

**ST. MARY'S UNIVERSITY**  
**FACULTY OF BUSINESS**  
**DEPARTMENT OF MARKETING**

**CHALLENGES OF CUSTOMS ON TRADE FACILITATION IN  
ETHIOPIA: THE CASE OF CUSTOMS CLEARANCE IN ERCA**

**BY**  
**SEBLE GETNET**

**JUNE, 2014**  
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FACILITATION IN ETHIOPIA: THE CASE OF CUSTOMS  
CLEARANCE IN ERCA**

**A SENIOR ESSAY SUBMITTED TO THE  
DEPARTMENT OF MARKETING MANAGEMENT**

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FOR DEGREE OF BACHELOR OF ARTS I MARKETING  
MANAGEMENT**

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## Acronyms

ARTNeT:	Asia-Pacific Research and Training Network on Trade
ASYCUDA:	Automated System for Customs Data
BDTI:	Bureau Direct Trader Input
COMESA:	Common Market for Eastern and Southern Africa
CPC:	Customs Procedure Code
CRO:	Committee on Rules of Origin
DTI:	Direct Trader Input
EAC:	East Africa Community
ECLAC:	Economic Commission for Latin American and the Caribbean
ERCA:	Ethiopian Revenue and Customs Authority
GATT:	General Agreement on Tariff and Trade
GDP:	Gross Domestic Product
HQ:	Head Quarter
HS:	Harmonized System
ICT:	Information Communication Technology
IT:	Information Technology
MOFED:	Ministry of Finance and Economic Development
MTI:	Ministry of Trade and Industry
MTSE:	Maritime and Transit Enterprise
OECD:	Organization for Economic Co-Operation and Development
RDTI:	Remote Direct Trader Input
ROO:	Rule of Origin
SPS:	Sanitary and Phytosanitary
SPSS:	Statistical Package for Social Science
SRAs:	Standardized Risk Assessments
TBT:	Technical Barriers to Trade
TCRO:	Technical Committee on Rules of Origin
UN/CEFACT:	United Nations Center for Trade and Electronic Business
UNCTAD:	United Nation Conference on Trade and Development

UNDP: United Nations Development Program  
UNECE: United Nations Economic Commission for Europe  
UNESCAP: United Nation Economic and Social Commission for Asia and the Pacific  
VAT: Value Added Tax  
Ver: Version  
WCO: World Customs Organization  
WTO: World Trade Organization

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# **Chapter One**

## **Introduction**

### **1.1. Background of the Study**

According to, (2006), the customs has been described for a century as one of ‘gate keeper’, with customs authorities representing a barrier through which international trade must pass, in an effort to protect the interests of the country. The essence of this role is reflected in the traditional customs symbol, the portcullis, which is a symbolic representation of a nation’s ports the gates through which international trade must pass.

According to McLinden (2005, page no 119) stated that customs is the oldest of governmental institution established to generate income for government in the form of taxation. Nevertheless, the roll of customs becomes more important and more complicated due to tax base become widened, the prevalence of illegal trade, and the need for balance between trade facilitation and control. All countries have in place some customs controls for revenue generation, domestic economic interests, and national security purposes.

Customs clearance in the developing world is in rapid evolution. The development in customs can be described in three stages. In the first, the customs authority concentrates on physical inspection and paperwork, in the second, the customs authority works to reduce fraud and maximize revenues, and in the third, the customs works to facilitate trade through internal checks, process management and the development of electronic data exchange (Appels and Henry, 1998). Therefore, trade facilitation is one of the focal point that customs authority concentrated on among the others.

Africa suffers from the highest average customs delays in the world,12days on average. Estonia and Lithuania require one day for customs clearance; Ethiopia averages 30 days as cited in the (Buyonge and Kireeva, 2008) Journal Article. However, the journal article did not show where these lengths of time release took from. For instance in the Ethiopian case, it did not indicated whether clearance time is before or after the re-organization of the authority. So the reliability of the average time is questionable and of course needs further study.

The Ethiopian Revenues and Customs Authority (ERCA) is the body responsible for collecting revenue from customs duties and domestic taxes. In addition to raising revenue, the ERCA is responsible to protect the society from adverse effects of smuggling. It seizes and takes legal action on the people and vehicles involved in the act of smuggling while it facilitates the legitimate movement of goods and people across the border. The ERCA traces its origin to July 7, 2008 as a result of the merger of the Ministry of Revenues, the Ethiopian Customs Authority and the Federal Inland Revenues into one giant organization. (www.erca.gov.et)

## **1.2. Statement of the Problems**

Customs is a governmental agent that is responsible to collect revenue in the form of tax, trade facilitation and border protection. In every country of the world many scholars agreed that a country could not exist without having customs.

Nevertheless, the organizational structure may be different. Although there are many studies conducted in relation with customs and trade facilities in different corners of the world, the student researcher is unaware of similar studies in Ethiopian case as far as the researcher's knowledge is concerned. Many reforms have been taken by the Ethiopian government regarding to customs administration to facilitate trade especially import and export activities, increasing government revenue as well as border protection.

At the same time, the student researcher observes through different mass media that importers and exporters claim on long time release. Therefore, this indicates that still there are unsolved problems concerning to customs service, especially time length of clearing process, which adversely affect business community, government and the public at large.

Therefore, this paper examines the challenges of customs clearing time length in Ethiopian context.

## **1.3. Basic Research Questions**

- Where the customs clearance delay takes place?
- What are the causes for customs clearance delays?
- How effectively the existed law implemented?

## **1.4. Objective of the Study**

### **1.4.1. General Objectives**

The general objective of this study is to describe challenges of customs on trade facilitation in Ethiopia: the case of customs clearance in ERCA

### **1.4.2. Specific Objectives**

- To assess where the customs clearance delay takes place.
- To identify what the causes for customs clearance delays.
- To examine effectively the existing law implemented.

## **1.5. Scope of the Study**

Subject this research focuses on the challenge of customs clearance that can be implemented by the ERCA.

**Area:-** The research is delimited to ERCA in Addis Ababa city only in terms of area delimitation. Conceptually, it is restricted only on overview of clearing processes at ERCA. Methodologically, the research focused on the sample employee, import and clearing agent of ERCA. Regarding the area of study this research focused on A.A. Airport and A.A. Lagar (kality) and did not approach other branch officers.

**Time:-** the research study include 2006 – 2013 the reason the student researcher selected this time interval was because is that duration ERCA shifting from manual to full automated system.

## **1.6. Significance of the Study**

The significant of the study is to play a role in including the real cause behind the problems and their effects on the trade society, on government itself and on import export activities at large.

More over the study might be invaluable in any endeavor to modify customs related legislations, simplify and harmonize customs process, provide training to customs officers, resolve difficulties with trade entities and other public institutions i.e. agents involve in the customs clearance process.

Finally, the outcome of this study can offer an opportunity for further study related to customs and trade facilitation in the future.

## 1.7. Research Design and Methodology

Under mixed method approach, the researcher bases the inquiry on the assumption that collecting diverse types of data best provides on understanding of a research problem (Creswell 2003). This mixed approach is appropriate when either quantitative or qualitative approach by itself is inadequate to understand a research problem. To address the general objective and to fill the knowledge gap, adequate data from both methods is used, and converge data collected from both sources at the same time to get a comprehensive analysis of the research problem and interpret the overall result. Therefore, the researcher used quantitative survey research questionnaire and interview data gathering instruments together with documentary analysis.

### 1.7.1. Research Design

The descriptive research type has been applied since the student's researcher aims at describing the present's status of the mentioned problem. The study used both qualitative and quantitative approach. The research were use surveys research strategy which helps the student researcher in order to gain a deeper understanding of clearing process view point on the subject matter.

### 1.7.2. Population Sample Size and Sampling Techniques

The other element of sample design is determination of sample size, given the limitation of availability of time and other resources the sample size was determined as follows even if, there is no a single right way for the determination of sample size (Fowler 1984).

Accordingly the researcher has take 200 samples that was 20% from the total employees, 135 samples that was 20% from the total importers, and 180 samples that was 20% from the total clearing agent. For employees used Systematic random selection, for importer and clearing agent used convenient was applied in taking these samples.

*Table 1.7.2.1. Population of the study*

Category	Station		Total
	A.A. Kality	A.A. Airport	
Employee	120	80	200
Importer	-	-	135
Clearing Agent	-	-	180
<b>Total</b>			<b>515</b>

The student researcher used sample size 20% for all total employee, importer and clearing agent it means 40 employee, 27 importer and 36 clearing agent.

On the other hand, the researcher has drawn 2 interviewees from A.A kality and A.A. Airport Marketing Manager to get detailed and clarified information as they are decision maker in their respective organization.

### **1.7.3. Type of Data Collection**

The researcher used closed ended questionnaire for both quantitative and qualitative aspect of the research method. Further, primary data has been collected from Airport and A.A. Igar (kality) employee, importer and clearing agent. The secondary data on the other hand, is obtained from company profile and website, published documents and literature, books from library and the internet (e-books) those are relevant to this study.

### **1.7.4. Method of Data Collection**

The student researcher used survey questionnaires as the main idea gathering tool to collect data from employee, importer and clearing agent. The used questions were structured using a close ended. In addition, to gather data from the ERCA marketing manager an interview has been conducted by the student research.

### **1.7.5. Method of Data Analysis**

Data analysis consists of tabulation and percentages to analyze data which gathered from ERCA employees, importer and custom clearance agent. So, the specific methods applied in the study were survey methods and interview together with documentary analysis.

## **1.8. Limitation of the Study**

The major challenging was getting data from the authority, officials and employees were not voluntary to provide the available data the reason was confidentiality, but unsatisfactory. So in conducting lot of ups and downs were there. The other limitations of the study were time and finance constraints. To carry out these types of research, obviously time is the most invaluable input and of course budget is the other fundamental issue because the researcher is a full time worker.

## **1.9. Organization of the Study**

The study is assessing problems and reasons those delays customs clearing in Ethiopia in case of ERCA. The research paper will have four chapters. Chapter one gives the Background Information and Statement of the Problem. It set out general and specific objectives, significance of the study, scope of the study, research design and methodology of the study. Chapter two discusses the theoretical reviews as well as the experiences of other countries with respect to customs clearance. Chapter three contains data presentation, data analysis and data interpretation. Finally, Chapter four deals with summary, conclusion and recommendation.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

In this chapter, knowledge of customs has summarized based on different publication. Moreover, some authors work related to customs, customs clearance processes that have been undertaken on different countries was also reviewed.

### **2. General Overview**

#### **2.1. Knowledge of Customs**

The World Customs Organization (WCO), established in 1952, is an independent intergovernmental organization with 177 Members. Its mission is to enhance the effectiveness and efficiency of customs administrations in the areas of compliance with trade regulations, protection of society and revenue collection, thereby contributing to the economic and social wellbeing of nations ([www.wcoomd.org](http://www.wcoomd.org)). Customs contributes significantly to protecting the security and safety of citizens, as well as to increasing competitiveness through efficient, targeted controls and the facilitation of legitimate trade (ec.europa.eu), Taxation and customs Union.

#### **2.2. The Role of Customs**

The responsibilities of customs administrations vary from country to country, and are often the subject of regular review and modification to ensure their ongoing relevance in a constantly changing world. Traditionally, however, customs has been responsible for implementing a wide range of government policies, spanning areas as diverse as revenue collection, trade compliance and facilitation, interdiction of prohibited substances, protection of cultural heritage and enforcement of intellectual property laws. This breadth of responsibility, reflects the fact that customs authorities have long been entrusted with administering matters for which other government ministries and agencies have policy responsibility, such as health, agriculture, environment, trade statistics and in some cases, immigration. Nevertheless, the current trade towards global free trade and the recent heightening of international terrorism concerns have seen border security emerge as a priority across all economies (Widdowson, 2007).



### **2.3. Customs Modernization**

Customs modernization refers to comprehensive streamlining of processes, formalities, procedures and documents handled by an improved legal and regulatory framework, the optional application of IT solution, and the implementation of human resource management policy. The customs modernization program is accelerated by the parallel introduction of a customized capacity building plan to enable a customs administration to implement the necessary changes to its management and operational environment, (World Bank, 2008).

### **2.4. Automation in Customs**

Economic Commission for Latin American and the Caribbean (ECLAC, 2006) stated that, automated system in customs provides one of the most useful tools for facilitation of international trade procedures. As a complement to customs reform, automation becomes a catalyst for modernization of the customs and a stimulus for increased use of information and communications technology (ICT) by other governmental department and private sector participate in an automation initiative.

Automation system in customs, results in increasing transparency in the assessment of duties and taxes. The higher the level of automation of customs procedure in a country is the greater the possibility of detailed inspections of detections fraud and firm action including prosecution in court (Buyonge and Kireeva, 2008). The most ICT system used in Africa and Asia is that of ASYCUDA++, which classifies imports depending on their risk under Green, Yellow and Red (Kafeero, 2009).

### **2.5. Customs Procedures**

The term customs procedure refers to the treatment of goods by customs administration which is enshrined in national legislation. Customs procedures cover the whole spectrum of the customs system of control and facilitation of imported and exported goods, the movement of passengers, and goods in transit. From a trade facilitation perspective, the World Customs Organization's (WCO) international convention on the simplification and Harmonization of Customs procedures, that was extensively revised and adopted in June 1999. And commonly known as the revised Kyoto convention, is acknowledged as the main international instrument covering trade

facilitation as it pertains to the role played by customs administrations in the global trading system ([www.gfptt.org](http://www.gfptt.org) ,Global facilitation partnership for Transportation and Trade).

## **2.6. Customs Valuation**

In the majority of cases, the valuation agreement forms the basis for the customs values declared to customs administrations. The Agreement establishes a customs valuation system, which base the customs value primarily on the transaction value of imported goods, i.e. the price actually paid or payable for the goods when sold for export to the country of importation with certain adjustments.

Five alternative hierarchical valuation methods are also contained in the agreement and applied in cases where the transaction value of imported goods cannot be established. The world customs organization (WCO) valuation committee to administer the technical aspects of the Agreement through its Technical committee on Valuation while national customs administrations are responsible for the assessment and collection of customs duties and , in many cases, internal taxes too. As the Agreement provides more predictability, stability and transparency for the trading community, it is regarded as a major contributor towards the facilitation of international trade while insuring compliance with national laws and regulation ([www.gfptt.org](http://www.gfptt.org), Global facilitation partnership for Transportation and Trade).

## **2.7. Harmonized System**

The Harmonized (HS), regarded, as “common language of international trade, is the world customs organization’s (WCO) international multipurpose product nomenclature. The HS serves as a basis for a variety of purposes. These include customs tariffs, the collection of international trade statistics, trade policy, the application of rules of origin, the monitoring of controlled goods, the application of quota controls, the levying of internal taxes and freight tariffs, the collection of transport statistics, and economic research and analysis. It consists of a comprehensive classification system in which all commodities can be classified and identifies by a 6-digit harmonized system (HS) code. The HS is subject to constant review and is updated every four to six years. ([www.gfptt.org](http://www.gfptt.org) ,Global facilitation partnership for Transportation and Trade).

## **2.8. Revised Kyoto convention**

Since its inception in 1952, the world customs organization (WCO) has been working to develop modern principle that would buttress effective customs administrations by examining customs policies and practices worldwide, worldwide, cooperating with its member's administrations, and working with trade immunities and international agencies. The resultant revision of the convention, known as the revised Kyoto convention reflects that the economic and technological changes and incorporates best practice of member administration (Mikuriya, 2005).

The revised Kyoto convention provides for the simplification, harmonization and modernization of customs procedures. Procedures and stating minimum and maximum levels of facilitation and control for import, export, and transit of goods including the movement of passengers and means of transport, the revised Kyoto convention is regarded as the blueprint for trade facilitation

Core principles of revised Kyoto convention

- ✓ Higher transparency and predictability
- ✓ Standardized and simplified document
- ✓ Minimum request and intervention
- ✓ Divorce of release from intervention
- ✓ Use of risk management
- ✓ Specially simplified procedures for authorized traders
- ✓ Maximum use of information technology
- ✓ Cooperation with other agencies and foreign counterpart
- ✓ Partnership with the trade

## **2.9. Customs Clearance**

The WCO revised Kyoto convention, defines customs clearance as “the accomplishment of the customs formalities necessary to allow goods to enter home as to be exported or to be placed under another customs procedure”. And release as “the action by the customs to permit goods undergoing clearance to be at the disposal of the person concerned. Traditionally, customs authority do not release goods until all issues related to the transactions are resolved and duties are paid; thus as problems with goods classifications and valuation, missing documents, or appeal process against decision. Such delays have a negative impact on trader's supply chain as

the goods are uphold in a customs controlled facility are not at the disposal for the trader (UNCTAD ,2006).

As per the UNCTAD (2008), in many countries it is still normal not to release goods unless all issues are resolved and duties and taxes are paid. A lot of countries have resolved this problem by allowing the release of goods prior to the actual payment and are collecting duties and taxes in separate procedures, independent of the final clearance.

## **2.10. Risk assessment methods**

Risk managements logical and systematic method of identifying, analyzing managing risks. Risk management can be associated with any activity, function or process within the organization and enables the organization to take advantage of opportunities and minimize potential losses. Customs enforcement has developed drastically over the last to keep pace with the tremendous increase in international trade and transport, the growing awareness of transnational organized crime and, more recently, the threat of terrorism. This led to an increased awareness in customs administrations that national and international co-operation is essential this co-operation is based to a large degree on the sharing of information between customs services. More recent, the value of sharing information with the business sector and other law enforcement agencies has also been recognized, as being of prime importance.

- Standardized risk assessments (SRAs) are an important part of the customs intelligence function and contribute to the efficient and effective functioning of customs services, which in turn benefits international trade facilitation efforts ([www.gfptt.org](http://www.gfptt.org) Global facilitation partnership for Transportation and Trade).

## **2.11. Rules of Origin**

These are specific provisions known as “origin criteria” that are developed from principles established by national legislation or international agreements and which are applied to determine the origin of goods. Rules of origin (ROO) can be both non-preferential and preferential. Generally speaking, when we talk about non-preferential ROO, we normally referred to those ROO that will be established under the terms of the WTO agreement on rules of origin and which will be applied equally by all WTO members.

## 2.12. Trade Facilitation

The trade facilitation agenda is gaining increasing momentum as the Doha Ministerial Declaration and subsequent decisions of the general council of the WTO have sought to intensify international commitment to further expedite the movement, release and clearance of internationally traded goods in transit. Specifically, the Singapore Ministerial Declaration directed the council for trade in goods to undertake exploratory and analytical work, drawing on the work of other relevant international organizations, on the simplification of trade procedures in order to assess the scope for WTO rules in this area (Widdowson, 2007).

As pre UNESCAP, (2002), trade facilitation first included in the WTO agenda as one of the Singapore issues at the 1996 WTO Ministerial Conference. A symposium on trade facilitation was held in 1998 to explore the main concerns of traders when moving goods across borders. In November 2001, the Doha Ministerial Conference called for negotiations on trade facilitation after the 2003 WTO Ministerial and subject to agreement on the modalities of negotiation. WTO members formally agreed to launch negotiations on trade facilitation in July 2004. In the WTO text on trade facilitation, there are three specific articles dealing with the simplification and harmonizing of trade procedures namely:

1. **Freedom of transit** (article V), whereby each member state is requested to grant freedom of transit for goods, vessel and other means of transport crossing its territory via the routes most convenient for international transit.
2. **Fees and formalities** (article VIII), which states that all fees and charges imposed with respect to importation and exportation must be limited in amount to approximate the cost of services rendered and must not represent an indirect protection to domestic industry or a source of revenue for fiscal purpose.
3. **Publication and administrations** of trade regulations (article X) this requires that all trade regulations be published promptly in such a manner as to enable governments and traders to become acquainted with them.

Even though trade facilitation first included at the 1996 WTO Ministerial Conference there are several GATT provisions that are related to trade facilitation, that are agreement on: customs valuation, rules of origin, pre-shipment inspection, import licensing procedures, technical

barriers to trade (TBT) and the Application of Sanitary and Phytosanitary ( SPS) measures (www.unescap.org, unescap), a symposium on trade facilitation.

### **2.13. Capacity Building**

In the customs context, capacity building is commonly understood to mean developing or acquiring the skills, competencies, tools, processes and resources needed to improve the capacity of the administration to carry out its allotted functions and achieve its objectives. The OECD (2007) has estimated that time delays, paperwork and compliance related to border crossing costs between 5-13% of the value of the goods involved. Performance in respect of each of the key principles outlined in the Revised Kyoto Convention. The following principles are therefore based heavily on the convention. Integrity customs administrations should be free of corruption and strive to upload the highest levels of integrity.

**Transparency** customs laws, regulations, administrative guidelines and procedures should be public and provide to clients in an easy accessible manner.

**Accountability** customs administrations should be accountable for their actions through a transparent and easily accessible process of administration and/or judicial review.

**Predictability** customs laws, regulations, administrative guidelines and procedures should be applied in a stable and uniform manner.

**Facilitation & control** while ensuring proper enforcement of customs laws and regulations, customs administrations should strive to facilitate the processing and clearance of legitimate trade by risk management.

**Client service** customs administration should continually strive to improve the level of service they provide to clients.

**Standardization** customs law, regulations, administrative guidelines and procedures should, where appropriate, be harmonized with internationally agreed standards.

**Simplification** customs law, regulations, administrative guidelines and procedures should be simplified to the extent possible so that customs clearance can proceed without undue burden.

**Minimum intervention** customs administrations should apply sound risk management systems, and audit-based control to identify high-risk activities, people, cargo and conveyances and limit the level of customs intervention.

**Information and communication technology** customs administration should make maximum use of information technology to facilitate the adoption of the principles outlined in the revised Kyoto convention.

**Co-operation and partnership** customs should strive to develop co-operative relationships with all stakeholders including government agencies, the private sector and other customs administrations.

**Continuous improvement** customs should work with established standards of performance and implement systems procedures, which strive to continually improve the efficiency and effectiveness of all business process.

**Compliance improvement** customs should work with clients to assist them to improve their level of voluntary compliance. In addition, all customs reform and modernization efforts should be focused on establishing or strengthening the management and administrative capacity of customs administrations ([www.wcoomd.org](http://www.wcoomd.org) , WCO).

## **2.14. Contribution of various agencies to customs delays**

According to Buyonge and Kireeva, (2008), even if business peoples usually, thought that, delays are largely caused by customs authority, which may be partly true in the case of delays caused by pre-shipment inspection companies sub-contracted by customs to carry out verification of values, quantities and quality of goods. In other cases, customs usually have limited control over the activities of other government agencies responsible for checking goods standards, phytosanitary and health inspection.

## **2.15. Overview of the Ethiopian customs**

Ethiopia is located in the Northern part of Africa known as the Horn of Africa. It is a big landlocked country with a population of over 75 million and with land area of 1.13 million km<sup>2</sup>. It is surrounded by vast lowlands of the border regions and central highland is bisected by the Great African Rift Valley. It has a diverse topography ranging in altitude from 150 meter below sea level to 4620 meter above sea level, which makes diverse agro-ecology and climate zones (Girma, 2009).

In Ethiopia, customs duties were levied and collected around the 1<sup>st</sup> century in the Kingdom of Axum on the Red Sea coast (Buyonge, 2008). Nevertheless, it was established during Menelik II

as a legal governmental structure in 1889, to collect government revenue. Beginning from 1889-1923 it was under the Ministry of Finance & Treasury, from 1923- 1941 under Ministry of Finance, from 1941-1996 under Ministry of Trade (ERCA, 2010). Meanwhile, in 1997 Ethiopian Customs Authority was Re-established as a Federal Government organ with its own juridical personality. It was accountable to the board, under the objectives of collect duties and taxes on goods imported or exported; Implement Laws and International Conventions related to its objectives. Control the importation or exportation of prohibited or restricted goods (proclamation 60/1997).

Finally, it re-organized since July 2008 merged with the Ministry of Revenue, & Federal Inland Revenue Authority. And become one institute and named Ethiopian Revenue & Customs Authority (ERCA), directly accountable to the Prime Minister Office (proclamation no. 587/2008). However, before merging the three institutes, a long process of study called "Business Process Reengineering" had taken place. The study was undertaken for a year and half beginning from November 2007 by teams of officials selected from within the administration. The study has looked into the selected key business processes and has come across inefficient organizational structure and unnecessary complicated procedures that permitted insufficient service delivery. Owing to the depressing problems that worked against efficiency, the former administration has failed to deliver efficient service to its customers such as importers, exporters, taxpayers, the federal government, the society etc. For instance, international trade participants (importers, exporters) were unable to deliver their goods to domestic and international market on time (ERCA 2008). Following the establishment of new authority, the government replaces the proclamation no.60/1997 by proclamation no.622/2009.

ERCA also scaled up customs reform program ( a sub-component of tax and customs reform program which was started in 2008/2009) to further overhaul the customs administration system which resulted in strengthening customs modernization and automation system (ASYCUDA++), reduced clearance time, improved the human resource profile, managed to enhance the collection of revenue and enforcing the customs laws. Nevertheless, the rapid increase in volume and complexity of international trade has given rise to the need of further enhancing the capacity of the authority to improve efficiency of customs clearance to be in line with international standards (ERCA, 2010).



## **2.16. History of ASYCUDA in Ethiopia**

It all began in 1995 when a group of COMESA Delegates came to Ethiopia to introduce ASYCUDA ver 2.7 to Higher Customs Officials. The project document was signed in June 1996 both by UNCTAD and Ethiopian Customs Authority. The project duration was for a period of 2 years. The project was financed by UNDP and Monitored by MOFED. Initially the ASYCUDA version 2.7 was implemented since 1998 and phased out in 2001.

Though, the project has come to an end, on the other hand the volume of import and export of goods increasing every year. In order to cop up with the current trade activity and need of the business community, the Ethiopian customs requires an advanced system which helps to minimize the limitation of ASYCUDA++ ver. 2.7 and meets the current demand of its customers and stakeholders. Therefore, the need to upgrade version (Ver) 2.7 has become a compulsory task for the customs authority.

### **The need to migrate from ASYCUDA Ver - 2.7 to ASYCUDA ++ System**

It is obvious that before ASYCUDA++ system was introduced in Ethiopia the collection of duties and tax assessments have been performed manually using desk calculators. On the other hand, the annual external trade statistics was not up to date; usually lag 2 years behind the current year. Revenue collection was done by manual Receipt which was really time taking and cumbersome. However, after the introduction of **ASYCUDA++** the above problems were highly reduced.

### **Limitations of ASYCUDA Ver.2.7**

- ✓ ASYCUDA Ver. 2.7 was based on DOS environment file based system and the data was stored in ASCII Format.
- ✓ Queries are fixed and integrated with the system.
- ✓ Does not include selectivity programs
- ✓ Limited report facilities
- ✓ Post-Entry of a declaration produced a new number and the report will have a date fallacy.

Therefore, In order to meet the current world trade facilitation demand the authority decided to upgrade the current system and move to more advanced system which is known as

ASYCUDA++. ASYCUDA++ is a product of UNCTAD, based on the client server structure form and supported by ORACLE Data base

### **Features of ASYCUDA ++**

- ✓ Client - Server base architecture;
- ✓ Includes - Selectivity - risk assessment module ;
- ✓ Direct Trader Input (Register the customs declaration from the declarant premises;
- ✓ Skilled users can unite their own query from any ORACLE support application soft ware;
- ✓ ASYCUDA++ application software run on Linux operating system software and supported by ORACLE DATA BASE;
- ✓ 90 Reports are integrated with the system and user can also develop their own report using UDR facility ;( User Defined Reports).
- ✓ Post-Entry of a declaration does not produce a new number.

### **Objectives of the ASYCUDA++**

- ✓ Developing updating and building the ASYCUDA++ control files
- ✓ System studio test at HQ.(proto type)
- ✓ conducting training for final users
- ✓ Parallel test at pilot site.
- ✓ Launch live operation.

As per the above objectives, the task was begun in Jan/2004 and completed in July/2004.However due to delay in equipment delivery (main server and work stations) the parallel test was done in the first week of august and finally the pilot site went to live operation in Aug 23/2004.

### **Pilot site Achievements**

- ✓ The declaration process became simple and different kinds of reports were available both from the pre installed report format and by SQL request.
- ✓ The limitation which was seen in Ver.27 totally solved in ASYCUDA++ system.
- ✓ For the first time, in Ethiopian customs history of Automation Direct trader Input (DTI) was practically implemented by the prominent clearing agent Maritime and Transit Enterprise (MTSE) who invest a huge amount of money to implement the ASYCUDA Brokers module.

- ✓ This remarkable achievement gave a paramount satisfaction for the national and foreign experts to continue the roll out program with full enthusiasm (Elias, 2008).

### **General Customs Clearance Procedure**

- ✓ Lodgment of entry the importer /agents are required to complete the customs declarations. Beginning from the reorganization of the authority, it is the responsibility of importers and/or agents to make sure that the declaration is fully and accurately completed and all supporting documents are produced and submitted to the customs office.
- ✓ Checking of declaration, the face vet officer receive and check the goods of declaration against the document produced whether it is per the instruction or not, then accept or reject.
- ✓ Identifying risk level of the document using the ASYCUDA++ system.
- ✓ An examination of goods, this activity is undertaken by the examiner to assure that the goods and conditions on the declaration are the same with the nature, origin, quantity and value of the goods.
- ✓ Release of goods, this is the action taken by the customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned, after the fulfillments of all the formalities (ERCA,2010).

### **2.17. Customs Formalities in Ethiopia**

It is stated in the proclamation 622/2009, that the formalities to be followed by the authority and other stakeholders.

### **2.18. Customs Declaration**

Customs declaration may be made in written form, orally, by bodily action or electronically. Customs deceleration to be presented in written form shall be filled in the prescribed form, signed and contain all the particular necessary for completing custom formalities( Proclamation 622/2009 Art. 12: 1, 2, 3).

### **2.19. Supporting Documents of Customs Declaration**

On the presentation of customs decelerations, the following original documents shall be supplied to customs in a number of copies determined by the authority. Which are transportation

document, invoice, bank permit, packing list, certificate of origin and other necessary documents (Proclamation 622/2009 Art. 13:1)

#### **2.20. Acceptance of Customs Declaration**

The authority shall accept customs declaration where the declaration and supporting document described before contains the necessary particular required for the completion of customs formality (Art:18:1).

#### **2.21. Calculation of Customs Value**

The customs value for the purpose of applying the customs tariff and calculating other import charges should used the following methods:

**Transaction value:** the customs value of imported goods shall be the price actually paid or payable for the goods (Art.33:1).

**Valuation of identical goods:** where the customs value of imported goods cannot be determined on the basis of the preceding article ,it shall determined by taking the transaction value of identical goods sold for export to Ethiopia at the same commercial level and in subset initial the same quantity at or about the same time as the goods being valued. Where it is impossible to determine the customs value in accordance with the above sub article, the transaction value of identical goods sold at a different commercial level or in different quantities by making adjustments to take account of differences attributable to the commercial level or to the quantity(Art.34:1, 2).

**Valuation of similar goods:** where the customs value of imported goods cannot be determined on the bases of the last articles it shall be determined by taking the transaction value of similar goods sold for export to Ethiopia at the same commercial level and in substantially the same quantity at or about the same time as the goods being valued. Where it is impossible to determine the customs value in accordance of the article, the transaction value of similar goods sold at a different commercial level or in different quantities by making adjustments to take account of differences attributable to the commercial level or to the quantity(Art.35:1, 2).

**Deductive value method:** where the customs value of imported goods can't be determined as set forth in the previous articles, it shall be determined by using the unit price of identical or similar

goods imported at or about the same time and which are sold in Ethiopia in their original state in the greatest aggregate quantity to persons who are not related to the seller, provided , however , that the price shall be reduced by: an amount of commission , expenses and profit equal to that usually reflected in sales with in Ethiopia of identical or similar goods of imported (Art 36:1).

**Computed value method** : where the customs value of imported goods can't be determined as set forth in the last articles it shall be based on a computed value, consisting of the sum of : the cost of manufacturing or processing of the goods, an amount representing the selling expenses and profit equal to that usually reflected in the sales of identical or similar goods by producers in the country of export , and the transport , loading , unloading, handling and insurance costs a associated with the transport of the goods to the port of entry in to the customs territory in Ethiopia (ART:37,1).

## **2.22. Clearing Procedure**

There are some clearing procedures adopted in the proclamation of Ethiopian government that serves in Customs clearing process, and presented as follows:

### **Basic Functions of Clearing**

Lodgment of customs declaration: customs declaration means a statement made in the manner prescribed by the customs, by which the persons concerned indicate the customs procedure to be applied to the goods and furnish the particulars which the customs require for its application.

***Declaration can be register through ASYCUDA++ system using: -***

- ✓ Remote Direct Trader Input (RDTI)
- ✓ Bureau direct trader input (BDTI), which is organized in all customs offices to serve clearing agent those have no access to RDTI

According to the ASYCUDA++ UNCTAD declaration layout, the declaration has 11 sections or quadrants.

- ✓ Trade operators' quadrants (exporter /consigner, importer/ consignee)
- ✓ General data quadrant ( clearance office ,manifest number, registration number , assessment number, receipt number, pages, total items, total packages, declarant reference number, tax payer identification number , country of consignment and country of destination

- ✓ Transaction quadrant ( container flag, nationality of transport , mode of transport, mode of transport at boarder port of loading office of entry/ exit/ transit shed code)
- ✓ Financial quadrant ( delivery term, currency and total invoice amount, rate of exchange, nature of transaction and bank code)
- ✓ Goods description quadrant (markets and numbers- container number)
- ✓ Procedure quadrant( item number , commodity code( HS), country of origin , gross weight, preference ,customs procedure code, net weight, quota, way bill, and supplementary units)
- ✓ Additional information quadrant (license and additional information)

**Under Revenue information segment there are also the following quadrants:**

- ✓ Duties and taxes quadrant (duty in tax, grand total duties/ taxes and charges)
- ✓ Accounting (account number, WHS code and period)
- ✓ Transit (not functional)
- ✓ Valuation note

**Fallback method:** where the customs value of goods can't be determined under the provision of the previous article it shall be determined based on the data available in Ethiopia and using equitable methods consistent with the general principles embodied in the provisions of the proclamation.

### **2.23. Mandate of Ethiopian Revenue and Customs Authority (ERCA)**

The authority is charged to administer the activities broadly indicated in the proclamation no. (587/2008) and customs proclamation (622/2009). The Authority involves mainly in enforcement of prohibitions and restrictions, collection and accounting of revenue, trade facilitation, and compilation of statistics for economic planning.

**Revenue Collection and Accounting:**

- ✓ Customs duties-on imported goods and Export tax-on certain export e.g. semi prepared hides and skins of animals.
- ✓ Excise tax-on selected goods such as luxury and basic goods which are demand inelastic  
The goods may be locally produced or imported items in to the country.
- ✓ Value added tax-on imported goods.
- ✓ Surtax- on imported goods.

- ✓ Withholding tax on imported goods (ERCA 2008).

**Trade Facilitation:** the authority is responsible to facilitate international trade, which it does by providing expedited clearance of goods through simplified and harmonized customs procedures as envisaged under the revised Kyoto convention (proclamation 622/2009).

## **2.24. Empirical Studies on Customs**

Case studies on trade facilitation measures (TFM) implementation in five Asia-Pacific countries, namely Bangladesh, China, Indonesia, India and Nepal, reveal that continuous unilateral efforts have been made by the Governments of these countries to facilitate trade, although countries are often at very different stages of implementation. In many countries, various trade facilitation systems and measures have been implemented at selected border crossings or customs offices on a pilot basis, with plans to expand the systems to all border crossings and relevant agencies, as resources become available.

The other areas listed in order as key problems are inspection and release of goods, submission of documents for clearance, obtaining of import license and payment of fees and penalties. This clearly shows that the current scope of trade facilitation negotiations at the WTO eventually may not be sufficient in ensuring quicker flow of goods. It is also evident that the private sector should be more prepared to take maximum advantage of automation and other programmes of customs agencies (Prasad, B., and 2007:23). The areas and issues identified here go beyond the current scope of the WTO trade facilitation negotiations. In particular, customs valuation, which is not part of the negotiation, is still ranked as the most, or second most, problematic issue by the private sector in Fiji (Prasad, 2007).

Byonge and Kireeva, (2008) studied that; customs, administrations in Africa are going through a period of rapid changes, which requires a paradigmatic shift in customs operation. There are ongoing positive developments by customs to reform and modernize procedures and processes, as well as commendable initiatives by the private sector to take a more proactive approach to improve customs administration for the benefits of government and the business.

The customs administration has set a goal of releasing 95% of field declarations without immediate physical verification. The objectives are to increase transparency and fairness and,

indirectly, to reduce customs processing time (Steenlandt and Wulf, 2004), as a result releasing time down from 18 days average to 10 days. Because of the unsatisfactory of rendering service, trade facilities. Direct foreign investment and growth of the country has been impaired (Wolf, 2004).

Maximum use of information and communication technology (ICT) is very important, inter alia, for efficient clearance procedures, uniform application of Customs law, and effective implementation of risk management, efficient revenue collection and effective data analysis. Among the East African Community (EAC), Kenya introduced the new Customs Reform Modernization program, which is called Simba. While Tanzania and Uganda uses ASYCUDA++.

A case study made in Angola by crown agents, shows that introduction of risk based control, using single administrative document, introduction of automated customs entry processing , results in speeding up the flow of legitimate traders and reducing the Customs clearance time from 21 days to 48 hours. Moreover, introduction of new consolidated Customs code and regulation which is aligned with internationally agreed standards i.e. WTO rules for Customs valuation and adoption of Customs code of conduct and customer service standards results improving transparency and predictability for business Trevor S. Phill N. (2010).

Generally speaking, the study make in Fiji indicated that, Valuation classification, and identification of goods of origin is the main problems that contribute a lot to the lengthy time clearance process. Therefore, the researcher will replicate whether these problems are really happened in Ethiopia and will identify what the reason behind these problems.



## **CHAPTER THREE**

### **PRESENTATION, ANALYSIS & INTERPRETATION OF DATA**

This chapter is dedicated for data presentation and analysis that the researcher collects from employees' importers and clearing agents response found from selected ethics and anti-corruption officers through questionnaires, interview and different documents of the authority. The chapter also tries to deliver findings based on the study.

As indicated in the objective part of this idea, it is to identify problems and the main cause of these problems in related to customs clearance delay. For this purpose the researcher prepares and distributes questionnaires to employees, importers and clearing agents. Hence, analysis is made based on the response of these three parts. In addition to the questionnaire, researcher has used interview of customs official and some selected importers in order to have deep understanding and get detail information that have not included in the questionnaires. Accordingly, analysis is organized and presented turn by turn and finally, summarized all together.

Total number of populations 515 out of these 200 samples that was 20% from the total employees, 135 samples that was 20% from the total importers, and 180 samples that was 20% from the total clearing agent. For employees used Systematic random selection, for importer and clearing agent used convenient was applied in taking these samples. The student researcher used sample size 20% for all total employee, importer and clearing agent it means 40 employee, 27 importer and 36 clearing agent.

Table 3.1. Below depicts the general characteristics of respondents which indicate their age, educational background and service year.

**Table 3.1. General characteristics of the respondents (employee, importer and agents)**

ID No	Item	Respondents	
		No	%
1	Age		
	A. 18 – 25	23	22.3
	B. 25 – 35	55	53.4
	C. 35 and above	25	24.3
	<b>Total</b>	<b>103</b>	<b>100</b>
2	Educational Background		
	A. Below 12	-	-
	B. Certificate	-	-
	C. Diploma	11	10.6
	D. 1 <sup>st</sup> degree	62	60.2
	E. 2 <sup>nd</sup> degree	29	28.2
	F. Phd	1	1
	<b>Total</b>	<b>103</b>	<b>100</b>

As it can see from table 3.1 Item 1 about 55 (53.4%) of the total respondents around 25-35, 25 (24.3%) around 35 and above, the remaining 23 (22.3%) are among 18-25. These respondents were also asked educational background in item 2, 62 (60.2%) 1<sup>st</sup> degree holders, 29 (28.2%) 2<sup>nd</sup> degree, 11(10.6%) holds diploma and the remaining 1(1%) holds Phd. So this indicate that the respondents are organized with BA holders as well as young generation.

**Table 3.2. Service year of employees in custom office**

ID No	Item	Respondents	
		No	%
1	Service year		
	A. 0 – 5	29	72.5
	B. 5 - 10	9	22.5
	C. 10 and above	2	5
	<b>Total</b>	<b>40</b>	<b>100</b>

As it is indicated in table 3.2. Employees service year around 29 (72.5%) have 0-5, around 9 (22.5%) have 5-10 and the remaining 2 (5%) have 10 and above. So here indicate custom station employees less work experienced.

**Table 3.3. The responses that have been collected from employees to evaluate how the training was extensive and related to employees profession and new technology**

ID No	Item	Respondents	
		No	%
1	Have you ever had any training to improve your skill and knowledge?		
	A. Yes	40	100
	B. No	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
2	If your answer ID no. 1 is Yes how many times did you take training?		
	A. 1-2 times	9	22.5
	B. 3-4 times	20	50
	C. 5 and above	11	27.5
	<b>Total</b>	<b>40</b>	<b>100</b>
3	The training was related with your profession?		
	A. Strongly agree	5	12.5
	B. Agree	3	7.5
	C. Neutral	4	10
	D. Disagree	22	55
	E. Strongly disagree	6	15
	<b>Total</b>	<b>40</b>	<b>100</b>
4	Your company supported with new technology?		
	A. Strongly agree	28	70
	B. Agree	9	22.5
	C. Neutral	3	7.5
	D. Disagree	-	-
	E. Strongly disagree	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>

As it is indicated in table 3.3. about 40(100%) Employees took training and also the researcher asked how many times they were participated in training and whether the training was related to their profession or not in terms of capacity building, 20(50%) of them took 3-4 times, 9(22.5%) of them took 1-2 times, 11(27.5%) out of the surveyed get above five times. It implies that employees have got training.

Moreover, 22(55%) of surveyed employees disagree with the training related of the profession, 5(12.5%) strongly agree, 6(50%) strongly disagree, 3(7.5%) agree and the remaining 4(10%) neutral. It indicates that the organization front line personnel and their manager giving training but not related to the profession. So it implies employees have no detail information about how to work also minimize the length of clearing process.

Moreover, 28(70%) strongly agree. It indicates that the organization use automated system (ASYCUDA++) is the most decisive measure which serves as a vital input for the change 9 (22.5 %) agree , and the remaining 3 (7.5%) neutral. It indicated that revenue collection was done by manual receipt which was really time taking and cumbersome. However, after the introduction of ASYCUDA++ the problems were highly reduced.

**Table 3.4. Perception of employee method for checking document and use for post-clearance audit vs. trade facilitation**

ID No	Item	Respondents	
		No	%
1	What is the base for checking document?		
	A. Transactional	-	-
	B. Risk management	40	100
	<b>Total</b>	<b>40</b>	<b>100</b>
2	Did your office perform post-clearance audit for the sake of trade facilitation properly implements?		
	A. Yes	38	95
	B. No	2	5
	<b>Total</b>	<b>40</b>	<b>100</b>

The researcher assure from the respondents that the authority is already applied the risk management to identify risk level of a declaration and to be used as a base for checking that document or goods 40 (100%). In addition to this, 38 (95%) of the response showed that post clearing audit is used for trade facilitation no matter to what extent is, nevertheless, the remaining 2 (5%) of the employees disagree that even if post clearing audit is used, they believe that it is to control and check the accesor's decision thereby to penalize them as well as for revenue generation this is the opposite of trade facilitation.

**Table 3.5. Perception of employee on customs clearing overall procedures**

ID No	Item	Respondents	
		No	%
1	The customs clearance process has taken according to the world custom organization formalities and procedures?		
	A. Strongly agree	31	77.5
	B. Agree	8	20
	C. Neutral	1	2.5
	D. Disagree	-	-
	E. Strongly disagree	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
2	How do you see the time length for custom clearance?		
	A. Too long	19	47.5
	B. Too short	12	30
	C. Fear	9	22.5
	<b>Total</b>	<b>40</b>	<b>100</b>
3	Which one of the following is given priority in ERCA?		
	A. Cost minimization	10	25
	B. Staying on schedule	15	37.5
	C. Keeping employee moral	6	15
	D. Providing quality service	9	22.5
	<b>Total</b>	<b>40</b>	<b>100</b>

*Table 3.6. Perception of employees and importer financial and professional capacity of Clearing agent*

ID No	Item	Respondents	
		No	%
1	The agents are fast and capable in filling the declaration form through the ASCUDA++ and submission of supporting document to the respective office?		
	A. Strongly agree	3	11.1
	B. Agree	10	37.1
	C. Neutral	-	-
	D. Disagree	7	25.9
	E. Strongly disagree	7	25.9
	<b>Total</b>	<b>27</b>	<b>100</b>
2	If your answer for question item 6 is disagree or strongly agree what do you think their problems?		
	A. Professional problem	20	74.1
	B. Financial problem	7	25.9
	<b>Total</b>	<b>27</b>	<b>100</b>
3	How do you evaluate the capacity and efficiency of the clearing agent in terms of financial capacity?		
	A. Highly capable	9	22.5
	B. Incapable	31	77.5
	<b>Total</b>	<b>40</b>	<b>100</b>
4	How do you evaluate the capacity and efficiency of the clearing agent's interms professional capacity?		
	A. Highly qualified	10	25
	B. Unqualified	30	75
	<b>Total</b>	<b>40</b>	<b>100</b>

As it indicate in table 3.9. the agent filling the declaration form through the ASYCUDA++ and submission of supporting documents to the respective office 10(37%) satisfied, 7 (25.9%) dissatisfied, 7 (25.9%) strongly dissatisfied the reaming 3(11.1%) are strongly satisfied. It

implies that time more than needed in filling the declaration and submit it with supporting documents using the DTI.

Moreover to this, importers has been asked to express the specific problems of the agents and 20 (74.1%) indicated professional/ and the remaining 7(25.9%) confirmed financial problems. The researcher has also asked the stance of employees about the capacity and efficiency of clearing agents regarding to profession and financial capacity. The majority of the surveyed employees specified that 31 (77.5%) said they are greater part of clearing agent are incapable in terms of financial capacity and 30 (75%) said they are unqualified in terms of professional capacity, but they know, how to deal and cheat the officers.

In addition to this the employees describe the agents as they are the main facilitator of corruption among officers and customers and their contribution to the delay of time release of goods is not as such simple. However, the remaining 9 (22.5%) said they are highly capable and 10 (25%) are highly qualified this implies that some unethical and weak in financial position of clearing agents are there, most of them are acting in a professional wise and of course they are capable in terms of financial problem.

The response of the employees question which demands to compare ERCA's formalities and procedures with the WCO's. 31 (77.5%) strongly agree 8 (20%) are agree, the remaining 1(2.5%) neutral. It indicates that existed ERCA formalities and procedures are almost similar to the WCO.

With regard to time length for declaration to be released of goods, 19(47.5%) too long 12(30%) said medium and 9(22.5%) are said too short. It indicates that practically delays of releasing goods are still frequently existed. Meanwhile, some of them confirmed that the organization is doing its best for trade facilitation than controlling and revenue collection.

Accordingly, to give propriety in ERCA the respondents say 15(37.5%) staying on the schedule, 10(25%) cost minimization, 9 (22.5%) providing quality service 6(15%) keep employee morale and most of the respondents point out the ERCA gives priority staying on the schedule and also the institution's focus is on controlling and revenue generation than trade facilitation, even if

there is an improvement beginning from the re-established of the organization to providing quality service.

**Table 3.7. Perceptions of clearing agent on customs clearing facing problem**

ID No	Item	Respondents	
		No	%
1	Does your company have a problem face in conducting customs clearance		
	A. Yes	36	100
	B. No	-	-
	<b>Total</b>	<b>36</b>	<b>100</b>
2	If your answer for ID No. 1 is Yes where do you think the problem lies?		
	A. In customs office	2	5.5
	B. In clearing agents	1	2.8
	C. In importers	1	2.8
	D. All of them	32	88.9
	<b>Total</b>	<b>36</b>	<b>100</b>

As can be seen table 3.4. about 36(100%) problem faces in conducting custom clearing process, the problem lies 88.9% all of them both (custom office, clearing agent and importer), 2 (5.5%) custom office, 1(2.8%) clearing agents and 1(2.8%) importer. Office, this indicates that both parties are not trust for each other for every transaction.



**Table 3.8. Perception of clearing agent on customs clearing overall procedure**

ID No	Item	Respondents	
		No	%
1	Do you observe any problem in connection to ASYCUDA++?		
	A. Yes	-	-
	B. No	36	100
	<b>Total</b>	<b>36</b>	<b>100</b>
2	If your answer is No for item 1 what problems face in connection with it?		
	A. Networking problem	7	19.4
	B. Harmonizing problem	2	5.6
	C. Both of them	27	75
	<b>Total</b>	<b>36</b>	<b>100</b>

As can be seen from table 3.8. the ASYCUDA++ connection problem 36 (100%) respondents agreed this specific problem of connection 27 (75%) , 2(5.6%) harmonizing problem and the remaining 7 (19.4%) both of them networking problem and harmonizing problem. This indicates that network interruption and harmonizing of trade procedures are the main cause of time delays.

**Table 3.9. Prioritization of Problematic Area by employees, importer and clearing agent**

ID No	Item	Respondents							
		No				%			
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1	Would you please rank, the following most problematic area in conducting clearing process?								
	A. Custom valuation	68	19	11	5	66	18.4	10.7	4.9
	B. Classification	15	51	25	12	14.6	49.5	24.2	11.7
	C. Inspection and release of goods	10	38	34	21	9.7	36.9	33	20.4
	D. Identification of origin of the goods	11	22	33	37	10.6	21.3	32	36

Employees were asked to rank the problematic area in providing Customs clearing service. Accordingly, 68 (66%) of them agreed that Customs valuation is the most problematic area, and

25 (49.5%) specify that classification stands next to valuation followed by inspection and release of goods 38(36.9%) and finally, identification of the origin of goods was addressed as the fourth problematic area 37 (36%). It implies that all problematic area happen in custom clearing process.

**Table 3.10. Prioritizing reasons behind the Problematic Area by employees, importer and clearing agent**

ID No	Item	Respondents									
		No					%				
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
1	Would you please rank the following reasons behind the above problems?										
	A. Over/under valuation	61	17	9	12	4	59.2	16.5	8.7	11.7	3.9
	B. Misclassification	14	10	18	57	4	13.6	9.7	17.5	55.3	3.9
	C. Wrong origin	2	7	13	25	56	2	6.8	12.6	24.3	54.3
	D. Corruption	15	10	42	27	9	14.5	9.8	40.8	26.2	8.7
	E. Capacity of officers	13	17	38	18	17	12.6	16.5	36.9	17.5	16.5

The researcher inferred from the above tables the reason behind the problems, prioritized undervaluation on the top 61 (59.2%) misclassification of goods 57 (55.3%), wrong origin 56(54.3%) , corruption 42 (40.8%) and officer’s capacity 38 (36.9%). It indicate that the reason behind the problem their interpretation and justification is different from each other. All respondents categorized customs valuation as the most problematic area, employees they blame the importer and agents in submission of false invoice/undervalued/ transaction cost, and therefore this is the main justification for the authority to compile its own CD.

On the other hand when the private (importer and clearing agent) respondents accept valuation as a problem, they claimed that even if transaction cost on the invoice is true, the authority rejects unless it is greater than the values indicated in the CD which serves as the data base of the authority.

The private respondents added that, the source of information used by the authority to compile the data in the CD is mainly the technology of internet and different WebPages’. The information loaded in these WebPages could not represent the value of goods imported now and then due to the dynamic nature of global market and technological advancement. The other problem of the data is a matter of time duration, which the CD is updated and distribution to respective user.

**Table 3.11: Perceptions of importers on customs clearing overall procedure**

ID No	Item	Respondents	
		No	%
1	Are you satisfied with the customs service especially clearance process and length of time release?		
	A. Strongly satisfied	-	-
	B. Satisfied	6	22.2
	C. Neutral	2	7.4
	D. Dissatisfied	18	66.7
	E. Strongly dissatisfied	1	3.7
<b>Total</b>		<b>27</b>	<b>100</b>
2	If your answer for item 2 is dissatisfied or strongly dissatisfied, where do you think the problem lies?		
	A. Agent	2	7.4
	B. Customs office	6	22.2
	C. Both	19	70.4
<b>Total</b>		<b>27</b>	<b>100</b>
3	How do you evaluate the capacity of the clearing agent in providing the expected service for their customers?		
	A. Good	5	18.5
	B. Fair	16	59.3
	C. Bad	6	22.2
<b>Total</b>		<b>27</b>	<b>100</b>
4	How do you evaluate the efficiency of the clearing agent in providing the expected service for their customers?		
	A. Good	5	18.5
	B. Fair	15	55.6
	C. Bad	7	25.9
<b>Total</b>		<b>27</b>	<b>100</b>

As can be seen on table 3.12. importer’s response for the questions whether they are satisfied with the customs service regarding to the length of time release or not that, 18(66.7%) of them

implied they dissatisfied by the service provided by the authority 6 (22.2%) satisfied with the customs clearance process, 2(7.4%) neutral and the remaining 1(3.7%) of surveyed result indicated that they are strongly dissatisfied with the custom clearance process. The result shows participants in the length of customs clearing process lies are agents 2(7.4%), Customs office 6(22.2%) and, 19(70.4%) both. Responses For the request to know. In addition to this the capacity of agents in providing expected service including perating of ASYCUDA++ to fill declaration signified that 5 (18.5%) good, 16 (59.3%) fair and 6(22.2%) are bad. the efficiency of agents in providing expected service including perating of ASYCUDA++ to fill declaration signified that, 5 (18.5%) good, 15 (55.6%) fair and 7 ( 25.9%) bad. It implies that importer are not satisfied of clearing process and also agents consume time more than needed in filling the declaration and submit it with supporting document using the DTI. In fact this problem was implies both parties.

**Table 3.12. The formalities and procedures related to trade facilitation by private sector (importer and clearing agent) custom clearance agent**

ID No	Item	Respondents	
		No	%
1	Do you see the existed customs clearance formalities and procedures in related to trade facilitation?		
	A. Yes	27	100
	B. No	-	-
	<b>Total</b>	<b>27</b>	<b>100</b>
2	The formalities, procedures and number of documents required by the customs office are suitable for effective custom clearance?		
	A. Strongly agree	-	-
	B. Agree	2	5.5
	C. Neutral	-	-
	D. Disagree	15	41.7
	E. Strongly disagree	19	52.8
	<b>Total</b>	<b>36</b>	<b>100</b>

As can be seen from table 3.13 about respondent confirmed that the existed procedures on the proclamation and the practice on the grounds are different 27 (100%), they clarified that

procedures on the paper are somehow attractive but practically most of those formalities remained there. In addition to this the formalities, procedures and number of documents suitable to effective custom clearing process 19 (52.8%) strongly disagree, 15 (41.7%) disagree and the remaining 2 (5.5%) agree. This indicates that, the written particular or directives are good the problems are the implementation of those directives or formalities.

**Table 3.13. Discrepancy of the formalities by private sector (importers and agents)**

ID No	Item	Respondents	
		No	%
1	Do you observe any discrepancy between the written formalities and procedures and the practice on the ground?		
	A. Yes	46	73.1
	B. No	17	26.9
	<b>Total</b>	<b>63</b>	<b>100</b>

As can be seen from table 3.14 about 46 (73.1%) discrepancy between the practice on the ground and the formalities and procedures on the paper the remaining 17(26.9%) said that it is the same formalities and practice on the ground. It implies that the formalities and procedures are totally different which are good in the paper but very poor on the ground.

Generally, almost all the respondents suggest that the authority is doing its own effort to modernize the Customs administration. Nevertheless, an effort made by a single office alone can't bring the expected output, and therefore, it is advisable to work in cooperative with stakeholders' hand-in hand.

## **3.2. Interview Results with Customs managers and Documentary Analysis**

As indicated in chapter one the methodology part, apart from the survey, this study employed documentary study and interview with customs authority. In documentary analysis manuals and reports of the authority was incorporated.

### **3.2.1. Interview Result and Analysis**

In addition to the questionnaire, the researcher has made an interview with marketing manager in Addis Ababa Airport customs branch and Addis Ababa commercial goods facilitation branch (Kality). During the interview almost all the manager argue that the clearing process has shown improvement from time to time, especially after the reorganization of the authority. The interviewees have justified the reason for the improvement as follows:

Firstly, the BPR study which facilitated the restructuring of the organization is the base or benchmark for the improvement. Secondly, shifting from manual to full automated system (ASYCUDA++) is the most decisive measure which serves as a vital input for the change. This in turns furnished the clearing agents and/or importers on line declaration services, using the direct trader input (DTI), and it also allows the access of electronic procedures.

Thirdly, the recruiting of graduate employees, has contributed in upgrading the capacity of the authority in performing modern customs clearing process. Finally, based on the BPR study, time taken for a document based on level of risk has been specified as a standard, and every employee is expected to deliver customs clearance service within or below the presented time indicated on the manual. However, the officials agreed that, the customs clearance process and the presented time length for a document didn't achieved as expected.

The interviewees extends that, the major causes for the failures of the planned outputs, are shortage of skilled manpower (in terms of number), interruption of system network (ASYCUDA++), employee's insufficient knowledge of the ASYCUDA'S function, lack of standard training center to equipped employees with technical knowledge of the clearing process and to upgrade their knowhow and create awareness about the nature of imported goods, so that they can develop self confidence in classification of goods accordingly.

Meanwhile, in the discussion, the officials added that beside to the listed problems in the preceding paragraph, the clearing agents and/or owners have a significant negative role on the

customs clearance process. They argued that, most of the agents have not professional ethics even they facilitate to corrupt and are smart enough in cheating officers. At the same time, importers provide undervalued invoice, wrong certificate of origin and other forged documents. As the result of these and other related problems, customs clearing time for a document/declaration became longer than the standard.

### **3.2.2. Documentary Analysis**

The manual of the authority shows the procedures and formalities followed by the employees. Additionally, the time taken for a document based on their risk level is also expressed in detail for each breakdown of clearing activities. The procedures are clearly stated including the time needed for that specific activity, but it looks a bit long as far as trade facilitation is concerned. The researcher also tried to review/see/ time release reports at clearance and at verification to triangulate the claim of the agents and importers for the response given regarding to the length of time taken for a document and to check the progress on the length of time release for a declaration.

## CHAPTER FOUR

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 4.1. Summary of the Major Findings

The WCO revised Kyoto convention, defines customs clearance as “the accomplishment of the customs formalities necessary to allow goods to enter home as to be exported or to be placed under another customs procedure”. And release as the action by the customs to permit goods undergoing clearance to be at the disposal of the person concerned.

To assess the clearing practice of the ERCA the following procedures are used: the selected populations to undertake the research are 515. Out of 515 populations 117 of them were selected as a sample respondents using systematic random sampling technique. The respondents were selected from Addis Ababa airport and Kality importers, clearing agents and employees.

Out of 103 copies of questionnaires which were distributed all respondents cooperated in filling and returning the questionnaires, resulting in a rate of return of the questionnaires as 100%.

#### *Summary of number of questionnaires distributed and returned*

<b>Respondents</b>	<b>Questionnaires Distributed</b>	<b>Questioners returned</b>
Employee	40	40
Importer	27	27
Clearing agent	36	36
<b>Total</b>	<b>103</b>	<b>103</b>

The data obtained from respondents are summarized using descriptive statistics where by the raw data is computed in percentages. So based on the data presentation, analysis and interpretation of the previous chapter, the following summary of major finding and on the custom clearance practice in Ethiopia Revenue and Customs Authority officer, importer and clearing agent give below,



- Out of the total respondents 55(53.4%) young generation.
- The majority 62 (60.2%) of the subjects state that they have 1<sup>st</sup> degree.
- Most of the employees 22(55%) of the respondents state that training was not related to the profession.
- The majority 31(77.5%) of the respondents agreed that customs clearance process related to the WCO formalities and procedures.
- Most of the employee 19(47.5%) of the respondents state that custom clearance time length is too long.
- Significant number of clearing agent 36(100%) of the respondents state that there is problem in connection to ASYCUD++.
- The majority 37(75%) of the subjects state that problems face in connection both networking problem and harmonizing problem.
- More than half 68 (66%) of the respondents agreed custom valuation as the most problematic area.
- Half 25(49.5%) of the respondents agreed most of custom valuation, classification of goods and tariffs/harmonizing system are another problematic area.
- Most of the respondents 38 (36.9%) agreed inspection and release of goods is problematic area.
- Most of the respondents 37(36%) agreed identification of origin of the goods additional problematic area.
- Half of 61(59.2%) of the respondents agreed over/under valuation the most reason behind the problem.
- Most of the respondents 35(34%) stated that misclassification of goods and tariff reason behind the problem.
- More than half 57 (55.3%) stated that wrong origin reason behind the problem.
- Half respondent 42(40.5) stated that corruption reason behind the problem.
- Half respondent 38(36.9) stated that capacity of officer reason behind the problem.
- The majority importer 18(66.7%) state that they dissatisfied clearing process.
- Most of the importer 23(85.2%) state that the problem lies both agent and custom office.
- The majority 46 (73.1%) of the respondents agreed that there is discrepancy between the written formalities and procedures Vs practice on the ground.

## 4.2. Conclusions

As per the analysis made, there is a delay in customs clearing and most of the customers are dissatisfied by the service provided. Furthermore, the authority did focus on controlling and revenue generation, this implies that there is no effort to balance controlling with trade facilitation, which is the direct opposite of the objectives of the authority itself and the WCO's interest.

On top this, the analysis indicated that there is no discussion and co-cooperativeness between the authority and stakeholders during and before the problems happened.

Additionally, the authority breaches its rules and regulations that stated valuation should be based on transaction cost, because the authority is used the CD compiled by the authority from different website as a base to value the goods. If the transaction cost is greater than the cost in the CD, the authority accept it as the value of that specific goods for valuation but if it is less than the cost on the CD, it rejects and took its own cost, this implied that the authority didn't bother about the real cost rather it focused to collect large amount of duties and taxes, this in turn affects the trade facilitation.

Meanwhile, most importers and agents are not ready to submit the true value of goods, they made their effort on creating wrong certificate of origin, false transaction cost and misclassified of goods and tariffs to pay less duties and taxes thereby to get unfair advantages.

To conclude this:-

- Undervaluation of transaction value, the authority did not trust the importers, so it prepares data from different sources which is contrary to the proclamation. At the same time, importers undervalued the transaction value and submit forged certificates of goods of origin; therefore, they are gambling each other which are against the rules and regulation of the country.
- Incapable officers/incompetency: even if most officers are degree holders, they are in short of technical skill of customs, so they are incompetent in assessing and giving decisions of valuation.

- Misclassification of goods and tariffs: customs officers intend to classify goods to the highest value to generate high tax, in the other hand, importers need to classify the goods to the lowest value to escape high tax payment, but none of them are in the right truck.
- Corruptions; as per the analysis, importers pay money in the form of corruption, just to speed up the process of clearing legal goods. So the authority is vulnerable to corruption.
- Wrong origin of goods even if it is not serious, importers present wrong certificate of goods of origin.

### **4.3. Recommendation**

#### **For the Authority**

As it is indicated in the finding part that there is time delays in customs clearing process, and at the same time the problems are already identified including their reason. Therefore, the authority needs to shorten the clearing time, thereby facilitating trade and investment. However, to avoid the delays, first the mentioned problems should be solved, and this needs discussions and working together with all stakeholders.

To the view of importers/agents mistrust existing between them and the customs particularly on valuation complicate clearance process. It is recommended that customs officials should consider importers and clearing agents as a business partner unless proved otherwise. Where an importer is found to be cheating, legal measures combined with publicity of those involved should be applied to facilitate compliance.

Measures should be taken step by step on the citizens who commit crimes that commence by creating awareness, teaching, financial penalty even cancelation of their license. Moreover, these measures should apply uniformly on all over the importers found to be cheaters.

On top this, the customs office should provide extensive training to upgrade the inadequate skilled manpower, particularly on valuation, classification and operating of ASYCUDA++.

It also needs to recruit additional employees to solve the shortage of skilled man power. For this purpose, the authority needs to have its own standard training center.

#### **For the Agents**

First of all they need to be ethical and loyal to their profession. At the same time, they have to build their financial capacity to deliver standard service to their customers and they have to balance their ability of performing declaration with number of customers.

#### **For Importers**

The contribution of importers in the delays of clearance process was undeniable. So to play positive role in minimizing the clearance time, they should be loyal in submitting the true invoice of transaction value and certificate of origin which can avoid the complication of valuation and classification of goods and tariffs.

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# Appendix

**Appendix - A**

**St. Mary's University**  
**Department of Marketing**

**Dear Respondents**

The objective of this questionnaire is to secure the necessary and relevant first-hand information that may be useful to conduct a research regarding “*Challenges of Customs on Trade Facilitation in Ethiopia: The case of Customs clearance in ERCA.*” which will be used to prepare a research paper required for my **BA** degree in Marketing. Therefore, your response in this regard helps a lot to undertake the study. The researcher thus appreciates in advance your cooperation and sparing your valuable time in filling this questionnaire (**by employees**).

I thank you very much in advance for your cooperation and for sacrificing your invaluable time.

Put tick (✓) mark in the appropriate answer box.

1. Age

18 -25           25-35           above 35

2. Educational background

Below 12           Certificate           Diploma

Degree           Masters           PhD

3. Service year

Less than 5 years     5-10 years     >10 years

4. The customs clearance process has taken according to the world custom organization formalities and procedures?

Strongly agree           Agree   
Neutral           Disagree   
Strongly disagree

5. How do you see the time length for custom clearance?

Too long           Too short   
Fear



6. Which one of the following is given priority in ERCA? If you want, you can give more than one.

- Cost minimization
- Staying on schedule
- Keeping Employee morale
- Providing Quality service

7. Would you please rank, the following most problematic area in conducting clearing process?

<b>Problem</b>	<b>Rank</b>
Customs valuation	
Classification	
Identification of Origin of the goods	
Inspection and release of goods	

8. Would you please rank the following reasons behind the above problems?

<b>Reason behind the problems</b>	<b>Rank</b>
Over/under valuation	
Misclassification	
Wrong Origin	
Corruption	
Capacity of Officers	

9. What is the base for checking documents

- Transactional
- Risk Management

10. Did your office perform post-clearance audit for the sake of trade facilitation properly implement?

- Yes  No

11. Have you ever had any training to improve your skill and knowledge?

- Yes  No

12. If your answer Q. 11 is yes how many times did you take training?

1-2 times       3-4 times       5 and above

13. Does the training was related with your profession?

Strongly agree                       Agree   
Neutral                                       Disagree   
Strongly disagree

14. Does your company supported with new technology?

Strongly agree                       Agree   
Neutral                                       Disagree   
Strongly disagree

15. How do you evaluate the capacity and efficiency of the clearing agents in terms of financial capacity?

Highly capable   
Incapable

16. How do you evaluate the capacity and efficiency of the clearing agents in terms profession capacity?

Highly qualified   
Unqualified

17. Anything you want to say customs clearance process \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

***Thank you for your co-operation!***

**Appendix - B**

**St. Mary's University**

**Department of Marketing**

**Dear Respondents**

The objective of this questionnaire is to secure the necessary and relevant first-hand information that may be useful to conduct a research regarding “*Challenges of Customs on Trade Facilitation in Ethiopia: The case of Customs clearance in ERCA.*” which will be used to prepare a research paper required for my **BA** degree in Marketing. Therefore, your response in this regard helps a lot to undertake the study. The researcher thus appreciates in advance your cooperation and sparing your valuable time in filling this questionnaire (**by clearing agents**)

I thank you very much in advance for your cooperation and for sacrificing your invaluable time.

Put tick (✓) mark in the appropriate answer box.

1. Age

18 -25

25-35

above 35

2. Educational background

Below 12

Certificate

Diploma

Degree

Masters

PhD

3. Does your company have a problem face in conducting customs clearance?

Yes

No

4. If your answer for Q.3 is yes where do you think the problem lies?

In customs office

All of them

In clearing agents

In Importers

5. Do you observe any problem in connection to ASYCUDA++?

Yes

No

6. If your answer is yes for Q.5 what problems face in connection with it?

Networking Problem

Harmonizing Problem

Both of them

7. The Formalities, procedures and number of documents required by the customs office are suitable for effective custom clearance?

Strongly agree

Agree

Neutral

Disagree

Strongly disagree

8. Do you observe any discrepancy between the written formalities and procedures and the practice on the ground?

Yes

No

9. Do you have any suggestion on the length of clearing time release?

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10. Would you please rank the following most problematic areas in conducting clearing process:

<b>Problem</b>	<b>Rank</b>
Customs valuation	
Classification	
Identification of Origin of the goods	
Inspection and release of goods	

11. Would you please rank the following most reason behind the preceding problems:

<b>Reason behind the problems</b>	<b>Rank</b>
Over/under valuation	
Misclassification	
Wrong Origin	
Corruption	
Capacity of Officers	

12. Anything you want to say about Customs clearance process in Ethiopia:

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*Thank you for your co-operation!*

Dear Respondents

The objective of this questionnaire is to secure the necessary and relevant first-hand information that may be useful to conduct a research regarding “*Challenges of Customs on Trade Facilitation in Ethiopia: The case of Customs clearance in ERCA.*” which will be used to prepare a research paper required for my **BA** degree in Marketing. Therefore, your response in this regard helps a lot to undertake the study. The researcher thus appreciates in advance your cooperation and sparing your valuable time in filling this questionnaire (**by importers**).

I thank you very much in advance for your cooperation and for sacrificing your invaluable time.

Put tick (✓) mark in the appropriate answer box.

1. Age

18 -25       25-35       above 35

2. Educational background

Below 12       Certificate       Diploma

Degree       Masters       PhD

3. Do you see the existed customs clearance formalities and procedure in related to trade facilitation?

Yes       No

4. Do you observe any discrepancy between the written formalities and procedures and the practice on the ground?

Yes       No

5. Are you satisfied with the customs service especially clearance process and length of time release?

Strongly satisfied       Satisfied

Neutral       Dissatisfied

Strongly dissatisfied

6. If your answer for question no 5 is dissatisfied or strongly dissatisfied, where do you think the problem lies?

Agent  Customs office  Both

7. How do you evaluate the capacity of the clearing agent in providing the expected service for their customers?

Good  Fair  Bad

8. How do you evaluate the efficiency of the clearing agent in providing the expected service for their customers?

Good  Fair  Bad

9. The agents are fast and capable enough in filling the declaration form through the ASCUDA++ and submission of supporting document to the respective office?

Strongly agree  Agree

Neutral  Disagree  Strongly disagree

10. If your answer for question no 9 is disagree or strongly disagree what do you think their problems?

Professional problem  Other

Financial problem

11. Would you please rank, the following most problematic area in conducting clearing process:

<b>Problem</b>	<b>Rank</b>
Customs valuation	
Classification	
Identification of Origin of the goods	
Inspection and release of goods	

12. Would you please rank the following most reason behind the preceding problems:

<b>Reason behind the problems</b>	<b>Rank</b>
Over/under valuation	
Misclassification	
Wrong Origin	
Corruption	
Capacity of Officers	

13. Anything you want to say about Customs clearing process \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Thank you for your co-operation!*

**Appendix - D**

ይህ መጠይቅ የተዘጋጀው በኢትዮጵያ ያለውን የንግድ ስርዓት በጉምሩክ ያለው አሰራር በተመለከተ” በሚል ርዕስ አስፈላጊውን መረጃ ለመሰብሰብ ነው። መጠይቁን ያልተዛባ/አወነ ተኛ የሆነ መረጃ በመስጠት ባዶ ሳጥኖቹ ላይ የጫኔት ምልክት [√] በመጻፍ እንዲተባበሩን በትህትና እንጠይቃለሁ። :

እባክዎትን የሚመለከትን ትክክለኛ መልስ ባዶ ሳጥኖቹ ላይ በመጻፍ የሚከተሉትን ጥያቄዎች በመመለስ ይተባበሩን። : / **ለሠራተኛው የተዘጋጀ/**

1. እድሜ  
 18 – 25                       25 – 35                       ከ35 ዓመት በታች
2. የት/ደረጃ  
 የ ቀለም ትምህርት                       ስርተፍኬት                       ዲፕሎማ   
 ዲግሪ     ማስተርስ                       ፒኤ.ዲ
3. የአገልግሎት ዘመን  
 ከ 5 ዓመት በታች                       ከ 5-10 ዓመት                       ከ10 ዓመት በላይ
4. የጉምሩክ ስርዓት አፈፃፀም አካሄድ አለምአቀፍ የጉምሩክ ድርጅት መመሪያ እና ደንብ የተከተለ ነው?  
 በጣም እስ ማሞላሁ                       እስ ማሞላሁ   
 መሰረት እቸገራለሁ                       ልስ ማሞገም                       ጣም አልስ ማሞገም
5. የጉምሩክ ስነ-ስርዓት የሚወስደውን ጊዜ እንዴት ያዩታል?  
 በጣም ረጅም                       መካከለኛ                       በጣም አጭር
6. ከታች ከተጠቀሱት ውስጥ በኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ቅድሚያ የሚሰጠው የቱ ነው? ከአንድ በላይ መልስ መስጠት ይቻላል። :  
 ወጪ መቀነስ ስ   
 አሰራሩን መጠበቅ   
 የሠራተኛ ሞራል መጠበቅ                         
 ጥራት ያለው አገልግሎት መስጠት
7. በጣም ችግር አለበት የሚሉት የጉምሩክ አሰራር ላይ ወጠኔት ይስጡ?  

ችግር	ወጠኔት
የእቃዎች ዋጋ አወሳሰን	
የእቃዎች አመዳደብ	
የሰሪት ሀገር አወሳሰን	
ቁጥጥር እና እቃ መልቀቅ	

8. ከተራ ቁጥር 8 ላይ ላለው ጥያቄ ችግር ያመጣው ምክንያት ምንድነው ወይንም ወይንም ወጠኔት ይስጡ?  

ለችግሩ መነሻ የሆነው	ወጠኔት

የተጋነነ ወይም ያነሰ ዋና አወሳሰን	
የተሳሳተ የእቃዎች አመዳዳብ	
የተሳሳተ የስሪት ሀገር አወሳሰን	
መሻና	
የሠራተኛው ክህሎት	

9. ዶክመንቶች ጽኑ የሚደርጉት ለምንድነ ወ?

አሰራር ስለሆነ

ሊያጋጥም የሚችል ችግርን ቀድሞ ለመተንበይ

10. መ/ቤታችሁ የድህረ እቃ አወጣጥ አዲት በትክክል ያካሂዳል?

አዎ

አያካሂድም

11. ያለህን ክህሎት እና እውቀት ለመቸሻል ስልጠና አግኝተህል/ሻል?

አዎ

አላገኘሁም

12. ለጥያቄ 11 መልስዎ አዎ ከሆነ ለምን ያህል ጊዜ ስልጠና አግኝተህል/ሻል?

1-2 ጊዜ

3-4 ጊዜ

5 ጊዜ በላይ

13. ያገኘሽው/ሽው ስልጠና ከምትሰራው ስራ ጋር ግንኙነት አለው ብለህ/ሽ ታምኛለህ/ሽ?

በጣም አምናለሁ

አምናለሁ

መሰን እቸገራለሁ

አላምንም

በጣም አላምንም

14. መ/ቤታችሁ ስራዎችን የሚሰራው በአዲስ ቴክኖሎጂ እየታገዘ ነው?

በጣም እስማማለሁ

እስማማለሁ

አላወቅም

አልስማማም

በጣም አልስማማም

15. የጉምዳክ ስርዓት የሚያስፈጽመው ግል ድርጅቶች ወይም ወኪሎች ስራው የሚፈልገውን ያህል የፋይናንስ አቅም እና ብቃት እንዴት ያዩታል?

በጣም አቅም አላቸው

አቅም የላቸውም

16. የጉምዳክ ስርዓት የሚያስፈጽመው ግል ድርጅቶች ወይም ወኪሎች ስለ ስራው ያላቸው ግንዛቤ እና እውቀት እንዴት ያዩታል?

በጣም ብቁ ናቸው

ብቁ አይደሉም

17. ሌላ የሚሉት ካለ \_\_\_\_\_

**ለትብብርዎ አመሰግናለሁ!!!**



## **Appendix - E**

### **Interview checklist for ERCA (Management)**

An interview checklist is prepared together relevant information on clearing process time length in the case of ERCA. This research is conducted for academic purpose only. Please note that the information obtained from you is strictly confidential and highly important for the research; therefore I kindly you at attempt each questions and give your appropriate answer. I thank you very much in advance for your cooperation.

### **Interview question**

1. What is the reason clearing process has shown improvement from time to time?
2. What do you think the reason behind for the improvement?
3. What are the major causes for the failures of the planned outputs?

## **DECLARATION**

I the undersigned students researcher declare that this senior essay is my original work; prepared under the guidance of Melkamu Adamu and the source of materials used for the manuscript preparation have been duly acknowledged.

Name SEBLE GETNET LAKEW

Signature \_\_\_\_\_

Place of submission ST. MARY'S UNIVERSITY

Date : JUNE 31/2014

This paper has been submitted for examination with my approval at St. Mary's university advisor.

Name MELKAMU ADAMU

Signature \_\_\_\_\_

Date : JUNE 31/2014