

Direct Port Delivery and Direct Port Entry

March 3, 2021

In news : The Prime Minister, while inaugurating Maritime India Summit 2021, stated that Indian ports now have measures such as: Direct port Delivery, Direct Port Entry and an upgraded Port Community System (PCS) for easy data flow.

What is Direct port Delivery?

- DPD is a system that allows a select group of importers to clear cargo directly from the port within 48 hours of arrival.
- It is an alternative to the CFS (container freight station) model, where import cargo is routed to an off-site CFS and delivery takes roughly three times longer
- The objective behind DPD is to reduce time and cost for importers, decongest ports and, in the process, facilitate trade and improve India's Ease of Doing Business ranking
- Direct Port Delivery (DPD) was introduced in India in 2016
- The DPD system was first introduced in Jawaharlal Nehru Port (JNPT) for all the registered members associated with Customs Accredited Client Program (ACP). – and has since been extended to ports across India.

Direct Port Delivery (DPD) Scheme of Central Board of Indirect Taxes and Customs (CBIC)

CBIC, in an attempt to reduce the dwell time, improve supply chain efficiency and minimise the cost on logistics for EXIM (Export-Import), has undertaken various steps and initiatives. One of such flagship initiatives is the Direct Port Delivery (DPD) of containers to the importer, thereby saving importer the time and resources required for routing the clearance

through the Container Freight Stations (CFS).

Objectives of DPD

- To decrease the time for allocating and re-allocating the shipping consignments
- Play a vital role to have a minimal rate for the operations
- Simplify the rules, regulations and eligibility criteria for ease of doing business
- Encourage SMEs, MSMEs and shipping industries to actively participate with DPD system
- Increase the infrastructure of the ports to store more consignments
- Support Accredited Client Program to increase voluntary compliance among the importers

Who is eligible for Direct port Delivery?

Importers with Authorised Economic Operator (AEO) status

Importers with a clear track record of compliance and import volume of 25 Full Container Load (FCL)

Importers who don't fulfil the first two conditions can still be eligible for DPD if their "imports have enjoyed a consistent pattern of customs risk facilitation" and/or if they "provide an assurance that they would be in a position to pick up containers directly from the terminal". This relaxation is aimed at micro, small and medium enterprises (MSMEs)

What is Direct Port Entry?

- The state-of-the-art Direct Port Entry (DPE) facility enables direct movement of containers from factories, without intermediate handling at any container freight station (CFS), thus facilitating the shippers to Gate-In their factory stuffed exports directly to the Container

Terminal on 24×7 basis

- DPE was developed to enable export clearance for faster and cost-effective export admittance.
- DPE for export containers has resulted in reduction of time taken in obtaining Customs approval bringing down dwell time and savings in cost.