

1. EXECUTIVE SUMMARY

1.1 Introduction

A Time Release Study (TRS) was developed by the World Customs Organization (WCO) in 1994 to measure the time required for the release of goods under Customs control.

In 2012, Papua New Guinea Customs Service (PNGCS) completed its first TRS for a sample of Import trade arriving in the port of Lae during the week of the 16th to 20th April.

The objectives of the TRS are:

- To provide a factual baseline of PNGCS performance that can stimulate streamlining of internal business processes, inform strategic planning and allow proactive engagement with industry to address areas of improvement or concern
- To ensure PNGCS remains focused on the right improvement opportunities and maintain a level of performance that meets international standards

1.2 Scope and methodology

The WCO 2011 revised guidelines were applied to determine scope and methodology.

The scope of the study included imported cargo arriving by sea over five consecutive working days in the week 16th April to 20th April 2012. The sample size was first 50 entries that were lodged on each of the TRS days. The WCO methodology was applied to identify the timings of:

The Customs end-to-end business processes (physical and documentary cargo clearance), from lodgement of the manifest to the release of cargo, Inclusive of both manual and automated business processes.

Measurement was based on all in scope data collected in the sample period.

Design: In response to the WCO TRS Guidelines and consistent with the TRS Roadmap a workshop was held with nominated operational staff from all regions and relevant officers from central office. The purpose of the workshop was to establish a working group and undertake Phase 1 of the TRS Roadmap.

A trial TRS was conducted on the 20th of February 2012 in Lae and although the scope of this TRS was within Customs end-to-end process, the team noted also that external factors, for example connectivity, had a significant impact on the clearance process while goods are within Customs control.

The TRS Working Group (WG) designed the Lae study to be within the period when movements of cargo are considered to be at the regular period and neither at the peak

period nor at the lowest period. This is for the purpose of attaining a more realistic picture as well as results.

Data collection and measurement: All data collected for the TRS was during Customs core business hours. Data was collected manually by officers and electronically via ASYCUDA. Two sets of forms were used to capture characteristics of the clearance processes that are outside of the current electronic system. Once collected, the manual and electronic data was combined so that the end-to-end clearance time of the qualifying data set could be determined.

Analysis and reporting: The results were analysed to assess Customs impact on the sea cargo delivery process. Key findings have been identified and opportunities for improvement documented for further consideration. It is anticipated to share the findings of the report with internal participants and others with an interest in trade facilitation.

1.3 Results

The primary measure for the TRS is the time taken from Arrival to Release. The TRS results for PNG are detailed in the analysis section of this document. PNG's results show that the time taken for a consignment to pass through Customs end-end clearance process is consistent with PNGCS service charter.

1.4 Key Findings

Analysis of the results generated by the TRS produced the following key findings:

1. The time taken for a consignment to pass through Customs end-to-end clearance process is consistent with PNGCS service charter
2. The timeliness of reporting of required information by Brokers and Shipping Agents can have a significant impact on the clearance process
3. Some delays in clearance can be attributed to processes outside of the formal Customs process
4. Opportunities exist to improve PNGCS performance specifically, the handling of entries within the Invoice Room where procedures appear to be complex, repetitive and inconsistent
5. The conduct of an ongoing TRS will build confidence and predictability in PNGCS performance at the border and inform strategic planning and decision making

1.5 Acknowledgements

Many people have contributed their time and expertise to this TRS. Special thanks go to:

- Members of the PNGCS TRS working group who gave their expertise and effort

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- PNG executive sponsors for their ongoing support