

**THE COSTS OF CUSTOMS COMPLIANCE  
IN CROATIA IN 2001**

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Occasional Paper No. 21

November 2004



# THE COSTS OF CUSTOMS COMPLIANCE IN CROATIA IN 2001<sup>1</sup>

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## Abstract

The purpose of the paper is to show the size and the basic characteristics of customs compliance costs of importers (legal entities and small business) in the Republic of Croatia in 2001. The customs compliance costs comprise those costs that the customs payers incur in order to meet the provisions of the customs laws and the requests of the customs administration. Only the amount of the customs duty paid and any distortion costs arising from paying customs duty are not customs compliance costs.

The research was carried out by the face-to-face interview method, in the period from June to October 2002. It was concluded that the Croatian customs compliance costs in 2001 were regressive. It was also concluded that costs were large in comparison with the total customs revenue and GDP. It is estimated that customs compliance costs for importers (legal entities and small businesses) in RC in 2001 were around 1,006 million HRK. That is 0.6% GNP and around 31% of total Croatian customs revenues in 2001.

There is not, unfortunately, a single foreign research of the costs of customs compliance that could be used as a comparison. What is more the research faced many problems (e.g. non-representative and small samples) so one should be cautious when using its results. For this reason we would conclude that the primary purpose of this research is to pose relevant questions related to the conceptual and methodological problems of customs compliance cost research. Furthermore it should indicate possible size and characteristics of the customs compliance costs in the RC.

**JEL Classification:** E62, H20

**Key words:** customs compliance costs, Croatia, regressiveness

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<sup>1</sup> This research was supported by a grant from the CERGE-EI Foundation under a program of the Global Development Network. Additional funds for grantees in the Balkan countries have been provided by the Austrian Government through WIIW, Vienna. All opinions expressed are those of the author and have not been endorsed by CERGE-EI, WIIW, or the GDN. Additional funds were also given by the Institute of Public Finance, Zagreb, the institution that led the project: "Costs of Taxation in Croatia: Administrative Costs and the Costs of Tax Compliance", of which this paper is a part. The questionnaires were carried out and in line with instructions statistically processed in PULS d.o.o., Agency for Market, Media and Public Opinion Research – below, PULS. The PULS then is responsible for the processing of the data; the author is responsible for everything else.

The author would like to thank the leaders of the project, in particularly Helena Blažić from the Economics Faculty, Rijeka, Katarina Ott and Ivica Urban from the Institute for Public Finance, employees of the Customs Administration, particularly Oskar Cukrov and Ivana Soić, certain agents, employees of the PULS, the reviewers and all those who have helped in the composition, analysis and writing of this paper. This article is published in Croatian in the journal "Carinski vjesnik", 13(1), 2004, pp. 3-32.