



CAREC Trade Sector

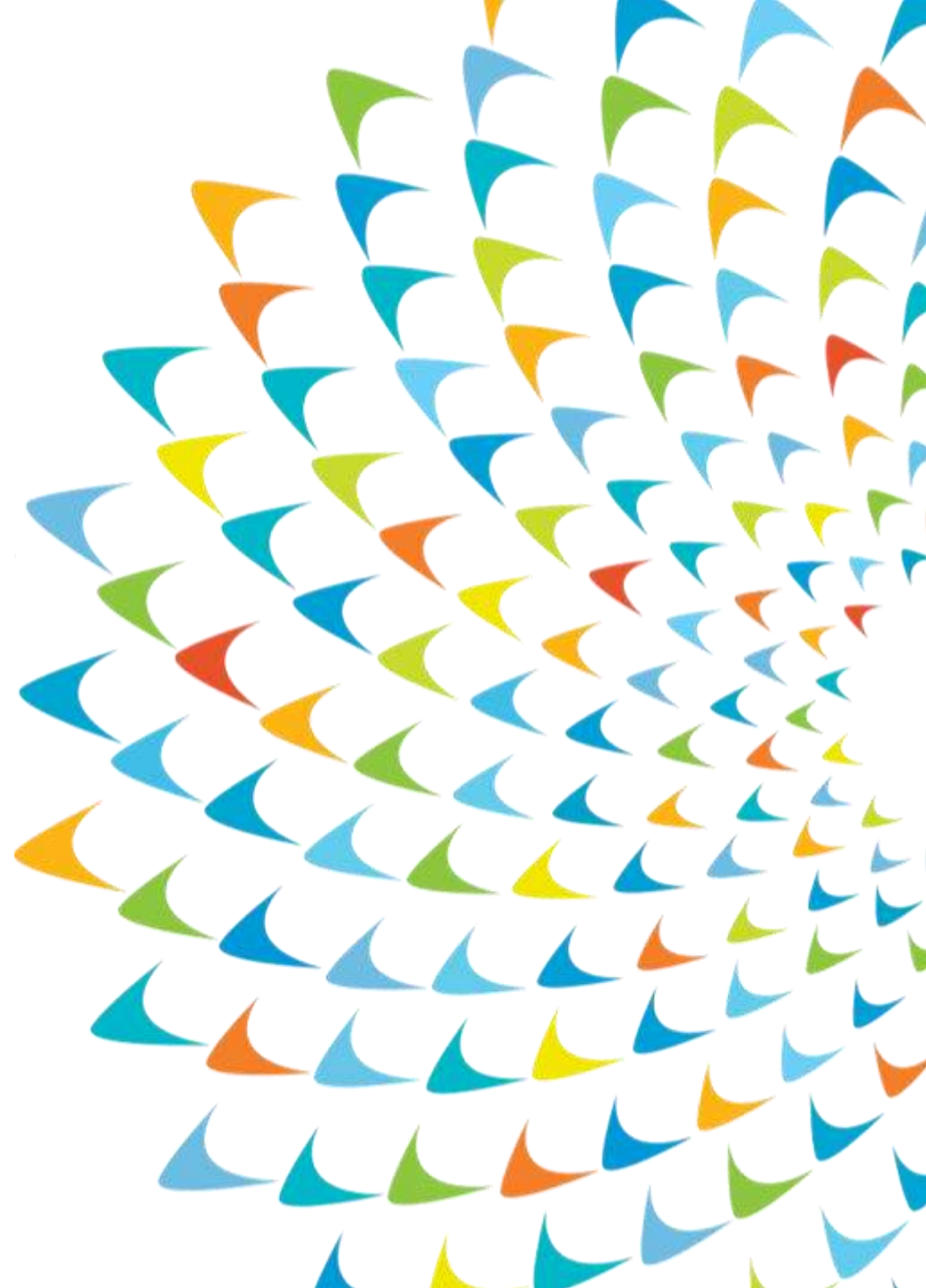
Consultation Meeting with CAREC National Focal Points

24-25 September 2019; Tashkent, Uzbekistan

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CAREC Trade: Achievements

GDP growth



4.67% (2018)

Trade snapshot*



71% total trade/GDP



4.7% net FDI inflows/GDP



31% manufactures/merchandise exports



18% services trade/GDP

*Data excludes PRC. Trade data as of 2017 or later

- GDP (excl PRC) grew steadily to 4.67% in 2018 from 4.52% in 2017, 3.36% in 2016, and 3.43% in 2015.
- Trade in goods and services rose from 68% to 71% of GDP (2015-2017). Exports alone increased from about 27.6% to 30% of GDP (2015-2017).
- Manufactures exports grew as a proportion of total merchandise exports from 28% to 31% (2015-2017).
- Agriculture, forestry, and fishing contributed 15% value added to GDP in 2017.
- Services trade grew slightly from 17% to 18% of GDP (2015-2017), with tourism constituting 13% of total exports receipts.
- Foreign direct Investments inflows continued, at 4.7% of GDP.



CAREC Trade: Challenges

GDP outlook*



forecast
4.6% (2019)
4.6% (2020)

Trade snapshot*



Positive but erratic growth in total exports



0.7% share in global trade



10% worker remittances/GDP



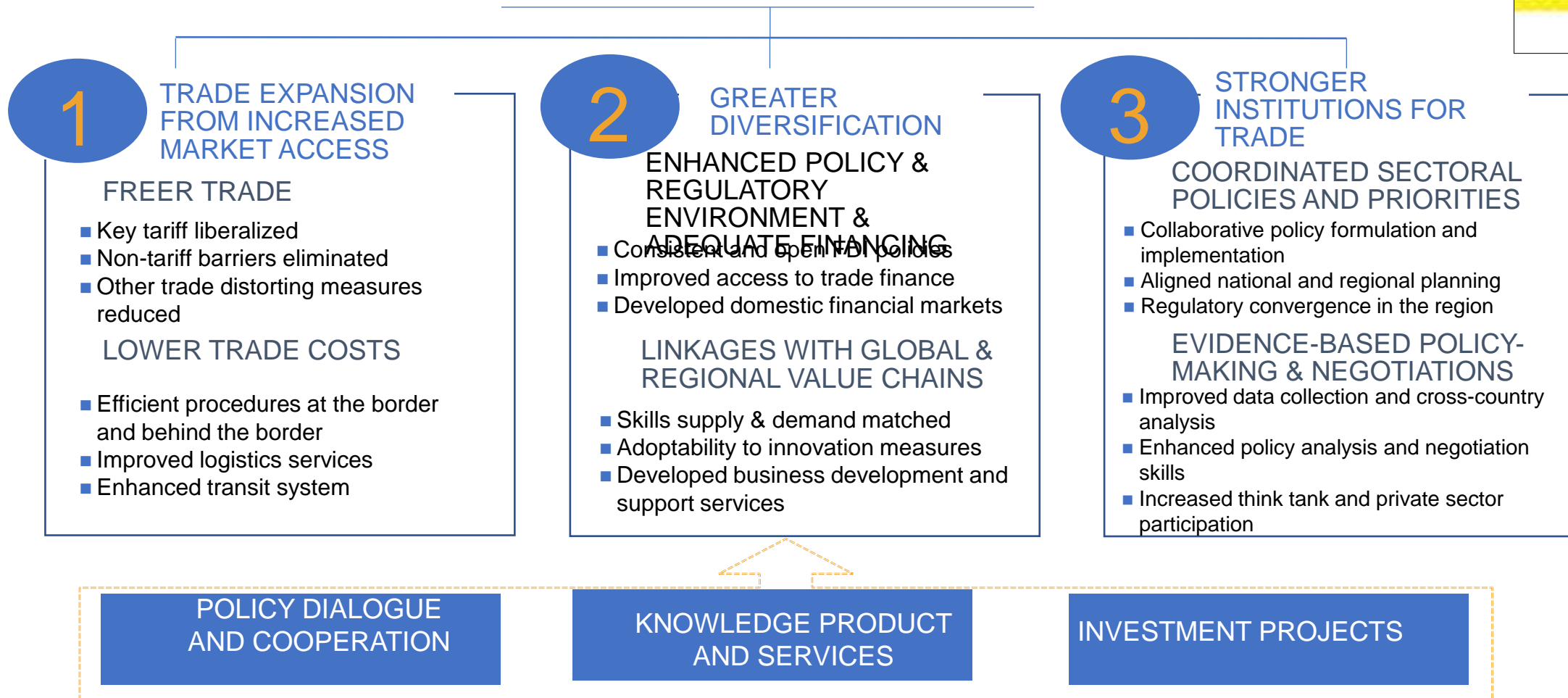
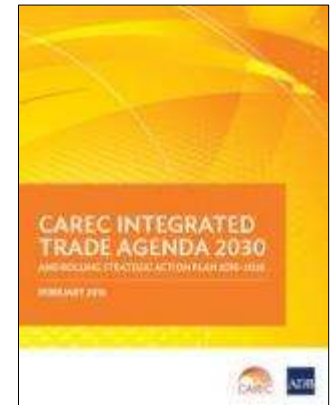
36% fuel share in exports; 0.8 diversification index

*Data excludes PRC. Trade data as of 2017 or later

- CAREC share in global trade has been small, at 0.7% from 2015-2017.
- Export growth of goods and services has widely fluctuated from 29% (2010-2011), -6% (2012-2013), -21% (2014-2015), to 16% (2016-2017).
- Export products and markets lack diversification; vulnerable to volatile oil prices.
- Unlocking agriculture's potential requires an increase in value-adding activities, farm restructuring, better logistics, improved quality of agri-food products.
- Worker remittances will be vulnerable to economic slowdown in host countries.
- To attract more FDI, good regional infrastructure, facilitated cross-border movement, harmonized regulations, and complementary investment promotion are needed.
- GDP growth will be affected by trade conflicts, growing protectionism, recession.

CAREC Integrated Trade Agenda 2030

CAREC COUNTRIES ARE MORE INTEGRATED IN THE GLOBAL ECONOMY





CITA 2030: Policy Dialogue

- CAREC Common Agenda for Modernization of Sanitary and Phytosanitary (SPS) Measures for Trade (CAST).
- WTO – Trade Facilitation Agreement Compliance.
- CAREC Advanced Transit System (CATS)/Information Common Exchange (ICE) Agreement.
- Annual Joint Customs Cooperation Committee – CAREC Federation of Carrier and Forwarder Associations Meeting.
- Coordination with CAREC Institute, RKSI, and other development partners for joint research and capacity-building on trade.





CITA 2030: Institutional Strengthening



Regional Trade Group (RTG)

- RTG acts as coordinating and consultative body for trade sector in CAREC Program, specifically CAREC Integrated Trade Agenda (CITA) 2030 and its Rolling Strategic Action Plan (RSAP).
 - Sanitary and Phytosanitary (SPS) Regional Working Group (RWG)



Customs Cooperation Committee (CCC)

- CCC is the responsible body for all customs-related issues and priority areas of customs development, technology and services.
 - CAREC Federation of Carrier and Forwarder Associations (CFCFA)



CITA 2030: Knowledge-Sharing Products and Services

- **Pest Risk Analysis (PRA) workshop** held in partnership with the USAID-Competitiveness, Trade and Jobs (USAID-CTJ) Project and the European and Mediterranean Plant Protection Organization (EPPO) (29 Jul–2 Aug; Tashkent, Uzbekistan).
- **Pilot Implementation of Risk-based Food Safety Management and Inspection Systems** (16-20 Sep 2019; Ashgabat, Turkmenistan).
- **Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward.** English and Russian versions.
- **2018 CAREC Corridor Performance Measurement and Monitoring Annual Report**, to be published in Oct 2019 (English) and Nov 2019 (Russian).
- **Scoping study for trade in services and investment facilitation.** Concept paper presented at RTG meeting (June 2019).
- **E-commerce and digital trade.** Research study on regulatory framework for e-commerce development underway by ADB and CAREC Institute.



Rolling Strategic Action Plan 2018-2020

Project/Activity	Description/Objectives	Type of Input	Status	Participating Countries	Implementation Period
Pillar 1: Trade Expansion from Increased Market Access					
1	Regional Improvement of Border Services	Investment project	Ongoing	KGZ-TAJ, MON, PAK	KGZ-TAJ: 2013–2019 MON: 2016–2022 PAK: 2015–2022
		Investment project	Planned	UZB	2019–2022
2	National Single Window (NSW)	Investment project (scoping)	Planned	PAK	2018–2020
3	Developing a new border crossing point (BCP) (AZE-GEO)	Investment project (scoping)	Proposed	AZE, GEO	2019–2020
4	Regional Upgrades of Sanitary and Phytosanitary (SPS) Measures for Trade Project	Investment project	Ongoing	MON	2015–2021
		Investment project (scoping)	Proposed	KGZ	2018–2020
		Investment project (scoping)	Proposed	AFG, PAK	2019–2020
	Needs assessment study at the borders including laboratory capacity and cold-chain facilities				

Investment projects supported by ADB:

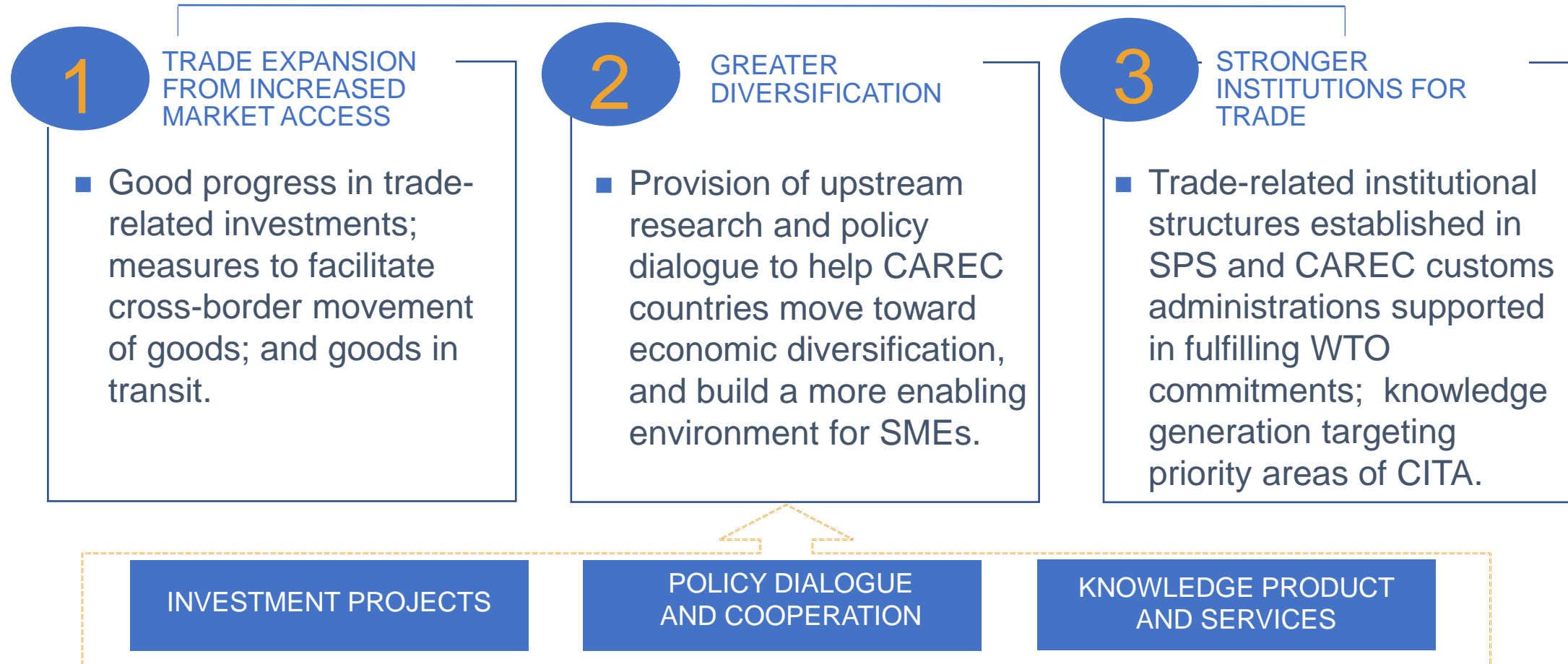
- Since 2013, \$336 million for 5 investments (loans and grants) to address both hard and soft trade-related border infrastructure needs.

Regional technical assistance by ADB:

- Since 2014, \$5.65 million for 4 regional TA projects.
- \$2.2 million (2 TAs) for approval in 2019.



Overall Progress in CITA Pillars 2018-2019



Concerted Efforts Delivered Good Progress during 2018-2019





Deliverables for 18th CAREC Ministerial Conference (1)

- **CAREC Trade Sector Report 2018-2019**
 - Summarizes early achievements of CITA 2030, including institutional developments and progress of projects and activities under the Rolling Strategic Action Plan 2018-2020, and next steps.
- **CITA Rolling Strategic Action Plan 2019-2021**
 - Further inputs and validation from CAREC countries through NFP, RTG, CCC, SPS RWG.
- **Establishment of SPS Regional and National Working Groups**
 - SPS National Working Groups at various stages of developing their national SPS Strategy (5-year plan) and Priority Action Plan (3-year plan).

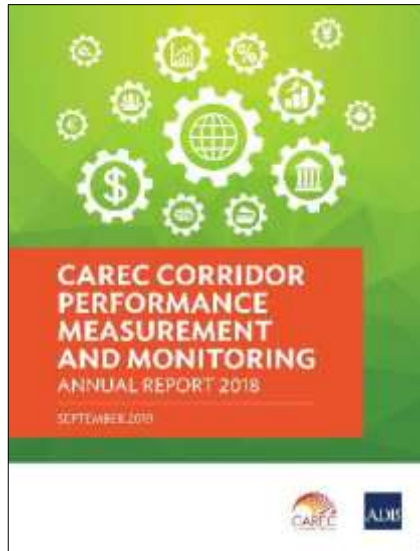


Deliverables for 18th CAREC Ministerial Conference (2)

- **Signing of CATS/ICE Agreement between Azerbaijan, Georgia, and Kazakhstan**
 - Signing and launch of the pilot project (Oct and Dec 2019), which is consistent with the European Union's Common Transit Procedure and the New Computerized Transit System, making transit trade faster and less expensive along CAREC Corridor 2, and linking Asia and European markets more closely.
- **Implementation of the WTO Trade Facilitation Agreement**
 - Inter-subregional knowledge- and experience-sharing forum on TFA with the South Asia Subregional Economic Cooperation Program, to increase best practice and innovation in customs reform and modernization.



Deliverables for 18th CAREC Ministerial Conference (3)



- **2018 CAREC Corridor Performance Measurement and Monitoring Annual Report**, to be published in Oct 2019 (English) and Nov 2019 (Russian).



- English and Russian version: **Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward**.



Thank you!
Спасибо!

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