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THE ROLE OF CUSTOMS SERVICES IN TRADE FACILITATION

Comparison between Nigeria and Finland

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ABSTRACT

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<p>A review of the Nigeria Customs compared with its counterpart, the Finnish Customs sought to provide more insight into what each could learn from the other to provide the best services. Customs bodies have long been the backbone of the economies of the two countries in question. One of the key goals of any customs body was to maximize on efficiency. Nonetheless, this remained a key predicament to the Nigeria Customs as it came with challenges. Taking a dive into the challenges facing the Nigeria customs, sought to address them by picking out what their counterpart has done better in their field.</p> <p>This study examined some of the weaknesses, which have made it an uphill task to achieve the ultimate goal of both the parties involved. However, the focus of attention was on the Nigeria Customs as it still has a long way to go. However, the Nigeria Customs has taken steps over time to improve its service. While such steps must not be discounted. They are few compared to the ones taken by its counterpart. The implication of these results provides a base for suggestions for improvements on both bodies to maximize on their efficiency.</p> <p>To attain the objective of this research a qualitative approach was employed; secondary data was collected from books, articles, journals, newsletters and publication on the subject market as well as publications from Nigeria Customs Services websites etc. The aforementioned institution have comprehensive statistical data which are published periodically and which are important to substantiate the information contained herein.</p> <p>Further research is recommended on the impact of inland infrastructure on the working of the Customs in terms of its efficiency because comparing between the two countries, Finland's inland infrastructure is much more advanced in terms of roads linking up to the sea and its railway network which is superior compared to Nigeria.</p>		
Key words Customs, Nigeria, Theory of trade, Trade Facilitation.		

CONCEPT DEFINITIONS

ASYCUDA:	Automated System for Customs Data
AEO:	Authorized Economic Operation
CEMA:	Customs Excise Management Act
CGC:	Comptroller General of Customs
DTI:	Document- Through- Direct
ECOWAS:	Economic Communities of West Africa State.
EGRP:	Economic Growth and Revenue Plan
LPL:	Logistics Performance Index
FDI:	Foreign Direct Investment
FTZ:	Free Trade Zone
ICT:	Information and Communication Technology
IFC:	International Finance Corporation
MDA:	Ministry Department Agencies
NNPC:	Nigeria National Petroleum Corporation.
NGO:	Non - Governmental Organization.
NCS:	Nigerian Customs Service.
PEBEC:	Presidential Enabling Business Environment Council
RAR:	Risk Assessment Report
SAN:	Senior Advocate of Nigeria
SARS:	South Africa Revenue Services
TRI:	Transit Route International
VAT:	Value Added Tax
WB:	World Bank.
WCO:	World Customs Organization.
SP:	Services Provider
TULLI:	Finnish Customs Service.
USAID:	United State Agency for International Development

ABSTRACT
CONCEPT DEFINITIONS
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1 INTRODUCTION

The customs service plays a major role in the economic wellbeing of any given country. Equally, significant aspect of the same is that it plays a key role in the sovereignty of a country. The Customs is therefore entitled to the role of controlling whatever enters or exits a certain country. Coupled with that the customs plays another major key role in the facilitation of trade. On that note, we will look at Nigeria in Africa as well as Finland in Europe to widen the perspective as we take two countries in two different continents as our case study.

Subsequently this is an opportune time for considering where Nigeria Customs Service (NCS) has come from, the steps to make it the best service provider in its area of expertise. That is in area of its contribution to the nation on trade facilitation. This report would look into comparison between Nigeria customs service and Finnish customs on trade facilitation and see how the two countries can learn one or two things from each other in the area that matters. Nigeria customs was a second internal revenue generation agency after (NNPC) Nigeria National Petroleum Corporation.

In 2009, the agency recruited 5,000 Nigerians to the services in other to make a significant impact on national cover. In this same year, I had the opportunity to serve under Nigeria Customs Services, this privilege gave me some insight and little understanding on how people, organizations, companies, clearing agents and non-government organization was related to customs in one way or the other.

In order to improve on trade facilitation Nigeria Customs has introduced a modern information and scanning technology to enhance the work of the officers, customs updated all its procedures in the all-important sphere of human resources. Much has been done to undo the effects of past neglect morale, pay and working conditions have been improving and the service has undertaken a concerted recruitment and training effort.

Moreover, Finnish Customs control is direct towards goods, transport and passenger transport. Customs carried out control at the EU's external, internal borders and inland. The most important thing in the surveillance is to prevent imports of drugs, firearms and ammunition, dangerous blades, endangered animal and plant species and their products, spread of animal and plant diseases, export of national cultural goods and money laundering. In addition, customs enforces restriction passed on various items

and ascertains that the goods are correctly declare for the purposes of the duty. Consequently, it is in charge of making sure various subsidies are been paid on the correct basis.

In Europe, taking a case study of Finland for example were customs deals with different tasks every day. This involves dealing with people, organization and companies. Coupled with that, it is also a key player in the clearing of goods through seaport, the airports and land borders. All these activities need good strategies to tackle them effectively and efficiently. Looking through the strategies put in place as we go by, and get to know what makes the Finnish customs department stand out from the rest.

2 CUSTOMS DUTY

Customs' duty is to ensure that goods entering and leaving the country move in a controlled manner and they are clear through customs in compliance with the conditions of the European Union. National legislation is customs-oriented, which promote this easy swift and inexpensive digital transaction service (Finnish Customs 2018). Dynamics of technology have change the conduct and scope of international trade. As a critical actor in the unfolding development customs cannot afford to be indifferent, information dissemination about customs operations is therefore considered very vital to trade facilitation in a world that is becoming increasingly technologically driven (Nigeria Customs 2017.)

2.1 Nigeria Customs Services

What is now known as the Nigeria customs service – a paramilitary organization, could be said to have been established a little over a century ago, when the British colonial administration appointed Mr. T.A, Wall, in 1891, as the Director General of customs for collection of inland Revenue in Niger Coast protectorate. This is the formalization of the duties, which the department had been performing under the Royal Niger Company under the leadership of the past executives.

The name Department of Customs and Excise emerged in 1922, when the first controller of customs and Excise of federal republic of Nigeria appointed. Towards the end of 1945, the customs and Excise preventive service established under the leadership of Mr. Nicol Briton. This made up of two division-maritime and preventive. The maritime division has the responsibility of collecting import and Excise duties and related function while the preventive division was responsible for enforcement duties, which included prevention of smuggling as well as arrest and prosecution of smuggler. Sequel to the promulgation of the customs and Excise and management (4CEMA) No.55 of 1958 the affairs of the Department were brought under management of Board.

In 1992, the Department of Customs and Excise transferred back from ministry of interior back to ministry of finance and in addition, its status as a para-military organization was recognized. It now known as Nigeria Customs Services. There is an appropriate alignment of salary grade levels and a re-structuring with what obtains in the Nigeria Police Force. A new board headed by the Honorable Minister of

Finance was also re constituted. The Comptroller General was assisted by (6) six Deputy-Comptroller-General, heading the Department;

- Finance, Administration and Technical
- Tariff and Trade
- Strategic Research and Policy
- Investigation and Inspection
- Human Resource Development
- Excise and Industrial Incentives

The current Comptroller-General of Nigeria Customs is Col. Hameed Ibrahim Ali (Rd). He is responsible for the overall management and direction of services. He is equally the accounting officer of the service and vice chair of the Nigeria Customs Service Board, which chaired by the Honorable Minister of Finance Federal Republic of Nigeria. (Nigeria Customs 2017.)

2.2 Finnish Customs (TULLI)

When Finland became independent, the young nation had many difficulties, but one of its advantages was established Customs limits and Customs. Initially, there were no major reorganization in the Customs. Customs was still in the process of change, when the Finnish government took its place in a new situation. The first duty was to renew with uniforms and badges. Reform of Customs legislation and Customs was complete shortly before the Winter War. (Finnish Customs 2018.)

Duties and indirect taxation were development in the 1920s and 1930s. From 1919 until the end 1936, excise duties were also included in the duties of the customs. The Government had the power to raise tariffs up to four time without parliaments consent. Tulle played a significant role in state finances. Customs were an important trade and economic policy instrument for the state. (Finnish Customs 2018.)

Customs status as guardian of sea area ended in 1930 when a coast Guard was Sep up. In 1936, the eastern border definitely transferred to the Border Guard. Customs no longer controlled the western land border, and subject to customs control. The dwindling of the 1930s brought about a more complex regulation of foreign trade. The clear control was also the clearing agreement that Finland made in the 1930s

with several countries. The customs must arrange the entry of the currency in connection with import and export. Bilateral trade agreement also required control of the origin. (Finnish Customs 2018.)

European integration started in the mid-1980s with a new gear. At first, few people dared to see Finland as member of the European Community. For a long time, Finland focused on joining the European Economic Area, which was a kind of expanded, version of free trade. The membership of the European Economic Area and the EU required a great deal of preparation from customs, as most of the changes concerned one way or another of the issues handled by Customs. In practice, membership of the European Union meant control of national taxation left to the customs authorities at internal borders. Customs began to apply EU Customs legislation. Customs clearance matters became the responsibility of the EU Commission. Under its leadership Customs programs were initiated, the first of which was called Customs 2000. The program required that the Customs services of the member's state act in practice as one common EU Customs services. At the external borders, customs has to sharpen its grip. (Finnish Customs 2018.)

This was partly affected by the acceleration of freight transport in the east and south which required much more attention than before. European membership also linked to the development of Finland as a transit country for Russia's import goods traffic Warehousing and customs warehousing development. Customs control over this traffic had a significant impact in 2000; a solid x-ray equipment for vehicle launched in fostered. (Finnish Customs 2018.)

2.3 The Finnish Customs toward Trade Facilitation

The Finnish customs played a significant role toward a trade facilitation, they oversee Arrival and Exit, and this simply means that electronic safety and security data must be submitted to customs offices before goods imported from Union territory. The safety and security data are details about the traders, goods, transports, and routes. (Finnish Customs 2018.)

When a ship or a plane, arriving from a port or airport outside the Unions, intended to visit more than one port or airport within the Union, then an entry summary declaration concerning all the transported goods must be submitted to the first customs offices within the Union. Goods not to be loaded in the Union territory required a declaration.

A summary declaration for temporary warehousing are only submitted to subsequent customs offices in the union customs territory for goods that will be unloaded there. Safety and security data on exiting goods are been submitted either with an export declaration or with an exits summary declaration. The safety and security data can be provides as part of a transit declaration.

The transport company is always responsible for submitting the arrival and exits declaration, even if it uses a representative to submit them. The exporter or the representative is responsible for submitting an export declaration. The time limits for submitting declaration are base on which mode of transports is used and transport route. (Finnish Customs 2018.)

2.4 Finnish Customs International Trade Statistics

According to the preliminary statistics of international trade in goods provided by Finnish customs, the value of Finnish exports increased by four per cent and the value imports remained at the level of the previous years in December. The value of Finnish exports in December was 4.7 billion Euros and the value was slightly over Five billion euros. Calculated from the beginning of the year. Exports increased by 15 per cent and imports by 13 per cent year- on – year. (Finnish Customs 2018.)

The trade balance showed a deficit of 335 million Euros in December. Calculated from January to December there was a deficit of 2.5 billion euros. Under the same period, year 2016.The balance of trade showed a deficit of over 3.1 billion euros. In 2016, the trade balance of December showed a deficit of 537 million euros. (Finnish Customs 2018.)

Exports to EU member state increased by nine per cent in December while exports to non- EU countries decreased by one per cent. Imports from EU- countries increased by four per cent while imports from non-EU-countries fell by seven per cent in December. Calculation from the beginning of the years. Exports to EU countries increased by 17 per cent and non- EU countries by 12 per cent. During the same period, imports from EU member state increased by ten per cent and from other countries by 17 per cent. (Finnish Customs 2018.)

Kuvio 1. Vienti, tuonti ja kauppataase kuukausittain 2016-2018

Figur 1. Export, import och handelsbalans månadsvis 2016-2018

Figure 1. Monthly export, import and trade balance 2016-2018

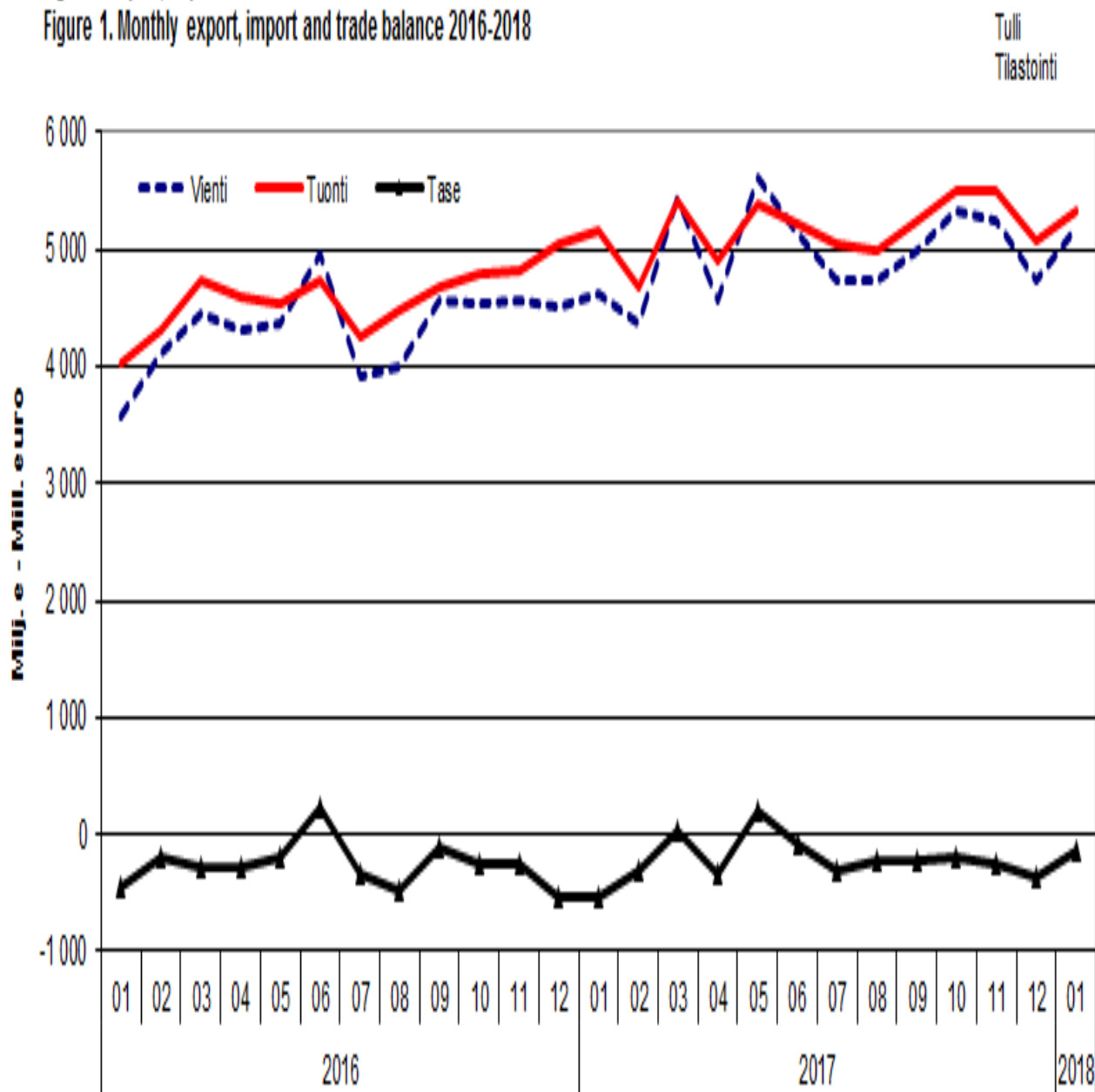


FIGURE 1. Preliminary statistics on the international trade (Adapted from Finnish Customs 2018.)

3 ROLE OF NIGERIA CUSTOMS SERVICES TOWARDING TRADE FACILITATION

Nigeria customs service has a triple role. First, it collects revenue for the government, this is vital to Nigeria finances, second, it exercises security functions, combatting smuggling and in cooperation with other national agencies to ensures standard and keeps out narcotics and illegal weapons. Third, it is the primary enforcer of trade policy, administering differential tariffs, quota restrictions, rules of origin, anti-dumping measures, valuation, and trade embargoes.

3.1 Customs Role and Priorities in the 21st Century

If Nigeria is to thrive in globalized and highly competitive society. The customs role of gatekeeper has not and will not become obsolete multiple trends points to growing and more challenging role for Nigeria customs service. In the next few years will see the challenging process of introducing advanced international, practices including single window allowing clients to deal with just one agency, a well-coordinated border management which would concentrating in border functions in a single organization. More so, intelligence driven risk management focusing efforts on cargoes and firms must likely to be non-compliant, and the authorized economic operator or AEO regime use of track records and self-policing to allow customs to dispense with interventions against the demonstrably trust- worthy or at any rate to confine intervention to a post clearance audit.(Customs Modernization in Nigeria 2012.)

It is difficult to predict the future role of any institution toward the trade facilitation because there is no one correct or universally applicable response to anticipated trends in customs, as each country will respond in ways that are best suited to its needs, operating environment, national priorities, and cultural heritage. (World Customs Journal 2008, 22.)

Considered the multiple role Nigeria Customs played on economy. One of customs duties is that it has it has to collect revenue for the federal government. In 2017, Nigeria Customs recorded its highest revenue collection ever, with a total generated revenue of N1.10 trillion, the performance was describe as spectacular. In order to achieve this landmark, the services took some measures, which include strategic redeployment of officers and men of the services, overhauling and restraining of operative of the customs intelligence unit and regime of prompt reward for hard work and punishment for offenders. Other

measures are potential of automation, tracking, monitoring and recovering lost revenues, Nigeria customs promote officers and men of the services strictly based on merit not on related forms and deliberate stakeholder's engagement across the country. In addition to this, ant-smuggling crusade make a huge success, the agency work tirelessly and recorded over 4,000 assorted seizure worth over 11 billion naira in value, the seizures according to NSC include 2,671 pump action rifles, dangerous drugs, foreign band rice, and smuggle vehicles among other. Even some gallant officers lose their lives in the line of duties. (Punch Newspaper 2017, 32-33.)



FIGURE 2. NCS Command and Staff College. (Adopted from Nigeria Customs Photo Gallery 2015.)

3.2 The Nigeria Customs and Economic Development

Nigeria is often referred to as the Giant of Africa, a nation of well over 180 million inhabitants which makes it the most populous black nation on the earth, to cater for the huge population it is not a small task for the federal government. Nigeria economy is based on crude oil exportation and revenue generated from non-oil activities, non-oil revenue, largely comprising company's income tax value added tax, Customs and Excise duties, and Federation Account levies, among those organizations mentioned Nigeria Customs was giving a huge role to play in order to sustain the nation economic.

The Country is well endowed with great natural cultivable land, forest, in addition, very good climates and weather condition, livestock's, bountiful mineral resources e.g. crude oil, gold, copper, rubber, and natural gas that give us potentials to compete with the most industrialized nations in the world. In time of agricultural products, but the nation focuses all its energy only on oil and gas, since the drops of crude oil in the global market, Nigeria economy has been negatively affected, this scenario mount more pressure on Nigeria Customs, because the federal government need more capital to execute his budget.

In order to meet up with this new challenge, Customs introduce a new policy, which will increase revenue collectors and block all the revenue linkage that can sabotage the agency effort toward its contribution to the nation economic. According to available Customs data after the introduction of the new policy, the volume of imports declined, collection per volume increased. The data showed that in 2014, 956,574 vehicles were imported, 558,517, were imported in 2015, 451,507, in 2016, while in 2017, vehicle imported further declined to 399,556 units. Duty collected by the Customs for the respective years were 122, billion naira, 111, billion naira, 137 billion naira.

Under this new policy federal government wanted to create market for local produced rice, with the Customs maintaining high level intolerance for smuggling of the product from ports and land borders. Consequently, rice, which made up 56.8 billion naira of the service revenue generation in 2014 only accounted for 264.85 million in 2017.

It is not a new anymore, that Nigeria economy overtake South Africa and become number one in Africa. A new report from the International monetary fund (IMF 2016) put Nigeria back, as Africa is biggest economic ahead of South Africa and Egypt, this great achievement done was not overnight, Nigeria

Customs rise up to the challenge, and put all the necessary machineries that would support the federal government new policy after the fall of oil price. (Punch Newspapers 2017, 35.)

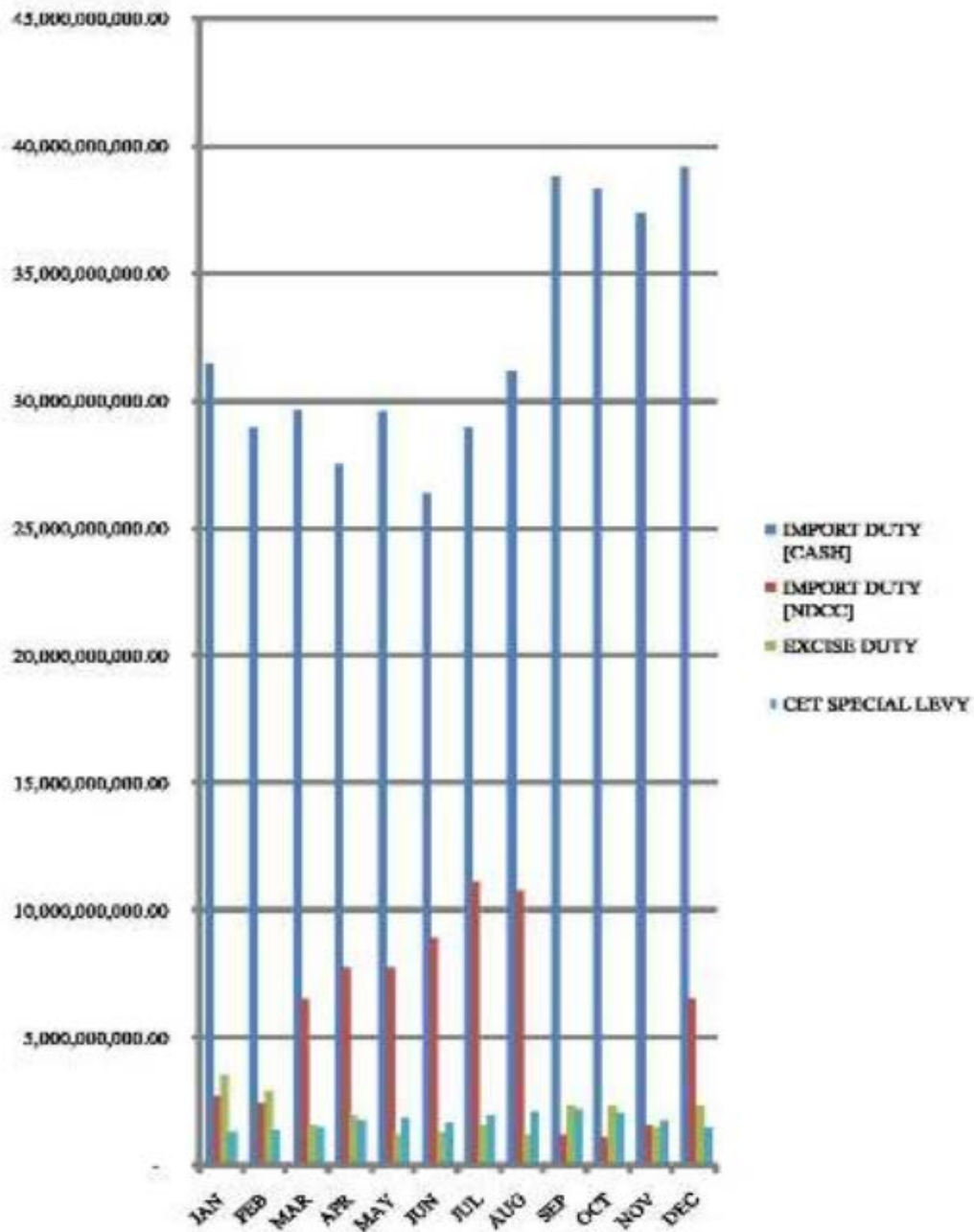


FIGURE 3. Monthly Import Duty (cash) for 2016. (Adopted from Naija Customs Magazine 2016.)

3.3 International Trade

Domestic trade happens between two units in one country under the same political governance and directly influencing only one national market. On the other hand, international trade happens between two units being under two different political systems, each controlling and caring for its own domestic trade, and directly influences both national markets. Trade between countries increases the variety of goods on local markets, lowers the prices on those products and gives chance for local companies to sell abroad. (Onkvisit & Shaw 2009, 71; Doole & Lowe 2012, 43.)

Trade is the concept of exchanging goods and services between two people or entities. International trade is then the concept of this exchange between people or entities in two different countries people or entities trade because they believe that they benefit from the exchanges. They may need or want the goods or services. While at the surface, this many sound very simple, a great deal of theory, policy, and business strategy constitutes international trade.

Around 5,200 years ago, Uruk, in southern Mesopotamia, was probably the first city the world had ever seen, housing more than 50,000 people within its six miles of wall. Uruk, its agriculture made prosperous by sophisticated irrigation canals, was home to the first class of intermediaries, trade intermediaries...A cooperative trade network...set the pattern that would endure for the next 6,000 years. (Mason, A.C. & Sanjyot, P.C. 2010.)

3.4 Trade facilitation

Trade facilitation can be defined as the simplification and harmonization of international trade procedures, these procedures include the activities, practices and formalities involved in collecting, presenting, communication and processing data required for movement of goods in international trade, this definition relates to wide range of activities including but not limited to import and export only. (World Customs Journal. 2008, 20). For example, customs of licensing procedures, transport formalities, payment insurance, and another financial requirement.

All activities developed to improve procedures and controls governing the movement of goods across national borders in order to reduce associated cost burdens and maximize efficiency while safeguarding legitimate regulatory objective.

However, recently, definition of trade facilitation is broaden with time to include the transparency and professionalism of customs authorities, harmonization of various standards and conformity to international or regional regulation. In all sense, trade facilitation concerns the movement of goods in cross border trade. (World Customs Journal 2008, 18.)

Dr. Olusegun Aganga (formal Minister of Trade) urged the Nigeria Customs Service not to seen only as a revenue-generating agency to government, but also an important stakeholder in trade facilitation. “Globally, there is a paradigm shift in the way the Customs are seen as not only a revenue generating agency to government, but also a very important stakeholder in the area of trade facilitation,” the Minister noted. (Nation Newspaper 2014.)

According to various surveys, Nigeria’s logistics and trade facilitation performance continue to lag behind country’s overall economic performance and national cloud and behind its neighbors and Africa state. This is so even through Nigeria has led the continent in multilateral trade agreement such as the ECOWAS, enjoys robust trade linkage with its neighbors and as well as connected to international trade routes. Much of the logistics process is not within the control of customs. Poor port infrastructure including roads, railways and electricity, explain much.

Limited port capacity, in respect of overall volume and the size of vessels that can be handled, it can also constrains Nigeria the ability to become a regional hub, through developments, like the planned and mush delayed. Lagos free trade zone initiative at Lekki could improve things other round and allow Nigeria to take advantage of growing container trade in the region. The operation of port concessions from 2010 has been increased efficiency. (Customs Modernization in Nigeria 2012.)

Customs Procedures on transit goods facilitate trade but poor transit procedures are a major obstacle to trade and penalize many landlocked developing countries not only in Nigeria. A well-designed transit system aims to facilitate the transport of goods through a customs territory, without levying duties and taxes in the countries of departure and transit, in accordance with the destination principle of taxation, which states that ‘indirect taxes should be levied only in the country of consumption’. The Customs

Code should provide transit-related legislation, failing which; transit should regulate the binding agreement between customs and the different parties affected by the transit operation.

The core provisions of a good transit system include that the shipments sealed at the point of departure, which guarantees can made available to ensure the payments of duties and taxes. If traders do not provide proof that the goods have left the country, and that customs have an information system that informs it, when the goods have left the country so that the guarantee released. In many countries, these core elements are either lacking or weak and should be the focus of any transit modernization initiative. Trade policies should recognize that customs transit is only one part of a wider range of policy issues that affect transit.

More so, these other issues pertain to many other participants and procedures, including cross-border vehicle regulations, visas for truck drivers, insurance, police controls, and the quality of infrastructure. Even if customs transit procedures are effective and efficient, full trade facilitation will require that these issues mentioned addressed. The TRI (Transit Routier International—the international road transit procedures) and its network of national guaranteeing associations offer the best current reference system. (Customs Modernization in Nigeria 2012.)

Effective and efficient transit facilitation institutions such as corridor agreements can promote active cooperation between and among transit and landlocked countries. Transit agreements are important in forming and shaping such cooperation, either at the bilateral, sub regional or regional level. Transit operations will benefit from good public–private cooperation that can identify deficiencies in border-crossing procedures.

A candid assessment must concede that Nigeria’s logistics and trade facilitation performance continues to lag the country’s overall economic performance and national influence. This emerges from various international studies. The World Bank-International Finance Corporation (IFC) Doing Business 2011 survey ranks Nigeria 146th, out of 183 countries assessed worldwide, for ease of international trade. Benin, by comparison, ranks 127th, Ghana 89th, and Senegal 67th. (Doing Business 2011.)

Nigeria has been in the forefront of steering multilateral trade agreements in the African continent .Its involvement in regional trade organization has been the backbone of this move to encourage multilateral

trade. Such organization involve ECOWAS ETLS, where by it enjoys robust trade linkages with its neighbors, and well connected to international trade routes (ranked 30th worldwide by the World Bank). In addition, Costs of importation and exportation that are lower than the African average. A serious reduction of import times over the last seven years. Advances in the use of information technology that have reduced the administrative burden on importers and exporters. (Customs Modernization in Nigeria 2012.)



FIGURE 4. Cargo cranes at the Apapa port, Lagos Nigeria. (Adapted from Annual Customs report 2016.)

4 THE CHALLENGES FACING NIGERIA CUSTOMS

Nigeria, Africa's most populous, largest economy and biggest investor's attraction, is still facing some internal challenges such as smuggling and high import of substandard goods through our porous borders that are threatening investors' confidence. If government want to make Nigeria customs work, more effectively like their European counterpart, some of these pressing issues need to be looking to and find possible best way to resolved.

4.1 Inadequate Funding

Customs underfunding is one other problem that will need urgent attention. At present, it based not on an allocation from the federal budget, but on a percentage of the revenue, Nigeria Customs collects—set at 7% in 2015. While NCS does its budget planning annually, moreover, the actual allocation of these funds, done on a monthly basis and depends on month-by-month revenue collection. The difficulties entailed by this situation are obvious.

Primarily, the month-by-month nature of financing can result in monthly shortfalls that have a serious impact on fiscal management. Second, while it gives NCS an obvious interest in performing well at one of its tasks—revenue collection—it could be detrimental to another, namely trade facilitation. An interest in extracting the maximum possible amount in Customs duties could entail an overemphasis on inspections and lengthy procedures at the expense of speed. Third, it could also dispose NCS to neglect processing of exports, which under the current system yield no revenue whatever. Fourth, it creates a problem given the long-term trends in the sphere of Customs—those of trade liberalization at a regional and a global level, and of export-promotion devices like free trade zones (FTZs).

Subsequently, these imply a general tendency of Customs revenues to decline undermining finances situated on a percentage of those revenues. They also mean that, if NCS does its job by helping liberalization along and co-operating to make FTZs work, it is going against its own financial interests. It would be absurd to suggest that the way NCS—or any other state agency—does its job, driven simply by considerations of departmental finances. However, it would be equally naïve to assume that an organization persistently beset by financial shortages can function, as it should. In addition, it would be even more so to think that a situation in which an organization is penalized for not meeting its expected

target. Detailed adjustments are required to support the organization when hit by hard financial times, which will be more effective. Thereby the organization can run effectively without hitches.

TABLE 1. Show Revenues collection decline.(Adapted from Naija Customs Magazine 2016.)

MONTH	COLLECTION INTO FEDERATION ACCOUNT						LEVIES (NON-FED)	TOTAL COLLECTION
	IMPORT DUTY [CASH]	IMPORT DUTY [NDCC]	EXCISE DUTY	FEES	CET SPECIAL LEVY	SUB-TOTAL	Fed + Non-Fed Accts.	
JAN	31,485,199,546.23	2,762,784,000.00	3,605,959,317.62	160,865,577.95	1,329,603,651.00	39,334,412,092.80	24,291,198,970.30	63,625,611,063.10
FEB	29,000,841,571.01	2,530,546,488.00	2,933,826,614.60	120,550,400.97	1,446,711,392.00	36,032,476,386.58	24,762,629,238.28	60,795,105,624.86
MAR	29,685,023,662.79	6,500,590,435.00	1,623,660,875.84	181,669,522.90	1,502,695,722.00	39,444,455,418.52	27,440,819,131.32	66,884,274,549.84
APR	27,582,774,879.01	7,795,133,567.29	1,071,081,722.30	135,988,230.36	1,760,812,733.00	39,244,991,152.56	24,383,210,114.13	63,630,201,266.69
MAY	29,635,024,898.22	7,750,448,418.62	1,263,891,755.58	164,519,384.21	1,919,433,453.31	40,733,307,909.94	25,136,457,924.46	65,869,765,834.40
JUN	26,355,836,468.64	8,911,645,419.62	1,314,057,977.07	148,569,896.75	1,678,922,776.00	38,409,032,038.08	26,481,009,937.76	64,890,041,975.84
JUL	28,956,300,866.00	11,195,413,394.00	1,630,978,764.37	142,990,831.25	1,923,748,683.00	43,849,432,538.62	26,924,897,017.88	70,774,329,556.50
AUG	31,210,027,104.80	10,866,595,744.94	1,225,517,594.40	122,826,445.21	2,157,872,736.00	45,591,639,725.80	30,770,472,944.78	76,362,112,670.16
SEP	38,792,343,509.04	1,260,908,523.29	2,453,583,856.57	160,435,279.25	2,224,569,354.00	44,899,839,722.15	29,819,909,069.40	73,919,748,791.55
OCT	38,413,738,394.98	1,206,764,455.53	2,438,803,982.10	149,230,890.71	2,050,213,006.00	44,248,750,629.32	26,925,532,959.82	71,174,283,589.14
NOV	37,421,984,032.22	1,577,000,000.00	1,556,291,488.86	211,313,170.50	1,828,918,221.00	42,595,506,912.58	27,410,017,016.85	70,005,523,929.43
DEC	39,228,604,281.03	6,515,405,407.00	2,403,022,512.85	184,034,349.59	1,562,832,865.07	49,893,899,415.54	35,562,877,680.16	85,456,777,095.69
TOTAL	387,777,298,193.99	68,881,243,773.29	24,410,882,382.78	1,822,983,978.65	21,384,724,032.38	604,276,943,942.07	328,120,032,006.13	933,396,975,947.20

4.2 The need for modern customs legislation

The Need for Modern Customs Legislation Outdated Customs laws limit social and economic progress by functioning as trade obstacles. They hinder NCS in carrying out its three main functions of collecting revenue, facilitating trade and protecting national security. (CEMA). Must be thoroughly revise or replaced, if NCS is to modernize and re-orient its priorities successfully. Relevant legislation is in the pipeline, in the form of the Nigeria Customs Service Act, which, as of 2011, already exists in draft.

In the context of increasing trade liberalization and falling duty rates, international experience suggests that the new organizational structure, procedures, and penalties authorized by this draft will substantially

increase revenue to the Federal Government while still allowing Customs to fulfil its other key obligations. The proposed new legislation, that is, will boost revenue while still promoting trade facilitation and enhancing the protection of national security.

World Bank economists estimate that each day by which the shipment time can be reduced increases exports between 1% and 7%. (World Customs Journal 2008) the full adoption of new Customs procedures—consisting essentially in letting the system work without interference and allowing smoother co-operation between all port agencies—would improve Nigerian export shipments times, by 10 days, potentially increasing non-petroleum exports by anything from 10% to 70%. Analogous improvements in import procedures.

The need for Nigeria government would roughly halve shipment times to 22 days, which could increase imports by between 19% and 133%. Reduced shipping time for both imports and exports would drastically reduce the cost of shipping, making Nigerian National Assembly Building Abuja, emphasize on passing law on Customs Reforms and Modernization in Nigeria. (Towards a Comprehensive Vision Chapter 11). Legislative Reform target an import cheaper for Nigerian citizens and the exports of Nigerian firms more competitive.

The new legislation expected to give a full legal basis for the implementation of modern Customs procedures. Key features are likely to include, provisions for, use of risk management maximum utilization of ICT systems, Post-clearance audit, Mutual assistance agreements with other Customs administrations procedures. Requirements for most traders to provide financial guarantees to ensure that their Customs debts will be paid Special, simplified treatment for authorized traders allowing for use of the fast-track process, co-operation with traders including consultation with trade groups. Using of a Single Window system. Electronic payment and Prohibition of both pre-shipment inspections and destination inspections by private contractors after the expiration of the current contracts. Three other features of new legislation that are likely or desirable—or both—might be noted, First, penalty procedures will almost certainly be updated based on international best practices.

The current situation is seriously flawed. Legislation provides strong penalties for smuggling (a criminal offence), yet the penalties for administrative offences—such as intentionally under-declaring— are inadequate, providing zero incentive for traders to provide accurate and timely documentation and information for processing, this problem needs to be addressed if a compliance culture is to be developed.

4.3 Comparison between Finnish Customs and Nigeria Customs

Certainly, there is much Nigeria government can learn from their Finnish counterpart, this can be done by taking a bold step of reduction a number of federal agencies directly involved in the ports. In addition, reducing incidence of physical inspection of cargo, and continuing to develop on new initiate idea toward the 21 century, which Nigeria Customs Service would have a capacity to declare a 48-hour window for cargo clearance. Furthermore, Cargo warehouses are poorly ventilated, overcrowded, and chaotic; Security in the terminal areas is lax, with little control of human traffic around the premises;

Subsequently, clearance delays are frequent, with air cargo subject to less delay than sea-borne but the 48-hour window still far off and valuable, time-sensitive cargo often not released as quickly as necessary, integrity breaches often occur, with cargo often tampered with, gleaned from, or pilfered entirely, and many airlines saying that cargo is missing from most of consignments.

Finland is a developed country, well organized with good behaviors people with integrity. Which makes things easier for both Finnish Customs and citizens to work together in order to promote trade, Finnish customs always in one way and other educate their people on the do and don'ts of Customs procedure. At the same time the government also did it part by providing social amenities, welfares packaging for the officer, moreover technologies play a major role in today's Finland Customs way of operation, unlike Nigeria that is an undeveloped, and battling to meet its needs and accepting new technologies.

Another issue of integrity in Nigeria customs compared to Finnish counterparts is serious one. A culture of corruption can create an atmosphere of unnecessary barriers and obstacles, since it is easiest to engage in corruption during a human interaction, those in Nigeria customs and other port agencies with corrupt intent may feel it is to their advantage to create barriers to the flow of normal procedures in order to create occasions for such interaction. This attitude drastically damaging Nigerian reputation in the eyes of international communities.

5 FEASIBILITY STUDY OF NIGERIA PORT

One of the most crucial functions of the Nigeria Customs Service (NCS) is the promotion and facilitation of trade and competitiveness. This objective was achieved if the first to admit that the reality at the Nigerian ports is challenging and can be improved.

General believed was that, clearing of cargos takes much time in Nigeria, export processes average between 2 and 3 weeks, compared to only four days in Kenya etc. Nigeria requires up to fourteen documents for imports, compared to just five in Rwanda. The other factors that contribute to unnecessary delay in the port can be trace to much of the logistics clearing process. Nigeria must strive to compete not just with African state but also with other regions of the world where clearance times are far shorter.

On February 21 of 2017 the Controller-General of Customs (CGC), Col. Hammed Ali (Rd.) among other several heads of Ministries, departments and Agencies (MDAs) had a conference. At the conference room of His Excellency, the Vice President, Prof. Yemi Osinbajo (SAN) for the launch of the 60-Day National Action Plan on Ease of Doing Business by the Presidential Enabling Business Environment Council (PEBEC).

As a key stakeholder in the FGs quest to make businesses work, the NCS joined other MDAs in making commitments towards delivering reforms that would progressively make it easier for businesses in Nigeria to start and thrive. Our commitments at the NCS focused on Trade across Borders, where a target was set to reduce import and export time by up to 50 percent, and ensure that import procedures adhere to international standards.

The Department of Home Finance of the Federal Ministry of Finance have been working tirelessly in recent time by taken a major first step to achieve the target when revised Nigeria Import and Export Guidelines following a directive from the Honorable Minister of Finance, Mrs. Kemi Adeosun, to streamline current procedures.

The Guidelines addressed some of the issues causing inefficiency and delays at the ports. Several of the newly inserted clauses in the Guidelines relate directly to the operations of the NCS. The NCS is

now required to schedule and coordinate the Mandatory Joint Examinations and sign-off Form to ensure that there is only one point of contact between importers and officials.

Before this intervention, the burden was on importers to reach out to all relevant agencies and the Terminal Operator to schedule a suitable time for the joint examination of cargo. However, customs decided to take back this tedious process off back of the importers and coordinate it.

Similarly, the minimum placement notice time for examination required by Terminal Operators has reduced from twenty-four hours to a maximum of twelve hours. This means that after the NCS agrees with all parties on a suitable time for physical examination, Terminal Operators now only require a twelve-hour notice to place the cargo for examination.

The trade environment is complex and sets a wide field for trade facilitation; it is easy to count over 60 distinct trade procedures targeting goods, the vehicles that move them (for example, ships, planes and trucks) or their operators (drivers, seafarers and flight crew). Control objects include revenue collection; safety and security; environment and health; consumer protection; and trade policy. In many countries, a significant share of these controls will be performed by Customs or under customs supervision. (Nigeria Customs Services 2017).

During the year 2007, the World Customs Organization in conjunction with the Nigeria Customs Service conducted a time-release study, to see how much time it takes to clear cargo at Nigerian ports and border stations. The discovery left the NCS with no alternative than to find a faster way of clearing goods at the ports. The time taken to get consignments out of our ports was reduce from an average of 2 weeks to 48hrs (2 days) for reasons, which had become obvious. (Peterson, J. 2007).

5.1 Nigeria Customs Reform

The objective of the reform is to have a service that is responsive to the demands of a rapidly globalizing economy in terms of human capacity and ICT infrastructure (ASYCUDA software programmer), which are sine-qua-non to the effectiveness of trade facilitation.

In replacement of pre-shipment inspection, the Federal Government granted approval for destination inspection of goods in 2006 by appointing service providers to achieve speedy clearance and just in

time delivery of goods, and liberalization of trade. Even if multilateral and regional trade agreements result in revenue reductions, Value Added Tax (VAT) and other taxes still have to be assessed and imposed on imported goods as a means of both raising taxes and levelling the playing field in trade competitiveness. (FiIntelI Magazine 2013.) The new customs reform early last year brought about successful story that at the end of 2017, seizure of contrabands and banned goods as well as smuggled imports hit a total of 4,492, with Duty paid value, of 12.78 billion naira. (Nigeria Vanguard Newspaper 2017.)

Following the release of its revenue figure for 2017, some analysts have posited that having figures for 2017, when compared with previous years, at the end of 2017, revenue generation by Nigeria Customs Service stood at 1,037 trillion naira, about 27 per cent higher than its target of 770,50 billion for 2016. (Nigeria Vanguard Newspaper 2017).

5.2 Background of the study and recommendation

To attain the objective of this research, a qualitative approach is employed secondary data were collected from books, articles, journals, newsletters, and publication on the subject matter, as well as publications from the Nigeria Customs Services and Finnish Customs websites etc. The aforementioned institutions have comprehensive statistical data which published periodically and which are important to substantiate the information contained herein.

Corruption is one of the biggest challenges facing the Customs Service of any developing country, including that of Nigeria. The integrity to which NCS aspires includes not merely effective anti-corruption efforts but also high overall expectations of the level of Service to be provided. It is pursuing this aim through a realistic and multi-faceted set of policies including realistic salaries, better promotion policies, a focus on discipline, preventive and investigative measures, an enforced code of conduct, and increased automation. Low integrity can lead to serious problems of public trust, revenue loss, low staff morale, a reduction in voluntary compliance by other stakeholders, and an atmosphere of unnecessary barriers and obstacles, raising costs for businesses and consumers.

Integrity is not just a question of detecting and punishing corruption, but also of reducing opportunities and temptations for it. In this respect, the prospects for greater use of risk management, automation and

simplified procedures are grounds for optimism in the next few years. Several desiderata remain, however. The prohibited items list changed should be less consistently and communicating more effectively and transparently. Integrity emphasized should be in the processes of recruitment and advancement, and attention paid to this in key documents currently be drafted, which will define systems for career pathing and performance evaluation and reward.

There need to be rewards that are more effective and penalties for stakeholders, for compliance and non-compliance. Introduced modern management risk profiling and organizational controls. Transparent must be flex in all procedures. Strengthened should be mechanisms feedback. The organizational principle of segregation of duties implemented should be paramount. Moreover, serious consideration for past misdeeds people and organizations with a zero-tolerance approach henceforth, inaugurated by a high-profile anti-corruption drive.

Finally, a good communication strategy is needed, as well as concrete anti-corruption measures. In addition, Federal government must create a special court that would look into any corruption case brought before it, especially cases that concern corrupt customs officer. (Nigeria Customs 2017.)

6 CONCLUSION

There is need for all stakeholders to collaborate and build a single window platform we will all be proud of, while Nigeria Customs in collaboration with other government agencies and all relevant bodies poised to charting a way forward to stimulate regulatory compliance, in order to improve service delivery and facilitate trade.

Findings have however, revealed that, the Nigerian government has been and is still losing so much of funds that would have been used to grow and develop the Nigerian economy, and these are that are supposed to be collected by the Nigerian Customs Service through the processes involving oil and gas exportations.

This report also looks forward to not-so-distant future with modern Customs methods. Moreover, principles will be fully deployed methods and principles like Intelligence-Driven Risk Management, Co-ordinated Border Management, the Single window and clearance procedures; with international and regional frameworks and with national legislation; with trade facilitation and with those factors that hinder the smooth and efficient functioning of Customs clearance.

From the findings, the researcher came to discover that the preconditions are already largely in place for a truly modern Customs system, and what remains now is a matter partly of “filling in the gaps”, but partly also of having faith in what is already tested and feasible. Thus, modern risk management methods and scanner technology are, generally speaking, more effective than physical inspection and must be allowed do their job.

Based on these findings, Nigeria customs services need to improve relations with some stakeholders—and a drive to promote the professionalization of others—meaning that Cargo terminal at the Apapa port, Lagos as the basis of a Single Window system, provided other agencies can catch up technologically and be brought on board.

Another fact about this report was that not everything mostly depends on Nigeria Customs Service. Other stakeholders and other agencies must do their part in ensuring the modern, streamlined Customs process that Nigeria needs and deserves now the 21st Century has entered its second decade. In addition, those

in authority must ensure that agencies perform and that appropriate laws and policies are in place. Port transport infrastructure must be improved. Therefore, electricity supply must be improved. The proliferation of agencies at ports must be checked and the inspection process streamlined.

In addition, the processes of scanning and physical inspection need more space and facilities. Service Provider (SP) contracts for scanning and risk assessment reports must be appropriate, providing for compatible formats, transmitted scan images to ASYCUDA and shared reports by different service providers can easily be accessed. The next years to come I want to see numerous decisions crucial for the future of Nigerian Customs, and the services can start now to get things right. In the legislative field, new Customs legislation will be replacing a law that dates from British colonial days and still fails to provide a valid legal framework for modern ICT. The Nigeria customs services is at present formulating a Comprehensive Code of Conduct, a system for assessing and rewarding performance, and a framework for career advancement within the Service.

The study concluded that the positive effect on which Finnish customs contribute on trade facilitation was greater than what Nigeria counterpart contributed, because most developing countries including Nigeria relied on customs duties rather than income tax to fund government functions. Without the revenue collected by customs administrations, developing countries would have a more difficult time in funding government. Therefore, customs contribution on trade facilitation varies from countries to another. Likewise on the Finland as developed nation; no longer have customs duties as the primary funders of expenditures. Indeed Finland built the state authority and infrastructures needed for economic competitiveness using the revenue collected by customs.

Further research is recommended on the impact of inland infrastructure on the working of the Customs in terms of its efficiency because comparing between the two countries, Finland's inland infrastructure is much more advanced in terms of roads linking up to the sea and its railway network which is superior compared to Nigeria.

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