

DOI 10.36074/logos-15.11.2024.007

THE ROLE OF CUSTOMS LOGISTICS IN INTERNATIONAL SUPPLY CHAINS

Shaleva Oleksandra Ivanivna¹

1. Ph.D., Associate Professor,
Associate Professor of the Department of Entrepreneurship, Trade and Logistics
Lviv University of Trade and Economics, UKRAINE
ORCID ID: 0000-0002-4057-2789

Since 2020, the COVID-19 pandemic has disrupted established global logistics chains, impacting not only transportation routes and modes but also primary suppliers and manufacturers. These shifts have significantly affected international trade routes. An even greater challenge arose for Ukraine in 2022, as the full-scale Russian invasion further intensified logistical issues and brought even more changes to international supply chains. These disruptions inevitably led to rising costs in logistics processes. According to Expert Market Research, the global logistics market reached nearly \$9.96 trillion in 2022, with an anticipated average growth rate of 6.3% over the next five years. Another notable trend was the rise in freight transportation costs, affecting both international and domestic markets. In Ukraine, freight rail tariffs, in particular, saw a 2.4-fold increase compared to 2021.

Today, logistics chains have grown significantly more complex, involving a greater number of links, each adding an extra layer of uncertainty. The primary risks emerge during border crossings, as individual countries implement distinct regulations for this process. This notably impacts stages of the logistics chain, such as customs clearance and the inspection of cargo and vehicles by customs authorities.

Applying logistics principles to customs operations enables the optimization of processes within international supply chains as goods move across customs borders. This influence of customs administration and regulation on the international supply chain is known as customs logistics [1].

From a logistics perspective, a participant in foreign economic activity seeks to minimize costs associated with customs procedures by identifying issues in the following areas [2]:

- ensuring goods match the accompanying documentation;



SEZIONE 4.

ATTIVITÀ DI MARKETING E LOGISTICA

- verifying the accuracy of the declared product code according to the Harmonized System (HS);
- justifying the declared customs value;
- confirming the accuracy of customs duties and taxes payable;
- meeting requirements and conditions that uphold prohibitions and restrictions on foreign economic activity.

These areas of customs control are relevant not only to participants in foreign economic activity but also to customs and other government agencies.

The essence of customs logistics encompasses key components, including the movement of goods across customs borders, specific logistics links, international supply chain management methodologies, and the activities of customs authorities alongside participants in foreign trade.

Given that customs logistics is understood from scientific, customs authority, and foreign trade participant perspectives, the following key tasks of customs logistics can be highlighted [3]:

- minimizing costs associated with customs control;
- reducing the risk of customs law violations;
- providing favourable conditions for conducting foreign economic activities;
- advancing customs technologies;
- reducing the time required for customs control.

Figure 1 illustrates the scope of customs logistics within international supply chains, highlighting the stages where risks emerge for participants in foreign economic activity, particularly during customs control and goods declaration [4]. Consequently, it is crucial for foreign trade participants to implement measures that minimize potential risks associated with moving goods across national customs borders when planning the supply chain.

The primary function of customs logistics is to manage and organize all logistical operations involved in moving various cargoes across customs borders.

The core operations that comprise customs logistics typically include inspecting goods for declaration compliance, assisting with declaration completion, post-customs escorting, providing storage services, facilitating expert assessments of customs value, and supporting licensing and certification processes.

Today, customs logistics plays an increasingly vital role in international trade. For participants in foreign economic activities, it is essential to identify potential customs and logistics risks specific to their products. This approach helps mitigate not only financial losses but also potential reputational damage.

The development of points of interaction between customs authorities and participants in foreign economic activity (for example, prior information) will make

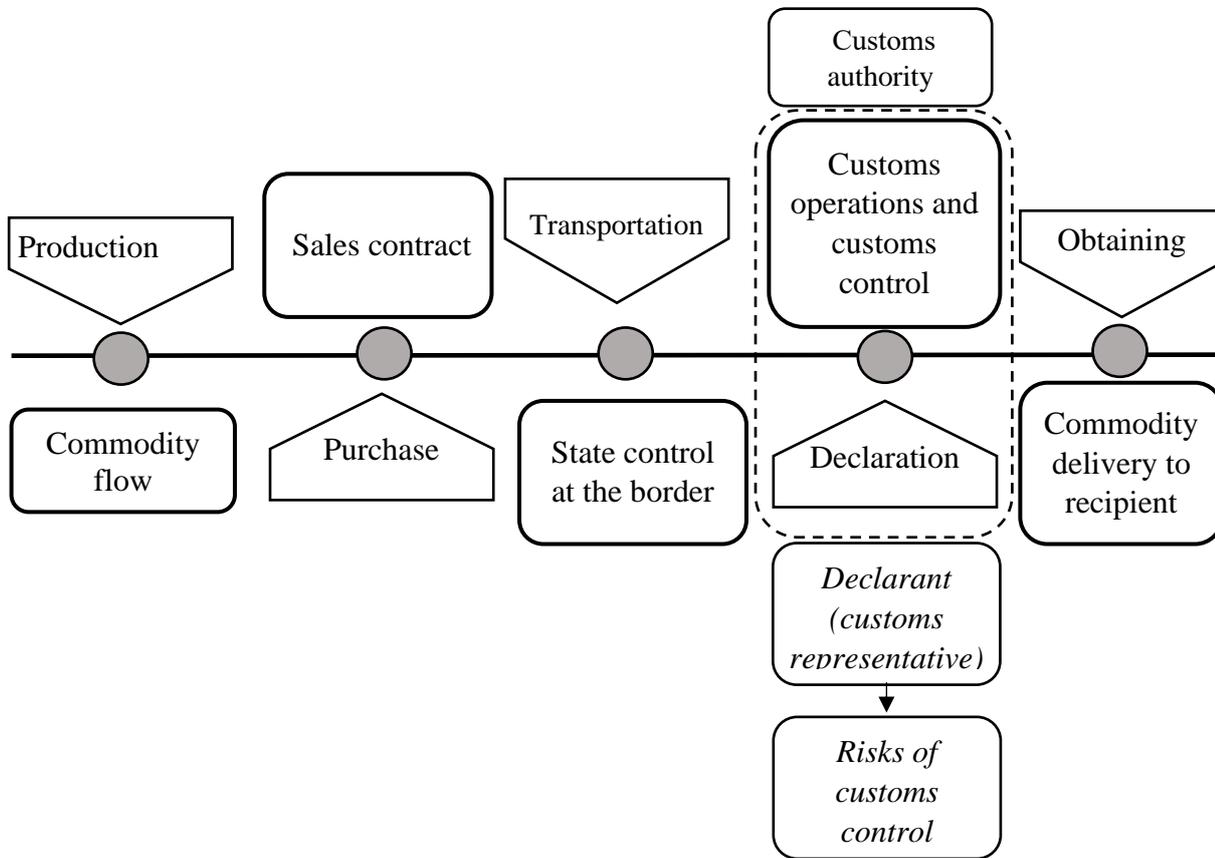


Fig. 1. **Position of customs logistics within the international supply chain**

it possible to make the supply of goods transparent for customs authorities. This will contribute to the minimization of risks related to the delay of goods at the border, which a participant in foreign economic activity faces.

REFERENCES:

- [1] Yaremenko, O. (2021). Customs Logistics: Concepts, Functions, Features. *Herald of Khmelnytskyi national university. Economical Sciences*, 6, 32-36. doi: <https://doi.org/10.31891/2307-5740-2021-300-6-5>.
- [2] Maksymova, A., Varava, V. & Chackiewicz, M. (2022). The influence of the customs system on the logistics system under the conditions of the state of martial. *Customs Scientific Journal*, 1, 2022, 21-26. doi: <https://doi.org/10.32782/2308-6971/2022.1.3>.
- [3] Khara, M., Nikolaienko, I., Maslak, G., Musenko, B. & Bochevarov, I. (2024). Analysis of the Impact of Customs Procedures on International Rode Transportation. *Modern Engineering and Innovative Technologies*, 1 (33-01), 72-76. doi: <https://doi.org/10.30890/2567-5273.2024-33-00-035>.
- [4] The Impact of Customs on Logistics and Supply Chain management. URL: <https://www.novocargo.com/en/customs-logistics/>.

