Trade, the Sustainable Development Goals, and Trade facilitation in Central Asia

Bambang Susantono
Vice President, Knowledge Management and Sustainable Development
Asian Development Bank

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Role of trade facilitation

- Trade contributes to inclusive growth and reduce poverty.

- Trade facilitation promises to lower trade costs, save time, and assure trade exchanges to the benefit of its developing countries.

Gains from trade facilitation will be large for developing countries facing high trade costs

Intraregional and Extra-Regional Comprehensive Trade Costs in Asia and the Pacific (tariff equivalent), 2010–2015

Region	ASEAN-4	East Asia-3	North and Central Asia - 4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76% (6.7%)						
East Asia-3	76% (4.1%)	51% (-2.9%)					
North and Central Asia - 4	343% (5.4%)	167% (-9.9%)	116% (-0.9%)				
Pacific Islands Developing Economies	172% (-9.0%)	173% (-3.1%)	370% (21.6%)	130% (-8.8%)			
SAARC-4	130% (3.5%)	123% (-2.1%)	302% (7.7%)	300% (-4.6%)	119% (12.9%)		
AUS-NZL	101% (2.9%)	87% (-5.4%)	341% (-4.9%)	82% (-8.9%)	136% (-6.7%)	51% (-4.9%)	
EU-3	105% (-3.4%)	84% (-3.4%)	150% (-7.1%)	204% (-7.1%)	113% (0.3%)	108% (-2.3%)	42% (-8.1%)
USA	86% (8.0%)	63% (0.4%)	174% (-3.5%)	161% (-5.4%)	112% (6.7%)	100% (2.9%)	67% (0.4%)

ASEAN = Association of Southeast Asian Nations, AUS = Australia, PRC = People's Republic of China, EU = European Union, NZL = New Zealand, SASEC = South Asia Subregional Economic Cooperation, US = United States.
Note: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs during 2004–2009 and 2010–2015 are given in parentheses. ASEAN-4 includes Indonesia, Malaysia, Philippines, and Thailand; East Asia-3 includes the PRC, Japan, and Republic of Korea; North and Central Asia-3 + PRC includes Georgia, Kazakhstan, Kyrgyz Republic, and the PRC; Pacific Islands-2 includes Fiji and Papua New Guinea; SASEC-3 includes Bangladesh, Bhutan, and Nepal; AUS-NZL includes Australia and New Zealand; EU-3 includes Germany, France, and the United Kingdom.
Source: UNESCAP. ESCAP-World Bank Trade Cost Database (June 2015 update). http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=escap-world-bank-international-trade-costs.

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CAREC CENTRAL ASIA REGIONAL ECONOMIC COOPERATION

Corridor 1: Europe–East Asia (Kazakhstan, the Kyrgyz Republic, and XUAR)

Corridor 2: Mediterranean–East Asia (Afghanistan, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan, and XUAR)

Corridor 3: Russian Federation–Middle East and South Asia (Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan)

Corridor 4: Russian Federation–East Asia (IMAR, Mongolia, and XUAR)

Corridor 5: East Asia–Middle East and South Asia (Afghanistan, the Kyrgyz Republic, Pakistan, Tajikistan, and XUAR)

Corridor 6: Europe–Middle East and South Asia (Afghanistan, Kazakhstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan)

IMAR = Inner Mongolia Autonomous Region; XUAR = Xinjiang Uygur Autonomous Region. Both are regions of the People's Republic of China.

Source: ADB. 2014. *CAREC Transport and Trade Facilitation Strategy 2020*. Manila.

[1] CAREC Corridor 2 will be extended to cover Georgia.

Source: ADB

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Trade facilitation and transportation are the backbone of the CAREC program

- CAREC's two strategic objectives—trade expansion and improving competitiveness

Investment projects (left; $bil) and Technical Assistance (right; $mil) in CAREC (as of end-2016)

Source: CAREC Program Portfolio.

http://www.carecprogram.org/index.php?page=carec-projects&type=technical-assistance#table_start

Key achievements in trade facilitation in 2011–2016

A sustainable regional cooperation mechanism at the country and regional levels were established.

International standards that CAREC countries have subsequently adopted in legislation and regulations were introduced.

The Corridor Performance Measurement and Monitoring was introduced in 2009.

Based on bottlenecks identified through the monitoring measure, CAREC formulated multi-country programs and projects.

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Challenges and Opportunities

- Close coordination among multiple countries and agencies is a key challenge.
- We need continue to promote integrated trade facilitation, all the while strengthening core competencies.
- Need to embrace opportunities of digital technologies and e-commerce

Thank you!