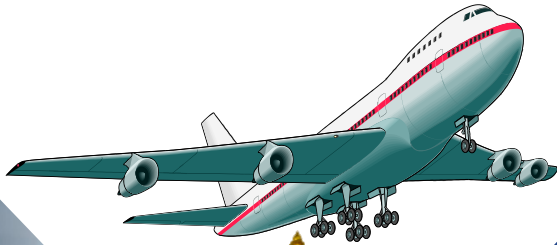


Experience of Thailand for TRS



THAI CUSTOMS DEPARTMENT



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Thailand Time Release Study



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Thailand Time Release Study



1. Background

- **Thai Customs Dept. making constant effort to bring the standard of its administration to an international level**
- **Provide paperless system for customs clearance, improve customs efficiency, reduce cost of import & export under “e-Customs” renamed “TCES: Thai Customs Electronic System”**
- **Recognized the need to perform trade facilitation more effectively and to meet international std. a series of assessment of its own performances have been conducted**
- **Thai customs conducted TRS 4 times, measured time taken by Customs only in clearance process**

Thailand Time Release Study



2. Frequency of the Study

First TRS : 7 Customs Houses

During 22-26 Dec. 2003 (5 consecutive working days)

Customs office	Average time taken by Customs Dept. import clearance until goods are released
1.Bangkok Port Customs Bureau	2 hours 26 minutes – 3 hours 6 minutes
2.Bangkok International Airport Customs Bureau	2 hours 38 minutes – 2 hours 51 minutes
3.Ladkrabang Cargo Control Customs Bureau	2 hours 40 minutes – 4 hours 14 minutes
4.Laem Chabang Port Customs Bureau	2 hours 51 minutes – 2 hours 52 minutes
5.Sadao Customs House	1 hour 9 minutes – 2 hours
6.Postal Customs House	1 hour 9 minutes – 1 hour 14 minutes
7.Bangkok Railway Customs House	1 hour 32 minutes – 2 hours 18 minutes

Thailand Time Release Study



2. Frequency of the Study

Second TRS : 3 Customs Houses

1. BKK Port Customs Bureau (BPB.) 2. BKK Inter Airport Customs Bureau (BAB.)

During 19-25 Sept. 2005 (7 consecutive working days)

Hr: Min: Sec

Process	Green line		Red line		Manual	
	BPB.	BAB.	BPB.	BAB.	BPB.	BAB.
1.Verification of declarations and other documents	-	-	0.04.38	0.03.12	0.10.50	0.14.14
2. Evaluation / reporting	-	-	0.09.23	0.15.20	0.11.33	0.10.24
3. Duty / deposit payment	0.03.47	0.02.25	0.01.56	0.02.07	0.02.07	0.02.02
4. Forwarding entry authorization to vessel	0.03.12	0.04.15	0.02.34	0.04.43	0.02.32	0.04.10
5. Cargo inspection / reporting	0.17.46	0.12.02	0.46.52	0.16.16	0.34.14	0.16.35
Total Time	0.24.45	0.18.42	1.05.23	0.41.38	1.01.16	0.33.11

Thailand Time Release Study



2. Frequency of the Study

Second TRS : 3 Customs Houses

3. Laem Chabang Port Customs Bureau (LCB.)

During 13-19 Mar. 2006 (7 consecutive working days)

Hr: Min: Sec

Process	Green line	Red line	Manual
1.Verification of declarations & other documents	-	n/a	0.01.00
2. Evaluation / reporting	-	n/a	0.09.16
3. Duty / deposit payment	0.05.11	n/a	0.05.26
4. Forwarding entry authorization to vessel	0.05.55	n/a	0.05.09
5. Cargo inspection / reporting	0.23.25	n/a	0.05.56
Total Time	0.34.31	n/a	1.11.47

n/a = no inf. available during the survey period as Customs Dept. has already abandoned the Red Line declarations at the LCB Customs by then.

Thailand Time Release Study



2. Frequency of the Study

Third TRS : 1 Customs House Bangkok Port Customs Bureau

During 3-7 and 12-13 July 2006

Hr: Min: Sec

Process	Green Line	Red Line/Manual
1. Duty assessment and data recording	(Electronically processed)	00.28.40
1.1 Duty assessment		00.24.13
1.2 Data recording		00.04.27
2. Payment	00.09.16	00.07.00
2.1 Fee	00.04.07	00.03.24
2.2 Duty / taxes	00.05.09	00.03.36
3. Authorizing release	00.23.59	00.28.58
3.1 Forwarding entry authorization to vessel	00.09.58	00.07.34
3.2 Cargo inspection	00.11.34	00.19.27
3.3 Issuing Customs permit (Red Ticket)	00.02.27	00.02.08
Total time	00.33.15	01.04.38

Thailand Time Release Study



2. Frequency of the Study

Fourth TRS : 1 Customs House

Lad Krabang Cargo Control Customs Bureau

During 17-25 Aug. 2006, 12-13 and 18-19 July 2007

Hr: Min: Sec

Process	Green Line	Red Line/Manual
1.Duty assessment and data recording	(Electronically processed)	00.25.49
1.1 Duty assessment		00.21.13
1.2 Data recording		00.04.36
2.Payment	00.09.35	00.09.18
2.1 Fee	n/a	00.02.10
2.2 Duty / taxes	00.09.35	00.07.08
3.Authorizing release	00.17.55	00.26.09
3.1 Forwarding entry authorization to vessel	00.04.42	00.03.52
3.2 Cargo inspection	00.11.32	00.20.07
3.3 Issuing Customs permit (Red Ticket)	00.01.41	00.02.10
Total time	00.26.30	01.01.16

Thailand Time Release Study



2. Frequency of the Study

- In the ASEAN-Japan DG Meeting, principles of “Asia Cargo Highway : ACH” designed to create seamless flow of goods in Asia was accepted.
- ASEAN members endorsed a proposal to conduct 2 TRS in 2012 and 2014, using WCO’s guidelines
- Resolution required each TRS to measure Customs performance at least 2 entry points
- 2014 TRS will be designed to replicate 2012 TRS in order to produce comparable measurement & identify opportunities for improvement
- As member, Thai Customs set up WG to conduct TRS in 2012

Thailand Time Release Study



3. Scope of the Study

- ❖ Focus on all imported goods except transit goods which process through - **Green Line: permission of release without inspection**
 - **Red Line : required physical inspection**
- ❖ Measure time taken to complete clearance process
(arrival to physical remove including time taken by relevant agencies)
- ❖ Conduct at 2 entry points
 - Sea Port : Leam Chabang Customs Bureau
 - Border Crossing : Aranyaprathet Customs House
- ❖ Duration of Data Collection
 - At Sea Port :
7 consecutive days (8.30 am.-16.30 pm. during 9 -15 June 2012)
 - At Border Crossing :
11consecutive days (9.00 am.-17.00 pm. during 5-15 June 2012)



4. Questionnaire Design

1 Draft & design questionnaire

- by following WCO guidelines/ACH Model questionnaire with some modifications take into account Thai Customs import clearance procedures
- in a simple and easy to understand form
- to reflect each releasing goods process to measure time from the arrival to the removal goods from customs control area

2 Develop & finalize the survey questionnaire form

- develop & redesigned to collect all key information
- divided into 6 sections

Thailand Time Release Study



4. Questionnaire Design

6 Sections of Questionnaire

- 1 Basic data: Customs office, importer ID., declaration No., B/L, car manifest, type of import declaration, operator status
- 2 Time intervention by importer, customs broker, port operator (from arrival of cargo until cargo was placed in container yard or in warehouse)
- 3 Time intervention by other gov. agencies: plant & animal quarantine, Institute of Industrial Standard, Immigration Police, Pollution Control Department etc.
- 4 Time for e-Customs procedures (from the information was transmitted until it was electronically accepted)
- 5 Time taken for tax and duty payment (from submitting tax & duty information until Customs confirms the payment)
- 6 Time for Clearance and release procedures (from time of document verification, evaluation, physical inspection, cargo release and physical removal from port or border station)



5. Implementation

Preparation for data collecting

- 1) **Coordinate & meet with Director, working-level officers and port operator to**
 - **broaden their understanding in objectives & significance of the study**
 - **make sure they thoroughly understood how to carry out the study**
- 2) **Train the staffs responsible for filling questionnaire**
- 3) **To prevent any bias or mistakes, 2 officers from the TRS Working Group were assigned to join in this data collection**
 - **to help with problem solving throughout the survey duration**
 - **to ensure accurate & thorough data collection**
- 4) **Give advices on how to manage the questionnaire to relevant officers involved in the clearance process**
- 5) **Pre-test the Form by collecting data in May 2012 to verify the validity & reliability of questionnaire**



5. Implementation

Data Collection - Identify sample declarations

- Distribute Questionnaires by attaching to
 - Every declaration at Border Crossing
 - Selected declarations at Sea Port
- Collect completed questionnaire

Data Recording

- Before recording to computer, all the collected data from completed questionnaires were edited by hand and coding data must be checked.
- Record data
- Calculate and analyze average time in each process by computer system with SPSS/PC program



5. Implementation

At Sea Port

- 1 Data were collected by Systematic Selection Sampling Method by sampling every day during office hours (8.30 am.-16.30 pm.)
- 2 1,600 questionnaires were attached to import entries, of which 1,273 questionnaires were ultimately used in the analysis.
- 3 After rejecting uncompleted questionnaires and data cleaning the overall return used in the analysis is **79.60 %** of sample size.
- 4 Two staffs from TRS the Working Group were on site to give explanations and solving any problems that may occur.



5. Implementation

At Border Crossing

1. **100% Sampling Approach** was implemented from 9-19 June 2012 (11 working days).
2. 200 questionnaires were attached to the lodged customs documents, of which 165 questionnaires were used in the analysis.
- 3 After rejecting uncompleted questionnaires, the overall return used in the analysis is **82.50 %** of sample size.

Thailand Time Release Study



Time consumed in each process at SEA PORT

Process	Green Line	Red Line		Total
		Physical examination	X-ray	
1 Arrival of Goods - Unloaded – Placement in a Storage	00.17.55	00.16.20	00.11.34	00.18.06
2 Examination by OGAs	0	00.28.13	0	00.28.13
3 Sending/Receiving electronic Data	00.01.56	00.03.35	00.02.47	00.02.44
4 Duty & Taxes payment	00.05.30	00.07.17	00.09.03	00.06.20
5 Document Check /Duty Assessment	0 *	00.04.11	00.04.25	00.02.18
6 Goods Inspection	0 *	00.12.45	00.19.19	00.06.36
Total Customs Process time (3-6)	00.07.26	00.27.48	00.35.34	00.17.58
7. Release of goods-Removal from Port Control	18.20.13	17.40.00	19.42.00	18.10.00
Total time taken (1-7)	18.45.34	18.52.21	20.29.08	19.05.24
8. Leak time	1 day 06.49.29	1 day 07.28.39	3 days 02.16.52	1 day 06.42.43
Total time (1-8)	2 days 01.35.00	2 days 02.21.00	3 days 22.26.00	2 days 01.57.00

Note: * For Green Line, no document check /duty Assessment and goods inspection from customs.



6. Findings

At Sea Port

☐ For Green Line Channel:

- Time to complete clearance process:
Approximately 2 days 1 hr. 45 min.
- Time taken by customs :
Only 7 min. 26 sec. (0.66% of Total time taken)

☐ For Red Line Channel:

- Time to complete clearance process:
2 days 2 hrs. 21sec. - 3 days 22 hrs 26 sec.
- Time taken by customs :
27 min. 48 sec. - 35 min. 34 sec. (2.46-2.89% of Total time)

Thailand Time Release Study



Time consumed in each process at BORDER CROSSING

Process	Green Line	Red Line	Total
1 Arrival of Goods - Unloaded – Placement in a Storage	0 *	0 *	0 *
2 Examination by OGAs	00.05.04	00.05.08	00.05.04
3 Sending/Receiving electronic Data	00.04.11	00.03.08	00.03.02
4 Duty & Taxes payment	00.02.26	00.05.05	00.04.50
5 Document Check Duty Assessment	0 **	00.05.52	00.05.17
6 Goods Inspection	0 **	00.07.11	00.06.29
7 Release of goods- Removal from Port Control	00.04.04	00.03.59	00.04.00
Total Customs Process time (3-7)	00.10.41	00.25.15	00.23.38
8. Leak time	00.44.42	00.30.35	00.32.07
Total time (1-8)	01.00.27	01.00.58	01.00.49

Note: * No unloaded and placement in a storage as the goods loaded in a truck and released when inspected.
 ** For Green Line, no document check /duty Assessment and goods inspection from customs.



6. Findings

At Border Crossing

❑ For Green Line Channel:

- Time to complete clearance process:

Approximately 1 hr. 27 sec.

- Time taken by customs:

Only 10 min. 41 sec. (12.28% of Total time)

❑ For Red Line Channel:

- Time to complete clearance process:

Approximately 1hr. 58 sec.

- Time taken by customs:

Only 25 min. 15 sec. (21.42% of Total time)



6. Conclusions

1. Time taken in Customs process is a very small percentage of the total time taken for release
2. Customs is not a significant impediment to import
3. 100% of declarations submitted electronically via TCES (Thai Customs Electronics System)
4. Payment of customs duties and taxes mostly paid via e- payment system
5. Sea Ports provide free storage (about 48 hours) which
 - Influence the owner decisions to store shipments before clearance
 - Distort time release



7. Challenges

1. Lack of cooperation from companies
 - Unwilling to take part or provide inputs beyond customs procedures
 - Disrupt their daily operations
 - Afraid that data are shared with external parties
2. Questionnaire is too long & difficult to understand
3. Lack of data collecting knowledge



8. Recommendations

8.1 For the next TRS study

8.2 For improvements to the Customs Clearance Procedures



8.1 Recommendations

For the next TRS study

1. Simplifying the Questionnaire

- Most of target populations (import brokers, agents, working-level officers etc.) are unfamiliar with technical terms or academic language.
- They may not have time required to complete a long survey form.
- Questionnaire should be
 - concise, simplified & easy to understand
 - designed/tailored for each area to be surveyed i.e. airport, sea port, border crossing
 - avoid technical terms /ambiguous meanings

Thailand Time Release Study



8.1 Recommendations

For the next TRS study

2. Additional Questions For the Questionnaire

- More questions that will be useful for the Study should be included next time around.
 - Types & privileges of import goods
 - Different channels available for payment of import duty (cash, cashier check, bank transfer)
- have any impact on the time taken to clear goods through Customs



8.1 Recommendations

For the next TRS study

3. Participants in the Study

- Highly recommend to **coordinate** with
 - other relevant agencies i.e. Port Authority
 - private sectors especially customs agent/brokers to get the reliable data and better cooperation
- relevant agencies (regulatory agencies, private port operators, transport companies, customs officers from ICT Bureau etc.) should be **represented** in the TRS Working Group



8.1 Recommendations

For the next TRS study

4. Increasing Public Awareness

- Greater efforts to coordinate with and inform targeted stakeholders
- Understood stakeholders more likely to cooperative, provide accurate & complete information

5. Narrowing the Survey Targets

- Identify the survey targets that are more ready and capable of participation
- Engaging trustworthy importers or import brokers (willing to participate in the survey) would help ensure the accuracy and the credibility of the information received



8.2 Recommendations

For improvements to the Customs Clearance Procedure

1. X-Ray Inspection

- X-ray inspection accounts for only 3.12 % of all import declarations during the sampling period (19 out of 609 declarations filed)
- Increasing the use of X-ray inspection would be able to ease the flow of international trade while increasing the government's ability to detect national and security threats at the same time



8.2 Recommendations

For improvements to the Customs Clearance Procedure

2. The Status of AEO

1. No importer with AEO status as Thai Customs
 - introduced AEO Program in 2011, allowed only exporters
 - expands the program to cover importers in 2013
2. Strongly advised to use an effective campaign to encourage more importers to apply for AEO status
3. Next TRS should compare clearance time for AEO & non AEO
4. Comparison - make Study more interesting
 - enable importers to clearly understand the benefits of AEO program



8.2 Recommendations

For improvements to the Customs Clearance Procedure

3. Expanding the National Single Window System

- Not all relevant permit-issuing agencies' information system are integrated with Customs system
- Greater effort should be made to encourage them to integrate the systems

4. Payment of Duty & Tax

- Encourage more payment via electronic (e-Payment)
- Use time clock to capture actual time taken from submitting doc. to payment window until cashier issues a receipt

Thank You

Q & A

