THE REPUBLIC OF BELARUS IN THE GLOBAL LOGISTICS MARKET: CURRENT POSITION AND PROSPECT

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The article deals with the development of the logistics and transport sector in the Republic of Belarus, the main obstacles to the effective functioning of logistics and ways to improve its position in the global market of transport and logistics services. The main directions of logistics development and ways of effective use of the existing geographical potential of the Republic of Belarus are considered, as well as the reasons for the low position of Belarus in the international LPI (logistics performance index) rating and ways to improve it.

Key words: Logistics development; success factors; Belarus; statistical analysis; development problems; market analysis.

In the second decade of the XXI century, globalization is responsible for the economic situation in the world. Here, all indications are that there is a certain trend away from competition between individual transport companies and towards competing supplies and cooperation between companies to obtain competitive advantages [1]. The development of international transportation of goods is one of the most attractive areas of economic development of the transit states, one of which is the Republic of Belarus. Two major international transport corridors - No. 2 and No. 9 - are laid across the territory of the Republic of Belarus. The advantage of using the Belarusian section of these corridors is a 30-35% reduction in transportation distance. Transport services account for about 6% of the gross domestic product of the Republic of Belarus [2].

Competitive advantages of the transport and logistics system of the Republic of Belarus include the multi-sectoral nature of the development of economic relations of the Republic of Belarus (the share of foreign trade with the countries of the Eurasian Economic Union is 49%, with the European Union - 25%, with Asia - 12%) and the systemic nature of the development of logistics services and material and technical base provided for in-state programs (implementation of two special long-term state programs within 10 years) [3].

In the World Bank's Logistics Performance Index 2018 (LPI) Belarus ranks 103rd (World Bank, 2018) [4]. Thus, the development of the logistics sector in Belarus has lagged somewhat behind schedule, taking into account modern trends in neighboring countries. According to experts, the reasons for this are as follows:

- Belarus makes little use of its geographical position and deteriorates its position in global logistics; transit is particularly affected. Wrong accounting system: the vagueness of this business gives the impression of insignificance, which distorts the economic picture.
- Unfavorable legal conditions in the country prevent the development of the transport industry.
- The insufficient use of innovations (Belarus views, 2019): the results of the Global Innovation Rating 2018 show that Belarus is the worst innovation country in Europe. The Republic of Belarus ranked the 86th place. Customs and border clearance: the average service time per truck is about two hours, and the number of trucks near the Belarusian border can reach almost 400.
- The number of multimodal junctions: only eight of the built junctions work with different means of transport, most of them serve only motor vehicles.
- The share of international cargo flows is negligible, this indicates that the transport is mainly domestic.
- An equally serious problem is the lack of human resources.
- Poor integration into the international transport and logistics space, especially within the EU, the Eurasian Economic Community, the Shanghai Cooperation Organization [5].

In trade between the EU countries and Russia, Belarus is a transport transit component. Export of transport services directly depends on the trade turnover between Russia and the EU; while exports of road and rail freight transport services depend on Russia's imports from the EU (Russian exports to the EU mainly go through pipes). More precisely, for every billion of the value of Russian imports from the EU, Belarusian freight forwarders receive about 7.163 million USD. This is a small figure. However, it should be borne in mind that:

- A part of European imports to the Russian Federation (RF) goes through Ukraine, the Baltic States, Finland, ports near St. Petersburg. According to experts' estimates, the Belarusian share in the RF-EU transit freight flows during the crisis and post-crisis period increased from 60% to 70% due to the decrease of the Baltic states' share.
- A significant part of the freight flow is serviced by Russian and European carriers.

The necessity to develop the logistical system of the Republic of Belarus is caused by the integration of the country into the global flow of goods and by the increase of efficiency and competitiveness of the subjects of the goods transport market. The main factors which slow down the development of the logistics system in Belarus include:

- obstacles on the external contour of the goods traffic in the Republic of Belarus;
- non-competitive prices for logistical components in the price of goods;
- insufficient presence of 3PL and 4PL operators on the market for logistics services;
- limited capacity of logistical infrastructure facilities;
- non-optimal plans for the delivery of goods on the market;
- insufficient level of association of undertakings in a single supply environment [5].

To improve the quality of Belarusian logistics services and realize the transit potential of the country, the following measures should be taken:

- Creating transport and logistics clusters, regional transport and logistics systems, international networks of transport and logistics centers;
- Improving the competitiveness of Belarusian logistics companies on the foreign market;
- Extension of participation in the system of international agreements and conventions in the field of transport and logistics;
- Harmonization of the normative and legal regulation of logistics activities, unified technical standards, and transport and logistics technologies;
- Newly equipping transport and logistics systems;
- Ensuring free access of professionals to the market for transport and logistics services and joint training of logistics personnel [6].

Generally speaking, the current level of development of the logistics and logistics service market in Belarus is insufficient for the country to take its stable place in international supply chains and to increase its level of integration in international logistics. This is further confirmed by the data of the World Bank. Despite the implementation of a range of activities and undertakings aimed at the development of the logistics system and transit potential, the position of Belarus in the LPI ranking has deteriorated. Experts point to the low loading rate of warehouse space in logistics centers and, as a result, the small ratio of commodity turnover, which is much lower than in other countries. In Belarus, the market of logistics services is very young and poorly shaped.

Transport and logistics companies in Belarus are affected by specific issues that depend on, among other things, the specificity of the markets, the state of the economy, macroeconomic and investment policies, legal regulations, the position of the country in international supply chains, reactions to megatrends, and factors resulting from corporate resources. Belarus operates within the structures of the Eurasian Economic Union, which also determines the challenges which it faces and its logistics system will have to face [6]. The transport and logistics sectors in Belarus are under the influence of major technical and technological changes, as well as market trends that will intensify the existing challenges. Companies are facing revolutionary 4.0 modifications in supply chain automation and digitization, process digitization, and material flow optimization. Adapting to these will improve the long-term cooperation of all participants in the supply chains, addressing growing competition will represent major challenges in the short and long-term future.

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