



**ST.MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT ON LOGISTICS INTERCONNECTIVITY WITH SPECIAL  
REFERENCE TO ETHIOPIAN FAST MOVING CONSUMER GOODS  
(FMCG) IN ETHIOPIAN TRADING ENTERPRISE (ALLE!)**

**BY  
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ID NO : SGS7/0297/2006B**

**JANUARY, 2016  
ADDIS ABABA, ETHIOPIA**

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## DECLARATION

The researcher, of undersigned, declares that this thesis is my original work. All sources of materials used for the thesis have been duly acknowledged. The researcher further confirms that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor

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Signature & Date

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## **Acronyms**

**AIC:** Africa Insurance Company

**ALLE!:** Ethiopian Trading Enterprise

**ASYCUDA:** Automated System for Customs Data

**CBE:** Commercial Bank of Ethiopia

**CBW:** Customs Bonded Warehouse

**ERCA:** Ethiopian Revenue and Customs Authority

**ESLSE:** Ethiopian Shipping and Logistics Services Enterprise

**ESW:** Electronic Single Window

**FMHACA:** Food, Medicine and Health Care Administration & Control Authority of Ethiopia

**ICT:** Information Communication Technology

**LPI:** Logistics Performance Index

**MOT:** Ministry of Trade

**MTO:** Multimodal Transportation Operator

**NBE:** National Bank of Ethiopia

**OECD:** The Organization for Economic Co-operation and Development

**SPSS:** Statistical Package for Social Sciences

**WTO:** World Trade Organization

**UNDP:** United Nations Development Program

## Abstract

The aim of this paper is to assess the logistics interconnectivity with special reference to Ethiopian fast moving consumer goods sector particularly in Ethiopian trading enterprise (ALLE!). On any type of business that markets goods, strong policy and regulations laid by governments supported by the integration of activities inside the company as well as with its external stakeholders will help it to achieve **cost effectiveness, timely delivery and reliability**. Ethiopian government pledged a significant effort & resource on various projects funded by Ethiopian government as well as its international allies including The World Bank, International Monetary Fund and other agencies to identify & fill the gap in this area in order to help the country in its quest to become a middle income country.

The study assessed the level of logistics interconnectivity by incorporating both primary and secondary data. Moreover, this study used both qualitative and quantitative data collection research methods in order to collect relevant data. Quantitative data was collected through questionnaire from 27 respondents which are selected expert of employees from organizations involved in conducting the assessment which are ERCA, ALLE, ESLSE, CBE, NBE, AIC, Phoenix, FHMACA, MOT and International suppliers, and Qualitative data was collected through an open ended questions.

The research participants were selected through a non-probability sampling technique more specifically snowball sampling. The study used descriptive statistics for analyzing the collected data from respondents. The responses which were obtained from the questionnaire were analyzed through the Statistical Package for Social Sciences (SPSS) 21. Furthermore, it was interpreted in terms of percentage, descriptive statistics, figures, tables. Among the many major findings of the study, unavailability of single window, timely notification is not sent to importers, less level of coordination and high reliance in hard copy documents were few of them which shows that overall level logistics interconnectivity observed among the trade facilitator stakeholders is still expected to go a long way to support the international trade activity. Based on the findings, it's been recommended that the trade facilitator stakeholders should give more emphasis on electronic single window systems and related ICT infrastructures, provide customer centric service, creating more awareness among themselves and customer education, work on their information sharing trend, use real-time systems to give updates to importers and other stakeholders and many more.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the study

Ethiopia's economy is showing a big stride to become one of an exemplary African economy that transformed itself from being a hopeless famine stricken economy in the 1980's to an economy that's about to cement itself as manufacturing hub in Sub-Saharan Africa. This is due to the government policy that has been pursuing a "developmental state" model with a strong pro-growth and pro-poor focus and a highly interventionist industrial policy.

The government of Ethiopia extensively tried to attract foreign investments that are willing to invest in the manufacturing and other sectors that will boost its export sector and in-turn will narrow the ever going trade deficit that recorded \$ 10.4 billion on the first seven months of 2014/15 budget year (UNDP, 2014).

The report further states that the *goods* export revenue on same period was \$ 1.2 billion while the import bill reached \$ 9.4 billion in the first seven months of 2014/15 fiscal year and out of which the expenditure on the imported consumer goods equals \$ 2.64 billion (28.1% of the import expenditures).

In order to import any type of goods including consumer goods, Ethiopia heavily relies on port of Djibouti that plays a great role in transporting Ethiopian trade cargoes. It is main artery forming geographical and economic center that gives access to the sea and sea lanes and connects Ethiopia with the rest of the world. As its import gateway, it requires logistical integration of multiple governmental and non-governmental stakeholders that ranges from international suppliers and customs up to the end-user either in the form of information/document exchange or physical movement of goods crossing international borders.

The physical movement of goods that are on transit from Djibouti to Ethiopia became highly dependent on roadway transportation using trucks and trailers after the railway system that was opened for traffic in 1917 stopped operation and the burden lies on the former that prompted the issuance of “Truck Demurrage” proclamation number 811/2013 by the Council of Ministers’ on December 18, 2013 to force all stakeholders to undertake their respective tasks timely.

The above points make logistical connectivity between the parties involved highly significant in order to make the operational requirement seamless , timely, competitive, customer centric and will help companies to avail their products in a reasonable price to their customers locally and internationally (for export oriented companies).

Logistic interconnectivity avails actionable business data easily at a cheaper cost, gaining visibility to events, create transparency between different stakeholders, efficient equipment utilization, reliability, help companies to plan their activities in advance, integrate activities, synergies operations, and achieve operational efficiencies, helps in decision making and impact the national economy at large and ICT will play the central role on such kind of projects.

The research focused on logistics interconnectivity on the performance of FMCG sector with frequent purchase of low price and short shelf life considering daily usage of consumption from the consumer side and high volumes with extensive distribution of network and high stock turnover to the marketer side.

The research paper was also focused in identifying the level of interconnectivity between stakeholders involved during importation of fast moving consumer goods, its benefits which is the integration of disparate systems that will bring about homogenization in the treatment of the information, allow for performance monitoring and accountability to those organizations and how it impacted on the performance of FMCG sector more specifically in the case of Ethiopian Trading Enterprise (ALLE!).

Ethiopian Trading Enterprise (ALLE!) is a government owned wholesale company and the first FMCG cash and carry company established under the council of ministers proclamation no. 285/2005 with the objective of uncurving the existing inflation in the price of different commodities in Ethiopia by supplying quality food and near food items at a competitive price.

The company imports significant amount of its consumer goods by sourcing from different international suppliers and also work with multiple governmental and non-governmental stakeholders within Ethiopian territory who are involved during product importation to Ethiopia.

## **1.2 Statement of the problem**

On any type of business that markets goods, strong policy and regulations laid by governments supported by the integration of activities inside the company as well as with its external stakeholders will help it to achieve **cost effectiveness, timely delivery and reliability** as indicated by The World Bank (2014) on its report entitled “Connecting to Compete: Trade Logistics in the Global Economy”. It helps companies to stay competitive and also exert their societal responsibility of uncurving inflation, increase purchasing power of their customers by increasing their real income and also availing consistent supply of consumer products that increases the company’s revenue.

But, in order to achieve those outcomes in a trade logistics activity, there are inputs that need to be addressed under policies and regulations and the areas are classified as the efficiency of customs and border clearance, the quality of trade and transport infrastructure and the competence and quality of logistics services including trucking, forwarding, and customs brokerage.

Besides striving to fulfill the input requirements, there needs to be interconnectivity between the stakeholders involved in the logistics sector in order produce the outputs required.

In Ethiopian context, FMCG’s who imports consumer goods needs to work with multiple trade facilitator stakeholders and other stakeholders who are dispersed internationally as well as within Ethiopia including international suppliers; banks; insurances; multimodal transportation operator; customs clearing agent; Food, Medicine and Health Care Administration & Control Authority of Ethiopia; Ministry of Trade and Ethiopian Revenue & Customs Authority; inland transportation companies (represented by Ethiopian Shipping and Logistics Services Enterprise in case of



Multimodal transportation scheme); and National bank of Ethiopia as indicated under Ethiopian Trading Enterprise Imported Goods Logistics Policy & Procedure Manual (2014).

According to Logistics Performance Index (LPI) which is a benchmarking tool developed by the World Bank that measures performance along the logistics supply chain within a country by the survey conducted in 2014, Ethiopia falls under the top 10 low income performers with rank of 104 out of 160 countries and scoring only 51.9% compared to the highest performer Germany who scored 100% and ranked the number one spot (World Bank, 2014).

Bearing that Ethiopian logistics system is characterized by poor logistics management system and lack of coordination among stakeholders involved, low level of development of logistics interconnectivity infrastructure and delay in processing FMCG import formalities. This implies as a developing country, Ethiopia must focus on improving its logistics performance and also points which sectors or factors have to be improved in order to increase the countries competitiveness.

The specific problems with regard to logistics of Ethiopian Trading Enterprise are lack of integration between the organizations dedicated in providing trade facilitation services, difficulty of getting timely notification about its goods in transit, extended time & frequent visits are required to process documents with trade facilitators, high reliance in hard copy documents for each transaction applied for every contacted organization which play a vital role in delay to complete the import formalities for a single transaction of importing FMCG's that takes up to 165 days forced the company to increase its stock level form 2 month to four month to avoid lost sales which could also damage the company's reputation.

Ethiopian government pledged a significant effort & resource on various projects funded by Ethiopian government as well as its international allies including The World Bank, International Monetary Fund and other agencies to identify & fill the gap in this area in order to help the country in its quest to become a middle income country and an African Power House without a crude oil industry and the study further explored the current status of logistical interconnectivity by answering the basic research questions.

### **1.3 Basic Research Questions**

In an effort to investigate the current level of *logistics interconnectivity and its effect on Ethiopian FMCG sector by concentrating on ALLE!* The study attempted to answer the following basic questions:-

- a. What is the level of logistics interconnectivity among the stakeholders involved during goods importation?
- b. What is the information sharing trend of the stakeholders of the FMCG sector?
- c. How strong is the ICT infrastructure of the stakeholders in order to support interconnectivity?
- d. How does logistics interconnectivity between the stakeholders affect the operations of ALLE!?

### **1.4 Objective of the study**

The research paper in general was aimed to *process the level of logistics interconnectivity and its effect on Ethiopian FMCG sector in the case of ALLE!* and it tried to pinpoint problem areas and give recommendation where possible.

As per the objectives that were set initially, the study meets the following objectives:

- assessed the level of interconnectivity,
- identified information sharing trends,
- identified ICT infrastructure capability of the stakeholders,
- assessed how logistical interconnectivity impacts operations of ALLE!

### **1.5 Significance of the study**

Improving logistics performance is the core strategy to strengthen competitiveness and to boost trade integration of one's nation and this will be attained by having efficient customs and border

clearance, quality of trade and transport infrastructure, ease of arranging competitively priced shipments, competence and quality of logistics services, trucking, forwarding & customs brokerage, ability to track and trace consignments with which shipments reach consignees within scheduled or expected delivery times as indicated under WTO's report entitled "connecting to compete –Trade logistics in the global economy" which was published in 2014.

The proposed study aimed to have a greater effect in identifying major problems in the area of logistics interconnectivity within the stakeholders involved and will play a vital benefit to influence the future competitiveness in the international trade. Hence, the findings of the thesis will provide an important input for the improvement of logistics interconnectivity between trade facilitator stakeholders as to increase the country effectiveness in the international trade and commerce.

Furthermore, it will be an additional resource for the existing resource in this area and could be used as reference for further studies.

## **1.6 Delimitation of the Study**

Due to resource, time constraints and vastness of the topic, the study was delimited to the below major boundaries of the subject matter:-

**Stakeholder delimitation:** - the types of stakeholders who were included while conducting the study were those who are engaged in facilitating **ALLE!'S imported goods under the multimodal transportation scheme** namely;

- FMCG Company: Ethiopian Trading Enterprise (ALLE!)
- International Supplier: IFFCO Group, S.I.F, Komgida and Shri LalMhal (major suppliers of ALLE!)
- Bank: Commercial Bank of Ethiopia, Bole Medhanialelem Branch
- Insurance: Africa Insurance Company, Yoseph Branch
- Multimodal Transportation operator: Ethiopian Shipping & Logistics Enterprise
- Customs Clearing Agent: Phoenix Xpress Logistics PLC

- Food, Medicine and Health Care Administration and Control Authority of Ethiopia, Kaliti Branch
- Ministry of Trade, Kaliti Branch
- Ethiopian Revenue & Customs Authority, Kaliti Branch
- National Bank of Ethiopia

**Sector delimitation:** - the study only focused on Fast Moving Consumer Goods Sector specifically to Ethiopian Trading Enterprise (ALLE!)

**Goods delimitation:** - the study was only limited to Fast Moving Consumer Goods

**Import logistics process delimitation:** - the research was only focused on the processes that are required to be fulfilled while importing Fast Moving Consumer Goods

### **1.7 Limitations of the Study**

The major limitations of this study were inability to find researches and references made on this subject in the Ethiopian context, and time and finance.

As the subject is very vast in its nature and, this research will help other researchers to give them an input for their further study

### **1.8 Organization of the Thesis**

The study will be comprised of five chapters, a list of references, and appendices. The five chapters include: introduction, review of literature, methodology, data analysis and interpretation; and conclusion.

Chapter one is the introduction. It addresses the background of the study, statement of the problem, objective of the study (general & specific objectives), scope of the study, definition of key concepts, significance of the study, limitation of the study, and organization of the study.

Chapter two provides a review of related literature. It examines the international trade and movement of goods studies from different international trade facilitation assessment organization and also outlines the Ethiopian trade gateway and the current logistics interconnectivity.

The third chapter focuses on the research methods for this study. This chapter highlights the research design to be used, the procedures of defining the population, sampling frame, sampling technique, sample size determination, sources of data and data collection instruments, and data analysis method are discussed.

Chapter four includes the data analysis and interpretation part. Lastly, the last chapter which is “chapter 5” provides an overall summary of the research findings and provides a summary of recommendation and conclusion to the results.

## **CHAPTER TWO: REVIEW OF RELATED LITREATURE**

### **2.1 Logistics concept**

Christopher (2011) defined the Logistics concept as the process of strategically managing the procurement, movement and storage of materials, parts and finished inventory (and related information flows) through the organization and its marketing channels in such a way that current and future profitability are maximized through the cost-effective fulfillment of orders.

### **2.2 Logistics Interconnectivity**

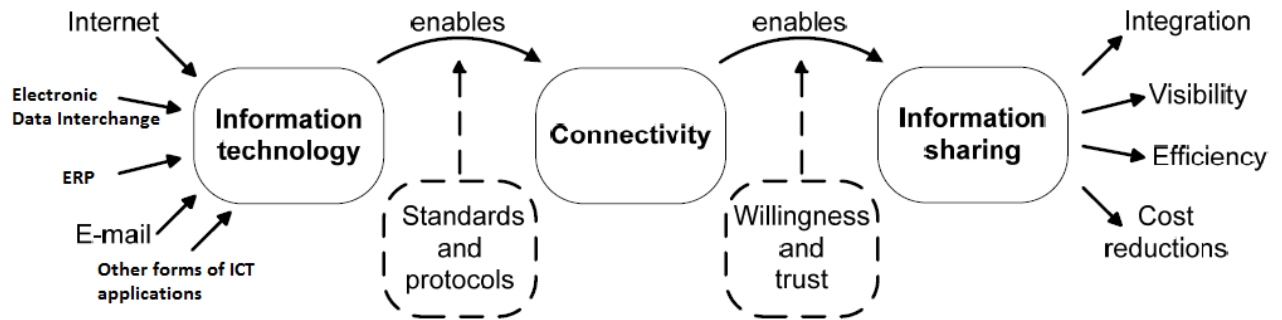
Most often, the stakeholders with whom the logistics networks deals with are mostly fragmented and each dedicated to a specific organization such as customs, insurance, shipping companies or banks. Therefore, in order to make the logistics network work effectively, it needs to combine physical objects and digital information flow.

Such kind of connectivity can be created in different forms and contexts in different sectors and same is true in the logistics arena. As Hoffman and Hellstrom (2008) cited it on their article entitled “Connectivity in Logistics and Supply Chain Management”, connectivity was defined by them as the capability to exchange data in a timely, responsive, and usable format and it can be further detailed as information connectivity (closs, et al. 2005), technology connectivity (Fawcett, et al. 2007), organizational connectivity (Clark, et al. 2001) and network connectivity (Bhatt and Troutt, 2005).

Hoffman and Hellstrom (2008) came up with the below framework (Figure 1) that illustrates the identified linkages between these areas and connectivity and the student researcher would also like

share it with the research audience with an assumption that the graphical presentation would give a clear image to the subject matter.

**Figure 1 Framework on connectivity**



Framework of identified features which characterise the connectivity construct

**Source: Hoffman and Hellstrom (2008)**

The above mentioned scholars who proposed the framework recommends that connectivity presents a bridge between IT and information sharing as IT enables connectivity and connectivity enables information sharing. But, standards and protocol are needed in order for IT to enable connectivity. Similarly, willingness and trust are needed in order for connectivity to enable information sharing.

The general idea of the proposed framework will integrate activities that are dispersed across organizations, will create visibility and transparency, increase efficiency and will bring cost reduction to the parties involved which bring a massive effect if computed in a macro level.

A recent report made by Nathan Associates Inc entitled “Development of a National Logistics Strategy for Ethiopia” in December 2014, shows that such type of integration would even allow cargo to be matched with trucks in order to optimize cargo transportation which could potentially reduce costs by 20-30% and Ethiopian government also gave a due consideration for the development of a national logistics strategy and Ethiopian single window project which could transform the sector.

Such kind of ICT supported integration will take us to the idea of single window system which will be discussed in detail on the next sub-chapter.

### **2.3 International Trade and Movement of Goods**

Trade has evolved from bartering in a local neighborhood and transformed itself to lead the global economy through international trade between countries, multinational business to business or business to consumer companies, consumer to consumer virtual communities and became a lifeline of each and every individual directly or indirectly.

Besides driving the economy, it also became a bridge that interlinks different cultures of societies that lives thousands of kilometers away from each other through their products or services that they have never heard of before through international trade.

According to the World Trade Report published by The World Trade Organization (2015), there has been merchandise *export market* racked \$18.42 trillion revenue which is led by the usual suspect Chinese economy that registered \$2.34 trillion. On the other side, different countries *imported merchandises* that worth a total of \$18.57 trillion and out of which United States of America bought products that worth \$2.41 trillion.

The report also gave analysis to the growing world commercial service sector that includes information technology, tourism, transportation, consultancy and the like. The commercial service sectors export and import market generated a total of \$ 4.9 trillion and \$4.7 trillion respectively and out of which United States of America is leading both market by registering \$686 billion by exporting commercial services and spent \$454 billion to import services(The World Trade Organization ,2015)

A report issued by European Union's Directorate for trade (2014)shows that Ethiopia also racked €1.89 billion (equivalent to \$2.3 billion) by exporting different goods to its major international



trading partners including China, the United States, European Union countries and its neighboring countries Somalia and Djibouti.

On the other side, Ethiopia imported goods that worth €2.134 billion (equivalent to \$14.6 billion) and about 19.3% of the products were imported from China and followed by 11% and 10.7% from United States of America and European Union countries respectively (European Union's Directorate for trade ,2014).

Ethiopia is also participating in the world service export market which generated \$2.7 billion in 2014 and 80% of it came from the transportation sector while this industry also imported different types of services that worth \$4.4 billion on same year as indicated by the World Trade Organization's country profile (2015).

As explained under the previous paragraph, Ethiopia's international trading activity is highly dominated by imports of capital intensive goods like industrial machineries, oils & mineral fuels, motor vehicles & parts which are expensive by their nature and takes more than the country's export foreign exchange earnings.

Even though, the country's economy has been growing in double digits, the recurring trade deficit aided by global economic slowdown which is considered as one factor that affected the country's export performance is becoming a bottleneck to Ethiopia's import sector by hindering foreign exchange (FOREX) supply as indicated by the local newspaper "Addis Fortune's" article entitled "FOREX Crunch Choking Businesses in Ethiopia" (2015,November 9).The international trade activity also requires the parties involved to comply with the legal, regulatory & health requirements, follow the necessary procedures along the process, think of how the product is going to impact the end user and consider many more factors to build acceptance in foreign market.

Arvis et al. (2007) stressed that there are a large variety of effects that enable the flow of trade, from tariff and non-tariff barriers, to transportation issues and other considerations such as corruption or institutional costs that will affect the competitiveness either in positive or negative ways.

Moving the goods through international seas/oceans, no man's land or international borders also include a number of operational steps prior to exporting the product that includes but not limited to shipping arrangement, product inspection by third party inspection companies (if requested by the buyer), container haulage to the port of loading, port entry and customs clearance, loading onto the vessel, facilitating customs clearance at the final place of destination and so on.

As Grainger (2008) said, commercial arrangements within international trade are no less complex. After making sure that the main requirements are fulfilled, goods need to be moved from the producer to the buyer by crossing borders and maritime transport is serving as the backbone and the key engine that is driving globalization by moving around 80 per cent of global trade by volume and over 70 per cent by value which is carried by sea and is handled by ports worldwide; these shares are even higher in the case of most developing countries (UNCTAD, 2012).

Ethiopia, as part of developing countries, is also reliant on the sea transportation to import different goods through its neighboring country's port of Djibouti and introduced a "multimodal transportation scheme" with an assumption to cut lead time as well as trade costs associated with using this port and related points will be discussed in the following sub-topics.

## **2.4 Trade Facilitation**

The World Trade Organization (WTO,2015) defines trade facilitation as 'the simplification and harmonization of international trade procedure for collecting, presenting, communicating and processing data required for the movement of goods in international trade'. In reference to trade facilitation, the Doha Declaration refers to 'expediting the movement of, release and clearance of goods, including goods in-transit'. In different contexts (e.g. World Bank and APEC), trade facilitation refers to a much broader spectrum of issues including technical barriers to trade (TBT), competition policy, government procurement and transparency in general.

The concept of trade facilitation has evolved over the past 10 years to include all customs, transit and multimodal trade procedures, including transport and infrastructure issues and it involves

improving all aspects in the operation of global regional and local supply chain. Trade facilitation seeks to reduce trade transaction costs as being the interface between a range of different types of business stakeholders including customs and other government agencies which have a stake in the control of national borders and the movement of goods (UNCTAD, 2006).

An informed and coordinated approach to trade facilitation activities requires regular input from business operators and public policymakers directly involved in international trade transactions and policymaking. The UNCTAD secretariat, in cooperation with UNECE, has for many years fostered the concept and the establishment of formal national trade facilitation bodies to find procedural and policy solutions to Customs, trade and transport problems (UNCTAD, 2006).

They are important centres for pinpointing national shortcomings and capacity-building needs. The special requirements of traders and the appropriate policy response to shortcomings and problems in the transaction chain of cross-border movement of goods are best served in a permanent institutional set-up supported by government and the business community. Members of such an institution would include manufacturers, importers, exporters, freight forwarders, carriers, banks, financial and insurance companies and government officials from trade and trade transport ministries (UNCTAD, 2006).

Procedures to actively facilitate trade are increasingly seen as essential to assist countries in expanding trade and benefiting from globalization (Milner et al, 2008). Trade facilitation mainly covers measures concerning formalities, procedures and documents and the use of standard and electronic messages for trade transactions, the physical movement of goods through improvements in services (transparent, predictable, uniform), the legal framework, the transport and communications infrastructure, as well as the use of modern information technology tools by services providers and users, also timely discussion and dissemination of trade-related information to all concerned parties (government, services providers and the trading community), ideally through an established consultation mechanism. The sharp decline in tariffs and barriers to trade, the deregulation of the transport industry, a surge in world trade and multimodal transport all have contributed to the growing need for close cooperation between traders and regulators in order to make international trade transactions more efficient and less costly, in general trade facilitation believed to enhance competitiveness in the world market (UNCTAD, 2006).

### **2.4.1 The Macro Benefits of Trade Facilitation**

The potential economic benefits of trade facilitation are high, with one recent study (Wilson *et al*, 2004) investigating the relationship between trade facilitation in four important categories; port efficiency, customs environment, regulatory environment, and service sector infrastructure, and the impact on flows of traded manufactured goods, predicting an increase of US\$377 billion globally, with the benefits falling disproportionately on exports (Wilson *et al*, 2004).

Other authors either consider more specific categories of trade facilitation initiatives, or a more limited country set. Hertel, Walmsley and Itakura (2001) find that greater standards harmonization for e-business and automating customs procedures between Japan and Singapore increase overall trade flows between these countries as well as their trade flows with the rest of the world. Hummels (2001) finds that each day saved in shipping time, in part due to a faster customs clearance, is worth 0.5 percentage point reduction of ad-valorem tariff. Freund and Weinhold (2000) find that a 10 percent increase in the relative number of web hosts in one country would have increased trade flows by one percent in 1998 and 1999. Fink, Mattoo, and Neagu (2002) find that a 10 percent decrease in the bilateral price of phone calls is associated with an 8 percent increase in bilateral trade.

UNCTAD (2001) uses advanced macro-economic models (Computerized General Equilibrium) to consider trade facilitation in the broader context of creating an environment conducive to developing e-commerce. The objective of the CGE analysis is to consider the relationship between exogenous shocks of a given size on productivity growth, applied equally to all members of the group, on the GDP of regional groups of countries. The results show that a 1 percent reduction in the cost of maritime and air transport could increase Asian GDP some \$3.3 billion. If trade facilitation is considered in a broader sense to include an improvement in wholesale and retail trade services, a 1 percent improvement in the productivity of that sector could increase GDP an additional \$3.6 billion.

Global Economic Prospects (2004) clearly outlines the links between trade reform and poverty reduction. Because most poor people live in rural areas, cutting trade barriers in agriculture are among the most important to poverty reduction. A relatively simple program to cut tariff peaks in rich countries to 10 percent in agriculture and 5 percent in manufacturing, reciprocated with cuts to

15 percent and 10 percent respectively in transition and developing countries, coupled with other complementary measures, would produce gains for transition and developing countries of nearly US\$300 billion by 2015. The wealthier countries would gain too – up to US\$170 billion. This is projected to cut the number of people in poverty by 8 percent or 144 million individuals.

### **2.4.2 The Micro benefits of trade facilitation**

At a micro-economic level, trade facilitation has a direct impact on total logistical costs, the sum of time and money involved in moving traded goods. Lower transport costs can lead to higher wages, thereby having a direct impact on poverty reduction. The associated increasing and broadening of the exports of a country can reduce the vulnerability of the respective economy to exogenous shocks, increase the potential for knowledge spillovers in specific sectors and have a positive impact on Foreign Direct Investment (FDI).

A broad, well-designed, trade facilitation program can also impact positively on SME developments, which have been found to be the engines of economic development in many transitional countries, growing faster, engendering more employment opportunities and making a substantive contribution to the objective of broad based economic growth (The World Bank, 2003).

### **2.4.3 Trade facilitation in developing countries**

Measures to actively facilitate trade are increasingly seen as essential to assist Developing countries in expanding trade and benefiting from globalization ( Millner, et al. 2008). The trade policy agenda has evolved significantly since the early 1990s when trade liberalization was the focus of the debate (The World Bank, 2003). Now, countries world-wide have relatively low import tariffs, and new challenges have emerged. Non-tariff measures have increased sharply, sometimes because governments hope to protect domestic industries. Restrictiveness to trade in services and limited competition in services markets remains pervasive among developing countries, reducing the scope for integration in services. Finally, the proliferation of regional and bilateral preferential trade agreements complicate the trade policy landscape (The World Bank, 2003).

Developing countries also struggle with indirect factors that hinder their access to global markets, such as anti-competitive business practices, regulatory environments that are unfavourable to business growth and investment, or limited infrastructure capacity. Even a country with liberal and transparent trade policy suffers if its markets are not connected, and many of the “bottom billion” live in countries – or regions of countries – that are landlocked, remote, or otherwise ill-served by international trade links (The World Bank, 2003).

The World Bank Group (WBG) is the main multilateral provider of Aid for Trade, development assistance designed to help developing countries more effectively engage in international trade. Experts within the WBG’s Trade and Competitiveness Global Practice are working around the world to help the institution’s clients overcome the obstacles they face (The World Bank, 2003).

#### **2.4.4 The WTO trade facilitation agreement**

A WTO Agreement on Trade Facilitation was concluded at the Bali Ministerial in December 2013. Moise and Sorescu of OECD (2013) has re-calculated the potential benefits of the Agreement for various groups of countries, using the OECD Trade Facilitation Indicators (TFIs) and taking into account the fact that, in reaching agreement, WTO Members set aside a few provisions from their original agenda and cast a number of others on a “best endeavors” basis.

#### **2.4.5 Trade facilitation in Ethiopia**

According to the World Bank’s Logistics Performance Index (LPI,2012) which measures trade logistics efficiency, Ethiopia was ranked 141st out of 155 countries and all scores are below the averages of the Sub-Saharan Africa region.

A recent World Bank study assesses that Ethiopia’s key logistics bottlenecks are related to complex border clearance and inland transportation. For instance, inspection is frequent and highly susceptible to rent seeking, which is handled by more than one agency that causes delays.

According to the World Bank Doing Business Report (2014), exporting and importing one standard container of goods takes 44 days each in Ethiopia, while the countries in the same region takes 31 days to import and 38 to export days on average.

This is also supported by the OECD Trade Facilitation Indicators (2013) which state that Ethiopia's performance in harmonization and simplification of documents, automation and streamlining of procedures are below the regional average (OECD 2013). Although the improvement of Ethiopia's trade facilitation is at a slower pace, its major step is the introduction of the Multimodal Transport System (MTS), which is defined as "the usage of multiple modes of transportation for the delivery of goods in a single contract with a carrier for it to assume all responsibilities for the transportation of cargo between two countries" (World Bank 2013). However, challenges remain, such as monopolistic privileges by the Ethiopian Shipping and Logistics Services Enterprise (ESLSE), which hamper market-oriented implementation.

## **2.5 Ethiopia's international trade gateway: Djibouti**

The Republic of Djibouti is located in the horn of Africa at the confluence of Red sea and Indian Ocean in the Gulf of Aden. It's among one of Africa's relatively small countries which is about 23,200 Km<sup>2</sup> with a population of about 8100,000 people and a GDP of about USD 2.505 billion according to Wikipedia (2013).

The country's economy mainly revolves around its sea port service which is managed by an international company called "Dubai Port World" who signed an agreement with Djibouti Port Authority on May 2000 to manage the port for 20 years and to provide an efficient and reliable service by and through enhancing capacities and resources by investing to develop modern intermodal infrastructure and establishment of free zone.

Currently, Port of Djibouti is the main international gateway for Ethiopia after border conflict between Ethiopia and Eritrea and the majority of its capacity is utilized by Ethiopian traffic and is found to be the nearest sea port to Ethiopia among the other East African ports as shown under the figure below.

**Table 1.1 Distance between East Africa ports from Addis Ababa**

City	Port Sudan	Massawa	Assab	Djibouti		Barbar	Bossaso	Mogadishu	Kismayo	Mombassa
				Road	Rail					
Addis Ababa	1881 Km via Metema Azezo Injibara	1163 km via Mekele, Weldiya, Kembolcha	869 km	910 km via Galafi 847 km via D. Dewa	781 km	964 km via Dire Dawa	2231 km via Garowe, Yra, Wereder, Alemaya	1507 km via Doolwo, Yne, Ferfer, Shashemen	1979 km via Beledwe, Yne, Ferfer, Shashemen	2077 km via Morale

Source: own compilation (2015)

## 2.6 Shipping

Shipping, or carriage of goods by water, has played a significant role in the development of human society over the centuries. Shipping has been a crucial link by which commercial relationships have been established between widely separated parts of the world (The Canadian Encyclopedia, 2013).

The international shipping industry is mainly dominated by a type of shipping service called “**liner services**” which is a service that operates within a schedule and has a fixed port rotation with published dates of calls at the advertised ports.

On the contrary, there is a type of shipping service ALLE! “**tramp services**” which is mainly known in the commodity trading industry to move bulk commodities like wheat, fertilizers, iron ore



and many more and the ship has no fixed routing or schedule and is available at short notice (or fixture) to load any cargo from any port to any port;

According to the World Shipping report (2013), there are approximately 500 liner services in operation today that transport 60% of the value of seaborne trade that amounts \$4 trillion worth of goods annually.

Among over 200 countries that have ports open to container ships, the Chinese port of Shanghai was the number one busiest port in 2013 by handling a traffic of 33,617,000 Twenty foot equivalent units (TEU's) of containers while Ethiopia's gateway of port of Djibouti was ranked 128<sup>th</sup> by handling 769,431 TEU's according to the World Shipping report (2013).

The previous paragraphs shows how the shipping sector is playing an undisputed role in the international transportation arena by transporting significant amount of cargo and same has been true in Ethiopian context since the establishment of the former Ethiopian Shipping Lines S.C in 1964 G.C who started operation in 1966 G.C with three newly built ships.

Currently, Ethiopian shipping industry is led by the state owned Ethiopian Shipping and Logistics Services Enterprise who was formed after Ethiopian parliament endorsed proclamation number 255/2004 that merged the former Ethiopian Shipping Lines S.C, Ethiopian Maritime and Transit Services Enterprise and Ethiopian Dry Ports Enterprise into one. The trade cost

According to the **2013-2014 annual report of Ethiopian Shipping and Logistics Services Enterprise**, the company transported **2,767,053** metric tons of different cargoes among which 40% of the cargoes were transported by using company owned vessels while the remaining 60% were imported by using slot chartered vessels.

Ethiopia, as a land locked country, is expected to move goods that are in transit to Ethiopia once they arrive at port of Djibouti within a short time to minimize the trade cost. But, cargo handling and miscellaneous costs which are incurred at the port becomes a huge challenge at a macro level and forced Ethiopian government policy makers to introduce "Multimodal Transport of Goods" under proclamation number 548/2007 on 4<sup>th</sup> September 2007 that forces importers to use multimodal transportation scheme for their imports unless they have special authorization or unless the state owned enterprise does not have service for their type of cargo.

## **2.7 Multimodal transportation**

Trade transaction necessitates transportation through countries for delivery of goods that requires efficient and effective services expressed in terms of cost, time, reliability, compatibility and flexibility.

These course of action require alignment of suitable regulatory framework, policies, mutually acceptable standards (weight and dimension) information technology, communication, investment, human resources, certification and procedures (i.e. cross boarder) that facilitate efficient operations which in turn will reduce trade cost.

The need to control the transport costs has become as important as the need to keep down other trading costs. The emergence of reliable and competitive door-to-door multimodal transport services can contribute to, and foster, new trading opportunities as well as increased competitiveness (UNCTAD, 1994).

Furthermore, transit time is another important element that needs due consideration while thinking of reducing costs and also meeting customers demand timely (Tyworth and Zeng, 1998). Because, if not, whenever the transit time is relatively longer, it will force importers to hold more inventory which will directly hold their working capital and if not, they will be exposed to stock outs and will not be able to satisfy their customers demand.

Ruth and Anthony (2001) also indicates that in order to minimize the cost of international transit, there is a need to encourage and promote the development of integrated logistics and multimodal transport, inland clearance terminals; documentation, customs procedures and data exchange need to be simplified and harmonized; greater use of rail transport should be encouraged; better cross-border co-operation and transport coordination is needed and the use of combined transport or multimodal transport document should be expanded.

The movement towards globalization brought economic integrations shifting the transport service structure to multimodal system to deliver cargoes to the door of final receiver. In return, the scheme will lead to reduction of cost of goods carriage, any production or distribution facility can serve a wider market area with potential gains from scale of efficiencies. Managers of firms put great effort to efficiency of goods movement and tighter control the whole transport chain.

Moving goods at low cost has a positive effects on all firms engaged in the production, distribution, and import. /export trade.

Intermodal transportation agreements promotes facilitation of trade & transportation by using transportation involving more than one form of carrier increases economic specialization, improve trans-border traffic, import restriction and custom procedure and accelerate in transit movement of truck and rail It has effect on trade and distribution pattern.

By taking the points indicated under the previous paragraphs and by considering many more factors, the introduction of multimodal transportation was taken as a solution to minimize the cargo transit cost which is incurred at Port of Djibouti which inflates the cost of acquiring goods when it reaches to the Ethiopian consumers and also to make Ethiopian export industry competitive which is reliant on imported chemicals and other types of capital goods.

## **2.8 Intermodal nodes: Dry Ports & Customs Bonded Warehouses**

The concept of the dry port is based on a seaport directly connected by rail, truck or other modes of transportation with inland intermodal terminals ( dry ports), where shippers can leave and/or collect their goods in intermodal loading units as if directly at the seaport. The seaport and the inland terminals (dry port) are connected with high capacity traffic modes, such as rail, rather than only with road. In addition to the transshipment that a conventional inland intermodal terminal provides, services such as storage, consolidation, depot, maintenance of containers, and customs clearance are usually available at dry ports as Andrius and Aidas (2007) indicated on their research.

In Ethiopian context, as a country that is landlocked, dry port has a significant role for logistics system in integrating the road and railway networks with sea outlet. For this operation, joint -post

strategic location of dry port and freight station (depot) that can serve as a temporary storage locations are being developed by the state owned Ethiopian Shipping and Logistics Services Enterprise and it's also supported by customs bonded warehouses that are being established by importers after getting license by Ethiopian Revenue and Customs Authority with due consideration of efficient transportation system and, legal enforcement.

In Ethio-Djibouti corridor route dry port located at Modjo 70 kilometer East of Addis Ababa is in operation. This dry port constructed aiming at developing and building efficient logistics and multimodal systems triggered by port dues and related charges in the transit countries that make it difficult to be competitive on goods destined to and from the international market and operational inefficiencies at Djibouti port.

The dry ports managed by ESLSE are dispersed in different parts of the country including Kaliti/Comet, Modjo, Semera, Kombolcha, Adama, Hawassa and Mekelle. But, Modjo dry port which is built 70 kilometer East of Addis Ababa plays the major role by being a leading dry port facility due to the fact that it's the nearest dry port facility to Addis Ababa and is found in the Ethio-Djibouti corridor.

According to the ESLSE's annual report of 2013/14 FY, out of a total of 88,525 TEU containers that were transported under the multimodal transportation scheme, 84,869 TEU's of containers were routed to dry port and freight station facilities of the enterprise.

The report 's analysis further shows that Modjo dry port received a total of 59,128 TEU's (70%) followed by Comet terminal (freight station) that received 19,330 TEU's (22.4%) of the containers and the remaining dry ports served only 7.6% of the containers combindly.

In addition to the above mentioned dry port facilities, directive number 40/2002 issued by Ethiopian Revenue and Customs Authority states that companies who have got the necessary customs bonded warehouse operator license and use the facility to receive products that are imported to the country either in uni-modal or multimodal transportation and the goods can stay there till the customs procedure are finalized.

The directive enabled the multimodal transportation operator to deliver imported goods of its licensed customers at their customs bonded warehouse premises which can be considered as a dry port.

Based on the directive, Ethiopian Trading Enterprise obtained a customs bonded warehouse registered under license number PCWAAK083 which helped the enterprise to receive its imported containers at its customs bonded warehouse premises located at Kaliti area, un-stuff the goods from the containers and return the empty containers by using the same truck that brought the full load container.

## **2.9 Regulatory stakeholders**

Nations always have their own laws and law enforcement bodies that will make sure that business are abided by the law and they operate in the most ethical manner. In order to follow-up this critical task, its mandatory to establish regulatory bodies like that of MOT who is assigned to check if the imported product meets Ethiopian import standard & FMHACA who is responsible to verify if the imported product is fit for human consumption.

## **2.10 Financial Institutions**

Financial institutions like banks and insurances are significant part of any business operation including FMCG. In Ethiopian context, both sectors are only reserved for Ethiopian nationals till date even though there is big influences from the international financial institutions to open the industry but Ethiopian government still resist the idea by claiming that such moves will harm the local sector and will hamper their growth.

Ethiopian banking sector remains profitable but still not far from complaints from companies who need to access FOREX as claimed by Addis Fortune newspaper which was published on November 9, 2015 entitled “FOREX crunch choking businesses in Ethiopia”.

Like the banking sector, the insurance industry also remains profitable and is witnessing to ignite a price competition as well as a new type of insurance policy offerings among the industry players

which is good news to the business community who is eager to get best deals which will help it to get cost savings.

### **2.11 Single Window System**

A report issued by Ethiopian Chamber of Commerce and Sectorial associations on October 2014 regarding Electronic Single window defines it as a trade facilitation idea that enables international (cross-border) traders to submit regulatory documents at a single location and/or single entity including customs declarations, applications for import/export permits, and other supporting documents such as certificates of origin and trading invoices and the like.

The main value proposition for having a single window for a country or economy is to increase the efficiency through time and cost savings for traders in their dealings with government authorities for obtaining the relevant clearance and permit(s) for moving cargoes across national or economic borders. In a traditional pre-single-window environment, traders may have had to contend with visits and dealings with multiple government agencies in multiple locations to obtain the necessary papers, permits, and clearances to complete their import or export processes.

By considering the above issues, government of Ethiopia has signed single window project agreement with Investment Climate Facility for Africa (ICF). The parties signed an agreement worth 7.3 million USD to establish an electronic Single Window (eSW) system for international trade.

Out of the estimated 7.3 million USD project cost, the government, ICF provide 2.4 million USD, 4.3 million USD respectively while the International Finance Corporation (IFC) - a member of the World Bank – 8 per cent of the total cost.

Currently, the electronic single window system has got acceptance by many countries and is seen as a tool to progress on the international performance index ladder which is referred by many multinational companies as a tool to predict foreign countries ease of doing business before entering new markets.

The ESW can be also very useful to efficiently utilize resources of FMCG's and will help them in their quest to minimize their logistics related cost, make their prices competitive and maximize their profit.

## **2.12 An Overview of Fast Moving Consumer Goods (FMCG) industry in Africa**

The fast-moving consumer goods (FMCG) sector is one of the largest industries worldwide as claimed by the report issues by the international consulting firm KPMG entitled “Fast Moving Consumer Goods in Africa” ( 2014).

FMCG’s are generally relatively cheap products that have a short shelf life, and are purchased by consumers on a regular basis for their daily consumption.

On the other side, profit margins on these products are usually low for the sellers, who try to offset this by selling large volumes. The sector comprises a large variety of products, with some of the most important categories includes food, beverage, personal care products, and home care products.

The FMCG sector in Africa has significant scope to expand according to KPMG’s report mentioned above because of different factors including economic growth, population growth, high poverty levels especially in sub-Saharan Africa made food and other necessities to dominate consumer budgets which made the food sub-sector of FMCG and many more factors made the Africa’s FMCG market very attractive.

African Retail Development Index (ARDI) which is published by the international management consulting firm A.T. Kearney in 2014 shows that many international FMCG retailers consider Sub-Saharan Africa as the next big market as its population is nearing 900 million people and its urbanizing at a rate of 3.61 percent which is faster than any other region in the world and having seven sub-Saharan African countries that ranks among the 10 fastest growing economies in the world.

The latest ARDI index (2015) reveals the top 15 countries who underscore interesting developments that putted Gabon, Botswana and Angola as the top three countries while Africa’s two most populous nations Nigeria and Ethiopia obtained fourth and fourteenth positions while Africa’s economic powerhouse South Africa sits on sixth.

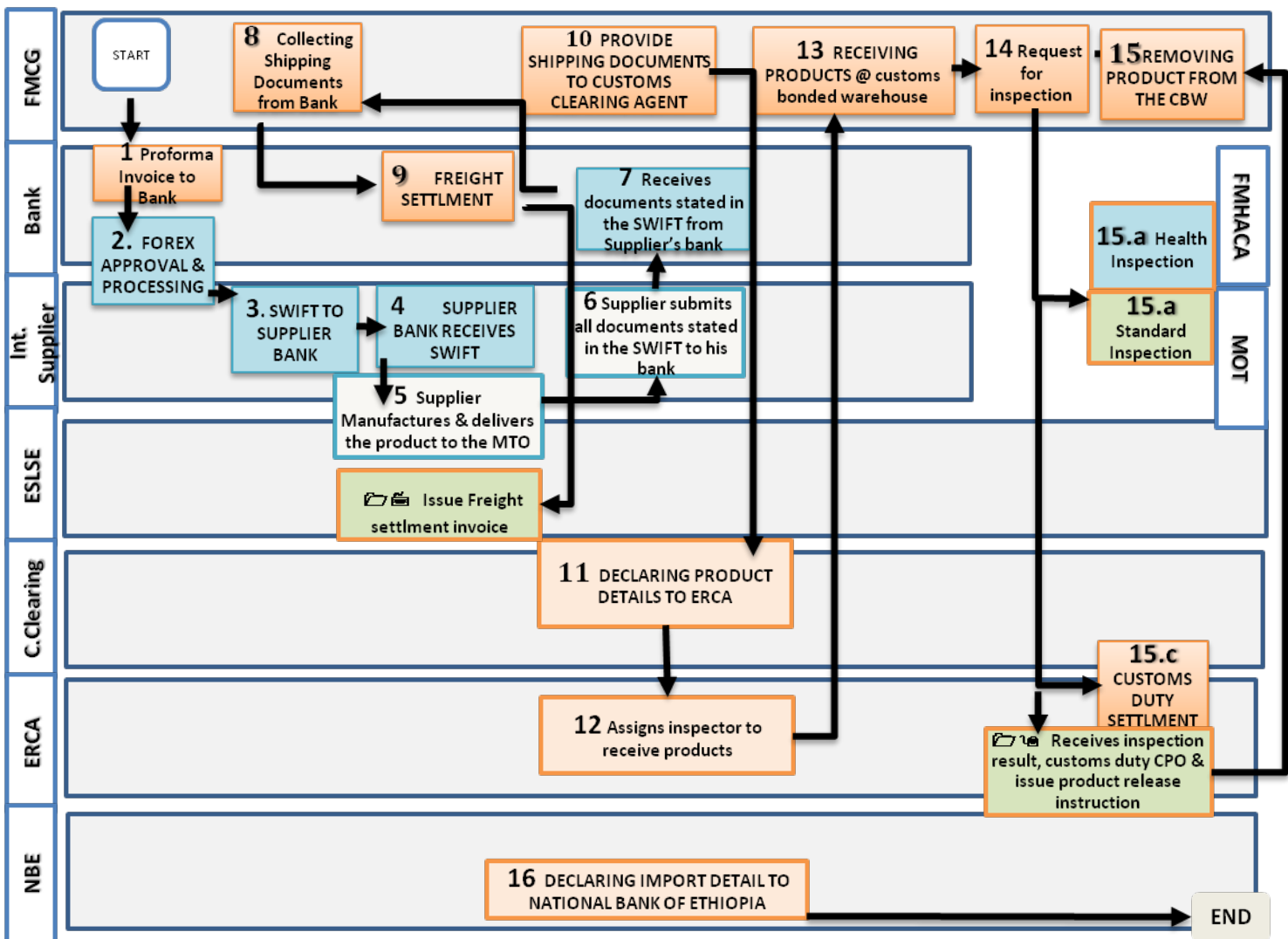
Ethiopian economy circulates a GDP of \$47 billion and is ranked among one of the five fastest growing economies in 2015 according to the International Monetary Fund as sited by the ARDI (2015).

The economic growth initiated the government to modernize Ethiopia’s local retail sector through continued investment in state-owned cash-and-carry company called “ALLE!” before allowing competition from international FMCG’s as indicated under ARDI (2015).

Besides modernizing the retail sector, Ethiopian government also set an objective for ALLE! to set-up a state of the art supply chain & minimizes its logistics cost which in turn will enable it to supply its consumer product offerings at a competitive price and fighting inflation

### 2.13 FMCG import process cycle

Figure 2 FMCG Import process Cycle



Source: ALLE! Imported Goods Logistics Manual



## CHAPTER THREE: RESEARCH METHODOLOGY

In order to successfully accomplish the major objective of the study which is to *assess on logistics interconnectivity with special reference to Ethiopian Fast Moving Consumer Goods in Ethiopian Trading Enterprise (ALLE!)*, the student researcher utilized the following breakdowns of the research methodology.

### 3.1 Research Design

To evaluate the level of logistical interconnectivity and its impact on Ethiopian FMCG industry by emphasizing on ALLE! and in order to describe the factors in a better way that will enable the researcher to draw some level of conclusion, the study used **mixed approach** since the approach resides in the middle of the continuum where it incorporates elements of both qualitative and quantitative approaches. In particular, **Concurrent mixed approach** was applied as it converges or merges quantitative and qualitative data in order to provide a comprehensive analysis of the research problem by helping the researcher to collect both forms of data at the same time and then integrates the information in the interpretation of the overall results where the qualitative addresses the process while the quantitative addresses the outcomes by using a **single cross sectional** survey methodology.

#### **Data sources:**

Research methods for business students / Mark Saunders, Philip Lewis, Adrian Thornhill. —5th ed. students / Mark Saunders, Philip Lewis, Adrian Thornhill. —5th ed.

## **3.2 Sampling Design**

### **3.2.1 Study population**

The target populations of this study were trade facilitator stakeholders (governmental & non-governmental) with whom ALLE! works with while importing Fast Moving Consumer Goods (FMCG). But, it was impossible or impractical to compile a list of individuals or elements in the population apart from identifying the stakeholders which can be used to identify potential respondents in the population.

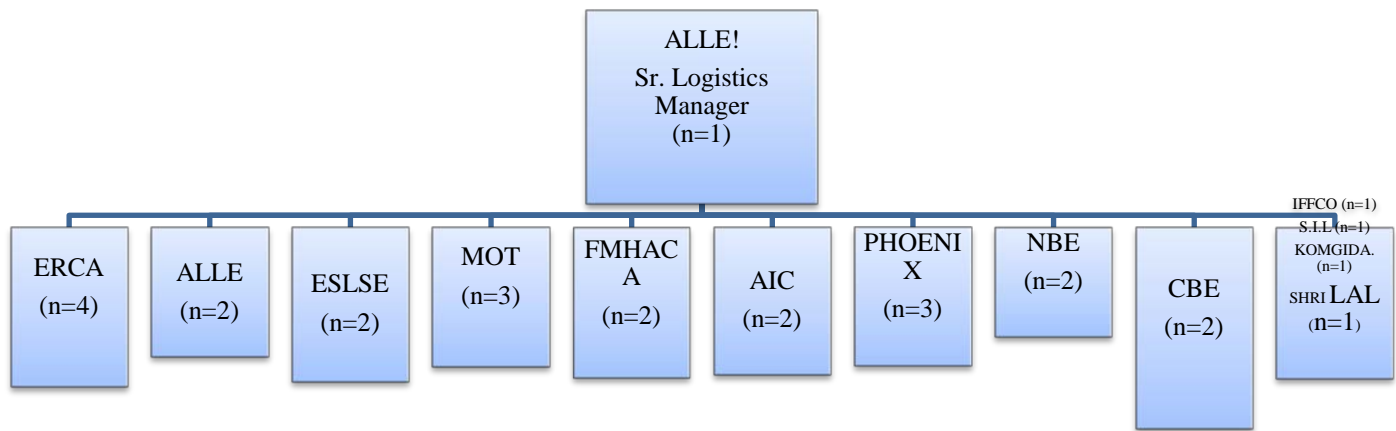
### **3.2.2 Sampling Frame**

As discussed on the previous section, the respondents are a cluster of different organizations (governmental & non-governmental stakeholders) and there is no published list of potential respondents who are also individual members of those organizations in order to have full list of the total population and it's impractical to develop one.

Therefore, the researcher identified teams/groups who resides inside the trade facilitator organizations and with whom ALLE! works with while importing products and also selected international suppliers who supply ALLE's majority of product assortments in order to develop the sampling frame and those stakeholders were:-

- FMCG Company: Ethiopian Trading Enterprise (ALLE!)
- International Supplier:
  - IFFCO Group (major supplier of ALLE!)
  - KOMGIDA KOMBASSAN
  - S.I.Lesaffre
  - SHRI LAL MAHAL LIMITED
- Bank: Commercial Bank of Ethiopia, Bole Medhanialem Branch
- Insurance: Africa Insurance Company, Yoseph Branch
- Multimodal Transportation operator: Ethiopian Shipping & Logistics Enterprise
- Customs Clearing Agent: Phoenix Xpress Logistics PLC
- Food, Medicine and Health Care Administration and Control Authority of Ethiopia, Kaliti Branch
- Ministry of Trade, Kaliti Branch
- Ethiopian Revenue & Customs Authority, Kaliti Branch
- National Bank of Ethiopia

The researcher developed a representative sampling frame as shown below from the above mentioned list of organizations by using one of the **non-probability sampling method called snow ball sampling** which was the only way to reach hard-to reach populations and subject matter experts when no sampling frame is available that helps to indicates one sample on to more of the same kind of sample.



**Figure 3 Snowball Sampling Frame**

### 3.2.3 Sampling Technique

As explained under the “population definition” part of this chapter, there is no compiled list of the population that can be used as a base to take samples and make usage of “probability sampling technique” feasible so that it gives each and every member of the population the chance of being selected in the sample and their chance can be accurately determined.

But, the researcher underlined that it couldn't be also realistic since it was very difficult to access all members of the sample equally within the time frame of the study even if there is full list of the population.

Therefore, by using one of the **non-probabilities sampling techniques** more specifically **snowball sampling** which helped to select a representative sample from the population who are capable of understanding the subject and part of the operation.

### 3.2.4 Sample size

After going through snowball sampling method, a total of 27 subject matter expert respondents were identified as a sample size and contacted to undertake the study.

Based on the **sample size determination table** suggested by Krejcie and Morgan (1970) at 95% confidence level and 5% margin error, if the total population is “30” the sample size would be “28”. Therefore, the student researcher contacted the total respondents (27) which were identified through the process to undertake the research as the identified sample size was already few.

## 3.3 Types of data and instruments of data collection

The main type of data which was used in the study was **primary data** and it was collected by using **questionnaire**(dichotomous and open ended questions) to get firsthand information. The questionnaire was adopted from a previous survey entitled “**Trade Facilitation and Paperless Trade Implementation Survey 2015**” report published by United Nations Economic Commission

for Africa in English it was modified per each trade facilitator stakeholder to meet the study's objective.

The questionnaire is mainly composed of dichotomous questions as adopted from the previous international survey but still gave a room for the respondents to give their feedback related to the study's topic and quantitative and qualitative data was collected through by self-administrating the questionnaire.

In addition, both **published** and **unpublished** data were obtained from the enterprise to create a good understanding about the nature of the enterprise's business and published data was also collected from different data publishing sources (**secondary source of data**).

Furthermore, **tertiary data** was also used as an additional reference material in the background of the study and literature review to strengthen the study.

### **3.4 Methods of Data Analysis**

Reliability of the questionnaires was tested by using the statistical tool Cronbach's coefficient alpha and score of **0.748** was obtained which is above the cutoff acceptable limit of 0.70. As Pallant (2011) indicated, it provides an indication of the average correlation among all of the items that make up the scale. Values range from 0 to 1, with higher values indicating greater reliability. Items with a Cronbach's Alpha value of 0.7 and above will be acceptable as recommended by Nunnally (1978).

The responses which were obtained from the questionnaire were analyzed through the Statistical Package for Social Sciences (**SPSS**) 21. Furthermore, it was interpreted in terms of percentage, descriptive statistics, figures, tables.

At last, the responses of the open-ended questions were also included on the analysis to give a complete picture of the study responses.

## CHAPTER FOUR: DATA ANALYSYS AND PRESENTATION

The previous chapter introduced the research methodology which is used as a cornerstone to undertake the study as well as to analyze and present the data.

This chapter will present the data analysis and its interpretation. It's composed of, response rate and characteristics of respondents, logistics connectivity analysis , ICT Infrastructure analysis, information sharing trend analysis and assessment on factors that affect the operation of ALLE! including open ended questions.

### 4.1 Response Rate and Characteristics of Respondents

In order to collect the data, the student researcher distributed **27 questionnaires** to stakeholders involved in the international trade business in order to determine the level of interconnectivity within the FMCG sector in Ethiopia and a total number of **27 questionnaires** were returned giving a **response rate** of **99.8%**.

Out of the 27 respondents, 80 % of them are governmental organization that most FMCG sector companies in Ethiopia involved in which exists for more than 20 years while another 20% were private companies engaged in facilitating the international trade business in Ethiopia.

Furthermore, from the **27** respondents **29.6%** of them have more than 10 years' experience in trade facilitation and **40.7%** of the respondent's with an experience between of 2 to 5 years and **25.9%** with 6 to 9 years' experience and **3.7 %** of the respondents are under less than 2 years' experience in trade facilitation.

## 4.2 Data Analysis

A questionnaire which consists 49 major questions was included questions which are organized based on the research questions and respondents were given a choice with dichotomous questions.

The following analysis took the responses obtained through the questionnaire as an input and the data obtained from the individual responses where coded into SPSS version 21 and the data is analyzed as below.

**Table 4. 1 Main actors of Logistics Interconnectivity for FMCG**

Organization	Frequency	Percent	Cumulative Percent
ALLE!	3	11.1	11.1
International Supplier	4	14.8	25.9
Ethiopian Revenue Customs Authority	4	14.8	40.7
Ethiopian Shipping and Logistics Enterprise	2	7.4	48.1
Ministry of Trade	3	11.1	59.3
FHMACA	2	7.4	66.7
CBE	2	7.4	74.1
National Bank of Ethiopia	2	7.4	81.5
Phoenix Clearing Agent	3	11.1	92.6
Africa Insurance	2	7.4	100.0
Total	27	100.0	

Source: Survey result (2015)

**Table 4.1.** Above shows that from the total **27** respondents **74.1 %** of them are government and private organizations which engaged in insurance, customs, goods inspection and control, clearing service, banking, multimodal transportation and finance companies governing body **.14.8 %** of the respondents are from an Ethiopian FMCG company and **11.1 %** of the respondents are international suppliers.

**Basic research question # 1 - Logistics Interconnectivity Analysis**

**Table 4. 2 Logistics Interconnectivity Assessment Questions (1 To 4)**

<b>Q1.</b>	Any Inter-agency agreement with national border authorities?							
<b>Q2.</b>	Any Policies/procedures to ensure product inspection related information are disseminated?							
<b>Q3.</b>	Is there an Electronic Single window Available?							
<b>Q4.</b>	Is there an agreement between agencies on working hours?							
Response	Q1.		Q2.		Q3.		Q4.	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>No</b>	18	66.7%	9.0	33.3%	23.0	85.2%	5.0	18.5%
<b>Yes</b>	8	29.6%	8.0	29.6%	3.0	11.1%	11.0	40.7%
<b>Don't Know</b>	1	3.7%	10.0	37.0%	1.0	3.7%	1.0	40.7%
<b>Total</b>	27	100.0%	27.0	100.0%	27.0	100.0%	27.0	100.0%
Source: Survey result (2015)								

**Table 4.2 of Q1** above shows that **66.67%** of the respondents admitted that there is no national or international platform where they can communicate with border agencies, governmental and non-governmental agencies or private sector and out of the overall respondents **29.63 %** of them say there is a platform of communication and **3.704 %** of the respondents don't know whether this kind of platform exists or not.



Furthermore this implies majority of the organization involved in the trade facilitation in Ethiopia doesn't have a common platform that connects each of them in conducting the trade business.

**Table 4.2 of Q2** indicates that, out of the total **27** respondents **29.63 %** of them feels that relevant policies or procedures of product inspection related information do disseminated to all relevant customs and other governmental agencies while **33.33 %** disagree with the above statement and **29.63 %** of the respondents don't know whether the procedures are disseminated or not . This implies the information gap between the practiced respondents and majority justifies the breach of spreading of information to all relevant agencies.

**Table 4.2 of Q3** revealed that only **11.11 %** of the respondents replied with the accessibility of the single window and the response comes from only the international supplier except that **88.94%** of the respondents assured that there is no a single window applicable and it's not functional in Ethiopia which implies single window is at still at its infant stage at Ethiopia's trade facilitation

As demonstrated in **table 4.1 Q4**, shows that about **58.7 %** of respondent either don't know or confirmed there is no agreement between their institution and other concerned governmental & non-governmental agencies to align working days and hours. But, **40.7 %** of respondents applied an agreement with other concerned governmental agencies to align their operational working days

**Table 4. 3 Logistics Interconnectivity Assessment Questions (5 To 7)**

<b>Q5.</b>	Is there an Inter-agency agreement or memorandum-of-understanding that defines modes of cooperation among national border authorities?
<b>Q6.</b>	Is there an Inter-agency working group to develop strategy and oversee implementation of border agency cooperation?
<b>Q7.</b>	Is there an a legislation or government policy which require national border agencies and other related stakeholders to coordinate, cooperate and assist each other in carrying out border control operations?

Response	Q5.		Q6.		Q7.	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>No</b>	4	14.8%	4	14.8%	4	14.8%
<b>Yes</b>	3	11.1%	3	11.1%	4	14.8%
<b>Don't Know</b>	20	74.1%	20	74.1%	19	70.4%
<b>Total</b>	27	100.0%	27	100.0%	27	100.0%
Source: Survey result (2015)						

**Table 4.3 of Q5** shows that, only 11.1 % of the respondents answered with positive answer of availability of the understanding of the inter-agency agreement that defines the mode of communication among national border authority..

But, the majority 25.9 % (14.8 % and 11.1 %) of the respondents replied that there is no inter-agency agreement or any memorandum of understanding that defines the mode of cooperation among border authorities and 11.1 % of the respondents don't know whether it exists or not .It implies only small amount of the respondents know about the inter-agency agreement availability

**Table 4.3 of Q6** above indicates that, **88.9%** (14.8% and 74.1.3%) of the respondents did not perceive an inter-agency working group or similar body to develop strategy and oversee implementation of border agency cooperation.

But, only **11.1%** of respondents replied with availability of the inter-agency working group that develops strategy and oversee the implementation of border agency cooperation Therefore, the result amplifies majority of the stakeholders are in lack of the awareness or the feasibility of the agreements.

**Table 4.3 of Q7** above describes the responses obtained from the respondents with regard to whether there is a legislation or government policy that enables national border agencies and other stakeholders to cooperate and assists each other in carrying out border control operations.

Hence, **70.4 %** of the respondents doesn't know whether the mentioned legislation or government policy is practical or it enables the coordination between border control operations with related stakeholders and **14.8%** of the respondents stated the policy enables the coordination and cooperation between the mentioned parties and **14.8 %** stated with the not applicable response

Therefore, the legislation or government policy which enables the coordination must be given greater attention to provide awareness between all of the stakeholders involves in the international trade facilitation in Ethiopia

**Table 4. 4 Logistics Interconnectivity ASSESSMENT Questions (8-9)**

<b>Q8.</b>	Do ERCA share product inspection related information on internet or other internet supported real time information sharing mechanisms with the other stakeholders who are in need of the results?				
<b>Q9.</b>		Do an International supplier are expected to undertake product inspections before exporting them to ALLE! by relevant Customs and other governmental agencies offices?			
<b>Response</b>	<b>Q8.</b>		<b>Q9.</b>		
	Frequency	Percent	Frequency	Percent	
<b>No</b>	2	100.0%	0	100%	
<b>Yes</b>	0	100%	4	100%	
<b>Total</b>	2	100.0%	4	100.0%	
Source: Survey result (2015)					

**Table 4.4 of Q8** above shows that, all of the respondent mentioned that the enterprise doesn't have real time system that notifies the status of container loaded trucks once they depart from Djibouti which implies the importer has to track its shipments by actually require through communicating the enterprise which leads to unknown lead time of the status of the containers loaded by the exporter.

**Table 4.4 of Q9** above shows that, **100 %** of the respondent stated that they all are expected to undertake product inspections before exporting products to ALLE! By relevant Customs and other governmental agencies offices

**Basic research question # 2 -Information Sharing Trend of FMCG Stakeholders Analysis**

**Table 4.5 Information Sharing Trend Assessment Questions (1-3)**

<b>Q1.</b>	Do you share product inspection related information on internet or other internet supported real time information sharing mechanisms with the other stakeholders who are in need of the results?					
<b>Q2.</b>	Are procedures published to allow a declarant to lodge, and to require the customs and/or other relevant authorities to process, declarations and supporting documents prior to arrival of the goods?					
<b>Q3</b>	Does your institution have a standard document processing and releasing time?					
Response	Q1		Q2		Q3	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>No</b>	22	81.5%	14.0	51.9%	11	40.7%
<b>Yes</b>	4	14.8%	3.0	11.1%	15	55.6%
<b>Don't Know</b>	1	3.7%	10.0	37.0%	1	3.7%
<b>Total</b>	27	100.0%	27.0	100.0%	27	100.0%
Source: Survey result (2015)						

**Table 4.5 of Q1** above **81.5%** of the respondents shows that they don't share any product inspection related information on the internet or other real time information sharing mechanism with the other stakeholders and **14.8%** of the respondents do have the mechanism to share the relevant information but around 3.7% of the respondents doesn't now the information is shared or not through a real time.

**Table 4.5 of Q2.** Among the respondents, only **51.9 %** of the respondents admitted that there is no f the procedures published that allows a declarant to lodge prior to arrival of the goods and **37.0%** doesn't know whether the procedure is exists or not and **11.1%** of the respondents confirmed the availability of the procedure.

**Table 4.5 of Q3** above shows that, **40.7 %** and **3.7 %** of the respondents revealed their organization doesn't have a standard document processing or releasing time and the others don't know whether their organization has that standard time or nor but **55.6%** confirmed there is a standard time for document processing and releasing time in their organization.

Furthermore, the review implies almost half of the selected organizations do have a standard time which helps the customer to know when to process and when it will be finalized which is good for better management of a single transaction but more work has to be done to overcome the unknown times for the organization which doesn't have a standard document processing time.

**Table 4. 6 Information Sharing Trend Assessment Questions (4-6)**

<b>Q4.</b>	Is pre-arrival processing applicable to all FMCG importers?					
<b>Q5.</b>	Is priority given for FMCG Companies?					
<b>Q6.</b>	Is there any procedure that is published for filling administrative appeal?					
Response	Q4		Q5		Q6	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
No	13	48.1%	15	55.6%	9	33.3%
Yes	12	44.4%	1	3.7%	6	22.2%
Don't Know	2	7.4%	11	40.7%	12	44.4%
Total	27	100.0%	27	100.0%	27	100.0%
Source: Survey result (2015)						

**Table 4.6 of Q4** above indicates that about a total of **55.5 %** (44.4 % and 7.4 %) of the respondents revealed that either they will not give priority to FMCG companies or not know whether the priority is given or not and **44.4%** indicate priority is given to FMCG companies.

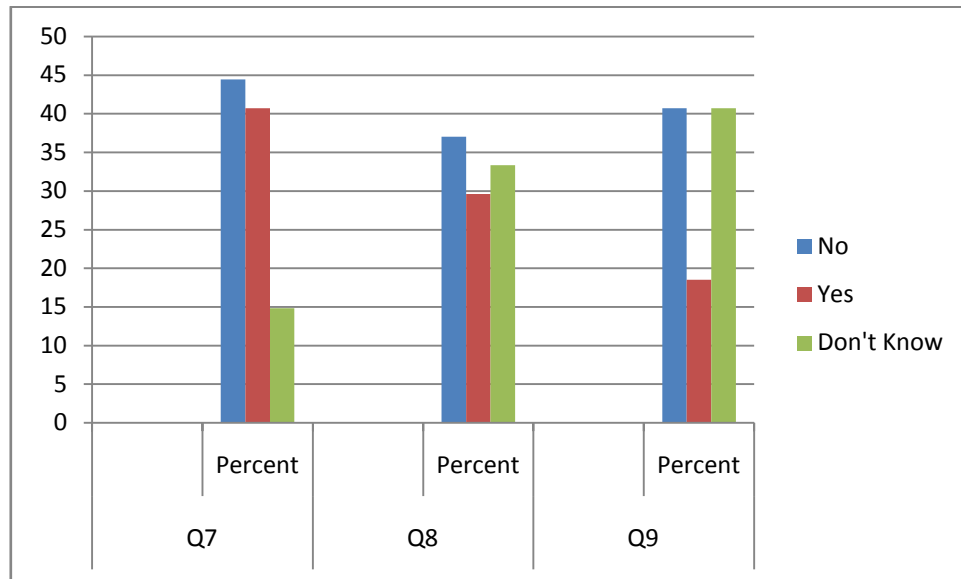
**Table 4.6 of Q5.** above shows that **96.3 % (55.6 % and 40.7 %)** of the respondents say their institution doesn't provide any pre arrival processing FMCG imported and also some doesn't know whether this process is applicable or not and **3.7 %** of respondent replied with yes which implies based on the review of the above table this process is not applicable and new mechanism has to be developed in order to decrease the waiting time to finalize the import

**Table 4.6 of Q6** The study asked the respondents if there any procedure is published for filling administrative appeal and is it possible to fill the process automatically an it indicates **22.22%** of the respondents believed there is a procedure and the process can be filled electronically but **44.4%** and **33.3 %** of the respondents mentioned there is no procedure applicable or doesn't know if it exists and it can't be filled electronically.

**Table 4. 7 Information Sharing Trend Assessment Questions (7-9)**

<b>Q7</b>	Does your institution issue goods releases electronically once the importer finalizes the required process?
<b>Q8</b>	Is there a policy or legal framework or a directive in place to allow your institution to provide expedited release of goods on the request of an FMCG importer like ALLE!?
<b>Q9.</b>	Are procedures on rapid release of expedited shipments published?

**Figure 4 Information Sharing Trend**



Source: Survey result (2015)

**Table 4.7 of Q7.** 40.7 % of the respondents confirms that yes goods release are issued electronically and 44.4 % of the respondents confirms goods released are not issued electronically and 14.8% of the respondents doesn't know how it is issued.

**Table4.7of Q8** above shows that, 37.0% of the respondent concur that there is no legal framework to allow the institution to provide expedited release of goods while 33.3% of the respondents don't know. Hence, 29.6% of the respondents confirms that kind of framework or policy do exists which implies the document is known by half of the respondents and it needs to be shared with the other staffs

**Table4.7 of Q9** above shows that 40.7 % of the respondents confirms that there is no procedures on rapid release of expedited shipments published while 40.7 % of the respondents don't know of the existence of such procedures and 18.5% of the respondents confirms that kind of procedure is published

**Table 4. 8 Mode of Communication with ALLE!**

<b>Q10.</b>	<b>Mode of communication with ALLE!</b>								
<b>Response</b>	<b>International suppliers</b>	<b>CBE</b>	<b>NBE</b>	<b>ERCA</b>	<b>ESLSE</b>	<b>AIC</b>	<b>Phoenix</b>	<b>MOT</b>	<b>FHMA CA</b>
<b>Electronic</b>	100 %								
<b>Telecom</b>		50%			20%	15%	30%		
<b>E-mail</b>		50%							
<b>Electronic System</b>				75%		15%			
<b>On Hard Copy</b>			100%	25%	80%	75%	70%	100%	100%

Source: Survey result (2015)

**Table 4.48 of Q10** above shows that, **100%** of the respondents of international suppliers use an electronic communication to facilitate the trade transaction with ALLE!.**50%** of CBE respondent claims that communication with the beneficiary's done by using a Telecom service and the remaining **50 %** of the respondents claims it is done only by using email communication .**100%** of NBE respondents do communicate with ALLE! on hard copy basis

Hence, **75%** of ERCA respondents use an electronic system while **25 %** of the respondents use hard copy mode of communication with ALLE! and **20%** of ESLSE use telecom and **80 %** of the respondents of ESLSE use hard copy mode of communication

Furthermore **50%** of Africa Insurance respondent use telecom and electronic system while **75 %** of the respondents claims of hard copy as a major mode of communication .Phoenix respondents claims that **70%** of their communication made with ALLE! is through hard copy and **30%** is by



using a telecom service while MOT and FHMACA uses **100 %** of a hard copy in their daily operation with ALLE!

**Table 4.9 Information Sharing Trend Assessment Questions (11-13)**

<b>Q11.</b>	Does your enterprise require any paper documents to make any refunds like customs duty & container deposit refunds (if any)?
<b>Q12</b>	Does it give any form of timely notification once it makes deposit refunds to the importer like ALLE!?
<b>Q13.</b>	Does your authority notify customs bonded warehouse operators like ALLE! About their remaining customs guarantee bond balance?

Response	Q11	Q12	Q13
	Percent	Percent	Percent
<b>No</b>	25.0%		50%
<b>Yes</b>	50.0%	50%	50%
<b>Don't Know</b>	25.0%	50%	
<b>Total</b>	100.0%	100.0%	100.0%

Source: Survey result (2015)

**Table 4.9 of Q11** above shows that, **25%** of respondents confirms that their enterprise doesn't requires of paper documents for any refunds while **25 %** of the respondents don't know whether any paper documents is required to make refunds and **50 %** of the remaining respondents confirmed paper document is a requirement to make any refunds.

**Table 4.9 of Q12** below shows that, about **50%** of the respondents experienced timely notification while **50%** of the respondent disregard that and it shows the notification mode one the refunds are deposit said to be half way applicable.

**Table 4.9 of Q13** below indicates that, out of the **75 %** of the respondents replied that there is no any notification from ERCA about the remaining custom guarantee bond balance for the CBW operators like ALLE! where **25 %** of the respondents don't know wheatear the notification made or

not .In general we can say notification of guarantee bond balance will not come from ERCA where the operators has to know their remaining customs bond guarantee balance.

**Basic research question # 3 - ICT Infrastructure Analysis**

**Table 4. 10 ICT Infrastructure Assessment Questions (1-4)**

<b>Q1.</b>	Are sufficient and qualified staffs available to your daily task of trade facilitation and handling customer enquiries??							
<b>Q2.</b>	Can importers like ALLE!Bejimla and other interested parties easily find information related to your institutions service they need on the internet?							
<b>Q3</b>								
<b>Q4.</b>	Does your authority notify customs bonded warehouse operators like ALLE! About their remaining customs guarantee bond balance?							
	If it's electronically, Do you send any form of an electronic notification once you finish processing the importer's document internally?							
Response	Q1		Q2		Q3		Q4	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>No</b>	14	51.9%	13	48.1%	13	48.1%	5	18.5%
<b>Yes</b>	13	48.1%	12	44.4%	5	18.5%	3	11.1%
<b>Don't Know</b>	0	0.0%	2	7.4%	9	33.3%	19	70.4%
<b>Total</b>	27	100.0%	27	100.0%	27	100.0%	27	100.0%
Source: Survey result (2015)								

**Table 4.10 of Q1** above indicates that out of the 27 respondents, a total of **48.1%** of 13 respondents believed there are a sufficient and qualified staffs available for the daily task of trade facilitation and customer enquiries while **51.9%** of 14 respondents says no which implies staffing problem

appeared in more than half of the stakeholders which indicate as an input for the gaps exists in the trading facility.

**Table 4.10** of **Q2** above indicates that a total of **51.8%** (44.4% and 7.4%) of 14 respondents reacted that any importer or interested party cannot easily find of information about their organization and some doesn't know whether the information shared or not and **48.1 %** with 13 respondent confirmed that any interested party can easily access online of an information related to their organization.

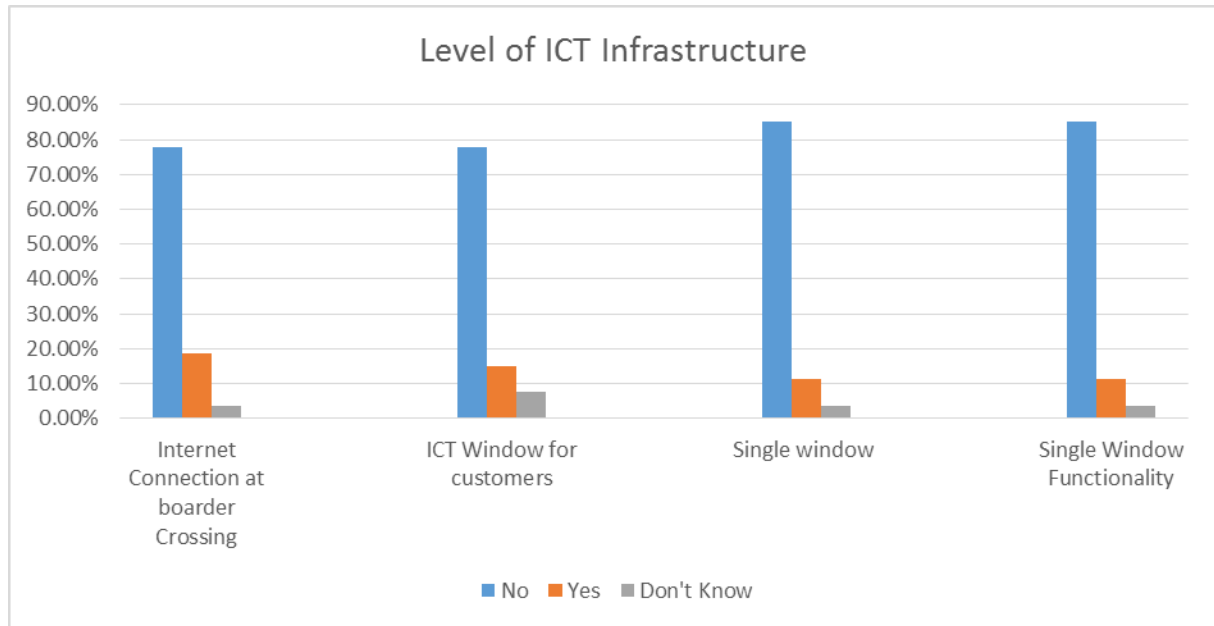
Therefore, the companies with the low degree of sharing information online must have to identify their way and adapt in sharing valuable information about their organization easily accessible for the ones in need for better outcome .

**Table 4.10** of **Q3 and Q4** above indicates that, out of the **48.1%** of the respondents replied that there is no any notification from ERCA about the remaining custom guarantee bond balance for the CBW operators like ALLE! where **18.5 %** of the respondents don't know wheatear the notification made or not and **33.3 %** of the respondents admits or the notification while **88.9%** of the respondents claims the notification is not either electronically or they don't know how it's done once you processing the importer's document internally is completed but there are **11.1 %** of the respondents admits its notification electronically In at the majority level we can say notification of guarantee bond balance will not come from ERCA where the operators has to know their remaining customs bond guarantee balance.

**Table 4. 11 ICT Infrastructure Assessment Questions (5-8)**

<b>Q5.</b>	Does your institutions ICT system have a window where the importer can access?
<b>Q6.</b>	Internet connection available to Customs and other trade control agencies at border-crossings
<b>Q7.</b>	Is there an electronic single window system that connects your institution with all relevant trade facilitation stakeholders (including government agencies, importers and other stakeholders)?
<b>Q8.</b>	If Yes, Is electronic single window system fully functional?

**Figure 4 Level of ICT Infrastructure**



Source: Survey result (2015)

**Figure 4 of Q5** above shows, **77.8 %** of the respondents observe that Internet connectivity lacks in customs and other trade control agencies at border crossings where **3.7 %** of the respondents doesn't know connection is available or not and at a minimum of **18.5 %** of the respondents confirmed that there is an internet connection at border-crossings.

**Figure 4 of Q6** above depicts that a total of **77.8 %** of the respondents confirmed there is no ICT window where the importer can access and **14.8%** doesn't know whether the ICT window exists or not and **14.8 %** respondents confirmed there is a window where a customer can access in their organization which implies there is an insignificant section where this kind of communication gateway is applicable in Ethiopia within the international trade formalities.

Hence, this implies the majority of internet connectivity issue at border crossing is not satisfactory and it needs improvements for the ongoing activities to conduct in a daily basis

**Figure 4 of Q7 and Q8** above revealed that only **11.11 %** of the respondents replied with the availability and the response comes from only the international supplier except that **88.94%** of the

respondents assured that there is no a single window applicable and it's not functional in Ethiopia which implies single window is at still at its infant stage at Ethiopia's trade facilitation.

**Table 4. 12 ICT Infrastructure Assessment Questions (9-10)**

<b>Q9.</b>	How does your institution collect its customs duty and other Service payments?	
<b>Q10.</b>	What kind of Electronic/automated Information Technology System does your institution use on its daily operation?	
<b>Organization</b>	<b>Q9.</b>	<b>Q10</b>
Africa Insurance	Electronic Payment System	Insurance Software
CBE	Chequ	Teminos
Phoenix Clearing Agent	Cheque	ASYCUDA
FHMACA	Cash and Cheque	Not Available
International Supplier	Cash	Oracle
MOT	Cash	Don't Know
ALLE!	CPO and Cash	ERP, MS Access and MS Access
ERCA	Cash and Cheque	ASYCUDA
ESLSE	Cheque	Sea Liner ERP Application ,Ms Access and Ms Excel
NBE	Cheque	Don't Know
International Supplier	Bank Transfer	NAV and Oracle

Source: Survey result (2015)

**Table 4.12 of Q9** above revealed cash and cheque mode of payment is mostly used by the FMCG actors where Bank transfer and CPO are used by some organizations and **Q10** indicated that except MOT and FHMACA all have an electronic information system used on their daily operational activity but the level of automation is depend on the type of the application mentioned above which one differ from one another on the service of outputs.

**Table 4. 13 ICT Infrastructure Assessment Questions (11-13)**

<b>Q11.</b>	Is there a legal act or formal policy in place on publication of existing import-export regulations on the Internet?	
<b>Q12.</b>	How Does your institution exchange shipment related information with concerned stakeholders including Djibouti customs through ?	
<b>Q13.</b>	Does your enterprise have an electronic system where the importers can get the status of its documents that are under customs clearance or under process at your institution?	
	.	
<b>Response</b>	<b>Q11</b>	<b>Q13</b>
	Percent	Percent
<b>No</b>	29.6%	96.3%
<b>Yes</b>	44.4 %	0%
<b>Don't Know</b>	25.9	3.7%
<b>Total</b>	100.0%	100%
<b>Response</b>	<b>Q12</b>	
	Percent	
<b>Hard Copy</b>	77.78%	
<b>Both Electronic and Hard Copy</b>	14.81%	
<b>Don't Know</b>	7.407%	
<b>Total</b>	100%	
Source: Survey result (2015)		

**Table 4.13 of Q11** above shows that **44.4 %** respondents confirm there is a formal policy in place on publication of existing import-export regulations on the Internet and **29.6 %** of respondents confirmed there is no policy of publication of existing regulation on the internet **25.9** respondents doesn't know whether this kind of formal or legal policy of import export regulation appear on the internet.

Even though the majority respondents confirm there is policy of regulation availability on the internet but aggregated amount of respondents lacks awareness about the subject matter.

**Table 4.13 of Q12** above shows that about **77.78 %** of the respondents confirms they exchange shipping documents on hard copy and **14.81 %** of the respondents exchange the documents by using both hardcopy and electronic copy and **7.407 %** doesn't know the exchange of document schemes

But, a significant amount of respondent's exchange of the shipment related information with concerned stakeholders including Djibouti customs is applied by using hard copies which gives an intuition that exchange of shipment related information electronically is diminutive.

**Table 4.13 of Q13** above shows that about a cumulative of 96.3 % of the respondents did not have an electronic system where the importer can get the status of its documents that are under customs clearance or under process. It can be concluded that there is no actual system that notifies the status of the documents under process

**Table 4. 14 ICT Infrastructure Assessment Questions (14-16)**

<b>Q14.</b>	Does your enterprise have an electronic shipment tracking system where the importer can get its shipment status update?
<b>Q15.</b>	Does your enterprise have a real time system that notifies it once empty containers are returned by the importer?
<b>Q16.</b>	How is shipment booking applications made ?

Response	Q14		Q15	
	Frequency	Percent	Frequency	Percent
<b>No</b>	0	0%	2	100.0%
<b>Yes</b>	2	100.0%	0	0%
<b>Total</b>	2	100.0%	2	100.0%
Response	Q16			
	Percent			
<b>Electronically</b>	0%			
<b>Both Hard Copy and Electronically</b>	50%			
<b>Hard Copy</b>	50%			
<b>Total</b>	100.0%			

Source: Survey result (2015)

**Table 4.14** of **Q 14** shows that, **100% of** the respondents confirmed that the enterprise do have an electronic shipment tracking system that is accessible by the importer in order to know the shipment status update and **Q15** indicates that, **100%** of respondents confirmed that there is no real-time system to notify of the return of empty containers. Where **Q16** shows that, **50%** of the respondent informed the enterprise uses both hardcopy and electronic process of the shipment application booking while others **50%** of the respondent confirmed shipping booking application is made through hard copy.



**Table 4. 15 ICT Infrastructure Assessment Questions (17-20)**

<b>Q17.</b>	Is FMCG product importers like ALLE! Required to submit any paper documents in order to get sea, inland transportation payment requests and to refund container deposits?
<b>Q18.</b>	How does your enterprise issue container releases after the importer finalizes the required formalities?
<b>Q19.</b>	Does your enterprise have a real time system that notifies it the status of container loaded trucks once they depart from Djibouti?
<b>Q20.</b>	Does all the concerned stakeholders have an integrated internet based platform where they can share the inspection results if necessary?

Response	Q17		Q18		Q19		Q20	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>No</b>	0	0%	2	100.0%	2	100.0%	2	50.0%
<b>Yes</b>	2	100.0%	0	0%	0	0%	2	50.0%
<b>Total</b>	2	100.0%	2	100.0%	2	100.0%	4	100%

Source: Survey result (2015)

**Table 4.15 of Q17** above shows that, all of the respondents mentioned that the enterprise requires paper documents to be submitted on prior of requesting to get any sea or inland transportation payment requests and also for refund of container deposits. And also **Q18** shows that, all of the respondents mentioned that the enterprise issues container release by using paper based mechanism after the importer finalizes the required formalities. Where **Q19** above indicates that , all of the that the enterprise doesn't have real time system that notifies the status of container loaded trucks once they depart from Djibouti which implies the importer has to track its shipments by actually require through communicating the enterprise which leads to unknown lead time of the status of the containers loaded by the exporter.

**Table 4.15 of Q20** below shows that, **50 %** of the respondent believed the availability of an integrated internet based platform within all concerned stakeholders while **50%** of the remaining stated there is no platform exists.

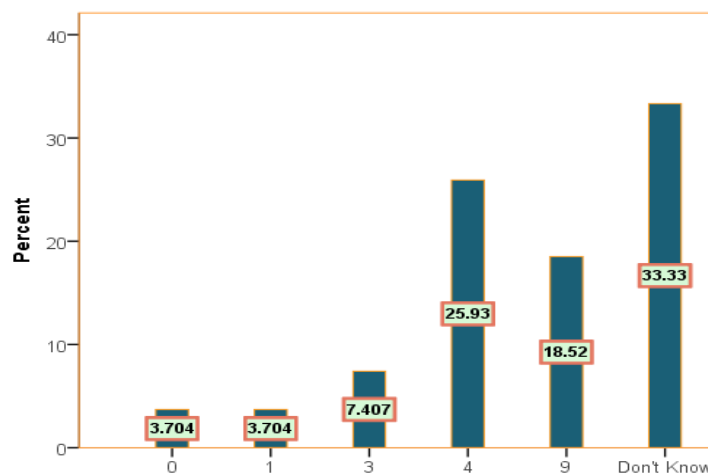
**Basic research question # 4 -Analysis on Logistics Interconnectivity between Stakeholders which affect ALLE!'s Operation**

**Q1.** How many governmental & non-governmental agencies and other stakeholders are involved to complete a specific transaction while importing products?

The study measured the number of stakeholders involved to complete a single import transaction as shown in the **figure 6** below.

Majority of the respondents of **33.33 %** revealed that they don't know the exact number of stakeholders involved in a single transaction of importing FMCG products and **18.52 %** of the respondents revealed with **9** stakeholders that are involved and **25.93 %** of the respondents confirmed with **4** stakeholders and **22.2 %** of the respondent fall under from 0 to 3 stakeholders involvement

This implies there is a greater probability that an interested party who involves in the international trade business must expect to deal with a combination of at the minimum of 3 and maximum of 9 governmental and nongovernmental organizations.



Source: Survey result (2015)

**Figure 5 Number of Agencies Involved**

**Table 4. 16 FMCG Actor’s Inadequacy on ALLE!’s operation Assessment Questions (2-4)**

<b>Q2.</b>	Does your institution accept electronic copies of supporting documents required to finalize import formalities
<b>Q3.</b>	Do importers like ALLE! Required to visit your institution in order to get service charge payment requests?
<b>Q4.</b>	Did your institution published its service charge rates on any form of media (including internet) to help importers to know how much they are expected to pay in advance

Response	Q2		Q3		Q4	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>No</b>	13	48.1%	2	66.7 %	2	66.7%
<b>Yes</b>	5	18.5%	1	33.3 %	1	33.3%
<b>Don’t Know</b>	9	33.3%	3	100%	0	0%
<b>Total</b>	27	100%	6	100%	3	100%

Source: Survey result (2015)

**Table4.16 of Q2** above shows that **48.1%** of the respondents replied that their institution doesn’t accept electronic copies of supporting documents in order to finalize the import formalities and **33.3%** of the respondents doesn’t know whether their institution accept electronic copies of supporting documents or not and the remaining **18.5 %** respondents say their organization accept electronic copies. Furthermore, this implies to conduct import formalities it’s a slight present that organizations communicates electronically and all formalities mostly conduct by receiving hard copies.

**Table 4.16 of Q3** above shows that, almost **66.7 %** of the respondent mentioned that the institution doesn’t require importers to always visit for payment requests made for the service provided while **33.3%** of the respondents disregard the above statement and there are times where the importer needs to visit the organization for payment requests .Where Q4 show’s that, from the total respondents **66.67 %** confirmed that the institution published its service charge rates on any form of

media (including internet) to help importers to know how much they are expected to pay in advance while 33.33 % of the respondents disregard with the above statement and the organization doesn't share any of its service rates prior for the imports to know in advance.

### **Open ended Questions Analysis**

<b>Q1.</b>	key documents hard copy /electronically exchange outside between trade facilitators in Ethiopia (including FMCG's) and their counterparts outside Ethiopia
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Through this specific open ended question, the student researched identified that the majority of documents are exchanged between trade facilitator stakeholders (including FMCG's) themselves as well as their counterparts outside Ethiopia in hard copies as detailed below.

### **ESLSE**

- Cargo manifest on EDI(Electronic Data Interchange) format will be submitted to Djibouti port and customs: Electronic data exchange
- Scanned Bill of lading to Djibouti transitors association so that they will submit customs declaration to Djibouti custom : Electronic data exchange
- Freight invoice : In Hard copy

### **Phoenix and ALLE!**

- Customs declaration: In Hard copy
- Bill of lading :In Hard copy
- Container release :In Hard copy
- Goods Entry permit issued by ERCA :In Hard copy

## **ALLE!**

- Customs Declaration :In Hard copy
- Certificate of Origin :In Hard copy
- Commercial Invoice :In Hard copy
- Packing List :In Hard copy
- Insurance Policy :In Hard copy
- Bank Permit :In Hard copy
- Bill of Loading :In Hard copy
- Freight Invoice :In Hard copy
- Bank Debit Advice :In Hard copy
- Trade License, Vat Certificate, Tin Certificate :In Hard copy
- Health Certificate :In Hard copy
- Certificate of Analysis :In Hard copy
- Fumigation Certificate :In Hard copy
- Phytosanitary Certificate :In Hard copy

## **ERCA**

- Removal Document :In Hard copy
- Bill of lading :In Hard copy
- Packing List :In Hard copy
- Commercial Invoice :In Hard copy

## **FHMACA & MOT**

- Health Certificate :In Hard copy
- Analysis Certificate :In Hard copy
- All Customs Document :In Hard copy

## **AIC**

- Insurance Policies :In Hard copy

**Q2.** Additional comments regarding logistics interconnectivity between trade facilitator stakeholders

In general from the response collected from all FMCG actors it can be summarized that all require a best intersection mechanism for their day to day operational activities in facilitating the import and export process which they recommend the single window urgency and the feasibility is essential which will play a vital role between the trade facilitators in one window so that the operation will be more efficient and integration between the stockholders will be strong for the greater output in the economy of Ethiopia.

### **4.3 Findings of the study**

Out of the 27 respondent customers, **74%** of them were trade facilitator organizations followed by **11%** and **15%** from ALLE! and its international suppliers respectively. Moreover, more than **55%** of the respondents have got an experience of more than six years on the area.

Furthermore, the major findings are presented in line with the basic research as follows:

#### ***Major findings on the level of logistical interconnectivity between the stakeholders during goods importation***

- The majority of the respondent (**66.6%**) revealed that there is no national platform that connects the trade facilitator organizations with FMCG importers like ALLE! Even though its opposed by significant amount of respondents (**29.6%**) who believe that the currently available dispersed cross-functional committees organized by different stakeholders can give short term solutions by still admitting that they don't have working procedures for the conduct of their activities as revealed by more than **63%** of them.
- International suppliers revealed that they are expected to undertake product inspections before exporting to ALLE!and they obtain inspection results on web portals of the authorities in their home country.

- On the other side, a significant amount of respondent customers (**37%**) are not sure whether policies/procedures are established to ensure that product inspection related information are disseminated or not while the second majority (**33.3%**) said that there are no policies/procedures.
- Furthermore, there is no electronic single window system that interconnects the trade facilitator stakeholders as admitted by more than **85.2%** of the respondents. But, the international supplier's response shows that their home nations (Malaysia, France, India and United Arab Emirates) are beneficiaries of the system.
- Working hours are not adequately aligned across the trade facilitator stakeholders as indicated by the responses obtained from **59.2%** of the respondents.

#### ***Major findings on the information sharing trend of stakeholders of the FMCG sector***

- Electronic mode of communication is the major way of communication between the international suppliers and ALLE!.
- Respondents (**100%**) from CBE indicated that CBE confirms the establishment of letter of credit to the beneficiary banks (the bank nominated by the supplier) electronically.
- According to **81.5%** of the respondent, product inspection related information is not shared on real-time basis among the stakeholders who are in need of the information.
- The response of **55.5%** of the respondents shows that they don't have a clear directive to give priority to FMCG's during their service provisions.
- ERCA is the only stakeholder that published pre-arrival clearance procedures among the stakeholders who issues goods releases. But, it's not yet applicable to all FMCG's within ERCA itself as revealed by **100%** of ERCA's respondents.
- For the majority of the respondent (**44.4%**), it's not clear whether there is a published administrative appeal procedure or not. But, among the trade facilitator organizations, more than half of the respondents familiar enough that their institution with the procedure.
- ERCA remains the only stakeholder that issues goods release in hard copy and electronically while others solely use the former format. But, the electronic goods release system doesn't give any notifications to the FMCG importers once it finalizes the release process.

- More than half of the respondents (**55.6%**) revealed that their respective institutions do have a defined standard document processing time.
- Among the trade facilitator stakeholders who issues goods releases, MOT, FMHACA & ERCA has got either policy or a directive to allow them an expedited goods release on the request of an FMCG importer like ALLE!. But, they are yet to be published to create awareness to the importers.
- Hard copy document submission is still required to make customs duty & container deposit refunds (when there is any) according to **85.2%** of respondents from ERCA & ESLSE respectively. They have also admitted that their respective organizations do not notify the importers once they effect the refund.
- Furthermore, it does not notify customs bonded warehouse operators like ALLE! in advance their remaining customs guarantee bond balance until there balance became insufficient as revealed by **75%** of respondents from ERCA.
- More than **70%** of the respondents from the trade facilitator stakeholders does not have adequate awareness whether there is any legislation or government policy that requires border agencies and other stakeholders to coordinate & coordinate to undertake boarder control operations or not.

***Major findings on the ICT infrastructure of the stakeholders in order to support interconnectivity***

- About **52%** of respondents suffer from unavailability of sufficient & qualified staff.
- The majority of the respondent customers (**55.5%**) of the respondents are not sure whether publications on the existing Ethiopian import-export regulations are available in the internet and also confessed that importers might not find adequate information related to their service on the internet easily while **44.4%** said it's available. Due to this, international suppliers of ALLE! tend to rely on the information they get from the importer only.
- Shipment booking applications can be made either in hard copy or electronically (on e-mail) at ESLSE. Furthermore, shipments can be tracked electronically while they are at sea.



- But, ESLSE does not have a system that notifies importers like ALLE! The status of container loaded trucks once they depart from Djibouti according to the respondents from ESLSE (**100%**).
- Internet connection is not available for customs and other trade control agencies at border-crossings according to **77.8%** of the respondents.
- More than eight types of ICT systems or applications are used by trade facilitator stakeholders who are not interlinked or do not a common SharePoint. Furthermore, none of them does have a window that gives an access to FMCG importers as revealed by more than **77.8%** of the respondents.
- The responses obtained from the respondents from trade facilitator governmental institutions i.e. ERCA, ESLSE, MOT and FMHACA do not consider electronic submission of customs declaration and other shipping documents relevant and rejected by **75%, 50%, 66%** and **100%** of respondents respectively. Due to this, shipment related information are exchanged with major international trade partners like Djibouti customs in hard copy documents as revealed by more than **77.8%** of the respondents.
- As indicated by **92%** of the respondents, their institutions require submission of hard copy documents (instead of the electronic one) in order settle either customs duty or any other applicable service charges. Furthermore, they didn't build capability to enable customers settle their charges in an online electronic payment system.

#### ***Major findings on the Level of logistical interconnectivity between the stakeholders***

- The study revealed that there is lack of enough awareness regarding how many trade facilitator stakeholders are required to complete a single FMCG import transaction among the respondent trade facilitator stakeholders as only **18.5%** of the respondents identified the correct answer.
- Submitting documents electronically remains inapplicable as indicated by **92.6%** of the respondents.

- Once FMCG importers like ALLE! Submits the required documents for further processing at the trade facilitator's office, they don't have any means to track their documents status electronically according to the response of **96.3%** of the respondents.
- A handful amount (**89%**) of the respondents said that FMCG or any other importers needs to visit their office in person along with their supporting documents in order to get their service charge payment requests and also to know their expected fee as they don't publish their service charge rates in any form of media (including internet).
- ERCA does not have a real time system that will notify it when empty containers are returned so that it will prepare container customs bond guarantee deposited by FMCG importers while importing containerized goods according to **89%** its respondents.

## CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS

### 5.1 Summary

The general objective of the study was *assessing the level of logistical interconnectivity and its impact of Ethiopian FMCG sector in the case of ALLE!* and by having specific objectives of assessing the level of logistics interconnectivity between stakeholders, identifying their information sharing trend and their ICT infrastructure capability and also assessing how the logistics interconnectivity impacts the operation of ALLE!.

In order to make the assessment, the student researcher developed four research questions that was indicated under the basic research question part of this study and they were answered through the responses obtained from 27 respondents that were selected through a non-probability sampling method called snowball sampling.

Among the many findings that the study generated, unavailability of single window, inspection results are not shared between the stakeholders in real time basis, working hours are not similar among them, timely notification is not sent to importers, less level of coordination and high reliance in hard copy documents.

### 5.2 Conclusions

In relation to the **level of logistical interconnectivity between the stakeholders**, the researcher concludes that there is no national platform like electronic single window that interlinks trade facilitator organizations and give single window to the FMCG importers like ALLE!, products are often inspected in the exporting country and the importer is again required to pass customs, standard and health inspection processes in Ethiopia, inspection results are not being share between the

authorities and rather the importer is required to take the results in hard copy and deliver it to the stakeholders involved, policies and procedures are not established by trade facilitator organizations regarding how to share product inspection results, ICT systems/applications being used by the stakeholders does not have SharePoint and similar working hours were not implemented by them.

Secondly, **the information sharing trend of stakeholders** is found to be in an infant level as there is no real-time information sharing between them, didn't have a timely notification system to the importers, importers were not well informed about different regulations, standard document processing time and administrative appeal procedures.

Furthermore, modes of communication like websites were not properly utilized to teach their employees, importers, international suppliers and others, trade facilitator stakeholders didn't exert much effort to teach their employees regarding the service of other stakeholders so that they will be in a position to understand what kind of challenges are faced by the importer plus employees of trade facilitator organizations are not well aware on the areas of co-ordination and co-operation between boarder controlling organizations.

The level of **ICT infrastructure of the stakeholders in order to support interconnectivity** is another area that was evaluated and based on the findings, we can conclude that the trade facilitators are highly dependent manual procedures and usage of hard copy documents which makes submission of electronic documents less acceptable and the ICT systems/ applications being used vary among the stakeholders which makes interlinking them or creating a SharePoint difficult.

Importers are blind folded regarding their shipment status that is transported through multimodal once it reaches Djibouti and also after it loaded on truck from Djibouti, there is no way they can track it on real-time basis, on found to be in an infant level as there is no real-time information sharing between them, didn't have a timely notification system to the importers (including status of refunds), importers were not well informed about different regulations, standard document processing time and administrative appeal procedures. Furthermore, internet connectivity is not widely available for customs and other trade control agencies at border-crossings.

The **Level of logistical interconnectivity between the stakeholders** is at a beginner level and the student researched concluded that it affected ALLE! including not getting real time shipment status will make pre-goods operational preparations difficult, will be forced to buy additional customs bond guarantees as a contingency since it don't have the exact balance status, is forced to visit each stakeholder's office to complete a single transaction, deliver product inspection results to the stakeholders in person, a shared tendency not to agree on the idea of receiving electronic copy of supporting documents between stakeholders will force the company to wait till it receive the hard copy documents from the supplier, document processing takes longer time and needs additional expense, FOREX applications will not be processed till ALLE! gets final clearance from ERCA and delivers it to NBE and customs duty & freight settlement takes much time as it involves ERCA, ESLSE & CBE.

### **5.3 Recommendations**

The recommendations are made based on the drawbacks observed and in a way that answers the major research questions and with an intention to meet the objective of the study. The recommendations are highlighted as follows:-

#### **5.3.1 Interconnectivity Benefits**

In order to have a **successful interconnectivity** between the trade facilitator stakeholders, both governmental and non-governmental stakeholders should create a clear understanding among themselves and among their employees what kind of benefit it will bring them.

As indicated under the literature review, interconnectivity will help all the tripartite parties i.e. **International supplier – Trade Facilitator – FMCG Importer** to have an integrated data regarding every import transaction, avoid duplicated tasks as there is no need to enter a data again that is already done at another window which in turn will help them to effectively utilize their man power, create synergies between different organizations which will also harmonize their working

relationships, increase service provision and customer satisfaction and, it will increase the stakeholders profitability.

The performance might be also affected internal or external factors as well as controllable or uncontrollable factors. Such, factors might affect the multimodal transportation service quality when the cargo is at port of loading, while loading the cargo, at sea, while discharging the cargo at port of Djibouti, or at Port of Djibouti cargo storage area, while clearing the cargo at Djibouti customs, during inland transportation to the place of delivery or after it reaches its final destination in Ethiopia.

Therefore, there must be an awareness creation program in a macro level so that all parties will work towards the success of logistics interconnectivity related programs by exerting their maximum effort.

### **5.3.2 Electronic Single Window is not the future: it's the present**

Having a fully functional electronic single window is not an idea or a luxury that we can think of for the future. Rather, it's something that all the parties involved should look into and invest on if they want to keep Ethiopia competitive in the international trade, minimize Ethiopia's inefficiency cost that is being paid from the hard fought revenue, decrease logistics operational costs so that the price of an ever increasing consumer goods in the local market will show stability and will give increase the purchasing power of end consumers.

Furthermore, having ESW will help Ethiopia to improve its position on the ease of doing business ranking which in turn will increase the country's investment inflow.

### **5.3.3 FOREX**

FOREX shortage is becoming a major factor that is hampering the international trade and seems like it's getting out of control sometimes. Therefore, besides exerting more effort on the export leg that brings inward flow of FOREX, it might worth considering other ways to solve the issue including provision of bank guarantees to major importers to enable them credits from their foreign

suppliers or even to help them get the FOREX financing from other international sources if it does not have major effect on the economic & banking policies.

#### **5.3.4 Customer Centric Service**

Trade facilitator organizations should build a customer centric service approach with an assumption that FMCG's as well as other importers are the heart beat of Ethiopia's international trade activity and satisfying their demand without violating the law, will be considered as an additional incentive to motivate them.

Furthermore, governmental service giving organizations like CBE & ESLSE should avoid the idea of considering themselves as a giant who lead the local industries in their respective area and rather focus on getting their customers trust and strengthen their position in their customers mind because sooner or later, multinational companies might be given the chance to enter into Ethiopian market.

#### **5.3.5 Electronic documents & payment system**

Trade facilitation activity needs to be flexible enough to accept electronically issued documents as well as build an electronic payment settlement system so that the overall trade cost will decline.

Therefore, trade facilitator stakeholders should work on ICT systems that will accommodate electronic document submission and verification systems while local banks as well as National Bank of Ethiopia should take the responsibility of building a capable electronic payment settlement infrastructure and the capacity to contribute their part for the development of our country.

#### **5.3.6 Standardized goods inspection**

Goods are inspected for various reasons including for customs, health and to identify whether it meets Ethiopia's minimum standard laid under its category. But, the inspection process is also becoming one of the bottleneck areas that takes much longer time and extended documents.

Therefore, entry to electronic single window will help to the stakeholders to build a strong partnership with organizations in the exporter's country and see if an inspection held by them is acceptable and can be also shared before the products arrival in Ethiopia so that it will also create a possibility to have a pre-arrival clearance system in place.

### **5.3.7 Co-Planning**

Trade Facilitation activities has got a macro-level effect on the country and the stakeholders need to co-plan their activities in a coordinated manner.

The student researcher believes that the an integration of the above recommendations as well as lessons learnt by FMCG's as well as trade facilitator stakeholders will help them to achieve cost effectiveness, timely delivery and reliability which are underlined under the logistics performance index as a major outcome.



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## **APENDICES**

### **Annex I- Questionnaire**

# **Annex I: Questionnaire**

**St. Mary's University**

**School of Graduate Studies**

**Department of Business Administration**

## **Assessment On Logistics Interconnectivity With Special Reference To Ethiopian Fast Moving Consumers Goods (FMCG) In Ethiopian Trading Enterprise (Alle!)**

This questionnaire is developed by a final year MBA student of St. Mary's University School of Graduate Studies Department of Business Administration as a partial fulfillment of the requirement for the award of MBA degree in Business Administration. The study aims to undertake **an assessment on Logistics Interconnectivity and with special reference to Ethiopian Fast Moving Consumer Goods (FMCG) sector in the Ethiopian Trading Enterprise .**

**Dear respondent,**

I am very thankful for your thoughtfulness in taking your time to examine this questionnaire which applies for the study aims in identifying the level of interconnectivity between stakeholders involved during importation of fast moving consumer goods and how it impact the performance of Ethiopian FMCG sector more specifically in the case of Ethiopian Trading Enterprise (ALLE!). The final result of this study is believed to benefit the selected enterprise and the stakeholders involved in measuring the level of logistics interconnectivity within multimodal transportation which in turn will enable to provide a reliable service to its customers.

Your experience and opinion are highly valuable and I would be very grateful if you would spare a couple of minutes to take part in this survey by completing the questionnaire below.

1. You may fill in the questionnaire by yourself. Alternatively, you and other experts in trade facilitation may jointly fill in the questionnaire (bearing in mind that the questionnaire covers many different areas of trade facilitation which may require expertise from different experts to provide accurate answer).
2. Please be assured that your answers, together with feedback from other respondents, will be analyzed in an aggregate manner. No individual name will be released in the study report.

In filling up this questionnaire, please tick ( ) your answers from the choices provided on **part I ,part II,Part IIIandPart VI** also write your answers/comments on the blank spaces for **part V**.

**N.B You don't need to specify your identity and your responses for this questionnaire will be kept confidential.**

**Part I General information**

**1. Your organization is** *(please indicate the correct response by putting an X in the corresponding brackets):*

Ethiopian Revenue and Customs Authority       Ethiopian Shipping and Logistics Services Enterprise

Commercial Bank of Ethiopia, Bole Medhanialem Branch       FMHACA Kaliti Branch

Ministry of Trade Kaliti Branch                                       Custom Clearing Agent

Africa Insurance Company, Yoseph Branch       National Bank of Ethiopia

Foreign FMCG supplier, \_\_\_\_\_

**2. How many years of experience do you have in trade facilitation?**

Less than 2 years     2 to 5 years     6 to 9 years     10 years and more



<b>Part I questions - on Logistics Interconnectivity</b>	
1	<p>Is there any national or international platform where you can communicate with border agencies, governmental &amp; non-governmental agencies and private sector stakeholder including importers like ALLE ?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
	<p>If Yes, does the platform have established working procedures for the conduct of its activities?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
2	<p>Are policies/procedures established to ensure that product inspection related information (e.g., profiles and related control instructions) are disseminated to all relevant Customs and other governmental agencies offices and used in customs declaration processing?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
3	<p>Does legislation or government policy enable or require national border agencies and other related stakeholders to coordinate, cooperate and assist each other in carrying out border control operations?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
4	<p>Is there an inter-agency agreement or memorandum-of-understanding that defines modes of cooperation among national border authorities?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
5	<p>Is there an inter-agency working group or similar body to develop strategy and oversee implementation of border agency cooperation?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>

6	<p>Does your organization delegate any form of controls that is related to your institution to Ethiopian customs?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
7	<p>Is there an agreement between your institution and other concerned governmental &amp; non-governmental agencies to align working days and hours?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
8	<p>Is there an electronic single window system that connects your institution with all relevant trade facilitation stakeholders (including government agencies, importers and other stakeholders)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
9	<p>Do you share product inspection related information on internet or other internet supported real time information sharing mechanisms with the other stakeholders who are in need of the results?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
10	<p>Do an International supplier expected to undertake product inspections before exporting them to ALLE! by relevant Customs and other governmental agencies offices ?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
<b>Part II Questions on Information Sharing Trend of FMCG Stakeholders</b>	
1	<p>Do you share any relevant information on internet or other internet supported real time information sharing mechanisms.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>

2	<p>Are procedures published to allow a declarant to lodge, and to require the customs and/or other relevant authorities to process, declarations and supporting documents prior to arrival of the goods?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
3	<p>Does your institution give appropriate priority to FMCG's and does it have a clear directive on this issue?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
4	<p>Is pre-arrival processing applicable to all FMCG importers like ALLE! ?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
5	<p>Does your institution have a standard document processing and releasing time?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
6	<p>Are the procedures for filing an administrative appeal published?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
	<p>If Yes, is it possible to make the filling process electronically?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
7	<p>How your institution issue goods releases once the importer finalizes the required process?</p> <p><input type="checkbox"/> On hard copy <input type="checkbox"/> Electronically <input type="checkbox"/> Don't know</p>
	<p>If its electronically, Do you send any form of an electronic notification once you finish processing the importer's document internally?</p> <p><input type="checkbox"/> On hard copy <input type="checkbox"/> Electronically <input type="checkbox"/> Don't know</p>

8	<p>Is there a policy or legal framework or a directive in place to allow your institution to provide expedited release of goods on the request of an FMCG importer like ALLE?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
9	<p>Are procedures on rapid release of expedited shipments published?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
10	<p>Does your enterprise require any paper documents like hard copy container interchange receipts to refund container deposits?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
11	<p>Does it give any form of timely notification once it makes container deposit refunds to the importer like ALLE?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
	<p>If Yes, how is the notification made to the importer?</p> <p><input type="checkbox"/> Electronically <input type="checkbox"/> Paper based notification <input type="checkbox"/> Don't know</p>
12	<p>Does your institution accept electronic copies of supporting documents required to finalize import formalities?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
13	<p>Does your institution require any paper documents to make any refunds like customs duty &amp; container deposit refunds (if any)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
14	<p>Does your authority notify customs bonded warehouse operators like ALLE! About their remaining customs guarantee bond balance?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>

	<p>If yes, is it notified</p> <p><input type="checkbox"/> only if the importer requests <input type="checkbox"/> Real time electronic notifications <input type="checkbox"/> Other, _____ <input type="checkbox"/> Don't know</p>
<b>Part III questions on ICT Infrastructure</b>	
1	<p>Are sufficient and qualified staffs available to your daily task of trade facilitation and handling customer enquiries?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
2	<p>Can importers like ALLE and other interested parties easily find information related to your institutions service they need on the internet?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
3	<p>Does your authority notify customs bonded warehouse operators like ALLE! About their remaining customs guarantee bond balance?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p> <p>If yes, is it notified</p> <p><input type="checkbox"/> only if the importer requests <input type="checkbox"/> Real time electronic notifications <input type="checkbox"/> Other, _____ <input type="checkbox"/> Don't know</p>
4	<p>Does your institutions ICT system have a window where the importer can access?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
5	<p>Internet connection available to Customs and other trade control agencies at border-crossings</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>

6	<p>Is there an electronic single window system that connects your institution with all relevant trade facilitation stakeholders (including government agencies, importers and other stakeholders)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
7	<p>If Yes, Is electronic single window system fully functional?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
8	<p>How does your authority collect customs duties and other service fees?</p> <p><input type="checkbox"/> Electronic payment systems <input type="checkbox"/> Cash <input type="checkbox"/> Bank Transfers <input type="checkbox"/> Cheque <input type="checkbox"/> Other, _____ <input type="checkbox"/> Don't know</p>
9	<p>What kind of Electronic/automated Information Technology System does your institution use on its daily operation?</p> <p><input type="checkbox"/> _____ <input type="checkbox"/> Do not know</p>
10	<p>Is there a legal act or formal policy in place on publication of existing import-export regulations on the Internet?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
11	<p>How does your enterprise exchange shipment related information with Djibouti &amp; Ethiopian customs?</p> <p><input type="checkbox"/> Paper based <input type="checkbox"/> Electronic Data Exchange <input type="checkbox"/> Don't know</p>
12	<p>Does your enterprise have an electronic shipment tracking system where the importer can get its shipment status update?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
13	<p>Does your enterprise have a real time system that notifies it once empty containers are returned by the importer?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>

14	<p>How is the shipment booking applications made?</p> <p><input type="checkbox"/> Paper based booking application forms <input type="checkbox"/> Electronic booking applications <input type="checkbox"/> Both <input type="checkbox"/> Don't know</p>
15	<p>Is FMCG product importers like ALLE! required to submit any paper documents in order to get sea &amp; inland transportation payment requests ?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
16	<p>How does your enterprise issue container releases after the importer finalizes the required formalities?</p> <p><input type="checkbox"/> Electronically <input type="checkbox"/> Paper based container releases <input type="checkbox"/> Don't know</p>
17	<p>Does your enterprise have a real time system that notifies it the status of container loaded trucks once they depart from Djibouti?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
18	<p>Does your enterprise have an electronic system where the importers like ALLE! can get the status of its documents that are under customs clearance at your institution?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
19	<p>Is procedure on electronic submission of Customs declaration and other shipping documents relevant to your institution?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
20	<p>Does your institution give any form of timely notification for any service provided or on prior execution of formalities?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know</p>
	<p>If Yes, how is the notification made to the importer?</p> <p><input type="checkbox"/> Electronically <input type="checkbox"/> Paper based notification <input type="checkbox"/> Don't know</p>

<b>Part V on Logistics Interconnectivity between Stakeholders which affect ALLE!'s Operation</b>													
1	How many governmental & non-governmental agencies and other stakeholders are involved to complete a specific transaction while importing food products?  [ ] _____ [ ] Do not know												
2	Does your institution accept electronic copies of supporting documents required to finalize import formalities?  [ ] Yes [ ] No [ ] Don't know												
3	Do importers like ALLE! required to visit your institution in order to get service charge payment requests?  [ ] Yes [ ] No [ ] Don't know												
4	Did your institution published its service charge rates on any form of media (including internet) to help importers to know how much they are expected to pay in advance?  [ ] Yes [ ] No [ ] Don't know												
<b>Part V - Open ended Questions</b>													
1	Please list the key documents electronically exchanged with your institution's stakeholders outside Ethiopia (like Djiboutian counterparts)? which countries  <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Document type</td> <td style="width: 30%;">Stakeholder name</td> </tr> <tr> <td>Country</td> <td></td> </tr> <tr> <td>*</td> <td></td> </tr> <tr> <td>*</td> <td></td> </tr> <tr> <td>*</td> <td></td> </tr> <tr> <td>*</td> <td></td> </tr> </table>	Document type	Stakeholder name	Country		*		*		*		*	
Document type	Stakeholder name												
Country													
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2	<p>Please list the key documents exchanged in hard copies with your institution's stakeholders outside Ethiopia (like Djiboutian counterparts)? which countries</p> <table border="0"> <thead> <tr> <th data-bbox="402 233 607 268">Document type</th> <th data-bbox="1292 233 1528 268">Stakeholder name</th> </tr> </thead> <tbody> <tr> <td data-bbox="402 289 509 325">Country</td> <td></td> </tr> <tr> <td data-bbox="402 346 418 373">*</td> <td></td> </tr> <tr> <td data-bbox="402 401 418 428">*</td> <td></td> </tr> <tr> <td data-bbox="402 455 418 483">*</td> <td></td> </tr> <tr> <td data-bbox="402 510 418 537">*</td> <td></td> </tr> </tbody> </table>	Document type	Stakeholder name	Country		*		*		*		*	
Document type	Stakeholder name												
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3	<p>Any comments regarding logistics interconnectivity between trade facilitator stakeholders?</p>												