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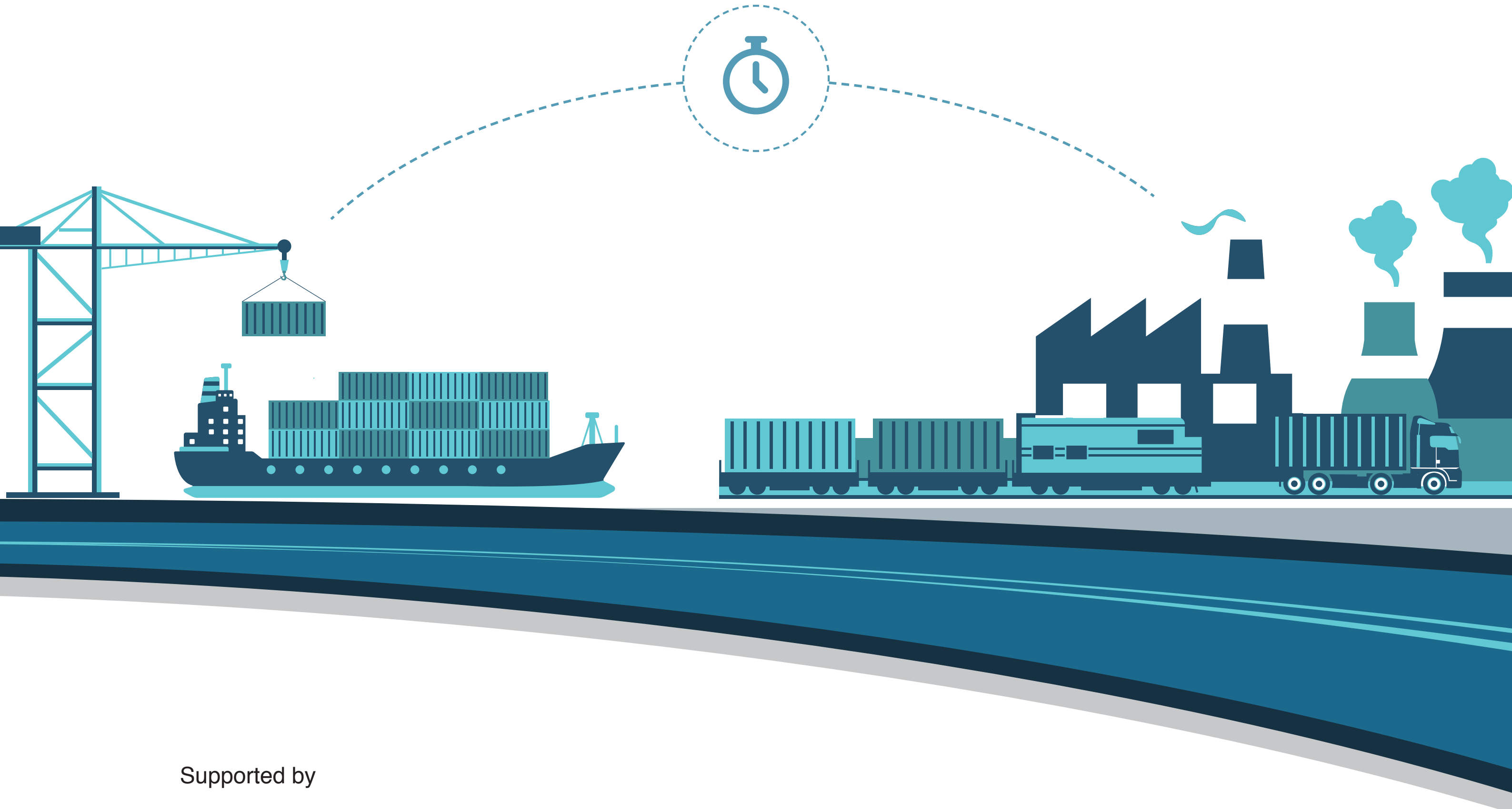
DIRECT DELIVERY AT INDIAN PORTS

A Situational Assessment



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INTRODUCTION

For a developing country of India's size and potential, undertaking trade facilitation reforms is an urgent need today to match pace with the growing global trade. This requires simplification and harmonization of procedures in order to reduce the time and cost taken for trading across borders. Towards this end, the processes of Direct Port Delivery (DPD) and Direct Port Entry (DPE) were introduced by the Central Board of Excise and Customs, Ministry of Finance in 2015.

DPD/E is a facility extended to the importers, exporters and economic operators for faster clearance of containerised cargo from the terminals. It is implemented in two forms,

a. **AEO-based DPD/E:** It functions under the Authorised Economic Operator (AEO) programme of the CBEC, directed towards the fulfilment of India's obligation under the World Customs Organisation's SAFE Framework of Standards and World Trade Organisation's Trade Facilitation Agreement (Article 7.7). Stakeholders can register for this facility across all container ports in the country. The current AEO programme is an extension of the Accredited Client Programme (ACP) and succeeds the pilot phase of the AEO Programme.

b. **Non-AEO DPD/E:** A few Custom Houses across India, such as the Jawaharlal Nehru Custom House (JNCH) and the Chennai Custom House, have extended the facility of DPD to non-AEO clients. While at Chennai Customs House, the facility has been extended only to automobile exporters and importers, at JNCH the facility is provided on the basis of a list of compliant traders.

The AEO programme provides businesses with an internationally recognised quality mark which indicates their secure role in the international supply chain and that their customs procedures are compliant, while the non-AEO DPD programme ensures decongestion of the ports and faster evacuation of cargo.

The DPD/E initiative is directed towards reductions in transaction time and cost associated with EXIM trade by streamlining the time taken by stakeholders in the cargo clearance process, simplifying customs procedures, providing security assurance to the government and expediting faster evacuation of containers from the port.

The government of India had targeted to raise the share of direct delivery to 40 per cent by December 2016, which is further expected to reach 70 per cent in the financial year 2017-18.

Authorised Economic Operator (AEO)

According to the World Customs Organization (WCO), an authorized economic operator (AEO) is:

"A party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards. Authorized Economic Operators include inter alia manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses and distributors"

EVOLUTION OF DIRECT DELIVERY

AEO-based DPD/E

The AEO programme is not the first of its kind to be implemented in India. Earlier, programmes like 'Green Channel' (1998), 'Accredited Client Programme' (2005) based on the Revised Kyoto Convention and a pilot phase of the AEO programme (2011) have been in place for attaining the objective of direct delivery (Figure 1). All the above programmes were directed towards promoting ease of doing business in the country and ensuring reduction in dwell time of cargo at ports. The considerable section of importers opined that the above programmes failed to gain ground due to the rigid norms set by the CBEC for implementation of the same. The new AEO programme was developed in 2016 and is an amalgamation of the ACP and AEO programmes. Table 1 provides the certification details of the current AEO programme.

Figure 1: Development of the AEO Programme

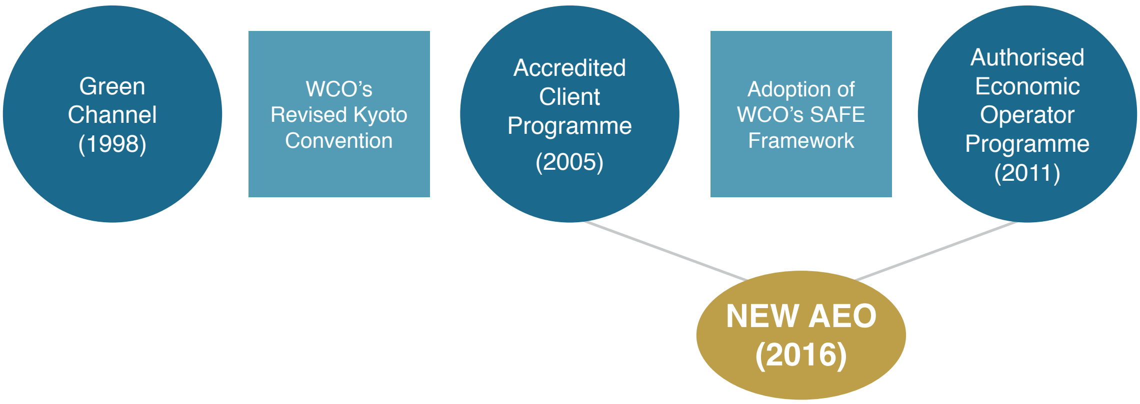


Table 1: Levels of Certification in the New AEO Programme

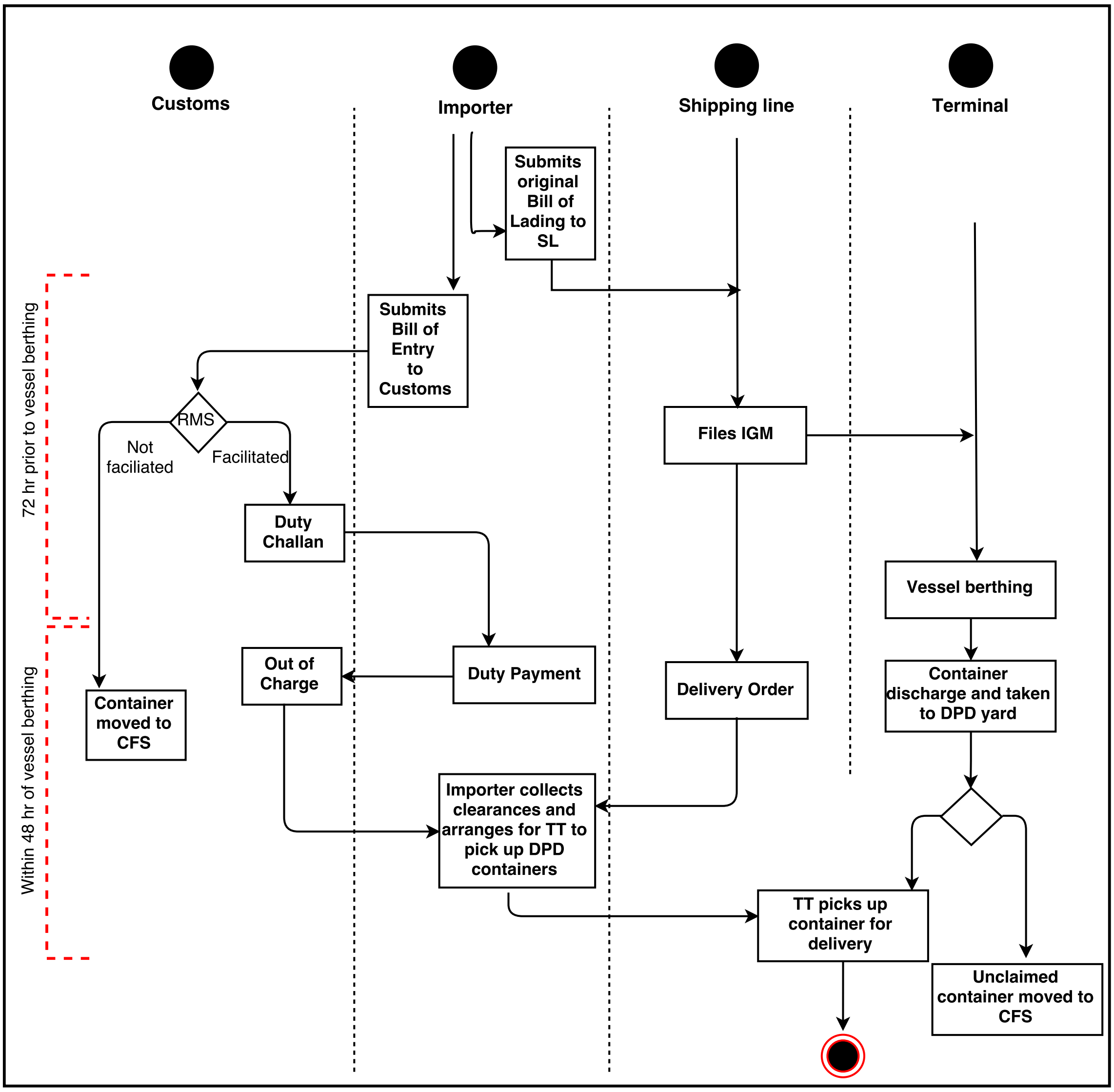
Particulars	AEO-T1	AEO-T2	AEO-T3	AEO-LO
Stage	First stage	Second stage	Third stage	Only certification
Stakeholder	Only for importer/ exporter	Only for importer/ exporter	Only for importer/ exporter	Only for economic operators other than importer/ exporter
Verification	Based on complete document submission by the applicant	Based on complete documentation and on-site verification by the AEO Programme Team	2 years of AEO T2 compliance and use of AEO economic operators	Complete documentation and on-site verification by AEO Programme Team
Auditing	PCA once in two years	PCA once in three years	PCA once in three years	Not Specified
Payment	No facility of deferred payment	Deferred payment	Deferred payment	Not Specified

Non-AEO DPD/E

The non-AEO DPD/E programme was first initiated by the Jawaharlal Nehru Customs House (JNCH) in order to expedite the clearance of containers from the wharf to the warehouse of the importer/exporter. Subsequently, it was also followed at other container ports in India, albeit at a smaller scale. In Chennai, this facility has, till date, been extended only to major automobile companies. To initiate this programme, the Custom House at a port is mandated to bring out a list of compliant traders to register for the non-AEO DPD/E programme. The traders are then expected to register for DPD/E with the Custom House, and upon receiving permission, need to appraise the terminal operator of the same and obtain a client DPD/E code. This code is further intimated to the steamer agents/shipping lines.

PROCESS OF DIRECT DELIVERY

Figure 2: The DPD Process



RESPONSIBILITIES

Of the Importer

- Advance filing of Bill of Entry
- Advance intimation to the shipping line, terminal operator and CFS (72 hours prior to entry inward of the vessel)
- Payment of duty and clearing of container from the port area within 48 hours of berthing

Of the Shipping Line

- On receipt of details from the DPD client, the shipping line should indicate the DPD client code and CFS code in the IGM as well as intimate the terminal and the CFS
- Issue advance invoice
- Issue advance electronic delivery order (e-DO)

Of the CFS Operator

- For non-facilitated DPD containers, the CFS must move containers to its facility immediately

Of the Terminal Operator

- To provide DPD code to importer
- To assign dedicated storage space for DPD containers

Of the Customs

- Set up of nodal officer and DPD cell

PRESENT STATUS

1. **Number of DPD/E clients:** The traders registered under the ACP programme were automatically absorbed into the new AEO programme. For non-AEO DPD/E, in 2016, JNCH brought out a list of 778 tentative importers and exporters to avail the facility. This facility was extended to the traders based on the volume of transactions and assessment by the Customs regarding the ability of the trader to comply with certain obligations. Out of the list, 561 have registered with the Customs for availing the facility of DPD. The list of operators has also been through revisions based on certain pre-conditions. For instance, traders dealing in cargo requiring testing by PGAs and those importing scrap could not be brought under the scheme. At Chennai, the facility of non-AEO DPD/E is extended only to the major automobile players owing to the high volume of imports and exports handled by them. The remaining DPD operators comprise of former ACP clients.

2. **Number of DPD containers:** At the Jawaharlal Nehru Port (JNP), the share of DPD containers (as calculated from data provided by the terminal) vis-à-vis the total number of import containers was in the 4-6 per cent range till December 2016, which has been considerably less as compared to the target set by the PMO of 40 per cent share of DPD containers by the end of 2016[1]. At Chennai, the volume of DPD is around 13-16 per cent of total imports, a major share of which can be attributed to the automobiles sector.

Table 2: DPD Volume in TEUs

	JNPT*	Chennai*
April'16	6,848	10,248
May'16	6,793	10,174
June'16	5,003	9,722
July'16	5,498	9,902
August'16	6,689	9,415
September'16	6,906	9,803
October'16	7,417	8,928
November'16	6,881	9,502
December'16	7,689	7,928

** includes all terminals* *Source: Jawaharlal Nehru Customs House and Chennai Customs House*

3. **Free Period for evacuation of DPD containers:** At JNP, the Customs has specified a time limit of 48 hours from the time of berthing or entry inward, for evacuation of DPD containers from the terminal. While at Chennai Port, the free period is 72 hours. The importer is mandated to complete all formalities – obtain delivery order from the shipping line, pay duty, attain out of charge from customs and arrange for transport with RFID/PIN – within this stipulated time period. In a situation wherein an importer is unable to evacuate the containers within the free period, the container is moved to designated container freight stations. At JNP, out of the total DPD containers handled in December 2016, 528 containers were redirected to Speedy Multimodes CFS on account of non-clearance from port within 48 hours.

[1]Patel, Deepak. (2016, December 14). PMO to shipping ministry: Increase direct delivery's share to 40 per cent. *Indian Express*. Retrieved from www.indianexpress.com

4. **Customs designated CFS' for clearance of DPD containers from terminal:** At JNP, if a DPD container is not evacuated within 48 hours of vessel berthing, it is transported to a designated CFS for further clearance. Vide Public Notice 66/2008, dated 11.09.2008, Speedy Multimodes Ltd. was the only CFS designated for the said movement of DPD containers from the port after 48 hours of arrival (in the case of ACP clients at that time). However,vide Facility Notice S/5 Gen 43/2015,dated 14.02.2017, permission for handling DPD containers has been extended to 21 CFS'. At the Chennai Port, there is no officially designated CFS for evacuation of DPD containers post free period. An assembly point is being developed at Thiruvottriyur in Chennai - which is 6 kilometres away from the port - for DPD containers.

5. **Charges:** Currently, the terminal provides a requisition slip to the importer in the form of a Special Service Request (SSR) for handling DPD/E containers. The charges may range anywhere between INR 500 to INR 15,000. Further, at JNP, the private terminals levy shifting charges in case of DPD containers for yard-to-yard or yard-to-truck movement. As per JNCH, only two shifting charges are allowed to be levied. The shifting charges differ for different terminals at the JNP. This charge is not levied at the Chennai Port Trust and the Haldia Dock Complex.

6. **Operational and cost related comparisons**

Table 3: Mode of Delivery - CFS vs. DPD

Parameter	CFS Mode of Delivery	Direct Port Delivery
Transportation Cost	Terminal-CFS, CFS-Importer	Terminal-Importer
Handling Cost	At terminal and CFS	Only at terminal
Dwell Time	3 days at terminal (maximum) 5-7 days at CFS	2 days at the terminal (JNP) 3 days at the terminal (Chennai)
Free Period (Days)	3 (terminal) + 10 (CFS)	2 (terminal)
Storage	Space available at CFS	Limited space in terminal for stacking
Equipment Availability	Available	Terminal needs additional equipment
Container Evacuation	CFS owned trucks with RFID	Importers' own trucks with a need for RFID/PIN

CHALLENGES

Issues Faced by the Trade

1. **Unfavourable perception towards DPD:** Different stakeholders across Indian ports hold varied perceptions about the DPD program and its operational aspects. This can be attributed to a number of reasons:

   a. Lack of direct communication between relevant authorities and the current and potential users of DPD i.e. the traders

   b. Lack of uniformity in information about DPD among stakeholders owing to minimal interactions on direct delivery and its prospects

   c. Multiple notifications by Customs with respect to DPD – intended towards streamlining key processes - leads to confusion among the stakeholders

d. Lack of standard modus operandi for shipping lines across ports, leading to ambiguities among traders

e. Irregularities in charges levied for DPD containers due to lack of standardisation of tariff

f. Perception among the traders about a nexus being developed between terminal, shipping lines and CFS' in order to sabotage the DPD initiative by imposing unattainable targets for the trader with respect to charges and documentary compliance

g. There is a general perception among traders that the DPD initiative can potentially aggravate the underlying issue of congestion at ports - with adverse effects on dwell time and cost metrics – as the ports are currently not possessing adequate infrastructure to support the initiative

2. **Lack of standardised procedures for DPD across ports:** It has been observed that the procedures and practices related to DPD vary across ports in India. This has resulted in confusion among the traders and has added to the reluctance towards speedy adoption of this government initiative. The variations in procedural aspects have been summarised in the table below:

Table 4: Comparative Procedural Assessment of DPD at JNP and Chennai Port

Parameter	JNP	Chennai Port
Client	Former ACP clients Compliant traders listed by JNCH	Former ACP clients Major automobile importers
Free Period	48 hours	72 hours
DPD Cell	Functional	Yet to be set up
Shifting Charges	Levied by two terminals	Not levied
Documentation for Authorisation from Shipping Lines	Manual (hard copy required)	Electronic
Course of action for containers not evacuated from terminal within the stipulated 48 hours	Transported to designated CFS'	Stored at the terminal yard; moved to designated CFS' in case the shipping line or the importer has filed a PNR for the same

3. **Lack of clarity on cost implications:** The overall cost metrics - for DPD containers - for a trader show considerable variations across ports as well as across various terminals within the same port. For instance, shifting charges - on a per move basis – are payable for DPD containers at the private terminals in JNP, whereas no such charges are levied at the Chennai port. Further, there has been considerable ambiguity among traders on the cost advantage for containers for direct delivery vis-à-vis non-DPD containers. The general perception among traders is that CFS charges become applicable 48 hours and 72 hours after berthing for DPD and non-DPD containers respectively, wherein the trader loses out on one free day, leading to adverse cost implications.

4. **Ambiguity in free period given by terminal vis-à-vis timeframe mandated for DPD:** As a standard norm across India, the Tariff Authority for Major Ports (TAMP) has mandated 72 hours of free period of a container at the terminal. However, in case of DPD containers, the free period varies. As per JNCH, the DPD containers should be evacuated from the terminal within 48 hours, failing which the container is moved to a designated CFS. Whereas at Chennai Port, the container is allowed to stay at the wharf for 72 hours. At the JNP, the trading community has demanded that the free period of DPD containers be equal to that of non-DPD containers to realise the perceived cost benefits. Two agencies stipulating

different timelines, and different practice followed across ports, has given rise to ambiguity among the stakeholders, which needs to be addressed.

5. **Perceived nexus between terminal operators and shipping lines:** To facilitate DPD, the shipping lines are mandated to provide advance invoices to the importers. However, it has been observed that the shipping lines are not providing invoices in advance to the importers. Further, a number of charges such as container cleaning, container repair and container maintenance charges are levied, of which the traders often have limited clarity. Since an importer has limited free period (48-72 hours) to evacuate the container from the port, delays in obtaining invoice from the shipping lines lead to payment of extra charges, either in the form of additional charges levied by shipping lines or ground rent charged on the container post the free period. Further, the terminal operators charge (unauthorised and unregulated) shifting charges and SSR on containers; clarity on actual requirement of such shifting - with the importers is - often minimal, because the importer is not allowed inside the terminal.

6. **No provision for 'DPD' classification in the (advance) bill of entry:** Currently, there is no provision in the B/E for mentioning DPD/CFS/ICD as the mode of delivery of a container. As a result, an importer has to physically (at the JNP) or electronically (at the Chennai and Haldia ports) inform the shipping line about the consignment being DPD. This process has been observed to cause delays – either due to the time taken by the importer or as a result of slow processing and instances of misplacement of documents on the part of the shipping line.

7. **Variance in documentary requirements for shipping lines across ports:** Currently, documentary compliance across different ports varies, even for the same shipping line, leading to ambiguities among traders. For instance, at the JNP, for a certain shipping line, the importer is required to submit a hard copy of the DPD permission for every import consignment. However, the same shipping line accepts electronic submission of permission at the Chennai and Haldia ports. This lack of standard procedures to be followed by the shipping lines across ports is creating operational difficulties for DPD users and increasing the time taken for clearance.

8. **Issues in obtaining delivery order from shipping line with respect to changing location of container:** For a DPD container that moves to a designated CFS upon non-clearance by the importer, the shipping line has to issue another delivery order specifying the changed location of the container. It has been reported that the importers face difficulties and often delays in obtaining the DO. As a result, the importer has to incur ground rent for the container at the CFS, which inflates transaction cost.

9. **Difficulties in timely submission of original bill of lading to the shipping line:** As depicted in Figure 2, the importer has to submit hard copy of the original Bill of lading (B/L) prior to IGM filing by the shipping line (the stipulated timeframe for filing IGM being up to 72 hours before berthing of the vessel). This practice is mostly prevalent at the JNP, as at other ports, an electronic B/L or intimation by the importer's bank is also accepted. However, operationally, this process proves to be difficult for the importers. The timeline for an importer to obtain B/L is given in Figure 3. It depicts that in case the B/L is to be provided in original by the trader to the shipping line, it takes 12-15 days (assuming there is no holiday or break in the chain of activities) for the B/L to reach the importer, thereby making it nearly impossible for the importer to produce original B/L for imports in cases where the ship transit time is less than 12-15 days (ships from Dubai, Colombo, Karachi, Bandar Abbas, Singapore, Malaysia, China take less than 15 days to reach Indian ports)[2].

[2]AApproximate sailing time from major trade destinations: USA – 16 days, UK – 20 days, Singapore: 10 days, China – 15 days, Far East – 10 days, Gulf - 7 days

Figure 3: Timelines for Movement of Bill of Lading in a Calendar Month						
1	2	3 Vessel sail off from port of loading	4 Shipping line provides B/L to exporter	5 Exporter submits B/L to his bank	6 B/L dispatched from exporter's bank	7 Transit time *most banks send through courier
8 Transit time	9 B/L received at importer's bank	10 Importer obtains B/L from his bank	11 Importer submits original B/L to the shipping line	12	13	14
15 Vessel berthing at importer's port	16	17 Container evacuation from port	18	19	20	21

10. **Customs needs to expedite DPD registrations:** The capacity of Custom houses is not the same across all ports. While JNP has a separate DPD cell, RMS Facilitation Centre and Bill of Entry Amendment Centre, other ports like Chennai and Haldia are yet to develop these centres. Further, a nodal officer for DPD is not present at all ports. As a result, the process of registration of new DPD clients is slow. In order to increase the number of DPD users, the Customs departments at the various ports need to expedite the process of registration.

Issues with the Trade

1. **Instances of undue usage of free days by the importers:** As per the prevailing norms, the number of free days at the port is 3 (72 hours) and the number of free days at CFS is around 7-14 days. This gives importer around 17 days to keep the cargo at the aforementioned destinations without any expenses incurred for storage. This creates leeway for delayed movement of containers by the importers. The allowance of such free days provides the importers leverage to maximise earnings (by tracking commodity prices/market movement), mitigate lack of storage space or inflations in storage cost (rent), ensure delayed payments leading to interest earnings, etc. Instances of unnecessary delays in moving containers by the traders have been observed in practice, which needs to be addressed.

2. **Low instances of timely filing of bill of entry (BoE):** Filing of BoE on time has been a persistent area of default for the traders. For instance, the share of prior BoE – filed by importers - is still dismally low at the Indian ports. There has been a lack of measures to address the issue. There have been no instances of penalties levied for failures in timely filing of BoE by the traders even though there are provisions for levying such penalties. In order to ensure the filing of BoE within stipulated timelines, it has been made mandatory for importers to file BoE and make duty payments within 24 hours of entry inward (the time when the ship/consignment enters Indian marine borders i.e. first interaction of the ship with the customs) to facilitate DPD. However, there needs to be strict vigilance and requisite penalties to ensure that the said guidelines are adhered to.

3. **Confusion among shipping lines with respect to destination of a container for AEO clients:** For an AEO client, direct port delivery is an accrued benefit. However, not all AEO clients require DPD for every consignment. This leads to confusion among shipping lines with respect to the destination of containers - to be mentioned in the IGM - as importers often do not apprise the shipping lines in advance. This results in increased dwell time of such containers, as the IGM needs to be filed again by the shipping line.

RECOMMENDATIONS

1. **Extensive awareness building for DPD/E in the hinterland:** Approximately fifty per cent of JNP's cargo comes from the hinterland in North India. Similarly, at ports like Chennai and Haldia, the major manufacturers and markets are in the interior parts of the state. This necessitates organising workshops and seminars for DPD/E in the hinterland by the relevant Custom Houses in order to communicate the time and cost benefits of the programme and enlist more users. Extensive awareness building through the use of platforms such as media, email, etc. along with the development of mobile applications must be deliberated upon. The progress of the various strategic developments must be continually recorded and communicated to the existing and potential users in order to derive requisite positive response towards the programme.

2. **Development of a centralised DPD/E portal on the CBEC website:** There is a need to develop a centralised portal for DPD/E on the CBEC website in order to address possible ambiguities with respect to policy as well as operational aspects of direct delivery. Currently, the Standard Operating Procedure (SOP) for DPD/E is discrete, with each terminal and Customs House publishing its own SOP and charges. A centralised portal would act as a single point for obtaining solutions to regular queries and clarifications regarding the programme, such as documentary requirements, free period for DPD containers, etc. The portal may also periodically publish port-wise lists of DPD/E compliant clients.

3. **Potential extension of DPD facility to all RMS facilitated bills of entry:** In order to increase the number of DPD users, it is suggested that the programme may include all RMS facilitated bills of entry at Indian ports for direct delivery. Each Custom House can progressively publish lists of prospective users for registration, with the overall objective of gradually bringing all RMS facilitated cargo under the DPD initiative.This would also require an increase in the total number of RMS bills of entry at the port, in line with the international standards. Such steps would expedite the process of meeting the government's targets for share of direct delivery.

4. **Infrastructural enhancement at terminals:** DPD containers are stacked in dedicated yards at a terminal, separately from the CFS/ICD bound containers. These yards require additional equipment, such as an RTGC or reach stackers. As the volume of DPD containers increases, increased acquisition of such equipment will be imperative for streamlined container handling. The requirement of additional yard space would also have to be factored in, to ensure seamless operability of the direct delivery process. To achieve this long term objective, it is necessary that TAMP is made an integral part of the DPD programme, in order to make necessary interventions towards the inclusion of provisions for requisite infrastructural modernisation in the concession agreement.

5. **Standardisation of charges and free period at the terminal for DPD:** The TAMP or the CBEC must issue a public notice stipulating the free period for DPD containers at the terminal. The same has to be updated with the local Custom House, terminals, shipping lines and the importers. Such a notification would lay off any ambiguity associated with the free period of a container for direct delivery at the terminal. The free period needs to be standard across the country. Further, requisite notifications aimed at standardising the charges payable by the importer to the terminals, shipping lines and the CFS' need to be in place, to realise the true potential of direct delivery.

6. **Regulatory framework for shipping lines:** It is necessary to introduce necessary regulations for shipping lines, covering aspects such as documentary compliance sought from importers and charges levied for DPD containers. For instance, the unfavourable perception - with respect to DPD – among the traders is primarily due to the unattainable documentary requirements i.e. submission of original bill of lading to the shipping lines prior to IGM filing. Such processes need to be deliberated upon and standardised across ports in order to facilitate DPD. The establishment of a regulatory framework will go a long way in achieving the same and will thereby play an important role in shaping end user perception towards the DPD programme.

7. **Encouragement for electronic submission of bill of lading:** Due to the difficulties faced by the trader in obtaining the original bill of lading within the timelines currently stipulated by shipping lines at the JNP, it is suggested that shipping lines must accept – for a time period of up to 48 hours from the time of vessel berthing - an electronic copy of the bill of lading from an importer or his nominee in order to reduce container dwell time. This practice must be standardised across all ports in India.

8. **Addressing delays in filing advance bill of entry and shipping bill:** Filing advance bill of entry and shipping bill is an important pre-requisite for DPD/E, as it expedites the Customs process of RMS facilitation even before the container has arrived at the port of discharge. Thus, it is important to address any delay in advance filing of bill of entry or shipping bill. Suggested measures include:

   a. Penalising any delay to discourage such practices

   b. Creation of efficient Bill of Entry Amendment Facilitation Centres across all ports to ease and expedite the process of amendment

   c. For DPD containers, amendments in advance bill of entry must not be subjected to penalties

   Such measures are expected to encourage advance filing of bill of entry among traders, thus potentially leading to an increase in the number of DPD transactions.

9. **Provision for filing of 'Advance Manifest' by shipping lines:** The concept of 'Advance Manifest' needs to be deliberated upon by the government, based on international best practices. An Advance Manifest is filed by the shipping line 24 hours prior to vessel departure from the port of loading. In USA, it is electronically transmitted to the Customs and the importer in order to initiate further processes. Advance Manifest has a number of advantages – security assurance to the Customs, prior intimation to the importer about container departure (as opposed to bill of lading, which is issued 24 hours post vessel departure), limited chances of errors due to advance notice about details of the container (particularly in the bill of entry filed thereafter) and finally, greater chances of doing away with unwanted bureaucracy in terms of getting the amendments completed.

10. **Development of an information board:** There is a need for an information board for intimating the container loading and sail off time of vessels on a real time basis. For DPE, it is necessary that consistently updated information be provided to the transport operator and the exporter about the cut-off time for loading of a container on a vessel. This will reduce delays in the time taken for an export trailer to reach the parking yard, obtain Let Export Order (LEO) and enter the port.

11. **Standardisation of ground rent charges for DPD/E containers:** When an export trailer arrives at the port gate after vessel sail off, it is held at the CFS till the next vessel arrives, and subsequently ground rent is levied on the container, as per declared tariff. However, for DPD import containers going to CFS post exhaustion of the free period, ground rent is levied over and above the displayed tariff. Such practices need to be checked for smooth functioning of the direct delivery programme. It is therefore suggested that the ground rent be standardised for both DPD and DPE containers.

12. **Expediting the formation of a DPD/E cells at ports:** In order to extend maximum benefits of the DPD programme among the current and potential users across all ports, it is necessary that each Custom House has a dedicated DPD management cell. This cell would have a nodal officer to manage the daily operations. The introduction of these cells would help in addressing ground level challenges in operations and conducting local workshops for users aimed at capacity building for DPD. They would also be responsible for levying penalties on non-compliant DPD/E clients.

CONCLUSION

In the quest of realising the central government's vision of Ease of Doing Business and facilitating honourable Prime Minister's Make in India initiative, increased adoption of Direct Port Delivery (DPD) and Direct Port Entry (DPE) facilities at the various ports of the country becomes imperative. Port-led development continues to considerably gain ground as a catalyst for overall economic growth, given the importance of the same in India's overall trade prospects, its position in the international supply chain and its prospects as a future manufacturing hub. In this context, increased share of DPD/DPE would sufficiently strengthen the supply chain by significantly lowering down key metrics such as delivery time and transaction cost, especially transportation cost. Such developments would ensure increased competitiveness as far as the domestic markets and export oriented manufacturing are concerned.

With the resurgence of DPE/DPE and enhanced focus on affecting greater coverage of the Authorised Economic Operator Programme (AEO) launched by The Central Board of Excise and Customs (CBEC), the major ports in India have started the process of exercising necessary interventions to ensure the augmentation of direct delivery, in line with the government's objectives.

The direct delivery programme – comprising both AEO and non-AEO based DPD/DPE – is, to date, one of the most effective measures towards trade facilitation and ease of doing business in India. It is aimed at reducing transaction time and cost for India's EXIM trade, making procedures more trade-friendly by reducing bureaucracy and human interaction as well as providing necessary security assurance to the Customs. Increased information dissemination by the government, standardisation of charges and application of innovative measures to increase operational efficiency are some of the measures to be undertaken in the near future. In addition, the government would further need to sensitise with stakeholders such as customs brokers and the CFS', and redefine their roles in the renewed supply chain. In the times to come, concerted efforts by the all relevant stakeholders would be required to realise the targeted share of direct delivery as envisioned by the central government i.e. 70 per cent by FY 2017-18.

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Bureau of Research on Industry and Economic Fundamentals (BRIEF)
B-59, South Extension Part II, New Delhi-110049, India
+91-11-41066328; info@briefindia.com
www.briefindia.com