



BUREAU OF CUSTOMS

Annual Report 2022



8 February 2023

BUREAU OF CUSTOMS
Accomplishment Report 2022

I. INTRODUCTION

Guided by President Ferdinand R. Marcos Jr.'s socioeconomic agenda to steer the Philippine economy back to its high-growth trajectory and effect economic transformation, the Bureau of Customs (BOC), as one of the frontliners in revenue collection for the national government, is resolute to the fulfillment of its core function of facilitating trade, combating illicit trade and smuggling, and collecting lawful revenues.

Throughout 2022, the BOC's activities and operations resulted in a number of achievements in the areas of increased trade facilitation, strengthened border control, and improved revenue collection measures. Among these achievements include the surpassing of the annual revenue collection target, mitigating customs fraud, modernizing customs systems, and enhancing trade facilitation and collaboration, among others – which resulted to effective and efficient government service delivery.

These milestones were achieved amidst both pre-existing and new challenges which the Bureau must overcome alongside pressing issues of the ongoing pandemic and its detrimental effect of economic scarring. Nevertheless, the BOC is continuously carrying out its responsibility to give the public the best possible services. In fact, the Bureau is working on establishing mutual recognition agreements and memorandum of understanding with other Customs administrations and government agencies for improved information sharing, enhanced coordinated border management, and streamlined processes aligned with globally recognized standards and best practices.

In line with the Philippine Development Plan 2023-2028, the BOC commits to promote ease of doing business and efficient government service delivery to further facilitate trade and investment in the country.

For the Department of Finance



II. REVENUE COLLECTION PERFORMANCE

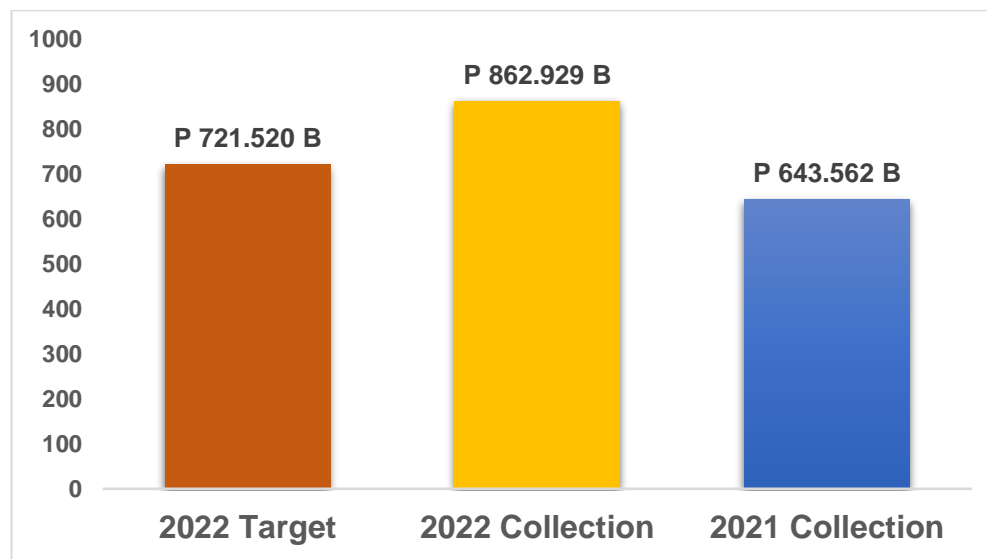
Consistent with its mandate of collecting lawful revenues for the country even amidst the pandemic, the BOC maintained its positive collection performance in 2022, exceeding its annual target for the year and with all its seventeen (17) Collection Districts surpassing their individual revenue collection targets.

A. Total Collection Performance for Calendar Year (CY) 2021 to 2022

Throughout the period of January 1 to December 31, 2022, the BOC posted a total collection of Php 862.929 billion based on a preliminary report, exceeding its Php 721.520 billion target by 19.6 percent. Compared to the Php 643.562 billion collection of 2021, collection grew by 34.09 percent. (Figure 1)

Figure 1. Total Collection Performance (CY 2021 – 2022)

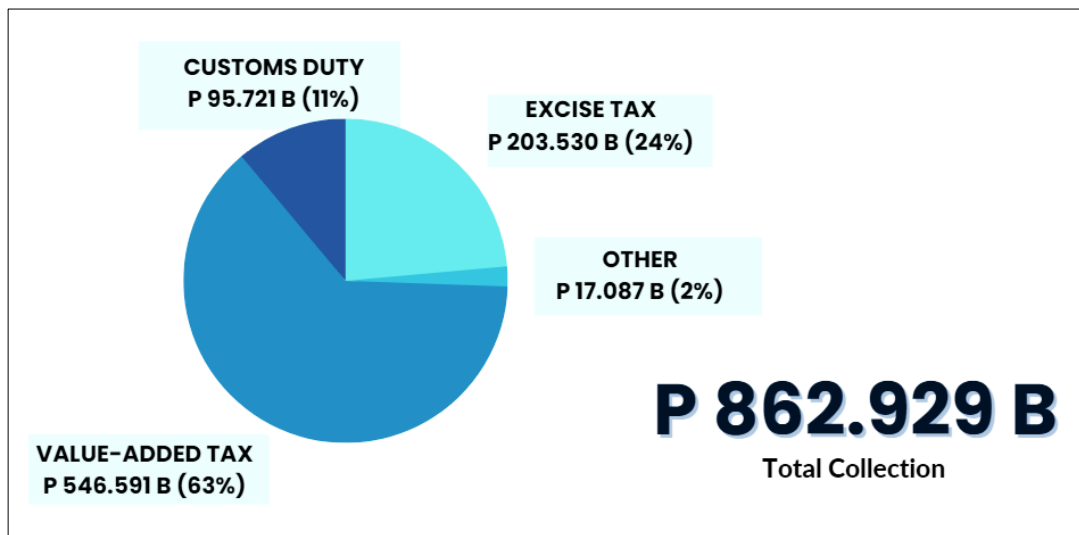
CATEGORY	AMOUNT (in billions Php)			CHANGE IN AMOUNT (in billions Php)		CHANGE IN PERCENT	
	Target 2022	Actual 2022	Actual 2021	VS. 2022 Target	VS. 2021	VS. 2022 DBCC TARGET	VS. 2021
A. Cash Collection	721.520	855.268	641.982	133.748	213.287	18.54%	33.22%
B. Tax Expenditure Fund	-	7.661	1.581	7.661	6.080	-	-
TOTAL COLLECTION	721.520	862.929	643.562	141.409	219.367	19.60%	34.09%



B. Collection by Major Tax Type (CY 2022)

As shown in Figure 2, Value-Added Tax (VAT) accounted for the largest share amounting to Php 546.591 billion or 63 percent, followed by Excise Tax of Php 203.530 billion or 24 percent. While Customs Duty came in third with Php 95.721 billion or 11 percent and other revenues accounted for the Php 17.087 billion or 2 percent of the total revenue collection.

Figure 2. Collection by Major Tax Type (CY 2022)



C. Port Collection Performance (CY 2022)

The BOC's positive performance is the result of the collaborative efforts of the Collection Districts, all of which were able to exceed their respective annual targets. In fact, it was the first time in the Bureau's history that all ports exceeded their annual collection targets.

As shown in Figure 3, Port of Batangas collected the most revenue amounting to Php 204.242 billion, surpassing the initial Php 170.889 billion target by about Php 33.353 billion or by 19.5 percent.

Manila International Container Port (MICP) came in second, collecting Php 201.488 billion and exceeding its initial target of Php 172.789 billion and surpassing it by Php 28.7 billion or 16.6 percent.



Port of Limay was the third highest revenue-generating port, collecting Php 121.846 billion, topping its initial target of Php 106.077 billion. The amount of revenue collected by Port of Limay increased by Php 15.769 billion or 14.9 percent.

Figure 3. Port Collection Performance (January 1 – December 31, 2022)

PORT	Target (in billion PHP)	Actual (in billion PHP)	Deviation		Rank
			Amount	Percentage	
Batangas	170.889	204.242	33.353	19.50%	1
MICP	172.789	201.488	28.7	16.60%	2
Limay	106.077	121.846	15.768	14.90%	3
Port of Manila	67.613	78.091	10.478	15.50%	4
Subic	41.579	48.731	7.152	17.20%	5
Davao	40.172	43.619	3.447	8.60%	6
Cebu	37.843	42.872	5.029	13.30%	7
NAIA	34.227	40.935	6.708	19.60%	8
Cagayan de Oro	35.842	37.415	1.572	4.40%	9
San Fernando	8.195	11.668	3.474	42.40%	10
Zamboanga	10.259	10.746	0.487	4.70%	11
Tacloban	5.214	5.546	0.332	6.40%	12
Iloilo	3.187	5.02	1.832	57.50%	13
Clark	3.004	3.644	0.64	21.30%	14
Aparri	1.215	1.4	0.185	15.30%	15
Legaspi	0.375	0.634	0.259	69.00%	16
Surigao	0.023	0.057	0.034	146.10%	17

III. ANTI-SMUGGLING CAMPAIGN

Smuggling in whatever form inevitably brings about disastrous effects. To address this dilemma and prevent future occurrences, the BOC has implemented several border protection and enforcement measures.

Increased rate of apprehensions can be attributed to the Bureau's implementation of the following policies, programs, and actions in the ongoing campaign against unscrupulous individuals:

1. Active collaboration with all concerned law enforcement agencies in the implementation and enforcement of laws pertaining to all kinds of smuggling;

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2. Immediate cancellation of the BOC accreditation of importer and customs broker for forfeited shipments found to contain smuggled goods;
3. Immediate filing of corresponding administrative and criminal cases against importers and customs brokers found violating Anti-Smuggling laws;
4. Immediate issuing of Pre-Lodgement Control Order (PLCO), Alert Order, Hold Order, and Letter of Authority (LOA) for shipments with derogatory information relative to smuggling;
5. Issuing of Body Worn Cameras to the Bureau's frontliners to ensure transparency in the conduct of customs examination;
6. Installation of Closed-Circuit Televisions (CCTVs) to BOC Law Enforcement offices to secure all seized smuggled goods 24/7;
7. Periodical inspection through Security Survey and Inspection (SSI) of all accredited condemnation facilities to ensure compliance with Bureau's standards for said facilities;
8. Inspection of offices and warehouses of importers and customs brokers who wish to be accredited by the BOC. Those found to be non-existing companies were immediately denied accreditation;
9. Continuing trainings for all Bureau frontliners and law enforcement personnel to keep up to date with the necessary knowledge and skills in combating all kinds of customs frauds;
10. Continuous acquisition of X-ray equipment to enhance detection capabilities through non-intrusive examination;
11. Continuous calibration of selectivity parameters / processes to adapt to the needs of trade facilitation and border control;
12. Adoption of an 8484-hotline program as a channel for accepting complaints and concerns of stakeholders;



13. Establishment of Customs Operation Center (COC) to monitor all examinations of shipments nationwide;
14. Use of Electronic Tracking of Containerized Cargo (e-TRACC) System to trace shipments destined to Freeport Zones to avoid illegal diversion;
15. Acquisition of speedboats to combat shipside smuggling; and
16. Continuous upgrading of intelligence capabilities.

As part of the BOC’s 8-Point Priority Program for 2023, the Bureau will intensify and enhance its anti-drug smuggling campaigns and anti-agricultural smuggling programs as well as ensure effective collaboration with respective regulatory and law enforcement agencies.

A. Total Estimated Market Value of Seized Goods per Commodity Type (CY 2022)

Figure 4 shows the estimated market value of seized goods per type of commodity spanning the period of January 1 to December 31, 2022. The BOC recorded a total apprehension with an estimated value of Php 24.649 billion.

The Bureau has collected the most from seizure cases of illegal drugs with an estimated value of Php 11.953 billion, followed by counterfeit goods valued at Php 7.685 billion, and agricultural products with an estimated value of Php 2.244 billion.

Figure 4. Total Estimated Market Value of Seized Goods per Commodity Type (CY 2022)

SEIZED VARIOUS SMUGGLED GOODS (CY 2022)			
Description	No. of Seizures	Estimated Market Value (Php)	Rank
Illegal Drugs	107	11,953,734,390.91	1
Counterfeit Goods	53	7,685,228,328.53	2
Agricultural Products	156	2,244,345,454.16	3
Cigarettes / Tobacco	190	1,129,454,921.40	4
Used Clothing	20	564,390,000.00	5
General Merchandise	24	409,781,308.16	6
Fuel / Oil	25	160,454,516.83	7

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Vehicles and Accessories	20	154,448,970.57	8
PPE, Medical Supplies, Cosmetics	36	94,307,262.67	9
Jewelry	3	84,003,323.46	10
Other Products	43	61,425,796.32	11
Currency	2	44,800,000.00	12
Electronics	17	36,547,553.24	13
Food Stuff	6	14,832,406.78	14
Chemicals	10	8,910,293.09	15
Firearms	7	3,080,121.20	16
Wildlife & Natural Resources	10	110,573.00	17
TOTAL	729	24,649,855,220.32	

B. Total Estimated Market Value of Seized Illegal Drugs

In 2022, the BOC conducted 107 drug bust operations, resulting in the seizure of more than Php 11.953 billion estimated worth of various illegal drugs. Thirty-three (33) personalities were also arrested and turned over to the Philippine Drug Enforcement Agency (PDEA).

The Bureau has been successful in preventing the smuggling and spread of dangerous substances as evidenced by the significant increase in the value of illegal drugs that have been apprehended.

Figure 5. Total Estimated Market Value of Seized Illegal Drugs (2021-2022)

Period	Estimated Market Value of Seized Illegal Drugs (in Php)
CY 2021	230,262,961.00
CY 2022	11,953,734,390.91

C. Breakdown of the Estimated Market Value of Seized Illegal Drugs

Figure 6 demonstrates the breakdown of illegal drug seizures from the period of January 1 to December 31, 2022, with estimated market value. Shabu ranks first amounting to an estimated market value of Php 11.845 billion or 99.09 percent of seized illegal substances. It is followed by cocaine, with an estimated value of Php 44.51 million or 0.37 percent, and ecstasy, with an estimated value of Php 38.66 or 0.32 percent.



To prevent the entry of illegal narcotics into the country, the BOC has increased its anti-drug interdiction activities in seaports and airports in collaboration with PDEA.

Figure 6. Breakdown of the Estimated Market Value of Seized Illegal Drugs

SEIZED ILLEGAL DRUGS (CY 2022)			
Illegal Drugs	No. of Seizures	Estimated Market Value (in Php)	Rank
Shabu	29	11,845,427,600.00	1
Cocaine	4	44,518,500.00	2
Ecstasy	13	38,666,200.00	3
Ketamine	8	11,656,927.50	4
Marijuana	27	11,198,256.79	5
Liquid Marijuana	10	1,647,359.12	6
Diazepam	11	618,236.50	7
Unlabeled	1	1,311.00	8
Zolpidem	3	N/A	9
Alprazolam	1	N/A	10
TOTAL	107	11,953,734,390.91	

D. Total Estimated Market Value of Seized Agricultural Products

The BOC upholds its responsibility to safeguard farmers by preventing unlawful importation of agricultural products, which may substantially impact the productivity, supply availability, price stability, and food security in the country. In accordance to its mandate, the Bureau commits to exert vigorous effort to avoid future agricultural commodity smuggling through vigilant and preventive actions.

As presented in Figure 7, the BOC conducted 156 seizures of agricultural products valued at Php 2.244 billion in 2022. In the previous year, the BOC seized an estimated Php 1.227 billion worth of agricultural products. The increase of value in the seized goods by 82.83 percent reflects the Bureau's increased border security efforts against agricultural smuggling through enhanced intelligence and enforcement operations, as well as strengthened collaboration with the Department of Agriculture (DA).

For the Department of Finance

Figure 7. Total Estimated Market Value of Seized Agricultural Products

Period	Estimated Market Value of Seized Agricultural Products (Php)
CY 2021	1,227,574,145.65
CY 2022	2,244,293,699.80

E. Breakdown of Estimated Market Value of Seized Agricultural Products

Figure 8 shows the estimated value, number of cases, and number of containers of agricultural items seized from January 1 to December 31, 2022. According to data, onion has the greatest estimated market value at Php 763.51 million or 34.02 percent, followed by assorted agricultural items (such as frozen meat, meat products, fish products, assorted fruits, and vegetables) at Php 572.47 million or 25.51 percent, and sugar at Php 313.45 million or 13.97 percent.

Figure 8. Breakdown of Estimated Market Value of Seized Agricultural Product

Description	SUMMARY (January – December 2022)			
	No. of Cases	Estimated Value (Php)	No. of Containers	Rank
Onions	54	763,513,138.36	88	1
Assorted (Frozen meat, meat products, Fish products, Assorted Fruits and Vegetables)	34	572,471,501.34	37	2
Sugar	5	313,454,700.00	86	3
Poultry/Chicken	23	260,484,273.32	23	4
Pork	17	159,372,251.43	15	5
Seafood	9	133,462,180.00	15	6
Lamb/ Buffalo	2	21,720,000.00	2	7
Carrots	6	19,048,532.04	8	8
Coffee	1	766,373.31	1	9
Rice	1	750.00	N/A	10
TOTAL	156	2,244,293,699.80	275	

F. Summary of Cases Filed by BOC Action Team Against Smugglers

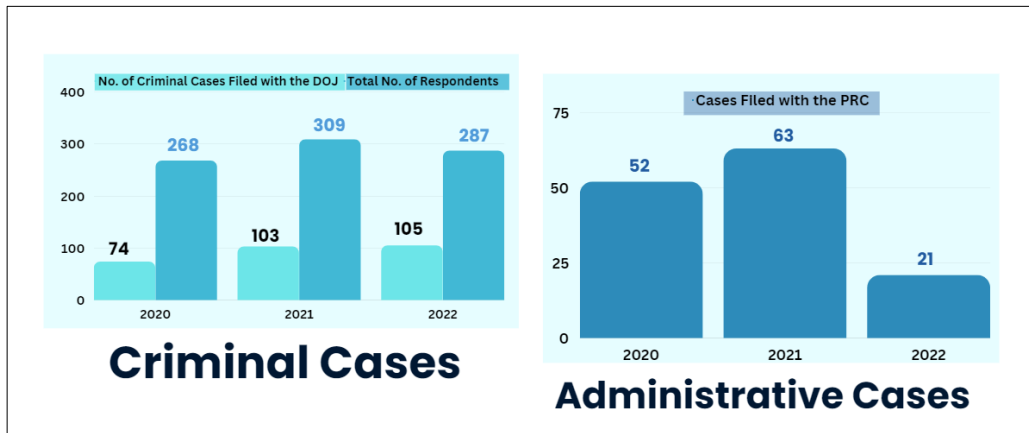
The BOC Action Team Against Smugglers (BATAS) case summary highlighted an increase in criminal cases filed with the Department of Justice (DOJ).

As shown in Figure 9, criminal cases filed in 2021 increased to 105 filed cases or by 1.94 percent from the previous year.

A significant decrease of 66.67 percent has been observed in the number of cases filed with the Professional Regulation Commission (PRC), from 63 cases for 2021 to 21 cases for 2022.

The huge decrease in cases filed with the PRC and the less than 2 percent spike in criminal cases is a result of the Bureau's enhanced transparency and improvement of compliance programs.

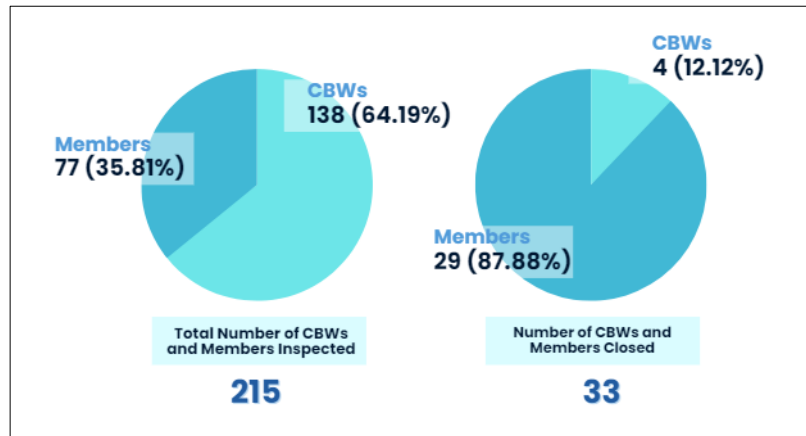
Figure 9. Criminal and Administrative Cases Filed by BOC BATAS (January 1 – December 31, 2022)



G. Warehouse Inspection

Consistent with the Bureau's border security measures, the BOC inspected 215 Customs Bonded Warehouses (CBWs) and CBW members in 2022, 33 of which were closed for non-compliance. (Figure 10)

Figure 10. Warehouse Inspection Report (CY 2022)

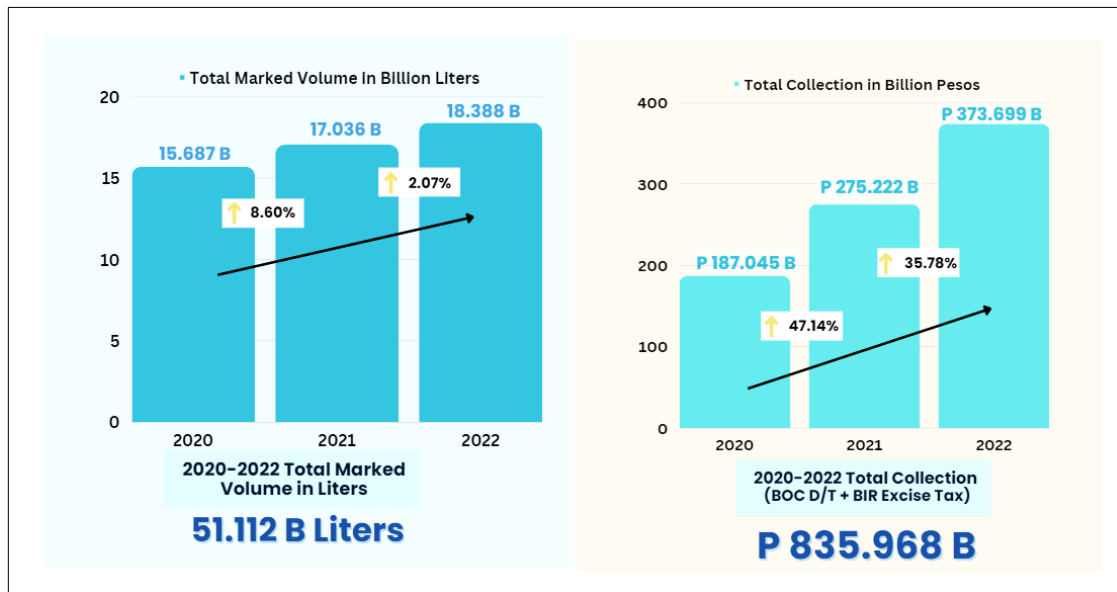


H. Fuel Marking Program

As shown in Figure 11, a total of 51.112 billion liters of fuel were marked from 1 January 2020 to 31 December 2022.

The Bureau’s revenue collection for the fuel marking program in 2022 was recorded at Php 373.699 billion representing an increase of 35.78 percent compared to the collection in year 2021 which amounted to Php 275.222 billion.

Figure 11. Total Marked Volume and Collection for the Fuel Marking Program (2020–2022)



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I. Other Border Protection Initiatives

At present, the Bureau of Customs is continuously strengthening its border protection initiatives and programs through the conduct of various enforcement trainings for key BOC personnel. With the right tools, the bureau's workforce will be able to perform to their utmost capacity. For such reason, the BOC has procured and will continue to purchase additional enforcement equipment to increase the effectiveness of its operations.

Among these are the portable trace detection systems that can detect explosives, narcotics, and drug substances; portable radios for emergency responses and enforcement operations; inspection camera laser liners for the inspection of obstructed or hard-to-reach spaces during the conduct of examination; and personal alarm dosimeter which ensures the safety of BOC personnel against radiation and radioactive devices.

To strengthen risk management capabilities, anti-drug and anti-smuggling campaigns, the BOC continues to improve its collaboration with other customs administrations and border protection organizations, including the Australian Border Force (ABF), United Nations Office on Drugs and Crime (UNODC), US Defense Threat Reduction Agency (US-DTRA), PDEA, and the Department of Trade and Industry (DTI)-Strategic Trade Management Office (STMO).

V. Trade Facilitation and Collaboration

From the third-to-fourth quarter of 2022, seven digitalization programs of the Bureau were put into place successfully. These systems assisted the BOC by speeding up the clearance of goods and ensuring that the border is protected from illicit traders.

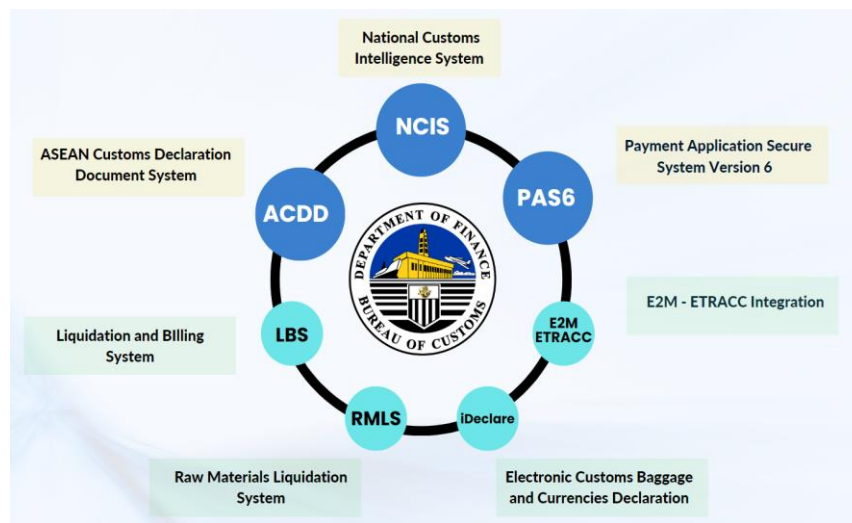
These include, among others, the Liquidation and Billing System, Raw Materials Liquidation System, iDeclare System, and the E2M-ETRACC integration.

These digitalization programs are imperative to enhance transparency and reliability, improve tax compliance, and boost administrative efficiency. The Bureau also successfully cascaded three more systems such as the ASEAN Customs Declaration Document System (ACDD), National Customs Intelligence System (NCIS), and Payment Application Secure 6 (PAS6).

The road to digital customs will help achieve a more efficient and effective tax administration by providing a conducive Customs environment aligned with international standards and best practices.

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Figure 11. BOC Implemented Digitalization Systems (CY 2022)



In the Bureau's bid to position itself in becoming among the world's best customs administration, the BOC puts extra priority to establishing bilateral and multilateral relationships through various international engagements.

For instance, the Philippines is expected to exchange the Electronic Phytosanitary (e-Phyto) certificates with ASEAN Members using the BOC e-Phyto Management Portal, which has access to the e-Phyto certificates issued by DA-Bureau of Plant Industry (BPI), the country's official National Plant Protection Organization (NPPO), as well as those issued by the respective NPPOs of exporting countries. E-Phyto has an enormous potential for facilitating trade and seeks to modernize the phytosanitary certification procedure. Beyond cost savings, e-Phyto also provides governments and traders with added benefits such as reducing fraud, boosting transparency, savings on time and resources, and ensuring equal access.

Moreover, the signed Mutual Recognition Arrangement (MRA) between the BOC and the General Administration of Customs of the People's Republic of China (GACC) on the Authorized Economic Operator (AEO) Program serves as a platform between both countries to provide additional benefits for their accredited members through international recognition.

Additionally, the BOC, in partnership with the U.S. Agency for International Development (USAID) ASEAN Policy Implementation (API) Project, is aiming to link the country's National Single Window to the ASEAN Single Window. Through the implementation of

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the ACDD, the BOC's risk management protocol will be bolstered through the exchange of Export Declaration Information among ASEAN Member States.

In accordance with the 'Accelerate Trade Facilitation Programme', the World Customs Organization (WCO) has also been steadfast in providing technical assistance and capacity building to the BOC. The program will concentrate on strengthening the Philippines' responsiveness to future crises, furthering the digitalization of trade procedures, and targeting trade-related bottlenecks by closely coaching the Trade Facilitation Committees of beneficiary countries.

VI. Strategy Map 2023-2028

Beginning 2023, the Bureau of Customs has set a new Vision to become a modernized and credible Customs administration that upholds good governance and is among the world's best.

In support of this Vision, the institution commits itself to enhance trade facilitation, strengthen border control, and improve collection of lawful revenues, guided by the principles of Professionalism, Excellence, Integrity, and Accountability.

By 2025, the BOC is positioning itself to be among the top three customs administrations in the ASEAN region.

In line with the President's 8-Point Socioeconomic Agenda, the BOC set its 8-Point Priority Programs for 2023 as follows:

1. Intensify anti-drug smuggling program;
2. Enhance anti-agricultural smuggling program;
3. Strengthen mechanisms to prevent gun smuggling;
4. Sustain good governance and integrity program;
5. Improve morale and welfare program;
6. Advance customs digitalization program;
7. Enhance streamlining of clearance of goods and reduce trade barriers; and
8. Improve stakeholder engagement and inter-agency cooperation.

By aligning the agency's priority programs with the President's mandates, the BOC is expected to significantly contribute to steer the economy back to a high-growth path.

For the Department of Finance



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