

ADB Workshop
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Proposed Roadmap for Shymkent-Tashkent-Khujand Economic Corridor Development

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Outline

- Proposed geographic focus of Shymkent-Tashkent-Khujand economic corridor (STKEC) development
- Opportunities for increasing cross-border economic cooperation and integration in the STKEC region
- Proposed thematic focus areas for STKEC development
- Planned/proposed actions
- Proposed institutional setup for STKEC development

Geographic Focus of STKEC Development

Kazakhstan:

- Shymkent city
- Turkestan oblast

Uzbekistan:

- Tashkent city
- Tashkent oblast

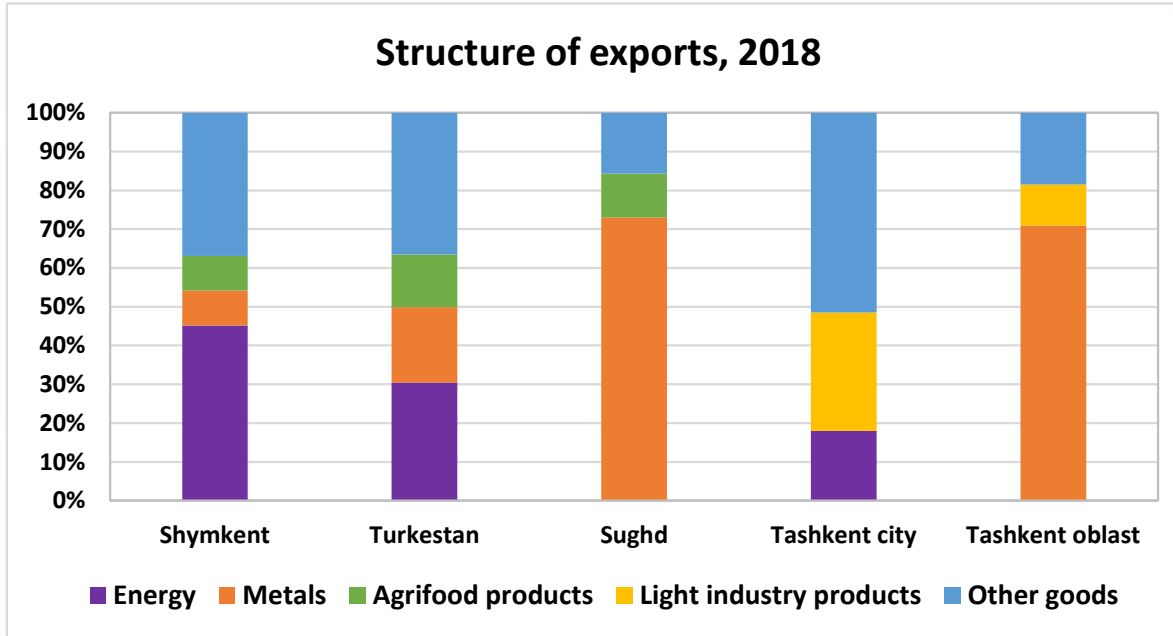
Tajikistan:

- Khujand city
- Sughd oblast



International Trade in STKEC Region

- *Exports have similar structure and are concentrated in a few products*
- *Tashkent city and Tashkent and Sughd oblasts are national import hubs*
- *Transit trade is large (USD20.5-25.5 billion in 2018)*



Trade within STKEC Region

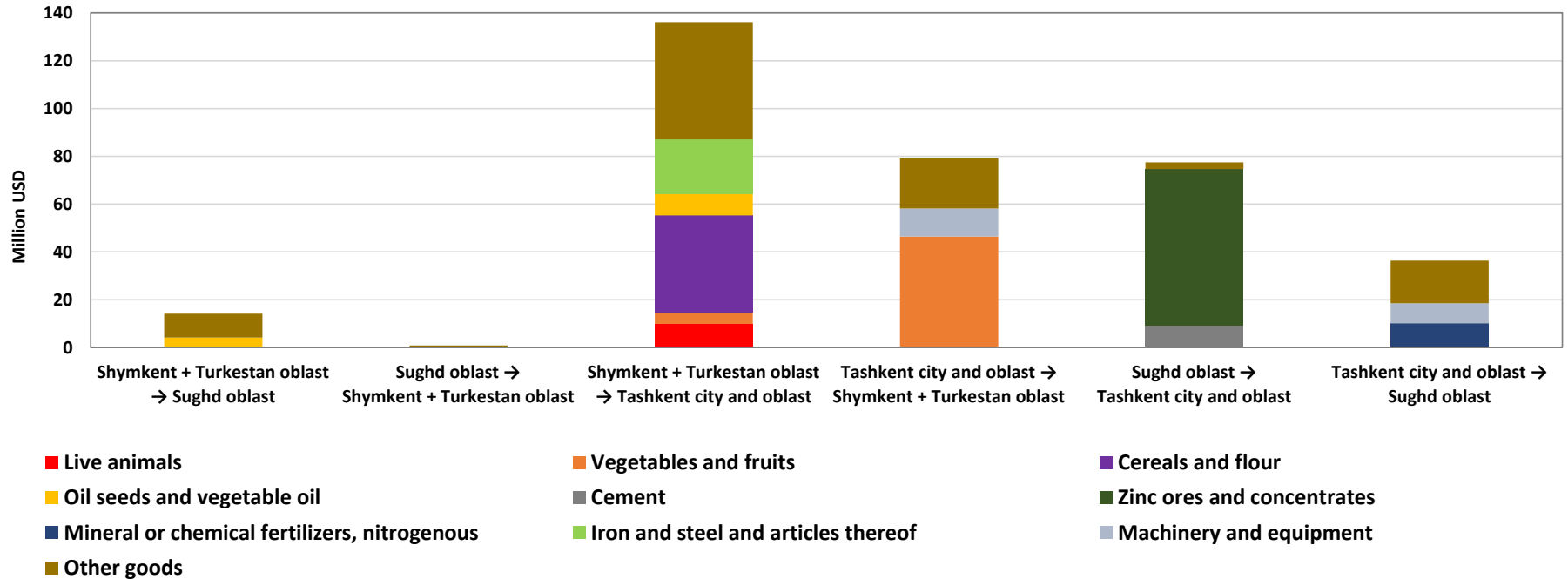
Trade within the STKEC region is relatively small and has been decreasing

Exporter	Importer					
	Shymkent city and Turkestan oblast		Tashkent city and Tashkent oblast		Sughd oblast	
	2015	2018	2015	2018	2015	2018
Shymkent city and Turkestan oblast			206.8	136.1	39.2	14.1
Tashkent city and Tashkent oblast	329.3	76.4			1.9	36.4
Sughd oblast	19.6	0.9	2.3	77.5		

	2015	2018
Total in million USD	599.1	341.1
Total as % of KAZ-TJK-UZB total trade turnover	0.6	0.3

Structure of Trade within STKEC Region

Key traded products include (i) zinc ore and concentrate, (ii) vegetables and fruits, and (iii) wheat grain and flour



Opportunities for Increasing Trade in STKEC Region

- Growing markets in the STKEC region
- Little trade now, but huge potential for expansion
- Some scope for intra-industry trade in existing sectors
- Development of new export products (higher value-added agriculture, manufacturing etc.)
- Untapped potential for trade in services (e.g. tourism, education, health care)
- Expansion of transit trade

Opportunities for Increasing Cross-Border Economic Cooperation in STKEC region

- STKEC region as a 'laboratory' for export product development
- Development of regional value chains (COVID-19 lessons)
- Provision of regional public goods:
 - joint network of quality certification facilities
 - joint development of standards and certification for organic produce
 - joint professional education and business development programs for prospective export sectors (e.g. tourism)

Proposed Thematic Focus Areas

- Improvement of road and railway transport connectivity
- Modernization of border crossing points (BCPs) and border management
- Development of horticulture value chains
- Modernization of sanitary and phyto-sanitary (SPS) measures and development of food quality certification (FQS) services
- Development of regional tourism
- Development of special economic zones (SEZs) and industrial zones (IZs)

Planned/Proposed Actions to Improve Road Transport Connectivity

- Rehabilitate and upgrade the existing roads that are important to external and/internal connectivity of the STKEC region
- Construct new roads and additional roadside facilities to accommodate growing traffic in the region
- Introduce intelligent transport systems with automated weigh-in-motion stations along major highways in the STKEC region
- Abolish entry permits for the movement of trucks and busses among STKEC countries
- Harmonize national road transport standards

Planned/Proposed Actions to Improve Railway Transport Connectivity

- Upgrade existing railway infrastructure through track strengthening, electrification, and installation of modern signalling systems
- Construct a Turkestan-Shymkent-Tashkent high-speed railway and a railway link between the southern and the northern parts of Sughd oblast if feasibility studies find these railways to be economically and financially viable
- Introduce modern ICTs (such as radio frequency identification technology) in railway transport
- Reduce the differences between railway tariffs for transit and domestic/export/import freight shipments

Planned/Proposed Actions to Reduce Cost of Border Crossing

- Modernize infrastructure and equipment at major road and railway BCPs inside the STKEC region
- Establish electronic Single Window facilities at these BCPs
- Transition from the reliance on physical inspections to risk management
- Introduce the eTIR system, ATA carnet system, and CATS/ICE
- Consider setting up joint customs, transport and SPS controls at the BCPs

Planned/Proposed Actions to Develop Horticulture Value Chains

- Rehabilitate and upgrade irrigation infrastructure and expand the use of water-saving technologies
- Promote the establishment of horticulture cooperatives and clusters
- Strengthen horticulture-related research and development, extension services, and export promotion
- Establish a regional network of agro-logistics centers
- Facilitate the establishment of regional online marketplaces for farm inputs and agricultural goods, including fruits and vegetables

Planned/Proposed Actions to Modernize SPS Measure & Develop FQS Services

- Harmonize national SPS standards and technical regulations with international standards
- Introduce electronic SPS certificates and permits with mutual recognition of the electronic certificates
- Transition to risk-based SPS control over international trade
- Develop a regional network of internationally accredited SPS laboratories
- Adopt the farm-to-fork approach to food safety
- Enhance competition in the market for FQS services

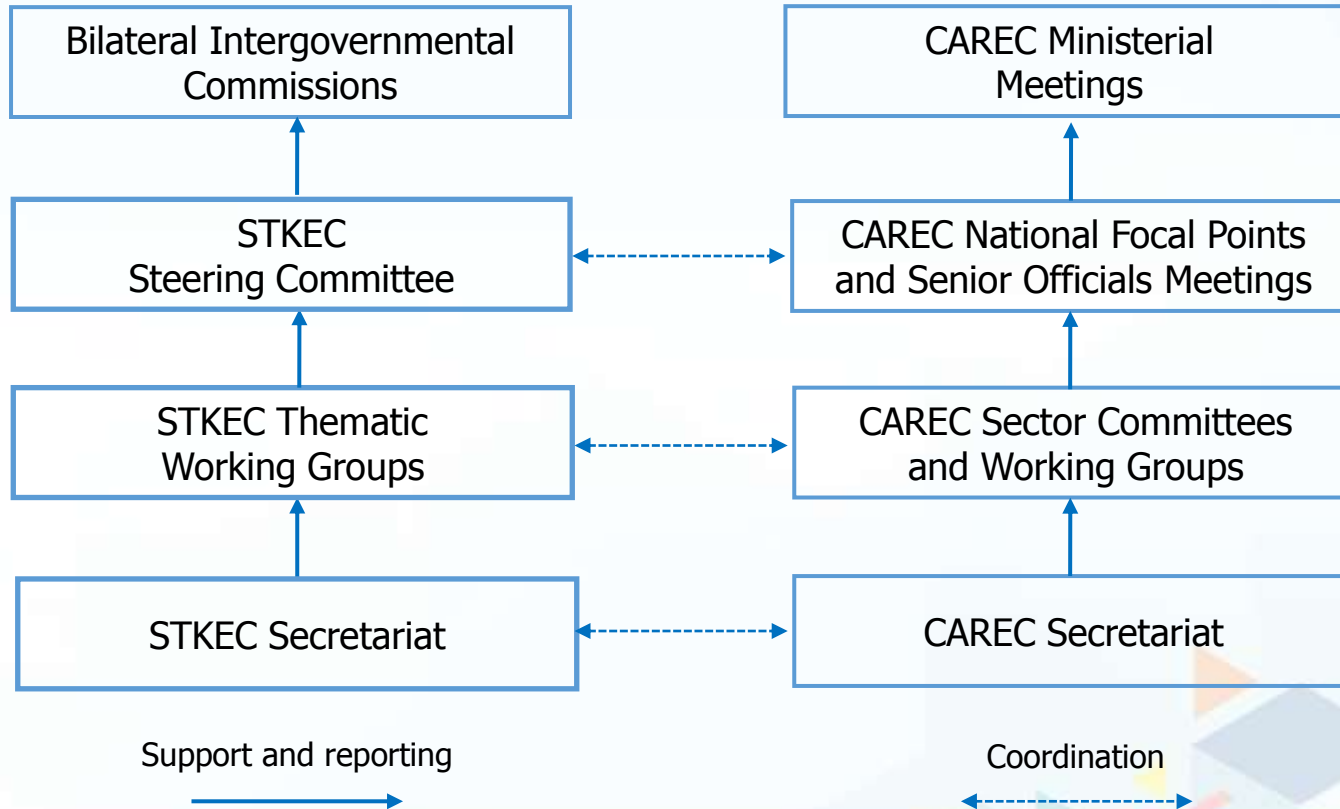
Planned/Proposed Actions to Develop Regional Tourism

- Implement enhanced health and safety standards and protocols for the tourism industry
- Introduce a multi-country tourist visa
- Improve transport connectivity of major tourism sites in the STKEC region
- Improve the availability of information about tourism assets of the STKEC region
- Increase cross-border collaboration in tourism promotion, education and research

Planned/Proposed Actions to Develop SEZs and IZs

- Establishment/develop agro-industrial zones and food industry zones
- Develop regional value chains through deeper cross-border integration of SEZs and IZs
- Establish a transparent system for monitoring and evaluation of the performance of the SEZs and IZs
- Establish a trade center on the border between Turkestan and Tashkent oblasts if a feasibility study finds it to be economically and financially viable

Proposed Institutional Setup



Proposed Functions and Membership of STKEC Bodies

STKEC Body	Functions	Membership
Steering Committee (SC)	<ul style="list-style-type: none"> • Oversee overall progress in STKEC development • Review the proposals made by the TWGs 	CAREC National Focal Points for KAZ, UZB and TAJ; deputy mayors of Shymkent, Tashkent and Khujand cities; and deputy governors of Turkestan, Tashkent and Sughd oblasts
Thematic Working Groups (TWGs)	<ul style="list-style-type: none"> • Propose actions and projects aimed at developing the STKEC • Help resolve issues in the implementation of the approved actions and projects 	Representatives of the concerned central and local government agencies and of the business communities of the three countries
Secretariat	<ul style="list-style-type: none"> • Monitor progress in STKEC development • Prepare periodic progress reports • Coordinate with the concerned central and local government agencies and with the business communities • Organize meetings of the SC and TWGs 	Representatives of focal agencies of KAZ, UZB and TAJ supported by ADB

Thank You