







## The Kyrgyz Republic: Impact of WTO Accession and Lessons Learned

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#### Kyrgyzstan is situated on North-East of Central Asia



# **Kyrgyz Republic**

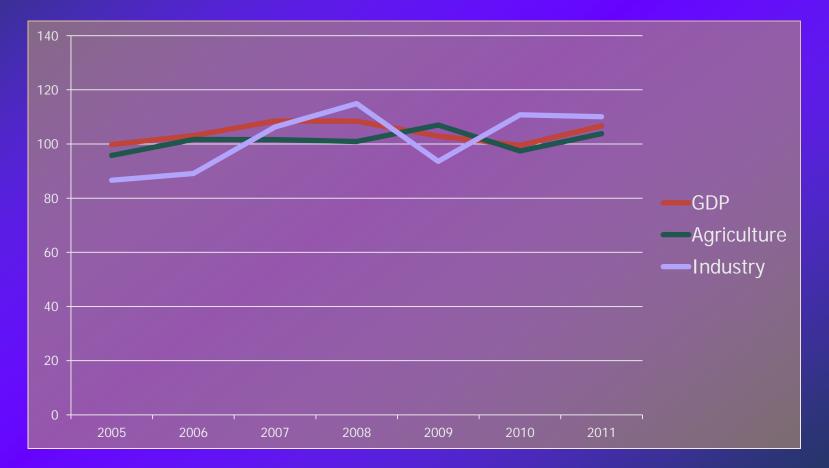
- Population 5,25 mln. people
- The state language Kyrgyz;
- The official languages Russian;
- The capital Bishkek;
- The Head of State President;
- The Head of Government Prime-minister;
- The legislative authority one-chamber Parliament (120 delegates);
- The currency som;



- Power supply for domestic usage 220
   B., 50 Hz (as in Europe); for industrial purposes 380-440 W.;
- Measurement metric;
- Time Greenwich +5 (NB: Kyrgyzstan does not proceed into winder-summer time)
- GDP Growth in 2011 5,7%
- Agriculture (in % to GDP)
- Industry (in % to GDP)
- 18 % 20,7 %



#### Dynamics of Main Economic Indicators (in % to previous year)



#### Accession of Kyrgyzstan to WTO

After declaration of independence the Kyrgyz Republic like other independent states established on the space of former USSR experiences the period of sharp decrease in production and trade. At that time in order to stop decrease of production and trade (1992-1994) Kyrgyzstan concluded bilateral agreements with all CIS countries on trade-economic cooperation which stipulated mutual supplies of goods by nomenclature and quantity. But those agreements failed to not only stop but even support at the required level the current volumes of interstate trade since they were not based on market mechanisms. The understanding of that situation in 1995 by top management of the republic has pushed to make a decision on accession of country to the WTO.

#### Process of accession of Kyrgyzstan to the WTO

- Application to the WTO February, 13th, 1996
- Formation of the Working Group April, 16th, 1996
- Presentation of the Memorandum into the WTO –July, 24th, 1996
- 1-st meeting of Working Party– March, 10-11, 1997
- 2-nd meeting of Working Party July, 18th, 1997
- 3-rd meeting of Working Party– February, 5th, 1998
- 4-th meeting of Working Party May, 6th, 1998
- 5-th meeting of Working Party June, 23rd, 1998
- 6-th meeting of Working Party July, 17th, 1998
- Bilateral negotiations March, 1997 May, 1998

#### Process of accession of Kyrgyzstan to the WTO

- Acceptance of the Working Party's report July, 17th 1998
- Signing of the Protocol on accession of the Kyrgyz Republic to Marrakech Agreement on establishment of the World Trade Organization – October, 14th, 1998

The law of the Kyrgyz Republic "On Ratification of the Protocol on accession of the Kyrgyz Republic to Marrakesh Agreement on establishment of the World Trade Organization" has been accepted on November, 17th, 1998 and this Protocol has come into force on December, 20th, 1998

#### The analysis of accession to the WTO

- Accession process:
- took 3 years;
- bringing trade regime in accordance with WTO rules;
- bilateral negotiations base for acceptance commitments;
- bilateral negotiations with:USA, EU, Japan, Switzerland, Czech Republic, Slovak Republic, Cuba, Turkey, Mexico, Australia;
- requirements of WTO countries members about joining to the non obligatory agreements of the WTO and commitments' acceptance, as for developed countries

### Kyrgyzstan membership in WTO is 13 years old

- The geography of trade is extended due to MFN in all WTO countries-members
- In the total volume of the external turnover of Kyrgyzstan WTO countries-members occupy about 50%, including export more than 50% and import 49% (2011)
- Trade turnover increased in 4,6 times in 2011 in comparison with 1998
- The volume of foreign investments increased in 5 times in 2010 in comparison with 1998
- Putting the legislation in compliance with international rules
- For the last five years the collection of customs duties had increased in 4,5 times.
- Bilateral negotiations was conducted with 13 countries-observers of WTO
- In 2006 the Trade policy review of the Kyrgyz Republic was conducted
- Participation in Doha Round Negotiations

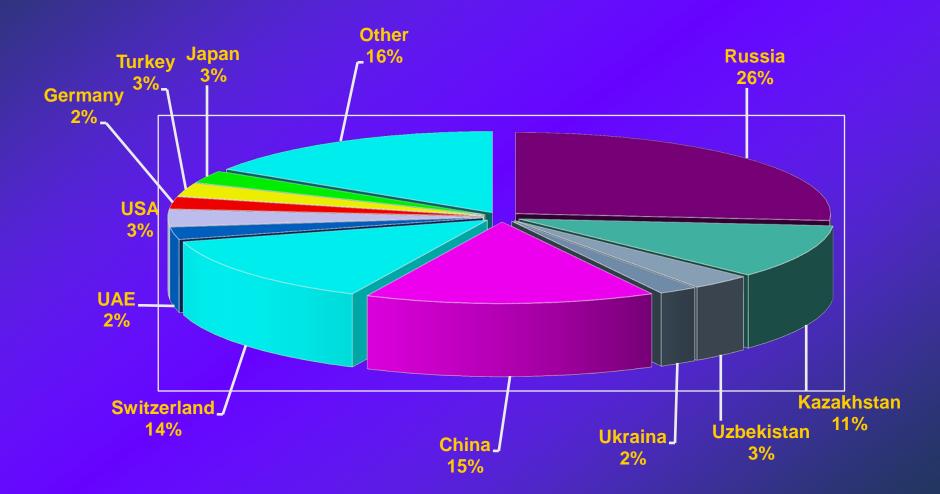
Development of Foreign Trade of the Kyrgyz Republic



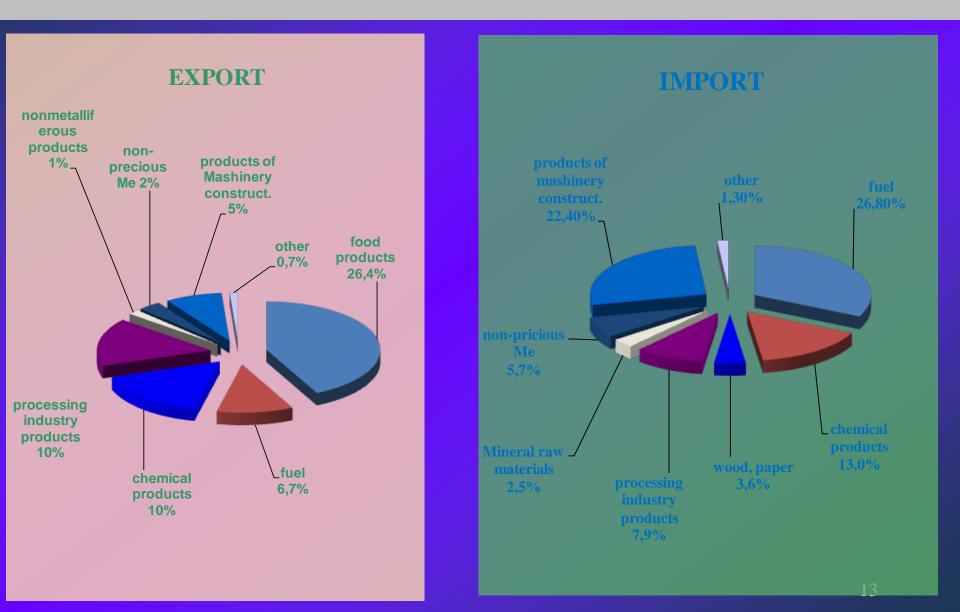
trade turnover
export
import
balance



The main trade partners of the Kyrgyz Republic in 2011



#### Export and Import of the KR in 2011



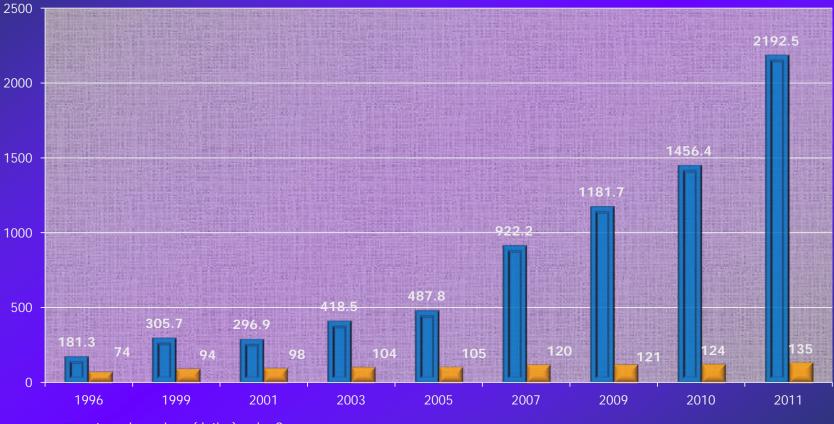
#### **Bilateral negotiations under the WTO**

There have been held bilateral negotiations on accession to the WTO with 14 countries:

- Georgia
- Moldova
- Estonia
- Croatia
- Albania
- Oman
- 🔶 Jordan
- China
- Lithuania
- Russia and Kazakhstan 2003
- Saudi Arabia 2004
- **Belarus 2006**
- **Wraine in 2007**

1999 - 2001

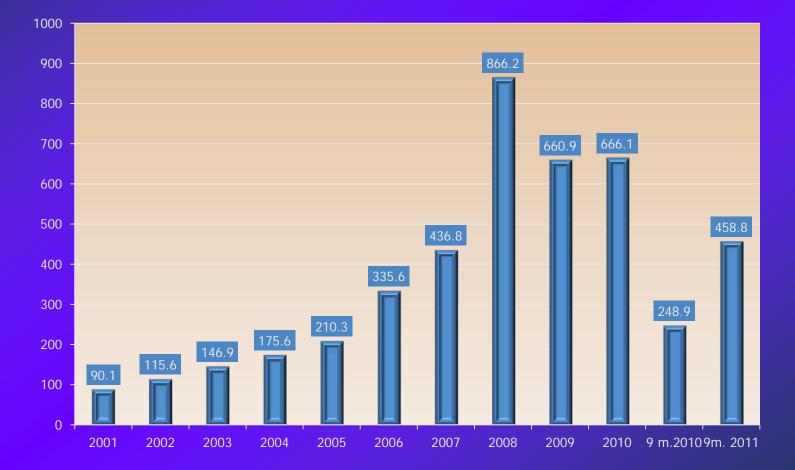
#### **Income of Customs duties**



customs incomings (duties), mln. Som

number of countries-trade partners of the KR

#### Attraction of Foreign Investment to Kyrgyzstan mln. USD





# Thank you for attention!