1 Introduction

In Croatia, currently operates over 450 legal entities who are engaged in international freight forwarding business as their primary activity. Many of them are narrowly specialized in road transport, while in port resources operate maritime shippers, and some of them are engaged in rail and water transport. The great concentration of forwarding companies is in Zagreb and Zagreb County because of two key customs offices at the cargo terminal on Jankomir and Žitnjak.

Analysis of the shipping industry in the Republic of Croatia came to the knowledge that reveals the essence of action and activities of the undertakings. Through analysis of the customs in Croatia leads to knowledge that EU funds were spent to modernize it in a compatible system of regulations and guidelines of the EU. It will also analyze the structure and functioning of the new system of customs and forwarding procedures customized to both software and hardware Schengen procedure.

This paper’s topic is the development of shipping activities in the Republic of Croatia, after entering the EU. The fact that a great business endeavor, some restructuring, not only in business but also in the way of business thinking will be necessary for that should be taken to count. Schengen border regime will not be fully applied to the accession of Croatia into the EU, the regime of a transitional period will be established, as it was in Slovenia.

But with regard to new technologies such system will not be needed in a long term and there is concern of the freight forwarders that it will be applied in some areas immediately after the accession of Croatia into the EU. But in this interregnum great efforts will be required of all border services, especially shipping to adapt to inevitable abolition of border crossings and completely new way of doing business at customs offices.
2 Analysis of forwarding services in the republic of Croatia

Structure of companies by ownership and by the size of the company are under the constant influence of the competition value and market efficiency, while private property imposed its effectiveness as a superior form of owner in the developed market economies. In the European Union the number of small and medium-sized enterprises is dominant, which applies to the shipping industry, and these companies are the most represented in the service and family activities. The growth of the companies opens new horizons, but it raises many doubts for their owners. Growth of the companies primarily eludes the possibility of autonomous control and management, and the growth conditions the possibility of separation of managerial and entrepreneurial ownership functions. These dilemmas for some companies resulted in their lower business success, and eventually bankruptcy.

Large and complex systems require a modern organization and management in which management is separated from the ownership structure. The greatest problem for these companies lies is their size, which slows down the organizational changes, and these changes are crucial for a successful business in a competitive market. Large systems inertia also prevents the rapid investment and is therefore one of the basic preconditions for a successful business as fast informatization of enterprises in order to expedite the process, whether it is communicating with its business environment and the practical, administrative premises within the organization.

Small businesses, on the other hand, normally open contractors who have previously worked in large companies and who want to develop some economic activities of a firm in which they are both owners and managers. Very often, the customs clearance is their core business, so therefore it is very important for forwarding companies have good clients who timely meet their customs obligations.

As the forwarding is a service industry, for its functioning relatively low investments are required, while the speed of creating and ROI is higher. The most sensitive is the organizational structure of medium-sized companies in which investments are higher than in small company's (e.g. investment in an own storage area for the purposes of customs clearance of goods).

Regarding to the purchase of large trucks by the forwarding companies that has been proved as a complete failure because of the international road freight transport is very complex process and certainly not compatible with the work of shipping companies as its integral part. Solely because there is overlapping jurisdiction and continuing conflict of interest within the same company.
With stabilization of the political and economic relations more goods travel between European Union and Southeast Europe. In such circumstances, the growth of individual shippers in developed countries was not an easy job, because of the large number of domestic and foreign multinational companies that are present on the market much longer, which well covered the market and reinforced their positions. This situation has encouraged the arrival of freight forwarders from developed countries to Croatia, first as a representative, and with the further expansion of business to opening up a company in Croatia.

3 Croatian customs system

In order to meet its obligations related to the preparation for EU membership, and thus the Customs Administration of the Customs Union, the Customs Administration is working on preparations for the implementation of new systems that will support the implementation of paperless customs procedures. Accordingly, it is necessary to develop and communicate electronically between participants in the customs procedure, i.e. communication between customs and business (G2B service).

NCTS (New computerized Transit System) - is the first system of electronic business in the Customs Administration, which will be applied on a national basis, in order to have this happen as expected, it must be implemented and the electronic exchange of documents between business and customs (G2B service). G2B service is part of the common infrastructure of the Information System of the Customs Administration (IS CU) in charge of IS CU interoperability with business applications on the principles of electronic document exchange.

The Republic of Croatia joining the European Union must assume all obligations under European legislation relating to the Customs Union. One of the areas that will significantly change the business process is a procedure called a transit of goods. NCTS (New computerized Transit), supports the continuous process of transport of goods under customs control as it applied customs administration member states and EFTA countries, and a member of the Convention on common transit procedure and it is the first interoperable trans-European customs system.

Development and implementation of a fully functional NCTS system is one of the basic conditions that the European Commission presents the all new EU members, so that the Republic of Croatia has decided to develop its own national transit applications (NTA - National Transit Application) that supports all the functionality of NCTS. In the European Union, from 1.7.2009 is valid NCTS phase 4.0. This version
of the system includes procedures for the dispatch, destination and transit customs, and management of guarantees, the process of search and collection, security and data protection. This allows for the electronic receipt and sending of messages that are necessary for the initiation and successful completion of the transit procedure. Full implementation of the NCTS system also includes the implementation of the transit procedure without paper documents. The exception is the only document that accompanies the transit (TAD / TSAD - Transit Accompanying Document / Transit Security Accompanying Document) and serves as a printout of data declarations and the holder of the number of transit procedure (MRN - Movement Reference Number). However, the introduction of NCTS, an electronic record of data only becomes legally valid proof, unlike the current system where it was a paper declaration.

The advantages of the NCTS are multiple, as for customs and for the economy, especially for freight forwarding and authorized senders and recipients, as well as carriers, and other participants in the transit procedure. Communication between NCTS system and companies will be electronically and thus exchange data and information about a specific transit procedure, so it will be timely informed about the progress of this process. On the other hand the CURH data on all transit procedures through electronic message exchange with other European customs administrations, thus allowing a continuous and uninterrupted movement of shipments from the place of shipment to destination.

So, that economic agents pursue the benefits they have to develop their own IT systems compatible with NCTS as well as with external users connect with information systems of customs in a way that allows it to send electronic messages to advance the adopted form and content.

In order to exchange data with companies European Commission is prepared national technical documentation for users, who, along with other business and technical documents were also prepared by the European Commission, assists in the development of NCTS applications for data exchange between customs and external users.

4 Further development of forwarding services in the republic of Croatia after accession to the EU

International forwarding is a complex dynamic and stochastic system, a set of interrelated and interdependent forwarding activities, organizational units, forwarding, forwarding of personnel, technical equipment and other elements in constant motion,
changing and developing. The aim is to transport products from producers to consumers to conduct purposeful, economical and rational way, and that is pushing up to meet the needs of all participants in foreign trade and transport system. Therefore, international shipping is very important economic activity in the system of reproduction (production - distribution – exchange - consumption), and forms part of foreign trade, large-scale international trade and transportation.

Without the construction of a forwarding logistics company, local forwarders would hardly be able to fit into the system forwarding the European Union and the rest of the World. Further globalization of markets, all the more intense competition between the foreign companies, changes in the direction of international flows of goods, changes in the structure of goods (finished products rather than raw materials), less individual rather than the mass delivery of cargo (just-in-time), quality of service that aims to satisfaction of end users, and ultimately providing complete logistics services. All this proves to be an international freight forwarder has to constantly work on improving and expanding its services, and thus an ever stronger and stronger logistical partnership with its customers.

Changes expected after the Croatian entry into the European Union will be reflected primarily in the new IT system and adjusting the customs system of the European Union. Because of the increased responsibilities as a forwarding agent enterprises, shipping companies need to dispose of trained and experienced operational and creative managers who specialize in conducting freight forwarding, transportation, foreign trade, insurance and customs. Only with quality work, forwarders can exclude adverse events and disputes with the customers, which may occur in the organization of dispatch and delivery of goods in international transit. Business experience, knowledge of employees, their ideas, motivation and teamwork are the most valuable part of the capital of modern forwarding company.

In highly developed countries classical and traditional freight forwarders are only historically interesting, because they have been replaced by contemporary forwarding logistics and modern freight logistics operators. In countries in transition and developing countries still exist certain modalities of classical and traditional freight forwarders. They will be in the background gradually suppressed by foreign freight logistics operators. If existing classic freight forwarders in transition and developing countries want to stay and dominate the national transport and economic system, and logistics market, they need to take all relevant activities for the effective transformation into a modern classic freight forwarding and logistics activity.
The logistics provider is registered and authorized legal or private person who on its own behalf and for its own account carries out or arranges for the execution of many logistics activities in connection with the manipulation, transport, transfer, distribution of raw materials, intermediate products, raw materials, finished goods from point of delivery.

The concept of forwarding logistics has the activities of classical and traditional freight forwarders, but logistics part involves other certain activities, such as: the specific service activities in manufacturing, processing, finishing, processing, maintenance of capital equipment, packaging, cataloging, sorting, weighing, measuring load, loading, unloading, reloading, storage items, palletizing goods, further fumigation, pest control, disinfection, custom clearance, insurance, purchase, distribution, marketing, management, calculation, financing, controlling, monitoring the execution of certain activities, the legal regulation of economic relations between the number of participants in logistics processes.

So comprehensively defined forwarding logistics participate with its activities in many types of specialized logistics, such as logistics, manufacturing, trade logistics, transportation, warehouse and distribution logistics. Activities that classic forwarder should take, to be transformed into a logistics forwarding agent are:

- Significantly broaden and deepen the shipping activities in the field of production logistics, trade logistics, transport and transport logistics, warehouse logistics.
- Significantly broaden and deepen the knowledge of its employees, and freight-forwarding and logistics experts. This means not only education and training rather than training them through specialist business schools and courses.
- All forwarding logistics companies need to build a new relationship with all major participants in logistics chains.

In the process of transformation of classical forwarding companies in the logistics forwarding companies, can be determined that a large forwarding companies have fewer requirements and to invest less effort in this transformation, the middle sized forwarding companies have higher requirements, and small forwarding companies have the highest demands of adapting logistics operators.

Strategy of forwarding companies in the European transition countries should be adapted to the strategy of the European Union, so that they can through the national system actively participate in EU trade flows, the European logistics network, the system of rapid land transport and distribution system in express mail on the principles of partnership.
5 Conclusion

In terms of customs and foreign trade there is no category of Schengen border, instead exists outside EU border and the internal borders between Member States. Since the EU is also a customs union at the internal borders between Member States there are no customs control (including any facilities to do so) while the external borders have customs services of Member States who carry out measures of customs control of goods, passengers and transportation services that crossing the external borders. In the future on external border of Republic of Croatia with Republic of Montenegro, Republic of Bosnia and Herzegovina and Republic of Serbia, are not expected or planned no significant elimination of border crossings.

Authorized customs forwarders will be located at all border crossings at the external border in which freight transport is going through. The total volume of forwarding work on these crossings will remain the same or slightly increase until the possible entry of Serbia, Montenegro and Bosnia and Herzegovina to the EU. When these countries enter the Convention on common transit procedure it is expected to be a significant drop in activities for forwarders at border crossings with this/these country/countries.

Establishment of e-customs should not reduce the number of employees at border crossings on the future external border. As a supply chain system is not computerized e-customs will start at the point where the authorized customs forwarders have to enter data and information from paper media in an information system for further electronic distribution of the customs authorities and other participants in the supply chain.

Costs of forwarding documents dictate market and other circumstances. The cost of using forwarding guarantees for transit procedure for movement of goods from Croatia border crossing to the office of destination in any EU (or EFTA) countries will be certainly higher because of greater distance between the forwarding office in Croatia, and destination in the EU and EFTA countries of transit procedures last longer and will be reserved to the sum of these guarantees and will slowly release the required amount, so the reference amount of guarantees for the transit procedure must be higher. It will certainly be an additional cost that shippers will probably charge your customers or users.

From the foregoing it can draw a single conclusion. If the Croatian freight forwarders with 90% of their business based on the placement of the import, export and transit of goods, do not adjust it to the new guidelines in the business, over 80-90% of the current forwarding companies will have to close their business completely.
with entering a unified customs process of the EU, which plans to apply to the end of 2012. Accordingly, it will have to be changed a lot of things so far in the general perception of forwarding activities.

References


Resume

In order to meet its obligations related to the preparation for EU membership, and thus the Customs Administration of the Customs Union, the Customs Administration is working on preparations for the implementation of new systems that will support the implementation of paperless customs procedures. Accordingly, it is necessary to develop and communicate electronically between participants in the customs procedure, ie communication between customs and business (G2B service).

This paper represents the processes of transformation of classical forwarding companies in the logistics forwarding companies. It can be determined that a large forwarding companies have fewer requirements and to invest less effort in this transformation, the middle sized forwarding companies have higher requirements, and small forwarding companies have the highest demands of adapting logistics operators.
Strategy of forwarding companies in the European transition countries should be adapted to the strategy of the European Union, so that they can through the national system actively participate in EU trade flows, the European logistics network, the system of rapid land transport and distribution system in express mail on the principles of partnership.

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Forwarding services, logistics, customs

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