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Analysis of the Import and Export to Measure Revenue Customs Authority (AA) Customs in Dili, Timor-Leste

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ABSTRACT: The research was conducted at the Customs Authority. The objective of this research is to see about the analysis of imports and exports to measure tax revenue from the period 2019-2022. In this research, the contribution of import and export taxes to tax revenues is used. The results of the research identified that the analysis of the tax contribution of the Import Tax Contribution of Rice and Coffee 2019-2020. In this research, the type of research used is quantitative research which is a type of research based on numbers, starting from data collection, interpretation of data and looking at the results. Starting from the results of calculation and discussion of the contribution of import tax of rice and coffee to the country's income. The contribution of the mortgage rate in the four years from 2019 to 2022 received financial fluctuations. The average financial value of the tax contribution amounts to 5.81%. In 2019, financial value was 4.49% because taxpayers tax contribution with minimum because they get low profit, in 2020 financial value with 11.67% taxpayers contribute maximum tax, in 2021 financial value with 4.32 %, and in 2022 the financial value decreased by 1.10% because taxpayers receive profits according to the taxpayer's income so the tax contribution is low, taxpayers contribute taxes according to their profits.

Keywords: Import, Export and Tax Revenue

INTRODUCTION

Timor-Leste is an independent country that officially became a fully sovereign nation on 20 May 2002 with international recognition through the United Nations. As a new independent country, Timor-Leste faces the global challenges in the era of globalization and development with evolution in science and technology.

Tax reality in Timor-Leste, taxpayers make contributions to the state coffers through direct and indirect taxes according to the Constitution of the Democratic Republic of Timor-Leste (CRDTL) in (article 55) which is stated that all citizens have income in obligation to pay public revenues in accordance with the law.

Import and export activities can also promote harmonious relations among the countries (Boley et al., 2017; Saviera et al., 2022a, 2022b). This international trade involves many parties which these parties are benefited each other. Profits can be made from the sale as well as profits from the necessities they meet. Import and export is also a service that has a great influence on entrepreneurs. Importing is the process of buying foreign goods or services from one country to another. The import of large quantities of goods generally requires the intervention of customs in the countries sending and receiving the goods (Kang et al., 2021a; Kong, 2014). The country's income is the country's input that becomes a financial source which supports the needs and activities of the country to develop the country. The income of a country comes from tax and oil revenues. Tax comes from the Latin word "taxo" which means the obligation to pay from the people to the nation.

The national legislation has established these fees and taxes as the Tax Act (Decree Law: 8/2008). These taxes and fees are also regulated annually by the government as part of the General State Budget. Based on national statistical data from KONSSANTIL shows that the majority of the population in the whole territory of Timor consumes imported rice or imported goods. KONSSANTIL works integrated between line ministries such as MAP-TL, Food Security Directorate, MSSI, MTCI, Education, and Finance in the Customs Directorate.

Most of the Timorese people consume imported rice because the country is totally dependent on imported rice from other countries. The local rice production is not enough to respond to the needs of the country because the local rice itself only produces in small scale level. Based on data from the Ministry of Agriculture and Fisheries showed that the availability of domestic rice in 2019 with a total quantity of 51,480 tons and in 2022 with a quantity of 12,181,338.00 tons of rice. From the data described above, it is understandable that the state or government must import rice to respond to national food needs in accordance with the requirements of export and import from Customs to measure national tax revenue (Dubey et al., 2022; Federico & Tosti, 2017; Kang et al., 2021b; Rašovská et al., 2021). Import and export activity of coffee and rice products started in the year. Research Questions Based on the background of study, the researcher formulates the research questions are as follows: 1. How to analyze import tax revenue in Timor-Leste? 2. How to analyze export tax revenue in Timor-Leste? (Ahmadu & Nukpezah, 2022; Compaoré, 2022; Håkansson, 2020). The Objective of Research. The research objectives are as follows: 1.To know and analyze about export and import in economic development in Timor-Leste. 2.To know and analyze the factors that causes reduction or increase in exports and imports to the economy of Timor-Leste.

According to Susilo (2016) import can be interpreted as the activity of importing goods from one country into the customs territory of another country. This understanding means that import activity involves two countries. In this case it can be represented by the interest of the two companies between two different countries and of course also regulation and also act as a supplier and only act as a receiving country. Import is the activity of placing goods in a place where the customs area (Belotti, 2017).

According to Curry (2017; 145) Exports are goods and services sold to foreign countries in exchange for other goods (products, money). Similarly, Soemitro in Mardiasmo (2017:1), taxes that contribute their contribution to the state coffers is based on the law that can be purchased without services that appear (homologous) which can be directly subscribed and used to pay overhead (Federico & Tosti, 2017; Lancheros, 2016). Similarly Purnawati (2018: 13) explains that "import purchases of goods from abroad under Government provisions paid in foreign currency. Ismiyadi and Indarniati (2017: 16) explain that imports of these goods e goods imported from abroad. An importer is a person or business entity that carries out import activities (Asif et al., 2022; Luttermann et al., 2020; Taghizadeh-Hesary et al., 2016).

Amir (2017;96), who stated that fulfilling people's need for goods by bringing goods that are not yet available in the country from abroad. maid. There are 4 types of positive impact of import restrictions, such as : 1. Strengthening the love for domestic production, 2. Reducing the release of foreign exchange abroad, 3. Responding to community needs, 4. Strengthening the balance of payments . b. There are 2 types of negative impact of import restrictions such as: 1. Luggishness of international trade resulting from reciprocal action against import quota restrictions, 2. Lack of improvement in quality of production because domestic producers feel they have no competitors.

Fernando, Youbil (2017; 65) Export is an activity to sell or send goods abroad according to government regulations with payment or international currency. According to Pradini and Rahardjo (2013) stated that export and import play an important role in the economic stability of the country, as it will directly affect the amount of foreign exchange of a country. Astuti Purnawati and Sri Fatmawati (2013), Export activity and sale of goods/services from customs area according to regulations and applicable laws. The customs area in question is the entire national territory of a country, which has import duties on and export duties on all goods passing through that territory. In the technical flow theory of foreign trade there are two reasons that encourage a country to export or sell goods to another country (Ambrosius & Leblang, 2020; Gupta et al., 2022; Xie et al., 2023). First, the products can be produced at lower costs compared to other countries. Second, the image may not be naturally occurring (Astuti Purnamawati and Sri Fatmawati, 2013:4).

METHOD

This research is using descriptive qualitative which is a type of research based on numbers, starting from data collection, interpretation of data and looking at the results. The techniques of data collection used in this research are: observation, interview and documentation. Sutrisno Hadi in Sugiyono (2017:145) proposed observation as a complex process, a process that consists of sharing biological and psychological processes. The two most important are the process of observation and memory. Data collection technique by the researcher to make direct observation of the object according to the study. According to Sugiyono (2017:231) interview is a meeting of two people who exchange information and ideas through questions and answers. According to Sugiyono (2017:240) documentation is the record of events that have already passed. Documents can be in the form of writing, drawings, or very large actions about a person.n

9The data analysis method used in this research is using descriptive qualitative analysis method. Qualitative descriptive analysis is an analysis that is used to describe a reality or situation or object in the form of sentences based on the description of statements from parties directly related to this research. The result of the analysis and interpretation in order revealed a clear figure of the problems that were answered (Tarigan, 2013). Contribution Analysis, Economic Dictionary (T

Guritno 1997:76) contribution is like giving something in common, with other parties aimed to obtain income or expenditure together. Therefore, the contributions in question can be interpreted as a contribution made from tax revenue or fees. To see the contribution of direct taxes and indirect taxes to increase state revenue, then use the following formulas

$$\text{Contribution} = \frac{\text{Reality of receiving Tax}}{\text{Reality of income}} \times 100\ \%$$

RESULT AND DISCUSSION

Table 1

Result Analysis of Tax Contribution of importing Rice and Coffee

No.	Year	Tax Import Rice	Tax Import Coffee	Total Contribution	Country Income
1	*2019*	2,489,076.5	568,333.57	3,057,410.07	68,049,121.99
2	*2020*	5,031,041.57	2,600,663.41	7,631,704.98	65,360,442.05
3	*2021*	2,941,449.77	1,123,207.91	4,064,657.68	67,981,100.75
4	*2022*	1,111,849.97	2,604.6	1,114,454.57	100,770,840.63

Source: Autoridade aduaneira

From Table 1 show that the contibution of rice import tax in 2019 with a total budget of $2,489,076.5 and coffee import tax in 2019 with a total budget of $568,333.57. The total import taxes of rice and coffee in 2019 with a total budget of $3,057,410.07, and the income of the country in 2019 with a total budget of $68,049,121.99. The contibution of import tax in 2020 with a total budget of $5,031,041.57, and coffee import tax in 2020 with the total budget of $2,600,663.41. The total import taxes for rice and coffeee in 2020 with a total budget of $7,631,704.98, the income of the country in 2020 with a total budget of $65,360,442.05. The contribution of import tax for rice in 2021 with a total budget of $2,941,449.77, and import tax for coffee in 2021 with a total budget of $1,123,207.91. The total import taxes of rice and coffee in 2021 with a total budget of $4,064,657.68, the income of the country in 2021 with a total budget of $67,981,100.75. The contibution of rice import tax in 2022 with a total budget of $1,111,849.97, and import tax for coffee in 2022 with a total budget of $2,604.6. The total import taxes of rice and coffee in 2022 with a total budget of $1,114,454.57, and the income of the country in 2022 with a total budget of $100,770,840.6.

Table 2

Tax Contribution

No	Explanation	Year

		2019	2020	2021	2022
1	Tax Contribution	4,49%	11,67%	5,97%	1,10%
Overall Result		**5,81%**			

Based on the results of the calculation table 2 above has shown that the contribution of taxes from imports and exports to the income of Timor-Leste in 4 years from the academic year 2019 to 2022 with its percentage that decreased Financial value percentage rate- average 4.19%. In 2019 the financial value of tax contribution by 3.65%. In 2020 the financial value of tax contribution increased by 7.69%. In 2021 the financial value of tax contribution decreased by 4.32%. In 2022 the financial value the tax contribution is less with its percentage of 1.10.

DISCUSSION

The data presented in Table 1 provides a detailed overview of the import tax revenue in Timor-Leste. The data shows that the rice import tax budgeted $2,489,076.5 in 2019, while the coffee import tax budgeted $568,333.57 for the same year. The aggregate import tariffs for rice and coffee in 2019 amounted to $3,057,410.07, which accounted for a significant portion of the national revenue of $68,049,121.99 that year.

In 2020, the import tax calculation allocated a total budget of $5,031,041.57, with the coffee import tax amounting to $2,600,663.41. The aggregate import tariffs for rice and coffee in 2020 increased to $7,631,704.98, while the national revenue for the same year was $65,360,442.05. This suggests that import taxes played a crucial role in the country's fiscal policy, contributing a substantial portion of the national revenue.

The trend continued in 2021, with the import tax for rice contributing $2,941,449.77 to the total budget, and the import duty for coffee amounting to $1,123,207.91. The aggregate import tariffs on rice and coffee in 2021 amounted to $4,064,657.68, which was 39% lower than the previous year, while the national revenue for the same year was $67,981,100.75.

Looking ahead to 2022, the rice import tax is projected to be $1,111,849.97, and the import tax for coffee is estimated to be $2,604.6. The combined import taxes for rice and coffee in 2022 are expected to amount to $1,114,454.57, which is a significant decrease from the previous years. However, the economic income for the country in 2022 is projected to be $100,770,840.6, indicating a positive outlook for the overall economic performance.

It is crucial to consider the broader economic context and the implications of such import taxes on domestic industries and trade balance. Fluctuations in import tariffs can directly impact local market prices and influence consumer behavior, which may ultimately affect national revenue. Moreover, understanding the relationship between import tax revenues and economic growth is essential for crafting effective fiscal policies that promote sustainable development, particularly in small economies like Timor-Leste, where strategic trade and investment partnerships could foster resilience and expansion within local markets and enhance.

The data presented in Table 2 indicates that the contribution of import and export taxes to Timor-

Leste's national revenue has fluctuated significantly over the 4-year period from 2019 to 2022. In 2019, the import and export taxes contributed $3,057,410.07, which was 4.49% of the total national revenue of $68,049,121.99. This percentage increased to 11.68% in 2020, with the import and export taxes amounting to $7,631,704.98 out of the total national revenue of $65,360,442.05. However, the contribution then declined to 5.98% in 2021, with the import and export taxes accounting for $4,064,657.68 out of the total national revenue of $67,981,100.75.

The projected data for 2022 suggests a further decrease in the contribution of import and export taxes, with the total projected at $1,114,454.57, which is only 1.10% of the projected national revenue of $100,770,840.60. This sharp decline in the percentage contribution of import and export taxes to the national revenue can be attributed to several factors, including changes in trade policies, fluctuations in commodity prices, and the impact of the COVID-19 pandemic on the country's economy.

To better understand these trends, it is important to examine the specific components of the import and export tax revenue, such as the taxes on rice and coffee, which make up a significant portion of the total. In 2019, the rice import tax contributed $2,489,076.50, while the coffee import tax contributed $568,333.57. The combined contribution of these two taxes accounted for 4.49% of the total national revenue. In 2020, the rice import tax increased to $5,031,041.57, and the coffee import tax increased to $2,600,663.41, collectively contributing 11.68% of the national revenue. However, in 2021, the rice import tax decreased to $2,941,449.77, and the coffee import tax decreased to $1,123,207.91, leading to a lower overall contribution of 5.98% to the national revenue.

CONCLUSION

Based on the results of the data analysis, the researcher concludes as follows: Tax Contribution, Starting from the calculation results and discussion of the contribution of import tax of rice and coffee to the national income. The contribution of the mortgage rate in the four years from 2019 to 2022, received financial fluctuations. The average financial value of the tax contribution amounts to 5.81%. In 2019, financial value was 4.49% because taxpayers tax contribution with minimum because they get low profit, in 2020 financial value with 11.67% taxpayers contribute maximum tax, in 2021 financial value with 4.32 %, and in 2022 the financial value decreased by 1.10% because taxpayers receive profits according to the taxpayer's income so the tax contribution is low, taxpayers contribute taxes according to their profits.

Based on the researcher who researched in the Customs Authority on the title of import and export analysis to measure Customs tax revenue does not collect export tax. This means that there is no export data because the Government does not apply taxes to exports, the Government only applies to imports. There are suggestions that the contribution of imports to the country's income is not permanent. In 2019 and 2020, the financial value increased despite the decrease in the contribution of financial import taxes. As in 2020, the financial value of the income is still low and the country's income that is effective cannot make expenditure or purchase the country to develop the country because the expenditure is greater than revenue.

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