FACTORS AFFECTING EFFICIENT CLEARANCE OF CARGO AT THE PORT OF MOMBASA

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ABSTRACT

The customs department is faced with extremely unique challenges: increasing volume of trade which has to control within the mandate given by the government and to the expectation of the society. There is also increased demand by shippers for faster clearance of cargo and the government's ever increasing revenue expectations. To meet these challenges there is need to improve cargo clearance procedure and make them more efficient. This paper presents study and analysis of efficiency in cargo clearance procedures, the determinants of (in) efficiency at the port of Mombasa using both descriptive statistics and OLS method. The paper has five chapters. The introduction in chapter one, literature review in chapter two, methodology in chapter three, data analysis and discussion of results in chapter four and summary, conclusions and policy recommendations in chapter five.

The study was sampling survey. Data on the factors affecting clearing procedures was collected using structured questionnaires from a sample of 50 port users. Multi-sampling method was employed to come up with the sample. This was qualititative data since respondents give their opinion on these factors. The data was coded and analyzed using SPSS.

The results indicated that the clearance of cargo procedures are currently more efficient since introduction of reform measures undertaken at the port. Further, the study provides empirical evidence that state Infrastructure and operating systems, number of staff, State and level of facilities and equipments, number of release stamps and magnitude and frequency corruption affect the cargo clearance procedures at the port. The study found that there is need to shorten the number of stages and the release stamps before clearing of cargo. This can be done by computerizing all the clearing procedures. Although the mean efficiency is high meaning that there is some potential to improve the services and also raise more revenues through port user charges, measures should be taken to improve dilapidated infrastructures, equipments and facilities.