



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

TRS Members Experience

Dhaka, Bangladesh, 29 April 2014

Shigeaki Katsu
Trainer, Customs Training Institute,
Ministry of Finance, Japan

TRS Implementation by Members

Asia Pacific

- ❖ Australia
- ❖ Bangladesh
- ❖ Bhutan
- ❖ Brunei
- ❖ China
- ❖ Fiji
- ❖ India
- ❖ Indonesia
- ❖ Japan
- ❖ Korea
- ❖ Lao PDR
- ❖ Malaysia
- ❖ Mongolia
- ❖ New Zealand
- ❖ PNG
- ❖ Philippines
- ❖ Singapore
- ❖ Thailand
- ❖ Viet Nam

(19)

Africa

- ❖ Ethiopia
- ❖ Kenya
- ❖ Malawi
- ❖ Mozambique
- ❖ Nigeria
- ❖ Rwanda
- ❖ Tanzania
- ❖ Swaziland
- ❖ Uganda
- ❖ Zambia

(10)

Other

- ❖ Jamaica
- ❖ Jordan
- ❖ Peru
- ❖ Poland
- ❖ Sweden
- ❖ Uzbekistan

(6)

Experience of Japan Customs



TRS: Experience in Japan



Background

❖ Trade friction with the US in 1980s

- ❑ The US had huge trade deficit against Japan (50 bil. USD)
- ❑ Continued increasing trade deficit after “Plaza Agreement”

❖ Structural Impediments Initiatives (SII)

btw US and Japan

- ❑ Suggested by the US in 1989
- ❑ Requested to reform economic structure, open market and remove **non-tariff barrier**

TRS: Experience in Japan

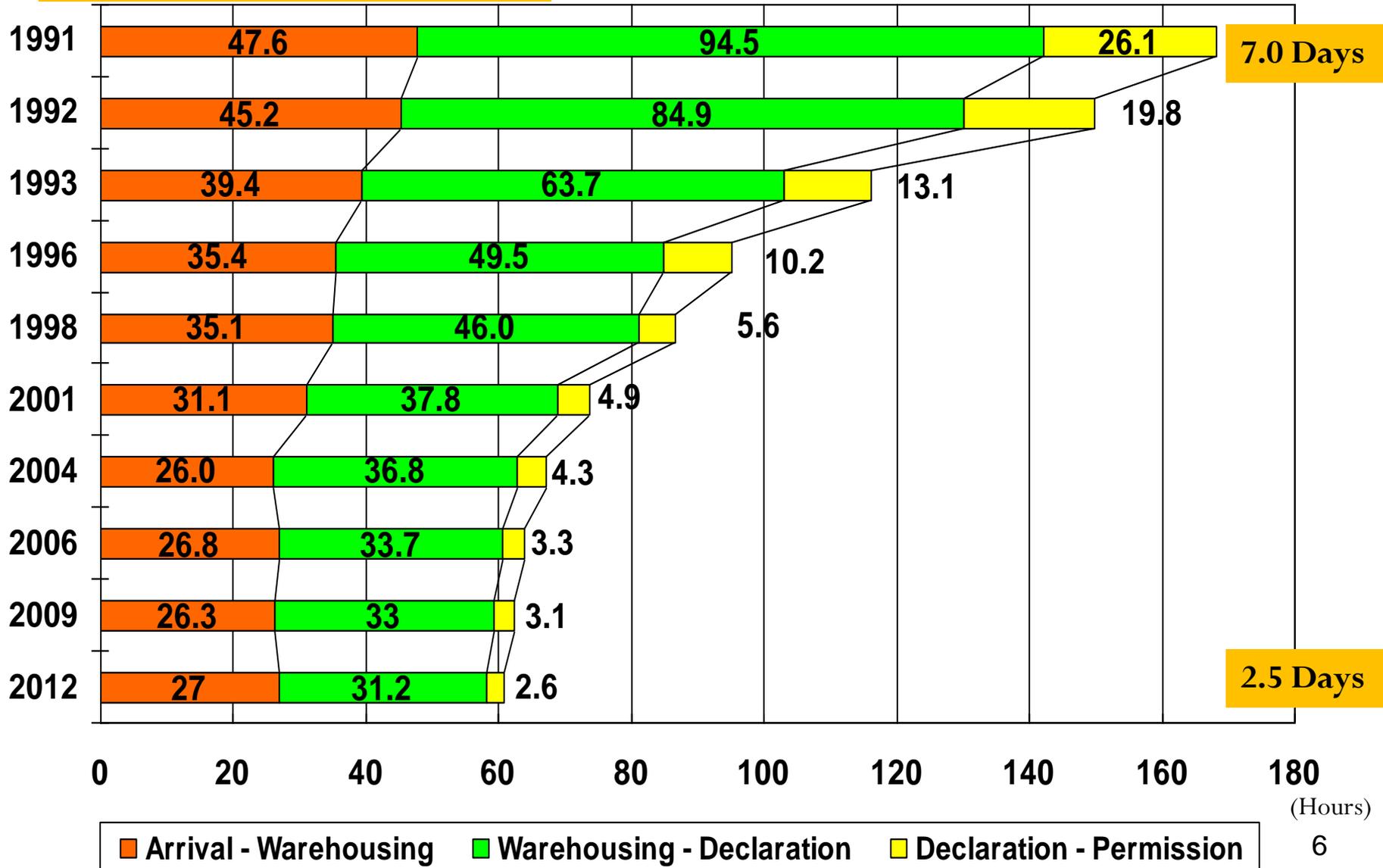
Periodical Implementation

- **1st : Feb. 1991 (As agreed to SII)**
- **2nd : Feb. 1992 (As agreed to SII)**
- **3rd : Mar. 1993**
- **4th : Mar. 1996**
- **5th : Mar. 1998**
- **6th : Mar. 2001**
- **7th : Mar. 2004**
- **8th : Mar. 2006**
- **9th : Mar. 2009 (Including AEOs)**
- **10th : Mar. 2012 (Including AEOs)**



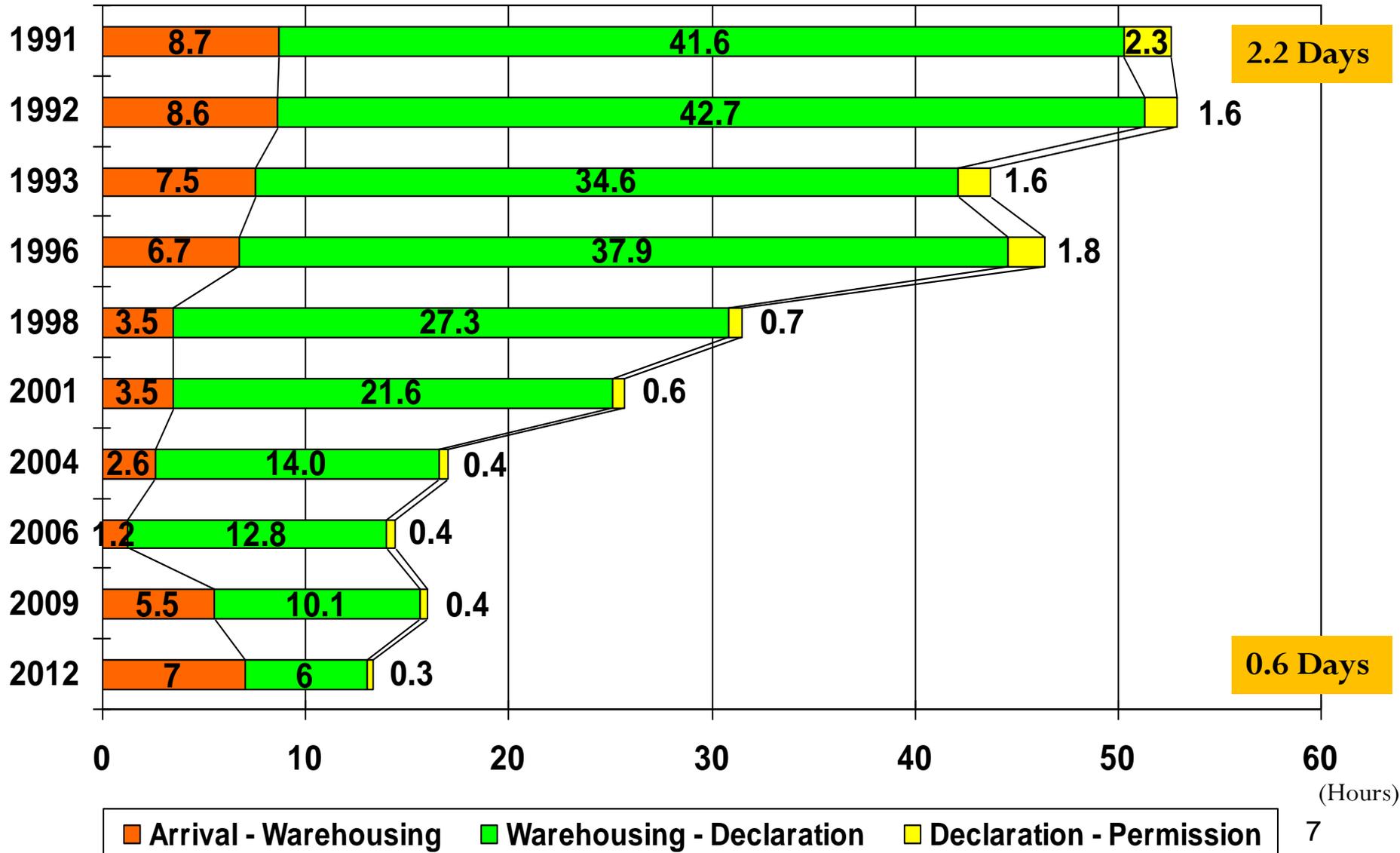
TRS: Experience in Japan

Sea Cargoes



TRS: Experience in Japan

Air Cargoes



TRS: Experience in Japan

Lesson Learnt from 1st and 2nd TRS

Sea Cargo



Source : Monthly Report (1992 Oct.) Ministry of Finance, Policy Research Institute

❖ Reasons why longer time took btw arrival and warehousing

- ◆ Due to weekend, there was no activities (34%)
- ◆ It took much time to secure space for warehousing (13%)
- ◆ It took time to withdraw the cargos from container yard (11%)

❖ Reasons why longer time took btw warehousing and declaration

- ◆ Incomplete documentations or no documentation for entry (43%)
 - ◆ Delay of sending documentation from importer to agents (12%)
 - ◆ Delay of documentation or incomplete (31%)
- ◆ Due to weekend (27%)
- ◆ Due to cause of importers (13%)
- ◆ It took time for permission or approval by other government agencies (9%)

% indicates ratio of the responses

TRS: Experience in Japan

Lesson Learnt from 1st and 2nd TRS

Air Cargo



Source : Monthly Report (1992 Oct.) Ministry of Finance, Policy Research Institute

❖ Reasons why longer time took btw arrival and warehousing

- ◆ It took much time to check and matching with cargo (39%)
- ◆ It took much time to devanning (19%)
- ◆ It took time for consolidation (18%)

❖ Reasons why longer time took btw warehousing and declaration

- ◆ Due to warehousing in the evening, declaration was made in the following day (32%)
- ◆ Due to other workload, making declaration was delayed (17%)
- ◆ There is no instruction from the clients (importers) (17%)

% indicates ratio of the responses

TRS: Experience in Japan

Main Objectives



❖ Identify bottlenecks

- Customs is not always an obstacle on facilitating international trade
- What and where the obstacles exist?

❖ Measuring performance of new facilitation measures

- Introduction of new measure/system, such as AEO program, contributes to reduction of clearance time.
- Stimulate efforts to improve efficiency and effectiveness of Customs clearance procedures

TRS: Experience in Japan

Brief of 10th Study

❖ Term of Study

- ❑ 12/03-18/03 2012 (7 days)

❖ Customs Offices

- ❑ Major sea ports and airports were selected

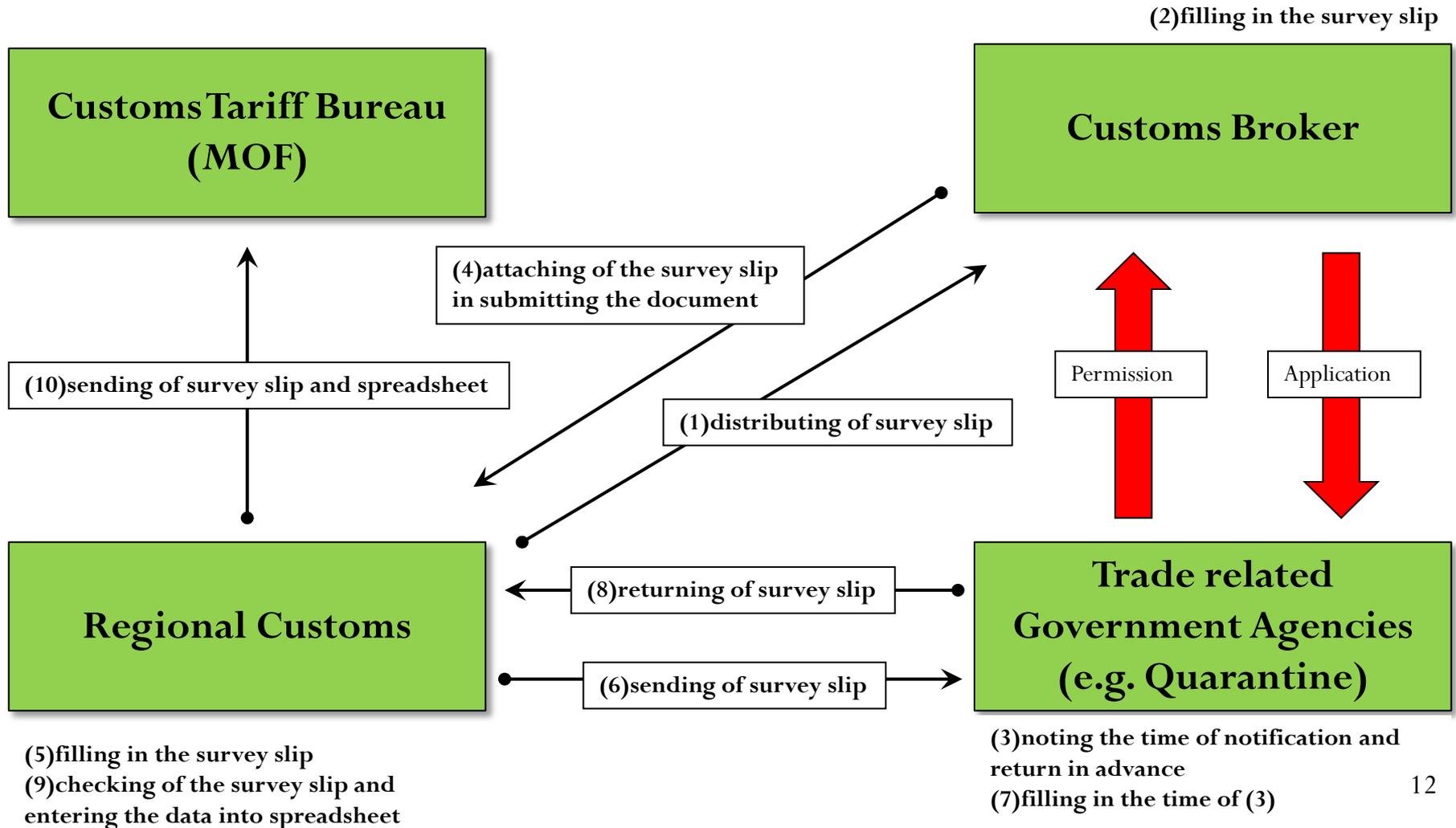
❖ Samples

- ❑ 3,200 Sea Cargoes and 2,500 Air Cargoes



TRS: Experience in Japan

How to implement the Study



TRS: Experience in Japan

Measures taken for import clearance of sea cargo

- **Computerization of Clearance (1991)**
- **Customs Database for RM (1991)**
- **Pre-arrival Doc. Examination (1991)**
- **Fax network with OGAs (1992)**
- **Parallel Docs examinations with OGAs (1994)**
- **One Stop service by Computer system (interface with OGAs) (1997)**
- **Simplified Declaration for Authorized Persons (RKC) (2001)**
- **Introduction of Single Window (2003)**
- **24 Hours operation (Major sea ports) (2003)**
- **AEO importer (April 2007)**
- **Introduction of 2nd Generation Single Window (February 2010)**
- **Paperless for Green Lane Declaration (July 2012)**
- **Can be submitted electronically through NACCS (October 2013)**



TRS: Experience in Japan

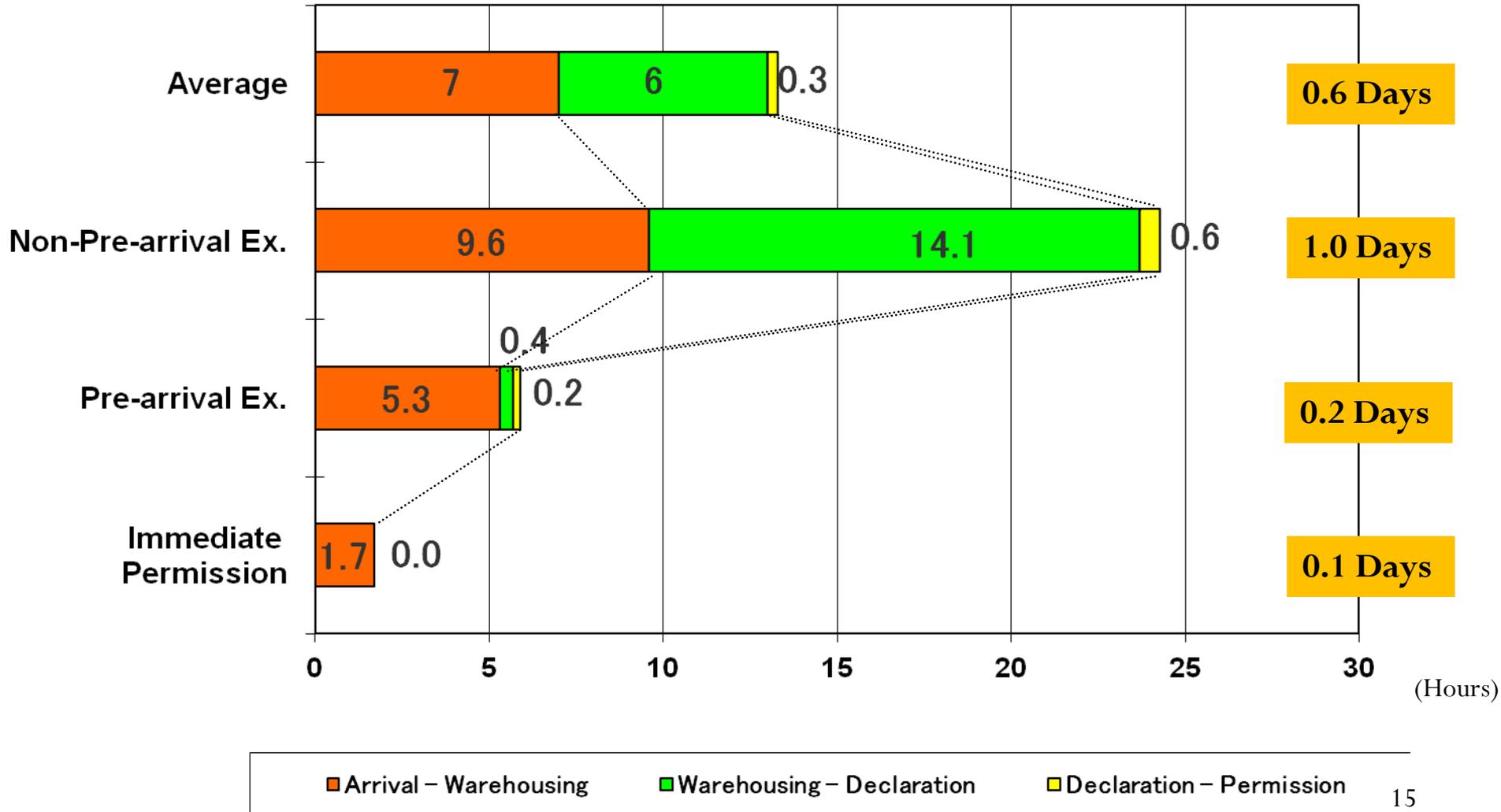
Measures taken for import clearance of **air cargo**

- **Pre-arrival Examination system was introduced (Apr. 1991).**
- **Modification of Air-NACCS (Feb. 1993), including expansion of office coverage.**
- **Immediate permission upon Arrival System (Apr. 1996).**
- **Simplified Declaration for Authorized persons (Mar. 2001).**
- **Modification of Air-NACCS (Oct. 2001).**
- **Single Window System (Jul. 2003)**
- **AEO importer (April 2007)**
- **Introduction of 2nd Generation Single Window (February 2010)**
- **Paperless for Green Lane Declaration (July 2012)**
- **Can be submitted electronically through NACCS (October 2013)**



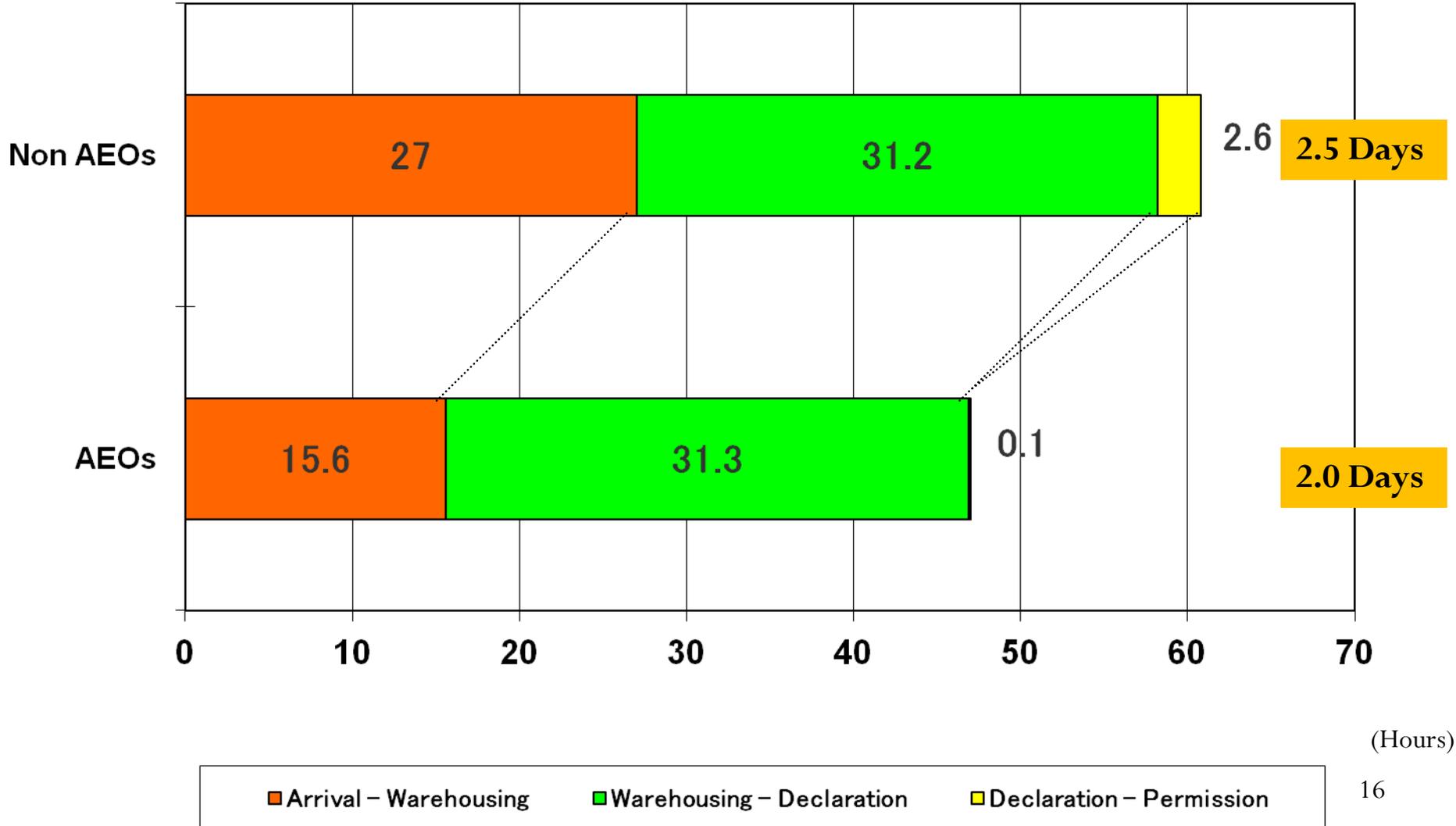
TRS: Experience in Japan

Comparison of the time for clearance applying Pre-Arrival Declaration (Air Cargo)(2012)



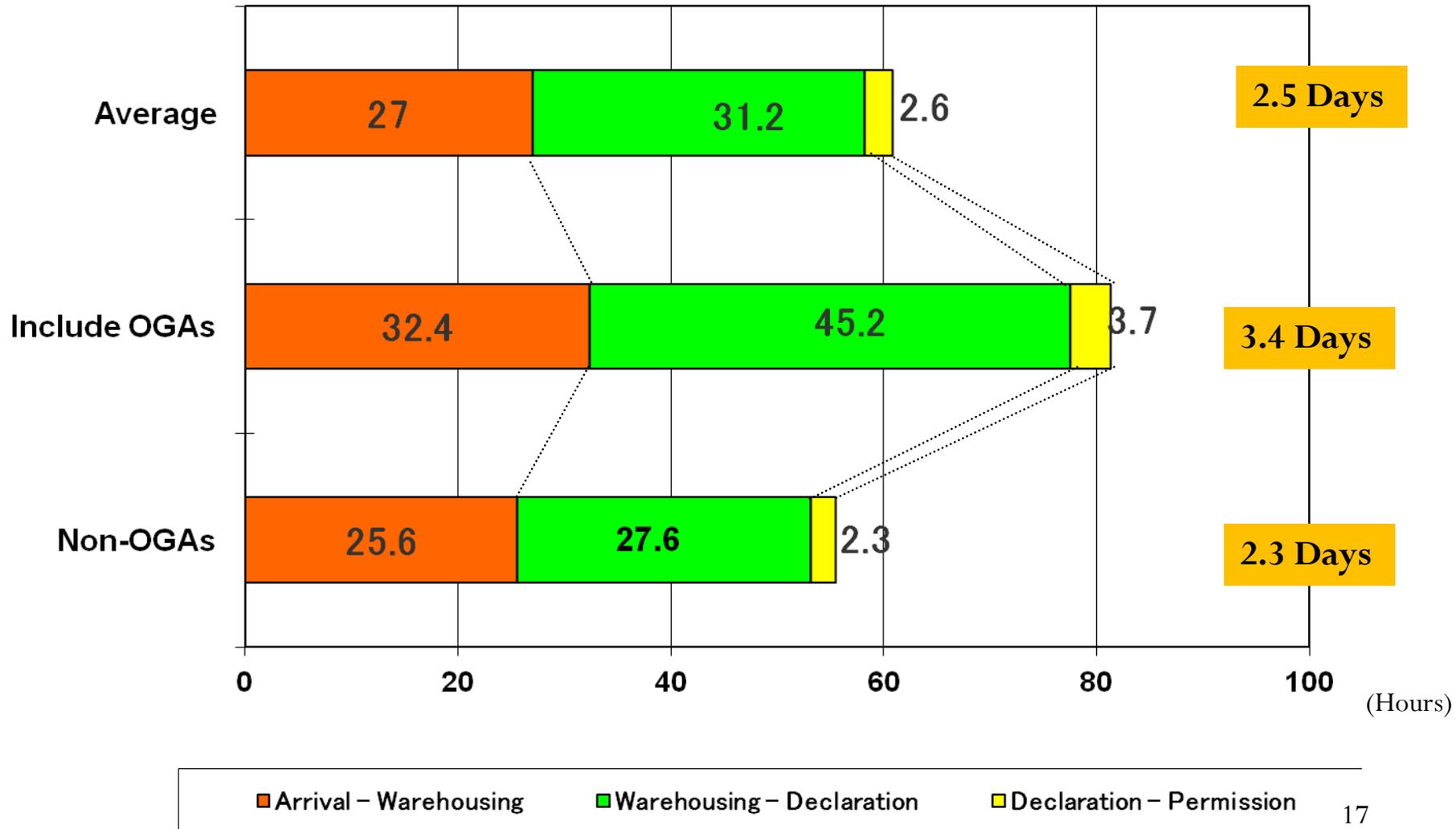
TRS: Experience in Japan

Comparison of time required for Clearance
between AEOs and Non-AEOs (Sea Cargo)(2012)



TRS: Experience in Japan

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

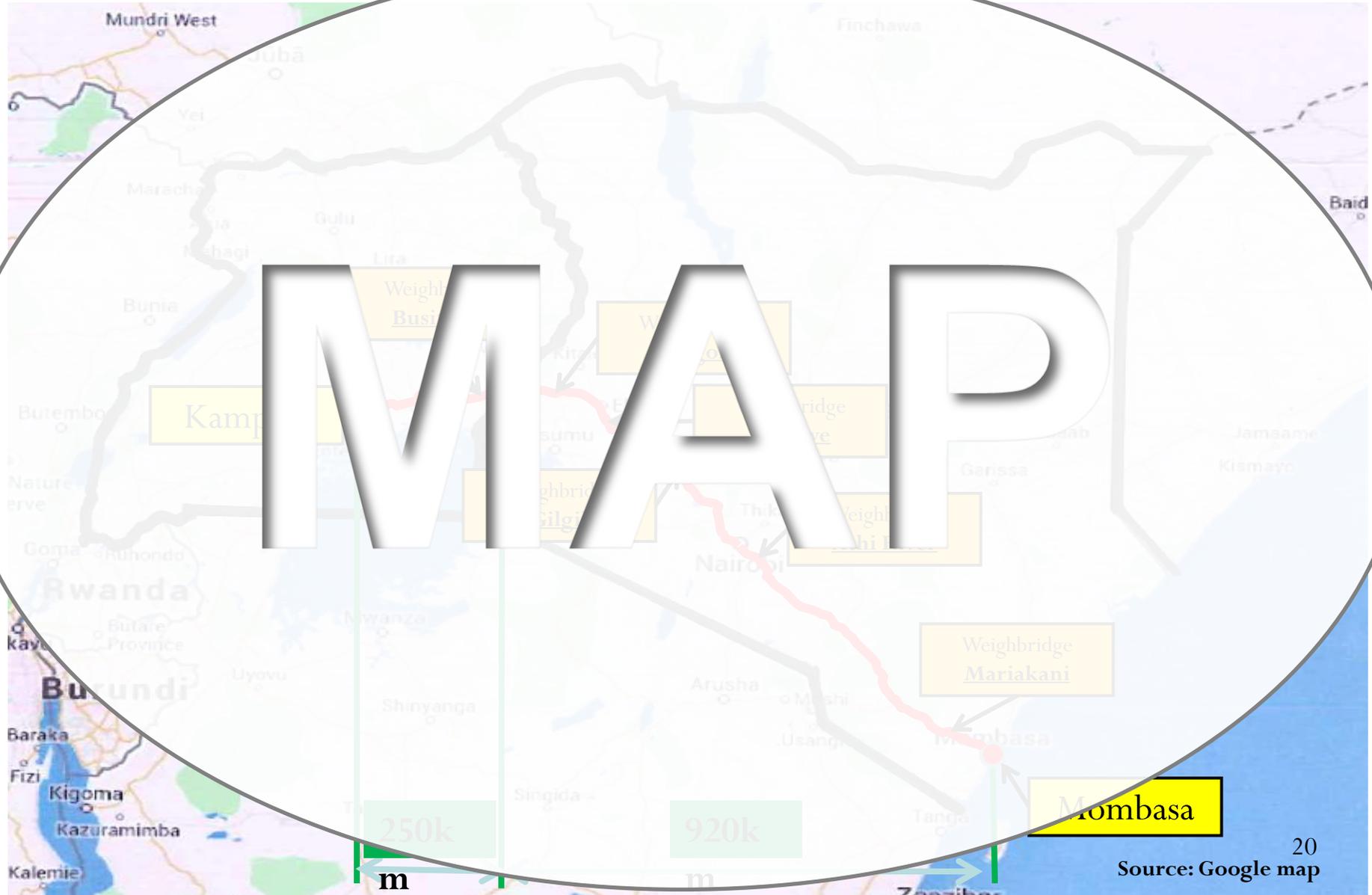


Experience of Kenya Customs and Uganda Customs



TRS: Experience in Kenya-Uganda

MAP



TRS: Experience in Kenya-Uganda



Mombasa Port

Weighbridge



Kenya Uganda Border



TRS: Experience in Kenya-Uganda

Process of TRS Implementation

- **June 2011: EAC Northern Corridor Pilot TRS Planning Workshop.**
 - Defining the scope,
 - Develop the methodology and questionnaire
 - Decide schedule
- **September 2011: Field Study by Working Group Members and Experts.**
 - Study trip from Mombasa-Kampala
 - Identify document and cargo flow
 - Verify draft questionnaire
- **16 April-05 May: Conducted TRS**
 - Sample: 472 out of 823 questionnaires



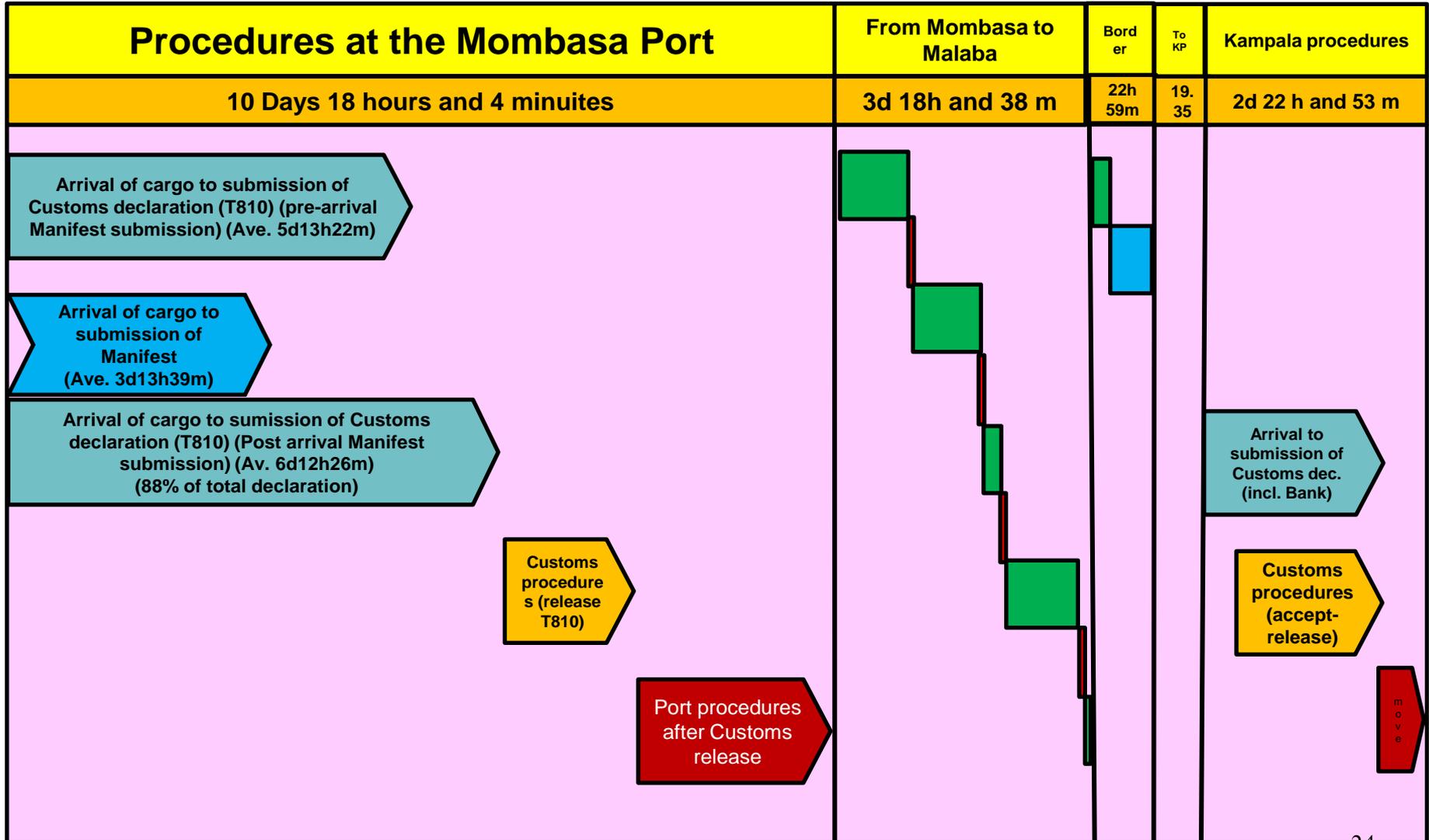
TRS: Experience in Kenya-Uganda

Main Objectives

- ❖ Disseminate information on the regional TRS;
- ❖ Share experience on TRS among EAC;
- ❖ Develop capacity in the region to undertake regional TRS;
- ❖ Establish the clearance and transit time from Mombasa to Kampala;
- ❖ Identify bottlenecks and inform the design of trade facilitation measures;
- ❖ Serve as a flagship regional project for the WCO.



TRS: Experience Kenya-Uganda



TRS: Experience in Kenya-Uganda

Key observations

1. Total time from Mombasa Port to physical release of goods in Kampala is about **18 days** of which the process at **Mombasa Port takes about 11 days**.
2. Despite the fact that 86% of the manifests are lodged at an average of four (4) days before the arrival of a vessel; however, 88% percent of Customs declarations are lodged at an average of **6 days after the arrival** of the vessel.
3. Transit cargo from Mombasa to Mariakani weighbridge, a distance of **36 kilometers, takes about 1 day**.
4. It takes **5 hours** for a truck to leave Malaba after the release by Customs.
5. The processing time at weighbridges is minimal.

TRS: Experience in Kenya-Uganda

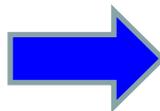
Key Recommendations

- ❖ Clearing Agents (Customs brokers) should utilise the pre-arrival lodgement facility.
- ❖ Re-engineer and harmonize processes at the major cargo clearance points.
- ❖ Implement electronic single window systems to facilitate electronic data interchange.
- ❖ Improve infrastructure, particularly, at the Malaba border.
- ❖ Synchronize administrative arrangements of key agencies involved in cargo clearance process to work 24 hours.



Thank you for your kind attention.

For more information,
please visit:
www.wcoomd.org



« Copyright © 2013 World Customs Organization. All rights reserved. Requests and inquiries concerning translation, reproduction and adaptation rights should be addressed to copyright@wcoomd.org ».

The screenshot shows the WCO website's 'INSTRUMENTS AND TOOLS' page. The header includes the WCO logo, name in English and French, and navigation links like 'ABOUT US', 'MEDIA', 'ONLINE SERVICES', 'TOPICS', and 'CONTACT'. A search bar is present. The main content area is titled 'INSTRUMENTS AND TOOLS' and lists several categories: 'CONVENTIONS' (Revised Kyoto Convention, ATA System, etc.), 'RECOMMENDATIONS' (practical instruments for harmonization), and 'TOOLS' (informal publications). A 'Highlights' section at the bottom features six document covers: 'Revised Kyoto Convention', 'Time Release Study', 'SAFE Package', 'Globally Networked Customs Concept', 'Data Model', and 'Single Window'.