

# Report on the Survey on Impact of Trade Related Measures on Transaction Costs of Exports



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# **Report on the Survey on Impact of Trade Related Measures on Transaction costs of Exports**

## ***Executive Summary***

Over the years, Government of India (GoI) and Reserve Bank of India (RBI) have taken various initiatives to simplify and rationalize the procedural complexities in the exports in order to reduce the implicit transaction costs of exporters. In order to evaluate the impact of these initiatives, RBI in its Mid-term Review of the Annual Policy statement 2004-05, proposed to obtain feedback from exporters by undertaking a fresh survey. To fulfill these objectives, the Balance of Payments Statistics Division (BPSD) of the Department of Statistical Analysis and Computer Services (DESACS) launched a survey during August 2005. In order to carry out the smooth conduct of the survey a committee was formed under the chairmanship of Adviser, in charge of the BPSD in DESACS and senior officers from Foreign Exchange Department, Department of Economic Analysis & Policy and DESACS as members (list of members is given in Annex 1). The Terms of reference of the committee was as follows:

- (i) to finalize the modalities to conduct the survey including the schedule;
- (ii) to finalize the sample frame and the questionnaire for the survey;
- (iii) selection of the out side agency to carry out the survey;
- (iv) to set up terms and reference to the agency to conduct the survey;
- (v) access the work carried out by the agency and approval of the work done by them; and
- (vi) approval of the final report.

The committee decided to carry out the entire survey in-house. The questionnaire for the survey was also developed in-house and approved by the members of the committee. A pilot study covering two export firms was conducted in order to fine-tune the survey schedule. A sample of 200 export firms were selected by adopting a two stage stratified sampling by classifying the population into strata based on the commodity groups and export volume. Out of these 200 selected export firms, 120 firms responded to the survey. The members of the committee have approved the final report and results thereof.

Major findings from the survey are presented as follows:

- Majority of the exporters expressed improvement in reducing the procedural bottlenecks during 2004-05 as compared to the previous year. More than 50 per cent of the respondents reported that there were no procedural delays in most of the activities involved in the export process.
- Specifically, the reduction in delays due to procedural bottlenecks were reported for the bank related activities like 'Availing pre/post-shipment credit', 'Processing documents at banks', etc. In fact, for availing credit, pre-shipment and post-shipment, about 63 per cent and 71 per cent respondents, respectively, indicated no delays.
- Activities such as 'Realization of duty draw back' and 'Issuance of bank realization certificate' were still considered to be the most affected due to procedural delays.
- As regards to the cost structure of incidental expenses, the median expenses for custom clearance and port related incidental expenses were found to be highest- in the range of Rs. 2000-5000.
- A commodity group-wise analysis indicated that except 'Leather Manufacturers' and 'Textile & Clothing' the incidence of procedural bottlenecks was not specific to exporters of any commodity group. Exporters of 'Leather Manufacturer' and 'Textile & Clothing' were relatively more affected by procedural bottlenecks.
- Analysis based on exporter firms with varying export volume showed no visible discrimination towards any particular size class of exporters in many of the activities. However, the lower size class export firms responded that the delays due to procedural bottlenecks were more severe for them for custom related activities like 'Clearing custom formalities' and 'Realization of duty drawback'.
- Majority of the respondent exporters opined that the recent measures initiated by RBI like waiver of GR/SDF forms up to US Dollar 25,000, delegation of powers to exporters to extend the realization time, reduction of invoice value and write off up to 10 per cent of export due for realization and enhancement of export realization period up to 12 months for EOUs, resulted positively in reducing the transaction cost.

## **Introduction.**

The Indian economy has emerged as one of the fastest growing economy among the emerging markets in the recent past, which besides other factors has been buttressed by the rapid growth in exports. In case the rapid growth in export is sustained over the period, it can make India a major player in the world market. However in order to sustain the current pace of export growth in a highly competitive global market, there is a need to reduce the cost associated with the exogenous factors, besides production process, and thereby improve our competitiveness in the global market. The exogenous factors, which contribute to the rise of cost of exports, include mainly the procedural complexities associated with the gambit of export procedures starting form Import-Export license to the realization of the export receivables. These costs caused to the exporters by the utilization of their resources, in terms of money in kind and people, in the non-productive processes of the exports are termed as transaction costs. The procedural complexities in the export process in a country may also lead to a change in preference of an importer to an alternative country with less procedural complexities. Thus, a very high transaction cost, if exist, may encumber the export growth even if other policy related measures like rationalization of tariff, rationalization and liberalization of export credit interest rate, etc. are in place.

Keeping these aspects in view, over the years, Reserve Bank of India (RBI) had taken a number of initiatives to reduce the transaction cost of trade related transactions to exporters. These initiatives are announced in various Credit Policy statements as well as through various liberalization measures taken in the foreign exchange management arena. Similarly the Government of India (GoI) has taken a wide range of policy measures towards reducing the transaction cost through the various initiatives under the EXIM policy announcements. The Foreign Trade Policy 2004-09(FTP) announced by Government of India in August 2004 articulated two basic objectives. The first objective was to double the percentage share of India's merchandise trade within next five years and the second objective was to provide thrust to employment generation. Towards achieving these goals one of the major measure taken in the FTP, among other measures, was for

simplification of procedural complexities and thereby reducing the transaction cost embedded in the merchandise trade. In this background, in this study we attempted to analyze the gravity of various procedural bottlenecks, as well as other incidental expenses, which might increase the non-production cost of exports. The analysis of this study is based on a survey conducted by RBI.

### **Objective of the Survey:**

In view of the substantial relaxation and simplification of procedures in the recent period, in the Mid-term Review of the Annual Policy statement 2004-05, RBI proposed to undertake a fresh survey for evaluation of impact of the measures taken by RBI to reduce the transaction cost for Indian Exports. Accordingly in this survey the thrust of analysis is on evaluating the impact of trade related measures initiated by RBI to reduce the transaction cost involved in the export process. Besides these, the survey also collected information from exporters regarding the incidence of transaction cost caused due to other administrative processes, which might have also impacted upon the volume as well as the delivery of exports, thus indirectly raising the transaction cost. Also, through this survey, we have obtained various suggestions from exporters, which, according to them, if implemented would improve the export performance further.

### **Methodology**

Sample units were selected from the sample frame of exporters based on the exports data (GR\DTR\SOFTEX data) reported during October 2003 to March 2004. A two stage stratified sampling approach was adopted by classifying the population into various strata based on the commodity groups and export volume as available in GR/DTR data. For the purpose, 15 major Commodity groups were identified (Annex 2). Accordingly a sample of 200 export firms was selected and the questionnaire for the survey was mailed to them, with explanatory notes, to fill in details. The survey report is prepared based on the responding export firms.

### **The Questionnaire**

The questionnaire (Annex 3) was developed in Microsoft EXCEL Format with user-friendly toggle and drop down menus so that the respondent can provide the information

without much hassle. Validation of information provided was also inbuilt in the soft copy of the questionnaire in order to reduce the non-sampling errors wherever possible. The questionnaire collected the information from the respondent through 12 major blocks (A to L). The first two blocks (A& B) dealt with the identification of the export firm and its details. In block 'C ' information of the exports done during 2003-04 and 2004-05 were collected. Block 'D' dealt with pattern of interest rate paid for Pre-shipment and Post-shipment credit availed from the banks. In block 'E' and 'F' information on the incidence of transaction cost due to procedural bottlenecks and suggestions to improve the system were collected. The incidence of transaction cost due to incidental expenses was collected in block 'G' and 'H'. Block 'I' to 'K' dealt with awareness, impact and perception about policy measures. Block 'L' was provided to give any suggestions to further reduce the transaction cost.

### **Findings of the Survey**

Out of the 200 exporters canvassed for the survey, 120 exporters responded to the mailed questionnaire. The exports done by the responded merchandise exporters and software exporters were around 11 per cent and 28 per cent to the total merchandise and software exports respectively done from the country during 2004-05. The share of commodity-wise exports done by the responded exporters to the commodity group-wise total exports from the country during 2004-05 is provided in Annex 2. The information given by the respondents are summarized and presented in the following five sections. In **Section I**, the overall results of the survey are presented. While **Section II** deals with the commodity group wise analysis of the responses, in **Section III** export turn over wise analysis is attempted. **Section IV** deals with the awareness of the exporters regarding various measures taken by authorities and the impact of FEMA related measures taken by RBI in reducing the transaction costs of exports. Finally in **Section V** the suggestions given by the respondents to further reduce the transaction costs in the export process is presented.

### **Section I: Observance of procedural delays- an overall analysis**

The present survey was designed to collect information on the incidence of procedural delays and to assess the gravity of these delays during 2004-05. In brief, the survey mainly looked into the following:

- a) the incidence of procedural delays in the whole export processes;
- b) the most affected activity due to procedural delay;
- c) whether the time delays in various processes has been reduced during the survey period as compared to previous period;
- d) activity wise average number of documents to be filed and visits required;
- e) the cost structure of incidental expenses;
- f) the incidental expenses which are far above the international benchmarks and
- g) the major incidental expenses charged by banks or other authorities.

No attempt is made to estimate the percentage of the transaction cost to the export turn over due to the procedural delays. The suggestion from the respondents to reduce the procedural delays were also collected and summarized. Further the opinion of the respondents regarding the impact of some of the measures taken by RBI to reduce the transaction cost is also presented in the report.

**a) Incidence of Procedural delays**

Incidence of the procedural delays in the following activities involved in the export process was examined.

- i) Availing pre-shipment credit;
- ii) Establishing inland/foreign letter of credit;
- iii) Clearing custom formalities;
- iv) Clearing port formalities;
- v) Processing of documents at bank branches;
- vi) Transfer release advise from customs;
- vii) Availing post shipment credit;
- viii) Realization of export proceeds;
- ix) Issuance of bank realization certificate and
- x) Realization of duty draw backs.



**Table 1: Activity wise percentage responses regarding time delays**

(Per cent Response)

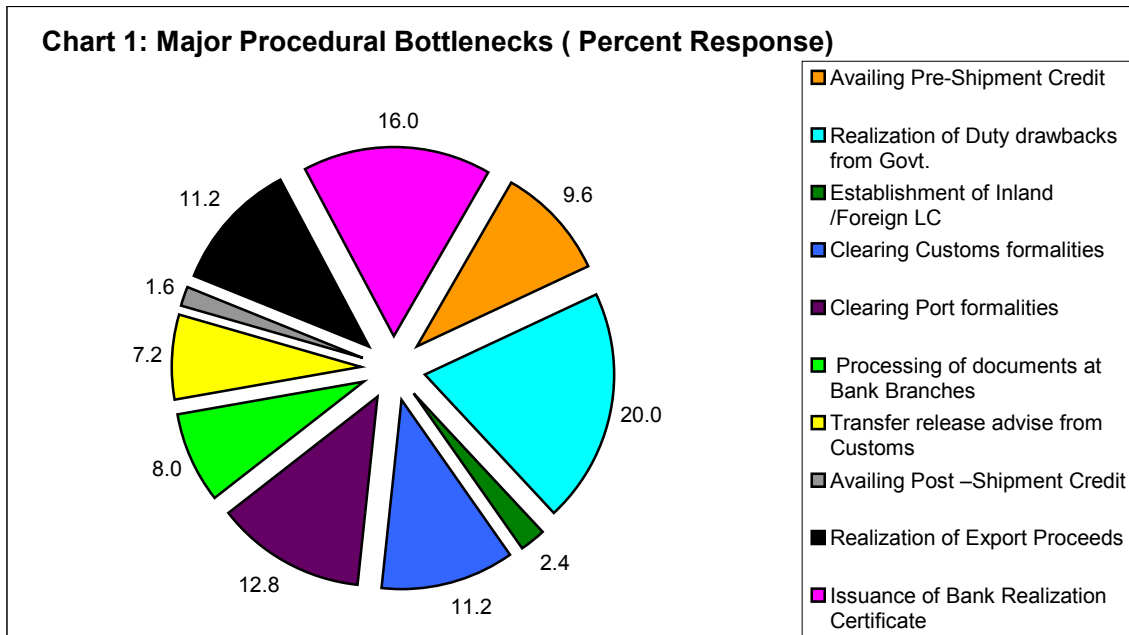
Activity	No. of Response	Time Delay in days*				
		No delay	1- 2 days	3- 7 days	8- 30 days	Above 30 days
Availing Pre-Shipment Credit	103	63.1	18.4	7.8	5.8	4.9
Establishment of Inland /Foreign LC	89	65.2	29.2	3.4	2.2	0.0
Clearing Customs formalities	107	41.1	43.0	12.1	2.8	0.9
Clearing Port formalities	99	59.6	30.3	6.1	4.0	0.0
Processing of documents at Banks	111	57.7	36.0	4.5	1.8	0.0
Transfer release advise from Customs	81	63.0	25.9	7.4	3.7	0.0
Availing Post –Shipment Credit	89	70.8	21.3	4.5	3.4	0.0
Realization of Export Proceeds	101	40.6	13.9	11.9	26.7	6.9
Issuance of Bank Realization Certificate	112	28.6	36.6	17.9	14.3	2.7
Realization of Duty Draw backs	57	17.5	5.3	7.0	45.6	24.6

\*Time delays are calculated as a difference of actual time taken and expected time needed

More than 50 per cent of the respondents were of the view that there were no delays in six of the above activities (**Table 1**). However around 80 per cent opined that procedural delay existed in 'Realization of duty drawback' and around 70 per cent of the respondents opined about the procedural delays in 'Issuance of bank realization certificate'. In particular, a large number of export firms opined that the incidence of procedural delay for 'Realization of duty drawback' was more than a week for about 46 per cent of the respondents and for about 25 per cent of the respondents delay was more than a month. Specifically, in respect of availing credit, pre-shipment and post shipment, about 63 per cent and 71 per cent respondents indicated no delays. Even if there was some delay in respect of these activities, it used to be of 1- 2 days at the most for 80 per cent to 90 per cent of the respondents.

**b) Most affected activities due to procedural delays**

The sample export firms were asked to indicate their most affected activity due to procedural bottlenecks. **Chart 1** depicts the percentage responses on the various activities in the export processes.



The procedural delay in 'Realization of duty drawback' was identified by 20 per cent of the respondents as most severely affected activity during the reporting period. Another 16 per cent of the respondents claimed that getting 'Bank realization certificate' was the most affected activity due to procedural delays and 12.8 per cent indicated procedural delays in 'Clearing port formalities' affected them most.

**c) Changes in Time delay during the reporting period**

With a view to analyze whether the transaction costs due to procedural bottlenecks has declined as a result of the measures taken by RBI and the GoI, the survey collected the information from the exporters regarding the changes in procedural delays on various activities and the percentage responses are summarized in **Table2**.

**Table 2: Changes in time delay structure during 2004-05 over previous Year**

(Per cent Response)

Activity	No. Of Response	SR*	MR*	NC*	MI*	HI*
Availing Pre-Shipment Credit	64	20.31	34.38	35.94	7.81	1.56
Establishment of Inland /Foreign LC	41	12.20	31.71	48.78	7.32	-
Clearing Customs formalities	73	9.59	36.99	38.36	13.70	1.37
Clearing Port formalities	67	7.46	40.30	43.28	8.96	-
Processing of documents at Banks	70	14.29	38.57	38.57	8.57	-
Transfer release advise from Customs	50	16.00	34.00	46.00	4.00	-
Availing Post –Shipment Credit	53	9.43	41.51	39.62	9.43	-
Realization of Export Proceeds	64	15.63	29.69	40.63	9.38	4.69
Issuance of Bank Realization Certificate	65	13.85	29.23	40.00	10.77	6.15
Realization of Duty Draw backs	42	14.3	16.7	42.9	4.8	21.4

\* SR- Substantial Reduction; MR- Moderate Reduction; NC- No change; MI –Moderate Increase; Hi- Heavy Increase

From Table 2, it may be observed that majority of the export firms were of the view that time delays due to procedural bottlenecks has reduced specifically for the bank related activities like 'Availing pre-shipment credit', 'Processing documents at banks' and 'Availing post-shipment credit'. However a number of exporters viewed that time delays increased in respect of 'Realization of duty drawbacks', 'Issuance of bank realization certificate', 'Clearing Custom formalities' and 'Realization of export proceeds'.

**d) Activity wise average number of documents to be filed and visits required**

In addition to the time delays, to complete an activity in the export process, some times the export firm may need to make a number of visits and to submit a number of documents to the authorities concerned to complete the process. To meet this requirement export firms have to spend additional costs, which also qualify as a transaction cost. An analysis on the average number of documents required to be filed (as reported by export firms) and visits to concerned offices needed to complete the various activities involved in the export processes is presented in **Table 3** and **Table 4** respectively.

**Table 3: Percentage responses regarding number of documents submitted**

Activity	No. Of Response	(Per cent Response)		
		1-2 doc	3-5 doc	More than 5
Availing Pre-Shipment Credit	70	44.3	38.6	17.1
Establishment of Inland /Foreign LC	46	32.6	52.2	15.2
Clearing Customs formalities	88	15.9	43.2	40.9
Clearing Port formalities	75	32.0	37.3	30.7
Processing of documents at Banks	87	14.9	29.9	55.2
Transfer release advise from Customs	48	41.7	43.8	14.6
Availing Post –Shipment Credit	59	39.0	28.8	32.2
Realization of Export Proceeds	56	44.6	25.0	30.4
Issuance of Bank Realization Certificate	80	42.5	38.8	18.8
Realization of Duty Draw backs	40	12.5	50.0	37.5

As reported by 55.2 per cent, 40.9 per cent and 37.5 per cent of the respondents, more than 5 documents were required to be submitted for 'Processing documents at banks', 'Clearing custom formalities' and 'Realization of duty drawback' respectively, which perhaps needs to be simplified in order to further reduce the associated transaction costs.

**Table 4: Percentage responses regarding number of visits required**

Activity	No. Of Response	(Per cent Response)		
		1-2 visits	3-5 visits	More than 5 visits
Availing Pre-Shipment Credit	64	78.1	15.6	6.3
Establishment of Inland /Foreign LC	41	85.4	9.8	4.9
Clearing Customs formalities	84	66.7	32.1	1.2
Clearing Port formalities	70	78.6	20.0	1.4
Processing of documents at Banks	82	85.4	12.2	2.4
Transfer release advise from Customs	44	79.5	13.6	6.8
Availing Post –Shipment Credit	52	92.3	5.8	1.9
Realization of Export Proceeds	54	72.2	18.5	9.3
Issuance of Bank Realization Certificate	78	66.7	28.2	5.1
Realization of Duty Draw backs	35	40.0	42.9	17.1

Table 4 reflects that, it required visits of 3 or more days to the concerned offices to complete the activities 'Realization of duty drawback', 'Issuance of bank realization certificate' and 'Clearing customs formalities' as reported by a large number of firms. In case of other activities the requirement of visits to the concerned offices were mostly within 1-2 days.

**e) Cost structure of incidental expenses for export activities**

An export firm may have to spend some incidental expenses in the process of exporting the merchandise in addition to the production cost. These incidental expenses which need to be paid by the export firms at different stages of the export processes may increase their over all cost of exports and in turn may affect their competitiveness in the overseas market. An analysis of the cost structure of these incidental expenses involved in the export process is given in **Table 5a**.

**Table 5 a: Percentage response regarding cost structure of incidental expenses per transactions**

Incidental Expenses	No. of Response	(Per cent Response)				
		Below Rs. 500	Rs. 500-1000	Rs. 1000-2000	Rs. 2000-5000	Above Rs. 5000
Swift Charges	101	36.6	37.6	19.8	5.9	0
Expenses for Customs Clearance	94	20.2	9.6	16.0	35.1	19.1
Export Inspection Charges	65	55.4	7.7	15.4	7.7	13.8
Port Related Expenses	75	18.7	8.0	10.7	24.0	38.7
Processing Credit appraisals	50	56.0	10.0	10.0	4.0	20.0

From Table 5a it may be observed that a number of export firms opined, the 'Port related expenses', 'Expenses for processing of export credit and 'Expenses for custom clearance' were sizable, and they had to spend more than Rs. 5000 per transaction. To further understand the approximate cost structure of these incidental expenses as reported by the survey respondents, we have calculated the central tendency of the cost structure that is, the **median class** for each of the above incidental expenses. The calculated median class for the incidental expenses is presented in **Table 5b**.

**Table 5 b: The median class of incidental expenses**

Activity	Median class
Swift Charges	Rs.500-1000
Expenses for Customs Clearance	Rs.2000-5000
Export Inspection Charges	Below Rs.500
Port Related Expenses	Rs.2000-5000
Processing Credit appraisals	Below Rs.500

From the above analysis it reflects that in case of the custom and port related activities the median expenses were reported to be the highest in the range of Rs.2000-5000. In addition to the above incidental expenses, the exporters may have to spend for marketing, interest charges, transportation, insurance, etc. It will be of interest to analyze the severity of these expenditures as well as a percentage to the corresponding value of exports. **Table 6** presents the cost structure of these expenses as a percentage to the value of exports.

**Table 6: Percentage response regarding cost structure of incidental expenses as a percentage to exports (f.o.b)**

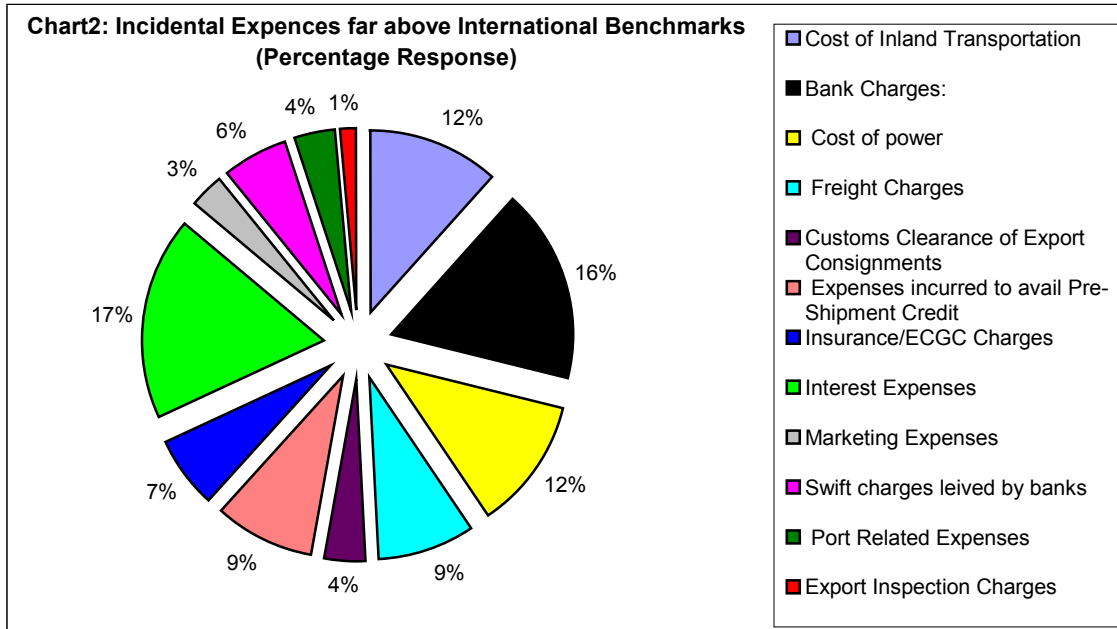
Expenses	No. of Response	(Per cent Response)				
		0- 1 Per cent	1- 2 Per cent	2- 3 Per cent	3- 5 Per cent	Above 5 Per cent
Marketing Expenses	82	45.1	20.7	9.8	8.5	15.9
Interest Expenses	87	40.2	25.3	8.0	5.7	20.7
Bank Charges	103	80.6	13.6	2.9	-	2.9
Inland Transportation	83	59.0	10.8	8.4	7.2	14.5
Freight Charges	90	36.7	6.7	6.7	22.2	27.8
Insurance/ECGC Charges	95	83.2	14.7	1.1	-	1.1
Cost of Power	75	50.7	16.0	8.0	8.0	17.3

As per these results, for most of the export firms, the 'other expenses', except freight charges, were within 2 percent.

**f) Incidental expenses above International Benchmarks**

In the processes of globalization of the economy, incidental expenses above the international benchmark may put the exports firms into a disadvantageous situation. Therefore, it will be of interest to look into the percentage responses of export firms that

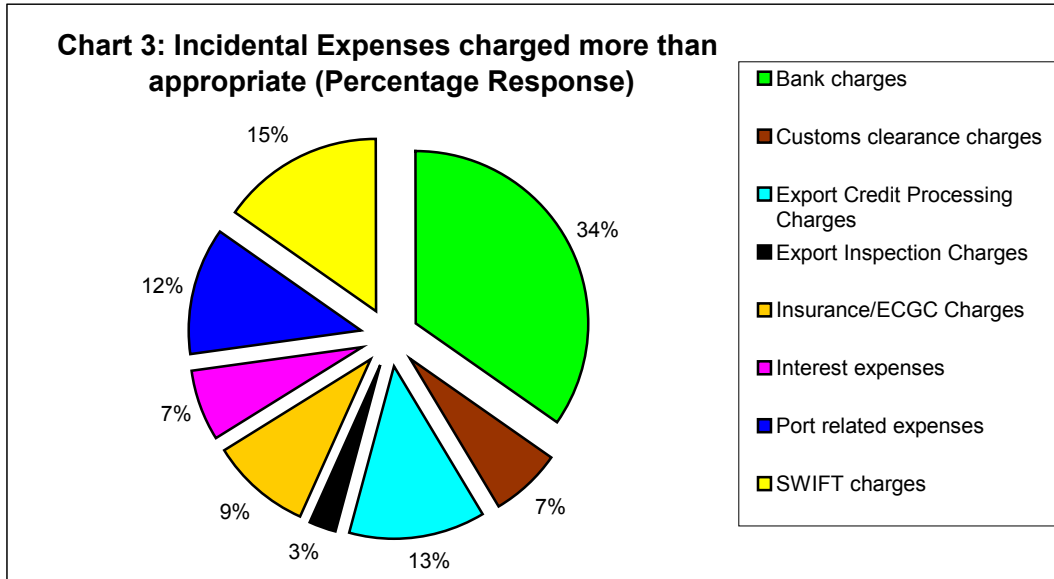
classified their expenses at various stages of export processes as above the international benchmarks (as perceived by them). **Chart 2** below depicts the percentage responses exporters who opined the expenses met by them were far above the international benchmarks.



As can be observed from the above chart, according to 17 per cent export firms, their expenses in respect of 'Interest expenses' were far above international bench marks. Another 16 per cent of the exporters opined that Bank charges (including foreign bank charges) as spend by them were far above international levels. 'Cost of Inland transportation' and 'Cost of power' were also a matter of concern with 12 per cent of respondents reporting expenditure on these activities as above international levels.

**g) Appropriateness of charges levied by banks and other authorities**

The survey collected information on the observation of export firms regarding, which incidental expenses as mentioned above, according to them, were more than necessary. On this aspect, analysis on the percentage response of the sample firms is presented in **Chart 3**.



Around 34 per cent of the export firms in the sample expressed that 'Bank charges' (including foreign bank charges) levied by the banks were on the higher side. While another 15 per cent of the firms opined that 'Swift charges' by the banks were relatively high, 13 per cent felt that there was scope for reduction in charges for appraisal and processing for export credit. The survey also collected the opinion of the export firms regarding the change in levels of these incidental expenses. **Table 7** presented below depicts the percentage responses of the export firms.

**Table 7: Percentage response regarding changes in the charges levied at various Stages**

(Per cent Response)

Incidental Expenses	No. of Response	(Per cent Response)				
		Heavy increase	Moderate increase	Not much Change	Moderate Reduction	Substantial Reduction
Swift Charges	41	7.3	2.4	53.7	31.7	4.9
Expenses for Custom Clearance	37	0.0	2.7	64.9	21.6	10.8
Export Inspection Charges	26	0.0	7.7	65.4	23.1	3.8
Port Related Expenses	26	0.0	0.0	57.7	34.6	7.7
Expenses for Processing Credit Appraisal	19	5.3	5.3	47.4	21.1	21.1

It may be observed from Table 7 that, more than 50 per cent of the respondents opined that the charges levied have remained same during the survey period 2004-05. However a good



proportion of export firms also indicated a moderate reduction in such incidental expenses during 2004-05.

## **Section II: Sectoral analysis of transaction cost**

The survey collected responses from exporters of 15 major commodities. The number of firms from each sector responded to survey is as given in Annex 2. The responses of the export firms under different commodity group on the questions related to activity wise details on time delay, number of documents submitted, number of visits required for the completion of each export activity and the changes in the magnitude of time delay during 2004-05 as compared to previous year were examined. The activity wise percentage responses for the various commodity groups under study are provided in Annex 4a, 4b, 4c and 4d. An overall analysis indicates that, if at all there were procedural bottlenecks in the system, it was not specific to exporters of any specific commodity group. However exporters of 'Leather Manufactures' and 'Textile & Clothing' responded to be more affected by procedural bottlenecks. In this section, we highlights the major observations according to exporters of different commodity group.

### **Agriculture and related Commodities**

Out of 11 responses received in respect of export firms of 'agriculture and related commodities', the majority responded that there were minor or no procedural delays in most of the activities (activities as given in Section 1) involved in the export process (Annex 4a). However substantial proportion of exporters reported time delays in respect of 'Realization of export proceeds', 'Issuance of bank realization certificate' and 'Realization of duty drawbacks'. As regards to the reduction in time delays, more than 80 per cent of the respondents agreed that there were a possible reduction (either moderate or substantial or no change) in time delays in all the activities during the reporting period compared to the previous year (Annex 4d).

### **Chemical products**

Responses from 6 exporters of this commodity group were received under this survey. Majority of the exporters from this commodity group also indicated minor or no procedural delays in most of the activities but for 'Realization of duty drawbacks' (Annex 4a). Regarding 'Realization of duty drawback', majority of the firms responded that the delay were in the range of 8 to 30 days. Most of the firms responded either no change or

moderate increase in the time delays during the period as compared to the previous year in response to the questions regarding the changes in the magnitude of time delays. High increase in time delays was reported by few firms (Annex 4d) in respect of 'Issuance of bank realization certificate' and 'Clearing custom formalities'.

### **Coal and Petroleum Products**

The number of response from this group of commodity exporters was only 2. One of the respondents reported no delay while the other reported procedural delay of 1 to 2 days in most of the activities (Annex 4a). As regards to the change in delay during the current period, both the firms reported 'no change' in time delay for most of the activities (Annex 4d).

### **Engineering & Electronic Goods**

Response from 7 firms were received under this commodity group. The responses indicate that the export firms under this commodity group experienced only minor delays or no delays in all most all activities (Annex 4a). The exception was only for the activity 'Realization of duty drawback where out of the two respondents, one firm experienced a time delay of 8- 30 days while the other experienced a delay of above 30 days. Regarding the changes observed in time delays during the reporting period, majority of the firms reported either no change or moderate decrease in time delays( Annex 4d).

### **Gems and Jewelry**

Survey received response from 24 exporters of this commodity group. Except in case of 'Issuance of bank realization certificate' and 'Realization of export proceeds', majority of the respondents reported no delay in procedural activities (Annex 4a). Around 60 to 70 percent of the respondent reported time delays for the above mentioned two activities. Responses on the changes in the severity of time days indicates, majority of the exporters under this commodity felt either moderate reduction in time delays or no change during 2004-05 over the previous period (Annex 4d).

### **Handicrafts**

Five export firms under this commodity group had responded to the survey. Most of the respondents indicated considerable procedural delays in respect of 'Clearing port formalities', 'Realization of export proceeds', 'Availing post shipment credit' and 'Realization of duty drawback' (Annex 4a). As regards to the change in delays during the reporting period as compared to the previous period, majority of the respondents reported

that there was no change in the time delays during the current period as compared to previous period (Annex 4d).

### **Iron and Steel**

Response from 4 export firms was received of this commodity group. All the 4 firms responded minor or no delay for the activities relating to 'Availing pre-shipment credit', 'Transfer release advise from customs', 'Clearing port formalities' and 'Realization of export proceeds' and 'Issuance of bank realization certificate'. Time delays of above 7 days for 'Realization of duty drawback' has been reported by one respondent (Annex 4a). As regards to changes in time delays during the reporting period, for all activities, other than 'Realization of duty drawback', firms responded either reduction of time delay or 'No change' in time delay. One exporter responded high increase in time delays for the activity 'Realization of duty drawback' (Annex 4d).

### **Iron Ore**

The response for this commodity group was 5. Majority of the respondent reported no procedural delay for most of the activities. In case of realization of export proceeds two respondents reported that they experienced a procedural delay of more than 8 days (Annex 4a). Some export firms reported marginal increase in time days for the activities regarding 'Availing Pre/Post shipment credit' and 'Processing documents at banks' during the reporting period as compared to the previous period (Annex 4d).

### **Leather Manufactures**

In this commodity group 6 export firms had responded to the survey. High delay was reported for the activity related to 'Realization of duty drawback', where 4 firms reported a time delay of more than 30 days. Otherwise also respondents reported time delays for most of the activity with varying magnitude (Annex 4a). Also, according to many of them, in most of the activities, there were moderate to high increase in time delays over the previous year (Annex 4d).

### **Meat & Marin Products**

Four export firms had responded to the survey for this commodity group. Most of the respondent reported minor or no delay in respect of all most all activities (Annex 4a). Also, according to them the system remained stable over the period under study.

### **Pharmaceutical Products**

Four export firms had responded to the survey for this commodity group. All the respondents reported minor procedural delay in respect of 'Issuance of bank realization certificate'. As regards 'Realization of duty drawback', majority of the firms reported a moderate to high procedural delays. In respect to many other activities also time delays were reported by some of the export firms (Annex 4a). As regards to the change in magnitude of time delay, though in case of most of the activities, the respondents indicated a possible improvement, in case of 'Realization of duty drawback' one exporter reported high increase in time delay during the reporting period as compared to the previous period (Annex 4d).

### **Software**

The number of response for this sector was 8. Minor to moderate time delay was reported by some firms of this sector (Annex 4a) in respect of 'Issuance of bank realization certificate'. Further some firms indicated the procedural delays in the system in respect of the above activity increased during 2004-05 as compared to previous year (Annex 4d).

### **Textile & Clothing**

Responses from 18 exporters were received for this commodity group. Survey revealed, many of them were facing moderate to heavy procedural delays in respect of 'Issuance of bank realization certificate' and 'Realization of duty drawback' (Annex 4a). Also some of them felt that the time delays has increased in respect of 'Realization of duty drawbacks' during the reporting period as compared to the previous period (Annex 4d).

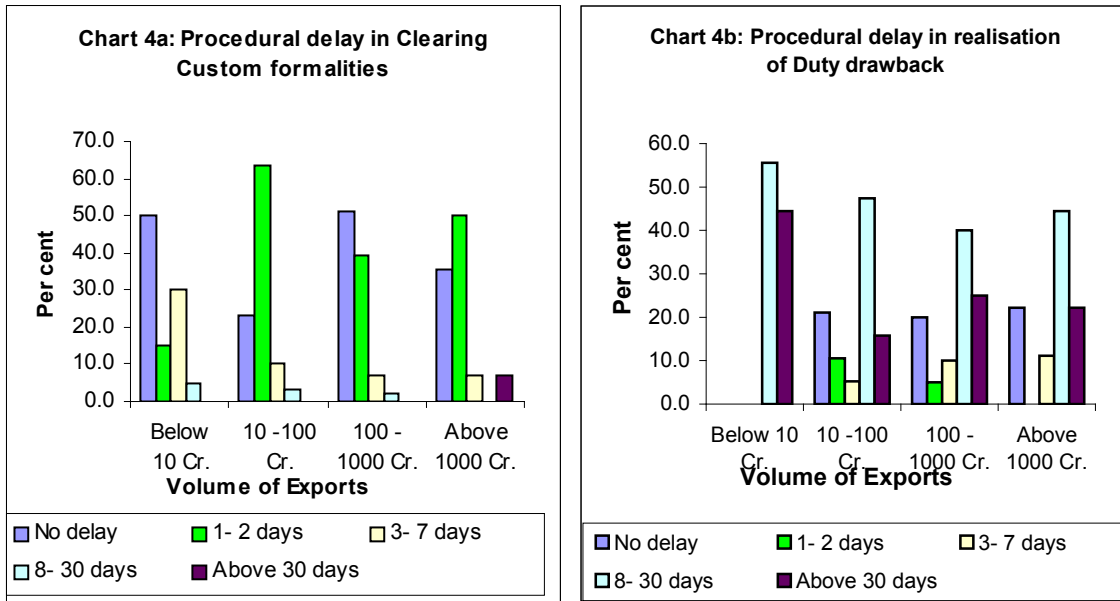
### **Transport Equipments**

The number of response was 4 in this sector. Some of the exporters indicated moderate procedural delay in respect of some of the activities (Annex 4a); and there is also a feeling that the system is showing improvement (Annex 4d).

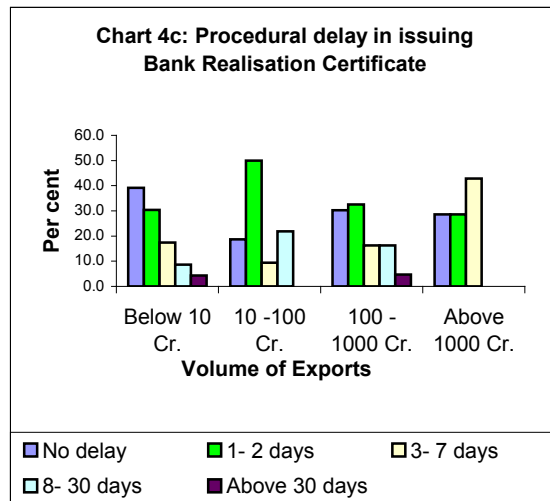
### **Section III: Analysis based on different size class of exporters**

In this section we analyzed how the magnitude of procedural delays varies for various size class of the export firms, size being the export turn over. On analyzing the responses, it was observed that there was no visible discrimination towards any particular size class of exporters as reported by them in many of the activities (Annex 5a). However for the activities relating to 'Clearing custom formalities' and 'Realization of duty drawbacks' the

level of delay were more for export firms in the lower size classes (size in terms of export volume) as compared to that of higher size classes (**Chart 4a & Chart 4b**).



Further it was also observed from the responses that, in case of 'Issuance of Bank realization certificate' exporters from the bigger size classes felt relatively higher procedural delays as compared to the smaller size class exporters (**Chart 4c**).



In order to verify whether the number of documents submitted and the number of visits required to complete each export activity varies according to the size of the exporter in terms of export volume, the response on the number of documents submitted and the

number of visits required were analyzed for the various size class based on export turn over. While majority of the exporters in the higher size class responded that they had to submit only 1 to 2 documents, majority of the exporters in the smaller size class reported that the documents, needed to submit by them, were in the range of 3 to 5 (Annex 5b). On analyzing the number of visits required to get the work done, it was observed that majority of the exporters across the size classes responded that the number of required visits were in the range of 1-2 days. However, in respect of 'Realization of duty drawback' smaller export firms reported the requirement of more visit to get the work done at custom offices (Annex 5c).

Analysis on the perception regarding the changes in time delay indicated that majority of the export firms in the smallest size class felt that the system had improved and accordingly the procedural delays have reduced during 2004-05 as compared to the previous period. In contrary majority of exporters in biggest export firms felt either the procedural delays in the system remains unchanged or increased moderately (Annex 5d).

The cost structures of the incidental expenses met by the exporters were also analyzed based on the volume of exports done. The details based on the response are provided in Annex 6a and 6b. It may be observed there from that cost structure mostly did not vary much across the size class.

#### **Section IV: Awareness of the facilities available**

Various policy initiatives were taken by the authorities over the years in order to reduce the transaction costs in the merchandise trade. Unawareness of the facilities initiated through various policy decisions may not lead to the desired results. In this section we attempted to explore whether exporters were keeping themselves updated about the policy initiatives taken by the authorities. Further, an attempt has been made to assess whether the recent trade related measures taken by RBI during 2004-05 helped in reduction of the transaction cost of exporters.

From the response received, around 79 per cent of the exporters responded that, they were aware of the measures initiated by RBI, the major source of information being RBI website and the newsletter received from their respective export organizations. The survey response also indicated that almost all the exporters were keeping themselves updated about the policy measures taken by Govt. of India through EXIM policies.

The respondents also opined that measures adopted by the RBI and GoI have resulted in reducing the transaction costs (list of measures are presented in Annex 7). Observation of the respondents regarding the policy initiatives taken by RBI during 2004-05 was also collected in the survey. Around 70 per cent of the respondent opined that the recent initiatives like waiver of GR/SDF forms up to US Dollar 25,000, delegation of powers to exporters to extend the realization time, reduction of invoice value and write off up to 10 per cent of export due for realization and enhancement of export realization period up to 12 months for EOUs resulted positively in reducing the transaction cost.

## **Section V: Suggestions from the respondents**

The survey solicited the suggestion from the exporters towards further reducing the transaction cost of exports. These suggestions are summarized in this section.

### **1. Availing Pre-Shipment Credit for working Capital requirements**

The major suggestions from the exporters include:

- Credit facility should be approved at branch level on the basis of credit worthiness of exporters
- Various formalities involved in sanctioning the credit facility should be avoided
- Timely assessment of the requirement of exporters and speedy approval of credit
- Necessary guidance and support from the banks to avoid unnecessary delay
- Proper and transparent guidelines for fixing working capital credit limits
- Past performance should be given due importance while approving the credit limits
- Export credit limits should be assessed properly by giving priority, in order to avoid delay.

To meet wide fluctuation in raw material prices and immediate need to respond to export demands, sufficient standby facility should be an alternative. Ancillary limits like foreign exchange booking limits should also be given liberally as required by exporters having high growth in export.

### **2. Establishment of inland /foreign LC for procurement of raw materials**

Major suggestions include:

- Improved computerization of branches
- Lesser Documentation and paper work
- Dedicated staff for proper guidance at branches

### **3. Clearing customs formalities**

Major suggestions include:

- Single window system for clearing custom formalities
- Importer should be communicated the duties payable at the time of loading of consignment, so that paperwork can be completed before arrival of consignment
- Any time go & exports concept could be introduced during working hours
- Processing should be done on same day or next day of export/import
- Increase in manpower and improvement in system
- Self removal facility may be given to exporters
- Octroi procedure & back to town process should be simplified
- Simplified Excise formalities
- All the customs office should be computerized and documentation should be reduced to minimum levels
- A customer friendly approach for clearing customs formalities should be developed

### **4. Clearing port formalities for final dispatch of goods**

Major suggestions include:

- Improving necessary infrastructure and manpower
- All the ports to be computerized
- Digital signatures to be implemented
- Congestion at port should be avoided especially in the month of March by opening two separate terminals for import and export
- Preference should be given to perishable commodity

### **5. Processing of documents at bank branches**

Major suggestions include:

- Bank should have a dedicated team to handle such work
- Documentation should be reduced to minimum levels
- Up gradation of infrastructure and computerized processing system



## **6. Transfer release advise from customs**

Major suggestions include:

- Implementation of Electronic Data Interchange (EDI) system in all the ports
- Verification of transfer release advice need not be done once the concerned port authority issues the same
- Electronic release of transfer advise to be implemented

## **7. Availing post –shipment credit**

Major suggestions include:

- Documents in case of star exporter should be reduced
- Limit for foreign bill negotiation backed by L/Cs should be removed.

## **8. Realization of export proceeds**

Major suggestions include:

- Direct wiring to negotiating bank
- Proper follow up by Bank Branches on due date
- More coordination with international banks
- Operational system to be improved & paperwork to be reduced
- Realization of export proceeds should be routed to destination branch on the same day

## **9. Issuance of bank realization certificate (BRC)**

Major suggestions include:

- BRC should be generated by banks and sent to exporters. Present system requires exporters to fill the details in format required by banks, which is then submitted, to banks after which it is certified by bank and collected by exporter which is a time consuming processes
- Format of BRC should be simplified
- Operational system to be improved & paper work to be reduced
- Implementation of sending BRC through electronic media
- Export officer in the bank should be made responsible to issue the certificate within 6 hours once the bill is realized
- Automatic issuance of BRC on realization of export proceeds

- The bank should accept the duly filled BRC form at the time of negotiation of the bill. On realization, concerned bank should fill the necessary particulars and send to exporters without further delay

#### **10. Realization of duty draw backs from Govt.**

Major suggestions include:

- The process should be simplified and made available through bank responsible for realization of export proceeds
- Common queries should not be asked to delay the processes
- Improved networking should be implemented to carve out avoidable paper work
- Checks on administrative delays should be implemented
- Electronic transfer of duty draw back should be implemented.

#### **Broad Conclusions**

The present survey was an attempt to evaluate the intensity of transaction costs, during the entire process of exports beginning from production to export receivables, which may escalate overall cost of exports and thereby adversely affect the competitiveness of Indian exporters vis-à-vis their foreign counterparts. The survey was based on the response received from 120 exporting firms, across different commodity groups. The reference period of the survey was financial year 2004-05. The empirical results of the survey revealed that more than 50 per cent of the responded export firms opined that there are no procedural delays in most of the procedures involved in the export processes. Specifically, for availing credit, pre-shipment and post-shipment, about 63 per cent and 71 per cent respondents indicated no delays. However, in case of 'Realization of duty drawback' and 'Issuance of bank realization certificate' comparatively more procedural bottlenecks were reported. Major suggestions on solutions to avoid or reduce the procedural delays in these activities, as suggested by the respondents, were simplification of procedures and updation of the infrastructure and fixing up of maximum time limits by the authorities. The survey further attempted to evaluate whether the procedural delays had reduced during 2004-05 as compared to previous year. In this context majority of the respondents were of the view that, during 2004-05 time delays due to procedural bottlenecks had reduced over the previous year, specifically for the bank related activities like 'Availing pre/post-shipment

credit', 'Processing documents at banks', etc. A cost analysis done based on the survey indicated that in case of custom and port related activities the median expenses were reported to be the highest in the range of Rs. 2000- 5000. The survey also analyzed the responses based on various commodity groups. The analysis also indicated the incidences of procedural bottlenecks were not specific to exporters of any specific commodity group, though exporters of 'Leather Manufacturers' and 'Textile & Clothing' responded to be more affected by procedural bottlenecks. Analysis based on exporter firms with varying export volume also showed no visible discrimination towards any particular size class of exporters in many of the activities needed for the export processes. However, the lower size class export firms responded that the delays due to procedural bottlenecks were more severe for them for custom related activities like 'Clearing custom formalities' and 'Realization of duty drawback'. The survey further sought for the views of the exporters regarding the impact of measures initiated by RBI. Majority of the respondent exporters opined that the recent measures initiated by RBI, like waiver of GR/SDF forms up to US Dollar 25,000, delegation of powers to exporters to extend the realization time, reduction of invoice value and write off up to 10 per cent of export due for realization and enhancement of export realization period up to 12 months for EOUs, resulted positively in reducing the transaction cost. The survey results are based on a sample survey with reference period as 2004-05. Accordingly, to update the results, it is recommended to conduct similar surveys periodically.

**Annex 1: List of members of Steering Committee**

1. Dr. Balwant Singh, Adviser, DESACS (Chairman)
2. Dr. A.K. Nag, Adviser, DESACS (Ex-Chairman)
3. Shri. S.M. Pillai, Director, DEAP (Member)
4. Dr. A.K.Srimany, Director, DESACS (Member)
5. Shri. Ashok Sahoo, Deputy General Manager, FED (Member)
6. Shri.V.Padamadan, Asst. Adviser, DESACS (Member Secretary)

**Annex 2: Commodity Group identified for the survey and number of response**

<b>Sector</b>	<b>No. of Sample Selected</b>	<b>Number of response</b>	<b>Share of Exports *</b>
I. Merchandise Exports	182	112	11.0
a. AGRICUTURE PRODUCTS	15	11	6.9
b. CHEMICAL PRODUCTS	7	6	5.1
c. COAL & PETROLIUM PRODUCT	8	2	20.3
d. ENGINEERING GOODS	15	7	1.2
e. GEMS&JEWELRY	31	24	13.8
f. HANDICRAFTS	5	5	2.6
g. IRON &STEEL	6	4	11.9
h. IRON ORE	5	5	21.6
i. LEATHER PRODUCTS	6	6	17.1
j. MEAT &MARINE PRODUCTS	5	4	9.2
k. PHARMA PRODUCTS	9	4	11.3
l. TEXTAILS & CLOTHING	36	18	8.2
m. TRANSPORT EQUIPMENTS	5	4	35.9
n. OTHER MANUFACTURES	29	12	15.8
II. SOFTWARE	18	8	28.0
Total	200	120	13.0

*\* Share of exports done by the respondents to the total commodity wise exports of the country during 2004-05*

### Annex 3 : Survey Schedule

#### RESERVE BANK OF INDIA

#### Survey on Impact of Trade Related Measures on Transaction costs: Schedule

#### Purpose:

In view of the substantial relaxation and simplification of procedures in the recent period, in the Mid-term Review of the Annual Policy statement 2004-05 dated October 26, 2004, Reserve Bank of India proposed to undertake a fresh survey for evaluation of impact of the measures taken by RBI to reduce the transaction cost for Indian Exports.

#### Uses:

The analysis based on the data provided by the exporters will be used in policy formulations, which in turn will maximize the potential benefits of globalization for our economy and there by promotes India's export growth. This survey also intended to collect information from Indian exporters to identify the major bottlenecks faced by them during the entire process of exports beginning from production to export receivables and affect the competitiveness of Indian exporters vis-à-vis their foreign counterparts. **Your completed schedule remains confidential with the Reserve Bank of India.**

#### Guidelines to complete the schedule:

The following guidelines may be followed for filling up the survey schedule. Instructions given below are in the order of questions as in the survey schedule.

A. You may select your icode from dropdown list. However if you want to search by company Name, change A.1 (cell with green colour) to "1. Name of the Exporter /Company:" from "1. IE Code Number:" Then select your company name from dropdown list. (In case of printed version it is already printed.)

B. All the suitable options may be selected in case your export unit belongs to more than one option.

C.

(a) Information on export done during the financial year 2003-04 and 2004-05 may be given.

(b) Commodity name does not mean the item wise name, but relates to the major commodity group as listed below. (eg: In case you are exporting various items of Chemical products you may give the commodity name as Chemical product).

Sr.No	Major groups	Sr.No	Major groups
1	Agriculture Products	11	Pharma Products
2	Chemical Products	12	Software
3	Coal & Petroleum Products	13	Textiles & Clothing
4	Engineering & Electronic Goods	14	Transport equipments
5	Gems & Jewelry	15	Others
6	Handicrafts		
7	Iron & Steel		
8	Iron Ore		
9	Leather manufactures		
10	Meat & Marine Products		

(c) If the commodity group for which you are selected for the survey is different than the major commodity group you are exporting, you may give data on both commodity group. You are also required to furnish data on all commodity group export if you are exporting in more than one commodity group

(d) Import content of export means the raw materials imported by your company.

D. The average rate of interest considering the concessional and non-concessional rate charged by your bank for the foreign currency denominated loan and rupee loan may be furnished.

E. This question is designed to identify the incidence of procedural bottle-necks in terms of time during the entire export process. You may furnish the expected time need to complete each job according to you and the average time actually taken at each stage of export process during 2004-05.

F. According to the severity felt by you rank the procedural delays as given in question E

G.

1. Furnish the average expenses (approximate) incurred per transactions during the current year.

2. For amount based expenses, furnish the percentage of total expenses incurred at each stage as mentioned in the question to the total export(FOB) during the current period

H. Questions H to L are self explanatory.

**For any clarification, please contact:**

Dr. A.K. Srimany, Director (or Shri. V. Padamadan, Assistant Adviser; Shri. S. Srivastava, Research Officer)  
Balance of Payments Statistics Division, Department of Statistical Analysis and Computer Services, Reserve Bank of India, C 9 - 8th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.  
Tel.26572513;26571265;26571086Ext.241/349;FAX No. 26570848/ 26572319 e-mail : surveyexport@rbi.org.in

The completed schedule should be sent to the above address as early as possible and in any case not later than 30th September 2005.

**RESERVE BANK OF INDIA**

**(Department of Statistical Analysis and Computer Services, Mumbai)**  
**Survey on Impact of Trade Related Measures on Transaction Cost**

**Questionnaire:** (Please read the guidelines before filling it.)

**A. Identification of the Respondent:**

1. Name of the Exporter /Company:	
2. IE Code Number:	
3. Exporter Since:	
4. Authorised Dealer (Major branch if many):	

**B. Details of Exporting Unit.**

Whether your firm is a:

	Manufacturing Exporter	Merchant Exporter	IT exporter	
1. Type			No	
2. Sector	Public / Private			
	100 % EOU	Unit in EPZ	Unit in SEZ	others
3. Location				
4. Status				
	Export House/ Trading House/ Star Trading House/ Super star Trading House / None Of the Above			

**C. Details of Exports done.**

(Amount In Rs. Lakhs)

Financial Year	2003-04			2004-05		
	All Commod.	Major Commod. Exported	Commod. for which selected for survey	All Commod.	Major Commod. Exported	Commod. for which selected for survey
Commodity name						
Total Production						
Total Exports						
Import content of export (%)						



**D. Details of average rate of interest on the Credit availed (per cent)**

Financial Year	2003-04		2004-05	
	In FC currency	In Rupee	In FC currency	In Rupee
Pre-shipment				
Post –shipment				

**E. Identification of Procedural bottle necks:**

On receipt of a confirmed export order from a foreign buyer, how much time do you feel will take, to complete the various steps till realization of the export proceeds as given below. (You may give your views on expected time needed and the actual time taken due to procedure delays in various steps)

Activity	Expected Time needed (In No. of days)	Actual time taken due to delays (In No. of days)	Average No. of documents	Average No. of visits	Remark * (MR/ SR/ NC / MI / HI)
1. Availing Pre-shipment Credit for working Capital requirements					
2. Establishment of Inland /Foreign LC for procurement of raw materials					
3. Clearing Customs formalities					
4. Clearing Port formalities for Final Dispatch of Goods					
5. Processing of documents at Bank Branches					
6. Transfer release advise from Customs					
7. Availing Post –shipment Credit					
8. Realization of Export Proceeds					
9. Issuance of Bank Realization Certificate					
10. Realization of Duty Draw backs from Govt.					

\* MR: Moderate Reduction of Time delays/ SR: Substantial Reduction in Time delays/ NC: Not much Change in time delays and are almost same/ MI: Time delays increased but not heavily/ HI: Time delays increased heavily

**F. Observations on the Procedural Bottle necks.**

1. Which of the above Procedural delays (as mentioned in question E) affect you most during and after the financial year 2004-05. (Please indicate in the order of severance of the Procedural bottlenecks)

	Activity	Suggestion to improve the system
1		
2		
3		

2. Your suggestions to improve the system and there by reduce the delays if any.

**G. Identification of Transaction cost for various expenses in the whole Export Cycle:**

1. Transaction based expenses

Expenses	Expenses per Transaction	International Benchmarks if known	Remark * (MR/ SR/ NC / MI / HI)
SWIFT charges levied by the banks			
Customs clearance of export consignments			
Export Inspection Charges			
Port related expenses			
Expenses incurred to avail Pre-Shipment Credit (Like Processing, appraisal etc)			

\* MR: Moderate Reduction of Time delays/ SR: Substantial Reduction in Time delays/ NC: Not much Change in time delays and are almost same/ MI: Time delays increased but not heavily/ HI: Time delays increased heavily

2. Export amount based expenses

Expenses	Expenses as % of FOB value	International Benchmarks if known	Remark * (MR/ SR/ NC / MI / HI)
Marketing expenses incurred (including correspondence with the Buyer)			
Interest expenses			
Bank charges (including foreign bank charges)			
Cost of Inland transportation			
Freight Charges			
Insurance/ECGC Charges			
Cost of Power			

\* MR: Moderate Reduction of Time delays/ SR: Substantial Reduction in Time delays/ NC: Not much Change in time delays and are almost same/ MI: Time delays increased but not heavily/ HI: Time delays increased heavily

H. Observations on the above expenses involved in the whole export process.

1. Which of the above expenses (as mentioned in question G), you feel, far above the international Benchmarks: (Please indicate in the order of difference)

	Activity
1	
2	
3	

2. Which of the above charges you feel, your bank/Customs is unnecessarily charging :

	Activity
1	
2	
3	

3. Any suggestions to reduce the various expenses involved in the export processes.

--

**I. Awareness about facilities available:**

1. Are you aware of the facilities given to Exporters (which are applicable to you) through various notification and circulars issued by Reserve Bank of India: *(Please indicate "Yes" / "No")*

--

If yes

a. Please indicate the source:

--

b. Indicate the major facilities according to you resulted in reducing the transaction cost

1

--

2

--

3

--

2. Are you aware of the incentives/schemes (which are applicable to you) declared by Govt. of India through EXIM Policies? *(Please indicate "Yes" / "No")*

--

If yes

a. Please indicate the source:

--

b. Indicate the major facilities according to you resulted in reducing the transaction cost

1

--

2

--

3

--

**J. Identifying the impact of FEMA related measures taken by RBI in reducing the transaction cost.**

*(Please indicate "Yes" / "No")*

1. Do you feel the recent measures taken by RBI to waive the submission of GR Forms up to 25000 US Dollar had helped you to reduce the transaction cost in terms of money/time?

2. Whether the delegation of powers to exporters as regards to extension of realization time has an impact in reducing the transaction cost?

3. Measures taken by RBI as regards to reduction of invoice value and write off up to 10 per cent of export due for realization has an impact in reducing the transaction cost?

4. If your firm is an EOU, whether enhancement of export realization period up to 12 month from 6 months helped you to reduce your transaction cost.

**K. Perception about RBI credit policy and EXIM policy:**

1. According to you whether the measures taken by Reserve Bank of India through Credit Policies had a impact in reducing the transaction cost: *(Please indicate "Yes" / "No")*

2. What further measures you envisage to be taken by RBI (Credit Policy) to stream line the export credit delivery system? Give your answer in the order of preference

- 1
- 2
- 3


3. According to you whether EXIM policy 2004-09, had a positive impact to reduce transaction cost: *(Please indicate "Yes" / "No")*

4. What measures need to be taken under EXIM Policy for further reduction of transaction cost? Give your answers in the order of preference.

1

2

3

**L. Any specific comments/suggestions to further reduce the transaction cost**

[Redacted area for comments/suggestions]

**Annex 4a: Percentage response on the time delay due to procedural bottlenecks**

(Percentage response)

	<b>No. of Respondents</b>	<b>No delay</b>	<b>1- 2 days</b>	<b>3- 7 days</b>	<b>8- 30 days</b>	<b>Above 30 days</b>
<b>Agriculture (Total Responses: 11)</b>						
Availing Pre-Shipment Credit	11	72.7	18.2	-	9.1	-
Establishment of Inland /Foreign LC	9	66.7	33.3	-	-	-
Clearing Customs formalities	11	63.6	27.3	-	9.1	-
Clearing Port formalities	11	72.7	27.3	-	-	-
Processing of documents at Banks	11	54.5	45.5	-	-	-
Transfer release advise from Customs	7	57.1	28.6	14.3	-	-
Availing Post –Shipment Credit	9	77.8	22.2	-	-	-
Realization of Export Proceeds	11	36.4	-	27.3	36.4	-
Issuance of Bank Realization Certificate	10	40.0	30.0	10.0	20.0	-
Realization of Duty Draw backs	6	16.7	-	16.7	33.3	33.3
<b>Chemical Products (Total Responses:6)</b>						
Availing Pre-Shipment Credit	5	40.0	20.0	20.0	-	20.0
Establishment of Inland /Foreign LC	6	50.0	50.0	-	-	-
Clearing Customs formalities	6	16.7	50.0	33.3	-	-
Clearing Port formalities	6	33.3	50.0	16.7	-	-
Processing of documents at Banks	6	50.0	50.0	-	-	-
Transfer release advise from Customs	4	25.0	75.0	-	-	-
Availing Post –Shipment Credit	4	25.0	75.0	-	-	-
Realization of Export Proceeds	4	-	50.0	25.0	25.0	-
Issuance of Bank Realization Certificate	6	33.3	33.3	-	33.3	-
Realization of Duty Draw backs	3	-	-	33.3	66.7	-
<b>Coal and Petroleum Products (Total Responses:2)</b>						
Availing Pre-Shipment Credit	2	50.0	50.0	-	-	-
Establishment of Inland /Foreign LC	2	100.0	-	-	-	-
Clearing Customs formalities	2	-	50.0	50.0	-	-
Clearing Port formalities	2	50.0	50.0	-	-	-
Processing of documents at Banks	2	50.0	50.0	-	-	-
Transfer release advise from Customs	2	50.0	-	50.0	-	-
Availing Post –Shipment Credit	2	50.0	50.0	-	-	-
Realization of Export Proceeds	2	50.0	50.0	-	-	-
Issuance of Bank Realization Certificate	2	50.0	50.0	-	-	-
Realization of Duty Draw backs	1	-	-	-	100.0	-

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Balance of Payments Statistics Division

<b>Engineering &amp; Electronic Goods (Total Responses:6)</b>	<b>No. of Respondents</b>	<b>No delay</b>	<b>1- 2 days</b>	<b>3- 7 days</b>	<b>8- 30 days</b>	<b>Above 30 days</b>
Availing Pre-Shipment Credit	5	60.0	20.0	-	-	20.0
Establishment of Inland /Foreign LC	3	33.3	66.7	-	-	-
Clearing Customs formalities	5	-	60.0	40.0	-	-
Clearing Port formalities	5	40.0	60.0	-	-	-
Processing of documents at Banks	5	20.0	60.0	20.0	-	-
Transfer release advise from Customs	3	66.7	33.3	-	-	-
Availing Post –Shipment Credit	5	60.0	40.0	-	-	-
Realization of Export Proceeds	5	40.0	40.0	-	20.0	-
Issuance of Bank Realization Certificate	6	33.3	33.3	16.7	-	16.7
Realization of Duty Draw backs	2	-	-	-	50.0	50.0
<b>Gems and Jewellery (Total Responses:24)</b>						
Availing Pre-Shipment Credit	23	73.9	17.4	8.7	-	-
Establishment of Inland /Foreign LC	17	70.6	23.5	5.9	-	-
Clearing Customs formalities	23	52.2	43.5	4.3	-	-
Clearing Port formalities	17	70.6	29.4	-	-	-
Processing of documents at Banks	24	79.2	20.8	-	-	-
Transfer release advise from Customs	16	68.8	25.0	-	6.3	-
Availing Post –Shipment Credit	23	73.9	26.1	-	-	-
Realization of Export Proceeds	20	35.0	20.0	-	40.0	5.0
Issuance of Bank Realization Certificate	20	15.0	45.0	25.0	15.0	-
Realization of Duty Draw backs	1	-	-	100.0	-	-
<b>Handicrafts (Total Responses:5)</b>						
Availing Pre-Shipment Credit	5	20.0	40.0	-	40.0	-
Establishment of Inland /Foreign LC	4	50.0	25.0	25.0	-	-
Clearing Customs formalities	5	20.0	40.0	40.0	-	-
Clearing Port formalities	4	-	-	50.0	50.0	-
Processing of documents at Banks	5	40.0	20.0	40.0	-	-
Transfer release advise from Customs	4	50.0	-	25.0	25.0	-
Availing Post –Shipment Credit	4	25.0	-	50.0	25.0	-
Realization of Export Proceeds	5	-	-	40.0	60.0	-
Issuance of Bank Realization Certificate	5	20.0	40.0	20.0	20.0	-
Realization of Duty Draw backs	4	-	-	-	50.0	50.0



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<b>Iron and Steel (Total Responses:4)</b>	<b>No. of Respondents</b>	<b>No delay</b>	<b>1- 2 days</b>	<b>3- 7 days</b>	<b>8- 30 days</b>	<b>Above 30 days</b>
Availing Pre-Shipment Credit	4	100.0	-	-	-	-
Establishment of Inland /Foreign LC	4	50.0	50.0	-	-	-
Clearing Customs formalities	4	75.0	25.0	-	-	-
Clearing Port formalities	4	100.0	-	-	-	-
Processing of documents at Banks	4	50.0	50.0	-	-	-
Transfer release advise from Customs	4	100.0	-	-	-	-
Availing Post –Shipment Credit	3	66.7	33.3	-	-	-
Realization of Export Proceeds	3	100.0	-	-	-	-
Issuance of Bank Realization Certificate	4	25.0	75.0	-	-	-
Realization of Duty Draw backs	4	50.0	-	25.0	25.0	-
<b>Iron Ore (Total Responses:5)</b>						
Availing Pre-Shipment Credit	4	75.0	-	-	25.0	-
Establishment of Inland /Foreign LC	3	100.0	-	-	-	-
Clearing Customs formalities	5	60.0	40.0	-	-	-
Clearing Port formalities	5	100.0	-	-	-	-
Processing of documents at Banks	5	80.0	20.0	-	-	-
Transfer release advise from Customs	2	100.0	-	-	-	-
Availing Post –Shipment Credit	3	66.7	-	-	33.3	-
Realization of Export Proceeds	5	40.0	-	20.0	20.0	20.0
Issuance of Bank Realization Certificate	5	80.0	-	-	-	20.0
<b>Leather Manufacturers (Total Responses:6)</b>						
Availing Pre-Shipment Credit	5	80.0	-	-	-	20.0
Establishment of Inland /Foreign LC	5	100.0	-	-	-	-
Clearing Customs formalities	6	16.7	66.7	-	-	16.7
Clearing Port formalities	5	20.0	80.0	-	-	-
Processing of documents at Banks	6	16.7	50.0	33.3	-	-
Transfer release advise from Customs	5	100.0	-	-	-	-
Availing Post –Shipment Credit	5	80.0	-	-	20.0	-
Realization of Export Proceeds	6	16.7	16.7	16.7	50.0	-
Issuance of Bank Realization Certificate	5	-	20.0	60.0	20.0	-
Realization of Duty Draw backs	6	16.7	-	-	16.7	66.7

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<b>Meat &amp; Marine Products (Total Responses:4)</b>	<b>No. of Respondents</b>	<b>No delay</b>	<b>1- 2 days</b>	<b>3- 7 days</b>	<b>8- 30 days</b>	<b>Above 30 days</b>
Availing Pre-Shipment Credit	3	100.0	-	-	-	-
Establishment of Inland /Foreign LC	3	100.0	-	-	-	-
Clearing Customs formalities	4	75.0	25.0	-	-	-
Clearing Port formalities	4	100.0	-	-	-	-
Processing of documents at Banks	4	75.0	25.0	-	-	-
Transfer release advise from Customs	3	100.0	-	-	-	-
Availing Post –Shipment Credit	3	100.0	-	-	-	-
Realization of Export Proceeds	3	100.0	-	-	-	-
Issuance of Bank Realization Certificate	4	50.0	25.0	-	25.0	-
Realization of Duty Draw backs	2	50.0	50.0	-	-	-
<b>Others (Total Responses:11)</b>						
Availing Pre-Shipment Credit	10	60.0	20.0	20.0	-	-
Establishment of Inland /Foreign LC	9	66.7	22.2	11.1	-	-
Clearing Customs formalities	10	60.0	20.0	-	20.0	-
Clearing Port formalities	11	63.6	18.2	-	18.2	-
Processing of documents at Banks	1	54.5	36.4	-	9.1	-
Transfer release advise from Customs	9	55.6	33.3	11.1	-	-
Availing Post –Shipment Credit	8	62.5	12.5	25.0	-	-
Realization of Export Proceeds	10	40.0	-	30.0	10.0	20.0
Issuance of Bank Realization Certificate	10	50.0	30.0	10.0	10.0	-
Realization of Duty Draw backs	5	20.0	-	-	60.0	20.0
<b>Pharma Products (Total Responses:4)</b>						
Availing Pre-Shipment Credit	4	25.0	75.0	-	-	-
Establishment of Inland /Foreign LC	3	33.3	66.7	-	-	-
Clearing Customs formalities	4	-	100.0	-	-	-
Clearing Port formalities	4	50.0	25.0	25.0	-	-
Processing of documents at Banks	4	75.0	25.0	-	-	-
Transfer release advise from Customs	3	33.3	33.3	-	33.3	-
Availing Post –Shipment Credit	3	66.7	33.3	-	-	-
Realization of Export Proceeds	4	25.0	25.0	-	25.0	25.0
Issuance of Bank Realization Certificate	4	25.0	75.0	-	-	-
Realization of Duty Draw backs	3	-	33.3	-	33.3	33.3

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	<b>No. of Respondents</b>	<b>No delay</b>	<b>1- 2 days</b>	<b>3- 7 days</b>	<b>8- 30 days</b>	<b>Above 30 days</b>
<b>Software</b> (Total Responses:8)						
Processing of documents at Banks	3	66.7	33.3	-	-	-
Realization of Export Proceeds	3	33.3	33.3	-	-	33.3
Issuance of Bank Realization Certificate	8	25.0	37.5	12.5	25.0	-
<b>Textiles &amp; Clothing</b> (Total Responses:18)						
Availing Pre-Shipment Credit	18	50.0	16.7	11.1	11.1	11.1
Establishment of Inland /Foreign LC	17	52.9	35.3	-	11.8	-
Clearing Customs formalities	18	27.8	50.0	22.2	-	-
Clearing Port formalities	17	47.1	41.2	11.8	-	-
Processing of documents at Banks	17	47.1	47.1	5.9	-	-
Transfer release advise from Customs	15	53.3	40.0	6.7	-	-
Availing Post –Shipment Credit	14	85.7	14.3	-	-	-
Realization of Export Proceeds	17	58.8	11.8	-	23.5	5.9
Issuance of Bank Realization Certificate	18	22.2	33.3	27.8	11.1	5.6
Realization of Duty Draw backs	16	12.5	6.3	-	50.0	31.3
<b>Transport Equipment</b> (Total Responses:4)						
Availing Pre-Shipment Credit	4	75.0	-	25.0	-	-
Establishment of Inland /Foreign LC	4	75.0	25.0	-	-	-
Clearing Customs formalities	4	50.0	25.0	25.0	-	-
Clearing Port formalities	4	75.0	25.0	-	-	-
Processing of documents at Banks	4	50.0	50.0	-	-	-
Transfer release advise from Customs	4	50.0	25.0	25.0	-	-
Availing Post –Shipment Credit	3	100.0	-	-	-	-
Realization of Export Proceeds	4	50.0	-	25.0	25.0	-
Issuance of Bank Realization Certificate	4	25.0	25.0	50.0	-	-
Realization of Duty Draw backs	4	50.0	-	-	50.0	-

**Annex 4b: Percentage response regarding the number of documents submitted**  
(Per Cent Response)

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<b>Agriculture</b>	Response	1-2 doc	3-5 doc	More than 5 Doc
Availing Pre-Shipment Credit	9	22.22	77.78	-
Establishment of Inland /Foreign LC	5	40.00	40.00	20.00
Clearing Customs formalities	10	20.00	60.00	20.00
Clearing Port formalities	10	10.00	80.00	10.00
Processing of documents at Banks	10	10.00	40.00	50.00
Transfer release advise from Customs	6	16.67	66.67	16.67
Availing Post –Shipment Credit	7	28.57	28.57	42.86
Realization of Export Proceeds	7	57.14	28.57	14.29
Issuance of Bank Realization Certificate	9	22.22	55.56	22.22
Realization of Duty Draw backs	5	20.00	40.00	40.00
<b>Chemical Products</b>				
Availing Pre-Shipment Credit	4	25.00	50.00	25.00
Establishment of Inland /Foreign LC	4	50.00	-	50.00
Clearing Customs formalities	6	-	66.67	33.33
Clearing Port formalities	5	-	80.00	20.00
Processing of documents at Banks	5	-	20.00	80.00
Transfer release advise from Customs	3	33.33	66.67	-
Availing Post –Shipment Credit	4	-	25.00	75.00
Realization of Export Proceeds	3	33.33	-	66.67
Issuance of Bank Realization Certificate	5	20.00	40.00	40.00
Realization of Duty Draw backs	2	-	100.00	-
<b>Coal and Petroleum Products</b>				
Availing Pre-Shipment Credit	2	-	100.00	-
Establishment of Inland /Foreign LC	1	-	100.00	-
Clearing Customs formalities	2	-	50.00	50.00
Clearing Port formalities	1	-	100.00	-
Processing of documents at Banks	2	-	50.00	50.00
Transfer release advise from Customs	1	100.00	-	-
Availing Post –Shipment Credit	2	50.00	50.00	-
Realization of Export Proceeds	1	100.00	-	-
Issuance of Bank Realization Certificate	2	50.00	50.00	-
Realization of Duty Draw backs	1	-	100.00	-

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<b>Engineering &amp; Electronic Goods</b>				
Availing Pre-Shipment Credit	3	33.33	33.33	33.33
Establishment of Inland /Foreign LC	3	-	100.00	-
Clearing Customs formalities	4	-	50.00	50.00
Clearing Port formalities	4	25.00	25.00	50.00
Processing of documents at Banks	4	-	-	100.00
Transfer release advise from Customs	3	100.00	-	-
Availing Post –Shipment Credit	2	-	-	100.00
Realization of Export Proceeds	3	33.33	-	66.67
Issuance of Bank Realization Certificate	5	40.00	20.00	40.00
Realization of Duty Draw backs	2	50.00	50.00	-
<b>Gems and Jewellery</b>				
Availing Pre-Shipment Credit	15	53.33	33.33	13.33
Establishment of Inland /Foreign LC	2	50.00	-	50.00
Clearing Customs formalities	20	20.00	35.00	45.00
Clearing Port formalities	13	38.46	30.77	30.77
Processing of documents at Banks	20	30.00	40.00	30.00
Transfer release advise from Customs	8	37.50	50.00	12.50
Availing Post –Shipment Credit	17	58.82	29.41	11.76
Realization of Export Proceeds	11	54.55	36.36	9.09
Issuance of Bank Realization Certificate	14	28.57	64.29	7.14
Realization of Duty Draw backs	1	-	100.00	-
<b>Handicrafts</b>				
Availing Pre-Shipment Credit	4	50.00	25.00	25.00
Establishment of Inland /Foreign LC	1	100.00	-	-
Clearing Customs formalities	4	-	100.00	-
Clearing Port formalities	1	100.00	-	-
Processing of documents at Banks	4	-	50.00	50.00
Transfer release advise from Customs	1	-	100.00	-
Availing Post –Shipment Credit	3	-	66.67	33.33
Realization of Export Proceeds	0	-	-	-
Issuance of Bank Realization Certificate	3	66.67	33.33	-
Realization of Duty Draw backs	2	50.00	50.00	-

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<b>Iron and Steel</b>				
Availing Pre-Shipment Credit	4	50.00	25.00	25.00
Establishment of Inland /Foreign LC	3	-	100.00	-
Clearing Customs formalities	4	25.00	25.00	50.00
Clearing Port formalities	4	75.00	-	25.00
Processing of documents at Banks	3	-	33.33	66.67
Transfer release advise from Customs	3	100.00	-	-
Availing Post –Shipment Credit	3	33.33	33.33	33.33
Realization of Export Proceeds	2	50.00	50.00	-
Issuance of Bank Realization Certificate	4	75.00	25.00	-
Realization of Duty Draw backs	4	25.00	50.00	25.00
<b>Iron Ore</b>				
Availing Pre-Shipment Credit	3	33.33	66.67	-
Establishment of Inland /Foreign LC	1	100.00	-	-
Clearing Customs formalities	5	60.00	20.00	20.00
Clearing Port formalities	5	80.00	-	20.00
Processing of documents at Banks	4	25.00	25.00	50.00
Transfer release advise from Customs	1	100.00	-	-
Availing Post –Shipment Credit	1	-	100.00	-
Realization of Export Proceeds	1	100.00	-	-
Issuance of Bank Realization Certificate	3	100.00	-	-
Realization of Duty Draw backs	0	-	-	-
<b>Leather Manufacturers</b>				
Availing Pre-Shipment Credit	1	-	100.00	-
Establishment of Inland /Foreign LC	2	-	50.00	-
Clearing Customs formalities	5	-	80.00	25.00
Clearing Port formalities	4	-	75.00	33.33
Processing of documents at Banks	6	16.67	33.33	60.00
Transfer release advise from Customs	2	100.00	-	-
Availing Post –Shipment Credit	3	33.33	-	50.00
Realization of Export Proceeds	6	33.33	50.00	20.00
Issuance of Bank Realization Certificate	6	16.67	33.33	60.00
Realization of Duty Draw backs	5	-	40.00	50.00

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<b>Meat &amp; Marine Products</b>				
Availing Pre-Shipment Credit	3	66.67	-	33.33
Establishment of Inland /Foreign LC	2	-	100.00	-
Clearing Customs formalities	4	-	75.00	25.00
Clearing Port formalities	3	66.67	-	33.33
Processing of documents at Banks	3	33.33	-	66.67
Transfer release advise from Customs	2	-	50.00	50.00
Availing Post –Shipment Credit	3	33.33	-	66.67
Realization of Export Proceeds	2	50.00	-	50.00
Issuance of Bank Realization Certificate	4	100.00	-	-
Realization of Duty Draw backs	1	-	-	100.00
<b>Others</b>				
Availing Pre-Shipment Credit	4	25.00	50.00	25.00
Establishment of Inland /Foreign LC	5	20.00	60.00	20.00
Clearing Customs formalities	7	28.57	28.57	42.86
Clearing Port formalities	8	50.00	12.50	37.50
Processing of documents at Banks	8	12.50	25.00	62.50
Transfer release advise from Customs	5	20.00	40.00	40.00
Availing Post –Shipment Credit	2	-	100.00	-
Realization of Export Proceeds	6	-	16.67	83.33
Issuance of Bank Realization Certificate	4	25.00	50.00	25.00
Realization of Duty Draw backs	4	-	75.00	25.00
<b>Pharma Products</b>				
Availing Pre-Shipment Credit	2	50.00	50.00	-
Establishment of Inland /Foreign LC	2	50.00	50.00	-
Clearing Customs formalities	1	-	-	100.00
Clearing Port formalities	1	-	-	100.00
Processing of documents at Banks	0	-	-	-
Transfer release advise from Customs	1	-	100.00	-
Availing Post –Shipment Credit	0	-	-	-
Realization of Export Proceeds	1	-	-	100.00
Issuance of Bank Realization Certificate	1	-	100.00	-
Realization of Duty Draw backs	1	-	-	100.00

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<b>Software</b>				
Processing of documents at Banks	2	-	100.00	-
Realization of Export Proceeds	1	100.00	-	-
Issuance of Bank Realization Certificate	5	60.00	20.00	20.00
<b>Textiles &amp; Clothing</b>				
Availing Pre-Shipment Credit	13	53.85	23.08	23.08
Establishment of Inland /Foreign LC	11	36.36	54.55	9.09
Clearing Customs formalities	14	14.29	14.29	71.43
Clearing Port formalities	13	15.38	30.77	53.85
Processing of documents at Banks	13	7.69	23.08	69.23
Transfer release advise from Customs	9	33.33	44.44	22.22
Availing Post –Shipment Credit	10	60.00	20.00	20.00
Realization of Export Proceeds	9	44.44	33.33	22.22
Issuance of Bank Realization Certificate	12	33.33	41.67	25.00
Realization of Duty Draw backs	10	10.00	40.00	50.00
<b>Transport Equipment</b>				
Availing Pre-Shipment Credit	2	100.00	-	-
Establishment of Inland /Foreign LC	3	66.67	33.33	-
Clearing Customs formalities	4	-	50.00	50.00
Clearing Port formalities	3	33.33	33.33	33.33
Processing of documents at Banks	4	25.00	-	75.00
Transfer release advise from Customs	3	33.33	66.67	-
Availing Post –Shipment Credit	1	-	-	100.00
Realization of Export Proceeds	3	66.67	-	33.33
Issuance of Bank Realization Certificate	4	75.00	25.00	-
Realization of Duty Draw backs	3	-	33.33	66.67



**Annex 4c : Percentage response regarding the number of visits**

(Per cent Response)

<b>Agriculture</b>	Reported	1-2 visits	3-5 visits	More than 5 visits
Availing Pre-Shipment Credit	9	77.78	11.11	11.11
Establishment of Inland /Foreign LC	5	80.00	-	20.00
Clearing Customs formalities	10	50.00	40.00	10.00
Clearing Port formalities	10	70.00	20.00	10.00
Processing of documents at Banks	10	80.00	20.00	-
Transfer release advise from Customs	6	66.67	33.33	-
Availing Post –Shipment Credit	8	100.00	-	-
Realization of Export Proceeds	8	87.50	-	12.50
Issuance of Bank Realization Certificate	10	70.00	20.00	10.00
Realization of Duty Draw backs	5	60.00	20.00	20.00
<b>Chemical Products</b>				
Availing Pre-Shipment Credit	4	75.00	-	25.00
Establishment of Inland /Foreign LC	4	75.00	25.00	-
Clearing Customs formalities	6	33.33	50.00	16.67
Clearing Port formalities	4	75.00	25.00	-
Processing of documents at Banks	4	100.00	-	-
Transfer release advise from Customs	3	66.67	33.33	-
Availing Post –Shipment Credit	4	100.00	-	-
Realization of Export Proceeds	2	50.00	50.00	-
Issuance of Bank Realization Certificate	4	75.00	25.00	-
Realization of Duty Draw backs	2	50.00	50.00	-
<b>Coal and Petroleum</b>				
Availing Pre-Shipment Credit	2	100.00	-	-
Establishment of Inland /Foreign LC	1	100.00	-	-
Clearing Customs formalities	2	50.00	50.00	-
Clearing Port formalities	1	100.00	-	-
Processing of documents at Banks	2	100.00	-	-
Transfer release advise from Customs	1	-	-	100.00
Availing Post –Shipment Credit	2	100.00	-	-
Realization of Export Proceeds	1	100.00	-	-
Issuance of Bank Realization Certificate	2	100.00	-	-
Realization of Duty Draw backs	1	-	100.00	-

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<b>Engineering &amp; Electronic Goods</b>				
Availing Pre-Shipment Credit	3	66.67	33.33	-
Establishment of Inland /Foreign LC	3	100.00	-	-
Clearing Customs formalities	4	75.00	25.00	-
Clearing Port formalities	4	100.00	-	-
Processing of documents at Banks	3	100.00	-	-
Transfer release advise from Customs	2	100.00	-	-
Availing Post –Shipment Credit	1	100.00	-	-
Realization of Export Proceeds	2	50.00	-	50.00
Issuance of Bank Realization Certificate	3	100.00	-	-
Realization of Duty Draw backs	1	-	-	100.00
<b>Gems and Jewellery</b>				
Availing Pre-Shipment Credit	12	100.00	-	-
Establishment of Inland /Foreign LC	2	50.00	50.00	-
Clearing Customs formalities	16	75.00	25.00	-
Clearing Port formalities	9	88.89	11.11	-
Processing of documents at Banks	17	100.00	-	-
Transfer release advise from Customs	7	100.00	-	-
Availing Post –Shipment Credit	10	100.00	-	-
Realization of Export Proceeds	10	100.00	-	-
Issuance of Bank Realization Certificate	13	53.85	38.46	7.69
Realization of Duty Draw backs	1	100.00	-	-
<b>Handicrafts</b>				
Availing Pre-Shipment Credit	5	33.33	33.33	33.33
Establishment of Inland /Foreign LC	2	-	100.00	-
Clearing Customs formalities	5	100.00	-	-
Clearing Port formalities	4	100.00	-	-
Processing of documents at Banks	5	66.67	-	33.33
Transfer release advise from Customs	2	50.00	-	50.00
Availing Post –Shipment Credit	3	50.00	-	50.00
Realization of Export Proceeds	4	-	50.00	50.00
Issuance of Bank Realization Certificate	5	66.67	33.33	-
Realization of Duty Draw backs	2	-	50.00	50.00

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<b>Iron and Steel</b>				
Availing Pre-Shipment Credit	4	100.00	-	-
Establishment of Inland /Foreign LC	3	100.00	-	-
Clearing Customs formalities	3	100.00	-	-
Clearing Port formalities	4	100.00	-	-
Processing of documents at Banks	3	100.00	-	-
Transfer release advise from Customs	3	100.00	-	-
Availing Post –Shipment Credit	4	100.00	-	-
Realization of Export Proceeds	4	100.00	-	-
Issuance of Bank Realization Certificate	3	100.00	-	-
Realization of Duty Draw backs	4	75.00	25.00	-
<b>Iron Ore</b>				
Availing Pre-Shipment Credit	2	50.00	50.00	-
Establishment of Inland /Foreign LC	1	100.00	-	-
Clearing Customs formalities	5	100.00	-	-
Clearing Port formalities	4	100.00	-	-
Processing of documents at Banks	3	100.00	-	-
Transfer release advise from Customs	1	100.00	-	-
Availing Post –Shipment Credit	1	-	100.00	-
Realization of Export Proceeds	2	100.00	-	-
Issuance of Bank Realization Certificate	2	100.00	-	-
Realization of Duty Draw backs	1	-	100.00	-
<b>Leather Manufacturers</b>				
Availing Pre-Shipment Credit	3	-	-	100.00
Establishment of Inland /Foreign LC	3	100.00	-	-
Clearing Customs formalities	5	-	66.67	33.33
Clearing Port formalities	5	-	66.67	33.33
Processing of documents at Banks	5	-	66.67	33.33
Transfer release advise from Customs	2	100.00	-	-
Availing Post –Shipment Credit	2	-	-	100.00
Realization of Export Proceeds	3	33.33	33.33	33.33
Issuance of Bank Realization Certificate	5	-	66.67	33.33
Realization of Duty Draw backs	3	-	33.33	66.67

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<b>Meat &amp; Marine Products</b>				
Availing Pre-Shipment Credit	3	100.00	-	-
Establishment of Inland /Foreign LC	2	100.00	-	-
Clearing Customs formalities	4	75.00	25.00	-
Clearing Port formalities	3	100.00	-	-
Processing of documents at Banks	2	100.00	-	-
Transfer release advise from Customs	3	100.00	-	-
Availing Post –Shipment Credit	2	100.00	-	-
Realization of Export Proceeds	3	100.00	-	-
Issuance of Bank Realization Certificate	4	75.00	25.00	-
Realization of Duty Draw backs	2	100.00	-	-
<b>Others</b>				
Availing Pre-Shipment Credit	4	100.00	-	-
Establishment of Inland /Foreign LC	5	100.00	-	-
Clearing Customs formalities	6	83.33	16.67	-
Clearing Port formalities	7	85.71	14.29	-
Processing of documents at Banks	6	100.00	-	-
Transfer release advise from Customs	4	75.00	25.00	-
Availing Post –Shipment Credit	3	100.00	-	-
Realization of Export Proceeds	4	75.00	25.00	-
Issuance of Bank Realization Certificate	4	75.00	25.00	-
Realization of Duty Draw backs	1	-	-	100.00
<b>Pharma Products</b>				
Availing Pre-Shipment Credit	2	100.00	-	-
Establishment of Inland /Foreign LC	2	100.00	-	-
Clearing Customs formalities	1	-	100.00	-
Clearing Port formalities	1	-	100.00	-
Processing of documents at Banks	1	100.00	-	-
Transfer release advise from Customs	1	100.00	-	-
Availing Post –Shipment Credit	1	100.00	-	-
Realization of Export Proceeds	1	100.00	-	-
Issuance of Bank Realization Certificate	1	100.00	-	-
Realization of Duty Draw backs	1	-	-	100.00

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<b>Software</b>				
Processing of documents at Banks	2	100.00	-	-
Realization of Export Proceeds	0	-	-	-
Issuance of Bank Realization Certificate	4	-	50.00	50.00
		-		
<b>Textiles &amp; Clothing</b>				
Availing Pre-Shipment Credit	11	54.55	27.27	18.18
Establishment of Inland /Foreign LC	9	77.78	11.11	11.11
Clearing Customs formalities	12	66.67	25.00	8.33
Clearing Port formalities	11	72.73	9.09	18.18
Processing of documents at Banks	12	83.33	8.33	8.33
Transfer release advise from Customs	8	75.00	12.50	12.50
Availing Post –Shipment Credit	8	87.50	-	12.50
Realization of Export Proceeds	8	37.50	37.50	25.00
Issuance of Bank Realization Certificate	12	50.00	33.33	16.67
Realization of Duty Draw backs	8	37.50	37.50	25.00
<b>Transport Equipment</b>				
Availing Pre-Shipment Credit	1	100.00	-	-
Establishment of Inland /Foreign LC	1	100.00	-	-
Clearing Customs formalities	4	75.00	25.00	-
Clearing Port formalities	3	100.00	-	-
Processing of documents at Banks	4	100.00	-	-
Transfer release advise from Customs	3	66.67	33.33	-
Availing Post –Shipment Credit	1	100.00	-	-
Realization of Export Proceeds	3	100.00	-	-
Issuance of Bank Realization Certificate	4	100.00	-	-
Realization of Duty Draw backs	3	-	100.00	-

**Annex 4d: Percentage response on the change in magnitude of time delay**

(Per Cent Response)

<b>Agriculture</b>		<b>SR</b>	<b>MR</b>	<b>NC</b>	<b>MI</b>	<b>HI</b>
Availing Pre-Shipment Credit	9	22.2	44.4	33.3	-	-
Establishment of Inland /Foreign LC	6	-	66.7	33.3	-	-
Clearing Customs formalities	9	9.1	45.5	45.5	-	-
Clearing Port formalities	8	-	62.5	37.5	-	-
Processing of documents at Banks	9	33.3	33.3	22.2	11.1	-
Transfer release advise from Customs	5	20	40	20	20	-
Availing Post –Shipment Credit	7	14.2	57.1	28.6	-	-
Realization of Export Proceeds	7	14.2	28.6	57.1	-	-
Issuance of Bank Realization Certificate	9	-	55.6	33.3	11.1	-
Realization of Duty Draw backs	6	33.3	33.3	33.3	-	-
<b>Chemical Products</b>	6					
Availing Pre-Shipment Credit	4	-	25	50	25	-
Establishment of Inland /Foreign LC	2	-	-	50	50	-
Clearing Customs formalities	3	-	-	33.3	33.3	33.3
Clearing Port formalities	3	-	-	66.6	33.3	-
Processing of documents at Banks	4	-	-	50	50	-
Transfer release advise from Customs	2	50	-	50	-	-
Availing Post –Shipment Credit	4	25	50	25	-	-
Realization of Export Proceeds	4	-	-	25	75	-
Issuance of Bank Realization Certificate	5	40	-	20	20	20
Realization of Duty Draw backs	1	-	-	100	-	-
<b>Coal and Petroleum Products</b>	2					
Availing Pre-Shipment Credit	2		-	100	-	-
Establishment of Inland /Foreign LC	2	-	-	100	-	-
Clearing Customs formalities	1	-	-	100		-
Clearing Port formalities	2	-	-	100	-	-
Processing of documents at Banks	1	-	-	100	-	-
Transfer release advise from Customs	1	100	-	-	-	-
Availing Post –Shipment Credit	1	-	-	100	-	-
Realization of Export Proceeds	1	-	-	100	-	-
Issuance of Bank Realization Certificate	2	-	-	100	-	-
Realization of Duty Draw backs	2	-	-	100	-	-

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<b>Engineering &amp; Electronic Goods</b>	7					
Availing Pre-Shipment Credit	4	25	25	25	25	-
Establishment of Inland /Foreign LC	4	-	50	50	-	-
Clearing Customs formalities	5	-	40	60	-	-
Clearing Port formalities	5	-	40	60	-	-
Processing of documents at Banks	5	20	60	20	-	-
Transfer release advise from Customs	4	-	50	50	-	-
Availing Post –Shipment Credit	3	-	66.6	33.3	-	-
Realization of Export Proceeds	4	-	25	75	-	-
Issuance of Bank Realization Certificate	4	-	25	75	-	-
Realization of Duty Draw backs	2	-	50	50	-	-
<b>Gems and Jewellery</b>	24					
Availing Pre-Shipment Credit	18	27.8	38.8	27.8	5.6	-
Establishment of Inland /Foreign LC	3	-	33.3	33.3	33.3	-
Clearing Customs formalities	18	16.6	33.3	33.3	16.6	-
Clearing Port formalities	13	-	53.8	46.2	-	-
Processing of documents at Banks	16	12.5	37.5	50	-	-
Transfer release advise from Customs	9	11.1	22.2	55.5	11.1	-
Availing Post –Shipment Credit	14	14.3	21.4	57.1	7.1	-
Realization of Export Proceeds	14	14.3	28.7	42.7	7.1	7.1
Issuance of Bank Realization Certificate	11	18.1	18.1	36.7	18.1	9.1
Realization of Duty Draw backs	2	-	100	-	-	-
<b>Handicrafts</b>	5					
Availing Pre-Shipment Credit	3	33.3	-	33.3	33.3	-
Establishment of Inland /Foreign LC	1	-	100	-	-	-
Clearing Customs formalities	2	50	-	50	-	-
Clearing Port formalities	2	-	-	50	50	-
Processing of documents at Banks	2	-	50	50	-	-
Transfer release advise from Customs	1	-	-	100	-	-
Availing Post –Shipment Credit	1	-	-	100	-	-
Realization of Export Proceeds	2	-	-	100	-	-
Issuance of Bank Realization Certificate	2	-	-	100	-	-
Realization of Duty Draw backs	2	-	-	50	-	50
<b>Iron and Steel</b>	4					
Availing Pre-Shipment Credit	4	25	-	75	-	-
Establishment of Inland /Foreign LC	4	25	25	50	-	-
Clearing Customs formalities	4	25	25	50	-	-
Clearing Port formalities	4	25	25	50	-	-
Processing of documents at Banks	4	-	50	50	-	-
Transfer release advise from Customs	4	25	25	50	-	-
Availing Post –Shipment Credit	4	-	25	75	-	-
Realization of Export Proceeds	4	25	25	50	-	-
Issuance of Bank Realization Certificate	4	25	25	50	-	-
Realization of Duty Draw backs	4	25	-	50	-	25
<b>Iron Ore</b>	5					
Availing Pre-Shipment Credit	2	-	-	50	50	-

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Establishment of Inland /Foreign LC	2	-	-	100	-	-
Clearing Customs formalities	4	-	25	75	-	-
Clearing Port formalities	4	-	25	75	-	-
Processing of documents at Banks	3	-	-	66.7	33.3	-
Transfer release advise from Customs	1	-	-	100	-	-
Availing Post –Shipment Credit	4	-	25	50	25	-
Realization of Export Proceeds	4	25	25	50	-	-
Issuance of Bank Realization Certificate	4	25	25	50	-	-
Realization of Duty Draw backs	1	-	-	100	-	-
<b>Leather Manufacturers</b>	7					
Availing Pre-Shipment Credit	2	-	-	50	-	50
Establishment of Inland /Foreign LC	1	-	-	100	-	-
Clearing Customs formalities	4	50	-	50	-	-
Clearing Port formalities	3	33.3	-	66.7	-	-
Processing of documents at Banks	3	-	33.3	33.3	33.3	-
Transfer release advise from Customs	2	-	-	100	-	-
Availing Post –Shipment Credit	3	-	33.3	33.3	33.3	-
Realization of Export Proceeds	4	25	-	25	50	-
Issuance of Bank Realization Certificate	3	33.3	-	33.3	33.3	-
Realization of Duty Draw backs	5		-	60	20	20
<b>Meat &amp; Marine Products</b>	4					
Availing Pre-Shipment Credit	2	50	-	50	-	-
Establishment of Inland /Foreign LC	2	50	-	50	-	-
Clearing Customs formalities	2	25	25	50	-	-
Clearing Port formalities	2	-	50	50	-	-
Processing of documents at Banks	2	50	-	50	-	-
Transfer release advise from Customs	2	-	50	50	-	-
Availing Post –Shipment Credit	2	50	-	50	-	-
Realization of Export Proceeds	2	50	-	50	-	-
Issuance of Bank Realization Certificate	2	50	-	50	-	-
Realization of Duty Draw backs	2	50	-	50	-	-
<b>Others</b>	12					
Availing Pre-Shipment Credit	2	-	50	50	-	-
Establishment of Inland /Foreign LC	1		-	100	-	-
Clearing Customs formalities	4		25	50	25	-
Clearing Port formalities	5	-	20	60	20	-
Processing of documents at Banks	5		20	60	20	-
Transfer release advise from Customs	4	25	25	50	-	-
Availing Post –Shipment Credit	0	-	-	100	-	-
Realization of Export Proceeds	4		25	50	-	25
Issuance of Bank Realization Certificate	2	-	50	50	-	-
Realization of Duty Draw backs	1	-	-	100	-	-



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<b>Pharma Products</b>	4					
Availing Pre-Shipment Credit	2	50	50	-	-	-
Establishment of Inland /Foreign LC	2	-	50	50	-	-
Clearing Customs formalities	2		50	50	-	-
Clearing Port formalities	2	50	-	50	-	-
Processing of documents at Banks	2	-	50	50	-	-
Transfer release advise from Customs	2	50	-	50	-	-
Availing Post –Shipment Credit	2	-	50	50	-	-
Realization of Export Proceeds	2	50	-	50	-	-
Issuance of Bank Realization Certificate	2		50	50	-	-
Realization of Duty Draw backs	2	-	-	50	-	50
<b>Software</b>	8					
Processing of documents at Banks	2	-	50	50	-	-
Realization of Export Proceeds	1	-		100	-	-
Issuance of Bank Realization Certificate	4	-		50	25	25
<b>Textiles &amp; Clothing</b>	18					
Availing Pre-Shipment Credit	11	36.4	18.2	45.4	-	-
Establishment of Inland /Foreign LC	9	11.1	11.1	77.8	-	-
Clearing Customs formalities	11	9.1	27.3	54.5	9.1	-
Clearing Port formalities	11	9.1	36.4	54.5	-	-
Processing of documents at Banks	10	10	10	80	-	-
Transfer release advise from Customs	11	9.1	36.4	54.5	-	-
Availing Post –Shipment Credit	8	-	25	75	-	-
Realization of Export Proceeds	9	-	22.2	55.6	11.1	11.1
Issuance of Bank Realization Certificate	11	-	9.1	63.6	18.2	9.1
Realization of Duty Draw backs	11	9.1	9.1	45.4	18.2	18.2
<b>Transport Equipment</b>	4					
Availing Pre-Shipment Credit	1	100	-	-	-	-
Establishment of Inland /Foreign LC	2	50	-	50	-	-
Clearing Customs formalities	2	-	50	50	-	-
Clearing Port formalities	2	50	-	50	-	-
Processing of documents at Banks	2	-	-	100	-	-
Transfer release advise from Customs	2	-	50	50	-	-
Availing Post –Shipment Credit		-	-	100	-	-
Realization of Export Proceeds	2	50		50	-	-
Issuance of Bank Realization Certificate	2	-	50	50	-	-
Realization of Duty Draw backs	3	-	33.3	66.7	-	-

**Annex 5a: Percentage response regarding the time delay due to procedural bottlenecks**

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Activity	Size Class	No. Of response	Percentage Response				
			No delay	1- 2 days	3- 7 days	8- 30 days	Above 30 days
Availing Pre-shipment Credit	Below 10 Cr.	22	54.5	31.8	4.5	4.5	4.5
	10 -100 Cr.	26	57.7	23.1	7.7	0.0	11.5
	100 - 1000 Cr.	41	70.7	12.2	7.3	7.3	2.4
	Above 1000 Cr.	14	64.3	7.1	14.3	14.3	0.0
Establishment of Inland /Foreign LC	Below 10 Cr.	18	66.7	27.8	5.6	0.0	0.0
	10 -100 Cr.	22	54.5	31.8	9.1	4.5	0.0
	100 - 1000 Cr.	35	65.7	31.4	0.0	2.9	0.0
	Above 1000 Cr.	14	78.6	21.4	0.0	0.0	0.0
Clearing Customs formalities	Below 10 Cr.	20	50.0	15.0	30.0	5.0	0.0
	10 -100 Cr.	30	23.3	63.3	10.0	3.3	0.0
	100 - 1000 Cr.	43	51.2	39.5	7.0	2.3	0.0
	Above 1000 Cr.	14	35.7	50.0	7.1	0.0	7.1
Clearing Port formalities	Below 10 Cr.	20	55.0	30.0	5.0	10.0	0.0
	10 -100 Cr.	26	42.3	50.0	7.7	0.0	0.0
	100 - 1000 Cr.	39	74.4	20.5	2.6	2.6	0.0
	Above 1000 Cr.	14	57.1	21.4	14.3	7.1	0.0
Processing of documents at Banks	Below 10 Cr.	22	40.9	50.0	4.5	4.5	0.0
	10 -100 Cr.	30	50.0	40.0	6.7	3.3	0.0
	100 - 1000 Cr.	44	68.2	29.5	2.3	0.0	0.0
	Above 1000 Cr.	15	66.7	26.7	6.7	0.0	0.0
Transfer release advise from Customs	Below 10 Cr.	16	68.8	25.0	0.0	6.3	0.0
	10 -100 Cr.	20	65.0	30.0	5.0	0.0	0.0
	100 - 1000 Cr.	31	58.1	29.0	9.7	3.2	0.0
	Above 1000 Cr.	14	64.3	14.3	14.3	7.1	0.0
Availing Post –Shipment Credit	Below 10 Cr.	20	75.0	15.0	10.0	0.0	0.0
	10 -100 Cr.	24	58.3	29.2	4.2	8.3	0.0
	100 - 1000 Cr.	35	71.4	25.7	0.0	2.9	0.0
	Above 1000 Cr.	10	90.0	0.0	10.0	0.0	0.0
Realization of Export Proceeds	Below 10 Cr.	22	40.9	13.6	9.1	27.3	9.1
	10 -100 Cr.	26	34.6	19.2	15.4	26.9	3.8
	100 - 1000 Cr.	40	42.5	10.0	7.5	30.0	10.0
	Above 1000 Cr.	13	46.2	15.4	23.1	15.4	0.0
Issuance of Bank Realization Certificate	Below 10 Cr.	23	39.1	30.4	17.4	8.7	4.3
	10 -100 Cr.	32	18.8	50.0	9.4	21.9	0.0
	100 - 1000 Cr.	43	30.2	32.6	16.3	16.3	4.7
	Above 1000 Cr.	14	28.6	28.6	42.9	0.0	0.0
Realization of Duty Draw backs	Below 10 Cr.	9	0.0	0.0	0.0	55.6	44.4
	10 -100 Cr.	19	21.1	10.5	5.3	47.4	15.8
	100 - 1000 Cr.	20	20.0	5.0	10.0	40.0	25.0
	Above 1000 Cr.	9	22.2	0.0	11.1	44.4	22.2

**Annex 5b: Percentage Response regarding the number documents submitted**

<b>Activity</b>	<b>Range</b>	<b>1-2 doc</b>	<b>3-5 doc</b>	<b>More than 5 Doc</b>	<b>No. of respondents</b>
1. Availing Pre-Shipment Credit for working Capital requirements	Below 10Cr.	23.1	53.8	23.1	13
	10 Cr. to 100 Cr.	50.0	30.0	20.0	20
	100 Cr. to 1000 Cr.	46.7	40.0	13.3	30
	Above 1000 Cr.	57.1	28.6	14.3	7
2. Establishment of Inland /Foreign LC for procurement of raw materials	Below 10Cr.	25.0	75.0	-	8
	10 Cr. to 100 Cr.	30.8	46.2	23.1	13
	100 Cr. to 1000 Cr.	36.8	47.4	15.8	19
	Above 1000 Cr.	33.3	50.0	16.7	6
3. Clearing Customs formalities	Below 10Cr.	21.4	50.0	28.6	14
	10 Cr. to 100 Cr.	12.5	45.8	41.7	24
	100 Cr. to 1000 Cr.	15.8	39.5	44.7	38
	Above 1000 Cr.	16.7	41.7	41.7	12
4. Clearing Port formalities for Final Dispatch of Goods	Below 10Cr.	28.6	35.7	35.7	14
	10 Cr. to 100 Cr.	10.0	50.0	40.0	20
	100 Cr. to 1000 Cr.	45.5	30.3	24.2	33
	Above 1000 Cr.	37.5	37.5	25.0	8
5. Processing of documents at Bank Branches	Below 10Cr.	11.8	35.3	52.9	17
	10 Cr. to 100 Cr.	4.3	34.8	60.9	23
	100 Cr. to 1000 Cr.	22.9	22.9	54.3	35
	Above 1000 Cr.	16.7	33.3	50.0	12
6. Transfer release advise from Customs	Below 10Cr.	22.2	66.7	11.1	9
	10 Cr. to 100 Cr.	50.0	41.7	8.3	12
	100 Cr. to 1000 Cr.	39.1	43.5	17.4	23
	Above 1000 Cr.	75.0	-	25.0	4
7. Availing Post – Shipment Credit	Below 10Cr.	36.4	27.3	36.4	11
	10 Cr. to 100 Cr.	43.8	25.0	31.3	16
	100 Cr. to 1000 Cr.	42.3	26.9	30.8	26
	Above 1000 Cr.	16.7	50.0	33.3	6
8. Realization of Export Proceeds	Below 10Cr.	45.5	18.2	36.4	11
	10 Cr. to 100 Cr.	35.3	35.3	29.4	17
	100 Cr. to 1000 Cr.	40.9	22.7	36.4	22
	Above 1000 Cr.	83.3	16.7	-	6
9. Issuance of Bank Realization Certificate	Below 10Cr.	50.0	33.3	16.7	12
	10 Cr. to 100 Cr.	25.0	58.3	16.7	24
	100 Cr. to 1000 Cr.	47.1	29.4	23.5	34
	Above 1000 Cr.	60.0	30.0	10.0	10
10. Realization of Duty Draw backs from Govt.	Below 10Cr.	28.6	57.1	14.3	7
	10 Cr. to 100 Cr.	-	66.7	33.3	15
	100 Cr. to 1000 Cr.	14.3	28.6	57.1	14
	Above 1000 Cr.	25.0	50.0	25.0	4

**Annex 5c: Percent response regarding the number of visits**

<b>Activity</b>	<b>Range</b>	<b>1-2 days</b>	<b>3-5 days</b>	<b>More than 5 days</b>	<b>No. of Respondents</b>
1. Availing Pre-Shipment Credit for working Capital requirements	Below 10Cr.	90.9	9.1	-	11
	10 Cr. to 100 Cr.	81.0	14.3	4.8	21
	100 Cr. to 1000 Cr.	76.0	16.0	8.0	25
	Above 1000 Cr.	57.1	28.6	14.3	7
2. Establishment of Inland /Foreign LC for procurement of raw materials	Below 10Cr.	87.5	12.5	-	8
	10 Cr. to 100 Cr.	83.3	16.7	-	12
	100 Cr. to 1000 Cr.	81.3	6.3	12.5	16
	Above 1000 Cr.	100.0	-	-	5
3. Clearing Customs formalities	Below 10Cr.	53.3	40.0	6.7	15
	10 Cr. to 100 Cr.	72.7	27.3	-	22
	100 Cr. to 1000 Cr.	66.7	33.3	-	36
	Above 1000 Cr.	72.7	27.3	-	11
4. Clearing Port formalities for Final Dispatch of Goods	Below 10Cr.	71.4	28.6	-	14
	10 Cr. to 100 Cr.	73.7	26.3	-	19
	100 Cr. to 1000 Cr.	82.1	14.3	3.6	28
	Above 1000 Cr.	88.9	11.1	-	9
5. Processing of documents at Bank Branches	Below 10Cr.	93.3	6.7	-	15
	10 Cr. to 100 Cr.	70.8	25.0	4.2	24
	100 Cr. to 1000 Cr.	90.3	9.7	-	31
	Above 1000 Cr.	91.7	-	8.3	12
6. Transfer release advise from Customs	Below 10Cr.	75.0	25.0	-	8
	10 Cr. to 100 Cr.	91.7	8.3	-	12
	100 Cr. to 1000 Cr.	78.9	15.8	5.3	19
	Above 1000 Cr.	60.0	-	40.0	5
7. Availing Post –Shipment Credit	Below 10Cr.	100.0	-	-	9
	10 Cr. to 100 Cr.	93.8	6.3	-	16
	100 Cr. to 1000 Cr.	90.5	9.5	-	21
	Above 1000 Cr.	83.3	-	16.7	6
8. Realization of Export Proceeds	Below 10Cr.	87.5	12.5	-	8
	10 Cr. to 100 Cr.	63.2	26.3	10.5	19
	100 Cr. to 1000 Cr.	76.2	14.3	9.5	21
	Above 1000 Cr.	66.7	16.7	16.7	6
9. Issuance of Bank Realization Certificate	Below 10Cr.	80.0	20.0	-	10
	10 Cr. to 100 Cr.	60.0	32.0	8.0	25
	100 Cr. to 1000 Cr.	65.6	28.1	6.3	32
	Above 1000 Cr.	72.7	27.3	-	11
10. Realization of Duty Draw backs from Govt.	Below 10Cr.	25.0	50.0	25.0	4
	10 Cr. to 100 Cr.	38.5	38.5	23.1	13
	100 Cr. to 1000 Cr.	46.2	38.5	15.4	13
	Above 1000 Cr.	40.0	60.0	-	5

**Annex 5d: Percentage response regarding reduction in time delay due to procedural bottlenecks**

Activity	Range	No. Of Response	SR	MR	NC	MI	HI
Availing Pre-Shipment Credit	Below 10Cr.	12	16.7	50.0	33.3	0.0	0.0
	10 - 100 Cr.	19	21.1	31.6	31.6	10.5	5.3
	100 -1000 Cr.	26	19.2	34.6	38.5	7.7	0.0
	Above 1000 Cr.	7	28.6	14.3	42.9	14.3	0.0
Establishment of Inland /Foreign LC	Below 10Cr.	9	0.0	55.6	44.4	0.0	0.0
	10 - 100 Cr.	12	0.0	33.3	58.3	8.3	0.0
	100 -1000 Cr.	15	20.0	26.7	46.7	6.7	0.0
	Above 1000 Cr.	5	40.0	0.0	40.0	20.0	0.0
Clearing Customs formalities	Below 10Cr.	16	0.0	43.8	43.8	6.3	6.3
	10 - 100 Cr.	16	6.3	31.3	43.8	18.8	0.0
	100 -1000 Cr.	32	12.5	46.9	28.1	12.5	0.0
	Above 1000 Cr.	9	22.2	0.0	55.6	22.2	0.0
Clearing Port formalities	Below 10Cr.	15	0.0	53.3	33.3	13.3	0.0
	10 - 100 Cr.	15	6.7	33.3	53.3	6.7	0.0
	100 -1000 Cr.	29	6.9	48.3	41.4	3.4	0.0
	Above 1000 Cr.	8	25.0	0.0	50.0	25.0	0.0
Processing of documents at Banks	Below 10Cr.	15	6.7	60.0	26.7	6.7	0.0
	10 - 100 Cr.	18	16.7	33.3	38.9	11.1	0.0
	100 -1000 Cr.	28	17.9	39.3	35.7	7.1	0.0
	Above 1000 Cr.	9	11.1	11.1	66.7	11.1	0.0
Transfer release advise from Customs	Below 10Cr.	10	10.0	50.0	40.0	0.0	0.0
	10 - 100 Cr.	13	15.4	23.1	53.8	7.7	0.0
	100 -1000 Cr.	23	8.7	39.1	47.8	4.3	0.0
	Above 1000 Cr.	4	75.0	0.0	25.0	0.0	0.0
Availing Post –Shipment Credit	Below 10Cr.	9	11.1	66.7	22.2	0.0	0.0
	10 - 100 Cr.	16	12.5	31.3	37.5	18.8	0.0
	100 -1000 Cr.	24	8.3	45.8	37.5	8.3	0.0
	Above 1000 Cr.	4	0.0	0.0	100.0	0.0	0.0
Realization of Export Proceeds	Below 10Cr.	12	8.3	50.0	41.7	0.0	0.0
	10 - 100 Cr.	19	15.8	10.5	47.4	15.8	10.5
	100 -1000 Cr.	26	15.4	42.3	30.8	7.7	3.8
	Above 1000 Cr.	7	28.6	0.0	57.1	14.3	0.0
Issuance of Bank Realization Certificate	Below 10Cr.	10	10.0	50.0	30.0	0.0	10.0
	10 - 100 Cr.	18	5.6	27.8	38.9	16.7	11.1
	100 -1000 Cr.	29	24.1	24.1	41.4	6.9	3.4
	Above 1000 Cr.	8	0.0	25.0	50.0	25.0	0.0
Realization of Duty Draw backs.	Below 10Cr.	7	0.0	28.6	57.1	14.3	0.0
	10 - 100 Cr.	14	14.3	7.1	42.9	0.0	35.7
	100 -1000 Cr.	16	25.0	18.8	31.3	6.3	18.8
	Above 1000 Cr.	5	0.0	20.0	60.0	0.0	20.0

**Annex 6a: Percentage response regarding the cost structure of incidental expenses per export transaction**

(Per cent Response)

	<b>Below Rs 500</b>	<b>Rs. 500-1000</b>	<b>Rs. 1000-2000</b>	<b>Rs. 2000-5000</b>	<b>Above Rs.5000</b>	<b>No. of respondents</b>
<b>Swift Charges</b>						
Below 10Cr.	47.6	33.3	19.0	-	-	<b>21</b>
10Cr.-100cr.	41.4	20.7	31.0	6.9	-	<b>29</b>
100Cr.-1000cr.	22.5	55.0	12.5	10.0	-	<b>40</b>
Above 1000cr	54.5	27.3	18.2	-	-	<b>11</b>
<b>Expenses for Customs Clearance</b>						
Below 10Cr.	31.8	13.6	13.6	27.3	13.6	<b>22</b>
10Cr.-100cr.	11.5	7.7	19.2	46.2	15.4	<b>26</b>
100Cr.-1000cr.	20.6	8.8	17.6	32.4	20.6	<b>34</b>
Above 1000cr	16.7	8.3	8.3	33.3	33.3	<b>12</b>
<b>Export Inspection Charges</b>						
Below 10Cr.	50.0	7.1	21.4	7.1	14.3	<b>14</b>
10Cr.-100cr.	60.0	13.3	20.0	6.7	-	<b>15</b>
100Cr.-1000cr.	54.2	4.2	8.3	12.5	20.8	<b>24</b>
Above 1000cr	58.3	8.3	16.7	-	16.7	<b>12</b>
<b>Port Related Expenses</b>						
Below 10Cr.	29.4	11.8	5.9	41.2	11.8	<b>17</b>
10Cr.-100cr.	15.8	5.3	5.3	26.3	47.4	<b>19</b>
100Cr.-1000cr.	14.8	7.4	11.1	18.5	48.1	<b>27</b>
Above 1000cr	16.7	8.3	25.0	8.3	41.7	<b>12</b>
<b>Processing Credit appraisals</b>						
Below 10Cr.	60.0	-	-	-	40.0	<b>5</b>
10Cr.-100cr.	69.2	7.7	7.7	7.7	7.7	<b>13</b>
100Cr.-1000cr.	48.0	8.0	16.0	4.0	24.0	<b>25</b>
Above 1000cr	57.1	28.6	-	-	14.3	<b>7</b>

**Annex 6b: Percentage response regarding the cost structure of other export related expenses as percentage to exports (f.o.b)**

<b>Expenses</b>	<b>0- 1 Per cent</b>	<b>1- 2 Per cent</b>	<b>2- 3 Per cent</b>	<b>3- 5 Per cent</b>	<b>Above 5 Per cent</b>	<b>No. Of respondent</b>
<b>Marketing Expenses</b>						
1.Below 10Cr.	40.0	20.0	13.3	13.3	13.3	<b>15</b>
2. 10Cr.-100cr.	40.9	31.8	9.1	4.5	13.6	<b>22</b>
3. 100Cr.-1000cr.	42.9	14.3	11.4	11.4	20.0	<b>35</b>
4. Above 1000Cr	70.0	20.0	-	-	10.0	<b>10</b>
<b>Interest Expenses</b>						
1.Below 10Cr.	43.8	12.5	6.3	12.5	25.0	<b>16</b>
2. 10Cr.-100cr.	44.4	22.2	11.1	-	22.2	<b>27</b>
3. 100Cr.-1000cr.	31.4	34.3	5.7	8.6	20.0	<b>35</b>
4. Above 1000Cr	55.6	22.2	11.1	-	11.1	<b>9</b>
<b>Bank Charges</b>						
1.Below 10Cr.	95.5	4.5	-	-	-	<b>22</b>
2. 10Cr.-100cr.	69.0	20.7	6.9	-	3.4	<b>29</b>
3. 100Cr.-1000cr.	79.5	15.4	2.6	-	2.6	<b>39</b>
4. Above 1000Cr	84.6	7.7	-	-	7.7	<b>13</b>
<b>Inland Transportation</b>						
1.Below 10Cr.	43.8	6.3	6.3	18.8	25.0	<b>16</b>
2. 10Cr.-100cr.	60.0	12.0	12.0	12.0	4.0	<b>25</b>
3. 100Cr.-1000cr.	65.6	12.5	3.1	-	18.8	<b>32</b>
4. Above 1000Cr	60.0	10.0	20.0	-	10.0	<b>10</b>
<b>Freight Charges</b>						
1.Below 10Cr.	35.0	5.0	5.0	20.0	35.0	<b>20</b>
2. 10Cr.-100cr.	40.0	12.0	4.0	8.0	36.0	<b>25</b>
3. 100Cr.-1000cr.	36.8	2.6	10.5	34.2	15.8	<b>38</b>
4. Above 1000Cr	28.6	14.3	-	14.3	42.9	<b>7</b>
<b>Insurance/ECGC Charges</b>						
1.Below 10Cr.	90.0	10.0	-	-	-	<b>20</b>
2. 10Cr.-100cr.	80.8	15.4	3.8	-	-	<b>26</b>
3. 100Cr.-1000cr.	81.6	15.8	-	-	2.6	<b>38</b>
4. Above 1000Cr	81.8	18.2	-	-	-	<b>11</b>
<b>Cost of Power</b>						
1.Below 10Cr.	58.3	16.7	8.3	8.3	8.3	<b>12</b>
2. 10Cr.-100cr.	54.2	12.5	8.3	8.3	16.7	<b>24</b>
3. 100Cr.-1000cr.	48.3	17.2	10.3	10.3	13.8	<b>29</b>
4. Above 1000Cr	40.0	20.0	-	-	40.0	<b>10</b>

**Annex 7: Major facilities that resulted in reducing the transaction cost:**

**A. Measures initiated by Reserve Bank of India**

1. Advance payment up to \$ 1,000,000 to importer.
2. Allowing repayments of pre-shipment credit through current a/c.
3. Bank finance at subsidized rate of interest.
4. Substantial reduction of Bank interest.
5. Availability of transparent exchange rate.
6. Enhancement of export realization period to 360 days for EOUs.
7. Exemption from submission of SDF up to USD 25,000 for exports.
8. Foreign currency loan on LIBOR and reduction in the interest rate for PCFC.
9. Direct negotiation of documents to foreign buyers.
10. Self write off up to 10 per cent.
11. Allowing direct receipt of documents from foreign suppliers.

**B. Measures initiated by Government of India**

1. Introduction of Electronic Data Interchange
2. Facilities given to Star house status holders.
3. Introduction of online filing of DEPB applications
4. Exporters Gold card scheme.
5. Reduction in Stamp Duty on documentation for bank finance.
6. In house stuffing of containers.
7. Inland freight subsidy.
8. Withdrawal of cess amount on Export.
9. Waiver of ECGC premium.
10. 10 per cent capital subsidy to Processing Industry.
11. Green channel facility for clearance.
12. Reduction in License fees.
13. Validity of Import Licenses for 24 months.
14. Fast track clearance to Star exporters.

**C. Other major facilities that resulted in reducing the transaction cost**

1. Receipt of export payment through wire transfer.
2. Reduction in cost of funds transfer.
3. Introduction of core banking facility.
4. Discretionary powers to negotiate bank charges.
5. Reduction in bank charges.
6. Abolition of overdue charges.
7. Substantial reduction in processing fees.
8. Reduction in SWIFT charges.
9. Removal of prescribed bank charges by FEDAI