

The Effect of Customs Exemptions on Capital Market

(Case study: Qeshm Customs)

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Abstract: This study aimed to investigate the impact of customs exemptions on capital market in Qeshm customs done, population and sample in this research consisted of all customs employees in Qeshm city that their number is 60. Due to limited sample population and society is considered equal. For self-made questionnaire was used to evaluate hypotheses according to the professors about its validity has been confirmed and reliability of the questions that have been approved by calculating Cronbach's alpha values is 0.76. Physiological parameters examined in this study include gender, education level, age and work experience of respondents and indicators related to customs exemptions include storage costs, ongoing costs and tariff rates. In order to assess the normality of the data for the study of Kolmogorov-Smirnov test was used to represent the data is normal. The research hypotheses indicators in order to evaluate the effect of storage costs, the current cost and tariff rates on the capital market is using T test. The test results indicate that the effect of these markers on the capital market and prioritize the similarity among the variables of Friedman test was used at the 0.05 level.

Keywords: Storage Costs, Ongoing Costs, Tariff Rates and Capital Markets.

Introduction

In today's world, international trade is a precondition for human societies and customs and International Trade is one of the circles in the International Customs also plays a role in a commercial transaction. If customs, its role and timely and quick to do good, commodity circulation will be smoother and faster. To quickly access essential customs rules, need to be expert and knowledgeable. The main problem in the management of customs, especially in the past two decades to balance the need to facilitate trade as the simple construction, standardization and integration in the supply chain International instruments and approaches on the one hand, and the level of control and intervention from the other. In dealing with this dilemma, Customs role and its place in the international supply chain significantly changed. Today, the Islamic Republic of Iran Customs duties and missions far beyond the duties such as providing income and support the industry and its domestic production and a range of national and international requirements included.(Abzari, Mohammad ,2012) Customs Islamic Republic of Iran with a deep understanding of the subject and the right expectations of government stakeholders including consumers, producers, businessmen and business development to facilitate the realization of anticipated revenues, track and combat smuggling, foreign trade policy and the protection of consumers and producers. Customs revenue receipts of the

customs duties and customs exemptions in accordance with the laws and regulations of the country, so that the result of the income received as the third source of income for the country. Customs statistics show an average annual growth during the fourth and fifth development plans that represent 11.6 of income in the economy is the importance of Customs and this reflects the dynamics of macroeconomic indicators and affect all customs (Meemarzadeh & Fathi, 2013). Accurate and timely execution of projects, exploration of the master plan as an innovative customs Iranian customs road map in the coming years to the original position and its real customs can improve the economy .The aim of this study was to investigate the impact of customs exemptions on capital markets in Qeshm Customs and the researcher is trying to investigate whether the reduction of warehousing costs resulting from customs exemptions; reducing the running costs of customs exemptions and ultimately reduce tariff rates of customs exemptions on capital markets is effective or not?

Theoretical foundation

If no country in the past were able to meet the minimum requirement of cooperation and relationship with each other such situations do not exist today. Development of technology and means of communication and information revolution not any country's independence. Word villages to international relations the country indicate that elusive truth it is not. Today the first letter in the economy countries that are pragmatic in their power to know and to establishing a friendly relationship and defined by other countries provides the possibility of economic exchange. Iran's geographical position has made it possible that the oil and transit of goods and passengers can play an important role. Play such a role requires investing in development of railways, roads, airports and ports in the country. However, one should not imagine our country is a strategic location for this feature alone brings us to success.

Customs

Customs word equivalent in English Cumbercx and in French Douana and, according to researchers and historians, customs from the Latin root word "Commeccum" against which the French and English "Cumbercx means trade and exchange of goods. The Customs Administration is defined as follows:

Customs is a government agency responsible for law enforcement and collection of customs duties arrival as well as import, transit and export of goods. This term refers to any part of the customs or main offices or function refers latest, in the case of customs officials, import and export duties and import or export controls or anything else that is about customs operations also used as customs duties, customs officers. According to this definition is to say Customs Organization and finance and economics that existed in the country since long time and at any time according to the circumstances of the time and the will of governments, the particular organization has taken shape and has been in its current form. Legally, only the implementation of import and export customs is regulations for imports and exports with it.

Investment behavior

Foreign investment will also facilitate access to export markets, because transnational corporations typically, the channel for the distribution of goods from one country operates to global markets. Foreign direct investment by shaping the country's production structure is towards production with maximum efficiency, in order to optimize industry (Taghizadeh et al., 2013). Empirical evidence reduction in risk aversion when individuals increased their wealth in the world's most prestigious scholarships offered. Tendency to invest in the Stock Exchange of triggers and factors create incentives to invest in the Stock Exchange. One of the issues in the financial sphere and in the discussion of behavioral finance, studies to identify investment decision, design process, and explain the pattern of decision-making is in the capital market. The tendency to invest in the stock stimuli and factors that create incentives invest in the Stock Exchange. Investors in financial literature have long analysis based on classical theories such as: economic utility theory was interpreted. Based on the fundamental principles of utility theory by Neumann and Morgenstern (1947) was developed, an investor will be perfectly rational and logical decisions. It will be able to solve complex problems. It is risk-averse and sought to maximize its own wealth. The utility views assumed the investment in terms of give and take and the relationship between return and risk plans and their satisfaction with the composition selected to maximize investment (Falah et al., 2008).

The need for investment in the country's capital markets

Most developing countries to boost lending to the economy, creating jobs and achieving sustainable economic growth and development are faced with the problem of lack of investment resources. Shortage of foreign exchange earnings from exports and unfair exchange rates, often to the detriment of exporters of goods and raw materials is

changing and the dense population and relatively high consumption, of the factors that resource savings into productive investments in these countries to strongly limit. Catch and achieve sustainable development requires investment to exploit the comparative advantages and economic potential. The basic problem is the lack of sufficient investment in Iran, lack of security, state of the economy, making parallel, changes in levels of country managers and different interpretations of the constitution have been considered.

Adaptive behavior in capital market investors

Shiller (2001) argued that investment in assets is a social activity. Social influence in social psychology and sociology in general and specifically in the theory of consumer behavior and extensive marketing research has been studied. Recent studies have shown that virtual or real presence of others can have a significant effect on human behavior (Kroop et al., 2009). In addition, the results of the decision, the individual image and affect the social image, social influence decision-makers have an important role in behavior. Investor behavior from the perspective of social influence can be used to better understand the causes and dynamics of herding behavior due to cascade information and the herding behavior of correlations useful information. A basic concept of social influence plays a pivotal role in literature, adapt (adjust one's thinking and behavior to match them with individuals or groups of reference). A lot of research with social influence in general and compliance in particular is done (Rezaeian, Ali and et all2005)

Research hypotheses

By studying the literature in this study are the following assumptions:

- The first hypothesis: Storage costs resulting from customs exemptions influences on capital market
- The second hypothesis: Reducing the running costs of customs exemptions influence on capital market
- The third hypothesis: Reduced tariff rate of customs exemptions influences on capital market

Materials and Methods

This type of study is an applied research and development. In terms of data collection, the staff is descriptive and correlational. Validity of the questionnaire for this study by three University faculty members and five experts evaluated the insurance industry. The population and sample in this research consisted of all customs employees in Qeshm city that their number is 60. Due to limit sample population and is considered equal society. Two methods for collecting information and documents and field method is used. Despite being a standard questionnaire to assess reliability, a prototype contains 30 pre-test questionnaire was distributed and then use the data obtained from the questionnaire using Cronbach's alpha reliability coefficient was calculated by the software then Cronbach's alpha for the whole questionnaire obtained 0.762. To analyze the data and use 22 SPSS statistical analysis software is used.

Results

Descriptive statistics

Table 1 shows a summary of the descriptive statistics of the study.

Table 1. Descriptive statistics summarize research.

		Frequency	Percent
Gender	Male	43	6.84
	Female	17	4.15
Age	Between 20 and 30 years	22	36.6
	Between 31 to 40 years	19	31.7
	41 years	19	31.7
Education	Diploma	16	26.7
	Associate Degree	14	23.3
	Bachelor	14	23.3
	MA	10	16.7

	P.H.D	6	10.0
Work experience	1 to 5 years	21	35.0
	5 to 10 years	20	33.3
	10 to 15 years	10	16.7
	More than 15 years	9	15.0

Inferential Statistics

Normality test variables

The Kolmogorov - Smirnov test was used for data normalization. Normality tests the null hypothesis and the alternative hypothesis is as follows:

H0: distribution of variable data is normalized.

H1: variable data distribution is not normal.

Normality of variables in Table 2 the results are summarized.

Table 2. Normality test for variables.

Variables	Number	Z statistic	Sign.
cost of storage	60	0.749	0.629
Current cost	60	1.312	0.064
Tariff rate	60	1.125	0.159

Based on the values presented in the table above, since a significant level values for all variables is greater than 0.05, therefore, the null hypothesis is not rejected normality of variables. As a result, all data distribution is normal variable. When the variable is considered normal for comparing the average of the one-sample t test is used.

Test hypotheses

Examination of the hypotheses

Storage costs resulting from customs exemptions influences on capital market. The results of testing the first hypothesis in Table 3 are presented. As you can see, based on the test T, such as the significant level equal to 0.00 less than 5%, therefore, the null hypothesis, ie equal to 3 average at 5% is rejected.

So on average, significantly different from 3. Also, because the difference between the average of the number 3 positive value, so the average responses from mediocrity more. Thus, the first hypothesis is confirmed at the level of 95% and the reduction of warehousing costs resulting from customs exemptions influences on capital market.

Table 3. The first hypothesis test result.

Variable	Average	T statistics	T test results				Mean	SE	At 95%	
			df	Sign.	Lower border	Higher border				
Storage cost reduction impact on the capital market	22.916	47.197	59	0.000	22.916	0.4855	21.945	23.888		

In Table 4 components that make up the hypothesis number one is checked.

Table 4. Components that make up the first hypothesis (derived from statistical calculations).

Questions	Average	SE	T statistics	df	Sign.	Results
Information and use of export promotion programs has an impact on the capital market.	2.5667	1.345	14.782	59	0.000	Significance and agree to the questions in the study population
Customs managers to implement programs encourage exports its impact on the capital market.	3.0667	1.448	16.403	59	0.000	Significance and agree to the questions in the study population
Electronic monitoring costs affect the capital market.	2.9500	1.320	17.307	59	0.000	Significance and agree to the questions in the study population
Sort by human and machine monitoring costs effect on the capital market.	3.0167	1.359	17.193	59	0.000	Significance and agree to the questions in the study population
Continuous training warehouse personnel sustained impact on the capital market.	2.6333	1.365	14.943	59	0.000	Significance and agree to the questions in the study population
Supplies Electronic monitoring activities effect on the capital market	2.6833	1.489	13.950	59	0.000	Significance and agree to the questions in the study population
Construction-related stocks on the capital market affect the transit of goods.	2.8667	1.283	16.050	59	0.000	Significance and agree to the questions in the study population
Optimize space and unload warehouse effect on the capital market.	3.1333	1.371	17.700	59	0.000	Significance and agree to the questions in the study population

According to the above table agree with the questions most optimized loading and unloading of warehouse space has an impact on the capital market and less information inquiries and agree to the use of export promotion programs has an impact on the capital market.

The second hypothesis test

Reducing the running costs of customs exemptions influences on capital market.

The results of the second hypothesis are presented in Table 5. As you can see, based on the test T, such as the significant level equal to 0.00 less than 5%, therefore, the null hypothesis, ie equal to 3 average at 5% is rejected. So on average, significantly different from 3 also, because the difference between the average of the number 3 positive value, so the average responses from mediocrity more. The second hypothesis is confirmed at 95% of the current costs of customs exemptions influences on capital market.

Table 5. The second hypothesis test result.

Variable	T test results							
	Average	T statistics	df	Sign.	Mean	SE	At 95%	
							Lower border	Higher border
The impact of ongoing cost reduction on the capital market	16.833	40.741	59	0.000	16.833	0.413	16.006	17.660

In Table 6 the number of components that make up the second theory is checked.

Table 6. Components that make up the second hypothesis (derived from statistical calculations).

Questions	Average	SE	T statistics	df	Sign.	Results
The appropriateness of the current cost of monthly customs broker with daily activities and impact on the capital market	2.666	1.323	15.608	59	0.000	Significance and agree to the questions in the study population
Reduce the cost of ongoing monitoring and maintenance of appropriate machinery has an impact on the capital market	3.100	1.361	17.634	59	0.000	Significance and agree to the questions in the study population
Taking advantage of the economic cost of ongoing cost control and supervision impact on the capital market	2.583	1.344	14.888	59	0.000	Significance and agree to the questions in the study population
Discounts dedicated account current costs for registering good workers impact on the capital market	2.916	1.331	16.969	59	0.000	Significance and agree to the questions in the study population
Customs deputy obtaining feedback control of reducing the cost of ongoing monthly balance impact on the capital market	3.000	1.390	16.717	59	0.000	Significance and agree to the questions in the study population
Taking advantage of the auditing and accountancy elite and experiences affect employees on the capital market	2.566	1.357	14.645	59	0.000	Significance and agree to the questions in the study population

According to the results table above the highest agreement the question of reducing the cost of ongoing monitoring and maintenance of appropriate machinery has an impact on the capital market and the lowest agree with the question of auditing and accounting enjoying elite and experiences affect employees on the capital market.

Reduced tariff rate of customs exemptions influences on capital market. The third hypothesis test results are provided in Table 7. As you can see, based on the test T, significant level equal to 0.00 less than 5%, therefore, the null hypothesis that is equal to 3 average at 5% is rejected. So on average, significantly different from 3. The positive value is the difference between the averages of the number 3 is average responses from mediocrity more. The third hypothesis is confirmed at the level of 95%. The reduction of tariff rates of customs exemptions influences on capital market.

Table 7. The third hypothesis test result.

Variable	T test results							At 95%	
	Average	T statistics	df	Sign.	Mean	SE	Lower	Higher	
							border	border	
The impact of reduced tariff rates on capital market	9.466	30.594	59	0.000	9.466	0.309	8.847	10.085	

In Table 8 the number of components that make up the Third hypothesis in throughput.

Table 8. The components that make up the third hypothesis (derived from statistical calculations).

Questions	Average	SE	T statistics	df	Sign.	Results
Monitoring and control on offer reasonable rates and the Customs Act has an impact on the capital market.	3.050	1.691	13.965	59	0.000	Significance and agree to the questions in the study population
Fitting the tariff rates with daily activities affect clearance and unloading of goods on the capital market.	3.250	1.297	19.410	59	0.000	Significance and agree to the questions in the study population
Discounts related to the volume and speed of tariff rates in the capital market affect evacuate.	3.166	1.277	19.196	59	0.000	Significance and agree to the questions in the study population

According to the above table agree with the questions most appropriate tariff rates with daily activities affect clearance and unloading of goods on the capital market and the lowest agree with the question of monitoring and control to provide reasonable rates and the customs act has an impact on the capital market.

4-2-3- Friedman test to prioritize sub hypothesis

Friedman test, for the similarity among the priority variables are used:

H0: Prioritize all variables are the same.

H1: At least two different priority.

Table 9 contains the variables descriptive statistics show that the average rank of each variable to determine which storage cost is the highest rating.

Table 9. Average number of variables.

Variable	Average Rating
cost of storage	2.93
Current cost	2.07
Tariff rate	1.01

The results of the test in Table 10 are presented. As can be seen, according to Friedman, the significance level of less than 5% ($5% > 0$), so the null hypothesis, ie, equality priorities at the level of 5% is rejected. At least have two different priorities.

Table 10. Friedman test.

Number	60
Chi-square statistic	111.538
Degrees of freedom	2
The significance level	0.000

According to the order of priorities Table 10. Factors affecting the capital market as follows:

The first priority, the second priority of the current cost of warehousing cost tariff rate is the third priority.

Conclusion

The results of testing the first hypothesis suggest that reduce warehousing costs resulting from customs exemptions influences on capital market. According to the results of last season, which shows the effect of reducing warehousing costs resulting from customs exemptions on capital markets is recommended. The intelligence and the use of export incentive programs in line with specific exemptions and export incentives determine the type and schedule of activities and customs and performance of managers to implement programs encourage exports is in line with exemptions and self-regulatory organization to reduce the cost of storage management sort by humans and machines in storage and evacuation costs, loading and customs exemptions related to using different methods and

policies develop. It is suggested that the ongoing assessment and training and ongoing discussions warehouse personnel related to customs exemptions and good infrastructure for electronic monitoring of warehouse activity and the use of advanced transportation and handling systems related to customs exemptions create the conditions for the construction of warehouses related to transit of goods related to customs exemptions provide and also suggested which is related to the construction of warehouses, transit of goods related to customs exemptions and optimize the loading and unloading of storage space for work related to customs exemptions.

The results of the second hypothesis suggest to reduce the running costs of customs exemptions influences on capital market. According to the results of last season, which reflects the impact of ongoing cost reduction of customs exemptions on the capital market is the recommended between the current cost of monthly customs tariff in their daily activities and fitness with different fiscal policies and balance and reduce running costs by monitoring equipment and proper maintenance they affect the capital market. In this regard, the policy of maintaining assets and technical capital can take effective steps in this regard. By assigning discounts for registering farmers' costs related creditworthy customs exemptions impact on capital market and to obtain feedback collected monthly balance deputy's customs supervision of ongoing costs related units and improvement of customs exemptions with a discussion between the two indices. It also utilizes the use of auditors and accountant's elite and staff experience and successful managers in the organization to reduce current costs related to customs exemptions to develop its activities. The third hypothesis test results show the reduction of tariff rates of customs exemptions on capital market implications. According to the results of last season, which reflects the impact of reduced rates of customs tariff exemptions on capital markets is due to the proposed that company executives more control over the rates approved and customs reasonably related to customs exemptions and coordinate daily activities customs tariff rates and unloading of goods related to customs exemptions apply and the tariff rates associated with volume discounts welcome to discharge workers quickly evacuated and history related to customs exemptions can be reduced, making the link between tariff rates of customs exemptions on capital markets.

Future research proposals

1. Investigating the relationship between customs exemptions on developed markets.
2. Examine the relationship between improved market strategies on the capital market.
3. The role and impact of the creation of an electronic customs and facilitating capital market development.
4. Capital market impact on insurance duties.

Limitations of the study

Since doing any research done at the particular time and place, therefore, certain restrictions with which users must carefully study them to operate. Limitations of the study, factors study the researchers claimed and prevented from reaching the desired results and achieves the study.

The most important limitation of this study includes the following:

1. In this study, using questionnaires as the main instrument of criticism like to respond by ignoring or faced biased.
2. The present study was conducted in terms of location in a city that may be studied city and has its own unique circumstances therefore, in generalizing the results to other city departments need to be considered.

Conflict of interest

The authors declare no conflict of interest

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