



Trade Sector Progress Report and Work Plan

June 2020 – September 2021

Reference Document for the Senior Officials' Meeting, 30 June 2021
Updated for the 4th Meeting of Regional Trade Group, 30 September 2021

I. Executive Summary

1. This report provides the (i) progress of implementation between June 2020 and September 2021 of the trade sector work under the CAREC Integrated Trade Agenda (CITA) 2030 and the Rolling Strategic Action Plan (RSAP);¹ (ii) trade sector deliverables for the 20th CAREC Ministerial Conference in 2021; and (iii) monitoring of results indicators in the CITA 2030. The report builds upon the Trade Sector Report and Work Plan (September 2019–September 2020) presented at the Virtual Senior Officials Meeting in October 2020. This summarizes the outcomes of the 3rd Meeting of the Regional Trade Group (RTG) and 19th Meeting of the Customs Cooperation Committee (CCC) organized in September 2020 and the 2nd Meeting of the Sanitary and Phytosanitary (SPS) Measures Regional Working Group (RWG) in April 2021. The RSAP 2021–2023 ([Appendix 1](#)) will be formally considered by the RTG in September 2021.

2. Overall, there remains good progress in CAREC trade sector work despite unprecedented challenges brought about by the COVID-19 pandemic. Under CITA's **pillar 1**, Azerbaijan and Uzbekistan continue their efforts to accede to the WTO, while Turkmenistan's WTO observer status was endorsed in July 2020. Implementation of the WTO Trade Facilitation Agreement is on track for 8 CAREC members, with the People's Republic of China (PRC) and Georgia achieving highest implementation rate. In September 2020, Tajikistan launched its national single window information system. Shortly after joining the International Plant Protection Convention in January 2020, Uzbekistan is the first CAREC country to exchange live certificates under the ePhyto Solution since October 2020.²

3. Under CITA's **pillar 2**, parallel investments will help realize economic potential along CAREC corridor 4, with the economic cooperation zone development in Mongolia (approved in June 2020) and sustainable cross-border development in the PRC's Inner Mongolia Autonomous Region (approved in December 2020). Amid the ongoing pandemic, countries further promote digital trade and e-commerce in the region. Effective July 2021, Mongolia joins Azerbaijan among the contracting parties to the UN Convention on the Use of Electronic Communications in International Contracts. The UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (of which Azerbaijan and the PRC are members) entered into force in February 2021. As part of CITA's **pillar 3**, at least 3 trade annual meetings of CAREC trade institutions, 8 regional/subregional workshops, 3 national capacity-building programs (for Mongolia, Turkmenistan and Uzbekistan), and 2 knowledge-sharing modules were delivered since June 2020. These include the recent joint meeting between the CCC and SPS RWG on risk management and digitalization in April 2021 and an inception workshop on free trade agreements in May 2021. Three key research work on developing services trade and e-commerce were completed. The development of the Trade Information Portal and enhanced corridor performance measurement and monitoring (CPMM) is underway.

4. In September 2021, the CAREC Trade Week: Enhancing Cooperation in Digital Trade was organized at the sidelines of the CCC and RTG meetings.³ Trade will continue to be a means of implementation of sustainable development goals and will be crucial for post-pandemic recovery. There is a need to keep trade open and smooth to revitalize globalization, deepen the regional cooperation and integration, and achieve sustainable growth.

¹ ADB 2019. CAREC Integrated Trade Agenda 2030 and Rolling Strategic Action Plan 2018-2020. Manila. <https://www.adb.org/documents/carec-trade-agenda-2030-action-plan-2018-2020>

² The PRC is also a pilot country which is currently testing compatibility with the ePhyto system.

³ https://www.carecprogram.org/?page_id=18563

II. Key Developments and Results

A. Sector/Pillar Implementation

5. It would be useful to measure the impact of coronavirus disease (COVID-19) pandemic in CAREC trade sector. However, 2020 data for CITA results indicators are not yet available as of May 2021. In this regard, trade data in 2019 and 2017 baseline indicators were used (Table 1). In 2019, trade in goods (both fuels and non-fuels) as a proportion of GDP increased, while the share of trade in services in GDP remained almost constant (11%).⁴ The share of top 5 exports to total exports increased in 2019 showing slightly higher degree of concentration (around 65%). In terms of institution-building, the shift to virtual format made it difficult to assess and compare the participants' assessments. However, the number of activities reflect good momentum for this reporting period (June 2020–September 2021) despite the pandemic.

Table 1: Trade Sector Progress

Trade Outcomes and Outputs (CAREC 2030)	Indicator	2017 baseline	2019 progress/ ¹	2023 target/ ²
Outcome: CAREC countries are more integrated into the global economy	Trade in fuels and non-fuels within CAREC and with rest of the world as % of GDP	<i>Fuels:</i>		
		Within CAREC: 0.48	0.71	0.84
		With rest of world: 10.85	13.65	14.87
		<i>Non-fuels:</i>		
		Within CAREC: 1.65	2.5	4.17
		25.10	29.07	31.52
Output 1: Greater diversification in products and sectors achieved	Trade in services as % of GDP	10.56	11.00	13.72
	Share of top 5 exports in total exports	61.66	64.85	54.04
Output 2: Capacity of institutions for trade strengthened	% of respondents report improved knowledge for trade	93.0 (2018)	90.5/ ³	95.0
Others			2020-2021/⁴	
Output 3: Trade sector institutions functional	RTG, CCC, other committees are functional (1=yes or 0=no)	Trade sector institutions meet annually, update RSAP for SOM/MC annually: 1	RTG and CCC met and updated RSAP for SOM/MC: 1	
Output 4: Regional policy dialogue and reforms supported	Number of knowledge products delivered	Key policy reports published: 0	Key policy reports published: (4 forthcoming)	
		Regional/subregional activities conducted: 7	Regional/subregional activities conducted: 11	

Notes: ¹ 2020 data are not yet available; ² to be updated to consider COVID-19 pandemic; ³ 100% in 2020 but response rate was poor. ⁴ covers reporting period (June 2020-June 2021), 4 key policy reports expected to be published in Q3-Q4 2021. CCC = customs cooperation committee, GDP = gross domestic product, MC = ministerial conference, RTG = regional trade group, RSAP = rolling strategic action plan, SOM = senior officials meeting
Sources: United Nations COMTRADE <https://comtrade.un.org/>; World Bank World Development Indicators <https://databank.worldbank.org/source/world-development-indicators>; ADB post-activity surveys.

6. In 2020, the COVID-19 pandemic resulted in the contraction of the global economy by – 3.5%. Amid ongoing uncertainty, global output is projected to recover by 5.5% in 2021 and 4.2%

⁴ See Appendixes 2.a and 2.b for CAREC and global trade in goods, trade in services and foreign investment flows.

in 2022.⁵ Likewise, GDP shrank for most CAREC countries (except for the PRC, Tajikistan, Turkmenistan and Uzbekistan) in 2020. PRC's GDP is expected to increase by 8.1% and 5.5% in 2021 and 2022, respectively. Economies of the rest of CAREC members are forecast to recover between 2.2 to 8.5% in 2021 ([Appendix 2.c](#)).

7. Trade suffered with the disruption of economic activity in CAREC countries as with the rest of the world. In 2020, world merchandise trade volume fell by –5.3% and value by –7.5%.⁶ For CAREC, merchandise trade (both exports and imports) declined in 2020, with the exception of Tajikistan (whose exports grew by 19.8%) and the PRC (with 4.6% exports increase). Exports from CAREC countries are expected to rebound in 2021 at higher rates for Afghanistan, Kazakhstan, and Azerbaijan. Meanwhile, Uzbekistan, Tajikistan and Mongolia are importing more in 2021 than in prior years (Table 2).

Table 2: Merchandise trade, annual growth rate, 2018–2022

Country	Merchandise exports (% per year)					Merchandise imports (% per year)				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Afghanistan	11.6	–1.3	–10.1	33.8	30.2	–1.8	–6.6	–4.5	4.6	1.0
Azerbaijan	37.2	–4.5	–36.6	20.7	0.7	21.2	3.5	–11.1	2.5	2.7
PRC	9.1	–1.3	4.6	10.0	4.1	17.1	–2.1	–0.6	5.4	5.3
Georgia	22.4	12.2	–12.3	4.5	8.9	15.1	1.8	–13.8	3.6	5.8
Kazakhstan	26.5	–2.8	–19.4	31.6	2.8	12.0	16.9	–9.7	4.3	8.2
Kyrgyz Republic	4.2	6.6	–1.6	5.0	5.0	18.7	–5.7	–26.2	10.0	10.0
Mongolia	12.4	9.6	–2.2	10.9	4.1	35.5	2.4	–12.7	12.8	9.3
Pakistan	12.6	–2.1	–7.2	0.0	20.0	16.0	–6.8	–18.2	9.0	9.0
Tajikistan	–10.4	9.3	19.8	–7.0	8.0	13.5	4.8	–5.9	15.0	5.0
Turkmenistan	49.6	8.2	–24.2	5.0	7.0	–47.8	3.2	–10.8	6.0	8.0
Uzbekistan	12.0	22.1	–7.7	17.8	6.6	47.5	16.1	–10.1	15.5	0.0

Note: PRC = People's Republic of China. Data for 2021 and 2022 are projections.

Source: ADB 2021. Asian Development Outlook 2021. Manila.

8. The decline in services trade – by 20% globally – has been steeper than goods trade, travel being the most affected sector.⁷ Exports and imports of commercial services also fell by -35% and -26%, respectively in 2020 for nine CAREC countries ([Appendix 2.d](#)).

9. Trade facilitation indicators from the *2020 CAREC Performance Measurement and Monitoring* report reveal the adverse impact of COVID-19. Time to cross a border by road transport increased from 12.2 hours to 15.1 hours or by 23.8%; cost increased from \$162 to \$199 or by 23.6% in 2020. Speed without delay was slightly slower by 1.6%, and speed without delay rose by 0.4% ([Appendix 2.e](#)).

B. Implementation Progress by Priority Area

⁵ IMF. 2021. *World Economic Outlook Update* (January 2021). Washington, D.C.

<https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>

⁶ WTO. 2021. *World trade primed for strong but uneven recovery after COVID-19 pandemic shock*. Geneva.

https://www.wto.org/english/news_e/pres21_e/pr876_e.htm.

⁷ WTO. 2021. *Services trade recovery not yet in sight*. January 2021. Geneva.

https://www.wto.org/english/news_e/news21_e/serv_26jan21_e.htm

10. Despite the pandemic, CAREC countries remained committed to achieving CITA 2030 - i.e., to expand trade through enhanced market access, diversify their economies, and strengthen institutions for trade. The travel restrictions brought about by the pandemic resulted in a shift to virtual format of meetings, policy dialogues, and capacity-building activities under the CAREC trade program.

Pillar 1: Trade Expansion from Increased Market Access

11. While CAREC countries have adopted immediate and temporary trade measures to help mitigate the effects of the pandemic ([Appendix 2.f](#)), CAREC members accelerated their efforts to keep trade open and smooth to revitalize globalization and deepen region cooperation toward post-pandemic economic recovery.

12. **CAREC continues to align with and implement WTO agreements.** As of September 2021, eight CAREC members implemented the WTO Trade Facilitation Agreement at an average implementation rate of 45.5% for Category A (mandatory) provisions, with the PRC and Georgia reporting highest compliance. Meanwhile, the average for Category B is at 19.5% (for 6 countries), and Category C is at 12.7% (for 5 countries).⁸ CAREC also continues to align with WTO SPS agreement, which is part of the Common Agenda for the Modernization of SPS Measures for Trade. Following its accession to the International Plant Protection Convention in January 2020, Uzbekistan is improving its phytosanitary system with ADB support.⁹

13. **Remaining CAREC members prepare for WTO accession.** In July 2020, Turkmenistan was granted WTO observer status and in December 2020, the Seminar Series for Turkmenistan's Road to WTO Accession was launched with support from the WTO Secretariat, ADB and other development partners. Azerbaijan and Uzbekistan remained engaged in the accession process and are preparing for their separate Working Party meetings under the WTO. ADB is supporting an impact assessment for Azerbaijan's accession, preparation of Turkmenistan's Memorandum on the Foreign Trade Regime, and assessment for Uzbekistan's foreign economic policy issues (including its accession to the Eurasian Economic Union).

14. **CAREC discusses deepening free trade agreements.** CAREC countries have expressed their interest to pursue FTAs as a catalyst for more inclusive and sustained economic growth through enhanced regional economic cooperation. In May and September 2021 consultation workshops, member countries expressed their FTA expectations, priorities, and capacity-building needs as well as views on the potential to develop a CAREC-wide FTA in the future.¹⁰

15. **Countries continue to improve their border services and inspection systems.** Through the Regional Improvement of Border Services (RIBS) projects, Kyrgyz Republic, Mongolia, Tajikistan and Pakistan are upgrading their border crossing facilities and modernizing

⁸ WTO. Trade Facilitation Agreement Database. <https://tfadatabase.org/> (accessed 15 September 2021).

⁹ ADB supported a series of virtual trainings from 23 February to 24 March 2021 on plant quarantine law, phytosanitary risk management, and plant clinics attended by over 400 specialists from 13 regional inspectorates of State Plant Quarantine Inspection of Uzbekistan. <https://www.carecprogram.org/?event=virtual-training-on-plant-quarantine-legislation-phytosanitary-risk-management-and-plant-clinics-uzbekistan>

¹⁰ ADB. 2020. Strengthening Knowledge and Capacities for the Design and Implementation of Free Trade Agreements involving CAREC Countries. <https://www.carecprogram.org/?event=virtual-country-consultation-meeting-on-carec-free-trade-agreements>

customs and trade systems.¹¹ These countries together with Azerbaijan, the PRC and Kazakhstan also shared their experience and lessons learned through the knowledge-sharing modules on trade: RIBS projects and single window development developed in January 2021.¹² Mongolia is also modernizing its veterinary, phytosanitary and food safety laboratories, as well as quarantine and inspection facilities and aligning its SPS systems with the WTO.¹³

16. **CAREC participates in pilot initiatives to improve SPS measures.** ADB, the U.S Agency for International Development (USAID) Competitiveness, Trade and Jobs activity in Central Asia (CTJ), and the European and Mediterranean Plant Protection Organization are cooperating to implement a pilot initiative in the Fergana Valley. The pilot aims to enhance market access and horticultural value chain development by improving the diagnostic and pest surveillance capacities of National Plant Protection Organizations (NPPOs) of Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. Trainings on pest surveillance and on establishing pest free areas were held in August 2020 and June 2021, respectively. In September 2021, a virtual training on risk assessment for animal by-products was organized for Georgia. Meanwhile, Turkmenistan is implementing a pilot project to adopt modern and cost-effective food safety management and inspection systems aligned with Codex standards to promote public health and access to export markets, starting with small food manufacturers and catering operators. Training modules are being developed in 2021 for CAREC-wide usability.

17. **Countries express interest to implement CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) pilot project.** Designed to help trade flow more smoothly and efficiently across the borders, CATS provides a harmonized electronic system for goods in transit. Government changes in some of the three countries participating—Azerbaijan, Georgia, and Kazakhstan—set back finalization of the trilateral agreement, but there is continued interest to pursue it and other CAREC members are also interested in joining. Bilateral consultations were organized for Kazakhstan to address pending national issues on the development and deployment of the CATS/ICE prototype.

18. **Countries adopt measures towards paperless trade.** In September 2020, Tajikistan launched its national single window information system. Institutional and legal changes for Pakistan's single window including a risk management system are underway with support from ADB-funded Trade and Competitiveness Program for Pakistan. In October 2020, Uzbekistan began participating in the IPPC's ePhyto Solution and is the first CAREC country to exchange live certificates.¹⁴ The *UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific*—of which Azerbaijan and the PRC are members—entered into force in February 2021.¹⁵ Other countries are at various stages of accession: Mongolia and Tajikistan in the process of Parliamentary ratification, while the rest of CAREC countries are conducting readiness assessment, stakeholder consultations, and internal review.

¹¹ ADB. 2013. [Central Asia Regional Economic Cooperation Regional Improvement of Border Services](#).; ADB. 2016. Mongolia. [Regional Improvement of Border Services](#).; ADB. 2019. Mongolia. [Regional Improvement of Border Services Project \(Additional Financing\)](#).; ADB. Pakistan. 2015. [Central Asia Regional Economic Cooperation Regional Improving Border Services Project](#).

¹² ADB, World Bank, UN Economic Commission for Europe (UNECE), Border Management Programme in Central Asia (BOMCA-9), and International Road Transport Union (IRU) also shared international instruments, programs, and perspectives to facilitate trade and have better coordinated border management in the modules. <https://www.carecprogram.org/?event=knowledge-sharing-modules-on-carec-trade-regional-improvement-of-border-services>

¹³ ADB. 2015. Mongolia: [Regional Upgrades of Sanitary and Phytosanitary Measures for Trade Project](#).

¹⁴ The PRC is also a pilot country which is currently testing compatibility with the ePhyto system.

¹⁵ ESCAP. 2019. *Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific*. Bangkok.

Pillar 2: Greater Economic Diversification

19. The COVID-19 pandemic magnified the impetus to diversify and align with the restructuring of supply chains and accentuated the role of services trade, digitalization and e-commerce in the CAREC region and beyond.

20. **Countries develop economic cooperation zone.** A project approved in June 2020 will help develop and operationalize the free zone in Mongolia; while a program in the PRC's Inner Mongolia, approved in December 2020, will promote sustainable cross-border development in the region. The parallel investments supported by regional cooperation mechanism, will allow seamless transit between two economic zones along CAREC corridor 4.¹⁶

21. **CAREC puts priority on digitalization and e-commerce development.** The pandemic has resulted in the rapid adoption of digital technologies and rise of e-commerce transactions. The adoption of national digital strategies and enabling environment will help foster development of e-commerce eco-systems. Effective July 2021, Mongolia joins Azerbaijan among the contracting parties to the UN Convention on the Use of Electronic Communications in International Contracts.¹⁷ The ADB and CAREC Institute completed two research studies on the framework for e-commerce development in CAREC, looking at (i) regulatory environment, laws and policies, and (ii) infrastructure needs.¹⁸ The outcomes of these research works were launched webinar on E-Commerce Development in CAREC Countries: Assessment and the Way Forward on 21 September 2021, as a follow-up to the webinar on E-Commerce and Paperless Trade in September 2020.¹⁹ A related scoping study assessing the customs agencies' readiness and challenges in handling cross-border e-commerce has been presented for the 20th CCC meeting.

22. **CAREC agrees to cooperate and develop key services sectors.** In a webinar in September 2020, CAREC discussed the outcomes of the study on *Advancing Economic Diversification in CAREC Countries through the Development of Services*, including the proposal to develop the priority sectors such as telecommunications, ICT, financial, education, tourism, transport, quality testing and certification, and agri-related services. The report is being finalized for publication.

Pillar 3: Stronger Institutions for Trade

23. The CAREC Program continues to support capacity-building, regional policy dialogues, and meetings to bring together relevant trade agencies to share experiences and agree on regional priorities which will be translated into the CITA 2030's RSAP. The 3rd meeting of the RTG and the 19th meeting of the CCC were both held virtually in September 2020. Since June 2020, 9 regional or subregional workshops, 4 national capacity-building programs (for Georgia, Mongolia, Turkmenistan and Uzbekistan), and 2 knowledge-sharing modules were delivered.

¹⁶ ADB. 2020. Mongolia: Developing the Economic Cooperation Zone Project.; ADB. 2020. PRC: Inner Mongolia Sustainable Cross-Border Development Investment Program.

¹⁷ UNCITRAL. United Nations Convention on the Use of Electronic Communications in International Contracts (New York, 2005).

¹⁸ CAREC Institute. 2020. Policy Brief: Regulatory Framework for e-Commerce Development in CAREC. <https://www.carecinstitute.org/wp-content/uploads/2020/04/2-CI-Policy-Brief-e-CommerceFramework-in-CAREC-25-Apr-2020.pdf>; CAREC Institute, 2021. Policy Brief: E-commerce Infrastructure Development in CAREC. <https://www.carecinstitute.org/publications/policy-brief-e-commerce-infrastructure-development-in-carec/>

¹⁹ <https://www.carecprogram.org/?event=webinar-ecommerce-paperless-trade>

24. In April 2021, the **CAREC SPS Measures Week: Facilitating Safe and Sustainable Trade in the CAREC Region** was organized at the sidelines of the 2nd meeting of the SPS RWG. The event also marked the first joint meeting of the CCC and SPS RWG to support deepening interagency and cross-border coordination. A series of dialogues were organized on *Strengthening Cooperation in SPS Measures in the Post-COVID Era*; *Fergana Valley Stakeholders' Conference on Enhancing Trade Opportunities through Phytosanitary Measures*; *Addressing Transboundary Animal Diseases and Food Safety Issues*; and *Facilitating Safe Trade through Risk Management and Digitalization*.²⁰

25. On 21-23 September 2021, a series of webinars or virtual conference were organized as part of the **CAREC Trade Week: Enhancing Cooperation Digital Trade**. The topics include: E-Commerce Development in CAREC Countries: Assessment and the Way Forward; E-commerce Development and the Role of the Private Sector – Experience from the People's Republic of China; and CAREC Conference on Digital Trade and Innovations.²¹

26. As part of blended-learning approach, ADB and CAREC Institute developed in 2021 **knowledge-sharing modules on CAREC trade**: (i) three-part series on the Regional Improvement of Border Services (RIBS) and national single window projects; and (ii) facilitating trade through digital SPS certification.²²

27. The **CAREC Trade Information Portal** has been updated with recently available data as well as links to official trade-related websites of CAREC countries. Similarly, the online portal on **corridor performance measurement and monitoring** (CPMM) has been developed to facilitate wider awareness and use of CPMM by providing access to aggregate CPMM data. The CPMM Annual Report 2019 was published in July 2020, while the 2020 report is forthcoming.²³

28. As part of communications outreach, CITA 2030 and its activities are continuously disseminated in various fora such as: (i) ADB's 3rd Economists' Forum (Measuring and Assessing Economic Activities at Border Points—Case from CAREC Countries, January 2021); (ii) UNESCAP's Training Workshop on Strengthening Subregional Connectivity in East and North-East Asia through Effective Economic Corridor Management (January 2021); and (iii) American Chamber's Webinar on Trade and Customs: Expanding Kazakhstan's Trade Links (March 2021). In terms of engagement with the private sector, ADB is helping the CAREC Federation of Carrier and Forwarders Associations (CFCFA) in its transition to being a fully independent self-governing body by 2021 through a series of meetings since August 2020.

D. Challenges and Key Issues

29. COVID-19 continues to pose a great threat to the outlook for trade and could easily undermine recent recovery.²⁴ Therefore, a strategic and coordinated approach—and continuing the momentum of CITA 2030—must be undertaken to facilitate trade while managing transboundary risks to human, plant, and animal health. In response to the pandemic, CAREC trade-related measures were aimed at securing the domestic economy, facilitating the cross-border movement of essential supplies, and reducing health and safety risks. These also took the

²⁰ https://www.carecprogram.org/?page_id=18102

²¹ https://www.carecprogram.org/?page_id=18563

²² The modules are available in both English and Russian languages in the CAREC Institute's E-Learning Platform (<https://elearning.carecinstitute.org/>).

²³ ADB. 2020. CAREC Corridor Performance Measurement and Monitoring Annual Report 2019. Manila.

<https://www.adb.org/publications/carec-cpmm-annual-report-2019>. Link to the Russian version

<https://www.adb.org/ru/publications/carec-cpmm-annual-report-2019>

²⁴ Footnotes 4, 5 and 19.

form of export prohibitions, reduced import tariffs and VAT exemptions, and import bans ([Appendix 2.f](#)). Given the impact of the pandemic on supply chains and remaining uncertainties, the challenge now is in lifting emergency measures and ensuring consistency with WTO rules. In addition, some trade-facilitating measures implemented as temporary measures (e.g., expedited passage and release of goods for relief and other essential supplies, minimum inspection, and simplified and paperless trade procedures) could help improve trade procedures in the post-COVID era. CAREC countries must also take full advantage of innovation, e-commerce and other emerging opportunities.

30. At the program level, the absence of face-to-face meetings limit exchanges and discussions and effectiveness of capacity-building activities. The difficulty in obtaining national-level data and online reference materials also constrain in-depth technical analysis. These challenges coupled with shrinking resources are likely to affect sustainability, commitment and engagement of government stakeholders to implement activities under the CITA's RSAP.

E. Work Program for Coming Year/Period

31. The CITA 2030 remains relevant and RSAP interventions need to align with CAREC members' priorities and adapt to the changing environment. The RSAP 2021-2023 for RTG consideration is in [Appendix 1](#). This was updated to incorporate the SPS workplan that was considered at the 2nd meeting of the SPS RWG in April 2021 and subsequent circulation in August 2021. The key RSAP interventions include:

- Continued support and knowledge-sharing on implementation of WTO commitments and accession of remaining CAREC members;
- Investment scoping and upgrade of laboratories and border inspection facilities in identified border crossing points;
- Mapping of technical regulations, standards and conformity assessment procedures to identify trade barriers and areas of reforms, projects and capacity-building for CAREC countries;
- Capacity-building for national trade agencies on free trade agreements and topics that cater to specific needs and circumstances;
- Reviving the SPS National Working Groups and supporting the implementation of CAREC members' national SPS strategies and priority action plans in coordination with development partners;
- Promotion of e-commerce and digital trade by enhancing e-customs systems, adoption of e-SPS certificates, implementation of transit agreements, and supporting digital transformation (e.g., Digital CAREC Strategy 2030); and
- Creating synergy between CAREC trade and other sectors' initiatives (e.g., tourism, agriculture and human development) to facilitate trade and movement of people and goods while increasing resilience to transboundary threats and diseases as part of One-Health approach (e.g., link with Central Asian Animal Health Network).

F. Deliverables for the Ministerial Conference

32. The deliverables include the updated CITA 2030 Rolling Strategic Action Plan 2021-2023 and knowledge products on (i) E-Commerce in CAREC Countries: Laws and Policies, and Infrastructure Development;²⁵ (ii) Progress in Trade Facilitation in CAREC Countries

²⁵ <https://www.adb.org/sites/default/files/publication/725671/e-commerce-carec-laws-policies.pdf>

(forthcoming); (iii) 2020 Corridor Performance Measurement and Monitoring Annual Report (forthcoming); and (iv) Expanding CAREC Agri-Trade through the Use of Electronic Certificates.²⁶

G. Key Issues for Guidance by the Senior Officials' Meeting

33. The issues from CAREC trade work may include: (i) how to encourage and promote linkages with other sector groups to create synergies and coordinate better in addressing cross-cutting issues (e.g., One-Health initiative and Digital CAREC 2030 Strategy), and (ii) suggestions moving forward considering the challenges of engagement and commitment of countries as identified in para 29.

²⁶ https://www.carecprogram.org/?page_id=18563

Appendix 2

2a. CAREC Trade in Goods and Trade in Services, 2019

	Trade in Goods (\$ million)	Trade in Goods with CAREC (%)	Trade in Services (\$ million)	Trade in Services with CAREC (%)
Afghanistan	9,319	40.9	6,485	13.4
Azerbaijan	33,714	9.1	10,552	7.0
PRC	4,568,823	1.6	659,486	1.4
Georgia	13,480	24.0	5,569	7.9
Kazakhstan	98,268	27.0	22,370	16.9
Kyrgyz Republic	13,400	61.6	2,635	24.8
Mongolia	13,901	62.4	3,173	32.0
Pakistan	74,639	27.1	15,120	9.8
Tajikistan	4,871	60.9	2,916	21.8
Turkmenistan	13,516	77.8	5,013	14.2
Uzbekistan	39,651	31.2	8,074	22.8
CAREC-10	314,759	7.8 ^{/a}	81,908	3.6 ^{/a}
CAREC	4,883,582	3.6	741,394	2.9

Notes: ^{/a} CAREC-10 excludes the People's Republic of China (PRC). Trade in goods estimates came from UN Comtrade, supplemented by IMF DOTS estimates of Afghanistan trade with Tajikistan and Turkmenistan. Trade in goods of Kyrgyz Republic uses mirror estimates. Services exports and imports are final balanced values.

Sources: ADB. Asia Regional Integration Center (ARIC) database, <https://aric.adb.org/integrationindicators>; OECD. Balanced Trade in Services Statistics, <http://www.oecd.org/sdd/its/balanced-trade-statistics.htm> (accessed 9 March 2021).

2b. CAREC Foreign Direct Investment Flows (cumulative, 2001–2019)

	Total Investment Flows (\$million)	Intra-CAREC Investments (%)
Afghanistan	2,445	23.3
Azerbaijan	36,787	8.5
People's Republic of China	2,630,597	1.6
Georgia	20,909	18.1
Kazakhstan	146,404	15.0
Kyrgyz Republic	6,082	71.4
Mongolia	17,698	39.5
Pakistan	42,659	21.0
Tajikistan	5,136	32.0
Turkmenistan	37,263	0.4
Uzbekistan	15,955	5.1
CAREC-10	331,337	3.0 ^{/a}
CAREC	2,961,934	3.2

Note: ^{/a} CAREC-10 excludes the PRC. Source: ADB. ARIC database (accessed 9 March 2021).

2c. Gross Domestic Product (% growth)

Country	2020 (%)	2021 (%)
Afghanistan	-5.0	3.0
Azerbaijan	-4.3	2.2
PRC	2.3	8.1
Georgia	-6.2	8.5
Kazakhstan	-2.6	3.4
Kyrgyz Republic	-8.6	3.5
Mongolia	-5.3	4.6
Pakistan	-0.5	3.9
Tajikistan	4.5	5.0
Turkmenistan	1.6	4.8
Uzbekistan	1.6	5.0

Notes: 2021 are projections as of September, except for Afghanistan (as of April). Due to uncertain situation, there is no forecast provided for Afghanistan in September 2021. Source: ADB. Asian Development Outlook 2021 (accessed 27 September 2021).

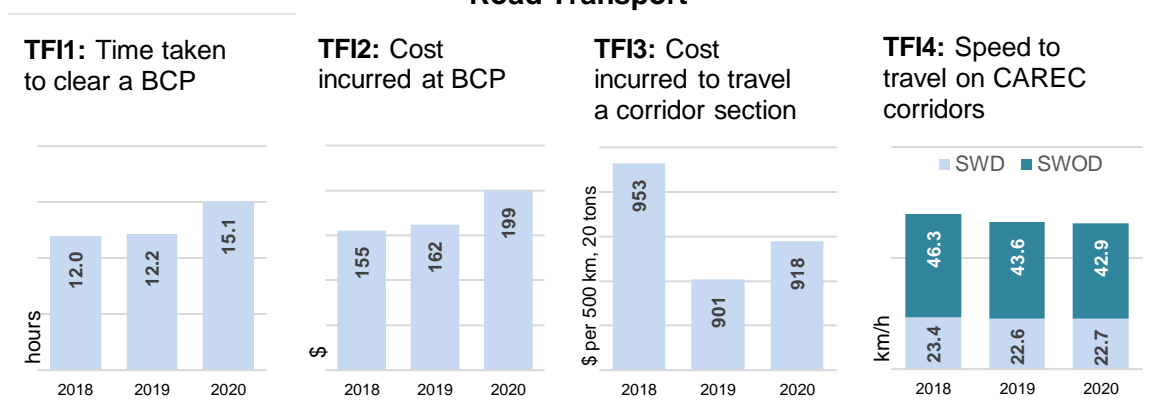
2d. Commercial services, exports and imports, 2018–2020

	Exports (\$ million)			Imports (\$ million)		
	2018	2019	2020	2018	2019	2020
Afghanistan	621	504	597	1,332	1,160	1,041
Azerbaijan	4,661	3,727	2,549	6,679	6,303	5,336
PRC	265,088	282,071	278,084	520,569	497,713	377,528
Georgia	4,392	4,510	1,728	2,171	2,360	1,522
Kazakhstan	7,070	7,504	5,014	11,850	11,338	8,192
Kyrgyz Republic	813	1,080	475	946	1,006	587
Mongolia	1,154	1,228	629	2,584	3,200	2,052
Pakistan	4,695	4,567	4,442	11,130	9,438	7,313
Tajikistan	238	239	141	434	479	410
Uzbekistan	2,731	3,075	1,684	5,167	5,334	3,478
CAREC-9	26,375	26,434	17,259	42,293	40,618	29,931
% change CAREC-9		0.2	-34.7		-3.9	-26.3

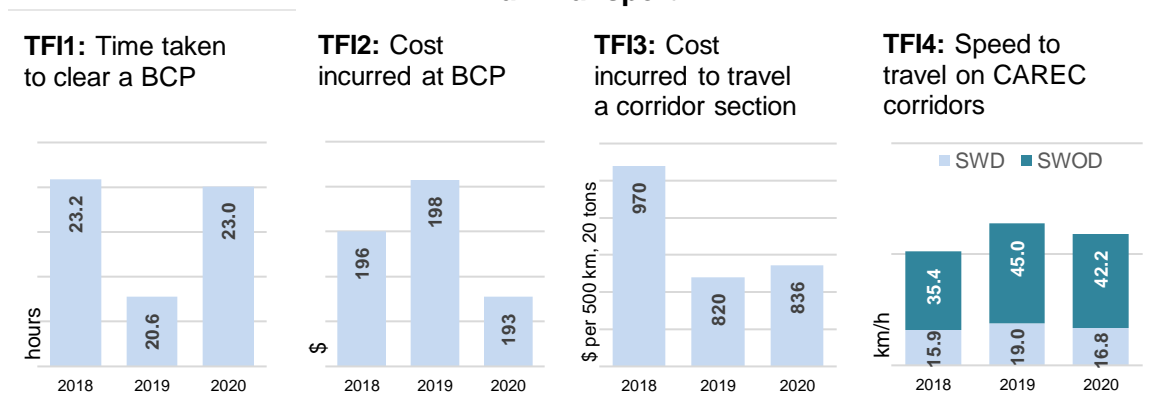
Note: CAREC-9 excludes the People's Republic of China (PRC) and Turkmenistan (no data).
Source: WTO. <https://data.wto.org/> (accessed 15 May 2021)

2e. Trade Facilitation Indicators (2018–2020)

Road Transport



Rail Transport



BCP = border-crossing point, CAREC = Central Asia Regional Economic Cooperation, km = kilometer, km/h = kilometer per hour, SWD = speed with delay, SWOD = speed without delay, TFI = trade facilitation indicator.

Source: Asian Development Bank.

2f. Temporary trade measures during COVID-19 pandemic

Country	Exports	Imports
Afghanistan		
Azerbaijan	Prohibition: (medical supplies)	Tariff reduction: yarns for face mask; (medical supplies) VAT exemption: (medical supplies)
People's Republic of China	Licensing: medical supplies Conformity assessment: medical supplies Paperless licensing	Tariff reduction: medical supplies, raw materials, agriculture products, meat; certain products from the US Facilitated approval: agriculture products Ban: wild animals; meat, fish, seafood from COVID-hit countries Paperless licensing
Georgia	Prohibition: lab reagents, disinfectants, medical apparatus	VAT exemption: (medical supplies) Ban: live animals from PRC
Kazakhstan	Prohibition: (masks); [timber] Quotas: (food products) EAEU Prohibition: (food products); (medical supplies)	Ban: (fruit from PRC); [cement]; (petroleum products from Russia) EAEU Tariff reduction: (food, agriculture, medical supplies); medical instruments; food preparations, chemicals, containers; inputs for medicines
Kyrgyz Republic	Prohibition: [medicines, medical equipment]; [food, disinfectants]; medical products; certain live animals, food EAEU Prohibition: (food products); (medical supplies)	EAEU Tariff reduction: (food, agriculture, medical supplies); medical instruments; food preparations, chemicals, containers; inputs for medicines
Mongolia		Tariff reduction: (medical supplies, food products) VAT exemption: (medical supplies, food products)
Pakistan	Prohibition: (anti-malarial drugs); (PPE suits); (masks, sanitizers); (food)	Tariff reduction: [medical goods]; [oxygen gas and cylinders]; Remdesivir
Tajikistan	Prohibition: food products	
Turkmenistan		Transport restriction: all imports
Uzbekistan	Prohibition: masks, medical suits; COVID-related medical products; [textile materials for PPE]	Tariff reduction: [food, hygiene products]; [medicines, medical products and equipment] VAT exemption: (medical substances) Ban: (cement)

Notes: Those in parenthesis () indicate that the measure has been terminated; those in brackets [] indicate unknown validity period.

Sources: ITC, Market Access Map (as of 4 May 2021); WTO, COVID-19: Measures Affecting Trade in Goods (as of 7 May 2021)