



Challenges and Mitigation Strategies of Customs Clearance Delays on Trade Import at Dar es Salaam Port

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ABSTRACT

This research paper aimed to assess the strategic solutions for overcoming customs clearance delays on trade imports in Tanzania specifically at Dar es Salaam port. Using a case study design, the research employed questionnaires and interviews to gather data from 76 stakeholders involved in import clearance operations at Dar es Salaam port. The analytical approach utilised thematic analysis, SPSS, and Microsoft Excel for the generation of tables and figures to present the findings succinctly. The analysis revealed that customs clearance delays at Dar es Salaam port are caused by various issues, including insufficient customs officers, documentation challenges, and inefficiencies in the Tanzania Single Window system. The results indicated that these delays significantly affect the trade import sector by increasing operational costs, causing supply chain disruptions, impeding business operations, leading to the loss of business opportunities, and negatively impacting overall competitiveness. The study found that despite the implementation of the Tanzania Single Window, its potential has not been fully realized in reducing delays.

To address these challenges, the study recommends several measures, including increasing the number of customs officers, streamlining documentation processes, and optimizing the use of the Tanzania Single Window system. Additionally, it emphasizes the importance of collaboration among government agencies, port management, private sector stakeholders, and international partners. These recommendations, if implemented, could significantly enhance the efficiency of customs clearance at the port, unlocking trade potential, stimulating economic growth, and solidifying Tanzania's role as a regional trade leader.

Keywords: Clearance delays, Customs administrator, Trade import, and Dar es Salaam port

1. INTRODUCTION

The Dar es Salaam port is a key strategic hub for both Tanzanian trade and the broader East and Central African region, serving countries like Zambia, the Democratic Republic of Congo, Burundi, Rwanda, Malawi, Uganda, and Zimbabwe. It handles approximately 95% of Tanzania's international trade, underscoring its economic significance (TPA Handbook 2019-20). Efficient customs clearance at this port is crucial for facilitating trade and supporting regional economic development. However, customs procedures are often seen as bottlenecks, especially when compared to the region's infrastructure, which scores higher on the Logistics Performance Index (LPI), indicating that customs delays pose a greater challenge than infrastructure constraints (Arvis et al., 2023). These procedures are managed by Customs Administration (TRA), which is core component in international trade and supply chains. However, where the procedures are not well managed, this tends to have a huge impact on imports on time. Therefore, effective risk management is something that customs authorities more aggressively need to pursue in a globalized economy where demand for efficient customs operations keeps increasing (Akimova et al., 2017). Customs delays and high costs related to customs clearance disrupt business operations and obstruct global trade (Krishna, 2019). Apart from TRA, in Tanzania imported cargo involved various regulatory bodies adding to the complexity of the procedures. This enhances procedural delays as many businesses seek alternative routes to trade (Elliot, 2016).

To address this problem, the study utilized mixed method design in collecting data from 76 port stakeholders. The data were analysed via SPSS Software and thematic analyses. The study reveals that unutilized integrated system, bureaucratic, insufficient customs officers and poor documentation process, persistent remain bottlenecks cause's significant delays in clearing imports, often lasting multiple days and creating frustration among stakeholders involved in port operations. Therefore, the study aims to assess the challenges and mitigation strategies of customs clearance delays on trade import at Dar es Salaam port. The identification of major challenges and proposes actionable recommendations can help in the improvement of the customs clearance process and promoting trade. This study fills the gaps in the literature, since few studies have been conducted which have focused on the Tanzanian customs system, thus putting forth practical solutions to ensure operations are smooth at this critical trade hub. The research questions are: 1) what are the causes of custom clearance delays on trade import at Dar es Salaam port? 2) How do these delays affect the trade of Tanzania and what steps can be done to stop them? Consequently, this study contributes to the broader discourse on how to increase trade efficiency in Tanzania and the region.

2. REVIEW OF LITERATURE

Logistics performance theory emphasizes that simplification, facilitation, and harmonization of customs procedures assist in encouraging smooth transactional movements of goods across international borders (Grainger, 2021). The more complicated the customs clearance procedures are, the more potential delays hurt competitiveness and overall efficiency in trade. Problems such as poor integration, infrastructure, and lack of staff training contribute to delays (Krishina, 2019). In ensuring that Tanzania secures a better position in trade, there is a need to adapt more appropriate measures to handle the challenges. As Azmat (2015) views it, efficient customs clearance accelerates border crossing, reduces transaction costs, quickens turnaround time, and increases the competitiveness of those businesses participating in international trade. On the other hand, inefficient customs procedures increase operation costs, cause delays, and raise the risk of corruption (Krisha, 2015). In this regard, good customs clearance processes are very vital to global trade, and technology precisely the use of software empowers these processes by means of reduction in both time and cost (Azcárraga, 2022).

Despite developments, customs clearance in many regions, such as in Tanzania is still problematic. According to a report by COMCEC, un-harmonized and unclear customs procedures, lack of standardized systems concerning the declaration of imports, and non-integrated, computerized customs management systems are some of the major contributors to delay. Such manual processes are responsible for the major contributors to ineffectiveness. These problems require the adoption of trade facilitation measures which would ensure simplification, standardization, and harmonization of customs procedures (Deliçay, 2014). Smoother customs clearance will be required for different dimensions of investment (Notteboom et al. 2020) stress the use of technology, including advanced systems of customs clearance and information-sharing platforms to support smoother facilitation processes in customs clearance. Collaboration among stakeholders involved, including government and private agencies, may also play a vital role in regard to these challenges (UNESCAP, 2015).

Furthermore, Finger & Wilson (2019) support the use of risk-based approaches and providing an opportunity to importers to present pre-arrival data with a view to speeding up the clearance procedures. It is also imperative, as a second and more specific level, to simplify and accelerate Dar es Salaam port-related processes, given that such a development could lead to increased compliance standards and regional trade activity (Elliot, 2016). Although the existing literature provides a broad understanding of customs clearance efficiency, there remain gaps in fully understanding how these systems operate in specific geographical contexts, such as Tanzania. Many studies have focused on broader trends, but few have delved into the unique challenges faced at Dar es Salaam Port. This study aims to fill that gap by critically assessing the factors contributing to delays in customs clearance and also proposing targeted strategies to improve clearance imports in Tanzania.

3. RESEARCH METHODOLOGY

The study was conducted in Dar es Salaam and precisely at Dar es Salaam Port, which is the largest and most important port in Tanzania and handles a huge percentage of the country's imports. This made the port an ideal study area due to the enormous contribution it has had toward handling Tanzanian trade. The research adopted a total population of 100 stakeholders, which was a representative of considerable entities in port operations, for example, clearing and forwarding agents, officers from shipping lines, logistics providers, TRA customs officials, and TPA personnel. The participants in the target group were selected because of direct stakeholder involvement in customs procedures at high levels with specialized knowledge concerning the subject under discussion.

The sampling method used in the study was purposive sampling. This non-probability sampling technique was adopted to ensure that only those with extensive experience in customs operations and trade logistics are brought into the sample. Purposive sampling was done appropriately since the study required valid input from direct stakeholders involved in customs procedures. Out of 100 contacted stakeholders, the valid sample size selected for analysis had 76 participants; 64 questionnaires completed and 12 interviews, which gives a response rate of 76%. This justified the sample size to a great extent, as the sample was very representative of the population, with a good quantity of data collected by the researcher to achieve the aims of the study. Primary data collection relied on two main tools: questionnaires and semi-structured interviews. Questionnaires were designed to capture both quantitative and qualitative information with regard to significant themes of customs delays, procedural inefficiencies, and likely strategies for improvement. The nature of questions used in interviews was of an open-ended type, which allowed the respondent to give as detailed a response as possible regarding the operational challenges encountered at the port. These tools were selected because they can collect a wide range of views while allowing for detailed and rich responses from the most important stakeholders.

The questionnaire and interview questions were pre-tested with a small sample of the port stakeholders before the actual data collection exercise, thus validating the data collection instruments. This step enabled to fine-tune the questions so that they could elicit the necessary information. The consistency in the data collection was enhanced by standardizing the questionnaires and interviews, and standardization of protocols for data collection. Use of SPSS software to analyse the data further increased the reliability through allowing a more organized data analysis and interpretation of the dataset. The SPSS software was used to analyse the data from the questionnaires. It included the use of descriptive statistics to summarize responses and deeper analyses that could outline patterns and trends related to delays in customs clearance. Thematic analysis was done on data obtained from interviews, whereby identification, coding, and interpretation of common themes were done in relation to the aims of the study.

The case study approach, combined with purposive sampling and mixed methods of data collection, was chosen as it allowed an in-depth investigation (Creswell, 2014) into customs clearance delays at one of the key ports of Tanzania. Based on these criteria, selected Tanzanian case studies had a number of limitations. First, the research depended on self-reported data; this had a probability of being influenced by respondent bias. Moreover, despite the fact that the sample size of 76 is adequate for the research questions, it may not be representative for capturing varied perspectives in the more general

population of port stakeholders. Another limitation was the constraint of time, wherein the investigator could not accommodate more participants. The study followed the existing ethical statements to ensure that the research was not denigrated as a process. Informed consent was obtained from all the respondents before answering the questionnaires or undergoing interviews. It was important for the researcher to explain the purpose of the research and inform the respondents that their answers were kept confidential and anonymous. Data collected were stored in safekeeping, and the personal identification of the respondents was eliminated for privacy purposes. Prior to the initiation of data collection, ethical approval for the study was secured. Therefore, the design of this study has holistically combined the case study design with purposive sampling, mixed methods of data collection, and measures for ensuring ethical safety in examining the factors that contribute to delays in customs clearance at the Dar es Salaam Port. The results provide a sound basis for the formulation of strategic interventions that can help improve the efficiency of customs clearance procedures in Tanzania.

4. FINDINGS AND DISCUSSIONS

4.1 Respondents Information

Out of 76 respondents from the sample size as depicted in Figure 1; 56 respondents equivalent to 73.7% were identified as male while the remaining 20 respondents accounting for 26.3% were identified as female. This demographic spread was intentionally made to ensure the study is encompassed with a broad spectrum of viewpoints by including respondents of both genders. The majority of respondents 50% had a degree followed by a diploma 28.9%. The master level is 18.6% and the lowest is 2.6% which is certificate. This distribution highlights the varied educational backgrounds of the participants, illustrating a significant representation across different levels of higher education within the study's demographic. A larger portion of the respondents, comprising 24 individuals making 31.6% reported having 7 to 10 years of experience followed by 4 to 6 years of experience which were 18 making 23.7%. Additionally, 12 respondents equivalent to 15.8% indicated 11 to 12 years of experience. 11 respondents representing 14.5% reported having 1 to 3 years of experience in imports. Lastly, 11 respondents making up 14.5% reported having 12 years or more of experience.

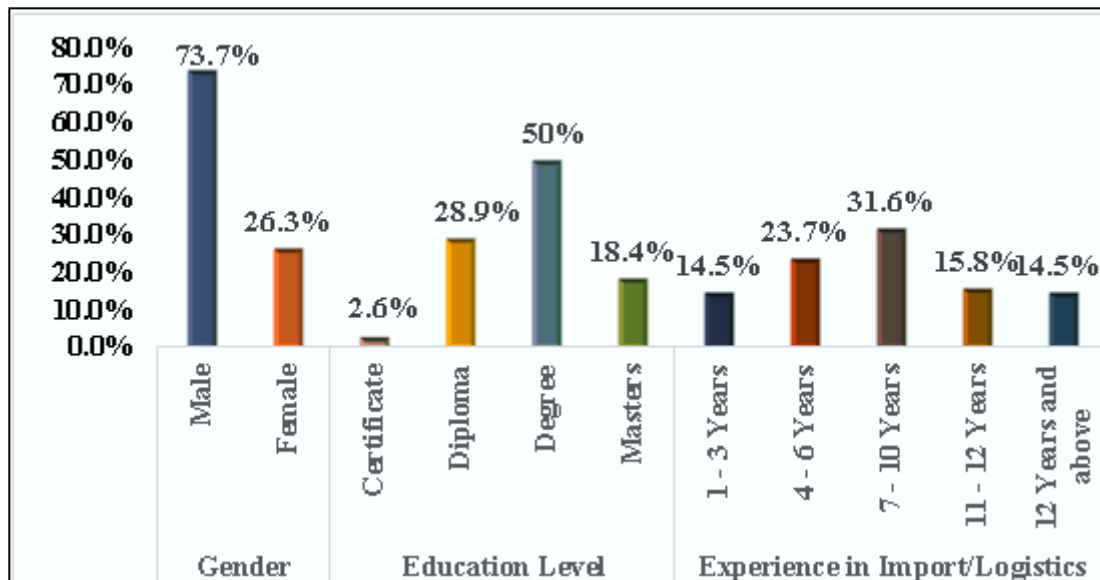


Fig 1: Respondents Information

4.2 Causes of Customs Clearance Delays on Trade Import at Dar es Salaam Port

The section gives the major findings from the data collected on customs clearance delays at Dar es Salaam Port. The analysis focused on three main issues emerged: shortage of customs officers, problems related to documentation, and problems with the integrated system. This is yet to highlight the proposed strategies to alleviate these delays. These results shed light on the complicated nature of customs clearance delays, pinpointing the factors that contribute to inefficiencies within the customs process. Here are the highlighted findings.

4.2.1 Inadequate number of customs officers

The study findings portray a complex picture of the factors contributing to customs clearance delays at Dar es Salaam port, focusing on insufficient staff issues. In the analysis of responses from 76 participants of this study, a majority of the respondents, 51.3%, agreed or strongly agreed that shortage of personnel at customs is one of the major contributory factors to this lag. This dominant view reveals a serious concern about the gross inadequacy in human resources to address the workload challenge of the port. However, 23.7% of all respondents did not agree with this view, thus suggesting that staffing may not be the major problem and that there might be other more serious operational or structural issues. The remaining percentage, 25%, remained indecisive, which could mean uncertainty or realization of equal chances for multiple factors contributing to the delays.

Table 1: Insufficient Customs Officers

	Frequency	Per cent	Valid Percent	Cumulative Percent
Strongly disagree	10	13.2	13.2	13.2
Disagree	8	10.5	10.5	23.7
Neutral	19	25.0	25.0	48.7
Agree	24	31.6	31.6	80.3
Strongly agree	15	19.7	19.7	100.0
Total	76	100.0	100.0	

Source: Field Data (2024).

The findings reveal that customs clearance delays are a complicated issue. While insufficient staffs are a notable issue, it is likely to be just one aspect of the broader challenges impacting customs operations. The variety of opinions from the respondents indicates that any approach to improving customs clearance efficiency at Dar es Salaam port must be multifaceted, addressing not only human resource challenges but also considering operational, procedural, and infrastructural improvements. The study implies the importance of stakeholder engagement in identifying and implementing solutions that will address the range of factors contributing to customs clearance delays. Engaging a broad spectrum of stakeholders in dialogue and decision-making processes could pave the way for more effective, inclusive, and comprehensive strategies to enhance the efficiency of customs clearance at the port. This was strongly agreed by Krishna (2019) on the study of challenges of customs import clearance procedures that there is insufficient number of customs officers that results in delays of trade imports.

4.2.2 Challenges associated with documentation

Respondents of this study were asked if the Customs Clearance delays are caused by issues related to documentation. Table 2 shows the responses gathered regarding the causes of customs clearance delays at the Port of Dar es Salaam, specifically focusing on issues related to documentation, by presenting a revealing view from the participants. The survey on customs clearance delays at Dar es Salaam port revealed varied perspectives on the impact of documentation issues. A small segment of respondents, totaling approximately 7.9%, either disagreed or strongly disagreed that documentation issues are a primary cause of delays, suggesting that other factors might play a more significant role in the inefficiencies observed. Conversely, a substantial majority, amounting to 82.9%, either agreed or strongly agreed that problems with documentation significantly contribute to the delays, highlighting widespread concern over this aspect of the clearance process.

Additionally, 9.2% of respondents remained neutral, acknowledging documentation issues but also indicating the potential influence of other contributing factors. This distribution of opinions underscores the complexity of addressing customs clearance delays, pointing to the need for a comprehensive approach that not only focuses on improving documentation processes but also considers other underlying issues affecting clearance efficiency at the port. On other hand, thematic analysis shows that streamlining documentation procedures is one of the most important strategies in reducing delays: "Documentation - Increase the accuracy, computerize and use more forms to simplify the complexity in filling out paperwork (Krishna, 2019).

Table 2: Issues Related to Documentation

	Frequency	Per cent	Valid Percent	Cumulative Percent
Strongly disagree	4	5.3	5.3	5.3
Disagree	2	2.6	2.6	7.9
Neutral	7	9.2	9.2	17.1
Agree	27	35.5	35.5	52.6
Strongly Agree	36	47.4	47.4	100.0
Total	76	100.0	100.0	

Source: Field Data (2024).

4.2.3 Concerns associated with the integrated system

The data collected on the perceptions of customs clearance delays at the Port of Dar es Salaam, specifically concerning issues related to the Tanzanian Integrated Systems (single window), offers insightful perspectives from the respondents. Table 3 on the next page shows the responses regarding the causes of customs clearance delays on trade imports specifically focusing on issues related to Integrated Systems. The data collected from 76 respondents on their perceptions regarding the issues related to the integrated system being the cause of customs clearance delays showed divergence in opinions. 31.1% of the total respondents opposed the statement that issues related to the integrated system are the primary causes of delays, by combining both disagreed and strongly agreed. This highlighted a belief that other factors apart from single window are concerned. It is 7.9% of the total respondents showed neutrality with the statement recognizing other factors but not limited to integrated system. However, a majority of respondents represented by 71.1% underscored a prevalent concern over the effectiveness of the single window in facilitating customs clearance processes.

On other hand, Azmat (2015), Deliçay (2014) and Krishna (2019) on their studies are strongly agree that the lack of integrated system for cargo clearance to various customs administration are the results of trade imports delays. It observed that some customs have system but not fully integrated. For instance at Dar es Salaam port there is Tanzania Customs Integrated System (TANCIS) but is not fully integrated to all stakeholders involved in cargo imports. This pushed the President of Tanzania S.S. Hassan to order TRA and TPA to harmonise their system and other government agencies to promote transparent and avoid delays on their operations.

Table 3: Issues Related to the Integrated System

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	10	13.2	13.2	13.2
Disagree	6	7.9	7.9	21.1
Neutral	6	7.9	7.9	28.9
Agree	30	39.5	39.5	68.4
Strongly agree	24	31.6	31.6	100.0
Total	76	100.0	100.0	

Source: Researcher, 2024

4.3 Methods of Minimizing Delays in Customs Clearance

Respondents were further asked to recommend strategies to help reduce customs clearance delay times at Dar es Salaam port. The analysis revealed several factors as indicated in Figure 2 show that, 81.6% of the respondents recommend (1) Infrastructure Development. Infrastructures from ports, roads and Information technology systems for data management. (2) Use of Technology Tools in Documentations: A large number of respondents, 73.7%, reported that in-depth digital technologies for documentation processes can significantly reduce delays. This involves the use of electronic documentation, digital signatures, and online submissions, among others, which reduces errors and accelerates clearance. This will help clients to submit and track their documents and also to speed up processes and reduce errors (UNESCAP, 2021).

(3) Improved Coordination among Agencies involved in customs operations. Fully 68.4% felt the need to increase coordination among the various agencies that are involved in customs clearance. Inefficient coordination among agencies today results in duplication of effort and mismatched processes, which naturally leads to delay. Suggestions for better coordination included creation of a common database, task forces, and common training programs. (4) Simplification of Regulatory Procedures: 60.5% of respondents suggested streamlining regulatory procedures to reduce costs by avoiding duplication of steps. Digitization of the processes and making the regulations more transparent would pave the way for smoother clearance and reduce time delays. This was supported by WCO (2019) that streamlined customs procedures can increase trade volumes, enhance compliance rates, and reduce smuggling, fostering a dynamic and efficient trade environment. Lastly is (5) Advanced Training to Customs Personnel: It is here that 60.5% of the respondents supported increased training for customs personnel so that they could be current with technology and best practices in customs procedures. Well-trained personnel would handle complicated clearance procedures more effectively and reduce issues contributing to delays.

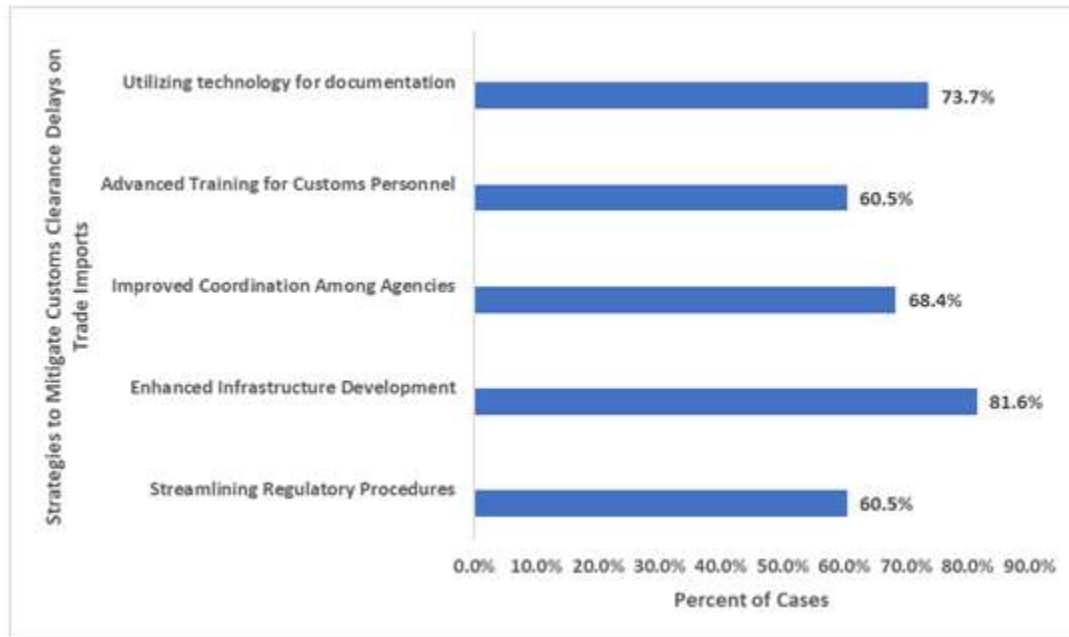


Figure 2: Strategies to Mitigate Customs Clearance Delays

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The Port of Dar es Salaam serves as a vital artery for Tanzania's trade and plays a crucial role in regional commerce. However, customs clearance delays pose significant challenges to trade efficiency and competitiveness. Through this study encompassed stakeholders' insights and data analysis, several strategic solutions have emerged. Infrastructure development and technology utilization stand out as top priorities, with stakeholders emphasizing the need for upgraded systems and streamlined processes. Improved coordination among agencies, regulatory procedure streamlining, and advanced personnel training also feature prominently as a roadmap for improvement. Addressing customs clearance delays demands a determined effort involving the government, port management, private sector, and international collaborators. By implementing these strategic solutions, Tanzania can enhance trade efficiency, stimulate economic growth, and solidify its position as a regional trade leader.

5.2 Recommendations on the Key Findings:

- **Infrastructure Development:** Improvement is needed in the infrastructural facilities of the port. In fact, this identified the need for better facilities at the port area, road networks, and IT systems. According to Krishna (2019), the investment in infrastructure both IT systems and port infrastructure for cargo clearance would reduce congestion and facilitate ease of operation, thus leading to improved efficiency in customs clearance.
- **Adoption of Technology:** Advanced technology in documenting processes would be utilized. As identified from the study, electronic documentation, digital signature taking, and online submission had the potential to heavily reduce delays and errors. It would hugely enhance the efficiency of customs clearance by speed and accuracy. This also proposed by UNESCAP (2021) on moving toward digitalization and regional integrations.
- **Improved Coordination among Agencies:** The study is quite insistent on coordination between agencies that are part of the customs-clearing machinery. Establishment of a joint database, interagency task forces, and training programs will avoid duplication in work and uniformity in procedure.
- **Simplification of Regulatory Procedures:** Simplification and digitization of regulatory procedures will bring down the cost through eliminating superfluous steps. With clearer and more efficient regulations, says the study, goods will clear customs faster and trade will be more efficient.
- **Advanced Training for Customs Personnel:** Increased and advanced training for customs personnel should be provided to update them with the latest technology and practices followed globally. Better-trained personnel would respond more appropriately to the complex clearance procedures and issues that are the cause of delays.

5.3 Study Limitations and Future Research

Several limitations apply to this study: reliance on self-reported data that could bring forth some bias and the sample size, while sufficient for the task at hand, is actually larger in dealing with a comprehensive perspective. Further, the time constraints within the study reduce the extent to which interviews would be conducted-probably allowing for deeper insights. Further research may focus on the impact of specific solutions of technology on customs efficiency, actual performance in real-time assessment of new infrastructure projects, and the state of international cooperation regarding issues in customs clearance. Longitudinal studies can disclose details on the long-term effects of the strategies implemented and pinpoint new emerging challenges.

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