

INTERNATIONAL TRADE AND LOGISTICS

Gavkhar Isamutdinova,
ISFT- teacher of Management

Annotatsiya

ushbu maqolada muallif eksport, import, xalqaro savdo, logistika va ta'minot zanjiri va ta'minot zanjiri darajalari kabi masalalarni o'rganadi. Tranzit salohiyatdan foydalanish shartlari keltirilgan va global hamda mahalliy logistika tamoyillari ko'rsatilgan.

Kalit so'zlar

ikki tomonlama munosabatlar, logistika, to'g'ridan-to'g'ri xorijiy investitsiyalar, ssenariylar.

Аннотация

в данной статье автор исследует вопросы экспорта, импорта, международной торговли, логистики и цепочки поставок, а также уровня цепочек поставок. Приведены условия использования транзитного потенциала, указаны принципы глобальной и национальной логистики.

Ключевые слова

двусторонние отношения, логистика, прямые иностранные инвестиции, сценарии.

Abstract

in this article, the author explores topics such as: Export, import, international trade, Logistics and Supply Chain and levels of the supply chain. Sources of information are both international and organizations.

Keywords

bilateral relations, logistics, foreign direct investment, scenarios

International trade and bilateral cooperation

Nowadays it is impossible to imagine the world without international trade, it is driven by globalization and internationalization processes, allowing countries and regions to exchange goods and services. The amount of international trade was over 22 trillion US dollars (UNCTAD, 2019) with a trend of dynamic growth both in 2017 and 2018. This illus-

trates the importance of this type of trade for the modern world. The term "international trade" (or foreign trade) refers to "exchange of capital, goods, services across international borders or territories" (Morales, 2018, p. 145). International trade consists of:

- export trade – when the goods and services are sold to another countries (also referred as outward movement);
- import trade – when the goods and services are bought from another country (also referred as inward movement).

Entrepot trade is a combination of export and import trade and is also known as Re-export.

It means importing goods from one country and exporting it to another country after adding some value to it (Morales, 2018; Borad, 2018). Practically all kinds of goods and many types of services can be traded internationally, however, goods international trade makes a lot bigger share of the total. UNICTAD (2019) stated that over 17 trillion US dollars was amounted to goods foreign trade and only about 5 trillion US dollars to service foreign trade (making it 77% and 23% accordingly). The range of factors that influence foreign trade include: a. industrialization; b. advanced technology (including in transportation); c. Globalization; d. multinational corporations; e. Outsourcing; f. and others (Morales, 2018; Richter, Schinnick, Van Hove, 2009). Nations are interested in being a part of international trade, because it provides a range of advantages for local business and for the country as a whole.

Transit evaluation can be made by analyzing transit potential. The term transit potential can be defined as highest level of internal capabilities and means for serving international flows of cargos and passengers, crossing country's territory and having its departure and destination points outside the borders of this country (Кудряшов, Нечай, 2012, с. 93). Transit potential can be evaluated for the whole country, specific regions, particular industries or companies. Irrespectively, one is always interested in maximizing its transit potential, fully exploiting it in order to gain most economic benefits. In order to exploit transit potential effectively, several conditions need to be followed:

- transit shipments should be organized and provided services should be of high quality;
- for organizing transit shipments, it is important to use latest technology, modern information systems that help to control, monitor and manage transit operations;
- government should support the members of transit operations;
- ecological norms and environmental requirements should be followed;
- prices must be competitive and flexible enough;
- international law must be followed as well as national laws and standards;
- mutually beneficial relationship with all strategic and potential partners should be built (Daudišs, 2009, 2).

The analysis of transit potential has two main approaches. The first approach is based on comparison of cargo and passenger transit in a specific period of time and conducted by particular means of transport. The second approach is based on income structure analysis (from transit) (Кудряшов, Нечай, 2012). The first approach is most common due to better data availability.

Another approach to evaluate transit potential and cooperation potential in logistics is the assessment of Logistics Performance index or LPI (and its dynamics). The LPI, which is prepared by the World Bank, is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics and what they can do to improve their performance. The LPI 2018, for instance, allows for comparisons across 160 countries (The World Bank, 2019). The following criteria is used for LPI (each assessed on a scale from 1 – very low to 5 – very high):

- * the efficiency of customers and border management clearance (customs);
- * the quality of trade and transport infrastructure (infrastructure);
- * the ease of arranging competitively priced shipments (easy of shipments);
- * the competence and quality of logistics service (quality of logistics service);
- * the ability to track and trace consignments (track and trace);
- * the frequency with which shipments reach consignees within scheduled or expected delivery times (the timeliness) (The World Bank, 2019).

The higher the index, the more competitive logistics service is provided by a country. The higher the index, the more attractive the country is for logistic cooperation and transit cooperation.

To sum up, transit potential is an important indicator when assessing cooperation possibilities between particular countries in the area of logistics as well as global logistics performance index, which is a trustworthy source of information about the quality of logistics operations provided.

The specific strategic objectives of global logistics include:

- optimization of the functional cycle of global logistics (reduction of time by speeding up of international transportation, reducing the number of intermediary structures);
- development of logistics infrastructure in foreign economic space;
- development of information support global logistics processes;
- creation of global production logistics marketing unions.

As global trade expands, the need to move supplies, parts, components, sub-assemblies and products increases at a rapid pace; and the need to have immediate, accurate, and secure information about the content of each shipment and its arrival time becomes vital. For firms facing these dynamic markets, global supply chains and distribution channels that require global logistic platforms are essential for success (Hong, Vonderembse, 2011). As a result, companies that are involved in global logistics and international logis-

tics develop and use special information systems, allowing to raise the efficiency of the logistic processes. Most major companies in the industries do have such systems. In the area of international logistics, the subject of supply-chain management is often referred, this topic is covered in the subsequent below.

Supply Chain management

It is important to define the role of logistics in supply chain management. According to Lambert (2008, p.267) "logistics is that part of Supply Chain Management that plans, implements and controls the efficient, effective forward and reverse flow and storage of goods, services, and related information between the point-of-origin and the point-of-consumption in order to meet customers' requirements". However, the supply chain management has a broader scope than just the function of logistics. Actually, supply chain management is the integration of the key business processes from end user through original suppliers that provides products, services, and information that add value for customers and other stakeholders (Lambert, Cooper, 2000). As stated by Branch (2008) the ultimate objective of global supply chain management is to link the market place, distribution network, manufacturing/processing/assembly process, and procurement activity in such a way that customers are serviced at a higher level yet lower cost. So there is a direct link with the overall objective of logistics. The development of supply chain is closely interconnected with the principles of global or international logistics, it can be seen in the following principles:

1. System approach that is based on the idea of seeing logistic system as a set of interconnected elements united with a specific aim.
2. The principle of total expense, meaning the consideration of all expenses arising from the management of material, information and financial flows in the supply chain.
3. The principle of global optimization, which states that during optimization or management in logistic system, it is important to balance local and global aims of the system, and its elements.
4. The principle of integration's logistical coordination. During the logistic management process, it is important to reach coherent, integral inclusion of all the areas in the supply chain, starting from the beginning and till its end, managing all flows for achieving general aim (MapyceBa, 2008).

The members of logistic chain include suppliers (manufacturers, sellers), intermediaries, logistic service providers, buyers (for example, retailers, wholesalers) and consumers. The chain can include many members or be a short chain, that depends on many factors, including industry, location of seller and buyer etc. The cooperation developed within the international supply chain is also depended on the bilateral and multilateral

(more than two countries) relationship between the countries, represented by supply chain members. The realization of international logistics also closely related with logistics providers, who carry-out a number of functions to conduct the processes of international logistics. A logistic provider or a logistic service provide is a commercial company that provides services in the field of logistics, it can provide specific operations or a set of logistic functions, as well as integrated management of logistics chains on behalf of customers (Черноусов, 2002, 74).

There are 5 levels of logistics providers. The lowest (1PL – party logistics) level is a manufacturer, goods owner, who might have own capabilities to deliver products for sale. Next level is 2PL, it is a transportation company – a carrier, it provides a basic set of services for transporting goods for its customers. More integrated operators start at third level or 3PL logistics. In a 3PL model, an enterprise maintains management oversight, but outsources operations of transportation and logistics to a provider who may subcontract out some or all of the execution. Additional services may be performed such as crating, boxing and packaging to add value to the supply chain (Ciemciochi, 2018).

Following is 4PL logistics, when an enterprise outsources management of logistics activities as well as the execution across the supply chain. The 4PL provider typically offers more strategic insight and management over the enterprise's supply chain. A manufacturer will use a 4PL to essentially outsource its entire logistics operations. Finally, the highest level is 5PL, such providers supply innovative logistics solutions and develop an optimum supply chain network. 5PL providers seek to gain efficiencies and increased value from the beginning of the supply chain to the end through the use of technology like blockchain, robotics, automation, Bluetooth beacons and Radio Frequency Identification (RFID) devices (Ciemciochi, 2018). Nowadays some authors refer to 6PL logistics, which focuses on sustainable logistics business (Lehmacher, 2017), meaning that a logistic provider is doing its business being socially responsible, taking care of the environment, minimizing its carbon print, thinking of the future generations etc. However, most logistic providers represent 1PL-3PL logistics today, only some big, global companies have developed into 4PL or 5PL providers.

Therefore, cooperation between companies located in two different countries (sellers, buyers, intermediaries, service providers etc.) is an international cooperation, it may be a part of an international/global supply-chain and it is influenced by bilateral relationships between the countries where these companies are located. As the globalization tendencies increase, international logistics will be developing rapidly. New innovations are starting to be implemented and makes procedures easy and cheaper.

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