

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF BANKING AND FINANCE PROGRAMME**

**IMPORTER SATISFACTION ON SERVICE QUALITY OF
MYANMAR CUSTOMS DEPARTMENT**

**TOE TOE KYAW
ROLL NO. 66
(EMBF – 7th BATCH)**

AUGUST, 2023

**IMPORTER SATISFACTION ON SERVICE QUALITY OF
MYANMAR CUSTOMS DEPARTMENT**

A thesis submitted as a partial fulfillment of towards requirements for the degree of
Executive Master of Banking and Finance (EMBF)

Supervised by:

Submitted by:

.....

Dr. May Su Myat Htway Aung
Professor
Department of Commerce
Yangon University of Economics

.....

Toe Toe Kyaw
Roll No. 66
EMBF 7th Batch
Yangon University of Economics

AUGUST, 2023

ACCEPTANCE

Accepted by the Board of Examiners of the Department of Commerce,
Yangon University of Economics, in partial fulfillment for the requirements of the Master
Degree, Executive Master of Banking and Finance.

BOARD OF EXAMINERS

Prof. Dr. Tin Tin Htwe

(Chairman)

Rector

Yangon University of Economics

(Supervisor)

Dr. May Su Myat Htway Aung

Professor

Department of Commerce

Yangon University of Economics

(Examiner)

Dr. Tin Tin Htwe

Professor/Head

Department of Commerce

Yangon University of Economics

(Examiner)

Dr. Aye Thu Htun

Professor

Department of Commerce

Yangon University of Economics

(Examiner)

Dr. Aye Thanda Soe

Professor

Department of Commerce

Yangon University of Economics

AUGUST, 2023

ABSTRACT

The purpose of this study is to examine the service quality of ASEAN Free Trade Area (AFTA) Section at Myanmar Customs Department (MCD) and to analyse the effect of the service quality of AFTA Section on importer satisfaction at MCD. In this study, descriptive statistics and quantitative research methods were used. The respondents were selected from 20% of 825 importers through the simple random sampling method. Primary data was collected from 165 importers in the Yangon area who imported and submitted AFTA Certificate of Origin Form-D to AFTA Section during the period from January 2021 to March 2023. The findings of the study indicated that the service quality dimensions such as tangibility, reliability, responsiveness, assurance, and empathy have a significant effect on importer satisfaction. In addition, the reliability dimension plays the most important role in determining the importer's satisfaction. MCD continuously strives to improve the satisfaction level of importers and facilitate the trade process by providing excellent service quality to the AFTA section. To achieve the strategic goal and facilitate trade, MCD should focus on the service quality of the AFTA section to improve importer satisfaction and also on the individual opinions of those involved in the AFTA procedure.

ACKNOWLEDGEMENTS

First and foremost, I would like to sincerely express my regard and gratitude to Prof. Dr Tin Tin Htwe, Rector of Yangon University of Economics, for granting me an opportunity to present this thesis as a partial fulfillment of the requirements for the Executive Master degree of Banking and Finance (EMBF).

I would like to express my sincere gratitude to Prof. Dr Tin Tin Htwe, Professor, Program Director and Head of Department, in Department of Commerce at Yangon University of Economics for her kindly assistance with our EMBF Programme, and allowing me to write this knowledgeable thesis.

In addition, I extend my deepest appreciation to my esteemed supervisor, Dr. May Su Myat Htway Aung, Professor, Department of Commerce, Yangon University of Economics, whose guidance, expertise, and encouragement have been invaluable in shaping this research. Furthermore, I am also immensely grateful to my respected professors and lectures who have shared their knowledge and provided a stimulating academic environment that has enhanced my learning experience.

Furthermore, I want to acknowledge the countless anonymous individuals who answered my survey questions. And then the customs officers who work in the ASEAN Free Trade Area Section at MCD have laid the foundation for this study; their valuable experience and innovations have paved the way for the advancements in the Myanmar Customs Department. Finally, I am thankful to my family and friends for their constant encouragement, patience, and understanding throughout this research journey. Their unwavering support has been a source of strength, motivation, and comfort.

TABLE OF CONTENTS

	Page
ABSTRACT	i
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	v
LIST OF FIGURES	vi
LIST OF ABBREVIATIONS	
CHAPTER I INTRODUCTION	1
1.1 Rationale of the Study	2
1.2 Objectives of the Study	4
1.3 Scope and Method of the Study	4
1.4 Organization of the Study	5
CHAPTER II THEORETICAL BACKGROUND	6
2.1 Concept of Service Quality	6
2.2 SERVQUAL Dimension	7
2.3 Concept of Customer Satisfaction	9
2.4 Effect of Service Quality on Customer Satisfaction	9
2.5 Previous Studies	10
2.6 Conceptual Framework of the Study	13
CHAPTER III OVERVIEW OF MYANMAR CUSTOMS DEPARTMENT	16
3.1 Profile of Myanmar Customs Department	16
3.2 ASEAN Free Trade Areas	18
3.3 Rules of Origin by ASEAN Free Trade Areas	20
3.4 ASEAN Free Trade Area Procedures of Myanmar Customs Department	21
3.5 Service Quality of ASEAN Free Trade Area Section at MCD	24

CHAPTER	IV	ANALYSIS THE EFFECT OF SERVICE QUALITY OF ASEAN FREE TRADE AREA SECTION ON IMPORTERS SATISFACTION	27
	4.1	Research Design	27
	4.2	Demographic Characteristic of Respondents	27
	4.3	Reliabilities Test for the Service Quality of AFTA Section at MCD and Importer Satisfaction	30
	4.4	Level of Importer Satisfaction and Service Quality of AFTA Section at MCD	30
	4.5	Relationship of Service Quality and Importer Satisfaction at MCD	38
	4.6	Effect of Service Quality on Importer Satisfaction in AFTA Section of MCD	39
CHAPTER	V	CONCLUSION	42
	5.1	Finding and Discussion	42
	5.2	Suggestions and Recommendations	44
	5.3	Need for Further Research	45
REFERENCES			
APPENDIX A			
APPENDIX B			

LIST OF TABLES

Table No.	Title	Page
3.1	ASEAN and Partner Countries (AFTA) and CO Forms	21
3.2	Advantages of the AFTA Procedure Compared to the Normal Procedure	22
4.1	Demographic Characteristics of Respondents	28
4.2	Reliabilities Test for the Service Quality of AFTA Section at MCD and Importers Satisfaction	30
4.3	Mean Rating Scale	31
4.4	Mean Value of Tangible	32
4.5	Mean Value of Reliability	33
4.6	Mean Value of Responsiveness	34
4.7	Mean Value of Assurance	35
4.8	Mean Value of Empathy	36
4.9	Overall Service Qualities Dimension	37
4.10	Mean Value of Importers Satisfaction	38
4.11	Correlation between Independent Factors and Importer Satisfaction	39
4.12	Effect of Service Quality on Importer Satisfaction	40

LIST OF FIGURES

Figure No.	Title	Page
2.1	Impact of Service Quality on Customer Satisfaction	11
2.2	The Effect of Service Quality on Customer Satisfaction	12
2.3	Conceptual Framework of Service Quality	13
2.4	Conceptual Framework of the Study	14
3.1	Organization Structure of Myanmar Customs Department	17

CHAPTER I

INTRODUCTION

All countries must be self-sufficient in the modern global economy; consequently, they are linked by a particular flow of goods, people, and information. Each country engages in trade to varying degrees in order to sell its goods, buy what it lacks, and generate some economic sectors more efficiently than its trading partners (Rodrigue, 2020).

Exports and imports broaden international markets and support economic progress. When it comes to resources and expertise, every nation has some advantages. Natural resources including fossil fuels, minerals, lumber, fertile soils, and valuable metals and minerals are abundant in certain countries but scarce in others. Additionally, while some nations have advanced infrastructures, educational systems, and financial markets that enable them to engage in complex manufacturing and innovation, other nations do not.

The world's nations can benefit greatly from trade with one another in order to make the most efficient use of their current natural and human resources. There are favorable treatment agreements between bordering countries that help to facilitate and lower the cost of international trade. By doing this, the country enters into trade agreements that boost international trade. Trading partners must lower and abolish trade obstacles in order to reap these benefits. A free trade agreement is a pact between two or more nations in which the parties recognize mutual obligations for the exchange of products and services, investor protection, the protection of intellectual property rights, and other issues. The Free Trade Agreement Overview (2018) states that the major objectives of the trade agreement are to lower trade barriers, safeguard domestic interests against foreign competition, and strengthen the rule of law in the FTA partner country or nations. The Free Trade Agreement's partner countries provide better market access by reducing or eliminating tariffs, protecting intellectual property, and removing non-tariff barriers, among other provisions.

Free trade agreements can help a product or service get market access, giving it a competitive edge against goods from other nations. A free trade area (FTA) is the collective term for the members of trade blocs who have ratified free trade agreements. The participating nations in an FTA have internal agreements to liberalize and facilitate trade among themselves in order to accomplish the purpose of a trade agreement. The quality of the services given by the customs officials to importers is unquestionably a crucial problem

in the middle of liberalizing and facilitating commerce. Together with the appropriate governmental entities, the customs officials help the community by acting as a trade facilitator. to create a thorough legal framework for customs issues that will allow the implementation of specific policies and initiatives to promote the free movement of people, products, and transportation in the area. Customs officials from the FTA's participating nations offer services that facilitate trade for importers by lowering tariff barriers. Such a service can facilitate trade in the relevant nation, foster collaboration among trading partners, and satisfy importers (ASEAN agreement on customs, 1997).

Oo (2013) claims that the pandemic control efforts have put a strain on Myanmar's economy. The decline has halted recent progress in reducing poverty while casting doubt on the nation's future economic growth. The political situation of the nation has significantly harmed the economy of the nation, which was already suffering from the COVID-19 pandemic. Myanmar has a number of trade regulations that have impeded the performance of international trade. Myanmar's exporters and importers still encounter a number of regulatory obstacles even after some policy reform measures, and it seems that the country's trade relations with important partner countries have not improved. As a result, importers' compliance level was lower in those circumstances. Faster import clearance, tariff savings, predictable prices, lessened regulatory supervision, and a competitive advantage are crucial variables to guarantee that importers comply with international trade standards. As a result, increasing the importers' degree of compliance with international trade regulations depends on both the customs authority's service quality and the importer's happiness with this service quality.

1.1 Rationale of the Study

The direction of Myanmar's foreign commerce has occasionally altered throughout history. In 1988, an institutional reform was put into place to create a market-oriented economy following the transition from a communist economic system before joining ASEAN and taking part in AFTA. In 1997, Myanmar joined ASEAN and took part in AFTA, which resulted in the implementation of new institutional requirements including the CEPT scheme in its tariff policy. Due to these factors and in accordance with the WTO Trade Facilitation Agreement and the ASEAN Economic Community Blueprint, the Myanmar Customs Department (MCD) has been implementing a number of reforms to enhance trade facilitation (Globalization and international trade, 2022).

Myanmar Customs is in charge of tax collection and managing the import and export of products, including animals, vehicles, luggage, and hazardous materials. In a similar manner, the Customs department has contributed to national revenue by collecting taxes on customs duties and other taxes on import and export. The goal of Myanmar Customs is to facilitate trade by streamlining customs procedures, while still upholding Customs Control goals to maintain effective revenue collection (Vision and purpose, 2010).

The service characteristics in the performance of the import and export process of MCD can assist the nation's economic growth and help to achieve rapid progress in the implementation of trade facilitation measures among the ASEAN Member States. When importers submit a certificate of origin for items listed on the list of items that will have their customs duties reduced in accordance with the terms of the contract, Myanmar Customs is required to provide customs services to importers to expedite and speed up the flow of goods. Through the conformity of imports and exports with regulatory standards, these services enable international trade (Customs services, 2018).

In the past, MCD checked and managed the import process using conventional ways, which resulted in pointless paperwork being completed at each stage. The difficulties of importers cannot be effectively handled since information is not disclosed in a transparent manner. As a result, lawful importers have encountered numerous challenges when importing goods, and as a result, both trade and compliance levels have suffered. commercial facilitation, which includes formalities, procedures, documentation, and operations related to international commercial transactions, is one of customs' more recent goals. Its objectives include simplification, harmonization, and standardization to make transactions simpler, quicker, and more affordable than they were in the past (Customs, 2023). Because trade facilitation is so important to the modern economy, MCD has developed effective processes, offered importers customs services, and minimized trade delays by managing customs operations well.

In the field of marketing research, service quality has been one of the most hotly disputed and contentious topics in recent years, particularly in connection to the definition and evaluation of service quality (Choi et al., 2004). The quality of the services offered by MCD is crucial because only if they are successful in doing so would it be simpler for importers to do their business. Regarding these factors, it's crucial to gauge importers' satisfaction in order to assess how successful customs' services are. There aren't enough studies analyzing importer satisfaction with the level of service provided by the customs officials, despite the significant social and economic interest.

The purpose of this study is to assess the satisfaction of importers who imported goods and submitted AFTA Certificate of Origin Form-D, as well as the service quality of the AFTA Section at MCD. Due to more extensive customs inspection procedures and the full payment of customs duties and other fees, imports via the conventional trade route may encounter difficulties. As importers, you can lessen the aforementioned problems and determine the effect of your satisfaction with the customs service by presenting and importing local goods into member nations in line with the required proof. Myanmar Customs will be able to advance toward the ASEAN Single Window by facilitating commerce if they are aware of these facts and can satisfy importers with them.

1.2 Objectives of the Study

The objectives are;

- (1) To examine the service quality of ASEAN Free Trade Area section at MCD, and
- (2) To analysis the effect of service quality of ASEAN Free Trade Area Section on Importer satisfaction at MCD.

1.3 Scope and Method of the Study

This study's goal is to assess the MCD's AFTA Section's level of customer service. The study focuses on how satisfied importers are with the AFTA Section's level of service. 825 importers imported goods between January 2021 and March 2023, submitting AFTA Certificate of Origin Form-D to the AFTA Section at MCD in the Yangon region. The importers are the import company's representatives who sit in management positions within the company, such as managing directors, directors, managers, and chief financial officers. Through the use of simple random sampling, a sample size of 20% of the importers was selected for the investigation. 165 people filled out surveys to help gather the data. This study adopted the descriptive methodology. Both primary and secondary data are used to get the data. Primary data was gathered using a standardized questionnaire and the surveying approach. The survey questionnaire design includes both Likert scale and multiple-choice items to assess the MCD's AFTA Section's level of customer service. Secondary data and information gathered from official data and reports on openly accessible websites, pertinent books and references, literature, earlier studies, and papers

from others on the Internet. The research method uses structured questionnaires and surveys to acquire quantitative data.

1.4 Organization of the Study

This study is organised into five chapters. Chapter 1 includes an introduction, rationale of the study, objective of the study, the scope and method of the study, and the organisation of the study. In Chapter 2, the theoretical background and literature review of the study are described. Chapter 3 describes an overview of Myanmar Customs Department, ASEAN Free Trade Areas, and in addition, Customs Service in CO Form-D. Chapter 4 deals with the presentation, interpretation, and analysis of findings of the study in line with the research objectives and questions. Chapter 5 concludes, where findings, discussions, and recommendations will be presented.

CHAPTER II

THEORETICAL BACKGROUND

This chapter primarily reviews the theoretical elements that make up the study's framework before moving on to a review of the empirical literature. The study's conceptual framework and literature review present another portion. There is a dearth of research that addresses this component of the study in terms of importer satisfaction and the AFTA Section at MCD's service quality.

2.1 Concept of Service Quality

Ramya N (2019) claims that the term "service quality" is an association of the words "service" and "quality." Service is defined as any action or advantage that one party can provide to another that is primarily intangible and does not lead to the ownership of anything. The importance of quality as a strategic instrument for improving operational effectiveness and financial success has grown. Service quality is the capacity of a service provider to efficiently please clients, which can enhance a business' performance. Quality is crucial to the success of firms in the service sector. It is due to the realization of its beneficial correlation with revenues, a larger market share, and customer happiness. These services vary depending on the organization and the type of product. Depending on the context, there are numerous ways to describe service. Overall, the definition of service includes an intangible offer made to another party in exchange for compensation or pleasure. Consumers look for quality among other things in an offer, of which a service is one by coincidence (Solomon, 2009).

According to Parasuraman et al. (1985), it is more challenging to evaluate the quality of a company's customer service than its products or clients. It is impossible to sever the connection between the patient and the healthcare professional. The only way a business can hope to achieve a high degree of service quality in the customer's view of the business is if it can meet or surpass the customer's expectations for the product. When properly managed, service quality has the potential to positively impact the accomplishment of customer happiness and customer loyalty (Kotler, 2021). A key factor that could influence how satisfied a consumer is with a company is the quality of the service they receive. Choi et al. (2004) found that the level of satisfaction that a company's customers feel they receive is directly and significantly impacted by the quality and value of the service.

It is obvious that value of an offer and quality are related, and these two factors may make a user feel satisfied or unsatisfied. The level of customer service provided by a business, which may be excellent or subpar, can be referred to as the service quality. According to Parasuraman (Parasuraman, 1988), service quality is "the differences between customer expectations and perceptions of service". They said that comparing the perceived and expected quality of a service was a credible technique to measure service quality and might help management find holes in the services they provide. Customer satisfaction is the goal of offering high-quality services. The best technique to determine whether the services are good or terrible and whether the consumers will or will not be satisfied with them is to assess service quality. "Three components of service quality, known as the 3 "Ps" of service quality," according to Haywood's study from 1988. He defined service quality as having three components:

1. "Physical facilities, processes and procedures;
2. Personal behavior on the part of serving staff, and;
3. Professional judgment on the part of serving staff but to get good quality service."

A suitable, meticulously balanced combination of these three components is required, according to Haywood (1988). He contends that the proper mix depends in part on labor intensity, the degree to which the service process is customized, and the amount of contact and interaction that the client has with the service process. On the surface, his proposal appears to be appropriate for using employee perceptions of service quality when assessing service quality. The SERVQUAL model's dimensions are thus among the most helpful tools for measuring service quality. For the first time in the development of this model, Parasuraman (1985) identified characteristics that were condensed into ten dimensions; they were found to have an effect on service quality and were regarded as the criteria that were crucial to access customers' expectations and perceptions of the service delivered (Kumar et al., 2009). One of the most effective approaches to gauge the caliber of services rendered to clients is the SERVQUAL scale, also known as the gap model by Parasuraman, et al. (1988).

2.2 SERVQUAL Dimensions

Tangibles: Khan & Fasih (2014) assert that tangibles are perceived as having a visual existence or being palpable through touch. The tangible aspect of service quality includes the use of information and communication technology (ICT), tools, websites, firm

personnel, and any readily accessible amenities. However, the service providers apply these tangibles in varied ways, and the end users perceive and experience them on distinct levels. To establish strong, empowering, and good client associations and experiences through its proprietary assets, service delivery firms place a special emphasis on tangibles (Naidoo, 2014).

Reliability: The reliability dimension of service quality can be thought of as the method by which a service provider continues to be dependable in providing services to its clients (Blery, et al., 2009). The capacity to consistently deliver a perceived level of service is what reliability tells the customer a service provider is capable of. Trust and the overall image a consumer has after using a service are both impacted by reliability (Abd-El-Salam et al., 2013). According to Kaura et al. (2012), the people component of service quality influences how important the reliability dimension of service quality is.

Responsiveness: Responsiveness (Blery et al., 2009) is the process through which service providers act rapidly to positively handle client problems within a set amount of time. The people component of service quality affects how customers view this aspect of service quality. However, improvements in information technology, such as emails, websites, and customer support interfaces, increase the responsiveness of service providers. (2012) (Kaura et al.)

Assurance: According to Khan & Fasih (2014, following Blery et al., 2009), clients can feel very secure when staff members demonstrate their newly learned knowledge by carrying out their stated preferences while providing services. Customers can feel confident that the service delivery representative will carry out his or her duties in a professional and ethical manner as a result. According to Naidoo (2014), not all customers have the knowledge to evaluate the caliber of the service and the value they obtained, and as a result, they could need excellent communication or personal justifications to comprehend the value they receive. The people aspect of service quality is responsible for carrying out this service quality dimension (Kaura, et al., 2012).

Empathy: According to Blery, et al. (2009), empathy is the capacity of service delivery organizations to pay attention to specific client problems and needs and then effectively handle these difficulties. According to Khan & Fasih (2014), empathy refers to the way a business accepts accountability for resolving issues experienced by its clients on an individual or collective level. According to Kaura et al. (2012), this characteristic of service quality's perception is its focus on its customers.

2.3 Concept of Customer Satisfaction

According to Kotler and Keller (2012), customer satisfaction is the level of happiness or dissatisfaction a customer feels as a direct result of a product or service either exceeding or meeting their expectations for how well it would perform. Chen (2010) claims that a comparison between a client's perceived quality and the actual service performance leads to customer satisfaction. Whether or not the customer is satisfied will probably depend on the results of this comparison. Customer satisfaction, according to Kaura et al. (2012), is a representation of the extent to which a consumer thinks that using or owning a certain product will cause them to feel positive emotions. Accordingly, customer satisfaction refers to the physiological state of emotion that is associated with the conformity or nonconformity of a consumer's perceived quality of service both during and after the experience of getting the service (Kaura, et al., 2012).

Customer satisfaction is based on people's general perceptions of goods and services that provide the highest level of satisfaction for consumers (Oliver et al., 1997). The client's level of satisfaction may be regarded as either contentment, pleasure, or ambivalence depending on the sort of service being offered to the consumer at a specific purchase occasion (Zeithaml, 1988). Price, service attributes, product perceptions, and service quality can all have an impact on how satisfied a consumer is. Nevertheless, customers' opinions of the service directly affect how they would evaluate it (Liu & Jang, 2009). The degree of customer satisfaction is associated with the person's subjective evaluation of their sensations, claim Andreassen and Lindestad (1997).

One of the main goals of organizations, especially those that emphasize offering high-quality products and services, is to guarantee total customer pleasure (Das et al., 2010). Measuring customer satisfaction is gathering information on how satisfied or dissatisfied customers are with a service. There are numerous methods for gathering and analyzing the data. The majority of businesses regularly assess customer satisfaction levels to track performance over time and gauge the effects of service improvement.

2.4 Effect of Service Quality on Customer Satisfaction

Since service quality is a factor in determining customer satisfaction and is dependent on how well service providers in organizations perform their duties, this idea that customer satisfaction is based on the customer's experience during a specific service encounter (Cronin & Taylor, 1992) is consistent. In contrast to "attitudes," which are more

durable and less situation-oriented, "definitions of customer satisfaction relate to a specific transaction (the difference between predicted service and perceived service)," according to another author (Lewis, 1993). This is consistent with Zeithaml's (2006) theory. Oliver (1993) first proposed that service quality would precede customer pleasure regardless of whether these categories were cumulative or transaction-specific with regard to the link between the two.

Fornell, 1996; Spreng & Macky 1996; Anderson & Sullivan 1993; and others have produced empirical evidence to support the idea that customer pleasure results from service excellence. Researchers have been more specific about the definitions and metrics for customer happiness and service quality when linking the two concepts. Although pleasure normally refers to a broader notion and service quality mainly focuses on service aspects, the two concepts do have some similarities. (2008) Wilson et al.

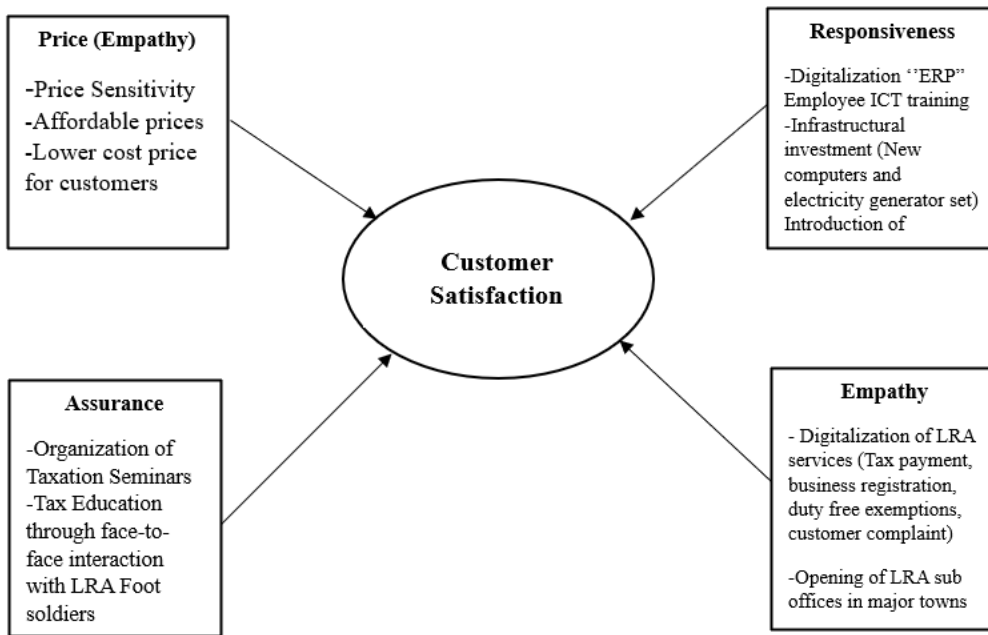
2.5 Previous Studies

This section would analyze a number of similar earlier research findings. Johnson, Ehigie C. The preceding investigations by Jesse S. Karlay (2018), Yelbeneh Abayneh (2020), and Khan & Fasih (2014) are defined.

Johnson, Ehigie C. Jesse S. Karlay (2018) conducted research for the Liberia Revenue Authority (LRA) on the impact of service quality on customer satisfaction. The Republic of Liberia is a developing country, and the author is interested in learning how a government organization operates there. The purpose of this study is to examine the relationship between service quality and customer satisfaction.

Assuming that the three Servqual quality dimensions empathy, assurance, and reliability have the greatest impact on customer satisfaction, the author of this study reduced the five service quality dimensions to just three people, process, and physical evidence as well.

Figure (2.1) Impact of Service Quality on Customer Satisfaction

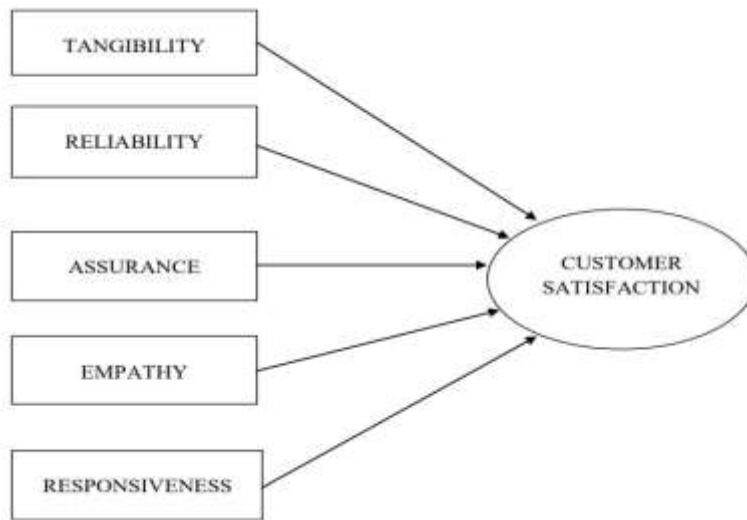


Source: Ehigie C. Johnson Jesse S. Karlay (2018)

Figure (2.1), which presents the study's findings, suggests The results of this study provided evidence that better service quality will greatly increase customer satisfaction. The study's recommendations for improving service quality will benefit both LRA's clients and the organization as a whole. According to research findings, the factors that have the biggest effects on consumer satisfaction are cost, responsiveness, empathy, and certainty. The majority of clients prioritize price over other factors like responsiveness, empathy, and assurance. The observations show that many perspectives exist on customer satisfaction, but the majority of viewpoints concur that customers can be satisfied if service providers can foresee their wants and meet them. Building strong relationships with clients and offering high-quality goods and services can help with this.

Yelbeneh Abayneh (2020) discovered that the five elements of service quality have a positive or negative impact on whether or not customers are satisfied with the services supplied by private pharmaceutical importers. Figure (2.2) provides the conceptual framework for their study.

Figure (2.2) The Effect of Service Quality on Customer Satisfaction

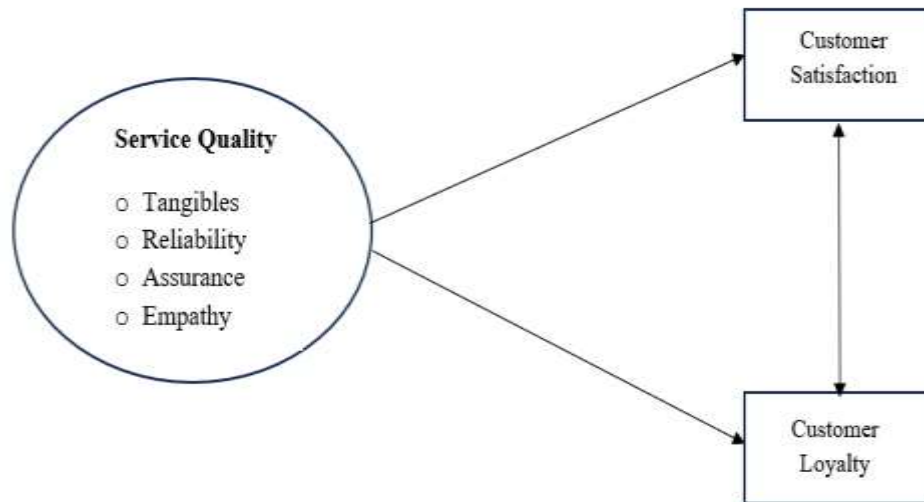


Source: Yelbeneh Abayneh (2020)

The study's results also showed a favorable and statistically significant association between each of the five service quality dimensions and customer satisfaction, proving that these characteristics all have a big impact on it. Therefore, enhancing each of these aspects of service quality and offering top-notch services can boost client happiness. The results of the study also indicated that one way to explain customer happiness is by using the variation of the five service quality metrics. Reliability, empathy, and assurance have been discovered to have the highest predictor values, which implies that strengthening each aspect of the service quality dimensions based on that aspect's predictor value will enhance the caliber of the services offered and the level of customer satisfaction.

Khan & Fasih (2014) assessed banking clients' satisfaction levels with regard to the caliber of various services offered by their banks and their fidelity to each bank. The major goal of this study is to ascertain how different service quality variables affect customer loyalty and satisfaction in Pakistan's banking industry. There are many different aspects to the study of service quality. Additionally, an effort is made to identify the components of service quality that could most significantly increase client loyalty and happiness. Khan & Fasih (2014)'s conceptual framework was shown in Figure (2.3).

Figure (2.3) Conceptual Framework of Service Quality



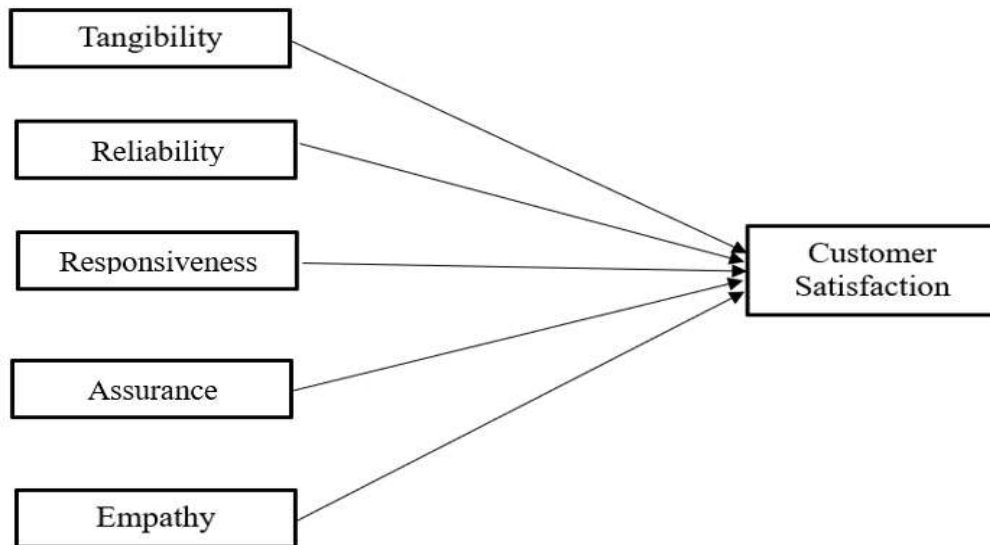
Source: Khan & Fasih (2014).

The results showed a strong and favorable correlation between customer loyalty and satisfaction with specific financial service providers, as well as service quality and all of its components, such as tangibles, dependability, assurance, and empathy. Evidence demonstrates that enhancing service quality is a great way to boost customer satisfaction and keep customers loyal in the cutthroat business environment of today.

2.6 Conceptual Framework of the Study

The Service Quality Gap model expands on the work of Parasuraman et al. (1985). The service quality idea has seven significant gaps, according to this model. Gaps 1, 5, and 6 are the three significant gaps out of the aforementioned seven, and they are more closely related to and directly relate to customers (Shahin, 2004). Gap 5—also referred to as the Satisfaction Gap—deals with the discrepancy between customers' expectations and views of the services received. This gap arises from both customer influences and service provider shortcomings. The following conceptual framework has been developed to assess the service quality of the AFTA Section at MCD and importer satisfaction in light of the theory review and prior investigations. Figure (2.4) illustrates the conceptual framework for the study that was adapted from Parasuraman et al., 1988.

Figure (2.4) Conceptual Framework of the Study



Source: Conceptual framework of the study adopted from Parasuraman et al., 1988

The survey questions are based on the conceptual framework on service quality at the satisfaction of importers on AFTA Section at MCD, and they ask if perceived service quality dimensions of tangibles, responsiveness, assurance, reliability, and empathy can further importers' satisfaction on AFTA Section of MCD. According to the conceptual framework and a review of the theoretical and empirical literature, the main elements that affect importer satisfaction with the AFTA process of MCD are the tangible quality, reliability, responsiveness, assurance, and empathy of the quality dimensions. The dependent variable in this study is importer satisfaction, and the independent factors are tangibles, reliability, responsiveness, assurance, and empathy.

Definitions of the Service Quality of AFTA Section and Importer Satisfaction at MCD

The purpose of this study is to have a better understanding of MCD's and AFTA's service quality provisions related to importer satisfaction at MCD. The following words and definitions of service quality dimensions can help with the study's examination of the service quality of the AFTA section at MCD. For the purposes of this study:

Tangibility is a service quality dimension that is provided by MCD at AFTA section, based on the quality of its services to importers. It includes factors such as modernising office equipment, physical facilities, cleanliness of the workplace, communication equipment such as website and electronic Form-D (e Form-D) system, and the attire of the customs officers and staff at AFTA section. That all kinds of tools are used for providing service.

Reliability service quality dimension means the ability of customs officers to perform the promised service dependably and accurately. It involves the performance and dependability of the officer, with consistency. It also means that the promises are in honour of customs officers at AFTA section and designates the MCD's capability to supply the promised concern with Form-D issues to the importers.

Responsiveness means the willingness to help importers and provide prompt service by the officers and staff at AFTA section. This service quality dimension also refers to the cooperation's capability to respond to and satisfy the importer's desires. It also involves the timeless nature of service, the readiness of customs officers to provide service, and the correct supply of service to the importers. The willingness to react and reaction speed play a vital role in the service of MCD.

Assurance relates to the conduct and technical expertise of the customs officers at AFTA section. It refers to the behaviour of the customs officers and staff, which shows respect for the importer and also refers to their ability, which includes competence, courtesy, credibility, and security. That service quality dimension can inspire the importer's trust and confidence.

Empathy is the caring individualized attention that the MCD provides the importers including access ability, communication and understanding the importers. That service quality dimension of MCD characterizes both the officer's willingness and capability to respond to individual importer desires.

Customer satisfaction means the level of satisfaction of the perception of customers about the overall service provided by AFTA section at MCD. The importers who are using the MCD's services and are concerned with the AFTA process might be referred to as customers.

These independent and dependent variables are used to examine the service quality of ASEAN Free Trade Area section at MCD and analyse the effect of the service quality of the AFTA section on importer satisfaction in the next chapters.

CHAPTER III

OVERVIEW OF MYANMAR CUSTOMS DEPARTMENT

This chapter contains the overview of Myanmar Customs Department, also describes ASEAN Free Trade Areas and in addition Customs service in CO Form-D and the service quality of AFTA CO Form procedure.

3.1 Profile of Myanmar Customs Department

Since the Revolution Council, Myanmar Customs has undergone an organizational restructuring, with the head of department's title changing from Commissioner of Customs to Managing Director. In addition, on April 1, 1973, Director General replaced Managing Director. Customs Division, under the direction of the Ministry of Finance. The Sea Customs Act (1878) and The Land Customs Act (1924) give the government agency responsible for enforcing the law, Myanmar Customs, the power to examine and inspect commodities brought in or exported by land, sea, or air. It is a body that establishes customs tariffs, levies duty, and collects commercial tax on imported commodities in compliance with The Commercial Tax Law, 1990, which clarifies the legal criteria.

Policy : To enhance trade facilitation through simplification of Customs Procedures and to ensure proper collection of Customs Duties and Taxes.

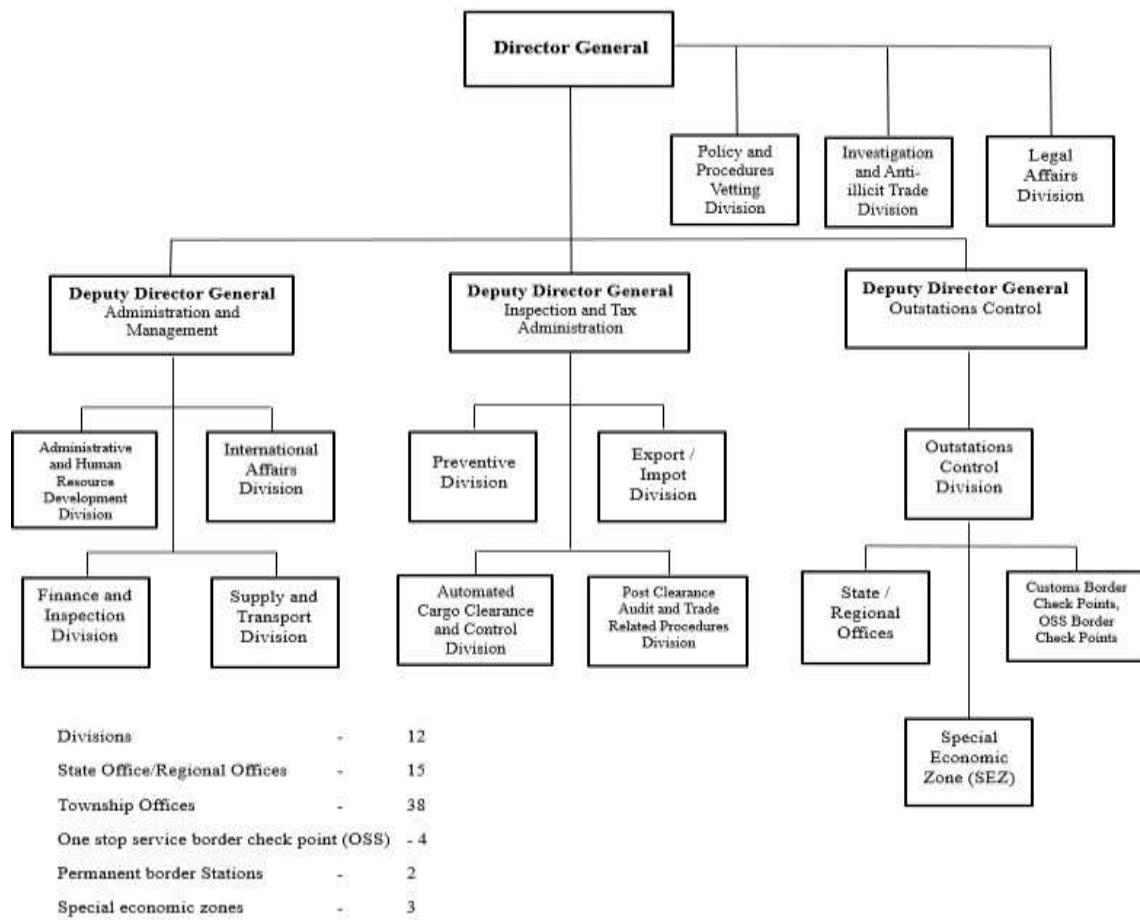
Vision : To Create Customs Service which generates the security and facilitation of international trade, protection of social well-being and trade partnership with stakeholders.

Mission: The Mission of the Myanmar Customs is to achieve trade Facilitation through Simplification of Customs Procedures, while ensuring Customs Control objectives to maintain proper collection of revenue.

According to the Customs Reform and Modernization Strategy's strategy plan, MCD intends to become a leading and reputable organization during the next five years. The Customs Reform and Modernization Strategy (2017–2021) consists of four main themes. Implementing contemporary international customs procedures falls under Area 1, creating a contemporary IT environment falls under Area 2, and restructuring a business and enhancing its human resources falls under Area 3. By implementing best practices that adhere to international norms, the Strategic Plan aims to set national standards for trade facilitation and collaborate with the whole trade community. The provision of a cutting-edge, effective customs agency that can safeguard the public and completely collect taxes for the state is the next stage.

The modernization and restructuring of customs were also important topics. MCD reorganized the department's divisions, created new divisions, hired new personnel, and put employee performance enhancement programs into place. MCD now consists of 12 divisions, 15 state/regional offices, 38 township offices, 4 one-stop service border checkpoints (OSS), 2 permanent border stations, and 3 special economic zones, with a total officer and staff strength of over 2300.

Figure (3.1) Organization Structure of Myanmar Customs Department



Source: Myanmar Customs, 2023

3.1.1 Customs Duty

Although each nation levies customs duties on imports in accordance with its own rules, customs duties are a very real source of revenue for national governments. distinct countries have distinct taxation systems. There was no harvest from about 1860 AD until more than ten years after the end of the First World War. England, which enjoyed free commerce, simply collected import charges to provide money for national reconstruction. Import taxes are another way that other nations raise money for their governments. Some

nations, like Myanmar, impose import tariffs for two reasons. The first is to fund the government's coffers, and the second is to safeguard nearby enterprises. To increase the cost of imported goods, some nations impose import duties. This law is in place because we wish to provide local producers with opportunity; as a result, it serves to safeguard domestic business. The situation is set up to prevent the sale of imported goods in direct rivalry with domestic goods. A quantitative tariff is one that bases its rates on the volume of imported goods. Ad valorem tariffs are based on the value of imported goods. Some products use a combination of the two approaches mentioned above for collecting payments.

The MCD is in charge of collecting duties on goods brought into the country through international trade. Customs declarations list various tariff rates for duties, including the base rate, the MFN rate, and the FTA rate. Additionally, MCD collected additional taxes connected to overseas trade on behalf of other departments. The main duty and tax collect by MCD are as follows:

Customs Duty: This is the customs duty (CD) collected for the Customs Department.

Commercial Tax: This is the Commercial Tax (CT) collected for the Internal Revenue Department.

Specific Goods Tariff (SGT): It is a Specific Goods Tax levied by the Department of Internal Revenue on goods listed in the Union Tax Law.

Advance Income Tax: This is Advance Income Tax (AIT) collected for the Internal Revenue Department.

3.2 ASEAN Free Trade Areas

The Association of Southeast Asian Nations (ASEAN) has established a trading bloc known as the ASEAN Free Trade Area (AFTA), which facilitates economic cooperation with allies on a national and international level while promoting local industry and trade in all ASEAN countries. One of the largest and most important free trade areas (FTAs) in the world, it contributed to the formation of some of the largest multilateral forums and organizations in the world, including the East Asia Summit, the Regional Comprehensive Economic Partnership, and the Asia-Pacific Economic Cooperation, along with its network of dialogue partners.

The AFTA pact was signed in Singapore on January 28th, 1992. There were six ASEAN nations present at the time of the AFTA's original signing: Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Cambodia, Vietnam, and Laos all joined

in 1997, with Myanmar and Cambodia following in 1999. The ten ASEAN countries are currently AFTA members. All four of the latecomers had to sign the AFTA agreement in order to become members of ASEAN, but they were given more time to carry out the AFTA's tariff reduction obligations. The primary goals of AFTA seek to:

- Increase ASEAN's competitive edge as a production base in the world market through the elimination, within ASEAN, of tariffs and non-tariff barriers; and
- Attract more foreign direct investment to ASEAN.

The Common Effective Preferential Tariff (CEPT) system, which created a phased schedule in 1992 with the purpose of increasing the region's competitive edge as a production base geared for the global market, is the main tool for attaining such goals. AFTA does not impose a common external tax on imported goods, in contrast to the EU. Depending on their national schedules, each ASEAN member may levy duties on commodities arriving from outside ASEAN. However, ASEAN states must impose a tariff rate of 0–5% on items made domestically (the more recent members of Cambodia, Laos, Myanmar, and Vietnam, often known as CMLV countries, received extra time to put the reduced tariff rates into effect). This system is known as the Common Effective Preferential Tariff (CEPT) system.

In the following three situations, ASEAN nations may choose to exclude products from the CEPT: 1.) Short-term exclusions 2.) Highly delicate agricultural goods 3.) Widespread exclusions. Products that are being protected temporarily by a delay in tariff reductions are referred to as temporary exclusions. These products' tariffs will eventually be dropped to 0–5%. ASEAN members have until 2010 to lower their tariff levels for vulnerable agricultural items, including staples like rice.

General exclusions cover goods that an ASEAN member deems required to defend national security, public morals, human, animal, or plant life and health, as well as the preservation of works of art, historic objects, or archaeological significance. By 2010 for the original signatories and 2015 for the CMLV countries, ASEAN members have agreed to implement zero tariff rates on nearly all imports. 2005's ASEAN Economic Bulletin.

In 1996, India too became an ASEAN dialogue partner. The leaders of ASEAN and India signed the ASEAN-India Framework Agreement on Comprehensive Economic Cooperation during the 2003 ASEAN-India Summit. The Framework Agreement provided a solid foundation for the creation of the ASEAN-India Free Trade Area (FTA), which

covers investment, products, and services. The Association of Southeast Asian Nations (ASEAN) might grow through increasing commerce with East Asia's "Big Three" economic powers, the People's Republic of China, Japan, and the Republic of Korea. Beginning in 1997, ASEAN and the Plus Three nations have been collaborating economically.

An agreement between ASEAN members is known as the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area. The FTA between ASEAN and its partners is still of the highest caliber. Australia's AANZFTA became effective in January 2010. The ASEAN-Hong Kong, China Free Trade Agreement discussions started in 2014 and ended on September 9, 2017. With these nations, ASEAN has committed to free trade agreements that are wide-ranging in scope, covering investment, economic and technological cooperation, trade in commodities and services, dispute resolution mechanisms, and other relevant sectors. The agreements should increase legal certainty, improve market access, and ensure fair and equal treatment in trade and investment, opening up new business opportunities and boosting trade and investment flows between ASEAN and partner nations.

3.3 Rules of Origin by ASEAN Free Trade Area

The standards used to determine a product's national provenance are known as the rules of origin. Non-preferred and preferential rules of origin are the two categories. Non-preferential rules are used for a variety of commercial policy actions, such as, for example, anti-dumping and countervailing duties, trade embargoes, safeguard and retaliation measures, quantitative restrictions, as well as some tariff quotas, trade statistics, public tenders, origin marking, and so forth. With regard to non-preferential norms of origin, there are no accepted international standards. For different purposes, criteria for determining origin have included "wholly obtained," "substantially transformed," and tariff shifts at the four-digit level.

To ascertain whether imports are eligible for preferential treatment (no or reduced duties) under ATIGA and other trade agreements Myanmar has signed, preferred rules of origin are required. Chapter 3, Articles 25–39, and the ATIGA annexes detail precise rules of origin. As a member of ASEAN, Myanmar has preferential trade agreements with China, India, Japan, Korea, Australia, and New Zealand. Myanmar is a party to both the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Global System of Trade Preferences (GSTP) among developing nations.

Certificates of origin are used to document the origin of goods for the purposes of preferential tariff treatment. According to ATIGA's Article 38, commodities must be accompanied by an ASEAN certificate of origin (also known as Form D), which must be issued by a government agency chosen by the exporting member state and reported to the other ASEAN members in accordance with ATIGA's Annex 8 requirements. Office of the U.S. Trade Representative, 1999, United States The following are the preferential certificates of origin that the government has issued:

Table (3.1) ASEAN and Partner countries (AFTA) and CO Forms

SR	FTA	CO FORM
1	ATIGA	Form D
2	ASEAN-CHINA	Form E
3	ASEAN-INDIA	Form AI
4	ASEAN-JAPAN	Form AJ
5	ASEAN-AUSTRALIA-NEW ZEALAND	Form AANZ
6	ASEAN-KOREA	Form AK
7	ASEAN-Hong Kong (China)	Form AHK

Source: Myanmar Customs, 2023

3.4 ASEAN Free Trade Area Procedures of Myanmar Customs Department

Importers must choose the appropriate free trade area agreements in the import declaration form of the Myanmar Automated Cargo Clearance System (MACCS) when requesting a customs preferential tariff rate in accordance with free trade area agreements. Attached to CO Form-D are trading documents like an invoice, packing list, sale contract, license (for licensed goods), bill of lading/air waybill, and other pertinent paperwork. According to the OCPs of the relevant Free Trade Area, the CO Forms-D shall be the required forms.

The place of issue of the exporting member country and a unique number (Reference Number) for each office are required on the CO Form-D. Whether handwritten or not, the CO Form-D must bear the signature and stamp of the Issuing Authority. It can be used online and needs to pass muster with the ASEAN Secretariat's distributed signature and stamp samples. Specific origin criteria, such as "Wholly Obtained-WO," "Regional Value Content-RVC%," and "Change in Tariff Classification-CTC," from the AFTA

Section must be compared to the details provided in the CO Form-D in order to confirm that the imported items are of local origin.

If more than one type of product is specified in the CO Form-D, it must be confirmed that the HS Codes and particular origin requirements are listed for each category. They must be verified in accordance with the steps to be taken for the verification of the certificate of origin of the Free Trade Area Agreements with regard to CO Forms-D transmitted electronically. It must be confirmed whether the imported item satisfies the special origin requirements if it is included on the list of items subject to Product special Rules (PSR).

To apply for the preferential customs tariff rate for imported products, importers must obtain an e form-D number from the relevant national authority before submitting a CO Electronic Form D (e form-D) application. When the appropriate country's ASEAN Single Window receives the e form-D number from the AFTA section customs officer, the customs officer checks the e form-D there. The importers do not need to resubmit the original CO Form document to the AFTA department if the items are cleared through with e Form-D. The following table (3.2) summarizes the benefits for importers with respect to imports from AMS countries with AFTA procedures and imports through standard procedures:

Table (3.2) Advantages of the AFTA Procedure Compared to the Normal Procedure

AFTA Procedure of MCD	Normal Procedure of MCD
Can submit just received an e Form-D number, no need to submit with paperwork.	Paper work was done at every step, and it is needed to submit the original trading document or duplicate paper work.
Can reduce trade transaction costs, taxes, and duties and lower the price of goods.	Due to time-consuming procedures and excessive data requirements, the import costs may be higher.
Standardised processes can reduce illegal imports.	Complex processes may lead to more fraud and misunderstandings.
Faster customs clearance and release due to the simplification procedures.	Outdated procedures and uncertainty add to the total time required to import.
Tariff reduction rate can get 0% to 5%	Normal tariff rate are 1.5% to 40%
Time release system and fewer data requirements.	Time-consuming process and excessive data requirements.
Increased business opportunities and the relative price of goods will be equalised at a lower price level.	The price of domestic goods may exceed the price on the international market.

3.4.1 Efficiency of Myanmar Customs Department

Protecting tax income, facilitating trade, securing society through border control, and providing import and export data are the main prerequisites for efficient customs administration. With customs modernisation strategies, trade efficiency demonstrated a strong correlation. Trade efficiency indicators have a strong correlation with balancing trade facilitation and security measures through corporate and customs partnerships. If customs procedures are difficult, information is opaque, product inspection procedures take longer than necessary, and there are high tariffs, trade processes suffer needlessly. Under such conditions, importers' satisfaction would drop, their level of compliance will drop, and business will suffer. The streamlined customs procedure may be primarily responsible for the rise in efficiency of the customs administration. Many nations are experiencing a dramatic increase in the scope and complexity of work for their customs departments. Customs administration in developing nations can contribute to trade facilitation by streamlining, modernizing, and harmonizing export and import procedures. Alternatively, importers will be pleased and customs control will be attained by offering services in accordance with laws to facilitate trade.

Myanmar Customs is in charge of tax collection and managing the import and export of products, including animals, vehicles, luggage, and hazardous materials. In a similar manner, the Customs department has contributed to national revenue by collecting taxes on customs duties and other taxes on import and export. The goal of Myanmar Customs is to facilitate trade by streamlining customs procedures, while also ensuring Customs Control goals to ensure effective tax collection. In 1997, Myanmar joined ASEAN and agreed to abide by the pacts that ASEAN had previously signed. The Framework accord on Enhancing ASEAN Economic Cooperation is a significant accord in the region's economic cooperation framework. The member nations are required to create the ASEAN Free Trade Area in accordance with the aforementioned agreement.

Myanmar agreed to remove intra-regional tariff and non-tariff barriers in order to facilitate free trade within the ASEAN area. The Common Effective Preferential Tariff (CEPT), which was utilized to establish this (AFTA), was the fundamental instrument that would allow the member countries to have a mutual assistant to cooperate. The CEPT Product List and Tariff Reduction Plan was established on January 1, 1998, and the reduction of tariff rates started that day, according to Ministry of Finance Notification No. (247/97). Beginning on January 1, 2008, if the importer can show the certificate of origin,

customs duties on the items on the list of reduced customs charges will only be between zero and five percent (0–5%), as opposed to the standard customs duty rates.

MCD updates a recently developed website where documentation pertaining to the Certificate of Origin Form-D can be viewed, and AFTA method is also publicized in the media, in order to carry out AFTA procedure swiftly and easily. Importers only need to submit the necessary paperwork once by implementing single-stop inspections of Certificate of Origin Form-D. Modern technology adoption is also underway; some trade paperwork may now be submitted online, and AFTA procedures are now simpler and quicker than previously. All of the ASEAN members and MCD engaged in private sector partnerships. It is clear that improving Myanmar's trade performance has been a top political priority.

3.4.2 Service Commitments of Customs Administration

The Customs Administration should answer questions about the customs classification of goods imported with CO Form-D in the customs reduction rate and the customs valuation of imported goods while providing impartial, professional, and courteous service to importers. Additionally, it should provide information that is current, intelligible, and available to importers through a variety of media. It should also deliver timely, accurate written material that one can rely on in response to inquiries and requests for the information. Importers should be given educational and informational programs on specific customs duty payment issues to increase their awareness, and under certain conditions, importers should be permitted to voluntarily disclose their importing circumstances without paying a fine or facing legal action for violations. Commitments are the primary service that the customs administration offers to importers.

3.5 Service Quality of ASEAN Free Trade Area Section at MCD

Regarding the MCD's mission, by facilitating trade through the simplification of customs procedures and delivering high-quality customs services in accordance with them, importers will be more satisfied and their compliance will increase.

3.5.1 Tangibility

MCD has set up roomy waiting spaces and an information desk where importers who submit CO Form-D in the AFTA Section can ask questions regarding the requirements for the form. Officers and staff members are properly attired for work, and the office and

neighborhood are kept neat and clean. Previously, only the original CO Form-D signed by the relevant country's authorities was accepted and verified. However, MCD has connected to the ASEAN Single Window (ASW) to exchange and check online e-Form D in order to streamline the process. As a result, importers can now receive an e-Form D number and perhaps benefit from a lower rate of customs levy at MCD without having to ask the seller in the export nation for the CO Form-D paperwork. The MCD website's layout is efficient, aesthetically pleasing, and has helpful content for AFTA information.

3.5.2 Reliability

The AFTA department chooses and assigns the CO Form-D inspection officers to professional positions in the pertinent domains. The AFTA Section's customs officers and employees review the CO Form-D that importers submit, and they work quickly and punctually to prevent delays. They may offer importers a lot of advice on how to identify the country of origin and the Harmonized System (HS) Classification. It is possible to trust the officers to be objective when resolving issues with CO Form-D for importers. By providing accurate and proper information, the officials clarified the issues relating to HS classification for which importers needed information. Additionally, the services are accurately and swiftly provided.

3.5.3 Responsiveness

Customs agents in the AFTA Section have been promptly resolving importer complaints over the CO Form-D's HS Classification and the tariff reduction rate. When importers run into problems, officials are always willing to assist. Additionally, inquiries from importers are swiftly answered, and disagreements over the CO Form-D are quickly settled by speaking with the relevant ASEAN member states. On the Customs website, MCD updates the CO Form-D information that importers need to be aware of in real-time, and it routinely hosts awareness workshops and question-and-answer sessions.

3.5.4 Assurance

MCD is promoting personnel quality in an effort to foster a culture of mutual respect and trust between importers and customs authorities. Therefore, the reputation of the company will rise as a result of their efforts. Customs agents give importers a sense of confidence throughout the entire import process. Regarding the importers' information, there is security when providing the service. Additionally, they are consistently polite and

have the knowledge necessary to answer questions from importers. Additionally, they give importers assurance that the service provider will carry out their obligations in a competent and moral manner. According to MCD's slogan, "Honesty is the Best Policy," customs officers and personnel carry out their duties at work in a trustworthy manner and with expertise in their respective fields.

3.5.5 Empathy

In addition to the CEPT Section, which offers support for the CO Form-D application procedure, MCD also offers a help desk section in the pertinent part. These parts enable individualized importer help. By contacting the appropriate divisions of the section, it also assists importers who are having problems with import-related concerns. Customs agents focus on helping individual importers and giving them valuable guidance on the problems they encounter while filing a CO Form-D. In order to make sure there was no file still at the AFTA Section, the customs officials also verified the CO Form D that the importers had submitted that day.

CHAPTER IV

ANALYSIS THE EFFECT OF SERVICE QUALITY OF ASEAN FREE TRADE AREA SECTION ON IMPORTER SATISFACTION

This study aims to evaluate the ASEAN Free Trade Area (AFTA) Section's service quality at Yangon's Myanmar Customs Department (MCD). Primary data are gathered using the questionnaire designed for this study and then statistical methods are used to evaluate them in accordance with the conceptual framework. The demographic profile of importers and their satisfaction with MCD's AFTA service procedures are both included in this chapter.

4.1 Research Design

The ASEAN free trade area Section of the Myanmar Customs Department is the subject of the research design's importer satisfaction focus. Using survey questionnaires, the study looks at the satisfaction of importers. It includes an analysis of the respondent's demographic information, including gender, age group, education level, business legal structure, tenure, and the frequency of imports from ASEAN with CO Form-D. It applies to inquiries into the demographic details of importers. Additionally, the survey questions examine the impact of the MCD's AFTA Section's service quality variable on importer satisfaction.

During the period beginning in January 2021 and ending in March 2023, there were 825 importers who imported and submitted AFTA Certificate of Origin Form-D to AFTA Section at MCD in Yangon area. A sample of 165 importers are chosen as the sample size from 20% of the 825 importers, with calculated the simple random sampling method. Also used are main and secondary data. In this study, the service quality of the ASEAN Free Trade Area Section at MCD was analyzed using the descriptive statistical approach, and the SERVQUAL instrument was utilized to assess the satisfaction of the importers on each of the five dimensions of service quality. The mean values, standard deviation, and correlation coefficient were calculated using the data collected via the questionnaire. The analysis used multiple linear regression and SPSS statistical software to evaluate the data.

4.2 Demographic Characteristics of Respondents

A profile of the responders is built based on the background information and personal characteristics of importers who are currently importing the goods and submitted

with AFTA Certificate of Origin Form-D. This profile was developed based on 165 background information. They are gender, Age Group, Education level, legal form of business, Tenure of Business and import times a month from ASEAN with CO Form-D. The demographic information of individuals can be found in Table (4.1).

Table (4.1) Demographic Characteristics of Respondents

Items	Number of Respondents	Percentage
Total	165	100
Gender		
Male	93	56.4
Female	72	43.6
Age of Respondents (Years)		
21 to 30	24	14.5
31 to 40	78	47.3
41 to 50	33	20.0
51 and above	30	18.2
Education level of Respondents		
Under Graduate	12	7.3
Graduate	130	78.8
Master	21	12.7
Ph. D	2	1.2
Legal Form of business		
Sole Proprietorship	51	30.9
Partnership	30	18.2
Private Limited company	54	32.7
Public Company	15	9.1
Other legal form of business	15	9.1
Tenure of Business		
3-5 years	36	21.8
5-7 years	78	47.3
7-10 years	42	25.5
Above 10 years	9	5.5
Times of import in a Month		
1 time	5	3.1
2 to 5 times	73	44.3
5 to 10 times	51	30.9
Over 10 times	36	21.8

Source: Survey Data (2023)

In a total of 165 importers, Table (4.1) shows that 56.4% of respondents are male and 43.6% are female, indicating that male importers are more significant in the importation process. The 165 respondents were classified into five age groups based on their age; the group with the highest percentage, those between the ages of 31 and 40, made up 47.3% of the total. 20% of respondents who are between the ages of 41 and 50 make up the second-highest group. 51 years and older make up the third highest group (18.2%). 21 to 30 year olds make up the lowest group, which has a 14.5% rate. The age range between 31 and 40 years has the highest percentage of importers, according to research.

This study focuses on the importers who take part in the trading activity of the Myanmar Customs Department. The lowest level of education, which represents 7.3% of the 12 respondents, is Undergraduate, as indicated in the table. There were 130 respondents, and the highest level of education was Graduate (78.8%), followed by Master's (12.7%), and Doctorate (1.2%) of importers. One can infer that the majority of responders hold graduate degrees. The purpose of the questionnaire was to identify the firms that are the most inclusive. In accordance with the legal form of business used by the importers, respondents are classified into 5 groups. With 32.7% of respondents, private limited companies are the most prevalent response among importers, followed by sole proprietorships with 30.9% of respondents. Share companies and other legal forms of business are at the same level, with 9.1% of the 15 respondents each, while partnership businesses make up 18.2% of the 30 respondents.

There are four categories for business tenure. It surveyed the respondents' duration of business, starting at three years, because a company can only trade internationally if it has been in operation for at least three years. 47.2% of consumers have been in business for an average of 5 to 7 years. While 25.5% of all respondents work in the trading industry and have been doing so for 7 to 10 years. It is evident that the established companies at MCD are better accustomed to the ASEAN Free Trade Area process. Only 5.5% of enterprises, which account for 21.8% of respondents, have been in operation for more than ten years. There are four groupings based on how frequently imports with Form-D from ASEAN occur each month. According to the results, 44.3% of respondents import from ASEAN with Form-D between 2 and 5 times per month, while 30.9% of respondents import between 5 and 10 times per month. By a showing of 3.1%, it is rare to do so at least once a month. The outcome demonstrates that the importer who sources most of its goods from the ASEAN Free Trade Area each month.

4.3 Reliability Test for the Service Quality of AFTA Section at MCD and Importer Satisfaction

An element of a survey is a set of instruments. Cronbach's alpha is used to assess the scales' internal consistency for the questionnaire. Various reliability coefficients are generally used to represent the level of error in the scores, using ranges of values 0.00 (many error) to 1.00 (no error), depends on the degree of relationship between the two variables. If the reliability value is positive, both variables increase in value when one does. If the reliability value is negative, the relationship between the two changes as one increases up.

Table (4.2) Reliability Test for the Service Quality and Importer Satisfaction

Sr. No.	Factors	Cronbach's Alpha	No. of items
1	Tangible	.813	5
2	Reliability	.752	5
3	Responsiveness	.727	5
4	Assurance	.769	5
5	Empathy	.724	5
6	Importer Satisfaction	.772	5

Source: Survey Data (2023)

According to the conclusion shown earlier, all of the composite reliability values of Cronbach's alpha coefficients varied from 0.727 to 0.813, indicating that the data were trustworthy. As a result of all of these findings, it can be deduced that the items have a fairly high level of internal consistency. Therefore, it may be concluded that the preceding results demonstrated good internal accuracy, and that this sample was reliable for its size.

4.4 Level of Importer Satisfaction and Service Quality of AFTA Section at MCD

This section presents a descriptive analysis of the level of and the service quality of the AFTA Section at MCD. Structured questions using a five-point Likert scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, and 5: strongly agree) were developed to evaluate the significance of factors impacting importer satisfaction. The mean rating scale is presented in Table (4.3).

Table (4.3) Mean Rating Scale

Sr. No.	Score Range	Intention to Level
1	1.00 -1.80	Very Low
2	1.81 - 2.60	Low
3	2.61-3.40	Average
4	3.41- 4.20	High
5	4.21-5.00	Very High

Source: Best (1977)

Table (4.3) indicates the interpretation of the 5-point Likert mean as follows: severely disagrees at 1.00-1.80, disagrees at 1.81-2.60, neutral at 2.61-3.40, agrees at 3.41-4.20, and highly agrees at 4.21-5.00. This section explains how to evaluate the mean values, standard deviation, and correlation coefficient to analyze importer satisfaction with the AFTA Section's service quality according to the study's objectives. The data were examined using multiple linear regression, as this publication has already mentioned. Five criteria make up the questions: the Quality dimension of Tangible, the Quality dimension of Reliability, the Quality dimension of Responsiveness, the Quality dimension of Assurance, and the Quality dimension of Empathy. These variables point to the identification of importer satisfaction with the AFTA Section's MCD service quality.

4.4.1 Importer Perception on Tangible Dimension

The quality dimension of tangible effects on importer satisfaction is measured by five factors. The survey questions for the importers are based on the service quality of tangible at the AFTA Section of MCD. The satisfaction of importers with this service quality was calculated and presented as mean and standard deviation values in Table (4.4)

Table (4.4) Mean Value of Tangible Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Providing modern equipment and technology by AFTA section	4.31	.601
2	Having a spacious waiting area to apply for CO Form-D at the AFTA section	4.31	.601
3	Safety and cleanliness of the workplace and its environment	4.87	.385
4	Being well-groomed and neat-appearing of officers and staff	4.25	.669
5	Having the visual appeal of MCD website design quality and good navigation functionality to find AFTA information	4.22	.530
Overall Mean		4.39	

Source: Survey Data (2023)

As shown in Table (4.4), the average degree of satisfaction for the Tangible mean's quality dimension is 4.39 and 0.563. This indicates that the importers had met the AFTA Section at MCD's Quality Dimension of Tangible. All variables have a mean value between 4.22 and 4.87 and a standard deviation between 0.385 and 0.669, respectively.

The highest mean score for importers in the tangibles' five quality dimension is 4.87. It turns out that the AFTA Section's office and surrounds are secure and tidy enough to please importers who arrived and turned in AFTA Certificate of Origin Form-D. The mean rating for MCD's website design quality was the lowest at 4.22. As a result, it is possible to see as pleasing all the variables pertaining to the tangible features. It showed that the majority of importers are happy with the tangibles' service quality dimension at the AFTA Section at MCD.

4.4.2 Importer Perception on Reliability Dimension

This sector shows the level of importers' satisfaction with the service quality dimension of reliability. Reliability is also important for each other, especially in service areas. Reliability also relates to the personnel's ability to deliver the promised service in a

dependable and accurate manner. Table (4.5) shows how much the importers expect the reliability of the employees to provide services.

Table (4.5) Mean Value of Reliability Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Having the ability of customs officers to properly check the tariff reduction rates of importers	4.71	.494
2	Providing the services in a timely manner by the employee	4.62	.589
3	Having the ability of customs officers to process documents smoothly and quickly	4.07	.376
4	Impartiality to resolve the CO Form-D service issues	4.13	.543
5	Providing AFTA services in a timely and accurate manner to prevent delays by customs officials	4.15	.445
Overall Mean		4.33	

Source: Survey Data (2023)

The descriptive statistical outcome of the Quality dimension of Reliability is shown in Table (4.5). With mean values of 4.71 and 0.494 standard deviation, the capacity to accurately check the importers' tariff reduction rates had the greatest mean values. This demonstrates that the importers are quite happy with the customs officers' performance and that they can accurately check the tariff reduction rates for imported goods. The quality factor that made it easier to examine papers had the lowest mean value, 4.07, and the smallest standard deviation, 0.376. The average mean score is 4.33, and it shows that the majority of importers firmly concur that, in their opinion, personnel deliver services efficiently and correctly. This result showed that importers were happy with the dependability of the customs officer and personnel, according to the total average mean.

4.4.3 Importer Perception on Responsiveness Dimension

The respondent expectations and perceptions of responsiveness were measured through five items. The customs officers and staff have to develop their responsiveness to

get importers satisfaction and to fulfil MCD objectives. The mean and standard deviation of each statement in the service qualities dimension of responsiveness was shown in Table (4.6).

Table (4.6) Mean Value of Responsiveness Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Responding in a timely manner if there is unclear information for the importer	4.05	.521
2	Caring for importers when they arrive at the office	4.16	.683
3	Willingness of customs officers and staff to help importers.	4.40	.527
4	Having beneficial and valuable updated information on the MCD website	4.36	.533
5	Having the fairness of Customs officials in dealing with CO Form-D matters	4.22	.495
Overall Mean		4.24	

Source: Survey Data (2023)

Table (4.6) presents the average of importer satisfaction on the quality dimension of Response time and overall mean score are above agreed-upon levels at 4.24. The highest mean score is 4.40, indicating that importers are happy with the way the officers treat them when they first arrive at the office. The most recent, useful information from the MCD website has a mean score of 4.36, which ranks it second highest. The mean response time to provide importers clear information had the lowest mean value at 4.05. The majority of importers highly believe that MCD refreshes the information in real-time on the Customs website and that often held awareness seminars and question-and-answer sessions are helpful to them, according to the average mean score of 4.24. According to the survey's findings, importers need to improve in both the responsiveness and expectation dimensions.

4.4.4 Importer Perception on Assurance Dimension

This sector shows the level of importers' satisfaction with the service quality dimension of assurance and also discovers feedback on satisfaction conditions from

importers on quality dimension of assurance in the CO Form-D application process. The following Table (4.7) shows satisfaction conditions from importers on quality dimension of assurance is classified into five categories.

Table (4.7) Mean Value of Assurance Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Having the ability of customs officers and employees to perform their duties professionally and ethically	4.24	.505
2	Having the proficiency of customs officers in explaining the customs tariff classifications	4.71	.563
3	Having courteous and knowledgeable customs officials	4.60	.593
4	Trusting in the excellent personal behaviour of the officers	4.13	.430
5	Assuring the security of the importer's information by customs officials	4.11	.530
	Overall Mean		4.36

Source: Survey Data (2023)

The whole average mean score, as shown in Table (4.7), is 4.36. This indicates that the importers' degree of satisfaction with the AFTA Section's quality dimension assurance is at the strong agreement level. The highest mean score, 4.71, indicates that importers are happy with the customs officers' level of service and have complete faith in their knowledge of tariff classifications. The security of the importer's information is evaluated when the service is rendered, and the average score is 4.11. The bottom line is that level. This indicates that the majority of importers desire more security for their private data when submitting CO Form-D documents to the AFTA Section.

4.4.5 Importer Perception on Empathy Dimension

The five factors used to measure influencing factors on the satisfied at quality dimension of empathy. The survey questions are based on the importers' satisfaction with the individualized attention provided by employees, the usefulness of the information

provided, the convenience of office hours, understanding of the needs of importers, and fairness in handling tax matters; those are the factors measured as service quality dimension of empathy. The values for this factor's mean and standard deviation are calculated and displayed in Table (4.8).

Table (4.8) Mean Value of Empathy Dimension

Sr. No.	Description	Mean	Standard Deviation
1	Having the ability to pay close attention to individual importers	4.60	.593
2	Providing useful and accurate information to individual importers by customs officers	4.18	.533
3	Allowing adequate office hours for importers to file AFTA proceedings	4.62	.568
4	Ability of customs officials to completely comprehend the requirements of the importer	4.58	.553
5	Ability of customs officers to provide helpful advice to importers in the matter of CO Form-D	4.15	.450
Overall Mean		4.43	

Source: Survey Data (2023)

The highest mean answer, with a mean score of 4.6, is that the staff care about and pay attention to each individual importer statement, as demonstrated in the data in Table (4.8). The concern that customs officials and employees have for each importer's perception and comprehension of their demands. The final outcome was a 4.43 mean score. This indicates that the importer only has a strong agree level of satisfaction with the quality factor of empathy. The lowest mean score for customs officers' capacity to offer importers useful guidance on the CO Form-D issue is 4.15, which is consistent with the state of service quality in the AFTA Section at the moment. The statistics show that the majority of importers are happy with the tailored attention offered to their CO Form-D concerns.

4.4.6 Overall of Service Qualities Dimension of AFTA Section on importer Satisfaction

The five factors are considered: Tangible, Reliability, Responsiveness, Assurance and Empathy. The overall summary of the mean of satisfaction score of AFTA Section at MCD is presented in Table (4.9). It shows the overall five service qualities dimension of the AFTA Section of MCD on importers' satisfaction.

Table (4.9) Overall of Service Qualities Dimension

Sr. No.	Service Quality Dimension	Mean
1	Tangible	4.39
2	Reliability	4.33
3	Responsiveness	4.24
4	Assurance	4.36
5	Empathy	4.43

Source: Survey Data (2023)

Table (4.9) displayed the total service characteristics that contributed to importer satisfaction. This presupposed that importers have consented to the MCD's AFTA Section's overall service standards. Empathy's quality dimension average is 4.43, which makes it more effective than the other service attributes. Importer satisfaction with service quality can be increased quickly. Additionally, among the five service quality factors, the Service Quality dimension of Tangible has the second-largest mean value, 4.39. It has been established that the service rendered by the AFTA Section at MCD with regard to tangible assets has entirely satisfied the importers.

Assurance has a mean value of 4.36. This is presuming that the importers have fulfilled the AFTA procedure's MCD concerns about service quality with the customs officers' demeanor and their knowledge of the rule of origin and tariff classifications. At a level of strong agreement, responsiveness has the lowest mean value of 4.24 for service quality. This finding suggests that all five of the AFTA Section at MCD's service quality aspects are important in ensuring importers' satisfaction.

4.4.7 Importer Satisfaction

In this section, the importer satisfaction with the service quality of AFTA Section at MCD was analyzed with five questions. Table (4.10) shows the mean of the below mentioned data.

Table (4.10) Mean Value of Importer Satisfaction

Sr. No.	Description	Mean	Standard Deviation
1	Being satisfied with the services provided by the CEPT Section	4.15	.485
2	Being satisfied with inspections of AFTA CO Form-D	4.69	.570
3	Being satisfied with being able to import goods quickly	4.64	.553
4	Being impressed by the responsiveness to the complaint submitted	4.09	.395
5	Being satisfied with the information and communication methods provided by MCD	4.11	.530
Overall Mean		4.33	

Source: Survey Data (2023)

The results of Table (4.9) above show that the values of the means ranged from 4.09 to 4.69. Since the total mean is 4.33, the importers demonstrated their satisfaction with the AFTA Section's service quality. The highest mean score, 4.69, indicates that importers are entirely happy with the CO Form-D inspection procedure. The highest mean score is 4.64, which is almost equal to another mean score. The fact that the import goods process is going more rapidly than before is another indication that the importers are happy with the service given by the AFTA Section at MCD. The lowest mean score demonstrates how responsive the complaint-submitted statement is. It might be made clearer because some importers had greater standards for how quickly their complaints were resolved.

4.5 Relationship between Service Quality and Importer Satisfaction

The nature of the relationship between the independent and dependent factors will be examined through the use of correlation and regression studies. It is possible to quantify

the strength and direction of a linear relationship that exists between two variables using the correlation coefficient, a statistical value that runs from -1 to 1. Correlation is a measurement of the relationship between two variables. In Table (4.11), the correlation between the independent variables "tangibles, reliability, responsiveness, assurance, and empathy" and the dependent variable "importer satisfaction" was determined.

Table (4.11) Correlation between Service Quality Dimensions and Importer Satisfaction

Sr. No.	Factor	Correlation Coefficient	P-value
1	Tangible	.762**	.000
2	Reliability	.973**	.000
3	Responsiveness	.613**	.000
4	Assurance	.971**	.000
5	Empathy	.884**	.000
**Correlation is significant at the 0.01 level (2 tailed)			

Source: SPSS Outputs, 2023

Table (4.11) displays the correlations between all of the independent factors and the dependent variable. Importer satisfaction had positive correlations with Reliability ($r = 0.973$), Assurance ($r = 0.971$), Empathy ($r = 0.884$), Tangible ($r = 0.762$), and Responsiveness ($r = 0.613$). The strongest relationships, in that order, were between the reliability and satisfaction quality dimensions. The third measure, responsiveness, showed a modestly positive relationship with satisfaction at a lower level of significance of 0.613.

4.6 Effect of Service Quality on Importer Satisfaction

The association between the independent factors (Tangible, Reliability, Responsiveness, Assurance, and Empathy) and the dependent variable (Importer Satisfaction) was uncovered by regression analysis. The following Table (4.12) provides an illustration of the outcomes of the multiple regressions.

This study employs regression analysis to investigate the relationship between service quality and importers' satisfaction. Examined are the following five criteria: Empathy, Reliability, Responsiveness, Assurance, and Tangible. The Unstandardized Coefficient Beta and its Standard Error data, Standardized Coefficient Beta value, t value,

and Significance value are also reviewed along with the Multiple Regression Coefficient. The following Table (4.12) provides an illustration of the outcomes of the multiple regressions.

Table (4.12) Effect of Service Quality on Importer Satisfaction

Dependent Variable- Importer Satisfaction	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-.198	.062		-3.181	.002	2.477
Tangible	.018	.017	.021	1.082	.281	2.858
Reliability	.474***	.046	.450	10.259	.000	1.736
Responsiveness	.051***	.015	.053	3.302	.001	8.806
Assurance	.403***	.039	.415	10.307	.000	4.471
Empathy	.098***	.026	.099	3.819	.000	2.477
R	.988					
R ²	.976					
Adjusted R ²	.975					
F Value	1304.313***					
Statistically significant indicate *** at 1%, ** at 5% and * at 10% level						

Source: SPSS Outputs, 2023

The findings are displayed in this Table, which indicates that the coefficients for dependability, responsiveness, assurance, and empathy are significant at the 1% level, but the coefficient for tangibleness is not significant with a p-value of 0.281, as indicated by the value of the F-statistic. In order to assess how well a regression model fits the data, it also provides the R, R square, and adjusted R square. The multiple correlation coefficient is represented by the letter "R". R offers a single metric—the importer satisfaction—to assess the predictive power of the dependent variable. In this investigation, the "R" value of .988 denotes a high degree of prediction.

The R square value, which was 0.976, showed a considerable degree of association between the factors influencing importer satisfaction. The corrected R square value of 0.975 proved the model's accuracy by showing that it is reliable. It follows that 97.6% of seemingly unconnected factors do, in fact, have an impact on importers' levels of satisfaction. The survey results revealed that the $F = 1304.313$ was both positive and

significant at $P = 0.000$ 0.05 . The statistical significance of the regression model is thus at the 1% level.

The AFTA Procedure of MCD has a 1 percent level of effect on importer satisfaction, which has a significant impact on reliability. This is due to the fact that the CO form-D inspection officers in MCD are chosen and placed in positions of professional responsibility in the pertinent industries. They may offer importers a lot of advice on how to identify the country of origin and the HS code. A 1 percent level of importer satisfaction on the AFTA Section of MCD is a major indicator of assurance. Regarding the importers' information, there is security when providing the service. Additionally, staff members are consistently courteous and well-versed in handling concerns from importers.

With importer satisfaction on the AFTA Section at the 1% level, empathy is also significant. The statistics show that the majority of importers are happy with the tailored attention offered to their CO Form-D concerns. Response time has a 1% substantial level beneficial impact on the satisfaction of the importer. Customs agents at the AFTA Section have swiftly settled importer disputes about the tariff reduction rate and HS classification in CO Form-D. Officials stand ready to help importers if they run into any problems.

According to the report, the majority of importers are pleased with the MCD's AFTA Section's level of customer service. It is clear that the reliability, responsiveness, empathy, and assurance quality characteristics can raise importers' satisfaction. On the other hand, the quality dimensions of tangibles have little real significance. This suggests that the tangibility hasn't had an impact on importers' satisfaction with the AFTA Section at MCD. Additionally, the standardized coefficient (beta) indicates that the quality dimension of reliability has the biggest impact on importer satisfaction with the AFTA Section of MCD. To summarize, the AFTA Section at MCD's service quality is good enough to gain importer satisfaction and promote trade.

CHAPTER V

CONCLUSION

This study's conclusions are discussed in the last chapter, which rests its judgment on the findings of the data analysis. Findings and suggestions are the study's two main sections. The results and recommendations of this study allow us to establish its goal. This study demonstrates the impact of the ASEAN Free Trade Area section's service quality on importer satisfaction. The main service quality of the Myanmar Customs Department may be commended for ensuring importers' satisfaction, improving trade facilitation through importers' compliance, and providing improved services to importers.

5.1 Findings and Discussion

This study looked at the MCD's ASEAN Free Trade Area section's service quality since the importers' satisfaction with MCD services might boost their compliance and streamline the importation procedure. Additionally, this study analyzes the impact of the ASEAN Free Trade Area Section's service quality on importer satisfaction. This study includes a sample population of 165 importers who replied to the survey out of a total of 825 importers who are currently importing products with the AFTA CO Form-D base. The vast majority of the responders are male, according to their demographic make-up. The majority of the respondents are middle-aged people with diploma and bachelor's degrees, according to an analysis of their ages and educational backgrounds. Private limited firms make up the vast majority of responses, and they have been in operation for an average of 5 to 7 years. The majority of them come from ASEAN nations five to 10 times every month.

The purpose of this study is to better assess importer satisfaction with the MCD's ASEAN Free Trade Area section's service quality. The reliability test results suggest that the sample was trustworthy for its size and that the earlier findings demonstrated good internal correctness. Each of the factors is reliable as well. Strong agreement existed among the factors that affected the service quality average mean scores as a whole. It is reasonable to expect that each of the five service quality dimensions of the AFTA Section at MCD will play a key role in assuring importers' satisfaction. It can be anticipated that the importer will concur on the general influencing aspects that effect their satisfaction, which include tangibility, reliability, responsiveness, assurance, and empathy, by enhancing the service characteristics of AFTA Section at MCD.

Regression analysis results show that the majority of importers are happy with the MCD's AFTA Section's level of customer service. From this study, it is reasonable to infer that the quality aspects of dependability, responsiveness, empathy, and assurance can raise importers' satisfaction. To improve importer satisfaction, these are the most crucial elements to modify. On the other hand, the analysis demonstrates that the tangibility has not had an impact on importers' satisfaction with the AFTA Section of MCD. Importer satisfaction is significantly influenced by dependability and service quality assurance.

In the AFTA Section at MCD, reliability is the most important factor among other variables that affect importer satisfaction, according to the survey data. The CO Form-D inspection officers in the AFTA Section who are chosen and assigned to professional positions in the relevant fields are mentioned as being extremely well-liked by the importers. They are also happy because the officers can offer them a lot of advice on how to determine the country of origin and HS classification. According to the analysis's findings, the reliability items' quality dimension was statistically significant, which suggests that importers value and benefit from the service quality's ability to streamline their import procedures.

The assurance items were determined to be statistically significant, and the importers report high levels of satisfaction with the customs department's handling of their private information in the AFTA Section. The important findings show that importers have confidence in the service quality and are confident in the security of their importation procedure. A correlation exists between assurance and importers' trust and confidence in the MCD process under AFTA.

Empathy is particularly important for importer satisfaction in the AFTA sector, as it helps personnel be courteous and competent enough to react to importers' questions. The statistics show that the majority of importers are happy with the tailored attention offered to their CO Form-D concerns. When submitting the CO Form-D at the AFTA area of MCD, individuals of the importer are happy with the results. Responding quickly means addressing the importer disagreement issue and their challenges in the AFTA area. We discovered statistical significance for the response items' quality dimension. It indicates that the importer is happy with the officials' willingness to aid them at any time and their prompt resolution of their AFTA issue for the benefit of their importation process. According to a multiple regression analysis, there is a statistically significant relationship between importer satisfaction and reliability, assurance, empathy and responsiveness. The impact of the five independent variables Tangible, Reliability, Responsiveness, Assurance

and Empathy on importer satisfaction showed how well the model predicts variation. Reviewing the survey results on importer satisfaction shows that the level of satisfaction is at its highest level of agreement since the MCD's AFTA section has provided exceptional service to the importers. The service quality of the ASEAN Free Trade Area department at the Myanmar Customs Department influences importers to be extremely happy, according to an examination of survey data about importer satisfaction.

In conclusion, the study's importers positively satisfy the AFTA division at MCD and have faith in its services, according to the significant levels for tangibility, reliability, responsiveness, assurance, and empathy. MCD also anticipated their demands and satisfied them. Building trusting connections with importers and offering quality service also helped with these. These results are essential for comprehending the variables that influence importers' satisfaction with service levels and can guide tactics for achieving the organization's objective.

5.2 Suggestions and Recommendations

There are comments and proposals to enhance the service quality of the AFTA section of the Myanmar Customs Department based on the responses of the respondents. Through the AFTA division of the Myanmar Customs Department, MCD is considering measures to improve both the level of importers' satisfaction and the process of trade. MCD should place the highest priority on service quality because it is the factor that has the biggest impact on the degree of importer satisfaction when it comes to meeting the demands and preferences of importers about the AFTA procedure. MCD should make an investment in a dependable complaint management system that can handle massive amounts of data if it wants to handle importer concerns successfully.

MCD needs to train its employees on how to recognize and quickly address importers' concerns regarding AFTA difficulties. Processing AFTA documentation in the office occasionally takes longer than usual. Because customs officers must conduct other inter-office tasks together, MCD should focus on preventing delays in AFTA operations. The ASEAN Free Trade Area's issues with preferential tariffs, tariff classification, and the rule of origin must be more transparently communicated to importers by MCD, who must also give ongoing training to personnel in the AFTA division to improve their skills and competencies. AFTA processes ought to be quicker than customary import procedures. The survey's findings indicate that the tangibles' quality aspects are not significant in any way. This shows that it hasn't had an impact on importers' satisfaction with the AFTA Section at

MCD. MCD should offer actual assets to modernize and improve in order to maintain a high level of service quality. MCD should be founded on the issues that are being worked on in practice, the issues that have arisen during the process, and the individual viewpoints of people involved in the AFTA method in order to build successful and helpful procedures. In summary, the study aims to increase importers' satisfaction with the AFTA department at MCD's service quality and further MCD's mission by promoting commerce.

5.3 Need for Further Research

This study focuses on the relationship between importer satisfaction in the vicinity of Yangon and the service quality of the AFTA sector in MCD. This particular study does not examine the full AFTA import market. Just 165 respondents from Yangon's AFTA CO Form-D import items at the time of the research's selection. If this study has the time to complete it, it can analyze additional respondents who are currently importing products into Myanmar using the AFTA CO Form-D. Additionally, more research should be done to determine the attitudes of importers who use CO Forms to import goods from other ASEAN trading partners like Australia and New Zealand, China, India, Japan, and Korea in addition to those who import goods from ASEAN nations.

REFERENCES

- Abayneh, Y. (2020). Effect of service quality dimensions on customer satisfaction: *The case of private pharmaceutical importers in Ethiopia*.
- Asian Development Bank. (2002). *ADB Annual Report 2001*. Asian Development Bank. <https://www.adb.org/documents/adb-annual-report-2001>
- Customs Services. (2018). <https://www.intertek.com/customs-services/>
- Bilgin, M. H. (2017). Empirical studies on economics of Innovation, Public Economics and Management: *Proceedings of the 18th Eurasia Business and Economics Society Conference*. Springer.
- Blery, E., Batistatos, N., Papastratou, E., Perifanos, I., Remoundaki, G., & Retsina, M. (2009). Service quality and customer retention in mobile telephony. *Journal of Targeting, Measurement and Analysis for Marketing*, 17(1), 27–37.
- Choi, K.-S., Cho, W.-H., Lee, S., Lee, H., & Kim, C. (2004). The relationships among quality, value, satisfaction and behavioral intention in Health Care Provider Choice. *Journal of Business Research*, 57(8), 913–921.
- Ehigie C., & Johnson Jesse S. Karley. (2018). Impact of service quality on customer satisfaction.
- Hafez, M. Z. (2004). The dimensions of regional trade integration in Southeast Asia. *Transnational Publishers*.
- Haywood-Farmer, J. (1988). A conceptual model of service quality. *International Journal of Operations & Production Management*.
- International Trade Administration, *Comply with U.S. and foreign regulations*. Trade.gov. <https://www.trade.gov/comply-us-and-foreign-regulations>.
- Jiang, Z. (2017). Trade facilitation and customs compliance for cost-saving and efficiency: *Policies, practices and proposals. a China case study*. *Global Trade and Customs Journal*, 12 (11), 469-483.
- Johnson, E., & Karley, J. (2018). Impact of service quality on customer satisfaction. *DIVA*.
- Khan, Mubbsher Munawar; Fasih, Mariam (2014): Impact of service quality on customer satisfaction and customer loyalty: *Evidence from banking sector, Pakistan Journal of Commerce and Social Sciences (PJCSS), ISSN 2309-8619, Johar Education Society, Pakistan (JESPK), Lahore, 8(2), 331-35*.

- Kotler, P., Pfoertsch, W., & Sponholz, U. (2021). H2H marketing: *The genesis of human-to-human marketing*. Springer.
- Kumar, A., Lee, H.-J., & Kim, Y.-K. (2009). Indian consumers' purchase intention toward a United States versus local brand. *Journal of Business Research*, 62(5), 521–527.
- Madichie, N. O. (2009). Management Decision. *Consumer behavior: Buying, having, and being* (8).
- Montreevat, S. (2005). Developing Asian bond markets, *Asean Economic Bulletin*, 22(2), 242–243.
- Mtp. (n.d.). *MFN tariffs and preferential tariff schedule of FTA*. Myanmar National Trade Portal. <https://www.myanmartradeportal.gov.mm/en/mfn-tariffs-and-preferential-tariff-schedule-of-fta>
- Myanmar Customs. (2010), *Vision and mission: Myanmar customs*. Vision and Mission. <https://www.customs.gov.mm/Vision%20and%20Mission>
- Naidoo, V. (2014). Service quality perceptions of students at a South African University. *Mediterranean Journal of Social Sciences*.
- Oliver, R. (1997). Customer delight: Foundations, findings, and managerial insight. *Journal of Retailing*, 73(3), 311–336.
- Oo, M. M. (1970, January 1). The effect of trade liberalization on Myanmar foreign trade with selected Asian countries by *Minn Maung Oo*.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41.
- Quality Gurus. (2023). The servqual model – the gap model of service quality: *Quality G. Quality Gurus*.
- Ramya N. (2019). Service quality dimensions: *Key on customer satisfaction a glance on commercial bank of Ethiopia, Industrial Engineering Letters*.
- Riccardi, L., & Riccardi, G. (2020). ASEAN Agreement of Customs. *Invest in ASEAN*, 235–240.
- Rodrigue, J.-P. (2020). Globalization and International Trade. In *The Geography of Transport Systems*. essay, Routledge, Taylor & Francis Group.
- Schiff, M. W. (2000). Multilateral trade liberalization and political disintegration: Implications for the evolution of free trade areas and customs unions. *World Bank Publications*.

- Solomon, M. R. (2009). Consumer behavior: Buying, having, and being. *Management Decision*, 47(5), 845–848.
- United States. Office of the U.S. Trade Representative. (1999). *United States generalized system of preferences guidebook*
- Varghese, J. (2004). Australia-US free trade agreement: Overview of potential legal issues. *Dept. of the Parliamentary Library*.
- World Customs Organization action plan for the economic competitiveness package overview. (n.d.). <https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/keyissues/ecp/ecp-action-plan-approved-en.pdf>
- Wilson, P. M., & Todd Rogers, W. (2008). Examining relationships between perceived psychological need satisfaction and behavioral regulations in exercise. *Journal of Applied Biobehavioral Research*, 13(3), 119–142.
- Zeithaml, V. A., Bitner, M. J., Gremler, D. D., Zhang, J., & Bai, C. (2015). Services marketing: Integrating customer focus across the firm. *Services Marketing: Integrating Customer Focus Across the Firm*.

APPENDIX - A

Questionnaire

Survey Questionnaire for Importer Satisfaction on Service Quality of Myanmar Customs Department

This questionnaire will be used to Effect of Service Quality of ASEAN Free Trade Area Section on Importer Satisfaction at Myanmar Customs Department. This would be confidential and data will be only used for the academic research of EMBF thesis for Yangon University of Economics.

Section (A): Demographic Information

Instruction: Please mark ✓ in for the most possible answer

1.1 Gender

Male Female

1.2 Age Group

21 to 30 31 to 40

41 to 50 > 51

1.3 Education level

Under Graduate Graduate

Master Ph. D

1.4 legal form of business

Sole proprietorship Partnership

Private limited company Public Company

Other

1.5 Tenure of Business

Under 3 years 5 years 7 years

10 years Above 10 years

1.6 How many times a month do you import from ASEAN with Form – D?

1 times 2 to 5 times

5 to 10 times Over 10 times

Instructions: please put the mark “√” on the giving providing you feel most appropriate, using the scale form

(1 = strongly disagree, 2 =disagree, 3 = neutral, 4 = Agree, 5 = strongly agree).

Statement		1	2	3	4	5
Importer Perception on Tangible						
1	The AFTA Section has modern equipment and technology to provide service.					
2	MCD has set up a spacious waiting area to apply for CO Form-D.					
3	The workplace and its surroundings are safe and clean.					
4	The employees are well groomed and neat appearing.					
5	MCD website design quality is visually attractive and has a great navigational function to explore the AFTA information.					
Importer Perception on Reliability						
6	Customs officers can check the importers’ tariff reduction rates correctly.					
7	The employees deliver services on time as promised.					
8	The document checking time is smooth and fast.					
9	Can be relied upon to be impartial in resolving CO Form-D service issues.					
10	Customs officers promptly and accurately operate the AFTA services on time in order to prevent delays.					
Importer Perception on Responsiveness						
11	Timely response if there is any information that is not clear from the importer.					
12	The officers take care of the importers as soon as they arrive at the office.					
13	Officers are willing to help importers.					
14	The updated information from MCD website is beneficial and valuable.					
15	Customs officials are fair in dealing with CO Form-D matters.					

Importer Perception on Assurance					
16	Customs officers and staff carry out their responsibilities professionally and ethically.				
17	Customs officers have the expertise to explain the customs tariff classifications.				
18	Customs officers are constantly polite and knowledgeable enough.				
19	Personal behavior of the officers is excellent that the importer can trust.				
20	The customs officials guarantee the security of the importer's information.				

Importer Perception on Empathy					
21	The employees care for and pay attention to each individual importer.				
22	Customs officers can provide useful and accurate information to individual importers.				
23	The appropriate office hours allow importers to submit AFTA processes.				
24	Customs officers are completely conscious of the importer's requirements.				
25	Customs officers can provide importers with helpful advice on the issue of CO Form-D.				

Importer satisfaction					
26	I am completely satisfied with the services provided by the CEPT Section.				
27	Regarding the inspections of the AFTA CO Form-D, I am entirely satisfied.				
28	I am fully satisfied with the fact that goods can be imported quickly.				
29	I am completely impressed with the responsiveness to the complaint submitted.				
30	I am completely satisfied with the means of communication with the information provided by MCD.				

Thank you very much for your Co-operation!

APPENDIX – B

STASTICAL OUTPUT

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	93	56.4	56.4	56.4
	Female	72	43.6	43.6	100.0
	Total	165	100.0	100.0	

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21 to 30	24	14.5	14.5	14.5
	31 to 40	78	47.3	47.3	61.8
	41 to 50	33	20.0	20.0	81.8
	>51	30	18.2	18.2	100.0
	Total	165	100.0	100.0	

Education Level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under Graduate	12	7.3	7.3	7.3
	Graduate	130	78.8	78.8	86.1
	Master	21	12.7	12.7	98.8
	Ph. D	2	1.2	1.2	100.0
	Total	165	100.0	100.0	

Legal form of Business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sole Proprietorship	51	30.9	30.9	30.9
	Partnership	30	18.2	18.2	49.1
	Private Limited	54	32.7	32.7	81.8
	Share Company	15	9.1	9.1	90.9
	Other	15	9.1	9.1	100.0
	Total	165	100.0	100.0	

Tenure_of_Business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3-5 years	36	21.8	21.8	21.8
	5-7 years	78	47.2	47.2	69
	7-10 years	42	25.5	25.5	94.5
	Above 10 Years	9	5.5	5.5	100.0
	Total	165	100.0	100.0	

Times of Import in a Month					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 time	5	3.1	3.1	3.1
	2 to 5 times	73	44.2	44.2	47.2
	5 to 10 times	51	30.9	30.9	78.1
	Over 10 times	36	21.8	21.8	100.0
	Total	165	100.0	100.0	

Reliability

Scale: Tangible

Reliability Statistics	
Cronbach's Alpha	N of Items
.813	5

Reliability

Scale: Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
.752	5

Reliability

Scale: Responsiveness

Reliability Statistics	
Cronbach's Alpha	N of Items
.727	5

Reliability

Scale: Assurance

Reliability Statistics	
Cronbach's Alpha	N of Items
.769	5

Reliability

Scale: Empathy

Reliability Statistics	
Cronbach's Alpha	N of Items
.724	5

Reliability

Scale: Satisfaction

Reliability Statistics	
Cronbach's Alpha	N of Items
.772	5

Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Tangible 1	165	2	5	4.31	.601
Tangible 2	165	2	5	4.31	.601
Tangible 3	165	3	5	4.87	.385
Tangible 4	165	3	5	4.25	.669
Tangible 5	165	3	5	4.22	.530
Valid N (listwise)	165				

Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Reliability 1	165	3	5	4.71	.494
Reliability 2	165	3	5	4.62	.589
Reliability 3	165	3	5	4.07	.376
Reliability 4	165	3	5	4.13	.543
Reliability 5	165	3	5	4.15	.445
Valid N (listwise)	165				

Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Responsiveness 1	165	3	5	4.05	.521
Responsiveness 2	165	2	5	4.16	.683
Responsiveness 3	165	3	5	4.40	.527
Responsiveness 4	165	3	5	4.36	.553
Responsiveness 5	165	3	5	4.22	.495
Valid N (listwise)	165				

Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Assurance 1	165	3	5	4.24	.505
Assurance 2	165	2	5	4.71	.563
Assurance 3	165	3	5	4.60	.593
Assurance 4	165	3	5	4.13	.430
Assurance 5	165	3	5	4.11	.530
Valid N (listwise)	165				

Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Empathy 1	165	3	5	4.60	.593
Empathy 2	165	3	5	4.18	.533
Empathy 3	165	2	5	4.62	.568
Empathy 4	165	3	5	4.58	.553
Empathy 5	165	3	5	4.15	.450
Valid N (listwise)	165				

Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction 1	165	3	5	4.15	.485
Satisfaction 2	165	2	5	4.69	.570
Satisfaction 3	165	3	5	4.64	.553
Satisfaction 4	165	3	5	4.09	.395
Satisfaction 5	165	3	5	4.11	.530
Valid N (listwise)	165				

Summary

Descriptive Statistics			
	Mean	Std. Deviation	N
Satisfaction	4.33	.369	165
Tangible	4.39	.428	165
Reliability	4.33	.351	165
Responsiveness	4.24	.387	165
Assurance	4.36	.380	165
Empathy	4.43	.373	165

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.802	5	4.360	1304.313	.000 ^b
	Residual	.532	159	.003		
	Total	22.333	164			

a. Dependent Variable: Satisfaction

b. Predictors: (Constant), Empathy, Reliability, Tangible, Assurance, Responsiveness

Correlations							
		Satisfaction	Tangible	Responsiveness	Reliability	Assurance	Empathy
Satisfaction	Pearson Correlation	1	.762**	.973**	.613**	.971**	.884**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	165	165	165	165	165	165
Tangible	Pearson Correlation	.762**	1	.748**	.559**	.741**	.684**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	165	165	165	165	165	165
Responsiveness	Pearson Correlation	.973**	.748**	1	.542**	.945**	.880**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	165	165	165	165	165	165
Reliability	Pearson Correlation	.613**	.559**	.542**	1	.614**	.499**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	165	165	165	165	165	165
Assurance	Pearson Correlation	.971**	.741**	.945**	.614**	1	.841**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	165	165	165	165	165	165
Empathy	Pearson Correlation	.884**	.684**	.880**	.499**	.841**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	165	165	165	165	165	165

** . Correlation is significant at the 0.01 level (2-tailed).

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.198	.062		-3.181	.002		
	Tangible	.018	.017	.021	1.082	.281	.404	2.477
	Reliability	.474	.046	.450	10.259	.000	.078	2.858
	Responsiveness	.051	.015	.053	3.302	.001	.576	1.736
	Assurance	.403	.039	.415	10.307	.000	.093	8.806
	Empathy	.098	.026	.099	3.819	.000	.224	4.471

a. Dependent Variable: Satisfaction

Collinearity Diagnostics ^a									
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	Tangible	Reliability	Responsiveness	Assurance	Empathy
1	1	5.986	1.000	.00	.00	.00	.00	.00	.00
	2	.006	32.941	.45	.07	.01	.17	.01	.02
	3	.004	37.171	.35	.05	.00	.61	.00	.02
	4	.003	45.206	.10	.86	.01	.09	.02	.05
	5	.001	71.926	.03	.01	.04	.04	.18	.80
	6	.000	136.567	.07	.01	.95	.08	.79	.11

a. Dependent Variable: Satisfaction

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.988 ^a	.976	.975	.058	2.306

a. Predictors: (Constant), Empathy, Reliability, Tangible, Assurance, Responsiveness

b. Dependent Variable: Satisfaction