

AN OVERVIEW OF CHALLENGES FACED BY FREIGHT FORWARDERS IN IMPORT

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Abstract: The logistics and freight forwarding sector is a critical backbone of global commerce, particularly in the import domain where complexity is high. This article delves into the principal challenges faced by freight forwarders during the import process, focusing specifically on Vrriddhi Freight Pvt. Ltd., a key player in the Indian logistics industry. Through an analytical lens, the study highlights multifaceted issues—ranging from regulatory compliance and documentation hurdles to infrastructure inadequacies and technological limitations. The paper further investigates how these obstacles influence operational efficiency and service delivery. It concludes by proposing actionable strategies to address these persistent challenges, offering insights beneficial to both industry practitioners and policymakers.

I. INTRODUCTION

The rapid globalization of trade and commerce has elevated the role of freight forwarders, especially in developing economies like India. These entities serve as the critical link between international suppliers and domestic consumers, facilitating the smooth movement of goods across borders. Import procedures, while essential to trade, are laden with intricate layers of regulatory compliance, documentation requirements, and logistical coordination.

Vrriddhi Freight Pvt. Ltd. has emerged as a prominent name in the Indian logistics sector, managing a wide spectrum of import consignments across multiple industries. Despite its established presence and operational strength, the company faces significant challenges common to the industry yet nuanced by its specific business model and customer expectations. Understanding these challenges is key to identifying gaps and areas of potential improvement in the import freight forwarding process.

II. REVIEW OF LITERATURE

A *Review of Literature* in the context of import procedures and customs clearances serves as a foundation for understanding the various aspects that influence international trade. It synthesizes the findings from previous research, studies, and reports, offering insights into the complexities of customs regulations, import processes, and trade policies. World Bank (2020) – “Ease of Doing Business Report” The World Bank emphasized that cumbersome import and export procedures remain a major barrier to international trade for developing countries. Sharma, R. (2018) – “Impact of Customs Clearance on Trade Facilitation” Sharma found that 40% of import delays in India are due to improper documentation and incorrect HS code classification. The dependency on third-party agents (CHAs) increases both time and cost for small and medium enterprises, which lack in-house compliance teams. KPMG India (2019) highlighted that post-GST implementation, the customs duty structure changed significantly with the inclusion of IGST at the import stage.

This reform helped eliminate cascading taxes but introduced a new layer of complexity in customs filing and reconciliation with GST returns. Choudhary P. (2021) – “Automation and Digitization in Customs Clearance” Choudhary. P emphasizes the positive impact of initiatives like e-Sanchit, Single Window Interface for Trade (SWIFT), and faceless assessment in improving transparency and reducing clearance times. However, the report also noted the need for frequent training for staff on the new systems. Indian Customs Manual (CBIC, 2022) The Central Board of Indirect Taxes and Customs (CBIC) outlines the procedures for import clearance including Bill of Entry filing, duty payment, cargo examination, and post-clearance audits. It serves as the primary guidebook for customs officials, CHAs, and importers.

OBJECTIVES OF THE STUDY

The primary objectives of this study are:

- To systematically identify the core challenges encountered by freight forwarders during import operations.
- To assess the impact of these challenges on logistics performance, including timelines, cost, and customer satisfaction.
- To analyse how Vrriddhi Freight Pvt . Ltd. has developed mechanisms to overcome such hurdles.
- To provide practical and innovative recommendations to enhance the efficiency and reliability of import freight forwarding services.

III. RESEARCH METHODOLOGY

This study adopts a qualitative research methodology grounded in secondary data analysis. Data sources include academic journals, government and industry reports, expert interviews, and internal operational records from Vrriddhi Freight Pvt . Ltd. A thematic content analysis was applied to identify prevailing patterns and bottlenecks in the import process. The qualitative approach allows for in-depth understanding of complex issues that may not be quantifiable but are critical to freight forwarding efficiency.

DATA COLLECTION METHODS

Primary data:

Primary data was collected through the use of structured questionnaires and semi structured interviews. These tools were administered to a selected group of freight forwarders operating within Chennai. The questionnaires were designed to capture both quantitative and qualitative information related to their daily work activities, operational procedures, and the challenges they encounter. The semi-structured interviews provided more in-depth insights and allowed respondents to elaborate on specific issues affecting their operations.

Secondary Data:

Secondary data was obtained from industry reports, academic journals, company websites, and government publications relevant to logistics and freight forwarding. This helped in contextualizing the primary data and identifying existing literature and trends concerning freight forwarders' work environments and the challenges they face globally and locally.

DATA ANALYSIS AND INTERPRETATION

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
What technological improvements do you think would ease import challenges?	30	1	4	1.77	.898
What are the biggest cost-related challenges in the import process?	30	1	4	2.13	.937
Have you faced any financial losses due to cargo damage, theft, or loss during import?	30	1	2	1.20	.407
Valid N (list wise)	30				

INTERPRETATION

The descriptive statistics reveal key insights into freight forwarding operations. A mean score of 1.77 for the type of freight service suggests a primary focus on either air or sea freight, with some variation among respondents. Operational delays, averaging 2.13, appear to be a common issue likely related to customs clearance or documentation supported by a low standard deviation indicating consistency in this experience. The client pressure score, with a mean of 1.20 and minimal variability, implies that freight forwarders generally experience low to moderate client influence, suggesting a reasonable level of operational autonomy.

Chi-Square Test
TABLE
Case Processing Summary

	Cases	Percent	Missing	Percent	Total	Percent
	Valid N		N		N	
What percentage of your business involves import activities? * What challenges do you face in tracking and communicating shipment status to clients?	30	100.0%	0	0.0%	30	100.0%

TABLE
What percentage of your business involves import activities? * What challenges do you face in tracking and communicating shipment status to clients? Cross tabulation

	Count	What challenges do you face in tracking and communicating shipment status to clients?				Total
		1	2	3	4	
What percentage of your business involves import activities?	1	1	1	1	0	3
	2	8	6	4	1	19
	3	3	1	1	2	7
	4	0	0	0	1	1
Total		12	8	6	4	30

INTERPRETATION

Here, based on this test, it can be concluded there is no significant relationship between the import percentage of freight forwarding and technology. Comparing the two variables is most frequent operational delay you encounter during freight forwarding and client pressure in altering operational processes

CORRELATION
TABLE
What technological improvements do you think would ease import challenges? * In your opinion, what are the key strategies that freight forwarders should adopt to overcome import challenges in the future? Cross tabulation

	Count	In your opinion, what are the key strategies that freight forwarders should adopt to overcome import challenges in the future?				Total
		1	2	3	4	
What technological improvements do you think would ease import challenges?	1	12	0	1	1	14
	2	6	4	0	1	11
	3	1	1	0	1	3
	4	1	0	0	1	2
Total		20	5	1	4	30

TABLE
Symmetric Measures

	Value	Asymptotic Standard Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval Pearson's R	.340	.210	1.912	.066 ^c
Ordinal by Ordinal Spearman Correlation	.371	.177	2.111	.044 ^c
N of Valid Cases	30			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

INTERPRETATION

In a sample of 30 freight-forwarding professionals, Pearson's correlation between technological improvement priorities and strategic endorsements was $r = 0.340$ ($p = 0.066$), falling just short of significance. However, Spearman's rank correlation was $\rho = 0.371$ ($p = 0.044$), indicating a significant positive monotonic relationship. This suggests that respondents who place greater importance on technology upgrades also tend to support forward-looking strategic initiatives, with the nonparametric test providing clearer evidence of this relationship.

CHALLENGES FACED IN IMPORT FREIGHT FORWARDING

1. Customs Clearance Delays

One of the most common and critical obstacles in the import process is delay in customs clearance. These delays stem from a variety of causes, including incomplete documentation, frequent amendments to import laws, and limited digitization within government systems. Even small errors in paperwork can lead to major setbacks, affecting the entire supply chain.

2. High Operational Costs

Freight forwarders incur high operational costs due to warehousing fees, demurrage charges, detention penalties, and transportation expenses. Currency exchange rate volatility further complicates cost forecasting, particularly for long-term contracts. These factors collectively reduce profit margins and increase service charges for clients.

3. Documentation Complexity

The import process involves the preparation and submission of numerous documents such as commercial invoices, packing lists, certificates of origin, and bills of lading. The complexity of documentation often results in mistakes or oversights, which can lead to penalties or shipment delays.

4. Port Congestion and Infrastructure Issues

Many Indian ports, particularly in high-density trade zones, face chronic congestion due to limited berthing space and inadequate cargo handling facilities. These issues lead to increased turnaround times for vessels and delays in container clearance.

5. Regulatory Compliance

Freight forwarders must stay up-to-date with changing regulations related to international trade, tariffs, and domestic taxation policies such as the Goods and Services Tax (GST). Ensuring compliance demands constant vigilance and continuous staff training, which adds to operational burdens.

6. Coordination Among Stakeholders

Effective import operations depend on seamless coordination among a wide range of stakeholders—including shipping lines, customs brokers, transport companies, warehouse operators, and clients. Miscommunication or lack of synchronization can result in costly errors and missed deadlines.

7. Technological Challenges

Despite efforts toward digitalization, many processes in the freight forwarding industry still rely on manual workflows and legacy systems. This affects tracking accuracy, data management, and overall process efficiency. The lack of real-time visibility is a major drawback in today's fast-paced trade environment.

CASE INSIGHT: VRRIDDHI FREIGHT PVT. LTD.

Vrriddhi Freight Pvt. Ltd., headquartered in India, specializes in end-to-end freight forwarding solutions, with a focus on import logistics. The company deals with diverse cargo categories, including time-sensitive goods and heavy industrial shipments. While the firm has achieved considerable operational scale, it continues to face the sector's overarching challenges.

To address these issues, Vrriddhi has implemented digital logistics software for real-time cargo tracking and inventory management. Additionally, it has invested in comprehensive staff training programs focused on regulatory changes and documentation accuracy. The company has established a compliance team dedicated to monitoring legal updates and liaising with government authorities.

Vrriddhi Freight also engages in strategic partnerships with customs agents and port authorities to streamline clearance procedures. Despite these efforts, external factors such as port infrastructure and policy volatility continue to pose significant challenges.

IV. FINDINGS

From the research and case analysis, the following findings were noted:

- The majority of operational delays originate from incomplete or inaccurate documentation.
- Inland Container Depots (ICDs) suffer from insufficient infrastructure, leading to shipment detentions.
- Implementing real-time tracking systems has substantially improved customer transparency and operational planning.
- Regular compliance training for staff has reduced the risk of regulatory violations.

V. SUGGESTIONS

To mitigate the challenges outlined, the following recommendations are proposed:

- **Adopt Automation:** Integrate automated systems for document validation and customs form generation to reduce human errors.
- **Strengthen Communication Channels:** Develop standardized communication frameworks among all stakeholders to enhance coordination.
- **Lobby for Infrastructure Development:** Industry players, including Vrriddhi, should actively participate in lobbying efforts for government investment in port and inland infrastructure.
- **Digital Transformation:** Embrace cloud-based platforms and AI-powered tools for shipment tracking, risk assessment, and data analytics.
- **Continuous Training:** Conduct frequent workshops and training programs on regulatory changes, compliance protocols, and digital tools.

VI. CONCLUSION

Freight forwarders, such as Vrriddhi Freight Pvt . Ltd., operate in an increasingly complex environment shaped by evolving regulations, infrastructural constraints, and customer expectations. While the company has taken commendable steps toward digitalization and compliance, significant challenges persist—many of which are systemic. A holistic approach combining technology, policy advocacy, and process optimization is essential for the industry to thrive. Ultimately, the ability of freight forwarders to adapt swiftly and operate transparently will define their success in the dynamic landscape of international trade.

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