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**ANALYSIS OF THE PERFORMANCE OF 3PL PROVIDERS IN THE REPUBLIC OF BELARUS
AND THE COUNTRIES OF THE EUROPEAN UNION**

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This article studies the performance indexes of 3PL providers in the Republic of Belarus and the countries of the European Union, including the logistics performance index, the proportion of logistics costs in GDP and types of logistics services provided by intermediaries.

The use of 3PL providers' services is one of the most effective ways to reduce logistics costs. In the Republic of Belarus, 3PL providers have emerged relatively recently, however, in the countries of the European Union third party logistics is actively used and well developed. Therefore, there is a need to analyze the performance of 3PL providers in the Republic of Belarus compared to the countries of the European Union.

One of the methods to evaluate the quality of logistics is the logistics performance index (LPI) calculated by the World Bank [3]. Table 1 presents the results of calculations of the LPI for the Republic of Belarus and the countries of the European Union.

Table 1 – LPI of the Republic of Belarus and the countries of the European Union

Country	LPI rank	LPI score						
		Total	On customs	On infrastructure	On international shipments	On logistics quality and competence	On tracking and tracing	On timeliness
Germany	1	4.23	4.12	4.44	3.86	4.28	4.27	4.45
Luxembourg	2	4.22	3.90	4.24	4.24	4.01	4.12	4.80
Sweden	3	4.20	3.92	4.27	4.00	4.25	4.38	4.45
Netherlands	4	4.19	4.12	4.29	3.94	4.22	4.17	4.41
Belgium	6	4.11	3.83	4.05	4.05	4.07	4.22	4.43
Austria	7	4.10	3.79	4.08	3.85	4.18	4.36	4.37
United Kingdom	8	4.07	3.98	4.21	3.77	4.05	4.13	4.33
Finland	15	3.92	4.01	4.01	3.51	3.88	4.04	4.14
France	16	3.90	3.71	4.01	3.64	3.82	4.02	4.25
Denmark	17	3.82	3.82	3.75	3.66	4.01	3.74	3.92
Ireland	18	3.79	3.47	3.77	3.83	3.79	3.98	3.94
Italy	21	3.76	3.45	3.79	3.65	3.77	3.86	4.03
Spain	23	3.73	3.48	3.72	3.63	3.73	3.82	4.00
Czech Republic	26	3.67	3.58	3.36	3.65	3.65	3.84	3.94
Lithuania	29	3.63	3.42	3.57	3.49	3.49	3.68	4.14
Hungary	31	3.43	3.02	3.48	3.44	3.35	3.40	3.88
Poland	33	3.43	3.27	3.17	3.44	3.39	3.46	3.80
Portugal	36	3.41	3.37	3.09	3.24	3.15	3.65	3.95
Estonia	38	3.36	3.41	3.18	3.07	3.18	3.25	4.08
Slovakia	41	3.34	3.28	3.24	3.41	3.12	3.12	3.81
Latvia	43	3.33	3.11	3.24	3.28	3.29	3.42	3.62
Greece	47	3.24	2.85	3.32	2.97	2.91	3.59	3.85
Slovenia	50	3.18	2.88	3.19	3.10	3.20	3.27	3.41
Croatia	51	3.16	3.07	2.99	3.12	3.21	3.16	3.39
Malta	56	3.07	2.78	2.94	3.09	2.85	3.12	3.61
Cyprus	59	3.00	3.11	3.00	2.80	2.72	2.54	3.79
Romania	60	2.99	3.00	2.88	3.06	2.82	2.95	3.22
Bulgaria	72	2.81	2.40	2.35	2.93	3.06	2.72	3.31
Belarus	120	2.40	2.06	2.10	2.62	2.32	2.16	3.04

Source: [3, p. 38–40].

Thus, the Republic of Belarus is 120th out of 160 places in the LPI ranking. A considerable gap between Belarus and its closest neighbors is noticeable, especially in the field of customs services, logistics infrastructure

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and tracking the passage of goods. However, rather high levels of timeliness of provided logistic services were identified, with the Republic of Belarus approaching some of the countries of the European Union. In spite of this fact, Belarus has significantly lagged behind other analyzed countries.

It should be noted that the logistics performance index for the Republic of Belarus has dropped significantly compared to 2014 when Belarus ranked 99, although there was an improvement in the index of "international shipments".

Table 2 presents the levels of logistics costs in the Republic of Belarus and some of the countries of the European Union.

Table 2 – The levels of logistics costs in the Republic of Belarus and some of the countries of the European Union

Country	GDP, billion dollars	The proportion of logistics cost in GDP, %	Logistics costs, billion dollars
France	2423.0	9.5	229.9
Germany	3371.0	8.8	297.1
Italy	1819.0	9.7	176.5
Netherlands	750.8	8.3	62.6
Spain	1221.0	9.7	118.2
United Kingdom	2865.0	8.8	251.1
Belarus	48.13	5.5	2.7

Source: own elaboration based on [1] and [4].

As shown in Table 2, Belarus is characterized by a relatively small proportion of logistics cost in total GDP compared to other European Union countries, which is around 5.5 %. The proportion of logistics costs in GDP in analyzed European Union countries did not fall below 8.3 %.

Most organizations in Belarus are 2PL, only 0.5 % is 3PL providers. 4PL services market does not exist. The share of outsourcing in Belarus is relatively small too – not more than 2% [2, p. 520].

Table 3 provides information on the types of services rendered by logistics intermediaries in the Republic of Belarus and in the world.

Table 3 – Logistics services provided by intermediaries

Types of services	Use of logistics services, %	
	In Belarus	In the world
Customs brokerage	74.5	53
Warehousing	43.6	67
Supply chain consultancy services provided by 3PLs	30.9	15
Product labeling, packaging, assembly, kitting	36.4	30
Transportation management and planning	29.1	25
Reverse logistics	-	36
Information technology (IT) services	-	14
Fleet management	-	13
4PL services	-	11
Sustainability/green supply chain-related services	-	3

Source: own elaboration based on [2, p. 519] and [5, p. 14].

The most common service provided by transportation and logistics organizations in Belarus, is customs brokerage (74.5 % of the analyzed organizations provide these services). This figure is significantly higher than the world's average one (53 %). The percentage of organizations providing information and consulting services (30.9 %), cargo labeling, packaging, assembly and kitting (36.4 %), transportation and cargo placement planning (29.1%) also exceeds world's average figures. However, there are no logistics intermediaries in Belarus providing services in the field of reverse logistics, information technology, fleet management, 4PL and sustainability.

Thus, the Republic of Belarus is 120th out of 160 places in the LPI ranking. There is a noticeable gap between Belarus and its closest neighbors in the field of customs services, logistics infrastructure and tracking the passage of goods, although Belarus is characterized by relatively high levels of timeliness of provided logistic services. The Republic of Belarus is also characterized by a relatively small proportion of logistics cost in total GDP compared to other European Union countries, which is around 5.5 %. The percentage of organizations in Belarus providing customs, information and consulting services, cargo labeling, packaging, assembly and kitting, transportation and cargo placement planning exceeds world averages. Despite this, there are no logistics intermediaries in Belarus providing services in the field of reverse logistics, information technology, fleet management, 4PL and sustainability.

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