

The Philippines



Trade Facilitation Challenges for Women Traders and Customs Brokers

Survey findings and recommendations



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Abstract

This report summarizes the main challenges that cross-border traders and customs brokers at the firm level are facing related to import and export processes and procedures in the Philippines. This report also includes recommendations to address the challenges identified, primarily within the scope of the World Trade Organization's Trade Facilitation Agreement (WTO TFA).

The work related to this report was undertaken as part of a larger package of technical trade facilitation support to the government of the Philippines. The overall objective of this work was to identify specific barriers, broken down by gender, that men and women-led companies (also referred to as "traders" or "trade firms") and customs brokers face in the cross-border trade of merchandise goods.¹ Where possible, the work highlighted the experiences of ethnic minorities and people with disabilities. This report provides the foundational baseline for the ongoing reform program of the Bureau of Customs and the newly established Philippine Trade Facilitation Committee, and is a companion piece to the other research papers that measure specific trading outcomes and regulations by bringing in the voice of the private sector to the assessment of the trade context of the country.

The collection of data for this report was done via phone survey interviews across the Philippines. The work built upon similar surveys in other countries, and the methodology was developed by the World Bank Group.²

The data collected in connection with the surveys and information from the analysis contribute to the field of literature on the trade facilitation and gender. This data adds to the increasingly important dialogue on how to mainstream gender and inclusivity issues into trade policy, and it may be useful to the government, development organizations and others in ensuring that trade facilitation interventions can benefit all traders equally.

¹The survey and this report is focused on trade of merchandise goods and does not cover trade in services. This is because the WTO TFA – the primary scope of the study – pertains to the movement, release, and clearance of goods and not services.

²See reports from similar studies undertaken in the Pacific Islands and Timor-Leste here: <https://www.worldbank.org/en/programs/trade-facilitation-support-program/publication/trade-facilitation-challenges-for-women-traders-in-the-pacific-region>.

The Philippines

Number of active cross-border trade firms (2020–2021): 24,684³

Number of active customs brokers (2020–2021): 1,869⁴

Capital city: Manila

Region: East Asia and Pacific

Income category: Lower-middle income⁵

Population (2020): 109,581,085⁶

GDP (current US\$ thousands, 2020): 361,489,354.35⁷

Est. GNI per capita woman/man (2019 based on 2017 PPP\$): 7,843/11,694⁸

Labor force participation rate (% of total pop. ages 15–64, 2019) women/men: 49/75⁹

Merchandise exports and imports (% of GDP, 2020): 42.7

Top exports (2020): Electronic products; other manufactured goods; machinery and transport equipment; other mineral products; ignition wiring set and other wiring sets used in vehicles, aircrafts and ships (only of electrical wiring harness for motor vehicles)¹⁰

Top imports by value (2020): Electronic products; mineral fuels, lubricants and related materials; transport equipment; industrial machinery and equipment; iron and steel¹¹

WTO Trade Facilitation Agreement ratification date: October 27, 2016

³ This number is based on the list of firms provided by Bureau of Customs and included firms that were not be eligible for the survey.

⁴ This number is based on the list of customs brokers provided by Bureau of Customs and included duplicates.

⁵ GNI per capita between \$1,046 to \$4,095. Data source: The World Bank. 2021. Data: World Bank Country and Lending Groups. Accessed 2021. <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.

⁶ The World Bank. 2021. World Development Indicators Database. Accessed 2021. <https://databank.worldbank.org/source/world-development-indicators>.

⁷ Ibid.

⁸ United Nations Development Programme. 2021. Human Development Data Center. Accessed 2021. <http://hdr.undp.org/en/data>.

⁹ World Development Indicators Database.

¹⁰ Philippine Statistics Authority. 2021. Highlights of the 2020 Annual Final International Merchandise Trade Statistics of the Philippines. Accessed 2021. <https://psa.gov.ph/statistics/annual-foreign-trade>.

¹¹ Ibid.

The Environment for Working Women in the Philippines

The Philippines scored 78.8 out of 100 – slightly higher than the regional average – in the 2021 Women, Business and the Law index, which is structured around the lifecycle of a working woman. According to the World Development Indicators Database, only 49 percent of women aged 15–64 are in the labor force compared to 75 percent of men in the same age group. A 2017 study by the Philippine Institute for Development Studies found that women are more disadvantaged in terms of vulnerable employment (i.e., self-employment and family work) that is often unpaid or underpaid. The OECD, however, finds that the Philippines has a strong policy foundation for women's entrepreneurship development – especially for women's micro, small, and medium-sized enterprises – such as through the Magna Carta for Women (which covers the “right to livelihood, credit, capital and technology” in pursuit of business opportunities) and the “Go Negosyo Act” (which calls for the establishment of business support centers to encourage women entrepreneurship and to respond to their needs).

Key recommendations based on survey findings

Initial findings demonstrate an opportunity to improve the design of trade facilitation interventions to better address traders' needs (women in particular), e.g., by:



Fully implement the WTO TFA by streamlining processes and procedures



Enhance government consultations with the private sector



Improve official gender-disaggregated collection of trader data



Offer better guidance and appropriate explanation on penalties



Promote the role of the NTFC and gender sensitize its action plan



Explore the reasons for detention of goods



Promote the use of the Philippine National Trade Repository



Promote pre-arrival processing of goods



Ensure official regulations and procedures across border agencies are easy to find and understand



Make formal grievance procedures more transparent and effective



Offer targeted information sessions, workshops, and training session for women traders



Promote the role of women in trade associations



Re-assess and better advertise port operating hours



City of Makati, Philippines
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Meeting of the Philippine Chamber of Commerce and Industry
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Executive Summary

The COVID-19 pandemic highlighted the urgent need for trade facilitation reforms to expedite the movement, release, and clearance of medical goods and protective equipment through borders. Trade facilitation initiatives help countries reduce the time and cost for cross-border trade by streamlining procedures and processes for products moving across borders, and improved trade facilitation will significantly increase global GDP.

The Philippines is an archipelago composed of more than 7,000 islands. Trade in goods represented 43 percent of the Philippines' GDP in 2020 while trade in services constituted 14 percent of GDP. The Philippines is especially challenged with infrastructure and connectivity issues that restrict trade activities.¹² In addition, the Philippines experienced a series of unexpected events in 2020, such as the Taal Volcano eruption and the spread of the COVID-19 virus that limited trade.¹³ Consequently, the volume of imports of goods declined by 22.7 percent during 2020, while the volume of exports of goods contracted by 12.8 percent.¹⁴

One way to foster trade recovery and increase future trade flows is to implement trade facilitation measures that improve border processes and procedures, such as the ones found in the World Trade Organization's Trade Facilitation Agreement (WTO TFA).¹⁵ WTO TFA measures are assumed to be non-discriminatory and apply to all traders in their design; however, these measures may not necessarily impact or benefit all traders in similar ways. There is little research on how trade facilitation interventions impact disadvantaged and vulnerable groups (such as women, those that identify as belonging to ethnic minority groups, or those that have disabilities) at the firm level. Closing this knowledge gap will facilitate improved design of effective and inclusive policy reforms and program interventions.

To this end, the World Bank Group designed a study to identify the gender specific obstacles that **traders (also called "trade firms" in this report)** and **customs brokers** face when undertaking cross-border trade of merchandise goods, with particular focus on the areas covered in the WTO TFA but also beyond (such as safety and security at the border as well as the impact the COVID-19 pandemic). Between June and September 2021, a phone survey of 2,101 trade firms and 323 customs brokers was carried out across the country. The

The WTO Agreement on Trade Facilitation (WTO TFA) contains provisions for expediting the movement, release, and clearance of goods, including goods in transit. The TFA sets out measures for customs compliance issues and for effective cooperation between customs and other appropriate authorities on trade facilitation. Trade facilitation measures can help to reduce transaction costs to import and export with simplified, transparent trade procedures. The TFA is particularly important for developing countries as they strive to increase exports and overall trade and to strengthen domestic economic activity.

Survey respondents included:

- **Traders (also called trade firms)** that engage in cross-border import and/or export of goods (at the firm level and disaggregated by the gender of the firms' owner or manager)
- **Customs brokers** that provide cross-border trade services – to help facilitate customs clearance and other import/export processes and procedures – to traders (at the firm level and disaggregated by the gender of the respondent)

sample populations consisted of (i) women and men owned and/or managed (led) firms engaged in cross-border trade and (ii) customs brokers that offer cross-border trade services on behalf of traders.¹⁶

The survey revealed several trade facilitation challenges faced by the cross-border traders and customs brokers that participated in the study, regardless of gender, e.g.:

- Twenty-eight percent of women and 27 percent of men traders ranked bureaucratic and burdensome border processes as their top challenge to further expanding their business to international markets.

¹² FAO. 2017. FAOSTAT Philippine Country Indicators. Accessed 2021.

¹³ The World Bank. 2020. Philippines Economic Update, June 2020 : Braving the New Normal. Report, Washington, D.C.: World Bank.

¹⁴ International Monetary Fund. 2021. World Economic Outlook Database. October.

¹⁵ The Philippines is composed of over 7,000 islands; the use of the word "border" in this report is referring to ports and airports (not land borders).

¹⁶ Trading refers to cross-border trade. Traders in this note refers to representatives of firms importing and/or exporting across borders. In this survey, the World Bank Enterprise Survey's definition of firm sizes is used: micro (1–4 employees), small (5–19 employees), medium (20–99 employees), and large (100 employees and above). A firm is "woman owned" if (1a) ≥ 51 percent of the shares are owned by a woman or (1b) ≥ 20 percent is owned by a woman; (2) it has ≥ 1 woman as CEO/COO/President/Vice President; and (3) has ≥ 30 percent of the board of directors composed of women (where a board exists). "Managed" refers to the highest management individual in the firm. Women-led in this note refers to a firm own or managed by a woman.

- The majority of traders and customs brokers businesses' have been impacted by the pandemic, largely because of delays for goods to be cleared and less demand for their products and services.
- About half of traders and customs brokers believe that port working hours are restrictive to their business operations and ability to trade.
- Almost one-quarter of traders and more than one-third of customs brokers report facing difficulties finding information on official regulations related to border processes and procedures.
- Traders and customs brokers need to go to multiple sources to find information on official regulations and procedures on border processes. Personal networks and customs brokers are a primary source of information on official regulations for traders.
- Around one-third of traders and customs brokers find that guidance and explanations on penalties and how to make official appeals are not clear or easy to access across government entities.
- Around two-thirds of traders and customs brokers are not regularly consulted on changes to official processes and procedures and when they are, many feel their feedback is not taken into consideration.
- A proportion of traders believe the use of customs brokers is mandatory by law.

The differences between women and men respondents to the survey did not indicate a large gap between the genders. In fact, the findings demonstrate only minor differences between genders in some areas of trade facilitation, which is a testament to the government of the Philippines' efforts to deliver trade facilitation initiatives that benefit men and women traders and customs brokers quite similarly. The survey did, however, point to a few specific challenges that **disproportionally impact women-led** compared to men-led firms and customs brokers:

- When looking for information on official border regulations, more women customs brokers face these challenges: not all agencies keep information up to date (for 44 percent of women compared to 31 percent of men), official government websites and enquiry points are not responsive (for 33 percent of women and 22 percent of men), and there is a lack of comprehensive information across agencies (for 51 percent of women compared to 45 percent of men).

- While the majority of traders and customs brokers find regulations and processes easy to understand, slightly fewer women customs brokers than men customs brokers reported that official regulations and processes are easy to understand (81 percent of women customs brokers compared to 86 percent of men customs brokers).
- With regard to information received from the government on changes to border processes as a result of the COVID-19 pandemic, more women than men traders reported a lack of clarity with the information received (21 percent of women compared to 17 percent of men).
- Fewer women traders are aware of the existence of the NTFC (52 percent of women compared to 62 percent of men).
- Fewer women are members of trade or industry associations (56 percent of women compared to 63 percent of men traders and 91 percent of women compared to 95 percent of men customs brokers). They reportedly do not see a need for the networking opportunities, can access information elsewhere, and also are discouraged from joining due to high membership fees.
- Among the traders that are regularly consulted, less than half believe that their feedback is taken into consideration, with more women traders reporting their feedback is not taken into consideration compared to their men counterparts (21 percent of women compared to 15 percent of men).
- While the majority of traders and customs brokers reported that they can submit all required documentation electronically, slightly fewer women traders and customs brokers reported that all required documents can be submitted electronically (85 percent of women compared to 88 percent of men traders). There was no major difference between men and women customs brokers (78 percent of women compared to 79 percent of men).

Because a quota sampling methodology was utilized for data collection, there were no attempts to undertake testing of significance as this test is only appropriate in probabilistic sampling procedures. The differences highlighted are subjective and based on the observed proportions. With that said, it is critical to continue a strong focus on closing the gender gaps in economic opportunities and voice in the Philippines, including in trade.

The next section of this report summarizes the sampling methodology. Section two presents the survey findings, and section three provides recommendations to address the challenges identified in section two.



Manila, Philippines
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Port, Davao City, Philippines
© Johnmark Barit/Pexels

1 Summary of Sample and Methodology

Efforts to identify the universe of traders in the Philippines began in 2020. Based on data from the Bureau of Customs, there were 24,684 trade firms registered with unique Tax Identification Numbers in 2020.¹⁷ Remediation of the list reduced the number of firms eligible to participate in the survey to 12,866 because some of the entries were either (i) duplicates or (ii) based in economic zones.¹⁸ A list of 1,869 customs brokers was also received from the Bureau of Customs.

Two questionnaires were designed to collect data in the Philippines and were translated from English into Tagalog for respondents that preferred this language. The questions were largely focused on areas related to the WTO Trade Facilitation Agreement (including, but not limited to access to information, consultations, detention of goods, and the National Trade Facilitation Committee), but also touched upon safety and security issues at the border as well as the impact of the COVID-19 pandemic.

To best achieve the goals of implementing the survey in light of available resources and time constraints, a quota sampling methodology was utilized to interview the cross-border trade firms (also referred to as “traders”). Quota sampling is a non-probabilistic sampling technique where the assembled sample typically has the same proportions of individuals as the entire population with respect to known characteristics, traits, or focused phenomenon. Trade flow type (import, export, or both) and gender were the characteristics used for the traders in the Philippines. Where the proportions did not reflect the real population distribution, the results were weighted in order to reduce/eliminate any potential biases.¹⁹ For customs brokers, the overall sample size was computed by utilizing the formula to calculate sample sizes for a simple random (probabilistic) sample. The 1,869-population size, a 95 percent confidence level, and a five percent margin of error was used in order to approximate what would have worked in a probabilistic sample.

¹⁷ The study targeted firms that have engaged in more than two transactions over a 12-month period.

¹⁸ Firms located in economic zones were excluded from the study because they have special importation procedures and incentives, which means they do not have the same experience in dealing with customs than other importers.

¹⁹ Because the population distribution by gender was not known beforehand, a 50:50 (women: men) gender ratio was set to ensure enough women and men traders were interviewed.

Table 1. Breakdown of Survey Respondents by Gender and the Size of Firms That They Lead

Firm Size	Trade Firms			Customs Brokers		
	Women	Men	Total	Women	Men	Total
Micro	15%	12%	14%	57%	54%	55%
Small	41%	45%	43%	30%	33%	32%
Medium	32%	32%	32%	9%	7%	8%
Large	10%	10%	10%	4%	3%	3%
Don't Know	0%	1%	0%	0%	2%	1%
Prefer not to say	1%	0%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%

Note: The World Bank Enterprise Survey's definition of firm sizes is used: micro (1-4 employees), small (5-19 employees), medium (20-99 employees), and large (100 employees and above). Firm size was self-reported by interviewed firms. Percentages may not add up to 100 percent due to rounding error.

Based on this methodology, 8,729 active cross-border trade firms were contacted to participate in the survey. The respondents were chosen randomly from the field list using STATA. In cases where respondents were reluctant to participate, the contact information was invalid,²⁰ or participants were not reachable, a replacement strategy was applied involving the substitution of one firm from the sample with another one within the same category (i.e., exporter, importer, or importer/exporter).

A total of 2,101 women and men traders were interviewed in the Philippines over the telephone between June and September 2021. A 24 percent response rate was achieved. Of the 2,101 firms interviewed, 44 percent are led by men and 56 percent are led by women. About 13 percent of traders export only, about 76 percent import only, and 11 percent both export and import.

²⁰ The field list for trade firms was reduced to around 10,000 following further clean-up procedures that identified firms ineligible to participate in the survey due to reasons such as (1) being duplicates, (2) having incomplete contact information, (3) missing contact phone number and were unresponsive to email to obtain a contact phone number.

Out of the 1,869 customs brokers identified in the Philippines, 1,389 were contacted and 323 were successfully interviewed using a simplified version of the trader questionnaire. A response rate of 23 percent was achieved. Of the 323 customs brokers, 57 percent are led by men and 43 percent are led by women.²¹

Table 1 provides a summary breakdown of trader and customs brokers survey respondents by gender and size of firms.

Given that a quota sampling approach was employed, the findings in this report are representative of the population characteristics that were used to form the quotas, though might be limiting in that it may not be representative for some of the population characteristics of the country at large.

The survey was limited to identifying constraints that existing traders face. Therefore, it may suffer from a selection bias in that it did not explore obstacles to engaging in trade among women firms who currently only trade domestically (possibly as a result of barriers to cross-border trade). Exploring the reasons of non-engagement in cross-border trade would require a deeper assessment of why non-trading women firms do not trade, which goes beyond the scope of this survey and likely also the WTO Trade Facilitation Agreement.

Annex A provides a more detailed description of the survey sample and methodology.

²¹Based on gender information captured from the survey respondents and those that declined to be interviewed, the gender breakdown in the trader population was 53.5 percent women. To adjust for potential non-response bias, and over-coverage of some population groups, post-stratification weights were thus applied to the analysis based on these data. Similarly, weights were applied to the customs brokers survey analysis, based on the population level data, which indicate a women population of 45 percent.



Subic, Philippines
© Nate Hovee/Pexels



Primitiva Vanderpoorten, hotel owner, Luna
© UN Women/Norman Gorecho

2 Key Survey Findings

The survey findings are presented in three parts. Part A provides an overview of the demographics of the survey respondents, the trade profile of the firms interviewed, as well as the impact of the COVID-19 pandemic; part B highlights the main challenges to expanding business; and part C reports the trade facilitation-specific findings along with other issue areas outside of trade facilitation (such as safety and security).

Respondent Demographics and Business Profile

Profile of Traders and Customs Brokers Surveyed

- **The share of respondents with disabilities is relatively small and most are men.** Of the sample of 323 customs brokers, five responded that they have a disability (two percent). Of the sample of 2,101 traders, 21 responded that they have a disability (one percent). In terms of gender, 55 percent are men, and 45 percent are women (see Figures 1 and 2).

- **A greater proportion of men traders and customs brokers self-identified as belonging to an ethnic minority group compared to their women counterparts.** Six percent of customs brokers and two percent of traders responded that they belong to an ethnic minority group. By gender, there are more men traders (54 percent) and customs brokers (75 percent) than women traders (46 percent) and customs brokers (25 percent) that identified as belonging to an ethnic minority group (see Figures 3 and 4).

- **Over half of the interviewed trade firms are women-led firms, but less than half of the interviewed customs brokers are led by women.** The distribution of firm size led by men and women traders is similar, though slightly more women traders lead micro firms, and slightly more men traders lead small firms. Similarly, slightly more women customs brokers lead micro firms while more men customs brokers lead small firms. More women customs brokers also lead medium and large firms than men customs brokers (see Figures 5 and 6).

- **Almost half of surveyed traders with disabilities lead small-sized firms (48 percent).** Fourteen percent lead micro, 33 percent lead medium, and five percent lead large-sized firms (see Figure 7).

Figure 1. Proportion of Respondents that Self-Identify as Having Disabilities by Survey Population Group



Figure 2. Proportion of Respondents that Self-Identify as Having Disabilities by Gender

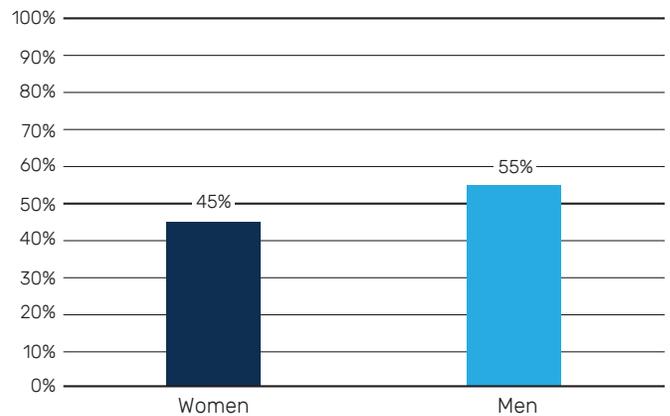


Figure 3. Proportion of Respondents Self-Identifying as Belonging to an Ethnic Minority Group by Survey Population Group



Figure 4. Proportion of Respondents Self-Identifying as Belonging to an Ethnic Minority Group by Gender

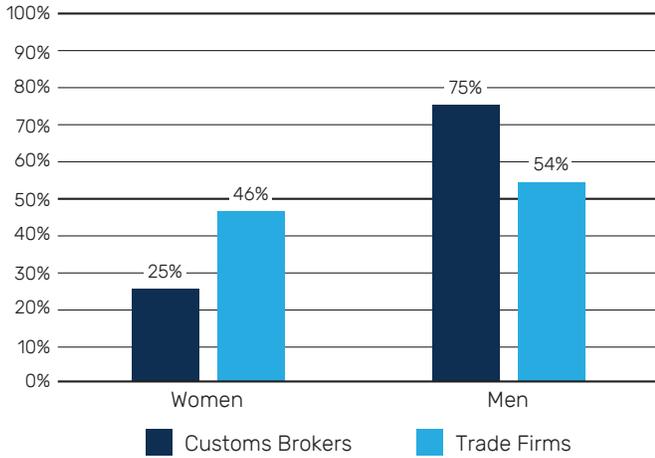


Figure 6. Proportion of Firms by Size and Gender of Customs Brokers

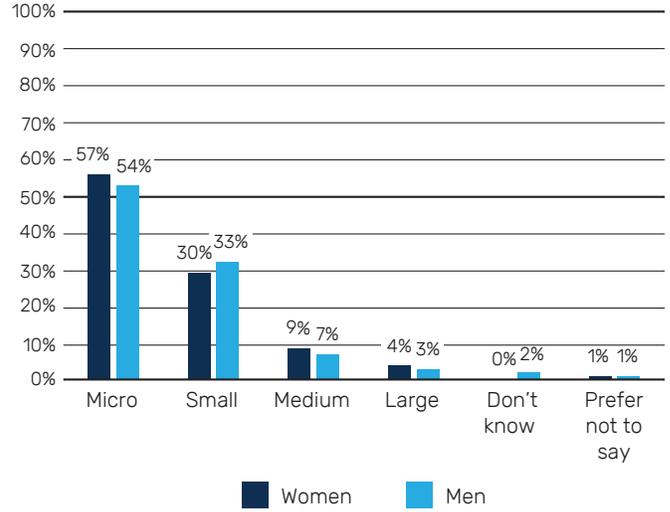


Figure 5. Proportion of Firm Sizes Led by Gender of Traders

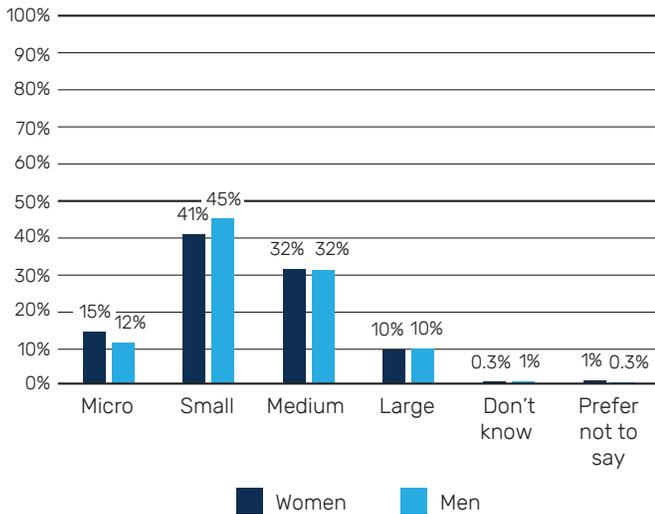
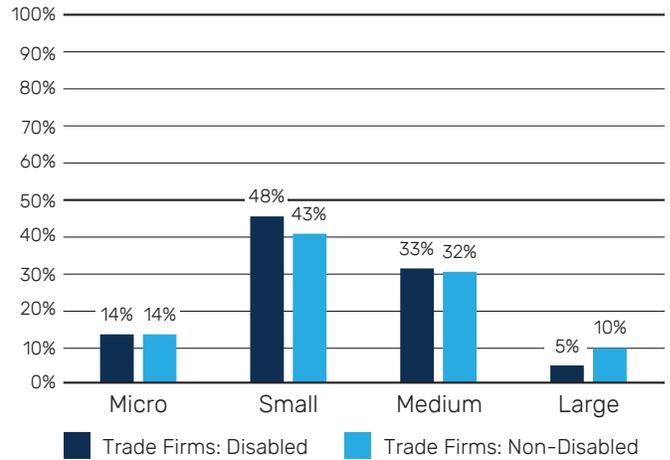


Figure 7. Proportion of Firm Sizes Led by Traders that Self-Identify as Having Disabilities



■ **More traders and customs brokers that identify with an ethnic minority group lead small-sized firms than other firm sizes** (see Figure 8).

■ **The surveyed women traders are younger than men traders.** Forty-seven percent of traders are within the 35–44 age group, and 25 percent are within the 45–59 age group. Almost a quarter of traders are between the ages of 25–34, six percent are age 60 years and above and one percent of surveyed traders are younger than 25 years. Across genders, the analysis shows that women traders (45 percent) are typically in the 35–44 age group, followed 27 percent in the 25–34 age group, 22 percent in the 45–59 age group, four percent in the 60 years and above age group, and two percent in the 24 and younger age group. On the other hand, 49 percent of men-led firms are in the 35–44 age group, followed by 28 percent in the 45–49 age group, 15 percent in the 25–34 age group, and eight percent in the 60 and over age group (see Figure 9).

■ **Most traders have many years of cross-border trading experience, though women traders have slightly less experience than men traders.** Almost one-third (32 percent) of interviewed firms have spent 5–9 years engaging in cross-border trade, followed by 27 percent having 15 years or more of experience, 24 percent having 0–4 years, and 18 percent having 10–14 years of experience. Analyzing across gender, men traders are more experienced, with 47 percent reporting 10 or more years, compared to 42 percent of women traders. In contrast, 58 percent of women traders have less than 10 years of experience compared to 53 percent of men traders (see Figure 10).

Figure 8. Proportion of Firm Sizes Led by Respondents that Self-Identify as Belonging to Ethnic Minority Groups

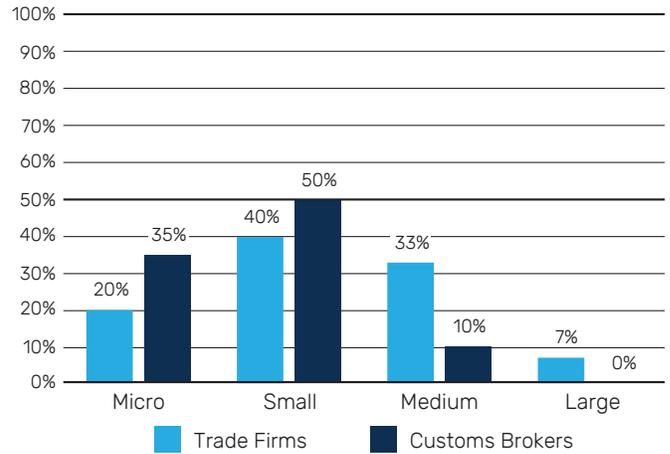


Figure 9. Age of Trader Respondents by Gender

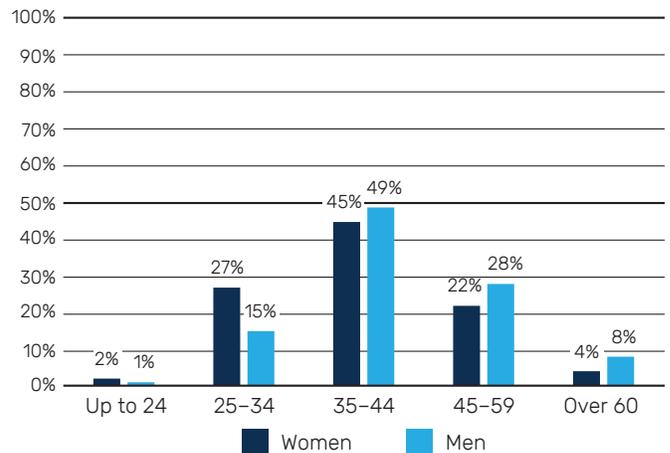
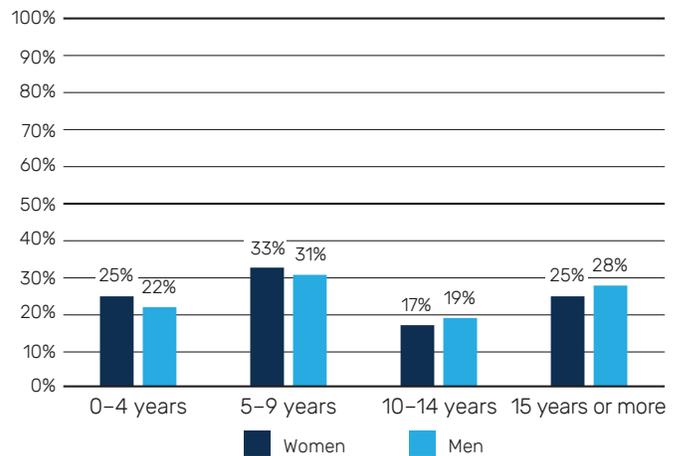
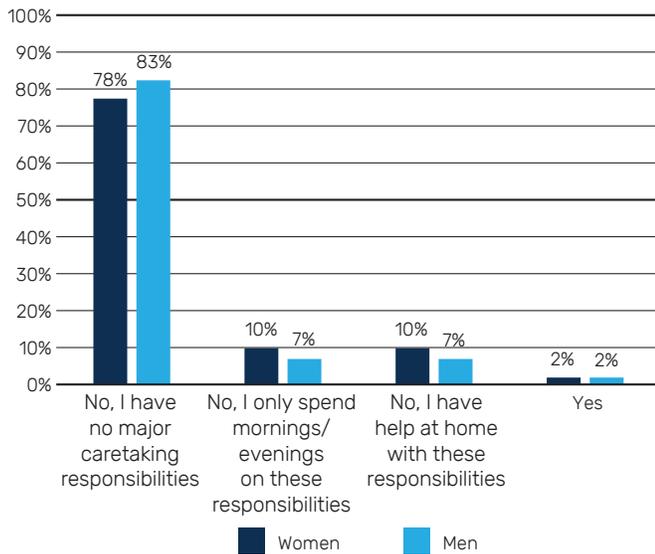


Figure 10. Number of Years the Respondents have been Engaged in Cross-Border Trade



■ Overall, 80 percent of traders stated that caretaking responsibilities (of children and/or elderly) do not impact their ability to trade across borders. Similarly, nine percent do not feel caretaking responsibilities are a major concern since they have help at home, and nine percent only attend to these duties in the mornings and evenings. Only two percent of women and men traders stated their caretaking responsibilities affect their ability to conduct their cross-border trade activities (see Figure 11).

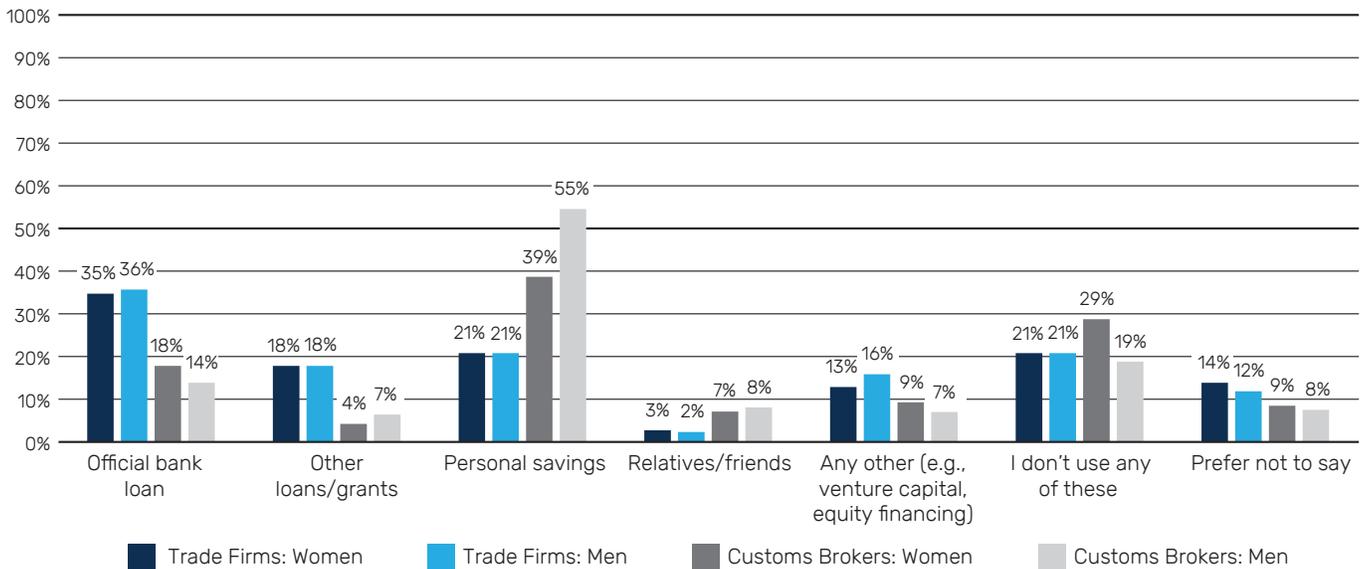
Figure 11. Proportion of Traders with Caretaking Responsibilities that Impact Ability to Trade Across Borders



■ More traders use official bank loans to finance their businesses than other forms of financing, while more customs brokers use personal savings than other sources. For traders, the majority use official bank loans (35 percent) and personal savings (21 percent) to finance their business. The least used method of financing for traders is through relatives or friends (2–3 percent). There are no major differences in the way men and women traders finance their trading business. Among the customs brokers, the majority of customs brokers utilize personal savings to finance their business (55 percent of men and 39 percent of women respectively) (see Figure 12).

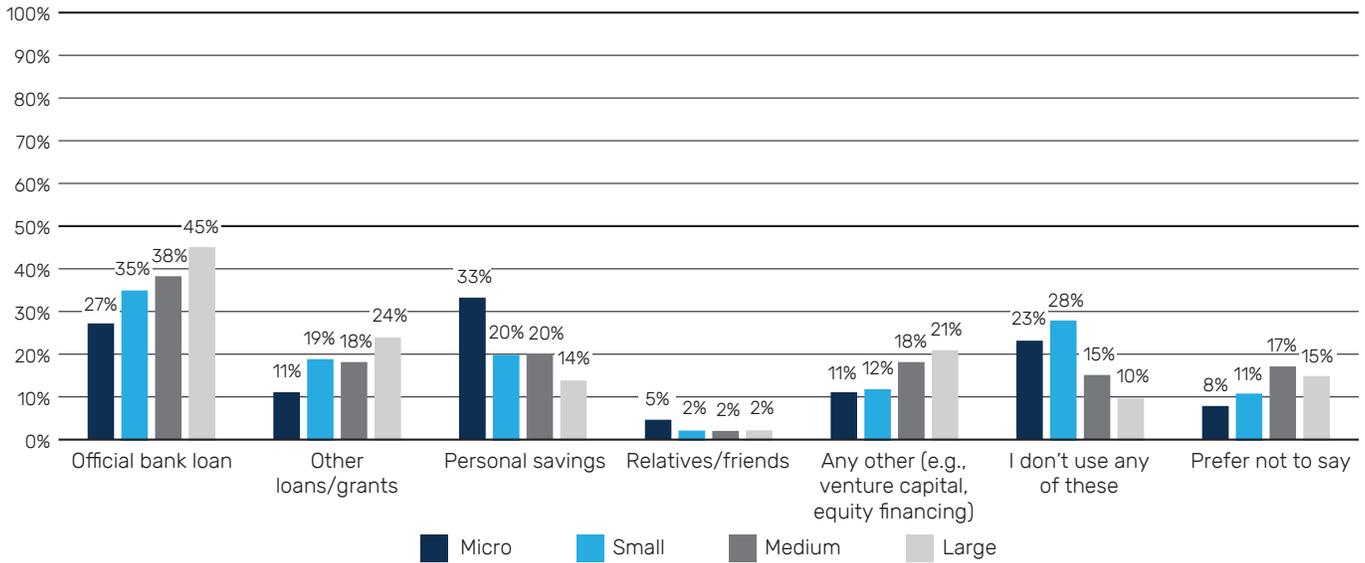
■ By firm size, the most used mode of financing is official bank loans, except for one-third of micro-sized trade firms that use personal savings. Forty-five percent of large firms, 38 percent for medium firms, and 35 percent of small firms report using official bank loans. Micro firms are more likely to use personal savings as their main financing source (33 percent), whereas only 14 percent of large firms reported personal savings as their source of business financing. Other financial sources, such as venture capital and equity financing, are important sources of finance for large (21 percent) and medium sized firms (18 percent) (see Figure 13).

Figure 12. Sources Used to Finance Trading Business by Gender



Note: Respondents can select more than one category, so totals may add to more than 100 percent.

Figure 13. Sources Used to Finance Trading Business by Firm Size



Note: Traders can select more than one category, so totals may add to more than 100 percent.

Import and Export Activity

■ **Most trade firms (76 percent) are importers, regardless of gender.** Out of the remaining 24 percent of firms, 14 percent are export-focused only, while 10 percent conduct both imports and exports (see Figure 14).

■ **More trade firms and customs broker trade only within East Asia and the Pacific (EAP) than with other areas.** For trade firms that import, 62 percent of men-led and 59 percent of women-led trade firms import from within the EAP region. In comparison, only 15 percent of men and 17 percent

of women-led firms state they import from within and beyond East Asia and the Pacific; and 10 percent of men and women-led firms import from beyond East Asia and the Pacific only. When breaking down exporters by firm size, the main differences seen are with large firms where a higher share of large firms export within and beyond East Asia and the Pacific (nine percent) compared to micro (six percent), small (four percent), and medium (six percent) sized firms. This is similar for imports as well with 30 percent of large firms importing from within and beyond EAP, 12 percent for micro, 13 percent for small, and 17 percent for medium. More men customs brokers (52 percent) provide support services within East Asia

Figure 14. Proportion of Importers/Exporters by Gender

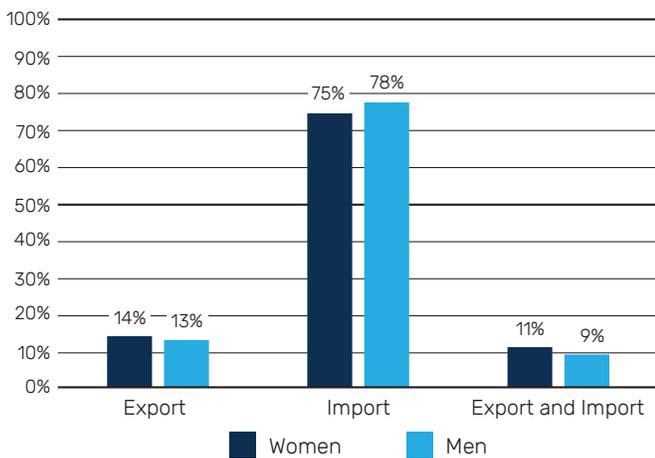


Figure 15. Export Destination by Gender (Trade Firms)

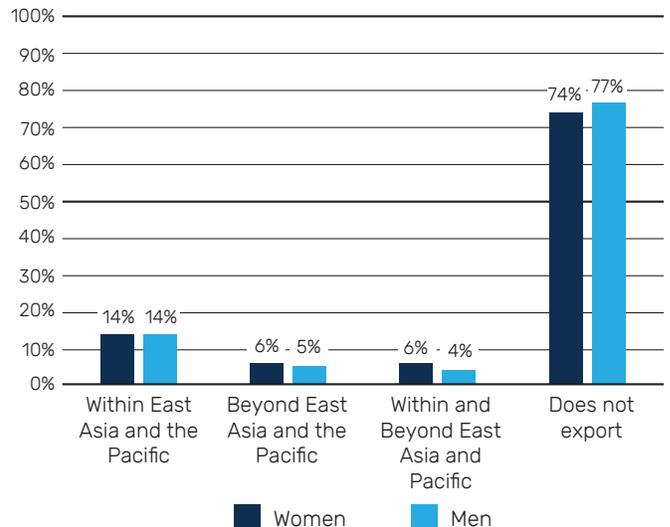
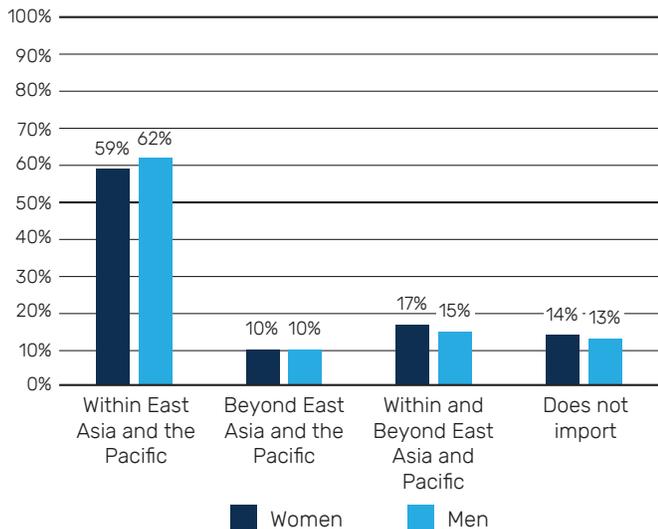


Figure 16. Import Origin by Gender (Trade Firms)



and the Pacific than women customs brokers (45 percent). On the other hand, more women customs brokers (46 percent) than their men counterparts (38 percent) provide importing services from within and beyond East Asia and the Pacific (see Figures 15-18).

■ **Women traders are more active than men in export of artwork, collectors' pieces, antiques, and in textile and footwear.** Men are more active in industries such as machinery, vehicles, and arms. Women customs brokers are more active than men in animal and vegetable products and artwork (see Figure 19).

■ **Import commodities follow a similar pattern for men and women traders, with relatively little difference between the different commodities.** A higher share of women than men customs brokers, however, appear to be involved in imports of textile/footwear and artwork commodities (see Figure 20).

■ **Frequency of trade is similar regardless of gender.** Over half of the interviewed traders in the Philippines trade infrequently, such as three times or fewer per year. Almost one-third (30 percent) of trade firms reported trading about once per month, and 18 percent trade more than once per month. Disaggregated by gender, 54 percent of men and 50 percent of women-led trade firms reported trading three or fewer times per year. Another 31 percent of women-led and 29 percent of men-led trade firms trade once per month. Comparing across firm sizes, small-sized firms have the lowest trade frequency compared to other firm sizes. When analyzing trade frequency by commodity type, the main trend among the surveyed respondents is that perishables (animal and vegetable products, beverages) are exported at a higher frequency (37 percent are exported more than once per month) (see Figures 21 and 22).

Figure 17. Export Destination by Gender (Customs Brokers)

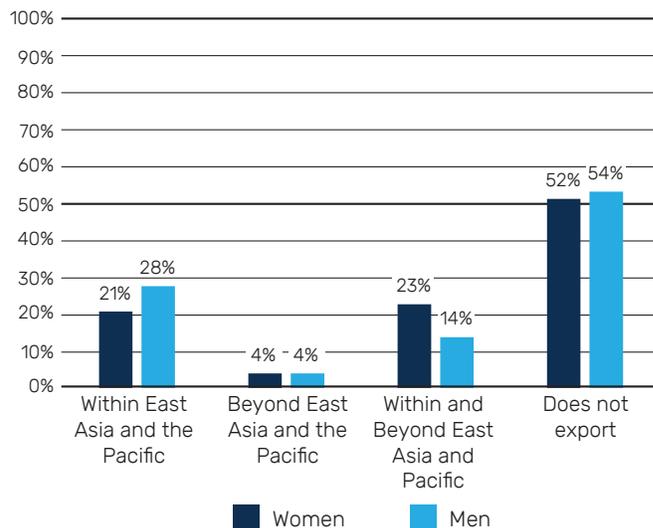


Figure 18. Import Origin by Gender (Customs Brokers)

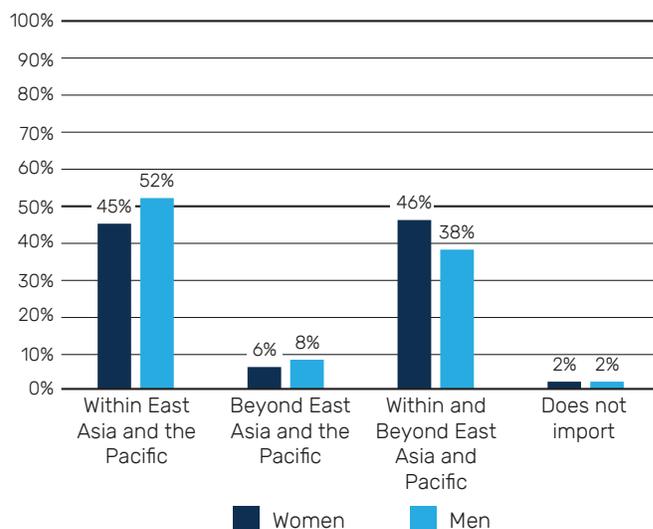
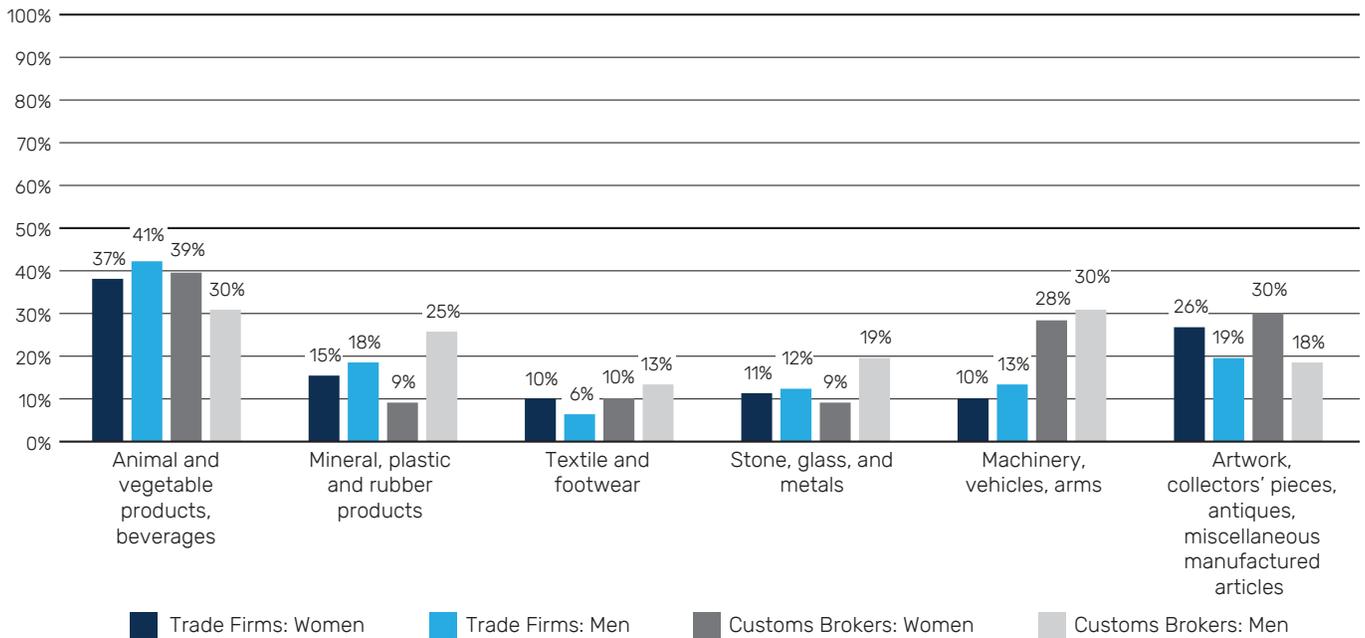
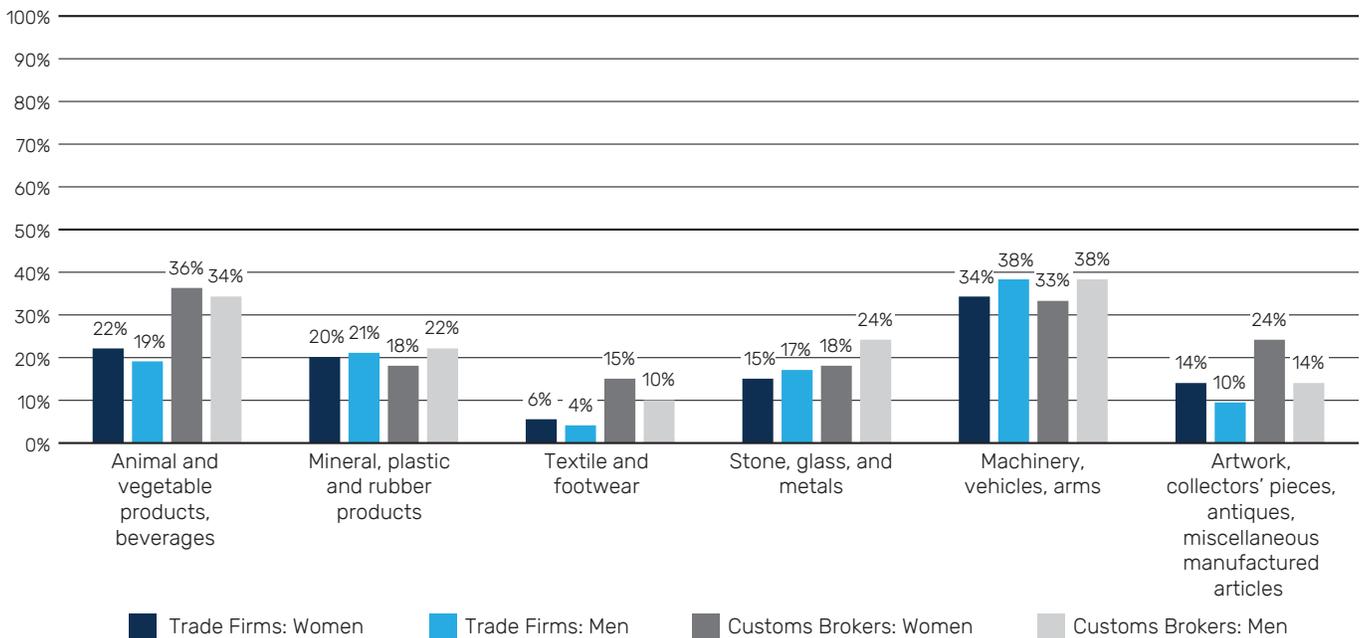


Figure 19. Main Commodities Exported



Note: Percentages are based on the number of respondents that trade in each commodity group and not the value of the goods trade.

Figure 20. Main Commodities Imported



Note: Percentages are based on the number of respondents that trade in each commodity group and not the value of the goods trade.

Figure 21. Frequency of Export/Import by Gender

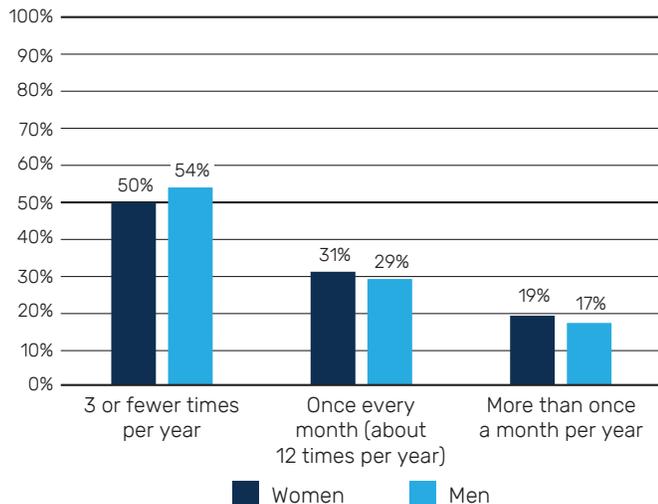
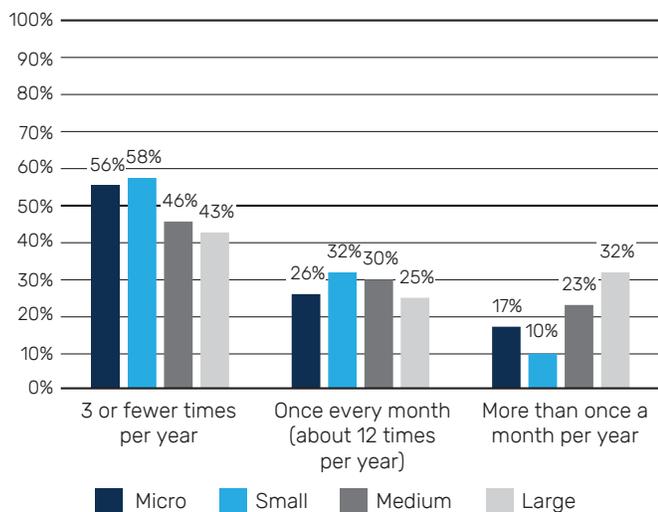


Figure 22. Frequency of Export/Import by Firm Size



Impact of COVID-19

The COVID-19 Pandemic has demonstrated the urgency to improve the Philippine trade facilitation environment. The Philippines entered a strict community quarantine in March 2020 that restricted mobility and business activities in an effort to contain the spread of the COVID-19 pandemic. Within days of the implementation of Enhanced Community Quarantine (ECQ), the international seaports of Manila began experiencing congestion, as consignees were unable to collect their containers from the ports. While the Bureau of Customs was able to immediately adopt emergency protocols, such protocols were difficult to uniformly adopt across the different trade regulators. This section examines how the trade firms and customs brokers specifically were impacted by both the quarantine measures and other circumstances.

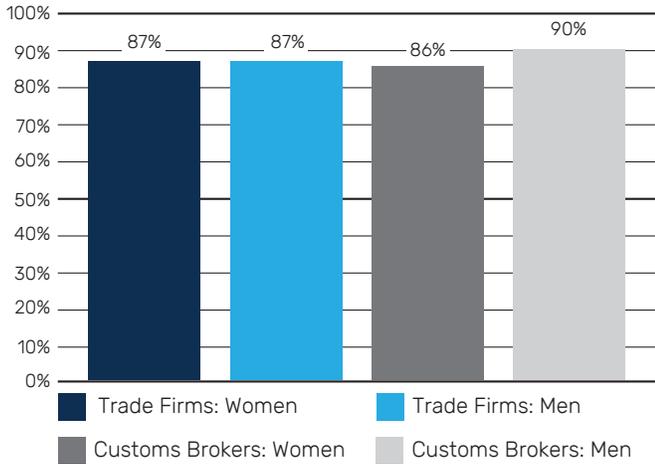
The key survey findings included the following:

- A large majority of traders and customs brokers report that their businesses have been impacted by the pandemic, largely because of delays for goods to be cleared and less demand for their products and services.** For traders, 87 percent of men and women-led firms state their ability to conduct cross-border trade/customs broker activities have been impacted. As much as 90 percent of interviewed men customs brokers said their business were impacted.²² This figure resonates with the Business Pulse Survey conducted in May 2021, which indicates that approximately 87 percent of firms were operating below full capacity due to the pandemic, which also forced the permanent closure of about nine percent of firms.²³ The main way the pandemic has impacted cross-border trade for the respondents is from long delays at clearance sites for imported/exported goods (67 percent for women, 61 percent for men) as well as less product demand (49 percent for women and 46 percent for men). Similarly, 66 percent of women customs brokers and 63 percent of men customs brokers stated that there is now less demand for their services, followed by long delays for goods to be cleared (48 percent for women and 47 percent for men customs brokers) (see Figures 23 and 24).

²² The Asian Development Bank Institute conducted a rapid survey in the Philippines from March to April 2020 and found that an "average 73.1 percent of MSMEs were forced to close their business a few weeks after the COVID-19 outbreak and the lockdown measures implemented." Furthermore, "only 2.3 percent of MSMEs on average reported no change in the business environment after the outbreak." (Shinozaki and Rao 2021)

²³ World Bank. 2021. Impact of COVID-19 on firms in the Philippines: May 2021. Accessed 2021. <https://thedocs.worldbank.org/en/doc/470bd69ba34a869f7a87568b2be917d7-0090062021/original/Survey-Results-Impacts-of-COVID-19-on-Firms-in-the-Philippines-Survey-Round-3.pdf>.

Figure 23. COVID-19 Pandemic has Impacted Respondents' Ability to Undertake Cross-Border Trade



■ While the number of hours spent on complying with customs inspections due to the pandemic has not changed significantly for around 40 percent of traders and customs brokers, 44 percent of women traders and 43 percent for men traders reported an increase. Thirty-seven percent of women customs brokers and 33 percent of men customs brokers also reported an increase (see Figure 25).

■ The majority of women and men traders and customs brokers largely state hours spent on complying with agricultural quarantine inspections have not changed (see Figure 26).

Figure 24. Effects of the Pandemic on Cross-border Trade/Customs Brokers Activities

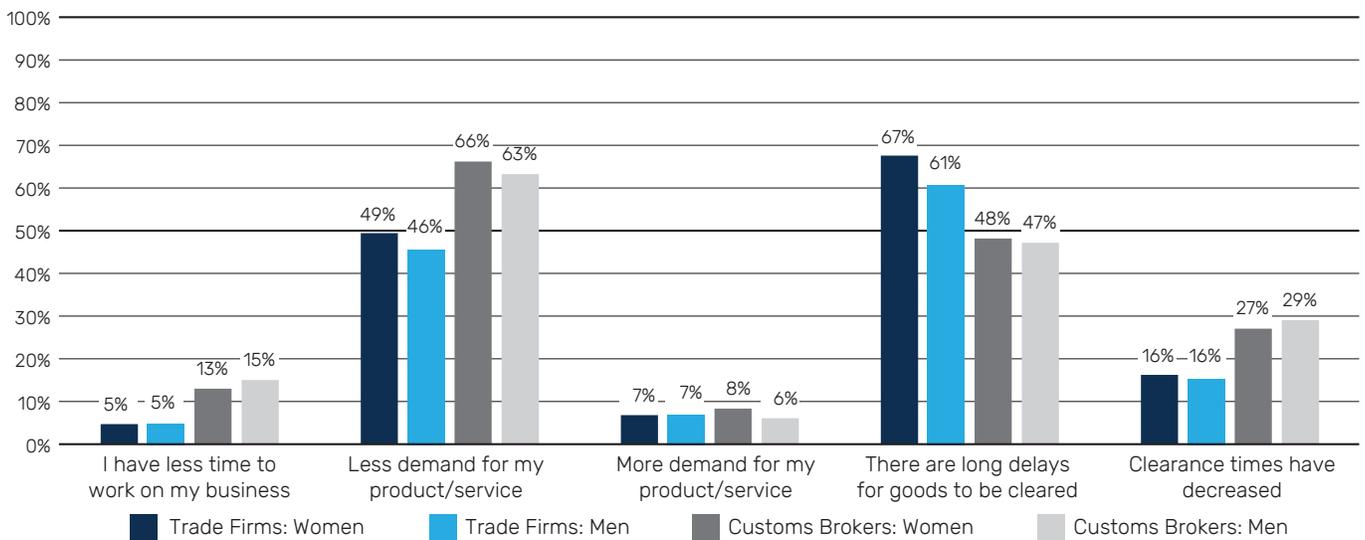


Figure 25. Hours Spent Complying with Customs Inspection has Changed

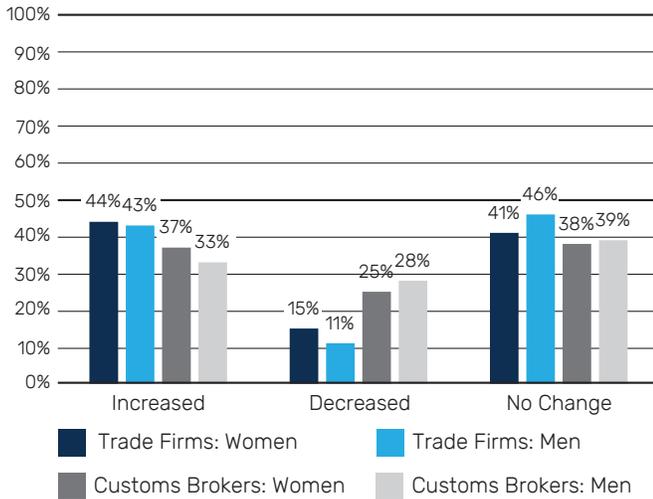
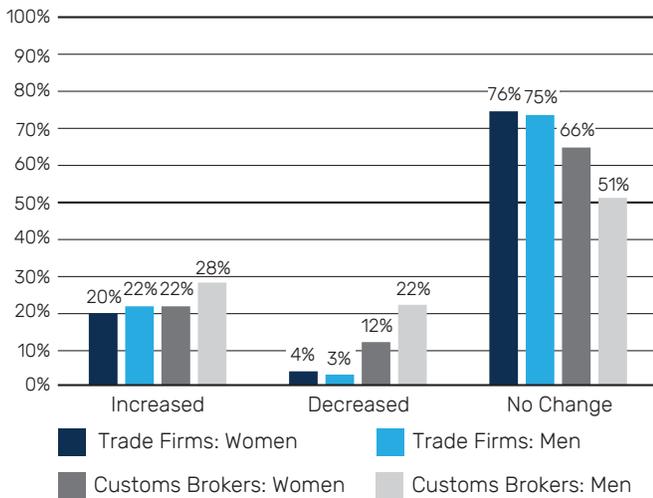


Figure 26. Hours Spent Complying with Agricultural Quarantine has Changed



■ Almost half of traders (49 percent) state that time spent paying official fees has not changed. In contrast, customs brokers typically reported mixed views on payment of official fees, with approximately one-third reporting that the number of hours increased, decreased, and stayed the same (men and women combined) (see Figure 27).

■ More traders and customs brokers state the number of hours devoted to compliance with product standards have not changed than traders and customs brokers that state there have been changes (see Figure 28).

■ **Over half of the traders stated that information received from the government on changes to border processes caused by the pandemic is clear and easy to understand,**

Figure 27. Hours Spent on Payment of Official Fees for Import/Export has Changed

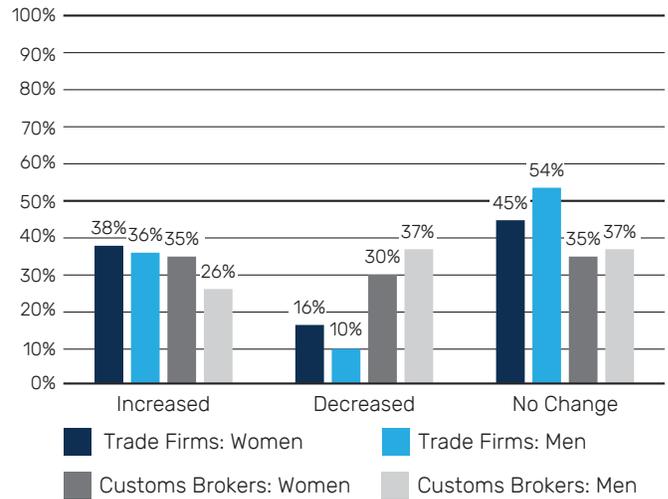
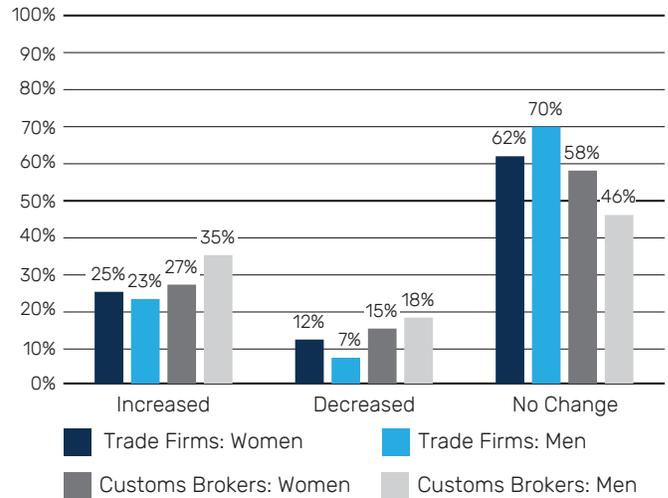


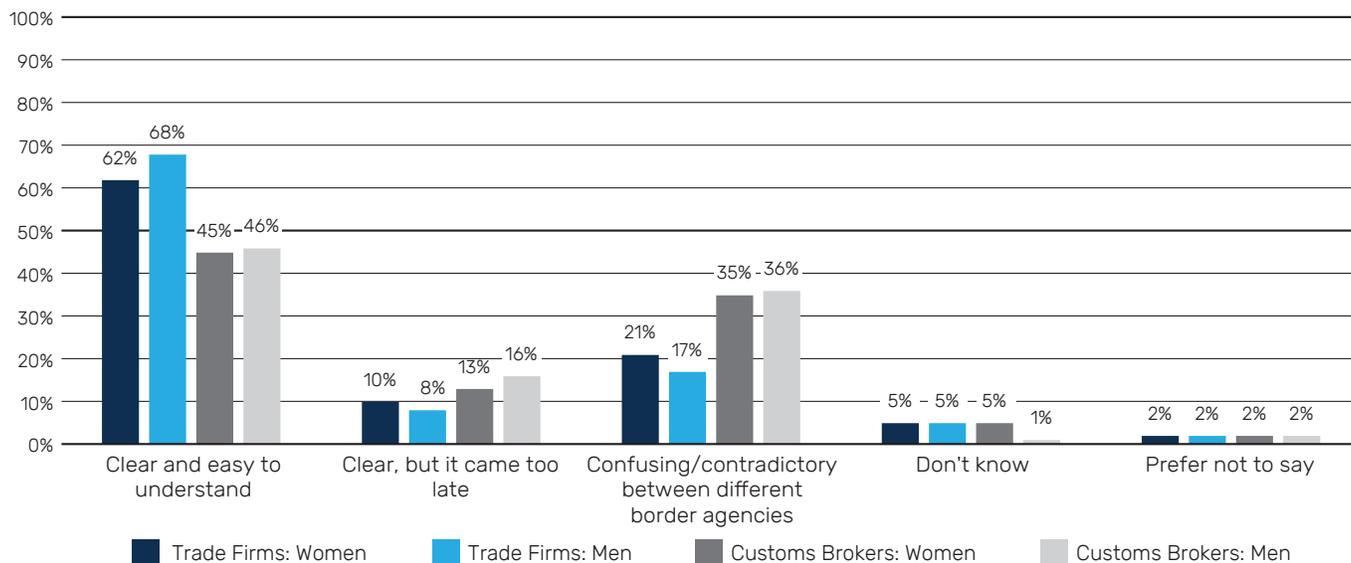
Figure 28. Hours Spent Complying with Product Standards has Changed



however, more women reported less clarity with the information received. Sixty-eight percent of men traders compared to 62 percent of women traders found information to be clear and easy to understand. A slightly higher proportion of women traders relative to men traders felt it was clear but came too late (10 percent vs eight percent) and that it was confusing or contradictory between different border agencies when compared to men traders (21 percent vs 17 percent) (see Figure 29).

■ **Only 46 percent of customs brokers believe the information from the government is clear and easy to understand.** Approximately 35 percent of customs brokers stated the information provided was confusing or contradictory between border agencies, while 14 percent who stated the information was clear but came too late (see Figure 29).

Figure 29. Perception of Information Received from the Government on Changes to Border Processes and Procedures Caused by the Pandemic



Main Challenges to Expanding Business

The survey asked respondents to rank the top three barriers that pose a challenge to their firm’s ability to expand to international markets.²⁴ The findings in this section shed light on the broad areas that should be prioritized for reform actions in order to improve the overall cross-border trade environment in the country, which is especially important to take into consideration as the country looks toward economic recovery from the COVID-19 pandemic.

■ **A top challenge that women and men traders face in further expanding their businesses internationally is bureaucratic and burdensome border processes.** The biggest challenge for men and women trade firm owners is bureaucratic and burdensome border processes (28 percent for women and 27 percent for men). The second ranked obstacle

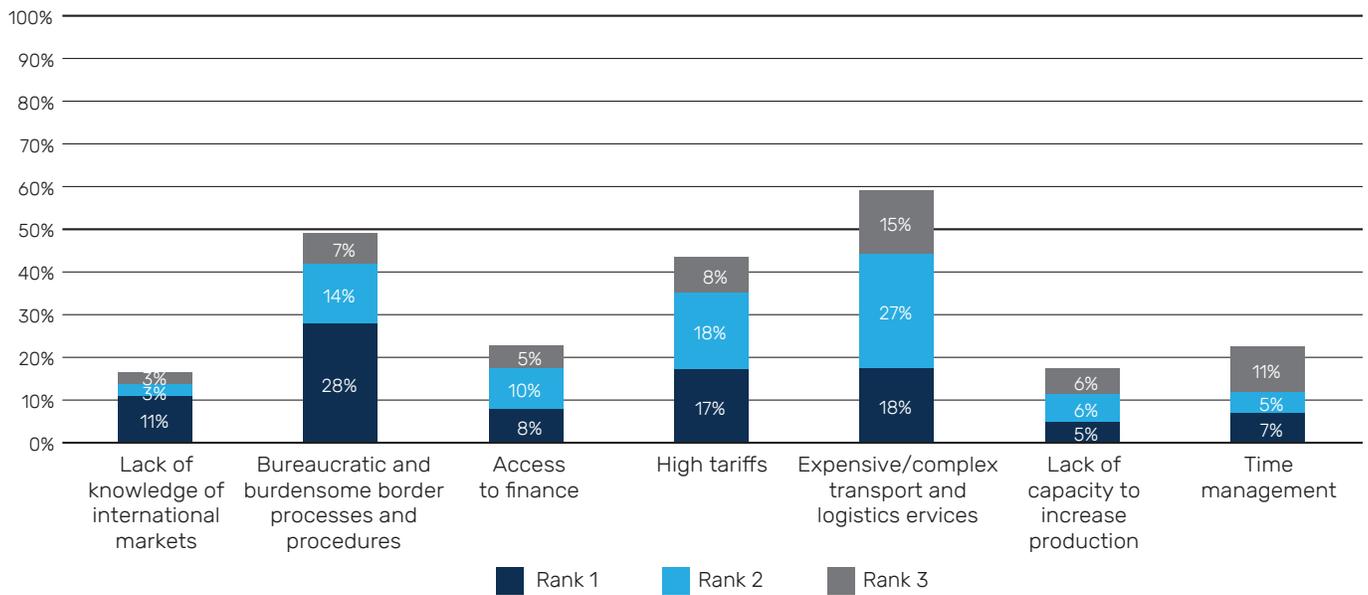
(and most commonly mentioned by women traders overall) is expensive/complex transport and logistics services (ranked second by 27 percent of women and 29 percent of men traders), followed by high tariffs. Moreover, 11 percent of both women- and men-led firms stated the lack of knowledge of international markets was their greatest obstacle (see Figure 30).

■ **A major challenge that customs brokers report to face in expanding internationally is lack of knowledge of international markets (21 percent).** In addition to a lack of knowledge of international markets, men customs brokers also consider access to finance (17 percent), bureaucratic/burdensome border process and procedures (15 percent), and expensive/complex transport and logistics services (16 percent) to be challenges. For women customs brokers, additional main challenges they face include, access to finance (17 percent), expensive/complex transport and logistics services (17 percent), time management (16 percent), and bureaucratic/burdensome border process and procedures (13 percent). Some additional challenges faced for women include high tariffs (nine percent) and lack of capacity to increase production (seven percent) (see Figure 31).

²⁴ Respondents were asked to rank their top three challenges from multiple choices and could also provide a fill-in response if their challenge was not listed.

Figure 30. Main Challenges Traders Face in Further Expanding Their Businesses (Based on Ranking of Top 3 Challenges)

Women Trade Firms



Men Trade Firms

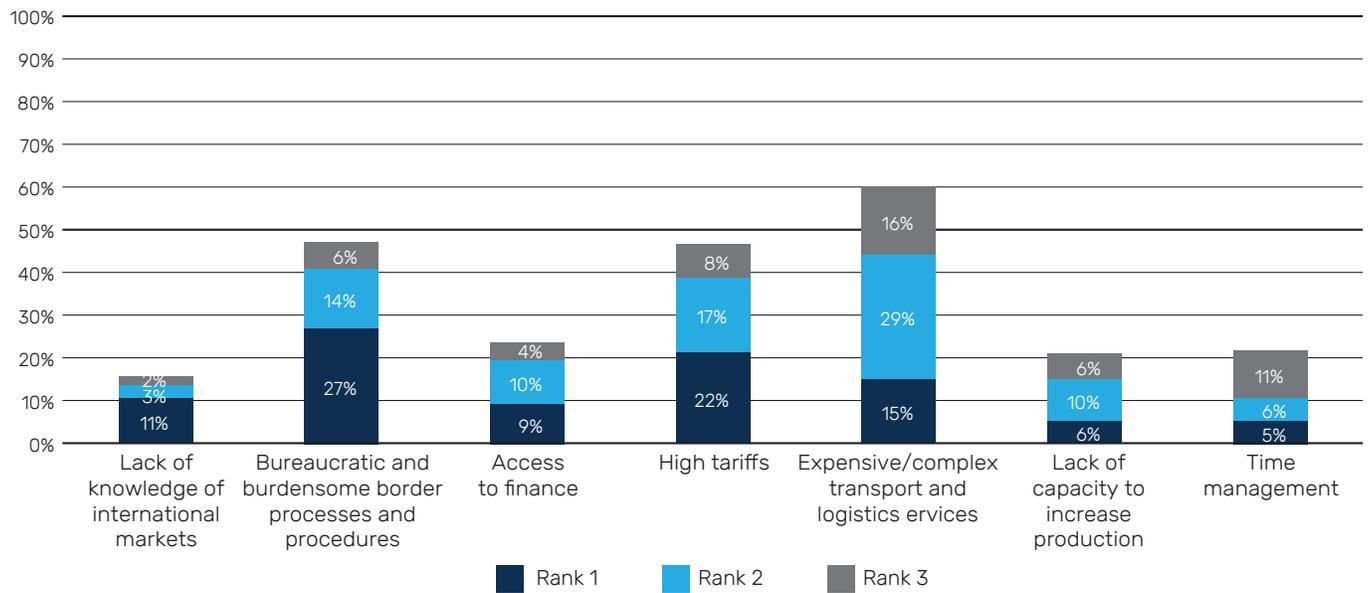
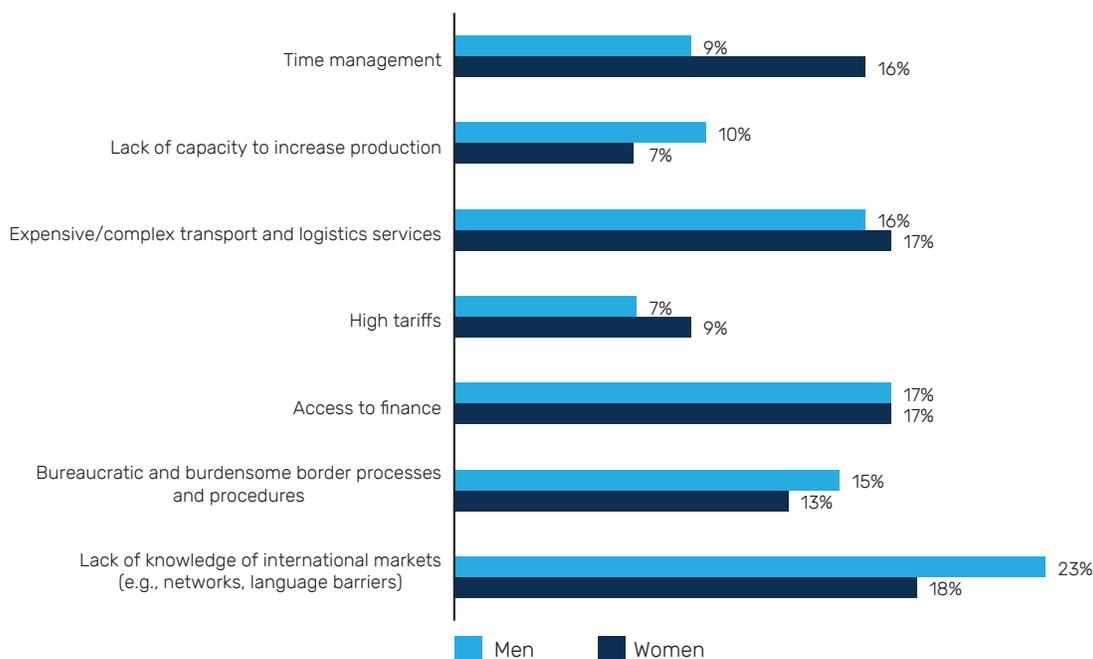


Figure 31. Main Challenges Customs Brokers Face in Further Expanding Their Businesses



Trade Facilitation-Specific and Other Findings

The findings in section B highlighted that bureaucratic and burdensome import/export processes and procedures present a challenge for traders and customs brokers. This section further investigates the experiences of traders and customs brokers with the cross-border trade processes and procedures in the Philippines, including whether there are gendered differences in their experiences.

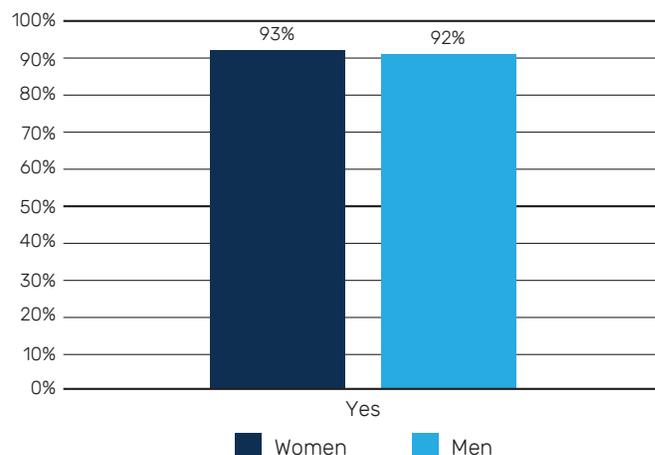
Moving Goods and Use of Intermediaries

Customs clearing agents such as customs brokers and freight forwarders help facilitate customs clearance and other import/export processes and procedures for traders. WTO TFA Article 10.6 stipulates that measures mandating the use of customs brokers shall not be introduced after February 22, 2017, (the date of the agreement’s entry into force). While the use of brokers is very common in the Philippines, it is not mandatory by law.

■ **Most traders, regardless of gender, hire customs brokers for services such as handling shipping** (84 percent for women and men) **and transport** (75 percent for women and 72 percent for men). Other uses for customs brokers include

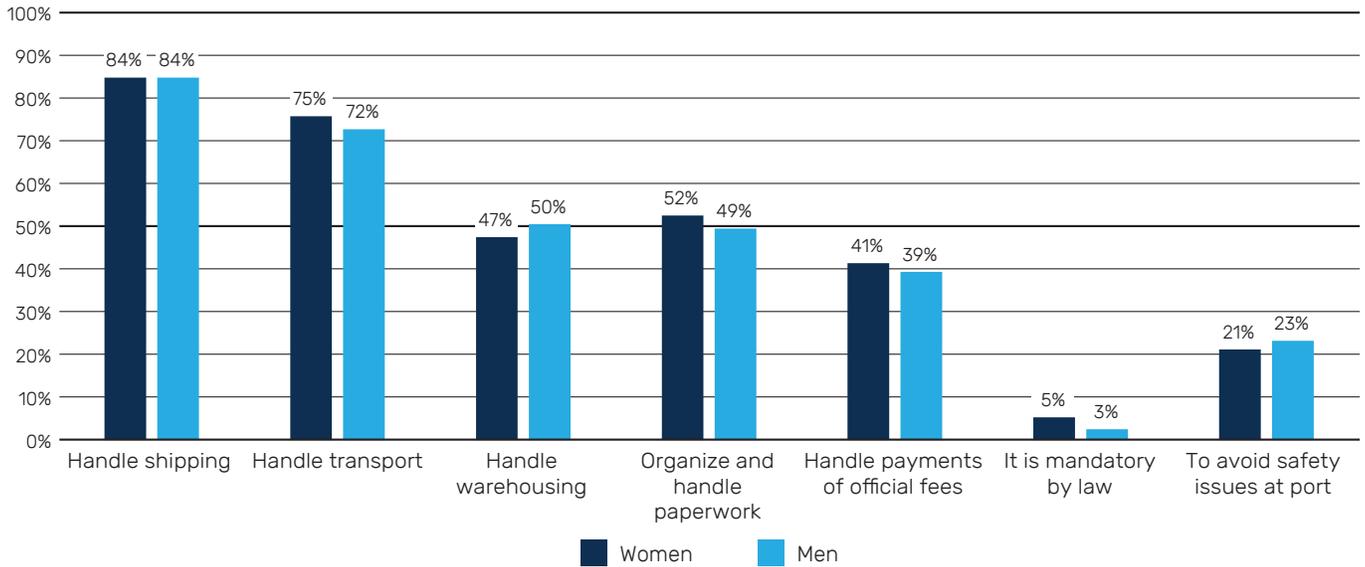
handling paperwork (52 percent for women and 49 percent for men); handling warehousing (47 percent for women and 50 percent for men); and handling payments (41 percent for women and 39 percent for men). In addition to these services, 23 percent of men traders and 21 percent of women traders reported using customs brokers to avoid safety issues at ports, while five percent of women traders and three percent of men traders used customs brokers because they believe it is mandated by law (see Figures 32 and 33).²⁵

Figure 32. Proportion of Trade Firms that Use Customs Brokers



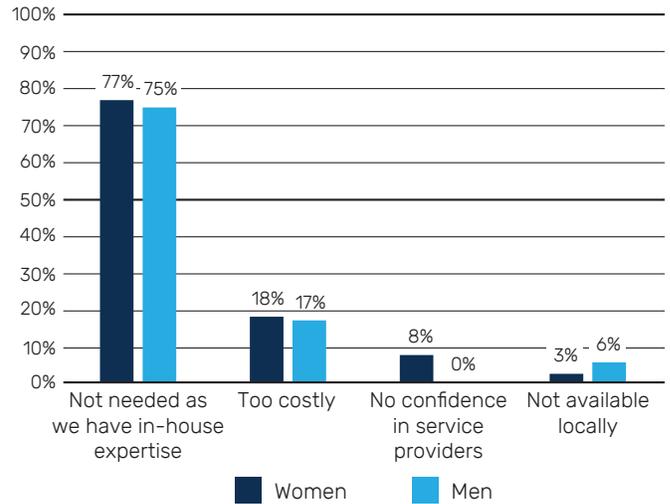
²⁵ Under the provisions of the Customs Modernization and Tariff Act (CMTA), it is not mandatory to use customs brokers or agents. The Bureau of Customs issued CMO 34-2019 as an interim guideline for accreditation of Importer’s declarants.

Figure 33. Reasons for Hiring Customs Brokers



■ For those that do not use customs brokers (seven percent of the interviewed firms), the main reason is that the traders felt their services are not needed because they have in-house expertise. Additionally, 17 percent of men and 18 percent of women-led firms do not use a customs broker because it is too costly, while three percent of men and six percent of women-led firms stated customs brokers are not available locally. Interestingly, a subset of women-led firms (eight percent) reported that they did not use a customs broker because they lack confidence in the services provided, while their men counterparts did not share the same view (see Figure 34).

Figure 34. Reasons for Not Using Customs Brokers



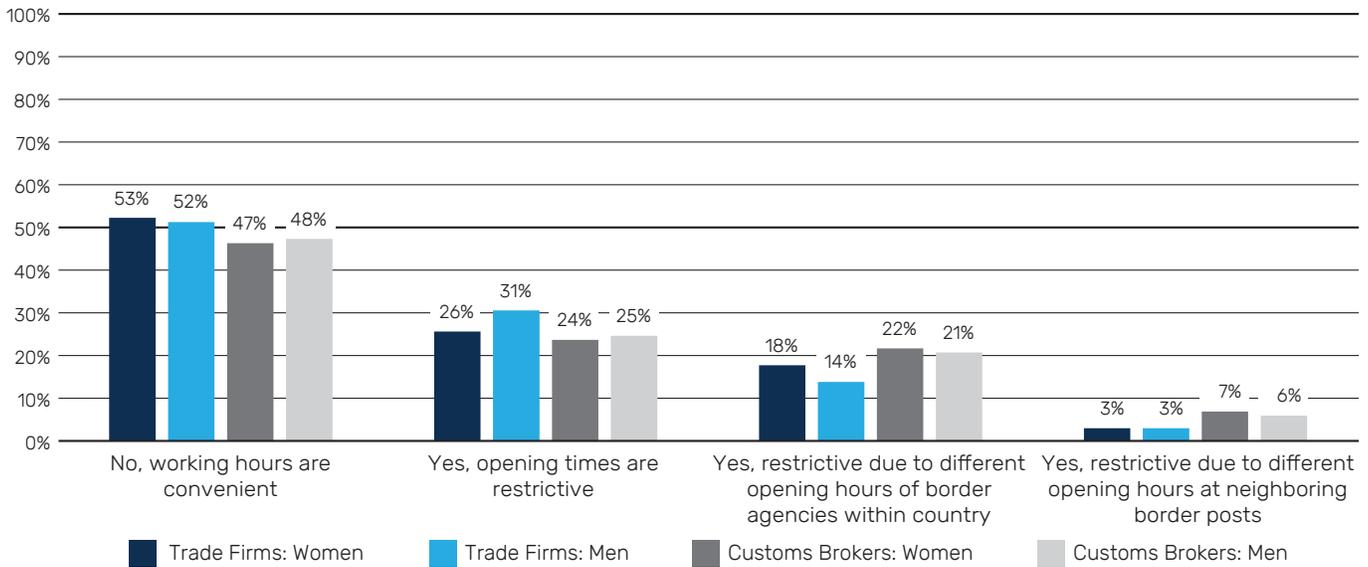
Port Opening Hours

Restrictive port opening hours can have a negative impact on international trade and on supply chains. If goods are delayed at ports awaiting physical inspection and clearance, the increased time to clear goods at ports will adversely affect the cost of doing business. Longer clearance times, through restrictive hours or inefficient border processes, have been found to significantly increase the cost of trading, and therefore reduce international trade. Delayed intermediate goods that are required for global supply chains can affect global production when delayed by restrictive port opening hours. Additionally, in some countries, there can be an increased risk of theft and spoilage if goods are not adequately secured or stored while waiting for border clearance.

■ About half of traders (48 percent) and more than half of customs brokers (52 percent) believe that the port working hours are restrictive to their ability to trade.

Slightly more than quarter (28 percent) of trade firms believe that opening times are restrictive, and a further 16 percent believe that their ability to trade is restricted because opening hours of border agencies differ within the country.²⁶ By gender, 26 percent of women and 31 percent of men traders feel that the opening times are restrictive, and 18 percent of women and 14 percent of men traders believe that operating hours are restrictive due to the different operating hours of border agencies within the country. Among the customs brokers, 25 percent of men and 24 percent of women stated that port opening hours are restrictive. Furthermore, 22 percent of women and 21 percent of men customs brokers specified that port opening hours restrictive due to different opening hours of border agencies within country (see Figure 35).

Figure 35. Perception of Port Operating Hours



²⁶ The Bureau of Customs in its issuance of CMO 24-2016 sets regular working hours to 8am-5pm, Monday to Friday, with exception of those in field operations and frontline services. The District Collector are authorized to set work schedules locally from 7am-7pm, as necessary, for frontline services.

■ About half of the traders find opening hours to be convenient, with only a slight difference between those that trade through the Manila/Batangas ports (54 percent) and the other ports (49 percent). This indicates, however, that half of the traders find opening times to be restrictive (see Figure 36).

■ Similarly, about half of the customs brokers primarily trading in Manila/Batangas and other ports also find opening hours to be convenient (46 percent and 51 percent respectively). This leaves about half of the surveyed customs brokers finding opening hours to be restrictive (see Figure 37).

Figure 36. Restrictiveness of Opening Hours by Port (Traders)

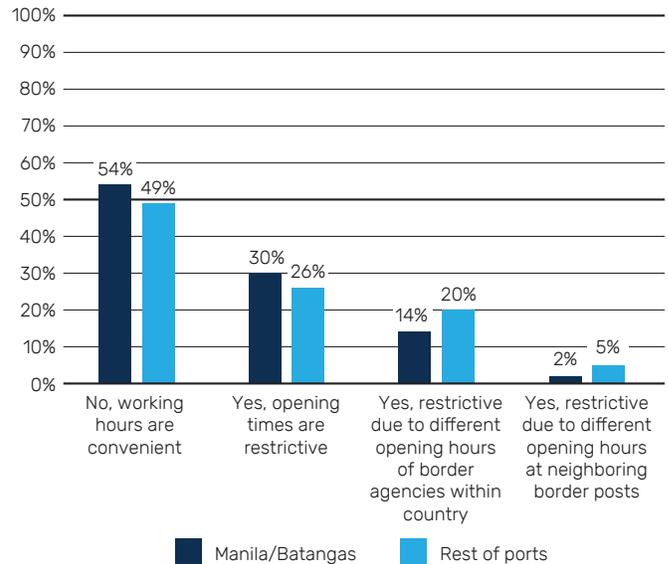
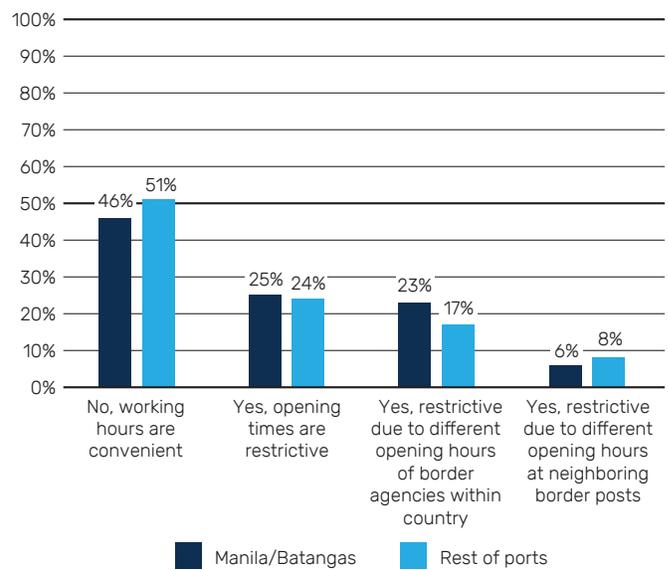


Figure 37. Restrictiveness of Opening Hours by Port (Customs Brokers)



Access to and Understanding of Official Border Regulations and Procedures

Accessing and understanding official regulations and procedures is important for transparency, compliance, and predictability of the trading environment. The publication and dissemination of changes to relevant laws and regulations must be done with sufficient advance notice and in easy-to-understand language. If traders are unaware of new customs rules and regulations, or if they cannot understand them, they may face additional compliance burdens and costs for not properly meeting requirements. WTO TFA Article 1 covers publication and availability of information, including the prompt publication of general trade-related information in a non-discriminatory and easily accessible manner, as well as publication of practical guides, forms and documents, relevant trade laws, and enquiry contact points on the internet.

■ **Almost one-quarter of traders and slightly more than one-third of customs brokers report facing difficulties with finding information on official regulations related to border processes and procedures.** Lack of comprehensive information across agencies was the more prominent difficulty faced by women traders than other reasons for facing difficulties (35 percent). The more prominent difficulty faced by men traders was that official government mechanisms are not user-friendly (37 percent). For customs brokers, women faced difficulty with the lack of comprehensive information across agencies (51 percent), outdated information across

agencies (44 percent), and unresponsive official government services (33 percent). For men customs brokers, 45 percent faced difficulty with the lack of comprehensive information across agencies, 35 percent reported non-user friendly government information mechanisms, and 31 reported that not all agencies keep information up-to-date (see Figures 38 and 39).

Figure 38. Proportion of Traders and Customs Brokers That Face Difficulties When Looking for Information on Official Regulations and Procedures Related to Border Processes and Procedures

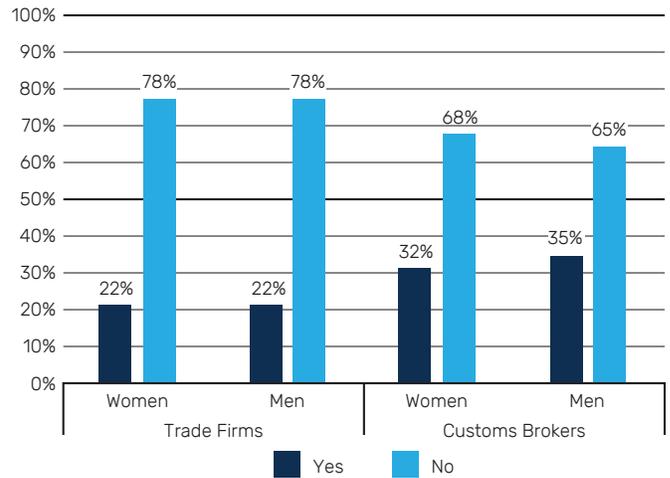
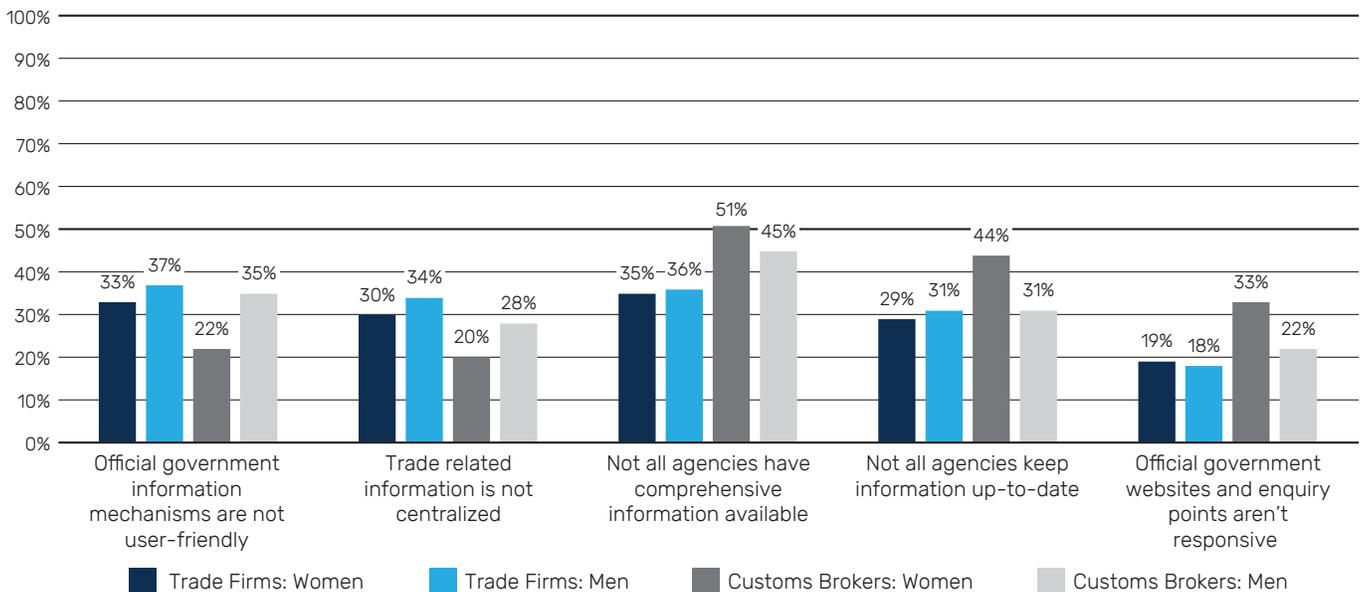


Figure 39. Types of Difficulties Faced



Note: Totals may sum to more than 100 percent because this was a multiple choice question.

■ **Traders and customs brokers belonging to ethnic minority groups are more likely to report facing difficulties when looking for information on official regulations compared to those that do not belong to ethnic minority groups** (see Figure 40).

■ **Trade and customs brokers need to go to multiple sources to find information on official regulations and procedures on border processes.** Personal networks, such as customs brokers and agents, are the main source of information on official regulations for traders (82 percent), while customs brokers rely on a wider variety of sources, including information online (48 percent), government websites (34 percent), and personal networks (31 percent). Only 14 percent of customs brokers and 17 percent of traders interviewed reported using the Philippine National Trade Repository as their source of information (see Figure 41).

■ **The majority of traders and customs brokers find regulations and processes easy to understand.** More men customs brokers, however, report that regulations are easy to understand than their women counterparts, with 86 percent of men customs brokers stating official regulations and processes are easy to understand compared with 81 percent for women customs brokers (see Figure 42).

Figure 40. Proportion of Respondents Belonging to an Ethnic Minority Group that have Difficulties Looking for Information on Official Trade Regulations

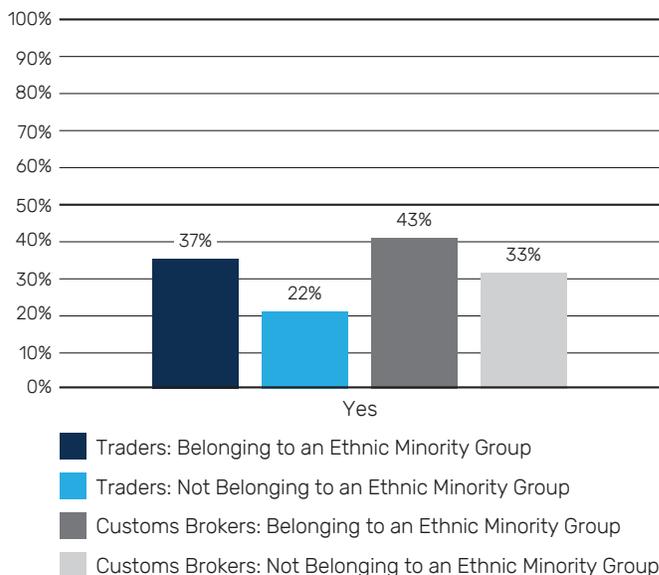


Figure 41. Sources for Finding Information on Official Regulations and Procedures

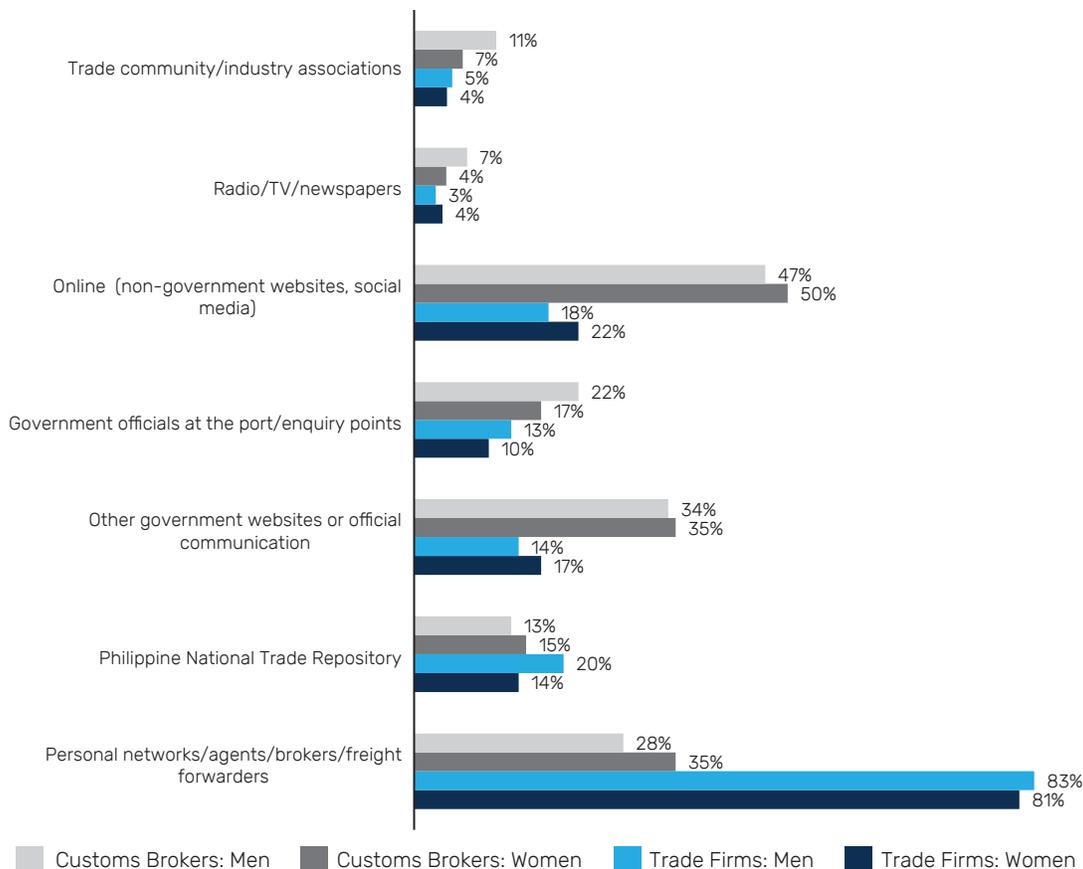


Figure 42. Proportion of Respondents that Perceive Regulations to be Easy to Understand



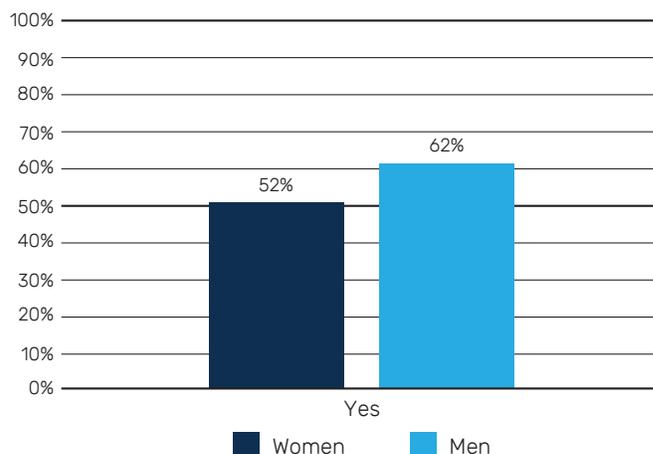
The National Trade Facilitation Committee (NTFC) and Membership in Trade/Industry Associations

WTO TFA Article 23 stipulates that each WTO Member should establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate domestic coordination and implementation of the WTO TFA. The NTFC's role is to streamline procedures and implement trade facilitation measures at the national level. It is also an important mechanism for domestic coordination and stakeholder (public and private) engagement and can serve as a good mechanism for obtaining buy-in and consensus on reform implementation priorities. The NTFC is especially important because differing interests can spark resistance, and the NTFC can mitigate conflicts by improving the coordination among participants and border agencies, as well as providing leadership across relevant government entities.

The Philippines NTFC was created on May 18, 2021, through an executive order to comply with the country's commitments under the WTO TFA. The NTFC establishment was supported by the WBG's Trade Facilitation Program in Middle Income Countries.

■ **Fewer women traders (52 percent) are aware of the NTFC existence than their men counterparts (62 percent).** Awareness of the NTFC increases with firm size and years of experience, with 53 percent of traders with 0–4 year of experience being aware of the NTFC compared to 59 percent of traders with 15 years or more. Similarly, only 43 percent of micro firms are aware of the NTFC, while 58 percent of large firms and 60 percent of medium-sized firms reporting being aware of the NTFC (see Figure 43).

Figure 43. Proportion of Traders that are Aware of the NTFC's Existence



■ **Fewer women traders (56 percent) and women customs brokers (91 percent) are members of a business or trade/industry association compared to their men counterparts (63 percent and 95 percent respectively).** For those who are not members, traders primarily reported the reasons as not needing the networking opportunities or that they can access the needed information elsewhere. For customs brokers, the majority of women customs brokers reported they do not need the networking opportunities (54 percent), while men customs brokers most commonly reported that their voice is heard even if they are not a member (33 percent) (see Figures 44 and 45).

Figure 44. Proportion of Respondents that are Members of Business or Trade/Industry Association

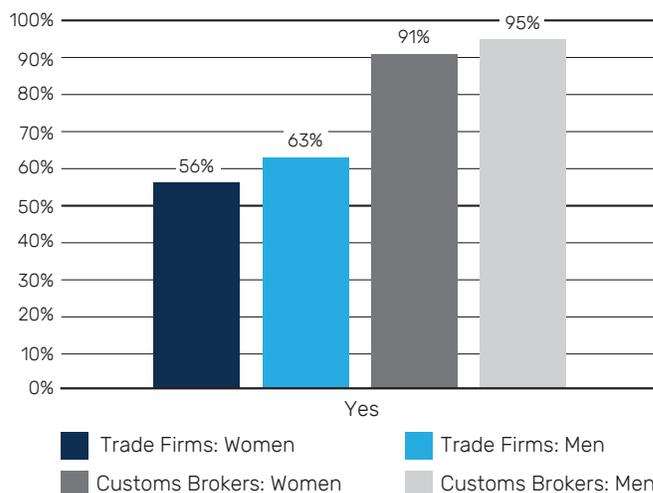
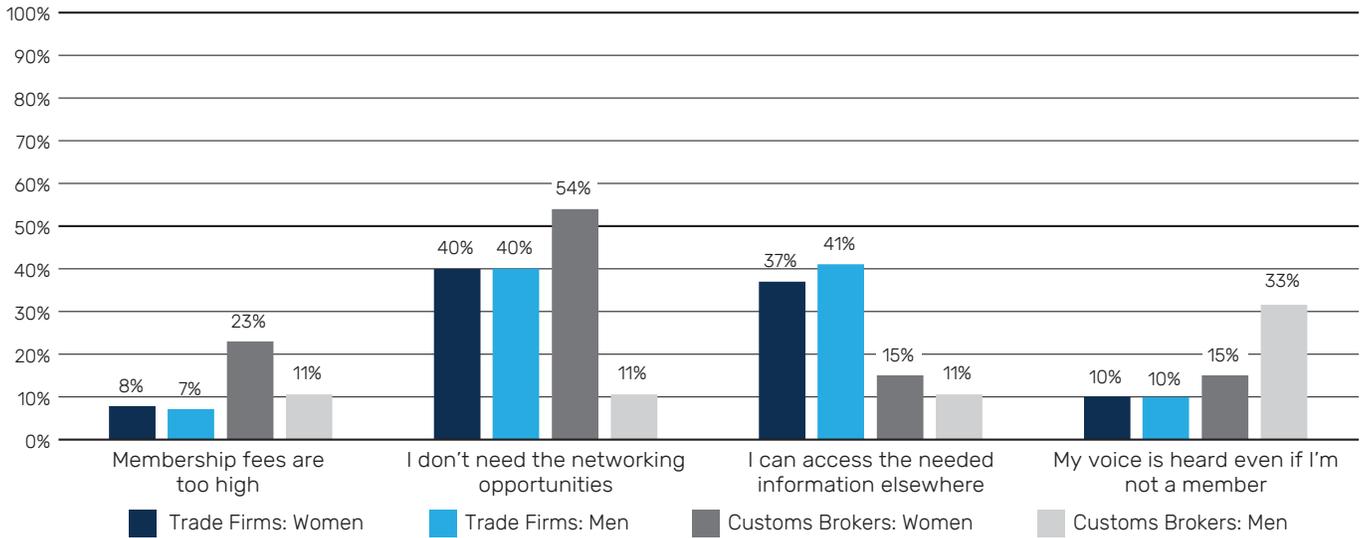


Figure 45. Reasons for Not Joining an Association



Note: Traders can select more than one category, so totals may add to more than 100 percent.

- Fewer traders with disabilities reported being part of a trade or industry associations compared to non-disabled traders (see Figure 46).
- Fewer traders and customs brokers belonging to ethnic minority groups reported being members of associations than traders and customs brokers that are not part of

ethnic minority groups. Eighty-five percent of customs brokers that belong to ethnic group groups are members of business trade/industry associations, compared to 94 percent of customs brokers that do not belong to ethnic group groups. Similarly, while only 44 percent of traders that belong to ethnic group groups are members, 59 percent of traders that do not belong to ethnic group groups are members of associations (see Figure 47).

Figure 46. Traders with Disabilities that are Members of Business Trade/Industry Associations

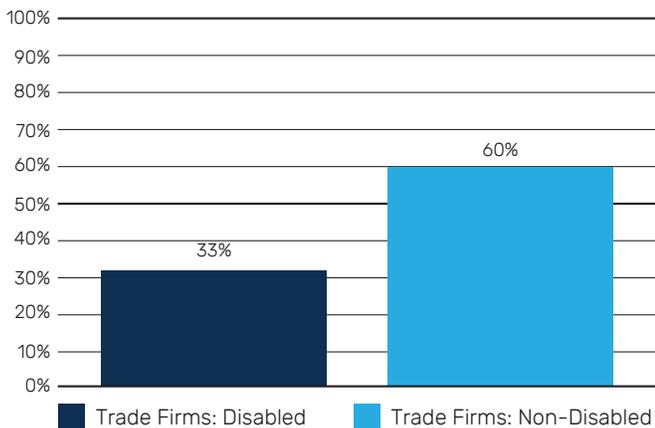
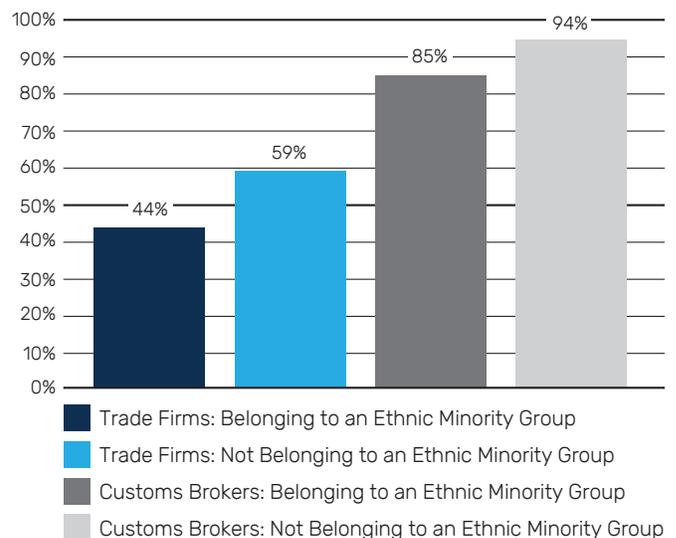


Figure 47. Respondents that Belong to Ethnic Minority Groups that are Members of Business Trade/Industry Associations

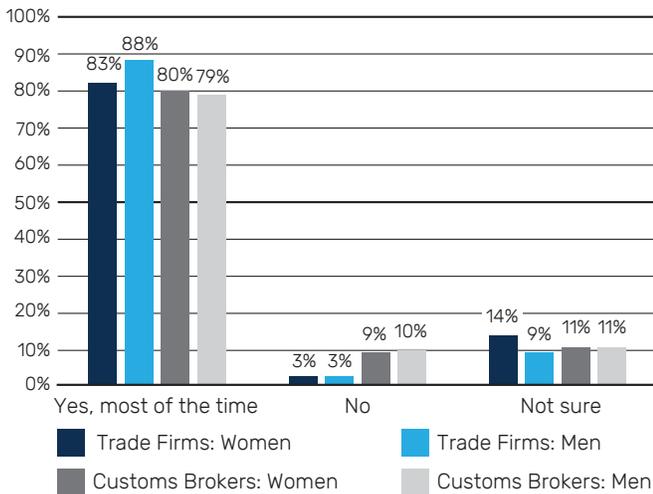


Consistency in Implementation of Border Procedures

The consistent application of border procedures provides predictability and certainty for businesses engaging in cross-border trade. If border procedures are inconsistently implemented, traders may face additional costs of complying with regulation and thereby contributing to increase the time and costs of engaging in international trade.

■ **The majority of traders (85 percent) and customs brokers (80 percent) believe that border processes and procedures are consistently implemented by border officials, regardless of gender.** Among the trade firms, 12 percent are unsure, and three percent believe that the processes are not consistently implemented. Among customs brokers, 11 percent are unsure and 10 percent believe there is inconsistency in the processes (see Figure 48).

Figure 48. Perception that Border Process are Consistently Implemented by Border Officials



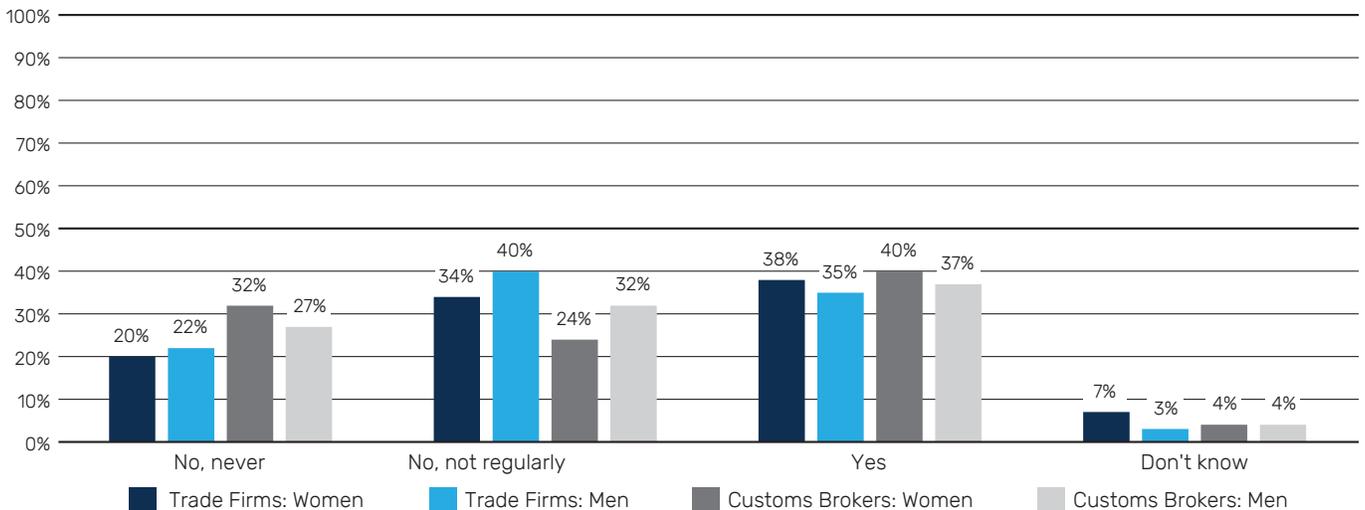
Consultative Mechanisms

A mechanism whereby stakeholders are consulted on any changes to official border processes and procedures can alleviate misinformation regarding planned changes related to their cross-border trade activities and improve compliance. Equally important is a consultation mechanism that takes into consideration the feedback provided by stakeholders before any changes are implemented. Article 2.2 of the WTO TFA calls regular consultations between border agencies, traders, and other stakeholders. Article 2.1 states that stakeholders must be given an opportunity and time to comment on proposals for new or amendments to trade-related regulations and customs law.

■ **Overall, only 37 percent of traders reported that they are regularly consulted by the government on changes to trade processes and procedures and 21 percent report that they are not consulted at all.** About 37 percent of traders stated that the government consults them irregularly on changes. About five percent of traders reported that they do not know. Furthermore, slightly more women-led firms are consulted regularly than men-led businesses (see Figure 49).

■ **A similar number of customs brokers and traders report being regularly consulted by the government; however, a higher percentage (30 percent) of customs brokers than traders report not being consulted at all.** For customs brokers, 38 percent are regularly consulted by the government, followed by 29 percent that are consulted irregularly. By gender, slightly more women customs brokers reported being consulted regularly than men customs brokers (40 percent vs 37 percent), and more men customs brokers are consulted irregularly than women customs brokers (32 percent vs 24 percent) (see Figure 49).

Figure 49. Respondents are Regularly Consulted on Changes to Trade Process/Procedure



■ **More large trade firms reported being consulted regularly (46 percent) relative to smaller firms.** About 34 percent of medium-sized firms reported being consulted regularly, followed by 38 percent of micro and 30 percent of small firms. For firms that are consulted irregularly, small sized (47 percent) firms comprise the biggest share compared to medium (31 percent), large (27 percent), and micro (27 percent). Medium customs brokers are consulted more regularly (48 percent) than large (45 percent), micro (38 percent), and small (37 percent) customs brokers. For customs brokers that are consulted irregularly, micro-sized (33 percent) firms comprise the biggest share compared to medium (32 percent), small (20 percent), and large (17 percent).

■ **The most common way traders and customs brokers are consulted is through other customs brokers or service providers.** Among the majority of women (74 percent) and men (70 percent) traders that report being consulted on changes to official trade processes and procedures, it is through customs brokers or service providers. About one-quarter of firms are consulted via government-managed public consultations (23 percent for women and 25 percent for men-led firms) and trade/industry associations (20 percent for women and 22 percent for men-led firms). The majority of women (60 percent) and men (53 percent) customs brokers are consulted through other customs brokers or service providers. Other means of consultations for customs brokers include government-managed public consultations (33 percent for women customs brokers and 35 percent for men) and trade/industry associations (24 percent for women customs brokers and 31 percent for men) (see Figure 50).

■ **Among the traders that have been consulted, less than half reported that their feedback is taken into consideration, with more women traders reporting their feedback**

is not taken into consideration compared to their men counterparts. About one-third of the trade firms report being unsure whether their feedback is taken into consideration (34 percent). Forty-seven percent of trade firms reported having their feedback taken into consideration, and 19 percent stated their feedback is not considered. Over half of the customs brokers (56 percent) stated that their feedback is taken into consideration, 23 percent stated that the feedback is not taken into consideration, and 21 percent were not sure. Analyzing the relevance of customs broker size shows among customs brokers, larger firms are more likely to report their feedback to be taken into consideration. Sixty-eight percent of large customs brokers, 66 percent of medium, 56 percent of micro, and 51 percent of small stated their feedback was considered (see Figure 51).

Figure 51. Perception that Feedback is Taken into Consideration by Gender

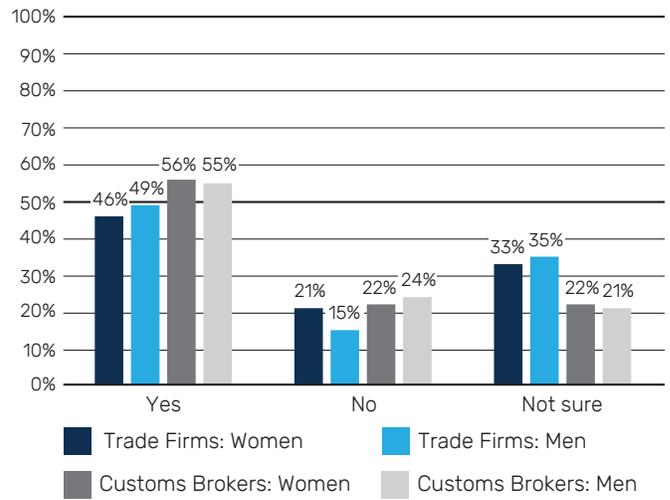
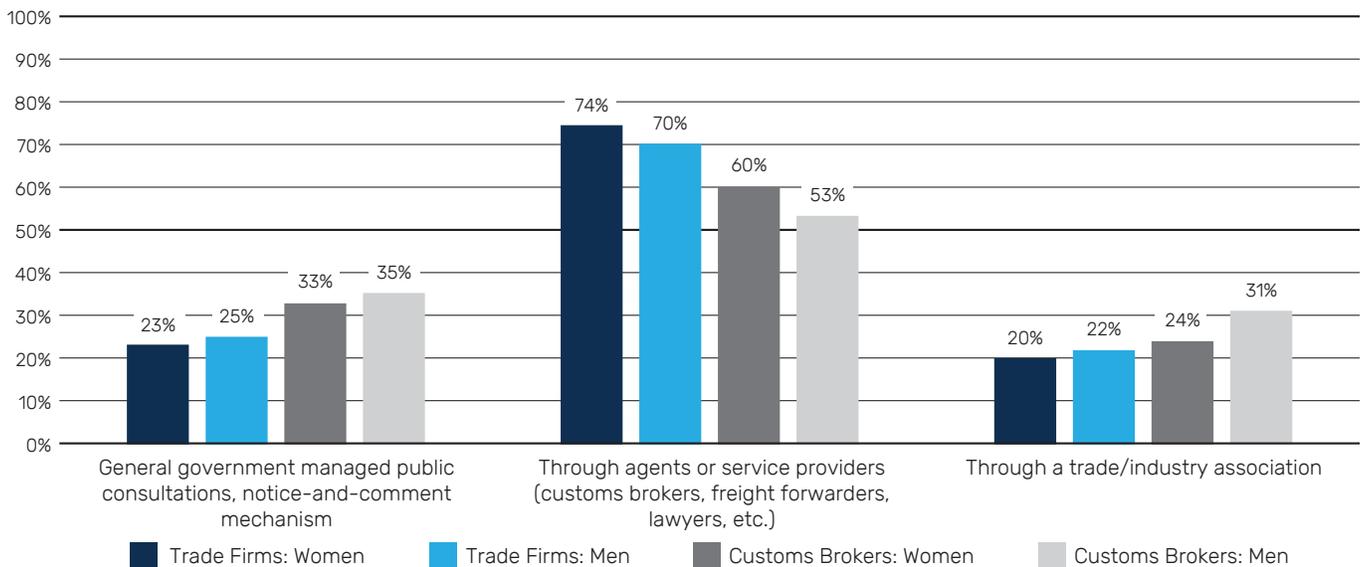


Figure 50. Sources of Consultations on Changes to Official Trade Processes

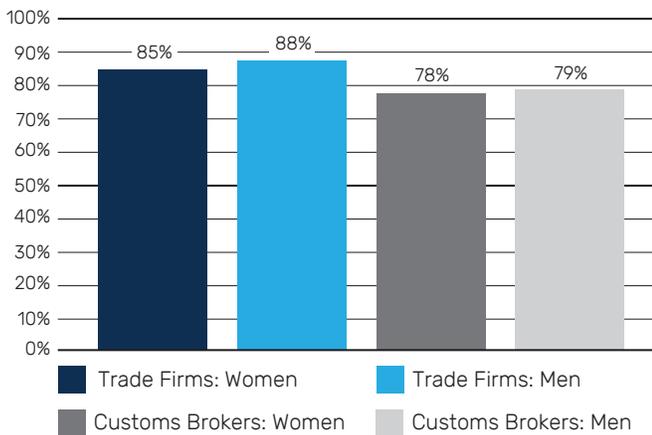


Electronic Import/Export Declarations

The ability to submit import and export declarations through a Single Window, or other electronic system, reduces time to comply with documentary requirements by functioning as a single point of entry/exit for all regulatory documentation for internationally traded goods. This facilitates trade and reduces costs. Benefits to traders include faster clearance times, transparent and predictable processes, and less bureaucracy. Studies have shown that in the presence of Single Windows, bilateral trade increases by about 37 percent.²⁷ Article 10.4 of the WTO TFA stipulates that WTO Members shall endeavor to establish or maintain a Single Window and to the extent possible, use information technology to support the Single Window.

■ **The majority of traders and customs brokers, regardless of gender, state they can submit all required documentation electronically to all border agencies.** Slightly more men traders (88 percent) than women traders (85 percent) reported that all required documents can be submitted electronically. About 79 percent of customs brokers state that they can submit all the required import/export documentation electronically, and slightly more men customs brokers report being able to do so than women customs brokers (see Figure 52).

Figure 52. Perception that All Required Forms and Documents Related to Import/Export Activities can be Submitted Electronically to All Border Agencies



■ **Among those that report they cannot submit all forms electronically, there are mixed perceptions of whether it is at all possible to submit all documents electronically to all agencies.** For documents being submitted to customs, most firms state that a combination of paper and electronic documents is needed (78 percent of women-led firms and 84 percent of men-led firms). Similarly, 74 percent of trade firms state a combination of electronic and paper documents are needed when submitting to other border agencies. Only 15 percent of

trade firms state that they can submit all required documents electronically for other border agencies, followed by 11 percent who stated they submit all by paper. Further analysis of the data shows that 75 percent of women-led firms and 73 percent of men-led firms state a combination of paper and electronic submission methods are needed for other border agencies. For customs brokers, about 87 percent of men customs brokers compared to 83 percent of women customs brokers report having to submit necessary documents both electronically means and in hard copy to customs. Additionally, 92 percent of men customs brokers and 87 percent of women customs brokers reported that have to submit documents to other agencies in a combination of electronically or by paper (see Figures 53 and 54).

Figure 53. Perception of How Forms and Document Must be Submitted to Customs

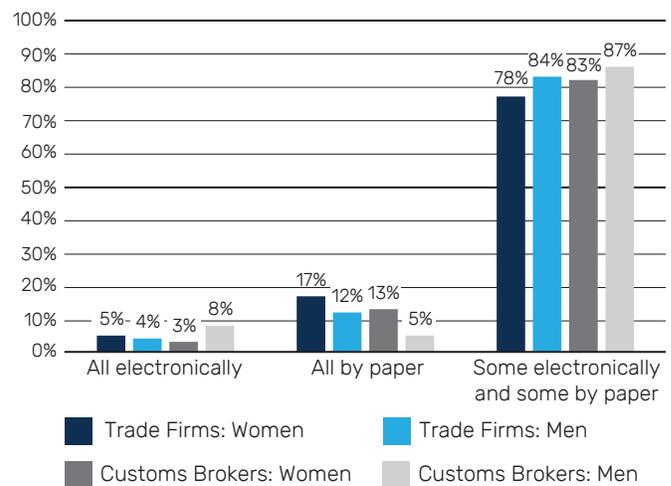
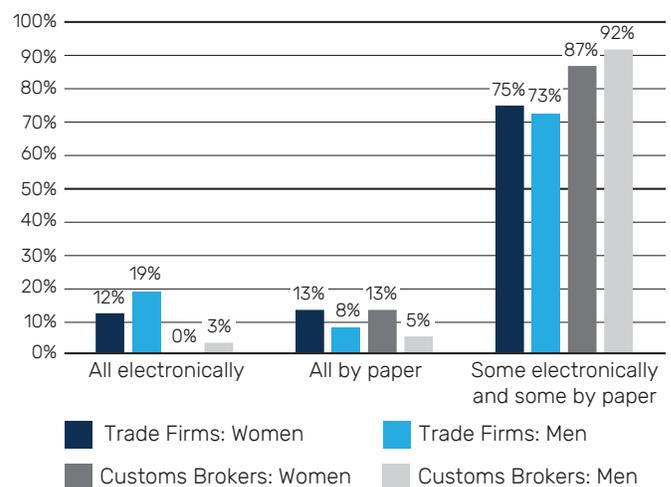


Figure 54. Perception of How Forms and Document Must be Submitted to Other Border Agencies



²⁷ Chelala and Martínez-Zarzoso. 2021. "The impact of single windows on trade." *The World Economy* Volume 43, Issue 10 (*The World Economy*) 2549–2573.

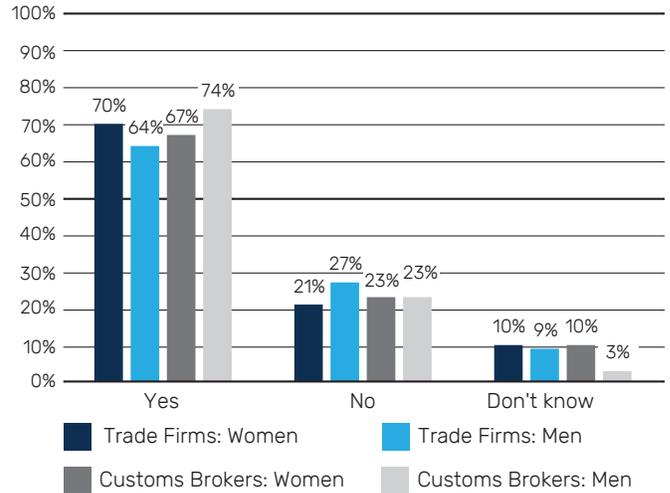
Pre-Arrival Processing of Goods

Electronic pre-arrival processing of goods prior to their arrival expedites the release of goods for import. Border officials can conduct risk assessment prior to the arrival at the border and consequently only need to physically inspect a proportion of goods in transit, thus saving time for traders and reducing bottlenecks. Article 7.1 of the WTO TFA on pre-arrival processing states that traders should be allowed to submit import documentation and other information required for the release of import goods electronically (where appropriate) prior to the arrival of the goods.

■ **More women than men traders submit their shipments to customs for pre-arrival processing; however, more men than women customs brokers submit for pre-arrival processing.** About 23 percent of trade firms state they do not submit for pre-arrival processing before their goods arrive to port. While the majority of customs brokers submit for pre-arrival processing, about 23 percent state they do not submit for pre-arrival processing before arrival, similar to traders. By trade firm size, more large firms (82 percent) submit for pre-arrival processing of shipments than micro (71 percent), small (57 percent), or medium sized (75 percent) firms (see Figure 55).

■ **Among traders that do not submit for pre-arrival processing, more than half report that they do not believe doing so save time or money.** Among customs brokers, 33 percent of men and 25 percent of women customs brokers do not submit for pre-arrival processing because they believe it was not allowed by customs, while 31 percent of women and 29 percent of men customs brokers did not submit for pre-arrival processing because it provides no benefits (see Figure 56).

Figure 55. Proportion of Respondents that Submit for Pre-Arrival Processing of Shipments Prior to Arrival at Port



■ **Among those that submit for pre-arrival processing, the majority of traders and customs brokers typically do so every time.** Overall, 80 percent of interviewed trade firms report submitting for pre-arrival processing of shipments to customs prior to their arrival at port every time. This is followed by 16 percent who submit for pre-arrival processing more than half of the time, three percent who submit for pre-arrival processing less than half the time, and three percent who do not know. About 59 percent of customs brokers report submitting shipments to customs for pre-arrival processing every time prior to the shipments arrival at port, followed by 27 percent who submit for pre-arrival processing more than half of the time, 12 percent who submit for pre-arrival processing less than half the time, and two percent who do not know (see Figure 57).

Figure 56. Reasons for Not Submitting for Pre-Arrival Processing

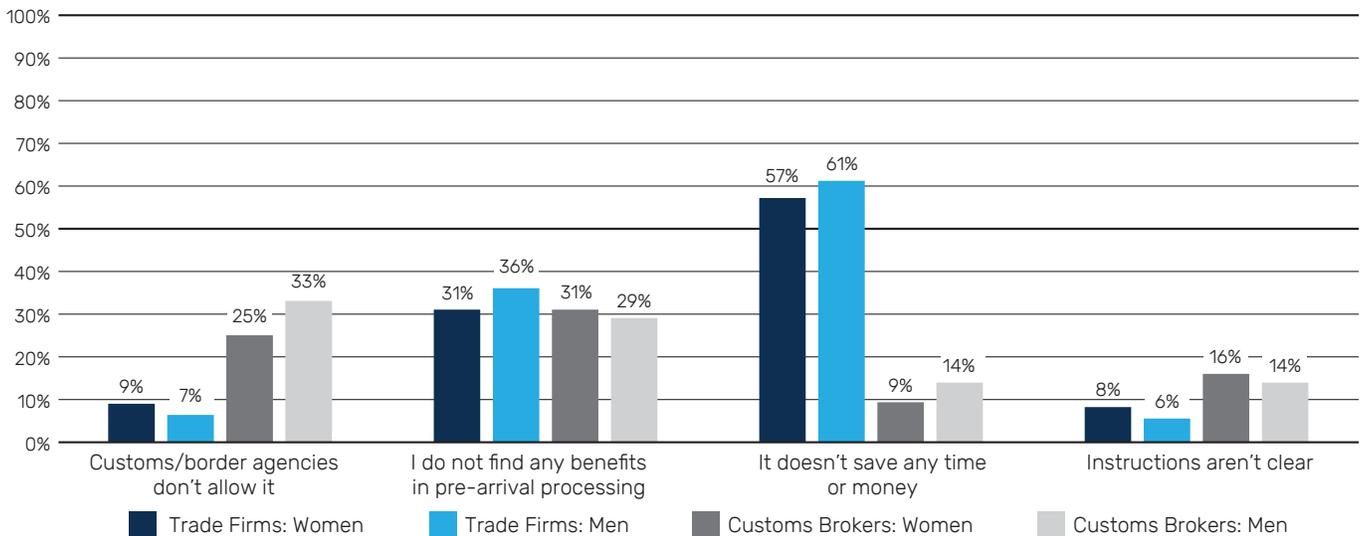
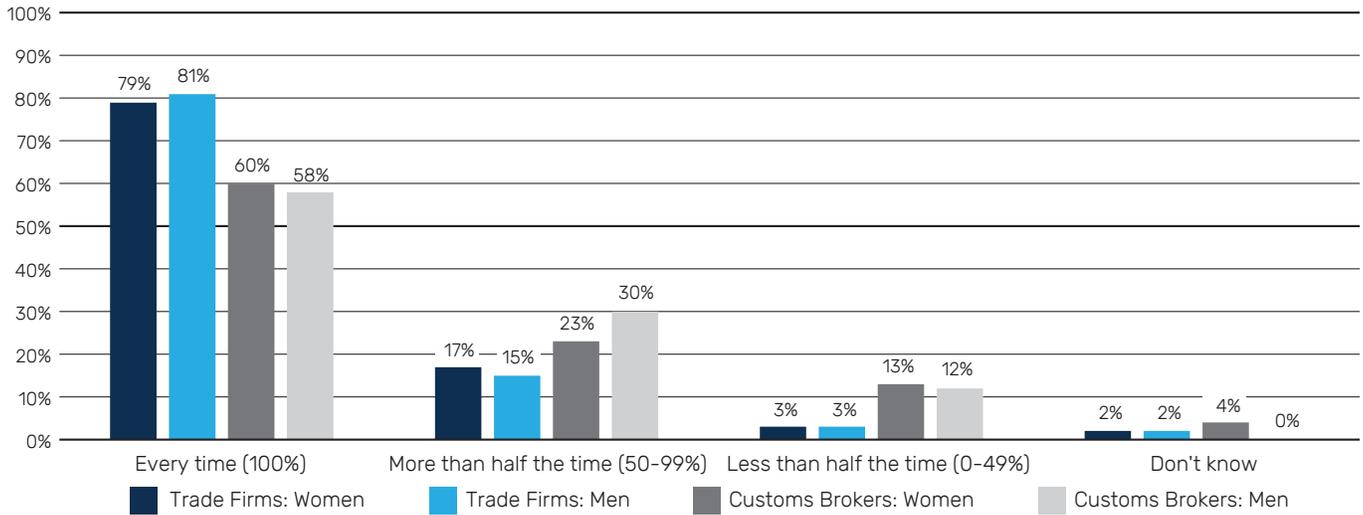


Figure 57. Pre-Arrival Processing Frequency



Electronic Payments and Other Payments

In the absence of an electronic payments system, traders are required to carry cash which may increase the risk of theft and personal safety. Cash payments may also increase the likelihood of corruption and the payment of “speed money”. Clearance times for checks and money orders could tie up working capital, which may pose constraints on smaller firms. Article 7.2 of the WTO TFA states that electronic payment of duties, taxes, fees, and charges related to importation and exportation should be allowed to the extent practicable.

■ **The majority of trade firms (88 percent) and customs brokers (80 percent) state they can pay their fees electronically in one single payment.** There are no gender differences between women-led and men-led trade firms (88 percent for both). There was also very little difference between women-led (80 percent) and men-led (79 percent) customs brokers (see Figure 58).

■ **Many women and men traders pay official fees and charges related to border processes and procedures by making payments directly to brokers/customs brokers or electronically to the government, while many customs brokers prefer to pay electronically to the government or through bank deposit.** Slight gender differences exist with respect to how the trade firms pay their fees. About 63 percent of men-led and 56 percent of women-led firms pay directly to brokers whereas 60 percent of women and 63 percent of men-led firms pay electronically to the government. Other payment methods include bank deposits (19 percent women compared to 13 percent men) and cash (nine percent for both men and women). By gender, 81 percent of women customs brokers and 75 percent of men customs brokers pay electronically to government, and 47 percent of men and 45 percent of women customs brokers pay via bank deposits (see Figure 59).

Figure 58. Perception that Official Fees Associated with Cross-Border Trade can be Paid Electronically in One Single Payment

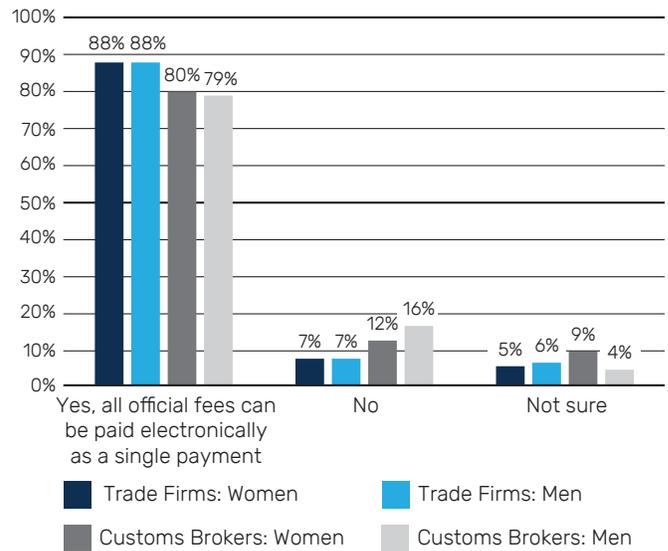
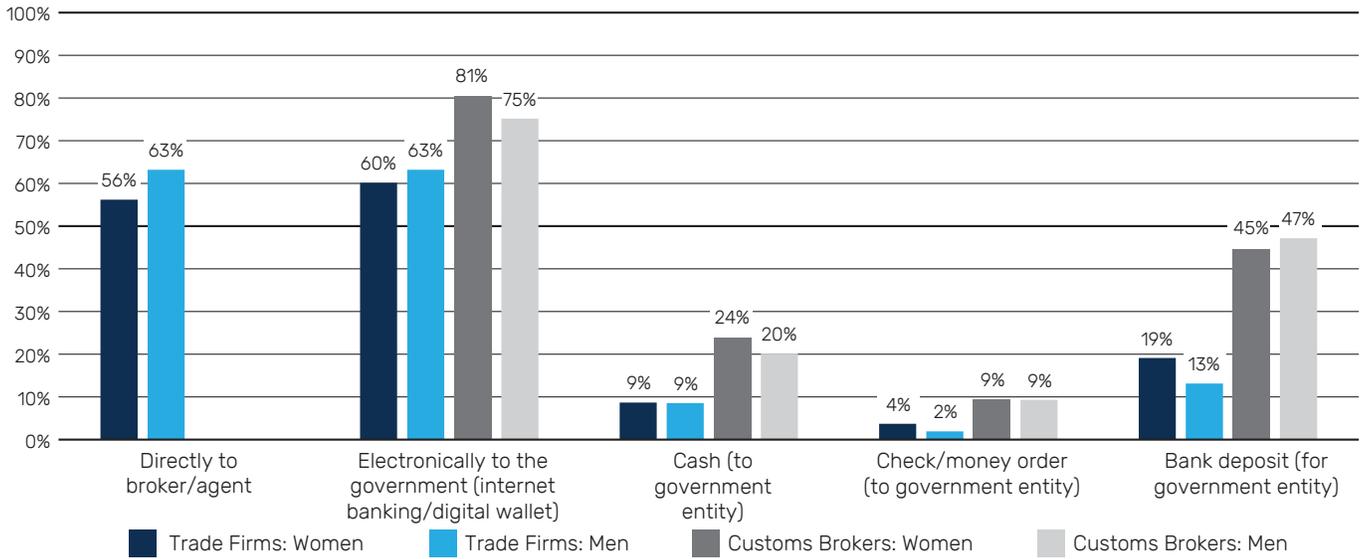


Figure 59. Methods of Paying Official Fees and Charges Related to Border Processes and Procedures by Gender



Note: Totals may add to more than 100 percent because respondent could choose multiple answers.

■ **Trade firms and customs brokers largely reported that they do not pay unofficial fees or speed money to government officials to facilitate processing of goods.²⁸**

About 92 percent of traders and 81 percent of customs brokers report not paying unofficial fees or speed money to government officials in the last year. Among customs brokers, 12 percent of men and nine percent of women customs brokers report paying unofficial fees. By trade firm size, more large firms (eight percent) reporting paying speed money

than micro (five percent), small (two percent), or medium (five percent) sized firms (see Figure 60).

■ **Of those that did pay speed money in the last year, around half paid speed money less than half the time.** For customs brokers, about 54 percent of women customs brokers and 41 percent of men reported having paid less than half the time in the past year, whereas 36 percent of men compared to 23 percent of women customs brokers paid every time (see Figure 61).

Figure 60. Proportion of Respondents that Have Paid Speed Money to Government Officials in the Past Year to Facilitate Processing of Goods

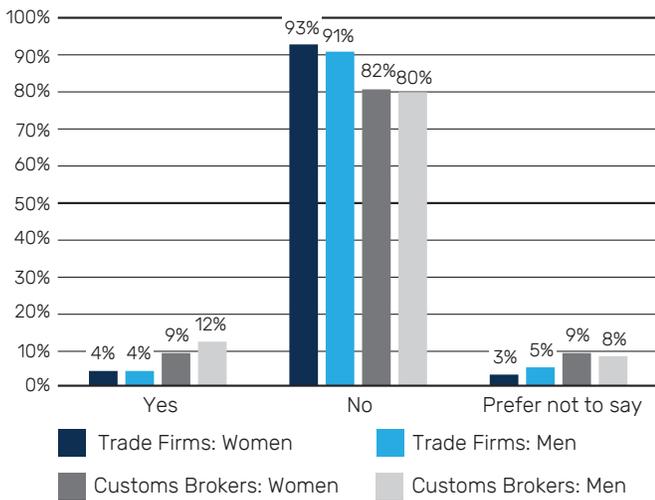
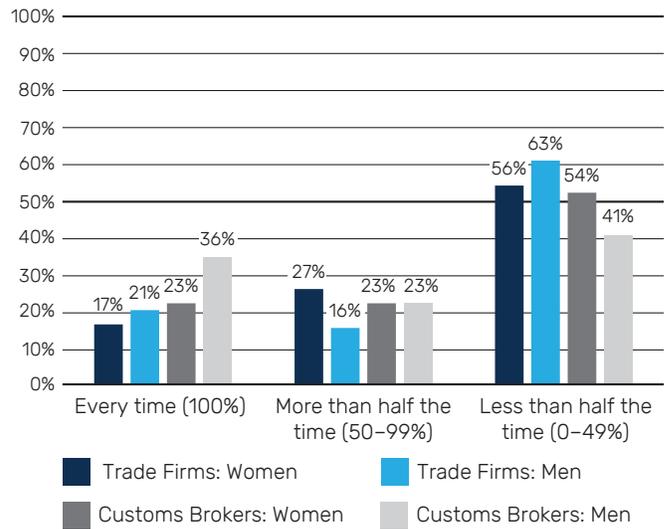


Figure 61. Frequency of Making Speed Money Payments to Government Officials in the Past Year



²⁸ Speed money is used interchangeably with unofficial fees.

■ **Of those that paid unofficial fees in the past year, these were typically between 0–25 percent of the value of the goods being traded.** Eighty-eight percent of women and 84 percent of men traders who paid unofficial fees reported paying fees that amount to 0–25 percent of the value of the goods, while 10 percent of women and 16 percent of men-led firms paid unofficial fees that constituted 26–50 percent of the goods. Men customs brokers report paying higher levels of fees, with 77 percent of women customs brokers and 59 percent of men customs brokers reporting paying speed money that amounted to 0–25 percent of the value of the goods, 32 percent of men and 15 percent of women customs brokers reported paying speed money worth 26–50 percent of the good, and nine percent of men and eight percent of women customs brokers reported that their speed money amounted to 51–75 percent of the value of the goods. When assessing by trade firm size, large firms have payments in the 0–25 percent range (100 percent of large firms, 85 percent of medium, 63 percent for small, and 49 percent for micro), while smaller firms have more payments in the 26–50 percent range (none of large firms, eight percent of medium, 37 percent for small, and 51 percent for micro) (see Figure 62).

■ **Most traders (95 percent) and customs brokers (89 percent) did not have to pay speed money to private entities in the past year to facilitate processing of goods** (see Figure 63).

Figure 63. Proportion of Respondents that Paid Speed Money to Private Entities in the Past Year to Facilitate Processing of Goods

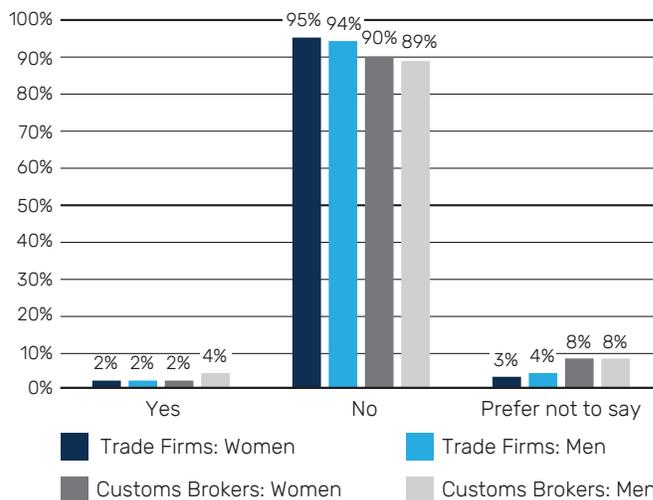
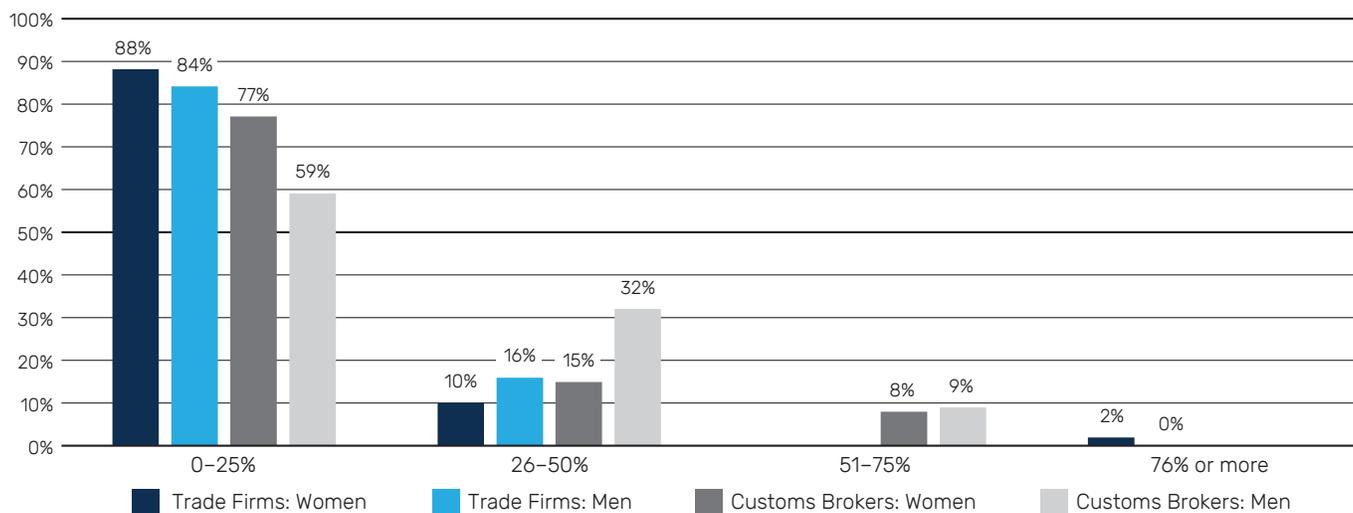


Figure 62. Estimated Cost of Payments of Unofficial Fees to Government Officials as a Percentage of the Value of the Goods



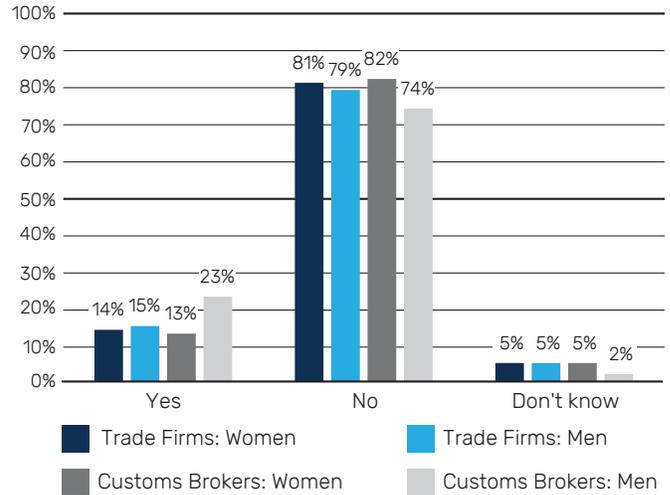
Detention of Goods

Customs has the power to search imports and exports and exclude, detain and/or seize, and destroy counterfeit and infringing products. Detention of good is a tool that signifies the prevalence of random enforcement action. The effect of detainment can cause delays, raise costs, and uncertainty for cross-border traders and create opportunities for extraction of speed money to facilitate release of the goods. The best practice is for customs to promptly inform traders that goods have been detained for inspection.

■ **More men customs brokers and slightly more men traders have had goods detained without being promptly informed.** Eighty-one percent of women and 79 percent of men-led trade firms stated that their goods had never been detained, while 14 percent of women and 15 percent of men trade firms have had their goods detained. For customs brokers, 23 percent of men customs brokers report detention of goods without being promptly informed compared to only 13 percent of women customs brokers (see Figure 64).

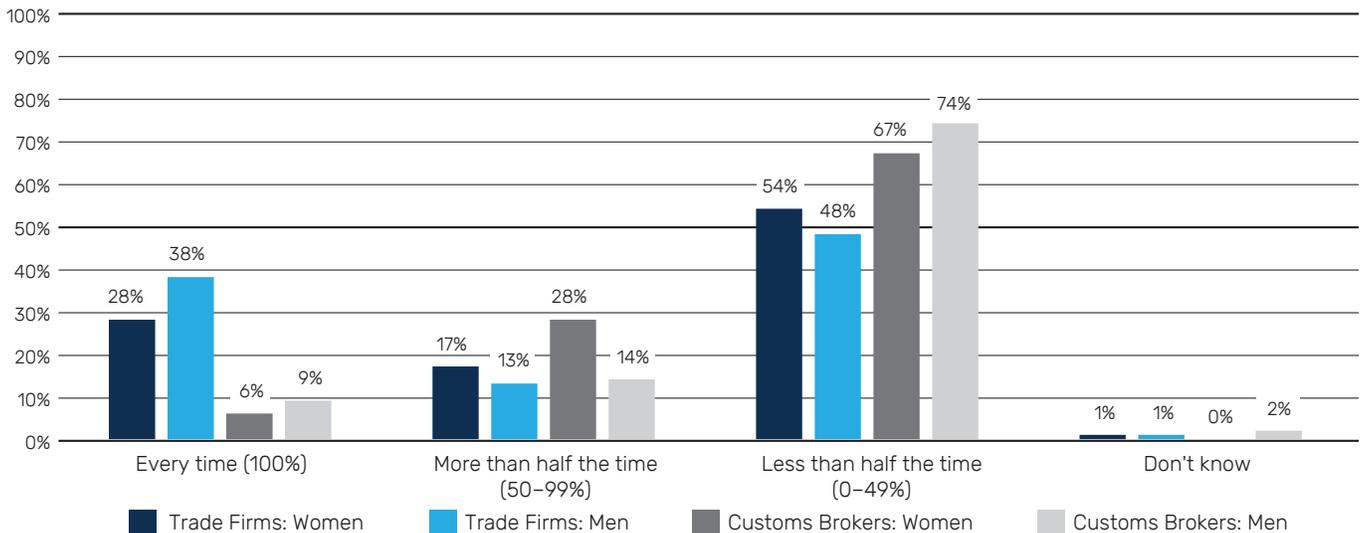
■ **Many trade firms and customs brokers that have had their goods detained reported that their goods are detained less than half the time.** However, about 38 percent of the men traders have had their goods detained every time compared to 28 percent of women traders. Furthermore, 17 percent of women and 13 percent of men traders reported having their goods detained more than half the time. More women customs brokers (28 percent) than men (14 percent) reported having their goods detained more than half the time (see Figure 65).

Figure 64. Proportion of Respondents that have had Detention of Goods Without Being Promptly Informed



■ **Issues with customs declarations is the more common reason for goods to be detained (46 percent).** Another main reason for goods being detained is problems with quarantine (22 percent). About 10 percent of trade firms reported that no reason was given for detaining their goods. By gender, approximately 46 percent of women-led firms and 45 percent of men-led firms had goods detained because of customs declaration/classification/valuation issues while 21 percent of women-led and 24 percent of men-led firms had their

Figure 65. Frequency of Detention Without Being Promptly Informed



Note: The percentages are out of those that have had their goods detained in the past and not of other whole sample population.

goods detained due to problems with quarantine. In comparison, 16 percent of men customs brokers reported having their goods detained due to problems with quarantine. Other reasons given by respondents largely had to do with missing papers and miscommunication between the shipping line and supplier (see Figure 66).

■ In terms of goods being detained without being promptly informed, the top three ports at which this is occurring for customs brokers are Batangas (25 percent), Manila North Harbor (21 percent), and Ninoy Aquino International Airport (18 percent). For traders, the top three ports where goods are being detained without being promptly informed are Ninoy Aquino International Airport (20 percent), Davao (16 percent), and Manila North Harbor (also 16 percent) (see Figure 67).

Figure 66. Reason Normally Given for the Detention of Goods

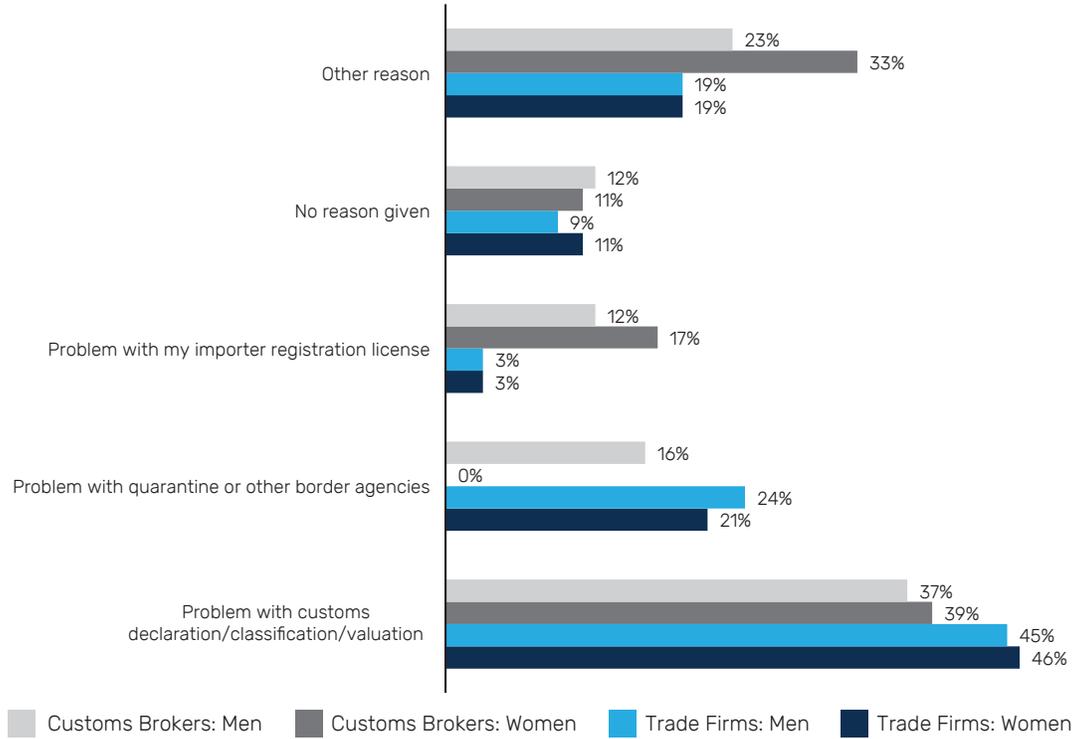
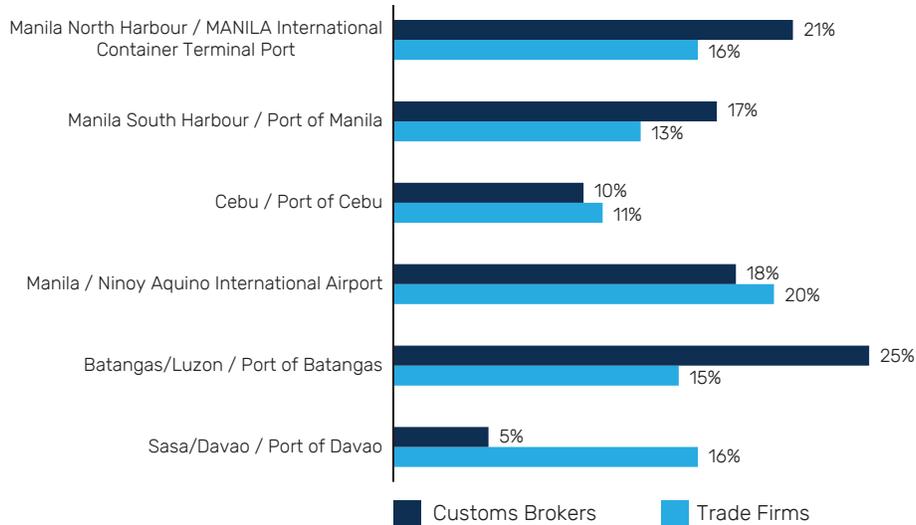


Figure 67. Proportion of Goods Detained Without Being Promptly Informed by Port



Official Grievance Procedures

An official grievances mechanism is important to enable traders to contest and appeal against border agencies' decisions regarding a detained shipment or non-compliance. Article 4 of the WTO TFA aims to ensure that concerned parties have the right to administrative appeals or review, as well as judicial appeal or review, of administrative decisions issued by customs.

■ **Over half of the traders and customs brokers feel that guidance and explanations on penalties and how to make an official appeal are clear and easy to access across government entities.** However, about 24 percent of women-led and 25 percent of men-led trade firms reported not to know, six percent of women-led and seven percent of men-led trade firms stated official appeal procedures are unclear, and six percent of women-led and five percent of men-led trade firms

stated no explanation for penalties is provided. For customs brokers, 11 percent of women and 13 percent of men customs brokers stated official appeal procedures are unclear, and 11 percent of women and 13 percent of men customs brokers stated no explanation for penalties is provided (see Figure 68).

■ **About one-third of traders and customs brokers (30 and 34 percent respectively) have not used the formal complaint/grievance procedures, but of those who have, many stated that nothing changes.** Slightly more women traders and customs brokers reported that formal complaints and grievances leads to reform than their men counterparts. For the customs brokers, 31 percent also stated the formal complaint/grievance procedures leads to no changes, of which 36 percent were men and 24 percent were women customs brokers (see Figure 69).

Figure 68. Perception that Guidance and Explanations on Penalties and Official Appeals Processes are Clear and Easy to Access Across Government Entities

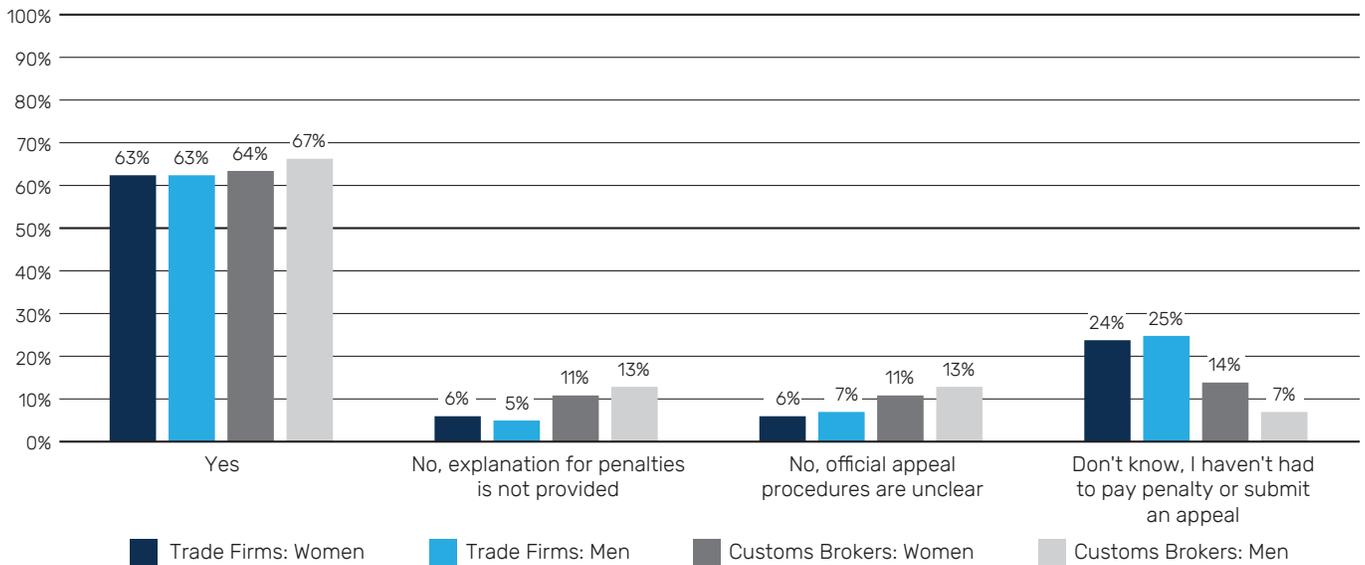
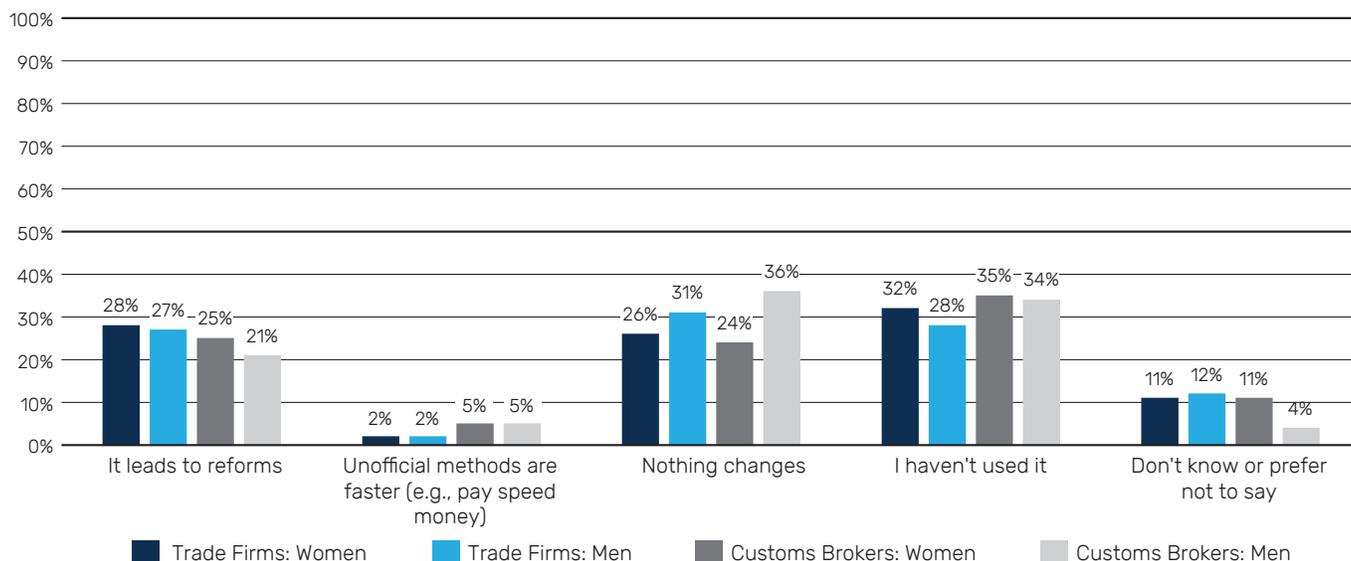


Figure 69. Perception of the Effectiveness of Formal Complaint/Grievance Procedures in Addressing Respondents' Concerns



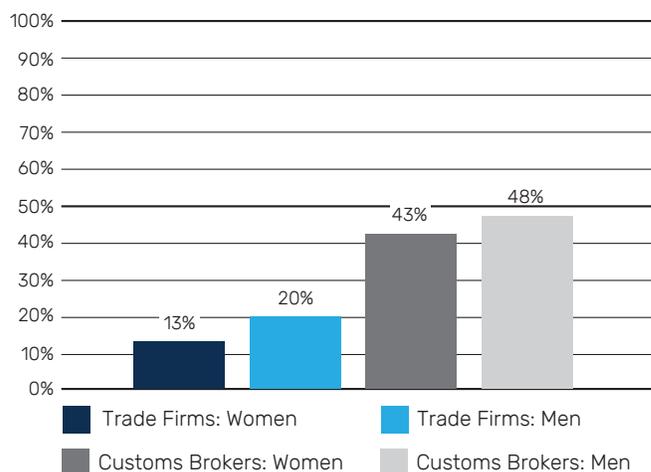
Safety and Security at the Border²⁹

Safety and security issues at the border can arise from unwelcome attention, requests for favors, and other verbal or physical conduct by both officials and non-officials. These behaviors create and foster hostile or offensive environments that may impact a trader's ability or desire to undertake trade.

■ **The majority of traders and customs brokers do not visit the border regularly. Of those that do, more men visit the border than women.**³⁰ Only 16 percent of trade firms, but 46 percent of customs brokers report regularly going to the border/economic zones to undertake trade processes and procedures for their business and clients. Only 20 percent of men-led and 13 percent of women-led firms reported visiting the border regularly. Customs brokers are much more likely to visit the border with 48 percent of men and 43 percent of women customs brokers visiting the border regularly (see Figure 70).

■ **While a majority of customs brokers that go to the borders reported not to have experienced harassment at the ports, there are still instances of it occurring.** Of those who regularly go to the port, three percent of men traders report facing verbal harassment while two percent of men and women traders report facing intimidation. Six percent of men and three percent of women customs brokers reported

Figure 70. Proportion of Respondents that Regularly Visit the Ports to Undertake Trade Processes and Procedures

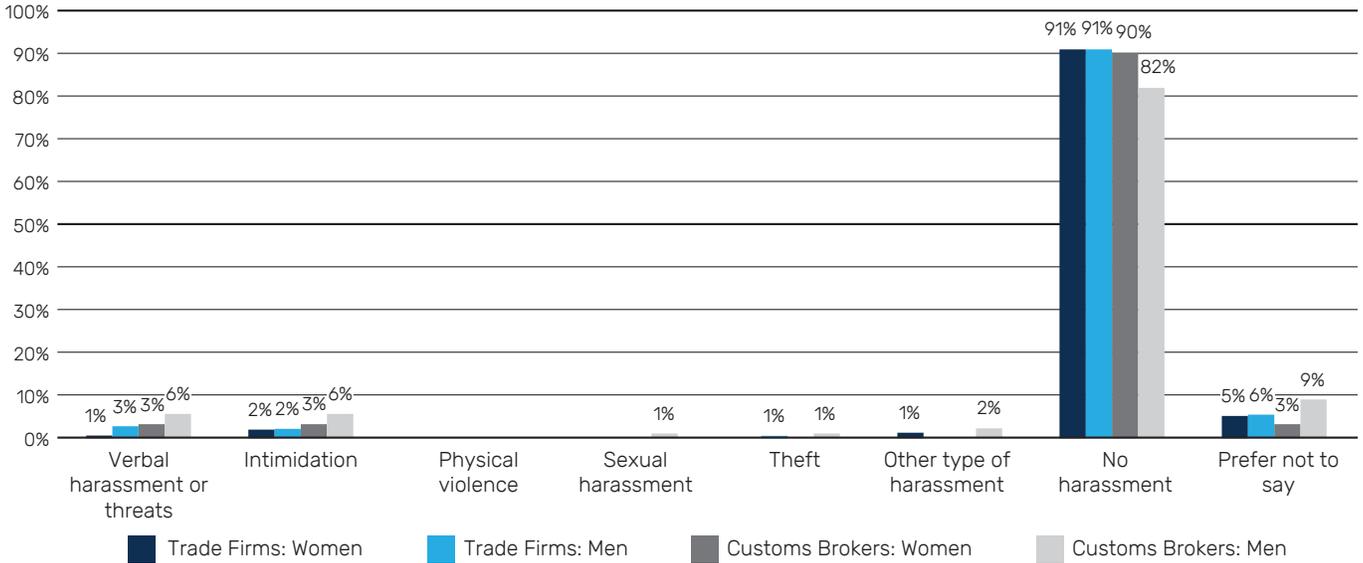


facing verbal harassment at the port followed by six percent of men and three percent of women customs brokers who faced intimidation. In addition, one percent of men customs brokers reported facing sexual harassment as well as theft while undertaking trade processes at the port (see Figure 71).

²⁹ The survey responses were perception based and not verified against actual processes or policies in any way. The responses in this section do not confirm whether or not there are other gender barriers related to harassment in trade.

³⁰ In the Philippines, it is not mandatory for traders/customs brokers to be physically present to have their goods released.

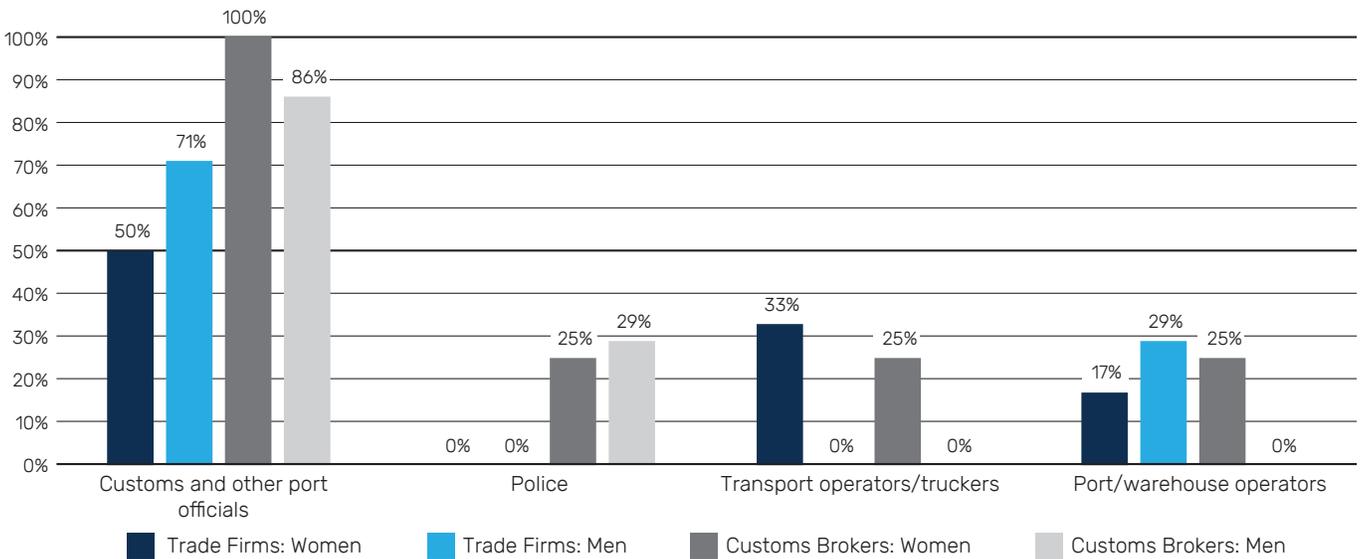
Figure 71. Types of Negative Behaviors Experienced at the Port, Freeport, or Economic Zone by Gender



■ **Negative behavior experienced by traders and customs brokers was more commonly from customs and other port officials than other sources. Women traders and customs brokers also reported negative behavior from transport operators while none of the men respondents did.** About 71 percent of men traders stated the negative behavior experienced came from customs and other port officials while another 29 percent stated it came from port/warehouse operators. For women traders, 33 percent stated the negative

behavior came from transport operators, and 50 percent stated it came from customs and other port officials. For customs brokers, all women customs brokers stated negative behavior experienced came from customs and other port officials, while 25 percent stated it also came from police, transport operators (25 percent), and port/warehouse operators (25 percent). For men customs brokers, 86 percent stated the negative behavior came from customs and other port officials, while 29 percent came from the police (see Figure 72).

Figure 72. Sources of Negative Behavior



Note: Respondents can select more than one category, so totals may add to more than 100 percent.



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Woman walking in the streets of Manila
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3 Recommendations Based on Survey Results

According to the World Economic Forum's (WEF) 2021 Global Gender Gap Report, the Philippines has closed 78.4 percent of its overall gender gap, which is the second-best performance in the East Asia and Pacific region.^{31,32} While the WEF index may not necessarily relate to the cross-border trade processes and procedures examined in this report, the index provides an indication of the gender parity (focused on economic participation and opportunity, education attainment, health and survival, and political empowerment) in the Philippines. Looking specifically at the gender parity in cross-border trade processes and procedures in the Philippines, the survey responses did not always indicate a large gap between the women and men respondents. Nonetheless, the survey did identify some general challenges as well as specific challenges that disproportionately impact women-led firms compared to men-led firms, which demonstrate that there is an opportunity for the government to create policies and initiatives that are conducive to enhancing the environment in which cross-border trade firms and customs brokers operate.

The following recommendations can help address the most pressing issues identified from this survey. Implementing these recommendations may help to achieve the Magna Carta of Women's objective of "eliminat[ing] discrimination through the recognition, protection, fulfillment, and promotion of the rights of Filipino women, especially those belonging in the marginalized sectors of the society", as well as its mandate that "all government offices, including government-owned and controlled corporations and local government units to adopt gender mainstreaming as a strategy for implementing the law and attaining its objectives."

Recommendation 1. Fully implement the WTO TFA by streamlining processes and procedures, and enhancing transparency and predictability

Many traders and customs brokers cite bureaucratic/burdensome border process and procedures as a key obstacle for growing their businesses. The majority of traders and customs brokers businesses' were impacted by the pandemic, reportedly largely because of delays for goods to be cleared and less demand for their products and services. The WTO TFA provides a unique opportunity to make cross-border trade easier, quicker, and less costly. The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area. The Philippines ratified the

TFA in October 2016 and has submitted its notifications across almost all of the category commitments. Full and effective implementation of the WTO TFA should be prioritized, and border operations and processes should be reviewed further to understand why traders and customs brokers reported delays for their goods to be cleared, taking steps to reduce the delays while maintaining proper COVID-19 safety-related protocols.

Recommendation 2. Improve official gender-disaggregated collection of trade firm data

The list of trade firms provided by the government for the survey work needed significant manual updating (removal of duplicates, incomplete or invalid contact details, etc.). Up-to-date details on trade firms provides the government with a better foundation for monitoring and understanding the country's trade environment. The list also did not have gender-specific information, and by introducing this data-point to the collection, the Philippines government would not only be able to better target the needs of women-led trade firms; it would also become one of the few countries in the world that is able to break down its firm-level cross-border trader data by gender.

Recommendation 3. Promote the role of the National Trade Facilitation Committee and gender sensitivity in its action plan (WTO TFA Article 23 on Institutional Arrangements)

Overall, there is low awareness of the NTFC among traders and customs brokers, and slightly lower among women than men. The low awareness could partly be due to the recent establishment of the NTFC, but the committee has the momentum now to increase its visibility and cement its role in the trading community. Accordingly, the NTFC's action plan should include a detailed communications strategy, and both the action plan and the communications strategy should specifically target women traders and customs brokers.

Recommendation 4. Improve access to and understanding of official border regulations and procedures among traders and customs brokers (WTO TFA measures 1.1 on Publication, 1.2 on Information Available Through Internet)

1. Promote the use of the Philippine National Trade Repository (PNTR) and ensure information is user-friendly and fully up-to-date across border agencies. Almost one-quarter of traders and more than

³¹ The Global Gender Gap Index looks at economic participation and opportunity, educational attainment, health and survival, and political empowerment.

³² World Economic Forum. 2021. Global Gender Gap Report 2021. Report, Cologny/Geneva: World Economic Forum.

one-third of customs brokers report facing difficulties finding information on official regulations related to border processes and procedures. With regard to information received from the government on border processes as a result of the COVID-19 pandemic, more women than men traders reported a lack of clarity with the information received. Traders and customs brokers also reported a need to go to multiple sources to find information, and many use personal networks as a primary source of information on official regulations. The lack of comprehensive information across agencies was flagged as a particular challenge for traders and customs brokers. Only 14 percent of customs brokers and 17 percent of traders interviewed reported using the Philippine National Trade Repository as their source of information, demonstrating an opportunity to enhance the knowledge and usage of the platform. The government should strengthen the institutional structure that maintains and operates the PNTR to foster better coordination with all border agencies to ensure they regularly update information. It can, for example, issue joint procedures among border agencies for updating the PNTR and designate one focal point per agency responsible for maintaining fully up-to-date information.

2. Ensure official legislation is easy to understand.

The majority of traders and customs brokers find regulations and processes easy to understand. More men trade customs brokers, however, report that regulations are easy to understand than their women counterparts, with 86 percent of men customs brokers stating official regulations and processes are easy to understand compared with 81 percent for women customs brokers. For example, a small proportion of traders believe the use of customs brokers is mandatory by law when it is not, signifying there is misunderstanding in the official procedures. Making sure the official regulations and processes are written in clear and simple language is important, particularly among women traders who, according to the survey, face a greater disadvantage in accessing information.

3. Offer targeted information sessions, workshops, and training session for women traders and customs brokers. For example, slightly more men traders and customs brokers than their women counterparts believe that it is possible to submit all documentation electronically. Providing awareness trainings on issues such as where to find necessary information, how to submit documents, how to pay fees, and other processes can improve the ability of women to understand the trade processes and procedures and thus motivate their participation in trade, improve the efficiency of traders' businesses, and improve traders' compliance with border processes and procedures.

Recommendation 5. Promote pre-arrival processing of goods (WTO TFA measure 7.1 on Pre-Arrival Processing)

Over one-third of traders and customs brokers do not submit for pre-arrival processing of goods or know if their goods are submitted for pre-arrival processing prior to arrival to port. Among traders that do not submit for pre-arrival processing, more than half report that they do not believe doing so will save time or money. Among customs brokers, 33 percent of men and 25 percent of women customs brokers do not submit for pre-arrival processing because they believe it is not allowed by customs, and about 30 percent of customs brokers do not submit for pre-arrival processing because they do not think it provides any benefits. Pre-arrival processing of goods allows port authorities to conduct a risk assessment and process the declaration and release decision prior to the goods arriving at the port of entry. If done efficiently, this saves times and costs as it allows the release decision to be communicated early so traders can continue their supply chain and logistics planning. It is recommended that border agencies scale up the ability to submit for the pre-arrival processing of goods. Proper communication to the trading community on the process and its benefits must be ensured, and the NTFC can play a critical role in promoting it through its platform and different networks.

Recommendation 6. Re-assess and better advertise port operating hours in consultation with traders and customs brokers

About half of traders and customs brokers believe that the port working hours are restrictive to their ability to trade. While the Bureau of Customs sets regular working hours, the District Collector are authorized to set work schedules locally from 7am-7pm, as necessary, for frontline services. This may result in confusion over the operating hours as other entities (e.g., banks, port authorities, quarantine) operate at different times. It is recommended that port opening hours across agencies are better aligned and set in consultation with traders and customs brokers to ensure all stakeholders are aware of the operating hours for the different ports and their business needs are carefully considered.

Recommendation 7. Enhance government consultations with the private sector (WTO TFA measures 2.1 Opportunity to Comment and Information Before Entry Into Force, 2.2 on Consultations)

Despite efforts by the government to engage with the private sector, the survey responses highlighted a perception that there is a lack of regular consultations with trade firms and customs brokers on changes to border processes and procedures. The survey results also indicated that over half of traders do not feel their voices are heard when they are consulted. Improving the frequency of which stakeholders are

consulted through actions, such as focus group discussions, open notice-and-comment periods, or feedback surveys, could help bolster private sector confidence in the government's efforts. While the BOC has set up Customs Cares (help desk) and a Customer Care Center (one stop shops) to deal with complaints on transaction-level issues, there appears to be no mechanism for online public consultations (e.g., virtual townhalls, dedicated web page for online submission of complaints etc.) for the crafting of general policies and guidelines. The NTFC should promote the establishment of formal consultations, and trade associations could be utilized better to include the views of women, people with disabilities, and ethnic minorities in particular. While consulting prior to the promulgation of new procedures and regulations is critical, a mechanism for regular consultations (regardless of changes) should be established. This could include the establishment of a dedicated website for public consultations related to the regulations of the Customs Modernization and Tariff Act and other similar trade laws. Enhanced visibility of the opportunities to provide feedback (the "how and when") is critical and should be included in a NTFC communications strategy.

Recommendation 8. Explore the reasons for detention of goods (WTO TFA measure 5.2 on Detention)

Of the small portion of traders that have had their goods detained, 38 percent of men traders and 28 percent of women traders reported having their goods detained every time. Detention is a serious issue because it signifies (i) the lack of compliance information and procedural preparedness on the part of the trader, (ii) poor knowledge, training of frontline officials, and/or (iii) the prevalence of random enforcement actions leading to exploitative behavior and extortive corruption. It is recommended that the government further explores why goods are held up and systematically handle the measures to address this. The World Customs Organization has issued guidance on detention of goods that should be reviewed.

Recommendation 9. Offer better guidance and appropriate explanation on penalties, as well clarity on how to make official appeals (WTO TFA measure 4 on Procedures for Appeal and Review)

1. Although the majority of traders and customs brokers perceive guidance and explanations on penalties and official appeals processes to be clear and easy to access across government entities, the results from the survey indicate that there are still some traders and customs brokers that believe there is a lack of guidance and explanation on penalties and how to make an official appeal. A lack of guidance for penalties and a clear appeals process may cause traders as well as customs brokers to make repeated mistakes in declaring their goods. In addition, the lack of clarity in appealing

administrative decisions deprives traders and customs brokers of accessible remedies against erroneous application of laws and regulations. An appeals process that is used by traders and customs brokers also provides opportunities to clarify vague or unclear laws and regulations. The government should review all fees, charges, and penalties relating to cross-border trade and make sure they are fully and transparently publicized. It should also strengthen the appeals mechanism both at the BOC and other border agencies by, among others, issuing specific guidelines and timelines for such appeals. It is essential to enhance communication around penalties to ensure that traders and customs brokers understand when the penalties kick in, how the various fees are applied, and recognize that the degree of impositions are proportionate to the violation.

2. Make formal complaint/grievance procedures more transparent and effective at resolving trader issues.

Only 28 percent of trade firms and 23 percent of customs brokers believe that the formal complaint/grievance procedures will lead to reforms. In order to continue to build and foster trust between the private sector and the government, it is paramount that the concerns and issues raised by traders through complaint procedures are addressed fully, transparently, and in an efficient manner (e.g., following up on time, tracing) the status of the complaint and providing reliable information to the referral partners. All complaints, follow-up actions, and contacts with complainants should be recorded and information provided to the complainants.

Recommendation 10. Promote the role of women in trade associations as well as women-oriented associations

Trade industry associations play a significant role in the Philippines. Over half of traders (59 percent) and most customs brokers (93 percent) reported being members of a business or trade/industry association, but with less women being members than men. Traders also rely on these associations and networks to obtain information on official regulations. It is therefore recommended to encourage the formation and foster the development of women associations to organize workshops, provide support and mentoring programs, facilitate access to credit and to markets.



4 Remaining Analytical Gaps

The survey was limited to identifying constraints that existing traders face. Exploring the reasons of non-engagement in cross-border trade would require a deeper assessment of why non-trading women firms do not trade, which goes beyond the scope of this survey and likely also the WTO Trade Facilitation Agreement.

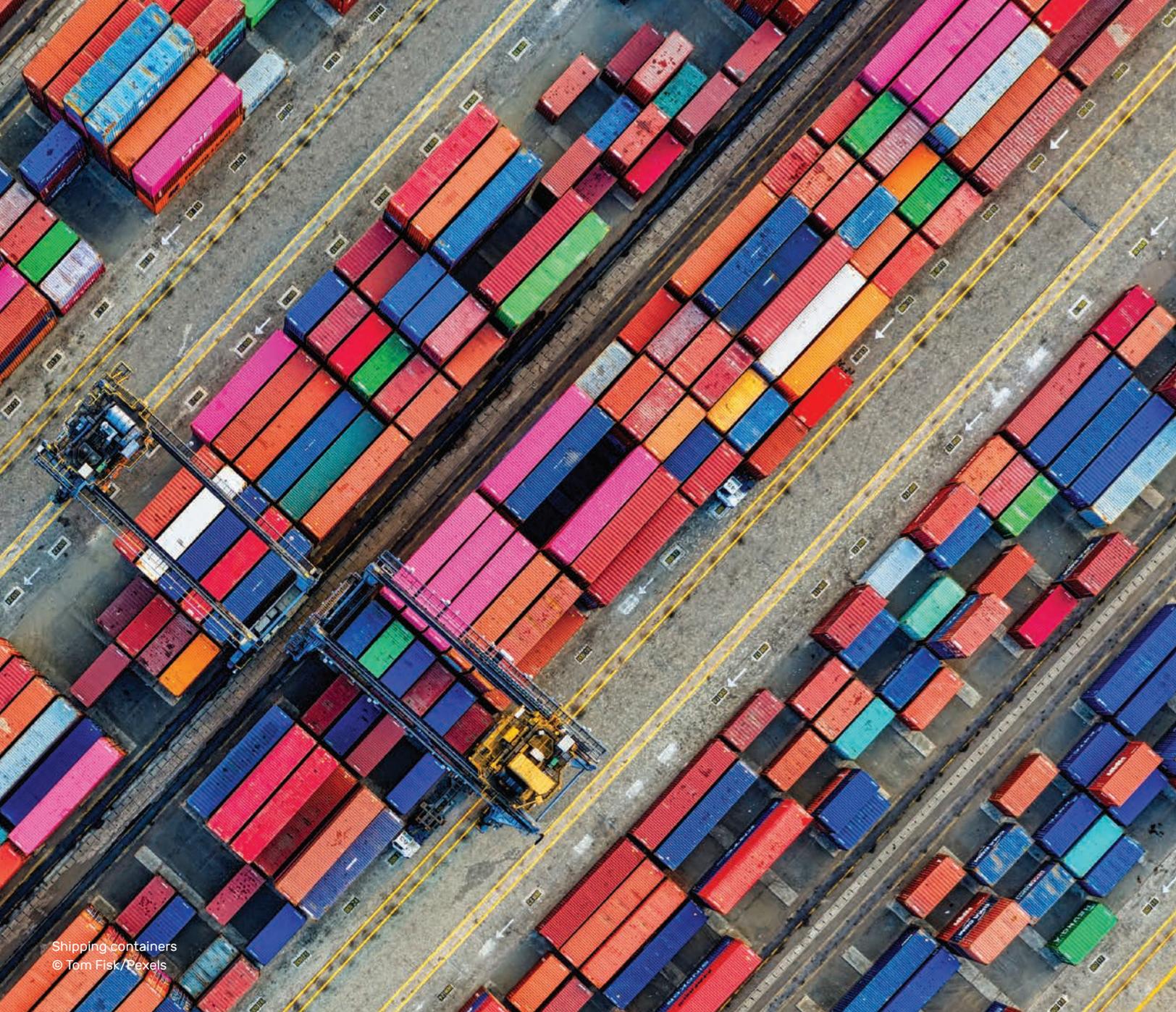
The survey only focused on firm-level traders, leaving out a group of traders often referred to as small-scale traders that undertake trade that is unrecorded in official statistics and is carried out by small businesses. In many countries, many small-scale traders are women. Due to the limited scope of this survey, the gaps between men and women firm-level traders may or may not be representative for small-scale traders.

While the survey provided a wealth of new data on the gaps between men and women traders and customs brokers in the Philippines, it did not offer explanations to most of the gendered differences. Any explanation to the gaps that were

identified would be based on assumptions, and in most cases, deeper analysis would be needed to confirm exactly why there are gaps between men and women in certain areas. This information could likely best be obtained through more in-depth surveys and research.

This survey is a companion piece to other research being conducted by the World Bank and the Philippine government. The Bureau of Customs conducts an annual Time Release Study to measure the actual clearance times of containers being imported and exported from the main ports of the country. The survey provides the trading community's viewpoint on the bottlenecks captured in the TRS and provides greater insights on the findings. In addition, the World Bank conducts an internal assessment on the alignment of the different trade regulations with the full implementation of the TFA.

The findings from these studies are being integrated by the National Trade Facilitation Committee in support of the reform roadmap to be produced for the country.



Shipping containers
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Annex 1

Description of Sample and Methodology

Traders Sample List

A major challenge in conducting this survey was obtaining up-to-date data on the universe of cross-border traders in the Philippines. In an effort to create a survey field list, the World Bank Group received a list from the Bureau of Customs of all active cross-border trade firms registered in the Philippines with more than two transactions, excluding individuals and state-owned enterprises. A preliminary list of 24,684 firms (table A) was received and analyzed (table B) to produce a final field list for the survey (table C).

The field list served as the survey population for traders (at the firm level),³³ and it was broken down by its known characteristic of trade flow³⁴ (table D).

Table A.

# of Firms in Field List	
Category	# of entries
# of importers (including duplicates and branches)	18,439
# of exporters (including duplicates and branches)	1,919
# of IMEX (including duplicates and branches)	4,326
Total	24,684

Table B.

Ineligible Firms to be Excluded	
Category	# of entries
# of duplicate importers (based on importer ID)	6,988
# of importers in economic zones*	2,010
# of duplicate exporters (based on exporter ID)	820
# of exporters in economic zones*	—
# of duplicate IMEX removed (based on company ID)	1,272
# of IMEX in economic zone*	1,776
Total	12,866

*Firms located in economic zones were not eligible for the survey because there are a number of economic zones in the country that have special importation procedures and incentives. Importers operating within these zones will not have the same experience in dealing with customs than other importers.

³³ The field list for trade firms was further reduced to 10,000 following further clean-up procedures.

³⁴ Contact information, including city, was included but due to time limitations, the team could not further breakdown the cities into regions for further analysis.

Table C.

Final Field List (excluding ineligible firms)	
Category	# of entries
# of importers (including branches)	9,441
# of exporters (including branches)	1,099
# of IMEX (including branches)	1,278
Total	11,818

Table D.

Breakdown of Population by Trade Flow	
Category	% of Total Population
# of importers (including branches)	79.9
# of exporters (including branches)	9.3
# of IMEX (including branches)	10.8
Total	100

Sampling Methodology for Traders

To complete this study under time and resource limitations, a quota sampling methodology was utilized. Quota sampling is a non-probabilistic sampling method, since not every entity in the general population has a positive chance of being selected to be interviewed. Using this sampling procedure, the researcher selects characteristics of interest (i.e., gender, firm size, location) of the target population of a study. The characteristics are then used to form quotas which should be targeted and their respective sample sizes to be achieved during interviews.

To set up the sample sizes of the set quotas for this study, the Cochran formula of calculating sample sizes for a simple random (probabilistic) sample was used – with a proportion of variable of interest assumed at 50 percent- assuming maximum variability of the population, 95 percent confidence level, and a five percent margin of error – in order to approximate what would have worked in a probabilistic sample. Doing so provides a reasonable lower bound to establish the quota sizes.

The sample framework for traders was constructed to be representative of the target population based on the known characteristic of trade flow by setting the quotas proportionally. Exporters were identified as the smaller subgroup representing 9.3 percent of the target population, and this subsample size was used in the formula for a simple random sample to make an approximation on a reasonable sample size for this subgroup (n = 285). The quota for the importers and importers-exporters subgroups were then determined by scaling up from this value (n = 2,445 and n = 330 respectively). **The total quota is 3,060.**

In order to ensure that a sufficient number of men and women were interviewed, despite the lack of gender information in the field list, a target 50:50 ratio of women: men were set within each quota. The results were weighted given that gender was not proportionately allocated, eliminating the bias of the estimates by correcting for the over-sampled group.

Customs Brokers Sample List

In order to also sample customs brokers that help businesses with import and export procedures, the project team also requested a list of active, registered customs brokers. A list of 1,869 customs brokers was received, containing contact information and no gender information.

Sampling Methodology for Customs Brokers

To compute the overall sample size for the customs brokers, the formula to calculate sample sizes for a simple random (probabilistic) sample was used – with an 1,869-population size, 95 percent confidence level, and a five percent margin of error – in order to approximate what would have worked in a probabilistic sample. Doing so provided a reasonable lower bound to establish the **overall sample (n = 319) for customs brokers**. Due to a lack of information on the population within the field list, further breakdown of the population into sub-categories was not possible.

Similar to the traders, however, in order to ensure that a sufficient number of men and women were interviewed, despite the lack of gender information in the field list, a target 50:50 ratio of women: men were set within the quota. The results were weighted given that gender was not proportionately allocated, eliminating the bias of the estimates by correcting for the over-sampled group.

Constraints and Limitations

The survey firm contracted to conduct the phone interviews with traders and customs brokers encountered challenges in fulfilling the set quotas for traders. Some of the challenges encountered were as follows;

- Most firms in the field lists may have had to close due to COVID-19 pandemic, while others had employees working from home to adhere to the guidelines set out to mitigate the spread of the pandemic, which resulted in office calls not being attended to.
- Many of the contact details may have been out of date, resulting into failed interviews. In addition, one could not tell whether the firms were still operational to be part of the survey list.

Ultimately, because the set proportional quotas were not met, weights were assigned to the survey data to eliminate any biases in estimates produced. Table H outlines the number of trader interviews actually conducted and the associated weight assigned. Table I outlines the number of interviews conducted, which met the target quota, along with the associated weights assigned because the 50:50 gender ratio was not assigned proportionally to reflect the real population distribution.

Table H. Traders

	# Interviewed		Weight Assigned	
	Women	Men	Women	Men
A. By Gender (Main Strata)	1174	927	0.956	1.055
B. Trade Flow				
Importers	878	722		
Exporters	167	126		
Importer-Exporters	129	82		

Table I. Customs Brokers

	# Interviewed		Weight Assigned	
	Women	Men	Women	Men
A. By Gender (Main Strata)	139	184	1.052	0.961

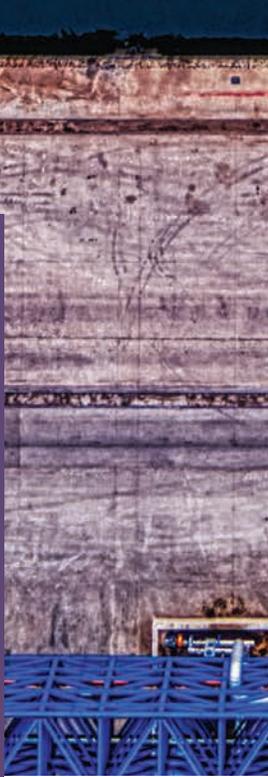


City street scene in Tondo, Manila
© Danilo Pinzon/World Bank



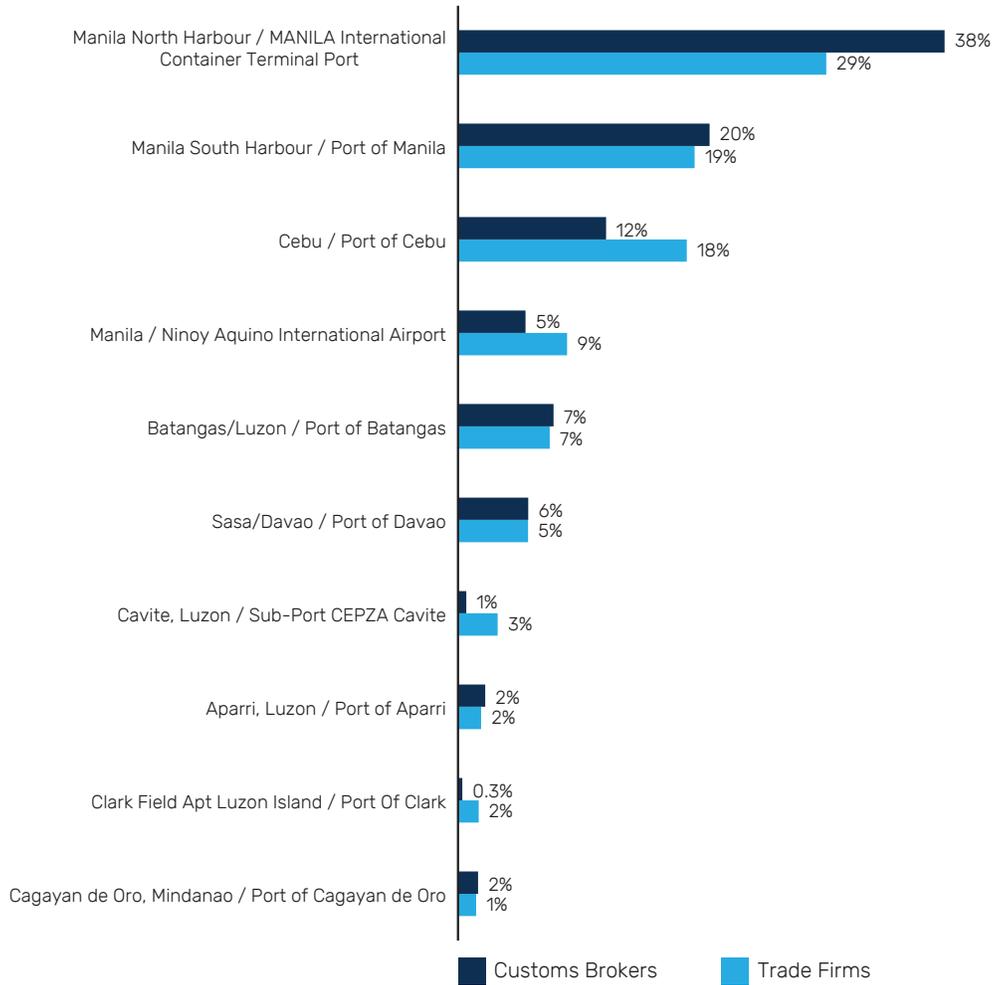
Annex 2

Port Profiles



■ More customs brokers and traders utilize Manila North Harbor and Manila South Harbor than the other ports of entry (see Figure 73).

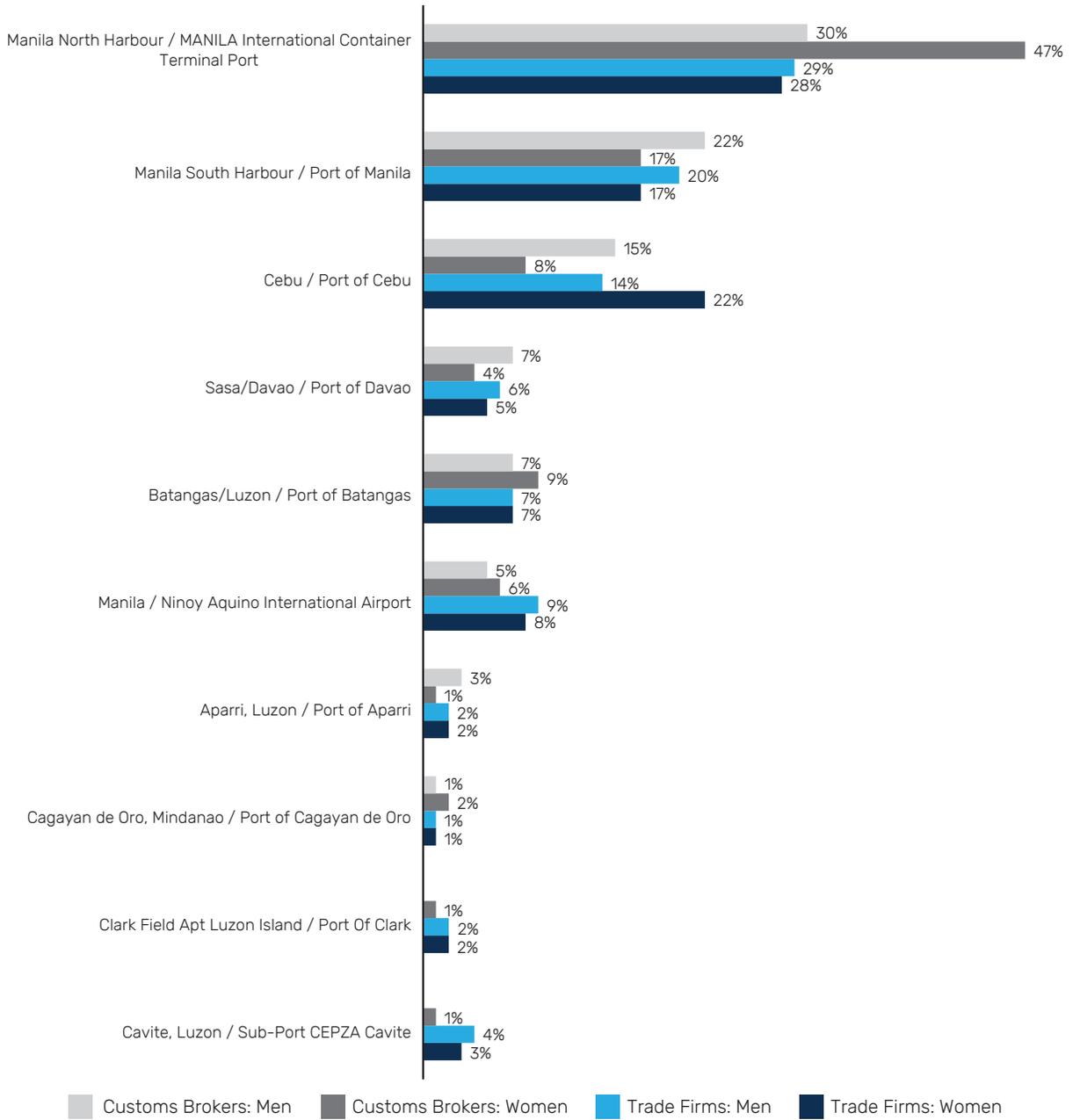
Figure 73. Main Port (Air or Sea) Utilized by Traders and Customs Brokers



Note: Data labels over 1 percent have been rounded to the nearest whole number.

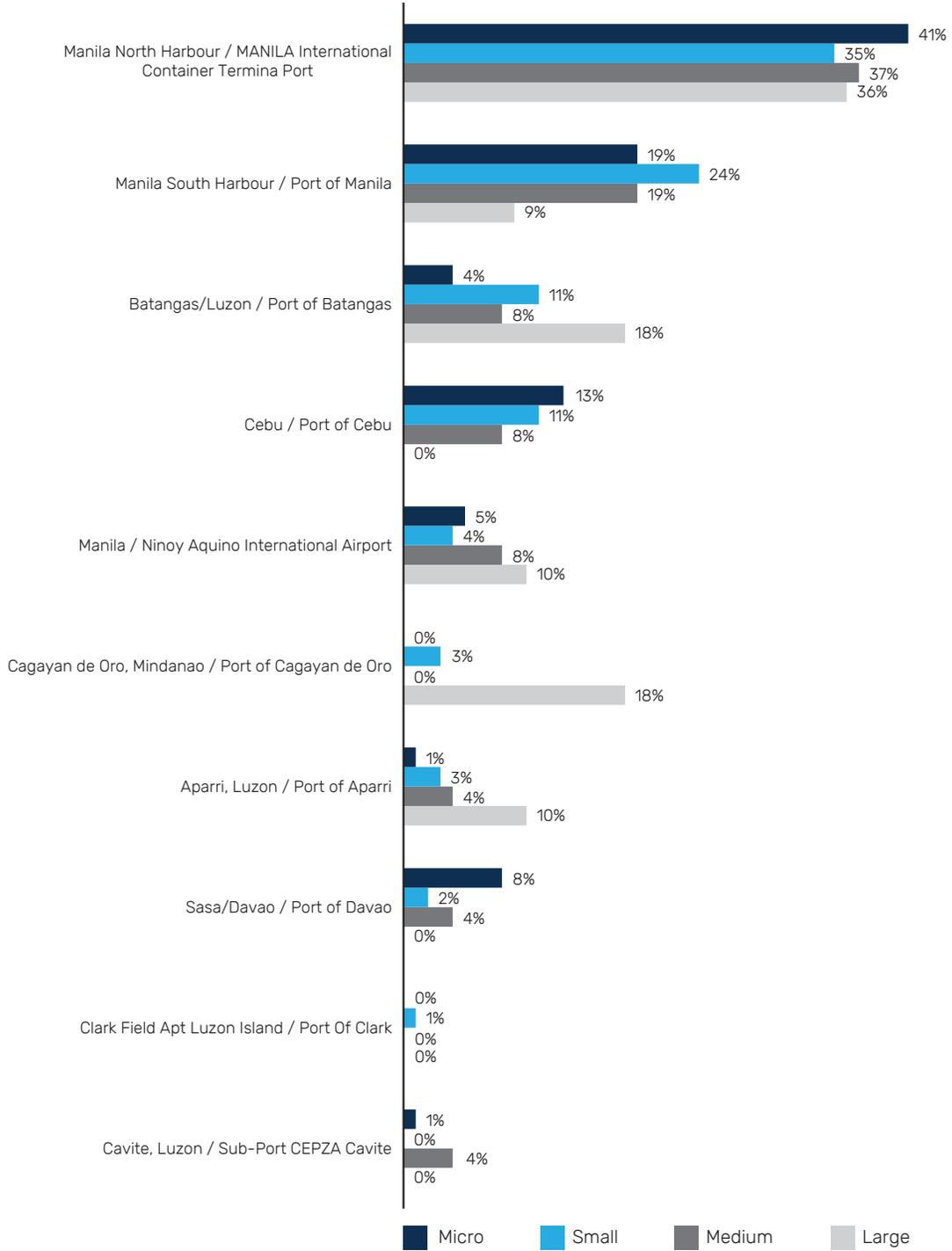
■ **By gender, almost half of the women customs brokers use Manila North Harbor (47 percent)** (see Figure 74).

Figure 74. Main Ports Utilized by Gender



■ Regardless of firm size, the top port used is Manila North Harbor (see Figure 75).

Figure 75. Main Ports Utilized by Firm Size (Customs Brokers)





Woman in Agusan del Sur, Philippines
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