387224

GOVERNMENT OF PAKISTAN MINISTRY OF COMMUNICATIONS NATIONAL TRANSPORT RESEARCH CENTRE

LAR 1996

++++

08383

SURVEY OF THE TIME TAKEN FOR FLOW OF CARGO THROUGH PORTS

NTRC-194

MAHMOOD LARIK
Deputy Chief

August, 1996

CONTENTS

<u>S1</u>	.No. DESCRIPTION	Page No.
	Executive Summary	1
	i) Introductionii) Objectives of Studyiii) Scope of Studyiv) Methodology	3 3 4 4
1.	High Transit Time at Ports & its effects.	5
2.	Disruption in the Flow of Cargo.	6
3.	Basis of Selecting the Port for Carrying out a Survey.	7
4.	Commodity Chosen for Carrying out a Survey of Time Taken for Flow of Cargo Through Port.	8
5.	Volume of Import Dry Cargo Handled at Karachi Port and at Port Qasim.	9
6.	Processing of Import Cargo from the Arrival of Ship to Storage Area.	10
7.	Documents required for Clearing Import Cargo.	11
8.	Time Taken by Complex Document System.	12
9.	Import Process Document Flow Chart.	. 13
10.	Clearing Process Starting with Customs.	14
11.	Time taken by Customs for Cargo Clearance in the Way of First Assessment or Regular Examination.	14
12.	Time Taken by Customs for Cargo Clearance in the Way of Second Assessment or Non-Regular Examination.	15
13.	Time Taken by Customs Relating to Inland movement of Cargo Destined to other Dry Ports	16

CONTENTS

<u>S. 1</u>	O. DESCRIPTION	Page No.
14.	Chart of Links involved for Processing the Import Cargo based on Second Assessment.	18
15.	Time Taken by Pre-delivery Inspection Certificates (PDIC).	19
16.	Time Taken by other Agencies in Order to Clear the Cargo.	19
17.	Time Taken at Sea Port due to non-availability of through B/L for other Dry Ports.	21
18.	Time Taken by movement of un-claimed Cargo.	22
19.	Time Taken by movement of disputed Cargo.	22
20.	Time Taken by the movement of GITA Traffic (Goods in Transit to Afghanistan).	23
21.	Large variations in calculating the time taken for flow of import cargo through port.	24
22.	Processing of Time Taken by export Traffic.	25
23.	Time Taken by Export Traffic.	27
24.	Bottlenecks in the Processing of Import Cargo.	27
25.	Recommendations.	28
26.	Bibliographic Reference	29
27.	Glossary of Terms used in the Study.	30

EXECUTIVE SUMMARY

Transit time of the cargo at any Port is a fairly good indicator of the effeciency of the port. Higher the transit time within port area, greater would be the costs to the users as well as the national economy. The study aims at comparing the port transit time for both import and export cargo for Pakistan.

For selection of port for the study, consideration was given to volume, commodity and handling methods of cargo. At Port Qasim, mostly dry bulk cargos are handled by special equipment like conveyor belts for handling the Iron Ore and Grain silos for food grain. Very little general cargo is handled port Qasim. In comparison most of the general cargo is handled at Karachi Port and hence was selected for the study.

As against the international standard of five days for import as well as export for any type of cargo, the average transit time for various cargo through port of Karachi is summarized as under:-

A. IMPORT.

- 1. The overall average transit time of General Cargo is 12 days.
- 2. The average transit time of semi bulk cargo is also 12 days.

- 3. The average transit time of containerized cargo including containers destined for other dry ports is 10 days.
- 4. The disputed and unclaimed cargo takes more than one year.
- 5. The goods in transit to Afghanistan, generally take one month.

B. EXPORT.

The overall transit time for export of general cargo is 5 days.

The Problems

The reasons for higher transit time of import cargo at port of Karachi are as under:-

- 1. Duplication of work performed by various agencies specially for checking.
- Large number of personnel involved at a multiple locations, all with differing responsibilities.
- 3. Too much and too complex documentation.

Recommendations

The following recommendations are made to reduce the high transit time for the movement of import cargo through Karachi Port.

- a) Introduction of Electronic Clearances System, to reduce paper work.
- b) Adopting system of Random RISK Assessment to reduce examinations and inspections by customs.
- c) Rationalising and simplifying documentation .

i) INTRODUCTION

Considerable time incurred on the movement of import Pakistan is recognised cargo within be high by to international and regional standards. Such domestic transit times often exceed the transit time of the international movement. The high transit times within Pakistan reflection of the disruption in the logistics flow. directly results in increased costs to importers. Due to this tendency the expenditure on imports increases due to the higher domestic handling costs and the need for increased stock level.

This study will attempts to identify various problems in the smooth flow of import cargo through ports. The solution of these identified problems would assist in reducing the transit time, cost to the importers and port congestion.

ii) OBJECTIVES OF STUDY

The objective of the study are to:

- 1. Find ways and means which can assist in reducing the time taken for international cargo through port.
- Pin point the areas which are the major cause of increased time for movement of import and export cargo.

iii) SCOPE OF STUDY

- Calculate/tabulate the time taken for import cargo from day one when ship arrives at the Port to cross the port gate.
- Pin point the areas/black spots which are the major causes of increasing the transit time in the movement of cargo.

METHODOLOGY USED FOR CALCULATING THE AVERAGE TIME TAKEN BY IMPORT CARGO.

In order to calculate the average time taken for the movement of import cargo from the arrival of ship to cross the gate the following methodology was used:

- 1. Different "Bill of Entry" copies of various cargo items lying with clearing and Forwarding Agencies were examined.
- 2. Interviews and discussions were made with different importers of various cargo items like importers of Rubber Scrap, Motor Cars, Computers, Heavy machinery etc.
- 3. The following clearing and forwarding agencies in Karachi were visited.
 - a) Global Packers and Movers, Pvt. Ltd., West Wharf Road, Karachi.
 - b) Coks and Kings, I.I Chundrigar Road, Karachi.
 - c) S.A Agencies, 5/1, Arkay Square, Shahrah-e-Liaqat, Karachi.
- 4. From the office of clearing and forwarding agencies the record of Bill of Entries of various cargo items like Rubber Scrap, Motor Cars, Heavy Machinery, FCL Containers, LCL Container Load, Food items, Electronic items, House Hold items on T/R etc. were checked.

From the Bill of Entries and invoices of various cargo items mentioned above the following dates were checked and noted down:

- i) Date of Machine Number assigned by customs on bill of entry.
- ii) Date of payment of duty at Bank.
- iii) Date of issuing the gate pass by KPT inspector.
- iv) Date of "out of charge" stamp by customs.
- v) Adding the additional average time of 03 hours for inspection at KPT gate.

By adopting the above methodology the average transit time for the movement of import general cargo through port is estimated at 10 to 12 days.

1. HIGH TRANSIT TIME AT FORT AND ITS EFFECTS.

Transit times in the movement of international cargo at Karachi Port is recognised to be high by both international and regional standards. The average transit time for import cargo within a full container load, from unloading of the vessel to cross the KPT Gate is estimated at 12 days and transit time from exporters premises in KHI for loading at port is estimated at 05 days. The high transit time within port area directly results in increased costs to both importers and exporters. This tends to make Pakistani exports less competitive in terms of both cost and

supply reliability, particularly relative to similar products being exported by other low cost economy countries in the region. Expenditure on import is increased due to the higher domestic handling costs and the need for increased stock levels.

2. <u>DISRUPTION IN THE FLOW OF CARGO.</u>

The concept of modern international logistics is of goods flowing down a transportation "pipe line". The goods should always be on the move but, in practice, will always be subject to flow disruption, particularly when undergoing a modal change such as that from ship to rail/road at a port. This disruption is represented by Storage-in-Transit or dwell time, when the goods are stationery.

series ofA logistics chain consists a movements represented by the links. The goods move activities which are along the chain from shipper at one end to the receiver at the links are required to affect a successful other end. All the disruption to the flow or the additional The more movement. chain, the greater the costs and need to put more the links in goods into the pipeline to ensure continuity of supply.

3. BASIS OF SELECTING THE PORT FOR CARRYING OUT A SURVEY.

Before selecting a port for carrying out a survey consideration was given to volume, commodity, and handling methods of import cargo which was handled at the port. It may be seen from the following table that a Port Qasim only following commodities were handled in the shape of Dry Bulk Cargo.

- Wheat
- Phosphate
- Urea
- Sugar
- Pulse
- Cement
- Iron Ore
- Coal

No General Cargo of any type and containers were handled at Port Qasim. It may also be pointed out that all the above mentioned commodities were handled at Port Qasim by special handling methods like conveyor belts, etc. So for carrying out our survey only Karachi Port was selected because this is the only port in Pakistan where general cargo of various type and containers are handled.

4. COMMODITY CHOSEN FOR CARRYING OUT A SURVEY OF TIME TAKEN FOR FLOW OF CARGO THROUGH PORT.

From the details of cargo handled at Karachi Port & at Port Qasim at Table No. 1 the bulk cargo of various type like Iron Ore, Coal, Wheat, Rice etc. has been handled by using special methods like conveyor belts for handling Iron Ore and Coal and grain silos for handling wheat and rice. There is only General Cargo which comes in the category of OTHERS and container cargo. So various samples of General Cargo and Container Cargo have been selected for carrying out this study/survey.

Table No. 1.

5.	VOLUME OF IMPORT DRY CAPPORT QASIM (1992-93)	RGO HANDLED AT K	ARACHI PORT & AT Unit: Tons
S.No.	Commodities	<u>Karachi Port</u>	Port Qasim
1.	General Cargo (Other)	3,181,003	Nil
2.	Container (20') TEU Nos	119,903	Nil
3.	Container (40') TEU Nos	6 7,468	Nil
4.	Motor Vehicles	80,604	Nil
5.	* Bamboos	4,648	Nil
6.	Dyes and Chemicals	172,207	Nil
7.	Jute	85,335	Nil
8.	News Print	59,219	Nil .
9.	Other Paper	102,080	Nil
10.	Timber	5,579	Nil
11.	Logs	24,768	Nil
12.	Tea	69,296	Nil
13.	Iron & Steel	399,445	Nil
14.	Iron Scrap	353,195	N±1
15.	Rubber Scrap	2,731	Nil
16.	Cement	44,465	18,126
17.	.Fertilizer/Urea	1,153,565	317,374
18.	Rock Phosphate	280,048	27,982
19.	Sugar	58,924	Nil
20.	Wheat	Nil	2,866,194
21.	Pulses	Nil	122,404
22.	Iron Ore	Nil	1,701,136
23.	Coal	Nil	1,044,003
	Total		6,109,054

6. PROCESSING OF IMPORT CARGO FROM THE ARRIVAL OF SHIP TO STORAGE AREA AT KARACHI PORT.

The import process commences with the shipping company's local representative advising KPT of the ships ETA and giving out line cargo details. This enables KPT to allocate a berth and assign storage area. The representative then prepares book based on information from the carriers overseas office. This has to be submitted to KPT 24 hours prior to the arrival ofthe ship. This contains details of each shipment entered in alphabetical order of consignees and an Index Number. The carriers representative notifies the consignees of impending arrival of their cargo by posting letter and also be advertising in a journal. This is normally completed in two days time prior to discharge. The container will be destuffed unless importer or his clearing agent applies in writing to the Deputy Traffic Manager at KPT. This process is necessary to allow KPT to issue the allocation letter to assign a shed or storage area for the container.

Following the vessels arrival, the representative seeks "Break Bulk Permission" from the customs Boarding Officer to allow discharge to commence. The cargo book is used as the cargo control document during discharge. KPT takes responsibility for the cargo when it goes into storage. A provisional cut turn report is prepared based on cargo book entries.

An Import General Manifest (IGM) is prepared by the carriers representative. It is based on the ships manifest, as opposed to the cargo list which was a provisional list of what was expected to be shipped. The IGM is in a format stipulated by customs with seven hard copies being required for submission, plus the same data on a floppy disc. The IGM is split into different sections covering full container load (FCL)/Less than container load (LCL)/Valuable/Hazardous/Dry Port Cargo. It must be lodged with customs at the latest 24 hours after ship arrival.

7. DOCUMENTS REQUIRED FOR CLEARING OF IMPORT CARGO.

- Original bill of lading
- Non negotiable copy of B/L
- Proforma invoice
- Packing list
- Import license
- Original letter of credit
- Pre-delivery inspection certificate (if consignment value over US \$ 3000)
- Certificate of origin (optional)
- Shipping advice

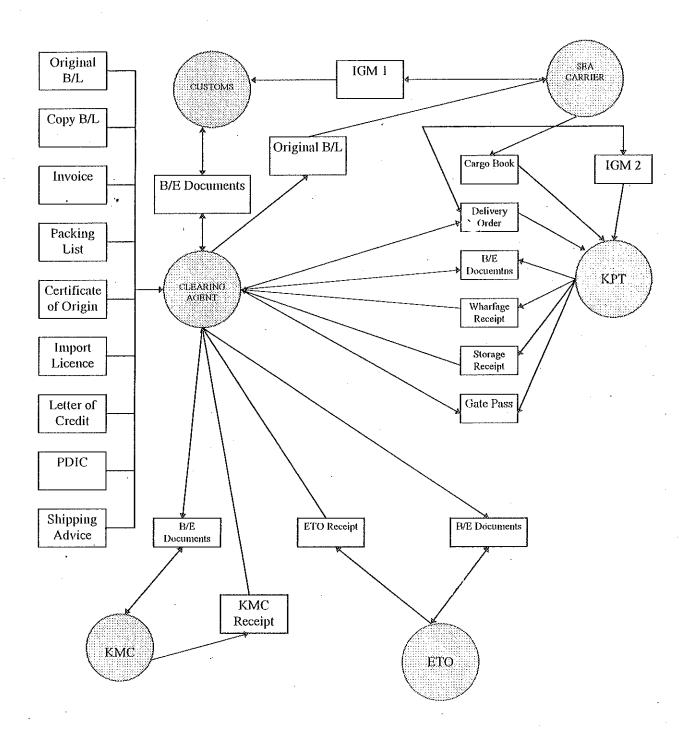
8. TIME TAKEN BY COMPLEX DOCUMENT SYSTEM.

It can be seen from the following Import Process document flow chart that this process involves the movement of considerable paper work from one site to another within the port and various offices out-side the gate.

The methods used by the larger companies is to have messengers, equipped with motor cycles acting as couriers between the various locations. They have their own staff present at the key locations within the system who await the arrival of documents, process them and then return them to the courier for the next stage.

This practical solution to the current clearance procedure is labour intensive and therefore increases the overall cost of the service. It also increases the amount of traffic within the port area and its interfaces due to the involvement of significant number of external Port Personnel.

Import Process Document Flow Chart



10. CLEARING PROCESS STARTING WITH CUSTOMS.

The agent commences the clearance process by preparing a Bill of Entry based on the importer documentation and he then attends the Custom House with one set of documents consisting of 8 pages. The customs at the first check the Bill of Entry (B/E) against the Import General Manifest (IGM) and enters the details into their computer system, assigning a Machines Number to each shipment. The clearance process then follows two streams First Assessment or Second Assessment, some time referred to as Regular or Non-regular. All goods are either examined or inspected,. Examination involves the checking of contents within packages, where as inspection is checking of marks and numbers only.

11. TIME TAKEN BY CUSTOMS FOR CARGO CLEARING IN THE WAY OF FIRST ASSESSMENT OR REGULAR EXAMINATION.

with checking ofthe This process commences documentation and validating the clearing agents calculation of liability which he has written on the Bill of Entry import duty original calculation or mark (B/E). customs confirm the The minor adjustments. The assessor signs the B/E, which is then the Principal Assessor. The documentation is countersigned bу agent who prepares a pay order to settle the returned to the The agent proceeds to the Bank who check that the B/.E has the appropriate signatures, that the duty calculation is correct

and assigns a cash number. The agent then pays at the bank and receives a payment stamp. The cashier of the bank thewstamp the B/E and assign a custom inspection point on the dock for final clearance. This process normally takes 3 days.

12. TIME TAKEN BY CUSTOMS FOR CARGO CLEARANCE IN THE WAY OF SECOND ASSESSMENT OR NON - REGULAR EXAMINATION.

assessment accounts for around 65% of container This traffic and this involves additional examination procedures. The the documents to the customs for submit clearing agent The assessor indicates that he cannot make the assessment. assessment on the sole basis of the documentation. The documents marked by the Deputy Collector and an examination slip is issued to the Assistant Collector of the relevant wharf. agent takes the documents down to the wharf where an individual assigned to verify the goods and assess the value. is examiner The Assessor often submits a note indicating what he wants the examiner to check.

The agent proceeds to the KPT office at the wharf where contact is made with the carriers stevedore to arrange to have the container to be placed at a point ready for inspection. The container is opened in the presence of the customs examiner. The agent provides the labour for the unstuffing and repacking. The customs examine the contents of the cargo and issue a report on the B/E.

The agent returns to the customs House with the documents and a second Assessment is made. The Deputy Collector reads the Examiner's report on the B/E, assesses the duty and writes it on the B/E.

The agent proceeds to the Bank who check that the B/E has the appropriate signatures and assigns a cash number. The agent then pays at the Bank and receives a payment stamp. The cashier of the Bank then stamps the B/E and issues the out of charge stamp direct. This process takes normally 5 days. The links involved for processing the import cargo are shown on chart at page No. 18.

13. TIME TAKEN BY CUSTOMS RELATING TO INLAND MOVEMENT OF CARGO DESTINED TO OTHER DRY PORTS.

It has already been described the time taken by custom procedures in order to clear the cargo at Karachi Port vide in section No. 10, 11 and 12 of the report. There is other factor which also contributes in increasing the transit time of import cargo at Karachi Sea Port. This factor is the involvement of custom procedures relating to inland movement of import cargo destined to other dry ports.

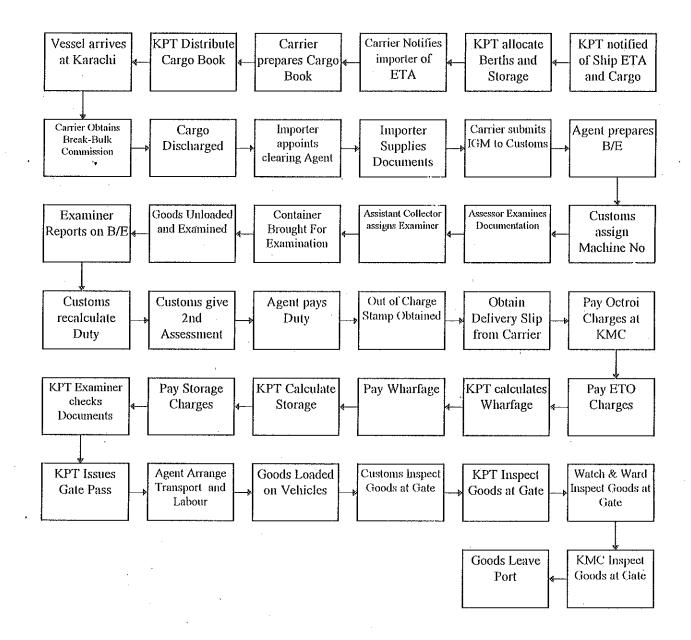
In order to undertake such a movement, the various documents/forms have to be sent to Karachi Port for what is in effect a primary clearance. The work load constitutes 50-70% of a standard port clearance. It is one of the main causes of port

congestion because substantial number of up country importers undertake a port clearance at Karachi Port, instead of clearing at other dry ports in the up country.

This situation has become more difficult since January, 1995. major cause for the change was the introduction of income targeting by the Government on the individual customs stations. The result appears to be a division between Karachi customs and the up country customs authorities. There is a positive attraction to encourage importers to clear at Karachi so to increase their revenue collection. Conversely it has been noted that this situation is not arising in the case of exports where there are an increasing number of Full Container Load (FCL) from the dry ports. It was indicated that because these exports involve an export rebate, this has the effect of decreasing the customs station income. Up country stations indicated that Karachi customs may be less interested in such Export traffic because it would reduce their income.

Whether the targeting policy is creating a clearance distortion may be debatable but the net results are clear. Through import FCL traffic to the dry ports is being severely constrained by the customs procedures at Karachi Sea Port, where as through export movements are growing rapidly.

CHART OF LINKS INVOLVED FOR PROCESSING THE IMPORT CARGO BASED ON SECOND ASSESSMENT



15. <u>TIME TAKEN BY PRE-DELIVERY INSPECTION CERTIFICATES</u> (PDIC).

The Government has recently introduced a agreement for all mporters to have their goods inspected overseas, prior to shipment if the total value of the shipment exceeds us \$ 3000. The intention of the Pre-delivery Inspection Certificate (PDIC) was to increase the proportion of First Assessment traffic by using the independent data, the saving time and costs involved in the second assessment process. The saving between two system is around four days. However, it would appear that PDIC system is not fully achieving its planned objectives, since customs are not always accepting the PDIC valuation and are often still examining the shipment thus not significantly reducing the levels of Second Assessment.

In order to avoid the extra costs on PDIC. The importers appear to have reduce the size of their shipments to avoid the need for such inspections. The result is an increase in LCL traffic at the expense of FCL.

16. TIME TAKEN BY OTHER AGENCIES FOR CLEARANCE OF IMPORT CARGO.

After completion of customs formalities the clearing agent proceeds to the carrier's representative with the original B/L, pays the documentation charges and obtains a delivery order. The delivery order includes the Index Number and the sheet number

shipment in the IGM. The agent proceeds to KMC office οf with a copy of B/E on which the Octroi Municipal charges have been calculated. KMC checks the calculations and stamp the copy B/E and issue a receipt following payment. The agent proceeds to Excise Department to pay the Excise duty (Local Government the Tax) and obtains a receipt. He then prepares a KPT wharfage entry and visits the wharfage desk where the documents are checked. He continues to the assessment desk who calculate the wharfage. Following confirmation by the Audit department, a payment slip is issued by the cashier's section. The agent pays behalf of the shipper at the Bank and if storage charges are liable, he returns to the KPTstorage department. calculate the charges and issue another payment slip. The agent the Bank and they stamp the invoice as PAID. at process is normally takes one full days.

The agent proceeds to the landing area or shed at the port with a set of documents consisting of B/E, Delivery order wharfage Entry Form, Storage receipt, KMC receipt and Excise (ETO) charges receipt. The documents are lodged with the customs the wharf and with the KPT. Inspector who then arranges delivery. KPT contacts the carriers stevedore to arrange to have the container moved either direct on to a trailer/truck or to the unstuffing point (if not already unstuffed). The inspector issues the Gate Pass. The goods are loaded on to a vehicle by the agent's labour under the authorization of the KPT Inspector. Customs are in attendance to inspect the goods and check marks

and numbers against the documents. Provided they are satisfied, they issue an 'out-of-charge' stamp. The truck proceeds to the designated Port Exit Gate where three copies of the gate pass are required, one for customs accompanied by the B/E stamped as duty paid, one for KPT gate Inspector with wharfage and storage receipts and one for the watch and ward Inspector. Each of the three parties make a physical inspection check of the goods, checking marks and numbers of packages and the customs signs their copy and enter the data on their computer system. As additional inspection is made by KMC.

The gate transit time is estimated at 3-5 hours.

17. TIME TAKEN AT SEA PORT DUE TO NON-AVAILABILITY OF THROUGH B/L FOR OTHER DRY PORTS.

A significant proportion of import cargo moving from Karachi Sea Port to other Dry Ports are not on through Bills of Lading (B/L). Many of the shipping lines are unwilling to issue such bills because of the liability involved. This is mainly due to the time taken to move an FCL from Sea Port to the Dry Port and to obtain the return of the unit to Karachi.

The process of obtaining the necessary transit documentation is around 10 days. The overall process of arranging a through shipment is more complex than that involved in a shipment clearing at Karachi Sea Port. In practice, the over-all process is almost a double entry procedure. The amount

of links within the chain appear to be greater than that involved in a shipment cleared and unstuffed in Karachi Sea Port.

18. TIME TAKEN BY THE MOVEMENT OF UN-CLAIMED CARGO.

KPT Traffic department estimate that upto 15% of all import general cargo remains unclaimed. The reasons for this high proportion is not clear but partially relates to loss of documentation, lack of finance, changes in duty, high storage charges and cargo becoming out of date. This type of cargo can not be disposed of without customs approval. Such type of cargo is stored in the port area for a minimum of one year.

19. TIME TAKEN BY THE MOVEMENT OF DISPUTED CARGO.

Karachi Port contains significant quantity of cargo of disputed nature. These consisted mainly of traffic which the customs considered has been misdeclared by the importer so as to reduce the duty liability or which the importer feels have been re-classified by customs to generate extra revenue. The net result of these differences of opinion is that traffic is held in the shed, over three years in come cases, thus limiting the performance of the shed. The Ware House are an extension of the port and as such are intended for S.I.T storage, rather than long term ware—housing. There are usually three outcomes to such situations.

Firstly, the importer abandons the goods because the duty and storage charges eventually exceed the value of the goods. Secondly, and more commonly, a compromise is eventually reached where by duty is paid and the importer takes delivery of the goods. In this case, the storage charges have to be considerably reduced in order to avoid the first situation. The net effect is that the importer has obtained very cheap warehousing for several months/years. Thirdly no agreement can be reached between customs and the importer and the goods are eventually put up for auction.

The main problem is that the time taken in decision making to either reach a compromise or auction the goods can be high.

20. <u>TIME TAKEN BY THE MOVEMENT OF GITA TRAFFIC (GOODS IN</u> TRANSIT TO AFGHANISTAN).

The total tonnage of through import traffic destined to Afghanistan handled at the Port of Karachi in the year 1994 was indicated as around 100,000 tonnes. The majority of the dry cargo was general cargo and was classified as (GITA) Goods in Transit to Afghanistan. The procedure for handling such movements was that the goods were stored in special depots. They were related for on ward transition on payment of full import duty in Pakistan. After moving the cargo in order to cross the Afghan border, duty paid receipt was being returned to Pakistan Customs for obtaining a rebate of the full Pakistan duty. The average

transit time for this traffic as calculated from some samples has been estimated about one month.

Now the continued civil war within Afghanistan resulted in the lack of a procedure to either pay the duty since there was effectively no Government. The Pakistan Government has now stopped all GITA traffic and all goods in the depot can only be delivered on full payment of Pakistan import duty. Movement of this traffic from the GITA depot is slow.

21. LARGE VARIATION IN CALCULATING THE TIME TAKEN FOR FLOW OF IMPORT CARGO THROUGH PORT.

There is a wide variation in various of cargo in order to calculate the time from the arrival of ship to cross the KPT gate. For instance 15% of all import general cargo which remains either unclaimed or is of disputed nature at Karachi Port, takes one year to three years time to cross the gate. The reason for this is the lack of decision which has been described in section number 17 and 18 under the title of "Time Taken by the Movement of Un-claimed Cargo" & "Time taken by the Movement of Disputed Cargo".

Time taken in the movement of import cargo at Karachi Port for other Dry Ports which is not on through B/L takes approximately ten days of processing with customs at Karachi Port this has been described earlier in section 17.

The overall average transit time of General Cargo and semi bulk cargo has been estimated at average of 12 days.

The goods is transit to Afghanistan generally takes one month.

22. PROCESSING OF EXPORT TRAFFIC AT KARACHI PORT.

The export process commences with the exporter supplying his appointed export clearing agent with the documentation: Such as Invoice, Packing List, Bank E form and Letter of Credit (Optional). From these documents the clearing agent prepares a Shipping Bill or Bill of Export.

The clearing agent proceeds to the export wing at the Customs House and submits the documents file. The documents are inspected, a Machine Number is assigned and the details entered on the Computer system. The agent takes the documents to the Assessor who checks complicity with export trade control and the duty calculations made by the agent. The shipping bill is signed by the Assessor and the Principal Assessor and an inspection point on the quay is assigned. If duty is payable, the documents

are passed to the accounts department where payment is made and an "out of charge" stamp is placed on the shipping bill.

The agent calculates the wharfage dues and goes to the KPT building with the Wharfage Entry form. This is checked, assessed, audited and a chashier slip issued. The agent pays at the bank and obtains the paid stamp. The agent visits the KPT head office with the shipping bill, wharfage receipt permission slip from the carriers respresentative. The goods can be despatched to the port. At the gate KPT check the Wharfage Entry and Customs inspect the stamped Shipping Bill, make the entry and sign accordingly. The cargo is taken to the quay. Unlike imports, KPT have no responsibility for export traffic, which must be stored in areas leased by the carriers or their stevedores. The Customs Examiner examines the goods in order to check the cargo against the documents. These are countersigned by the Appraising Officer and the Principal Appraiser confirms that the shipment is in order on the Shipping The agent takes the documents to the Customs Preventative Department to obtain the "allow loading" stamp authorizing that the goods can be loaded. The agent submits a copy of the Shipping. Bill with this stamp to the carrier's representative thus indicating that the goods are cleared to be physically loaded.

23. TIME TAKEN BY EXPORT TRAFFIC.

Processing of Export at our ports is simpler and involves less links in the chain. This process can be completed within two days. Cargo is normally sent to the dock approximately three days prior to loading or one day prior to ship arrival, assuming a two day discharge period. The export cargo is therefore ready to load on the vessel on fifth day so the overall transit time for export of general cargo is 5 days.

24. BOTTLENECKS IN THE PROCESSING OF IMPORT CARGO.

Processing of import cargo is quite complex due to the following reasons:

- i) Large number of personnel involved at a multiplicity of locations, all with differing responsibilities.
- ii) Significant volumes of paper work often in customized format.
- iii) Significant element of checking on previous checks within KPT and customs.
- iv) Involvement of about 38 identifiable links within the port logistics chain.

RECOMMENDATIONS

- 1. Introduction of Electronic Clearances System by Computerization.
- 2. Adopting a system of Random RISK Assessment to reduce 'examinations and inspections by customs.
- Rationalise and simplify transit documentation to enable complete clearance at other dry ports.

BIBLIOGRAPHIC REFERENCES

- 1. ALMEC Corporation of Pacific Consultants International February, 1995. The study on National Transport Plan in the Islamic Republic of Pakistan.
- Posford Duvivier Consulting Engineers U.K., November,
 1995. National Ports Master Plan and Management Study Pakistan.
- 3. UNDP/UNCTAD Study on Multimodal Transport and Trade Facilitation Programme 1991.

GLOSSARY OF TERMS USED IN THE STUDY

B/E Bill of Entry

B/L Bill of Lading

ETA Estimated time of arrival

ETO Excise and Taxation Office

FCL Full Container Load

GITA Goods in Transit to Afghanistan

ha Hectare

ICD Inland Clearance Depot

IGM Import General Manifest

KMC Karachi Metropolitan Corporation

LCL Less than Container Load

MI Main Import (Yard)

PDIC Pre-delivery Inspection Certificate

TEU Twenty foot Equivalent Unit

TPX Thole Produce Export Yard