ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERECE

DEPARTMENT OF LOGISTICS AND SUPPLY CHAIN MANGEMENT

EFFECT OF CUSTOMS CLEARANCE PRACTICE ON THE LOGISTICS PERFORMANCE: IN DEVELOPMENT BANK OF ETHIOPIA.

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JUNE, 2022

ADDIS ABABA, ETHIOPIA

DECLARATION

Iam JilalNasroHusen, I declare that on the thesis entitled “customs clearance practice and its effect on logistics performance: onDevelopment Bank ofEthiopia.” that ismy work and all material used for the research work have been acknowledge.

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ACKNOWLEDGEMENTS

Ithankall who are helpedmetoaccomplishthisresearch paper. I thankstomyadvisor Dr. BushaTemesgen,for hissupportonmy paper and to Dr.ShiferawMitekufor his comment of the proposal.I wouldlike toexpressmythankstomy wife and dear friend kibreabGirma (staff members of the Development Bank of Ethiopia) for everysupport,and encouragement to accomplish my study successfully.

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CONTENTS

ABBREVIATIONS

LPI	Logistics Performance Index
CCA	Customs Clearing Agent
CIF	Cost, Insurance and Freight
WCO	World Customs Organization
ECC	Ethiopia Custom Commission
ECG	Ethiopian Customs Guide
L/C	Letter of credit
WTO	World Trade Organization
RKC	Revised Kyoto Convention
DBE	Development Bank Ethiopia
ECVS	Ethiopian customs valuation system
EFTA	European Free Trade Association
OECD	Organization for Economic Co-operation and Development
HS	Harmonized System

ABSTRACT

The drive of this study was to measure the customs clearance practice and its effects on the logistics performance of the Development Bank of Ethiopia within factors of customs Face vet, Goods Inspection, Document Scrutiny, Risk Management, and Automation.The numbers of target population of this study was 75 and chooses the census sample technique. The statistical data were tabulated by SPSS software and the output analyzed by mean, frequency, correlation, and Regression. Descriptive and Inferential statisticswere usedfor analyze thedata. Majority of the independent variables are correlated at $P < 0.01$ and at $P < 0.05$ level of significance and there is a strong positive relationship between the effect of customs inspectionactivity and logistic performance with a Pearson correlation coefficient of ($r=0.802$) and significance value 0.00. The study recommended that Ethiopian customs commission should implement giving advance information for customers, Customs procedures and practices must be consistent, transparent, and appropriate to international customs clearance servicestandards and should be avoid redundancy of customs goods inspection and document scrutiny/checking for a particular shipment. Furthermore, in the Risk management system, the customs commission should give strong information to importers about risk channel categories;and Give training for Customs employees to have adequate operational knowledge.

Key Words: Pearson correlation coefficient, face vet customs, risk channel categories, Customs Automation Systems and Descriptive and Inferential statistics

CHAPTER ONE

INTRODUCTION

This study initiativewas to assess the effect of the customs clearance practice on logistics performance. In This chapter the background of the study, statement of the problem, research question, objective of the study, significance of the study, scope of the study, limitation of the study, and organization of the study included.

1.1. Background of the Study

Logistics service is one of the supply chain activities that have a great influence and role on the company's overall financial (profitability), operational, and competitive advantage. Hence, quality logistics performance and a successful business environment have a strong relationship (McGrath, 1992). Logistics services are very critical to international trade and play an important role in the growth and development of the local economy (Endashaw T. 2021). For competitive International trade the quality and efficiency of logistics services can matter.Major obstacle to global trade integration is fragile logistics infrastructure and operational processes (journal of The Asian on shipping and logistics, 2017).According to the World Bank institution, countries' logistics performance indicatorsare the efficiency of the customs clearance process, the quality of trade and transport-related infrastructure, the competitively price international shipments, logistics services quality, track and trace consignments, shipments time within the scheduled or expected delivery time. According to this World Bank six logistics performance measurement Ethiopia ranked 126th out of 160 countries. Accordingly, the ranking of Ethiopia shows a backward spiral between 2014 and 2016, going from 104 to 126 in the rank comparison across 160 countries. (World Bank Group, 2016).

One of the concerns in logistics is the time and cost spent to clear export and import goods by complying with the customs regulations and procedures of the country. Reducing the time required for the clearance of goods at customs is very important. Hence, the length of time for customs clearance practice plays a negative or positive roll-on logistics performance. A short customs clearing time-release avoids the serious bottlenecks that impede logistics performance. This fact can be indicating that custom clearance

is one of factor for quality logistics service. According to world customs organization, custom clearance is the process of accomplishing customs formalities compulsory to allow goods to enter a country for homes use, to be exported to another country, or for another internal customs procedure (Revised Kyoto Convention, 1999). It is practiced around the world with set of principles ranging from general proclamation to specific directive procedure in respect to international customs law. Customs clearance administration consider as the government service which is responsible for the administration of Customs import and export duties and taxes. It also has responsibility for the application of other laws and regulations relating, inter alia, to the importation, transit and exportation of goods (Revised Kyoto Convention, 1999).

According to world customs organization and Revised Kyoto Convention (1999), Modernized Customs administrations usually exhibit the following characteristics: Self- assessment; the use of risk-based, full automation of transactions processing and management information support, and extensive use of trader segmentation to implement appropriate compliance and trade facilitation strategies. Additionally, Revised Kyoto Convention (1999), customs governing principles must be obtained transparency and predictability of Customs actions, standardization and simplification of the goods declaration and supporting documents. Therefore, the basis for each customs procedure or practice is customs law (either national or international) and major factors for effective customs clearance service are maximum use of information technology and maximum use of risk management system.

However, most under developing country, particularly, African countries customs clearance services are fashioned by requirement of unnecessary documentary, lack of automation, ineffective use of customs service manual procedures, deficiency on proper risk management system, lack of transparency, predictability and consistency (ECA, 2004). Ethiopian customs practice also very much diverted from the law and it is fashioned by the inconsistent, non-transparent and unfair valuation computations. Efficiency of the customs tax and duty performance collection depends on customs officerand importer ethical circumstance(GebremichaelWoldu, 2016). Hence, Ethiopian customs clearance service quality also characterized redundancy of customs clearance documents checking and good physical inspection service process, luck of modern customs automation system (information technology) and risk management system.

1.2. Statement of the Problem

According to research conducted by Endashaw T. (2021), on the customs clearance process and its effect on logistics efficiency; country's logistics performance is key to a country's productivity and it is attractive to foreign direct investment flow. Inefficient logistics raise the cost of doing business and reduce the potential for international and domestic market integration (World Bank Group, 2018).Ethiopian logistics is characterized by a lack of heavy truck availability, container seal problems (seal number error, seal number unreadable, seal number breakage, Seal number in existence, and Seal number change), TIN Related Problems, Djibouti transit Clearance Inefficiency, documentation or Manifest related problems (such as manifest Error and Delay). Due to this logistics inefficiency/problem importer and exporter pay Djibouti port service charge and container demurrage payment for different ship carrier (ESLSE, 2021). Hence, the number one logistics performance quality is the efficiency of the customs clearance process.

According to World Bank and international customs organization study report (2019), Ethiopia's key logistics bottlenecks are related to complex customs clearance proceduresthat Ethiopia logistics performance highly influenced by customs efficiency. A recent World Bank ease of doing business report (2019) also indicates that Ethiopian Import clearance and inspections required by the customs commission wasseventy two hours and the associated cost was 120USD. On the other hand, export clearance and inspections required by the customs commission are twelve hours. Export Clearance and inspections required more than thirty five hours and the total exporting process takes forty seven hours associated cost of 175USD.

According to study done by Fekadu (2013),Poor logistics planning may gradually affect the level of expenses and implementation of effective logistics activities. Efficient and safe transport system is vital to business success. The goals of a logistics activity provider require on-time service delivery, accurate information storage, timely response to requests, the ability to solve problems, the fulfillment of promises, and assisting the clients in accomplishing their objectives. Accordingly, the Ethiopian logistics service performance is characterized by poor logistics service quality.

This problem also shakes the logistics service performance of the Development Bank of Ethiopia (DBE). Custom administration problems interrupt the capital goods procurement and logistics and supply department service performance of DBE which has a very significant effect on overall company performance. According to secondary data analysis and interview with employee/manager of DBE that customs regulation and customs clearance process has a huge impact on lease loan service performance. Due to this force lease finance customers are forced to pay huge interest expenses, demurrage, storage (per container 6 up to 12 dollars), and clearance costs. That has an impact on DBE's image for not delivering the goods on time, customer satisfaction, and paying bank loans on time (DBE, 2021).

The researcher also conducted a series of meetings and interviews with employees/managers of DBE. They raised a series of issues related to long-time release or uncertain delays of customs clearance processaffect lease finance import goods. Several surveys have been conducted on customs' role in trade facilitation and control challenges, however, there are few surveyors and researchers have undertaken related to impact of import and export customs clearance service on company logistics performance. None of them are not considered customs efficiency's impact on the banking service logistics performance.Therefore, the researcher inspired this gap to conduct a study and fill the gap based on customs clearance practiceparameters; Simplicity and Predictable of Face vet, Goods Inspection, Document Scrutiny, Risk Management, and Automation.

1.3. Research Questions

- What the customs clearance practices of Ethiopian Customs?
- What are custom practices affecting logistics performance facing the Development Bank of Ethiopia (DBE)?

1.4. Objectives of the Study

To identify and explains customs clearance practices and its effect on logistic performance in the case of the Development Bank of Ethiopia in the logistic department was the general objective of this study.

Specific Objective

- To identify the customs clearance practices of Ethiopia Customs?
- To identify the custom clearance practice and its effects logistics performance facing the Development Bank of Ethiopia (DBE).

1.5. Significance of the Study

Thereare anumberofstudies conducted inthe areas ofcustoms clearance practice aswellaslogisticspracticeindifferentperspectives.Accordingly, the studyhas thefollowingimportance:

- Theoutcomeofthisresearchwouldhopefully help to improve Ethiopia Customscommissionservice customsclearanceprocessefficiency.
- Thestudy willhavesomecontributiontoevaluateandimprovingLogistics Efficiencyin Development Bank of Ethiopia.
- It will be an input for researchers who want to make further study on the topic and decision makers to take action and develop policy.

Generally, the study will beneficial to various stake holders; it can be a source of information to Development Bank of Ethiopia and for other peer banks wishes to improve its logistics performance.

1.6. Scope of the Study

The study focused and limited on identifying and assessing the effect of custom clearance practice on the implication of the logistic performance related to import shipment for the development bank of Ethiopia in the logistic department and who are located within Addis Ababa city.The subject of this research also focused mainly on the customs clearance practice and its effect on logistics performance that can mostly emanate from the applied custom procedures of the Ethiopia Customs Commission.

1.7. Limitations of the Study

For most business, logistics is core activity. Nevertheless, Study in the area of banking service sector related to customs clearance and logistics management practice is few. Hence, accessing sufficient banking logistics literature material is very challenging. on the other hand‘s willingness of some employees to full questionnaires & directors busy schedule becomes a challenging & takes long time for responses. More of time constraint faces the researches are a major limitation of a research. To overcome this limitation, the researcher tried to closely communicate the respondents as much as the required data were collected.

1.8. Organization of the Research Report

This research paper has five chapters. chapter one contains background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study and limitation. In chapter two included literature review (introduction, theoretical review, empirical review and the conceptual framework of the study.in chapter three Research Methodology and chapter four data presentation, analysis and interpretationincluded. The final chapter, Chapter five has summary of findings, conclusions and recommendationsincluded.

CHAPTER TWO

LITERATURE REVIEW

In this section theoretical, empirical literature, and finally, a conceptual framework is discussed.

2.1. Theoretical Literature

2.1.1. Customs And Role Of Customs

According to Revised Customs Convention (1999), Customs is liable for the administration of Customs law and the gathering of customs revenue from duties and taxes. Customs should bealigning with Government Service and it is responsible for the administration of Customs law. World Customs Organization Report indicates that accountability of customs administrations varies from country to country, and it is often depend on the subject of regular review. According to the world trade organization and world customs company report, the major responsibility of Customsclearance service administration include implementing a wide range of government policies, spanning areas as diverse as revenue collection, trade compliance and facilitation, protection of cultural heritage, and enforcement of intellectual property laws. Hence, Customs authorities entrusted with administering matters for which other government ministries.

2.1.2. Customs Clearance

Broadly, customs clearance is defined as the set of national customs authority functions which include, to processing of import and export customs declarations, assessment of origin, value, and classification of goods, collection and processing of duties and fees, physical inspection, examination, release of cargo, the conduct of post-clearance audits, processing of urgent consignments, administration of waivers and exemption schemes and drawback (re-exportation) schemes (woubshet, 2017).

2.1.3.Customs Clearance Practice

According to the world customs organization, Customs clearance means the achievement of the Customs formalities necessary to allow goods to imported and exported under Customs procedure.Strong cooperation with respective stakeholder or inter alia, pre-arrival permission, a separate release from clearance, authorized trader schemes, risk management, post-clearance audit practice and effective usage of Customs automation and ICT are the key measures to speed up the customs clearance (UNCTAD, 2008).

Customs law means such laws and regulations administered and enforced by the Customs Administration of a Party concerning the importation, exportation, and transit/transshipment of goods relate to customs duties, other taxes, and other charges, or prohibitions, restrictions, and other similar controls concerning the movement of controlled items across the boundary of the customs territory of a Party. Complex regulations, procedures, or administrative guidelines allow corrupt practices to develop and flourish and those create a negative impact on import and export clearance procedures in the process of facilitating legitimate trade. The elimination of red tape includes cumbersome processes that may involve duplication of effort or unnecessary processing procedures. Hence, to make customs laws and regulations to predictable, simple, transparent, and harmonized should adopt internationally agreed standards including Generally Accepted Accounting Principles (GAAP); HS Tariff Convention; WTO Valuation Agreement; and WCO Revised Kyoto Convention on the Harmonization and Simplification of Customs is an important strategy (WCO, 2005).

2.1.4.Customs Clearance Practice In Ethiopia

According to Ethiopian Customs Guide document (2017), Ethiopia's custom commission functions include the enforcement of the Customs Proclamation provisions governing the import and export of cargo, baggage, and postal articles; the arrival and departure of vessels, aircraft, and other means of transport; goods in transit; and the governance of any goods subject to customs control, including rights and obligations of persons taking part in customs formalities (Ethiopian Customs Guide (2017).

In Ethiopia, there are customs clearance processes to accomplish the clearance service, for instance, importer/exporter and traders should take account of the following steps (Proclamation Number 859/2014 and Revised 1160/2019).

- Should Declarant states his intent for import by completing an online (former ASYCUDA ++ and now ECTP) Import Declaration Form (IDF) on the Customs Server;
- Should Declarant lodges IDF with supporting documents or original supporting documents shall be supplied to Customs: Transportation document, Invoice, Bank Permit, packing list, Certificate of Origin; and Other relevant certificates/permits from relevant regulatory bodies.
- Traders required to complete the customs declarationsand to make sure that the declaration is fully and accurately completed and all supporting documents.
- The customs station captures the information on Ethiopian Custom Trade Portal the face receive and check the declaration against the document produced whether it is as per the instruction.

To obtain clearance of imported goods from ERC, two different procedures exist, depending on the type of transport used for the goods, i.e. whether it is multi-modal or unimodal. Under multi-modal transport, goods are transported under a single contract with the logistics company but using different means of transport (e.g., sea and road transport). Conversely, unimodal transport only uses one means of transportation (Ethiopian Customs Guide, 2017).

Multimodal transport service system have need of the importer must complete and submit the customs declaration (hard copy), and the importer must pay the amount of duty and taxes, based on the self-assessment undertaken, before submitting the declaration and Payments made by a cash payment order (C.P.O.) (Ethiopian Customs Guide, 2017).

During unimodal transport service system the importer must pay the duty and taxes, and submit a transit declaration with the ERC office of destination together with the necessary documentation for clearance, before the start of the transit service process. The importer is required to submit the transit official papers together with the clearance declaration and supporting documents to initiate the clearance processes (Ethiopian Customs Guide, 2017).

necessary documents for the preparation of a customs declaration; Transportation document such as bill of lading, air waybill or truck waybill; Invoice which describes the value of imported goods; Bank document, i.e. L/C, CAD, confirmation of advance payment/TT, Packing list which describes how the goods are packed during transport, Certificate of origin which describes where the goods were originally produced, and Other documents as required, such as pre-import permits issued by regulatory agencies and duty-free permits for investment goods(Ethiopian Customs Guide, 2017).

2.1.5. Logistics Performance In The Banking Sector

The efficiency and effectiveness of the logistics operation have a considerable influence not only on the business performance of manufacturers but also on the customer's perception of the quality of the products and services provided by the plant. If inbound Material flows from the supplier are erratic; the firm's internal operation will not be able to sustain its production strategies without a high level of safety stock (Bowersox, Closs, & Cooper, 2010).

The concept of logistics is the set of services that enable businesses to deliver their goods or services to their final consumption points at the right place and time. The ability to transport goods quickly, safely, economically, and reliably is seen as vital to the success of the business and to a nation‘s prosperity and capacity to compete in a globalized economy. the process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customers' requirements referee aslogistics management (Christopher, 2012).

Processes and operations such as customer responsiveness, inventory planning and management, supply chain, transportation, warehousing, and total logistics operations are used to fulfill logistics performance measurements. On the other hand, there are also some other main financial indicators for not only logistics companies but also all industries. Particularly, net sales are used as one of the key performance indicators in all industries, as in supply chain management (Beamon, 1999; Gunasekaran et al., 2001). Earnings

before Interest and Taxes (EBIT) are also frequently used as an indicator for measuring the financial performance of a company's operations (H. H. Erdoğan, G. Kırbaç, 2021). Within this context, in the logistics ecosystem, financial measurements such as customers, competitors, importers, suppliers, etc. are vital to any organizational (like banking service) efficiency.

2.1.6. Easy Customs Clearance practice

According to Ethiopia customs commission (2019), simplicity service speed, Simplified Customs Declarations allow a trader to speed up the logistics as some of the particulars and/or supporting documents of the customs declaration may be omitted at the time of customs clearance. These particulars and supporting documents will be made available within a set time limit. A simplified procedure for clearance of goods shall consist of a procedure that allows the clearance of goods at the clearing agent's Business premises or another place authorized by the commission.

2.1.7. Automated Customs clearance Administration

According to IMF report (2012) on Customs Administration Reform and Modernization in Francophone Sub-Saharan study, Diagnostic studies of customs administrations indicate that modernization should be Enhance customs control approach and methods that includes the risk management techniques, a suitable distribution of controls throughout the customs process, and the development of post clearance audits. It should fit into a framework of coherent compliance and enforcement strategies and requires staff specialization, And Implement computerization across the board.

According to international monitory fund report (2012) that indicates about comprehensive and effective automated customs clearance system thatautomated customs practice would help to integrate clearance steps into a secure process. Respective customs administration must focus for harmonize implementation of the legislation and, reduce face-to-face contact, and keep track of operations in order to fight corruption. Quality customs administration should be strengthening the customs valuation, improving management styleand better monitoring and follow-up transit arrangements.

Modern trading practices make it essential for administrations to provide simple, predictable & efficient customs procedures for the clearance of goods & movement of people, tackle increasingly complicated national, regional & international requirements to ensure compliance with national laws, international agreements, and meet global security challenges (Revised Kyoto Convention, 1999).

2.1.8. Customs Clearing Challenges In Ethiopia

According to World Bankstudy (2016)that rankingEthiopia logistic service quality putsthe country at166thinthe world.World Bank TradingAcross Borders(2013),while,onaverage,sub-SaharanAfrican customsdelays are the longestinthe world,theaveragedelayistwelvedaysintheregioncomparedwithsevendaysinLatin America;the longestdelaysinthe regionare inEthiopia,wheretheaverage traderhasto wait morethan thirty days for customs to clear goods. Moreover, inbigcitiesofEthiopiasmallandmediumsizedenterprises spentalongtimeto processtheircustomsclearanceduetotheinefficiencyofthecustoms proceduresofthecountry (World Bank, 2016).

One of the difficulties for customs clearing process in Ethiopia is the risk level given to the imported items that subjected to complex physical control service system. Risk criteria typically include the origin of goods, importer track record, and type of goods, trade patterns, misclassification incentives, and shipment value. The system chooses shipments for one of the three established color-coded channels. Green (low risk imported goods), yellow (medium risk goods), Red channel (are subject to 100 % document and physical examination). Most of the items imported need to pass by red channel and this study needs to study the effect of this delay on the company performance.

According to LemlemDesta(2018)studyofchallengesonimportcustomsprocedureinrelationtotrade facilitationandcontrolin thecaseofERCAAddis AbabaKalitybranch,Riskmanagementinimportclearance procedure consideredasa majorchallenge for import clearanceproceduresinthe branchofficedue tolackoforganizedandup-to-dateriskdatabase, lackofproperinformationflowfor riskprofilingpurposes,lackofcooperationwithother departmentsintheBranchOfficeaswellaslackofcoordinationwiththenationalintelligenceunit forthirdpartyinformationsharingforriskprofiling.Eventheprinciplesofriskmanagementin customsproceduresproperlystatedontheProclamationNo.859/2014article6/1indicatesthatthe customs

procedures prescribed in the Proclamation shall be applied to effect customs control in a manner assuring transparency and accountability based on appropriate information and the principles of risk management to conducive condition for trade facilitation, but practically risk management process in the Branch Office highly depend on manual process rather than automation based and highly focused on regulatory control.

2.1.9. Relationship Between Customs Clearance Practice And Logistic Performance

Competitive international trade, increasing foreign investors, and technological developments have a great role in the rise of international trade volume that contributes to the services, workforce, and capital faster and easier resource movement between countries. Customs Barriers For example high customs taxes, quotas, and capital controls contribute to separate national economies. The logistics sector has gained importance for the increase in international trade volume, the loss of the borders between countries, and the development concept of globalization, (Miller, 2019). Now, logistics has become one of the most important, largest, and most dynamic sectors in the world. To stand out and have advantages, quick and timely delivery has become important for service and commodity-producing companies (Miller, 2019).

There are six dimensions of logistic performance indicators that are the efficiency of the customs clearance process, quality of trade and transport-related infrastructure, ease of arranging competitively priced shipments, competence, quality of logistics services, ability to track and trace consignments and shipments reach the consignee within the scheduled or expected time. Logistics performance pointer or LPI also set particular aspects of international supply chains in respondents' countries of work, including import/export, lead time, supply chain costs, customs clearance, and the percentage of shipments subjected to physical inspection (Arvis,et al.2014). It may indicate that efficient customs clearance service is one of the factors to logistics performance and in the context of logistics and supply chain global structure, customs has a remarkable role. A degree of resistance to duplication of efforts in the import and export customs declarations, inefficiencies in trade procedures with commercial practices, and limited predictability of physically inspected in successfully moving goods across a border within competitive time frames are vital for international logistic and customs operations. (Andrew Grainger, 2008).

2.2. Empirical Literature

In most of the least developed and advanced countries, duties and taxes from importation goods represent an important proportion of the national budget source of income. Because of this, the focus of their Customs authority is, understandably, revenue collection. On the other hand, in advanced countries, imports and export customs duty consider a major source of government revenue, due to this there is an increasing focus on border security, prohibition and restrictions of import and export goods, including those arising from free trade agreements. However, the contemporary trade toward global free trade and the recent intensifying of global terrorism concerns have seen border security emerge as a priority (Widdowson, 2007)

2.2.1. Customs Time Release

The study conducted in Tanzania (Musaka, 2013) concluded that Businesses in Africa perceive the impacts of customs as mostly unfavorable a mixture of obvious and slight impediments that are felt primarily in some interconnected ways such as storage costs for goods awaiting processing; they can be inflated if the processing time is prolonged; Elongated time due to elongated customs clearance processing time. Other obstacles are cumbersome regulatory systems and decentralized documentation processes coupled with bureaucratic clearing procedures, Lack of communication between stakeholders (importer, exporter, international trade, and customs organizations) are consider as challenge for fast Customs Time Release.

In the Ethiopian context, a survey conducted (2011) by TeweldeBerhan on the challenges of customs on trade facilitation revealed that there is a delay in Customs clearing and customers are dissatisfied with the service provided. Customs delays in Sub-Saharan Africa were highest in the world, 12 days on average in 2016, but lowest in other countries like Estonia and Lithuania; which require only one day for customs clearance; in Ethiopia, it averages more than 30 days (DebebeDessalegnSirika&TekluKassuGizaw(2016) quoted Buyonge&Kireeva, 2008). It may indicate the complexity or ease of customs and administrative procedures has an impact on trade on costs and time.

According to DebebeDessalegnSirika&TekluKassuGizaw (2016), the significant predictors of the customs clearance costs and time delay in the clearance process raise and turn directly transferred consumers. Further, this study identified clearance delay time at Kality Customs Branch Office is four days and it may go even up to months if a disagreement arises regarding custom clearance inefficacy such as customs duty amount. According to this study finding Delay time in customs clearance increases by one hour, and the customs clearance cost increases by birr forty-two at the kality customs branch office.

2.2.2. Face vet

The face vet officer receives and checks the goods of a declaration against the document produced whether it is as per the law stated in the proclamation or not, then accepts or rejects. Identifying risk level, the risk level of the documents is being identified using the ECMS system to make risk-based treatment or control (Customs proclamation no. 859, 2014 as revised by 1160/2019).

2.2.3. Customs Physical Inspection of Goods

This is conducted by the examiner to assure that the goods and conditions of the declaration are the same with the nature, origin, quantity, and value of the goods (Customs proclamation no. 859/2014 and as revised 1160/2019).

2.2.4. Scrutiny of Document

This is often done to control transaction legality, valuation, and tariff classification of goods based on the following document. According to Customs Proclamation no. 859, 2014 and as revised by 1160/201 that indicate The main documents for customs clearance procedures are Import license (license required as one of the documents for import customs clearance procedures and formalities under specific products), Customs Declaration, Insurance certificate Bill of Lading / Airway bill, Commercial Invoice and Packing list.

2.2.5. Risk Management

Risk management is part of the Customs process & Customs will never catch every fraud, so it is important to make sure that at least the major ones are kept under control. Since the purpose of risk analysis is to allow customs to concentrate checks on high-risk areas while ensuring a fair degree of freedom for most trade flow.Hence, it helps to accelerates clearance process and also optimizes resources and reduces costs, for the same effectiveness (WCO, 2003).

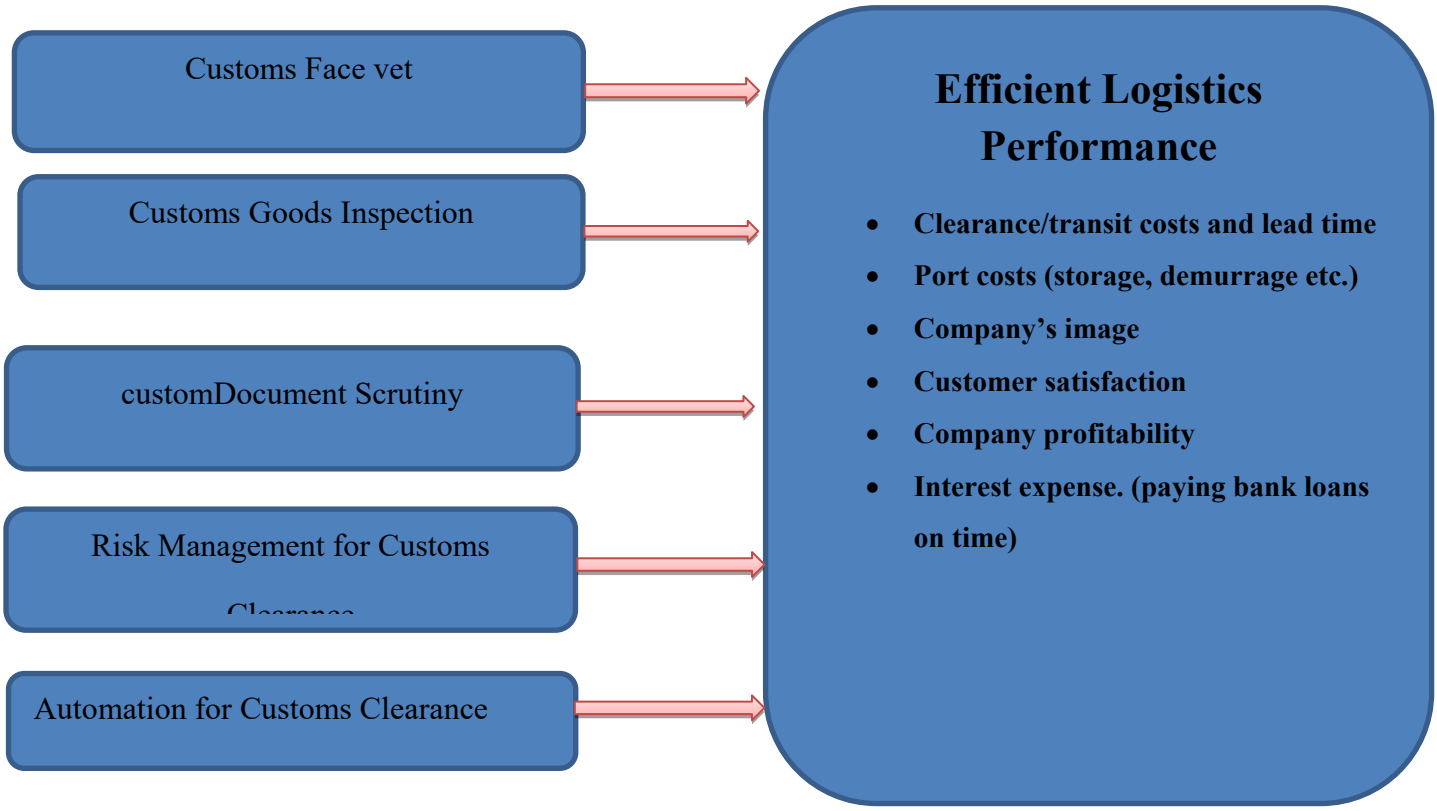
2.2.6. Customs Automation

Modern customs clearance practice especially Automated customs tools/ service is bases for simplifying international trade procedures. It is fact that o accelerate the clearance of goods should be use of automated Customs systems facilitates trade through the normalization of forms and documents, data standardization, simplification, and computerization of Customs clearance procedures (UNCTAD, 2011). Hence, it indicates the modernization of customs that is advanced information technology helps to replace the manual processing of Customs clearance service with the computer-assisted treatment of electronically transmitted information.

2.2.7. Conceptual Framework

The intention of this research was identify the key generic factors that affect the one of determinant logistics performance that is custom clearance practice. Therefore, this study wasevaluation of customs clearance service with in framework of customs face vet, goods inspection, document scrutiny, Risk Management and Automation for Customs practice and its effect on the logistics performance.

Figure 1: Conceptual Framework



Source: Researcher (from Different Literature)

The above figure 1 depicts the effect of best custom clearance practice and its result on logistic service performance. Accordingly, the first column shows six major custom clearance activities/practices which are: customs Face vet, Goods Inspection, Document Scrutiny, Risk Management for Customs, and Automation for Customs Clearance. The second arrow column shows the result or outcome of the application of the best customs clearance practice for logistics activities.

CHAPTER THREE

3. METHODOLOGYOF THE STUDY

This research part included all concerns related to research methodology which are research approach, research design, population and sampling design, sources of data collection, data collection procedures, data analysis, validity and reliability, ethical considerations and data analysis methods.

3.1. Research Approach

The researcher used mixed methods (quantitative and qualitative) approach in the study. In quantitative approaches such as a review document and a questionnaire used. In qualitative approach also used interviews as the primary source of data analysis to get the full effect of customs clearance practice (face vet, document scrutiny, goods inspection, risk management and customs automation) on the logistic performance of DBE.

3.2. Research Design

This study used explanatory and descriptive research design. The reason for using explanatory type of research design is it focuses on explaining the aspects of the study in a detailed manner; it attempted to connect ideas to understand the cause and effect of the problems and explain the effect of customs clearance practice on logistic performance. Additionally, it is strongly related to the nature of the problem to be studied.

Also, the descriptive research design also considered since the objective of the research seeks to identify the relationship among variables. A number of researchers have suggest that this method is the most appropriate to demonstrate the characteristics of existing phenomenon and to describe the performance of customs clearance in different way. Therefore, this research followed the descriptive and explanatory research design to describe the relationship between the independent and the dependent variable.

3.3. Population and Sample

The total numbers of target population of this study was 75. From this 15 questioners were distributed tolease finance Capital Goods Logistics departmentand 30 questioners tothe procurement department of development bank of Ethiopia. All junior, officer, senior and manager level stuff who are working at the two departments of the company are taken. This two department'sresponsibility is monitoring and follows up transportation, customs clearance, freight forwarding, and foreign procurement service for lease finance customers. The remaining 30 questioners collected from all operation manager, coordinator, senior and assessors officer from Ethiopia Shipping and Logistic Service Enterprise(which is handle/subcontractedthe clearing and forwarding service of DBE) of customs clearing service unit. The total number employees of this service unit aretaken.

The researcher used a Census survey and chooses the census technique since the total population is not large; it not needs a great deal of time, money, and energy. Hence,this research was taken sample size of 75 fromDevelopment Bank of Ethiopia Capital Goods Logistics department, procurement department and Ethiopia Shipping and Logistic Service Enterprise of clearing and forwarding service unit.

3.4. Sources of Data Collection

To achieve the objectives of this study, the researcher used both primary and secondary data sources. Primary data collectedfrom methods like surveys, interviews and questioner. It is collected with the research plan in mind, directly from primary sources. The researcher used a quantitative primary source of data that was a survey method to obtain the needed information or data. In these methods, the researcher used a face to face interviewee and distribute questioner. The questionnaires developed by the researcher based on research questions and objectives. The reason for using questionnaires is because it is inexpensive, respondents take enough time to respond, and no bias from the interviewer that they respond freely.

The secondary data, on the other hand, obtained from company profiles, financial reports, published documents (customs clearance, logistics and procurement documents), literature, books from the library, and the internet (e-books) those are May relevant to this study.

3.5. Data Collection Procedures

The researcher used a structure, semi-structured, self-administered questionnaire for the quantitative aspect of the research methods. For a structured interview used a rigorous set of questions that do not allow one to divert.Semi-structured interview is open, allowing new ideas to be brought up during the interview as a result of what the interviewee says. A self-administered questionnaire completed by a respondent without the intervention of the researchers. The use of self-administered questionnaires in conjunction with personal interviews is getting efficient and detailed data. On the other hand the researcher alsoused Closed-ended and open-ended questions.

3.6. Data Analysis

After collecting data from a variety of sources (questioner and Interviews) conducted converting data into the numeric format, editing, classification, and tabulation. To make the data analysis easy, data organized and present in the form of percentages, tables, and figures.Hence, the researcher used both descriptive and inferential statistics. Descriptive analysis used to describe the basic features of the data and provide simple summaries about the sample and the measures. Descriptive analyzing also in order to summarize numeric data such as mean, frequency or physical characteristics and Textual analysis words, either spoken or written, including questionnaire responses, interviews. Inferential statics suchas correlation analysis or Pearson's correlation used. The reason for using correlation analysis is to analyze the relationship between the independent variables and dependent variable.To analyze the relationship between the dependent and independent variables used update statistical software called Statistical Package for the Social Science/SPSS/.

3.7. Validity and Reliability

In this study used the validity and reliability study instrument.

3.7.1. Validity

To ensure the validity of the instrument the researcher consulted Subject matter experts (like SPSS lecturers) andthe researcher conducted properly in the process of data collection by providing clarification about the questions for the respondents to collect valid data throughout the data collection time.

3.7.2. Reliability

The study usedChronbach alpha test to check the reliability of the study. Cronbach'sAlpha testis one ofthedatareliabilitiesevaluating tests which determined toseehowreliablethe results, ifthesamplesizeexpanded,comparable generalizedresultsshouldbeobtained(Field, A.,2006).If the Coefficientalpharangesvalueapproximate to0 that indicate noconsistency; for completeconsistencyshould be Coefficientalpharangesvalueapproximate to1.Hence,speaking,scaleswithacoefficient αbetween0.80and0.95areconsideredto havevery goodreliability.Scaleswithacoefficientα between0.70and0.80areconsideredtohavegoodreliability,andavaluebetween0.60and0.70indicates fair reliability and forpoor reliabilitythe coefficientmust bebelow0.6scales. Moststatisticalsoftware packages,suchasSPSS, willeasilycomputecoefficient(Zikmundetal,2010).

Table 1;Reliability Statistics

Factors	Cronbach's Alpha	No of Items
Face Vet	0.85	3
Goods Inspection	0.76	6
Customs Document Scrutiny	0.72	3
Risk Management For Customs	0.75	7
Automation For Customs Clearance	0.74	6
Total		25

Source: Own Survey and SPSS Output, 2022.

According to the above summarized reliability statistics table result; Cronbach's Alpha for this study was acceptable/ good Scales with a coefficient α between 0.72 and 0.85 are considered to have good reliability.

3.8. Ethical Considerations

This study avoided violating respondent confidentiality, changing data or creating false data to meet the desired objective, Interpreting data from a biased perspective, omitting sections of data analysis and conclusions, and Making recommendations beyond the scope of data collected. The researcher, regarding the research ethics will properly acknowledged Data providers, organizations, and institutions and the information collected from them used for the research objective and the researcher respect issues related to confidentiality.

CHAPTER FOUR

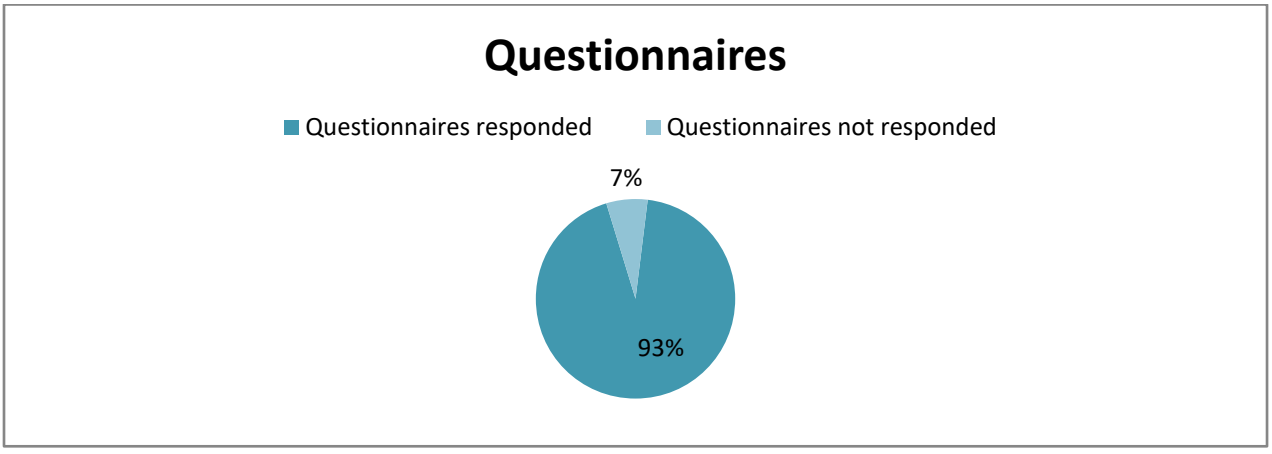
4. DATA PRESENTATION, ANALYSIS ANDINTERPRETATION

This chapter contains the study's findings, which are based on a review of the data collected from the respondents and a discussion of the findings based on the literature. As stated in the previous chapter, the primary goal of this research is to look into the effects of customs clearance practices on logistics performance in the case of the Development Bank of Ethiopia. The data collected from the primary source via questionnaire was processed, presented, and interpreted. This had two parts;the first part was about the general profile or General Information of the respondents and it had six topic-related questions. The second part was about Descriptive Statistics Data Analysis of dependent and independent variable. It is presented in the following.

4.1. Questionnaires Response Rate

A total of 75Questionnaires were distributed. However, it has been returned only 70questionnaires. That means the response rate is 93%. Several scholars and researcher recommended different figures of acceptance response rate. Furthermore, a response rate of 70% is considered "very good" for further evaluation by Rubin &Babbie (2010), With regards to this, 93% of response rate does notaffect the reliability of the research result and almost eligible for further study.

Figure 2: Response rate in percentage



Source: survey result, 2022

Table 2: Questionnaires response rate in particular group

Respondent in group	Questionnaires
Questionnaires responded	70
Questionnaires not responded	5
Total	75

Source: Own Survey and SPSS Output, 2022

4.2. Demographic Characteristics of the Respondents

All the respondents are directly and indirectly related to customs clearance and logistic service. Demographic Characteristics of the Respondents presented is present in following manner.

4.2.1. Sex of the Respondents

In order to collect complete data and information about the effect of customs clearance practice on logistics efficiency, it was necessary to incorporate the respondent demography statistics in the questionnaires. Accordingly, among the 70 respondent of customs employees 42(60%) were male and the rest 28 (40%) were female.

Table 3: Sex of the respondents

		Frequency	Percent	Valid Percent
Valid	Male	42	60.0	60.0
	Female	28	40.0	40.0
	Total	70	100.0	100.0

Source: Own Survey and SPSS Output, 2022

4.2.2. Age of the Respondents

Respondents were also categorized into different age groups. As shown on the bellow table 4 the ages of most respondents were between 26-35 years which constitute 42 (60%) of the respondents out and 19 (27%) of the respondents were between above 27 years. And those who were between 26-35 years count only about 9 (12.9%) of the respondents.

Table 4: Age of the respondents

		Frequency	Percent	Valid Percent
Valid	18-25	9	12.9	12.9
	26-35	42	60.0	60.0
	above 35	19	27.1	27.1
	Total	70	100.0	100.0

Source: Own Survey and SPSS Output, 2022

As shown on the above figure, the age of the respondent implies that the main productive age groups were participated in the study and this is helpful in giving divergent views for the study requirements. And it can be understood that most of the respondent are young and energetic that to help fasten customs clearance practice and assure efficient logistics.

4.2.3. Educational background of the Respondents

Below Table 5 shows that, the majority 43 (61%) of respondents who completed the questionnaires have first Degree, the remaining 13 (18.6%)and 13 (18.6%) of the respondents were master's degree holder. This figure implies that level of academic status enables more customs facilitation and the more the higher educational level the more capability of implementing simplicity and modernization customs clearance service.

Table5: Educational Background

		Frequency	Percent	Valid Percent
Valid	Diploma	13	18.6	18.6
	Degree	43	61.4	61.4
	Master	13	18.6	18.6
	Phd	1	1.4	1.4
	Total	70	100.0	100.0
Source: Own Survey and SPSS Output, 2022				

4.2.4. Work Experiences of the Respondents

Concerning respondent work experience, 9 employee or12.9%of the respondent have less than 5years' experience and 48.5% or 34of the respondent have 5-10years' work experience and only 27 or 38.6%of the respondent have above 10years' work experience related to customs clearance and logistic service sectors.it indicate that there is shortage of more than 10 years' work experience that might be unable to

understand the complexity of the business, and it may lead to cumbersome customs clearance facilitation and affect import goods logistics.

Table 6: Work Experiences of the Respondents

	Frequency		Percent	Valid Percent
less 5	10		14.3	14.3
5-10 year	33		47.1	47.1
above 10 year	27		38.6	38.6
Total	70		100.0	100.0

Source: Own Survey and SPSS Output, 2022

4.2.5. Job Position of the Respondents

In terms of the respondents' assigned positions in their organizations;21.4%employees are atthe junior level, followed by officer level with 52.9%. Senior, coordinator and Department heads Job Position accounted with 18.6%, 5.7% and 1.4%, respectively. It is evidenced that operational level employees are more in number.

Table 7: Job Position

Job Position		Frequency	Percent	Valid Percent
Valid	Junior	15	21.4	21.4
	Officer	37	52.9	52.9
	Senior	13	18.6	18.6
	Coordinator	4	5.7	5.7
	Manager	1	1.4	1.4
	Total	70	100.0	100.0

Source: Own Survey and SPSS Output, 2022

4.3. Descriptive Statistics Data Analysis

Customs clearance means the accomplishment of the Customs formalities necessary to allow goods to enter in the country. This customs clearance is the main indicator of logistics performance. According to World Bank report in 2016, customs clearance practice mainly measure in terms of speed, simplicity and predictability. Consequently, to collect information on import customs clearance process efficiency, questionnaires were prepared for development bank of Ethiopia Capital Goods Logistics department, the procurement department, and Ethiopia Shipping And Logistic enterprise clearance and forwarding service unit. To achieve this objective, five points lanker scale was used to collect data from respondents to measure the independent variable.

Where:1=StronglyDisagree, 2=Disagree, 3=Neutral, 4=Agree,and 5=StronglyAgree.

4.3.1. Frequency Report on Independent variables

4.3.1.1. Customs Face Vet Process

In this research customs Simplicity and Predictability of face vet was taken as one of the basic component to undertake customs clearance practice, so the researcher was tried to see that how it determine the facilitation of the clearance practice. This variable contains three basic questions related with basic customs Face vet system. The response of respondents statistically described under following table 8.

Table8: Descriptive Statistics of Customs face vet

No	Customs face vet	1	2	3	4	5	N	Mean	Std. deviation
1	Advanceinformationforcustomersagainst the document to accept or reject.	2	11	12	32	13	70	3.61	1.054
2	Customs face vet consistent and transparent to accept or reject the	1	11	17	32	9	70	3.53	0.959
3	Customs procedures and practices areconsistentwith international standards, aiming to reduce face vet practice.	2	14	21	22	11	70	3.37	1.066

Source: Computed by the researcher from the primary data, (2022)

According to the survey result summarized on the above table 8 that indicate the respondent response related to customs clearance Advance ruling against the document to accept or rejectWith3.61mean and 1.05standard deviations and it also shows that 45 percent of the respondents' agree and 19 percent strongly agree. It indicates in customs clearance practice there is Advancerulingto givingadvanceinformationforcustomers.Respondent also reflected their perceptionabout Customs predictability, consistency and transparent of declarationto accept or reject With 3.53 mean score and 0.96standard Deviation and the respondents' also agree and neutral, with 45% and24%respectively. That indicates in customs clearance practice there is consistency and transparency to accept or reject the declaration.

Similarly, employees responded relatedto the consistency of Customs procedures and practices concerning international standards, aiming to the reduce the problemfaced in customs clearance face vet activity With 3.37 mean and 1.07 standard Deviation and the respondents also agree and neutral, with 31 percent and 30 percent, respectively. That indicates in customs clearance practice there are Customs procedures consistent with international standards, aiming to improve face vet practice.

This survey result also supplemented by interview with DBE capital goods logistic and procurement department manager and ESLSE customs clearance and forwarding service unit manager; they said That Ethiopian customs commission giving advance information related to relevant of import goods customs documents such as Import license,Customs Declaration,Insurance certificate and Bill of Lading /Airway bill. They said that most of Customs procedures and practices are relatively consistent with international customs standards that may help to reduce the difficulty in traders and contribute to limited compliance with rules. Ultimately, giving advance information for customers and providing customs clearance service with respect to international standards that may help to protect the customer/importer from any customs clearance Penalties,improve trader Competitiveness and productivity in Global market and increase countries trade and investment andsmooth functioning of markets (Ethiopian Customs Guide,2017).

4.3.1.2. Speed, Simplicity and Predictability of Goods Inspection

As one of the customs clearance determinant factors goods inspection time is also included in the questionnaire. The researcher tried to see how respondent's personal overview. The variable contained six questions and the response of respondents were statistically described as following table 9.

Table 9: Descriptive Statistics of Customs goods inspection

No	goods inspection	1	2	3	4	5	N	Mean	Std. deviatio
1	Goodcanbereleasedtemporarilybyguarant y	4	25	6	31	4	70	3.09	1.13
2	Thereareno redundancyofgoods physical inspection	4	20	20	24	2	70	3.00	0.99
3	Importer able to choose the location for goods physically goods inspection	4	12	20	29	5	70	3.27	1.02
4	Importshipmentare cleared fromcustoms as scheduled	5	17	15	26	7	70	3.19	1.13
5	Thereareadditionalcostincurredduetodel aysofcustomsclearanceprocess	3	11	11	37	8	70	3.51	1.63
6	Thereisstandardtimeforphysical inspection of customsclearanceactivities	4	11	15	35	5	70	3.37	1.02

Source: Computed by the researcher from the primary data, (2022)

The above table 9 shows aboutrespondentrespond related to customs Goods releasedtemporarilybyguarantyinorderto avoidclearanceleadtimeorgoodswaitingtimeatcustoms With 3.09 mean score and 1.13standard Deviation and most of the respondents' also agree and disagree, with 44 percent and 36 percent,respectively. It indicates that there is good practice respective to releaseof customs goods byguarantyto avoidclearanceleadtime.

Respondentalso respondedabout redundancyofgoods during physical inspection With 3.00 mean and 0.99standard Deviation and most of the respondents' also agree and neutral, with 32 percent and 29 percent, respectively. It indicates that there is relatively less redundancyphysical inspection.Respondent respond related to location for goods inspection inspected atcustoms compound orimportersiteWith 3.27 mean score and 1.02 standard Deviation. Most of the respondents' also agree and neutral, with 41 percent and 28 percent, respectively. That indicates in customs clearance practice importer has no right to choose the location of inspection may inspect at custom compound

and no right to inspect at importer site. Respondentalso respondedabout customs scheduledfor inspection for good With 3.19 mean score and 1.13 standard Deviation. Most of the respondents' also agreesand neutral, with 37 percent and 24 percent, respectively. It indicates that there is relatively schedule inspection activity during physical inspection.

Respondent respondedrelated to additionalcostincurredduetodelaysofcustoms clearanceprocess With 3.51 mean and 1.63standard Deviation and most of the respondents' also agree and neutral, with 53 percent and 16 percent, respectively. It indicates that in importer incurredadditionalcostduetodelaysofcustoms clearanceprocess. employee respond about standardtimeforphysical inspection of customsclearanceactivitiesWith 3.37 mean and 1.02standard Deviation and half of the respondents' also agree and neutral, with 50 percent and 21 percent, respectively. It indicates that there is relatively standard servicetime for physical inspection of customs clearance activities.

This survey result also supplemented by interviews with DBE capital goods logistic and procurement department managers and ESLSE customs clearance and forwarding service unit managers; they said good released by guarantee only for economy Authorization Company and Government organizations. They also said there is the redundancy of physical inspection and written service standard time for goods inspection activity but it is not applicable or realized during inspection. It is fact that better physical inspection of items especially for manufacturing companies is essential. It may help to reduce logistic costs and increase production capacity. According to Customs Proclamation No.859/2014 and now in the amended Customs Proclamation no. 1160/2019 that indicate inspection of goods should be ensuring public healthy from the imported harmful product. Further, the imported goods examined their origin, country of export, nature, condition; quality, quantity, tariff classification, and value of the goods are in accordance with the information furnished in the goods declaration. For instance, a person importing medicine is required to obtain a pre-license, before the starting of the import procedure and an import permit at the time of entry to obtain clearance. Nevertheless, this survey result indicates that there is the redundancy of goods physical inspection; Importer could not choose the location for goods physically inspection, due to this importer incurred additional cost.

4.3.1.3. Speed, Simplicity and Predictability of Document of Scrutiny

In the research questionnaire document scrutiny was included as one of the challenging area in custom clearance practice and on logistics service performance. Target group respondents were asked; is there no redundancies of document checking for a particular shipment, is there additional cost incurred due to delays document scrutiny and isthere standard time for each customs clearance activities for document scrutiny. The result is described under following table 10.

Table10:Scrutinyofcustomsdocument

No	document scrutiny	1	2	3	4	5	N	Mean	Std. deviation
1	There are no redundancies of document checking for a particular	6	27	13	21	3	70	2.83	1.09
2	Thereareadditionalcostincurreddueto delaysdocument	2	6	22	35	5	70	3.50	0.864
3	Thereisstandardtimeforeachcustoms clearanceactivities for document scrutiny	3	13	16	32	6	70	3.36	1.022

Source: Computed by the researcher from the primary data, (2022)

The respondentswere askedtoexpresstheir degree ofconsentonthe matter of redundancies of document checking for a particular shipmentthe mean score of their respondents is 2.83 and standard deviation is 1.09with 39 percent and 30 percent of the respondents'disagree and agree,respecivly. That indicates there is redundancy of document checking for a particular shipment. The respondent also response regarding additionalcostincurredduetodelaysdocument scrutiny clearanceprocess with 3.50 mean score and 0.87standard deviation with 39 percent and 30 percentagree and neutral, respectively. It indicates importer may incur additional cost due to delays of document scrutiny in customs clearance process.

The respondent also asked regarding about standardtimeforeachcustomsclearanceactivities for document scrutiny and their response this matter is 3.36 mean score and 1.02 standard deviations with 46% and 23% of respondent are agree and neutral, respectively. It indicates importer not obtained customs service activity based on standard service time.

This survey result was also accompanied by interview that indicates in some customs commission staff, particularly assessor officers have not enough understanding and knowledge related to customs clearance service manual procedure. Due to this delinquent there is a redundancy of document checking service for a particular shipment that causes for an additional cost.Ethiopia customs commission service standard book showing customs formalities have been completed, goods may not be kept for more than seven working days in temporary customs storage (customs commission guide,2017). But,due to customs officers' knowledge gap (about the customs Proclamation, directives, and manuals), document checking is highly exposed to the subjective decision by customs officers andsystem/ electric power break down importers complete the clearance process within a long time.

4.3.1.4. Risk Management

In this analysis customs risk management was taken as one of the factors to customs clearance practice efficiency as described on the five measurements in the questionnaires. The researcher had tried to review the respondents overview related to the applied risk management & whether it speed up the clearance process which under taken by the clearing agents or not. This variable contains seven questioners and the result is described on the below table.

Table11:Descriptive Statistics of Risk management

No	Riskmanagement	1	2	3	4	5	N	Mean	Std. deviation
1	Customs has strong information and profile forriskchannelcategories	2	11	15	33	9	70	3.51	1.00
2	Customs employees have adequate operationalknowledge about Riskmanagement	6	15	14	28	7	70	3.21	1.15
3	There is efficient information flow for risk profiling	6	17	14	28	5	70	3.13	1.13
4	Risk management system give fair risk assessment	1	10	16	33	10	70	3.59	0.96
5	Risk management system helps to speed up the custom clearance service.	1	4	15	37	13	70	3.81	0.86

No	Riskmanagement	1	2	3	4	5	N	Mean	Std. deviation
6	Risk management system give catch every fraud.	1	13	17	32	7	70	3.44	0.96
7	Risk management system allow customs to concentrate checks on high-risk areas	2	7	17	33	11	70	3.63	0.97

According toabove Table11therespondentswereaskedaboutCustoms information and profile for risk channel categories or risk based inspection (red, yellow, and green). The mean score andstandard deviations of their response is3.51 and 1, and their agreement level is 47% and 21% agree and neutral, respectively. Thisimpliesthatthere islack ofinformation and riskbasedinspection. Whenthere isa lackof efficient informationflow andupdated profile database,proper implementationof riskmanagement techniquesincustomsprocedurewillbedifficult.

According to above table 11 the respondents were also asked regarding to Customs employees' operational knowledge about Risk management techniques related to customs clearance process, on this point with 40 and 21 percent of the participants replied agree and neutral, respectively. Its mean value is 3.21 and 1.15 standard deviations value.This indicates Customs employees have adequate operational knowledge about Risk management techniques. Hence, it depicts that most of the customs employees have adequate knowledge about risk management.

The respondents were also asked about efficient information flow for risk profiling and their response is 40 percent and 21 percent agree and disagree, respectively.Its mean value is3.13 and standard deviations value is 1.13. It indicatesthat thereis efficient information flow for risk profiling; the risk profile information is used as the basis for risk selectivity criteria.

The respondents were asked to express their degree of consent Risk management system give fair risk assessment and their response value is 3.59 mean score and 0.96 standard deviation. For this point 47 and 23 percent of the respondents agree and neutral, respectively.This depicts that there is fair risk assessment and management related tocustoms clearance process.

The respondent also asked to express their degree of consent on Risk management system to speed up the custom clearance service. Consequently, 52 percent of the respondent expressed their agreement and 21 percent neutral. This is also confirmed with cumulative mean of 3.81 and 0.86 standard divisions.This indicates that most of the respondent agreed with customs clearance practice related Risk management system helps to speed up the custom clearance service.

Similarly, regarding Risk management system and fraud practice of customs clearance, respondents were response with 3.44 the mean score and 0.96 standard deviation value. 46 percent of the respondent expressed their agreement (agree) and 24 percent neutral. This depicts that there is high level of Risk management system give catch every fraud.

Finally, The respondent also ask regarding Risk management system and its application on high-risk areas and replies with 3.63 mean and 0.97 standard deviations with 47 percent of the respondent expressed their agreement and 24 percent neutral. It indicates that there is strong Risk management system focusing on high risk area.

From the interview and the open ended question, the researcher has got since most of employee have knowledge gap related to risk management and lack of confidence they can't make any decision by themselves beside most of the time they don't have the adequate amount of resource to execute their work.According to Teklewoyni (2012), risk management is the main tool to ensure modern and effective Customs administration which can balance trade facilitation with customs control. According to the Ethiopia customs commission guide document (2017) indicates that Risk management's purpose is to strike a balance between trade facilitation and controls. However, in practice or this research indicate custom commission employee have no sufficient capacity related to risk management knowledge, and this exposed to personal judgment rather than scientific risk management techniques.Due to a lack of knowledge gap or strong information, efficient profiling for risk channel categories and risk-based inspection importers may face too additional port payment and long clearance lead time.

4.3.1.5. Customs Automation Systems

The respondents were also asked to express their degree of consent on customs clearance practice automation. Thisvariablecontainssix questioners which are related to efficient usage of Customs Automation or information technology system at Customs Offices, properly supported by modern information technology system, The new system eCMS better than ASCYDAA++,eCMS is efficiently utilized to provide fast custom clearance practice, The eCMS system could precisely label the level of risk and Automated Customs Systems provide timely statistics on foreign trade and revenue.

Table12:Descriptive Statistics of Customs Automation Systems

No	Customs Automation Systems	1	2	3	4	5	N	Mean	Std. deviatio
1	There is an efficient usage of Customs Automation or information technology system at Customs Offices.	6	12	22	25	4	70	3.13	1.05
2	Theimport customs clearancepractice is properlysupported by modern informationtechnologysystem	4	11	20	26	8	70	3.34	1.06
3	The new system eCMS (electronics customs management system) better than ASCYDAA++ (Automated System for Customs Data)	1	5	26	29	8	70	3.55	0.86
4	eCMS is efficiently utilized to provide fast customclearance practice	4	5	24	28	8	70	3.44	0.99
5	The eCMS system could precisely label the level of risk at submission of documents	1	10	23	29	6	70	3.41	0.90
6	Automated Customs Systems provide governments with accurate and timely statistics on foreign trade and revenue	2	9	18	33	7	70	3.49	0.94

The above table 12 shows Respondent observation related to efficient usage of Customs Automation or information technology system at Customs Offices. Its response is 36 percent agreed and 31 percent neutral and confirmed with mean score of 3.13 and 1.05standard deviation. That indicatesthere is efficient usage of Customs Automation or information technology system at Customs Offices.

The respondents were asked to express their level of agreement related theimport customs clearancepractice its level ofmodern informationtechnologysystem. The results show that 37% replied agrees and other 29% have also stressed the same by replying very neutral with mean value of 3.34 and standard division of 1.06. This implies that there is modern information technology for customs clearance service.

The participants were also replied about the new system eCMS (electronics customs management system) with respect to previous system ASCYDAA++ (Automated System for Customs Data). Accordingly, 41 and 37 percent of respondent areagree and neutral, respectively. Its mean score is 3.55 and standard deviation 0.86.Itmanifests the current customs clearance system is modern and has better with compare to former system.

The participants were also replied about the current system (eCMS) of efficient utilization to provide fast custom clearance practice. Accordingly, 40percent and 34 percent of the participants were agree and neutral,respectively. Its mean score is 3.44 and standard deviation 0.99. It shows the current customs clearance system is help for fast customs clearance practice. Similarly, the respondents were also asked about the eCMS system and risk management/ level of at submission of documents. 39 percent and 33 percent of the participants were agreed and neutral with 3.41 mean score of and 0.90standard deviation.

Concerning on the issues Automated Customs Systems provide governments with accurate and timely statistics on foreign trade and revenue 47 and 26 percent of the respondent expressed as agree and neutralrespectively. The mean score of their response replied on this point is 3.49 and Standard deviation 0.94. It indicates that there is Automated Customs Systems provide governments with accurate and timely statistics on foreign trade and revenue.

Finally, this survey result was also supplemented by Interview and secondary data analysis that indicates the new system electronics customs management system is better than earlier Automated System. The new system labels the level of risk at submission of documents and providesaccurate and timely statistics for governments and other stockholder.

However, there is a lack of efficient usage of Customs Automation or information technology system at Customs Offices with compares to developed country's customs services. The researcher also observed complaints about systems failure due to power shortage. According to Customs proclamation number 1160/2019 regarding temporary goods storage time at customs warehouse from 60 days to 15 days. Due to system breakdown problem importers may incur additional port storage payments, demurrage. Moreover, due to system problem importer customs clearance time and cost may increase. In most of developed country due to using automated customs systems the customs clearance process time is short. However, this survey result indicates that in Ethiopia customs clearance practice there is inefficient utilization and facility of the clearance process. This is more related to improper implement of the system functionality successfully as intended. These survey results also indicate there is a lack of efficient usage of Customs Automation or information technology system at Customs Offices.

4.4. Frequency Report On Dependent Variables

Theperformanceofcustomsclearing practiceisthedependentvariableofthestudy.Respondents wereasked to rate the pointsmentioned under thefivequestionsof performance objectives.Eachofthedependentvariablequestionsrelatedwitheachindependent factors.

Table 13: Frequency Report On Dependent Variables

Factors	N	Mean	Std. Deviation
face vet	70	3.50	0.85
goods inspection	70	3.24	0.76
document scrutiny	70	3.23	0.72
Riskmanagement	70	3.48	0.75
Automation Systems	70	3.39	0.74

Source: Computed bytheresearcherfrom theprimarydata,(2022)

Above Table 13 indicates the mean for each dimension is provided, with customs face vet at 3.50 mean and 0.85 standard divisions. Custom clearance performance has the predictability of goods inspection at a mean of 3.24 and 0.76 standard division. Similarly, there is customs document scrutiny, Risk management, and Customs Automation Systems at standard deviations of 0.72, 0.75, and 0.74 and mean of 3.23, 3.48, and 3.39, respectively. This implies that the above-listed practices have influenced the performance of custom clearing practice to a great level.

4.5. CorrelationAnalysis

Correlation describes the strength of an association between two variables. The correlation coefficient is measured on scale that caries from +1 through 0 to -1. If the absolute value of r 0-0.19 is regarded as very weak, 0.2 -0.39 as moderate, 0.40-0.59 as strong and 0.8 -1 as very strong correlation, but these are rather arbitrary limits and the context of the result should be considered (BMJ, 2020). Hence, Correlation is the degree of relationship between dependent & independent variables. It has a value ranging from -1 to 1. Therefore, on this research, Pearson Correlation analysis is conducted to determine the relationship between the Independent variable;customs goods inspections, document scrutiny, facevet, riskmanagement and customs automation system.

Table 14: Correlations

		Logistic Performance	face vet	inspection	document scrutiny	RMGT	automation
Logistic Performance	Pearson Correlation	1	.667	.802	.716	.765	.759
	Sig. (2-tailed)	0	.000	.000	.000	.000	.000
Face Vet	Pearson Correlation	.667	1	.398	.299*	.366	.333
	Sig. (2-tailed)	.000		.001	.012	.002	.005
Inspection	Pearson Correlation	.802	.398	1	.536	.479	.575
	Sig. (2-tailed)	.000	.001		.000	.000	.000
Document Scrutiny	Pearson Correlation	.716	.299*	.536	1	.473	.391
	Sig. (2-tailed)	.000	.012	.000		.000	.001
risk management	Pearson Correlation	.765	.366	.479	.473	1	.535
	Sig. (2-tailed)	.000	.002	.000	.000		.000
customs automation	Pearson Correlation	.759	.333	.575	.391	.535	1
	Sig. (2-tailed)	.000	.005	.000	.001	.000	

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Computed by the researcher from the primary data, (2022)

As it can be seen at the above table14, it was clear that among all the variables there were positive correlation between logistic performance and independent variables with a Pearson correlation coefficient within the range of 0.299 up to 0.802 and significance value is 0.01 and 0.05.Table14 which also indicates the correlation between independent variables i.e. simplicity and predictability of face vet(r=0.667), inspection (r=0.802), document scrutiny (r=0.716), Risk management(r=0.765) and Customs Automation Systems (r=0.759). All are important determinants of customs clearance activity integration and significant to show the association of organizational logistic performance.Regarding the relationship between independent variables, the above correlation shows that majority of the independent variables are correlated at $P < 0.01$ and at $P < 0.05$ level of significance.

The above Table 14 also depicts that as there is very strong positive relationship between effect of customs inspection activity and customs clearance/ logistics performance with a Pearson correlation coefficient of (r=0.802) and significance value of 0.00. Also,there is strong relationship between custom face vet, Document Scrutiny, risk management and customs automation with a Pearson correlation coefficient of 0.667, 0.716, 0.765 and 0.759 respectively.

4.6. Regression Analysis

The regression analysis is a way of predicting of the output variable (dependent variable) from one predictor variable (simple regression) or several predictor variables (multiple regressions) (Andy field, 2009). For this study used regression between customs face vet, Customs inspection, customs document scrutiny, customs risk management and customs automation as independent variables and customs clearance performance/logistic performance as dependent variable. In this studyused Multicollinearity, Linearity and Homoscedastic test Of Independent Variablesregression mode assumption. The results of the regression analysis are presented as below.

4.6.1. Test for Regression Mode Assumption

4.6.1.1. Multicollinearity Test

The VIF values of independent variables are beyond 10, then it is suggested that further investigation is required (Leybourne et. al 2006). So the model there is no Multicollinearity problem, because VIF of the model approaches between 1 to 2. The value of VIF ranges between1.256 and 1.900. In this model the tolerance of the variables ranges between 0.526 and 0.796.

Table 15: Significance and Distribution of Coefficients7

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.008E-013	.000		.000	1.000		
	Face Vet	.200	.000	.299	135122517.295	.000	.796	1.256
	Inspection	.200	.000	.268	98433720.503	.000	.526	1.900
	Document Scrutiny	.200	.000	.255	103965613.388	.000	.650	1.538
	Risk management	.200	.000	.266	104571349.128	.000	.605	1.654
	customs automation	.200	.000	.263	101131694.417	.000	.579	1.728
a. Dependent Variable: Logistic Performance								

Source: Computed bytheresearcher from the primarydata,(2022)

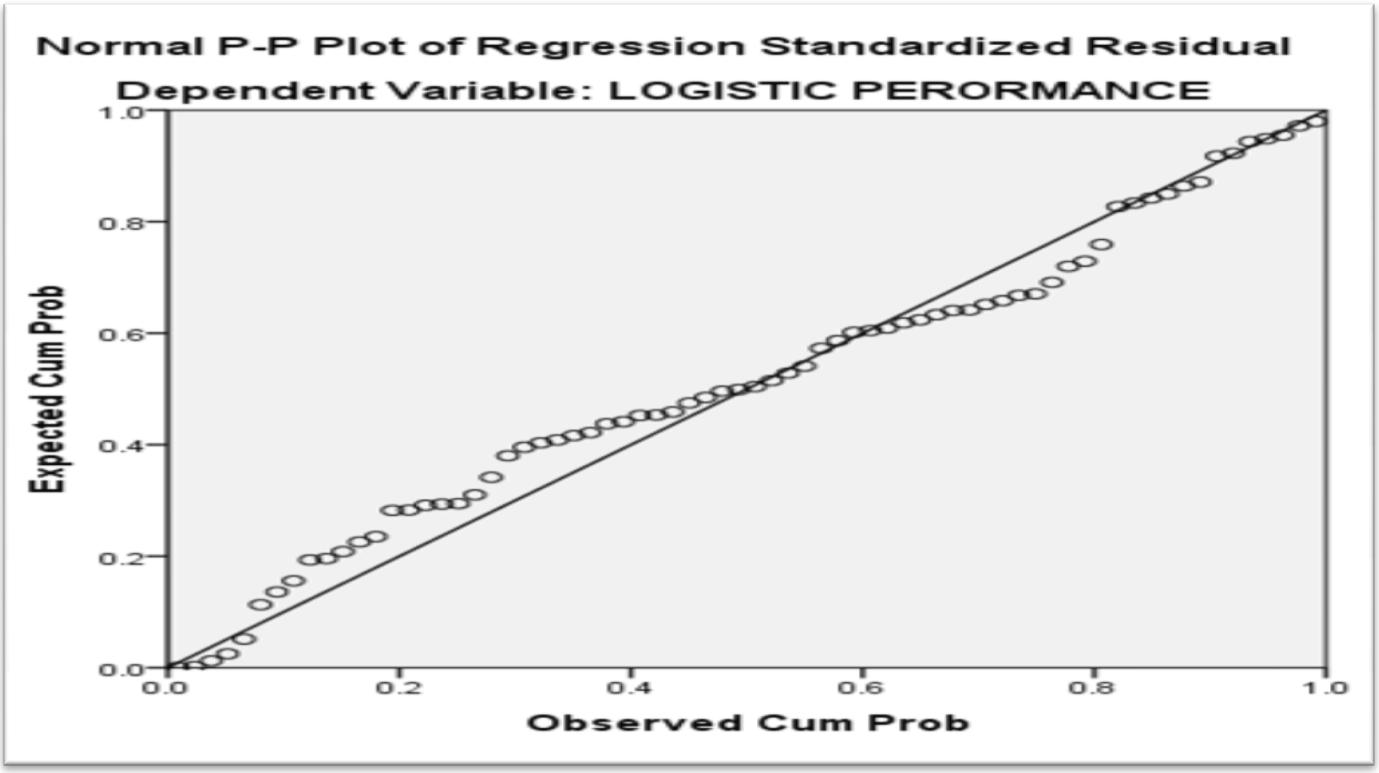
Based on above table 15, variance inflation factor values of each independent variable are less than 10. These mean that the assumption of Multi-co linearity is approved. Therefore, the average VIF is 1.62. all thevariables are in acceptable range and we can conclude that there is noMulticollinearity effect .

4.6.1.2. Linearity Test Of Independent Variables

Linearity defines the dependent variable as a linear function of the predictor (independent) variables (Wilkinson 1975). The model must be linear in the parameters regardless of whether the explanatory and the dependent variables are linear or not. This is because the difficulty to estimate the parameters if they are non-liner and not known their value given with data of both dependent and independent variable.

Therefore, plotting the standardized residuals against the standardized predicted values is to check the linearity and equality of variances. From the diagram below the data distributed without any increment or decrement. This indicates there is linearity relation between the dependent and independent variables.

Figure 3: Tests of Linearity

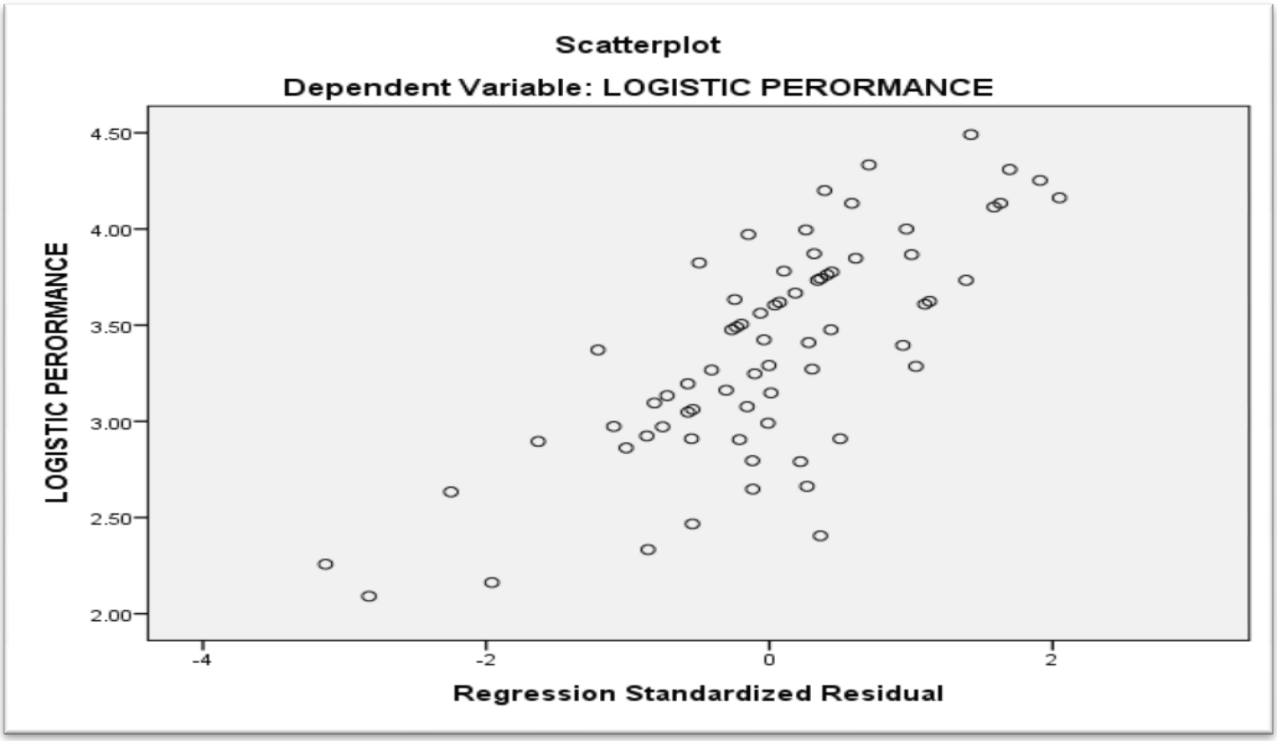


Source: own survey result, 2022

4.6.1.3. Test ofHomoscedastic Of Independent Variables

According toTabachnick,Fidell& Ullman(2007),homoscedasticassumptionindicatesthat thevarianceremainsconstantfor allobservations.Foreachof thecollectedvalueof the predictorsthevarianceof the error termmustbe constant.Ontheother handthereare severalconditionsinwhichthisassumptionmay not hold.So,plottingthestandardized residualsagainstthestandardizedpredictedvaluesmayconformthelinearityandequality ofvariances.Forinstance,thevarianceoftheerrortermmayincreaseordecrease.From thegraphbellow,itcanbeconcludedthatthereisnohomoscedasticityproblemthepoint distributes randomlyandno increment ordecrement has showed.

Figure 4: Homoscedasticity Variance



4.6.1.4. Model Summary

Below table 16shows the model summary of this study that indicates the model is fit or not. The Adjusted R square value indicates how much of the total variation in the dependent variable, can be explained by the independent variable.

Table 16: Model Summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

1	1.000[a]	1.000	1.000	.00000	1.421

A. Predictors: (Constant), face vet, goods inspection, document scrutiny, Risk management and Customs Automation Systems.
B. Dependent Variable: Logistic Performance
Source: Own Survey and SPSS Output, 2022

In this case The Adjusted R square indicates that 1.000 percent of effect on Customs clearance/logistics performance (dependent variable) is explained by the independent variables (face vet, goods inspection, document scrutiny, Risk management and Customs Automation Systems), which is very good. The R value represents the simple correlation and is 1.000, which indicates a high degree of correlation between the variables. Therefore, the Adjusted R Square is greater than 0.50 and the model is fit to explain the dependent variables.

4.6.1.5. ANOVA TEST

The acceptability of the model from statistical perspective can be shows from ANOVA test. Accordingly, on the below table 16 indicated that significance level of 0.000. Thatis statistical fitness of the regression model is significant to the data.

Table 17: ANOVA

Model		**AmountOf Squares**	**DF**	**Mean**	**F**	**Sig.**
1	**Regression**	**22.107**	**5**	**4.421**	**.**	**.[B]**
	Residual	**.000**	**64**	**.000**		
	Total	**22.107**	**69**			
A. Dependent Variable: Logistics Performance						
B. Predictors: Face Vet,, Document Scrutiny, Risk Management , Inspection Of Gods And Customs Automation						

Source: own survey result, 2022

The above table 17that indicate F value of 000 which is significant with p= 000 which is less than 0.05. This tells us that some independent variables taken together as a set are significantly related to the dependent variable.

CHAPTER FIVE

5.1. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

In this chapter, the researcher presented a summary of the major findings, conclusions, and Recommendations based on the research findings.

5.2. Summary of Findings

The main purpose of this study was to assess the Customs clearance practices &its implication on the Development Bank of Ethiopia in logistic performance. Based on research specific objectives research questions were developed to lead and construct the study. To answer those research questions, a questionnaire & interviewee was employed.

Hence, to collect information on customs clearance practice efficiency, questionnaires were focused on customs clearance face vet, goods inspection, document scrutiny, risk management, and Customs Automation Systems. To achieve this objective, five points lanker scale was used to collect data from respondents to measure the independent variable. Accordingly,based on the discussion of the data on chapter four, the following summaries of findings were drawn:

- Related to response rate of the questioner andDemographic Characteristics of the Respondents; from total of 75 distributed Questionnaires only 70 questionnairesreturned. That means the response rate is 93%. From 70 respondents of customs employees 60% weremale and 40% were female. Ages of most respondents were between 26-35 years and 61% of respondents who completed the questionnaires have first Degree.
- Relater to Descriptive Statistics Data Analysis that, five points lanker scale was used to collect data from respondents to measure the independent variable, accordingly;
  - From 31 up to 45 percent of respondents were reacted with agree to promising customs face vet practice (Advance ruling against the document to accept or reject, Customs procedures and practices are transparent to accept or reject the declaration, the consistency of Customs procedures and practices concerning international standards)

- Respondent were responded related to customs goods inspection; customs Goods released temporarily by guaranty With agree and disagree, 44% and 36% respectively, redundancy of goods during physical inspection with agree and neutral, 32% and 29% respectively, location for goods inspection With agree and neutral, 41% and 28% respectively, customs scheduled for inspection With agree and neutral, 37% and 24% respectively, additional cost incurred due to delays of customs clearance process With agree and neutral, 53% and 16% respectively,standard time for physical inspection of customs clearance activities With agree and neutral, 50% and 21% respectively, Regarding standard time for physical inspection of customs clearance activities agree and neutral, with 50% and 21% respectively.
- From 30 up to 46 percent of respondents were reacted with agree to promising customs document Scrutiny (redundancies of document checking for a particular shipment, additional cost incurred due to delays document scrutiny clearance and standard time for each customs clearance activities for document scrutiny.
- Respondents were asked and responded with 47% and 21%, agree and neutral respectively to Customs information and profile for risk channel categories,with 40 and 21 percent, agree and neutral respectively to Customs employees operational knowledge about risk management, with 40 and 21 percent, agree and disagree respectively to efficient information flow for risk profiling,with 47 and 23 percent agree and neutral respectively,Risk management system give fair risk assessment,with 52 percent agree and 21 percent neutral to Risk management system helps to speed up the custom clearance service, with 46 and neutral 24 percent agree and neutral respectively to Risk management system and fraud practice of customs clearance and with 47 percent agree to Risk management system and its application on high-risk areas.
- Finally, Respondent observation related to efficient usage of information technology system at Customs Offices is 36 percent of the respondent agreed and 31 percent neutral, related the import customs clearance practice its level of modern information technology system show that 37% replied agrees, about the new system eCMS 41 and 37 percent of the participants were agree and neutral, about the current system (eCMS) of efficient utilization to provide fast custom clearance practice with 40 and 34 percent of the participants were agree and neutral and the respondents were also replied about the eCMS system and risk management/ level of at submission of documents with 39 and 33 percent of the participants were agree and neutral and on the issues

Automated Customs Systems provide governments with accurate and timely statistics on foreign trade and revenue 47 and 26 percent the respondents replied agree and neutral.

- According tosecondary data analysis and interview, Ethiopian customs commission has giving advance information related to main documents for customs clearance procedure such as Import license, Customs Declaration, Insurance certificate and Bill of Lading / Airway bill. They said that most of Customs procedures and practices are relatively consistent as appropriate, on international standards. good released by guaranty to avoid clearance lead time or goods waiting time at customs warehouse only permit for economy authorization company, in some level of degree there are redundancy of goods physical inspection ,and there is standard time for goods inspection but it is not applicable or realized during service time.In custom clearance activity, some customs commission staff, particularly assessor officers not enough understanding and knowledge related to customs manual procedure. Due to this take place redundancy of document checking for a particular shipment and it cause for additional cost. There is unnecessary import goods physical inspection or document check without proper risk profile and due to this impact on import cargo logistics.there is luck of efficient usage of Customs Automation or information technology system at Customs Offices with compares to developed country's customs service.

5.3. Conclusion

Theaimofthestudywastoidentifythe Customclearancepractices&theirimplicationonlogistic performanceofdevelopment bank of Ethiopia. Basedonthisstudy finding,the following conclusions are discussed;

- Regarding speed, simplicity and predictability of face vet of customs clearance practice, we can concluded that; there is Advancerulingto givingadvanceinformationforcustomers, there is consistency and transparency to accept or reject the declaration and there are Customs procedures consistent with international standards, aiming to reduce face vet practice.
- Regarding speed,simplicity and predictability of Customs goods inspection of customs clearance practice, we can concluded that; there are released goods byguarantyto avoidclearanceleadtime, there is relatively less redundancyofgoods during physical inspection, importer has no right to choose the location of inspection, there is relatively schedule inspection activity during physical inspection, importer

incurredadditionalcostduetodelaysofcustoms clearanceprocess and there is relatively standard service time for physical inspection of customs clearance activities,

- Regarding speed,simplicity and predictability of document scrutiny of customs clearance practice, we can conclude that; there is redundancy of document checking for a particular shipment, importer may incur additional cost due to delays of document scrutiny in customs clearance process and importer not obtained customs service activity based on standard service time.
- Regarding to Risk management Respondent response; Customs employees have adequate operational knowledge about Risk management techniques, luck of efficient information flow for risk profiling, there is fair risk assessment and management related to customs clearance process, there is high level of Risk management system give catch every fraud And strong Risk management system. From the interview, the researcher has got since most of employee have knowledge gap related to risk management and lack of confidence.
- Respondent responded about Effective implementation of modern customs automation; there is efficient usage of Customs Automation or information technology system at Customs Offices, there is modern information technology for custom clearance service and majority of them disagreed that it's not difficult to obtain accurate and timely statistics on foreign trade and revenue easily.

- According to the questioner, secondary data analysis and interview with clearing agents and as Discussed in summary part that generally indicate most of Customs procedures and practices are relatively consistent as appropriate, on international standards. good released by guaranty only permit for economy authorization company, There is standard time for goods inspection but it is not applicable or realized during service time, some customs commission staff, particularly assessor officer have not enough understanding and knowledge related to customs manual procedure and due to this there is redundancies of document checking and unnecessary import goods physical inspection and there is luck of efficient usage of Customs Automation or information technology system at Customs Offices with compares to developed country's customs service.

- Ingeneral,itcanbeconcluded thatthe combinationsof thefiveindependentvariableshavean impactandaffectedthelogisticperformance.Thus,Pearson Correlation analysis is conducted to

determine the relationship between the Independent variable; that concluded that there is strong positive relationship between customs clearance efficiency and goods physical inspection process.

5.4. Recommendation

Based on the above conclusions, the researcher suggests the following points as credible recommendations to the problem.

- The study that has pointed out, the customs face vet activity has significant effect on Performance of the customs clearance and development bank of Ethiopia. So, the researcher recommends that Ethiopia customs commission should implement giving advance information for customers, Customs procedures and practices must be consistent and transparent and appropriate on international standards against the document to accept or reject. Sinceit has potential to improving logistic performance.
- Speed, simplicity and predictability of customs goods inspection activity role is a significant effect on the performance of development bank of Ethiopia. So, the customs commission should give more attention togoods inspection activity. The development bank of Ethiopia should use an effective follow up system for inspection process of customs thathelps to avoid redundancy of goods physical inspection.
- Ethiopia customs commission shouldbe avoid redundancies of document During Document scrutiny, it helps to save importer from additional cost incurred due to delays document scrutiny andthe customs commission also more focus in standard time for each customs clearance activities for document scrutiny.
- The Risk management has significant effect on the customs clearanceactivity and logistics service performance of the development bank of Ethiopia. So, the researcher recommends that Ethiopia customs commission (ECC) should give information for importer about risk channel categories (red, yellow, and green), give training for Customs employees to have adequate operational knowledge about Risk management techniques andrelated to customs clearance practice. ECC Should more attention for simplified way of assigning risk for imported items and better to reduce the physical inspection of items especially for manufacturing companies when they import raw materials, it will save the delay in customs clearance process, and more give attention for Risk management system to catch every fraud.

- The last variable of the study is Customs Automation Systems; according to the finding Customs Automation Systems has statistically significant effect on customs commission of Ethiopia and logistic performance of the DBE. To overcome the problems of ineffective use of customs automation system, Customs Commission should properly supported by modern information technology system.

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APPENDIX

Addis AbabaUniversity

School Of Commerce

Logisticsand Supply ChainManagement

Questionnaire

DearRespondents

First, I would like to thank you for giving me your precious time and I am JilalNasro and conducting a study entitled "The Effect of Customs Practices on Logistics Performance: the case of Development Bank of Ethiopia as partial fulfillment for a master of art degree in logistics and supply chain management program. Beyond academic purposes, the result of the study will help to provide certain information for the logistics sector.

Therefore, your support to fill out this questionnaire is extremely valuable to accomplish this study. The researcher also assured you that all answers you provide will be kept in the strictest confidentiality and utilized for the above-mentioned entitled academic study only.

Thank You

Part I:General Information

Put tick(√)markin the appropriateanswer box. (Bracket)

1. Gender Male( )Female( )
2. Age 18 -25 ( ), 26-35 ( ), above35 ( )
3. Educational background

Below12 ( ), Certificate( ), Diploma( ), Degree( ), Masters( ), PhD( ), other specify ( ),

4. Serviceyear

Lessthan 5years ( ), 5-10 years( ), above 10 years( ).

5. Job Position _____
6. Service year on the above job position _____

PartII: Efficiency of customsclearancepractice

Please indicate your consent by using a tick mark (√) the number that best represent how you feel about the effect of customs clearance practices on logistics performance.

No	**1.** face vet	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Advanceruling(givingadvanceinformationforcustomers) against the document to accept or reject.					
2	Customs procedures and practices are predictable, consistent and transparent to accept or reject the declaration					
3	Customs procedures and practices are consistent as appropriate, on international standards, aiming to reduce face vet practice.					

No	**2.** goods inspection	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Goodcanbereleasedtemporarilybyguarantyinorderto avoidclearanceleadtimeorgoodswaitingtimeatcustoms warehouse.					
2	Thereareno redundancyofgoods physical inspection					
3	Importer able to choose the location for goods physically goods inspection inspected (atcustoms compound orimportersite)					
4	Importshipment and good inspections are cleared fromcustoms as scheduled					
5	Thereare additional cost incurred due to delays of goods inspection custom clearancepractice					
6	Thereisstandardtime for goods inspection					

No	**3.** document scrutiny	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	There are no redundancies of document checking for a particular shipment.					
2	Thereareadditionalcostincurredduetodelaysdocument scrutiny					
3	Thereisstandardtimeforeachcustomsclearanceactivities for document scrutiny					

No	4. Riskmanagement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Customs has strong information and profile forriskchannelcategoriesorriskbasedinspection (red,yellow, and green)					
2	Customs employees have adequate operationalknowledge about Riskmanagement techniques related tocustoms clearance practice					
3	There is efficient information flow for risk profiling					
4	Risk management system give fair risk assessment					
5	Risk management system helps to speed up the clearance practice					
6	Risk management system give catch every fraud.					
7	Risk management system allow customs to concentrate checks on high-risk areas					

8. How do you evaluate the current Risk Management practice applied at Customs in general?

_____

_____

_____

No	5. Customs Automation Systems	StronglyDisagree	Disagree	Neutral	agree	Stronglyagree
1	There is an efficient usage of Customs Automation or information technology system at Customs Offices.					
2	Theimportclearancepractice is properlysupported by modern informationtechnologysystem					
3	The new system eCMS (electronics customs management system) better than ASCYDAA++ (Automated System for Customs Data)					
4	eCMS is efficiently utilized to provide fast customclearance practice					
5	The eCMS system could precisely label the level of risk at submission of documents					
6	Automated Customs Systems provide governments with accurate and timely statistics on foreign trade and revenue					

7. What are the common challenges in relation to custom automation system? Does it facilities & speed up the clearance time?

_____
_____

11. If you have any comment, please mention it here.

_____
_____
_____

Thank you very much!

Interview

1. Howdoyouevaluatecustoms clearance practice with respect of facilitation support yourlogistics service performance?
2. Is customs clearance service implementing efficient customs clearance to reduce transit time in terms of face vet, good inspection and document scrutiny?
3. Iscustoms clearance service implementingsimplified and modern customs clearance procedure?pleasemention them
4. Is thecurrent automation systemsufficient to support and makethecustomsclearance performance?
5. What arethemajor sources of delays ofcustomsclearancepractice?Pleasespecify?
6. How do you evaluate the risk management to support clearance practice by identifying risk level of the goods being immediately cleared?
7. Anythingthatyou want to add about customsclearance practice? Please, specify?