



A Study On Functions And Process Of Customs Broker Agents In Triway Forwarders Pvt Ltd

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Abstract

The objective of the study is to examine the role of customs broker agents to achieve the effectiveness in custom clearance process. The data collected through structured questionnaire. The whole CBA's in TRIWAY Logistics were considered for study. The Clearing broker agents were allowed to handle both operations and sign documents and merged into known as Custom Broker Agents. The factors involved in documentation, advance filing system, time taken for custom clearance, EXIM shipment process, Tracking System etc. The CBA's feel that they are satisfied with most of the parameters considered viz., documentation process, Online dealing reduces Manpower and avoids delay in Customs Clearance, Logistics cost, relationship with Client-CBA and custom officer. It is also suggested that relationship between Custom and Shipper Corporation has to be increased. This helps the CBA's and forwarding companies to process clearance more effectively and avoiding the delay process.

Keywords: custom clearance process, documentation process, EXIM shipment process, customs broker agents.

INTRODUCTION

The Logistics industry in India is growing rapidly. Logistics is become important as it may lead to reduced operational costs, improved delivery performance and increased customer satisfaction levels, thereby making an organization more competitive in terms of cost, quality, delivery and flexibility. Freight forwarders who coordinate the international transportation also provide customs clearance services to the clients. The activity is called customs brokerage. They act as liaison between customer and government. Daily there is a lakhs of transaction in EXIM activity. Now a days for the quick clearance process importer and exporter approaching the custom broker agents. This study focuses on functions and process of import and export documentation done by Freight forwarders with effective manner. The present study subject to identifying

the different procedure relating to export of goods, various documents used for shipment, steps in documentation, various problems involved in filling documents. For quick response improve the dwell time.

REVIEW OF LITERATURE

M. Dhanabhakyaam and K. Parimala (2006) from this study the researcher concludes role of freight forwarders or CBA has been act as a buffer between the manufacturer/exporter and the sea carrier. This research focused to appraise the role played by freight forwarders/custom house agents (CBA) in logistics in Tiruppur.

R. Karupphasamy (2013) in his study, researcher suggested the process of customs documentation and clearance for export and import and the enhancement of its traditional legal functions. It also highlights the technological innovations have resulted in new form of documentation. He advises to exporter and importers have to observe many formalities and submit a number of documents.

Prakash (2013) this article explains the export procedure and documentation. For that researcher stated the objective: 1) Identifying the different procedure relating to export of goods. 2) Various documents used for shipment. 3) Steps in documentation. 4) Various problem involved in filling documents.

K. Tamizhjothi (2016) here she analysed the various problems faced by the Clearing and Forwarding Agents like finance problem, logistics problem, problem related to government policies and customs problem.

Anne Devotta (2017) the research is to understand the role of CBA, reasons for CBA, training programs in CBA, problems focused by CBA and their operations.

NEED FOR THE STUDY

The Logistics sector in India has today become an area of priority. Most of the importer and exporter approach the CBA for the fast and smooth custom clearance of goods. To evaluate the clearing and forwarding process by using effective documentation procedure to concerned authorities. This study focuses on how to reduce the transit time extensions & delays and improving dwell time in Freight Forwarding process.

OBJECTIVES OF THE STUDY

- To examine the role of customs broker agents to achieve the effectiveness in custom clearance process.
- To understand and study the procedure of custom clearance.
- To aware of various documents used for shipment.
- To evaluate the effectiveness of the documentation process.

- To offer suggestions to overcome the problems involved in custom clearance process.

SCOPE OF THE STUDY

CBA act as liaison b/w exporter and customs. The study focuses on factors which help to achieve the effectiveness in customs clearance process. It helps to identify the issues in custom clearance process by getting information from import and export documentation. This study covers the various functions and process of Freight Forwarders in custom clearance process.

RESEARCH METHODOLOGY

For this descriptive study the respondents were identified through census sampling. Data collection from entire unit of population in the company. 56 respondents were taken and structured questionnaire through complete enumeration survey method. The instrument consists of 23 statements and 6 demographic details. The demographic details are Gender, Age, department, Educational qualification, Experience in this organisation, Total experience. Out of 23 statements 4 related to Import documentation process, 4 Export documentation process, 4 related to time stipulation, 6 related to custom clearance process, 5 related to client-CB relationship. The statement ranges from 5 being Strongly Agree to 1 being Strongly Disagree.

LIMITATIONS OF THE STUDY

- The study lacks generalization.
- The sample size may be inadequate.
- The study doesn't have any practical implementation.
- The study doesn't consider the financial aspects of Freight forwarders.

FINDINGS AND DISCUSSION

Demographic Factors: 57.1% of the CBA's belongs to Import Process and 42.9% belongs to Export Process. 17.9% of the CBA's have completed Post Graduation. 12.5% of the CBA's falls in the category of More than 35 years of Age. 66.1% of the CBA's are Male. 32.1% of the CBA's have more than 5 years of experience in TRIWAY Logistics.

Import Documentation Process:

62.5% of the CBA's agree that Import Documentation process is simple.

42.9% of the CBA's agree that Time taken for Import Custom Clearance is speedy. 51.8% of the CBA's agree that Import Shipment Schedules are adhered.

28.6% of the CBA's agree that Import process is effective.

Export Documentation Process:

46.4% of the CBA's agree that Time taken for Export Custom Clearance is speedy. 71.4% of the CBA's agree that Export Documentation process is simple.

35.7% of the CBA's agree that Export Shipment Schedules are adhered. 26.8% of the CBA's agree that Export process is effective.

Time Stipulation:

19.6% of the CBA's strongly agree that Advance Filing System helps in reducing process timing.

48.2% of the CBA's agree that transit time extension and delay leads to more rate of duty. 53.6% of the CBA's agree that online dealing avoids delay in customs clearance.

37.5% of the CBA's agree that there is an uncontrollable delay in freight forwarding process.

Custom Clearance Process:

48.2% of the CBA's agree that EXIM shipment process is clear and simple. 46.4% of the CBA's agree that Domestic logistics is satisfactory.

25% of the CBA's strongly agree that communication flow (tracking system) is satisfactory. 46.4% of the CBA's agree that online dealing reduces manpower.

30.4% of the CBA's agree that appropriate and adequate facilities are available for customs clearance process.

Client-CB Relationship:

51.8% of the CBA's agree that reduction in dwell time improves customer satisfaction.

48.2% of the CBA's agree that cordial relationship exists between client-CBA relationships. 44.6% of the CBA's agree that relationship with custom officer is cordial and cooperative.

There is a significant difference between Department of CBA's and Experience of handling uncontrollable delay

Therefore there is no a significant difference between export documentation and import documentation process.

Therefore there is no a significant difference between export, import and common documentation process.

STATISTICAL ANALYSIS

MANN WHITNEY U TEST

To test the significant difference between Import documentation and Export documentation process

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H0: $\mu_1=\mu_2$ There is no significant difference between import documentation and export documentation process.

H1: $\mu_1\neq\mu_2$ There is a significant difference between import documentation and export documentation process.

Mann Whitney U test between import documentation and Export documentation process

Ranks

Process	N	Mean Rank	Sum of Ranks
Sum Import	4	5.00	20.00
Exp ort	4	4.00	16.00
Total	8		

Test Statistics

	Sum
Mann-Whitney U	6.000
Wilcoxon W	16.00
Z	0
Asymp. Sig. (2-tailed)	
Exact Sig. [2*(1-tailed Sig.)]	.592
	.554
	.686

INTERPRETATION

Since P value is greater than 0.05. H0 is accepted and H1 is rejected. Therefore there is no significant difference between import documentation and export documentation process.

KRUSKAL WALLIS H TEST

Kruskal Wallis H test between import, export and common documentation process To test the significant difference between Import, Export and Common documentation process

H0: $\mu_1=\mu_2=\mu_3$ There is no significant difference between import, export and common documentation process.

H1: $\mu_1\neq\mu_2\neq\mu_3$ There is a significant difference between import, export and common documentation process.

Kruskal Wallis H test between import, export and common documentation process

Ranks

Process	N	Mean Rank
Sum	4	7.50
Import	4	6.25
Export	4	5.75
Common	4	
Total	12	

Test Statistics

	Sum
Chi-square	.509
df	2
Asymp. Sig.	.775

INTERPRETATION

Since P value is greater than 0.05. H0 is accepted and H1 is rejected. Therefore there is no significance difference between import, export and common documentation process.

INDEPENDENT SAMPLE T TEST

To test significant difference between Department of CBA's and Experience of handling uncontrollable delay

H0: There is no significant difference between Department of CBA's and Experience of handling uncontrollable delay

H1: There is a significant difference between Department of CBA's and Experience of handling uncontrollable delay.

Independent Sample T test between Department of CBA's and Experience of handling uncontrollable delay

Independent sample test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Delay	Equal variances assumed	.011	.916	1.997	54	.051	.532	.266	1.002	1.066
	Equal variances not assumed			2.045	48.453	.046	.532	.260	1.009	1.055

Since P value is lesser than 0.05. H0 is rejected and H1 is accepted. Therefore there is a significance difference between the Department of CBA's having experience in handling uncontrollable delay.

SUGGESTIONS

- Training has to be given in EXIM shipment process to enhance the knowledge of CBA's.
- Installing additional capacity and infrastructure will increase the efficiency in services.
- Enhancing efficiency will increase the relationship between customs and Shipper Corporation.
- Shipper on time delivery can be adhered by official cooperation between shipper and officers.
- The legal and government policies can be made simple in order to improve the efficiency of custom clearance process.
- Transit time extension and dwell time should be reduced by installing

- appropriate facilities will improve customer satisfaction.
- Team spirit and cooperation can be enhanced through managerial activities.
- Online Dealing process has to be made more users friendly and it should result in Optimal use of manpower.
- Clearance process can be speed up by using uniform format and making it more transparent.

CONCLUSION

The study focused on assessing the CBA's perception towards the export and import documentation process in TRIWAY forwarders. It aims at measuring problems involved in Clearing and forwarding process. CBA's are satisfied with most of the variables considered such as, export and import documentation process, custom clearance, transit time extension and dwell time, domestic logistics, Cordial relationship between CBA's and Custom officer and Client, experience in uncontrollable delay. Through this study few suggestions are given, installing additional capacity and infrastructure enhance knowledge of EXIM shipment process, re-emphasis of responsibilities, online dealing leads to optimal use of manpower, transit time and dwell time can be reduced by installing adequate facilities. Thus this study proposes major findings and suggestions for betterment of export and import documentation process.

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