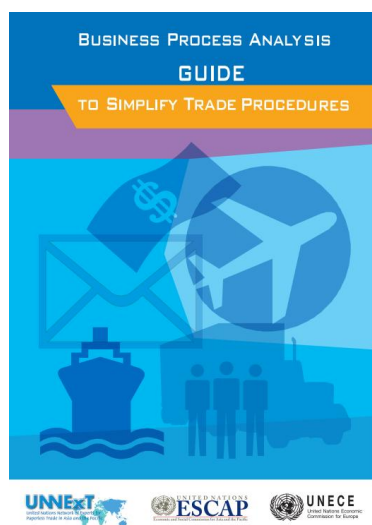


Business Process Analysis Guide To Simplify Trade Procedures



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ANNEX¹ (December 2011)

BUSINESS PROCESS ANALYSIS OF THE EXPORT OF JASMINE RICE FROM THAILAND TO THE UNITED STATES



¹ This Annex updates and extends the earlier annex included in the printed version of the UNNExT Business Process Analysis Guide to Simplify Trade Procedures. This document has not been formally edited. The views expressed in this document are those of the authors and do not necessarily reflect those of the United Nations.

A1. Overview of jasmine rice export – a business domain of interest

Although Thailand produces less than 5 percent of the total world rice production,² it is the world's biggest rice exporter (see figure A1-1). The volume of rice exported from Thailand in 2010 constitutes about 30 percent of world rice exports (see figure A1-2).³

Figure A1-1. Major rice exporters

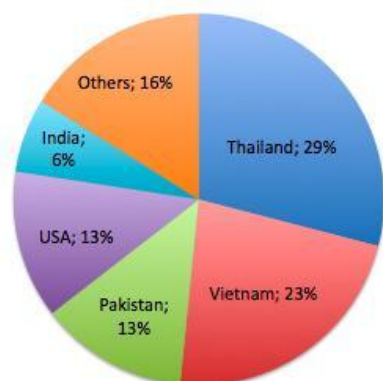
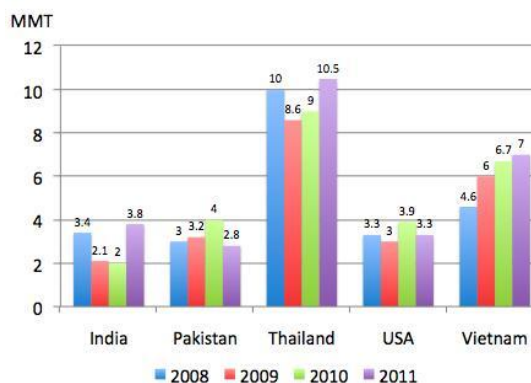


Figure A1-2. Volume of rice exported



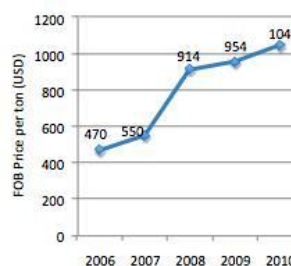
Source: Foreign Agricultural Service, United States Department of Agriculture. (2011). *World Rice Trade*.

Among all types of rice traded, Thai jasmine rice has, for some years, achieved recognition for its high quality. Export volume of jasmine rice from Thailand has been growing at the average rate of 100,000 tons per year since 1988.⁴ In 2010, the volume of jasmine rice export accounted for 34 percent of total value of rice exported or almost 1.7 billion USD.⁵ Between 2007 and 2010, the value of jasmine rice exports increased by an average of 16 percent per year.

The United States is the major export market of high quality Thai jasmine rice. The volume of jasmine rice exported to the United States accounts for 21.53 percent of total jasmine rice exported. The volume of export between 2007 and 2010 has grown by the average of 28 percent. The outlook of jasmine rice export from Thailand to China, the third largest export market of Thai jasmine rice, on the other hand, has turned negative due to higher prices.

Figure A1-3. FOB Price of Thai Jasmine Rice

(FOB Price = processed goods price + domestic cost to port of export + cost of meeting health and safety standards + exporter profit)



Source: FAO. (2011). *Rice Market Monitor July 2011*, Volume XIV, No. 3.

² Forssell, S. (2009). Rice Price Policy in Thailand: Policy Making and Recent Development. *Minor Field Study Series*, No. 189.

³ Foreign Agricultural Service, United States Department of Agriculture. (2011). *World Rice Trade*.

⁴ Rerkasem, B. (2007). Having your Rice and Eating it too: A View of Thailand's Green Revolution. *ScienceAsia*, 33(1), pp. 75-80.

⁵ ECBER. (2010). *Report on an Export of Thailand's Agricultural Products*.

Table A1-1. Thailand's rice export 2007-2010

10-digit HS Code	Description	Value (Million USD)					Ratio of Total Value of Rice Exported
		2007	2008	2009	2010	Average	
1006301500	Jasmine rice	1,085.32	1,417.51	1,610.91	1,686.56	1,450.08	31.80%
1006302000	Parboiled rice	670.35	1,706.37	1,522.14	1,433.42	1,333.07	29.23%
1006301911	White rice 100%	946.82	1,666.19	526.85	1,028.65	1,042.13	22.85%
1006301912	White rice 5-45%	147.38	958.19	328.74	295.18	282.37	6.19%
1006301900	Pathumthani fragrant rice	183.17	163.07	146.77	128.98	155.49	3.41%
1006303030	Glutinous rice	75.23	115.73	169.20	149.67	127.46	2.8%
1006209010	Brown rice 5-100% and parboiled	42.37	115.24	107.05	123.12	96.95	2.13%
1006201000	Brown jasmine rice	73.64	63.68	37.18	37.36	52.96	1.16%
1006209000	Brown Pathumthani fragrant rice	6.56	3.41	5.02	15.78	7.69	0.17%
1006309009	Cargo rice	15.01	2.30	0.15	0.10	4.39	0.1%
1006209020	Other brown rice	0.61	0.54	1.39	12.17	3.68	0.08%
1006309000	Other semi-milled or wholly-milled rice, whether or not polished or glazed	12.50	0.50	0.10	0.002	3.29	0.07%
1006100000	Rice in husk (paddy or rough)	2.33	0.00	0.00	0.01	0.59	0.01%
	Total	3,261.28	5,612.72	4,466.49	4,911.00	4,660.13	100%

Source: ECBER. (2010). *Report on an Export of Thailand's Agricultural Products*.

Table A1-2. Thailand's jasmine rice export 2007-2010, by country

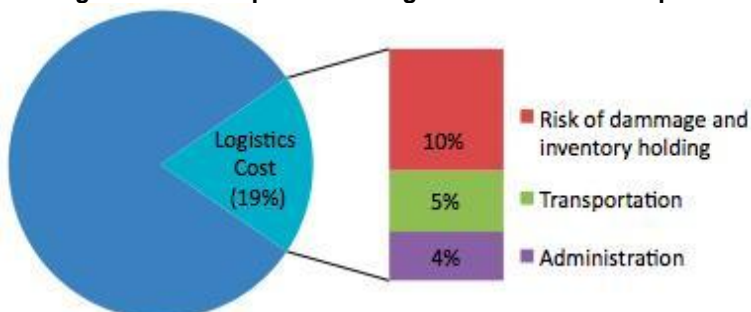
Importing country	Value (Million USD)					Ratio of Total Rice Exported	Average Growth
	2007	2008	2009	2010	Average		
USA	200.27	301.38	340.77	406.48	312.22	21.53%	28%
Hong Kong	125.31	149.31	166.32	160.02	151.74	10.46%	10%
China	132.80	119.50	108.58	126.47	121.84	8.40%	-1%
Côte d'Ivoire	64.54	57.61	141.70	116.25	95.03	6.55%	39%
Singapore	70.97	91.95	100.86	103.41	91.80	6.33%	14%
Malaysia	58.13	80.12	88.86	53.99	70.27	4.85%	3%
Ghana	45.43	79.63	67.42	83.01	69.12	4.77%	26%
Canada	40.11	66.21	70.46	83.59	65.09	4.49%	30%
Australia	31.29	68.23	65.33	69.72	56.14	3.87%	35%
France	24.53	37.65	42.17	43.43	36.94	2.55%	23%
Saudi Arabia	19.47	31.98	32.57	33.05	30.52	2.10%	23%
Brunei	19.71	31.68	30.26	26.76	27.10	1.87%	15%
Israel	16.88	20.74	29.41	32.62	24.91	1.72%	25%
United Arab Emirate	23.39	23.65	19.88	22.32	22.01	1.54%	-1%
Gabon	10.72	17.32	22.27	24.94	18.81	1.30%	34%
United Kingdom	9.95	19.63	18.77	24.38	18.16	1.25%	41%
Netherlands	10.75	17.29	19.70	18.74	18.62	1.15%	23%
Germany	8.16	10.43	14.46	17.77	12.71	0.88%	30%
Other importing countries	171.91	203.23	226.12	233.62	208.72	14.39%	11%
Total	1,085.32	1,417.61	1,610.91	1,686.56	1,450.08	100%	16%

Source: ECBER. (2010). *Report on an Export of Thailand's Agricultural Products*.

The higher prices are caused not only by a sharp increase in prices of urea, fuel, rice seeds, and fertilizers,⁶ but also by the substitution of harvesting machine for labor due to unavailable household labor in harvesting period, and by government's rice pledging scheme.⁷ It is projected that the FOB price of jasmine rice will continue rising to 1,100-1,200 USD a ton.⁸

In addition to losing their competitive edge due to increased production costs and government's rice pledging scheme, Thai rice exporters are also suffering from relatively high logistics costs. The logistics costs of exporting rice are estimated as high as 19 percent of the market value of rice exported.⁹

Figure A1-4. Components of logistics costs in rice export



Source: Office of Transport and Traffic Policy and Planning, Ministry of Transport. (2006). *The Development of Multimodal Transport and Logistics Supply Chain Management for Implementation of Action Plan*.

In Thailand, road transport is a major transportation of rice from a miller to a port of exit. Although inland transport network was built, the lack of the integrated multimodal link puts off the use of more cost-efficient modes, i.e., inland waterway and rail transport. Based on data in the calendar years 2006, 2007, and 2008, the cost of inland transport is on average 500 THB per ton and the freight cost is approximately 400 THB.¹⁰ Terminal handling charge is estimated at 120 THB per ton. The cost of DNA inspection varies. While Biotechnology Research and Development Office (Department of Agriculture) charges 1,500 THB, DNA Technology Laboratory (Kasetsart University at Kamphaengsaen) charges 2,500-3,500 THB depending on the coverage of the analysis. Rice to be exported is also subject to fumigation. The fumigation is charged at 30 THB per ton.¹¹ The cost of administering transport and regulatory requirements inclusive of completing customs formalities and processing other paper work is estimated at 3,000 THB per transaction.

Thailand is facing a risk of losing international market share to the rivals. To regain market share and ensure export growth, Thailand needs to rethink its rice policy. Measures to help farmers cut production costs and create an enabling environment for productivity improvement must be introduced. Measures that will lead to a reduction in logistics costs must also be taken immediately.

⁶ Forssell, *Op. Cit.*

⁷ Pledging Scheme could Destroy Thai Rice Exports. *The Nation*. September 9, 2011.

⁸ Thai Rice has Image Problem. *The Nation*. September 20, 2011.

⁹ Office of Transport and Traffic Policy and Planning, Ministry of Transport. (2006). *The Development of Multimodal Transport and Logistics Supply Chain Management for Implementation of Action Plan*.

¹⁰ Dechachete, R. (2011). *Composite Index of Market Access for the Export of Rice from Thailand*. International Centre for Trade and Sustainable Development, Geneva.

¹¹ *Ibid.*

A2. Scope of business process analysis

The business process analysis of jasmine rice export was conducted in 2009 as part of a project that aimed toward piloting the implementation of a single window entry, i.e., a facility that facilitates exporters and importers in completing documentary requirements of various government agencies involved in the international trade, for this particular project, of a few strategic products. With the single window entry, the need for exporters and importers to repeatedly generate identical pieces of data and submit them multiple times to multiple government agencies can be eliminated. As data can be shared more efficiently and effectively, data consistency and integrity can be improved as a result.

The business process analysis of jasmine rice export was included as one component of the single window entry pilot project as its outputs served as a basis for:

- The analysis of data requirements and data flow;
- The development of a standardized data;
- The design of a to-be jasmine rice export process;
- The design of the prototype single window entry form; and
- The design of the prototype single window entry system.

Figure A2-1. Use Case Diagram of Business Processes in Jasmine Rice Exportation from Thailand

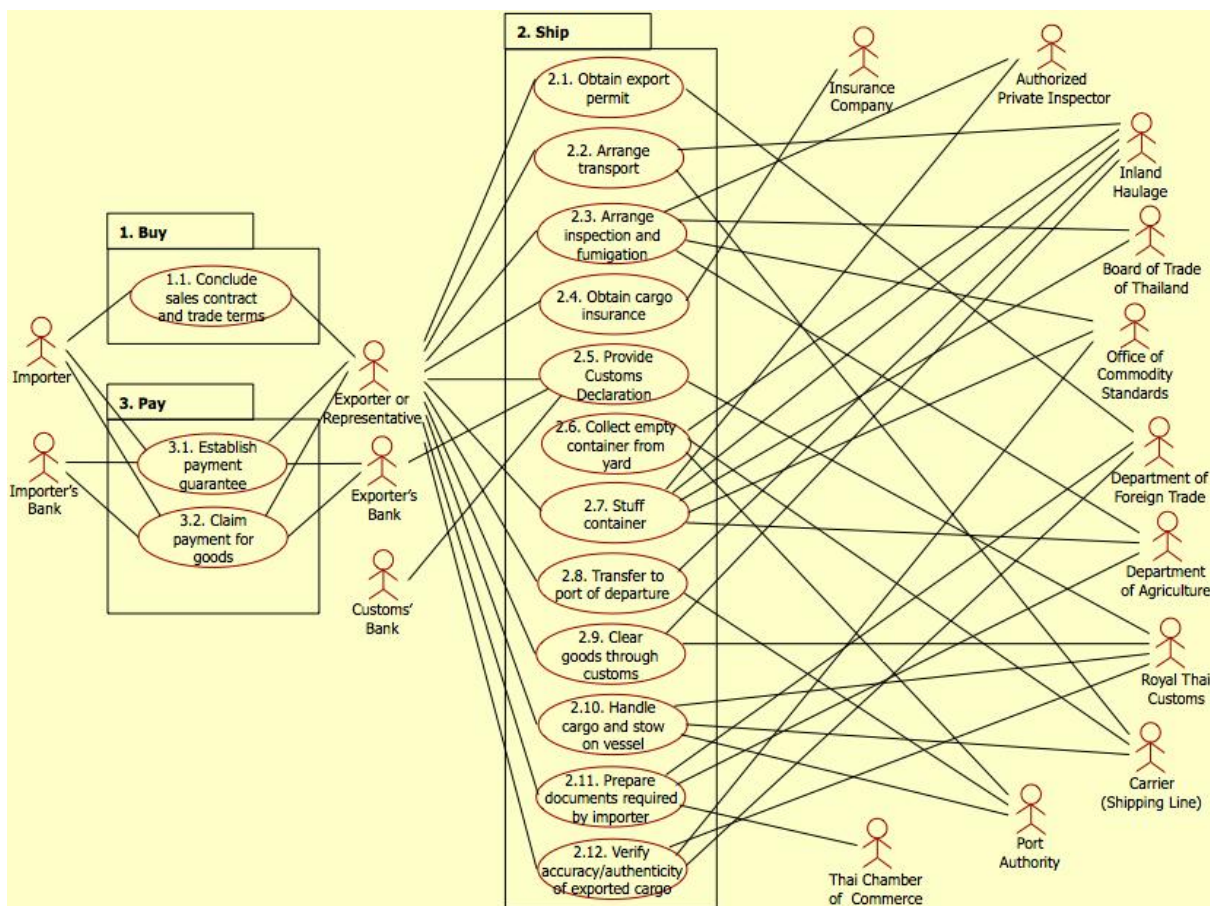


Figure A2-1 presents a list of core business processes that are typically carried out when exporting jasmine rice from Thailand to the United States under the assumptions made above and a list of stakeholders that an exporter indirectly or directly deals with. Although the prototype single window entry system only focused on the B2G, G2G, and G2B information

sharing, the Ministry of Information and Communication Technology (MICT), as a project sponsor, specified that the analysis of jasmine rice export process covered all 3 process areas of the UN/CEFACT International Supply Chain Model.

- Buy: the conclusion of trade terms and the establishment of sales contract
- Ship: the arrangement for cargo movement and the completion of necessary actions to meet regulatory requirements of both export and import countries
- Pay: the claim for the payment and the payment for the purchased cargo

The project sponsor also agreed that the analysis of jasmine rice export process was based on the assumptions that:

- Jasmine rice is exported from Thailand to the United States.
- Jasmine rice is shipped by an ocean transport.
- Jasmine rice travels in a 20-foot full container load.
- The carrier delivers an empty container to exporter's premise for loading and brings the loaded container back to the container yard before loading it onto the vessel.
- Jasmine rice is delivered under the C.I.F. term where an exporter arranges and absorbs the costs of shipping jasmine rice to the port of destination.
- The payment for the purchased jasmine rice is made by a letter of credit.

It should be noted that a shipment of jasmine rice exported to the United States requires an import permit from Plant Protection and Quarantine within Animal and Plant Health Inspection Service, United States Department of Agriculture (APHIS PPQ) for its importation into the United States. It is a responsibility of an importer, a U.S. resident with a valid U.S. street address to apply for the permit 30 days before the first shipment of jasmine rice ever imported arrives as it can take up to 30 days for a permit to be processed. Currently, the APHIS PPQ does no charge nay fees for the permit.

Obtaining an import permit is not listed in Figure A2-1 as it is not considered as a core business process of jasmine rice export. Indeed, the importer does not have to apply for the permit for every future shipment of jasmine rice to be exported. The permit remains valid for future shipments up to the expiration date and can be renewed. The importer should submit a request for the renewal at least 30 days before the expiration date.¹²

Obtaining an import permit is not listed as a core business process in Figure A2-1 also because the lack of an import permit is not grounds to prohibit the entry of jasmine rice shipment. If all other import requirements are met, U.S. Customs and Border Protection may allow the importer to complete an application for import permit on the spot and grant oral authorization for the entry of jasmine rice shipment without an import permit for plant and plant products.

¹² United States Department of Agriculture. (2007). Permits: Rice and Rice Related Information, Available at: http://www.aphis.usda.gov/plant_health/permits/faq/rice_faqs.shtml

A3. Core business processes of jasmine rice export

There are 14 core business processes and 15 parties involved in the export of jasmine rice from Thailand to the United States. These core business processes are categorized into 3 process areas, i.e., Buy, Ship, and Pay, as highlighted in the UN/CEFACT International Supply Chain Model. A summary of stakeholders' participation in each identified core business process is provided in Table A3-1. The detailed information about activities constituting each core business process and parties responsible in carrying them out follows.

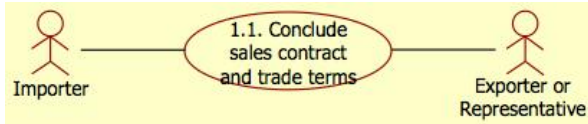
Table A3-1. Core business processes and stakeholders involved in jasmine rice export

Core business process	Party														
	Authorized Private Inspector	Board of Trade of Thailand	Carrier (Shipping Line)	Customs	Department of Agriculture	Department of Foreign Trade	Exporter's Bank	Exporter or Representative	Importer	Importer's Bank	Inland Haulage	Insurance Company	Bureau of National Import-Export Product Standards	Port Authority	Thai Chamber of Commerce
1. Buy															
1.1. Conclude sales contract and trade terms								x	x						
2. Ship															
2.1. Obtain export permit						x		x							
2.2. Arrange transport			x					x			x				
2.3. Arrange the inspection and fumigation	x	x			x			x					x		
2.4. Obtain cargo insurance								x				x			
2.5. Provide customs declaration				x				x							
2.6. Collect empty container from yard			x								x			x	
2.7. Stuff container	x	x			x			x			x		x		
2.8. Transfer to port of departure								x			x			x	
2.9. Clear goods through customs				x				x			x				
2.10. Handle cargo and stow on vessel			x	x				x			x			x	
2.11. Prepare documents required by importer					x	x		x							x
2.12. Verify the accuracy/authenticity of exported cargo				x		x		x					x		
3. Pay															
3.1. Establish payment guarantee							x	x	x	x					
3.2. Claim payment for goods							x	x	x	x					

Process area 1: Buy

Core business process area 1.1: Conclude sales contract and trade terms

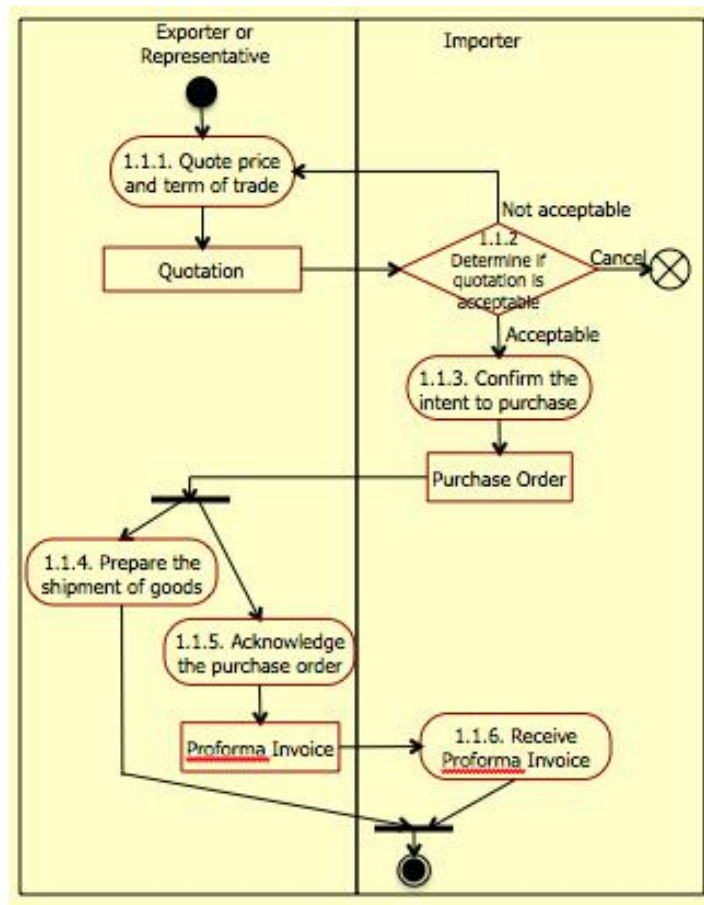
Figure A3-1. “Conclude sales contract and trade terms” use case diagram



“Conclude sales contract and trade terms” is the only core business process under “Buy” process area. The use case diagram in Figure A3-1 suggests that this core business process requires the participation from:

- Importer
- Exporter or Representative

Figure A3-2. “Conclude sales contract and trade terms” activity diagram



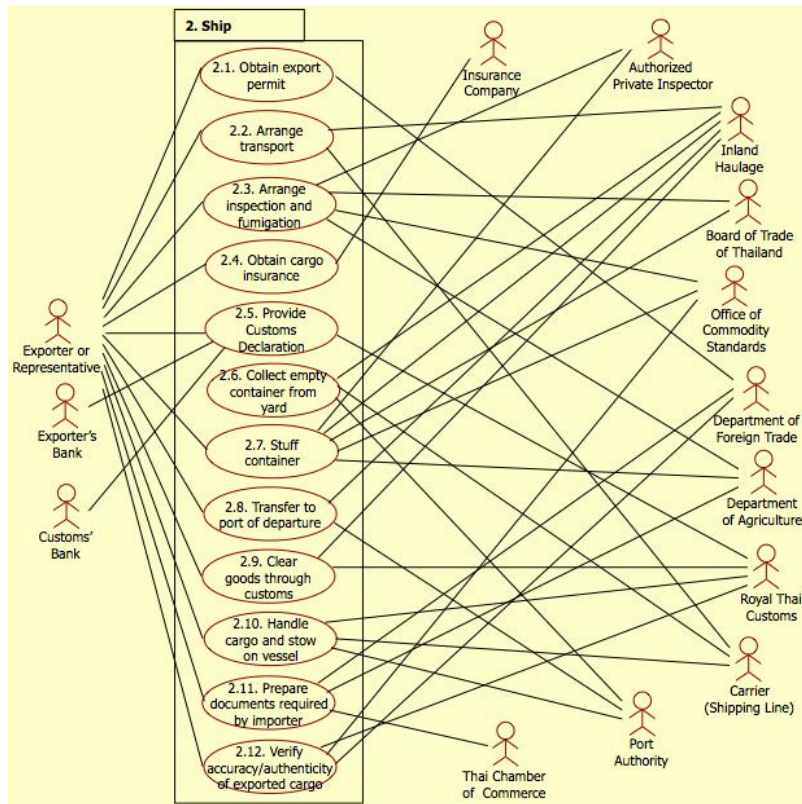
Name of a process area	1. Buy
Name of a business process	1.1. Conclude sales contract and trade terms
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Incoterms
Process participant	<ul style="list-style-type: none"> • Importer • Exporter or Representative
Input and criteria to enter/ begin the business process	<ul style="list-style-type: none"> • Exporter has a list of jasmine rice potential buyers. • Exporter is eligible to export rice. The qualifications of exporter meet regulatory requirements outlined in Ministry of Commerce Regulation on the Export of Rice No. 1 (B.E. 2534), 5 (B.E. 2637), and 7 (B.E. 2539).

	<ul style="list-style-type: none"> As required by Rice Trading Act (B.E. 2489), exporter has already received a permission from Department of Internal Trade (a government agency under the administration of Ministry of Commerce) to trade rice with overseas trading partners (general classification). The application form for a request of a permission to trade rice with overseas trading partners costs 5 THB. The permission to export rice costs 20,000 THB yearly. In line with Export Commodity Standards Act (B.E.2503 and 2523), exporter has successfully registered itself as a registered jasmine rice exporter with Office of Commodity Standards, one of the divisions in Department of Foreign Trade. The registration takes less than 1 working day and costs 2,500 THB. It expires on December 31 of every year. To register with Office of Commodity Standards, exporter must have the qualifications listed in Ministry of Commerce Regulation on the Export of Products under the Standard Scheme (B.E. 2504).
Activities and associated documentary requirements	<p>1.1.1. Exporter prepares Quotation to inform an importer about quoted price and sales terms.</p> <p>1.1.2. Importer reviews the Quotation and determines if the quoted price and sales terms are acceptable. If the quoted price and sales terms are not acceptable, importer requests exporter to revise the quoted price and sales terms.</p> <p>1.1.3. If the quoted price and sales terms are acceptable, importer confirms exporter the purchase of goods with Purchase Order.</p> <p>1.1.4. Exporter prepares the delivery of goods accordingly.</p> <p>1.1.5. Exporter acknowledges the receipt of Purchase Order and confirms that the jasmine rice will be delivered according to established conditions and terms by sending importer Proforma Invoice.</p> <p>1.1.6. Importer receives Proforma Invoice.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> Importer and exporter have concluded trade contract and terms. Based on a purchase order, an exporter can prepare goods for export.
Average time required to complete this business process	2 Days

Process area 2: Ship

Figure A3-3. Use case diagram of core business processes in ship process area

In the context of jasmine rice export from Thailand to the United States, ship process area consists of 12 core business processes. As shown in Figure A3-3, these core business processes deal with both transport and regulatory requirements. They involve the arrangement for cargo movement as well as the completion of customs formalities and necessary actions to meet jasmine rice export requirements imposed by government agencies from both Thailand and the United States.



Core business process area 2.1: Obtain export permit

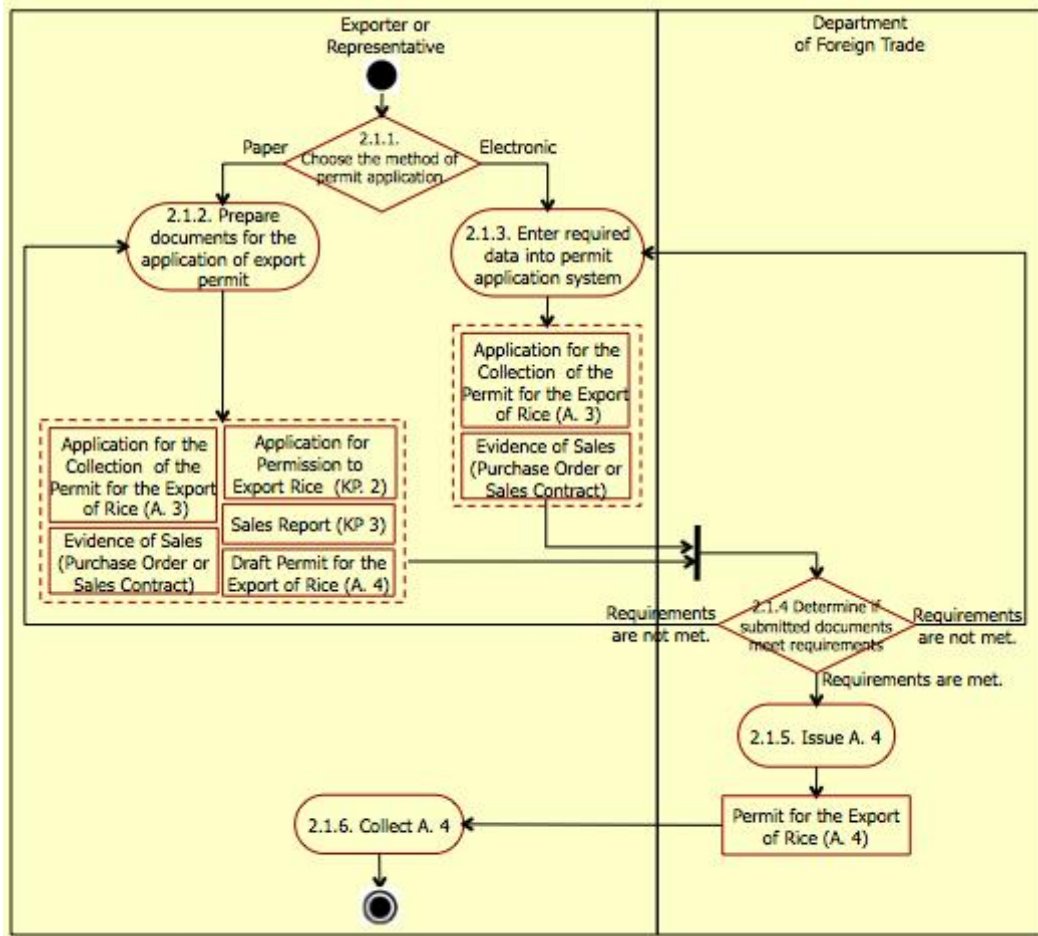
Figure A3-4. "Obtain export permit" use case diagram



The use case diagram shown in Figure A3-4 suggests that "Obtain export permit" process requires the participation from:

- Department of Foreign Trade
- Exporter or Representative

Figure A3-5. “Obtain export permit” activity diagram

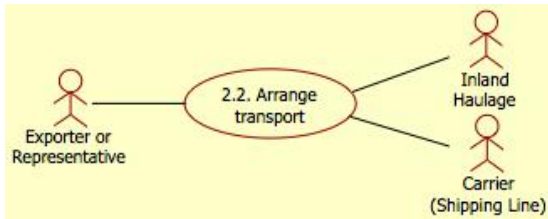


Name of a process area	2. Ship
Name of a business process	2.1. Obtain export permit
Related laws, rules, and regulations	<ul style="list-style-type: none"> Ministry of Commerce Regulation on the Export of Rice No. 1 (B.E. 2534), 8 (B.E. 2540), and 15 (B.E. 2547)
Process participant	<ul style="list-style-type: none"> Department of Foreign Trade Exporter or Representative
Input and criteria to enter/ begin the business process	<ul style="list-style-type: none"> Exporter and importer have already concluded trade contract and terms.
Activities and associated documentary requirements	<p>2.1.1. Exporter decides whether to submit a request for the Export of Rice (A. 4) manually or electronically.</p> <p>2.1.2. If exporter prefers the manual or paper-based system, exporter prepares the following documents:</p> <ul style="list-style-type: none"> Application for Permission to Export Rice (KP. 2) Sales Report (KP 3) Application for the Collection of the Permit for the Export of Rice (A. 3) Draft Permit for the Export of Rice (A. 4) Evidence of Sales (Purchase Order or Sales Contract) <p>The required forms can be purchased at Department of Foreign Trade. A set of required forms costs 30 THB. Once the documents are ready, exporter submits the documents at one of the following locations:</p>

	<ul style="list-style-type: none"> – Bureau of Foreign Trade Services, Department of Foreign Trade – Office of the Provincial Governor or Office of Commercial Affairs in a province of exporter’s residency, except exporter residing in Bangkok – Regional Office of Foreign Trade <p>2.1.3. To submit the request electronically through a web-based EDI system for permit and certificate application provided by Department of Foreign Trade, exporter enters data requirements of Application for the Collection of the Permit for the Export of Rice (A. 3) and attaches the evidence of sales.</p> <p>2.1.4. Department of Foreign Trade, either by its officer or its web-based EDI system for permit and certificate application, determines if submitted documents meet Department of Foreign Trade’s requirements. If they do not, Department of Foreign Trade, either by its officer or its web-based EDI system for permit and certificate application, informs exporter where revision is needed. Exporter who submits the request for the Permit electronically can check the status of the request online. Exporter then revises the documents accordingly.</p> <p>2.1.5. If the submitted data meet Department of Foreign Trade’s requirements, Department of Foreign Trade issues the Permit for the Export of Rice (A. 4).</p> <p>2.1.6. Regardless of the submission methods, exporter collects the Permit at the pre-specified location.</p> <ul style="list-style-type: none"> – In the manual system, the signed and authenticated Permit can be collected after the application is submitted for six working hours. For example, if the application is submitted at 9.00, the Permit should be ready for a pick-up at 16.00. If the application is submitted in the afternoon, the permit can be collected the next morning. – In the electronic system, exporter can collect the Permit 1 hour after being notified that the request is approved. <p>The Permit is valid for a month. Department of Foreign Trade allows a renewal of the Permit twice. The issuance of the Permit is free of charge.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> • The Permit for the Export of Rice (A. 4) is issued.
Average time required to complete this business process	<p>2 Days (manual) 1 Day (electronic)</p>

Core business process area 2.2: Arrange transport

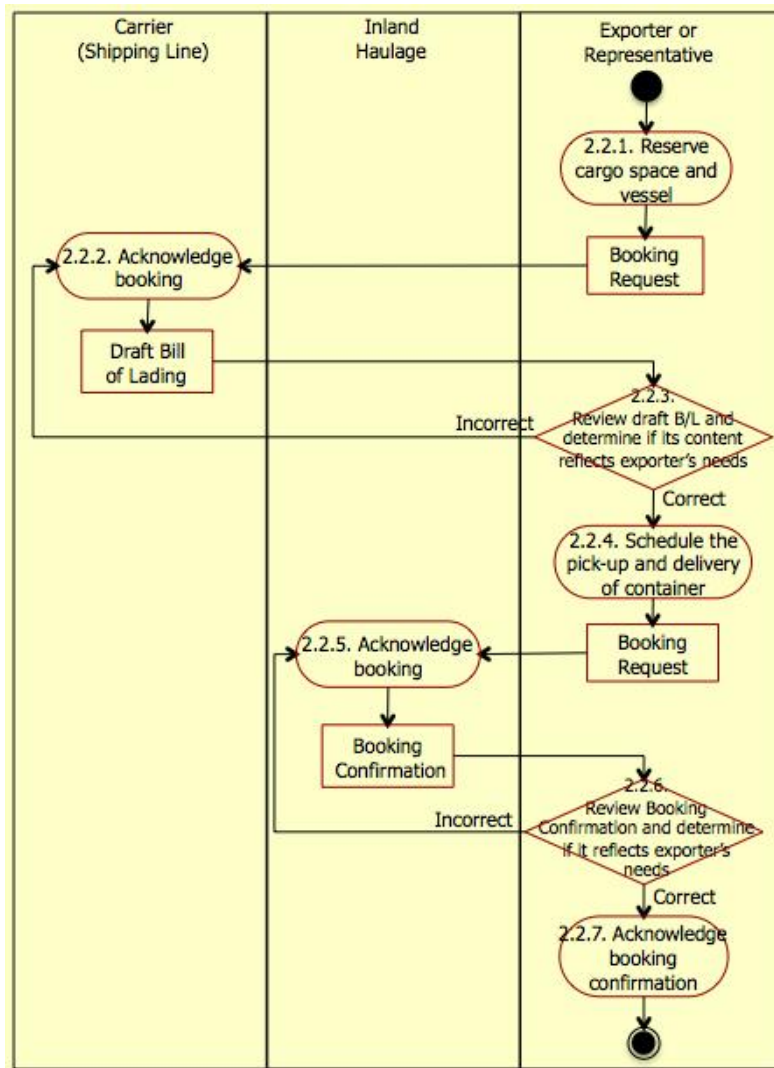
Figure A3-6. “Arrange transport” use case diagram



The use case diagram shown in Figure A3-6 suggests that “Arrange transport” process requires the participation from:

- Carrier (Shipping Line)
- Exporter or Representative
- Inland Haulage

Figure A3-7. “Arrange transport” activity diagram

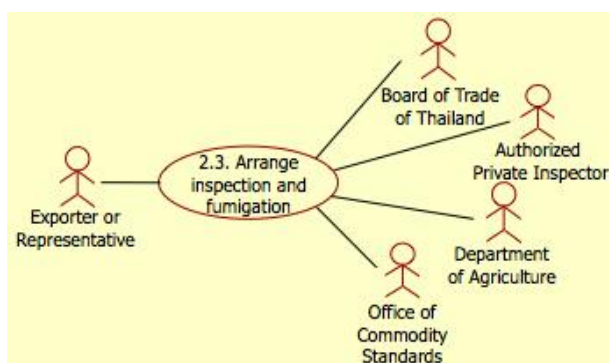


Name of a process area	2. Ship
Name of a business process	2.2. Arrange transport
Related laws, rules, and regulations	N/A
Process participant	<ul style="list-style-type: none"> • Carrier (Shipping Line) • Exporter or Representative • Inland Haulage
Input and criteria to enter/	<ul style="list-style-type: none"> • Importer and an exporter have already agreed that the delivery of

begin the business process	purchased jasmine rice to the specified port of destination is a responsibility of exporter.
Activities and associated documentary requirements	<p>2.2.1. Exporter contacts carrier 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, fax, or email.</p> <p>2.2.2. Carrier acknowledges the booking request by returning draft Bill of Lading to exporter.</p> <p>2.2.3. Exporter reviews draft Bill of Lading and determines if its content reflects what exporter needs. If it does not, exporter informs carrier that draft Bill of Lading requires further revision.</p> <p>2.2.4. Once correct draft Bill of Lading is received, exporter contacts 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 loading. The booking request is often done over phone, fax, and email.</p> <p>2.2.5. Inland haulage acknowledges the booking request by returning a booking confirmation to an exporter or representative.</p> <p>2.2.6. Exporter reviews booking confirmation and determines if its content reflects what exporter needs. If it does not, exporter informs inland haulage that revision of booking confirmation is needed.</p> <p>2.2.7. Exporter acknowledges a receipt of correct booking confirmation.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> Transportation required to move jasmine rice to port of exit is arranged.
Average time required to complete this business process	3 Days

Core business process area 2.3: Arrange inspection and fumigation

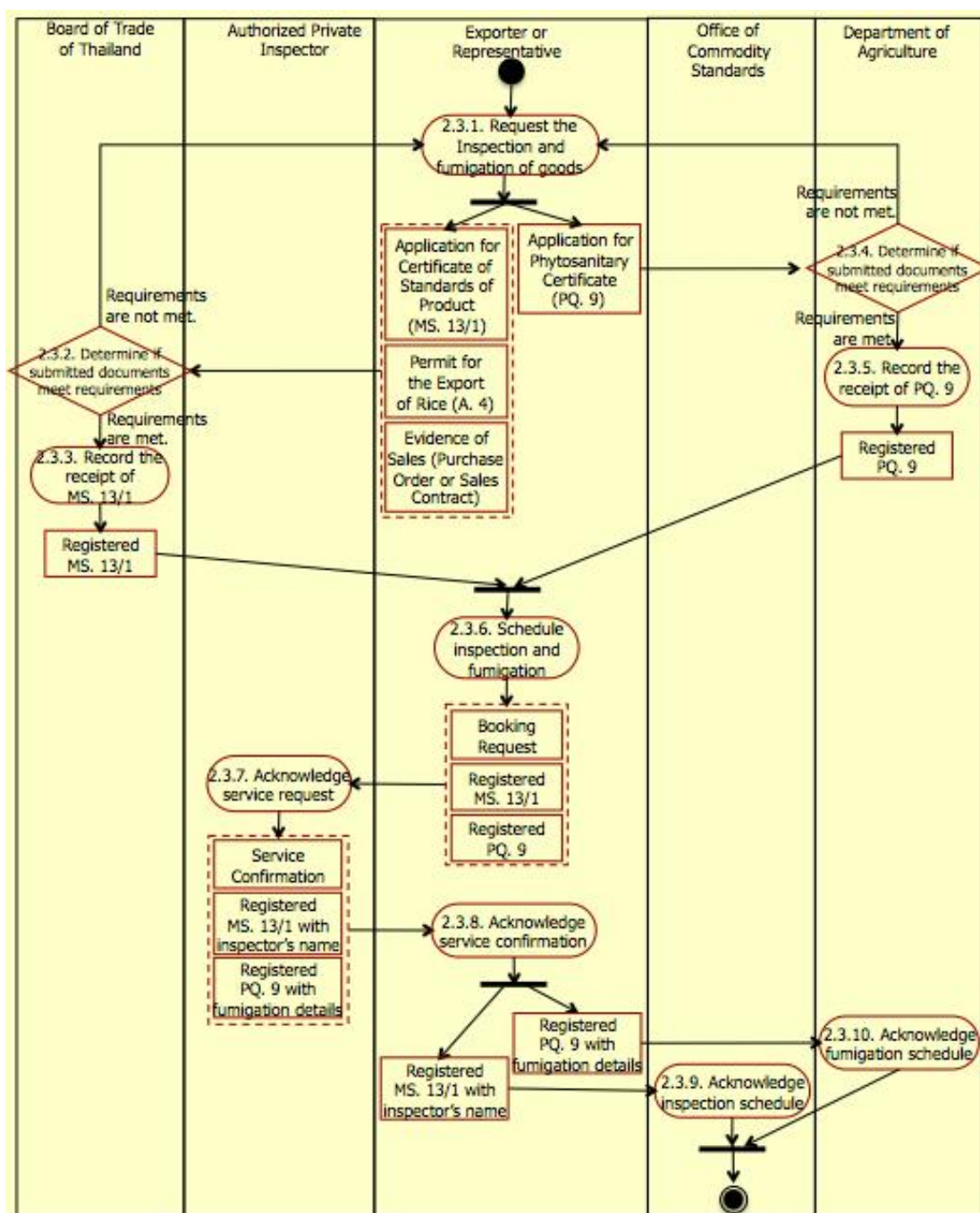
Figure A3-8. "Arrange inspection and fumigation" use case diagram



The use case diagram shown in Figure A3-8 suggests that "Arrange inspection and fumigation" process requires the participation from:

- Authorized Private Inspector
- Board of Trade of Thailand
- Office of Commodity Standards
- Exporter or Representative
- Department of Agriculture

Figure A3-9. “Arrange inspection and fumigation” activity diagram



Name of a process area	2. Ship
Name of a business process	2.3. Arrange inspection and fumigation
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Export Commodity Standards Act (B.E. 2503) and amended (B.E. 2523) • Ministry of Commerce Regulation on the Export of Rice No. 1 (B.E. 2534), No. 15 (B.E. 2547), and No. 16 (B.E. 2552) • Notification of Ministry of Commerce No. 1 (B.E. 2545) Re: Instructions for Standard-based Inspection of Goods under the Standard Scheme and Thai Jasmine Rice • Notification of Ministry of Commerce Re: The Classification of Jasmine Rice as a Controlled Product under the Standard

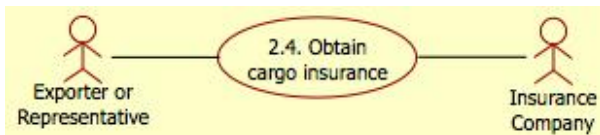
	<p>Scheme and Standard Specifications of Thai Jasmine Rice (B.E. 2549)</p> <ul style="list-style-type: none"> • Notification of Department of Foreign Trade Re: The Inspection of To-be Exported Rice (B.E. 2500) • Notification of Office of Commodity Standards Re: Practical Guideline for Inspection Thai Jasmine Rice (B.E. 2550) • Plant Quarantine Act (B.E. 2507) and amended (B.E. 2542, 2551) • Ministry of Agriculture and Cooperatives Regulation on the Application for and the Issuance of Phytosanitary Certificate (B.E. 2550) • Notification of Department of Agriculture Re: Application Form for Phytosanitary Certificate
Process participant	<ul style="list-style-type: none"> • Authorized Private Inspector • Board of Trade of Thailand • Office of Commodity Standards • Exporter or Representative • Department of Agriculture
Input and criteria to enter/ begin the business process	<ul style="list-style-type: none"> • Exporter has already obtained the Permit for the Export of Rice (A. 4). • Transportations required to move jasmine rice to port of exit and the specified port of destination have already been arranged. • Jasmine rice in amount and conditions specified in the purchase order and Permit for the Export of Rice (A. 4) are ready for inspection.
Activities and associated documentary requirements	<p>2.3.1. Exporter informs Board of Trade of Thailand about the need for product inspection. In doing so, exporter submits the following documents.</p> <ul style="list-style-type: none"> – Application for Certificate of Standards of Product (MS. 13/1) – Permit for the Export of Rice (A. 4) – Evidence of Sales (Purchase Order or Sales Contract) <p>Exporter also informs Department of Agriculture about the need for the fumigation by submitting the Application for Phytosanitary Certificate (PQ. 9). Exporter must make sure that data declared in PQ. 9 are consistent with data shown in Purchase Order and Invoice.</p> <p>2.3.2. Officer from Board of Trade of Thailand reviews submitted document and determines if they meet Board of Trade of Thailand’s requirements. If they do not, officer from Board of Trade of Thailand informs exporter where revision is needed. Exporter then revises the documents accordingly.</p> <p>2.3.3. If submitted documents meet Board of Trade of Thailand’s requirements, officer from Board of Trade of Thailand records the receipt of MS. 13/1. As part of a registration process, an officer-in-charge also assigns a reference number to submitted MS. 13/1, states date and time of receipt, and signs the form.</p> <p>2.3.4. Officer from Department of Agriculture reviews submitted document and determines if they meet Department of</p>

	<p>Agriculture’s requirements. If they do not, officer from Department of Agriculture informs exporter where revision is needed. Exporter then revises the documents accordingly.</p> <p>2.3.5. If submitted documents meet Department of Agriculture’s requirements, officer from Department of Agriculture records the receipt of PQ. 9. As part of a registration process, an officer-in-charge also assigns a reference number to submitted PQ.9, states date and time of receipt, and signs the form.</p> <p>2.3.6. After MS. 13/1 and PQ. 9 are registered with respective government agencies, exporter schedules the inspection and fumigation with an authorized private inspector who also provides a fumigation service. To schedule the inspection and fumigation, exporter has to forward the following documents to an authorized private inspector for reference.</p> <ul style="list-style-type: none"> – Booking Request – Registered MS. 13/1 – Registered PQ. 9 <p>The scheduling of inspection and fumigation is based on the loading date and preferred inspection date declared in MS. 13/1 and date of exportation declared in PQ. 9. The time of inspection has to be between 8.00-22.30 as specified by Notification of Ministry of Commerce No. 1 (B.E. 2545) Re: Instructions for Standard-based Inspection of Goods under the Standard Scheme and Thai Jasmine Rice. A written approval from Office of Commodity Standards is required if exporter needs to have jasmine rice inspected in other time period. If, for some reasons, exporter cannot seek approval prior to the inspection, he/she is legally bound to submit a report to Office of Commodity Standards in order to explain reasons for not having the product inspected within the time specified by Notification of Ministry of Commerce No. 1 (B.E. 2545) within 5 days after having jasmine rice inspected.</p> <p>2.3.7. Authorized private inspector who also provides a fumigation service acknowledges the service request by returning the following documents to exporter.</p> <ul style="list-style-type: none"> – Service Confirmation – Registered MS. 13/1 with an inspector’s name – Registered PQ. 9 with fumigation details including a party performing the fumigation as well as fumigation date and venue <p>2.3.8. Exporter acknowledges service confirmation and inform Office of Commodity Standards and Department of Agriculture about the inspection and fumigation.</p> <p>2.3.9. An officer-in-charge at office of Commodity Standards acknowledges the inspection schedule.</p> <p>2.3.10. An officer-in-charge at Department of Agriculture acknowledge the fumigation schedule.</p>
Output criteria to exit the	<ul style="list-style-type: none"> • The inspection and fumigation of the consignment is

business process	successfully scheduled.
Average time required to complete this business process	2 Days

Core business process area 2.4: Obtain cargo insurance

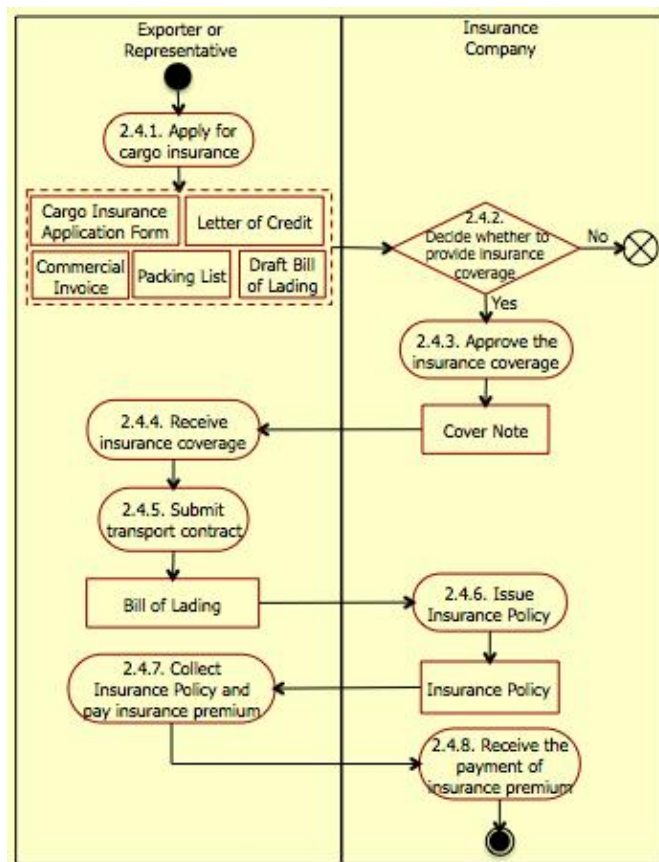
Figure A3-10. “Obtain cargo insurance” use case diagram



The use case diagram shown in Figure A3-10 suggests that “Obtain cargo insurance” process requires the participation from:

- Exporter or Representative
- Insurance Company

Figure A3-11. “Obtain cargo insurance” activity diagram

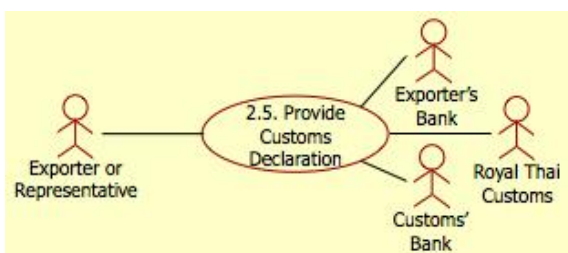


Name of a process area	2. Ship
Name of a business process	2.4. Obtain cargo insurance
Related laws, rules, and regulations	N/A
Process participant	<ul style="list-style-type: none"> • Exporter or Representative • Insurance Company
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • Importer and exporter have agreed that the cargo insurance is at the exporter’s expense. • Transportations required to move jasmine rice to port of exit and the specified port of destination have already been arranged.

Activities and associated documentary requirements	<p>2.4.1. Under the CIF term, exporter is required to arrange cargo insurance. To apply for the insurance , the following documents have to be submitted to an insurance company.</p> <ul style="list-style-type: none"> - Cargo Insurance Application Form - Letter of Credit - Commercial Invoice - Packing List - Draft Bill of Lading <p>2.4.2. Based on the submitted documents, insurance company decides whether or not to provide the insurance coverage.</p> <p>2.4.3. If insurance company decides to provide the insurance coverage, insurance company issues Cover Note for the to-be-insured consignment as evidence to confirm that the insurance coverage is active.</p> <p>2.4.4. Exporter collects Cover Note from insurance company.</p> <p>2.4.5. Upon a receipt of Bill of Lading, Exporter hands one copy to insurance company</p> <p>2.4.6. Insurance company then issues Insurance Policy.</p> <p>2.4.7. Exporter collects Insurance Policy from insurance company and pays insurance premium.</p> <p>2.4.8. Insurance company receives the payment for insurance premium.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> • The consignment is insured from the place of dispatch to the place of destination.
Average time required to complete this business process	2 Days

Core business process area 2.5: Provide Customs Declaration

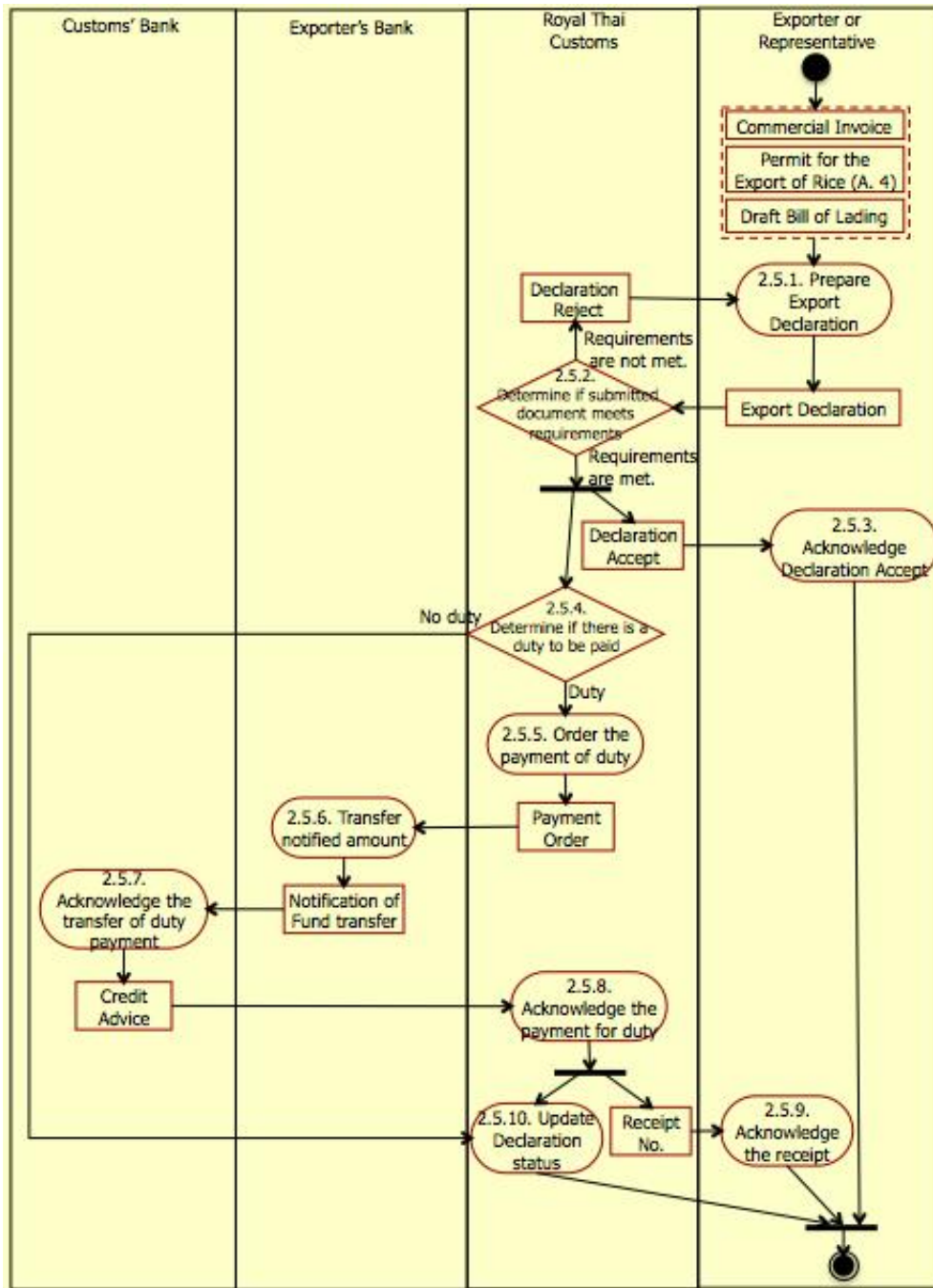
Figure A3-12. “Provide Customs Declaration” use case diagram



The use case diagram shown in Figure A3-12 suggests that “Provide Customs Declaration” process requires the participation from:

- Customs’ Bank
- Exporter or Representative
- Exporter’s Bank
- Royal Thai Customs

Figure A3-13. "Provide Customs Declaration" activity diagram



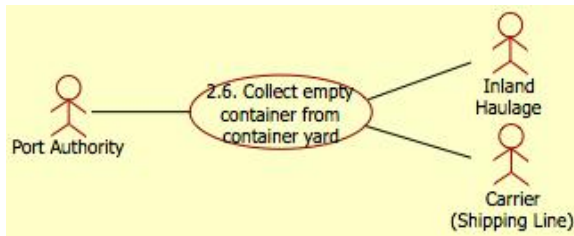
Name of a process area	2. Ship
Name of a business process	2.5. Provide Customs Declaration
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Customs Act (B.E. 2469) and Amended (B.E. 2543) • Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance • Notification of Royal Thai Customs No. 39/2550 Re: Manual for e-Export System
Process participant	<ul style="list-style-type: none"> • Customs • Customs' Bank • Exporter or Representative • Exporter's Bank

<p>Input and criteria to enter/ begin the business process</p>	<ul style="list-style-type: none"> • Exporter or representative is a registered user of the e-Customs system. • Exporter has participated in Customs' Electronic Fund Transfer program. • Exporter has already obtained the Permit for the Export of Rice (A. 4). • Transportations required to move jasmine rice to port of exit and the specified port of destination have already been arranged. • The consignment of to-be exported jasmine rice has already been insured.
<p>Activities and associated documentary requirements</p>	<p>2.5.1. Exporter prepares Export Declaration in e-Export system based on data from the following documents.</p> <ul style="list-style-type: none"> – Commercial Invoice – Permit for the Export of Rice (A. 4) – Draft Bill of Lading <p>Exporters then electronically submits Export Declaration to Royal Thai Customs.</p> <p>2.5.2. Royal Thai Customs, by e-Export system, determines if submitted Export Declaration meets Customs requirements. If it does not, e-Export system generates a message named Declaration Reject to notify exporter about the error(s) in the Export Declaration. It is important that exporter revises Export Declaration accordingly. If submitted Export Declaration meets Customs requirements, e-Export system generates a message named Declaration Accept which contains a reference number of accepted Export Declaration and the amount of duty (if any) to be paid by exporter.</p> <p>2.5.3. Exporter acknowledges successful submission of Export Declaration upon the receipt of Declaration Accept.</p> <p>2.5.4. Royal Thai Customs, by e-Export system, determines if there is a duty to be collected. If there is no duty to be collected, Royal Thai Customs, by e-Export system, skips activity 2.5.5-2.5.8 and updates the status of Declaration to 'Export Declaration with Export Tax Exemption. It should be noted that, according to Notification of Ministry of finance No. SK. 1/2531, all kinds of rice are exempted from export tax.</p> <p>2.5.5. If there is a duty to be collected, Royal Thai Customs, by e-Export system, sends Payment Order to request Exporter's bank to transfer the amount of duty that exporter owes to Customs' bank.</p> <p>2.5.6. Upon the receipt of Payment Order, exporter's bank transfers the notified amount to Customs' bank and informs Customs' bank about the transfer of duty payment.</p> <p>2.5.7. Customs' bank acknowledges the duty payment that has been transferred to Royal Thai Customs' saving account and issues Credit Advice to inform Royal Thai Customs.</p> <p>2.5.8. Royal Thai Customs, by e-Export system, acknowledges the receipt of duty payment and generates the receipt number for exporter to keep as a reference.</p> <p>2.5.9. Exporter acknowledges that Royal Thai Customs has</p>

	successfully received the payment for duty. 2.5.10. Royal Thai Customs, by e-Export system, updates the status of Export Declaration.
Output criteria to exit the business process	<ul style="list-style-type: none"> • Exporter receives a message from e-Export system inclusive of a Declaration's reference number notifying that the Export Declaration has been accepted. • The status of Export Declaration has been updated to Export Declaration ready for customs release.
Average time required to complete this business process	30 Minutes

Core business process area 2.6: Collect empty container from container yard

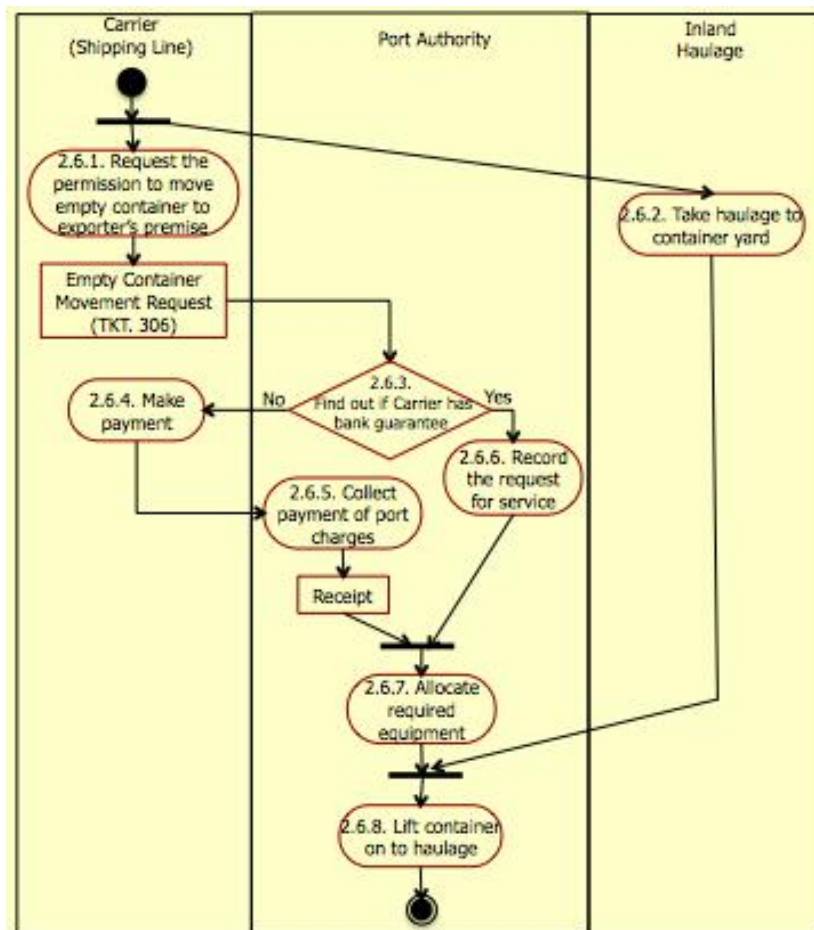
Figure A3-14. "Collect empty container from container yard" use case diagram



The use case diagram shown in Figure A3-14 suggests that "Collect empty container from container yard" process requires the participation from:

- Carrier (Shipping Line)
- Inland Haulage
- Port Authority

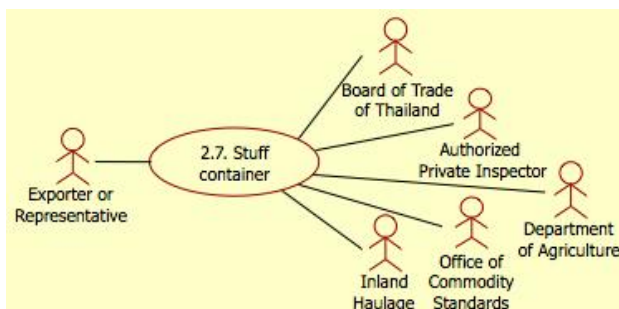
Figure A3-15. "Collect empty container from container yard" activity diagram



Name of a process area	2. Ship
Name of a business process	2.6. Collect empty container from container yard
Related laws, rules, and regulations	
Process participant	<ul style="list-style-type: none"> • Customs • Customs' Bank • Exporter or Representative • Exporter's Bank
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • Transportations required to move jasmine rice to port of exit and the specified port of destination have already been arranged. • The consignment of to-be exported jasmine rice has already been insured.
Activities and associated documentary requirements	<p>2.6.1. Carrier's agent submits Empty Container Movement Request (TKT. 306) to request for the permission to transfer an empty container to exporter's premise.</p> <p>2.6.2. Driver takes the haulage to the specified container yard to pick up an empty container.</p> <p>2.6.3. Officer from Port Authority finds out whether carrier has bank guarantee.</p> <p>2.6.4. If carrier does not have bank guarantee, carrier has to make a payment for port charges.</p> <p>2.6.5. Officer from Port Authority has to collect the payment for port charges upfront.</p> <p>2.6.6. If carrier has bank guarantee, officer from Port Authority records the amount of port charges to be paid.</p> <p>2.6.7. Officer from Port Authority then allocates necessary equipment for lifting an empty container onto haulage.</p> <p>2.6.8. Officer from Port Authority, with necessary equipment lifts an empty container onto haulage.</p>
Output criteria to exit the business process	<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.
Average time required to complete this business process	1 Hr.

Core business process area 2.7: Stuff container

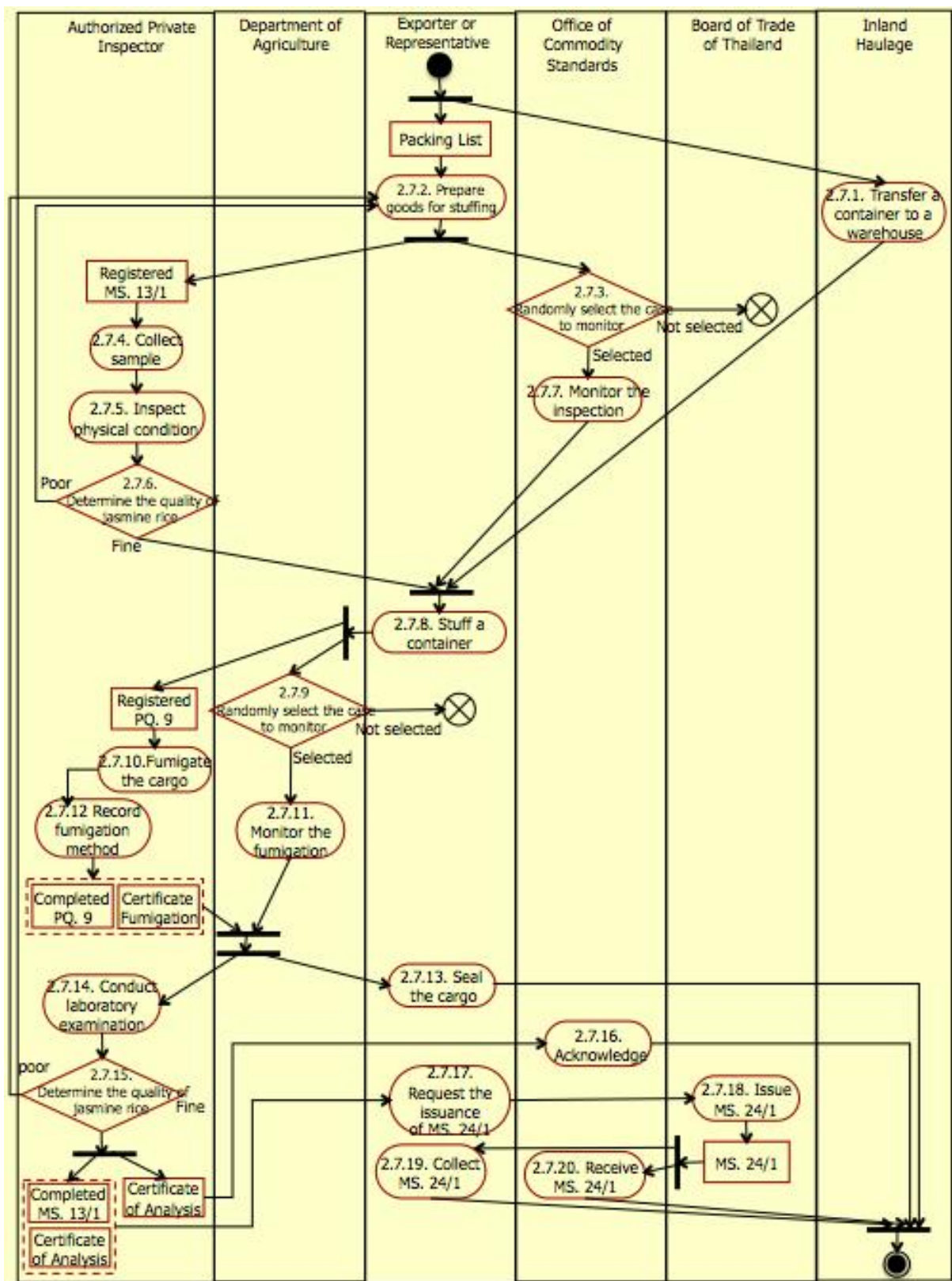
Figure A3-16. "Stuff container" use case diagram



The use case diagram shown in Figure A3-16 suggests that "Stuff container" process requires the participation from:

- Authorized Private Inspector
- Board of trade of Thailand
- Department of Agriculture
- Exporter or Representative
- Inland Haulage
- Office of Commodity Standards

Figure A3-17. “Stuff container” activity diagram



Name of a process area	2. Ship
Name of a business process	2.7. Stuff container
Related laws, rules, and regulations	<ul style="list-style-type: none"> Export Commodity Standards Act (B.E. 2503) and amended (B.E. 2523)

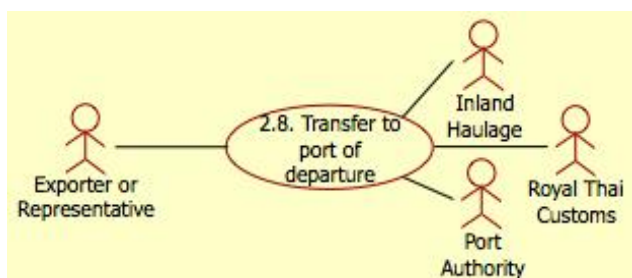
	<ul style="list-style-type: none"> • Ministry of Commerce Regulation on Product Inspector (B.E. 2504) • Ministry of Commerce Regulation on the Export of Rice No. 1 (B.E. 2534), 8 (B.E. 2540), and 15 (B.E. 2547) • Notification of Ministry of Commerce No. 1 (B.E. 2545) and 2 (B.E. 2549) Re: Instructions for Standard-based Inspection of Goods under the Standard Scheme and Thai Jasmine Rice • Notification of Ministry of Commerce Re: The Classification of Jasmine Rice as a Controlled Product under the Standard Scheme and Standard Specifications of Thai Jasmine Rice (B.E. 2549) • Notification of Ministry of Commerce Re: Service Fees for the Inspection of a Controlled Product under the Standard Scheme and the Issuance of Certificate of Product Standards (B.E. 2549) • Notification of Department of Foreign Trade Re: The Inspection of To-be Exported Rice (B.E. 2500) • Notification of Office of Commodity Standards Re: Practical Guideline for Inspection Thai Jasmine Rice (B.E. 2550) • Plant Quarantine Act (B.E. 2507) and amended (B.E. 2542, 2551) • Ministry of Agriculture and Cooperatives Regulation on The Application for and the Issuance of Phytosanitary Certificate (B.E. 2550) • Customs Act (B.E. 2469) and Amended (B.E. 2543) • Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance
Process participant	<ul style="list-style-type: none"> • Authorized Private Inspector • Board of trade of Thailand • Department of Agriculture • Exporter or Representative • Inland Haulage • Office of Commodity Standards
Input and criteria to enter/ begin the business process	<ul style="list-style-type: none"> • Driver of an inland haulage is ready to transfer an empty container to exporter's premise. • The inspection and fumigation of the consignment has already been scheduled. • Exporter has already informed Office of Commodity Standards about the inspection schedule. Application for Certificate of Standards of Product (MS. 13/1) has already been registered. • Exporter has already informed Department of Agriculture about the fumigation schedule. Application for Phytosanitary Certificate (PQ. 9) has already been registered.
Activities and associated documentary requirements	<p>2.7.1. Driver of an inland haulage transfer an empty container to exporter's premise.</p> <p>2.7.2. Exporter prepares jasmine rice to be stuffed according to the Packing List.</p> <p>2.7.3. Officer from Office of Commodity Standards randomly selects the case to go monitor the inspection.</p> <p>2.7.4. Authorized private inspector collects sample of jasmine rice from the consignment specified in registered MS. 13/1. When</p>

	<p>collect jasmine rice sample, authorized private inspector also keeps the sample for further inspection in a laboratory. The sample is divided into three portions. The first portion is for the authorized private inspector. The other two is for an exporter and Office of Commodity Standards to keep as a reference. The sample has to be delivered to Office of Commodity Standards in 7 days after the collection.</p> <p>2.7.5. Authorized private inspector then inspects the physical condition of jasmine rice.</p> <p>2.7.6. Authorized private inspector determines the quality of sampled jasmine rice based on the result of physical inspection. If the actual quality does not meet the condition specified in registered MS. 13/1, exporter has to bring in a new lot of jasmine rice. The new lot of jasmine rice is also subject to a similar inspection process.</p> <p>2.7.7. In a selected case, officer from Office of Commodity Standards also monitors the inspection of jasmine rice's physical condition.</p> <p>2.7.8. If the actual quality of sampled jasmine rice meet the condition specified in registered MS. 13/1, exporter can then stuff the jasmine rice into a container.</p> <p>2.7.9. Officer from Department of Agriculture randomly selects the case to go monitor the fumigation.</p> <p>2.7.10. When container stuffing is completed, authorized private inspector fumigates the cargo.</p> <p>The fumigation of jasmine rice in 20-foot container using Aluminium Phosphide costs 1,100 THB for the first container and 650 THB for the second container onward. The fumigation of jasmine rice in 20-foot container using Methyl Bromide costs 2,000 THB per container. Transportation fee is included. If the fumigation is not conducted during the working hours (8.00-17.00), overtime fee will be charged. The rate varies from 500-1,000 THB per shipment per day.</p> <p>2.7.11. In a selected case, officer from Department of Agriculture also monitors the fumigation.</p> <p>2.7.12. Authorized private inspector records the chemical and the method used in the fumigation in Registered PQ. 9 and issues Certificate of Fumigation.</p> <p>2.7.13. Exporter then closes and seals the container after the fumigation is completed.</p> <p>2.7.14. Authorized private inspector conducts a laboratory examination on sample jasmine rice and records the result of analysis in Registered MS. 13/1 and Certificate of Analysis.</p> <p>2.7.15. Authorized private inspector determines the quality of sampled jasmine rice based on lab results. If the result of analysis informs that the quality of sample jasmine rice is below what has already been agreed upon by an importer, exporter has to bring in a new lot of jasmine rice. The new lot</p>
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	<p>of jasmine rice has to go through activity 2.7.3 – 2.7.15 again until the laboratory examination yields desirable results. If the result of analysis is satisfactory, authorized private inspector completes MS. 13/1 and issues 2 copies of Certificate of Analysis. One copy of Certificate of Analysis is to be given to Office of Commodity Standards in 5 days after its issuance. Completed MS. 13/1 and original copy of Certificate of Analysis are to be given to exporter.</p> <p>According to Rice Export Manual prepared by Department of Foreign Trade, the inspection of jasmine rice from the first container costs 1,500 THB. From the second container onward, the service charge is calculated per ton. The costs inspection per ton is 18 THB.</p> <p>2.7.16. Office of Commodity Standards acknowledges a receipt of Certificate of Analysis.</p> <p>2.7.17. Exporter or representative then submits completed MS. 13/1 and Certificate of Analysis to officer from Board of Trade of Thailand to request the issuance of Certificate of Product Standards (MS. 24/1).</p> <p>2.7.18. An officer from Board of Trade of Thailand issues three copies of MS. 24/1. The last copy is to be kept by Board of Trade of Thailand. The issuance of MS. 24/1 for exporter costs 100 THB.</p> <p>2.7.19. The first copy is to be collected by exporter.</p> <p>2.7.20. The second copy is to be sent to Office of Commodity Standards.</p>
<p>Output criteria to exit the business process</p>	<ul style="list-style-type: none"> • The container is stuffed with goods specified in the Packing List and ready to be transfer to port of departure. • The cargo is fumigated. • MS. 24/1 is issued and given to an exporter to certify that the quality of jasmine rice to be exported meets the quality specified by an importer.
<p>Average time required to complete this business process</p>	<p>5 Hrs.</p>

Core business process area 2.8: Transfer to port of departure

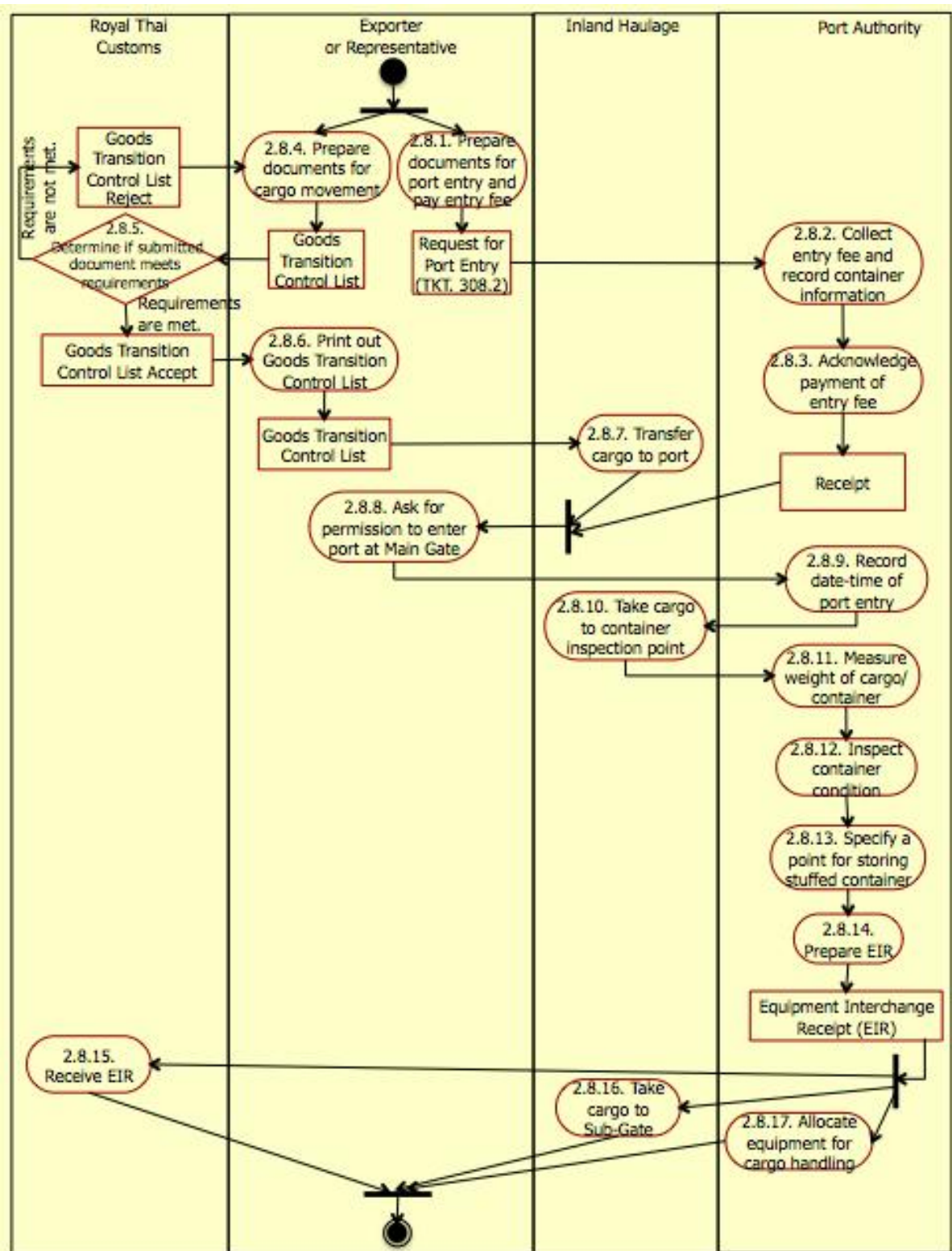
Figure A3-18. “Transfer to port of departure” use case diagram



The use case diagram shown in Figure A3-18 suggests that “Transfer to port of departure” process requires the participation from:

- Exporter or Representative
- Inland Haulage
- Port Authority
- Royal Thai Customs

Figure A3-19. "Transfer to port of departure" activity diagram



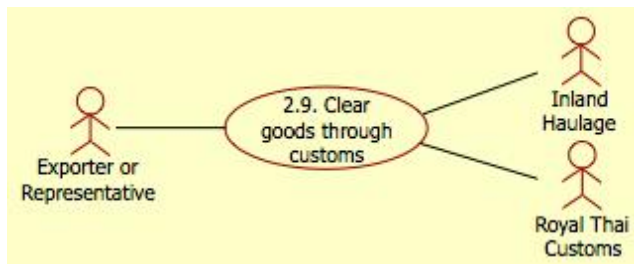
Name of a process area	2. Ship
Name of a business process	2.8. Transfer to port of departure
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Customs Act (B.E. 2469) and Amended (B.E. 2543) • Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance

	<ul style="list-style-type: none"> • Notification of Royal Thai Customs No. 39/2550 Re: Manual for e-Export System • Notification of Port Authority of Thailand Re: The Delivery of Outward Containerized Cargo to Port's Container Terminal (B.E. 2547)
Process participant	<ul style="list-style-type: none"> • Exporter or Representative • Inland Haulage • Port Authority • Royal Thai Customs
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • The container is stuffed with goods specified in the Packing List and ready to be transfer to port of departure. • The cargo is fumigated.
Activities and associated documentary requirements	<p>2.8.1. Exporter prepares the Request for Port Entry (TKT. 308.2). This document has to be submitted to Port Authority with entry fee one hour prior to the entry of containerized cargo into port. TKT. 308.2 can be submitted via fax. In case of submitting TKT. 308.2 via fax, exporter needs to submit the original copy to port officer at the time when the containerized cargo enters port.</p> <p>2.8.2. Once receives TKT 308.2 and fee, officer from Port Authority records cargo/container information in Port system.</p> <p>2.8.3. Officer from Port Authority acknowledges the payment of entry fee by issuing a Receipt for exporter.</p> <p>2.8.4. To move to-be exported jasmine rice from exporter's premise to port of exit, exporter also has to inform Royal Thai Customs about the movement. Goods Transition Control List must be prepared and submitted using Customs' e-Export system. In Goods Transition Control List, exporter must report the actual quantity and weight of jasmine rice to be exported.</p> <p>2.8.5. Royal Thai Customs, by e-Export system, determines if submitted Goods Transition Control List meets Customs requirements. If it does not, e-Export system generates a message named Goods Transition Control List Reject to notify exporter about the error(s) in the Goods Transition Control List. It is important that exporter revises Goods Transition Control List accordingly. If submitted Goods Transition Control List meets Customs requirements, e-Export system generates a message named Goods Transition Control List Accept which contains a reference number of accepted Goods Transition Control List.</p> <p>2.8.6. Exporter has to print out Goods Transition Control List and hand it to inland haulage's driver. Goods Transition Control List has to accompany the cargo to port of departure.</p> <p>2.8.7. Driver of inland haulage then takes the containerized cargo to a point of container inspection.</p> <p>2.8.8. At Main Gate, exporter presents the Receipt of port entry to officer from Port Authority to request a permission for inland haulage to enter port.</p> <p>2.8.9. Once an inland haulage enters port, port officer at Main Gate</p>

	<p>record date and time of port entry.</p> <p>2.8.10. Driver of inland haulage takes the containerized cargo to the inspection point.</p> <p>2.8.11. Officer from Port Authority measures weight of the container.</p> <p>2.8.12. Officer from Port Authority inspects container condition at time of gate in.</p> <p>2.8.13. Officer from Port Authority specifies a point in Sub-Gate where container will be placed.</p> <p>2.8.14. Officer from Port Authority records the information about weight of cargo/container, container condition, and a location of the container in the Sub-Gate in Equipment Interchange Receipt (EIR). In addition to enter EIR information into port system, Officer from Port Authority has to record it in the information system of Royal Thai Customs. One copy of EIR is given to a driver of inland haulage and another is given to</p> <p>2.8.15. Royal Thai Customs receives EIR via electronic means.</p> <p>2.8.16. Driver of inland haulage, with EIR, takes the containerized cargo into Sub-Gate and places the containerized cargo as instructed. This activity has to be completed three hours prior to the berthing of vessel for loading.</p> <p>2.8.17. Officer from Port Authority allocates necessary equipment to facilitate the handling of a containerized cargo at Sub-Gate and terminal.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> • Driver of inland haulage has brought containerized cargo through Sub-Gate.
Average time required to complete this business process	2 Hrs.

Core business process area 2.9: Clear goods through customs

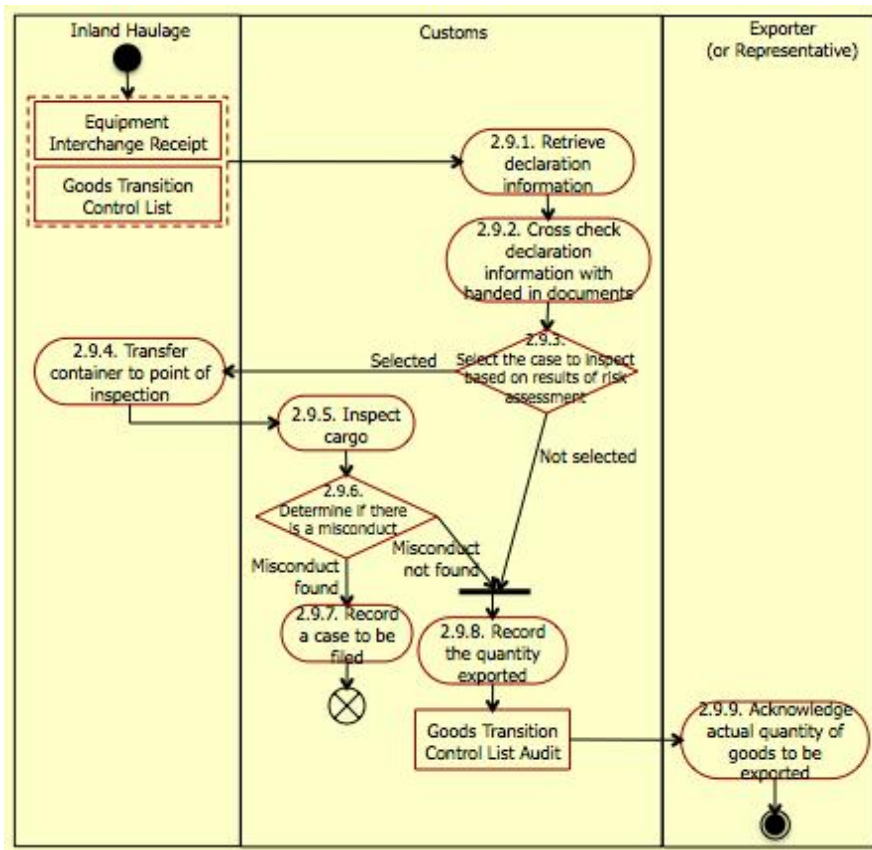
Figure A3-20. “Clear goods through customs” use case diagram



The use case diagram shown in Figure A3-20 suggests that “Clear goods through customs” process requires the participation from:

- Exporter or Representative
- Inland Haulage
- Royal Thai Customs

Figure A3-21. “Clear goods through customs” activity diagram

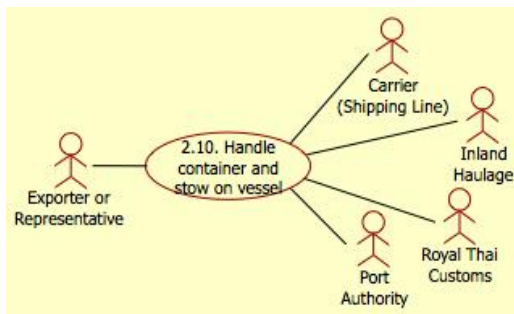


Name of a process area	2. Ship
Name of a business process	2.9. Clear goods through customs
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Customs Act (B.E. 2469) and Amended (B.E. 2543) • Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance • Notification of Royal Thai Customs No. 39/2550 Re: Manual for e-Export System • Notification of Royal Thai Customs No. 43/2550 Re: Amendment of Practical Guideline on the Inspection and Release of Containerized Cargo in Ocean Freight • Export Commodity Standards Act (B.E. 2503) and Amended (B.E. 2523) • Notification of Ministry of Commerce Re: Customs Checkpoints where Exporter of Jasmine Rice Must Present Certificate of Product Standards (MS. 24/1)
Process participant	<ul style="list-style-type: none"> • Exporter or Representative • Inland Haulage • Royal Thai Customs
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • Driver of inland haulage has brought containerized cargo through Sub-Gate.
Activities and associated documentary requirements	2.9.1. With a reference made to Equipment Interchange Receipt and Goods Transition Control List received from inland haulage’s driver, officer from Royal Thai Customs retrieves information that exporter has declared.

	<p>2.9.2. Officer from Royal Thai Customs crosses check information that has been declared with information in Equipment Interchange Receipt and Goods Transition Control List. He or she needs to make sure that the container to be exported is identical to the container that exporter has declared in Goods Transition Control List.</p> <p>2.9.3. Based on the results of risk assessment, officer from Royal Thai Customs determines whether to inspect the cargo. If the e-Export system indicates that the consignment is not subject to further inspection, officer from Royal Thai Customs can go to activity 2.9.8 and release the consignment from Sub-Gate right away. The actual quantity of goods to be exported is recorded as part of Goods Transition Control List Audit in the system.</p> <p>2.9.4. If officer from Royal Thai Customs decides to inspect the cargo, driver of inland haulage has to move the containerized cargo to point of inspection.</p> <p>2.9.5. Officer from Royal Thai Customs then inspect the containerized cargo.</p> <p>2.9.6. Officer from Royal Thai Customs determines if there is a misconduct.</p> <p>2.9.7. If there is a misconduct found, officer from Royal Thai Customs records a misconduct case which requires further investigation.</p> <p>2.9.8. If misconduct is not found, officer from Royal Thai Customs can release the containerized cargo from the Sub-Gate right away. The actual quantity of goods to be exported and released date are then recorded as part of Goods Transition Control List Audit in the system.</p> <p>2.9.9. Upon the release of the containerized cargo from Customs-controlled area, exporter will be notified of the actual quantity of goods to be exported.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> • The consignment is released from Customs-controlled area.
Average time required to complete this business process	30 Minutes

Core business process area 2.10: Handle container and stow on vessel

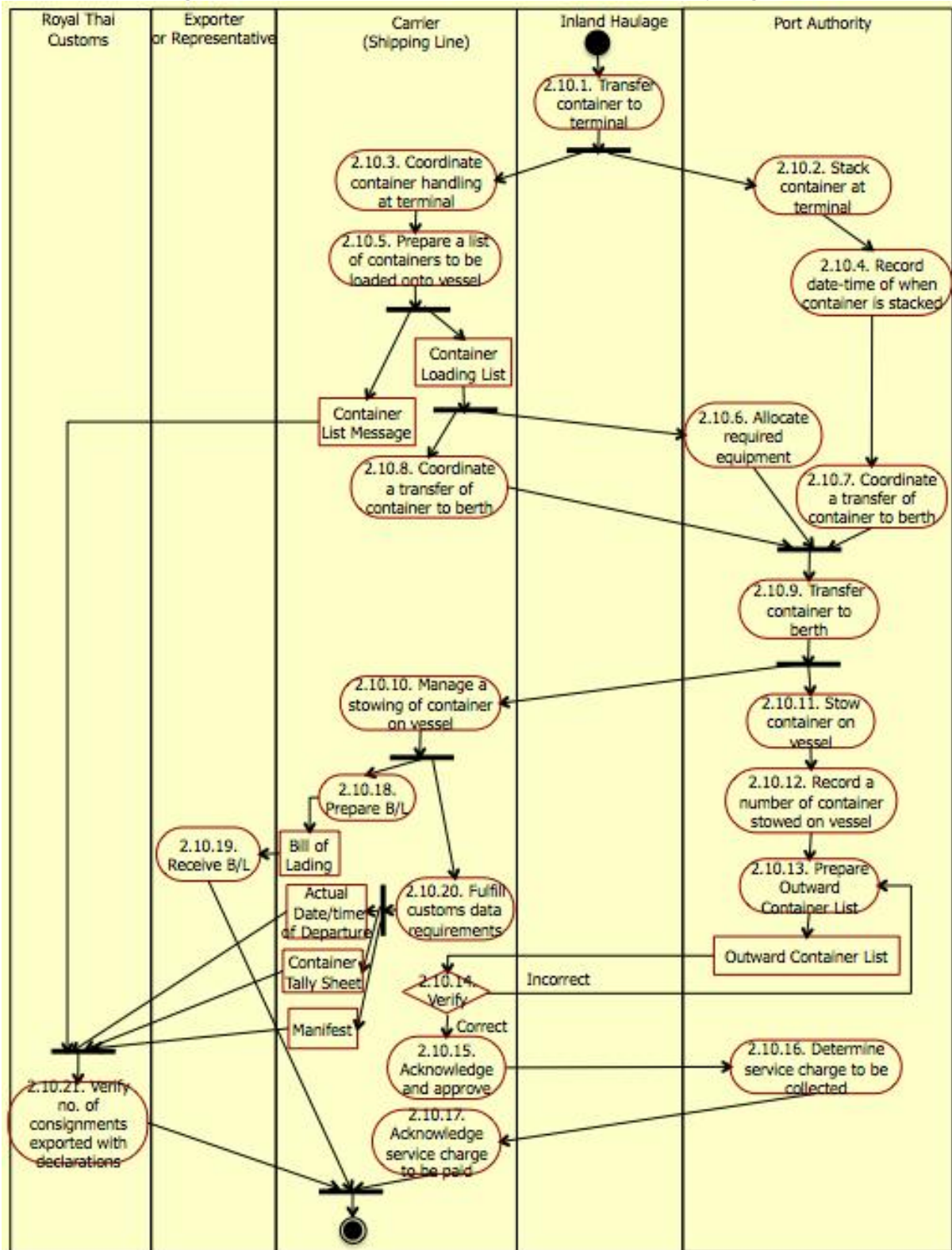
Figure A3-22. “Handle container and stow on vessel” use case diagram



The use case diagram shown in Figure A3-22 suggests that “Handle container and stow on vessel” process requires the participation from:

- Carrier (Shipping Line)
- Exporter or Representative
- Inland Haulage
- Port Authority
- Royal Thai Customs

Figure A3-23. "Handle container and stow on vessel" activity diagram



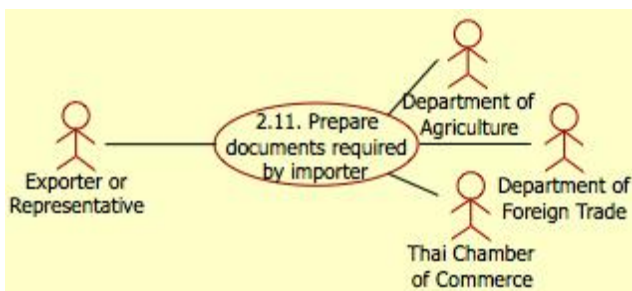
Name of a process area	2. Ship
Name of a business process	2.10. Handle container and stow on vessel
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Customs Act (B.E. 2469) and Amended (B.E. 2543) • Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance

	<ul style="list-style-type: none"> • Port Authority of Thailand Regulation No. 3: Practical Guideline on the Use of Port Facilities and Services (B.E. 2547)
Process participant	<ul style="list-style-type: none"> • Carrier (Shipping Line) • Exporter or Representative • Inland Haulage • Port Authority • Royal Thai Customs
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • Containerized cargo is released from Customs-controlled area. • Carrier has already received permission from Marine Department to leave port of departure. • Through customs information system, carrier agent has already submitted Vessel Schedule and received Receive Control Number from Royal Thai Customs. Receive Control Number is considered as a permission from Royal Thai Customs to load cargo onto vessel.
Activities and associated documentary requirements	<p>2.10.1. Driver of inland haulage transfers the container to the location in the terminal specified in Equipment Interchange Receipt.</p> <p>2.10.2. Port staff stacks the container at the terminal using the equipments that have already been prepared after issuing the Equipment Interchange Receipt towards the end of “transfer to port of departure” business process.</p> <p>2.10.3. Carrier agent coordinates the handling of container at the terminal with port staff.</p> <p>2.10.4. Port staff then records date and time when the container is stacked.</p> <p>2.10.5. Carrier agent prepares Container Loading List for Port Authority and Container List Message for Royal Thai Customs. The content of these two documents is almost identical. These two documents have to be submitted to Port Authority and Customs three hours prior to the loading time. If there are changes in the list of containers, changes must be informed to relevant parties prior to the loading time as well.</p> <p>2.10.6. Based on Container Loading List, Port staff, through the handheld device, allocates equipment necessary for transferring containers to berth.</p> <p>2.10.7. Port staff coordinates with carrier agent on a transfer of container to berth.</p> <p>2.10.8. Carrier agent coordinates with port staff on a transfer of container to berth.</p> <p>2.10.9. Port staff transfers container from the terminal to berth.</p> <p>2.10.10. Based on Container Loading List, carrier agent instructs port staff about the location of each container on a vessel.</p> <p>2.10.11. Port staff stows containers on vessel according to carrier agent’s instruction.</p> <p>2.10.12. Port staff then records a number of containers stowed on vessel upon the completion of the task.</p> <p>2.10.13. Based on Container Loading List and a number of containers stowed on vessel recorded, port staff prepares Outward Container List.</p>

	<p>2.10.14. Carrier agent verifies Outward Container List received from port staff..</p> <p>2.10.15. Carrier agent acknowledges and approves the correct Outward Container List. If Outward Container List is incorrect, carrier agent needs to inform port staff about the revision needed.</p> <p>2.10.16. Port staff determines port charges and informs carrier agent the amount of charges to be paid.</p> <p>2.10.17. Carrier agent then acknowledges the amount of service charge to be paid to Port Authority.</p> <p>2.10.18. Once all the containers are on board, carrier agent issues Bill of Lading for an exporter.</p> <p>2.10.19. Exporter receives Bill of Lading from carrier agent.</p> <p>2.10.20. Carrier agent is also required to fulfill customs data requirements by submitting the following items in customs format to customs information system.</p> <ul style="list-style-type: none"> – The actual date and time of departure – Container Tally Sheet (within 72 hours after the departure) – Manifest (within 6 days after receiving Receive Control Number) <p>2.10.21. Once Customs officer receives Manifest from carrier agent, he or she verifies the information of containers on board with submitted Export declarations and Goods Transition</p> <p>It should be noted that in addition to Outward Container List, port staff summarizes container movement activities in Container Gate-in/Gate-out Report Message (CODECO) and Container Discharge/Loading Report Message (COARRI). These messages are sent to carrier agent every morning in either an EDI File or a Text File.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> • The consignment is released from Customs-controlled area.
Average time required to complete this business process	1 Day

Core business process area 2.11: Prepare documents required by importer

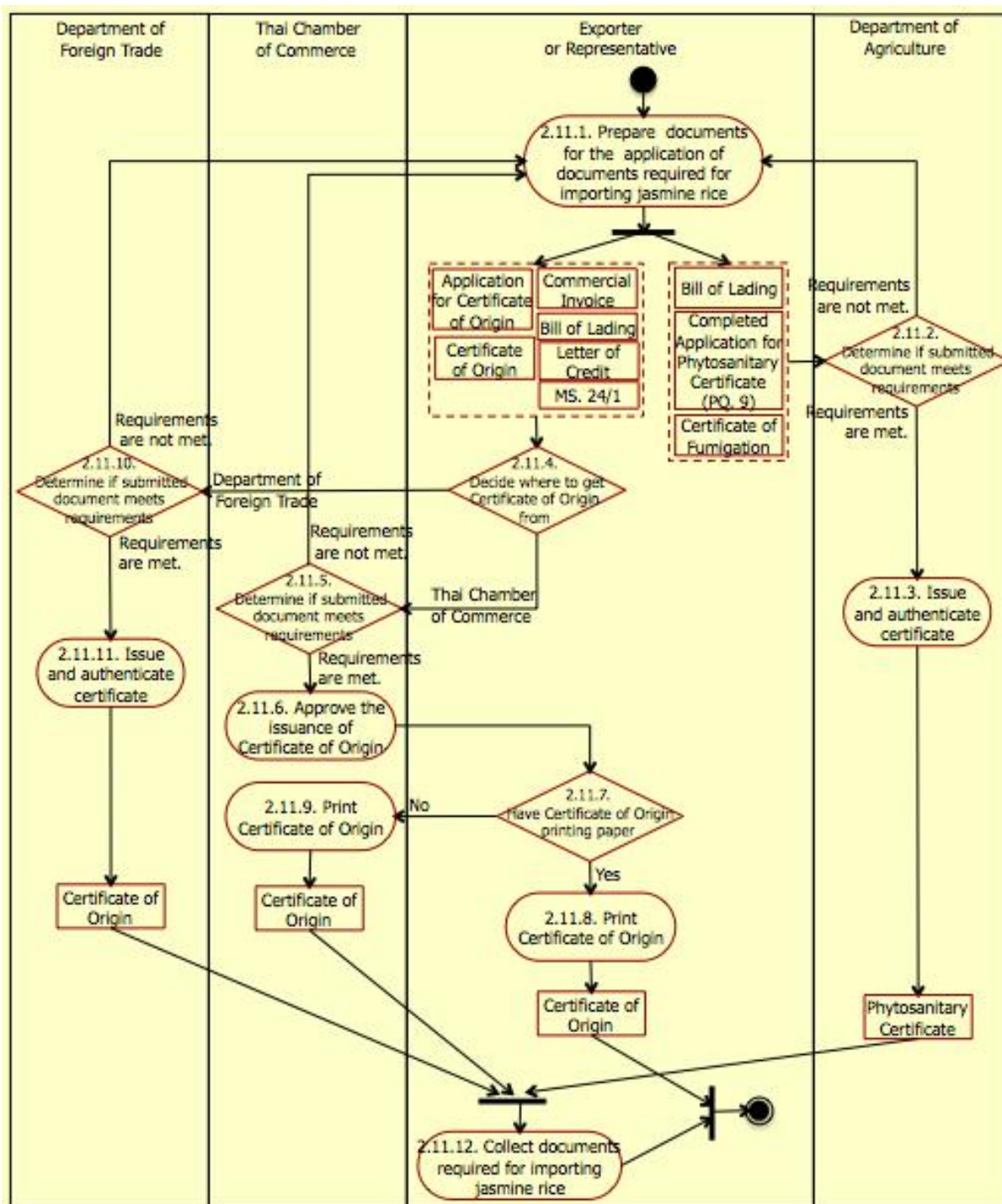
Figure A3-24. “Prepare documents required by importer” use case diagram



The use case diagram shown in Figure A3-24 suggests that “Prepare documents required by importer” process requires the participation from:

- Department of Agriculture
- Department of Foreign Trade
- Exporter or Representative
- Thai Chamber of Commerce

Figure A3-25. "Prepare documents required by importer" activity diagram



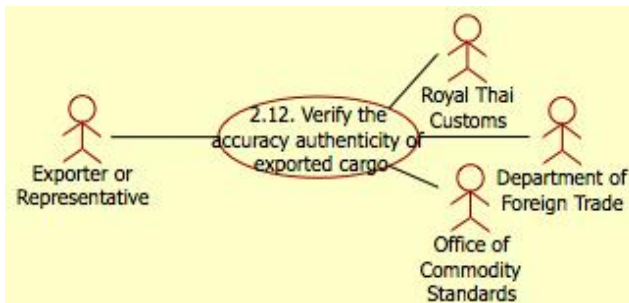
Name of a process area	2. Ship
Name of a business process	2.11. Prepare documents required by importer
Related laws, rules, and regulations	<ul style="list-style-type: none"> Plant Quarantine Act (B.E. 2507) and amended (B.E. 2542, 2551) Ministry of Agriculture and Cooperatives Regulation on The Application for And the Issuance of Phytosanitary Certificate (B.E. 2550) Notification of Department of Agriculture Re: Application Form for Phytosanitary Certificate

	<ul style="list-style-type: none"> • USDA Fresh Fruits and Vegetables Import Manual
Process participant	<ul style="list-style-type: none"> • Department of Agriculture • Department of Foreign Trade • Exporter or Representative • Thai Chamber of Commerce
Input and criteria to enter/ begin the business process	<ul style="list-style-type: none"> • Container of fumigated jasmine rice has already been loaded onto vessel.
Activities and associated documentary requirements	<p>2.11.1. Exporter prepares documents necessary for the application of Certificates used in import formalities. To apply for Phytosanitary Certificate, exporter in person submits the following documents at Department of Agriculture.</p> <ul style="list-style-type: none"> – Bill of Lading – Completed Application for Phytosanitary Certificate (PQ. 9) – Certificate of Fumigation <p>To apply for Certificate of Origin, exporter needs to submit the following documents:</p> <ul style="list-style-type: none"> – Commercial Invoice – Certified-true-copy Bill of Lading – Letter of Credit – Certificate of Standard of Products (MS. 24/1) – Completed Application for Certificate of Origin – Draft Certificate of Origin <p>The submission of an application for Certificate of Origin can be done electronically. Exporter who has already registered with either Department of Foreign Trade of Thai Chamber of Commerce can fill in required data in the provided online Application form.</p> <p>2.11.2. Upon the receipt of the application and supplementary documents, officer from Department of Agriculture reviews them and determines if they meet Department of Agriculture’s requirements. If they do not, officer from Department of Agriculture informs exporter where revision is needed. Exporter then revises the documents accordingly.</p> <p>2.11.3. If submitted documents meet Department of Agriculture’s requirements, officer from Department of Agriculture issues and authenticates Phytosanitary Certificate.</p> <p>2.11.4. To apply for Certificate of Origin, exporter first decides whether he or she would like to submit the application through the system of Department of Foreign Trade or of Thai Chamber of Commerce.</p> <p>2.11.5. If exporter chooses the system of Thai Chamber of Commerce, he or she needs to upload supplementary documents, i.e., Commercial Invoice, Certified-true-copy Bill of Lading, Letter of Credit, and Certificate of Standard of Products (MS. 24/1) as attached files prior to submitting the application to Thai Chamber of Commerce. Upon the receipt of the application and supplementary documents,</p>

	<p>officer from Thai Chamber of Commerce reviews them and determines if they meet Department of Foreign Trade's requirements. If they do not, officer from Thai Chamber of Commerce informs exporter where revision is needed. Exporter then revises the documents accordingly.</p> <p>2.11.6. If submitted documents meet Department of Foreign Trade's requirements, officer from Thai Chamber of Commerce approves the issuance of Certificate of Origin.</p> <p>2.11.7. Exporter sees if he or she has already purchased Certificate of Origin printing paper.</p> <p>2.11.8. If exporter has Certificate of Origin printing paper, he or she can print Certificate of Origin from an office printer right away.</p> <p>2.11.9. In a case where exporter does not have Certificate of Origin printing paper, officer from Thai Chamber of Commerce can print it.</p> <p>2.11.10. If exporter chooses to apply for Certificate of Origin through the system of Department of Foreign Trade, in addition to entering required data in the provided online Application form, he or she needs to spell out supplementary documents. No attachment of those documents is needed. Upon the receipt of the application and supplementary documents, officer from Department of Foreign Trade reviews them and determines if they meet Department of Foreign Trade's requirements. If they do not, officer from Department of Foreign Trade informs exporter where revision is needed. Exporter then revises the documents accordingly.</p> <p>2.11.11. If the submitted application and supplementary documents meet Department of Foreign Trade's requirements, officer from Department of Foreign Trade issues and authenticates Certificate of Origin.</p> <p>2.11.12. Certificate of Origin can be collected 6 working hours after the application is submitted. For example, if the application is submitted at 9.00, the Certificate should be ready for a pick-up by 16.00. There is no fee involving in the issuance of Certificate of Origin. Phytosanitary Certificate, on the other hand, can be collected a few hours after the application is submitted. The issuance of Phytosanitary Certificate costs 50 THB.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> • Exporter obtained all regulatory documents required to fulfill import formalities.
Average time required to complete this business process	3 Days

Core business process area 2.12: Verify the accuracy/authenticity of exported cargo

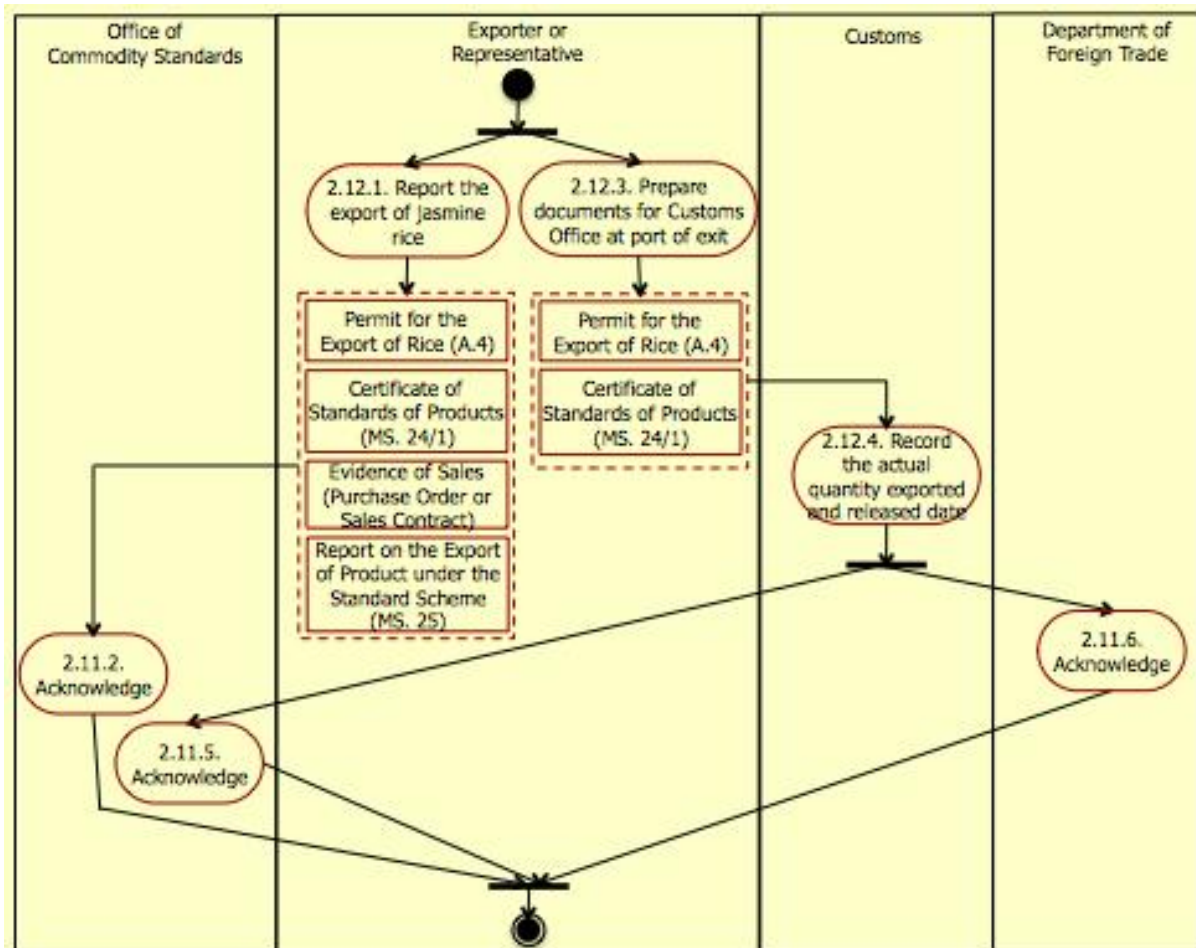
Figure A3-26. “Verify the accuracy/authenticity of exported cargo” use case diagram



The use case diagram shown in Figure A3-26 suggests that “Verify the accuracy and authenticity of exported cargo” process requires the participation from:

- Department of Foreign Trade
- Exporter or Representative
- Office of Commodity Standards
- Royal Thai Customs

Figure A3-27 “Verify the accuracy/authenticity of exported cargo” activity diagram



Name of a process area	2. Ship
Name of a business process	2.12. Verify the accuracy and authenticity of exported cargo
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Notification of Ministry of Commerce Re: Customs Checkpoints where Exporter of Jasmine Rice Must Present Certificate of Product Standards (MS. 24/1) • Notification of Royal Thai Customs No. 32/2550 Re: The Termination of Completing Customs’ Export Formalities via

	<p>Electronic Data Interchange</p> <ul style="list-style-type: none"> Ministry of Commerce Regulation on the Export of Products under the Standard Scheme (B.E. 2504)
Process participant	<ul style="list-style-type: none"> Department of Foreign Trade Exporter or Representative Office of Commodity Standards Royal Thai Customs
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> Royal Thai Customs has already recorded the actual quantity of jasmine rice in Goods Transition Control List.
Activities and associated documentary requirements	<p>2.12.1. Exporter informs Office of Commodity Standards about the export of jasmine rice by submitting the following documents</p> <ul style="list-style-type: none"> Permit for the Export of Rice (A. 4) Certificate of Standards of Products (MS. 24/1) with additional data entered by exporter on number and issue date of Commercial Invoice and Bill of Lading as well as term of payment Evidence of Sales (Purchase Order or Sales Contract) Report on the Export of Product under the Standard Scheme (MS. 25) <p>MS. 25 can be prepared and submitted to Office of Commodity Standards online. It has to be submitted in 15 days after the date of export.</p> <p>2.12.2. Office of Commodity Standards acknowledges the export of jasmine rice.</p> <p>2.12.3. Exporter prepares the following documents to be submitted to Customs Office at port of exit.</p> <ul style="list-style-type: none"> Permit for the Export of Rice (A. 4) Certificate of Standards of Products (MS. 24/1) with additional data entered by exporter on number and issue date of Commercial Invoice and Bill of Lading as well as term of payment <p>The documents can be submitted in person or by a registered mail. They have to be submitted within 15 days after Royal Thai Customs recorded the actual quantity of jasmine rice exported in Goods Transition Control List.</p> <p>2.12.4. Upon the receipt of A. 4 and MS. 24/1, Royal Thai Customs records the actual quantity of jasmine rice exported in the documents and then forward the physical copies to Office of Commodity Standards and Department of Foreign Trade.</p> <p>2.12.5. Office of Commodity Standards receives the documents with acknowledgement.</p> <p>2.12.6. Department of Foreign Trade receives the documents with acknowledgement.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> Department of Foreign Trade, Office of Commodity Standards, and Royal Thai Customs acknowledged the export of jasmine rice.
Average time required to complete this business process	1 Day

Process area 3: Pay

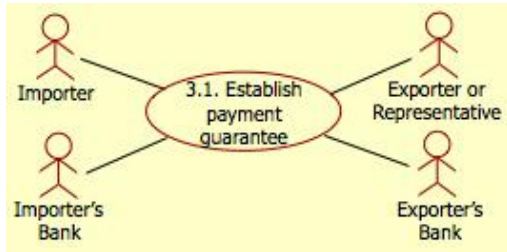
Pay process area deals with the establishment of payment guarantee and the collection of payments for goods. It consists of 2 core business processes. Given that the study is conducted under the assumption that the payment for the purchased jasmine rice is made by Letter of Credit, an emphasis will be placed on how to apply for Letter of Credit and collect payment for goods using Letter of Credit.

Figure A3-28. Use case diagram of core business processes in pay process area



Core business process area 3.1: Establish payment guarantee

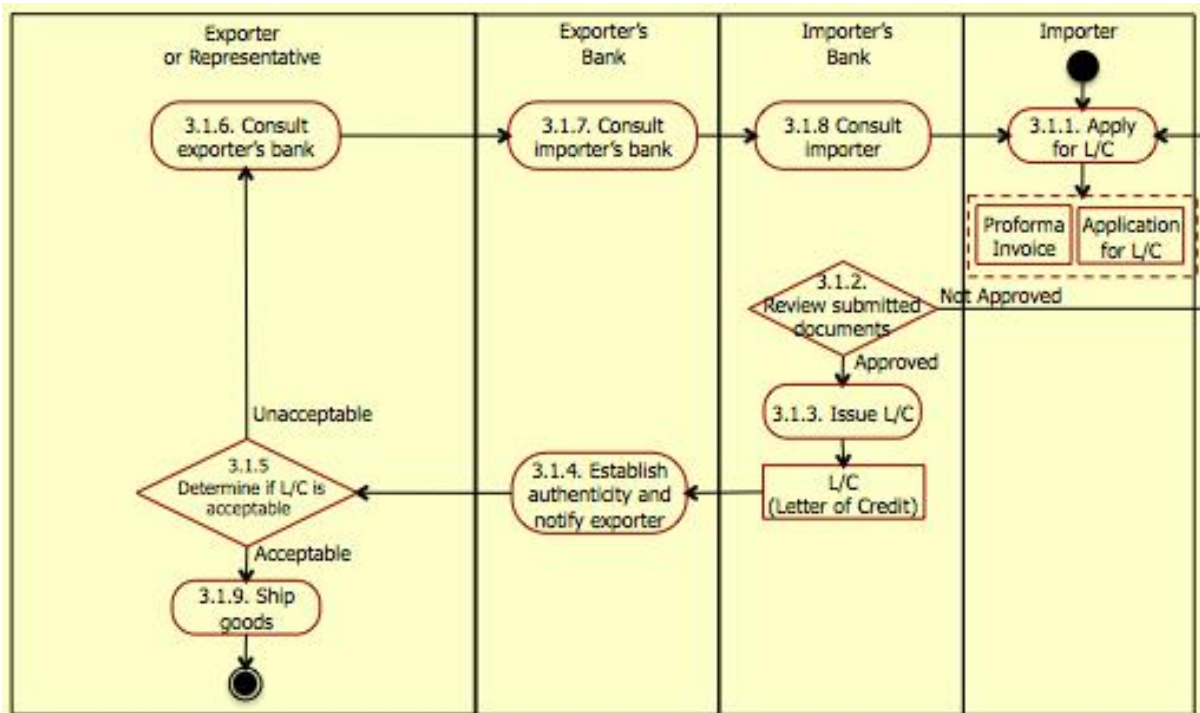
Figure A3-29. “Establish payment guarantee” use case diagram



The “Establish payment guarantee” use case diagram shown in Figure A3-29 suggests that this core business process requires the participation from:

- Exporter or Representative
- Exporter’s Bank
- Importer
- Importer’s Bank

Figure A3-30 “Establish payment guarantee” activity diagram



Name of a process area	3. Pay
Name of a business process	3.1. Establish payment guarantee
Related laws, rules, and regulations	<ul style="list-style-type: none"> Uniform Custom and Practice for Documentary Credit, International Chamber of Commerce Publication No. 500
Process participant	<ul style="list-style-type: none"> Exporter or Representative Exporter's Bank (advising bank) Importer Importer's Bank (issuing bank)
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> Exporter and importer have already concluded trade contract and terms.
Activities and associated documentary requirements	<p>3.1.1. Importer applies for Letter of Credit by submitting Application for Irrevocable Documentary Letter of Credit and Proforma Invoice to importer's bank.</p> <p>3.1.2. Importer's bank reviews submitted documents and evaluates importer's credit standing.</p> <p>3.1.3. If importer's credit is in good standing, importer's bank approves the application, issues Letter of Credit, and forward it to exporter's bank by electronic means.</p> <p>3.1.4. Exporter's bank establishes authenticity of the letter of credit and informs exporter that Letter of Credit is ready for collection.</p> <p>3.1.5. Exporter collects Letter of Credit and determines if it meets contractual agreement and its terms and conditions can be satisfied.</p> <p>3.1.6. If exporter finds Letter of Credit unacceptable, he or she needs to consult exporter's bank.</p> <p>3.1.7. Exporter's bank consults importer's bank.</p> <p>3.1.8. Importer's bank then consults importer on the amendment of Letter of Credit.</p> <p>3.1.9. If exporter finds the already issued Letter of Credit acceptable, he or she makes necessary arrangements for the delivery of goods.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> Exporter accepted Letter of Credit Exporter started to make necessary arrangements to deliver jasmine rice to importer.
Average time required to complete this business process	2 Days

Core business process area 3.2: Claim payment for goods

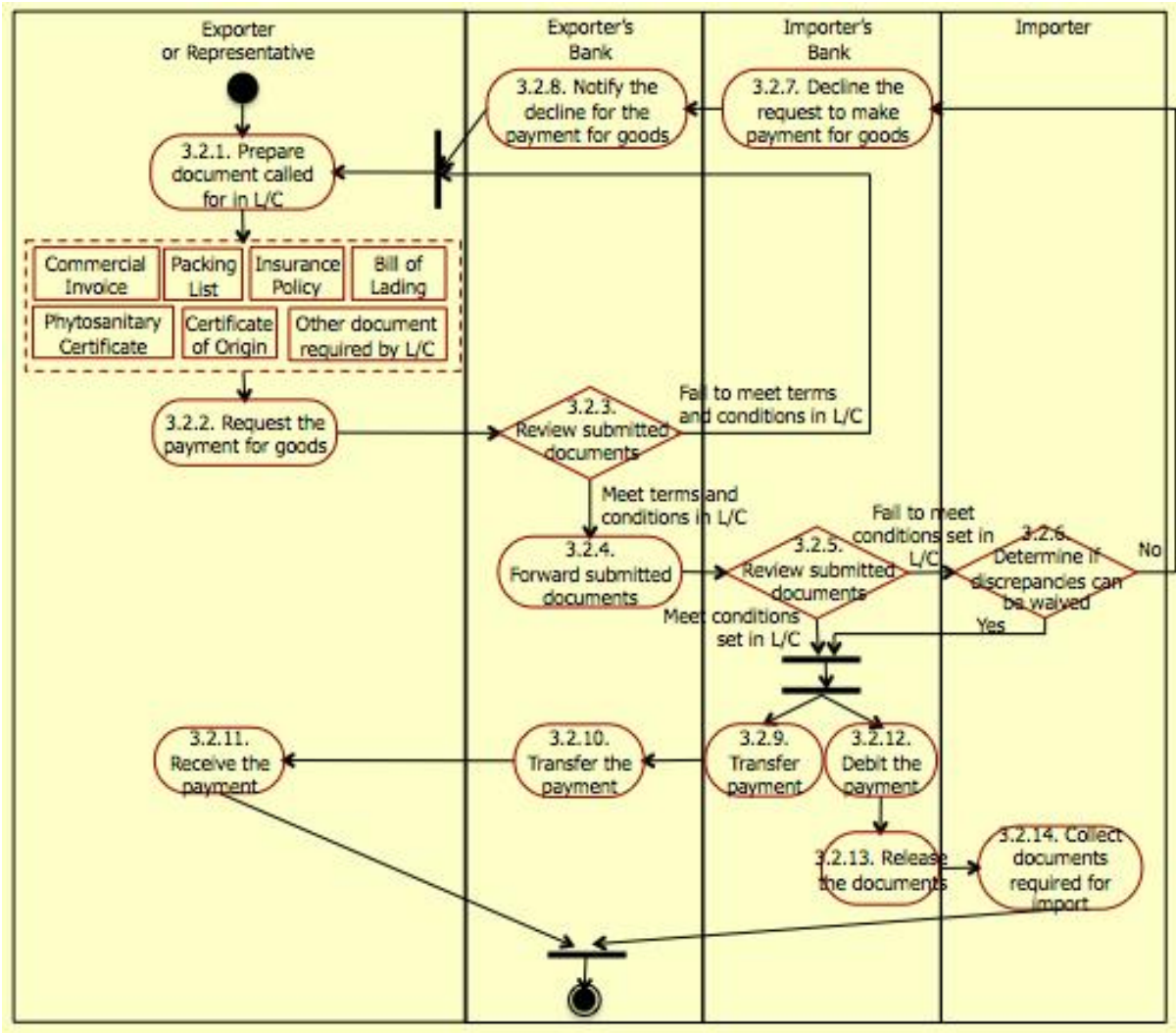
Figure A3-31. "Claim payment for goods" use case diagram



The "Claim payment for goods" use case diagram shown in Figure A3-31 suggests that this core business process requires the participation from:

- Exporter or Representative
- Exporter's Bank
- Importer
- Importer's Bank

Figure A3-32 “Claim payment for goods” activity diagram



Name of a process area	3. Pay
Name of a business process	3.2. Claim payment for goods
Related laws, rules, and regulations	<ul style="list-style-type: none"> Uniform Custom and Practice for Documentary Credit, International Chamber of Commerce Publication No. 500
Process participant	<ul style="list-style-type: none"> Exporter or Representative Exporter's Bank (advising bank) Importer Importer's Bank (issuing bank)
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> Exporter has already fulfilled contractual agreement.
Activities and associated documentary requirements	3.2.1. Exporter also prepares documents called for in Letter of Credit. Those documents typically include: <ul style="list-style-type: none"> Commercial Invoice, Packing List, Insurance Policy, Bill of Lading, Phytosanitary Certificate, and Certificate of Origin.

	<p>3.2.2. With the documents called for in Letter of Credit, exporter requests exporter's bank to advise importer's bank to proceed the payment for goods.</p> <p>3.2.3. Exporter's bank reviews submitted documents and determines if they are compliant with the terms and conditions as listed in Letter of Credit. If they do not meet the terms and conditions in Letter of Credit, exporter's bank informs exporter about the discrepancies. In this case, exporter needs to make necessary corrections.</p> <p>3.2.4. If the submitted documents meet the terms and conditions as listed in Letter of Credit, exporter's bank forward them to importer's bank.</p> <p>3.2.5. Importer's bank reviews submitted documents and determines if they are compliant with the terms and conditions of Letter of Credit. If they do not meet the terms and conditions in Letter of Credit, importer's bank informs importer about the discrepancies.</p> <p>3.2.6. Importer determines if discrepancies can be waived.</p> <p>3.2.7. If importer does not waive the discrepancies, importer's bank declines the request to make payment for goods.</p> <p>3.2.8. Exporter's bank notifies exporter about the decline for the payment for goods so that exporter makes necessary corrections.</p> <p>3.2.9. If importer's bank finds the submitted documents compliant with the terms and conditions listed in Letter of Credit from the very beginning, importer's bank transfer the payment for goods to exporter's bank.</p> <p>3.2.10. Exporter's bank transfers the payment for goods to exporter.</p> <p>3.2.11. Exporter receives the payment for goods.</p> <p>3.2.12. Importer's bank debits the payment for goods from importer's account.</p> <p>3.2.13. Importer's bank releases documents collected from exporter.</p> <p>3.2.14. Importer collected documents required for import.</p>
Output criteria to exit the business process	<ul style="list-style-type: none"> • Exporter received the payment for goods. • Importer received documents required to complete import formalities.
Average time required to complete this business process	2 Days

A4. Business processes of jasmine rice export in a Nutshell

Figure A4-1. Time-procedure chart for jasmine rice export from Thailand to USA

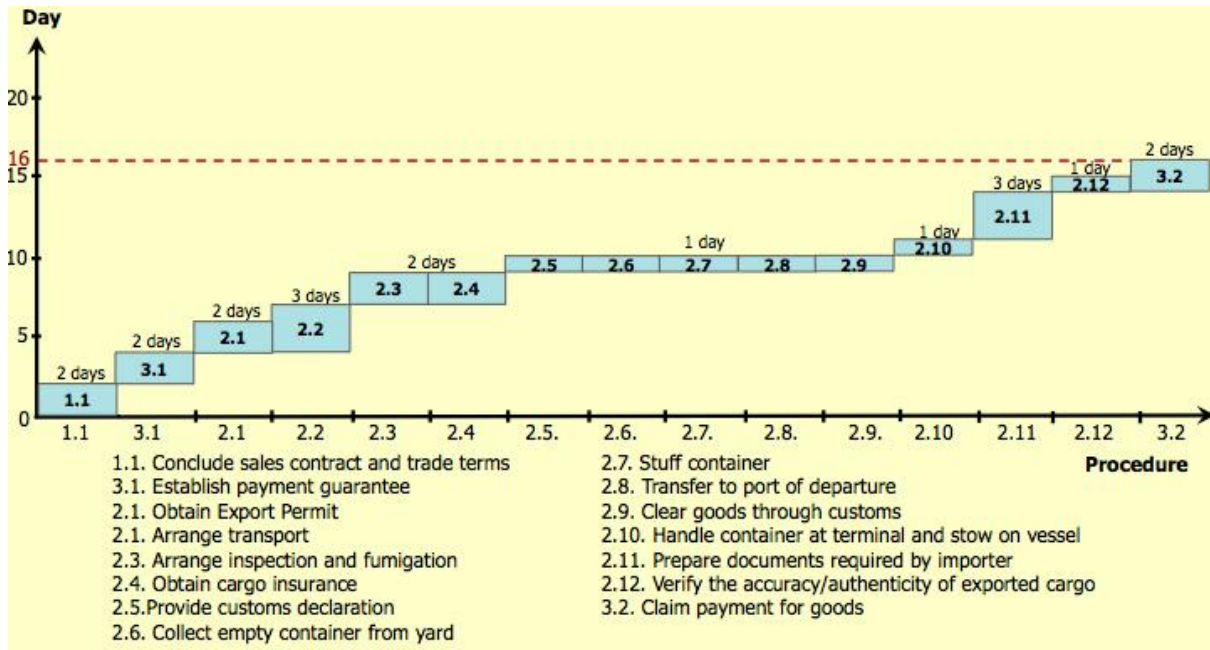
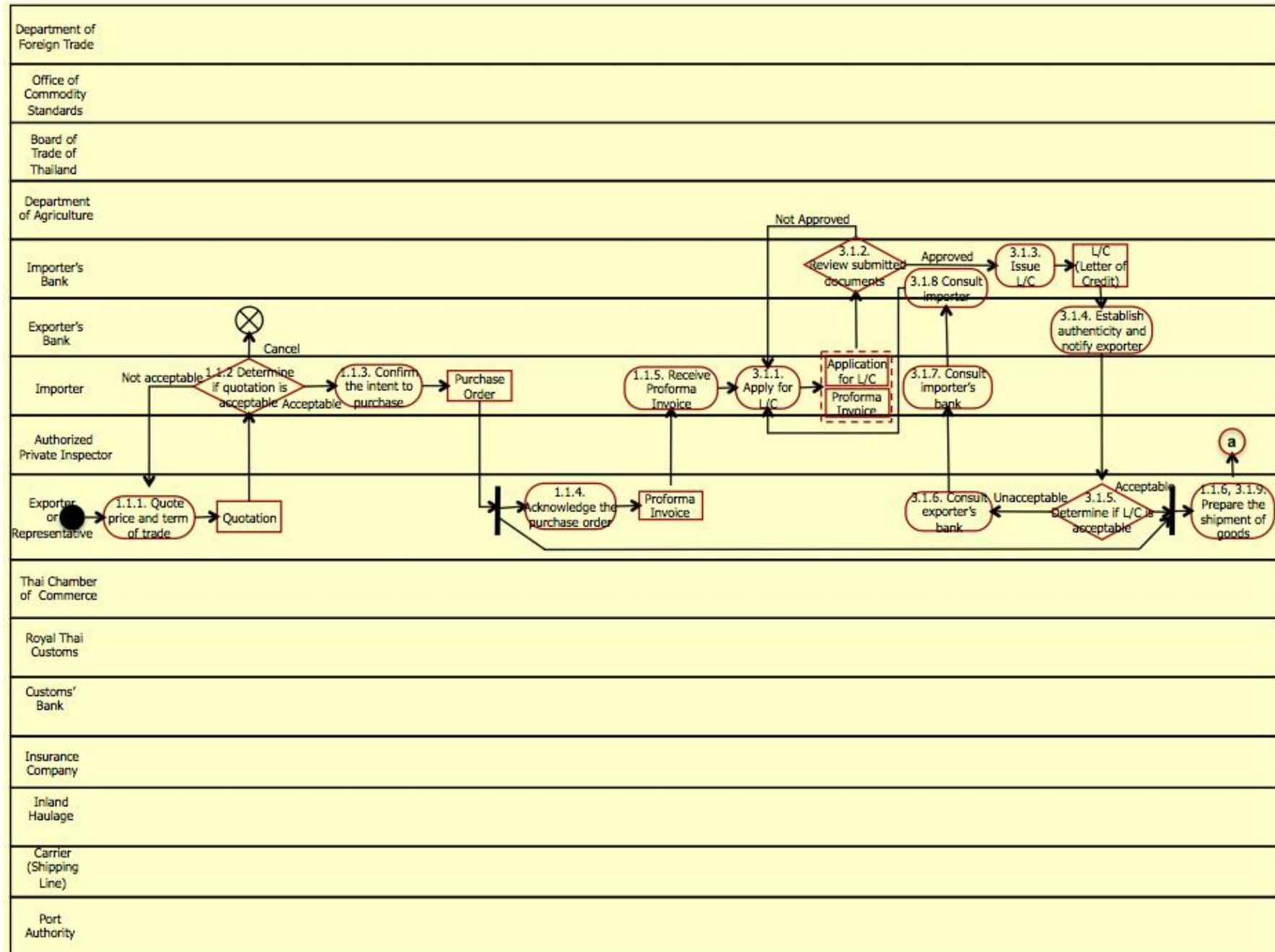


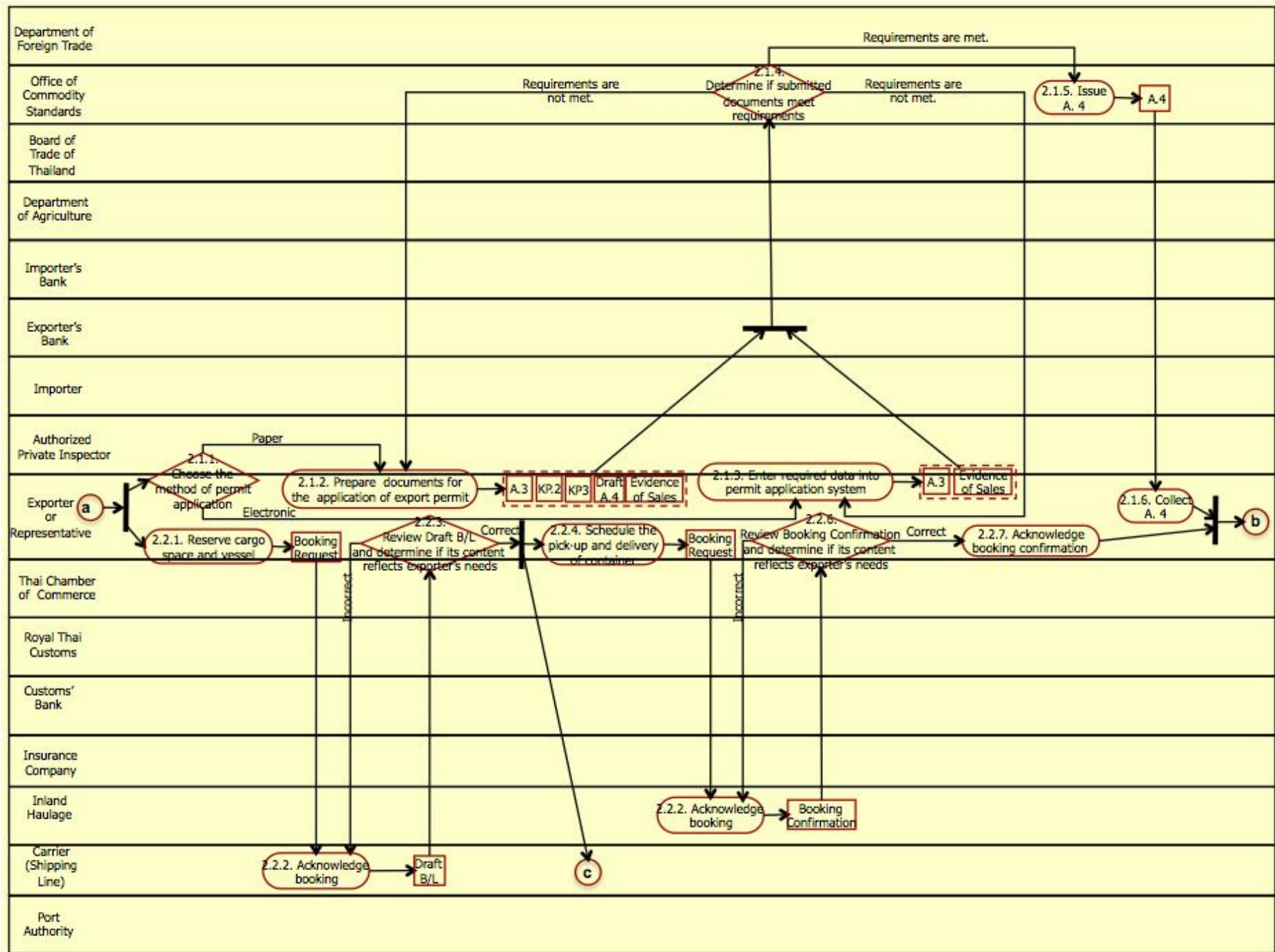
Figure A4-1 presents a time-procedure chart listing core business processes that are required to be carried out to export jasmine rice from Thailand to the United States. The time-procedure chart suggests that it takes, in average, 16 days for stakeholders to fulfill commercial and regulatory requirements of 15 jasmine rice export business processes. It also provides an illustration of when each core business process occurs in relation to others. Table A4-1, on the other hand, provides the precise time it normally takes to complete each business process and a spotlight into dependencies among them.

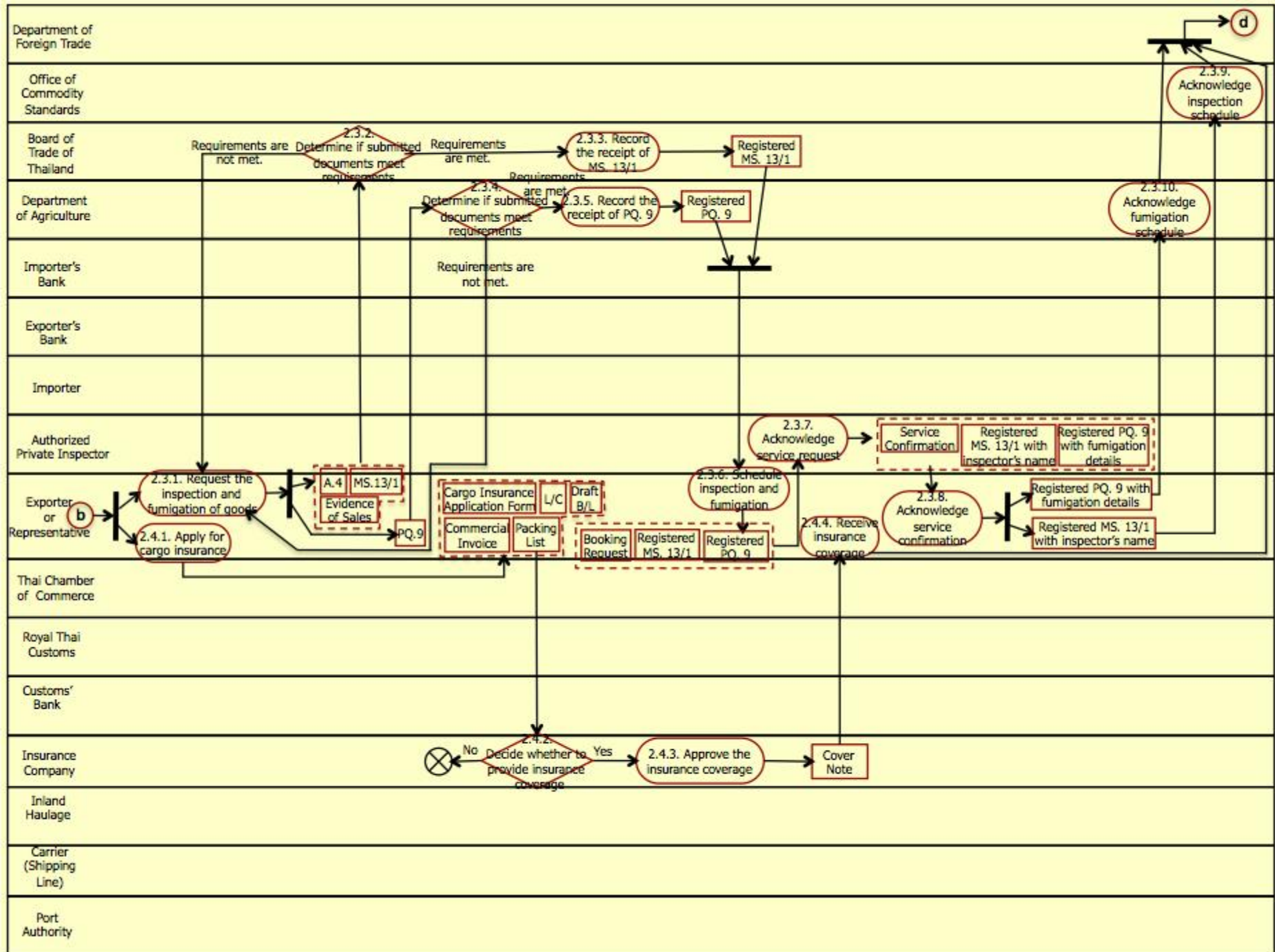
Table A4-1. Duration and dependencies among jasmine rice export business processes

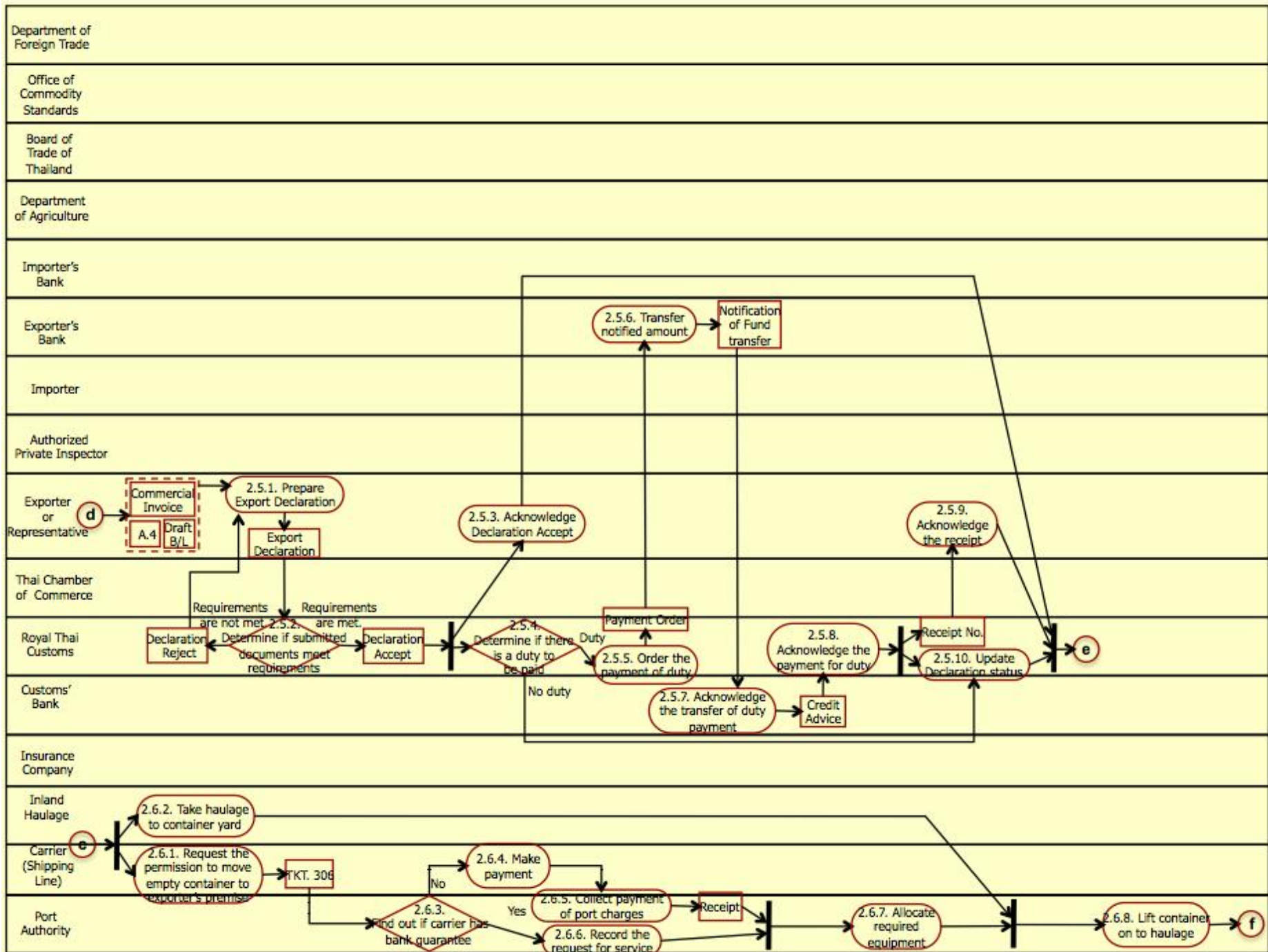
Core business process (use case)	Duration	Predecessor	Simultaneous task
1. Buy			
1.1. Conclude sales contract and trade terms	2 Days	N/A	N/A
2. Ship			
2.1. Obtain export permit	2 Days	1.1, 3.1	2.2
2.2. Arrange transport	3 Days	1.1, 3.1	2.1
2.3. Arrange the inspection and fumigation	2 Days	2.1, 2.2	2.4
2.4. Obtain cargo insurance	2 Days	2.1, 2.2	2.3
2.5. Provide customs declaration	30 Minutes	2.3, 2.4	2.6
2.6. Collect empty container from yard	1 Hour	2.3, 2.4	2.5
2.7. Stuff container	5 Hours	2.5, 2.6	N/A
2.8. Transfer to port of departure	2 Hours	2.7	N/A
2.9. Clear goods through customs	30 Minutes	2.8	N/A
2.10. Handle cargo and stow on vessel	1 Day	2.9	N/A
2.11. Prepare documents required by importer	3 Days	2.10	N/A
2.12. Verify the accuracy/authenticity of exported cargo	1 Day	2.11	3.2
3. Pay			
3.1. Establish payment guarantee	2 Days	1.1	N/A
3.2. Claim payment for goods	2 Days	2.11	2.12

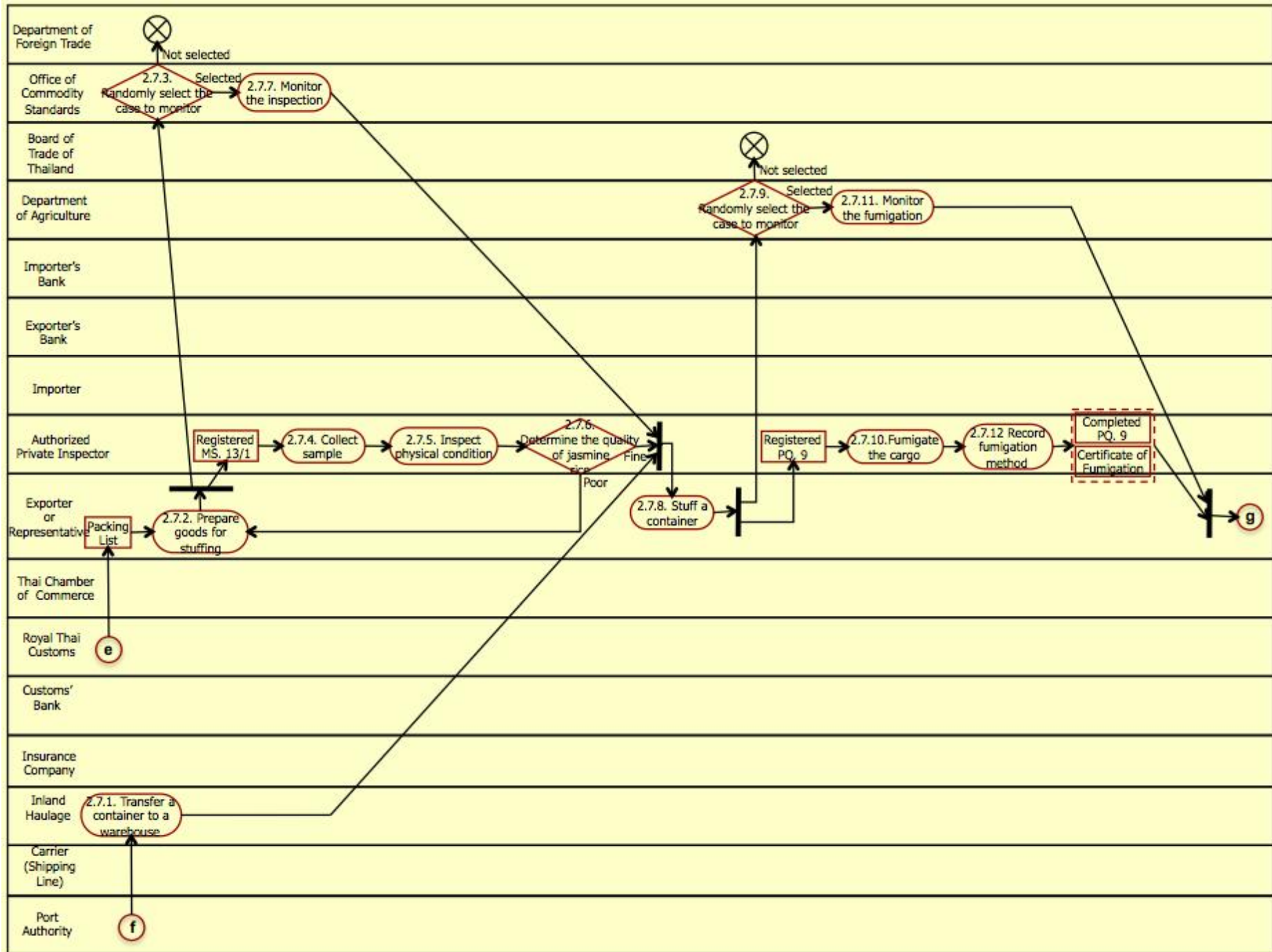
Figure A4-2. Holistic view of jasmine rice export from Thailand to US

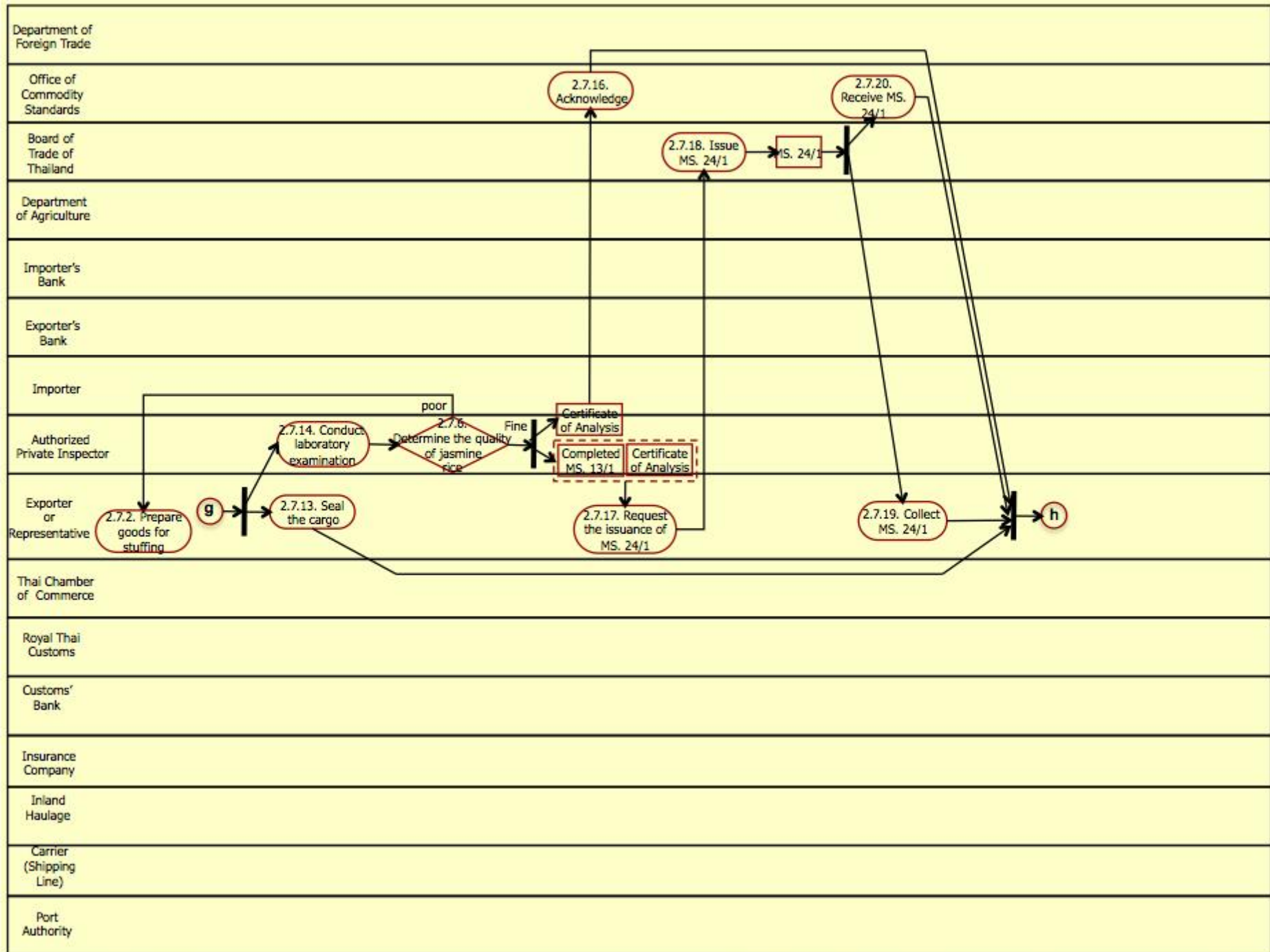


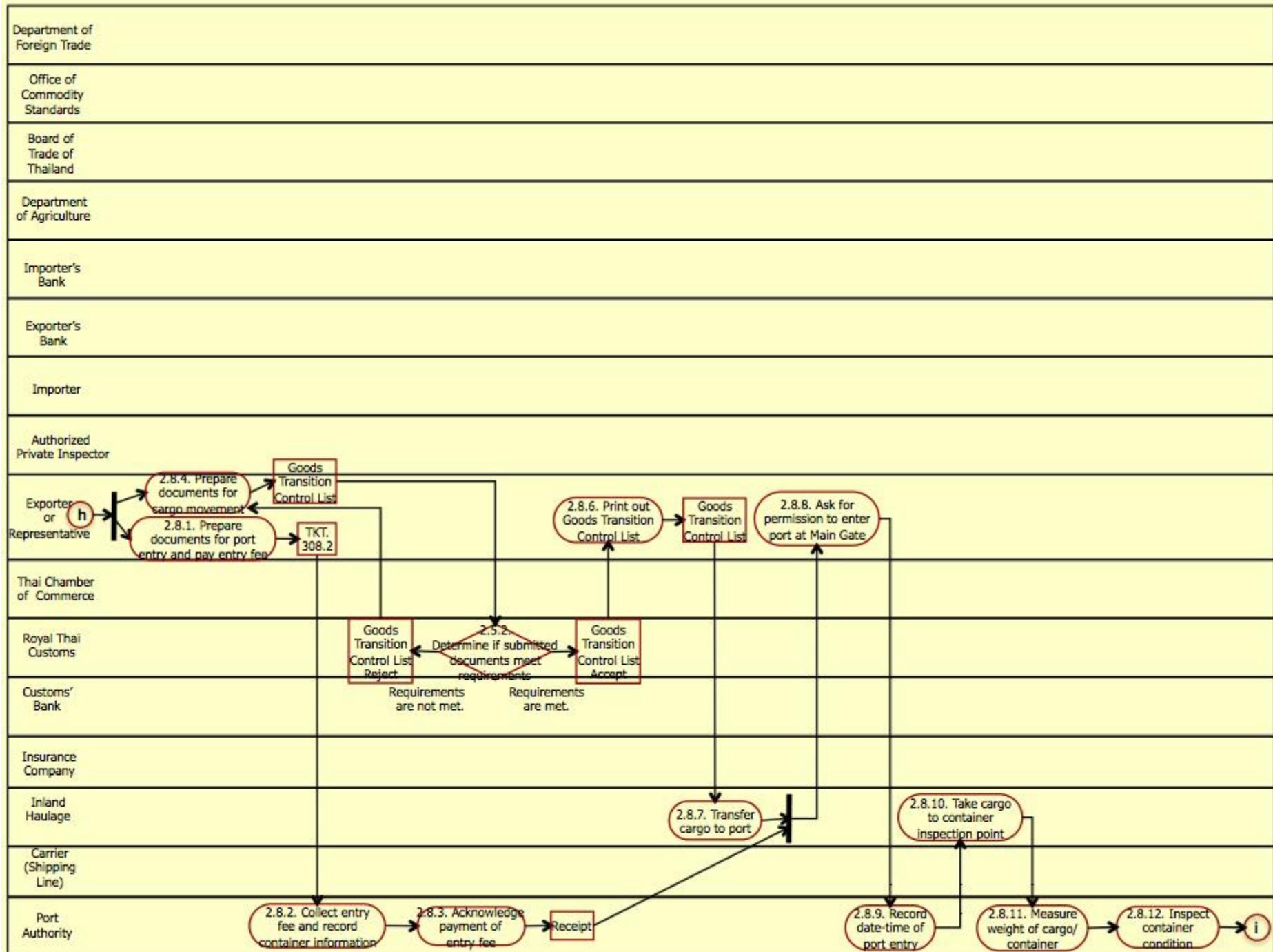


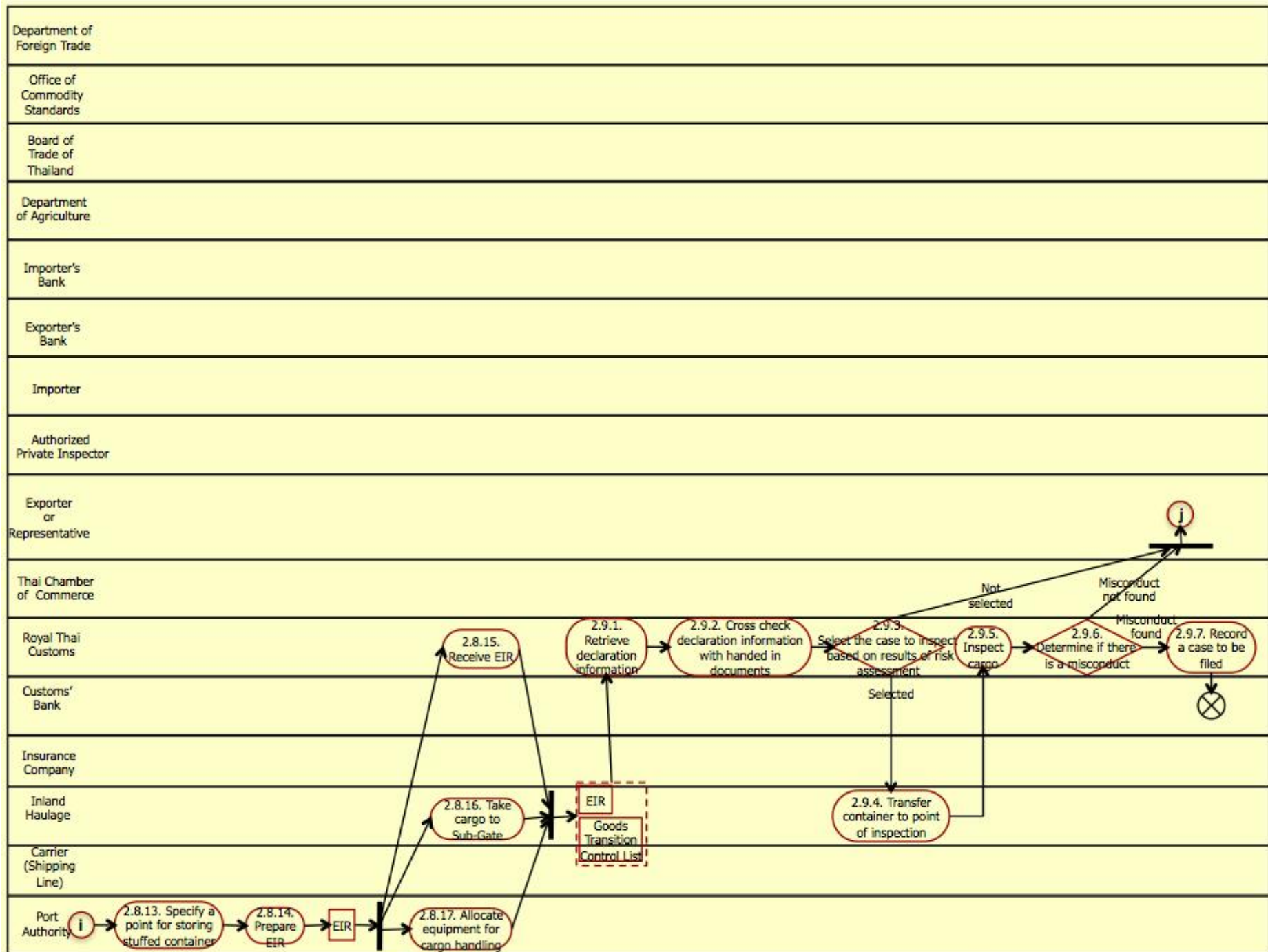


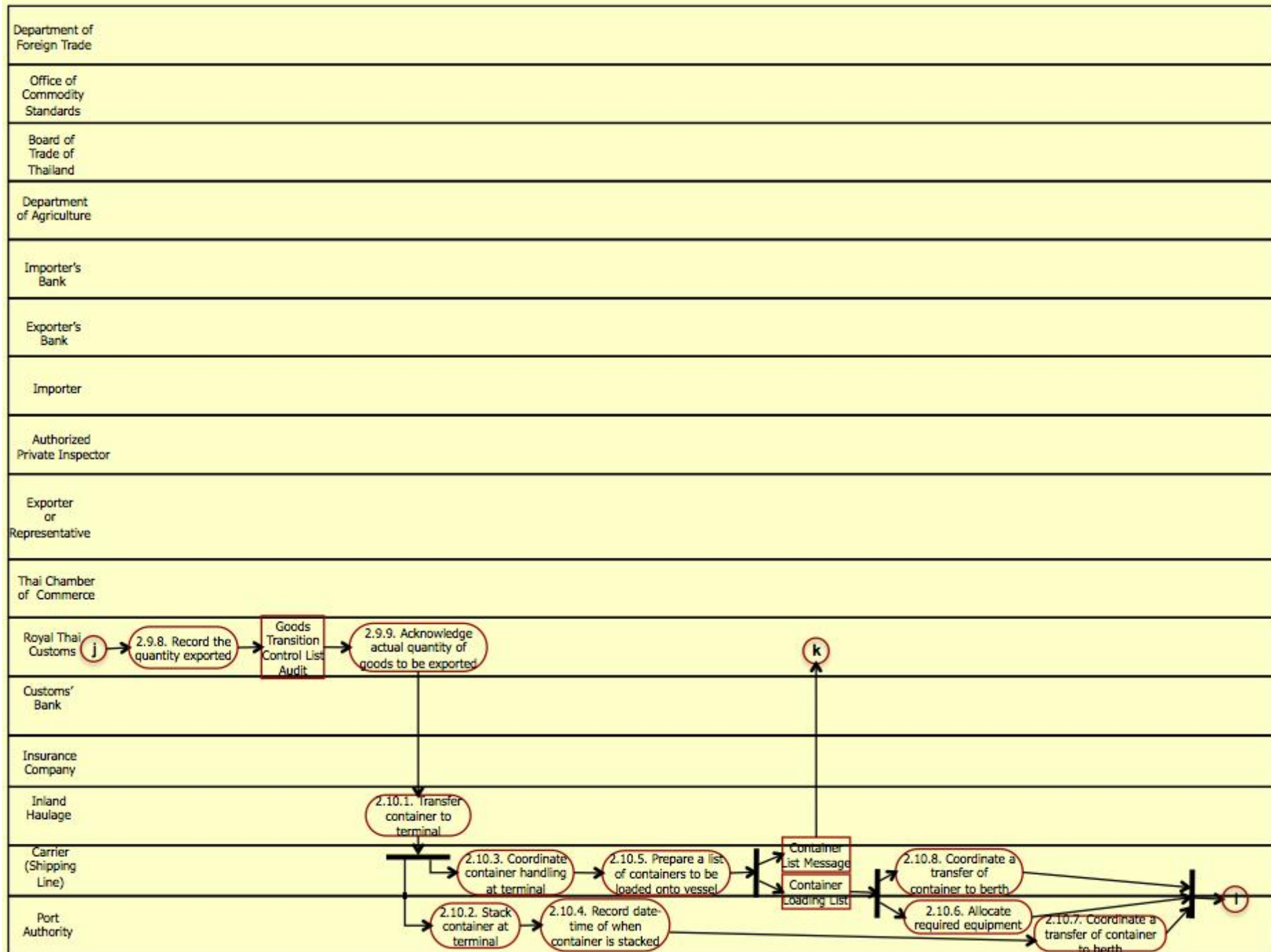


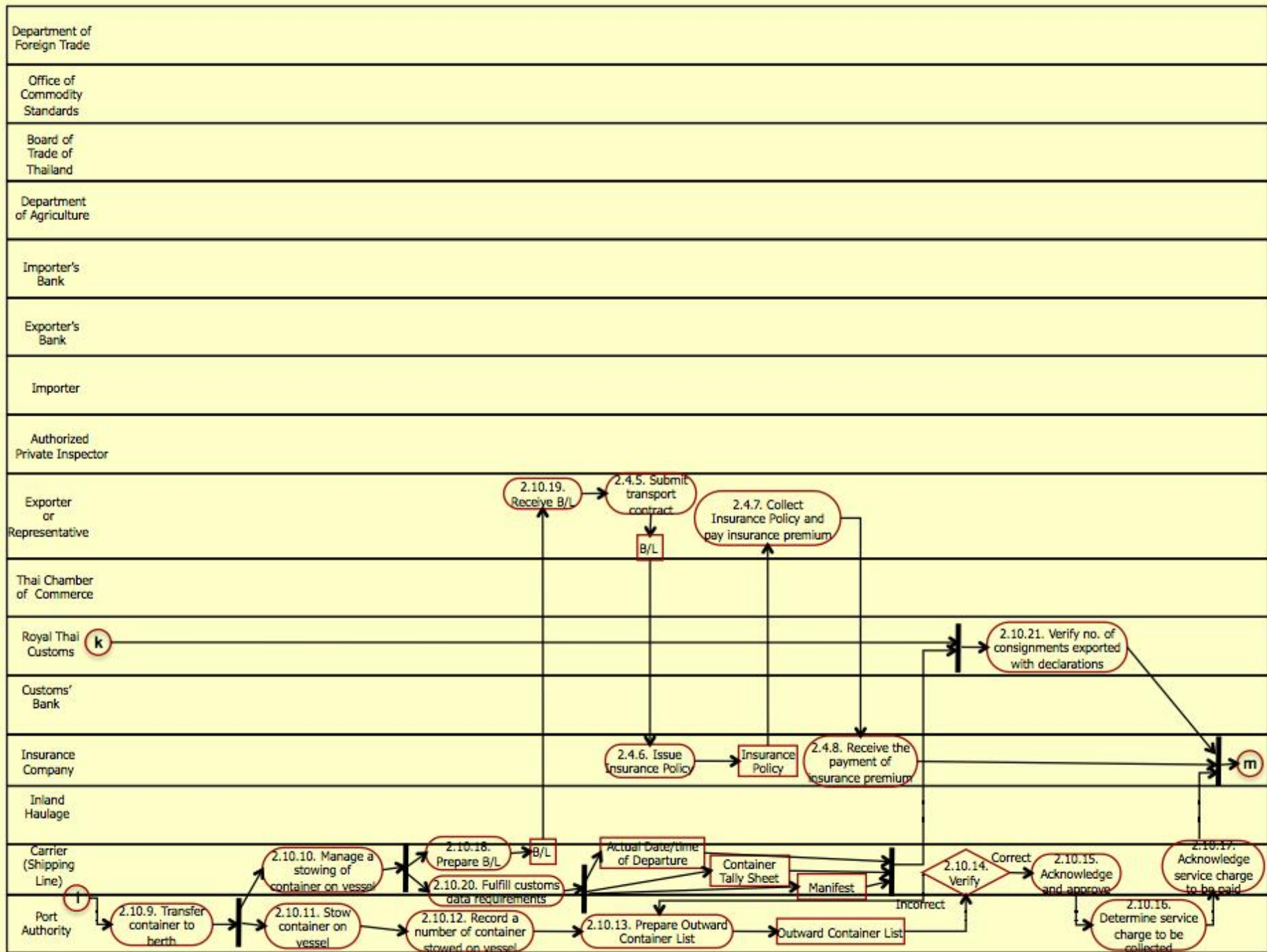


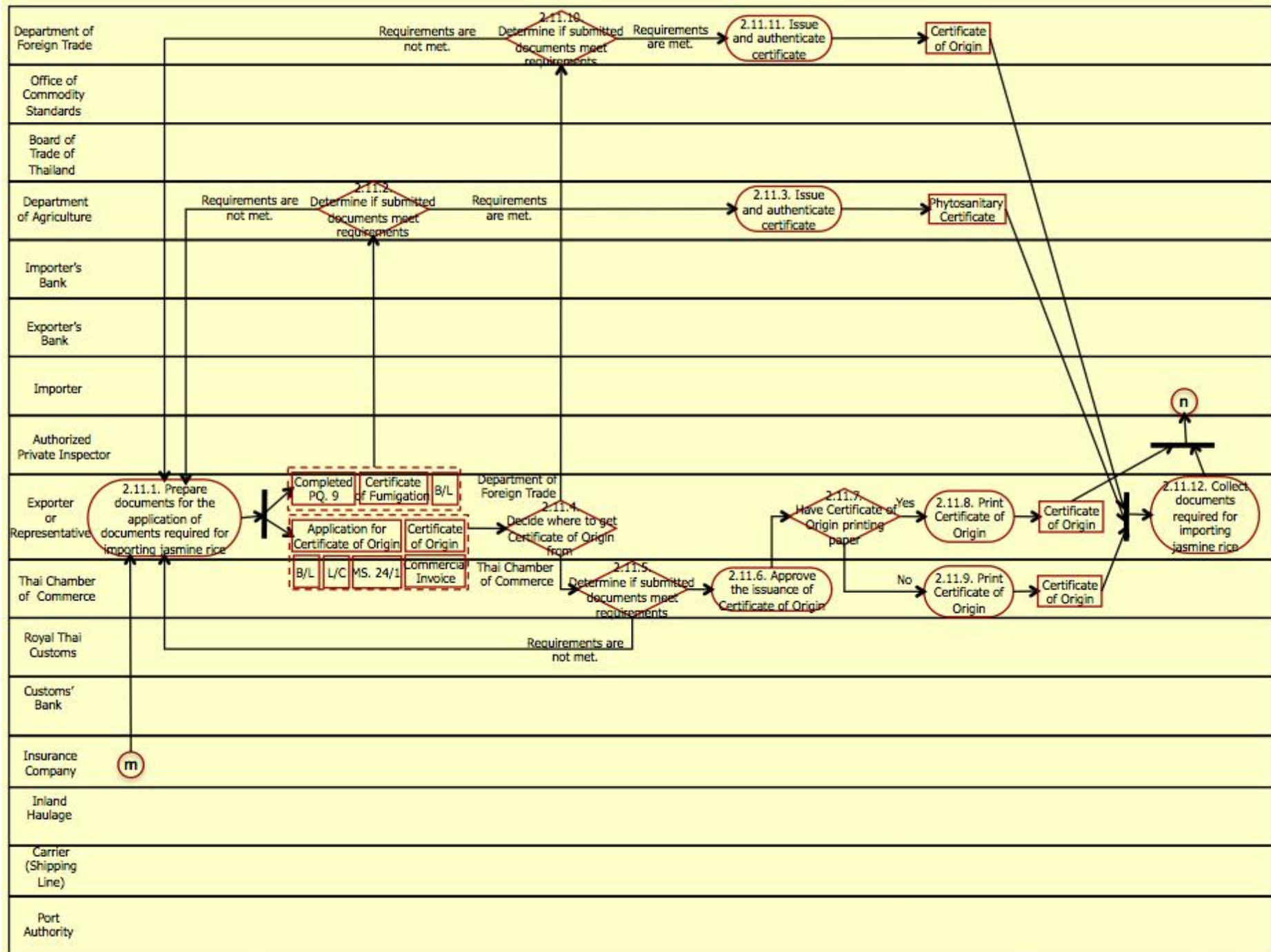


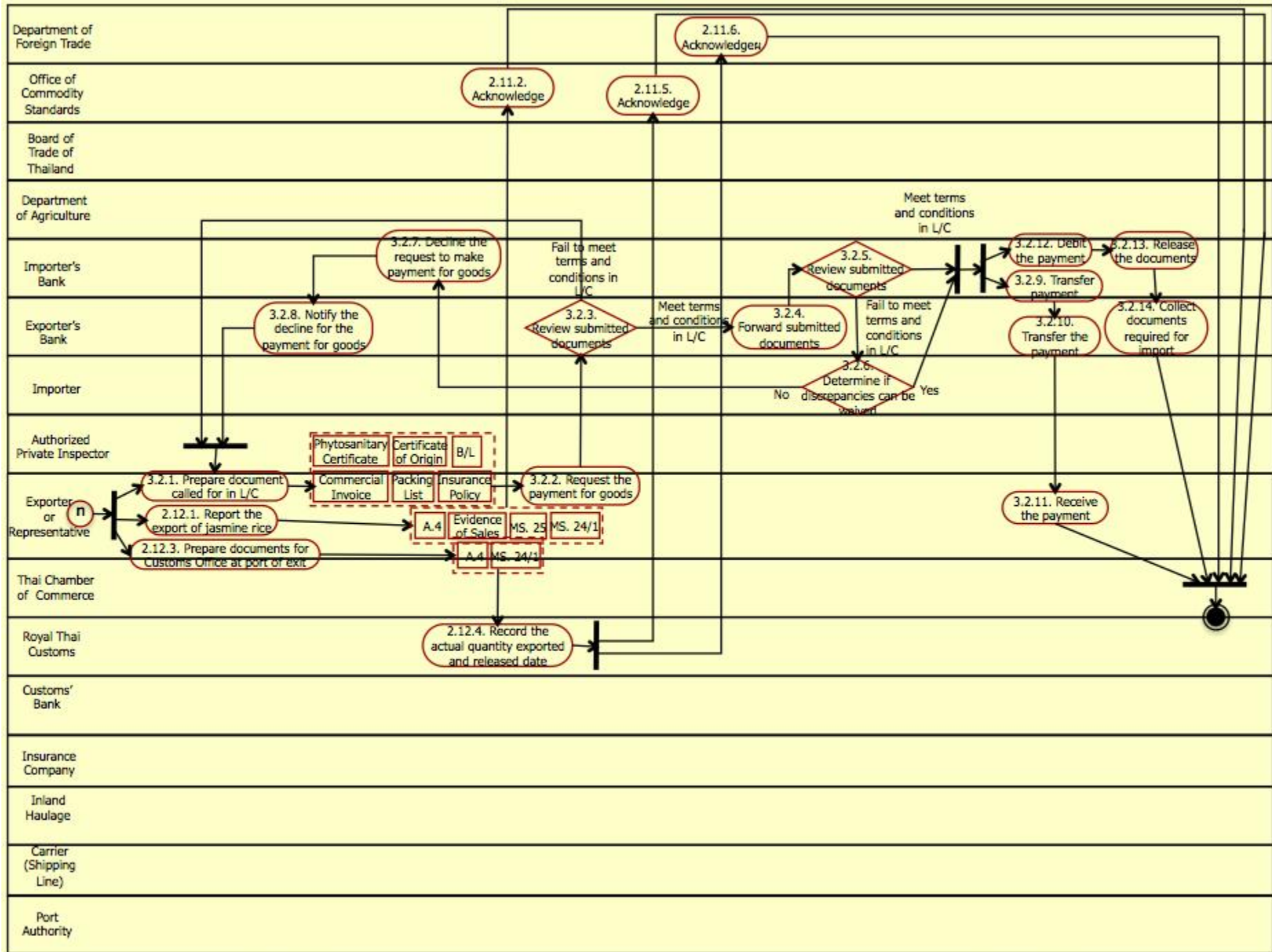












A5. Analysis of jasmine rice export business process and recommendations for improvement

The table below provides a summary of the analysis of each business process in terms of (1) procedural requirements, (2) data and documentary requirements, (3) the regulations underpinning (or not) the requirements and the existing level of transparency – and predicatability – in the time and cost associated with meeting the procedural, data and documentary requirements. Recommendations resulting from the analysis are also included in the table.

Core business process (use case)	Observations			Recommendations
	Procedural requirements	Data and documentary requirements	Transparency / predictability	
1. Buy				
1.1. Conclude sales contract and trade terms	<p>Activities that have to be carried out to conclude sales contract and trade terms are simple.</p>	<p>Data elements included in Quotation and Purchase Order are very much identical with sample Quotation and Order provided in UNECE Recommendation 1.</p>		
	<p>Procedural requirements that potential jasmine rice exporters have to follow in order to legally export jasmine rice from Thailand are complicated. According to Rice Trading Act (B.E. 2534), potential jasmine rice exporters need to get a permission from Department of Internal Trade. The permission costs 20,000 THB a year. Export Commodity Standards Act (B.E. 2503 and 2523) also requires that the potential jasmine rice exporters register themselves with Office of Commodity Standards. The registration only costs 2,500 THB. However, to register, the potential rice exporters must be members of Thai Rice Exporters Association. To be members of Thai Rice Exporters Association, the potential rice exporters need to pay 20,000 THB entrance fee, 500 THB monthly fee, and 1.50 THB per every ton of rice exported.</p> <p>The permit and registration must be renewed every year.</p>	<p>To apply for the permission from Department of Internal Trade and register with Office of Commodity Standards, lengthy documentary requirements, mostly about the establishment and operation of exporters' company, must be met.</p>	<p>The information about time required, the procedures used, and the fees are made available on the internet.</p>	<p>Rethink the necessity of the procedural requirements related to the acquisition of yearly permit for jasmine rice export from Department of Internal Trade.</p> <ul style="list-style-type: none"> The yearly permit for exporting jasmine rice may not contribute toward the vision of Department of Internal Trade, i.e., promoting trade, ensuring fair competition, and developing market mechanisms favorable to agriculturists, consumers, and business operators. <p>Consider merging procedural requirements related to the acquisition of yearly permit for jasmine rice export from Department of Internal Trade and the registration of jasmine rice exporter with Office of Commodity Standards and designating Office of Commodity Standards as the organization in charge.</p> <p>Consider eliminating the permit application fee.</p>

Core business process (use case)	Observations			Recommendations
	Procedural requirements	Data and documentary requirements	Transparency / predictability	
	Qualifications of jasmine rice exporter set by laws and regulations create high barriers for traders to enter jasmine rice export business.			
2 Ship				
2.1. Obtain export permit	In addition to obtaining a permission from Department of Internal Trade, jasmine rice exporters have to get a permission from Department of Foreign Trade. This permit (A. 4) is valid for one-time export of jasmine rice. Exporters can submit the application for the permit in person or via web-based EDI system. Regardless of the application submission methods, exporters still have to travel to the pre-specified location to collect the permit.	<p>There are many redundant data requirements in the manual process. Exporters have to prepare 5 documents that require just about the same data.</p> <p>With the electronic process data redundancies are removed. Data requirements of existing paper forms have been harmonized to some extent. To apply for the permit, exporters only have to fill in one application form and attach the evidence of sales as an attachment when submitting the application.</p> <p>A. 4 is a regulatory document that is only used by Thai government agencies, including Board of Trade of Thailand, Royal Thai Customs, and Office of Commodity Standards.</p>	Department of Foreign Trade's permit/certificate issuing system does not have "help" features, such as auto-correct and auto-calculation. Given no detailed instructions provided, exporters provide requested data on the basis of their interpretation. There are no standard ways for providing data for each requested field. (based on the interview conducted in 2009)	<p>Implement a fully paperless permit and certificate issuing system that allows the electronic application, approval, and issuance of the permits and certificates, especially those that are used domestically.</p> <p>Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for permits/certificate should be provided.</p> <p>Enable electronic sharing of A. 4 and supplementary document used in A. 4 application, i.e., Evidence of Sales. The need for exporters to resubmit Evidence of Sales to other government agencies and to collect A. 4 can be eliminated.</p>
2.2. Arrange transport	<p>The transport is arranged from exporter's premise to port of destination. Often, this process is handled by exporter's representative, i.e., freight forwarders.</p> <p>The reservation for cargo space, vessel, and inland transport can be done using various means, such as online reservation system, email, phone, or fax, depending on the facilities that carriers (shipping lines) and inland haulage operators have.</p>	<p>Data required for the arrangement of inland and border-crossing transports are kept at the minimum. Carriers (shipping lines) and inland haulage operators do not ask for data that they do not need.</p> <p>Data and forms used in the arrangement of inland and border-crossing transports are not standardized.</p>		

Core business process (use case)	Observations			Recommendations
	Procedural requirements	Data and documentary requirements	Transparency / predictability	
	According to the World Bank's LPI Report 2010, the quality of logistics quality and competence in Thailand was 3.16 (1=low, 5=high).			
2.3. Arrange the inspection and fumigation	Jasmine rice exporters have to schedule the inspection and fumigation date with Board of Trade of Thailand and Department of Agriculture. Officers from Board of Trade of Thailand and Department of Agriculture have to be aware of when the inspection and fumigation are going to take place as they may go observe.	<p>A. 4 and Evidence of Sales have to be attached as supplementary documents when submitting MS. 13/1 to Board of Trade of Thailand. Evidence of Sales is also a supplementary document for the application of A. 4.</p> <p>MS. 13/1 has to be signed by exporter, officer from Board of Trade of Thailand, and authorized private inspector.</p> <p>Data requirements of A. 4, MS. 13/1, and PQ. 9 are almost identical.</p> <p>PQ. 9's data requirements are consistent with the International Standards for Phytosanitary Measures No. 12: Guidelines for Phytosanitary Certificates (2001).</p> <p>The formats of MS. 13/1 and PQ. 9 are not in line with UN Layout Key.</p>	<p>Laws, rules, and regulations from Ministry of Commerce and government agencies under its administration stress the need for exporters to have to-be-exported jasmine rice examined. They do not provide instructions on how to apply for Certificate of Product Standards (MS. 24/1).</p> <p>Ministry of Agriculture and Cooperatives Regulation on the Application for and the Issuance of Phytosanitary Certificate (B.E. 2550) and Notification of Department of Agriculture Re: Application Form for Phytosanitary Certificate do not provide clear instructions on what exporters have to do to apply for Phytosanitary Certificate. The latter only identifies relevant forms.</p>	<p>Harmonize data requirements across different permit/certificate application forms in order to remove multiple submissions of identical pieces of data.</p> <p>Make available electronic submission and processing of MS. 13/1.</p>
2.4. Obtain cargo insurance	Procedural requirements are straightforward. It can be done right after exporters have successfully arranged inland and border-crossing transports and in parallel with 2.3.	Data that exporters provide to insurance companies include data about description of goods and transport arrangements.		
2.5. Provide customs declaration	The provision of Export Declaration is simple. It can be completed via e-Export system in 30 minutes.	<p>The provision of Export Declaration must be in the format that Royal Thai Customs specifies.</p> <p>Data requirements have been standardized across Royal Thai Customs' information systems, but have not been harmonized with the international standard.</p>	Instructions on how to provide Export Declaration are clearly provided in Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance and Notification of Royal Thai Customs No. 39/2550 Re: Manual for e-Export System.	Harmonize customs data requirements with the international standard.

Core business process (use case)	Observations			Recommendations
	Procedural requirements	Data and documentary requirements	Transparency / predictability	
2.6. Collect empty container from yard	The collection of empty container from the container yard requires a coordination among carrier, port authority, and inland haulage. The process is manual, but straight forward.	Data requirements of TKT 306 are kept to the minimum. It requires 4 signatures, i.e., 1 from carrier and 3 from port officers working in 3 different departments.	Rules and regulations regarding the collection of empty container from the container yard are not found.	Make Rules and regulations regarding the collection of empty container from the container yard publicly accessible. Automate processes related to port administration and management.
2.7. Stuff container	Laboratory examination is conducted after the fumigation. If laboratory examination shows negative results, exporters have to bring in a new lot of jasmine rice. The new lot of jasmine rice has to go through physical examination, fumigation, and laboratory examination again.	This process requires authorized private inspector to record inspection results in MS. 13/1 as well as issue Certificate of Analysis and Certificate of Fumigation. Jasmine rice exporters use completed MS. 13/1 and Certificate of Analysis to request Board of Trade of Thailand to issue MS. 24/1. MS. 24/1 is a regulatory document that is only used by Thai government agencies. Jasmine rice exporters use Certificate of Fumigation to supplement PQ. 9 when requesting the issuance of Phytosanitary Certificate from Department of Agriculture.	Notification of Ministry of Commerce No. 1 (B.E. 2545) and 2 (B.E. 2549 Re: Instructions for Standard-based Inspection of Goods under the Standard Scheme and Thai Jasmine Rice explains in details what authorized private inspectors have to do when conducting both physical and laboratory examination on jasmine rice to be exported. Notification of Ministry of Commerce Re: The Classification of Jasmine Rice as a Controlled Product under the Standard Scheme and Specifications of Thai Jasmine Rice (B.E. 2549) identifies different types of jasmine rice and their standard specifications.	Consider rearranging the sequence of inspection and fumigation, i.e., to-be exported jasmine rice should go through physical examination and laboratory examination to make sure that it has the quality specified by importer prior to having it fumigated. Allow exporters to electronically submit Certificate of Analysis to Board of Trade of Thailand. Enable electronic approval of MS. 13/1, as well as issuance and sharing of MS. 24/1 among relevant government agencies so that the need for exporters to travel to Board of Trade of Thailand to physically submit Certificate of Origin and collect MS. 24/1 can be removed.
2.8. Transfer to port of departure	Exporters have to inform Port Authority about the transfer of to-be exported jasmine rice to port 1 hour prior to the arrival of the containerized cargo at port. To do so, exporters need to submit TKT. 308.2 in person or via fax. If TKT. 308.2 is submitted via fax, exporters have to present the original copy when the cargo is about to enter port. Port officer has to enter the data provided in TKT. 308.2 into port information system.	Prior to having to-be exported jasmine rice transferred to port of exit, exporters have to submit 2 documents, i.e., Goods Transition Control List to Royal Thai Customs and TKT. 308.2 to Port Authority. Goods Transition Control List contains data about a to-be exported consignment, an inland transport, border-crossing transport, a container that to-be exported jasmine rice has been stuffed in, and port of destination. Data required by TKT. 308.2 is a subset of Goods Transition Control List, i.e., border-crossing transport, a container that to-be	Notification of Port Authority of Thailand Re: The Delivery of Outward Containerized Cargo to Port's Container terminal (B.E. 2547) explains to some extent what exporters have to do. Instructions on how to complete Goods Transition Control List are clearly provided in Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance and Notification of Royal Thai Customs No. 39/2550 Re: Manual for e-Export System.	Harmonize data requirements of Royal Thai Customs and Port Authority of Thailand. Enable electronic data sharing between Royal Thai Customs and Port Authority of Thailand.

Core business process (use case)	Observations			Recommendations
	Procedural requirements	Data and documentary requirements	Transparency / predictability	
	Exporters also have to pay port entry fee. Without a proof of port entry fee payment, port officer will not let inland haulage in.	exported jasmine rice has been stuffed in, and port of destination.		
		Port officer have to prepare Equipment Interchange Receipt (EIR) twice, i.e., one in the information system of Port Authority and another in the information system of Royal Thai Customs.	The need for port officer to enter EIR data in the information system of Royal Thai Customs is addressed in Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance.	
2.9. Clear goods through customs	<p>Customs clearance process is simple and straightforward.</p> <p>In this process, customs officer needs to make sure that the to-be exported cargo is exactly the same as the declared one.</p> <p>Inspection of outward containerized cargo is subject to customs risk assessment.</p>	Toward the end of the process, customs officer has to record the actual quantity exported into customs information system.	<p>Instructions on customs clearance and customs inspection are clearly provided in Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance.</p> <p>Export Commodity Standards Act (B.E. 2503) and Amended (B.E. 2523) and Notification of Ministry of Commerce Re: Customs Checkpoints where Exporter of Jasmine Rice Must Present Certificate of Product Standards (MS. 24/1) state that exporters of products under the standard scheme must present MS. 24 to Customs officer at certain ports of exit. The law, however, does not indicate when exactly.</p>	
2.10. Handle cargo and stow on vessel	<p>Carrier agents submit Container List Message, Manifest, and Tally Sheet, that have been prepared using customs specified format, to Royal Thai Customs via the information system of Royal Thai Customs.</p> <p>Carrier agents, on the other hand, submit Container Loading List to Port Authority by fax or in person. According to Port Authority of Thailand Regulation No. 3: Practical Guideline on the Use of Port Facilities and Services (B.E. 2547), they are also required to bring in a</p>	<p>There are 5 documents that provide data related to multiple consignments. These 4 documents are prepared in this process. Carrier agents need to prepare Container Loading List for Port Authority as well as Container List Message, Manifest, and Container Tally Sheet for Royal Thai Customs. Port Authority needs to prepare Outward Container List for carrier agents and seeks their approval prior to claiming the payment for service charge.</p> <p>These 5 documents contain 135 data</p>	<p>Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance and Port Authority of Thailand Regulation No. 3: Practical Guideline on the Use of Port Facilities and Services (B.E. 2547) clearly outline procedural and documentary requirements that carrier agents have to fulfill when handling cargo and stow it on vessel.</p>	Harmonize data requirements of Royal Thai Customs and Port Authority of Thailand.

Core business process (use case)	Observations			Recommendations
	Procedural requirements	Data and documentary requirements	Transparency / predictability	
	diskette containing Container Loading List to the office of port officer-in-charge.	elements. They all require data about vessels, i.e., their name, identifier, and voyage no. They, except the Manifest, require data about containers that will travel with the vessels. One-time submission data mostly are message / document specific.		
2.11. Prepare documents required by importer	<p>The process of obtaining Certificate of Origin from Thai Chamber of Commerce is fully electronic. The application for and the collection of the Certificate can be done electronically.</p> <p>The process of obtaining Certificate of Origin from Department of Foreign Trade is semi-electronic. The application can be done online, but exporters have to go to pre-specified location to collect the Certificate.</p> <p>The process of obtaining Phytosanitary Certificate is fully manual.</p>	The data requirements of Certificate of Origin and Phytosanitary Certificate are in line with those used internationally.	<p>The information on how to obtain Certificate of Origin from Thai Chamber of Commerce can be found on Thai Chamber of Commerce's website.</p> <p>Department of Foreign Trade's permit/certificate issuing system does not have "help" features, such as auto-correct and auto-calculation. Given no detailed instructions provided, exporters provide requested data on the basis of their interpretation. There are no standard ways for providing data for each requested field. (based on the interview conducted in 2009)</p> <p>Ministry of Agriculture and Cooperatives Regulation on the Application for and the Issuance of Phytosanitary Certificate (B.E. 2550) and Notification of Department of Agriculture Re: Application Form for Phytosanitary Certificate do not provide clear instructions on what exporters have to do to apply for Phytosanitary Certificate. The latter only identifies relevant forms.</p>	Explore the possibility to exchange Certificate of Origin and Phytosanitary Certificate with relevant government agencies of importing country.
2.12. Verify the accuracy/authenticity of exported cargo	MS. 25 can be prepared and submitted to Office of Commodity Standards electronically. A. 4, MS. 24/1, and Evidence of Sales have to be submitted to Office of Commodity Standards in person.	Exporters are required to record the issuing date and identifier of both Commercial Invoice and Bill of Lading as well as payment information in MS. 24/1. They are required to provide the details of actual jasmine rice exported to Office	<p>Notification of Royal Thai Customs No. 116/2549 Re: Electronic Customs Clearance specifies when and how exporters submit A. 4 and MS. 24/1 to Royal Thai Customs.</p> <p>Laws and regulations of Ministry of</p>	<p>Eliminate</p> <ul style="list-style-type: none"> The need for exporters to record the issuing date and identifier of both Commercial Invoice and Bill of Lading as well as payment information in MS.

Core business process (use case)	Observations			Recommendations
	Procedural requirements	Data and documentary requirements	Transparency / predictability	
	<p>A. 4 and MS. 24/1 can be submitted to Royal Thai Customs at port of exit either in person or by mail.</p>	<p>of Commodity Standards in MS. 25.</p> <p>Exporters are required to send a copy of A. 4 and MS. 24/1 to Royal Thai Customs. Another copy of A. 4 and MS. 24/1 together with Evidence of Sales have to be submitted to Office of Commodity Standards. Evidence of Sales is also a supplementary document for the application of A. 4 and MS. 24/1.</p> <p>Royal Thai Customs is required to record the actual quantity of jasmine rice exported and the released date in A. 4 and MS. 24/1. It should be noted that Royal Thai Customs has already recorded these data in its information system in 2.9. Royal Thai Customs is also required to forward completed A. 4 and 24/1 to both Department of Foreign Trade and Office of Commodity Standards.</p> <p>It should be noted that Office of Commodity Standards is one division of Department of Foreign Trade.</p>	<p>Commerce address the need for exporters to report the details of actual jasmine rice exported.</p> <p>Export Commodity Standards Act (B.E. 2503) and Amended (B.E. 2523) and Notification of Ministry of Commerce Re: Customs Checkpoints where Exporter of Jasmine Rice Must Present Certificate of Product Standards (MS. 24/1) state that exporters of products under the standard scheme must present MS. 24 to Customs officer at certain ports of exit. The law, however, does not indicate when exactly.</p> <p>Ministry of Commerce Regulation on the Export of Products under the Standard Scheme (B.E. 2504) indicates when exporters have to submit MS. 25.</p>	<p>24/1 as well as to provide the details of actual jasmine rice exported to Office of Commodity Standards in MS. 25.</p> <ul style="list-style-type: none"> • The need for exporters to send a copy of A. 4 and MS. 24/1 to Royal Thai Customs. • The need for Royal Thai Customs to record the actual quantity of jasmine rice exported and the released date in A. 4 and MS. 24/1 and forward completed A. 4 and 24/1 to both Department of Foreign Trade and Office of Commodity Standards. <p>Enable Royal Thai Customs to electronically share data about the actual quantity of jasmine rice exported and the released date with Department of Foreign Trade and Office of Commodity Standards. With efficient sharing of electronic data, process 2.12 can be combined with process 2.9. Figure A5-1 presents a to-be business process of combined process 2.9 (Clear goods through Customs) and process 2.12 (Verify the accuracy/authenticity of exported cargo). As shown in Figure A5-2, doing so allows the elimination of process 2.12 as an unnecessary regulatory burden to exporters.</p>
3. Pay				
3.1. Establish payment guarantee			This process follows Uniform Custom and Practice for Documentary Credit, International Chamber of Commerce Publication No. 500.	
3.2. Claim payment for			This process follows Uniform	

Core business process (use case)	Observations			Recommendations
	Procedural requirements	Data and documentary requirements	Transparency / predictability	
goods			Custom and Practice for Documentary Credit, International Chamber of Commerce Publication No. 500.	
Overall	<p>Each business process has value to the delivery of goods, the protection of national interests, and the prevention of the spread of quarantine pest. All activities that have to be carried out do contribute to the objectives of the business processes. They are not complicated and can be completed in reasonable time. However, some, the report of the actual jasmine rice exported in particular, are seen as duplications of work.</p>	<p>There are 38 documents involved in the export of jasmine rice from Thailand to the United States. Among 38 documents, 33 documents provide trade- and transport-related data of a single consignment. Examples of these documents include Commercial Invoice, Export Permits, and Certificates. These 33 documents contain altogether 1,058 data elements. Among these data elements, 237 of them are provided once while 160 of them are provided more than once. The top three data elements that are repeated the most are exporter's name, goods description, and exporter's address.</p> <p>These numbers suggest that trade- and transport-related data have not been efficiently shared among parties involved in the export of jasmine rice. It creates redundant and duplicate reporting more than needed.</p>	<p>Relevant laws, regulations, and rules are to a great extent published and readily accessible. The level of precision, however, varies.</p>	<p>Harmonize data requirements involved in the export of jasmine rice from Thailand to the United States and make sure that they are aligned with the international standard.</p> <p>Integrate information systems of government agencies involved in the export of jasmine rice.</p> <p>Ensure that all laws, regulations, and rules are publicly available and can be easily accessed.</p> <p>Review existing laws, regulations, and rules. Make sure that they are precise and straightforward for all relevant parties to effectively comply.</p>

Figure A5-1. Proposed Simplification of process 2.12. Verify the accuracy/authenticity of exported cargo

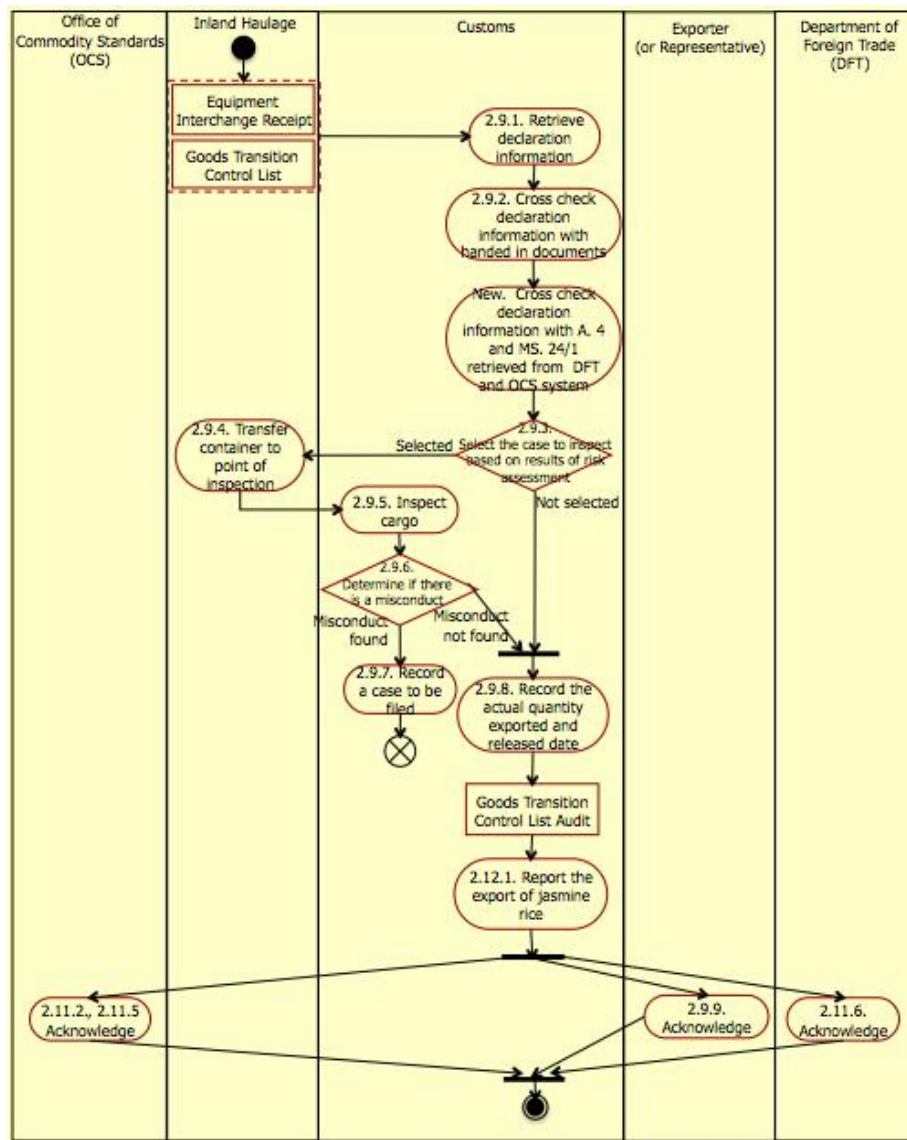
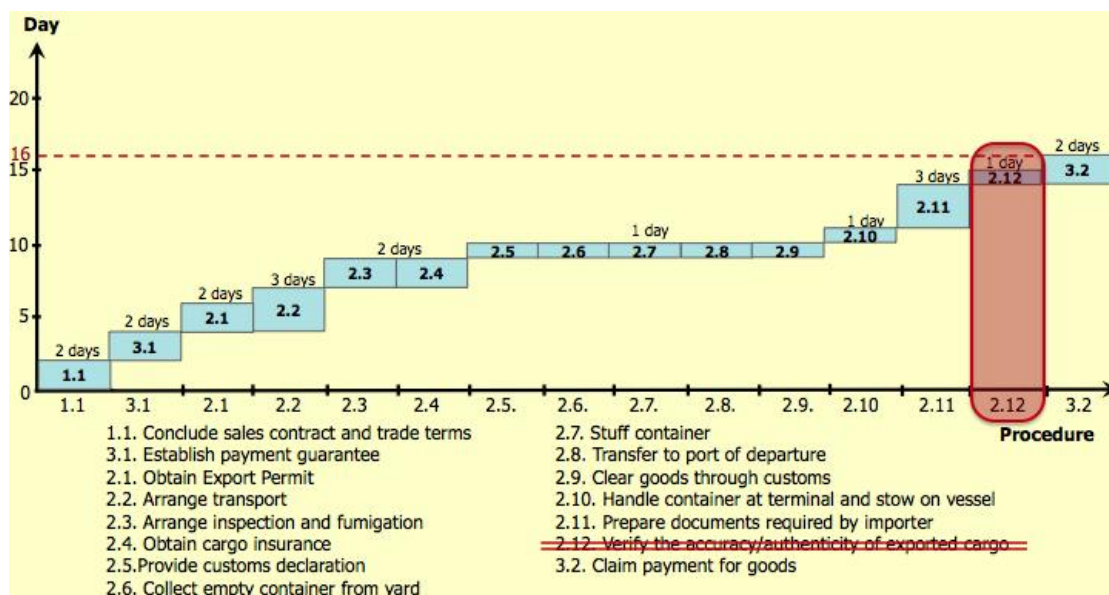


Figure A5-2. Elimination of regulatory burden to jasmine rice exporters



A6. Conclusion

Following a discussion of the economic importance of jasmine rice export for the Thai economy, the scope of the business process analysis to be conducted was set out. The 15 key business processes that have to be completed in order to export jasmine rice from Thailand to the United States were then fully documented using the approach presented in the UNNExT BPA Guide. The related business and regulatory requirements were discussed and analyzed, resulting in several practical and specific recommendations for improvement. They ranged from:

- The reorganization of activities in more appropriate order;
- The improvement of existing laws, regulations, and rules in terms of their precision and completeness; and
- The elimination of redundant procedural and documentary requirements by combining those with similar objectives, harmonizing data requirements, and enabling electronic sharing of data between relevant government agencies.

A7. References

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