CHALLENGES OF CUSTOMS ON TRADE FACILITATION IN TANZANIA:
A CASE OF CUSTOMS CLEARANCE AT HOLILI BORDER –KILIMANJARO REGION
CHALLENGES OF CUSTOMS ON TRADE FACILITATION IN TANZANIA:
A CASE OF CUSTOMS CLEARANCE AT HOLILI BORDER – KILIMANJARO REGION

By
Lenny Mkolla

A Dissertation Submitted to the Dar es Salaam Campus College in Partial Fulfillment of the Requirements of Masters of Business Administration (Corporate Management) Degree of Mzumbe University.

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled “Challenges of Customs on Trade Facilitation in Tanzania: A case of Customs Clearance at Holili Border-Kilimanjaro Region”, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Mzumbe University.

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CHAIRPERSON, FACULTY/DIRECTORATE BOARD
DECLARATION

I, Lenny Lunanilo Mkolla, hereby declare that this research report and the contents herein are the results of my own study and findings; and to the best of my knowledge they have never been presented elsewhere for any or similar award of a diploma, degree, or any other professional award in any institution of higher learning.

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AKNOWLEDGEMENT

All the work in this research report has closely been supervised by Professor Damas Muna of Mzumbe University. With utmost respect, he is the person to whom I owe thanks of the first degree for his tireless academic guidance to this end.

I would be extremely unfair to ignore the unfailing support from my family, Severina (wife), Allen and Allan (sons). They had to bear with my prolonged absence from home during the search for data and the subsequent work. I strongly admit and share their different feelings in the homestead owing to my absence as the cost on the account of this study.

In a special way, I acknowledge with thanks the value of the materials obtained from the Institute of Tax Administration (ITA), TAFFA, TRA-Kilimanjaro Region, and the respondents to my questionnaires, the input that has given rise to good findings, recommendations and conclusions of this study. To them, I sincerely remain highly indebted. I wish to record their highly valuable contribution to this work.

Much as I have mentioned several persons who in a certain way helped me to work out this dissertation, I however hold myself responsible for any shortfalls that may be noted in this work. No one of them should be held liable for any such incorrect information or anything of the kind.
DEDICATION

The ultimate fortune (if any) flowing from this work, is wholly and sincerely dedicated to the departed soul of my brother, the late Mr. Batwely Mkolla. Such a humble, good brother and responsible (to me) as he was, is a pity he could not wait to see his own self sharing this bread with me now at my time when I am basically reaping fruits from his sowing. God knows, he was not a contemptuous brother, his heart was not proud, and his eyes never shifted from the sun. May the Lord Almighty rest his soul in eternal peace. Amen.
ABBREVIATIONS AND ACRONYMS

APEC………………………Asia-Pacific Economic Cooperation
CFA………………………Clearing and Forwarding Agent
EAC…………………………East African Community
EU…………………………..European Union
FTAA………………………Free Trade Area of the Americas’
GATT……………………..General Agreement on Tariff and Trade
ICT………………………..Information and Communication Technology
IQS………………………..Integrated Query System
ITA……………………….Institute of Tax Administration
NGO……………………….Non Governmental Organisation
NSGRP……………………National Strategy for Growth and Reduction of Poverty
PAD………………………Pre-Arrival Declaration
PSDS……………………..Private Sector Development Strategy
SPSS……………………..Statistical Package for Social Sciences
TAffA…………………….Tanzania Freight Forwarders Association
TBS………………………..Tanzania Bureau of Standards
TFDA…………………….Tanzania Food and Drug Authority
TIN……………………….Tax Identification Number
TMP……………………..Tax Modernization Programme
TRA……………………..Tanzania Revenue Authority
UN……………………….United Nations
UNCTAD…………………..United Nations Conference on Trade and Development
UNECE…………………….United Nations Economic Commission for Europe
WCO……………………….World Customs Organization
WTO……………………….World Trade Organisation
ABSTRACT

Measures to actively facilitate trade are increasingly seen as essential to assist developing countries in expanding trade and benefiting from globalization. Trade facilitation is a concept that considers the simplification, harmonisation, standardisation and modernisation of trade procedures. Its principle aim is to reduce transaction costs in international trade, especially those between business and government actors at the national border.

The concept of trade facilitation has received exceptional attention over the last few years, especially in the context of supply chain security, customs modernisation, international trade systems, WTO trade negotiations, capacity building and market access type questions. This has inter alia resulted from unpredictable crossing time that impact trade and the overall performance of the supply chain due to increased transaction costs that ultimately adversely affect business community, government and the public at large.

Therefore this study examined the challenges of Customs on trade facilitation, specifically the Customs clearing process at Holili border. The study focused on identifying the problems and the reasons behind those problems, which have negative contribution on the length time of clearing process.

This study was conducted using techniques of qualitative and quantitative research. An attempt was made to ensure triangulation by using four data collection methods - Interviews, focus groups, observation and questionnaires with Tanzania Revenue authority’s (TRA) employees, clearing and forwarding agents and third parties.

Data collection instruments used were interview sheet, Questionnaire and documentary review. The case study was described as the appropriate research strategy while Interviews, focus group discussion and a survey were used as the data collection methods. The sample of the study was taken from Holili. Data were statistically analysed through Ms Excel and accordingly findings were presented through the use of tables to get the logical findings. The research findings are discussed in detail in chapter four and found that inter alia, ICT infrastructure improvement can be seen as a leverage point to improve speed clearance of goods at Holili customs station.
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CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction
This chapter highlights the justification for the study. It also gives the background information, problem statement, research objectives, research questions, study significance as well as scope and limitations to the study.

1.2 Background to the Study
Measures to actively facilitate trade are increasingly seen as essential to assist developing countries in expanding trade and benefiting from globalization. Because of globalization, the availability of international products and services can be accessed by individuals in many countries, from diverse economic backgrounds. Trade has a critical role to play in accelerating growth and wealth creation in any nation. We believe that the greatest contribution trade can make is by doing good business, generating jobs and economic opportunities, innovative goods and services, and the tax revenues needed to fund public services. It is from these international trades that goods come across customs borders between countries.

The Revised Kyoto Convention (1999) defines Customs as the government service which is responsible for the administration of Customs law and the collection of duties and taxes and which also has the responsibility for the application of other laws and regulations relating to importation, exportation, movement or storage of goods.

The geographical border is the location where one country’s authority with respect to goods and persons ends and another country’s authority begins. Traditionally, the border is the location where enforcement of and compliance with national legislation in such areas as security, environment, immigration, consumer protection, commercial policy, customs duties, excise and taxes take place. Control and enforcement involve various operations from document to goods, to the calculation
of customs duties and taxes, the collection of revenue, and immigration and vehicle control. These operations are performed by various governmental agencies, often physically represented at the border (www.unctad.org/ttl).

McLinden (2005) states that:

*Customs is the oldest of governmental institution established to generate income for government in the form of taxation. Nevertheless, the role 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 is defined as the set of functions undertaken by a national customs authority, which include, but are not limited to processing of imports, exports, and transit declarations, assessment of origin, value, and classification of goods, collection and processing of duties and fees and physical inspection, examination, and release of cargo.

Expedition of customs clearance relates to Article VIII of GATT 1994, in particular Art.VIII.1(c): “The contracting parties also recognize the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and export documentation requirements”.

Release in the customs context means the action by customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned. Clearance means the accomplishment of the customs formalities necessary to allow goods to enter home use, to be exported or to be placed under another customs procedure (Revised Kyoto conversion, 1999).

Traders have reasonable concern on the number of border control formalities and their organizations. Lengthy border crossing procedures cause delays and congestions and put a strain on the border post facilities, in particular on land border
posts, which are often not equipped with sufficient parking lots for trucks and have limited access to communication infrastructure.

Thus, unpredictable crossing times impact trade and the overall performance of the supply chain which penalizes perishable goods in particular and increased costs.

Therefore the need for trade facilitation between borders cannot be underestimated in modern international trade.

According to World Trade Organization (WTO) (2001), trade facilitation means the ‘simplification and harmonization of international trade procedures, including activities, practices, and formalities involved in collecting, presenting, communicating, and processing data required for the movement of goods in international trade’.

Trade facilitation is becoming more and more attractive for African leaders due to the need to reduce the costs of doing business and create an environment conducive to enhanced investment for economic growth. The Commission for Africa in its 2005 Report states:

\[
\text{Customs urgently need reform. Africa suffers from the highest average customs delays in the world, 12 days on average. Estonia and Lithuania require one day for customs clearance; Ethiopia averages 30 days. Customs procedures are often Byzantine in their complexity... Customs delays add to over 10 per cent to the cost of exports.}
\]

This dissertation therefore aimed at investigating the unacceptably high dwell time and to map a path for Government to pursue in terms of niche activities relevant to the WTO mandate for trade facilitation. The research examined the operating environment experienced by traders as it relates to the timely removal of cargo from the border facilities with the objective of identifying specific causes and challenges for substantial delays in clearing cargo at Holili border.
1.3 Statement of the Problem

The term Customs procedures refers to the treatment of goods by Customs administrations 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 recognized 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, Global facilitation partnership for Transportation and Trade).

According to the WCO guide of time measurement (2002) and Heizer, J. and Render, B. (1993), in the modern business environment of just in time (JIT) production and delivery, has become ever more important that traders are guaranteed fast and predictable release of goods since customs is the foremost agency at the border and plays a prominent role in the release of goods. Customs should strive to reduce the complexity of clearance procedures and to limit their information that is really unnecessary.

Additionally, modern business administration have recognized that reorganization and simplifying clearance procedures is of benefit to their importers, exporters and their national economies. According to the World Bank, administrative hurdles (for example, customs and tax procedures, clearances and cargo inspections) contribute to 75% of trade facilitation delays.

Nordas et. al. (2006), analysed the relation between time for exports and imports, logistics services and international trade and found that time delays result in lower trade volumes and reduce the probability that firms will enter export markets for time sensitive products.
Clarke (2005), has studied factors that affect the export performance of manufacturing enterprises in African countries using a cross country manufacturing survey and found that manufacturing enterprises are less likely to export in countries with poor customs administrations and restrictive trade and customs regulations.

The concerns of Traders are on the number of border control formalities and procedures. Lengthy border crossing procedures cause delays and congestions and put a strain on the border post facilities, in particular on land border posts, which are often not equipped with sufficient parking lots for trucks and have limited access to information and communication technology (ICT) infrastructure.

These unpredictable crossing time impact trade and the overall performance of the supply chain due to increased transaction costs that ultimately adversely affect business community, government and the public at large.

However, there are many studies conducted in relation to customs and trade facilitation in different corners of the world including Africa. The researcher is unaware of similar studies conducted at Holili border as far as the researcher’s knowledge is concerned.

Meanwhile, the researcher has observed through different mass media that importers and exporters claim on long time release. Therefore, this indicates that still there are unsolved problems concerning the customs, especially customs clearance process, irrespective of the Tanzania Revenue Authority (TRA)’s effort, which adversely affect business community, government and the public at large.

It is from this perspective that the researcher intended to undertake the research on current challenges of customs on trade facilitation at Holili border.
1.4 Objectives of the Study

1.4.1 General Objective
To examine the operating environment experienced by traders as it relates to the timely removal of cargo from the border facilities and identify steps required to revise the environment including identification of any legal and regulatory changes required to minimize trade costs.

1.4.2 Specific Objectives
(i). To investigate the challenges of clearance delays at the Holili border.
(ii). To document relevant ongoing donor and government interventions at the border which relate to issues identified through the above findings
(iii). To identify the measures that should be taken to reduce the problems impacting negatively on trade facilitation at Holili border.

1.5 Research Questions
(i). What are the challenges of customs clearance of goods at Holili border?
(ii). What should be done as a result of the above outcomes?
(iii). What are the impacts on trade as a result of slow clearance of goods at Holili?

1.6 Significance of the Study
This study is to a large extent offer insights into the problem of trade facilitation at Holili-Kilimanjaro region and pave a way to proposing possible solutions thereto.
In addition, the study is a major contribution to the knowledge in the study area and helps both practitioners such as traders, Clearing agents, Government Organizations and NGO’s to create good environment that enables effective international Trade.
Further to these, the study is pre-requisite for the fulfillment of the requirements of award of masters of business administration (Corporate Management) Degree of Mzumbe University.
1.7 Limitations of the Study

The study was constrained by finance, time and data. Also the issue of time allocated for the study was not enough due to the fact that the researcher had to attend to work as well.

Lastly, data factor was also a limiting factor in this study since it is normally difficult to convince people to give their key information because of fear that one may be studying an issue to break their interests.

1.8 Scope of the Study

The study focused at Holili Customs –Kilimanjaro Region as this station accounts for more than 88% of the total imports and exports of the region (TRA Kilimanjaro Monthly Report, December, 2012). The choice was made due to scarce resources and time constraints.

Nevertheless, the remaining customs control station accounts less than 12% of the total imports and exports of the Region (TRA Kilimanjaro Monthly Report, ibid), thus defectiveness of the data quality is not as such serious because above 88% of the imports and exports of the Region, pass through this customs control station under investigation.

Moreover, the study was focused to the customs clearance process concomitant with trade facilitation.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
The purpose of the literature review is the examination of the identified problem in order to determine its causal factors, as established by both theoretical and empirical research. The wealth of research which exists on trade facilitation delays, testifies both to the presence and significance of the problem. Knowledge of Customs has been summarized based on different publications. Moreover, some authors work related to Customs, Customs clearance process, and trade facilitation that have been undertaken in different countries is also reviewed.

2.2 Theoretical Literature Review
2.2.1 Trade Facilitation Agenda in the WTO
Trade facilitation in the WTO has a more specific and limited focus than trade facilitation for development. It is the subject of several provisions and obligations, such as GATT Articles V, VIII, and X. These GATT Articles center on general trade principles that underpin an open trading system and include transparency, predictability, due process, nondiscrimination, and simplification and avoidance of unnecessary restrictions to trade.

In particular, GATT Article V (freedom of transit) provides a basis for creating an environment in which the transit of goods is free from barriers to transport and discrimination between suppliers, firms, and traders from different countries. GATT Article VIII (fees and formalities related to importation and exportation) relates in general to customs clearance procedures and includes general commitment of nondiscrimination and transparency in fees and rules applied to goods crossing borders. GATT Article X (publication and administration of trade regulations) contains general commitments to assist in ensuring timely publication of regulations regarding imports, including fees, customs valuation procedures, and other rules.
It also provides general obligations to maintain transparent administrative procedures for review of disputes in customs.

Table 2.1: WCO Trade Facilitation Recommendations under GATT Articles V, VIII and X

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<td>• To accept commercial documents (e.g. invoice and transport documents) instead of mandating normal regulatory declarations</td>
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<td>• Set simple and clear procedures for identifying consignments</td>
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<td>• Ensure non-discrimination of goods</td>
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<td>• Use of international agreements; and, a commitment to regulatory Cooperation</td>
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<td>• Regulatory fees ought not exceed expenses</td>
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<td>• Standardisation and simplification of customs and trade documents</td>
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<td>• Coordinated intervention and convergence of regulatory controls</td>
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<td>• Simplification of governing trade procedures</td>
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<td>• The Single Window concept</td>
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<td>• Use of risk management techniques</td>
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<td>• Use of information technology</td>
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<tr>
<td>• Common data models</td>
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<td>• Time guidelines for border clearance</td>
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<td>• Adherence to international customs conventions</td>
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<td>• Accessible publication of procedures and requirements</td>
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<td>• Active provision of information</td>
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<tr>
<td>• Procedures for advance and binding rulings</td>
</tr>
<tr>
<td>• Fair and efficient appeal and tribunal procedures</td>
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<td>• Use of memoranda of understanding between regulatory bodies and traders</td>
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Sources: WTO 2002a; 2002b; 2002c
2.2.2 Trade Facilitation Agenda in the World Customs Organization

The World Customs Organization (WCO), established in 1952, is an independent Intergovernmental organization with 177 Members. The mission of the WCO centers on increasing efficiency and effectiveness of customs administration around the world. Accordingly, the primary focus of the WCO among the elements of trade facilitation is customs procedures. A major international convention designed to promote the standardization and simplification of customs procedures worldwide is the International Convention on the Simplification and Harmonization of Customs Procedures (the Kyoto Convention). The Kyoto Convention contains general provisions and special annexes dealing with customs procedures. It was originally established in 1973, and was revised by the WCO Council in 1999. The key principles of the revised Kyoto Convention are well aligned with those of the WTO on trade facilitation, i.e., transparency, predictability, standardization and simplification of goods declaration and supporting documents, among others. The general provisions also encourage the maximum use of information technology in customs procedures to expedite clearance (www.wcoomd.org).

2.2.3 Trade Facilitation Agenda in Regional Integration Initiatives

Trade facilitation agenda also is addressed within some regional integration initiatives. Those regional integration initiatives cover selected aspects of trade facilitation, mostly aspects related to customs procedures. Trade facilitation principles are not implemented as enforceable agreements but rather as action programs in regional integration initiatives. Within the Asia-Pacific region, the Asia-Pacific Economic Cooperation (APEC) has committed to regional trade facilitation initiatives since the launch of the Osaka Action Agenda in 1996. Its focus has been on simplification and standardization of customs procedures. To date, the APEC forum has highlighted and quantified trade facilitation objective in the Shanghai Accord in 2001, which has as a goal to reduce trade-related transactions costs by five percent by 2006.
The European Union (EU) also has concluded customs cooperation and mutual assistance agreements with several countries with a focus on simplification and computerization of customs operations including customs valuation and sharing of regulatory information (Staples, 2002).

The Free Trade Area of the Americas’ (FTAA) business facilitation measures also include trade facilitation principles such as electronic compatibility and risk analysis (Staples, 2002).

Likewise, The East African Community (EAC) as a regional intergovernmental organization of the Republics of Burundi, Kenya, Rwanda, Tanzania and Uganda, provides customs union as first stage in the process of economic Integration.

The main objective of the EAC is the formation of a single customs territory. Thus Trade is the core of the customs union.

It is within this context that internal tariffs and Non- tariffs barriers that could hamper trade between partners states have to be eliminated in order to facilitate trade within the region.

Similarly, policies relating to trade between partner states and other countries such as external tariffs have to be harmonized, (http://www.eac.int.). Nevertheless, customs union on its own will not bring about faster economic development. Therefore it has to be supported by other measures.

2.2.4 Organisations with an Interest in Trade Facilitation

To a large degree, trade facilitation can be viewed as an extension of the efforts to liberalise international trade. As history shows, trade facilitation is not a new phenomenon. For instance, many medieval European market towns would publicly display the units and measures used for the sale of goods. In some towns, like Bern in Switzerland, these measures can still be found on display today. In more recent
history, trade facilitation has become firmly established within the current international trade regime.

Organisations with an active interest in trade facilitation are found at the international, regional, national, and even at the local level. International organisations include the WTO where trade facilitation has become a substantial feature within the Doha trade round. Discussions currently focus on GATT Articles V, VIII and X, covering Freedom of Transit, Fees and Formalities, and Publication and Administration of Trade Regulations.

Another very active international body is UNECE which has become the global focus point for trade facilitation recommendations, standards and specifications. UNECE is also home to the UN/CEFACT. UN/CEFACT looks after 33 international recommendations, the most recent one being a recommendation for the Single Window concept (UN/CEFACT 2004). UN/CEFACT also manages various document and electronic messaging standards, including the United Nations electronic Trade Documents (UNeDocs) and Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT). The UNECE is also the home for international agricultural quality standards (UNECE 2006b), classification standards for dangerous goods (UNECE 2006a), and with the International Road and Transport Union (IRU), it also runs the TIR Convention of 1975 (TIR 2005). The latter provides a simplified customs transit regime to signatory countries.

The WCO is an active body with an interest in the field of trade facilitation within the customs world. The WCO has drafted numerous instruments and recommendations that contain trade facilitation principles.

Noteworthy examples include the Kyoto Convention which first came into force in 1974, followed by the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures adopted in 2006 (1999; WCO 2006). Another, relatively recent instrument that makes direct reference to trade facilitation principles is the Framework of Standards to Secure and Facilitate Global Trade
adopted in 2005 (WCO 2005). The WCO is also the home for the Harmonized Commodity Code Description and Coding Systems, and in cooperation with the WTO, the WCO also helps ensure consistency in the technical interpretation of valuation rules and non-preferential origin rules.

Other international organisations active within the wider field of trade facilitation include the International Maritime Organisation (IMO), the International Chamber of Commerce (ICC), the International Civil Aviation Organisation (ICAO) and the International Organization for Standardization (ISO). Helpfully, the UNECE and UNCTAD (United Nations Conference on Trade and Development) produced a ‘Compendium of Trade Facilitation’ which summarises many of the international recommendations (UN/CEFACT & UNCTAD 2002). In terms of capacity building and economic development much trade facilitation work has also been done by organisations like the World Bank, UNCTAD, OECD and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). A global network of practitioners and policy-makers – including a dedicated website – is maintained by the Facilitation Network for Transport and Trade and the UN Trade Facilitation Network of Partners (see: http://www.gfptt.org).

At the regional level, trade facilitation is an equally significant agenda item. For instance, the European Union has largely removed the internal borders between its 27 members. Operating as a customs union, they share one common external tariff and subscribe to the same custom legislation. Further reform is currently under way to overhaul customs procedures and achieve interoperability amongst member state customs systems (TAXUD/477/2004 2007).

Another example of progressing regional integration through customs and trade procedures can be found within the Association of Southeast Asian Nations (ASEAN). Its members have agreed to work towards establishing interoperable single window systems (ASEAN 2005). There are many other regional agreements that include reference to customs and trade procedures. In 2005 there were 183 WTO-registered regional trade agreements in force (WTO 2005).
The more prominent ones amongst these are the North American Free Trade Agreement (NAFTA), Mercosur in Latin America, and the Common Market for Eastern and Southern Africa (COMESA). The reduction of trade related transaction costs is an equally significant agenda item at the national level. Trade facilitation policy objectives might be pursued by national customs administrations, trade ministries or, for that matter, any other government department involved in the governance of the cross border environment. Many of the recommendations propagated by international organisations have their roots in national best practice examples. For example, Singapore’s pioneering TradeNet has been particularly inspiring for single window projects elsewhere (Teo, Tan & Wei 1997; UN/CEFACT 2004).

To help find transaction cost problems and possible solutions, many national customs organisations actively seek to consult with their business stakeholders. Some countries also have dedicated trade facilitation organisations – so-called PRO committees – which offer a degree of independence from the constraints often found within government departments (UN/CEFACT 1974).

2.2.5 The Role of Customs
Customs contributes significantly to protecting the security and safety of citizens, as well as increasing competitiveness through efficient, targeted controls and the facilitation of legitimate trade (ec.europa.eu), Taxation and Customs Union.

2.2.6 Mandate of Tanzania Revenue Authority (TRA)
TRA was established under parliament act No. 11 of 1995 Chapter 399 of the laws, and started its operations on 1st July1996. The Authority is a semi-autonomous agency of the Government, responsible for the administration of the Central Government tax revenues as well as several non-tax revenues. Tanzania Revenue Authority is currently implementing the Tax Modernization Programme (TMP) under the third Corporate Plan (2008/09-2012/13) whose main objective is to strengthen the authority with the vision of becoming a modern Tax Administration. Under the law, it is mandated with the following major functions;
(i). To assess, collect and account for all Central Government Revenue
(ii). To administer efficiently and effectively all the revenue laws of the Central Government
(iii). To advise the Government on all matters relating to fiscal policy
(iv). To promote voluntary tax compliance
(v). To improve the quality of services provided to taxpayers
(vi). To Counteract fraud and other forms of tax and fiscal evasion and
(vii). To produce trade statistics and publications

2.2.7 Customs Formalities for Imports in Tanzania

The East African Community Customs Management Act 2004, section two defines Import as to bring or cause to be brought to Tanzania from a foreign country. For the importation of goods into Tanzania, import procedures have to be followed in order to clear goods from Customs control as per section two subsection one in the East African Community Customs Management Act (EACCMA), 2004.

Imports to Tanzania are subjected to different stages whereby the “Declarant” is advised to lodge documents at least seven days before the arrival of the vessel.

2.2.7.1 Customs Declaration in Tanzania

The importer is required to appoint a Licensed Clearing and Forwarding Agent (CFA) to clear his/her goods. List of Licensed CFA is available on TRA website (www.tra.go.tz).

Documentation process is done online and can be completed before arrival of the cargo. Customs agents/importers are urged to complete a Pre- Arrival Declaration (PAD) on TRA PAD online system and submit the same to TRA along with other relevant import/ supporting documents at least 7 days prior to the arrival of the cargo.

2.2.7.2 Supporting Documents of Customs Declaration

Complete set of import documents include; Final Invoice, Declaration Form (C36), Agent’s Authorization Letter, Import permits i.e. TFDA, TBS, chemical permit etc.,
Exemption documents (if any), Packing List, Transport documents i.e. Bill of Lading/Airway Bill/Road Consignment, TIN Certificate (importer).

Note: Legible copies of Pro-forma invoices are acceptable for verification and registration purposes only but not for issuance of any clearance report (P-PAD, A-PAD etc.)

TRA rejects illegible and incomplete Pre-Arrival Declarations – PAD) with insufficient descriptions through Integrated Query System (IQS).

CFAs and Importers can follow the progress of their PAD through the Global Status Report (GSR) and communicate messages with the TRA through the “Communicate with TRA” accessible through the “Manage your files” link.

2.2.8 Trade Facilitation

According to Grainger (2007), Trade facilitation looks at how procedures and controls governing the movement of goods across national borders can be improved to reduce associated cost burdens and maximize efficiency while safeguarding legitimate regulatory objectives.

The implementation of Trade Facilitation in Tanzania is part of the initiatives on which the Tanzania Revenue Authority has been implementing since its establishment in July, 1996 following the integration of the Customs and Excise, Sales Tax and Income Tax Departments with a view of transforming the departments into a modern Tax Administration. Formerly these departments were under the Ministry of Finance.

In July 2009, TRA prepared and adopted the Customs Modernization strategies and Action Plan 2009/10-2012/13 which were subsequently incorporated in the TRA Third Corporate Plan 2008/8-2012/13. The strategies were built on successes and challenges on the previous Customs reforms implemented since 2004; the WCO Framework of Standards and WTO Trade Facilitation initiatives.

The broad strategic objectives aim to provide a roadmap of transforming the Customs administration to meet challenges of the 21st Century as well as support the
broad Government’s Economic and Social policies particularly the National Strategy for Growth and Reduction of Poverty (NSGRP), The Tanzania Development Vision 2025, The Private Sector Development Strategy (PSDS), and the Private Sector Competitiveness Project. These objectives are: facilitation of trade and reduction of cargo clearance times across ports and borders; automation of Customs processes and procedures; enhancement of human resource capacity and organization; strengthening enforcement capacity; and strengthening relations with stakeholders.

The results and recommendations of the Time Release Study conducted in 2009 and The Tanzania Doing Business Report 2010, prepared by the World Bank provided the inputs and baseline for the implementation of Customs Modernization Strategies and Action Plan 2009/10-2012/13. All major stakeholders, the Government institutions and Business community in the cargo clearance industry, were involved in the preparation and administration of the Time Release Study which was coordinated by TRA.

2.2.9 Where do Customs Clearance Delays Occur?

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 inspections.

Accordingly, many African Customs administrations do not have robust risk management systems enabling discriminatory treatments of importers and exporters on the basis of the risk they pose to loss of revenue or compliance with regulatory requirements (Buyonge and Kireeva, 2008).

Due to speed with which goods are cleared from customs control partly depends on the work of third party logistics providers, it is important for companies to vet the ethical practices and competence of such providers. Customs brokers in Africa are,
as a rule, small and medium sized enterprises, often with insufficient working capital and equipment, so they use funds entrusted to them by one company to finance different importations. This causes delays thus Djankov et. al. (2006), found that on average, each additional day that a product is delayed prior to being shipped reduces trade by at least 1 percent.

2.3 Empirical Literature Review

Hertel, Walmsley and Itakura (2001), examined the impact on trade of greater standards harmonization for e-business and automating customs procedures between Japan and Singapore. They found that reforms would increase trade flows between these countries as well as their trade flows with the rest of the world.

The researcher agrees that ICT infrastructure may be highly effective, but it is likely to be a costly option to the developing country like Tanzania compared to reforms of some of trade-related regulations and procedures. Customs automation cost US$5 million in Chile in the early 1990s (WTO, 2000), and in Jamaica it cost US$5.5 million – covering technical needs assessment, development of software suites, data communication equipment and computers (Grant, 2001). Accordingly, the researcher did not consider the importance of “context” that is Political, economical and social environment, the Infrastructure (technical requirement and know-how) and the capacity to change in developing countries.

The Key Trade Facilitation-related Problems Faced by the Fijian Private Sector has been identified in the following order. First, Technical and sanitary requirements, second, customs valuation, third, tariff classification, fourth, identification of the tariff classification, and fifth, identification of the origin of the goods (Prasad, 2007). Nevertheless, unfortunately the researcher could not see the reasons behind those problems.

A case study made in Angola by crown agents, shows that the 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, the 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 into improving transparency and predictability for business (Trevor S. Phill N., 2010).

Buyonge and Kireeva (2008), argued that Customs, administrations in Africa are going through a period of rapid changes, which requires a paradigmatic shift in Customs operation. Up to 75% of the delays experienced by business can be controlled through actions by customs authorities, other government agencies and the private sector. The private sector appears to be in the shadow, silently complaining without taking any action on its part to improve the situation.

Patrick Messerlin and Jamel Zarrouk (2000), took a different research center of attention. They asked what can be done at a multilateral level in the vast field of trade facilitation. They concluded, following a qualitative review of trade policy papers on technical regulations, that at first glance designing common public norms like following the example of the EU may seem the best way to eliminate technical regulations related costs. Nonetheless such approach can not be possible in multilateral nations with different trade policies.

This research mainly differs from the existing literature in that it examines the effectiveness of several trade facilitation measures together with the context of the border by including different actors engaged in clearance of goods specifically at customs Holili Border, Kilimanjaro region.

2.4 Conceptual Framework

Sekaran (2003), defines the conceptual framework as a conceptual model of how one theorizes or makes logical sense of the relationships among the several factors that have been identified as important to the problem. The purpose of the conceptual framework is to analyze the variables which contribute to the problem and hence show light on what variables do contribute to customs clearance delays and its
impact towards trade facilitation. The basic framework of this study is therefore built around the following independent variables; Education of stakeholders, Capital, ICT Infrastructure and Corruption and dependent variable being Trade Facilitation as presented in figure 2.1 below.
Figure 2.1:  Conceptual Framework on Trade Facilitation

Source: Researcher’s Own Construct, 2013.
Trade facilitation as it has been defined by WCO being simplification and harmonization of international trade procedures; it thus refers to interplay of various issues in the field.

The poor performance of clearing and forwarding Agents, Lack of capital to procure modern equipment which are in conformity with modernized customs Information systems, lack of education or rather unprofessionalism of stakeholders on the matter related to customs and International Trade are impeding the speedy clearance of goods at the border.

However, corruptions have been among the most problematic issues in customs that have been reported in various media.

Nevertheless, the intervening Government agencies at the Border such as TFDA, TBS, Migration though being outside WCO best practice for customs, have impact on trade facilitation as they may cause delays due to further verification of goods being imported or exported bearing in mind that most of these offices are centralized and decision thereto need to come from headquarters in Dar es Salaam. Furthermore, customs laws and procedures need to be tailor made to specific geographical areas in order to speed up cargo clearance at the border.
CHAPTER THREE

RESEARCH METHODOLOGY AND PROCEDURES

3.1 Introduction
This chapter presents research design, study area together with sample size that was involved in the study. Data collection methods and instruments are also discussed in this chapter. Finally, the chapter presents data analysis methods that were employed.

3.2 Area of the Study
The study was conducted in Kilimanjaro Region at Holili -Rombo District (Appendix I). The selection of Holili station was based on the limitation of time and financial resources for the researcher.

However, there are other reasons for selecting Holili as a case study. The reasons include; Holili being a border that serves northern regions for goods imported from foreign countries. Most goods pass Holili and are destined to Kilimanjaro, Arusha, Manyara, Singida, Dodoma and few for Zambia and DRC-Congo. Traders prefer this border for minimization of transport cost if otherwise used Dar es Salaam port. Thus most of goods pass through Mombasa Port-Kenya.

Furthermore, Holili is a border to Kenya where most exports to and imports from Kenya pass through. Thus the findings from this station might also serve to other borders like Tarakea-Rombo District because of the same context.

3.3 Research Design
Research is any form of systematic and arranged investigation to organize facts or gather data, and is often related to a problem that has to be solved (Kothari, 1990). Research is the study of materials, sources, and data in order to get conclusions. Research Design is the conceptual structure within which research is conducted; the basic plan guides collections, measurement and analysis of data (Botha, 1989).
It is the framework that specifies the types of information to be collected, source of data and data collection procedures (Kothari, 1990). According to Kothari (1990), a good design will make sure that the information gathered is consistent with the study objectives and data are collected by accurate and economical procedures.

This study was conducted using qualitative and quantitative research techniques. The study used various instruments of data collection such as questionnaires (Appendix II), documentary reviews and interviews. During the study, a case study design was employed. Justification of using case study is that, it is the most effective design when studying few cases deeply among many border posts. Also the case study design enables to get information easily, which is purposive and comprehensive (Tuckman, 1978).

3.4 Sampling Techniques and Sample Size

3.4.1 Sampling Techniques

Sampling technique refers to the procedures that the researcher would adopt in selecting items from the population (Adam and Kamuzora, 2008). The primary purpose of any sampling technique which the researcher decided to use is to get a sample for his/her study which is representative. Due to the size, nature of the study and resources constraints, the researcher did not cover the entire population in Holili as this study involved TRA staffs, Government officials, traders, clearing and forwarding Agents and other stakeholders. Therefore, the researcher used only two types of sampling techniques to obtain the relevant sample size which were simple random sampling as probability sampling technique and purposive or judgmental sampling as non-probability sampling technique.

3.4.1.1 Simple Random Sampling

Adam and Kamuzora (2008), define simple random sampling as a probability sampling whereby all members in the population have equal chance of being selected to form a sample. It selects the sample at random from the sampling frame without replacement. Also it maintains the original sampling frame but the number of
elements selected and available to be drawn decreases as each element of the sample is removed before the next choice is made.

3.4.1.2 Purposive or Judgmental Sampling
This is a non-probability sampling technique that involves conscious selection by the researcher of certain people to include in a study. Participants are selected because they have particular characteristics that are of interest to the researcher. In this sampling, the researcher selected participants who have experience in this study and who have certain aspects of their lives in which the study is interested.

3.4.2 Sample Size
A sample is the number of items to be selected from the universe to represent the population (Adam and Kamuzora, 2008). Sampling and selection are principles and procedures used to identify, choose and gain access to relevant data sources (Mason, 2002:120). The total population is 413 (table 3.1), but the sample size of this study comprised 20% of the entire population i.e. the total sample of 83 respondents were taken at Holili as shown in Table 3.1 below.

Table 3.1: Distribution of the Expected Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Sample size</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRA officials</td>
<td>27</td>
<td>18</td>
<td>67</td>
</tr>
<tr>
<td>Other Govt. agencies</td>
<td>16</td>
<td>10</td>
<td>63</td>
</tr>
<tr>
<td>Clearing and Forwarding agents</td>
<td>43</td>
<td>25</td>
<td>58</td>
</tr>
<tr>
<td>Third Parties /Traders</td>
<td>327</td>
<td>30</td>
<td>9.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>413</strong></td>
<td><strong>83</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

Source: Researcher’s Own Construct, 2013
Fowler (1984), asserts that there is no a single right way for the determination of sample size and given the limitation of availability of time and other resources, the researcher intended to take a sample size of 83 respondents of which 67% were from the TRA employees, 63% were from the total Other Government officials, 58% were from the total clearing and Forwarding agents and, and 9.2% were from the total traders. Simple random selection was applied in taking these respondents.

3.5 Data Collection Methods
In order to obtain the relevant data and information concerning the topic under the study, the researcher employed various methods of data collections. Both primary and secondary methods of data collection were used. The method used to collect primary data included focus group discussion, observation and questionnaire. The secondary data was collected through documentary sources which were available at Holili, Institute of Tax Administration (ITA), TAFFA Offices and websites. Triangulation was done through utilising more than one data collection method in order to provide evidence for a research objective.

Cohen and Manion (1980:208), define Triangulation as "the use of two or more methods of data collection in the study of some aspect of human behaviour". Denzin (1990:592), define triangulation as "the application and combination of several research methodologies in the study of the same phenomenon"

In this study an attempt was made to ensure triangulation by using aforementioned data collection methods- focus group discussion, observation and questionnaires. Data collection instruments used were interview sheet, Questionnaire and observation sheet.

The outcomes of the focus group discussion were triangulated with the findings from the questionnaires as well as observation sheet .The feelings of the focus group respondents were triangulated with survey results and the observation report. Thus the triangulation was implemented on various levels to a central image from various perspectives.
3.5.1 Questionnaires

According to Saunders (2007:354), a questionnaire is a data collection techniques where-by each respondent is asked to reply to the same set of questions in a certain stipulated order. The ultimate purpose of the questionnaire is the extraction of the thoughts and ideas of the selected sample.

There are two types of questionnaire:

(i) Administered questionnaires, a respondent can access and complete questionnaires via internet, postal or handed to the respondent and collected later.

(ii) Interviewer administered questionnaires, involves the recording of respondents feedback. It consists of face-to face structured questionnaire (where the interviewer and interviewee comes face-to face) and telephone questionnaire (interviewer and interviewee comes in contact via phone).

Questions can be classified in two different categories, namely open-ended questions and closed-ended questions, Pallant, J, (2007). The former have blank space for a respondent to express his or her views, these kinds of questions deliver a lot of information to the researcher as the respondents is given freedom to express their views. Closed questions allow the answers to be chosen from the defined response given out by the researcher; hence, uniform answers with less detail are obtained.

An appropriate technique in analyzing the research problem that a researcher adopted was to administer questionnaires. Well prepared questionnaires were distributed to the respondents (Appendix III). The respondents who were required to answer those questionnaires were drawn at Holili Border. The researcher used both Open – ended and closed – ended questions. This method was simple and safe to the respondents as their names were not mandatory in the questionnaire to make the respondents free and confident in answering the questions. The method was good because it reduced interview’s biasness in getting the required information; hence the respondents were able to answer those questions at their own time, though sometimes it created delays in collecting the information.
3.5.2 Interviews

This was another method used to collect data and all other required information from the respondents.

An interview is the data collection technique that involves conversation between two or more people with the intention of gaining information from one side, Saunders et al., (2007). In research, three types of interviews do exist:

(i) Structured interviews base on standard format of questions with emphasis on fixed response categories and loading procedures combined with quantitative measures and statistical methods hence associated with the positivistic paradigm of research methodology. Structured interviews are very formal and solid since they follow a written interview guide, a document similar to questionnaire, which provides a researcher with sequence details and steering instructions, Jankowicz, A. D, (2005).

(ii) Unstructured interviews are informal and tend to emphasize the interviewee’s views by giving the respondent full liberty to discuss reactions, features and opinions on particular issue. With this technique, an interviewer gives lead question and record the responses so that to derive appropriate result, questions are not systematically coded beforehand, Saunders et al., (2007).

(iii) Semi-structured interviews are informal listed questions that the researcher have and use as a guide in the interview. Normally the questions do not follow the planned schedule and additional questions can be included in the process depending on what of interest have risen up in the interviewing process.

Saunders, et al., (2007), in addition, the other way of explaining types of interview, is based on the interaction between the interviewer and interviewee. This can be on one to one (interviewer and interviewee) or one to group of people (interviewer and interviewees).

Furthermore, the one to one interview can be via phone, face-to-face and internet. Advantages of one to one interviews: flexibility as the researcher is able to ask for
clarification at any point in time when the conversation becomes of ambiguity to him or her hence rendering it in easiness of managing it, Collis and Hussey, (2003). In addition, it allows obtaining fast and precise information when conducted with an experienced researcher. However, it is very difficult for an inexperienced student to conduct one to one interview and come out with precise information, since not much knowledge on the subject matter is obtained as well as experience on interviewing techniques is minimal. As results, respondent’s answers will be formalised and developed under stress, hence partiality.

Therefore, this study used both structured and unstructured interview questions asked to the respondents. This method was used in order to get more clarification on the data collected through questionnaires which was too short and thus too complex to be understood clearly by the researcher. And the method was more useful to the respondents who had no time to respond to questionnaires.

3.5.4 Focus Group Discussion
A focus group is a carefully planned discussion designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment. A focus group discussion (FGD) is a good way to gather together people from similar backgrounds or experiences to discuss a specific topic of interest (Stewart et. Al, 1990). The group of participants is guided by a moderator (or group facilitator) who introduces topics for discussion and helps the group to participate in a lively and natural discussion amongst themselves.

Advantage of Focus Group
Focus group is socially oriented research procedure that allows the moderator to probe—flexibility to explore unanticipated issues.

(i). High face validity.
(ii). Relatively low-cost.
(iii). Relatively fast results.
(iv). Unlike structured interviews, increasing the sample size requires minimal time and resource investment.
(v). However the **disadvantages** of focus group include;
(vi). less experimental control
(vii). data being more difficult to analyse and
(viii). It requires group members to assemble in the same time that could be difficult due nature of works at Holili border.

The researcher used focus group discussion due to the fact that the topic of study requires knowledgeable and experienced people to provide technical advised in relation to trade facilitation issues.

**3.5.3 Documentary Reviews**

This is another method which was used for the purpose of collecting secondary data to supplement the primary data. The information collected by other researchers and may/ or may not be necessarily analyzed or published. The researcher consulted various documents which included reports by and/or for the World Bank, WCO, Tanzania Revenue Authority, and the East African Community Customs Management Act of 2004. Additionally, he consulted other studies and publications that contain the relevant information about the study. For example files, circulars, journals, manuals, websites and pamphlets.

**3.6 Data Analysis**

Guba and Lincholin (1994), describe data analysis as being a systematic process involving working with data, organizing them and dividing them into small manageable parts. Guba and Lincholin (ibid) continue to explain that data are further synthesized in order to discover what is important and what has been learned so as to decide what to tell others.

The researcher analyzed the collected information by using both quantitative and qualitative (descriptive) methods with simple statistics. The analysis was based on the statement of the problem; research objectives and research questions. Data from the questionnaires were coded, processed and then statistically analyzed through Ms Excel. The reason for using Ms Excel is because it can perform the entire statistical
analysis and classification analysis required in this study making it compatible to the data and the problem in question. It is also a user friendly program. Accordingly, findings are presented through the use of tables to get the logical findings.

3.7 Ethical Issues
The intended respondents were assured about the confidentiality of the identifying information and the principle of anonymity were considered which essentially means that the participants remained anonymous throughout the study. Thus they were assured that identifying information will not be made available to anyone who is not directly involved in the study (Introductory part of questionnaire in Appendix II).

3.8 Accuracy and Reliability of Data
To better ensure reliability, the researcher scheduled interviews at the respondent’s convenience and further to this, participants were provided enough time to respond to the questionnaires. By pursuing this, the researcher at least, minimized the chances that the interviews be rushed and the questionnaires be blindly answered (Hair et al, 2003).

The accuracy of data were based on complimenting and mitigation of the weakness of one method of data collection over the other as was explained above.
CHAPTER FOUR

4.0 Introduction

This chapter is devoted for data presentation and analysis that the researcher collects from employees of the Customs, importers, third parties clearing agents and response found from other Government agencies working at Holili border through questionnaires, interview and different documents of the authority guided by research problem, research objectives, and research questions outlined in chapter one of this report. The chapter also will deliver findings based on the study.

Triangulation was done through utilising more than one data collection method in order to provide evidence for a research objective.

Cohen and Manion (1980:208) define Triangulation as "the use of two or more methods of data collection in the study of some aspect of human behaviour". Denzin (1990:592) define triangulation as "the application and combination of several research methodologies in the study of the same phenomenon"

In this study an attempt was made to ensure triangulation by using four data collection methods-Interviews, focus groups, observation and questionnaires. Data collection instruments used were interview sheet, Questionnaire and observation sheet.

As indicated in the objective part of this dissertation, is to examine the operating environment experienced by traders as it relates to the timely removal of cargo from the Border facilities and identify steps required to revise the environment including identification of any legal and regulatory changes required to minimize trade costs. Accordingly, analysis is organized and presented turn by turn and finally, summarized all together.
4.1 Response Rate

Eighty three (83) questionnaires were initially set for respondents that were identified in TRA Holili Monthly reports- December, 2012.

The questionnaires were completed between March and April 2013. They were planned in such a way that respondents would understand the aim and contents of the questionnaire. The researcher was personally responsible for the distribution of and briefing on the questionnaires. The distribution of copies of the questionnaires was through E-mail and others were distributed to intended Government offices situated at Holili border.

Each Questionnaire contained a covering letter and the researcher's introduction letter from Mzumbe University, appendix I and appendix V respectively. The covering letter emphasized the respondent's anonymity and confidentiality of the process as some of the questions deals with official matters and personal issues.

The presence of the researcher and E-Mail distribution of the questionnaires and clarification thereto, was advantageous process to the researcher and therefore fifty six (56) copies of eighty three (83) questionnaires were returned directly on completion for the processing and analysis. Table 4.1 indicates that a response rate of 67.5 percent was obtained. Although the response rate is low, the study and findings hold true for the area of study.

Categorically, a response rate of 66.7 percent obtained from TRA employees, 80 percent obtained from other Government Officials, 80 percent were Clearing Agents and 53.3 percents were Third parties and /or traders.
Table 4.1: Distribution of the Respondents by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Sample Size</th>
<th>Percentage</th>
<th>Responses</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRA officials</td>
<td>27</td>
<td>18</td>
<td>67</td>
<td>12</td>
<td>66.7</td>
</tr>
<tr>
<td>Other Govt. agencies</td>
<td>16</td>
<td>10</td>
<td>63</td>
<td>8</td>
<td>80</td>
</tr>
<tr>
<td>Clearing and Forwarding agents</td>
<td>43</td>
<td>25</td>
<td>58</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>Third Parties /Traders</td>
<td>327</td>
<td>30</td>
<td>9.2</td>
<td>16</td>
<td>53.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>413</strong></td>
<td><strong>83</strong></td>
<td><strong>20</strong></td>
<td><strong>56</strong></td>
<td><strong>67.5</strong></td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

4.2 Presentation, Analysis and Discussion of the Findings

4.2.1 Respondents’ Profile

The respondents of the selected Customs station answered the questions that had been asked in the form of questionnaires. The respondents were requested to provide their profile in general (Part A of the questionnaires (Appendix I)), that is Sex, Age, Marital status, level of education, duration they stayed in the organization, and income level presented in form of tables below.

4.2.1.1 Sex of Respondents

Table 4.2 below indicates that 70 percent of the respondents were males while 30 percent were females.

Regarding category of respondents, the table indicates that 67 percent males and 33 percent females were TRA employees. 65 percent males and 35 percent females belonged to Clearing and forwarding agents. 75 percent males and 25 percent females belonged to third parties and 75 percent male and 25 percent females were from other government agencies.
Table 4.2: Distribution of Respondents by Sex

<table>
<thead>
<tr>
<th>Sex</th>
<th>TRA Employees</th>
<th>C/Agents</th>
<th>Third parties</th>
<th>Other Govt. agencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Male</td>
<td>8</td>
<td>67</td>
<td>13</td>
<td>65</td>
<td>12</td>
</tr>
<tr>
<td>Female</td>
<td>4</td>
<td>33</td>
<td>7</td>
<td>35</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

This implies that there were adequate representation of sex to the study population and data provided, represented the views of various sex groups.

4.2.1.2 Age of Respondents

Referring to table 4.3, we can see that 36 percent of respondents were young workers aged from 31 to 35 years followed by those aged between 36 and 40 years (27%). However, those belonged to age between 25 to 30 year accounts for 21 percent.

Categorically, 75 percent of TRA Employees were aged between 31 years to 35 years. Clearing agents were evenly distributed between 25 years to 40 years. However, 44 percent of third parties were aged between 36 years to 40 years and 38 percent of other Government officials belonged to age between 36 to 40 years.

This finding indicates that large proportions of workers at Holili station were young people who are also the most economic active portion of the population. Furthermore, given the operators” age structure, it is possible to formulate a long-term policy with respect to trade facilitation development, as the players for sure will tend to be in the business for a long time.
Table 4.3: Distribution ofRespondents by Age Group

<table>
<thead>
<tr>
<th>Age Distribution</th>
<th>TRA Employees</th>
<th>C/Agents</th>
<th>Third parties</th>
<th>Other Govt. agencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Less than 24 years</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>25 -30 years</td>
<td>3</td>
<td>25</td>
<td>5</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td>31 -35 years</td>
<td>9</td>
<td>75</td>
<td>5</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>36-40 years</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>Above 40 years</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

4.2.1.3 Marital Status of Respondents

Table 4.4 shows that 70 percent of the total respondents were married and 27 percent were single while only 4 percent belonged to other status.

It was also revealed that among TRA employees, 75 percent were married, and 65 percent of clearing and forwarding agents were married. Moreover 75% of third parties were married while 63% of officials of the Government agencies were also married.

This implies that there were adequate representation of the study population and data provided, represented the views of deferent respondents of various marital status.
Table 4.4: Distribution of Respondents by Marital Status

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>TRA Employees</th>
<th>C/Agents</th>
<th>Third parties</th>
<th>Other Govt. agencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Single</td>
<td>3</td>
<td>25</td>
<td>6</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td>Married</td>
<td>9</td>
<td>75</td>
<td>13</td>
<td>65</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

4.2.1.5 Level of Education of Respondents

About half of TRA and other Government official’s employee respondents had obtained degree as their highest level of education being 83 percent and 50 percent respectively. However clearing agents (40%) and 44 percent third parties had attained certificates as their highest level of formal education. Thus it can be revealed that most officials were educated but serving most uneducated society. That might be one of the factors causing delays in the release of goods due to inefficiency and lack of professionalism on the part of some members for this profession. Table 4.5 presents a visual summary of the data from Holili respondents.
Table 4.5: Distribution of Respondents by level of Education

<table>
<thead>
<tr>
<th>Education Level</th>
<th>TRA Employees</th>
<th>C/Agents</th>
<th>Third parties</th>
<th>Other agencies</th>
<th>Government agencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
</tr>
<tr>
<td>O-level</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>25</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Certificate</td>
<td>1</td>
<td>8</td>
<td>8</td>
<td>40</td>
<td>7</td>
<td>44</td>
</tr>
<tr>
<td>Diploma</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>15</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Degree</td>
<td>10</td>
<td>83</td>
<td>4</td>
<td>20</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Masters</td>
<td>1</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Phd</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
<td><strong>100</strong></td>
<td><strong>20</strong></td>
<td><strong>100</strong></td>
<td><strong>16</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

4.2.1.5 Work Experience of Respondents

The aim of the question on the respondents' number of years in the field was to distinguish between respondents who have one year or less in service, those who have between one and five years' service, those who have between five years and ten years and respondents who have more than ten years' service.

This distinction could assist with determining whether different opinions exist between the various groups at Holili in respect of Trade facilitation.

Table (4.6) below indicates that most TRA employees, 67 percent of the respondents had work experience between one and five years. Likewise 50 percent of Customs Clearing agent’s respondents had work experience between one and five years. However, Third parties and Other Government agencies had more work experience being between five and ten years with 44 percent and 50 percent of the respondents respectively.
**Table 4.6: Distribution of Respondents by Work Experience**

<table>
<thead>
<tr>
<th>Work experience (Years)</th>
<th>TRA Employees</th>
<th>C/Agents</th>
<th>Third parties</th>
<th>Other agencies</th>
<th>Govt. agencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
</tr>
<tr>
<td>1 &amp; below</td>
<td>1</td>
<td>8</td>
<td>2</td>
<td>10</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>1—5</td>
<td>8</td>
<td>67</td>
<td>10</td>
<td>50</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>5—10</td>
<td>2</td>
<td>17</td>
<td>4</td>
<td>20</td>
<td>7</td>
<td>44</td>
</tr>
<tr>
<td>10 &amp; above</td>
<td>1</td>
<td>8</td>
<td>4</td>
<td>20</td>
<td>6</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>16</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

So here one can infer that the Holili Customs stations are organized with degree holders as well as young generation but with less work experienced employees. However the working partners that is Clearing and forwarding agent were young, less experienced with low formal educational background.

**4.2.1.6 Income Level of Respondents**

The following table 4.7, summarizes categorically a monthly income distribution among respondents at the Holili border. Most TRA employees (58%) had income between Tanzanian shillings Five hundred thousand and one million shillings followed by those who had income of Tanzanian shillings one million and above (42%). Most of Clearing and forwarding agents (50%) belonged to income level between Tanzanian shillings two hundred thousand and five hundred thousand. Likewise, officials of the Government agencies, most of them (63%) earned income between Tanzanian shillings two hundred thousand and five hundred thousand. Therefore clearing and forwarding agents having that income level may incapacitate in purchasing modern ICT tools for their job.
Table 4.7: Distribution of Respondents by Income Level

<table>
<thead>
<tr>
<th>Income Level (Monthly Tsh.)</th>
<th>TRA Employees</th>
<th>C/Agents</th>
<th>Third parties</th>
<th>Other agencies</th>
<th>Govt. agencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
</tr>
<tr>
<td>0-100,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>100,001-200,000</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>200,001-500,000</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>50</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>500,001-1,000,000</td>
<td>7</td>
<td>58</td>
<td>5</td>
<td>25</td>
<td>11</td>
<td>69</td>
</tr>
<tr>
<td>1milion &amp; above</td>
<td>5</td>
<td>42</td>
<td>3</td>
<td>15</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>16</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

4.2.2 Challenges Faced by TRA Employees in Conducting Clearance of Goods

The respondents were requested to answer the questionnaire (Appendix II) requiring to priories problematic areas in conducting clearance of goods at Holili, question nine was specifically asked for that purpose and was based on a four point scale as 1st=Most Problematic, 2nd= Problematic, 3rd=Less Problematic, 4th=No Idea. The specified areas were of interest following the procedures for goods to be released had to pass through.

Accordingly, referring to table 4.8, we see that 58 percent of them agreed that ICT Infrastructure was the most problematic area, followed by identification of origin of Goods as problematic area by 50 percent of TRA employees.

Valuation and classification were sighted as problematic area by 42 percent of them. 33 percent specified that inspection and release of goods was also the most problematic area in cargo clearance.
Table 4.8: Prioritization of Problematic Area by TRA Employees

<table>
<thead>
<tr>
<th>Category</th>
<th>TRA Employees</th>
<th>Count</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1st</td>
<td>2nd</td>
</tr>
<tr>
<td>Customs valuation</td>
<td></td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Classification</td>
<td></td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Identification of origin of the</td>
<td></td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Goods</td>
<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Inspection and release of goods</td>
<td></td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>ICT Infrastructure</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

These findings shows how unprepared employees are in operation and illustrate that effort to provide modern customs training courses need to be stepped up.

4.2.3 Challenges Faced by Clearing and Forwarding Agents in Conducting Clearance of Goods

Clearing and forwarding agents were requested to answer the questionnaire (Appendix II) requiring to priories problematic areas in conducting clearance of goods at Holili, question nineteen was specifically asked for that purpose and was based on a four point scale as 1st=Most Problematic, 2nd=Problematic, 3rd=Less Problematic, 4th=No Idea. The specified areas were of interest following the procedures for goods to be released had to pass through

Thus table 4.9 shows that 80 percent of the Clearing and forwarding agents agreed with the TRA Employees that **ICT Infrastructure** was the most problematic area.

Customs valuation was sighted as problematic area for trade facilitation by 70 percent of them, though TRA employees did not consider in that proportion.

However, Identification of origin of the Goods was also indicated as problematic area by 50 percent of them, which was the same to the TRA employees (Table 4.8). Classification, Inspection and release of goods were as well specified by 45 percent
of them as problematic areas. Table 4.9 below summarizes the response results of this group.

Table 4.9: Prioritization of Problematic Area by Clearing and Forwarding Agents

<table>
<thead>
<tr>
<th>Category</th>
<th>Clearing agents</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1st 2nd 3rd 4th Total</td>
<td>1st 2nd 3rd 4th Total</td>
</tr>
<tr>
<td>Customs valuation</td>
<td>6 14 0 0 20</td>
<td>30 70 0 0 100</td>
</tr>
<tr>
<td>Classification</td>
<td>3 9 6 2 20</td>
<td>15 45 30 10 100</td>
</tr>
<tr>
<td>Identification of origin of the Goods</td>
<td>4 10 6 0 20</td>
<td>20 50 30 0 100</td>
</tr>
<tr>
<td>Inspection and release of goods</td>
<td>6 9 5 0 20</td>
<td>30 45 25 0 100</td>
</tr>
<tr>
<td>ICT Infrastructure</td>
<td>16 4 0 0 20</td>
<td>80 2 0 0 100</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

These findings indicate that Poor ICT infrastructure was a major challenge faced by Clearing and forwarding agents for speed clearance of goods at Holili customs. Likewise incompetence in various sections for goods clearance caused delays.

4.2.4 Respondent’s Perception on Reasons for Delays in Customs Clearance of Goods at Holili Border

The respondents were requested to answer the questionnaire (Appendix II) inquiring their perception on reasons for delays in Customs clearance of goods hence trade facilitation for the problems identified in table 4.8 and table 4.9 above. The reasons thereto was based on four point scale as 1st=Most Problematic, 2nd=Problematic, 3rd=Less Problematic, 4th=No Idea. The following tables (4.10 and 4.11) summarize responses that were collected from the field.
Table 4.10: Prioritizing Reasons behind the Problematic Area by TRA Employees

<table>
<thead>
<tr>
<th>Category</th>
<th>TRA Employees</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Count</td>
<td></td>
<td></td>
<td>Percent (%)</td>
<td>1st</td>
<td>2nd</td>
<td>3rd</td>
<td>4th</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1st</td>
<td>2nd</td>
<td>3rd</td>
<td>4th</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over/under valuation</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>12</td>
<td>42</td>
<td>42</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Misclassification</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>12</td>
<td>17</td>
<td>42</td>
<td>25</td>
<td>17</td>
</tr>
<tr>
<td>Wrong Origin of the Goods</td>
<td>0</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>12</td>
<td>0</td>
<td>50</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Corruption</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>12</td>
<td>25</td>
<td>8</td>
<td>25</td>
<td>42</td>
</tr>
<tr>
<td>Poor ICT Infrastructure</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>12</td>
<td>50</td>
<td>42</td>
<td>8</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

Table 4.11: Prioritizing Reasons behind the Problematic Area by Clearing and forwarding Agents

| Category            | Clearing agents |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
|---------------------|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|           |           |           |           |
|                     |                 | Count     |           |           | Percent (%) | 1st       | 2nd       | 3rd       | 4th       | Total     | 1st       | 2nd       | 3rd       | 4th       | Total     | 1st       | 2nd       | 3rd       | 4th       | Total     | 1st       | 2nd       | 3rd       | 4th       | Total     |           |           |           |           |           |           |           |
|                     |                 | 1st       | 2nd       | 3rd       | 4th       |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Over/under valuation | 9               | 10        | 1         | 0         | 20        | 45        | 50        | 5         | 0         | 100       | 90        | 10        | 30        | 70        | 100       | 90        | 10        | 30        | 70        | 100       | 90        | 10        | 30        | 70        | 100       |           |           |           |           |           |           |           |           |
| Misclassification    | 4               | 12        | 3         | 1         | 20        | 20        | 60        | 15        | 5         | 100       | 40        | 12        | 30        | 10        | 50        | 40        | 12        | 30        | 10        | 50        | 40        | 12        | 30        | 10        | 50        | 100       |           |           |           |           |           |           |           |           |
| Wrong Origin of the Goods | 1     | 14        | 4         | 1         | 20        | 5         | 70        | 20        | 5         | 100       | 15        | 14        | 59        | 10        | 60        | 15        | 14        | 59        | 10        | 60        | 15        | 14        | 59        | 10        | 60        | 100       |           |           |           |           |           |           |           |           |
| Corruption          | 6               | 5         | 6         | 3         | 20        | 30        | 25        | 30        | 15        | 100       | 30        | 25        | 30        | 15        | 100       | 30        | 25        | 30        | 15        | 100       | 30        | 25        | 30        | 15        | 100       |           |           |           |           |           |           |           |           |
| Poor ICT Infrastructure | 13            | 6         | 1         | 0         | 20        | 65        | 30        | 5         | 0         | 100       | 65        | 30        | 5         | 0         | 100       | 65        | 30        | 5         | 0         | 100       | 65        | 30        | 5         | 0         | 100       |           |           |           |           |           |           |           |           |

Source: Study findings, 2013

The researcher inferred from the above two tables (table 4.10 and 4.11) regarding to the reason behind the problems that, both employees and clearing agent prioritized ICT on the top (50% and 65%) respectively as the reasons for the problems.
In the other four reasons, they reflected different positions, although all belonged between the most problematic reason and problematic reason. However, on Corruption as a reason for delays in clearance, Most TRA Employees (42%) indicated as they had no Idea while clearing and Forwarding agents when asked about Corruption they responded as the most problematic reason (30%) and other 30% of them responded as less problematic reason.

Here it should be noted that, although they had the same stand in ranking problematic area and the reason behind the problems, their interpretation and justification were different from each other. When employees categorized Customs valuation as the most problematic area, they blamed the importer and agents in submission of false invoice/undervalued/ transaction cost, and therefore that was the main justification for the authority to compile its own price indicators. For example valuation for Motor vehicle is found through website http://www.tra.go.tz/index.php/calculators-tools

4.2.5 Respondents Views on Capacity and Efficiency of Clearing Agents

Inefficiency of clearing and forwarding agents was cited as one of the factor contributing to the unsatisfactory trade facilitation at the border. The survey indicates, as suggested by Table 4.12, that over 75 percent of the exporters/importers and TRA Employees had unsatisfactory views for their capacity and efficiency for their operations. This implies that, other than customs procedures clearing and forwarding agents had impact for slow clearance at the border hence poor trade facilitation
Table 4.12: Respondent Perception on Capacity and Efficiency of Clearing Agents

<table>
<thead>
<tr>
<th>CODE</th>
<th>TRA Employees</th>
<th></th>
<th>Third Parties</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>count</td>
<td>%</td>
</tr>
<tr>
<td>Poor</td>
<td>10</td>
<td>83</td>
<td>11</td>
<td>68.75</td>
<td>21</td>
<td>75</td>
</tr>
<tr>
<td>Okay</td>
<td>2</td>
<td>17</td>
<td>5</td>
<td>31.25</td>
<td>7</td>
<td>25</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12</td>
<td>100</td>
<td>16</td>
<td>100</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

4.2.5 Respondents Views on Measures to be done for Improving Trade Facilitation at Holili Border

Suggestion on improving trade facilitation through minimizing clearance delays were provided by respondents in all categories.
Sixty one percent cited on ICT improvement and Electricity reliability since it was the most problematic area in their dealings.

Twenty six percent of respondents suggested on enough training for new technology adopted by TRA for both TRA employees and clearing and forwarding agents. The rest sighted on other issues like minimizing customs procedures on clearance of goods, reducing number of unnecessary documents require by Customs authority. For example one responded suggested that:

“I think there should be harmonized procedures to all offices of the government that importers/exporters could finalise all import/export requirements under one office”.

This was found valid due to the fact that most of offices were situated in different location thus making importers/or exporters to travel from one office to another that in turn add up compliance costs.
Another respondent suggested that:

“The trading community have low level of compliance in paying taxes, there should be enough effort by the TRA authority to increase community awareness and transparency on the expenditure of revenue collected, in doing so, people will be motivated and hence compliance”.

From above findings one can infer that there are unsolved problems at Holili station that need be settled by respective authorities for smooth trade facilitation.

4.3 Interview Results with Officials and Documentary Analysis

As indicated in chapter three i.e. the methodology part, apart from the survey, this study employed documentary study and interview with officials, clearing agents and importers/exporters. In documentary analysis manuals and reports of the authority was incorporated.

4.3.1 Interview Result and Analysis

In addition to the questionnaire, the researcher has made an interview with officials at Holili Customs and TRA Dar es salaam Customs Service Center where Transaction process begins.

During the interview almost all the officials argue that the clearing process has shown improvement from time to time, especially after the reorganization of the authority under the third corporate plan 2007/2008-2012/2013. The interviewees justified the reason for the improvement as follows:

Firstly, the third corporate plan’s vision of becoming the modern tax administration which facilitated the restructuring of the organization was the base or benchmark for the improvement.

Secondly, shifting from manual to full automated system (ASYCUDA++) was the most decisive measure which served 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 allowed the access of electronic procedures through TRA-PAD.

Thirdly, the recruiting of graduate employees, contributed in upgrading the capacity of the authority in performing modern customs clearing process, this can be justified the findings in table 4.5 and 4.6 above.

Finally, based on the Quality standard objective study, time taken for a document based on level of risk had been specified as a standard, and every employee was 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 achieve as expected. The interviewees extends that, the major causes for the failures of the planned outputs, were interruption of system network (ASYCUDA++) , TRA PAD System and employee’s insufficient knowledge of the TRA PAD Back office function. Furthermore, interventions of other Government officials on imported goods such as TBS, TFDA add clearance time and costs for importers.

Meanwhile, in the discussion, the officials added that beside to the listed problems in the preceding paragraph, the clearing agents and/or owners had a significant negative role on the Customs clearance process. They argued that, most of the clearing agents lack education (see table 4.5) and professional ethics and are smart enough in cheating officers. At the same time, importers provided undervalued invoices, wrong certificates of origin and other forged documents. As the result of those and other related problems, Customs clearing time for a document/declaration became longer than the standard.

Interviewees from clearing agents argued that the automation is good though the customs Changes comes abruptly without proper preparation on the side of clearing agents. Accordingly these changes need enough capital to purchase computers and cope with new software, of which most of us (Agents) could not afford, as evidenced by income level in table 4.7 above.
Interviewees from importers/exporters claimed on extended customs procedures that centralization of customs to some extend were results of delays that costed them much especially on transport (waiting charges at the border).

They claimed for example it cost them one hundred fifty dollar ($150) a day as waiting changes. Moreover, they questioned the capacity of clearing agents financially and professionally as sometimes they failed to defend them accordingly during dispute on classification and valuation cases.

Furthermore, most of interviewees (traders) claimed that electronic procedures left them aside as most of them had no knowledge on ICT and therefore they depended much on their Clearing and Forwarding Agents.

4.3.2 Documentary Analysis

The manual of the authority showed the procedures and formalities followed by the employees. Additionally, the time taken for a document based on their risk level was 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 looked a bit long as far as trade facilitation was concerned.

The researcher also tried to review 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.

It was revealed that clearance time took much longer than benchmarks. The reasons thereto were due to other directives given through circulars that all goods should be subjected to physical verification that as well added clearance time.

On part of ICT reliability, the researcher selected randomly and used the following sample reports on track record for system down time at Holili station for the month of September 2012, December 2012, February 2013 and April 2013. It was revealed
that system down time was a critical issue at the border. There were no reliable internets for ASYCUDA++ and other systems used by the Customs. This increased delays time at the border since no manual works could be advanced.

According to Wolf (2004), after modernization was taken place in Ghana, clearing time had dropped from three days to four hour (18% goods clear in fewer than two hours and 75% clears the same day). Customs document review, which in the past averaged 24 hours, now average 10 minutes.

Thus to have the advantages of automation there is a need to have reliable internet connection and electricity.

4.4 Basic Findings

Responses showed that, the restructuring of the authority brought some changes and improvements of Customs clearing process, however almost all respondents confirmed that the time taken for a document to clear was still long and tiresome which impeded the trade facilitation. The researchers found the following problems and reasons behind them which caused delays of imported goods during clearance.

**Identified problems**

(i). Unreliable Networks and Electricity  
(ii). Low compliance level on the part of trading community.  
(iii). Methods of Customs valuation, Classification of goods and tariffs system  
(iv). Inspection and release of goods,  
(vi). Intervention of other Government agencies in clearance at the Border  
(vii). Lack of knowledge on the part of clearing and forwarding agents  
(viii). Lack of capital on the part of clearing and forwarding agents

**Reasons of the Problems**

Here are some of identified reasons for above problems:

Low compliance level on part of trading community that results into over valuation of transaction value, the authority did not trust the importers, so it prepares data from
different sources which is contrary to the WCO. At the same time, importers undervalued the transaction value and submitted forged certificates of goods of origin to benefit from preferential tax rates which were low.

There were doubt in inspection and release of goods as importers/clearing agents pointed out as place where corruption was vulnerable. However that was due to wrong declaration made initially by them, which was contra to the East African Customs Management Act, 2004.

Lack of professionalism on the part of clearing and forwarding agents. Most of them had not attended technical courses to equip them with technical know-how on Customs Procedures and dealings. That also increased unnecessary delays on clearance.

As it has been established, clearing agent operators with normal education background being 40 percent, certificate holders (Table 4.5) and little training courses to them and with low income of Tsh.500,000 and below per month constituting 50 percent (Table 4.7) implies that the modern ICT tools could not be obtained likewise operation of the same could not be done effectively. This is in line with findings from Buyonge and Kireeve, (2008) that "customs brokers in Africa are as rule small and medium sized enterprises, often with insufficient working capital and equipment, so they use funds entrusted to them by one company to finance different importations"

The research found that apart from Customs, other agencies/parties are also responsible for the overall delays in border trade. Therefore, for trade facilitation to be achieved, a whole-of-government approach (as recognised by the Revised Kyoto Convention and referred to in Widdowson, 2007) to border management is pivotal where other government agencies involved in international trade flow need to become efficient and responsive in the global trade facilitation effort. This signifies the necessity for the Government of Tanzania to develop cooperative arrangements between Customs and other agencies involved in international trade in order to
facilitate among other things, the seamless transfer of international trade data. The WCO SAFE Framework of Standards encourages such arrangements (WCO 2007). In establishing the proposed cooperative relationship, Customs should take the lead role because it is the ‘agent’ (according to Holloway, 2010) of other government agencies at the border and therefore needs to ensure compliance with all import/export regulations, including those relating to health, foreign exchange and safety.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary
This study examined the challenges of Customs on trade facilitation, specifically the Customs clearing process at Holili border. The study focused on identifying the problems and the reasons behind those problems, which have negative contribution on the length time of clearing process.

This study was conducted using techniques of qualitative and quantitative research. An attempt was made to ensure triangulation by using four data collection methods- Interviews, focus group discussion, and questionnaires with Tanzania Revenue authority’s (TRA) employees, clearing and forwarding agents and third parties.

Data collection instruments used were interview sheet, Questionnaire and documentary review.

The case study was described as the appropriate research strategy while Interviews, focus group discussion, and a survey were used as the data collection methods.

The sample of the study and the data sampling for the study were discussed in chapter three.

In chapter four, data were statistically analysed through Ms Excel and accordingly findings were presented through the use of tables to get the logical findings.

The research findings are discussed in detail and found that inter alia, ICT infrastructure improvement can be seen as a leverage point to improve speed clearance of goods at Holili customs station.

In collecting evidence for the subsidiary questions of the research objectives, it was found that various Problems exist with regards to speedy clearance of goods at Holili Customs station. Such as technology, communication, clearing agent competence,
lack of capital, intervention of other Government officials on clearance of goods, Overvaluation, misclassification and corruption.

5.2 Conclusion
As per the analysis made, there is a delay in Customs clearing and most of the customers are dissatisfied by the service provided.

Poor ICT infrastructure was the concern of all stakeholders at the border. As far as most transactions with TRA are electronically made, it implies that there is need for improvement in ICT infrastructure to speed up cargo clearance at the border.

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.

Additionally, the authority breaches its rules and regulations that stated valuation should be based on transaction cost, because the authority uses data base 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 data base, the authority accept it as the value of that specific goods for valuation but if it is less than the cost on the data base, it rejects and took its own cost, this implies 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.
5.3 Recommendations

Recommendation 1: For the Authority

As indicated in the finding part that there were time delays in Customs clearing process, and at the same time the problems were already identified including their reasons.

Therefore, TRA 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.

The most problematic area sited by both respondents was ICT. Since TRA is modernizing its procedures there is a need to assist working partners (Clearing Agents) to move on with the same pace.

There is a need to help them acquire modern ICT tools and to install reliable networks at the Border for trade facilitation.

Therefore A strong investment in technology is needed at the border. The investment could not have been totally financed by the private sector. External financing is essential. A public-private partnership is the model that will best suite.

To the view of importers/agents mistrust existing between them and the Customs, particularly on valuation that complicate clearance process since one has to undergo further for price dispute that takes time as well.

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 financial penalty, sending them to jail and even cancelation of their license.
Moreover, these measures should be applied uniformly on all over the importers found to be cheaters.

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

Governments should rationalize the cargo clearance process, which frequently requires the intervention of several government agencies in addition to Customs, through coordinated interventions by the agencies concerned, or by investing responsibility for all cargo clearance activities in one single authority, i.e., Customs.

**Recommendation 2: 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.

Furthermore, findings show they have low level of education compared to officers working together at the Border. They are recommended to go further studies relevant to their professionals to have proper communication among working partners.

**Recommendation 3: for Importers/Exporters**
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.

As far as they are doing a business in Tanzania, it is advantageous to know the rules and regulation of the country and TRA.
Area for Further Research

Based on the findings, the researcher is recommending further research to be done on the best model for the provision of Modern ICT tools and reliable power supply specifically at Holili border. Individual operators have proven failure to secure these equipments due to high costs hence hindrance to trade facilitation.
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APPENDICES

Appendix i: Holili Border Map

Source: Satellite Google Map
Appendix ii: Questionnaire for TRA Employees

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 Tanzania: The case of Customs clearance at Holili Kilimanjaro Region.” which will be used to prepare a dissertation required for my MBA degree in Corporate Management. Therefore, your response in this regard will help a lot to undertake the study. The result of this survey will be treated with at most confidentiality and will be strictly used for academic purposes only. The researcher thus appreciates in advance your cooperation and sparing your valuable time in filling this questionnaire.

PART A: General Information

Kindly tick(✓) where applicable

1. Sex
   (i). Male
       (ii). Female

2. Age
   (i) Less than 24 years
   (ii) Between 25 -30 years
   (iii) Between 31 -35 years
   (iv) Between 36-40 years
   (v) Above 40 years

3. Marital status
   (i) Married
   (ii) Single
   Other (specify)…………………………………………………………………………………………
4. Educational background:
   (i) O-Level
   (ii) Certificate
   (iii) Diploma
   (iv) Degree
   (v) Masters
   (vi) PhD

5. Duration in the Organization
   (i) Less 1year
   (ii) 1-5yrs
   (iii) 5-10yrs
   (iv) Above 10yrs

6. Income level per month (In Tanzanian Shillings)
   (i) 0------100,000
   (ii) 100,001------200,000
   (iii) 200,001------500,000
   (iv) 500,001------1,000,000
   (v) 1,000,000 and Above

PART B

7. How do you see the existing Customs clearance formalities and procedures in comparison to the world Customs organization’s one?

______________________________________________________________________________________________________
______________________________________________________________________________________________________
8. How do you evaluate the Customs clearance service in favor of trade facilitation, i.e. Customs clearance time?

_____________________________________________________________

9. Rank the following most problematic area in conducting clearing process?
(1=Most Problematic, 2= Problematic, 3=Less Problematic, 4=No Idea)

<table>
<thead>
<tr>
<th>Problem</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs valuation</td>
<td></td>
</tr>
<tr>
<td>Classification</td>
<td></td>
</tr>
<tr>
<td>Identification of origin of the Goods</td>
<td></td>
</tr>
<tr>
<td>Inspection and release of goods</td>
<td></td>
</tr>
<tr>
<td>ICT Infrastructure</td>
<td></td>
</tr>
</tbody>
</table>

10. Rank the following reasons behind the above problems?
(1=Most Problematic, 2= Problematic, 3=Less Problematic, 4=No Idea)

<table>
<thead>
<tr>
<th>Reason behind the problem</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over/under valuation</td>
<td></td>
</tr>
<tr>
<td>Misclassification</td>
<td></td>
</tr>
<tr>
<td>Wrong Origin of the Goods</td>
<td></td>
</tr>
<tr>
<td>Corruption</td>
<td></td>
</tr>
<tr>
<td>Poor ICT Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Corruption</td>
<td></td>
</tr>
</tbody>
</table>

11. What is the base for valuation purpose? (Please tick one)
(i) Transaction □
(ii) Risk Management □

Other (specify)..................................................................................
12. Does your office use post-clearance audit for the sake of trade facilitation?  
(Please tick (✓) one) 
(i) Yes  
(ii) No 

13. If your answer for question no.12 is no, why? 
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

13. How many times did you take training related to customs? (Please tick one) 
(i) 0  
(ii) 1-2times  
(iii) 3-4times  
(iv) 5 and above 

14. How related was the training with your profession? 
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

15. Are you satisfied with the salary you are paid? 
(i) Yes  
(ii) No 

16. Are you comfortable with the work environment? 
(i) Yes  
(ii) No
17. If your answer for the preceding question is no, what are the problems that make you uncomfortable?
______________________________________________________________
______________________________________________________________
______________________________________________________________

18. How do evaluate the capacity and efficiency of the clearing agents in terms of financial capacity and profession capacity?
______________________________________________________________
______________________________________________________________
______________________________________________________________

19. How can we improve the Customs clearance process?
______________________________________________________________
______________________________________________________________
______________________________________________________________

Thank you for your co-operation!
Appendix iii: Questionnaire for Clearing Agents

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 Tanzania: The case of Customs clearance at Holili Kilimanjaro Region.” which will be used to prepare a dissertation required for my MBA degree in Corporate Management. Therefore, your response in this regard will help a lot to undertake the study. The result of this survey will be treated with at most confidentiality and will be strictly used for academic purposes only. The researcher thus appreciates in advance your cooperation and sparing your valuable time in filling this questionnaire.

PART A: General Information

Kindly tick (√) where applicable

1. Sex
   (i) Male ( )
   (ii) Female ( )

2. Age
   (i) Less than 24 years ( )
   (ii) Between 25 -30 years ( )
   (iii) Between 31 -35 years ( )
   (iv) Between 36-40 years ( )
   (v) Above 40 years ( )

3. Marital status
   (i) Married ( )
   (ii) Single ( )
   Other (specify)……………………………………………………………………………………..
4. Educational background:
   (i) O-Level. ( )
   (ii) Certificate ( )
   (iii) Diploma ( )
   (iv) Degree ( )
   (v) Masters ( )
   (vi) PhD ( )

5. Duration in the business
   (i) Less 1year ( )
   (ii) 1-5yrs ( )
   (iii) 5-10yrs ( )
   (iv) Above 10yrs ( )

6. Income level per month (In Tanzanian Shillings)
   (i) 0------100,000 ( )
   (ii) 100,001------200,000 ( )
   (iii) 200,001------500,000 ( )
   (iv) 500,001------1,000,000 ( )
   (v) 1,000,000 and Above ( )

PART B

7. What are the problems which you face in conducting Customs clearance?
   _________________________________________________________________
   _________________________________________________________________
   _________________________________________________________________

8. Where do you think the problem lies? (Please tick (√) one)
   (i) In Customs office ( )
   (ii) In clearing agents ( )
   (iii) In Importers/Exporters ( )
   (iv) In all of them ( )
9. If four answers for question number 8 is in all of them, list the problems of:
   Customs office
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
   Clearing agents
   ________________________________________________________________
   ________________________________________________________________
   Importers/Exporters
   ________________________________________________________________
   ________________________________________________________________
10. What do you think are the reasons behind the problems?
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
11. Do observe any problems in connection to TRA-PAD system?
   (i) Yes (  )
   (ii) No (  )
12. Do you experience any problems in connection to ASYCUDA++?
   (i) Yes (  )
   (ii) No (  )
13. If your answer is yes for the preceding question, state the problems
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
14. Can you comment on the Formalities, Procedures and number of documents required by the customs office, which you think are valueless?

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

15. Did you observe any discrepancy between the written formalities, procedures and the practice on the ground?

(i) Yes ( )

(ii) No ( )

16. If your answer is yes for the preceding question, state the differences:

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

17. How do you evaluate the procedures and formalities of the TRA in comparison to World Customs Organization’s (WCO)?

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

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

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________
19. Rank the following most problematic areas in conducting clearing process?
(1=Most Problematic, 2=Problematic, 3=Less Problematic, 4=No Idea)

<table>
<thead>
<tr>
<th>Problem</th>
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</tr>
<tr>
<td>Inspection and release of goods</td>
<td></td>
</tr>
<tr>
<td>ICT Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Capacity of Officers</td>
<td></td>
</tr>
</tbody>
</table>

20. Rank the following reasons behind the above problems?
(1=Most Problematic, 2=Problematic, 3=Less Problematic, 4=No Idea)

<table>
<thead>
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<td>Wrong Origin of the Goods</td>
<td></td>
</tr>
<tr>
<td>Poor ICT Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Lack of Knowledge</td>
<td></td>
</tr>
<tr>
<td>Corruption</td>
<td></td>
</tr>
</tbody>
</table>

21. Suggest measures to be taken to enhance the Customs clearance process in Tanzania with specific to Holili border:


Thank you for your co-operation!
Appendix iv: Questionnaire for Importers/Exporters

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 Tanzania: The case of Customs clearance at Holili Kilimanjaro Region.” which will be used to prepare a dissertation required for my MBA degree in Corporate Management. Therefore, your response in this regard will help a lot to undertake the study. The result of this survey will be treated with at most confidentiality and will be strictly used for academic purposes only. The researcher thus appreciates in advance your cooperation and sparing your valuable time in filling this questionnaire.

PART A: General Information

Kindly tick (✓) where applicable

1. Sex
   (iii). Male   
   (iv). Female  

2. Age
   (vi) Less than 24 years  
   (vii) Between 25 -30 years  
   (viii) Between 31 -35 years  
   (ix) Between 36-40 years  
   (x) Above 40 years  

3. Marital status
   (iii) Married  
   (iv) Single    
   Other (specify)........................................................................................................................................

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4. Educational background:
   (vii) O-Level
   (viii) Certificate
   (ix) Diploma
   (x) Degree
   (xi) Masters
   (xii) PhD

5. Duration in the business
   (v) Less 1 year
   (vi) 1-5 yrs
   (vii) 5-10 yrs
   (viii) Above 10 yrs

6. Income level per month (In Tanzanian Shillings)
   (vi) 0------100,000
   (vii) 100,001------200,000
   (viii) 200,001------500,000
   (ix) 500,001------1,000,000
   (x) 1,000,000 and Above

PART B

1. How do you see the existing customs clearance formalities and procedures in relation to trade facilitation?

____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
2. Do you observe any discrepancy between the written formalities and procedures and the practice on the ground?
   (i) Yes □
   (ii) No □

3. If your answer is yes please list them
   _________________________________________________________________
   _________________________________________________________________
   _________________________________________________________________

4. Are you satisfied with the customs service especially clearance process and length of time-release?
   (i) Yes □
   (ii) No □

5. If your answer for the preceding question is no, where do you think the problem lies?
   (i) Agent □
   (ii) Customs office □
   (iii) Both □

6. How do you evaluate the capacity and efficiency of the clearing agent in providing the expected service for their customers?
   (i) Good □
   (ii) Fair □
   (iii) Bad □

7. Are these agents fast and capable enough in filling the declaration forms through Pre arrival declaration (PAD) system to the ASCUDA++ and submission of supporting documents to the respective office?
   (i) Yes □
   (ii) No □
8. Where do you think are the sources of problems?
   (i) Professional problems □
   (ii) Financial problems □

9. Rank the following most problematic areas in conducting clearing process?
   (1=Most Problematic, 2= Problematic, 3=Less Problematic, 4=No Idea)

<table>
<thead>
<tr>
<th>Problem</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs valuation</td>
<td></td>
</tr>
<tr>
<td>Classification</td>
<td></td>
</tr>
<tr>
<td>Identification of origin of the Goods</td>
<td></td>
</tr>
<tr>
<td>Inspection and release of goods</td>
<td></td>
</tr>
<tr>
<td>ICT Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Capacity of Officers</td>
<td></td>
</tr>
</tbody>
</table>

10. Rank the following reasons behind the above problems?
    (1=Most Problematic, 2= Problematic, 3=Less Problematic, 4=No Idea)

<table>
<thead>
<tr>
<th>Reason behind the problem</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over/under valuation</td>
<td></td>
</tr>
<tr>
<td>Misclassification</td>
<td></td>
</tr>
<tr>
<td>Wrong Origin of the Goods</td>
<td></td>
</tr>
<tr>
<td>Poor ICT Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Lack of Knowledge</td>
<td></td>
</tr>
<tr>
<td>Corruption</td>
<td></td>
</tr>
</tbody>
</table>

11. Suggest measures to be taken to enhance the Customs clearance process in Tanzania with specific to Holili border:
    ________________________________________________________________
    ________________________________________________________________

12. Why do you pay money to officers?
    (i) For illegal activities □
    (ii) To speed up legal activities □

Thank you for your co-operation!
Appendix v: Introduction Letter