

CUSTOMS AND GLOBAL SUPPLY NETWORK

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In the European Union customs deal with the policy of duties of the international trade. They are also responsible for the efficient security of the EU financial interests. The global trading system is not secured against the terrorism which can cause a serious damage to the global economy. Being a part of the governmental organisations that monitor and manage a cross-border movement of goods, customs administrations appear in a unique position, as they ensure an increased security of the global supply network as well as contribute to the social and economic development through the revenue collection and the trade facilitation. With the growth of the international terrorism and the increased threats of the weapons, counterfeit and pirated goods as well as hazardous materials to enter the country and thus endanger the international trade and public security, customs are confronted with new challenges. One of the main challenges is to implement measures related to the safety and security of the international trade supply and to prevent the terrorism, smuggling, organised crime and other criminalities.

International trade has increased and manufacturing has become more global, with developing, emerging and transition economies connecting with international supply and value chains in terms of both their exports and imports. The worldwide distribution and sourcing cycles, along with just-in-time and just-in-sequence logistics services and the emergence of e-business, has created pressure on governments to ensure efficient, fast and reliable border crossing and clearance procedures. Governments started to realize that their export economies heavily depend on efficient import processing, hence the need to have a holistic approach for a more efficient management of end-to-end trade transactions. Lack of transparency about rules and regulations, redundant and lengthy clearance processes, and multiple documents requirements in different formats and with different data elements, increase the costs and time of doing trade. Today these obstacles are seen as posing greater barriers to trade. It is more important than ever to achieve trade facilitation to enhance administrative efficiency and effectiveness, reduce costs and time to markets, and increase predictability in global trade.

The supply network is influenced by a broad set of environmental factors. That is why, this assessment area is quite tricky and complicated, requiring a broad understanding of the importance of a global context.

Trade facilitation has to encompass the entire trade environment, actors and processes involved in a transaction. A supply chain embraces all activities necessary for goods to be produced and delivered to the final consumer. Such activities include sourcing of raw materials, preparing for transport, requesting an import license, preparing documentation for customs clearance, clearance, payment, and delivery to the consumer. As a minimum, a supply chain involves two parties, the seller and the buyer. In reality, a supply chain involves many different parties.

Trade facilitation has to take place at three levels: at the national, regional and international level. While at the regional and international level standards and agreements are developed and agreed, the operational implementation of trade facilitation measures including these standards, takes place at the national level.

The customs are involved in the procedures of the international trade regulation control. Therefore, inconvenient or inflexible customs procedures have a negative impact on the business competitiveness. While improving their work, customs contribute to the strengthening of the European Union business enterprises' competitiveness in the world markets at the same time imposing resources to the very place they are needed. Here, the important role played audit-based customs control. The customs audit is of a great importance in the process of the customs inspection. The control based on the methods of the customs audit assures better opportunities of anti-breaches. Moreover, a faster flow of goods traffic at the external border of the European Union is assured while carrying out the most inspections at the companies' residences. Therefore, it is

important to improve the customs audit combining this process with the changing business environment. This also has to do with the ongoing market processes. Recently, the customs of the EU countries began appreciating the activities of the business enterprises, seeking to gain the status of the authorised economic operator (AEO). In order to implement this, the need of the exploration of business enterprises activities' evaluation appeared, at the same time paying attention to the aspects of the international trade supply network.

The assessment of business enterprises' activities in EU customs is carried out taking into consideration the issuing/non-issuing of the AEO status – when the customs audit assesses the activities of the economic operator and its compliance with the established criteria. In most cases the main problem related to the activities' assessment, lies in the identification of the appropriate activities assessment's indicators.

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