

ASPECTS OF ACCESSION OF THE REPUBLIC OF TAJIKISTAN TO THE CUSTOMS UNION

Baku, November 22-24, 2011

- ◎ **November 27, 2009:** Agreement on the Customs Union of Russia, Belarus and Kazakhstan was signed in Minsk;
- ◎ **January 1, 2010:** In Almaty, parties to the agreement approved joint action plan to create an economic union – creation of the Customs Union;
- ◎ **July 1, 2010:** Common customs tariff.

- creation of a common customs area;
- elimination of customs duties and economic barriers, with the exception of special protective anti-dumping and countervailing measures;
- common economic area;
- introduction of common currency; and
- joint accession of the Customs Union members to the WTO.

- ⦿ **Customs clearance.** Elimination of customs clearance, while retaining the customs control.
- ⦿ **Customs charges.** Transit delivery of goods; sale of goods without importation into the customs territory (foreign exchange control, taxation, flow of documents).
- ⦿ **Commodity imports.** Import customs duties and tariff preferences, customs fees and the value added tax.
- ⦿ **Exports.** The order of substantiating zero duty rate; marks in the cargo customs declaration; exhibitions abroad (temporary importation-exportation-exports, customs control and customs clearance of goods, delivery of works and services, flow of documents, points of sale, and duties of a fiscal agent).

Advantages over the existing trade regime:

- ◎ **Customs and tariff regulation:** Common rates of import customs duties set according to the Common Customs Tariff will apply to goods from third countries to allow unimpeded circulation of such goods in the common customs area;
- ◎ **Non-tariff regulation:** Applicable restrictive measures, such as the licensing procedure, will be unified; administrative barriers to trade will be reduced;
- ◎ **Customs administration:** Common mechanism of customs controls will be established along the perimeter of the Customs Union; CU members will ensure transparency of customs formalities at external borders, while lifting them at internal borders between our states;
- ◎ **Sanitary, veterinary and phytosanitary control:** technical barriers will be reduced; circulation of goods subject to sanitary, veterinary and phytosanitary control will be accelerated and cheapened.

Foreign trade turnover of the Republic of Tajikistan with the EurAsEC member states in 2008-2010 and the first six months of 2011.

(USD mln.)

| States | 2009 | | | 2010 | | | January-June 2011 | | |
|-----------------------------------------------------|----------------|--------------|----------------|----------------|----------------|----------------|-------------------|--------------|----------------|
| | WTO | exports | imports | WTO | exports | imports | WTO | exports | imports |
| Foreign trade turnover (total) | 3,578.6 | 857.6 | 2,568.7 | 3,853.1 | 1,195.2 | 2,657.8 | 2,214.5 | 686.4 | 1,528.1 |
| with the EurAsEC member states as a % to WTO | 1,265.4 | 347.3 | 1,135.6 | 1,346.4 | 135.6 | 1,210.7 | 762.7 | 60.8 | 702.0 |
| | 35.4 | 40.5 | 44.2 | 34.9 | 11.3 | 45.6 | 34.4 | 8.9 | 45.9 |
| Russia | 898.0 | 238.2 | 795.2 | 959.9 | 102.2 | 857.6 | 500.1 | 26.8 | 473.3 |
| Belarus | 46.6 | 4.2 | 40.7 | 51.7 | 6.8 | 44.9 | 41.1 | 9.0 | 32.2 |
| Kazakhstan | 294.3 | 60.0 | 278.9 | 312.9 | 19.9 | 293.0 | 207.1 | 23.3 | 183.8 |
| Kyrgyzstan | 26.5 | 44.9 | 20.8 | 21.9 | 6.7 | 15.2 | 14.4 | 1.7 | 12.7 |

Potential impact of a new union at the initial stage:

- ◎ **Possible increase in commodity prices and utility tariffs along with uncertainty about actions of the authorities to protect population against them.**
- ◎ **Reduced foreign trade with third countries.**
- ◎ **Goods from third countries will become more expensive upon accession of Tajikistan to the Customs Union.**

Comparison of wage rates in the Customs Union and Tajikistan

- Common Customs Tariff (CCT) was introduced on **January 1, 2010**.
- CU CCT consists of seven tariff groups.
- Zero-rate tariff group.
- Tariff group with a 5% tariff rate; tariff groups with **10%, 12%, 15%, 20% and 25-30%** tariff rates.
- There are no **12%, 20% and 25-30%** tariff groups in the existing Customs Tariff of Tajikistan.

CCT tariff groups and shares of tariff rates in each group

| Tariff group (%) | 0 | 5 | 10 | 12 | 15 | 20 | 30 (25) | Average tariff |
|------------------------------|------|------|------|-----|------|-----|---------|----------------|
| Share of CCT tariff rates, % | 12.5 | 29.9 | 20.5 | 1.5 | 23.5 | 7.2 | 2.1 | 10.6 |
| Share of TJ tariff rates, % | 0.8 | 59.8 | 19.3 | - | 17.8 | - | - | 7.4 |

Accession of the Republic of Tajikistan to the Customs Union

- ⦿ According to the Customs Union's Charter, countries applying for accession to the Customs Union must have common border with one of the union members.
- ⦿ Accession of Tajikistan to the Customs Union has been **suspended** as it has no common borders with the existing members of the Union.
- ⦿ Accession of **Tajikistan to the Customs Union** will be considered upon accession of **Kyrgyzstan to the CU.**
- ⦿ A task group has been established under the Ministry of Economic Development and Trade of the Republic of Tajikistan to make preparations for accession to the Customs Union.