**INTERVIEW QUESTIONS AND ANSWERS**

**TOPIC #1: ANTI-SMUGGLING EFFORTS**

**QUESTION: ASSESSMENT OF THE COUNTRY'S CURRENT SMUGGLING SITUATION**

Smuggling in the Philippines is one of the perennial problems that the government faces. However, as the principal agency tasked to prevent smuggling in the Philippines, the Bureau of Customs is in constant cooperation with other Law Enforcement Agencies and Regulating Agencies (PDEA, AFP, PCG, PNP, DA, DTI, FDA, etc.) in preventing such cases.  As evidence of this cooperation, the Bureau of Customs effected six hundred two (654) seizures, amounting to PHP 30,194,051,686.81 from 01 January to 25 July 2023.

**QUESTION: FACTORS THAT CAUSE SMUGGLING TO CONTINUE FROM PAST ADMINISTRATIONS UP TO PRESENT**

The following factors contribute to the persisting smuggling problem in the Philippines.

1. **HIGH DEMAND AND HIGH-PROFIT MARGIN FOR A CERTAIN PRODUCT:**

Smugglers usually monitor the market and the consumers' attitude to check on the products that are high in demand but also cheap in other countries that they can bring into the Philippines, bringing them higher earnings/profit margin.

1. **VAST MARITIME JURISDICTION:**

The Philippines’ archipelagic nature undoubtedly gave numerous blessings to the nation. However, the **porous geographical characteristic**, including the more than **36,000-kilometer unguarded coastline** of the country, has also made it vulnerable to various security threats, including smuggling.

Protecting the porous Philippine border is not the sole mandate of the BOC. It is shared with other Law Enforcement agencies such as the AFP, PNP, PCG, PDEA, etc.

1. **LIMITED MANPOWER AND EQUIPMENT OF LAW ENFORCEMENT AND REGULATORY AGENCIES:**

Law Enforcement and Regulatory Agencies, like the Bureau of Customs, need more workforce and equipment to properly implement and protect the Philippine border. However, in recent years, no less than the President of the Philippines has called for an increase in the recruitment of government offices to replace retiring personnel. In the BOC, part of the priority program of Commissioner Bienvenido Rubio is to not only hire new personnel to man BOC border offices but also to continue the training of BOC frontline officers. Further, BOC is looking for new and modern scanning equipment that can be deployed in all ports of entry.

**QUESTION: USUAL OBJECTS BEING SMUGGLED INTO THE PHILIPPINES; TOP COUNTRY SOURCES OF SMUGGLED OBJECTS**

Based on seizures during the period from January to July, the top 5 seized commodities in terms of value are Counterfeit Goods with a total value of PHP 21,747,753,733.49, followed by Agricultural products at PHP 2,900,073,821.17; Tobacco products at PHP 1,889,862,788.40; Illegal Drugs at 1,241,534,939.35; and General Merchandise at PHP 963,131,571.86.

In addition, the top 5 seized commodities in terms of quantity are Counterfeit Goods with 220 seizures; Cigarettes/Tobacco with 152 seizures; Agricultural Products with 123 seizures; Illegal Drugs with 60 seizures; and Jewelry with 23 Seizures.

**QUESTION: YEARLY VALUE/WORTH OF ITEMS SMUGGLED INTO THE COUNTRY**

The Data on the table below shows the value of seized smuggled goods into the country from 2019 up to January to July 2023:

| **YEAR** | **NUMBER OF APPREHENSIONS** | **ESTIMATED VALUE OF SEIZED GOODS (PHP)** | **PHP VALUE**  **(Billions)** |
| --- | --- | --- | --- |
| 2019 | 613 | 20,605,521,886.65 | 20.6B |
| 2020 | 997 | 10,629,225,145.59 | 10.6B |
| 2021 | 1,006 | 28,426,794,198.69 | 28.4B |
| 2022 | 729 | 24,649,855,220.32 | 24.6B |
| 2023  (Jan to 25 July 2023) | 654 | 30,194,051,686.81 | 30.1B |

**QUESTION: THE COMMISSIONER'S GAMEPLAN TO EFFECTIVELY END SMUGGLING (TIGHTER CONTROLS? DIGITALIZATION?)**

In March 2023, Commissioner Bienvenido Rubio presented his 5 Point Priority Programs (PPP), representing our commitment to improving efficiency, upgrading systems and processes, and promoting integrity and professionalism in the Bureau. The details of the 5PPP are as follows:

1. **DIGITALIZE CUSTOMS PROCESSES;**

The Bureau of Customs has made significant efforts to modernize its systems and streamline its operations through digital technology. Our objective is to increase the productivity and efficiency of customs transactions and services while reducing human intervention in our processes.

To promote data-driven decision-making, we have implemented measures to identify significant priority areas in our processes and systems that require attention, categorize potential risks, and assess strategies to prevent or mitigate them.

1. **HIT AND SURPASS THE TARGET;**

The Bureau recognizes its crucial role in revenue collection to support various programs and projects of the Philippine government. To achieve our revenue collection target, we have implemented multiple measures, such as the proper implementation of rules of valuation and classification, audits of personnel to ensure proper valuation and liquidation of all ports, regular consultations with stakeholders to ensure communication and compliance, and consistent monitoring of unpaid duties and taxes with timely remittance of collections.

1. **SIMPLIFY PROCEDURES AND FACILITATE SECURE TRADE;**

We believe that simplified procedures facilitate the movement of goods and enable more effective use of resources, benefiting both Customs and the trading community. To achieve this, the Bureau is spearheading the National Time Release Study, a globally recognized tool to measure Customs performance, with other regulatory agencies and private sectors.

Additionally, as a champion of trade facilitation measures, the Bureau is committed to ensuring the Philippines' compliance with the World Trade Organization Trade Facilitation Agreement (WTO-TFA) through our ongoing WCO Mercator Program. We have also launched the AEO Program, accrediting three companies as part of the Philippines' commitment to the WCO SAFE Framework of Standards to Secure and Facilitate Trade.

Moreover, the Bureau has provided guidelines for the ASEAN Customs Declaration Document (ACDD) as part of its commitment to implementing the ASEAN Single Window (ASW) Agreement.

1. **CURB SMUGGLING IN ALL FORMS; AND**

The Bureau of Customs is committed to curbing smuggling in response to the President's call. In the first semester of 2023, our heightened intelligence and enforcement operations have prevented the potential entry of PHP 23.85 billion worth of smuggled goods.

To strengthen border security and curb smuggling, the Bureau plans to intensify collaboration, joint operations, and information sharing with local and international law enforcement and regulatory agencies. We will also enhance pre-arrival and post-arrival technical targeting and fraud detection on imported goods, procure additional equipment, and provide capacity building to advance intelligence and enforcement capabilities.

1. **UPLIFT EMPLOYEE WELFARE AND DEVELOPMENT**

While the Bureau has put significant effort into building an organization structured with modernized and efficient systems and processes, Commissioner Rubio has always emphasized that the men and women of BOC remain its most significant foundation. The Commissioner prioritizes promoting a culture of professionalism, meritocracy, empowerment, and motivation among its ranks, which has a positive impact on overall organizational performance.

Highlighting the value of BOC human resource and their morale and welfare, the BOC, through its Internal Administration Group, has implemented initiatives and achieved breakthroughs in the areas of recruitment, selection, and placement; learning and development; and rewards and recognition with strict adherence to applicable rules and regulations established by the CSC and other relevant government authorities.

Lastly, to ensure that this priority program that focuses on our people is realized, the Bureau commits to continue what has been started and envisions an organization that:

a. shapes a well-being ecosystem in a Customs environment through effective leadership;

b. leverages ICT towards work and workplace innovation;

c. builds staff and organizational resilience;

d. promotes diversity, inclusion, and integrity; and

e. puts high value on its people – recognizing their contribution to achieving organizational outcomes.

**QUESTION: HOW OTHER GOV'T AGENCIES CAN HELP BOC CRACK DOWN ON SMUGGLING**

The BOC is in constant collaboration with all concerned Law Enforcement (NBI, PDEA, PCG, AFP, and PNP) Agencies (LEA) and Regulating Agencies (RA) (FDA, DENR, DTI - BPS, DA-NMIS, DA-BFAR, DA-BPI, SRA, DSWD, PNP - FEO and OMB,) in the implementation and enforcement of laws about all kinds of smuggling.

Further, BOC regularly attends meetings with other LEAs and RAs wherein information and intelligence are being shared.

*(Data source: BOC Intelligence Group)*

**TOPIC #2: REVENUE COLLECTION PERFORMANCE**

The Bureau of Customs is happy that the President has recognized our revenue collection performance in his latest State of the Nation Address (SONA).

From January to June 2023, the BOC surpassed its revenue collection target of Php420.664 billion, recording a total collection of Php433.433 billion, surpassing the target by 3.04% or Php12.768 billion.

This achievement can be attributed to the agency’s improved system of determining customs’ value, leading to a higher rate of assessment. Likewise, the BOC generated an additional Php1.257 billion in revenue from audit findings and Prior Disclosure Program applications during the same period.

Furthermore, the BOC collected an additional Php29.718 million from Public Auctions conducted in the Ports of Manila, Davao, and Manila International Container Port.

*(Data source: BOC Financial Service)*