
VIABILITY OF CUSTOMS TAX (DUTY) IN THE ECONOMY OF SOUTH SUDAN

James Wane Inga (PhD)
University of Juba, School of Management Science

Abstract

The study intended to identify factors affecting student's selection of senior high school. The study combines qualitative and quantitative approaches. Qualitative approach was used to identify variables and quantitative approach was used to group the variables into factors. Forty-one variables were derived from interview was converted into a 41 items questionnaire. Using exploratory factor analysis with principal factor extraction, six factors are extracted with 22 remain significant variables. The six factors that contributed to the preference in selecting senior high school were variety of school programs, discipline, school environment, academic quality, focus on spiritual, sport facilities. The highest preference in selecting senior high school was variety of school programs while the least variance was sport facilities. No significant difference was found between male and female students in selecting senior high school.

Keywords: Students' selection, variety of school programs, discipline, school environment, academic quality.

INTRODUCTION

Customs duties are taxes that must be paid to government when goods are brought in (imported) from or exported to other countries. Hornsby (2010) stressed that taxes may be levied on an ad valorem basis or on specific basis for the main purpose of raising revenue for the government expenditure, Thus tax is carried out to adopt specific economic policy. And according to Bannock and Baxter (2011), the following are amongst the key functions of customs duties: i) To reduce the overall level of imports by making them more expensive relative to their home-produced substitutes with the aim of eliminating a balance of payment deficit; ii) To counter the practice of dumping by raising the import price of the dumped commodities to its economic level; iii) To retaliate against restricted methods imposed by other countries; iv) To protect a new industry until it is sufficiently well established, to compete with the more developed industries of other countries; v) To protect key industries like agriculture which economy will be vulnerable in time of war.

In the words of Lower (2017), customs legislations and the rules on import/export prohibitions, the amount of import Value Added Tax (VAT) is ordinarily higher than that of customs duty, because VAT rates are from 15 and 27% in areas like European Union (EU).

Luther (April 2011) stated that some years back it was hard to visualize that there existed a partnership between customs and business, because of their diametrical interest of the two categories. The merits here entail reduction of waiting time in the border and getting new customers, minimizing theft and shrinkage.

Challenges

- i) Lack of adequate space to facilitate offloading of goods for verification and examination; ii) too large a number of clearing and forwarding agencies (130), which a government committee recommended to be reduced to only 10. These must get certificates from Juba in compliance with South Sudan Custom Act 2014).
- iii) Congestion of trucks due to low speed in processing and clearing; iv) A large number of unnecessary checkpoints throughout Nimule-Juba Highway; v) High rate of smuggling, forging of bond papers, vehicle plate numbers of both Uganda and South Sudan, and unwanted/illegal goods; vi) Lack of forklifts for easy offloading and uploading of goods at customs verification areas; vii) Lack of constant power supply at customs stations; viii) Massive forgery of bank documents in the name of Nile Commercial Bank (which is charged with holding tax revenue collected);
- ix) Lack of scanners for document authentication as well as for detecting smuggling of illegal goods; x) Low capacity (in terms of language, use of technology like computers, and so on) and lack of staff professionalism; xi) Deterioration of Juba-Nimule Highway in terms of potholes; xii) Many security organs deployed along Nimule road don't have financial upkeep to avoid temptation of corruption; xiii) Some trading companies are using expired exemption letters, forged signatures, and forged stamps.
- xiv) Interest on tax defaults is neither rigorously being implemented nor properly calculated on an annual basis commencing with the date the tax becomes due.

1.1 Statement of the Problem

At the independence of the Sudan 1956, the new successive governments inherited what was leftover by the British in terms of the types of taxes. The independence of South Sudan in 2011, witnessed the adoption of the Sudan tax systems including the customs policies and practices. Six years on following the independence, customs duty was not fetching the amount expected in the budget. Instead the oil revenue took the upper hand by providing 98% of the total budget while grant-in-aid plus taxes only contributed 2% of the total national revenue, as indicated by the South Sudan Budget for the fiscal year (2015/2016).

The principal problem here is that, customs tax is bedevilled by many drawbacks according to South Sudan Customs Duty Act 2013, such as: smuggling, evasion, avoidance, too much exemption, value assessment difficulties, difficulties of paying the duties, and lack of transparency.

1.2 Objectives

The key objective of Customs Tax (Duty) is to sustainably raise the revenue of South Sudan that it leads to a high GDP, economic growth and prosperity.

Sub-objectives are to: i) Investigate how sustainable customs tax is to South Sudan's economy; ii) Expose the common setbacks impeding successful collections of customs duties; iii) Explore how significant the customs duty is to the GDP of South Sudan; and iv) Compare the taxation portion of the national revenue that Customs duty contributes.

2. Review of Related Literatures

Conceptual Framework

In Korea, Gordon (2010) cited that in the early 1980s, customs duties were as important as individual income taxes, but their revenue share has steadily declined during the trade liberalization.

In the case of Nepal, Acharya (2013/2014) reasoned that General Rules For The Interpretation of The Harmonized System cover the following areas and classification of goods in the nomenclature shall be governed by the following principles:

1) The titles of Sections, Chapters and Sub-chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require the following provisions:

a. Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented; the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished, presented unassembled or disassembled.

b. Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances.

Goods which cannot be classified in accordance with the above Rules shall be classified under the heading appropriate to the goods to which they are most akin.

2.2 Definition

Kim et al. (2007), narrated in his journal that Customs duty means taxes imposed on imported and exported commodities or cargo transported across the border, not as a service fee provided by the government. Customs duty is levied only on imported items for industrial protection, in many countries of the world.

2.3 Tax authorities

In accordance with South Sudan Customs Service Act, 2013 Section 12 on Powers to stop vessels, any commander or officer in charge of vessel or aircraft in service of customs hoisting and carrying proper ensign or identification mark, as the case maybe, may pursue any other vessel within internal waterways of South Sudan which refuses to bring to when lawfully required to do so and may, after having fired a warning shot, fire at or into that vessel with intent to compel her to come to halt.

Goods shall be subject to customs control with respect to:

(a) Factories located within the customs enclosure, at examination station or in the customs zone under control at all time;

(b) Imported goods at the time of its arrival, until taken the legal manner from the customs enclosures or stores or until the recipient take over where the goods are imported by post;

(c) Goods intended to be exported at the time of its arrival at the customs enclosure, until the time of export;

(d) Transit goods or goods prepared for transshipment

(e) Goods on board any vessel, aircraft or train from abroad, whilst such vessel is within the limits of any customs port;

(f) Imported goods on board any vessel whilst such vessel is inside the territorial waters of South Sudan.

Kenyan Customs management Act (2014):

Effectively, customs controls will be under the East African Union and excise duty will be controlled by the respective national states. Under the Union, goods traded within partner states will be rated except for certain specified items from Tanzania and Uganda, albeit for a transitional period only.

2.4 Canons (Principles) of Taxation

Saleemi (2012,) P: 8 cites that Adam Smith as the first economist to lay down four important canons of taxations, though other economists later added more:

a) Equality: Including equality, justice, and equity. This is the most vital. This signifies that every person should pay tax according to his ability and never an equal sum.

b) Certainty: There should be certainty in taxation because uncertainty breeds corruption. In other words the tax must be certain and not arbitrarily. Saleemi continued to argue that the time of payment, the manner of payment, and the quantity to be paid ought all to be transparent to the public. The tax department doesn't possess the legal authority to do things according to its whims? Clarity about what, when the taxes to be paid, got to be made.

c) Convenience: This spells out that the time and mode of payment should be convenient to the taxpayer.

d) Economy: This implies that a tax should satisfy the cannon of economy in two ways: first it should be efficient to the state to collect. I.e. the cost of collection should not exceed or equal to tax proceeds; second it should be economical to the taxpayer. The taxpayer should have sufficient money left after paying the tax, because a very heavy tax on income will distort saving and investment, and thus, adversely affect the production capacity of the society.

e) Productivity: This suggests that for a tax to be levied, it should fetch reasonably huge amount to adequately meet the expenses for the government.

f) Simplicity: This proposes that a tax ought to be simple, plain, and clearly understood by the taxpayer.

g) Elasticity: This implies that the authorities should be in position to raise the tax rates wherever conditions in the economy dictate.

h) Flexibility: This stresses that the tax system should be capable of modification at any time and as such, in response to change in economic cycles or tax base and should not be rigid.

i) Diversity: This emphasizes that there should be variety of taxes in order that all people participate towards the state revenue in conformity with their abilities.

j) Political accountability: This indicates that for a tax system to be politically accountable it must legislate for all changes in taxation and the government must regularly offer itself to the electorate to gain a mandate for its policies. In addition to fully inform the citizens about the incidence of tax.

2.5 Scope of Customs Control

South Sudan Customs Duty Act, (2009) stipulates that:

accustoms may apply all measures of control under the conditions prescribed by the law in force, necessary for the correct application of customs law and it has the power necessary to carry out:

- i) Control of the movements of means of transport of goods and persons; and
- ii) Controls by audit;

bin the application of customs control, customs shall limit its intervention to minimum necessary to ensure application of customs law and shall use risk management.

cowmen circumstances justify it, the Commissioner may authorize any measure to simplify customs procedures and controls, under provisions and terms agreed with the Minister and published in the official gazette.

d. Subject to such conditions as the Commissioner shall prescribe, customs formalities or procedures can be carried out by use of information technology.

Customs control shall include the right to examine all goods subject to the control and any customs officer may, at the risk and expense of the owner, open any package, or request the owner of the goods or their nominated representative to open for the purpose of examination, weigh, mark or seal.

2.6 Sources of Income

Levy of Customs Duties in accordance with Schedule Tariff.

(1) Special duty tariff shall apply to every goods the origin of which is preferential trade area of bilateral trade agreement with any country or regional economic community (customs union) to which South Sudan is a member; provided that a certificate of origin issued by the competent authority of the exporting country is presented to the customs.

(2) Notwithstanding the provision of subsection (1) of this section, the commissioner may, when implementing any customs union agreement, exempt any goods from presentation of certificate of origin in case approval of origin of such goods has been presented by the competent authority of the exporting country.

As for United Kingdom (UK) on sources of customs revenue, James and Nobes (2012/2013) cited that customs duties are levied on imported goods and some goods manufactured from them. They may also be levied on some exported goods. Lymer (2012/2013) argued that following a lengthy consultation process, the Inland Revenue and HM customs and excise merged into one body with effect from 18 April 2005 and are now called Her Majesty's Revenue and Customs (HMRC). Melville (2014) wrote that (HMRC) consists of a large body of civil servants headed by the commissioners for Revenue and Customs. The main duties of the Commissioner for Revenue and Customs are: a) To implement the law related to direct and indirect taxation; b) To provide advice to the chancellor of Exchequer on taxation matters; c) To administer the main divisions and offices into which HMRC is organized. He added that the routine work of HMRC is carried out by officials known as officers of Revenue and Customs. With regards to direct taxation, the main function of these officials is to calculate or assess a taxpayers' liability and to ensure that the correct amount of tax is paid. Under the self-assessment system a taxpayer may

calculate his or her own tax liability, in which case HMRC officials will check that the taxpayers' assessment is correct.

2.7 Calculations of Tax

Melville (2014) cited that (HMRC) levy of Import Duties on Goods Accompanying Passenger Baggage goes as below: i) The commissioner may apply unified duty of 10% of the value on imported goods of non-commercial nature accompanying passenger baggage if the value of such goods are not exceeding 500 US dollars; ii) The customs tariff shall apply on electrical equipment and commodities accompanying passenger baggage; iii) The commissioner may accept payment of customs duty on foreign currency at the exchange rate in force at the time of such payment; provided that the customs duty shall not exceed the amount due to be paid in South Sudan currency.

2.8 Exemption

Exemption from Export, Import and Transshipment Duties: Subject to the prescribed conditions or exemptions and deductions granted under investment promotion law in force, the following shall be exempted from export, import and transport of goods from a vessel to another:

a. Passenger baggage, whether in company of the passenger or otherwise.

particles liable to duty import as commercial traveler samples or specimens, whether accompanied or not by the commercial traveller intended to be exported to a foreign country within six months from the date of import.

c. Real commercial samples.

dogwoods consigned from a foreign country passing in transit through South Sudan to another foreign country.

e. Articles brought from outside by any persons residing in South Sudan for purpose of personal use and convenience.

In the Trinidad's model on exemption, in connection with Trinidad's Taxation Concessions Granted to Returning Nationals, by the Customs and Excise Division, the Ministry of Finance (1994), it was revealed that in 1994 the Trinidad and Tobago government while trying to encourage nationals to return home took a giant step to grant tax concessions on motor vehicle and household effects imported by this category of people. **2.9 Persons assessable to Tax**

South Sudan Declaration Made by minor: No person shall knowingly receive a declaration under this Act made by any person less than eighteen years old.

2.10 Assessments

South Sudan Assessment of Customs Duties

Import duty and transshipment duty shall be paid in accordance with the rate of duty in force at the time such duty is paid.

2.11 Taxable Value Determination of Value

Customs Act of South Sudan on Determination of value of imported goods subject to ad valorem duty says: i) If the imported goods are liable to import duty ad valorem, then the value of such

goods shall be determined in accordance with schedule A of this Act and import duty shall be paid on the value; ii) Upon written request, the importer shall be entitled to an explanation, in writing from the proper customs officer as to how the customs value of the importer's goods was determined; iii) Subject to the provisions of section 76 of this Act, the value of any imported or exported goods shall be based on the price of the imported or exported goods, as the case may be, at the time, port and place of export or import and the customs duties shall be paid on basis of such value assessed by the proper customs officer.

2.12 Determination of Customs Value

Transaction Value of Identical Goods: If the customs value of the imported goods cannot be determined under the provisions of Section 2 of this Schedule the customs value shall be the transaction value of identical goods sold for export to South Sudan and exported at or about the same time as the goods being valued.

2.13 Taxpayers' charter

Customs taxpayers are expected to bear the tax burden, even if they will not be compensated by the government. Most taxpayers render true and correct information to the customs authorities and do pay their duties in good faith as defined by the law. In spite of efforts exerted, some taxpayers try to avoid tax in order to reduce their economic costs. This conviction also encourages them to behave the same as far as customs duties are concerned.

2.14 Assessing Customs Duty

South Sudan Customs laws required taxpayers liable to customs tax to assess taxable value, file the proper declaration, and maintain enough records supporting the assessment. This modality, render the customs taxpayers easily try to underestimate the imports, and such cases are numerous.

2.15 Tax procedures

On procedure, South Sudan Ministry of Finance elaborated that in order to benefit from tax concessions, the returning national must: a) Provide proofs of residence abroad e.g. passports, and employment records; b) Provide proof of the ownership of the vehicle, that is registration certificate; c) Provide an affidavit is sworn before a local commissioner; d) Present two passport size pictures; and e) Present a customs declaration form (Customs entry) in person and attest in writing that the legal requirements have been met.

3. Research Methodology

Research Design: The methods of quantitative and qualitative were used. The design of this project was the survey/descriptive one. Primary and secondary sources of data are gathered in this investigation. Indeed, taxpayers in any country are as many as the entire population itself and near impossible therefore to interview them all. This explains why the researcher limited the study to this single town (Juba) and a random sample of 80 respondents divided into officials (60%) and taxpayers (40%) also randomly selected. Approved national Budget Reports of the

Republic by the Ministry of Finance and Planning for several successive years were used as secondary source of data.

4. Tools for Presentation and Analysis of Data:

The method of data analysis chosen for this study was the chi-square (λ^2) test using SPSS version 20.0. Chi-square test is based distribution and as a non-parametric test is used for comparing a sample variance to a theoretical population variance (C. R. Kothari, 2011). Chi-square test is also a measure of association between variables to test hypotheses and whether distributions came from the same population. Tables and Graphs were used to primarily present the findings of the study.

Table 1: Demographic Characteristics of the Respondents

Variable	Options	Frequency	Percent
Age	Below 25	1	1.3
	25-30	13	16.3
	31-35	22	27.5
	36-40	17	21.3
	41-45	14	17.5
	46-50	7	8.8
	51-60	6	7.5
	Above 60	-	-
	Total		80
Sex	Male	60	75.0
	Female	20	25.0
	Total	80	100.0
Marital Status	Not married	15	18.8
	Married	65	81.2
	Divorced/Widowed	-	-

	Total	80	100.0
Educational status	Primary education	1	1.3
	Secondary education	6	7.5
	Diploma	26	32.5
	B.Sc. /BA	33	41.3
	M.Sc./MA	13	16.3
	PhD	1	1.3
	Total	80	100.0
Years of experience	Below 1 Year	2	2.5
	2 to 5 Years	31	38.8
	Above 5 Years	47	58.7
	Total	80	100.0

Source: Researcher’s Field Survey Data/ Own data

As shown in Table 1 above, among 80 respondents who participated in the study, 27.5% of them were in the age group of 31-35, while 21.3% and 17.8% of respondents fall in the age group of 36 to 40 and 41 to 45, respectively. Regarding their sex and marital status, majority of respondents (75%) were male and married (81.2%). In relation with their educational status, 41.3% of respondents are first degree holders, while 32.5% and 16.3% of them are second degree and diploma holders, respectively. More than half of respondents (58.7%) have above 5 years of experience while 38.8% have 2 to 5 years of experience.

Table 2: Job Related Experience

Variable	Options	Frequency	Percent
Job position	Junior/ non-Technical or support staff	28	35.0
	Supervisor	14	17.5
	Manager	8	10.0
	Director	8	10.0

	Senior director	6	7.5
	Director general	3	3.7
	Others	13	16.3
	Total	80	100.0
Organization/ entity's period of Operation	Below 1 Year	-	-
	2 to 5 Years	28	35.0
	6 to 10 Years	30	37.5
	11 to 15 Years	7	8.8
	16 to 20 Years	5	6.2
	Above 20 Years	10	12.5
	Total	80	100.0
Organization Size	Less than 50	3	3.8
	50-100	9	11.2
	101-250	7	8.8
	251-500	20	25.0
	501-1000	8	10.0
	Above 1000	33	41.2
	Total	80	100.0

Source: Researcher's Field Survey Data

As shown in the table 2 above, there exists a variety of job positions that respondents are placed in. Among it, the great proportion constituted (35.0%) were junior/ non-Technical or support staff, supervisor (17.5%), managers and directors (10%) each. Regarding organization/entity's period of operation, (37.5%) have worked there for 6 to 10 years; similarly those who served for 2 to five years constitute 35%. Among the total respondents who worked above 20 years make up 12.5%. In relation to organizational size, high proportions (41.2%) have more than 1000 employees and those organizations having size of 251 to 500 employees constitute 25%; and those having less than 50 employees represent 3.8% only.

Table3: Knowledge and Clarity of Customs Law and other Related Issues

Variable	Options; Frequency (%)					
	Yes	No	Total			
Have you had any knowledge about Customs Duties policy, law and Administration before?	66 (82.5)	14 (17.5)	80 (100)	Chi-Square= 33.80, df=1, P<0.01		
	Very high	High	Medium	Low	Very low	Total
Level of Knowledge on Customs Duties	5 (7.6)	26 (39.4)	23 (34.8)	9 (13.6)	3 (4.5)	80 (100)
	Yes	No	I do not know	Total		
Do you think that the Government has a clear Customs Duty Policy and Governance?	27 (33.7)	33 (41.3)	20 (25.0)	80 (100)		
	Very simple	Efficient	Equitable	Effective		
Do you think that the Customs Duties policies and Laws of our Republic are (<i>Multiple responses</i>)	59.5%	16.5%	12.7%	29.1%		
	Yes	No	I do not know	Total		
Do you think Customs Duties differ from Personal Income Tax?	50 (62.5)	16 (20.0)	14 (17.5)	80 (100.0)		

Source: Researcher’s Field Survey Data

As Indicated in table 3 above, the majority of respondents (82.5%) had clear knowledge and clarity regarding customs duties policy, law and administration before. Among the respondents 39.4% has rated ‘high’ on their level of knowledge on customs duties ; ‘medium’ and ‘low’ were rated by (34.8%) and (13.6%) respectively. However, 41.3% of respondents claimed that the government did not have clear customs duty policy and governance system and about 25% of them even have no knowledge about the customs duty policy governance system. It is only 33.7% of them who have clear knowledge about it.

Regarding the customs duties policies and Laws of our Republic, 59.5% of respondents rated it as “very simple”; 29.1% as ‘effective’ and 16.5% as ‘efficient’. Concerning the differentiation

between customs duties and personal income tax, more than half of respondents (62.5%) have enough knowledge of its' difference while 20% didn't know as it differ.

Table4: Administration of Customs Duties

Variable	Options; Frequency (%)					
	Very high	High	Medium	Low	Very low	Total
The effectiveness of Customs Duties in raising revenues for the Government	5 (6.4)	12 (15.4)	27 (34.6)	13 (16.7)	21 (26.9)	78 (100.0)
The effect of Customs Duties on tax payers in the Republic of South Sudan has been	10 (12.7)	22 (27.8)	21 (26.6)	12 (15.2)	14 (17.7)	79 (100.0)
	Yes	No	Total			
Do you know how much revenue is raised from Customs Duties?	26 (32.5)	54 (67.5)	80 (100.0)	Chi-Square= 6.54, df=1, P=0.011		
	High for the poor	Low for the rich	Neutral for all	Total		
Has the Customs Duties in the Republic of South Sudan been	37 (46.8)	12 (15.2)	30 (38.0)	79 (100.0)		
	The rich	The poor	Both	I do not know	Total	
Do you think the existing	43 (54.4)	1 (1.3)	17 (21.5)	18 (22.8)	79 (100.0)	

Customs Duty favors						
	Yes	No	I do not know	Total		
Do you think the Customs Duties of our Republic promote the welfare of the poor?	18 (23.4)	56 (72.7)	3 (3.9)	77 (100.0)	Chi-Square= 58.156, df=2, P<0.01	
	Extremely convenient	Very convenient	Moderately convenient	Least convenient	Not convenient	Total
Has the Application And Implementation of Customs Duties in the Republic of South Sudan been	4 (5.0)	4 (5.0)	29 (36.3)	22 (27.5)	21 (26.3)	
	Very Fair	Fair	Moderately fair	Unfair	Very unfair	Total
Do you think the Customs Duties in the Republic of South Sudan has been	3 (3.8)	18 (22.5)	26 (32.5)	24 (30.0)	9 (11.3)	80 (100.0)
	Extremely equitable	Very equitable	Moderately equitable	Least equitable	Not equitable	Total
Do you think the Customs Duties in the Republic of South Sudan has been	1 (1.3)	8 (10.0)	20 (25.0)	33 (41.3)	18 (22.5)	80 (100.0)
	Very good	Good	Somehow good	Bad	Very bad	Total
Do you think the	-	10 (12.5)	31 (38.8)	19 (23.8)	20 (25.0)	80 (100.0)

Administration of Customs Duties in the Republic of South Sudan has been						
	Realizable or workable	Efficient & effective in raising revenue	Fair and just	Others		
The Customs Duties Policy of South Sudan is (<i>Multiple responses</i>)	27.8%	29.1%	41.8%	15.2%		
	Yes	No	I do not know	Total		
Should Customs Duties be collected at both Federal and State levels?	26 (32.5)	53 (66.3)	1 (1.2)	80 (100.0)		

Source: Researcher’s Field Survey Data

As illustrated in Table 4 above, 34.6% of respondents have rated the effectiveness of Customs Duties in raising revenues for the government as ‘medium’; ‘low’ and ‘very low’ were rated by 26.9% and 16.7% of respondents respectively. Likewise, the effect of Customs duties on tax payers in the Republic of South Sudan has been rated as ‘high’ and ‘medium by 27.8% and 26.6% of respondents. Those respondents who has rated the effect of customs duties as ‘very low’ and ‘low’ constituted 17.7% and 15.2% respectively.

It was also found out that the amount of revenue raised from customs duties was not known by the majority respondents (67.5%) while the rest 32.5% have some kind of knowledge about the issue. The Customs Duties in the Republic of South Sudan is considered as ‘high for the poor’ by 46.8% of respondents and those who considered as ‘neutral to all’ constituted 38% whereas only 15.2% of them responded as ‘low for the rich’. Regarding the favourability of the existing Customs Duty, more than half of respondents (54.4%) have agreed that it has favoured the rich while 22.8% of respondents did not know to whom it favors. On the contrary about 21.5% of respondents replied that it favours both the poor and the rich equally.

Concerning the application and Implementation of Customs duties in the Republic of South Sudan, 36.3% of respondents have regarded as it's 'moderately convenient'. Likewise 27.5% and 26.3% of respondents also regarded as it's is 'least convenient, and 'not convenient' respectively. Great majority of respondents (72.7%) did not agree that the Customs Duties of our Republic promote the welfare of the poor while 34.2% did agree on the same.

Regarding the fairness of Customs Duties in the Republic of South Sudan, 32.5% of respondents regarded as 'moderately fair', and those who regarded as 'unfair' constituted 30%. 'Fair' and 'very fair' were responses for 22.5% and 3.8% of respondents respectively. The issue of equitability of Customs Duties in the Republic of South Sudan has been rated as 'least equitable' and 'not equitable' by 41.3% and 22.3% of respondents. Likewise, those who have rated as 'moderately equitable', 'very equitable', and 'extremely equitable' constituted 25%, 10%, and 1.3% respectively.

The administration of Customs Duties in the Republic of South Sudan was regarded as 'very bad' and 'bad' by 25% and 23.8% of respondents; while 38.8% and 12.5% of respondents have agreed as 'somehow good' and 'good' respectively. Great majority of respondents 66.3% agreed that Customs Duties should be collected at both Federal and State levels while the rest 32.5% didn't agree on the level of tax collection points.

For the multiple response question raised to respondents to evaluate customs duties Policy of South Sudan, 41.8% of respondents regarded as 'fair and just', while those respondents who constituted 29.1% regarded it as efficient and effective in raising revenue for the country. Similarly 27.8% of respondents considered the policy as realizable or workable.

Table5: Challenges in Administering Customs Duties

Variable	Options; Frequency (%)				
	Lack of good Governance & Administration	Lack of good law	Lack of tax	Lack of good tax experts	Others
Some of the main challenges related to Customs Duties administration lie (<i>Multiple responses</i>)	69.2%	24.4%		39.7%	-
	Lack of peace and stability	Lack of good economic development	Lack of modernization of the Personal Income tax system	Others	
Other Problems related to Customs	75.3%	32.5%	31.2%	-	

Duties administration (Multiple responses)					
	Corruption	Tax evasion	Lack of capacity and training	Others	Total
The weaknesses of Customs Duties Administration in raising revenue has mainly been due to	43 (53.8)	6 (7.5)	26 (32.5)	5 (6.3)	80 (100.0)
	Yes	No	I do not know	Total	
Do you think there is a dire need for Customs Duties Reform?	74 (93.7)	3 (3.8)	2 (2.5)	79 (100.0)	

Source: Researcher’s Field Survey Data

As indicated in Table 5 above, for the multiple response question raised to respondents to identify main challenges in administering customs duties, majority of respondents (75.3%) have pointed out that lack of peace and stability as the major challenge whereas good governance & administration (69.2%), and Lack of good tax experts (39.7%) follows. Similarly, 53.8% of respondents have also agreed that the weaknesses of customs duties administration in raising revenue has mainly been due to corruption followed by lack of capacity and training(32.5%). As to the need for customs duties reform, great majority of respondents (93.7%) agreed that there is dire need for the reform.

Table6: The Role of Customs Duties

Variable	Options; Frequency (%)				
	Yes	No	I do not know	Total	
Do you think the amount raised from Customs Duties is well spent to benefit the people of South Sudan?	10 (12.8)	54 (69.2)	14 (17.9)	78 (100.0)	Chi-Square= 45.53, df=2, P<0.01

	Extremely significant	Very significant	Moderately significant	Least significant	Not significant	Total
How do you evaluate the role of Customs Duties in our Republic?	9 (11.3)	14 (17.5)	23 (28.8)	22 (27.5)	12 (15.0)	80 (100.0)
	Yes	No	I do not know	Total		
Do you think that the Customs Duties of our Republic are structured efficiently and fairly to achieve the appropriate level of revenue?	30 (37.5)	40 (50.0)	10 (12.5)	80 (100.0)		
Do you think the revenue collected from Customs Duties leads to the stability of the South Sudan economy?	33 (41.3)	40 (50.0)	7 (8.8)	80 (100.0)		
	Very Important	Important	Moderately Important	Least Important	Not Important	Total
How important is Customs Duty to our country?	59 (73.8)	15 (18.8)	2 (2.5)	4 (5.0)	-	80 (100.0)

Source: Researcher’s Field Survey Data

From Table 6 above, it was found out that the majority of respondents (69.2%) do not think the amount raised from customs duties was well spent to benefit the people of South Sudan. Similarly when they were asked to evaluate the significance on the role of customs duties in the Republic, 28.8% rated as ‘moderately significant’ and 27.5% as ‘least significant’. Respondents were also asked on the efficiency and fairness of the structure of customs duties and its contribution for bringing stability for South Sudan economy. Half of respondents replied that, they didn’t hope that the structure will help to bring economic stability of the country.

Table7: Customs Duties and Luxury Goods

Variable	Options; Frequency (%)			
	Yes	No	I do not know	Total
Do you think that the Customs Duties of our Republic are high enough to discourage consumption of luxury goods?	25 (31.6)	47 (59.5)	7 (8.9)	79 (100.0)
Do you think that Customs Duties should also apply to Basic needs (non-luxurious) products?	41 (51.9)	37 (46.8)	1 (1.3)	79 (100.0)
Do you think that luxurious products and services should be more heavily taxed than basic products and services?	72 (91.1)	5 (6.3)	2 (2.5)	79 (100.0)

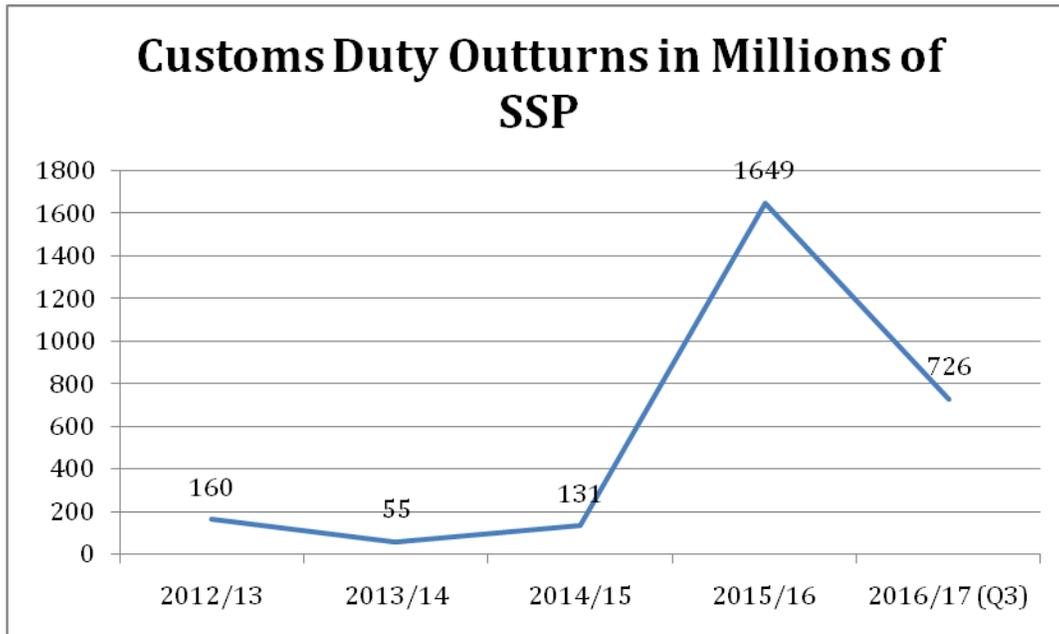
Source: Researcher’s Field Survey Data

As indicated in Table 7 above, the majority of respondents (59.5%) do not believe that the customs duties of the Republic was high enough to discourage consumption of luxury goods; 31.6% of respondents replied that it had positive impact while the other 8.9% of respondents do not have information on the issue. Similarly, more than half of respondents (51.9%) agreed that Customs Duties should also apply to Basic needs (non-luxurious) products while 46.8% opposed its applicability. Likewise, it was found out that the great majority of respondents (91.1%) have agreed to put on heavy tax on luxurious products and services whereas 6.3% of them agreed as not to heavily taxed

Figure 1: Contribution of Customs Duty in Income Generated by the Republic of South Sudan

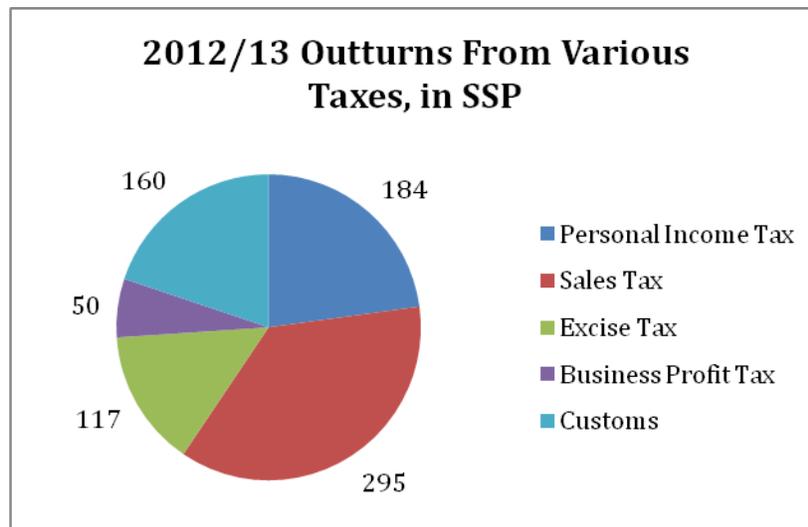
As one views the below figures, the amount of revenue generated from Customs in 2015/16 Fiscal Year (FY), indicates the maximum amount in the history of the Republic. For the last FY in the figure 1 above, the percentage of execution against the planned target of SSP 1170 Million was reported to be 62% and calls for identification of reasons and solving them to generate good amount of revenue as much as possible.

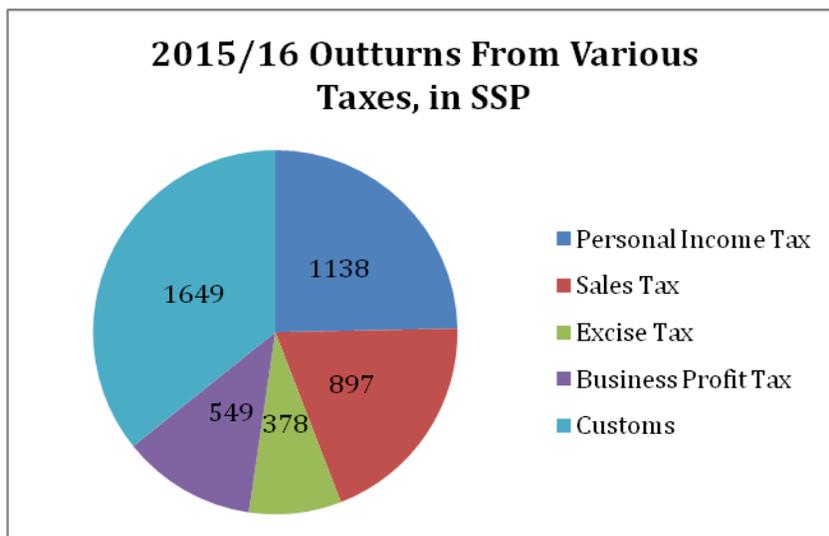
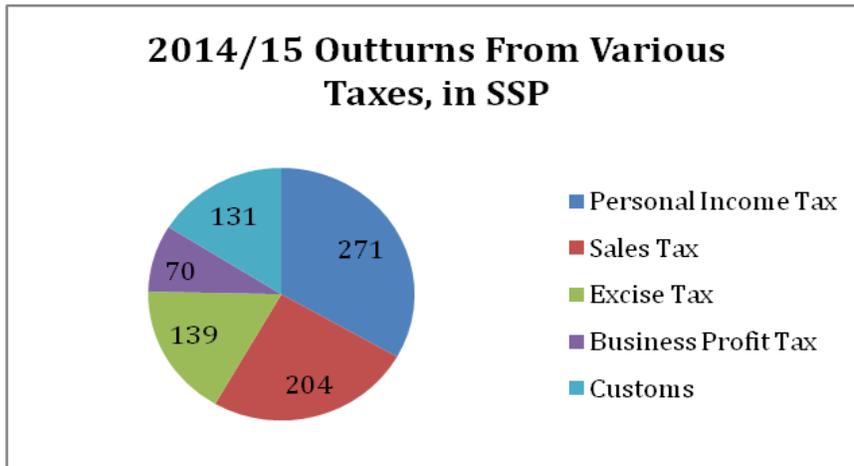
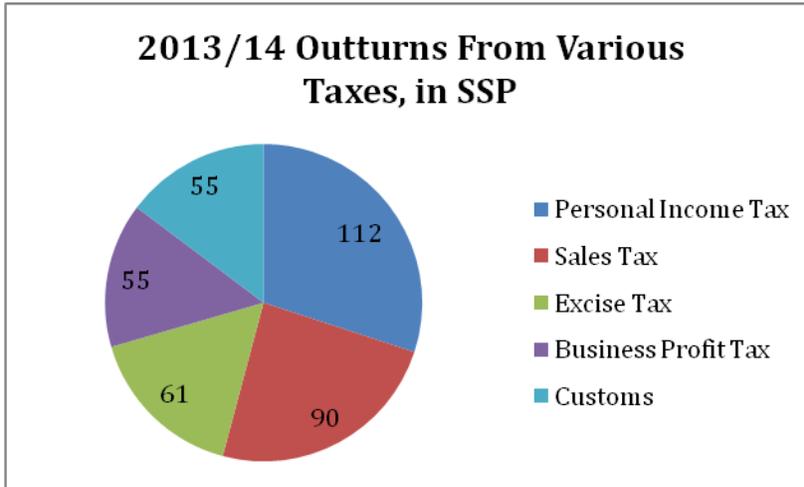
From the figures presented below, Personal Income Tax and Sales tax were found to be the tax types with relatively high amount of outturns compared to other tax types listed in all FY except in 2015/16, in which the highest amount of outturn was collected from Customs. Relatively lowest amount of outturns, when compared with other tax types, was collected in the 2013/14 FY and relatively highest amount was collected in 2015/16.

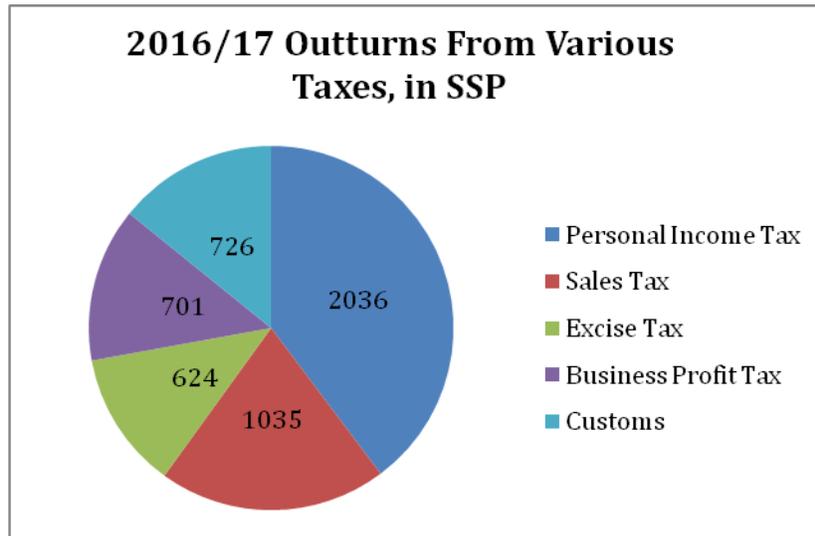


Source: Own data

Figure2: Contribution of various Tax types, in Millions of SSP







Source: National Budget Plan of the RSS by Ministry of Finance and Planning

5. Findings, Conclusion and Recommendations

5.1 Findings

The main objective of the study was to assess and recommend issues that help in raising sustainably the revenue of South Sudan from customs tax (duty). Specifically it has addressed issues related to investigating customs tax of the republic, exploring challenges impeding collection of custom duties, and assessing the significance of customs duty in the country's development.

To address the objectives stated above, both primary and secondary sources of information were used and analyzed. Responses of 80 people from different organizations and job position were gathered and through the administration of structured and well organized questionnaire. Besides, Republic's financial reports of the Ministry of Finance and Planning were used to substantiate the primary data collected.

The study has found out that respondents have prior knowledge about Customs Duties policy, law and its administration though their level of knowledge highly varies. Even though the Customs Duties policies and Laws of the Republic are considered as very simple and effective, respondents claimed that it lacks clarity and uniformity. It was also pointed out that respondents don't have knowledge regarding the amount of revenue raised from customs duties. Hence they argued that it has no effect on raising revenues for the Government.

It was also noted that respondents are not satisfied with the effectiveness of customs duties in raising government revenue because they don't know how much revenue is raised from it. Apart from this, majority of respondents considered it as favouring the rich while ignoring the welfare of the poor.

The issue of fairness and conveniences of the application and Implementation of Customs Duties in the Republic of South Sudan is regarded as unsatisfactory by majority of respondents. However, they argue that the Customs Duties Policy of South Sudan is fair and just. Concerning the challenges in administering customs duties, respondents have prioritized the main issues as lack of peace and stability, lack of good governance and administration, corruption, and lack of good tax experts. For this reason, almost all respondents agreed that a reform on customs duties should be in effect.

5.2 Conclusion

It was also indicated that the role Customs Duties plays in the economy of the republic is not considered as such significant since it is not much beneficial for the people of South Sudan. Besides half of respondents also mentioned Customs Duties of the Republic are structured very weakly and they think that it is unlikely to achieve the appropriate level of revenue. Hence its contribution to stabilize the South Sudan economy is very minimal.

Concerning the trend of custom duties on the consumption of luxury goods, it is reported that it didn't inhibit the people to consume luxury goods since luxurious products and services are not heavily taxed. Thus, close to half percent of respondents urge to apply Customs Duties on Basic needs (non-luxurious) products. In most of the FYs, the amount of outturn collected from Customs is below the budget targeted which calls for further action.

5.3 Recommendations

There is need to create awareness of the importance of Customs duties. Reforms have to be carried out to ensure fairness and convenience. There is dire need to have peace and stability, good governance and administration, combat corruption, and to train personnel and upgrade their capacity. Luxurious products and services must be heavily taxed to leave room for the essential goods and services.

However, the researcher strongly recommends further investigation and large sample size to provide more empirical evidence on the subject for informative action by practitioners and academia alike.

REFERENCES

- Acharya S. P. (2014). *Customs Tariff Harmonized System*, 2012 Version, Department of Customs, Nepal, South Budget for the fiscal year (2015/2016).
- Bannock B., and Baxter R. E. (2011), (eds.), *the Penguin Dictionary of Economics*, 8th edition, 80 Strand, London, WC2R ORL, ENGLAND
- Dr. Lothar G. (2011). *Customs' Scientific Journal*, Custom and Business Partnership, Customs Department of European Commission.
- Gordon R. H. (2010). *Taxation in Developing Countries*, Columbia University Press, USA.

Hart K. L. De. et al. (2013). *Taxation of Individual Simplified*. P. O. Box 72979, LYNNWOOD RIDGE, 0040, ISBN: 979-1-919681-32-0

Hornby A. S. (2010). *Oxford Advanced Learners Dictionary*. Oxford University Press, UK.

James S. and Nobes C. (2012). *The Economics of Taxation*, 12th edition, ISBN 978 1906201197, the Guildhall: Edgbaston Park Road, Birmingham: B1 2TU, UK.

Kim et al. (2007). *A Study on Customs Tax Compliance for Agricultural Produce with Experimental Data*, Journal of International Business and Economic, International Academy of Business and Economics, Administration of General Economic Programs, U.S.A.

Laws of South Sudan (2016). Financial Bill 2016/2017

Law Revision Commissioner (2000). *The laws of Belize: the Customs and Excise duty Act. Chapter 48 revised Edition 2000.*

Lymer A. (2012/2013). *Taxation Policy and Practice*, 19th Edition, Fiscal Publications. Unit 100

Melville, A. (2014). *Taxation Finance Act 2013*. Pearson Education Ltd, Edinburgh Gate, Harlow CM 20 2 JE, UK

Saleemi N.A. (2008). *the Tax Statistics of South Africa*, Conducted in 2007/2008

Pratt J. W. and Kulsrud W. N. (2012). *Federal Taxation*, Library of Congress Control No. 2011926811.

South Sudan Customs Duty Act 2009.

Saleemi N. A. (2012). *Taxation Simplified*, Saleemi Publications Ltd, P.O Box , 11898 – 00400, Nairobi, Kenya

The Guildhall Edgbaston Park Road Birmingham, B15 2TU, UK.