



## **Research of the Regional Service Market in Terms of International Economic Activity's Customs Registration**

**Roman V. Fedorenko<sup>1\*</sup>, Natalia P. Persteneva<sup>2</sup>, M. E. Konovalova<sup>3</sup>, Y. A. Tokarev<sup>4</sup>**

<sup>1</sup>Samara State University of Economics, Sovetskoi Armii Str., 141, 443090 Samara, Russia, <sup>2</sup>Samara State University of Economics, Sovetskoi Armii Str., 141, 443090 Samara, Russia, <sup>3</sup>Samara State University of Economics, Sovetskoi Armii Str., 141, 443090 Samara, Russia, <sup>4</sup>Samara State University of Economics, Sovetskoi Armii Str., 141, 443090 Samara, Russia. \*Email: [fedorenko083@yandex.ru](mailto:fedorenko083@yandex.ru)

### **ABSTRACT**

The article states the economic essence of customs registration, its significance for the development of international economic activity in the present context. The customs' service development problem relevance is stipulated by the necessity to develop any state's international economic activity. Key trends of the service market development in the customs sphere have been revealed, the perspectives of subjective development of complex services in the customs sphere have been defined in terms of the carried out retrospective as well as the structural and functional analysis. The regional service market in terms of customs registration, its dynamics and structure, its interrelations and interdependencies have been examined using economic and mathematical methods.

**Keywords:** International Economic Activity, Customs Service, Customs Representative, Services in the Customs Sphere

**JEL Classifications:** C01, F18, L19

### **1. INTRODUCTION**

Modern terms of the world economy development characterized by a high integration degree have led to a considerable growth of the international economic activity development level for the national economy. Russia's entry into the World Trade Organization, the development of the Customs Union provides external contacts' activating, growing of the foreign trade members' number and of their activity.

The annual average activity of international economic activity members comprises a little more than 4 million customs declarations. At the same time Russia's entry into the World Trade Organization has led to the growth of international economic activity members and their development. Its services are provided by 60,000 employees of the Federal Customs Service (Zhigun, 2013).

At present not only the Federal budgetary recharge, but also the international economic activity development level can depend on the customs agencies' operational efficiency (Ershov and Dolya,

2005). The development of the customs service as a complex system will allow an international economic activity member to choose an appropriate for him way of organizing cargo movement or transport movement across the customs border independently, define the form of the submitted customs declaration, practice e-declaration and remote issuing, which provides a reduction in aggregate temporary and financial costs while performing export and import operations.

The development of customs service by means of reforming the customs' bodies performance and improving the customs infrastructure has led to a higher competitiveness of enterprises and separate branches of the economy in export markets. It has been calculated that daily delivery delays lead to a 0.8% higher prime cost of the produced goods (Sandford and Temby, 2010).

According to a number of western scientists, time expenditures of the enterprises dealing with international economic activity is a significant factor and its improvement can grant a company a considerable advantage over their competitors (Li and Wilson, 2009).

The carried out by the Organization for Economic Cooperation and Development research says that the customs and administrative procedures influence international trade significantly. Some works point out that for some developing economies exactly the burdensome customs and administrative procedures are the main obstacle for expanding the sales volumes while trading with other countries (Wilson, 2007).

A lot of developing countries give much attention to reforming the customs management process with the aims to simplify the procedures and facilitate international trade. These initiatives are supported at the international level as well. Thus, a number of important initiatives on simplifying the customs procedures were passed by the World Customs Organization (WCO). Among other things, suggestions on improving the customs procedures have been stated. This guideline is a part of the enacted by the WCO zone the simplification and harmonization of customs procedures, better known as revised Kyoto convention (WCO, 1999).

Consciousness of the international economic activity customs service role is reflected in enacting by the Russian Federation the Strategy on Customs Service Development until 2020 as the one aimed at foreign trade maximum facilitating in terms of quality enhancing and improving the customs administration efficiency (FCS, 2013).

In spite of reforming the whole customs system activity, the companies dealing with international economic activity more and more often face a lot of problems that demand considerable time and financial expenditures for independent solving.

The transfer of the customs support functions to professional mediators on the outsourcing basis is the most common approach for solving similar problems for international economic activity members. The customs service aimed at providing a higher turnover, developing foreign trade and the corresponding increase of budget revenues may be presented as the aggregate of customs services provided by customs bodies and the services in the customs sphere provided by customs infrastructure subjects.

## 2. METHODS

General scientific methods like a systematic and a structural one, a causative-consecutive one, a situational, a comparative, an economic and statistical, a factor analysis, methods of economical-mathematical and logical modeling, synthesis and decomposition, multilevel complex approach, graphical methods are the methodological procedures of the research.

The research is based on the dialectical cognitive method, methodology of general statistics theory as well as the complex approach to studying a specific research subject of instrumental economic methods and means.

The World Bank, the WCO and the Organization for Economic Cooperation and Development data make the informational background of the research.

## 3. RESULTS

### 3.1. Possible Trends for the Customs Service Development

The customs bodies have more and more influence on the national economic competitive performance level with a growing dependence of a state's economic prosperity on the international trade development level. Three most widely spread trends of customs policy can be defined in this connection and each of them is to a large extent specified by the influence that the customs bodies have on the costs of foreign trade.

The first trend of the state policy in terms of economic competitive performance development is facilitating foreign trade. It can be characterized as a political program aimed at reducing transaction expenses between importers and exporters, as well as the involved mediators (i.e. shipping agents) while dealing with regulators.

Foreign trade facilitating policy has become particularly urgent recently and at present it is one of the key agenda issues in multilateral and bilateral trade negotiations. The customs bodies have to reduce their influence on the costs of the international trade as much as possible under such terms. Possibilities of reducing additional costs connected with the necessity of observing the customs requirements may become the key point in the forth coming multilateral and bilateral trade agreements between specific countries.

The second trend of the state policy in terms of economic competitive performance advancement is an efficient management of trade and political measures with the aim of protecting national producers and separate economic branches. They include protective customs rates as well as the procedures permitting to put to equal footing the national business and the foreign market members by means of suspending duty and tax payments or their refunding (procedure of the customs warehouse, periodic declarations, value-added tax refunding). At the same time if it is burdensome to get a payment refunding or to use preferable customs duties rates, entrepreneurs may not use this procedure and possibly give up foreign trade contracts or move their business to other countries, with better trade terms.

The third trend of the state policy lies in implementing the fiscal function by means of collecting customs duties and taxes. The carried out by the WCO research in 73 countries has specified that in 2010 the sum of the customs duties made at an average 11.48% of the budget revenues in the countries in question. The highest revenues of the state budget were made by Kuwait customs (67.28%), the least – by Norway customs (0.36%) (WCO, 2014).

Customs payments are an indispensable part of the Russian Federation budget. According to the Ministry of Finance of the Russian Federation, the Federal Customs Service has recently been providing about 50% of budget revenues. Dynamics of the planned and real index numbers on collecting customs payments for the last years is shown on Figure 1.

Some reduction of the international economic activity turnover volumes in 2014 is explained by temporary deterioration of the international economic activity situation and doesn't affect the

positive dynamics of customs payment revenues to the Federal budget that in 2014 grew by 8.2% in comparison with 2013 and made 7100.6 billion roubles.

Such considerable figures make simpler foreign trade terms an important goal for the state policy, especially in the context of lower world rates and greater non-tariff regulation.

Foreign trade facilitation programmes and the customs service reforms should be based on more detailed diagnostic researches. As a rule, they are conducted for a specific country and are aimed at finding ways to facilitate customs control processes and developing foreign trade. The WCO is implementing the development programme of more than 100 national customs services for evaluating and developing the customs services of specific countries. In researches of the customs activity special attention is paid to the time period given to the customs to release the cargo from its control. That is often referred to as release time research.

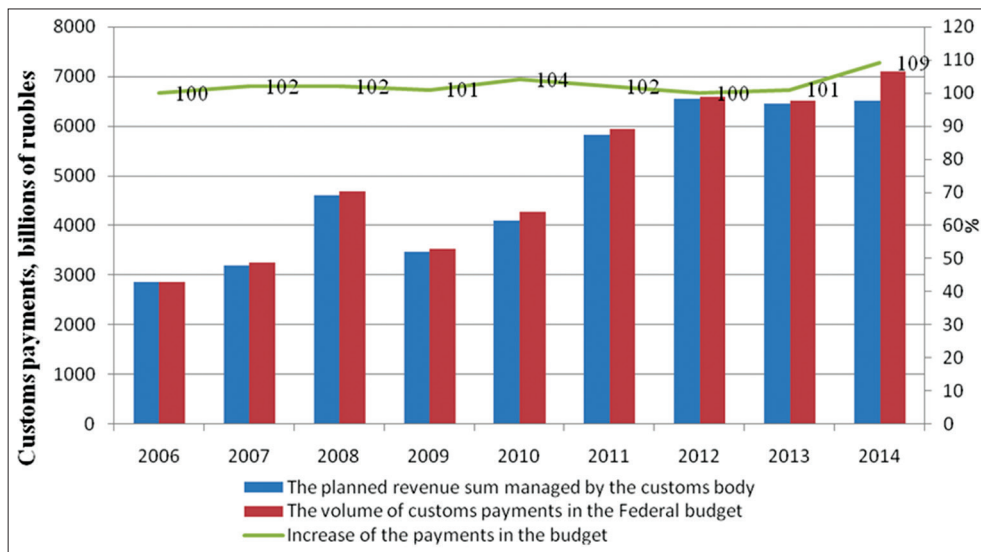
In terms of international economic activity member companies bear considerable costs explained by the necessity to comply

with the customs legislation. The conducted by international organizations researches say that in developing countries, including Russia, the costs on international trade are 10% higher than the average regional costs. Excessive demands to papers, burdensome customs procedures, low efficiency of ports and terminals, absence of modern infrastructure lead to extra expenses and delays in export and import, thus reducing the competitive performance of the international economic activity members.

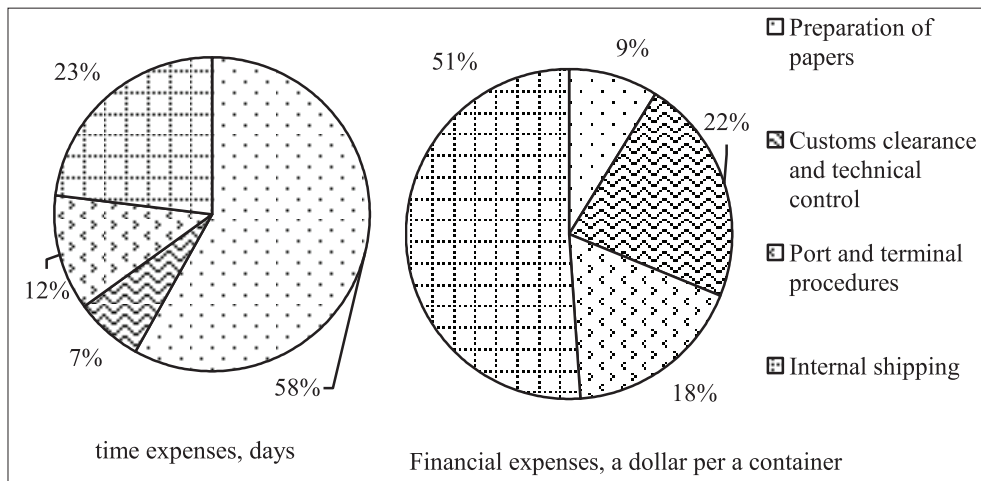
In Russian Federation the most unprofitable issues both for import and export are two points: Preparation of papers and internal shipping (Figure 2).

The expenses connected with the customs service should be divided into regulatory ones directly stipulated by legislation requirements and additional ones arising with customs formalities. Higher customs service quality and simpler customs procedures cause lower additional expenses as a result of which the aggregate expenses of international economic activity members are reduced while the volume of customs payments to the budget doesn't change.

**Figure 1:** Dynamics of collecting customs payments for the years 2006-2014 (according to the Russian Federation Federal Customs Service)



**Figure 2:** Structure of time and financial costs in terms of international economic activity, Russian Federation, 2014



Studying the regulatory expenses' development mechanisms is a crucial goal both for regulatory bodies and for specific international economic activity members. Reduction of the additional expenses allows to make foreign trade operations more efficient, to raise the general competitive performance of the national economy without changing the tariff policy and reducing revenues to the budget.

At the same time international economic activity members can't pay enough attention to analysis, evaluation and optimization of the regulatory expenses in the customs service. These goals can be most successfully solved with the help of mediators dealing with services in the customs sector.

### 3.2. Assessment of Services in the Customs Sector

The services in the customs sector are a kind of business organized by special companies acting as mediators on auxiliary business processes connected with efficient cargo and good movement via customs borders to consumers.

Both Russian and foreign companies that are international economic activity members may act as consumers in the customs sector. National experts tend to think that Russian companies are more interested in economizing on services and payments while large foreign companies are interested in getting qualitative and reliable services. They pay more attention to the company's image, its experience at the market, recommendations on the part of business partners, colleagues, etc. (Tikhonovich and Zavgorodnya, 2009).

Chapter 3 of the Customs Union Customs code defines special categories of commercial organizations taking part in customs legal relations and granted with a special legal status in such legal relations. Chapter 5 of the Federal law "On Customs Regulation in Russian Federation" more specifically defines the companies dealing with the customs sector. They are the customs representative, the customs tax-free shop carrier, the owner of the temporary storage area, the owner of the customs warehouse, the owner of the tax-free shop. The classification of the services provided by the companies from the customs sector is presented in Figure 3.

So, it goes with saying that the customs legislation codifies the possibility to form five groups of legal entities having a legal status with a right to conduct business in a specific customs sector. The customs bodies of the states that are members of the Customs Union must keep appropriate national registers of each group of legal entities and their periodic publishing; the Customs Union commission forms a summary register of each group (Orlov, 2013).

International economic activity members more often face the necessity to get the services on customs registration, shipment and storage of goods. Consultations are also quite common.

The services on customs registration include the following basic operations: Classifying of goods according to the goods' nomenclature of the international economic activity, establishing the customs cost according to the international economic activity good nomenclature, defining the customs regime, filling in good

declarations, filling in the papers connected with good declarations, calculation and refunding of customs payments in due time. The demand in additional consultations on specific issues of customs registration is provided by means of informing consumers on general and specific issues on customs registration, validity of filling in the documents, recommendations on settling points at issue. The examined services are an indispensable part of an international economic turnover.

The customs representative grants the consumers of his services professional customs operations according to the requirements of Russian Federation customs legislation, thus avoiding close interaction with customs bodies.

At the service market in the customs sector the services provided by customs representatives have a key role. These services are in great demand. This circumstance is connected with the necessity of customs registration of any natural person or legal entity in cases when it is important to move the cargo or transport means via the Russian Federation border to fulfill the necessary work. At the same time the demand in a carrier's services (especially – in the customs carrier's services) arises more rarely and quite a small number of international economic activity members use customs warehouses.

### 3.3. Analysis of the Main Indicators of the Enterprises' International Economic Activity in Terms of Privolzhsk Customs Agency and Samara Customs

The materials of Privolzhsk Customs Agency's and Samara Customs' activities were used as an analytical basis of the conducted research.

In 2014 the foreign trade turnover of the enterprises operating in terms of Privolzhsk Customs Agency made 73.40 billion US dollars which was 7.3% less in comparison with the previous year. At the same time import volumes were reduced by 7.6% and made 15.79 billion USA dollars and the export volumes were reduced by 7.2% and made 57.60 billion US dollars (FCS, 2015).

Privolzhsk Customs Agency includes 9 customs – Privolzhsk operative customs and 8 regional customs among which are Bashkortostan, Nizhny Novgorod, Orenburg, Perm, Samara, Saratov, Tatarstan and Ulyanovsk customs. Nizhny Novgorod customs is in the lead in terms of a number of registered good declarations and it has registered 95,644 goods declarations in 2014. Among the regional customs of Privolzhsk Customs Agency Samara customs takes the third place in terms of the aggregate number of registered declarations being subject to Nizhny Novgorod and Tatarstan customs. In 2014 Tatarstan customs issued 59,414 goods declarations while Samara customs issued 49,777 goods declarations. On the whole, Samara customs registers about 16% of the aggregate number of declarations issued by the customs bodies of Privolzhsk Customs Agency. All in all the regional customs of Privolzhsk Customs Agency registered 300.9 goods declarations in 2014 that is on the average 37,565 declarations per one customs. The largest customs are Nizhny Novgorod, Tatarstan and Samara customs having a higher average indicator and registering about 70% of all declarations.

The Samara region is characterized by a higher international economic activity level and in terms of export and import operations it is the Russian Federation top ten.

After the crises of 2008 followed by a slump in international economic activity volumes, the Samara region is characterized by a stable buildup of import volumes against the unsteady export dynamics (Figure 4). A complex international economic political situation predetermined a noticeable reduction of export operations in 2014 and slowed down import growth rate volumes.

A large part of enterprises are international economic activity members situated within the Samara region and performing customs clearance at Samara customs. As a result of 2014 the foreign trade turnover at Samara customs made 6192.52 million US dollars, including export operations with 3372.59 million US dollars (54% of the foreign trade turnover), import operations with 2817.93 million US dollars (with 46% of the foreign trade turnover).

In comparison with 2013 the aggregate sales turnover declined by 523.10 million US dollars (by 7.8%) which happened on account of export reduction by 613.88 million US dollars (by 15.4%) despite

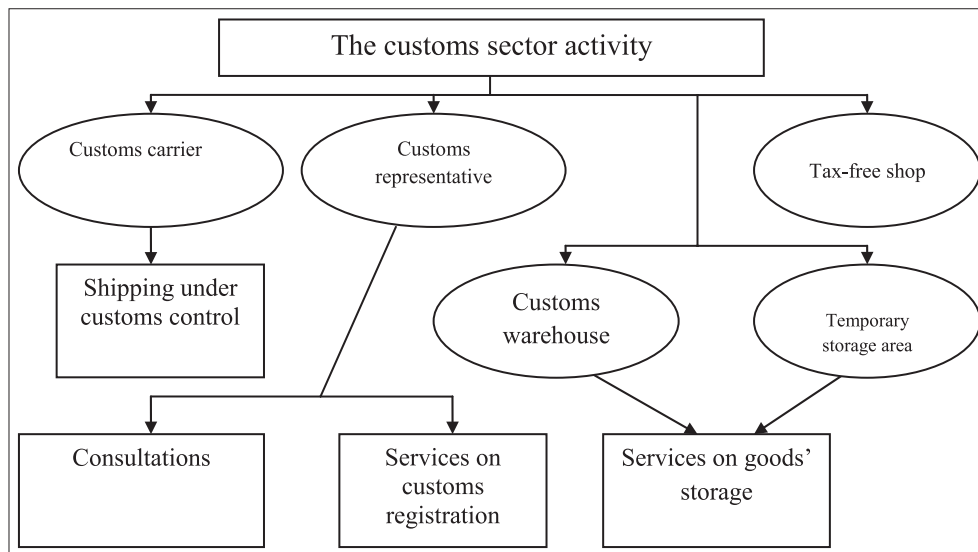
import growth by 90.79 million US dollars (by 3.3%). A more detailed dynamics of Samara customs foreign trade turnover is presented in Table 1.

Altogether we observe the international economic foreign trade growth in all the points in years 2007-2014. But this or that period was characterized by a short-lived recession. The year 2012 became a crisis for export operations, when the decline in turnover reached almost 30% in comparison with the previous year. This was reflected at the aggregate customs turnover, as an insignificant import growth the same year didn't compensate for the decline in export the same year.

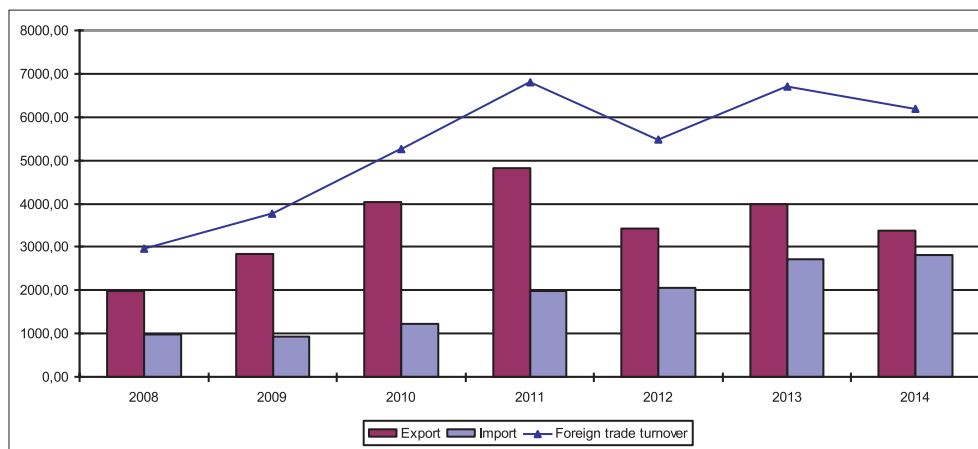
2009 was a complex year for import operations as the turnover rate decreased by 5.7% by 2008. This decrease stipulated a sharp import decrease in the foreign trade turnover structure (its rate fell by 23-25%). Starting on 2009 the import turnover was steadily rising and its share reached the point of 45.5% (Figure 5). Thus, we can conclude that import has a key role in the foreign trade operations' structure.

In 2013 export and import operations at Samara customs were performed by 1184 senders/good recipients. In comparison with

**Figure 3:** Classification of services in the customs sector



**Figure 4:** Dynamics of Samara region foreign trade in 2008-2014, millions of US dollars



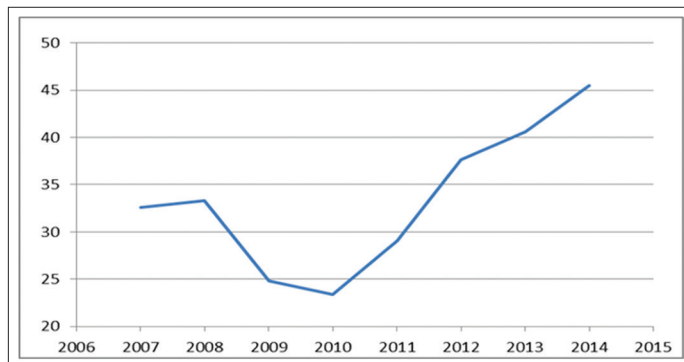
2012 their number grew by 3%. There were 1084 legal entities (their number grew by 3%), there were 100 natural persons (their number grew by 9%). Samara customs contractors' structure (Table 2) specifies legal entities the shares of which have been rising in recent years. If the total number of participants almost doesn't change on an annual basis and varies from 1000 to 1200, the qualitative analysis shows that there were 5 legal entities per 1 natural person in 2007, in 2009 this proportion was 14 to 1 and after a small decrease (in 2013) it grew again up to 15 to 1. In 2014 the proportion between legal entities and physical persons declined sharply and became 6.7 to 1 because of a doubled number of natural persons registering their export and import operations at Samara customs.

The growing role of import operations leads to a situation when import growth rate volumes exceed international economic activity members' growth rates. This, in its turn, accounts for an increase of the average volume international economic activity per one importer. If in 2007-2009 the foreign trade turnover level per one importer was less than 1000 US dollars, later on it grew more than twice and in 2014 it reached 2412.6 US dollars (Figure 6).

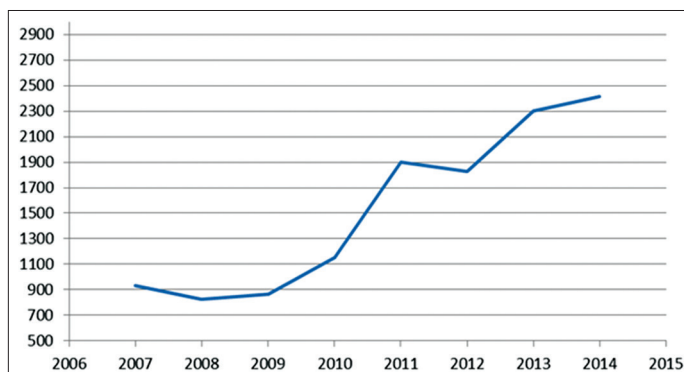
A comparative index reflecting the proportion of growth rates of two phenomena or aggregate parts is used as an important evaluation indicator of several interconnected phenomena or processes. It shows which phenomenon develops more dynamically. In this case we correspond import growth rates with the number of international economic activity members. Over much of the considered period the import volume has been rising more intensively than the number of international economic activity members. Along with this in 2011 the biggest advance was reached – there was 1% growth of the number of foreign trade enterprises per 1.646% of import turnover growth.

There arises a question of how statistically important the connection between the number of international economic activity members and the volume of import operations is. To solve this question we shall develop a model based on correlation and regression analysis elements:

**Figure 5:** Dynamics of the import share in Samara customs foreign trade turnover, per cent



**Figure 6:** Dynamics of the international economic activity volume per one importer (thousands of US dollars)



**Table 1: Dynamics of Samara customs foreign trade turnover in 2007-2014**

Years	Export		Import		Total		Import ratio (%)
	Thousands of US dollars	Chain growth rate (%)	Thousands of US dollars	Chain growth rate (%)	Thousands of US dollars	Chain growth rate (%)	
2007	1589417.3	-	767662.3	-	2357079.6	-	32.6
2008	1981302.3	124.7	989655.9	128.9	2970958.2	126.0	33.3
2009	2831487.7	142.9	933493.3	94.3	3764981.0	126.7	24.8
2010	4028537.2	142.3	1234000.2	132.2	5262537.4	139.8	23.4
2011	4826768.3	119.8	1976460.3	160.2	6803228.6	129.3	29.1
2012	3414511.7	70.7	2059008.3	104.2	5473520.0	80.5	37.6
2013	3986477.3	116.8	2727143.8	132.4	6713621.1	122.7	40.6
2014	3372592.3	84.6	2817932.3	103.3	6190524.6	92.2	45.5

**Table 2: Number of exporters and importers registering their goods at Samara customs**

Years	Legal entities	Chain growth rate (%)	Physical persons	Chain growth rate (%)	Total	Chain growth rate (%)	Proportion between legal entities and physical persons
2007	685	-	138	-	823	-	5.0
2008	1092	159.4	107	77.5	1199	145.7	10.2
2009	1008	92.3	72	67.3	1080	90.1	14.0
2010	992	98.4	78	108.3	1070	99.1	12.7
2011	967	97.5	74	94.9	1041	97.3	13.1
2012	1057	109.3	72	97.3	1129	108.5	14.7
2013	1084	102.6	62	86.1	1146	101.5	17.5
2014	1016	91.5	152	205.4	1168	98.6	6.7

$$Y = -2262858.19 + 3635.64X \tag{1}$$

Where Y is an import volume, thousands of dollars; X is a number of international economic activity members.

The meaning of criterion F permits us to accept a statistical hypothesis that there is no any considerable connection between the growth of number of international economic activity members and import volume growth.

Defining the concentration level of export and import activity is crucial for evaluating the service market potential in the customs sector, as the enterprises performing foreign trade operations in especially big amounts in most cases perform the customs clearance using their own resources.

### 3.4. Analysis of an Organization's Customs Service in Terms of Samara Customs Activity

Table 3 examines the volumes of foreign trade operations of 10 largest exporters and importers of the Samara region. Despite some growth rate fluctuations we observe gradual export concentration in hands of the leading market players. Their share consistently prevails 2/3, having reached in 2010-2011 88%. This suggests inequality of Samara region enterprises' export activity.

As the largest international economic activity members more often don't use the customs representatives' services, the potential service market on customs registering in the export sector isn't large. To describe this correlation mathematically we shall develop a regressive model:

$$Y = 94.99 - 0.49X \tag{2}$$

Where Y is the declarations' ratio registered with the help of customs representatives, per cent; X is the export volume, thousands of dollars.

On the basis of the developed model (Figure 7) one can with a 80% certainty conclude about a significant linear connection between the exporters' share and the ratio of customs representatives. Thus, the exporters' share increase by 1% will cause a reduction of the declarations' ratio registered with the help of customs representatives, on the average by 0.49%.

The largest importers' share is decreasing but it still noticeably prevails 50% of the aggregate import volume. We can conclude that in spite of a significant increase of international economic activity volumes there is no import concentration; foreign trade turnover volumes are constantly rising both for large-scale, medium and small-scale market players. Consequently, the customs representative's services in the import sector stay in demand.

We shall develop 2 regressive models to test this hypothesis.

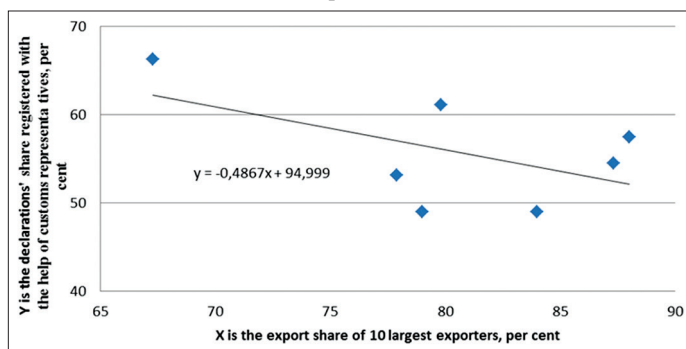
$$Y = -6.46 + 1.09X \tag{3}$$

Where Y is the declarations' ratio registered with the help of customs representatives, per cent; X is the largest importers' share, per cent.

**Table 3: Share of 10 largest exporters and importers in 2008-2014 (in terms of international economic activity volumes, thousands of US dollars)**

Years	Export	Chain growth rate (%)	Import	Chain growth rate (%)
2008	67.3	-	65.6	-
2009	79.8	118.5	62.9	95.8
2010	87.3	109.5	55.6	88.4
2011	88.0	100.8	56.2	101.1
2012	77.9	88.5	56.9	101.4
2013	79.0	101.4	59.0	103.7
2014	84.0	106.3	65.0	110.2

**Figure 7:** The dependence of the declarations' share registered with the help of customs representatives on the deliveries' share of the largest exporters



With a 95% certainty there exists a significant linear connection between the largest importers' share and the ratio of declarations registered with the help of customs representatives (observed value  $F = 18.69$ ; critical value  $F(0.05;1;3) = 10.13$ ). Consequently, if the largest importers' share rises by 1 per cent, the customs representatives' ratio grows on the average by 1.09% (observed value  $|T| = 4.32$ ; critical value  $T(0.05;3) = 3.18$ ).

$$Y = 31.84 + 0.007X \tag{4}$$

Where Y is a ratio of independent customs declarants, per cent; X is an import volume, millions of US dollars.

Statistical criteria show that there is no any significant connection between the import volume and the quantity of independent declarants. The model isn't significant according to F-test (observed value  $F = 2.61$ ; critical value  $F(0.05;1;3) = 10.13$ ), the coefficient of X isn't significant according to Student criterion (observed value  $|T| = 1.62$ ; critical value  $T(0.05;3) = 3.18$ ).

Statistical criteria show that there is no any significant connection between the import volume and the quantity of independent declarants.

Statistical criteria show that between the import volume and the quantity of independent declarants there is no any significant connection. The model isn't significant according to F-test (observed value  $F = 2.61$ ; critical value  $F(0.05;1;3) = 10.13$ ), the coefficient of X isn't significant according to Student criterion (observed value  $|T| = 1.62$ ; critical value  $T(0.05;3) = 3.18$ ).

The ratio of customs declarations registered by customs representatives hasn't been changing since 2010 (Table 4). At the same time the import volume has doubled for the same period. Thus, the largest importers' share and the number of players change insignificantly, thus we can conclude that there happens enlarging of medium players and growing of independent declaring.

Thus, if in 2008 the proportion was 1.97 broker per one 1 declarant, later this proportion began to change in favor of independent declaring. In 2003 for the first time the number (and the share) of the declarants prevailed the number of customs representatives. Significantly changed the share of customs representatives: In 2008 they served 2/3 of foreign trade operations and 5 years later – only 49%.

At the same time the general number of customs representatives increases at the current permanent number of large-scale players. Thus, there were enterprises which submitted more than 1000 customs declarations: In 2008 there were 5 enterprises, in 2009 – 7, 2010 – 8, 2011 – 7, 2012 – 8, 2013 – 7. But the share of these large-scale players is gradually decreasing. This time period covers only 6 years, which doesn't permit to reveal any significant tendency or make an extrapolation. Besides, foreign trade operations are badly affected by forex rate fluctuations and political factors.

#### 4. DISCUSSION

At present both in science fiction and in common practice the research problem of the service market in the customs sector is paid much attention to. In the research work of 2014 it was noted that organizing of the customs registration is the fifth popular logistical service used on the average by 57% of companies dealing with international economic activity (Annual Third-party Logistics Study, 2014).

One can say that from all the services in the customs sector the most in-demand and significant ones are the services provided by customs representatives and providing complex support of the customs registration process.

A customs representative organizes passing of all the envisaged by the customs requirements procedures, minimizing time expenditures of the international economic activity members

and discharging them from a necessity to perform non-core functions.

At present in most countries characterized by a developed customs system customs representation belongs to the most important segments of the service market in the customs sector and it is quite in demand among the companies dealing with export and import activities. As per the goods in the commercial foreign trade turnover (unlike the goods for private use transferred across the border), a considerable share of customs operations, including registration and submission of customs declarations to the customs bodies is performed exactly by customs representatives (customs agents, brokers, mediators: Different terms are used depending on the time and the countries) (Tabakov, 2013).

International economic activity management problems are quite closely examined in scientific works by different authors, at the same time special attention is paid to customs services provided to international economic activity members by customs bodies (Gupanova, 2011) and the services provided by special mediators (Fedorenko, 2014). The problems of the customs representatives' role evaluation in international economic activity development are also studied by foreign authors. Thus, for instance, the work *Customs Brokerage Services and Trade Facilitation: A Review of Regulatory Coherence* emphasizes the significance of customs brokers' activity both for the state and business circles (Llanto et al., 2013).

At the same time insufficient attention is paid to organizing professional customs mediators' activity. Along with that exactly their activity is aimed at providing an effective interaction between international economic activity members and customs bodies and, as a consequence, reducing of time and financial expenditures in foreign trade activity.

#### 5. CONCLUSION

Thus, hypotheses on the statistical connection between the shares of the largest international economic activity members and the share of declarations registered with the help of customs representatives have been confirmed. In this context it was found out that export concentration leads to a noticeable decrease in demand for customs representatives' services while the share growth of the largest importers increases demand for the services on customs registration.

As under current conditions the share of the largest international economic activity members is quite high and it in general shows positive dynamics not falling less than the point of 50%, we can conclude that there are no perspectives for the development of customs registration services in export international economic activity sector.

On the other hand, according to the developed hypothesis, the expansion of the largest importers' share leads to a higher share of declarations registered by customs representatives which under larger import volumes provides a demand growth in customs representatives' services. Thus, a statistical analysis of

**Table 4: Subjective declaration structure**

Years	Customs declarations registered by customs representatives		Customs declarations registered by declarants		Proportion between the custom declarations registered by customs representatives and declarants
	Units	Share (%)	Units	Share (%)	
2008	19566	66.3	9930	33.7	1.97
2009	23479	61.1	14962	38.9	1.57
2010	25469	54.5	21251	45.5	1.20
2011	24968	57.5	18487	42.5	1.35
2012	25549	53.2	22496	46.8	1.14
2013	25621	49.0	26645	51.0	0.96



long-term dynamics of customs service has allowed to reveal a growing demand vector in the customs representatives' services, which opens broad perspectives of the regional service market development in the customs sector.

## REFERENCES

- Current State of the 3PL Market. Annual Third-Party Logistics Study Mode of Access. (2014), Available from: <http://www.3plstudy.com/downloads/2014+3PL+Study>.
- Fedorenko, R.V. (2014), Development of outsourcing in the customs sphere. *Asian Social Science*, 10(20), 202-209.
- Gupanova, Y.E. (2011), Actual problems of customs services' quality management problems. *Journal of the Russian Customs Academy*, 1, 5-12.
- International Convention on the Harmonization and Simplification of Customs Procedures (as amended) (Revised Kyoto Convention) Electronic Text Data. World Customs Organization mode of access. (1999), Available from: [http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf\\_revised\\_kyoto\\_conv/~media/A7D0E487847940AD94DD10E3FDD39D60.ashx](http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv/~media/A7D0E487847940AD94DD10E3FDD39D60.ashx).
- Li, Y., Wilson, J.S. (2009), Time as a Determinant of Comparative Advantage, World Bank Policy Research Working Paper WPS5128, November. Washington, D.C: World Bank.
- Llanto, G, Navarro, A., Detros, K., Ortiz, K. (2013), Customs Brokerage Services and Trade Facilitation: A Review of Regulatory Coherence. Available from: <https://www.docs.google.com/viewer?url=http://dirp4.pids.gov.ph/webportal/CDN/PUBLICATIONS/pidsdps1348.pdf>.
- Resume of Privilzhsk Customs Agency for 2014. Official site of Privilzhsk Customs Agency Federal Customs Service. Electronic Text Data. Federal Customs Service Mode of Access. (2015), Available from: <http://ptu.customs.ru>.
- Sandford, I., Temby, I. (2010), Customs in the regional trade agreements of Australia and New Zealand: Efforts to improve customs instruments and develop trade. *Global Trade and Customs Journal*, 5(11-12), 445-459.
- Strategy of Russian Federal Customs Service Development till 2020. Electronic text data. Federal Customs Service mode of access. (2013), Available from: [http://www.customs.ru/index.php?id=17220&Itemid=2375&option=com\\_content&view=article](http://www.customs.ru/index.php?id=17220&Itemid=2375&option=com_content&view=article).
- Survey to Determine the Percentage of National Revenue Represented by Customs Duties. Available from: <http://www.wcoomd.org/en/topics/nomenclature/overview/~media/E99EC1C7B40645B8AA0ABB1681C1EBFA.ashx>.
- Wilson, N. (2007), Examining the Trade Effect of Certain Customs and Administrative Procedures. OECD Trade Policy Working Paper, 42 (26).
- Zhigun, L.A. (2013), Revealing the factors determining the quality management of state customs services. *Journal of the Russian Customs Academy*, 3, 30-39.
- Ershov, A.D., Dolya, A.N. (2005), Formation of customs services in foreign trade//Scientific notes of the Russian. Customs Academy, 1, 172-180.
- Orlov, I.V. (2013), A customs representative: Specific features of getting a legal status in the Russian federation legislation. *Journal of State and Municipal Management*, 2, 77-81.
- Tikhonovich, E.A., Zavgorodnya, E.N. (2009), Subjective structure of the customs service market for small-scale and large-scale business. *Journal of Volgograd State University*, 1(14), 200-205.
- Tabakov, A.V. (2013), Territorial Borders of Customs Representatives' Scope of Activity in the Customs Union of Eurasian Economic Community. Scientific Notes of St. Petersburg Branch Named After V. B. Bobkov of the Russian Customs Academy, No. 1.