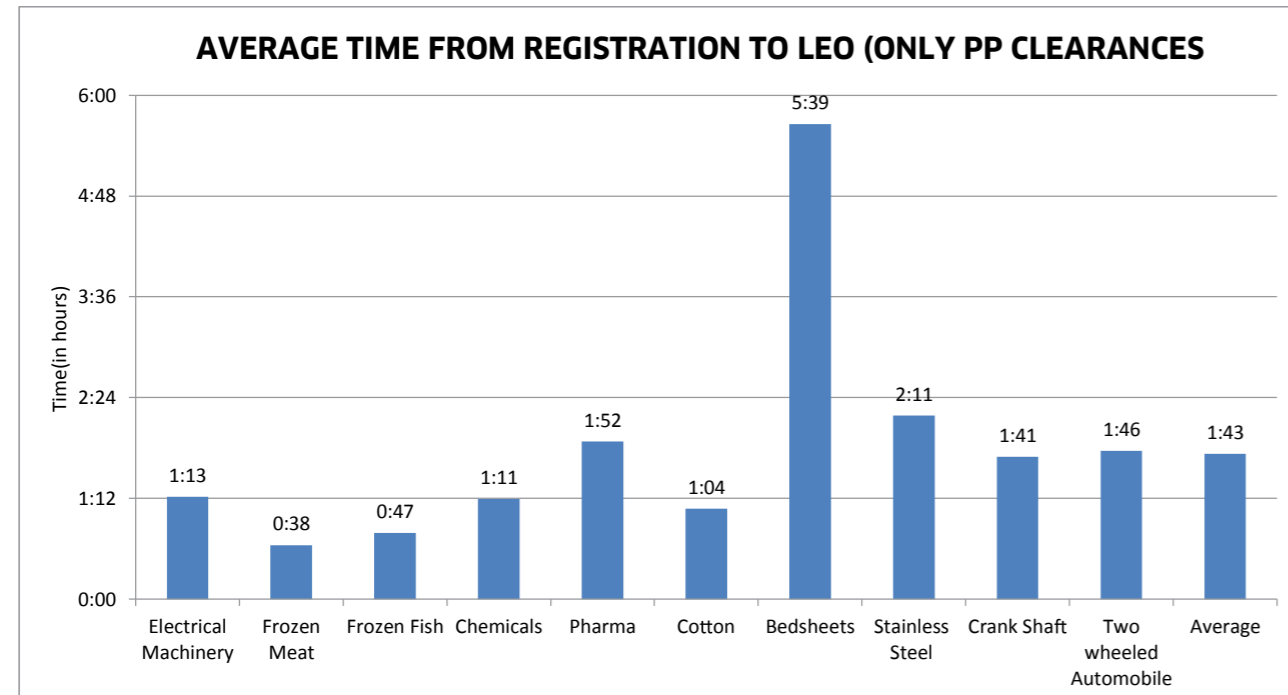with documentation, then consignment can be cleared from Parking Plaza within an hour also.

12.3.3 From Registration to LEO:

The study found that the average time taken from registration to LEO, in respect of 410 shipping bills of (involving commodities as covered in TRS 2018) was 01:15 hours as compared to 05:30 hours reported

AVERAGE TIME FROM REGISTRATION TO LEO
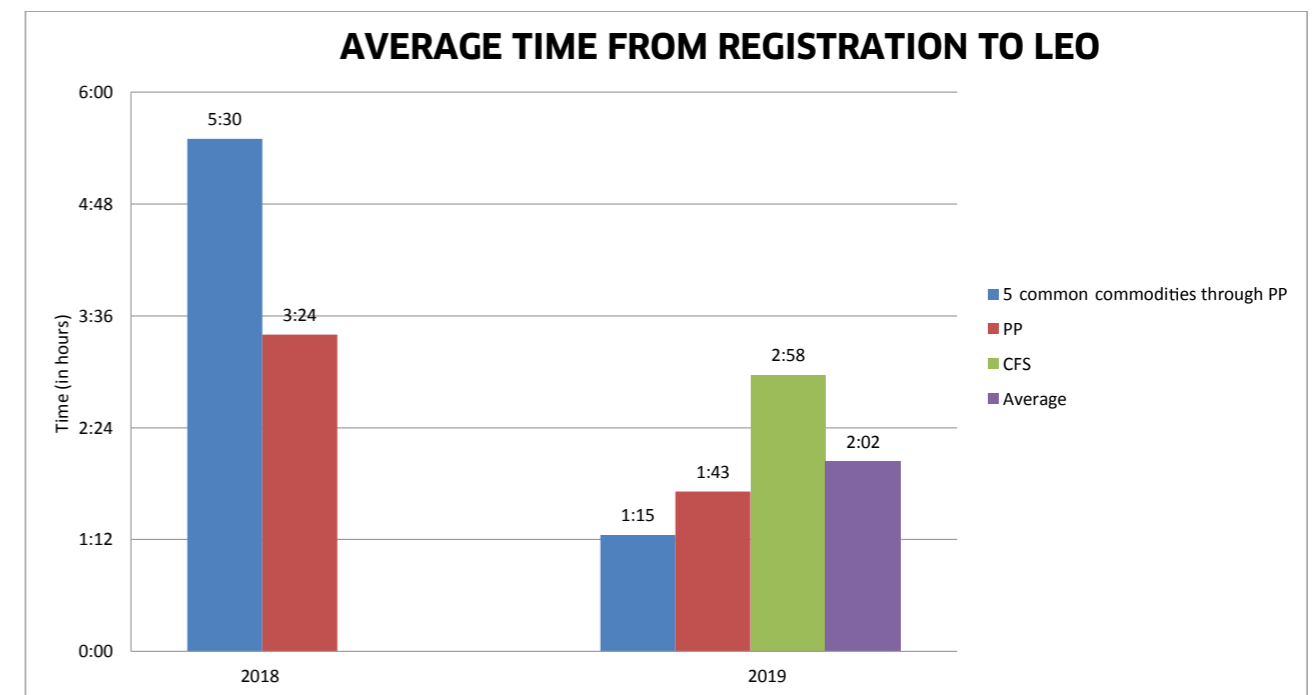
in TRS 2018. This time represents the time taken by Customs. TRS 2019 reflects significant improvement (time reduction by almost 4 times).

Further, the study also found that, after inclusion of remaining five commodities, the average time taken registration to LEO was also 01:43 hours only in 2019. As can be seen in the graph below:

Commodity wise analyses also indicates that it is just 00:38 hours in respect of "Frozen Meat" whereas it is as high as 5:39 hours in respect of "Bedsheets". In respect of both the perishable commodities involved in this study, this time is less than one hour only. It clearly indicates that if exporter is ready with
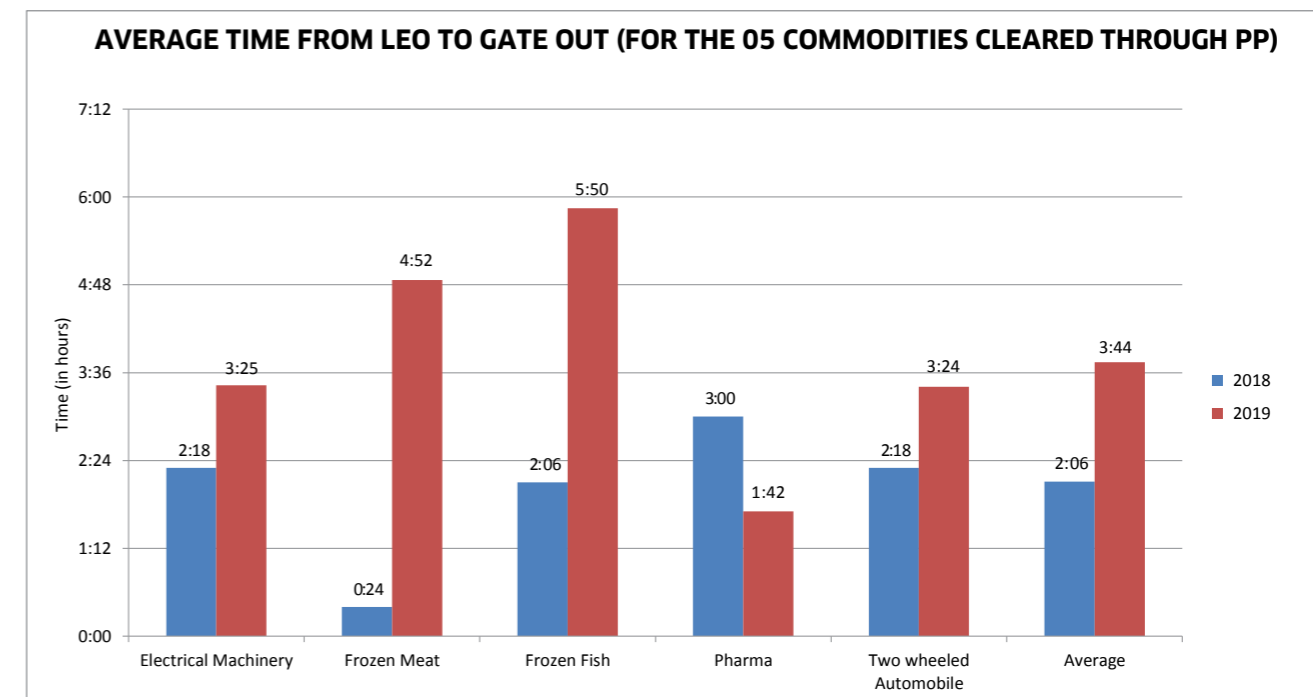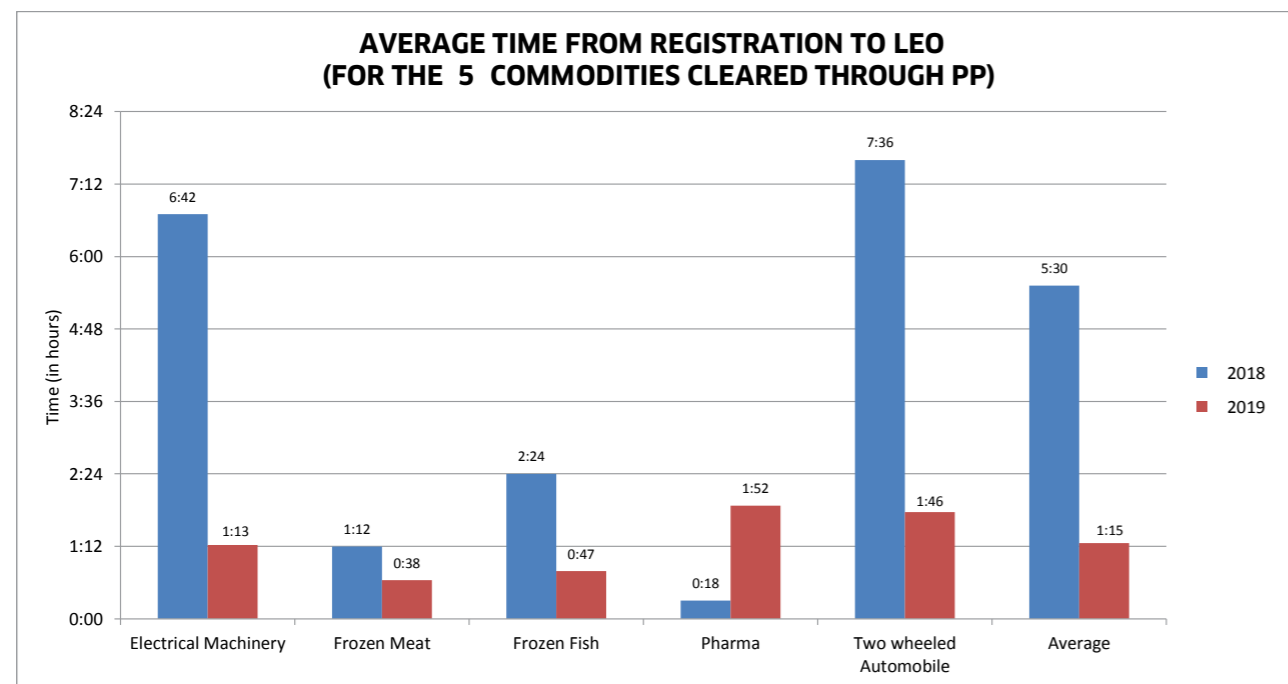

AVERAGE TIME FROM REGISTRATION TO LEO (ONLY PP CLEARANCES

documentation, then Customs "Let Export Order" can be obtained in the Parking Plaza in less than an hour.
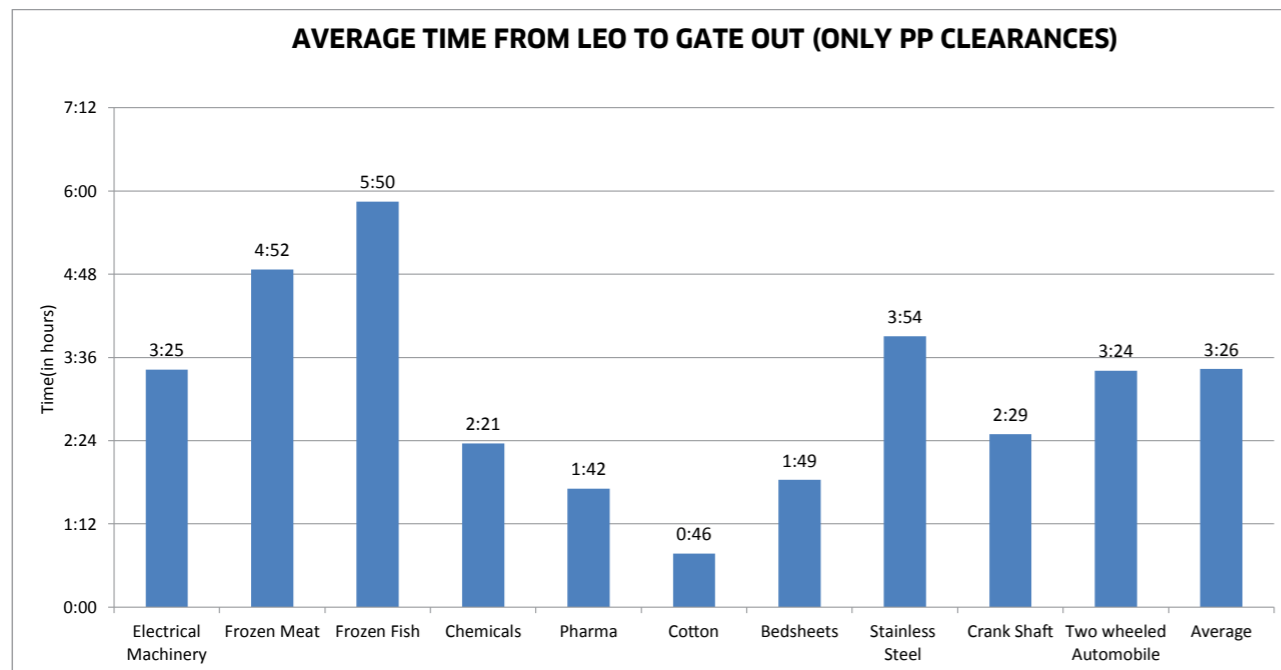
TRS 2019 also reveals that even after inclusion of shipping bills processed through CFSs, average time from registration to LEO in respect of all 760 shipping bills is 02:02 hours. It means, Customs is able to process the shipping bills for grant of Customs release (LEO) from CFS also within the similar timelines.

12.3.4 From LEO to PP/CFS Gate-out:

The study found that the average time taken from LEO to PP Gate-Out, was 03:44 hours in 2018 as compared to 02:06 hours in 2018. Generally, this waiting time is purely decided by exporter depending upon readiness of transporter and vessel cut-off time.

Further, the study also found that, after inclusion of remaining five commodities, the

AVERAGE TIME FROM REGISTRATION TO LEO (FOR PP AND CFS CLEARANCES)

AVERAGE TIME FROM REGISTRATION TO LEO (FOR THE 5 COMMODITIES CLEARED THROUGH PP)

AVERAGE TIME FROM LEO TO GATE OUT (FOR THE 05 COMMODITIES CLEARED THROUGH PP)

AVERAGE TIME FROM LEO TO GATE OUT (ONLY PP CLEARANCES)

The study found that the average time taken from PP Gate-Out to terminal Gate-in was 05:02 hours in 2019 as compared to 02:58 hours as reported in 2018. This time mainly depends on condition of road, timing of exit from PP and congestion, if any. No exact reasons could be ascertained for increased travel time but it is indicative of more congestion on roads leading to Terminal gate during certain business hours.

Commodity wise analyses further indicates that it is just 02:25 hours in respect of "Pharmaceutical" whereas it is as high as 6:16 hours in respect of "Frozen Meat". It also indicates that this time also depend upon the timing of exit from PP (i.e. early morning hours or business hours).

Further, the study also found that, after inclusion of remaining five commodities, the average time taken from PP Gate-Out to terminal Gate-in was 07:19 hours in 2019.
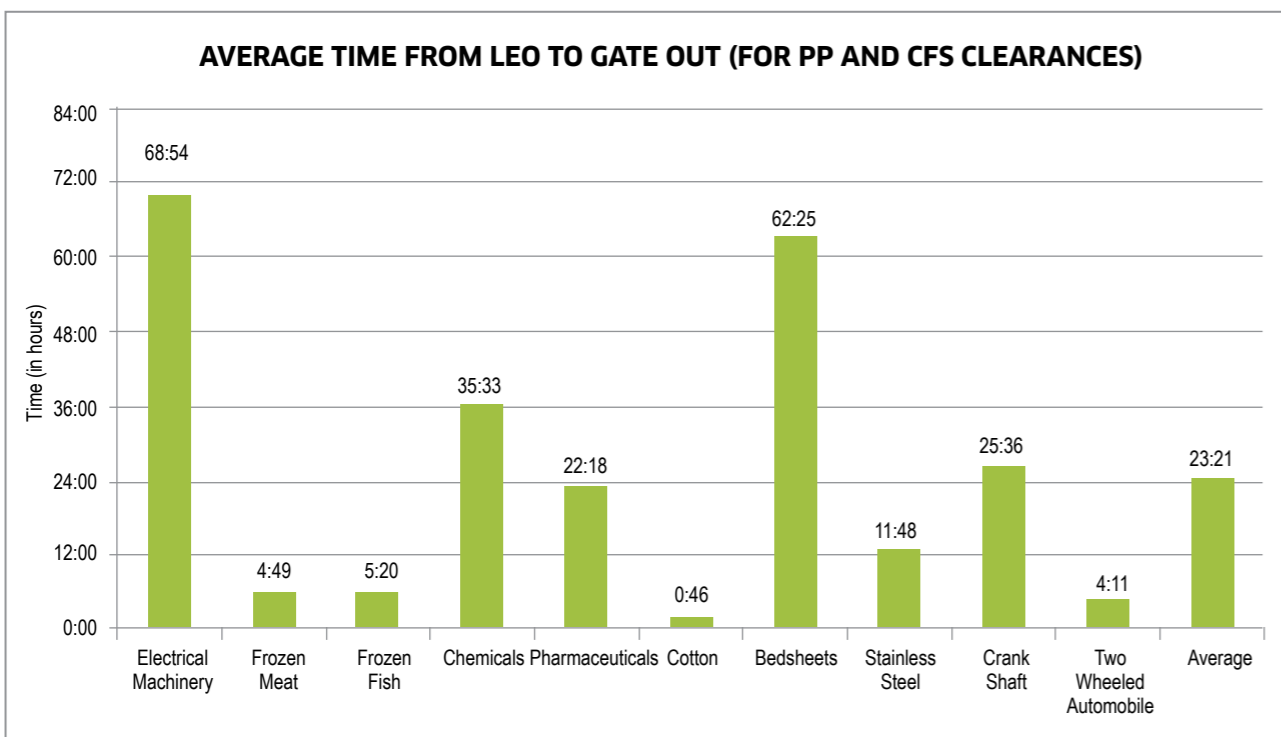
average time taken from LEO to PP Gate-Out, in respect of 566 shipping bills, which were routed through PP, was 03:26 hours.

Commodity-wise analyses indicates that domestic transport time varies from 01:44 for "Pharmaceuticals" to 05:50 hours for "Frozen Fish" but variation is primarily due to availability of transporter, vessel cut-off time and other factors relevant specific to particular consignments and do not indicate any infrastructure or larger policy issues.

However, after inclusion of shipping bills processed through CFSs, the study found that the average time, in respect of all 760 shipping bills, from LEO to PP/CFS Gate-Out, increased to 23:21 hours. This is due to the fact that even after grant of LEO, containers will move out of CFS gate only after completion of stuffing. Therefore, consolidation and stuffing time is also included in this time.
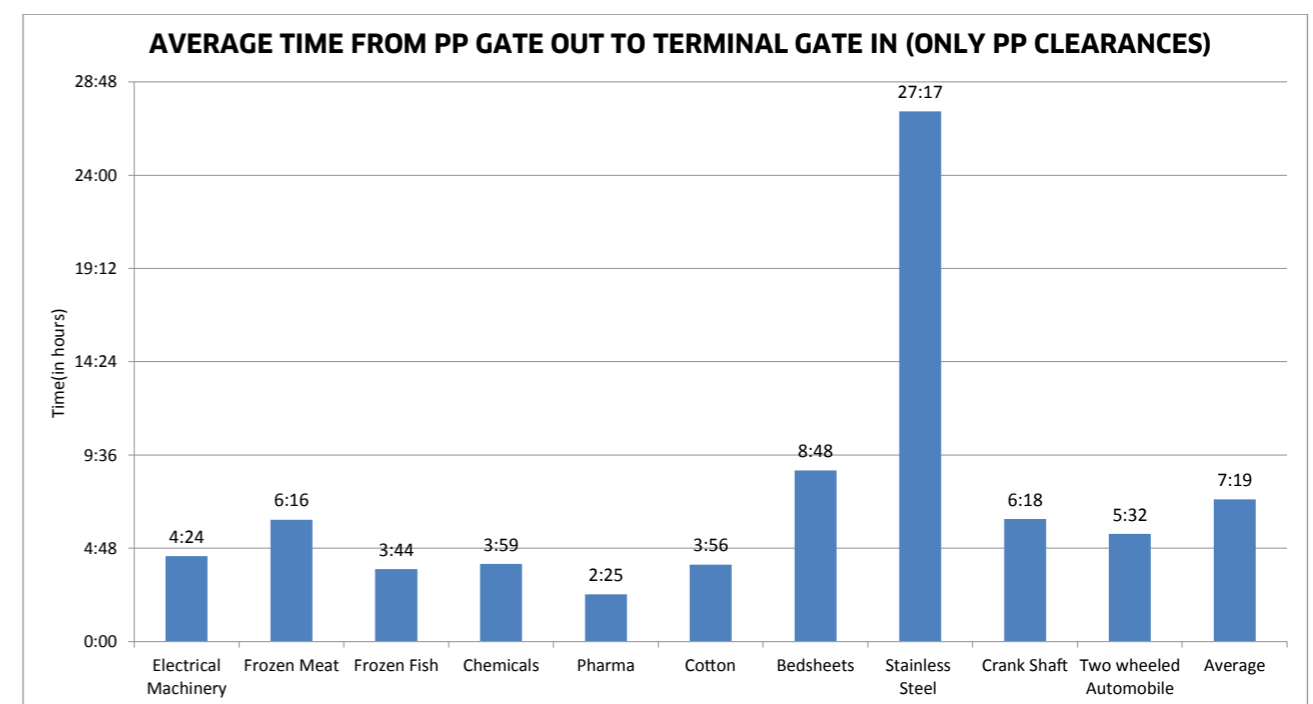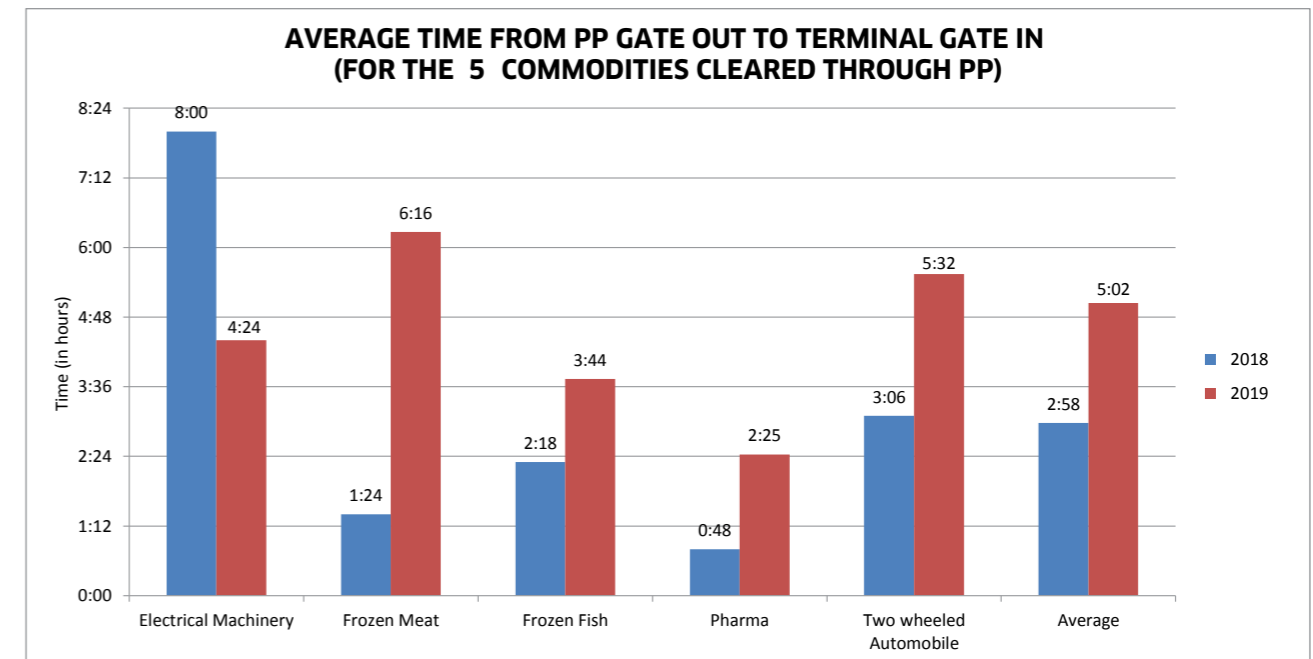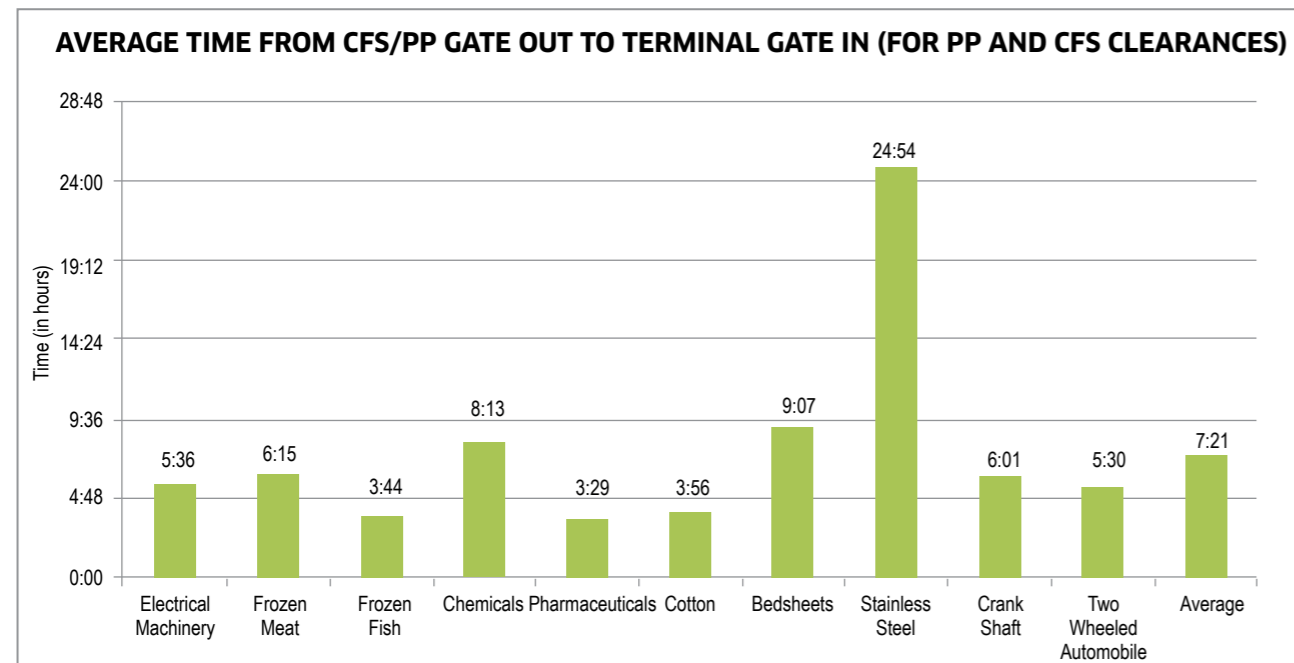
AVERAGE TIME FROM PP GATE OUT TO TERMINAL GATE IN (FOR THE 5 COMMODITIES CLEARED THROUGH PP)

AVERAGE TIME FROM LEO TO GATE OUT (FOR PP AND CFS CLEARANCES)

AVERAGE TIME FROM PP GATE OUT TO TERMINAL GATE IN (ONLY PP CLEARANCES)

AVERAGE TIME FROM CFS/PP GATE OUT TO TERMINAL GATE IN (FOR PP AND CFS CLEARANCES)

TIME TAKEN INSIDE TERMINAL

AVERAGE TIME FROM TERMINAL GATE-IN TO LOADING ON VESSEL

AVERAGE TIME FROM LOADING TO DEPARTURE

However, after inclusion of shipping bills processed through CFSs, the study found that the average time from PP Gate-Out to terminal Gate-in, increased to 07:21 hours in 2019.

Reason for delay in reaching at terminal gate of Stainless Steel goods is that some containers of said goods missed the vessel and diverted to CFSs for parking till opening of terminal gate for next vessel. Thereafter, these containers entered at port terminals. It attributed to increase in average time from gate out from PP to gate in at port terminal. Therefore, if "Stainless Steel" is excluded, total average time comes to 06:35 hours in 2019.

"DMICDC, Logistic Databank Data Services Ltd." is a special purpose vehicle, which provides "online container tracking" by integrating multiple information nodes across various agencies and providing common visibility platform (based on RFID technology at its backend). A comparison of details contained in "Logistic Databank Analytical Report – January 2019" with details obtained during this TRS-2019 reveals as under:

Stages	Time as per TRS (For SBs filed in 1st week of January 2019)	Time as per LDB (For full month of January 2019)
CFS to Port	06.35 hours	05.48 hours

Aforesaid comparison again confirms that average time from Parking Plaza / CFS to Terminal gate is between 5-7 hours.

12.3.6 Time taken inside Terminal:

The study found that the average time taken from terminal gate-in to the departure of vessel was 71:33 hours in 2019 as compared to 66:47 hours in 2018. Thus, the total dwell time inside terminal has improved by 4:35 hours for the 5 commodities that are common to TRS 2018 and 2019. This dwell time is primarily dependent upon the cut-off time of the vessel and advance planning made by exporter. It may, however, be mentioned that the data is strictly not comparable, because there was no data available for two-wheeled automobile in 2018.

Thereafter, the break-up of the time taken in the two processes inside the terminal, namely, from terminal gate-in to loading on the vessel, and from loading to the sailing of the vessel has also been examined in detail.

As regards the time taken from terminal gate-in to loading on vessel, the study found that it has worsened from 41:04 hours in 2018 to 62:34 hours in 2019. Although the data is strictly not comparable, owing to non-availability of data for two-wheeled automobiles in 2018, there has been a sharp spike in respect of as many as three commodities viz. electrical machinery, frozen meat, and frozen fish.

It was found that the average time taken from loading on the vessel to departure of vessel, the time taken had improved from 25:42 hours in 2018 to 08:58 hours in 2019.
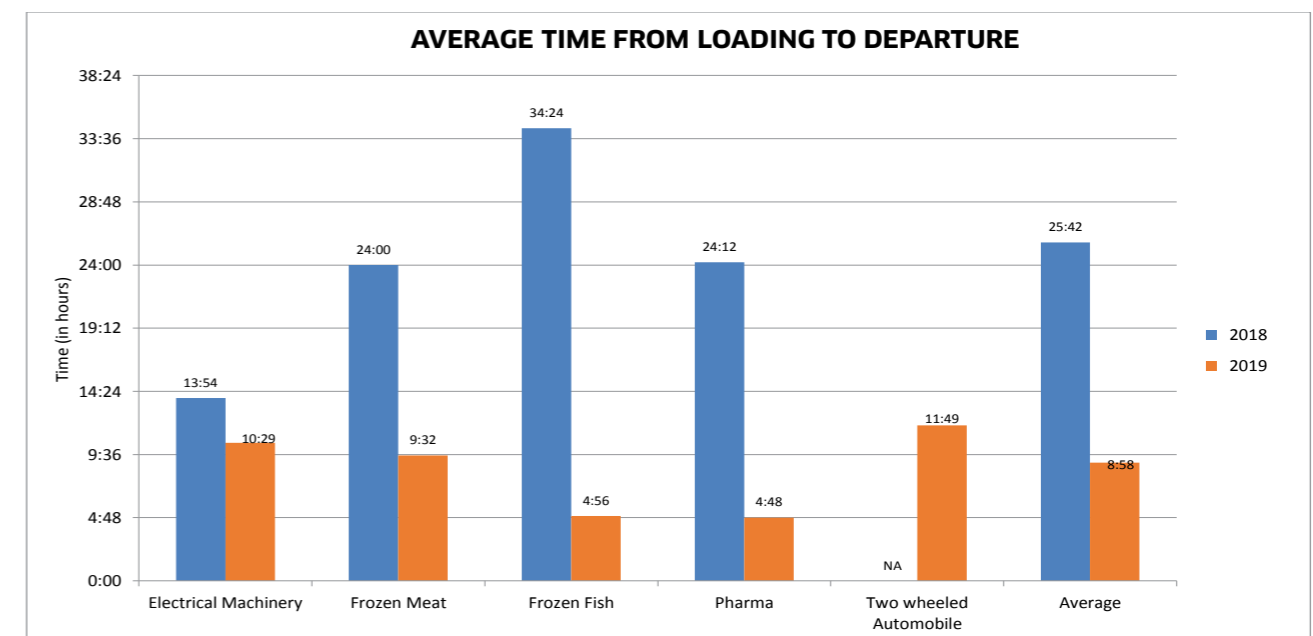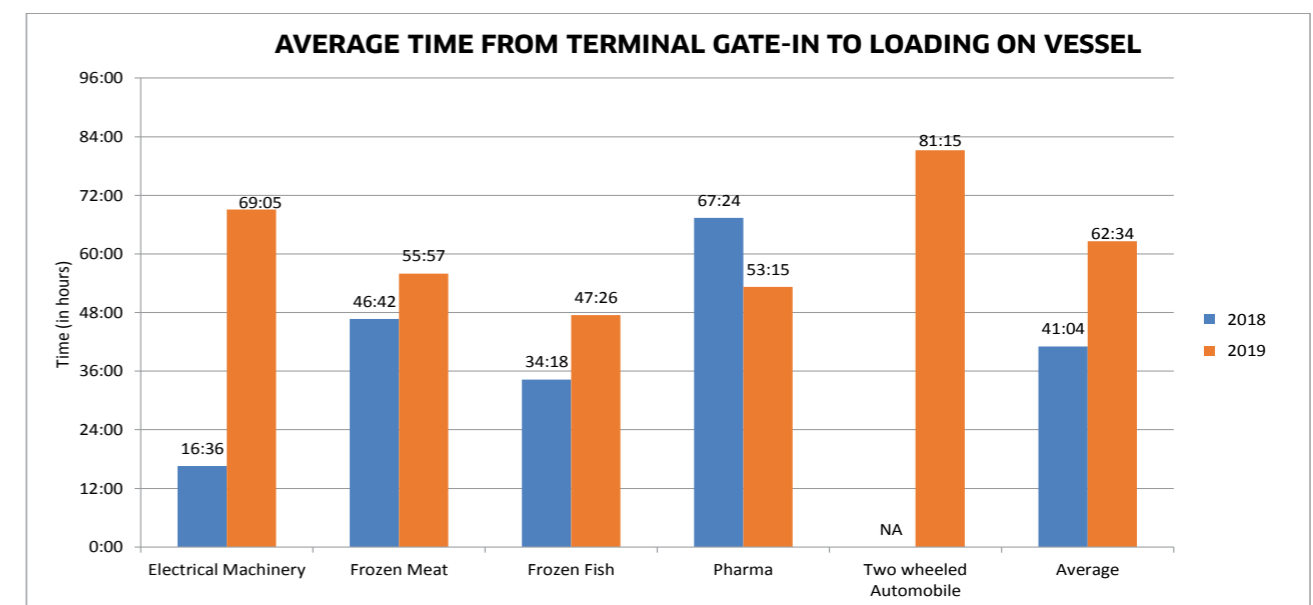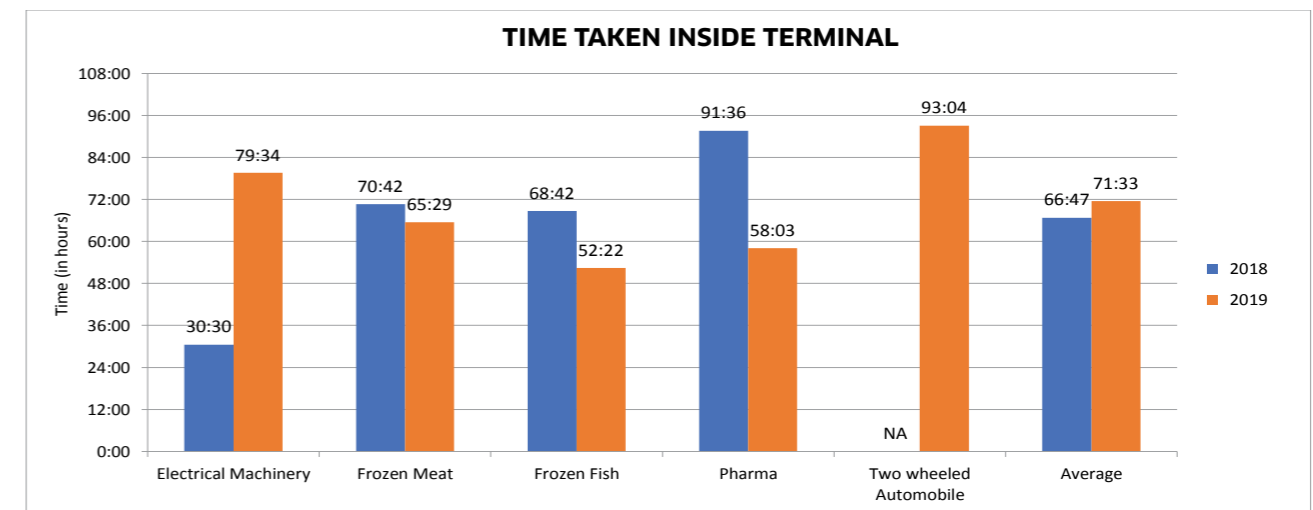
Stage-wise analyses of export of "Electrical Machinery"

It was decided to present the stage-wise break of the net release time of 95:03 hours for electrical machinery, with the intention to provide comparable data for EODB study.

The above analyses indicates that out of total 95:03 hours, consignment remained for 11:04 hours (11%) inside the parking plaza, whereas it dwelled inside the terminal premises, including cooling period, loading time etc., for 79:34 hours (84%). The time taken from PP to terminal gate was 4:24 hours (5%) of the net export release time.

Therefore, major portion of "net release time" is dwell time of 79:84 hours inside terminal. Although, it was admissible for exporter to ensure arrival of export container inside terminal just before cut-off period, which is usually 6-8 hours prior to arrival of vessel. However, still exporter preferred to ensure delivery of container inside Terminal well in advance so as to avoid any remote possibility of shut-out. Therefore, if we exclude this extra waiting time (around 70 hours) availed by exporter, average net export dwell time (required to meet all requirements (by customs, port authorities etc) is 25 hours only.

STAGEWISE CONTRIBUTION IN NET RELEASE TIME AT PP FOR ELECTRICAL MACHICNERY
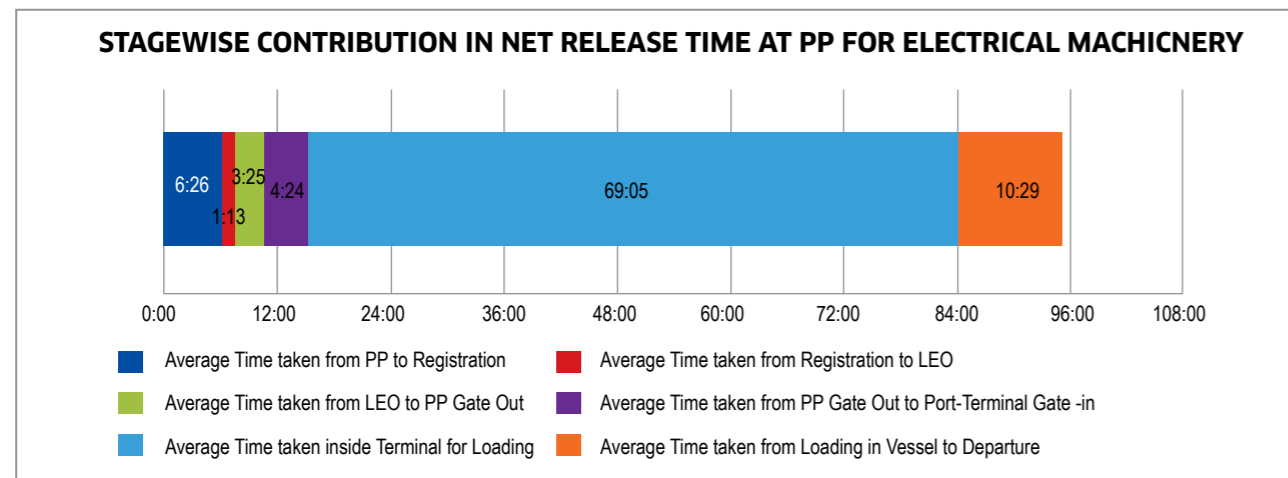
12.4 ANALYSES TO IDENTIFY FASTEST SHIPPING BILL AND BEST PERFORMERS

TRS 2019 has attempted to identify best performers among stakeholders to celebrate their achievements and also to 'nudge' others to try to follow their lead as much as possible.

In this section, the details of the fastest shipping bill and associated stakeholders are recognized.

Fastest shipping bill: The facilitated shipping bill No. 1037320 dated 01.01.2019 self-filed by Jay Jagdamba Ltd., a DPE client, had the minimum net export release time of 16:19 hours. Out of this net release time, customs took 01.30 hours, transport from the parking plaza to terminal gate took 01:35 hours, and it remained inside terminal premises for 09.43 hours.
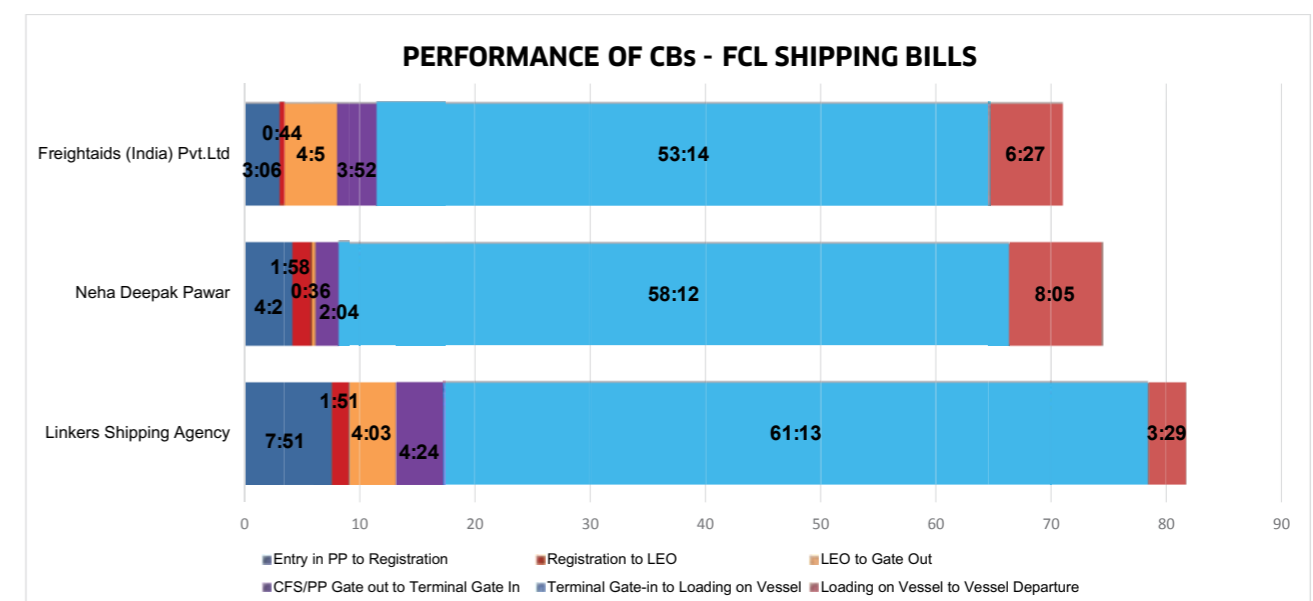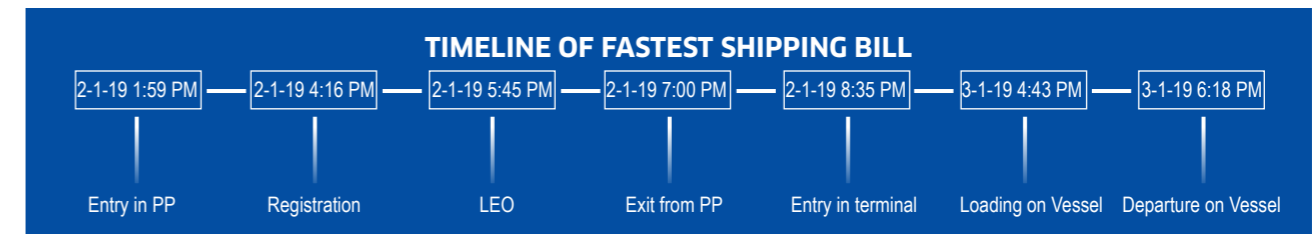
Exporter with the lowest average net release time: The study identified M/s Creative Textile Mills Pvt. Ltd., a DPE client, as the exporter with lowest average net export release time of 21:24 hours.

Customs Broker with the lowest average net release time: M/s Clear Cargo Logistik, who had filed a shipping bill on behalf of M/s Creative Textile Mills Pvt. Ltd. had the lowest net export release time of 21:24 hours.

The study analysed the CB wise export release time, taking into account the following factors: (a) type of cargo handled, i.e. whether LCL or FCL, and therefore, decided to recognize the CBs separately handling FCL and LCL shipping bills; (b) time taken from entry inside parking plaza to registration; (c) time taken from LEO to parking plaza gate out; and (d) total net release time, separately for LCL & FCL shipping bills.

The graph below presents the top three CBs, handling FCL shipping bills, with the lowest average net release time along with stage-wise break-up:

The study recognizes that the nature of service provided and the challenges faced in customs clearance process relating to LCL cargo are different from FCL. Therefore, it is appropriate that the top three CBs handling LCL shipping bills are separately recognized, as below:

TIMELINE OF FASTEST SHIPPING BILL

PERFORMANCE OF CBs - FCL SHIPPING BILLS

PERFORMANCE OF CBs - LCL SHIPPING BILLS

PERFORMACE OF PPS
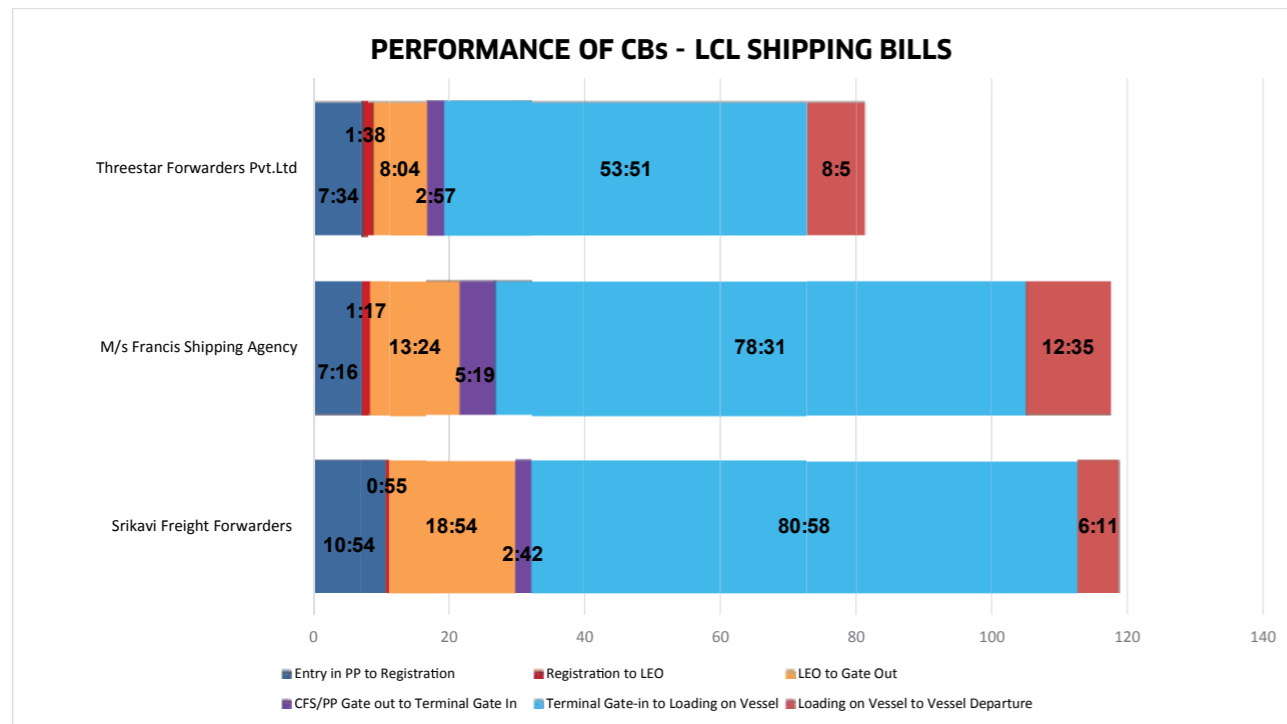
CFS with the lowest average dwell time: M/s Maharashtra State Warehousing, which handled eight FCL shipping bills, had the lowest dwell time within the CFS premises of 23:20 hours.

The activity-wise break-up of the dwell time within the premises for the five top-performing CFS is presented below:

The study acknowledges that the above statistics is not indicative of the efficiency of any CFS, as the variation in dwell time is attributable to factors such as type of consignment (LCL or FCL), time taken by exporter in completion of documentation, or time taken for aggregation of cargo or vessel schedule etc.

Parking Plaza with the lowest average dwell time: JNPCT parking plaza that handled 102 shipping bills had the lowest dwell time within parking plaza premises of 7:47 hours. The comparative performance of the parking plazas is presented below:

It is evident from the chart above that the difference in the respective dwell time is accounted for by the average time taken from entry into the PP to registration which is significantly higher for NSICT compared to the
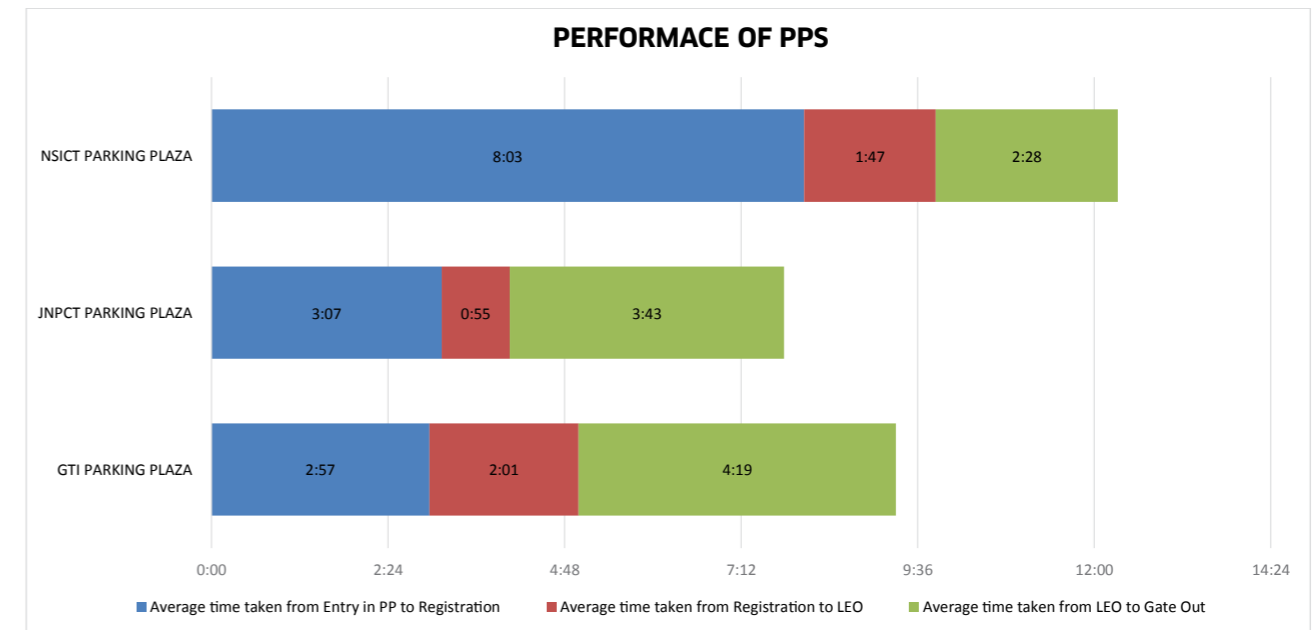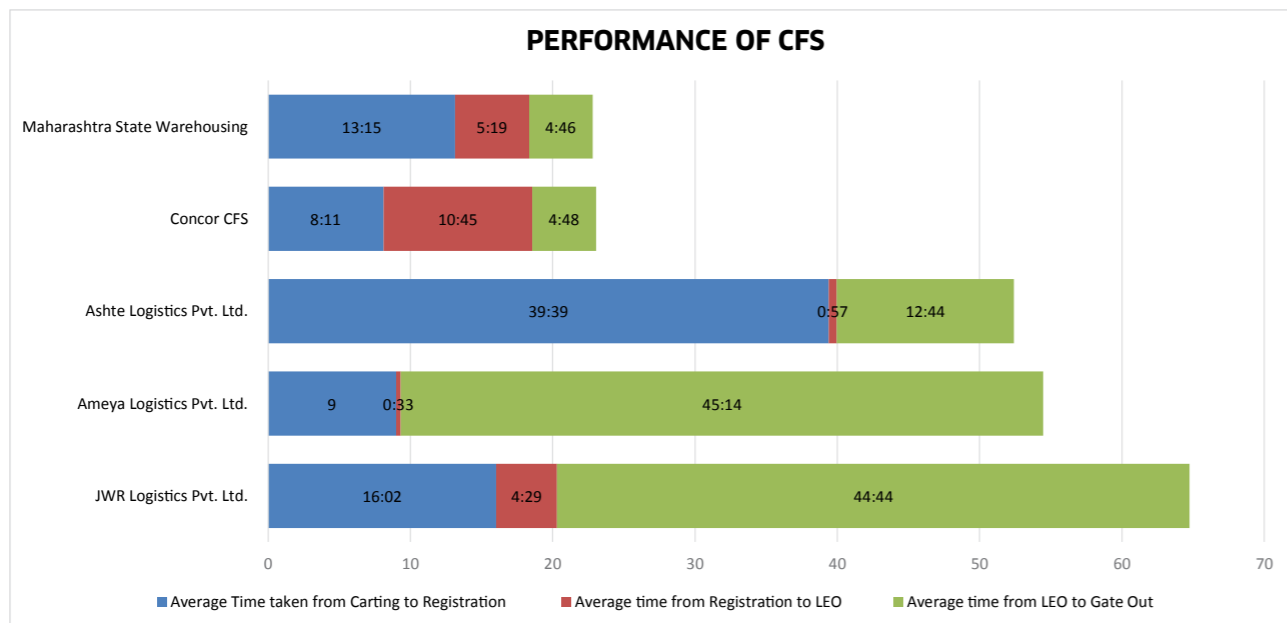
other two. JNPCT has recorded the lowest time of 55 minutes for registration to LEO.

Port with the lowest average dwell time: Gateway Terminal of India (GTI), with 296 shipping bills, had the lowest average dwell time of 71:05 hours inside the terminal. The comparative performance of the four terminals is presented below:

TRS 2019 sought to validate the average dwell time within the terminal premises data with the "Logistic Databank Analytical Report –January 2019". It is seen that the average terminal dwell time as per TRS 2019 covering the sample shipping bills of 78:18 hours is broadly consistent with the LDB terminal dwell time of 81:24 hours for the entire month of January 2019.

PERFORMANCE OF CFS

PERFORMANCE OF TERMINALS
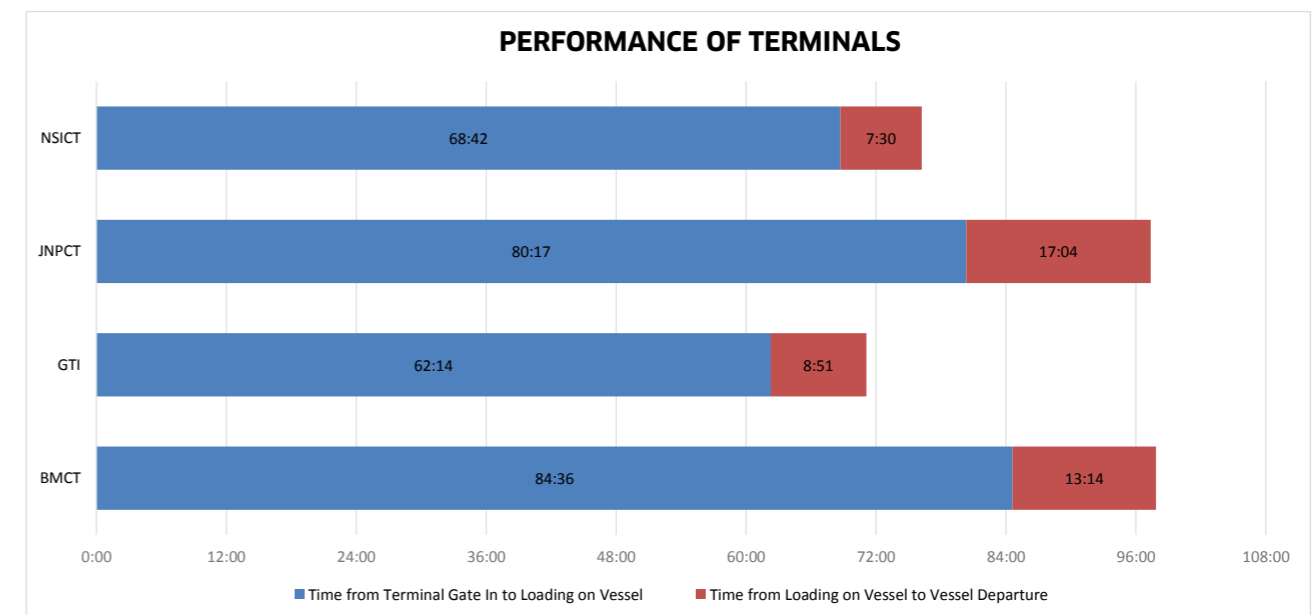
SECTION D - COST ANALYSIS

13

COST SAVINGS IMPLICATIONS OF TRADE FACILITATION MEASURES

Minimization of time and costs are two main goals of trade facilitation measures involving export and import of goods. While World Bank's Ease of Doing Business report under trading across border seeks to cover both the time taken and costs involved, the WCO's Time Release Study focuses only on cargo release time.

While engaging in the outreach programmes regarding specific trade facilitation initiatives by CBIC and JNCH, which require greater commitment from the trade such as enrolment under AEO, DPD and DPE schemes, it has been found useful to present, inter alia, likely cost benefits of the schemes.

Therefore, in this section an attempt has been made to present a framework and preliminary quantitative analyses relating to cost savings of certain specific trade facilitation initiatives of CBIC at JNCH, separately for exports and imports.

It may be mentioned, that the importer/ CBs are not required to provide any clearance related cost data to the Customs, as part of their submission under the Customs Act. Therefore, for the conduct of the cost analyses, the TRS team had to rely on the survey method. Accordingly, separate questionnaires were prepared for ascertaining specific cost components relating to export and imports of cargo through JNCH. However, it was the experience of the survey team that the importers/CBs were reluctant to fill the questionnaires, as is seen from the fact that only small number of importers/CBs responded. Even amongst the exporters / CBs who responded, it was found that some of the responses were so incomplete so as to be unreliable. Therefore, it was felt appropriate to supplement the survey method with a limited face-to-face interview with the survey head. The interview method indicated the difficulties that the CBs face in providing detailed break-up of the charges for various services, which are often engaged/purchased in a bundled fashion. Be that as it may, the tentative results of the analyses, which are more in the nature of preliminary hypothesis requiring further tests, are presented below.

EXPORTS:

Under the normal export process, following elements are found to constitute substantial part of the logistics cost: (i) customs broker charges; (ii) container freight charges / parking plaza charges, depending on whether availing Direct Port Entry (DPE) or not; (iii) terminal handling charges (port charges); and (iv) transport charges (other than cost of transport from factory to parking plaza / CFS).

The cost analyses relating to exports is based on the data provided by certain exporters / CBs, who were handed out questionnaires. The survey team approached 71 exporters/customs brokers, however, most of them did not respond with complete/reliable data. Therefore, this analyses is based on limited sample cost data collected by means of interviewing a select few established and experienced exporters /CBs. It is, therefore, acknowledged that this sample data may not be truly representative of the entire export cargo from JNCH. Freight & Insurance charged by the shipping lines for export of goods from India to importing country has been excluded, i.e. it is independent of destination country. Similarly, the cost of transportation from the factory to the customs jurisdiction has also been excluded, for ensuring parity in arriving at costs relating only to customs clearance process.

In order to assess the impact of DPE scheme, widely accepted as a major trade facilitation and cost reduction measure, the study quantified the average export cost, in case of Full Container Load (FCL) exported through CFS and compared the same with that exported through Parking Plaza.

As informed by the interviewed CBs, the conceptual cost breakup as given above is not so fragmented in practice. The stakeholders such as, the shipper, CFS custodian, Customs Brokers, exporters have a complex relationship and many of them provide more than one service, therefore, they expressed inability to provide the detailed breakup of the cost.

Cost saving due to DPE:

Information gathered from major exporters / customs brokers through interviews revealed that there is an average saving of Rs 5000/- to Rs 7000/- per TEU if goods are routed through parking plaza (cleared in DPE mode) instead of routing through CFS. The basis of said conclusion is being explained through an example:

If an FCL consignment is cleared, to be exported from Vapi through Nhava Sheva port, following average charges are payable to transporters and CFS:

i. If it is factory stuffed and routed through parking plaza (cleared under DPE mode), total transportation charges (from factory to parking plaza and from parking plaza to terminal) are approximately Rs 22000/- per TEU. Terminal Handling Charges (THC) charged by shipping lines in such cases (factory stuffed container) is around Rs 8000/- per TEU. Therefore, total logistic cost (transportation plus THC) are around Rs 30,000/- per TEU.

ii. If it is CFS stuffed, then total cost incurred by exporter includes cost of transportation from factory to CFS, which is around Rs 15,000/- to Rs 17,000/- per TEU plus average charges of Rs 20,500/- to Rs 22,000/- charged by shipping line (which includes THC as applicable for factory stuffed cargo, empty pick-up charges, transport from CFS to terminal). Therefore, total logistics cost (transportation plus THC) are around Rs 35,000/- per TEU to Rs 37,000/- per TEU.

iii. It means that average saving of Rs 5000/- to Rs 7000/- per TEU to exporter availing DPE facility at JNC

Cost saving for AEOs:

One of the major benefits to an AEO client is increased facilitation extended to them, which results in saving of time and costs. Therefore, in order to ascertain the impact on export side, an attempt was made to ascertain "extra cost incurred by exporter per TEU if the same is required to be examined". As per the procedure, if an exporter is availing DPE facility and during registration stage, it is revealed that RMS has selected a particular container for examination, then, in the absence of any examination facility available inside the parking plaza, such a consignment is required to be moved to one of the CFS for examination. Additional cost incurred for completing examination includes:

i. Cost of moving container from parking plaza to CFS (which is generally from Rs 1500/- per TEU);

ii. CFS charges (which generally varies from Rs 700/- to Rs 1300/- per TEU);

iii. Seal cutting charges (which is around Rs 1500/-);

iv. Saving of one day and associated costs.

Thus, total additional charges on account of examination of a container (20 feet) is Rs 3000/- per TEU plus additional indirect cost burden due to delay in clearance.

Therefore, an exporter having a monthly export volume of 500 TEUs, on obtaining accreditation under AEO scheme, will have direct additional saving of Rupees Fifteen Lakhs per month on account of increased facilitation (considered additional facilitation as 15%) alone.

IMPORTS:

On the import side, the framework and methodology adopted is different from the export side analyses. The study has identified the following major trade facilitation measures that are expected to have significantly reduced the costs in 2019 vis-à-vis 2018: (i) higher clearances under DPD scheme; (ii) higher level of facilitation; (iii) higher enrolment under AEO scheme; (iv) installation of drive through scanner; and (v) reduction in the average release time of CFS routed consignments. It may, however, be clarified that the aforesaid categories/measures are not compartmentalized and therefore, not additive.

(i) Higher clearances under DPD scheme: As on the export side, DPD scheme is widely accepted as a major cost saving facilitation measure introduced at JNCH. The importers, who opt for DPD scheme benefit from clearance of the container directly from the terminal premises, thereby saving on the costs related to: (a) transport of container to CFS; (b) unloading, handling, loading, and rental charges, etc.

Our survey response of 50 importers/CBs placed the average cost savings on this account

at Rs. 20,305/- per 20 feet container. Given the primacy accorded to DPD scheme by CBIC, JNCH had cooperated with Confederation of Indian Industry and M/s Du Pont Nutrition & Health in conduct of "A Project Report on Direct Port Delivery: Analysing Ease of Doing Business through Process Improvements and Financial Benefits" in 2017. This study covering the clearances by M/s Du Pont through JNCH had found that the costs savings per 20 feet container under DPD vis-a-vis CFS route to be Rs.6,953/-, i.e. 67% over the corresponding period of previous year (COPPY). For the 40 feet container, the study had found the average savings to be Rs.14,791/-, i.e. 75% over COPPY. The CII-Du Pont study had sought to quantify only the direct savings on account of CFS charges. Therefore, the cumulative savings, including direct and indirect savings, appear to be very significant to the order of about 75%. This study, acknowledges the need to undertake a more detailed study of cost savings due to DPD.

(ii) Higher level of "facilitation": Facilitation, including full facilitation and second check without examination, obviate the need for physical examination of the containers. Full facilitation, enables the option for DPD, thereby resulting in savings on the lines of DPD and even second check with only assessment results in non-examination of the container, thereby reducing the CFS charges for the same. Our survey response of 50 importers/CBs put the cost savings on this account, as per the charges levied by the CFSs, at Rs. 8191/-per 20 feet container.

(iii) Installation of drive through scanner: Prior to the inauguration of the drive-through scanning facility at the JNCH in December, 2018, scanning of selected containers was conducted through mobile scanner at the terminal premises and fixed scanner at the Distripark CFS. While there was no charge levied for scanning by mobile scanner in the port terminal premises, however the following "weighment charges" were collected by Distripark CFS: Rs.826/-, including GST, per 20 feet container; and Rs.1400/-, including GST, per

40 feet container. Therefore, with the installation of drive-through scanner, the trade at JNCH is being benefitted not just through reduction in release time, but also in terms of direct costs incurred, besides the saving in costs due to re-routing and transportation of container from the terminal premises through Distripark CFS (which is located farther from the terminals compared to the DTS).

(iv) Reduction in the average release time of CFS routed consignments: The non-DPD containers are required to be cleared through CFS, wherein the container may dwell for various purposes, till the grant of out of charge. Since the CFSs charge importers for dwelling of the containers Rs. 8,191/- per day per container, as per the survey response of 50 CBs, an improvement of release time by a single day would result in this quantum of savings. Given that the average release time of cargo at JNCH has reduced from 181 hours in 2017 to 106 hours in 2019, the approximate savings on account of reduction in average release time works out to about Rs. 25,000/- per container.

(v) Higher enrolment under AEO scheme: Enrolment under the AEO scheme entitles the importers to several benefits, of which higher level of facilitation, minimal physical examination, minimal scanning selection, result in significant cost savings. Our survey response suggests that the cost savings to AEO clients can be placed at Rs. 13,892/- per container, readily admitting that the need for more detailed quantification of cost benefits to AEO clients.

It is admitted that the attempts at analyses of cost savings related to specific trade facilitation measures in this TRS have been absolutely in the nature of baby-steps. However, the team is happy that it decided to take this step, which has made us aware of the challenges faced in collecting data in respect of issues that do not fall squarely in the mandate of Customs, as well as difficulties for the respondents in providing data in the manner that may be required for detailed analyses. It is hoped that future TRS will expand the scope and sophistication of cost savings analyses.

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(14) KEY CONCLUSIONS AND RECOMMENDATIONS

TRS 2019 has sought to build upon the lessons learnt from conduct of and feedback on TRS 2018. The accolades that followed enthused the Team TRS to set the bar higher and the insights it provided helped the JNCH management to launch several trade facilitation measures.

TRS 2019 has been a satisfying experience in as much as it has presented release time performance significantly better than 2018 in respect of almost all categories of bills of entry and shipping bills. It has affirmed the utility of TRS as a potent tool for evidence-based policy making to promote trade facilitation and ease of doing business, which is perhaps best reflected in the steep reduction in the release time for liquid bulk cargo. JNCH TRS has also been used as an outreach and sensitisation tool to make common ground with all stakeholders, recognising the critical role of trade in "buy in" of the facilitation measures.

JNCH has managed to reduce the average release time by about 47 hours in 2018 and about 38 hours in 2019. It recognises that going forward, the task of further reduction in release time will become even more challenging. The study has, therefore, delved deeper to identify the categories of importers, such as non-regular importers and importer behaviours, suggesting "impact dissipating" actions to partially negate the impact of specific policy measures, that need further analyses to assist formulation of appropriate measures.

In respect of Export TRS, the study has significantly expanded the scope of study and provided more detailed data comparing the release time for different commodities, availing DPE or not, besides AEO clients vis-à-vis non-AEO clients.

In this TRS, preliminary study regarding cost aspect of certain trade facilitation measures have been included. However, it is recognised that the results presented in the report are tentative and lot of work needs to be done in this

regard.

The specific recommendations and suggestions for further research and analyses have been included in the report at relevant places. However, the following recommendations are reiterated for further reduction in the import release time:

(i) In terms of "essence of the effort", JNCH must target to minimise the time taken by compliant trade to increase the share of bills of entry cleared in less than 48 hours, and improve the efficiency of interdiction to reduce the time taken in the outlier 5% bills of entry taking maximum time.

(ii) The *"Path to Promptness"* has laid down the robust four-fold measures to reduce release time: JNCH needs to engage with concerned stakeholders, particularly to increase the uptake of AEO and DPD schemes, to walk further down this path.

(iii) The time of filing of bills of entry and role of pre-arrival processing has been found to be crucial: it is recommended that statutory changes and administrative scheme may be considered to significantly increase the share of advance bills of entry and extent of pre-arrival processing.

(iv) The move up the facilitation ladder requires coordinated effort between JNCH, RMD and Commissioner (Audit) to further improve risk management, increase reliance on non-intrusive scanning technology, etc. to reduce use of intrusive checks.

(v) Recourse to intrusive checks must be made more efficient through use of technology, inter alia, by early completion of modernization of the customs chemical laboratory and reducing the shortage of staff at the cutting-edge levels.

(vi) Recognising the role of SWIFT in reducing the release time in respect of bills of entry involving non-fiscal risks, efforts towards on-boarding other regulatory agencies must be intensified. Presently, the additional time taken in this regard by agencies other than

the six covered by SWIFT is hidden in the average release time reported by different categories.

(vii) The outreach programme, particularly for the customs brokers, should be intensified by JNCH. In addition, similar outreach programmes may be undertaken by other major custom houses.

(viii) JNCH may initiate a larger programme for recognising the efforts of the importers, customs brokers and other stakeholders in reducing the release time, as part of efforts to "nudge" other stakeholders.

(ix) In order to understand the problems being faced by (a) non-regular importers, (b) LCL bills of entry, (c) those filing delayed bills of entry, and (d) those not having benefited from significant reduction in the average release time, further analyses may be conducted. In addition, a pilot study to analyse the effectiveness of interdiction in terms of 'infringements detected' should be undertaken.

(x) CBIC may encourage other major customs formations to conduct annual TRS so as to provide for inter-spatial comparability and eventual publication of national TRS.

(xi) PGAs should be encouraged to provide interactive online interface to importers so that any document / form required by particular PGA can be uploaded and any query can also be relied inline without any need to visit office of PGA. Further such portal should also facilitate online payment of "testing charges".

On the export side, the following measures are recommended to further reduce the release time:

(i) Setting up of a centralized parking plaza catering to all the four terminals, with

adequate facilities for scanning and examination of the containers, may be expedited.

(ii) The modernization of the customs chemical laboratory and other infrastructural projects including widening of roads, construction of road over bridge, etc. may be completed expeditiously. The proposed testing may also be equipped with testing facility for perishable goods, etc.

(iii) The outreach programme for enrolling AEO and DPD clients should also target exporters. The outreach programme should also impress upon the opportunity to benefit from increased certainty of time from Parking Plaza /CFS to terminal to better schedule their export consignments.

(iv) In order to improve export facilitation level, CBIC may consider introducing " Export Scanning Module" as well as "Export PCA".

(v) Till the commissioning of "Premium Parking Plaza" Terminals should improve infrastructure at existing Parking Plazas so that logistic delays can be reduced.

(vi) In order to make Central Export Assessment Cell (CEAC) more effective, the shipping bills can be pushed to the screen of Assessment Officer (Group-wise) in a manner similar to pushing of bills of entry on import side. This will improve assessment performance in terms of time significantly.

(vii) Integration of LDB database with ICES so that document movement is synchronized with movement of goods.

Finally, the idea of annual TRS, combined with more in-depth analyses has been found to deliver excellent results, in so far as reduction in release time is concerned. The frequency of TRS should, therefore, continue to be annual.

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15 GLOSSARY AND ACRONYMS

GLOSSARY

- **Advance Bill of Entry-** Bill of entry, which is filed before the grant of entry inwards to a vessel.
- **Authorized Economic Operator-** They are entities engaged in international trade approved by customs as compliant with supply chain security standards and granted certain benefits.
- **Bill of Entry-** It is a document required to be filed under Section 46 of the Customs Act to make entry of imported goods.
- **Container Freight Station-** It is a customs area set up as an extension of a customs station with the main objective of decongesting the port.
- **Direct Port Delivery-** A flagship scheme of CBIC & JNCH under which the Customs out of charge is given while consignment is inside terminal premises instead of need to route it through CFS, thereby reducing release time.
- **Direct Port Entry-** It is the export equivalent of DPD. Under this process, shippers need not route ready shipments through container freight stations for seal verification and to secure an LEO, thereby reducing release time.
- **e-Storage and Computerized Handling of Indirect Tax Documents (e-SANCHIT)** – Allows for paperless uploading of supporting documents by importers & exporters to facilitate trading across borders.
- **Entry Inward-** The permission granted by proper officer to the master of the vessel to unload the goods.
- **Export General Manifest (EGM)-** A document filed by shipping carrier of goods after export has taken place.
- **Facilitated Bill of Entry-** These bills of entry are facilitated by RMS which means the self-assessment by the importer is accepted as such by the system.
- **First check assessment-** It is the practice of examining the goods before assessment.
- **Gate Out-** The final act of taking the goods

outside the premises of CFS by the importer/customs broker.
- **Gross Export Release Time** – The time taken from the departure of export cargo from the factory gate of exporter to the departure of the vessel from the port.
- **Import General Manifest-** It is a document filed by the shipping line giving details of cargo arriving at the port of importing country.
- **Inland Container Depot-** ICD is an independent customs station, usually located in hinterland, like a port or air cargo unit for the purpose of customs procedures related to imports and exports.
- **Let Export Order (LEO)-** The final procedure of export customs clearance procedures to export any goods outside country
- **Net Export Release Time** – The time taken from the entry of export cargo into the Parking Plaza/CFS to the departure of the vessel from the port terminal.
- **Non-Facilitated Bill of Entry-** These are the bills of entry which are assigned to proper officer by RMS for either assessment only or, for assessment and examination.
- **Non-Regular Importer** – Importers who have filed less than seven bills of entry.
- **Normal Bill of Entry-** Bill of entry which is filed after the grant of entry inwards to a vessel.
- **Out of Charge-** It is the final procedure of import customs clearance to take delivery of imported goods.
- **Participating Government Agency-** These are specialized bodies due to their expertise in a particular field or due to them being the empowered agency under a statute to regulate the import of specified commodities.
- **Regular Importer** – Importers who have filed seven or more bills of entry.
- **Import Release time-** The time taken from the grant of entry inward to grant of out of charge by customs.
- **Risk Management System-** An IT driven system with the primary objective to strike an

optimal balance between facilitation and enforcement and to promote a culture of voluntary compliance.

- **Second check assessment-** This is the practice where self-assessment is made by the importers and verified first based on the records available and then examination follows thereafter.
- **Sevottam-** An administrative measure to improve the quality of public services in India. The term Sevottam comes from the Hindi words "Seva" and "Uttam" and means excellence in service delivery.

- **Shipping Bill-** An export declaration presented to customs by the exporter under Section 50 of the Customs Act before goods can be exported out of the country.
- **Single Window Interface for Trade (SWIFT)-** A program which enables importers/exporters to file a common electronic 'Integrated declaration' compiling information for customs and all PGAs. It replaces nine separate forms required by these 6 PGAs and Customs.

ACRONYMS

AEO - Authorized Economic Operator

AQCS - Animal Quarantine and Certification Service

CB – Customs Broker

CBIC - Central Board of Indirect Taxes and Customs (formerly Central Board of Excise and Customs)

CCFC - Customs Clearance Facilitation Committee

CDSCO – Central Drugs Standard Control Organisation (Controller of Drugs)

CFS - Container Freight Station

CEAC – Central Export Assessment Cell

DPD - Direct Port Delivery

DPE - Direct Port Entry

DTS – Drive Through Scanner

EDI - Electronic Data Interchange

FCL - Full Container Load

FICS - Food Import Clearance System

FIPS - Food Import Prioritization System

FSSAI - Food Safety and Standards Authority of India

ICES - Indian Customs EDI System

JNCH - Jawaharlal Nehru Custom House

JNPT - Jawaharlal Nehru Port Trust

LCL - Less than Container Load

LDB – Logistic Data Bank

NACIN - National Academy of Customs, Indirect Taxes and Narcotics

NCTF - National Committee on Trade Facilitation

NOC – No Objection Certificate

NTFAP – National Trade Facilitation Action Plan

MSME – Micro, Small & Medium Enterprises

PP – Parking Plaza

PQ – Directorate of Plant Protection, Quarantine and Storage

PTFC - Permanent Trade Facilitation Committee

RMS - Risk Management System

TC - Textile Committee

TFA - Trade Facilitation Agreement

TRS - Time Release Study

WCCB - Wildlife Crime Control Bureau

WCO - World Customs Organisation

WTO - World Trade Organisation

16. ANNEXURE

OFFICE OF THE COMMISSIONER OF CUSTOMS (NHAVA SHEVA-I)
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F.No. EDI/Misc-100/TRS-19/2018/JNCH   **Date: 07.12.2018**

OFFICE ORDER NO. 03/2018

This Custom House has been conducting Time Release Study (TRS) every year since 2013 during first week of the calendar year. Accordingly, TRS-2019 is to be conducted for the bills of entry/shipping bills filed during 01-07 January, 2019.

In view of the above, a team of Officers for TRS-2019 has been constituted. The name of officers and their roles are as below:

Sr. No.	Role	Name of Officer (Shri/Smt/Ms)
1	Convenor	M R Mohanty, Commissioner of Customs, NS-I & II
2	Co-Convenor	V S Chauhan, Commissioner, ADG(DGoV)
		Subhash Agarwal, Commissioner of Customs, NS-III & IV.
		Rajesh Kumar Mishra, Commissioner of Customs, NS-V
3	Co-ordination with PGAs	K.C. Kala, Additional Commissioner
4	Co-ordination with Customs Brokers, Importers & Exporters	Sanjay Kumar, Additional Commissioner
5	Technical / System support / Printing publishing / data acquisition	Kunal Kashyap, Joint Commissioner
6	Co-ordination with all Docks (Import)	Alok Srivastava, Joint Commissioner
7	Co-ordination with Docks (Exports), Parking Plazas & acquisition of exports data	K. K. Gupta, Joint Commissioner
8	Co-ordination with all assessment Groups during TRS period	Rohit Singla, Joint Commissioner
		Satish Shitole, Deputy Commissioner
		Sahil Seth, Deputy Commissioner
		Bhanupriya Meena, Assistant Commissioner
9	Data Analysis	AbhaySinh Phalke, Deputy Commissioner
		Arun Prasath K, DD/DRI, MZU
		Shruti Vijaykumar, AC/GST

		Jitender Singh, Assistant Commissioner
		Rahul Kumar, Assistant Commissioner
10	Data acquisition for exports TRS	Kumar Gaurav, Deputy Commissioner
		Dhirendra Kumar, Assistant Commissioner
11	Supervision/Coordination of import cargo examination	Pallavi Gupta, Deputy Commissioner
		Rupak Kumar, Deputy Commissioner
12	Work as allotted by supervisory officers	IRS Probationers, NACIN, Mumbai
13	Officers to assist in data acquisition, IT support, analysis, printing.	Ritesh Jaiswal, Appraiser
		Anurag Kumar, Appraiser
		Sanju Malkani, Appraiser
		Jag Mohan Sagar, Appraiser
		Alok Garg, Superintendent
		G. Srinivas, Superintendent
		Vipin Kumar, Examiner
		Ashutosh Dubey, Examiner
		Vishwas Gupta, Preventive Officer
		Navdeep Mittal, Preventive Officer
		Sumit Garg, Tax Assistant

This issues with the approval of the Chief Commissioner of Customs, JNCH.

Sd/-
(Rohit Singla)
Joint Commissioner of Customs,
EDI Section, JNCH

Copy to:

1. PS to the Chief Commissioner of Customs, Mumbai Zone- II.
2. All the Commissioner of Customs, Mumbai Zone- II.
3. All Addl./Joint Commissioners of Customs, Mumbai Zone- II.
4. All Deputy/Asstt. Commissioners of Customs, Mumbai Zone- II.
5. The DC/EDI for uploading on the JNCH website.
6. All Concerned Officers.
7. Office Copy.

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While the TRS Team has exercised all reasonable skill and care in the preparation of data information and analyses in this report, it does not accept any liability in contract, tort or otherwise for any loss, damage, injury, or expense, whether direct, indirect or consequential, arising out of the provision of information in this report.

CREDITS

TRS 2019 is a result of painstaking efforts on the part of officers of JNCH at the stage of preparation and data collection under the slogan of "Marching Further Ahead", along with associated partner government agencies, customs brokers, importers & exporters and other stakeholders.
The data analyses, research, outreach and preparation of this report has been conducted by a team of CBIC officers based in Mumbai. The contributions of the following officers are specially recognized.

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