



UNITED NATIONS

ECONOMIC COMMISSION FOR EUROPE

**Address by Mr. Andrey Vasilyev, Deputy Executive Secretary, UNECE  
Ministerial Conference, Aid-for-Trade Roadmap for SPECA  
Baku, Azerbaijan, 1-2 December 2010**

Excellencies,

Mr Mustafayev,

Mr Mammad-Kuliev,

Distinguished Participants,

Ladies and Gentlemen,

Let me begin with my sincere thanks to our distinguished hosts, for their hospitality and cooperation.

I have the honour and pleasure to address on behalf of UNECE and its Executive Secretary Mr. Ján Kubiš this Ministerial Conference on Aid-for-Trade for the countries participating in the UN Special Programme for the Economies in Central Asia (SPECA).

The UNECE is one of five regional commissions of the United Nations; it brings together Europe, North America, and the former Soviet Union – three key regions for the global economy; and its mission is **to facilitate economic development and orderly cooperation among its member States**. We work closely with governments, the business and academic communities as well as with all relevant stakeholders in the member States to help them cope with the challenges of globalization, including the successful development of trade and investment links between countries and regions. We view therefore **today's Conference as an important milestone in implementing UNECE's mandate**.

We are happy to see that cooperation among the SPECA participating countries is growing. In the era of globalization, regional cooperation not only brings dynamism to economic development and trade; **it is a necessity**. Countries that do not cooperate and integrate with their neighbours, countries that do not support the development of regional supply chains by eliminating barriers to trade, are destined to lag behind those which form regional markets, in order to attract investment and technologies.

We recently organized a **SPECA Economic Forum focused on building greater cooperation among the SPECA countries, in order to support the stabilization and development of Afghanistan**. It was heartening to see how the members of this regional group, which itself faces significant challenges, could **pool their efforts for its poorest and most conflict-ridden member**.

Central Asia is one of the regions in the world that face the **strongest obstacles to their trade and development due to the remoteness** from developed markets and sources of investment and new technologies. The average distance to the nearest sea port from Central Asia is 3350 km. Excessive administrative controls and paperwork and the absence of trust between the public and private sectors or between countries nourish a lack of transparency and integrity.

Despite these difficulties, **trade remains strong in the region.** Exports of goods and services account for 50% of GDP for the region, ranging from 64% for Turkmenistan to 40% in Uzbekistan. The notable exception is Afghanistan with a ratio of only 16%. Of course there are differences in economic size and resource endowments among the countries. The region is dependent on natural resources exports, which have created overly reliance on certain commodities. Nevertheless, **it is by trade, investment and regional integration of markets that the countries can attract foreign investment and technologies for their drive to modernization.** Due to the exports of energy the countries have managed to profit from the commodity price boom in recent years and this helped them deal with the effects of the current global economic and financial crisis. This crisis and the reversal of the prices and demand for commodities led to a sharp drop in export value, except for Uzbekistan. This drop ranged from 40% in Kazakhstan to 11% in Kyrgyzstan. Despite this reversal, the economies of the SPECA countries, except for Kazakhstan, continued to grow, which shows their resilience and their potential for the future.

The asymmetry of endowments of the countries in the region, as well as the necessity to demonstrate the ability to offer greater market possibilities to potential investors actually **indicate a potential for trade development** in this region.

It is of great significance that the countries of the region have come together for this Ministerial meeting on Aid-for-Trade to show their strong commitment to joint regional action. From the perspective of UNECE we see several areas, where policies and measures could be used to strengthen trade development and regional cooperation:

**The first**, on which we have always made an emphasis, is trade facilitation and electronic business. As tariffs have been lowered by a network of agreements among the former Soviet Republics, the major problems rest with overly documentary requirements and red tape, burdensome border-crossing and transit procedures (prone to abuses), as well as insufficient cooperation and trust between the private sector and control agencies, and between agencies in different countries. Developing projects on trade facilitation, the Single Window for export and import clearance, public-private cooperation have started, and we need the support of the donor community to carry them out to a successful end.

The **second** area, which the SPECA countries see as a priority, is the accession to WTO and trade policy development. We have always supported the initiative of Azerbaijan to develop a regional forum for the exchange of information among trade negotiators from the SPECA countries. We see this Ministerial meeting as a step in the right direction and we hope that it will boost their mutual assistance in the process of accession to the multilateral trading system.

**Further**, it is important to develop regulatory harmonization, market surveillance, risk management, and the export potential for agricultural produce from this region, using international standards and best practices.

I would like to thank all our partners from the SPECA countries, the United Nations agencies, other international organizations, the Islamic Trade Finance Corporation, Finland and the donor community for their excellent cooperation in organizing this Conference.

With this I would like to wish you fruitful work at this Conference in the search of more efficient practical solutions for trade and development.

---