

TO EVALUATE AND IMPROVE THE CUSTOMS CLEARANCE AND FREIGHT FORWARDING PROCEDURE

Vijas Majin V¹, Ms. P. S. Saranya²

¹School Of Management Studies Vels Institute of Science, Technology and Advanced Studies (VISTAS)
Pallavaram, Chennai.

²Professor, School Of Management Studies, Vels Institute of science, Technology and Advance Studies
(VISTAS) Pallavaram, Chennai.

Corresponding author: Ms. P. S. Saranya

DOI: <https://www.doi.org/10.58257/IJPREMS34282>

ABSTRACT

In international trade, freight forwarding, and customs clearance are essential, yet they frequently encounter difficulties including delays, inaccurate paperwork, and communication failures. This study assesses these methods, noting technology constraints, documentation guidelines, and regulatory needs. The use of digital platforms for documentation management, staff training initiatives, process optimization, and improved stakeholder communication are some of the workable methods suggested to deal with these problems. To find ways to save expenses and boost productivity, a cost-benefit analysis is carried out. Countries and companies may save operating costs, enhance trade facilitation, and expedite their freight forwarding and customs clearing procedures by putting these suggestions into practice.

1. INTRODUCTION

Logistics has evolved significantly since the late 1940s, with military associations being the only bones that employed logistics in the 1950s and 1960s. moment, logistics is honoured as a pivotal tool for developing competitiveness, enabling companies to separate themselves in guests' eyes and operate at lower costs and lesser profit. It facilitates the delivery of products and services as and when they're demanded and asked by guests, as well as abetting in profitable deals and the growth of trade and commerce in any frugality.

Logistics is defined as a business planning frame for the operation of material, service, information, and capital overflows. It includes the decreasingly complex information, communication, and control systems needed in moment's business terrain. The process of planning, enforcing, and controlling the effective, effective inflow and storehouse of goods, services, and affiliated information from point of origin to point of consumption for the purpose of conforming to guests' conditions.

Customs brokers, occasionally appertained to as customs agents or customs services providers, are companies contracted to ensure the customs protestation is correct, duties and levies are handed directly, and payment is entered so that goods can conveyance across borders easily and without dislocation. Freight forwarders, forwarders, or encouraging agents are individualities or companies that organize shipments for individualities or other companies and may also act as carriers. They've the moxie to prepare and reuse attestation and perform affiliated conditioning pertaining to transnational shipments. Logistics operation is a part of the force chain that plans, tools, and controls the effective, effective forward and reverse inflow and storehouse of goods, services, and affiliated information between the point of origin and the point of consumption in order to meet guests' conditions. In business, logistics may have either an internal focus (inbound logistics) or an external focus (outbound logistics), covering the inflow and storehouse of accoutrements from the point of origin to the point of consumption.

2. OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE:

To Evaluate and Improve the Customs Clearance and Freight Forwarding Procedure at progressives freight PVT LTD.

SECONDARY OBJECTIVE:

- To determine the elements influencing the freight forwarding procedure and customs clearance
- To examine the problems that freight forwarders encounter from clients and carriers.
- To suggest solutions to reduce the issues faced by the freight forwarders.
- To study the export-import documentation process.
- To understand the cost-benefit analysis, identify the opportunities for cost reduction and efficiency improvements.

NEED FOR THE STUDY:

Numerous issues that clearing and forwarding agencies deal with directly affect how well their businesses operate. Even if issues arise in all areas, C&F agents are entirely dependent on clients, shipping firms, and customs. Their issues may be divided into four groups: financial issues, logistical issues, policy-related issues, and customs-related issues. This business faces a number of logistics-related issues as it relies heavily on operations linked to logistics. Naturally, financial difficulties are significant concerns for every business, and this sector is no exception. Studying the issues clearing and forwarding agencies encounter in both the import and export of products is crucial. The goal of the study is to grow the company.

STATEMENT OF THE PROBLEM:

An essential component of international commerce is logistics. Enhancing customer service and product delivery are two things that a freight forwarder may help with. Research is done to address the issues that freight forwarding encounters with paperwork, transportation, and customs clearance, which have an impact on supply chains and exports.

SCOPE OF THE STUDY

The current study takes into account the services offered by clearing and forwarding agents operating in Chennai City, as well as the exporters of these services. The study's goal is to analyze the variables influencing the clearance and freight forwarding processes. The goal of the research is to ensure that the necessary actions are done to enhance the customs and freight forwarding processes. Through this study, an attempt may be made to take the firm worldwide in the cutthroat globe. The study will result in more efficient and problem-free import and export of commodities.

3. REVIEW OF LITERATURE

Sahoo, R., Bhowmick, B., & Tiwari, M. K. (2023). Developing a model to optimise the cost of consolidated air freight considering the varying scenarios. *International Journal of Logistics Research and Applications*, 26(8), 1035-1059. This research considers capacity, lower carbon emissions, and perishability in order to optimize freight forwarder service costs. For efficient cargo management, a mathematical model is created that includes important features including integration, delivery time, volume, temperature balancing, and emission minimization. Sensitivity analysis and an exact technique are used to validate the optimality of the model. It provides managerial knowledge to optimize costs.

Mohitayalamanchi (2016), a study on "Logistics and Customer Value", The study's goal is to learn more about the customer value that businesses have generated via logistics management as they look for innovative approaches to gain a competitive advantage. In the logistics industry's proactive reaction to the challenge of creating value for the customer, a variety of new tools and methods have evolved, such as the focus on logistical customer service, supply chain management, and the formation of strategic partnerships. It explains the varied actions that different companies have taken to develop and execute methods for quality improvement in the logistics domain.

Berrada A. Chakir&Ciro Aida (2017), a study on "Bottlenecks in the Freight Forwarding sector in West-coast Africa". Finding the bottleneck(s) on the west coast African freight-forwarding sector was the aim of the study. The investigation yielded a number of intriguing conclusions. Firstly, a freight forwarder's activity is dependent on a number of variables that are independent of the freight forwarder itself. Furthermore, in order to carry out their duties, freight forwarders have access to services that are outside of their control and shared by all providers.

Florentina J. Matiya (2017) evaluated the difficulties clearing and forwarding agents encounter when clearing shipments at the port of Dar Es Salaam. They employed a descriptive survey in addition to observation, questionnaires, interviews, and document reviews to gather data. The study's conclusions showed that while certain procedures are computerized, others are completed by hand. Clearing the items takes a long time, and as a result, the government loses money and the customers are not happy. An appropriate planning increases efficiency and improves import/export yield.

4. RESEARCH METHODOLOGY

A methodical technique to resolving the research challenge is known as research methodology. As long as research is done in a scientific manner, it may be done as a science. The research process is crucial to gathering data. Commonly speaking, research is the pursuit of knowledge. Research may also be defined as a methodical, scientific search for relevant data on a certain subject. Actually, research is a kind of artistic scientific inquiry. Research is defined as "a careful investigation or enquiry, especially through search for new facts in any brand of knowledge" in the Learner's Dictionary of Current English.

SAMPLING TECHNIQUE - The idea of a sample also plays a significant role in the process of identifying rising and considerate new market constructs that need to be investigated by the researcher. There are two types of sampling technique, probability sampling and non-probability sampling. Here non-probability sampling was employed. However, the type of non-probability sampling used is “convenience sampling” where the samples are drawn at the convenience of the researcher.

SAMPLE AREA- The sample area of the study is Progressives freight PVT.LTD.

SAMPLE SIZE - The sample size for the study undertaken was 40.

QUESTIONNAIRE DESIGN- In this questionnaire, I've used six sections: the export-import documentation process; the personal information of the employees and their perceptions of the factors affecting the customs clearance and freight forwarding process; the problems freight forwarders face from carriers and customers; and solutions to lessen the problems freight forwarders face. The process of identifying potential for cost reduction and efficiency improvements is known as the cost-benefit analysis.

5. DATA ANALYSIS AND INTERPRETATION

Table:1 Freight carriers offer competitive pricing for their services.

| PARTICULARS | FREQUENCY | PERCENTAGE |
|-------------------|-----------|------------|
| Strongly Agree | 11 | 27.5 |
| Agree | 13 | 32.5 |
| Neutral | 11 | 30 |
| Disagree | 3 | 7.5 |
| Strongly Disagree | 1 | 2.5 |
| Total | 40 | 100 |

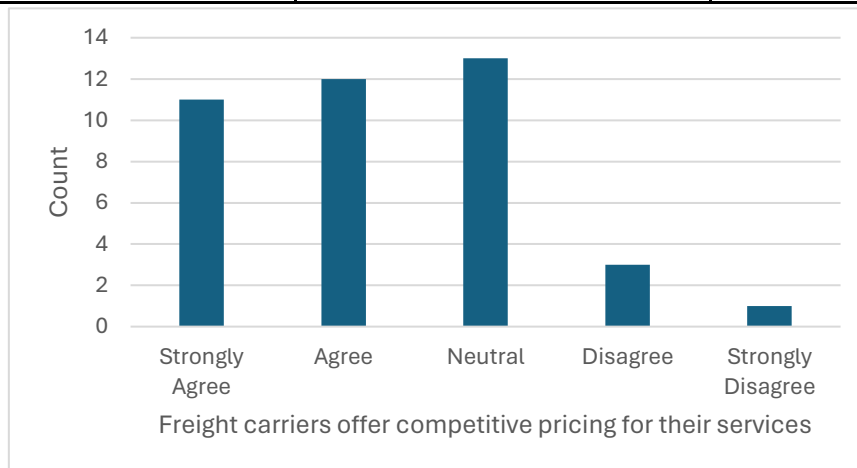


Chart:1 Freight carriers offer competitive pricing for their services.

Interpretation: According to the above table, freight carriers charge reasonably for their services; 42.5% of respondents agree, 32.5% of respondents are neutral, 15% of respondents strongly agree, 2.5% of respondents disagree, and 7.5% of respondents severely disagree.

Table:2 Customers provide accurate and timely information to freight forwarders for shipment bookings.

| PARTICULARS | FREQUENCY | PERCENTAGE |
|-------------------|-----------|------------|
| Strongly Agree | 7 | 17.5 |
| Agree | 11 | 27.5 |
| Neutral | 12 | 30 |
| Disagree | 9 | 22.5 |
| Strongly Disagree | 1 | 2.5 |
| Total | 40 | 100 |

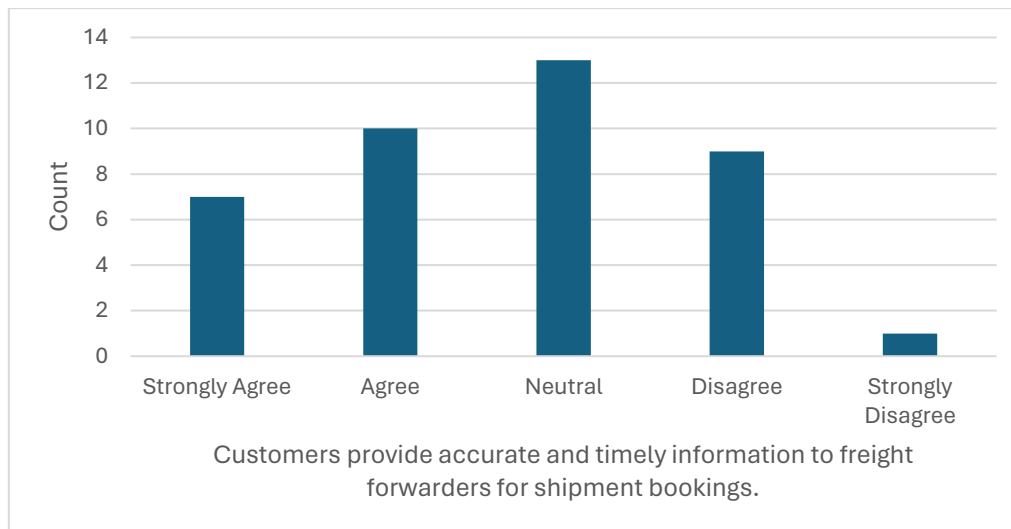


Chart:2 Customers provide accurate and timely information to freight forwarders for shipment bookings.

Interpretation: 30 percent of respondents were neutral, 27.5% agreed, 22.5% disagreed, 17.5% strongly agreed, and 2.5% strongly disagreed, according to the previously mentioned data. For shipment bookings, customers give freight forwarders precise and timely information.

FINDING OF THE STUDY

- The majority of respondents 32.5% agree that Freight carriers offer competitive pricing for their services.
- The majority of respondents 30% neutral that Customers provide accurate and timely information to freight forwarders for shipment bookings.

6. CONCLUSION

The variables impacting the forwarding and customs processes are identified by the current analysis. While customs clearance facilitates the export or import into the nation, freight forwarding is a business that specializes in cutting costs and streamlining the logistics of transportation. Customs clearance also represents clients during examination, assessment, payment of duty, and delivery of cargo from customs after clearance.

Evaluation factors for forwarding and customs operations include time, cost, and communication. These variables are important in determining how well the forwarding and customs processes are performing. Therefore, by making an effort to implement the advice and recommendations provided, the organization will be able to address the issues influencing the process and make more improvements going forward. By examining and contrasting the many problems encountered

7. BIBLIOGRAPHY

- [1] Jain Khushpat. S - Export Import Procedure and Documentations, Mumbai, Himalaya Publishing House, Third Editions 2006.
- [2] PramodRao – Logistics Management Concept and Cases, Hyderabad, The Icfai University, First Edition 2007.
- [3] Cr.Kothari – Research Methodology, International (P) Ltd New Edition 1998, Second Edition 2004, New Delhi.
- [5] Amirsanusi, "The Asian Journal Of Shipping and Logistics" Vol 35, Issue 3, Sep(2019), Pg 127-137.
- [6] S. Subhashini, S. Preetha," Maritime Business Review" ISSN: 2397-3757 Publication date: 17 September (2019).
- [7] Zhou Wenyong; Zhang Jing; Chen Hongxiang," IEEE" 7th International Conference on Service Systems and Service Management 29 July.
- [8] RolandHellbergRagnvaldSannes," International Journal of Production Economics" Vol 24, Issues 1–2, November (2016), Pages 91-101.
- [9] S.SWATHY,"In tercontinental Journal Of Marketing Research Review" ISSN:23210346 ,Vol 4, Issue 3, March.
- [10] George Kokkinis, Athanassios Mihiotis, Costas P. Pappis EuroMed, "Journal of Business "ISSN: 1450-2194 Publication date: 1 September.
- [11] Zhiliang Mei, John Dinwoodie, "Supply Chain Management" ISSN: 1359-8546 Publication date: 1 July (2005).