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The Philippines' only shipping and transport guide

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New ASEAN customs transit system to simplify intra-regional goods movement

- The ASEAN Customs Transit System (ACTS) is an online system that allows businesses to lodge e-transit declarations directly with ASEAN Customs authorities
- Under ACTS, the private sector can make a single Customs transit declaration that covers transport of goods across multiple ASEAN countries
- System was created to realize the ASEAN economic ministers' twin goals set in 2017 to reduce trade transaction costs by 10% by 2020 and double intra-ASEAN trade between 2017 and 2025
- Special arrangements allow reliable traders to load their goods at their own premises in the country of departure and to deliver goods to their own premises at destination
- System has been pilot-tested in Cambodia, Laos, Malaysia, Singapore, Thailand, and Vietnam, and will soon be available in Myanmar, and may later be expanded to Brunei, Indonesia and the Philippines

The Association of Southeast Asian Nations (ASEAN) launched on November 30 an online system that aims to reduce intra-ASEAN trading challenges,
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BOC November collection surpasses target by 5.85%

- BOC revenues reached P44.691 billion in November, 5.85% higher than its monthly target
- From January to date, BOC collected P493.324 billion, 97.47% of its 2020 goal of P506.150 billion

THE Bureau of Customs (BOC) collected P44.691 billion of revenues in November, 5.85% more than the P42.221 target for the month, the sixth consecutive month the goal was surpassed.

Based on preliminary report from the agency's Financial Service, 12 of 17 collection districts hit their November 2020 targets: Port of Manila, Ninoy Aquino International Airport, Batangas, Cebu, Tacloban, Surigao, Cagayan De Oro, Zamboanga, Davao, Subic, Clark, and Aparri.

From January to date, BOC has already collected P493.324 billion, 97.47% of its 2020 target of P506.150 billion.

For the last month of the year, BOC only has to collect P12.826 billion to meet the full-year goal.

The 2020 collection target is 30.8% less than the original goal of P731 billion and by 6.6% from the revised target of P541.703 billion set last May. The lower revenue target is in view of impact of COVID-19 on the Philippine economy.

SMC seeks moving cashless toll collection deadline to Feb

- San Miguel Corp. is requesting for a February extension of the December 1 deadline for mandatory cashless transaction on expressways
- There has been a surge in last-minute applications for RFID stickers, SMC president Ramon Ang said
- SMC eyes retaining a few cash lanes until February to accommodate last-minute applicants and non-regular expressway users

SAN Miguel Corp. (SMC) president Ramon Ang is requesting the Department of Transportation (DOTr) to extend until February next year the deadline for the mandatory cashless transaction on expressways.

This, Ang said in a statement, will provide motorists more time to get their radio frequency identification (RFID) stickers.

"Given the surge in last-minute applications we're seeing, we don't think we will be able to serve everyone. A large



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number of motorists will not make it to the December 1 deadline," Ang, who is also SMC chief operating officer, said.

Mandatory cashless toll collection is set to be implemented by December 1 pursuant to DOTr Department Order 2020-012, which was issued to contain the coronavirus pandemic and facilitate passage on expressways.

Under the order, DOTr-attached agency Toll Regulatory Board should ensure toll operators have installed electronic tags or other cashless systems for all motorists and motor vehicles using the expressways, and transact only through cashless payment.

Ang said that despite the company rolling out additional measures to fast-track installation of RFID stickers, the volume of applications was "too much."

The company has earlier opened 100 additional sticker installation sites and implemented 24-hour installation at major locations to address the situation.

He said non-regular users of expressways trying to beat the December deadline, along with strict distancing protocols,

are one of the main reasons for the long lines at installation sites.

He said this "huge number of motorists that have still not secured their RFID stickers" should be given due consideration.

"My honest opinion is we will really need at least until February. And that is what we are asking government: To allow us to retain even just a few cash lanes until February," he added.

Ang said majority of lanes at toll plazas can do electronic toll collection "because anyway, the tollway operators have complied and equipped all lanes for cashless transactions."

"We can then assign some lanes for continued stickering, and at least one lane for cash payments. This is in case traffic builds up due to long lines at stickering lanes," he said.

With this, Ang said some motorists can still opt to pay in cash and just have their stickers installed on their next trip.

"As the DOTr itself said, there really is no need to panic if you are a non-regular user of expressways. Even with the

scheduled implementation on December 1, motorists with no stickers will not be apprehended. Also, stickering will continue at the toll plazas and installation sites. In fact, these will continue even after January," he assured.

The DOTr earlier said motorists without RFID stickers will not be apprehended until January 11 of next year.

"But given that many motorists still want to get their stickers as soon as possible, I think we can still accommodate them," Ang noted.

"For those unable to get theirs, I think we won't lose anything by providing them some consideration. We hope government will study this option carefully. At the end of the day, we will abide by what they say," Ang said.

He noted all toll plazas on SMC's expressways—Southern Tagalog Arterial Road, Southern Luzon Expressway, the Skyway System, Ninoy Aquino International Airport Expressway, and Tarlac-Pangasinan-La Union Expressway—are ready and fully equipped to shift to 100% electronic toll collection.

certification bodies to be recognized by Indonesia, a requirement of Indonesia for products imported into its market.

Said PAB director James Empeño: "PAB fully supports the establishment of the MOU on Halal Cooperation with

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PH, Indonesia to ink Halal trade agreement

- The Philippines and Indonesia are set to sign a memorandum of understanding (MOU) on Halal cooperation that will facilitate trade of Halal-certified goods between the two markets
- After the MOU signing, work will start on a mutual recognition arrangement (MRA) on Halal certification and accreditation
- The MRA will provide mechanisms for Philippine Halal certification bodies to be recognized by Indonesia, a requirement for products imported into the Indonesian market

to explore cooperation, including on trade facilitation and Halal goods certification, the Department of Trade and Industry (DTI) said in a statement.

The proposed MOU was one of the key initiatives of the Philippines at the 7th Meeting of the Joint Working Group of Senior Officials for the Implementation of the Philippines-Indonesia MOU on Trade, Investment, Handicrafts and Shipping held in August last year.

DTI said this means the MOU will serve as a framework to facilitate trading of Halal-certified goods between the two markets through a government-to-government arrangement.

The term *halal* is particularly associated with Islamic dietary laws and especially meat processed and prepared in accordance with those requirements.

Trade undersecretary Abdulgani Macatoman said they hope that once the MOU is signed, "trade of Halal certified goods between the two countries will

be easier and many of our local Halal certification bodies will be recognized by Indonesia."

This is provided these Halal certification bodies secure accreditation from DTI's Philippine Accreditation Bureau (PAB), Macatoman said.

DTI Export Marketing Bureau assistant director Agnes Legaspi said they look forward to the MOU signing "the soonest possible time and commence a Mutual Recognition Arrangement (MRA) for Halal Certification and Accreditation thereafter."

Once the MOU is sealed, DTP's PAB will enter into an MRA on Halal certification and accreditation with its counterpart in Indonesia. The MRA will provide mechanisms for PAB-accredited local Halal

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Industry expert pushes multimodal transport in ASEAN for cost savings

- Multimodal transportation offers reduced costs, saves time and improves shipment monitoring during transit*
- Dealing with customs transit/transhipment procedures of countries a multimodal transport challenge*

MULTIMODAL transportation's value proposition of reduced cost and time savings was stressed by an industry expert at a recent webinar hosted by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the Philippine Multimodal Transport and Logistics Association, Inc. (PMTLAI).

Association of Southeast Asian Nations (ASEAN) Federation of Freight Forwarders Associations (AFFA) Logistics Institute chairman Somsak Wisetruangrot said multimodal transport offers cost advantages since only one operator is in charge of all stages of transportation, allowing increased monitoring of shipments at each stage.

Under the ASEAN Framework Agreement on Multimodal Transport (AFAMT), international multimodal transport means the carriage of goods by at least two different modes of transport, on the basis of a multimodal transport contract, from a place in one country at which the goods are taken by the multimodal transport operator in charge, to a place designated for delivery situated in a different country.

"There is only one company in charge of meeting the shipment deadline; therefore, there is better control on management and less risk of merchandise theft or loss while responsibility lies with just one entity," Somsak said.

Scheduling routes, costs, staff, and logistics is also easier, he added.

Edge of ASEAN MTOs

Somsak said multimodal transport operators (MTO) operating under AFAMT are required to register with their respective competent national bodies and comply with minimum asset requirements, offering greater assurance to clients that they are dealing with reputable entities capable of compensating claims.

He pointed out that ASEAN MTOs' liability is clearly defined in AFAMT, which means operators use the same rules, while MTOs in other regions can select any of the international conventions for their operation.

AFAMT, signed in 2005, aims to facilitate the movement of goods using different modes of transport to encourage international trade among ASEAN member states and with third-party countries. In November last year, ASEAN transport ministers

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New Subic facility boosts Pilipinas Shell's northern supply chain

- Pilipinas Shell opened a new import facility in Subic, Zambales to strengthen supply chain to northern parts of the country*
- Subic facility is the company's third import terminal, capable of receiving 54 million liters of finished products in one shipment*
- It completes the company's supply triangle with the Tabangao import terminal in Batangas and the Cagayan de Oro City import facility in Mindanao*

This allows the company to maximize efficiency and minimize transhipment costs, Pilipinas Shell said in a statement.

The Subic facility completes the supply triangle created by Pilipinas Shell across the nation. The others are the Tabangao refinery-turned-import terminal in Batangas and the North Mindanao Import Facility in Cagayan de Oro City in Mindanao.

Last May, Pilipinas Shell started to transform the Tabangao refinery from petroleum processing plant to an import facility. The company will be reinvesting at least P1 billion in the next few years in this endeavor.

The company said it shifted from manufacturing to full import because it was "no longer economically viable to run a refinery" due to the impact of the COVID-19 pandemic on the global economy as well as the oil supply-demand

PILIPINAS Shell Petroleum Corp. has opened an import facility in Subic, Zambales to strengthen its supply chain to the northern parts of the Philippines.

The Subic facility—Pilipinas Shell's third medium-range vessel-capable import terminal—can receive 54 million liters of finished products in one shipment.

New ASEAN customs transit system to simplify...

enable companies to benefit fully from the ASEAN Economic Community (AEC), and promote free movement of goods across the region.

The ASEAN Customs Transit System (ACTS) allows businesses to lodge electronic-transit (e-transit) declarations directly with ASEAN Customs authorities and track movement of goods from loading at departure to delivery at the final destination.

The system was created to realize the ASEAN economic ministers' twin goals set in 2017 to reduce trade transaction costs by 10% by 2020 and double intra-ASEAN trade between 2017 and 2025.

ASEAN secretary-general Dato Lim Jock Hoi in a statement said the implementation of ACTS will facilitate seamless movement of goods in the region, enhance ASEAN's trade and production networks, and establish a more unified market for firms and consumers.

"The ACTS could also support post COVID recovery to accelerate the transit movement of medical supplies, vaccines and Personal Protective Equipment within the Member States," he added.

ACTS is seen to simplify the movement of goods across the region, making their transport more efficient and cost-effective.

Under ACTS, the private sector can make a single Customs transit declaration that covers the transport of goods across multiple ASEAN countries, without needing to make repeated Customs declarations or change vehicles at each border.

Special arrangements allow reliable traders to load their goods at their own premises in the country of departure, and deliver the goods to their own premises at destination.

Faster Customs clearance at borders helps accelerate transit movements, and reduces the time and expense of carrying



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imbalance in the region.

With a capacity of 263 million liters, the Tabangao facility can more than meet the demand not just in Metro Manila but also in Southern Luzon and Northern Visayas, Pilipinas Shell said.

Meanwhile, the Mindanao facility, which has a capacity of 90 million liters of finished petroleum products, serves the rest of the Visayas and Mindanao. Since 2016, this facility has helped reduce costs and overall maritime risks by eliminating the need for short-range vessels to trans-

port fuel from Tabangao to Mindanao.

With the Subic facility now operational, Pilipinas Shell said it has strengthened its supply chain resilience and improved its capability to respond to disruptions.

Aside from expanding the company's fuel supply network, the new facility also underpins its thrust to raise the number of its retail stations.

Shell distributes refined and imported petroleum products through 27 fuel distribution terminals, 10 lubricants warehouses, and two bitumen import facilities located across the Philippines.

Thailand, and Vietnam, the system has now been formally launched for general use.

The first successful ACTS transit movement occurred on October 23 and 24 with a truck travelling from Singapore via Malaysia to Thailand.

The system will soon be available in Myanmar, and may later be expanded to Brunei, Indonesia and the Philippines.

ASEAN Federation of Forwarders Associations (AFFA) chairman Yukki Nugrahawan said the freight forwarding community will be one of the main beneficiaries of this system with its simplified Customs and transport control procedures between different ASEAN member states.

ACTS will also provide predictability on door-to-door delivery times and reduced transport costs, as well as significantly accelerate transit movements across the region to reduce time and expenses of carrying out cross border trade in ASEAN, he added. —Roumina Pablo

Uconnect Worldwide Network family stays connected with digital conference

STAY resilient, stay safe, stay connected. That was the message of Mr. Stephen Sim, chairman of Uconnect Worldwide Network (UCN), during the group's first Digital Alliance Conference on Nov. 10, 2020 attended by more than 100 NVOCC members worldwide.

During the event, Mr. Sim introduced Andrew Smithurst as the network's International Network Development Director.

With no opportunity to hold the usual annual conference due to the pandemic, the group instead organized an online fellowship to remain connected amid the global economic uncertainty. Key UCN people extended their wish for members to stay safe and healthy.

The UCN team also arranged one-on-one digital meetings for each member to discuss business opportunities in niche industry markets.

Spearheaded by its ambassador Mr. Chris Coching, the UCN Team spiced up the fellowship with exciting activities such as a lucky draw, Q&A, and even an online band entertainment.

Chairman Sim promised to call a face-to-face UCN conference in 2021, assuming a return to normalcy, a promise met by online cheers from members.

PH economy to contract by up to 9.5% in 2020

THE Development Budget Coordination Committee (DBCC) foresees a steeper 8.5% to 9.5% contraction for the Philippine economy in 2020 from the 5.5% decline projected in July.

The economy is seen to bounce back to a 6.5% to 7.5% growth in 2021 and 8% to 10% growth in 2022.

DBCC expects exports and imports

to contract this year by 16% and 18%, respectively.

Revenue collections of the Bureau of Internal Revenue and Bureau of Customs for this year are expected to increase to P2.85 trillion following above-target performance.

The Development Budget Coordination Committee (DBCC) foresees a



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steeper 8.5% to 9.5% contraction for the Philippine economy in 2020 from the 5.5% decline projected in July, following the prolonged community quarantines in various regions of the country.

Despite a lower projection, the DBCC maintained that the economy will be "on the right track towards full recovery" with further relaxation of restrictions and

improvement in the healthcare system's capacity.

DBCC noted that the 11.5% contraction of the country's gross domestic product (GDP) in the third quarter is slower than the 16.9% decline in the second quarter, which had sent the country into technical recession as the months-long

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Continued from previous page

transshipment procedure within ASEAN member states will be standard, enabling MTOs to predict the time of end-to-end transportation, he said.

This, in turn, will allow MTOs to assure traders consistency and efficiency in the process.

Another challenge is dealing with regulations and restrictions imposed by countries to prevent the spread of COVID-19. Somsak noted, for example, that cross-border transportation by road may have to be operated in controlled areas, limiting options for a suitable place to do transit/transshipment.

Unforeseen risks during the operations such as port strikes or congestion may also obstruct the operation of MTOs.

Last October, Thailand and Vietnam joined the pilot implementation of AFAMT. AFAMT pilot teams have been established in both countries. The teams consist of government transport officials, MTOs and the freight forwarder associations Thai International Freight Forwarders Association and Vietnam Logistics Business Association. —**Roumina Pablo**

PH, Indonesia to ink Halal...

Continued from page 2

Indonesia. We are looking forward to the next step, which is to have an MRA on Halal Accreditation and Certification with our counterpart agency in Indonesia," he said.

The MOU and the eventual MRA "will pave the way for a strong cooperation between Indonesia and the Philippines in terms of developing Halal products

based on International Standards," Em-peño said.

Indonesia is home to more than 200 million Muslim consumers while the Philippines, has more than 10 million domestic Muslim population. The Philippines has put Halal policies in place as it envisions playing a bigger role in the global Halal market.

Industry expert pushes multimodal transport in ASEAN...

adopted the implementation framework of AFAMT.

Multimodal transport issues

But engaging in multimodal transport still comes with challenges, particularly

when it comes to customs transit/transhipment procedures of countries that could cause delays in deliveries.

He recommended that MTOs request the Customs Procedures and Trade Facilitation Working Group to consider

harmonizing and simplifying customs procedures for transit/transhipment to facilitate multimodal transport.

The issue of customs transit was recently addressed with the launch on Nov 30 of the ASEAN Customs Transit System (ACTS), an online system that allows businesses to lodge e-transit declarations directly with ASEAN Customs authorities.

Under ACTS, the private sector can make a single Customs transit declaration that covers transport of goods across multiple ASEAN countries.

Special arrangements allow reliable traders to load their goods at their own premises in the country of departure and to deliver goods to their own premises at destination.

ACTS has been pilot-tested in Cambodia, Laos, Malaysia, Singapore, Thailand, and Vietnam, and will soon be available in Myanmar, and may later be expanded to Brunei, Indonesia and the Philippines.

Somsak said once customs procedures in all ASEAN member states are harmonized, the duration of transit/

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Tick-Tock, Tick-Tock

By HENRIK BATALLONES
SCMAP Marketing and Communications Executive



SCMAP PERSPECTIVE

WE have been talking a great deal about digitalization in the supply chain over the past few years. Many conferences, webinars and reports have been devoted to the issue, more so in the past few months, when the need for digitalization was really driven home by the pandemic. These include a whitepaper recently developed by consultancy firm YCP Solidiance, alongside SMCAP, with the inputs of key players in logistics. (You can download the paper at ycpsolidiance.com.)

At times it may seem like we're all just repeating ourselves when it comes to this topic. Yes, we need to digitalize both to improve efficiencies and supply levels, and in response to changing customer demands. That has been reiterated over and over again. But we seem to be missing the fact that as time goes by, we have a lot more catching up to do. This is not to say that there have been absolutely no efforts on this front: there are, but these have taken longer than desired, and have been scattered for the most part.

Still, these delays mean the Philippines may not have much of an advantage as the global economy in general moves forward in a post-pandemic scenario, and as our neighbors in the ASEAN prepare for the Regional Comprehensive Economic Partnership (RCEP), a massive free trade deal between the region and its major trading partners.

The YCP Solidiance whitepaper notes that other regional efforts to digitalize logistics—notably Singapore, Indonesia and Thailand adopting the blockchain-powered trading platform TradeLens—does not just improve coordination among various stakeholders, but also decreases costs and can even increase the amount of trade.

Here, however, our logistics systems have mostly remained analog. Warehouse management and demand planning are more digital now than other aspects, but this is because these are handled almost exclusively by the private sector. In aspects where policy plays a bigger role, like transport and customer service, progress has been slower. I imagine that while stakeholders would want to get a leg up, the regulatory hurdles to initiatives to further enable, say, digital payments or paperless requirements are holding us back.

Again, there are many efforts ongoing, which have been accelerated by the COVID-19 crisis. The Bureau of Customs, for one, is full steam ahead on its modernization program, even recently being granted a loan by the World Bank to ensure this. The government is also reconfiguring its industry roadmaps in response to the faster pace of digitalization, especially with e-commerce and online wallets becoming palatable to more Filipinos. But more has to be done if we're to be able to just keep up with our neighbors; even more, if we want to gain an advantage.

Over the past few years we've also talked a lot about the need for further collaboration between the public and private sectors, if we're to truly unlock the potential of our economy, with the supply chain sector acting as its backbone and lifeblood. Apart from regular industry consultations, there are more tangible results: take how PayMaya is providing its expertise to allow government agencies to accept cashless payments.

Pathways toward digitalization

YCP Solidiance suggests three possible paths to accelerate digitalization. One is participation, arguably the easiest way in. Another is partnerships, leveraging on the increase of tech-savvy logistics companies; this is picking up pace in the private sector, as acquisitions and investments become the name of the game (at least until the pandemic).

The last is procurement, which means hiring expertise and investing in systems and processes. This is something the government is best positioned to do, especially as it is obligated to cover the whole country, as opposed to the private sector which will still have profitability as its main motive. Of course, the pace of bureaucracy and never-ending perceptions of corruption get in the way. The government can also be pretty rigid and slow to respond, as evidenced by how it hasn't fully addressed the economic impact of the pandemic. It's not exactly encouraging to have these qualities in an arena where "agile" and "resilient" are buzzwords.

Here's something I'm sure you've also heard over and over again: we have a lot of work to do if we're to keep up with the pace of change in the global economy, with what our customers want, and with what our neighbors are able to do. If we're to stay competitive, we should not be left behind, and it feels more urgent now that the RCEP is in play. The clock never stops. Tick-tock, tick-tock...

Henrik Batallones is the marketing and communications director of SMCAP, and editor-in-chief of its official publication, Supply Chain Philippines. More information about SMCAP is available at scmap.org.

The Hidden Costs of Using Legacy Freight Forwarding Systems

By AMIT MAHESHWARI, CEO, Softlink Global



IT IN LOGISTICS

IN recent years, the logistics and freight forwarding industry has confronted tremendous change, driven by tech innovations, dynamic consumer expectations, and stringent regulations. The situation is being made worse and more demanding by the Covid-19 crisis, which is impacting the revenue margin of freight forwarders.

The buzzword 'hidden costs' is pushing freight forwarders to rethink and redesign their modus operandi. But often neglected when they analyze the reasons for their hidden costs is the use of the legacy freight forwarding system. Apparently, using a legacy system entails many costs that go unnoticed, impacting already limited revenue margin and business profitability.

Let me explain a few hidden costs that cost you dearly when using a legacy system.

The costs of overdue and overpayment: To date, a lot of freight forwarders rely on a spreadsheet to keep records of debit and credit payments from the clients, pay invoices, track and maintain shipment status,

and many more. Managing the multiple accounts of multiple carriers requires dealing with tons of invoices and ensuring balance between the debit/credit notes and invoices.

Using a spreadsheet for this is a humongous task for your team and may cause error in data entry and overdue and overpayment to customers. In contrast, the modern cloud-based freight management system is able to integrate the entire operations with the accounting system and automate the process of sending notifications for bills receivables and payment on email or phone.

The cost of delayed deliveries: Same-day deliveries are becoming the new normal, with customers even willing to pay extra for faster deliveries. Traditional methods of managing the last-mile delivery have some limitations when you're planning efficient and cost-effective route optimization in real time. This can cost you heavily in terms of unpredictable transportation costs and customer satisfaction.

These hidden costs can easily be nullified using a cloud-based freight forwarding system which provides online route planning and optimization as per the diverse shipping patterns.

The costs of maintaining documentation archive: The traditional

freight forwarding business involves a lot of documentation that is printed, faxed, and mailed. Having to deal with such huge documents and records from various stakeholders and keep these in hard copies and stored in archives is not only a tough job but is costly and risky too.

Given the current situation, it is important to have all the documents centrally stored with comprehensive backup on a cloud ERP freight forwarding system so stakeholders involved can access the documents anywhere anytime. Moreover, the world is going eco-friendly and paperless, while customs regulations now make it mandatory to process all documents online.

The cost of lack of collaboration between stakeholders: In the Covid-19 work-from-home situation, we realized the importance of collaboration in remote working. Collaborating dispersed operations, workflow, and accounting reports has cost freight forwarders dearly in terms of manual work and human errors, time lost on fixing errors, and neglected accounting notes. Organizing the accounting reports properly and bridging the communication gap between internal and external stakeholders might eventually accumulate to a huge amount of loss that it could impact the financial stability of your company.

Installing a cloud-based freight forwarding system will not only help centralize all accounting reports from multiple branch offices into one portal, without the hassle of manual work and human errors, but will also provide a proper employee workflow mechanism.

The costs of lack of data security and data utility: Current business challenges pressure freight forwarders to provide visibility, analytics, speed, reliability, and transparency within the entire operations, which requires huge data mining to utilize it correctly. Moreover, cybersecurity is a major challenge that requires massive domain expertise to make sure your systems are reliable.

A modern cloud-based freight forwarding system with an in-built control tower helps provide freight forwarders with detailed information and action plans. The freight forwarding ERP also enables you to leverage the reliability of the cloud infrastructure, freeing yourself from maintaining IT security infrastructure.

Clearly, legacy freight forwarding systems have some inherent limitations which come as hidden costs, such as lost productivity, thefts, excess fuel consumption, unhappy customers, poor compliance, and more. Undeniably, these systems were appropriate for the market's requirements when they first came, but over time they have ceased to serve current business demands.

Amit Maheshwari's many years of domain knowledge, vision and deep understanding of logistics marks him as a major thought leader in the industry. Under his leadership, Softlink Global has become a leading global logistics software provider. One of his major creations Logi-Sys is a comprehensive ERP for the freight and logistics industry that has become a global success.

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PH manufacturing volume, value contractions deepen in Oct

THE Philippine manufacturing sector contracted in both volume and value for the eighth consecutive month in October 2020, the fall led by double-digit declines in petroleum products and printing.

The Volume of Production Index (VoPI) dropped 11.3% year-on-year in October 2020, faster than the 8.6% downturn in September 2020, according to the Philippine Statistics Authority's (PSA) latest Monthly Integrated Survey of Selected Industries.

BOC-NAIA seizes 28 kilos of rare agarwood worth P2.4M

THE Bureau of Customs (BOC) has intercepted three packages containing 28 kilograms (kg) of agarwood—a rare and expensive wood—with an estimated street value of P2.4 million in a warehouse in Pasay City.

BOC-Ninoy Aquino International Airport (NAIA), in coordination with BOC's Environment Protection Compliance Division, seized the packages which were misdeclared to contain "face masks and clothes," "shoes and hand bags," and "leather jackets, face masks, man pants."

All three packages were shipped by a resident from Davao and bound for the United Arab Emirates, BOC said in a

Contributing to the faster decline of VoPI in October 2020 were reductions in the indices of 15 industry groups, led by petroleum products (-99.1%), printing (-53.4%), and tobacco products (-48.7%).

The Value of Production Index (VaPI) likewise declined at an annual rate of 14.2% in October 2020, faster than the 12.4% drop in September 2020.

Pushing down the VaPI in October 2020 were the decreases in the indices of 15 industry groups. The top three industry

groups with negative growth rates were petroleum products (-99.2%), printing (-52.8%), and footwear and wearing apparel (-49.2%).

Based on responding establishments, the average capacity utilization rate for the manufacturing sector in October 2020 was 67.2%, a decrease from 69.2% in the previous month.

Seven of the 20 industry groups had at least 80% average capacity utilization rate, led by machinery except electri-

cal (91.3%) and followed by electrical machinery (87.4%), and non-metallic mineral products (86.0%).

About one-fifth of responding establishments operated at full capacity, PSA noted.

The proportion of establishments that operated at full capacity (90% to 100%) was 21.6% of the total number of responding establishments. A total of 41.1% operated at 70% to 89% capacity, while 37.3% operated below 70% capacity.

PH economy to contract by up to 9.5%...

pandemic quarantines took their toll on the economy.

It expects further improvement in the country's GDP numbers in the fourth quarter, noting that "as we carefully and proactively manage the risks, a strong economic recovery and solid growth remains within our reach."

The committee also expects the economy to bounce back to reach 6.5% to 7.5% growth in 2021 and expand by 8% to 10% in 2022, figures that are higher

statement.

Upon x-ray inspection, the packages yielded images different from what was declared by the sender, which prompted a 100% physical examination and the discovery of the 28 kg of agarwood.

Additionally, the packages were being exported without the necessary permits from the Department of Environment and Natural Resources (DENR).

BOC said DENR stressed that selling of agarwood or lapnisan is illegal in the Philippines.

Agarwood is found only in the heart of the jungles of Mindanao and Visayas and is classified under the Convention

on International Trade in Endangered Species of Wild Flora and Fauna.

Agarwood produces a resin that is valued for its distinctive fragrance and is formed when the host tree becomes infected with a mold called Phialophora parasitica. The mold infection makes the tree produce a dark aromatic resin called aloes or aga in its heartwood. The fragrant resin is used to make incense, perfume, and medicinal products particularly in the Middle East and Asia.

BOC noted that foreigners are said to hike to remote villages in the country seeking help in finding the rare tree. According to reports, the rare wood is one

of the rarest and most expensive in the world, with a kilo fetching as much as P750,000.

BOC said the three packages will be subjected to seizure and forfeiture proceedings for violation of Section 117 (Regulated Shipments), Section 1400 (Misdeclaration) and Section 1113 (Property Subject to Seizure and Forfeiture), all of Republic Act (RA) No. 10863 (Customs Modernization and Tariff Act), in relation to Section 27 (i) [Illegal Transport] of RA 9147 (Wild Life Act).

The agarwood will be turned over to DENR.

Continued from page 4
sector financial position and the national government fiscal program.

In line with recent trends in global trade, DBCC maintained that goods exports and imports will contract this year, declining by 16% and 18%, respectively.

These are expected to pick up by 2021 and 2022 with the growth of goods exports maintained at 5% and growth of goods imports pegged at 8%.

Meanwhile, following the above-target performance of the Bureau of Internal

Revenue and Bureau of Customs since July 2020, estimated revenue collections for this year have been increased from P2.52 trillion to P2.85 trillion, equivalent to 15.7% of GDP.

Revenue projections for 2021 and 2022 have also inched up to P2.88 trillion and P3.31 trillion, respectively. The adjustments already factor in the expected impact from the implementation of the Corporate Recovery and Tax Incentives Reform (CREATE) bill, which was passed by the Senate on third and final reading last month.

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