# Bureau of Customs’ transformation

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President Marcos was all praises for the Bureau of Customs (BOC) when he graced the agency’s 123rd anniversary celebration last week. It may come as a big surprise to many, considering the BOC’s tarnished image in the past as a hotbed of corruption. Sadly, this negative perception remains in the minds of many despite the significant gains achieved by the BOC in the past few years.

For instance, the President lauded the agency for collecting P931.05 billion in 2024. Although short of the P939.7-billion goal for the year, it was the highest in the agency’s history and was P40 billion more than the P890.45 billion collected in 2023. To give context as to how valuable this amount is, Mr. Marcos said in his speech at the BOC event: “The 2024 collections can fund more than 7,500 train cars, more than 18,600,000 laptops, around 62,000,000 tablets for our schoolchildren, or roughly 7,750,000 scholarships for our university students.”

The Chief Executive also complimented the agency’s work in safeguarding the country’s borders against smugglers, citing the BOC’s seizure of more than P85 billion in smuggled goods in 2024, or nearly double the P43 billion in the previous year.

He also pointed to the BOC’s involvement against agricultural smuggling to protect farmers from illegal products that swamp the market, noting the seizure of 21 containers of frozen mackerel worth more than P178 million, which were turned over to the Department of Agriculture and later distributed to 150,000 families in various communities and care facilities.

## Modernization project

The Chief Executive likewise noted that the BOC removed the accreditation of 56 importers and customs brokers as part of its campaign against illegal and questionable activities of importers and customs brokers, adding that 45 criminal complaints were filed against offenders, of which 18 were convicted and three BOC employees dismissed due to misconduct or inefficiency. In a statement last month, the bureau said 120 of its employees were investigated for alleged corruption from 2023 to 2024.

Much of the BOC’s success is due to the computerization of its operations, a project that unscrupulous individuals from within and outside the agency had opposed for decades. Central to this is the World Bank-initiated $104.38-million Philippine Customs Modernization Project (PCMP) launched in 2021, of which $88.28 million will be funded through the multilateral agency’s official development assistance and the balance by the government. After much delay, the contract for the consulting firms that will assist in all aspects of the execution and implementation of the PCMP was finally awarded in November 2023 to the joint venture of Emerging Markets International S.A. of Belgium and Spain’s Instituto de la Calidad S.A. (Quality Institute).

## Ambitious goal

The award sparked the implementation of the PCMP, which seeks to introduce a single and unified system that combines all the key elements and customs procedures through a streamlined and automated world-class customs processing system. Its immediate fruits did not escape the President, who noted in his speech: “Since the beginning of this administration, the BOC has relentlessly pursued its commitment to enhancing trade facilitation. As of December last year, we achieved a 96.99-percent digitalization rate.” This is very important in that by digitalizing 161 out of 166 customs processes, the BOC was able to close the gaps that provided an avenue of corruption.

This computerization process needs to be pursued in earnest this year considering that the BOC is tasked with an ambitious goal of generating P1.06 trillion in 2025. The agency is setting its sights on what Customs Commissioner Bienvenido Rubio refers to as a “transformative 2025,” anchored on its 5-Point Priority Program aimed at driving efficiency, boosting revenues, and safeguarding trade.

## Porous borders

Central to the program is the digitalization of customs processes and Rubio vowed that the BOC will fully automate its systems this year to enhance operational efficiency and transparency while minimizing corruption risks.

In his annual dialogue with BOC personnel last Jan. 6, Rubio said the BOC will continue to streamline processes to align these with international best practices and make it easier for businesses to comply with customs regulations. Curbing smuggling remains a critical priority for the bureau, he added. Recognizing the workforce as the organization’s backbone, Rubio noted that the bureau will ensure better conditions—and possibly incentives—for its personnel.

It’s still a long way to totally eradicate corruption in the trade of goods, which will need the involvement of many other agencies given the persistent smuggling problem due to the country’s porous borders as an archipelago. But given its accomplishments in the past few years, the BOC may be finally shedding its dreary image as a hub of corruption. A very rare transformation in the process indeed.