

**THEME: “ATTAINING 48-HOUR CLEARANCE AT THE PORTS
AND BORDER STATIONS”.**

PROTOCOL,

Welcome Remark:-

It is with humility and gratitude to the Almighty God that I welcome your Excellencies and all of you our esteemed guests to this yet another Comptroller-General of Customs Annual Conference. I am really overwhelmed with joy today when I reflect on the calibre of eminent Nigerians who, in honouring our invitation, have converged here today to witness the opening ceremony of this edition of our conference which happen to be the first ever to be held in this historic city of Sokoto, the seat of the Caliphate. It is indeed heartwarming to note that the impressive positive responses we received when sending out invitation to this conference during the preparatory stage actually came to reality through your physical presence here with us. There can be no better way of demonstrating love and strong support for our cause more than this. Your Excellencies, the representative of Mr. President, our Executive Governors, Honourable Ministers, Distinguished members of both the National and State Assemblies, your Royal Majesties, my Lords Spiritual and Temporal and all of you eminent Nigerians here present today, Gentlemen of the Press, we sincerely welcome you once more.

1.1. The year 2007 is fast drawing to an end and in line with our annual practice, we are here today to take another critical look at our stewardship to the nation as we strive to serve her as required of us. This annual event has always offered us the opportunity of evaluating our performance, identifying our short comings and then proffering credible solutions to correct them while making projections into the new year. Today’s conference is not going to be an exemption to that practice as we look forward to honest and valuable contributions from our resource personalities. I am particularly looking forward to fruitful contributions at this conference going by the frank and honest discussions witnessed at the retreat held earlier in October as directed by the Honourable Minister of Finance. Believing that the gains of the retreat will open the door for very sincere and purposeful discussion, I am full of confidence that the attainment of 48hrs clearance of imports in Nigeria is not only a dream but a realistic and attainable dream.

2. Review of the Past Year:-

At the last conference held in Otta, Ogun State, we deliberated on the theme “**Destination Inspection: A tool for Trade Facilitation**”.

This was because as the country shifted from Pre-shipment Inspection of goods to Destination Inspection of goods, our aim was to achieve, among other things, the strengthening of the Service capacity through the use of ICT, ensure trade facilitation through risk assessment and management skills and use of x-ray scanning of selected imports and thus enhancing regulatory compliance and collection of import duties/taxes. So far, Destination Inspection of Goods has enabled the Service to make a remarkable departure from the challenges of the PSI system. With the DI scheme, the time taken to clear consignment from the ports has been considerably reduced. The scheme has led to a better public-private partnership, capacity building, shortened Customs procedure, trade security, comprehensive trade statistics generation and easy verification of imports. The review of our activities in the past year can therefore be appreciated when compared with our present performance.

2.1. Comparing Past and Present Performances:- The Service was given a revenue target of N231, 000,000,000.00 (**231 billion naira**) for 2007 out of which the sum of N190, 968,662,680.21 (**about 191 billion naira**) has been collected into the Federation Account as at the end of October 2007. This is N37,102,220,407.20 (**N37.1billion**) or **24.11%** higher than the sum of N153,866,442,273.01 (**153.87 billion**) collected into the same account during the corresponding period in year 2006. In the same vein, collection into Non-Federation Accounts on behalf of other agencies of government within the same period stood at N134,290,317,482.42 (**N134.29 billion**). This is N8,394,311,085.06 (**N8.39 billion**) or **0.07%** higher than the sum of N125,896,006,397.36 (**N125.90 billion**) collected into the same account within the same period in year 2006. Cumulatively, the Service has collected a total sum of N325, 258,870,162.63 (**N325.26 billion**) into various accounts of government between January - October this year. Comparatively, this is N45,496,421,492.26 (**N45.50billion**) higher than the sum of N279,762,448,670.37 (**N297.76 billion**) collected into these same accounts within the same period in year 2006. However, the quantum of revenue collection is dependent on a number of factors prominent among which are:- volume and trend of trade, tariff regime, list of prohibitions, nature of smuggling, concessions, ECOWAS Trade Liberalisation Scheme (ETLS), stability of government fiscal policy etc. Thus, in spite of many odds, there is improvement in our performance this year over that of last year. This however could be due to increased volume of trade and the tightening of areas of revenue leakages.

2.2. Suppression of Smuggling:- I am happy to inform you that the Service has recorded remarkable success in curtailing the activities of

smugglers across our international borders and entry points. A total of 3,219 seizures of various goods and vehicles with Duty Paid Value of N5,818,020,885.17 (**5.82 billion**) were effected between January - October, 2007. 167 suspects arrested in connection with various offences are being investigated/prosecuted. However, it is sad to note that the lives of some officers were lost in this anti-smuggling battles. While we pray for the repose of the souls of those who have paid this supreme sacrifice in the service to our fatherland, we are resolved not to be cowed by this acts but to continue along with this battle with the desire to meeting the vision 2020. May I use this opportunity to once again send our condolences to their families and also call on the government for support in strengthening the Group Life Insurance Policy of the Service as a means of ameliorating the suffering of the families of the deceased

3. Introducing The Theme of the 2007 Conference:-

As briefly mentioned earlier, the theme of this year's conference is "Attaining 48-Hour Clearance at the Ports and Border Stations". For all intents and purposes, you will notice this flows from the theme of last year's conference and serves to harness the gains of the retreat of the Honourable Minister of Finance, Dr. Shamsudeen Usman. As soon as I made contact with him after he took over as Minister of Finance and Chairman, Nigeria Customs Service Board, he straightaway asked me if 48 hour clearing is attainable. I assured him it was and he immediately, knowing the strategic importance of other relevant stakeholders, directed a two-day retreat be organised. This was done and the outcome of that retreat enforced the decision of Nigeria Customs Service to adopt the 48 hour clearing theme for this conference. The tone of the conference itself has taken a new dimension as two of the five days have been dedicated for a thorough in-house assessment and valuation of the procedures and modernisation structures being put in place. When I say in-house, I mean Nigeria Customs Service staff along with ALL the Service Providers. I am certain this will yield the desired result of ensuring the Nigeria Customs Service truly understands and appreciates its strategic role in trade facilitation with 48 hour clearing as a key factor in this regard.

4 Strategies for 48hr Cargo Clearance Attainment:-

All the reforms and modernisation embarked by the Service are part of efforts geared toward, among other things, the attainment of 48hour cargo clearance. Thus, the structural and operational reforms being carried out in the Service are essentially the roadmap that is expected to bring us to the realisation of this noble dream of speedy cargo clearance when fully completed and operational.

4.1. Structural Reforms:- With the new Scheme of Service being

implemented, only the best will henceforth remain in the Service. The implementation of this scheme alongside the general reforms in the public sector has seen some of our officers and men being painfully disengaged from the Service. However, the scheme provides an inevitable room for officers and men who aspired to rise to the highest promotion progression level to develop themselves academically and technically to remain relevant in the scheme of things. One of the objectives of the current exercise is to ensure high quality personnel/workforce and hence high quality service delivery.

4.2. Operational Reforms:- To sincerely bring to the fore the role of Customs in 48hour clearing, we must emphasize that there are issues of Pre-clearance procedures which have to do with the role of the Importers, Banks, Exporter, Customs Licensed Agents, Shipping lines and Scanning Companies who issue the Risk Assessment Reports. This aspect of the procedure has no direct Customs role. The Customs clearing procedure only starts when the Importer/Agents lodge the document in the Customs Processing Centre (CPC) and the speed with which these are treated depends largely on the correctness and genuineness of the documents being lodged. The Service on its part has taken the bold step in merging the Face Vet Seat with the Data Capture Seat to ensure the number of steps are shortened. The activities of the Verification and Query Seat officers are fundamental to the attainment of the 48 hour clearing. Efforts are also being made along with other regulatory Agencies of government to establish and take serious advantage of the Risk Assessment and Management modules available in the Automation System to drastically reduce quantum of cargo in the Yellow and Red Channels for fast release of Cargo. The third step has to do with Post Clearance activities to which Shipping Companies, Port Concessioners and Transport Companies are responsible. With the streamlining of these three steps viz:- Pre-Clearing (Import Procedures), Clearing Procedure (Customs) and the Post-Clearing, legitimate trade facilitation for economic growth shall be actualized.

4.2.1. Automation - The Service's Asycuda project which simply means Automation System of Customs Data has been upgraded from 2.7 to Asycuda++ which is a higher grade of data automation system for faster and efficient collection of all customs and excise duties and facilitation in general. The system is bill to capture all import/export related data right from Form M, Invoice, Manifest of whatever medium of carriage (ship, aircraft, vehicle etc.), up to all the necessary final clearing documents. Apart from curbing the usual cases of use of fake documents by unpatriotic traders, instant access to all necessary information will not only fasten the processing of clearing documents, but positively impact on

both government revenue collection and importers' turn over. Already, manifests from the shipping companies as well as Risk Assessment Reports (RAR) from scanning companies are being received electronically. Installation of software for the Asycuda++ is being handled by UNCTAD. Within the year under review more of our Customs Processing Centres were upgraded from ASYCYDA 2.7 to ASYCUDA++.

4.2.2. Inter-Connectivity - This is aimed at the provision of an Integrated Communication Network that will among other things provide for inter-connectivity with all Customs Formations nationwide and also with all stakeholders (Banks, Importers, Clearing Agents Shipping Companies, Port Operators, etc.) in the discharge of Customs statutory duties and legitimate trade facilitation. Messrs WEB-FONTAIN has been contracted to provide and install all the hardware needed. When fully installed and operational, it will be easy to monitor all our revenue collection activities live in any part of the country from Headquarters. Such close watch on the activities in the field is expected to discourage all incidences of sharp practice in view of the obvious chances of being caught in the act instantly. Right now, revenue collecting banks are connecting to Customs System so that payments made by traders could be immediately confirmed for commencement of clearance process. The interface is also aimed at the on line confirmation of banks remittances to the Central Bank of Nigeria (CBN) as well as reconciliation of accounts.

4.2.3 Scanning Examination System - COTECNA, SGS and GLOBAL-SCAN as Service Providers were appointed by government to provide the scanners needed for electronic system of examination of all imports in the country. They are also to provide for an integrated Risk Assessment and Management of the system. In addition to these, they are required to provide a base for Post Clearance Audit of imports. The objective of this facility is to eliminate delays associated with manual physical examination of imports/exports and hence the realization of the 48 hour cargo clearance target. Already, this system is operational at Apapa Port, Tin Can Island Port, M/M. International Airport, Seme and Idiroko Border stations with various degree of success. All these modernization steps are being taken with a goal to actualize the Direct Trader Input (DTI) for the enhancement of legitimate trade facilitation - using international best practices. As a necessary tool for the destination inspection regime, Direct Trader Input (DTI) cafes have been encouraged. Companies and agents were invited to establish DTI cafes where they can submit their clearance documents on line. Physical contact with officers will only be at cargo delivery point and hence reduce cases of human contact which has always been associated with corruption.

4.3. Training and Capacity Building:-

The contract with all the Service Providers provides for intensive training and capacity building of the Nigeria Customs Service Personnel so that officers and men of the Service will eventually take over and own the entirety of the systems and equipments. On our part, the Service has always been conscious of the fact that manpower development must remain steady and a crucial cornerstone upon which it must continue to build its corporate success. Consequently, we have carried out comprehensive refurbishing of the two Training Colleges in Ikeja and Kano, mapping out ambitious and articulated training and retraining programmes to enrich, update and sharpen the skill of officers and men particularly in the areas of ASYCUDA, Valuation, Tariff classification and Rules of Origin in order to meet the challenges ahead. In addition to this, a staff college for higher and advanced training and capacity building is also under construction in Gwagwalada, Abuja. Construction works are in advanced stage.

4.4. Port Concession:-

The attainment of 48 hour clearing dream is also much predicated on the success of the purpose for which government in it's wisdom concessioned the Ports to private companies. In all sincerity, it is our desire the Honourable Minister of Transport takes critical look at this to ensure the purpose is being achieved. I make bold to say only one of the concessioners has made improved and conducive office accommodation available to the Nigeria Customs Service while ALL the others have failed to do so and in all, the provision of equipment is still far below expectation. The Nigeria Customs Service may be forced to withdraw it's officers from the inhuman conditions they are being made to work due to the very slow pace of the work of the concessioners.

4.5. Anti-Smuggling Campaign:-

Combating smuggling being our second main statutory duty is of utmost interest to us and we are determined to leave no stone unturned. Thus, our reinvigorated anti-smuggling onslaught is poised towards total war on suppression of smuggling activities by whatever medium of perpetration. With the expected air surveillance added to our anti-smuggling offensives, it is our resolve to ensure that any perpetrator of smuggling activities is made to realise how highly unprofitable and difficult the illegal business can be. Our records of interception of smugglers and their goods year in year out is a clear evidence of our resolve on this matter. Apart from the ordinary goods, we are also not relenting in our secondary duty on security items such as arms and ammunition as well as dangerous drugs. Thus, seizures of such items are always promptly transferred to the concerned

agency of government. However, we are not unaware of the fact that the notorious smugglers may be tempted to direct their activities towards the border stations since it has become almost impossible for them to operate through our air and sea ports because of the various measures we have taken to curb their activities there. I am to assure you all that, even there, they will find it difficult because of our reinvigorated anti-smuggling campaign.

4.6. __International Interactions:-

Our active participation in international interactions has become a viable asset especially in our bid to reposition the Service for effective performance. To this end, we are collaborating with the World Customs Organisation, in the area of technical assistance and capacity building. Within the African Region, the Service has continued to play active role in reinforcing Nigeria's contribution to facilitation of trade. Earlier in the year, the Service hosted the 3rd Ordinary Meeting of the African Union (AU) sub-Committee of Director-General of Customs in Abuja between 7th - 11th May, 2007. The Conference was attended by seventy-five (75) delegates from various African countries, Regional Economic Communities and International Organizations. It provided avenue for Customs Administrations within the African Sub-Region to articulate a common position on Economic Partnership Agreement (EPA). It is worthy of mentioning that at the Council Session of the WCO which was held in June, 2007 Nigeria was elected by the West and Central African Region of WCO to represent the Sub-Region at the 58th Session of Policy Commission meeting in KAZAKHSTAN between 6th and 8th December, 2007.

4.7. __Welfare:-

Perhaps, what we need most is funds. The 7% funding appears to be inadequate in meeting the financial needs of the Service. Limited access to funds have affected almost every aspect of our welfare and official needs. However, we remain committed to giving deserved attention to welfare issues within the limit of the resources at our disposal. During the period under review, the sum of N30, 679,397 was disbursed to 14 retired officers and men and 73 deceased officers represented by their next-of-kins. The NHF refund of contributions of 662 officers and men comprising 468 retired and 194 deceased officers has been released by the Federal Mortgage Bank. The Service Multi-purpose Cooperative Society, which has been registered, with the Federal Department of Cooperatives will soon commence loan scheme to deserving members. The Service presently has eleven (11) functional health facilities and eight (8) of them are currently providing services as Primary Health Institutions under the

National Health Insurance Scheme (NHIS).

4.8. Discipline:-

As a disciplined organisation and a key agency among those vested with the responsibility of the implementation of government fiscal policies, the damaging effect that indiscipline can cause to any policy, however sound and well intended, has always been at the fore of our mind. Hence, we have not hesitated in dealing with lapses and malfeasances. Within the year under review, the following disciplinary actions were meted to erring officers and men, Dismissal 57, Suspension 27, Retirement 18, Termination of Appointment 1, and Reduction in Rank 5, Stoppage of Salary 41, and Warning 3. In the same breath, 4 personnel on suspension were reinstated after being cleared during a review of their cases by the Service Disciplinary Committee.

5. Challenges and Way Forward:-

The Nigeria Customs Service is fully conscious of its responsibilities and would strive to remain an important player in the world economic integration process. While taking trade facilitation as our principal function, we shall pursue to logical conclusion the strategies already in place in attaining 48-hour clearance of goods. In view of this, our attention will be focused on expediting simplification of Customs procedures, expansion of the Fast Track Clearance, improvement of the risk assessment and management techniques, further improvement and implementation of a software solution that meets the requirements of a modern Customs Organisation, and attitudinal change and advanced personnel skills development. We are not unmindful of the risk associated with fast clearance of goods at our Ports and Border Stations. The Risk Management mechanism put in place by the Service at the inception of the destination inspection project is going to be strengthened to cope with the expected demands on the Auditing System. The newly instituted Risk Management Team working in collaboration with our technical partners will be fully supported to perform optimally.

5.1. However, in achieving these objectives, it may be pertinent to mention at this juncture that the responsibility of cargo clearance operation, albeit the implementation of import procedure in general, go beyond the purview of the Nigeria Customs Service only. There are other stakeholders without whose cooperation the attainment of the desired goal will remain a dream rather than reality. It is worthy of note that although the Service plays a major role, among other stakeholders in the facilitation processes are:- the Importer, the Commercial banks, the Central Bank of Nigeria, the Shipping lines, Standard Organisation of Nigeria (SON), National Food Drugs Administration and Control (NAFDAC), Customs Licenced Agents (Clearing Agents), National Drug Law Enforcement Agency (NDLEA), Port Operators, and Transporters. Mention has been made about the Pre-Clearance, Clearance and Post-Clearance processes. It is very clear that a stakeholders interaction as envisaged during a conference like this, shall afford us all an opportunity to address the various issues militating against attaining legitimate trade facilitation. In doing this, it is hoped that we shall be sincere enough to accept our various shortcomings and evolve ways and means of rectifying the situation in the overall national interest.

5.2. The Clearing Agents:- Since Clearing Agents are licenced to operate by the Service it is imperative that the Service has a measure of control over them. Thus, the Service is not shying away from the need for relevant intervention in their activities in order to conform with the overall

expectation of the Government. In this regard, training Courses have been organised for Customs Licensed Agents and success in the examination taken at the end of the program is now a prerequisite to renewal of licence, issuance of new licence and eventual authority to practice. This step, which is expected to automatically weed out touts and unskilled persons from the industry, will achieve an effective professionalisation of the clearing business. In addition, delays associated with improper preparation of SGD and other relevant clearing documents will be taken care of and cargo will be cleared faster. It is our resolve that at the end of the day, even the approved charges of these Licensed Agents shall be made public.

5.3. On the whole, nothing has challenged the integrity of the Service more than the vexed question of corruption. It is very unfortunate that it has beclouded public appreciation of the successful performance of the Service in many aspects. As you are well aware, we are faced with a multi-dimensional attitudinal problems. It begins with ourselves as officers, then the trading public, the licensed Customs agents and other regulatory agencies in the maritime sector. Responsibility for positive attitude begins with every individual. Thus with positive change in attitude and compliance with the rules, every tendency for corrupt practice will naturally be frustrated. It is therefore my sincere hope that at the end of the day, all the lofty gains of attainment of 48hour clearance target such as, quick turnaround of vessels, revised berth occupancy rate, increased foreign investment, reduced dependence on oil, improved manufacturing sector, employments, increased revenue, reduced smuggling and cheaper goods, as demurrage which used to add to the cost of goods would have been eliminated, will be our lot. Meanwhile, as we intend to continue and strengthened the fast track approach to clearing the consignment of bonafide importers, consideration to accommodate as many regulated products as possible under this scheme has also reached an advanced stage.

6. Conclusion:-

In concluding my address, I will like to emphatically reinstate the Service total commitment to attaining an enviable level of trade facilitation that will enhance the achievement of a better economy for the nation. It is therefore on this note that I wish to express our deep and profound appreciation to His Excellency, Alhaji Umaru Yar'Adua GCFR, the President, Commander-In-Chief of Armed Forces of the Federal Republic of Nigeria for his support and kind approval for this Conference. The Honourable Minister of Finance and Chairman of the Nigeria Customs Service Board, Dr. Shamsudeen Usman has not left us in doubt, since assumption of office, of his love for the Service and the need to reposition it for greater efficiency. We are indeed very grateful for your able leadership and contributions to the well being of the Service. Equally we recognise members of the Nigeria Customs Service Board, here present as well as those unavoidably absent and appreciate their support.

6.1. In the same breath, I wish to express our gratitude to the Honourable Minister of Transportation who has been of tremendous support to the cause of the Service. The Transportation Ministry, we all know, is a major stakeholder in the Maritime Industry and to this extent, Madam, we will continue to count on you for collaboration towards achieving effectiveness and efficiency in our clearing system to enable us evolve one that will be the pride of the nation. Your Excellency the Senate President,

the Honourable Speaker of the House of Representatives, Members of the National and State Assemblies, here present, Our Royal Fathers, there cannot be a better way of expressing your support for our cause than your presence here today. This has gone in no small means in motivating us towards greater efficiency. Our sincere gratitude goes to our father of the day, His Excellency, Alhaji Shehu Shagari (GCFR) for his fatherly support. Eminent personalities here present, our invited guests, Gentlemen of the Press we wish to express our gratitude for your support. We specially recognise all our distinguished resource persons and we look forward to fruitful discussion. I cannot end this without making a special mention of our Chief Host, the Executive Governors of Sokoto, Kebbi and Zamfara States, for not only being here in person along with other top officials of their States but also providing logistics for this Conference. Your Excellencies, we cannot thank you enough.

7. CLOSING

As we deliberate on attaining 48-hour clearance time for cargo at our Ports and Border Stations, I call on all of you to bear in mind that our discussion must be channeled towards the attainment of the seven (7) point agenda of the Federal Government of Nigeria, and the actualisation of Vision 2020. We must therefore evaluate the main issues involved and come up with strategies that will assist us in the area of integrity building, due process and reduction of the clearing chain. Each and every stakeholder is challenged to examine his role in ensuring that the 48-hour clearance is a reality. As we look forward to fruitful deliberations, thank you and God's journey mercy whenever returning to your various destinations.