

TRS Best Practice of Japan & Other countries

WCO ROCB AP
Sep 2012

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TRS in Japan

- **First Country to do TRS**
 - 1st : February 1991 to 9th: March 2009
- **Survey based, Continuous improvements**
- **Starts with Steering Committee**
 - Ministry of Finance (Customs): Chair
 - Ministry of Industry, Economy and Trade
 - Ministry of Agriculture, Fishery and Forest
 - Ministry of Health and labor

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Japan's TRS (1)

- **Scope: From arrival to release**
Arrival-Warehouse-Declaration-Permission
- **Parties involved**
 - Customs
 - Other Government Agencies
 - Port authorities
 - Customs Broker

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Japan's TRS (2)

- **Duration:** 7 consecutive days
(9th TRS: 9-15 March 2009)
- **Geographical Scope:** All regional Customs (At least one sea port per regional Customs)
- **Types of goods:** All cargoes
- **Choice of Traffic:** Sea and Air
- **Choice of Customs Office:** 23 major sea ports and 6 major air ports

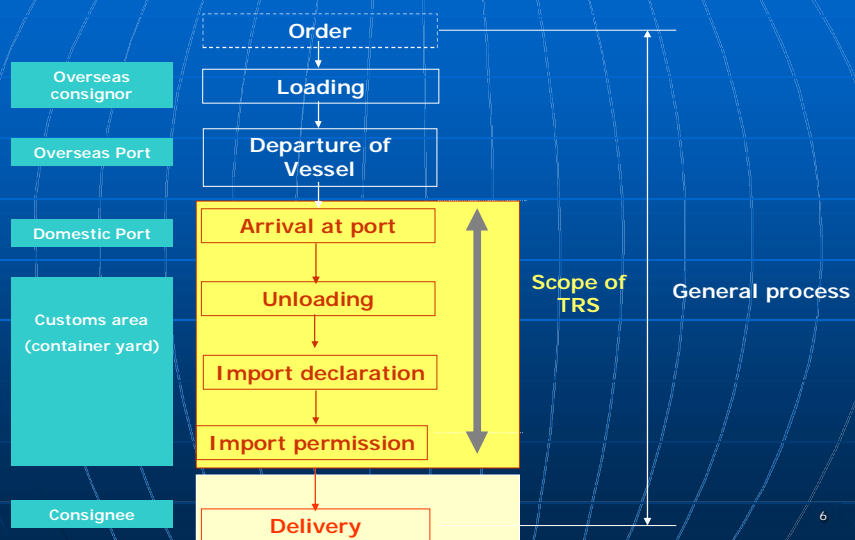
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Japan's TRS (3)

- **Sampling:** Random sampling using computer system
 - Number of Sample (9th TRS)
 - Sea Cargo: 3,000 declarations
 - Air Cargo: 2,000 declarations

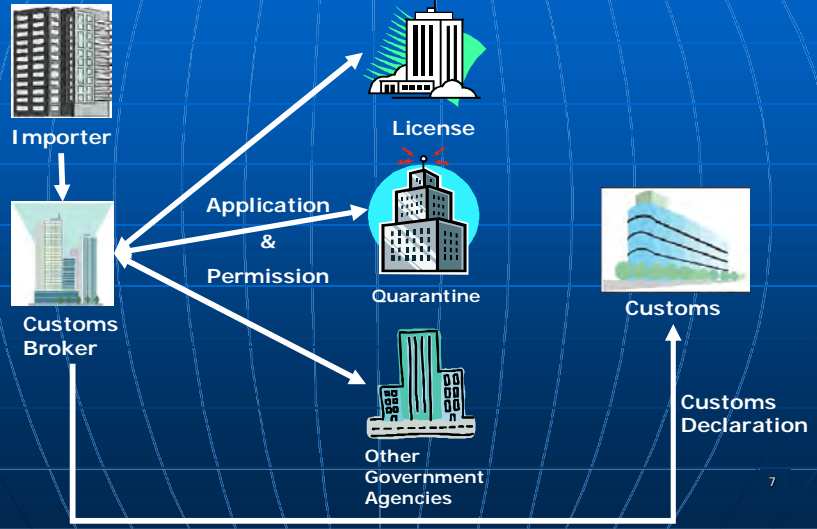
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Scope of TRS of Japan

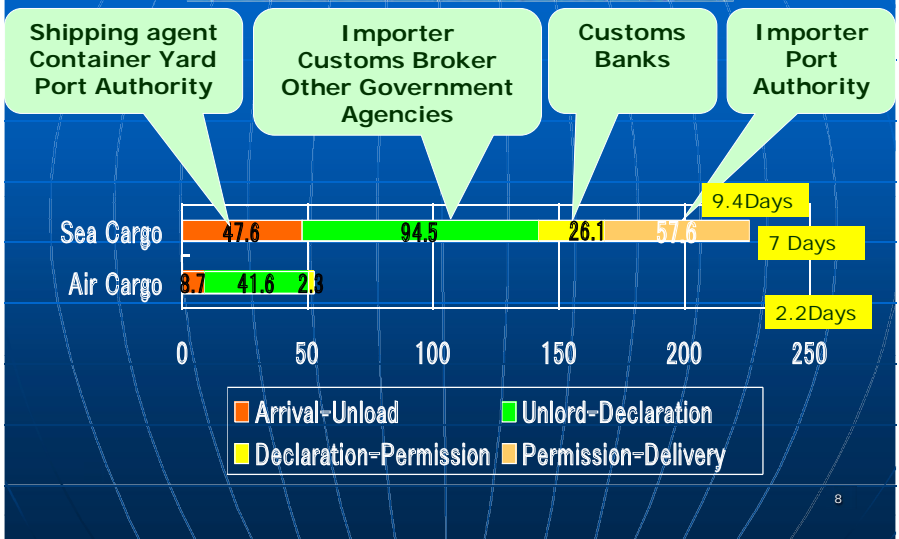


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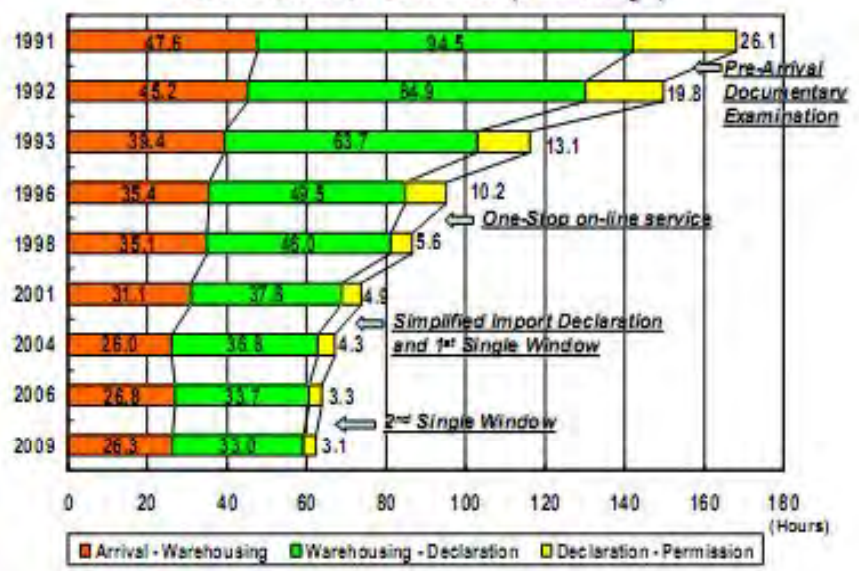
Import procedures in 1991



First TRS (1991)



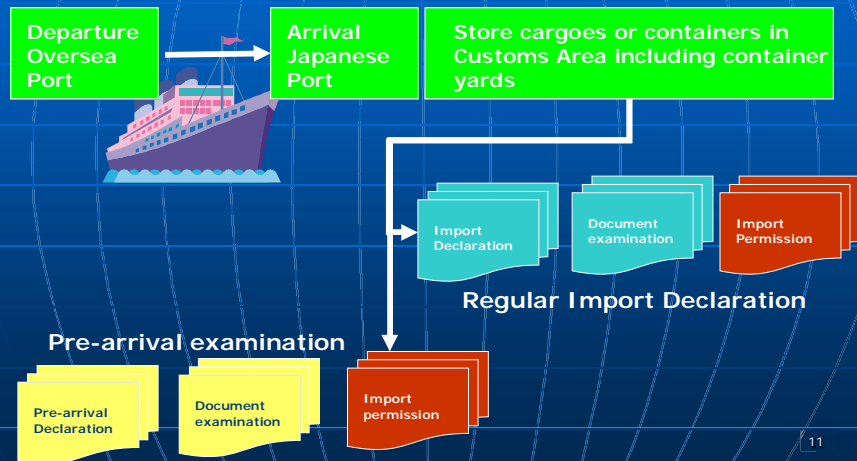
Changes in the mean time required for a time period from arrival to release (Sea Cargo)



Institutional and Systemic Reforms to Improve

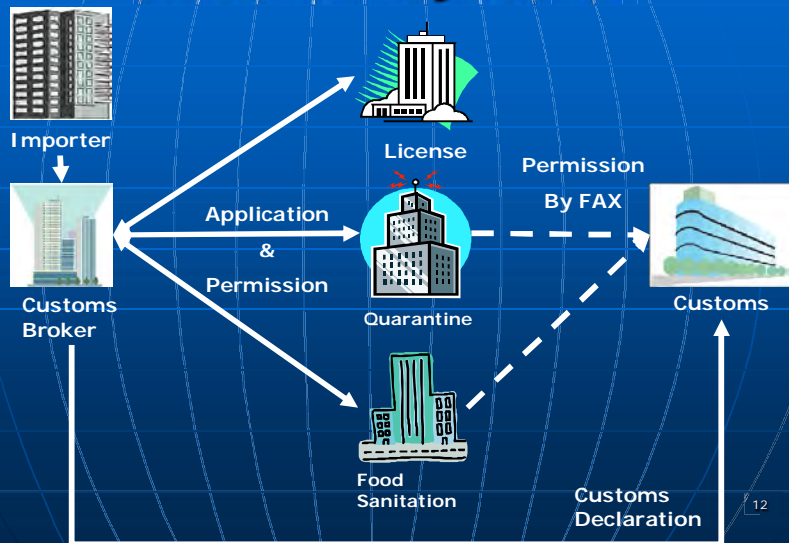
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Pre-arrival Examination system



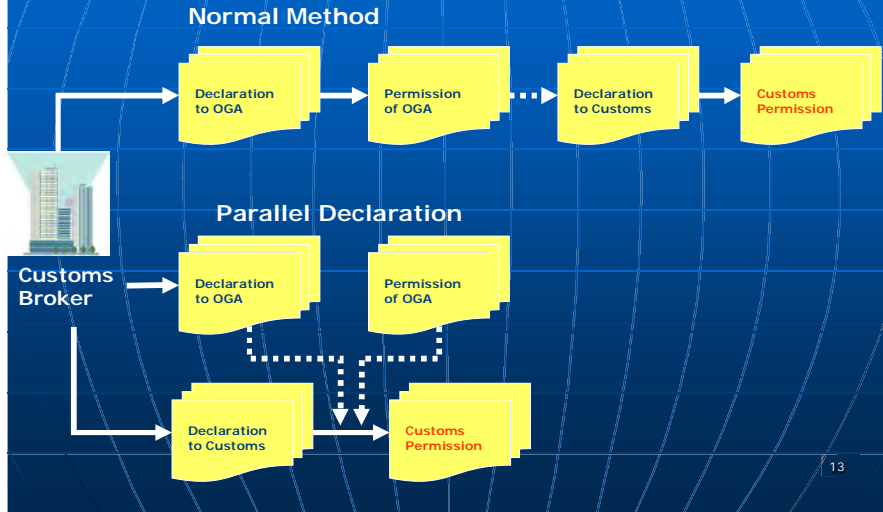
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Network by FAX

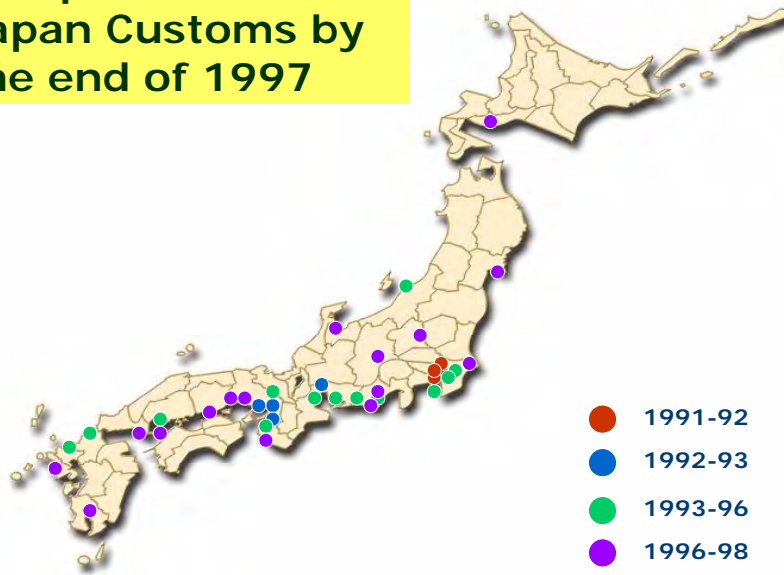


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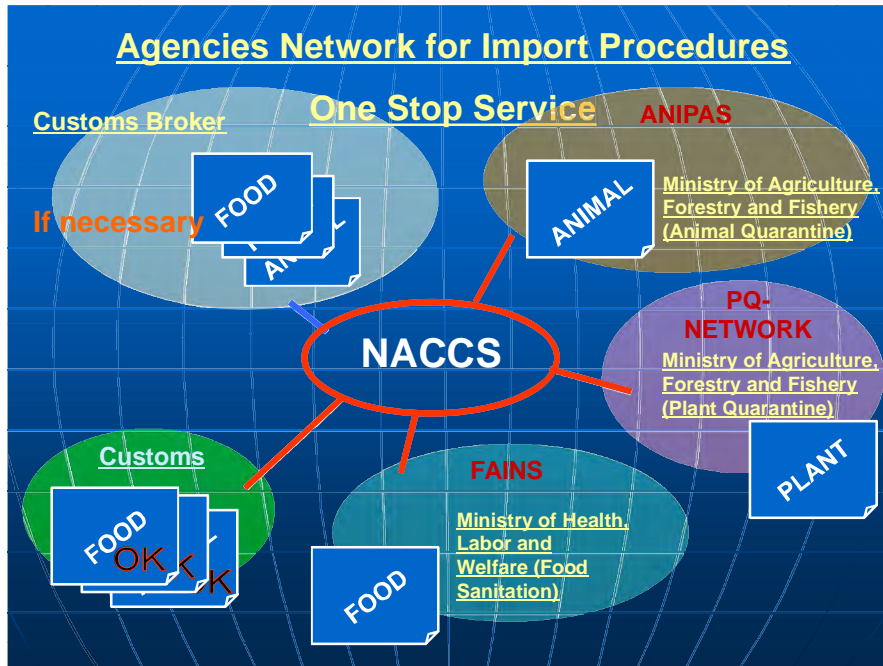
Parallel Document Examination?



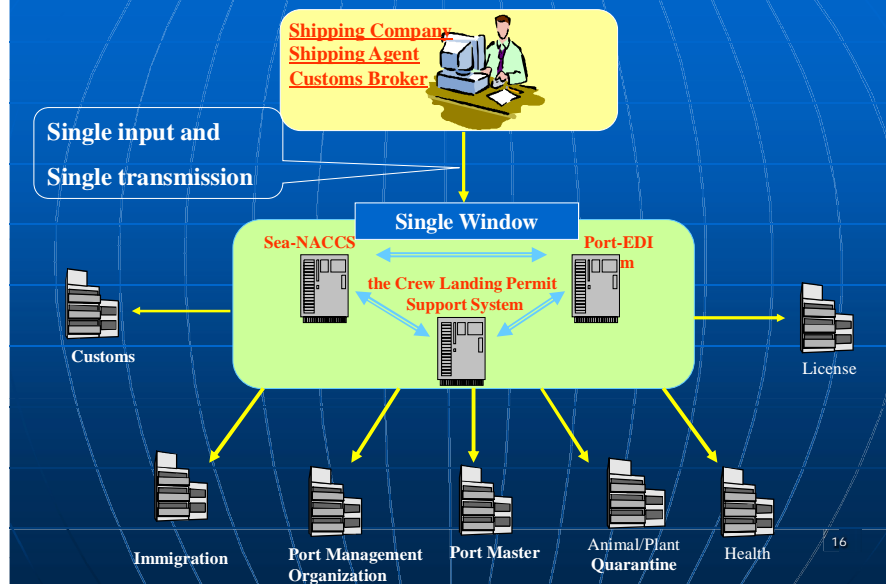
Computerization of Japan Customs by the end of 1997



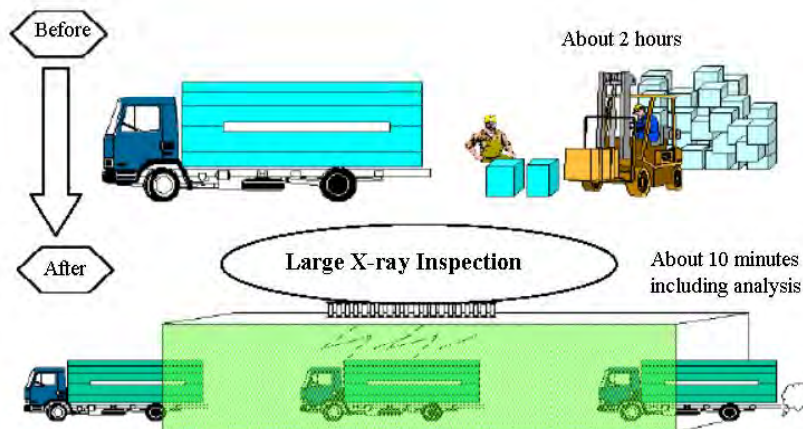
Agencies Network for Import Procedures



Single Window (Japan)



Introduction of Container X-ray



Immediate Permission upon Arrival

- **Concept:** Issue release permit soon after cargo arrival
- **Condition:** Using pre-arrival Examination system with NACCS
- **Permission:** Import declaration is processed when the cargo arrival report is registered into NACCS.

Simplified Declaration for Authorized Person

- **Concept:** Provide simplified procedures for importers with high compliance level
- **Beneficiaries:** Importers approved by Customs
- **Benefit:** Release goods before filing a Customs declaration for duty payment
 - Paperless procedure.
 - No physical and document examination for cargo declaration.
 - Periodical declaration for duty and tax payment.

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Measures taken between 91-92

- Computer system called Sea-NACCS, covering Customs, Customs Brokers and Banks was introduced to Tokyo, Yokohama and Kawasaki (Oct 1991) ports.
- Customs Intelligent Database System (CIS) was introduced to Three Regional Customs (Oct. 1991).
- Hearing from Private sectors to identify the causes of delay of clearance through the Committee.
- Pre-arrival Examination system was introduced (Apr. 1991).

* NACCS: *Nippon Automated Cargo Clearance System*

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Measures taken between 92-93

- Sea-NACCS service expanded to Kobe, Osaka, Sakai, and Nagoya (Oct 1992)
- CIS service was expanded to another three Regional Customs (Jan. 1993)
- Establishment of network between Customs and Quarantines and Food Sanitation Office by Fax and Customs give permission based on Fax documents.

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Measures taken between 93-96

- Sea-NACCS service expanded to another 2 ports (Oct. 1993), 4 ports (Feb. 1995), and 8 ports (Oct. 1995)
- CIS expanded to cover all Regional Customs (Oct. 1993)
- Parallel document examination by Customs and other government agencies (Sep. 1994)

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Measures taken between 96-98

- Sea-NACCS service expanded another 10 ports (Oct. 1996), and 6 ports (Oct. 1997).
- Inter-faced with Other Government Agencies Computer Systems; Food Sanitation's system (Feb. 1997), and Animal/Plant Quarantine's system (Apr. 1997)

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Measures taken between 98-01

- Introduced a New Sea-NACCS which covered all import related parties and cover all ports (Oct. 1999)
- New CIS was introduced (Oct. 1999)
- Immediate permission upon arrival system was introduced (Oct. 1999)

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Measures taken between 01-04

- Introduction of container scanner (Feb. 2001)
- Simplified Declaration for Authorized person was introduced (Mar. 2001)
- Net-NACCS was introduced (Mar. 2003)
- Single-Window System was introduced (Jul. 2003)
- 24-Hour operations open at 9 Major Ports (Jul. 2003)

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Possible usage of TRS results

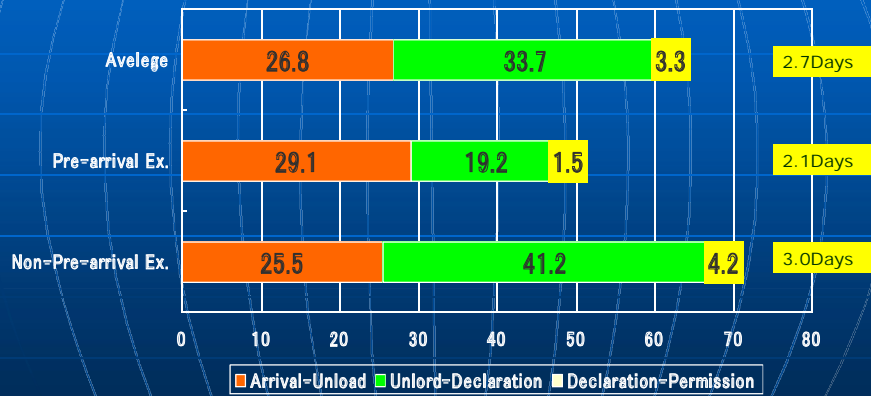
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Possible uses for the TRS findings

- To take structural reform or re-engineering of Customs.
- To modify customs laws and regulations
- To request other government agencies and privates for their re-engineering
- To reallocate staffs and resources
- To evaluate new methods introduced
- To be a benchmark
- To appeal public
- To research economic impacts by Trade Facilitation

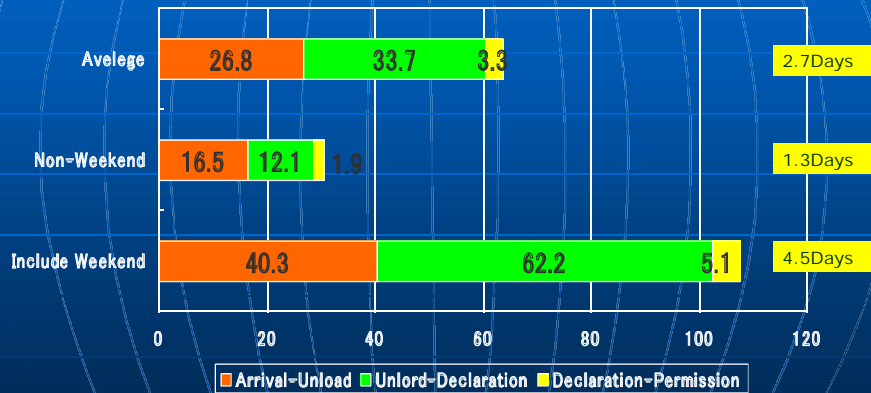
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Pre-Arrival Examination Regime (result of 8th RTC (Sea Cargo))



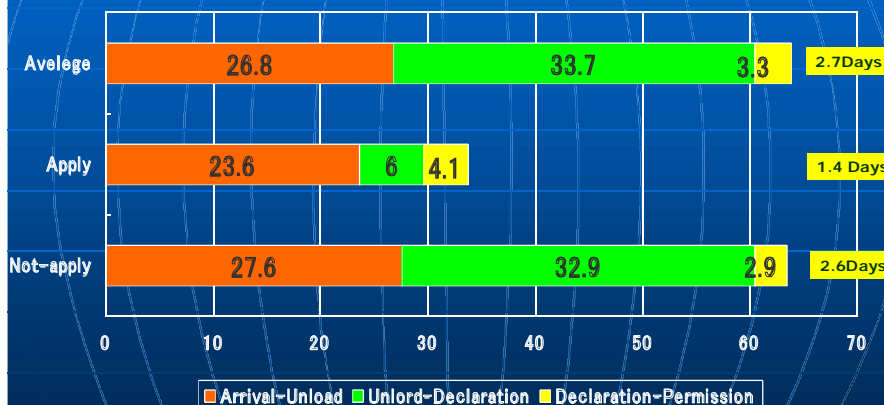
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Release Time including Weekend (result of 8th RTC (Sea Cargo))



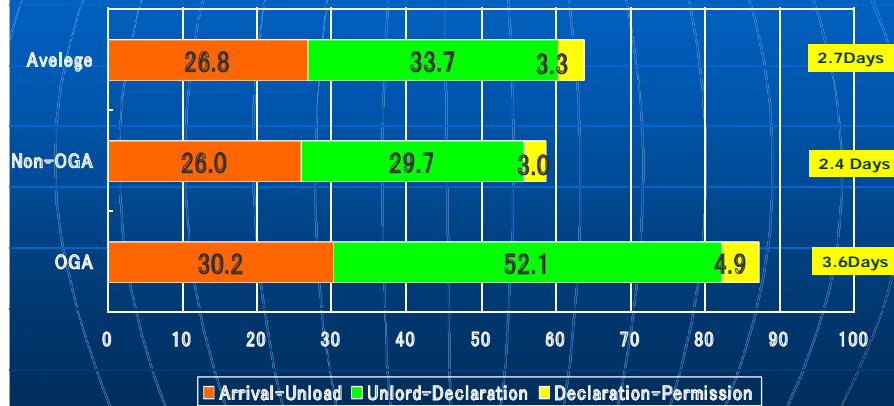
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24 Hours Clearance Regime for Major 9 ports (8th Survey)



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OGA Procedures (8th Survey)



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Three Major Factors to Reduce Clearance Time

- 1. Computerization**
Customs and other government agencies.
Single Window.
- 2. Institutional Improvement**
Pre-arrival examination system.
- Re-engineering business practice by private sectors, e.g. container yards
- 3. Introduction of new technology**
Container X-ray equipment.
Latest container handling equipment.



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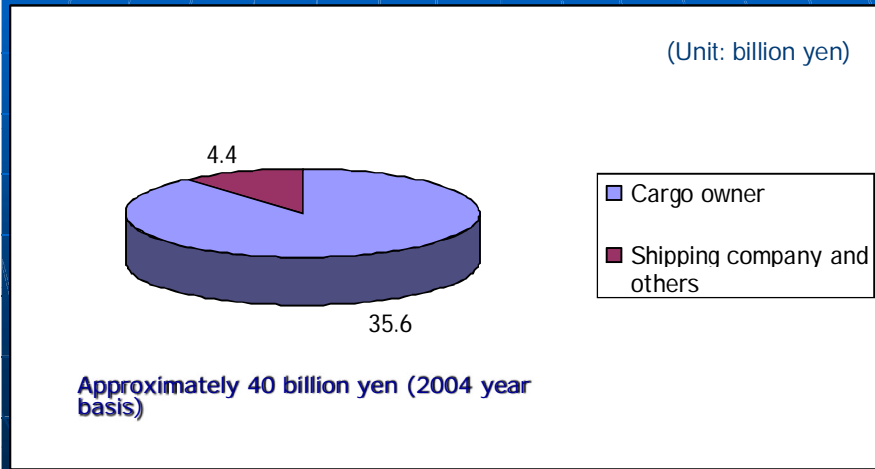
Effects of reduction of Clearance time for cargo owners

	Direct Effects	Indirect Effects
Cargo owners	<ul style="list-style-type: none"> -Reduction of clearance time from arrival to permit. -Greater reliability of importing customs clearance time -Time reduction from carrying-in to permit 	<ul style="list-style-type: none"> -Reduction of lost sales opportunities -Average stock reduction -Reduction of minimum stock due to adoption of JIT -Increased flexibility in use of free time

Elements of Reduction of Clearance Time Effect for Distribution Operators

	Direct Effects	Indirect Effects
Shipping companies	-Reduction of quayside times -Reduction of used container yard area	-Reduction of costs per port call -Reduction of container yard rental costs
Terminal operators	-Higher work efficiency and reduction of work time	-Reduction of work costs -Response to cargo owner's (shipping forwarder's) needs for faster handling
Shipping forwarders	-Higher work efficiency and reduction of work time	-Reduction of work costs -Reduction of malfunction costs
Truck operators	-Punctuality of pickup time	-Higher truck turnover rates

Quantitative impacts



Quantitative impacts (Cargo owners)

Stock reduction impact

Worth approximately 32.7 billion yen.

Storage cost reduction impact

Worth approximately 2.2 billion yen.

Interest cost reduction impact

Worth approximately 0.7 billion yen.

Simple or not?

January – February 2009: Pre-survey internal coordination

- To set dates of the survey
- To determine the number of samples to be taken
- To review elements of survey (addition of the effects of AEO program)
- To prepare survey forms (Air/Sea), including lists of factors taking longer than average time
- To coordinate with Customs brokers and relevant other governmental agencies

23 February 2009: Release of the administrative notice on TRS implementation

9-15 March 2009: Conduct of the 9th TRS

Mid March 2009: Data inputs, review and compilation at the respective regional Customs houses

April 2009: Data compilation and supplementary research

30 June 2009: Review of the TRS results in the Ministry of Finance

16 July 2009: Press Release

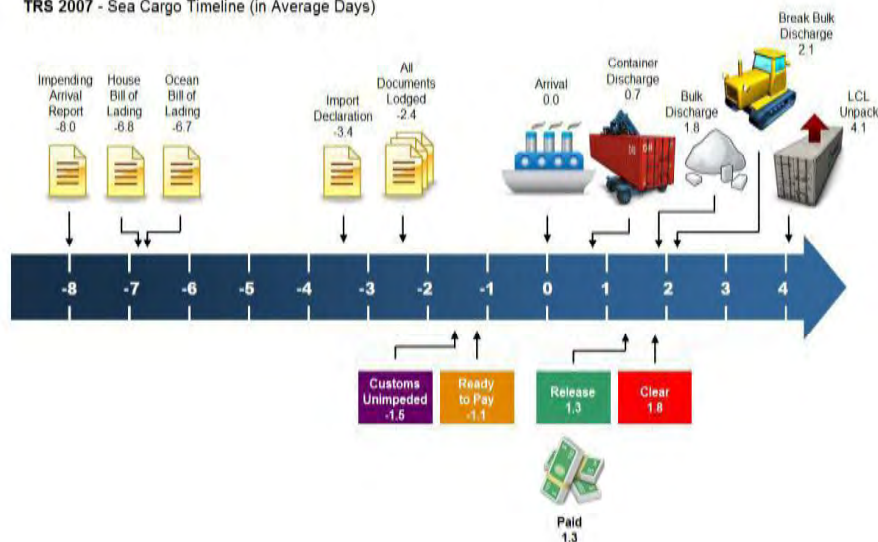
Lessons from Japan

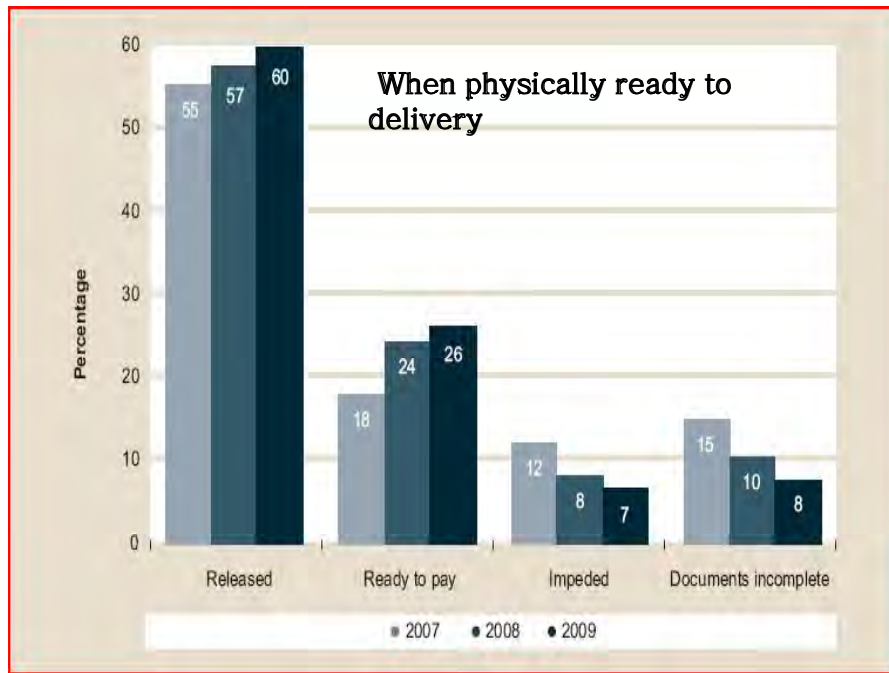
- Used as a performance tool for trade facilitation
- Undertake TRS regularly
- Combining TRS with introduction of new TF measures
- Continuous improvement
- Cooperative framework, critical role of Customs in collecting/recording data
- Support from Customs brokers and OGAs

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AUSTRALIA

TRS 2007 - Sea Cargo Timeline (in Average Days)





UGANDA

- First TRS in 2008
- TRS Example in a land locked countries
- Customs office at border & in-land customs office
- Using data from survey questionnaire (manual)
- Identified key events of import & transit procedure at border as well as import procedure at the in-land Customs office
- Customs Brokers, Transporters, Ministry of Agriculture etc. took part in the project



Source: Google Map

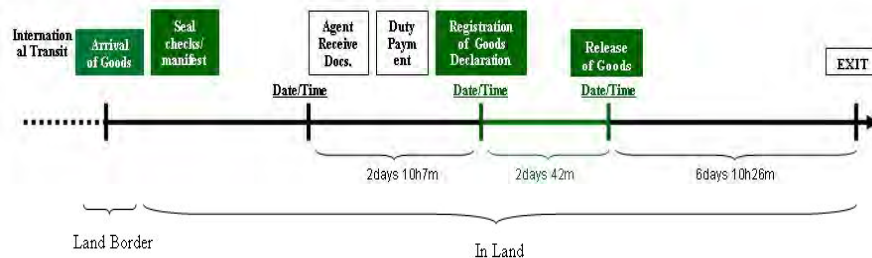
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Land Cargoes (Border Custom Office)



Land Cargoes (Inland Custom Office)



CAMEROON

- ASYCUDA data plus business & Port data
 - manifest lodging to exit note
- New approaches to Cargo dwell time
 - operational time : transport perspective
 - transaction time : political/economic perspective
 - discretionary time : logistics perspective
- Analysis on ; average deviation, cargo type(LCL, FCL, bulk), value
- Try to understand behavioral patterns of all stakeholders

Source: APEC Document 2009/SCCP/SWWG/WKSP2/010

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TRS key findings examples

- Key Findings
 - Customs is not a significant impediment to import
 - The entities and variables that affect trade facilitation performance are numerous, interdependent and span both industry and government
 - A risk management approach is critical to trade facilitation performance
 - Opportunities for Customs to further enhance trade facilitation do exist (e.g. earlier doc. lodgment)

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