

**KEYNOTE ADDRESS OF THE HONOURABLE MINISTER OF  
FINANCE AT THE CGC'S CONFERENCE HOLDING IN SOKOTO  
FROM MONDAY, 26<sup>TH</sup> TO FRIDAY 30<sup>TH</sup> NOVEMBER, 2007.**

1. It is my pleasure to be here with you on the occasion of the 2007 Comptroller-General of Customs' Annual Conference. The theme of this Conference "**48 Hour Clearance of Cargo**" is of great interest to me, because it conforms with the desire of Government to simplify and shorten the time spent at our seaports and land border stations for the clearance of goods.
  
2. We believe this will create the necessary enabling environment, not only for investment and trade facilitation, but also to enable our sea ports, which have excellent facilities, to regain their pre-eminent position in the West African sub-region. In this regard, it shows that the Nigeria Customs Service is seeking to build upon the gains of last year's CGC's Conference, the theme of which was "Destination Inspection, a Tool for Trade Facilitation".

3. You are aware of the intention of the Government to improve the welfare of Nigerians through the provision of opportunities for enterprise. This has been articulated in the President's seven (7) point agenda and the Vision 2020 aimed at fully transforming the economy by the year 2020. The good intention of the Government cannot be realized if we fail to address fully the challenges that impede the facilitation of trade.
4. During the year 2007, the WCO, in conjunction with the Nigeria Customs Service, conducted a time-release study, to see how much time it takes to clear cargo at Nigerian ports and border stations. The discovery left us

with no alternative than to find a faster way of clearing goods at our ports. The time taken to get consignments out of our ports must be reduced from the current average of two (s) weeks to two (2) days, for reasons which have become obvious.

5. To demonstrate our seriousness at simplifying port procedures and cargo clearance processes, a stakeholder retreat (the Retreat) was organized between 18<sup>th</sup> and 21<sup>st</sup> October, 2007, in Lagos to identify various obstacles to the attainment of 48-hour cargo clearance at our ports. That exercise has revealed that, the attainment of 48-hour clearance time for cargo at our ports is dependent on a number of considerations, including the following:

#### A. CUSTOMS REFORM

It is the willingness of this administration to continue with the reform of the Nigeria Customs Service, which started in March

2004. The objective of the reform is to have a Service that is responsive to the demands of a rapidly globalizing economy in terms of human capacity and ICT infrastructure, which are sine qua non to the effectiveness of trade facilitation.

The Nigerian economy has witnessed many structural changes, putting the country on the path to becoming a strong player in the international scene. It has therefore become imperative that the Nigerian Customs and our ports administrations be prepared for the roles expected of them in this regard.

Ladies and Gentlemen, I have been informed that the efforts of Government towards reforming the NCS and the ports are beginning to yield fruit. The clearance and chaotic situation at the ports are beginning to be addressed. I was also assured by all the key stakeholders at the Retreat that the 48-hour clearance time for cargo at our ports and border areas is achievable, if all stakeholders work assiduously to achieve it.

I take this opportunity to assure you that the Government is determined to pursue the programme of the reform to its conclusion. That is the only way for us to maximize the advantages, as envisioned in the reform of the Service.

While recognizing the criticality of the reform of the Nigeria Customs Service, it is also important to realize the importance of the reform of other stakeholders in the maritime sector, without much of the gains would be eroded. The licensed Customs Agents, the freight forwarders, the banks, the ports concessionaries, the Service Providers need to be considered in a comprehensive reform package for the Ports to attain the 48-hour cargo delivery time.

## B. TRADE FACILITATION

Perhaps, the most important effect of Customs reform is a reduction in the time taken to clear goods. Trade facilitation is crucial to the performance of the economy. At the United Nations International Symposium on Trade Efficiency in Columbus in

1994, it was stressed that “the adoption of trade efficiency measures can significantly lower the cost of trade transactions”. I am aware that the Nigeria Customs Service has taken a number of steps to facilitate trade, including the use of fast track, post clearance audit, upgrading its IT capability to ASYCUDA++ by shortening and simplifying the clearance procedures. The adoption of Destination Inspection and use of scanners have also helped greatly.

What is perhaps, most critical and so far lacking to the reforms, is the change in attitude. This change requires the Nigeria Customs Service to see itself not as a purely enforcement and market protection agency but a trade facilitator. There are indications that, with the cooperation of stakeholders in the maritime sector, the clearance time for cargo at our ports will be within 48-hours.

On its part, the Government has considered and provided some vital inputs to make trade facilitation a success, including:

- The political will to sustain the reform policy;

- A clearly defined strategic plan of action;
- Involvement of and close cooperation with the business community; and
- A well-funded and long-term technical assistance programme based on a partnership with some Donor agencies.

It is my expectation that this conference will spend a considerable amount of time and effort in addressing the importance and necessity for the change of attitude in the Nigeria Customs and the measures that are needed to bring it about and sustain it for the long-term benefit of the Service and the Nation.

### C. **ECONOMIC DEVELOPMENT**

There is a strong linkage between Customs reforms, trade facilitation and economic development. The importance of international trade to the national economy cannot be overemphasized. It is on recorded that trade currently represents 30% of world GDP and is estimated to grow to 50% by 2020. As

the country gets more integrated into the global economy therefore, the challenges of meeting the requirements of global trade increase. The development of the ports and other infrastructure and human capacity building have become, therefore, important indicators of the preparedness of the country to meet the challenges of development.

#### D. **CHALLENGES**

The main challenges to the attainment of the 48-hour clearance of goods include:

- Corruption: This is perhaps the greatest challenge to the efforts to attain the 48-hour clearance of goods. The President, Alhaji Umaru Musa Yar'Adua has made his policy of zero tolerance for corruption very clear. Through your acts of commission or omission, there is the unfortunate notion that the Nigeria Customs Service is one most corrupt institutions in Nigeria. I hope you will use the

opportunity of this conference to address this issue squarely.

- Non-compliance with the law: Related to this is the seeming reluctance of many importers and ports operators to comply with the law. This constitutes not only a hindrance to those who want to conduct legitimate business, but also a serious obstacle to smooth trade facilitation. The economy suffers for it, moreover, as government is deprived of legitimate revenue, which should have been channeled for development purposes.

## CONCLUSION

I want to conclude this address by calling on you all, as you deliberate on the attainment of the 48-hour clearance time for cargo, to come up with strategies that will not only achieve this target but will also ensure the improvement of the overall performance of the NCS. I assure you of the willingness of the Government to provide all the necessary support to meet the

challenges that face the officers in particular and the Service in general.

I wish you happy and fruitful deliberations.

I thank you for your attention.

**DR SHAMSUDDEN USMAN (OFR)**  
**MINISTER OF FINANCE**