The Role of Customs Tariff Mechanisms and Logistics İnfrastructure in the Efficient Use of Export Potential

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Abstract. In terms of increasing the country's export potential, not only customs tariff regulation is of decisive importance, but also the development of efficient logistics systems in this process. The development and improvement of the customs system is a continuously dynamic process. Problems related to the activities of this field and changes in the mechanisms for providing customs services necessitate new consistent scientific, theoretical, methodological and other applied research in rapidly changing economic conditions.
The purpose of the study is to determine the relationship between customs tariff regulation and key categories such as customs administration and customs policy in order to better understand the essence of customs tariff regulation. The study makes it possible to analyze the experience of international trade statistics and identifying the main directions of improving the methodology of customs statistics on foreign trade.
The results of the study show that funds entering the budget through the customs system constitute an important component of the state financial system, and the growth observed in this area is directly related to the increase in economic activity. In this regard, it may be appropriate to increase the role of customs duties and other fiscal instruments in the future, ensure more transparent and efficient management of import-export operations, widely implement digital customs systems, strengthen risk-based control mechanisms, and develop logistics infrastructure.

Keywords: Globalization, Foreign economic activity, Customs tariffs, Logistics infrastructure, Customs statistics, Digital customs system.

I. Introduction

In the context of globalization of the world economy, foreign economic activity (FEA) occupies an important place in the economy of any country. In this regard, the necessity of state regulation of FEA is accepted by economic theory and confirmed by the practice of doing business in industrialized countries. State regulation of FEA is widely used all over the world. In market conditions, it is a system of legislative, executive and control measures designed to improve FEA in accordance with the interests of the national economy. These measures are implemented by authorized state bodies and public organizations.
In the modern context of economic globalization, it is required to increase the attention of states to foreign economic activity. In the process of development of foreign economic relations, a rather diverse list of state influence tools on export-import flows

of goods, characteristic of all countries of the world, has been developed. One of these is customs tariff mechanisms. Customs is, first of all, a set of tools and methods aimed at observing and implementing all necessary measures in order to implement full-fledged customs regulation. The main tool for implementing the customs policy and state regulation of foreign economic activity of Azerbaijan, as well as increasing the export potential of local producers, is the customs tariff. The customs tariff mechanism is a set of methods for state regulation of foreign economic activity based on the application of customs duties, procedures and rules.

In general, the set of customs duty rates applied to goods imported into the customs territory and systematized in accordance with the Commodity Nomenclature of Foreign Economic Activity is called a customs tariff. In turn, the customs tariff is formed from the following elements: customs duties, including the system of customs valuation and control, the system of tariff concessions, etc [14, p.422].

The customs tariff determines the level of prices for imported goods in the domestic market, as well as the collection of customs duties to the state budget, which ensures the redistribution of income between consumers and producers. Customs duties also affect the level of prices in the domestic market of the country.

The main objectives of the customs tariff include:

1. Rationalization of the commodity structure of goods imported into the country.
2. Protection of the economy of the country and its enterprises from the negative effects of foreign rivalry.
3. Maintaining a rational ratio of exports and imports of goods.
4. Creating conditions for progressive changes in the structure of production and consumer goods.
5. Ensuring conditions for the effective integration of the country into the world economy, etc.

The customs tariff, acting as an instrument regulating the import of goods into the country, can be used to increase or decrease the import of necessary products into the country by reducing the rates of import customs duties.

We can emphasize the following factors affecting the reduction of customs duties:

- a decrease in the export of goods;
- devaluation of the national currency of the country and other countries participating in the CFA;
- depreciation of national currencies against the US dollar, which has a significant impact on export-import operations;
- failure to take a number of economic measures to ensure the economic security of the country;
- low rates of import customs duties as a result of the country's fulfillment of its obligations to the WTO.

At the modern stage of development of society and market relations, two types of customs tariffs are used: simple and complex.

Currently, simple tariffs are rarely used, since they do not allow for active management of customs policy and do not meet modern competition conditions [9, p.45].

A complex customs tariff contains base rates of customs duties that can vary depending on the country of origin of goods.

While maintaining a high level of competitiveness in domestic production, it is necessary to implement protectionist measures of the national economy: compliance

with the obligations set by political and economic unions, as well as effective trade to increase the profits of the domestic economy. As a result, the issue of applying an effective customs tariff mechanism to increase export potential becomes relevant.

Of decisive importance in terms of increasing the country's export capabilities is customs tariff regulation (CTR). CTR is one of the main methods of state regulation of the CFR, which consists in the application of economic impact measures in order to protect national producers, regulate the composition of imports and exports, and ensure the economic security of the state. The CTR system is a set of various elements, primarily a single customs tariff, tariff preferences and, of course, customs value. CTR is the main method used by the state in managing foreign trade.

In order to better understand the essence of the GTT, it is of particular importance to determine its relationship with such main categories as customs work and customs policy [7, p.46].

The main task of the GTT is to apply export and import customs duties. By regulating the amount of customs duties and exercising control, the state influences the export and import of goods in its own interests, thereby stimulating the rising in business activity within the state and at the international level, and also maintaining the level of economic security of the country.

In the modern world, the GTT mechanism solves regulatory, trade, economic and tax problems. The structure of GTT methods is determined by the elements of the customs tariff system:

1) customs tariff;
2) customs declaration;
3) customs procedure;
4) GTT of the CIF.

The GTT should contribute to curbing domestic price increases, ensuring the fiscal function of the budget, and reducing direct and indirect losses in the CIF. In the current situation, the GTT is being implemented against the backdrop of liberalization of trade with individual countries within the framework of the creation of free trade zones. The main direction of the GTT is considered to be work on expanding the country's international cooperation in the field of oil and oil product supplies.

In general, there are a large number of tools of the TBT system, with the help of which the state can regulate relations between subjects implementing TBTs, as well as relations related to TBT. Therefore, it is necessary to pay due attention to the features of the application of TBT measures of TBT and develop a state strategy for its improvement. In order for the application of TBT measures to be effective, it is necessary to comply with the conditions for taking protectionist measures of the national economy while maintaining a high level of competition for goods produced in the country, including food and agricultural products, to comply with the obligations established by political and economic unions for the production of products, as well as to realize efficient trade turnover in order to increase the profits of the domestic economy [10, p.25].

The number of tools of the GTT system in increasing export potential is quite large and dynamically increasing. Thus, it is vital to heed the characteristics of implementing GTT methods.

Customs tariff methods are aimed at regulating operations related to export and import. They are designed to protect the domestic market and stimulate structural changes in

the Azerbaijani economy and are based on the Law of the country "On Customs Tariff" and the "Customs Code" [1;4].

One of the methods of GTT is the system of customs preferences, which reflects the privileges established by law, which consists in the exemption of goods from customs duties, and customs preferences are privileges granted in the form of exemption from payment.

Tariff preferences, as a rule, are the main means of targeted state intervention in the economy to solve specific problems related to certain projects or industrial sectors. The establishment of customs preferences in legislation is an effective tool of customs policy that allows the state to stimulate the growth of production and sales of products and create a competitive environment. [12, p.35]. Tariff preferences cannot be individual in nature and are applied regardless of the country of origin of the goods [11, p.108].

Granting certain privileges in the payment of customs payments to CIF participants is one of the GTT tools. When implementing foreign trade policy, concessions can be granted both reciprocally and unilaterally. In the first case, the resolution of issues related to the granting of benefits should, first of all, be based on international law and also be reflected in the legislative norms of the country, in the second case, regulation at the level of national legislation is sufficient.

Modern experience shows that high rates of customs duties have a positive effect only when there is a need to restrict the import of certain goods into the territory of the state. Should such an objective not be established, ultimately resulting in a reduction of those fees, and thus income, elevated customs tariffs encourage an expansion in the scope of customs fraud by dishonest actors in the CIF.

Based on the above, it can be said that the complex customs tariff allows for different pressure on economic entities of different countries, imposing higher duties on the goods of some and giving preference to goods from other countries. In other words, the complex customs tariff allows the state to pursue a different customs policy.

The dual objective tasks of increasing budget revenues from customs duties and protecting domestic production can be solved not only by applying special and combined customs duties, but also by using ad valorem duties, provided that control over the correctness of determining the customs value is strengthened.

The economic essence of taxes is more fully explained in the Tax Code of Azerbaijan [2].

However, customs duties do not have the character of a tax, since they are not a mandatory payment, since they are not paid when goods are moved across the customs border for personal needs up to a certain limit, as well as when placed under separate customs regimes. Customs duties mediate the process of moving goods across the customs border and are a payment for enabling this process.

In general, customs payments levied for the import of goods into the territory of the state perform various functions, the main of which are fiscal and regulatory. The fiscal function is to ensure that the collected payments are fully credited to the state budget and directed to the solution of important state tasks.

The main indicator characterizing the successful implementation of the fiscal function by customs authorities is:

$$S_f = \frac{R_f}{R_p} x100\%$$

Here, R_f– the volume of customs and other payments actually transferred to the state budget, in million manats;

R_p - the volume of customs and other payments planned to be transferred to the state budget, in million manats [8, p.40].

The efficiency of customs tariff rates is expressed in the determination of low rates for goods whose import should be stimulated for the development of local production.

In modern conditions of economic development, the determination of customs duties must fully comply with the requirements of market relations and respond to them.

In general, the WTO also includes the following processes:

- determination of the country through which the goods pass;
- determination of the customs value of the goods;
- payment of customs duties.

In order to ensure economic security, the main tasks of the Customs Tariff in Azerbaijan are:

- Increasing the competitiveness of the Azerbaijani industry, protecting the economic interests of local producers in various industry markets;
- Maintaining the level of investment attractiveness of production;
- Eliminating obstacles to the development of competition, as well as creating conditions for the replacement of outdated technologies;
- Increasing the efficiency of the implementation of customs tariff policy;
- Improving the Customs Tariff mechanism.

Prohibitions and restrictions on foreign trade are reduced by the application of customs statistics measures. Organization and planning of foreign trade statistics in Azerbaijan is carried out on a consistent basis. Accounting for import and export of goods is carried out on the basis of the general accounting system of trade.

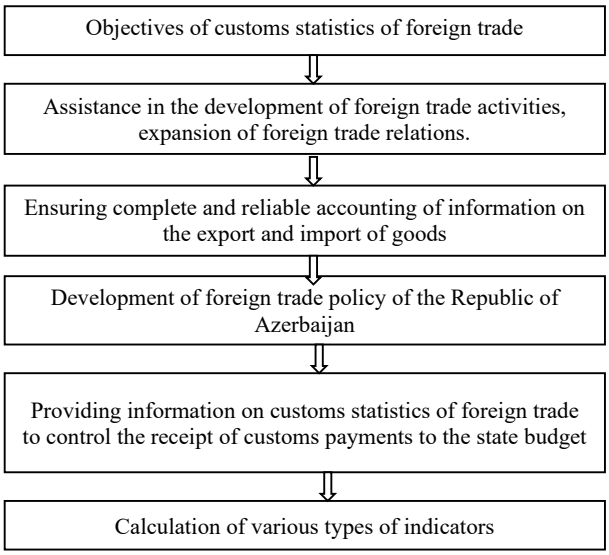

Fig. 1. Composition of the main tasks of customs statistics of foreign trade activities

Special customs statistics include trade statistics of passenger traffic, which reflect the accounting of persons crossing the country's border, export and import of goods, taking into account customs statistics, declarations characterized by types of customs regime, international cargo, international postal items arriving in and departing from the country, statistics of vehicles, parcels leaving and arriving in the country, and other postal items.

Foreign trade customs statistics, which encompassing both exports and imports, examine the state of the nation's external trade volume. It is formed on the basis of information reflected in customs declarations for goods and other documents submitted to customs authorities [5, p.279; 6, p.214].

Customs statistics are also conducted by types of customs payments: customs clearance fees, export and import duties, value added tax, excise tax, etc.

It is requisite to examine the characteristics of the accounting methodological tenets in the nations where the comparative scrutiny takes place. The study allows us to analyze the experience of statistics of international trade in goods and identify the main directions of improving the methodology of customs statistics of foreign trade. The review and standardization of statistical monitoring of international trade shows that most countries of the world follow the UN recommendations in organizing foreign trade accounting. The main reasons for the in-comparability of data obtained from foreign trade statistics of counter parties are the peculiarities of recording export and import transactions, deviations from the provisions of the methodology for international trade in goods, and different approaches to some methodological principles. For further standardization of statistical data on foreign trade, if it is not possible to obtain information on foreign trade of individual goods from customs sources, it is necessary to use additional sources of information.

We can present the tasks of customs statistics through Figure 2.

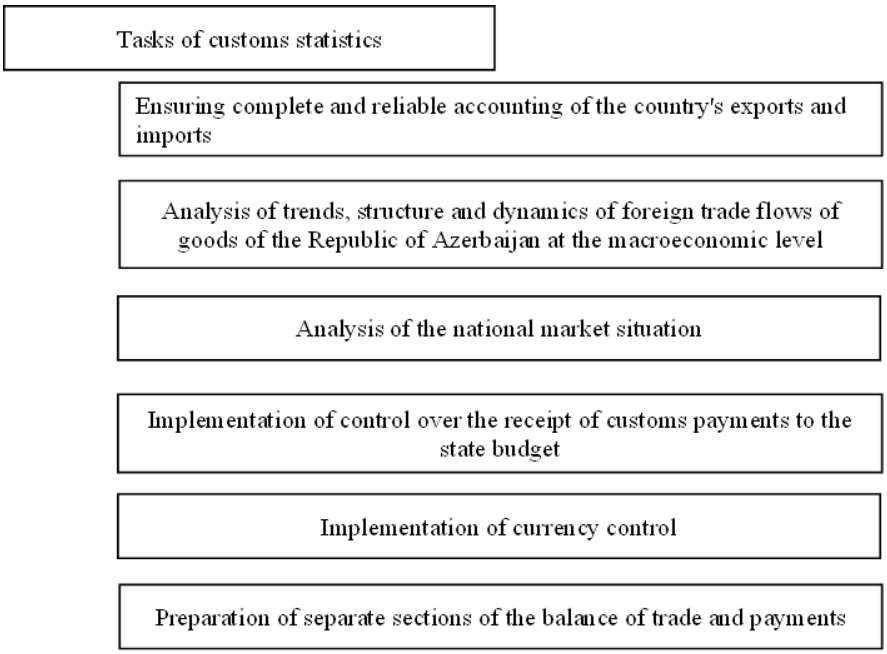

Fig. 2. Tasks of customs statistics

The analysis of the customs tariff is carried out using generalized indicators characterizing the level of protectionist protection of the country, the degree of development of the state regulation system of foreign trade, as well as the fulfillment of the country's regional and international obligations. Currently, the competitiveness of local goods and services has become a complex indicator that determines our future. In the conditions of the ongoing integration of Azerbaijan into the world economic system, the importance of state regulation of the CIT is constantly increasing, and this, along with interstate agreements, is one of the mechanisms for regulating international trade. In this regard, the role of customs tariff and tax regulation, which is a source of replenishment of state budget revenues, is also increasing in Azerbaijan.

The CIT plays an important role in the development of Azerbaijan both domestically and internationally. In this regard, it is worth emphasizing the role of the State Customs Committee (SCC). The SCC is also the main source of budget revenue formation. Let's use the following table data to determine the specific weight of budget receipts by the SCC in state budget revenues (table 1)

Table 1.

Share of budget revenues from the State Budget by the State Budget Service, in percent

	2016	2019	2020	2021	2022	2023	2024
State budget revenues, million manats	17505,7	24398,5	26075,4	26631,7	30940,7	35236,4	37161,8
Budget revenues from the State Customs Committee, million manats	2291,7	4408,6	3598,0	3938,2	5654,5	6337,8	6648,7
Specific weight of budget revenues from the State Customs Committee in the state budget, %	13,1	18,1	13,8	14,8	18,3	18,0	17,9

As can be seen from Table 1, the share of budget receipts from the State Budget Commission in state budget revenues was highest in 2022, at 18.3%.

Table 2. Information on budget revenues by the State Customs Committee

Collection	Amount (mln AZN)						
	2016	2019	2020	2021	2022	2023	2024
On customs duties	600,2	1109,5	932,5	1016,6	1419,9	1627,1	1790,8
On value added tax	1515,3	3004,1	2500,1	2741,5	4003,4	4443,6	4609,1
On excise duties	92,9	249,6	131,6	143,5	168,9	224,3	204,4
On road tax	83,3	45,4	33,8	36,6	62,3	42,8	44,4
Total	2291,7	4408,6	3598,0	3938,2	5654,5	6337,8	6648,7

A comparative analysis of the data presented in Table 2 and Figure 3 shows that revenues to the state budget through the State Customs Committee have generally shown an upward trend in recent years, and the highest figure was recorded in 2024. In that year, 6648.7 million AZN was received into the budget through the State Customs Committee. The majority of this amount falls on the share of value added tax, which accounts for 69.3% of overall income. Customs duties had a special weight in total budget revenues with a share of 1790.8 million AZN or 26.9%, excise duties with a share of 204.4 million AZN or 3.1%, and road tax with a share of 44.4 million AZN or 0.7%. This structure shows that the main burden of revenues formed through the customs line falls on VAT, and this type of tax acts as one of the main financial sources of budget revenues.

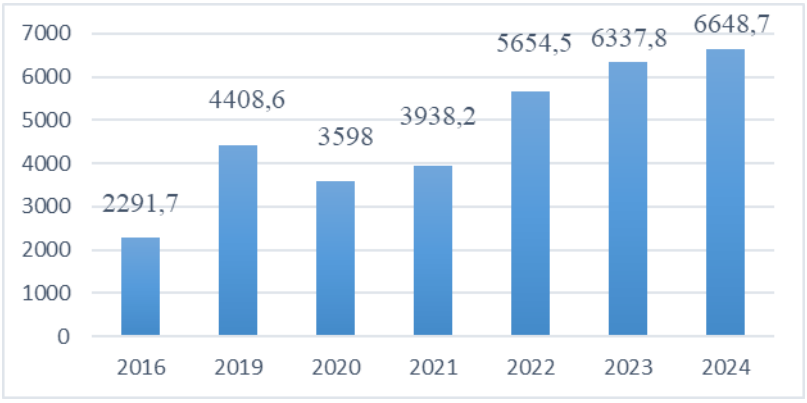

Fig. 3. Growth dynamics of budget revenues by the State Customs Committee during 2016-2024, in million AZN

Comparative dynamics show that VAT revenues in particular have had a significant growth rate in recent years. The fact that this indicator in 2024 was approximately 2.9 times higher than in 2016 can be explained by the expansion of foreign trade turnover in the country, the increase in import operations, and the more efficient organization of customs control. Also, the 84.8% increase compared to 2020 is due to the restoration of economic activity after the pandemic period and the reactivation of international trade. The 4.9% increase compared to 2023 indicates that revenues have already entered a stable and sustainable growth phase. This once again confirms the increasing fiscal importance of the customs system and its important role in the formation of the state budget.

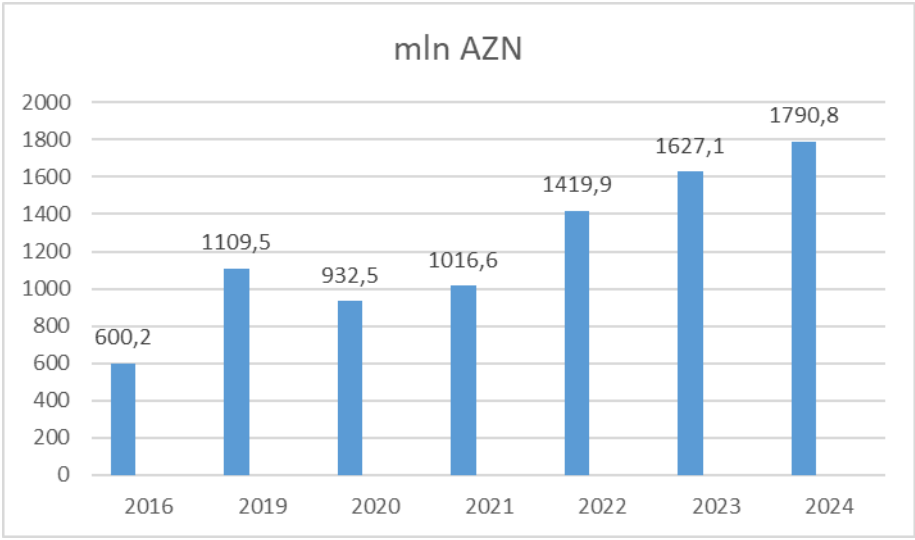

Fig. 4. Budget revenues from customs duties

The dynamics of customs duties revenues have also changed in a positive direction overall. The fact that this indicator reached 1790.8 million AZN in 2024 indicates an increase compared to previous years. Although an increase was observed mainly during the analyzed period, a certain decrease was recorded in 2020. The main reason for this decrease was the restrictions applied in connection with the COVID-19 pandemic spreading on a global scale, the weakening of international trade relations, and problems in the logistics chain. In the post-pandemic period, the restoration of trade turnover created conditions for a re-increase in customs duties. The analysis shows that the funds received by the budget through the customs system constitute an important component of the state financial system, and the increase observed in this area is directly related to the increase in economic activity. However, the fact that the main part of the revenues is formed at the expense of VAT also indicates the existence of a certain structural dependence. In this regard, it may be appropriate to increase the role of customs duties and other fiscal instruments in the future, more transparent and effective handling of import-export operations, widespread application of digital customs platforms, and strengthening risk-based control mechanisms.

Now let's calculate the average duty rate on imported goods. For this, let's use the following table data (table 5)

Table 3. Average duty rate on imported goods

	2019	**2020**	**2021**	**2022**	**2023**	**2024**
Volume of import transactions (million AZN)	13667,2	10730,7	11705,8	14539,8	17285,4	21058,1
Amount of customs duties collected on imported goods (azn)	1104,7	10133,7	1205,5	1419,9	1625,1	1684,9
Total customs value of imported goods (million azn)	23323,4	18242,2	19899,8	24717,7	29385,1	35798,8
Average duty rate (%)	4,73	5,55	6,06	5,74	5,53	4,71

Since the value of imported goods in 2024 is 21058.1 million US dollars, the average customs value of those goods will be 21058.1x1.7= 35798.8 million AZN. Because, since the value of imported goods is taken in the statistical unit of the US dollar, it was calculated as 1 US dollar = 1.7 AZN. The average duty rate was 4.71% (1684.9 : 3579.8 x 100). The volume of customs duties on imported products in 2024 increased by 3.7% compared to 2023.

As can be seen, determining the amount of the collected duty is based on such an important category as the customs value of goods. In order to reveal the role of this category in the GTT system and determine its place, it is necessary to analyze it. Information on the customs value of goods and its calculation should be based on quantifiable, reliable, documented data. However, for a number of objective reasons, the obligation to provide such information is not always possible. Customs authorities

carefully check the information provided on the customs value of goods, since an unjustified reduction in its size can lead to significant negative consequences.
It is the customs value that determines the costs of the customs declaration. It serves as a tax base, its size is used by customs authorities when calculating the amount of excise duty, VAT, as well as advalorem customs duty. Thus, the customs value is the object of calculation of customs duty:

TP = TS x STP

Here TP - customs duty; TS - customs value; STP - rate of customs duty.
Since the customs value is necessary for calculating the amount of customs duties to be paid, it is primarily of fiscal importance. Here the financial interests of the state and entrepreneurs collide: customs authorities control the customs value in order to fulfill the plan for budget revenues, and CIF participants are interested in minimizing the payment of customs duties.
The goals of determining the customs value are very diverse and are not limited only to customs payments. So, for example, the size of the customs value affects the competitiveness of goods. Reducing the customs value of goods leads to a decrease in the amount of customs duty, as a result of which the price of goods in the domestic market is underestimated. Accordingly, such a product becomes more competitive compared to a product for which customs payments are honestly paid in full. It should be borne in mind that not only lowering, but also inflating the customs value, first of all, can lead to negative financial consequences for the state.
As can be seen, customs tariffs are an important regulator of the state's participation in the system of FDI. The analysis of the above table data and diagrams also shows how important customs tariffs are in our national economy and in increasing the export potential of our country, and have a significant special weight in filling the revenue part of the state budget.
The chief priority task in recent times is the improvement of the GTT. Because this is important in terms of increasing the country's export potential.
The process of developing the customs system and its improvement is constantly in a dynamic state. Problems related to the activities of this area and changes in the mechanisms for providing customs services imply its further improvement. This, in turn, necessitates the conduct of new consistent scientific, theoretical, methodological and other applied research in rapidly changing economic conditions [14, p.322].
Currently, the practice of applying customs tariffs is being improved in the following directions:
- development of product differentiation - expansion of product groups;
- determination of optimal rates of customs duties.

The improvement of the Customs Tariff is the main direction of its activity. Such improvement involves:
- increasing the efficiency of customs operations and developing customs technologies;
- improving the tariff and customs tariff of the given field of activity, taking into account the active promotion of the country's national interests in the field of customs tariffs;
- assisting in the development of fair competition of business entities by creating more favorable conditions for conducting customs tariffs;
- actively responding to threats to the country's economic security, etc.

The principal way to improve the Customs Tariff is to increase the efficiency of the description and classification of goods. Currently, achieving uniformity and unambiguousness in the classification of goods transported across the customs border is one of the most important issues. The next direction in improving the Customs Tariff is to improve the system of granting tariff concessions. The system of preferences creates equal opportunities for the sale of goods from countries with different levels of development in the domestic market of the country. The system of tariff preferences allows to reduce tariff rates depending on the level of development of the country. It is also essential to enlarge the practice of applying seasonal duties. For example, in the EU, such protective duties are a useful tool of trade policy and protect the interests of producers in cases of cheap imports from third countries.

The frequent application of seasonal duties on agricultural products with a short shelf life helps to minimize possible damage. In most countries, seasonal duties are widely used when implementing a policy aimed at stimulating national producers in agriculture.

The main priority for the development of Azerbaijan's customs service is to improve and strengthen the material and technical base and customs infrastructure. The prerequisites for the successful implementation of this task should be positive trends in the economic and social development of the country in the future, international integration processes in which our state participates. Thanks to this, it will be possible to apply the latest achievements in science and technology, based on the experience of developing countries, when solving problems of the optimal development of the material and technical base and customs infrastructure facilities. An integral part of customs control technology at all stages is the use of technical means of customs control. The application of the latest technologies in the field of technical means of customs control, on the one hand, leads to an increase in the reliability and acceleration of the procedure for customs clearance of goods, an increase in foreign trade turnover, transit opportunities of the republic, and on the other hand, to a reduction in the level of economic crimes and an increase in the effectiveness of the fight against the activities of international terrorist organizations.

In recent years, important steps have been taken in the Republic of Azerbaijan towards deepening economic reforms and facilitating foreign trade. In this context, adapting the activities of customs authorities to contemporary requirements and introducing digital technologies have become one of the priority fields. The introduction of information technologies (IT) in the customs system aims to both increase the efficiency of state control and provide more transparent and faster services for entrepreneurs.

The digitalization projects implemented by the State Customs Committee of the Republic of Azerbaijan in recent years - including the "Smart Customs" mobile application, the "E-customs" information system, the "Electronization of Customs Declarations" and the "Green Corridor" release system - are considered important steps towards the automation of customs operations and their compliance with international standards.

Customs authorities using the electronic declaration information system must ensure the transmission of system messages to the person declaring the goods within one hour after business hours. Customs authorities register the operations carried out through the information system with the date and time of their completion, and then within 15 minutes the system sends messages to the declarant about their registration. The use of

the electronic declaration form is distinguished by a number of advantages in terms of reducing the costs of transporting and storing goods, reducing the time for carrying out customs procedures, and transparency of the registration and control process.

The Azerbaijan Customs Service is the main institution ensuring the correct and transparent implementation of foreign trade operations. Currently, the implementation of customs procedures in the country has been simplified with electronic systems. We can systematically note the main innovations and development directions as follows:

- Implementation of the electronic customs system. One of the biggest innovations in the customs sector of Azerbaijan is the implementation of the electronic customs system. The “Electronic Customs” project, implemented since 2013, has increased the acceleration of procedures, the prevention of corruption, and the transparency of trade transactions. This system simplifies customs procedures by submitting and approving customs declarations electronically.
- ASAN services. ASAN service centers, established in 2012, allow Azerbaijani citizens and entrepreneurs to obtain many government services quickly and transparently. This also plays an important role in the implementation of customs procedures. Easy implementation of customs declarations and payments is possible through ASAN services.
- Improved customs product directions. Customs authorities focus on strategic product directions and manage export and import operations in a more organized manner. This allows for increased product safety and quality, as well as easier and faster implementation of foreign trade transactions.

Despite the progress made in the customs sector in Azerbaijan, there are still a number of problems. These problems should be taken into account in order to further improve customs procedures. Firstly, there are differences in the quality and speed of customs services in different regions of Azerbaijan. It is especially important to improve the infrastructure of customs authorities in border regions. Secondly, in some cases, strict and time-consuming inspection procedures of customs authorities can complicate foreign trade operations. This can lead to the country's transit potential not being fully utilized.

There are several essential directions for the development of customs procedures in Azerbaijan, the main of which is related to the full automation of customs procedures, which can make customs procedures faster and more transparent. The integration of customs operations with other state bodies and international organizations should be further strengthened. The full automation and interconnection of all systems will increase the efficiency of customs procedures.

In addition, the application of international requirements and standards in the customs sector can further strengthen Azerbaijan's position in world trade. This can also help Azerbaijan develop customs cooperation with other countries. Training of specialists in the field of customs, specialization of the workforce in accordance with the application of new technologies is also important in this regard. This can improve the quality and speed of customs procedures. Simplifying and optimizing cross-border trade procedures is essential to fully exploit Azerbaijan's strategic position as a transit country. Goods and vehicles imported into the customs territory using the “Green Corridor” clearance system are exempted from physical inspection upon importation into the customs territory and upon entry into the customs territory. Importers using the “Green Corridor” clearance system must file a customs declaration in accordance with

the customs procedure from the moment the goods and vehicles cross the customs border and pay customs duties in accordance with the procedure and within the time limits established by the Customs Code.

There are a number of difficulties and problems associated with the application of digital technologies to customs procedures. These difficulties can be overcome by further improving IT systems.

The improvement of information technologies in the activities of customs authorities should be continued in a number of important development directions in the future. Artificial intelligence, block chain technology, the “Internet of Things” (Io T) and other modern technologies should be applied in the customs system. These technologies will ensure more transparent, reliable and fast customs operations. For example, block chain technology can ensure the immutability of data, allowing for fully transparent and secure implementation of customs operations.

As a result of the digitalization of customs control, it can be noted that electronic declaration, electronic service, digital control and monitoring system, and installation of modern control equipment have led to the efficiency of customs work. Over the past 5 years, the volume of transit transportation through Azerbaijan has increased more than 2 times, and trade turnover has reached $ 52 billion.

As can be seen, the application of information technologies in Azerbaijan is of great importance for the improvement of customs procedures. Development in this area increases the efficiency of customs services, as well as strengthens the country's position in international trade. However, in order for reforms in the customs sector to be fully effective, special attention should be paid to issues such as strengthening the technical infrastructure, improving personnel training, and combating corruption. In the future, more steps should be taken in this direction and existing problems should be resolved.

Further improvement of electronic submission of customs declarations can increase the speed of operations in this area. More types of information can be added to electronic systems, which will increase the efficiency of customs procedures.

In 2023, the concept of the activities of the Azerbaijani customs service - the “Customs Development Model” was developed, and the projects, innovations, and improvements planned for implementation in the customs system are aligned with this concept.

The steps to be taken to increase the efficiency of customs management in the Republic of Azerbaijan will strengthen its position not only in the domestic market, but also in international trade. Promising directions such as the application of digital technologies, risk management, personnel training and the elimination of bureaucratic obstacles will increase the efficiency of customs procedures and will have a positive impact on the country's economy. The active participation of both the state and the private sector is important for the successful implementation of these measures.

The Automated Risk Analysis System (ARAS), which works with artificial intelligence-based machine learning algorithms, which has been implemented in the customs system of the Republic of Azerbaijan since the beginning of 2024, has created additional opportunities for accelerating border crossing and clearance processes, eliminating additional time and money losses, and establishing a proper accounting system. After the implementation of ARAS, which was put into operation at the State Customs Committee on January 1, 2024, the average border crossing time has decreased by 58%, physical checks by 20%, and clearance time by 15%.

Conclusion

The conclusion reached at the end of the study is that the level of development of the customs management system, as a key component of the logistics infrastructure, is directly related to the volume, speed and efficiency of exports. But the work does not end there. The interaction of other components of the logistics infrastructure, such as transport infrastructure, warehouses, logistics centers and customs and border management systems, determines the efficiency of the supply chain. We can mainly note the impact of logistics infrastructure on the development of export potential in these areas. First of all, it becomes possible to reduce transportation costs. Lower transportation costs, in turn, lead to the offer of goods at competitive prices in foreign markets. Secondly, a developed logistics infrastructure has a positive effect on the delivery time of goods, especially agricultural and perishable products. Automation of logistics processes, as well as the digitalization of customs procedures, in itself increases the speed of export operations and leads to the reduction of administrative barriers. Access to the market for products is facilitated through international transport corridors. In general, the role of transport corridors is of great importance in international trade.

Along with all these advantages, it should be noted that having a developed logistics infrastructure requires large expenditures, that is, logistics services are expensive. In this regard, it is recommended to increase investments in logistics and transport infrastructure and implement continuous reforms in this area to improve the quality of logistics services.

The reforms implemented in the customs sector in Azerbaijan have increased the competitiveness of the country's economy and created conditions for the expansion of international trade relations. However, additional work needs to be done in certain areas to further improve and make customs procedures more effective. The full automation of the customs system, the application of international standards and the strengthening of personnel training will allow for the further development of this sector in the future.

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