

Time Costs of Importing: Evidence from Myanmar

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Abstract: One of the most significant non-tariff barriers limiting global trade is time delays brought on by ineffective customs procedures. This paper contributes to the literature by assessing the effect of customs clearance time on imports from 186 countries into Myanmar between 2019 and 2021. A rich dataset on clearance times is utilized to separate the effects of time delays at customs into four categories, (a) Arrival to declaration (T0), (b) Declaration to examination completion (T1), (c) Examination completion to confirmation of release order (RO) by customs (T2), and (d) Confirmation of RO by customs to removal (T3). The EK Tobit estimator is used to control for zero imports. We find that the higher the overall time delays at customs, the lower the predicted import volume; however, the negative effect of T0 is the highest, followed by T1, T2, and T3. We further find that imports from developed countries and countries having free trade agreements with Myanmar are expected to be greater.

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