

*Full Length Research Paper*

# **Challenges and opportunities for export trade facilitation practices in Ethiopia**

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**This study used quantitative and qualitative methods to examine how Ethiopia facilitates its exports. In this study, descriptive methods and primary data collection were employed. A combination of random and non-random sample methods was applied, including proportional and simple random sampling techniques. Closed-ended questionnaires and semi-structured interviews were used. Data from questionnaires were evaluated descriptively, whereas data from interviews were studied qualitatively (content-based). According to the study, Ethiopia's trade facilitation practice has a strong governance structure and cheap export-related document processing costs. Export-related information and publications are scarce. The paper-based processes are time-consuming. Lack of coordination between the business sector and trade-facilitating government entities makes export-related paperwork processing and collection complicated and time-consuming, slowing export clearance. Export rules and procedures are dynamic, intricate, and challenging to understand, making them tough to apply. Furthermore, they fail to capitalize on the country's vast potential due to a lack of knowledge, practical experience, adequate follow-up, and rent-seeking. To do this, the researcher suggests two main ways to solve the problems listed above: 1) creating an export facilitation agency and 2) creating a single-window system.**

**Key words:** Trade facilitation, trade facilitation indicators, export.

## **INTRODUCTION**

Trade facilitation plays a significant role in minimizing trade related costs and saving international trade processing times. Li and Wilson (2009), argues that the main aim of trade facilitation is to minimize an importing and exporting costs and time which will create an indivisible opportunity to those nations who makes their export-import platforms easy and simple in their customs,

transport, clearing process, and other related authorities. Trade facilitation has a constructive effect on export effectiveness and diversification (Alberto and Wilson, 2012). According to Peng (2009), the export competitiveness are hindered due to the delays caused by lack of effective trade simplification practices and also he argues that effectively facilitated export practices has

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a significant role in lowering exporting time and cost and it will also let exporters deliver their commodity at a stipulated period of time with reasonable price. Ben (2009) found that, there is up to 4% improvement in export diversification and 5% increase in foreign market location as export destination when there is a 10% enhancement in trade facilitation practices. Beverelli et al. (2015), found that, successful trade facilitation practices would raise most of sub-Saharan African nations' export to 15.7% in the number of items exported by a given location and raise up to 27.9% in the number of locations (destinations) by a given item and about 12% in the number of items exported for a single location and 21.7% in the number of export destination for Latin Americans. According to Hahu Daily News (2015) and John (2015), Ethiopia targets to increase its exports revenue to 12 billion USD during the second growth and transformation plan period which is four times than what was achieved in the first GTP. In addition, the government targets to boost export by 29% in each year of coming growth and transformation plan. It is also stipulated to collect USD 16 billion in export revenue by the coming five years.

To this end, the government will reform some activities and export strategies and it has recognized the huge importance of trade facilitation to bring about success to the predetermined goals. Reduction in unnecessary delays in export and costs attracts improves the volume and value of export. As discussed by IFC (2012), emerging nations (a place where it takes three or more times to clear export than developed countries) highly benefit from effective trade facilitation measures than developed countries. Therefore, the researcher has described the nature of the current trade facilitation practices regarding to export and try to investigate the challenges and opportunities that the exporters are facing with this current trade facilitation practices.

The UN/CEFACT (2004), found that, companies that engage in exporting are facing problem of preparing and reporting multiple documents to different authorities and offices to claim their document and the involvement of multiple officials; and agencies in the document processing and submission process becomes the other bottleneck for both the exporting community and the country as well. In addition to documentary challenges, the issue of delays in export facilitation has accounted as the other critical challenge by different researches. Uzzaman and Yusuf (2011) projected that trade facilitation measures will increase the export goods by 0.8% of its manufacturing cost if there is a single day delay in processing, clearing, or transporting an export item. On another research, Sandford and Timbley (2010) estimated that each percent of savings in export processing costs can minimize the world export transaction costs by \$43 billion a year. Similarly, Hoekman and Nicita (2010) calculated that there is a 5% increment in export value and volume, when there is a 10% saving or reduction in

inbound (domestic) export clearance proceeding costs and times.

A procedural, administrative and bureaucratic problem has also been considered under the export facilitation related problems by different scholars. In this case, McLinden et al. (2011), found that a two third (2/3) of delays in export or trading activities happened due to other government institutions bureaucratic and managerial problems while the remaining one third (1/3) of delays happened due to customs authorities failures. Additionally, Tsegaye and Endris (2012), concludes that the number of different regulatory procedures and managements such as income collections, community wellbeing and safety, customer safety, trade policy issues, inspections and others can extremely restrict the timely and effectively movement of export products.

Similarly, different research findings, now arguing that similar trade facilitation problems re existing in the case of Ethiopia. The World Bank (2014) approved that the multiple document requirements for exporting by different regulatory bodies such as customs authorities, health and technical control institutions, financial control companies and insurance providing sectors are affecting the timely movement of Ethiopian export. Again, the research findings of JICA (2013), also found that there is a problem of regulatory coherences, volatility of regulations, lack of information and awareness, bureaucratic bottlenecks, problem of working in a coordinated ways, inefficient implementation of incentive schemes and lack of follow up are affecting the current Ethiopian export. Furthermore, the report outlined by Herald (2015) stated that nowadays, all business communities and related stakeholders are complaining a lot about the time and cost they are wasting with no or insufficient reasons to clear their export items, which are due to bureaucratic inefficiencies existing in different government institutions and the multiple documentary requirements by different officials which again force them to knock multiple offices for a single export.

As far as this research is concerned, the researcher is unable to find any research that has addressed the opportunities and challenges of export in light with trade facilitation practices in holistic approach. Most researches conducted in Ethiopian context that the researcher has read, focused only on the challenges of procedures complexity in some selected agencies/institutions such as ERCA, Transit institutions, or others and most research recommendations focused on minimizing and making procedures as clear and short as possible. For example, the research conducted by Tilahun (2014) discusses the role of trade facilitation from the world trade accession angle, which is about the role of WTO membership in facilitating trade; while Tsegaye and Endris (2012) focused on assessing the impact of border clearance procedures on the cost of doing business in Ethiopia, specifically on border clearance related procedures. In

addition, the research conducted by JICA (2013), that collected data regarding to Ethiopian export promotion, has conducted on the basis of assessing the current export promotion structure in the country and the implementation level of export promotion incentives. Therefore, this study has tried to assess the nature of trade facilitation practices as well as challenge exporters are facing and opportunities those exporters are enjoying resulting from the current trade facilitation practices in Ethiopia specifically in Addis Ababa. This research study was adjusted (designed) to have critical response for the following specific questions focused on assessing the challenges and opportunities of Ethiopian export related to the current trade facilitation practices in Ethiopia.

- (1) What kind of trade facilitation practices is implemented in Ethiopia regarding to export business?
- (2) What are the challenges that export sector or exporters are facing in the current trade facilitation practices?
- (3) What are the opportunities that exporters are enjoying in relation with the current trade facilitation practices?

## LITERATURE REVIEW

### Definition and scope of trade facilitation

The Asian Development Bank (2013) defines trade facilitation as a focus on the clear and effective application of export import related formalities and regulations. The United Nation conference on Trade and Development (2011) discussed trade facilitation as an involvement of political, economic, business, administrative, technical and technological as well as financial issues to create a clear and expected atmosphere in the cross-border trade transactions based on simple, standardized clearance requirements and activities, documentary desires, cargo and transit operations, and trade and transport arrangements. The World Trade Organization (2015), has defined trade facilitation as the simplification and organization of export and import procedures and processes, where trade processes are the activities, practices, and formalities involved in collecting, offering, sharing, and possessing information as well as additional information compulsory in the delivering an export items in foreign markets. Consistent with Moise et al. (2011), Trade facilitation refers to policies and measures aimed at easing trade costs through having strong capacity and efficiency in every level of cross border trade transaction.

In general, trade facilitation is about easing trade related activities by creating integrated working environment through the involvement of business communities, the government regulatory bodies, private facilitating institutions in the domestic and it is also goes

beyond to the smooth trade relation with border compliances, external companies and stakeholders. To smooth these trade facilitation activities, simplification and harmonization of trade related documents, automation of transaction and trade processes is the critical element to be involved.

### Trade facilitation indicators

The success of trade facilitation can be expressed using different measurement mechanisms by different institutions. According to the Asian development Bank (2013), trade facilitation practices will ranges from availability of trade facilitation related policies to the delivery of the product to its final destination. In this regard, trade facilitation will involve publication and administration of policies related to trade issues, streamlining of trade procedures, conformance and standard of products, involvement of hard infrastructure such as roads and railways, and soft infrastructure such as efficient administration, and goods in transit which is very important to ensure balance between providing fast customs clearance for legal goods and adequate protection from fraud. On the other hand, trade facilitation for UNCTAD (2006), covers measures regarding to formalities, procedures, documents, use of standards, electronic messages for trade transactions, physical movement of goods, legal frameworks, transport and communications infrastructures, modern information technology, and timely discussion as well as distribution of export import related data to all respective stakeholders (Andrew, 2007)

Hanouz et al. (2014) report on Enabling Trade Index, covers seven thematic pillars: domestic market access, foreign market admission, competence and clearness in transit government and administration, accessibility of transportation means and infrastructures, the availability and quality of transport services, the availability and application of information technologies.

### Role of trade facilitation in enhancing export competitiveness

Through the simplification and harmonization of trade procedures and formalities, trade facilitation contributes to the reduction of trade transaction costs and thereby to the improvement of competitiveness. The time delays caused by the lack of trade facilitation also hamper export competitiveness. Delays in customs increase warehouse and storage costs, among others. Such delays can also affect the quality of goods and/or lead to the cancellation of orders and claims of damage compensation. Through the implementation of trade facilitation measures, the time needed to complete administrative procedures, such

as preparing, submitting and processing trade documents, would be significantly reduced. In short, trade facilitation has a positive and multifaceted impact on export competitiveness (Hausman et al., 2013; Zaki, 2014). Facilitated trading environment contributes to the reduction of the cost and time of trade transactions, thereby enabling exporters to provide goods at a competitive price and in a timely manner (Peng, 2009).

The ability of countries in exporting of items within stipulated time as well as reasonable charges becomes a key determinant of their participation in the global economy; while smooth delivery of export items enhances international trade capability and efficiency. The concept of trade facilitation focuses on confirming all facilitating institutions requirements, processes and procedures are attractive and applicable to cross border movement of goods and services (Debapriya and Syed, 2006). Trade facilitation concept also ranges in improving the economic development of nations and their companies by reducing avoidable bureaucracies and formalities, to harmonize logistical and administrative systems while similarly make sure and powering nations to defend itself against illegal and unwanted trade practices (Marcus, 2003).

### **Trade facilitation practices in Ethiopia**

There is common problem that probably existed in Ethiopia in her international trading activities. The report of World Bank on its trading across borders ranking puts the country at 166th in the world. According to the report, most African countries, especially sub-Saharan have the longest time to clear the clearance processes in the customs and other institutions to have export clearance which make the region to have longest delays in export clearance. It takes 12 days in the region to clear export which is longer as compared to the Latin American countries that takes seven days to clear. Export clearance in Ethiopia is the longest in Africa which takes about thirty days for customs to clear goods. This has contributed to the country's current 132nd out of 189 nations in the World Bank doing business index (Tilahun, 2014).

The World Bank reported the current lead-time to export is 43 days which categorized the country with the longest lead-time to export. The number of documents required to clear export in Ethiopia has increased to eight by 2014. All documents required per shipment to export goods recorded. Government ministries, customs authorities, port and transit agencies, technical and sanitary control authorities and banks requirements should be taken into account (World Bank, 2014). Traders, export and import agencies as well as investors and others often voice their complaints regarding the time and money they are wasting unnecessarily to claim their

export and import and importing goods, machinery or any items due to the frustrating administrative hurdles around Ethiopian Revenue and Customs Authority (ERCA) as well as other related governmental and private organizations. Now days, in Ethiopia, in order to get clearance for importing and exporting any given item, both exporters and importers are expected to bash (knock) the gates of different authorities and institutions. He/she needs to bring legal trade documents from Commercial Bank of Ethiopia, Ethiopian Shipping and Logistics, Customs port and transit and the like. In this aspect, wasting time due to administrative inefficiencies, exporters and importers are obligatory to pay extra fees as it takes them several days or months for getting the required services (Herald, 2015).

### **Export processing related time and costs in Ethiopia**

According to World Bank (2016), report, the export processing related costs in terms of money and time including transportation costs are summarized in Table 1.

### **Export documentation in Ethiopia**

The required documents for export clearance that comes from importing country can be effective through the effective implementation of the customs and other institutions. Some would use the documents for the purpose of proving that the products are originally delivered from their home (exporter's place) and use it for the purpose of claiming some preferential duty rates. The documents often become more significant even as compared to the exporting item because they are the full and complete description of the exporting product and it will be difficult to clear the products at customs without having full paperwork justifications.

Due to documentary incompleteness, export items will be stuck at the customs store which might make the exporter to storing charges. Most of all, export documentation must be accurate and contain the correct information (Addis Ababa Chamber of Commerce and Sectoral Association, 2016).

### **Export promotion structure in Ethiopia**

Based on JICA (2013) report, export promotion has considered an engine of broad based growth in Ethiopia. Accordingly the Ethiopian government has been taking measures to promote the export sector by introducing comprehensive financial and fiscal incentive schemes as well as institutional reforms. In this reform, both the government and private sectors are involved as discussed.

**Table 1.** Export Processing time and cost requirement in Ethiopia.

Indicator	Ethiopia	Sub-Saharan	High income
Time to export: Border compliance (hours)	57	108	15
Cost to export: Border compliance (USD)	144	542	160
Time to export: Documentary compliance (hours)	126	97	5
Cost to export: Documentary compliance (USD)	175	246	36

Source: World Bank, 2016

### National export coordination committee (NECC)

The national export coordination committee (NECC) was established in 2010 with the responsibility of giving guidance and direction on the export sector, fostering coordination amongst ministries, agencies, and institutions that support export, and giving assignment to its subcommittees to investigate policy related bottlenecks. This committee has four sub committees such as customs and logistic coordination subcommittee (CLCS), finance coordination subcommittee (FCS), infrastructure development coordination subcommittee (IDCS), as well as production and marketing coordination subcommittee (PMCS).

### National productive sector competitiveness support council (NPSCSC)

NPSCSC is established to facilitate and coordinate policy provision to the productive sector and to make the productive sector to be competitive in the international market in terms of productivity, quality and price.

### National Economic and Business Diplomacy Coordination Committee (NEBDCC)

NEBDCC is responsible to make foreign policy of the country oriented towards economic and business diplomacy for fostering infrastructure development, accelerating technology transfer, exploring and diversifying of export markets, and enhancing FDI flow of the country. Under this structure, the foreign trade promotion and facilitation subcommittee has gathered market intelligence, support major export items, and promote export products in the host market and related activities.

### Ministry of industry

Most of industry related activities are found under the control of ministry of industry. Textile industry development institute (TIDI) for textile business, leather

industry development institute (LIDI) for leather and leather products, metal industry development institute (MIDI), food, beverage, and pharmaceutical industry development institute (FBPI), chemical and construction inputs development institute (CCIDI), and meat and dairy industry development institute (MDI) are some of subcommittees involved under the control of ministry of industry in the export promotion structure of the country.

### Ministry of agriculture

Plant and health regulatory directorate is responsible for providing Phytosanitary certificate, competence of certification, export authorization and related documents. Animal health regulatory directorate have the same activity with plant regulatory directory in relation with animal export, coffee liquoring unit which directly works on coffee and supports quality of coffee export, and Ethiopian horticultural development agency (EHDA) who is responsible to assist the development of horticultural related export items in the country. These are some of the subcommittees involved in the ministry of agriculture in the export promotion structure of the country.

### Ministry of trade

Under ministry of trade, there are five major directorates who are responsible for the development of export in the country. These are: (1) Export/Import quality inspection directorate is responsible to provide a visual approval for quality to all export products handled by the ministry of trade except for coffee and meat export which are inspected under ministry of agriculture. (2) Export promotion unit has the responsibility to promote exports, create market linkages and gather market intelligence information in coordination with ministry of foreign affairs. (3) Ethiopian commodity exchange (ECX) and its authority is responsible for supporting exchange of agricultural commodities. (4) Coffee marketing directorate is responsible for smoothing the supply value chain of coffee in coordination with ministry of agriculture and providing logistics support to make sure that the product is delivered timely both to international market. (5) Trade

relation and Negotiation is responsible to create bilateral trade agreements and negotiations with the rest of the world.

### **Ethiopian revenue and customs authority (ERCA)**

This is an organization responsible to collect revenue from customs duties and main taxes, regulates cross border trade, protect the society from adverse effect of smuggling, and determine tax on imports and exports.

## **CHALLENGES OF EXPORT IN LIGHT OF TRADE FACILITATION PRACTICES**

### **Time related challenges**

The issue of delays in facilitating international trade transactions has been assessed by different researches. Uzzaman and Yusuf (2011) estimated that each day of delay in shipping time, costs 0.8% of the cost of manufactured goods. Excessive documentation, physical inspection, and sometimes multiple inspections having different middlemen (agencies) involved will create long time and higher cost in customs clearance processes (Djankov et al., 2010). In addition, Persson (2012) confirmed that there is always an increment in the time requirement to accomplish a cross border trade if the facilitation practices and procedure become complex and incompetent.

### **Document related challenges**

In most countries, companies involved in export import transaction should permanently submit large volumes of data and export related evidences (documents) for regulatory institutions (authorities) to comply with import, export and transit-related regulatory compliances. The big issue here is that, it needs to involve several different agencies to submit the required documents (Arvis et al., 2013). Each agency and institution have its own criterion, procedure and way of processing documents in which most documents processed and submitted in paper based forms. These requirements, together with the associated submission charges, create a problem for legal institutions and to the business community and can also be a major barrier for effective improvement of international trade transaction especially, in developing countries (UN/CEFACT, 2004).

Sometimes, export-import related regulations and documentary requirements become major impediments to trade. Even in some of the most trade-friendly nations of Middle East, it will involve 15 different parties to export single commodity such as rice, 24 documents, and about

700 data elements. No less than 22 days may be necessary for the exporter to dealing at different regulatory requirements as well as make transporting ready for export at the nearest seaport (Asian Development Bank, 2013).

### **Regulatory related challenges**

In addition to direct export/import activities, a number of distinct regulatory procedures and governments affects cross border operations. These operations might be in the form of revenue gatherings, the issue of social wellbeing and safety, environment and health, and consumer protection issues. Clearance processes and procedures in customs offices, customs procedures, necessary documentary claims, technical examinations as well as safety matters could also seriously become a bottleneck that will affect the smoothly delivery of an export commodity in the international markets. Examples of bottlenecks and barriers are numerous which are creating large burdens for any trader and entail substantial economic and social costs to the national economy (Tsegaye and Endris, 2012).

Referring different research findings, Tilahun (2014) projected that ¾% of international trade delays occurred due to serious administrative difficulties, multiple customs and other authorities' dealings and processes, the complicated taxing mechanisms, vague clearance processes and examination procedures, as well as the problem of having political will to adopt specific trade facilitation measures. In support of Tilahun's discussion, Wilson (2007) approved the critical impact of managerial and directional measures and processes on international trade. He also admitted that, large customs and administrative procedures have found to be a serious burden in developing nations than developed ones.

### **Infrastructure related challenges**

Most researches admitted that there is a serious concern on the infrastructural quality related problems for African countries. According to Amal (2012), the infrastructural problems are very serious especially in landlocked nations because they are forced to cost high due to two major reasons: because they have poor infrastructure which is hindering their export transaction and the same problems has existed in their neighbor countries so that they are forced to suffer two times with similar problems.

## **METHODOLOGY**

The research addressed Addis Ababa as a specific location for this research. In addition, this study is descriptive, which describes the existing nature of the challenges and opportunities of export in light

of the current trade facilitation practices of Ethiopia. The study employed both qualitative and quantitative data. The qualitative data includes those data that are primarily collected through semi-structured interview whereas quantitative data includes objective items through the close ended questionnaires. Regarding the data source, the study was used primary sources. According to Kothari (2004), primary data is collected directly from the target population by the researcher through distributing questionnaires and conducting interviews. Therefore, primary source of data were collected through closed ended questionnaires for selected exporters and semi-structured interviews for selected trade facilitating institutions and exporters associations.

Furthermore, eight selected trade facilitation indicators such as information availability, involvement of trade community, formalities (document, automation, and procedure), fees and charges, governance and impartiality, and internal cooperation as measuring tools of the status and nature of trade facilitation practices in Ethiopian context (Chen and Novy, 2009). Exporters, trade facilitating institutions, and exporters associations are the target populations or respondents of this research. Exporters were taken as respondents of the closed ended questionnaire while trade facilitating institutions and exporters associations were taken for the purpose of having interview with them which helps the researcher to triangulate exporters' response with that of their representatives and government (facilitating) institutions. Among the trade facilitating institutions, Ethiopian Revenue and Customs Authority, Ethiopian Chamber of Commerce and Sectoral Association, Ministry of Trade, and Ethiopian Horticulture Development were selected as interviewees from the government side while Ethiopian Women Exporters Association, Ethiopian Horticulture Producer Exporters Association, Ethiopian Coffee Exporters Association, and Ethiopian Pulses, Oilseeds and Spices Processors-Exporters Association were selected for the interview program from exporters associations side. All facilitating institutions as well as exporters associations were not involved in this study due to the researcher's incapability to address all of them within this stipulated time. Instead, the researcher has selected the above mentioned institutions and associations based of their weight of role and contribution in trade facilitation and of course export.

The number of sample respondents was selected based on the report of Ethiopian Exporters Institute (2015) in which currently, there are about 200 registered commodity exporters who engaged in exporting of products which have major contribution for Ethiopian export whose origin is in Addis Ababa, Ethiopia. In this case, the researcher selected exporters from different exporting sectors such as coffee, hide and skin, leather products, spices, pulses and oilseeds, fruits, vegetables, and flowers, textile, cereals, and cotton. To conduct the research both primary sources of data has been used. In collecting primary data, closed ended questionnaires and semi structured interviews were employed. These tools were employed to collect data about the current trade facilitation trends, export related challenges and opportunities of the current trade facilitation practices. These sources have been addressed from both the exporters' and government trade facilitating agencies/institutions perspectives. The semi structured interviews were employed to collect data from selected respondents from both exporters and facilitators' perspectives which helps the researcher to deeply investigate the respondents' feelings and knowledge about the specific issues that are not specifically answered using questionnaires. As far as the questionnaire's validity and reliability is concerned, the researcher were employed the Cronbach's alpha after conducting a pilot survey at Debrezeit city on twenty randomly selected exporters found in the East Industry Zone. "*Cronbach's alpha is an extensive measure of internal consistency of a latent construct, which is considered to be represented through the set of particular variables*" (Tetyana, 2012).

Questionnaires were distributed to conveniently selected exporters. The questionnaires were distributed and collected with five data collectors. Among 132 questionnaires, 120 of them were distributed by the five data collectors and the rest 12 by the researcher himself. Therefore, the first collector was assigned to 30 coffee exporters, the second assigned to 20 exporters of hide and skin and leather products exporters, the third were assigned to distribute to 26 pulses and oil seeds and cereals exporters, the fourth collector were assigned to 22 exporters from spices and fruits, vegetables, and flower exporters, and finally the fifth collector were assigned to distribute for 22 exporters who engaged in textile, bee wax and honey, and cotton export sectors. The other 12 questionnaires from coffee sector were distributed by the researcher himself. In this regard, the researcher was responsible in coordinating the distribution of questionnaires by each data collectors and guide in the necessary places and have had serious follow-up each and every day until the data has collected effectively for 50 days. In between, the researcher himself had conducted interviews with six trade facilitating institutions/authorities and five exporters associations.

The concept of data processing involves the process of editing missing contents, coding of the collected data for further analysis, classification and tabulation of collected data that will be open for further analysis. Data analysis means the process computation certain measures along with searching for the extents of association happened within given data sets (Kothari, 2004). In this case, after the data was collected from primary source it was checked and in-house editing was undertaken to detect errors that had been committed by the respondents. Then, the edited data were coded and manually entered in to statistical package for social science (SPSS) version 21 computer software.

Both the quantitative and qualitative data analysis methods have employed. The quantitative data analysis methods have been used to describe and assess the challenges and opportunities of export in relation with trade facilitation practices in Ethiopian context especially in Addis Ababa (ACAPS, 2012). In doing so, the frequency distribution table, percentage and mean were employed to analyze the overall responses of respondents. Since the nature of the research has qualitative behavior too, the researcher has used interview data to support the findings from questionnaires. In this case, the researcher has collected the data, group similar ideas (responses rotate in same point or issue) and code the data that will make an interpretation very contended. At the end, the researcher have interpreted the results using his own ways of explanation and linked the results with results of questionnaires.

## DATA ANALYSIS

### Reliability test result

The Cronbach's coefficient alpha was calculated for each field of the questionnaire. Table 2 shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha ranged from 0.793 and 0.864. This range is considered high as the result ensures the reliability of each field of the questionnaire. The total Cronbach's Alpha equals result is 0.875 for the entire questionnaire which indicates very good reliability of the entire questionnaire. Therefore, based on the test, the results for the items are reliable and acceptable.

### Information availability

The concept of information availability as trade facilitation indicator (TFI) is about availability and publication of required formalities in

**Table 2.** Reliability Test.

S/N	Field	Number of Items	Cronbach's Alpha Result
1	Nature of Trade Facilitation in Ethiopia	13	0.859
2	Challenges of export of trade facilitation	14	0.793
3	Opportunities of export of trade facilitation	8	0.864
<b>Total</b>		<b>35</b>	<b>0.875</b>

Source: Author

**Table 3.** Information Availability.

Variable	Mean	Valid percent of Responses (%)				
		STDA	DA	N	AG	DSA
Customs and all institutions have published their own specific procedures	2.0833	30	50	5	11.7	3.3
There is clear communication of Policies and objectives publicly available that will guide how the trade community involve in trade related activities	2.0750	34.2	45	4.2	12.5	4.2
There is sufficient information regarding to your export processing and clearance	1.7750	43.3	45.8	4.2	3.3	3.3
<b>Total</b>	<b>1.978</b>					

Source: Author

every institution in either in published paper form or web based system. In this regard the trade related procedures should be published, documented and availed to the public so that the business community can easily access the necessary information that have importance for their business success. To this end, three critical questions have been forwarded to the respondents (exporters) and their response as discussed in Table 3.

According to the above table, there is lack of availability of published materials concerning with trade facilitation and export clearance processes in the country, lack of clear communication of policy and practices in between the government and the business community which might ease the export process, and lack of having sufficient information regarding to how to process and clear an export. In general, it shows that there is a big information and communication gap between the facilitating bodies and trade community.

#### **Trade Formalities: (Documents, automation, and procedures)**

Trade formalities are the ways that trade related activities will become very simple while processing. Trade formalities in a good trade facilitation practice involve three basic pillars. These are simplification of trade documents which is about harmonization in accordance with international standards and acceptance of copies, electronic exchange of data and automation of export procedures, and streamlining of export controls and single submission points for all required documentation. Based on the above justifications of trade related formalities, the following five questions have forwarded to exporters and their answer is discussed in Table 4.

The total mean score is 1.8997 which shows that almost majority of the respondents are not agreed with (1) the simplicity, harmonization, consistency of export related documents (2) the use of electronic and automation systems to process data, export

clearance practices, and share information, and (3) the streamlines and organization export related regulations and processes (procedures) and the opportunity of submitting export documents in one single point of submission.

#### **Involvement of trade community**

The success of trade facilitation will leave on the paper unless it considers the interest of the business community and involve them in the decision making process. The concept of involvement of trade community in trade facilitation practices is about considering the interest of the traders while developing procedures and trying to consult them as necessary. The following table will discuss the nature of Ethiopian trade facilitation practice in considering business community involvement.

Depending on the above Table 5, the response of exporters regarding to their involvement in trade related decisions and the consideration of their interest in regulatory procedures has scored a 50% of disagreement, 28.3% of disagreement, 11.7% agreement, 3.3% strongly agreement, and 6.7% of neutral with a total mean of 2.1167 which shows that most of the respondents are concentrating on disagreeing with attainment of their interest by regulatory procedures and their involvements in export related decision making processes. The above analysis shows that, the export related regulations are not developed considering the interests of the business community especially the interests of the exporters in this case and exporters are not involved in trade related regulatory procedures as well as decision makings.

#### **Fees and charges**

This issue involves the payments that exporters should fulfill in



**Table 4.** Trade Formalities.

Variable	Mean	Valid percent of responses (%)				
		Str. Disag.	Disagree	Neutral	Agree	Str. Agree
Export documents are simple, harmonized, consistent and aligned with international trade laws and procedures	1.9333	39.2	44.2	5	7.5	4.2
Data processing are harmonized using electronics systems by all regulatory bodies	1.7583	36.7	54.2	5.8	3.3	-
Export clearance practices are supported by the automation system in all over institutions	1.7750	34.2	59.2	1.7	5	-
All government institutions, traders and freight forwarders share information electronically	1.8487	36.7	51.7	3.3	7.5	0.8
All export related controls are streamlined/organized and there is a probability of submitting required documents at a single point of entry	2.1833	29.2	50	4.2	6.7	10
<b>Total</b>	<b>1.8997</b>					

Source: Author

**Table 5.** Involvement of Trade Community.

Variable	Mean	Valid percent of Responses (%)				
		Str. Disag.	Disagree	Neutral	Agree	Str. Agree
Regulatory procedures are designed to attain the interests of the business community and involve them in decision making practices	2.1167	28.3	50	6.7	11.7	3.3
<b>Total</b>	<b>2.1167</b>					

Source: Author

processing export documents and clearing an export cargo. Fees and charges are defined as amounts imposed on exports and disciplines applied. According to this result, much of the respondents (about 81.7%) have agreed that the average fees and charges levied on export are reasonable and acceptable. This implies that the country's export facilitation is successful in terms of fees and charges so that exporters are not affected by it. In this regard, the interview result from some exporters' associations shows that, the payments for export processing are not such significant as compared to what is paid for other things.

#### Internal cooperation

It is cooperation between various government institutions, private agencies, and exporters in the trade facilitation environment of the country. In this regard, the following three questions are forwarded to exporters and their answer summarized in Table 6. The total mean average (1.8792) score of internal cooperation shows that, most of the respondents are not agreed with the existence of strong

internal cooperation between government authorities, private companies, and the business community at all.

The result of the above analysis implies that, the country has no separate and autonomous facilitating authority that will be responsible to control, facilitate and coordinate export activities and finally, there is no an integrated working environment existed between the facilitating government institutions, private companies and the business community which created lack of internal collaboration among facilitating authorities and exporters (trading community) in the country which will strengthen trade facilitation practices and easing export process.

#### Challenges of export business related to trade facilitation practices

##### *Document related challenges*

Obtaining different export related documents is considered as a basic challenge in the export sector. According to UN/CEFACT

**Table 6.** Internal Cooperation.

Variable	Mean	Valid percent of responses (%)				
		Str. Disag.	Disagree	Neutral	Agree	Str. Agree
The country has separate trade facilitation committees/authority that is responsible to facilitate both domestic coordination and implementation of provisions of the trade facilitation practices	1.7417	38.3	53.3	4.2	4.2	-
Generally, there is an integrated working environment between government and business community in the trade (export) facilitation practices	2.0167	35.8	45	13.3	3.3	2.5
<b>Total</b>	<b>1.8792</b>					

Source: Author

**Table 7:** Regression Analysis on the impact of export trade facilitation on export performance

		Estimate	S.E.	T-Value	P	Decision
Export Performance <---	Information Availability	-1.065	.074	4.567	***	Supported
Export Performance <---	Trade Formality	-1.468	.056	-3.225	***	Supported
Export Performance <---	Trade Community	-.150	.099	4.261	***	Supported
Export Performance <---	Internal Cooperation	-.737	.059	5.039	***	Supported

Source: Author

(2004), companies are submitting multiple and large volume of documents to regulatory bodies to have an export success. In addition, the involvement of multiple agents, complexity of documentary requirements are costing exporters extra time and cost which is affecting the export. According to Asian Development Bank (2013), trade related documentations are becoming a great impediments for export success and requiring more documents that have large amount of data which might accomplished within long time periods (at least 22days). Considering the above discussions of the two organizations, document related challenges are addressed with the following eight specific questions and the exporters' responses are summarized in Table 7.

The results of all above discussions implies that, in the current trade facilitation practices, obtaining an export license, technical and sanitary documents, airway bill, export bank permit certificate, insurance certificate, export authorization, and inspection and release of goods for export are found the most difficult and problematic document related practices (Appendixes 12 and 13). In general, the total mean score of document related challenges is 3.894. That means most of the respondents are agreed with the difficulty of processing and obtaining documents for export clearance process. This in general implies that, documentary collections for export clearance purpose are found the other most challenging activity in Ethiopia.

#### **Time related challenges**

Delays in export creates high cost of exporting and sometimes it will

created damage on the product as well as dissatisfaction on the foreign customers which might have an adverse effect on the export. Uzzaman and Yusuf (2011) estimated that product cost will increased by 0.8% if the delivery of an export item delays for one day. The time related challenges of export related to trade facilitation as discussed in the following three questions (Table 8). In general, the above analysis shows that trade facilitation practices specifically, export clearance processes are taking long time due to the problem of processing and collecting documents for long time, problem of inspecting one product at different offices for multiple time, and due to problem of bureaucracy and inefficiency of officials to implement procedures and practices. This justification has supported by the total mean result of the above three questions which is 3.975 which means most respondents agreed that export clearance is taking long time due to document collection, multiple inspection and bureaucracy. This implies that time becomes one of the critical challenge in processing and clearing an export cargo.

#### **Regulatory/procedural challenges**

The effect of regulations on export has been discussed by different literatures. For example, Tsegaye and Endris (2012) availability of distinct procedures by different offices, documentary requirements, procedural inspections and other safety agendas will seriously restrict the delivery of an export items within its stipulated time. On the other hand, Tilahun (2014) estimates that almost third fourth (3/4) of export delays existed due to administrative problems, multiple procedure, tax administrations and related procedures/

**Table 8.** Document-related Challenges.

Variable	Mean	Valid percent of responses				
		St. Dis.	Disagree	Neutral	Agree	Str. Agr.
Obtaining an export license is the most difficult activity that affect exporting in the country	4.05	3.3	5.0	12.5	41.7	37.5
Technical or sanitary requirements and collection of Phytosanitary certificate are the most problematic activities that affect exporting in the country	3.91	8	7.5	14.2	54.2	23.3
Collection of airway bill is the most problematic activity that affect exporting in the country	3.70	21.7	-	0.8	62.5	15.0
Collecting of export bank permit and insurance certificate is the most problematic activity that affect exporting in the country	3.63	5.8	14.2	5	60.8	14.2
Collection of export authorization is the most challenging practice that affect exporting in the country	3.733	5	10.8	9.2	55.8	19.2
Inspection and release of goods are the most difficult activity that affect exporting in the country	3.891	3.3	11.7	3.4	55.8	25.8
<b>Total</b>	<b>3.894</b>					

Source: Author

**Table 9.** Time-related Challenges.

Variable	Mean	Valid percent of responses (%)				
		Str. Disag.	Disagree	Neutral	Agree	Str. Agree
It takes long time to process and submit necessary export related documents	4.0583	2.5	5	3.3	62.5	26.7
It takes long time to inspect goods at different regulatory offices	3.9083	4.2	8.3	5	57.5	25
It takes long time to clear export cargo due to bureaucratic activities and inefficient implementation of procedures	3.9583	3.3	9.2	2.5	58.3	26.7
<b>Total</b>	<b>3.975</b>					

Source: Author

regulations complexities (Table 9).

Wilson (2007), found that, customs and administrative procedures as a challenge for export especially in developing countries. In this regard, regulatory related challenges for export is addressed with the following four questions and summarized in Table 10. The results of the above all analysis of all four statements implies that, the current export related regulations are long, changing frequently, and difficult to implement which have multiple requirements by different government institutions to be fulfilled by exporters. It is also expressed by a regulation with no clear policies and strategies to all stakeholders. In general the export related regulations are in efficient and ineffective in supporting and easing export clearance processes and practices. This means that export related regulations are the other challenging factors for exporters and the success of export business in the country.

#### ***Opportunities of export business concerning with trade facilitation***

The results of the above discussions implies that, there is priority given to exporters by the government so that their export facilitation practice will process before any kind of Business Companies, the current trade facilitation is not fastening export clearance releases, not simplifying export, not enhancing competitiveness, and not saving exporting time and cost. In addition, exporters are not feeling secured in their export operations within the existed trade facilitation practices, the export advisory and networking services provided by facilitating institutions has not improved export their efficiency and minimize their export time, there is no further opportunity to exporters to engage in multiple export sectors due to trade facilitation constraints, and they are not effectively benefiting

**Table 10.** Regulatory Challenges.

Variable	Mean	Valid % of responses				
		St. Disag.	Disagree	Neutral	Agree	Str. Agree
All export related regulations are long, volatile and difficult to implement	4.10	4.2	4.2	1.7	57.5	32.5
There is multiple requirements to be fulfilled by the exporters to each facilitation institutions	3.98	4.2	7.5	1.7	60	26.7
There are no clear and well informed trade policies and strategies given to all export related stakeholder	4.0	2.5	7.5	4.2	59.2	26.7
In general export related procedures are not efficient and effective in easing export facilitation	4.17	0.8	5	3.3	58.3	32.5
<b>Total</b>	<b>4.06</b>					

Source: Author

**Table 11.** Opportunities of Export Facilitation in Ethiopia

Variable	Mean	Valid percent of responses (%)				
		Str. Disag.	Disagree	Neutral	Agree	Str. Agree
There is priority given to the exporters in processing and clearing their exports	3.8583	3.3	14.2	1.7	55	25.8
The current trade facilitation has fasters export clearance releases	1.6	41.7	56.7	1.6	-	-
The current trade facilitation has simplified exporting and enhanced competitiveness	1.758	37.5	54.2	4.1	3.3	0.8
You feel better security in your export operation with the existed trade facilitation practices	1.633	38.3	60.8	-	0.8	-
The current trade facilitation practices has saved export time and reduced cost of exporting	1.641	42.5	53.3	1.7	2.4	-
The export advisory and networking services provided by facilitating institutions has improved export efficiency and minimized export time	2.10	32.5	49.2	-	12.5	5.8
The exporters has an open opportunity to engage in multiple exporting sectors due to having successful trade facilitation practices in the country	2.0250	33.3	48.3	0.8	17.5	-
Exporters are highly benefiting from different export incentive Schemes provided by the country so that they maximize their export efficiency and save exporting time and cost	2.30	26.7	49.2	1.6	12.5	10
<b>Total</b>	<b>1.865</b>					

Source: Author

from export promotion incentives schemes provided by the government. The total mean of export opportunities is 1.865 which is in between 1 and 2. This means that most of the respondents are not agree with the applicability of those export related opportunities by either from trade facilitation perspectives or government export promotion plan perspectives. This implies that exporters are not effectively benefiting from opportunities except enjoying the priority

given by the government bodies (Table 11).

## RESULTS

This research has numerous functions in minimizing the

exporting time and cost and improving export efficiency in the country if properly implemented. During the investigation the researcher used descriptive statistics and based on the findings he made the research project to an end by outlining the following classic conclusions.

### **The findings of the study showed that:**

The current Ethiopian trade facilitation practice especially in the export sector:

- (i) Has no well published export related documents available to all respective stakeholders or they are not able to access it easily
- (ii) Has no open information sharing habit with our institutions as well as exporters themselves
- (iii) Has no strong communication mechanism created in the country so that exporters and other regulatory bodies (in general all stakeholders can linked)
- (iv) Has frequently changing and complex export related directives and frequently changing export related regulations
- (v) Has traditional and multiple data processing and clearance mechanism
- (vi) Has no one single entry point to process export
- (vii) Has no procedures that keeps the interests of the business community rather than the export sector in general
- (viii) Has less fees and charges paid for processing and good governance and impartiality in the export sector, and
- (ix) Generally, it has no well integrated and internally cooperated working environment existed between the exporters and the facilitating institutions and the facilitating institutions among each other. Therefore, based on the above findings about Ethiopian trade facilitation in relation with the export sector, the researcher can convincingly conclude that the Ethiopian trade facilitation is found under the infant stage and it is a kind of tiresome process in the country. Our exporters are facing the following challenges resulted from the existed infant and tiresome trade facilitation process.
  - (i) Exporters are expected to submit multiple documents to clear single export product
  - (ii) Obtaining technical and sanitary as well as health related documents are found the most challenging in documentary collection practices
  - (iii) Exporters are expected to knock different offices to claim export related documents and to inspect their exportable products
  - (iv) Exporters are forced to wait for long period of time to process export documents, inspect export products, and transport across Ethiopian border
  - (v) Exporters are forced to pay double times and inspect two times for quality standards in both domestic and international level due to the incompatibility and

unacceptability of Ethiopian standard measures by foreign importers and countries

- (vi) Exporters are forced to implement multiple procedures developed by different institutions which make their export business difficult and challenges
- (iv) The country's export is facing lots of challenges resulted from the poor performance of trade facilitation practices in the country and the multiple export document requirements, complexity and volatility of procedures, involvement of different regulatory bodies, and infrastructural problems are the most dominant challenges that hampers the success of export sector.

Even if there are some opportunities provided from the government side such as: (1) having a service priority provided for exporters that any kind of business individual; (2) having an opportunity of different export promotion incentive schemes provided by the government; and (3) having the opportunity to involve in different export sectors as far as the exporter has the potential. The exporters do not effectively benefit from those opportunities due to the following reasons: (1) the priority issues is developed by the government are not efficiently implemented in the ground because there is no strong and continuous follow-ups from the government side and exporters are reluctant in using such opportunities (2) the government has failed to deliver those incentive schemes to respective exporters and failed to have continuous follow-up programs while exporters are not well familiar with the core concept of those export promotion incentive schemes and their benefits (3) the exporters are not motivated to engage in multiple exporting sectors due to the unattractive trade facilitation environment and there is no strict support from the government side. To this end, the researcher can finally conclude that, even if there are ample opportunities in the export promotion and facilitation practices in Ethiopia, still they are not effectively enjoying those opportunities due to the weakness of both exporters and government and still the researcher believes that exporters have such opportunities in the future and can enjoy with it.

### **RECOMMENDATIONS**

This study has established the challenges and opportunities of export sector in Ethiopia in relation with the current trade facilitation practices having exporters and facilitating institutions as critical respondents found in Addis Ababa, Ethiopia. In light of the findings and conclusions made above, the following possible recommendations are suggested as being important to minimize export clearance time and cost and valuable to the success and development of export business in the country. The Ethiopian trade facilitation practice in light of

export business has been found to be tiresome and takes long time to clear a single export, therefore, the researcher has recommended the following:

- (i) All export related documents should be published and available to all stakeholders through electronic mechanisms such as common websites
- (ii) All export related information and data should be shared to all in a common way so that there will be information sharing and updating in all areas while there is any change in the export sector
- (iii) There should be well structured communication and networking policy so that there will be strong relationship between all stakeholders in the export sector
- (iv) There should be long lasting export related regulation that will be applied to all in a similar manner
- (v) All export clearance activities should be processed through automation system
- (vi) There should be a mechanism that will invite exporters and other related stakeholders to share what they feel, know, and want in the exporting sector and it will also be better if they are involved in export related decision makings to make export clearance and exporting easy.

The findings of this study show, exporters are facing different document, time, procedure, and infrastructure related challenges in light with the current trade facilitation practices. To come up with the solutions:

- (i) Single point of entry and common point of inspection should be created which will be the best way to combat the problem of knocking multiple offices for single export clearance and it will also minimize unnecessary involvement of different regulatory and facilitating bodies which will hamper the export success
- (ii) It will be better for the government to adjust its standard testing mechanisms and have a technology to test standards and quality that have international acceptance so that exporters will be saved from double quality testing by domestic and international offices
- (iii) Even if the infrastructural problems are common to all sectors, the railway project will have an answer regarding to transportation but, still it will not fully guarantee it; the government should take it into consideration. In addition, the electricity and network problems should be addressed even if they are countrywide issues.

The findings concerned with the opportunities of the export in light with trade facilitation practices show that, exporters have ample opportunities but they are not enjoying it well. To solve the problem, the following solutions are forwarded:

- (i) To be effective in having priority for the export sector, there should be strong follow ups and exporters need to be well aware what priorities they have in the sector
- (ii) There should be an avenue to inform exporters what kind

of incentive mechanisms available in the country and what benefits it has with strong support

- (iii) There should be an initiative program from regulatory bodies that will help exporters involve in multiple export sectors with strong awareness and support. In general, there should be strong awareness creation about the opportunities that exporters have and should be knocked up with strong initiative program.

## GENERAL RECOMMENDATIONS

Considering the above mentioned recommendations, to be successful in all round export facilitation issues discussed earlier, the following two major points are suggested by the researcher.

### **Development of separate export facilitation and coordination authority**

The existence of a separate institution that has autonomous power in coordinating and facilitating export related activities will be the best solution to minimize the bureaucratic problems of the export process and unnecessary involvement of different bodies that will hamper the effective move of export business. The existence of a separate institution that is fully responsible for export will promote the export business and the exporters will be supported effectively. The existence of a separate export promotion and coordination institution will involve the interest of both the government and the business community and will create an environment that each stakeholder will work together for the development of export in the country. Therefore, the researcher critically recommends the development of a separate export facilitation institution whose mandate is to promote, facilitate and coordinate export only. Similarly, JICA (2013) recommended establishing a central institution that will be accountable for controlling and managing export related activities in the country.

### **The development of an electronic single window system**

The issue of a single window system is not a new phenomenon in international trading activities; rather it is the most important way of minimizing trade facilitation related hassles in the implementing country. The existence of an electronic single window system will let exporters submit those necessary documents at a time with single entry to all regulatory bodies so that they will totally save their exporting time, cost and bureaucracies and the export sector will also be effective. UN/CEFACT (2005), in its recommendation number 33 recommends that countries implement an electronic single window

system to minimize the cost and time of their international trade transaction. According to the recommendation, the application of a Single Window would be critically important for regulatory authorities, traders, Governments and export.

Government should create better levels of safety and maximize revenue with improved trader compliance. Traders could benefit from clear and expectable clarification and implementation of procedures, and improved distribution of necessary resources, causing considerable improvements in efficiency and competitiveness.

## CONFLICT OF INTERESTS

The author has not declared any conflict of interests.

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**Appendix**

**Table 12:** Correlation Matrix On The Impact Of Export Trade Facilitation On Export Performance

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
(1) Info Avail1	1.000														
(2) Info Avail2	0.494*	1.000													
(3) Info Avail3	0.574*	0.338*	1.000												
(4) Trd Form1	0.624*	0.444*	0.668*	1.000											
(5) Trd Form2	0.655*	0.473*	0.624*	0.681*	1.000										
(6) Trd Form3	0.363*	0.164	0.382*	0.365*	0.404*	1.000									
(7) Trd Form4	0.476*	0.312*	0.402*	0.448*	0.450*	0.638*	1.000								
(8) Trd Form5	0.360*	0.308*	0.185*	0.351*	0.307*	0.363*	0.558*	1.000							
(9) Trd Com1	0.429*	0.234*	0.408*	0.487*	0.423*	0.443*	0.545*	0.572*	1.000						
(10) TrdCom2	0.315*	0.163	0.423*	0.377*	0.420*	0.405*	0.568*	0.386*	0.581*	1.000					
(11) Int Coop1	0.496*	0.263*	0.535*	0.520*	0.517*	0.479*	0.508*	0.279*	0.529*	0.618*	1.000				
(12) Int Coop2	0.465*	0.233*	0.537*	0.474*	0.407*	0.262*	0.349*	0.193*	0.438*	0.393*	0.516*	1.000			
(13) Int Coop3	0.421*	0.249*	0.461*	0.432*	0.350*	0.261*	0.321*	0.317*	0.420*	0.317*	0.506*	0.705*	1.000		
(14) Perform1	0.441*	0.160	0.473*	0.471*	0.324*	0.323*	0.388*	0.225*	0.332*	0.249*	0.433*	0.597*	0.647*	1.000	
(15) Perform2	-0.031	-0.095	0.126	0.070	0.030	-0.023	-0.011	-0.017	0.018	-0.003	0.128	0.084	0.049	0.036	1.000

\*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$

**Table 13:** Descriptive Analysis Of The Impact Of Export Trade Facilitation On Export Performance

	N	Min	Max	Std. Deviation	Skewness		Kurtosis	
					Statistic	Std. Error	Statistic	Std. Error
Information Availability1	120	1	5	.647	-1.078	.221	4.417	.438
Information Availability2	120	1	5	.688	-1.005	.221	2.904	.438
Information Availability3	120	1	5	.780	-1.302	.221	2.569	.438
Trade Formalities1	120	1	5	.716	-1.061	.221	2.760	.438
Trade Formalities2	120	1	5	.706	-1.095	.221	3.222	.438
Trade Formalities3	120	2	5	.756	-.673	.221	-.164	.438
Trade Formalities4	120	1	5	.888	-.739	.221	.350	.438
Trade Formalities5	120	2	5	.853	-.167	.221	-.755	.438
Trade Community1	120	2	5	.717	-.263	.221	-.560	.438
Trade Community2	120	1	5	.889	-1.058	.221	1.373	.438
Internal Cooperation1	120	2	5	.624	-.706	.221	.609	.438
Internal Cooperation2	120	2	5	.594	-.914	.221	1.182	.438
Internal Cooperation3	120	2	5	.684	-1.384	.221	1.200	.438
Firm Performance1	120	1	5	.692	-1.346	.221	4.043	.438
Firm Performance2	120	2	5	.691	-.769	.221	.639	.438

Source: Author Calculation, 2016