

Reducing Institutional Impediments to Trade: Country-Specific Plans and Further Steps

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Outline

- Background
- CAREC countries' priorities in reducing institutional impediments to trade
- Next steps for the TPCC

Background

- A study on institutional impediments to trade in CAREC countries was conducted at the request of the delegates.
- Conclusions of the study:
 - Increased importance of institutional factors
 - CAREC countries have room for improvement
- Study proposed an Agenda of Measures

Proposed Measures

- Simplify export-import procedures
 - Reduce time to export or import
 - Simplify procedures for export/import licenses
 - Reduce response time by clearing agencies
- Improve business environment
- Deepen financial system

Next Step: Implementation

- The study stressed that flexibility is essential
 - Institutional development takes time
 - Many agencies are involved
 - Many steps are needed
 - Country priorities and starting points vary
- Delegates agreed that the best way to proceed was to develop country-specific individual plans to deal with institutional impediments

Country Submissions

- Submissions were received from Azerbaijan, Kazakhstan, Tajikistan, Uzbekistan.
- Submissions that were received show a high level of interest, authorities actively looking for ways to improve the institutional environment.

Individual Country Plans

- Emphasis on improving infrastructure, simplifying procedures for export/import operations
 - Single window for export/import and transit procedures
 - Modernization of border crossing points
 - Better use of IT, electronic submission of documents

Individual Country Plans: Key Future Steps

- Reducing the number of procedures, time and costs for import/export operations
- Streamlining and simplifying certification requirements
- Simplifying procedures for SMEs
- Limiting opportunities for subsequent revaluation of imported goods

Individual Country Plans: Other Priorities

- Most countries have in place measures to support exporters
 - Subsidized interest rates
 - Credit guarantees for exporters
 - Simplified VAT refund procedures for exporters
- These measures will stay in place, and in some cases will be reinforced.

Technical Assistance Needs

- Countries noted the need for assistance on:
 - IT development, computerization of border crossings, improvement of logistical systems
 - Introduction of unified tariffs along CAREC transport corridors
 - Establishment of mechanisms for export crediting and insurance
 - Construction of border point markets
 - Training and education of government officials and entrepreneurs

Proposed Next Steps for the TPCC

- Various indicators of institutional quality related to trade (based on the findings of the study) to be continuously monitored
- A combined trade-related institutional indicator will be proposed for inclusion in the Development Effectiveness Review (DEfR) by November 2011
- Countries will periodically update TPCC on progress in improving institutional environment

Technical Assistance: Next Steps

- TPCC has no resources to provide technical assistance.
- Technical assistance needs will be communicated to other CAREC committees (e.g. trade facilitation).
- Other potential providers of technical assistance will also be notified.