

**5th Ministerial Conference on
Central Asia Regional Economic Cooperation
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Urumqi, Xinjiang Uygur Autonomous Region, People's Republic of China**

**Opening Statement and Views on the CAREC Comprehensive Action Plan
Mr. Anwar-ul-Haq Ahady, Minister of Finance
(Afghanistan)**

Excellencies, ladies and gentlemen:

It is indeed a pleasure for me to represent the Islamic Republic of Afghanistan at this 5th Ministerial Conference of CAREC. I would like to take this opportunity to thank the government of the People's Republic of China for hosting and the Asian Development Bank for organizing this conference.

Excellencies: Even though for a long time even some prominent economists questioned the desirability of regional and global integration and insisted that independent national economic development is a sure path to prosperity, now it is well accepted among economists that regional integration enhances the welfare of a region. Few nations now believe in self-sufficiency and production for national markets. Throughout the world regional integration is considered a means to greater efficiency, better welfare, peace among member nations, and as a gradual approach to globalization.

Of course the formation of CAREC was influenced by these thoughts. Even as late as our last ministerial conference, we spent significant amount of time discussing the desirability of regional economic cooperation in Central Asia. I believe that we all accept the desirability of regional integration in this part of the world. I think now we all want to take practical steps to promote regional integration.

Obviously any major undertaking requires an action plan. Luckily CAREC secretariat in collaboration with the officials of member states and professional from multilateral institutions has prepared a Comprehensive Action Plan for our consideration. My delegation has analysed this proposed action plan and I am pleased to endorse it. We support the proposal that transport, power and trade sectors should constitute the focus of our integration efforts. We believe that the entire region will gain from well connected and well developed roads and railways. We believe that better transportation facilities are essential for greater trade. We also believe that natural complementarities in the power sector exist between CAREC member states and Central Asian and South Asia. Trading in power will benefit both consumers and producers in this region as well as in South Asian. We believe that there are immediate gains for all in all of the three sectors, and, thus, we endorse the proposal to focus our integration efforts on these three sectors.

We are also very pleased with the proposed interim measures such as WTO and WCO accession, decrease in custom clearance times and costs, custom modernization and unified information system, fully transparent cross-border and transit trade regulation, development of border ports and facilities, harmonization of customs procedures, a regional program for strengthening trade logistic framework regarding the promotion of trade. Similarly, we welcome the proposed interim measures such as strengthening of north-south and east-west transport corridors, promotion and facilitation of integrated electricity market within the region, facilitation

of access to near energy market, private sector investment mobilization for energy development, among so many other recommendations, in the transport and power sectors. These measures are bound to help the integration of the economies of this region and align our economies with international standards.

Excellencies: The principles of cooperation incorporated in the Comprehensive Action Plan are very much valued by my government. We believe in open markets and in the past five years we have built our economic institutions based on these principles. Thus, our banking system, and our investment, trade, customs, and tax policies are among the most liberal system and policies. We believe that open markets improve efficiency which enhances the welfare of the people. I find significant congruence between the economic principle of my government and the principles of regional cooperation advocated by the action plan. Thus, I can enthusiastically support the principles of cooperation of the action plan. We also believe that proven best international practices should be adopted by all. The action plan calls for the adoption of a number of best international practices in the area of trade facilitation; we welcome these proposals.

Excellencies: We have a pretty good action plan that can guide our regional cooperation efforts. I would like to thank the CAREC Secretariat, all the official of the member states and the multilateral institution who were involved in preparation of this Comprehensive Action Plan. Now I think it is time to emphasize implementation. In this connection once again, I would like to thank the CAREC Secretariat for identifying a number of projects that can help regional integration in Central Asia and between Central and South Asia. I would also like to thank the ADB, IsDB, EBRD, WB and IMF for pledging support for these projects. I think some of the projects identified for regional integration have more of a national character. We need to identify some truly regional projects that should involve two or more countries in the region. Also fortunately, some CAREC member states are quite rich. At least from the financing perception, I think we can accelerate and intensify our regional integration efforts, if International Financial Institutions (IFIs) funding were to be allocated to projects in the relatively poor CAREC member states and if rich member states were to finance their national portion of regional projects. And I think we should construct indicators of regional integration and measure our progress against these indicators.

Excellencies: I think we have come a long way. I think now we enjoy much greater clarity of concepts, strategies and policies. Afghanistan supports regional integration in Central Asia and would like to serve as a bridge between Central Asian, South Asia, and the Middle East. We support the Action Plan and we urge its quick implementation. We believe that the implementation of the Action Plan will enhance regional cooperation which will, in turn, improve the welfare of the people of this region. Of course that is the outcome that we all deserve.

Thank you.