Formation of Wholesale and Distribution Centers on Border and Trans-Border Territories of the Russian Federation

The processes of international economic integration result in change of the world economy architecture based on the model of “new regionalism”, which is brightly expressed by the Silk Road economic region. While passing through the territory of the Central Asia, the Silk Road affects the interests of Russia associated with reconstruction of the lost economic relations in this region. However, the role of Russia is connected not only with the use of economic corridor for the purpose of trade and search for new ways of interaction with post-Soviet countries but with formation of the respective infrastructure on the border and trans-border territories. The wholesale and distribution centers can be attributed to such facilities which facilitate integrated management of inventories flow, reduction of expenses and saving time for delivery of products from the agricultural sector. Specific features of formation of the wholesale and distribution centers (WDC) for agricultural products, raw materials and food are as follows:

- availability of the specially allocated land plot;
- involvement of several logistic companies in the supply chain ensuring completeness of the organizational and functional provision.

Functions of the wholesale and distribution centers (WDC):

1) procurement of agricultural products;
2) lease of warehouse premises, acceptance, loading/unloading and safekeeping of the products coming from the agricultural manufacturer;
3) pre-sale preparation of agricultural products (sorting, washing, prepacking, packing), agriproduct processing (manufacturing of semi-finished products, finished products and their prepping);
4) provision of services of veterinary and sanitary examination, phytosanitary control, provision of finance services (crediting, insurance), certification of products, provision of parking services for vehicles, maintenance of the vehicles;
5) execution of shipment documents, cargo escorting, control over freight traffic, planning of transportation works;
6) sale of agriproducts (formation of the suppliers/customers database), lease of sales premises, provision of marketing information, management of goods turnover;
7) organization of social canteens, manufacturing of ready meals for social institutions, catering institutions (cafes, fast food bars), provision of hotel services.

Possible risks related to WDC formation: restriction of some kinds of cooperation between the member states of the project, introduction of customs fees, economic sanctions, devaluation, stagnation/recession of the economy and decrease in import/export operations, presence of competitors within the territory.

Reference model of the WDC formation on the border and trans-border territories: