

## **The Impact of Logistic Industry For The Development Of The Country**

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**Abstract:** Logistics industry provides significant macro contributions to national economy by creating employment, and creating national income and foreign investment influx. On the micro scale, logistics industry is a key industry in increasing the competitive power of corporations.

**Keywords:** Tourism, Logistic, economy, development, country

**Introduction.** The word Logistica has Greek roots and means the art of practical calculations.

From XIV century – 1st century BC. Primitive methods for calculating the transportation of goods by sea and land appear. In Ancient Greece and the Roman Empire, there were logisticians at the court who were engaged in government calculations, their main task was the distribution of provisions.

Since the 1st millennium AD and until the end of the 19th century, logistics developed in the military sphere and was used as a tactical movement of military equipment, equipment and troops. In historical essays, the science of logistics is often mentioned in the history of Byzantium, more precisely during the reign of Leo VI, 866-912. AD At this moment, Byzantium was famous for its powerful army and the flowering of military art. The emperor's military achievements are associated with the competent movement and logistical supply of troops, which was achieved using the rules and principles of logistics.

Early to mid-twentieth century. The history of logistics development is influenced by a number of international economic crises. To bring the economy out of the crisis, effective measures were required, and here logistics came to the rescue, which was widely used in various economic sectors. Directly associated with this period of time is the emergence of logistics associations, including the National Inventory Management Association.

50–80s of the XX century. A feature of the 70s was the development of competition, so the main function of most companies was the desire to reduce the cost of goods and more rationally use raw materials, semi-finished products and components. The main emphasis in logistics shifted slightly; by the end of the 1970s, the production of transport and storage equipment and new types of containers and packaging (individual and transport) had received significant development in Europe and America.

The beginning of the 80s of the XX century is the birth of neologists. The introduction of logistics processes into the economy is becoming an important factor in a stable position in the market; annual conferences, forums and congresses are held where problems in the field of logistics are raised. The Logistics Management Council was founded. In the German Democratic Republic at the end of the 80s. In the 20th century, a logistics system for unified integrated transport management of the country (LSECUT) was developed and implemented, which was based on the comprehensive optimization of cargo transportation. During these years, the European Logistics Center was created in Switzerland. Training centers for training personnel in the field of logistics were opened in Western European cities. International companies and large firms allocate special services and logistics departments into a separate division.

The most significant elements that enable us to understand economic growth and development

levels of nations are economic indicators of the country of interest. As much as these indicators have positive and high values, they affect the economic, social, psychological and cultural texture of the nation positively. These effects increase the culture, living and welfare levels of the individuals in the society. Logistics is one of the tools that play an important role in the change and improvement of economic indicators. Logistics industry provides significant macro contributions to national economy by creating employment, and creating national income and foreign investment influx. On the micro scale, logistics industry is a key industry in increasing the competitive power of corporations. Furthermore, the logistics industry has an important mission in revitalizing and improvement of the competitiveness of other industries. Today, all industries are dependent on logistics sector. The present study aimed to investigate how the logistics variables of transportation and communication affected economic growth in 34 OECD countries. The effect of both transportation industry variables and communication industry variables that form the logistics industry on the increase in per capita income in OECD countries was identified.

Logistics as a science appeared many centuries ago. It began to develop when the need arose to supply the army and navy. World War II demonstrated the importance of logistics principles for the movement and supply of troops. Later, in the 60-70s, they began to be used in economics. Transport enterprises are the connecting link in modern production. The growth of the economy and the expansion of suppliers from the regional to the international market have led to changes in many industries. Logistics chains are impossible without the participation of banks, customs and forwarding firms. By understanding the main trends in logistics, you can confidently survive the crisis and reach another level.

With globalization, expansion of international trade volume has made essential for countries to improve their logistic capacity. As developments which are in logistic sector make ease production, distribution, and marketing, investments of countries in this field has provided a significant competitive advantage related global trade. An accurate and effective planning of logistics activities is an important way to get both cost and efficiency advantages for countries. Logistics has currently become essential element of trade by taking an active role in this development. Accordingly, developments in logistics sector have a considerable part providing the advantages in terms of growth and development.

Although logistics sector is important, studies which search effect of logistics activities on economic growth are not enough in the related literature. When empirical researches which study importance of logistics sector are analyzed, it is pointed out that most of them are one-country studies which use time-series analysis. Also, it is seen that some research are predictions based on panel data which are at a level of regions and cities in a country. In spite of that, it is stood out that method of panel data analysis which includes multiple countries is used in limited number of studies. Another important point in studies in the literature, it is just focused on one specific aspect of logistics sector investments (transportation, storage, post, telecommunication, etc.). Accordingly, as proxy of logistics sector in studies, it is seen that indicators of transportation and telecommunication infrastructure are commonly used. Also, studies which discuss logistics investments multidimensional are very few. In this study which focuses on related inadequacies of the predecessor literature, the effect of developments in logistics sector on economic growth was researched for sample of OECD countries. In the study which was used panel data analysis, it was taken advantage of different variables just about proxy of developments in the logistics sector. Thus, it was studied to determine which development in areas of activity of logistics sector which grows fast will affect economic growth more. Also, it is anticipated that the findings would be directing in terms of growth and development politics of countries. It is thought that using of a wide variable range will make important contribution to the related literature. The rest of the paper is organized in seven sections and they are designed as follows: relation between logistics and growth is located in the second part. Activities of logistics sector in OECD countries are discussed with various indicators in the third part. In the fourth part, data set are introduced and then descriptive statistics are located in the fifth part. Method and empirical findings are presented in the sixth part and finally the study finishes with conclusion and assessment. Developments in growing global economy and increased competitiveness make logistics a sector which has strategic importance. Accordingly, developments in logistics sector have become a propellant force related with growth of countries. Increasing investments in this area and forming of logistics networks has provided advantages for countries. Consequently, countries have currently

increased their investments in this area and logistics sector has become prominent as a segment which grows rapidly.

As a result, it is possible to state that the logistics sector development in OECD countries is one of the most important determinants of economic growth. Thus, policy implementations of governments which encourage investments in this area will affect positively economic growth. For instance, services which are provided by transportation infrastructure that represents an important aspect of logistics sector play an essential role on economic activities of countries. Whereas investments in this area decrease transportation costs, they facilitate trade by increasing mobility of goods and services. Similarly, developments in telecommunication sectors enable carrying out of search, information activities, promotion, selling, ordering, and transportation services easier and faster. Consequently, it is possible to suggest that developments of this sector in OECD countries expedite the growth and development process by providing important competition advantage.

Information technology is necessary to build innovative logistics models. They are designed to improve the efficiency of cargo transportation schemes and provide updated information on the progress of transportation. One of such programs is 4logist, developed to automate all business processes of forwarding companies. Its implementation will help reduce the cost of maintaining employees and coordinate different types of transportation:

- ✓ automobile;
- ✓ railway;
- ✓ marine;
- ✓ multimodal;
- ✓ air

Cloud storage is an innovative way to store and receive complete information in real time. The advantages of “4logist” over other systems are:

- Creation of one order for multimodal and complex routes.
- Inventory control.
- Full integration with the latest versions of 1C.
- Download individual reports.
- Convenient interface divided into blocks: clients, requests, orders, carriers.
- Set up automatic payment notifications with invoices sent by email.
- Acceptance of transfers in all types of currencies.
- Personal account with access from anywhere in the world.

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