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Analysis of Export and Import Processes of Selected Products in Thailand

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1. Introduction

Thailand's exports include agricultural and industrial goods such as rice, processed and frozen food, electronics, fashion garments and textiles, automobiles and auto parts and accessories. The export of jasmine rice, sugar, frozen shrimp, automobiles and auto parts has been a key contributor to economic growth.

Thailand has negotiated free trade agreements with Australia, China, India, Japan, New Zealand and the Association of Southeast Asian Nations (ASEAN) that have helped to increase the total value of its exports. But other barriers to trade (administrative and procedural) may unnecessarily impede further growth.

Business Process Analysis (BPA) is a powerful tool that can help to identify these barriers and suggest ways to streamline trade processes. As part of the Asia-Pacific Research and Training Network on Trade (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 into Thailand from China of raw materials used to produce electronic devices. This paper presents the key findings of these analyses and offers some recommendations for streamlining export and import processes.

The study focused on the export of sugar and auto parts because, along with frozen shrimp and jasmine rice, these products are two of Thailand's highest-performing exports and the quantity of the exports of these products grew rapidly between 2005 and 2009, as shown in Table 1. The decision to analyze exports to Bangladesh (sugar) and India (auto parts) was also based on considerations of existing trade practices and market potential. A BPA of Thailand's two other high-performing exports – frozen shrimp and jasmine rice – has already been performed.

Table 1: Quantity and value of sugar and auto parts exported from Thailand (2005-2009)

Year	Products	Sugar ¹	Auto parts		
			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

Source: Thailand Automotive Institute²

The study examined the processes involved in the import of raw materials (for electronic devices) in order to give due attention to both sides of trade transaction, and to illustrate the complex procedural requirements and interactions between the agencies that sustain global supply chains.

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

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

Section 2 of this paper elaborates upon the benefits of BPA as a basis for the development of a national Single Window by reviewing a prior BPA of Thai imports and exports. Section 3 describes the BPA and time/cost-distance methods used for this study. Sections 4 and 5 examine the processes involved in the export of sugar and auto parts, and Section 6 examines the processes involved in the import of the raw materials used in the production of electronic goods. The paper concludes by listing some recommendations for streamlining processes and procedures.

2. Business process analysis in Thailand

Simplification of documentary requirements and trade procedures (including commercial, transport, regulatory and financial procedures); and their alignment with international standards has a significant impact on the performance of businesses and can consequently enhance competitiveness both at the organizational and national levels. Thus, such simplification of processes and procedures can serve as a means of trade facilitation.³

Prior to the selection of trade facilitation measures, it is crucial to have a good understanding of the existing or “as-is” conditions of business processes and information flows throughout the international supply chain. All attributes of the import and export processes and information flows, including activities required to complete the processes, relevant stakeholders, related laws, rules, regulations and documents, as well as their relationships, need to be duly recognized and understood.

In 2008, Thailand conducted, as part of the Data Harmonization and Data Modeling for Single Window e-Logistics Project,⁴ a BPA of the export and import processes relating to eight strategic products. The four export products selected for analysis were frozen shrimp, frozen chicken, durian and automobiles. The four import products selected for analysis were tuna fish, beef, grapes and auto parts. The analyses concluded that exporting of the selected products from Thailand required between 11 and 16 steps and importing of the selected products required between 9 and 10 steps. The analyses also revealed that certain of these steps, especially those relating to documentation requirements, imposed higher time costs than others. Unified Modeling Language (UML), Use Case Diagrams, and Activity Diagrams were used to illustrate the processes. The Activity Diagrams clearly showed the existence of bottlenecks and redundancies in activities and data requirements. These results guided subsequent improvements in the business processes relating to the selected products. The summaries of the export and import processes for the selected products are shown in Table 2 and Table 3.

³ UNNExT, UNESCAP, UNECE. (2009). *Business Process Analysis Guide to Simplify Trade Procedures*, Bangkok: UNESCAP

⁴ 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.

Table 2: Summary of the export processes of four strategic products of Thailand (2008)

Export process	Frozen shrimp	Frozen chicken	Durian	Automobiles
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: √ that process is required for that product
 - that process is not required for that product

Table 3: Summary of the 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: √ that process is required for that product
 - that process is not required for that product

3. Study method

I. Business process analysis method

This study of export and import processes was conducted based on the *Business Process Analysis Guide to Simplify Trade Procedures* (2009), 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 recommended as the first step towards implementing trade facilitation measures related to simplification, harmonization, and automation of trade procedures and documents.⁵ 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. BPAs involve examining the documentary and regulatory requirements of trade processes and reveal information flows, bottlenecks and redundancies in the activities and documents necessary to complete trade transactions. The results of a BPA can also enable further data harmonization and data modeling to support the development of e-logistics, as in the case of Thailand. Conducting a BPA also involves collecting the documents and data items used in trade transactions.

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

- **Buy** – Activities concerning the conclusion of trade terms and establishment of a sales contract
- **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 a customs declaration
 - Collecting empty container(s) from yard
 - Packing container(s)
 - Transferring cargo to the port of departure
 - Clearing goods through customs
 - Handling containers at the terminal and stowing them in a vessel
 - Preparing documents required by the importer
 - Verifying the accuracy/authenticity of the exported cargo
- **Pay** – *Activities concerning claims for payment of goods.*

This study focused on the procedures necessary to export auto spare parts and sugar from Thailand to India and Bangladesh, and to import raw materials (for electronic products) from China. 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 for the purchased cargo.

⁵ UNECE. (2006). Background Paper for UN/CEFACT Symposium on Single Window Common Standards and Interoperability, Geneva: UNECE.

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

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

Following the BPA Guide, the United Nations Centre for Trade Facilitation and e-Business (UN/CEFACT) Unified Modeling Language was used to represent the results of the analyses in the form of diagrams.⁶ Diagrams communicate the results better than text, by helping to compare and identify key steps and by suggesting ways to integrate procedures consistently. The UML Use Case Diagram is used to illustrate core business processes of exports and imports of the selected products. 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.

As noted above, the core business processes are organized according to the UN/CEFACT International Supply Chain Model: "Buy-Ship-Pay". To comply with regulatory requirements, the movement of cargo that involves transport procedures and regulatory procedures is classified as a "Ship" activity.

II. Time/cost-distance method

Based on the premise that the unit costs of transport may vary between modes, the time and cost associated with the transport process was studied using the time/cost-distance method developed by UNESCAP. This method enables comparison and evaluation of competing modes of transport operating on the same route and comparison of alternate transit routes. Thus, by looking at the cost and time characteristics of every section along a transit route, the time/cost-distance model identifies any inefficiencies and isolates bottlenecks along a particular route.⁷

⁶ 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.

⁷ UNESCAP. <http://www.unescap.org/ttdw/common/TFS/ImprovingTx/VV1/All/Introduction-Time-Cost.asp>

The UNESCAP time/cost-distance method is based on the graphical representation of data collected with respect to the cost and time associated with the transit transport process. The vertical axis of the model represents the time and cost incurred, while the horizontal axis represents the distance travelled from origin to destination.

4. Analysis of the process of exporting auto spare parts from Thailand to India

Auto spare parts are considered a key industrial export in terms of their impact on economic growth. The total export value of auto spare parts from Thailand increased rapidly between 2005 and 2009 and the export of auto spare parts generates an annual income of about USD 400 million.⁸ According to the Thai Trade Centre Chennai of the Department of Export Promotion in the Ministry of Commerce, exports of auto spare parts are expected to continue rising, with India being a major market.

The study of the process of exporting auto spare parts from Thailand to India limited the scope of analysis to the delivery of a full container-load (20 foot and 40 foot containers) of auto spare parts from Thailand by maritime transport to the port of destination in India (Delhi/Mumbai) under CIF terms, with the payment being made by remittance after shipment.

I. Steps involved in the process

The BPA of the process of exporting auto spare parts from Thailand to India found that there are a total of eight procedures involved. These procedures are described below.

1) “Buy” Process

1.1. Issue and validate the purchase order

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.

2) “Ship” Process

2.1 Allocate and package

If the items are in stock, the exporter pulls them from the inventory. Ship labels, cartons and other documents such as packing slips and packing lists 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. The suppliers then confirm receipt of the documents. The exporter allocates products based on the orders, prepares purchase confirmation and replies to the importer. By the end of this process, the products are ready for movement.

⁸ The Federation of Thai Industries. (2010). Car Manufacturers Export Record 1995-2009, Automotive Industry Club.

2.2 *Prepare for shipment*

The exporter prepares and sends to the shipping agent the “preemption freight” in order to book a shipment. The shipping agent then sends a copy of the Bill of Lading (B/L) to the exporter. The exporter verifies the documents. If they contain incorrect information, the exporter returns them to the shipping 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 Certificate of Origin under Free Trade Agreement (FTA form)*

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.

2.4 *Load and inland transport*

The exporter sends a reservation confirmation to the haulage service and makes an appointment to have the cargo picked up and any 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 checks 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 the 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, the 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 electronic data (Invoice, Permit Reference Number and Export Declaration) to the Thai Customs Department through that body’s paperless system. The 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 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 the balance from 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 the Thai Customs Department. The Thai Customs Department’s bank acknowledges this and sends a

Credit Advice to the Thai Customs Department. The Thai Customs Department acknowledges and updates the export declaration status electronically.

2.6 *Move cargo onto the ship*

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

3) *“Pay” Process*

3.1. *Delivery of goods and payment*

The importer sends a contract for traded goods (CFR: Cost and Freight) to the exporter for later payment. 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.

The BPA of the process of exporting auto spare parts from Thailand to India is illustrated through Use Case Diagrams and Activity Diagrams in Annex 1.

II. Key findings

In fulfilling the procedural and documentary requirements for exporting auto spare parts from Thailand to India, the exporter deals with approximately 12 parties (directly or indirectly). These parties 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) 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 found that for the single consignment category, there are around eight procedures, starting from placing orders up to the payment process, and these activities require approximately 29 documents to complete. Some of these documents involve repeating the information, such as the Request for Free Trade Area (FTA) Form and the Request for Export Permit/Declaration.

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.

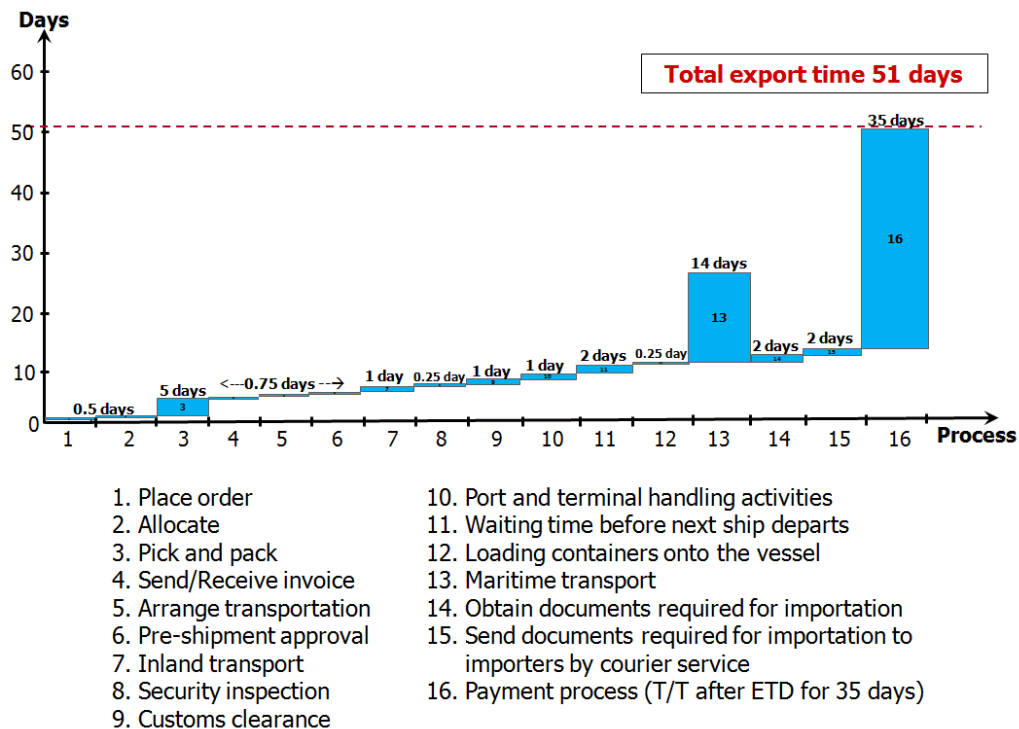
Table 4: Summary of the export processes, documents and stakeholders involved in the export of auto spare parts from Thailand to India

Export processes	Related documents	Stakeholders
Place order	Purchase Order	Importer, Exporter/Representative
Allocate	Packing Slip, Ship Labels, Carton Labels, Case Check Sheet	Exporter/Representative, Suppliers
Pick and pack		
Send/Receive invoice	RTS (Return to Supplier) Invoice, Commercial Invoice, Shipping Document	Exporter/Representative, Courier Service
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, Shipping Agent, Haulage Service, Thai Chamber of Commerce, Department of Foreign Trade
Pre-shipment approval		
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, Shipping Agent, Port Authority of Thailand, Terminal Operator, Royal Thai Customs
Security inspection	Case Check Sheet, Carton Labels	Exporter's Warehouse
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
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, Shipping Agent, Royal Thai Customs, Port Authority of Thailand, Terminal Operator
Waiting time before next ship departs		
Loading containers onto the vessel		
Maritime transport	Manifest (issued to Royal Thai Customs)	Shipping Agent
Obtain documents required for importation	FTA Form, Bill of Lading	Shipping Agent
Send documents for importation to importers by couriers	Shipping Document as per importer's purpose	Shipping Agent, Courier Service
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

III. Time/cost-distance analysis

The whole process of exporting auto spare parts from Thailand to India takes a total of 51 days starting from the process of placing an order until the settlement of payment. The “buy” and “ship” processes together take approximately 16 days, 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 the shipment’s estimated time of departure (ETD), takes 35 days. The necessary time needed to complete each process is summarized in Figure 1.

Figure 1: Time-procedure chart of auto spare parts export from Thailand to India

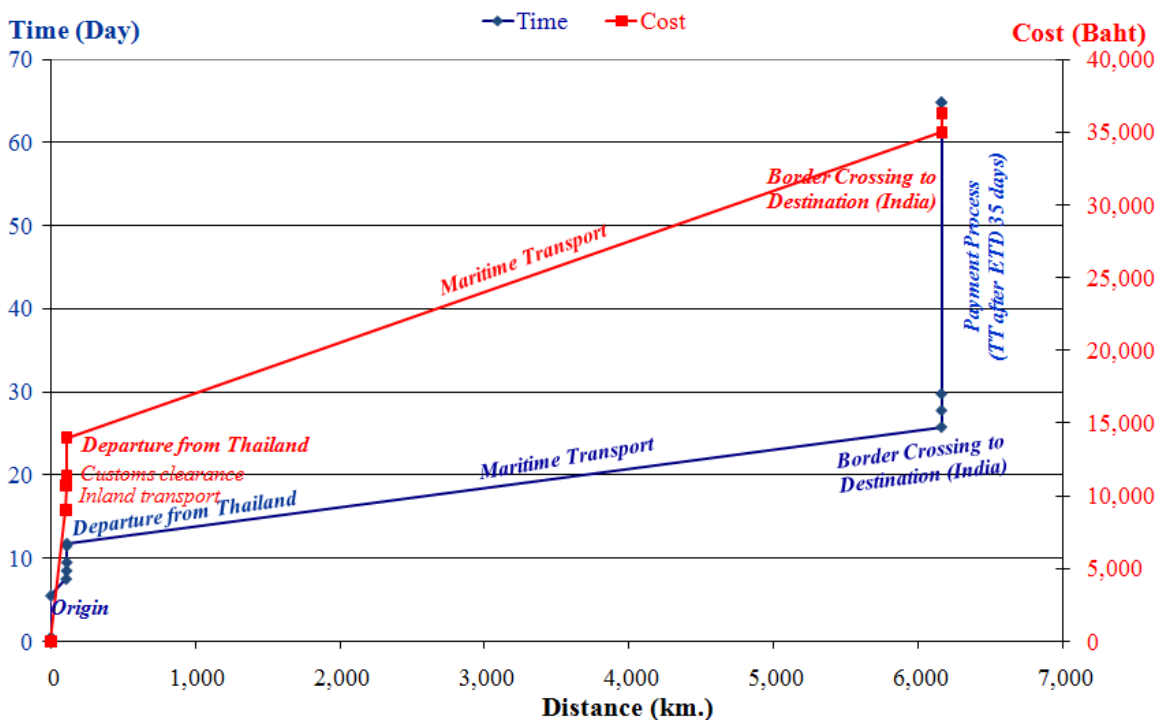


The processes, from placing a purchase order to the arrangement for insurance (Processes 1-6), are conducted electronically (mostly by e-mail), which imposes little time or monetary cost as no cargo movement is involved. Costs begin rising during the inland transport of cargo containers from the factory 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 exporting and importing is about 15 days each. For the study case of auto spare parts exports, the concerned companies are usually large and frequently take part in both export and import processes, so some procedures related to document exchange and information verification are, therefore, automated and are available within their own internal computer system. The time/cost-distance table (Table 5) and graphs (Figure 2) 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 (Days)	Cost (Thai Baht)	Distance for cargo movement (km)
Place Order	0.25	0	0
Allocate	0.25	0	0
Pick and Pack	5	0	0
Send/Receive Invoice	0.25	0	0
Arrange Transportation	0.25	3,547	0
Pre-shipment approval	0.25	0	0
Inland Transport	1	5,500	100
Security Inspection	0.25	0	5
Customs Clearance	1	1,650	3
Port and terminal handling activities	1	65	2
Waiting time before next ship departs	2	635	0
Loading containers onto the vessel	0.25	2,600	0
Maritime transport (from Thailand to India)	14	21,000	6054.188
Prepare Documents for Importation in India	2	1,300.56	0
Send documents to Importer by couriers	2	0	-
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



5. Analysis of the process of exporting sugar from Thailand to Bangladesh

The study of the process of exporting sugar from Thailand limited the scope of analysis to the delivery of a full container-load (20 foot and 40 foot containers) of sugar by maritime transport to the port of destination in Bangladesh under CIF terms, with the payment being made through a letter of credit.

I. Steps involved in the process

The BPA of the process of exporting sugar from Thailand to Bangladesh found that there are 13 procedures involved, as described below.

(1) “Buy” process

1.1 Sign contract; issue invoice and purchase order

An exporter (seller) and importer (buyer) first agree upon and sign a sales contract. The seller/exporter issues a proforma invoice to the buyer (importer in India). The buyer/importer checks the invoice. If it contains incorrect information, the buyer/importer will return the document to seller/exporter. If no corrections are necessary, the buyer/importer then confirms the intent to purchase and issues a Purchase Order to the exporter.

2) “Ship” process

2.1 Obtain Sugar Export Permit and Goods Export Permit

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

The exporter also applies for a Goods Export Permit by submitting the Sales 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). The exporter subsequently receives the Permit.

2.2 Request for cargo movement permit

The exporter requests permission to transport the cargo by submitting an application to transport sugar for the purpose of export (KN.5.1) to the Production and Distribution Management Centre. An officer reviews and verifies the submitted information. If the submitted information is correct, an authorized officer signs and authenticates the permit (KN.6.1) for the exporter.

2.3 *Obtain cargo insurance*

Under the CIF terms, an exporter is required to arrange cargo insurance. To apply for insurance coverage, the following documents are 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 they provide coverage, the insurance company issues a Cover Note for the to-be-insured consignment. Upon receiving a transport contract or Bill of Lading from the exporter, the insurance company issues an insurance policy.

2.4 *Arrange transport*

The exporter contacts a carrier (shipping line) to reserve a 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 by phone or email. The carrier acknowledges the booking request by returning a draft Bill of Lading to the exporter. The draft Bill of Lading is 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 company to schedule pick-up of an empty container from the carrier's container yard, delivery of that empty container to exporter's warehouse, and return of the filled container to the container yard for further loading. This booking request is done over the phone, by fax or 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 the booking confirmation(s) for inland and cross-border transportation.

2.5 *Provide customs declaration*

The exporter submits a Customs Declaration form through the 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 form. If the submitted declaration is incomplete or incorrect, a Declaration Reject document will be sent to inform the exporter. On the other hand, if the Customs Declaration form is accepted, the system will notify the exporter with Declaration Accept document, 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" form (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 the Port Authority collects associated port charges and issues a receipt. If the carrier has already made an arrangement with the Port Authority for a bulk payment, an officer at the Port Authority records the amount to be paid and then allocates any necessary equipment and lifts the empty containers onto a vehicle for the driver to take to the exporter's premises.

2.7 *Load cargo into the container*

The exporter prepares the goods to be packed according to the Packing List and prepares the 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 document 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 the 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 the 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 the sub-gate right away. The actual quantity of goods to be exported is recorded in the system and the exporter is notified of this amount. If it is indicated in the customs paperless system that this particular consignment has been randomly selected for inspection, the driver has to transfer the container to the point of inspection. The customs officer then inspects the cargo. If no misconduct is found, the customs officer can release the consignment from the sub-gate right away. The actual quantity of goods to be exported is recorded in the system and the exporter is 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 shipping 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 the PAT for its records and arrangement of a space on the ship to place the containers. The PAT then prepares and sends the Manifest to the shipping agent.

2.10 Prepare documents required by importer

The exporter prepares the documents necessary for the application for the documents required for import formalities. These documents include the Invoice, Bill of Lading and Application for a 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 a Certificate of Origin. The exporter collects the documents required for importation.

2.11 Verify the accuracy/authenticity of exported cargo

The exporter 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

3.1 Delivery of goods and payment

The importer sends to the exporter a contract of traded goods (according to Cost and Freight Responsibilities) with a statement of later payment. The exporter receives the document and sends the documents (Invoice, Packing List and Bill of Lading) 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. A fee is deducted before money is transferred to the exporter's account. The exporter receives the money and checks it.

The BPA of the process of exporting sugar from Thailand to Bangladesh is illustrated using Use Case Diagrams and Activity Diagrams in Annex 2.

II. Key findings

The analysis found that there are approximately 13 stakeholders involved in the process of exporting sugar from Thailand to Bangladesh. They are the 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 13 activities, starting from concluding the sales contract and trade terms up until the payment process. Approximately 31 documents are required to complete the process of exporting sugar from Thailand to Bangladesh. Some processes of sending and receiving documents are done manually, but many are done electronically.

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 in Table 6.

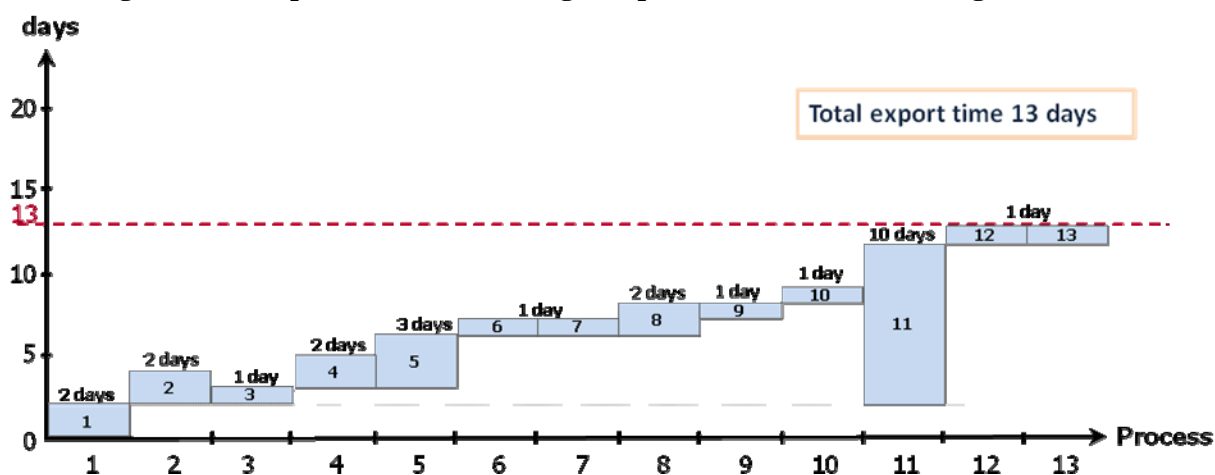
Table 6: Summary of the export processes, documents and stakeholders involved in the export of sugar from Thailand to Bangladesh

Export processes	Related documents	Stakeholders
Conclude sale contract and trade term	Proforma Invoice	Importer, Exporter or Representative
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
Obtain cargo insurance	Cargo Insurance Application Form, Commercial Invoice, Packing List, Letter of Credit, Telegraphic Transfer, Insurance Policy	Exporter/Representative, Insurance company
Arrange transport	Draft Bill of Lading, Booking Request, Booking confirmations for inland and cross-border transportation	Exporter/Representative Inland haulage, Carrier (shipping line)
Provide customs declaration	Commercial Invoice, Permit for export of Sugar (A.4), Export Declaration	Exporter/Representative, Royal Thai Customs
Collect containers from yard	Empty Container Movement Request, Permit for Empty Container Movement (KBT.05)	Carrier (shipping line), Inland haulage, Port Authority of Thailand
Fill the containers	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 6.1)	Exporter/Representative, Inland haulage, Royal Thai Customs, Port Authority of Thailand
Clear goods through customs	Goods Transition Control List, Equipment Interchange Receipt (EIR)	Exporter/Representative, Inland haulage, Royal Thai Customs
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
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
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
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

III. Time/cost-distance analysis

The process of exporting sugar from Thailand to Bangladesh takes a total of 13 days from the conclusion of the sales contract to collection of the payment. It takes around 20 days to transport goods from Thailand to Bangladesh by ship.

Figure 3: Time-procedure chart of sugar export from Thailand to Bangladesh



- | | |
|--|--|
| 1. Buy - Conclude sales contract and trade terms | 8. Stuff container(s) |
| 2. Ship - Obtain export permit | 9. Clear goods through customs |
| 3. Obtain goods movement permit | 10. Handle container at terminal and stow on vessel |
| 4. Obtain cargo insurance | 11. Prepare documents required by importer |
| 5. Arrange transport | 12. Verify the accuracy/authenticity of exported cargo |
| 6. Provide customs declaration | 13. Pay - Claim payment of goods |
| 7. Collect empty container(s) from yard | |

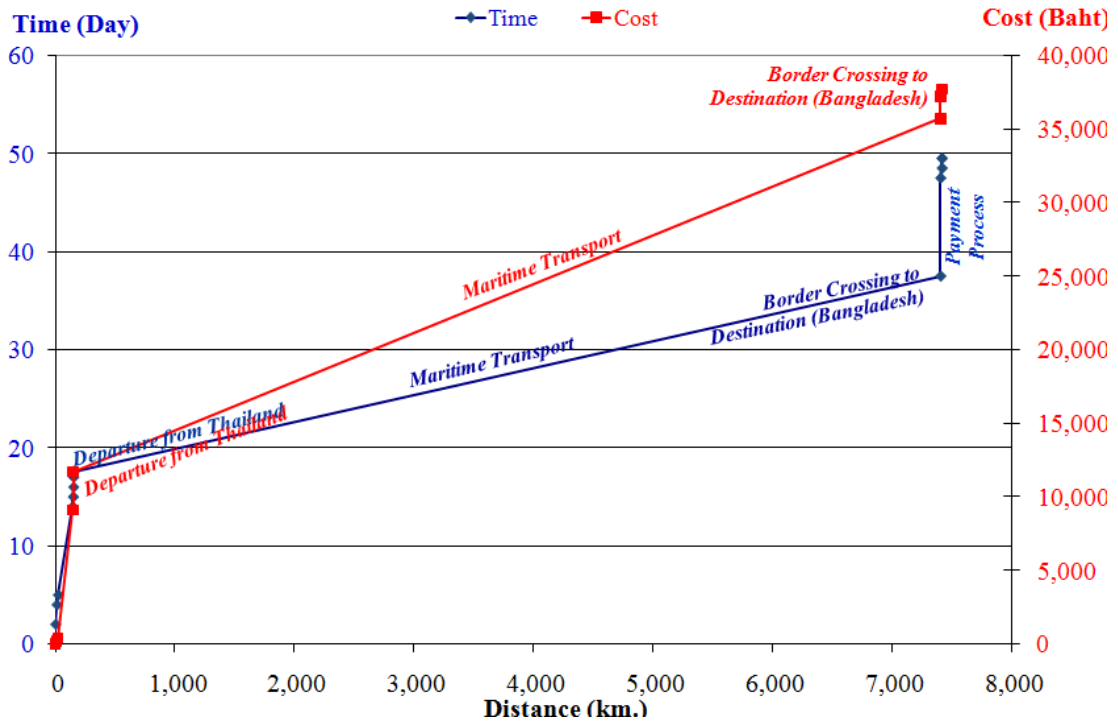
The highest costs occur during cargo movement, especially where cargo is being transported across borders by ship. To claim payment of goods, the exporter must spend a day submitting all the necessary documents, as specified in the L/C, to receive money from the importer via the importer's bank. Table 7 and Figure 4 illustrate this.

Table 7: Time, cost and distance for the process of exporting sugar from Thailand to Bangladesh

Export process	Time (Days)	Cost (Thai Baht)	Distance for cargo movement (km)
Buy/Conclude sale contract & trade term	2	0	0
Request for export permit	2	200	11
Request for cargo movement permit	1	200	11
Prepare documents for insurance	2	200	0
Prepare documents for cargo movement	3	3500	0
Prepare documents for customs declaration	1	0	0
Receive empty container	1	0	20
Load cargo into the container	2	5000	100
Declare to Customs	1	0	5
Customs clearance	1	0	3
Waiting time before next ship departs	1	0	0
Loading containers onto the vessel	0.5	2600	0
Maritime transport	20	24,000	7253
Prepare documents for importation	10	1500	0
Report of sugar export	1	500	11

Payment Process	1	0	0
Total	13	37,700	7,414

Figure 4: Time/cost-distance chart of sugar export from Thailand to Bangladesh



6. Analysis of process of importing raw materials into Thailand

The analysis of the process of importing 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 for the purchased cargo.

I. Steps involved in the process

The BPA of the process of importing raw materials (for the production of electronic devices) into Thailand from China found that there are eight procedures involved. These procedures are described below.

1) “Buy” process

1.1 *Sign contract; issue an invoice and purchase order*

An exporter (seller) and importer (buyer) first agree upon and sign a sales contract. When the sales contract has been established, the exporter/seller issues a Proforma Invoice to confirm the price and sales terms for the product purchase. The importer/buyer (in Thailand) confirms the product purchase by sending the exporter a Purchase Order.

2) “Ship process

2.1 *Obtain permission for raw materials release*

Before importing raw materials, 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 the BOI. To obtain an exemption from the import duty on raw materials, the importer submits a request in a form of a diskette to the Investor Club Association, together with other relevant documents, namely a Request for Import Duty Exemption on Raw Materials, a copy of the import Invoice, a copy of the Promotion Certificate and a copy of the 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 the 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 information is incorrect, the forms are returned to the importer for modification. If the information is correct, the Investor Club Association prints a report and an approval letter for raw material release, which are then given for signature to the BOI authority stationed at the Investor Club Association. 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.

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

2.2 *Request for vessel berthing*

To be allocated a berthing slot, the shipping 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). The pre-condition for this process is that the importer has already received the timetable of vessel berthing. In case of online submission, the documents should be submitted six hours before the vessel enters port, while

paper documents should be submitted three hours in advance. The shipping agent must also submit an Application for Services to the PAT to request for tug and other related services.

Meanwhile, the shipping agent submits to the Marine Transport Bureau the Notification of Vessel Berthing (within 24 hours of berthing) via the computer system, the 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 shipping 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 shipping 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 is made before the 15th of each month, while the allocation of berthing slots is 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 nine hours before the vessel enters the port. It is noted that the Cargo Manifest submitted earlier to the PAT contains 80 per cent of total information while the one submitted later to the Customs Department contains all the necessary information.

2.3 Unload goods from vessel

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

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

2.4 Declare goods at customs

To gain eligibility to submit online declarations through the e-customs (paperless) system, the importer must first register on the e-customs system. If the importer assigns a customs broker as a representative, he/she must get a permit from the Customs Department to become officially eligible to do so.

When the goods pass through customs, the customs officer checks and verifies the documents and duties. If they are correct, the customs officer 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 then be paid to the Customs Department. To request exemption on import duties/taxes, the importer submits the Invoice, Packing List and Import Declaration. If the documents are incorrect, the importer has to resubmit them. If the import declaration submitted through the paperless system needs some amendments, the importer will be fined.

2.5 *Arrange goods for inspection*

When the goods have been cleared through customs, the importer pays the shipment cost to the shipping agent and submits an original and a copy of the Bill of Lading to the shipping agent. The shipping agent issues to the importer (or representative) a delivery order and the following documents: 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. The PAT then checks the documents against the 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 the PAT, the 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 then submits the following documents to the PAT: Wharf Receipt, Delivery Order, Request for Opening Goods Containers, Request for Release of Goods Containers from Customs Custody, Delivery Container Slip. The PAT signs all of the documents and arranges for the haulage service to take the containers for customs inspection.

2.6 *Inspect and release goods*

When the goods are ready for inspection and release by the Customs Department, the importer submits to the Customs Department 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 officer 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 the goods, the importer submits the following documents to the 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. The PAT checks all documents, records the declaration number, cuts off inventory, and then issues the Container Slip or EIR for full container load (FCL) containers or the Cargo Slip for LCL containers, which enables 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 instruction by customs 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*

3.1. *Payment and delivery*

The importer applies for an Irrevocable Documentary Letter of Credit (L/C) with the importer's bank, providing the Proforma Invoice as the attached document. The importer's bank checks the documents and financial situation of the importer. 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 the 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 of receipt of the original L/C and the conditions of the L/C so that the goods delivery and other operations are carried out as specified in the L/C. The exporter then prepares the 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 payment to the L/C Advising Bank within seven days and then informs the importer of the receipt of the documents. The L/C Advising Bank transfers the money to the exporter. The exporter pays a fee and receives the original L/C and then delivers goods to the importer.

The BPA of the process of importing raw materials (for producing electronic devices) into Thailand is illustrated by Use Case diagrams and Activity diagrams in Annex 3.

II. Key findings

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

The importing process, from placing orders to the payment claim, involves eight activities and requires approximately 44 trade documents. The procedures, documentation and stakeholders are summarized in Table 8.

Table 8: Summary of the processes, documents and stakeholders involved in the process of importing raw materials (for producing electronic devices) into Thailand from China

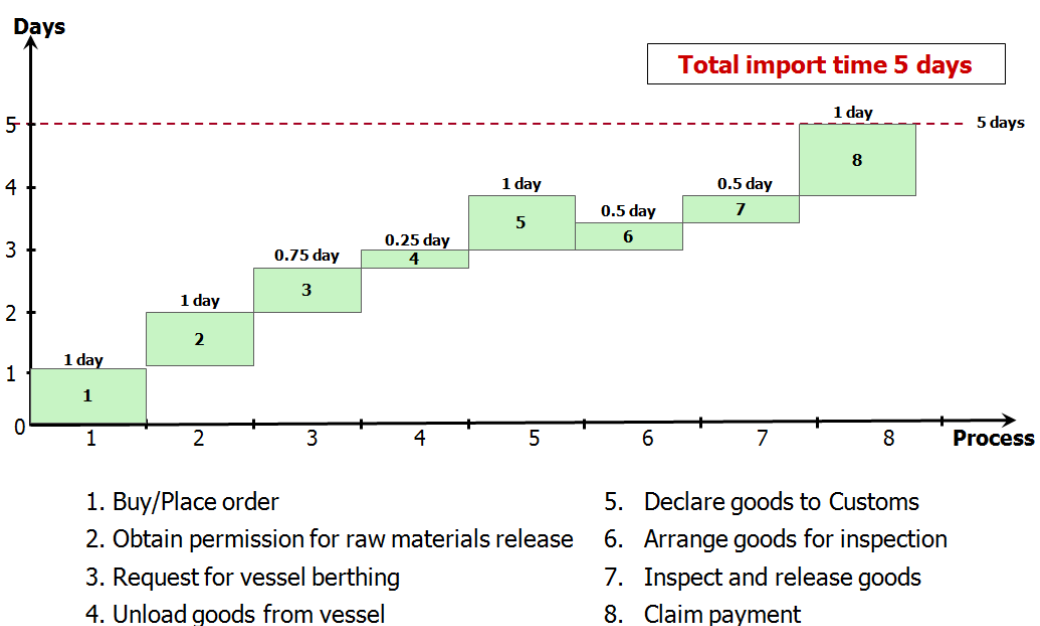
Import processes	Related documents	Stakeholders
Buy (Conclude sale contract and trade term)	Proforma Invoice, Purchase Order	Importer, Exporter/Representative
Obtain permission for raw materials release	Request for Import Duty Exemption on Raw Materials, copy of import invoice, copy of Promotion Certificate (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)
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	Shipping Agent, Royal Thai Customs Dept., Port Authority of Thailand (PAT), Pilot Station, Marine Promotion Bureau

Import processes	Related documents	Stakeholders
	Container List Cargo Manifest, Application for tug and other related services	
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	Shipping Agent, Customs Dept. (Computer System), Port Authority of Thailand
Declare goods to customs	Invoice, Packing List, Import Declaration, Duty Payment Receipt	Importer, Customs Dept. (Computer System)
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, Shipping Agent, Port Authority of Thailand
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.
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

III. Time/cost-distance analysis

The process of importing raw materials (for producing electronic devices) from China into Thailand takes around five days, as illustrated in Figure 5.

Figure 5: Time-procedure chart for the import of raw materials (for electronic devices) into Thailand

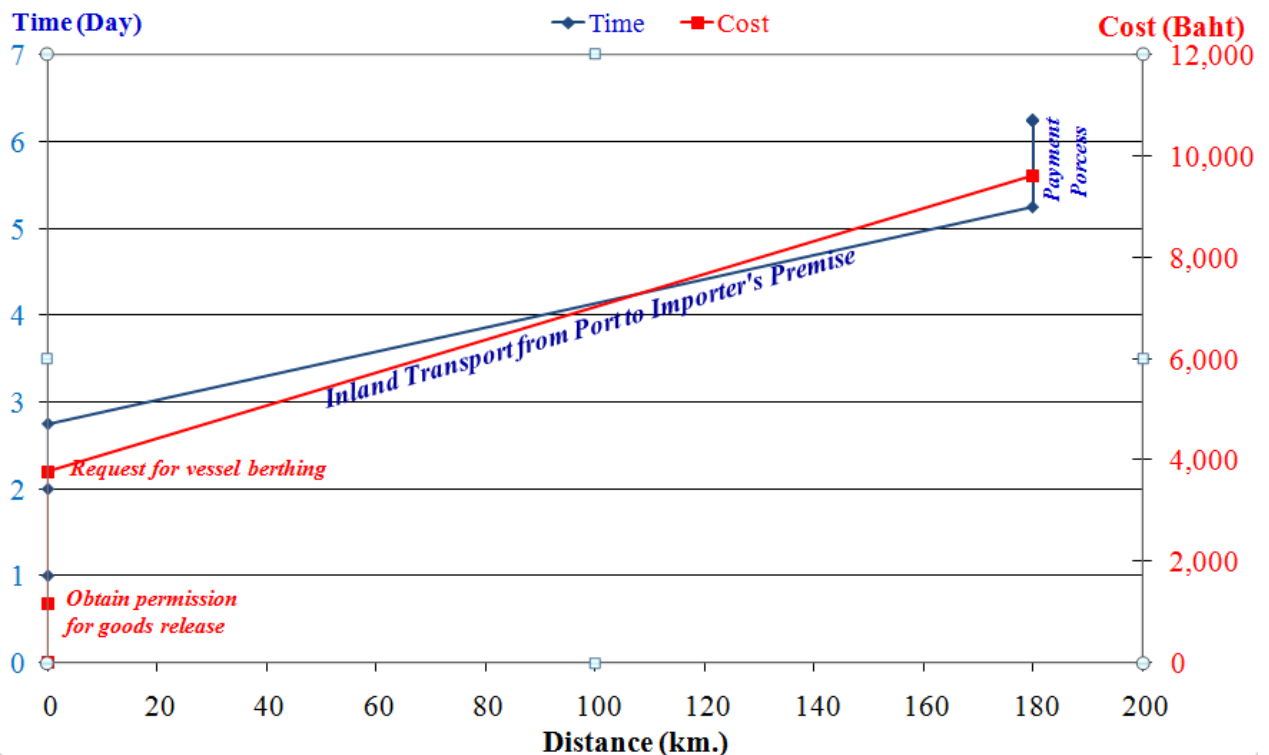


Prior to cargo movement, the most time is spent in the process of obtaining BOI permission for raw materials release and the process of customs declaration which includes goods inspection. Table 9 and Figure 6 show the relationship of time/cost and distance from the port of destination to the premises of the importer.

Table 9: Time, cost and distance for the import of raw materials (for producing electronic devices) from China into Thailand

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

Figure 6: Time/cost-distance chart for the import of raw materials (for producing electronic devices) from China into Thailand



7. Recommendations

From the findings of the analysis, the following recommendations are given:

- The costs for preparing, sending and receiving documents as well as the arrangement of inland transport are quite high; therefore steps should be taken to investigate how to reduce these costs.
- Many stakeholders experience data inconsistency and are required to submit redundant information during preparation of trade documents. The trade documents should therefore be examined and revised to reduce redundancy.
- Some processes of sending and receiving documents are conducted manually. These processes should be examined to assess whether they can be conducted electronically instead.
- In the case of the export of automobile spare parts and sugar, several procedures and documents requirements can be further automated and streamlined as part of the Thailand National Single Window development.
- Duplicate processes and data should be defined and eliminated.
- The information technology systems of related government agencies and business sectors and also that of the National Single Window System should be integrated.
- Open and international standards should be adopted to ensure technical interoperability within and across borders.

Annexes: BPA Charts

Annex 1: Business Process Analysis of the export of auto spare parts from Thailand to India

The study process and stakeholders involved.

Figure 1: Use Case Diagram showing the process of exporting auto spare parts from Thailand to India

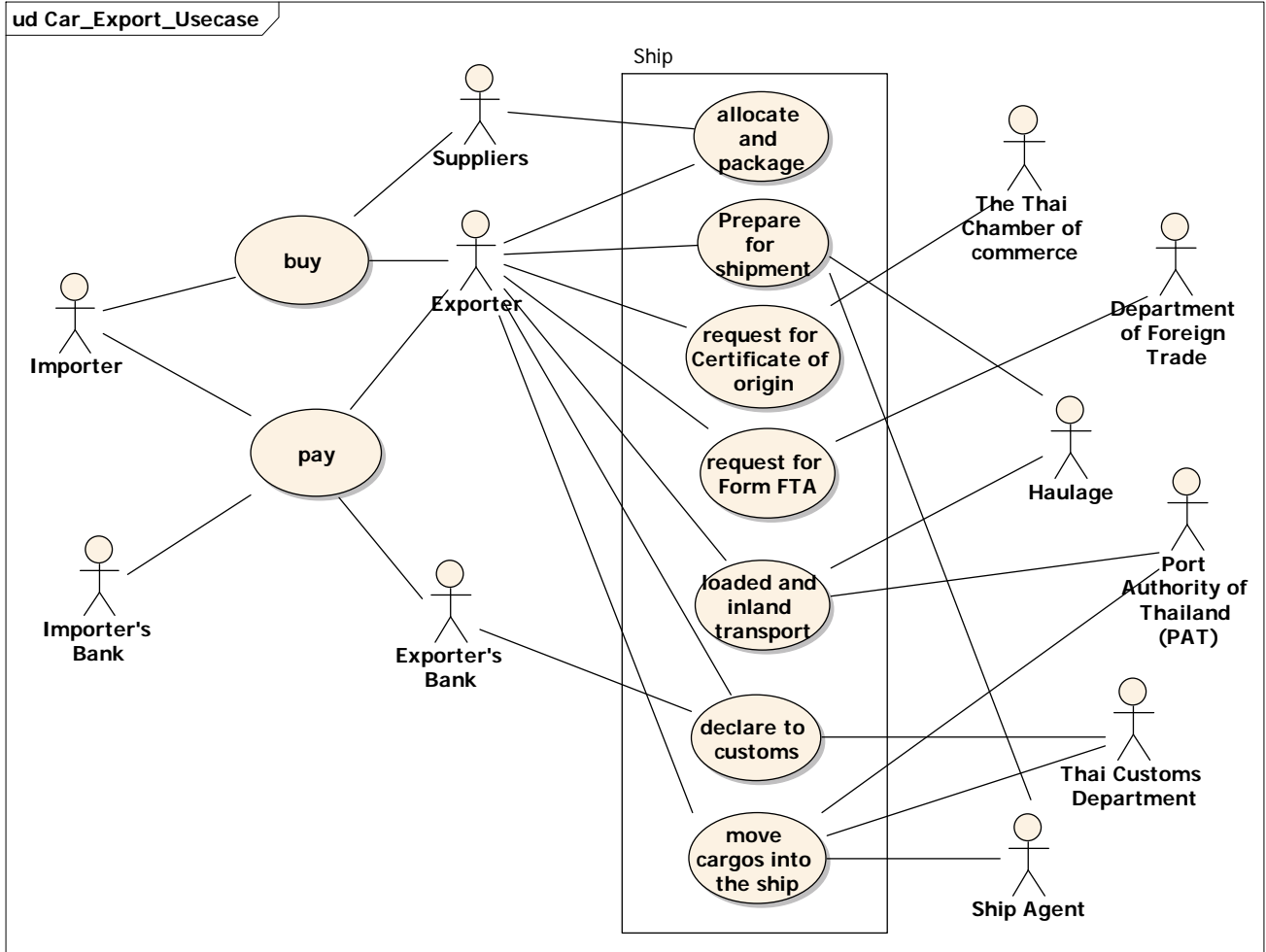


Table 1: Description of the Use Case Diagram for the export of auto spare parts from Thailand to India

Topic	Description
Diagram Name	Auto spare parts export from Thailand to India
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

Topic	Description
Processes	<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	

Diagrams for the three process areas: Buy-Pay-Sell

1. Buy Process

Figure 2: Use case Diagram showing relationship between the “buy” process and stakeholders for the export of auto spare parts from Thailand to India

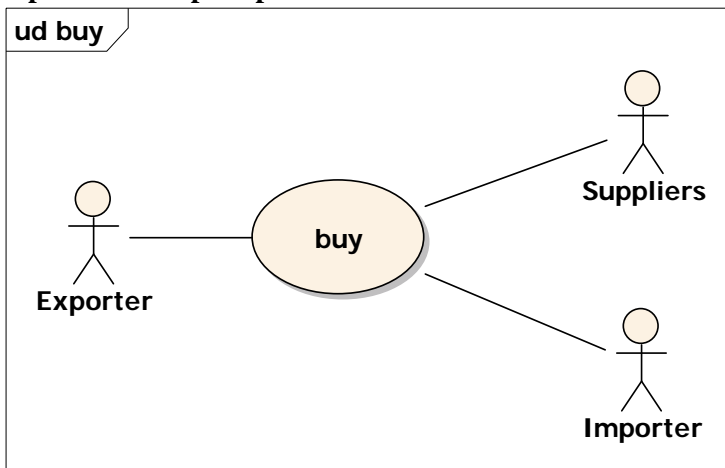


Figure 3 : Activities in the “buy” process for the export of auto spare parts from Thailand to India

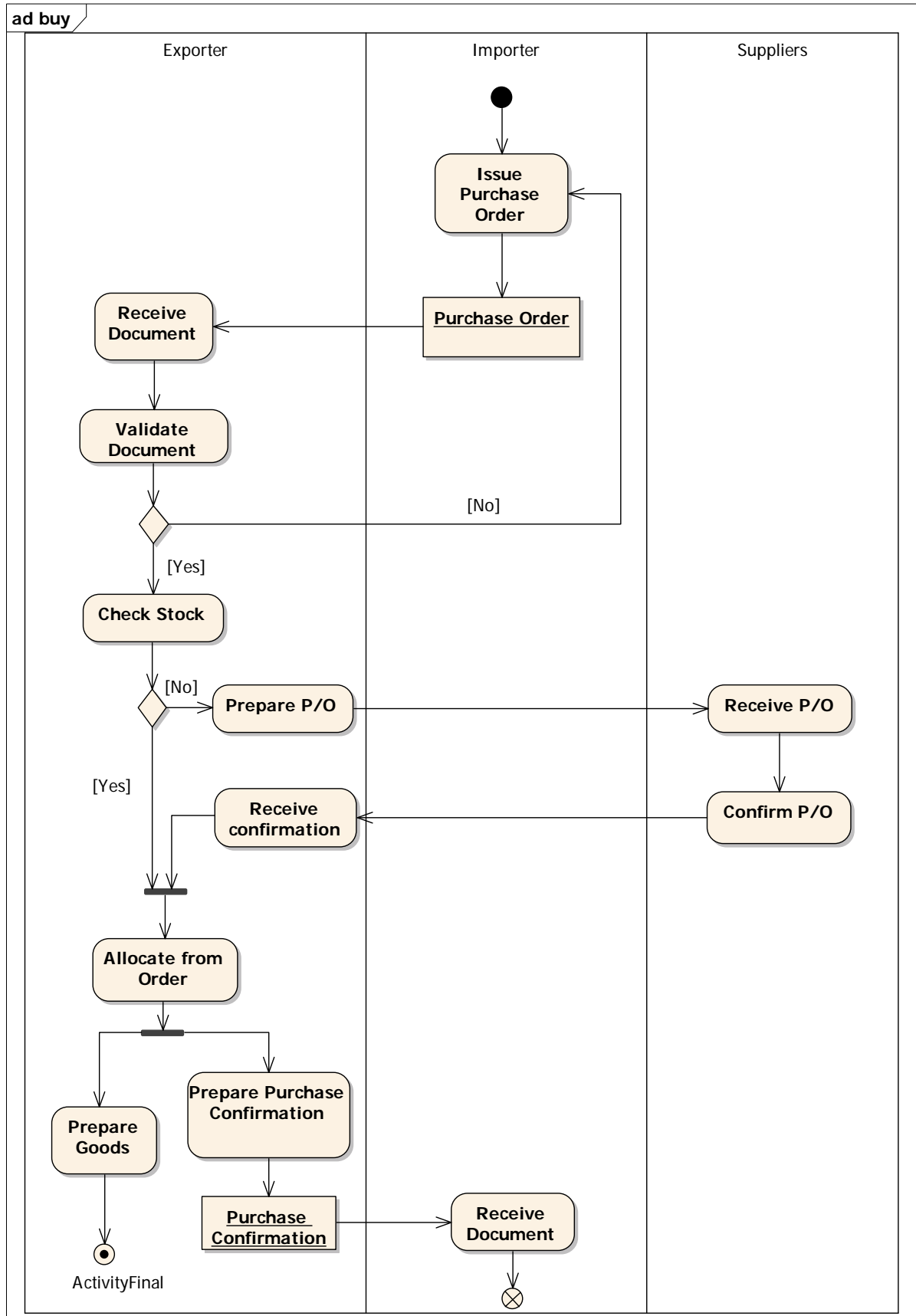


Table 2: Description of the “buy” process for the export of auto spare parts from Thailand to India

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 showing relationship between the “allocate and package” process and stakeholders for the export of auto spare parts from Thailand to India

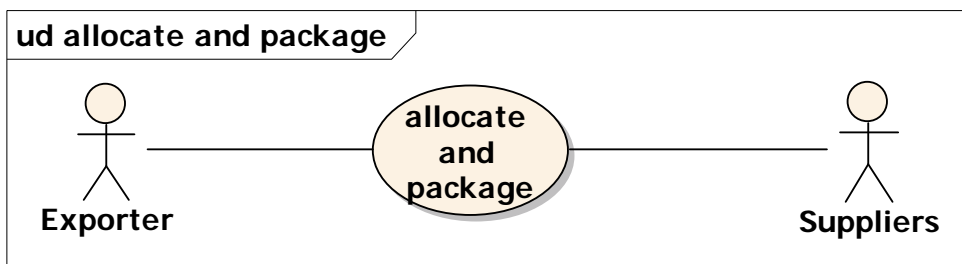


Figure 5: Activities in the “allocate and package” process for the export of auto spare parts from Thailand to India

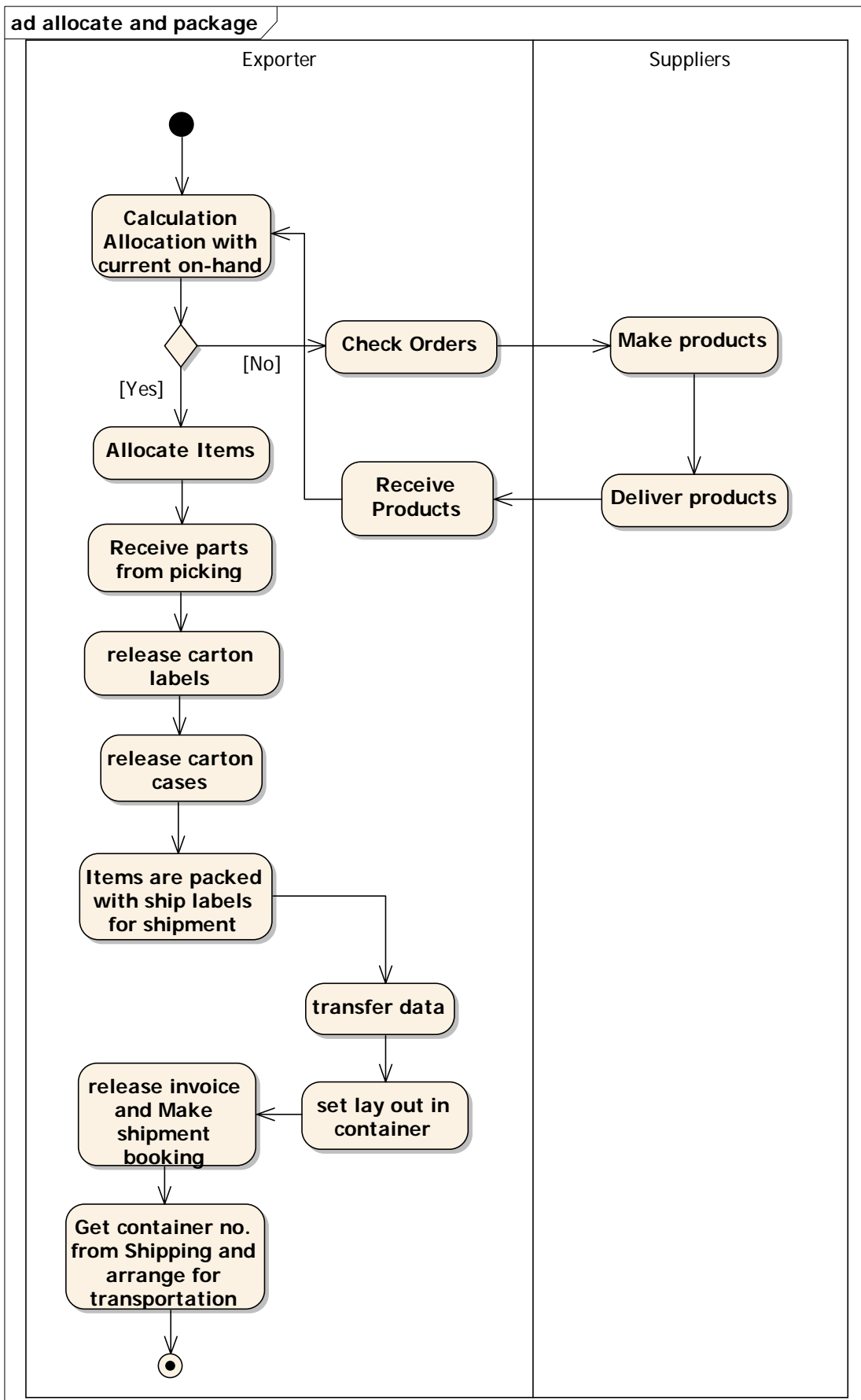


Table 3: Description of the “allocate and package” process for the export of auto spare parts from Thailand to India

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 showing the relationship between the “prepare for shipment” process and stakeholders for the export of auto spare parts from Thailand to India

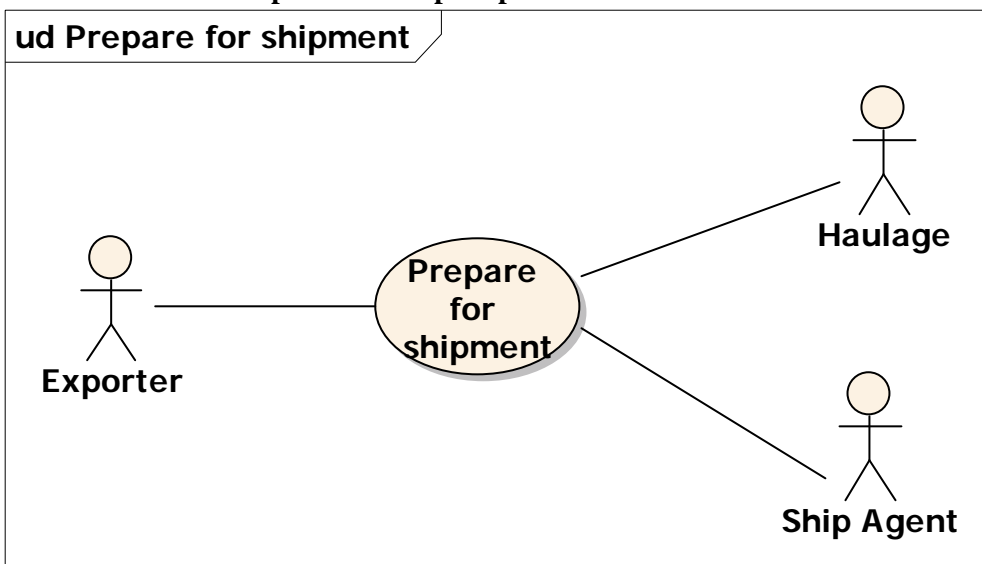


Figure 7: Activities in the “prepare for shipment” process for the export of auto spare parts from Thailand to India

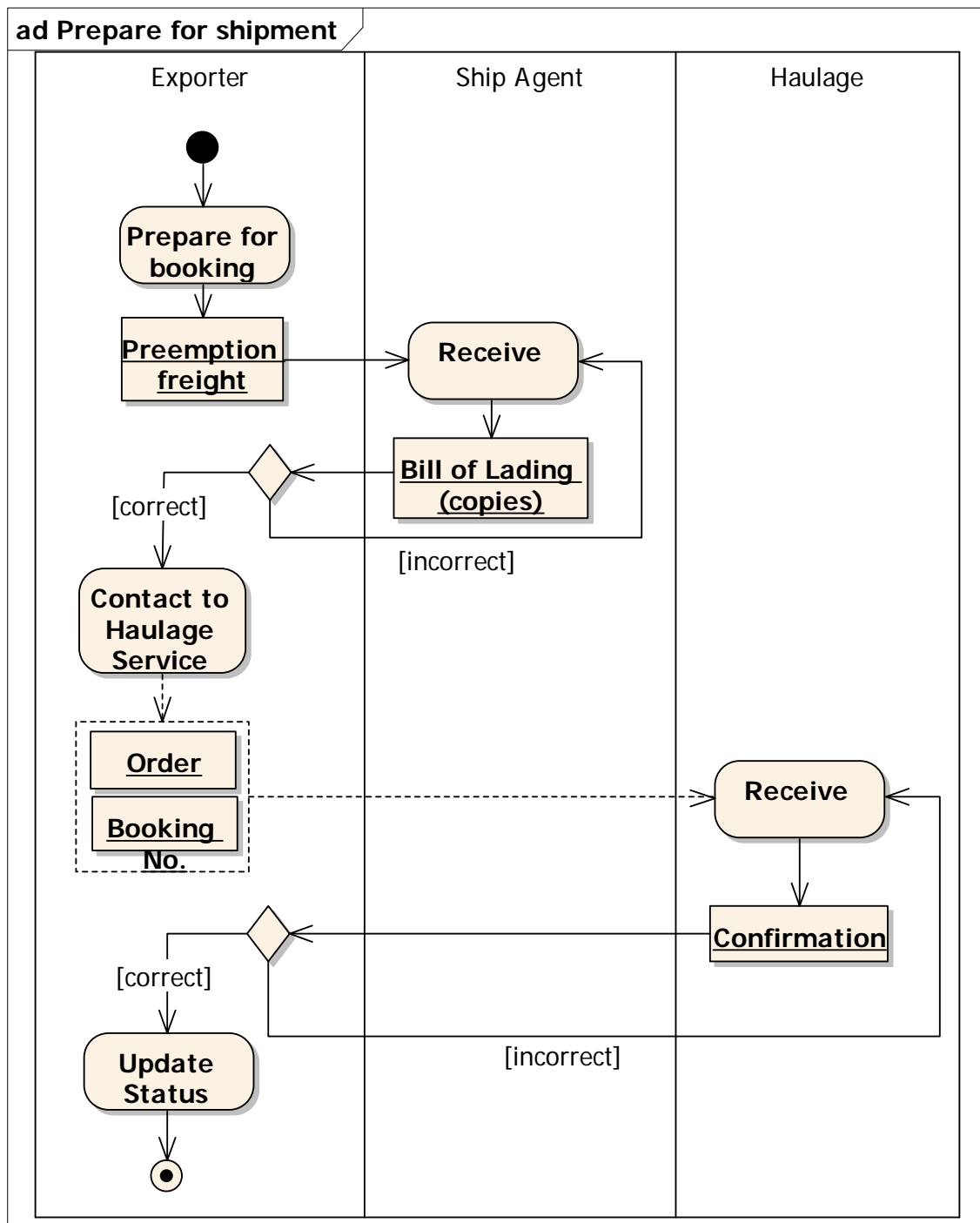


Table 4: Description of the “prepare for shipment” process for the export of auto spare parts from Thailand to India

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.

Topic	Description
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 showing relationship between the “request for Form FTA” process and stakeholders for the export of auto spare parts from Thailand to India

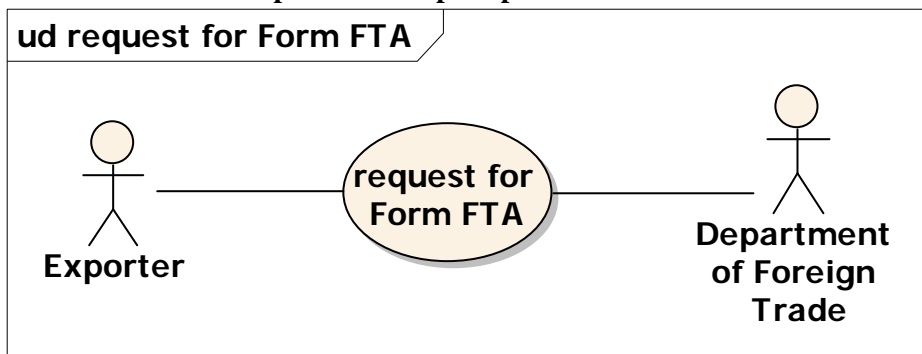


Figure 9: Description of activities in the “Request for Form FTA” process for the export of auto spare parts from Thailand to India

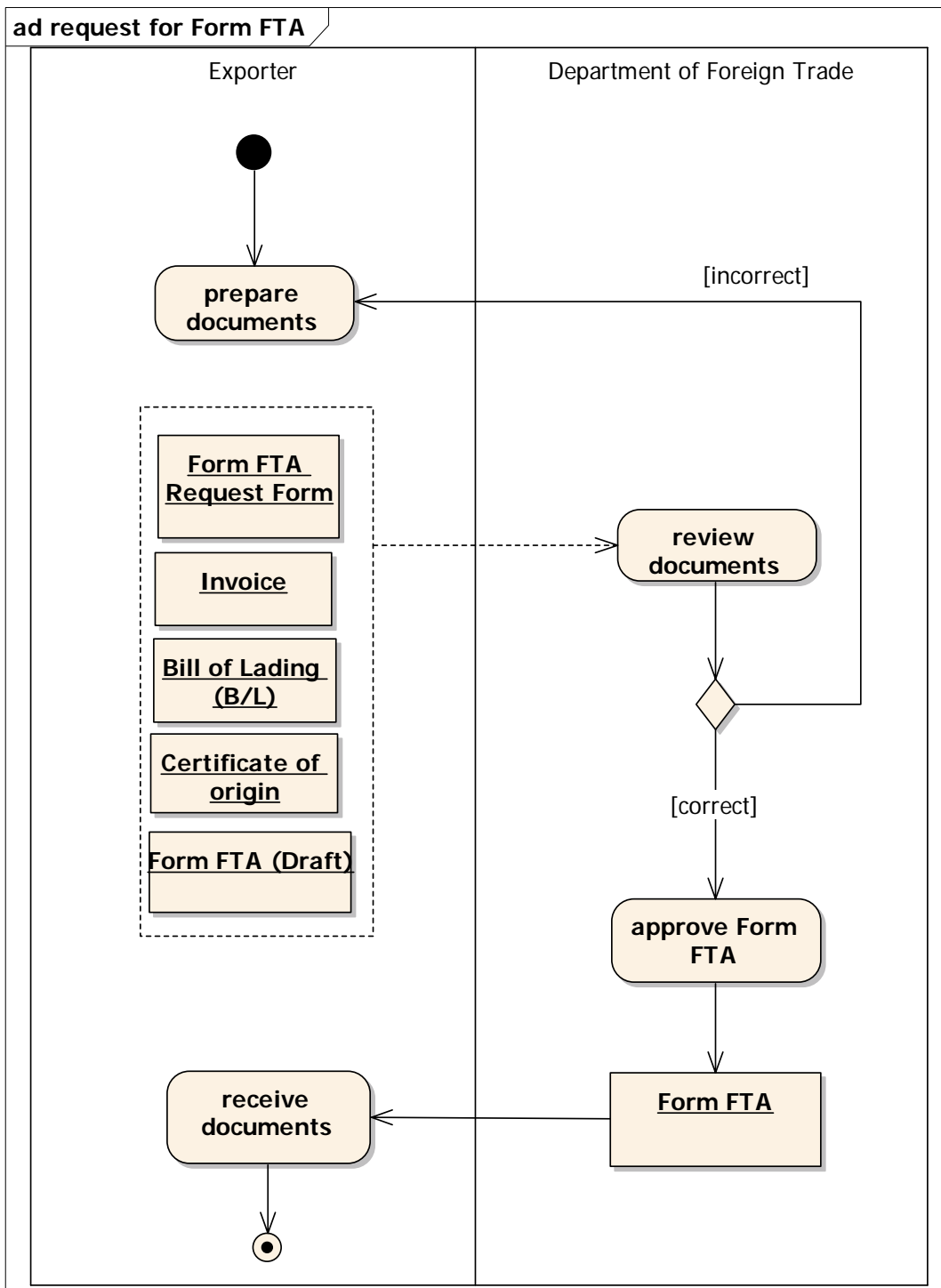


Table 5: Description of activities in the “Request for Form FTA” process for the export of auto spare parts from Thailand to India

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	1. Exporter enters data into the online system.(with

Topic	Description
	<p>attached scan documents)</p> <ul style="list-style-type: none"> - Form FTA Request form - Invoice - Bill of Lading (B/L) - Certificate of origin - Form FTA (draft) <ol style="list-style-type: none"> 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 Load and inland transport

Figure 10: Use Case Diagram showing the relationship between the “load and inland transport” process and stakeholders for the export of auto spare parts from Thailand to India

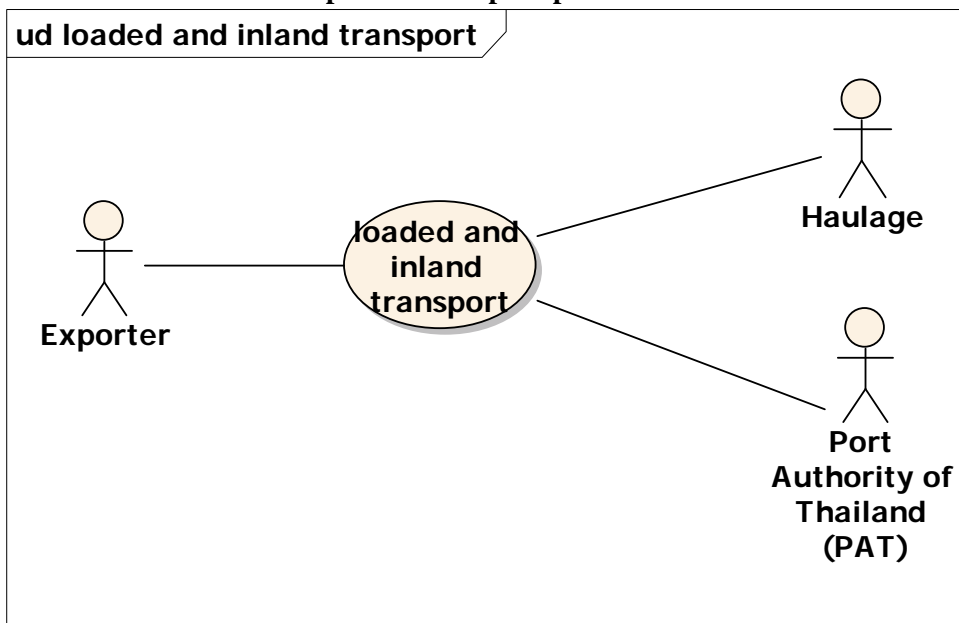


Figure 91: Activity Diagram showing activities in the “load and inland transport” process for the export of auto spare parts from Thailand to India

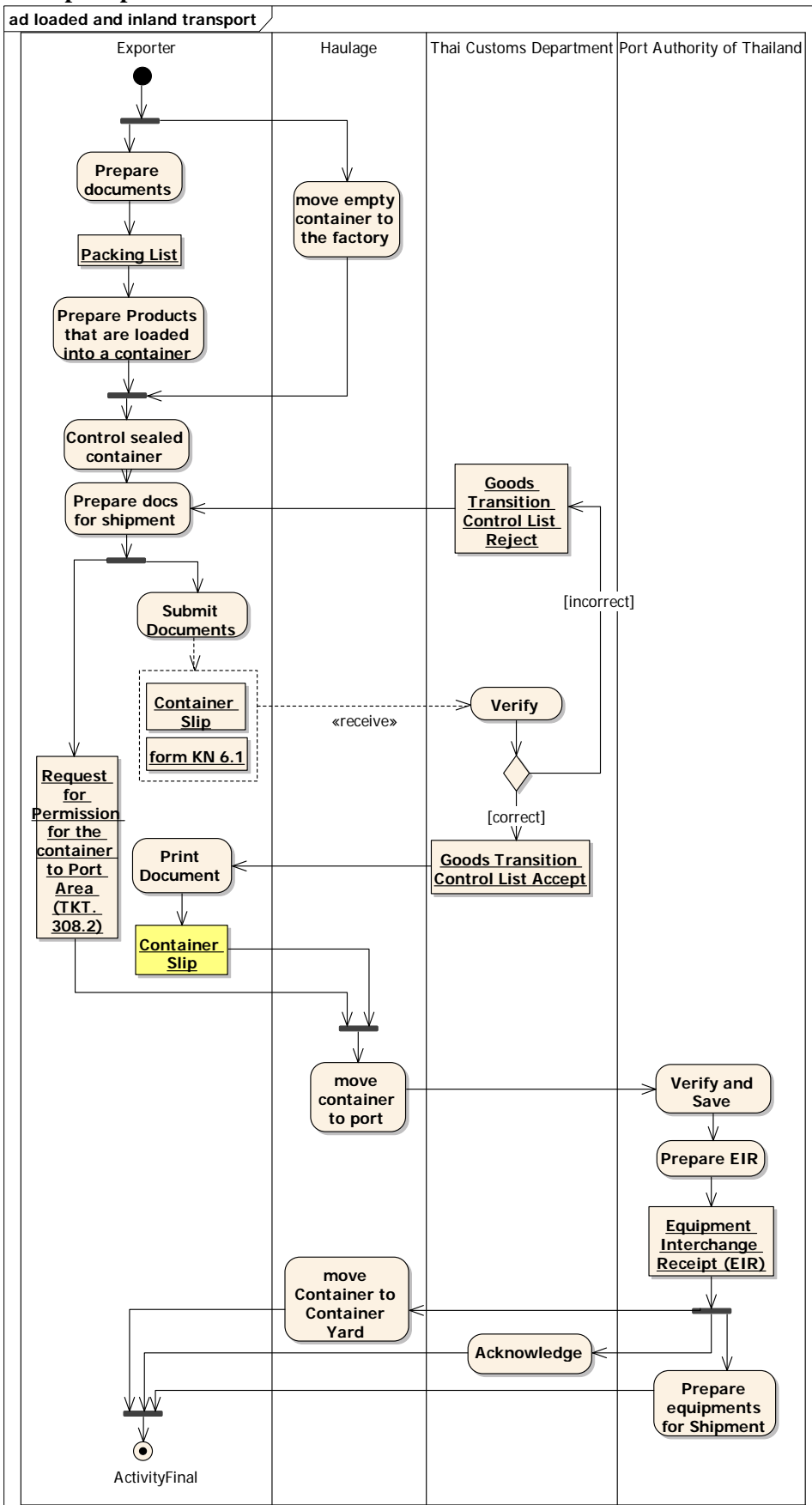


Table 6: Description of activities in the “load and inland transport” process for the export of auto spare parts from Thailand to India

Topic	Description
Process name	Load and Inland Transport
Stakeholders	<ul style="list-style-type: none"> • Exporter • Haulage • Port Authority of Thailand (PAT) • Royal Thai Customs
Pre-Condition	Cargo/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 showing relationship between the “declare to customs” process and stakeholders for the export of auto spare parts from Thailand to India

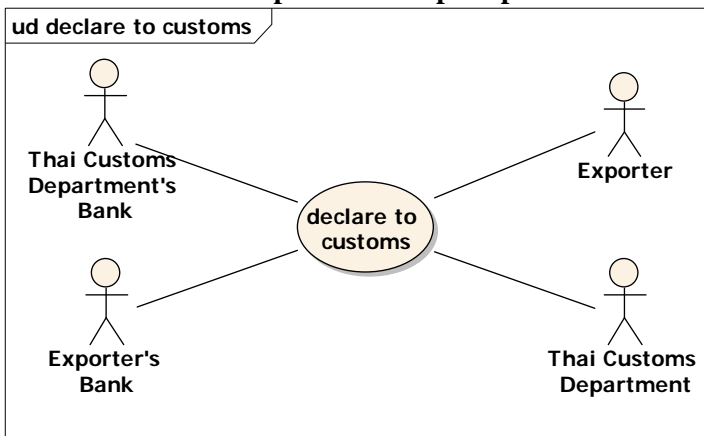


Figure 114:Activity Diagram showing activities in the “declare to customs” process for the export of auto spare parts from Thailand

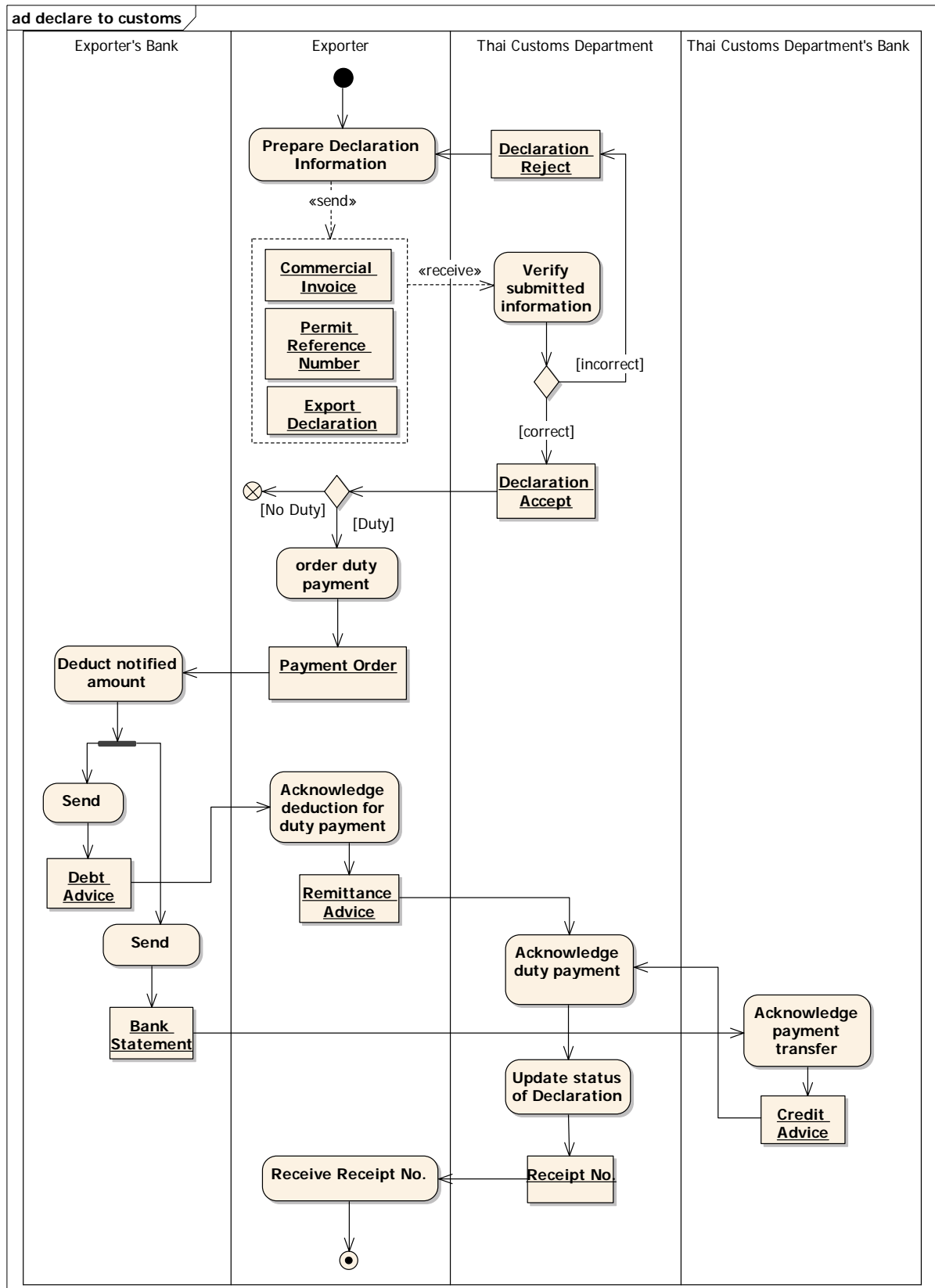


Table 7: Description of activities in the “declare to customs” process for the export of auto spare parts from Thailand to India

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 showing relationship between the “move cargo into the ship” process and stakeholders for the export of auto spare parts from Thailand to India

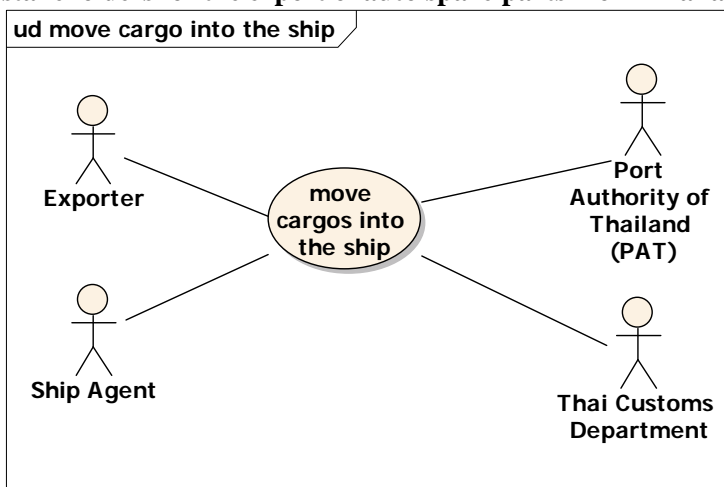


Figure 136: Activity Diagram showing activities in the “move cargo into the ship” process and stakeholders for the export of automobile spare parts from Thailand to India

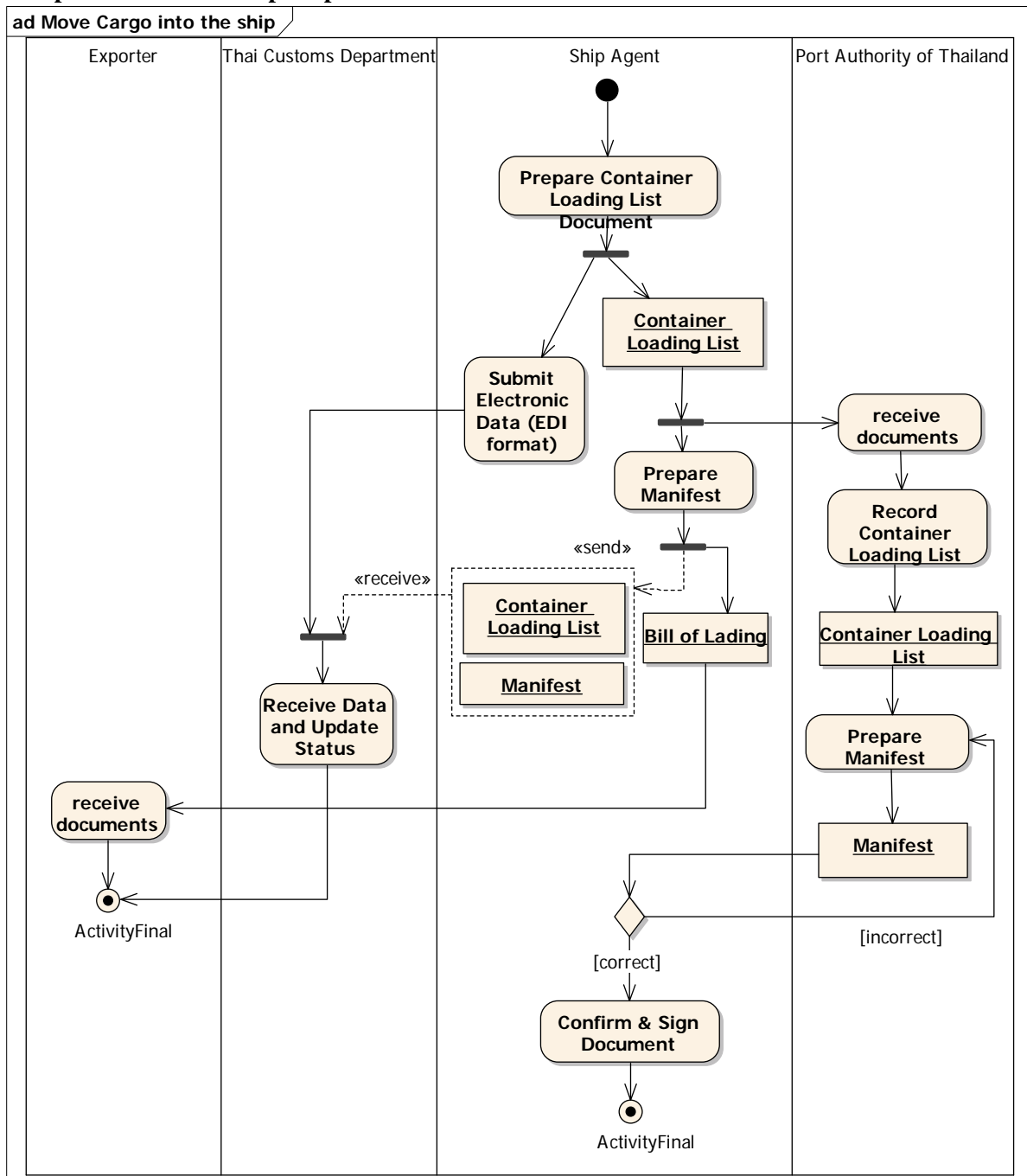


Table 8: Description of activities in the “move cargo into the ship” process and stakeholders for the export of auto spare parts from Thailand to India

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.

Topic	Description
	<ul style="list-style-type: none"> - 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 showing relationship between the “pay” process and stakeholders for the export of auto spare parts from Thailand to India

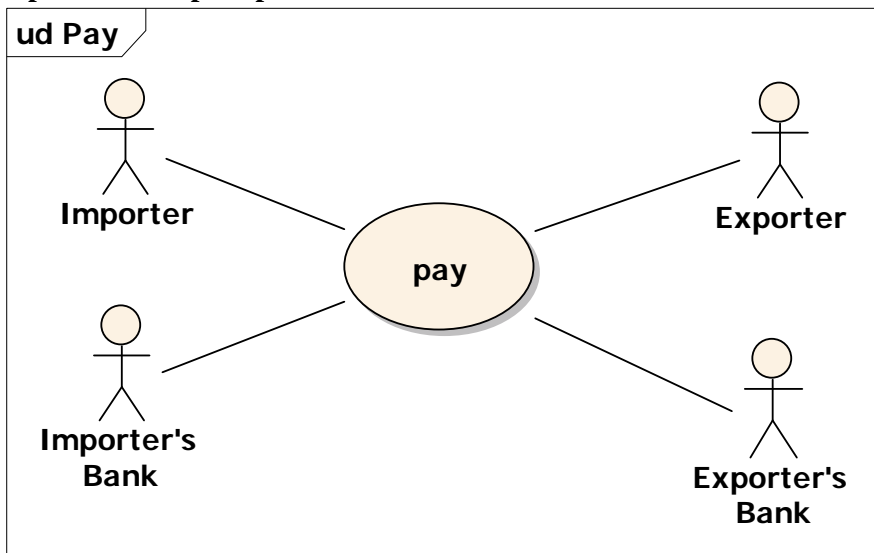


Figure 158: Activity Diagram showing activities in the “pay” process for the export of auto spare parts from Thailand to India

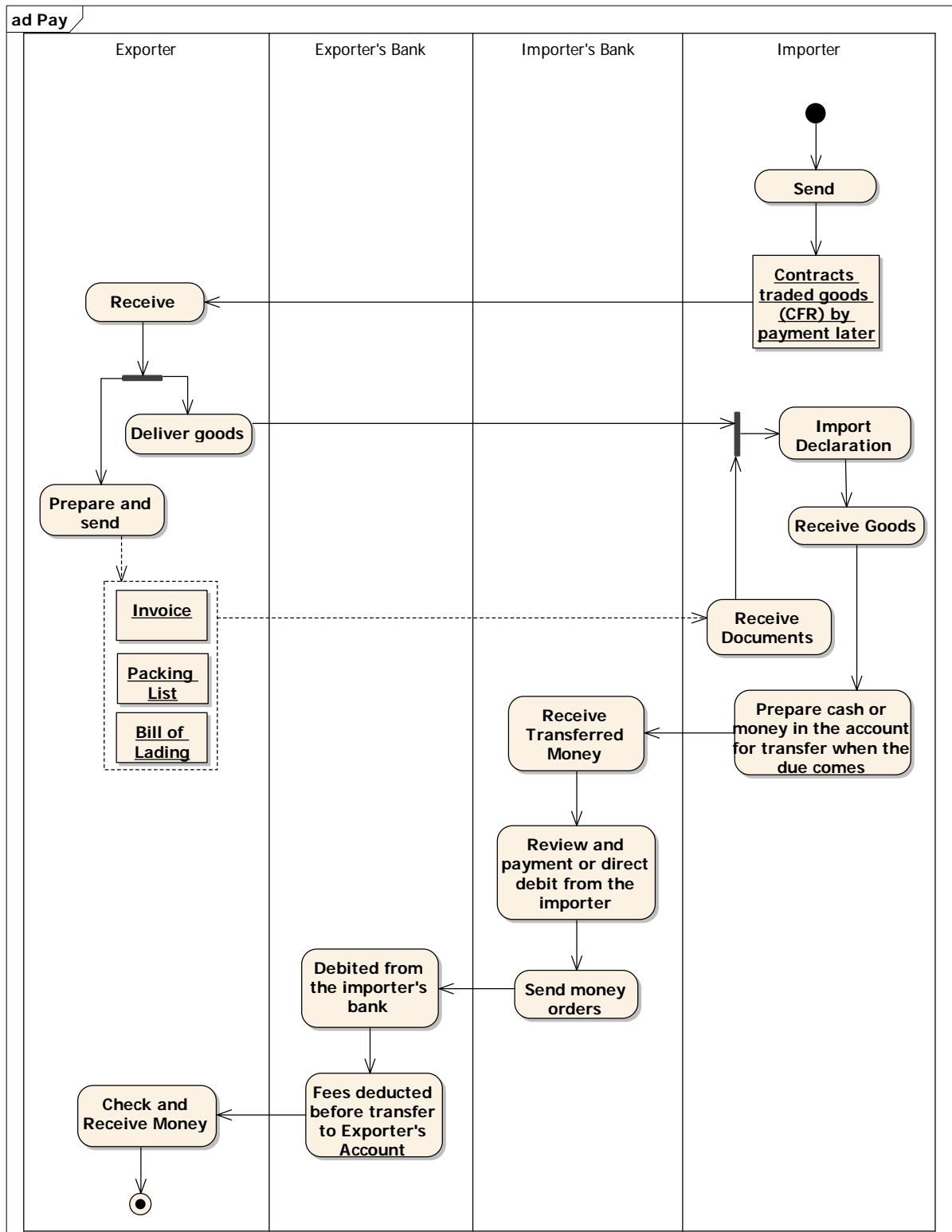


Table 5: Description of activities in the “pay” process for the export of auto spare parts from Thailand to India

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 Analysis of Sugar Export from Thailand to Bangladesh

The study process and stakeholders involved.

Figure 1: Use Case Diagram of Sugar Export from Thailand to Bangladesh

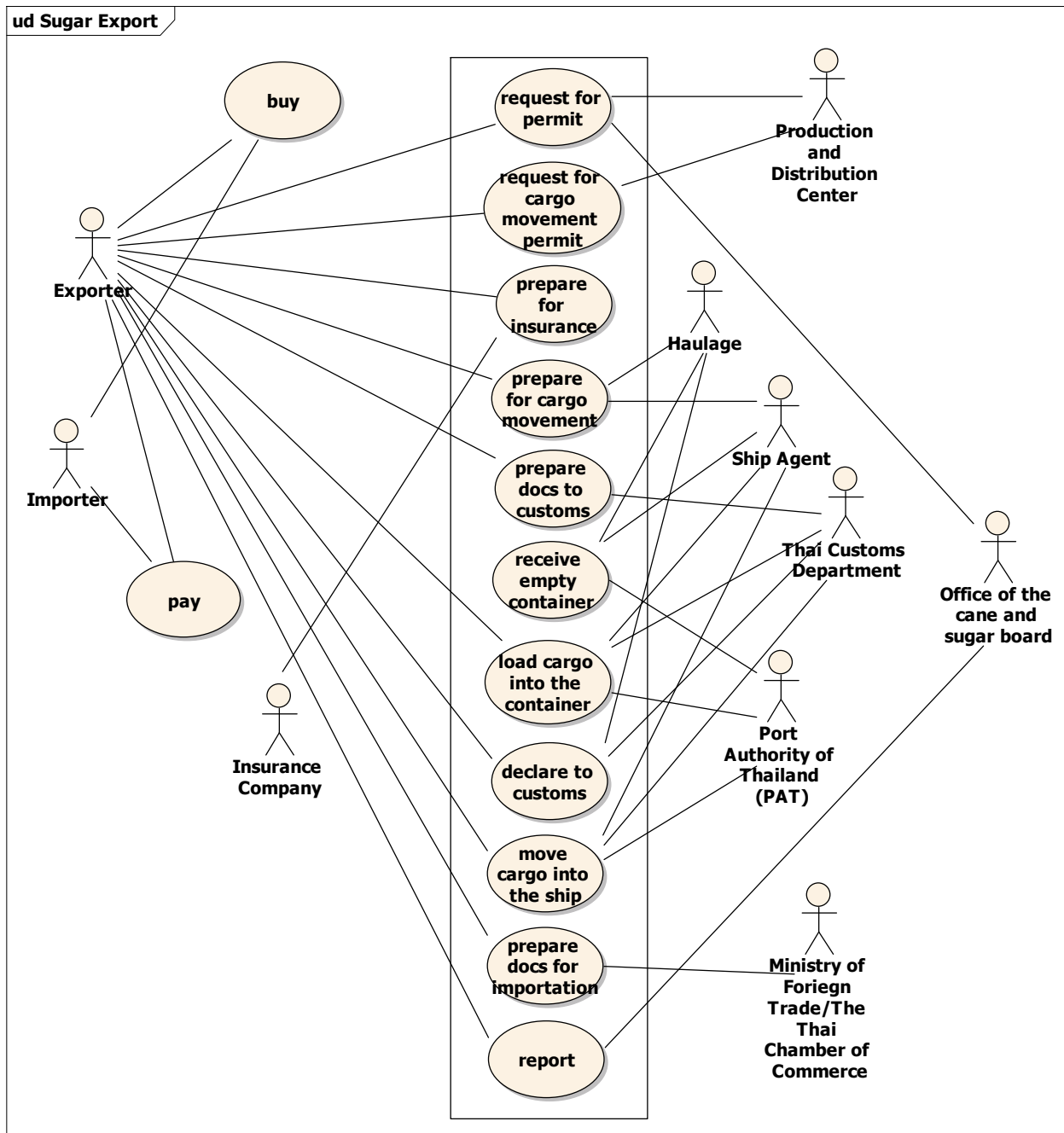


Table 1: Description of the Use Case Diagram for Sugar Export from Thailand to Bangladesh

Topic	Description
Diagram Name	Sugar Export from Thailand to Bangladesh
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
Processes	<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

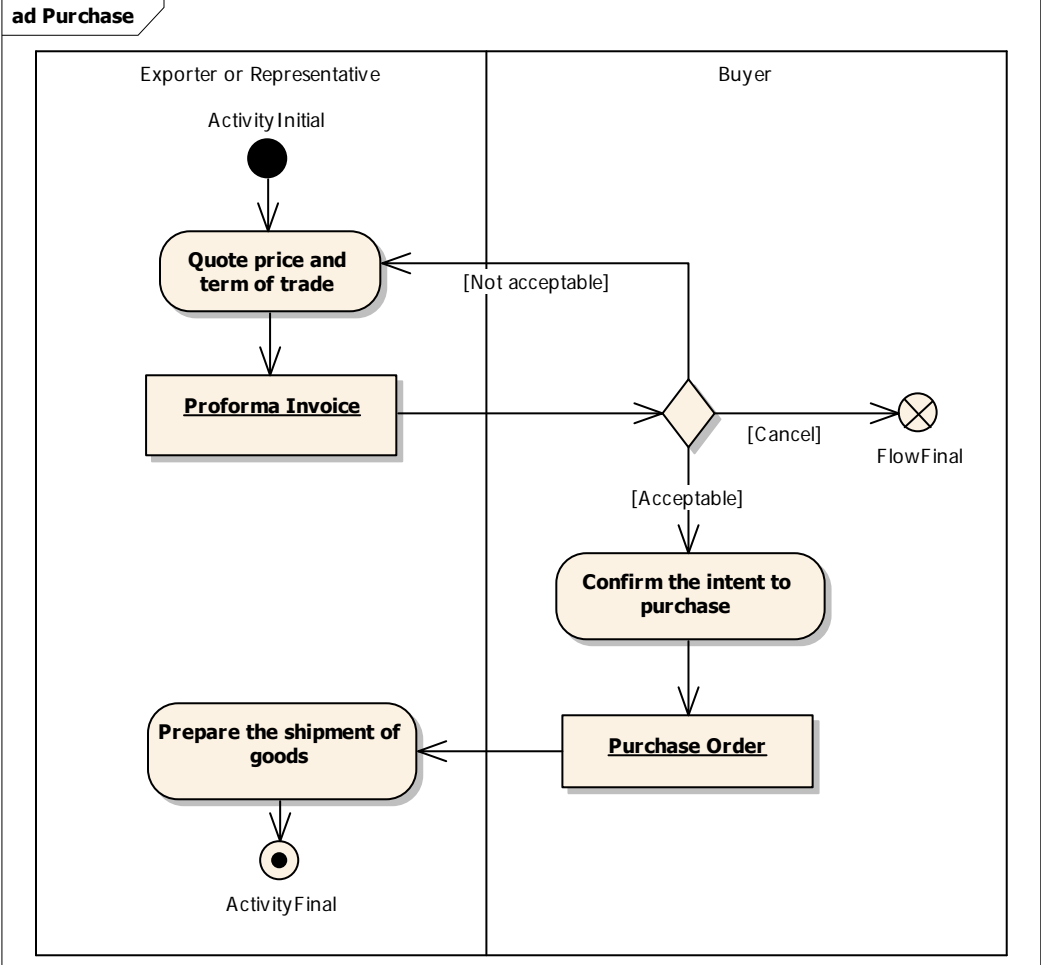


Table 2: Description of activities in the “buy” process for Sugar Export from Thailand

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

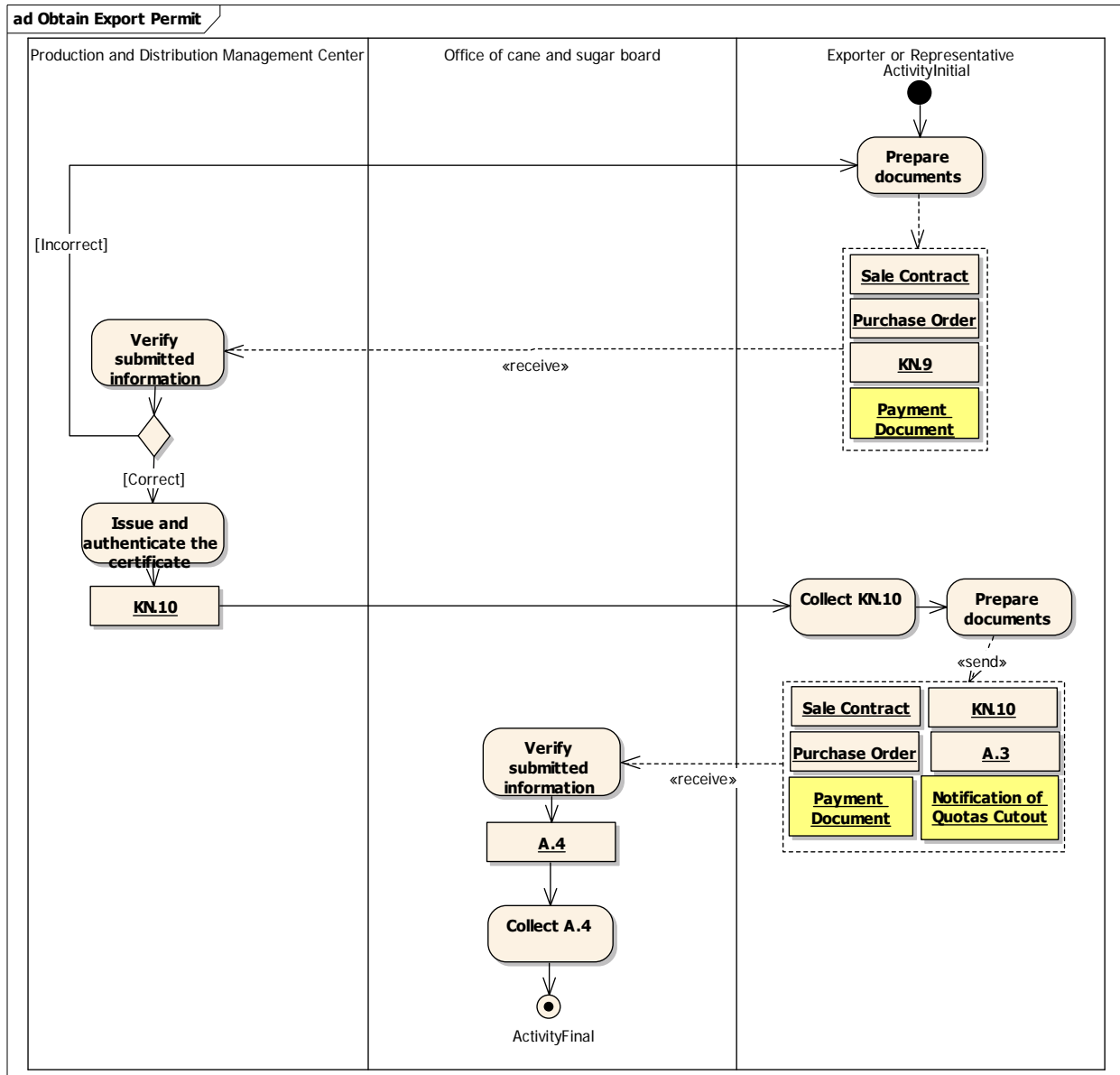
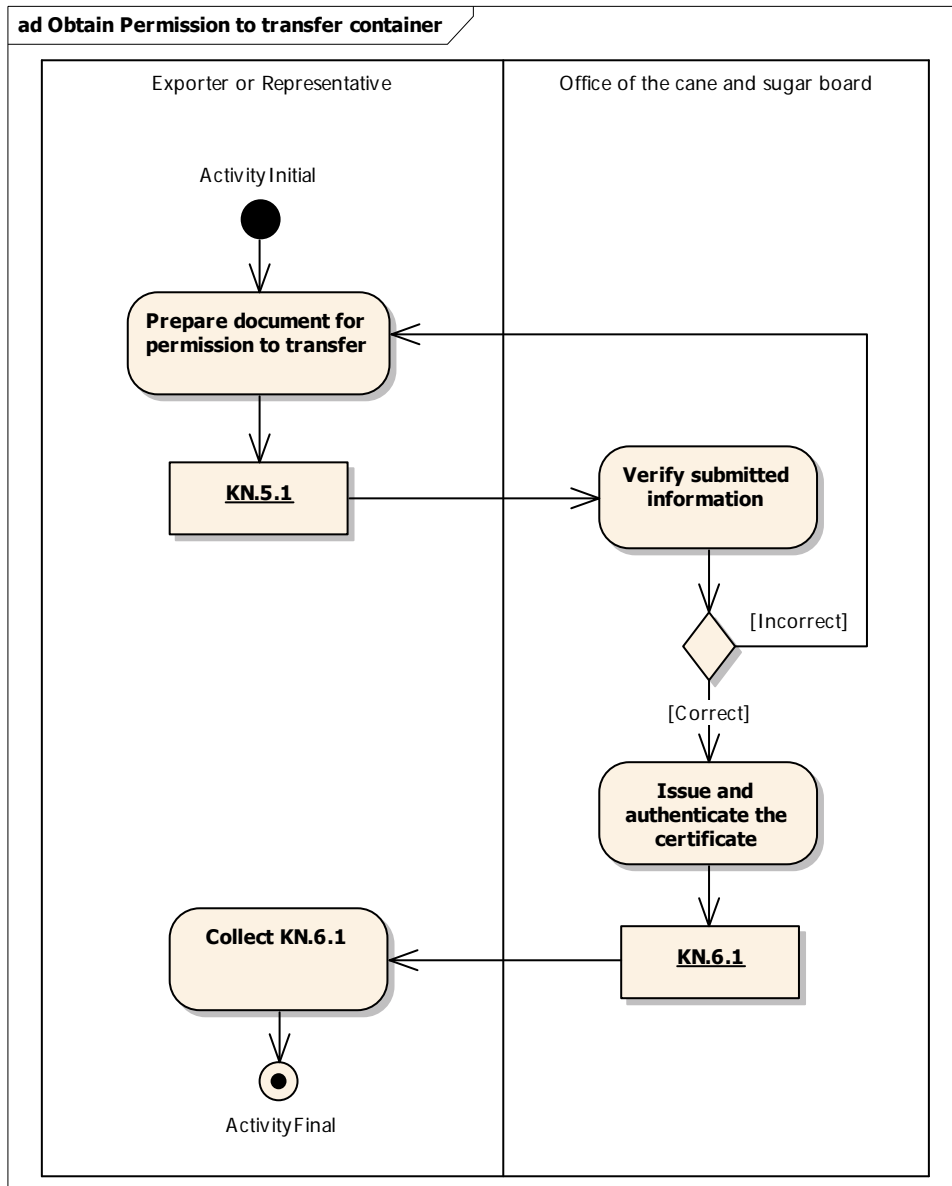


Table 3: Table explaining activities in the “obtain export permit” process for Sugar Export from Thailand

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
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

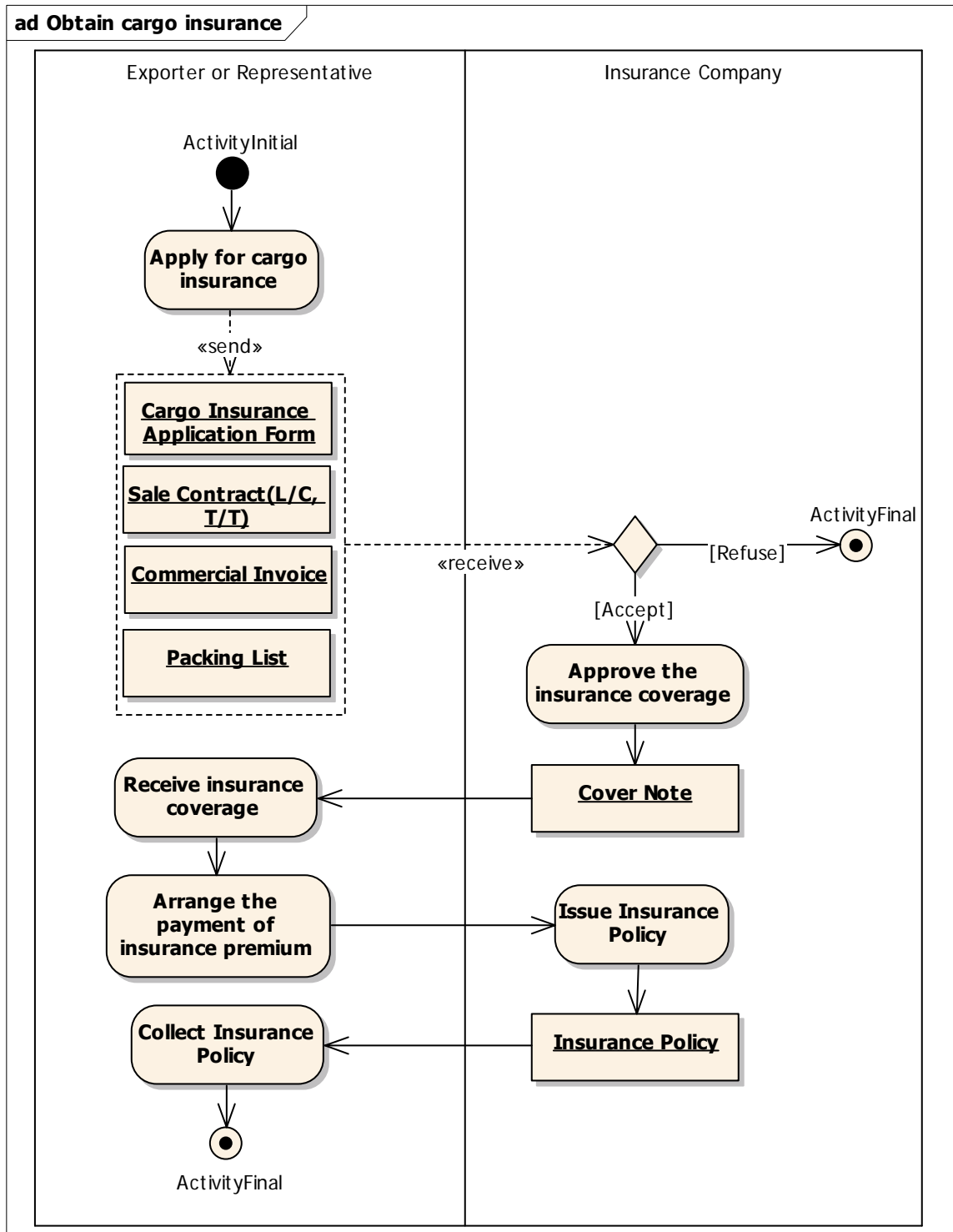


Table 5: Description of activities in the obtain permission to “obtain cargo insurance process” for sugar export from Thailand

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

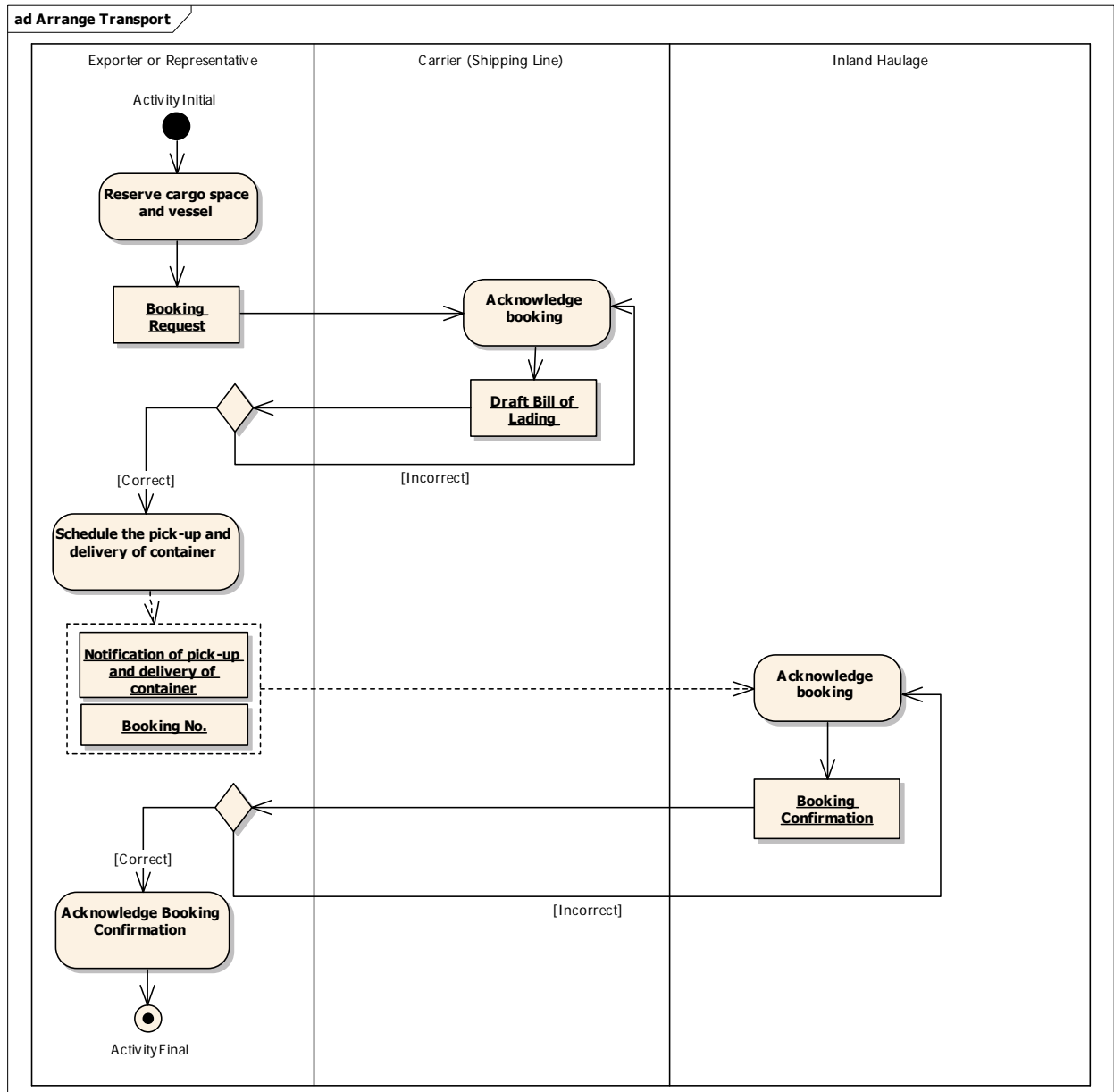


Table 6: Description of activities in the “arrange transport” process for Sugar Export from Thailand

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

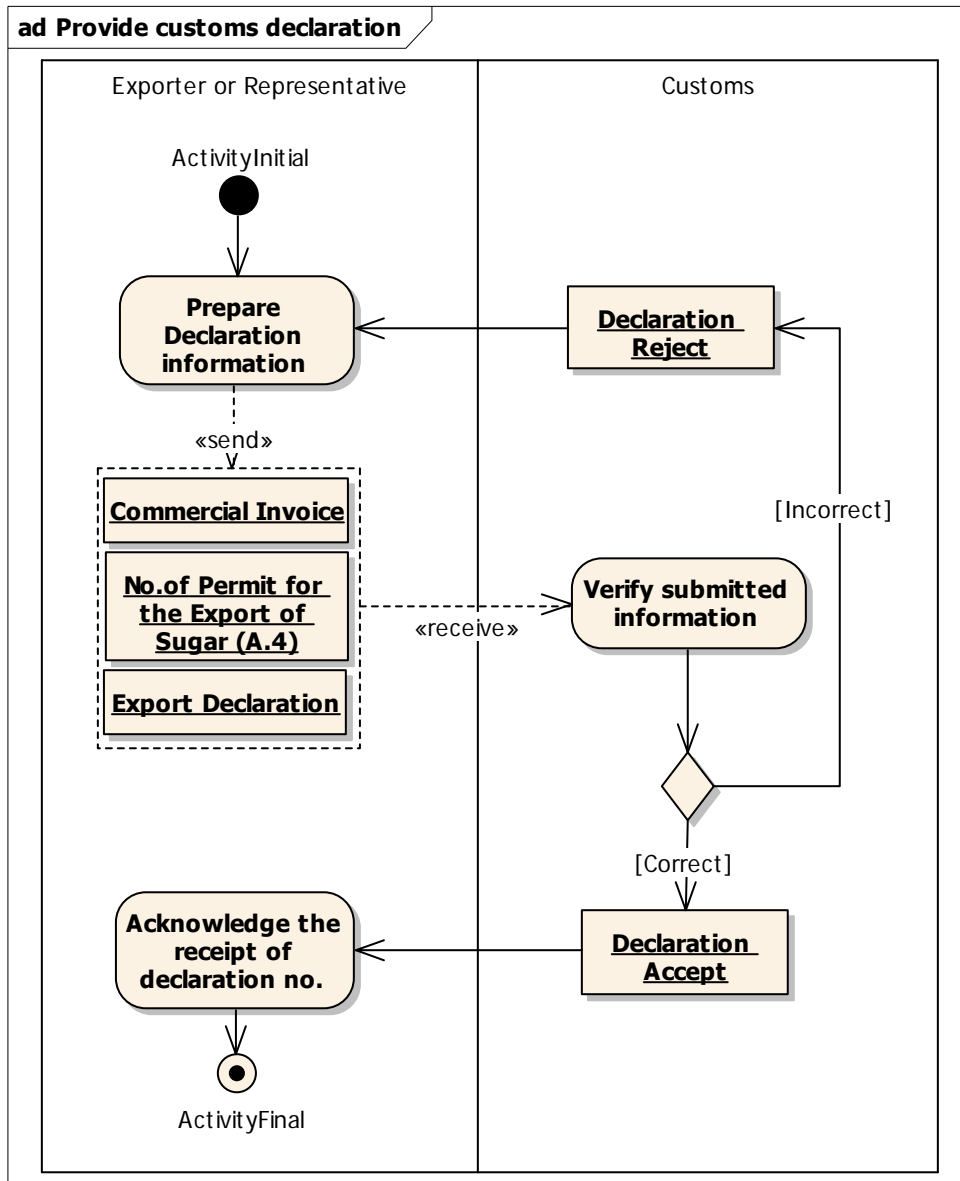


Table 7: Description of activities in the “provide customs declaration” process for Sugar Export from Thailand

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

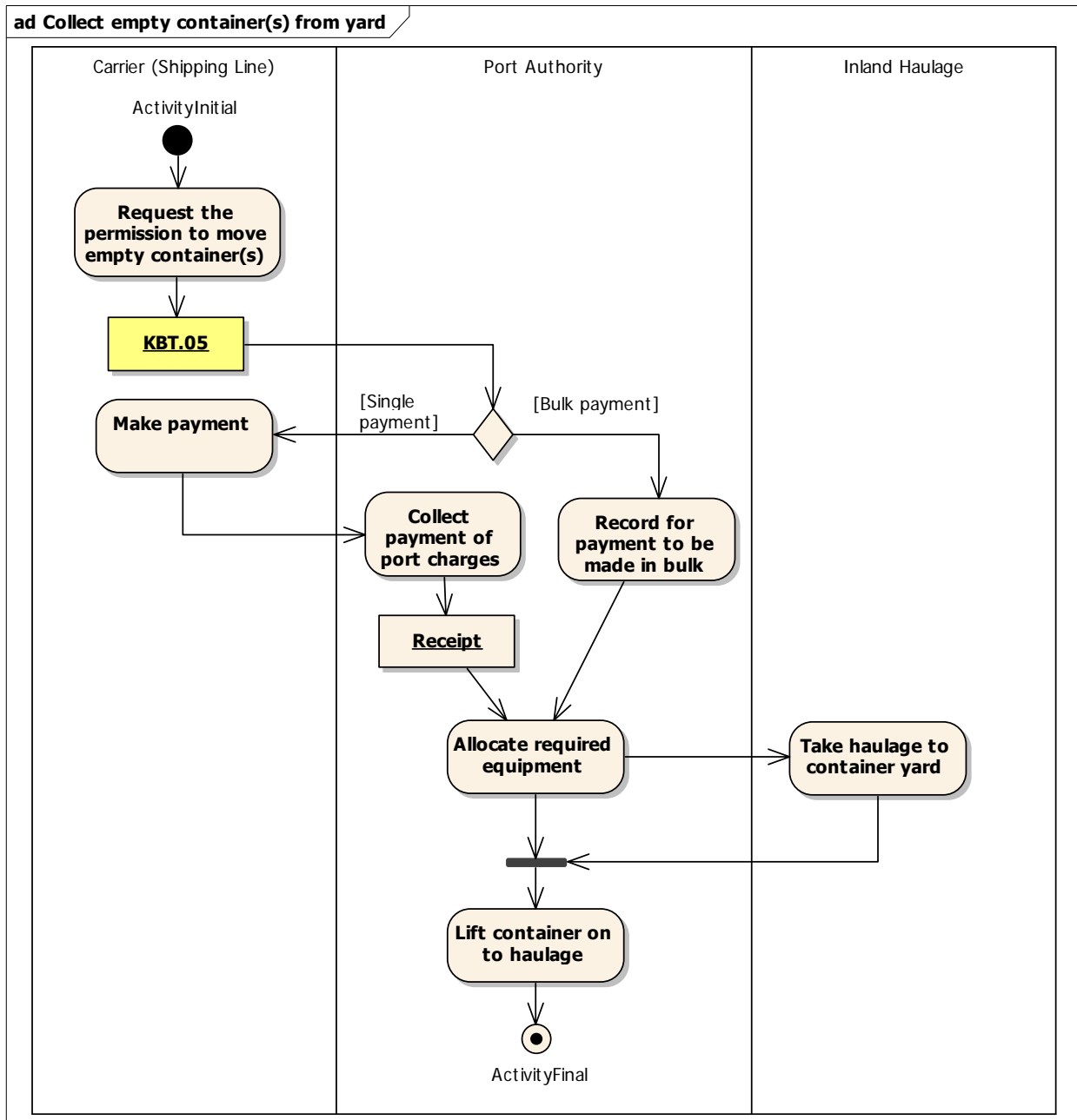


Table 8: Description of activities in the “collect empty container from yard” process for Sugar Export from Thailand

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 fill container process

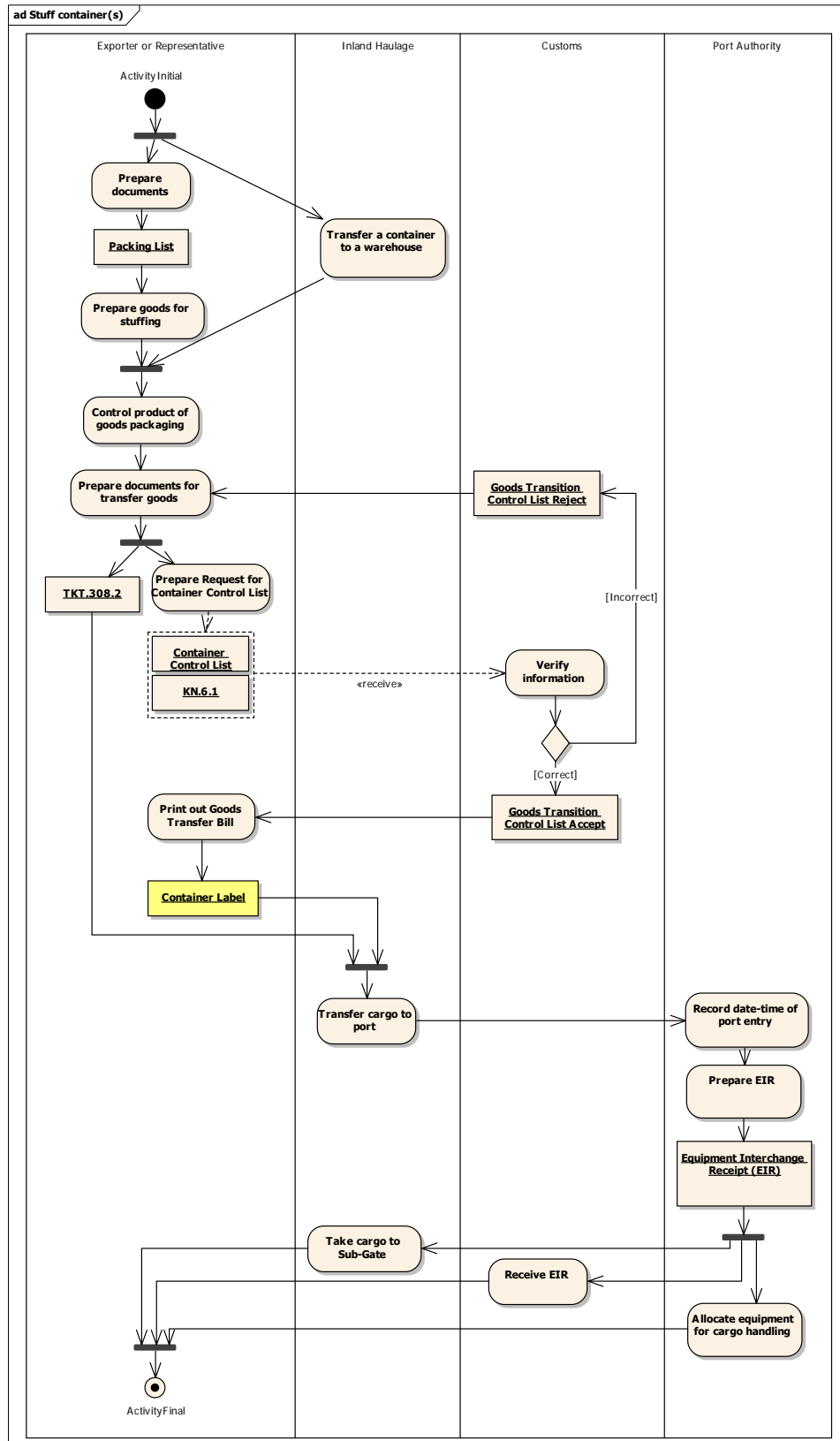


Table 9: Description of activities in the “fill container” process for Sugar Export from Thailand

Topic	Description
Process Name	Fill 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 filled.
Description	<ul style="list-style-type: none"> ● An exporter prepares the goods to be packed 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

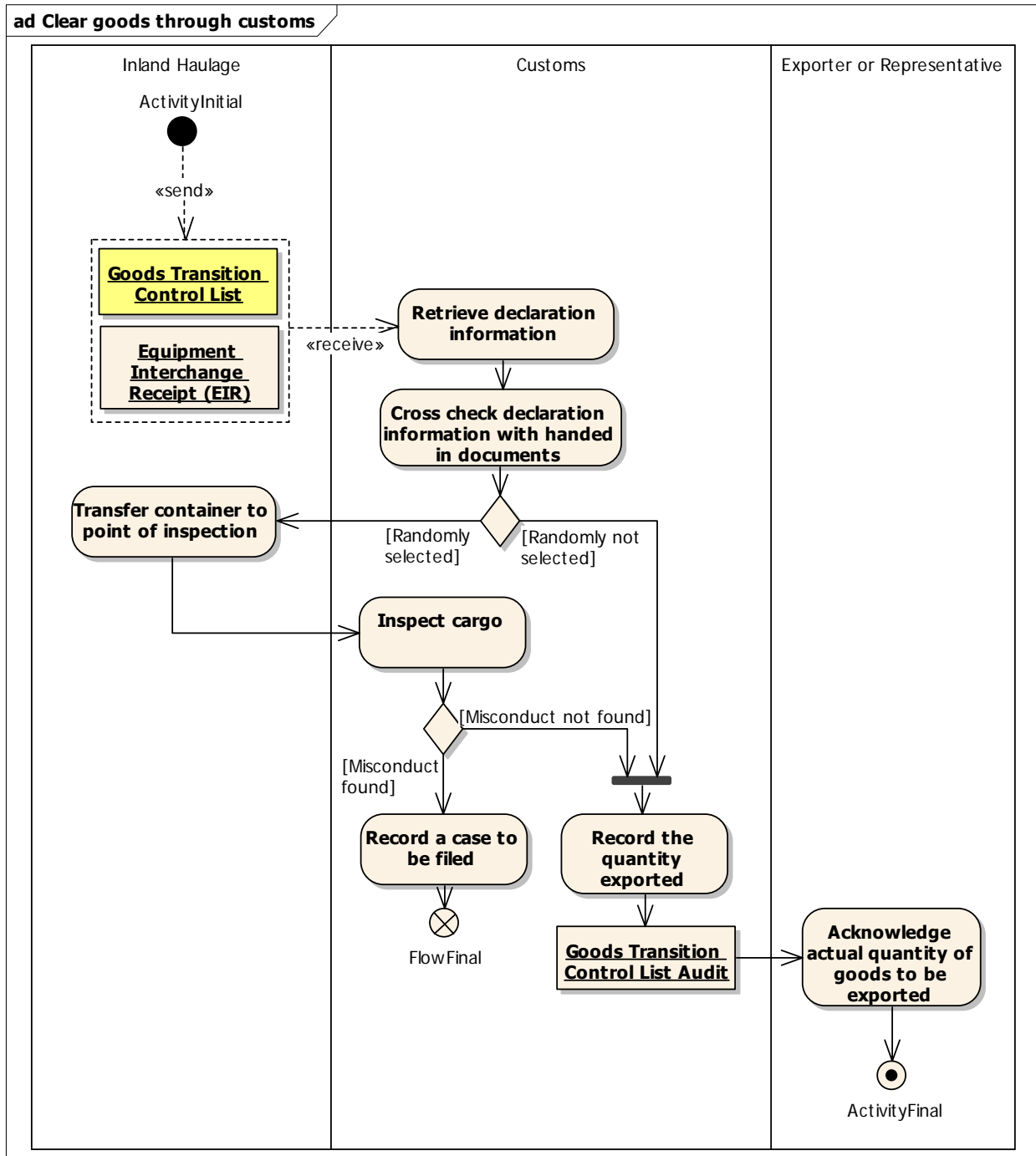


Table 10: Description of activities in the “clear goods through customs” process for Sugar Export from Thailand

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 filled 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 showing activities in the “handle container and stow on vessel” process

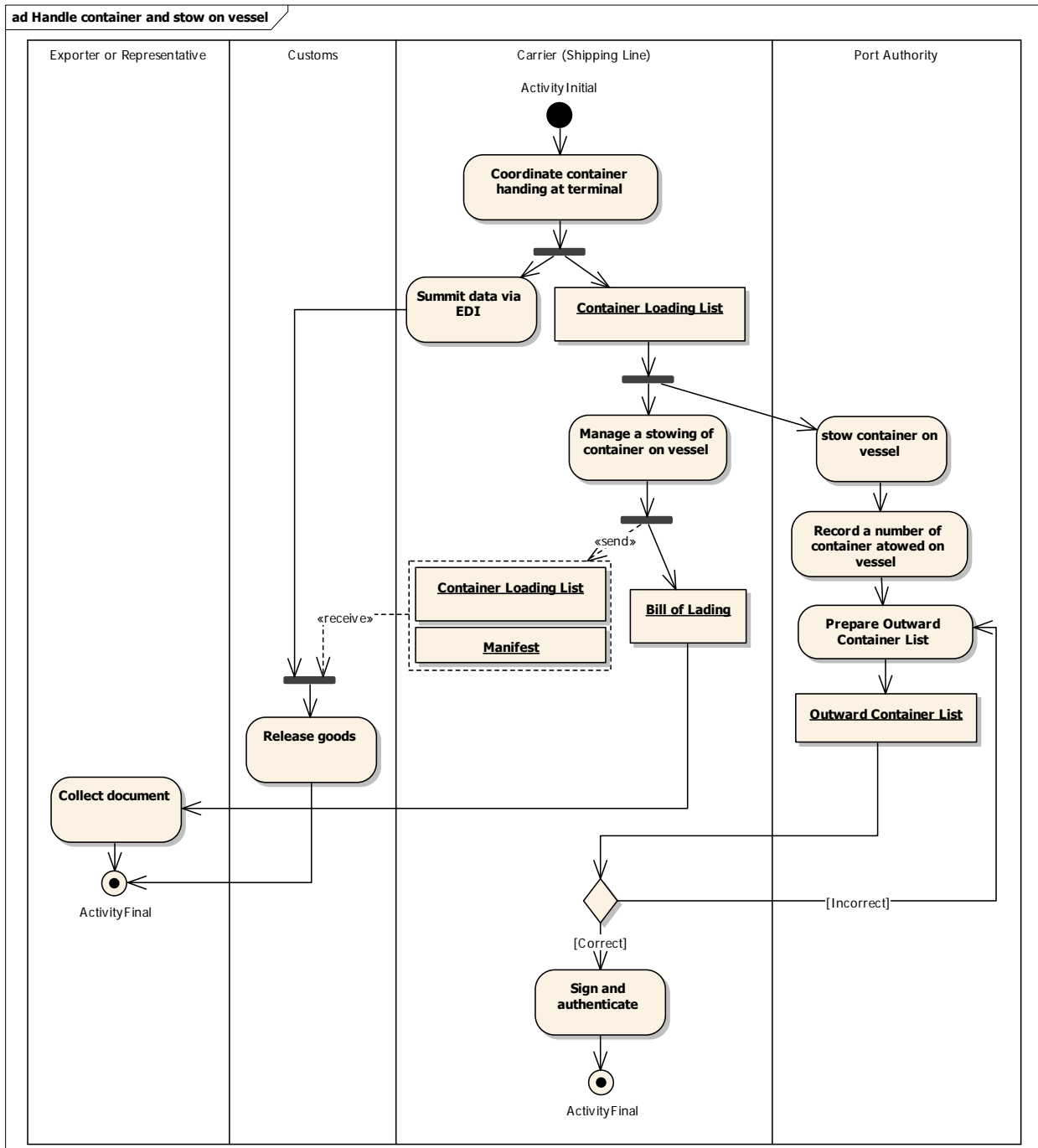


Table 11: Description of activities in the “handle container and stow on vessel” process for Sugar Export from Thailand

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 documents required by importer” process

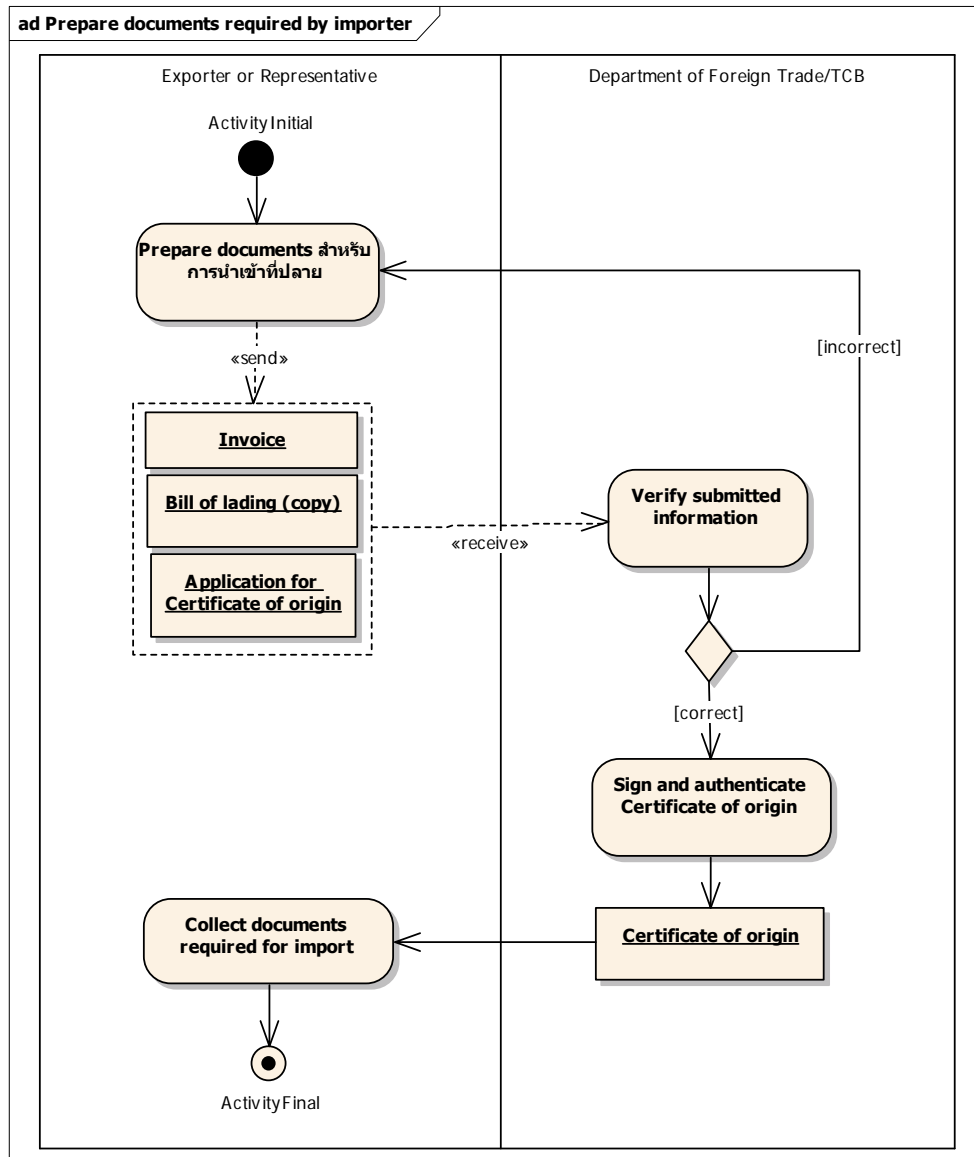


Table 12 : Description of the “prepare documents required by importer” process for Sugar Export from Thailand

Topic	Description
Process Name	Prepare documents 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

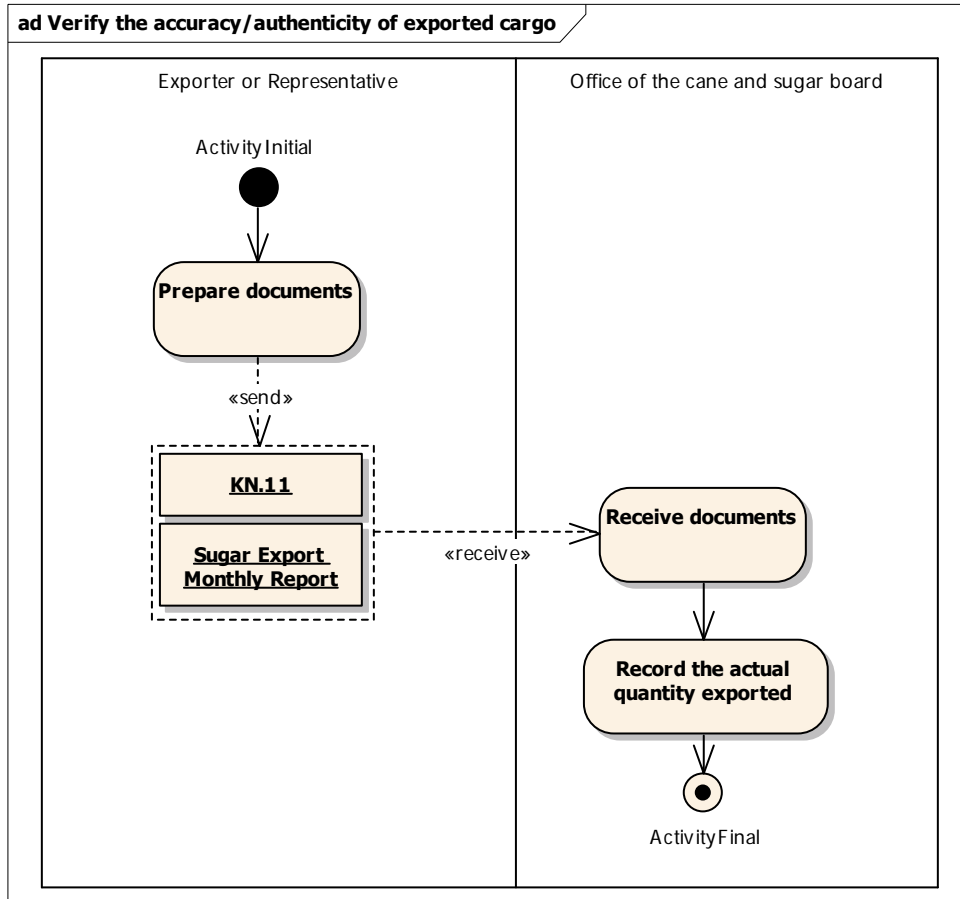


Table 13 : Description of activities in the “verify the accuracy/authenticity of exported cargo” process for Sugar Export from Thailand

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

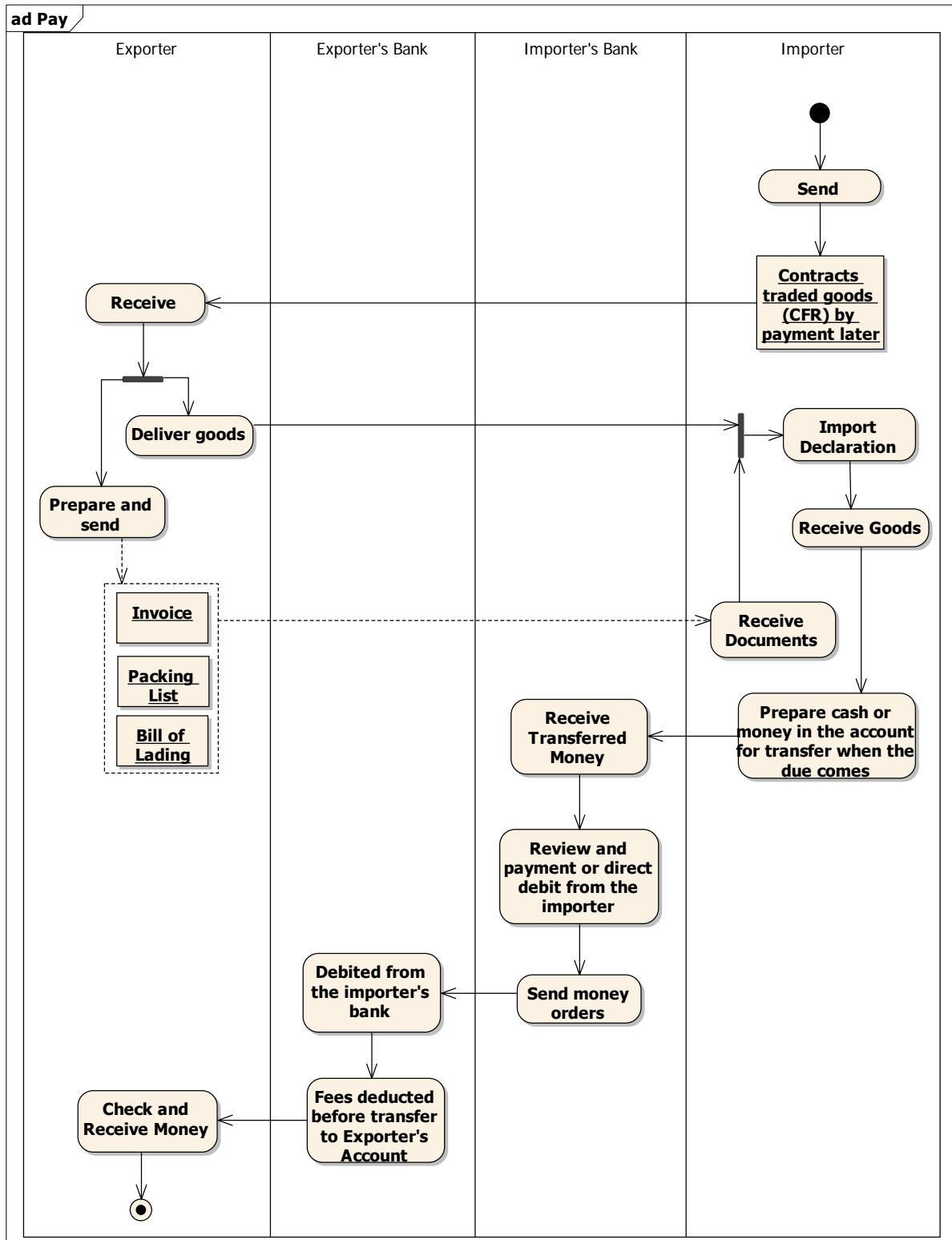


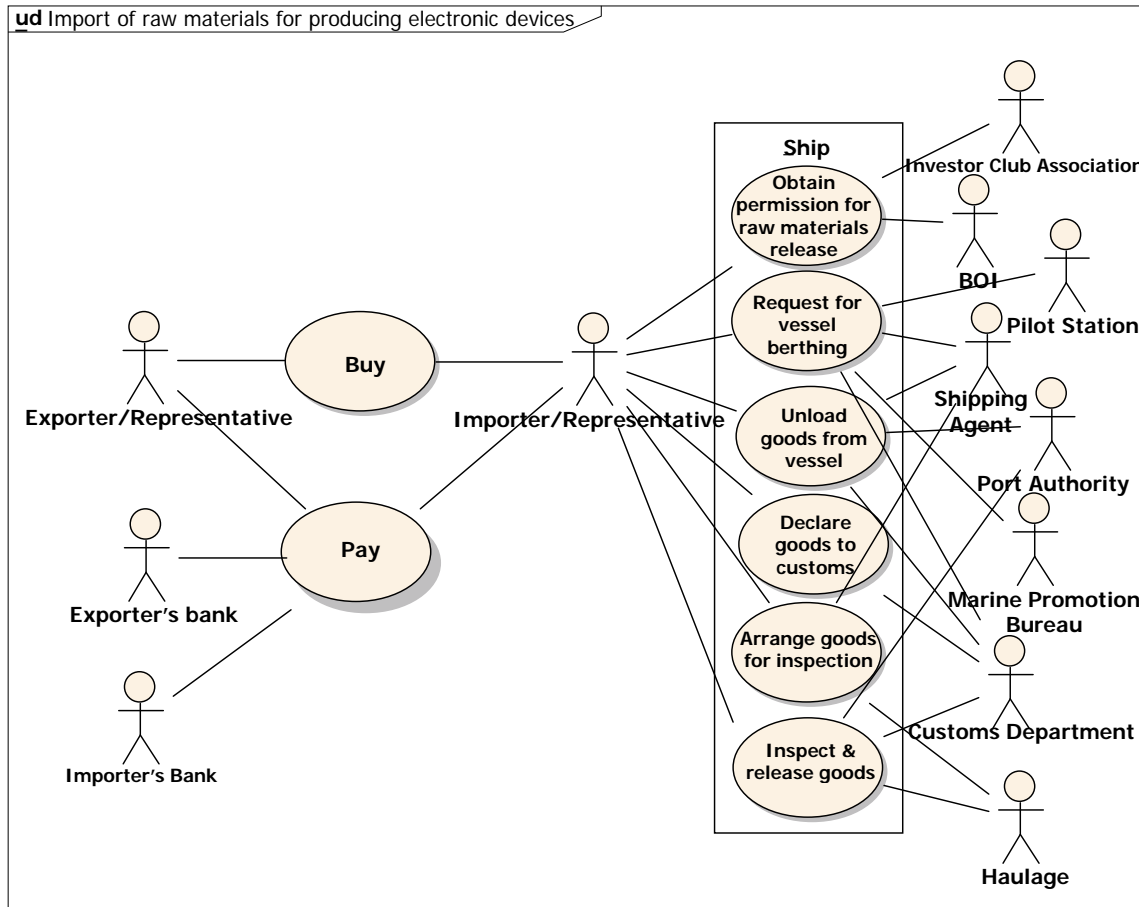
Table 14: Description of the “pay” process for Sugar Export from Thailand

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 into Thailand from China

The study process and stakeholders involved.

Figure 1: Use Case Diagram showing the processes and stakeholders involved in the import of raw materials for producing electronic devices into Thailand from China



Diagrams for the three process areas: Buy-Pay-Sell

1. Buy Process

Figure 2: Use Case Diagram showing relationship between the “buy” process and its stakeholders

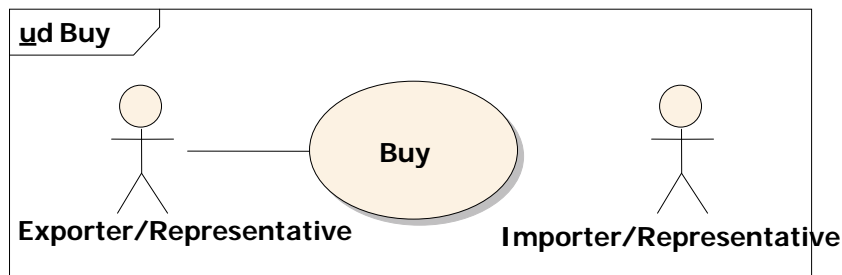


Figure 3: Activities in the “buy” process for the import of raw materials into Thailand

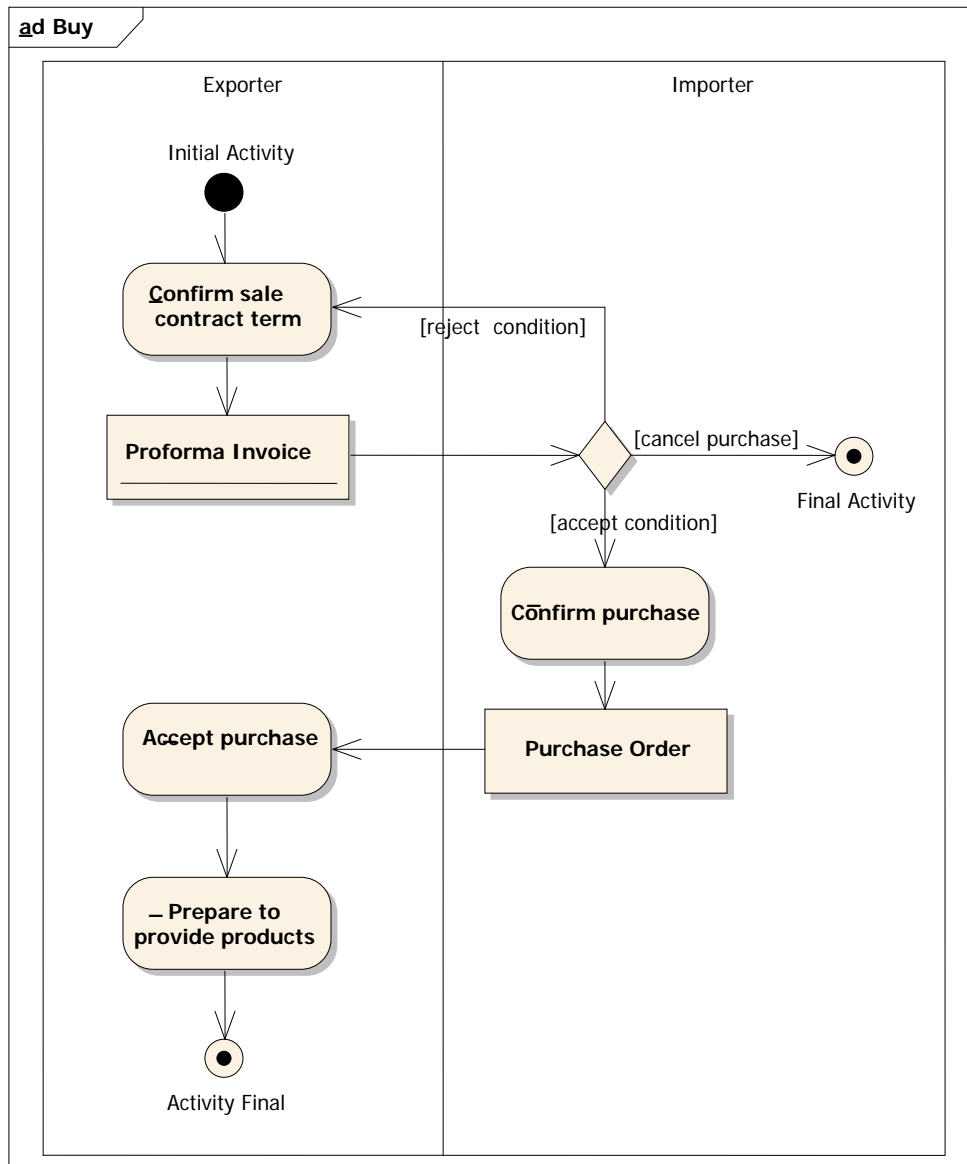


Table 1: Description of the “buy” process for the import of raw materials into Thailand

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.

Topic	Description
Post-condition	<ul style="list-style-type: none"> Buyer and seller establish their contract and sale terms. 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 the relationship between the “obtain permission for raw materials release” process and stakeholders in the import of raw materials into Thailand

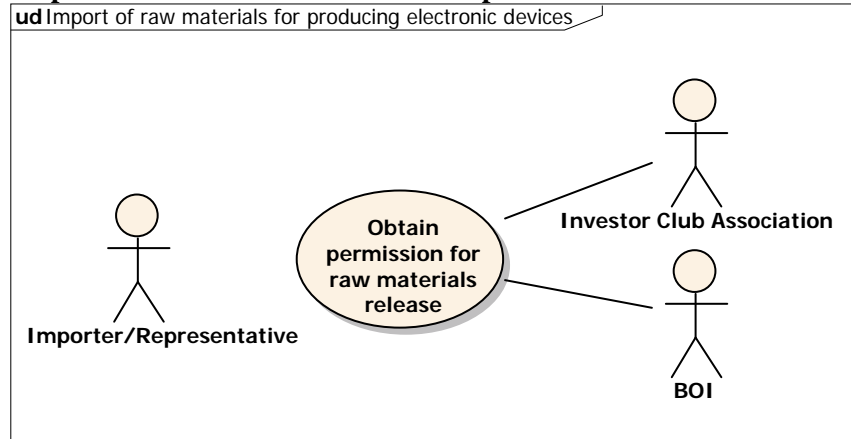


Figure 5: Activities in the “obtain permission for raw materials release” procedure for the import of raw materials into Thailand

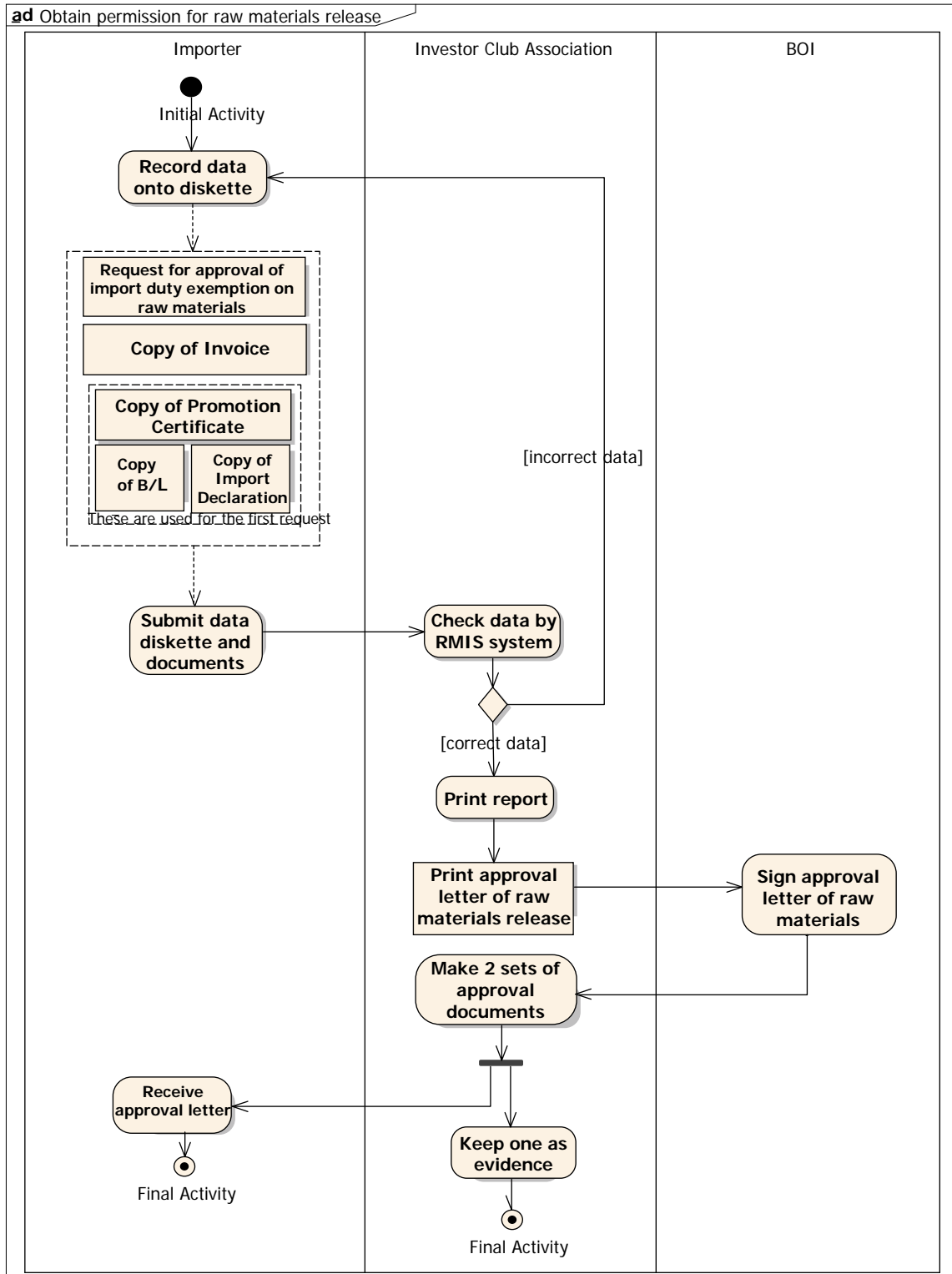


Table 2: Description of the “obtain permission for raw materials release” process for the import of raw materials into Thailand

Topic	Description
Process Name	Obtain permission for raw materials release
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 Association signs the approval letter. ● 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 the relationship between the “request for vessel berthing” process and stakeholders in the import of raw materials for into Thailand

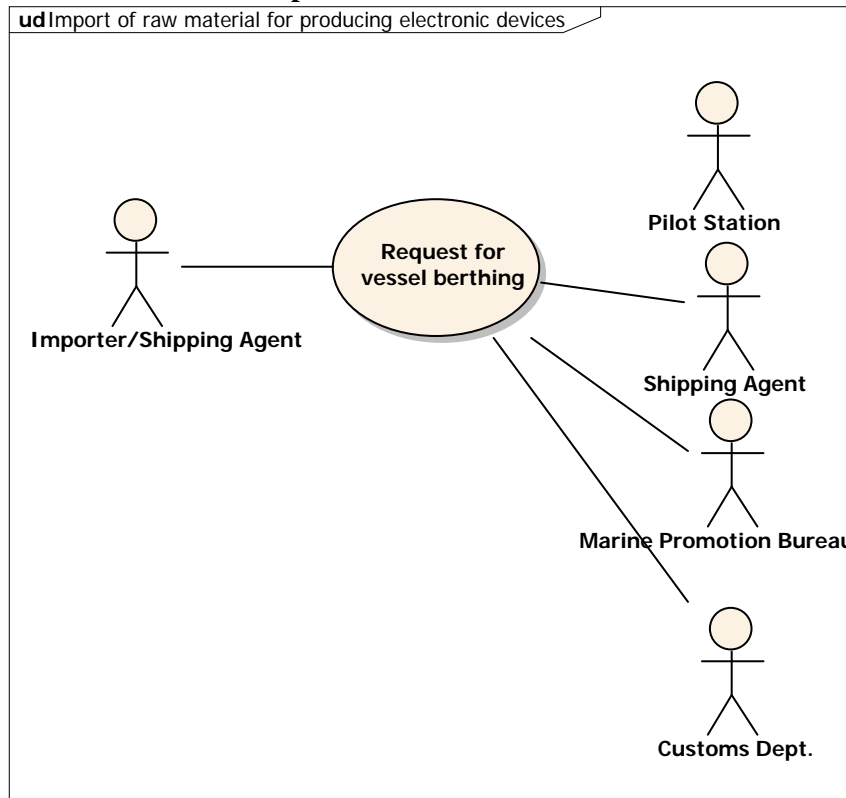


Figure 7: Activities in the “request for vessel berthing” process for the import of raw materials into Thailand

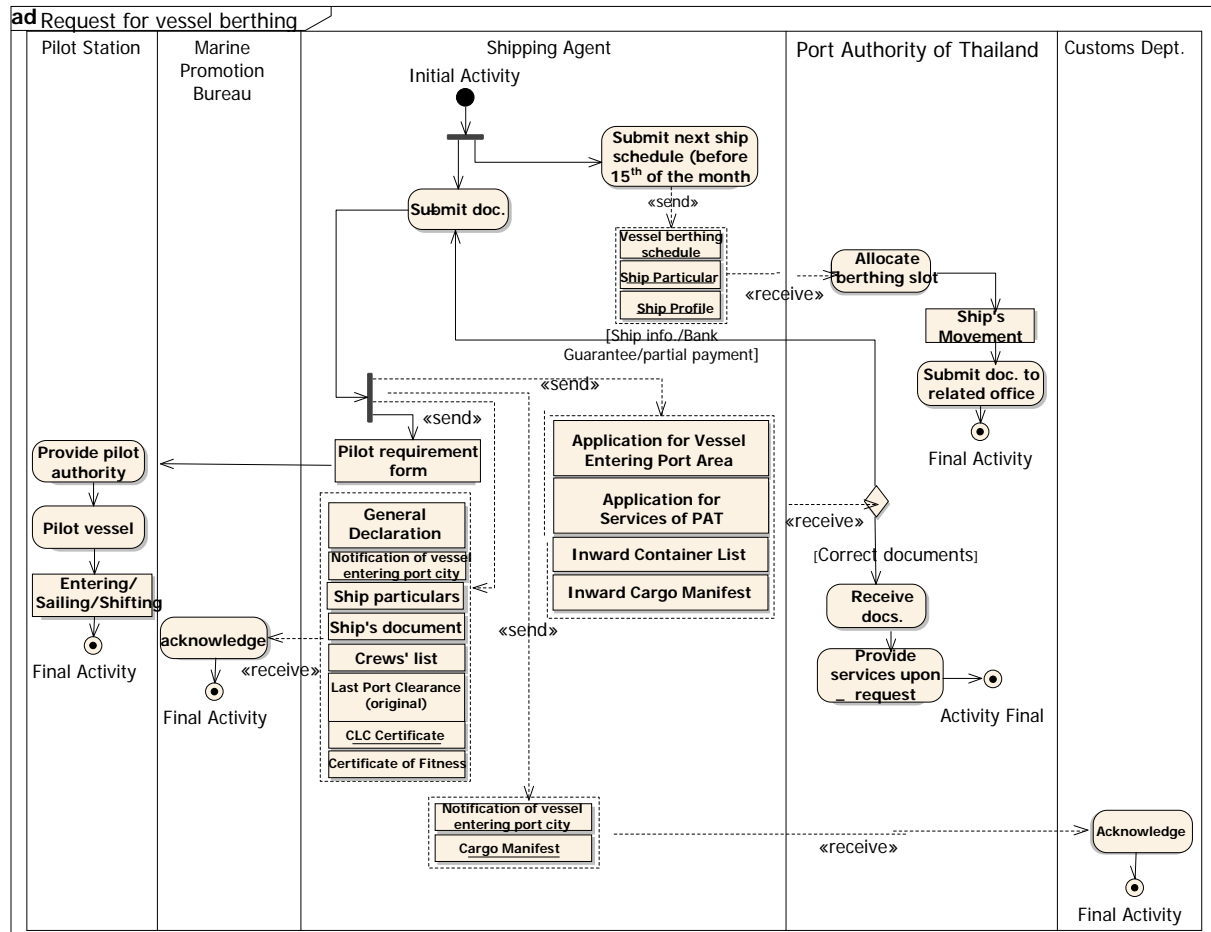


Table 3: Description of the “request for vessel berthing” process for the import of raw materials into Thailand

Topic	Description
Process Name	Request for vessel berthing
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-Conditions	<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</p>

Topic	Description
	<p>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 confirm the pilot operation. ● 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-Conditions	<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 the relationship between the “unload goods from vessel” process and stakeholders in the import of raw materials into Thailand

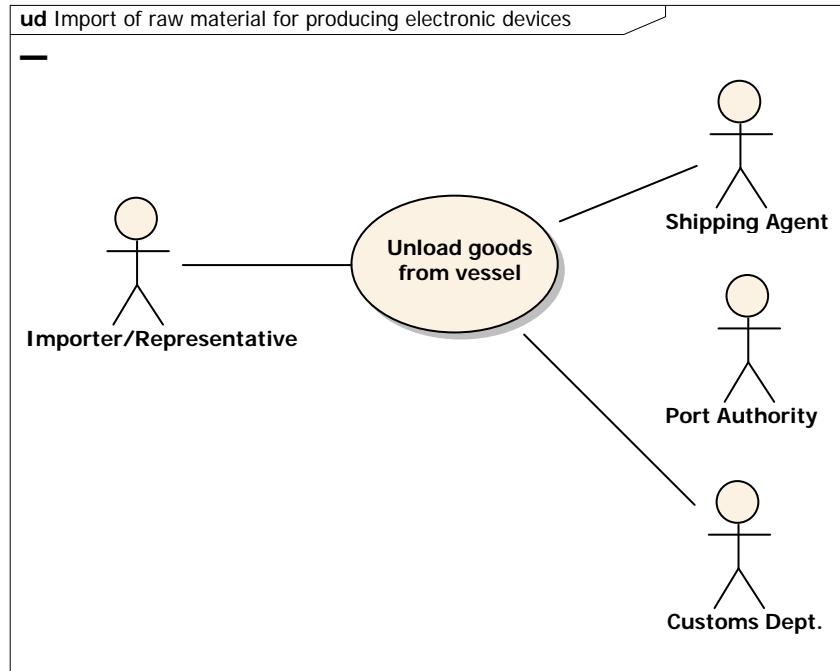


Figure 9: Activities in the “unload goods from vessel” process for the import of raw materials into Thailand

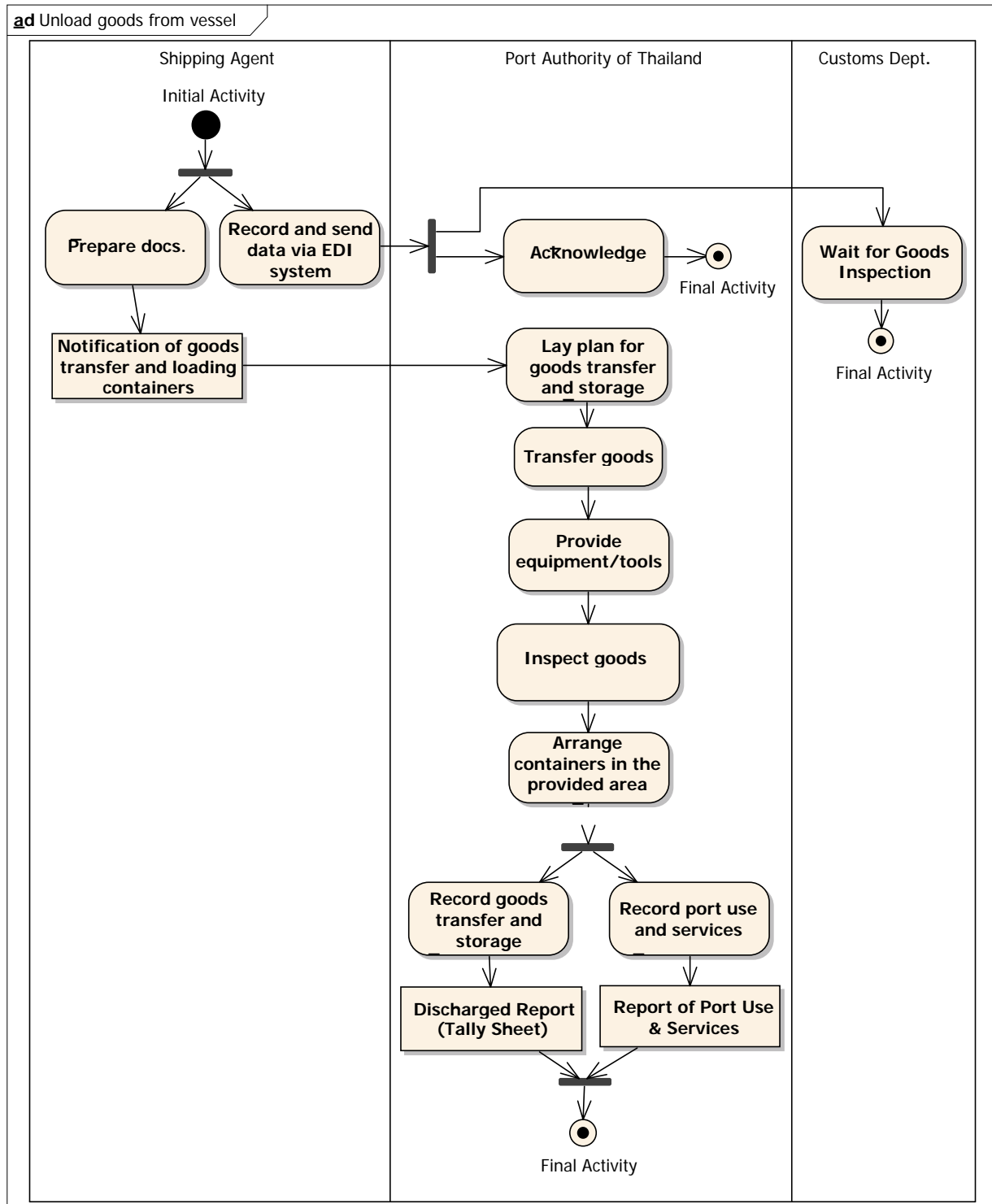


Table 4: Description of the “unload goods from vessel” process for the import of raw materials into Thailand

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

2.4 Declare goods to customs

Figure 10: Use Case Diagram showing the relationship between the “declare goods to customs” process and stakeholders in the import of raw materials into Thailand

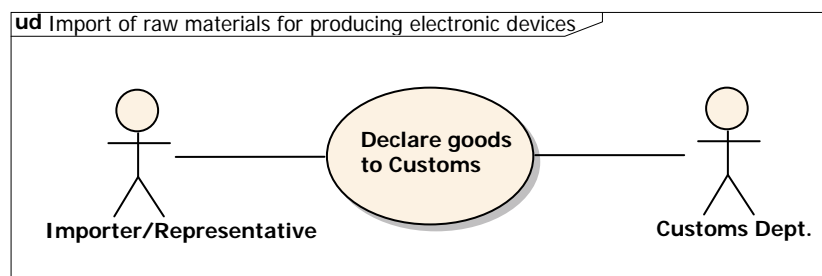


Figure 11: Activities in the “declare goods to customs” process for the import of raw materials into Thailand

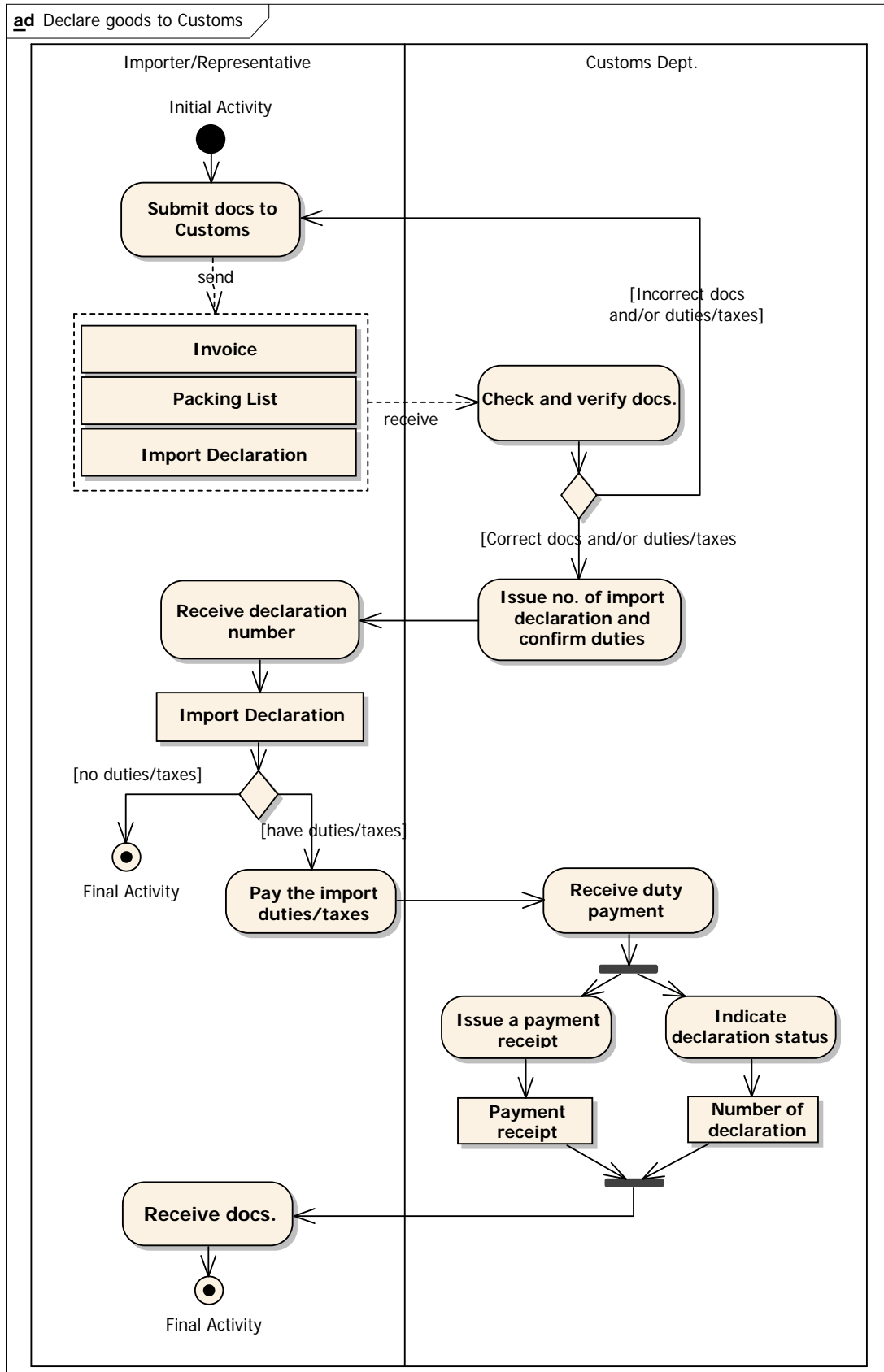


Table 5: Description of the “declare goods to customs” process for the import of raw materials into Thailand

Topic	Description
Process Name	Declare goods to Customs
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
Remarks	<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 the relationship between the “arrange goods for inspection” process and stakeholders in the import of raw materials into Thailand

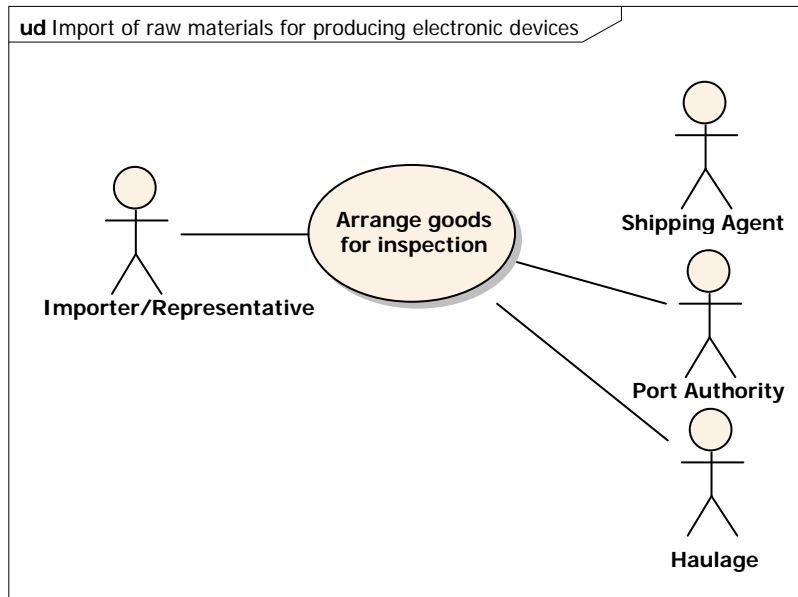


Figure 13: Activities in the “arrange goods for inspection” process for the import of raw materials into Thailand

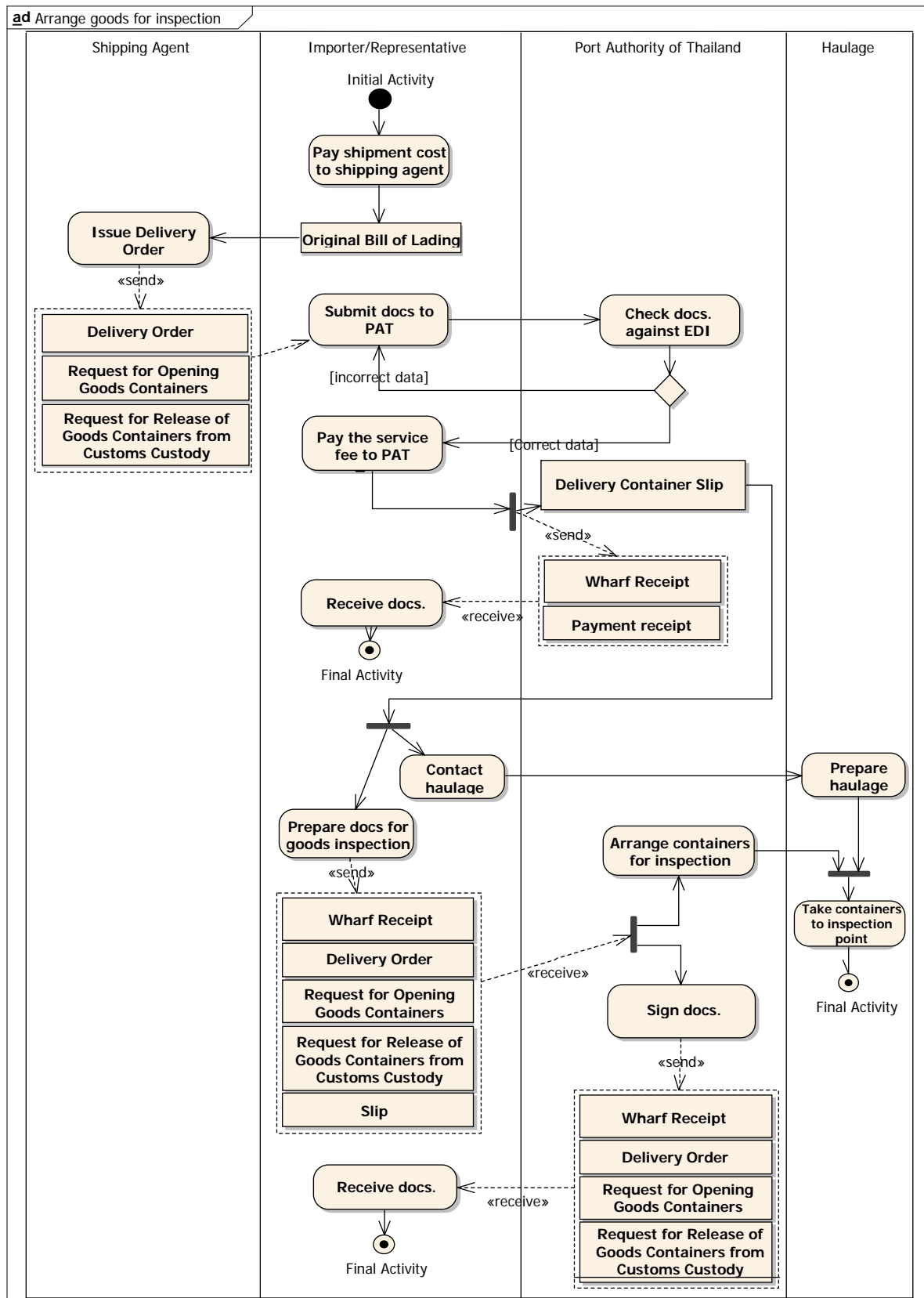


Table 6: Description of the “arrange goods for inspection” process for the import of raw materials into Thailand

Topic	Description
Process Name	Arrange goods for inspection
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 ● 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.
Remarks	<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 the relationship between the “inspect and release goods” process and stakeholders in the import of raw materials into Thailand

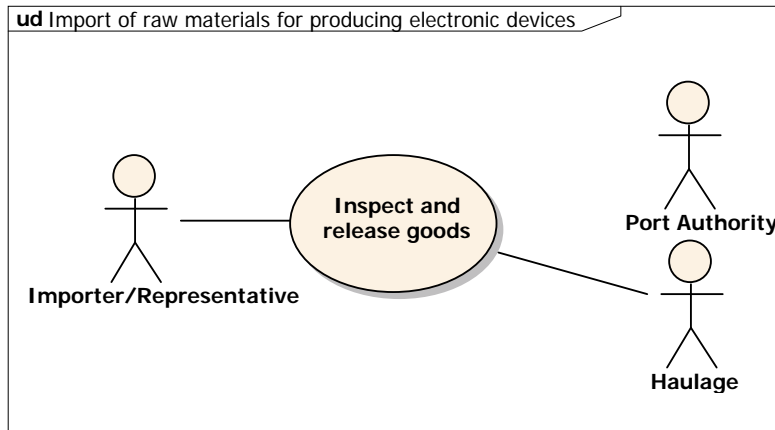


Figure 15: Activities in the “inspect and release goods” process for the import of raw materials into Thailand

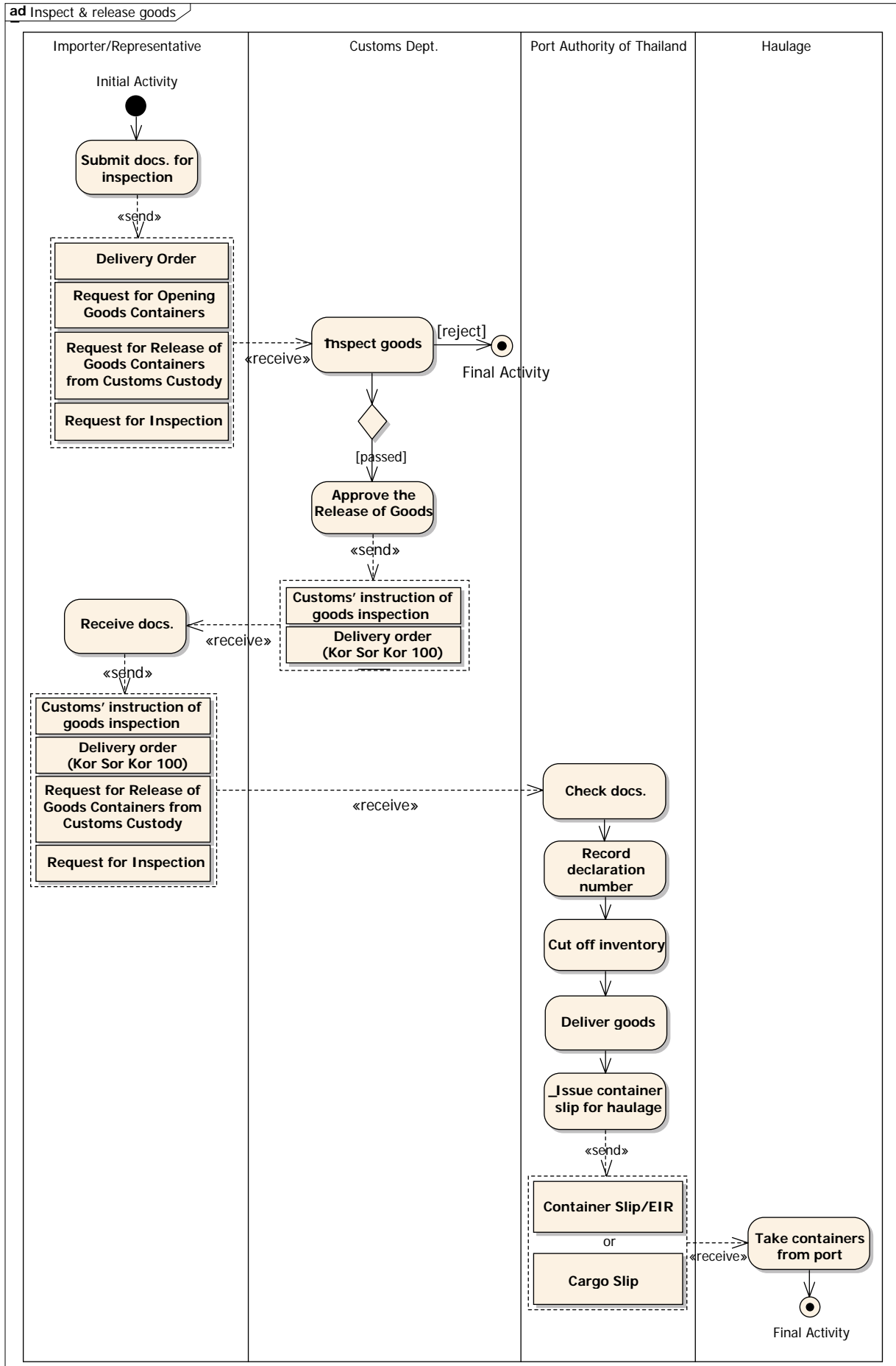


Table 7: Description of the “inspect and release goods” process for the import of raw materials into Thailand

Topic	Description
Process Name	Inspect and release goods
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 Slip for LCL containers to be used as evidence by haulage when taking goods containers from the port. ● 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 the relationship between the “pay” process and stakeholders in the import of raw materials into Thailand

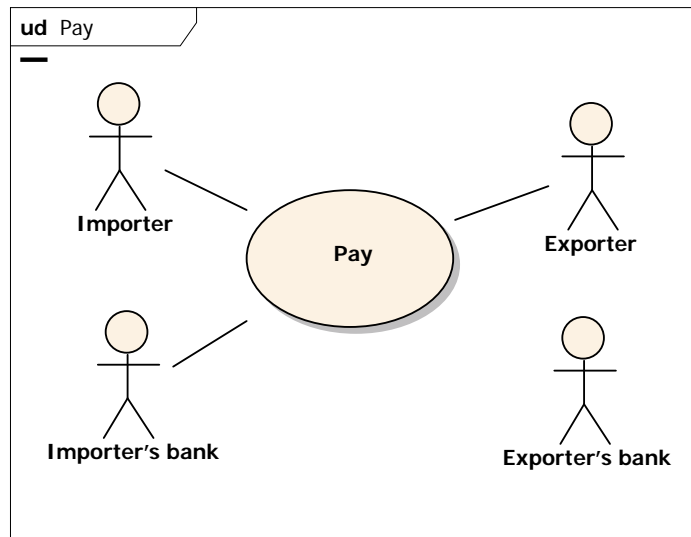


Figure 17: Activities in the “pay” process for the import of raw materials into Thailand

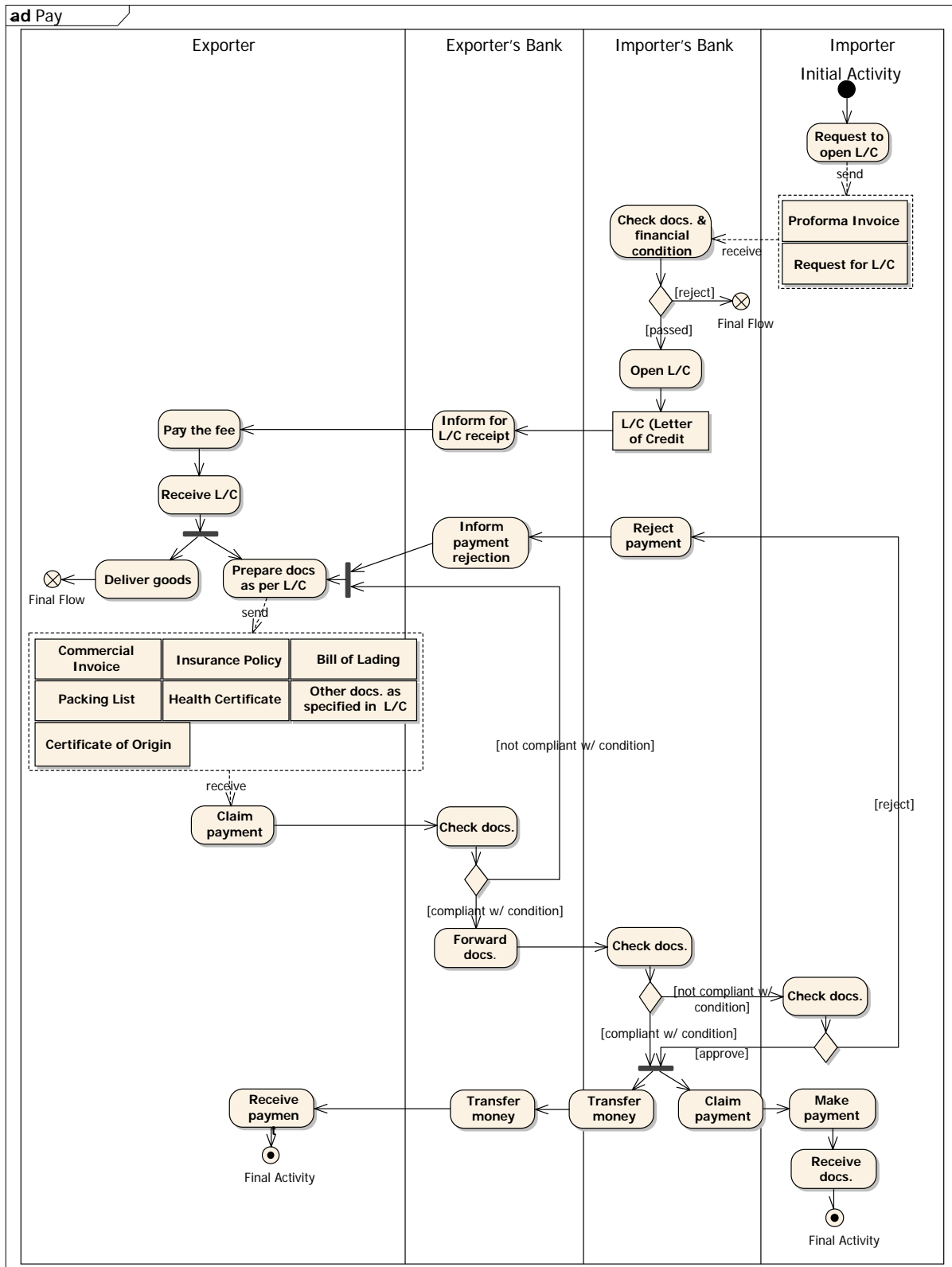


Table 8: Description of the “pay” process for the import of raw materials into Thailand

Topic	Description
Process Name	Pay (payment made by Letter of Credit (L/C))
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. ● 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