

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
AFG AZE CHN KAZ KGZ MON UZB TAJ

Target Score
2010 2011 2012

Trade Liberalization

		AFG	AZE	CHN	KAZ	KGZ	MON	UZB	TAJ	2010	2011	2012
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 each p.p. under 10	-13	-6	-12	-5	-5	-5	-5	-5	-5	-4	-3
2. What is the average tariff?		5	1	1	1	6	5	-4	3	-2	0	1
3. Have quantitative restrictions on exports been eliminated?	+4 points if yes	4	0	0	0	4	0	4	4	0	0	4
4. Have quantitative restrictions on imports been eliminated?	+4 points if yes	4	4	0	4	4	0	4	4	0	0	4
5. Are VAT and excise tax rates equalized for imported and local goods?	+4 points if yes	4	4	0	0	4	0	0	4	0	4	4
6. Have actual convoy costs calculations been completed?	+2 points if yes	2	2	0	2	2	0	2	0	2	2	2
7. Have convoy charges been removed, or reduced to actual costs?	+3 points if yes	3	3	0	3	3	0	3	0	0	3	3
8. Have actual "paperwork" costs calculations for road transport permits been completed?	+2 points if yes	0	2	0	2	2	0	2	0	2	2	2
9. Have road transport fees been reduced to actual costs?	+3 points if yes	3	3	0	3	3	0	3	0	0	3	3
Total Score at end-2011 (sum of scores 1-9)		12	13	-11	10	23	0	9	10	-3	10	20
Total Score at end-2010		7	-5	n.a	3	15	n.a	3	10			
Memo items: Total Score at end-2009		n.a	-5	n.a	3	2	n.a	-7	-2			

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.

Goals for 2013-14

- 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

Goals for 2013-14

- 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

Goals for 2013-14

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

Goals for 2013-14

- 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?