

Challenges Experienced by Customs Brokers in the Practice of Profession

Asia Pacific Journal of
Academic Research in
Business Administration

Vol. 4, No. 1, 36-45

April 2018

apjarba@lpubatangas.edu.ph

P-ISSN: 2467-6691

E-ISSN: 2467-5148

**Ayessa Aira P. Cuevas, John Paul D. Aquino, Darren S. Dipasupil,
Monica Ashley A. Malabanan, Andres M. Talavera,
Filomena M. Mendoza**
College of Business Administration, Lyceum of the Philippines University,
Batangas City, Philippines

Date Received: March 5, 2018; Date Revised: April 6, 2018

Abstract - *This study determined the challenges experienced by customs brokers in the practice of the profession. Specifically, it aimed to determine the profile of respondents in terms of age, gender, nature of professional practice, and length of employment/operations, to determine the challenges experienced by customs brokers in the practice of profession, to test the significant difference when grouped according to profile and to propose a plan of action to address the challenges encountered. Descriptive method was utilized using questionnaires to gather data. This study employed 153 licensed Customs Brokers in individual practice and 86 licensed Customs Brokers in freight forwarding companies both in Metro Manila. Results showed that Customs Brokers in both fields in Metro Manila sometimes encounter challenges throughout the course of their profession. Also, there was a significant difference in the challenges encountered by Customs brokers when grouped according to profile. Those who are 41 years old and above, male, individual practice and in the operation for 16 years and above are more challenged compared to others. The researchers recommended that the Bureau of Customs conduct re-training programs for customs brokers, regular importers and government agencies concerned to address the problems encountered.*

Keywords: *Customs brokers, Freight forwarding, Bureau of Customs*

INTRODUCTION

In any industry, overcoming challenges is consequential to become globally competitive. It is significant to successfully deliver the services they offer. Import and export industry is not excluded. Clients complain about the inconvenience of the delays in the process, how it makes their shipment costly, or how they end up paying higher fees than expected. But most people do not really understand the details in the process and the challenges the customs brokers encounter in the process.

Customs brokers, particularly those in Metro Manila, experience great difficulties. This is because cities are the main centers of industries. The high concentration of industries and services in highly urbanized cities, such as Metro Manila causes operations to be more complex. Over the past two decades, industries within Metro Manila have sporadically grown without proper planning, with their capacities unable to keep up with a growing urban population and continuous advancement in technology [1].

The three most common problems they face are the delay, damage to the goods, and customs clearance.

Most often, delays cannot be controlled. It can arise from any cause, from miscommunication to negligence and opposite collaborating events. Damage to the goods cannot also be foreseen, most especially during fortuitous events. Lastly, difficulties in customs clearance may arise from the incomplete payment by the importer, or the importer or the broker presented insufficient data or documents to the Bureau of Customs.

In the study of Lenari [2], importing and exporting goods are burdensome for the Customs Brokers for they need to comply with the rules and regulations. They encounter a lot of uncertainties which involves macro-trends happening in the present time. They also encounter problems in communication with the importer, negligence of the client, and submission of incomplete documents. On the other hand, in the study of Sambayan [3], the customs brokers agreed that the problems they encounter are pending office transactions, receiving incomplete documents, and low volume transaction. The difficulties they encounter may become a huge problem in the whole process when left behind.

The researchers have chosen this study because the results will benefit the Bachelor of Science in Customs Administration students for it will provide an insight into the challenges that they will encounter in the kind of working life or individual practice they will embark in the future. This study will provide an action plan for the challenges determined, thus will help the future customs brokers in preparing themselves. To the future researchers, this study may serve as their guide for conducting a study regarding the same subject; this might contribute information and needed data. The researchers believe that conducting this research would not only help the future customs brokers in surpassing the challenges they would encounter in the practice of their profession but would also provide them invaluable knowledge which they can use in the future.

OBJECTIVES OF THE STUDY

This study aimed to determine the challenges experienced by customs brokers in the practice of the profession. Specifically, the study aims to: determine the profile of respondents in terms of age, gender, nature of professional practice, and length of employment/operations; determine the challenges experienced by customs brokers in the practice of profession; and test the significant difference when grouped according to profile

METHODS

Research Design

The researchers used the descriptive method of research. Descriptive research is a study intended to represent the members in an exact way. It refers to a method used in exploring a query or subject [4]. The researchers used the descriptive method to identify the challenges experienced by customs brokers. Also, to examine the responses of customs brokers with particular facts and conditions of the subject and to depict participants in an accurate way.

Participants of the Study

The researchers of this study utilized 153 out of 1,386 licensed customs brokers in individual practice and 86 licensed customs brokers employed in freight forwarding companies, both in Metro Manila having a total of 239 respondents. The required number of respondents was derived using G*power 3.1.9 with an effect size of 0.30. The respondents for individual practice were based on Paranaque and South Harbor Manila and the respondents for freight forwarding companies were from Air Cargo Haus and Henry Villa Brokerage Firm.

Data Gathering Instruments

The researchers adapted the questionnaire with slight modifications from the study of Sambayan et al. [3] in gathering the data which was an effective instrument in obtaining the objectives of the study. The questionnaire dealt with the challenges encountered by customs brokers in the practice of their profession. Informal interviews were conducted to gather data. The researchers underwent an extensive reading to collect enough literature and studies that served as excellent sources for the construction of their questionnaire.

The first part of the questionnaire is personal questions about the profile of the respondents. Second part is composed of challenges encountered by the customs brokers.

Procedure

Upon approval of the questionnaire by the panel, the researchers went to Chamber of Customs Brokers Incorporated Manila to acquire the total number of customs brokers employed in freight forwarding company and customs brokers in individual practice. Upon having an approval from respective companies, the researchers went to Metro Manila for three times and distributed the questionnaires to the respondents in various companies. After two weeks, the researchers retrieved 80% of the questionnaires distributed.

Data Analysis

Frequency and percentage distribution were used in determining the respondent's profile in terms of age, gender, length of employment/operations and nature of professional practice. Weighted mean is the statistical tool utilized in determining the difference of scope of practice and difficulties encountered. Weighted mean is a kind of average calculated by giving values in a data set more influence according to some attribute of the data. Analysis of Variance (ANOVA) was used to test the hypothesis of the study. All data were treated using a statistical software known as PASW version 18 to further analyze the results of the study.

Ethical Consideration

One major ethical consideration is to ensure that the respondents' anonymity is protected during the entire analysis process. An official letter addressed to the respondents approved by the research adviser and the Dean was personally given to the respondents. The researchers formally contacted the companies and customs brokers to administer the questionnaire. The researchers also personally administered the questionnaire to ensure the confidentiality of the information they provided.

RESULTS AND DISCUSSIONS

Table 1. Percentage Distribution of the Respondents' Profile

Profile Variables	f	(%)
Age		
20 – 30 years old	78	32.6
31 – 40 years old	82	34.3
41 years old and above	79	33
Gender		
Male	93	38.9
Female	146	61.1
Nature of Professional Practice		
Individual Practice	153	64.0
Employed in Freight Forwarding	86	35.9
Length of Employment/Operations		
1 – 5 years	73	30.5
6 – 10 years	52	21.8
11 – 15 years	58	24.3
16 years and above	56	23.4

Table 1 shows the frequency distribution of the respondents' profile variables. It shows the distribution of respondents according to their age. 34.3% of the total respondents are aged 31-40 years old. This may be because older practitioners have more experience towards their work. They are matured enough to handle matters in their profession, including the challenges arising from their work.

On the other hand, 20-30 years old got the lowest frequency of 32.6%. This may be because younger customs brokers usually have lesser experience, and therefore has lesser chance of employment due to stiff competition in Metro Manila.

According to Ayala [1], since cities are the main centers of industries, there is stiff competition in employment chances, most importantly in import and export industry. Younger customs brokers face less chances of employment opportunities in Metro Manila since they have lesser experience in the trade industry. In three of the past five years, the number of people entering the trade industry increased rapidly, and it is dominated by those who have more work experience and longer years in practice.

This also shows the distribution of respondents according to their gender. It turned out that most of the respondents are female, with frequency of 146 and equivalent to 61.1% of the total population. This may be because female customs brokers are more focused on their studies and career, which makes them more capable of withstanding the stiff competition and trade

complexity in Metro Manila than male customs brokers.

According to Richards [5], over the last two decades, women in trade industry have doubled. This is because of the initiatives of non-profit groups such as Women in Power and The Lady Traders which funded the creation of networks and promotion of women in trades. The changes within the system brought about by female customs brokers over the years have influenced the younger female generations to also pursue a career in trade. In addition, the Philippines has grown the number of well-educated female customs brokers in Metro Manila than male customs brokers. Females taking trade-related courses are more focused on their studies and career. Therefore, they are more likely to be more highly-educated who can withstand the tough competition of employment opportunities and the complexity of trade operations in Metro Manila.

Meanwhile, the remaining 38.9% with frequency of 93 are male respondents. This may be because compared to women, men are less focused on obtaining degree and gaining work experience, which makes them less competitive than female customs brokers in Metro Manila.

As stated by Waters [6], males tend to mature less early than female, and they do not reach full maturity until their 40s. This suggests that male students in trade-related courses tend to focus less on their career path, which leads to lesser number of male customs brokers produced and brokers having lesser education and experience. Due to this fact, they are less likely to compete with highly-educated female customs brokers in Metro Manila. Also, the study revealed that males are more ambitious. They tend to pursue trade-related jobs abroad rather than to work in cities such as Metro Manila.

It also shows that 64.0% of the respondents are Customs Brokers in individual practice. This might be because most customs brokers opt to engage in individual practice because it is more in line in the actual work of a customs broker than the work in a freight forwarding company.

Apparently, there are more Customs Brokers who work in individual practice and the number is still increasing. There is a wide spectrum of activities which is handled by Customs brokers such as preparing of documents and requirements necessary in release and clearance; filing of the declaration and other information with Customs; accounting for goods/entry of goods; liaison with other government agencies (e.g. Licenses, Certificates, Permits and Others); payment of duties and taxes; refunds and adjustments; post

clearance audit; consultancy/advice in order to meet various regulatory requirements; and representation in dispute resolution. This implies that most licensed Customs brokers choose to work as an individual practice because the abovementioned activities are more practiced in individual than in working in freight forwarding [7].

On the other hand, the remaining 35.9 % are brokers in freight forwarding company. This may be because there is lesser profit or wage gained from working in a freight forwarding company than in engaging in individual practice. This may also be because the operational practice in freight forwarding companies are not in line in the actual work of a practicing customs broker.

The reason why there are less customs broker in a freight forwarding company is because of its disadvantages like any outsourcing arrangement. Also, the work of a licensed customs broker is more in line in the work in an individual practice than in the freight forwarding company. Another reason is the higher profit or wage from individual practice than in freight forwarding company [8].

The distribution of respondents according to their number of years in the profession shows that most of the respondents work for 1-5 years equivalent to 30.5%. This may be because fresh graduates or newly-licensed Customs brokers tend to obtain work experience in Metro Manila since there are more freight forwarding companies, logistics, and brokerage firms, there are more job vacancies and more employment opportunities for brokers who has no or lesser experience.

Usually, customs brokers who have lesser work experience are the younger ones. Despite having less experience, they are employed in companies because they can adapt to changes more easily and can generate fresh ideas for the companies. In addition, there are more trade companies in Metro Manila which in turn offer more employment chances to customs brokers with lesser experience than in the province [9].

Meanwhile, 21.8% worked for 6-10 years. This may be because Customs brokers tend to retire from their work after many years in practice or in employment and settle in the province. Also, customs brokers, after many years of practice, may tend to resign from their work and pursue other profession such as teaching.

During lay-offs, older workers are often the first to receive their layoff notices. More likely, older customs brokers are those who have longer years of experience. They generally have more seniority and get paid more,

so it is an effective way for companies to cut costs. In addition, customs brokers who have longer years of experience are often replaced by younger ones who can easily adapt to frequent changes in the trade processes. This is one of the strategies of the companies in Metro Manila to stay in the competition. Lastly, brokers after practicing for years usually retire and work outside their field [10].

Table 2 below presents the challenges encountered by customs brokers. The composite mean of 2.40 indicates that the challenges were sometimes experienced.

Among the items cited, slow computer system obtained the highest weighted mean score of 2.68 and rated frequently. This may be attributed to voluminous transactions in the e2m system all the same time which makes the system slower. This may also be because of numerous users connected to the internet provider.

According to the article "Customs e2m: From Manual to Mobile" [11], the computer program was improperly planned and implemented. The Management Information System and Technology Group has "placed the cart before the horse" without first looking closely at the operations. There was no parallel and no-back up system.

It should have been a case of defining in detail the process requirements first and designing the program to suit such requirements.

In the Philippines, customs brokers have identified problem in using the Terminal Appointment Booking System (TABS) including difficulty in booking appointments because of slow computer system and unreliable internet connection. Customs brokers also complained not being able to reach port operators using the contact number provided in TABS website. Another concerned raised is lack of document that will serve to exempt trucks from TABS appointment [12].

Villostas [13] said that customs forwarders and customs brokers have been experiencing great difficulties in clearing goods at customs resulting in substantial losses in their part and the part of the importer or exporter due to slow system. Most shipping lines and forwarders encountered problems in the recent implementation of the e2m due to system failures.

Second is the delay in the processing time of filing of warehousing entry, formal entry or informal entry with a weighted mean of 2.61. This may be because of the delay in the submission of documents from the client necessary to file the entries.

Table 2. Challenges Encountered by the Customs Broker

	WM	VI	Rank
1. Slow computer system	2.68	Frequently	1
2. Delay in the processing time of filing of warehousing entry, formal entry or informal entry	2.61	Frequently	2
3. Difficulty in complying with trade regulations	2.33	Sometimes	17
4. Failure in effective communication between importer/exporter and broker	2.32	Sometimes	18
5. Duties and taxes higher than anticipated	2.42	Sometimes	11
6. Receiving incomplete documents from clients	2.56	Frequently	4
7. Unreasonable demands of clients	2.52	Frequently	6.5
8. Failure to obtain the specified required information about the transaction	2.29	Sometimes	20
9. Delay in the transaction with BOC	2.54	Frequently	5
10. Frequent changes in customs procedures and documentation	2.42	Sometimes	11
11. Incomplete and unclear information declared	2.29	Sometimes	20
12. Inadequate working facilities	2.00	Sometimes	25
13. Delayed documents	2.44	Sometimes	9
14. Delay in the release of permit from other government agencies	2.46	Sometimes	8
15. Backlog workload	2.52	Frequently	6.5
16. Lack of material time to meet import/export commitments	2.38	Sometimes	14.5
17. Unaccomplished permit required for monitoring and inspection of goods	2.27	Sometimes	22
18. Late feedback upon follow – up of documents	2.57	Frequently	3
19. Vague terms and conditions during negotiation	2.38	Sometimes	14.5
20. Stubborn customers during inquiries	2.42	Sometimes	11
21. Delay in the delivery of goods	2.26	Sometimes	23.5
22. Difficulties in negotiating with trucking companies	2.39	Sometimes	13
23. Computer system breakdown	2.26	Sometimes	23.5
24. Delayed delivery of packages to customers	2.29	Sometimes	20
25. Improper handling and storage of materials	2.35	Sometimes	16
Composite Mean	2.40	Sometimes	

Legend: 3.50 – 4.49 = Always; 2.50 – 3.49 = Frequently; 1.50 – 2.49 = Sometimes; 1.00 – 1.49 = Never

Alcedo [14] noted that delay is on the top among the three most common difficulties that a customs broker is experiencing. That is particularly because most of the time, delays cannot be controlled. Delays can arise from any cause, from miscommunication to negligence and opposite collaborating events.

As stated by Mangaba, [15], customs brokers concurred that the major impacts of the issues in the postponement of handling of documents are the deferral of the shipment. However, some of the representatives differ that the impacts of the issues are the delay in the transportation of articles, dissatisfaction with respect to the clients, delay on the delivery and arrival of shipments, backlog workload and poor job performance.

Delayed office transactions are often encountered by Customs brokers. Delayed office transactions arise from the non- payment of fees by the two cargo forwarders, resulting to dozens of containers full of balikbayan boxes being stuck with the Bureau of Customs in Manila [3]. In effect, the Bureau blacklisted Dagupan Cargo Packaging Services and Express Link

Cargo services where two Filipinos fell victim because of the non-payment of these two cargo forwarders.

Next is the late feedback upon follow up of documents by the importer with a weighted mean of 2.57. This may be because of miscommunication between the customs broker and the importer or lack of proper orientation to the importer about the deadlines that should be followed. Also, the importer might have numerous transactions which causes late feedback upon follow-up of documents.

According to Unal [16], miscommunication in the follow up of documents between the importer and customs broker is one of the main reasons for receiving late response. Another reason is the further verification of the documents submitted which also delays the feedback needed. Late response from the client results to delay of the processing which may also cause charges and penalties due to late filing of requirements and late payment of duties and taxes.

In the current economy in which companies are struggling to comply with the trade regulations and keep up with the requirements, late feedback or no notice of arrival of the shipments to be processed has

the tendency to delay the entire processing of the shipment [9].

Fourth is receiving incomplete documents from clients with a weighted mean of 2.56. This might be attributed to the lack or minimal knowledge of the importer on the necessary documents that he should submit to the customs broker.

According to Agunday [17], inaccessibility of such documents may likewise be regarded for receiving incomplete documents. Another reason is ineffective communication between the importer and customs broker. Usually, an importer seeks help from the customs broker for the processing of his shipment since the former has minimal knowledge on the process. So, when the importer fails to effectively communicate with the customs broker, the latter would receive inaccurate and incomplete documents. Information from the documents to be submitted by the importer is necessary so incomplete information would greatly affect the duties and taxes at the ports. The last thing a customs broker wants to find is that the shipping manifest is inaccurate and incomplete, because this may cause doubts to the customs officers. The postponement of ability to provide complete documents necessary for processing of importation and exportation concerned are burdensome for the customs broker which may cause complications to arise [18].

Fifth is the delay with the transaction with the Bureau of Customs with a weighted mean of 2.54. This may be because of the dense number of transactions with the BOC which causes delays with the other transactions.

According to Belo [19], delay in the flow of transaction with the BOC may be attributed to the effect of the problems in the submission of incomplete and accurate documents. Complete documents are required in the step-by-step procedure implemented by the Bureau in the undertaking of the transaction. Therefore, when a certain document is not submitted or when a certain information is inaccurate, the procedure given would not be complied with, and the customs broker would not be able to continue in the proceeding steps.

As stated by Sambayan [3], delays in the transaction with the BOC is because of the delay in the transportation due to port congestion and lack of efficiency within the Bureau. For example, in the Cebu International Port, with the increasing number of shipments and traffic of import and export cargoes, the port is now congested. Also, with the lack of port space, Port of Cebu is now by-passed by some vessels without proper inspection and examination. They have been receiving complaints from port stakeholders, shipping

lines, cargo handlers, and businessmen due to these problems causing delay of transaction with the Bureau.

Problems sometimes experienced by customs brokers include failure in the effective communication between the importer, exporter and broker with a weighted mean of 2.32 and ranked first. This might be because of lack of proper preparation of the parties before proceeding to the whole process. The importer might also give the wrong order of information needed by the broker, and there might be lack of frequent communication between the importer and broker to facilitate the smooth flow of the process.

An importer desires good communication regarding product availability, transit time, problem-solving and marketing support. Communication should be effective. Clients who are not reliable in financing promotion materials and activities cause problems to the customs brokers [3].

The importer should communicate with the broker to avoid situations that may be costly and where penalties may arise. Also, the importer must communicate with the broker, so the latter will be able to carry out his activity. The customs broker can no more be relied upon to play its job excellently for the importer without having the complete and accurate data which will safeguard a client when the he withholds basic data which is necessary in the process. If data regarding connections, installment for products and other basic information are withheld from the broker, the broker cannot properly advise the importer as to potential issues.

For the importer and the customs broker to both benefit from their relationship, there must be viable communication between them. To continue otherwise is an invitation to disaster [20].

Next is the failure to obtain specified required information about the transaction, delayed delivery of packages to customers, and incomplete and unclear information with a weighted mean of 2.29. Failure to obtain specified required information and receiving incomplete and unclear information might be attributed to the inefficiency of the importer to provide such information. Sometimes, importer may not be responsible enough to provide necessary and accurate information, which may delay the process and likewise may delay the delivery of the packages to the customers.

Inability to acquire the specified required data and incomplete or false statement about the exchange was now and again experienced by the Customs Brokers. One of the reasons is the difficulty in accessing the required information [3]. Another reason is the

inefficiency of the importer to provide the information. Stubborn importers make it difficult for the customs brokers to obtain the required information.

The processing Mariwasa's inputs to outputs is sometimes interrupted and delayed by incomplete and false statement of documents [9]. Misclassification, misdeclaration, and undervaluation, making error, and mislabeling are the causes of the false information in the documents submitted. These affect the accuracy of the goods' rate and classification that are declared.

There are some common problems encountered in the implementation of the procedures of imported articles, such as insufficient documents, absence of the importer, failure to submit evidence, falsification of documents and unable to submit documents on time [21]. These happen when the importer is not responsible enough to provide such documents. These likewise cause delays which also delay the delivery of the packages.

Delays in the delivery of goods are caused by difficulty in customs clearance, one of the three common problems customs brokers face. This is because of the incomplete payment by the importer, or the importer or the broker presented insufficient data or documents to the Bureau of Customs [14].

There is delayed delivery of packages because of the incomplete or unclear and false statement of documents. It delays customs clearance procedures and delays the whole process. Importers should provide accurate information to the Customs Brokers/Freight Forwarders so that the process of clearance would be smoother, and the shipment would be less likely to face with any examinations. The last thing a customs brokers want is for customs to find out that the manifest is inaccurate because they might doubt the whole shipment. The rules, regulations, and laws differ from one country to another. False statement of documents will cause problems with the customs clearance, the shipping costs could rise by hundreds or thousands of dollars. On top of these costs is the delay in getting the shipping containers released to the importer because of customs clearance problems that could cost the business more charges because the arrival of the shipment is delayed [20].

Errors in documentation are very expensive. The first result of a mistake in declaration is the delay to the consignment which might be held up in a warehouse under customs control overseas. Wherever there is delay, storage charges will be added, and this increases disproportionately as the delay extends. Goods which have not been cleared within a certain period may be seized by Customs officers authorized by the law. The

other danger of delay from errors in documentation is the loss of confidence by the client.

Next is the unaccomplished permit required for monitoring and inspection of goods with a weighted mean of 2.27. This may be because of the submission of incomplete documents necessary for the release of the permit needed. This may be also because of delays in the verification of the documents submitted.

According to Jarlos [9], customs brokers experience difficulties in obtaining the permit required because of the slow verification of inspection and certificate of loading of goods, which greatly affects the shipping of Mariwasa's products to its clients. This results from the delay of processing of such documents, which in return causes the disruption on the delivery of the shipment. Bill of Lading is a "sine qua non" for every transaction, this means that without it, nothing could be done. If the release of the Bill of Lading is deferred, it will affect the schedule of the shipment, thus will result to not meeting the deadline.

As stated by Agunday [17], unaccomplished permit is a result of the submission of incomplete or false documents. Due to these discrepancies, verification of the information stated and documents submitted delays the process. Inefficiency of the government agencies concerned to release the permit also contributes to this problem. The delay in the release of the permit likewise delays the whole process since permit is required to inspect and monitor the goods.

Next are the computer system breakdown and delayed delivery of goods with a weighted mean of 2.26. Computer system breakdown might be attributed to the input of dense information. Overload of encoded information due to many users might cause the computer system to breakdown. On the other hand, there may be delayed delivery of goods because delays arise from any situation, from miscommunication to negligence to collaborating events.

Atlantic Gulf and Pacific Company in Bauan, Batangas faced problems in the importation such as breakdown of server while filing the documents and problems on unclear information declared [22]. Their study shows that these problems are common in a firm which are engaged in the import-export activity. This is caused by the lack of proper planning before the implementation of the system.

Shipment delays are caused by different elements. Some of the reasons are incorporate vessel delays, strategic limitations and absence of legitimate coordination of the cargo. Vessel delays happen because of some elements, for example, port clog, terrible climate, changes in benefit calendars and lack

of gear and space in the vessel. Absence of vessel gear, for example, would cause the transportation of goods and containers as it is important that specialist co-ops hold up until the point that fitting space is accomplished. Changes in customs regulations can also be noted in the deviation from the normal courses and if the vessel needs to stop for extra time. Port blockage prompts delays because of moderate development and treatment of the containers. In different cases, a postponement may emerge when the shipment could not be found. Absence of space can bring about the occasion that the vessels are overbooked, the customer may therefore be compelled to roll the transportation to the following shipment in which case the customer must sit tight for longer periods.

Because of the complications arising from any causes such as port clog, terrible climate, miscommunication, negligence, and difficulties in customs clearance, the arrival of the shipment is delayed. The delay in getting the shipping containers could cost the business more cash [18].

Among the items cited, inadequate working facilities obtained the lowest weighted mean of 2.00 rated as sometimes. This may be because of the unexpected volume of raw materials to be stored, manpower and operations. This may also be because lack of frequent upgrading and adding of facilities required to carry out the operations.

Insufficient storage area is one of the most common problems in the warehouse section according to Mangaba [15]. The capacity of the storage area is not enough to accommodate all the raw materials which are for storage. Another problem is the lack of raw materials handling equipment due to limited capital of the warehouse, which leads to minimizing of the expenses as much as possible, like what happened to Babcock-Hitachi Incorporated.

Madrid [23] noted that Ports Operation Division strongly agreed that lack of communication facilities and transportation facilities causes problems on operations. This is a result of lack of working capital to supply the additional facilities needed. They also agreed that they are an existing problem related to unavailability of inspectors and unfavorable working environment. The effect of such mainly causes the delay on discharging of cargoes, delay in the inspection of cargoes to be discharged, and the understatement of revenue and delay on accomplishing operational functions.

Flores [24] stated that warehousing is important in trade. Without these working facilities, it would be difficult to ship goods produced. Retailers and

wholesalers use warehouses for goods they buy and sell. Manufacturers use warehouses to store raw materials and finished products. By locating such facilities in different locations, firms can even expand beyond their own local market. Thus, will give the small firm opportunity to grow without much large capital investment. Customs brokers encounter problems in terms of inadequacy of trucks to be used in transporting different articles, and in improper coordination with the other trucking company. Also, they are experiencing equipment and machineries breakdown which leads to delayed operations of a broker.

Table 3. Difference of Responses on Challenges Encountered by the Customs Brokers when Grouped According to Profiles

	Challenges Encountered		
	F-value	p-value	Interpretation
Age	20.460	0.000	Highly Significant
Gender	2.754	0.006	Significant
Nature of Employment Practices	31.715	0.000	Highly Significant
Length of Employment/Operations	22.210	0.000	Highly Significant

Legend : Significant at p-value < 0.05; HS- Highly Significant; S- Significant; NS-Not Significant

The table indicates that the responses differ significantly and was found out that those who are 41 years old and above, male, individual practice and in the operation for 16 years and above are more challenged compared to others. Those who are in individual practice for 16 years and above and more challenged might be attributed to the frequent change of requirements and procedures governing trade. In connection with this, individual practice is much more difficult than working in freight forwarding company.

Ageism is part of everyone's life. It affects almost all aspects in one's life, including workplace. Those who are too old are seen as doddery, out of touch, and slow while the younger ones are seen as unreliable, easy going and immature. This result has shown that mainstream of working population is hired for they are fitted to their occupation varying from dock workers, laborers, and utility workers reflected from their age bracket results (dole.gov, 2014).

Ginete [25] said that older people are seen in the workplace as less suitable because they are perceived

as physically slowed, lacking in dynamism and not adaptable to changes. She concluded that age creates inequality and differences because people use age as a basis in most aspects. Based on age, people have unequal access to social resources such as wealth, power or status. Age has become a social division.

In terms of gender, men, more than women, face difficult choices, especially in the work-life balance domain. In this sense, their careers, more than women, reflect complication choices. Insofar as they define 'careers' narrowly in terms of promotion and income attainment. Male chooses to put in less effort so they are likely to be disadvantaged [26].

Those who are in the operation for 16 years and above are more challenged because it is not easy for them to adopt to changes in some various aspect of the company such as changes in the technology since they are most likely familiar with the traditional method of trade facilitation. Bureau of Customs developed a computer system to make the transaction easier and faster and middle age group of employees may find it difficult to adopt. It is also an age where health issues arise and may brought problem to the company. Since workload in customs brokerage is heavier than any other job it brings stress to the employee and middle age workers may not be able to handle that stress.

Customs broker in individual practice usually encounters difficulties in the process since their job requires more workload. They handle more import and export shipments that require more mental and intellectual skills and since it is a very difficult profession that requires not only time but dedication, customs broker in individual practice often encounters difficulties in the process. For example, due to many classifications indicated in the ASEAN Harmonized Tariff Nomenclature, it is difficult for the customs broker in individual practice to find the appropriate classification for the specific goods. He should also know what goods that are entering in the Philippines would bring harm to the people and nation itself which made it difficult to him since he should carefully determine which is which. This implies that individual practice experiences more challenges since they carry more difficult responsibilities in their shoulders [27].

CONCLUSIONS

Based on the findings of the study the researchers concluded that majority of the Customs Brokers are 31-40 years old, female, in individual practice and with 1-5 years in the profession. Customs brokers both in individual practice and in freight forwarding companies in Metro Manila sometimes encounter

challenges throughout the course of their profession. It is found out that those who are 41 years old and above, male, individual practice and in the operation for 16 years and above are more challenged compared to others. Proposed measures were formulated to address the challenges encountered.

RECOMMENDATIONS

The Bureau of Customs may conduct re-training programs for customs brokers, regular importers and government agencies concerned to address the problems encountered. Relationship between the customs brokers and the clients may be enhanced to ensure good work condition. Customs brokers may strengthen their performance by participating in the seminars/joining organizations of customs brokers. The challenges may be reviewed and evaluated by the Customs brokers for possible development. The proposed plan of action may be considered for implementation. Future researchers may explore and conduct similar studies on other variables not covered by this paper.

REFERENCES

- [1] Ayala, C. et al. (2016). Challenges and Opportunities for Urban Development in the Philippines. Available at LPU-Batangas, Sotero H. Laurel Learning Resource Center, Thesis Section
- [2] Lenari, B. (2013). The Role of the Customs Broker. Available online at <http://imey-roleofcustomsbrokers.html>
- [3] Sambayan, H. et al. (2014). Operational Practices and Difficulties Encountered By Customs Broker in Batangas City. Available at LPU-Batangas, Sotero H. Laurel Resource Learning Center, Thesis Section
- [4] Polit, A. and Hungler, B. (2014). Descriptive Method. Available online at <https://www.slideshare.net/SELJUKS/descriptive-research-and-correlational-research>
- [5] Richards, J. (2018). What's Being Done To Get More Women Into Aus's Trade Industries? Available online at <https://www.pedestrian.tv/careers/whats-being-done-to-get-more-women-into-trade-industries/>
- [6] Waters, H. (2016). What Are The Pros and Cons of Being A Man Versus Being A Woman? Available online at <https://www.quora.com/What-are-the-pros-and-cons-of-being-a-man-versus-being-a-woman>
- [7] WCO Data Model, Single Window Harmonization (2015). World Customs Organization. Available online at <http://www.wcoomd.org//media/wco/public/global/pdf/topics/facilitation/instrument>
- [8] Freight Forwarders & Customs Brokers - What's the difference? (2017). Ascent Global Logistics. Available

- online at <http://blog.ascentgl.com/freight-forwarders-customs-brokers-whats-the-difference>
- [9] Jarlos, K. et al. (2014). Practices and Problems in the Exportation of Ceramic Products: Mariwasa Experience. Available online at LPU-Batangas, Sotero H. Laurel Resource Learning Center, Thesis Section
- [10] Udo, J. (2013). Five Common Reasons People Retire Early. Available online at <https://money.usnews.com/money/blogs/on-retirement/2013/12/05/5-common-reasons-people-retire-early>
- [11] Customs Brokerage 101: Everything You Need to Know (2015). Available online at <https://www.aacb.com/customs-brokerage-101/>
- [12] Terminal Appointment and Booking System: Problem or Solution to Faster Customs Releasing? (2017). Available online at <https://excelsior.ph/2017/05/04/terminal-appointment-booking-system-tabs-problem-solution-faster-customs-releasing/>
- [13] Villostas K. et al. (2014). Difficulties Encountered in the Implementation of the E2m Program in the Port of Batangas. Available at LPU-Batangas, Sotero H. Laurel Resource Learning Center, Thesis Section
- [14] Alcedo, A. and Cajala, V. (2015). The Present Computerization Program of the Bureau of Customs. Available online at http://www.dlsu.edu.ph/conferences/dlsu_research_congress/2015/proceedings/EBM/013EBM_Cajala_VM_Alcedo_AM.pdf
- [15] Mangaba, A. et al. (2013). Problems Encountered in the Warehousing Procedure by Union Agrivet Corporation. Available at LPU-Batangas, Sotero H. Laurel Resource Learning Center, Thesis Section
- [16] Unal, C. (2015). Common Situations / Problems Importer Face with Transactions. Available online at <https://www.morethanshipping.com/most-common-situationsproblems-importers-face-with-their-shipments/>
- [17] Agunday, J. et al. (2013). Problem in Importation: A Case of Babcock Hitachi (Philippines) Incorporated. Available at LPU-Batangas, Sotero H. Laurel Learning Resource Center, Thesis Section
- [18] Rau, B. (2013). What is Customs Clearance? Available online at www.universalcargo.com
- [19] Belo, I. et al. (2013). Problems Encountered in the Releasing of Donations By Bureau of Customs: Basis for Enhancement of the Operations. Available at LPU-Batangas, Sotero H. Laurel Learning Resource Center, Thesis Section
- [20] Lee, A. (2009). Role of Customs Broker: Import Transactions. Available online at <https://www.managementstudyguide.com/customs-brokerage.htm>
- [21] Panaligan, C. et al. (2013) Operations and Procedures of Selected Brokerage Firms in the Processing of Shipping Documents in the Bureau of Customs. Available at LPU-Batangas, Sotero H. Laurel Resource Learning Center, Thesis Section
- [22] Cantos, C. (2013). Problems faced by Atlantic Gulf and Pacific Company. Available online at <http://morethanshipping.com>
- [23] Madrid, J. et al. (2013). Difficulties Encountered by the Port Operation Division Personnel in the Performance of their Duties of the Bureau of Customs, Port of Batangas. Available at LPU-Batangas, Sotero H. Laurel Resource Learning Center, Thesis Section
- [24] Flores, A. et al. (2015). Warehousing Operations of the Integrated Logistics Philippines Incorporated. Available at LPU-Batangas, Sotero H. Laurel Resource Learning Center, Thesis Section
- [25] Ginete, M. et al. (2014). Job Satisfaction and Organizational Commitment of Babcock-Hitachi Philippines Incorporated (BHPI). Available at LPU-Batangas, Sotero H. Laurel Resource Learning Center, Thesis Section
- [26] O'Neill, O. A., & O'Reilly III, C. A. (2011). Reducing the backlash effect: Self-monitoring and women's promotions. *Journal of Occupational and Organizational Psychology*, 84(4), 825-832.
- [27] Pastor, C. B., Nieva, J. G., & Palomares, F. L. T. (2015, March). Customs Brokers: their Vital Role in Mediating Transactions Between Selected Importers in Metro Manila and the Bureau of Customs. In *Proceedings of the DLSU Research Congress* (No. 3, pp. 1-12).