

## A Baseline Study for A Proposed Customs Management System Model in the Philippines

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### Abstract

The World Trade Organization (WTO) has worked to standardize international trade by zeroing trade, harmonizing product items (tariff harmonization), and facilitating trade. The Philippines has been a member of the WTO, and one of the benefits of membership is trade facilitation. Trade facilitation refers to the smooth operation of transactions at the port, which is based on agreed-upon norms and standardization. Presently, there is a need for a baseline study to evaluate the customs management practices of customs brokers and develop ways for improvement. This study aims to provide baseline data that will be utilized in the creation of a new customs management system model based on the Philippine customs broker's experiences and practices. The four pillars of customs management - transparency and communication, import and export process, legal compliance, and aiding collection to the government were used as guides. A mix of quantitative and qualitative research methodologies was used to meet the presented objectives. For the quantitative approach, participants were grouped based on their eligibility as licensed customs brokers, years of academic/industry experience, and number of clients. The survey respondents were classified into three categories: “newbie”, “established or expanded” and “emperor or veteran” customs broker. Additionally, the qualitative approach was employed to ascertain the extent and intensity of these customs broker groups' practices, as well as how different or similar they were. Respondents to the survey confirmed that there is effective and clear communication channels within customs brokerage practices (mean = 3.32), show effectiveness in handling a variety of customs-related processes (mean = 3.37), follow industry standards and regulations for import and export procedures (mean = 3.37), maintain consistency among customs brokers in their group when it comes to following legal requirements and regulations ( mean = 3.46), and actively support the government's revenue collection efforts (mean = 3.49) and others. Finally, the proposed model is comprised of information that display an infographics manual of standardization.

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