

World Trade Center Suggests Measures To Reduce Cargo Release Time, Improve Global Competitiveness

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The Memorandum, prepared with inputs from Brihanmumbai Customs Broker Association (BCBA), proposes at least eight actionable policy measures to address delay in processing of shipping documents, reduce cargo dwell time and minimize trade cost for the industry

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MVIRDC World Trade Center Mumbai submits Policy Memorandum suggesting Trade Facilitation measures to reduce cargo release time and improve global competitiveness of Indian exporters to the Central Board of Indirect Taxes and Customs (CBIC).

The Memorandum, prepared with inputs from Brihanmumbai Customs Broker Association (BCBA), proposes at least eight actionable policy measures to address delay in processing of shipping documents, reduce cargo dwell time and minimize trade cost for the industry. The memorandum was also circulated to the Chief Commissioners of Customs at Mumbai Air Cargo Complex, Jawaharlal Nehru Customs House and Mumbai Customs House.

Pointing out the rationale of this Policy Memorandum, Dr Vijay Kalantri, Chairman, WTC Mumbai remarked, "The government has taken various policy measures to support exporters and importers under the National Trade Facilitation Action Plan (NTFAP) and also as part of India's commitment under WTO's Trade Facilitation Agreement. This memorandum is part of our efforts to flag areas that require further policy actions to ensure smooth movement of EXIM cargo and facilitate the USD 1 trillion merchandise export vision by 2030."

As a result of government's recent trade facilitation initiatives, the average physical release time for exports (via sea) has declined from 191 hours in 2022 to 175 hours in 2023, while for import (via sea), the average release time has declined from 94 hours to 85 hours (as per National Time Release Survey 2023).

At the same time, the memorandum flags key challenges faced by exporters and importers, some of which are: delay in issuance of Let Export Order (LEO) for export consignments, delay in assessment of Bill of Entry of import consignments, delay in cargo release time due to stringent examination orders, difficulty in amending advance Bill of Entry and time-consuming manual paperwork for approval process with Partner Government Agencies.

The memorandum proposes actionable policy measures to address these challenges. Some of the suggestions made in the memorandum are: introduction of centralized redressal mechanism for exporters, introduction of fully automated gates in the Centralised Parking Plaza, setting up Commodity based specialized Assessment Centers, allocating special team of officers for priority examinations of AEO accredited exporters and so on.

The memorandum also highlights the challenges faced by exporters under the Faceless Assessment regime, which was introduced by the CBIC in 2020 to bring anonymity, transparency and uniformity in assessment practices.

Suggesting the authorities to review the implementation of faceless assessment regime, Kaushal Thakker, Chairman - Air Export Committee, Brihanmumbai Customs Broker Association (BCBA) remarked, "Faceless Regime is feasible in the assessment of Income Tax returns, IGST Refunds etc. But for LIVE SHIPMENTS, any delay leads to cost escalation which defeats the objective of the NATIONAL LOGISTICS POLICY in reducing the EXIM time and costs. Authorities should take feedback from the industry about the effectiveness of faceless assessment process. More than the IMPORTERS or EXPORTERS, the mindset of the department, especially at the ground level, should be supportive if FACELESS REGIME is to be successfully implemented."