## Elmi Xəbərlər № 3, 2024 (İctimai və Texniki elmlər seriyası)



# Scientific bulletin № 3, 2024 (Social and Technical Sciences Series)

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# FEATURES OF REGULATORY AND LEGAL REGULATION OF CONTAINER TRANSPORTATION IN AZERBAIJAN AND WORLD PRACTICE

#### **Summary**

The transport and logisticssystem, which plays an importantrolein the development of the country's economyatvariousstages of economicdevelopment, plays a leading role in regulating inter-country trade and economic relations at the currentstage of globalization of the world economy. Inorder to optimally develop traderelations with the countries of the world, the Republic of Azerbaijan has taken import ant measurestofacilitate trade. One of the keyaspects in the fel of tradefacilitation is the development of the transport and logistics system, which plays a keyrole in the implementation of this system, increasing the efficiency of using the country's transit potential, analyzed in detail in the article.

**Keywords:** transport corridors, transport and logistic system, trade links, multi modal transportation, container transportation, sea transportation.

**JEL:** Q13 **UOT**: 338

**DOI:** https://doi.org/ 10.54414/DCUL8776

#### Intradaction

The Republic of Azerbaijan is successfully implementing projects on transport corridors and expanding trade relations with countries around the world. In this regard, the favorable geographical position of our country and the application of new technologies in the field of transport further increase the efficiency of this field. Thus, container transportation is one of the most widespread and popular types of intermodal and multimodal transportation of cargo. The volume of combined cargo transportation along the North-South, East-West transport corridors, as well as along the middle corridor, is gradually increasing and will develop with increasing dynamics in the future. In this regard, the efficiency of container transportation in the transportation of cargo by sea, road and rail is of more urgent importance.

Along with all these, container transportation also has its positive and negative aspects. Thus, the results of the conducted analyses show that for centuries, the delivery of cargo by sea has been the most economical method of transportation. Many business entities that are constantly engaged in cargo transportation and prefer sea

container transportation are also engaged in foreign economic activity.

#### Analiz

Its main advantages are that it is the cheapest way to transport goods from the sender to the recipient. Thus, the main way to increase the efficiency of maritime transport is to increase the concentration of business, as well as to increase the carrying capacity of ships. Thanks to this, cargo can be transported in large volumes, significantly reducing the cost of transporting container cargo. Also, oversized cargo transported by sea is safer than other types of transport.

According to statistical data, the least insurance (i.e. accident) cases were recorded during shipping. During these transportations, only a small part of the object is damaged or destroyed. However, it should be noted that greater advantages for sea transport appear when the concept of "container" is added to them. It is worth recalling here that containers were created a hundred years ago exclusively for the transportation of cargo by sea. Since then, their design and manufacturing material have been constantly improved.

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In addition to universal containers, there are currently specialized containers designed for the transportation of liquids, food products, textiles, plastics, etc. It should be noted in particular that the use of containers facilitates the transportation of dangerous and perishable cargo. In addition, the cargo placed in containers does not come into contact with other cargo, which is very important in some cases[6].

If the transportation of containers by sea is only part of multimodal delivery, then when changing vehicles, there is no need to reload the goods, but it remains to rearrange the containers. Based on all the characteristics, it can be concluded that sea container transportation is the most economical and reliable type of cargo transportation.

However, to be completely objective, the customer who has chosen this type of cargo delivery also has disadvantages of sea container transportation.

So, the container is someone else's property and is not cheap, so a letter of guarantee may be required from the customer, which is an additional responsibility. Although liner ships operate according to the schedule, they also experience technical problems, which leads to disruptions in the delivery schedule of goods.

The possibility of incompatibilities between the multimodal scheme for the delivery of goods and different modes of transport should also be taken into account. In sea container transportation, it is almost impossible to find out what condition the cargo is in in order to take the necessary measures in case of danger. However, the advantages of sea container transportation far outweigh the disadvantages. Therefore, this type of transport is increasingly needed.

Customs clearance is a list of procedures established by law aimed at crossing the customs border of a state. The participants in this procedure are, on the one hand, the state, and on the other hand, the declarant or customs broker. They are divided into 4 types:



Scheme 1. Compiled by the author based on the information obtained.

Each of them is applied depending on the condition and category of the cargo. Cargo customs declaration (CDC) - the main document in the procedure for customs clearance of containers. It must be submitted by the declarant or his authorized representative and must reflect information about the imported-exported cargo. A separate customs declaration must be filled out for each category of the batch of goods. If the same goods pass through different customs regimes, each regime must draw up its own customs declaration. This document contains the following information:

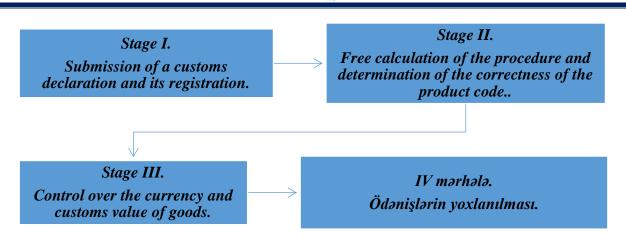
- on the persons participating in customs clearance (sender, contract holder, recipient, etc.) about the number of goods and packages, the total value of the goods by the codes of the country of trade, country of origin or country of destination, delivery terms and other financial

information, certain characteristics of the goods (packaging, series, numbers and number of excise stamps, net and gross weight).

In addition to the cargo customs declaration, a number of documents must also be submitted in container transportation, including various licenses, certificates, international agreements, etc.

To pass customs clearance of a container, it is necessary to go through several stages.

Stage I. Submission of a customs declaration and its registration. At this stage, a person or enterprise wishing to import or export cargo from the customs border of the state submits all necessary documents to the regulatory authority. Note that, along with the electronic document, it is necessary to submit its electronic copy.



Scheme 2. Compiled by the author based on the information obtained.

Stage II. Calculation of the procedure without tariffs and determination of the correctness of the product code. At this stage, the control authority checks the submitted documents. Much attention is paid to the correct definition of the product code. After the customs inspection, the declarant makes a decision on whether to receive customs benefits or other privileges.

Stage III. Control over the currency and customs value of goods. At this stage, mandatory execution of documents for the implementation of currency control is carried out, an international agreement is checked. As a result, the customs authority makes a decision on the customs value of the goods and determines whether the clearance regime was chosen correctly.

Stage IV. Checking payments. The declarant or his representative pays customs duties and submits the relevant payment documents. In an important case, the person engaged in documentation should not have any debts to the customs service.

Stage V. Final inspection of the cargo. Customs officers inspect the cargo, check whether it complies with the submitted documents. If everything is within the law, then they stamp it and release the cargo from the customs post.

When carrying out customs control in the customs territory, customs authorities may use aircraft at their disposal. Aircraft are used for patrol purposes in order to ensure compliance with customs legislation in the customs territory.

In this regard, according to the Resolution No. 263 of the Cabinet of Ministers of the Republic of Azerbaijan dated July 24, 2014, the

Declaration is carried out by submitting to the customs authorities in oral, written or electronic form information on the placement of goods and means of transport under the intended customs procedure, as well as other information necessary for customs purposes. Automation of the customs system means the application of information and communication technologies (ICT) in the activities of the customs service. The level of automation can be either complete or partial, depending on the level of coverage of other customs processes during export, import and transit operations, such as the submission of declarations for goods and means of transport, electronic payment of applicable taxes and duties, approval of declarations via electronic signature, acceptance and release of goods from customs control, etc. The automation of the customs system opens up new opportunities for the electronic processing and management of required documents and other operations related to goods and vehicles before they enter the customs border crossing point. It also facilitates the collection of information for risk management and the creation of risk profiles, the preparation of statistical reports on foreign trade, etc.

In accordance with Standard 3.11 of the Kyoto Convention on the Simplification and Harmonization of Customs Procedures, one of the most important conventions of the WTO on trade facilitation, the same customs declaration form is used by all WTO member countries. At a time when the declaration was submitted only in oral and written form, trade operations were

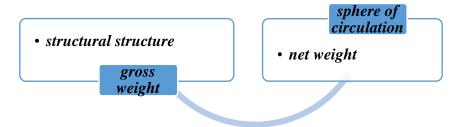


carried out using paper documents and trade participants spent a large part of their time manually adjusting these documents, sometimes with their translation, to deliver them to the necessary authorities. This led to significant time and financial losses, difficulties in the exchange of information between the declarant and government agencies, or the submission of the same information several times. Standards 3.18 (Supporting documents), 3.21 (Declaration), 6.9 (Customs control) and 7.1 (General) of the Kyoto Convention require the use of ICT and electronic means for customs clearance. In addition, Standard 7.4 of the Kyoto Convention requires customs authorities to establish the necessary legal framework for electronic declaration, including electronic identification methods (for example, electronic signature systems) [8].

Containers are considered one of the most effective means of organizing cargo transportation by various types of transport, for the purpose of complex mechanization of loading and unloading operations, reducing the waiting time of vehicles at loading and unloading points, and maintaining the quantity and quality of cargo in its native state during the transportation process.

In this regard, the main purpose of the container is to protect the cargo placed inside it from environmental influences; to ensure the transportation and storage of cargo in tare and unpackaged form; to prevent loss and damage to cargo.

Containers are classified according to 4 main characteristics: purpose, structural structure, gross and net mass, and sphere of circulation.



Scheme 3. Compiled by the author based on the information obtained.

According to their purpose, containers are divided into two groups:

1. Universal containers. They are used for the transportation of various types of cargo in a packaged and unpackaged form.

2. Specialized containers. Containers of this type are intended for the transportation of specific types of cargo (liquid cargo, refrigerated cargo, etc.)[9].

According to their mass, containers are divided into three groups:



Scheme 4. Compiled by the author based on the information obtained.

According to their construction, containers are divided into types such as covered and open, waterproof, non-hermetic, with metal frames made of metal and polymer materials, etc.

According to the sphere of circulation, containers are divided into types such as containers

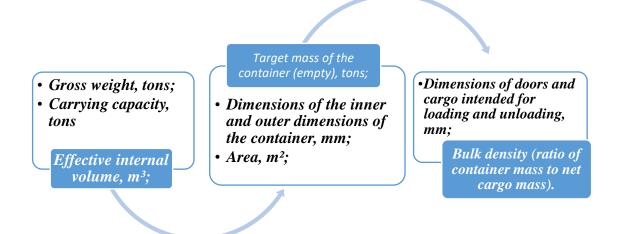
for international use, highway, containers allowed for transportation in one or more modes of transport. Depending on the nature, properties, batching, loading and unloading conditions



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of the cargo presented for transportation, the appropriate container type is selected and its parameters are determined.

The main technical characteristics of the containers are given in the following scheme:



Scheme 5. Compiled by the author based on the data obtained.

The selection of container parameters usually begins with determining their relative volumes. The relative volume of a container reflects what part of its full internal volume falls on one ton of the nominal load-bearing capacity of the container: The optimal relative volume is such that it is possible to maximize the benefit of its load-bearing capacity by better using the effective volume of the container[7].

The mass of the container itself depends on the volume of its internal part, the material from which it is made, as well as the specific characteristics of the structure (door dimensions, cargo dimensions, etc.).

#### Conclusion

According to statistical data, 90% of the cargo arriving in the country is sent to other countries in transit, which means an increase in transit transportation through the port of Baku.

According to the international agreement on containers, containers must be placed under the temporary import customs procedure and returned upon arrival at their destination. At this time, in order to prevent empty returns, it is more appropriate to establish a representative office in the Alat International Sea Trade Port on the basis of an agreement with the contracting country, which can also prevent empty returns.

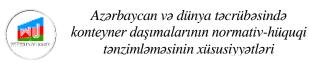
All ferry vessels of the transport fleet can carry 512 containers of 40 feet each at a time. If

we take into account that the forecast of cargo transportation is 300-400 thousand containers by 2030, then the existing capabilities of the fleet will not be enough for this. In order to effectively use the improvement of container trade, it is advisable to build container ships with high carrying capacity in the Sea Transport Fleet, which has a loading capacity of more than 300 KT.

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## ОСОБЕННОСТИ НОРМАТИВНО-ПРАВОВОГО РЕГУЛИРОВАНИЯ КОНТЕЙ-НЕРНЫХ ПЕРЕВОЗОК В АЗЕРБАЙДЖАНЕ И МИРОВОЙ ПРАКТИКЕ

#### Резюме

Транспортно-логистическая система, играющая важную роль в развитии экономики страны на различных этапах экономического развития, играет ведущую роль в регулировании межстрановых торгово-экономических отношений на современном этапе глобализации мировой экономики. С целью оптимального развития торговых связей со странами мира Азербайджанская Республика приняла важные меры по облегчению торговли. Одним из ключевых аспектов в области содействия торговле является развитие транспортно-логистической системы, которая играет ключевую роль в реализации этой системы, повышение эффективности использования транзитного потенциала страны, подробно проанализировано в статье.

**Ключевые слова:** транспортные коридоры, транспортно-логистическая система, торговые связи, мультимодальные перевозки, контейнерные перевозки, морские перевозки.

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## AZƏRBAYCAN VƏ DÜNYA TƏCRÜBƏSİNDƏ KONTEYNER DAŞIMALARININ NOR-MATİV-HÜQUQİ TƏNZİMLƏMƏSİNİN XÜSUSİYYƏTLƏRİ

#### Xülasə

İqtisadi inkişafın müxtəlif mərhələlərində ölkə iqtisadiyyatının inkişafında mühüm rol oynayan nəqliyyat-logistika sistemi qloballaşan dünya iqtisadiyyatının müasir mərhələsində ölkələrarası ticarət-iqtisadi əlaqələrin tənzimlənməsində aparıcı rola malikdir. Dünya ölkələri ilə ticarət əlaqələrinin optimal inkişaf məqsədi ilə Azərbaycan Respublikası ticarətin asanlaşdırılması istiqamətində mühim tədbirlər görmüşdür. Ticarətin asanlaşdırılması sahəsində əsas rol oynayan aspektlərdən biri də bu sistemin həyata keçirilməsində əsas rol oynayaan nəqliyyat-logistika sisteminin inkişaf etdirilməsi, ölkənin tranzit potensialından istifadənin səmərəliliyinin yüksəldilməsi məqalədə geniş təhlil edilmişdir.

**Açar sözlər:** Nəqliyyat dəhlizləri, nəqliyyat-logistika sistemi, ticarət əlaqələri, multimodal daşımalar, konteyner daşımaları, dəniz nəqliyyatı.