Monitoring TPSAP Implementation Progress and Setting Goals for 2013-14

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Outline

Monitoring TPSAP implementation

Trade Liberalization Index
Index of Institutional Quality

Updating TPSAP: setting goals for 2013-14



Trade Liberalization Index (TLI): Background

- Adopted at the 13th TPCC
- Index based on country responses to the TPSAP questionnaires for 2009-12 in line with the TPSAP timeframe
- Index used in the Development Effectiveness Review



Key End-2011 Targets

Tariff simplification and reduction

Maximum rate: 20 percent
Number of tariff bands: 4
Average tariff: 10 percent



Key End-2011 Targets

- Reducing impediments to transit trade
 - Remove convoy charges or reduce
 - Reduce road transport fees to actual costs
 - Start inspections to investigate possible corruption
 - Complete the first audit to verify compatibility of income and assets of relevant officials



TLI for End-2011

Trade Liberalization Index												
Country Scorecard		Score as of end-2010								Target Score		
		AFG	AZE	CHN	KAZ	KGZ	MON	UZB	TAJ	2010) 2011	2012
Trade Liberalization				and and a set		1.00						
1. What is the number of non-zero tariff bands?	-1 points per band -1 points for each p.p. over 10; +1 point for	-13	-6	5 -12	2 -5	5 -5	5 -5	5	5 -5	-5	5 -4	-3
2. What is the average tariff?	each p.p. under 10	5	1	l 1	1	l (5 5	; _4	4 3	-2	2 0	
3. Have quantitative restrictions on exports been		120 2			11-2 2	1.215			1.20			1.20
eliminated?	+4 points if yes	4	. 0) 0) 0) 4	4 C) 4	4 4	(0 0	
4. Have quantitative restrictions on imports been			122	19.33	5/212			-	1	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	335	1 21
eliminated?	+4 points if yes	4	4	4 0) 4	1 4	4 C) 4	4 4	(0 0	2
5. Are VAT and excise tax rates equalized for					£1			1.50			1.1.1.2	
imported and local goods?	+4 points if yes	4	4	4 0) 0) 4	4 C) (0 4	() 4	The second
6. Have actual convoy costs calculations been									26 33			
completed?	+2 points if yes	2	. 2	2 0) 2	2 2	2 0) 2	2 0	2	2 2	
7. Have convoy charges been removed, or reduced to	0	1.1				2.28				200		
actual costs?	+3 points if yes	3	3	3 0) 3	3 3	3 C) 3	3 0	() 3	12
8. Have actual "paperwork" costs calculations for				-			1		101			
road transport permits been completed?	+2 points if yes	0	2	2 0) 2	2 2	2 0) 2	2 0	2	2 2	1
9. Have road transport fees been reduced to actual		AND CON			1		-		X G			1
costs?	+3 points if yes	3	3	3 0) 3	3 3	3 C) 2	3 0	() 3	
Total Score at end-2011 (sum of scores 1-9)		12	13	3 -11	10) 23	3 0		9 10	-2	3 10	
Total Score at end-2010		7	-5	5 n.a	1 3	3 15	5 n.a	1 3	3 10			1110
Memo items: Total Score at end-2009		n.a	-5	5 n.a	n 3	, 2	2 n.a		7 -2		JUH III	11111
	S CONTRACTOR OF THE OWNER				1)	5 3016			1.201	~	DE	0

1/ Average tariffs of individual countries: AFG - 5%, AZE - 9%, CHN - 9%, KAZ - 9%, KGZ - 4%, MON - 5%, UZB - 14%, TAJ - 7%.

Index of Institutional Quality (IIQ)

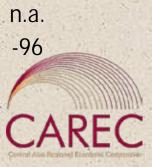
- Draft methodology presented at the 15th TPCC meeting
- Index based on:
 - Doing Business Indicators (DB, World Bank)
 - Global Competitiveness Index (World Economic Forum)



IIQ: First Results

Proposed Overall Index

	2009	2010	2011
Afghanistan	-90	-108	-110
Azerbaijan	8	9	9
China	86	84	83
Kazakhstan	-53	-41	-40
Kyrgyz Republic	-27	-32	-36
Mongolia	15	13	10
Pakistan	72	72	71
Tajikistan	-75	-75	-81
Turkmenistan	n.a.	n.a.	n.a.
Uzbekistan	-86	-93	-96



Comments from TPCC Delegates

- Comments received from China and Uzbekistan
- Noted the limited number of sources of information on institutional quality
- UZB suggested:
 - Adding additional components of DB
 - Using own analysis conducted by CAREC countries



TPSAP Implementation: Summary

- Trade liberalization: progress on reducing impediments. Action still needed on reducing tariffs and the number of tariff bands.
- WTO accession: training program successful. But little progress on accession itself (exception: Kazakhstan).
- Institutional environment: study completed and IIQ developed. But CAREC countries still lag behind on institutional indicators.

Updating TPSAP: Setting Goals for 2013-14

- TPSAP adopted in 2008; included actions to be taken in 2009-12
- Monitoring implementation shows progress, but also need for concrete action in some areas
- Goals need to be set for 2013-14, leading to expanded trade within CAREC and with the rest of the world.



- Trade liberalization: Complete actions in TPSAP
 - Tariff reduction, simplification (average, maximum tariffs, number of bands)
 - Removal of quantitative restrictions
 - Removal of impediments to transit trade



WTO accession

 Complete the two-year program of WTO training seminars

 CAREC countries that are not WTO members to clarify intentions regarding WTO and work on country-specific accession plans



- Improving institutional environment
 - Further develop IIQ, taking into account delegates' comments
 - Countries to provide information on progress



- Need to include other issues?
 - Further reduction in tariffs
 - Define policies for trade diversification (product, geography)
 - Define policies with regard to bilateral and multilateral trade arrangements
 - Enforce reporting and improve disclosure (at the country level)

– Other issues?

