Factors Affecting the Customs Clearance of Pharmaceuticals at Bole Airport:

The Case of Private Importers in Addis Ababa

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Declaration

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted at any university for a degree.

Signature: _____F.Y_____ Date: _____

Addis Ababa University

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This is to Certify that the thesis prepared by Fikir Yigletu, entitled: Factors Affecting the Customs Clearance of Pharmaceuticals Bole Airport: The Case of Private Importers in Addis Ababa submitted in partial fulfillment of the requirements for the degree of Master of Arts in Logistics and Supply Chain Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Abstract

Ethiopia's international trade is regulated by the Ethiopian Customs Commission (ECC) and other governmental authorities, namely, the Ethiopian Food and Drug Authority (EFDA) that regulate import & export of drugs, medical supplies or instruments. The custom-clearance process is mandatory for the efficient functioning of the pharmaceutical supply chain program. All around the globe, clearing pharmaceutical shipments from the port of entry is incompetent and time-consuming activity that leads to financial losses due to higher storage fees and damage to the goods. Though a lot of studies done in Ethiopia on factors that contribute to the delay of customs clearance of pharmaceuticals, this particular study was done focusing on some of the factors in ECC bole branch office, namely, lack of collaboration, complying with documentary requirements, inadequate and incompetent officers and problem in product classification and goods valuation. The study employed cross-sectional study and qualitative study in 164 private pharmaceutical importers in Addis Ababa. Both quantitative and qualitative data collection methods were used in the study. The quantitative data were collected using structured questionnaires and analyzed using SPSS version 20.0. And the qualitative data were collected through document review. The research finding reveals that there is customs clearance delay in clearing pharmaceuticals from Bole Airport and lack of collaboration between the customs office being the most important factor. The following recommendations have been forwarded the authority should implement coordinated intervention, the customs office should provide continuous training to its officers, the authority should hire more skilled manpower to alleviate the shortage of customs officers, the authority should implement a fully automated and a single window service, the authority should implement post release auditing, importers should be loyal in submitting the true transaction value and certificate of origin and importers should prepare the required complete documents before the shipment arrives.

Key Words: *Custom clearance, Lack of collaboration, Documentary requirement, Goods Valuation, Duplicated effort.*

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Contents

Acronyms and Abbreviations

ECC	Ethiopian Custom Commission
EFDA	Ethiopian Food and Drug Administration
ERCA	Ethiopian Revenues and Customs Authority
FMHACA	Food, Medicine and Healthcare Administration and Control Authority
HS	Harmonized System
MOH	Ministry of Health
MSH	Management Science for Health
WHO	World Health Organization
WTO	World Trade Organization

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Ethiopia is a land locked country and almost all of its trading is done through Djibouti (90%) and Addis Ababa Airport (5%) (Tsegaye Teklu and Endris Negus, 2011; Nathanael Challa, 2015; Chinnapareddy and Zemedea 2019). Customs are the backbone of international trade. The business activities of global trade are affected because of the failure to clear international shipments on short time along with the lowest possible cost(Nathanael Challa, 2015; Chinnapareddy and Zemedea, 2019). Customs contributes significantly to protecting the security and safety of citizens, as well as to increasing competitiveness through efficient, targeted controls and the facilitation of legitimate trade (Seble Getinet, 2014). Customs processes, complying with documentary necessities, physical inspections as well as general safekeeping issues can all severely hinder the quick movement of assets across borders (Tsegaye Teklu and Endris Negus, 2011; Nathanael Challa, 2015).

Ethiopia's international trade is regulated by ECC and other governmental authorities. For instance the Ethiopian Food and Drug Authority (EFDA) regulates import & export of drugs, medical supplies or instruments, baby food, supplement food, cosmetics (MOH and WHO, 2003; Ethiopian customs guide, 2017). The inefficient synchronization and collaboration among customs within and between themselves, and other governmental authorities that examine the same comodities more than three times as a result the consignment delay for a longer period of time. And these postponements are associated with different costs that can meaningfully affect the competitive advantage of the respective company (Chinnapareddy and Zemedea, 2019).

A recent World Bank study assesses that Ethiopia's key logistics blockages are related to multidimensional border approval and domestic transportation. For example, physical inspection of the shipment is frequently and highly susceptible to abuses, which is handled by more than

one authority that causes unessasary postphonments (Nathanael Challa, 2015; Chinnapareddy and Zemedea, 2019).

The custom-clearance process is mandatory for the efficient functioning of the pharmaceutical supply chain program, whether it is done by public employees or outsourced. All around the globe, clearing pharmaceutical shipments from the port of entry is incompetent and time-consuming activity that leads to financial losses due to higher storage fees and damage to the goods (Tsegaye Teklu and Endris Negus, 2011). In Ethiopia, the private sector is a critical component of the pharmaceutical supply chain. According to EFDA in the year 2019/2020 about 285 importers registered with the authority have renewed their licenses to import and distribute medicines from international manufacturers to wholesalers and retailers.

In many countries, it is still normal not to release goods unless all issues are resolved and duties and taxes are paid. A lot of countries have resolved this problem by allowing the release of goods prior to the actual payment and are collecting duties and taxes in separate procedures, independent of the final clearance (Seble Getinet, 2014). Unlike products that are nonperishable, medicines and medical supplies can be spoiled by poor management and inappropriate or poor stockpiling practice. They are likewise exceptionally subject to robbery. In this way, there is a basic need to clear pharmaceuticals, other temperature-sensitive and high-value products, as soon as they arrive (MSH, 2012).

1.2 Problem Statement

In Ethiopia, ECC's function includes the enforcement of the Customs rules and regulations governing the import and export of cargo, and other additional activities (Ethiopian customs guide, 2017). Ethiopia is heavily dependent on the import (80%) of medicines. Both public and private importers are estimated to serve more than 311 hospitals, 3,547 health centers, 16,440 health posts and 4,000 private clinics. More than 780 community pharmacies, 3,266 drug stores, 1,090 rural drug vendors in the country (Esayas Tadesse, 2017).

One of the concerns in universal trade is the deferral to clear import merchandise by consenting to the traditions, guidelines and methodology of the nation, and the related exchange costs with these techniques are significantly high. Minimizing the time required for the clearance of the consignment at customs responds to trade requirements where the operators need to plan ahead for the movement of goods across borders (Tsegaye Teklu and Endris Negus, 2011; Chinnapareddy and Zemedea, 2019).

Customs are required to fulfill the needs of both the administrative bodies and importers without haggling the harmony between exchange rearrangements and control. Both trade simplification and control has been given ideal attention by the customs to please the expectation of both customs and government by confirming the compliance of goods with the laws and regulations of regulatory bodies (Chinnapareddy and Zemedea, 2019).

In line with different studies, When compared with other sub-Saharan countries the time and money spent on clearing the goods is significantly higher in Ethiopia. The time spent and costs associated to clear cognsiments for Ethiopian importers was 203hrs and USA$750 respectively. But, it was found that for importers of other Sub-Saharan countries, it only took them 160 hours and 351USD to process customs procedures (Chinnapareddy and Zemedea, 2019). The costly consequences of port delays are also highlighted in the Management Sciences for Health (2012) as "reduced shelf life, deterioration of products or packaging of the product, theft, storage fees, long delivery lead times, stock-outs and cash flow problems". The importer can incur extra costs in quality testing or even disposal of temperature sensitive medicines whose qualities have been compromised (MSH, 2012).

As indicated by different studies there are a number of factors contributing to the delay in clearing goods in the country. These are excessive documentation requirements of the border regulating agencies, unclear and unspecified requirements for imports, high turnover of officials, duplicated effort, inefficient of customs procedure accompanied by excessive physical and documentary control, missing documentation, lack of collaboration and modernization amongst customs and other governmental agencies involved in the regulation of international goods (Nathanael Challa, 2015; Chinnapareddy and Zemedea, 2019). Though a lot of studies done in

Ethiopia on factors affecting the customs clearance of pharmaceuticals, this particular study will focus on some of the factors in bole airport. Namely, lack of collaboration, complying with documentary requirements, inadequate and incompetent officers, problem in product classification and goods valuation and duplicated effort.

1.3 Research Objectives

1.3.1 General objective

The general objective of the study was to investigate the factors affecting the customs clearance of pharmaceuticals at Bole International airport.

1.3.2 Specific Objective

- To examine factors contributing to the delay of customs clearance at Bole airport cargo section.
- To examine the impact of lack of collaboration between stakeholders in the release of pharmaceuticals.
- To examine the impact of product valuation and goods classification in ECC in the customs clearance of pharmaceuticals.
- To examine the impact of inadequate and incompetent manpower in the customs clearance of pharmaceuticals.
- To examine the impact of complying with documentary requirements in the customs clearance of pharmaceuticals**.**
- To examine the impact of duplicated efforts of different offices/officials of ECC in the release of pharmaceuticals.

1.4 Research Questions

- What are the main factors contributing to delays in customs clearance of imported pharmaceuticals at Bole International Airport?

- To what extent the lack of collaboration between stakeholders affects customs clearance of pharmaceuticals at Bole International Airport?
- To what extent product valuation and goods classification affect the customs clearance of pharmaceuticals at Bole International Airport?
- To what extent lack of inadequate and incompetent manpower affect the customs clearance of pharmaceuticals at Bole International Airport?
- To what extent complying with documentary requirements affect the customs clearance of pharmaceuticals at Bole International Airport?
- To what extent the duplicated efforts of different offices/officials of ECC affect the release of pharmaceuticals at Bole International Airport?

1.5 Significance of the Study

The study pursued to assess factors affecting the customs clearance of pharmaceuticals of private importers in Ethiopia. The study findings will give light into how to facilitate the quick clearance of pharmaceuticals from customs. This study will also add to the existing body of knowledge in the area. The findings will also be vital as a reference tool for future research on customs clearance of pharmaceuticals in Ethiopia and for other developing countries.

1.6 Scope of the Study

The study was conducted in Addis Ababa. All private medicine importers in Addis Ababa, which uses the Ethiopian customs commission bole branch as a port of entry where source population. Importers that are not actively importing currently and not willing to participate at the time of the study were excluded from the study.

1.7 Limitation of the Study

The limitation of the study was getting data from private importers, especially due to COVID-19 pandemic they were not willing to provide quantitative data face to face and data was collected

entirely through email and phone calls. It was impossible to conduct interviews with key informant for the qualitative data.

1.8 Definition of Terms

Medicines are substances intended for use in the prevention, diagnosis, cure, mitigation, or treatment of disease (Esayas Tadesse, 2017).

Collaboration is the means by which companies within the supply chain work together toward mutual objectives through the sharing of ideas, information, knowledge, risks, and rewards (Shoshanah Cohen and Joseph Roussel, 2005).

Air Cargo is any good imported or exported by air transport freighted by air transport (Seyoum W/Yohannes, 2018).

Cargo Clearance is a process applied for the imported or exported goods pass in or passes out through customs borders of the country (Seyoum W/Yohannes, 2018).

Freight Forwarding means the representation of a consignor or consignee locally or internationally in fulfilling customs, port and other formalities for import and export cargo at the port and includes the transportation and delivery of same (Federal Proclamation, Council Of Ministers Regulation 1998).

Medicines Wastage medicines expired, damaged, lost obsolete and unsafe for use (Esayas Tadesse, 2017).

Trade Facilitation 'the simplification and harmonization of international trade procedure for collecting, presenting, communicating and processing data required for the movement of goods in international trade'(WTO,2015).

Customs Valuation is the methods used by customs authorities to allocate a value to imported goods for the purpose of determining the correct import duty (Ethiopian customs guide, 2017).

1.9 Organization of the Study

- The thesis covered five chapters. These chapters are constituted as follows.
- Chapter 1: Introduction: In the first chapter all introductory parts of the study like background of the study, problem statement, research question, objective of the study, conceptual Scope, the significance of the study, the scope of the study, limitation of the study, as well as definitions of terms were included.
- Chapter 2: Literature review: The second chapter of the study comprises the theoretical framework, which is a compilation of other author‘s journals and articles, literature about factors affecting custom clearance. This section also includes a review of various empirical studies that have been made on factors affecting custom clearance of human medicine.
- Chapter 3: Research Methodologies: The methodology part of the thesis represents the processes to mapping out the study area, research design, target Population, data source and type, method of data collection and research instruments, validity and reliability test, methods of data analysis and ethical consideration.
- Chapter 4: Results and Discussions: The ranges of issues that bear, both directly and more peripherally, on the research approach adopted were discussed within this chapter. This section covered data analysis, results, interpretation and discussion.
- Chapter 5: Summary, Conclusion and Recommendation: This section covers the summary of the finding, conclusion, recommendation and consideration for future research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2. Theoretical Framework

2.1 Customs Clearance

The responsibilities of customs administrations vary greatly from country to country, and are often the subject of regular review and modification to ensure their ongoing relevance in a constantly changing world (Minwagaw Erikea, 2016). Efficient port clearing is vital for running a well-functioning import and distribution system, especially in a landlocked country like Ethiopia where medicines have to be transported long distances to reach its destination (MSH, 2012).

The Ethiopian custom commission regulates every item imported. The customs process includes declaring the goods and made an assessment, for the purpose of imposing duty & taxes and to protect restricted or prohibited goods pass in or pass out of the country respectively. In the clearance process, there are many stakeholders involved, in addition to the customs Authority. The main factors involved are the customers (Importers or exporters), transporters, shipping companies, government regulatory bodies, warehouse administrators and clearing and freight forwarding agents. The collaboration and smooth communication of the actors facilitate the customs clearing procedure. If there is a smooth flow, the clearing process can be completed even in less time than expected (Ethiopian customs guide, 2017).

Customs Clearance is an area where exporters and importers themselves have very little influence to improve the situation. It takes a strong will and determination of the policy makers to facilitate the customs clearance procedures and to promote trade with foreign countries (Transport Planning Authority Ministry of Transport the Arab Republic of Egypt, 2008).

2.2 Overview of Customs Clearance in Ethiopia

In Ethiopia the Ethiopian Airlines Cargo and three dry ports, which are Mojo, Kality and Adama are the major ports of entry authorized for import of pharmaceutical products. Efficient port clearing is essential for running a good supply chain of medicine (Mesfin Lemma and Bethlehem Abera, 2018). Customs clearing agents are logistic service providers engaged in facilitating and processing the clearing process on behalf of importers and exporters. According to ECC there are around one thousand customs clearing agents found in Ethiopia, of which more than 57% of them were involved in the air cargo clearing process (Seyoum W/Yohannes, 2018).

These are the steps required to clear pharmaceuticals from custom.

- Collect commercial documents required for customs declaration
- EFDA customs branch clearance should be obtained (Mesfin Lemma and Bethlehem Abera, 2018).
- Prepare the customs declaration
- Submit the customs declaration
- Authorized assigned assessor from customs authority make an assessment based on the information from physical examiner and documents presented to the custom office.
- Obtain import customs clearance and good release note
- Pay service charges, exit goods from customs warehouse, and receive final import customs declarations

The following documents are required in order to obtain port clearance of pharmaceuticals, Registration certificate, Batch Analysis Certificate, Certificate of Origin, Packing List, Bill of Loading or Airway Bill, Commercial Invoice and Pre-import permit certificate (Mesfin Lemma and Bethlehem Abera, 2018).

2.3 Delay in the Customs Clearance of Pharmaceuticals

In many countries, clearing pharmaceutical shipments from airports is incompetent and time-taking activity that leads to financial losses due to higher storage fees and damage to the goods (Tsegaye Teklu and Endris Negus, 2011). Although importers usually, put the clearance delay blame on customs authorities, which may be partly true in the case of delays caused by pre-shipment inspection, organizations hired to achieve customs valuation and product classification, quantities and quality of goods have a significant effect. In other cases, customs usually have to work with other regulatory bodies for the release of pharmaceuticals which will not give them the sole control over the activities related with customs clearance (Seble Getinet, 2014).

According to a study done in 2018 there are many factors affecting the custom clearance of pharmaceuticals, some of them are problems in complying with documentary requirements and inexperienced port-clearance staff and inadequate port capacity. In the case of Pharmaceutical imports, the availability of the right documents, the correctness of the information filed on the documents as well as on time submission of the documents and filing the necessary applications for the customs clearance determines the efficiency of the customs clearance process. Any delay in filing or non-availability of documents can delay the process (Mesfin Lemma and Bethlehem Abera, 2018). On the other hand Tsegaye Teklu and Endris Negus (2011) listed that most of the customs procedures are duplicated and did not lend themselves for prompt clearance procedures, similar activities were carried out by two or more customs personnel, there is a lengthy to-and-fro movements of documents between customs personnel that shows lack of collaboration, lack of clear delegation of authority for decision-making, lengthy decision-making processes involving higher echelons of authority and lack of transparency in accountability. Below are some of the indicators of customs clearance delay.

2.3.1 Duplicated Effort by Custom Officers

A study done by Mesfin Lemma and Bethlehem Abera indicates that there is a duplication of efforts in the customs office and regulatory body (EFDA) which creates further delay and damage to the product. For instance, both offices inspect the shipment at different times and

places. Similar activities were carried out by two or more customs personnel. This usually creates duplication of efforts for instance, in document requisition and physical inspection. It is common that agencies have different operating hours and their offices are located at different places. Often, specialized agencies, such as departments that inspect pharmaceuticals face staffing problems and delaying necessary inspections until an inspector can be dispatched. This lack of coordination also leads to inefficiencies for the public authorities. The agencies must maintain different systems for collecting data. This is inefficient, since there is no sharing of intelligence and information on consignments across departments. It also provides opportunities for financial savings for governments by sharing equipment, officials and facilities, and alleviating the pressure on staff, such as inspection officers (Lemlem Desta 2018).

2.3.2 Inadequate and Incompetent Officers

The major constraint in customs is the lack of technical knowledge and professionalism of customs employees deployed in inspection, goods classification and product valuation of import products (MSH, 2012, Seble Getinet, 2014). Inadequate administrative capacity, including difficulties in ensuring proper data gathering and analysis, computerization, hiring and training of qualified personnel, and establishing organized database management systems principally constrained the customs valuation operation of ERCA. As a result, the customs valuation and tariff classification department does not have qualified and enough manpower to update the database on a regular basis. The department also performs other routine works in addition to its function of updating price information. However, the absence of manpower considerably constrained the department from achieving its objectives (Tenkir Seifu, 2009).

2.3.3 Lack of Transparency in Accountability

Customs administrations should be accountable for their actions through a transparent and easily accessible process of administration. Customs laws, regulations, administrative guidelines and procedures should be clear, public and easily accessible (Seble Getinet, 2014).

2.3.4 Lack of Coordination/Collaboration

International trade involves a number of stakeholders including manufacturers, suppliers, customers, exporters, importers, freight forwarders, carriers, banks, insurance companies, transport operators, customs, health authorities, port authorities, licensing authorities and inspection agencies (Lemelem Desta, 2018). Collaboration is the pillar for effective supply chain management (Cohen and Roussel, 2005). The high number of controllers involved for customs clearance is not shocking since it is almost the same in any country around the world. The question is, whether or not there is good collaboration. If at all possible, if the system implemented one Single Window System, the procedure would be much shortened, like 1 to 3 days (Transport Planning Authority, Ministry of Transport, the Arab Republic of Egypt, 2008). Hence customs should strive to develop cooperative relationships with all stakeholders, including government agencies, the private sector and other customs administrations. Regulators are important stakeholders in the pharmaceutical supply chain with direct involvement in port inspection before the shipment cleared out of customs (Mesfin Lemma and Bethlehem Abera, 2018). Coordination and cooperation can encompass different components that include joint, coordinated or delegated inspections, and joint management of the border post and related facilities as well as the sharing of infrastructure, facilities and equipment (Lemlem Desta, 2018).

One way or the other the clearing procedure faces delay in some partner's terrible performance and all systems are considered as basic way to the following stage in which the subsequent stage couldn't continue before the accomplishment of the former advance. Because of the delay every stakeholders loss time, money and material resources (Tsegaye Teklu and Endris Negus, 2011; Ethiopian Customs Guide, 2017).

2.3.5 Complying with Documentary Requirement

All through the clearance process, traders may have to organize various sets of data or documents and make them available in different formats (Lemlem Desta, 2018). The customs office requires original documents of airway bill, bank bill, bank guarantee, bill of loading, certificate of origin, certificate of quality, insurance policy, invoice, letter of credit, packing list, pro forma invoice and registration certificates to get the shipment cleared (Seble Getinet, 2014).

Incomplete documentation is one of the many factors contributing to delays in the clearance of the consignment. Submission of incomplete documents due to negligence or lack of knowledge to customs can cause delays in the clearance of pharmaceuticals. According to a study done by Tsegaye and Endris, the time required to prepare (collect) the above import clearance documents from the different regulatory bodies, is long (Tsegaye Teklu and Endris Negus, 2011). Often documents required for the clearance of pharmaceuticals are not received on time or the documents are not complete. The need for strong communication between stakeholders is required to overcome this problem (MSH, 2012). Some importers fail to produce permits or certificates from the relevant regulatory bodies such as the Ethiopian Food and Drug Authority for imported pharmaceuticals by the private sector as well as through purchases or donations etc. (Tsegaye Teklu and Endris Negus, 2011).

2.3.6 Product Valuation and Goods Classification

The customs value is essential to determine the correct amount of any customs duty to be paid (Minwagaw Erkie 2016). Customs valuation plays great role in the customs clearing process. Customs valuation can be defined as " the determination of the amount upon which the rate of duty is calculated". Most import tariffs are based on ad valorem duties, that is, a rate expressed as a percentage of the value of the imported goods (Marsha Sisay, 2016). Valuation may not be as easy, especially for new and heterogeneous products, products imported by importers with no track records and products suspected of under. The time spent to clear imported goods is the concern of every importer. Reducing the time requirement for clearance depends on custom valuation of goods and affects the movement of goods at port or custom office (Marsha Sisay, 2016). Most of the time 30% of the total import goods face valuation problems (Tsegaye Teklu and Endris Negus, 2011).

According to a study done by Minwagaw commercial invoices are used for filling out declarations, but there is a high chance of rejection of the commercial invoices as a basis for customs valuation by the customs officers. This is because of the mistrust the office has for the importers. Importers claim that the invoices they produced are genuine while customs officers are not willing to accept. The problem is that custom officers are granted to reject the

invoices whenever they believe one or more of the provisions in the Proclamation is/are not fulfilled (Minwagaw Erkie 2016).

2.4 Empirical Studies on Factors Affecting the Customs Clearance of Pharmaceuticals

As indicated in a study done by Tsegaye and Endris (2011), in Ethiopia there are about 22 customs stations engaged in import/export handling. By referring to the Ethiopian Customs commission, the study also discloses that in the year 2010 the volume of import was 7,051.5 million tons. Considering the major custom stations in Ethiopia that handle more than 97% of the total imports (Kaliti, Adama, Diredawa and Bole Cargo Terminal), the national average clearance time is 13.8 days. The total number of import items was 309. Line items that were cleared within five days constituted 259 (84%) and the remaining 50 (16%) required more than six days for clearance (Teklu and Endris Negus, 2011).

In a study by Mesfin Lemma and Bethlehem Abera (2018) the majority of the respondents found the pharmaceutical regulations to have excess layers of procedures that are troublesome and time taking to the customs clearing process. With regard to collaboration, most of the interviewees were of the opinion that since there is no link of information sharing about the inspections conducted by EFDA and Customs, each office conducts the physical inspection by itself at different time and place. And the implementation of collaborative systems between different regulatory bodies can avoid duplication of effort.

According to a study done by Minwagaw to identify main causes of customs clearance delay the following were identified obtaining and compiling the required documents, physical examination of goods by the respective regulatory bodies and customs valuation and tariff classification (Minwagaw Erkie, 2016).

Regarding availability of clear customs regulation and procedures 50% of respondents agreed on availability of customs regulations and procedures while 33% did not agree while 16.7% remained neutral. Regarding understandability and transparency of those regulations and

procedures, 41.7% of respondents agreed while the same percent (41.7%) of respondents did not agree. On the same study 41.7% of respondents agreed that there is cooperation among the different government regulatory bodies of customs procedures while the same percentage (41.7%) of the respondents disagreed (Minwagaw Erkie, 2016).

Based on the above reviewed empirical research findings, the author of this research explored main factors contributing to customs clearance delay of pharmaceuticals at the Ethiopian Custom Commission.

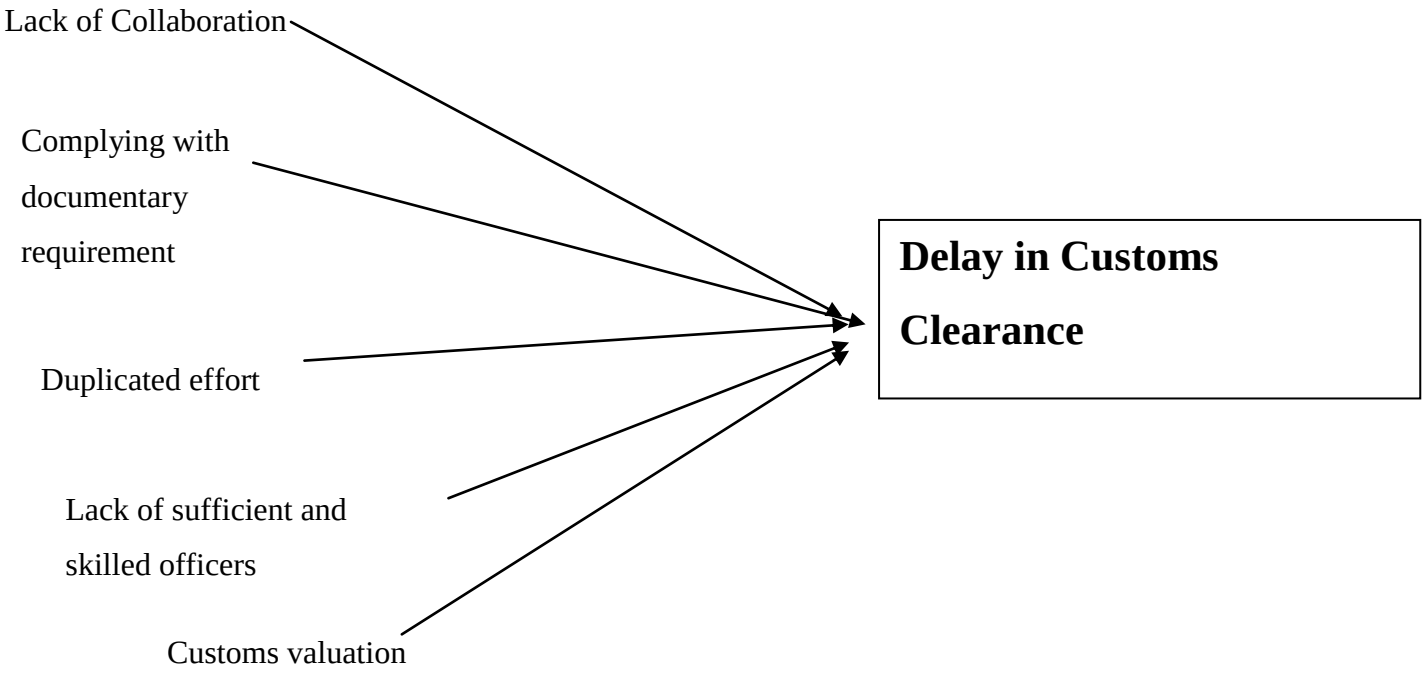

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Figure 1 Conceptual framework of delay in customs clearance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The methodology part of the thesis represents the processes of mapping out the study area, research approach, research design, target Population, data source and type, method of data collection and research instruments, reliability test, methods of data analysis and ethical consideration.

3.2 Research Approach and design

3.2.1 Research Approach

The research approach is a cross-sectional study employing both qualitative and quantitative methods. The qualitative study was document review of written materials which includes review articles, books, and reports, published and unpublished materials. In quantitative studies, researchers advance the relationship among variables and pose this in terms of questions or hypotheses. The quantitative study used a cause and effect relationship between dependent and independent variables. Quantitative research is based on the measurement of quantity or amount. It is applicable to phenomena that can be expressed in terms of quantity.

3.2.2 Research Design

The research design is explanatory with cross-sectional data. Inferential statistics are used to examine the effect of factors affecting the customs clearance of pharmaceuticals in Ethiopian Customs Commission using multivariate analysis. A cross-sectional design as a framework for the collection and analysis of data was the preferred design for this study, because it entails the collection of data at a single point in time.

3.3 Population and Sampling

The target population for the study was active importers registered with EFDA to import and distribute human medicines. According to EFDA there are 285 private importers who have renewed their license for the year 2019/2020 in Addis Ababa. The sampling frame was taken from the Ethiopian Food and Drug administration list of pharmaceutical importers that renewed their import license for the year 2019/20.

3.3.1 Sample Design

The sample from which the data were collected represents the target population which are active pharmaceutical importers which uses the Ethiopian Customs Commission Bole branch office.

3.3.2 Sample Size

Since the proportion of pharmaceutical importers using the Ethiopian Customs Commission bole branch office is unknown and could not be found from similar studies, we can take p=50% to get the maximum sample size.

Confidence Interval =95%, i.e. =0.05

To calculate sample size the following formula is used.

n=Z^2*P* (1-P) /e^2/1+ (Z^2*P (1-P)/e^2*N) where Z = Z scores=1.96

P= 0.5

e=0.05

N= 285

n= 384.14/2.34

n=163.6=164

The sample size for the study is 164.

The sampling technique was convenient sampling. This method is preferred to make sure that the importers are actively involved in the pharmaceutical import business. To make sure that they have a clear understanding of the phenomenon under study.

3.4 Data Collection

Data was collected through primary and secondary sources that were used to answer and fulfill the objective of the study. The questionnaires were administered through email and phone calls. Secondary data were gathered to supplement primary data by referring journals, other empirical researches in the area and any other relevant document from the internet. Prior to the actual study, a pilot survey was done on 25 respondents to determine the feasibility of the data collection instrument (Cooper & Schindler 2013).

3.5 Data Analysis

After collection of the data using the appropriate instrument, i.e. questionnaire, it was properly edited, coded, measured by nominal, ordinal and ratio scale. Data was entered and analyzed using Multiple Linear Regression as a study model to show the effects employing Statistical Package for Social Sciences (SPSS) version 20 software. The study employed Likert scale with a series of 17 item questions covering five domains. Each statement offers 5 response options, “strongly agree”, “agree”, “neutral”, “disagree”, and “strongly disagree”. For ease of understanding, the scale is grouped into three categories where “strongly agree” and “agree” merged into one “Agree” category. The same is done for “disagree”, and “strongly disagree” grouped into “Disagree” category. By combining scores from 3 items generate a composite index for each domain.

3.6 Scale Reliability and Validity

The Likert Scale is a tool developed by Rensis Likert in 1932 to quantify attitudes by the degree to which respondents agree or disagree with a statement from a scale of 1 to 5. The Likert 5-point scale is selected for this particular study as it can be suitably administered in a very busy work situation of the pharmaceutical business, and it also yields unbiased answers (Sullivan and Artino, 2013). Cronbach's alpha is most commonly used when Likert questions are used in a survey questionnaire that form a scale and you wish to determine if the scale is reliable and in order to understand whether the questions in the questionnaire are all reliable. Cronbach's alpha was calculated by the application of SPSS for reliability analysis. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer the Cronbach's alpha coefficient to 1 is the greater the internal consistency of the items in the scale (Bonett and Wright, 2014).

The pilot test was conducted before the actual study began, to ensure that the survey instrument is easy to understand by the respondents. Modification of the questions was done based on the experts' advice and respondents' feedback to increase reliability of the instrument.

3.7 Ethical Considerations

Ethical clearance was obtained from the Addis Ababa University School of commerce. And before data collection permissions from all private medicine importers was requested to collect data. The respondents were informed about the purpose and the benefit of the study along with their full right to refuse or completely reject participation in the study. The respondents were told that their response would be kept confidential and their identity shall not be exposed.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the data analysis, interpretation of results and discussion of the research findings. Based on pre plan of research design, methodologies, and tools applied the data was collected from 164 respondents. In order to make the collected data suitable for analysis, all distributed questionnaires were screened for completeness. The data entry and analysis was made using statistical package for social science (SPSS v. 20).

4.2 Response Rate and Demographic Data

A total of 185 questionnaires (150 emails and 35 phone calls) was distributed to importers and out of these, 164 responded. This gave the study a response rate of 88.64%. The respondents' personal profile has been analyzed by educational level, work experience and sex. The objective of this analysis is to describe the characteristics of the sample and to assess the importers competence to understand the phenomenon under study.

Table 4.1 below shows that, the majority (52.1%) of respondents who completed the questionnaire have a Master's degree, while the remaining 46.1% and 1.2% have First degree and Diploma respectively. The educational status shows us that the majority of respondents are second degree holders which enables them to have a good understanding of the phenomena under study. The majority of the respondents (64%) have work experience greater than two years. The remaining 31.1% and 4.1% have less than two and a year of work experience respectively. It implies that the majority of importer representatives who deal with custom clearance processes have a good deal of work experience on the field. Table 4.1 below shows 65.85% of the respondents are male, while the remaining 34.15% are Female.

Table 4.1 Personal Profile of Respondents

Educational Background			Work-Experience			**Sex**		
Level	Count	Percent	**Service yr.**	Count	Percent	**Sex**	Count	Percent
Diploma	2	1.2	**<1**	8	4.9	**Male**	108	65.85
Degree	76	46.1	**1-2**	51	31.1	**Female**	56	34.15
Masters	86	52.1	**>2**	105	64			
Total	164	100	Total	164	100	Total	164	100

Source: own survey 2020

4.3 Results, Interpretation and Discussion

4.3.1 Reliability and Validity of Scale

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient to 1 is the greater the internal consistency of the items in the scale. The Cronbach's alpha value was calculated for both dependent and independent variables by SPSS and found to be 0.826 which was statistically reliable scale that shows greater internal consistency.

Table 4.2 Reliability Statistics

Cronbach's Alpha	N of Items
.826	17

Source: own survey 2020

4.3.2 Descriptive Analysis

4.3.2.1 Delay in the Custom Clearance of Pharmaceuticals in Ethiopian Customs Commission

As can be seen in Table 4.3 below, the majority (82.9%) of respondents agreed with the statement that there is delay in custom clearance of pharmaceuticals, and 10.4% disagreed while the remaining 6.7% of the respondents are neutral.

In line with the present study, a study was done in 2016 by Minwagaw that shows most (83%) of the respondents have confirmed that there is customs clearance delay while the remaining 17% have replied there is no delay (Minwagaw Erkie, 2016).

Table 4.3 Frequency of delay in Custom Clearance

Delay in the customs clearance	Frequency	Percent
Disagree	17	10.4
Neutral	11	6.7
Agree	136	82.9
Total	164	100.0

Source: Own Survey 2020

4.3.2.2 Lack of Collaboration

From the items that constitute lack of collaboration "there is lack of collaboration between different offices of the Ethiopian Customs Commission" scored the highest mean of 2.69. The mean indicates to what extent the sample group on average agrees or does not agree with different statements. The higher the mean shows that more respondents agree with the statement.

Table 4.4 Descriptive Statistics of lack of collaboration

Items related to lack of collaboration	N	Mean	Std. Deviation
There is lack of collaboration between EFDA and ECC	164	2.63	0.702
There is lack of collaboration between different offices of the ECC	164	2.69	.919
There is lack of collaboration between different EFDA officers	164	1.95	.670

Source: Own Survey 2020

The data analysis below shows that there is a lack of cooperation/Collaboration among the different regulatory authorities in terms of facilitating the import of Pharmaceuticals. Among the respondents, 81.1% believe that there is a lack of collaboration between different regulatory authorities while 10.4% disagree and the remaining 8.5% are neutral.

Table 4.5 Frequency of lack of Collaboration

There is lack of collaboration	Frequency	Percent
Disagree	17	10.4
Neutral	14	8.5
Agree	133	81.1
Total	164	100

Source: Own survey 2020

4.3.2.3 Custom Valuation and Goods Classification

The highest mean value was found in the statement " customs clearance delay is due to a problem in customs valuation and goods classification with a mean value of 2.61 and the lowest was 1.77 for the statement "there are clear rules & procedures regarding classification and valuation methods of imported Pharmaceuticals ". According to a study done by Minwagaw,

Product valuation and goods classification of imported items are always done in favor of the government, that is, goods are classified to the next higher tariff rate. This is due to customs officers lack of confidence on their knowledge of the customs procedure and both undervaluation and under classification pose more risk to their job security than over valuation and classification. According to most respondents, customs valuation process is characterized by open ended and subjective decisions. According to respondents, it is at this step where commercial invoices, which passed the document verification step is denied acceptance.

As explained by respondents, importer/customs clearing agents usually use commercial invoices while filling out declarations, but it is very rare that commercial invoices are accepted and taken as a basis for customs valuation by customs officers. This is also the step where mistrust of importers is demonstrated (MinwagawErkie2016). On the other hand on a study done by Tsegaye and Endris about 30 % of total import declarations face valuation problems (Tsegaye and Endris, 2011).

Table 4.6 Descriptive Statistics of customs valuation and goods classification

Items related with goods valuation and classification	N	Mean	Std. Deviation
The delay is due to customs valuation and goods classification	164	2.61	.714
There are clear rules & procedures regarding classification and valuation methods of imported Pharmaceuticals	164	1.77	.833
Rules and procedures regarding classification and valuation are understandable and easily accessible	164	1.80	.899

Source: Own survey 2020

The analysis regarding problems in customs valuation and goods classification are shown below. 25.6% of the respondents agreed that the delay in customs clearance is due to a problem related to valuation and goods classification while 4.9% of them disagreed. In a similar study the overall performance of customs valuation practice by Ethiopian revenue and customs authority is unsatisfactory is strongly agreed with 60.8%, and agreed with 35.7%. The result shows more

than 95% of the importers are unsatisfied with the custom valuation practice or system of Ethiopian revenue and customs authority (Mersha Sisay 2016).

Table 4.7 Frequency of custom valuation and goods classification

Problem in custom valuation and goods classification	Frequency	Percent
Disagree	8	4.9
Neutral	114	69.5
Agree	42	25.6
Total	164	100

Source: Own survey 2020

4.3.2.4. Inadequacy and Incompetence of Officers

Table 4.8 Descriptive Statistics of Inadequacy and Incompetence of custom officers

Items related to Inadequacy and Incompetence	N	Mean	Std. Deviation
The delay is due to inadequacy and incompetence of customs officers	164	2.45	.714
EFDA customs branch office has sufficient qualified and skilled human resource to effectively regulate the clearance of pharmaceuticals	164	2.41	.798
ECC has sufficient qualified and skilled human resource to effectively regulate the clearance of pharmaceuticals.	164	2.48	.787

Source: Own survey 2020

Regarding inadequacy and incompetence of customs officers, Table 4.7 below shows 63.4% of respondents agreed on inadequacy and incompetence of officers, 16.5% did not agree while 20.1% remained neutral.

A similar study asked importers/customs clearing agents regarding the skill of customs officers on customs procedures. Because of high staff turnover within ECC, customs officers in many customs stations are inexperienced and lack adequate skill and knowledge of customs procedures. Valuation problem may not affect only the amount of duties and taxes payable, but also the time required to complete the clearance process. In other words, it would result in unnecessary delay of customs clearance (Minwagaw Erkie, 2016). In another study, 66% disagree that EFDA has sufficient qualified and skilled human resource while only 11% agree (Mesfin Lemma and Bethlehem Abera 2018).

Table 4.9 Frequency of inadequacy and incompetence of custom officers

Inadequacy, and Incompetency of custom officers	Frequency	Percent
Disagree	27	16.5
Neutral	33	20.1
Agree	104	63.4
Total	164	100

Source: Own Survey 2020

4.3.2.5 Complying with Documentary Requirement

The descriptive statistics show that for the problem with complying with the documentary requirement two of the items have the same mean 2.48 which shows that most of the respondents agree with the respective statements. And a problem in complying for documentary requirement from banks has the least mean value of 1.72 which indicates that it is not a problem for most of the importers. According to Tsegaye and Endris (2011) collecting all relevant documents, in most cases, takes place before the arrival of the shipment at customs stations and does not delay the clearance process. But, in some cases trading documents from foreign suppliers could be incomplete. In that case, it takes a reasonably high amount of time since the required documents are in the form of the original. If planned well in advance and appropriate level of effort is exerted by importers/customs clearing agents, collecting all relevant documents could not be a concern of customs clearance.

Table 4.10 Descriptive Statistics of complying with documentary requirements

Items related to complying with documentary requirements	N	Mean	Std. Deviation
There is a problem in customs clearing with complying with documentary requirements	164	2.48	.779
There is a problem in customs clearing with complying with shipping document requirement	164	2.48	.779
There is a problem in customs clearing with complying with permits from banks.	164	1.72	.788
There is a problem in customs clearing with complying with the documentary requirements of other regulatory bodies.	164	2.19	.869

Source: Own survey 2020

The data analysis below shows that 31.5% of respondents have agreed to the presence of problems in complying with the documentary requirement while 15.2% of them disagreed. Therefore, as discussed above preparing all the standard shipping documentary requirements before the shipment arrive will have a positive impact in shortening the time required to clear the pharmaceuticals.

Table 4.11 Frequency of complying with documentary requirements

Complying with documentary requirements	Frequency	Percent
Disagree	25	15.2
Neutral	87	52.7
Agree	52	31.5
Total	164	

Source: Own Survey 2020

4.3.2.6 Duplicated Effort in Customs Offices

Duplicated effort was highest between the Ethiopian customs commission and Ethiopian food and drug authority according to most of the respondents with a mean value of 2.52 and lowest among officers of the Ethiopian food and drug authority which was found to be 2.45. In this case the two offices have a great influence in alleviating the delay due to duplication of effort observed in physical inspection.

Table 4.12 Descriptive Statistics of duplicated effort

Items related to duplicated effort	N	Mean	Std. Deviation
There is a duplicated effort in customs EFDA in the clearance of Pharmaceuticals	164	2.45	.824
There is a duplicated effort in the customs office in the clearance of Pharmaceuticals	164	2.51	.787
There is a duplicated effort by the ECC and EFDA offices/officials in the release of Pharmaceuticals.	164	2.52	.787

Source: Own survey 2020

Among the respondents, 68.9% agree that there is a duplicated effort in customs office and the remaining 18.3% and 12.8% disagree and neutral respectively. According to Mesifin and Bethlehem redundancies in some of the regulatory processes were found to be barriers to custom clearance of pharmaceuticals. Therefore, merging of some of the regulatory steps through collaboration and harmonization is necessary to decrease the time required for custom clearance of pharmaceuticals.

Table 4.13 Frequency of duplicated effort

Duplicated effort in the customs office	Frequency	Percent
Disagree	30	18.3
Neutral	21	12.8
Agree	113	68.9
Total	164	100

Source: Own survey 2020

Table 4.14 Grand Mean of all of the variables

	N	Minimum	Maximum	Mean	Std. Deviation
Delay Custom clearance	164	1	3	2.73	.639
Lack of Collaboration	164	1	3	2.71	.646
Goods Valuation	164	1	3	2.21	.513
Inadequacy & Incompetency	164	1	3	2.47	.763
Document Requirement	164	1	3	2.16	.667
Duplicated effort	164	1	3	2.51	.787

Source: Own survey 2020

Table 4.14 shows that delay in customs clearance, lack of collaboration, goods valuation, inadequacy and incompetency, documentary requirement and duplicated effort with means 2.73, 2.71, 2.21, 2.47, 2.16 and 2.51 respectively. Among the factors lack of collaboration has the highest mean.

4.3.3 Regression Analysis

The regression model presents how much of the variance in the measure of the delay in customs clearance or criterion variable is explained by the underlying dimension of predictors of delay in the customs clearance model. The strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized beta coefficient (R. P. & R., 2008).

Table 4.15 Model Fitting Information

Model Fitting Criteria	Likelihood Ratio Tests		
-2 Log Likelihood	Chi-Square	df	Sig.
184.659 2.773	181.886	20	.000

Source: Own survey, 2020

Model summary table 4.16 below explains multiple correlations R of +0.95 that represent the combined correlation of all the independent variables. Adjusted R Square tells us that 90.6% of the delay in the customs clearance can be explained by variation in the five independent variables taken together. This leaves 9.4% unexplained.

Table 4.16 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.953 [a]	.909	.906	.196

Source: Own survey, 2020

a. Predictors: (Constant), Duplicated effort, Valuation and classification, Document requirement, Inadequacy and Incompetency, Lack of Collaboration

The regression coefficient or beta explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The regression model presents how much of the dependent variable is explained by the independent variables. The large value of beta coefficient an independent variable has the most important determinant in predicting the dependent variable (R. P. & R., 2008).

The once included in the regression analysis are the independent variables that showed a correlation with the dependent variable in correlation analysis. In the multinomial regression, the independent variables, lack of collaboration, problems in customs valuation and goods classification and complying with documentary requirements has shown a significant association with the dependent variable (delay in customs clearance) as shown in the below table.

Table 4.17 Regression Result /Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.012	.091		.131	.896
	Collaboration	.878	.037	.887	23.726	.000
	Valuation	.060	.031	.048	1.962	.051
	Inadequacy	-.005	.026	-.006	-.202	.840
	Document	.087	.029	.091	3.050	.003
	Duplicated	.011	.029	.014	.386	.700

Dependent Variable: Delay in Customs clearance

Source: own survey, 2020

The strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized beta coefficient. The regression coefficient or beta explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The large value of beta coefficient an independent variable has the most important determinant in predicting the dependent variable (R. P. & R., 2008). In the

present study among the variables studied, lack of collaboration between offices/officers have a more determinant effect in predicting customs clearance with beta coefficient 0.887. And inadequacy and incompetency of customs officers have the least beta coefficient meaning it has the least determining effect. When we look at the detail to what extent each independent variable influence the dependent variable, lack of collaboration, complying with documentary requirement, product valuation and goods classification, duplicated effort and inadequacy and incompetence of custom officers were found to be determinants of customs clearance in their descending order.

The significance levels of lack of collaboration and complying with documentary requirement in table 4.16 tells us that the two variables uniquely contribute to the regression equation, thereby making a significant contribution to the prediction, but product valuation and goods classification, duplicated effort and inadequacy and incompetence of customs officers does not.

CHAPTER FIVE

SUMMARY, CONCLUSION, RECOMMENDATIONS

5.1 Introduction

The whole idea of this paper revolves around factors affecting customs clearance of pharmaceuticals at Ethiopian customs commission bole branch.

5.2 Summary

Demographic characteristics (sex of respondents, work experience of respondents and educational status) of respondents were analyzed. After the analysis of the demographic characteristics, all items or questionnaires were analyzed by frequency and mean values. And the majority (82.9%) of respondents agreed with the statement that there is delay in custom clearance of pharmaceuticals, and 10.4% disagreed while the remaining 6.7% of the respondents are neutral. Among the respondents, 81.1% believe that there is a lack of collaboration between different regulatory authorities while 10.4% disagree and the remaining 8.5% are neutral. The analysis also shows that 25.6% of the respondents agreed that the delay in customs clearance is due to a problem related to valuation and goods classification while 4.9% of them disagreed. Regarding inadequacy and incompetence of customs officers, 63.4% of respondents agreed on inadequacy and incompetence of officers, 16.5% did not agree. 31.5% of respondents have agreed to the presence of problems in complying with the documentary requirement while 15.2% of them disagreed. Among the respondents, 68.9% agree that there is a duplicated effort in customs office and the remaining 18.3% and 12.8% disagree and neutral respectively.

Following these the inferential statistics were done by regression analysis and three of the independent variables, lack of collaboration, problems in valuation and goods classification and complying with documentary requirements has shown a significant association with the dependent variable. When we look at the detail to what extent each independent variable influence the dependent variable, lack of collaboration (Beta=.887) complying with the documentary requirement (Beta=.091), product valuation and goods classification(Beta=.048), duplicated effort (Beta=.014) and inadequacy and incompetence of custom officers (Beta=-.006) were found to be determinants of customs clearance in their descending order.

5.2 Conclusion

This conclusion is made based on the analysis and interpretation stated in previous chapter four. In this study, the researcher has identified as the result of the study output and arrived at the conclusion by relating the research objectives.

As per the analysis made, there is a delay in customs clearing of imported pharmaceuticals.

Inadequacy, and incompetency of customs officers: Most importers suggest that customs officers are in short, of technical skill of customs and there is a shortage in manpower so they are incompetent in assessing and giving decisions of product valuation and goods classification. This has a tremendous effect on the delay of customs clearance of pharmaceuticals.

Lack of collaboration this have also been identified as a major area for the cause of customs clearance delay. This has been identified as the most important variable to be focused to improve the delay in customs clearance.

Problems in product valuation and goods classification are the key workflow of the customs clearance process and also the most time consuming one. Any delay or problem in these regards will considerably impact the clearing process.

Complying with documentary requirement the importers are required to present a different kind of documents and failing to present those documents due to negligence, lack of knowledge and

intention to abuse the system by producing false documents will have a negative impact on customs clearance.

Duplicated effort in the Ethiopian Customs Commission has a significant impact on the delay of customs clearance of pharmaceuticals.

5.3 Recommendation

Recommendation for practice

- To the authority

The authority should implement coordinated intervention, convergence of regulatory controls and collaborative systems between different regulatory bodies.

The customs office should provide continuous training to its officers, especially on product valuation and goods classification.

The authority should hire more skilled manpower to alleviate the shortage of customs officers.

The authority should implement a fully automated and a single window service.

The authority should implement post release auditing.

- To Importers

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

Importers should prepare the required documents before the shipment arrives and provide complete documentation to clear the pharmaceuticals.

Recommendation for further study

Future study should consider expanding to all of the country's customs branch office. Secondly, there are many stakeholders involved in the customs clearing process of pharmaceuticals so future studies should include other stakeholders, especially custom clearing agents, customs officers and regulatory bodies.

5.4 Suggestion for Further Study

The present study used only pharmaceutical importers who import through bole airport, and the respondents were only from private importers future study should consider expanding to all of the country customs branch office. Secondly, there are many stakeholders involved in the customs clearing process of pharmaceuticals so future studies should include other stakeholders, especially custom clearing agents, customs officers and regulatory bodies.

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ANNEXES

Addis Ababa University School of Commerce

Distance Education Program

Department of Logistics and Supply Chain Management

Dear Respondents

The objective of this questionnaire is to secure the necessary and relevant first-hand information that may be useful to conduct a research regarding "Factors affecting the custom clearance of pharmaceuticals at bole airport, The Case of private importers" which will be used to prepare a research paper required for my MA degree in logistics and supply chain management. Therefore, your response in this regard helps a lot to undertake the study. The researcher appreciates in advance your cooperation and sparing your valuable time in filling this questionnaire. I thank you very much in advance for your cooperation and for sacrificing your valuable time.

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

Questionnaire

1. Name of your employer (Pharmaceutical importer)

2. Sex Male Female

3. Educational Background

Diploma Degree Masters

4. Work Experience

Less than 1 years 1-2 years >2 years

No	Items	CA=5	A=4	N=3	D=2	CD=1
1	There is a delay in the release of Pharmaceuticals from ECC					
2	The delay is due to lack of collaboration between EFDA and ECC					
3	The delay is due to lack of collaboration between different offices of the ECC.					
4	The delay is due to lack of collaboration between different EFDA officers.					
5	The delay is due to customs valuation and goods classification					
6	There are clear rules & procedures regarding classification and valuation methods of imported Pharmaceuticals					
7	Rules and procedures regarding classification and valuation are understandable and easily accessible					
8	The delay is due to inadequacy and incompetence of customs officers					
9	ECC has sufficient qualified and skilled human resource to effectively regulate the clearance of pharmaceuticals.					

10	EFDA customs branch office has sufficient qualified and skilled human resource to effectively regulate the clearance of pharmaceuticals					
11	There is a problem in customs clearing with complying with documentary requirements					
12	There is a problem in customs clearing with complying with shipping document requirement					
13	There is a problem in customs clearing with complying with permits from banks.					
14	There is a problem in customs clearing with complying with the documentary requirements of other regulatory bodies.					
15	There is a duplicated effort in customs EFDA in the clearance of Pharmaceuticals					
16	There is a duplicated effort in the customs office in the clearance of Pharmaceuticals					
17	There is a duplicated effort by the ECC and EFDA offices/officials in the release of Pharmaceuticals.					

Modified from Minwagaw Erkie, Mesfin Lemma and Bethlehem Abera.