UNIVERSITY OF GHANA

THE IMPACT OF GATEWAY SERVICES LTD. AND GHANA LINK NETWORK SERVICES LTD. ON THE INSPECTION OF IMPORTED CARGOES AT THE PORT OF TEMA

BY

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THIS DISSERTATION IS SUBMITTED TO UNIVERSITY OF GHANA, LEGON IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTER OF ARTS DEGREE IN PORT AND SHIPPING ADMINISTRATION.

AUGUST, 2006.
DECLARATION

I herein declare that this dissertation is entirely the result of my own research work under the supervision of and Mrs. Joana Botchway and Dr. Kwadwo Kwabia. All references cited in this work have been fully acknowledged. However, I am solely responsible for any shortcomings and fault about the work which might warrant any criticism.

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DEDICATION

I dedicate this work to my parents, Mr. and Mrs. Essah, Mrs. Frances Nunekpeku Essah and Stephanie Seyram Essah for their love, prayers and encouragement. They provided all what it takes for a successful completion of this work. Not only were they helpful during the time of this research but through the period of my academic pursuit. It is my fervent prayer that all they have parted with in assisting me be multiplied in a thousand fold. I pray also that they live to enjoy the fruit of their toil.
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ABSTRACT

The issue of inspection of imports has become a topic of discussion in recent times. While some group of the shipping community think the inspection time of imports has remained the same since the pre-shipment era up to date, others think that the introduction of the Destination Inspection Scheme (DIS) has improved the inspection time of imports as well as protect more revenue due the government of Ghana.

With information from 55 respondents from the port of Tema, the study purported to find out the impact of destination inspection on the inspection time of commercial imports as well as on revenue protection. The focus was based on Gateway Services Ltd (GSL) and the Ghana Link Network Services Ltd (GLNS). GSL and GLNS are the destination inspection service providers. The respondents for this research were made up of importers and agents, officials of Ghana Ports and Harbours Authority (GPHA), staff of GSL and GLNS and Customs, Excise and Preventive Service (CEPS).

The study results show that the inspection time of imports has improved from 3 to 4 weeks to about 1 to 2 weeks. Final Classification and Valuation Report are generated within one week at GSL and GLNS. The study again shows that the introduction of the scanner machines as part of the destination inspection scheme has improved the inspection time of imports as well as protected revenue for the government.

Importers and agents give incorrect invoice values and in most cases give wrong description of the imports in attempt to evade appropriate import tariff at the port of Tema. As a result about 75% of all declarations made by importers and agents are not correct.
This study recommends that the employees of GSL and GLNS should be given training at least once in every year in order to improve the service delivery of GSL and GLNS. There should also be a conscious effort by the management of GSL and GLNS to educate importers and agents on the impact of submitting correct information for inspection at GSL and GLNS. Again, the study recommends that the provision of stand-by generators should be made by the management of GSL and GLNS in order to achieve seamless inspection of containers.
CHAPTER ONE: INTRODUCTION

This chapter discusses the background of the study, that is, the pre-shipment inspection era and the introduction of destination inspection scheme in Ghana, the problem statement, objectives, hypothesis, justification, the scope, methodology, limitation and operational definitions.

1.1: Background Information

In 1972, Ghana introduced a pre-shipment Inspection Scheme (PSI) on Ghana’s Commercial imports, essentially to check capital flight. The PSI was used to explain all activities relating to verification of the quality and quantity, the price, currency exchange rate, financial terms, and / or customs classification of goods to be imported. The main objectives of the PSI were to:

- Carry out physical inspection on the imported goods in order to ensure that they conformed to the terms of the contract.
- Verify prices and ensure that goods are classified by the exporter under the correct tariff classification.
- Prevent flight of capital through over-invoicing.
- Prevent slippage of customs revenues as a result of undervaluation or deliberate misclassification by traders of goods to be imported under low-duty headings.

The physical inspection of goods was to ensure that prices indicated by the exporter in the invoice reflected the true value of the goods. This helps to minimize or eliminate under-invoicing or over-invoicing. Physical inspection assured importers that the goods they have ordered meet contractual specifications and quality standards, thereby reducing possibilities for dispute after the goods had arrived at the port of destination. Physical
inspection also prevented the import of products that are considered harmful to health, and, therefore, could not be sold in the exporting countries.

In Ghana, physical inspection and price verification of almost all goods prior to exportation was obligatory for imports to be permitted. After practicing PSI for 30 years, a number of problems were identified. One was the delay associated with physical inspection of export prior to shipment. On the average, it took between 4-6 weeks before goods were inspected. Regular interventions by CEPS identified some containers that came to the port of Tema not inspected at all. Another problem was the slippage of customs revenue as a result of undervaluation or deliberate misclassification by importers. Customs revenue losses were due to inadequate assessing and verifying measures. There was the difficulty of knowing the actual price and value of the goods imported as there was no effective means of communicating with the exporting countries.

With a view to positioning the country as the commercial and maritime hub of the West African sub-region, the PSI scheme was replaced with the Destination Inspection Scheme (DIS) with a view to:

- Facilitate trade.
- Improve the collection of government revenue through effective assessment of dutiable values and tariff classification.
- Protect the Ghanaian consumer from illegal importation of prohibited or inferior/shoddy goods
- Ensure a focused approach to examination of goods by limiting physical examination to only high-risk consignments and random inspection by CEPS of other goods.
In order to achieve the above objectives, the DIS involved the following three different but integrated approaches:

1. The Transaction Price Database (TPD) to assist CEPS analyze declared values of imports accurately and timely, based on transaction value and appropriate tariff classification. One significant element of the DIS is the network of overseas offices/affiliates called Issuing units/centers of External Relations which helps the DIC in the determination of prices paid or payable for commercial imports into Ghana.

2. Computerized Risk Management System (CRMS) to determine the risk level of each consignment as to whether it can be cleared through the “green channel” “yellow channel” or “red channel”.

   - The Green Channel goods are allowed to go through the appropriate customs clearance points without physical examination. However, at the discretion of CEPS, Random Physical Checks (RPCs) up to 5% may be performed on the risk goods.

   - The yellow channels goods are meant for scanning. These containerized goods are subject to checks when the analysis of the scanned image detects a possible discrepancy. Physical examination is done to ascertain the type and nature of the discrepancy (or incorrect declaration).

   - The red channel goods are high risk sensitive goods determined by the CRMS, based on historical data, intelligence information or mandatory requirements. These goods are physically examined by CEPS or Ghana Standards Board (GSB) as appropriate.
• The risk assessment is conducted by the destination inspection companies. The CRMS thus assists customs to properly assess the needs for CEPS to physically examine each and every consignment of goods imported into the country by applying the concept of selectivity of consignment based on levels of risk.

3. Container Scanning System is another approach adopted under the DIS. It enables CEPS to make quick and reliable decisions to either detain or release a container without opening it to confirm its contents. This helps to reduce the dwell time of containers at the port and assists in providing the necessary security by detecting possible illegal importation of arms and ammunition as well as illegal drugs.

In the year 2000, the Government of Ghana appointed GSBV Company Limited (now known as BIVAC International Ghana Limited) and Gateway Services Limited (GSL) to be responsible for the implementation of the scheme. In 2003, two other companies namely Ghana Link Network Service Limited (GLNS) and Inspection and Control Services Limited (ICS) were added to participate in the scheme to further enhance the Gateway Concept.

1.2: The Problem Statement

In spite of the increase of Destination Inspection Companies (DICs) from two (2) to four (4) to facilitate trade and reduce the dwell time of containers at the port, the shipping community still complain about undue delay in the inspection of goods (Daily Graphic 2006: 29). Some of the complaints by importers include delays resulting from cumbersome procedures and processes in getting goods inspected. They also complain of long list of taxes and charges on imports whose cumulative effect has made clearing of imports expensive. Again, they complain about the 1% of the values of imported goods
that they pay as inspection fee to the DICs. Many importers are, therefore, not happy because the problems of cumbersome procedures and processes in getting goods inspected have not been solved by the adoption of the DICs. It seems to many of them that the objectives for setting up DIC have not been achieved. Hence, this study is meant to look into the impact of these DIC(s) on imported cargoes at the Port of Tema.

The study involves two of the destination inspection companies (that is Gateway Services Limited and Ghana Link Network Services Limited) who own about 60% of the inspection: GSL own 40% of the inspection while GLNS 20%. The geographical distribution of areas of operation of Ghana Destination Inspection Agencies is shown in appendix III.

1.3: Objectives of the study

The objectives of the study include the following:

- Finding out the impact of GSL and GLNS on the inspection/examination time of imports.
- Assessing their impact on revenue protection.
- Making suggestions and recommendations to improve the service delivery of GSL and GLNS and their role in revenue protection.

1.4: Hypothesis

The research was designed to test these hypotheses:

1. The activities of GSL and GLNS have improved the inspection/examination time of imports.
The problems associated with cargo inspection may be blame able on factors other than those of GSL and GLNS making.

The activities of GSL and GLNS have enhanced revenue protection.

1.5: Justification of the study

A successful completion of this research work would produce the following results:

- Benefits for using the container scanning machines.
- Knowledge about the activities of GSL and GLNS that need to be improved in order to achieve fast inspection time of imported cargoes.
- Provide suggestions from the shipping community such as importers and agents, CEPS and GPHA that might help improve the service delivery of GSL and GLNS.

1.6: The scope of the study

The study concentrates on the activities of the Destination Inspection Companies located at Tema port. It is limited to the impact of two of the DICs (namely GSL and GLNS) on the inspection/examination time and revenue protection. Importers and clearing agents, personnel of CEPS and Ghana ports and Harbours Authority (GPHA) who are directly linked to the inspection of commercial imports at the port are also included in the scope.
1.7: Methodology

The data for the research were obtained from both secondary and primary sources. The secondary data were obtained from journals and magazines published by the Destination Inspection Companies, World customs organizations (WCO), News papers and Ghana ports Handbooks. The primary data were obtained from staffs of GSL and GLNS, customs officials, Ghana ports and Habours Authority officials and Clearing Agents and importers.

Personal interview was also used to gather additional information from CEPS and two DICs officials. The researcher used them to gain direct knowledge about the activities of DICs and the other officials at the port of Tema.

The population consisted of CEPS, Importers and Clearing Agents, GPHA and DICs officials. Fifty-five (55) questionnaires were administered: GSL (10), GLNS (10), importers and clearing Agents (20), GPHA (5), and CEPS (10).

The purposive sampling technique was used to select the twenty (20) officers. The same sampling technique was used to select CEPS and GPHA officers. In the case of GPHA, one port operations coordinator, one public relations manager, one claims officer and two shed managers were contacted. I wrote a letter to GPHA about my intended purpose of research and I was directed to the above mentioned officers.

The accidental sampling technique was used to gather information from the importers and clearing agents because it was difficult to meet them. Hence those who were found at the head offices of GSL and GLNS in the transaction of their business were selected and interviewed with the questionnaire.
Questionnaires were used to gather the data from the above mentioned target groups. Four separate questionnaires were administered and directed to each of the companies directly involved in Destination Inspection namely GSL and GLNS, Importers and cleaning Agents, GPHA, and CEPS.

The different questionnaires addressed questions that dealt with specific operation of each of the four groups.

The administration of the questionnaires was carried out by the researcher himself. He briefed those selected for the study on how to answer the questions in the questionnaires. The questionnaires for importers and agents were filled on the spot by them and collected instantly. The separate questionnaires for GSL, GLNS, GPHA and CEPS officers were left with them for a week. Follow-up visits were made to collect the completed questionnaires. This was to ensure a high return of the completed questionnaires. Consequently, 100% of the questionnaires administered were retrieved.

The returned questionnaires were edited and errors, omissions and inconsistencies corrected. The data was analysed using descriptive statistical tools. The descriptive tools included frequency table and measures of central tendencies. The qualitative data collected through interviews were classified and compared to gain insight from them.

1.8: Operational Definitions

The meaning of some terms used in this and subsequent Chapters of the research are summarised as follows:

- Cleared Imports: imports get into the hand of the actual importer or agent
- Destination Inspection: Inspection of imports at the port of clearance.
• Discrepancy: Differences in import declaration. For instance, if the consignment found in the container is different from what is declared by the importer or his/her representative, then we have what is called discrepancy in the declaration made.

• Inspection Time of Imports: Starts from the time imports declarations are made by importers and agents to the generation of FCVR and scanning of imports by DICs namely GSL and GLNS.

• Pre-shipment: Inspection of imports prior to shipment (i.e. at the port of origin or exportation).

• Re-valuation: Reassessing the cost of goods to reflect the actual price on the world market.

• Re-classification: putting the imported goods under the right categories to attract the appropriate import duties.

• Re-valuation and Re-classification: These are collectively called intervention made by GSL and GLNS.

1.9: Limitations of the study

The limitations were of varied types. The first was in regard to the number of respondents from each separate group. The study focused on only GSL and GLNS and this restricted the number of respondents to be interviewed. The small size of respondents from GPHA and CEPS used affected the ability to generalize with the result. There were only five (5) personnel from GPHA, ten (10) from CEPS officials who were allowed to be interviewed by their management.
The destination companies considered the competitive nature of the market and were reluctant to provide adequate information on the interventions made by them. Even with the assurance of confidentiality it was not easy to most of them about the neutrality of the information they provided. The precision of the outcome could, thus, be affected. Finally, financial constraint in the part of the researcher was another major limitation to the study. Funds for the research were almost entirely from personal coffers even though friends and family members assisted. This seriously restricted a thorough work.

In spite of the above mentioned limitations, it is the researcher's view that the study has contributed to closing the knowledge gap on the impact of GSL and GLNS on the inspection time of imports and on revenue protection at the port at Tema.

1.10: Organisation of the study

Chapter one consisted of the background of the study, thus the pre-shipment inspection era and the introduction of the destination inspection scheme in Ghana. The problem statement, the objectives of the study, justification of the study, hypotheses tested and the scope of the study are found in this chapter. Furthermore, the methodology, limitation and operational definitions used in the text are enumerated in this chapter.

In chapter two, emphasis was laid on the Destination Inspection background, Destination Inspection procedures and documentation in Tanzania, Nigeria and Ghana, benefits of DIS, the scanner machines at Tema port and problems identified under the DIS in Ghana. The presentation and findings of the field data were done in chapter three.

Chapter four considered the major findings from the research and recommendations to improve the service delivery of GSL and GLNS and to protect more revenue due the government.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the background and components of Destination Inspection Scheme (DIS), Destination Inspection (DI) procedures and documentation requirements in (Tanzania, Nigeria and Ghana), Benefits of DIS, scanner machines at the port of Tema and problems associated with DIS.

2.2 Destination Inspection Background

The DIS is now implemented by many countries worldwide because of the following reasons:

- general increase in trade volumes worldwide,
- significant increase in illegal trafficking of goods and people,
- the World Trade Organization (WTO) Agreement and the Kyoto Protocol both place more emphasis on simplification and harmonization of customs procedures to effectively contribute to the development legitimate international trade,
- greater use of ‘containerization’ to transport cargo,
- improvements in telecommunications,
- immediate access to vast quantities of computerized information, and
- application of scanning technology in customs environment.

The DIS has many components. The components include

- documentation (that is completion and submission of import declaration forms)
• valuation or classification which provides price information on similar or identical transactions

• Computerized Risk Management (CRM) which determines the degree of risk associated with a specific transaction resulting in their being classified into high, medium and low risk consignments.

• systems integration and communication

• x-ray scanning of fully laden containers providing a non-intrusive means of controlling imported cargo. The system allows quick and reliable detection of discrepancies between the importers’ declarations and the content of the container without having to carry out physical inspection

• Goods are subjected to full physical inspection whenever a discrepancy is detected during the scanning of containers.

• capacity building through intensive training and working in partnership with customs

• reporting

2.3 Destination Inspection Procedures and Documentation Requirements in Tanzania, Nigeria and Ghana.

Tanzania, Nigeria and Ghana were among the few countries which have successfully replaced the Pre-shipment era with the Destination Inspection Scheme. However, it is important to mention that these countries have their
unique procedures and requirements for implementing the DIS. Subsequent paragraphs will enumerate how the scheme is run in each of these countries.

2.3.1 Destination Inspection Scheme in Tanzania

In Tanzania, a new DIS effectively replaced the Pre-shipment Inspection Scheme (PSI) on 1st July, 2004.

The main objective of introducing DIS in Tanzania was to facilitate trade while maximizing customs revenue collection. To achieve this, the Tanzania Revenue Authority (TRA) contracted COTECNA/TISCAN to provide a combination of tools and services including

- one mobile x-ray scanner for the port of Dar-es-Salaam.
- a Computerized Risk Management System (CRMS) that recommends the level of physical intervention by TRA/customs on all imports.
- Customs Valuation and Tanzania Classification Services.
- assessment of duties and taxes payable.
- issuance of Final Classification and Valuation Reports (FCVR), Single Bills of Entry (SBE), Declared Classification and Valuation Reports, Import Declaration Forms (IDFs) with a Free on Board (FOB) value below USD 5000 are subject to Valuation, Classification and CRM (Risk Assessment) services by TISCAN Ltd. Importers are issued with Declared Classification and Valuation Reports (DCVR). All IDFs with an FOB value above USD 5000 become subject to valuation and classification services by the COTECNA issuing units and CRMS (Risk Assessment).
Assessment) by TISCAN Ltd. Importers are issued with a Provisional Classification and Valuation Report (PCVR); then a Final Classification and Valuation Report (FCVR) and a Single Bill of Entry (SBE).

Imports subject to the DIS in Tanzania incur an Import Declaration Forms processing fee of 1.2% of the declared FOB value to be paid through commercial banks for onward transmission to COTECNA/TISCAN.

All imports to Tanzania are subject to the DIS except the following:

- golf, precious stones, precious metals, object of arts, explosives and pyrotechnic products, implements of war, ammunition, weapons, live animals; fresh, chilled or frozen fruits and vegetables, fish or meat or eggs, scrap metals, current newspapers and periodicals, household and personal effects including used cars for returning residents.
- commercial samples and goods returned to the country after repairs.
- supplies imported for the use of diplomatic missions, international organization to which Tanzania is a member.
- goods entered for transit.
- goods imported by parcel post or express courier provided they do not exceed USD 5000 per individual consignment.

The following are the processes importers go through under the DIS in Tanzania:

- importers submit all IDF to commercial banks, showing information and data on their forthcoming import transactions, along with pro-forma invoice.
• Importers are requested to submit their IDFs at least 10 working days prior to the goods’ arrival into Tanzania to avoid delays.

• COTECNA/TISCAN (a registered subsidiary of COTECNA in Tanzania) collects those IDFs from commercial banks on a daily basis.

• COTECNA/TISCAN issues and submits orders to the COTECNA offices in charge of the respective countries of exports.

• COTECNA carries out a price analysis to determine the dutiable value of the goods in accordance with the Agreements on Customs Valuation (ACV) as well as customs tariff classification. This information is electronically transmitted to COTECNA/TISCAN in Tanzania.

• In turn, COTECNA/TISCAN issues a Provisional Classification and Valuation Report (PCVR) to provide the importer with an opportunity to appeal. Importers sign and return the PVCR to COTECNA/TISCAN.

• COTECNA/TISCAN then drafts and issues a Final Classification and Valuation Report (FCVR) and a Single Bill of Entry to importers which are both mandatory documents for customs clearance in Tanzania.

• For IDFs below USD 5000 FOB, COTECNA/TISCAN performs valuation and classification services locally and issues a Declared Valuation and Classification Report (DVCR) to importers.

• All shipments (to Tanzania) are subject to the COTECNA/TISCAN Computerized Risk Management System (CRMS) which automatically computes a level of physical intervention to be performed by customs. This recommended level of intervention is indicated on all FCVR, SBE
and DCVR. This ranges from ‘Fast Track Release’ (documentary check only with no inspection), X-ray scanning or physical examination.

Reference: www.cotecna.com

2.3.2: Destination Inspection in Nigeria

The government of the Federal Republic of Nigeria abolished Pre-shipment Inspection (PSI) scheme for imports to Nigeria and, in its place, introduced DIS for imports with effect from 1st January, 2006. The decision on the DIS in Nigeria was part of Government’s comprehensive Reform Program to achieve the following:

- strengthen and modernize the import sector
- facilitate trade
- to return the Nigerian Customs Sector (NCS) to its statutory responsibility which had been crippled by the regime of PSI of imports.
- to support the ASYCUDA system and provide scanning services while the NCS continues to be strengthened to perform its functions.

The scheme took off from its pilot base at Apapa and Tin Can Island Seaports with the upgrading of ASYCUDA 2.7 and migration to ASYCUDA ++, electronic processing of ‘Form M’ and generation of Risk Assessment Reports (RARs) on imports.

In order to achieve the above mentioned targets, the following guidelines and documentation requirements were put in place with effect from 1st of January, 2006:

- Any person intending to import physical goods into Nigeria must in the first instance process Form ‘M’ through any authorized dealer bank irrespective of the value and whether or not payment is involved.
• The Form ‘M’ has a validity period of six months for all imports except plants and machinery the validity period of which is extended to one year.

• All applicants for goods subject to DI in Nigeria must carry ‘CB’ in the prefix of the numbering system of the Form ‘M’. The list of goods exempted from DI must be approved by the Minister of Finance and the approval must be a pre-condition for the completion of Form ‘M’ exempted from DI.

• The Form ‘M’ and relevant pro-forma invoice (which have a validity period of three months) must carry a proper description of the goods to be imported to facilitate price verification, viz
  a. Generic product
  b. Mark or brand name of the product where applicable
  c. Model name and or model or reference number where applicable
  d. Description of the quality, grade, specification, capacity, size, quantity and
  e. Packaging and or packing.

• Documents in respect of each import transaction must carry the name of the product, country of origin, specifications, date of manufacture, batch or lot number, standards to which the goods have been produced (e.g. NIS, British Standards, ISO)

• Imports such as food, drinks, cosmetics, drugs, medical devices and chemicals must be accompanied by expiry dates or the shelf life and specify the active ingredients.

• Electrical appliance (florescent lamp, electric bulbs, electric irons and ties) must be accompanied by information on life performance while cables must be accompanied
by information on the ratings. All electronic equipment and instruments must be accompanied by:

(a) instruction manual.

(b) safety information and/or safety signs.

(c) a guaranty/warranty of at least six months.

- Any wrong or fraudulent representation of facts will result in delays and/or seizures. Again, the importation of blank product and/or without valid form ‘M’ shall automatically qualify for seizure and destruction without warning.

Besides, there are authorized dealer banks in Nigeria which ensure that the form ‘M’ is duly completed and the relevant documents that are to accompany the completed form ‘M’ are actually provided. The dealer banks are expected to carry out proper Know – Your – Customer (K.Y.C) and be satisfied that all the relevant documents being forwarded are genuine. The authorized dealers are to confirm acceptance or rejection of the form ‘M’ before any action on the transaction is initiated. The completed and approved form ‘M’ is submitted to the Scanning and Risk Assessment Provider in Lagos not later than five (5) working days after date of approval.

The importer’s responsibilities under the DIS of Nigeria include

- ensuring that the supplier makes available the pro-forma invoices in accordance with the imports procedure of Nigeria.

- ensuring that all the documents to be forwarded to the authorized dealer banks are genuine and verifiable.

- advising the supplier on the status of the relevant form ‘M’ before shipment takes place.
2.3.3: Destination Inspection in Ghana

The government of the Republic of Ghana introduced DIS as replacement of pre-shipment inspection Scheme in April 2000. Gateway Services Limited (GSL) was appointed as the sole operator of this Scheme in the port of Tema and Takoradi.

GSL is a Ghanaian registered company, with COTECNA (a Swiss International Inspection Company headquartered in Geneva), being the majority shareholder. Currently, there are four (4) inspection agencies or companies in the country, namely Gateway Services Ltd, BIVAC International Ghana Limited (Bureau Veritas), Ghana Link Network Services Ltd. and Inspection and Control Services Ltd.

In Ghana, a DIS implementation committee was formed with the main objective of addressing problems that would arise out of the implementation of the scheme. It is made up of representatives of public and private organizations such as Ministry of Trade and Industry, customs, Ghana Shippers’ Council, the Inspection Companies, Ship Owners and Agents Association of Ghana, Ghana Ports and Harbours Authority and Ghana Institute of Freight Forwarders. The Committee at the inception of the scheme used to meet fortnightly but now meets once a month. The Committee has been instrumental in the initiation and formulation of trade and customs policies. A sub-committee on public education has been formed to enlighten and interact with economic operators in the regional capitals.

In 1997, the Government of Ghana embarked on a trade and investment gateway program with a loan of 50 million dollars from the World Bank. The Gateway oversight committee was under the chairmanship of the then Vice President of Ghana. The program seeks to make Ghana business environment more competitive with a view of attracting the neighboring landlocked countries to patronize Ghana’s port.
Furthermore, about 40% of imports’ inspection is handled by GSL and the remaining 60% of the imports’ inspection shared among the remaining destination agencies or companies. The inspection companies work hand in hand with customs officials. The absolute crucial factor is that inspection companies are to train and transfer knowledge to customs officials. The inspection companies give training in Agreement on Customs Valuation, Computerized Risk Management System (CRMS), Transaction Price Database (TPD), scanner training for operators and image analysts, and computer and technical training. Besides, the Final Classification and Valuation Report (FCVR), which is a mandatory document for customs clearance in Ghana, is prepared by inspection companies. The final ruling on what should be the value for tax purpose still rest with customs authority.

As part of the DIS contract, GSL is responsible for developing and implementing a highly innovative destination inspection service at the port of Tema that aimed at facilitating legitimate trade through the introduction of combined risk management and X-ray scanner services.

The main objectives of GSL are to

- introduce Destination Inspection.
- reduce the volume of physical inspection.
- facilitate trade. (www.cotecna.com)

The Ghana Link Network Services Ltd. (GLNS) was mandated by the Government of Ghana to inspect imports at the port of clearance with effect from 1st January, 2003. GLNS is a Ghanaian company registered under the laws of Ghana. It is jointly owned by Ghanaian and Spanish shareholders. The main objective of GLNS is to facilitate trade and investment by injecting
efficiency into the Destination Inspection project through the modernization of services and infrastructure (GLNS handbook, 2005).

All imports, irrespective of their mode of financing, are subjected to Destination Inspection by the accredited inspection agencies. The Ministry of Trade and Industry, however, has exempted the following imports from DIS:

- personal motor
- supplies for diplomatic missions and United Nations Organizations not involving the provision of foreign exchange from Ghana.
- Gold, precious stones, objects of art, explosive and pyrotechnic products, arms, ammunition, weapons, implements of war imported by the Ghana Armed Forces and the Ghana Police Service, live animals, trade samples. Foodstuffs from neighboring African countries, fresh or frozen fish caught in Ghanaian waters by Ghanaian owned vessels.
- scrap metal.
- crude oil.

The Import Declaration Forms (IDFs) are bought from the Ministry of Trade and Industry (MOTI) and Presidential Special Initiative (PSI) offices countrywide or from any of the under listed banks in Accra:

- Barclays Bank
- National Investment Bank.
- Ghana Commercial Bank
- Merchant Bank.
- The Trust Bank.
Twenty one (21) days prior to the arrival of the goods, importers initiate a Verification Order (VO) by submitting to the inspection agencies copies of the following document:

- the complete IDF.
- pro-forma invoice.
- supplementary information form

Preferably, ten (10) days before the arrival of the goods, the importer is expected to present the following documents to complete the registration process:

- the final invoice.
- the packing list.
- bill of lading with IDF number indicated on it.

To assist in generating the VO, the importer is required to provide the following information:

- detailed and accurate description of the goods that include, product, brand model, packaging condition (used or new). If used, the extent of usage, year of manufacture, whether damaged or not.
- correct tariff code.
- quantity, origin, price.
- mode of transport, insurance.
- mode of payment – cash or credit.
To ensure a rapid and an efficient clearance of goods, information provided on the VO is electronically transferred the same day to the Issuing Unit in the country of export. Receipt of the VO enables classification and price analysis to be carried out without physical inspection. The receipt also minimizes the personal contact between the importer and the Inspection Agency (IA) staff working on classification of valuation.

The Inspection companies are responsible for the provision of the Provisional Classification and Valuation Report (PCVR) which is a report generated locally or by the affiliate of the IA in the country of export. The PCVR indicates the classification and the valuation of each item to be imported. The PCVR also forms the basis of the Final Classification and Valuation Report (FCVR). Importers are not allowed to clear through customs goods which are subject to Destination Inspection without a corresponding FCVR. The FCVR issued by any of the IA indicates the following:

- the assessed amount of duties and taxes to be paid by the importer or the agent.
- access to the appropriate clearance channel of the goods (Red, Green or Yellow).
- irrespective of the risk level (Red, Green or Yellow) of the import, a gateway pass is issued to the importer at the point of exit at the port before the goods are cleared from the port.

2.4 Benefits of DIS

The DIS provides many benefits in the country of import. Some of the benefits include

1. revenue protection.
2. trade facilitation.
3. reconciliation of revenue (collected vs. collectable).
4. port decongestion.
5. transfer of technology.

Again, DIS in the country of import provides an added security to ensure the integrity and conformity of consignments with the importer’s declaration – www.cotecna.com.

Furthermore, the Tema collection point of the Customs, Excise and Preventive Service (CEPS) exceeded its 2001 revenue collection target by ₦167.3 billion indicating a positive variation of 16% per cent as against the total collection for 2000. The target of CEPS for 2001 was ₦1.004 trillion but it registered a total collection of ₦1.211 trillion. In addition, CEPS has collected over ₦998.2 billion on behalf of the VAT service and ₦70.8 billion as inspection fees (Daily Graphic, Accra, 2002). Taking into account all duties, taxes, VAT, levies and other fees, Tema CEPS collected a grand total of ₦2,353 trillion in 2001. An assistant commissioner of CEPS attributed the rise in its revenue to the installation of X-ray scanner by the imports inspection agencies as well as the initiation of prudent collection mechanisms, which blocked a lot of loopholes.

In addition, the DICs have saved and protected the revenue of the country (Ghana) up to the sum of $550 million as at May 2005 (Daily Graphic, Accra, 2005). The Managing Director of GSL made a declaration at a press conference covered by the Daily Graphic (Accra) dated Friday, September 2, 2005, that “since the phasing out of the pre-shipment inspection scheme in April, 2000, DICs with the use of state-of-the-art technology accessed about $ 5.63 billion declared value of goods by importers”.

In 1998, CEPS fell short of their imports revenue target by ₦63 million or eight per cent (8%).

In 1999, however, CEPS exceeded their target by ₦10 million or 1.7%. Furthermore, in 2000 CEPS exceeded their target by ₦88 million or 12% despite the severe economic difficulties encountered in Ghana in 1999.
The installation of scanners at various ports as part of the DIS enable an intensive inspection of all parts of containers or vehicles without the need for de-vanning and the associated losses in terms of delays, damage and pilferage. This favours importers. Again, the technology (i.e. use of scanners) helps to reduce the time spent by customs and other government security officials in the physical examination of shipments. The use of the technology optimizes resources, thus creating the opportunity for additional collections of duties and taxes. This is because extra taxes or duties are paid by importers and agents on any discrepancies detected after their containers are scanned by GSL or GLNS.

Although the scanner (the use of scanner) is unable to reveal sufficient information about cargo for valuation and classification purposes, those used in conjunction with a risk management engine such as Profiler (R) provide a fast and efficient means of detecting concealed cargo and checking the integrity of other security systems – www.sgs.com/print/cargo-scaiming_systems.htm

2.5 The Scanner Machines

The X-ray and Gamma ray scanning equipment are new technologies being used to thwart the transport of illegal goods (EUTCU, 2002). These machines are installed at seaport to allow non-intrusive inspection of container content. The commissioner further found out that even the most expensive container scanners quickly become self-financing. For instance, the initial cost for the container scanner in the port of Hamburg was about €12.5 million, but the use of the scanner between September 1996 to 2002 led to discovery and seizure of illegal drugs with a selling value of over €257 million and excise goods (cigarettes and alcohol) representing a total duty loss of over €66 million (EUTCU, 2001). In addition, in Rotterdam a €14 million
container scanner led to the recovery of more than €20 million in lost revenue in the first six months of use (European Report, 2001). The above examples show encouraging results.

However, the commission has recognized that “the successful use of container scanners at European ports has led to the diversion of container traffic to other ports” (European Parliament, 1997, 5.17.14).

In Ghana, the installation of X-ray scanner at Tema port cost about $7 million. GSL owned the X-ray scanner at the port of Tema. The Inspection and Control Services (ICS), BIVAC and Ghana Link Network Services Limited GLNS) use the Gamma-Ray for the inspection of containers of commercial imports. The port of Tema in Ghana is the fifth port in the world to use the container scanning machine (X-ray scanner). The Hamburg, Lattauve–Bremen, Rotterdam and San Diego in the United States started the use of the Hi-Tech inspection process (that is the use of container scanners) before the first scanner machine at the port of Tema was commissioned in July 2000.

The Chairman of Chittagon Port Authority (CPA) told the Independent “I hope that after the installation of the scanner machines at the Chittagon port, it would be a modern port of this region. We would be able to examine all containers within very short time. We hoped that the security of the Chittagon port would be strengthened after the installation of the scanner machine.” About USD12 million was needed to set up the scanner at Chittagon. The United States Trade and Development Agency agreed to provide all types of technical assistance (European Report, 2001).

The scanner machine is used for the inspection of containers called cargo vision. Cargo vision uses high energy X-rays that are able to penetrate up to 350mm of steel to create an image of the contents of the container. This image is analyzed with the help of additional tools such as
dedicated edge enhancement, filters, zoom and pseudo-colors which help to pick out suspicious zones in the consignment.

The process of scanning and analysis starts when the vehicle driver checks in at the scanning station and presents the cargo manifest. This is fed into the cargo vision system and provides the basis for checking discrepancies. The vehicle is then driven unto a conveyor, which takes it through the scanning areas as the image is captured. The operator views the image from above or from either side and, with the image enhancement tools mentioned above, looks for suspicious objects and deviation from the manifested contents. When the analysis is completed and the container is declared clear, the vehicle and attached container are free to proceed on their journey.

The Gamma rays are another form energy which exhibit levels of penetration comparable to high energy X-ray equipment. The Gamma ray can scan a 40 inch container in less than ten seconds giving a typical inspection cycle time of one to two minutes. A recent demonstration of a Gamma ray at the port of Miami resulted in the inspection of over 1300 TEU in a single shift.

2.6 Problems Identified under DIS in Ghana and Nigeria

The problems identified under DIS in Ghana include

- submission of import documents after arrival of the goods by importers and agents.
- inadequate information.
- incorrect or poor description of goods and fake invoices. Ninety per cent (90%) of all initial documents submitted by importers to the various inspection agencies are faked.

A former Minister of Trade and Industry in the Kufuor administration (Dr. Kofi
Konadu Apraku) who made this known, said the situation has deprived government of
substantial revenue, which could have been used to enhance the development of the
country. It is the recognition of this that the ministry has employed the services of the
inspection agencies as a measure to assist Customs in meeting the demands of World
Trade Organization and also to realize Ghana’s aspiration of becoming a gateway to the
West African sub–region.

- avoiding the use of the scanner.

In Nigeria, the regime of Pre – shipment Inspection has afforded the customs units and the
Fiscal Policy Department of Finance Ministry an avenue to monitor Forex usage and strict
implementation of the directives of the various budgets. This benefit is seen to have been lost
in Destination Inspection Scheme. There is no process in place to replace old methods of
monitoring all foreign exchange abuses and to them this is enough threat to the foreign reserves
growth in the Nigerian economy.

One of the major pitfalls of the DIS in Nigeria is the fact that small industries are collapsing
because various goods enter the country unrestricted.(Nik Ogbulie, 2006.).

An interview with the operations Co-ordination of Ghana Ports and Harbors Authority
(GPHA), Tema port, revealed that many stolen items are brought into the country. This means
that Ghana’s imports are no longer physically examined at the port of origin. This action poses
a lot of challenges to both the DICs and the port authorities of Tema. (DATE of interview 10th
June, 2006)

Furthermore, the DIS faced initial problems in Nigeria. Some of the problems include

- delays in clearance of goods.

- inadequate capacity of agencies and port facilities.

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• Poor observation of regulations by importers

In Nigeria, efforts to resolve the above mentioned problems include sensitization and public awareness seminars, review of guidelines and regulations to redress problems that have been identified. e.g. dropping the attestation requirement. The program is closely monitored to ensure its success by a working group on implementation of Destination Inspection.

In conclusion, the following observations were made:

1. Wrong or fraudulent representation of facts result in delay in the inspection of imported cargoes. As part of the destination inspection procedures, detail information were entered on the Import Declaration Form (IDF) or Form ‘M’ (in the case of Nigeria)

2. Destination Inspection companies or agencies at various sea ports in Tanzania, Nigeria and Ghana use scanners. Their main ideas of the use of the scanner were
   a. To protect revenue for the government.
   b. To improve inspection of imported cargoes.

3. Countries such as Tanzania, Nigeria and Ghana are implementing the DIS. The implementation of the DIS was part of Governments’ programs in such countries.

   Governments in the above mentioned countries aim at ensuring trade facilitation.

4. Regulations and procedures were given by DICs to ensure fast inspection of imported cargoes at the various seaports in the above mentioned countries.

5. Destination Inspection companies work hand in hand with customs service in the protection and mobilization of revenue for the Government.

6. Integrated measures were employed by DIC in the above mentioned countries.
   Computerized Risk Management (CRM) and container scanning were all used together by DICs under the DIS.
7. Importers and clearing agents had important roles to play as far as Destination Inspection of important cargoes were concerned.

8. DICs were working towards reducing the physical examination of imported cargoes at various seaports.
CHAPTER THREE: PRESENTATION OF FINDINGS

3.1 Introduction

This Chapter presents responses obtained from importers and agents, Gateway Services Ltd (GSL), Ghana Link Network Services Ltd (GLNS), Customs Excise and Preventive Services (CEPS) and Ghana Ports and Harbours Authority (GPHA). The responses are put into three broad categories. The first part is devoted to the findings concerning inspection time of imports while the second part deals with protection of government revenue. The final part of the Chapter presents results of hypothesis tests. Fifty-five (55) responds were received: GSL (10), GLNS (10), importers and clearing Agents (20), GPHA (5), and CEPS (10)

3.2 Inspection Time of Imports

A number of variables are covered under the responses on inspection time of imports. These include working experience of respondents, knowledge of information that were submitted for inspection, inspection of imports before and after year 2000, time it took to process and receive FCVR, inspection time and under-invoicing and measures adopted by GSL and GLNS to improve inspection time. The remaining variables are the clearance time of imports, the impact of scanners, objectives of GSL and GLNS, procedures and inspection activities at GSL and GLNS, education on how to complete the Import Declaration Form (IDF), impact of GSL and GLNS on inspection time, complaints on inspection time by importers, and factors that delay inspection of imports.
3.2.1: Characteristics of Respondents

A total of 55 respondents provided information about the performance of importers and agents, CEPS, GPHA, GSL and GLNS. About 64% of the respondents were senior staff of GSL and GLNS, CEPS and GPHA and 36% of them were importers and agents who work at the port of Tema.

Majority of the respondents from importers and agents, GSL and GLNS, CEPS and GPHA have working experience between 6-10 years (47%). The remaining respondents had worked between 1-5 years (35%) and 11-15 years (18%). Table 3.1 shows the information.

**Table 3.1: Working Experience of Respondents**

<table>
<thead>
<tr>
<th>Number of Years</th>
<th>Importers and Agents (%)</th>
<th>Others (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>6 (30)</td>
<td>13 (37)</td>
<td>19 (35)</td>
</tr>
<tr>
<td>6-10</td>
<td>10 (50)</td>
<td>16 (46)</td>
<td>26 (47)</td>
</tr>
<tr>
<td>11-15</td>
<td>4 (20)</td>
<td>6 (17)</td>
<td>10 (18)</td>
</tr>
<tr>
<td>Total</td>
<td>20 (100)</td>
<td>35 (100)</td>
<td>55 (100)</td>
</tr>
</tbody>
</table>

Others = GSL and GLNS, CEPS and GPHA.

Before the year 2000, Ghana was practicing pre-shipment where imports were inspected at the exporting countries. During the pre-shipment era, there was 100% physical examination of imports. After the year 2000 to date, Ghana became a destination inspection where commercial imports are inspected at the port of destination. Among the inspection companies are GSL and GLNS. Table 3.2 shows responses from CEPS on the trade regime of Ghana.

32
Table 3.2: Inspection of Imports Before and After Year 2000.

<table>
<thead>
<tr>
<th>Period</th>
<th>Pre-shipment (%)</th>
<th>Destination (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before</td>
<td>10 (100)</td>
<td>0</td>
</tr>
<tr>
<td>After</td>
<td>0</td>
<td>10 (100)</td>
</tr>
<tr>
<td>Total</td>
<td>10 (100)</td>
<td>10 (100)</td>
</tr>
</tbody>
</table>

From Table 3.2 there is an indication that the respondents were conversant with the trade regime of Ghana.

3.2.2: Objectives of GSL and GLNS

Table 3.3 provides the details of responses given by GSL and GLNS staff on objectives of the two interrelated companies (GSL and GLNS).

Table 3.3: Objectives of GSL and GLNS

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Count</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitate Trade</td>
<td>15</td>
<td>(31)</td>
</tr>
<tr>
<td>Improve Inspection of imports</td>
<td>15</td>
<td>(31)</td>
</tr>
<tr>
<td>Protect Revenue</td>
<td>18</td>
<td>(38)</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>(100)</td>
</tr>
</tbody>
</table>

In all, 48 responses were obtained from the respondents. The number of responses increased from 20 to 48 due to multiple responses. Respondents identified revenue protection as the highest objective of GSL and GLNS (38%). The other objectives
identified were trade facilitation (31%) and the improvement of the inspection time of imports (31%).

Table 3.4 shows the responses from importers and agents and GSL and GLNS staff on whether GSL and GLNS educated importers and agents about how to complete the IDF.

**Table 3.4: Education on how to Complete the IDF**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Importers and Agents (%)</td>
</tr>
<tr>
<td>Education Given</td>
<td>12 (60)</td>
</tr>
<tr>
<td>Education not Given</td>
<td>8 (40)</td>
</tr>
<tr>
<td>Total</td>
<td>20 (100)</td>
</tr>
</tbody>
</table>

IDF = Import Declaration Form, GSL = Gateway Services Ltd., GLNS = Ghana Link Network Services Ltd.

In all 31 of the 40 respondents (77%) said that importers and agents were given education on how to complete the IDF, but nine (or 23%) of the total respondents did not agree that GSL and GLNS gave any education to importers and agents on how to complete the IDF.

About 60% of importers and agents admitted that GSL and GLNS provided some training on the IDF for inspection while about 95% of respondents from GSL and GLNS said that importers and agents were educated on the completion of the IDF. On the contrary, about 40% of importers and agents did not admit that GSL and GLNS provided information on how to complete the IDF while only 5% of GSL and GLNS respondents disagree.

The data below provides the average number of full containers that are scanned in a day at the scanning section of GSL and GLNS at the port of Tema.

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Table 3.5: Full Containers Scanned at the Scanning Section in a Day

<table>
<thead>
<tr>
<th>Number of Full Containers Scanned in a Day</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-40</td>
<td>7</td>
<td>28</td>
</tr>
<tr>
<td>50-60</td>
<td>14</td>
<td>56</td>
</tr>
<tr>
<td>70-80</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3.5 shows the number of full containers scanned in a day at the scanner section of GSL and GLNS at the port of Tema. The modal average of about 55 full containers were scanned in a day. Evidence obtained from the respondents suggested that only three (3) containers were physically inspected in a day before the introduction of the scanners.

3.2.3: Knowledge of Information for Inspection

Table 3.6 indicates information that was submitted at GSL and GLNS for inspection. About 80 responses were obtained from importers and agents due to multiple responses. Majority of the respondents (about 83%) had correct knowledge about the kind of information that they were expected to submit for inspection. Only about 17% did not know the type of information that was expected to be submitted for inspection.
Table 3.6: Importers and Agents Knowledge about Information Submitted to GSL and GLNS for Inspection

<table>
<thead>
<tr>
<th>Knowledge of Information</th>
<th>Type of Information</th>
<th>Pro-forma Invoice (%)</th>
<th>Sales Agent (%)</th>
<th>Packing List (%)</th>
<th>Bill of Lading (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct</td>
<td></td>
<td>16 (80)</td>
<td>16 (80)</td>
<td>16 (80)</td>
<td>18 (90)</td>
<td>66 (83)</td>
</tr>
<tr>
<td>Incorrect</td>
<td></td>
<td>4 (20)</td>
<td>4 (20)</td>
<td>4 (20)</td>
<td>2 (10)</td>
<td>14 (17)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>20 (100)</td>
<td>20 (100)</td>
<td>20 (100)</td>
<td>20 (100)</td>
<td>80 (100)</td>
</tr>
</tbody>
</table>

The respondents appear to know more about the bill of lading (90%) than pro-forma invoice, packing list and sales agent which they scored 80% respectively.

3.2.4: Processing and Receiving of FCVR

The data in Table 3.7 provides the time it took to process FCVR at GSL and GLNS.

Table 3.8 also talked about the time it took importers and agents to receive FCVR after processing.

Table 3.7: The Number of Days it took to Process FCVR at GSL and GLNS

<table>
<thead>
<tr>
<th>Days</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>20</td>
</tr>
</tbody>
</table>

FCVR = Final Classification and Valuation Reports, GSL = Gateway Services Ltd., GLNS = Ghana Link Network Services Ltd.

Table 3.7 shows responses on the number of days respondents said it took to process FCVR at GSL and GLNS. From the Table, it took approximately an average of 6 days to process FCVR at GSL and GLNS.
Time to receive FCVRs at GSL and GLNS is shown in Table 3.8. It took about 65% of importers and agents about one week to receive their FCVR from GSL and GLNS. In addition about 25% of importers and agents took about two weeks to collect FCVR from GSL and GLNS. About 10% of importers and agents did not provide information on the time it took them to receive the FCVR from GSL and GLNS. Majority of the respondents (65%) said it took one week to receive the processed FCVR.

Table 3.8: The Time Period it took Importers and Agents to Receive FCVR from GSL and GLNS.

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Count</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Week</td>
<td>13</td>
<td>(65)</td>
</tr>
<tr>
<td>Two Weeks</td>
<td>5</td>
<td>(25)</td>
</tr>
<tr>
<td>No Time Cited</td>
<td>2</td>
<td>(10)</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>(100)</td>
</tr>
</tbody>
</table>

FCVR= Final Classification and Valuation Report

It was learnt that the collection time was shorter when there were no queries on the submitted IDFs. The queries related to the submission of incorrect information to GSL and GLNS. The two Tables reveal a time lag of about one week after processing of the FCVR and receipt by importers and agents.

Table 3.9 indicates the measures adopted by GSL and GLNS to improve the inspection time of commercial imports at the port of Tema. Twenty (20) respondents from GSL and GLNS staff were involved. About 65% of the respondents said the use of scanners was the most important step taken by GSL and GLNS to improve inspection time of imports at the port of Tema. Another 35% of the respondents said the use of the CRMS was
another step taken by GSL and GLNS to improve inspection time of imports at the port.

It is strange that the opinion of GSL and GLNS staff were divided on the necessary measures that had been used to improve inspection time.

Table 3.9: Measures Adopted by GSL and GLNS to Improve Inspection Time of Imports at the Port of Tema

<table>
<thead>
<tr>
<th>Measures</th>
<th>Number</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Scanners</td>
<td>13</td>
<td>(65)</td>
</tr>
<tr>
<td>Use of CRMS</td>
<td>7</td>
<td>(35)</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Table 3.10 shows the impact of GSL and GLNS on the inspection time of imports at the port of Tema. The total of 35 respondents was from importers and agents, CEPS and GPHA. In all 26 (74%) of respondents said that the presence of GSL and GLNS had positively impacted on the inspection time of imports. About 26% of the respondents felt otherwise. The proportion of the views of the respondents in the three categories (importers and agents, CEPS and GPHA) was consistent with the general responses; 74% and 26% (improve inspection time and not improve inspection time) respectively. However, more CEPS and GPHA respondents (80%) said that GSL and GLNS had positively impacted on inspection time than importers and agents.
Table 3.10: The Impact of GSL and GLNS on the Inspection Time of Imports at the Port of Tema

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Respondents</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Importers and Agents (%)</td>
<td>CEPS (%)</td>
<td>GPHA (%)</td>
<td>Total (%)</td>
<td></td>
</tr>
<tr>
<td>Improved Inspection Time</td>
<td>14 (70)</td>
<td>8 (80)</td>
<td>4 (80)</td>
<td>26 (74)</td>
<td></td>
</tr>
<tr>
<td>Not Improve Inspection Time</td>
<td>6 (30)</td>
<td>2 (20)</td>
<td>1 (20)</td>
<td>9 (26)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20 (100)</td>
<td>10 (100)</td>
<td>5 (100)</td>
<td>35 (100)</td>
<td></td>
</tr>
</tbody>
</table>

CEPS = Customs, Excise and Preventive Service, GPHA = Ghana Ports and Harbours Authority.

Responses on the impact of scanner machines on inspection time are shown in Table 3.11. The Table shows the distribution of the impact of the operations of scanner machine at the port of Tema. The Table is made up of 35 respondents consisting of importers and agents, CEPS and GPHA. In all, about 71% of respondents said that operation of the scanner machine had improved inspection time. Only about 29% of the respondents felt otherwise. The proportion of the views of respondents in the three categories revealed that more of GPHA respondents (80%) said that scanner machines had improved inspection time than CEPS respondents and importers and agents (70%) respectively.
Table 3.11: The Impact of Scanner Machines on Inspection Time

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Respondents</th>
<th></th>
<th></th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Importers and Agents (%)</td>
<td>CEPS (%)</td>
<td>GPHA (%)</td>
<td>(%)</td>
</tr>
<tr>
<td>Improved Inspection Time</td>
<td>14 (70)</td>
<td>7 (70)</td>
<td>4 (80)</td>
<td>25 (71)</td>
</tr>
<tr>
<td>Not Improve Inspection Time</td>
<td>6 (30)</td>
<td>3 (30)</td>
<td>1 (20)</td>
<td>10 (29)</td>
</tr>
<tr>
<td>Total</td>
<td>20 (100)</td>
<td>10 (100)</td>
<td>5 (100)</td>
<td>35 (100)</td>
</tr>
</tbody>
</table>

CEPS = Customs Excise and Preventive Service, GPHA = Ghana Ports and Harbours Authority.

Table 3.12 also provides the responses of the importers and agents working experience and the relationship with inspection time. The Table shows that majority of respondents (71%) thought that GSL and GLNS have improved inspection time.

Table 3.12: Working Experience of Respondents verses Inspection Time.

<table>
<thead>
<tr>
<th>Working Experience (years)</th>
<th>Inspection Time</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Improved (%)</td>
<td>Not Improved (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 - 5</td>
<td>5 (36)</td>
<td>1 (17)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 - 10</td>
<td>5 (36)</td>
<td>2 (33)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 - 15</td>
<td>4 (28)</td>
<td>3 (50)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14 (100)</td>
<td>6 (100)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Table above, however, shows that working experience had an inverse relationship with the number of respondents who felt that the presence of GSL and GLNS had improved inspection time. That is, workers with lesser experience felt there had been improvement in inspection time than workers with more experience.

3.2.5: Clearance of Importers Cargoes

Table 3.13 shows respondents' belief in clearance time at the port of Tema. About 65% of the respondents said that the clearance time of imports had improved while 35% did not think it had improved. Responses on the clearance time of imports were obtained from importers and agents at the port of Tema.

Table 3.13: Clearance Time of Imports at the Port of Tema

<table>
<thead>
<tr>
<th>Clearance Time</th>
<th>Number</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved</td>
<td>13</td>
<td>(65)</td>
</tr>
<tr>
<td>Not Improved</td>
<td>7</td>
<td>(35)</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>(100)</td>
</tr>
</tbody>
</table>

A similar proportion of the respondents (65%) also felt that the procedures at GSL and GLNS were necessary (Table 3.14). The 25% who said that the procedures were not necessary in Table 3.14 identified collection of pro-forma invoices and query on voyage number as unnecessary.
Table 3.14: Procedures at GLS and GLNS

<table>
<thead>
<tr>
<th>Views on Procedures</th>
<th>Number</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Necessary</td>
<td>13</td>
<td>(65)</td>
</tr>
<tr>
<td>Unnecessary</td>
<td>5</td>
<td>(25)</td>
</tr>
<tr>
<td>No Response</td>
<td>2</td>
<td>(10)</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Responses on the procedures at GSL and GLNS were obtained from importers and agents.

Table 3.15, however, shows two main factors that result in delay in the inspection of imports. The respondents from GSL and GLNS identified both factors as factors that could result in delay in the inspection of imports. It is clear from Table 3.15 that faulty document in the form of fake declarations or under invoicing delay inspection process at GSL and GLNS. Out of total responses of 20 from GSL and GLNS respondents, about 60% identified faulty documents as the major factor that could result in delay in the inspection of imports.

Table 3.15: Factors that Delay Inspection of Imports.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Number</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late Arrival of Inspection Documents</td>
<td>8</td>
<td>(40)</td>
</tr>
<tr>
<td>Faulty Documents</td>
<td>12</td>
<td>(60)</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>(100)</td>
</tr>
</tbody>
</table>
About 40% of the respondent from the above table said that delay of the inspection of imports was caused by late arrival of inspection documents at GSL and GLNS.

Table 3.16 presents opinion of importers and agents on some of the activities of GSL and GLNS that result in delay in inspection of commercial imports. The Table shows that about 8 (40%) of the respondents were of the view that communication gap between the inspection service providers and the service receivers was the main factor that often caused delay in the inspection of imports at GSL and GLNS. This was followed by query reports issued by GSL and GLNS (20%); issuing of PCVR (15%) and late issue of FCVR (10%) were other factors in lesser importance that caused delay in the inspection of imports.

**Table 3.16: Factors that Result to Delay to the Inspection of Imports at GSL and GLNS.**

<table>
<thead>
<tr>
<th>Inspection Activities</th>
<th>Number</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications Gap</td>
<td>8</td>
<td>(40)</td>
</tr>
<tr>
<td>Query Reports</td>
<td>4</td>
<td>(20)</td>
</tr>
<tr>
<td>Issue of PCVR</td>
<td>3</td>
<td>(15)</td>
</tr>
<tr>
<td>Late Issue of FCVR</td>
<td>1</td>
<td>(10)</td>
</tr>
<tr>
<td>No Response</td>
<td>3</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>(100)</strong></td>
</tr>
</tbody>
</table>

FCVR=Final Classification and Valuation Report, PCVR=Provisional Classification and Valuation Report

Tables 3.15 and 3.16 show the views of importers and agents on one hand and GSL and GLNS on the other hand on causes in delay in inspection time. It was clear from the
tables that delay in inspection time of imports was caused by different factors by these two groups of respondents.

3.2.6: Complaints by Importers and Agents on Inspection

A number of complaints lodged at the front desk of GSL and GLNS by importers and agents on the inspection of imports are shown in Table 3.17. A total of 17 responses were obtained from GSL and GLNS respondents on the complaints importers and agents lodged at the front desk of GSL and GLNS. About 3 respondents did not make any complaints. The largest number of complaints among importers and agents about the inspection procedure at GSL and GLNS related to the bureaucratic procedures (about 45% responses). Cumbersome procedure was identified as the second largest complaints importers and agents made. They constituted 30% of the responses. About 10% of the respondents also identified the complaint of the inspection procedures at GSL and GLNS being expensive.

Table 3.17: Importers and Agents Complaints on Inspection of Imports at GSL and GLNS.

<table>
<thead>
<tr>
<th>Complaint</th>
<th>Number</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expensive Procedure</td>
<td>2</td>
<td>(10)</td>
</tr>
<tr>
<td>Cumbersome Procedure</td>
<td>6</td>
<td>(30)</td>
</tr>
<tr>
<td>Bureaucratic Procedure</td>
<td>9</td>
<td>(45)</td>
</tr>
<tr>
<td>No Response</td>
<td>3</td>
<td>(15)</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>(100)</td>
</tr>
</tbody>
</table>

44
3.3 Revenue Protection from Imports

The responses include measures to protect government revenue, revaluation and reclassification of imports, impact of GSL and GLNS on revenue protection and impact of scanner machines on revenue protection.

3.3.1: Measures to protect Government Revenue

Table 3.18 shows two main steps or measures adopted by GSL and GLNS to protect government revenue. These were revaluation of values submitted by importers and agents and reclassification of imported goods under the right category to attract appropriate import duties. Revaluation of values submitted by importers and agents was identified as the most effective step taken by GSL and GLNS to protect revenue. The rate for this was 60%. This means that most of the declarations made by importers and agents were revalued at GSL and GLNS. The revaluation was done to ensure that appropriate government revenue was paid. About 40% of the respondents identified reclassification as another step taken by GSL and GLNS to protect government revenue.

Table 3.18: Steps GSL and GLNS Adopt to Protect Government Revenue

<table>
<thead>
<tr>
<th>Steps</th>
<th>Number</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revaluation</td>
<td>12</td>
<td>(60)</td>
</tr>
<tr>
<td>Reclassification</td>
<td>8</td>
<td>(40)</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Revaluation and reclassification are done to imported consignments when the importer or the agent failed to put the imports into the right categories or classifications for
inspection. Correct valuation and classification of imported cargoes attract appropriate import tariffs by CEPS and vice versa.

Table 3.19 presents the number of importers and agents who have ever experienced revaluation and reclassification. Out of the total of 20 responses obtained from respondents to verify whether their imports declarations had been revalued or reclassified by GSL and GLNS, about 15 (75%) admitted that their imports declarations had ever been revalued or reclassified. Only 5 (25%) of respondents had never encountered revaluation or reclassification of their imports declarations.

Table 3.19: Responses of Importers and Agents on Revaluation and Reclassification at GSL and GLNS

<table>
<thead>
<tr>
<th>Responses</th>
<th>Number (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>15 (75%)</td>
</tr>
<tr>
<td>No</td>
<td>5 (25%)</td>
</tr>
<tr>
<td>Total</td>
<td>20 (100%)</td>
</tr>
</tbody>
</table>

3.3.2: Impact of Measures Adopted by GSL and GLNS

Table 3.20 shows the impact of GSL and GLNS on revenue protection at the port of Tema. A total of 35 responses were drawn from importers and agents, CEPS and GPHA. In all 25 (71%) of respondents said that the presence of GSL and GLNS had positively impacted on revenue protection from imports. About 10 (29%) of the respondents felt otherwise. Majority of importers and agents (80%), GPHA respondents (80%) and about 50% of CEPS respondents said that GSL and GLNS had positively impacted on revenue protection.
Table 3.20: Impact of GSL and GLNS on Revenue Protection

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Respondents</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Importers and Agents (%)</td>
<td>CEPS (%)</td>
</tr>
<tr>
<td>Improved Revenue Protection</td>
<td>16 (80)</td>
<td>5 (50)</td>
</tr>
<tr>
<td>Not Improved Revenue Protection</td>
<td>4 (20)</td>
<td>5 (50)</td>
</tr>
<tr>
<td>Total</td>
<td>20 (100)</td>
<td>10 (100)</td>
</tr>
</tbody>
</table>

Responses on the impact of scanner machines on revenue protection are shown in Table 3.21. A total of 35 responses were drawn from importers and agents, CEPS and GPHA.

In all, about 24 (69%) of respondents said that operation of the scanner machine had improved revenue protection from imports. About 11 (31%) of the respondents felt otherwise. A little more of the respondents from importers and agents (75%) said the operation of the scanner machine had improved revenue protection than respondents from CEPS (60%) and GPHA (60%).

Table 3.21: Impact of Scanners on Revenue Protection

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Respondents</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Importers and Agents (%)</td>
<td>CEPS (%)</td>
</tr>
<tr>
<td>Improved Revenue Protection</td>
<td>15 (75)</td>
<td>6 (60)</td>
</tr>
<tr>
<td>Not Improved Revenue Protection</td>
<td>5 (25)</td>
<td>4 (40)</td>
</tr>
<tr>
<td>Total</td>
<td>20 (100)</td>
<td>10 (100)</td>
</tr>
</tbody>
</table>
3.4 Intervention Made at GSL and GLNS

3.4.1: Test of the Hypothesis Using the Discrepancies and Revenue Protected by GSL.

Table 3.22 shows the discrepancies detected at the X-ray scan section of GSL and the revenue protected from such discrepancies.

Table 3.22: Discrepancies and Revenue Protected at GSL

<table>
<thead>
<tr>
<th>Years</th>
<th>Discrepancies</th>
<th>Revenue Protected(US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>542</td>
<td>50987</td>
</tr>
<tr>
<td>2002</td>
<td>770</td>
<td>78216</td>
</tr>
<tr>
<td>2003</td>
<td>489</td>
<td>26902</td>
</tr>
<tr>
<td>2004</td>
<td>344</td>
<td>24040</td>
</tr>
<tr>
<td>2005</td>
<td>803</td>
<td>73403</td>
</tr>
</tbody>
</table>


Table 3.22 was used to explain the revenue protection of GSL. The explanation is done by using regression method as shown below. The outcome of the test is summarized in the Table 3.23.

Table 3.23: Summary of Results

<table>
<thead>
<tr>
<th>$\alpha$</th>
<th>$\beta$</th>
<th>$r$</th>
<th>$r^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>-22695.60</td>
<td>124.50</td>
<td>0.96</td>
<td>0.91</td>
</tr>
</tbody>
</table>

This test was done using linear progression analysis. This is given by $Y = \alpha + \beta X$, where $Y$ is the revenue protected, $X$ is the discrepancies, $\beta$ is the slope of the line and $\alpha$ is the constant term.
The calculations of the figures in Table 3.23 are shown in appendix I. Appendix II also provides the test of the significance of $\beta$. The result of the equation indicates that there was a positive linear relationship between discrepancies detected and the revenue protected from 2001-2005. This relationship gives a correlation coefficient ($r$) of 0.96 and a coefficient of determination ($r^2$) of 0.91. This means that there is a very strong positive relationship between revenue protected and discrepancies detected by the X-ray scan section of GSL. In other words, the higher the discrepancies detected, the higher the revenue protected. In addition, about 91% of the variability in revenue protected is explained by the discrepancies detected. Hence, the discrepancy detected at the x-ray scanning section of GSL has a positive effect on revenue protection at the port of Tema.

3.4.2: Test of the Hypothesis using Total Declared (TD) values by Importers and Agents and Total Assessed (TA) Values by GSL.

The hypothesis tested was as follows:

$H_0$: The total value declared by importers and agents is the same as the total value assessed by GSL.

$H_a$: The total value declared by importers and agents is not the same as the total value assessed by GSL.

Table 3.24 was used to calculate the $t$ value using the difference of paired means method. The total value declared by importers and agents and the assessment given by the GSL over a period of six years are presented in the table below.
Table 3.24: Interventions Made by GSL

<table>
<thead>
<tr>
<th>Year</th>
<th>TD (US$)</th>
<th>TA(US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>705805.230</td>
<td>746377.084</td>
</tr>
<tr>
<td>2001</td>
<td>1268977.900</td>
<td>1365194.300</td>
</tr>
<tr>
<td>2002</td>
<td>1347770.400</td>
<td>1457086.900</td>
</tr>
<tr>
<td>2003</td>
<td>993705.861</td>
<td>1077140.200</td>
</tr>
<tr>
<td>2004</td>
<td>870896.743</td>
<td>930575.166</td>
</tr>
<tr>
<td>2005</td>
<td>881644.488</td>
<td>91502.751</td>
</tr>
</tbody>
</table>

TD = Total Declared by Importers and Agents, TA = Total Assessed by GSL.

The following results were obtained.

Table 3.25: Summary of Results from the Paired Means Method

<table>
<thead>
<tr>
<th>Xd</th>
<th>Sd</th>
<th>t_e</th>
<th>t_t (0.05)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-88453.377</td>
<td>23356.537</td>
<td>8.468</td>
<td>2.571</td>
</tr>
</tbody>
</table>

Refer to appendix IV for the calculation of the values in Table 3.25.

The $t_e$ (8.468) is greater than $t_t$ (2.571), so we reject the null hypothesis. This means that the total assessed values by GSL are not the same as the total declared values of importers and agents. Hence, the presence of GSL has protected revenue at the port of Tema.
3.4.3: Test of the Hypothesis using Total Declared Dutiable Value and Interventions made by GLNS.

The hypothesis tested was as follows:

$H_0$: There is no relationship between the total declared dutiable value by importers and agents and the interventions made by GLNS.

$H_a$: There is a relationship between the total declared dutiable value by importers and agents and the interventions made by GLNS.

Table 3.26 shows the total declarations made by importers and agents and the interventions made by GLNS.

Table 3.26: Total Declared Dutiable Value and Interventions made at GLNS

<table>
<thead>
<tr>
<th>Years</th>
<th>Total Declared Dutiable Value ($)</th>
<th>Intervention Made ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>359736193.42</td>
<td>31397448.02</td>
</tr>
<tr>
<td>2004</td>
<td>286667274.47</td>
<td>40156436.29</td>
</tr>
<tr>
<td>2005</td>
<td>53664670.24</td>
<td>120089350.98</td>
</tr>
</tbody>
</table>


Table 3.26 gives a correlation coefficient ($r$) of 0.929 and a coefficient of determination of 0.863 (see Appendix III). The $r^2$ value indicates that there is a positive relationship between the interventions made by GLNS and the declarations made by importers and agents. This means that there is a strong relationship between the declarations made by importers and agents and the interventions made by GLNS. It may be inferred that the more declarations made by importers and agents, the more interventions that are made by GLNS (that is more revenue is protected by GLNS).
3.4.4: Test of the Hypothesis using Total Declared (TD) Values by Importers and Agents and Total Assessed (TA) Values by GLNS.

The hypothesis tested was as follows:

\( H_0: \) The total value declared by importers and agents is the same as the total value assessed by GLNS.

\( H_a: \) The total value declared by importers and agents is not the same as the total value assessed by GLNS.

A chi-square test was conducted with the TDs as the observed values and the TAs as the expected values. The interventions made by GLNS from the year 2003-2005 are shown in Table 3.27.

**Table 3.27: Interventions Made by GLNS.**

<table>
<thead>
<tr>
<th>Years</th>
<th>TD($m)</th>
<th>TA($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>359.736</td>
<td>391.134</td>
</tr>
<tr>
<td>2004</td>
<td>286.667</td>
<td>326.824</td>
</tr>
<tr>
<td>2005</td>
<td>536.664</td>
<td>656.754</td>
</tr>
</tbody>
</table>


Table 3.27 was used to obtain the calculated chi-square value \( \chi^2 \).

The results are shown in Table 3.28.

**Table 3.28: Summary of Results by the Chi-square Method.**

<table>
<thead>
<tr>
<th>df</th>
<th>( \chi^2 )</th>
<th>( \chi^2 ) ( 0.05 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>29.713</td>
<td>5.991</td>
</tr>
</tbody>
</table>

\( df \) = degree of freedom
The calculation of the results in Table 3.28 is shown in Appendix V. The $\chi^2_e$ (29.713) is far greater than the Table value $\chi^2_0$ (5.991). We reject the null hypothesis that there is no difference between the total declared value (i.e. observed values) and the total assessed values (i.e. expected values) by GLNS. Thus the presence of GLNS at the port of Tema is important in protecting revenue due the government.
CHAPTER FOUR: CONCLUSION AND RECOMMENDATIONS

4.1: Findings and Conclusions

The aim of this study was to find out the impact of the DICs (GSL and GLNS) on the inspection or examination time of imported goods as well as on revenue protection. The main respondents were staff of GSL, GLNS, GPHA, CEPS and importers and Clearing Agents.

It was found out that most of the importers and agents at the port of Tema knew the correct information that should be submitted at GSL and GLNS for inspection. This was because GSL and GLNS had given education on the type of information that should be submitted in order to achieve faster inspection time.

About 80% of the respondents agreed that GSL and GLNS had educated importers and agents on how to complete IDF for inspection. The education took the form of seminars and workshops. Staff at the front desk of GSL and GLNS also provided education to importers and agents on how to complete certain portions of the IDF. It was revealed that entry of correct information on the IDF also improved inspection time. Correct completion of the IDF attracted no query from GSL and GLNS.

Majority of the respondents (70%) said the presence of GSL and GLNS had discouraged most of the importers and agents from under invoicing their imports declarations at the port of Tema. Hence, the presence of GSL and GLNS had improved revenue protection at the port of Tema. Again, about 70% of the respondents said the presence of GSL and GLNS had improved inspection time of imports as well as revenue protection at the port of Tema.
Clearance time of imports at the port of Tema had improved and most of the respondents attributed it to the presence of DICs namely GSL and GLNS. It took about one to two weeks to clear imports at the port of Tema.

Majority of the respondents (73%) said the operation of the scanner machines had improved the inspection time of imports and also resulted in the protection of more government revenue. An average of 55 full containers was scanned in a day and this improved the inspection time.

Frequent power failure was one of the factors that impeded the smooth operation of the scanner machines for inspection at the port of Tema. There were no standby generators. This sometimes resulted in interruption of operations of the inspection companies. Hence, the destination inspection companies are partly responsible for any delays in the inspection of imported cargoes.

Other factors that often caused delay in inspection of imports had been identified. Majority of importers and agents (50%) identified communication gap between inspection service providers and service receivers as the main factor that often caused delay in inspection of imports. Most often query reports by GSL and GLNS got to importers and agents late, hence the destination inspection companies are partly responsible for delay in the inspection of imported cargoes since they must ensure good communication between them and the importers and agents.

About 75% of GSL and GLNS staff, from their point of view, identified faulty and late arrival of inspection documents at GSL and GLNS as the main factors that often caused
delay in inspection of imports at GSL and GLNS. It was learnt that importers and agents are partly to blame for delay in inspection time since they submit incorrect documents. Sometimes the documents meant for inspection are submitted by importers and agents after the imports had arrived at the port of Tema. This negatively affected inspection of imports.

Between the years 2001 and 2005 there had been differences in the total value of imports declared by importers and agents and the total value of imports assessed by GSL and GLNS. The differences had been positive—that is, the value of imports assessed by GSL and GLNS continued to exceed the total value of imports declared by importers and agents. Hence more government revenue was being protected by GSL and GLNS.

There was a strong positive relationship between the discrepancies detected at the scanner section of GSL and revenue protected. Again there existed a strong positive relationship between the total imports declarations made by importers and agents and the interventions made by GSL and GLNS. It meant that the higher the total imports declarations made by importers and agents, the higher the intervention made by GSL and GLNS. In sum, it could be said that the presence of GSL and GLNS had intervened on behalf of the government with respect to protection of revenue.

4.2 Recommendations

The submission of correct information such as correct invoices and accurate description of commercial imports by importers and agents for inspection improves the processing of FCVR and the inspection time of imports in general. There is, therefore, the need for
GSL and GLNS to improve the education of their clients to submit accurate and precise information. This education could be achieved through the implementation of more vigorous workshops and seminars. The education should be made part of GSL and GLNS programmes for each year.

Again, frequent workshops for staff of GSL and GLNS should be organized to improve the efficiency and competency of the staffs. Management of GSL and GLNS must be responsible for enhancing the standard or quality service delivery through training of staffs in various departments. The training programmes should be made permanent.

Furthermore, motivation of staffs should be encouraged at both GSL and GLNS. Packages such as the best worker award, award for staffs who distinguished themselves in the course of work and award of scholarship to dedicated workers to further their education in areas related to inspection of imports should be made part of GSL and GLNS programmes for each year.

A separate sheet of paper should be given to importers and agents at the front desk of GSL and GLNS to enter their contact addresses. This will help GSL and GLNS to contact any importer or agent on any query. The contact should be done at a cost (that is, importers and agents should be made to pay for the cost involved in contacting them). This action will improve the communication gap that existed between GSL and GLNS on one hand and the service receivers on the other.
In addition, special arrangements should be made so that importers and agents can have somebody to talk to during lunch time at the office of GSL and GLNS. This will help to improve the service delivery at both GSL and GLNS.

It is also recommended that GSL and GLNS should come out with quality standards of processing the FCVR. The two companies should set time limits for processing FCVR for importers and agents who provided accurate information for the first time on the IDF. Again, the stages of processing the FCVR should be made known to the importers and agents. This will make the clients to be at a better position of measuring the performance of GSL and GLNS.

Finally, stand-by generators should be made available at the X-ray and Nick TC scan sections at the port of Tema. This will result in seamless work during power failure.
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Abbreviations

BIVAC – BIVAC International Ghana Limited.

CEPS -- Customs Excise and Preventive Service

CRMS -- Computerized Risk Management System.

DIC -- Destination Inspection Company.

FCL -- Full Container Load.

FCVR -- Final Classification and Valuation Report

GLNS -- Ghana Link Network Services Limited

GSL -- Gateway Service Limited

HS -- Harmonized System

ICS -- Inspection and Control Service Limited

LCL -- Less Container Load

MOTI -- Ministry of Trade and Industry

OMIC -- Overseas Merchandise Inspection Company Limited.

PSI -- Pre-Shipment Inspection

RPCs -- Random Physical Checks

TPD -- Transaction Price Database

WCO -- World Customs Organization

WTO -- World Trade Organization
Appendix I: STATISTICAL CALCULATIONS

Derivation of the Regression Line

Table 3.22: Table for the Derivation of the Regression Line

<table>
<thead>
<tr>
<th>Years</th>
<th>X</th>
<th>Y</th>
<th>X²</th>
<th>XY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>542</td>
<td>50987</td>
<td>293764</td>
<td>27634954</td>
</tr>
<tr>
<td>2002</td>
<td>770</td>
<td>78216</td>
<td>592900</td>
<td>60226320</td>
</tr>
<tr>
<td>2003</td>
<td>489</td>
<td>26902</td>
<td>239121</td>
<td>13155078</td>
</tr>
<tr>
<td>2004</td>
<td>344</td>
<td>24040</td>
<td>118336</td>
<td>8269760</td>
</tr>
<tr>
<td>2005</td>
<td>803</td>
<td>73403</td>
<td>644809</td>
<td>58942609</td>
</tr>
</tbody>
</table>

\[ \sum X = 2948, \sum Y = 253548, \sum X^2 = 1888930, \sum XY = 168228721 \]

The value of the slope is given by

\[ \beta = \frac{n \sum XY - \sum X \sum Y}{n \sum X^2 - (\sum X)^2} \]

\[ \beta = \frac{5(168228721) - 2948(253548)}{5(1888930) - (2948)^2} \]

\[ \beta = \frac{841143605 - 747459504}{9444650 - 8690704} \]

\[ \beta = \frac{93864101}{753946} \]

\[ \beta = 124.50 \]

The value of \( \alpha \) is given by

\[ \alpha = \text{Mean of } Y - \beta \times \text{Mean of } X \]

\[ \text{Mean of } Y = \frac{\sum Y}{n} \]

\[ \text{Mean of } Y = \frac{253548}{5} \]

\[ \text{Mean of } Y = 50709.60 \]
Mean of $X = \frac{\sum X}{n}$

Mean of $X = \frac{2948}{5}$

Mean of $X = 589.60$

Thus,

$\alpha = 50709.60 - 124.50(589.60)$

$\alpha = 50709.60 - 73405.2$

$\alpha = -22695.60$

The regression line is therefore derived as

$Y = -22695.60 + 124.50X \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots
Test for the Significance of β - Calculation of the t value.

The hypothesis tested is

\( H_0: \beta = 0 \)

\( H_\alpha: \beta \neq 0 \)

The formula for the calculated t is shown below:

\[ t_c = \frac{\hat{\beta} - B}{S(\beta)} \]

where \( \hat{\beta} \) is the estimated gradient, \( B \) is the population gradient and \( S(\beta) \) is the standard error of \( \beta \).

\[
S(\beta) = \frac{Se}{\sqrt{SS_x}}, \text{ where Se is the standard error of the distribution and } SS_x \text{ is the sum of squares of } X. \text{ Now}
\]

\[
SS_x = \sum X^2 - \left( \frac{\sum X}{n} \right)^2
\]

\[
SS_x = 1888930 - \left( \frac{2948}{5} \right)^2
\]

\[
SS_x = 1888930 - 8690704 \quad \frac{5}{5}
\]

\[
SS_x = 1888930 - 1738140.8
\]

\[
SS_x = 150789.2
\]

\[ Se = \sqrt{MSE}. \text{ But}
\]

\[ MSE = \frac{SSE}{n-2}, \text{ where MSE is the mean square error, SSE is the sum of square error and } n \text{ is the sample size.}
\]

\[ SSE = \sum (Y - Y_1)^2, \text{ where } Y_1 \text{ is the estimated } Y \text{ values from the regression line.} \]
Using the linear regression equation (a) \( Y = -22695.60 + 124.50X \), we construct the table below.

<table>
<thead>
<tr>
<th>( Y )</th>
<th>( Y_1 )</th>
<th>( Y - Y_1 )</th>
<th>((Y - Y_1)^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>50987</td>
<td>44783.4</td>
<td>6203.6</td>
<td>38484652.96</td>
</tr>
<tr>
<td>78216</td>
<td>73169.4</td>
<td>5046.6</td>
<td>25468171.56</td>
</tr>
<tr>
<td>26902</td>
<td>38184.9</td>
<td>-11282.9</td>
<td>127303832.4</td>
</tr>
<tr>
<td>24040</td>
<td>20132.4</td>
<td>3907.6</td>
<td>15269337.76</td>
</tr>
<tr>
<td>73403</td>
<td>77277.9</td>
<td>-3874.9</td>
<td>15014850.01</td>
</tr>
</tbody>
</table>

\( SSE = \sum (Y - Y_1)^2 = 221540844.7 \)

\( MSE = \frac{221540844.7}{5 - 2} \)

\( MSE = \frac{221540844.7}{3} \)

\( MSE = 73846948.23 \)

\( S_e = \sqrt{73846948.23} \)

\( S_e = 8593.4247 \)

\( S(\beta) = \frac{8593.4247}{\sqrt{150789.2}} \)

\( S(\beta) = \frac{8593.4247}{388.3159} \)

\( S(\beta) = 22.13 \)

The \( t_e \) is thus given as

\( t_e = \frac{124.5 - 0}{22.13} \)

\( t_e = 124.5 \)

\( t_e = 22.13 \)

\( t_e = 5.6258 \)
The diagram is illustrated below:

**Fig. 1: The Normal Distribution Curve**
Calculation of the Correlation Coefficient and the coefficient of Determination

Table 3.26 is reduced below with X= total declared dutiable value ($) by importers and agents and Y= interventions made by GLNS (revenue protected).

<table>
<thead>
<tr>
<th>Years</th>
<th>X ($m)</th>
<th>Y ($m)</th>
<th>X - X_m</th>
<th>(X - X_m)^2</th>
<th>Y - Y_m</th>
<th>(Y - Y_m)^2</th>
<th>(X - X_m)(Y - Y_m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>359.74</td>
<td>31.40</td>
<td>-34.62</td>
<td>1198.544</td>
<td>-32.484</td>
<td>1055.21</td>
<td>1124.596</td>
</tr>
<tr>
<td>2004</td>
<td>286.67</td>
<td>40.16</td>
<td>-107.69</td>
<td>11596.921</td>
<td>-23.725</td>
<td>562.876</td>
<td>2254.922</td>
</tr>
<tr>
<td>2005</td>
<td>536.66</td>
<td>120.10</td>
<td>142.31</td>
<td>20251.567</td>
<td>56.208</td>
<td>3159.339</td>
<td>7998.848</td>
</tr>
</tbody>
</table>

where X_m is the mean of X and Y_m is the mean of Y.

\[
\sum X = 1183, \sum Y = 191.65, \sum (X - X_m)^2 = 33047.032, \sum (Y - Y_m)^2 = 4777.425, \\
\sum (X - X_m)(Y - Y_m) = 11678.366.
\]

\[
X_m = \frac{\sum X}{n} = \frac{1183}{3} = 394.356
\]

\[
Y_m = \frac{\sum Y}{n} = \frac{191.65}{3} = 63.881
\]

The standard deviation for X and Y is calculated below:

\[
S_x = \sqrt{\frac{\sum (X - X_m)^2}{n}}
\]

\[
S_x = \sqrt{\frac{33047.032}{3}} = 104.956
\]

\[
S_y = \sqrt{\frac{\sum (Y - Y_m)^2}{n}}
\]

\[
S_y = \sqrt{\frac{4777.425}{3}} = 1592.475
\]

where S_x = standard deviation of X and S_y = standard deviation of Y

67
$S_y = 39.906$

The correlation coefficient is given by

$$r = \frac{\sum (X - \overline{X})(Y - \overline{Y})}{nS_xS_y}$$

$$r = \frac{11678.366}{3(104.956)(39.906)}$$

$$r = \frac{11678.366}{12565.122}$$

$$r = 0.929$$

The coefficient of determination is

$$r^2 = (0.929)^2$$

$$r^2 = 0.863 \text{ or } 86.3\%$$
Test of the Hypothesis by the Method of Paired Means - Calculation of the $t$ value

Table 3.26.: Table for the Calculation of $t$ by the Method of Paired Means

<table>
<thead>
<tr>
<th>Years</th>
<th>TD(US$)</th>
<th>TA(US$)</th>
<th>d</th>
<th>$d^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>705805.230</td>
<td>746377.084</td>
<td>-40571.854</td>
<td>1646075337</td>
</tr>
<tr>
<td>2001</td>
<td>1268977.900</td>
<td>1365194.300</td>
<td>-96216.4</td>
<td>9257595629</td>
</tr>
<tr>
<td>2002</td>
<td>1347770.400</td>
<td>1457086.900</td>
<td>-109316.5</td>
<td>11950097172.2</td>
</tr>
<tr>
<td>2003</td>
<td>993705.861</td>
<td>1077140.200</td>
<td>-83434.339</td>
<td>6961288924</td>
</tr>
<tr>
<td>2004</td>
<td>870896.743</td>
<td>930575.166</td>
<td>-109678.423</td>
<td>12029356471.7</td>
</tr>
<tr>
<td>2005</td>
<td>881644.488</td>
<td>91502.751</td>
<td>-91502.747</td>
<td>8372752708</td>
</tr>
</tbody>
</table>

Using the method of differences between paired values, let

$d = \text{difference between total declared and total assessed}$

$X_d = \text{paired mean}$

$S_d = \text{standard deviation associated with } X_d$

$n = \text{number of paired sample size}$

$\sum d = -530720.263, \sum d^2 = 50213166241.9$

$X_d = \frac{\sum d}{n}$, where $\sum = \text{summation}$

$X_d = \frac{-530720.263}{6}$

$X_d = -88453.377$

The calculation of the standard deviation associated with the $X_d$ is as follows:

$S^2 = \frac{\sum d^2 - (X_d)^2}{n}$

$S^2 = \frac{50213166241.9 - (-88453.377)^2}{6}$
\[ S^2 = 8369527707 - 7823999902.7 \]
\[ S^2 = 545527804.3 \]
\[ S_d = \sqrt{S^2} \]
\[ S_d = \sqrt{(545527804.3)} \]
\[ S_d = 23356.537 \]

The test statistic is the t-ratio given by

\[ t_c = \frac{X_d}{S_e} \]

where \( S_e \) is the standard error associated with \( X_d \)

\[ S_e = \frac{S_d}{\sqrt{(n-1)}} \]

\[ S_e = \frac{23356.537}{\sqrt{5}} \]

\[ S_e = 23356.537 \]

\[ S_e = 2.236 \]

\[ S_e = 10445.678 \]

Thus,

\[ t_c = \frac{88453.377}{10445.678} \]

\[ t_c = 8.468 \]
Calculation of the Chi-square Value

The formula for the calculation of the chi-square value is given by

\[ \chi_c^2 = \sum \frac{(O-E)^2}{E} \]

where \( \chi_c^2 \) is the chi-square calculated, O represents the observed values, E represents the expected values and \( \sum \) is the summation.

The Table below is used to obtain the calculated chi-square value.

**Table 3.27: Table for the Calculation of the Chi-Square Value.**

<table>
<thead>
<tr>
<th>Years</th>
<th>Observed (O) [$million]</th>
<th>Expected (E) [$million]</th>
<th>O-E</th>
<th>(O-E)^2</th>
<th>( \frac{(O-E)^2}{E} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>359.736</td>
<td>391.134</td>
<td>-31.398</td>
<td>985.834</td>
<td>2.520</td>
</tr>
<tr>
<td>2004</td>
<td>286.667</td>
<td>326.824</td>
<td>-40.157</td>
<td>1612.585</td>
<td>4.934</td>
</tr>
<tr>
<td>2005</td>
<td>536.664</td>
<td>656.754</td>
<td>-120.09</td>
<td>14421.608</td>
<td>21.959</td>
</tr>
</tbody>
</table>

The calculated chi-square value is 29.713.
Appendix II: QUESTIONNAIRES

CUSTOM EXCISE & PREVENTIVE SERVICES

A STUDY OF THE IMPACT OF GATEWAY SERVICES LIMITED (GSL) AND GHANA LINKS NETWORK LIMITED (GLNS) ON THE INSPECTION TIME OF IMPORTED CARGOES AT THE PORT OF TEMAN

Introduction

Dear Sir/Madam,

The attached questionnaire is meant to solicit information about the work of GSL and GLNS in the clearance of imports at Tema port. You are kindly requested to spend little of your precious time to respond to the attached questions.

Your effort would be so much appreciated.
The information gathered would be used in a dissertation under the supervision of the School of Research and Graduate Studies, University of Ghana Legon and the Department of Maritime Studies, of the Regional Maritime Academy, Accra.

The dissertation is part of the requirements for the award of M. A. degree. Any information given would be handled with absolute confidentiality and would be used strictly for academic purposes.

I sincerely thank you in advance for your assured co-operation.

Introductions

➤ Please circle the numbers that corresponds to your answers, or write down your answer where necessary
➤ You may circle or write down more than one response where appropriate.

Background

1. Department of section..............................

2. Rank or position........................................

72
3. Number of years working at the port

Practice

1. Before the year 2000, what form of inspection was done for imports?
   1. Pre-shipment  2. Physical examination
   3. Others, please specify

2. What forms of inspections examination are done currently for Imports?
   1. Destination Inspection
   2. Both physical examination and X-ray scanning method
   3. Others, please specify

3. Before the year 2000, how long did it take to clear imports?

4. After the year 2000, to date, how long does it take to clear imports?

5. (i) Do you agree that the activities of GSL Or GLNS have helped CEPS to reduce the Inspection time of imports?
   1. Yes  2. No
   (ii) If Yes, specify how

6. (i) Do you think the introduction of the scanner has helped in increasing revenue?
   1. Yes  2. No
(ii) If Yes, specify how
........................................................................................................................................................................
........................................................................................................................................................................

(iii) If no, state why..................................................................................................................................................
........................................................................................................................................................................

7. On the average, how many containers are scanned in a day?
........................................................................................................................................................................

8. Which of the following are benefits of using the scanner machines at Tema port?

1. Provision of non-intrusive means of import verification

2. Detection of arms proliferation and contraband goods amongst others

3. Reduction in the need for physical intervention

4. Speeding up of the verification and clearance process

5. Other, please specify

........................................................................................................................................................................

9. (i) Mention two main challenges you face using the scanners

1........................................................................................................................................................................

2........................................................................................................................................................................

(ii) Please, suggest two ways to overcome the above mentioned Challenges?

1........................................................................................................................................................................

........................................................................................................................................................................

2........................................................................................................................................................................

........................................................................................................................................................................

10. (i) Do you think the activities of GSL, the GLNS have any impact on
Revenue collection?

1. Yes 2. No

(ii) If yes, in what way

........................................................................................................................................
........................................................................................................................................

(ii) If no, state why:

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11. Please, mention any two (2) activities of GSL and GLNS that you think should be improved?

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2........................................................................................................................................
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12. (i) Please, mention one (1) challenge CEPS faces working with GSL or GLNS

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(ii) Suggest one (1) ways to overcome the above mentioned challenges?

........................................................................................................................................

13. Any other comments?

1........................................................................................................................................
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2........................................................................................................................................
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Thank you
A STUDY OF THE IMPACT OF GATEWAY SERVICES LIMITED (GSL) AND GHANA LINKS NETWORK LIMITED (GLNS) ON THE INSPECTION TIME OF IMPORTED CARGOES AT THE PORT OF TEMA

Introduction

Dear Sir/Madam,

The attached questionnaire is meant to solicit information about the work of GSL and GLNS in the clearance of imports at Tema port. You are kindly requested to spend little of your precious time to respond to the attached questions.

Your effort would be so much appreciated. The information gathered would be used in a dissertation under the supervision of the School of Research and Graduate Studies, University of Ghana Legon and the Department of Maritime Studies, of the Regional Maritime Academy, Accra.

The dissertation is part of the requirements for the award of M. A. degree. Any information given would be handled with absolute confidentiality and would be used strictly for academic purposes.

I sincerely thank you in advance for your assured co-operation.

Instructions

➢ Please circle the number that corresponds to your answer or write down your answer where necessary
➢ You may circle or down write more than one response where appropriate.

Background

3. Department of section

2. Rank or position

1. Number of years working at the port
1. What are the objectives of GSL or GLNS?

1. To facilitate trade in consonance with world Trade Organization
2. To assist Customs authorities to collect revenue.
3. Reduce the volume of physical examination.

2. Mention three (3) measures that are put in place to achieve the above mentioned objectives!

1. .................................................................
2. .................................................................
3. .................................................................

3. (i) All imports Declaration form (IDF) with a free on Board (FOB) value below US$ 5000 are subject to .................................................................

(ii) All IDF with FOB value above US $ 5000 are subject to.................

4. What percent of declared FOB is paid as IDF processing fee?

1. 0.8%  2. 1%    3. 1.2%

5. Which of the following goods are exempted from inspection?

2. Goods meant for UN and related organizations.
3. Personal Motor Vehicle
4. Gold, precious stones, object of art
5. Arms

6. Identify the information/documents that must be submitted by the importer or clearing agent?
   1. Invoice of proforma invoice
   2. Bill of Lading
   3. Packing list
   4. Other, specify

7. (i) Are the importers or clearing agents given any orientation on the information or documents they must submit?
   1. Yes
   2. No

(ii) If yes, how often?

8. Do importers and their agents find it easy to complete the forms/documents?
   1. Yes
   2. No

9. (i) Do you perform Valuation / Classification Services locally?
   1. Yes
   2. No

(ii) If yes, under what condition? (State them).
   1. 
   2. 
   3. 

10. How long does it take to process the final Classification and Valuation Report (FCVR)?
11. By what means is importer or their agents informed about the completion of the processed FCVR?

1. Phone call 2. E-mail
3. In writing 4. Fax
5. Other (please specify)

12. (i) Does your company have any immediate plan of reducing the processing time of FCVR?

1. Yes 2. No.

(ii) If yes, mention any plan you know

13. (i) Do you think the activities of your company have any impact on revenue mobilization by CEPS?

1. Yes 2. No

(ii) If yes, in what ways? Please state two (2)
1. 
2.

14. (i) Do you think the activities of your company have any impact on the inspection / examination time?

1. Yes 2. No

(ii) If yes, specify how.

15. (i) Do you think the introduction of the scanner machines have help in increasing revenue?
1. Yes 2. No

(ii) If yes, specify how:

16. On the average, how many containers are scanned in a day?

17. What are some of the complaints that importers and their agents lodge on the inspection of imports?

1. The procedure is expensive
2. The procedure is cumbersome
3. The procedure is bureaucratic
4. Other, please specify:

18. Which of the following could result in delay in the inspection of import?

1. Late arrival of documents
2. Faulty documents
3. Other, please specify:

19. (i) State two (2) main problems/challenges your company face dealing with importers and their agents?

1.
2.
(ii) Suggest two (2) main ways to overcome the above mentioned challenges?
1. ........................................................................................................
2. ........................................................................................................

20. (i) State two (2) main activities of your company that you think need to be improved?
1. ........................................................................................................
2. ........................................................................................................

(ii) Suggest two (2) ways to improve the activities mentioned above.
1. ........................................................................................................
2. ........................................................................................................

21. Any other comments:
1. ........................................................................................................
2. ........................................................................................................

Thank you.
Introduction

Dear Sir/Madam,

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Instructions

➢ Please circle the number that corresponds to your answer or write down your answer where necessary.
➢ You may circle or write down more than one response where appropriate.

Background

1. Number of years working at Tema port?
2. Department or section?
3. Number of years working with the department?
4. Position or rank at your department?
1. (i) Do you know about the presence of Gateway Services Limited (GSL) Tema port?

1. Yes 2. No

(ii) What was the main reason for the coming of GSL in Ghana?

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...........................................................................................................................................
...........................................................................................................................................

2. (i) Do you know about the presence of Ghana Link Network Services Limited (GLNS) at Tema port?

1. Yes 2. No

(ii) What was the main reason for the coming of GLNS?

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...........................................................................................................................................
...........................................................................................................................................

3. (i) Mention any three (3) activities of GSL that you know?

1. ...........................................................................................................................................
2. ...........................................................................................................................................
3. ...........................................................................................................................................

(ii) Mention any three (3) activities of GLNS that you know

1. ...........................................................................................................................................
2. ...........................................................................................................................................
3. ...........................................................................................................................................

4. (i) Do you think the activities of GSL have any impact on revenue mobilization by CEPS?

1. Yes No

(ii) If yes, in what ways?...........................................................................................................

83
(iii) Do you think the activities of GLNS have any impact on revenue mobilization by CEPS?

1. Yes 2. No

(iv) If yes, in what way?

5. (i) Do you think the activities of GSL have any impact on the inspection/examination time?

1. Yes 2. No

(ii) If yes, in what way?

(iii) Do you think the activities of GLNS have any impact on the inspection/examination time?

1. Yes 2. No

(iv) If yes, in what way?

6. (i) Do you think the introduction of the scanner machines have helped in increasing revenue?

1. Yes 2. No

(ii) If yes, specify how?

7. Which of the following are benefits of using the scanner machines at Tema port?

1. Provision of non-intrusive means of import verification.
2. Detection of arms proliferation and contraband goods amongst others.

3. Reduction in the need for physical intervention.

4. Speeding up of the Verification and Clearance process.

5. Contribution to port decongestion.

6. Other, specify..............................................................

8. What is your impression about the performance of the scanner machines on the inspection time?

   1. Very fast  2. Fast

   3. Average  4. Poor

9. (i) Do you know of any complaints by importers or clearing agents about the activities of GSL?

   1. Yes  2. No

   (ii) If yes, please mention the most important complaint you know.

         ..................................................................................

9. (iii) Do you know any complaints by importers or agent about the activities of GKLNS?

   1. Yes  2. No

   If yes, please mention the most important complaint you know.

         ..................................................................................

10. (i) Do you know of some of the activities of GSL that could result in delays in the clearance of imports at Tema port?

    1. Yes  2. No
(i) If yes, mention one activity you know

.............................................................................................................................
.............................................................................................................................

(iii) Do you know of some of the activities of GLNS that could result in delays in the clearance of imports at Tema port?

1. Yes 2. No

(iv) If yes, mention the activity you know.

.............................................................................................................................
.............................................................................................................................

11. (i) Mention one (1) activity of GSL that need to be improved?

.............................................................................................................................
.............................................................................................................................

(iii) Mention one (1) activity of GLNS that need to be improved?

.............................................................................................................................
.............................................................................................................................

12. (i) Should the activities of GSL or GLNS should be maintained at Tema port?

1. Yes 2. No

(ii) Explain your response.

.............................................................................................................................
.............................................................................................................................

(iii) Should the activities of GLNS be maintained at Tema port?

1. Yes 2. No

(iv) Explain your response.

.............................................................................................................................
.............................................................................................................................

13. Mention one (1) challenge GPHA faces working as partners with GSL.
(ii) Mention one (1) challenge GPHA faces working as partners with GLNS!

14. Suggest one (1) ways to overcome the above mentioned challenge?

15r Any other comments...

Thank you.
IMPORTERS AND CLEARING AGENTS

A STUDY OF THE IMPACT OF GATEWAY SERVICES LIMITED (GSL) AND GHANA LINKS NETWORK LIMITED (GLNS) ON THE INSPECTION TIME OF IMPORTED CARGOES AT THE PORT OF TEMA

Introduction

Dear Sir/Madam,

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The dissertation is part of the requirements for the award of M. A. degree. Any information given would be handled with absolute confidentiality and would be used strictly for academic purposes.

I sincerely thank you in advance for your assured co-operation.

Instructions

Please circle the number that corresponds to your answer or write down your answer where necessary
You may circle or write down more than one response where appropriate.

Background

1. Please, identify yourself?
   1. An importer
   2. A clearing Agent

2. For how long have you being an importer or clearing agents?
   1. 1-5
   2. 6-10
   3. 11 and above
3. Which Destination Inspection Company is responsible for the inspection of your documents?

1. Gateway Services Limited
2. Ghana Link Network Services Limited

Practice

1. What information / documents do you have to submit for inspection?
   1. Invoice or proforma invoice
   2. Bill of Lading
   3. Packing list
   4. Other, please specify

2. Are you given any orientation on how to complete the forms?
   1. Yes 2. No

3. (i) Do you find it easy to complete the forms/documents to be submitted?
   1. Yes 2. No

   (ii) If no, mention one difficulty you face

4. On the average, how long does it take you to receive your final Classification and Valuation Report (FCVR)?

5. By what means are you informed about the completion of the FCVR?
   1. Phone call 2. E-mail
3. Fax

4. Other, please specify

6. Do you think the activities of GSL or GLNS help to eliminate under-invoicing?
   1. Yes 2.

7. Have you ever encountered the incident where your imports have to be revalued or re-classified?
   1. Yes 2. No

8. (i) Do you think the activities of GSL or GLNS have helped to reduce the inspection/examination time at the port?
   1. Yes 2. No

   (ii) If yes, specify how

   (iii) If no, specify why

9. (i) Do you think the introduction of the scanner has helped to reduce the dwell time of containers at the port?
   1. Yes 2. No

   (i) If yes, specify how

   (ii) If No, state why

10. (i) Do you consider any procedure(s) at GSL or GLNS unnecessary?
    1. Yes 2. No

    (ii) If yes, mention two (2) of the procedures you know.
11.(i) Do you think some of the activities of GSL or GLNS result in delays in the inspection of imports?

1. Yes 2. No

(ii) If yes, mention two (2) of the activities you know.

1. .................................................................
2. .................................................................

12. Mention two (2) challenges you face dealing with GSL or GLNS.

1. .................................................................
2. .................................................................

13. Suggest two (2) main ways to overcome the above mentioned challenges?

1. .................................................................
2. .................................................................

16. Any other comments?

1. .................................................................
2. .................................................................
3. .................................................................
4. .................................................................

Thank you.
### DESTINATION INSPECTION SCHEME

**APPENDIX A**

**MINISTRY OF TRADE AND INDUSTRY PUBLIC NOTICE**

**GEOGRAPHICAL DISTRIBUTION OF AREAS OF OPERATION OF GHANA DESTINATION INSPECTION AGENCIES**

The Ministry of Trade and Industry wishes to inform the general public, especially the importing community that with effect from 1 January, 2003, the selective destination inspection and price verification of import will be distributed on geographical basis to the undermentioned inspection agencies as follows:

#### SOUTH AMERICA
- Argentina
- Brazil
- Colombia
- Ecuador
- Peru
- Chile

#### CENTRAL AMERICA
- Costa Rica
- El Salvador
- Guatemala
- Honduras
- Nicaragua

#### NORTH AMERICA
- Canada
- Mexico

#### WESTERN EUROPE
- France
- Germany
- England

#### EASTERN EUROPE
- Russia
- Ukraine
- Poland
- Slovenia

#### WESTERN ASIA
- Iran
- Iraq
- Afghanistan
- Syria

#### CARIBBEAN
- Trinidad and Tobago
- Jamaica
- Haiti

#### NORTH AFRICA
- Egypt
- Morocco
- Tunisia

#### EAST AFRICA
- Kenya
- Tanzania
- Uganda

#### ASIA
- China
- India
- Pakistan

#### SOUTH EAST ASIA
- Singapore
- Thailand

#### SOUTH PACIFIC
- Australia
- New Zealand

#### NORTH AMERICA
- United States of America

#### WEST INDIES
- Barbados

#### APPENDIX B

**GATEWAY SERVICES LIMITED**

**Northern Africa**
- Jordan

**Eastern Europe**
- Russia

**North America**
- United States of America

**Caribbean**
- Trinidad and Tobago

**South America**
- Brazil

**Western Europe**
- France

**Africa**
- Botswana

**Eastern Europe**
- Ethiopia

**South America**
- Brazil

**Central America**
- Mexico

**North America**
- United States of America

**Caribbean**
- Trinidad and Tobago

**South America**
- Brazil

**Eastern Europe**
- Ethiopia

**South America**
- Brazil

**Central America**
- Mexico

**North America**
- United States of America

**Caribbean**
- Trinidad and Tobago

**South America**
- Brazil

**Eastern Europe**
- Ethiopia

**South America**
- Brazil

**Central America**
- Mexico

**North America**
- United States of America

**Caribbean**
- Trinidad and Tobago

**South America**
- Brazil

**Eastern Europe**
- Ethiopia

**South America**
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**Central America**
- Mexico

**North America**
- United States of America

**Caribbean**
- Trinidad and Tobago

**South America**
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**Eastern Europe**
- Ethiopia

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