

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

THE EFFECTS OF CUSTOM CLEARING PRACTICES ON EXPORT TRADE FACILITATION: EVIDENCED FROM KALITY CUSTOM OFFICE IN ADDIS ABABA

BY

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DECLARATION

I, Amdemariam Hagos, hereby declare that this study is my own original work. It has not been presented, nor will it be presented, to any other university or institution for a similar or any other Master's degree award.

Amdemariam Hagos

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Signature Date

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ACRONYMS AND ABBREVIATIONS

ECCSA	Ethiopian Chamber of Commerce and Sectoral Associations
ECC	Ethiopian Customs Commission
EDI	Electronic Data Interchange
EIA	Ethiopian Investment Agency
IMF	International Monetary Fund
ITC	International Trade Centre
NAFTA	North American Free Trade Agreement
OECD	Organisation for Economic Co-operation and Development
RBV	Resource-Based View
SMEs	Medium-Sized Enterprises
TFA	Trade Facilitation Agreement
UNCTAD	United Nations Conference for Trade and Development
USMCA	United States-Mexico-Canada Agreement
WCO	World Customs Organization
WTO	World Trade Organization
EEIB	European Economic Integration and Business
ICC	International Chamber of Commerce
VIF	Variance Inflection Factor
SD	Standard Division
SPSS	Statistical Package for the Social Sciences

ABSTRACT

The phenomenon of global trade is undeniably shaped by various factors, among which customs clearing practices play a pivotal role. Efficient customs procedures reduce the time required for clearing goods, allowing exporters to access international markets more swiftly. Nonetheless, the customs clearing process in Ethiopia is basically characterized by delays in processing, inconsistent regulations, and lack of transparency that hinder the expedition of export trade. This study, thus, sought to examine the effects of customs clearance practices on export trade facilitation, evidenced from Kality Customs Office in Addis Ababa. A quantitative research approach along with an explanatory research design was adopted. The survey was conducted on export companies, targeting owners, executive managers, transiters, or agents. A sample of 297 valid and usable responses was collected from the targeted respondents using a convenient sampling technique. Primary data were collected through a self-administered questionnaire, and multiple linear regression inferential analysis was adopted to examine the relationship between customs clearing practices and export trade facilitation with the help of SPSS 25.0. The regression model was statistically significant ($F = 111.280$, $p < .001$), with an R^2 of .657, indicating that the five independent variables collectively explained 65.7% of the variance in export trade facilitation. The results revealed that all five factors—documentation ($\beta = .137$, $p < .05$), tariff classification ($\beta = .194$, $p < .05$), valuation ($\beta = .255$, $p < .05$), risk assessment ($\beta = .079$, $p < .05$), and staff competency ($\beta = .415$, $p < .05$)—have positive and significant effects on export trade facilitation. More specifically, staff competency and customs valuation have the highest contribution, while risk assessment has the least. Enhanced customs operations not only streamline the clearance process but also signal the government's dedication to facilitate export trade to global standards.

Keywords: Custom Clearance, Customs Valuation, Export Goods, Trade Facilitation

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

The contemporary scenario in the sphere of international commerce increasingly involves the improvement of the efficiency of trade operations, especially in terms of export trade facilitation. Such an approach appears to be dictated by the growing necessity to improve the efficiency of customs activities to ensure that exporters have no difficulties in the course of trade. Unfortunately, such practices are currently lacking in Ethiopia, where the operation of the customs process has been revealed as a key impediment to the export trade of the country (World Bank, 2020). Therefore, the enhancement of the process requires careful investigation of the issue and relevant recommendations for improving the customs procedure in order to boost Ethiopia's exports.

Over the recent years, Ethiopia's economy demonstrated impressive dynamics and growth rates. The export industry has been recognized as an important driver of further progress (International Monetary Fund, 2021). However, despite its great potential, the industry faces considerable challenges, including inefficiency of customs processes and the lack of trained employees and relevant infrastructure to facilitate trade effectively. As the Kality Customs Office serves as one of the major customs facilities in the country, it may serve as an interesting case to study. According to data provided by the Ethiopian Customs Commission (ECC), inefficiencies in the customs processes prevent the country's economic growth and discourage investors to work in the country because of poor conditions (ECC, 2022). Therefore, a better understanding of the customs clearing practices at the facility is required.

Existing literature on customs practices in the context of trade facilitation reveals the key roles played by various regulatory measures in trade. According to Bichou and Gray (2019), customs procedures affect the efficiency of trade processes directly, ensuring smoother operations and improving the volume of exported goods. The importance of the process for enhancing export operations was highlighted by Wilson (2021), whose study revealed that countries employing simplified customs processes have a more favorable trade situation. Similarly, in their Ethiopian study, Tadesse and Shumete (2019) found that inefficiencies in the customs process lead to poor trade performance – both import and export. While these findings provide an interesting insight, they are related to the global context, with the lack of localized research focused on particular customs offices.

Despite extensive global research on customs and trade facilitation, localized studies in Ethiopia remain scarce. International works emphasize modernization and risk-based clearance as drivers of efficiency (Grainger, 2011; Moïsé & Sorescu, 2013), while regional studies highlight persistent institutional and infrastructural

Challenges in Sub-Saharan Africa (Portugal-Perez & Wilson, 2012) National analyses of Ethiopian customs reform (Tadesse & Shumete, 2019; Alemu, 2021) provide broad insights but do not examine office-level realities. Recent comparative studies show that customs performance varies significantly within national systems (Behar & Manners, 2020), underscoring the need for disaggregated evidence. The absence of detailed research on Kality Customs therefore represents a critical gap, complicating efforts to design targeted interventions for trade facilitation in Ethiopia.

The importance of investigating the effects of customs clearing practices on export trade facilitation cannot be underestimated because of the critical importance of customs practices in trade facilitation, especially in an emerging country like Ethiopia. Consequently, the results of the study will both contribute to the body of literature and provide relevant practical information for policymakers, authorities, and exporters for the optimization of customs practices. This study aims to conduct a detailed investigation into the role of customs clearing processes at Kality Customs in terms of export trade facilitation in Ethiopia.

1.2. Statement of the Problem

The efficient customs clearance process, which consists of the streamlined documentation, accurate tariff classification, proper valuation, systematic risk-based targeting procedures, and skilled employees, represents a necessary condition for competitiveness in exporting goods. The scholarly literature shows that such a customs clearance system allows reducing customs clearance time, lowering transaction costs, and improving a business's ability to adhere to the delivery schedule and keep market relations (World Customs Organization, 2018; OECD, 2019; Bichou & Gray, 2019; Wilson, 2021). This phenomenon can be theoretically explained with the help of institutional pressures, resource endowments, and systems interactions, which determine the situations in which customs become more of an enabler than a barrier.

Numerous empirical works outside Ethiopia have tested this theory empirically. Cross-country and sectoral studies using firm-level survey and administrative data have found that particular customs practices (such as documentation automation, risk-based targeting, etc.) have positive impacts on

reducing clearance time and cost. Multivariate analysis techniques are usually used to examine the independent effects of such procedural reforms and the heterogeneity in their effectiveness for firms of different sizes and product types. In Ethiopia, institutional reports (ECC, 2022; World Bank, 2020; EEIB, 2020) and several empirical studies (Tadesse & Shumete, 2019) document numerous problems (including high median customs clearance time of 12 days, frequent misclassification and valuation problems, ambiguities in regulation interpretation, and lack of staff training), which could explain relatively poor export performance in the country. Thus, these sources illustrate the policy relevance and extent of the problem in Ethiopia.

On the other hand, however, the available literature in Ethiopia is characterized by significant shortcomings that undermine efficient reform efforts. Thus, the World Bank's (2019) logistics diagnostic and UNCTAD's (2020) report on customs modernization focus on overall efficiency measures of customs procedures, neglecting the differences across offices in terms of the processes employed and the management style adopted. Second, Gebreyesus (2021) assumes customs inefficiency to be one-dimensional and does not separate the four distinct areas of inefficiency: documentation, classification, valuation, and risk assessment. Third, most Ethiopian studies, like Tadesse (2018) and Kassa (2020), use simple descriptive statistics but not any causal multivariate analysis that would allow for control of firm characteristics (industry type, firm size, export experience).

Both these gaps are supplemented by a theoretical gap (Ethiopian research lacks integration of Institutional Theory, the Resource-Based View [RBV], and Systems Theory to explain why similar reforms lead to different results due to their interactions with each other), as well as a methodological one (lack of exporter-level data and multivariate estimation). Thus, all gaps suggest an important policy-related knowledge deficit: which specific customs clearing practice has the highest impact on the efficiency of export trade facilitation at a high-volume export-oriented customs office in Ethiopia, after controlling for firm- and office-level features? To answer this question, it is necessary to rely on office-level data, disaggregation of customs clearing practices into operational factors, and theory-driven causal analysis.

The study focuses exclusively on the Kality Customs Office because it processes nearly 40 percent of Addis Ababa’s export declarations, making it the single most influential site for clearance efficiency in the city. Its prominence means that any inefficiencies or bottlenecks here disproportionately affect Ethiopia’s overall export performance, particularly in sectors like coffee

where timeliness is critical. Moreover, exporters consistently identify Kality as a bottleneck, underscoring its policy relevance and practical importance. By concentrating on this office, the study ensures depth of analysis across five customs practices - documentation, tariff classification, valuation, risk assessment, and employee competency - while situating the findings within Institutional, RBV, and Systems Theories. This targeted approach provides both conceptual rigor and actionable insights for improving customs efficiency at the most impactful location.

1.3. Research Objectives

Building on the identified challenges in customs clearance, this study sets out to examine how specific operational practices at the Kality Customs Office influence export trade facilitation. Each objective is designed to isolate a critical practice and assess its contribution to overall efficiency.

1. How does the customs clearance documentation affect export trade facilitation?
2. What role does tariff classification play in influencing the export trade facilitation?
3. How does the custom valuation process affect the export trade facilitation?
4. To what extent does risk assessment affect the export trade facilitation?
5. How does employee competency at Kality Custom Office affect export trade facilitation?

1.4. Objectives of the Study

1.4.1. General Objective

The general objective is to investigate the effects of custom clearing practices on export trade facilitation: evidenced from Kality Custom Office in Addis Ababa.

1.4.2. Specific Objectives

To systematically address the research questions, the following specific objectives will be established:

1. To analyze the effect of customs clearance documentation on export trade facilitation.
2. To investigate the effect of tariff classification on export trade facilitation.
3. To explain the effect of the valuation on export trade facilitation.
4. To analyze the effect of risk assessment efficacy in optimizing custom clearance processes on export trade facilitation.

5. To examine the effect of employee competency at Kality Custom Office in Addis Ababa on facilitating efficient export trade.

1.5. Significance of the Study

The significance of this study is derived from the ability of the study to reveal how much the customs clearing process is crucial for improving Ethiopia's exports. Being a developing country trying to make itself stronger by increasing global trade, Ethiopia still faces problems concerning the smooth work of customs. Custom clearing is one of the key ways through which trade facilitation occurs. It affects foreign exchange incomes and the development of the economy positively or negatively depending on the customs processes' efficiency.

Exporters can use the findings for overcoming existing customs clearance challenges that lead to low competitiveness. For example, there are cases when exporters face delays, misclassifications, or wrong calculations that decrease competitiveness. The study will reveal operational reasons behind these barriers that will help traders implement more efficient strategies in terms of export.

In addition, institutions such as the Ethiopian Customs Commission can get benefits from the study, as it will provide them with information about the most problematic areas at the Kality Customs Office that serves as the benchmarking point for evaluating the efficiency of other customs offices. Localized data obtained from the Kality Customs Office will help develop necessary programs to increase efficiency in terms of customs services provided.

From the perspective of academia, the study is significant because there is a lack of empirical research conducted in Ethiopia in this field. Besides, it will contribute to the methodology and theory of conducting research on customs practices, as it will include various theories and disaggregate the subject matter under consideration into several operational determinants. Lastly, the significance of the study should be viewed in terms of national priorities concerning trade and economy since improving customs practices means improved export capacity and more foreign currency income.

1.6. Scope of the Study

The scope of the study was geographical, methodological and conceptual. Geographically, the study will limit itself to one customs office located in Addis Ababa. It is important to choose a customs office because about 40% of Addis Ababa's export declarations are handled by Kality customs office and due to the frequency with which this customs office was criticized by exporters. The use

of only one customs office allows us to mitigate variability in customs practices across different customs offices and obtain relevant insights at a local level.

Conceptually, the study limits itself to five variables (documentation, tariff classification, valuation, risk assessment and employee competency) because they represent the immediate ways by which law gets translated into practices. Documentation can be seen as procedural complexity, tariff classification is rule-interpretation, valuation is regulatory discretion, risk assessment is systems design and management of information, whereas employee competency is a proxy variable for organization's capacity and resource endowment. These five variables are known to influence customs clearance time and have emerged in international literature and country reports in Ethiopia as important determinants of export facilitation. However, they have never been studied separately neither theoretically nor empirically, therefore there is a need to conduct such research. First of all, it is necessary for purely academic reasons (the importance of these variables lies in the fact that they combine institutional theory, resource-based view, and systems theory) and secondly, they are empirically measurable.

Methodologically, the study is exclusively quantitative. For the purpose of quantitative analysis, multiple regressions will be applied to measure independent and relative impacts of customs practices while controlling for firm-specific variables. For obtaining the data, surveys will be conducted with exporters.

By using one geographical location, applying a sophisticated methodology and limiting oneself to measurable variables that influence customs practices, the study can contribute to the current theoretical, empirical and methodological gap in the literature of Ethiopia. Contrary to producing descriptive country reports, the study will produce empirical data regarding customs practices in Ethiopia. Moreover, it will find out what customs practices inhibit the process of export facilitation and provide recommendations for policy makers in order to improve them.

1.7. Definition of Key Terms

In the context of trade facilitation, key terms definitions are crucial for ensuring consistency and efficacy in procedures.

- Documentation refers to the systematic collection and organization of records necessary for the movement of goods, which supports compliance with regulatory requirements. (Turner, 2015, p. 131).

- Tariff classification entails the systematic categorization of products to determine applicable duties and taxes, thereby facilitating accurate revenue collection. (Grainger, 2016, p. 93).
- Valuation involves establishing the monetary worth of goods for customs purposes, impacting trade competitiveness. (Dube, 2016, p. 58).
- Risk assessment is the evaluative process that identifies and mitigates potential threats to compliance and security within trade operations. (Kunz, 2015, p. 102).
- Employee competency encompasses the knowledge and skills required by personnel to effectively navigate these processes, ultimately enhancing efficiency and promoting seamless international trade. (Wassenhove, 2016, p. 52).
- Customs clearance is the process of declaring goods to Customs authorities when entering or leaving a country. (Butterly, 2019, p. 110).

1.8. Organization of the Study

The study is categorized into five main chapters. The first chapter refers to introduction of the study which includes the background, the problem statement, the research objectives, hypotheses, significance, and scope of the study. The second chapter focuses on the literature review. It contains relevant theories, conceptual and empirical discussions leading to the identification of research gaps and the conceptual framework. The third chapter presents the research design, target population, sampling methods, sample size, data collection instruments to be used as well as the method of data analysis and presentation. The fourth chapter presents demographic characteristics, descriptive and inferential statistical analysis, findings, and their interpretations. The last chapter consists summary of major findings, conclusions, and recommendations of the research study.

1.9 Limitation of the study

This study geographically limited to kality customs office in Addis Ababa so the findings of this study may not fully meets the other customs office under operating customs clearing service in Ethiopia.

This study conducted once at a point of time through data collocation structured questioners the period conducted this research results may differ over different periods and As the data collected method is structured questioner respondents may lead to social desirably bias and may not responded in different ways for the questions.

CHAPTER TWO: REVIEW OF THE RELATED LITERATURE

For the successful operation of global trade, making sure that goods move smoothly between different nations is important because it contributes to economic growth and development by ensuring easy market access. Since customs clearance refers to the process through which goods can legally enter and leave a country, it plays an integral role in facilitating international trade. When it is used alongside export trade facilitations to ensure optimized procedures for moving goods, it assumes greater significance. The following chapter offers a detailed review of theoretical literature and empirical findings relevant to the subject under investigation and includes a framework that matches the purpose of this study. Specifically, it looks at literature related to the concept of customs clearance and its correlation with trade facilitations.

2.1. Theoretical Review

Several theoretical perspectives have been identified that are relevant to the subject and useful for logistics management. This chapter presents both the theoretical framework and theoretical literature of this study.

2.1.1. Concepts of Customs

Customs have become essential features in the context of national governance and international commerce. As regulatory institutions for overseeing and controlling the import/export processes, customs have many roles and significance in terms of economic development, national security, and international politics. This section provides a comprehensive overview of the complex concepts of customs including their definitions, historical developments, importance, difficulties, and their connection with export trade facilitation.

From a general perspective, customs are laws regulating imports and exports in a country. As stated by the World Customs Organization (WCO), customs are understood as *"the administration of a nation's laws regarding the import and export of goods"* (WCO, 2019). Practically speaking, the responsibilities of customs include inspection of goods, charging of duties, and implementation of regulations concerning immigration and trade rules. In Ethiopia, these responsibilities are overseen by the Ethiopian Customs Commission (ECC), which enforces national trade regulations and ensures compliance with international standards. Expanding these acronyms clarifies that WCO refers to the global body setting customs frameworks, while ECC refers to the national authority

responsible for operational enforcement, thereby situating the study within both international and local institutional contexts.

The four primary functions of customs are the following: revenue generation, law enforcement, trade facilitation, and societal protection. The first aspect refers to the process of customs duties' collection that forms a significant part of national income. In this regard, developing nations are known to use customs duty as an important source of income, according to the International Monetary Fund (IMF) (IMF, 2021).

Law enforcement includes preventing smuggling, ensuring the enforcement of all relevant trade laws, and protecting intellectual property rights. At the same time, another function of customs includes facilitating international trade. Customs authorities ensure the facilitation of trade in order to ease procedural bureaucracy while maintaining regulatory compliance. For example, WTO Trade Facilitation Agreement encourages efficient trade practices through the implementation of international standards (WTO, 2020). Lastly, protecting society from any harm and assuring its national security is one of the core functions of customs. Through the monitoring and control of harmful goods, customs make a contribution to the protection of national society.

2.1.1.1. The Role of Customs

Customs administrations play a pivotal role in the governance of international trade and the enforcement of national policies, with responsibilities that vary significantly across countries. These responsibilities are subject to continuous review and adaptation to maintain effectiveness in an ever-evolving global landscape. Traditionally, customs have been tasked with a multifaceted array of duties including revenue collection, compliance with trade regulations, and facilitation of the smooth flow of goods across borders. In addition, customs authorities are charged with interdicting prohibited substances, safeguarding cultural heritage, and enforcing intellectual property rights. This extensive scope underscores the unique position of customs agencies as both gatekeepers of international trade and enforcers of policies spanning health, agriculture, environment, and immigration (World Customs Journal, 2022).

The increasing trend towards global free trade, coupled with heightened concerns regarding international terrorism, has necessitated a renewed focus on border security. Customs administrations are therefore tasked not only with facilitating legitimate trade but also with implementing robust security measures that protect national interests and ensure compliance with

international obligations. This dual responsibility reinforces their critical role in the global economy (Lex Dogana: Journal of Customs & Administrative Law, 2024).

The duties of customs administrations in governance and policy enforcement vary considerably depending on the country in which they operate, and they evolve continuously to remain relevant under rapidly changing international business conditions. Conventionally, customs authorities are assigned responsibilities such as taxation, regulation of international business, and protection of cultural heritage. Consequently, customs authorities wield significant power in enforcing policies and regulating trade. Their jurisdiction often overlaps with other government departments, including health, agriculture, environment, and immigration (World Customs Journal, 2022).

Global trends toward free trade and heightened terrorism threats have further expanded the role of customs in border security. Customs authorities are now required to balance trade facilitation with national security imperatives, making them even more critical to the international business sector. This dual mandate highlights their importance in sustaining both economic growth and national safety (Lex Dogana, 2024).

2.1.1.2. Customs Clearance

Custom clearance is an essential element of international trade that involves numerous regulatory procedures to be completed before importing and exporting goods. Customs clearance refers to the process of carrying out import and export activities in accordance with customs regulations. The customs clearance process is pivotal for international trade relations because it facilitates the collection of revenues and serves the purpose of safeguarding the national and public interest (World Bank, 2020). The customs clearance process involves various parties who fulfill certain tasks that can influence the process of customs clearance both positively and negatively. They include customs authorities, importers, exporters, and logistics service providers.

Custom clearance may vary between countries because of differences in legislation and economic conditions, however, there are several common elements in this process. Such elements include documentation, inspection, duties, clearance, and release. All these elements are crucial for customs clearance because the primary purpose of this process is the collection of revenues and facilitation of international business. According to Chen (2020), customs clearance contributes to economic development in terms of revenues and trade relations. Moreover, customs clearance encourages innovation in the international business sector. As per UNCTAD (2019), there are five elements of

customs clearance: documentation, inspection, duties, clearance, and release. These elements make it possible to comply with domestic laws and stimulate economic development by collecting duties.

All arriving imports should be inspected, documented, and duties should be collected. Customs authorities should examine documents such as invoices, packing lists, bills of lading, and similar documents. It is the responsibility of customs authorities to classify imports according to HS Codes, which helps to determine what trade and taxation policies apply (UNCTAD, 2019). Effective customs clearance entails timely examination of documents. If this indicator is not taken into account, importers will encounter serious problems that might lead to higher shipping costs. According to UNCTAD (2019), timely customs clearance is particularly important for perishables and fragile items. In general, the customs clearance process ensures that goods pass through customs authorities without any problems. Customs administrations are government departments whose main tasks are to collect duties and taxes and regulate entry and exit of goods (WCO, 2021). Under the present conditions in international business, customs clearance becomes an urgent task that should be addressed by customs authorities. On-Time Custom Clearance is a modern approach to customs clearance that seeks to optimize this process (OECD, 2018). It is possible to point out several advantages of On-Time Custom Clearance by considering key performance indicators.

The time that it takes to complete customs clearance procedures is the first indicator to be considered under On-Time Custom Clearance approach. Long-term wait and delays can cause troubles related to punctual delivery of goods. Thus, On-Time Custom Clearance applies different methods in order to reduce time taken by customs clearance. Data sharing, pre-arrival processing, and risk-oriented inspection procedures are some of the strategies applied by customs authorities. According to International Chamber of Commerce (ICC), this strategy reduces time spent on customs clearance operations almost by half (ICC, 2017).

As noted above, customs clearance includes various procedures and regulations, which often confuses customs authorities and businessmen. This situation can be improved by adopting a policy that emphasizes clarity. This indicator means that all participants should have clear knowledge of their role, rights, and obligations (UNCTAD, 2019). This issue can be solved with the help of technology that will allow using standardized procedures in order to clarify customs procedures (WCO, 2018).

This indicator relates to clarity in the context of customs clearance. Simplified procedures are expected to contribute to more effective customs clearance procedures (OECD, 2017). On-Time Custom Clearance emphasizes the necessity to simplify customs clearance procedures and reduce time taken by the process of customs clearance. For example, this approach includes adopting single window procedures, harmonizing documentation procedures, and automation of customs clearance operations (World Bank, 2019).

Under rising concerns about security in the international business sector, it is also necessary to pay attention to the implementation of On-Time Custom Clearance approach. It will help to minimize possible threats that exist in customs clearance process (OECD, 2018). Modern technologies such as big data analytics and coordinated work with other agencies will help to deal with this problem (UNCTAD, 2019). Finally, it is also necessary to pay attention to communication issues when implementing On-Time Custom Clearance strategy. Communication is very important because it helps to coordinate efforts of traders, freight forwarders, and customs authorities in the process of customs clearance (WCO, 2018). Customs authorities can develop communication procedures to notify stakeholders of the status of their shipment and share additional information.

To sum up, it is necessary to conclude that On-Time custom clearance becomes a key issue in the international business sector because it offers a way of optimizing the process of customs clearance by paying attention to the following performance indicators: speed, clarity, simplicity, security, and communication. Therefore, it can be suggested that this strategy can be effectively implemented.

2.1.1.3. Operational Mechanisms of Customs Clearance

Several different mechanisms relate to customs clearance operations. These include the preparation of documentation such as invoices, bill of lading, packing list, and declarations (Customs Clearance Procedures, 2024). Next, the goods may be inspected either randomly or based on the risks. The duties and taxes are assessed electronically if the goods comply with the required regulations (Corfmat, 2022). The last stage of the process is clearance and release of goods. It requires coordinating efforts between customs brokers, freight forwarders, and carriers. Expedited shipment programs may help accelerate customs procedures (World Customs Organization, 2023).

There are some advantages of the customs clearance operation for international businesses. First, the process ensures that all imported goods are safe and cannot contain any dangerous products (WCO, 2021). Secondly, it helps standardize the customs clearance procedures. Moreover, customs

clearance procedures have significant economic consequences as they contribute to collecting duties and taxes (ITC, 2021).

Still, despite its advantages, customs clearance can face some difficulties in carrying out its functions for international businesses. The first one relates to the complexity of the customs a procedure that leads to delaying international processes (World Bank, 2020). Furthermore, according to the Global Trade Facilitation Report, insufficient regulation can negatively impact international trade (World Bank, 2020). Another difficulty can be associated with the lack of proper technological means such as blockchain, AI, and EDI in customs administration.

2.1.2. Export Trade Facilitation

Several customs actions are taken in order to facilitate exports and accelerate the process of export operation. These actions include electronic data interchange (EDI), pre-clearance procedures, risk-based inspection, and enhanced communication (OECD, 2024). Such measures as electronic data exchange and online declaration systems help facilitate exporting procedures. Real-time information and document preparation contribute to faster reviews and faster goods movements across borders (Clark & Bernard, 2015).

Some special actions aimed at assisting small and medium-sized enterprises can increase their export potential. For instance, it can include conducting training sessions for exporters, simplifying documentation procedures, and facilitating their access to export facilities. These factors will allow companies to become active participants of international business and compete successfully in it (Yi, 2023). Providing exporters with information about custom duty and changes in regulations will give them competitive advantage in the foreign market. Thus, there is plenty of evidence that export trade facilitation increases the export activities of SMEs.

2.1.2.1. Measurement of Export Trade Facilitation

Trade facilitation in exports plays an important role in the international business and the country's economy performance. The most crucial factor in measuring the export process is the regulatory environment within customs administrations. Some of the indicators that can be used include clearance time, costs, procedures transparency and predictability, technology use, customs cooperation, risk management, customs control and enforcement, and feedback.

Clearance time is measured as the period from goods entering the customs office until they are cleared. Faster clearance contributes to efficient customs procedures, thus increasing exporters'

competitiveness on the global market (World Bank, 2020). According to the World Bank Doing Business indicators, more efficient procedures positively influence export volumes and macroeconomic stability.

Costs involved in customs procedures include the expenses of the exporter on preparing the required documents and undergoing inspections. High costs reduce willingness of the firm to participate in international trading. Decreasing costs can positively influence the export potential (OECD, 2018). Procedures transparency and predictability is another crucial aspect that should be evaluated when analyzing the customs processes. Clear procedures are necessary for developing exporting strategy and conducting international activities more efficiently. The transparent customs procedures are considered as facilitative measures (WTO, 2019).

Use of technology refers to customs authorities' application of automated systems to improve the procedure. The implementation of new technology positively influences trade facilitation measures, reducing costs, accelerating transactions and clearance (WTO, 2021). Customs cooperation implies assessing the cooperation among customs administrations, border authorities, and other relevant organizations. Such cooperation allows streamlining customs procedures and accelerating them. This process aligns with the objectives of the Trade Facilitation Agreement to improve trade performance (WTO, 2017). Feedback from the exporters is also an important aspect.

2.1.3. Customs Facilitation and Export Trading

With globalization gaining momentum, it is important to make sure that the transportation process of the goods becomes seamless. There are numerous aspects of ensuring the process of transportation of goods from one point to another successfully and legally. Some of the aspects involve the participation of some entities and adherence to some regulations to make sure that the transaction is made legally. Customs and export trading facilitation can be regarded as the processes that facilitate transactions. Basically, customs involve taxing and regulation of trade, making sure that there is conformity with safety and quality standards. Export trading facilitation, on the other hand, refers to activities aimed at exporting products of the company. This involves market research and documentation of the exported goods.

According to the World Customs Organization (WCO), the concept of customs facilitation can be defined as the simplification and harmonization of processes that facilitate international trade with an objective of making smooth border crossing of the goods (WCO, 2019). In this context,

international trade agreements are significant since they form the legal basis for trade between the involved parties. One aspect of most international trade agreements is the provision for facilitating customs processes and promoting international trade through reduction of barriers in trade. For example, NAFTA and its successor the USMCA provide measures that facilitate the process of custom facilitation among the countries party to the agreements hence facilitating cross-border trade (Office of the United States Trade Representative, 2020). Furthermore, there is the Trade Facilitation Agreement (TFA) that was introduced by WTO in 2020. TFA is a treaty aimed at enhancing movement, clearance, and release of goods. Additionally, it introduces measures that promote cooperation between customs officers and other relevant authorities (WTO, 2020).

Challenges - Nonetheless, there may be some problems that arise despite the attempts to maximize efficiency in the process. Firstly, excessive bureaucracy may lead to delays that result in inefficiency in the process and hinder trade development. Secondly, there may be some discrepancies in regulations that arise due to the difference in customs laws and regulations of various countries and constitute barriers for exporters that operate in multiple jurisdictions. Thirdly, increasing global supply chain complexity may raise issues related to the necessity to improve security, which, in turn, leads to the necessity to spend more time on the inspection of goods. Fourthly, frequent changes in regulatory and trade requirements that occur in response to new political developments also become barriers that hinder efficient export procedures for exporters.

Furthermore, there may be problems related to poor infrastructure in certain regions that hinders logistics operations and constitutes an obstacle for exporters. Additionally, differences in administrative practice and customs procedures create barriers for exporters. As OECD (2019) points out, inefficiencies in customs processes lead to additional costs and delays. The issue of security and inspection needs creates barriers as they require more time to be spent on goods. Although the problem of security requires special attention from exporters in order to avoid the involvement of any criminals, the extra time needed for inspections also hinders exporters in their activities. Thus, it is essential to find a compromise between the issues of export facilitation and security measures.

As for innovations related to technological advancements and their impact on change, it is necessary to note that innovations in the area provide both benefits and challenges for exporters. For instance, the introduction of such innovative technological solutions as e-customs and others may

prove beneficial for exporters because they facilitate digital transformation that results in the elimination of bureaucratic procedures. As World Economic Forum (2021) explains, the use of such innovations as artificial intelligence and blockchain may allow eliminating bureaucracy in customs processes, managing risks effectively, and increasing the transparency of transactions. Furthermore, artificial intelligence may be used to make risk-based decisions in order to reduce inspection time of exported goods, whereas blockchain technologies help to increase the traceability of transactions and equal access to information by all parties involved in the process.

Customs and export trading procedures form an important part of international business. With the increasing need to improve trade practices, collaboration among all parties involved becomes inevitable in addressing existing problems. Utilizing technology along with harmonized customs rules is likely to result in more effective and safe trade practices. International collaboration along with establishment of trade rules aimed at making the process easier becomes necessary to surmount any existing barriers in international business. In the future, the continuing importance of customs and export trading will be seen as these are important in the running of the global economy.

Best Practices - Several recommendations can be offered with respect to the improvement of the situation in terms of customs clearance and export trade facilitation. First and foremost, the necessity to cooperate in the governmental sector and the private one should be mentioned. Through cooperation, the positive outcome of implementing the certain policy may be achieved, which will allow for enhancing the level of customs clearance and export trade facilitation. Furthermore, education and training are important as they will facilitate the implementation of policies and regulations. Knowledge about compliance with the rules and the proper customer relations can be received during various training sessions.

Moreover, the alignment of the practices in the sphere under discussion with international standards such as the World Trade Organization Agreement on Trade Facilitation may contribute to the enhancement of the issue. Furthermore, the use of innovative solutions such as blockchain that will prove the genuineness of trade documents can also help to enhance the situation under analysis by increasing security while saving time spent on the process. Finally, investing in the infrastructure for the transportation of goods will facilitate international trade.

As can be seen, customs clearance and export trade facilitation are crucial for international trade since they are the main stages of the process of conducting business across the borders. The proper

and efficient functioning of the processes under analysis will improve the competitive advantage of the state. However, several problems in this area require solving in collaboration with the government and private sectors.

2.1.4. Theoretical Framework

The theoretical framework of research is one of the fundamental parts of research that establishes the basis of the study. As Sekaran (2011) explains, a theoretical framework includes concepts and theories currently used to explain the study. In the case of the present research study, there are three main theories, namely institutional theory, resource-based view, and systems theory.

- **Institutional Theory**

According to the institutional theory developed by Meyer & Rowan (2016), organizations operate under the influence of institutional environments, forming their formal organizational structures instead of market forces. First of all, this theoretical framework indicates that corporations should create certain policies and structural configurations not for increasing their efficiency but primarily to establish their legitimacy in the general institutional environment. Legitimacy requires corporations to adhere to some norms, values, and regulations usually prescribed by third-party actors, such as governmental bodies and other industry regulators. Regarding customs clearance, the theoretical framework explains some important issues connected with the dynamic process of transshipment. One of them is that corporations must be strict in observing existing regulatory requirements as this provides equality for everyone.

Secondly, being legitimate, corporations should demonstrate their ability to navigate through complex institutional environments, requiring a high level of flexibility and innovation (Robert, 2022). Thus, institutional theory not only describes how corporations cope with institutional pressure but also reveals the significance of being legitimate in an increasingly globalized world. Such an approach makes transshipment processes smooth and ensures equal opportunities for all interested parties.

- **Resource-Based View Theory**

The resource-based view (RBV) theory proposed by Gillis, Combs & Ketchen (2014) states that the competitive advantage and efficiency of a corporation strongly depend on its proper resource utilization. This theory states that the resources of a corporation are heterogeneous and different.

They are also not fully mobilized; thus, they are embedded within organizational contexts and create barriers for imitation. It results in a competitive advantage, according to Fleming (2011). Besides, to achieve maximum profit in the long term, it is necessary to observe some assumptions and conditions, including the strategic use of available resources in line with market opportunities.

With regard to the resource-based view, the efficient management of organizational resources helps reduce institutional costs and, consequently, increase efficiency. Based on this theory, corporations should find other options to achieve leadership via cost reduction while cooperating with such departments as customs in order to reduce institutional costs (WTO, 2020). In this way, it will be possible for corporations to gain a competitive advantage and earn higher profits during a particular period of time.

- **Systems Theory**

The goal of systems theory in the context of this research is to explore the essence of relations and interrelations between various elements of the customs clearance process. The key aspect of this theoretical framework lies in analyzing the customs clearance system as a whole instead of considering separate components (Stephano, 2018; Beamon, 2018). Such an approach will help understand more effectively the problems and challenges associated with clearing goods. Therefore, the integration of the aforementioned theoretical perspectives is a promising method for studying the problem of customs clearance (Beamon, 2016; Kovacs, 2019; Salisbury, 2017).

Nevertheless, the theoretical framework of this study will be an indispensable basis for subsequent investigation and discussion. With the application of sophisticated theories, it will be easier to reveal the causes of problems and find potential solutions.

To conclude, this study is strongly justified in grounding itself on a multi-theoretical framework that integrates Institutional Theory, Resource-Based View (RBV), and Systems Theory, as each lens captures a critical dimension of customs clearance efficiency. Institutional theory is indispensable since customs operations are inherently shaped by external pressures laws, norms, and regulatory frameworks rather than pure market forces. It explains why documentation, tariff classification, and valuation processes must adhere to rigid rules to maintain legitimacy, even when efficiency is compromised. The RBV adds depth by emphasizing the strategic importance of internal resources such as employee competency, technological capacity, and organizational knowledge. Customs offices, like firms, derive competitive advantage from mobilizing unique,

inimitable resources, making staff skills and digital adoption central to clearance efficiency. Systems theory provides the holistic justification, recognizing customs clearance as a complex system of interdependent processes where inefficiencies in one area ripple across the entire chain.

Though combining these perspectives, the study not only addresses institutional constraints, resource capabilities, and systemic interdependencies but also ensures theoretical rigor and practical relevance. This integration justifies the research design, as it situates the analysis of Kality Customs Office within a robust academic framework that can explain inefficiencies, highlight resource gaps, and propose systemic solutions for Ethiopia's export trade facilitation.

2.2. Empirical Studies Review

This part discusses empirical researches that have assessed relationships between customs clearance practice variables and trade facilitation. The empirical research discussed below is organized along themes and offers supportive evidences to each hypothesis while pointing out lacunas.

- **Effect of documentation in customs clearance on export trade facilitation**

In their empirical research, Lattuada and Estevadeordal (2021) use quantitative method to assess the relationship between documentation complexities in customs clearance and clearance period. They find out that simpler documentation is critical in enhancing clearance process and promoting exporters' competitiveness in international business. To test the impact of digital documentation in customs clearance practices, Bensassi (2020) uses a controlled experiment design. The findings of his research indicate that digital documentation reduces clearance delays and clearance errors and, therefore, enhances trade facilitation. In their empirical study involving both qualitative and quantitative designs, Nunez and Johansen (2023) examine the perspectives of exporters on documentation processes in various countries. Findings indicate that strict documentation requirements limit exporters from engaging in export activities, hence affecting trade volumes.

Documentation provides a basis for all customs related activities. It is important that the documentation procedure be precise and comprehensive in order to enable exporters to give detailed specification of the goods they wish to export. Detailed documentation shortens clearance process, limits confusion and compliance issues. Without documentation, not only is the process of clearance made difficult, but trade activities are also limited. Therefore, from the above discussion, it can be argued that documentation is positively correlated to efficient customs clearance practice. This gives rise to the following alternative hypothesis:

H1a – Documentation in customs clearance practice has a positive and significant effect on export trade facilitation

- **Effect of tariff classification on export trade facilitation**

In an empirical study involving emerging markets, Lazaro and Ocampo (2021) conduct a case study to assess the effect of misclassification of tariffs on trade facilitation. They find out that misclassification adds financial burden for exporting companies, hence undermining their competitiveness in international business.

Through a quantitative empirical study design, Kelsey (2020) examines the effect of appropriate tariff classification on customs clearance. Findings indicate that correct tariff classification enhances customs clearance efficiency.

Nguyen (2022) uses mixed methodology to examine the perceptions of exporters concerning tariff classification procedures and its effect on trade facilitation. The study reveals that exporters with more knowledge on tariff regulations face fewer clearance challenges and improved customs relationship.

From the above studies, it becomes evident that proper tariff classification is critical in customs clearance practice. Policy makers should therefore work hard to reform customs practices for optimal export trade facilitation process. Tariff classification helps in determining the duties payable in export activities. Misclassification may lead to financial challenges and clearance time delays because of disagreements. From the discussion above, it can be concluded that proper tariff classification enhances trade facilitation by ensuring predictable export duties. Therefore, the following alternative hypothesis is put forth:

H1b - Tariff classification has a positive significant effect on export trade facilitation.

- **Effect of customs valuation methods on export trade facilitation**

In an empirical study, Zhang and Choi (2022) assess the impact of standardized valuation practices in customs clearing practice. Findings show that harmonized valuation practices contribute to improved customs clearance practice by fastening clearance process.

In another study using a mixed methodology design, Wilson (2021) analyzes the effect of errors in valuation processes on trade facilitation through customs clearance. Findings show that valuation errors slow down clearance process.

Using a different empirical design, Kumar (2023) discovers that there exist correlations between customs valuation mistakes and audits. He finds out that exporters facing high audit rates tend to overvalue their exports, which causes problems during clearance.

From the above studies, it is clear that valuation plays a critical role in facilitating trade through customs clearance processes. Errors in customs valuation may complicate clearance processes by delaying them. It is crucial that exporters apply valuation practices that comply with international standards. It can be suggested that efficient valuation enhances customs clearance practice. In view of the discussion above, the following hypothesis is formulated:

H1c – Valuation has a positive and significant effect on export trade facilitation.

- **Effect of customs risk assessment on export trade facilitation**

Gupta and Sethi (2021) investigate the impacts of risk assessment processes in customs clearing practice. They discover that better risk assessment practices shorten the clearance period.

Chen (2020), in another empirical study, examines the impact of advanced risk assessment technology, such as data analytics and machine learning, on customs clearance process in European union through interviews and surveys of customs. The findings reveal that advanced risk assessment techniques facilitate customs clearance by fastening processes and improving traders' perception of customs practices.

In a longitudinal study, Kaminski and Beaulieu (2019) find out that there exists a correlation between better customs risk assessment practice and export trading volume. They argue that this process encourages exporters to engage in export activities because of trust.

Risk assessment is an important technique in customs clearing process. Using this technique allows custom officials to evaluate and mitigate any risk associated with the consignment. This makes customs practice more effective and ensures exporters' compliance. Based on the above discussion, it can be argued that proper customs risk assessment techniques help promote export trade facilitation practice. Based on this discussion, the following hypothesis is put forward:

H1d – Risk assessment has a positive significant effect on export trade facilitation.

- **Effect of employee competency on export trade facilitation**

Another important variable that has increasingly attracted attention in the field of custom practices is that of employee competency.

In a quantitative study, Jansen (2021) investigates the relationship between employee competency and customs clearance efficiency. Findings indicate that competent staff makes customs clearance process fast.

Through a mixed methodology design, Chen and Wang (2022) demonstrate the contribution of employee competencies in promoting export trade facilitation by fastening customs clearance and building up confidence of exporters.

Ortiz (2023) undertakes an extensive longitudinal study on the effect of employee competency in customs clearance practice in various customs around the world. From the analysis, it is found that investments in employee competencies improve customs clearance practice and reduce export cost.

Employee competence is important for efficient customs clearing practice. The competence of customs personnel is one of the key factors that determine the effectiveness of customs clearance process. Proper training of customs staff enhances efficiency. Based on the above discussion, the following alternative hypothesis is advanced:

H1e – Staff competency has a positive significant effect on export trade facilitation

In summary, current empirical research literature has provided substantial evidence to suggest that customs clearance practices have a profound effect on trade facilitation. According to findings from international empirical studies, proper customs practice ensures fast customs clearance process, reduce transactions cost and promote export competitiveness (Bichou & Gray, 2019; Wilson, 2021). Inefficient customs practices such as bureaucracy, wrong tariff classification, and poor documentation adversely affect trade performance, particularly in developing countries (World Bank, 2020; UNCTAD, 2021). In terms of the Ethiopian case, findings from studies conducted by Tadesse and Shumete (2019) suggest that customs inefficiencies reduce export volumes and discourage foreign investments. The same sentiments are expressed in a study conducted by Ethiopian Customs Commission (2022).

Nevertheless, it should be noted that despite the usefulness of the above empirical studies, they lack adequate information regarding operational customs clearance practice. In other words, little information is known about the impact of documentation, tariff classification, valuation, risk assessment, and employee competency on trade facilitation in Ethiopian customs clearing process. This gap calls for empirical research.

2.3. Research Gap

There is extensive literature on customs clearance and trade facilitation at the macro and cross-country levels, showing that efficiency in customs processes such as documentation, proper tariff classification, correct valuation, risk-based inspections, and skilled staff decreases clearance time and costs. Nonetheless, the literature on the subject is primarily composed of comparative cross-country analysis or national-level investigations that focus on the regulatory environment, reform packages, or cross-jurisdictional relationships, rather than the micro-level processes involved in customs clearance at each office. In terms of the Ethiopian literature, institutional diagnoses and some empirical studies identify the extent of the inefficiency problem through long median clearance times, valuation disagreements, regulatory confusion, and low capacity; yet, these are mostly descriptive and aggregated studies.

Three particular problems arise from the literature review, including an empirical gap, a theoretical gap, and a methodological gap. First, the empirical problem is that almost all studies aggregate national numbers and generalize through surveys, thereby not accounting for inter-office variability with regard to clearance volumes, infrastructure, office procedures, and managerial cultures. In other words, there are no empirical analyses on the micro-level in Ethiopia that disaggregate customs processes into measurable factors, estimate the impact of each independently of the others, and find out which factor matters most to exporters. Second, the theoretical problem lies in the absence of combined institutional analysis based on three different theories – Institutional theory, Resource-Based View, and Systems theory. Lastly, the lack of primary measures, multivariate estimation with controls, and process-tracing make the literature predominantly methodological.

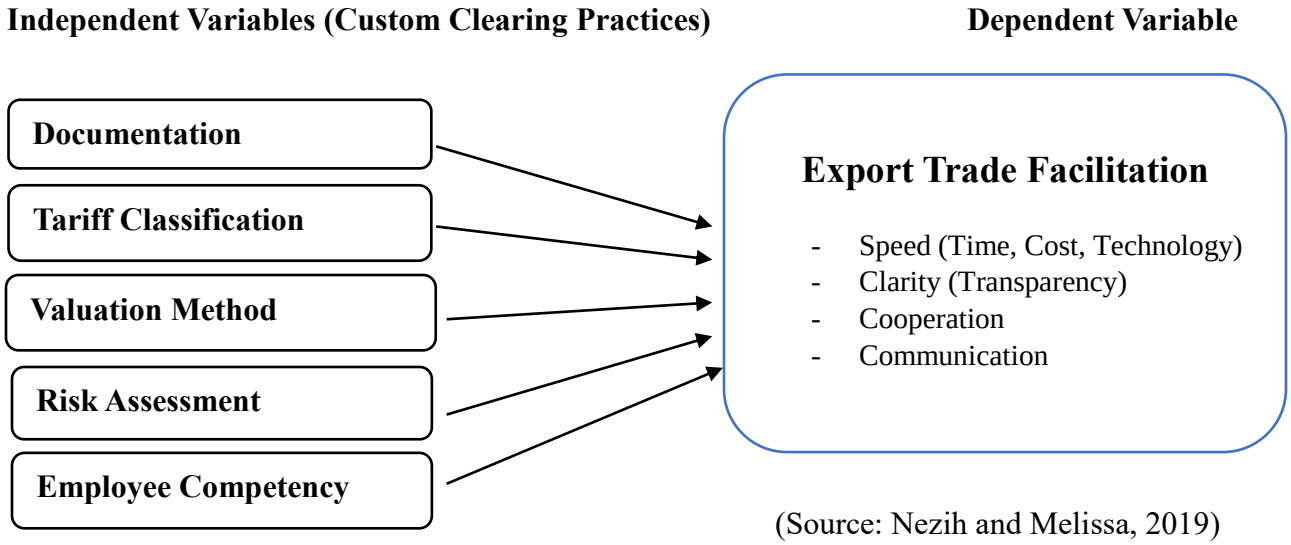
As numerous gaps in the literature exist, it is crucial to narrow down the exact one for this study to address effectively. Namely, this paper aims to bridge the literature gap by generating empirical knowledge about which customs operations practices - documentation, tariff classification, valuation, risk assessment, or employee competency - matter the most independently to facilitate exports from high-volume customs offices in Ethiopia. To do so, one should collect primary exporter-office interaction data, link the information to indicators of the administrative processes, apply multivariate analysis with controls, and perform qualitative process tracing.

2.4. Conceptual Framework

The adapted conceptual framework integrates Institutional Theory, Resource-Based View (RBV), and Systems Theory to provide a concise yet comprehensive justification for the study. Institutional theory frames documentation practices and tariff classification as rule-based processes, where inefficiencies often arise from ambiguous or inconsistently applied regulations (Nezih & Melissa, 2019). The RBV shows employee competency as a critical internal resource, emphasizing that staff skills in applying rules consistently and resolving disputes are essential for effective customs clearance. Systems theory, meanwhile, situates valuation and risk assessment within broader systemic processes, showing how inadequate profiling or valuation practices can create bottlenecks across the clearance chain.

The choice of five operational practices such as documentation, tariff classification, valuation, risk assessment, and employee competency is grounded in consistent evidence from Ethiopian and international diagnostic reports. The World Bank (2019) identifies repetitive paperwork as a key barrier, Gebreyesus (2021) underscores the inefficiencies of subjective valuation, and UNCTAD (2020) highlights classification disputes as recurrent challenges. Together, these findings align with the theoretical perspectives and confirm that each operational practice corresponds to a distinct bottleneck in customs clearance. This integrated framework thus provides strong theoretical and empirical justification for focusing on the Kality Customs Office, ensuring that the study addresses both conceptual rigor and policy relevance.

Figure 1: Conceptual Framework of the Study



(Source: Nezih and Melissa, 2019)

As demonstrated by the discussion above, figure 1, the framework suggested for use in this study is academically rigorous and relevant to real-life customs operations. On the one hand, the framework combines three theoretical concepts and thus contributes to the body of scientific literature dedicated to the problem in question. On the other hand, the model is focused not on national average statistics but rather allows analyzing different customs offices as separate units. This is particularly crucial in view of the existing discrepancies between various custom offices in terms of efficiency (United Nations Conference on Trade and Development, 2020; Gebreyesus, 2021). Moreover, as the analysis will show, bottlenecks in certain operational aspects of customs activity may hinder the entire process even if no issues are detected otherwise.

Therefore, based on the theoretical literature and empirical studies, the following alternate hypotheses are proposed. The hypotheses are:

- H1a - Documentation has a positive significant effect on export trade facilitation
- H0a - Documentation doesn't have a positive significant effect on export trade facilitation
- H1b - Tariff classification has a positive significant effect on export trade facilitation
- H0b - Tariff classification doesn't have a positive significant effect on export trade facilitation
- H1c – Valuation has a positive significant effect on export trade facilitation
- H0c – Valuation doesn't have a positive significant effect on export trade facilitation
- H1d – Risk assessment has a positive significant effect on export trade facilitation
- H0d – Risk assessment doesn't have a positive significant effect on export trade facilitation
- H1e – Staff competency has a positive significant effect on export trade facilitation
- H0e – Staff competency doesn't have a positive significant effect on export trade facilitation

CHAPTER THREE: RESEARCH METHODOLOGY

Considering that the topic under discussion is "Effects of Custom Clearing Procedures on Export Trade Facilitation: Evidence from Kality Custom Office in Addis Ababa," this chapter provides an overview of the methodology employed in analyzing the research problem. This chapter describes the major methods applied in measuring how custom procedures like documentation, tariffs, valuation, and risk assessment impact the efficiency of export trade facilitation. The chapter also highlights the framework for analysis by illustrating the method used to collect data as well as how to analyze and interpret the results.

3.1. Research Design

This study aimed to investigate the effects of custom clearing practices on export trade facilitation: evidenced from Kality custom office in Addis Ababa. In light of this, this study adopts an explanatory research design to test the proposed hypotheses (listed in chapter two) to examine whether they have significant relationships with export trade facilitation. That means causal analysis is concerned with the study of how one or more variables affect changes in another variable (De Vaus, 2016). For this study, thus, the application of explanatory research design is found more appropriate as it tried to explain the trade facilitation based on customs clearance practices like documentation, tariff, classification, valuation, risk assessment and employee competency.

3.2. Research Approach

A research approach is a strategy of inquiry that provides a specific direction for procedure in a research design. Saunders (2010) classifies scientific research approaches into three namely quantitative, qualitative, and mixed research. Among them, for this study, a quantitative research approach is adopted to address the research question raised and test hypotheses posited. The objective of quantitative research is to develop and employ mathematical models, theories, and hypotheses of natural phenomena (Creswell, 2018). Thus, in this regard, the use of a quantitative approach to evaluate/measure the exporters' perception regarding the customs clearance practices for the betterment of export trade facilitation is found appropriate. For the fact that quantitative research is the systematic scientific investigation of the relationships in quantitative phenomena.

3.3. Target Population

Ethiopia, known for its fast-growing economy in Africa, has recorded huge successes regarding the development of its export sector. Over the last two decades, this nation has introduced various reforms with the aim of improving the capability of its export market. Consequently, there is an increase in the number of the exporters in the country. In view of this fact, the exporters in various sectors are regarded as the target population. This is because the Ethiopian government has introduced various programs to promote and enhance its export market. One of the main strategies employed by the government to facilitate the export of goods involves the provision of trade facilitation for exporters through simplifying and harmonizing the customs procedures so as to reduce delays and cost and having effective governance structures to facilitate trading practices (Solomon, 2023).

The number of registered exporters in the country has recorded significant growth, as reported by the Ethiopian government (Ethiopian Chamber of Commerce and Sectoral Associations- ECCSA, 2023; Ethiopian Investment Agency, 2022) and other trade institutions such as WTO (2023). According to reports, the total number of registered exporters in the country is about 12,100 of which 9,200 exporters are registered in Addis Ababa. These exporters cover a variety of business sectors like agriculture, textiles, coffee, and industrial products. Agricultural products are the backbones of exports in the country, whereby coffee is the main exporter of foreign exchange revenue in the country (Ethiopian Central Statistics Agency, 2023). Therefore, the target population for this study includes exporters who can be company owners, general managers, agents, and transiters as they are knowledgeable about the subject under discussion.

3.4. Sample Size

Sampling is the process of selecting several study units from a defined study population (Saunders, 2010). Determining sample size is a very important issue because samples that are too large are uneconomical while too small samples may lead to inaccurate results. Here in this study, sampling is required as the targeted population accounts for a total of 9,200 exporters or their representatives, and since the size is substantially larger in number to conduct a census, taking a representative sample of respondents is more economical. Thus, a proportionate sample size is computed by using Yamane's (Slovin's formula) for proportionate sample size determination for known population. The sample size is calculated as:

$$n = \frac{N}{1+Ne^2} = \frac{(9{,}200)}{1+(9{,}200*0.05^2)} = 383 \text{ respondents.}$$

Where: n = required sample size N = population size e = margin of error

Thus, the study considers a sample of 383 respondents to participate in this survey.

3.5. Sampling Technique

In social science research methodology, selecting the appropriate sampling strategy is critical for ensuring the validity and reliability of findings. As outlined by Creswell (2018), there are three primary approaches: probability sampling, non-probability sampling, and mixed methods. Probability sampling involves a random selection process, granting each individual in the sample frame an equal chance of being selected, which enhances the representativeness of the sample. Conversely, non-probability sampling is more subjective, relying on the researcher's discretion to identify respondents. For this study, a convenient non-probability sampling technique was utilized to systematically select 383 participants from a larger population of 9,200 exporters or their representatives. This approach aims to facilitate efficient data collection while acknowledging the practical limitations of addressing the complete sample frame.

3.6. Type of Data and Data Source

In this study, only the primary source of data from the targeted respondents were collected and used for analysis as there is no secondary data available that matched the objectives of the study, as far the knowledge of the study researcher is concerned. According to Catherine (2017), data may be collected as primary, secondary, or both. Primary data are originated by the researcher for the specific purpose of addressing the problem at hand. On the other hand, secondary data contains relevant data that has been collected for a different purpose, but from which the conclusion is valuable for the purpose.

3.7. Data Collection Instrument

The standardized questionnaire was used for the collection of primary data from targeted respondents. The questionnaire is one of the primary data-gathering survey instruments where respondents write answers to questions posed by the researcher on a question form. It helps to ask many respondents identical questions. The reason for selecting a questionnaire is for having the

merit of giving adequate time for informants to respond and is also economical and allows to easily approach respondents (Wilkinson, 2013).

A self-administered structured questionnaire containing closed-ended questions was prepared along with a range of literature reviews relevant to the objectives of the research. Three sections are comprised in the questionnaire. The first part comprises questions about the demographic characteristics of the respondents; the second part involves questions about the customs clearance practices (namely documentation practices, tariff classification, valuation methods, risk assessment, and employee competency) at Kality Customs Office in Addis Ababa; and the third part refers to questions about their overall view of export trade facilitation.

Many studies use a single scale to calculate ordinal (categorical) data using scales 1-to-5 or 1-to-7, where 1-very dissatisfied and 5-or 7-very satisfied. However, this analysis follows a 5-Point scale method to convert the qualitative data to quantitative data by using a Likert scale ranging from 1- for "Strongly disagreed" to 5- for "strongly agreed". Likert scale is one of the known measuring scales for categorical data (Saunders, 2010).

3.8. Data Collection Procedure

The next step after developing the instrument is to distribute the questionnaires and collect the data back following the sampling method and technique mentioned in the previous section. For this, the exporters (owners, managers, agent, or transiter) were contacted at Kality Customs Office in Addis Ababa. The approval or permission of the concerned authorities of the customs office were first asked for surveying in their premises at working hours. Then, as granted, the consent of targeted respondents was also inquired accordingly. The questionnaires then were distributed to willing respondents during their suitable time without disrupting their operations once they agreed to participate. Alternatively, the respondents were also reached through their email and telegram accounts and constantly were reminded to check and reply promptly.

3.9. Data Analysis Method

Data in this study were analyzed using both descriptive and inferential statistics. Descriptive statistics is applied to interpret data in general and for testing hypotheses and investigating research objectives inferential method is used using the Statistical Package for Social Science (SPSS) version 25. The former was applied specifically to interpret the demographic variables of the

respondents, mean, and standard deviations of each study variable; whereas inferential statistics is used for testing hypothesis, correlation, and multi-regression analysis. Tables and graphs were also used to present the results of the analyses pictorially.

Model Specification – for this study, a regression model is proposed based on the identified independent variables (customs clearance practices namely documentation practices, tariff classification, valuation methods, risk assessment, and staff competency). It was intended to examine their relationship using the multiple linear regression method. Multiple linear regression was applied to define the relationship and to evaluate the most dominant factors affecting the trade facilitation. The model is specified as:

- **Independent variables** – Customs Clearance Practices (documentation practices, tariff classification, valuation methods, risk assessment, and employee competency).
- ***Dependent Variable*** **–** Export Trade Facilitation (Speed, Clarity, Communication and Cooperation).

To investigate the relationship between the five independent variables with a dependent variable, a multi-regression analysis model specification is designed as follows:

$$\boldsymbol{ETF = \beta_0 + \beta_1 DOC + \beta_2 TAR + \beta_3 VAL + \beta_4 RSK + \beta_5 CPT + e}$$

Where:

ETF – Export Trade Facilitation; DOC - Documentation Practice; TAR - Tariff Classification,

VAL – Valuation; RSK - Risk Assessment; CPT - Employee Competency, β_0 - Constant; $\beta_{1,2,3,4,5}$ - Coefficients of Predictors

3.10. Validity Test

In the first stage of this research project, 30 questionnaires were handed to selected participants that could take part in the pilot test for this particular project. This pilot study was executed using the Tracon Trading Plc, which has played an important role in the Ethiopian export business industry for years. Out of the handed-out questionnaires, only 25 questionnaires were considered suitable for data collection purposes, while 5 questionnaires were not taken into consideration for any further analysis because of incomplete data. As a result, a total of 25 valid and comprehensive questionnaires were evaluated in depth for reliability and validity testing. The main goal of this test

was to check if the questionnaires were able to measure what they should measure and if the questionnaire was able to capture the relevant variables related to customs clearance practices at the Kality Customs office in Addis Ababa and their impact on the export business.

Validity test by scale involved handing the questionnaire to a few selected experts in export trade facilitation and asking them to give their opinions on the questionnaire's clarity and comprehensiveness, and also whether the questions were relevant to measuring the key factors associated with customs clearance practices at the Kality Customs office in Addis Ababa and their impact on the export business. In addition, the designated thesis advisor in conjunction with the experts in the export trade facilitation field gave their opinions on the questions.

3.11. Reliability Test

In the assessment of research tools, one of the primary criteria is reliability, the extent to which an instrument yields the same results each time it is employed under identical conditions with the same subjects (John, 2013). Essentially, reliability is synonymous with consistency. In this study, Cronbach's alpha is utilized to evaluate the internal consistency of variables in the research tool. Cronbach's alpha (r) is a reliability coefficient employed to gauge the internal consistency of the scale; it is represented as a numerical value ranging between 0 and 1. Scales with a coefficient alpha falling between 0.6 and 0.7 denote fair reliability (Zikmund, 2010).

Table 1. Reliability Test

Dimension	**No of items**	**Cronbach's Alpha**
Documentation Practice	6	.741
Tariff Classification	6	.749
Valuation	6	.795
Risk Assessment	4	.825
Staff Competency	6	.702
Export Trade Facilitation	5	.702
Total Reliability	**33**	**.900**

Source: SPSS data output, 2026

A seen in Table 1, five variables of customs clearing practices as well as a variable related to export trade facilitation, each with a specified number of items and a corresponding Cronbach's Alpha

value. The Cronbach's Alpha values range from .702 to .825, indicating a satisfactory to high level of internal consistency within each dimension. The Total Reliability, encompassing all 33 items, yields a Cronbach's Alpha of .900, suggesting an excellent overall internal consistency of the survey instrument. This high level of reliability is indicative of the survey's ability to produce consistent results across various items within the same dimension, thereby affirming the dependability of the data collected through this survey. This result is a crucial component in validating the reliability of the survey, which is fundamental for academic research to ensure that the scale accurately captures the constructs intended to be assessed.

3.12. Ethical Considerations

It is important to consider ethical principles when conducting business research. Ethical issues are categorized into four different types: harm to participants, lack of informed consent, invasion of privacy, and deception (Bryman, 2011). In this study, there are descriptive questions about the respondent's age and gender but this information is not enough to identify the person. The second ethical principle to consider is the lack of informed consent. The third ethical principle concerns the invasion of privacy. In this study, the respondent has the opportunity to skip a question if it is judged sensitive. Furthermore, this study is not of a sensitive nature which enhances the respondents' willingness to answer. The fourth ethical principle refers to deception which occurs if respondents are led to believe that research is about something else than what it is. After considering these ethical principles and fully living up to the requirements, it can be classified as ethical.

CHAPTER FOUR

DATA PRESENTATION, RESULTS AND DISCUSSION

In this chapter, the collected data are presented, analyzed, and interpreted. Both descriptive and inferential analyses are conducted and the results are interpreted to address the objectives of the study. The demographic profiles of the respondents and study variables are described while the inferential analysis is carried out to show the relationship among custom clearance and export trade facilitation. The output includes correlational tests, assumption tests, and regression analysis.

4.1. Response Rate

Table 2. Response Rate

Total Number of Forms Distributed		383
Not Returned and/or Declined to Participate		82
Number of Replies		301
Responses with discrepancies		4
Valid and Usable Responses		297
Response Rate (%)	Overall response rate	78.6%
	Effective response rate	77.5%

Source: Own Survey, 2026

On the other hand, the number of responses from the chosen respondents in this research investigation will be measured by frequency. According to the results depicted on Table 2, a total of 383 questionnaires were distributed to the chosen respondents for this research study. Out of the total of 383 distributed questionnaires, 301 responses were collected, thus the response rate is 78.6%. From the filtering process, it is identified that a total of 4 responses (1.0%), which need to be filtered out due to the fact that they lack sufficient information. Thus, after the filtering process, the total responses, which have been encoded using SPSS 25.0, stand at 297 (77.5%).

4.2. General Information about the Respondents

Table 3. Personal Information of the Respondents

Category		N	(%)
Gender	Male	213	71.7
	Female	84	28.3
	Total	**297**	
Age	21 - 30	183	61.6
	31 - 40	82	27.6
	41 – 50	32	10.8
	51 – 60	0	0.0
	Total	**297**	
Education	Certificate	34	11.4
	Diploma	87	29.3
	First Degree	121	40.7
	Masters & above	55	18.5
	Total	**297**	
Export Sector	Minerals	42	9.5
	Textile & Apparel	67	20.2
	Animal Products	75	26.9
	Agriculture	105	41.5
	Others	8	2.0
	Total	**297**	
Position	Transiter	140	47.1
	Manager	94	31.6
	Owner	42	14.1
	Agent	21	7.1
	Total	**297**	
Experience	1 – 5 years	157	52.9
	6 – 10 Years	103	34.7
	Above 10 Years	37	12.5
	Total	**297**	

Source: Own Survey, 2026

As it may be seen from Table 3, among the total, 213 (71.7%) participants were males and 84 (28.3%) participants were females. It means that the male-female ratio is nearly 4:1 and thus more males than females. Even though it might be premature to formulate any conclusions regarding the role of gender at this moment owing to the current sample size, the distribution itself presents a perspective for further research in this direction.

As concerns the age structure, 183 participants (61.6%) belonged to the age group between 21 and 30, 82 participants (27.6%) to the age group between 31 and 40, 25 participants (8.4%) to the age group between 41 and 50, and 7 participants (1.7%) were above 50. Therefore, approximately two-thirds of the sample consist of young people, which may be considered positive news for the research since there are three different groups in terms of age, namely youth, adult, and senior.

Additionally, according to the data in the table, 121 participants (40.7%) were first-degree holders, 87 participants (29.3%) were diploma holders, 55 participants (18.5%) were master's degree holders, and 34 participants (11.4%) had a high-school education. This information provides an indication of an educated sample of people who can easily grasp the subject matter of research.

Speaking about the type of exported commodity, the category of agricultural products exporters was the most numerous one with 105 participants (35.4%). The next place goes to animal products exporters who were 75 respondents (25.3%). Textile and apparel exporters comprised 67 participants (22.6%), mineral exporters comprised 42 participants (14.1%), and "Others" – 8 participants (2.7%). This data indicates that the export of agricultural commodities is quite dominant in Ethiopia, however, animal products exporters have a good future potential as well.

In terms of the job title, those participants who held the position of Transitory took the lead (47.1%). Managers constituted 31.6%, owners of exporting companies were 14.1%, and agents made up 7.1%. These data reflect the hierarchy of Ethiopian exporting firms.

Finally, in terms of tenure, the majority of the sample (52.9%) has rather short-term experience with the company; however, there are also many people with 6-10 years of tenure (34.7%) and over 10 years of tenure (12.5%). Consequently, even though the majority of people have rather little experience, there is still a significant number of people with rather large amount of tenure and hence it can be assumed that the majority have sufficient experience for assessing the customs-clearing procedures of exported goods.

4.3. Customs Clearance Practices and Export Trade Facilitation

Descriptive analysis uses statistical techniques to summarize and interpret a set of data. In this study, the study variables constitute custom clearance practices (documentation practice, tariff classification, valuation, risk assessment staff competency), and export trade facilitation. To attain the objectives, a total of 28 questions were grouped into the five factors that affect the custom clearing process and 5 questions for the effectiveness of trade facilitation to collect data based on the respondents' perceptions. Thus, a total of 33 questions were used for the analysis.

In the course of the descriptive analysis, it can be done using different types of measures, such as frequency, central tendency, dispersion, and position. In this case, to compare the respondents' perception of the variables, only central tendency (mean) and dispersion (standard deviation) were applied. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. According to Best (2005), the scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.60; neither agreed nor disagreed within 2.61 - 3.40; agreed if it is in the range of 3.41 – 4.20; while strongly agreed when it falls within 4.21 – 5.00. In addition, standard deviation shows the variability of an observed response. If it is greater than 1.000, high variability exists among their perception.

4.3.1. Documentation Practice

Table 4. Description of Documentation Practices (n = 297)

Statement	Mean	Std
Proper labeling/ description of export goods speeds up customs clearance process.	3.78	1.612
The documentation process is user-friendly (easy to access).	3.96	1.514
Customs clearance documentation requirements for are clear to understand.	4.22	1.319
Export document requirements are consistent.	3.80	1.414
The updated requirements of documents are regularly notified to the exporters in time.	3.59	1.602
Overall, the process of submitting documentation is efficient.	3.64	1.707
Grand Mean	**3.83**	**1.013**

Source: Own Survey, 2026

As seen in table 4, the grand mean value of 3.83 (SD = 1.013) indicates a moderately positive view of the documentation practices. While the exporters perceive the clarity of the customs standards

and the ease of using the system, there seem to be operational weaknesses that hinder the efficiency of the process. The grand mean is critical because it shows that the documentation practices are not the same constraints as the ones that exist at the structural level (customs inefficiency, for instance). They can still be improved to become facilitators of the customs clearance efficiency.

The highest value of the mean scores is the clarity of the requirements (M = 4.22; SD = 1.319). The exporters believe that customs standards are clearly explained and understandable. This result supports the thesis claim that the level of information transparency is one of the closest determinants of the customs clearance efficiency. If the requirements are clear and unambiguous, there will be no conflicts during the clearance and fewer mistakes, which means that it will be faster. User-friendliness (M = 3.96; SD = 1.514) is another positive indicator that corroborates the hypothesis of the thesis. As it was mentioned earlier, the customs clearance process becomes more efficient when the transaction costs are lower.

However, the lowest value is the timeliness of updates of the requirements (M = 3.59; SD = 1.602). The lack of effective communication leads to misunderstandings, which causes the exporters to lose time in their operations. It is important to mention that it is directly connected to the idea that process responsiveness is crucial for efficiency. Without timely updates of the requirements, it will be difficult to achieve the desirable outcome even when the other aspects of the process (clarity and user-friendliness) are developed. Labeling (M = 3.78), consistency of the requirements (M = 3.80), and overall efficiency (M = 3.64) are the dimensions with relatively moderate scores.

4.3.2. Tariff Classification

Table 5. Description of Tariff Classification (n = 297)

Statement	Mean	Std
The tariff classification system is straightforward to apply.	4.26	1.321
The tariff classification guidelines are clearly comprehensive.	4.22	1.063
The export tariff classification helps in accurate duty calculation.	3.72	1.447
The export tariff classification process is consistent/ reliable.	3.63	1.396
The office regularly updates tariff classification to reflect changes in trade policies.	3.43	1.684
The office adopts automated systems for tariff determination (categorization).	3.52	1.555
Grand Mean	**3.80**	**.949**

Source: Own Survey, 2026

The results in table 5 positions tariff classification as another critical operational determinant of customs clearance efficiency. The grand mean of 3.80 (SD = 0.949) reflects a moderately favorable perception overall, comparable to documentation practices (grand mean = 3.83). This suggests that while exporters acknowledge strengths in clarity and application, weaknesses in consistency, updating, and automation continue to constrain efficiency outcomes.

The highest mean score, straightforward application of the tariff classification system (M = 4.26, SD = 1.321), indicates that exporters find the system relatively easy to use. This is reinforced by the clarity and comprehensiveness of guidelines (M = 4.22, SD = 1.063), which demonstrates that institutional communication is effective in guiding exporters. These strengths align with the thesis argument that clarity and accessibility of customs procedures reduce disputes and errors, thereby facilitating smoother clearance.

However, the lower scores highlight systemic inefficiencies. Accurate duty calculation (M = 3.72, SD = 1.447) and consistency/reliability of classification (M = 3.63, SD = 1.396) are only moderately rated, suggesting exporters experience variability in tariff application. This inconsistency undermines predictability, increases compliance risks, and erodes trust in the system. The weakest dimension - frequency of updates to reflect trade policy changes (M = 3.43, SD = 1.684) - reveals a significant gap in responsiveness. Without timely updates, exporters risk applying out-dated classifications, leading to disputes and clearance delays. Similarly, the adoption of automated systems for tariff determination (M = 3.52, SD = 1.555) is rated low, reflecting limited technological integration that could otherwise enhance accuracy and efficiency.

In sun, the grand mean underscores that tariff classification practices are moderately effective but not yet optimized. For the thesis, this implies that tariff classification is a proximate determinant of customs clearance efficiency: exporters benefit from clarity and ease of application, but inefficiencies in consistency, updating, and automation dilute these gains. Strengthening policy update mechanisms, ensuring uniform application of tariff rules, and investing in automated classification systems would elevate tariff classification from a moderately favourable practice to a high-impact efficiency driver. This interpretation situates tariff classification within the broader causal framework of customs clearance efficiency, showing that while exporters benefit from clarity, systemic weaknesses in responsiveness and reliability remain binding constraints.

4.3.3. Tariff Valuation

Table 6. Description of Valuation (n = 297)

Statement	Mean	Std
The methods used for customs valuation are transparent.	3.86	1.742
The valuation methods are fair.	3.75	1.652
The office adopts real-time valuation tools to streamline the process.	4.11	1.552
The valuation methods are well-channelled for ease of accessibility.	3.62	1.763
The valuation methods are regularly reviewed to remain updated.	4.21	1.465
The valuation methods minimize disputes/ discrepancies.	3.57	1.719
Grand Mean	**3.86**	**1.161**

Source: Own Survey, 2026

Table 6 presents a detailed account of the respondents' perceptions regarding the transparency, fairness, effectiveness, and maintenance of customs valuation methods employed in export tariff valuation. The results in Table 4.5 show that the grand mean of 3.86 (SD = 1.161) reflects a moderately favorable perception, slightly higher than tariff classification (3.80) but still below the clarity achieved in documentation practices (3.83). This positioning suggests that valuation methods are generally appreciated for their transparency and modernization, yet persistent concerns about fairness, accessibility, and dispute resolution continue to constrain efficiency outcomes.

The strongest dimension is the regular review of valuation methods (M = 4.21, SD = 1.465), which indicates exporters recognize the importance of keeping valuation practices updated to reflect evolving trade realities. This finding aligns with the thesis argument that responsiveness and adaptability of customs processes are critical for efficiency. Similarly, the adoption of real-time valuation tools (M = 4.11, SD = 1.552) demonstrates progress toward modernization, with exporters acknowledging the potential of technology to streamline clearance. However, the relatively high standard deviations in both items suggest uneven experiences across stakeholders, pointing to implementation gaps.

Transparency (M = 3.86, SD = 1.742) and fairness (M = 3.75, SD = 1.652) are rated moderately, with wide variance in responses. This indicates that while many exporters perceive valuation as fair and transparent, others remain skeptical, reflecting the contested nature of valuation in practice. Accessibility (M = 3.62, SD = 1.763) and dispute minimization (M = 3.57, SD = 1.719) are the

weakest dimensions, underscoring that exporters still encounter barriers in accessing valuation processes and continue to face discrepancies that delay clearance.

The grand mean underscores that valuation practices contribute positively to customs clearance efficiency but remain only moderately effective. For the thesis, this implies that valuation is a binding constraint relative to documentation and tariff classification because disputes and accessibility challenges directly prolong clearance times and erode trust. Strengthening fairness and transparency mechanisms, expanding accessibility of valuation channels, and ensuring consistent application of real-time tools would elevate valuation from a moderately favorable practice to a high-impact driver of efficiency. This interpretation embeds valuation within the broader causal framework of customs clearance efficiency, showing that while modernization and review mechanisms are strong, persistent weaknesses in fairness, accessibility, and dispute resolution remain critical bottlenecks.

4.3.4. Risk Assessment

Table 7. Description of Risk Assessment (n = 297)

Statement	Mean	Std
The risk assessment procedures are effective in identifying high-risk shipments.	3.69	1.817
The risk assessment process speeds up the clearance of low-risk shipments.	3.03	1.785
The risk assessment criteria are clear or well-communicated.	3.74	1.797
The risk assessment procedures are regularly updated to reflect current threats.	2.47	1.887
Grand Mean	**3.23**	**1.476**

Source: Own Survey, 2026

An analysis of Table 7 indicates that risk assessment is the weakest operational determinant in customs clearance efficiency among all variables considered. Grand mean value of 3.23 (SD = 1.476) is indicative of an average perception level, significantly lower compared to documentation (grand mean = 3.83), tariff classification (grand mean = 3.80), and valuation (grand mean = 3.86). This is especially important since risk assessment plays a key role in determining the efficiency and reliability of customs clearance process and significant issues have been identified in terms of its adaptability and effectiveness.

A relatively positive perception related to high-risk identification process (grand mean = 3.69; SD = 1.817) suggests that there is no problem with the ability of customs officers to determine potential

risks in the shipment. Likewise, adequate clarity of risk assessment criteria (grand mean = 3.74; SD = 1.797) indicates that exporters can comprehend the criteria used for risk assessment, meaning that adequate information is provided. Conversely, insufficiently efficient clearance of low-risk shipments (grand mean = 3.03; SD = 1.785) indicates that this aspect needs improvement, considering that customs clearance is supposed to be more efficient for low-risk than high-risk shipments. It seems that the customs clearance process is focused on screening potential threats rather than facilitating shipping processes for low-risk products.

Perhaps the most problematic aspect of risk assessment is the update frequency of risk assessment procedures (grand mean = 2.47; SD = 1.887). This means that customs officers and export managers are not fully satisfied with the existing procedure of risk assessment, which is quite alarming considering the rapid changes observed in the international business environment. This could mean that current risk assessment practices need updating in order to cope with new challenges.

On the whole, a moderate perception level of customs clearance efficiency associated with risk assessment suggests that this factor limits the customs efficiency despite the existence of other favorable factors, namely documentation, classification, and valuation. Therefore, one should implement a number of measures to improve customs clearance efficiency through the enhancement of risk assessment procedures.

4.3.5. Staff Competency

Table 8. Description of Staff Competency (n = 297)

Statement	Mean	Std
Customs employees are knowledgeable about clearance procedures.	4.26	1.379
Customs employees provide helpful/ accurate/ information.	3.67	1.390
Customs employees effectively communicate to expedite the clearance fast.	4.24	1.377
Customs employees are well-trained to keep up with current regulations.	3.44	1.483
Customs employees demonstrate professionalism in their interactions.	4.31	1.377
Overall, the competency of customs employees fastens the clearance process.	3.45	1.759
Grand Mean	**3.89**	**.930**

Source: Own Survey, 2026

Among the numerous factors that are crucial for facilitating the achievement of successful outcomes in terms of timely custom clearance of export cargo, the competences of customs workers

responsible for performing this kind of work deserve to be paid attention to. As can be seen from Table 8, in fact, customs personnel possess enough knowledge in relation to customs clearance procedures (Mean = 4.26; SD = 1.379) owing to the very high level of confidence with regard to their expertise in this area. Moreover, in terms of ability to facilitate communication in order to make the process faster, one could admit that the situation is rather favorable due to the rather high level of this variable (Mean = 4.24; SD = 1.377). It seems appropriate to note that, in addition, the professionalism of customs employees in this respect (Mean = 4.31; SD = 1.377) cannot but be acknowledged.

At the same time, there exist several other customs-related factors that demonstrate rather low mean scores. For instance, what concerns the ability to receive the required amount of training to become aware of all the changes in the rules and regulations, customs employees have rather poor skills in this regard (Mean = 3.44; SD = 1.483). As a result, it will be rather hard for them to keep abreast of changes. At the same time, one could state that the helpfulness of information provided by customs employees is not high (Mean = 3.67; SD = 1.390). In turn, this means that the lack of certain skills on the part of customs workers prevents them from doing this properly. With regard to overall competency of customs employees, one could say that it is rather moderate (Mean = 3.45; SD = 1.759).

4.3.6. Export Trade Facilitation

Table 9. Description of Export Trade Facilitation (n = 297)

Statement	Mean	Std
The speed of customs clearance meets my export requirements.	3.68	1.436
Information about export related customs is readily available.	3.43	1.204
The communication channels with customs are reliable to facilitate export.	3.79	1.114
Customs officials respond promptly to my export-related inquiries.	4.07	1.482
Customs officials are cooperative in resolving export related issues.	4.20	1.028
Grand Mean	**3.83**	**.855**

Source: Own Survey, 2026

The following table 9 shows the perceptions of the respondents about the efficiency and effectiveness of the timely customs clearance in order to get a perspective about the various important dimensions related to the exporting process. The average rating for the surveyed items is

from 3.43 to 4.20, implying a generally positive view of the efficiency of the customs process with a grand mean of 3.83 (SD=.855).

To begin with, the survey item that had the highest average was that relating to the response time by the customs staff in handling inquiries raised during the exporting process with an average of 4.07 (SD=1.482). The cooperation of the customs staff in solving any problems arising during the exporting process was highly rated with an average of 4.20 (SD=1.028). It seems that there was moderate agreement on the reliability of the communication channel between the exporter and the customs process with an average of 3.79. However, the clearance rate received high ratings by some but moderate ratings by others with an average of 3.68 (SD=1.436). Information availability concerning the customs process in the exporting process was, however, rated relatively poorly with an average of 3.43 (SD=1.204).

It can be seen from these findings that there exists a very strong relationship between customs efficiency and exporting processes. Moreover, the exporters would immensely benefit from information availability regarding customs.

4.4. Inferential Analysis

To address the objectives of the study, the inferential statistics encompassed correlational tests, assumptions for the regression model test, and regression analysis of the collected data. The correlational test was meant to check the strength and direction of the relationship among the variables. Assumption tests for multiple linear regression models were for the fitness of collected data to the model specified. It included multivariate normality, multicollinearity, linearity, and homoscedasticity tests. Finally, multiple linear regression analysis was the final output of the data analysis which referred to the model summary, ANOVA test, and beta coefficient.

4.4.1. Correlational Test

Correlation analysis deals with relationships among variables and helps to gain insight into the direction and strength of the relation between the variables. In this case, the study sought to examine the relationship between customs clearance practices and export trade facilitation. There are different correlational tests like Pearson, Spearman, etc., but for this study, the Pearson Correlation test is used for the reason that the test is more appropriate for categorical data that are observed in the study.

Correlation coefficients take values between -1 and 1 ranging from being negatively correlated (-1) to uncorrelated (0) to positively correlated (+). The sign of the correlation coefficient defines the direction of the relationship. The absolute value indicates the strength of the correlation. Dancey and Reidy (2004) suggest the strength of the relationship 0.10 to 0.29 shows a weak relationship; 0.30 to 0.49 is moderate; 0.5 and above shows a strong relation b/n variable.

Table 10. Correlation Matrix

	DOC	TAR	VAL	RSK	CPT	ETF
DOC - Documentation	1					
TAR - Tariff classification	.212**	1				
VAL - Valuation	.326**	.389**	1			
RSK - Risk assessment	.298**	.328**	.326**	1		
CPT - Staff competency	.355**	.453**	.556**	.347**	1	
ETF – Export Trade Facilitation	.432**	.537**	.632**	.411**	.721**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS output, 2026

As revealed in Table 10, the correlation matrix of all of the independent variables was positively related to the dependent variable – export trade facilitation. Regarding their strength, among the variables, tariff classification ($r = 0.537,\ p \leq 0.01$), valuation ($r = 0.632,\ p \leq 0.01$) and staff competency ($r = 0.721,\ p \leq 0.01$) dimensions of custom clearance had strong and significant relationship with export trade facilitation. It connotes that clear and consistent tariff classification, custom valuation, and competent human resources have a strong positive and significant relationship with the on-time custom clearing process of export trade. Nonetheless, documentation and risk assessment have a moderate relationship as the r- r-coefficients were found .432 and .411 at $p \leq 0.01$ respectively. Therefore, from the results, it can be observed that some of these factors are moderate while others are highly determining the on-time custom clearing process of export trade.

That means swift and expedition of export trade facilitation is explained by on-time custom clearing practice like proper documentation, clear tariff classification, export goods' valuation, risk assessment, and competent custom staff. These factors are good predictors of on-time custom clearing process of exportation.

4.4.2. The Assumptions for Testing Regression Analysis

The test of assumptions should be done because violations of the assumptions affect the consequent use of multivariate statistical methods (Hair, 2006). There are many assumptions to consider but the researcher focused on the major ones that are easily tested with SPSS.

4.4.2.1. Multicollinearity -

In regression, multicollinearity occurs when independent variables in the regression model are more highly correlated with each other than with the dependent variable. Hair (2006) argued that a correlation coefficient below 0.90 may not cause serious multi-collinearity problems. But also, Field (2005) suggests that the correlation coefficient should not be 0.7 for a better inference from the study. Correlations were examined using the bivariate correlation measure in SPSS and all the coefficients of correlation are below 0.8. Multicollinearity can also be detected using tolerance value and variance inflator factor (VIF) value.

Table 11. Collinearity Test Statistics

Model		Collinearity Statistics	
		Tolerance	**VIF**
1	Documentation	.824	1.214
	Tariff classification	.743	1.346
	Valuation	.642	1.557
	Risk assessment	.802	1.247
	Staff competency	.591	1.691
a. Dependent Variable: Export Trade Facilitation			

Source: SPSS output, 2026

Table 11 presents the results of a collinearity test, which is critical in assessing the relationships among independent variables in the context of a regression analysis regarding Export Trade Facilitation. The collinearity statistics displayed include the Tolerance and Variance Inflation Factor (VIF) for each predictor variable, which serve as indicators of multicollinearity - an essential concern when multiple independent variables may convey overlapping information.

In analyzing the Tolerance values, it is observed that the variables related to Documentation, Tariff classification, and Risk assessment exhibit relatively high tolerance levels, ranging from 0.743 to 0.824, suggesting these variables do not share excessive multicollinearity. Same vein, variables such

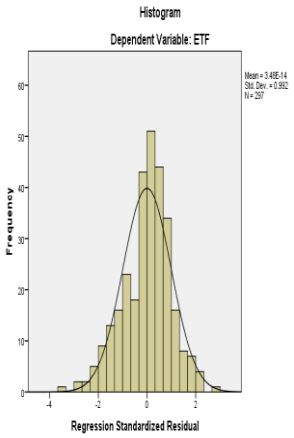
as Valuation and Staff competency present Tolerance values that are relatively lower, 0.642 and 0.591 respectively, which may indicate a low risk of multicollinearity, especially for Staff competency, which has the lowest tolerance and consequently the highest VIF of 1.691.

The VIF metric further corroborates these findings, as values exceeding 1 signify the degree to which multicollinearity is influencing the variance of the estimated regression coefficients. While the VIF values for Documentation, Tariff classification, and Risk assessment remain within acceptable limits (1.214, 1.346, and 1.247 respectively), the VIF of 1.691 for Staff competency implies that this variable could potentially distort the regression parameters. Therefore, careful consideration and potentially remedial measures should be adopted when interpreting the influence of the independent variables on the dependent variable, Export Trade Facilitation, to ensure valid and reliable conclusions can be drawn from the model.

4.4.2.2. Test of Normality

Table 12. Normality of Distribution Using Descriptive Statistics

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
Documentation	-.856	.141	-.024	.282
Tariff classification	-.865	.141	-.065	.282
Valuation	-.808	.141	-.484	.282
Risk assessment	-.204	.141	-1.369	.282
Staff competency	-.661	.141	-.672	.282
Trade Facilitation	-.579	.141	-.667	.282



Source: SPSS output, 2026

The test of normality is another assumption to be tested before running regression. The normal distribution is detected based on skewness and kurtosis statistics. As proposed by George and Mallery (2010), the acceptable range for normality for both statistics is between -2 and +2.

The following analysis, as depicted in table 12, examines the skewness and kurtosis statistics of six distinct categories: proper documentation, clear tariff classification, export goods' valuation, risk assessment, competent custom staff and export trade facilitation. The normal distribution is detected based on skewness and kurtosis statistics. Skewness is a measure of the asymmetry of a probability

distribution, whereas kurtosis indicates the "tailed-ness" of the distribution. In the presented data, the skewness values for all factors are negative, implying that the distribution of each factor leans towards the left. Specifically:

Tariff classification exhibits the most pronounced skewness at -0.865, suggesting a notable asymmetry towards lower values. This is closely followed by documentation at -0.856 and valuation at -0.808. On the other hand, risk assessment demonstrates a comparatively lower skewness of -0.204, indicating a more symmetric distribution relative to the others.

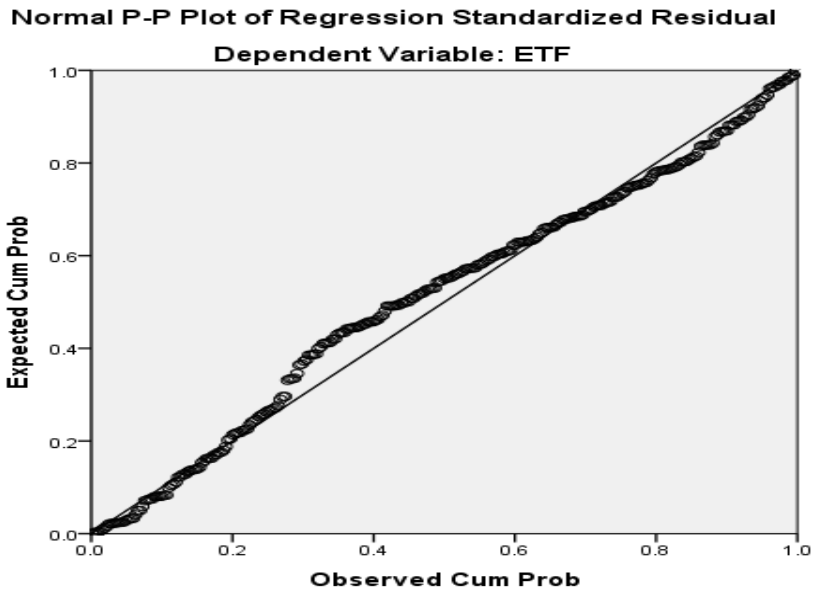
The kurtosis statistics further reveal interesting insights into the distribution's shape. The values indicate that all factors, except for documentation, possess near-zero kurtosis, signaling a distribution that is relatively close to the normal distribution. Risk assessment is notable for displaying a negative kurtosis of -1.369, which suggests a flatter distribution with lighter tails compared to a normal distribution. This may imply a reduced occurrence of extreme values in risk assessment-related data.

In conclusion, the analysis of skewness and kurtosis across different factors provides a comprehensive view of their distribution characteristics. The leftward skewness across all categories suggests a prevalence of lower values, while the kurtosis values indicate varying degrees of distribution shapes.

4.4.2.3. Linearity Test

Linearity is a critical assumption in regression analysis, positing that there exists a linear relationship between the dependent and independent variables. This assumption can be effectively evaluated through the use of scatterplots and residual plots, which depict the relationship between the residuals and either the predicted values of the dependent variable or one of the independent variables.

Figure 2: *Linearity Test*



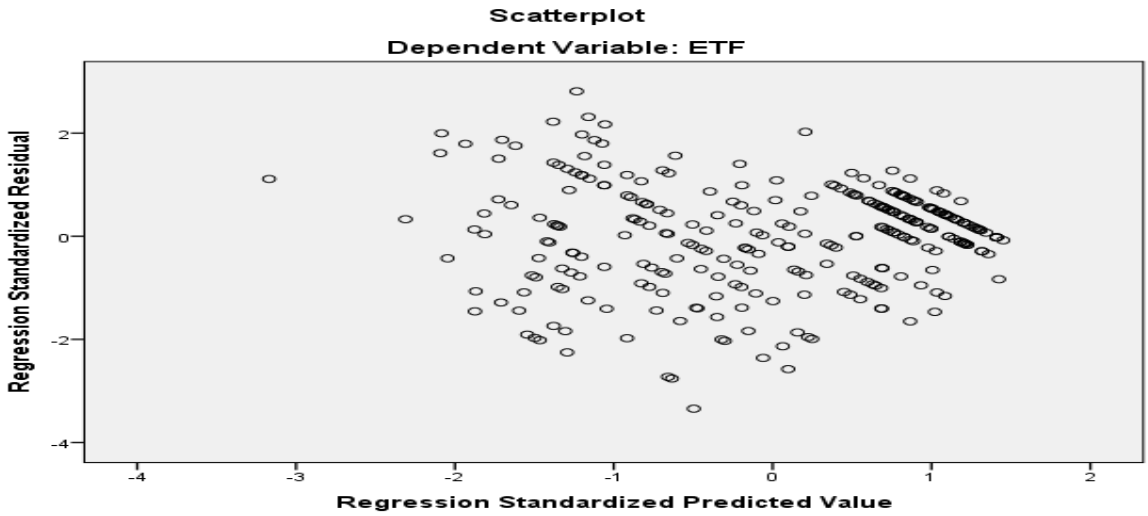
Source: SPSS output, 2026

In this analysis, the scatter plots of standardized residuals against the fitted values for the regression models is visually inspected, as illustrated in Figure 2. This visual inspection serves to confirm the linearity assumption, highlighting any potential deviations that may indicate non-linear relationships or issues with model fit. Proper adherence to this assumption is essential for ensuring the validity and reliability of the regression results.

4.4.2.4. Homoscedasticity Test

The graph has demonstrated homoscedasticity of the study. Using the plots of ZRESID against ZPRED, the researcher tried to check whether the graph looks like a random array of dots evenly dispersed around zero because the Testing for Homoscedasticity lies with an assumption in regression analysis that the residuals at each level of the predictor variable(s) have similar variances. This is to mean that at each point along any predictor variable, the spread of residuals should be fairly constant.

Figure 3: *Homoscedasticity Test*



Source: SPSS output, 2026

In figure 3, it shows that each of the five dimensions (the predictor variables) against the expected value (straight line). The plot in the same figure of the annexed plot shows that how the points are randomly and evenly dispersed throughout the plot. And, these patterns are indicatives of a situation in which the assumption of homoscedasticity have been met in whole the five factors against the export trade facilitation. This implies that the model intended for the prediction of export trade facilitation in terms of the five dimensions of customs clearance practices is more reliable.

4.4.3. Multiple Linear Regression Analysis

Multiple linear regressions were used to determine the explanatory power of the independent variables (documentation practice, tariff classification, valuation, risk assessment, and staff competency). The value of R indicates the value of the overall correlation coefficients between the independent and the dependent variable, with a range from 0.0 to 1.0, a larger value indicating a larger correlation, and 1.0 representing an equation that perfectly predicts the observed value.

Table 13. Model summary

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810[a]	.657	.651	.50535
a. Predictors: (Constant), CPT, RSK, VAL, TAR, DOC				
b. Dependent Variable: ETF				

Table 13 shows the model summary of the regression analysis, R=.810[a] indicates the linear combination of the five independent variables strongly predicted the export trade facilitation. Same vein, the value of the R-Square indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In other words, R^2 is a measure of how much of the variability in the outcome is accounted for by the predictors.

Therefore, the linear combination of independent variables predictors' i.e., custom clearance in terms of documentation practice, tariff classification, valuation, risk assessment, and staff competency factors explain 65.7% (R Squared = .657) of the variance in the export trade facilitation and the remaining 34.3% is explained by extraneous variables, which have not been included in this regression model.

Table 14. ANOVA (Analysis of Variance) Test

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	142.094	5	28.419	111.280	.000[b]
	Residual	74.316	291	.255		
	Total	216.410	296			
a. Predictors: (Constant), CPT, RSK, VAL, TAR, DOC						
b. Dependent Variable: ETF						

Source: SPSS output, 2026

The ANOVA test shows the overall significance/ acceptability of the model from a statistical perspective. The presented ANOVA test, Table 14, provides insights into the relationship between various predictors and the export trade facilitation. The regression model shows a total sum of squares of 142.094 attributed to the regression line, with a mean square value of 28.419 and a corresponding F-statistic of 111.280, indicating a highly significant model ($p < .001$). This suggests that the collective effect of the predictors – documentation practice, tariff classification, valuation, risk assessment, and staff competency – is significantly contributing to variations in trade facilitation. The residual sum of squares stands at 74.316, indicating the variability not explained by the model. Overall, these findings underscore the importance of the specified predictors (efficiency of customs clearance practices) in enhancing export trade facilitation; and the p-value < .001

assures the variation explained by the model is not due to chance. So, it shows that the acceptability of the model.

The results in Table 15 revealed that the relationship between dependent (Export Trade Facilitation) and independent variables (Customs Clearing Practices). Accordingly, it shows the constant beta value (β) and the p-value of the variables to examine the significance of the hypothesis. The significance level of each variable (P-value) for all independent (Documentation, Tariff classification, Valuation, Risk assessment, and Staff competency) variables is below 0.05, and their standardized coefficients are 0.137, 0.194, 0.255, 0.079, and .415 respectively.

Table 15. Regression analysis of independent and dependent variable

Coefficients [a]						
Model		Unstandardized Coeff.		Standardized Coeff.	t	Sig.
		β	Std. Error	Beta		
1	(Constant)	.370	.160		2.311	.022
	Documentation	.115	.032	.137	3.608	.000
	Tariff classification	.175	.036	.194	4.872	.000
	Valuation	.188	.032	.255	5.957	.000
	Risk assessment	.046	.022	.079	2.056	.041
	Staff competency	.382	.041	.415	9.297	.000
a. Dependent Variable: ETF						

Source: SPSS output, 2026

The p-value of all the independent variables below 0.05 implies that the independent variables listed under the factors affecting the performance of the on-time custom clearance have a significant relationship with the dependent variable. Same vein, the value of the standardized coefficient (Beta) value indicates the effect of each predictor on export trade facilitation.

In this study, the result of the Beta value of all the five predictors had a positive value, which indicates a positive effect. Therefore, the hypotheses for the five variables were confirmed as documentation, tariff classification, valuation, risk assessment, and staff competency showed a positive significant effect on trade facilitation. Based on these results, the regression equation that predicts the export trade facilitation based on performance of on-time custom clearance - the linear

combination of documentation, tariff classification, valuation, risk assessment, and staff competency is as follows:

$$\boldsymbol{ETF = 0.370 + 0.137\ DOC + 0.194\ TAR + 0.255\ VAL\ + 0.079\ RSK + 0.415\ CPT}$$

Where:

ETF – Export Trade Facilitation; DOC -Documentation; GOV – Tariff Classification; VAL - Valuation; RSK -Risk assessment; CPT – Staff Competency

The regression analyses show that all five dimensions of custom clearing practices namely documentation practice, tariff classification, valuation, risk assessment, and staff competency have positive and significant effect on export trade facilitation. Based on these findings, the interpretations are presented as follows:

- The constant term (B_0 = 0.370) illustrates the nil effect of documentation, tariff classification, valuation, risk assessment, and staff competency dimensions. That means, in a situation where all independent variables are zero, the export trade facilitation as a dependent variable is predicted to be 0.370.
- In a situation where other variables are constant, if documentation improves by one unit the performance of export trade facilitation is predicted to be increased by 0.137 units. This shows that documentation has a positive and significant effect on t export trade facilitation at $p < .05$. Thus, hypothesis 1 (H1a) is supported. This finding is in line with Anthony's (2016) study which concludes that proper documentation practice plays a significant role in the expedition of on-time custom clearing process results in facilitating export trade. Having well-designed documentation makes a difference in efficiently and effectively facilitating the custom clearing export trade.
- Keeping other variables constant, if tariff classification regarding export goods improves by one unit, the export trade facilitation is predicted to be increased by 0.194 units. This shows that tariff classification has a positive and significant effect on export trade facilitation at $p < .05$. Thus, hypothesis 2 (H1b) is supported. In support of this finding, a study by Altay (2018) argues that customs procedures can be problematic, potentially delaying the delivery of export goods. Export goods often lack a suitable legal framework as different countries have different law and regulations, hindering efficient customs clearance and poor

communication exacerbates delays in export trade. Thus, the way export goods are classified under tariffs can affect clearance times results in adversely affecting export trade as well.

- In conditions where other variables are constant, if the valuation factor increases by one unit, the export trade facilitation is predicted to be increased by 0.255 units. This shows that the valuation factor has a positive and significant effect on export trade facilitation at $p < .05$. Thus, hypothesis 3 (H1c) is also supported. Korpela (2016) also supported this finding for the fact that his study explains the level of clear goods valuation influences the coping capacity of custom clearance. During humanitarian crises, the efficient and timely clearance of export goods through customs is crucial. The valuation of these goods plays a significant role in determining the speed and effectiveness of customs which in turn determines the export trade.

- Keeping other variables constant, if risk assessment increases by one unit, the export trade facilitation is predicted to be increased by 0.079 units. This shows that risk assessment has a positive but nearly negligible significant effect on export trade facilitation at $p < .05$. Thus, hypothesis 4 (H1d) is supported. Contrary to these findings, Kunz and Reiner (2019) also affirmed that an effective and timely exportation of goods could generate substantial foreign revenues. However, balancing security concerns with timely clearance ensures compliance with regulations. This in turn highly affects the coordination and collaboration of export trade across boarders due to smuggling of weapons and drugs.

- Keeping other variables also constant, if staff competency increases by one unit, the performance of export trade facilitation is predicted to be increased by 0.415 units. This shows that competent staff has a positive and significant effect on export trade facilitation at $p < .05$. Thus, hypothesis 5 (H1e) is also supported. In support of this finding, Guven and Ergen (2017), who attempted to identify the competency of custom clearing agents for export trade facilitation in China, concluded that improved sufficiency of customs process, along with the competency of staff, highly affect the facilitation of export trade.

Finally, referring to the inferential analyses, all five objectives of the study were addressed by testing the proposed hypotheses through the application of the multiple linear regression model. The results indicate the identified five dimensions of customs clearance at Kality Customs office are good predictors of export trade facilitation in Addis Ababa. That means, using well-established

measurement scales, the effects of documentation practice, tariff classification, valuation, risk assessment, and staff competency on the effectiveness of export trade facilitation.

The results reported here demonstrate the effectiveness of documentation practice, tariff classification; valuation, risk assessment, and staff competency contribute to the enhancement of the export trade. Thus, the test results of the proposed hypotheses are summarized as shown in Table 16.

Table 16. Summary of the proposed hypotheses

Code	Proposed Hypothesis	Results	Decision
H1a	Documentation has a positive and significant effect on export trade facilitation.	Beta = 137 at $p < .05$	Supported
H1b	Tariff classification has a positive and significant effect on export trade facilitation.	Beta = .194 at $p < .05$	Supported
H1c	Valuation has a positive and significant effect on export trade facilitation.	Beta = .255 at $p < .05$	Supported
H1d	Risk assessment has a positive and significant effect on export trade facilitation.	Beta = .079 at $p < .05$	Supported
H1e	Staff competency has a positive and significant effect on export trade facilitation.	Beta = .415 at $p < .05$	Supported

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the major findings of the study, conclusions, and recommendations.

5.1. Summary of Major Findings

Based on the results of the analyses, the following major findings were drawn and summaries as follows. The major findings are:

1st objective – the effect of documentation on export trade facilitation

- Regarding the clarity of documentation requirements (Mean = 4.22), the majority of the respondents find the documentation standards straightforward and understandable, suggesting effective communication of requirements.
- Timely dissemination of updated documentation requirements (Mean = 3.59) suggests a potential area for improvement, emphasizing the need for systematic updates and proactive communication to enhance exporters' preparedness.
- A positive and moderate association between documentation practice and export trade facilitation is observed ($r = .432$, $p < .05$). Nonetheless, preceded by risk assessment, the documentation practice has the least effect ($B = .137$ at $p < .05$).

2nd objective – the effect of tariff classification on export trade facilitation

- Straightforward application of the tariff classification system provides a broad consensus on the user-friendly interface that enhances compliance and understanding among stakeholders (Mean = 4.26). But, regular updates to reflect changes in trade policies points to a significant concern regarding the system's responsiveness to dynamic export trade environments (Mean = 3.43).
- The tariff classification has a positive and strong relationship with ($r = .537$, $p < .05$) as well as a high effect on export trade facilitation as the coefficient (B) was found 0.194 at $p < .05$. These factors also contribute to on-time custom clearance of export goods.

3rd objective – the effect of valuation on export trade facilitation

- Regarding the valuation methods (Mean = 4.21), the respondents show strong agreement on the importance of maintaining up-to-date practices. Similarly, the Mean score of 4.11 is perceived

as instrumental in enhancing process efficiency, though with less consensus among respondents.

- Inefficiency of customs clearance practices in minimizing disputes and discrepancies (Mean = 3.57) points to recognition of inherent challenges in customs processes.
- Next to staff competency, custom valuation has also a high effect on export trade facilitation (B = 0.255, $p < .05$) as a positive and strong relationship between them was observed ($r = 0.632$, $p < .05$).

4th objective – the effect of risk assessment on export trade facilitation

- The respondents acknowledged the presence of effective communication practices in disseminating essential information (Mean = 3.74). However, a significant dissatisfaction or concern about the adaptability and responsiveness to evolving risks is observed.
- Risk assessment exhibited moderate association with ($r = 0.411$, $p < .05$) and the relatively the least effect ($B = 0.079$, $p < .05$) on export trade facilitation.

5th objective – the effect of staff competency on export trade facilitation

- Effective communication skills among staff expedite clearance (Mean 4.31), and staff morale and motivation play a significant role in overall efficiency (mean 3.45).
- In the study, staff competency has relatively the strongest association ($r = 0.721$) as well as relatively the highest contribution to export trade facilitation ($B = 0.415$).

5.2. Conclusions

In view of the problems facing the export sector in Ethiopia, the importance of efficient and timely customs clearing cannot be understated since it plays a crucial role in keeping a competitive edge in international business. However, considering the intricacies associated with customs clearing procedures together with the variety of players engaged in cross-bor

der trade, the study aimed to evaluate the impact of various customs clearing factors on export trade facilitation based on empirical evidence from Kality Custom Office in Addis Ababa, Ethiopia.

As the analysis demonstrates, documentation has an enormous impact on customs clearance practices and thus facilitating export trade. By preparing appropriate and complete documentation, traders will not only increase efficiency in dealing with customs officials but also reduce the

probability of encountering delays that might prevent exports from moving through customs offices in time. Furthermore, it is worth noting that a proper classification of goods in relation to the relevant tariffs could help streamline the process of customs clearing, ensuring that exporters adhere to the rules and thus speed up their interaction with authorities.

Additionally, as shown by the findings of the analysis, the valuation of export goods has a substantial influence on customs clearance performance. As the value increases, so does the speed of customs clearing because the higher the value, the greater the pressure to move through customs quickly. Therefore, traders should ensure that they declare valuation accurately, enabling them to speed up customs clearing. Moreover, although risk assessment had a marginal impact on the effectiveness of the process under review, it was a necessary measure. To ensure that customs officials do not overestimate the level of security risks associated with exports and thus delay the process, collaborative efforts were recommended to be taken between exporters and customs officials to adjust procedures accordingly.

Last but not least, the competency of customs officers has been found to play a critical role in customs clearance performance, implying that traders should strive to work alongside competent and highly-skilled customs personnel when dealing with their shipments. For that reason, customs clearing agencies should make a concerted effort to ensure that custom officers undergo training to develop skills necessary for efficient work. Overall, the analysis shows that effective customs clearing factors have a great impact on export trade facilitation at the Kality Customs Office in Addis Ababa.

5.3. Recommendations

Based on the major findings and conclusions, the following possible recommendations are suggested:

- While the clarity of documentation requirements is well-acknowledged, it is imperative to reinforce this effectiveness by implementing supplementary training programs for exporters, ensuring they fully understand the documentation process and its implications.
- Additionally, the timely dissemination of updated documentation highlights an urgent need for a systematic approach to communications; establishing a robust notification system, possibly through automated alerts via email or a dedicated portal, would greatly enhance exporters' preparedness to comply with changing requirements.

- Despite the user-friendliness of the tariff classification system reflects its effectiveness, it is recommended to institute regular intervals for reviewing and updating the tariff classification criteria to ensure alignment with current trade policies and practices. The custom offices should standardize these practices across all sectors, paired with periodic workshops aimed at enhancing stakeholders' understanding and adaptation to best practices.
- Moreover, the prevalent inefficiency highlighted in customs clearing practices signifies a need to streamline these processes. Establishing more collaborative frameworks between customs officials and exporters could alleviate disputes and discrepancies.
- While effective communication practices were positively acknowledged, the apparent dissatisfaction regarding adaptability indicates a need for developing a more agile communication strategy that quickly addresses emerging risks and fosters a culture of responsiveness among customs officials.
- Finally, given the strong support for effective communication skills among staff, it would be beneficial to invest in ongoing training and professional development aimed at enhancing these skills further. Coupled with initiatives designed to boost overall staff morale, these efforts would not only expedite the clearance process but also contribute to a more cohesive and motivated workforce better equipped to meet the challenges of the evolving export landscape.

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Appendix

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

Survey Questionnaire to be filled by Exporters (Owners, Managers, Agent, or Transiter)

Dear Respondent,

My name is Amdemariam Hagos, postgraduate student of Addis Ababa University, Addis Ababa, Ethiopia. I am writing to accompany the enclosed questionnaire, which aims to investigate the effects of custom clearing practices specifically documentation practices, tariff classification, valuation methods, risk assessment, and employee competency, on export trade facilitation at the Kality Custom Office in Addis Ababa. With the rise of globalization and the increasing complexity of international trade, understanding how these variables influence export processes is crucial for enhancing efficiency and compliance. The insights gained from your participation will contribute significantly to the body of knowledge in this field and provide valuable recommendations for improving customs procedures. Your expertise and experiences are invaluable, and I appreciate your willingness to contribute to this important research endeavor. Thank you for your consideration.

Thank you in advance for your cooperation and timely response.

Sincerely,

Amdemariam Hagos

Postgraduate Student of Addis Ababa University

Mobile: 0913728309

e - mail: amdemariam12@gmail.com

General Information

Your Participation is Voluntary

Do not write your name on the Questionnaire

I. Demographic Profile of Respondents

Direction: The following statements are about your personal information. Please write the necessary information in the blank space provided and, in the optional items, indicate your answer by putting an "x" mark in the box.

1. Sex ☐ Male ☐ Female

2. Age (Years) ☐ 21 – 30 ☐ 31 – 40 ☐ 41 – 50 ☐ 51 – 60

3. Education ☐ Certificate ☐ Diploma ☐ Degree ☐ Masters +
☐ Other, please specify.....

4. Export Sector ☐ Agriculture (Fruits and Vegetables)
☐ Textile
☐ Coffee and Grains
☐ Industrial products (Leather, Gold, Gemstone, etc.)
☐ Others, please specify _____

5. Position ☐ Owner ☐ Manager ☐ Agent ☐ Transiter

6. Service (year) ☐ 1- 5 ☐ 6 - 10 ☐ above 10

Part – II Questions related to custom clearance practices and export trade facilitation

Kindly rate the following statements below as to the extent to which you agreed or disagreed with the statements described under each attribute based on your perception. Using a scale of 1 up to 5, tick in the appropriate box as to the extent of your agreement or disagreement with the statements given. Where: Scale 1= strongly disagreed; 2= disagreed; 3= Neither agreed nor disagreed; 4= agreed; 5= strongly agreed.

Dimension	Statement	1	2	3	4	5
Documentation Practices	The documentation requirements for customs clearance are clear and easy to understand.					
	The process of submitting documentation is efficient.					
	The documentation practices reduce delays in customs clearance.					
	The documentation requirements are regularly updated to reflect current regulations.					
	The documentation process is user-friendly and accessible.					
Tariff Classification	The tariff classification system is straightforward and easy to apply.					
	The tariff classification process is consistent and reliable.					
	The tariff classification helps in accurate duty calculation.					
	The tariff classification guidelines are clear and comprehensive.					
	The tariff classification system is regularly updated to reflect changes in trade policies.					
Valuation Methods	The methods used for customs valuation are transparent.					
	The valuation methods are fair and consistent.					
	The valuation methods minimize disputes and discrepancies.					
	The valuation methods are well-documented and accessible.					

	The valuation methods are regularly reviewed and updated.					
Risk Assessment	The risk assessment procedures are effective in identifying high-risk shipments.					
	The risk assessment process speeds up the clearance of low-risk shipments.					
	The risk assessment criteria are clear and well-communicated.					
	The risk assessment procedures are regularly updated to reflect current threats.					
	The risk assessment process is transparent and fair					
Employee Competency	Customs employees are knowledgeable about clearance procedures.					
	Customs employees provide helpful and accurate information.					
	The competency of customs employees enhances the efficiency of the clearance process.					
	Customs employees are regularly trained to keep up with current regulations.					
	Customs employees demonstrate professionalism in their interactions.					
Export Trade Facilitation	The speed of customs clearance meets my expectations.					
	Information about customs clearance is readily available.					
	The communication channels with customs are reliable.					
	Customs officials respond promptly to inquiries.					
	Customs officials are cooperative in resolving issues.					

Thank you for your valuable time!