

Time Release Study for Singapore (2018)

(A) Introduction

As mandated by the 23rd ASEAN Economic Ministers (AEMs) Meeting in Mar 2017 to reduce trade transaction costs in ASEAN by 10 percent in 2020, the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC) developed the ASEAN Seamless Trade Facilitation Indicators (ASTFI) to measure and monitor the extent to which trade facilitation measures are implemented and their impact on trade transaction costs (TTC) in ASEAN. The ATF-JCC has engaged the Economic Research Institute for ASEAN and East Asia (ERIA) to conduct a baseline study to explore possible benchmarks and alternative ways of measuring TTC. The study also aims to analyse the relationships between the ASTFI and TTC to determine the potential contributions of each ASTFI variable in achieving the target of 10% reduction in trade transactions cost by 2020 and the doubling of intra-ASEAN trade between 2017-2025.

(B) Objectives

2 The Time Release Study (TRS) was conducted based on the Proposed Minimum Scope on TRS Implementation (Minimum Scope) (**Annex A**) developed during the Workshop on Technical Matters of Time Release Study Implementation in ASEAN held in April 2018. Using the data gathered from the TRS, Singapore also computed the import dwell times to calculate the TTC based on the addendum on the measurement of dwell time prepared by ERIA (**Annex B**). Moreover, additional data requested by ERIA at the 13th ASEAN Trade Facilitation – Joint Consultative Committee Meeting (Jan 2019) was included in this TRS report.

(C) Methodology

3 In line with the Minimum Scope, the focus of the study was on both export and import of goods. Data was collected for sea shipments over a period of seven consecutive days from 25 to 31 July 2018. Measurements were taken from “gate-in” as the initial measurement point to “stack yard” as the last measurement point for exports. For imports, the initial measurement point was “docking” and the last measurement point was “gate-out”.

4 Temporary import/export, re-import/re-export and bulk cargo were excluded from the TRS as stipulated in the Minimum Scope. Measuring the average time taken at different milestones from the initial to the last measurement point also allowed Singapore Customs to establish a quantitative baseline in a systematic and standardised way.

5 Data from 31,897 containers were collected for this study. Systematic sampling was then utilised to analyse the results. To ensure data integrity, all data on containers’ movement within the ports was also collected directly from the port operator’s systems and reconciled against the clearance information in Customs’ systems.

6 The Immigration and Checkpoints Authority (ICA), Singapore's border agency, was also consulted during the study.

(D) Findings

Export

7 The average total time taken between gate-in (initial measurement point) to stack yard (last measurement point) was **19 minutes and 1 second**.

Import

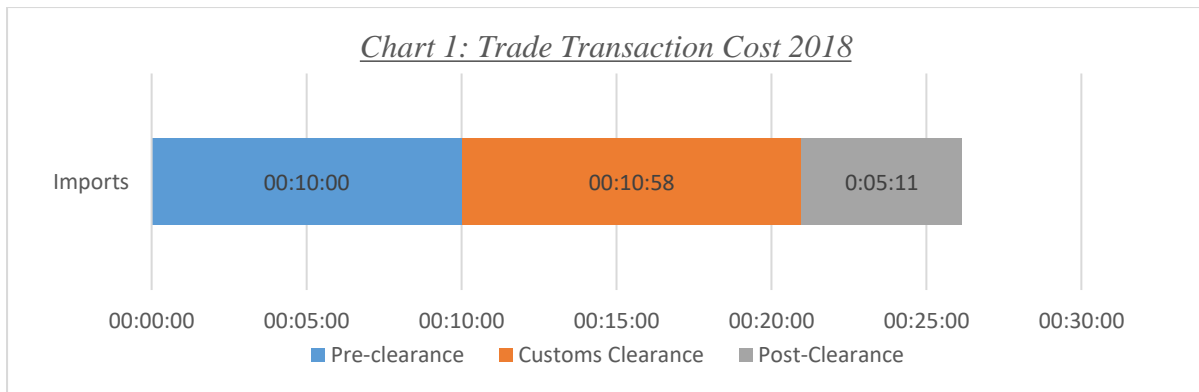
8 The average total time taken from docking (initial measurement point) to gate-out (last measurement point) took **8 hours, 25 minutes and 38 seconds**. This excluded the storage time of the container at the stack yard, which was largely attributed to traders' business decisions to utilise the limited free storage period offered by the port operator. If the storage time of the container at the stack yard were to be included, the average time taken would be **1.46 days**.

(E) Calculation of Trade Transaction Cost (TTC) Using Dwell Times

9 The dwell times (proxies) used for the calculation of the TTC in Singapore's context were:

- a. **Pre-clearance dwell time** is the average time to permit approval by major agencies. For Singapore, the approval of the customs permit application in TradeNet[®] generally takes about **10 minutes**;
- b. **Customs clearance dwell time** is defined as the time from documents to customs clearance. Under Singapore's context, this would cover the time taken for the container to move from the stack yard to the checkpoint for clearance, which was found to be **10 minutes and 58 seconds**. The storage time of the container in the stack yard was not factored in the calculation of the customs clearance dwell time, as the container would be available to be shipped out of the port at the point of its unloading to the stack yard. The storage of the container at the stack yard was a business decision by traders to leverage the rent-free storage services offered by the port operator; and
- c. **Post-clearance dwell time** is defined as the time from customs clearance to gate-out. This is translated to the time taken for the container to move from the checkpoint to gate-out at an average of **5 minutes and 11 seconds**.

10 In summing up the pre-clearance dwell time, customs clearance dwell time and post-clearance dwell time, **Singapore's TTC for 2018 was computed as 26 minutes and 9 seconds** (see *Chart 1* below).



(F) Additional Data Requested by ERIA

11 At the 13th ASEAN Trade Facilitation – Joint Consultative Committee Meeting, ERIA requested ASEAN Member States to include additional data in their TRS reports:

- a. **Time to permit approval** for a customs permit application in TradeNet[®] generally takes about **10 minutes**;
- b. **TRS results in pre-clearance (imports)**, covering the time taken for vessel docking and container discharge from vessel took **8 hours, 9 minutes and 29 seconds**. If the storage time of the container at the stack yard, which was largely attributed to traders’ business decisions to utilise the limited free storage period offered by the port operator, were to be included, the average time taken would be **1.45 days**;
- c. **TRS results in customs clearance (imports)**, or the time taken for the container to move from the stack yard to the checkpoint for clearance, was **10 minutes and 58 seconds**; and
- d. **TRS results in post clearance (imports)**, involving the time taken for the container to move from the checkpoint to gate-out was **5 minutes and 11 seconds**.

(G) Challenges Faced

12 To ensure that the end results of the study are useful and relevant (for example, as the baseline for the TTC), extensive planning had to be done to ensure that all relevant data points required by both the Minimum Scope and ERIA, were properly measured and obtained. Singapore Customs also had to work closely with the port operator and ICA on data interpretation.

13 The large amount of data collected under the study period required careful reconciliation with Singapore Customs’ permit information to ensure accuracy of the study. In addition, as with any statistical analysis, care has to be taken to identify anomalies in the data, so that they would not skew the final findings.

(H) Conclusion

14 The key results of this TRS are summarised in the tables below:

Table 1: TRS Average Release Times

S/N	Data Points	Timings
1	Average Release Time for Exports (i.e. Gate-in to Stack yard)	19 minutes and 1 second
2	Average Release Time for Imports: (a) Excludes storage period of container at the stack yard (b) Includes storage period of container at the stack yard*	(a) 8 hours, 25 minutes and 38 seconds (b) 1.46 days

Table 2: Trade Transaction Cost

S/N	Data Points	Timings
1	Pre-Clearance Dwell Time (Imports)	10 minutes
2	Customs Clearance Dwell Time (Imports)	10 minutes and 58 seconds
3	Post-Clearance Dwell Time (Imports)	5 minutes and 11 seconds
4	Total TTC for 2018	26 minutes and 9 seconds

Table 3: Additional Data Requested by ERIA

S/N	Data Points	Timings
1	Time to Permit Approval	10 minutes
2	TRS Results in Pre-Clearance (Imports) (a) Excludes storage period of container at the stack yard (b) Includes storage period of container at the stack yard*	(a) 8 hours, 9 minutes and 29 seconds (b) 1.45 days
3	TRS Results in Customs Clearance (Imports)	10 minutes and 58 seconds
4	TRS Results in Post-Clearance (Imports)	5 minutes and 11 seconds

15 In conclusion, this TRS illustrated the efficiency of Customs and port processes in Singapore, which translates to relatively short average release times for imports and exports and a low TTC.

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Report prepared by Singapore Customs

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* Attributed to traders' business decisions to utilise the limited free storage period offered by the port operator.