

A Pilot Study on CAREC Corridor Development

29 October 2012

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 1. CECDAS assessment
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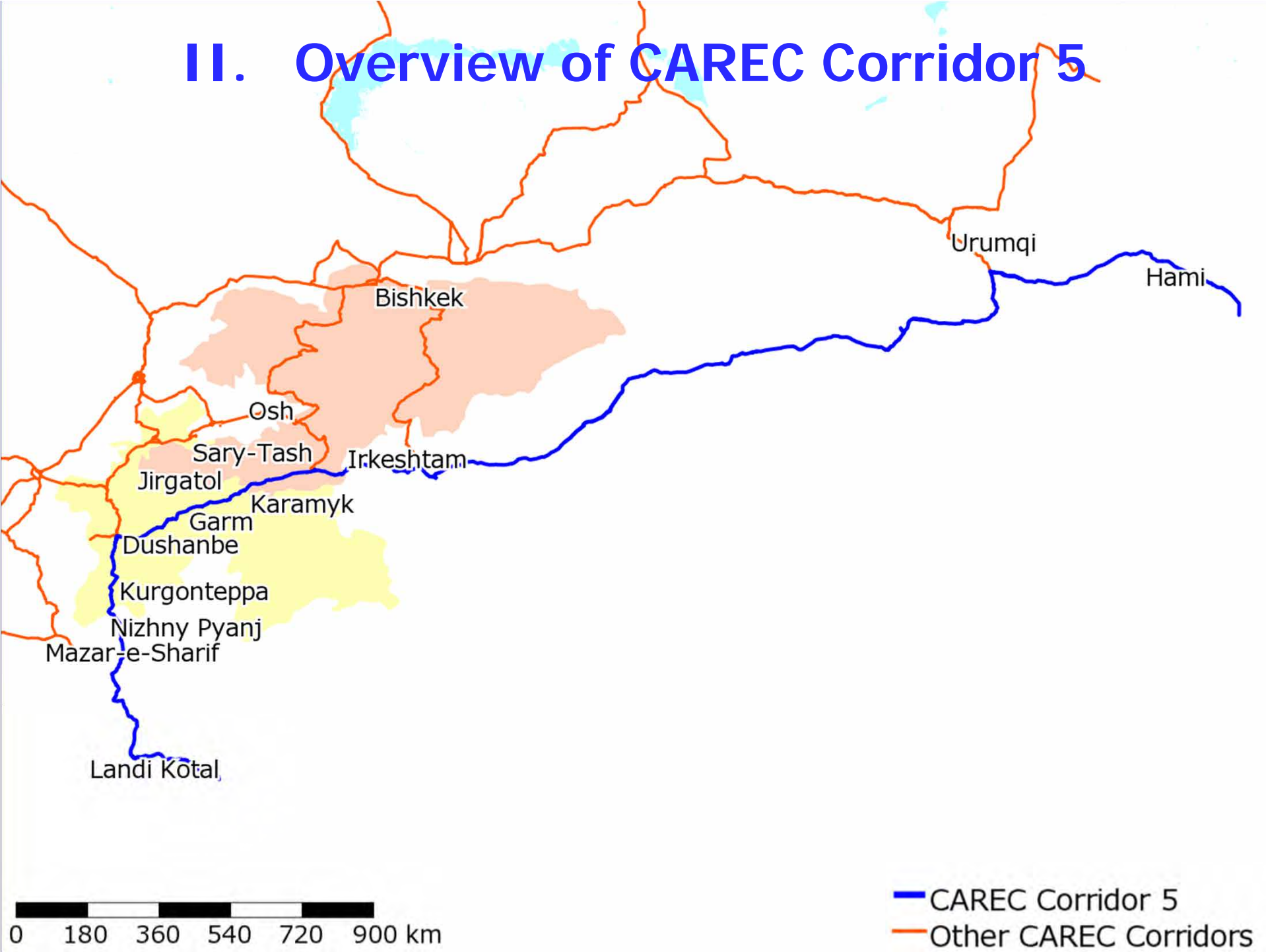
I. Introduction

Objective: to better understand the development status of Corridor 5 **as an economic corridor**

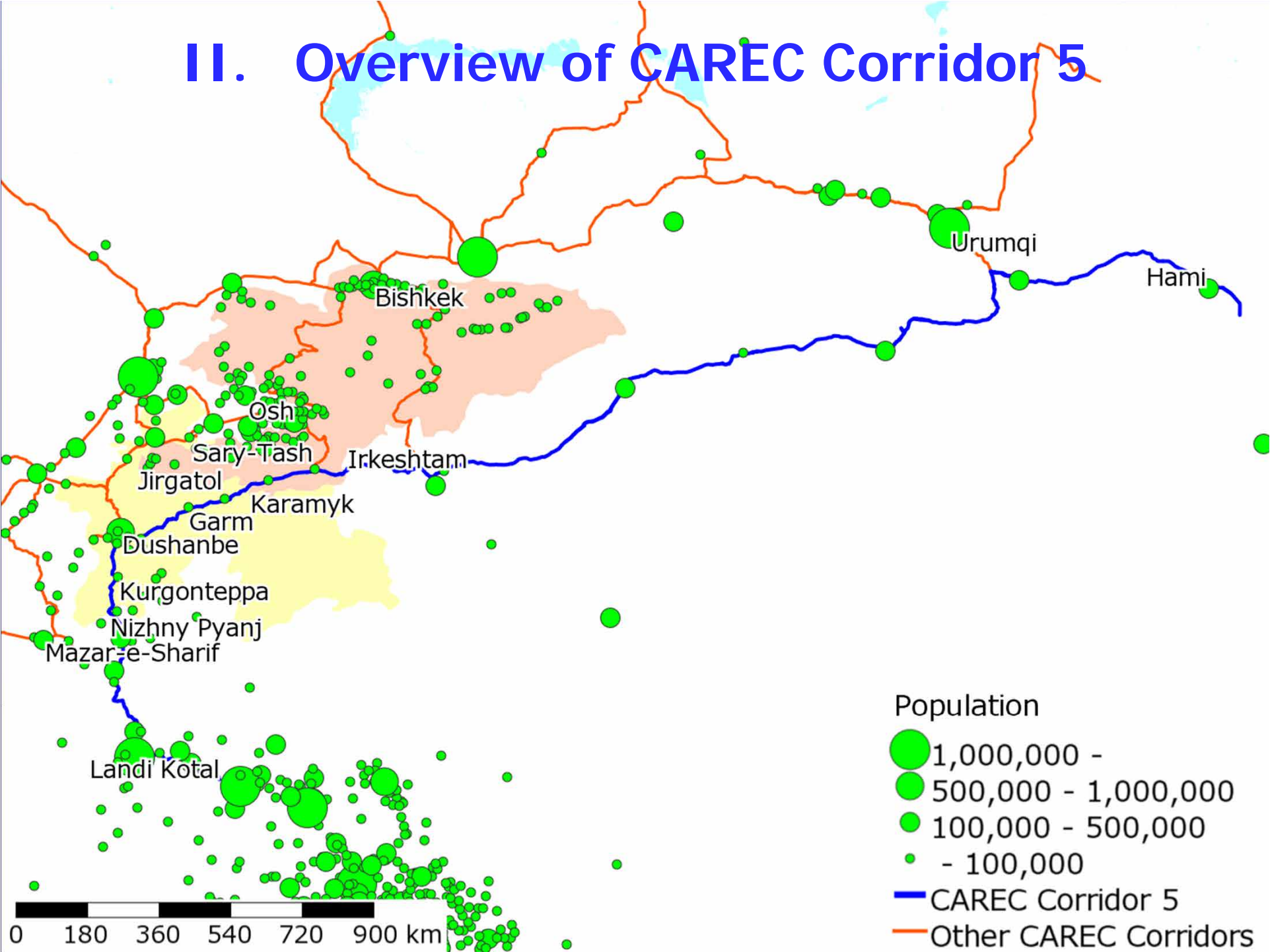
- **CECDAS:** to assess the current Corridor 5 development status by indicators and descriptive analyses related to transport, trade facilitation, logistics development, trade policy, and nodal and roadside development
- **Trade Flow Analysis:** to estimate the trade flows **along Corridor 5**

Subjects of observation: Kyrgyz Republic and Tajikistan segments of CAREC Corridor 5

II. Overview of CAREC Corridor 5



II. Overview of CAREC Corridor 5



III. Approach and Methodology

1. CECDAS Assessment

Methodology:

- monitor economic corridor development using quantitative indicators and descriptive assessments

Five Assessment Categories:

- Transport: "road infrastructure", "road safety/security"
- Trade facilitation: "border coordination", "customs control", "CBTA"
- Trade policy: "trade barriers"
- Logistics development: "modern logistics infrastructure"
- Nodal and roadside development: "special status zones"

III. Approach and Methodology

2. Trade Flow Analysis

Methodology:

To estimate trade flows along the corridor to better understand current status and potential for future developments

- Analyze national and international data to understand the dynamics of national trade
- Use national data and consultation with stakeholders to understand corridor-level trade

IV. Summary of Findings

1. CECDAS Assessment (1)

Transport

- Generally good road conditions in both segments
- Some concerns exist in maintenance, safety/security

Trade Facilitation

- Improvements were made over the last year
- Progress on Single Window development
- Works on CBTA is ongoing
- JCC and customs data sharing are for future consideration

Trade Policy

- Trade policies are generally liberal and stable

IV. Summary of Findings

1. CECDAS Assessment (2)

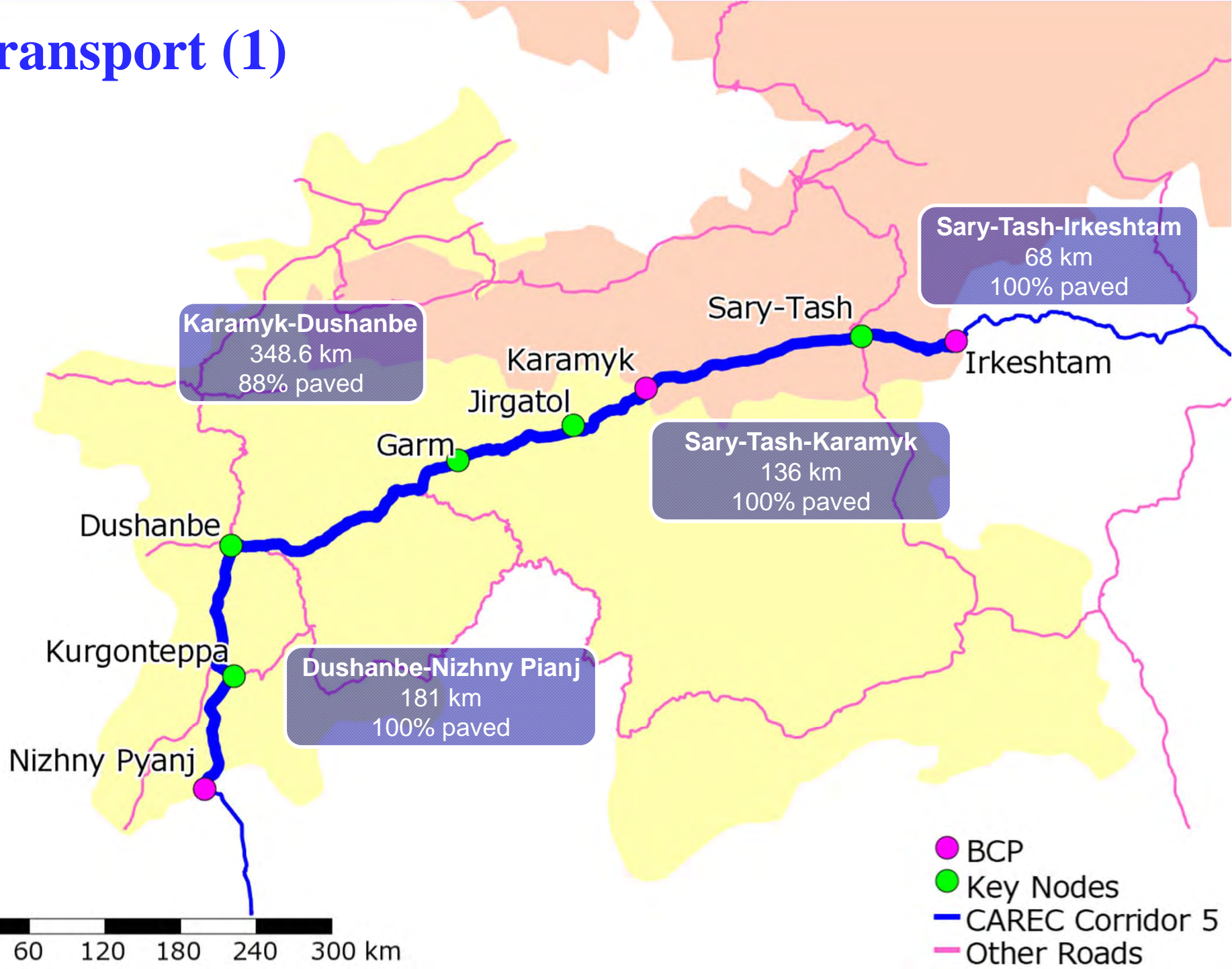
Logistics Development

- No modern logistics facilities along Corridor 5
- Some new logistics development projects are planned to deal with import and transit cargoes

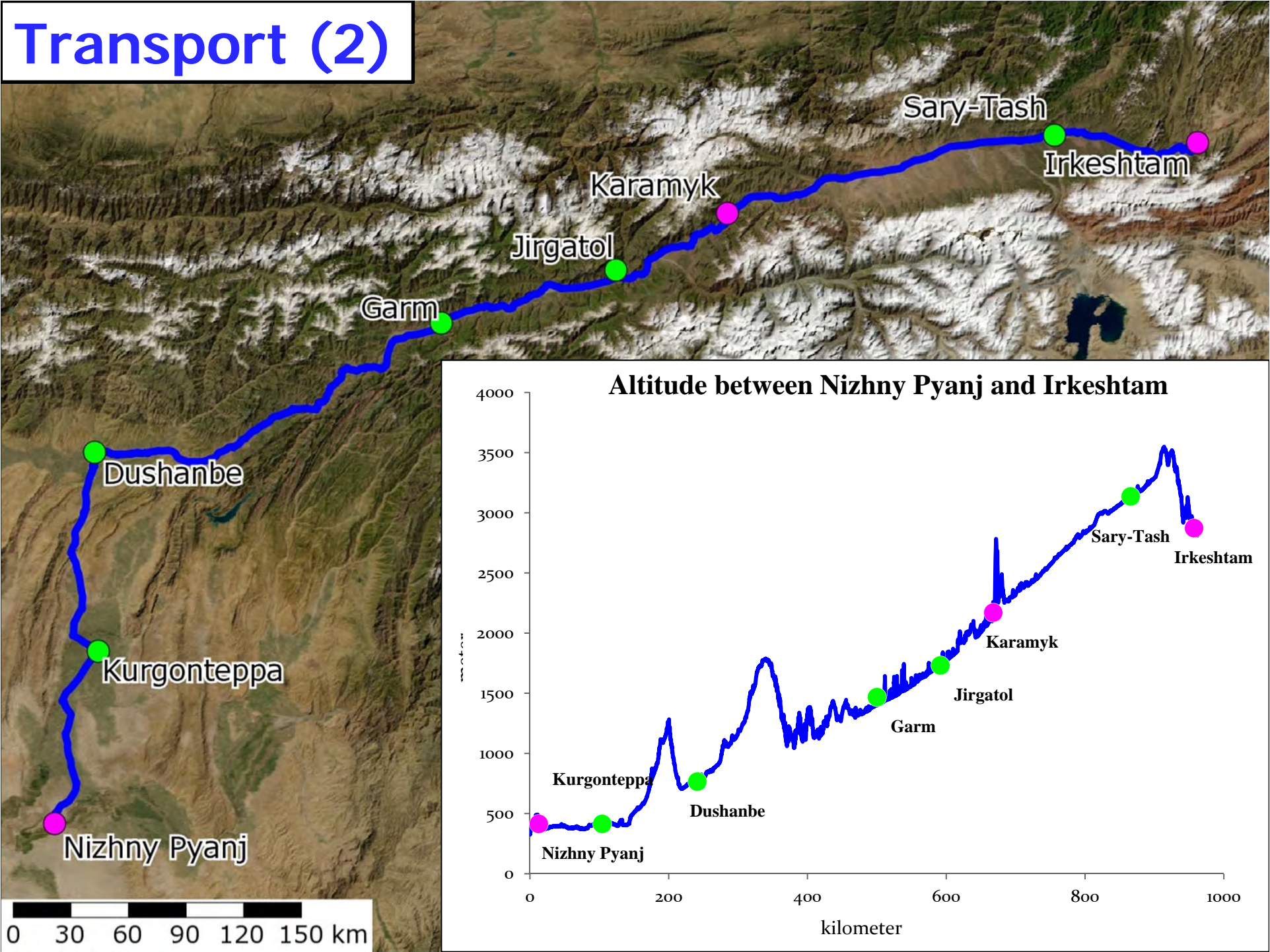
Nodal and Roadside Development

- Limited evidence of nodal and roadside development
- Limited Special Economic Zone plans along Corridor 5
- Opportunities for development of roadside truck stops and other services along the road

Transport (1)



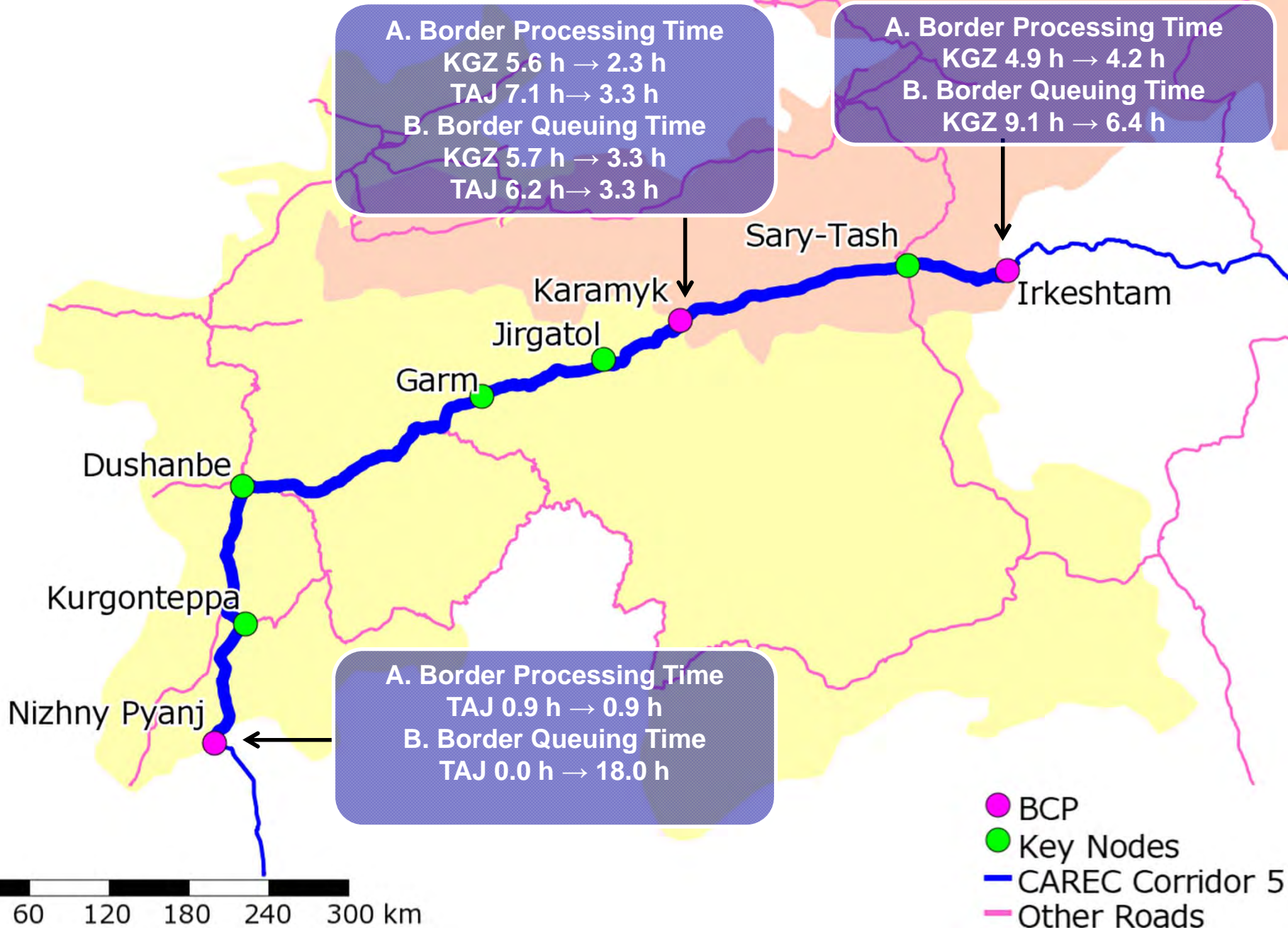
Transport (2)



Transport (3)

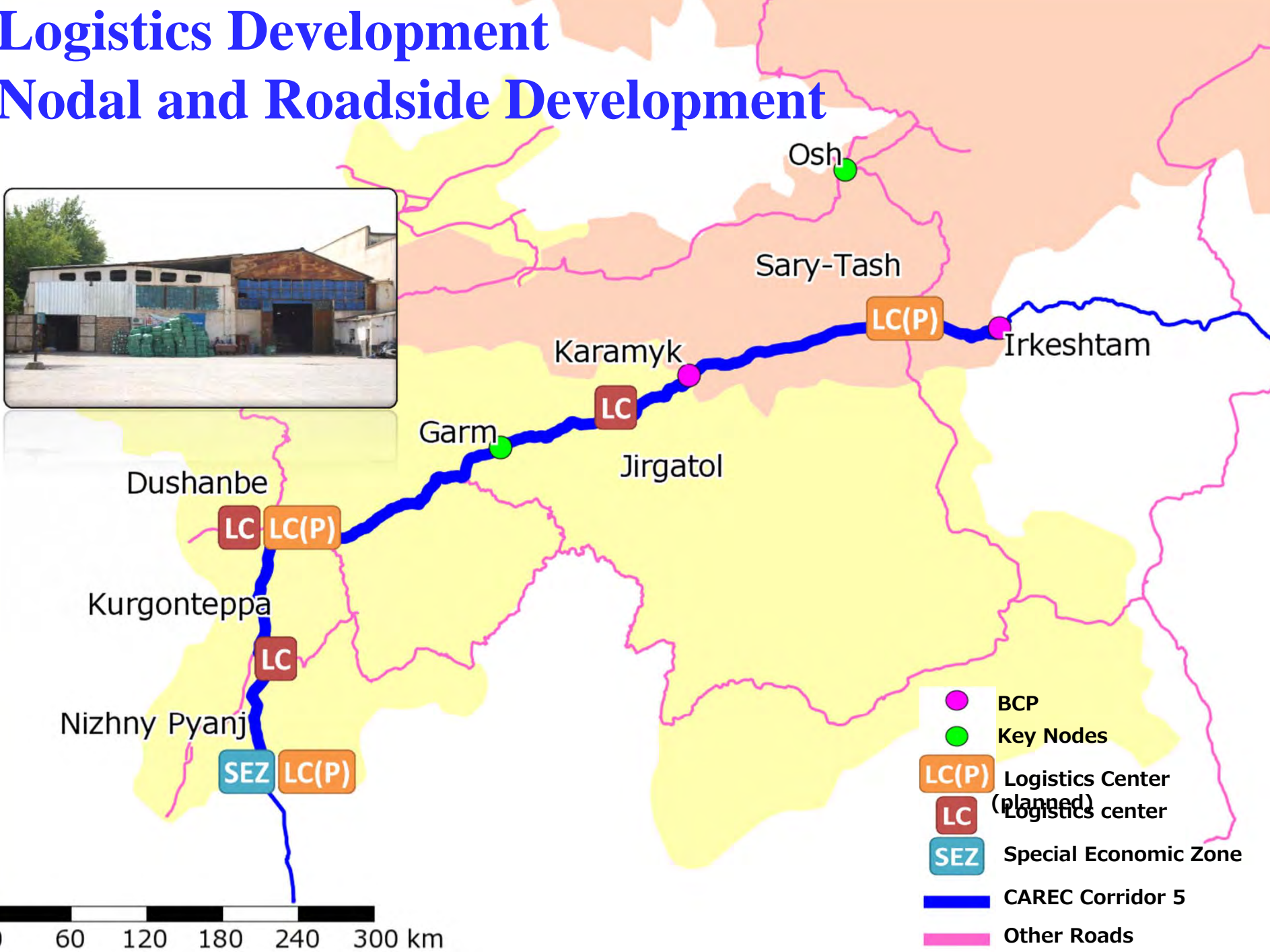


Trade Facilitation



Logistics Development

Nodal and Roadside Development



IV. Summary of Findings

2. Trade Flow Analysis

Current Status of Corridor 5

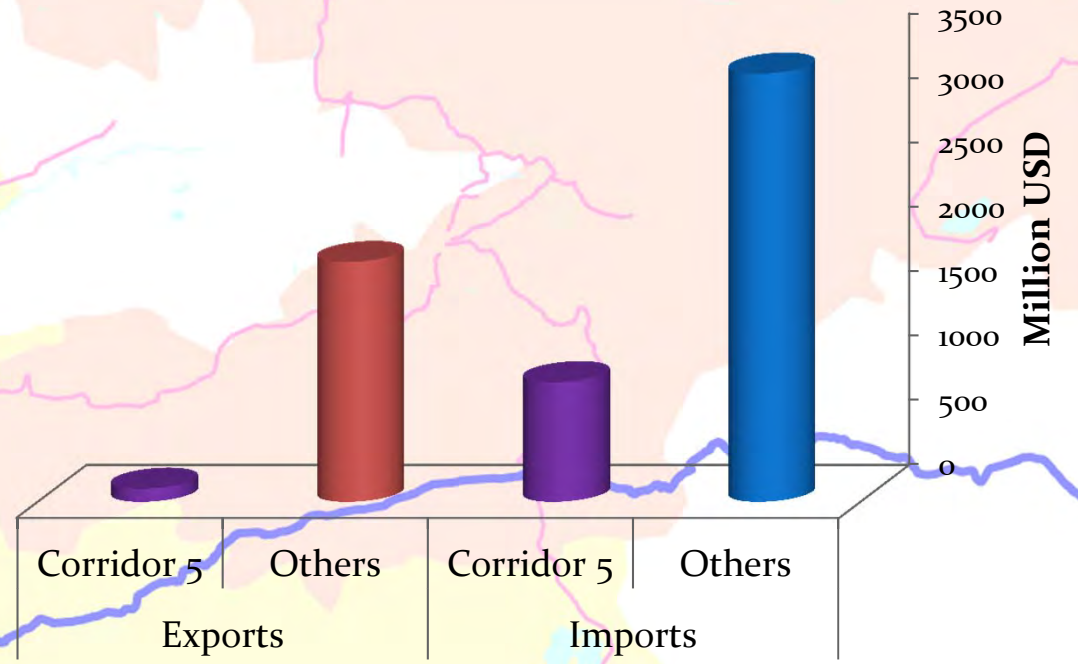
- Small volumes of Kyrgyz exports
- Tajik exports to Afghanistan make some use of the route
- Important route for imports from PRC
- Imports from Afghanistan to Tajikistan are increasing
- A key transit route, particularly for PRC goods intermediated via Kara-Suu Market

Country-Level Trade

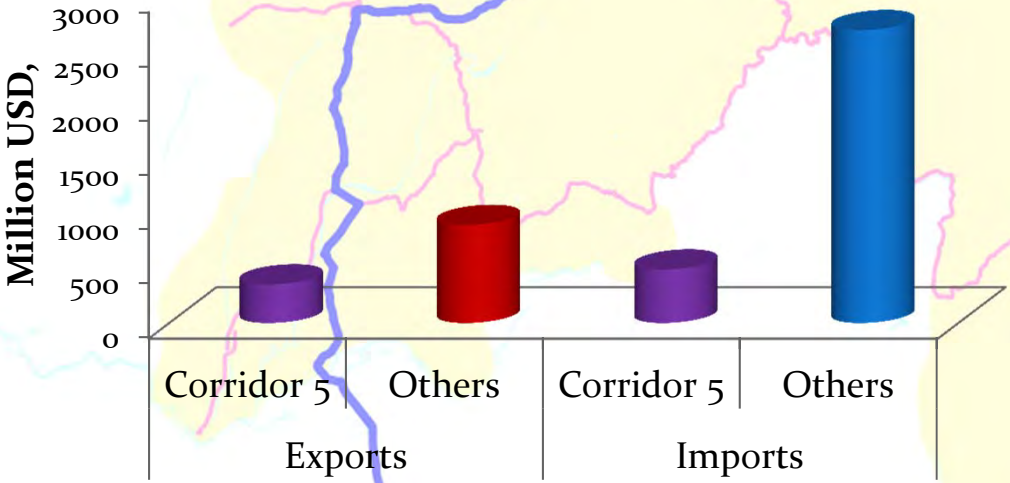
Value of exports and imports, 2011

Exports: Aluminum, cotton, fruits, vegetables, minerals, animal products
Major Export markets: Turkey, PRC, EU, Afghanistan, Russia
Major Import partners: Russia, Kazakhstan, PRC, EU, Iran

Tajikistan



Source: Ministry of Economic Regulation and Trade, Kyrgyz Republic



Kyrgyz Republic

Exports: Gold, electricity, fuel, textiles, vegetable products, food
Major Export Markets: Switzerland, Russia, Kazakhstan, UAE, Uzbekistan
Major Import Partners: Russia, PRC, Kazakhstan, USA, Japan

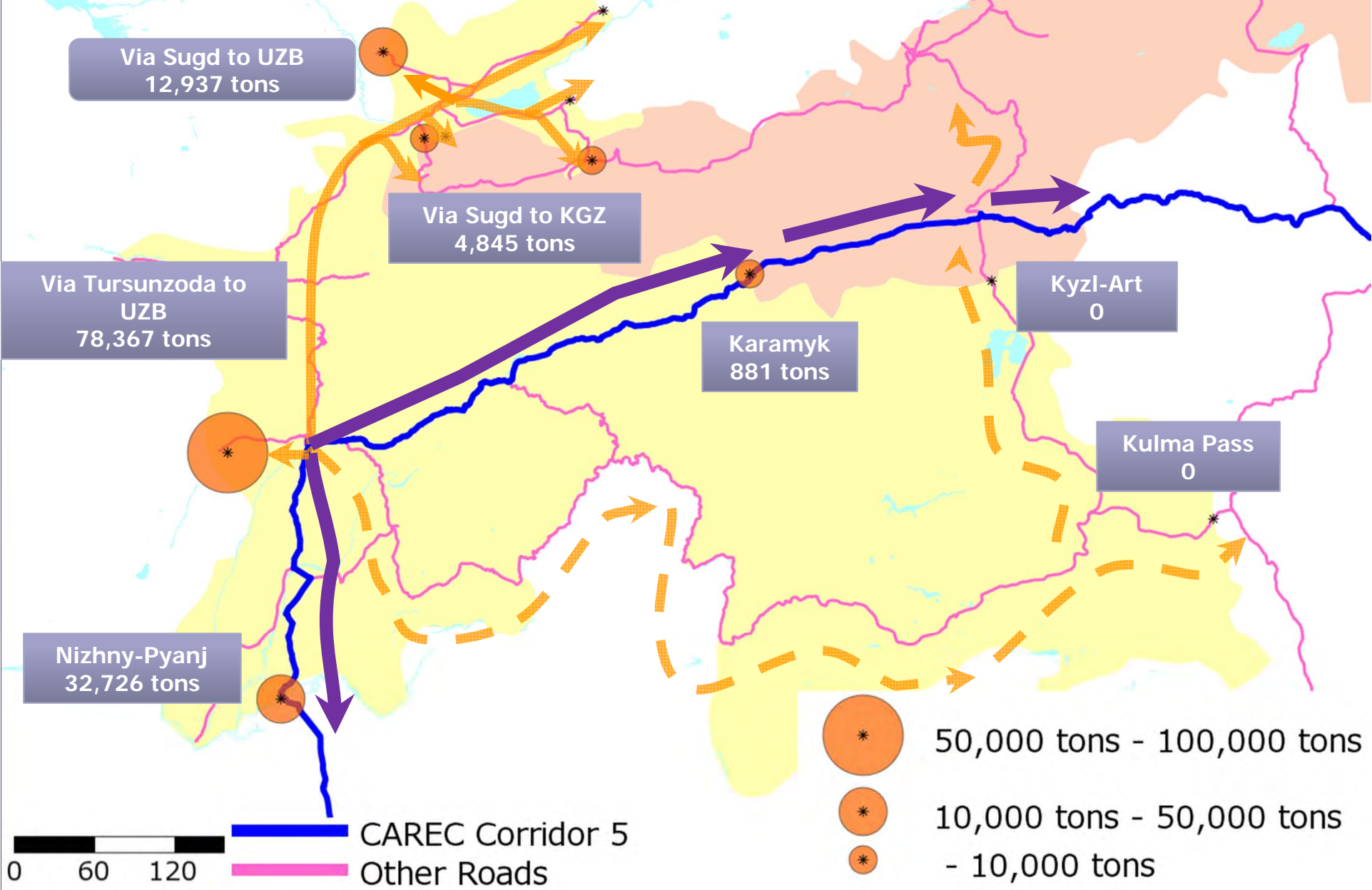
Source: Ministry of Economic Development and Trade, Tajikistan



Corridor Level Exports: Tajikistan

Volume of exports, Jan-Jul 2012

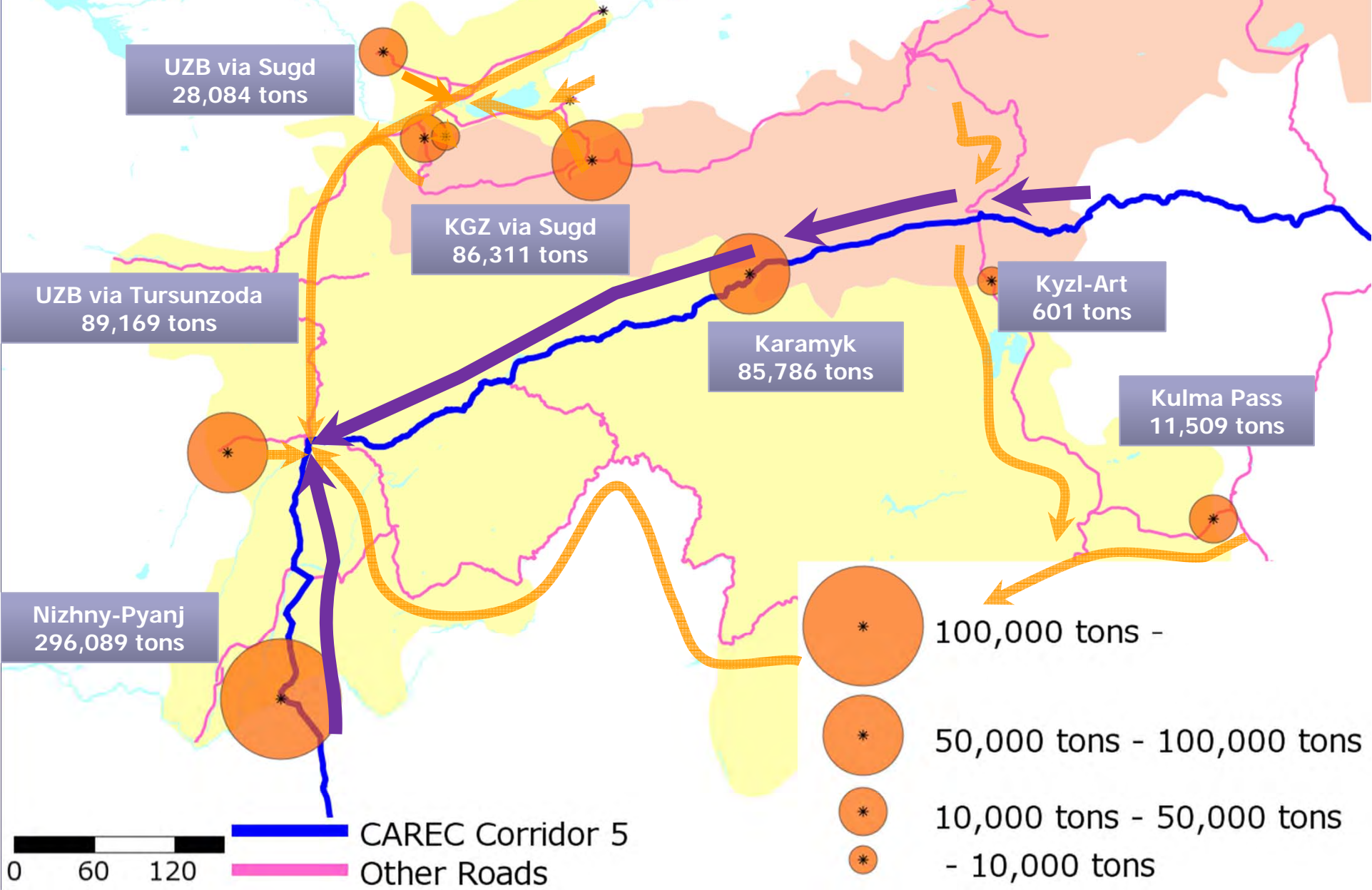
Source: Ministry of Transport and Communications, Tajikistan



Corridor Level Imports: Tajikistan

Volume of imports, Jan-Jul 2012

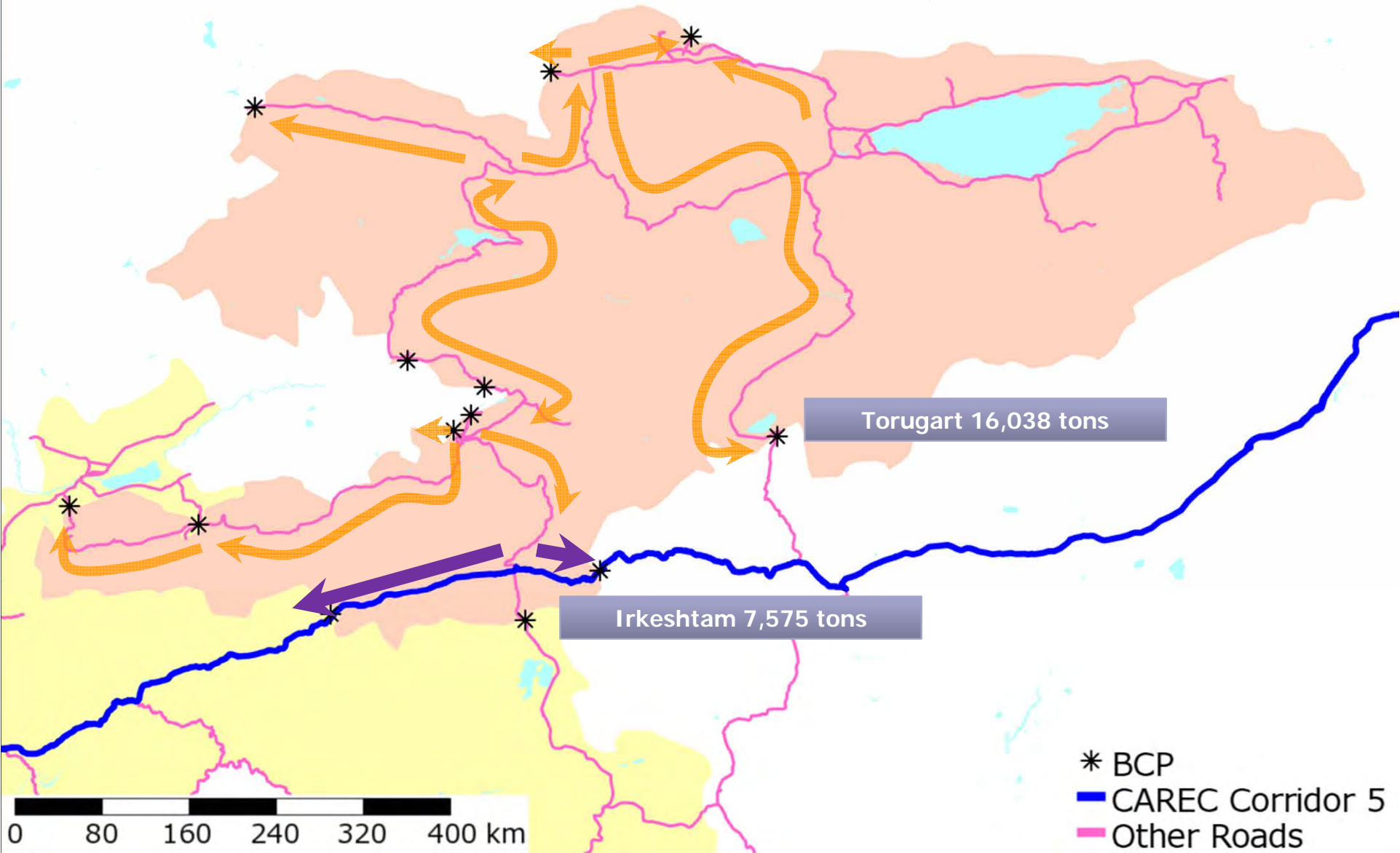
Source: Ministry of Transport and Communications, Tajikistan



Corridor Level Exports: Kyrgyz Republic

Volume of exports, Jan-Jul 2012

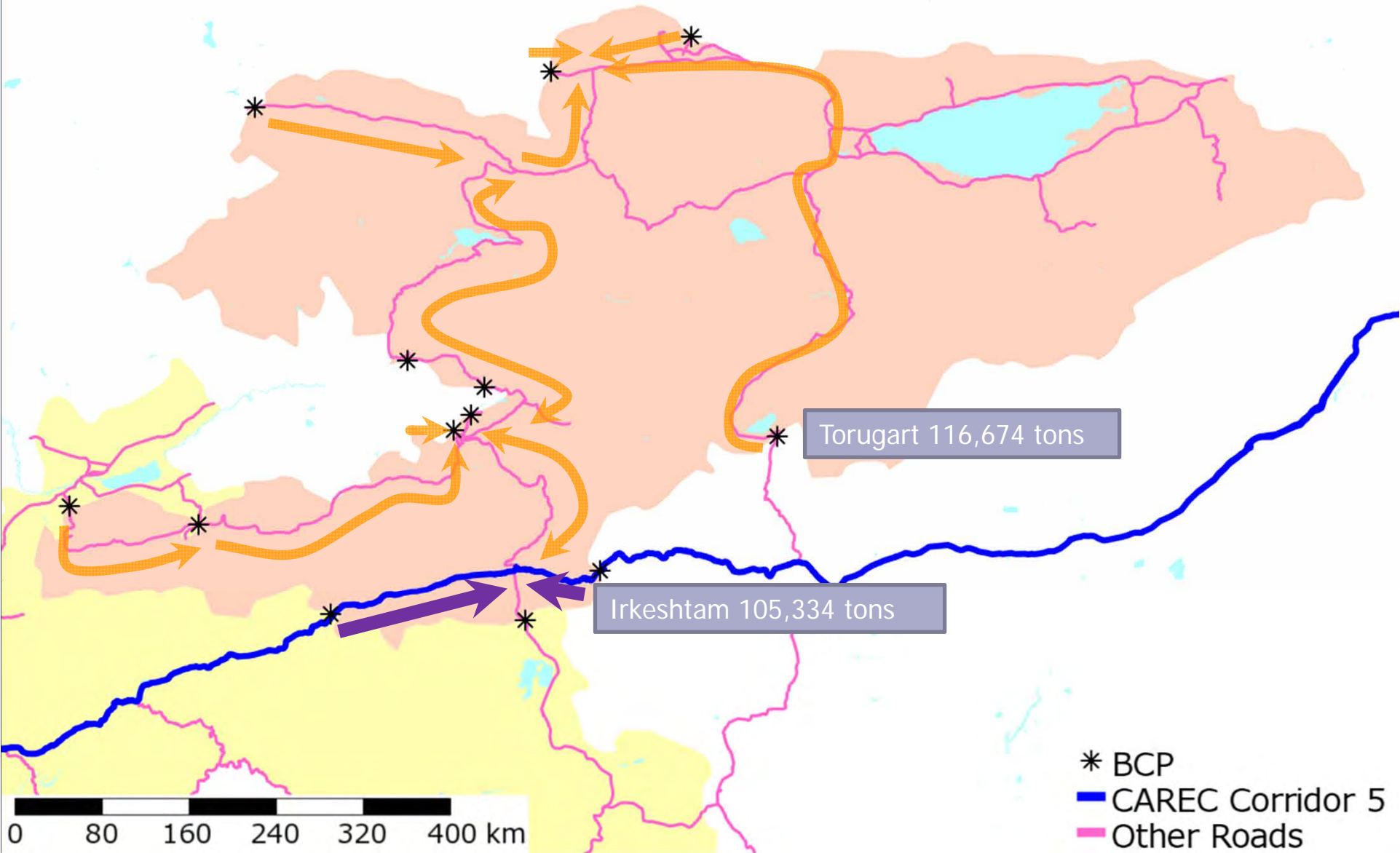
Source: Ministry of Economic Regulation, Kyrgyz Republic



Corridor Level Imports: Kyrgyz Republic

Volume of imports, Jan-Jul 2012

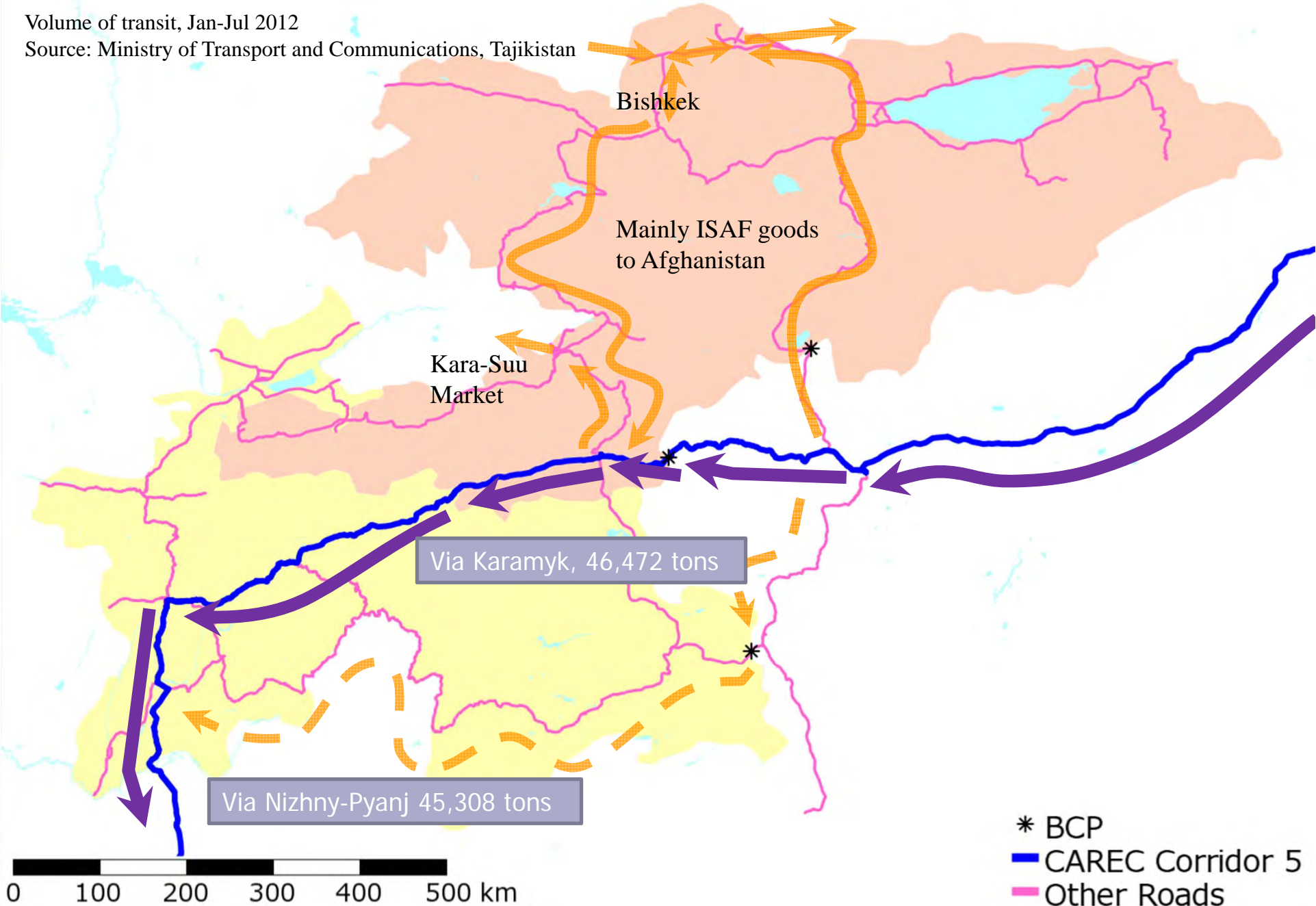
Source: Ministry of Economic Regulation, Kyrgyz Republic



Corridor Level Trade: Transit Flows

Volume of transit, Jan-Jul 2012

Source: Ministry of Transport and Communications, Tajikistan



VI. Consideration for Further Corridor Development

Though a small role as an export route:

- Further pursue possibility of expanding export to neighboring markets across borders
- Explore development potential for export industries such as coal, cement, construction materials using Corridor 5

Capitalizing on the geographical advantages:

- Monitor progress of logistics center development plans
- Seek possibility of development potential for agro-processing, garments, and tourism
- Monitor development of existing SEZ along Corridor 5

VI. Consideration for Further Corridor Development

Some additional suggestions:

- Continue current efforts on transport and trade facilitation development
- Seek appropriately designed and optimally located logistics facilities
- Use expertise on SEZ development from other CAREC countries
- Consider development of “road side stations” along Corridor 5 for improving safety/security and promoting local economic activities

Thank you