

INNOVATIONS

Acquiescence or Cooperation: Understanding the Administration and Cumulative Expectation of Trade Facilitation Agreement on Revenue Generation in The Gambia

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Abstract : Over the years in the Gambia, the ineffective trade practices including and not limited to inadequate transportation infrastructure and technology, the undue process of documentation, lack of clear definition of roles for the government agencies involved in the clearance process have been cogs in the wheel of economic development of the country. The undue delays and the other problems highlighted above have led to a hike in the prices of basic commodities in the market. To further aggravate this problem, the net income of the average earning in the country is at a high deficit level when compared to expenditure requirements of small and big households, the result of which is inflation, low trade flow, and ultimately low revenue for the government. This has made the Gambia embrace harmonization of trade laws and policies; simplification of trade processes. The study analyzes how the harmonization of trade laws and policies, simplification of trade processes and the use of technology impact the revenue collection function of the Customs and Excise Department of The Gambia Revenue Authority (GRA) and identifies the challenges facing trade facilitation and stakeholders' engagement in The Gambia. Structural Equation Modeling was used to analyze the structural relationship between the measured variable and latent constructs. In so doing, Root Mean Square Error (RMSEA), the Normed Fit Index (NFI), the Comparative Fit Index (CFI), and Goodness of Fit Index (GFI) are used to ascertain the model fitness and normal distribution of the data. Similarly, regression weights and P-values were used to measure the exact effect of predictor variables on the dependent variable. The study showed that all three predictor variables Simplification of trade policies and procedures, Harmonization of trade laws and Use of Technology have positive and significant effects on Revenue Mobilized by GRA. For Simplification, Harmonization and Use of technology, their respective effects on revenue generation were found to be .361, .359 and .139 respectively, in all cases, the P-values obtained were $\leq .05$. This is to say that all three relationships were positive and significant at .000 for all three variables.

Keywords: 1. Simplification 2. Harmonization 3. Trade

Introduction

The concept of trade facilitation has been around since the beginning of trade and exploration (Orliac T., 2012). However, the term trade facilitation as the World Trade Organization's (WTO) instrument of economic cooperation emanated from the trading barriers that characterized ancient generations. This is to say that trade facilitation is meant to address the impediments of easy movement of goods and services that every generation of trade has encountered. For example, in 1960, trade facilitation took the form of exploring innovative trading routes to shorten trading distances. It is therefore to move more goods easier and in a short period (Staples, 1998). This was why explorers such as Alvisco de Canamosto and Vasco de Gama set out to find new trading routes.

Due to the enormous improvement in the basic facets such as technology and transportation that underlined trade among people and regions, the concept of trade facilitation has changed over time. (Sengupta, 2006). As a result of the improvements in the transportation and governance systems, the focus of trade facilitation systematically shifted from finding shorter trading routes to addressing tariff and non-tariff barriers. This was followed by the need to confront certain border and customs procedures such as clearance, documentation, and transit of goods. The newest addition to the trade facilitation basket is the digitalization of trade by the use of Information Communication Technology (ICT) to strengthen cooperation among border operators. It is in light of the above that numerous international organizations such as the World Trade Organizations WTO, the World Customs Organizations WCO among others exist to provide platforms for agreements and implementation of rules and plans geared towards simplification of trade (Miroudot et al., 2009). A lot of empirical evidence has shown that the cost related to the movement of goods is ever-increasing (Anderson and Van Wincoop, 2004). Trade cost characterizing the international trade encompasses transaction cost related to transport and insurance of traded goods, policy cost associated with tariff and non-tariff barriers, administrative cost related to bureaucracy and red-tapism and finally local distribution cost including transfer of goods from importer to final consumers. The aforesaid trade cost necessitates the promulgation of globally accepted protocols to mitigate the trade bottlenecks key among which are the Trade Facilitation Agreement and The Revised Kyoto Convention. Customs administrations and other related bodies the world over are under enormous pressure to keep abreast with the ever-changing nature of trade and trade procedures, and most importantly mobilization of revenue for national development while also maintaining their traditional role of border security and compliance issues (Orliac, 2012). It is due to this dual role that The Gambia Revenue Authority (GRA) set out a section call trade facilitation under the technical support and monitoring unit to effectively keep up with the complexities of trade facilitation.

The problems of ineffective trade practices including and not limited to inadequate transportation infrastructure and technology, the undue process of documentation, lack of clear definition of roles for the government agencies involved in the clearance process has significantly affected the trade prospects of the Gambia. It is estimated by Buyonge and Kireeva (2008) that a single day delay of regionally traded products in customs, regional trade is reduced by 1 percent which further accounts for 10 percent export cost in the sub-continental trade. Similarly, the undue delays and the other problems highlighted above have led to a hike in the prices of basic commodities in the market. To further aggravate this problem, the net income of the average earning in the country is at a high deficit level when compared to expenditure requirements of small and big households, the result of which is inflation, low trade flow, and ultimately low revenue for the government. It cannot be

contested that the economic development of African countries, The Gambia included depends partly on trade. Therefore, Buyonge and Kireeva (2008), reduction of trade transaction cost and customs reforms (the elements of trade facilitation) are pertinent to addressing trade deficits to harness the full potential trade benefits. This paper, therefore, is to analyze how the harmonization of trade laws and policies, simplification of trade processes and the use of technology impact the revenue collection function of the Customs and Excise Department of The Gambia Revenue Authority (GRA) and identify the challenges facing trade facilitation and stakeholders' engagement in The Gambia.

Hypothesis

H₀: There is no significant relationship between trade facilitation and revenue generation in the Gambia.

H₁: There is a significant relationship between trade facilitation and revenue generation in the Gambia. Explanatory Factor Analysis (EFA) of Structural Equation Modelling is relied on to conclude the research hypothesis.

Methodological Framework

The overall objective of this research is to decipher the complexities of the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) at the Bali Ministerial Conference in 2013. The paper intends to take a deep dive into the details of the agreement as it relates to The Gambia Customs and excise department. Therefore, Customs officers both in the field and in the Gambian Revenue Authority (GRA) headquarters; and officers of the Ministry of Trade and Regional Integration are the target of the paper. The customs and excise department is a branch of The Gambia Revenue Authority since its amalgamation with the income tax department in 2006. It is mandated to collect taxes and duties from international trade as due to the government, it has the responsibility of preventing the importation of illegal goods and the smuggling of goods across international borders without undue delay to legitimate trade. The Customs and Excise Department also have the responsibility of facilitating international trade under the Trade Facilitation Agreement ratified by the Gambian Government in 2017. The customs and exercise department are headed by the Commissioner of Customs. The department is composed of three units namely, Technical Support and Monitoring, Operations, and Enforcement. Each of the units is headed by a deputy commissioner and further divided into numerous sections. There are Valuation, Tariff and Classification, Trade Facilitation, Rules of Origin and Duty Deferral units under the Technical Support and Monitoring; the seven land border stations namely Amdalai, Farrafenni, Basse, Soma, Joboro, Tanji, and Bansang under the Operations Unit; and the Intelligence and investigation, the Post Clearance Audit and Mobile Brigade sections under the enforcement unit. For thoroughness, respondents are drawn from all sections of the department. As the ministry responsible for trade and regional Integration, the ministry of trade and regional integration cannot be left out in the survey. The ministry reserves the power of the government to formulate trade policies and enter into international and regional trade agreements and negotiate trade deals. As such respondents were also drawn from the ministry of trade. Another target group of respondents is the clearing and forwarding agencies and shipping agents.

The target population of this paper is defined to include the stakeholders of trade facilitation in The Gambia i.e., Customs and Excise Department of The Gambia Revenue Authority, Ministry of Trade and Regional integration, Administrative Staff of The Gambia Port Authority, Shipping Agencies and Clearing and Forwarding Agencies in the greater Banjul

area. Due to the technicality of the subject matter, not all staff of the different strata are targeted for data collection. However, the whole population of two of the strata (GPA and Ministry of Trade) was sampled due to their small size. A pilot study conducted on the research population in March 2020 revealed that the Customs and Excise Department consists of two hundred and twenty (220) staff, Administrative staff of the Ministry of Trade consist of six (6) staff, Administrative staff of The Gambia Ports Authority consist of twenty-five (25) staff, the total of all staff of six (6) shipping agencies is seventy-two (72) and the total of all staff of eighty-eight (88) clearing agencies is one hundred and seventy-six (176) staff taking the total population to four hundred and ninety-nine 499.

The paper adopted a stratified sampling technique. The populations of interest were divided into different strata (customs strata, ministry of trade strata, shipping agencies strata and clearing agents' strata), then a probability sample called a simple random sample is drawn from each group. Besides the imperativeness of adopting a stratified sampling technique for this paper, the method is credited as a very important if not the best sampling technique for the study of this nature. For one thing, stratified sampling offers the author the ability to reduce the sample size to achieve the much-needed precision and *vis visa*. Considering the large population size which cannot all be surveyed, only a portion of the population (sample size) selected through a stratified sampling process shall constitute the group of study. The selection of the number of respondents from each stratum is informed by the variation of the total number of people in the different strata. The number of respondents sampled from each stratum is to reflect the total number of people in that stratum. Since the Customs Department is the largest of all the strata, a sample of 80 respondents is drawn from there. This is followed by Clearing and Forwarding Agents' strata where a random sample of 30 respondents is drawn from. A sample of 40 respondents is also drawn from the shipping agencies' strata. The whole population of GPA and the ministry of Trade is included in the sample size. This takes the sample of the population to a total of one hundred and eighty-one (181) respondents which represents 37 percent of the research population.

World Trade Organization (WTO) Trade Facilitation Agreement

The idea of trade facilitation in the 19th century began in Singapore in 1996. It was in the launching of the WTO ministerial conference that this topic emerged. During the conference, the WTO, as the parent body, alongside the United Nations Conference on Trade and Development (UNCTAD), International Monetary Fund (IMF), and UNCEC, produced a checklist of the main issues and solutions of the symposium into five broad areas. These areas include documentation requirements, official procedures, automation and use of Information Technology (IT), Transparency, predictability and consistency and modernization of border administration.

Following the Singapore conference in 1996, another ministerial conference was held in Doha, Qatar in 2001. The conference in Doha brought about trade facilitation negotiations agenda for review by the Council for Trade in Goods (CTG). During the review, articles V, VIII, and X of the 1994 General Agreement on Tariffs and Trade (GATT) were clarified and improved. The review put into consideration the high need of identifying trade facilitation needs and priorities of members paying attention to the least developed countries by ensuring the provision of technical assistance and capacity build is realized. The most significant contribution to the trade facilitation agenda is the Trade Negotiations Committee (TNC) in 2004. The work of TNC led to WTO adopting an agreement on trade facilitation under the Bali package in December 2013.

WTO members concluded negotiations at the 2013 Bali Ministerial Conference on the landmark Trade Facilitation Agreement (TFA), which entered into force on 22 February 2017 following its ratification by two-thirds of the WTO membership. The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area. There exist numerous definitions of trade facilitation, some taking a very narrow stance focusing mainly on “public sector procedures” whereas others take a broader perspective, including numerous private issues besides public procedures. However, the most widely used definition of trade facilitation is the one advanced by the World Trade Organization (WTO).

Trade facilitation is a global issue that has captured the attention of many stakeholders and international organizations. To the WTO, trade facilitation is “the simplification and harmonization of international trade procedures (including) activities practices and formalities collecting, presenting, communicating and processing data required for the movement of goods in the international trade” (Hoekman and Kostechi, 2001). According to the WTO negotiations in 2011, the above definition was confined to the activities of the public sector involvement. (WTO TFA, 2017) Organization Economic Cooperation and Development (OECD) describes trade facilitation as “the simplification and standardization of procedures and associated information flows required to move goods internationally from buyer to seller and to pass payment in the other direction” (OECD report, 2005). This position is very broad as it encompasses not only the public procedure but also the private individuals (buyers and sellers). In the same vein, the submissions advanced by the World Bank give even a broader view of trade facilitation including pertinent policy details besides public and private issues (Customs reforms, regulatory frameworks, logistics, and infrastructure). Similarly, popular submission of trade facilitation is the one advanced by the United Nation Economic Commission for Europe (UNECE) who explained that trade facilitation is a “comprehensive and integrated approach to reducing the complexity and cost of the trade transaction process, and ensuring that all these activities can take place in an efficient transparent and predictable manner based on internationally accepted norms, standards and best practices” the definition advanced by UN/CEFACT is in conformity with OECD that describes trade facilitation as the “simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payments”. The Global Facilitation Partnership for Transportation and Trade (GFPTT) views trade facilitation as any measure taken to improve the effectiveness of international trade transactions.

A critical look at all those positions above unveils that certain characteristics are central to this submission (harmonization of trade procedures, Simplification of trade process and procedures and the use of technology) they are therefore grounds for agreement as to what trade facilitation is. For this reason, trade facilitation in this paper is conceptualized as policies, procedures, and activities geared towards reducing the cost and time of moving goods between nation-states.

The increasing need for countries to implement Free Trade Agreement is precipitated by the significant increase in globalization and liberalization of world economies resulting in growing complexity in cross-border trade which is accredited to the multiple state agencies involved in transnational logistics (Seck, 2016).

Given its strategic location, The Gambia has undertaken concerted efforts to upgrade its infrastructure and technology platforms as well as set up of policy framework to facilitate cross-border trade and international trade. The overall objective of trade facilitation,

according to WTO, is to efficiently apply trade rules and regulations. The application of these rules and regulations, which is devised by the WTO, involves using measures with the overall aim of reducing trade transaction costs in cross-border trade. In other words, the process and procedures that govern the movement of goods across the border with the primary aim of reducing associated costs and maximize efficiency as well as protecting legitimate regulations are what is referred to as trade facilitation Beverelli, Neumueller & Teh, (2015). Core on the agenda of WTO's mission is trade facilitation which, as asserted by WTO, helps in promoting and simplifying cross-border trade.

Several kinds of research on trade facilitation identified numerous problems associated with its achievement. Research conducted by OECD, (2005a) pointed out customs and administrative procedures as barriers impeding the success of trade facilitation. The research by (Allen, 2009) further identified administering regulation costs countries billions in international trade each year. Trade facilitation introduces great benefits to international trade; such gains incur a huge cost including and not limited to implementation cost and regulation cost especially for developing countries. Research conducted by Duval (2006a) identified single windows initiative, risk management, and post-audit policies as the costliest implementation policies of effective movement of goods around the world. The availability of implementation is one that was rated not so costly.

On the bright side, trade facilitation brings with it considerable benefits that cut across a wide range of sectors and individuals especially customs and traders. (Hellqvist 2003). A growing empirical literature has attempted to shed light on the gains of trade facilitation. The empirical literature below sums up the different research conducted on the benefits of trade facilitation so far. The literature relied on different methodologies, models and regions or countries of interest to generate a concrete result on the subject.

Theoretical Framework Analysis

A theoretical framework is very crucial in deductive and theory testing kinds of research, but also very useful in explanatory research. The main purpose of this paper is to determine how Gambia's accession to the WTO Trade Facilitation Agreement affects the in and outflow of goods in The Gambia, and how such increase or decrease revenue generated from trade in The Gambia. Therefore, in this paper, we proposed that Trade Facilitation positively affects revenue generation in The Gambia. In this regard, we theorize that Revenue Generation is a function of Trade facilitation. We use Simplification, Harmonization and Use of Technology as the proxies for measuring Trade Facilitation. The theoretical framework is to strike a balance between what is known and what is not known such that the relationship between the interrelated concepts is well worked out. The theoretical framework from this standpoint intends to explain the variation of dependent (Revenue Generation in the Gambia) using latent constructs (simplification, harmonization, and Use of Technology) as explained above. In Summary, the research intends to measure the statistical relationship between the Trade Facilitation Agreement and Revenue Generation in the Gambia using Simplification, Harmonization and Use of technology as the proxies for measuring Trade Facilitation. In this relationship, revenue generation is the dependent variable or outcome variable; and Simplification, Harmonization and Use of Technology are the independent variables or predictor variables. The model below theorizes the proposed casual relationships between the dependent variable (Revenue Generation) and independent variables (Simplification, Harmonization and Use of Technology). It represents how the variables interrelate to explain the theory. The model is used to assess unobserved latent constructs as shown below.

$$RG = \alpha_{10} + \beta_1 S + \beta_2 H + \beta_3 T + e \dots (1)$$

$$S = \alpha_{20} + \beta_{21} S1 + \beta_{22} S2 + \beta_{23} S3 + e \dots (2)$$

$$H = \alpha_{30} + \beta_{31} H1 + \beta_{32} H2 + \beta_{33} H3 + \beta_{34} H4 + e \dots (3)$$

$$T = \alpha_{40} + \beta_{41} T1 + \beta_{42} T2 + \beta_{43} T3 + e \dots (4)$$

Where α = Constant (population Y intercept), β = population Slope Coefficient, e =error term,

In the model above, equation 1 represents the **latent variables** where:

RG= Revenue Generation, dependent Variable

S= Simplification, Independent Variable 1

H= Harmonization of Trade Laws, Independent Variable 2

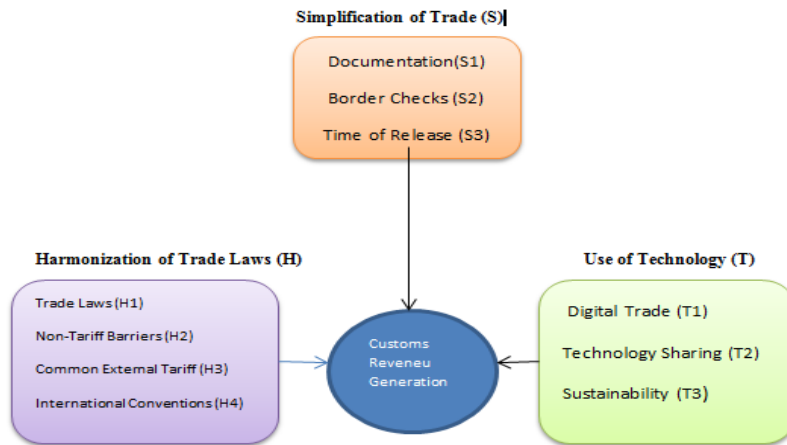
T= Use of Technology, Independent Variable 3

Equations 2,3 and 4 represents the **observed variables** of the respective latent variables i.e. the measurement items of each of the dependent variables as shown in the table below.

Table 1: Observe Variables

Simplification (S)	Harmonization (H)	Use of Technology (T)
S1= Documentation	H1= Trade Laws	T1= Digital Trade
S2= Border Checks	H2= Nontariff Barriers	T2= Technology Sharing
S3= Time of Release	H3=Common External Tariff (CET)	T3= Sustainability
	H4=International Conventions	

Figure 1



Source: Author, 2021

The said relationship is diagrammed as follows.

Figure 2:

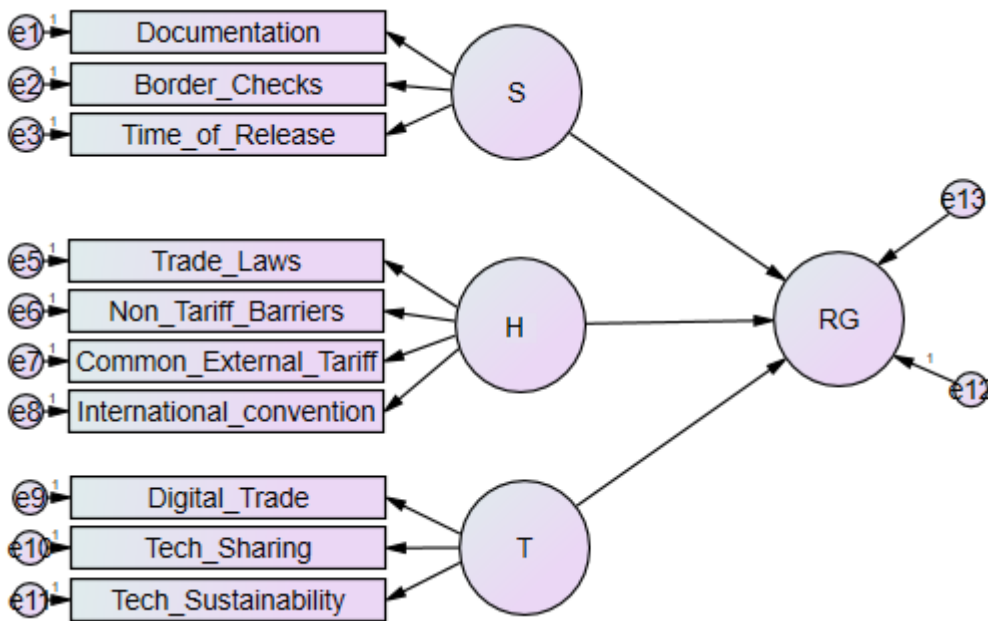


Figure 2.2: Theoretical Model

Source: Author, 2021

The Impact of the Ratification of the Trade Facilitation Agreement on the Revenue Generation of The Gambia

Table 2 below depicts the frequency distribution of respondents' answers to 10 questions that elicited information regarding the effects of The WTO TFA on The Gambian revenue generation. The table shows that a total of all 179 respondents strongly agreed and agreed that ratification of the WTO TFA will improve procedures and controls governing the movement of goods across national borders in the Gambia.

Furthermore, a total of 166 (92.6 percent) strongly agreed and agreed that trade facilitation will reduce costs related to the movement of goods across national borders. Only 13 respondents (7.3 percent) disagreed with the said assertion. When it comes to Simplifying the technical and legal procedures for products entering or leaving a country to be traded internationally, a total of 176 respondents (89.3 percent) strongly agreed and agreed that trade the WTO TFA will indeed lead to simplification of the technical and legal procedures for products entering or leaving a country to be traded internationally. The remaining 3 respondents (1.7 percent) strongly disagreed.

A total of 166 strongly agreed and agreed that the WTO TFA will increase the economic welfare of traders and consumers in the Gambia. The remaining 13 respondents were undecided on the issue. Asked whether or not WTO TFA will address specific procedural hurdles that hinder the swift movement of goods across borders, all 179 respondents strongly agreed and agreed that the WTO TFA will indeed address specific procedural hurdles that hinder the swift movement of goods across borders.

With regards to Improving the speed and efficiency of border procedures, all 179 respondents again strongly agreed and agreed that the WTO TFA can lead to Improving the speed and efficiency of border procedures. Furthermore, a total of 121 (67.6 percent) strongly agreed and agreed that the WTO TFA will allow better access for businesses to production inputs from abroad and support greater participation in global value chains (GVCs). Another 6 respondents (3.4 percent) disagreed with the said assertion. The remaining 52 respondents (29.1 percent) could not decide on the issue.

A total of 163 (91 percent) respondents strongly agree and agree that the implementation of the WTO TFA will help small firms in the Gambia to participate in international trade. Only 3 respondents (1.7 percent) disagreed with the imposition. The remaining 13 respondents (7.3 percent) remained undecided. A total of 166 respondents (93 percent) strongly agreed and agreed that the WTO TFA when implemented in the Gambia will ensure international cooperation among countries and trading agencies. The remaining 13 respondents (7.3 percent) could not decide on the issue.

Finally, a total of 166 respondents (92.7 percent) strongly agreed and agreed that the ETO TFA will help facilitate easy transit of goods to other countries. The remaining 13 respondents (7.3 percent) were undecided on the issue.

Table 2: Frequency Distribution of Impact of the Ratification of the TFA in The Revenue Generation of The Gambia

NO.	ITEM	SCALE				
		Strongly Agree(1)	Agree(2)	Undecided(3)	Disagree(4)	Strongly Disagree(5)
1.	Improvement of procedures and controls governing the movement of	166 (92.7)	13 (7.3)	-	-	-

	goods across national borders.					
2.	To reduce costs related to the movement of goods across national borders	128(71.5)	38(21.2)		13(7.3)	
3.	Simplify the technical and legal procedures for products entering or leaving a country to be traded internationally.	100 (56.8)	76 (42.5)			3 (1.7)
4.	WTO TFA can increase economic welfare of traders and consumers	102(57)	64(35.8)	13(7.3)		
5.	to address specific procedural hurdles that hinders the swift movement of goods across borders	140 (78.2)	39 (21.8)			
6.	Improving the speed and efficiency of border procedures.	103 (57.5)	76 (42.5)			
7.	Allowing better access for businesses to production inputs from abroad and supporting greater participation in global value chains (GVCs).	45 (25.1)	76 (42.5)	52 (29.1)	6 (3.4)	
8.	To help smaller firms participate in international trade	60(33.5)	103(57.5)	13(7.3)	3(1.7)	
9.	Ensuring international cooperation among countries and trading agencies	103(57.5)	63(35.2)	13(7.3)		
10.	Facilitate easy transit of goods to other countries.	128(71.5)	38(21.2)	13(7.3)		
	Total Percentages	63.9%	34.8%	1.3%	0	0

Source: Fieldwork 2020

A tabulation of the total percentages of all the questionnaire items for this paper indicates that a total of 63.9 percent strongly agreed to all ten items proposed as benefits of trade

facilitation to the revenue mobilization in the Gambia. Similarly, a total of 34.8 percent also agreed to the ten items proposed to benefit revenue mobilization in The Gambia. The remaining 1.3 percent were undecided on the issue. Based on the above analysis, it is safe to conclude that trade facilitation greatly benefits revenue mobilization in The Gambia. This finding is supported by numerous other researches of similar objective such as Taylor, et al., (2011) who found that trade facilitation intra-APEC trade could increase by Dollar 254 billion, or 21 percent of intra-APEC trade flows. Similarly, Perera (2017) analysing the effect of Trade Facilitation (TFA) on Trade Transaction Cost (TTCs) in South Asia found that reduction of TTCs as a result of Trade Facilitation affects positively on economic development. Sakyi (2020) also analysed the effects of trade facilitation on the economic growth of Africa using an augmented growth model. Their researches suggest that trade facilitation serves as an important channel through which trade affects economic growth. Taneja N, (2004) in analysing the issues and concerns of trade facilitation found that focusing on trade facilitation will indeed reduce transaction cost of exports and imports, remove uncertainties in trade and lead to increased trades and investments.

Harmonization of Trade Laws and Policies, Simplification of Trade Processes and the Use of Technology: Its Impact on Revenue Collection in the Gambia.

Explanatory factor analysis of Structural Equation Modelling was used to examine the hypothesized relationship between the observed and latent variables to specify the factor loadings of each particular measure of the model construct (Yang,et al, 2015). As shown in Table 3 below, the 12 scale items measuring revenue generation, simplification of procedures, harmonization of trade laws and Use of Technology were estimated using the maximum likelihood estimation method in Amos:23.

Based on the standardized path coefficients of the structural equation shown in table 3below, all the factors (simplification of procedures, harmonization of trade laws and use of technology) showed a linear relationship with revenue mobilization at significant levels as was obtained in the literature.The Path coefficient of simplification was .361 (P = .000), harmonization was .359 (P = .000) and use of Technology was .139 (P= .000). this stands to explain that for every unit increase in Simplification of procedures, harmonization of trade laws and use of technology, revenue generation by the Gambia Revenue Authority will increase .361, .359 and .139 respectively.

Table 3: Model Regression Weights

			<i>Estimate</i>	<i>S.E.</i>	<i>C.R.</i>	<i>P</i>	<i>Label</i>
<i>Revenue_generation</i>	<---	Simplification	.361	.039	9.171	***	
<i>Revenue_generation</i>	<---	Harmonization	.359	.057	6.301	***	
<i>Revenue_generation</i>	<---	Use_of_technology	.139	.018	7.594	***	

Table Notes: SE= Standard Error, CR= Critical Ration, P= P-Values
Source: Fieldwork 2021

Table 4 below shows the covariance estimates (the inter-relationship between the three independent variables). The data shows that there is a positive significant relationship between all independent variables with Simplification and Use of Technology showing the highest factor loading of .388. the relationship between Harmonization and Simplification came out .109 at the significant level .000. the relationship between Harmonization and Use of Technology and is .333 at the significant level of .000

Table 4: Covariance Matrix

			<i>Estimate</i>	<i>S.E.</i>	<i>C.R.</i>	<i>P</i>	<i>Label</i>
<i>Simplification</i>	<-->	Harmonization	.109	.037	2.957	.003	
<i>Harmonization</i>	<-->	Use_of_technology	.333	.083	4.006	***	
<i>Simplification</i>	<-->	Use_of_technology	.388	.116	3.332	***	

Table Notes: SE= Standard Error, CR= Critical Ration, P= P-Values

Source: Fieldwork 2021

Measurement of Model Fit

The measurement relied on the following goodness-of-fit indices for judgment, CMN/DF, Root Mean Square Error of Approximation (RMSEA), Normal Fit Index (NFI), Comparative Fix Index (CFI), Goodness of Fit Index (GFI) and Significant Value (P). The following goodness-of-fit indices were obtained: CMN/DF=35.752, RMSEA= .042, GFI, .090, NFI= .095, CFI= .088 and p= .000. These values are indicative of a good model fit as was explained earlier in this article

Table 4: CMIN Values

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	10	.000	0		
Saturated model	10	.000	0		
Independence model	4	214.507	6	.000	35.751

Table 5: RMR and GFI Values

Model	RMR	GFI	AGFI	PGFI
Default model	.000	.090		
Saturated model	.000	.090		
Independence model	.309	.628	.380	.377

Source: Fieldwork 2021

Table 6: Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.095		1.000		.088
Saturated model	.095		1.000		.088
Independence model	.000	.000	.000	.000	.000

Source: Fieldwork 2021

Table 7: RMSEA values

Model	RMSEA	LO 90	HI 90	PCLOSE
Independence model	.042	.392	.494	.000

Source: Fieldwork 2021

Challenges of Trade Facilitation Agreement in the Gambia

Table 8 below shows the frequency distribution of 179 respondents' answers to 6 questions designed to elicit information relating to challenges of the implementation of Trade facilitation in the Gambia. A total of 135 respondents (75.4 percent) strongly agreed and agreed that Customs delays and poor administration are factors affecting the successful implementation of trade facilitation agreement is a problem affecting trade facilitation in the Gambia. Only 5 respondents (2.8 percent) disagreed, and the remaining 2.8 percent of the respondents were undecided.

Furthermore, a total of 173 respondents (75.4 percent) strongly agreed and agreed that insufficient transportation and communications systems are factors affecting trade facilitation in the Gambia are indeed a problem affecting trade facilitation in the Gambia. The remaining 3.3 percent (6 respondents) disagreed. When it comes to the problem of bureaucratic procedural activities are factors affecting the implementation of the trade facilitation agreement, a total of 155 respondents (86.6 percent) strongly agreed and agreed that the imposition is indeed a valid one. A total of 11 respondents constituting 6.2 percent strongly disagreed and disagreed with the assertion. The remaining 7.3 percent were undecided on the issue.

Regarding inadequate coordination between government agencies as a factor impeding the success of the trade facilitation agreement in the Gambia, a total of 137 respondents (74.6 percent) strongly agreed and agreed that the problem is indeed a valid one. Only 4 respondents disagreed with the said problem as affecting Trade facilitation in the Gambia. The remaining 38 respondents were undecided on the issue. A total of 159 respondents accounting for 88.7 percent of the respondents strongly agreed and agreed that unclear definition of agency roles impedes the success of trade facilitation agreements in the Gambia. Another total of 11 respondents (6.2 percent) strongly disagreed and disagreed that the said problem is a valid one. the other 9 respondents (5 percent) could not decide on the issue.

Finally, 163 respondents (74.6 percent of the respondents) strongly agreed and agreed that poor design and execution of policies is a factor affecting trade facilitation agreement engagement in the Gambia is one major problem affecting the implementation of trade facilitation in The Gambia. Another 11 respondents (6.2 percent of the respondents) strongly disagreed and disagreed that the problem mentioned above is not valid. The remaining 2.8 percent of the respondents remained undecided.

Table 8: Challenges of Trade Facilitation in The Gambia

NO.	Item	Likert Scale				
		Strongly Agree (1)	Agree (2)	Undecided (3)	Disagree (4)	Strongly Disagree (5)

1.	Customs delays and poor administration are factors affecting the successful implementation of trade facilitation agreements?	96 (53.6)	39 (21.8)	39 (21.8)	5 (2.8)	
2.	Insufficient transportation and communications systems are factors affecting trade facilitation in the Gambia?	84 (46.9)	89 (49.7)		6 (3.3)	
3.	Bureaucratic procedural activities are factors affecting the implementation of the trade facilitation agreement	68 (38)	87 (48.6)	13 (7.3)	8 (4.5)	3 (1.7)
4.	Inadequate coordination between government agencies is a factor impeding the success of the trade facilitation agreement in the Gambia	85 (45.5)	52 (29.1)	38 (21.2)	4 (2.2)	
5.	Unclear definition of agency roles is an impediment to the success of trade facilitation agreement in the Gambia	108 (60.3)	51 (28.4)	9 (5)	6 (3.4)	5 (2.8)
	Total Percentages	49.3%	35.5%	11.1%	3.2%	0.9%

Source: Fieldwork 2021

A tabulation of the total percentages for each of the Likert scales for all five items shows that a total of 49.3 percent strongly agreed that the proposed challenges are indeed ones affecting the implementation of trade facilitation in the Gambia. A total of 35.5 percent also agreed with the proposed challenges of trade facilitation in the Gambia. The data indicates that the total of 84.8 percent strongly agreed and agreed to the proposed problem of trade facilitation as opposed to the total of 4.1 percent who strongly disagreed and disagreed with the said problems. It is therefore safe to conclude and assert that the above problems stated in all five items of objective three are indeed those affecting the implementation of trade facilitation in The Gambia. These findings are also supported by other researches of similar objective. Lakatos A, (2016), in trying to assess the challenges impeding the implementation of Trade Facilitation Agreement among contracting parties found that the key problems are those associated with the lack of political interest, the lack of private sector involvement in the preparation for ratification, and high costs of implementation. Furthermore, research by the World Bank has indicated that region's poor trade performance on poor design and execution of trade policies are key problems affecting the economic development of Africa.

Conclusion

The study concludes that it is only prudent to regress trade facilitation and revenue collected by customs reason being that apart from the fact that the Customs departments the world over are a key stakeholder of the WTO TFA, revenue generated from trade in goods can only be measured by duties and other charges levied on importers by Customs. The opinions of the respondents of this research suggest that the WTO TFA has the potential to increase the revenue generated by the Customs and Excise department of the Gambia revenue Authority. This was proven in both descriptive and scientific statistical analysis of SPSS and AMOS. The regression weights of all three proxies of the trade facilitation (Simplification of trade procedures, Harmonization of trade laws and Use of Technology) showed positive and significant relationships. Furthermore, the covariance matrix also revealed that there is positive significant inter-relationship among the three proxies. The study also confirmed that the implementation of the TFA in the Gambia is impeded by numerous factors including and not limited to poor design and execution of policies, lack of coordination among government agencies.

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