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PORT PERFORMANCE MEASUREMENT

Going beyond the classical measure of clearance delays
Is France an attractive place to trade ?

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Executive Summary

This presentation introduces the current Trade Facilitation Strategy of French Customs regarding to port performance (preliminary results).

Customs aims to improve its procedures and facilitations, but bottlenecks and weaknesses along the supply chain can overcome estimated benefits: “*a chain is as strong as its weakest link*”. That is why French Customs acts as a driving force to improve each link of the chain.

Ports are key points in a country's attractiveness and some concerns still raise from traders. Using the French Cargo Community Systems (CCS) AP+ and following international measurement standards of port performance, such as the WCO Time Release Study framework and recent surveys of the World Bank, the French Customs launched processes analysis aiming to improve port crossing, anticipation and transparency

The statistical analysis of Business Process Models pointed out **several areas of improvement** but also **best delays than suggested** by international indicators such as Doing Business or the Logistic Performance Index.

The Trade Facilitation Strategy

Indicators rule performance

French Customs has developed several indicators to evaluate its performance on various areas (protection of society; trade facilitation; tax collection). According to them, improvements on Customs matters follow a continuous positive trend since several years.

International indicators measuring trade competitiveness show to some extent such improvements. However they are not always reliable. They do not reflect the reality of France's trading at the border issues. It is mainly due to their building hypothesis which are more or less restrictive, and to their perception background relying on limited panels. In addition, these indicators do not allow to develop dedicated facilitation policies along the supply chain.

French Customs aims to upgrade its performance indicators and its knowledge of trade facilitation needs in order to develop France's attractiveness.

The Trade Facilitation Strategy

Transparency, objectivity and importance of the supply chain

Objectives

Improve Customs performance and visibility

Optimization of the import/export processes

Mesure

Supply Chain



Port crossing delays
Information sharing
Bottleneck issues
Advance information needs



Measures in terms of delay, cost and reliability

Customs



Efficiency: cooperation, targeting
Clearance: delays and reliability
Services: facilities (AEO,
private partnership...)



Measures in terms of delay, cost and reliability

- Clear and simple
- Based on available data
- Based on International Standards

Indicators

Customs as a driving force

The ins and outs of import/export process

The supply chain is a complex system of connections and it relates to numerous actors. It appears that the understanding of most actors is as deep as their involvement in each link of the chain.

Customs has a comprehensive understanding of the whole chain *before, at and behind* the borders. In order to go beyond common knowledge and perception indicators, the French Customs has launched a research program to identify and evaluate each step of the import/export process. The first stage focuses on port performance.

Main French ports have adopted a community information system, called a Cargo Community System, AP+. It is provided by the SOGET and MGI. This system aims to gather and share information, from all actors involved in the chain, that will be required during the import/export process. Customs tools are also linked to the CCS AP+. This system is a good device to track containers and Customs declarations along the supply chain.

It may reveals bottlenecks and improvement areas, but also the current reality.

Process Analysis

Going beyond the Customs clearance delay (Indicator E1)

The methodology follows to some extent the WCO Time Release Study. However, information provided by the CCS is up-to-date, continuous and deeper than the one collected through ad-hoc surveys.

The analysis focus on three axioms

- Anticipation
- Bottlenecks
- Chronology

The CCS provides **key steps** of the supply chain during port crossing.



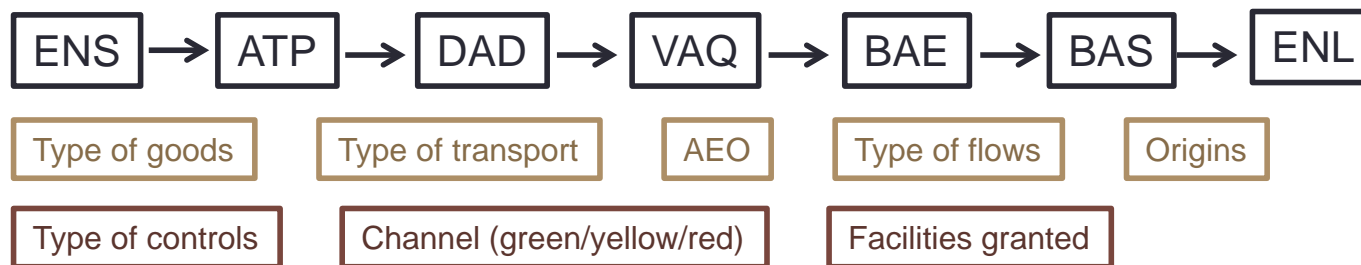
Where the *ATP* is the Arrival Time Prevision, *DAD* the unloading authorization demand, *VAQ* the container's scan at wharf, *BAE* the Customs Release, *BAS* the exit authorization, and finally *ENL* the exit of the container of the port.

Process Analysis

Going deeper underground

Data from the CCS allow us to study relations between many components of the border environment such as procedures, traders behaviors and characteristics, products characteristics, type of flows (transit...), origins, type of packaging or even port performance.

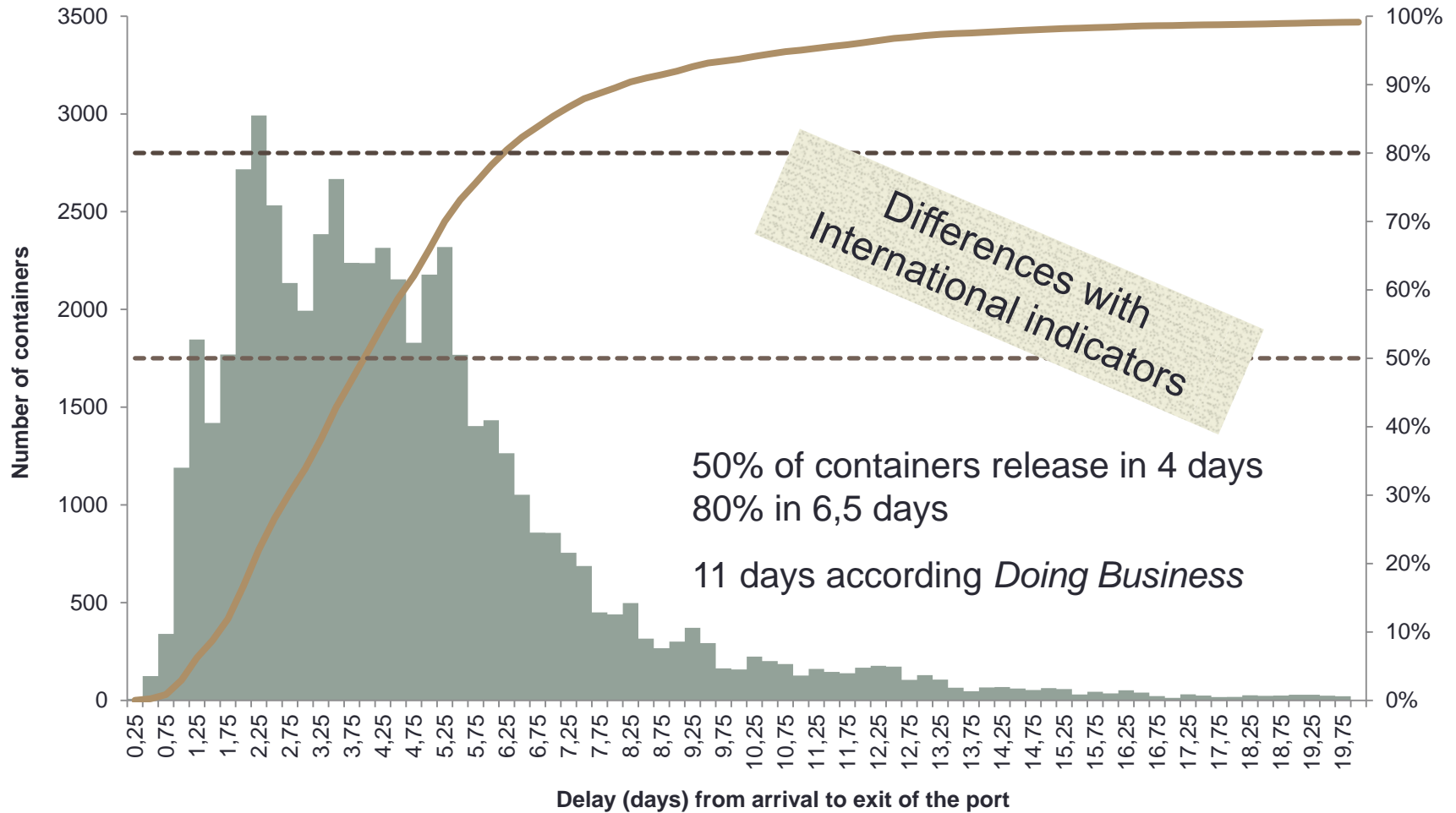
Beyond delays, it is also possible to measure reliability, predictability and causality links. Moreover, data are matched with Customs databases such as DELTA to include control issues and specific facilities (for example the impact of being an Authorized Economic Operators).



This analysis provides a global understanding of the whole process.

What data tell us?

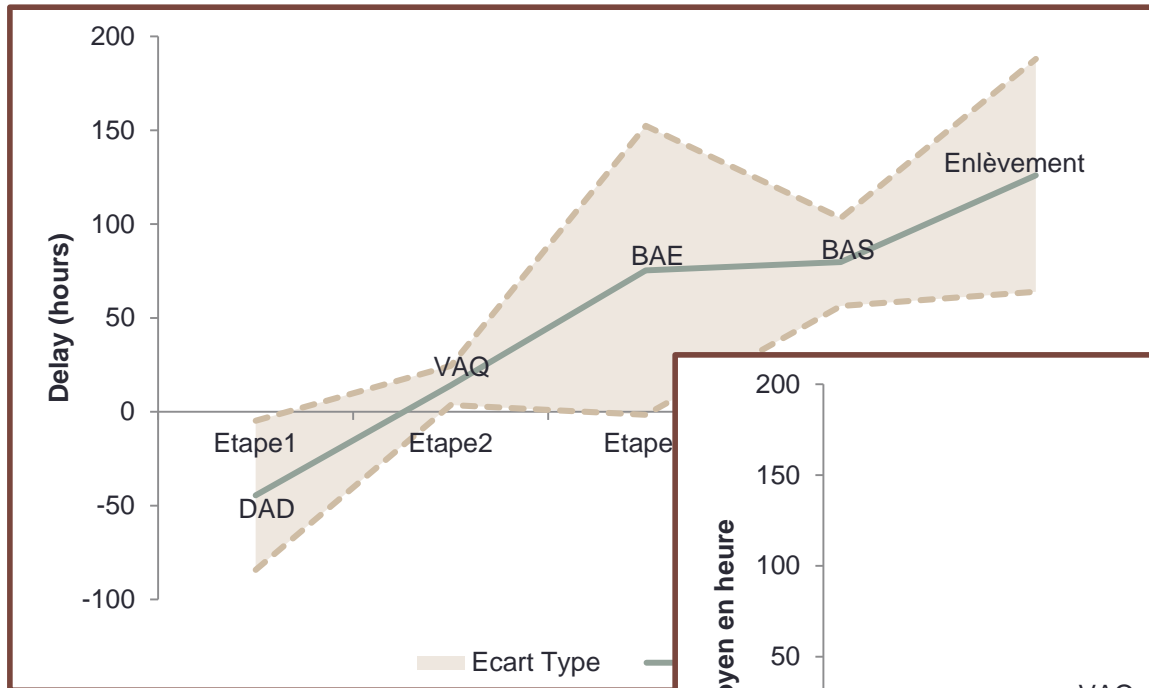
Better import delays than expected...



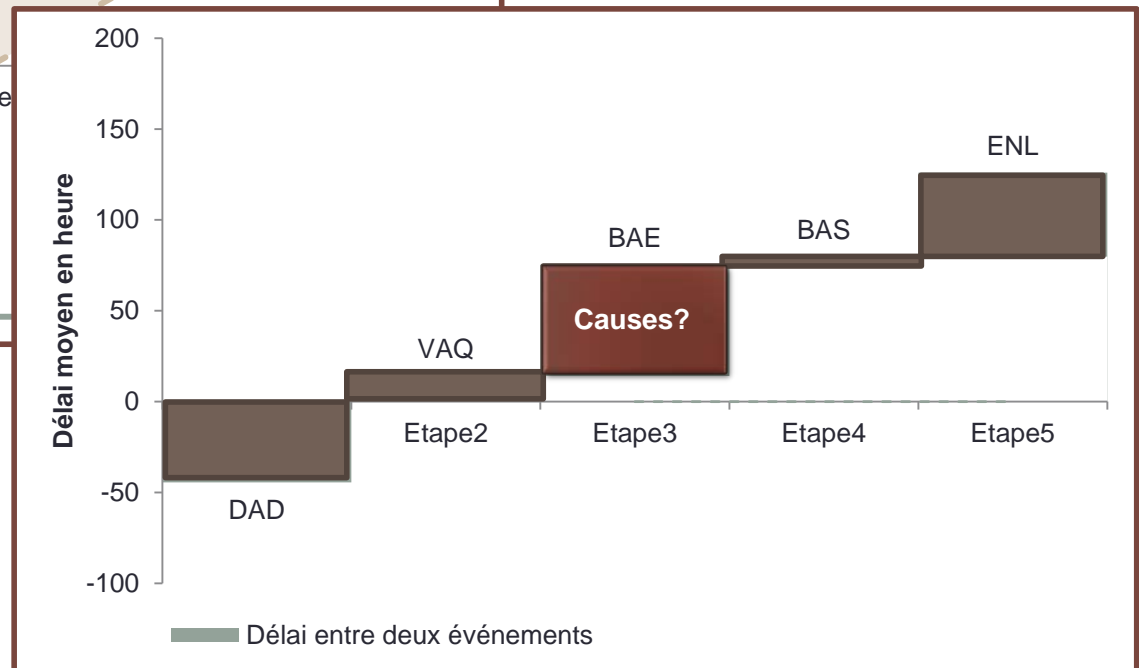
Sample: Importation from Asia at one French port (4 months), Containers, all types of status

What data tell us?

... but various variances of delays across actors



Step 1 : DAD - Arrival
Step 2 : Arrival - VAQ
Step 3 : VAQ - BAE
Step 4 : BAE - BAS
Step 5 : BAS - ENL



Questions:
Roles of actors?
Bottlenecks?

The relativity of Customs delays

Previous figures show two important things:

- The average delay between Customs release and the exit of the port is quite large: almost as big as the delay between the arrival and Customs release. However, at this stage, there is not any more Customs procedures... all is in the hand of private operators.
- Customs clearance delay is around 5 minutes, which is almost nothing regarding to the average delay between the arrival and Customs release...

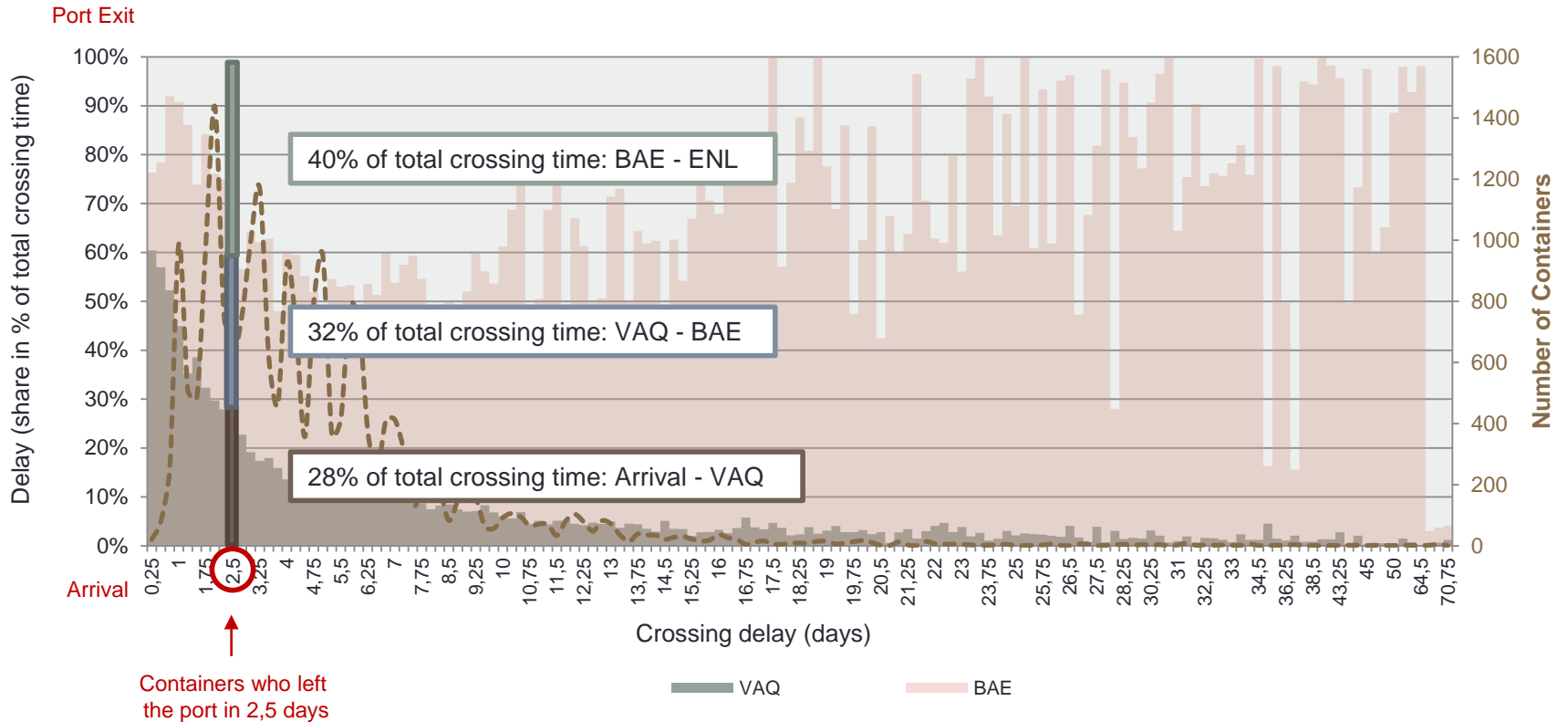
So, what are the sources of such delays?
Is it possible to reduce them?

Cycle of life of containers at the port

Bermuda triangle or optimization?

Decomposition of port crossing

Arrival – VAQ – BAE – Port Exit (ENL)

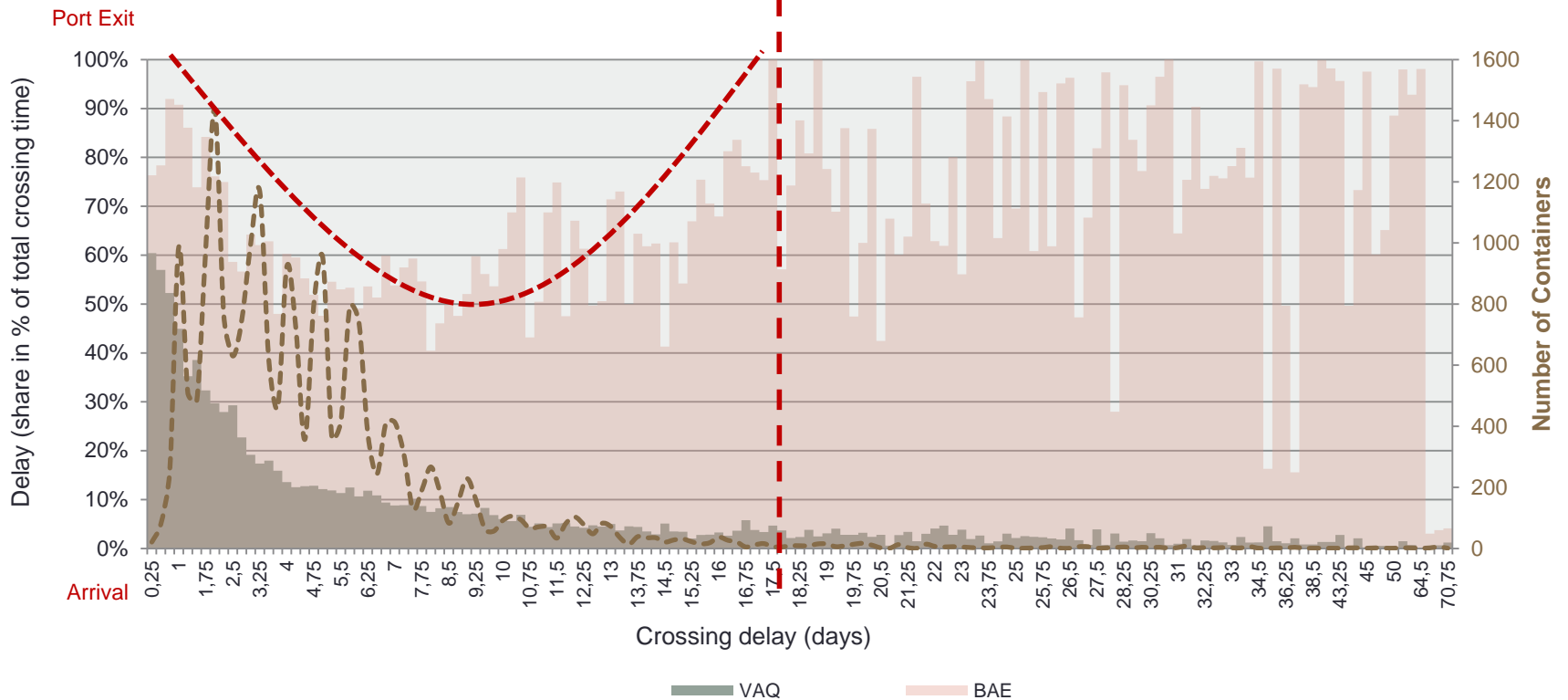


Cycle of life of containers at the port

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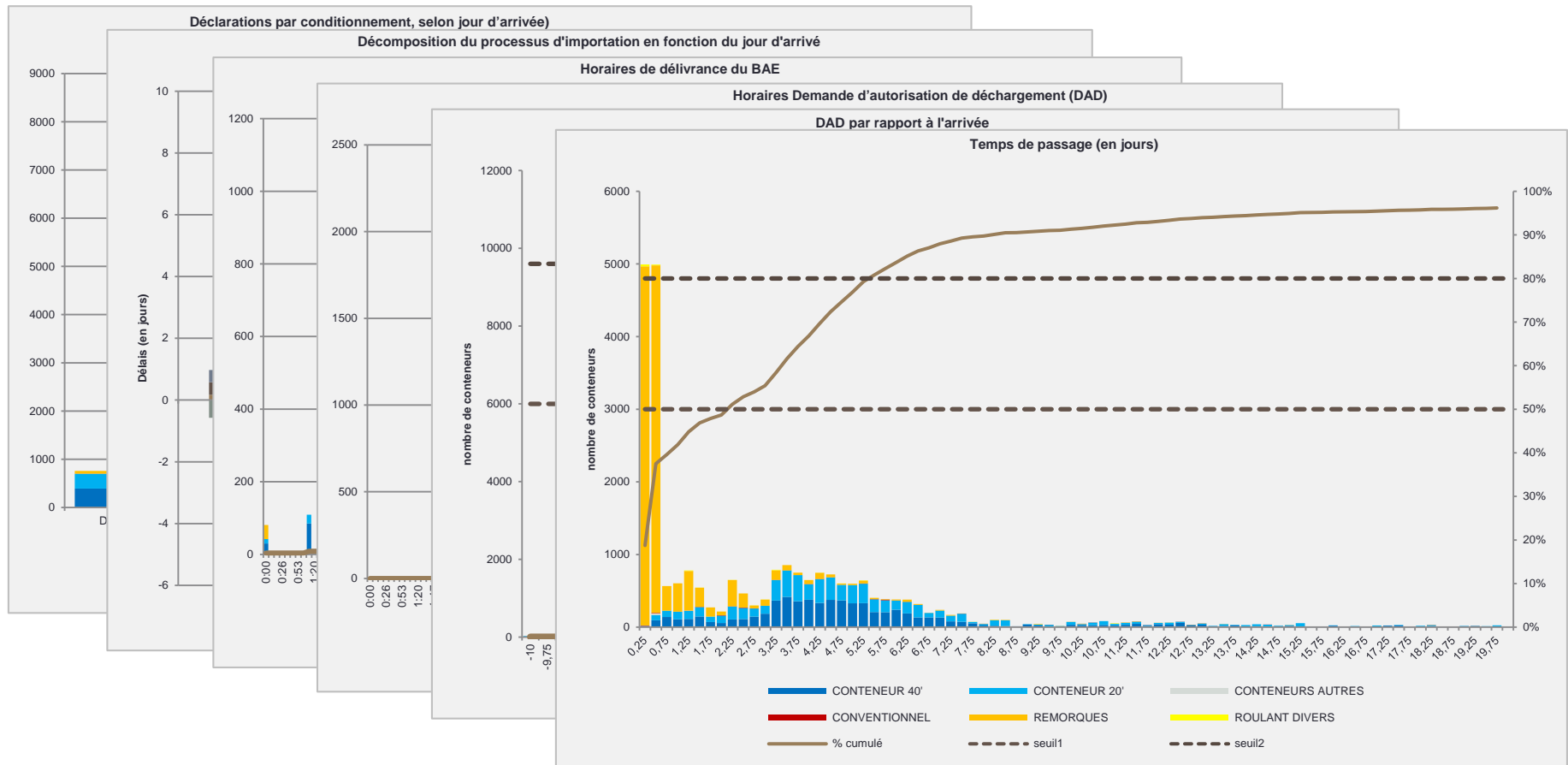
Arrival – VAQ – BAE – Port Exit (ENL)



We note a specific relation, which seems to be consistent across samples

An environment with a lot of heterogeneity

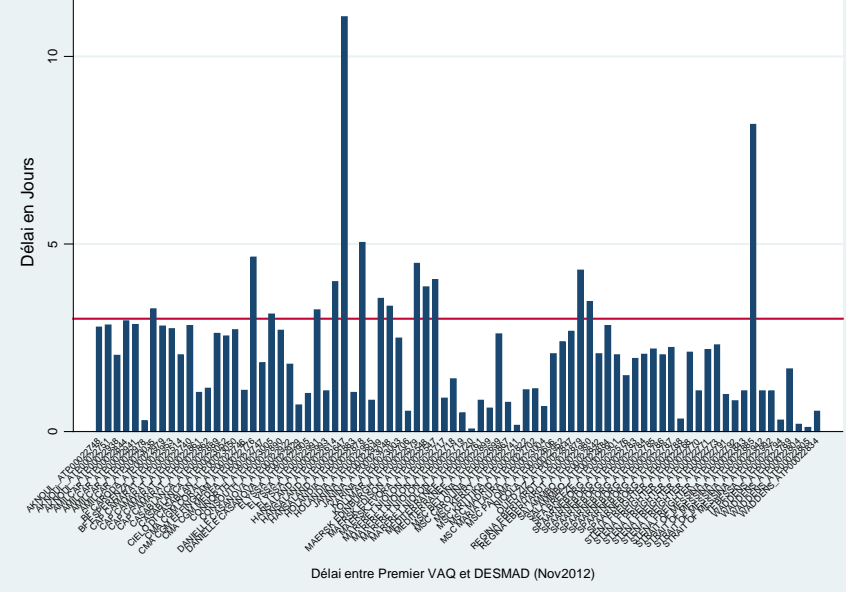
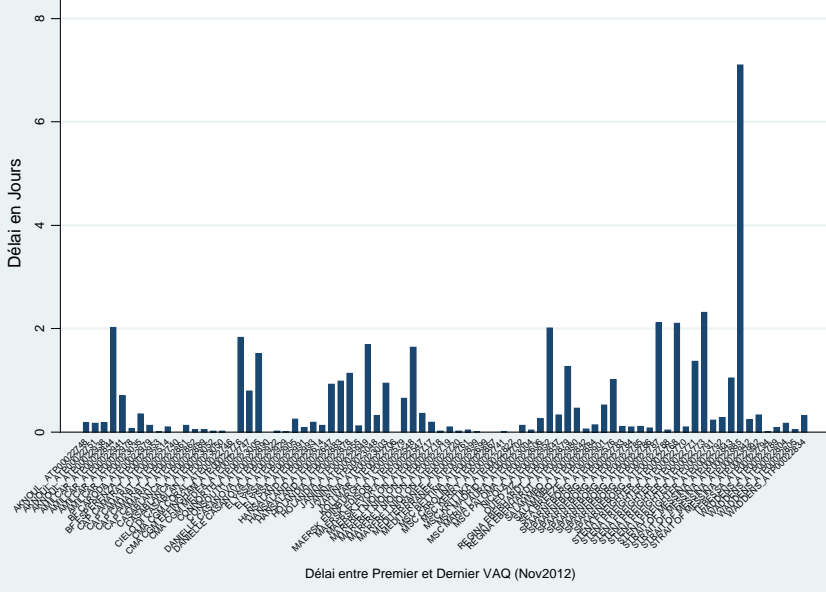
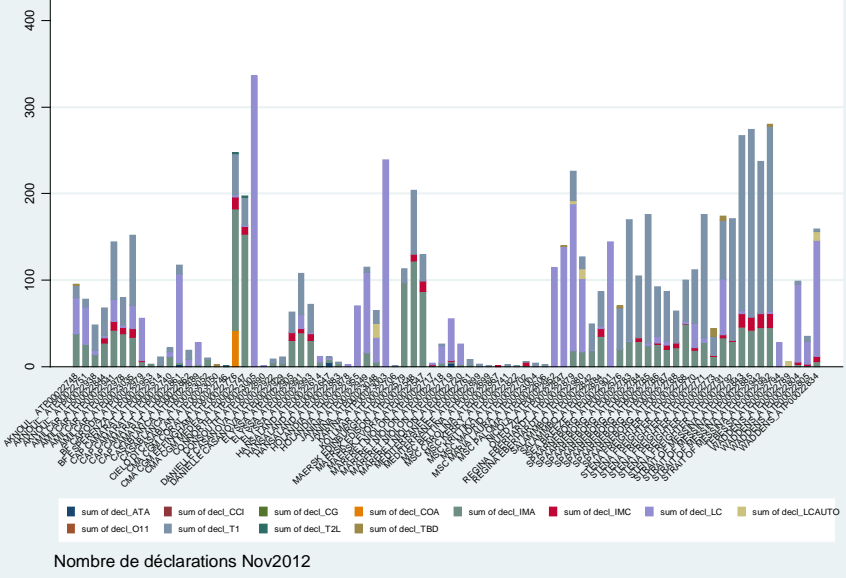
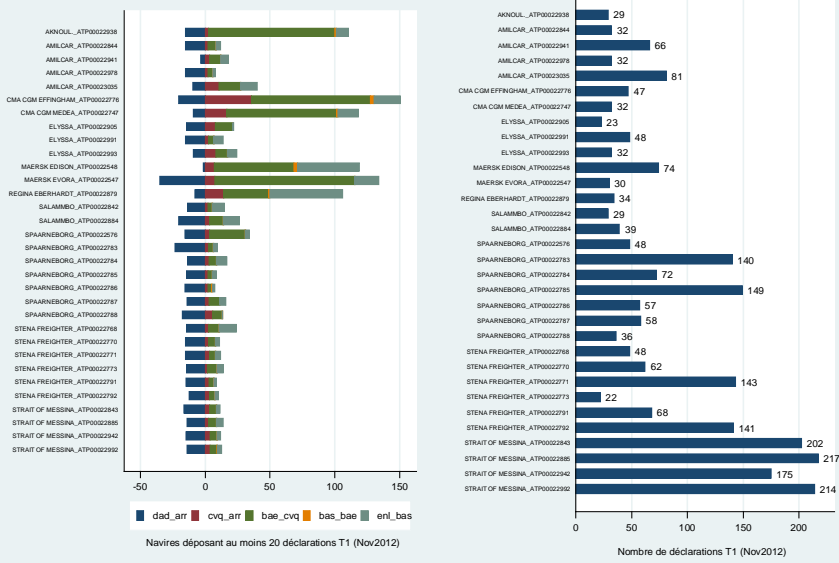
New knowledge on flows and operators' characteristics and habits



Preliminary analysis already showed technical bottlenecks and areas of improvements. It also provides insights on potential better Customs organization.

Different levels of analysis :
Packaging, origins, companies, container ships, ports...

Passage Portuaire (délai moyen par étape, en heures)



First insights and recommendations

The measurement of port performance by using the valuable information of CCS and Customs databases leads to a better understanding of trading across border issues and needs.

First insights suggest several best practices and new organizations. Results show also some bottlenecks and potential improvement areas, especially for operators. Indeed it appears that many of them do not proceed correctly and do not provide information right on time, even if they claim for advance customs procedures. Figures reveal also potential rent practices and bad habits.

Tables, figures and graphics of this presentation are based on preliminary results and must be consolidated. DO NOT QUOTE.