

A Study on Problems Faced by the Customs House Agents in Chennai Port Trust

OPEN ACCESS

Manuscript ID:
COM-2023-11014535

Volume: 11

Issue: 1

Month: January

Year: 2023

E-ISSN: 2582-6190

Received: 10.10.2022

Accepted: 20.12.2022

Published: 01.01.2023

Citation:

Abdul Rahuman, M. "A Study on Problems Faced by the Customs House Agents in Chennai Port Trust." *ComFin Research*, vol. 11, no. 1, 2023, pp. 44–46.

DOI:

<https://doi.org/10.34293/commerce.v11i1.4535>




This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

M. Abdul Rahuman

Assistant Professor of Commerce

Sadakahullah Appa College (Autonomous), Tirunelveli, Tamil Nadu, India

 <https://orcid.org/0000-0002-5584-3545>

Abstract

A country's capability to trade internationally depends on its traders' right of entry to worldwide shipment and logistics networks and the effectiveness of our country's supply chain (in cost, time, and consistency) depends on the exact features of its domestic market (logistics performance). Recent global trade is not only extremely competitive but also dynamic, and an essential approachable framework to create exports to compete internationally is essential. Countries cannot live in separation. It has to jointly share its wealth and technological know-how and carry out a trade to sell its excess products. The world economy is mutually dependent economic growth of a nation it depends upon its ties with other countries to maintain trade dealings with each other. In this study, an attempt has been made to identify the troubles faced by the customs house agents in Chennai.

Keywords: Customs Agents, Labour Problems

Introduction

The development of export and import are linked with the problems faced by the customs house agents. The problems are different from place to place and connect one business group and another group. The troubles may tell to filling the goods in the customs clearance, container, and dealing with ICD/CONCOR. These problems finally affect the general performance of a business people or a group of people. The enhanced performance of the export and import leads to advanced development in terms of speculation and service. This effort is made in this paper to study the problems faced by customs house agents in Chennai port trust.

Objectives of the Study

- To identify the problems faced by the customs house agents in Chennai Port Trust.
- To examine the solution for the problem faced by the customs house agents in Chennai Port Trust and
- To propose suggestions and a conclusion for the current study

Research Methodology

In this study, the problems faced by the customs house agents for the respondents were selected by a proportionate random sampling method is applied.

Tools of Analysis

Garrets ranking technique and percentage analysis have been applied to examine the factors influencing the problems faced by the respondents' when trading with ICD/CONCOR.

The Garrets ranking technique and percentage analysis were considered by using the following formula Percentage position= $100 (R_{ij} - 0.5 / N_j)$
Where

R_j = Ranging given its variable by the respondent

N_j = Number of variables ranked by the respondent

Problems Faced While Filling Goods in the Container

Below table 1 shows the what are problems faced in filling goods in a container in Chennai port trust.

Table 1 Problems Faced while Filling Goods in the Container

Problems	No. of Respondents	% to Total
Inadequate size of packages	138	92.00
Damage of Cargo	121	80.67
Bad quality of carton used	134	89.33
Pilferage	42	28.00
Shut out of the Cargo	38	25.33

Source: Primary data

Table 1 shows that the respondents of 92.00 percentage faced the problem of 'inadequate size of packages' followed by 89.33 percent of the respondents faced problems with 'Bad quality of carton used' 80.67 percentage of the respondents faced 'damages of cargo, 28 percentage faced 'pilferage' and finally 25.33 percentage of the respondents faced the problems on 'shutout of the cargo', In this study examines that majority of the respondents faced the problem of inadequate size of packages.

Problems Faced Regarding Custom Clearance

Lack of physical infrastructure at interchange points, contradictory service level Lack of adequate resources and equipment to handle volumes are the major problems while stuffing the goods in the container. Not all supplies can be easily containerized and the shipper has to offer a capital layout to accept his packaging, production process, premises, etc. To suit the weights imposed & restrictive dimensions by the container. This below table 2 show problems regarding customs clearance in Chennai Port Trust.

Table 2 Problems Regarding Custom Clearance

Problems Faced	No. of Respondents	% to Total
Over valuation of stock	136	90.67
Under valuation of stock	114	76
Description of stock	122	81.33
Difference in the marks and numbers	130	86.67

Source: Primary Data

It is pointed out that among the respondents, 90.67 percent faced the problem regarding over valuation of stock, 76 percent of the respondents' undervaluation of stock, 81.33 percent of the respondent's opinions changed in the description of stock 86.67 percent faced problems different in the market and numbers.

Problems Faced When Dealing with ICD/ CONCOR

The following table 3 shows the problems faced by when dealing with ICD and CONCOR for the application of Garrett Ranking for this study.

Table 3 Problems Faced when Dealing with ICD/CONCOR

Kinds of problem	Rank										Total No of Respondents	Total Score	Mean Score	Rank
	1	2	3	4	5	6	7	8	9	10				
Cost of service high	35	31	23	18	10	5	7	6	11	4	150	15438	61.75	II
Inadequate space in warehouse	26	23	24	17	7	11	25	11	4	2	150	14754	59.01	III
Lack of availability in Track	19	17	25	13	29	6	4	11	8	18	150	13537	54.14	VIII
Customs problems	35	20	13	15	11	13	17	7	13	6	150	14498	57.99	V
Labour problems	37	26	17	11	10	8	13	11	12	5	150	14929	59.71	III

Source: Primary Data

The above table clearly shows EDI failure is the major problem faced by the customs clear agent followed by the cost of service is high. Labour problems secured the third position followed by inadequate space in the warehouse. Customs problems secured the fifth position followed by no heavy handling equipment, safety and security problem faced by the cargo, lack of availability in track, service failure, and delay of shipment and assessment are remaining problems.

Findings of Summary

Regarding the problems faced by the customs house agents point out that out of 150 respondents majority of 92 percentage of them faced the problem of inadequate size of packages of the goods. In this case of problems faced by the respondents during custom clearance shows that a maximum of 90.67 percentage of the respondents faced the problem of over valuation of stocks. Regarding the problems faced by the respondents when dealing with ICD/ CONCOR observed that EDI failure is the biggest problem faced by the respondents followed by the high cost of service and labor problem respectively in Chennai Port Trust.

Suggestions

To carry out the problems faced by the customs house agents, the following remedies are recommended.

It is understood from the analysis that the inadequate size of the package is the biggest problem confronted by the respondents. Over valuation of stock, followed by the EDI failure, cost of service is high and also dealing with ICD/CONCOR. To solve these above problems, it is suggested that the obtainable price preference offered by the Government should be properly implemented. Strict rules and regulations are implemented first its avoid unnecessary customs agents entering the market. Wages revises also help to solve the solution of the labour problems.

Conclusion

This study concluded from the above findings

that the number of registered customs house agents' employment generation, the total investment made, and export and import have increased every year in the Chennai harbor. So the Government restricts the rules and regulations of customs agent houses. The most common problems faced are custom house agents were the inadequate size of a package of goods in the container, over valuation of stock, and EDI failure found in the study. The Government sector arranges different adequate services for the container and also arranges proper EDI facilities.

References

- Anisha Alphonse, P. *A Study on Containerization and Container Movement with reference to Caravel Shipping Services Pvt Ltd*, 2008.
- Deneesh, K.R. *A Study on the Role of EDI in Customs Clearance with Special Reference to Shaan's Cargo Pvt. Ltd.*, 2009.
- Devotta, Anne, and V. Rajalakshmi. "Custom House Agents Performance and Problem at VOC Port Trust, Thoothukudi - An Empirical Analysis." *International Journal of Innovative Research in Science, Engineering and Technology*, vol. 6, no. 6, 2017.
- Jacob Koshy, M. *A Study on the Clearing and Forwarding and Shipping Procedures in GAC Shipping (India) Pvt Ltd*, 1999.
- Janet, M. "A Study on Problems Faced by the Customs House Agents in Thoothukudi District." *International Journal of Research in Humanities, Arts and Literature*, 2018.
- Joseph, Siju. *A Case Study on Container Movement from Cochin Port to European Sector and the Role of Shipping & Forwarding Agent*, 2002.
- Paul Sundar, Kirubakaran, J. "Customs House Agents in the Logistics Operations - An Exploratory Study." *Asian Journal of Research in Business, Economics and Management*, 2012.
- Subrahmanyam, Preetha, and S. Subhashini. "Customs House Agents Perspective on Effectiveness of Container Freight Stations, Chennai." *International Journal of Supply Chain Management*, vol. 7, no. 6, 2018.

Author Details

M. Abdul Rahman, Assistant Professor of Commerce, Sadakathullah Appa College (Autonomous), Tirunelveli, Tamil Nadu, India, **Email ID:** rahman.nellai@gmail.com