

Effects of the implementation of single window and simplified customs procedures in the Republic of Macedonia

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Abstract

This paper analyses the effects of implementing two important measures for trade facilitation: the single window concept and simplified customs procedures, based on research conducted in the Republic of Macedonia. Results from this research indicate that introduction of the single window has been viewed positively by companies due to savings in time and human resources. In relation to implementation of simplified customs procedures, the results indicate that all variables measured (average numbers of documents, signatures, hours, costs) show reductions in comparison with regular customs procedures, indicating that such measures can have a significant influence on the facilitation of trade. The research serves to confirm that introduction of trade facilitation measures is necessary for assisting Macedonian companies to compete more effectively in the international marketplace.

1. Introduction

As proven by several empirical studies, implementing trade facilitation measures is important for every country and, without exception, leads to positive economic outcomes and increased trade. For the Republic of Macedonia, a small, open and import-dependent country, trade facilitation is a necessary condition for improving its position on the international trade scene and realising higher rates of economic growth. Conducting research that assesses the trade facilitation measures that have been put in place and demonstrates the potential benefits of implementing new measures is of great importance for the country and a challenge for researchers in the field of international trade.

The Customs Administration of the Republic of Macedonia (CARM) is the responsible institution for implementing trade facilitation measures as recommended by the World Customs Organization (WCO), and is also the principal state agency for ensuring trade security. Among the most significant measures implemented by CARM to increase security of the international supply chain and to facilitate trade are a risk management system, the electronic single window for issuing import, export and transit licences and for quota allocation, simplified customs procedures for secure trading partners, electronic submission of pre-arrival and pre-departure information, and several facilities for operators to obtain approvals electronically (CARM 2011a, pp. 8-12).

This paper analyses the effects of the implementation of two important measures for trade facilitation: the single window concept and simplified customs procedures in the Republic of Macedonia. The second part of the paper focuses on the implementation of the single window concept; in the next section, the simplified customs procedures in use in Macedonia and the criteria for their application are discussed. Details are then provided about the research questionnaire used, the data parameters, the results obtained,

and some additional issues arising from the research. The paper concludes with commentary on the feedback received from the Macedonian companies surveyed and provides some recommendations and guidelines for CARM to address measures currently in place in order to improve the facilitation of trade.

2. Implementation of a single window in the Republic of Macedonia

The project to develop a single window system in the Republic of Macedonia began in 2007 and became operational and compulsory for all users of import, export and transit licences and tariff quotas in 2009.

Implementation of the system, known as EXIM, as a tool for trade facilitation has had strong political support and will, and rules for its application that focus on the needs of the business community have been clearly defined (Kutirov 2009).

Legal aspects that arose during the implementation of EXIM were the need to establish an appropriate legal framework to enable electronic submission of documents, use of digital signatures and their authentication, enabling data exchange between government agencies taking into consideration the importance of business confidentiality, security and data protection.

Key legal instruments that enabled the introduction of the single window were the Law for General Administrative Procedure, the Law on Administrative Taxes and the Law for Data in Electronic Form (Dimitrovski 2008, p. 159). In addition to the amendments to these laws and several bylaws, the functioning of the single window is regulated by a 'Direction for implementation and application of the information system for data in electronic form and electronic signature during import, export and transit'. This Direction was introduced in 2008 and revised in 2011 (*Official Gazette* 2008, No. 134, pp. 1-2; 2011, No. 13).

The single window is managed by CARM in coordination with other government agencies that use the system. These include the Ministry for Interior through the Bureau for Public Safety, Ministry for Economy through the Bureau for Meteorology, Ministry for Environment and Physical Planning, Ministry for Agriculture through the Directorate for Seeds and Seeds Material, Phyto-sanitary Directorate and State Agricultural Inspectorate, Ministry for Health through the Bureau for Medicines and the State Sanitary and Health Inspectorate, Ministry for Culture through the Directorate for Protection of Cultural Heritage, Ministry for Transport and Communication through the State Transport Inspectorate, Food and Veterinary agency and the Directorate for Radiation Security (*Official Gazette* 2011, No. 13, pp. 3-4). Under CARM's leadership, 16 government agencies of the Republic of Macedonia are interconnected from which 61 licences can be obtained for import, export and transit (CARM 2011b). EXIM enables simple electronic creation of and single window application for all documents (licences, approvals and tariff quotas) needed to perform customs procedures for import, export and transit to and from Macedonia, with complete security and transparency for users and economic operators.

From CARM's point of view, the benefits and simplification in trade that have resulted from the implementation of EXIM are: enabling services to apply for a licence 24 hours a day, seven days a week; time and cost savings through electronic applications; increased efficiency and legal security in the process of licence approval; easier exchange of information resulting from the use of standardised and harmonised data; automated management of licence usage, and transparent tariff quota allocation (Kutirov 2009).

The benefits identified by economic operators following the implementation of the single window are: simple search mechanisms; straightforward procedures for obtaining a licence; resource savings (time, costs and human resources); improved communication; and contact with and resolution of problems by CARM as the responsible agency for its functioning (Kostovski 2011).

In December 2009, the United Nations Economic Commission for Europe (UNECE) recommended EXIM as a model for development of an electronic single window system for import and export licences

in the region, and suggested that the Macedonian experience should be included in the WCO's guidelines for the development of such systems in less developed countries (CARM 2010a, p. 8; 2011a, pp. 10-11).

The use of EXIM in the Republic of Macedonia is constantly growing. The number of licences issued in 2010 in comparison with 2009 showed an increase of 82%, with 52,081 licences being issued in 2010, compared with 28,632 in 2009. In 2011, the figure was 66,818 (CARM 2012, p. 20). There are 595 registered users of the system among which there is a large number of companies that act as customs representatives for thousands of clients (CARM 2011, p. 11).

The application of single window systems has been promoted as one of the most important solutions for trade facilitation and, in the same way, for ensuring its security. Undertaking an assessment of the operation of EXIM in the Republic of Macedonia was therefore considered of great importance, and was based on research that involved individual assessment by companies which used the system. The results of the research indicated that EXIM had helped to facilitate trade by speeding up the process of obtaining licences, providing savings in terms of time, human resources and costs, and generally, in facilitating the activities of economic operators. The research also served to identify problems, bottlenecks and potential solutions with the ultimate goal of facilitating global trade.

3. Implementation of simplified customs procedures in the Republic of Macedonia

The current customs law and the Direction for its implementation came into effect on 1 January 2006. Simplified customs procedures based on the revised customs law include: simplified procedures for declaring imports and exports, for local clearance of imports and exports, and for simplified transit. To be eligible for simplified customs procedures, the economic operator must be financially stable, demonstrate full compliance with customs and tax laws in the past three years, and have been engaged for at least two years in the activity for which simplification is being sought. Users of simplified customs procedures must also pledge an instrument guaranteeing customs duties (Guidelines 2010, pp. 4-8).

The simplified procedures for declaring imports and exports enable domestic traders to declare goods using a procedure that includes submitting simplified customs declarations electronically. This means that the application can be processed based on a declaration with minimum data or documentation, with additional information being provided by the declarant at the end of the accounting period (Guidelines 2010, pp. 33-37).

Users of these procedures may perform all customs formalities at their own premises or in other places approved by the customs authorities. This means that customs terminals no longer have to be used, and that there are no time/day constraints – the processes can be carried out at any time of day, on working and non-working days (Guidelines 2010, pp. 20-33). Local clearance lowers traders' costs, especially terminal costs and some forwarding costs. The ability to perform customs clearance procedures without the usual time constraints reduces the time taken for some transport operations and enables better planning of business activities.

Simplified procedures for local clearance are applied more for export than for import. This is because of the limiting factor of inspection controls applied to goods when imported into the country. Another limiting factor is that CARM is promoting the simplified procedures for those traders that at least 10 times a month register the same type of goods in a certain clearance procedure, as well as goods that can easily be classified in the nomenclature for control relief when needed (Customs/Newsletter 2009, pp. 14-15).

In 2008, CARM introduced the option of clearing goods at the time of border crossing or at any other time at the following border crossing points: Blace, Deve Bair, Delchevo, Novo Selo, Bogorodica and

Medzitlija (CARM 2012, p. 56). This simplified process is used more by exporters than importers because there is less presence of inspection agencies at border crossing points. Export clearance can be arranged 24 hours a day which reduces transport operations and avoids terminal costs (Customs/Newsletter 2009, p. 15).

In the second half of 2011, the inspection agencies for food and veterinary, for sanitary and phytosanitary control, and for agriculture introduced controls at border crossings. This saw an increase of 30% in the number of declarations submitted using the simplified procedures (CARM 2011, p. 19).

Two simplified procedures are available to perform transit operations in the Republic of Macedonia. Economic operators can apply to obtain the status of certified recipient and certified sender in relation to transit goods. The status of *certified recipient* enables the holder of the certificate to receive goods in transit in its own premises or in other designated places without the inspection of goods and the submission of a transit declaration to the customs authorities. The certified recipient must notify the customs authorities in advance for each import separately. However, for goods transiting with TIR carnet this simplified procedure cannot be applied (Guidelines 2010, pp. 16-20).

The status of *certified sender* enables the holder of the certificate to perform transit operations without the inspection of goods and the submission of a transit declaration to the customs authorities. This status can be used by entities which have been approved to use a general guarantee or have been approved for relief from the guarantee (Guidelines 2010, pp. 11-15).

Although there is increased interest, some restrictive factors and insufficient promotion of the simplified customs procedures by CARM, has meant that their application in the Republic of Macedonia has been limited. In 2010, 121 certificates for simplified procedures were approved and 29 operators had been granted approved exporter status (CARM 2011, p. 12). In the same year, the simplified procedures were used for 21% of all customs declarations – 15% of import declarations, and 33.7% of export declarations. In 2011, 27% of declarations were processed using the simplified procedures, of which 22% related to import and 36% to export. CARM suggests these data indicate that economic operators are accepting and applying simplified procedures because they expect greater efficiency through time savings and a reduction in costs for import, export and transit (CARM 2012, p. 22).

4. Research on the implementation of the single window concept and simplified customs procedures

For the Republic of Macedonia, a small, open and import-dependent country, the implementation of trade facilitation measures is an important and necessary process for improving its position on the international trade scene and realising higher rates of economic growth. Conducting research that assessed simplified trade facilitation measures and the benefits that economic operators should gain from their implementation has enabled further development and has been very important for the national economy, for the business community, and for the science of economics.

4.1 Research methodology

The objective of the research detailed in this paper was to assess and evaluate the efficiency of the trade facilitation measures undertaken by CARM with the implementation of the single window concept (EXIM), and with the application of simplified customs procedures. On this basis, a questionnaire was delivered to Macedonian companies that were actively involved in international trade. The research was carried out in 2011 and the data gathered were for the year 2010.

The evaluation of EXIM was carried out by ranking from one to five (1 to 5) eight characteristics of the system. The characteristics assessed were: speed of obtaining a licence, uncertainty of obtaining a licence, transparency of the procedure for obtaining a licence, obtaining information on tariff quota allocation,

speed of resolving problems and improved communication with the customs administration. A rank of 1 for a particular characteristic indicated that it was least favourable (slowest, most complicated, least safe, least certain, least transparent) and a rank of 5 meant it was most favourable (quickest, simplest, safest, most certain, most transparent).

Companies were asked to evaluate the level of facilitation they received with the application of the single window from the point of view of time, resources and finances saved. The respondents were asked to assess the following aspects: speed of the process of obtaining a licence, savings in time, human resources, and finances, and general facilitation of their work. The second part of the questionnaire referred to the simplified customs procedures. Initially, companies were asked whether they used the simplified customs procedures. If the companies did not use those procedures, they were asked to identify the reasons for not doing so and were offered seven possible reasons, for example, having no need, not knowing that they could use them, not being familiar with the procedure to obtain the approval, the length of procedures for obtaining approval, not knowing the benefits and simplification that could be derived, the possibility of being in the process of obtaining approval, or the large amount of customs guarantee needed to obtain approval to use the procedures.

Those companies that did not use simplified customs procedures were asked to provide the number of documents needed to perform a particular customs procedure, the number of signatures, the average number of hours, and the average financial costs for its realisation. The answers to these questions were used to calculate the average numbers of documents, signatures, hours taken, and the financial costs needed to perform the procedure. From these data, reasons for the costs were analysed and compared with similar data in other countries or groups of countries that had been examined in different studies and research in this field.

Those companies that had implemented the simplified customs procedures were asked the same questions about performing a particular customs procedure, and the data were similarly evaluated.

With the two sets of data, the variables needed to realise one regular and one simplified customs procedure were compared. The results from that comparison showed whether, with the application of simplified customs procedures, the number of documents, the number of signatures, the clearance time and the financial costs could be reduced.

The companies that had applied the simplified customs procedures were also asked to assess their application from a trade facilitation point of view. To do so, the companies evaluated five criteria: speed of the clearance process, savings in time, human resources, and financial costs, and general facilitation of the clearance process. Again, the criteria were ranked from one to five, as above. Evaluating the application of the simplified customs procedures provided an assessment of the level of trade facilitation that the companies had received with the application of those procedures and identified their overall level of satisfaction with them. Gathering these data was of great importance and enabled CARM to assess the effects of the trade facilitation measures promoted by the international trading community.

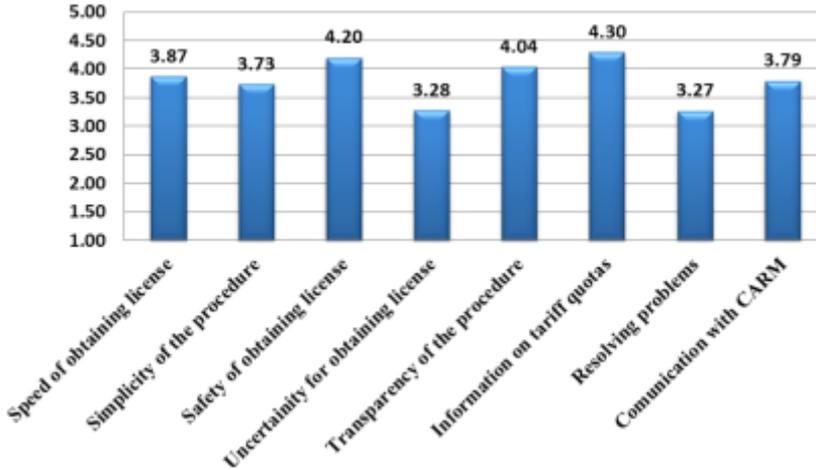
4.2 Data for the research

The random sample of companies that received the questionnaire was obtained from a list of 764 companies which, in 2010, were involved in international trade (both import and export) totalling more than USD1,000,000. This data was obtained from CARM, and was used to select a random representative sample of 211 companies, which received the questionnaire in June 2010. Responses to the questionnaires were collected through to December 2011. Responses were received from 67 companies, that is, a response rate of 32%. Around 80% of answers were received by mail and the remainder by direct interviews. The answers were run through the SPSS statistical system for data analysis and frequencies and descriptive statistics of the sample were calculated.

4.3 Research results

Table 1 shows the average ranks assigned to the evaluation of the eight characteristics of EXIM mentioned above.

Table 1: Evaluation of the characteristics of EXIM

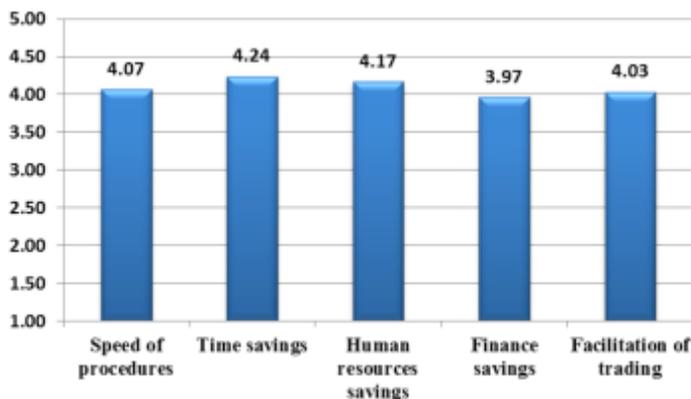


Source: Customs Administration of the Republic of Macedonia 2012.

As can be seen from Table 1, the lowest ranks received were for the criteria of uncertainty for obtaining licences and speed for resolving problems. The recommendation is that CARM should work on improving the ability to resolve problems more quickly and more efficiently, although in most cases they are technical problems such as issues with computer systems.

Table 2 shows the ranks allocated to the impact that EXIM was having on the overall facilitation of trading procedures.

Table 2: Evaluation of the impact of EXIM



Source: Customs Administration of the Republic of Macedonia 2012.

The average ranks received on the satisfaction of the Macedonian companies indicated that the users of EXIM received greatest facilitation of the trading process with savings in time and human resources. These savings have also had a flow-on effect in time saved in the process of obtaining licences for import, export and transit, and in the process of tariff quota allocation.

Similar results in time savings have been identified by many countries that have implemented single window systems. With the application of the single window in Mauritius, the clearance time has been reduced from an average of four hours to around 15 minutes. In Senegal, the users of the system can complete a particular procedure in a day which previously took two to three days (Korinek & Sourdin 2011, pp. 7-8).

Table 3: Correlation of the rankings from the influence of EXIM on trade facilitation

	Speed of procedures	Time savings	Human resources savings	Finance savings	Trade facilitation
Speed of procedures	1.00				
Time savings	0.766	1.00			
Human resources savings	0.724	0.847	1.00		
Finance savings	0.651	0.822	0.770	1.00	
Trade facilitation	0.800	0.930	0.876	0.830	1.00

Source: Customs Administration of the Republic of Macedonia.

A high level of correlation has been confirmed between the indicators for trade facilitation from the application of the single window system for obtaining licences and approvals for conducting import, export and transit procedures in the Republic of Macedonia.

The data on the application of simplified customs procedures indicated that 34.4% of the companies (23) had been using those procedures and 65.7% (44) had not. The analysis showed that some of the more important reasons for not applying for simplified customs procedures were: having no need (16 of 44 companies or 37.2%); being unfamiliar with the procedure for obtaining approval (6 of 44 companies or 14%); the lengthy procedure for obtaining approval (8 of 44 companies or 18.6%) and not knowing the benefits and simplification that can be obtained with their use (7 of 44 companies or 16.3%).

From the responses relating to the reasons for not applying for simplified customs procedures it was apparent that, for a significant number of companies, this was due to the lengthy application and approval process, and because they were not familiar with the benefits that could be obtained. These findings indicate that CARM should work on shortening the procedures for obtaining approval for simplified customs procedures and should more widely promote their benefits when used.

From the companies that did not apply simplified customs procedures, the following data was received: the average number of documents needed to perform one customs procedure was 5.97; the average number of signatures was 4.65; and the average financial cost was 3,300 denars.

Comparing the data received with similar data from other research studies, it could be seen that the average number of documents of 5.97 for realising one customs procedure was slightly more than the 5.3 documents needed for the OECD countries to realise one export transaction, and less than the 6.9 documents needed for the OECD countries to realise one import transaction. On a global level, the average number of documents for export was 7.4 and for import, 10.8 documents (Wilson 2006, p. 9).

The average number of signatures of 4.65 was higher than the average number of signatures needed for the OECD countries where it was 3.2 for one export procedure and 3.3 for one import procedure, but was less than the world average which for one export transaction was 11, and for one import transaction was 16.4 (Wilson 2006, p. 9).

Table 4 shows the responses from the companies using simplified customs procedures. The average number of documents needed to realise one customs procedure was found to be 3.92, the average number of signatures was 3.86, the average time was 6.77 hours and the average financial costs were 2,832.50 denars.

Table 4: Comparable data on average number of signatures, documents, hours and financial costs

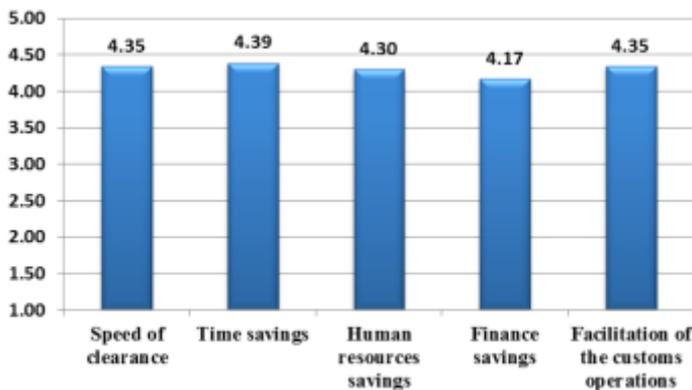
	No. of documents: import	No. of signatures: import	No. of documents: export	No. of signatures: export
OECD	6.9	3.3	5.3	3.2
World average	10.8	16.4	7.4	11.0
Macedonia	No. of documents	No. of signatures	Hours	Financial costs (in denars)
Regular customs procedure	5.97	4.65	20.00	3,300.00
Simplified customs procedure	3.92	3.86	6.77	2,832.50

Source: Wilson 2006, p. 9, and calculations by the author.

These data confirmed that with the application of simplified customs procedures, traders realised a reduction in all measured variables. The average number of documents had decreased by almost 2 documents, the average number of signatures had decreased by almost 1 signature, the average time by 13.23 hours, and the average financial costs had dropped by almost 500 denars.

The data indicated a reduction in time taken when the simplified customs procedures were used, which was promoted as their greatest benefit for users. Table 5 shows the impact of the use of those procedures and their influence on trade facilitation.

Table 5: Evaluation of the facilitation of customs operations with the application of simplified customs procedures



Source: Customs Administration of the Republic of Macedonia.

All rankings, except one, were higher than 4.30 and when compared to the maximum rank of 5, confirmed that the users of simplified customs procedures obtained significant benefits from their use. This indicates there is a high level of correlation between the savings and simplification obtained with the application of simplified customs procedures.

Table 6: Correlation of the assessments of the simplified customs procedures

	Speed of clearance	Time savings	Human resources savings	Financial costs savings	Facilitation of customs operations
Speed of clearance	1.00				
Time savings	0.898	1.00			
Human resources savings	0.778	0.851	1.00		
Financial costs savings	0.773	0.699	0.657	1.00	
Facilitation of customs operations	0.906	0.898	0.861	0.898	1.00

Source: Customs Administration of the Republic of Macedonia.

4.4 Additional implications of the research results

Around 20% or 15 questionnaires were answered by personal interviews with the responsible persons in the companies. From that interview process additional insight was derived from their situations which, on the one hand, indicated the limited abilities of the questionnaire and the difficulty in covering all situations in practice, and on the other hand, provided additional knowledge about certain processes and activities that are important for trade facilitation.

Companies reported several problems with the application of the single window in the Republic of Macedonia. Those companies that evaluated the characteristics of EXIM and its influence on trade facilitation with lower ranks indicated that the process of obtaining import, export and transit licences was complicated by the need to file the complete documentation in paper format after obtaining the licence electronically. This means that at the time the companies require a certain licence for import, export or transit for the goods, they receive the licence requested through EXIM but later need to file the complete documentation in hardcopy. According to those companies, this way of working was an unnecessary burden and complicated the process.

Companies that use EXIM indicated dissatisfaction with technical problems such as ‘crashes’ in the computer system of CARM and the fact that such problems were not resolved quickly.

Some companies indicated certain problems with tariff classification of the goods and situations where, because of inappropriate tariff classification, the system may show that a licence or an authorisation is needed for a certain type of goods. Accordingly, it was suggested that CARM should put additional effort into clarifying the tariff classification of the goods in EXIM.

Those companies that were interested in implementing the simplified procedures indicated there was a problem with the large amount of customs guarantee and the significant amount of money ‘tied up’ for that purpose which limited their possibilities for business. Because of this, some companies were using the simplified customs procedures through their forwarding agents that have the necessary authorisation. This redirects the problem to the forwarding agencies and impacts on the possible competition between them to win more clients. Those forwarding agencies that can support larger amounts of customs guarantee can perform customs clearance operations for greater numbers of clients. This suggests a likely consolidation of the forwarding companies in the Republic of Macedonia for more successful use of the trade facilitation measures.

Some companies indicated that insufficient use of simplified customs procedures results from the fact that CARM has promoted these procedures to companies that trade in goods that fall to five or six tariff classifications. At these companies customs control could be performed much more easily. This should be reconsidered because there should be a way for all companies, especially those that import and export a wide assortment of trading goods, to equally be able to use the simplified customs procedures.

Companies that import medicines and medical equipment and devices indicated that because of the large number of licences needed to import the goods, the procedure for implementing simplified customs procedures was more complicated than the simplification benefits they would gain.

Companies that utilised simplified customs procedures indicated their uncertainty in interpreting the question relating to the number of signatures needed to conduct simplified customs procedures with the probability that mistakes may have been made. For example, some companies responded that only one signature was needed for simplified customs procedures but, with additional cross checking, it was confirmed that one person in the company is authorised to sign all the documents and that this person needs to provide more than one signature.

Finally, it was found that the use of simplified customs procedures does not add to financial costs. The single most important cost in this regard is the wage of the person in the company who is authorised to handle these procedures.

5. Conclusions

Results from the research on the implementation of trade facilitation measures in the Republic of Macedonia have shown that the companies evaluate positively the application of the single window for obtaining licences and for tariff quota allocation. The greatest benefit realised by the users of the single window has been the savings in time and human resources.

The findings relating to the application of simplified customs procedures in the Republic of Macedonia also indicate positive results. All measured variables: average number of documents, signatures, hours, and financial costs, have resulted in reductions compared to regular customs procedures.

The largest reduction as a result of using simplified customs procedures that has been realised is the average number of hours: reducing from 20 hours needed for the regular customs procedure to 6.77 hours for the simplified procedure. Recent studies indicate that a 10% saving in time in preparing to export may result in an increase in exports of 4%, and that each additional day that the goods are held pending clearance decreases trade by at least 1% (Djankov, Freud & Pham 2006, p. 17). Comparing the 13.23 hours saved in simplified customs procedures with the 20 hours needed for regular customs procedures, indicates a time reduction of 66.15% could be achieved. It was not possible to compare the data on the calculated time and time savings because, in the case of the Republic of Macedonia, a separate calculation of the time for import and for export was not made, nor was the complete time associated with preparation for export measured, as was done in research by the World Bank. Only the time for one particular customs clearance procedure was measured. Nevertheless, the potential time saved should not be underestimated. The reduction of 66.15% of the time needed for one simplified customs procedure indicates that this trade facilitation measure may have a significant influence on increasing trade and especially exports.

The time savings that result from the application of simplified customs procedures have been confirmed by the Macedonian companies' evaluation of the influence of these procedures on the trading process. Overall, the companies evaluated positively all variables, with the savings in time assessed as providing the highest level of satisfaction for traders.

The unnecessary retention of goods at border crossing points or in customs terminals was found to burden traders with additional costs and has a negative impact on trade. Promoting simplified customs procedures is one way to speed up the flow of goods which should in turn help to increase exports.

Increasing the number of users of simplified customs procedures would be a positive outcome for CARM and for traders. For CARM, it would mean increasing the number of safe trading partners and redirecting the resources to less secure and higher risk fields. For the representatives of the business community, the application of simplified customs procedures should mean simplification of the trading process and activities. Improving customs procedures and increasing the efficiency of the domestic customs administration would also serve to facilitate trade for Macedonia's trading partners.

Taking into consideration the fact that Macedonia is a landlocked country, increasing the efficiency of customs procedures gains more importance when looked at from a regional perspective. Landlocked countries are highly dependent on trade by air and road, and due to the limited use of air transport, transportation by trucks gains further importance for Macedonian importers and exporters. This suggests a necessity to undertake initiatives at a regional level to facilitate trade, which may be achieved by undertaking concrete activities and trade facilitation measures in the framework of the Central European Free Trade Agreement (CEFTA) 2006.

The responses to the questionnaire and the follow-up clarification by interview indicate that in Macedonia there is still considerable opportunity to introduce further trade facilitation measures. It is apparent that CARM should work to reduce the formalities for conducting customs procedures, make greater use of electronic documents, find a way to authorise more companies to utilise the simplified customs procedures, apply different measures for modernisation, and increase its efficiency to meet the needs of the business community. This research serves to confirm that introduction of trade facilitation measures is necessary for assisting Macedonian companies to compete more effectively in the international marketplace, noting that, by increasing trade, positive economic outcomes in other areas may be realised.

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