Time Release Study (TRS)
Overview, Purpose and Methodology

Trade and Transport Facilitation
Performance Monitoring System (TTFPM)

(Bangkok, Thailand, 26-27 November 2013)

Takashi Matsumoto
Jing Cheng
World Customs Organization (WCO)
✓ Trade Environment
✓ Over view of WCO Time Release Study (TRS)
✓ Purpose of the TRS
✓ Methodology of the TRS
✓ Members Experiences
Merchandise trade recovery from global financial crisis

Importance of trade for economic development
- Expectation for Trade Facilitation
- Importance of Customs and OGAs performance at borders
Evolving International Supply Chain
Intermediate goods trade: about 60% of manufactured goods (WTO)
Intra-firm trade: about 30% of global trade (OECD)
  - Importance of trade facilitation and predictability at borders

Intra-regional trade and Regionalization
  - Expectation to contribute regionalization and intra-regional trade supply chain

Intra-trade, Extra-trade 1990-2011
(1 billion USD, %)
(Source: WTO)
TRS: Overview
Basic Concept

TRS and Trade Facilitation

✓ Huge increase in cross border trading as a result of globalization, customs role in trade facilitation (TF) becomes more prominent.

✓ TF: expediting the movement, clearance & release of goods

✓ TRS is a unique tool and method for measuring the actual time required from arrival of goods to its release.
What is TRS?

Arrival of cargo

Unloading/Storage

Submission of Declaration

Customs release permission

Removal of cargo

Shipping company
Shipping agent
Port Authority, etc.

Importer, Customs broker
Container Yard
OGAs, etc.

Customs, Bank,
Customs broker

Port Authority
Container Yard
Warehouse, Forwarder, etc.
Cargo flow and Import procedures

Pre-arrival Lodgment
Lodgment of Ships/airplanes

Arrival of Ships/airplanes

Unloading of cargoes

Storage of cargoes to Customs control area

Examination/Inspection by Trade related Agencies

Submission of Customs Declaration

Customs release permission

Shipping agent, airline company, Port/Airport Authority

CY operator, Terminal operator, warehouse operator, Trade related government agencies, Importer, Customs broker

Customs broker (agent) Customs, bank

CY/warehouse operator, Port/Airport Authority

Removal of cargoes from Customs control area

Total Time from Arrival of cargo to removal of cargoes from Customs control area
Why do we focus on TRS?

For Yourself:

✓ Establish Baseline of the Current Border Performance
✓ Self-Assessment of Ourselves
✓ Improvement for Our Border Performance
✓ Further Transparency
✓ Further Trade Facilitation
✓ Further Foreign Direct Investment
Why do we focus on TRS?

As a Preparation of Multilateral Rules:

- **DRAFT CONSOLIDATED NEGOTIATING TEXT ON TRADE FACILITATION (TN/TF/W/165/Rev.18) Article 6.1**

- **Members are encouraged to measure and publish their average release time of goods periodically and in a consistent manner, using tools such as, inter alia, the WCO Time Release Study.**
1) Guide To Measure The Time Required For the Release of Goods - Version 2 in 2011

2) Internet Software for the TRS (http://members.wcoomd.org/trs/index.asp)

3) User Manual for TRS Software
Time Release Study

One of the methods used for the review of clearance procedures is to measure the average time taken between the arrival of the goods and their release. This facilitates Customs to identify both the problem areas and potential corrective actions to increase their efficiency. The use of automation and other sophisticated selectivity methods can allow Customs to improve compliance and at the same time improve facilitation for the majority of low risk goods.

Measuring the time taken for the release of goods also meets the concerns of trade circles regarding long delays in Customs clearance. It helps Customs to respond to trade requirements where the operators need to plan ahead for the movement of goods across borders in order to meet tight production schedules and just-in-time inventory systems that require forward planning.

The time required to release goods has also increasingly become the measure by which the international trading community assesses the effectiveness of a Customs administration. The Time Release Study provides guidance to Customs administrations on the best way to apply this method of internal review.

DOWNLOADS

- Guide to Measure the Time Required for the Release of Goods | pdf | 1.2 MB
- User Manual - Internet Software for the Time Release Study | pdf | 2.1 MB
- User Manual Internet Software for the Time Release Study | pdf | 3.3 MB
- TRS_Guide | pdf | 1.4 MB
TRS: Purpose
Objectives

- Identifying bottleneck processes affecting import, export and transit cargo clearance procedures
- Assessing new procedures, operations, etc.
- Establishing baseline TF performance measurement
- Identifying opportunities for TF improvement
- Estimating the country’s approximate position as a benchmarking tool
Possible Use of Study Results

Procedures, Processes & Legislation

- Diagnose the efficiency of specific customs procedures
- Take measures to improve compliance or enforcement
- Simplify and harmonize customs procedures
- Automate Customs processes or Single Window
- Draft / modify relevant Customs and/or trade related government agency’s legal framework
Possible Use of Study Results

Organization

- Reallocate staff and resources for optimal utilization
- Initiate organizational reform
- Support requests for human, financial and technical resources
- Address anti-corruption measures
- Train staff
Possible Use of Study Results

**Performance Measurement & PR**

- Use as a quality assurance mechanism
- Benchmark trade facilitation performance levels
- Improve customs transparency and promote PR
- Use with trade related Ministries & trading community for further enhancement of TF measures
TRS: Methodology
TRS Cycle

1. Plan
2. Collect Data
3. Calculate Results
4. Analyse
5. Identify Findings
6. Report
7. Make Recommend

TRRS Cycle
Three-Phases TRS Framework

**Phase 1:** Preparation of the Study

**Phase 2:** Data Collection and Recording

**Phase 3:** Data Analysis and Conclusions
Phase 1: Preparation of the Study

1) Establishment of Working Group (WG)
   - All stakeholders (public and private), Limited numbers, Headed by senior management

2) Scope and Design for the Study
   - From arrival of cargo to removal from Customs control area, Procedures measured, Major sea, air, and land posts,

3) Planning and Methodology
   - Duration (at least 7 days), process mapping, develop data collection form, sampling methods

4) Test-run
Phase 2: Data Collection & Recording

1) Ascertain all the processes and records involved (automated / manual)

2) Record event/accident such as system down or blackout affect delay of process

3) Ascertain the processes and the parties responsible for collection & recoding the data

4) Distribute and collect the survey forms

5) Confirm necessary data recorded
Phase 3: Data Analysis & Conclusion

1) Ensure that all data collection forms are returned
2) Verify raw data in every form for accuracy & quality
3) Set aside data collection forms with errors or incomplete pending further verification/examination
4) Use WCO software or alternative means for data processing
5) Analyze the verified data with due regard to the objectives and approach adopted
6) Develop report including recommendations
Phase 3: Data Analysis & Conclusion

✓ Final Report

• Objectives
• Scope
• Methodology
• Analysis
• Conclusion

• Recommendations (Action Plan) [Model Report Format at Appendix 5, WCO Guide TRS (2011)]
Press Release

• To increase transparency of Customs procedures
• To demonstrate Customs commitment to TF to the trading community
• To communicate findings and recommendations for further improvement

Appendix 6: Model Press Release

[Name and symbol of the Customs Administration]

MEDIA RELEASE

[date]

[Title]

Outline

[ ] Customs today released the findings of its first [second, third …] Time Release Study (TRS), which measures and reports the time taken by Customs to release imported cargo.

The DG of Customs [ ] said it was pleasing to [show the results of the first study as an objective indicator for trade facilitation] or [see improvements in [year] which he attributed largely to the efforts of Customs, trade related agencies and trade working together for a seamless international transaction].
TRS: Members Experiences
## TRS Implementation by Members

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<th>Africa</th>
<th>Other</th>
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Periodical Implementation

- 1st: Feb. 1991
- 2nd: Feb. 1992
- 3rd: Mar. 1993
- 4th: Mar. 1996
- 5th: Mar. 1998
- 6th: Mar. 2001
- 7th: Mar. 2004
- 8th: Mar. 2006
- 9th: Mar. 2009
- 10th: Mar. 2012
TRRS: Experience in Japan

Sea Cargoes

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrival - Warehousing</th>
<th>Warehousing - Declaration</th>
<th>Declaration - Permission</th>
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<tr>
<td>1991</td>
<td>47.6</td>
<td>94.5</td>
<td>26.1</td>
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<tr>
<td>1992</td>
<td>45.2</td>
<td>84.9</td>
<td>19.8</td>
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<td>1993</td>
<td>39.4</td>
<td>63.7</td>
<td>13.1</td>
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<td>1996</td>
<td>35.4</td>
<td>49.5</td>
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<td>1998</td>
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<td>2001</td>
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<td>2004</td>
<td>26.0</td>
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<td>2006</td>
<td>26.8</td>
<td>33.7</td>
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<td>2009</td>
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<td>33</td>
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<tr>
<td>2012</td>
<td>27</td>
<td>31.2</td>
<td>2.6</td>
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(Hours)
Comparison of the time for clearance applying Pre-Arrival Declaration (Air Cargo) (2012)

**Average**
- Arrival – Warehousing: 7 hours
- Warehousing – Declaration: 6 hours
- Declaration – Permission: 0.3 hours

**Non-Pre-arrival Ex.**
- Arrival – Warehousing: 9.6 hours
- Warehousing – Declaration: 14.1 hours
- Declaration – Permission: 0.6 hours

**Pre-arrival Ex.**
- Arrival – Warehousing: 5.3 hours
- Warehousing – Declaration: 0.2 hours

**Immediate Permission**
- Arrival – Warehousing: 1.7 hours
- Warehousing – Declaration: 0.0 hours

(TRS: Experience in Japan)
TRS: Experience in Japan

Comparison of the time for clearance Including Trade Related Government Procedures (Sea Cargo) (2012)

- Average:
  - Arrival – Warehousing: 27 hours
  - Warehousing – Declaration: 31.2 hours
  - Declaration – Permission: 2.6 hours
  - Total: 2.5 Days

- Include OGAs:
  - Arrival – Warehousing: 32.4 hours
  - Warehousing – Declaration: 45.2 hours
  - Declaration – Permission: 3.7 hours
  - Total: 3.4 Days

- Non-OGAs:
  - Arrival – Warehousing: 25.6 hours
  - Warehousing – Declaration: 27.6 hours
  - Declaration – Permission: 2.3 hours
  - Total: 2.3 Days

(Hours)
Press Release from MOF
(21 Sep 2012)

Daily Cargo
(24 Sep 2012)

The Japan Maritime Daily
(26 Sep 2012)
TRS: Experience in Kenya-Uganda

Mombasa Port

Weighbridge

Kenya Uganda Border
Arrival of cargo to submission of Customs declaration (T810) (pre-arrival Manifest submission) (Ave. 5d13h22m)

Arrival of cargo to submission of Manifest (Ave. 3d13h39m)

Arrival of cargo to submission of Customs declaration (T810) (Post arrival Manifest submission) (Av. 6d12h26m) (88% of total declaration)

Procedures at the Mombasa Port

10 Days 18 hours and 4 minuites

From Mombasa to Malaba

3d 18h and 38 m

Border To Kampala procedures

22h 59m 19. 35 2d 22 h and 53 m

TRS: Experience Kenya-Uganda
Thank you for your kind attention.

For more information, please visit www.wcoomd.org

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