

**HIGHER SCHOOL OF MANAGEMENT AND DIGITAL
ECONOMY**

HSMDE

Dissertation Submitted in Partial Fulfillment of the Requirements for a
Master's Degree

Specialty : E-business

THEME :

**The role of customs digitalization in
improving the export process in Algeria
The case of: Customs National Center of
Transmissions and Information System**

Submitted by

Miss GACI Racha Mallak

Supervised by

Mrs. MALEK Djedjiga.

Assistant Teacher « A »

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Dedication

To my dear mama and papa, who have been my pillars of strength and my biggest cheerleaders throughout my academic journey. My life is easiest behind you . your unconditional love, unwavering support, and tireless sacrifices have made it possible for me to achieve my dreams and pursue my passions. your guidance, encouragement, and belief in me have been the driving force behind my success. I am forever grateful for your love, care, and sacrifices, which have shaped me into the person I am today .

To my beloved grandparents, you have always been a source of inspiration, love, and support. Your unwavering love sweetness and Douaas have been my constant motivation to rise stronger day after day . I am forever grateful for your guidance, wisdom, and encouragement. May your love and blessings continue to guide me in all my future endeavors.

To my beloved siblings Mimi Sasso Yazid , Noussa Abdou Bébo, who have been my constant companions and my closest confidants in my whole life, I am blessed to have you in my life. This work is a testament to our bond, and I hope that it will inspire you to pursue your dreams and passions with the same dedication and determination that you have shown me.

To my beloved aunts Mbarka Messouda Chahra, who have been like second mothers to me . i am grateful for your unwavering presence in my life. Your kindness and sweetness, have helped me overcome many obstacles and challenges, and I am blessed to have you as role models.

To my beloved friends ch.Inas, to Kh. Asma , To Mo.Feriel and Gud.e Mouna, I would like to express my gratitude for your unwavering support. Your encouragement, advice, and sincere friendship have been invaluable to me. I dedicate this work to you as a sign of appreciation for everything you have done for me.

Without forgettign my little friends, Oly and doby , Laika and her ten puppies, to my birds and my little turtle. I would like to thank them all for always brightning my mornings , sharing love and showing me how important i am

To the memory of my beloved uncle MEFTAH Lakhdar, who taught me patient, religion , and the meaning of life. His wisdom, knowledge, and unwavering support have left an indelible mark on my heart, and his passing has left a void that can never be filled. I am forever grateful for the time we spent together and the lessons you taught me. This work is a tribute to his memory and his legacy, and I hope to make him proud in all my future endeavors. Though he may no longer be with us, his spirit lives on in my heart.

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I Express my sincere gratitude to you Allah, the Almighty, for bestowing upon me the strength, determination, and perseverance required to successfully accomplish and bring this work to fruition. I acknowledge that it is through your blessings and guidance that i have been able to overcome challenges and stay steadfast throughout this endeavor.

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.

Once again, I thank Allah and all those who have played a role in this journey, and I hope to make them proud in all my future endeavors.

Abstract

Advancements in technology have transformed modern societies, impacting various fields, among them the international trade which is an important factor in measuring the development of a country's economy. Algeria is no exception and is currently seeking to modernize different sectors, including customs authorities to improve their efficiency and effectiveness. Despite undergoing several updates over the past 28 years, the current customs information system, which was developed in 1995, still faces challenges that affect its performance. To overcome these challenges, Algerian customs authorities today are prioritizing the digitization of the sector, including its information system, to enhance export activities, which is a vital contributor to the country's economy. This study aims to explore the role of customs digitalization in the export process in Algeria. To achieve this, we used both qualitative and quantitative approaches. The research methods are based on descriptive and analytical methods. We opted for an online questionnaire to collect data from several exporting companies in order to identify current constraints faced during the export process. Additionally, we conducted a face to face interview with the deputy director of the customs center to gain insight into the different contents of the new system and how it addresses the issues identified in the survey. We analysed the collected data using the software SPSS. The results obtained indicated that the new customs system includes several units designed to improve security, organization, and structures, which will help address the challenges faced by exporters and enhance the export process.

Key words : customs, exportation, information system, digitalisation.

Résumé

Les avancées technologiques ont transformé les sociétés modernes, impactant divers domaines, dont le commerce international qui est un facteur important pour mesurer le développement de l'économie d'un pays. L'Algérie ne fait pas exception et cherche actuellement à moderniser différents secteurs, y compris les autorités douanières, afin d'améliorer leur efficacité et leur efficacité. Malgré plusieurs mises à jour au cours des 28 dernières années, le système d'information douanier actuel, développé en 1995, rencontre encore des défis qui affectent ses performances. Pour surmonter ces défis, les autorités douanières algériennes accordent aujourd'hui la priorité à la numérisation du secteur, y compris de son système d'information, afin d'améliorer les activités d'exportation, qui constituent une contribution vitale à l'économie du pays. Cette étude vise à explorer le rôle de la numérisation douanière dans le processus d'exportation en Algérie. Pour ce faire, nous avons utilisé à la fois des approches qualitatives et quantitatives. Les méthodes de recherche sont basées sur des méthodes descriptives et analytiques. Nous avons opté pour un questionnaire en ligne pour collecter des données auprès de plusieurs entreprises exportatrices afin d'identifier les contraintes actuelles rencontrées lors du processus d'exportation. De plus, nous avons mené un entretien en face à face avec le sous-directeur du centre des douanes pour obtenir un aperçu des différents contenus du nouveau système et de la façon dont il aborde les problèmes identifiés dans l'enquête. Nous avons analysé les données collectées à l'aide du logiciel SPSS. Les résultats obtenus indiquent que le nouveau système douanier comprend plusieurs unités conçues pour améliorer la sécurité, l'organisation et les structures, ce qui aidera à résoudre les défis auxquels sont confrontés les exportateurs et à améliorer le processus d'exportation.

Les mots clés : Douane, Exportation, système d'information, Digitalisation .

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List of abbreviations

WCO : World Customs Organization

GATT: General Agreement on Tariffs and Trade

CCC: Convention Customs Cooperation Council

VAT: Value Added Tax

CNTD: Centre National de Transmission Douanier

CNIS: Conseil National d'Information Statistique

CNFD: Centre National de Formation Douane

END : Ecole Nationale des Douanes

SIGAD: Systeme d'Information et de Gestion Automatisée des Douanes

CNTSID: Centre National de Transmission et de Systeme d'Information Douanier

ATA : Temporary Admission

HS : Harmonized System

ETC : Exporting Trading Companies

GPO : Group Purchasing Organization

ICC : International Chamber of Commerce

FPA : Free Of Particular Average

CMR : Contrat de Transport International de Marchandises par Route

AWB : Airway Bill

(B/L) : Bill Lading

CIM : Convention Internationale Concernant le Transport des Marchandises par chemin de fer

FHN : High-Speed Network

IP :Internet Protocol

ICT : Information and Communication Technology

BPR :Business Process Reengineering

IRM : Integrated Risk Management

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GENERAL INTRODUCTION

GENERAL INTRODUCTION

Our world attends a technological revolution over the years; it has touched every aspect of people's lives, giving us an instant information access with the needed tools and resources, these revolutions have brought everything to our fingertips, so it contributes on changing the way we do things, and impacts the decision-making, it has made the world smaller with faster communication, and online interactions, now it's an essential need in everybody's life.

On the other hand, it is intriguing to see how companies are working for a solid digital ecosystem in a well-organized network to enable the flexibility the co learning and to maintain the competitiveness of nations and firms in the world, which ensure that the technical knowledge, changes the way people manage, the way companies are evolving. This meaningful impact made the world move to another step of changement providing various job opportunities that are continuously growing day by day in all possible fields over the world, all this for the betterment of human society.

In its earliest day, digitalization is improving the well-being of nations. our country is moving along the path of digital transformation, by fusion the advanced technologies and the integration of physical and digital systems, the latter have been forced to adopt new internal working practices and felt a strong pressure to maintain and develop the national and international relations and took it to a highly intellectual level, for the economic growth and the country's advancement.

During his periodic interview with representatives of the national press, broadcast on public and private television channels and national radio The Algerian President, Mr. Abdelmadjid Tebboune considered that the lack of digitization was "a deliberate act" that could lead to bureaucracy and corrupt practices, he expressed his dissatisfaction with the lack of government actions on certain issues, and that he has been pleading for three years for digitization but nothing has been done. He also noted that "the mechanisms for fighting corruption are known," highlighting the crucial role of digitization as an important means of fighting bureaucracy and corruption, indicating that the state was working hard to implement this approach to ensure integrity and transparency. The president tightened his directives to the Government to continue to modernize and digitize all sectors, so that the indicators of operation and processing are accurate, responsive to national development, with the embodiment of a comprehensive digitization of all sectors in 2023.

Looking globally, digitalizing economy presents significant opportunities for both developing and developed countries. Governments in developed countries launch digitalization strategies

GENERAL INTRODUCTION

with ambitious initiatives to support businesses and individuals. These strategies and initiatives can help the countries themselves, but also countries abroad towards a brighter future. It is important for Algeria to start thinking about digitalizing its economy and, above all, to explore how it can leverage and transform these challenges into new opportunities.

The observation that has been made since Algeria's independence concerning its economy is that it is essentially based on hydrocarbon exports, which consistently generate over 90% of the country's foreign currency earnings and contribute more than 60% to its budget. For the country, the export, occupies a primary place in the dynamization of the economies and the reinforcement of their position on the world market. It is essential for Algeria to promote non-hydrocarbon exports in order to diversify the sources of its foreign exchange earnings.

By boosting its export sector, Algeria can capitalize on its abundant resources, including minerals, agricultural products, and manufacturing goods, to generate foreign exchange earnings, attract investment, and create employment opportunities. Expanding export activities will not only increase revenue streams for the country but also promote innovation, technology transfer, and productivity enhancement across various sectors.

As the country strive to expand its global presence and boosting its export sector, Algeria can capitalize on its abundant resources, including agricultural products, textile, manufacturing goods, to generate foreign exchange earnings, attract investment, and create employment opportunities.

It is crucial for Algeria as a key player in the global export market, to stay competitive and to stand on a solid structured system of exportation. Therefore, the country should prioritize the development and modernization of export-related policies, infrastructure, and support mechanisms to maximize the economic benefits derived from international trade, at this phase the efficiency and effectiveness of customs procedures become paramount.

To shape export sector and influence the overall economic growth of the country, Customs regulations, procedures, and practices, impact directly on the facilitation and hindrance of international trade activities. This impact will automatically act on the smoothness and efficiency of the process.

As the Algerian customs are considered the engine of the state and its main arm in achieving the economic diversification policy adopted by the Algerian government, Customs authorities must deal with enormous volumes of data, manage complex flows of goods, and coordinate the

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activities of numerous stakeholders involved in international trade, in this context, the key element for customs to manage is its information system, which allows for process automation and facilitates coordination among the various stakeholders involved in the export process.

However, the emergence of the new challenges and the pressure resulting from the development of international trade, has led the authorities to namely shift from its old automatised information system to an electronic one. This project, is considered as a significant step in the modernization plan of the customs sector in Algeria

In this context, the project manager for the digitalization of the Customs administration, Redouane Boutaleb, stated that this new information system "will have a positive impact on the national economy." This highlights the relevance of our study, which focuses on export activity and the improvements that customs digitization will bring to this process. The aim is to address the issues associated with this operation.

The interest and importance of this study lies in the discovery of the new customs system, highlighting its different new procedures and how it will treat the current problems.

Thus, the main objective of our research is to identify the various problems that exporters encounter in customs matters and determine the role of the customs information system in finding suitable solutions.

Our dissertation revolves around a central issue that can be formulated as follows:

How will customs digitization improve the process of exportation?

we formulated additional sub-questions in order to address this problem:

- What would be the added value of digitalization to customs?
- How can digitization serve as a tool for evaluating the exportation process in the long run?

In light of the above questions, a preliminary answer to these questions can be found in the following hypotheses:

H1: The customs digitalization will Protect documents and reduce the fraud and the risk of error.

H2: The digitalization of customs will improve time management and task execution.

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H3: The digitalization of customs will provide more transparency among different actors which facilitates tracking process and guarantee traceability in the organisation.

The methodological approach:

We used a descriptive and analytical research methodology to validate our hypotheses and answer the questions raised in our work.

Firstly, we conducted a literature review to gather relevant information related to our research topic. we consulted various books such as (Commerce international, Gestion des operation Import-export, Bréal Edition. And Gestion des operations import export, DUNOD edition).

Next, we conducted a field survey by administering an online questionnaire to Algerian exporters. This survey allowed us to gather data for the analysis and findings of our study.

In response to the posed problem statement, our research work will be structured as follows:

we have divided our work into three chapters. The first two chapters will be dedicated to theoretical aspects, while the last chapter will summarize a practical case.

The first chapter entitled "Overview about Customs Operations and regulations", will discuss the evolution and modernization plan of the Algerian Customs, as well as the basic concepts of customs regulations and tariffs.

The second chapter is devoted to the: "Export and the Customs Clearance Process" where we will explain the activity of exportation and its stakeholders in a general context. We will provide statistics on foreign trade and its evolution in Algeria. Lastly, we will discuss the process of customs clearance for goods.

The final chapter: " The new customs information system" is dedicated to the practical part, which focuses on the digitization of the customs sector. It is divided into two parts: the first one provides an overview of the implementation and functioning of the system. In the second part, a survey was conducted among exporters to identify their constraints and gather their opinions on customs digitization. Additionally, an interview was conducted with the deputy director of the center to address the questions and examine the hypotheses.

CHAPTER 1:
OVERVIEW OF CUSTOMS
OPERATIONS AND REGULATIONS

Introduction

Customs is an essential element of market functioning and plays a significant role in international relations, it has a crucial role in protecting the country and enforcing rules and regulations related to national and international movements with passenger, import /export activities and other responsibilities to control this.

Customs organizations around the world play an important role in both a country's government and the international community. Border protection, duty and tax collection, and the operation of a customs administration are all distinctly national obligations. Domestic priorities are at the core of customs operations. However, customs administrations have a unique potential to serve the worldwide community. Customs is frequently the initial point of interaction for international companies and tourists with the government.

This chapter is divided into three sections., in the first section we will provide an overview of customs in Algeria their missions and evolution, including the reforms and modernization efforts that have been undertaken in recent years. and the strengthening of collaboration and information sharing with other customs administrations.

Finally, we will examine the regime and tariffs that apply to imported and exported goods in Algeria. By the end of this chapter, readers will have a better understanding of the customs system in Algeria and the challenges and opportunities that businesses face when engaging in international trade.

Section 1: World Customs Organization and customs in Algeria (Understanding Customs: Evolution, missions and objectives)

Customs, as a fundamental component of international trade, holds a crucial position in regulating the movement of goods across national borders. This section will delve into the missions and role of customs, shedding light on their vital objectives.

1.1 Customs and the World Customs Organization (WCO):

1.1.1 Definition of customs

The term "customs" is extensively used and defined in a variety of contexts, although its context remains consistent. We revealed some definitions, those that appear the most appropriate. It is an administrative service, responsible for the application of customs legislation and the collection of duties and taxes it is also responsible of the application of other laws and regulations related to the import, export, routing or storage of goods.¹

The World Customs Organization (WCO), which is the global authority on customs matters, defines customs as "the government service which is responsible for the administration of Customs law and the collection of duties and taxes and which also has the responsibility for the application of other laws and regulations relating to the importation, exportation, movement or storage of goods."²

The customs administration is one of the structures of the public authorities. This latter has a paramilitary character that is under the supervision of the Ministry of Finance.³

It plays an essential role in the proper management of public affairs while contributing into the prosperity and the protection of society. It also manages the physical flow of goods, people and means of transport across borders. It is one of the largest revenue suppliers, and a regulator of the national economy⁴

Customs is the government agency responsible for regulating the cross-border movement of goods, collecting import and export duties, enforcing trade regulations, and protecting the society and economy from illegal goods and activities. Customs is also responsible for facilitating trade and ensuring the smooth flow of goods across borders, while also balancing

¹ KSOURI, (Idir) : *Les régimes douaniers (intitulés, bases légales, bénéficiaires et procédures)*, Grand - Alger – Livres Editions, 2007

²https://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv/kyoto_new/gach2.aspx (05/03/2023 at 15h37)

³ <https://www.umtmo.dz/dspace/bitstream/handle/umtmo/17309/m%C3%A9moire%20final.pdf?sequence=1> (05 /03/2023 at 16h08)

⁴ <https://www.umtmo.dz/dspace/bitstream/handle/umtmo/17309/m%C3%A9moire%20final.pdf?sequence=1> (05/03/2023 at 16h16)

CHAPTER 1: OVERVIEW OF CUSTOMS OPERATIONS AND REGULATIONS

trade facilitation with the need to enforce laws and regulations related to public health, safety, and the environment⁵

Overall, the definition of customs is broad and involves a wide range of activities and responsibilities, reflecting the complex and dynamic nature of international trade and the necessity for effective and efficient customs administration. Highlight the legal framework that governs customs administration and the regulatory functions of customs agencies. It emphasizes the role of customs in regulating cross-border trade and implementing trade policies, including the collection of revenue through customs duties and taxes. The definition also highlights the broader social and economic objectives of customs administration, such as promoting public safety and environmental protection.

1.1.2 The World Customs Organization (WCO) :

Formerly known as the Customs Co-operation Council (CCC), is an autonomous intergovernmental organization whose aim is to improve the effectiveness and efficiency of Customs administrations. Organization promotes international standards, fosters cooperation, and creates capacity to facilitate legitimate trade, ensure fair tax collection, and protect society by providing Customs administrations with leadership, direction, and support.

Today, the WCO represents 185 Customs administrations worldwide, which process nearly 98% of global trade. The World Customs organisation (WCO) is the only international body with Customs Today, and can rightfully call itself the voice of the international Customs community. Algeria is one of the North African members in the world customs organisation since 19/12/1999.⁶

The WCO is known for developing international conventions, instruments and tools, especially in⁷ :

- Classification of goods
- Customs valuation,
- Collection of customs revenues,
- promotion ethics
- Supply chain security, Facilitation of international trade,
- Fight against fraud and counterfeiting by ensuring the respect of intellectual property rights,

⁵ DE WULF (I) and B.SAKOL (j), *Customs Modernization Handbook* ,The International Bank for Reconstruction and Development / The World Bank 1818 H Street, NW, washinton,2005 p04

⁶ <https://www.wcoomd.org/en/about-us/what-is-the-wco/discover-the-wco.aspx?p=1> (05/03/2023 at 17h08)

⁷ <https://www.wcoomd.org/en/topics/key-issues/ecp-latest-proposal/instruments-and-tools.aspx> (06/03/2023 at 19h56)

CHAPTER 1: OVERVIEW OF CUSTOMS OPERATIONS AND REGULATIONS

- Sustainable reinforcement for the implementation of customs reforms and modernization

The WCO also administers the international commodity nomenclature known as the Harmonized System (HS).

1.1.2.1 The History of the World Customs Organization:

Overall, the history of customs is closely tied to the evolution of international trade and the development of nation-states. Customs has played a key role in regulating and facilitating trade, and has evolved over time in response to changing economic and geopolitical realities.

In 1947, thirteen European countries start a study group to examine the customs issues raised in the General Agreement on Tariffs and Trade (GATT).

In 1950 this work led to the adoption of the Convention Customs Cooperation Council (CCC), signed in Brussels. On January 26, 1953, the CCC held its inaugural session in the presence of its 17 founding members. The number of members grew to include all regions of the world. In 1994, the CCC adopted its current name of World Customs Organization WCO

Today, all WCO members together carry out customs controls on more than 98% of the world's trade.⁸

1.1.2.2 The Missions of the WCO :

The World Customs Organization (WCO) main missions are:

- To improve the effectiveness and efficiency of customs administrations and members around the world
- To promote the growth and security of international and national trade
- To facilitate legitimate trade while protecting society
- collecting trade statistics.
- Ensuring compliance with national laws and international standards.⁹

The World Customs Organization achieves its aims through developing international standards and best practices, providing capacity building and technical assistance to customs.

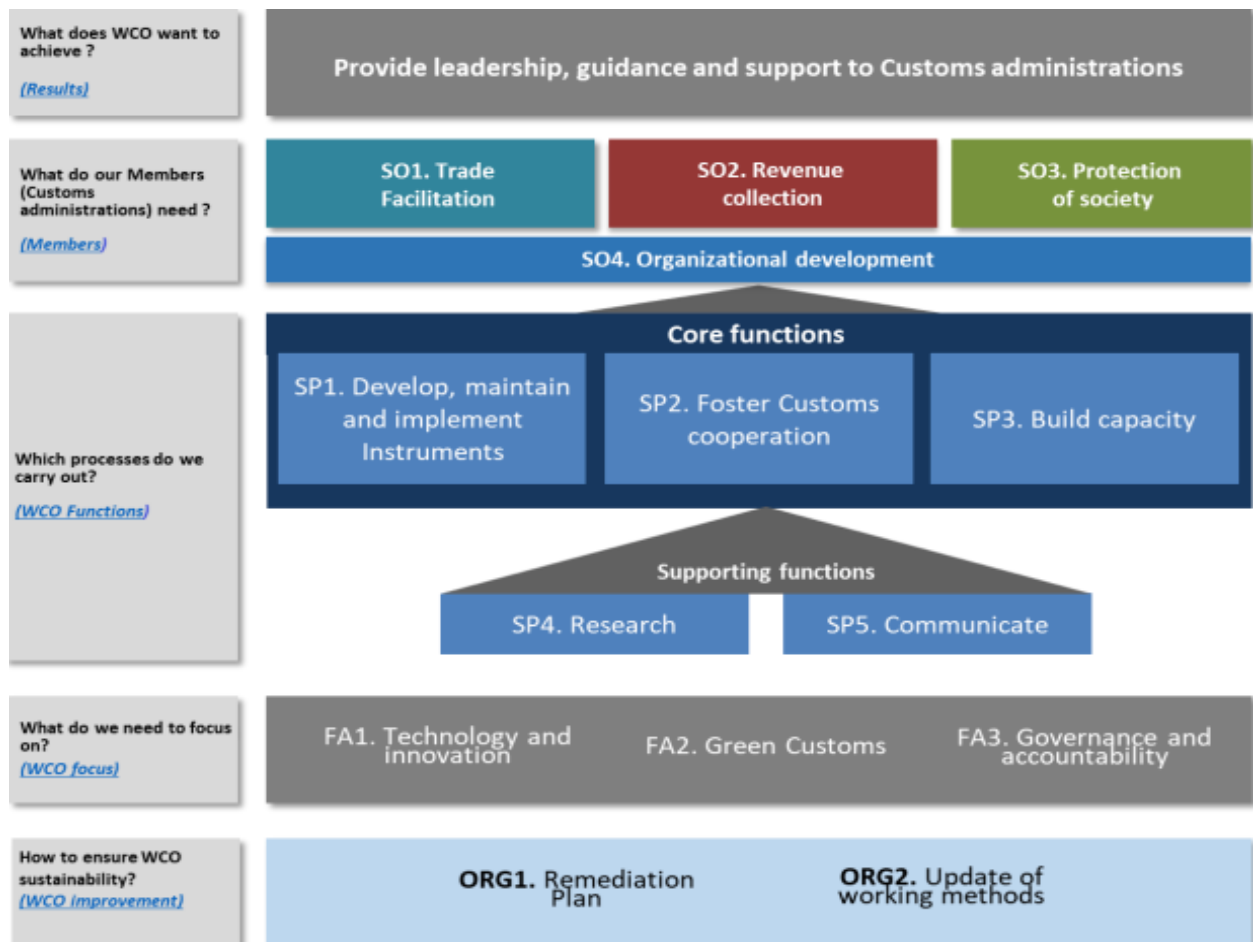
That's what aims the WCO to build a strategic plan 2022_2025 highlighting the great need for societies and organizations to be agile and adaptable. Setting objectives for the future should not hamper the ability to react quickly in the event of a global situation.¹⁰

⁸ <https://ngofeed.com/wco-full-form/> (06/03/2023 at 20H15)

⁹ https://na.eventscloud.com/file_uploads/3d46d048c252ff3fae68bd5c95b7943b_DEPLOMDUKA4.pdf (10/03/2023 at 22h30)

¹⁰ https://www.wcoomd.org/-/media/wco/public/global/pdf/about-us/administrative-documents/strategic-plan-2022_2025.pdf?db=web (12/03/2023 at 14h21)

Figure n° 01 Strategic plan 2022-2025 of the world customs organisation



Source : https://www.wcoomd.org/-/media/wco/public/global/pdf/about-us/administrative-documents/strategic-plan-2022_2025.pdf?db=web

1.1.2.3 The Objectives of the World Customs Organization:

The management of economic competitiveness through the promotion of security and facilitation of international trade, including the simplification and harmonization of customs regimes;

- Protection of society, public health and safety within the framework of Control and Fight against fraud;
- Consolidation and strengthening of capacities through Organizational Development;
- Promotion of information exchange among all stakeholders;
- Enhancement of customs performance and reputation;
- Consulting research and analyses.¹¹

¹¹ <https://ngofeed.com/wco-full-form/> (14/03/2023 at 21h17)

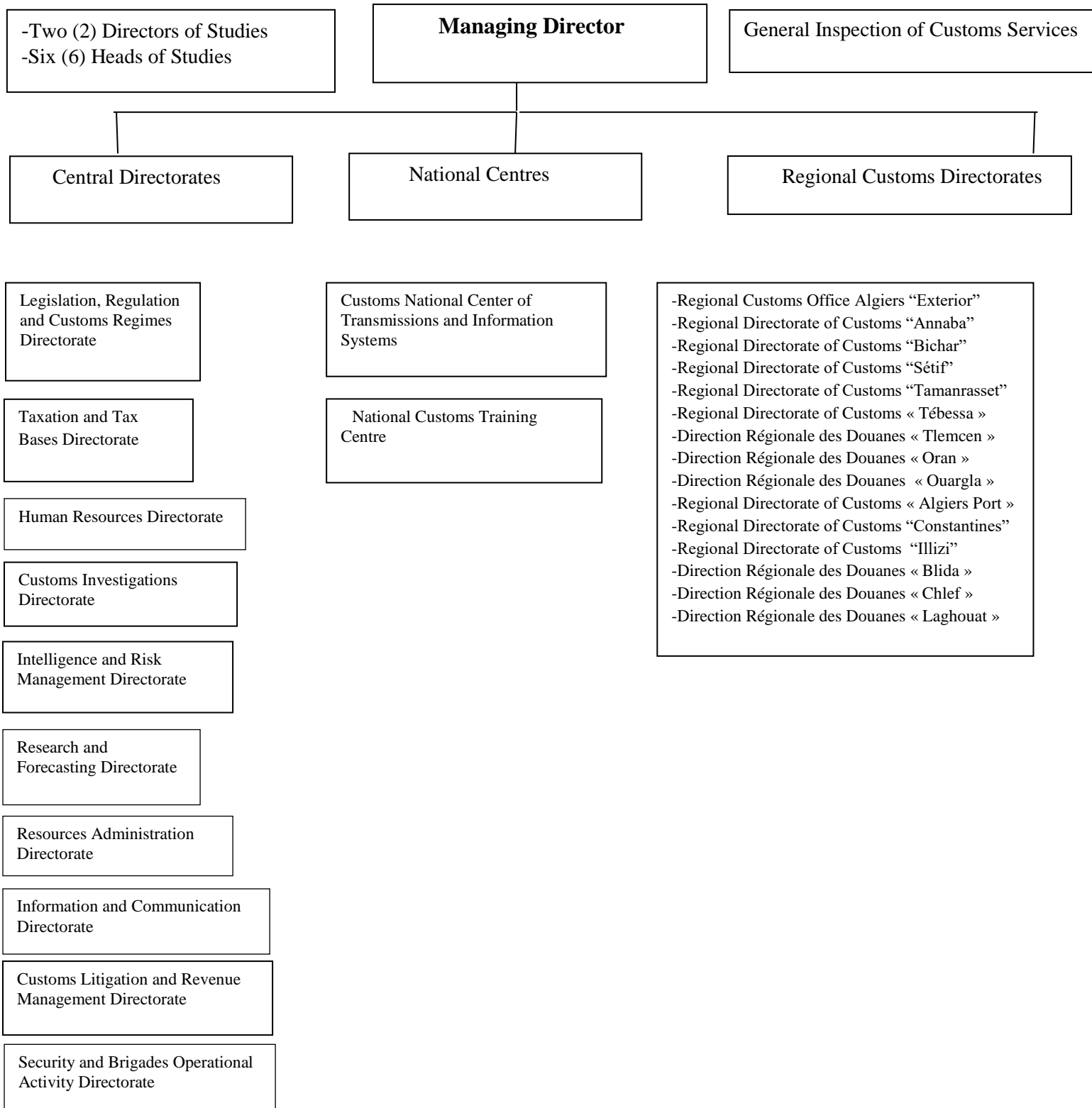
1.2 Customs in Algeria :

Algerian customs, like other customs around the world, are at the heart of the public authorities' policies; it is the obligatory crossing point for goods, capital, and people, and thus the first bulwark for the national economy, constituting an important tool in the decision-making process, making it a leading institution and in first rank for national economy protection. The customs administration, is in constant search of evolution and adaptation to the emerging economic data imposed by the General director of Customs aim to meet these requirements and face the different challenges related to the upgrading and promotion of the national economy. The customs institution prepares and analyse foreign trade statistics to facilitate decision-making for both public authorities and economic operators.

At the request of the public authorities, the customs service prepares specific studies on the evolution of foreign trade, on the forecasts of the collection of duties and taxes within the framework of the preparation of the finance laws, or on the impacts of a measure or a decision to be taken.

1.1.3 The Organizational Chart of Customs :

Diagram°1 : The Organizational Chart of Customs General Directorate in Algeria



Source : Executive Decree No. 17-90 of 23 Joumada El Oula 1438 corresponding to February 20, 2017, pertains to the central organization and responsibilities of the General Directorate of Customs administration

1.1.4 Customs Missions:

The current missions of the customs are set out in the customs law and specified by Article 3 of the Algerian Customs Code., they are the product of a historical evolution of the role and place allotted to this institution , other legislative or regulatory texts charge the customs administration with the application of provisions related to border control, particularly those governing the sectors of trade, finance, national defence, agriculture, industry, health, transport, tourism, information, and culture. The development of international trade and the opening of borders have led states to entrust customs with missions of protecting public health, public morality, public safety, and industrial and commercial property rights¹² . :

1.1.4.1 Fiscal Missions

First and foremost, customs has a fiscal mission, Since it contributes significantly to state revenue collection and has an economic function in enhancing the competitiveness of businesses and developing their framework, particularly those oriented to export, based on the rules fixed for international trade, the customs control the trade flows with two objectives: fluidity and security , it also contributes on :

- Collecting specific customs fees (fee for service provision and fee for using the automated customs information and management system, SIGAD (System d'information et de gestion automatisée douanier) .
- Ensure the enforcement of the customs law governing the movement of goods at the entry or exit of the customs territory, including by travellers and border populations, and to suppress all acts of legal entities or individuals that violate this law.
- Combating customs fraud by verifying the origin, type, and customs value of goods in order to control the calculation of customs duties and taxes.¹³

1.1.4.2 Security Missions

Furthermore, it ensures a security mission by combating fraud and major international trafficking (mobilization against the scourges of counterfeiting, smuggling, money laundering,

¹² Document prepared by the Divisional Inspector. ZATER Malek « codification », Customs of Tizi-Ouzou.

¹³ Internal company Document (Au cœur du developement économique, numero special edité par la direction regionale des douanes de Setif , 2015)

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and generally transnational organized crime), as well as environmental and national heritage protection. It includes also:

- The protection of public health - fight against narcotics: (Control of pharmaceutical products)
- Protection of consumers - fight against counterfeiting: (Verification of the authenticity of products and fight against counterfeit or fraudulent products.
- Environmental protection: (Control of international trade in endangered wildlife and flora species.)
- Protection of cultural heritage: (Fighting against the fraudulent exploitation of works of art and every structure, whether public or private, requires good organization and functioning).¹⁴

1.1.4.3 Economic Missions

Finally, the customs have a mission to help decision making through the elaboration and analysis of foreign trade statistics in the broad sense of the term, it includes:

- To participate in the promotion of non-hydrocarbon exports
- Participate in the development and implementation of measures to protect and promote national production.
- Assist and advise economic enterprises by providing them with expertise and facilitations offered by customs legislation.
- The customs administration is responsible for enforcing prohibition measures on both imports and exports, whether to or from one or more countries, as part of its mission to protect national interests.
- Promote investment, both domestic and foreign, through customs facilitations and economic customs regimes instituted for this purpose.
- Developing foreign trade statistics, which without it, it is not possible to formulate a reliable foreign or national trade policy (mission of decision-making support).¹⁵

¹⁴ idem

¹⁵ Internal company Document (Au cœur du developement économique, numero special edité par la direction regionale des douanes de Setif , 2015)

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1.1.5 Historical Background and Evolution of Customs :

The Algerian customs system, which is a novel kind of interference in economic transactions, has undergone an evolution linked to that of the country's economy. It has progressed in different stages.

1.1.5.1 Phase 01 : The Period After independence (1962 to 1990):

1.1.5.1.1 Year 1962-1971

This phase is characterized by:

- The creation of the first customs organization of independent Algeria according to Decree No. 63-127 dated April 19, 1963, which includes the organization of the Ministry of Finance, where the customs sub-directorate was created, belonging to the external finance and customs directorate, and then the creation of the customs directorate starting from the year 1964.
- The protection of cultural, artistic, and archaeological heritage through Ordinance No. 67-281 of December 20, 1967.
- In 1968, 43 customs offices were created, distributed among four regional directorates (Algiers, Laghouat, Annaba, and Oran).
- Limited control of foreign trade.
- The customs system was based solely on the quota system and a control of exchanges whose contours would be increasingly specified.
- State takeover of imports.
- The customs tariff included customs duties encouraging the importation of industrial goods for which a tariff of 10% was applied, compared to 15 to 20% customs duty for imports of products intended for final consumption.
- Year 1971-1982: This phase is characterized by:
 - The progressive nationalization of foreign trade.
 - Managed the importation and exportation monopolies, as well as the distribution of products for which they had exclusive responsibility.
 - The customs administration was organized in 1971 into four sub-directorates, which manifest the essential functions of the institution:
 - The sub-directorate of organization and statistics.
 - The sub-directorate of organization of interests.

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- This stage was characterized by the cancellation in 1975 of the customs code inherited from the French colonization, followed by the adaptation of the first Algerian customs code in 1979.

1.1.5.1.2 Year 1982-1990

This phase is characterized by:

- The promulgation of the "judgment" of the law 19-07 on the customs code, which constitutes the main legal basis for customs activity.
- In 1988, a process resulted in the abolition of the state's monopoly on the external economy. This is the progressive liberalization of the economy. The reduction of the number of tariff rates and the adaptation of the Value Added Tax (VAT) favor the integration of customs administration into the international economy.

Due to the importance and evolution of its activities and functions, and in line with the development of foreign trade, the General Directorate of Customs was created in 1982 and organized into five (05) specialized central directorates:

- The Directorate of Customs Regulation and Taxes
- The Directorate of Customs Organization and Disputes
- The Directorate of Studies and Planning
- The Directorate of Users and Configuration
- The Directorate of Management and Credit.¹⁶

1.1.5.2 Phase02: The Libeization of trade from (1990 to today):¹⁷

The opening of Algeria's foreign trade took place in the international context of rapid growth in both trade goods and services, as well as capital liquidity resulting from economic globalization. In addition to the fiscal mission, this led to two essential elements in the customs' missions: a security and protection mission, and an economic mission.

1.1.5.2.1 Year 1990-1996

This phase is characterized by the reorganization of customs, which is structured into two parts: central services and external services:

- The Value Added Tax (VAT) was introduced by Article 67 of the Finance Act for the year 1991 and entered into force on 01/04/1992.

¹⁶ SEGUENI *la procédure de dédouanement de marchandises*, mémoire de fin d'étude, Université Mouloud Mammeri Tizi-Ouzou, 2014 ,p. 07

¹⁷idem

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- In 1995, another reorganization took place, focusing on three areas of activity: "training, hydrocarbons, and prevention of the security of the national center for customs documentation and information."
- The creation of the National Customs Transmission Center (CNTD): created under the DGD66, is governed by Executive Decree No. 91-191 of 01/06/1991, (ORA No. 86/1993).
- The National Center for Customs Informatics and Statistics (CNIS), which is governed by Executive Decree No. 93-334 of 27/11/1993, (JORA No. 86/1993) and by the interministerial Order of 24/10/1995.

1.1.5.2.2 Year 1996-today

This phase is characterized by:¹⁸

- The creation of the National Customs Training Center (CNFD) succeeding the National School of Customs (END), created by Executive Decree No. 65-01-DE of 06/01/1965, modified and supplemented by Executive Decree No. 98-141- of 10/05/1998 (JORA No. 29/1998).
- The internal organization of CNFD is fixed by the interministerial order of 09/06/1999.
- The adaptation of taxation to the new data offered by the opening of the economy.
- The opening document of the documentary credit is mandatory from 2009 to 2013.
- Our country has committed itself to the liberalization of external trade.
- A national commission has been established to settle disputes relating to the space, value, and origin of imported goods.
- The creation of the Customs National Center Of Transmission an Information System , created by Executive Decree No. 17-92 dated 23 Jomada El Oula 1438 corresponding to February 20, 2017.

1.1.6 Modernization Plan of Customs information system:

Customs information system, aims to facilitate customs missions control. In 1994 There has been a growing awareness of the need to overhaul the outdated "Burroughs/5900" computer system implemented in 1983, which in fact, it only supported the generation and distribution of conventional statistical reports, as well as limited data entry and editing of declarations exclusive to the Algerian sites (ports and airports).¹⁹To achieve this, a series of actions were undertaken to ultimately developed a computerized system materialized by the implementation

¹⁸ SEGUENI, Op.cit., P. 08

¹⁹ AMIMEUR (CHAFIA) ,AMARA (SAID) «*les mission des douanes et les procédures de dédouanement cas :ENIEM de* , mémoire de fin d'étude, en sciences commerciales, TIZI OIUZOU 2015-2016 page 47

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of a management system called SIGAD (The Information and Automated Management System of customs)

Since 1995, It has gone through several stages of evolution and only handles some of the customs regimes with partial coverage of goods flow control. Nevertheless, it constitutes an important source of information for foreign trade statistics in Algeria. The system was designed and developed at a time when technology was marked primarily by passive terminals, non-event-driven programming, and the absence of the internet (lack of user-friendly human-machine interface). It currently extends to 25 remote sites, managed by the the Customs national centre of Transmission and information System²⁰.

1.1.6.1.1 Objectives of the current information system : ²¹

- The overhaul of the customs information system to meet the requirements of a market economy.
- The mastery of the customs clearance process through the various stages involved.
- The mastery of goods movement at port and airport zones.
- Effective control, information, reliability, speed, and transparency in the enforcement of regulations across the entire national territor
- The permanent and timely availability of statistics on foreign trade.

1.1.6.1.2 Impacts of the current information system:

It offers the customs administration a great opportunity to facilitate the smoothness of commercial transactions and effectively manage the risks of fraud. This is achieved through the development of a rich and comprehensive database and by accelerating the customs clearance process.²²

- It performs automatic control, assessment, and collection of duties and taxes, thereby freeing the inspector from repetitive and tedious tasks
- It allows for advance declarations, especially for perishable and dangerous goods

1.1.6.1.3 Weaknesses of the current customs system:

Additionally, the lifespan of an information system is typically 6 to 8 years, and coupled with the almost complete absence of software and hardware maintenance, the system has reached its

²⁰ ALLOU (Cylia) BELDI ,(Malika) *Les procédures de dédouanement des marchandises Cas : inspection divisionnaire de l'aéroport d'Alger Houari Boumediene*, mémoire de fin d'étude en sciences commerciales, université mouloud hammer, Tizi ousou, 2022, page 7

²¹ idem

²² ALLOU (Cylia) BELDI ,(Malika) , Op.Cit, P.08

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functional and technological limits. In fact, the expertise of the SIGAD has highlighted the system's weaknesses, which are summarized below:²³

- Failure to take charge of almost all customs business and support activities.
- Obsolescence of servers and workstations, posing a risk of data loss.
- Lack of coding standards for documentation and comments, jeopardizing the sustainability of developed modules.
- Difficulty in maintaining and evolving the source code, as the underlying bases do not respect software engineering standards.
- Lack of functional documentation of the database.
- Lack of naming standards for database objects.
- The occurrence of blockages and interruptions during processing

1.1.6.2 The New Modernization Project of the Algerian Customs :

Until now, Algeria still using the SIGAD, but in addition , the country is working on a new project of digitalizing the customs system in cooperation with the Korean International Cooperation Agency (KOICA).²⁴

It project aimed at modernizing and streamlining their operations and services. The project, known as ALPASS was launched in 2019 and is being implemented in several phases.²⁵

The main objectives of the AL-PASS Customs project is ,enhance the quality of customs services, and strengthen compliance with applicable laws and regulations. The project involves the development and implementation of a range of digital tools and systems.

It is expected to bring significant benefits to Companies and the economy as a whole. It is also expected to enhance the competitiveness of Algerian businesses in the global marketplace and attract more foreign investment to the country.

There are several factors that Algeria needs to consider before embarking on this digitalization project for its customs system. These include:²⁶

²³Internal company document (Plan strategique des douane Algerienne, « au plan du SI et du TIC » 2016) page8

²⁴ FARAH(feriel), *Digitization of the Algerian Customs Administration and the imperative of moving from SIGAD to E- Customs*, Faculté d'Alger 3, 2021, p04

²⁵ FARAH(feriel),), *Digitization of the Algerian Customs Administration and the imperative of moving from SIGAD to E- Customs*, مجلة؛الاقتصادي المنهل؛مجلة، folder 04,N 02, oct 2021, 198-196)

²⁶ HALIS (Abdelkader), *الجزائرية الجمارك حالة دراسة) الرقمية الجمارك*, revue, مجلة إدارة أعمال الدراسات الاقتصادية والدراسات، Vol7, Nu 2, December 2021 . Pages 601-614

- **Comprehensive database :**

Is an essential component of a digitalized customs system. A comprehensive database includes information on all goods and entities involved in the international trade process, including importers, exporters, carriers, and products. The database should also contain information on applicable laws, regulations, and tariffs, as well as historical data on previous transactions.

- **Qualified human resource**

Is essential for the successful digitalization of the customs system. The implementation of digital systems and tools requires specialized technical knowledge and expertise, including in areas such as software development, database management, network administration, and cybersecurity.

- **Training programs**

Is an important component of the digitalization process for customs systems. The implementation of digital systems and tools requires customs officers and other stakeholders to have the necessary knowledge and skills to operate and use these tools effectively.

- **Establishing agreements and partnerships with commercial banks**

Can be an important component of the digitalization process for customs systems. Overall, the Algerian customs authorities have made significant progress in their efforts to start the digitalization project for their customs system. The project is expected to launch in juin 2023.

1.1.6.3 The Aim behind upgrading Algerian Customs

The changes in the working conditions of Algerian customs administration, has identified several objectives in its modernization program including :²⁷

- A well-designed, simple and transparent legal framework is essential for better handling of the missions entrusted to this administration
- Modern, simple, written and automated procedures.
- Improvement of the training system and consolidation of professional ethics in customs.
- The introduction of modern means of management and control.
- The accompaniment of the economic activity (partnership customs company)
- The security and protection of tax and customs revenues
- Fighting against fraud and smuggling

²⁷ Internal company Document (Au cœur du developement économique, numero special edité par la direction regionale des douanes de Setif , 2015)

- The modernization of ways and workign methodes aim to raise the level of performance and improve the level of competence between officials

1.1.7 Customs Communication Plan: ²⁸

The assessment highlights various findings regarding internal communication and the relationship of the customs administration with its environment.

In terms of human resources, there is a glaring lack of professionals and specialized personnel in communication and public relations at all levels of the organization. Additionally, the existing staff members working in this field are generally not adequately trained.

Regarding the tools and resources used, although they are somewhat diversified, customs communication primarily relies on traditional tools and supports such as brochures, leaflets, and events. While there have been formal efforts in recent years to incorporate new tools such as a new website, mobile website, and social media platforms, the necessary animation and dynamism in this regard are completely lacking. The weakness of financial resources (insufficient allocation of funds for communication activities) is another significant obstacle to supporting customs communication.

Regarding infrastructure, there is a glaring lack of facilities at both the Customs General Directorate and external services, preventing the establishment of certain departments and offices responsible for communication and public relations.

As for material resources, the cessation of customs printing and the mandated outsourcing of related services, which are subject to cumbersome regulatory procedures, pose another limitation on the effectiveness of communication actions in terms of increased costs and lack of responsiveness.²⁹

1.1.7.1 Internal Plan

There is a notable lack, or even complete absence, of current objectives assigned to internal communication. This has resulted in the absence of a shared collective vision and a lack of interest in the institution's strategic goals. It is attributed to the lack of clarity regarding individual and collective roles within the institution and the erosion of personal and collective commitment.

²⁸ Internal company document (Plan strategique des douane Algerienne, « au plan du SI et du TIC » 2016)

page15

²⁹ Ibid, p16

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The use of modern communication tools (intranet, email, customs' Facebook account), in addition to traditional means, to support internal information flow has quickly revealed its limitations in terms of effectiveness for various reasons, including:

- Lack of a robust intranet system.
- Insufficient coverage in terms of connectivity across services.
- Inadequate provision of electronic mail accounts for all staff members.
- Incomplete coverage in terms of access to modern communication tools.
- Insufficient coverage in terms of internet connectivity for all workstations.

Furthermore, the inefficiency of relying on the intranet is due to various limitations such as restricted download capacity, usability issues, email restricted to official correspondence, and lack of updates.

1.1.7.2 External plan ³⁰

In terms of external communication, three categories of communication targets are identified: the general public, institutions and other partners, and economic operators.

It has been observed that the customs administration has completely disconnected itself from its external environment, particularly the economic sphere.

Furthermore, the external environment offers interesting opportunities for communication actions, primarily characterized by the unwavering commitment of public authorities in this regard and the growth of Information and Communication Technology (ICT).

The tools and means of external communication, although varied and diverse, both traditional and modern, suffer from inefficient utilization.

In terms of tools used in external communication, numerous limitations are observed, despite the diversity of instruments in use. The particular shortcomings include:

- Lack of interactivity, accessibility, and impact of the customs website.
- Lack of coverage of information relevant to professionals through the mobile website.
- The absence of an editorial and monitoring committee for the customs brochure intended for institutional communication.

To conclude, over the years, customs have undergone significant evolution to adapt to the changing dynamics of global trade. The traditional image of customs as mere tax collectors has transformed into that of multifaceted agencies with broader responsibilities.

³⁰ idem

Section 2: Overview of customs regime

Customs regimes form the foundation of a country's customs framework, providing the legal and administrative framework for the movement of goods across international borders. This section provides a comprehensive overview of customs regimes, highlighting their purpose, types, and key features in facilitating international trade and ensuring regulatory compliance.

For a long time, customs administration has merely focused on collecting customs duties and taxes applicable to imported goods, without showing any interest in promoting the sale of products in foreign countries. The customs code proposes different techniques and procedures aimed at meeting the needs of economic operators in a general way. Among these measures, the economic customs regimes which are designed to effectively respond to the needs of businesses, as well as to promote a policy oriented towards exports in order to improve their competitiveness on international markets. customs regimes aim to promote and facilitate commercial exchanges with foreign partners, as well as promoting their production potential and acquiring skills in commercial management. Their importance in foreign trade could be defined on establishing establishing general rules to make import and export processes more efficient. To allow customs control of goods entering or leaving the country, in addition to that they provide customs with a universal classification.³¹

2.1 Definition of the customs Regime :

The customs regime is a set of legal and administrative rules that determine the status of goods during their movement between the customs territory and the outside. It is defined during the customs clearance of goods and determines whether duties and taxes must be paid, as well as whether controls on foreign trade must be carried out. The customs regime applies to both exports and imports.³²

It refers to the set of treatments applied by customs to goods subject to its control³³. Customs regimes are the adapted procedures to the the economic destinations of goods, means, the customs procedures that correspond to the economic destination of these goods³⁴.

³¹ <https://royal-courier.com/en/uncategorized/customs-regimes-what-are-they-and-their-types/#:~:text=Custom%20regimes%20are%20the%20set,of%20the%20importer%20or%20exporter.> (05/06/2023 at 20:35)

³² <https://www.glossaire-international.com/pages/tous-les-termes/rundefinedgime-douanier.html> (05/04/2023 at 14h03)

³³ Internal company document : manuel des régimes douaniers, DRD d'Alger extérieur

³⁴ KHELFAOUI (Mabrouk), *le rôle multidimensionnel de l'administration des douanes algériennes*, mémoire de

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According to the customs code, economic customs regimes are regimes that allow for the storage, processing, use, and circulation of goods without paying duties and taxes and without being subject to economic prohibition measures.³⁵

2.2 The Economic Regime and other types :³⁶

We have two main types of customs regime :

2.2.1 The Definitive Customs Regime ³⁷

Applies automatically if no specific customs regime is requested. It suspends the payment of duties and taxes as well as the application of certain trade control measures. In other words, it refers to the general rule that is normally applicable when taxing operations or transactions, and it depends on the evolution of tax legislation and it is divided into two categories :

2.2.1.1 The import regime

Concerns the importation of goods from third countries and involves the application of tariff and trade policy measures for their commercialisation within the national territory.

2.2.1.2 The export regime

As a simple exit concerns the permanent export of goods from the national territory without payment of duties and taxes, with the aim of encouraging producers and exporters and promoting foreign trade.

2.2.2 The Economic Customs Regime³⁸

Is no longer limited to the mere suspension of duties and taxes, but is considered as a real procedure and technique capable of promoting and relaunching certain sectors of activity such as trade, industry, and transport. It allows for the storage, transformation, use, or circulation of goods in suspension of customs duties.

The economic customs regimes facilitate the movement of imported and exported good by :

2.2.2.1 The Transit Regime³⁹

The transit regime is the customs procedure under which goods are transported under customs control from a customs office of departure to another customs office of arrival, with the suspension of customs duties, taxes, and economic prohibition measures.

fin étude, en sciences commerciales, 2014. Université du Bejaia p.15

³⁵ Article 115 bis du code de douane, loi n°98.10 du 22.08.1998 portant sur le code de la douane.

³⁶ https://www.ummtto.dz/dspace/bitstream/handle/ummtto/17332/M%C3%A9moire%20final.pdf?fbclid=IwAR35PA7pD-Z3KMTEXZa4lmG5cHADCKVWJm0IArYrA8zJTT-QLEsLj_ApCaI (06/04/2023 at 13h58)

³⁷ LEGRAND (G), MARTINI (H), *gestion des opérations import export*, cours, DUNOD. France .2008. p 84

³⁸ ALLOU (Cylia) BELDI ,(Malika) *Les procédures de dédouanement des marchandises* Cas : inspection divisionnaire de l'aéroport d'Alger Houari Boumediene, mémoire de fin d'étude, en sciences commerciales, université MOULOUD MAMMER, Tizi ouzou, 2022, p12

³⁹ LEGRAND (G), MARTINI (H), *gestion des opérations import export*, cours, DUNOD. France .2008. p 87

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The benefit of the transit regime, in all its forms, is subject to the submission of a detailed declaration to the competent customs office. The detailed declaration, which is submitted along with a bonded guarantee, should contain all the necessary elements and information for the identification of the goods in question

2.2.2.2 Warehousing regime⁴⁰

Also known as a storage warehouse, is a regime allowing for the placement of foreign goods in suspension of duties and taxes for a determined period under customs control in premises approved by the customs administration.

2.2.2.3 Temporary admission ⁴¹

Is a customs regime allowing for the admission of goods into the customs territory in suspension of duties and taxes, without application of economic prohibitions, for a defined purpose and intended to be re-exported within a determined period. The duration of stay of goods under temporary admission is fixed by the authorization granted based on the time necessary to carry out the operations for which the goods are imported.

2.2.2.4 Temporary Admission (ATA)⁴²

The ATA ,is a simplified form of temporary exportation that aims to allow for the movement of certain goods that are frequently transported or do not have a direct commercial purpose. The holder of the ATA Carnet must present themselves to a competent customs office, accompanied by the goods listed in the carnet, for the physical verification of the goods and the control of the related documentation. Customs officers are responsible for conducting a physical inspection of the goods to safeguard the interests of the public treasury. Once the verification process is completed, they authorize the temporary exportation of the goods and record the deadline for their re-importation on the ATA Carnet.

2.2.2.5 Inward processing regime⁴³

The customs inward processing regime allows for the transformation of imported goods under suspension of duties and taxes. The finished products can then be either re-exported or released into the consumption by paying the applicable duties. Only a few select products are eligible for this regime.

⁴⁰ idem

⁴¹ Iblid p90

⁴² KSOURI(idir) *les régimes douaniers* édition Berti , Alger ,2007.page 179

⁴³ LEGRAND (G),MARTINI (H),*gestion des operations import export*, cours, DUNOD. France .2008. p

2.2.2.6 The active Development regime⁴⁴

Aims to promote the economic activity of companies that transform imported raw materials or semi-finished products, or that repair third-party merchandise mainly intended for re-export. The principle is to allow them to carry out these tasks without having to pay customs duties or VAT on the goods used.

2.2.2.7 The passive Development regime⁴⁵

Allows for the temporary export of goods with a reservation for return, which will then be re-imported duty-free and tax-free under certain conditions.

2.3 Advantages of the Economic Customs:

Customs regimes are mechanisms designed to promote the development of specific economic activities like exports, and enhance the competitive capacities of businesses in foreign markets through the advantages they provide.

- Economic customs regimes enable businesses to access production inputs at lower costs
- Enhancing the competitive capacities of businesses through cost reduction: Economic customs regimes contribute to improving the competitiveness of businesses by reducing production costs
- Promoting and stimulating specific industrial activities, particularly export-oriented ones: Economic customs regimes aim to foster specific industrial activities, especially those focused on exports. By providing incentives and benefits, these regimes encourage businesses to engage in export-oriented production, leading to increased foreign exchange earnings and economic growth
- Economic customs regimes play a vital role in facilitating international trade. By streamlining customs procedures, reducing trade barriers, and providing financial incentives, these regimes promote the smooth flow of goods across borders. This simplification of trade processes enhances efficiency and reduces transaction costs, facilitating international business transactions.

Goods placed under an economic customs regime must be covered by a guarantee representing 10% of the amount of suspended duties and taxes.

⁴⁴ Iblid page 91

⁴⁵ Iblid 93

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However, as part of the promotion of non-oil exports, dedicated economic regimes specifically aimed at exportation are exempt from the guarantee requirement. These include, but are not limited to:

- Temporary admission for active improvement
- Packaging intended for goods for export⁴⁶

2.4 The general Characters of the Economic Customs Regime :⁴⁷

2.4.1 Extraterritoriality

By an administrative fiction, the imported or exported goods which placed under an economic customs regime are deemed to stay outside the national customs territor.

From this administrative fiction, it results that for goods placed under these regimes, there is a suspension of duties (customs duties + value-added tax) and a waiver of formalities for external trade control.

However, foreign exchange regulations still apply to goods that are imported and exported under economic customs regimes.

2.4.2 The suspension of duties and taxes

This measure is directly related to the economic customs regimes, where goods are placed under an economic customs regime left in the customs territory for a certain period of time before being re-exported either in their original state or after undergoing transformation, processing, or additional labor. They benefit from the suspension of import and export duties and taxes.

2.4.3 Surety bond (Guarantee)

In addition to the advantages listed above, the placing of goods under a customs procedure is subject to the signing of a commitment accompanied by a guarantee covering the suspended duties and taxes and any risks incurred. The guarantee (real guarantee or deposit of duties and taxes) constitutes, for the customs authorities, a guarantee with regard to the Treasury, in the case where the economic operator does not respect the commitments signed.

⁴⁶ <https://www.douane.gov.dz/spip.php?rubrique31> (10/04/2023 at 22h25)

⁴⁷ CHIBANE (Rabeh), *Le vade-Mecum DE L'IMPORT EXPORT*, E N A , p85

2.5 The Rules for Operating Economic Customs Regimes : ⁴⁸

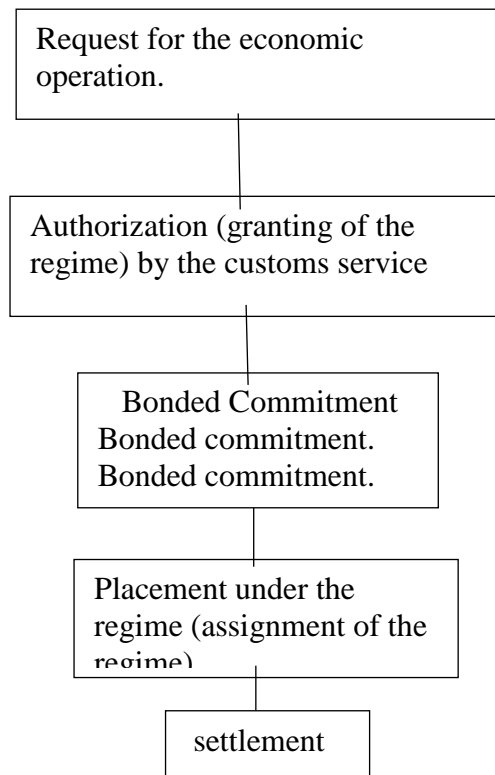
2.5.1 Organization

Customs economic regimes are organized around a symmetry (imports and exports). An economic customs regime for imports corresponds to an economic customs regime for exports. Example: temporary admission and temporary exportation. The exception is the customs bonded warehouse, which only exists for exports

2.5.2 Master plan

The principles of operation of economic customs regimes always follow the master plan outlined below. However, there may be adjustments or exceptions for specific situations.

Diagram^o02: Master Plan of the economic regime,



Source: CHIBANE (Rabeh), Le vade-Mecum DE L'IMPORT EXPORT, E N A , p86

2.5.3 Reasons For Placing Goods Under Economic Regime

The economic operator's choice of the customs regime is always determined by the reason for importation or exportation. However, importation or exportation primarily aim to

⁴⁸ Ibid, p 86

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meet the concerns of the economic operator. The latter constitute the four major functions of economic customs regimes, namely :

- Movement function
- Storage function
- Use function and Transformation function

To conclude this section, Through the customs regime, countries enforce customs laws and regulations that govern the import, export, and transit of goods. This involves the collection of duties, taxes, and fees, which contribute to government revenue, it places a strong emphasis on compliance with regulatory standards and opération protection. It enables significant economic development by energizing commercial exchanges and also promoting commercial operations

Section 3: Customs Tariff

In addition of the regimes, Customs provides assistance to facilitate the customs clearance process for economic operators.

This section provides a comprehensive overview of customs tariffs, highlighting their types, structures, and impact on trade and national economies.

3.1 Definition of Customs Tariff:⁴⁹

Customs duties are payable for all goods upon entry into the customs territory. The list of all customs duties applied by a country constitutes the customs tariff. This tariff can be unilaterally set by the authorities of the country applying it or can be the result of an international agreement between the practicing country and one or more foreign nations.⁵⁰

In the first case, the tariff is referred to as autonomous, while in the second case, it is referred to as conventional and cannot be unilaterally modified.

When a country practices autonomous tariff policy, it is in its interest to have multiple tariff rates to benefit from reciprocal advantages for the exportation of its own products during international negotiations. Typically, there is a general tariff that serves as the common tariff rate, a minimum tariff rate lower than the general tariff rate granted to products originating from countries that receive favorable treatment, and a retaliatory tariff rate higher than the general tariff rate applied to countries that are penalized for various reasons.

Customs tariff, encompasses all legal rules governing the movement of goods across borders, including customs formalities, security measures, international trade agreements, customs controls, sanctions, and dispute resolution procedures in customs matters. This branch is complex as it requires in-depth knowledge of national and international rules as well as customs practices specific to each country. Companies engaged in international trade should seek the advice of experts in this field to comply with customs obligations and avoid disputes with customs authorities.

In the early 2000s, the globalization of trade led to significant and often conflicting demands on Customs. On the one hand, there was a need to ensure the security and effective

⁴⁹ ALLOU (Cylia) BELDI ,(Malika) *Les procédures de dédouanement des marchandises* Cas : inspection divisionnaire de l'aéroport d'Alger Houari Boumediene,mémoire de fin d'étude en sciences commerciales, université MOULOUD MAMMER,Tizi ouzou, 2022,p19

⁵⁰ GUENDOZI (Brahim) ,*relations économiques internationales* ,édition EL MAARIFA, Alger, 1998 page 33

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control of international supply chains, while on the other, there was growing pressure to facilitate legitimate trade.

-According to the economic glossary:

Tariff of fees and expenses, a regulation that sets the cost of the various acts and rights of vacation (payment) as regards procedure

-According to Larousse: ⁵¹

Table of prices for products or services, including the amount of taxes and duties.

-According to the legal glossary:

A scale fixed by order or by decree in the absence of a contractual agreement or a professional agreement.

A tariff or duty (the words are used interchangeably) is a tax levied by governments on the value including freight and insurance of imported products. Different tariffs applied on different products by different countries⁵²

3.2 Purpose of Customs Tariff:⁵³

Customs tariffs are levies imposed on imported or exported goods by customs authorities.

They serve multiple purposes, including:

- Revenue Generation:

Customs tariffs are a significant source of revenue for governments, providing funds for public services, infrastructure development, and other national priorities. By collecting customs duties, governments can generate essential income to finance public expenditures.

- Protection of Domestic Industries:

Tariffs can be used to protect domestic industries from foreign competition. By imposing higher duties on certain imported goods, governments aim to create a level playing field for domestic producers and prevent the erosion of domestic industries due to unfair competition.

- Trade Policy Instrument:

Customs tariffs serve as a trade policy instrument to promote specific economic objectives.

⁵¹<https://www.larousse.fr/dictionnaires/francais/tarif/76744#:~:text=Tarif%20douanier%2C,et%20des%20droits%20de%20douane> (06/06/2023 at 23h46)

⁵²[https://www.trade.gov/import-tariffs-fees-overviewandresources#:~:text=A%20tariff%20or%20duty%20\(the,different%20products%20by%20different%20countries](https://www.trade.gov/import-tariffs-fees-overviewandresources#:~:text=A%20tariff%20or%20duty%20(the,different%20products%20by%20different%20countries). (09/06/2023 at 10h30)

⁵³https://www.wto.org/english/tratop_e/tariffs_e/tariffs_e.htm#:~:text=Customs%20duties%20on%20merchandise%20imports,they%20raise%20revenues%20for%20governments. (09/06/2023 at 10h35)

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Governments can adjust tariffs to incentivize or discourage certain types of trade, encourage domestic production, address trade imbalances, or promote strategic industries.

3.3 The Structures Of The Customs Tariff :

There are two Structures of the Customs tariffs:

3.1.1 An Ad Valorem Duty

Is a duty expressed as a percentage of the price or value of a product. When a duty is expressed in a manner other than as a percentage (such as in euros per tonne), it may be estimated as a percentage of the price: this estimation is the ad valorem equivalent⁵⁴.

3.1.2 Specific Duty

which are fixed monetary values per object or per unit of weight independent of the import price .⁵⁵

Theoretically, ad valorem duties are higher than specific duties. They are considered more equitable because they take into account the existing value differences between two goods of the same category but of different qualities. Additionally, the ad valorem duty is already included in the tariff, whereas the specific duty requires a fairly detailed description of the product to be taxed for each tariff position. This means that specific duties can encompass a large number of positions if one wants to account for quality differences within products of the same nature.⁵⁶

3.4 Elements Of Customs Taxation :⁵⁷

The amount of customs duties depends several elements:

3.4.1 Tariff Code⁵⁸

The classification of goods under the customs tariff determines the specific designation given to goods and is used to determine the amount of duties and taxes to be paid, as well as the nature of the customs formalities to be completed during the customs clearance process.

- Determining the origin of goods
- Granting import tax benefits
- Requiring specific administrative formalities

⁵⁴ AMIMEUR (CHAFIA) ,AMARA (SAID) *les mission des douanes et les procédures de dédouanement* cas :ENIEM de , mémoire de fin d'étude, en sciences commerciales, TIZI OUIZOU 2015-2016 p20

⁵⁵ iblid

⁵⁶ iblid

⁵⁷ ALLOU (Cylia) BELDI ,(Malika) *Les procédures de dédouanement des marchandises* Cas : inspection divisionnaire de l'aéroport d'Alger Houari Boumediene,mémoire fin d'étude en science commerciales, université MOULOUD MAMMER,Tizi ousou, 2022,p20

⁵⁸ idem

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- Compiling statistics on foreign trade

Imported or exported goods are declared according to the product clearance nomenclature found in the customs tariff. This nomenclature is developed based on the international coding of the Harmonized System (HS) for the designation and coding of goods. The HS coding system is not alphabetical but systematic.

The Harmonized System (HS) is an international nomenclature for the classification and coding of goods developed by the World Customs Organization (WCO) which came into effect on January 1, ⁵⁹1988, used by more than 200 countries to develop customs tariffs and establish international trade statistics. It includes approximately 5,000 groups of goods identified by a six-digit code and promotes harmonization of customs and trade procedures, facilitating the exchange of commercial data and contributing to the reduction of trade costs. The HS is also used for other purposes such as determining customs duties and taxes, developing trade policies, monitoring the trade of certain regulated goods, establishing rules of origin, and conducting economic research and analysis.

The HS nomenclature has 8 digits, products are classified based on their nature, composition, and packaging. The first 6 digits represent the position of the Harmonized System (HS) or HS customs code, managed by the WCO, indicating the section, chapter, and group of the product. The 7th and 8th digits are reserved for national specifications.

The customs code of each product is crucial in determining the amount of taxes to be paid, as it depends on the tariff classification number and the product's origin.

Customs duty is a practice aimed at discouraging consumption of foreign products and promoting local industries by making imported products more expensive, and limiting imports while favoring exports. It is a key instrument of protectionism and can also serve as a significant budgetary resource for some countries.⁶⁰

The tariff code plays a crucial role in both determining customs duties and controlling foreign trade. Its determination is therefore essential.

3.4.2 Customs Valuation⁶¹

The value of goods as it should be declared to the customs administration. It is the net price actually paid or payable by the buyer to the seller for the imported goods on the customs

⁵⁹ idem

⁶¹ GUENDOUI(b), *relation économique internationales*, édition el MAARIFA, Alger, 1998 page 34

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territory. Certain elements need to be added, such as transportation and insurance costs of the goods, as well as handling fees up to the point of entry.

At importation, the customs value is generally based on the transaction value, which is the amount stated on the commercial invoice. It includes the majority or minority of logistics and intermediary costs.

in the absence of transaction value or when it is not applicable, substitute methods are applied (customs will consider the value of identical or similar products, or they will recalculate the customs value based on elements of the cost of production).

At exportation, there are no customs duties to be calculated; therefore, the customs value serves only for establishing foreign trade statistics. It is referred to as statistical value. the declared value is the value of the goods at the point of departure from the territory. The value of exported goods should correspond to the full price paid by the foreign buyer in exchange for the supply of the goods.⁶²

The identification of goods involved in global trade is governed by the International Convention on the Harmonized System of Nomenclature for Commodity Classification, which came into effect on January 1, 1988.

3.4.3 Origin of Goods⁶³

There is no international definition of origin. However, its determination is necessary for the differentiated treatment of goods, specifically for the calculation of applicable customs duties, as the tariff rates vary based on this criterion.

This is signed by the exporter, and, usually, a local chamber of commerce that is used to performing this service (again, for a fee) certifies to the best of its knowledge that the products are products of the country specified by the exporter⁶⁴ the origin of goods is also used for maintaining foreign trade statistics based on geographical criteria and for the application of specific regulations and implementation of trade policies. The principle is that a product's origin is the country where it has undergone sufficient transformation. The determination of this origin can be done by examining the non-originating materials used in its production.

⁶²ADASSOVSKY (H), OUALHADJ(R), POULIN (E), TIVERT(V), *commerce international gestion des opération import export*, Bréal, France,2008 p :126

⁶³ ALLOU (Cylia) BELDI ,(Malika) Les procédures de dédouanement des marchandises Cas : inspection divisionnaire de l'aéroport d'Alger Houari Boumediene,mémoire de fin d'étude, en science commerciales université MOULOUD MAMMER,Tizi ousou, 2022,p21

⁶⁴ JOHNSON (T) , BADE (L) ,Export/Import Procedures and Documentation,United states of America,2010 Fourth Edition, AMACOM,p 135

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For exports, the origin of goods is determined for the issuance of a certificate of origin when such documents are required by the destination country.⁶⁵

3.5 The Mode of Payment For Duties and Taxes:⁶⁶

The payment of duties and taxes can be made in cash, by bank cheques, postal cheques, or by drafts.

3.5.1 cash payment

This payment method involves the direct deposit of legal tender currency at the customs collector's cash desk, where a receipt and authorization for the removal of goods are issued.

3.5.2 bank and postal checks

Payment by check is currently the preferred method for economic operators, especially for large sums, due to the guarantees offered by this method. However, this payment method presents difficulties and anomalies regarding the regularity of checks. Therefore, the customs collector must ensure the compliance of the check presented for the payment of duties and taxes before issuing the receipt.

The customs tariff, can have a significant impact on the competitiveness of companies engaged in international trade. Exporters must carefully consider the customs tariffs applicable in the countries where they are selling their goods, as well as any trade agreements or preferential tariffs that may be available.

Additionally, in order to successfully export goods, businesses must comply with the customs regulations and procedures applicable in both the exporting and importing countries. This may involve obtaining the necessary export documentation, complying with licensing requirements, and ensuring that the goods meet the relevant quality and safety standards.

By understanding the interplay between the customs tariff and the exportation process, businesses can effectively manage their international trade operations and minimize the risks associated with cross-border transactions

To conclude, the customs tariff plays a crucial role in international trade and customs operations. It serves as a key tool for determining the import and export duties applicable to

⁶⁵ ADASSOVSKY (H), OUALHADJ(R), POULIN (E), TIVERT(V), *commerce international gestion des opération import export*, Bréal, France,2008 p :119

⁶⁶ AMIMEUR (CHAFIA) ,AMARA (SAID) *«les mission des douanes et les procédures de dédouanement cas :ENIEM de* , mémoire de fin d'étude, en sciences commerciales, TIZI OIUZOU 2015-2016 p76

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goods, as well as for controlling external trade, Its importance extends beyond revenue generation , by ensuring accurate tariff classification, countries can maintain fair trade practices, protect domestic industrie, promoting fair competition. and facilitate the smooth flow of goods across borders.

Proper understanding and application of the customs tariff are essential for traders to accurately calculate their financial obligations and comply with customs regulations.

By providing transparency and predictability in trade transactions, the customs tariff contributes to the overall efficiency and integrity of international trade.

Conclusion

Customs play a crucial role in regulating international trade and protecting domestic economies. The customs have undergone significant evolution to adapt to the changing dynamics of global trade regime encompasses a variety of procedures and regulations that govern the movement of goods across borders, including the assessment and collection of tariffs. Tariffs, in turn, are a key tool used by governments to generate revenue, protect domestic industries, and promote certain policy objectives. Understanding the customs regime and the tariff system is essential for businesses engaged in international trade, as failure to comply with customs regulations can result in significant financial penalties and other legal consequences. Overall, the customs regime and the tariff system represent a complex and constantly evolving area of international trade law, with important implications for businesses, governments, and consumers alike.

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**Chapter02:
EXPORTATION AND THE
CLEARANCE PROCESS**

CHAPTER 2: EXPORTATION AND THE CLEARANCE PROCESS

Introduction :

Exporting products to international markets can be a complex and challenging process that requires careful planning and execution. From managing logistics and transportation to navigating the intricacies of customs clearance and compliance with international regulations, there are many factors that businesses must consider to successfully export their products.

This chapter is divided into three sections , in the first one we will provide an overview of the export activity and the situation of exports in Algeria , We will also discuss the various stakeholders involved in the export process, including exporters, freight forwarders, customs brokers, and other intermediaries In the second section we will provide and overview of logistics and transportation, the use of Incoterms in international trade..In the last section we will discuss the customs clearence process in exports activity highliting the steps involved in this operation and the customs facilities for these latter.

By the end of this chapter, readers will have a better understanding of the key concepts and processes involved in exporting products, and the different challenges and opportunities that companies face in this activity.

CHAPTER 2: EXPORTATION AND THE CLEARANCE PROCESS

Section 01 : Overview of export

Exportation plays a crucial role in the global economy, allowing businesses to expand their markets, drive economic growth, and create employment opportunities. It involves the sale and shipment of goods or services from one country to another, enabling companies to reach customers in foreign markets and capitalize on their competitive advantages. Companies choose to export their products beyond the geographic boundaries of their country in order to expand their business and increase their turnover, which has become essential for the continuity and success of the company. Furthermore, the diversity in wealth distribution motivates these companies to find different outlets.⁶⁷

In this section we will provide an overview of exportation, discovering this activity in Algeria, shedding lights on the situation here et les chiffre qu'elle a fait

1.1 Definition Of Exportation:

Exporting involves the sale and transportation of goods or services to a foreign country. An exporting firm may sell directly to customers in a foreign market, or it may sell to an intermediary who then resells the product to foreign customers⁶⁸

According to the Economic Glossary, exports are goods that are taken out of one country and sent to another country in the context of foreign trade. The country sending the goods is the exporter, and the country receiving them is the importer.⁶⁹ From an accounting standpoint, Exports include all new or existing goods, whether sold or not, that leave the economic territory, as well as all services rendered by residents to non-residents, except for services consumed in the economic territory by non-resident households.⁷⁰

Exportation is a commercial activity that involves selling products (goods and services) manufactured in one country to another. In today's context, this activity has become essential for maintaining the economic health of the state and promoting its development abroad. It reflects the country's economic well-being and contributes to its expansion overseas.

⁶⁷ ANTOINE (P), RPBOCHAUD (D) , MENVIELLE(W),BALBINOT(Z) ,*Marketing international* ,CHENELIER EDUCATION P40

⁶⁸ CZINKOTA(M), RONKAINEN (I), and Michael H. MOFETTET (M)"*International Business*, 2007, p51

⁶⁹ GREENWALD.D, *encyclopédies économiques*, Economica,1984,p861

⁷⁰ BOUDJEMAR R,cours de comptabilité national , INPS, Alger, Tome1,p.194.

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1.2 The Different Forms of Exportation :⁷¹

1.2.1 Direct Export

Direct export is the practice of a company selling its products to a foreign country without the use of intermediaries.

While direct exporting offers greater control over the export process and potentially higher profits, it also requires a significant commitment of resources and expertise from the exporting company. They must be prepared to handle any challenges or barriers that arise in the foreign market, and must take on all the risks associated with exporting. Despite the challenges, direct exporting can be a valuable strategy for companies looking to expand their business into foreign markets.⁷²

Direct exporting typically requires significant internal resources in logistics, administration, finance, and sales, as well as the availability of stock in the target countries. Direct exporting can be carried out through various methods, including :

1.2.1.1 Direct Sales

Direct exporting involves selling products to customers abroad without the use of intermediaries. The exporter manages all aspects of the exporting process, including logistics, payment, and paperwork. Direct exporting can be done through various channels, including email, phone, or online, or by sending sales representatives abroad to meet with customers face-to-face.

Direct exporting can be the easiest and most cost-effective way for small businesses to start selling overseas, although face-to-face selling requires a significant investment in time and resources.⁷³

1.2.1.2 Employing a Sale Representative

Sales representatives can be hired on a temporary or permanent basis, and they typically work on commission-only or commission-plus-salary basis. One of the advantages of using a sales representative is that they often have an existing network of contacts and can quickly establish relationships with potential customers.⁷⁴

⁷¹ CHERIFI (meriem), *Etude des procédures d'exportation d'un produit agroalimentaire* cas : le groupe labelle, mémoire de fin d'étude en science commerciale, EHEC, Algeria, 2019, p5

⁷² DELANY (Lauren) *Exporting: The Definitive Guide to Selling Abroad Profitably*", Apres 1st editions, Chicago, 2013

⁷³ JOHNSON (T), BADE (L), *Export/Import Procedures and Documentation*, United States of America, 2010 Fourth Edition, AMACOM

⁷⁴ DELANY (Lauren) *Exporting: The Definitive Guide to Selling Abroad Profitably*", Apres 1st editions, Chicago, 2013, p

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1.2.1.3 Using a Sales Commission Agent

They are paid proportionally to the turnover they generate. By being attached to the company, they act as a salesperson in the field, allowing the management to control their sales force while keeping costs proportional to the revenue generated⁷⁵

1.2.2 Indirect Export

Indirect exporting involves a company utilizing an intermediary in its own country (such as an export management company, trading company, or freight forwarder) to sell to a foreign customer. The intermediary assumes responsibility for finding foreign markets, handling overseas sales, shipping the product, and collecting payment. The intermediary may also assume responsibility for arranging financing, handling customs and documentation, and providing market research. In effect, the intermediary becomes the exporter, although the company retains ownership of the goods throughout the process⁷⁶.

1.2.2.1 Exportation trading companies (ETC)

Also known as trading houses or trading firms, play a vital role in facilitating global trade. These companies act as intermediaries between producers and buyers in different countries, helping to bridge the gap between supply and demand⁷⁷.

ETC acts as a sales agent or representative for the manufacturer for exports to certain foreign markets. Typically, they are paid a commission and may be helpful where the manufacturer is new to exporting or does not have its own distributor or sales agent in that foreign country.⁷⁸

International trading companies offer a diverse range of services associated with the export and import of goods and services. They engage in activities such as conducting market research in foreign markets, negotiating contracts, managing logistics operations, handling customs documentation, providing financing for commercial transactions, and ensuring compliance with international trade regulations.⁷⁹

⁷⁵ LANDRY (B) , *AI Commerce international : une approche nord americaine* Chenelière Education inc., 2e edition,, canada, 2008 p

⁷⁶ DELANY(Lauren) *Exporting: The Definitive Guide to Selling Abroad Profitably*", Apres 1st editions,chicago, 2013,pp

⁷⁷ Charles (W.L.) Hill and G. Tomas (M). Hult *International Business: Competing in the Global Marketplace*", McGraw-Hill, edition12, 2018 p

⁷⁸ JOHNSON (T) , BADE (L) ,*Export/Import Procedures and Documentation*, United states of America,2010 Fourth Edition, AMACOM ,p51

⁷⁹ CZINKOTA(M), RONKAINEN (I), and Michael H. MOFETTET (M)"*International Business*, 2019

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1.2.2.2 Commissioner

A sales commissionaire is a trader who operates in their own name or under their business name on behalf of the exporter. They handle prospecting, sales, shipment of goods, various formalities, and invoicing.

1.2.2.3 Trading exporter

A trading exporter purchases products within the domestic territory with the intention of reselling them abroad. The benefit of their services lies in providing companies with the opportunity to engage in export activities while avoiding the risks and challenges associated with such operations, including logistics management, payment risks, insurance, and customs formalities.

1.2.3 Concerted Exports

It can be translated as collective actions in exporting or a "piggyback" contract that allows for the sharing of costs and risks among the various associated partners.⁸⁰

1.2.3.1 Export group⁸¹

Several companies come together to share and combine their export activities, aiming to benefit from synergistic effects "*being stronger together than individually*", a concept often illustrated by the formula "1+1=3". This collaboration can encompass various aspects related to the challenges of exportation.

There are several forms of group that serve relatively different functions :

- Research and information exchange
- Prospecting,
- Logistic
- Product commercialisation
- Lobbying export
- Export consultation and assistance

1.2.3.2 Piggyback

The piggyback, also known as "kangaroo export," is a form of commercial cooperation that involves being represented and distributed by a foreign company through its established distribution network. The contract can cover one or multiple geographical markets. The representation can also be reciprocal, known as "cross-piggyback," and can include the

⁸⁰ CHERIFI (meriem), *Etude des procédures d'exportation d'un produit agroalimentaire* cas : le groupe labelle, mémoire de fin d'étude en science commerciale ,EHEC, , Algeria, 2019, p13

⁸¹ <https://www.glossaire-international.com/> (27/04/2023 at 10h26)

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domestic market of the partners and/or third countries where the involved companies have a presence.⁸²

1.3 The Stakeholders Involved In The Export Operation:⁸³

The stakeholders involved in an export operation can include various individuals and entities that collectively contribute to the successful execution of international trade, at the core of this process we have :

1.3.1 The exporting company

Which assumes the critical responsibility of manufacturing and supplying the goods or services intended for export. This entails the production or provision of high-quality products that meet international standards and customer requirements.

1.3.2 Importers

Play a significant role in the operation of exports as key stakeholders in the international trade process. Their involvement is crucial in connecting the exporting company to the target market and facilitating the entry of exported goods or services. Importers act as intermediaries between the exporting company and the local market

1.3.3 Suppliers

Play a vital role in the export operation as they are instrumental in providing the necessary raw materials, components, or services required for the production process. These suppliers serve as valuable partners to the exporting company, ensuring a reliable and consistent supply chain. They are responsible for sourcing and procuring high-quality inputs that meet the specifications and standards set by the exporting company.

1.3.4 Banks:

Banks play a crucial role in supporting international trade by offering vital financial services within the export operation. They provide a range of essential functions, including financing, payment processing, and the issuance of bank guarantees. Exporters heavily rely on banks for access to funds throughout the export process. Banks offer various financing options such as working capital loans, export credit facilities, and specialized financing programs tailored to the specific needs of exporters. This financial support enables exporters to manage production costs, fulfill orders, and navigate the complexities of global markets.

⁸² CHERIFI (meriem), *Etude des procédures d'exportation d'un produit agroalimentaire* cas : le groupe labelle, mémoire de fin d'étude en science commerciale, EHEC, Algeria, 2019, p13

⁸³ <https://tfig.unece.org/contents/stakeholders.htm> (29/04/2023 at 16h14)

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1.3.5 Customs and transit :

1.3.5.1 Customs ⁸⁴

Any goods subject to an exchange with a third country (import or export) must be declared to customs. The declarant alone is responsible for this formality, with customs agents playing only an advisory role. The set of customs clearance operations is divided into three main aspects:

- Presentation of goods to customs
- Detailed declaration
- Evaluation and payment of customs debt

1.3.5.2 Transit ⁸⁵

Transit involves transporting goods under customs control to a specific destination or a designated point of departure. Goods in transit benefit from the suspension of duties, taxes, and other economic, fiscal, or customs-related measures applicable to them. It is a customs procedure that facilitates the transportation of goods between two points within the customs territory, via another customs territory, or between two or more different customs territories.

1.4 Intermediaries Involved in the International Operations ⁸⁶

Intermediaries of commerce are often referred to as "commercial agents." They do not sell on their own behalf but act in the interest of either the seller or the buyer and provide a service. They may have a limited role in prospecting, help in negotiation, or negotiate the contract. They can perform a multitude of services, including market research, appointing and managing overseas distributors or commission representatives, exhibiting a client's products at international trade shows, advertising, and shipping and preparing documentation. Some intermediaries take title to the goods they handle, buying and selling in their own name.

1.4.1 The Freight Forwarder ⁸⁷

The freight forwarder is an individual or legal entity approved by the customs administration. They work within intermediaries or transport auxiliaries, such as transport companies, or in

⁸⁴ <https://www.adelformation.com/wp-content/uploads/2015/03/les-instruments-et-techniques-de-paiement-fiche-8.pdf?fbclid=IwAR3u4mTO3F9LThLGI7ZGzi4gNDEKCEgpxO4wJVe0iMgaS8sUn6HqWhzCQBg> (29/04/2023 at 19h02)

⁸⁵ <https://www.cnrtl.fr/definition/transit//1#:~:text=%E2%88%92,1.,le%20transit%20des%20denr%C3%A9es%20orientales>. (06/06/2023 at 11h51)

⁸⁶ VIRTANEN (Y),JIANG(Y), YOU (W), HUIFEN CAI (H), *International intermediaries: A systematic literature review and research agenda*, European Management Journal, Nov 2022.

⁸⁷ <https://www.qualitairsea.com/newsroom/guide-du-transport-international/articles/transitaire-definition-et-role> (06/06/2023 at 12h11)

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companies involved in importing or exporting goods. The freight forwarder primarily performs administrative functions but is also involved in commercial activities.

He may provide a form contract that specifies the services it will perform and the terms and conditions of the relationship. Among other things, the contract will contain a provision appointing the freight forwarder as an agent to prepare documentation and granting a power of attorney for that purpose⁸⁸

His primary role is to carry out intermediate legal operations, while its secondary role is to physically act on the goods.

1.4.2 The Customs Declarant

The customs declarant ensures the passage of goods across borders on behalf of a company. As an expert in import and export regulations, they provide the necessary documents to customs officials for transportation between different countries. Their role is to ensure compliance with customs regulations, facilitate customs procedures, and ensure adherence to legal requirements when goods move from one country to another.

1.4.3 The Commercial Agent ⁸⁹

A commercial agent means a self-employed intermediary who has continuing authority to negotiate the sale or purchase of goods on behalf of its principal or to negotiate and conclude the sale or purchase of goods on behalf of and in the name of that principal.

1.4.4 Broker ⁹⁰

is an individual or firm that acts as an intermediary between an investor and a securities exchange. Its prime responsibility is to bring sellers and buyers together.

1.4.5 Group Purchasing Organization (GPO)⁹¹

Group purchasing organization (GPO) is an entity that is created to leverage the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of the GPO members.

⁸⁸ JOHNSON (T) , BADE (L) ,*Export/Import Procedures and Documentation*, United states of America,2010 Fourth Edition, AMACOM, p119

⁸⁹ <https://www.lexisnexis.co.uk/legal/glossary/commercial-agent#:~:text=What%20does%20Commercial%20Agent%20mean,the%20name%20of%20that%20principal.> (11/06/2023 at 23h02)

⁹⁰ <https://www.investopedia.com/terms/b/broker.asp#:~:text=Key%20Takeaways-,A%20broker%20is%20an%20individual%20or%20firm%20that%20acts%20as,a%20commission%20for%20its%20services.> (11 /06/2023 at 13h05)

⁹¹ https://en.wikipedia.org/wiki/Group_purchasing_organization#cite_note-1 (06/06/2023 at 12h33)

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1.5 Exports In Algeria :

Algeria, with its abundant natural resources, strategic geographic location, and diverse economy, possesses immense potential to thrive in the global export market. The country's exports play a significant role in driving economic growth, attracting foreign investment, and diversifying revenue streams. Understanding and harnessing this export potential is essential for unlocking Algeria's economic prosperity and expanding its presence on the international trade stage.

1.5.1 Companies Demography in Algeria :

The first indicator involves providing statistics on the number of companies operating within the national territory.

TableN° 01 : Table represents the Number of entities in both Physical and Legal individuals in Algeria in the year 2020

	Entity Number	Evolution in %
Physical individual	2 361 732	92.2%
Legal indeividual	198 564	7.7%
Toatl	2 560 296	100%

Source : Made by the the student, from The National Office of Statistics of Algeria, December 2020

The economic Fabric is heavily dominated by Physical individualss (%92), while legal individuals represent nearly 8%. This result indicates an economy primarily based on micro entities.

Table 02 : Table represents the distribution of Algerian companies by sector of activity.2020

Activity sector	Entity Number	Evolution %
Indistry	307 856	12%
Commerce	1 218 344	47,5%
Constructions	221 194	9%
Service	812 902	32%
Total	2 560 296	100%

Source : Made by the student from the National Office of Statistics of Algeria, December 2020

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The distribution of economic entities by major sectors of activity clearly shows the predominance of the commercial sector, accounting for nearly 48% of the total entities. Over 28% of the activity is concentrated in retail trade, while the rest is divided between wholesale trade and motor vehicle and motorcycle trade. The services sector comes in second place with 32% of the entities. There is a wide range of activities within this sector. Furthermore, the number of industrial entities identified accounts for 12%. As an indicative breakdown, 18% of industrial entities are engaged in the agri-food industry. (grain processing, dairy and dairy products, beverages, etc.) the reste in between, the manufacturing of metal products, the woodworking and the manufacture of wood and cork products in textiles, machinery and equipment repair and installation services.

After presenting the demographics of Algerian companies and highlighting the characteristics of the production system, we will focus on export companies and non-hydrocarbon exports.

1.5.2 The non-hydrocarbon exports :

Before discussing non-hydrocarbon exports in Algeria, it is essential to highlight the situation of the balance of trade and its evolution.

Despite Algeria's balance of trade remaining in surplus, primarily supported by revenue from hydrocarbon exports, the country's economy lacks strength as it does not rely on dynamic industrial, agricultural, or tertiary sectors for economic growth. The overwhelming dominance of the energy sector has impeded the development of other industries, resulting in a negligible contribution of non-hydrocarbon exports to Algeria's overall export profile.

TableN°03 : Table Represents the balance of trade of Algeria between 2020 and 2021

	Year 2020		Year 2021	
	DINAR	DOLLAR	DINAR	DOLLAR
Importations	4 360 320	34 391	4 687 998	37 684
Exportations (non.hydrocarbon)	3 016 678	23 796	5 354 577	39 281
Balance Trade	-1 343 641	-10 595	217 694	1597

Source: Made by the student from, www.douane.gov.dz and Ministry of Finance 2020/2021

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TableN° 04 : Table Resresents the evolution of Hydrocarbon and Non hydrocarbon Products in Algeria between 2020 and 2021

	Year 2020		Year 2021	
	DINAR	DOLLAR	DINAR	DOLLAR
Hydrocarbon Product	2 730 752	21 541	4 668 233	34 246
Non hydrocarbon Product	285 926	2 255	686 344	5 035
Total	3 016 678	23 796	5 354 577	39 281

Source: Made by the student from, www.douane.gov.dz and Ministry of Finance 2020/2021

According to Table 01 and Table 02, as well as the report issued by the World Bank on Algeria's economic situation in 2021, it is evident that non-hydrocarbon exports, which pose a major challenge for Algeria, have shown a considerable improvement compared to previous years, although they still fall short of rivaling oil revenues...⁹²

This upward trend in exports has been further reinforced by the growth of non-hydrocarbon exports, reaching \$4.5 billion, accounting for 12% of total goods exports, as stated by the World Bank. The report highlights that these figures represent a historical high for Algeria's non-hydrocarbon exports. Furthermore, the increase in export prices in 2021 has outpaced the increase in import prices, resulting in a significant improvement in Algeria's terms of trade⁹³.

In 2022, Abdelatif El Houari, the Deputy Director in charge of Monitoring and Support for Exports at the Ministry of Commerce and Export Promotion, announced a record 36% increase in Algerian non-hydrocarbon exports during that year. He emphasized the objective of achieving \$15 billion in non-hydrocarbon exports by 2024, stating, "We are working to sustain the strong momentum of non-hydrocarbon exports to approximately 150 countries in order to reach \$15 billion by 2024."⁹⁴

⁹² DALI (ines), *Exportations hors hydrocarbures : La bonne note de la Banque mondiale à l'Algérie*, Reporters august, 2022.

⁹³ idem

⁹⁴ <https://www.algerie-eco.com/2023/01/15/abdelatif-el-houari-augmentation-de-36-des-exportations-hors-hydrocarbures-en-2022/> (29/04/2023 at 12h02)

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1.5.3 The main non-hydrocarbon exported products :

TableN°05 : Evolution of the main non-hydrocarbon products exported between 2019 and 2020.

Main Products	YEAR 2019	YEAR 2020	EVOLUTION
Mineral or chemical nitrogen fertilizers.	801,26	807,61	+0,79%
Cane sugar or beet sugar and chemically pure sucrose.	260,17	303 ,88	+16,80%
Oils and other products derived from the distillation of tars.	502 ,28	299,39	-40,93%
Anhydrous or aqueous solution of ammonia.	298,59	188,44	-36,89%
Hydraulic cement, including colored variations.	60,68	81,83	+34,87%
Dates, figs, pineapples, avocados, guavas, mangoes, and mangosteens, fresh or dried.	63,78	73,03	+14,49%
Natural calcium phosphates	68,61	55,46	-19,16%
Hydrogen, rare gases, and other non-metallic elements.	55,32	53,20	-3,83%
Turbojets, turboprops, and other gas turbines.	9,62	46,11	+397,41%

Source : douane.gov.dz

Values in millions of dollars.

There were increases in the exports of hydraulic cement 34 ,87%, cane or beet sugars with 16,80%, dates, figs, and mineral fertilizers with 14,49% .

On the other hand, a downward trend was observed in the exports of oils and other products derived from coal tar distillation, anhydrous or aqueous solution of ammonia, natural calcium phosphates, and hydrogen and rare gases

In addition , during the year 2021, Fertilizers are leading these exports, which accounted for 1.7 billion dollars, representing a 28% increase, followed by steel products with 500 million dollars

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in exports, a 30% increase, and cement with approximately 400 million dollars, a 93% increase.⁹⁵

To conclude, the stakeholders and intermediaries involved in the exportation process are many. they play a crucial role in facilitating international trade and enabling businesses to expand their operations in global markets. From freight forwarders and customs brokers to banks and insurance companies, these intermediaries provide a range of essential services that help businesses navigate the complex regulatory and logistical challenges associated with exporting goods. Understanding the different types of exportation and the associated regulatory requirements is essential for businesses looking to expand their operations in foreign markets.

In Algeria, the exportation of oil and gas has traditionally been the country's main source of foreign exchange earnings. However, these last years, the government has undertaken various initiatives to diversify its exports and promote non-oil exports, with a particular focus on agriculture, food processing, and construction. By leveraging the services of intermediaries and complying with the relevant regulatory requirements, businesses can position themselves for success in the global marketplace and drive economic growth and development in Algeria.

⁹⁵ AIT AKLI (lila), Exportations hors hydrocarbures : Un nouveau record en 2022, le jeune independant, january,2023

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Section 02 : Discovering Logistics and Incoterms

In the world of international trade, logistics and Incoterms are two critical components of the exportation process by understanding the basics of these two, companies can effectively navigate the complexities of the exportation process and maximize their competitiveness in global markets.

In this section, we will provide an overview of logistics and Incoterms and discuss their importance in the context of international trade.

2.1 Logistics :

2.1.1 Definition :

Logistics was initially a military concept before being adopted by businesses⁹⁶. The commonly cited original military definition is: "Logistics is the art of supplying troops with what is needed, where it is needed, and when it is needed."

It coordinates all activities related to the movement of goods, including receiving, storage, order management, packaging, and shipping. It always encompasses functions of transportation, storage, and handling. In production companies, logistics tends to extend upstream to procurement and sourcing activities and downstream to commercial management and distribution⁹⁷. Moreover, logistics serves as the backbone of the supply chain, seamlessly connecting various stages from procurement to distribution and enabling the efficient flow of resources and products.

The supply chain is a complex network of interconnected processes and entities that collaborate to deliver products or services from their point of origin to the end consumer. The seller brings the merchandise, which is then loaded onto a truck that delivers it to a logistics hub or transit (this is the pre-routing), before going through customs and being loaded onto the main mode of transportation (which can be by road, sea, or air). The main mode of transportation, also known as the primary mode of transport, is the mode of transportation that covers the majority of the journey.⁹⁸

The goods then need to be unloaded from the main mode of transportation (which can be a truck, plane, ship, or train), go through customs again, and undergo the final leg of transportation (commonly referred to as the "last-mile delivery"), which involves covering the

⁹⁶ FILALI (J), ESCOLANO(J), TIVERET (V), *Gestion des Opération d'import-export*, FOUCHER, 3eme edition, p:24

⁹⁷ http://univbejaia.dz/jspui/bitstream/123456789/17423/1/Gestion%20des%20op%C3%A9rations%20de%20transit%20de%20douane%20%C3%A0%20l%E2%80%99exportation.pdf?fbclid=IwAR1gpYPbcymj62pk12A0SIK_gBU8zF9jUo6ebtyBHry--qBphYRBhn6CEAc8 (2/05/2023 at 11h00).

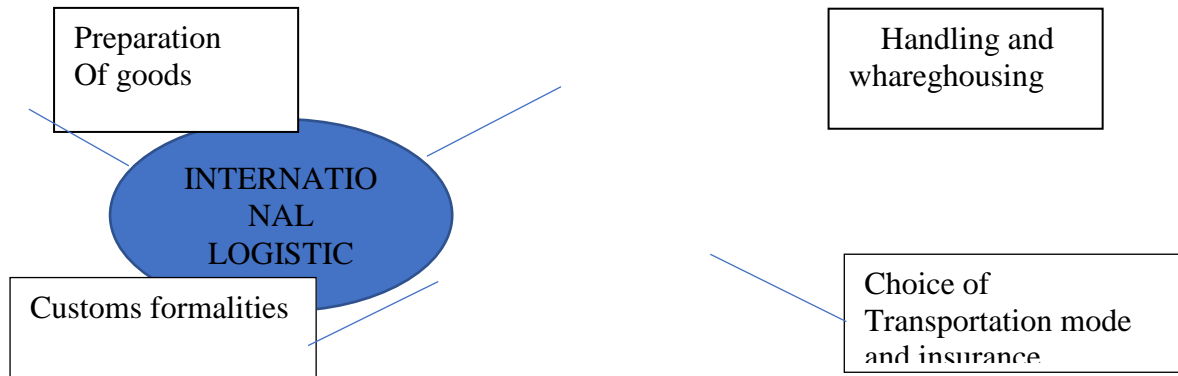
⁹⁸ <https://www.buymadeeasy.com/les-incoterms-2022/> (2/05/2023 at 12h04)

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remaining distance to the buyer's location where the goods will be unloaded at their final destination.⁹⁹

2.1.2 The Fourth Component of Logistic:

Diagram N°3: The fourth component of Logistic



Source : PASCO(Corinne), Commerce Internationale, dunod, 4th edition,2002, P45

2.1.2.1 Preparation of Goods: (packaging , labeling and Palletization) : ¹⁰⁰

Exporters must ensure the security of the shipment. Indeed, the consequences associated with goods arriving at their destination in poor condition are often disastrous for them.

2.1.2.1.1 Packaging

It protects the merchandise during handling throughout the entire logistics chain of transportation: Handling , Storage ,Stacking ,Transportation ,Transshipment

2.1.2.1.2 Labeling

The shipper must pay special attention to the marking of packages to prevent their loss. This marking must comply with the regulations of the destination country and enable the identification of packages to ensure a secure and compliant arrival of the goods at the destination.

2.1.2.1.3 Palletization

Pallets or loading platforms bring together packaging of the same type onto a single loading unit, which simplifies and accelerates handling operations such as counting, loading, storage, and distribution.¹⁰¹

⁹⁹ idem

¹⁰⁰ ADASSOVSKY (H), OUALHADJ(R), POULIN (E), TIVERT(V), *commerce internationale gestion des opération import export*, Bréal, France,2008 ,p49

¹⁰¹ ibid p50

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2.1.2.2 Handling and warehousing¹⁰²

A logistics warehouse is a facility specifically designed for the management and storage of goods within the supply chain. It is a physical space where goods are received, sorted, stored, and prepared for further distribution. Logistics warehouses play a key role in inventory management, consolidation of goods, order fulfillment, and facilitating transportation operations, it is designed to :

- Reception and control of products .
- The placement of pallets in the storage area.
- The handling of goods packaged on pallets, in cartons, or individually.
- The loading and unloading operation .

2.1.2.3 Choice of transportation mode and transport insurance: ¹⁰³

2.1.2.3.1 Transport modes documents and insurance:

2.1.2.3.1.1 Air Transport

Air transport enables service to a wide range of destinations worldwide. It is suitable for shipments requiring fast delivery while ensuring maximum security for the goods. It is a type of transport commonly used for long-distance shipments.

Document : Air Waybill (AWB):

Is issued by an airline (or an air freight agent) upon accepting the goods. This document is intended for the shipper who has entrusted the goods to an airline. It serves as the contract of carriage for air transportation. It may also indicate any reservations made by the carrier at the time of accepting the goods.

Insurance : ¹⁰⁴

a- All- risks :

The material damages, losses, weight and quantity losses, as well as disappearances and thefts suffered by the insured goods during the specified voyage, are at the risks of the insurer in accordance with the general conditions of the insurance contract

a- Characterized accidents

¹⁰² TOUATI (Amira), *l'optimisation de la logistique d'exportation de clinker*, mémoire de fin d'étude en science commerciale, EHEC, 2019

¹⁰³ TOUATI (amira), *l'optimisation de la logistique d'exportation de clinker*, étude de cas :LafargeHolcim Algerie,Mémoire de fin d'étude , EHEC,Algerie,2019,p34

¹⁰⁴ CHIBANE (Rabeh), *Le vade-Mecum DE L'IMPORT EXPORT, E N A* , p 92

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During air transportation, the risks of aircraft crash, breakage, loss, or sinking of the transporting plane, as well as collision of the aircraft with another aircraft .

2.1.2.3.1.2 Maritime Transport

Maritime transport holds a prominent position in international trade. This mode of transport predominantly utilizes containers, as they offer security benefits that cannot be overlooked.

Document : Bill of Lading (B/L):

Is issued in four original copies by a shipping carrier when they take custody of the goods. One copy is given to the shipper. Two copies are intended for the shipping carrier, and one copy is for the consignee of the goods. The Bill of Lading represents the contract of carriage between the shipper and the shipping carrier. It is the only document that serves as a title of ownership and allows for the retrieval of the goods upon the arrival of the bateau.

Insurance :¹⁰⁵

a- All- risk :

The risks are borne by the insurer according to the general conditions, which include material damages, losses, as well as losses in weight or quantity

b- Free Of Particular Average (F.P.A) :

The material damages, losses, as well as losses in weight or quantity caused to the insured objects by any of the events listed in the restrictive enumeration of the contract conditions are at the risk of the insurer.

2.1.2.3.1.3 Road Transport

Transporters are private transport companies and truckers. For very heavy tonnages, an authorization is required.

Document: The CMR (Convention on the Contract for the International Carriage of Goods by Road),

It is issued by a road transport company upon taking charge of the goods. This document is intended for the shipper who has entrusted the goods to the carrier. It serves as the contract of carriage for road transport and may indicate any reservations made by the carrier at the time of taking over the goods. This document is mandatory and its format is standardized.

¹⁰⁵ CHIBANE (Rabeh), Le vade-Mecum DE L'IMPORT EXPORT, E N A , p 92

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Insurance :¹⁰⁶

a- All- risks :

The material damages, losses, weight and quantity losses, as well as disappearances and thefts suffered by the insured goods during the specified voyage, are at the risks of the insurer in accordance with the general conditions of the insurance contract

a- Characterized accidents

During land transportation, the risks of derailment, collision, overturning, vehicle fall or breakage, fire, explosion, earthquake, tsunami, and other such events are at the liability of the insurer.

2.1.2.3.1.4 Rail Transport

Railway transport typically utilizes shipments by individual wagons (ranging from 5 to 60 tonnes of goods) or full train loads for larger tonnages.

Document: The CIM(Convention Internationale concernant le transport des Marchandises par chemin de fer) Railway Consignment Note, also known as the Waybill or CIM Letter of Carriage

2.1.2.3.2 Advantages and disadvantages of the different modes of transport :

Table n°06 :Table represents the advantages and disadvantages of the 4th transport modes

Mode	Advantages	Disadvantages
Air Transport	-Reliability, -Convenience, -Speed of transport, -Security of goods	-Lack of efficient infrastructure in certain countries. -High costs that limit the shipment of low-value goods - Limited capacity.
Maritime Transport	- Favorable freight rates -Most cost-effective rates -Best suited for heavy and oversized transportation -Possibility of storage in port areas	-Slowness -Higher insurance costs

¹⁰⁶ Idem

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Road Transport	-Speed - Flexibility	- Security and timeliness vary depending on the countries traversed and the conditions
Rail Transport	- Smooth traffic flow, - Timeliness, and security - Adaptation to long distances and heavy loads	- Not suitable for short distances. - Limited railway network due to climatic conditions.

Source : LEGRAND (G),MARTINI (H),gestion des operations import export, cours, DUNOD. France .2008. p16

2.2 **Incoterms** :

In the international sales contract of goods, it is important to determine whether the seller or the buyer is responsible for the logistics operations, transportation, customs declaration, payment of duties and taxes, and port handling. Incoterms provide precise and straightforward answers to these questions.

2.2.1 **Definition** :¹⁰⁷

Incoterms or International Commercial Terms, INCOTERMS are tools that both clarify and simplify international transactions, such as international sales of goods. They result from the codification of the terms of a commercial transaction established by the International Chamber of Commerce (ICC). Each term is coded with three letters and is inseparable from the place of delivery to which it applies. they determine the reciprocal obligations of the seller and the buyer, specifying:

- Transfer of costs (who pays for what?)
- Transfer of risks (who is responsible?)
- Documents to be provided (by the seller or the buyer)

These terms define the allocation of costs (such as transportation costs) and risks between the parties involved in a transaction. They establish certain obligations, costs, and risks associated with the transfer of a product. Incoterms help the buyer and the seller determine who will bear the expenses. They also specify the moment of risk transfer.¹⁰⁸

¹⁰⁷ ADASSOVSKY (H), OUALHADJ(R), POULIN (E), TIVERT(V), *commerce international gestion des opération import export*, Bréal, France,2008 p13

¹⁰⁸ <https://formation-achats.fr/incoterm-2020/incoterms-2020/> (11/05/2023 at 12h19)

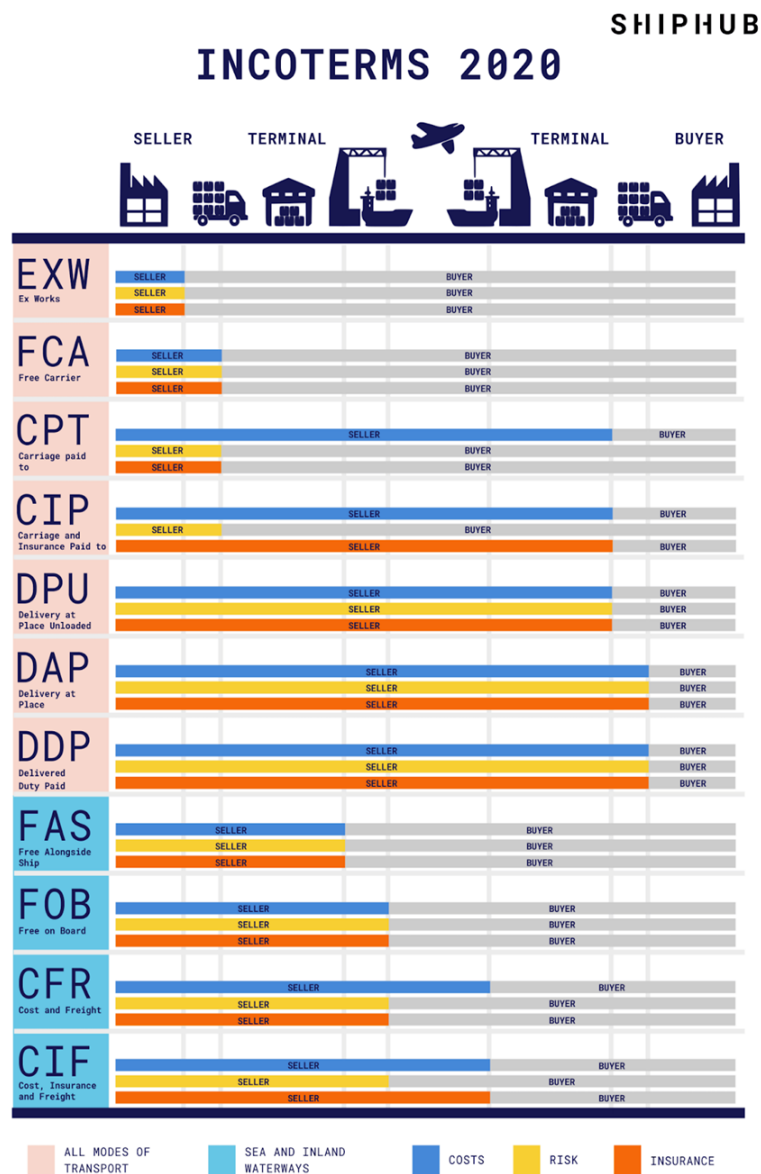
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There is currently a list of 11 Incoterms that define the allocation of risks and costs between the seller and the buyer. The International Chamber of Commerce (ICC) has introduced new Incoterms to be used starting from January 1, 2020, which amend the previously used Incoterms 2010.¹⁰⁹

2.2.2 Types of Incoterms: ¹¹⁰

Here is the list of the 11 Incoterms finally revealed by the International Chamber of Commerce for the 2020 edition

FigureN°2 : The liste of Incoterms in 2020



source : <https://www.shiphub.co/incoterms-2020/>

¹⁰⁹ <https://formation-achats.fr/incoterm-2020/incoterms-2020/> (11/05/2023 at 12h45)

¹¹⁰ idem

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- EXW -(Ex Works):

The seller fulfills their obligation by making the goods available at their premises or another specified location. The buyer is responsible for all transportation costs, risks, and customs formalities. it is used for any mode of transportation

- FAS (Free Alongside Ship):

The seller fulfills their obligation by delivering the goods alongside the vessel nominated by the buyer at the named port of shipment. The buyer assumes responsibility for loading the goods onto the vessel, transportation, and risks from that point onward. .

- FCA (Free Carrier) :

The seller delivers the goods, cleared for export, to the carrier nominated by the buyer at a specified place. The seller is responsible for export clearance, while the buyer assumes responsibility for transportation costs, risks, and import clearance

- FOB (Free on Board):

The seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment. The seller bears the costs and risks of delivering the goods to the port of shipment, while the buyer assumes responsibility from that point forward.

- CPT (Carriage Paid To):

The seller delivers the goods to the carrier or another person nominated by the seller at a specified place. The seller bears the transportation costs to the named destination, while the buyer assumes the risks from the point of delivery.

- CIP (Carriage and Insurance Paid To):

Similar to CPT, the seller delivers the goods to the carrier or another nominated person at a specified place. Additionally, the seller is responsible for obtaining insurance coverage against the buyer's risk of loss or damage during transportation.

- Cost and Freight:

The seller is responsible for delivering the goods on board the vessel or procuring the main carriage to the named port of destination. The seller covers the costs and risks of transportation to the port, but the buyer assumes the risk from that point onward.

- CIF (Cost, Insurance, and Freight):

Similar to CFR, the seller is responsible for delivering the goods on board the vessel or procuring the main carriage to the named port of destination. Additionally, the seller provides insurance coverage against the buyer's risk of loss or damage during transportation.

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- DDP - Delivered Duty Paid:

The seller is responsible for delivering the goods to the buyer, cleared for import, at the named place of destination. The seller bears all costs and risks associated with the goods until they are delivered, including import duties and taxes.

- DPU (Delivered at Place Unloaded):

The seller is responsible for delivering the goods, cleared for import, to the buyer at the named place of destination. The seller is also responsible for unloading the goods at that location.

- DAP (Delivered at Place):

The seller delivers the goods, cleared for import, to the buyer at a specified destination. The seller covers all costs and risks until the goods are ready for unloading at the named place of destination.

To conclude, effective transport logistics and the proper application of Incoterms, play a crucial role in the process of exportation. By carefully selecting the appropriate Incoterm, exporters can clearly define their responsibilities and obligations, ensuring a smooth and efficient flow of goods from the point of origin to the destination. The choice of transportation mode, logistics partners, and the establishment of well-organized supply chains contribute to the timely delivery of goods, it is essential for exporters to stay informed about the latest Incoterms and transportation regulations, as well as maintain strong communication and coordination with all parties involved .

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Section 03 : The Export Customs Clearance Process

Once the crucial decisions regarding transport mode and Incoterms have been made in the exportation process, the next vital step involves navigating the customs clearance procedures. Customs clearance is an essential aspect of international trade, ensuring compliance with legal and regulatory requirements while facilitating the smooth flow of goods across borders. It involves a series of formalities and documentation that must be meticulously handled to gain authorization for export and ensure a seamless transition from the exporting country to the importing destination.

In the following section, we aim to shed light on the intricate process of customs clearance in exportation. We will explore the key elements involved, including documentation requirements, and compliance with customs regulations, to promote foreign trade activities.

Clearance operations and customs formalities are a heavy logistical and administrative task to manage for companies.

To go through Customs clearance, the declarant must:¹¹¹

- Transport and present them at a customs office: The company is not free to choose its customs office, for exports, customs clearance is conducted in the member state where the exporter is established at the nearest customs office to the loading location
- To file a customs declaration and assign a customs regime to the good

3.1 Customs Clearance Process :

3.1.1 The shipment of goods through the customs office :¹¹²

It is mandatory for all exported merchandises, It involves transporting the exported merchandise to the nearest customs office at the customs border to undergo customs control. It allows the customs service to identify, take charge of, and keep goods under its surveillance until clearance or removal. thus preventing the fraudulent (illicit) exportation of goods.

¹¹¹ ADASSOVSKY (H), OUALHADJ(R), POULIN (E), TIVERT(V), *commerce international gestion des opération import export*, Bréal, France,2008 p104

¹¹² Document interne de la douane, 2021

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3.1.2 Customs warehousing: ¹¹³

Customs warehousing entails placing the merchandise within a designated area under customs supervision in order to fulfill customs clearance formalities (customs bonded zone) .

It is materialized by the mandatory submission of a summary declaration of the transported cargo. It is carried out as soon as the goods arrive at the customs office.

Upon its completion, the responsibility of the carrier is transferred to the operator of the customs area when the goods are held awaiting the submission of the final declaration.

The goods need to be stored in temporary storage warehouses before they are cleared and inspected by the customs service. temporary storage facilities and areas are open for all exported goods. However, goods that pose a danger or require special handling and storage conditions may be subject to specific requirements imposed by the customs authorities.

During the storage and after the unloading of goods in the temporary storage facilities or dry ports (for maritime transport), the declarant must submit a detailed declaration within a specific timeframe, which is set at 21 days from the date of goods storage.

Upon expiration of this deadline, the operator is obligated to transport the goods to a location designated by the customs administration, where they are automatically placed under the customs warehousing regime . ¹¹⁴

3.1.3 Detailed Declaration :

It is a declaration issued by the customs administration concerning the entire shipment, prepared by the exporter or their customs representative. It must include the necessary information for the identification of the goods. ¹¹⁵

It is the act by which the declarant specifies the customs regime to be assigned to the goods and provides the necessary information for the application of duties and taxes and for customs control purposes¹¹⁶.

The detailed declaration for export must be submitted in writing and signed by the declarant, who can be the owner or the customs broker. The declaration must be submitted exclusively at the customs office where it will be registered into the SIGAD system using a username and password assigned to the declarant. The username and password are provided to the customs broker upon written request by the customs and are strictly personal and confidential. The

¹¹³ <https://www.douane.gov.dz/spip.php?article65> (14/05/2023 at 10h02)

¹¹⁴ <https://www.douane.gov.dz/spip.php?article66> (14/05/2023 at 12h24)

¹¹⁵ CHIBANE (Rabeh), *Le vade-Mecum DE L'IMPORT EXPORT*, E N A , p 45

¹¹⁶ <https://www.douane.gov.dz/spip.php?definition29> (14/05/2023 at 15h03)

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customs broker is responsible for ensuring that the login and password are not disclosed to any third party and will be held liable in case of fraudulent use of these codes.¹¹⁷

Upon completion of the operation, the declarant must carefully review the detailed declaration input mask several times. The system automatically checks the declaration for errors before it is submitted for validation by the customs officers.¹¹⁸

A message will appear on the system indicating whether the declaration has been accepted or rejected, along with a reason for rejection in case of errors. In some cases, the declaration may be temporarily stored in the system for up to 24 hours.¹¹⁹

It is important for the declarant to ensure the accuracy and completeness of the declaration before submission to avoid the need for rectification penalties and potential delays in the clearance process.

The system only provides the declarant with one opportunity to input the declaration. In case of an error in the input, the declarant must request a rectification at the customs office and wait for a response.

The rectification process may involve submitting additional documents or information to support the correction, or making corrections directly in the system under the supervision of a customs officer. The customs authorities will verify the rectification request and may require additional checks or inspections before approving the correction.

The filing must be done within a period of 21 day from the date of registration of the document authorizing the unloading of the goods .¹²⁰

3.1.3.1 The Establishment of a detailed declaration: ¹²¹

It is established on a form in accordance with the model retained by the General Customs Directorate, and it is unique for all customs operations regardless of the customs regime assigned to the declared goods.

The declaration is submitted in five copies.: ¹²²

1. "The first copy is titled 'Customs copy';

¹¹⁷ MOUTERFI(S), OUDAI(A), *la procédure de dédouanement des produits dangereux*, cas de l'agence BOUHAECHÉ SALAH, mémoire fin d'étude en finance et commerce international, Faculté des sciences économiques, Bejaia, 2022, p14

¹¹⁸ Ibid 15

¹¹⁹ idem

¹²⁰ <https://www.douane.gov.dz/spip.php?article66> (16/05/2023 at 09h12)

¹²¹ <https://www.douane.gov.dz/spip.php?article66> (16/05/2023 at 09h43)

¹²² <https://www.douane.gov.dz/spip.php?article66> (16/05/2023 at 10h12)

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2. the second copy is titled 'Declarant's copy';
3. the third copy is titled 'Bank's copy';
4. the fourth copy is titled 'Static copy';
5. the fifth copy is titled 'Return copy', which is issued when the operation is subject to a suspension regime."

To enable customs to identify the exported goods and control the admissibility of the declaration, the declarant must necessarily attach the relevant documents to support the declaration, including:¹²³

3.1.3.1.1 Commercial Register

The commercial register must establish a link between the activity carried out and the product to be exported

3.1.3.1.2 The Commercial Invoice

The commercial invoice must include the date, number, name, and legal name of the seller and buyer, description of the goods, unit price, total price, quantity, Incoterm used in the transaction, signature, and seal of the seller.

The invoice must be domiciled with an approved Algerian bank, except for cases of export operations exempted from bank domiciliation.

3.1.3.1.3 Customs Brokerage Authorization

When goods are not declared by their owner but by a Customs broker, the detailed declaration must be accompanied by this document.

3.1.3.1.4 Border inspection Documents

These documents are required when the nature of the goods necessitates border inspections. They include the following types of inspections:

- Sanitary inspections: for animals and animal-origin products.
- Quality and compliance inspections.
- Legal metrology (weight and measurement).

3.1.3.1.5 Authorizations

When goods are subject to specific authorizations upon export, the declarant must include them as supporting documents for the declaration

¹²³ <https://www.douane.gov.dz/spip.php?article66> (16/05/2023 at 10h44)

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3.1.3.1.6 Certificate of origin

Certificate of origin of the exported product, especially when the goods benefit from a fiscal advantage provided by association agreements.

3.1.3.1.7 Transport Documents

Transport documents (bill of lading, ATA carnet, waybill) must be attached to the detailed declaration

3.1.3.1.8 Detailed Manifest/ Packing List

This document should be provided when shipments contain goods of different tariff classifications. The packing list specifies, per package, the tariff classification, weight, and value of each category of goods. For consolidation operations, the packing list should include:

- The name and address of the shipper.
- The description, weight, and value of each separate batch of goods.
- The sequential number of the different invoices.

3.1.3.1.9 Detailed Statement

The detailed statement can be defined as a summary document that includes all the information found in the commercial and administrative documents attached to the customs clearance file.

3.1.3.1.10 Authorization for the use of an economic regime

Prior authorizations for placement under an economic customs regime must be included in the

3.1.3.1.11 EUR1 Certificate of Goods Movement¹²⁴

This certificate is applicable only to member countries of the European Union 5 and serves as a certificate of origin. It was established following the implementation of the association agreement between Algeria and the European Union, which came into effect on September 1, 2005. It is important to note that only the Algerian customs services are authorized to endorse it.

The operation of the detailed declaration is characterized by the presence of two separate declarations (detailed declaration and declaration of customs value elements) that contain the same data, the lack of updating of certain fields, and the inadequacy of the content of these two declarations in relation to the developments in international trade case of exportation under an economic customs regime.

¹²⁴ <https://mfa.gov.dz/media/images/PDF/Guide-Exportateur-Algerien-2021.pdf> (16/05/2023 at 17h20)

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3.1.3.2 The admissibility of the detailed declaration ¹²⁵

In order for a declaration to be registered, it must be deemed admissible on the sigad, the detailed declaration must be inspected by a custom agent, even if the operation in question is exempt from duties and taxes. The purpose of this operation is to detect inaccuracies or omissions in relation to the statements and documents produced in support of the detailed declaration. The customs agent in charge of admissibility is responsible for this compliance check, which involves verifying the following elements:

The compliance check involves verifying:¹²⁶

- The use of the appropriate framework for the chosen regime
- The accurate and complete description of goods in the designated fields
- The declarant who signed the declaration is authorized to clear the goods
- The inclusion of mandatory statements such as species, origin, value, and quantity
- The use of the form provided by the customs administration
- The absence of overwriting, erasing, or interlining in the number of copies (all copies must be legible and identical)
- The inclusion of all necessary documents, such as the commercial register, tax identification card, and authorization.

By conducting these checks, the custom agent, can ensure that the declaration is accurate, complete, and compliant with the relevant regulations and procedures. Any discrepancies or irregularities detected during the check may result in further investigation or corrective action by the customs authorities. ¹²⁷

Declarations that are deemed inadmissible are rejected by the customs service with an indication of the reason for the rejection. Un message doit s'afficher au déclarant sur le système¹²⁸

3.1.3.3 The control and verification of the detailed declaration :¹²⁹

After the admissibility and the registration, declarations are subject to verification :

-To verify the accuracy and completeness of the statements and supporting documents, a documentary inspection is conducted.

¹²⁵ loi n° 98-10du22aout1998, Article 87, recevabilité et enregistrement de la section 3 condition d'établissement de la déclaration en détail,Algeria, page50

¹²⁶ <https://www.douane.gov.dz/spip.php?article66> (16/05/2023 at 15h30)

¹²⁷ idem

¹²⁸ idem

¹²⁹ <https://www.douane.gov.dz/spip.php?article67> (16/05/2023 at 17h00)

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-To physically inspect the goods described in the detailed declaration, an on-site inspection is carried out. In warehouses, storage areas, or customs premises.

Once registered on the system, declarations are directed to one of the circuits: green, orange, or red by the SIGAD system :

- **Green circuit**

Declarations that are directed towards the green channel are not subject to immediate control, meaning that the declarations are not checked and the goods are not verified. The goods can be cleared as soon as the declaration is submitted and the duties and taxes are paid by the declarant. Operators that have been granted economic authorization, among others, can benefit from this channel.

This circuit is for the exporters of fruits, vegetables, and other perishable goods. These declarations are liquidated and the export permit is issued on the same day as the submission of the declaration.¹³⁰

- **Orange circuit**

Goods that are cleared after a documentary inspection are those whose declarations have been directed by the SIGAD system towards the orange channel. The documentary inspection involves verifying the following elements in relation to the supporting documents:

- The accuracy of the tariff classification of the goods
- The declared value
- The origin
- The quantity (weight, surface area, volume, or number of goods) and accompanying documents are also verified during the documentary inspection

- **The red circuit**

The red circuit indicates that there is something wrong with the declared goods, so the inspector will conduct a physical examination of the goods in the presence of the declarant, to verify if what has been declared matches the actual contents.

- On-site verification: Inspecting the goods at their physical location, such as warehouses, storage areas, or customs premises.
- Comprehensive verification: Conducting a thorough examination of all aspects of the goods, including their physical condition, quantity, markings, labels, packaging, and any accompanying documents.

¹³⁰ https://www.douane.gov.dz/IMG/pdf/les_facilitations_douanieres_a_l_export_fr_.pdf (01/06/2023 at 05h16)

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- Verification through testing: Conducting specific tests or assessments to verify the quality, composition, functionality, or compliance of the goods with applicable regulations or standards.
- Results of the verification: Recording the findings and observations obtained during the verification process, including any discrepancies, irregularities, or non-compliance detected.
- Preparation of the inspection certificate: Documenting the results of the verification in an official certificate, which may include details such as the date of inspection, identification of the goods, description of the verification process, and the inspector's conclusions or recommendations.

Goods authorized for export can be exported immediately or placed in port areas and other customs-bonded zones, both within and outside the port, awaiting their future exportation.

3.2 Customs facilitations :

The measures taken by customs authorities to simplify and expedite the process of clearance during an export operation :

3.2.1 The simplified procedures for declaration :

3.2.1.1 The simplified declaration ¹³¹

According to Article 82 of the Customs Code, "the detailed declaration may be replaced by a simplified declaration, which not only saves time but also reduces costs as there is no need to engage a customs broker as in the case of a detailed declaration."¹³²

It is established for operations in which the quantities and/or values that are to be included in the detailed declaration are either not provided or are only indicated approximately and for information purposes at the time of the submission of the simplified declaration. The simplified declaration gives the possibility for the economic operator to clear his goods as they are presented to the customs.

To benefit from this facility, the operator must meet the minimum financial guarantee requirements (subscribe to a removal credit).

The operations eligible for simplified declaration are exclusively limited to, Goods that admitted under the temporary admission regime and intended for re-exportation

¹³¹ https://www.douane.gov.dz/IMG/pdf/info_douane_no05_2013_fr.pdf (09/05/2023 at 18h15)

¹³² Decision No. 12 of 03.02.1999 supplemented by the decision of 14.03.2013, concerning the implementation of Article 82 of the Customs Code.

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3.2.1.2 Cancellation of the declaration

The Principal Inspector in charge of commercial operations, may authorize the cancellation of the declaration.

In the case of an export, the declarant must provide justification that the goods have not left the customs territory, or if they can prove that they have not obtained any benefits associated with the export, this cancellation can only be accepted after verification of the goods.¹³³

3.2.1.3 Remote Declaration¹³⁴

Economic operators can, through a direct connection to the Automated Customs Information and Management System (SIGAD), carry out the procedure for submitting the detailed declaration of their goods remotely, from their offices.

3.2.2 Facilitations granted to accredited economic operators :

3.2.2.1 Conditions for the these facilities :¹³⁵

To qualify for this status, the operator must meet certain conditions set by the law :

- An individual or legal entity established in Algeria, an Algerian company or a foreign company with a permanent establishment in Algeria, engaged in export activities;
- Not in a state of bankruptcy, liquidation, or judicial settlement;
- Not undergoing bankruptcy proceedings;
- Demonstrating financial solvency over the past three years;
- Having recorded at least ten export transactions per year.

3.2.2.2 Facilities¹³⁶

In addition to the green Circuit we just mentioned in the process of clearance, the other facilitations granted to economic operators revolve around the following points.

- In the event of a dispute with customs authorities, the goods are exported and the dispute concerning them is addressed after their exportation.
- Goods intended for exportation are given priority in docking and in the verification of the "seen for shipment" status.
- Exemption from the authorization for customs clearance of goods for one's own account

¹³³ Decision of February 3, 1999 determining the modalities of application of Article 89 bis of the Customs Code.

¹³⁴ https://www.douane.gov.dz/IMG/pdf/info_douane_no05_2013_fr.pdf (09/05/2023 at 19h20)

¹³⁵ Article 2 of Executive Decree No. 12.93 of 1.03.2012 "establishing the conditions and procedures for obtaining the accredited operator status."

¹³⁶ idem

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Conclusion :

From the results of the statistics of the algerian exportations in the first section, we find that the algerian volume of exports boost in the last years , in addition the exportation process in Algeria has traditionally been hindered by a range of challenges, including complex administrative procedures, inadequate infrastructure, and an outdated customs clearance system. The sigad relied heavily on manual processes and paperwork, which led to slow processing times, errors, and inefficiencies.

The use of Incoterms and logistics and the Customs Facilities , has helped to provide some clarity and standardization in international trade transactions, but the lack of modernization in the customs clearance process has remained a significant obstacle for exporters. The old system was characterized by a lack of transparency and accountability, long wait times, and a high risk of corruption and fraud.

These challenges have contributed to a perception that exporting from Algeria is a difficult and time-consuming process, which in turn has created a barrier to entry for businesses seeking to expand their operations through international trade.

Chapter03 :
The new customs information system

CHAPTER 3 : THE NEW CUSTOMS INFORMATION SYSTEM

Introduction :

In the previous two chapters, we have seen the relationship between customs and exports. In this third chapter, we will address a major current topic for the Algerian economy, which is the digitalization of customs and its new information system, considered a key step in improving the export process.

Indeed, the Algerian customs administration has embarked on an ambitious modernization project that relies on a new information system. This digital transformation aims to make Algerian customs more efficient and competitive by aligning its practices with international standards.

The following chapter is divided into three sections, in the first one we will explore the Customs National Center of Transmissions and information system, its missions and advantages on the customs authorities.

In the second section, we will discover the new digital information system and the different steps of its implementation..

The last section, is going to be the practical part , where we will explore in more details the role of digital customs in improving the export processes, by analysing and understanding the results from both a survey and an interview that i made in order to conduct my study.

Upon completing this chapter, we will have gained an understanding of the different stages involved in implementing the new customs digital information system. Additionally, we will have identified the challenges that exporters face when interacting with customs. Finally, we will examine the novel units incorporated in the system and evaluate how they will help address the challenges faced by exporters during the export process.

CHAPTER 3 : THE NEW CUSTOMS INFORMATION SYSTEM

Section 01 : Customs National Center Of Transmissions and Information System

As we first see in the chart of the general directorate of customs, customs in Algeria have two centers, CNTSID AND CNFD , These centers play a vital role in enhancing customs operations, implementing best practices, and ensuring effective enforcement of customs regulations.

In this section, we will explore the CNTSID: its missions, functions, and contributions to the overall objectives of customs administration

By examining the key responsibilities and activities undertaken by this center, we can gain a deeper understanding of its significance in promoting efficient and secure international trade.

1.1 Presentation of Customs National center of Transmission and Information System :

The executive decree No. 17-92 dated 23 Jomada El Oula 1438 corresponding to February 20, 2017, establishes and organizes the National Transmission Center and Customs Information System. This executive decree was published in the official journal, establishing and organizing a new center that has been endowed by the customs department, namely the National Transmission and Information System Center.

Considering executive decree No. 17-90 dated 23 Jomada El Oula 1438 corresponding to February 20, 2017, which outlines the organization and responsibilities of the central administration of the General Customs Directorate, and according to Article 1, the purpose of this decree is to establish and define the organization of the National Transmission Center and Customs Information System, abbreviated as CNTSID.

Before the establishment of CNTSID, the Algerian Customs had multiple centers within its organization. Among these centers, we can mention CNIS (Conseil National de l'Information Statistique) and CNTD (Centre National de Transmission Douanier)

These centers were established to facilitate customs decision-making while organizing the economic, fiscal, and security missions of the customs department in the areas of ICT, information transmission, and procedural simplification.

As part of the National Investment and Modernization Program of the General Customs Directorate, which was implemented between 2016 and 2019, customs authorities undertook the design and implementation of a new information system that is better suited for actual and future requirements.

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The purpose of this system is to enhance customs transmission by strengthening information and communication technology, in order to achieve the objectives set at the national and administrative levels.

Therefore, the merger of the two centers, CNIS and CNTD, has been carried out. The twinning mission, with its main objective of supporting the Algerian administration in its efforts, aims to modernize the customs administration by developing a modern management policy. This objective, set to enhance customs control performance by effectively combating fraud, is highly relevant and aligns perfectly with other ongoing or planned modernization and simplification actions undertaken by the Algerian customs authorities in the short and medium term.

This merger is primarily carried out to avoid the compartmentalization of the structures responsible for information and communication technologies.

In a general context, among other justifications for the twinning, it should be noted that:

- Internal communication within the administration should be improved, and new support services necessary for effective management programs should be implemented.
- A change of such magnitude cannot be easily accomplished. Therefore, it will be necessary to develop and implement external communication channels to ensure the transmission of information to key stakeholders regarding the systems, rules, and procedures.

After understanding the objectives of this merger and the reasons why the customs department decided to make this change in its organizational structure, Let's proceed to the definition of this center.

According to the following three articles¹³⁷:

Art 1: A national center for transmissions and information systems is established within the General Customs Directorate, hereinafter referred to as "the center."

Art 2: The center is a national competence external service of the General Customs Directorate.

Art 3: The center is placed under the authority of the Director General of Customs and is directed by a center director.

The General Customs Directorate has established a nationwide external service, known as the CNTSID (National Customs Transmission and Information System Center). It represents a distinct entity within the customs organization, responsible for carrying out specific missions and activities at the national level. It plays a central role in the management and control of customs information flows on a national scale.

¹³⁷ executive decree No. 17-90 dated 23 Joumada El Oula 1438 corresponding to February 20, 2017

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As an external service, it operates outside the central headquarters of the customs administration, thereby enabling broader coverage and efficient handling of customs responsibilities across the entire national territory.

It is responsible for the establishment and operation of customs information technology systems, such as databases, software, and networks, that enable the exchange of information among various customs stakeholders, including regional and local customs administrations. It ensures the consistency, interoperability, and reliability of these systems, thereby ensuring smooth and secure communication between different customs entities.

Its national competence gives it an extensive scope, allowing it to work closely with other national organizations and authorities to ensure consistent and effective implementation of customs policies nationwide.

Furthermore, the CNTSID is responsible for developing and implementing innovative technological tools to enhance the efficiency of customs procedures, automate controls, and facilitate international trade.

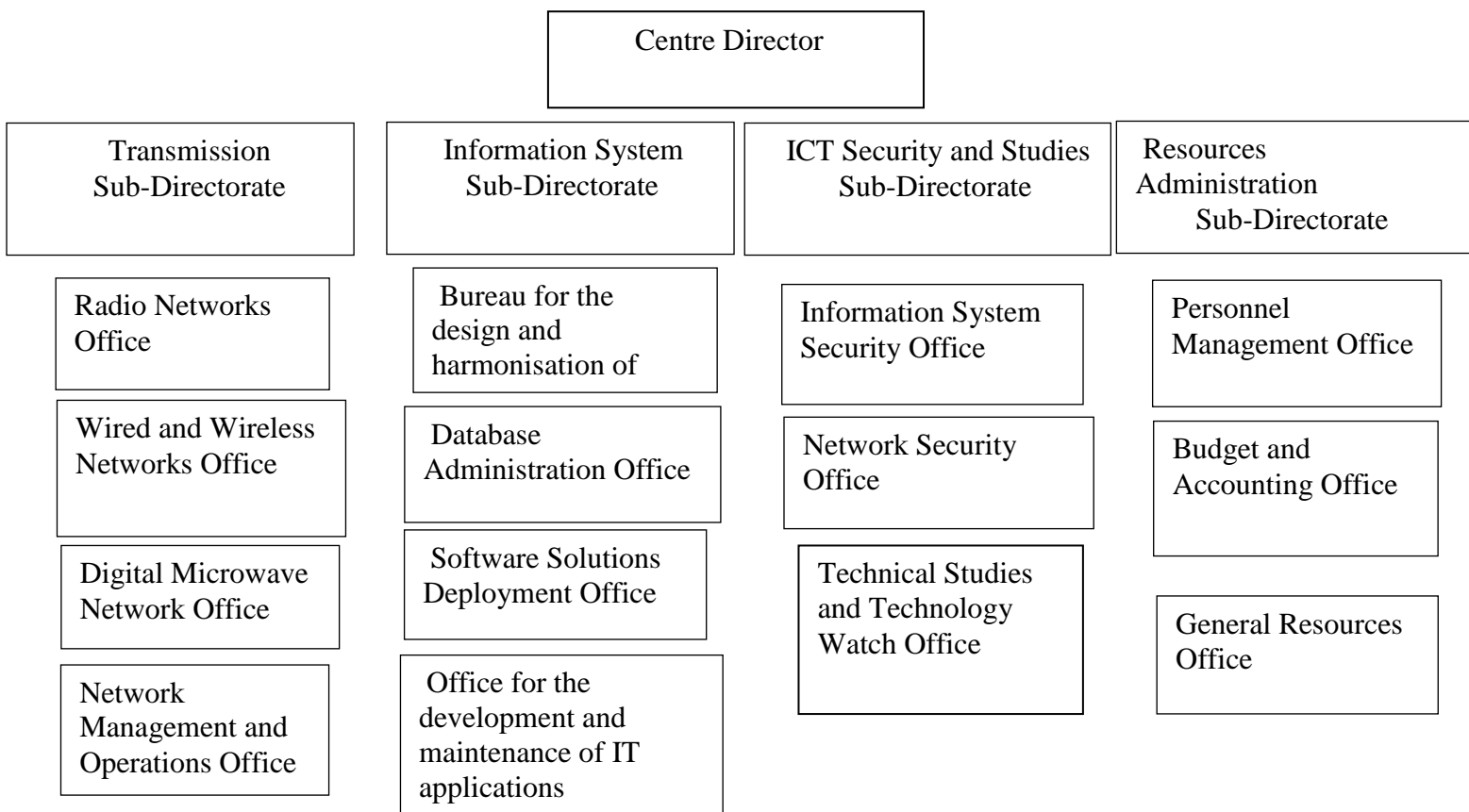
1.2 The Organizational chart of the center:

The organization of the National Customs Transmission and Information System Center (CNTSID) is determined by how the sub-directorates and offices are delineated in the Official journal, under the authority of the Prime Minister.

According to Article 5, the center is structured into four sub-directorates, each comprising several offices. The sub-directorates are led by deputy directors, and the offices are headed by office chiefs.

DiagramN° 6 : The Organizational Chart of the CNTSID

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Source :Internal document, (BOUACHA (Meriem), Le nouveau système douanier,may2022

1.3 The Missions of the CNTSID :

According to Article 4, the Center has the following missions:

- Participate in defining the policy of the General Customs Directorate regarding the operation and utilization of information and communication technologies and develop annual programs for its implementation.
- Collect the customs' needs in terms of information and communication technology, prepare the technical and functional specifications related to them, and monitor the implementation of programs and procurement contracts.
- Establish interfaces with information systems of other stakeholders in the international trade logistics chain.
- Study the conditions for the installation of transmission stations and the information system, as well as their continuous functioning across all customs services.
- Establish the technical classification of equipments and tic and define the standards for their use in customs.

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- Define and specify the working regime for the operation and use of information and communication technologies, and ensure its implementation.
- Ensure the security of information and communication technology in customs.
- conduct periodic inspections of information and communication technology installations and software, oversee the movement of equipment and ensure their optimal use.
- Promote the online customs clearance system and e-procedures.

Indeed, the CNTSID has a mission to assist in decision-making through the development and analysis of foreign trade statistics and the conduct of various studies related to foreign trade in a broad sense.

The evolving nature of the center's missions requires ongoing adaptation efforts through the implementation of reform programs dictated by its economic environment, aimed at improving internal efficiency and external effectiveness.

1.4 Advantages of the CNTSID:

The National Center for Customs Transmission and Information System (CNTSID) presents a multitude of essential advantages for the customs administration. By highlighting its crucial role in modernizing customs procedures and ensuring efficient and secure management of customs activities, the following advantages can be mentioned:

- **Informed and Easier Decision-Making:**

Through the analysis of customs data, the CNTSID provides valuable information to decision-makers and customs officers, enabling them to make informed decisions. By identifying trends, potential fraud patterns, and risks, it helps allocate resources and customs controls more effectively to critical areas. This optimizes the efficiency of customs operations and enhances border security.

- **Enhanced Collaboration and International Exchange :**

The CNTSID facilitates seamless exchanges and international cooperation between customs administrations. By establishing interconnected information systems and adhering to international standards for data transmission, it promotes collaboration with other countries and enables rapid and secure information sharing. This strengthens the fight against cross-border fraud and facilitates smooth international trade.

- **Consistency and Uniformity of Procedures:**

The CNTSID promotes harmonization and standardization of customs procedures at the national level. By centralizing data collection and processing, it enables the establishment of

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common standards and ensures consistency in the application of customs regulations. This facilitates collaboration among different customs offices and ensures a uniform approach in processing customs operations.

- Facilitation of International Trade:

By automating customs procedures and simplifying information exchange, the CNTSID facilitates international trade. Economic operators benefit from reduced processing times, streamlined formalities, and greater predictability in their commercial transactions. This encourages international trade, stimulates economic development, and enhances the country's competitiveness on the global stage.

1.5 The transmission network and information system of the center :

In line with global practices, the Algerian Customs are organized into regional divisions, with each division comprising one or more provinces (wilayas) based on prevalent activities. For instance, the capital city, Algiers, is divided into two regions: Alger Port, which encompasses the port area, and Alger Extérieure, which includes the Houari Boumediene Airport due to its significant activity

To establish connectivity between the different regional customs sites, the center's system plays a crucial role. These connections are numerous and private, which is why the Algerian Customs collaborates with Algeria Telecom to ensure support for local private wired networks of customs through the RMS (Réseau Multiservices). Any private exchange between the networks of customs sites is facilitated through Algeria Telecom.

The four aforementioned sub-directorates of the center work in synergy to ensure the safe entry and exit of goods, while also overseeing the maintenance of communication infrastructure between national networks.

1.5.1 Transmission Network

The customs transmission network, managed by the Sub-Directorate of Transmissions, has evolved since 1982 from telegraphy to priority message switching and then to a universal operating system in 2000. Currently, it operates on an FHN (High-Speed Network) with a native IP (Internet Protocol) of 34 Mbps, spanning the East-West region.

This network serves as a link and provides support for internal or national stations through a centralized star topology. The current network is based on this star topology, with the central node being the headquarters site of the Directorate General of Customs.

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1.5.2 Information system

The circuit of the National Center for Transmissions and Information System (CNTSID) and the activities of its sub-directorates begin with an economic operator, such as an exporter, importer, or others, at the port, airport, or border crossings. To effectively meet the needs of the customs administration in collecting, processing, transmitting, and managing customs data with economic operators, the center continuously works on the development and modernization of the customs information system, both internally and externally.

As mentioned in the first chapter, for over two decades, the customs administration has been using the SIGAD in its operations. The SIGAD is a tool developed and used by the CNTSID, with its first version deployed in 1995. It serves as the sole source of information on Algeria's foreign trade. It computerizes the customs clearance process and generates statistics on Algeria's foreign trade, which are regularly transmitted to the authorities to inform economic decision-making. However, despite undergoing several stages of evolution, the SIGAD only partially supports the activities of the Customs administration.¹³⁸

Here is an illustration of the interface:

¹³⁸ Unknown (السوفت) البرمجيات مشروع تقدم نسبة: للجمارك الجديد المعلوماتي النظام) oct 2018, Algeria press service, بالمائة 50 بلغت

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Figure N°3= Interface of the Sigad systeme

The screenshot displays the interface of the Sigad system, a customs information system. At the top, there is a header with the Algerian coat of arms on the left and the text: "REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE", "MINISTERE DES FINANCES", "DIRECTION GENERALE DES DOUANES", and "Centre National de l'Informatique et des Statistiques". To the right of the header is a small image of a cargo ship. Below the header is a menu bar with options: "Nif", "Domiciliation", "Pdf", "Pdf-Global", "Excel_Agence", "Articles", "Passwd", "Manuel", and "Exit". The main area is a form titled "ACCÈSE UTILSATEUR" with various input fields and labels. The form is organized into several sections: "CODE" and "ENREGISTREMENT" at the top; "IMP/EXP REEL" below; a row of fields labeled "S.J", "NIF", "C.P", "T.O", "M.F", "N.C", and "ENG."; "DOMICILIATION" with sub-fields "PTFN", "FRET", "COURS", "ASSUR.", "AUTR.F", and "VAL.DA"; "FRS/DEST. REEL" and "DECLARANT EN DOUANE"; "PAYS ACHAT/VENTE", "PAYS PROV/DESTINATION", and "RELATION ACHVEND. POIDS.NET"; and a bottom row with "MANIFESTE", "N.COLIS", "TRANSPORT", "POIDS.BRUT", and "Type Ded.". The form fields are light blue, and the labels are in green.

Source :http://dspace.univmsila.dz:8080/xmlui/bitstream/handle/123456789/10364/Boudia_Debbi%20M%27Sila.pdf?sequence=1&isAllowed=y

The system initiated in 1995 was developed without considering an essential approach: the process approach. This approach, which emerged in the late 1980s, involves a method of analysis or modeling and a systematic description of an organization or activity to take action upon it. Among other things, this approach allows for clarifying roles and responsibilities, understanding the requirements of economic operators, seeking added value, identifying waste, and reducing costs and lead times of processes and operations.¹³⁹

However, like any system, it may have its advantages and limitations. Despite the benefits offered by the SIGAD system, it is important to note that it is also subject to several criticisms. We have identified the following points:

- The lack of support for all customs activities and the lack of comprehensive support for operators can lead to risks of data loss. This gap can create deficiencies in customs operations management and jeopardize the security of sensitive information.
- The lack of proper monitoring and feedback can compromise the continuity of advanced units' operations and the sustainability of their performance.

¹³⁹ BERDJOUJ (Hakim) (Un nouveau système d'information douanier voit le jour en Algérie, PANORAMA, OMD actu n° 88 Février 2019)

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- higher risk of data loss, especially because the système is old
- The absence of automated data verification can lead to errors and inconsistencies

In response to these inefficiencies, it has become essential for customs authorities to introduce a solution to modernize and transform the system, considering the rapid changes brought about by ICT (Information and Communication Technology).

For this reason, the customs administration has chosen the concept of digital customs as the theme for the year, reaffirming the importance of ICT for both customs administrations and the work program of the WCO (World Customs Organization).

The CNTSID is currently working on this project in collaboration with other customs directorates, while adopting a plan to integrate the latest generation of customs information systems.

To conclude, The creation of the customs national transmission and information système center , starts a new era for the customs evolution in Algeria. it is very important in the function and the process of customs in national and international side.

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Section 02 : The implementation of the new digital information system

As observed in the previous section, the Algerian customs administration is working on a future project to digitize the current customs system. In line with this goal, they have decided to develop an electronic customs clearance system called AL-PASS, which aims to digitalize all customs procedures and automate them within the available resources.

The main objective of this future project is to modernize the customs procedures, which contributes on the development of the Algerian industries and enhance economic growth.

In this section we aim to discover the new customs information system, focusing its implementation steps

2.1 Definition of the new information system :¹⁴⁰

The Algerian customs administration, is currently working on the digitalization of its various departments, it has initiated the implementation of a new information system that is adapted according to the latest technological advancements and international requirements, call (AL-PASS)

This system is being implemented under the supervision of staff primarily composed of Algerian experts in cooperation with the Korean International Cooperation Agency (KOICA). They have adopted a plan to integrate the latest generation of customs information systems. It is a sure and a fast solution in line with the standards of the World Customs Organization and the amended Kyoto Agreement with a complete technological transformation¹⁴¹,

In addition to a software project, the new information system includes two other projects. The first one involves the construction of a data center, and the implementation work has been assigned to the Chinese digital solutions company, Huawei.¹⁴² and the second one focuses on the development of a network repair program the project is still under development in collaboration with "Algérie Télécom."¹⁴³

The process of embodying this system is accompanied by more than 100 frameworks from its elite customs officials specialized in programs and networks. In addition to skilled engineers, The Customs Administration also helps in running this project the public institution for

¹⁴⁰ HALIS (Abdelkader), الرقمية الجمارك (الجزائرية الجمارك حالة دراسة), revue, مجلة, الاقتصادية والدراسات الأعمال إدارة مجلة, Vol7, Nu 2, December 2021 . Pages 601-614

¹⁴¹ Z.Y الجمارك تعد الجمارك Z.Y, ELHAYAT ELARABIA, 17/04/2019

¹⁴² Unknown (السوفت) البرمجيات مشروع تقدم نسبة: للجمارك الجديد المعلوماتي النظام, Algeria press service) oct 2018,

¹⁴³ Unknown (السوفت) البرمجيات مشروع تقدم نسبة: للجمارك الجديد المعلوماتي النظام, Algeria press service) oct 2018,

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supporting and developing digitization, aiming to replace manual inspections and paperwork with automated processes.

The AL-PASS, will achieve a digital transformation of Customs services by replacing current customs procedures with digital procedures that will be conducted online, remotely, and through various digital platforms for economic operators.¹⁴⁴

From the interview I made with Mr Boudadi, its objective is to establish a digital and efficient customs administration that combines technical expertise and performance improvement in order to meet the expectations of economic operators and various stakeholders.¹⁴⁵

This process started from the study and dissection of the current situation to identify the shortcomings by diagnosing the SIGAD system and a process that has been completed, then adapting and transforming the current data for use in the new information system.

An inventory of functional needs a process that has been completed, and the integration of mature software designed according to international standards.¹⁴⁶

In addition, national expertise was called upon by signing an agreement with a digital support and development institution. This accompanying measure aims to facilitate the implementation of the new digital information system for customs, as stipulated in the agreement.¹⁴⁷

2.2 Implementation steps of the new information system :¹⁴⁸

Implementing such a system requires thorough strategic planning, adequate resources, internal and external collaboration, and effective change management. It involves several key elements for comprehensive planning and the adoption of two essential stages:

2.2.1 Review and reorganize existing customs operations BPR (Business Process Reengineering)

Focuses on the fundamental redesign and improvement of business processes, the goal of the BPR in the implementation of the new system, is to achieve significant enhancements in efficiency, effectiveness, and overall performance by rethinking and restructuring existing processes.

- Perform a thorough analysis of the needs and requirements of the customs administration, as well as the relevant stakeholders. During this stage, a team of customs experts, information technology specialists, and process management professionals

¹⁴⁴ Unknown (الجمارك : نظام معلوماتي جديد مطلع 2020, Algérie press service April 2019)

¹⁴⁵ Interview

¹⁴⁶ Internal document, (المعلوماتي نضامها و الجزائرية الجمارك عن لمحة), may 2021)

¹⁴⁷ FARAH(feriel), Digitization of the Algerian Customs Administration and the imperative of moving from SIGAD to E- Customs, Faculté d'Alger 3, 2021, p01

¹⁴⁸ Internal document, (BOUACHA (Meriem), Le nouveau système douanier, may 2022)

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work together for the implementation and technical development of this project. This includes identifying problems and gaps in the existing customs system.

- Define a new model for customs modernization in Algeria. This involves determining the optimal organizational structure, the allocation of responsibilities and functions among the relevant teams. It is also necessary to select the appropriate information technologies for the implementation of the new model.

2.2.2 Establish and implement :

2.2.2.1 Analysis and design of the new system

The analysis of the functions and features of the new system, followed by the overall and detailed design of it , are crucial steps for a successful implementation.

It involves examining the various activities and tasks involved in customs operations, as well as the specific needs of the users.

This helps determine the essential functionalities that the new system should provide to meet operational, regulatory, and strategic requirements. the analysis of the features involves evaluating technical constraints, security standards, compatibility with other existing systems, as well as requirements for performance, usability, and data management.

Once the analysis is completed, the overall system design is carried out. This involves defining the general architecture of the system, including the structure of databases, user interfaces, core functionalities, and interactions between different modules of the system. This overall design helps visualize the entire system and ensures overall coherence.

Next, the detailed design of the system is carried out, where each component and functionality is specified in detail. This includes the design of screens and forms, defining data validation rules, modeling workflows and processes.

2.2.2.2 Software development preparation

During this stage, a team of developers, analysts, and IT specialists work on creating the software that will be used in the digital customs system. This involves designing and writing the computer code based on the specifications and requirements defined during the analysis and design phase. Software development preparation also includes selecting appropriate programming languages, development tools, and development environments. Developers follow best programming practices, utilize frameworks and development libraries to facilitate software creation and ensure its quality.

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2.2.2.3 Unit testing process

Unit testing typically involves the use of predefined test scenarios that simulate different system situations and use cases. This helps verify the software's compliance with functional requirements, as well as its robustness and reliability. Test results are recorded and analyzed to identify any issues or errors. If anomalies are detected, adjustments are made to the information units to correct and improve them. The objective of unit testing is to ensure that each component of the system functions correctly in isolation. This ensures the reliability and quality of the information units before their full integration into the system.

2.2.2.4 Expansion and consolidation of the use of new information units :

Once the information units have successfully passed individual tests, they are integrated and used within the context of the overall system. Expanding their use involves deploying these information units across different modules and functionalities of the customs system, linking them in a coherent and interoperable manner. This includes configuring settings, establishing necessary connections, and ensuring smooth intercommunication between the various information units. The goal is to fully leverage the functionalities offered by these units, utilizing them effectively to meet the specific needs of the customs system.

Simultaneously, it is crucial to consolidate these new information units. This involves ongoing validation of their performance, stability, and reliability. Measures are taken to monitor and assess their usage in real-world conditions to ensure their proper functioning and swiftly detect any issues or malfunctions.

The new customs system introduced new unit structures, including both new units and those that were already present in the SIGAD. With the ALPASS, they will be improved and digitalized.

To conclude ,the CNTSID is working hard on realising this project by introducing new technological expertise , infrastructures and human resources.

The future system of customs, holds immense potential for revolutionizing the interactions between exporters and customs authorities.

With its robust structure and advanced functionalities, this system is poised to streamline and optimize the customs processes , it offers to exporters the opportunity to leverage technological advancements to their advantage. .

Section 03 : Presentation of the study and discussion of the results

In this section, we will present our research methodology, the questionnaire its types, and the content of my survey . as way as the Interview .

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3.1 Work methodology :

In order to address our research problem we have chosen to conduct two complimentary studies :

- Quantitative

This approach is called quantitative because it's an analytical method which involves measurement, numerical analysis, and statistical calculations that ensure the conditions for generalizing the results are met. Essentially, this approach relies on comparing comparable situations regarding measurable variables (except for the variables under investigation for their impact).

We Focused on gathering the main constraints that exporters face during the customs operation and the frequency of these constraints , in order to identify the current problems of the information system, including a comprehensive analysis of their future expectations regarding the future e-customs for their activities.

- Qualitative

Qualitative methods of data analysis primarily rely on induction. Propositions regarding meaningful relationships are drawn and induced from observations. it's a descriptive methods of analyse. They are called qualitative because the analysis of data and their interpretation proceed through analogy, metaphors, as well as discourse-based means, rather than calculation.

We conducted a preliminary exploratory Interview during which we met with the deputy director of the CNTSID Mr Boudadi. we had an exchange of information with him and was able to ask questions in order to efficiently and quickly gather information about the new information system ,

3.1.1 Quantitative Study :

For our current work, we have chose to use survey research, which can be defined as follow as a study conducted on a part or a sample of a population in order to understand the characteristics or opinions of that population on a given subject, by questioning only a limited number of its members)

3.1.1.1 Objective of the survey :

This survey is used to complement the determining aspects of the analysis of export activity in Algeria. Its objectives are to identify the constraints faced by Algerian exporters regarding customs, and to test their degree of satisfaction of the current system.

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My survey focuses on the population of exporting companies throughout Algeria. The choice of this population is justified mainly by the experience gained in exporting by the companies concerned, which would allow for more relevant lessons to be drawn on the real conditions of export activity in Algeria. Using the ALGEX (Algerian Exporters Directory) , we could identify a population of 1628 Algerian exporting company. Our survey took a place during the period from April to mai. We tried to reach the Large-sized companies, and we got a sample of 52 respondent.

3.1.1.2 The Development of the Questionnaire :

A questionnaire is a tool used in surveys to gather information from participants. It is a document or a form that contains a series of questions posed to respondents in order to collect data on a specific subject or population.

3.1.1.3 Types of questions :

There are several types of questions that can be used in a questionnaire. The choice of question types to use in the questionnaire depends on the information one aims to collect. For this purpose, I have opted for the following types:

- **Multiple Choice Questions**

These questions provide a list of options, and respondents select the most appropriate answer.

- **Likert Scale Questions**

These questions measure respondents' opinions or attitudes on a scale, typically ranging from "Strongly Agree" to "Strongly Disagree."

- **Rating Scale Questions**

These questions ask respondents to rate or evaluate something on a scale, often ranging from 1 to 5 or from poor to excellent.

- **dichotomous question**

is a type of question that presents only two response options, typically "yes" or "no," or "true" or "false." It is designed to elicit a simple and direct response from the respondent.

- **closed-ended question**

is a type of question that provides a set of predetermined response options from which the respondent must choose. The response options can be in the form of multiple choice, Likert scale, rating scale, or other specific options

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3.1.1.4 The mode of administration :

For our survey, we have opted for online digital administration mode, utilizing social networks such as LinkedIn and WhatsApp, as well as emails, for distributing the questionnaire to maximize response rates. Each individual in the sample received a questionnaire to complete.

3.1.1.5 The content of the survey :

I structured my survey around three parts :

3.1.1.5.1 The identification of the company :

This section aims to gather general information about the respondent ,

3.1.1.5.2 Addresses the challenges and obstacles that companies encounter in relation to customs procedures.

This section allow us to firstly identify the various problems that exporters encounter during an export operation with customs, as well as the frequency of these problemsCollecting the expectation of exporters about Customs Degitalization

3.1.1.5.3 Perspectives of exporters about the digitalization of customs

This allows us to understand, based on the experience of the companies, their views on the implementation of digitization in the customs sector.

3.1.1.6 Presentation and analysis of the results :

To analyze the results of the questionnaire, I chose to use the SPSS software, which is widely used in the field of statistics. This software provides a wide range of analysis techniques. For my study, I employed the method of cross-tabulation, which involves examining one variable at a time. Following the analysis of the responses obtained during our survey, we arrived at the following results.

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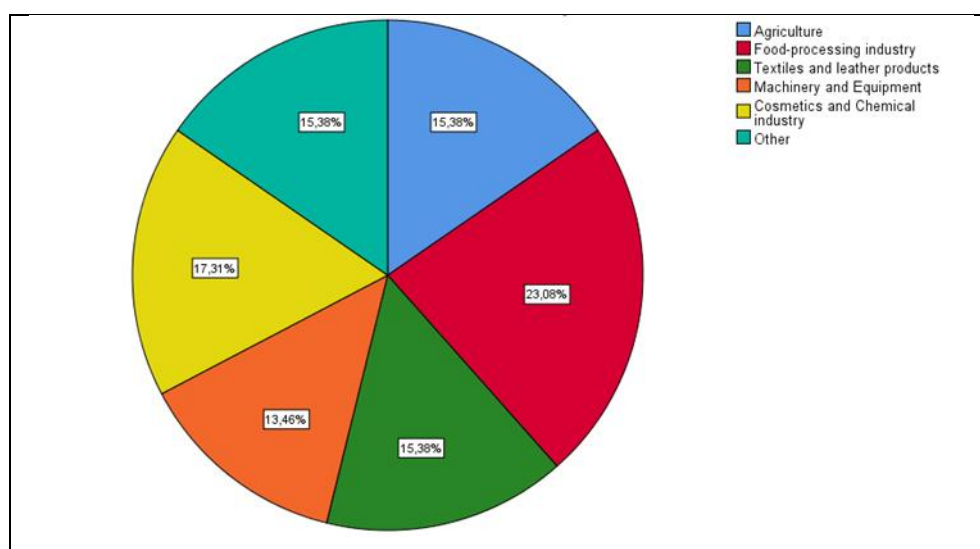
Q1 : What is your Sector of Activity ?

Table N°7 : The Sector of Activity of the companies

Sector of activity	Frequencies	Percentages %
Agriculture	08	15.40
Food-processing industry	12	23.10
Textiles and leather products	08	15.40
Machinery and Equipment	07	13.50
Cosmetics and Chemical industry	09	17.30
Other	08	15.40
Total	52	100

Source : Made by The student by SPSS

Figures N°4 : The Sector of Activity of the companies



Source : Made by the Student by SPSS

Comment : The survey covered companies in 05 sectors of activities, regarding : Agriculture, cosmetic and chemical industriy, Textile and Leather, Machinery and equipment as well as food processing, this latter reresents the most frequent sector with a percentage of 23,10% comparing to other companies that vary between 13,50% and 17,30%.

The food processing industry sector is the most active in export activity

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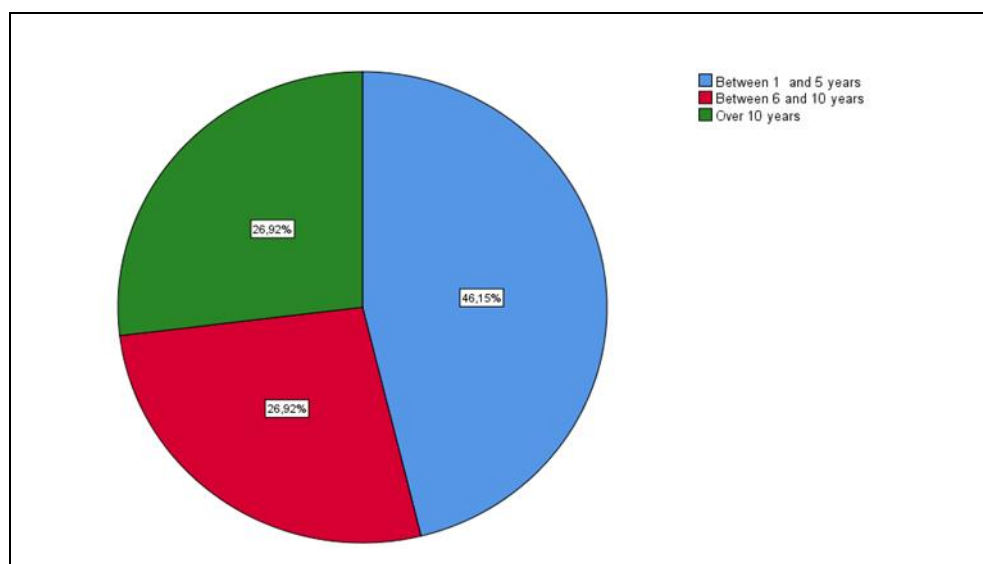
Q2 : How long has your company been involved in exports ?

Table N°8 : The involvement in exports

How long has your company been involved in exports?	Frequencies	Percentages %
Between 1 and 5 years	24	64.20
Between 6 and 10 years	14	26.90
Over 10 years	14	26.90
Total	52	100

Source : Made by the student by SPSS

Figure N°5 : The involvement in exports



Source : Made by the student by SPSS

Comment :

As for their involvement in export activities, companies that have been active for the longest time in exports (between 6 and 10 years and above) are the least involved , with a number of 14 for each , on the other hand, fresher companies in exports are considered way more frequent with a number of 24 companies.

It can be inferred that most companies have recently started exporting.

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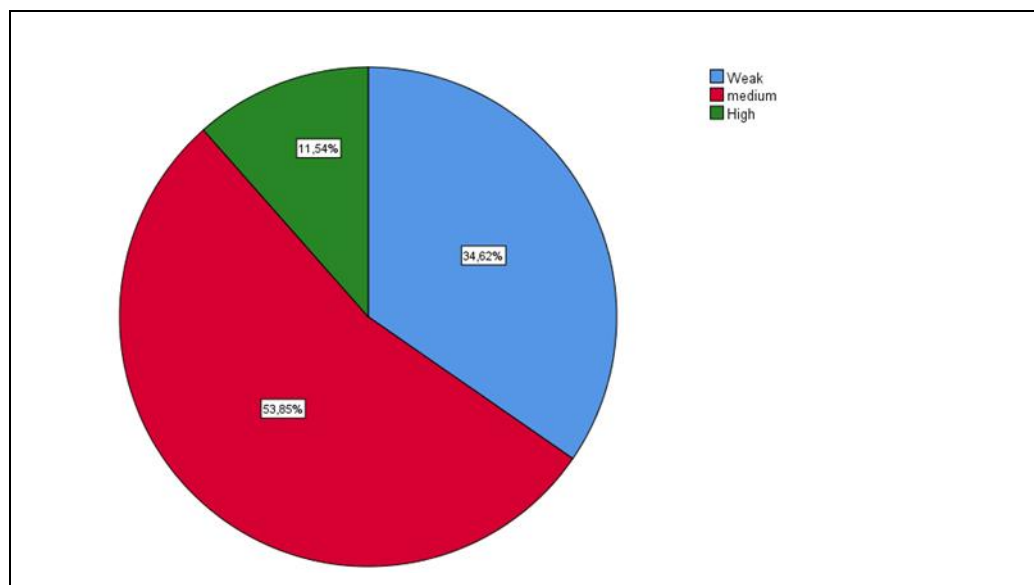
Q3 : What is your monthly export volume

Table N°9 : The Volume of exportation per month

What is your monthly export volume	Frequencies	Percentages %
Weak	18	34.60
Medium	28	53.80
High	06	11.50
Total	52	100

Source : Made by the student by SPSS

Figures N°6 : The Volume of exportation per month



Source : Made by the student by SPSS

Comment :

The circular diagram demonstrates the companies monthly export volume, above half companies representing a percentage of 53% (28 out of 52) have a medium volume export per month, 18 have showed weak volume, and only 06 have high monthly export.

From the results we can deduce that Algerian exporters are moderately active in export activity

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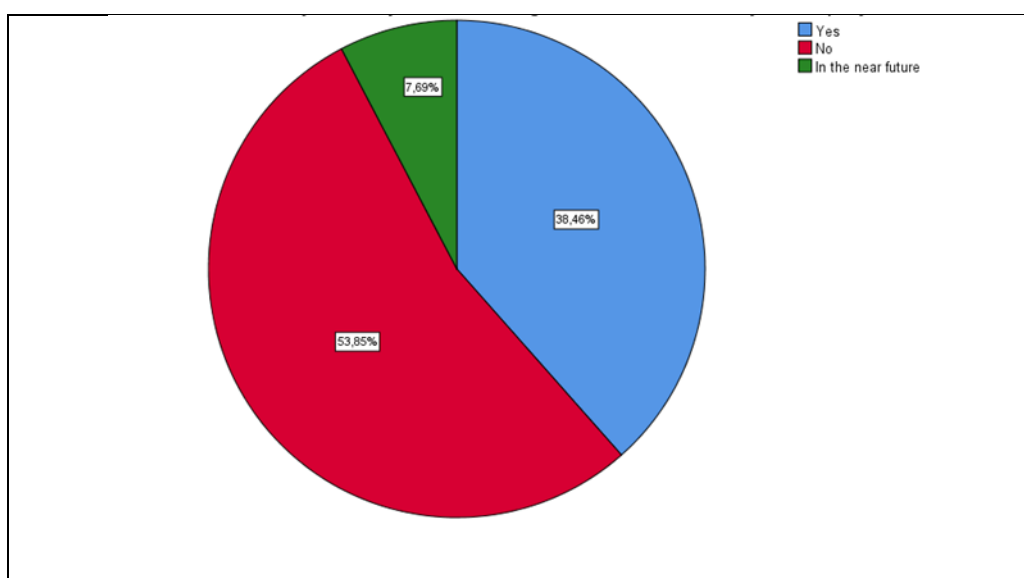
Q4 : Have you already undertaken a digitalization initiative within your company ?

Table N°10 : Digitalization initiatives

Have you already undertaken a digitalization initiative within your company	Frequencies	Percentages %
Yes	20	38.50
No	28	53.80
In the near future	04	7.70
Total	52	100

Source : Made by the student by SPSS

Figure N°7 : Digitalization initiatives



Source : Made by the student by SPSS

Comment :

The given table and attached circular diagram represent the number of companies who have undertaken a digitalization initiative. More than half of the companies confirm that they have slightly under-affirmed the opposite, and the rest are considering taking the actions with the number of 28, 20 and 04 respectively.

The results indicate that exporting companies are not interested in implementing a digitalization approach in their business.

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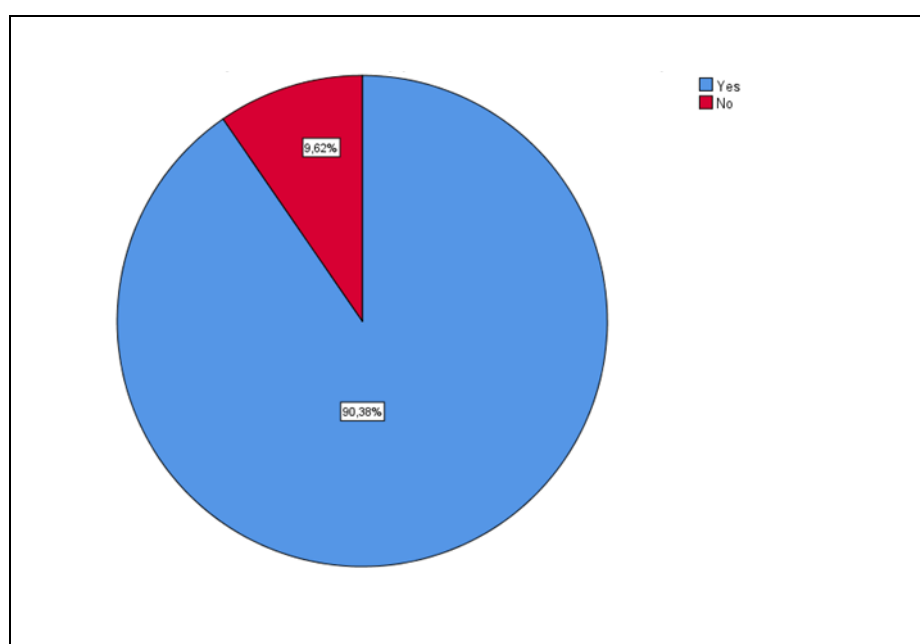
Q5 : Have you encountered any problems with current customs procedures?

Table N°11 : Frequencies of exporters who have encountered a problem

Have you encountered any problems with the current customs procedures?	Frequencies	Percentages %
Yes	47	90.40
No	05	9.60
Total	52	100

Source : Made by the student by Spss

Figure N°8 : Frequencies of exporters who have encountered a problem



Source : Made by the student by SPSS

Comment :

The circular Diagram shows the companies frequencies and their percentages regarding facing problems with manual customs procedures. The majority of companies confirmed that they have, representing a number of 47 companies (90%), as opposed to 05 companies that were satisfied .

This indicates that the current customs system hinders the efficient and effective operation of exports

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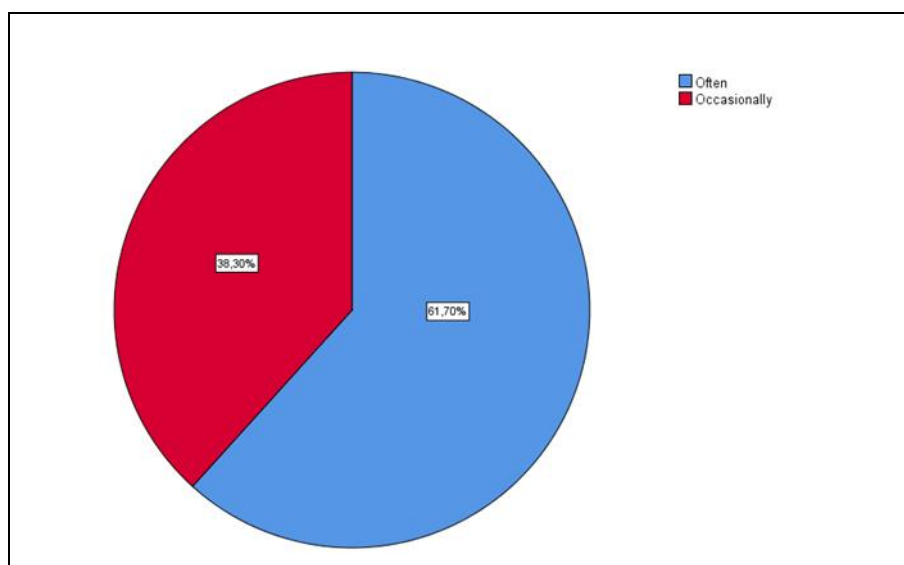
Q6 : If yes, how often?

Table N°12: Frenquencie of the Problems faced during clearance process

If yes, how often?	Frequencies	Percentages %
Often	29	61.70
Occasionally	18	38.30
Total	52	100

Source : Made by the student by SPSS

Figure N°9 : Frenquencie of the Problems faced during clearance process



Source : Made by the student by SPSS

Comment :

Among the 47 companies, 29 said that they often face difficulties in the current customs system, and 18 judged that the difficulties were only occasional.

This indicates that the current system has not yet resolved the problems that companies face during the customs clearance process.

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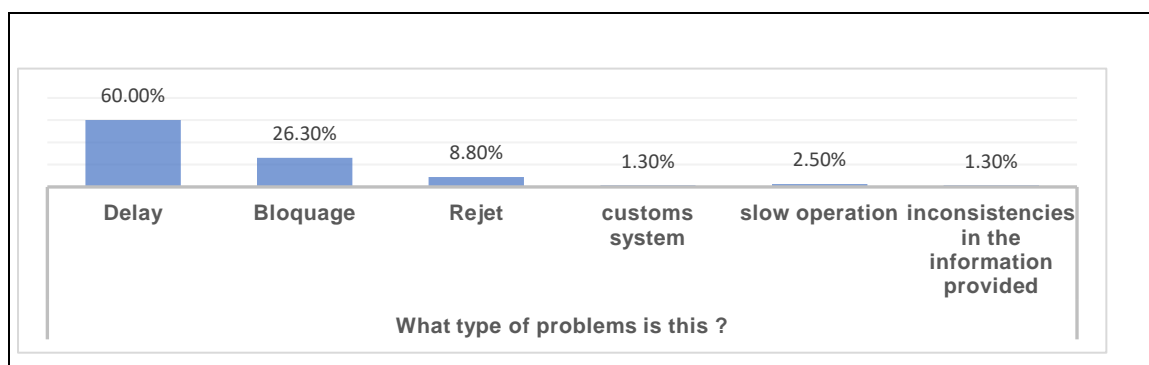
Q7 : what type of problems ?

TableN°13 : Type of problems encountered during custom clearance in exportation

What type of problems is this ?	Frequencies	Percentages %
Delay	48	60.00
Block	21	26.30
Reject	07	8.80
customs system	01	1.30
slow operation	02	2.50
inconsistencies in the information provided	01	1.30
Total	80	100

Source : Made by the student by SPSS

Figure N°10 : Type of problems encountered during custom clearance in exportation



Source : Made by the student by SPSS

Comment :

The provided bar graph identifies the type of problems and their frequencies , Delays were the most frequent with 48 vote, representing a percentage of 60 ,00% followed by block (26,30), reject (08,80%) Slow operation (02,50%) and lastly costumes system and inconsistency in providing the information with 1,3% each.

Based on the results, we can understand that the current system operates tasks slowly

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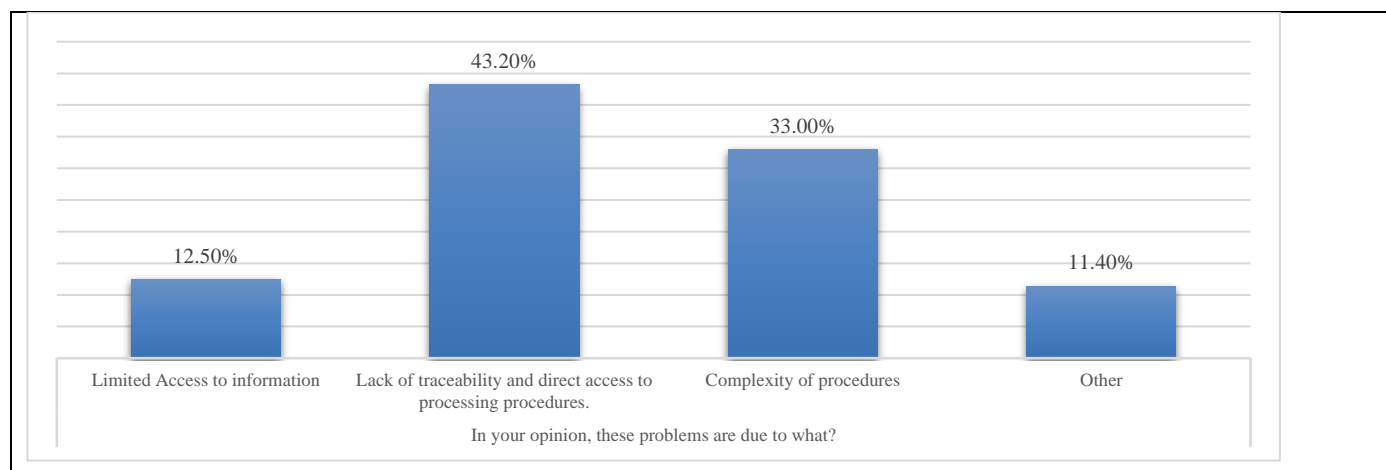
Q8 : In your opinion, these problems are due to what?

TableN°14 : The reason of the problems faced during the clearance process in exportation

In your opinion, these problems are due to what?	Frequencies	Percentages %
Limited Access to information	11	12.50
Lack of traceability and direct access to processing procedures.	38	43.20
Complexity of procedures	29	33.00
Other	10	11.40
Total	88	100

Source : made by the student by SPSS

FigureN° 11: The reason of the problems faced during the clearance process in exportation



Source : Made by the Student by SPSS

Comment :

The given bar graph shows the reasons behind the problems according to the companies, the top reason with a percentage of 43,20% was given to the lack of traceability and direct access to processing procedures , the second most commun reason with a percentage of 33% was the complexity of the procedure itself, followed by limited access to information with a percentage of 12,50% whereas 10% voted for other instated reasons.

This indicates that exporters needs more tracability and monitoring for their operations during the customs clearance process

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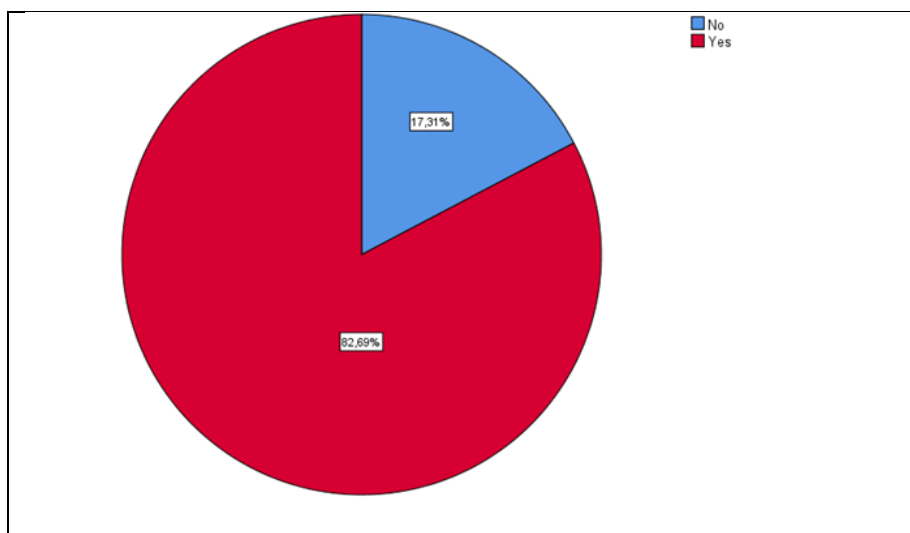
Q9 : Have you ever identified errors in the processing of customs documents during your export operations

Table N°15 : Frequencies of identifying errors in the process of customs document during their exportation

Have you ever identified errors in the processing of customs documents during your export operations	Frequencies	Percentages %
No	09	17.30
Yes	43	82.70
Total	52	100

Source : Made by the student by SPSS

Figure N°12 : Frequencies of identifying errors in the process of customs document during their exportation



Source : Made by the student by SPSS

Comment :

The circular graph shows errors spotted in processing costumes documents during export operations , among 52 companies, 43 have confirmed facing at least one error in the process, whereas 09 denied that.

It appears that the current system is encountering difficulties when it comes to carrying out documentary customs clearance

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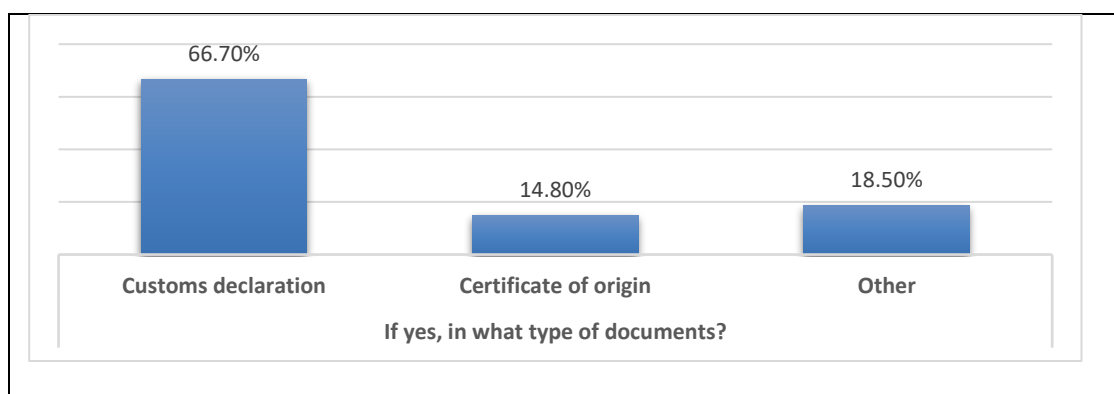
Q10 : If yes, in what type of documents?

Table N°16 : Type of documets That exporters face errors during the customs clearence process

If yes, in what type of documents?	Frequencies	Percentages %
Customs declaration	36	66.70
Certificate of origin	08	14.80
Other	10	18.50
Total	54	100

Source : Made by The student by SPSS

Figure N°13 : Type of documets That exporters face errors during the customs clearence process



Source : Made by the student by Spss

Comment :

The documents that are subjects to errors according to the results are customs declarations on top of the list , with 66,70% , certificate of origin and othe rdocuments have shown percentages of 14 ,80% and 18,50% respectively.

It can be observed that errors are most likely to occur in the declaration document during the operation

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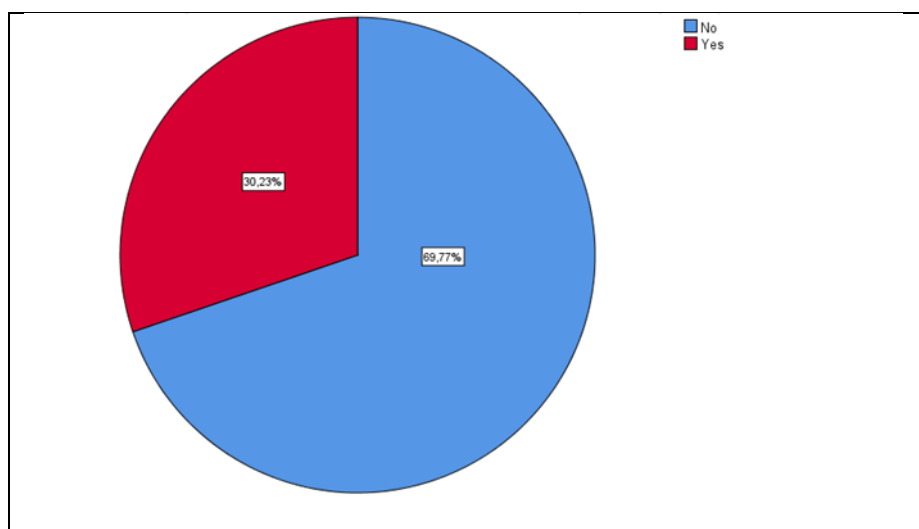
Q11 : Do you work with customs brokers to ensure the compliance of your exports?

TableN°17 : Exporters who work with customs brokers

Do you work with customs brokers to ensure the compliance of your exports?	Frequencies	Percentages %
No	30	69.80
Yes	13	30.20
Total	52	100

Source : Made by the student by SPSS

FigureN°14 : Exporters who work with customs brokers



Source : Made by the student by SPSS

Comment :

The table and the graph show the number of companies that work with customs brokers To ensure the compliance of their exports.69,80% confirmed that they don't , and about half of that 30,20% confirmend that they do .

It appears that exporters are able to adhere to the regulatory and conformity norms of the process without the need for a customs broker

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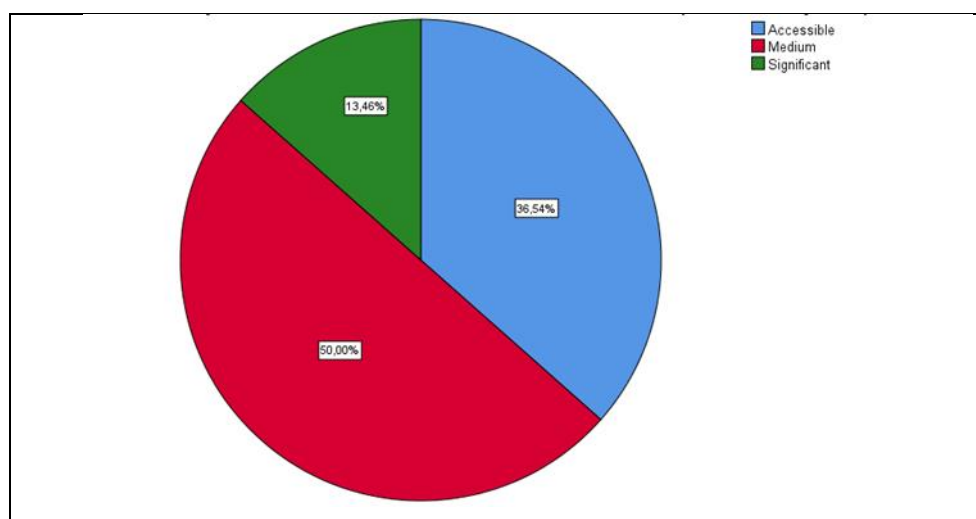
Q12 : How do you estimate the costs associated with the current customs procedures for your exports?

TableN°18 : Estimation of costs associated to the curent customs process

How do you estimate the costs associated with the current customs procedures for your exports?	Frequencies	Percentages %
Accessible	19	36.50
Medium	26	50.00
Significant	07	13.50
Total	52	100

Source : Made by the student by SPSS

FigureN°15 : Estimation of costs associated to the curent customs process



Source : Made by the student by SPSS

Comment :

The circular graph show the estimation of the costs related with the current costoms procedure regarding exports. Exactly half of the companies 50% find the cost medium, 36,50% fin dit accessible and the remaining 13,50% consider it significant.

It appears that the cost of the export in clearance process is perceived by exporters to be moderate

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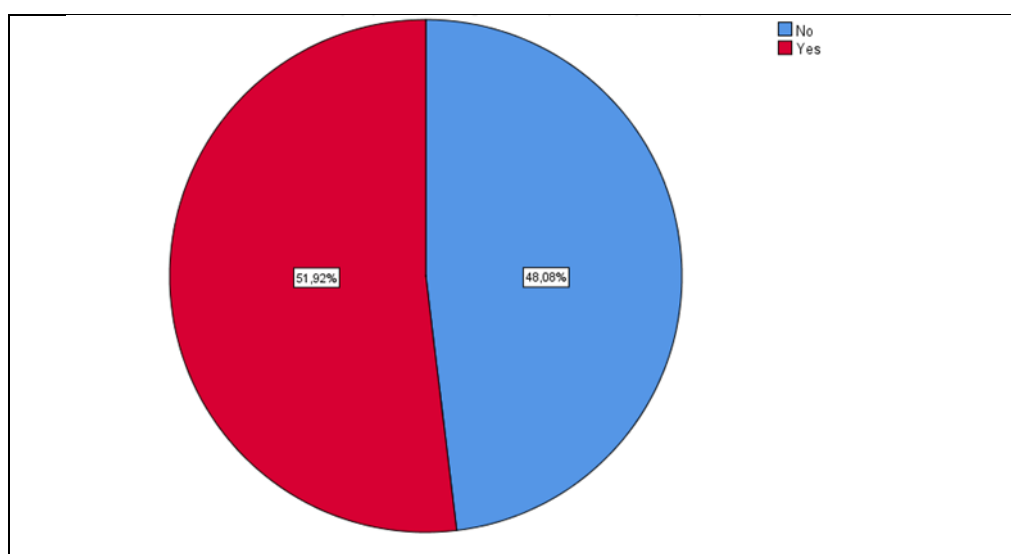
Q13 : Do they represent a significant portion of your export costs?

TableN°19 : The importance of export cost

Do they represent a significant portion of your export costs?	Frequencies	Percentages %
No	25	48.08
Yes	27	51.92
Total	52	100

Source : Made by the student by SPSS

FigureN°16 :The importance of export cost



Source : Made by the student by SPSS

Comment :

When asked if the fees of export in the current customs procedure represent a big portion of their export costs, the results were close with 27 companies voting yes, and 25 voting no.

It can be observed that the clearance costs represent a significant portion of the overall costs of the export activity.

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Q14 : On a scale of 1 to 10, what is your level of confidence regarding the security of the data exchanged during the current customs clearance process?

Table N°20 : The level of confidence of exporters on the customs clearance process

On a scale of 1 to 10, what is your level of confidence regarding the security of the data exchanged during the current customs clearance process?	Frequencies	Percentages %
1	00	0.00
2	00	0.00
3	00	0.00
4	06	11.50
5	20	38.50
6	16	30.80
7	07	13.50
8	00	0.00
9	03	5.80
10	00	0.00
Total	52	100

Source : Made by the student by SPSS

Comment :

The table represents the level of confidence regarding the security of data exchange in the current costumes procedures evaluated in a scale od 1 to 10, companies fell in the case of 5 to 6 with the highest percentage marked at 5 (38,50%)

It is noted that exporters feel uncertain about the consistency or fairness of customs regulations and their enforcement.

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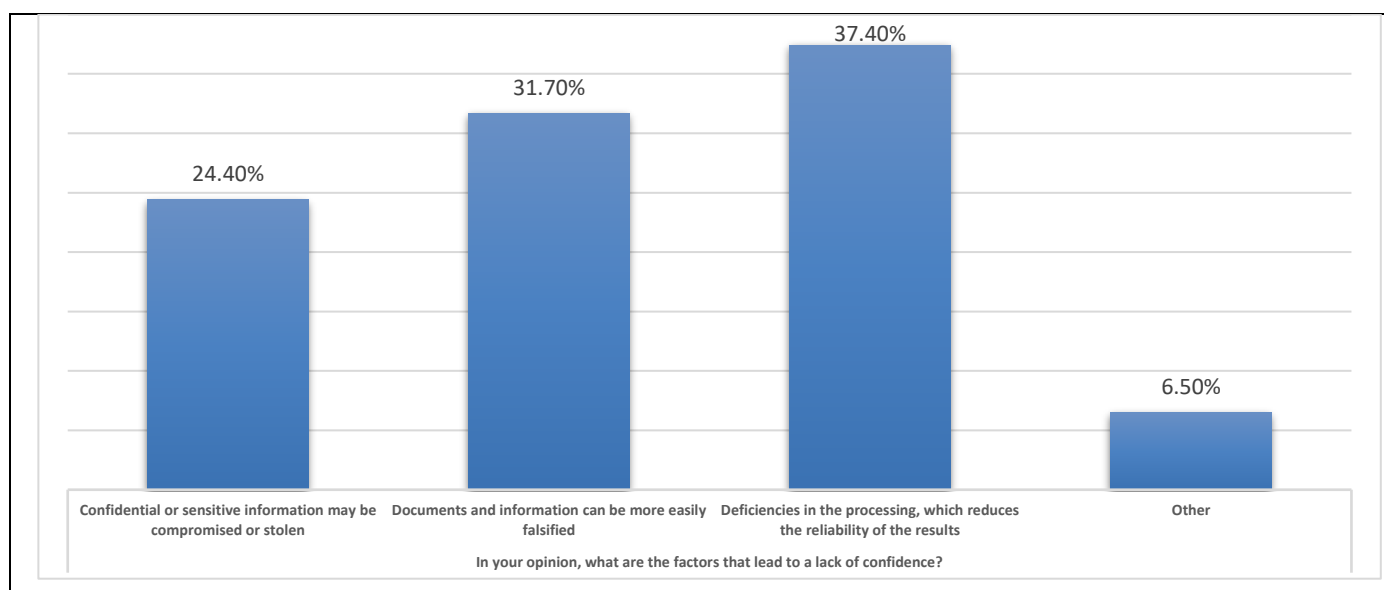
Q15 : In your opinion, what are the factors that lead to a lack of confidence?

TableN°21 : The factors that lead to a lack of confidence

In your opinion, what are the factors that lead to a lack of confidence?	Frequencies	Percentages %
Confidential or sensitive information may be compromised or stolen	30	24.40
Documents and information can be more easily falsified	39	31.70
Deficiencies in the processing, which reduces the reliability of the results	46	37.40
Other	08	6.50
Total	123	100

Source : Made by the student by SPSS

Figure N°17 : The factors that lead to a lack of confidence



Source : Made by the student by SPSS

Comment :

The Question discusses the factors that lead to a lack of confidence regarding the security of data in the current system, with 3 main reasons stated 37,40% have witnessed deficiencies in the processing which reduces the reliability of the results. In the second place with a percentage of 31,70% comes the reason that documents can be easily falsified, 24,40%

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of companies believe that confidential or sensitive information may be compromised or stolen. A low percentage of 6,50% think it's related to other reasons.

We concluded that deficiencies in the customs system lead to a lack of trust in the reliability of the process results, in addition to common attempts of fraud during the process.

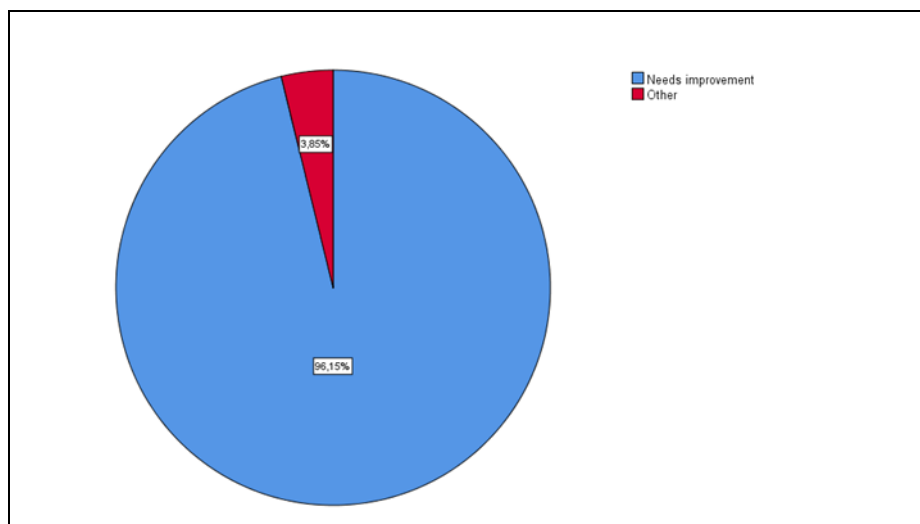
Q 16 : How do you rate the exchange of information with current customs authorities?

Table N°22 : The exchange of information with the current customs authorities

How do you rate the exchange of information with current customs authorities?	Frequencies	Percentages %
Needs Improvement	50	96.20
Other	02	3.80
Total	52	100

Source : Made by the student by SPSS

FigureN°18 : The exchange of information with the current customs authorities



Source : Made by the student by SPSS

Comment :

The circular graph shows the level of exchange of information with current customs authorities, 96,20% of the companies shown their interest on the need to improve this

It appears that customs authorities do not prioritize fostering good communication and improving interactions with exporters.

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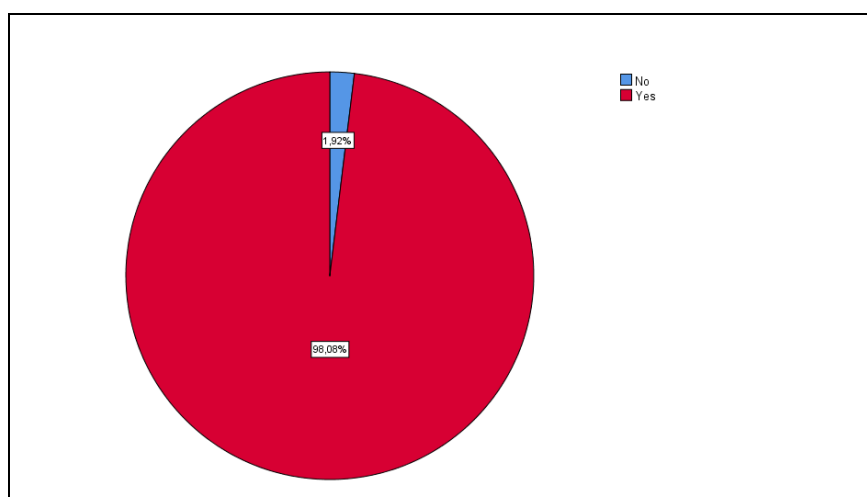
Q17 : Do you think that the current customs system has an impact on your development at the national and international level?

TableN°23 : Impact of current systeme on the development of exporting companies at the national and internation level

Do you think that the customs customs system has an impact on your development at the national and international level?	Frequencies	Percentages %
No	01	1.90
Yes	51	98.10
Total	52	100

Source : Made by the student by SPSS

FigureN°19 : Impact of customs systeme on the development of exporting companies at the national and internation level



Source : Made by the student by SPSS

Comment :

The question was to confirm wheareas there is a direct relationship between the current costumes systèmè and the growth of companies at an international level. 51 out of 52 companies approved.

It can be inferred that the effectiveness and efficiency of the customs system in clearing exports is crucial beacause of it's imporatnce in the international development of companies.

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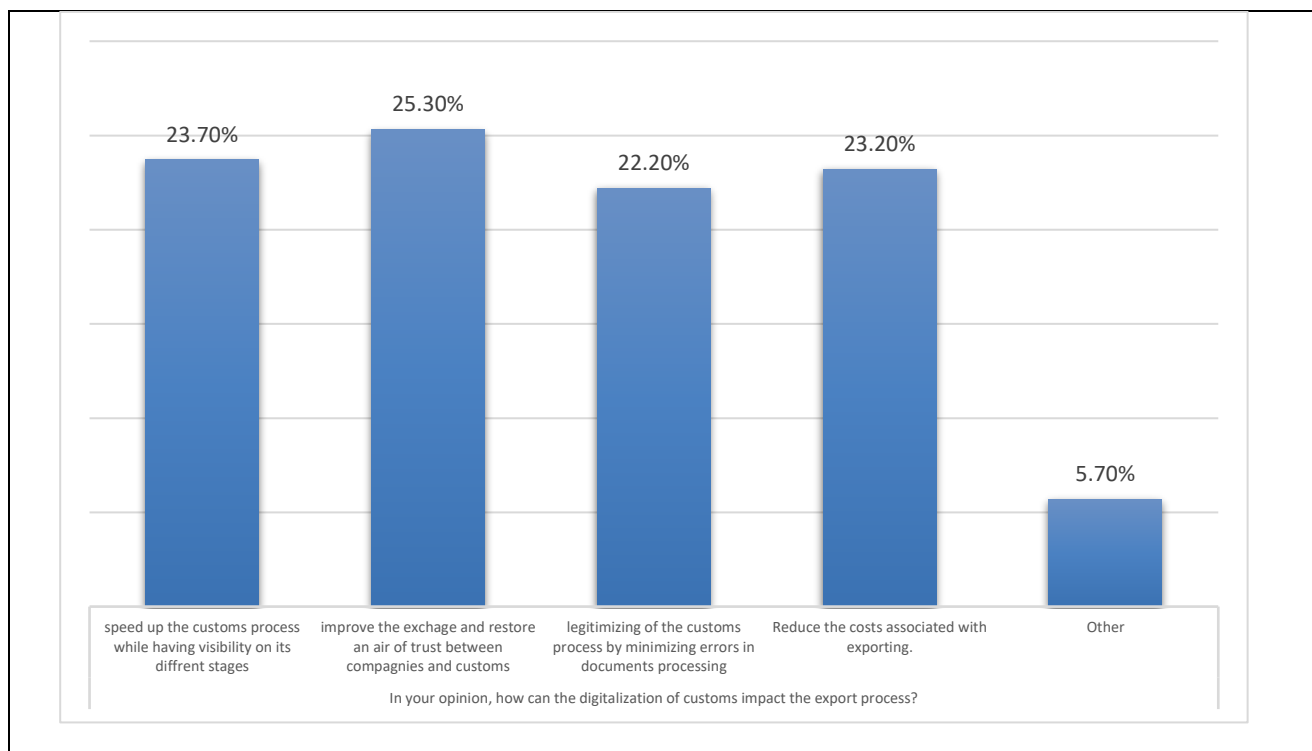
Q18 : In your opinion, how can the digitalization of customs improve the export process?

Table N°24 : Perspectives of exporters about the digitalization of customs

In your opinion, how can the digitalization of customs improve the export process?	Frequencies	Percentages %
Speed up the customs process while having visibility on its different stages	46	23.70
Improve the exchange and restore an air of trust between companies and customs	49	25.30
Legitimizing of the customs process by minimizing errors in documents processing	43	22.20
Reduce the costs associated with exporting.	45	23.20
Other	11	5.70
Total	194	100

Source : Made by the student by SPSS

Figure N°20 : Perspectives of exporters about the digitalization of customs



Source : Made by the Student by SPSS

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Comment :

The given chat bar and the table suggest four potential ways that can impact the export process, the answers were very close in percentages, with 49 people believing that it will improve the exchange and restore an air of trust between companies and customs process, while having visibility on its different stages. 45 people believe that it will impact fees by reducing the costs associated with the exportation, 43 people said that it will be done by minimizing errors and eventually legitimizing the exports procedure.

This indicates that the future customs system needs to be secure enough to restore an air of trust between companies and customs, secondly It is necessary for the new system to address and eliminate the problem of delays, also to reduce cost and finally to reduce errors during the process.

3.1.2 The Qualitative Study :

For this part of the work, we have chosen to reinforce our study by conducting an interview with the deputy director of the CNTSID Mr Boudadi. Which is often used in combination with other research methods, such as surveys, observations, or document analysis, to provide a more comprehensive understanding of the research topic.

It can be conducted in various formats, such as face-to-face, phone, video, or online, and can be structured, semi-structured, or unstructured

in our study it was a face to face interview., we opted for An unstructured interview, which is a qualitative research method that involves asking open-ended questions to elicit detailed, subjective responses from the interviewee about their experiences, and opinions related to the research topic. Unlike structured interviews, unstructured interviews do not have a predetermined set of questions or a fixed order, allowing the interviewer to explore and follow up on certain topics or responses more freely.

3.1.2.1 The Objective of the Interview

The interview is used to identify the added value of the digitalization, according to the point of view of the deputy director of the Center. This is a qualitative method that allows us to gather additional information and explanations that will help us conduct our research

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TableN25° : Interview Guide

Questions	Answers
<p>As the deputy director of the center, what is your opinion on the introduction of digitization after 28 years of operation with the traditional system ?</p>	<p>Any change is difficult, our Korean partners have introduced us well to the use of the system through the various meetings held so far. The system seems to be easy and very accessible, and well structured .</p> <p>we hope it will succeed in addressing the problems of the old system.</p>
<p>In your opinion, what are the biggest shortcomings of the old system that digitization can address?</p>	<p>We are working towards ensuring that this new system will be capable of managing the majority or entirety of customs tasks, so I believe that digitization will improve the management of the entire system. As a manager, it will make it easier for me to supervise all the activities.</p> <p>In response to your question, digitization will help to structure and organize the system, and this has a significant impact on time management and task monitoring assigned to each employee. The same applies to operators, who will also benefit from more streamlined and organized processes.</p>
<p>Regarding the human factor, we have seen favorable feedback from economic operators in the export activity. How do you think</p>	<p>The human factor is the most difficult to manage, as it is subjective and highly unpredictable. The application of the complete work process will allow us to</p>

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<p>digitization will facilitate the accomplishment of their tasks ?</p>	<p>determine the responsible parties, the assigned duration of tasks, and to report any issues and feedback at specific stages of the operation. In my opinion, the system will be a significant contribution to monitoring the various actors, holding employers accountable, and facilitating the conditions for the completion of their tasks, they can view the status of their tasks through a dashboard. This provides an overview of all ongoing tasks, including their progress and any potential delays. It allows for effective monitoring and timely action.</p> <p>As for exporters, we are always working to offer them facilitations, and this time on this project, we are working on the dematerialization of the process, meaning they can carry out their tasks online in a secure manner, with new measures of security that the new system offers, the Electronic Signature for exemple which is based on cryptographic algorithms and digital certificates.</p>
<p>What are the main units in this new system which you think they can help in the exporting process?</p>	<p>.- At the core of this system, is the data warehouse that will be used to store historical data related to import and export transactions, customs duties, taxes, and fees, as well as other relevant information.</p> <p>-Another unit Called the EWCAS, it has been designed to monitor the operational status of</p>

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	<p>the new system. And it will allow real time monitoring of service performance, and network connectivity .</p> <ul style="list-style-type: none"> - In order to enhance the risk assessment and the control measures during the procedures the system is equipped with the Integrated Risk Management (IRM), that allows to analyse and detect fraudulent activities. - A portals or the plateforme, which is a digital tool that will be used within the framework of the customs management system in Algeria. It is an online interface that provides a set of tools and functionalities designed for both The economic operator and the customs
<p>How could these tools enhance the process of exportation ?</p>	<p>As i mentioned before, we are working on the dematerialization of the customs administration , Users will have private online access to their profiles on the platform. In the single window system exporters are able to submit all necessary documents and information for customs clearance online in one place. through scanning and uploading. The system will automatically forward the documents to online verifiers for verification. Meanwhile, the exporter will have the ability to track the status and processing time of their documents.</p> <p>Other modernize fonctionnalités are added to the process such us the E payment for an</p>

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	online payment and for providing updates on the payment processing status.
What is your greatest challenge with digitization?	We need to reinforce the IT department to prevent malicious programs and attempts, as well as provide more training for customs officers.

Source : Made by the student from an interview with the deputy director of the CNTSID

3.1.2.2 Summary of the Interview guide :

To identify the added value of digitization on the export process, an interview was conducted with the deputy director of the center, from this later we can extract the following points :

- **Organizational measures**

- Digitization will improve the management of the entire system, by managing organizing and structuring the majority or entirety of customs and economic operator tasks , which allow to determine the responsible parties, the assigned duration of tasks, and to report any issues and feedback at specific stages of the operation.

-The system will be a significant contribution to monitoring the various actors and the timely action, holding employers accountable, and facilitating the conditions for the completion of their tasks through a dashboard which allows an overview of all their ongoing tasks, including their progress and any potential delays. This help in supervising all the activities.

-The implementation of a Data warehouse to enhance the international trade, it will be used for analysis and reporting to support decision-making and to identify trends and patterns.

-The dematerialization of the Export process, by developing a platform that relay both customs and economic operators, this tool allows for online declarations, online verifications and online payment

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- Security measures

-The new information système will be controled and protected by the EWCAS which is a tool that helps in monitoring the operational status, and the real time monitoring of the service performance.

-The adaptation of the Integrated risk management, that allows to analyse and detect fraudulent activities at the border level

-The E signature, based on cryptographic algorithms and digital certificates.

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Conclusion :

In conclusion, this chapter has provided valuable insights into the implementation of the new customs digital information system in Algeria, we have identified the challenges faced by exporters during the customs clearing process and discussed how the new system's novel units will address these challenges. Overall, this chapter demonstrates how customs digitalization can play a significant role in enhancing the export process in Algeria .

GENERAL CONCLUSION

Our research focused on investigating the impact of digitalization on the current customs system and its effect on the export process. We conducted an in-depth analysis of the existing system, highlighting its obsolescence after 28 years of operation and the need for a replacement. Identifying the flaws of the current system, we had high expectations for the new digitalization system to provide radical solutions.

In the first part of the literature, we provided an overview of Algerian Customs, discussing its evolution, modernization plan, and introducing customs regulations and tariffs. Then, in the second chapter, we focused on the exportation process, explaining the stakeholders involved, presenting foreign trade statistics, and discussing the development of trade in Algeria. Additionally, we detailed the customs clearance procedure for goods. The final chapter delved into the practical aspect of the study, exploring the digitization of the customs sector.

To address our main research question: “*How will customs digitalization improve the exportation process?*”, we formulated additional sub-questions. We employed a survey and an interview as our primary research tools. The interview provided qualitative data from the customs director, while the survey gathered quantitative data represented through tables, bar charts, and circle graphs. Statistical analysis software such as SPSS-27 and Excel were used to analyze the results.

Our research sample consisted of 52 company representatives from the export sector. Through the survey, we assessed their satisfaction with the current system, identified areas of dysfunction, and evaluated their readiness to implement digitalization. The aim was to confirm our hypotheses.

Food processing companies represented the largest segment of our research sample, and most of the exporting companies were relatively new, with less than 5 years of activity and a moderate monthly export volume.

The survey revealed that a significant number of companies (47 out of the total) encountered frequent problems within the current system. Delays were the most commonly reported issue, with over 50% of respondents mentioning it. Additionally, 26.30% cited blockages as a problem, and 43.20% of representatives agreed that the lack of direct access to processing procedures, their complexity, and limited access to information were contributing factors.

Furthermore, the survey highlighted that errors were a common occurrence, with approximately 82.70% of respondents facing at least one type of error. This finding raises concerns regarding confidence levels among operators, with the overall level of trust

categorized as (medium) . Additionally, the costs associated with the current system were considered medium to high by 63.5% of companies.

Our research confirmed the impact of digitalization in addressing these inconveniences, supporting our hypotheses on both technical and interpersonal levels:

1- **Technical:**

- **Protecting documents and reduce fraud and the risk of error:**

The new system guarantees document protection through measures such as E-signatures, as confirmed by Mr. BOUDADI in the interview. Real-time monitoring enables quick error detection and correction, reducing the risk of errors. In addition, the system will reduce the fraudulent activities by introducing Integrated Risk Management (IRM) in the process, adopting this tool, customs authorities will be able to detect the fraud attempts. This confirms our **first hypothesis** that *The customs digitalization will Protect documents and reduce the fraud and the risk of error.*

- **Improve time management and Tax execution**

Digitalization allows for the use of pre-set programs with defined time frames and tasks, providing better control and facilitating the identification of inefficiencies. This saves time, as stated by Mr. BOUDADI during the interview. Additionally, online portals play a role in reducing processing time and improving tax execution through online declaration, verification, and E-payment. This confirms our **second hypothesis** that *The digitalization of customs will improve time management and task execution.*

2- **Interpersonal:**

- **Transparency and organization:**

Consistent supervision and transparency enable accountability among different actors in the process, ensuring smooth operations, as mentioned by Mr. BOUDADI in the interview. In addition to the implementation of the Datawarehouse that could then be used for archiving, analysing and reporting tasks to support decision-making and to identify trends and patterns. This confirms our **third hypothesis** that *The digitalization of customs will provide more transparency in organisation among different actors which facilitates tracking process and guarantee traceability.*

Moreover, the combination of traceability, transparency, great supervision, interpersonal communication, and real-time monitoring. don't just separately support the system but they will work together to constantly improve the system.

The data is collected from different operations which makes it easier in the aim of evaluating the procedures in a period of time ,reviewing the problems and suggestion a better action plan for a better performance.

Additionally, the combination of a data warehouse and traceability can be powerful, customs authorities can gain a comprehensive view of the international transactions and have access to detailed historical data, this will allow the customs to forecast a better preparation for the operations especially with their large and simultaneous number.

Our research demonstrates that digitalization has the potential to significantly improve the current customs system and enhance the exportation process. It addresses the identified flaws, such as delays, blockages, limited access to information, and errors, while providing document protection, improved time management, tax execution, transparency, and organization. Implementing digitalization will not only streamline operations but also support continuous improvement and efficiency in customs processes.

Rocomendations :

- Enhance security measures and protect platform users in the event of a malicious network connection, biometric authentication technologies can be employed.
- The customs department should provide training and assistance to exporters as well as employees on how to effectively utilize the new digitalized information system. This will help ensure that exporters can fully benefit from the system .
- Monitor and assess the economic situation of exporters on place , in order to identify the strengths and weaknesses of the system in order to have a real sight on the situation .

Limites :

- The topic being discussed appears to be recent and there is insufficient data and documentation available on it.
- The available statistics and data on the Algerian economy are outdated and do not reflect the real current situation.
- The validation process has made it challenging to conduct interviews with exporters and obtain responses to the questionnaire.

- Due to the fact that my research was conducted across the entire national territory and my target population is not limited to a single region, I encountered difficulty in reaching out to companies and collecting data through questionnaire distribution.
- The need to maintain confidentiality of company data prevented me from narrowing down my target population during the survey, which led to a shortage of respondents.
- The unavailability of employees at the center during my internship and the lack of supervision.
- The internship duration is short

The added value from the internship :

- Gained knowledge and experience in customs procedures and international trade
- I build a professional network

Perspectives :

- "The impact of customs digitalization on the competitiveness of Algerian exporters in the international trade."

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APPENDICES

The Questionnaire :

Quel est votre secteur d'activité ? *

- Agricole
- Agroalimentaire
- Textile
- Machine et équipement
- Industrie chimique
- Autre : _____

Depuis combien de temps votre entreprise est elle impliquée dans l'activité d'exportation ?

- entre 1 an et 5ans
- entre 5ans et 10 ans
- plus de 10 ans

Quelle est le volume de vos exportation par mois ?

- | | | | | |
|--------|-----------------------|-----------------------|-----------------------|------|
| | 1 | 2 | 3 | |
| faible | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | haut |

Avez-vous déjà entrepris une démarche de digitalisation au sein de votre entreprise ?

- Oui
- Non
- Dans un future proche

Avez-vous rencontré des difficultés avec les procédures douanières manuelles ? *

- Oui
- Non

Si oui , combien de fois ?

- Souvent
- Occasionnellement
- Rarement

De quel type de probleme s'agit il ?

- Retard
- Bloquage
- Rejet
- Autre : _____

Comment estimez-vous les coûts liés aux procédures douanières actuelles pour vos exportations ? *

accessibles 1 2 3 importants

Est-ce qu'ils représentent une part importante de vos coûts d'exportation ? *

- oui
 non

Sur une échelle de 1 à 10, quel est votre degré de confiance en ce qui concerne la sécurité des données échangées lors du processus de dédouanement actuel ? *

Très faible 1 2 3 4 5 6 7 8 9 10 Très fort

A votre avis quels sont les facteurs qui engendrent un manque de confiance ?

- Les informations confidentielles ou sensibles peuvent être compromises ou volées
 Les documents et les informations peuvent être falsifiés plus facilement
 lacune dans le processus de traitement, ce qui diminue la fiabilité des résultats
 Autre : _____

A votre avis, ces problèmes sont dus à quoi ?

- Manque d'information
 Manque d'une consultation directe des procédures de traitement
 Complexité des procédures
 Autre : _____

Avez-vous déjà repéré des erreurs dans le traitement des documents douaniers lors de vos opérations d'exportation ? *

- Oui
 Non

Si oui, dans quel type de documents ?

- La déclaration douanière
 Certificat d'origine
 Facture domiciliée
 Autre : _____

Travaillez-vous avec des commissionnaires en douane pour garantir la conformité de vos exportations ? *

- Oui
 Non
 Autre : _____

Comment estimez-vous l'échanges d'informations avec les autorités douanières actuelles ?

A améliorer

De qualité

Autre : _____

Effacer la sélection

Pensez vous que la douane actuelle a un impact sur votre développement a l'échelle national et internationale ? *

oui

non

A votre avis, comment la digitalisation des douane peut améliorer le processus d'exportation ? *

Accélérer le processus douanier tout en ayant une visibilité sur ses différentes étapes

Améliorer les échanges et rétablir un climat de confiance entre les entreprises et les douanes.

Légitimation du processus douanier en minimisant les erreurs dans le traitement des documents.

Réduction des coûts associés à l'exportation.

Autre : _____

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