

Trade Policy: Implementation Progress and Prospects of Sector Plan

29 January 2015

CAREC Trade Policy Cooperation

Main Executing Body: Trade Policy Coordinating Committee

Trade Policy Strategic Action Plans 2008-2012 & 2013-2017. Recent Action Plan expands scope in two areas:

- (i) Reduce adverse effects of Sanitary and Phyto-Sanitary (SPS) measures on agricultural commodities and Technical Barriers on Trade (TBT) measures on industrial goods;
- (ii) Expand Trade in Services, including Cross-Border.

WTO Accession Status of 10 CAREC Countries

5 acceded members (member since)	4 On-going Accession Negotiations	1 Potential Candidate
Pakistan (1 January, 1995)	Afghanistan	Turkmenistan
Mongolia (29 January, 1997)	Azerbaijan	
Kyrgyz Rep (20 December, 1998)	Kazakhstan	
P.R.China (11 December, 2001)	Uzbekistan	
Tajikistan (2 March, 2013)		

Expansion in CAREC Trade Policy Agenda

	Trade Policy Strategic Action Plan for 2008-2012	Trade Policy Strategic Action Plan for 2013-2017
Goals	<ol style="list-style-type: none"> 1. Achieve WTO Accession; 2. Achieve more Trade-Openness Independent of WTO accession; 3. Capacity development on trade issues. 	<ol style="list-style-type: none"> 1. WTO Accession and Implementation of Commitments; 2. Achieve more Trade-Openness prior to WTO accession; 3. Make Technical Regulations on Industrial Goods and Sanitary and Phyto-Sanitary (SPS) measures for Agricultural Goods consistent with WTO Technical Barriers on Trade (TBT) and SPS agreements; 4. Expansion of Trade in Services; 5. Capacity building and knowledge sharing on trade issues
Policy Actions	<ol style="list-style-type: none"> 1. Support WTO Accession; 2. Pre-accession tariffication of quantitative restrictions; 3. Pre-accession trade tax reductions and simplifications; 4. Capacity building and knowledge transfer; 5. Reduce barriers to transit and border trade. 	<ol style="list-style-type: none"> 1. WTO accession and implementation of commitments; 2. Eliminate quantitative restraints on trade; 3. Simplify and liberalize the trade-tax regime; 4. Move toward WTO consistent SPS measures and technical regulations on industrial goods; 5. Increased acceptance of certification of accredited conformity assessment bodies in trade partner countries; 6. Expansion of Cross-border Trade in Services; 7. Expansion of Foreign Direct Investments in Backbone Services (financial services, telecoms, transportation etc.) 8. Capacity building and knowledge sharing on trade issues.
Results	Trade Liberalization Index and Institutional Quality Index being developed to track contributions and results.	

A related CAREC Initiative

CAREC corridors developed in three tracks:

- transport corridors
- transit corridors
- **Economic Corridor Development**

CAREC Economic Corridors – Definition

- An Economic Corridor is a specific geographic area (space) dominated by flow of targeted economic activities (function).
- An Economic Corridor is national or cross-border in terms of geographic area, or narrow or broad in terms of economic activities.
- Multiple determinants for success – Role of champions in highest policymakers a pre-requisite; Appropriate institutional mechanism fundamental; High quality analysis at country, spatial and sector levels essential; Private sector participation key; Need for robust monitoring framework given long-term time horizon.

*Source: ADB. 2014. Operationalizing Economic Corridor Development in CAREC: A Case Study of Almaty–Bishkek Corridor. Manila

Some Economic Corridors of Asia

- **Japan** - Upcoming plan to create six 'tokkus' or national economic zones across designated areas that account for about 2/5th of the country's gross domestic product;
- **People's Republic of China** - Develop cross-border economic corridors, namely, the China-Pakistan Economic Corridor and the Bangladesh-China-India-Myanmar Economic Corridor;
- **Malaysia** - Five designated economic corridors—East Coast Economic Region, Iskandar Malaysia, Koridor Utara Malaysia/Northern Corridor, Sabah Development Corridor and Sarawak Corridor of Renewable Energy;
- **India** - Delhi-Mumbai Industrial Corridor, Chennai-Bengaluru Industrial Corridor, Mumbai Bengaluru Industrial Corridor etc.

CAREC Economic Corridors – Pilot Efforts

- **Cross-Border Economic Corridor:**
Almaty–Bishkek Corridor Initiative
- **Domestic Economic Corridor:**
Khatlon Oblast Initiative in Tajikistan

Objective: Develop a proof-of-concept to identify policy, institutional requirements, physical infrastructure needs, financing requirements, public-private partnerships, market linkage for identified economic growth drivers.

CAREC Economic Corridors - Sequencing

- Scoping Study on rationale for ECD and Selection of geographic area based on its economic potential;
- Presentation of findings of Scoping Study to Government and receive endorsement for development;
- Formalize joint platform with related governments/tiers of government to coordinate development planning;
- Prioritize Economic Growth Drivers that are informed by detailed sector level studies;
- Develop and finalize detailed business plans for each prioritized Economic Growth Driver;
- Derive roadmap for actions and financing on policy, regulation, management and corridor investments.
- Sequence investments and technical support and periodic tracking of results.