

Trade Sector Progress Report and Work Plan

July 2017 – June 2018

**Inaugural Regional Trade Group Meeting
Bangkok, Thailand
25-26 June 2018**



Outline of the Report to SOM

I. Background and Summary

II. Key Developments

- CITA 2030 and RSAP 2018-2020
- Establishment of RTG
- Trade Policy Reforms
- Customs Cooperation
 - Implementation of WTO Trade Facilitation Agreement (TFA)
 - Regional Improvement of Border Services (RIBS)
- Common Agenda for Modernization of SPS Measures for Trade (CAST)
 - Regional Upgrades of SPS Measures for Trade (RUST)
- Development of Cross-border Economic Zones
- Trade Finance
- Collaboration with the Private Sector
- Corridor Performance Measurement and Monitoring
- CAREC Institute's Support

III. Work Program 2018-2019

IV. Key Issues for SOM Guidance

Cross-Border Economic Zones

■ Multi-tranche Financing Facility (MFF)

- **Xinjiang Regional Cooperation and Integration (RCI) Promotion Investment Program – to develop CBEZs at borders between Xinjiang (PRC), KAZ and MON**
- **Inner Mongolia (IMAR) RCI Promotion Investment Program – to strengthen cooperation with IMAR neighboring countries on connectivity and cross-border trade including CBEZ development with MON**

■ MON CBEZ project

- **TRTA to support masterplan development and framework for policy and project coordination with PRC CBEZ**
- **MON site visit to PRC-KAZ Khorgos Intl Centre of Border Cooperation (Jun 2018)**
- **Investment in Zamyn-Uud CBEZ planned in 2020**

Trade Finance

- **ADB Trade Finance Program** since 2009 provides guarantees and loans to banks and SMEs
 - In 2017, supported over \$1.6 billion trade transactions in CAREC (except PRC), 75% to SMEs
 - signed agreements with new partner banks in Kazakhstan and Uzbekistan
 - conference for trade finance professionals from 50 banks in Central Asia and MON
- **ADB Supply Chain Finance Program** is being expanded to cover CAREC countries
- Proposed **Multilateral/Regional Trade Credit and Investment Guarantee Agency** to include CAREC countries

Corridor Performance Measurement and Monitoring (CPMM)

Modest reductions in border clearance and road transport costs along the CAREC corridors

		Road Transport				Rail Transport			
		2015	2016	2017	2016-17 change	2015	2016	2017	2016-17 change
TFI1	Time to Clear a BCP in hours	9.3	11.3	16.7	48%	27.4	25.9	26.8	4%
	<i>Without AFG and PAK borders</i>	4.3	4.5	4.5	0%				
TFI2	Cost Incurred at BCP in US\$	149	160	158	-2%	208	215	209	-3%
TFI3	Cost Incurred to Travel a Corridor Section in US\$, per 500km per 20 ton	1,341	1,174	947	-19%	1,250	966	975	1%
TFI4	Speed to Travel on CAREC Corridors (SWD) in kph	23.2	22.3	22.2	-1%	14.0	14.3	14.8	3%
	Speed without Delay (SWOD) in kph	40.2	41.7	45.0	8%	38.3	38.6	37.6	-3%

Collaboration with CAREC Institute

- **Workshop on Trade and Trade Facilitation Reforms (Dec 2017, Bangkok)**
- **Workshops on E-commerce and Public-Private Partnership (Dec 2017, Shanghai)**
- **Regional Knowledge Sharing – Exploring Avenues of Cooperation for Cross-Border Trade Logistics (Aug 2017, Tashkent)**

- **Draft 2018-2022 Strategic Framework for CI focuses on trade-related clusters of CAREC 2030**

- **Planned activities on WTO TFA, special economic zones, e-commerce, CPMM, SME trade finance (Q4 2018)**

Trade Sector Deliverables to 17th CAREC Ministerial Conference

- **CAREC Integrated Trade Agenda (CITA) 2030 and Rolling Strategic Action Plan (RSAP) 2018-2020**
- **Establishment of the Regional Trade Group (RTG)**
- **Inter-subregional Forum on Enhanced Implementation of WTO Trade Facilitation Agreement (TFA)**
- **CAREC Corridor Performance Measurement and Monitoring (CPMM) 2017 Annual Report**
- **Implementation of the CAREC Common Agenda for Modernization of Sanitary and Phytosanitary (SPS) Measures for Trade (CAST)**

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Thank you!