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## Foreword

The WCO TRS is specifically referenced in Article 7.6 of the WTO TFA as a tool for Members to measure and publish the average release time of goods. TRS is internationally recognized tool to measure the actual time required for clearance of goods in order to improve trade facilitation especially at the border. Therefore, one of the strategic measures under the key elements of AEC, Trade in Goods highlights ASEAN role in the conclusion of WTO TFA in 2013, which aims to accelerate and deepen the implementation of Trade Facilitation Measures. Hence, the Time Release Study is crucial for Customs and Other Government Agencies as well as for private sectors in the trading community.

In accordance with the provisions mentioned above, the study was surveyed at Asia World Port Terminal (Yangon), Yangon Air Cargo Terminal (Yangon) and Myawaddy Trade Zone based on cargo imported operating the MACCS system. The survey was completed in Myawaddy Trade Zone from 31<sup>st</sup> January, 2019 to 6<sup>th</sup> February, 2019 and at Asia World Port Terminal (Yangon) and Yangon Air Cargo Terminal (Yangon) from 13<sup>th</sup> to 21<sup>st</sup> February, 2019.

The results from the survey enable effective monitoring procedures and behaviors, measuring the progress of trade facilitation and identifying bottlenecks in the trade supply chain.

Myanmar Customs Department, Other Government Agencies and private sectors in the trading community play an important role in enhancing Myanmar's reputation in trade. Myanmar may facilitate trade further with the cooperation of Other Government Agencies and private sectors by implementing the appropriate regulatory reforms to resolve trade flow bottlenecks. With improved effectiveness and efficiency of border procedures, streamlined to reduce the processing time of cargo, Myanmar will be better positioned to achieve more foreign investment and to promote economic development within the country.

I would like to express deep appreciation to Asian Development Bank (ADB), for providing us with the necessary technical assistance, Japan International Cooperation Agency (JICA), Other Government Agencies and representatives of the private sectors in the trading community for their contribution to this report. And also, I would like to congratulate the National Working Group members for their hard work in undertaking this study.

Kyaw Htin  
Director-General of Customs

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The Customs Department under the Ministry of Planning, Finance and Industry in Myanmar conducted a detailed analysis of the Time Release Study (TRS) report in collaboration with Asian Development Bank (ADB) and Japan International Cooperation Agency (JICA).

In order to develop TRS report in accordance with the World Customs Organization (WCO) guideline, under the instruction of U Kyaw Htin, Director-General of Myanmar Customs Department, the National Working Group members cooperated with Mr. Stephen Cox, Team Leader and Consultant of ADB and Mr. Takao Iwai, JICA Expert from the JICA Expert Office and a WCO Accredited Expert on TRS. The survey results were calculated and integrated into WCO TRS software with the help of Mr. Takao Iwai, JICA Expert from the JICA Expert Office and a WCO Accredited Expert on TRS.

The National Working Group members would like to extend their gratitude to the Other Government Agencies and private sectors in the trading community who participated in the Consultative meeting discussed the outcomes of the survey, led by Mr. Stephen Cox from ADB together with the National Working Group members, at the Myanmar Customs Headquarters.

In addition, the National Working Group members are deeply thankful to Mr. Stephen Cox, Team Leader and Consultant of ADB, Mr. Taro Sekiguchi, Trade Specialist, Ms. Sasza Barot, Project Analyst, Ms. Alfea S. Bonsol Bustonera, Consultant-Project Administrator, and Mr. Yoshikazu Sakai, JICA Chief Advisor and Mr. Takao Iwai, JICA Expert from the JICA Expert Office and a WCO Accredited Expert on TRS for giving their great assistance to facilitate the development of Time Release Study Report.

National Working Group Members

## Abbreviations and Acronyms

|       |  |
|-------|--|
| ADB   | Asian Development Bank                   |
| AEC   | ASEAN Economic Community                 |
| ASEAN | Association of Southeast Asian Nations   |
| HAWB  | House Air Way Bill                       |
| MAWB  | Master Air Way Bill                      |
| AWPT  | Asia World Port Terminal                 |
| B/L   | Bill of Lading                           |
| BTOS  | Border Trade Online System               |
| CB    | Customs Broker                           |
| CEPT  | Common Effective Preferential Tariff     |
| CY    | Container Yard                           |
| D/O   | Delivery Order                           |
| DL    | Delivery List                            |
| HS    | Harmonized System                        |
| JICA  | Japan International Cooperation Agency   |
| MACCS | Myanmar Automated Cargo Clearance System |
| MCD   | Myanmar Customs Department               |
| M/F   | Manifest                                 |
| MTZ   | Myawaddy Trade Zone                      |
| NSW   | National Single Window                   |
| OGA   | Other Government Agency                  |
| OSSC  | One-Stop Service Center                  |
| P/O   | Payment Order                            |
| RO    | Release Order                            |
| SAD   | Shipping Agency Department               |
| TFA   | Trade Facilitation Agreement             |
| TRS   | Time Release Study                       |
| ULD   | Unit Load Device                         |
| VCCS  | Vehicle and Cargo Checking System        |
| WCO   | World Customs Organization               |
| WTO   | World Trade Organization                 |
| YACL  | Yangon Air Cargo Terminal                |

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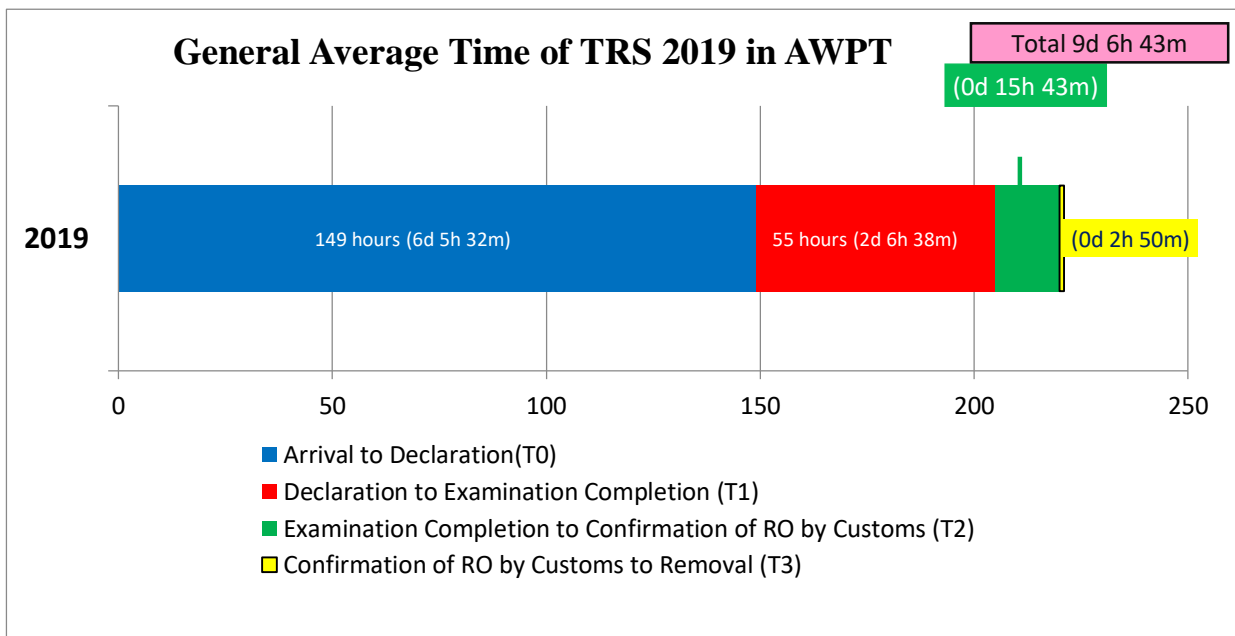
## Executive Summary

### Outline of the study

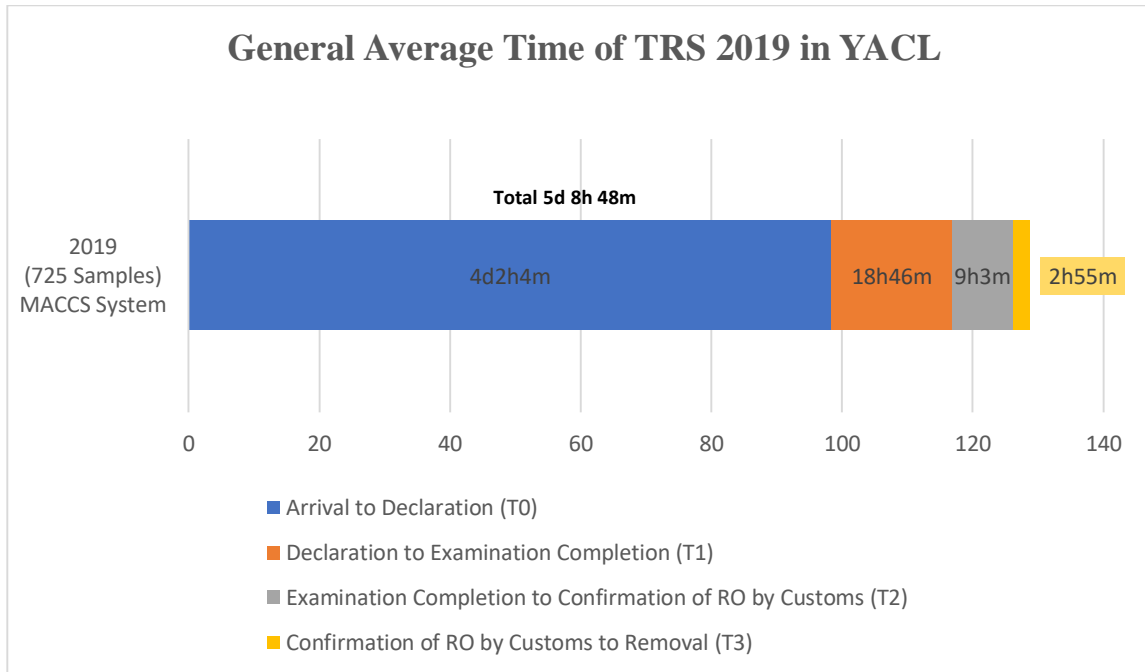
The Time Release Study (TRS) is recognized as a trade facilitation tool to enhance the efficiency of import procedures including customs administrations. As part of the ASEAN Economic Community (AEC) Blueprint 2025<sup>1</sup> Consolidated Strategic Action Plan, MCD conducted TRS in three locations, i.e. Asia World Port Terminal (AWPT), a sea port, Yangon Air Cargo Terminal (YACL), which is used as a warehouse handling exclusively air cargo by import, an airport and Myawaddy Trade Zone (MTZ), a land border. Myanmar Automated Cargo Clearance System (MACCS) is used in all three locations. The TRS methodology from the World Customs Organization was adopted to measure the time required for the release of goods.

### Major findings

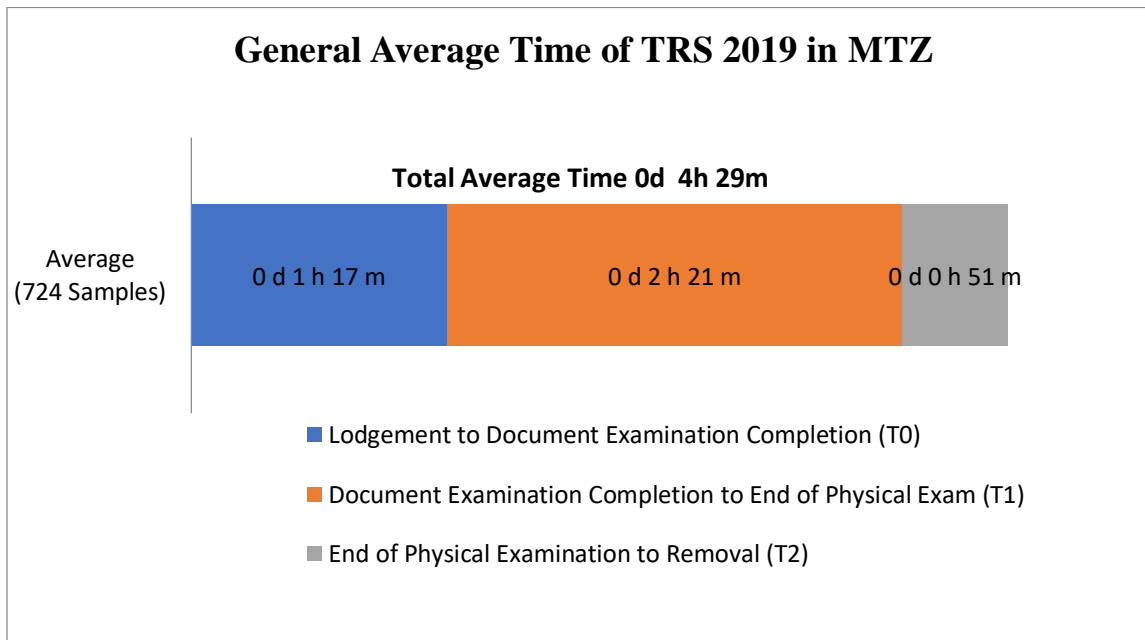
Charts below show the AWPT and YACL's average time taken to release goods, based on the 2019 TRS results. After the introduction of MACCS, the result of the study shows that AWPT's entire clearance period of the study was 9 days, 6 hours and 43 minutes. While in YACL, the entire clearance process of the study was 5 days, 8 hours and 48 minutes.



**Chart 1: General Average Time of TRS 2019 in AWPT**



**Chart 2: General Average Time of TRS 2019 in YACL**



**Chart 3: General Average Time of TRS 2019 in MTZ**

The import operation in MTZ is different from AWPT and YACL. Data collection in AWPT and YACL began at arrival (T0). On the other hand, data collection in MTZ started at lodgment of declaration (T0), which corresponds with 'T1' in AWPT and YACL. It makes MTZ data appear to be significantly faster than AWPT and YACL.

For the goods which are controlled by OGAs, there was less difference between OGA's controlled goods and ordinary goods in comparison with other countries. The reason is that customs broker (CB) or importer has to get licenses before the arrival of the goods in Myanmar so that approval process of license does not affect the duration from arrival to release of import goods other than the quarantine, sanitary or phyto-sanitary products.

### **Considerations**

1. Economic Sanction: On 7<sup>th</sup> October, 2016, the United States lifted its economic sanction against Myanmar. This measure was a significant impact on trade volume and rapid economic growth in Myanmar.
2. In September 2017, MCD changed its levy system from official assessment system to self-assessment system, where taxpayers need to declare by themselves about tax base price subject to the goods, they want to import to the Customs authority along with international standards.
3. Myanmar Automated Cargo Clearance System (MACCS) was introduced in Yangon in November 2016 and expanded to Myawaddy in June 2018. MACCS accepts not only declaration information that is processed by CB or importer but also consignment information by carrier, airline, container operator (AWPT) and warehouse operator (YACL). MACCS introduction might affect not only CB or importer but also other logistics partners. In MACCS system, the declarations can be accepted twenty-four hours a day, seven days a week (24/7). Therefore, there was a time lag from transmission of electronic declaration to MACCS to acceptance by Customs especially at nighttime, weekends and holidays in 2019.
4. Due to the change of the levy system and introduction of MACCS, import procedures have been changed in AWPT and YACL.

### **Recommendations**

To address major findings, the following recommendations are proposed:

1. Optimize entire import clearance operations: MACCS is supporting primarily an individual optimization of customs import declaration process and not entire import clearance process. Some realizes convenient and efficient but some leaves behind. It would be necessary to entire optimization with and without MACCS.

<sup>1</sup>The ASEAN Economic Community (AEC) Blueprint 2025 was adopted by the ASEAN Leaders in 2015 as part of the ASEAN 2025: Forging Ahead Together. One of its strategic measures is to 'Accelerate and Deepen the Implementation of Trade Facilitation Measures. The conduct of TRS is one of the key action lines under this measure.

<https://asean.org/storage/2012/05/Updated-AEC-2025-CSAP-14-Aug-2018-final.pdf>



2. Maximize the use of MACCS: MACCS has functions to accept advanced information which could be useful for facilitation. However, it is also true that later information could be more accurate than earlier one. From this point of view, administration should encourage Customs Brokers (CB) to send advanced information. In addition, MACCS has ability to transmit supplemental documents by PDF files. It would be technically possible to eliminate paper documents that are submitted to Customs at the time of physical examination for trustworthy CB and importer.
3. Advance the implementation of the WTO TFA: As of December 2019, Myanmar has thirty-one measures in Category C. The implementation of the WTO TFA and other international standards for international trade will significantly identify whether the bottlenecks in OGAs or Customs including delayed input of consignment information to MACCS found in this study.
4. Train users of MACCS and assign necessary customs officers in accordance with trade volume increase: The 2019 TRS revealed that comprehensive trainings are needed for Customs, OGAs and private sectors. In addition, it should be needed to assign necessary customs officers who engage in import clearing process at ports, airports and land borders.