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WORKSHOP ON THE COMPILATION OF INTERNATIONAL MERCHANDISE TRADE STATISTICS
Addis Ababa, 8-11 November 2004

Country Presentation

Customs - Ghana

Presentation by the Ghana Customs Excise and Preventive Service

TRAINING WORKSHOP ON IMTS COMPILERS' MANUAL
Addis Ababa, 8 – 11 November 2004-11-01

Compilation of Merchandise Trade Statistic in Ghana
The Customs Perspective

Introduction

The Ghana Customs Excise and Preventive Service CEPS, is one of the major sources of international trade statistics in Ghana accounting for nearly 80% by value and volume.

International trade data which is made up of import and export statistics are obtained from customs declarations submitted by declarants and processed by CEPS at the country's points of entry and exit.

CEPS periodically makes available the entire information on import and export transaction to in a database to the Ghana Statistical Service (GSS) for the purpose of incorporation into the national trade database.

The Bank of Ghana also requests from time to time data on international trade by specific formats for the preparation of its balance of payments reports. The Ministry of trade like the GSS received the import component of trade data from Customs but had installed a specialise software known as the **Customs Export Data Input System** at the major ports to capture non traditional exports.

Import and Export Declaration

There are two methods of processing import and export declarations at the Ghanaian ports and frontiers. The two sea ports at **Tema** and **Takoradi** as well as the international airport, **the Kotoka International Airport, KIA**, have since 1991 used automated means of processing declarations.

The two major land frontiers at Aflao, Ghana's south-eastern border with Togo and Elubo on the south-western border with the Ivory Coast use manual means of processing declarations. By December 2004 these two frontier stations will be connected to a network to enable them process declarations electronically. There are 49 other frontier stations spread along the borders of Ghana with the Republic of Togo, Burkina Faso and the Ivory Coast all of which process declarations manually.

Automated Processing of Declarations

At the moment automated method of processing declarations account for almost 95% of imports and exports in Ghana by volume and value. When the two major land frontiers are linked to the network coverage will rise to about 98% leaving the other land frontiers to account for the remaining 2%.

Between 1991 and 2002 Ghana Customs used ASYCUDA in the processing of declarations at the major ports of entry. Declarations were presented in hard copy by declarants and these were keyed into the ASYCUDA software for further processing.

In 2001 the Ghana **TradeNet** was established to provide a fully integrated customs management software connected over a network to various operators who interact with

Customs in the processing of imports and export consignments to and from Ghana. Some of these operators are Banks, Shipping Lines, certification and licensing agencies as well as users of trade information.

The Ghana TradeNet is made up of two main components:

1. **The Ghana Customs Management System (GCMS)** which provides the Ghana Customs, Excise and Preventive Service with a fully integrated computerised system for the processing and management of Customs Declarations and related activities. This system is designed to work in an Electronic Data Interchange (EDI) environment, where Manifests and Single Administrative Documents (SAD) are electronically received and automatically processed.
2. **Ghana Community Network (GCNet)** is a platform enabling GCMS to share data with all the parties involved in the processing of trade documents and customs clearances.

In November 2002 GCMS was introduced at the KIA for processing customs declarations and by July 2003, Tema the main sea port of Ghana was also connected to the TradeNet. Between August and October 2003 the Accra office of CEPS which processes declarations on warehouse goods as well as the Takoradi port office were connected to the network. The Aflao is in the process of getting connected and the Elubo is in line for connection by December 2004.

Processing Procedure

There are nine main Customs Procedures in use in Ghana and these are;

1. Exports
2. Temporary Exports
3. Re-Exports
4. Imports for Domestic Consumption
5. Temporary Importation
6. Re-Imports
7. Warehousing of Imported goods
8. Transit goods
9. Imports into Free Zones

These procedures are interlinked in various ways, the transactions in one procedure leading to other transactions relating procedures.

The table in appendix 1 shows the average distribution of declarations processed per month by procedure for the past year.

Submission of Manifest

When a vessel arrives at any of the ports connected to the TradeNet the master sends the manifest to Customs by means of a Front-End Software (FES) through GCNet. The manifest officer reviews and integrates the manifest into the GCMS and sends acknowledgements to the master of the vessel along with the Rotation Number of the vessel automatically generated by the system.

Submission of Declaration

Just like the shipping and air lines Declarants use the Front-End Software installed on their workstations to send declarations through the GCNet to Customs' GCMS.

GCMS validates the declaration at four levels.

1. Checks the declaration with the manifest
2. Checks the reference codes
3. Computes taxes and duties and
4. Filters through the selectivity module.

In most cases the time taken to validate a declaration is less than one minute.

When all levels have been successfully processed the Declaration is validated and a legal Declaration Number is generated.

Once a declaration has been validated there are three possible options that the declaration may have to go through.

1. Declaration rejected

When errors are detected in the process of validation GCMS rejects the Declaration. The causes of rejection are listed and sent back to the declarant for correction and resubmission.

2. Declaration validated and not selected by the Risk Assessment Module

In cases where the Risk Assessment Module finds upon checking against reference tables that the consignment is medium or low risk, GCMS sends a response back to the Declarant stating that the declaration has not been selected for further scrutiny. Such a declaration is then referred by GCMS for processing by the **Document Verification Office**.

3. Declaration validated and selected by Risk Assessment Module.

Where the Risk Assessment Module finds upon checking against reference tables that the consignment is medium to high risk, GCMS sends response to the Declarant stating that the declaration has been selected for further review and that the declaration has been referred to the **Compliance Office**.

Upon receipt of the Customs response from the GCMS, the declarant may print a copy of the declaration from his/her FES at his/her office. The declarant then attaches all documents relating to the declaration ready for submission to customs and proceeds to any of the receiving banks and settles all duties and taxes due. The bank which is networked to the GCMS confirms payment electronically from its FES. This notification is a prerequisite for further processing of the declaration by Customs.

Submission of Declaration and Accompanying Documents to Customs

Depending on whether the declaration has been selected by GCMS or not, the Declarant submits his declaration together with the supporting documents to the Document Verification Officer or the Compliance officer as the case may be.

The Document Verification Officer (DVO) checks documents submitted by the declarants to ensure they are genuine and correct. He/she checks whether all the attachments listed on the declaration have been submitted. If he/she finds no discrepancy the he authorises release of the consignment out of Customs charge. Declarations released at the DVO are sent to the **Deferred Control Office** where entries are systematically checked in detail and the declarant contacted if any discrepancies are discovered.

The officer however has the option of referring any declaration to the compliance officer for further review where he or she believes further investigation is required.

The Compliance Officer (CO) reviews the documents in more detail than the DVO. Special attention is given to areas of interest which triggered the system to select the declaration. The Compliance Officer decides whether a physical examination is required and directs the Examination Officer as to what to look for.

The Examination Officer physically checks the contents of the containers in the presence of the declarant to ensure no violation has occurred. The activity performed is triggered by the findings of the Compliance Officer. When examination has been completed the Examination Officer may approve the release of the consignment or refer to the **Customs Offence Report** office (COR) for the required corrective measures to be effected.

Gate Office

The Gate Officers positioned at the exit points of the Ports and Freight Station outside the port area ensure that no consignment leaves the Customs Controlled Area without having undergone the official clearance process. The Gate officers have access to GCMS and therefore close the declaration upon the consignment physically leaving the port area. This process depending on the physical infrastructure of the port and the logistic support available and the efficiency of the declarant in processing the declaration takes on the average between one hour and two days.

Manual Processing of Declarations

At the land frontier stations declarations are processed manually. Consignments processed at the frontier are of two categories i.e. conventional cargo and baggage carried by passengers. Examination is conducted before the declarant prepares his or her declaration. Here the declaration is the formalization the outcome of the examination. Once duty payments are made the consignment is released out of Customs charge.

This process depending on the type of consignment involved takes on the average between 30 minutes and four hours to complete.

Classification and Valuation of Commodities

The Ministry of Trade, Industry and Presidential Initiative has contracts with **Destination**

Inspection Companies in Ghana who inspects documents on consignments and issue reports of findings for Customs' use in assessing declarations.

Importers send pro-forma invoices to the Destination Inspection Companies prior to the arrival of their consignments. The values on the invoices are compared with those in the Transaction Price Database of the Destination Inspection Companies. The companies may confirm prices from their counterparts in exporting country or even from the suppliers. Where the prices of the commodities cannot be confirmed the other WTO rules of valuation are applied. Upon the final arrival of the consignment the importer or his agent presents the final invoice to the Inspection Company for confirmation. The Inspection Companies classify the commodities based on the description on the invoices. Where there is a doubt, samples of the commodity are called for to confirm what is described on the invoice.

A report of findings known as the **Final Classification and Valuation Report (FCVR)** is issued by the Inspection Company to accompany the declaration to Customs. Customs may on its own use the WTO rules of valuation to value the commodity if the responsible officer finds reason to do so.

Data Capture

Under ASSYCUDA, information on declarations were prepared by declarants and later keyed into the software by Customs data entry clerks. Such information was captured on stand-alone personal computers which were linked by a local network. Data therefore had to be extracted separately at each port on monthly bases, collated by fields and integrated into a national database. This had to be done by travelling from port to port to access data.

With the introduction of the GCMS however data can be obtain at any point in time from any location connected to the network provided that the user has authorization to access the information required. The Ghana Statistical Service is yet to be linked to the GCNet and therefore depends on Customs for the extraction of the data.

Data from the most of the frontier station are not yet available in the database because of their manual mean of capture. There are plans to develop a software into which details of frontier declarations will be keyed for further integration into the national trade database.

Data Reporting

The Research and Monitoring Department of CEPS does not publish official reports like the GSS. It however has a database on international trade and other information gathered from its activities. The Department prepares periodic reports for the Ministry of Finance, the Revenue Agencies Governing Board and CEPS management. Other institutions request data and report by specific format from the Research Department and information is obtained for these from the database.

With the growing demand for data Ghana Customs, Excise and Preventive Service finds the need to develop a data management software along the lines of the EUROTRACE software used by the GSS to integrate and manage trade data to enable it provide information and reports by standardized formats.

Average Monthly Distribution of Transaction by Procedure

Procedure	No. of Transactions
Export	3,040
Temporary Export	60
Re- Export	158
Import for Home Use	61,080
Temporary Import	44
Re- Import	20
Harehousing	1,459
Transit consignments	3,695
Free Zone goods	933