CUSTOMS STATISTICS

BY: ALI ZUBAIR (CHIEF CUSTOMS OFFICER)
OVERVIEW

- Introduction
- Data Compilation & Practices
- Data Visualization & Analysis
- Data Dissemination
- Challenges
- Moving Forward
INTRODUCTION

- Compilation of trade statistics has been one of the key responsibilities of the MCS since its establishment in 1890.
- MCS integrated ASYCUDA in the declaration processing in early 1990’s.
- Currently, MCS use ASYCUDA WORLD and HS 2017.
• Customs Statistics predominantly process import exports data submitted via Customs Declarations.

• MCS has 8 regional offices located across the country, yet about 99% of the Customs declarations are processed in the Male’ region.

• So far limited emphasis has been given on the systematic analysis & interpretation of the trade data.
CLASSIFICATION & IMPORT DUTY

- MCS classify goods according to HS 2017 (10 digit HS Code)
- Import duty is governed by the Export Import Act of Maldives (31/79).
- Tariffs are levied at 14 different rates

<table>
<thead>
<tr>
<th>Duty Rate</th>
<th>No. of tariff lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero rated</td>
<td>2634</td>
</tr>
<tr>
<td>5% to 15%</td>
<td>2991</td>
</tr>
<tr>
<td>20% to 25%</td>
<td>2171</td>
</tr>
<tr>
<td>35% to 50%</td>
<td>408</td>
</tr>
<tr>
<td>100% to 400%</td>
<td>83</td>
</tr>
<tr>
<td>specific duty</td>
<td>4</td>
</tr>
</tbody>
</table>

Tariff Rates Distribution

- Zero rated: 32%
- 5% to 15%: 36%
- 20% to 25%: 26%
- 35% to 50%: 5%
- 100% to 400%: 1%
- specific duty: 0%
INSTITUTIONAL ARRANGEMENT

Directorate
Customs Procedure & Operation

Division
Tariff & Trade

Section
Tariff and Statistics

Custom Statistics
Compilation, Analysis, Maintenance & Dissemination of Statistics

Preparation of monthly Exchange Rate

Administrative works

Monitoring Customs brokers compliance Level & formulating policies to address the issues.

Customs Related Statistics
BASIC CLEARANCE PROCESS

1. Declaration Processing
2. Duty Payment
3. Examination & Release
4. Post Clearance Audit
COLLECTION & COMPILATION OF STATISTICS

- Trade data is collected via ASYCUDA World as Customs Declarations are being processed.
- ASYCUDA data is stored in an SQL database
- ‘SQL Server Management Studio’ is used to extract and run statistical queries
- ‘E-valuater’ is used to transfer data to Statistical Tables
- Reports are normally generated in MS Excel format
DATA COMPILATION PRACTICES

• Scope and Time of recording
  - In general, Customs record all goods which enter (Import) and leave (export) from Maldives.
  - Statistics is compiled based on assessed date

• Partner Country
  - Country of Consignment: First port of loading
  - Country of Origin: as stated in the invoice (an invoice requirement)
  - Country of destination: Last known Destination

• Unit of Quantity
  - Most units of quantity are in line with WCO recommended units
VALUATION

Goods are valued under the principles of WTO Valuation Agreement where transaction value is the primary basis for customs valuation.

- Imported goods are valued at cost, insurance, freight (cif) while exports are at free on board (fob).
- However, Imports value breakdown is required in detail for statistical purpose (FOB, freight, Insurance).

EXCLUSIONS

- Currency in Circulation
- Import for personal Consumption below MVR 6000 (USD 390).
- Overseas imports (refueling) at foreign ports by local aircrafts and ships
- Transit cargo
## TRADE FLOW CATEGORIZATION

- Extended/Customs Procedure Codes (CPCs) are used to define the type of transaction and duty payments when goods cross the border.

<table>
<thead>
<tr>
<th>Regime</th>
<th>Extended CPC</th>
<th>Description</th>
<th>CPC</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>EX 1</td>
<td>1000</td>
<td>Domestic Exports</td>
<td>001</td>
<td>30% exemption - goods cleared at regional ports</td>
</tr>
<tr>
<td>EX 2</td>
<td>2100, 2200, 2300, 2400, etc...</td>
<td>Temporary Exports</td>
<td>005</td>
<td>100% duty exemption - disaster relief</td>
</tr>
<tr>
<td>EX 3</td>
<td>3000, 3051, 3071, 3072, .....</td>
<td>Re-exports</td>
<td>006</td>
<td>100% duty exemption - fisheries dev.</td>
</tr>
<tr>
<td>IM 4</td>
<td>4000, 4051, 4071, 4072, etc...</td>
<td>Domestic Imports</td>
<td>007</td>
<td>100% duty exemption - agricultural dev.</td>
</tr>
<tr>
<td>IM 5</td>
<td>5100, 5200</td>
<td>Temporary Imports</td>
<td>008</td>
<td>100% duty Exemption - poultry dev.</td>
</tr>
<tr>
<td>IM 6</td>
<td>6010</td>
<td>Re-imports</td>
<td>009</td>
<td>100% duty exemption - foreign aid</td>
</tr>
<tr>
<td>IM 7</td>
<td>7100, 7200, 7300, 7400, etc...</td>
<td>Entry into warehousing</td>
<td>010</td>
<td>100% duty exemption - foreign investment</td>
</tr>
<tr>
<td>IM 9</td>
<td>9000, 9071, 9100, etc...</td>
<td>Entry into shipstores/Duty free shops</td>
<td>011</td>
<td>100% duty exemption - weapons and armored vehicles</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>012</td>
<td>Foreign investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>013</td>
<td>Weapons and armored vehicles</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>014</td>
<td>Imports under SAFTA</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>015</td>
<td>Imports under Diplomatic Privileges</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>016</td>
<td>Auctioned goods</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>017</td>
<td>Coins and bank notes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>018</td>
<td>Personal importation - RF 6000 exemption</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>022</td>
<td>Export - home produced goods</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>023</td>
<td>Export - home produced samples</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>024</td>
<td>Export - home produced goods with imported raw materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>026</td>
<td>Temporary import – up to 90 days, 100% exemption</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>030</td>
<td>No license avail. - Processing fee</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>031</td>
<td>80% Dutiable</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>032</td>
<td>90% Dutiable</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>033</td>
<td>95% Dutiable</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>034</td>
<td>Destruction of Goods after Warehousing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>035</td>
<td>100% duty exemption - for renewable energy</td>
</tr>
</tbody>
</table>
**ERROR DETECTION AND CORRECTION**

- Data is extracted from ASYCUDA monthly & annually
- Accuracy of the data is checked using MS Excel.
- Suspected items are checked individually via archives & attached documents
- Error are corrected via ASYCUDA to the items whose duty is not affected.
- If the error affects duty amount, the item is referred to PCA/Documentation Section for modification
REPORTING AND DISSEMINATION

- Statistics are compiled after correcting main errors.
- Statistics is provided according to HS and usually reports are generated using MS Excel.
- Statistics is provided to private parties upon request subject to confidentiality.
- Statistics is also provided to internal sections (in most cases, “statistical data” is provided and limited analysis is done)
REPORTING AND DISSEMINATION

- Basic Statistics of each month is provided to PR section within the first week of the next month.

<table>
<thead>
<tr>
<th>Description</th>
<th>Jan - Dec</th>
<th>% change</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports to Home Consumption *</td>
<td>29,147,779,394.45</td>
<td>12.9%</td>
<td>32,895,728,941.70</td>
<td></td>
</tr>
<tr>
<td>Duty Free Shops</td>
<td>385,275,967.49</td>
<td>-14%</td>
<td>331,501,850.44</td>
<td></td>
</tr>
<tr>
<td>Bonded Warehouse</td>
<td>1,847,526,564.33</td>
<td>5%</td>
<td>1,940,468,857.62</td>
<td></td>
</tr>
<tr>
<td>Less Value of Ex-Warehouse for home consumption</td>
<td>(792,658,073.06)</td>
<td>28%</td>
<td>(1,011,866,775.23)</td>
<td></td>
</tr>
<tr>
<td>Imports other than Home Consumption</td>
<td>1,440,144,458.76</td>
<td>-13%</td>
<td>1,260,103,932.83</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>30,587,923,853.21</td>
<td>11.7%</td>
<td>34,155,832,874.53</td>
<td></td>
</tr>
</tbody>
</table>

![Diagram of Domestic Imports](image)

- **FOOD ITEMS (EXCLUD. PORK, ALCOHOL, TOBACCO)**
- **MACHINERY & MECHANICAL APPLIANCE; ELECTRICAL**
- **FUEL (INCLUD. MARINE GAS OIL (DIESEL), PETROL, AVIATION GAS)**
- **BASE METAL AND ARTICLES OF BASE METAL**
- **VESSELS, AIRCRAFT & PARTS THEREOF**
- **PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES**
- **WOOD; ARTICLES OF WOOD; WOOD CHARCOAL; CORK & ARTICLES**
- **VEHICLES AND VEHICLE PARTS AND ACCESSORIES**
- **TOBACCO, ALCOHOL & PORK**
REPORTING AND DISSEMINATION

- Statistics is provided regularly to Govt. offices including MMA, NBS, and MoFA.
### Number of Statistics Provided

<table>
<thead>
<tr>
<th>Year</th>
<th>Government</th>
<th>Internal</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>371</td>
<td>290</td>
<td>86</td>
</tr>
<tr>
<td>2015</td>
<td>697</td>
<td>789</td>
<td>133</td>
</tr>
<tr>
<td>2016</td>
<td>640</td>
<td>320</td>
<td>233</td>
</tr>
</tbody>
</table>
**STATISTICAL ANALYSIS**

- Statistical analysis is critical for Customs Statistics yet our capacity is limited.

- Customs is required to do forecasting and “What if Analysis” for public policies.

- Statistical analysis is critical for implementing modern risk based system and facilitating informed decisions at every level.

- Better analytical tools and training on these tools will enhance the statistical analysis in Customs.
CHALLENGES

- Lack of resources including staffs and modern statistical tools.
- Addressing the huge volume of errors particularly with the introduction of “Green Channel” under risk management system.
- Limited error detection techniques and tools
- Limited analytical and trade statistics interpretation skill.
- Limited forecasting and inference skills
MOVING FORWARD TO...

- Fully Implementing IMTS 2010 as basis for Customs Statistics
- Implementing targeted and automated error detection techniques and tools, eg: reference pricing
- Strengthening capacity on statistical analysis and interpretation.
- Broaden the scope of “Customs Statistics” rather than export import Statistics.
- Using more Visualizing and Analytical tools and software, eg: TradeSift, PowerBI,
- Reducing the statistical errors via proactive measures including more stakeholder awareness.
Thank You

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