

Lecture 11. Logistics approach to customs tariff and non-tariff regulation

The goal of lecture is to consider the features of the implementation of the logistics approach in foreign trade operations

The main objective of lecture:

1. Features of the implementation of the logistics approach in foreign trade operations.
2. Customs and tariff regulation of foreign trade operations
3. Logistics of non-tariff regulation of foreign trade operations.

1. Features of the implementation of the logistics approach in foreign trade operations.

The formation of Kazakhstan as an independent state has significantly changed the approach to managing foreign trade flow processes in our country. At the same time, at the initial stage of creating a new organizational and economic mechanism for regulating export and import commodity flows, the content of most measures was reduced to the liberalization of foreign trade activities and attempts to form market foundations of state influence on the sphere of foreign trade. To this end, administrative restrictions on entering the foreign market were lifted, the number of quota and licensed goods was reduced, and the transition to tariff methods of regulating foreign trade flow processes was made. In addition, measures were taken to streamline the export of strategically important goods, customs borders were established, certification and quality control tools for imported products were created. All these measures were implemented during the development and adoption of the relevant customs and foreign economic legislation.

The basis of the logistics function of customs activity is the logistics organization of the process of customs cargo processing, which combines the processes of implementing customs regimes related to the physical movement of foreign trade goods across the customs border. Logistics should ensure consistency of material (commodity), information and financial flows in customs activities, optimal technology for moving goods across the customs border in order to speed up this process, as well as working out standard logistics requirements both in relation to customs regimes (that is, with respect to customs) and to participants in foreign trade activities.

The logistics function in foreign trade operations covers two components:

- 1) logistics of the process of customs cargo processing;
- 2) customs activities of transport and logistics companies — both foreign that operate in Kazakhstan and domestic ones.

The first direction is based on the analysis of customs and logistics flows, that is, integrated logistics (commodity, information and financial) flows associated with the crossing of the customs border of Kazakhstan (customs border of the Customs Union) by foreign trade flows and the collection of relevant customs duties and payments.

The basis of customs and logistics flows are foreign trade flows, which are of a cross-border nature.

They include input (import) and output (export) types of flows.

They are accompanied by information flows:

output (from customs to the central authority),

input (on the contrary),
accompanying (documents for the goods).

Financial flows, in turn, are:

- output (collection and transfer of duties to the budget)
- input (state financing of customs).

THE SECOND DIRECTION, i.e. the customs functions of transport and logistics firms are that:

Their production activity involves crossing customs borders, therefore requires knowledge and compliance with customs requirements and interaction with customs authorities.

Large transport and logistics companies have customs posts and licensed customs warehouses in their structure, can perform the functions of a customs carrier and a customs representative, that is, they themselves can perform customs functions.

REQUIRE-MENTS IMPOSED ON THE CUSTOMS CARRIER

1) implementation by this person of cargo transportation activities for at least two years on the day of application to the customs authority

2) provision of security for the payment of customs duties and taxes in an amount equivalent to at least two hundred thousand euros, at the exchange rate established in accordance with the legislation of the member State of the Customs Union;

3) availability of a permit document for carrying out cargo transportation activities, if such type of activity requires the availability of the specified document in accordance with the legislation of the member states of the Customs Union;

4) absence on the day of application to the customs authority of an unfulfilled obligation to pay customs duties, penalties;

5) having in the ownership, economic management, operational management, lease of vehicles used for the transportation of goods, including vehicles suitable for the transportation of goods under customs seals;

6) absence of facts of bringing within one year before the date of application to the customs authority to administrative responsibility for offenses in the field of customs affairs defined by the legislation of the member states of the Customs Union.

The owner of a temporary storage warehouse stores goods under customs control in the cases and under the conditions established by the customs legislation of the Customs Union. The owner of a temporary storage warehouse is obliged to:

comply with the conditions and fulfill the requirements established by this Code for the temporary storage of goods;

ensure the safety of goods in a temporary storage warehouse;

keep records of stored goods and submit reports on them to the customs authorities, including using information technology, in accordance with the legislation of the member states of the Customs Union;

The owner of a temporary storage warehouse is obliged to:

4) to prevent unauthorized persons who are not employees of the customs warehouse and do not have authority in respect of goods to the stored goods without the permission of customs authorities;

5) to comply with the requirements of customs authorities regarding access of customs officials to the stored goods;

6) in case of termination of the functioning of the customs warehouse within 3 (three) working days from the day following the day of the decision to terminate the functioning of this warehouse, notify the persons who placed the goods in the customs warehouse of such a decision;

7) in case of loss of goods, with the exception of their loss due to destruction in an accident or force majeure, or the issuance of goods without the permission of the customs authority, to pay import customs duties, taxes in the event of an obligation to pay customs duties, taxes in accordance with the Code.

The functional structure of the logistics approach in foreign trade operations reveals the logistical features of customs activities in the course of foreign economic transportation of goods by road, air, rail and water (sea and river) modes of transport, as well as pipeline transport and power lines.

The implementation of the logistics approach in foreign trade integrates such important functions of customs activity as tariff-regulating, information-analytical, checkpoint and financial-economic. The goal of logistics of customs activities is, first of all, the effective logistics organization of all types of flows that exist in customs, and their acceleration.

2. Customs and tariff regulation of foreign trade operations

CUSTOMS AND TARIFF REGULATION OF FOREIGN TRADE ACTIVITY is a set of methods of state regulation of foreign trade activity based on the application of customs duties, customs procedures, rules.

Customs and tariff regulation is the main method of state regulation of foreign trade, used for a long time. The objectives of the application of customs and tariff regulation measures may be:

1. **PROTECTIONIST FUNCTION** - protection of national producers from foreign competition.

2. **FISCAL FUNCTION** - ensuring the receipt of funds to the budget

From the point of view of state regulation of foreign economic activity, customs tariff regulation is one of two groups of methods of state regulation of this sphere of activity along with non-tariff methods.

ELEMENTS OF CUSTOMS AND TARIFF REGULATION

Customs tariff - a set of rates of customs duties.

Customs procedure and Commodity Nomenclature of Foreign Economic Activity

Customs declaration of goods transported across the customs border.

In modern conditions of globalization of the world economy, the construction of all elements of customs and tariff methods is unified on the basis of international treaties. The most important of them are:

- Agreements in force between the members of the World Trade Organization in accordance with its Charter and a package of agreements, primarily the General Agreement on Tariffs and Trade (GATT)

- Convention on the Harmonized Commodity Description and Coding System

- Customs Convention on the International Carriage of Goods under Cover of TIR Carnets

- Other multilateral and bilateral international treaties (e.g. agreements on the granting of the most-favored-nation principle in trade)

Customs tariff regulation assumes a cost impact on export-import flows in the process of crossing state borders. Tariff regulation determines the procedure and methodology of customs taxation of goods, types of tariffs and duties, the reasons for the establishment and collection of customs duties, the regime for granting customs privileges, as well as a set of actions that relate to the subjects of foreign economic activity in the implementation of export-import operations.

The customs tariff, depending on the context, can be defined as:

- an instrument of trade policy and state regulation of the domestic market of the country in its interaction with the world market;

- a set of customs duty rates applied to goods transported across the customs border, systematized in accordance with the commodity nomenclature of foreign economic activity;

- the specific rate of customs duty payable on the export or import of certain goods into the customs territory of the country. In this case, the concept of customs tariff completely coincides with the concept of customs duty

Customs tariffs are based on commodity classifiers containing a list of goods distributed according to the corresponding scheme. Currently, the most common classifier of goods traded in international trade is the Harmonization System of Description and Coding of Goods. Along with it, the Brussels Customs Nomenclature and the UN Standard International Trade Classification are used.

Customs tariffs usually have several columns of taxation rates: a column of maximum duties, a column of minimum duties and a column of preferential duties. The maximum duties apply to the goods of those countries with which there are no trade agreements and agreements. Minimum duties apply to the goods of those countries with which there are trade agreements or agreements providing for the mutual provision of most-favored-nation treatment. The customs tariffs of many countries also contain a column of preferential duties imposed on imports of goods from developing countries. Preferential duties of industrialized countries for goods of developing countries are included in the general system of preferences established within the framework of the United Nations (UNCTAD).

The customs tariff of Kazakhstan is a set of customs duty rates applied to goods transported across the customs border of the Republic of Kazakhstan and systematized in accordance with the Customs Code. The procedure for the formation and application of the customs tariff of the Republic of Kazakhstan is established by the Law of the Republic of Kazakhstan "On Customs Tariff".

The above-mentioned law defines the main objectives of the customs tariff of the Republic of Kazakhstan:

- rationalization of the commodity structure of the import of goods to the Republic of Kazakhstan;

- maintaining a rational ratio of export and import of goods, foreign exchange income and expenses on the territory of the Republic of Kazakhstan;

- protection of the economy of the Republic of Kazakhstan from the adverse effects of foreign competition;

provision of conditions for effective integration of Kazakhstan into the world economy

The role of tariff regulation of foreign economic activity is increasing in Kazakhstan, the import tariff is developing and improving. This is explained by the fact that during the transition from a centrally planned economy to a market economy, the customs tariff can best serve as a mechanism for adapting the economy of Kazakhstan to the world market. Unlike quantitative restrictions, which are administrative and technical measures, the customs tariff does not interrupt the connection between the world market and the national economy, because in fact, it is the only flexible economic regulator for the import of specific goods.

The Ministry of Industry and Trade of the Republic of Kazakhstan is actively involved in the process of developing proposals for amendments and additions to the customs tariff of the Republic of Kazakhstan. This work is carried out within the framework of the Commission of the Government of the Republic of Kazakhstan on Protective measures in foreign trade and customs and tariff Policy. Currently, within the framework of the commission, work has been carried out to clarify the list of goods originating from developing countries and for which tariff preferences will be provided. Taking into account the current economic situation in the Republic of Kazakhstan, it is planned to significantly increase the list of these goods.

Taking into account the above, it can be concluded that in modern conditions, when determining the level of customs tariff taxation in general and developing proposals for setting specific rates of customs duties, the priority main tasks, the solution of which should be provided with the tariff, are the following:

- Ensuring the formation of the revenue part of the federal budget at the expense of customs payments.

Protection of the domestic market and creation of opportunities for the development of national production.

Creating the necessary prerequisites that stimulate the development of competition.

Obtaining trade and political concessions from the trading partner countries of the Republic of Kazakhstan.

Ensuring the solution of socially significant tasks, creating opportunities to mitigate crisis situations and social tension

3. Logistics of non-tariff regulation of foreign trade operations.

Non-tariff measures are rules and regulations by which the state has a direct impact on the subjects of foreign trade activity, determines the structure of the domestic market, protecting it from both imports and from the possibility of a shortage of domestic goods in this market.

The application of non-tariff regulation measures in the conditions of independent implementation of foreign trade operations by a large number of companies makes it possible to influence the growth of the foreign trade deficit, to equalize trade and payment balances, to manage foreign currency more rationally when there is an acute shortage of it for the purchase abroad of the most necessary goods in the country, to mobilize foreign exchange reserves for servicing the external debt of Kazakhstan.

Serious work is currently underway in the Republic of Kazakhstan to improve the existing mechanism for regulating foreign trade flow processes. However, for effective and reliable control over the movement of goods flows across customs borders and the application of tariff and non-tariff regulation measures to them, modern technologies are needed that require significant material and financial costs. The most important source of their receipt in the current conditions is foreign investment.

In turn, in order to attract foreign capital to our country, it is necessary to create a favorable investment climate in it. Its main components, as a rule, are considered to be the stability of customs legislation, as well as the speed and simplicity of customs clearance, which can be achieved mainly through the use of a logistics approach.

In addition, in connection with Kazakhstan's accession to the WTO, the existing mechanism for regulating foreign trade flow processes should be gradually brought into line with the requirements of this organization, taking into account the need to protect national economic interests. To do this, it is necessary to restructure the national system of application of protective measures, in particular, the mechanism for establishing anti-dumping, countervailing and special duties, as well as import quotas, taking into account WTO rules, to unify excise taxes on goods imported into the territory of our country and/or produced on its territory.

The formation of an appropriate customs infrastructure is of fundamental importance for the effective implementation of the logistics approach in the field of foreign trade. In particular, it is necessary to create the most favorable conditions for the functioning of various intermediary organizations providing customs and near customs services. As already noted, these currently include: customs carriers, owners of temporary storage warehouses and customs warehouses, as well as customs representatives.

Thus, there are still quite a lot of serious problems related to the management of foreign trade flow processes in the Republic of Kazakhstan, for the solution of which, in our opinion, it is necessary to switch to the widespread use of a logistics approach in the field of foreign trade. As the results of numerous studies in this area show, the most important direction of this approach is the logistics of customs tariff and non-tariff methods of regulating export-import commodity flows.

Questions for self-control:

1. Expand the features of the implementation of the logistics approach in foreign trade operations.
2. Identify the elements of customs and tariff regulation.
3. Reveal the two components of logistics function in foreign trade.
4. Name the main objectives of the customs tariff of the Republic of Kazakhstan.
5. Describe non-tariff measures of regulation.

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