



CITA 2030 & RSAP 2018-2020
CAREC Integrated Trade Agenda
and
Rolling Strategic Action Plan

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Pivotal Role of Trade in CAREC

GDP outlook*



5.0% (2018)

forecast

4.8% (2019)

4.8% (2020)

*Data excludes PRC. For trade data as of 2017 or latest available year.

Trade snapshot*



12.8% trade growth



7.3% services trade/GDP



<1% global trade share



0.8 global divergence

- Growth rebound in 2018, expected to slow down as trade tensions persist
- Lower oil prices will affect oil exporters
- Agriculture sector expanding, but untapped trade potential
- Some gains in services trade (e.g., tourism)



CAREC Trade and Investment Profile

TOP 12 CAREC EXPORTS, 2017 (excluding PRC)	VALUE (\$ million)
Crude oil	39,569
Petroleum gas, natural gas	10,078
Metals, gold	5,405
Copper ores and concentrates	3,169
Copper, refined	2,769
Coal, bituminous	2,499
Oils from bituminous minerals, not crude	2,373
Ferro-alloys; ferro-chromium	1,869
Cereals; rice	1,546
Uranium; natural uranium and its compounds, alloys, dispersions	1,497
Ensembles; men's or boys', of cotton	1,293
Cotton yarn; (not sewing thread), single, of uncombed fibres, not for retail sale	1,144

Source: ADB, Asia Regional Integration Center (ARIC) database

<https://aric.adb.org/integrationindicators>

SERVICES TRADE, 2017 (\$ million)	EXPORTS	IMPORTS
CAREC (11)	255,020	504,500
CAREC excluding PRC	26,930	36,911

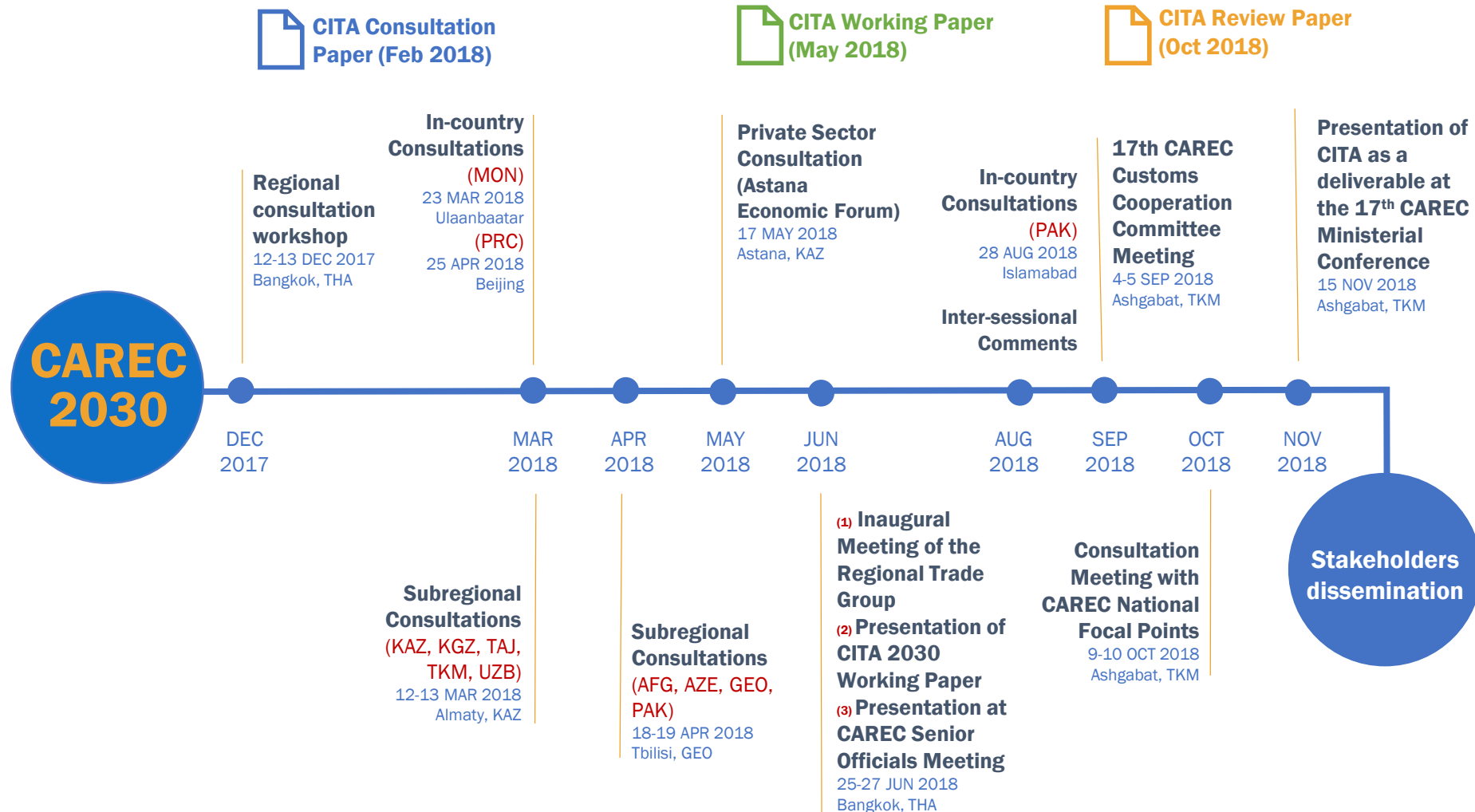
Source: ADB, ARIC database

FOREIGN DIRECT INVESTMENT, 2017 (\$ million)	INWARD	OUTWARD
CAREC (11)	140,981	48,931
CAREC excluding PRC	14,464	2,332

Source: ADB, ARIC database

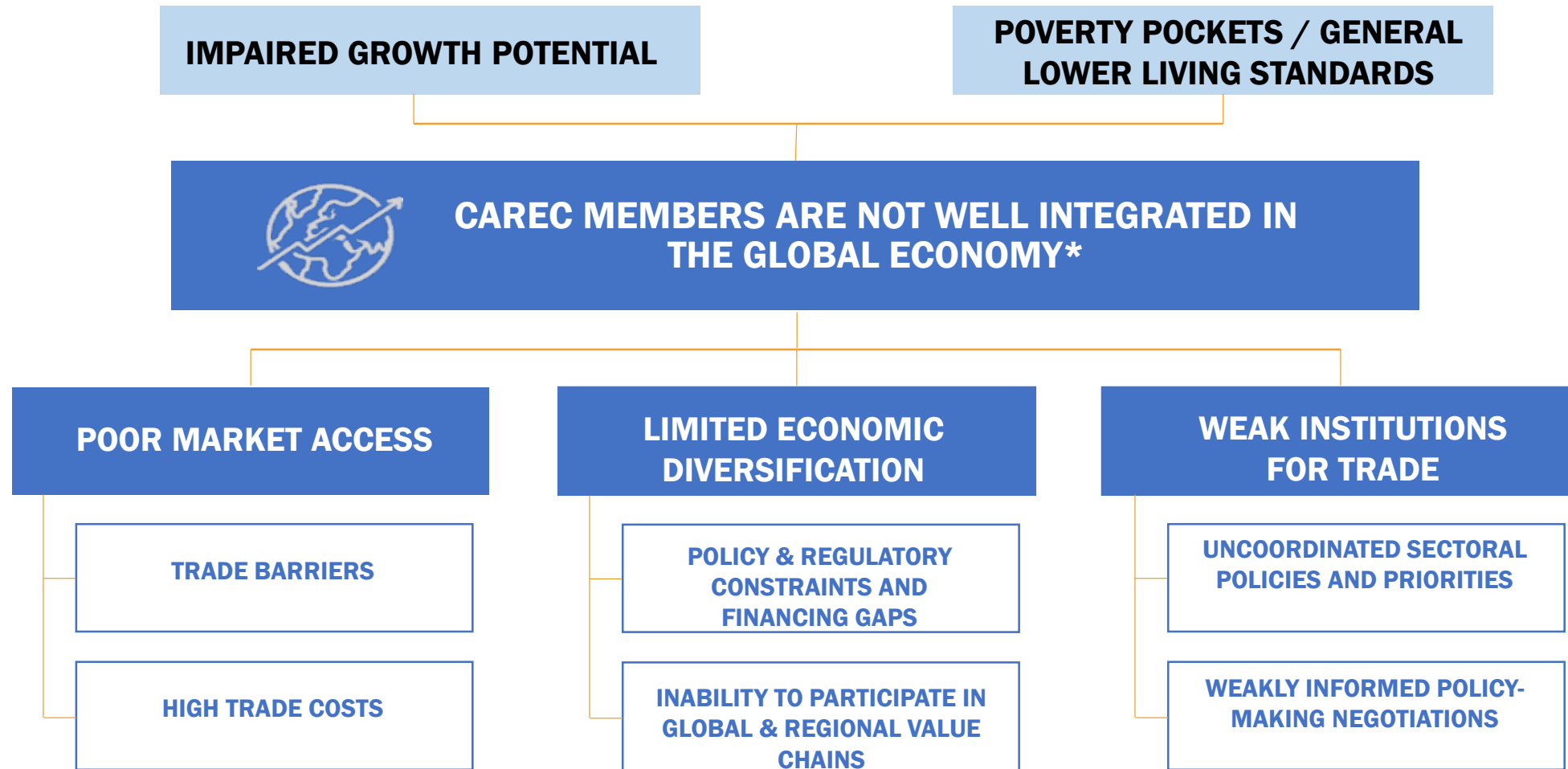


Path to a regional and coherent approach





Broad scope of issues identified

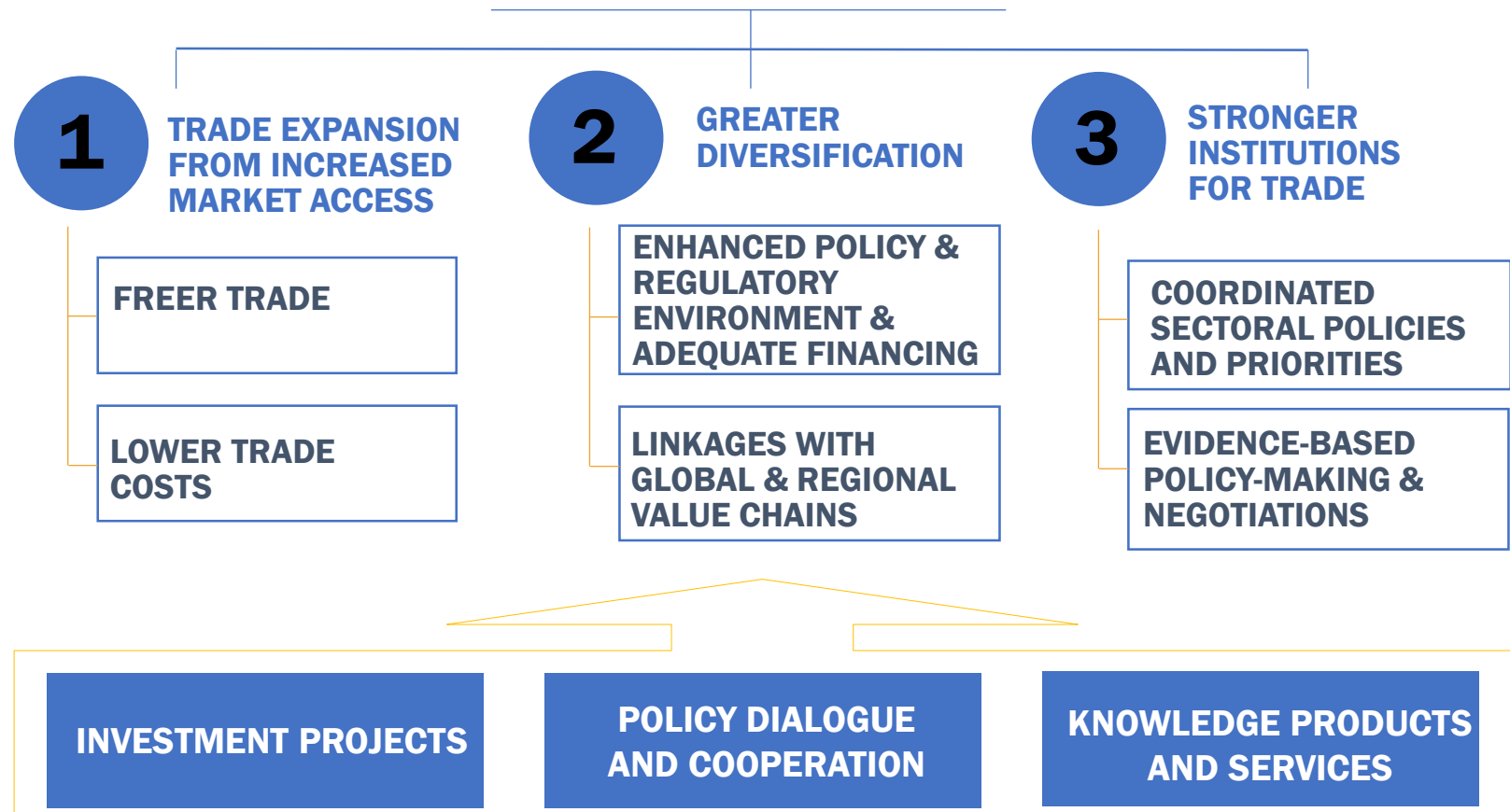
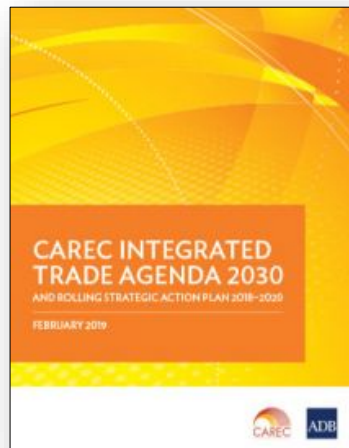


*10 CAREC countries and PRC's XUAR and IMAR



CAREC Integrated Trade Agenda 2030

CAREC COUNTRIES ARE MORE INTEGRATED IN THE GLOBAL ECONOMY



Endorsed at 17th CAREC Ministerial Conference
November 2018, Turkmenistan



1

Trade expansion from increased market access

- Support for **WTO** accession and post-accession commitments

- Reduction of **non-tariff barriers** and **alignment** with international standards including modernizing SPS systems or quality infrastructure

- Impact analysis of bilateral and/or regional **FTAs**



- Implementation of **WTO** agreements on **TBT, SPS and TFA**

- Deepening initiatives in **customs cooperation**, best practices in customs procedures, transit, data exchange and use of ICT

- Restraint from trade distorting measures and responding to emerging **global agenda**

more open trade policies, deepening customs cooperation, and integrated trade facilitation



2

Greater diversification

- Growth of **trade in services** and development of key services sector

- Facilitation of **movement of people**, collaboration towards **skills upgrading** and labor market information

- **Investment promotion** and facilitation, cross-border finance and effective schemes to meet financing demands



- **SMEs access to trade** and **supply chain finance** and **credit insurance**

- Industrial and business development including special/border zones, **economic corridors** and industrial parks

- E-commerce and promotion of **digital trade**

*linking CAREC
with global and
regional supply
chain*



3

Stronger institutions for trade

- Establishment or strengthening of **National Committees on Trade Facilitation** or similar mechanisms

- Promotion of **regulatory convergence** and collaborative policy implementation

- Development of **online trade portal** for information and best practices exchange



- Capacity building on **negotiation skills** and **policy analysis** for trade officials

- Improved coordination with other regional arrangements, **cross-learning** and strengthened **CAREC Institute**

- Enhanced **public-private sector dialogue** and participation

bridging trade policy discussions with knowledge work



Implementation approach

Pragmatic and demand-driven

- Considering the varying levels of capacities and progress among countries

Flexible and customized

- “2+X approach”, allowing 2 or more countries to initiate and implement regional projects (e.g., pilot projects)

Phased and Incremental

- Three-year **Rolling Strategic Action Plan** (RSAP), with prioritized targets and actions, and updated annually



Achieving CITA with concrete projects

Rolling Strategic Action Plan (RSAP) 2018-2020

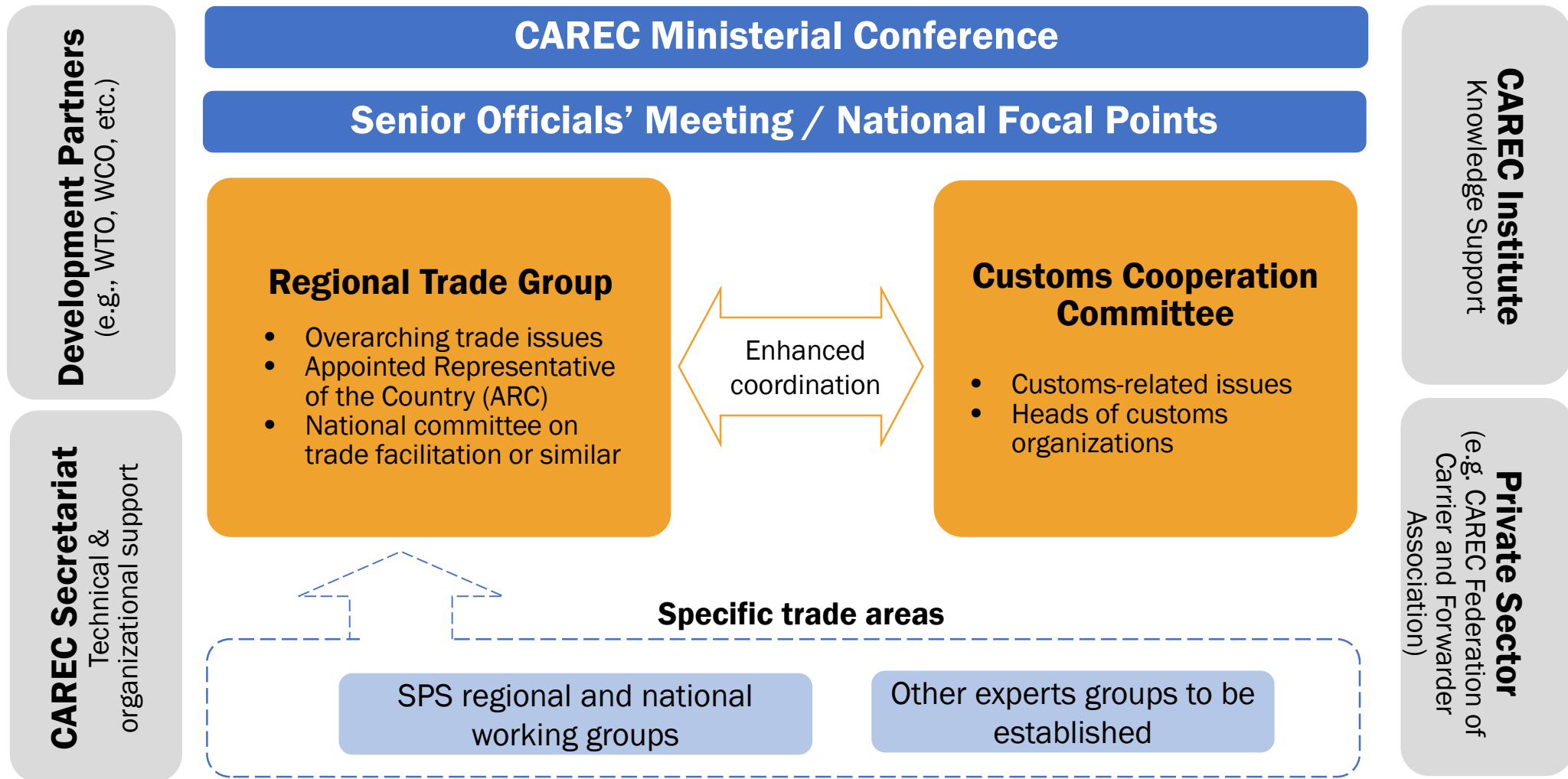
Pillar 1: Trade Expansion from Increased Market Access

Project/Activity	Description/Objectives	Intervention	Status	Countries	Period
1 Regional Improvement of Border Services (RIBS)	Upgrade of facilities at key border crossing points (BCPs), customs automation system, and strengthen customs and project management capacity	Investment Project (including scoping studies)	Ongoing	KGZ-TAJ, MON, PAK	KGZ-TAJ: 2013-2019; MON: 2016-2022; PAK: 2015-2022
			Planned	UZB	2019-2022
2 National Single Window (NSW)	Project design for establishing NSW		Planned	PAK	2018-2020
3 Developing a new BCP	Proposed Abreshumis Gza -Ipek Yolu friendship BCP with joint customs control		Proposed	AZE, GEO	2019-2020
4 Regional Upgrades of Sanitary and Phytosanitary (SPS) Measures for Trade Project (RUST)	Strengthen food safety, animal and plant health standards through facilities upgrade		Ongoing	MON	2015-2021
	Needs assessment study at the borders including laboratory capacity and cold-chain facilities		Proposed	KGZ	2018-2020
	Pilot project for SPS infrastructural development in railway Gardabani BCP			AFG, PAK	2019-2020
	Capacity assessment and development of SPS country plans			AZE-GEO	
5 CAREC Common Agenda for Modernization of SPS Measures for Trade (CAST) implementation	Develop or amend legislations to be consistent with WTO SPS agreement and aligned with international standards	Knowledge-Sharing Products and Services	Ongoing	REG	2018-2020
	Strengthen international food safety standards in agricultural value chains through CAREC food safety network				2016-2019
	Animal diseases and pest surveillance program		Planned	REG	2019-2020
	Mutual recognition or accreditation of SPS certificates (perishable goods)	Policy Dialogue and Cooperation	Planned	REG	2019-2021



An open and inclusive platform

CITA Institutional Structure





CITA 2030's first year of implementation





CITA 2018-2020

Pillar 1: TRADE EXPANSION FROM INCREASED MARKET ACCESS





CITA 2018-2020

Pillar 2: GREATER ECONOMIC DIVERSIFICATION





CITA 2018-2020

Pillar 3: STRONGER INSTITUTIONS FOR TRADE



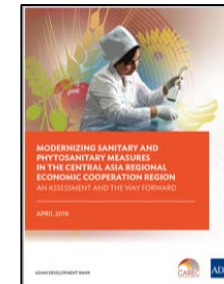


Additional slides



Modernizing Sanitary and Phytosanitary (SPS) Measures in CAREC

ADB



- Compliance of SPS laws to the WTO Agreement on SPS varies across countries; secondary legislation is inadequate
- Most laboratory facilities need upgrading and staff capacity must be addressed
- SPS border procedures are characterized by unnecessary inspections and delays due to lack of proper risk assessment



*Safer food,
better trade*



Trade Facilitation and Paperless Trade Implementation in CAREC Countries

ADB - UNESCAP

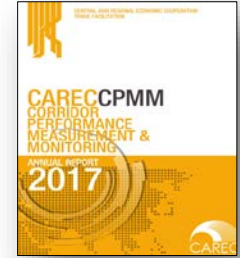


- 8 of 11 CAREC members are WTO members
- PRC and Azerbaijan signed or acceded to *UN Treaty on Facilitation of Cross-Border Paperless Trade in Asia-Pacific*
- Improved implementation rate from 41% to 49% between 2015 and 2017 surveys
- Transparency measures, well-implemented exceeding the Asia-Pacific average
- However, cross-border paperless trade implementation remained low
- Inclusive trade facilitation measures to promote SMEs and agricultural trade needs to improve
- Estimated trade costs reductions for CAREC by —
 - Up to 11% for basic compliance with the WTO TFA (only binding measures)
 - Up to 18% with full implementation
 - Up to 30% with TFA paperless implementation + seamless electronic exchange

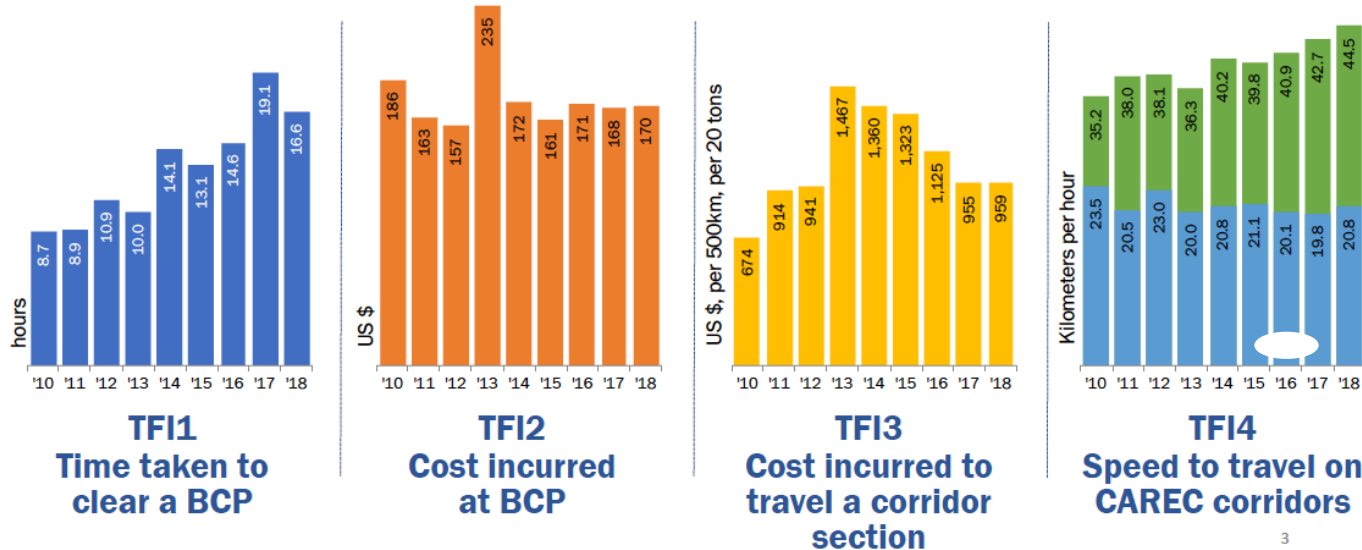


CAREC Corridor Performance and Measurement Monitoring (CPMM)

ADB - CFCFA



Trade Facilitation Indicators (TFI) trends 2010-2018



A tool to assess the efficiency and performance of the six CAREC transport corridors:

- identify causes of delays and unnecessary costs along the links and nodes of each CAREC corridor, including BCPs and intermediate stops
- help authorities determine how to address identified bottlenecks
- assess the impact of regional cooperation initiatives



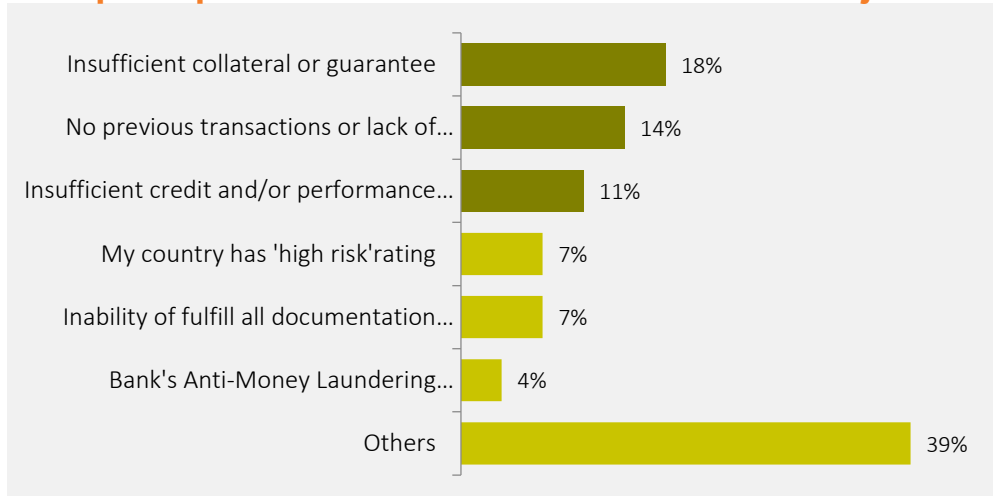
2019 Trade Finance Gaps Growth and Jobs Survey

(forthcoming, ADB, CBI, ITC, PTI)

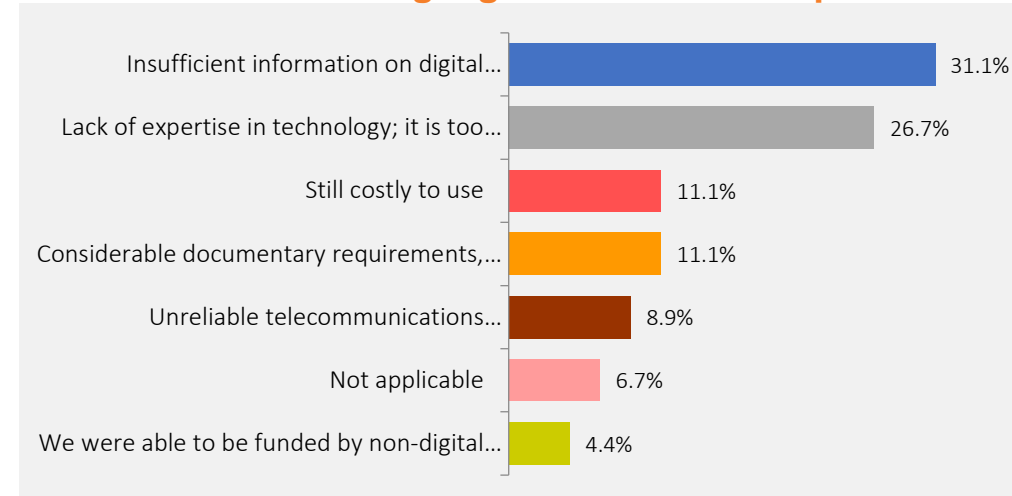


CAREC survey respondents: 57 companies (mostly SMEs) in 8 CAREC countries

Firm perception on reasons for Trade Finance rejections



Reasons for not using digital or web-based platforms





Joint research with CAREC Institute

Regional Sanitary and Phytosanitary Regulatory Regime in CAREC

- mapping of SPS certification systems within CAREC (paper-based and/or electronic)
- potential issues (legal, administrative) and constraints (resources, capacity) to support mutual recognition and electronic exchange
- potential for exchange and mutual recognition of SPS certificates → pilot project

Regulatory Framework for E-commerce Development in CAREC Countries

- mapping of policy, institutional and regulatory framework on e-commerce for each of the CAREC member countries
- gaps analysis at national and regional level based on international best practices
- recommendations and action plans



Links:

CAREC Trade Program

https://www.carecprogram.org/?page_id=13249

CAREC Integrated Trade Agenda 2030

<https://www.adb.org/sites/default/files/institutional-document/490576/carec-trade-agenda-2030-action-plan-2018-2020.pdf>

CITA Issues Papers

<https://www.adb.org/sites/default/files/publication/489956/carec-trade-agenda-2030-issue-papers.pdf>

Blogs

<https://blogs.adb.org/blog/reviving-connectivity-and-diversifying-trade-central-asia>

<https://blogs.adb.org/blog/how-do-you-them-apples-central-asia-gets-ready-help-feed-world>

