

Abstract

This research aims at studying the impact of the Comesa agreement on the contribution of custom duties to government revenues in Sudan, especially since the Comesa agreement calls for reduction of custom duties between the member countries.

The research tries to answer the following questions:

1. To what extent will the contribution of custom duties to government revenue be affected as a result of Sudan joining the Comesa agreement.
2. Will Sudanese industries be able to compete with its counterpart in the Comesa region.

In order to answer these two questions, the researcher adopts a descriptive analytical method supported by secondary sources, which include various references, as well as publications from Bank of Sudan, Custom Duties Department, and Ministry of Finance. Also, the researcher adopts a comparative method in order to explain the impact of the implementation of Comesa agreement on the contribution of custom duties to government revenue.

The main findings of the research include the following:

1. The implementation of the Comesa agreement leads to a reduction in the contribution of custom duties to government revenue as a result of greater reduction in the custom duties rates between member countries in the Comesa region.
2. Sudanese industries have failed to compete with its counterparts in the Comesa region as a result of higher taxes and fees which these industries have been subjected to. Moreover, most of these industries failed to adopt modern techniques in production, as well as the continuous rise in the value of the Sudanese Dinar which affected negatively Sudan's exports while facilitating imports by reducing its prices.

The study suggests a number of recommendations, the most important ones may include:

1. Adoption of major structural changes in the tax system, including broadening the tax base and introduction of policies aimed at reducing tax loss.
2. Improving the quality of the Sudanese products by adopting modern techniques in production.
3. The rely more on producing and exporting goods in which the country has got a competitive advantage e.g., agricultural products.