

# *Introducing Paperless trade in India*

*T. A. Khan*

*UN/CEFACT Vice Chair &  
Deputy Director General, NIC*

*takhan@nic.in*

# *Outline*



1. Introduction
2. eGovernance initiatives
3. eTrade Initiatives
4. eTrade - The Project
5. eTrade - Organisation wise Implementation
6. UNeDocs adaptation in India
7. Achievements
8. Task Ahead

# *1. Introduction*



# *Need for Paperless Trade*

- Substantial progress on policy front.
- Focus required on streamlining and standardisation of procedures.
- Large number of agencies involved in clearances for international trade.
- Increase in exports to eTrade enabled countries.

# *Challenges*



- Multiple entry/exit points and complex management issues
- Cumbersome procedures
- Enormous documentation
- Need for extensive process re-engineering
- Different stages of automation

# *Challenges*



- Different priorities of organisations
- Lack of awareness on eTrade
- Non participation in community systems
- Adoption of standards

## *2. eGovernance Initiatives*



## *eGovernance Initiatives*

- On 14 June 2000: Minimum agenda for e-Governance developed.
- GOI approves the National E-Governance Action Plan for implementation during the year 2003-2007
- Mission Mode Projects at the center, state and integrated service levels to create a citizen-centric and business-centric environment for governance included.

### *3. eTrade Initiatives*



# *Strategies*

- **Department of Commerce selected as the nodal agency**
- **Process Re-engineering**
- **National standards**
- **Education and awareness programs**
- **Pilot projects for private sector**
- **eTrade project**
- **Portal for single point interface with all community partners**

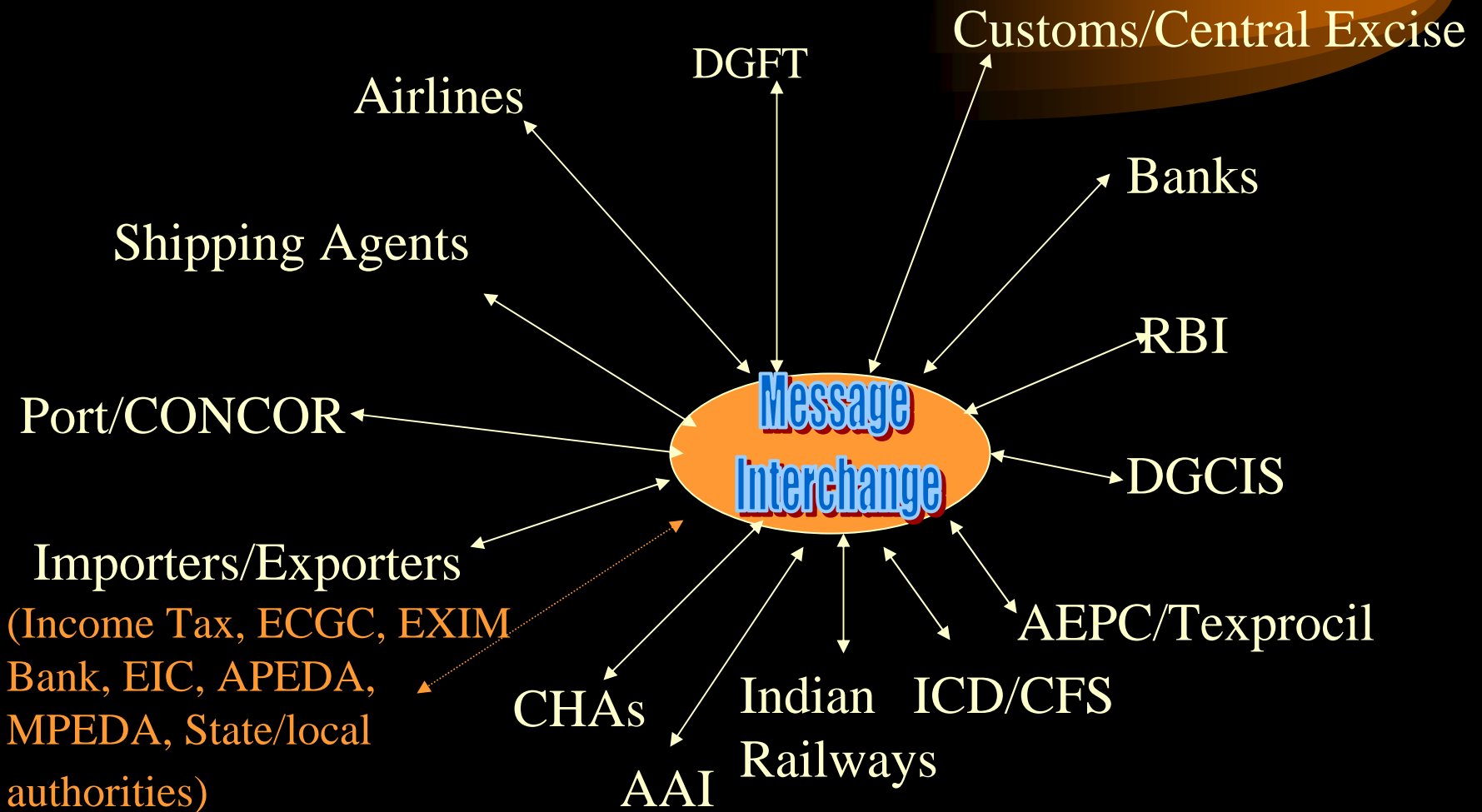
## *4. eTrade - the project*



## *Objective of the project*

- Efficient, transparent, secure electronic delivery of services by trade regulatory/facilitating agencies.
- Simplify procedures and reduce the transaction cost and time.
- Introduce international standards and practices

# *The Indian eTrade Community*



## *Project Spread (I-Phase)*

- 1. Customs (35 locations)**
- 2. DGFT (35 locations)**
- 3. Port Trusts (12 locations)**
- 4. Airports (7 locations)**
- 5. Container Corporation (38 locations)**
- 6. Banks (106 locations)**
- 7. RBI**
- 8. Airlines**
- 9. Apparel / Textile Export Promotion Councils (24)**
- 10. Indian Railways (1)**
- 11. Export Promotion Organisations**
- 12. DG commercial Intelligence / Statistics**
- 13. Inland Container Depots / Container Freight Stations (50)**

*5. eTrade - Organisation wise  
Implementation*





# *Customs*

## *Scope*

- Three key areas for implementation
  - electronic filing;
  - processing of export and import clearances and
  - Customs duty payments
- Establishment of electronic interface with the community partners viz. Banks, Airlines, AAI, Sea Ports and DGFT.

# Customs

## Status

- ICES operational at 35 locations (Ports - 11, Airports - 8, ICD/ Land Customs - 16).
- Automation covers 85% of India's international trade.
- ePayment started at 19 location.
- Risk Management System started for import at 13 locations.
- EC/EDI Gateway (ICEGATE) for e-filing of documents operational.
- Portal [www.icegate.gov.in](http://www.icegate.gov.in)

# *Directorate General of Foreign Trade*

## *Scope*

- Electronic submission and processing of license and other applications in all the 35 offices of DGFT.
- Electronic interface building with the community partners viz. exporters, importers, export promotion organisations, Customs, Banks, Directorate General of Commercial Intelligence and Statistics (DGCI&S) and Income Tax.

## Status

- DGFT network covers all 35 locations.
- 100% Schemes automated, 90% Licenses issued under web enabled environment.
- Banks integrated for internet-payment
- Digital signatures integrated
- Online interface with Customs
- Video conferencing launched for License Committee's interface with trade and industry.
- License processing time reduced to 6 Hrs. from 30 to 45 days.
- Portal <http://dgft.gov.in>

# *Sea Ports*

## *Scope*

- Cargo management system.
- Electronic submission and processing of documents with the community partners viz. Shipping line, Customs, Customs House Agent, Shipping Agent, Bank, CONCOR.
- Eleven Ports participating in first phase operations are Kolkata, Chennai, Cochin, Tuticorin, Mumbai, JNPT, Goa, New Mangalore, Vizag, Kandla and Paradip.

# Sea Ports

## Status:

- Automation at 11 major ports accounts for 75% of trade by sea route.
- EDI implemented for interface with customs, shipping lines, agents etc.
- Electronic payments introduced.
- Standard messages developed with community partners.
- Web based single point interface for all ports being developed.
- Portal [www.indianportscommunitysystem.com](http://www.indianportscommunitysystem.com)

# CONCOR

## Scope

- Effective and efficient handling of container and related documents between CONCOR and its community partners viz. Customs, Ports, ICDs, Agents, Banks, Indian Railways, Exporters and Importers.

# CONCOR

## Status:

- Export Terminal Management System
- Linked with 'Freight Operations Information System' (FOIS) of Indian Railways.
- Web enabled container tracing and tracking system
- Web based community partner interface system implemented.
- Portal [www.concorindia.com](http://www.concorindia.com)

# *Airports*

## *Scope*

- Cargo management system at all international airports.
- System to adopt tracing and tracking of cargo
- Electronic exchange with community partners viz. Customs, Airlines, Agents, Exporters, Importers and Banks .

# *Airports*

## *Status*

- Integrated Cargo Management System implemented
- Web enabled community partners interface system operational
- Integration of bar code for tracing & tracking of cargo
- Portal [www.airports-ecom.gov.in](http://www.airports-ecom.gov.in)

# *Banks*

## *Scope*

- To facilitate on-line payment and receipts by the banks.

# *Banks*

## *Status*

- Netbanking introduced at DGFT, CONCOR, Customs and Ports.
- Netbanking under integration at Airports.
- Real Time Settlement (RTGS) system implemented

## *6. UNeDocs Adoption*



# *UNeDocs in India*

- Adoption of Aligned Documentation System based on UN Layout key in 1990
- SW in 1995 for pre-shipment export documents based on UN Layout key.
- The migration to United Nations Electronic Trade Documents.
- UNeDocs Workshop organised by UN/CEFACT and Indian Government from 3 – 4 Oct. 2006 at New Delhi.

# *7. Achievements*



# *Achievements*

- Uniformity and simplification of procedures
- Re-engineered inter agency interfaces
- Standards integration
- Integration of eTrade community through a portal
- Significant reduction in transaction time of services like license application is disposed in 6 hrs. as compare to 45 days
- Reduction and early detection of frauds

## *8. Task Ahead*



## *Task Ahead*

- Dispensation of manual systems completely.
- Smaller locations to be covered.
- Cross border paperless trading to be incorporated.
  - e.g.
    - Electronic certificate of origin project
    - Customs declaration



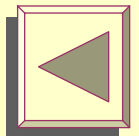
Thank You

## *Custom - DGFT message exchange (earlier scenario)*

| <i>Step No.</i> | <i>Process at Customs</i>      | <i>Process at DGFT</i>                  | <i>User visits</i> |
|-----------------|--------------------------------|---|--------------------|
| <i>1.</i>       |                                | Licence application received            | DGFT               |
| <i>2.</i>       |                                | License issued                          | DGFT               |
| <i>3.</i>       | Registration of licence        |   | Customs            |
| <i>4.</i>       | Release advice within Customs  |   | Customs            |
| <i>5.</i>       |                                | Extension of validity period of licence | DGFT               |
| <i>6.</i>       | Registration of release advice |   | Customs            |
| <i>7.</i>       | BE/SB assessment               |   | Customs            |
| <i>8.</i>       | Updating of licence register   |   | Customs            |
| <i>9.</i>       | Stamping licence               |   | Customs            |
| <i>10.</i>      |                                | Licence taken back for utilisation      | DGFT               |

## *Custom - DGFT message exchange (re-engineered scenario)*

| <i>Step No.</i> | <i>Process at Customs</i>  | <i>Process at DGFT</i>   | <i>User visits</i> |
|-----------------|--|--|--------------------|
| <i>1.</i>       |  | Licence application received electronically                      |                    |
| <i>2.</i>       |  | License file sent to Customs electronically                      |                    |
| <i>3.</i>       | Release advice within Customs  |  |                    |
| <i>4.</i>       |  | Extension of validity period file sent to Customs electronically |                    |
| <i>5.</i>       | BE/SB assessment   |  | Customs            |
| <i>6.</i>       | Licence utilisation file, plus BE assessment details sent to DGFT electronically |  |                    |
| <i>7.</i>       |  | Perform monitoring on computer screen                            |                    |



# *National Standards*

- EDIFACT declared as national standard for EDI
  - Message development groups constituted for Customs, Ports, Airports, Banking and Private sector
- Establishment of Article Numbering & Bar Coding Institution
- UN/CEFACT recommendations like
  - SubCommittee on UN/LOCODE
  - UN Layout key for trade documents etc.

# *National Standards*

- Establishment of Article Numbering & Bar Coding Institution
- SubCommittee on UN/LOCODE
- UN/CEFACT recommendations

