### Republic of Tajikistan:

#### G.T. Bazarova

Deputy Minister of Economic Development and Trade of the Republic of Tajikistan





Trade policy of the Republic of Tajikistan

#### **Presentation for the meeting of the Trade Policy Coordination Committee**

Wuhan, People's Republic of China October 28, 2012

#### **Presentation Outline**

- 1. Brief overview of the trade policy of the Republic of Tajikistan
- 2. The Republic of Tajikistan and the WTO
- 3. Trade facilitation strategy and efforts to improve market access
- 4. Addressing issues and challenges in the Single Window development

# Brief overview of the trade policy of the Republic of Tajikistan

- The Ministry of Economic Development and Trade of the Republic of Tajikistan is the lead agency that shapes the national trade policy, with other ministries, agencies and the private sector also contributing actively and maintaining regular and sustainable relationships.
- Any imports and exports are currently encouraged with relatively low tariffs for most goods.
- The trade policy is focused on facilitation of exports, rather than restriction of imports, for the management of trade balance. Zero rate is applied to exports.

# Brief overview of the trade policy of the Republic of Tajikistan

- Export facilitation through market development initiatives and favorable conditions to ensure market access are the key distinctive features of the trade policy.
- Increasing exports with improvement of its structure is the priority area of the national economic development.
- Improving quality of domestic goods and services to ensure access to foreign markets for the integration of the country into the world economic system.

### Main goals of the WTO accession by the Republic of Tajikistan

- Trade without discrimination, i.e. mutual most-favored nation (MFN) treatment in trade, as well as mutual national treatment of foreign goods and services;
- Regulation of trade mostly with tariff methods; avoiding the use of quantitative and other restrictions;
- Transparency of the trade policy; resolution of trade disputes by consultations, negotiations, etc.;
- Improving efficiency of the foreign economic activity by entering new markets with domestic products.

#### WTO accession process

- 9 meetings of the working group have been held (since 2004); the 9<sup>th</sup> meeting of the working group was held on October 8, 2012.
- Bilateral negotiations with the WTO member-countries on access to commodity markets for the goods made in Tajikistan (USA, EU, Canada, Japan, India, Ukraine, Chine, El Salvador, Honduras, Dominican Republic) are closing to an end.
- Bilateral negotiations on services are ongoing (USA, EU, Canada, Japan, Chinese Taipei).
- Commitments related to goods agreements on rates of import duties.
- Accession to sector initiatives.
- Civil aviation, information technology, toys, pharmaceuticals (partially), construction equipment (partially)

#### **Existing trade regime**

- Tariff reduction. Average tariff applied: 7.4 %
- Maximum tariff applied: 15 %

Tariff group (%)	0	5	10	12	15	20	30 (25)	Сред.
Share of tariff rates of RT, %	0.8	59.8	19.3	-	17.8	-	-	7.4

#### Various taxes and charges on trade

Goals	Performance indicators				
Cancelling quantitative restrictions on exports	Quantitative restrictions on exports and imports (QR) are not applied in Tajikistan				
Cancelling or tariffing of quantitative restrictions on imports					
Uniform application of VAT and excise duties	VAT rates and excise duties on imports are similar to those applied to domestic goods in a corresponding category				

## Trade facilitation strategy and efforts to improve market access

Signed agreements

- Republic of Tajikistan is a member of the CIS, EurAsEC, ECO, SCO, CAREC, SPECA, etc..
- Free Trade Area Agreement (10.18.2011) (CIS countries). (Currently at a ratification stage).
- Agreement with the People's Republic of China to enhance and deepen trade and economic cooperation.
- Cross-border trade Agreements with the Islamic State of Afghanistan (There are four cross-border trade areas in GBAO: Ishkashim, Darvoz, Khorog, Ruzvay), Kyrgyz Republic (Batken Region), China (Kulma – Karasu).

#### Indicators of import, export and transit of vehicles through transit posts on the State Border of the Republic of Tajikistan, 9 months of 2012

Ref.	Transit post, state border	Import			export			transit			
		Number of	Weight (tons)	Number of	Number of	Weight (tons)	Number	Number of		Number of	
		vehicles	weight (tons)	pos.	vehicles	weight (tons)	of pos.	vehicles	weight (tons)	pos.	
		DNS (districts of national subordination)									
1.	Dusti (Tursunzoda) – Sariosiyo (Uzbekistan)	6684	117408.4	29	7064	103123.9	32				
2.	Karamik (Lhirghathol) – Karamik (Kyrgyz Republic)	8381	112263	8396	8317	1193	8557	6169	64235		
		GBAO (Gorno-Badakhshan Autonomous Region)									
3.	Kizil-Art (Murgob) – Saritosh (Kyrgyz Republic)	420	765	1435	403						
4.	Kulmah (Murgob) – Karosu (Khitoy)	2052	56852		1964		1439				
		Khatlon Region									
5.	Panli-Poyon (Kumsanghir) – Sherkhonbandar (Afghanistan)	13841	375519.9	12895	13197	39194	12703	6943	65952.7		
		Soghdian Region									
6.	Гулистон (Isfara) – Batken (Kyrgyz Republic)	6222	110675.8	26505	6084	5020.5	27382	1717	3251	10445	
7.	Ovchi-Kalhacha (B. Gafurov) – Lailak (Kyrgyz Republic)	133	1418.3		125			2354	8901	34179	
8.	Fotenobod (Mastchon) – Oibek Uzbekistan)	1928	35658.5		1908	14218.7		1717	25912.6		
9.	Patar (Konibodom) – Andakhon (Uzbekistan)							1695	27350.7		
10.	Madaniyat (L. Rasulov) – Karagach (Kyrgyz Republic)	1865	12071.1	11613	1776	576.7	11494				
	Total	41526	822632	60873	40838	163326.8	61574	20595	195603	44624	
	9 months 2011	35228	659514.9	55309	34476	69479.3	58037	11481	113232.5	43255	
	% of 2011	117.8	124.7	122.7	118.4	235.0	121.6	179.3	172.7	103.1	
	Difference	+6298	+163118	+5564	+6362	+93847	+3537	+9141	+82371	+1369	

#### **Progress under the CAREC Program**

- Participation in the preparation of the ADB's regional border services improvement project aimed at development of national integrated "one-stop shop" (i.e. based on the "single window" principle) service points, as well as improvement of border crossing points
- Signing of the Cross-Border Transport Agreement between Tajikistan and Kyrgyzstan, subsequently joined by Afghanistan
- Participation in a pilot study for the CAREC Transport Corridor 5, which helped identify existing significant opportunities for transforming this transport corridor into an economic corridor

### Thank you!