

INTERNATIONAL LOGISTICS ACTIVITIES OF BELARUS IN THE CONTEXT OF SANCTIONS

The global transportation logistics industry has been put to the test. Since 2020, the industry has been in a turbulent zone, trying to adapt to new challenges. This is followed by structural and global changes that radically alter the very model of the logistics market. At the same time, logistics is becoming a strategic asset for business.

After the pandemic in 2020, which had a negative impact on global logistics, from 2022 geopolitics reformatted the orderly connections and routes, breaking supply chains, changing the balance of supply and demand in different areas. Western sanctions against Russia and Belarus from 2022 have changed the industry. The situation is constantly changing and events are unpredictable – all types of international transportation are under attack. The market is struggling to cope with the challenges, the normalization process is still ongoing. However, the crisis has become a growth point for companies that have strengthened their positions by quickly adapting to new conditions.

In the context of the logistics crisis, entrepreneurs have to reorganize routes and change carriers. This situation is not without an increase in delivery times and costs, the complexity of settlements due to exchange rate fluctuations and sanctions from international banks. Goods from Europe are entering the territory of Russia and Belarus, but there are fewer and fewer ways to import them. Multimodal transportation, new transit routes and strengthening ties with eastern countries are coming to the fore.

Possible risks of transportation under sanctions. Suppliers from Europe are ready to work with businesses from Russia and Belarus, but there are nuances:

- The goods can only be picked up by self-delivery. Before the sanctions, European suppliers used to send cargo by their own logistics companies and draw up the necessary documents to pass customs control, but today the products are delivered only to the warehouse, which means that they have to be exported themselves.
- The customs declaration for export is formalized through European agents. Because of the search for contractors and coordination of documents with the regulatory state bodies of the EU countries, the terms of delivery of goods increase by 2-3 times. In some cases, entrepreneurs have to wait up to 4-6 months for an export permit.

If delaying the deadlines can still be called a solvable problem, criminal liability for the supply of sanctioned products to the territory of the Russian Federation is already a real risk. Since December 2022, the European Union has been discussing criminal liability for the export of "sanctioned goods". Therefore, an entrepreneur may not be able to take out of the EU a shipment that has already been paid for.

What other troubles can be encountered:

- Sanctions lists make it possible to impose an export ban on practically any equipment. Serious problems arise in the delivery of products from the instrument-making, machine-building, chemical and manufacturing industries.
- Low skill levels on the part of the seller and his customs agent often lead to incorrect documentation. As a result, the product receives a technical description that fits into the category of "dual-use application". This means that the goods can be used for purposes other than their intended

use. In this case, the EU regulator will not issue an export permit, and even if it does, customs authorities will still not allow the shipment to pass (even if an end-user certificate is available).

- Because of sanctions, European manufacturers are refusing to issue certificates for products. This problem particularly affects the importation of components and spare parts for cars. And without the necessary document, it is impossible to pass customs inspection.

A more comfortable environment is observed for business related to the sale of cosmetics, clothing, electronics. On the unpleasant side, there is an increase in the cost of freight transportation and the cost of customs transit clearance.

Main logistics routes under sanctions. Vladivostok remains the main port. Of the land routes connecting Russia and Asia, the crossings at Blagoveshchensk and Zabaikalsk stand out – cargo delivery by road and freight transportation by rail passes through these points.

The busiest terminals for receiving containerized cargo are Vorsino and Bely Rast. And from the railroads it is worth highlighting Trans-Siberian and BAM. The Belarusian railroad station Kolyadichi is also in a busy state.

New logistics routes 2024 under sanctions. Russia is actively establishing supplies of food products and machine building from Iran. And in order to unload the main terminals, further modernization of the Caspian port is planned in 2024. At the moment, Astrakhan cannot fully transship cargo, as not every berth is able to receive a merchant ship and unload a 40-foot container.

Products from India are still shipped via Vladivostok and Nakhodka. However, these ports are overloaded with goods from China. For this reason, some entrepreneurs choose routes through the Suez Canal and to Novorossiysk.

Shipping cargo from China under sanctions. Under sanctions, China has become the busiest destination. Only in 2023, the trade turnover of the Russian Federation with this country reached 185 billion dollars. Construction and agricultural machinery, cars, spare parts, electronics, etc. are delivered from the Celestial Empire. The cargo goes from the port of Shanghai to Vladivostok, where containers are unloaded and transported by rail or road. This delivery scheme works effectively for both Russia and Belarus.

Although major global container carriers (e.g. Maersk and MSC) have stopped working in the Russian direction, new operators from South Korea, Dubai and other eastern countries have emerged.

On average, cargo delivery from China to the port of Vladivostok takes about two weeks. It can take 1.5 months for cargo to reach St. Petersburg. To these terms is added the unloading of containers and loading onto other modes of transportation (trucks, trains). That is why sea routes from China are not suitable for everyone. An alternative is direct rail transportation from China. For example, from Shanghai to Minsk goods are delivered within 40-50 days. If you need fast delivery, there are direct flights from China between Belarus and the Russian Federation. In this case, the goods will be delivered in a week. Even in the conditions of sanctions, entrepreneurs try to find profitable options for cargo transportation that would not violate the legislation on both sides. To remain 100 % sure that the exported goods will be delivered on time and without risks, it is necessary to turn to professionals.

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