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SOUTH CAUCASUS TRANSPORT CORRIDOR AND POTENTIAL FOR ITS DEVELOPMENT

ЮЖНОКАВКАЗСКИЙ ТРАНСПОРТНЫЙ КОРИДОР И ПОТЕНЦИАЛ ЕГО РАЗВИТИЯ

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Abstract. The South Caucasus, as an energy-intensive region and transport corridor linking the markets of Asia and Europe, has long played an important strategic role in the trade, economic and political context of East-West relations.

Within the framework of economic cooperation between the states of the Caucasus, the creation of a single automated information system for the customs control of transit is necessary for the exchange of information on goods and vehicles in real time.

The implementation of these approaches will facilitate the effective utilization of transit potential of the South Caucasus Transport Corridor.

Аннотация. Южный Кавказ как энергоемкий регион и проходящий там транспортный коридор, соединяющий рынки Азии и Европы, уже давно играет важнейшую стратегическую роль в торгово-экономическом и политическом контексте отношений между Востоком и Западом.

В рамках экономического сотрудничества между государствами Кавказа создание единой автоматизированной информационной системы таможенного контроля транзита необходимо для обмена информацией о товарах и транспортных средствах в реальном времени.

Реализация этих подходов поможет эффективно использовать транзитный потенциал транспортного коридора Южного Кавказа.

Keywords: contemporary globalization, Silk Road, transport corridor, customs control of transit.

Ключевые слова: современная глобализация, Великий шелковый путь, транспортный коридор, таможенный контроль транзита.

Contemporary globalization is a qualitatively new phenomenon of world development that covers all areas of public life. The reconciliation of national and global-economic relations is exactly what is characteristic to globalization. Due to globalization development, the leading, priority role of international economic relations is increasing – today, it is very important to develop a single rule for the world economic systems and introduce it in the economy of each country, but this process is quite complex, and even the economic systems of powerful countries are hardly adapted to the challenges of the global economy (1).

The sustainable use of the advantageous geographical location, expansion of the frontiers of national markets, well-organized transport-communication and customs-logistics infrastructure, the creation of favorable conditions of export-import and transit operations, are significant factors for any country to integrate into the global economy and expand the international economic relations (1), [1].

International transport corridors fulfil at least two tasks: the first, they create the fundamental premise of involving in a single economic and cultural space of large area; the second, under conditions of deepening the globalization processes, for the macroeconomic regions, which are characterized by the fragmented nature of production forces in all fields of production and services, international transport corridors make up the uniform, economically far more efficient transport and logistics systems, for the rational exchange of the means of production and products [1].

The South Caucasus, as an energy-intensive region and transport corridor linking the markets of Asia and Europe, has long played an important strategic role in the trade, economic and political context of East-West relations.

In addition to significant energy load, the corridor's transport-transit function also takes a particular form that makes its content more valuable and more intensive. Accordingly, both its economic and geopolitical significances are increased. These include the Baku-Tbilisi-Kars railway line, whose transport-transit potential is of great interest not only to countries involved in the project and their partner countries in Central Asia and Europe, but also to more distant countries, particularly China and Afghanistan, as well as the United States of America.

Uzbekistan and Turkmenistan, whose future plans are largely related to the implementation of the Navoi-Turkmenbashi-Baku-Tbilisi-Kars transport project, which can provide their products with a much broader access to the European markets, are interested in using the potential of the China-Central Asia-South Caucasus-Turkey transport corridor (2).

The Baku-Tbilisi-Kars new railway transport corridor, which will unify the railway lines of Azerbaijan, Georgia and Turkey, is an important challenge for meeting the growing demand for trade flows existing between Europe, Caspian Region, Central Asia and China, as well as for the formation and improvement of the relevant transport corridor (3).

The desire to use the transit potential of the South Caucasus Transport Corridor for their own benefit has also Afghanistan, which is deeply interested in opening an alternative corridor of roads leading to Iran and Pakistan. And the railroad line passing through the Central Asia and the South Caucasus, particularly, via Turkmenistan, Azerbaijan, Georgia and Turkey, is what is considered by

it to be such a corridor, which will provide it with access to the Black Sea. It is only also natural that this project has a lot of support in the United States. Due to this, in November 2017, in Ashkhabad, there was signed an agreement on the establishment of a new Lapis Lazuli transport corridor from Afghanistan to Europe crossing the territories of Turkmenistan and South Caucasus. The document was signed by representatives of the countries involved in the project - Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey. The Agreement envisages the promotion of transport relations between the countries involved in the project, which involves fostering the smooth movement of goods and passengers, harmonization of administrative issues and customs procedures related to transit movement, and so on (4).

In 2016, the lifting of sanctions on Iran has created the needs for the launch of the North-South Transport Corridor, which will naturally increase the transit potential of the South Caucasus. The Georgian side is interested in joining the Mumbai-Bandar Abbas Transport Corridor, which implies the rapid shipment of cargo through from the Mumbai port, crossing through the territories of Iran, Azerbaijan and Georgia using the ports of Poti and Batumi.

According to the agreement between Russia and Georgia, the transport corridors passing through the territory of Abkhazia and South Ossetia will be put into operation in the nearest future, which is a part of the North-South Corridor and links countries of South-West Asia (mainly Iran and India) to countries of Northern Europe. This will, in turn, facilitate the increase of cargo traffic flows and improving the capacity of transit traffic.

Trade-economic relations between Europe and Asia and more economic integration contribute significantly to the "Silk Road" direction, which is now considered to be the economic corridor with the greatest potential. Within the framework of the "Silk Road" development, great importance is attached to close cooperation between Georgia, Turkey and Azerbaijan in the field of transport and logistics.

Due to the favorable geopolitical situation and the location between the several major international and regional transport corridors (TRACECA, North-South, Lapis lazuli, a new silk road "One Belt and One Road"), Georgia and other South Caucasus states represent an integrating link between two macroeconomic continents - Europe and Asia, which provides movement of goods by the shortest route with a minimum amount of time [2].

Experts forecast that by 2020, the total volume of transit traffic through the territories of the South Caucasus countries is expected to increase. At the same time, according to experts, only half from the transit potential of the South Caucasus transport corridor is currently utilized.

The main direction of the development of the customs regulation mechanism of Georgia's international trade is, first of all, the improvement of the customs transit procedures and technologies.

Despite the fact that in Georgia has a number of measures have been taken aiming at improving the customs legislation and procedures: the modern customs registration centers — registration economic zones (REZ) have been built and put into operation, the cargo and vehicles registration procedures have been simplified, the prior declaration mechanisms have been introduced, thus reducing considerably the costs and time for registration, there are still a number of barriers that affect the shipping companies.

Recently, the loss of competitiveness of the South Caucasus Transport Corridor has resulted in redirecting transit traffic flows to alternative routes, which is due to a number of reasons, as follows (5).

- Different tariff policies between the countries of the Caucasus, and high tariffs for transportation.

- Inadequate and ineffective infrastructure. For example, complicated geographical sections, where the road transport infrastructure is characterized by low throughput; sea ports, which that cannot accommodate large vessels.

- Low level of logistics development. Logistics companies cannot ensure improvement of services and provide comprehensive logistics services.

- Different customs legislation in the countries of the South Caucasus, when there is no uniform customs policy for control of goods and vehicles, and the shipping companies encounter different customs regulations when crossing the border.

- The lack of effective information technology, which significantly hinders the exchange of comprehensive information on transit goods between the customs authorities in each country, which negatively affect the time required for customs registration.

The lack of bilateral coordination in this regard, and the policy of ensuring the “sovereignty” of institutional information from regulatory bodies inevitably lead to the the cardinal differences existing in customs transit control systems, complicating their interactions that are required for the establishment of a single economic space, which significantly hinders the effective utilization of a high transit potential of the South Caucasus.

Formulation of common approaches to the customs control and clearance within the framework of the economic cooperation between the countries of the South Caucasus, is one of the priority tasks, which will facilitate the harmonization of transit procedures in the region; in addition, it creates the possibility of the realization of the attributes information technology of customs clearance and control. Full use of the transit potential of the South Caucasus countries based on information and communication technologies is possible through the integration into the electronic information system within the framework of customs cooperation, as well as by organizing information exchange by the customs authorities in each participating country with other countries and allies.

One of the most important directions in the reduction of administrative barriers, while performing transit operations, is the improvement of customs regulatory mechanisms of foreign economic activity. Inadequacy of customs control procedures and technologies, agencies and State interaction in customs checkpoints reduces the transit potential, contributes to an increase in financial expenditure at border crossings.

Effective utilization of the country's transit potential by customs authorities should be carried out within the framework of interconnected and contradictory transformation processes, of which the main ones are:

- Substantial modification of the rules for the functioning of customs authorities in close connection with the creation of a union similar to a customs union of Georgia, Azerbaijan, Turkey and Armenia (if only for promoting the customs transit and transit cargo movement), which will be associated with reduction or cancellation of the certain customs and other types of control procedures, within the borders of this Union.

- Formulation of the development strategy of the South Caucasus economic space, including the creation of an integrated transport, customs and logistics network, and development of the international transport corridor infrastructure crossing through the territories of the countries of the South Caucasus.

- Enhancing the coordination between customs authorities of the bordering states, and providing the exchange of information on goods and vehicles, control objects and also exchange of information about phyto-veterinarian sanitary products.

- Providing the customs authorities with technical and information equipment, which implies the use of modern technological systems and technical means of customs control.

Within the framework of economic cooperation between the states of the Caucasus, the creation of a single automated information system for the customs control of transit is necessary for the exchange of information on goods and vehicles in real time.

The implementation of these approaches will facilitate the effective utilization of transit potential of the South Caucasus Transport Corridor, integration of the state in the region into the European transit system, as well as the creation of favorable conditions for involving the additional volumes international trade flows.

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