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Analysis of export and import processes of selected products in Thailand

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Analysis of Export and Import Processes of Selected Products in Thailand

by

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Introduction

Thailand has negotiated many free trade agreements - with Australia, China, India, Japan, New Zealand and ASEAN - that have helped to increase the total value of its exports. These exports include agricultural and industrial goods like rice, processed and frozen food, electronics, fashion garments and textiles, automobile and auto parts and accessories. Exports of jasmine rice, sugar, frozen shrimp, and automobile and auto parts in particular have been key contributors to economic growth.

But administrative and procedural barriers to import and export processes may unnecessarily impede further participation in international trade. Business Process Analysis (BPA) is a powerful tool which can help to identify these barriers and suggest ways to streamline trade processes. As part of the ARTNeT Regional Study on Improving Regional Trade Procedures and Processes, a BPA was conducted on Thai exports of sugar to Bangladesh and auto-parts to India as well as imports of raw materials used to produce electronic goods. The study looked at the process beginning with the signing of the contracts until the arrival of the products at a wholesale location in an importing country. This paper presents the conclusions of these analyses.

The study focused on sugar and autoparts because a BPA of the two other high-performing exports – frozen shrimp and jasmine rice – has already been performed. Additionally, exports of sugar and autoparts grew rapidly from 2005-2009, as shown in Table 1. The decision to analyze exports to Bangladesh (sugar) and India (autoparts) in particular was based on considerations of import needs and interests, existing trade practices and market potential.

Table 1: Statistics of Export Quantity and Value of Sugar and Auto Parts of Thailand (2005-2009)

Year	Products	Sugar ¹	Auto Parts ²		
			O.E.M. Part		Spare Parts
			Body Part	Component Part	
2005	Quantity (ton)	1,419,417	---Total units not specified---		
	Value (mil.bath)	14,437.50	6,462.11	70,328.58	4,100.74
2006	Quantity (ton)	981,463	---Total units not specified---		
	Value (mil.bath)	13,151.60	6,677.28	80,489.32	5,026.38
2007	Quantity (ton)	2,321,484	---Total units not specified---		
	Value (mil.bath)	25,383	39,910.06	72,432.02	8,115.21
2008	Quantity (ton)	2,015,012	---Total units not specified---		
	Value (mil.bath)	21,733.50	71,493.36	61,320.34	11,007.91
2009	Quantity (ton)	2,694,467	---Total units not specified---		
	Value (mil.bath)	35,503.40	14,665.70	86,225.42	12,531.84

Finally, the study also looked at the processes involved in the import of raw materials for electronic goods in order to give due attention to both sides of trade transaction, and illustrate the complex procedural requirements and interactions between agencies that sustain global supply chains.

Section 2 of this paper elaborates upon the benefits of BPA as a baseline for the development of a National Single Window by reviewing a prior BPA on selected Thai imports

¹ Source: Office of Agricultural Economics <http://www.oae.go.th/>

² Source: Thailand Automotive Institute http://www.thaiauto.or.th/statistic/vehicle_and_part_export.asp

and exports. Section 3 then describes the methodologies of BPA and Time/Cost-Distance used for this study. Sections 4 and 5 review the conclusions of the BPA on sugar and autoparts exports. The paper concludes by describing the implications of the study and recommended solutions.

1. *Business Process Analysis (BPA) in Thailand*

In this part the experience of Thailand in implementing the BPA on export and import processes of strategic products is presented so as to visualize the common and necessary processes of export and import. BPAs describe documentation and regulatory requirements of trade processes and reveal information flows, bottlenecks and redundancies in the activities and documents necessary to complete trade transactions. In the specific case of Thailand, the results of a BPA enable further data harmonization and data modeling to support the development of e-logistics.

According to the step-by-step approach toward a single window paperless environment recommended by UN/CEFACT³, BPA is recommended as the first step before trade facilitation measures related to simplification, harmonization, and automation of trade procedures and documents can be implemented.⁴ It is crucial that the existing or “as-is” conditions of business processes and information flows throughout the international supply chain are well understood prior to the selection of trade facilitation measures. All attributes of the processes and information flows such as activities required to complete the processes, relevant stakeholders, related laws, rules, regulations and documents, as well as their relationship need to be duly recognized and understood.

BPA may serve as a baseline for implementing trade facilitation measures such as simplification of trade procedures (including commercial, transport, regulatory and financial procedures); simplification of documentary requirements and their alignment with international standards; and automation of international trade transaction and its associated electronic documents for Single Window and paperless trade systems.⁵ Improvement in business process has a significant impact on the performance of the overall business. It can consequently enhance competitiveness both at the organizational and national levels.

In 2008, Thailand conducted, as part of the Data Harmonization and Data Modeling for Single Window e-Logistics Project⁶, the analysis of export and import processes of eight strategic products. The four selected products for export were frozen shrimp, frozen chicken, durian, and automobiles. The four selected ones for import are Tuna fish, beef, grapes, and auto parts. The Unified Modeling Language (UML), Use Case diagram, and Activity diagram were used to illustrate the processes.

The analysis concluded that exporting the selected products from Thailand took approximately 11-16 steps and importing them took 9-10 steps. The analysis also revealed that certain of these steps, especially those relating to documentation requirements, imposed higher time costs than others. The activity diagrams further showed clearly the existence of bottlenecks

³ UN/CEFACT = United Nation Center for Trade Facilitation and Electronic Business. www.unece.org/cefact

⁴ UNECE (2006) *Background Paper for UN/CEFACT Symposium on Single Window Common Standards and Interoperability*, Geneva.

⁵ *Business Process Analysis Guide to Simplify Trade Procedures* (2009), UNNExT, UNESCAP, UNECE

⁶ Data Harmonization and Data Modeling for Single Window e-Logistics Project (2008) commissioned by Ministry of Information and Communication Technology, and researched by Institute for Information Technology Innovation, Kasetsart University, Thailand.

and redundancies in activities and data requirements. These results guided subsequent improvements to the business process. The summary of export and import processes of the strategic products of Thailand is shown in table 2.

Table 2: Summary of Export Processes of Four Strategic Products of Thailand (2008)

Export Process	Frozen Shrimp	Frozen Chicken	Durian	Automobile
1. Buy	√	√	√	√
2. Ship				
2.1 Quality assurance	√	√	√	-
2.2 Arrange Transportation	√	√	√	√
2.3 Obtain export permit	√	√	√	√
2.4 Obtain insurance	√	√	√	√
2.5 Customs declaration	√	√	√	√
2.6 Pack goods and inland transportation	√	√	√	√
2.7 Inspection at the loading station	√	-	-	-
2.8 Export process	√	√	√	√
2.9 Prepare document for importation	√	√	√	√
2.10 Request for cutoff from raw materials list	-	-	-	√
2.11 Report production process	-	-	-	√
2.12 Report exportation	-	-	-	√
2.13 Request for tax/duty return in compliance with the specific laws	-	-	-	√
2.14 Request for excise duty return/waiver	-	-	-	√
3. Pay	√	√	√	√

Remarks: √ means that process is required for that product
 - means that process is not required for that product

Table 3: Summary of Import Processes of Four Strategic Products of Thailand (2008)

Import Process	Tuna	Beef	Grapes	Auto Parts
1. Buy	√	√	√	√
2. Ship				
2.1 Prepare documents before importation	-	√	-	√
2.2 Obtain approval of raw materials release	-	-	-	√
2.3 Prepare documents required for importation	√	√	√	√
2.4 Obtain insurance	√	√	√	√
2.5 Request for berthing	√	√	√	√
2.6 Request for unloading cargo containers from vessel	√	√	√	√
2.7 Inspect cargo	√	√	√	-
2.8 Release cargo	√	√	√	√
3. Pay	√	√	√	√

Remarks: √ means that process is required for that product
 - means that process is not required for that product

2. Study Methodology

I. Business Process Analysis Methodology

The analysis of those export processes of auto spare parts and sugar are conducted based on the Business Process Analysis Guide to Simplify Trade Procedures (2010), jointly developed and produced by United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UNNEXT), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and United Nations Economic Commission for Europe (UNECE).

A BPA is used to visualize the documentation requirements and interactions between agencies that are necessary to facilitate a particular supply chain and to explain how to perform each step in the context of legal regulations, policies, and related trade and electronic commerce orders. In addition, these results will provide basic information that will lead to simplification and integration of trade procedures. In conducting the process analysis, documents and data items used in trade transactions are collected.

Following the BPA Guide, the United Nations Center for Trade Facilitation and e-Business (UN/CEFACT)'s Unified Modeling Language (UML) is used to represent the results in the form of diagrams.⁷ The UML is widely used among software developers and employs diagrams to illustrate analytical results. The diagrams communicate these results better than text, helping to compare and identify key steps and suggesting ways to integrate procedures consistently.

According to the UN/CEFACT International Supply Chain Model, the business processes are analyzed and categorized into 3 process areas, which are **Buy-Ship-Pay** as follows:

- 1) **Buy** – activities concerning the conclusion of trade terms and establishment of sales contract
- 2) **Ship** – activities concerning the arrangement of inland and cross-border transportation and other actions necessary to meet regulatory requirements in both exporting and importing countries, such as:
 - Obtaining an export permit
 - Arranging transport
 - Arranging for inspection and fumigation
 - Obtaining cargo insurance
 - Providing customs declaration
 - Collecting empty container(s) from yard
 - Packing container(s)
 - Transferring cargo to the port of departure
 - Clearing goods through customs

⁷ The technique of business process modeling is used for documenting business processes where each element of the business process is represented by graphical notations. Two types of Unified Modeling Language (UML) diagrams, namely Use Case Diagram and Activity Diagram, are used as a set of standard graphical notations for business process modeling. The UML use case diagram illustrates the high-level business processes and actors associated with each of them. It serves as a frame of reference for further elaboration of business process modeling work. The Activity Diagram, on the other hand, describes activities, inputs, and outputs associated with each business process listed in the Use Case Diagram.

- Handling containers at terminal and stowing them vessel
 - Preparing documents required by the importer
 - Verifying the accuracy/authenticity of exported cargo
- 3) **Pay** – actors concerning claim for payment of goods

II. Time/Cost-Distance Methodology

Based on the premise that the unit costs of transport may vary between modes, the time and cost associated with the transport process is also studied by using the time/cost-distance methodology developed by UNESCAP. The methodology enables comparison and evaluation of competing modes of transport operating on the same route and comparison of alternate transit routes. The purpose of the time/cost-distance model is to identify inefficiencies and isolate bottlenecks along a particular route⁸.

The “UNESCAP Time/Cost – Distance Methodology” is based on the graphical representation of data collected with respect to the cost and time associated with the transit transport process. The purpose of the model is to identify inefficiencies and isolate bottlenecks along a particular transit route by looking at the cost and time characteristics of every section along a transit route.

The vertical axis of the model represents the time and cost incurred while the horizontal axis represents the distance travelled from origin to destination. The methodology enables easy comparison and evaluation of competing modes of transport operating on the same route and comparison of alternate transit routes.

Assumptions regarding the import/export transaction processes analyzed in this study are elaborated upon in the next section.

3. Analysis of Export Processes of Selected Products from Thailand

This analysis focused on procedures necessary to export auto spare parts and sugar from Thailand. The processes cover all activities in the international trade transaction, which range from the establishment of commercial contracts, through the arrangement of inland and cross border transportation and export formalities to meet regulatory requirements to the payment of the purchased cargo.

Due to the fact that mode of transport, terms of delivery, and terms of payment can vary, the following assumptions are made for the study of both products, except for the mode of payment:

- *Ship*: The exporters choose the ocean freight as a mode of transport, as it is one of the cheapest and most convenient ways to ship goods overseas.
- *C.I.F (Cost, Insurance, and Freight)*: The exporters arrange and absorb the costs of shipping their cargo to the ports of destination.
- *FCL (Full Container Load)*: For simplicity, the analysis of export processes traces the operation of a sole exporter for each product. It is also assumed that the whole container is intended for a single consignee.
- *CY (Container Yard) Container Service*: For simplicity, it is assumed that CY/CY container service is used. Under such CY/CY container service, the carrier delivers an

⁸ <http://www.unescap.org/ttdw/common/TFS/ImprovingTx/VV1/All/Introduction-Time-Cost.asp>

empty container to exporter's premises for loading and brings the loaded container back to the container yard. At the container yard, the container waits to be loaded onto the vessel. No unpacking or modification is made.

- *Mode of Payment:* Payment by remittance after shipment is applied to the case of auto parts export while a letter of credit (L/C) is used as a method of payment for the case of sugar export.

The Unified Modeling Language (UML)⁹ use case diagram is used to illustrate core business processes of auto spare parts and sugar export from Thailand. It lists all main process participants, business processes, and the relationships among them. The diagram shows that the scope of analysis covers all activities in the international trade transaction, which includes commercial procedures, transport procedures, regulatory procedures, and financial procedures.

The core business processes are organized according to the UN/CEFACT International Supply Chain Model which are "Buy-Ship-Pay" model and displayed in the diagrams and tables of description. To comply with the regulatory requirements, the movement of cargo that involves transport procedures and regulatory procedures is classified as a "Ship" activity.

I. Analysis of Export Process of Auto Spare Parts from Thailand to India

As mentioned earlier, the auto spare parts are considered a key industrial sector in terms of its impact on economic growth. The total export value of auto spare parts from Thailand increased rapidly from 2005-2009 and generate an annual income of about USD 400 million.¹⁰ Exports are expected to continue rising with India being a major market, according to Thai Trade Center Chennai, Department of Export Promotion, Ministry of Commerce.

The study on export process of auto spare parts from Thailand limits the scope of analysis to the delivery of a full container (20 Ft and 40 Ft containers) load of auto spare parts from Thailand by maritime transport to the port of destination in India (Delhi/Mumbai) under the C.I.F. term with the payment being made by remittance after shipment.

The BPA of auto spare parts export is illustrated using Use Case Diagrams and Activity Diagrams as shown in Annex 1. There are a total of 9 processes and each process is summarized as follows:

1) "Buy" Process

Upon establishment of a deal or contract, the importer issues a Purchase Order to the exporter. The exporter then validates the Purchase Order. If it contains incorrect information, the exporter will return the document to the importer for modification. Otherwise, the exporter will proceed to check the stock. If the products do not exist, the exporter will create Purchase Orders to be sent to the suppliers. The suppliers then confirm receipt of the documents. The exporter allocates products based on the orders, prepares purchase confirmations and replies to the importer. The exporter continues products/goods preparation in the next step.

⁹ UML Resource Page, <http://www.uml.org>.

¹⁰ Source: Car Manufacturers Export Record 1995-2009, Automotive Industry Club, The Federation of Thai Industries.

2) “Ship” Process

2.1 Allocate and Package

If the items are in stock, the exporter pulls them from the inventory. Ship labels, cartons/boxes and other documents such as packing slips and packing list are prepared for the items to be packed for shipment. But if the exporter cannot find the items from the inventory, he/she sends orders to suppliers to produce and deliver products to the exporter. By the end of this process, the products are ready for movement and the exporter schedules the date and time of shipment.

2.2 Prepare for shipment

The exporter prepares and sends to the ship agent the “preemption freight” in order to book a shipment. The ship agent then sends a copy of Bill of Lading to the exporter. The exporter verifies the documents. If they contain incorrect information, the exporter returns them to the ship agent for modification. Once corrected, the documents are returned to the exporter. The exporter sends the order and booking number to the haulage service for confirmation. Upon receiving confirmation from the haulage service, the exporter reviews and updates the shipment status in the electronic system.

2.3 Request for Certificate of Origin under Free Trade Agreement (Form FTA)

To prepare a FTA form required of an importer for importation, the exporter prepares the relevant documents (Request for FTA Form, Invoice, Bill of Lading, draft FTA Form) and sends them to the Foreign Trade Department. Upon receiving the documents, an officer verifies the data. If incorrect, the exporter has to modify and resubmit the documents. If correct, the officer creates and approves an FTA Form. The exporter pays the fee and receives the FTA Form and then sends it to the importer in the next step.

2.4 Load and Inland Transport

When the cargo/products are ready for movement, the exporter sends a reservation confirmation to the haulage service and makes an appointment to have the cargo picked up and empty containers returned, via a company vehicle preemption truck, to the warehouse where they can be packed. Meanwhile, the exporter prepares products to be loaded into containers. When the empty containers are brought to the warehouse and packed, the exporter controls and seals the containers.

The container slips and the Permit for Cargo Movement (KN 6.1) form are prepared by the exporter and submitted to the Royal Thai Customs Department. The Royal Thai Customs Department receives documents and verifies them. If they contain incorrect information, a notice of acceptance “goods transition control list rejected” will be sent to the exporter. If they are correct, a notice of acceptance “goods transition control list accepted” will be sent to the exporter. The exporter receives and prints out the container slip and gives it, together with a form requesting permission to transport the containers to the port (TK 308.2) to the haulage service. The haulage service submits those documents to Port Authority of Thailand (PAT) to seek permission to move the containers to the port. Upon receiving the documents from the haulage service and verifying them, PAT prepares and sends the Equipment Interchange Receipt (EIR) to the exporter. The haulage service moves the containers to the container yard in the port area.

2.5 Declare to customs

The exporter submits electronics data (Invoice, Permit Reference Number, Export Declaration) to Thai Customs Department through that body's paperless system. Thai Customs Department verifies the data electronically. If there is incorrect information, a notice of rejection will be sent to the exporter. If the information is fully correct, a notice of acceptance including a unique declaration number will be sent to the exporter.

In case of tax required for exportation, the exporter reports a Payment Order to the bank. The exporter's bank attempts to deduct balance on the exporter's account by sending a Debit Advice to the exporter and a Bank Statement to the Thai Customs Department's bank. The exporter acknowledges the debit and filing. The bank sends a Remittance Advice to Thai Customs Department. Thai Customs Department's bank acknowledges and sends a Credit Advice to Thai Customs Department. Thai Customs Department acknowledges and updates the export declaration status- all electronically.

2.6 Move cargo onto the ship

The ship agent sends the Bill of Lading to the exporter and submits online the Container Loading List and Manifest to Thai Customs Department through the paperless system. The ship agent sends the Container Loading List to PAT for its records and to arrange space on the ship for the containers. PAT then returns the Manifest to the ship agent.

3) "Pay" Process

The importer sends contract traded goods (CFR: Cost and Freight) by payment later to the exporter. Upon receiving those documents, the exporter sends the Invoice, Packing List, and Bill of Lading to the importer and then delivers the products to the importer. The importer goes through the import declaration process, receives the products, and prepares payment for the exporter. When the importer's bank receives money from the importer, it reviews and makes payment or direct debit from the importer. The importer's bank sends money orders to the exporter's bank, which normally will be 35 days after the ship's estimated time of departure. The exporter's bank charges the debit from the importer's account. The fee is deducted before the transfer to the exporter's account. The exporter checks and receives the money.

Key Findings from Analysis of Export Process of Auto Spare Parts from Thailand to India

In fulfilling procedural and documentary requirements for exporting auto spare parts from Thailand to India, the exporter indirectly or directly deals with approximately 12 parties. These parties are 1) importer, 2) exporter/representative, 3) exporter's bank, 4) importer's bank, 5) suppliers, 6) inland haulage service, 7) carrier (ship agent), 8) Port Authority of Thailand (Laemchabang Port), 9) Terminal Operator, 10) Department of Foreign Trade, 11) Royal Thai Customs Department, , and 12) courier service.

The BPA shows that for the single consignment category, there are around 17 activities, starting from placing orders up to the payment process, which require approximately 29

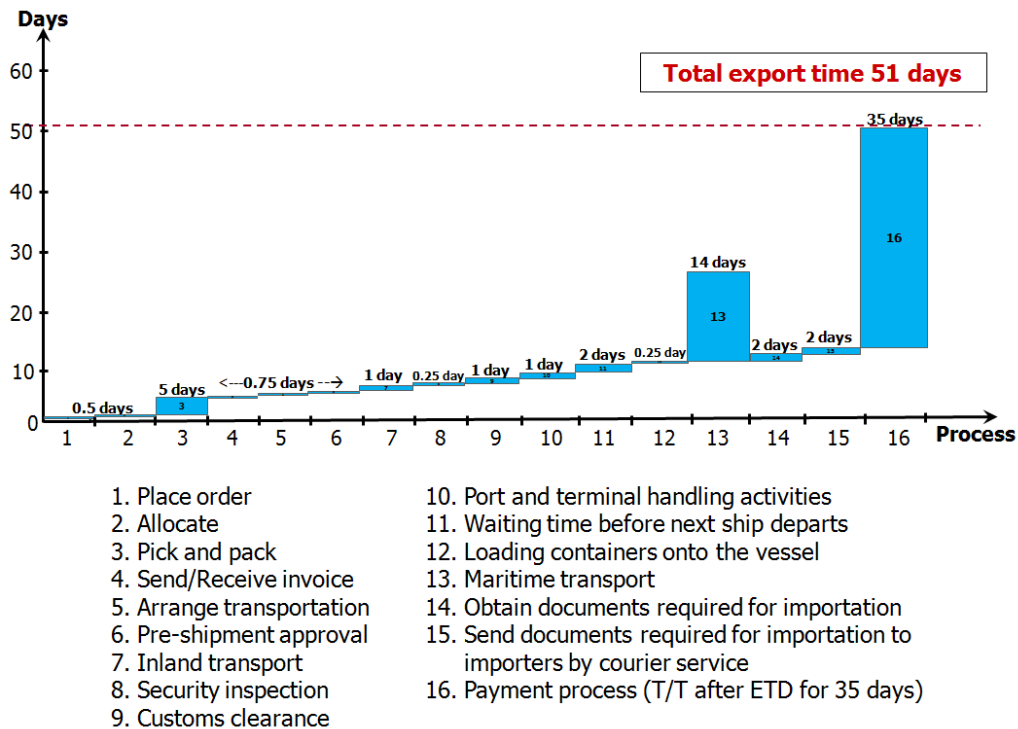
documents to complete. Those documents contain duplicated information such as the Request for Free Trade Area (FTA) Form and the Request for Export Permit/Declaration.

The whole export process of auto spare parts from Thailand to India takes a total of 51 days starting from the process of placing order until the settlement of payment. The “buy” and “ship” processes take approximately 16 days cumulatively, maritime transport from Thailand’s sea port to the port of destination port in India takes 14 days and the settlement of the payment, which is made by remittance after shipment’s ETD, takes 35 days. The summary of the processes, documents and stakeholders involved in the export of auto spare parts from Thailand to India are shown in table 4. The necessary time needed to complete each process is summarized in Figure 1.

Table 4: Summary of Export Processes, Documents and Stakeholders Involved in the Auto Spare Parts Export from Thailand to India

Export Processes	Related Documents	Stakeholders
1. Place order	Purchase Order	Importer, Exporter/Representative
2. Allocate	Picking Slip, Ship Labels, Carton Labels, Case Check Sheet	Exporter/Representative, Suppliers
3. Pick and pack		
4. Send/Receive invoice	RTS (Return to Supplier) Invoice, Commercial Invoice, Shipping Document	Exporter/Representative, Courier Service
5. Arrange transportation	Preemption Freight (for shipment booking), Bill of Lading (copies), Haulage Order, Booking Number, Request for Certificate of Origin FTA Form, FTA Form,	Exporter/Representative, Ship Agent, Haulage Service, Thai Chamber of Commerce, Department of Foreign Trade
6. Pre-shipment approval		
7. Inland transport	Request for Permission for Container Movement to the Port Area (TKT 308.2), Packing List, Container Slip, KN 6.1 Form, Equipment Interchange Receipt (EIR), Goods Transition Control List, Commercial Invoice, RTS Invoice, Shipping Document	Exporter/Representative, Haulage Service, Ship Agent, Port Authority of Thailand, Terminal Operator, Royal Thai Customs
8. Security inspection	Case Check Sheet, Carton Labels	Exporter’s Warehouse
9. Customs clearance	Export Declaration, Export Entry, Commercial Invoice, Payment Order, Debit Advice, Remittance Advice, Credit Advice, Export Permit	Exporter/Representative, Royal Thai Customs, Exporter’s Bank
10. Port and terminal handling activities	Container Loading List, Manifest, Bill of Lading, Case Check Sheet (to list off containers from truck and load containers from yard)	Exporter/Representative, Ship Agent, Royal Thai Customs, Port Authority of Thailand, Terminal Operator
11. Waiting time before next ship departs		
12. Loading containers onto the vessel		
13. Maritime transport	Manifest (issued to Royal Thai Customs)	Ship Agent
14. Obtain documents required for importation	FTA Form, Bill of Lading	Ship Agent
15. Send documents for importation to importers by couriers	Shipping Document as per importer’s purpose	Ship Agent, Courier Service
16. Payment process	Invoice, Packing List, Bill of Lading, Application for Letter of Credit, Letter of Credit	Exporter/Representative, Exporter’s Bank, Importer, Importer’s Bank

Figure 1: Time-Procedure Chart of Auto Spare Parts Export from Thailand to India



Time/Cost-Distance Analysis for Auto Spare Parts Export from Thailand to India and the Key Findings

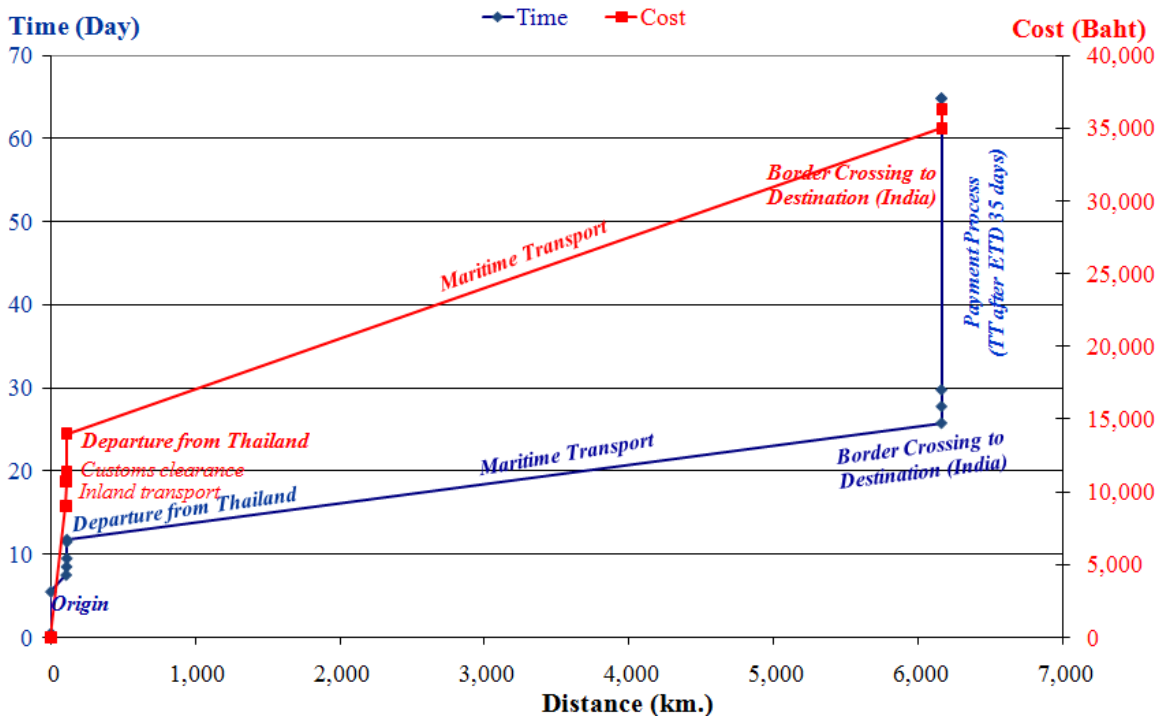
As shown in the table and graphs below, the processes from placing a purchase order to the arrangement for insurance (Process 1-6) are conducted electronically (mostly by e-mail), which imposes little time or monetary cost as no cargo movement is involved. Costs begin rising during inland transport of cargo containers from the factory to the sea port and also during the customs clearance process. The highest costs usually occur while the cargo is being transported across the border the port of destination in India. The shipment time for export and import is about 15 days each. For the study case of auto spare parts export, the concerned companies are normally large and take part in both export and import processes, some procedures related to document exchange and information verification are, therefore, automated and available within their own internal IT system. The time/cost-distance table and graphs below illustrate that the highest time and monetary costs occur during cargo movement.

Table 5: Time, Cost, and Distance for Auto Spare Parts Export from Thailand to India

Export Process	Time (Day)	Cost (THB)	Distance for cargo movement (km.)
1. Place Order	0.25	0	0
2. Allocate	0.25	0	0
3. Pick and Pack	5	0	0
4. Send/Receive Invoice	0.25	0	0
5. Arrange Transportation	0.25	3,547	0
6. Pre-shipment approval	0.25	0	0

7. Inland Transport	1	5,500	100
8. Security Inspection	0.25	0	5
9. Customs Clearance	1	1,650	3
10. Port and terminal handling activities	1	65	2
11. Waiting time before next ship departs	2	635	0
12. Loading containers onto the vessel	0.25	2,600	0
13. Maritime transport (from Thailand to India)	14	21,000	6054.188
14. Prepare Documents for Importation in India	2	1,300.56	0
15. Send documents to Importer by couriers	2	0	-
16. Payment Process (telegraphic transfer after the estimated time of departure for 35 days)	35	0	-
TOTAL	51	36,297.56	6,164.19

Figure 2: Time/Cost-Distance Chart of Auto Spare Parts Export from Thailand to India



II. Analysis of Export Process of Sugar from Thailand to Bangladesh

The study of the process for exporting sugar from Thailand limits the scope of analysis to the delivery of a full container (20 Ft and 40 Ft containers) load of sugar by maritime transport to the port of destination in Bangladesh under C.I.F. terms with the payment being made through a letter of credit. The BPA of sugar export is illustrated using Use Case Diagrams and Activity Diagrams as appears in Annex 2. There are in total 13 processes and each process is summarized as follows:

1) "Buy" Process

The exporter/representative issues a proforma invoice to the buyer. The buyer checks the Purchase Order document. If it contains incorrect, the buyer will return the document to

seller/exporter. If no corrections are necessary, the buyer will continue to the next step. The buyer confirms the intent to purchase and issues the Purchase Order to the exporter. The exporter then prepares the shipment of goods.

2) *“Ship” process*

2.1 *Obtain Export Permit*

An exporter/representative applies for a Sugar Export Permit at the Production and Distribution Management Center, Office of the Cane and Sugar Board by submitting the Sale Contract, Purchase Order, Application for Permission to Export Sugar (KN.9), and payment documents. An officer of the Production and Distribution Management Center reviews and verifies the submitted information. If they are correct, an authorized officer signs and authenticates the Sugar Export Permit (KN. 10). The exporter receives the Sugar Export Permit (KN. 10).

The exporter/representative also applies for a Goods Export Permit by submitting the Sale Contract, Purchase Order, Payment Document, Notification of Quotas Cutout, Sugar Export Permit (KN. 10), and Application for the Goods Export Permit (A.3) to the Office of Cane and Sugar Board. An officer of the Office of Cane and Sugar Board reviews and verifies the submitted information and authenticates the Goods Export Permit (A.4) and then collects it. The exporter subsequently receives the Sugar Export Permit.

2.2 *Request for cargo movement permit*

The exporter/representative requests for permission to transfer the cargo by filling an application to transfer sugar for the purpose of export (KN.5.1), which is then submitted to the Production and Distribution Management Center. An officer reviews and verifies the submitted information. If the submitted information is correct, an authorized officer signs and authenticates a permit (KN.6.1) for the exporter.

2.3 *Obtain cargo insurance*

Under the C.I.F. term, an exporter/representative is required to arrange cargo insurance. To apply for insurance coverage, the following documents have to be submitted to an insurance company: Cargo Insurance Application Form, Letter of Credit, Commercial Invoice, Packing List, draft Bill of Lading. Based on the submitted documents, the insurance company decides whether or not to provide the insurance coverage. If so, the insurance company issues a Cover Note for the to-be-insured consignment. Upon receiving a transport contract or Bill of Lading from an exporter or representative, the insurance company issues an insurance policy.

2.4 *Arrange transport*

The exporter/representative contacts a carrier (shipping line) to reserve cargo space and vessel. A booking request can be prepared in various forms depending on the shipping line. For some shipping lines, cargo space and a vessel can be booked through an online reservation system. For those that do not have such a system, the booking is done through phone or email. The carrier acknowledges the booking request by returning a draft Bill of Lading to the exporter. The draft Bill of Lading shall be revised until the exporter acknowledges that it is correct. If the

information in the draft Bill of Lading is correct, the exporter contacts an inland haulage to schedule a pick-up of an empty container from the carrier's container yard, a delivery of that empty container to exporter's warehouse, and a return of the stuffed container to the container yard for further loading. At this stage, the booking request is often done over phone, fax, and email. The inland haulage service acknowledges the booking request by returning a booking confirmation to the exporter. The booking confirmation shall be revised until an exporter or representative acknowledges that it is fully correct. At the end of this process, the exporter receives booking confirmations for inland and cross-border transportation.

2.5 Provide customs declaration

The exporter/representative submits "Customs Declaration" through Customs Paperless System. In addition to specific customs data requirements related to duty and privileges, the information that has to be declared includes the reference number from the Sugar Export Permit and consignment details as presented in the Commercial Invoice. The Customs Paperless System verifies the submitted Customs Declaration. If the submitted declaration is incomplete or incorrect, the Declaration Reject will be sent to inform the exporter. On the other hand, if the Customs Declaration is accepted, the system will notify the exporter with Declaration Accept which includes a Declaration reference number.

2.6 Collect empty containers from yard

A driver takes the vehicle to the specified container yard to pick up empty containers. A carrier submits an "Empty Container Movement Request (KBT.05)" to ask for permission to transfer empty containers to the exporter's premises. If the carrier wishes to make an upfront payment, an officer at Port Authority collects associated port charges and issues a receipt. If the carrier has already made an arrangement with Port Authority for a bulk payment, an officer at Port Authority records the amount to be paid and then allocates necessary equipment and lifts empty containers onto a vehicle for a driver to take to the exporter's premises.

2.7 Load cargo into the container

The exporter/representative prepares the goods to be packed according to the Packing List and prepares documents for goods transfer. The exporter sends the "Request for the permission for the container to the Port Area (TKT.308.2)" document to the inland haulage service to transfer the cargo to port. The Request for Container Control List, including the Container Control List and the Permit for sugar transfer for exportation (KN.6.1) is also submitted to the Customs Department. An officer at the Customs Department verifies the information. If the submitted information is correct, an authorized officer issues the Goods Transition Control List Accept to the exporter. The exporter prints out the Goods Transfer Bill and issues the Container Label. The inland haulage service then transfers cargo to the port. An officer at Port Authority records the date and time of port entry and prepares the Equipment Interchange Receipt (EIR) and sends a copy to the inland haulage service, which, upon receiving the EIR from Port Authority, takes the cargo to a sub-gate. The officer at Port Authority allocates equipment for cargo handling.

2.8 Clear goods through Customs

The driver of the vehicle assigned for inland haulage presents the Equipment Interchange Receipt and Goods Transition Control List to a Customs officer. The Customs officer verifies the information received with the actual consignment and the information recorded in the system. If the Customs Paperless System indicates that the consignment is not subject to further inspection, the Customs officer can release the consignment from Sub-Gate right away. The actual quantity of goods to be exported will be recorded in the system. An exporter will be notified of this amount. If it is indicated in the Customs Paperless System that this particular consignment is randomly selected for inspection, the driver has to transfer the container to the point of inspection. The Customs officer then inspects the cargo. If misconduct is not found, the Customs officer can release the consignment from the Sub-Gate right away. The actual quantity of goods to be exported will be recorded in the system. The exporter will be notified of this amount. If misconduct is found, the Customs officer records a misconduct case which requires further investigation.

2.9 Handle containers and stow on vessel

The ship agent submits the “Bill of Lading” to the exporter and the “Manifest” to the Thai Customs Department through the paperless system. The Container Loading List is prepared and sent to PAT for its record and arrangement of a proper space on the ship to place containers. PAT then prepares and sends the manifest to the ship agent.

2.10 Prepare documents required by importer

The exporter/representative prepares documents necessary for the application of Certificates used in import formalities. These documents include Invoice, Bill of Lading, and Application for Certificate of Origin. An officer at the Department of Foreign Trade reviews and verifies the submitted information. If the submitted information is correct, an authorized officer signs and authenticates the Permit for the Certificate of Origin. The exporter collects documents required for importation.

2.11 Verify the accuracy/authenticity of exported cargo

The exporter/representative submits documents such as the Report details of the sugar export (KN.11) and the Sugar Export Monthly Report. An officer at the Office of the Cane and Sugar Board receives and records the actual quantity of exported sugar.

3) “Pay” Process

The importer sends to the exporter a contract of traded goods (according to Cost and Freight Responsibilities) with statement of later payment. The exporter receives the document and sends the documents (Invoice, Packing List, Bill of Lading (B/L) to the importer. The exporter delivers the products to the importer. The importer receives the documents and goes through the import declaration process. When the importer receives the products, he/she prepares cash or money in the account for transfer when the due comes. When the importer’s bank receives the transferred money, it reviews and makes payment or direct debit from the importer. The importer’s bank sends money orders to the exporter’s bank. The exporter’s bank is debited from the importer’s bank. The fee is deducted before money transfer to the exporter’s account. The exporter checks and receives the money.

Key Findings from Analysis of Export Process of Sugar from Thailand to Bangladesh

There are approximately 13 stakeholders involved in the procedural process for exporting sugar from Thailand. They are 1) importer, 2) exporter/representative, 3) exporter's bank, 4) importer's bank, 5) suppliers, 6) inland haulage service, 7) carrier (shipping agent), 8) Office of the Cane and Sugar Board, 9) Port Authority of Thailand, 10) Terminal Operator, 11) Department of Foreign Trade or Thai Chamber of Commerce, 12) Royal Thai Customs Department, and 13) Insurance Company.

The BPA shows that for the single consignment category there are around 12 activities, starting from concluding the sales contract and trade term up until the payment process. Approximately 31 documents are required to complete the whole export process. Some processes of sending and receiving documents are done manually.

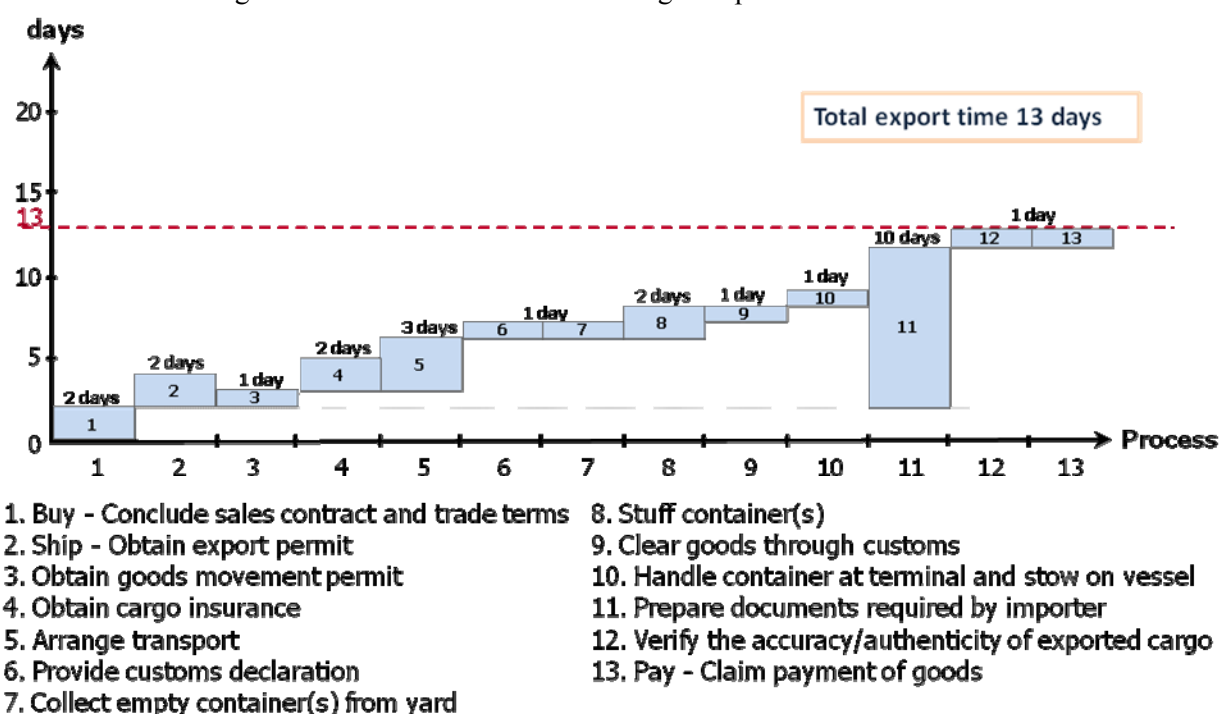
The whole process for exporting sugar from Thailand to Bangladesh takes a total of 13 days starting from the conclusion of the sale contract until collection of the payment. It takes around 20 days to cross the border from Thailand to Bangladesh by ship. The summary of the necessary time commitments as well as the processes, documents and stakeholders involved in the export of sugar from Thailand to Bangladesh are shown below.

Table 6: Summary of Export Process, Documents and Stakeholders Involved in Sugar Export from Thailand to Bangladesh

Export Processes	Related Documents	Stakeholders
1. Conclude sale contract and trade term	Proforma Invoice	Importer, Exporter or Representative
2. Obtain export permit	Application for Permission to Export Sugar (KP. 9), Application for the Collection of the Permit for the Export of Sugar (A 3), Draft Permit for the Export of Sugar (A. 4), Permit for the Export of Sugar (KN 10), Purchase Order, Sales Contract, Payment Document, Notification of Quota Deduction, Application for Permission for Sugar Movement (KN 5.1), Permit for Sugar Movement (KN 6.1)	Exporter/Representative, Office of the Cane and Sugar Board
3. Obtain cargo insurance	Cargo Insurance Application Form, Commercial Invoice, Packing List, Letter of Credit, Telegraphic Transfer, Insurance Policy	Exporter/Representative, Insurance company
4. Arrange transport	Draft Bill of Lading, Booking Request, Booking confirmations for inland and cross-border transportation	Exporter/Representative Inland haulage, Carrier (shipping line)
5. Provide customs declaration	Commercial Invoice, Permit for export of Sugar (A.4), Export Declaration	Exporter/Representative, Royal Thai Customs
6. Collect containers from yard	Empty Container Movement Request, Permit for Empty Container Movement (KBT.05)	Carrier (shipping line), Inland haulage, Port Authority of Thailand
7. Stuff a container	Packing List, Goods Transition Control List, Request for Permission for Container Movement to the Port Area (TKT 308.2), Request for Container Labels, Container Labels, Equipment Interchange Receipt (EIR), Permit for Sugar Movement (KN	Exporter/Representative, Inland haulage, Royal Thai Customs, Port Authority of Thailand

Export Processes	Related Documents	Stakeholders
	6.1)	
8. Clear goods through customs	Goods Transition Control List, Equipment Interchange Receipt (EIR)	Exporter/Representative, Inland haulage, Royal Thai Customs
9. Handle container and stow on vessel	Container Loading List, Manifest, Bill of Lading, Outward Container List,	Exporter/Representative, Royal Thai Customs, Carrier (shipping line), Port Authority of Thailand
10. Prepare documents required by importer	Commercial Invoice, Bill of Lading (copy), Application for Certification of Origin, Certification of Origin	Exporter/Representative, Department of Foreign Trade/ Thai Chamber of Commerce
11. Verify accuracy/ authenticity of exported cargo	Report of Details of Sugar Export (KN 11), Monthly Report of Sugar Export	Exporter/Representative, Office of the Cane and Sugar Board
12. Payment process	Commercial Invoice, Packing List, Bill of Lading, Certificate of Origin, Application for Letter of Credit, Letter of Credit, Insurance Policy, Proforma Invoice	Exporter/Representative, Exporter's Bank, Importer, Importer's Bank

Figure 3: Time-Procedure Chart of Sugar Export from Thailand



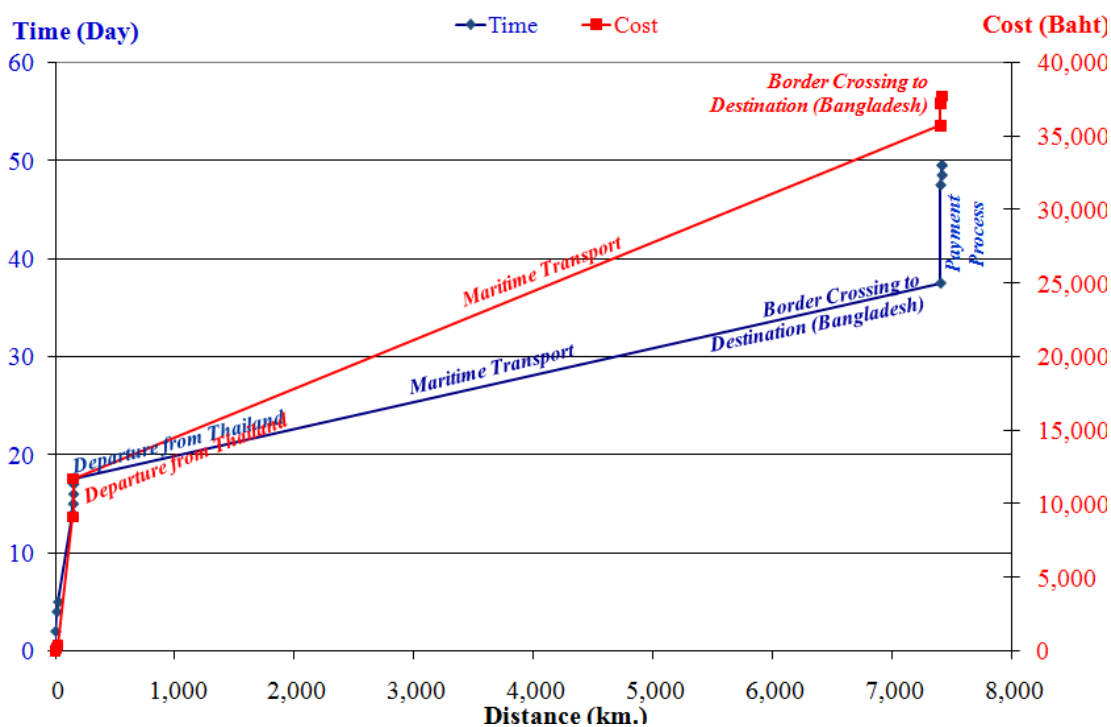
Time/Cost-Distance Analysis for Sugar Export from Thailand to Bangladesh and the Key Findings

The time/cost-distance table and graphs below show that the highest costs occur during cargo movement, especially where cargo is being transport across borders by ship. To claim for payment of goods, the exporter must spend a day to submit all necessary documents, as specified in the L/C, to receive money from the importer via the importer's bank.

Table 7: Time, Cost, and Distance for the Export Process of Sugar from Thailand to Bangladesh

Export Process	Time (Day)	Cost (Baht)	Distance for cargo movement (km.)
1. Buy/Conclude sale contract & trade term	2	0	0
2. Request for export permit	2	200	11
3. Request for cargo movement permit	1	200	11
4. Prepare documents for insurance	2	200	0
5. Prepare documents for cargo movement	3	3500	0
6. Prepare documents for customs declaration	1	0	0
7. Receive empty container	1	0	20
8. Load cargo into the container	2	5000	100
9. Declare to Customs	1	0	5
10. Customs clearance	1	0	3
11. Waiting time before next ship departs	1	0	0
12. Loading containers onto the vessel	0.5	2600	0
13. Maritime transport	20	24,000	7253
14. Prepare documents for importation	10	1500	0
15. Report of sugar export	1	500	11
16. Payment Process	1	0	0
total	13	37,700	7,414

Figure 4: Time/Cost-Distance Chart of Sugar Export from Thailand to Bangladesh



4. Analysis of Import Process of Raw Materials for Producing Electronic Devices to Thailand

The analysis of the import process of raw materials for the production of electronic devices covers all activities in the international trade transaction, which range from the establishment of commercial contracts, through the arrangement of transportation and import formalities to meet regulatory requirements to the payment of the purchased cargo.

The BPA of raw materials import is illustrated by Use Case diagrams and Activity diagrams as appears in Annex 3. There are in total 8 processes and each process is summarized as follows:

1) “Buy” Process

An exporter (seller) and importer (buyer) have to agree upon their sale contract before entering into the “Buy” process. When the sale contract is established, the exporter issues a “Proforma Invoice” to confirm the price and sale terms for product purchase. The importer confirms the product purchase by sending the exporter a “Purchase Order” and the exporter prepares to provide the products accordingly.

2) “Ship Process

2.1 Obtain permission for raw materials release

The pre-condition for this process is that the importer has to become a member of Board of investment (BOI) with a Promotion Certificate and also get approval of the production formula from BOI.

To obtain permission for raw materials release, the importer submits the request in a form of diskette to the Investor Club Association together with other related documents, namely the Request for Import Duty Exemption on Raw Materials, a copy of the import invoice, a copy of Promotion Certificate, and a copy of Import Declaration in case a bank guarantee or the BOI membership right reservation for import duty exemption is being used for release of raw materials. Additionally, copies of A/L and B/L are necessary for the first request for raw materials release. The Investor Club Association checks the submitted data using the Raw Material Tracking System (RMTS). If the data is incorrect, the forms are returned to the importer for modification. If the data is correct, the Investor Club Association prints a report and the approval letter for raw material release which are then given to the BOI authority stationed at the Investor Club Association for signature. The Investor Club Association makes two sets of signed approval letters: one to be returned to the importer and the other to be kept as evidence by the Investor Club Association. The importer receives the approval letter for raw material release.

By the time the electronic devices produced using these imported raw materials are exported, the exporter has to inform the inventory cut-off to BOI to assure that the imported raw materials are really used for manufacturing electronic products that will be exported.

2.2 Request for vessel berthing

The pre-condition for this process is that the importer has already received the timetable of vessel berthing. To be allocated a berthing slot, a ship agent has to submit the ship schedule, ship particulars, ship profile, Application for Vessel to Enter the Port

Area, Inward Container List, and Cargo Manifest to Port Authority of Thailand (PAT). In case of online submission, the documents should be submitted 6 hours before the vessel enters port while the paper documents should be submitted 3 hours in advance. The ship agent must also submit an Application for Services to PAT to request for tug and other related services.

Meanwhile, the ship agent submits to the Marine Transport Bureau the Notification of vessel berthing (within 24 hours after berthing via computer system), Notification of vessel to enter the port city, Ship Particulars, Ship's Document, Crew List, Last Port Clearance (Original), CLC Certificate (only if oil tanks are loaded with weight exceeding 200 tons), and Certificate of Fitness (only if dangerous goods, LNP/LPG, or chemical substances have been loaded).

The ship agent then submits a Pilot Requirement Form to the pilot station so that it will assign an authority to pilot vessels to berth. Upon completion, the pilot authority will issue the "Entering or Sailing or Shifting" document to confirm the pilot operation. To enter the city where the port is located, the ship agent submits the Notification of vessel entry into the port city, Cargo Manifest, and Vessel berthing at port to the Royal Thai Customs Department.

Submission of the next vessel berthing schedule could be made before the 15th of each month while the allocation of berthing slots will be made on a daily basis. In case of loading dangerous goods, the shipping agent or representative submits a Dangerous Goods Declaration to declare the goods list in compliance with the International Maritime Dangerous Goods Code (IMDG-Code) at the Dangerous Goods Control Unit at the Bangkok Port 9 hours before vessel enters port. It is noted that the Cargo Manifest submitted earlier to PAT contains 80% of total information while the one submitted later to the Customs Department contains all necessary information .

2.3 Unload goods from vessel

After the vessel enters the port, the ship agent sends the data of inward (incoming) container list and cargo manifest via EDI (Electronic Data Interchange) system to the Customs Department and PAT. The ship agent submits a Notification to Transfer Goods and Load Containers to PAT in order to set a plan for goods transfer and storage and provide tools/equipments for the former. PAT inspects goods according to the container type and hazard and arranges the goods containers in the provided area. After that, PAT records goods transfer and storage information and then issues the Discharged Report (Tally Sheet) together with the report of port use and services. The goods containers finally are transferred to the yard.

The transfer of goods on the vessel will be done by the ship agent while the transfer of goods already unloaded from vessel will be done by PAT. In case of Less than Container Load (LCL) containers, the ship agent must ask for permission from PAT and Customs Department to open the containers. With Customs' approval, PAT and the ship agent arrange authorities to open the containers and make records onto Tally Sheets which will be exchanged between PAT and the ship agent for evidence. The goods then could be transferred right away without being moved to the PAT's warehouse.

2.4 Declare goods at Customs

To gain official eligibility to undertake online declaration through the e-Customs (paperless) system, the importer needs to register onto the e-Customs (paperless) system. In

case of assigning a customs broker as a representative, he/she has to get a permit from the Customs Dept. to become officially eligible too.

The importer submits the Invoice, Packing List, and Import Declaration to request exemption on import duties/taxes. The Customs Dept. checks and verifies the documents and duties. If those documents are incorrect, the importer has to resubmit them. If they are correct, the Customs Department issues a declaration number and confirms import duties to the importer. The importer receives the import declaration number and prints out the declaration. Duties and taxes, if any, must be paid to the Customs Department.

At the end the importer receives the import declaration and pays the duties. However, if the import declaration submitted through the paperless system needs some amendments, the importer will be fined as per the Customs' requirements.

2.5 Arrange goods for inspection

When the goods pass the customs clearance, the importer pays the shipment cost to the ship agent and submits an original and a copy of the Bill of Lading to the ship agent. The ship agent will issue a delivery order and other related documents for the importer/representative as follows: Delivery Order, Request for Opening Goods Containers, and Request for Release of Goods Containers from Customs Custody. The importer submits these documents to the Port: Delivery Order, Request for Opening Goods Containers, Request for Release of Goods Containers from Customs Custody. PAT then checks the documents against EDI system. If they contain incorrect information, the documents are returned to the importer for modification and re-submission.

After the importer pays the service fee to PAT, PAT issues the following documents to the importer: Wharf Receipt, Payment receipt, and Delivery Container Slip. The importer sends the Delivery Container Slip to the haulage service so that the containers are taken to the inspection point. The importer submits the following documents to PAT: Wharf Receipt, Delivery Order, Request for Opening Goods Containers, Request for Release of Goods Containers from Customs Custody, Delivery Container Slip. PAT signs all of those documents and arranges containers for the haulage to take them for Customs' inspection. At the end of the process, the goods containers are ready for inspection and release by Customs Department.

2.6 Inspect and release goods

When the goods are ready for inspection and release by Customs Department, the importer submits to the Customs Dept. the following documents: Wharf Receipt, Delivery Order, Request for Opening Goods Containers, Request for Release of Goods Containers from Customs Custody, and Request for Inspection. The Customs authority inspects the goods. In case of rejection, the goods will be seized.

If passed, the Customs Department issues the documents for release of goods as follows: Customs' instruction of goods inspection and Delivery order (Kor Sor Kor 100). To receive goods, the importer submits the following documents to PAT: Customs' instruction of goods inspection, Delivery order (Kor Sor Kor 100), Request for Release of Goods Containers from Customs Custody, and Request for Inspection. PAT checks all documents, records the declaration number, cuts off inventory, and then issues the Container Slip/EIR for FCL containers or the Cargo Slip for LCL containers which enable the haulage service to take the goods containers out of the port.

It is noted that the inspection of goods items will be done only upon Customs' instruction and the importer does not have to submit the Request for Opening Goods Containers and the Request for Release of Goods Containers from Customs Custody for inspection of LCL containers.

3) "Pay" Process

The importer/representative applies for Irrevocable Documentary Letter of Credit (L/C) with a bank that provides service to the importer, using the Proforma Invoice as the attached document. The importer's bank checks the documents and financial condition. In case of no debt, the importer's bank issues an L/C with conditions specified by the importer in the application. The importer's bank as L/C Issuing Bank sends the L/C to the exporter's bank. The exporter's bank as L/C Advising Bank informs the exporter/representative to receive the original L/C so that the goods delivery and other operation are done as specified in the L/C. The exporter/representative pays the fee and receives the original L/C and delivers goods to the importer.

For the exporter, he/she prepares documents as specified in the L/C and submits them in order to receive the money from the L/C Advising Bank. The L/C Advising Bank checks the documents. If those documents meet the conditions specified in the L/C, the L/C Advising Bank sends them to the L/C Issuing Bank for checking. If those documents meet the conditions in the L/C, the L/C Issuing Bank transfers the money to the L/C Advising Bank within 7 days and then informs the importer/representative of its receiving those documents. The L/C Advising Bank transfers the money to the exporter. The importer/representative makes payment and receives documents to run the customs clearance process. If those documents do not meet the conditions in the L/C, the L/C Issuing Bank informs the importer and considers the payment approval. The bank will make payment only upon approval by the importer/representative. The exporter/representative finally receives the payment through L/C.

Key Findings from Analysis of Import Process of Raw Materials for Producing Electronic Devices to Thailand

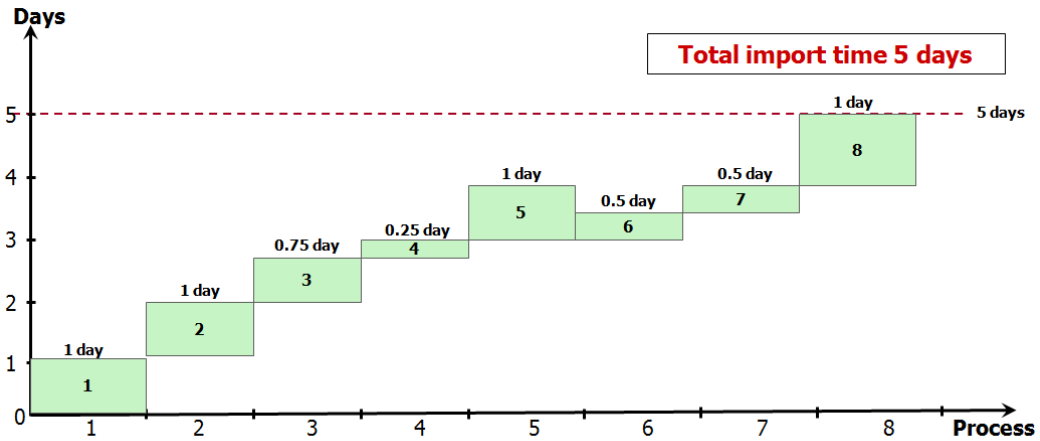
The process of importing raw materials to Thailand for producing electronic device requires the importer to indirectly or directly deal with 11 parties approximately so as to achieve its procedural and documentary requirements. These parties are 1) importer, 2) exporter's bank, 3) importer's bank, 4) ship agent, 5) Board of Investment, 6) Investor Club Association, 7) Port Authority of Thailand, 8) Marine Promotion Bureau under Marine Department, Ministry of Transport, 9) Pilot Station under the Pilot Division of Marine Department, Ministry of Transport, 10) Royal Thai Customs Department, and 11) inland haulage service.

The import process, ranging from placing orders to the payment claim, involves 8 activities and requires approximately 44 related trade documents. It takes around 6 days for completion.

Table 8: Summary of Process, Documents and Stakeholders Involved in the Import of Raw Materials for Producing Electronic Devices to Thailand

Import Processes	Related Documents	Stakeholders
1. Buy (Conclude sale contract and trade term)	Proforma Invoice, Purchase Order	Importer, Exporter/Representative
2. Obtain permission for raw materials release	Request for Import Duty Exemption on Raw Materials, copy of import invoice, copy of Promotion Certificate (In case of request for raw materials release for the first time), copies of A/L & B/L (In case of request for raw materials release for the first time), Import Declaration (In case of using bank guarantee for release of raw materials or using the right reservation)	Importer, Investor Club Association, Board of Investment (BOI)
3. Request for vessel berthing	Ship Schedule, Ship Particular, Ship Profile, Notification of vessel berthing, Notification of vessel entering port city, Crew List, Last Port Clearance (Original), CLC Certificate (In case of loading oil tanks with weight exceeding 200 tons), Certificate of Fitness (In case of loading dangerous goods, LNP/ LPG, or chemical substances), Pilot Requirement Form, document of “Entering or Sailing or Shifting”, Application for Vessel Entering the Port Area, Inward Container List Cargo Manifest, Application for tug and other related services	Ship Agent, Royal Thai Customs Dept., Port Authority of Thailand (PAT), Pilot Station, Marine Promotion Bureau
4. Unload goods from vessel	Inward Container List, Cargo Manifest, Notification of Goods Transfer and Loading Containers, Discharged Report (Tally Sheet), Report of port use and services	Ship Agent, Customs Dept. (Computer System), Port Authority of Thailand
5. Declare goods to Customs	Invoice, Packing List, Import Declaration, Duty Payment Receipt	Importer, Customs Dept. (Computer System)
6. Arrange goods for inspection	Original and copy of bill of lading, Delivery Order, Request for Opening Goods Containers, Request for Release of Goods Containers from Customs’ Custody, Wharf receipt, Payment receipt, Delivery Container Slip	Importer, Haulage, Ship Agent, Port Authority of Thailand
7. Inspect and release goods	Wharf Receipt, Delivery Order, Request for Opening Goods Containers, Request for Release of Goods Containers from Customs’ Custody, Request for Inspection, Customs’ instruction of goods inspection, Delivery order (Kor Sor Kor 100), Container Slip/EIR for FCL containers or the Cargo Slip for LCL containers	Importer, Haulage, Customs Dept.
8. Payment process	Proforma Invoice, Commercial Invoice, Insurance Policy, Packing List, Health Certificate, Bill of Lading, Certificate of Origin, Original Letter of Credit (L/C)	Importer, Exporter, Importer’s Bank, Exporter’s Bank

Figure 5: Time-Procedure Chart for Import of Raw Materials for Electronic Devices to Thailand



- | | |
|--|---------------------------------|
| 1. Buy/Place order | 5. Declare goods to Customs |
| 2. Obtain permission for raw materials release | 6. Arrange goods for inspection |
| 3. Request for vessel berthing | 7. Inspect and release goods |
| 4. Unload goods from vessel | 8. Claim payment |

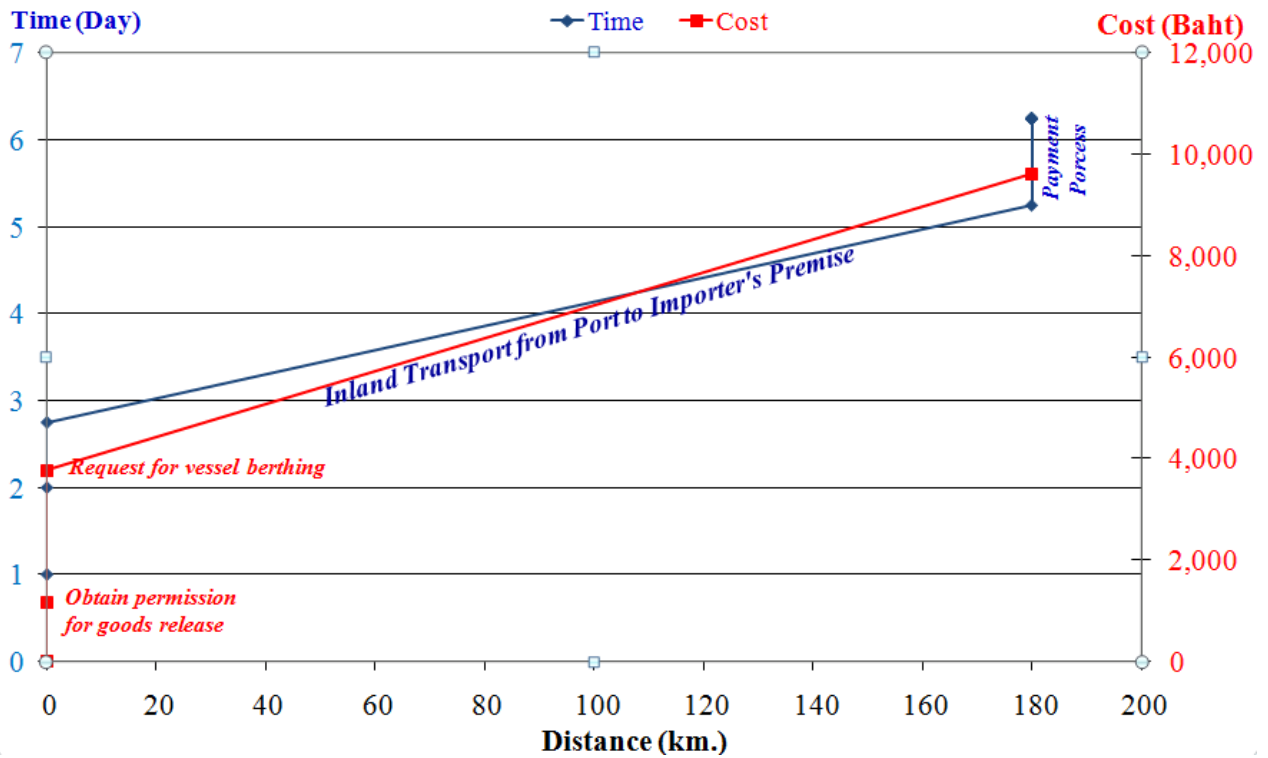
Time/Cost-Distance Analysis for Import of Raw Materials for Producing Electronic Devices to Thailand and Key Findings

The import process of raw materials from P.R. China to Thailand for producing electronic devices takes in total around 5 days. Prior to cargo movement, the most time is spent in the process of obtaining BOI’s permission for raw materials release and the process of customs declaration which includes goods inspection. The table and figure below show the relationship of time/cost and distance from the port of destination to the premise of the importer.

Table 9: Time, Cost, and Distance for the Import of Raw Materials for Producing Electronic Devices from P.R. China to Thailand

Import Process	Time (Day)	Cost (Baht)	Distance for cargo movement (km.)
1. Buy (conclude sale contract and trade term)	1	0	0
2. Obtain permission for raw materials release (and also obtain insurance)	1	1,170	0
3. Request for vessel berthing	0.75	2,600	0
4. Unload goods from vessel	0.25		0
5. Declare goods to Customs	1	200	0
6. Arrange goods for inspection	0.5	0	0
7. Inspect and release goods	0.5	0	0
8. Inland transportation	0.25	5,640	180
9. Claim payment	1	0	0

Figure 6: Time/Cost-Distance Chart of Import of raw Materials for Producing Electronic Devices from P.R. China to Thailand



5. Implications from the above case studies of both export and import

- The costs for preparing, sending and receiving documents as well as the arrangement of inland transport are quite high.
- Many stakeholders experience data inconsistency and are required to submit redundant information during preparation of trade documents.
- Some processes of sending and receiving documents are conducted manually.
- In the case of sugar export, many procedures involving several stakeholders can be reduced and simplified.
- In the case of automobile spare parts export, as the concerned companies are normally large and take part in both import and export, several procedures and documents requirements can be further automated and streamlined as part of the Thailand National Single Window (NSW) development.

6. Recommendations

- Duplicated processes and data for export of both selected products should be defined and eliminated.
- The information technology (IT) systems of related government agencies and business sectors and also that of the National Single Window System should be integrated.
- Open and international standards to ensure technical interoperability within and across borders should be adopted.

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Annex: BPA Charts

Annex 1: Business Process of Auto Spare Parts Export from Thailand

The study process and stakeholders involved

Figure 1 : Use Case Diagram shows Automobile Spare parts Exportation of Thailand

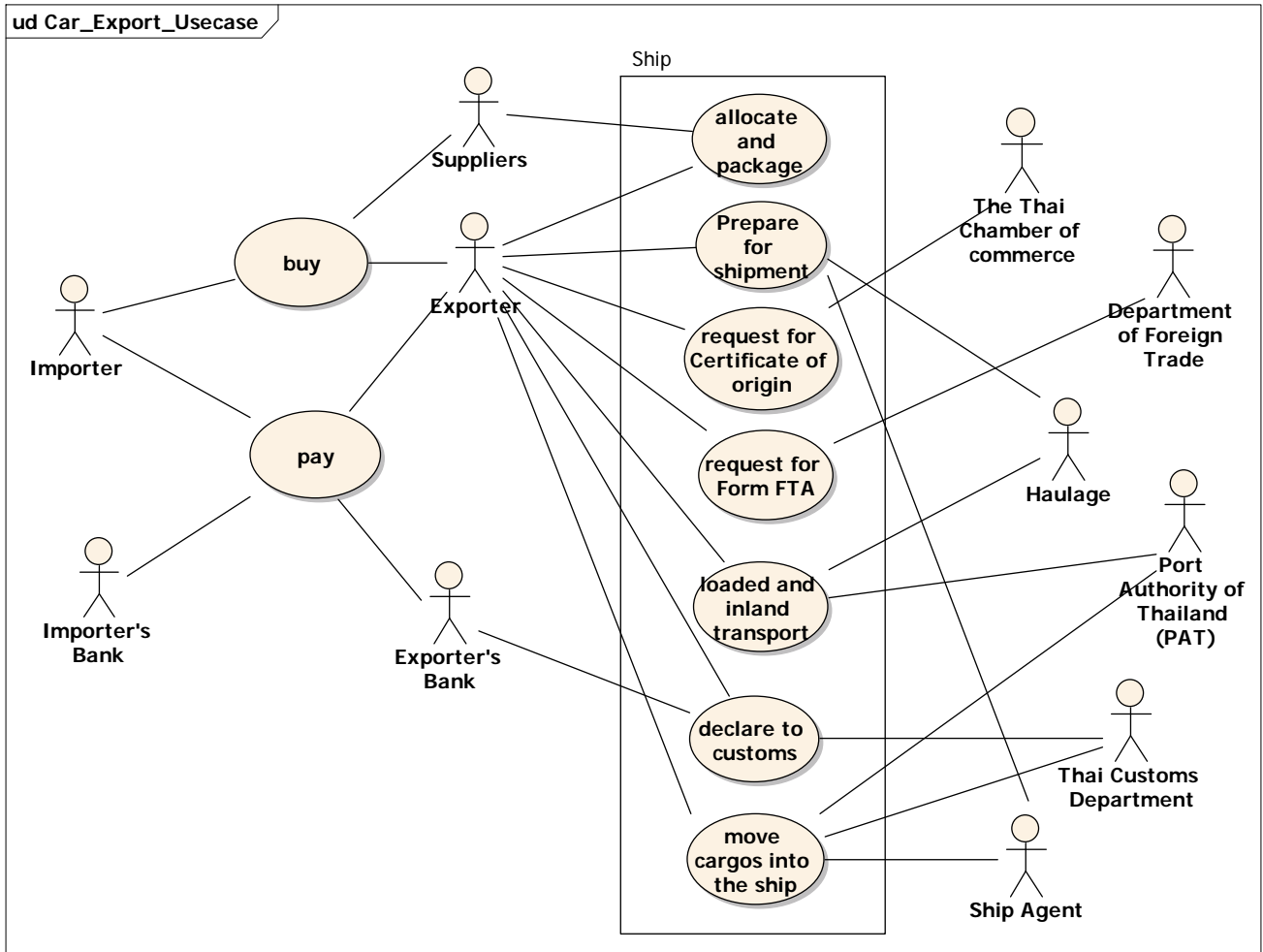


Table 1: Description of Use Case Diagram for Automobile Spare Parts Export from Thailand

Topic	Description
Diagram Name	Automobile Spare Parts Export from Thailand
List of stakeholders	<ul style="list-style-type: none"> ● Exporter ● Importer ● Exporter's Bank ● Importer's Bank ● Suppliers ● The Thai Chamber of Commerce ● Haulage ● Ship Agent ● Thai Customs Department ● Port Authority of Thailand (PAT) ● Department of Foreign Trade
List of process names	<ul style="list-style-type: none"> ● Buy ● Ship <ul style="list-style-type: none"> ○ Allocate and package ○ Prepare for shipment ○ Request for Certificate of origin ○ Request for Form FTA ○ Loaded and Inland Transport ○ Declare to customs ○ Move cargo into the ship ● Pay
Remark	

1. Buy Process

Figure 2: Use case Diagram shows relationship between the “buy” process and stakeholders for Automobile Spare Parts Export from Thailand

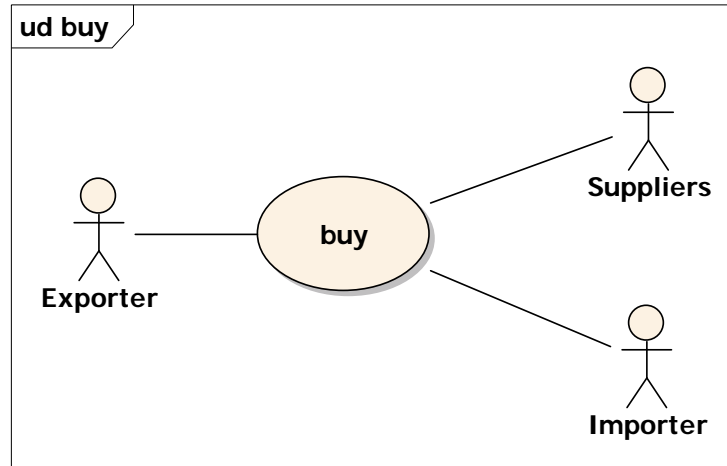


Figure 3 : Activities in the “buy” process for Automobile Spare Parts Export from Thailand

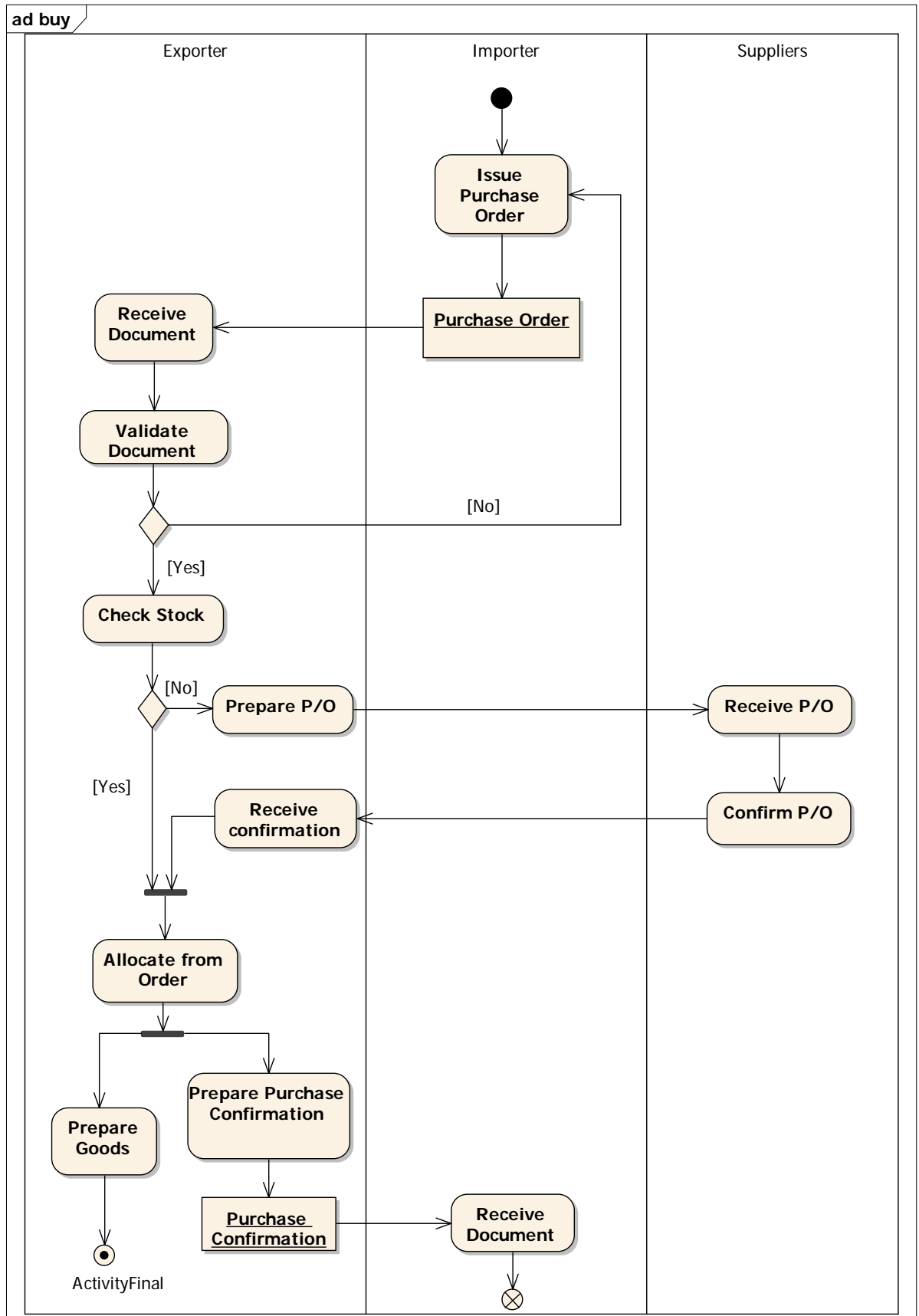


Table 2 : Description of the “buy” process for Automobile Spare Parts Export from Thailand

Topic	Description
Process Name	Buy
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Importer ● Suppliers
Pre-Condition	Exporter and Importer may have a deal or contract before this process.
Description	<ol style="list-style-type: none"> 1. Importer issues purchase order to Exporter 2. Exporter validates purchase order document. If it's not correct, Exporter will return document back to Importer. If it's correct, Exporter will continue to the next step. 3. Exporter checks the stock. If it doesn't exist, Exporter will create P/O documents for suppliers. Suppliers receive P/O documents and reply the confirmation back to Exporter. 4. Exporter allocates products from orders. 5. Exporter prepares purchase confirmation and reply to Importer. 6. Exporter continues products/goods preparation in the next step.
Post-Condition	
Remark	

2. Ship Process

2.1 Allocate and package

Figure 4: Use case Diagram shows relationship between the “allocate and package” process and stakeholders for Automobile Spare Parts Export from Thailand

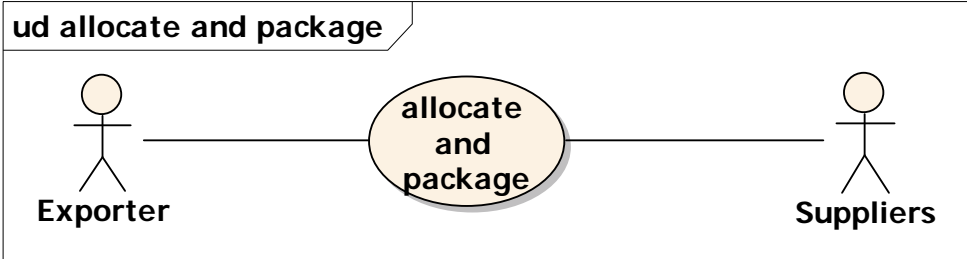


Figure 5: Activities in the “allocate and package” process for Automobile Spare Parts Export from Thailand

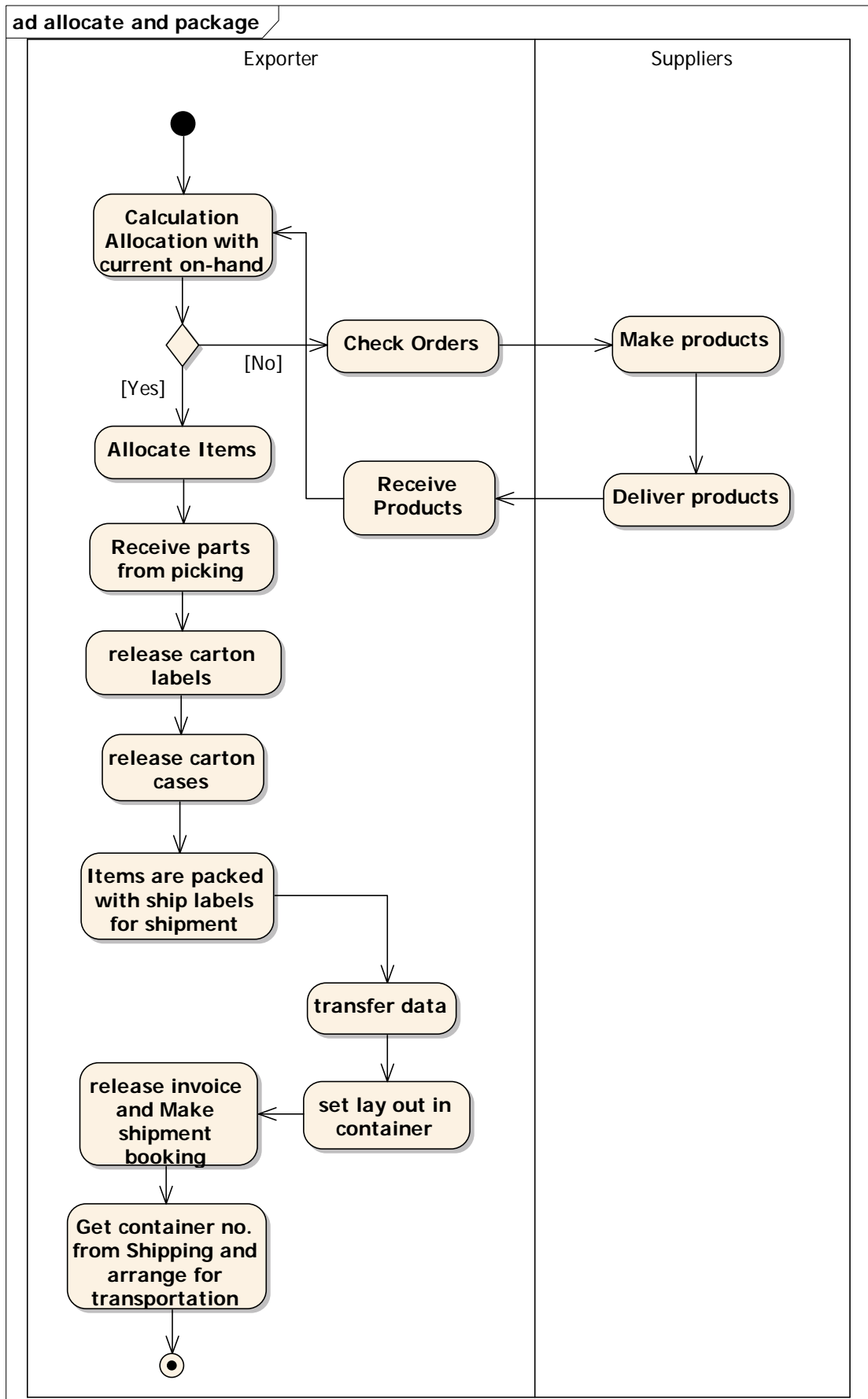


Table 3 : Description of the “allocate and package” process for Automobile Spare Parts Export from Thailand

Topic	Description
Process Name	Allocate and Package
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Suppliers
Pre-Condition	Exporter and Importer have to finish the buy process.
Description	<ol style="list-style-type: none"> 1. Exporter finds the items from orders. 2. If Exporter can't find items from the inventory, Exporter check orders to suppliers. Suppliers make products and deliver to Exporter. Exporter receives products. Exporter prepares ship labels and repacks products with ship labels for shipment. 3. If Exporter can find items from stock, Exporter allocates items. 4. Items are picked from the inventory. 5. Exporter prepares ship labels and cartons/boxes. 6. Items are packed with ship labels for shipment. 7. Exporter prepares documents. <ul style="list-style-type: none"> — Packing Slips — Packing List 8. Exporter schedule Date Time for shipment.
Post-Condition	Products are ready for movement.
Remark	

2.2 Prepare for shipment

Figure 6: Use case Diagram shows relationship between the “prepare for shipment” process and stakeholders for Automobile Spare Parts Export from Thailand

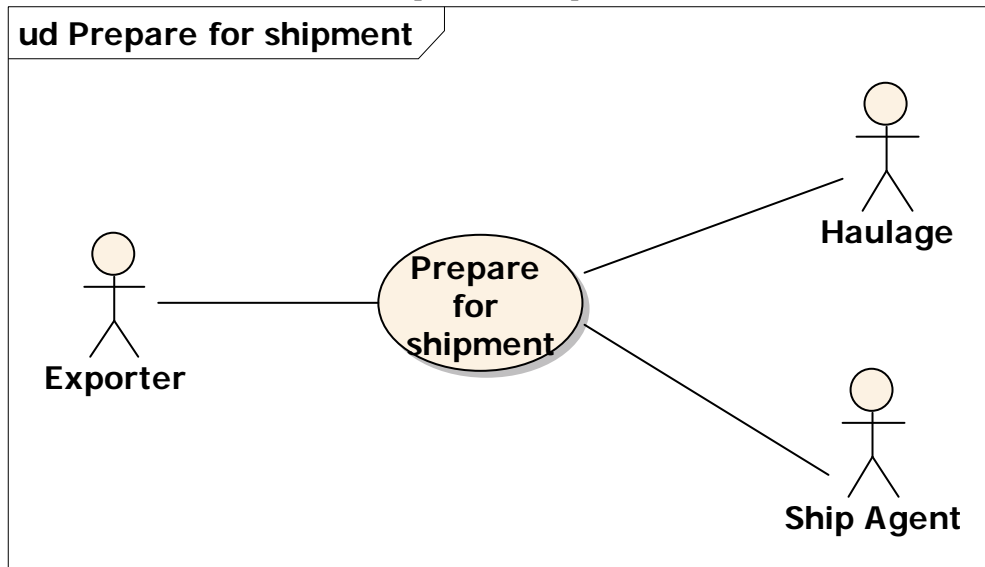


Figure 7: Activities in the “prepare for shipment” process for Automobile Spare Parts Export from Thailand

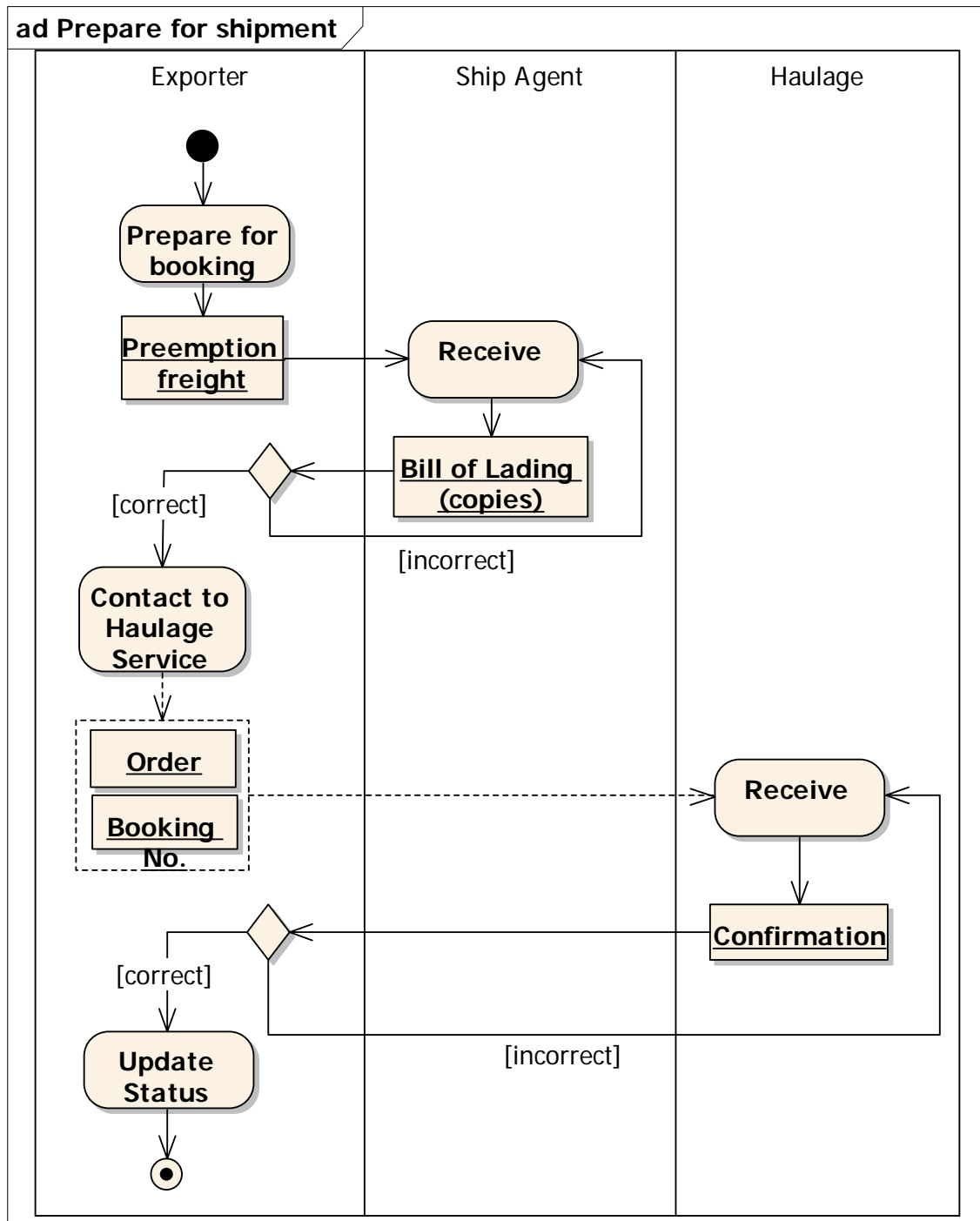


Table 4 : Description of the “prepare for shipment” process for Automobile Spare Parts Export from Thailand

Topic	Description
Process Name	Prepare for shipment
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Ship Agent ● Haulage
Pre-Condition	Products are ready for movement.
Description	<ol style="list-style-type: none"> 1. Exporter prepares document for booking. <ul style="list-style-type: none"> — Preemption freight 2. Ship Agent receives document and send document to Exporter. <ul style="list-style-type: none"> — Bill of Lading (copies) 3. Exporter verifies document. If it's not correct, Exporter replies to Ship Agent. Ship Agent modifies document and resent to Exporter. 4. Exporter contacts to Haulage Service. 5. Exporter prepares documents. <ul style="list-style-type: none"> — Order (Haulage) — Booking No. 6. Haulage receives documents and sends confirmation. 7. Exporter gets confirmation and review. If it's not correct, Exporter sends to Haulage to correct it. If it's correct, Exporter will update status to the system.
Post-Condition	
Remark	

2.3 Request for Form FTA

Figure 8: Use case Diagram shows relationship between the “request for Form FTA” process and stakeholders for Automobile Spare Parts Export from Thailand

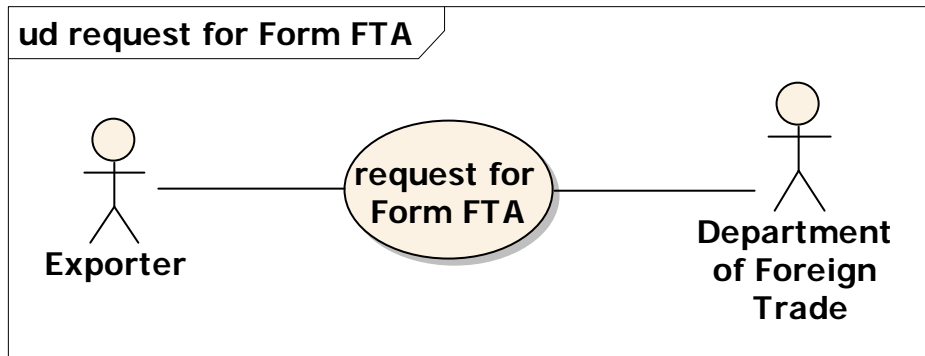


Figure 9 : Description of activities in the “Request for Form FTA” process for Automobile Spare Parts Export from Thailand

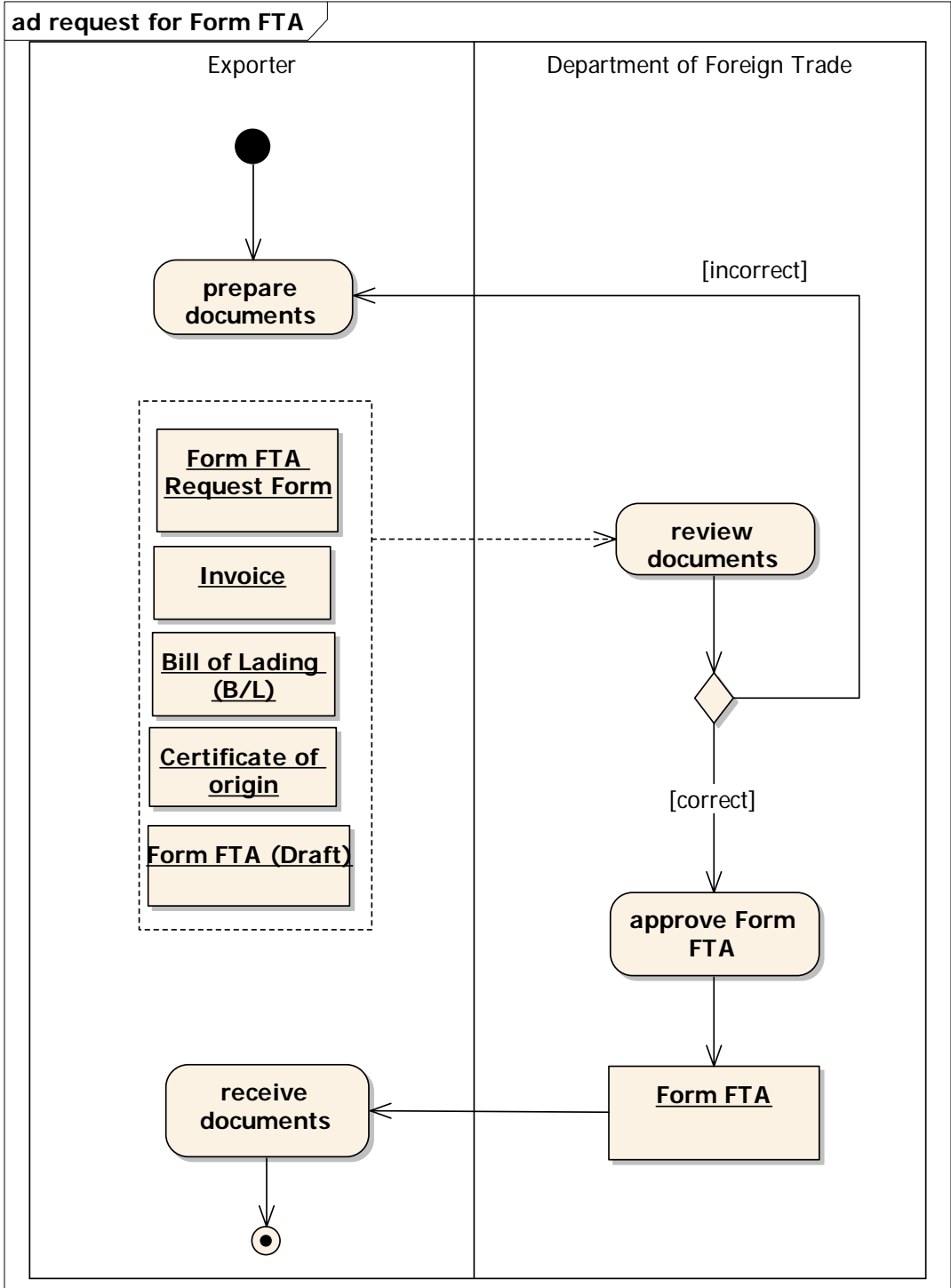


Table 5: Description of activities in the “Request for Form FTA” process for Automobile Spare Parts
Export from Thailand

Topic	Description
Process Name	Request for Certificate of Origin under Free Trade Agreement (Form FTA)
Stakeholders	<ul style="list-style-type: none"> ● Exporter / Agent ● Department of Foreign Trade
Pre-Condition	Importer requires Form FTA for Importation.
Description	<ol style="list-style-type: none"> 1. Exporter enters data into the online system.(with attached scan documents) <ul style="list-style-type: none"> — Form FTA Request form — Invoice — Bill of Lading (B/L) — Certificate of origin — Form FTA (draft) 2. Exporter prepares document and send to the Thai chamber of commerce for Form FTA. 3. Officer receives documents and verifies data. If it's not correct, Exporter has to modify and send it again. If it's correct, Officer creates and approves Form FTA. 4. Exporter makes payment for fee and receives Form FTA.
Post-Condition	Exporter gets Form FTA and send to Importer in the next step.
Remark	

2.4 Loaded and inland transport

Figure 10 : Use case Diagram shows relationship between the “loaded and inland transport” process and stakeholders for Automobile Spare Parts Export from Thailand

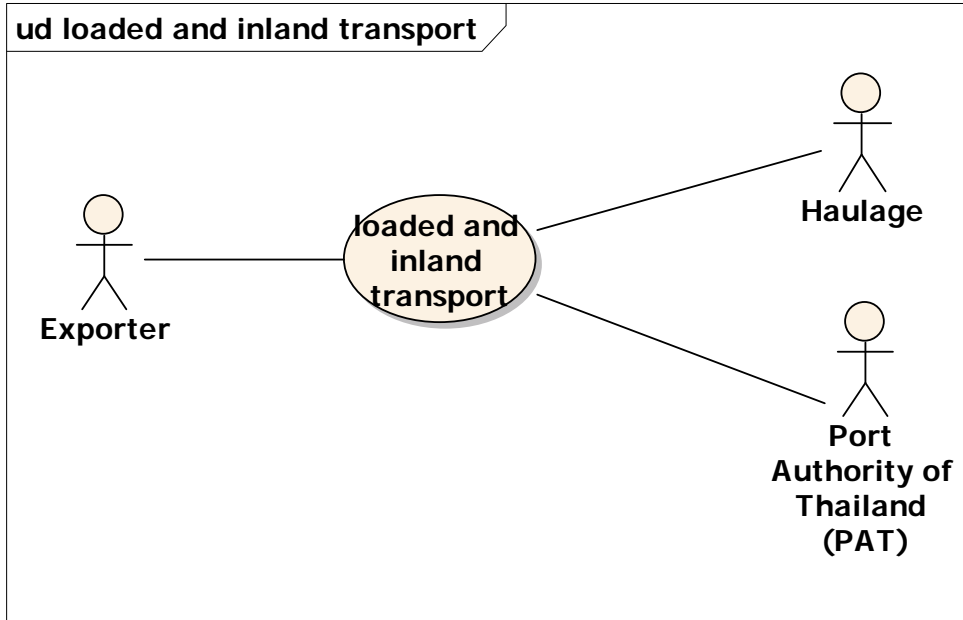


Figure 91: Activity Diagram shows activities in the “loaded and inland transport” process for Automobile Spare Parts Export from Thailand

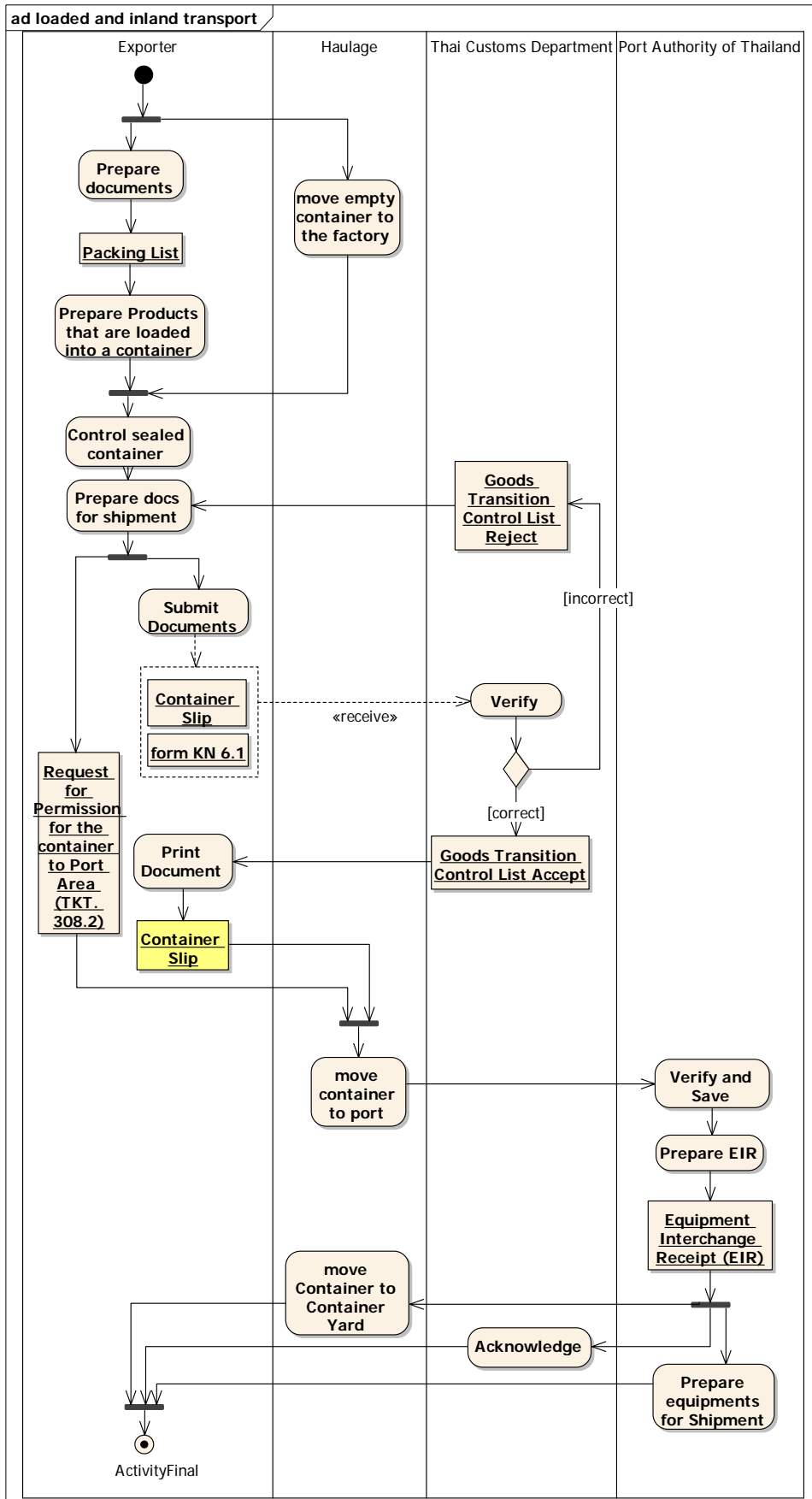


Table 6: Description of activities in the “loaded and inland transport” process for Automobile Spare Parts Export from Thailand

Topic	Description
Process name	Loaded and Inland Transport
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Haulage ● Port Authority of Thailand (PAT) ● Royal Thai Custom
Pre-Condition	Cargos/Products are ready for movement.
Description	<ol style="list-style-type: none"> 1. Exporter to contact truck/haulage to pick up empty containers to be sent packing at the warehouse to a company vehicle preemption truck. 2. Truck/Haulage and receive a reservation confirmation. 3. Export makes an appointment with truck/haulage and prepare for packing goods entering. 4. Empty container is brought to the warehouse for packing. 5. Exporter controls sealed container. 6. Exporter prepares document. <ol style="list-style-type: none"> a. Request for permission for the container to the Port Area (TK 308.2) 7. Exporters prepares document for Thai Customs Department. <ol style="list-style-type: none"> a. Contain Slip b. Form KN.6.1 8. Thai Customs Department receives documents and verify. If they are not correct, the good transition control list reject will be sent back. If they are correct, the good transition control list accept will be sent back. 9. Exporter receives and prints out the container slip and gives to haulage. 10. Haulage moves contain to port. 11. Port Authority of Thailand (PAT) receives documents from Haulage and verifies documents. 12. PAT prepares Equipment Interchange Receipt (EIR) document and send to Exporter. 13. Haulage move container to the container yard.
Post-Condition	Cargos/Products are moved to Port Area.

2.4 Declare to Customs

Figure 103 : Use case Diagram shows relationship between the “declare to customs” process and stakeholders for Automobile Spare Parts Export from Thailand

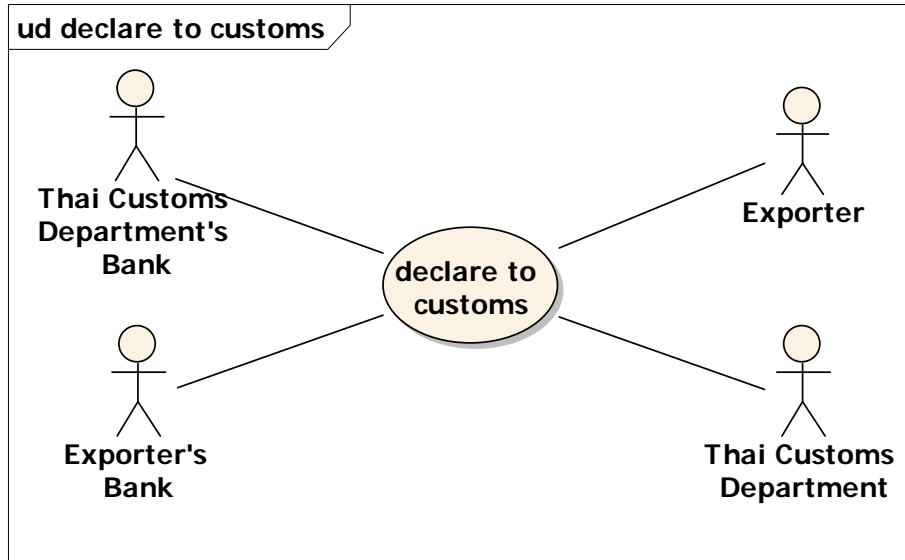


Figure 114: Activity Diagram shows activities in the “declare to customs” process for Automobile Spare parts Export from Thailand

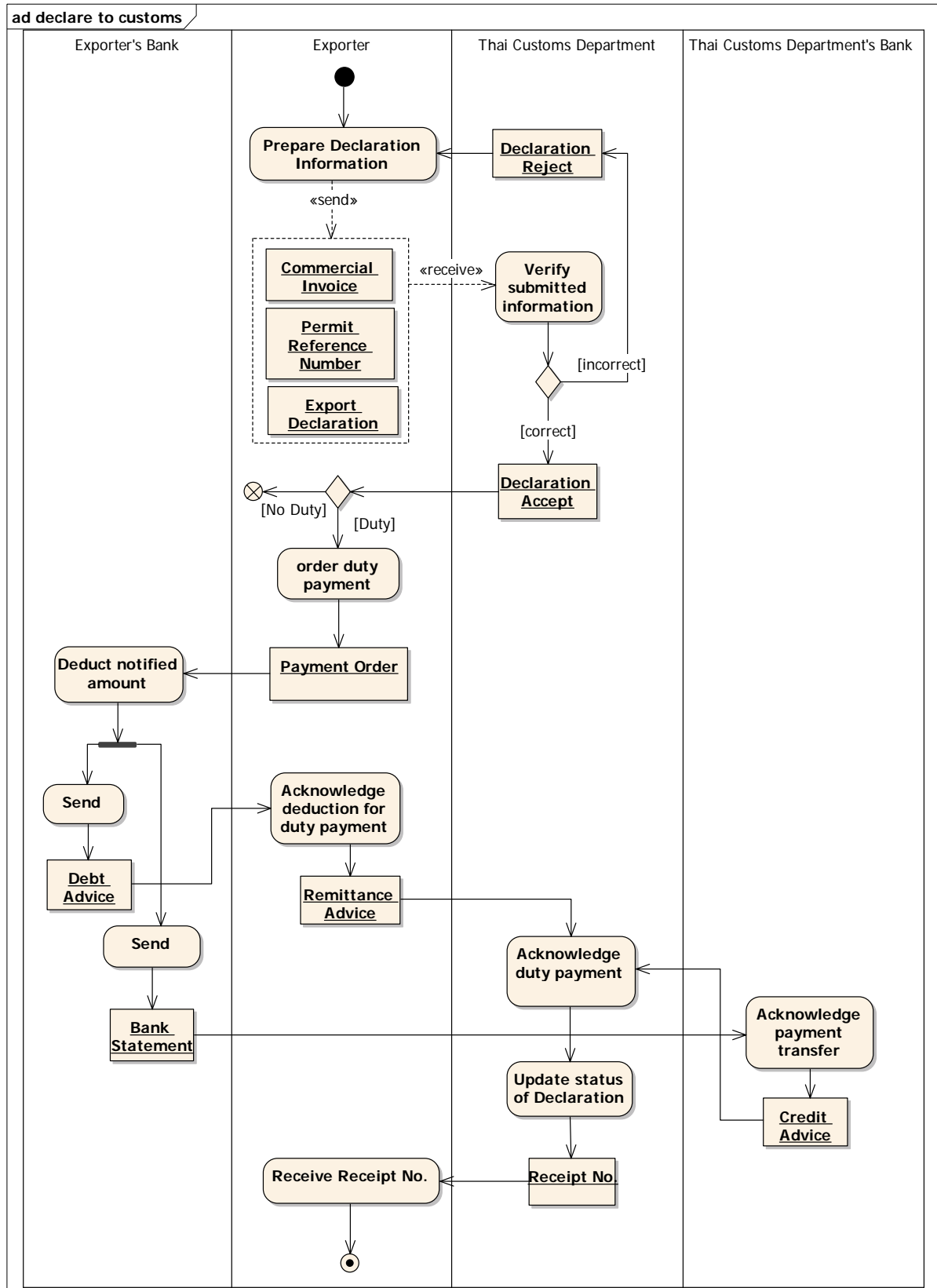


Table 7 : Description of activities in the “declare to customs” process for Automobile Spare Parts Export
From Thailand

Topic	Description
Process name	Declare to customs
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Thai Customs Department ● Exporter’s Bank ● Thai Customs Department’ Bank
Pre-Condition	
Description	<ol style="list-style-type: none"> 1. Exporter submits electronics data to Thai Customs Department through Paperless system. <ul style="list-style-type: none"> — Invoice — Permit Reference Number — Export Declaration 2. Thai Customs Department verifies data. If it’s not correct, the declaration reject will be sent to exporter. If it’s correct, the declaration accepts and declaration number will be sent to exporter. 3. <u>In case of Tax required for exportation</u> <ul style="list-style-type: none"> — Exporter reports the debit tax document "Payment Order" to the bank. — Exporter's Bank attempt to deduct balance on Exporter's account by sending "Debit Advice" to the exporter and "Bank Statement" to Thai Customs Department's bank. — Exporter acknowledges the debit and filing. — Bank sends “Remittance Advice” to Thai Customs Department. — Thai Customs Department’s bank acknowledges and sends “Credit Advice” to Thai Customs Department. — Thai Customs Department acknowledges and updates export declaration status.
Post-Condition	

2.5 Move cargo into the ship

Figure 125 : Use case Diagram shows relationship between the “move cargos into the ship” process and stakeholders for Automobile Spare Parts Export from Thailand

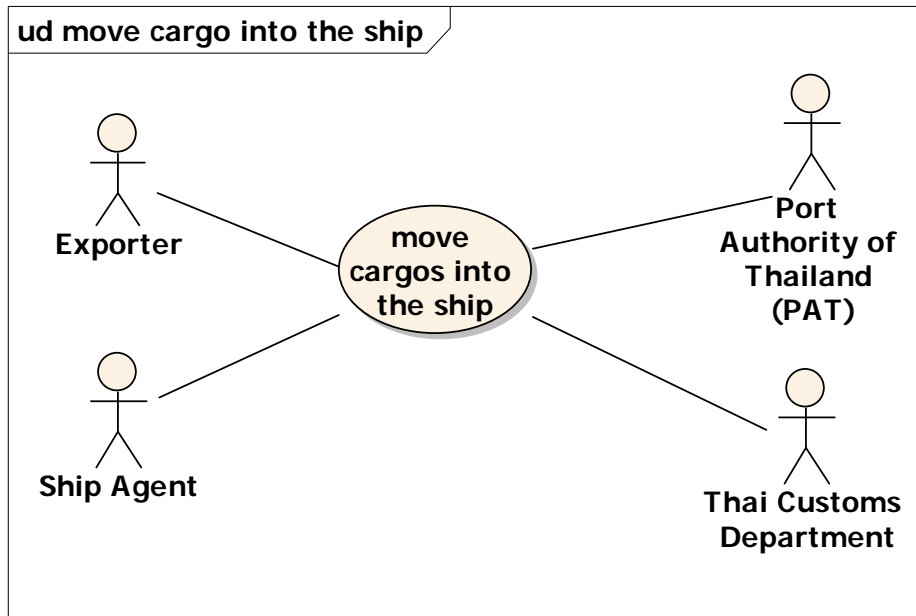


Figure 136 : Activity Diagram shows activities in the “move cargos into the ship” process and stakeholders for Automobile Spare Parts Export from Thailand

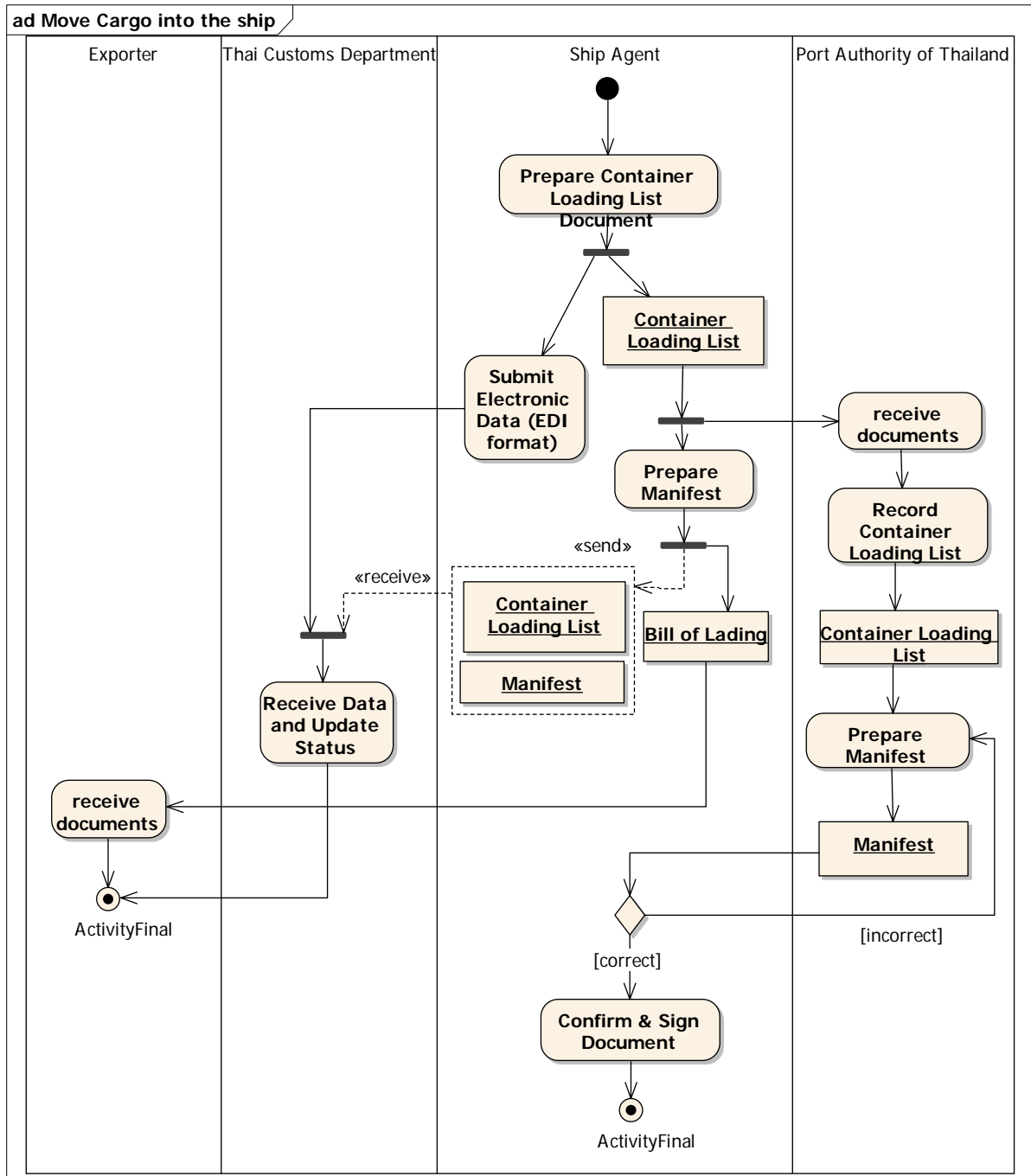


Table 8 : Description of activities in the “move cargos into the ship” process and stakeholders for Automobile Spare Parts Export from Thailand

Topic	Description
Process Name	Move cargo into the ship
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Thai Customs Department ● Ship Agent ● The Port Authority of Thailand (PAT)
Pre-Condition	
Description	<ul style="list-style-type: none"> — Ship Agent prepares “Bill of Lading” to Exporter and “Manifest” to Thai Customs Department through paperless system. — Ship Agents prepares container loading list for Port Authority of Thailand (PAT). — Ship Agent prepares “Bill of Lading” to Exporter. — Ship Agent prepares documents for Thai Customs Department. <ul style="list-style-type: none"> — Container Loading List — Manifest — Port Authority of Thailand (PAT) receives the documents and records the container loading list and prepare manifest document to send back to ship agent.
Post-Condition	
Remark	Line ship has been authorized by Marine Department and the Bureau of Maritime Safety and Environment or the Office of the Marine Branch to the ship.

3. Pay

Figure 147 : Use case Diagram shows relationship between the “pay” process and stakeholders for Automobile Spare Parts Export from Thailand

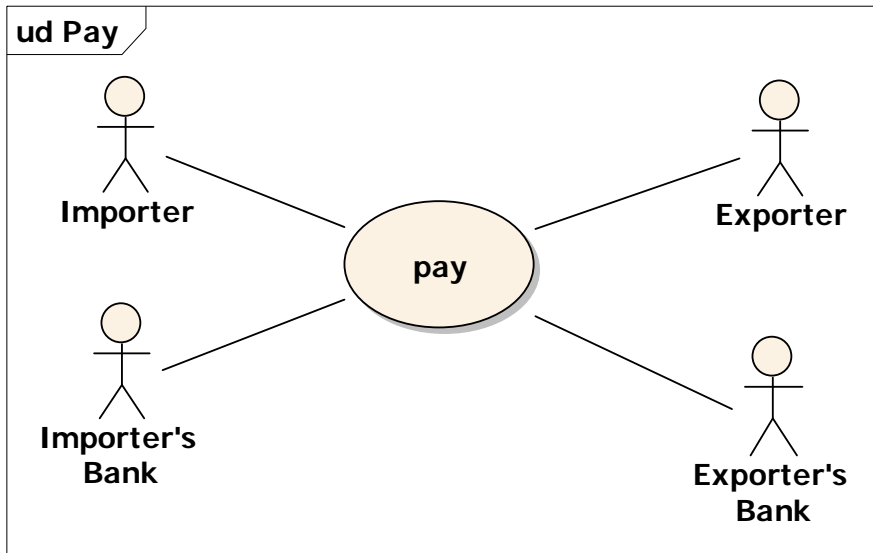


Figure 158 : Activity Diagram shows activities in the “pay” process for Automobile Spare Parts Export from Thailand

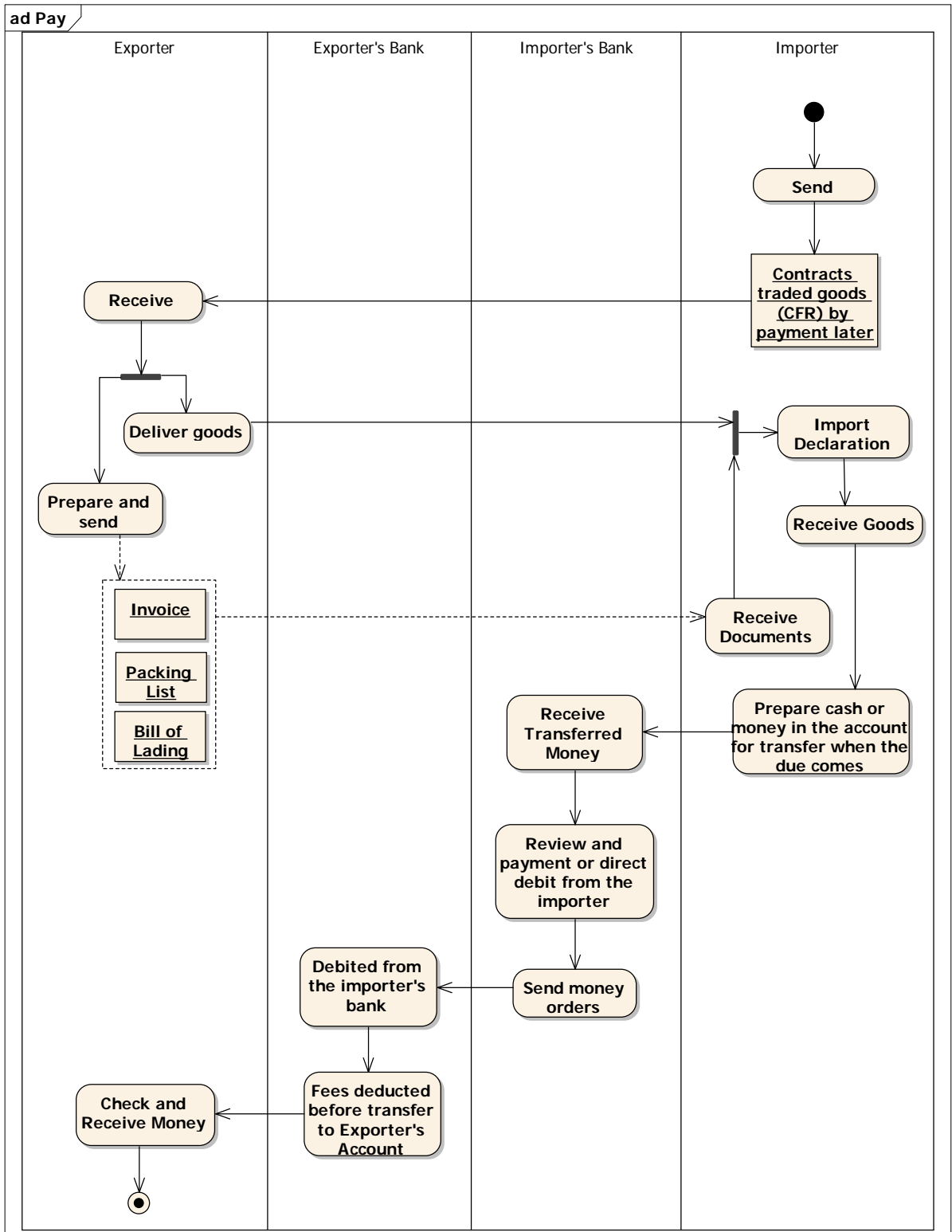


Table 5 : Description of activities in the “pay” process for Automobile Spare parts Export from Thailand

Topic	Description
Process Name	Pay
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Exporter’s Bank ● Importer ● Importer’s Bank
Pre-Condition	-
Description	<ol style="list-style-type: none"> 1. Importer sends contract traded goods (CFR) by payment later to Exporter. 2. Exporter receives document. 3. Exporter prepares and sends documents to Importer. <ul style="list-style-type: none"> — Invoice — Packing List — Bill of Lading (B/L) 4. Exporter delivers goods/products to importer. 5. Importer receives documents. Importer goes to import declaration process. 6. Importer receives goods/products. 7. Importer prepares cash or money in the account for transfer when the due comes. 8. Importer’s Bank receives transferred money. 9. Importer’s Bank review and payment or direct debit from Importer. 10. Importer’s Bank sends money orders to Exporter’s Bank. 11. Exporter’s Bank is debited from Importer’s Bank. 12. Fee deducted before transfer to Exporter’s account. 13. Exporter checks and receives money.
Post-Condition	
Remark	

Annex 2: Business Process of Sugar Export from Thailand

The study process and stakeholders involved

Figure 1: Use Case Diagram of Sugar Export from Thailand

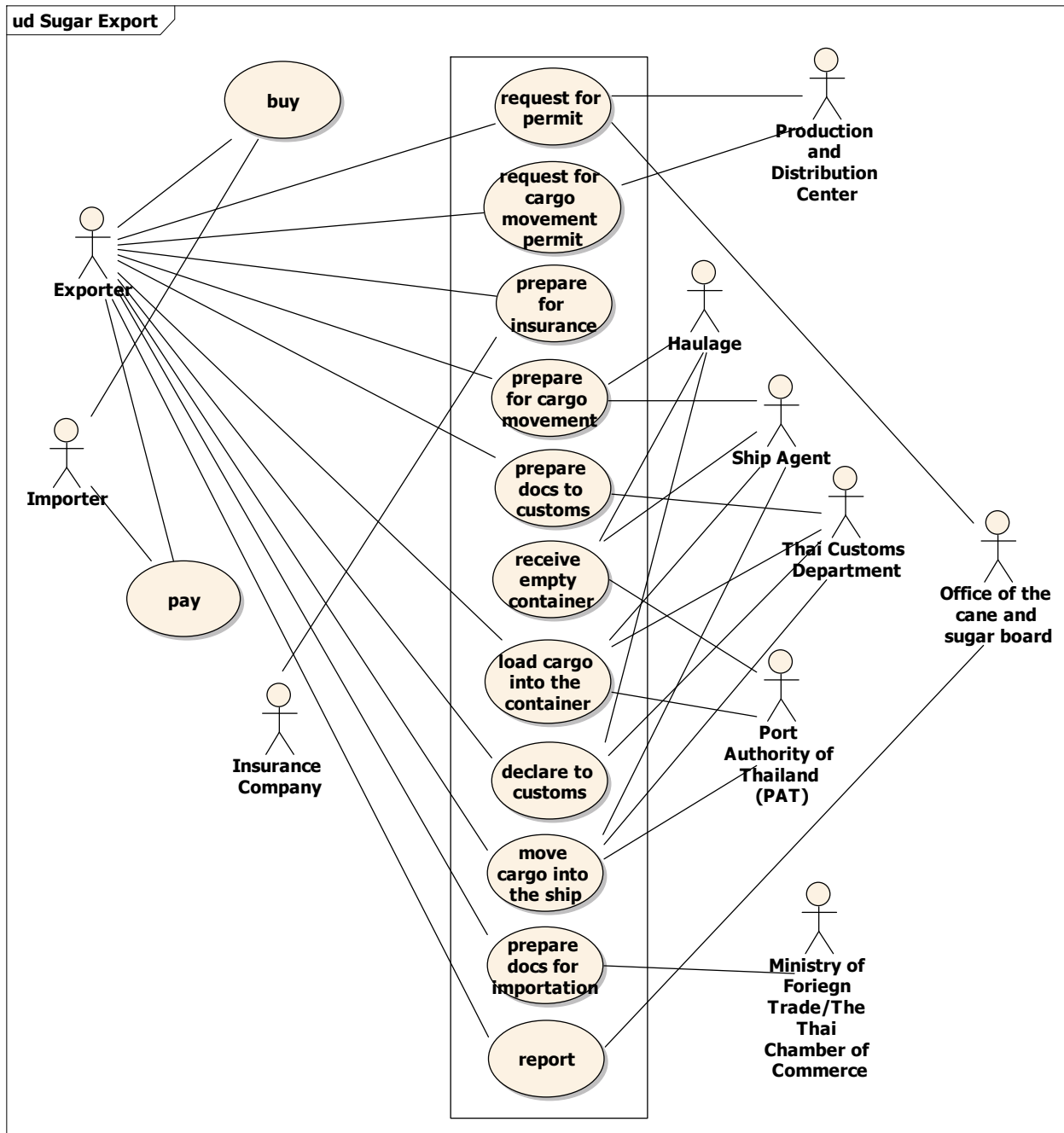


Table 1: Description of the Use Case Diagram for Sugar Export from Thailand

Topic	Description
Diagram Name	Sugar Export from Thailand
List of stakeholders	<ul style="list-style-type: none"> ● Exporter ● Importer ● Insurance Company ● Production and Distribution Center ● Office of the cane and sugar board ● Ministry of Foreign Trade/The Thai Chamber of Commerce ● Port of Authority of Thailand (PAT) ● Haulage ● Ship Agent ● Thai Customs Department
List of process names	<ul style="list-style-type: none"> ● Buy ● Ship <ul style="list-style-type: none"> ○ Request for permit ○ Request for cargo movement permit ○ Prepare for insurance ○ Prepare for cargo movement ○ Prepare docs to Customs ○ Receive empty container ○ Load cargo into the container ○ Declare to Customs ○ Move cargo into the ship ○ Prepare docs for importation ○ Report ● Pay
Remark	-

Figure 2: Activity Diagram of the buy process for Sugar Export from Thailand

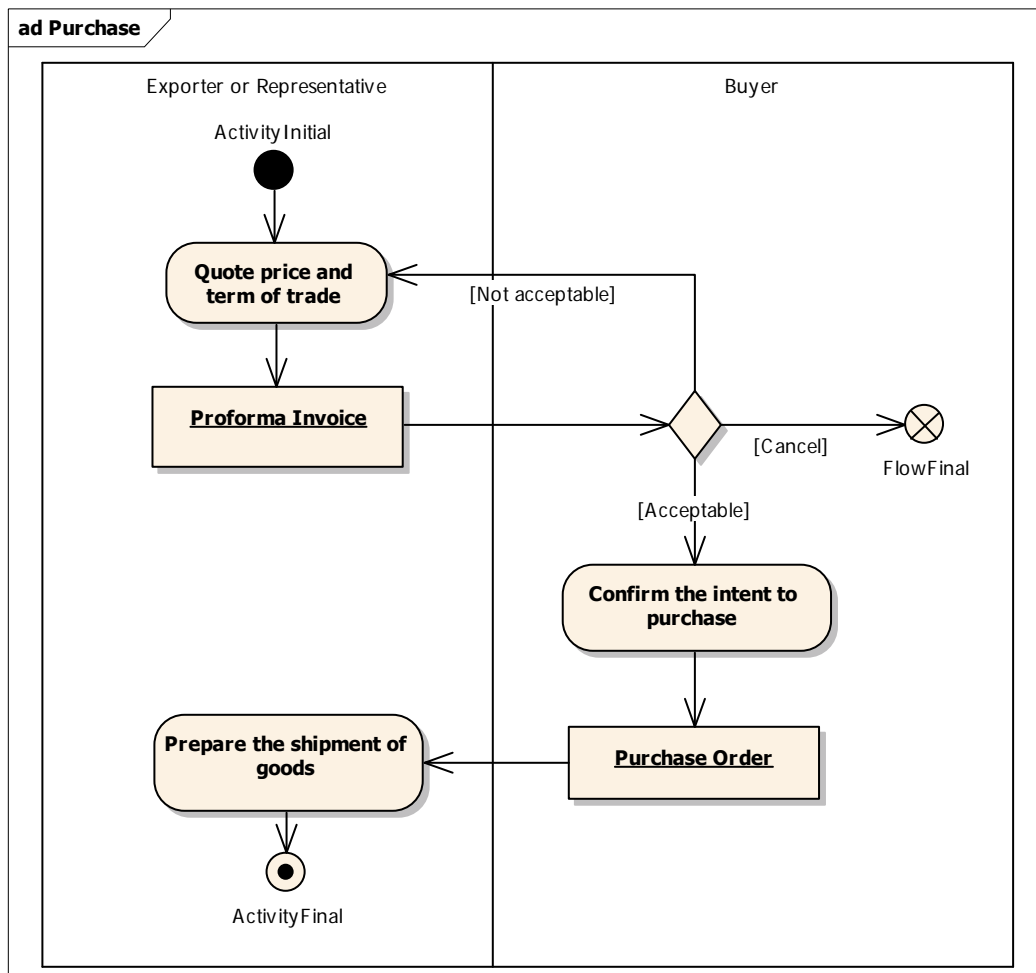


Table 2: Description of activities in the buy process for Sugar Export from Thailand

Topic	Description
Process Name	Buy
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Buyer
Pre-Condition	<ul style="list-style-type: none"> ● Exporter and Buyer may have a deal or contract before this process.
Description	<ul style="list-style-type: none"> ● Exporter issues a Proforma Invoice to Buyer ● Buyer validates purchase order document. If it's not correct, Buyer will return document back to Importer. If it's correct, Buyer will continue to the next step. ● Buyer confirms the intent to purchase and issues Purchase Order to Exporter. ● Exporter prepares the shipment of goods.
Post-Condition	<ul style="list-style-type: none"> ● Exporter and Buyer deal with a contract. ● Buyer issues Purchase order to Exporter.
Remark	-

Figure 3: Activity Diagram of the “Obtain Export Permit” process

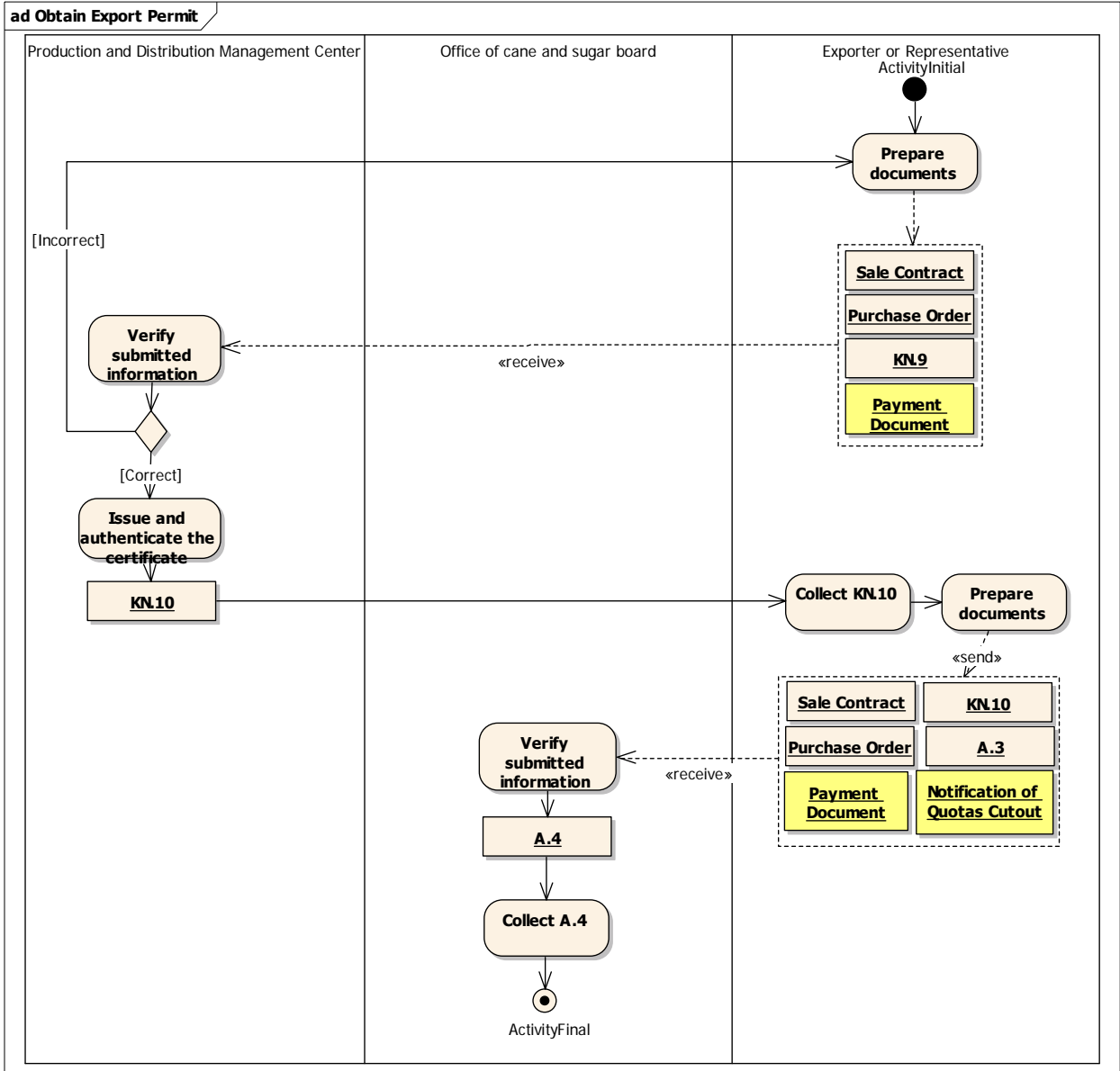


Table 3 Table explains activities in the obtain export Permit process for Sugar Exportation of Thailand

Topic	Description
Process Name	Obtain export Permit
Stakeholders	<ul style="list-style-type: none"> ● Production and Distribution Management Center ● Office of cane and sugar board ● Exporter or Representative
Pre-Condition	<ul style="list-style-type: none"> ● Exporters must be allowed to be a company to export sugar.
Description	<ul style="list-style-type: none"> ● An exporter prepares documents required for the application of Permit for the Export of Sugar. These documents include: <ul style="list-style-type: none"> ○ Sale Contract ○ Purchase Order ○ Application for Permission to Export Sugar (KN.9) ○ Payment Document ● An officer at Production and Distribution Management Center reviews and verifies submitted information. ● If the submitted information is correct, an authorized officer signs and authenticates Permit for the Export of Sugar (KN. 10). ● An exporter receives a Permit for the Export of Sugar (KN. 10). ● Exporter prepares documents required for the application of Permit for the Export of Goods. These documents include: <ul style="list-style-type: none"> ○ Sale Contract ○ Purchase Order ○ Payment Document ○ Notification of Quotas Cutout ○ Permit for the Export of Sugar (KN. 10). ○ Application for the Export of Goods (A.3) ● An officer at Office of cane and sugar board reviews and verifies submitted information and authenticates Permit for the Export of Goods (A.4). ● An officer at Office of cane and sugar board collect the Permit for the Export of Goods (A.4).
Post-Condition	<ul style="list-style-type: none"> ● An exporter receives a Permit for the Export of Sugar.
Remark	-

Figure 4 : Activity Diagram of the Obtain Permission to Transfer Container Process

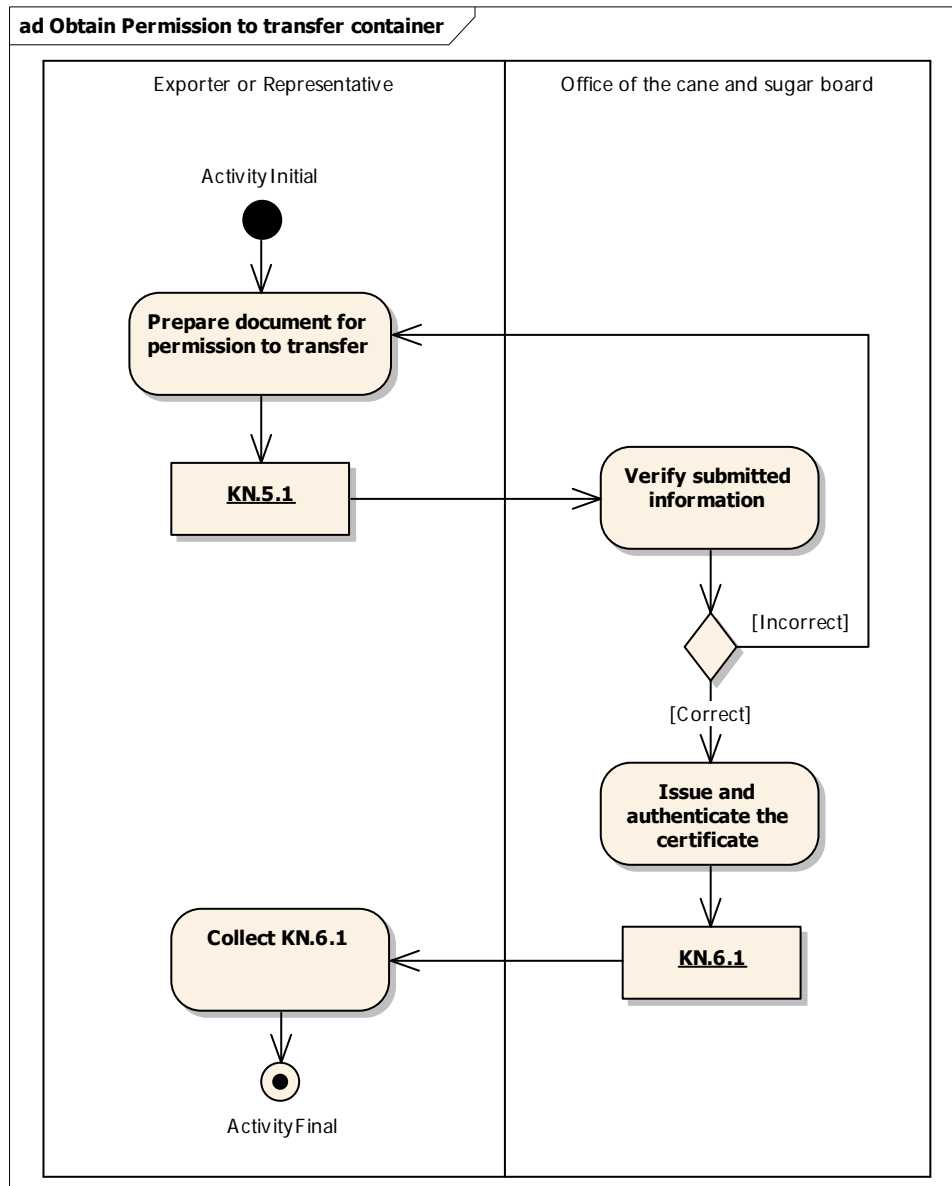


Table 4: Description of activities in the Obtain Permission to Transfer Container Process for Sugar Export from Thailand

Topic	Description
Process Name	Obtain Permission to transfer container
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Office of the cane and sugar board
Pre-Condition	<ul style="list-style-type: none"> ● Goods was prepared for transfer.
Description	<ul style="list-style-type: none"> ● Exporter prepare document for permission to transfer and issues an Application for transfer sugar for exportation (KN.5.1). ● An officer at Production and Distribution Management Center reviews and verifies submitted information. ● If the submitted information is correct, an authorized officer signs and authenticates Permit for transfer sugar for exportation (KN.6.1). ● An exporter receives Permit for transfer sugar for exportation (KN.6.1).
Post-Condition	<ul style="list-style-type: none"> ● An exporter receives Permit for transfer sugar for exportation (KN.6.1).
Remark	-

Figure 5: Activity Diagram of the obtain cargo insurance process

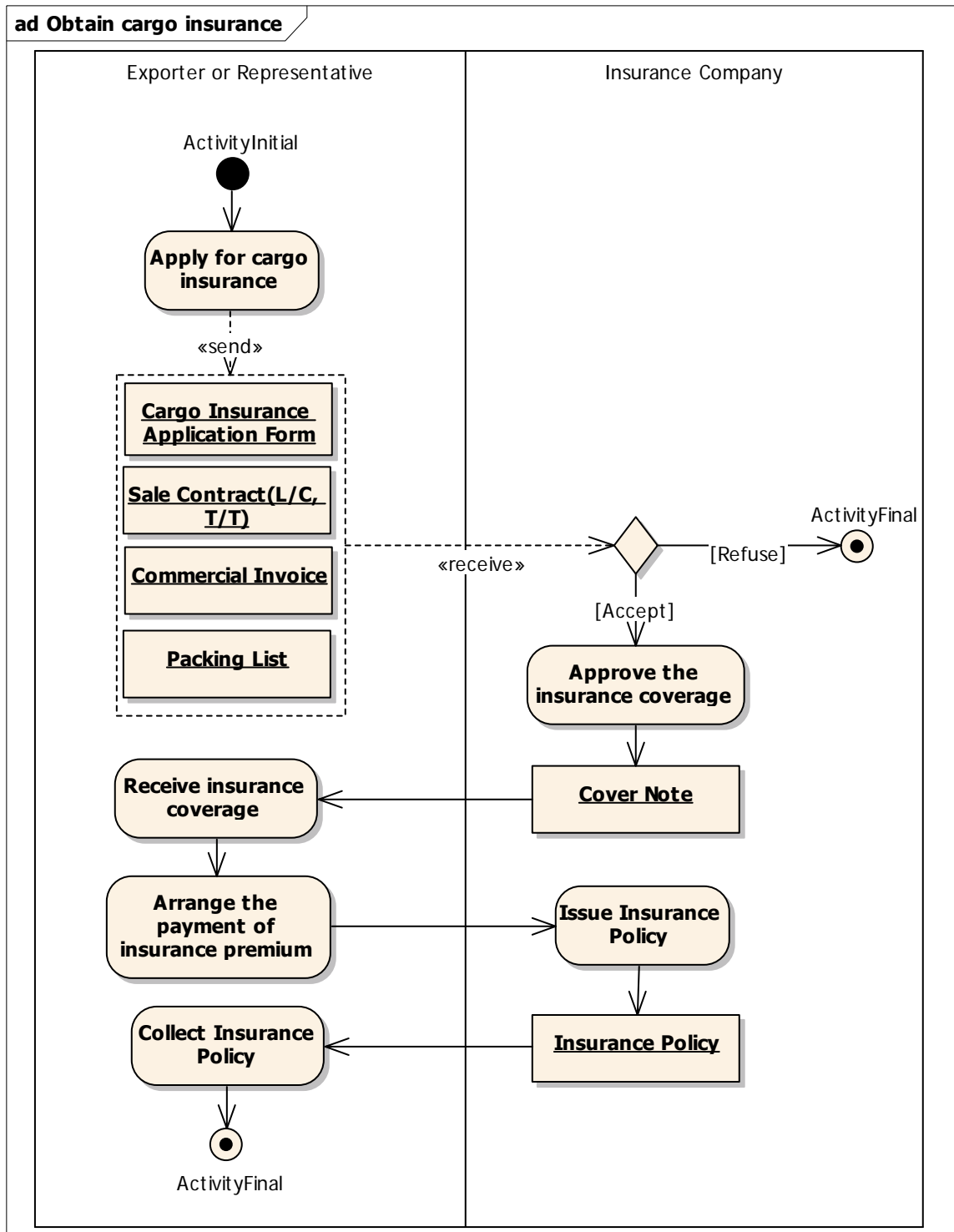


Table 5: Description of activities in the obtain Permission to obtain cargo insurance process for Sugar Export from Thailand

Topic	Description
Process Name	Obtain cargo insurance
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Insurance Company
Pre-Condition	<ul style="list-style-type: none"> ● Exporter and Buyer may have a deal or contract before this process.
Description	<ul style="list-style-type: none"> ● Under the C.I.F. term, an exporter or representative is required to arrange cargo insurance. To apply for an insurance coverage, the following documents have to be submitted to an insurance company. <ul style="list-style-type: none"> ○ Cargo Insurance Application Form ○ Letter of Credit ○ Commercial Invoice ○ Packing List ○ Draft Bill of Lading ● Based on the submitted documents, an insurance company decides whether or not to provide the insurance coverage. An insurance company issues Cover Note for the to-be-insured consignment. ● Once receives a transport contract or Bill of Lading from an exporter or representative, an insurance company issues Insurance Policy.
Post-Condition	<ul style="list-style-type: none"> ● The consignment is insured from the place of dispatch to the place of destination.

Figure 6: Activity Diagram of the arrange transport process

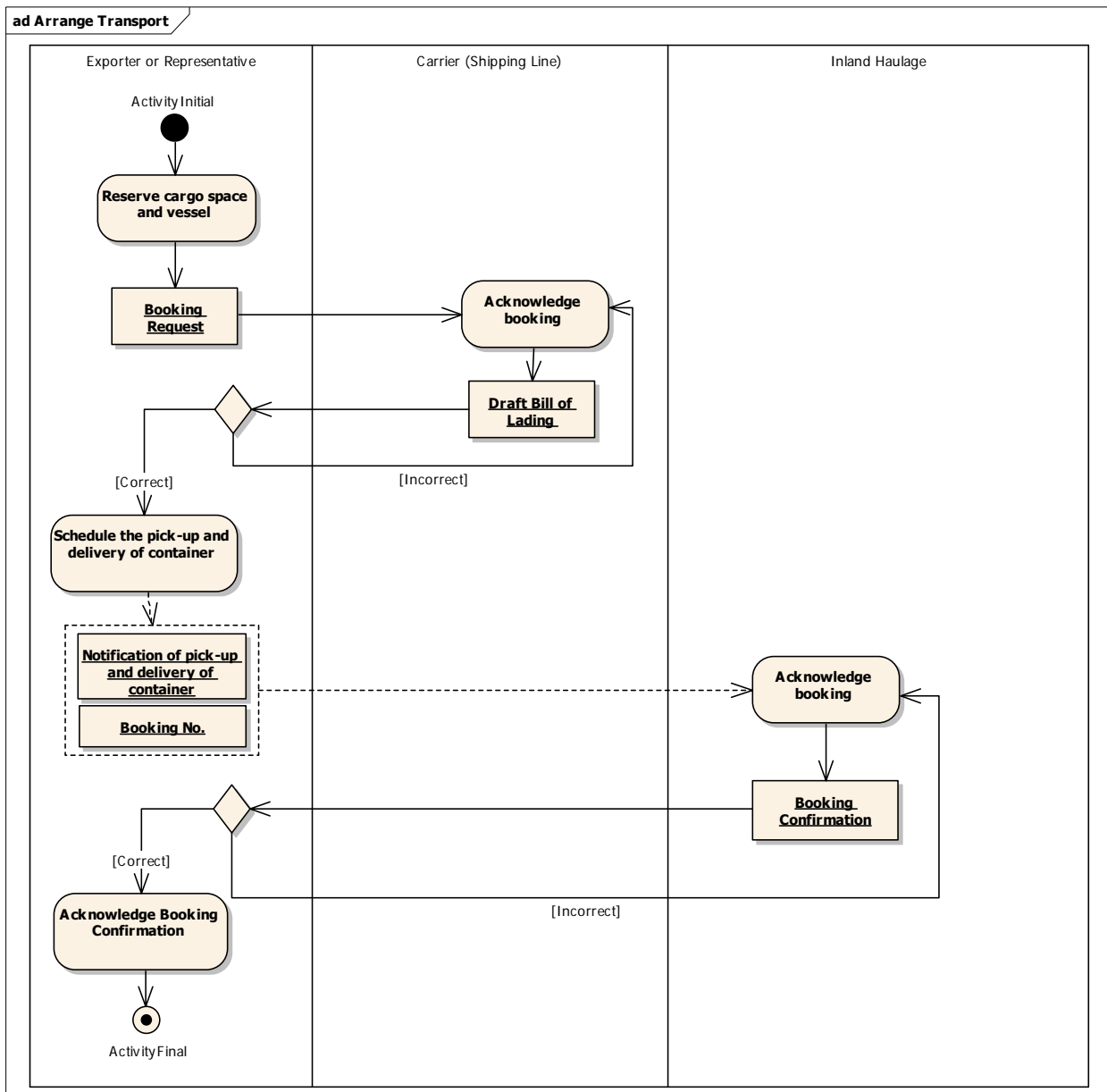


Table 6: Description of activities in the arrange transport process for Sugar Export from Thailand

Topic	Description
Process Name	Arrange transport
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Carrier (Shipping Line) ● Inland Haulage
Pre-Condition	-
Description	<ul style="list-style-type: none"> ● An exporter or representative contacts a carrier (shipping line) to reserve cargo space and vessel. Booking request can be prepared in various forms depending on the shipping line. For some shipping lines, a booking of cargo space and vessel can be done through online reservation system. For those that do not have such system, the booking is done over the phone or email. ● A carrier acknowledges the booking request by returning a draft Bill of Lading to an exporter or representative. The draft Bill of Lading shall be revised until an exporter or representative acknowledges its correctness. ● If the information in the draft Bill of Lading is correct, an exporter or representative contact an inland haulage to schedule a pick-up of an empty container from carrier's container yard, a delivery of that empty container to exporter's warehouse, and a return of stuffed container to container yard for further loading. At this stage, the booking request is often done over phone, fax, and email. ● Inland haulage acknowledges the booking request by returning a booking confirmation to an exporter or representative. The booking confirmation shall be revised until an exporter or representative acknowledges its correctness.
Post-Condition	<ul style="list-style-type: none"> ● An exporter receives booking confirmations for inland and cross-border transportation.
Remark	-

Figure 7: Activity Diagram of the provide customs declaration process

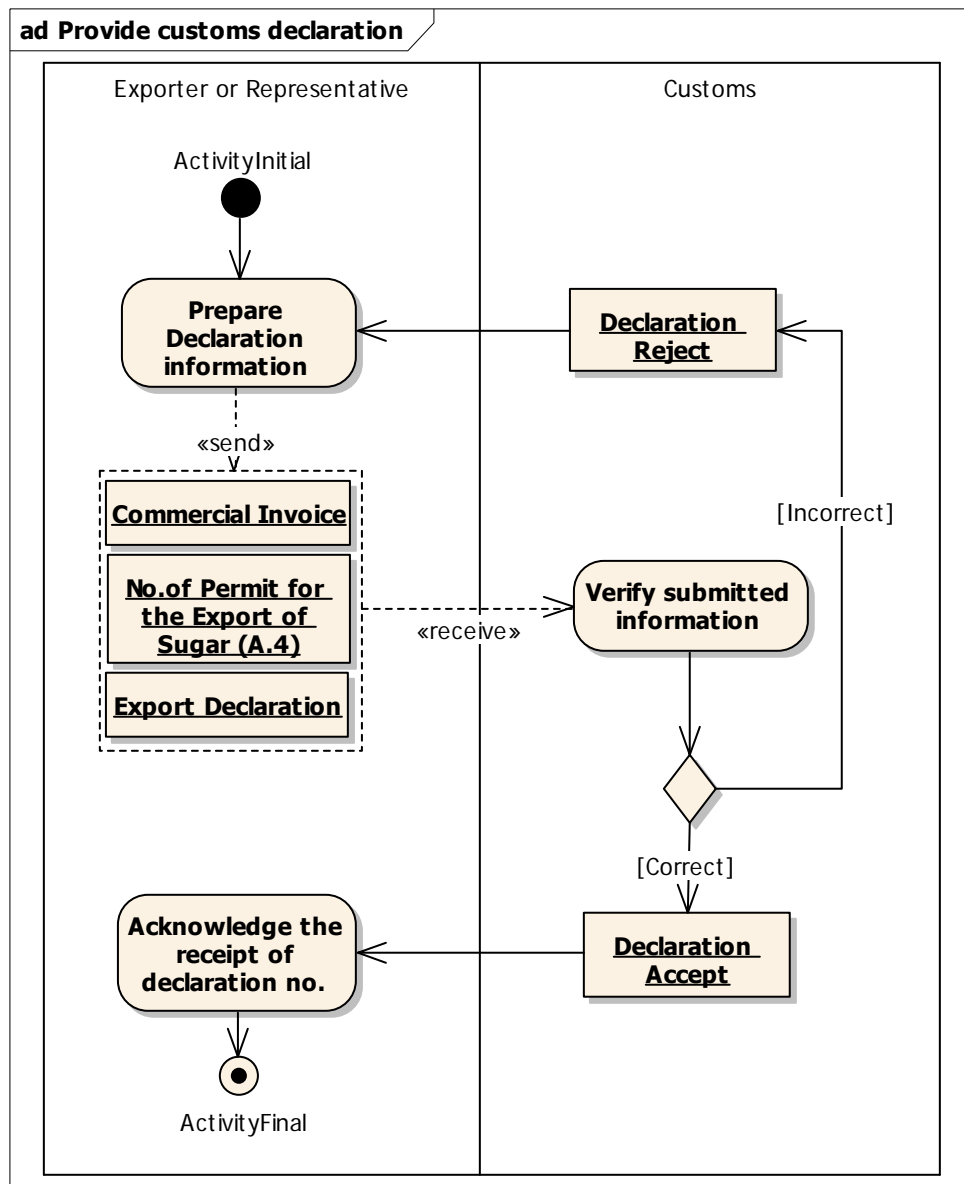


Table 7: description of activities in the provide customs declaration process
for Sugar Export from Thailand

Topic	Description
Process Name	Provide customs declaration
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Customs
Pre-Condition	<ul style="list-style-type: none"> ● An importer and an exporter have already concluded trade contract and terms. ● The goods in amount and conditions specified in the purchase order are ready for inspection. ● An exporter has already arranged transportation for cargo movement. ● An exporter or representative has to be a registered user of the Customs Paperless System.
Description	<ul style="list-style-type: none"> ● An exporter or representative submits Customs Declaration to Customs through Customs Paperless System. In addition to specific customs data requirements related to duty and privileges, the information that has to be declared includes a reference number of Permit for the Export of Sugar and consignment details as presented in Commercial Invoice. ● Customs Paperless System verifies submitted Customs Declaration. It will send Declaration Reject to inform an exporter or representative if the submitted declaration is incomplete or incorrect. On the other hand, if the attempt to make Customs Declaration is successful, the system will notify an exporter or representative with Declaration Accept which is inclusive of a Declaration reference number.
Post-Condition	<ul style="list-style-type: none"> ● An exporter receives Declaration Accept which is inclusive of a Declaration reference number from Customs Paperless System.
Remark	-

Figure 8: Activity Diagram of the collect empty container from yard process

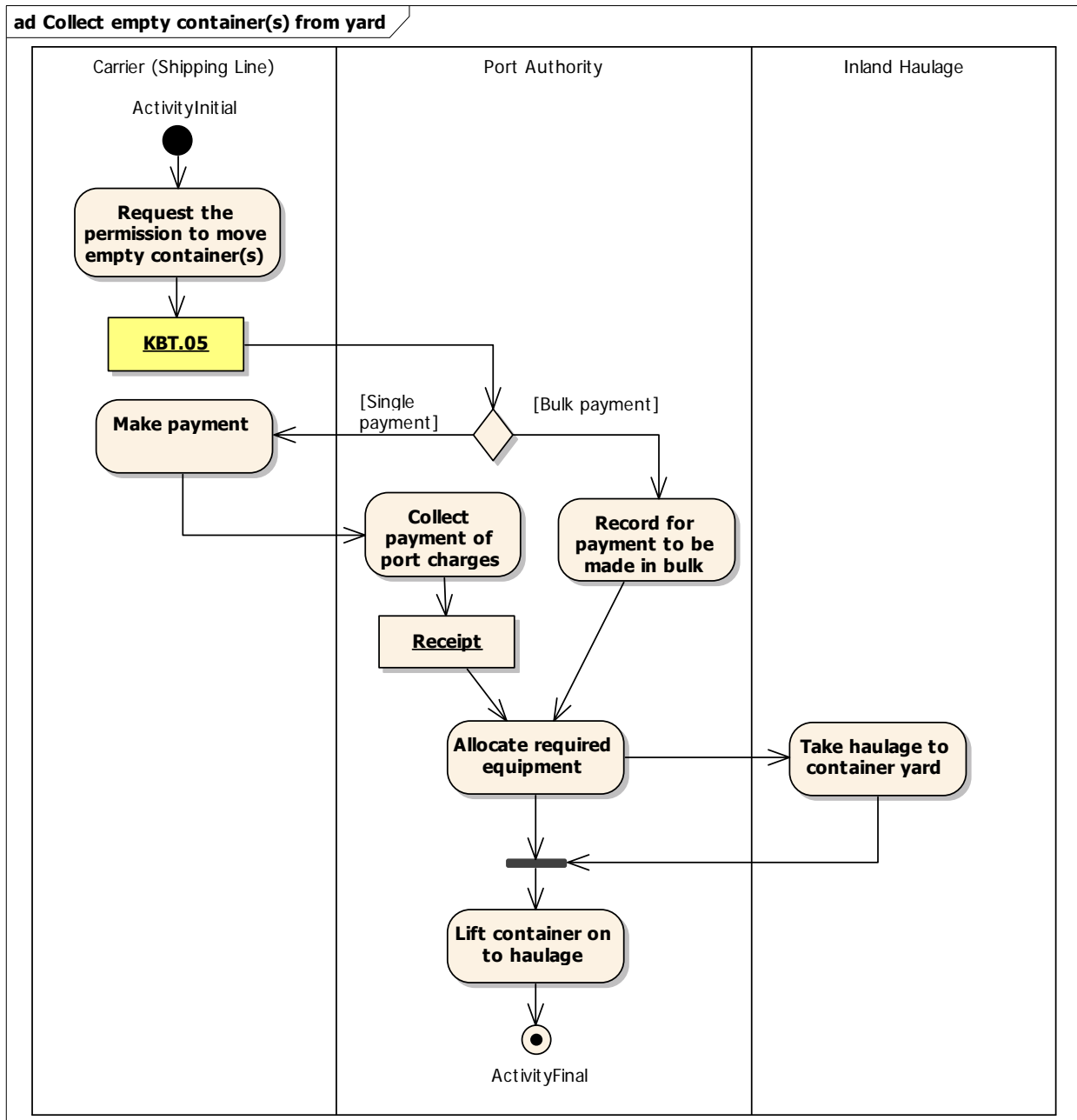


Table 8: Description of activities in the collect empty container from yard process for Sugar Export from Thailand

Topic	Description
Process Name	Collect empty container from yard
Stakeholders	<ul style="list-style-type: none"> ● Carrier (Shipping Line) ● Port Authority ● Inland Haulage
Pre-Condition	<ul style="list-style-type: none"> ● An exporter has already arranged transportation for cargo movement.
Description	<ul style="list-style-type: none"> ● A driver takes the haulage to the specified container yard to pick up an empty container. ● A carrier submits Empty Container Movement Request (KBT.05) to ask for the permission to transfer an empty container to exporter's premise. ● If a carrier wishes to make an upfront payment, an officer at Port Authority collects associated port charges and issues a receipt upon a receipt of charges. If a carrier has already made an arrangement with Port Authority for a bulk payment, an officer at Port Authority records the amount to be paid. ● An officer at Port Authority then allocates necessary equipment and lifts an empty container on to haulage.
Post-Condition	<ul style="list-style-type: none"> ● An empty container has already been lifted on to haulage and the driver is ready to take it to exporter's premise.
Remark	-

Figure 9 Activity Diagram of the stuff container process

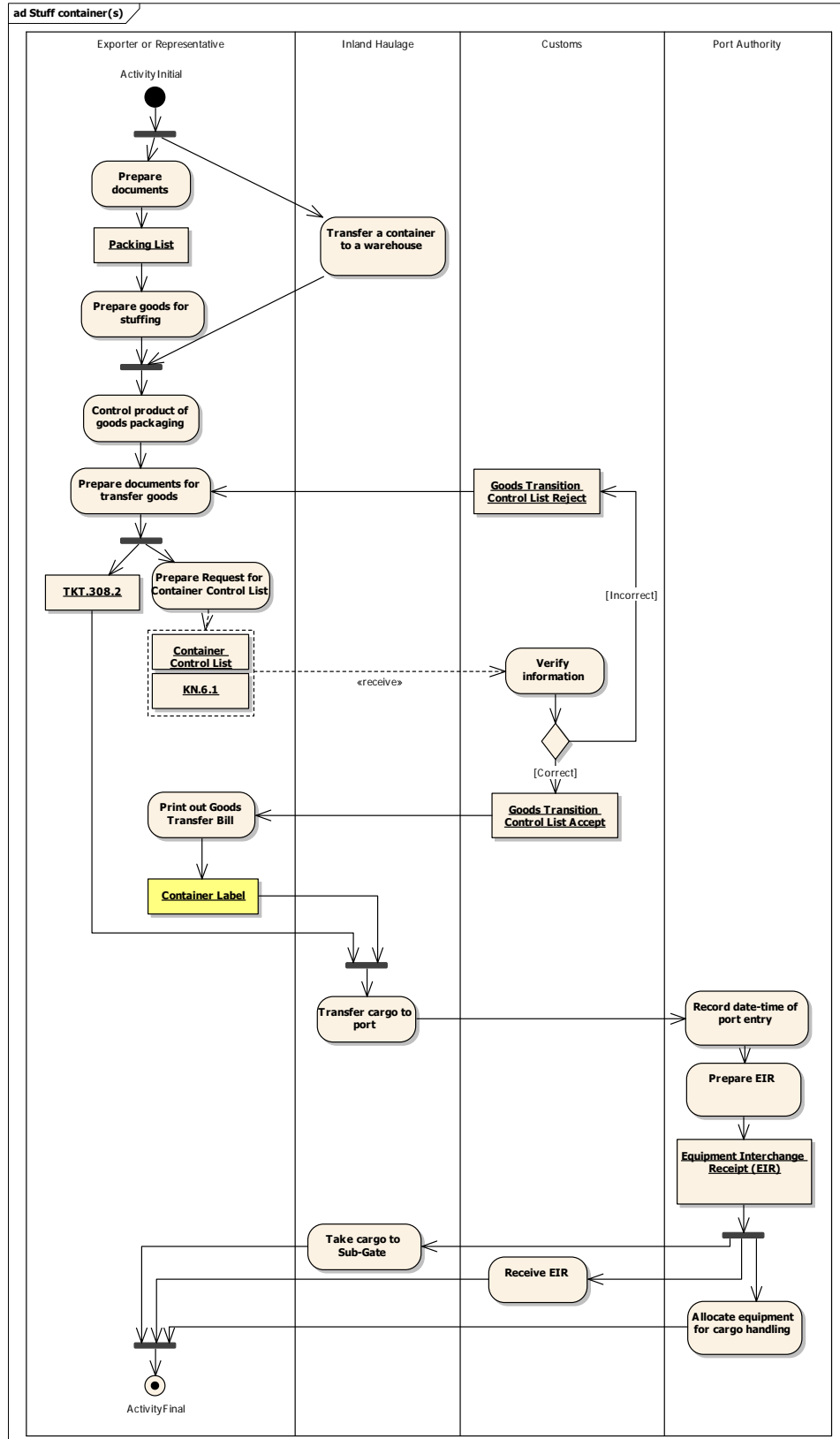


Table 9: Description of activities in the stuff container process for Sugar Export from Thailand

Topic	Description
Process Name	Stuff container
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Inland Haulage ● Customs ● Port Authority
Pre-Condition	<ul style="list-style-type: none"> ● A driver of an inland haulage is ready to transfer an empty container to the location where a container will be stuffed.
Description	<ul style="list-style-type: none"> ● An exporter prepares the goods to be stuffed according to the Packing List. ● An exporter control product of goods packaging and prepare documents for transfer goods. ● An exporter send TKT.308.2 document to Inland Haulage for transfer cargo to port. ● An exporter prepare Request for Container Control List. These documents include: <ul style="list-style-type: none"> ○ Container Control List ○ Permit for transfer sugar for exportation (KN.6.1) ● An officer at Customs verifies information. ● If the submitted information is correct, an authorized officer issues Goods Transition Control List Accept to exporter. ● Exporter prints out Goods Transfer Bill and issues Container Label. ● Inland Haulage transfer cargo to port. ● An officer at Port Authority record date-time of port entry and prepare Equipment Interchange Receipt (EIR) and send a copy to Inland Haulage ● Inland Haulage received EIR from Port Authority and take cargo to Sub-Gate. ● An officer at Port Authority allocate equipment for cargo handling.
Post-Condition	-
Remark	-

Figure 10: Activity Diagram of the clear goods through Customs process

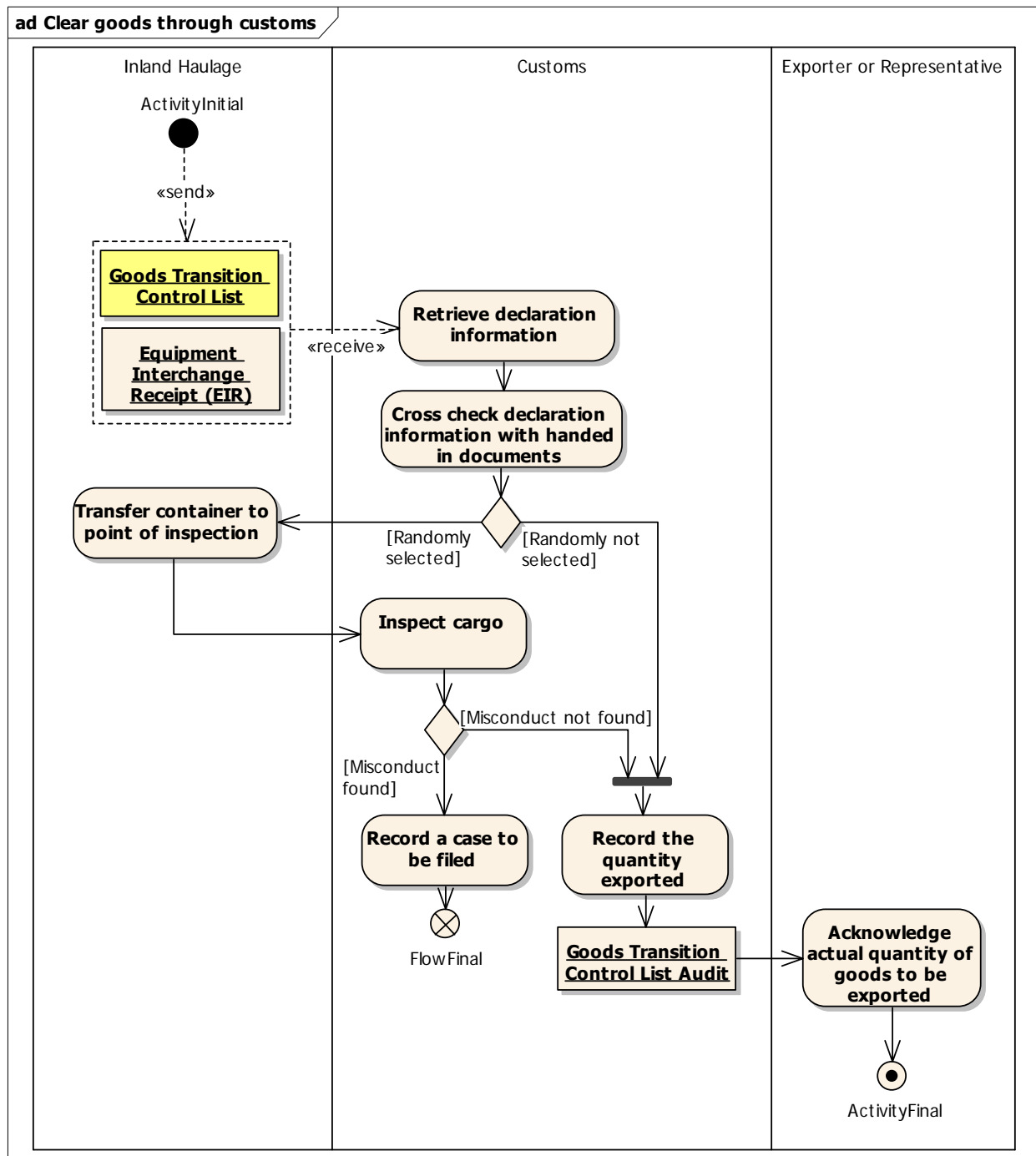


Table 10: Description of activities in the clear goods through Customs process
for Sugar Exportat from Thailand

Topic	Description
Process Name	Clear goods through Customs
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Inland Haulage ● Customs
Pre-Condition	<ul style="list-style-type: none"> ● The container has already been stuffed with goods specified in the Packing List.
Description	<ul style="list-style-type: none"> ● A driver of inland haulage presents Equipment Interchange Receipt and Goods Transition Control List to Customs officer. ● Customs officer verifies the information received with the actual consignment and the information recorded in the system. ● If the Customs Paperless System indicates that the consignment is not subject to further inspection, Customs officer can release the consignment from Sub-Gate right away. The actual quantity of goods to be exported will be recorded in the system. An exporter will be notified of this amount. ● If it is indicated in the Customs Paperless System that this particular consignment is randomly selected for inspection, a driver of inland haulage has to transfer the container to the point of inspection. ● Customs officer then inspects the cargo. If misconduct is not found, Customs officer can release the consignment from Sub-Gate right away. The actual quantity of goods to be exported will be recorded in the system. An exporter will be notified of this amount. If misconduct is founded, Customs officer record a misconduct case which requires further investigation.
Post-Condition	<ul style="list-style-type: none"> ● The consignment is released from Customs area.
Remark	-

Figure 11: Activity Diagram shows activities in the handle container and stow on vessel process

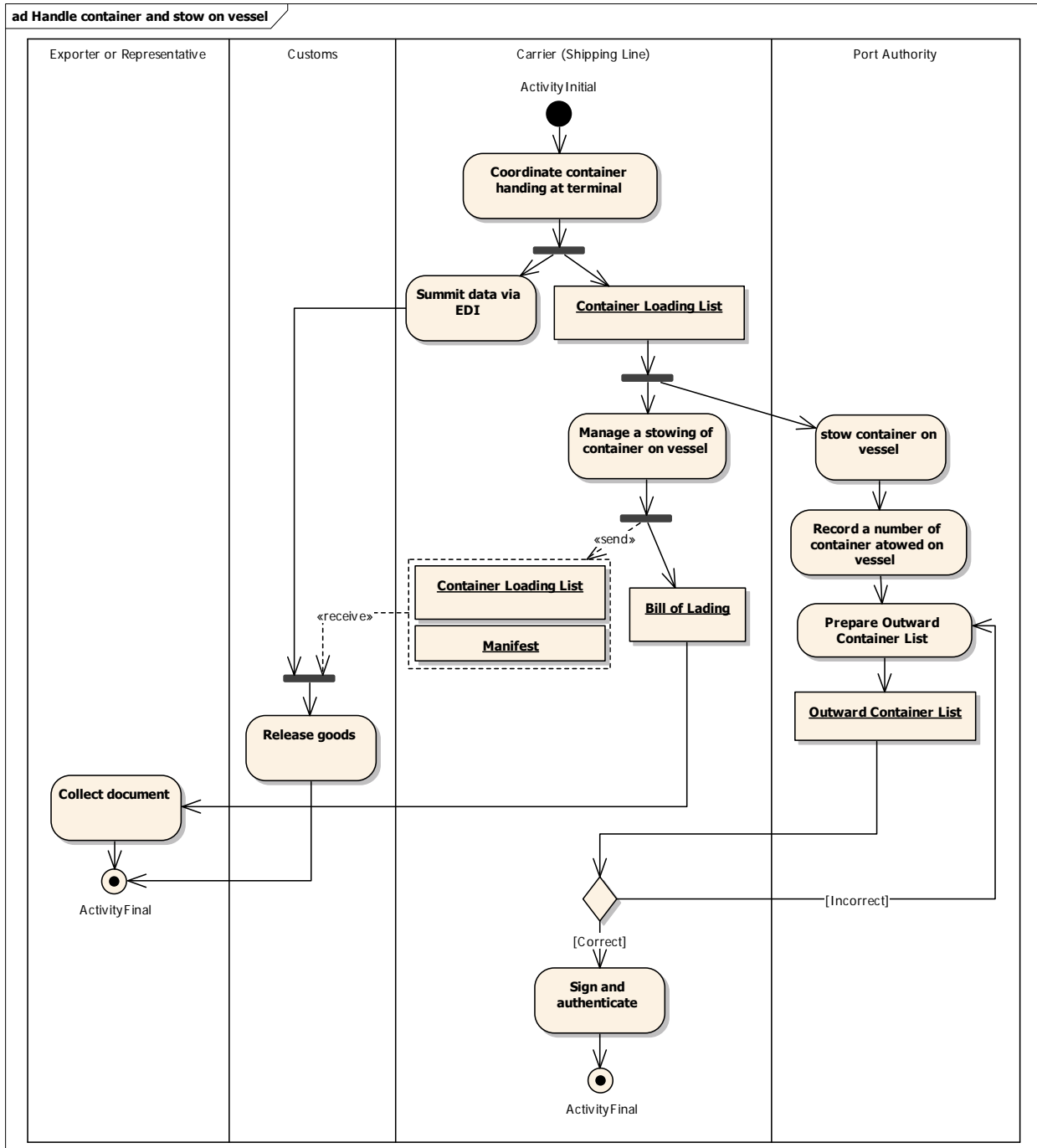


Table 11: Description of activities in the handle container and stow on vessel process for Sugar Export from Thailand

Topic	Description
Process Name	Handle container and stow on vessel
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Customs ● Carrier (Shipping Line) ● Port Authority
Pre-Condition	<ul style="list-style-type: none"> ● The consignment has already been released from Customs area. ● Carrier has already received permission from Marine Department to leave port of departure
Description	<ul style="list-style-type: none"> ● Ship Agent prepares “Bill of Lading” to Exporter and “Manifest” to Thai Customs Department through paperless system. ● Ship Agents prepares container loading list for Port Authority of Thailand (PAT). ● Ship Agent prepares “Bill of Lading” to Exporter. ● Ship Agent prepares documents for Thai Customs Department. <ul style="list-style-type: none"> ○ Container Loading List ○ Manifest ● Port Authority of Thailand (PAT) receives the documents and records the container loading list and prepare manifest document to send back to ship agent.
Post-Condition	-
Remark	Line ship has been authorized by Marine Department and the Bureau of Maritime Safety and Environment or the Office of the Marine Branch to the ship.

Figure 12: Activity Diagram of the prepare document required by importer process

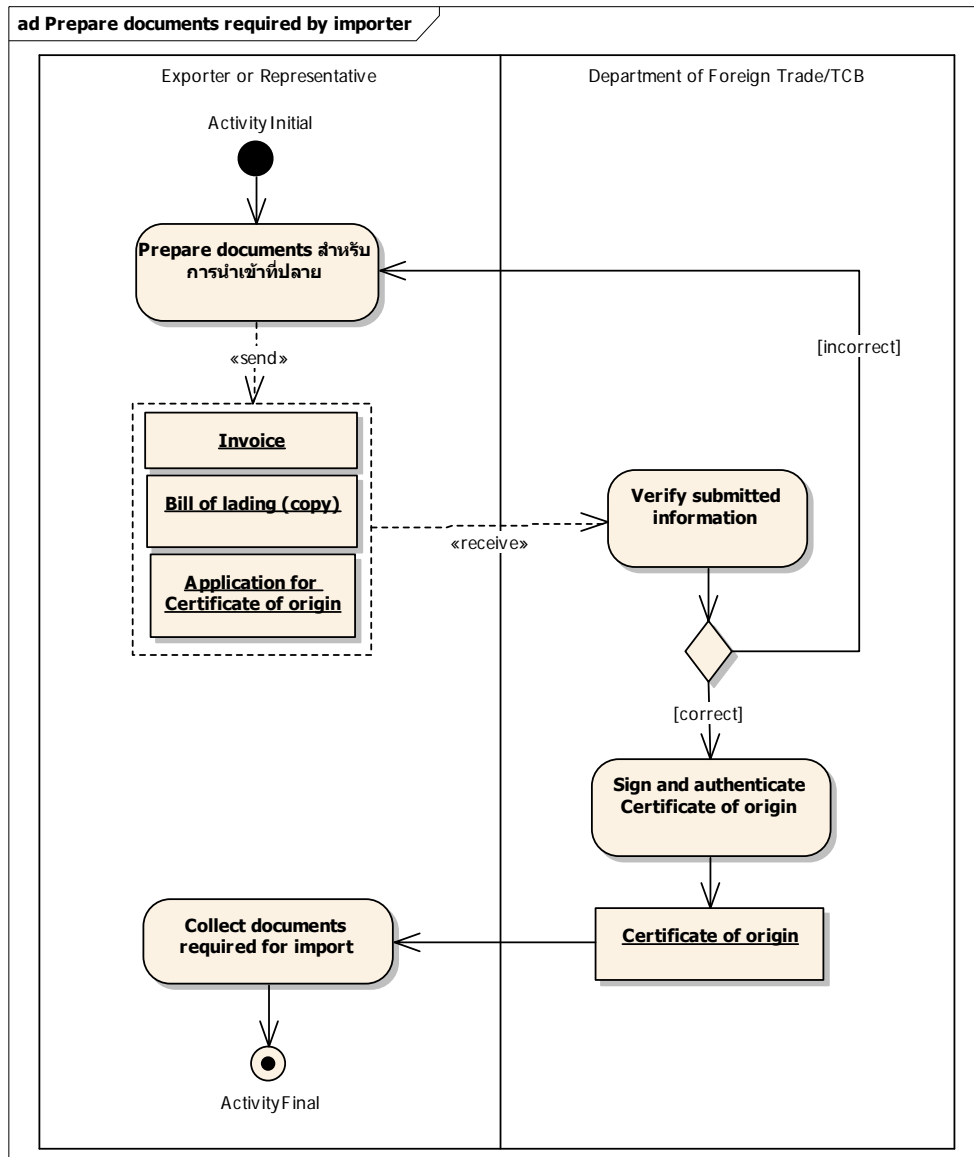


Table 12 : Description of the prepare document required by importer process for Sugar Export from Thailand

Topic	Description
Process Name	Prepare document required by importer
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Department of Foreign Trade/TCB
Pre-Condition	-
Description	<ul style="list-style-type: none"> ● An exporter or representative prepares documents necessary for the application of Certificates used in import formalities. These documents include: <ul style="list-style-type: none"> ○ Invoice ○ Bill of Lading (B/L) ○ Application for Certificate of Origin ● An officer at Department of Foreign Trade reviews and verifies submitted information. ● If the submitted information is correct, an authorized officer signs and authenticates Permit for the Certificate of Origin. ● An exporter collect documents required for import.
Post-Condition	-
Remark	-

Figure 13: Activity Diagram of the verify the accuracy/authenticity of exported cargo process

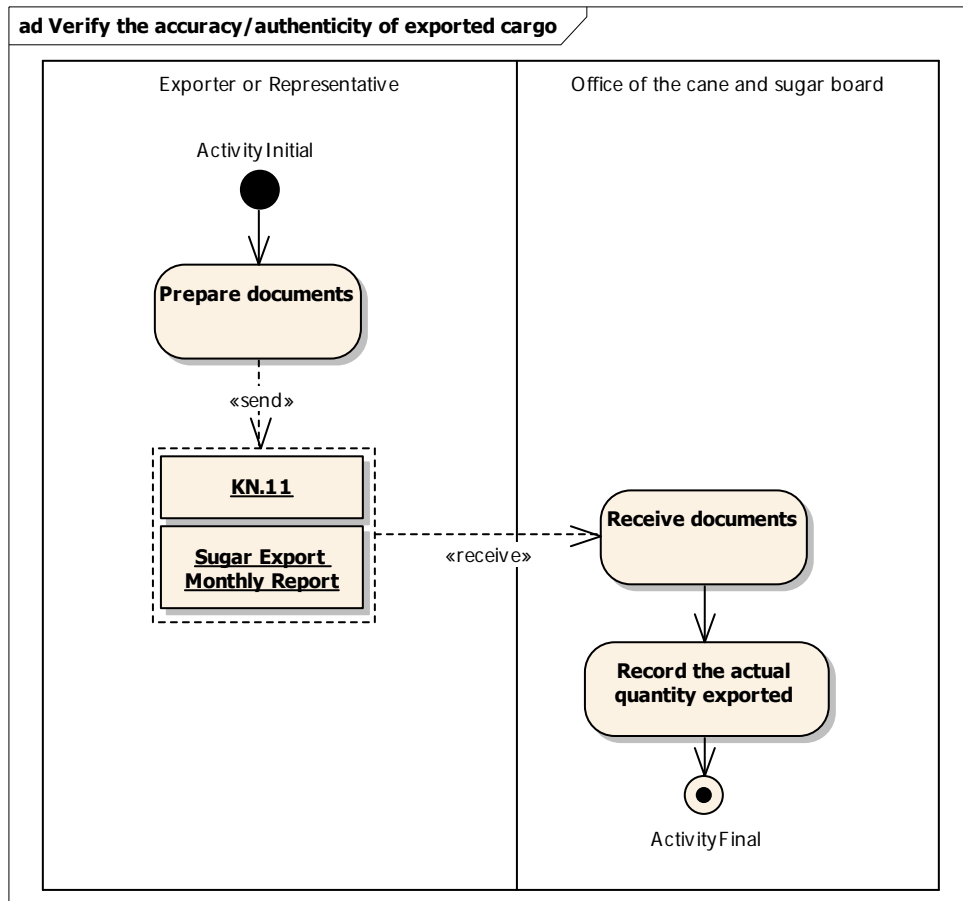


Table 13 : Description of activities in the verify the accuracy/authenticity of exported cargo process
for Sugar Export from Thailand

Topic	Description
Process Name	verify the accuracy/authenticity of exported cargo
Stakeholders	<ul style="list-style-type: none"> ● Exporter or Representative ● Office of The Cane and Sugar Board
Pre-Condition	-
Description	<ul style="list-style-type: none"> ● An exporter or representative prepares documents. These documents include: <ul style="list-style-type: none"> ○ Report details the export of sugar (KN.11) ○ Sugar Export Monthly Report ● An officer at Office of the cane and sugar board receives and record the actual quantity exported.
Post-Condition	-
Remark	-

Figure 14 : Activity Diagram of the pay process

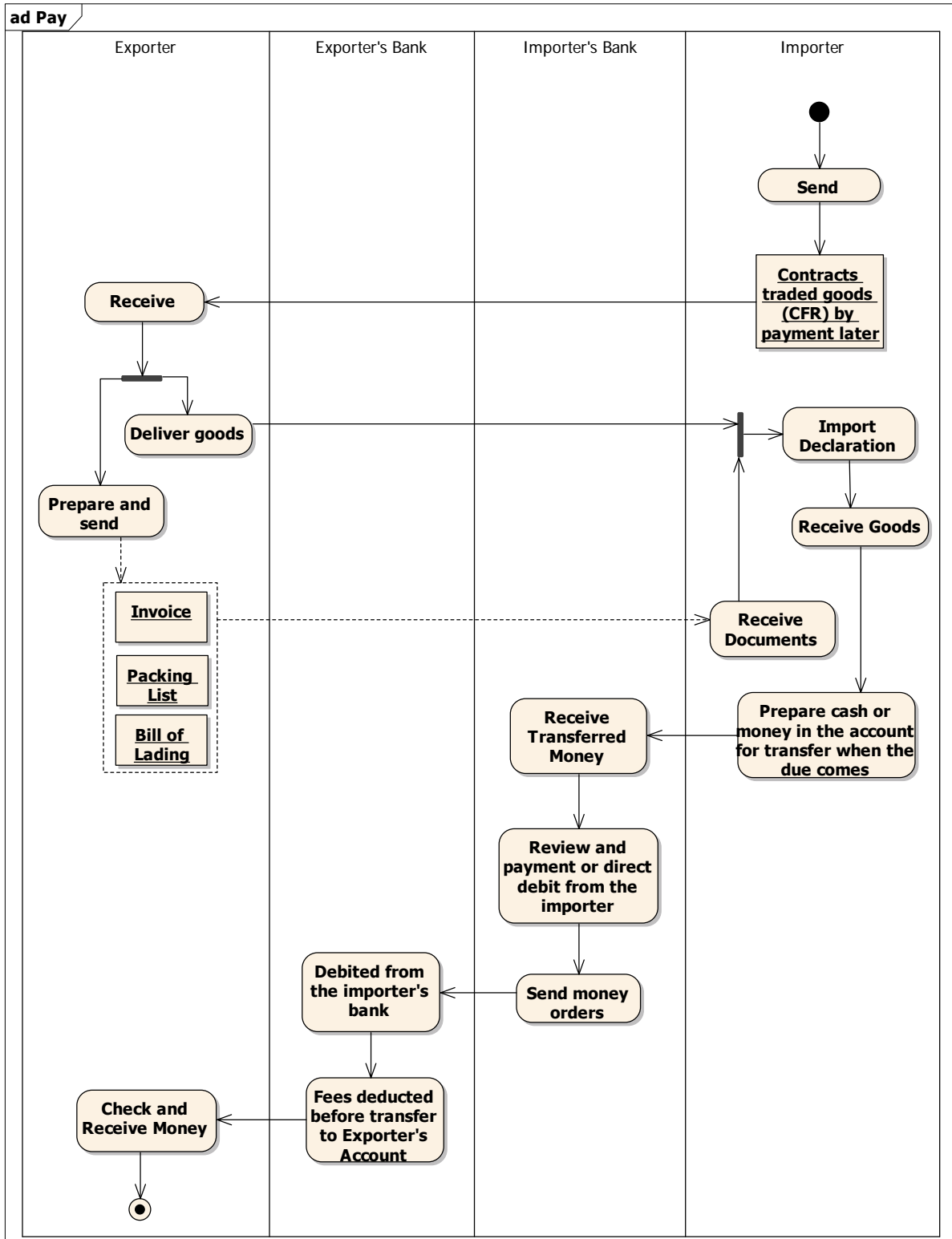
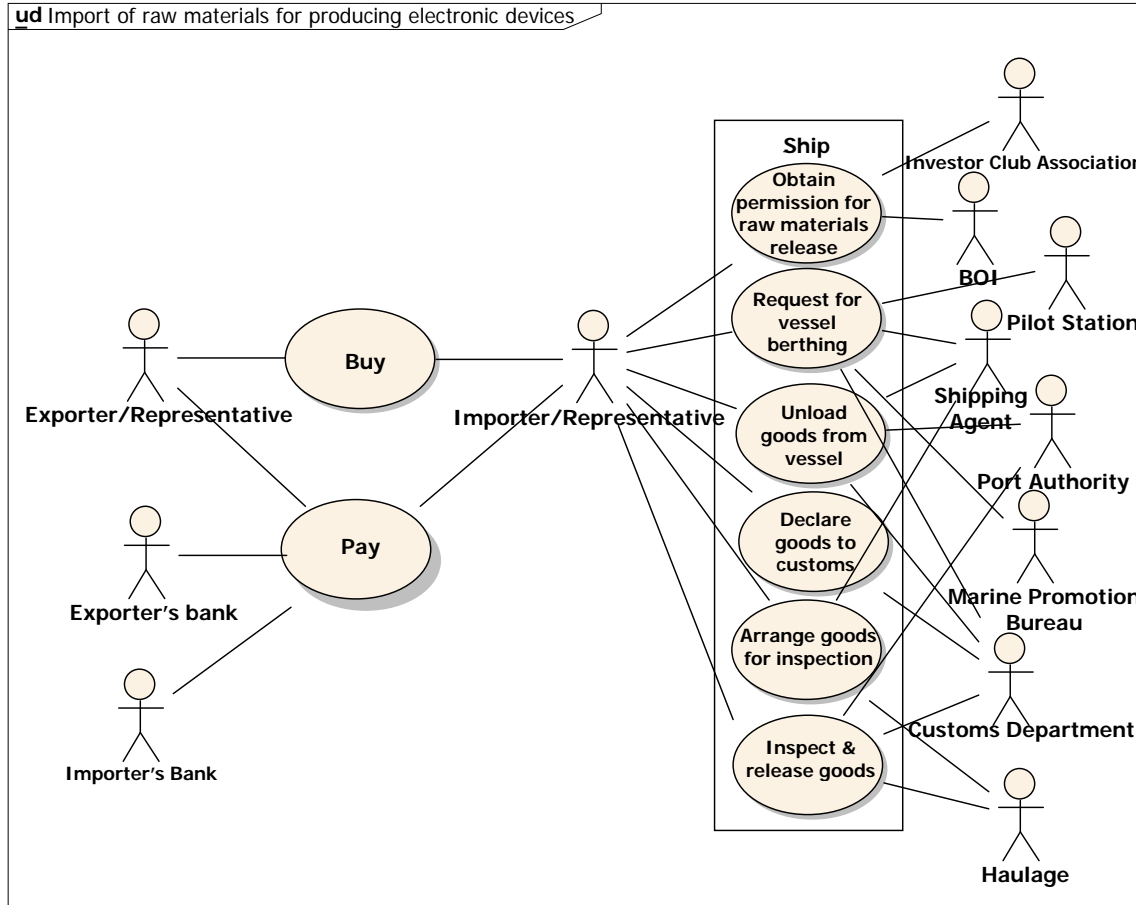


Table 14 : Description of the pay process for Sugar Export from Thailand

Topic	Description
Process Name	Pay
Stakeholders	<ul style="list-style-type: none"> ● Exporter ● Exporter's Bank ● Importer ● Importer's Bank
Pre-Condition	-
Description	<ul style="list-style-type: none"> ● Importer sends contract traded goods (CFR) by payment later to Exporter. ● Exporter receives document. ● Exporter prepares and sends documents to Importer. <ul style="list-style-type: none"> ○ Invoice ○ Packing List ○ Bill of Lading (B/L) ● Exporter delivers goods/products to importer. ● Importer receives documents. Importer goes to import declaration process. ● Importer receives goods/products. ● Importer prepares cash or money in the account for transfer when the due comes. ● Importer's Bank receives transferred money. ● Importer's Bank review and payment or direct debit from Importer. ● Importer's Bank sends money orders to Exporter's Bank. ● Exporter's Bank is debited from Importer's Bank. ● Fee deducted before transfer to Exporter's account. ● Exporter checks and receives money.
Post-Condition	-
Remark	-

Annex 3: Business Process Analysis of Import of Raw Materials for Producing Electronic Devices to Thailand

Figure 1: Use Case Diagram Showing Processes and Stakeholders Involved in the Import of Raw Materials for Producing Electronic Devices to Thailand



1. Buy Process

Figure 2: Use Case Diagram Showing Relationship between the “Buy” Process and its Stakeholders

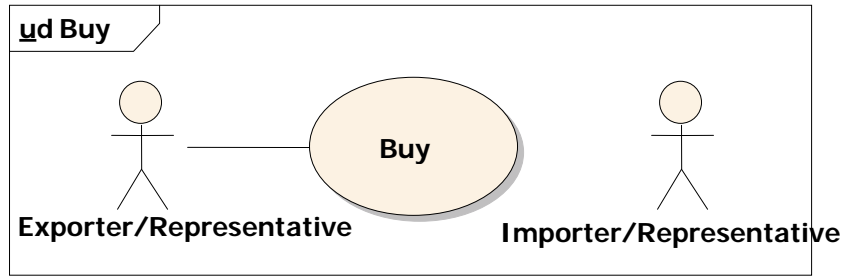


Figure 3 Activities in the Process of “Buy” for the Import of Raw Materials for Producing Electronic Devices to Thailand

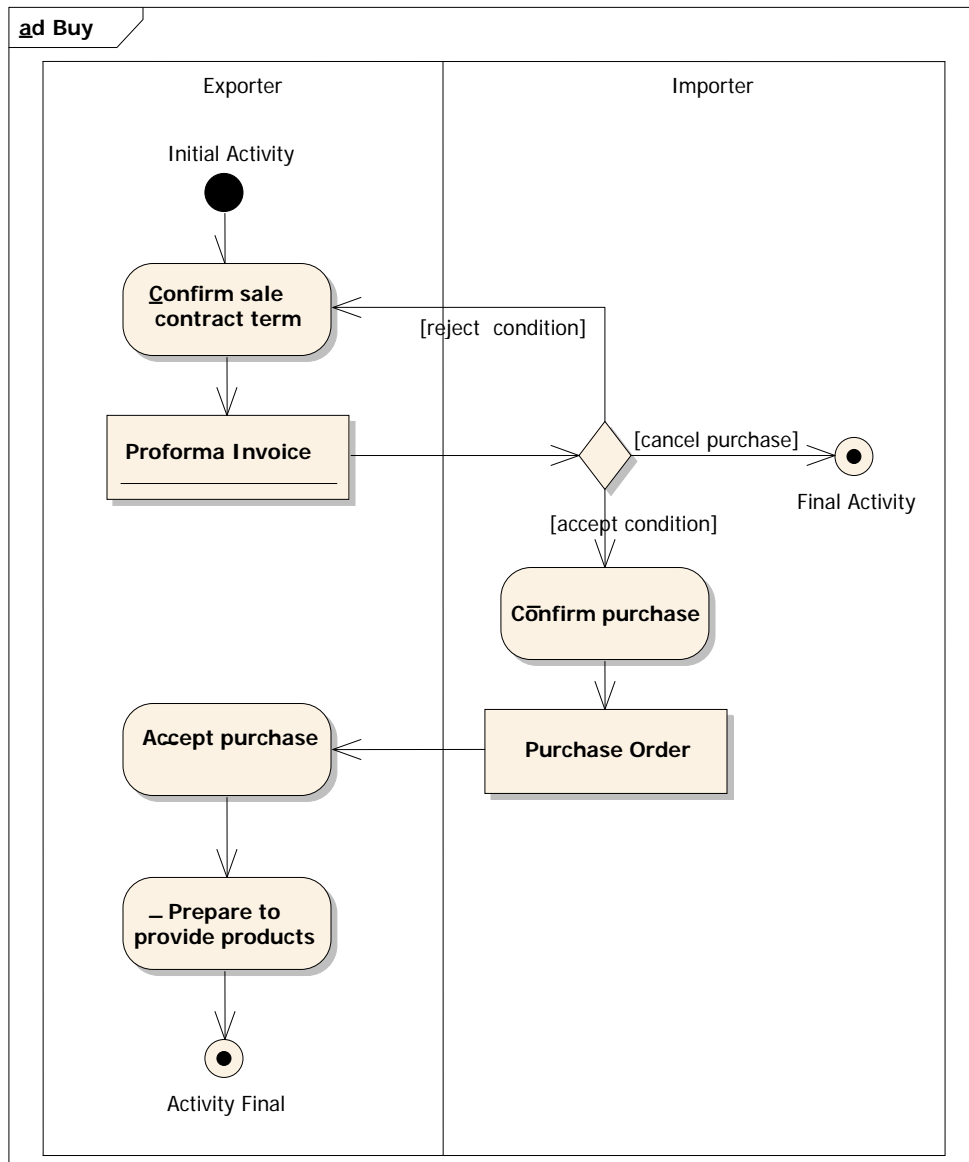


Table 1: Description of the “Buy” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

Topic	Description
Process name	Buy
Stakeholders	<ul style="list-style-type: none"> • Importer (Buyer) • Exporter (Seller)
Pre-condition	<ul style="list-style-type: none"> • Buyer and seller agreed upon their sale contract.
Activities	<ul style="list-style-type: none"> • An exporter issues a “Proforma Invoice” to confirm the price and sale terms for product purchase. • An importer confirms to buy the products by sending the exporter a “Purchase Order” • The exporter prepares to provide the products accordingly.
Post-condition	<ul style="list-style-type: none"> • Buyer and seller establish their contract and sale term. • Seller provides products according to a Purchase Order.

2. Ship Process

2.1 Obtain permission for raw materials release

Figure 4: Use Case Diagram Showing Relationship between the “Obtain permission for raw materials release” Process and Stakeholders in the Import of Raw Materials for Producing Electronic Devices to Thailand

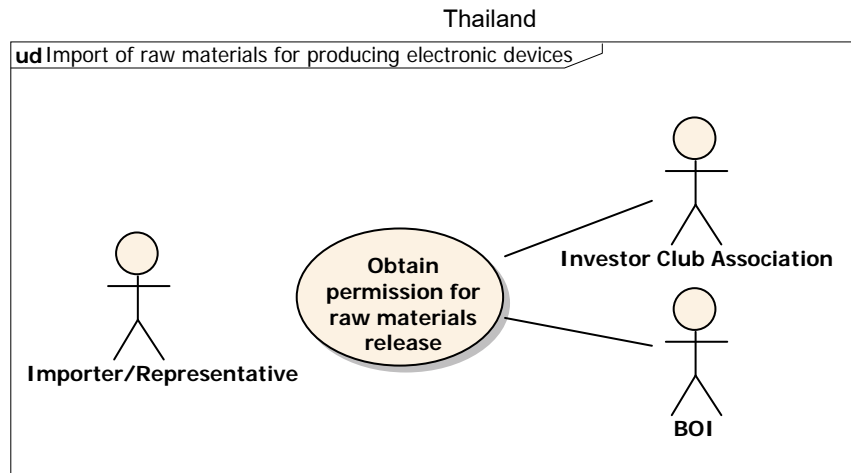


Figure 5 Activities in the Process of “Obtain permission for raw materials release” for the Import of Raw Materials for Producing Electronic Devices to Thailand

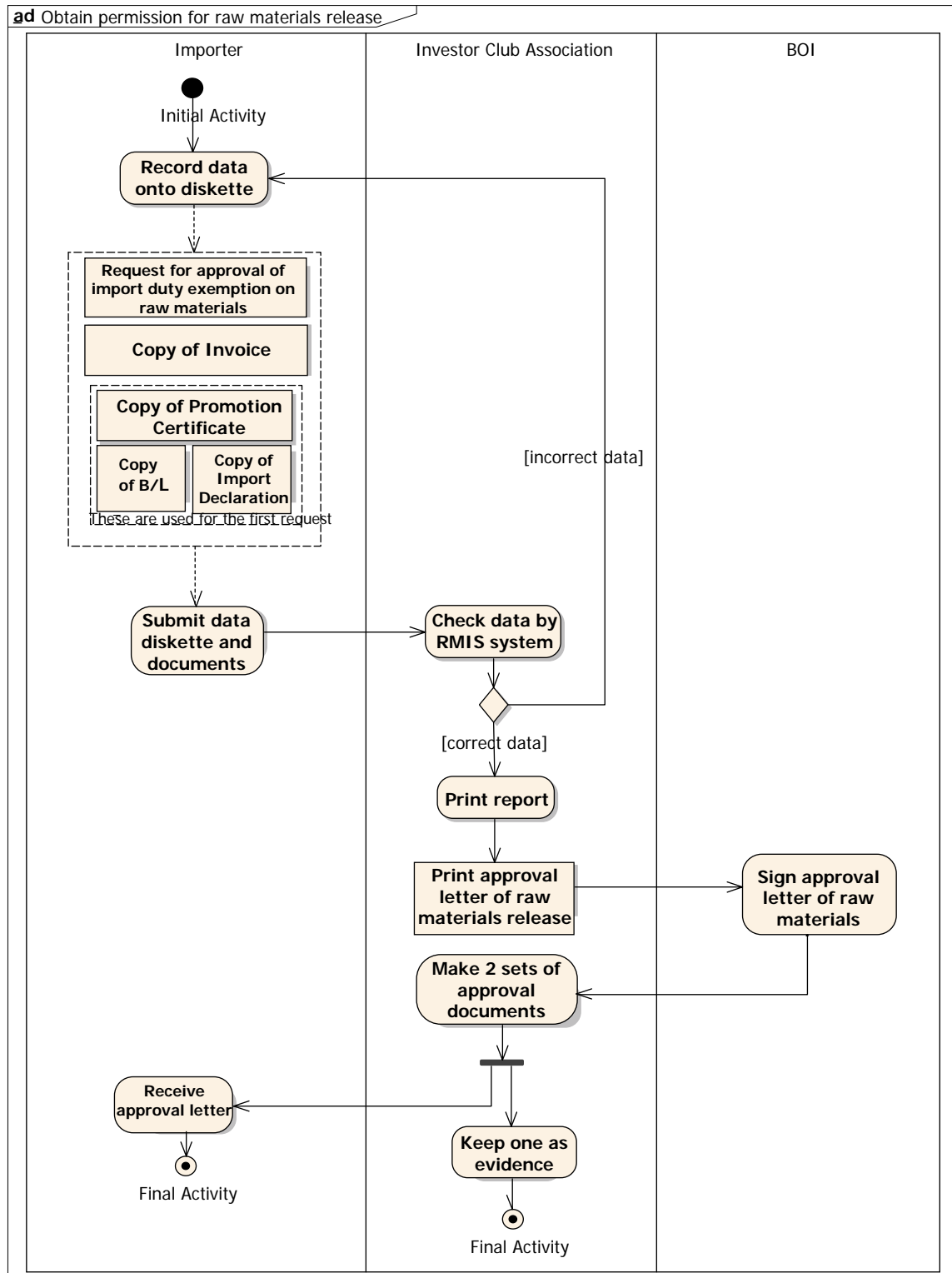


Table 2: Description of the “Obtain permission for raw materials release” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

Topic	Description
Process Name	Obtain permission for raw materials release
List of Stakeholders	<ul style="list-style-type: none"> ● Importer ● Investor Club Association ● Board of Investment (BOI)
Pre-Condition	<ul style="list-style-type: none"> ● Importer is a member of BOI and has a Promotion Certificate ● Importer gets approval of production formula from BOI
Activities	<ul style="list-style-type: none"> ● Importer records data of the request for raw materials release onto a diskette and deliver it to the Investor Club Association together with other related documents as follows: <ul style="list-style-type: none"> ○ A Request for Import Duty Exemption on Raw Materials ○ A copy of import invoice ○ A copy of Promotion Certificate (In case of request for raw materials release for the first time) ○ Copies of A/L,B/L (In case of request for raw materials release for the first time) ○ A copy of Import Declaration (In case of using bank guarantee for release of raw materials or using the right reservation) ● Importer submits the data diskette and documents at the Investor Club Association ● The Investor Club Association checks data using the RMTS (Raw Material Tracking System) <ul style="list-style-type: none"> ○ If the data is incorrect, it's returned to the importer for correction ○ If the data is correct, the Investor Club Association prints a report and the approval letter for raw material release. ● The BOI authority stationed at the Investor Club

Topic	Description
	<p>Association signs the approval letter.</p> <ul style="list-style-type: none"> ● The Investor Club Association makes 2 sets of approval letters: <ul style="list-style-type: none"> ○ One is returned to the importer ○ The other is kept as evidence by the Investor Club Association
Post-Condition	<ul style="list-style-type: none"> ● The importer receives the approval letter for raw material release.
Remark	<ul style="list-style-type: none"> ● By the time of exporting electronic devices produced from this imported raw materials, the exporter must inform BOI the cut-off of raw material inventory to confirm that the raw materials are imported for manufacturing the exported products.

2.2 Request for vessel berthing

Figure 6: Use Case Diagram Showing Relationship between the “Request for vessel berthing” Process and Stakeholders in the Import of Raw Materials for Producing Electronic Devices to Thailand

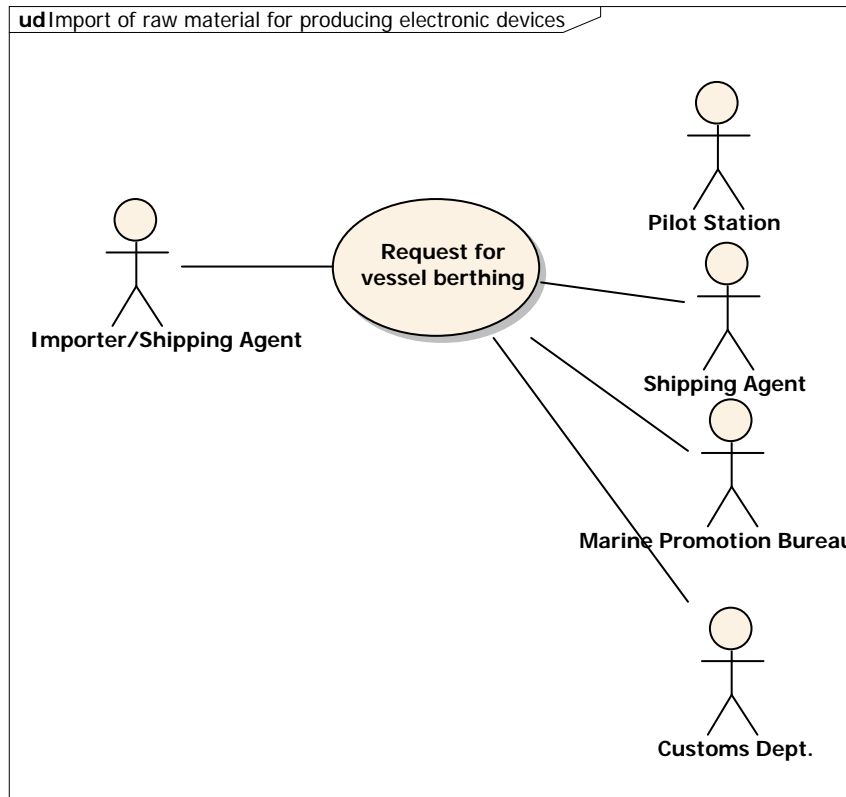


Figure 7: Activities in the “Request for vessel berthing” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

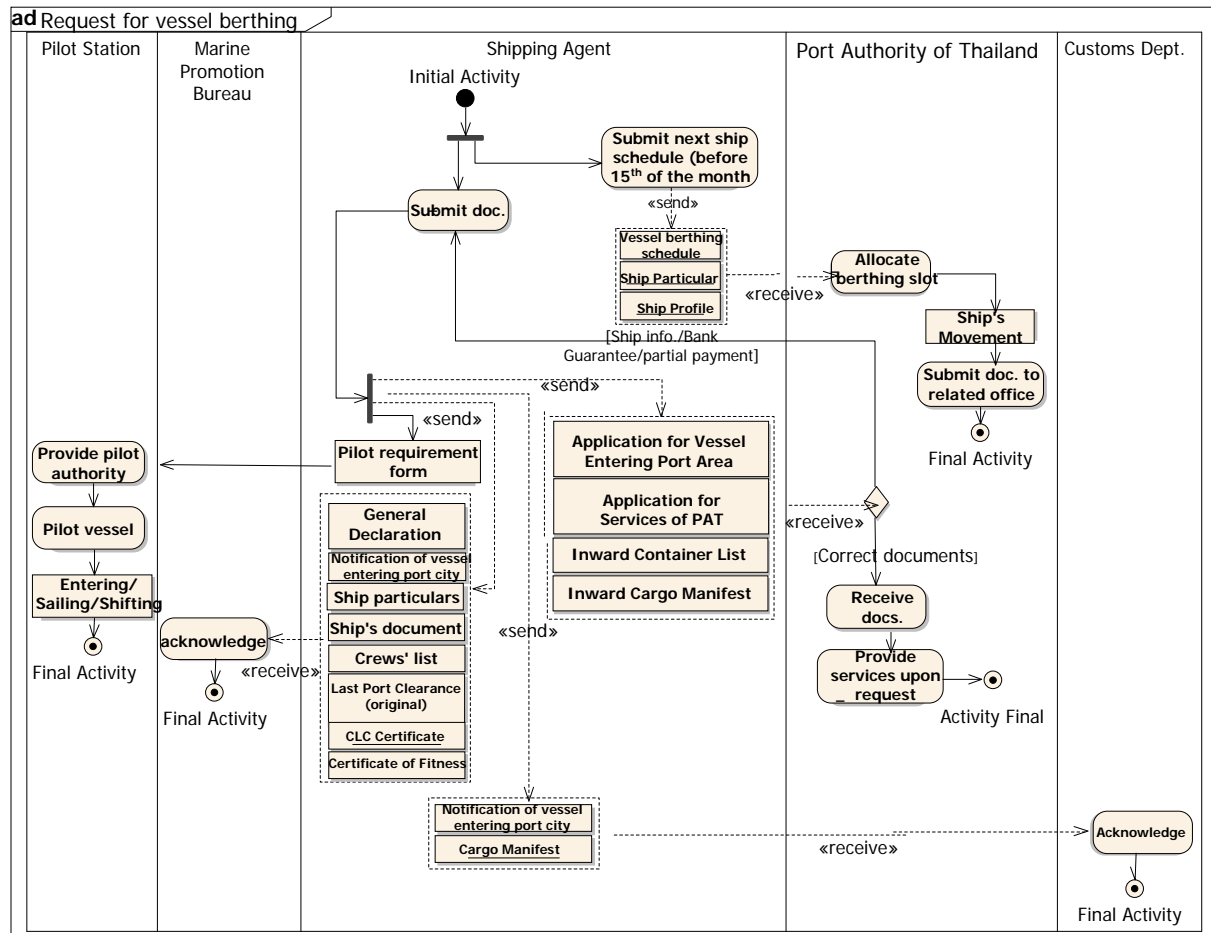


Table 3: Description of the “Request for vessel berthing” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

Topic	Description
Process Name	Request for vessel berthing
List of Stakeholders	<ul style="list-style-type: none"> ● Shipping Agent ● Government Agencies <ul style="list-style-type: none"> ○ Customs Dept. (Computer System) ○ Port Authority of Thailand (PAT) ○ Pilot Station ○ Marine Promotion Bureau
Pre-Condition	<ul style="list-style-type: none"> ● Importer or representative has already received the timetable of vessel berthing
Activities	<p>Shipping agent sends the ship schedule, ship particular, ship profile to Port Authority of Thailand (PAT) for its allocation of berthing slots and submission of documents to other related offices</p> <p>Shipping agent submits ship’s documents to Marine Promotion Bureau as follows:</p> <ul style="list-style-type: none"> ○ Notification of vessel berthing (after berthing within 24 hours via computer system) ○ Notification of vessel entering port city ○ Ship Particular ○ Ship’s Document ○ Crew List ○ Last Port Clearance (Original) ○ CLC Certificate (In case of loading oil tanks with weight exceeding 200 tons) ○ Certificate of Fitness (In case of loading dangerous goods, LNP/LPG, or chemical substances) <ul style="list-style-type: none"> ● Shipping agent submits a Pilot Requirement Form to the pilot station so that it will assign an authority to pilot a vessel to berth. Upon completion, the pilot authority will issue the document of “Entering or Sailing or Shifting” to

Topic	Description
	<p>confirm the pilot operation.</p> <ul style="list-style-type: none"> ● Shipping agent submits to PAT the following documents: <ul style="list-style-type: none"> ○ Application for Vessel Entering the Port Area ○ Inward Container List ○ Cargo Manifest <p>In case of online submission, the documents could be submitted by 6 hours in advance before vessel entering port while the paper documents could be physically submitted by 3 hours in advance before vessel entering port.</p> <ul style="list-style-type: none"> ● Shipping agent submits an Application for Services to PAT to request for tug and other related services. ● Shipping agent submits documents to Customs Dept. <ul style="list-style-type: none"> ○ Notification of vessel entering port city ○ Cargo Manifest
Post-Condition	<ul style="list-style-type: none"> ● Vessel berthing at port
Remarks	<ul style="list-style-type: none"> ● Submission of next vessel berthing schedule could be made before the 15th date of each month while the allocation of berthing slots will be made on a daily basis. ● In case of loading the dangerous goods, the shipping agent or representative submits a Dangerous Goods Declaration to declare the goods list in compliance with the International Maritime Dangerous Goods Code (IMDG-Code) at the Dangerous Goods Control Unit at the Bangkok Port by 9 hours before vessel entering port. ● It is noted that the Cargo Manifest submitted earlier to PAT will be precise for 80% while the one submitted later to Customs Dept. will be 100% precise.

2.3 Unload goods from vessel

Figure 8: Use Case Diagram Showing Relationship between the “Unload goods from vessel” Process and Stakeholders in the Import of Raw Materials for Producing Electronic Devices to Thailand

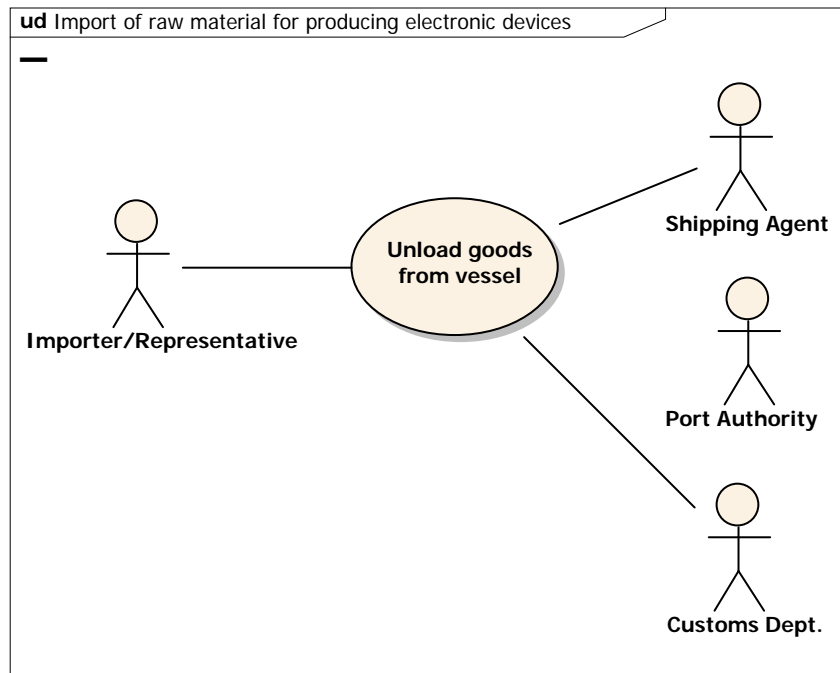


Figure 9: Activities in the “Unload goods from vessel” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

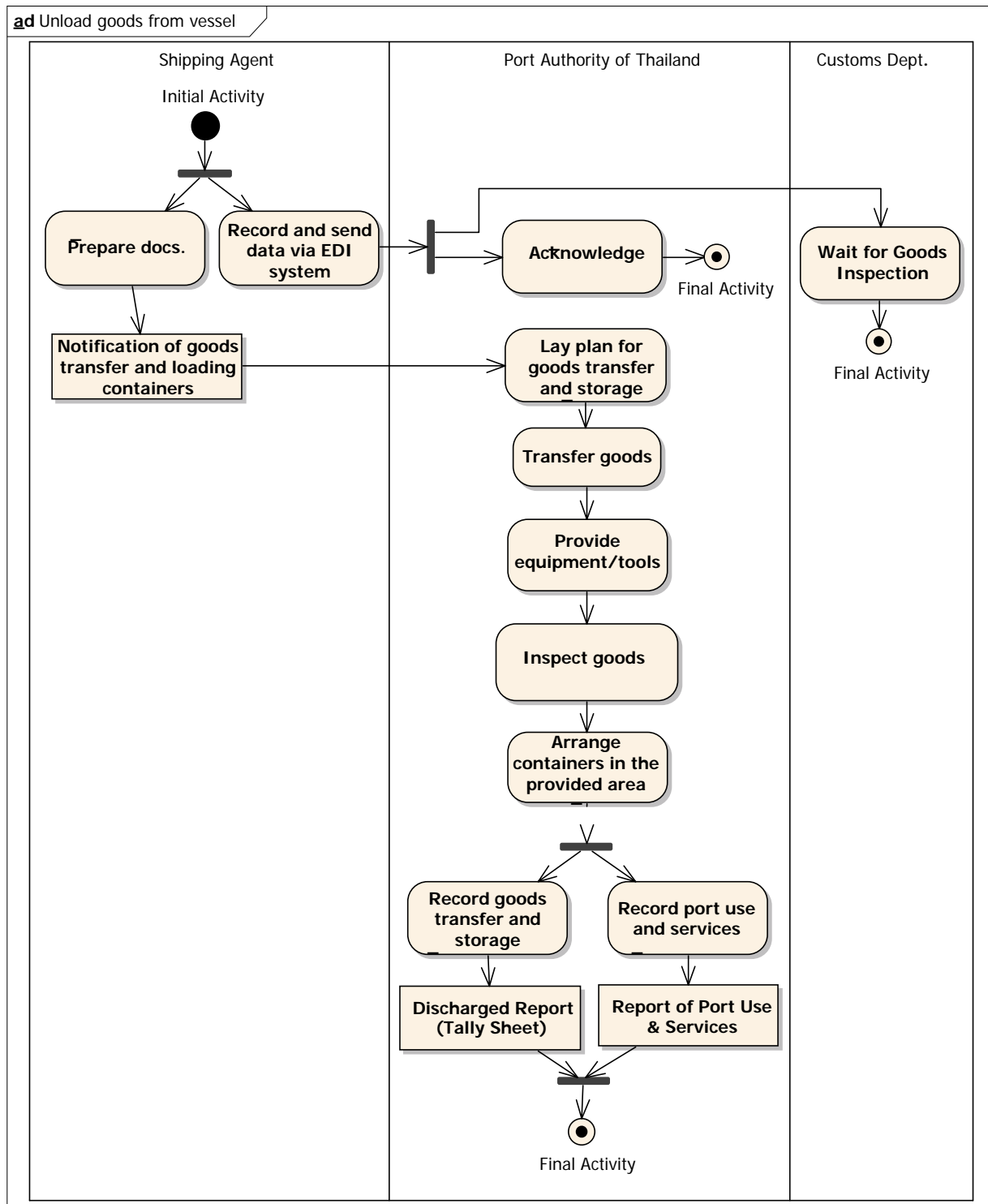


Table 4: Description of the “Unload goods from vessel” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

Topic	Description
Process Name	Unload goods from vessel
List of Stakeholders	<ul style="list-style-type: none"> ● Shipping Agent ● Government Agencies <ul style="list-style-type: none"> ○ Customs Dept. (Computer System) ○ Port Authority of Thailand
Pre-Condition	<ul style="list-style-type: none"> ● Vessel entered the port
Activities	<ul style="list-style-type: none"> ● Shipping agent sends the data of inward container list and cargo manifest via EDI system to the Customs Dept. and Port Authority of Thailand (PAT) ● Shipping agent submits a Notification of goods transfer and loading containers to PAT for laying plan for goods transfer and storage ● PAT provides tools/equipments for goods transfer ● PAT inspects goods as per their container types and hazard and arranges the goods containers in the provided area. After that PAT records goods transfer and storage information and then issues the Discharged Report (Tally Sheet) together with the report of port use and services
Post-Condition	<ul style="list-style-type: none"> ● Goods containers are transferred to the yard
Remarks	<ul style="list-style-type: none"> ● The transfer of goods on vessel will be done by the shipping agent while the transfer of goods already unloaded from vessel will be done by PAT ● In case of LCL (Less than Container Load) containers, the shipping agent must ask for permission from PAT and Customs Dept. to open the containers. With Customs’ approval, PAT and the shipping agent arrange authorities to open the containers and make records onto Tally Sheets which will be exchanged among PAT and the shipping agent for evidence. The goods then could be transferred right away without being moved to the PAT’s warehouse.

2.4 Declare goods to Customs

Figure 10: Use Case Diagram Showing Relationship between the “Declare goods to Customs” Process and Stakeholders in the Import of Raw Materials for Producing Electronic Devices to Thailand

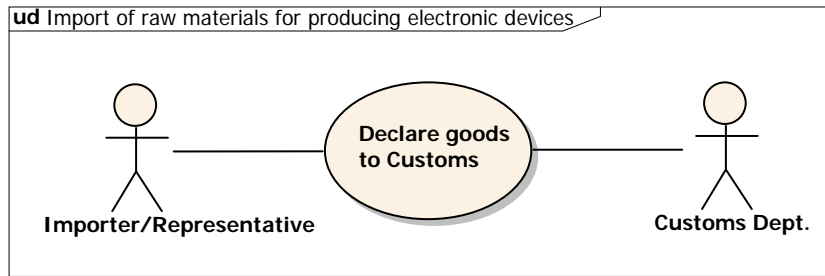


Figure 11: Activities in the “Declare goods to Customs” Process for the Import of Raw Materials for Producing Electronic Devices

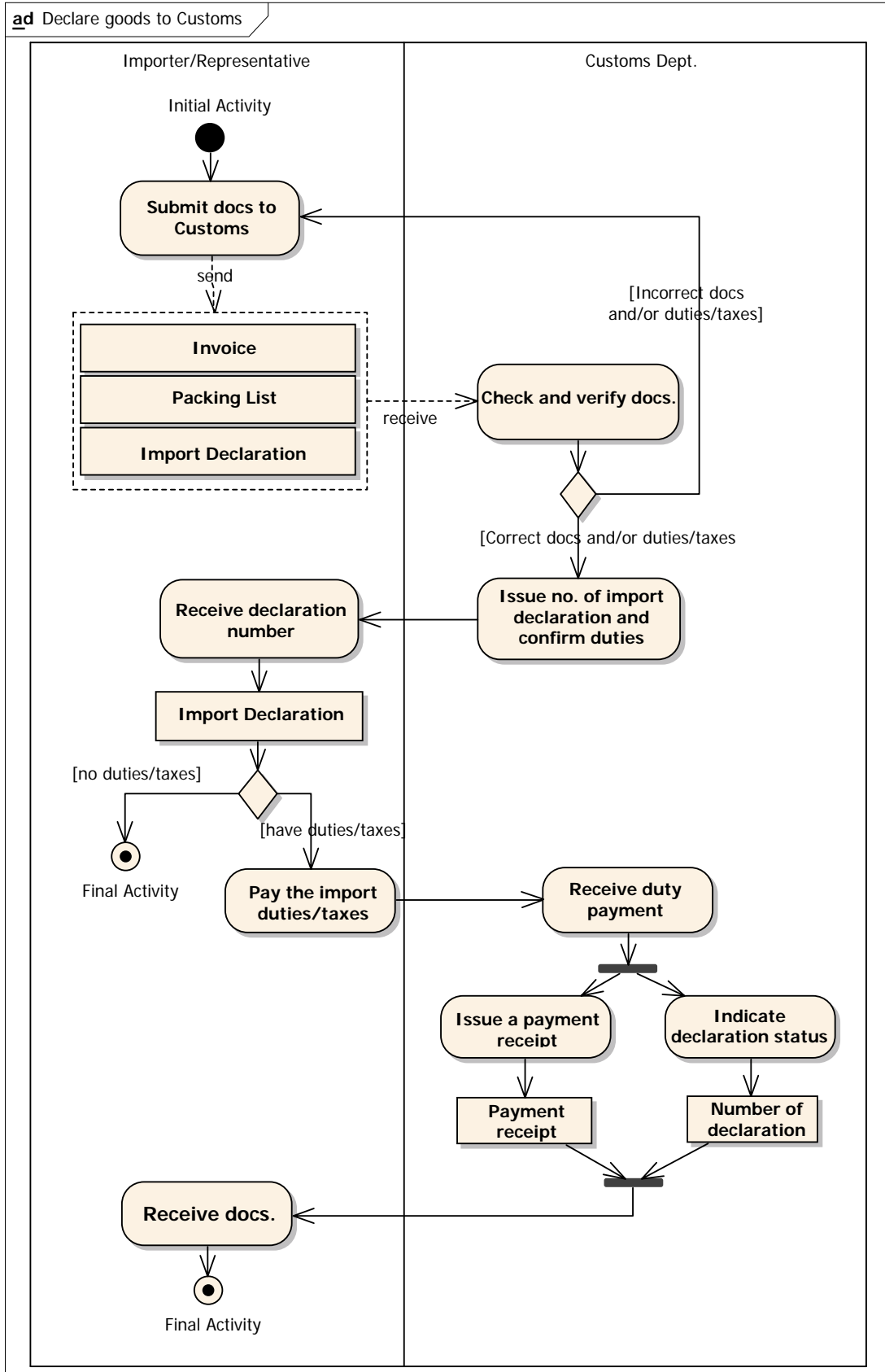


Table 5: Description of the “Declare goods to Customs” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

Topic	Description
Process Name	Declare goods to Customs
List of Stakeholders	<ul style="list-style-type: none"> ● Importer/Representative ● Government Agency <ul style="list-style-type: none"> ○ Customs Dept. (Computer System)
Pre-Condition	<ul style="list-style-type: none"> ● Importer registers to the e-Customs (paperless) system to become an e-Customs formality performer ● In case of assigning a customs broker as a representative, he/she has to get permit from the Customs Dept. to become an e-Customs formality performer.
Activities	<ul style="list-style-type: none"> ● Importer submits documents to request for exemption on import duties/taxes as follows: <ul style="list-style-type: none"> ○ Invoice ○ Packing List ○ Import Declaration ● Customs Dept. checks and verifies documents and duties. If those documents found incorrect, the importer has to resubmit them. ● Customs Dept. issues declaration number and confirm import duties to the importer. ● Importer receives the import declaration number and prints out the declaration. Meanwhile, if any duties and taxes, they must be paid to the Customs Dept.
Post-Condition	<ul style="list-style-type: none"> ● Importer received the import declaration and paid the duties
Remark	<ul style="list-style-type: none"> ● If an import declaration submitted through the paperless system needs some amendments, the importer has to be fined as per the Customs' requirements.

2.5 Arrange goods for inspection

Figure 12: Use Case Diagram Showing Relationship between the “Arrange goods for inspection” Process and Stakeholders in the Import of Raw Materials for Producing Electronic Devices to Thailand

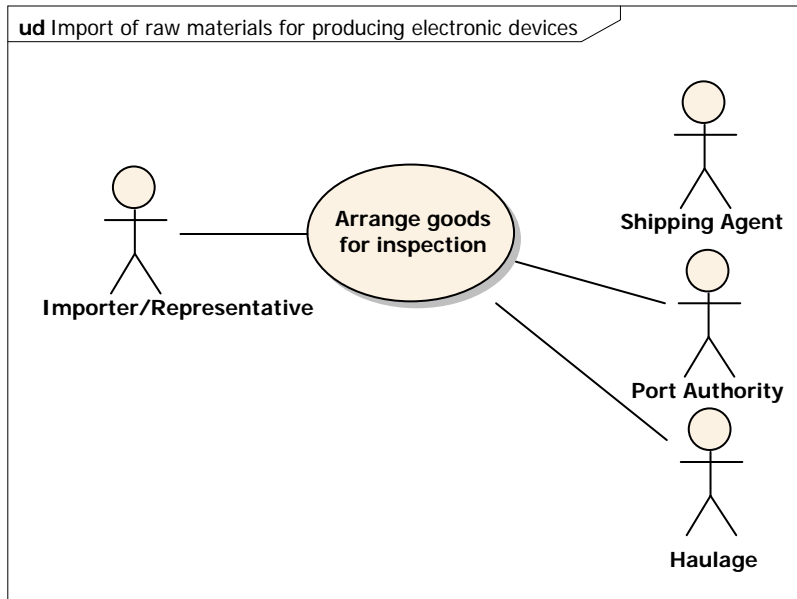


Figure 13: Activities in the “Arrange goods for inspection” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

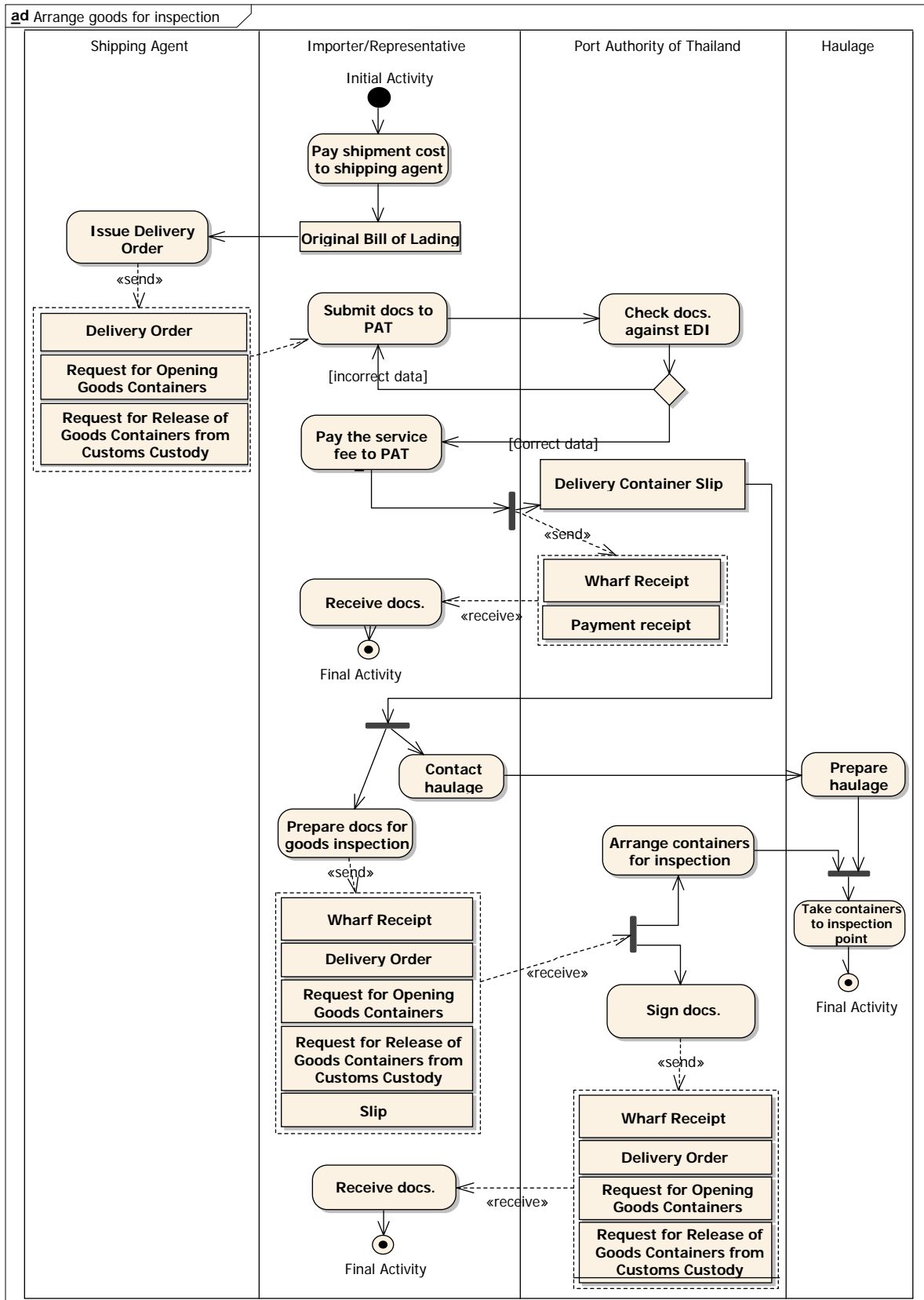


Table 6: Description of the “Arrange goods for inspection” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

Topic	Description
Process Name	Arrange goods for inspection
List of Stakeholders	<ul style="list-style-type: none"> ● Importer/Representative ● Haulage ● Shipping Agent ● Government Agency <ul style="list-style-type: none"> ○ Port Authority of Thailand
Pre-Condition	<ul style="list-style-type: none"> ● Goods passed customs clearance
Activities	<ul style="list-style-type: none"> ● Importer pays the shipment cost to the shipping agent and submits an original and copy of bill of lading to the shipping agent ● Shipping agent issues a delivery order and other related documents for the importer/representative as follows: <ul style="list-style-type: none"> ○ Delivery Order ○ Request for Opening Goods Containers ○ Request for Release of Goods Containers from Customs Custody ● Importer submits these documents to the port <ul style="list-style-type: none"> ○ Delivery Order ○ Request for Opening Goods Containers ○ Request for Release of Goods Containers from Customs Custody ● PAT checks documents against EDI system. If incorrect, documents are returned to the importer for re-submission ● Importer pay the service fee to PAT ● PAT issues the following documents for the importer <ul style="list-style-type: none"> ○ Wharf Receipt ○ Payment receipt ○ Delivery Container Slip

Topic	Description
	<ul style="list-style-type: none"> ● Importer sends the Delivery Container Slip to the haulage service so that the containers are taken to the inspection point. ● Importer submits the following documents to PAT: <ul style="list-style-type: none"> ○ Wharf Receipt ○ Delivery Order ○ Request for Opening Goods Containers ○ Request for Release of Goods Containers from Customs Custody ○ Delivery Container Slip ● PAT signs all those documents and arranges containers for the haulage to take them for Customs' inspection
Post-Condition	<ul style="list-style-type: none"> ● Goods containers are ready for inspection and release by Customs Dept.
Remark	<ul style="list-style-type: none"> ● Wharf Receipt from PAT in this process is considered an incomplete document.

2.6 Inspect and release goods

Figure 14: Use Case Diagram Showing Relationship between the “Inspect and release goods” Process and Stakeholders in the Import of Raw Materials for Producing Electronic Devices to Thailand

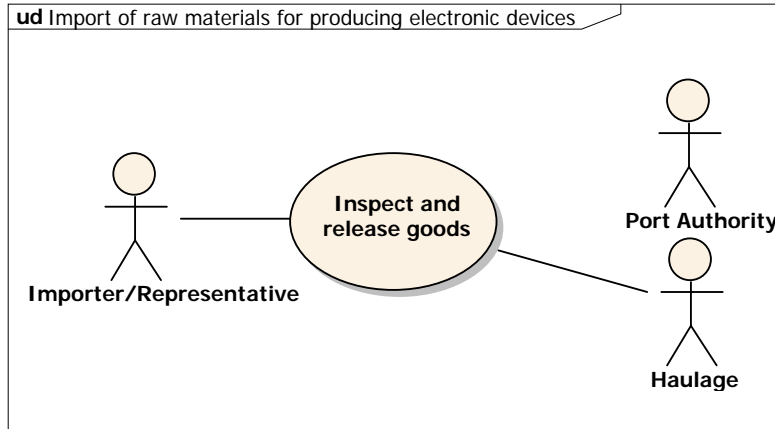


Figure 15 Activities in the “inspect and release goods” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

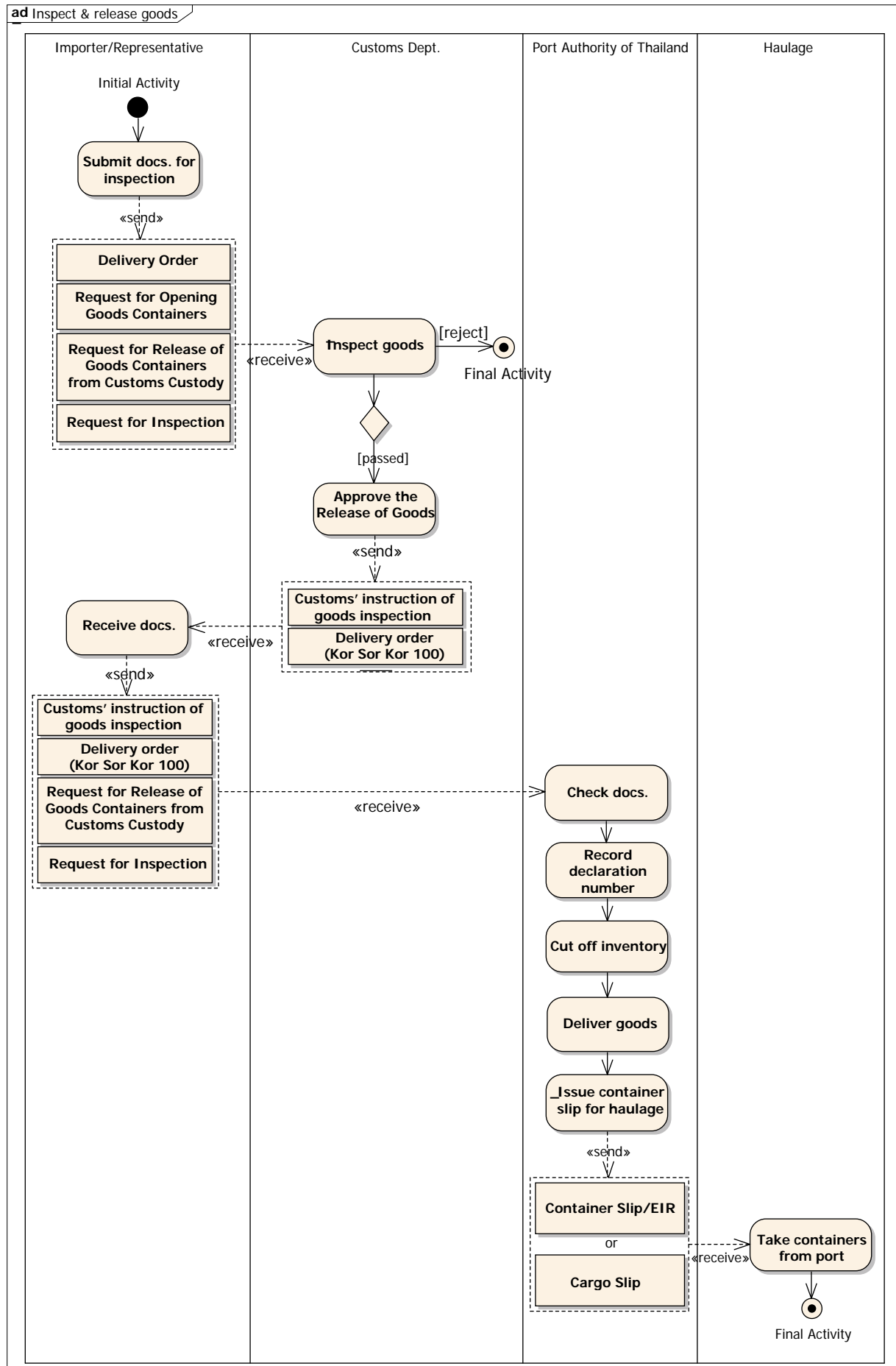


Table 7: Description of the “Inspect and release goods” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

Topic	Description
Process Name	Inspect and release goods
List of Stakeholders	<ul style="list-style-type: none"> ● Importer/ Representative ● Haulage ● Government Agency <ul style="list-style-type: none"> ○ Customs Dept.
Pre-Condition	<ul style="list-style-type: none"> ● Goods are ready for inspection and release by Customs
Activities	<ul style="list-style-type: none"> ● Importer submits to the Customs Dept. the following documents: <ul style="list-style-type: none"> ○ Wharf Receipt ○ Delivery Order ○ Request for Opening Goods Containers ○ Request for Release of Goods Containers from Customs Custody ○ Request for Inspection ● Customs authority inspects goods. With the case of rejection, the goods will be seized. ● Customs Dept. issues the documents for release of goods as follows: <ul style="list-style-type: none"> ○ Customs’ instruction of goods inspection ○ Delivery order (Kor Sor Kor 100) ● To receive goods, importer submits the following documents to PAT: <ul style="list-style-type: none"> ○ Customs’ instruction of goods inspection ○ Delivery order (Kor Sor Kor 100) ○ Request for Release of Goods Containers from Customs Custody ○ Request for Inspection ● PAT checks all documents, records the declaration number, cuts off inventory, and then issues the Container Slip/EIR for FCL containers or the Cargo

Topic	Description
	<p>Slip for LCL containers to be used as evidence by haulage when taking goods containers from the port.</p> <ul style="list-style-type: none"> ● Haulage takes goods out of the port
Post-Condition	<ul style="list-style-type: none"> ● Importer can take goods from the port
Remarks	<ul style="list-style-type: none"> ● Inspection of goods items will be done only upon Customs' instruction ● Importer does not have to submit the Request for Opening Goods Containers and the Request for Release of Goods Containers from Customs Custody for inspection of LCL containers

3 Pay process

Figure 16: Use Case Diagram Showing Relationship between the "Pay" Process and Stakeholders in the Import of Raw Materials for Producing Electronic Devices to Thailand

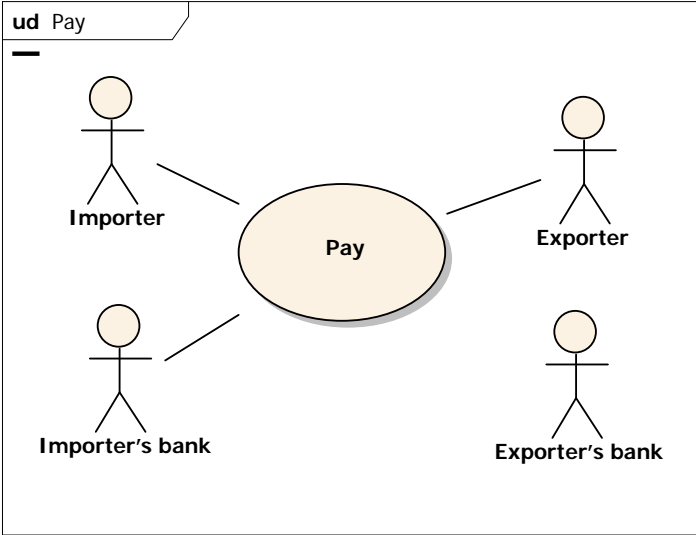


Figure 17: Activities in the "Pay" Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

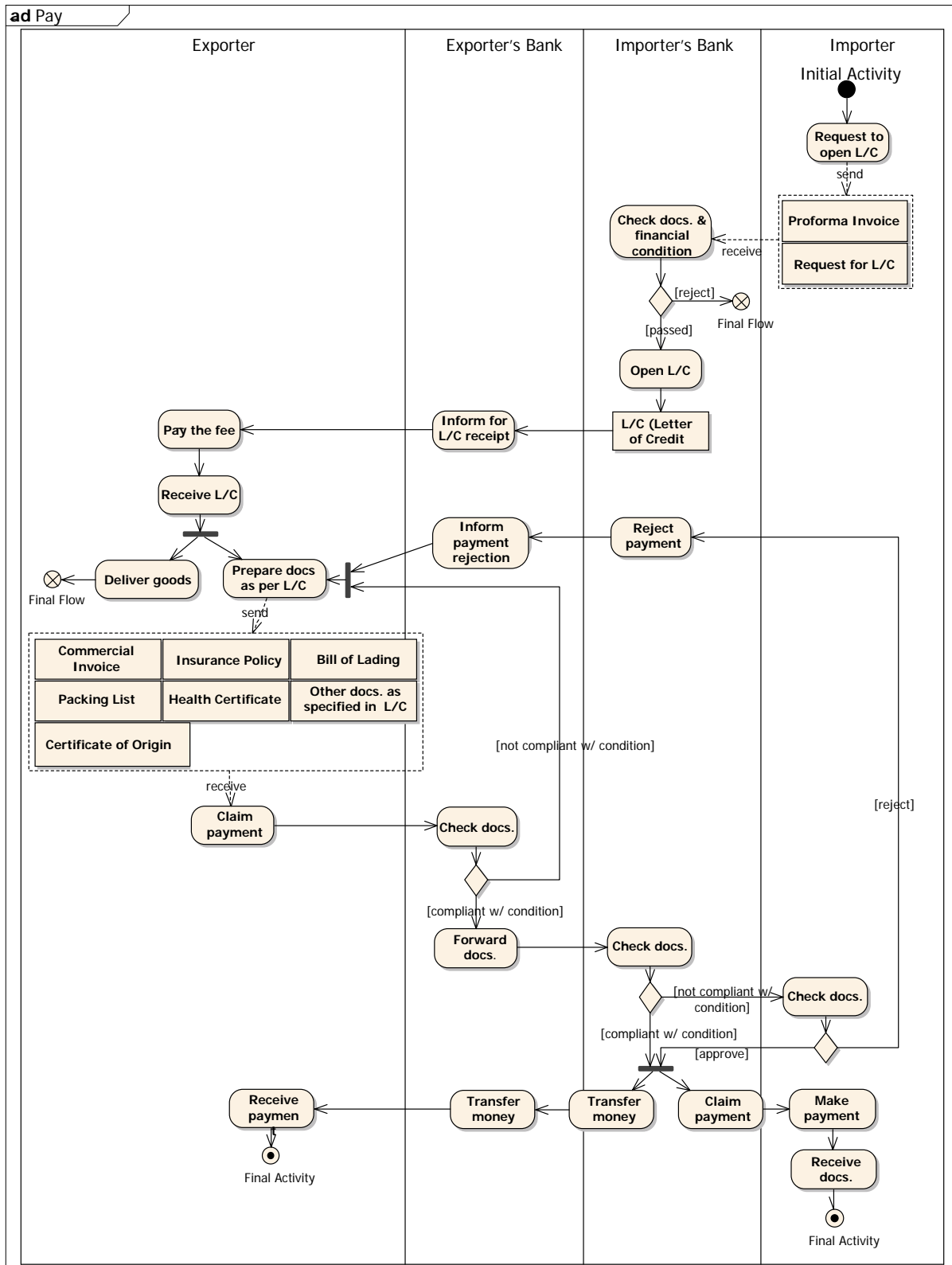


Table 8: Description of the “Pay” Process for the Import of Raw Materials for Producing Electronic Devices to Thailand

Topic	Description
Process Name	Pay (payment made by Letter of Credit (L/C))
List of Stakeholders	<ul style="list-style-type: none"> ● Importer/Representative ● Exporter/Representative ● Banks <ul style="list-style-type: none"> ○ Importer’s Bank (as L/C Issuing Bank) ○ Exporter’s Bank (as L/C Advising Bank)
Pre-Condition	Buyer and Seller agree upon sales contract and payment mode
Activities	<ul style="list-style-type: none"> ● Importer/representative applies for Irrevocable Documentary Letter of Credit (L/C) with a bank that provides service to the importer, using the Proforma Invoice as attached document. ● Importer’s bank checks documents and financial condition. ● In case of no debt, the importer’s bank issues L/C with conditions specified by the importer in the application ● The importer’s bank as L/C Issuing Bank sends L/C to the exporter’s bank. ● The exporter’s bank as L/C Advising Bank informs exporter/representative to receive the original L/C so that the goods delivery and other operation are done accordingly as specified in the L/C ● Exporter/representative pays the fee and receives the original L/C ● Exporter/representative delivers goods to importer.

Topic	Description
Activities	<ul style="list-style-type: none"> ● Exporter/representative prepares documents as specified in the L/C ● Exporter/representative submits those prepared documents to receive the money from the L/C Advising Bank. ● The L/C Advising Bank checks documents. ● If those documents meet the conditions in L/C, the L/C Advising Bank sends them to the L/C Issuing Bank. ● The L/C Issuing Bank checks documents ● If those documents meet the conditions in L/C, the L/C Issuing Bank transfers the money to the L/C Advising Bank within 7 days and then informs the importer/representative of its receiving those documents ● The L/C Advising Bank transfers money to the exporter. ● Importer/representative makes payment and receive documents. ● Importer/representative takes the documents to run the customs clearance process. ● If those documents don't meet the conditions in L/C, the L/C Issuing Bank informs the importer and considers the payment approval. The bank will make payment only upon approval by importer/representative.
Post-Condition	Exporter/representative (seller) receives payment through L/C