

## **The economic rationale of the effective establishment of the transport-logistic cluster in Odessa region**

**Liliia CHERNYSHOVA**

*Odessa National Economic University  
International Economic Relations Department*

**Associate Professor Olga IERMAKOVA, PhD**

*Odessa National Economic University  
International Economic Relations Department*

**Abstract:** The article is devoted to the economic argumentation of necessity of transport-logistic cluster implementation in Odessa region. This article is directed on the revealing of importance to discover the opportunities and ways to the establishment of logistic cluster on the very foundation, that Odessa region is the great port and has a huge economic potential at this point of view. Regarding the modern economic conditions, the region is the main object of economic relations, and therefore, the socio-economic development of the regions is one of the most important directions for increasing the potential of the country's economic growth.

**Keywords:** transport-logistic cluster, regional development, logistics, competitiveness, competitive advantage.

**JEL Classification:** R10, R58

### **Introduction**

The economic success of the region depends not only on the level of development of the country, but on the ways of managing the economy, socio-economic relations and the peculiarities of using local resources. Taking these positions into account, the formation of regional policy is of particular importance. Under current conditions, improving the socio-economic development of the region is based primarily on its own resources, which greatly increases the importance of an effective system of local governance creation. The strategic choice of the socio-economic system is formed by ensuring the achievement of the desired level in the conditions of rational use of all kinds of resources. That's why logistics should be developed.

### **Goal of the work**

The aim is to reveal the necessity to develop the system-building elements of regional logistics, which are the elements of infrastructure, industrial potential, population and administration of the region and figure out the importance of optimization process. The analysis of these indicators, as well as the possibility of increasing the efficiency of their operation, should be taken into account at the stage of formation and strategic planning of

the infrastructure elements of regional logistics. Thus, we can conclude that in order to increase the effectiveness of socio-economic development of the region should create a mechanism for optimal management of material flows using a logistic approach.

### **State of investigation**

Modern scientists have widely studied the problem of the formation and development of industrial clusters. However, the formation of logistics clusters as clusters of services is not adequately covered in modern scientific research in connection with the relative novelty of the topic under investigation in domestic economic science and the specific need for the formation of similar cluster entities in other countries with a developed level of economy due to less narrow geography.

### **Main results of the investigation**

Regional logistics is a structural element of international logistics, its separate direction. Effective development of the region envisages the continuous growth of socio-economic and scientific and technical potential on the basis of the creation of an optimal territorial-branch structure that would ensure the rational use of local resources while preserving the environmental issues. The economic, social and environmental aspects of the strategy for effective regional development are significant.

Regarding the fact, that Odessa is an international port and important logistic center, the creation of transport-logistic cluster in Odessa region is one of the highest-priority tasks to increase to competitiveness of the whole region. Moreover, one of the most effective tools for solving the problems of lack of modernization is the formation of transport and logistics clusters which provide opportunities to increase the competitiveness of the region, the association of economic entities and public authorities, determine the improvement of the investment climate.

On this point it's necessary to clear it out, what is the logistic cluster, to reveal the peculiarities of transport-logistic cluster structure and which advantages it is able to provide for a region.

A transport-logistic cluster is a group of geographically localized interrelated companies specializing in the storage, tracking and delivery of cargo and passengers, as well as organizations serving infrastructure facilities and other organizations that complement each other and enhance each other's strengths and realize the competitive advantages of the territory ([www.dictionary-economics.com](http://www.dictionary-economics.com)).

The transport -logistic cluster has a complex mixed structure. On the one hand, it has a sectorized character, since the majority of its subjects and participants (carriers, freight forwarders, terminal owners, sea and river ports, airports, railways, etc.) belong to the transport industry. At the same time, information, insurance companies, customs representatives, financial institutions, service companies, large consignors and consignees are usually included in the cluster, which gives the cluster an inter-branch character.

Among the main advantages of the cluster creation should be mentioned such as strengthening of the competitiveness of the transport and logistics industry in the region, by developing innovative capacity; increase of employment by increasing the number of jobs; improving the investment attractiveness of the transport and logistics industry; the growth of the contribution from transport and logistics services to the gross regional

product; expansion of the tax base, as well as improving the efficiency of the management system of transport and logistics activities.

Successful functioning of the transport and logistics cluster will enable to carry out a number of top-priority tasks for the industry: the construction of modern logistics terminals, the geographical expansion of the transportation scale, the training of professional personnel on the basis and with the support of the city's educational institutions, the stimulation of innovation, the introduction of new technologies at logistics service enterprises ([www.core.ac.uk](http://www.core.ac.uk)).

One can make a conclusion, that cluster's competitiveness and the competitiveness of the region is a mutually contributing process. On the one hand, any region is unique and has its own set of competitive ones the benefits of using a cluster for its development. On the other hand, the cluster creates additional competitive advantages of the region in which it operates (Iermakova, 2011)

Each of the spheres of economic activity has its own logistic goals, networks, problem situations, setting, modeling and methods of solving its specific tasks. In these areas, one of the leading places, undoubtedly, belongs to transport logistics. The increment of new scientific approaches requires theoretical comprehension of breakthrough logistic forms and methods, applicable to temporal flow processes in various activities, which, of course, will enrich the logistics arsenal.

The transport-logistic cluster is a specific cluster formation that combines the integration of participants in the logistics market, transport infrastructure, auxiliary industries of the region's economy, federal and regional government in the framework of regional, national and international transport. Accounting for the specific features of transport and logistics clusters will make it possible to create the most effective form of the cluster structures taking into account the features of a specific territory and create the necessary conditions for their development.

The creation of clusters is one of the main directions of the development of the economy of the regions under market conditions. The main goal of the cluster policy is to ensure high rates of economic growth and diversification of the economy by increasing the competitiveness of enterprises - suppliers of equipment, components, specialized production and make services, as well as research and educational institutions.

Transport-logistical cluster allows to develop basic terminal-logistics structural elements on the basis of the formation of cargo-processing terminals, terminal-warehouse complexes of multi-purpose, providing the whole set of warehouse customs and accompanying services; increase the competitiveness of transport corridors; reduce the share of transport costs in the gross domestic product; to ensure the cooperation and integration of small and medium-sized logistics organizations - transport, freight forwarding, warehousing, etc. into the overall logistics system; adapt internal structures and external business links to conditions of uncertainty of the environment (Fedotenkov, Padalko, 2014).

Forming in the territory of the region, the country or in the zone of international transport corridors, the transport- logistic cluster can have a regional, interregional, national and global character. Transport –logistic clusters includes a complex of infrastructure and companies specializing in the storage, tracking and delivery of goods and passengers. The cluster can also include organizations, serving port infrastructure facilities,

companies specializing in sea, river, land, air transport, logistics complexes and others. Transport- logistic clusters are developing in regions that have a significant transit potential.

Practice shows that the development of transport and logistics clusters is an effective solution to a number of problems of commodity circulation optimization, including the provision of rational construction of freight forwarding and terminal warehousing complexes, the rationalization of cargo transportation processes involving several modes of transport, the formation of a system of operational interaction, planning, coordination and dispatching regulation in transport hubs and maintenance of optimum service of goods flows (Grazhdanskyi, 2005). It is also the mechanism of logistic information system development, which provides an efficient exchange of information between the cluster members.

Every of these arguments are a good foundation to implement transport-logistic cluster in Odessa region. However, a couple of difficulties could be faced up. In general, the creation of clusters of different types in Ukraine faces a plenty of organizational problems and namely:

- ✓ Lack of susceptibility to most of Ukrainian innovation enterprises;
- ✓ Shortage of skilled personnel; low quality of transport and engineering infrastructures;
- ✓ Lack of necessary information support for the clustering process; - insufficient interest of small and medium-sized businesses in merging into large production systems;
- ✓ Lack of investors due to the low investment attractiveness of the regions; - limited access to overseas markets (Cozzolino, 2012).

Furthermore, the effective implementation of transport-logistic cluster can be possible under the conditions of sustainable law norms and regulations, which provide a favorable economic field, in which the principles of market economy and free competition are, functioning (Christopher, 2010). Considering the establishment of decentralization rule and other changes, it gives a hint to make a conclusion of further economic situation improvement and investment attractiveness increase.

The transport-logistic cluster involves the unification of separate regional, functional and economically connected logistics units: international transport corridors, transport nodes of main infrastructure, transport and distribution logistics centers, main, regional and local routes into a single system of transportation process, capable of providing high-quality logistics services to domestic or external customers while minimizing overall logistics costs.

Achievement of optimal logistic potential is possible as a result of synthesis of its constituent parts - resources, capabilities and conditions of operation of transport-logistic clusters. The optimal logistics potential implies compliance with its objectives and the development of a strategy for the advance development of transport and logistics clusters (Kalchenko, 2003). The main criterion of optimization for a general model of logistics potential components is the minimum of total logistics costs. From the argumentation above we can see that effective coordination and management of traffic flows within each region is impossible without taking into account the peculiarities of their functioning. Since the national logistics system is not able to take fully into account the characteristics of each region, it is necessary to look for ways to improve logistics management in selected regions. To this end, the creation of regional logistics transport and distribution systems is proposed as an intermediate stage in the creation of transport and logistics clusters and their integration into the national

logistics system of cargo and goods circulation. It should be noted that Odessa and the Odessa region are among the most promising objects for the development of the logistics transport cluster. Creation of such systems will satisfy the needs of local consumers for the transport and logistics service and bring them to the European level of development, taking into account the characteristics of the economy of each region. The launch of the cluster model of Ukraine's development will allow for a multiplier effect in the dynamics through the inclusion in the sphere of production and provision of services to a larger number of related industries involved in cluster education (Sarkisov, 2001).

### **Conclusion**

Thus, we can make a conclusion, that creation of transport and logistics complexes – clusters- is capable to concentrate significant financial, technological, innovation and labor resources that allow to ensure economic growth and increase of the competitiveness of the branches of transport and logistics services around them - refers to modern innovative approaches to the development of logistics in general. That means, that transport-logistic cluster is an innovative, directional, geographically localized structure that is integrated with the elements of a network organization and includes the various areas of the transport and logistics service that are part of the value chain technology chain. The benefits of a clustered form to the traditional perception of an organization are not only formal, but also mostly, informal relationships between enterprises in the cluster, which creates a positive effect that affects all enterprises. In addition to the enterprises, the cluster may include institutions of educational, medical, tourist, and hotel destinations. This will create additional mutually beneficial relations between enterprises and the population. Formation of the transport-logistic clusters in the region is a rather complicated process of delayed creation; the desired results are achieved only in a few years. It has a lot of difficulties, partially in Ukraine. However, as already stated, such associations have a positive impact not only on individual enterprises in the structure of the cluster, but also on the economy of the region as a whole, since there is interaction of three sectors: business, institutions and authorities.

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