

PECULIARITIES OF REDUCING THE NUMBER OF CUSTOMS-TRANSPORT FORMALITIES UNDER CONDITIONS OF TIME AND CONVEYING DISTANT CONSTRAINTS

ОСОБЕННОСТИ КОЛИЧЕСТВЕННОГО СОКРАЩЕНИЯ ТАМОЖЕННО-ТРАНСПОРТНЫХ ФОРМАЛЬНОСТЕЙ В УСЛОВИЯХ ОГРАНИЧЕННОГО ВРЕМЕНИ И РАССТОЯНИЯ ПЕРЕВОЗОК

Prof. Dr. Kochadze T. ¹, Prof. Dr. Mamuladze R. ², Dr. Sirbiladze B. ¹, Doctoral candidate Sharabidze D. ¹, Gudadze A. ¹

Akaki Tsereteli State University ¹ - Kutaisi, Georgia

Batumi State Maritime Academy ² – Batumi, Georgia

E-mail: Temko1954@mail.ru, r.mamuladze@bsma.edu.ge, doqtor2014@gmail.com, dsharabidze@gmail.com, predatori.ag@gmail.com

Abstract: Transport service in modern conditions includes not only cargo transfer itself from suppliers to customers, but also a large number of freight-forwarding, information, customs and transaction operations, cargo handling, insurance and protection services and so on.

The introduction of modern logistics management into the customs clearance practice allows for increasing organizational-economic stability of transshipping processes. The paper dwells on the tendencies in the application of customs logistics for the purpose of reducing the number of the customs clearance procedures for vehicles and goods under conditions of time and conveying distant constraints.

KEYWORDS: TRANSPORT SERVICE; CUSTOMS LOGISTICS; DISTANCE CONSTRAINT.

1. Introduction

Under conditions of an integrated world economy and the globalization of business, the new requirements to customs affairs are imposed. The customs service is required to contribute to the development of foreign economic activity. In modern world economic conditions, the purpose faced by the customs services throughout the world consists in facilitation of customs administration thereof, while ensuring compliance with the customs legislation.

Active globalization and liberalization of world trade create prerequisites for establishing the optimally organized system of interaction of all foreign trade actors in process of the customs clearance and customs controls used for goods and vehicles.

The use of logistics approach to the management of the export-import commodity flows has acquired special urgency at the current stage of Georgia's economic development. In the South Caucasus region, Georgia is situated in an advantageous position at the intersection of the Eurasian transport and logistics corridors that is a prerequisite for possible becoming as a full-fledged participant in the process of international movement of goods and services

Due to short-distance movement, transit goods moving through the territory of Georgia, cross, in a short time, at least four customs-transport frontiers and clear customs in accordance with legislations in these countries. Realization of these prospects substantially depends largely upon the activity of customs authorities of the country. Introduction of high-quality customs service, and the use of the effective innovative technologies in customs treatment and control, are the most important characteristics of customs activity. That is why the emphasis should be placed on studies of experience with the use of methods of logistics in organizing the system of customs treatment and controls.

In the context of the establishment and development of transport and logistics system in Georgia, it is possible to mention the non-

utilization of logistics approach in carrying out foreign commercial operations, since there are realized only separate logistical functions to reduce costs in movement of goods through the customs frontier. Customs authorities of Georgia, until recently, have been mainly focused on the solution of the fiscal and security tasks. At the same time, the natural evolution of customs development, predetermined by the influence of customs regulations on the processes of integration of national economy into the international economic environment, requires improvements in the technologies of customs treatment and customs controls. As one of the most important indicators of the efficiency of customs system, a minimization of the time spent for the customs formalities, is coming to the fore. Because the increase in prices for the goods within the country is the main consequence of delays of them at the border, when it comes to the imported goods, and loss of transit flows, in the case of delay of the goods moving to the third countries (transit goods).

When using logistics approach relating to the integration of all logistics operations in the management of export-import flows, the considerable reserve of the general decrease in expenses is created. This will become possible due to hi-tech interaction of business and the government institutions controlling foreign economic activity, first of all of the customs bodies, and will serve the interests not only of the end users, but also the state, and it will be a real step forward in taking benefit from the country's advantageous geopolitical position.

2. Preconditions and means for resolving the Problem

Logistics approach to improving the functioning of the customs bodies requires the system provided implementation of the following activities:

- Creation of the modern customs and logistic centers;
- Improvement of the customs legislation;
- Introduction of the latest information technology tools dedicated to the activities of the customs bodies;
- Creation of the uniform interdepartmental automated system for information collection, recording and processing in the implementation of all types of the state control of movement of goods through the customs frontiers;
- Reforming the institutional and management structure of the customs bodies based on the functional principle.

At present, the attention of the influential international organizations, such as the United Nations (UN) and the World Trade Organization (WTO) is drawn to the customs logistics now. Trade and transport services facilitation assume even-greater importance for the competitiveness of countries and their potential in economic development.

Large-scale research, analytical and consulting work, as well as the technical assistance to the developing countries on trade

facilitation is carried out by the United Nations Economic Commission for Europe (UNECE) and the United Nations Conference on Trade and Development (UNCTAD).

It was specified in the research works performed by the Organization for Economic Co-operation and Development (OECD) devoted to the benefits from trade facilitation, that the benefit from trade facilitation varies from 0,04% to 2,3% of GDP, and trade costs are reduced by 0,2 - 10%. Reduction of operational trade costs by 1% leads, on average, to the growth in welfare, equivalent to 0,13% of GDP.

Trade and transport services facilitation is in the inseparable relationship with the general economic level of the country's development. Most trade facilitation measures have a direct impact on the efficiency of both external, and domestic trade of the country, and affect the general condition of the human capital in the country, its legal framework, infrastructure and the use of information technology.

The interrelationships between the country's development level and its participation in trade facilitation is shown in Table 1.

Table 1: The interrelationships between the indicators of trade facilitation and income levels

Income levels of the countries	The average number of the required documents	The average number of the required signatures
High-income countries	7	4
Upper-middle-income countries	10	9
Lower-middle-income countries	12	16
Lower-income countries	13	28

Table 2 gives data on the number of different-type transit vehicles moving through the territory of Georgia by years

Table 2: The number of transit vehicles

Transport mode	2013	2014	2015	2016	2017 (2 months)
Maritime transport	39,0	75,0	8 588,0	41,0	33,0
Railroad transport	19 740,0	20 434,0	12 923,0	13 877,0	2 875,0
Overland transport	142 547,0	156 006,0	151 584,0	164 230,0	29 054,0
In all	162 326,0	178 529,0	173 095,0	164 365,0	31 962,0

As shown in the table, the largest part of transit attributed to the overland transport, and decreasing the time required for the customs treatment in organization of the sea-coast checkpoints

through the introduction of logistics principles, will give a considerable economic effect to transportation companies in terms of reducing the total time required for cargo shipping.

A logistics approach to the management of export-import commodity flows is fundamentally different from a traditional one in that it builds the optimally organized system of interaction of all participants of transport process in the implementation of customs procedures for achieving the maximum cumulative economic effect. It is obvious that specifics of the international logistics chains consist in fact that not everything depends on the participants of process. The certain significant operations are carried out by the customs bodies, whose purposes can both match, and contradict the purposes of the participants of transport process. Therefore, the essence of a logistics approach to the management of foreign trade flow processes consists also in establishing a system, whose principle of functioning is the optimization of time and financial costs of the implementation of procedures relating to movement of goods through the customs frontier, and to their subsequent involvement in the economic circulation, for the benefit of all participants of the foreign trade transaction.

The essence of merchandise distribution consists in a combination of physical and economic processes. Physical movement consists in its territorial displacement from one geographical point to another one. Here, of high importance is the choice of transport mode, as well as the transport and customs infrastructures existing in the country, which ensure the implementations of the capacities of individual modes of transport and the effective use of multimodal transportations. Movement in economic environment consists in transferring the rights to use, possess and dispose the goods, from one owner, user, or possessor to another one. Both aspects are in the field of interest not only of a private international law, but of the customs law as well – that may provide the basis for making a conclusion on significant influence on customs logistics, in addition to an economic, legal factor.

Table 3 gives data on the quantity of goods delivered to Turkey, Armenia, Azerbaijan and Russia by transit through the territory of Georgia by years .

Table 3: The quantity of goods delivered to Turkey, Armenia, Azerbaijan and Russia by transit through the territory of Georgia, by years

Country	2013	2014	2015	2016	2017 (2 months)
	Quantity, t				
Azerbaijan	2 982 836	3 252 115	2 281 382	1 972 187	303 222
Turkey	710 700	396 953	573 884	584 322	70 954
Russia	172 858	171 916	242 826	319 995	41 789
Armenia	1 371 651	1 430 295	1 664 439	1 624 967	235 488
In all	5 238 047	5 251 281	4 762 532	4 501 472	651 454

3. Conclusion

Since most countries in the South Caucasus region are developing States, the overall objective of their frontier-customs points is such organization, which unites processes of the implementation of the customs procedures relating to physical and economic movement of foreign trade cargo through the customs frontier. Introduction of customs logistics principles in their activities has to ensure coherence of material, information and financial flows in the customs activity, the optimum technology of movement of goods through the customs frontier, for the purpose of accelerating this process, as well as the development of standard logistics requirements regarding both the customs procedures, and activity of the participants of transport process. To that end, of high importance is

the existence of intergovernmental and interdepartmental associations, will prepare a set of proposals for the coordinated implementation at the legislative level, by balancing the interests of all the interested parties.

4. References

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