# **Logistics System for Ensuring International Commodity Circulation**

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**Annotation:** International distribution of goods is the process of promoting the goods from manufacturer through trading enterprises and other intermediaries to buyers, each of whom is a representative of a foreign (in relation to another participant) states. The logistics system is a system for bringing the material flow to the consumer. The following article is devoted to the logistics system for ensuring international commodity circulation.

**Key words:** logistics, commodity circulation, transportation, warehousing, cargo, loading, packaging.

## Introduction

The commodity circulation system is defined as technical means, communications and arrangement of all types of transport; warehousing of industrial firms, their branches, trade and intermediary firms and other companies; material and technical base of stevedoring, brokerage and agency firms; arrangement of transport-forwarding companies for carrying out operations on grouping, picking shipments, etc.; material and technical base of leasing companies leasing containers; technical means of information management systems. In addition, this system covers a set of technological, organizational, legal, social and other relations that arise in the course of transport, information and other support for economic relations.

With the development of transport and means of communication, economic ties are increasingly being established between those economic entities that are representatives of different states ( or are physically located on the territory of different countries). This is a sign of the globalization of the world economy, and one of its forms is international commodity circulation. International commodity circulation is a combination of various national systems of commodity circulation, which is based on the implementation of the principle of the international division of labor. At the same time, commodity circulation in itself is a commodity flow, i.e.

The process of promotion, movement of manufactured goods from its Producer to the final consumer. Between them, other entities usually take part in the process of commodity circulation (wholesale and retail trade enterprises, transport companies, etc.). This is due to the fact that, in addition to the physical movement of goods, commodity circulation includes operations for the storage of goods, their sorting, and preparation for sale at trade enterprises.

#### **Materials And Methods**

Conceptually, the international movement of goods is similar to the process that takes place at the level of the national economy. However, international commodity circulation is accompanied by a number of features. The most striking of them are the need to go through customs procedures, compliance with international legislation and national laws of countries, the presence of a language barrier, the difference in currency and tax conditions for doing business, etc. Logistics of international goods movement Management of international goods movement is carried out through the use of a logistics approach. In accordance with it, the object of control is actually the goods that are on the way from one country to another. In addition, this process is accompanied by financial and information flows - their coordination with the movement of goods is also the responsibility of the logistics sector. In most cases, you have to deal with logistics systems. The same applies to international distribution of goods. Logistics systems are understood as a set of interrelated elements whose functioning ensures the movement of material flow. Their elements can be acting subjects (enterprises, state bodies, consumers), objects (goods, money, information), means (transport, computer, etc.). Special subjects of the logistics system of international goods movement are transnational corporations, customs authorities, international organizations. Enterprises assume the roles of exporters and

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importers. The structure of the logistics system of international commodity circulation includes several basic operations - transportation, warehousing, storage, loading and unloading, packaging, labeling, customs clearance, inventory management. The execution of these operations is usually sequential and cyclic. Carrying out the logistics management of international goods movement, it is necessary to clearly understand the characteristic features of those processes , which , in particular , distinguish it from the national distribution of goods .

The international system of commodity circulation is defined as a set of various national systems connected by the international division of labor.

# Composition:

## A) Transportation, which involves:

- knowledge of the characteristics and technical and operational features of all types of transport, tk. the expediency of choosing the mode of transport for the transportation of a particular product depends on this
- Ensuring the safety of cargo in transit
- compliance with transport and general civil legislation
- the need for registration of transport and accompanying documentation
- efficient operation of transport equipment
- adherence to schedules and timetables
- calculation and accounting of transportation costs, etc.

# B) Warehousing and storage, which involve:

- the role and importance of warehousing in the delivery of goods
- location and order of operation of treasures
- design features and technical and operational capabilities of warehouses
- methods and methods of storage
- storage space usage schemes
- storage space usage schemes
- forms of use of warehouse machinery and equipment in the organization of warehouse work
- an extract from warehouse, shipping and title documents, etc.

# C) Loading and unloading operations that solve issues:

- application of various methods and methods of work
- choice of means of mechanization of work
- use of cargo places and cargo equipment, etc.

## D) Packaging and labeling that solve problems:

- choosing the nature of the macaw, packaging and labeling when organizing the delivery of goods
- safety and security of goods in the warehouse and on the way
- determination of sizes, shapes and technical requirements for packaging and labeling, ensuring the safety of cargo during transportation, loading and unloading operations and warehousing.

## E) Inventory management, which includes:

- calculation of reserves and their application to specific operations
- determination of the economically justified value of the supply
- inventory control procedures
- issues of ensuring the guaranteed stock
- determination of the value of inventories
- determination of the level of damage and obsolescence of products.

#### Properties:

- the logistics system is adaptive to business conditions
- the logistics system is prone to change
- The logistics system is connected with the external environment
- Links in the logistics system are usually cyclic in nature, since they reflect the stages of the sequential transfer of the material flow between the contacting subsystems.
- The logistics system is a system with time constraints.

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#### **Discussions And Results**

When studying economic relations between states, special attention should be paid to such economic categories as the world market, the international division of labor, and international trade. A significant part of the world market is formed with the growing role of shipping, the sea and river fleet, with the emergence of trading and shipping companies and unions specializing in the trade of certain goods with certain regions and countries. The production specialization of countries and regions contributes to the growth of international exchange and the development of transport communications. The world market as an economic category is at the same time the sphere of commodity production and circulation, carried out through the transportation of goods from different countries with an expanding international division of labor.

The expansion of industrial and agricultural production in many countries, with the further deepening of the international division of labor in the conditions of scientific and technological progress, increases the importance of foreign trade and, above all, shipping by sea as one of the most important factors in economic ties.

All foreign trade operations are based on commercial transactions with foreign counterparties for the sale or purchase of goods and for the transportation and insurance of goods. The essence of primary commercial transactions, i.e. foreign trade transactions, expressed in actions aimed at establishing, changing or terminating legal relations in the field of foreign trade. Fixation of legal relations with a foreign counterparty is a fundamental feature of a foreign trade transaction. Its other feature is fixing the terms of payment or other types of compensation for foreign trade transactions.

Import transactions record the purchase and import of foreign goods for their direct sale in the domestic market of the importing country or for their processing and processing with the subsequent sale of new finished products in their own country or abroad.

In export transactions, operations are recorded for the sale and export of goods for their sale on the foreign market.

In addition to import and export transactions in foreign trade, there are a number of other transactions, or operations. Let's consider some of them.

Re-export transactions are often carried out. They represent operations for the export of goods imported from abroad (without their processing). This is the predominant type of re-export operations. The transit of goods through the country is not considered as re-export. Such a re-export transaction fixes the shipment to a third country of goods purchased abroad, without their preliminary importation into the re-exporting country. Sometimes there are re-import transactions. They are carried out in cases where domestic goods are re-imported from abroad, not sold for one reason or another and not subjected to processing abroad.

In addition to these transactions for goods, other types of transactions are used in the practice of trade in goods and services. In particular, deals on invisible exports (or imports) are directly related to merchant shipping. Transactions on invisible exports record the receipt of foreign exchange for services provided by one country to another country (for example, the receipt of currency for the transportation of goods by foreign charterers by ships of this country), or the receipt of foreign currency for insurance, tourism or from foreign enterprises.

Foreign trade transactions include barter agreements, which in turn are divided into barter and compensation transactions. These types of non-currency transactions are relatively widespread.

Exchange in a broad sense is an agreement under which a foreign counterparty exchanges goods of one country for goods of another country. Exchange (as well as transactions for the sale of goods) means that the ownership of the goods passes from one party to another for a certain equivalent. Unlike transactions for the purchase and sale of goods, in this case, such an equivalent is not money, but a product or service specified by the contract. Consider the main types of barter agreements used in international practice.

A barter transaction fixes the obligation of the counterparties of the two countries to exchange goods of a fixed value. Then the exchange of a fixed amount of goods of one country is made for a fixed amount of goods in the transaction coming from another country in exchange.

In a compensation transaction, the counterparty provides for the mutual supply of different goods at an equal cost. The peculiarity of these operations is that several export-import firms can be counterparties in them. In

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this transaction, mutual obligations can be repaid not only in goods, but also by paying a specified amount of money or by satisfying the interests of counterparties in some other form.

Another type of foreign trade transactions are commission and consignment transactions. A commission transaction provides for a certain commission fee for intermediary activities. In a consignment transaction, the consignee who gives the order sends the goods for sale to his foreign consignee, i.e. a firm that fulfills this order through a warehouse or intermediaries.

International firms and associations play an important role in international trade. Their main forms are cartels, pools, syndicates, trusts and concerns.

A cartel is an association of enterprises with a homogeneous product or type of activity. The participants in such an association enter into contractual relations with each other in order to limit competition and divide the market.

Pool - an agreement on the procedure for distributing profits according to a predetermined proportion.

A syndicate is an association that retains production independence, but loses the right to commercial activity. A sales office is engaged in commercial activities, which acts on the market on behalf of all enterprises.

A trust is a form of association in which the enterprises included in the trust are deprived of industrial, commercial and legal independence. The governing body of the trust establishes uniform prices for sales and purchases, regulates production volumes, sales areas and distribution of profits.

A concern is a complex form of association. Control over firms and enterprises is carried out by the company in which the controlling stake is concentrated. Often the concern is headed by a large bank of the financial group.

#### **Conclusion**

In addition to the associations considered, an essential role in the foreign trade of countries is played by unions, called associations and federations, uniting commercial and industrial firms of one industry.

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