

Facilitation of Regional Transit Trade in CAREC

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- Interim Workshop – Almaty, Kazakhstan



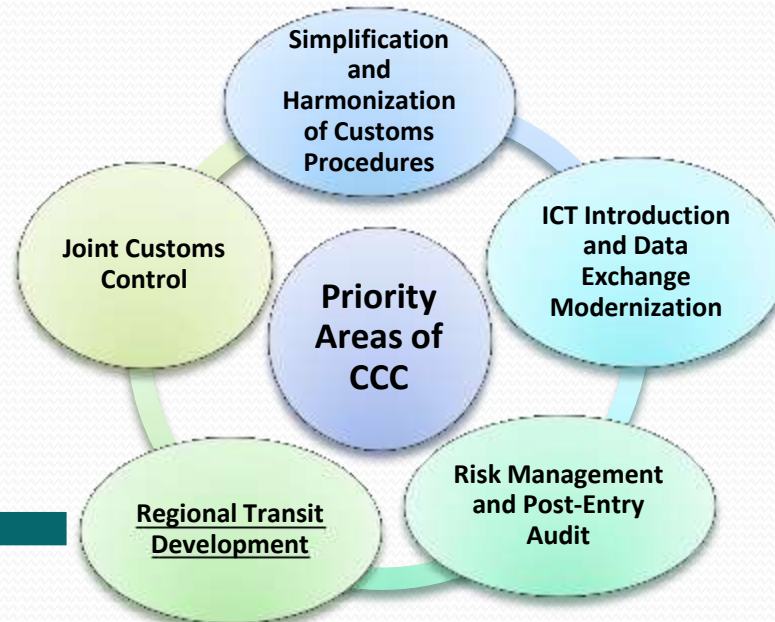
26-27 July 2016

TA Rationale and Strategic Framework

- CAREC 2020 Strategic Framework highlights:
 - **Trade Expansion:** to increase trade:
 - Through transport connectivity, the facilitation of cross-border movement of goods and people, trade openness and energy trade.
 - **Improved Competitiveness:**
 - Through transport connectivity, the development of economic corridors and energy sector cooperation.

Technical Assistance Objectives

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

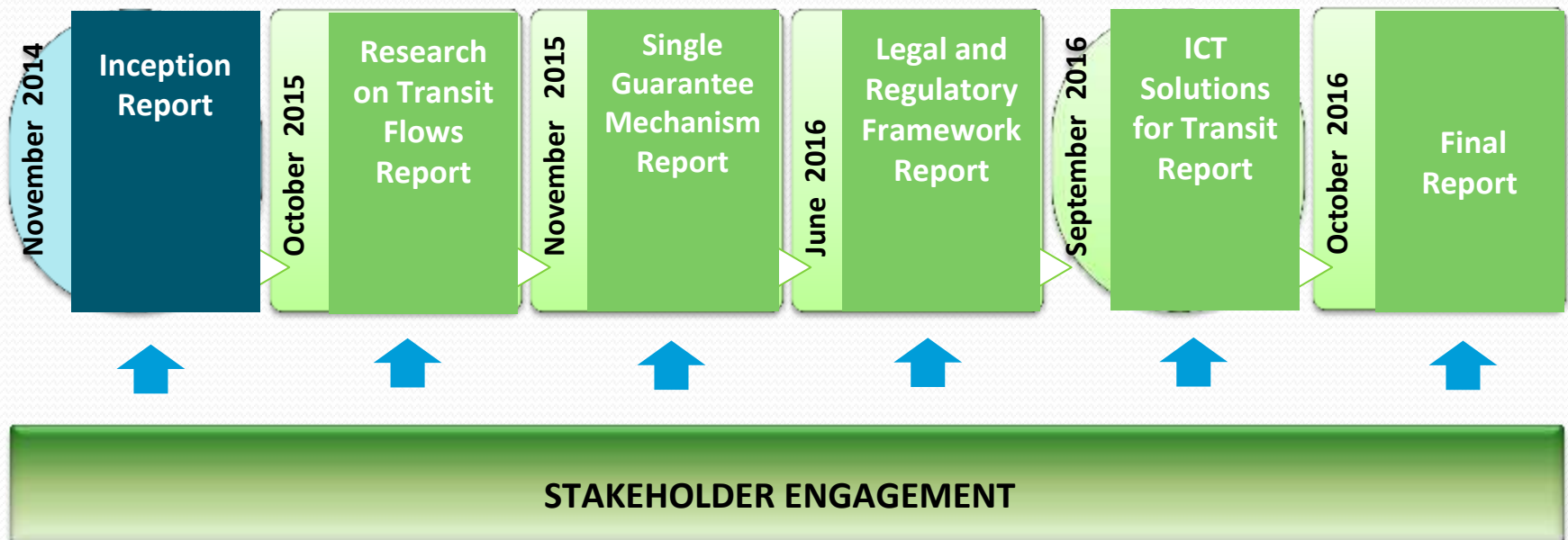


**ADB TA-8586:
Facilitation of Regional
Transit Trade in CAREC**

TA Objectives

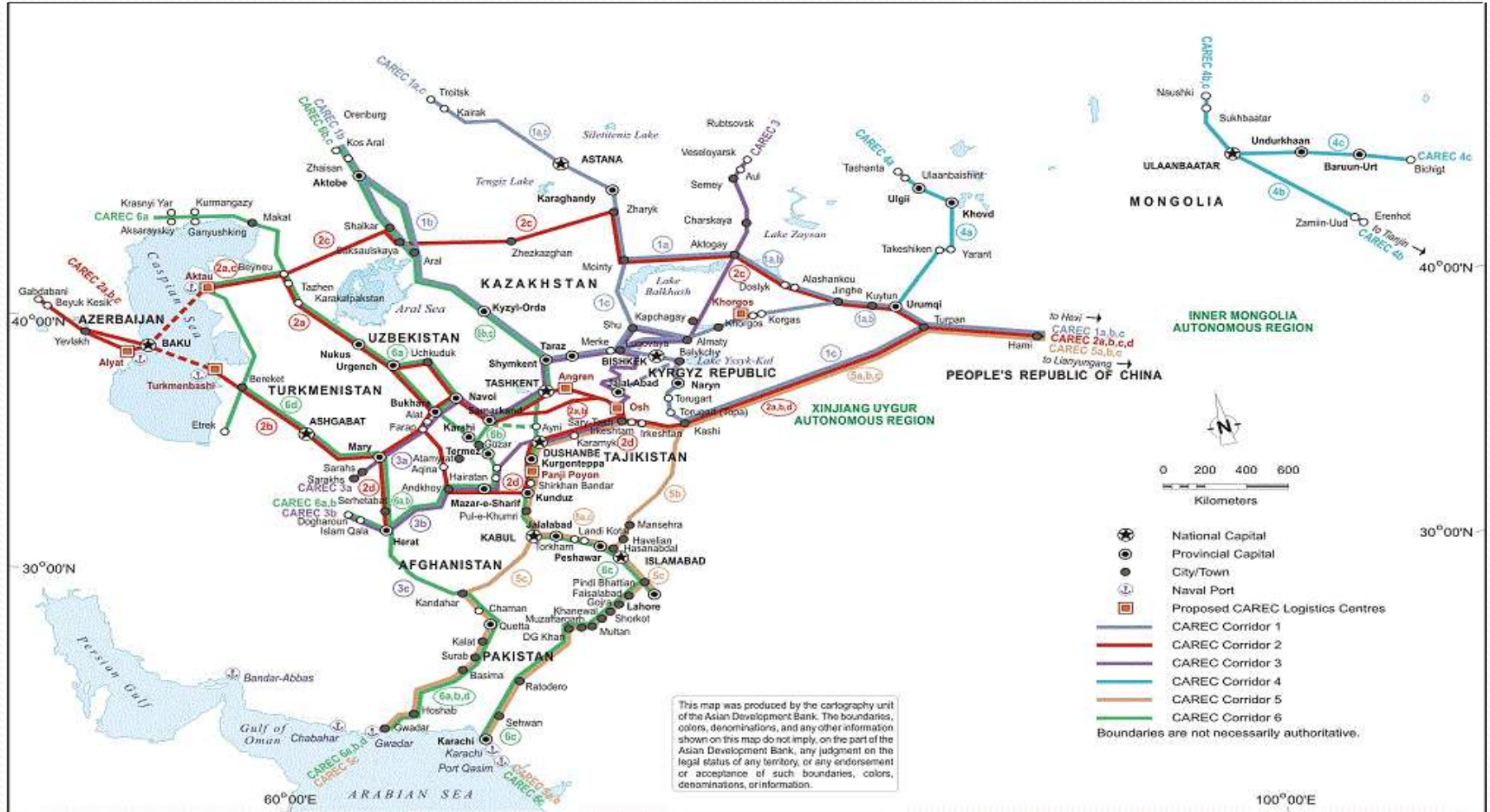
- Specific Objectives of the TA:
 - To identify the **major CAREC corridors** and their transit operation characteristics;
 - To identify **major impediments** within current transit systems;
 - To recommend solutions to develop a **Regional Transit Guarantee Mechanism (RTGM)**;
 - To identify the **legislative and regulatory requirements** for the **RTGM**;
 - To recommend an **ICT system** to support the **RTGM**; and
 - **To identify a suitable pilot corridor to test the recommended transit regime.**

Summary of Deliverables and Program



Pilot Corridors

6 CAREC Corridors



Corridor 1 BCPs



- 1 Alashankou (PRC) – Dostyk (KAZ)
- 2 Kairak (KAZ) – Troitsk (RUS)
- 3 Khorgos (PRC) – Khorgos (KAZ)
- 4 Zhaisan (KAZ) – Kos Aral (RUS)
- 5 Torugart (PRC) – Torugart (KGZ)
- 6 Merke (KAZ) – Chaldiver (KGZ)

Key Corridors 1b and 1c and densely populated centers



Corridor: 1b

Corridor 1c

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

Table 1: CAREC Corridor 1: Sub-Corridors

CAREC 1b		CAREC 1c	
Country	Route	Country	Route
PRC	Hami/Hexi	PRC	Hami/Hexi
	Turpan		Turpan
	Urumqi		Kashi
	Kuytun		Torugart (Topa) Road BCP
	Jinghe	KGZ	Torugart (Road) BCP
	Khorgos (Road) BCP		Naryn
KAZ	Korgas (Road) BCP		Balykchy
	Almaty		Kochkor (extension)
	Merke BCP		Jalal-Abad (extension)
	Taraz		Bishkek
	Shymkent		Chaldiver (Rail) BCP
	Kyzyl-Orda	KAZ	Merke (Rail) BCP
	Aktobe		Shu
	Zhaisan (Rail and Road) BCP		Mointy
RUS	Sagarchin (Road) BCP		Karagande
	Novomarkovka		Astana
	Kos Aral (Rail)		Kostanai
			Kairak (Rail and Road) BCP
		RUS	Troisk (Rail and Road) BCP

Source: CAREC. Transport and Trade Facilitation Strategy 2020. Endorsed 23/24 October 2013

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	

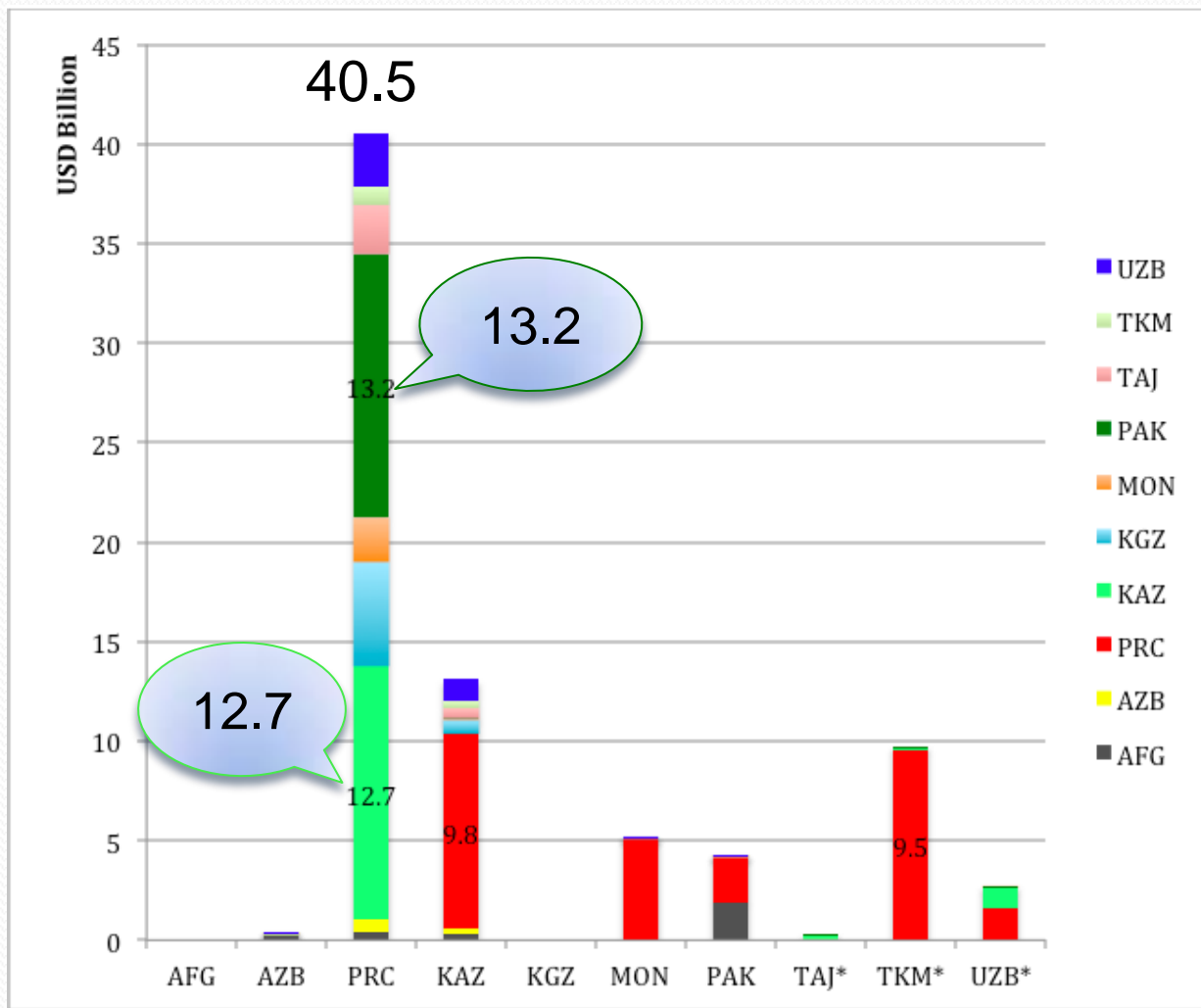
Source: ITC calculations based on UN COMTRADE statistics

NA=No data Available

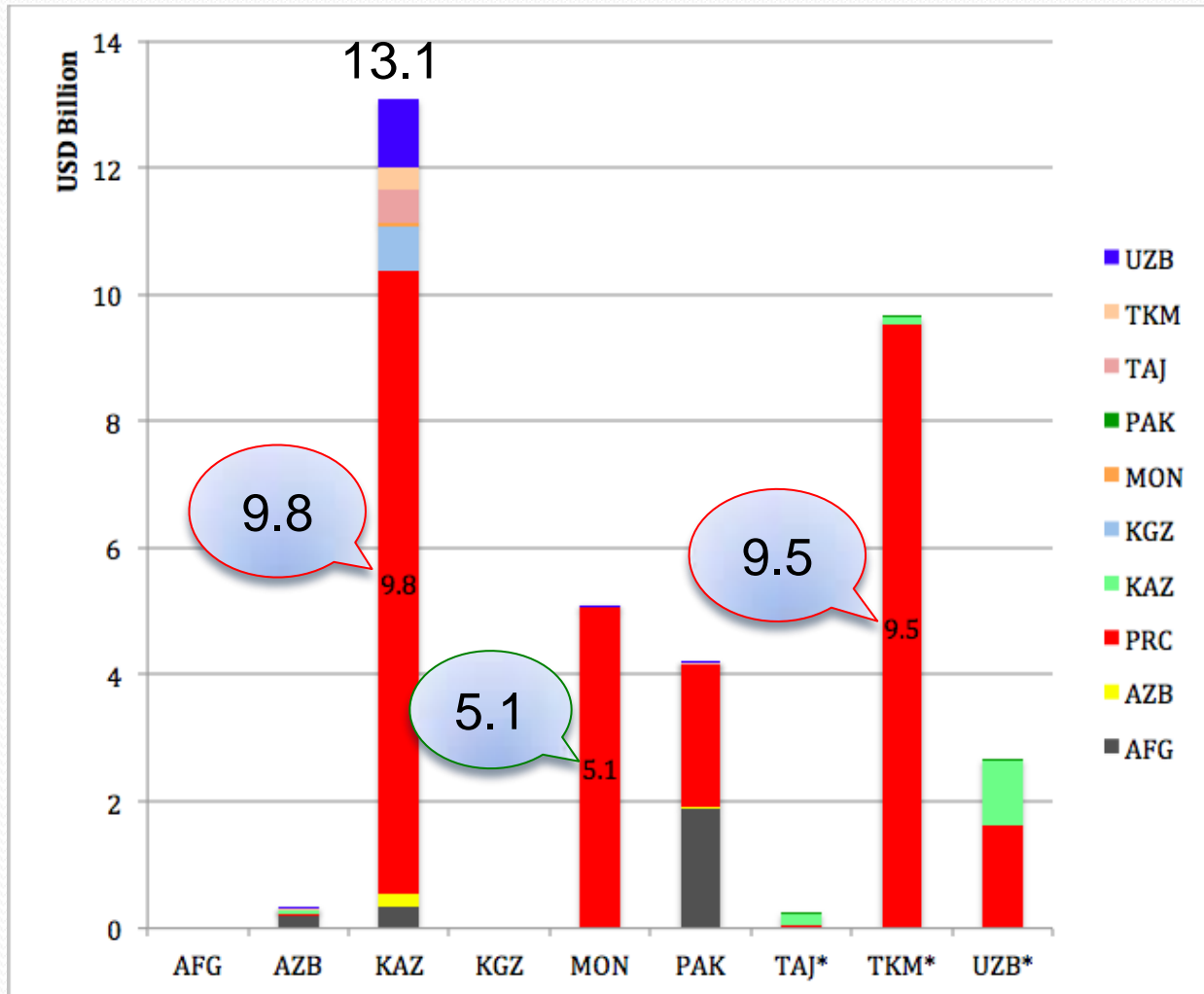
* = Partner provided (Mirror) data

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

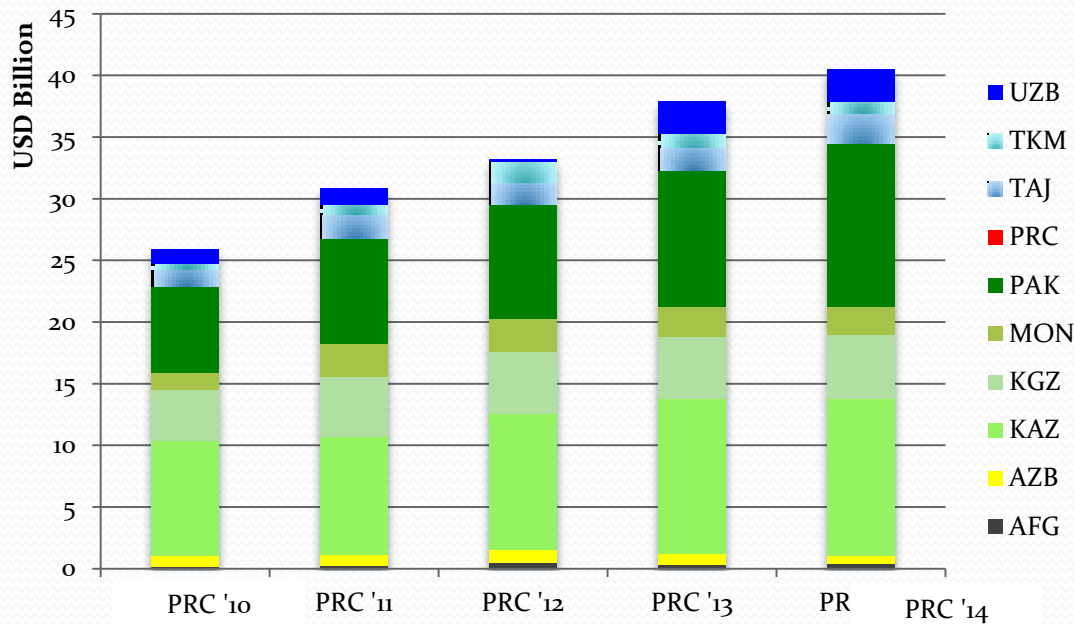
Value of Intra-regional trade amongst CAREC countries (USD Billions) 2014 – Including the PRC



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



Exports from the PRC to CAREC countries(2010-2013) USD billion



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	-

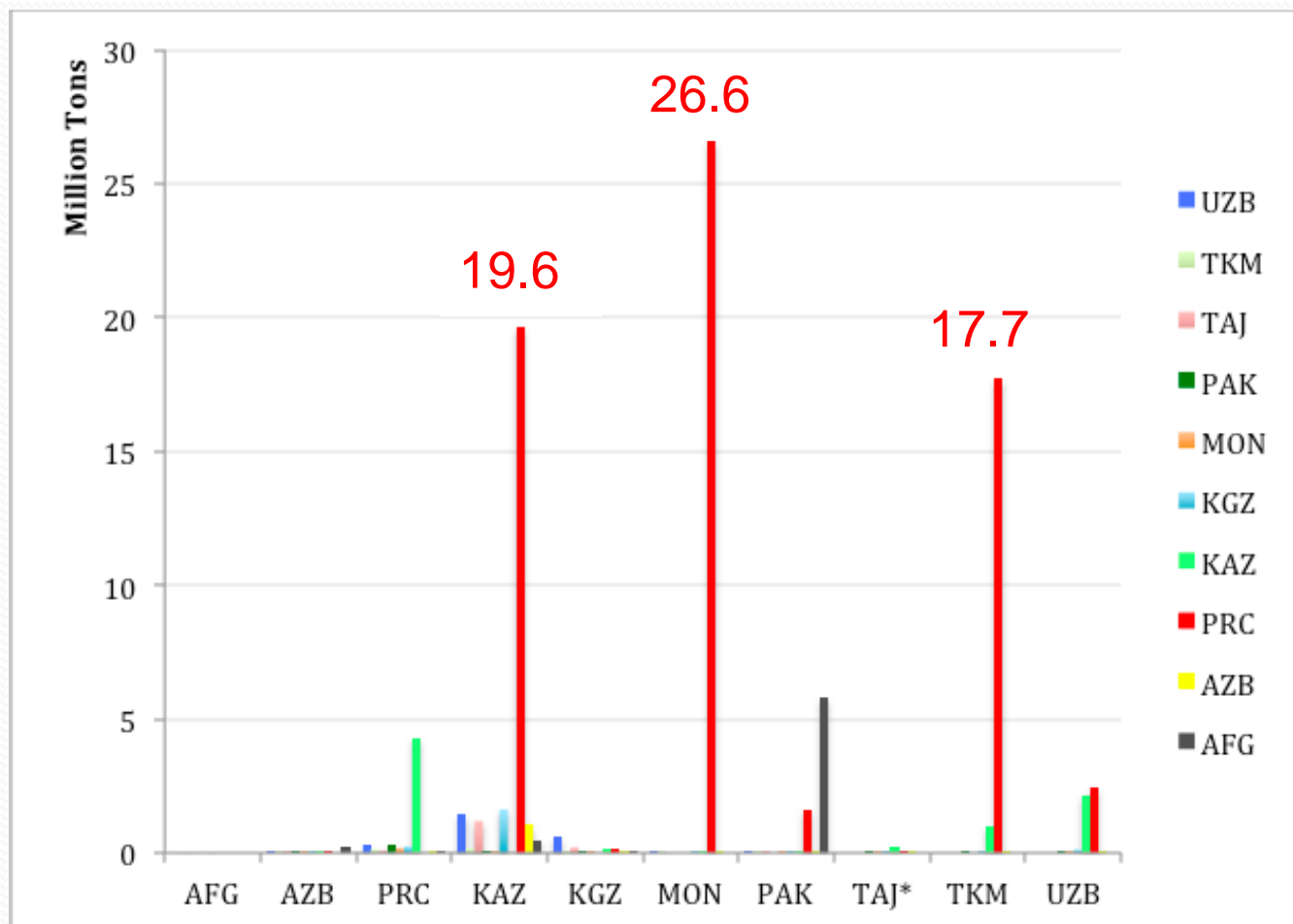
Source: ITC calculations based on UN COMTRADE statistics.

† = 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

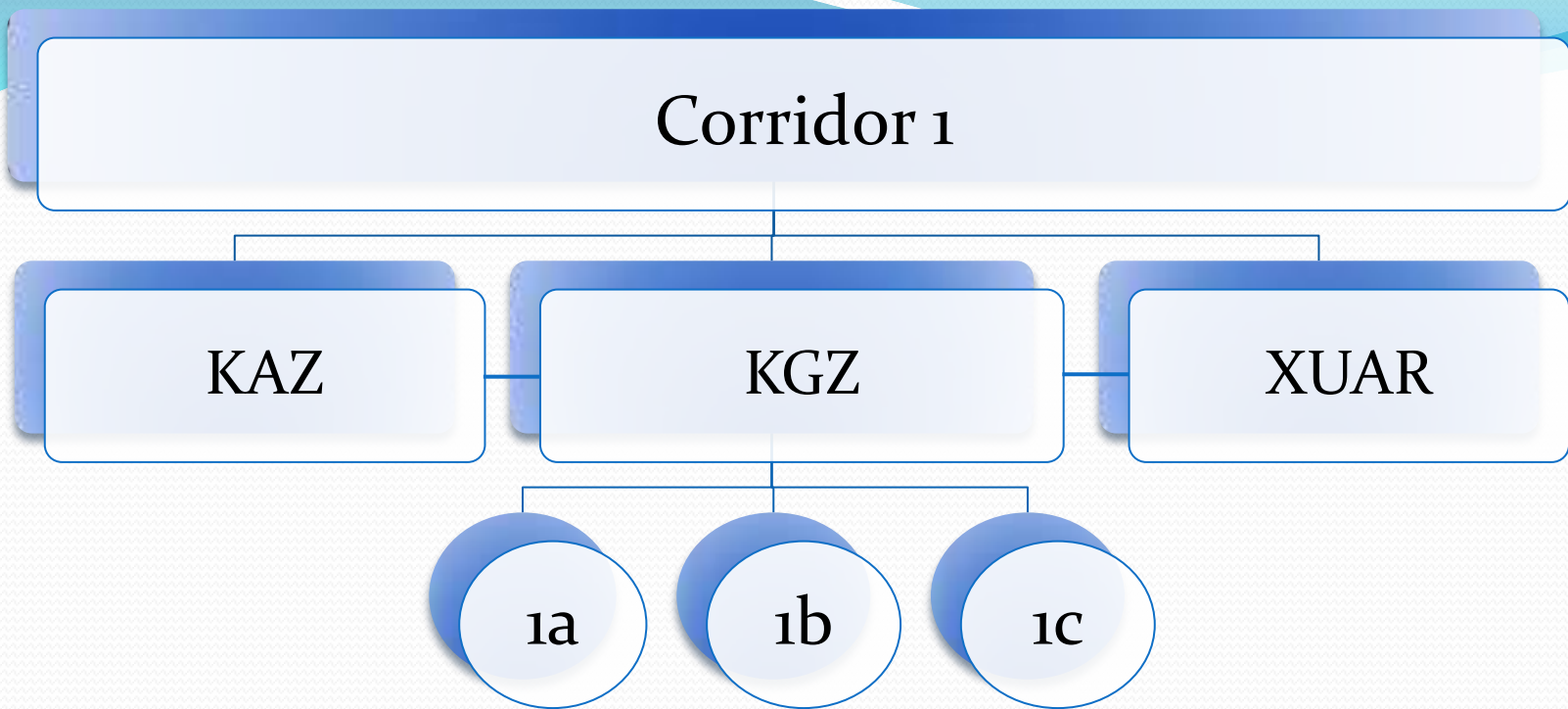
* = Partner provided (Mirror) data

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





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.

CHINA GDP ANNUAL GROWTH RATE



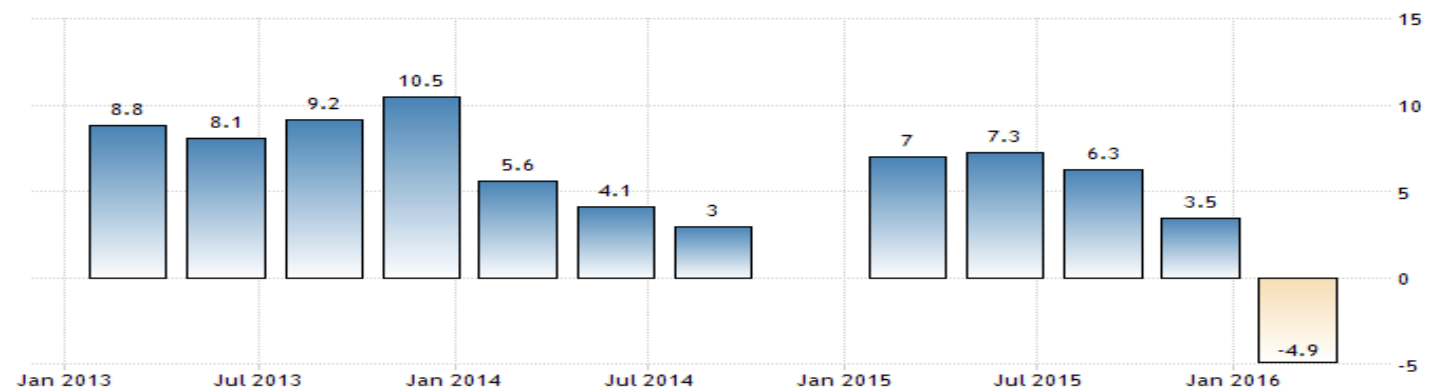
SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS OF CHINA

KAZAKHSTAN GDP ANNUAL GROWTH RATE



SOURCE: WWW.TRADINGECONOMICS.COM | AGENCY OF STATISTICS OF THE REPUBLIC OF KAZAKHSTAN

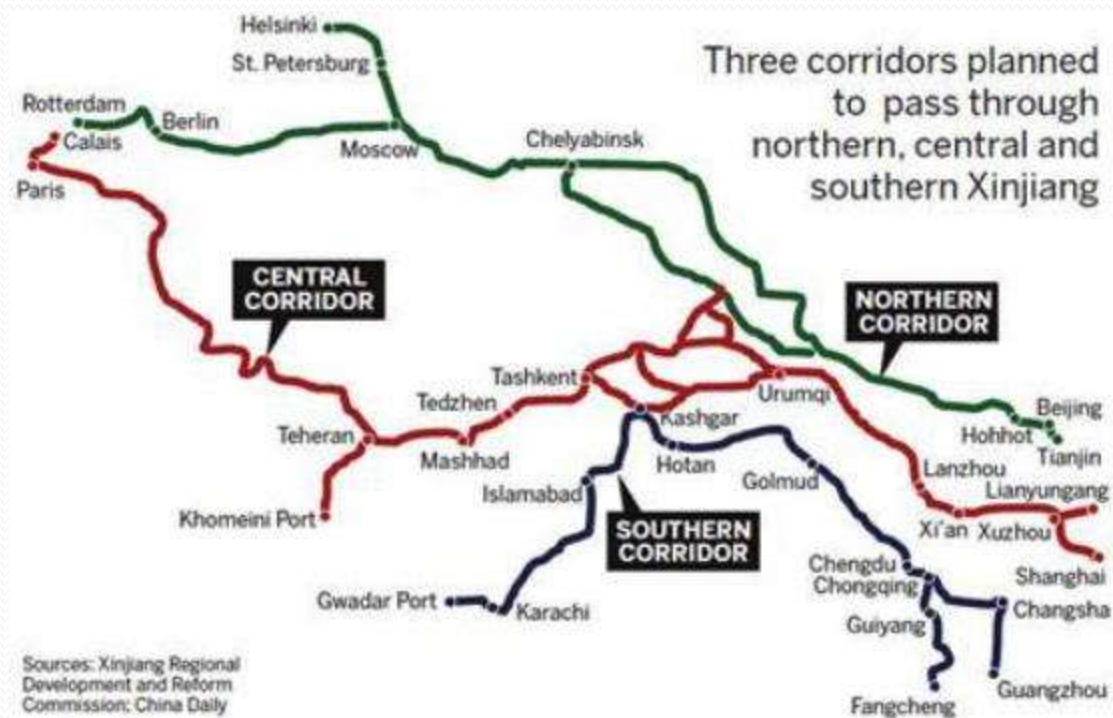
KYRGYZSTAN GDP ANNUAL GROWTH RATE



SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL STATISTICAL COMMITTEE OF KYRGYZ REPUBLIC

The Future

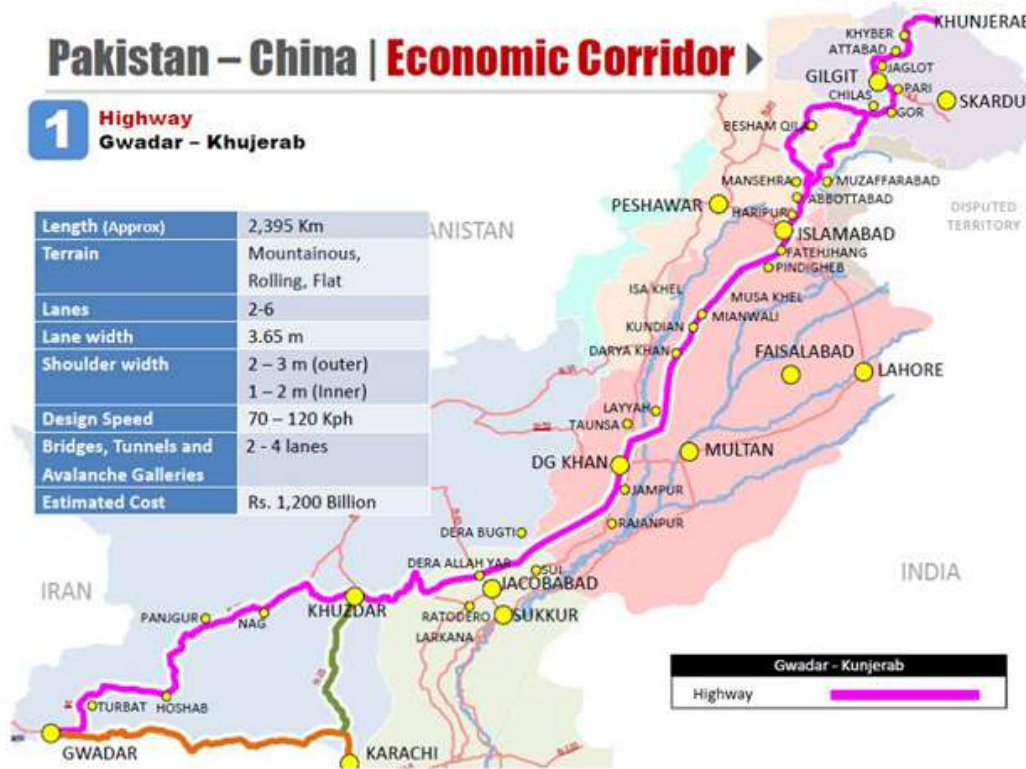
- One Belt, One Road
- China Pakistan Economic Corridor (CPEC)
- Silk Road



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



The PRC's Proposed New Silk Roads



Source: Xinhua News Agency

Thank You Very Much For Your
Attention