

**ASSESSING THE IMPACT OF THE SINGLE CUSTOMS TERRITORY (SCT) SYSTEM
ON THE PERFORMANCE OF DON UGANDA LIMITED**

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ABSTRACT

Under the single customs territory (SCT), the partner states of EAC adopted a ‘destination model’ of clearance of goods where assessment and collection of revenue are carried out at the first point of entry, that is, Mombasa and Dar es Salaam port. The EAC-SCT system has led to loss of domestic revenues as it requires massive capital investment to cater for taxes and bulky purchases, long waiting periods before receipt of the goods in Uganda due to network failures and continued stopovers at the boarder points for product verification. Therefore this project was carried out with the main aim of analyzing the SCT system, its implementation, achievements, challenges and the possible solutions to the negative effects. The study used cross sectional research design that involved use of both qualitative and quantitative methods. Structured interview method was applied to find out any other related information while closed questionnaires were used to collect large amounts of information from a large number of respondents. According to the research findings, it was discovered that OMC’s need to increase their working capital in order to cope with the system of paying duties upfront before loading petroleum products in Kenya. This has greatly affected Uganda companies in the sector and it has increased the cost of doing business. It was also discovered that the on and off URA Ascyuda world network has greatly affected the implementation of SCT system. Trucks have to wait much longer at the border points and loading points to be exited. A large percentage of respondents agreed that the introduction of electronic cargo tracking system will reduce smuggling of goods. The researcher advises fuel importers to increase their working capital through acquisition of short term loans to in order to increase the volume of fuel imports and manage the increase in cost of doing business. EAC countries should upgrade their current ICT to enhance the speed at which goods are cleared at the borders and the loading points. Sensitization of the public, the business community, customs officers, transporters on the benefits of the SCT system. This would be intended to change their attitude and embrace the system.

Keywords: SCT, EAC, ASCYUDA WORLD