



CUSTOMS CLEARANCE INDUSTRY

2019 Report



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About this publication

MMRD Research Division offers range of syndicated products with the aim to support the needs of our clients. We are a pioneer in researching logistics industry on a quarterly basis in Myanmar. Our goal is to provide up-to-date information of the logistics sector by producing quarterly reports and data. With that, our objectives are to identify the freight rates in various modes of transport, make quarterly comparison in the freight rates to highlight the trends and changes in the logistics sector, underline the issues experienced by the local transporters and traders in each logistics sector and make quarterly forecast over the potential trends in the Myanmar transport and logistics sector.

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Abbreviations

- AEO Authorized Economic Operators
- BL Bill of Lading
- CIQ Customs, Immigration, and Quarantine
- CIS Customs Intelligence System
- CO Country of Origin
- CUSDEC Customs Department under the Import Declaration Form
- DCA Department of Civil Aviation
- DO Delivery Order
- ED Export Declaration
- FDA Food and Drug Administration
- FEU Forty Foot Container
- ID Import Declaration
- LPG Liquefied Petroleum Gas
- MACCS Myanmar Automated Cargo Clearance System
- MCIS Myanmar Customs Intelligence System
- MOC Ministry of Commerce
- NACCS Nippon Automated Cargo and Port Consolidated System
- OGA Other Government Associations/Agencies
- PRB Pesticide Registration
- RO Release Order
- SAD Shipping Agency Department
- SEZ Special Economic Zone
- SPCD Strategic Plan of Customs Development
- SSI Single Stop Inspection
- TEU Twenty Foot Container
- THC Terminal Handling Charges
- UMFCCI Union Myanmar Federation of the Chambers of Commerce and Industry
- WT Withholding Tax

Units of Measurement

- 1 gallon (US) = 4 litres
- 1 tonne= 1,000 kilograms
- 1 tonne = 600 viss
- 1 viss = 1.6 kilograms
- 1 mile = 1.6 kilometre

Exchange Rate

- 1 USD = 1,320 MMK (Oct'17)
- 1 USD = 1,320 MMK (Feb'18)
- 1 USD = 1,347 MMK (May'18)
- 1 USD = 1,473 MMK (Aug'18)
- 1 USD = 1,570 MMK (Nov'18)

Abstract

The sector report intends to provide the industrial-wide overview of the Customs Clearance Industry in Myanmar. The survey approached major agents in the customs clearance industry in the market across the hubs in the country including Yangon, Muse and Myawaddy to gain rich sources of information to conduct the study report. The study focuses on the quarterly comparison in the customs clearance rates and changes in market demand to highlight the trends on the primary trading hubs in 2018-19. Moreover, the report underlines the issues experienced by the local customs agents.

Keywords: customs clearance agents, customs clearance rates, border trade, MACCS

Customs Clearance Industry

(2018-2019 Report)

Key Findings

- The customs clearance rates vary by nature of the trading hubs where customs clearance operations are carried out.
- It was observed that **Myanmar Customs Broker Association is now in the progress of planning to propose the implementation of Customs Broker Law.**
- **The customs clearance industry depends on the condition of trade and as the flow of trade was sluggish during the rainy season,** the customs clearance service suffered from such downturn in the trade sector.
- **The customs clearance rates levied in Muse cross-border was higher in May 2018.** The main reasons of the rate escalation are highlighted in the report.
- The study observed the adoption of MACCS in Myawaddy border trade zone and a project for developing customs clearance in Muse cross-border.
- The situation after the suspension of burgeoned trade for re-exports in Muse was observed.
- **Fluctuation in exchange rate was** highlighted as the reason for the variations in customs clearance rates.
- The customs clearance in Yangon became precise after strictly prohibiting the bribery by some customs staffs.
- However, agents faced difficulties due to the **technology failure of MACCS** in both Yangon and Myawaddy border.
- **New establishment of Economic Cooperation Zone along China-Myanmar border** which is a potential for business opportunities for customs agents along with the accelerating border trade.
- **Similarly, the No.2 Friendship Bridge** is expected to bring increased trade between Thailand and Myanmar via the Myawaddy-Maesot border.