

# Facilitation of Regional Transit Trade in CAREC

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15<sup>th</sup> Customs Cooperation Committee Meeting  
Singapore

21<sup>st</sup> September 2016



# TA Rationale and TTFS Strategic Framework

- CAREC Transport and Trade Facilitation Strategy (TTFS) 2020 signed in October 2013 highlighted 2 strategic objectives:
  - **Trade Expansion:**
    - Through transport connectivity, the facilitation of the cross-border movement of goods and people, trade liberalisation and energy trade.
  - **Improved Competitiveness:**
    - Through transport connectivity, improved transport infrastructure, the development of competitive corridors across the CAREC region and energy sector cooperation.

# CAREC investment and Focus

- **Investments**

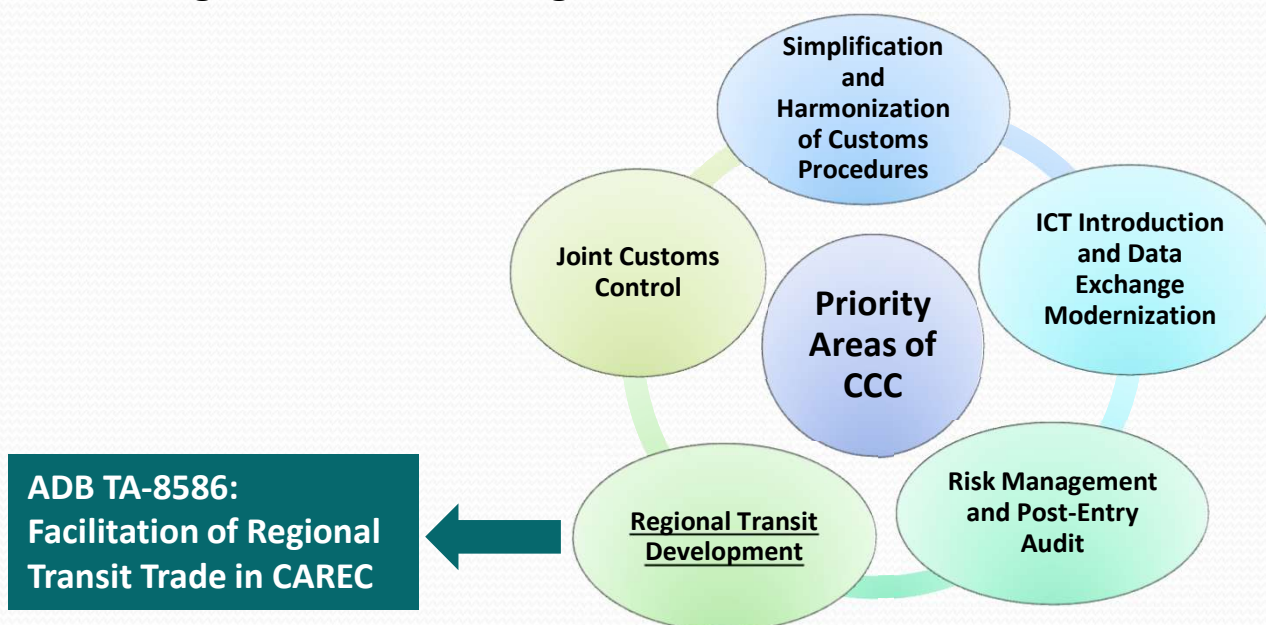
- USD 247 million in 2001 for 6 projects
- USD 24.6 billion for 156 projects up to 2014
- USD 43.4 billion planned for 2014-2020 for 108 new projects.

- **Focus**

- Improved transport and logistics infrastructure (multimodal corridor network)
- Improved trade and transport facilitation (improved trade and border crossing services and operational and institutional effectiveness).

# Project Objectives

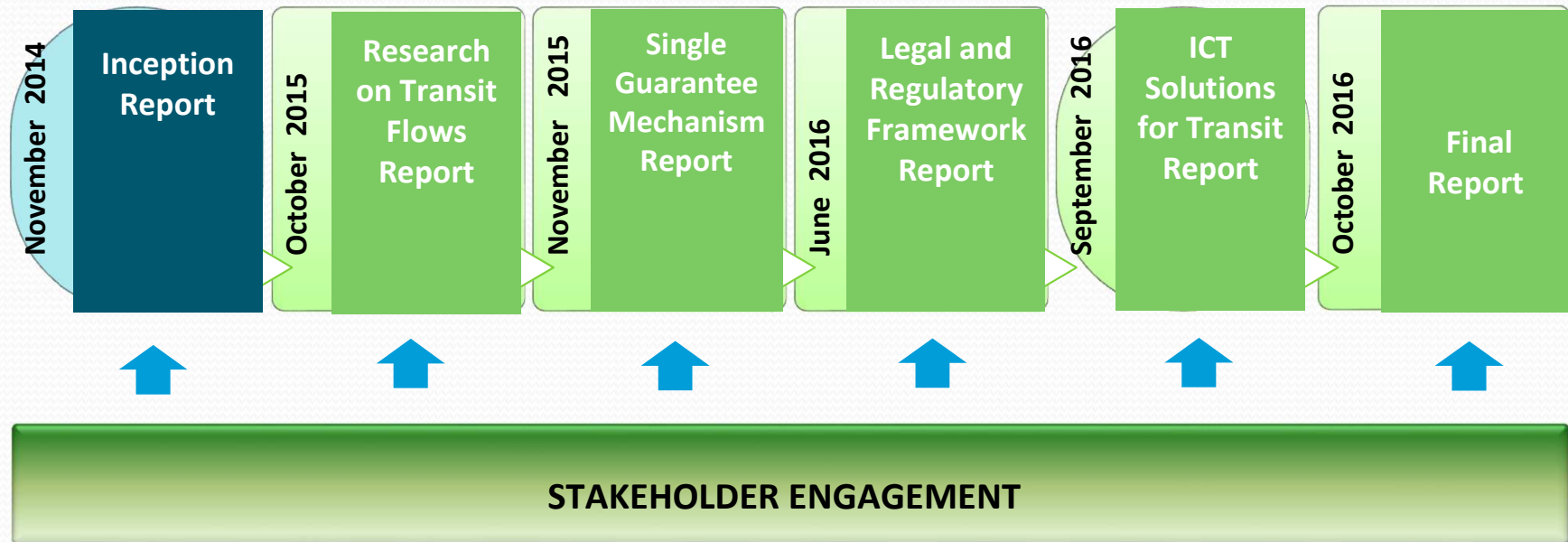
- To make recommendations to remove **customs-related impediments** to transit through the CAREC corridors.
- To develop a **Regional Transit Guarantee Mechanism (CGM)** to promote intra-regional trade amongst CAREC countries.



# Specific Objectives

- To identify the **major CAREC corridors** and their transit operation characteristics;
- To identify **major impediments** within current transit systems;
- To make recommendations for a Regional Transit Guarantee Mechanism –**the CAREC GUARANTEE MECHANISM (CGM)**
- To identify the **legislative and regulatory requirements** for the **CGM**;
- To recommend an **ICT system** to support the **CGM**; and
- To identify a **suitable pilot corridor** to test the recommended transit regime involving 2 or more countries.

# Summary of Deliverables and Program



# Pilot Corridors

# Alternative Options

- **Option A:** Corridor 1: Sub-Corridors 1b and 1c involving Kazakhstan, the Kyrgyz Republic and the PRC.

BCP at Khorgos/Korgas between KAZ and PRC

BCP at Torugart/Torugart(Topa) between KGZ and PRC

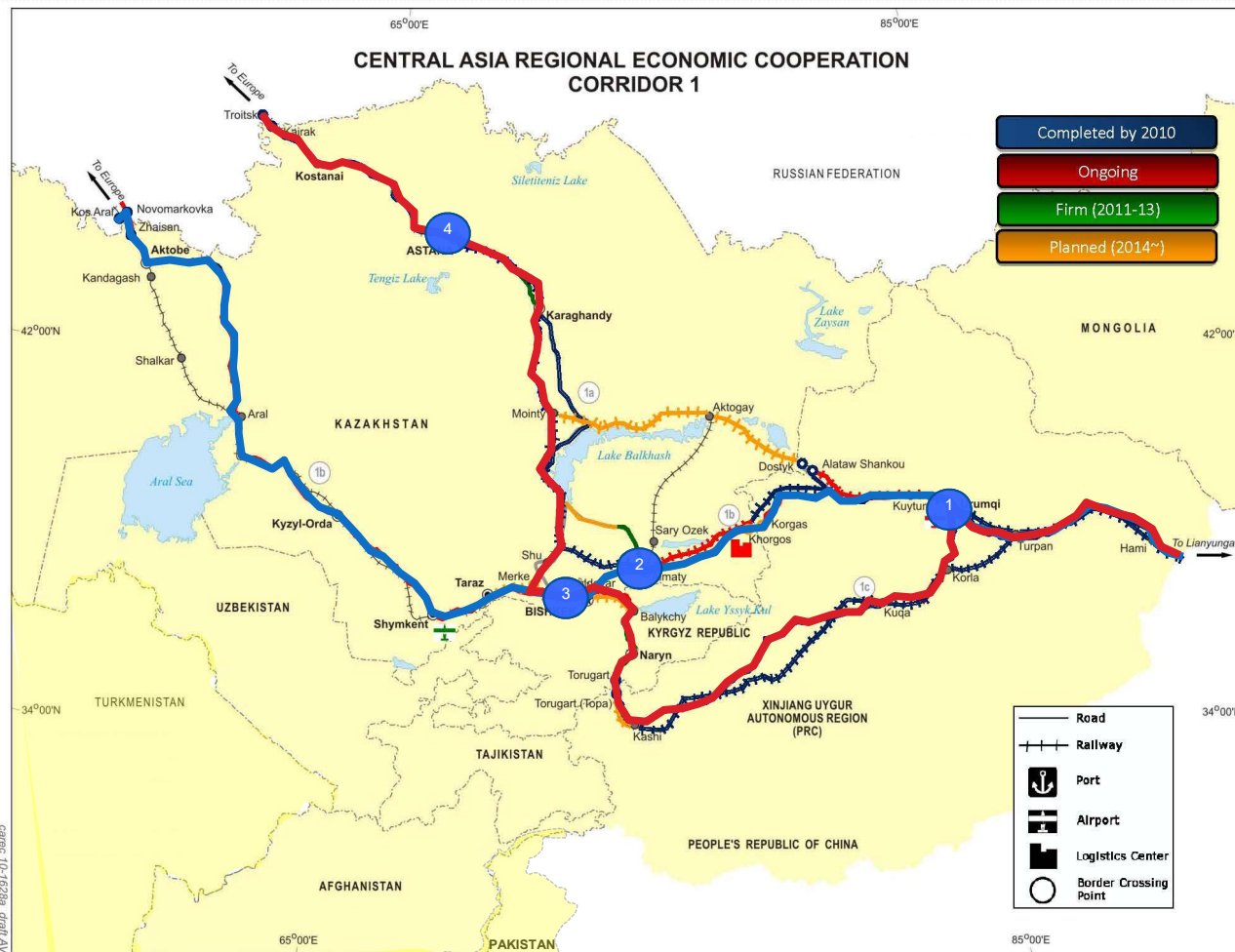
- **Option B:** Corridor 2: Sub-Corridor 2a involving Azerbaijan and Kazakhstan
  - BCP at Alat/Aktau with maritime crossing





# Option A: Corridor 1

# Key Corridors 1b and 1c



— Corridor: 1b

— Corridor 1c

- 1 Urumqi
- 2 Almaty
- 3 Bishkek
- 4 Astana

# Rationale for Selection

- Traffic Density
- Volume of Trade
- Value of Trade
- Economic Importance



# Traffic Density

# Road traffic density (AADT) for road transport along the CAREC Corridors





# Value and Volume of Trade

## Value of Intra-regional trade amongst CAREC countries (USD Thousand) 2014†

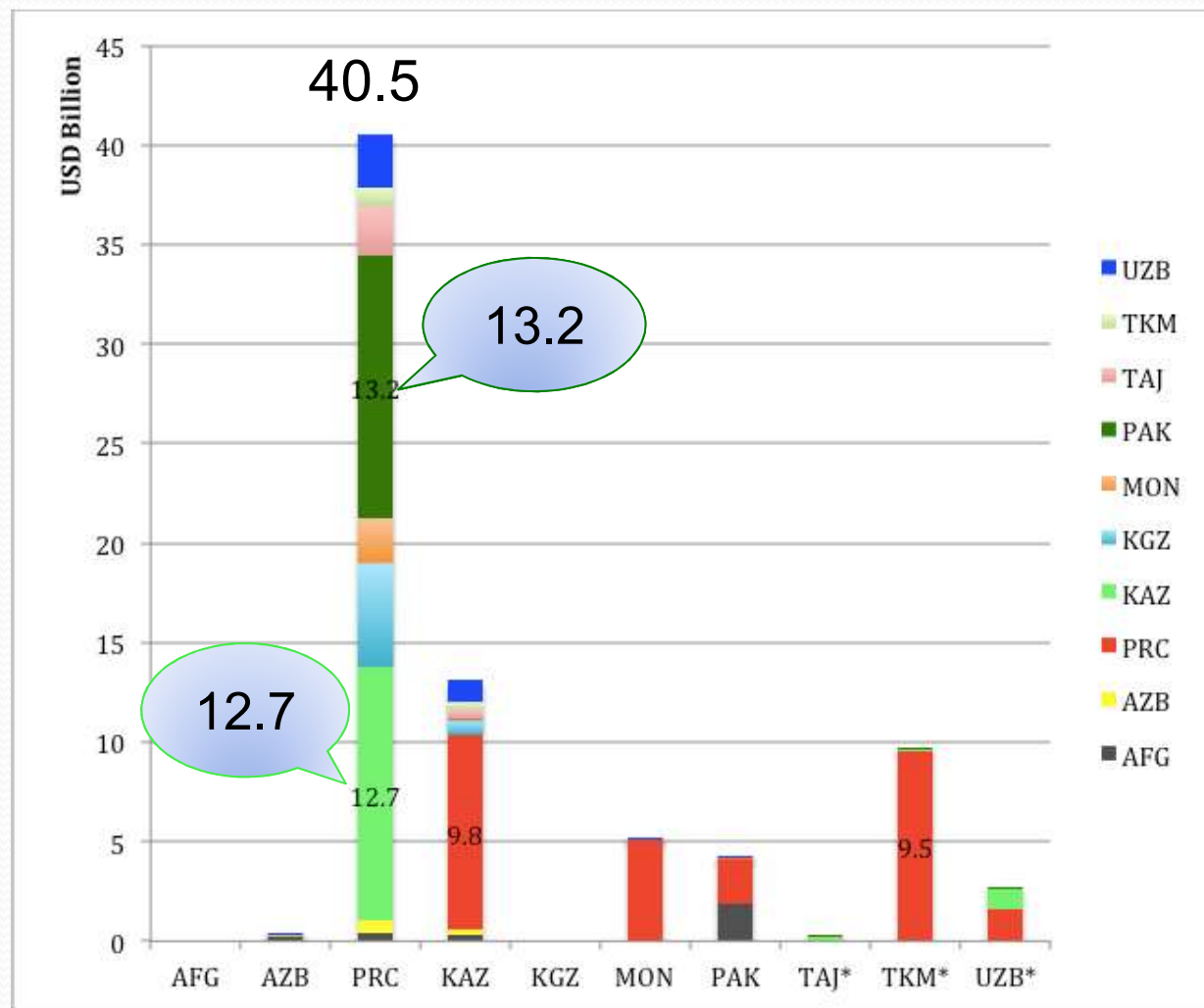
To / From	AFG	AZB	PRC	KAZ	KGZ	MON	PAK	TAJ	TKM	UZB
AFG		0	20277	0	0	0	198352	0	0	0
AZB	200,336		33,832	46,744	12,761	529	29	13,763	39,853	10,712
PRC	393,597	645,260		12,719,176	5,075,346	2,449,592	13,248,879	1,869,364	1,137,644	2,613,355
KAZ	333,539	220,026	9,815,017		670,671	62,768	505,36	5052	159,011	1,126,615
KGZ	12,281	4211	38,955	382453		4365	2455	50,535	5,052	159,011
MON	0	0	5,070,107	4,856	282		0	0	46	489
PAK	1,879,143	27,656	2,252,900	6,652	771	280		10,287	2,420	3,460
TAJ*	NA	188	47,691	72,081	3460	19	394		NA	NA
TKM*	NA	NA	9,516,158	121,245	1682	0	15780	NA		NA
UZB*	NA	23,512	1,597,121	1,017,978	97610	5415	685	NA	NA	

NA=No data Available

\* = Partner provided (Mirror) data

† = No data available for Afghanistan and the Kyrgyz Republic, 2014. Therefore 2013 data is used. (In matrix only)

## Value of Intra-regional trade amongst CAREC countries (USD Billions) 2014 – Including the PRC





## Volume of Intra-regional trade amongst CAREC countries† (Tons) 2013

To \ From	AFG	AZB	PRC	KAZ	KGZ	MON	PAK	TAJ	TKM	UZB
AFG	-	0	NA	NA	0	0	0	0	0	0
AZB	192,511	-	84,583	45,737	15,872	187	27	15,591	40,416	12,253
PRC	35,545	32,953	-	4,311,380	242,958	181,176	337,032	92,544	122,101	278,967
KAZ	490,216	1,052,034	19,642,477	-	1,626,259	4391	6,706	1,188,991	168,663	1,448,827
KGZ	14,909	1,862	141,019	165,864	-	2,377	750	201,430	12,448	602,400
MON	0	64	26,594,643	29	139	-	0	0	184	657
PAK	5,815,344	92,625	1,638,307	5,985	62	20	-	13,657	1,156	406
TAJ*	0	22	39,214	232,451	1,120	23	210	-	NA	NA
TKM	0	73,728	17,709,768	1,003,252	1,250	0	5,866	NA	-	NA
UZB	0	2,800	2,429,351	2,174,111	129,733	16,259	1,538	NA	NA	-

Source: ITC calculations based on UN COMTRADE statistics.

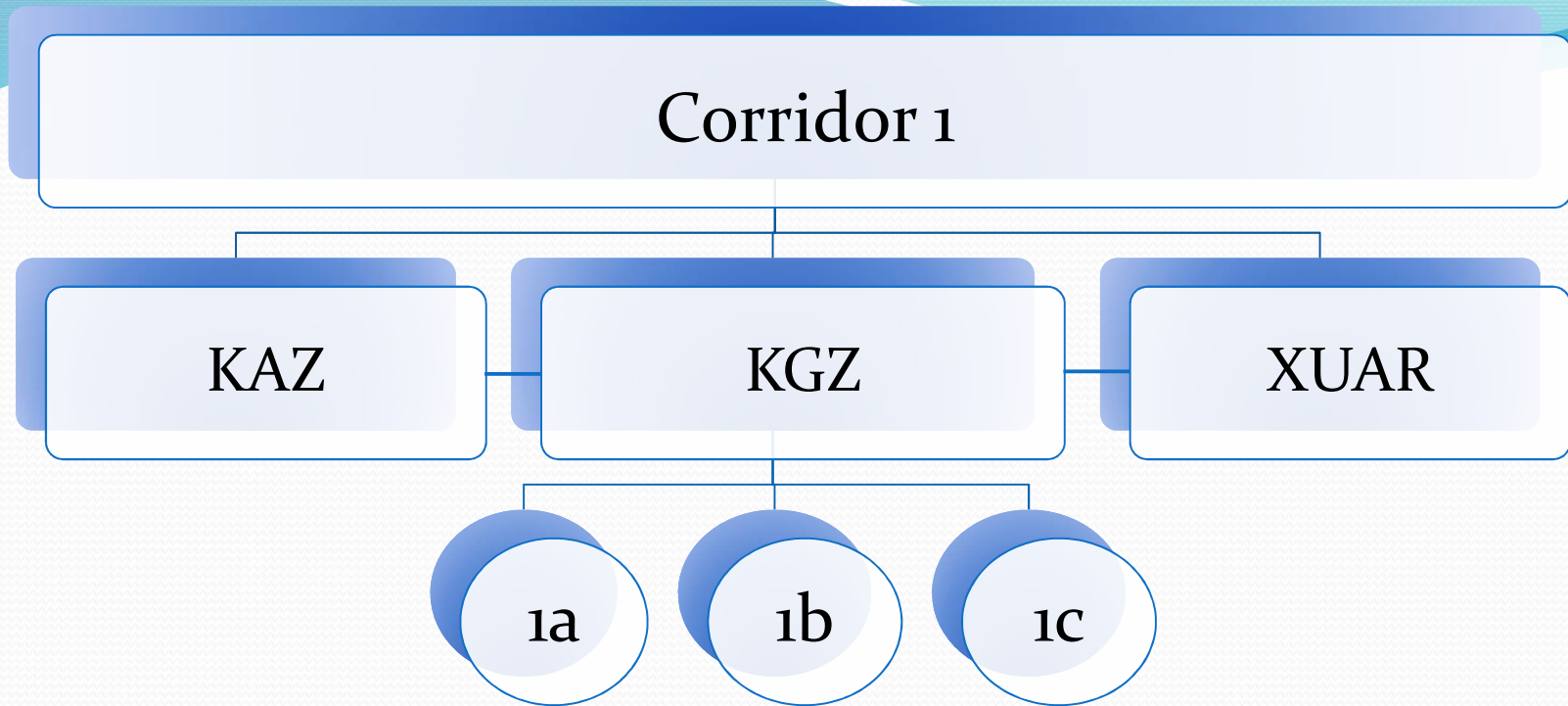
† = Representative sample of quantities obtained from top 3-5 most valuable bilaterally exported goods for each country. Equating to at least 66.67% of total bilateral exports.

NA=No data Available

\* = Partner provided (Mirror) data



# Economic Importance and Growth

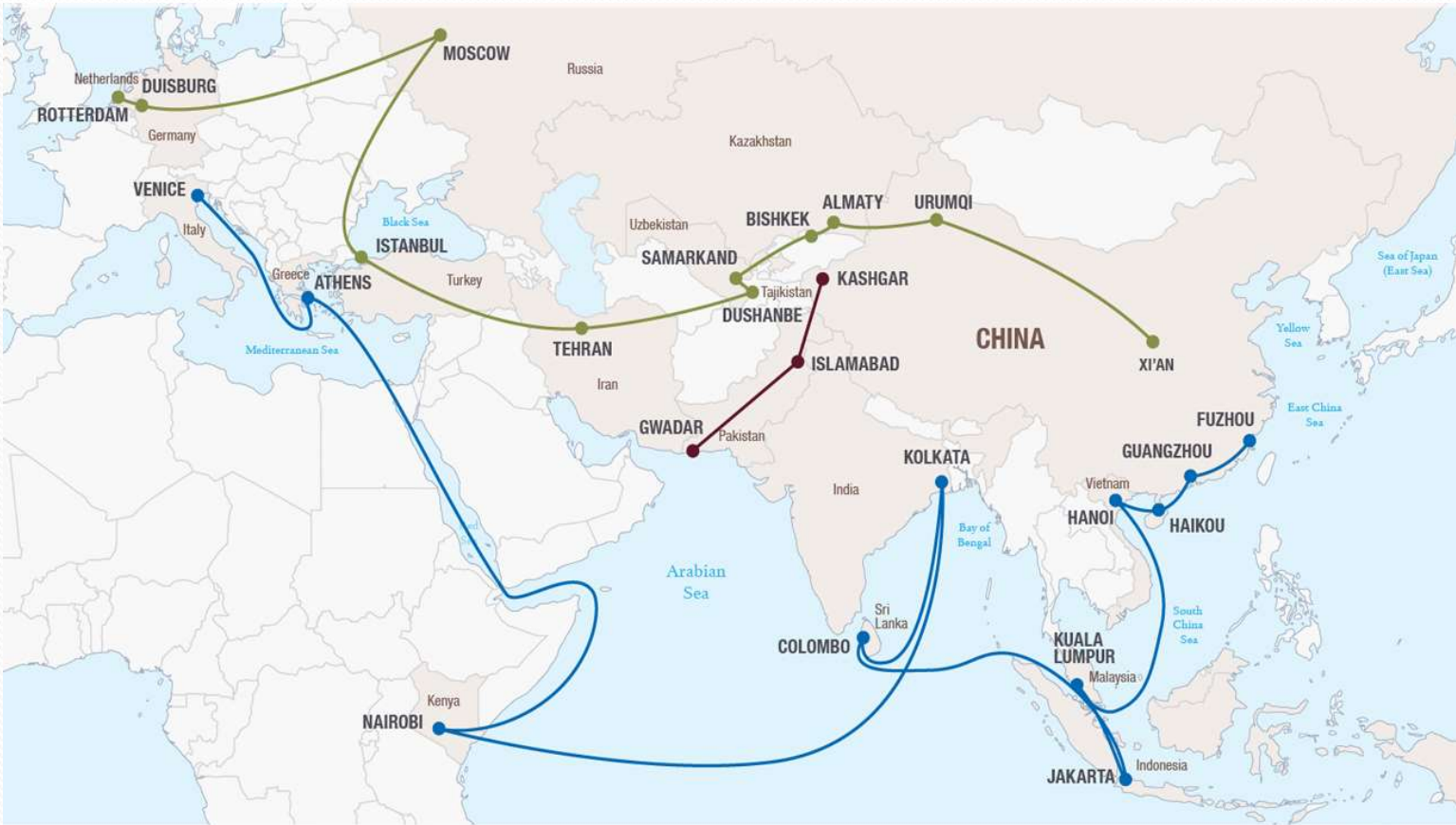


- Most strategic CAREC corridor connecting with KAZ and KGZ with XUAR (PRC)
- Trade between Kazakhstan and XUAR = \$22.81 bn in 2013.
- Accounted for 51% of total trade from XUAR (PRC)
- 1b and 1c pass through densely populated centers such as Urumqi, Almaty, Bishkek and Astana.
- Bishkek-Almaty economic corridor being developed by ADB

# The Future

- One Belt, One Road
- China Pakistan Economic Corridor (CPEC)

# The PRC's Proposed New Silk Roads



—●— SILK ROAD ECONOMIC BELT    
 —●— MARITIME SILK ROAD    
 —●— CHINA-PAKISTAN ECONOMIC CORRIDOR

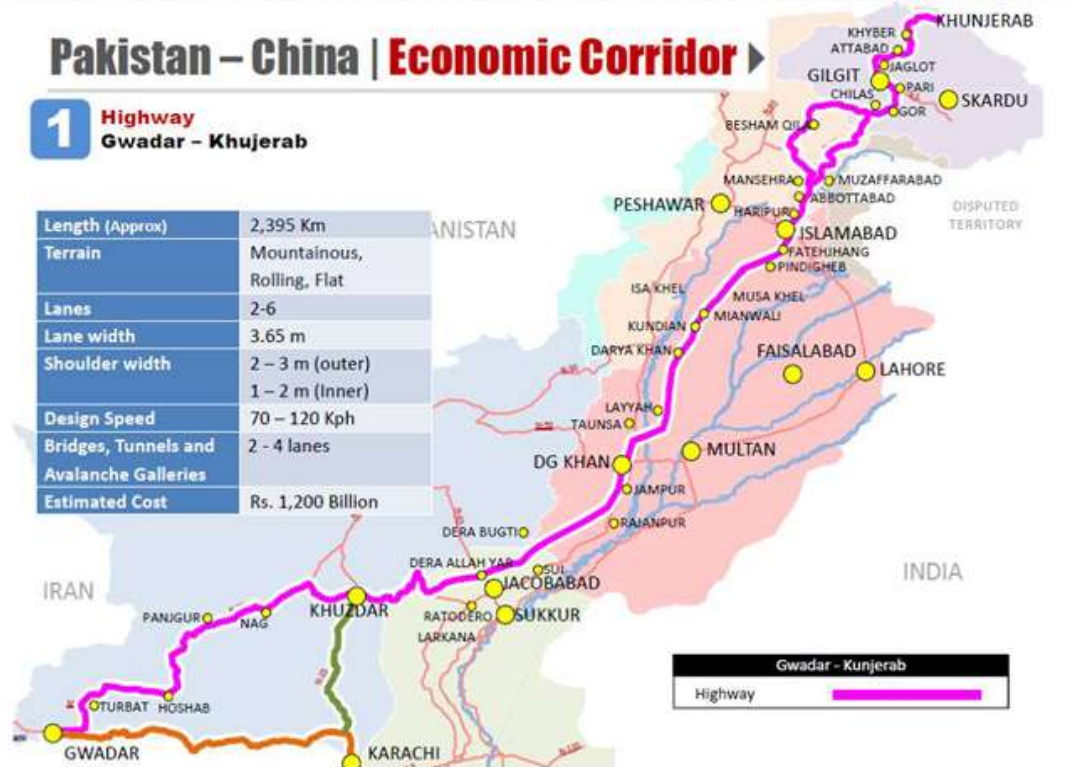
Source: Xinhua News Agency



# Pakistan – China | Economic Corridor

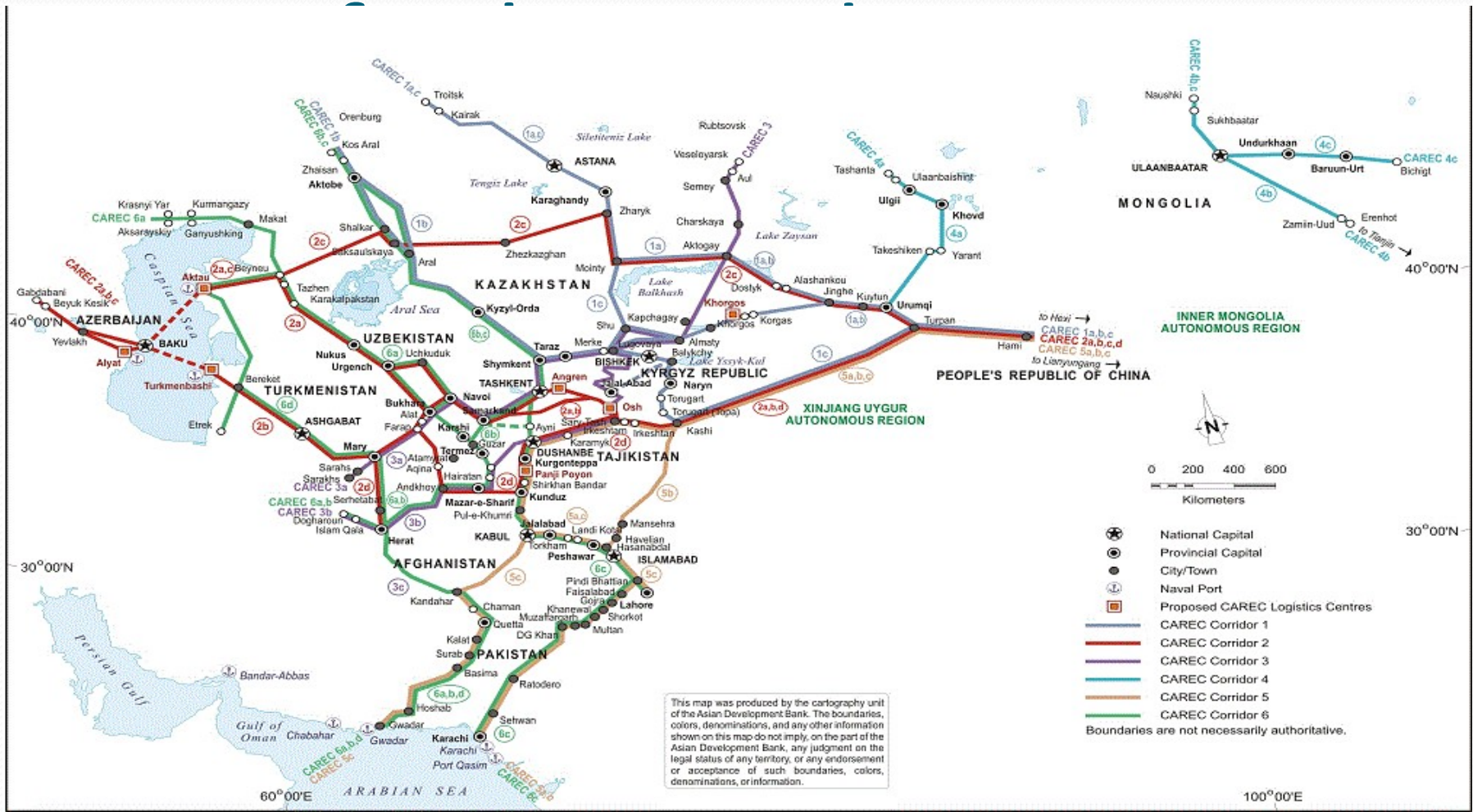
## 1 Highway Gwadar – Khujerab

Length (Approx)	2,395 Km
Terrain	Mountainous, Rolling, Flat
Lanes	2-6
Lane width	3.65 m
Shoulder width	2 – 3 m (outer) 1 – 2 m (Inner)
Design Speed	70 – 120 Kph
Bridges, Tunnels and Avalanche Galleries	2 - 4 lanes
Estimated Cost	Rs. 1,200 Billion





# Option B: Corridor 2







# Rationale

- Traffic density shows large trade flows along Corridor 2 with a high AADT moving towards Georgia and Europe.
- Potential for developing stronger links through to Europe via Georgia
- Azerbaijan has a very well developed IT system for transit, which is operational within the region
- The new port of Alyat is nearing completion.
- There are plans to develop a West–East Corridor via a land route from Kazakhstan to the PRC.
- This is a TRACECA corridor.



**THANK YOU VERY MUCH FOR YOUR  
ATTENTION**