

Release of products into circulation on the foreign market, taking into account compliance with the mandatory requirements of the country of destination

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Abstract. The task of developing a unified methodology for ensuring compliance with the mandatory requirements of the country of destination when releasing products into circulation to the target foreign market has been formulated. The results of the preliminary study show that the use of invariant methods and approaches to determine the mandatory requirements of the country of destination will optimize the time and cost of conformity assessment, monitor and update mandatory requirements. as well as work to participate in the formation of these requirements, including the use of artificial intelligence technology.

1 Introduction

Currently, there is a steady trend to increase the number of organizations seeking to bring their products to the foreign market. This is due to the fact that the introduction of products to the foreign market becomes a profitable business for the organization, which allows not only to find new buyers for products, but also to increase the turnover of its production, to take a different look at its business, including in the face of sanctions pressure [1]. For the state, an increase in the number of organizations exporting products ensures an increase in production, an increase in employment and an increase in the allocation of funds to the budget. Increasing exports through highly processed and high-tech products is one of the most important conditions for sustainable growth and development of the economy. In this regard, the Government of the Russian Federation has taken a number of necessary measures, including the following [2-4]:

- establishment of a special export development institute – Russian Export Center JSC, which assists exporters in obtaining conformity assessment documents in the market of the destination country,
- approval of rules and procedures for special support programs for Russian exporters. However, there are some problems. The process of bringing products to the foreign market is a complex work that requires research, the definition of mandatory

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requirements for products and ensuring compliance with mandatory requirements, including the development of a market entry strategy and obtaining conformity assessment documents, as well as making decisions, the results of which may carry certain risks for the organization.

For most organizations, the introduction of products to the foreign market is impossible due to the lack of the necessary documents on conformity assessment, the process of obtaining which is complicated, unknown to them and associated with significant costs, including due to logistics and existing exchange rate differences.

Developing new markets for themselves, exporters of Russian products face the lack of reliable and complete information about mandatory requirements in the market of the destination country, conformity assessment procedures, labeling, etc., that is, with what are called technical barriers to trade (TBT). In addition, TBTs are used by states to protect their industries by creating increased (different) requirements to complicate imports in areas that are sensitive to the state. Therefore, organizations that seek to bring their products to the market of the target destination country become concerned about TBT from the moment they decide to do so.

It should be noted that at present, unprecedented sanctions pressure from unfriendly countries has a strong impact on the determination of the country of destination, mandatory requirements for products and ensuring compliance with mandatory requirements. Many organizations seeking to bring their products to the market of the destination country have to radically reorient the directions of supply from unfriendly to friendly countries. In this regard, it is also important to emphasize that the countries of the European Union were previously priority markets for many Russian organizations. In addition, the system of technical regulation of the Russian Federation and the work on determining mandatory requirements for products and ensuring compliance with mandatory requirements are more focused on the European Union, the United States and other G7 countries [5, 6]. The map of priority destinations for exports with highlighted 4 groups of priority countries for today is as follows [7]:

1. Countries with which Russia has already established trade and economic relations, in which Russian exporters have a confident position and have very good prospects for further growth. These are the growing solvent markets: Kazakhstan, Uzbekistan, Azerbaijan and Belarus.
2. Traditional "friendly" trading partners of Russia, where the growth of supplies is possible due to the growth of the market and the development of new segments. These are the major countries of Asia and the Middle East: China, India, Vietnam, Turkey, Egypt, Algeria and Iran.
3. Large markets in Latin America, Africa and Southeast Asia, where the positions of Russian exporters are not yet so strong, but which have great growth potential. This group includes 15 countries, including Mexico, Brazil, South Africa, Indonesia and Thailand.
4. A group of small countries that have a pinpoint potential to increase Russian supplies. This list includes Serbia, Morocco, Kenya and other states.

At present, there are no:

- uniform approaches to review and ensure compliance with the mandatory requirements of the target country of destination,
- invariant schemas, consisting of practical steps to analyze and ensure compliance with the mandatory requirements of the destination country,
- mechanisms to offer exporting organizations the opportunity and right to choose the methods and methodologies that are acceptable to them in determining the mandatory requirements of the country of destination, based on available internal and external resources.

In this regard, the development of a single invariant methodology for ensuring compliance with the mandatory requirements of the country of destination when releasing products into circulation for the target foreign market is an urgent task.

2 Materials and methods

Based on the results of the analysis of the experience of organizations supplying their products to foreign markets, the main methods and approaches are identified, reflecting the sets of techniques and operations for the practical determination of the mandatory requirements of the country of destination for products (Table 1). The table highlights the advantages of each method and highlights the challenges in defining mandatory requirements and ensuring compliance with the mandatory requirements of the destination country.

Table 1. Practical Definition of Mandatory Product Requirements of the Destination Country

| Method for determining mandatory Country of Destination Requirements | Essence of the method | Advantages of the method | Disadvantages/Risks of the Method |
|---|--|--|---|
| Self-determination of the HSE by the organization | Authorized employees of the organization determine the OTS from open sources Information | 1. Quick Method 2. Operating costs of the organization | 1. High risk of unreliability and incompleteness of the information received 2. The need for staff who speak the language of the country of destination and have competence in the field of technical regulation |
| Determination of OTS through the JSC service REC | The organization applies to REC JSC to obtain information about the OTS from the knowledge base of REC JSC. This knowledge base is filled in by an expert method at the request of organizations according to the principle "Product Name" - "Destination Country" | 1. Fast method when product and country information is available appointments in the knowledge base of REC JSC 2. Currently, the service is provided free of charge | Lack of information in the knowledge base of REC JSC on products and country of destination Subjectivity and competence of the expert in determining the TSN |
| Determination of the OTSN through mutual recognition agreements and federal executive authorities (FOIA) supervising these agreements | An organization applies to a federal executive authority or an organization authorized as part of the implementation of a mutual recognition agreement for information about OTSN | 1. Reliability of the information received 2. A full range of works on conformity assessment with obtaining a document on conformity assessment | 1. No mutual recognition agreement for these products with the country of destination 2. Takes a lot of time 3. Interoperability with multiple various conformity assessment bodies in the Russian Federation and in the country of destination |

| | | | |
|--|---|--|---|
| Determination of OTS through the conformity assessment body in the country of destination | The organization applies to the conformity assessment body in the country of destination to obtain information about the HTSN | 1. Reliability of information 2. A full range of works on conformity assessment with obtaining a document on conformity assessment | The conformity assessment body in the country of destination does not provide information on the HTSN to due to the requirements of the legislation on accreditation in order to comply with the principle of independence, but only conducts conformity assessment |
| Definition of OTI with the help of resident partners interested in products in the destination country | Information on the OTN for products in the country of destination is provided by the resident partner in the country of destination | 1. Quick Method 2. Reliability of information 3. A full range of works on conformity assessment with obtaining a document on conformity assessment | 1. Risk of incompleteness of the information obtained 2. Cost cost of the resident partner in the destination country 3. No liability of the resident partner in case of providing false information |

As part of the support of organizations seeking to bring their products to the market of the country of destination, the state develops and implements the following support measures to reduce the labor intensity and costs of these organizations in determining mandatory requirements for products and ensuring compliance with the mandatory requirements of the country [8-10]:

1. Services of the Russian Export Center, a state institution for the support of non-resource exports, which provides Russian exporters with services:
 - consulting support on the definition of mandatory requirements for products in the foreign market;
 - a special program aimed at supporting exporters in certifying the compliance of Russian industrial products with the requirements of foreign markets by compensating up to 80% of the actual costs incurred;
 - a special program aimed at supporting Russian organizations to compensate for part of the costs of creating new competitive industrial products associated with research and development and (or) homologation of existing industrial products for foreign markets [11].
2. Maintaining and adopting mutual recognition agreements that reduce the cost of conformity assessment in the target market [12]:
 - the results of conformity assessment within the framework of the Eurasian Economic Union (EAEU). Uniform requirements and procedures for conformity assessment of products are established by the technical regulations of the Eurasian Economic Union on the territory of the EAEU Member States;
 - accreditations within the framework of ILAC (International Laboratory Accreditation Cooperation) and IAF (International Accreditation Forum)). Recognition that each accreditation body operates in accordance with international standards;

- results of chemical testing studies through inspections of Russian GLP laboratories, test results of agricultural and forestry tractors and seeds within the framework of the OECD;
- results of tests and issuance of certificates of conformity for electrical equipment and components (IECE) and equipment for explosive atmospheres (IECE_x) within the framework of the International Electrotechnical Commission (IEC));
- recognition of vehicle test reports within the framework of the World Forum for Harmonization of Vehicle Regulations of the United Nations Economic Commission for Europe (UNECE)).

The use of existing mutual recognition agreements makes it possible to:

- reduce the costs of the organization supplying products for testing by reducing the cost of transporting samples, by reducing the cost of testing in the territory of the Russian Federation and by eliminating exchange rate differences;
- reduce test times;
- increase the competitiveness of products by reducing the cost of conformity assessment

3 Research and results

3.1 The need to develop a methodology

Organizations seeking to bring their products to the foreign market, for the most part, do not have an idea of the mandatory requirements in the market of the country of destination, as well as methods and approaches for determining the mandatory requirements of the country of destination for products, including other support measures that can be used (useful) when bringing products to the target market, and mutual recognition agreements.

In this case, the scenario of work is reduced to the following actions [13].

1. Organizations, starting the study and research of mandatory requirements in the market of the destination country, use their own strength. Further, some organizations apply for help either to the Russian Export Center JSC or to international certification bodies represented in the Russian Federation.
2. If JSC "Russian Export Center" has previously solved a similar case for the introduction of identical products to the market of the country of destination (has up-to-date information) or the international certification body represented in the territory of the Russian Federation has a network with a representative office in the country of destination, then the organization can obtain information about mandatory requirements in the market of the country of destination. Otherwise, the organization will have to act in a different way and expect the employees of JSC "Russian Export Center" to determine the mandatory requirements in the market of the destination country.

Obviously, such a scenario is ineffective from various points of view. In addition, there are a number of arguments that support the need to develop invariant methods and approaches to determine the mandatory requirements of the country of destination:

- despite the large number of methods for determining the mandatory requirements of the country of destination, many organizations still have unresolved questions about the procedure for determining and the presence of mandatory requirements of the country of destination;
- in some cases, the high cost of assessing the conformity of products to the mandatory requirements of the country of destination can be reduced through the use of mutual recognition agreements;

- the time required to assess the conformity of products to the mandatory requirements of the country of destination can be reduced when using invariant methods;
- previous experience in bringing products to the market of the destination country should be monitored and carefully analysed to identify changes and update due to the dynamically changing mandatory requirements of the destination country;
- organizations should evaluate all possible ways to ensure compliance with the mandatory requirements of the country of destination to determine the most effective way for the organization.

The way to solve the above problems is to form a unified methodology for analyzing and ensuring compliance with the mandatory requirements of the country of destination for the release of products into circulation on its market [14-17].

3.2 Approaches to the development of the methodology

A uniform methodology for ensuring compliance with the mandatory requirements of the country of destination is necessary to unify and develop invariant methods and approaches to determine the mandatory requirements of the country of destination and to select the most effective way to ensure compliance with the mandatory requirements of the country of destination for placing products on the market of the country of destination.

To form a unified methodology for analyzing and ensuring compliance with the mandatory requirements of the country of destination, existing methods and approaches were used to determine the mandatory requirements of the country of destination, taking into account their strengths and weaknesses.

When developing a methodology to meet the mandatory requirements of the country of destination, the following should be done:

1. Conduct a comprehensive analysis of existing methods and approaches to identify the mandatory requirements of the country of destination and to select the most effective way to ensure compliance with the mandatory requirements of the country of destination.
2. Determine the sequence of actions of organizations seeking to bring their products to the market of the country of destination, for each of the methods and approaches to determine the mandatory requirements of the country of destination.
3. Perform a SWOT analysis of methods and approaches.
4. Conduct a comprehensive analysis:
 - products and target countries of destination to identify pilot target countries and products in order to identify mandatory requirements for pilot products in pilot target countries.
 - technical regulatory systems of the pilot target countries for the use of methods and approaches to determine the mandatory requirements of the country of destination.
 - The possibility of using artificial intelligence technology in a single methodology for analyzing and ensuring compliance with the mandatory requirements of the country of destination.
5. Based on the results obtained, analyze the effectiveness of the studies performed and form a unified methodology for analyzing and ensuring compliance with the mandatory requirements of the country of destination for the release of products into circulation on the market of the country of destination.

The unified methodology for ensuring compliance with the mandatory requirements of the country of destination when releasing products into circulation to the target foreign market includes the step-by-step implementation of the following formalized procedures:

3.2.1 Stage 1. Making a decision on the supply of products to the foreign market

Objectives: expansion of the sales market, increase in production volumes, receipt of foreign exchange earnings

1.1 Destination Country Selection.

Objectives: orientation to the countries of the second and third groups, classification (identification) of products.

1.2 Definition of Mandatory Requirements of the Country of Destination.

Objective: To use methods and approaches to determine the mandatory requirements of the country of destination.

3.2.2 Stage 2. Ensuring compliance with the mandatory requirements of the destination country

Objectives: making changes to the organization's quality management system, finalizing products and documentation, passing conformity assessment.

3.2.3 Stage 3. Monitoring the mandatory requirements of the destination country

Objective: Track changes.

Of particular note is the importance of correct classification (identification) of products in the development of a unified methodology. The main parameters of the classification include the purpose and end use of the product, as well as its technical characteristics. The applicable legislation of the country of destination in the field of technical regulation also depends on these parameters.

4 Conclusion

The article presents the results of the analysis of existing methods and approaches to ensuring compliance with the mandatory requirements of the country of destination for the release of products into circulation to the target foreign market. Their advantages and disadvantages are noted. A conclusion is made about the relevance of research in this direction.

The need to form a unified methodology for ensuring compliance with the mandatory requirements of the country of destination when releasing products into circulation for the target foreign market is substantiated, and approaches to its development are formulated.

The main steps of the methodology are given, indicating the target functions at each formalized stage. In conclusion, it should be noted that the application of a single methodology by organizations seeking to put their products into circulation in target foreign markets will allow:

- use invariant effective methods and approaches to define the mandatory requirements of the country of destination and how to ensure compliance with these requirements;
- reduce (optimize) the time and cost of work on assessing compliance with the mandatory requirements of the country of destination;
- monitor the mandatory requirements of the destination country.

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