International Trade Centre

Trade Facilitation in Central Asia: The private sector perspective

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CA participation to global and regional trade remains low

Contribution to global trade

0.4%

Share of intra-regional trade

7 %

Source: ITC Trade Map

Export baskets of CA countries are highly concentrated

Top 3 export products in each country represent more than 60% of total exports

Source: (World Bank, 2017[5]).

SMEs share of exports in CA is substantially lower than in developed countries

High cost and time of trade contributes to CA unrealized trade potential

Time to trade in CA
vs. Asia and Europe

Cost to trade in CA
vs. Asia and Europe

CA performance remains below par in most components of Trade Facilitation

Border agency cooperation, simplification of procedures / documents and transparency are particularly challenging

Trade Facilitation issues are compounded by challenges related to Quality Management

ITC surveys reveal that over 80% of enterprises face difficulties relating to standards, technical regulatory measures, SPS measures and conformity assessment procedures for imports and close to 50% for exports

Information deficit

Insufficient or unclear understanding of technical requirements in specific markets

Capacity deficit

Inadequate knowledge (skills and internal systems) to comply with requirements

Infrastructure deficit

Lack of access to affordable and timely conformity assessment (testing, inspection and certification) services

Policy deficit

Weak policy and regulatory framework to support compliance framework to support compliance

Combined TF and Qty Mgt interventions for specific product groups are best suited

ITC principles to enhance business competiveness in CA and foster intra-regional and international trade

- ✔ Adopt a sector-specific approach to addressing trade barriers
- ✔ Pursue a whole-of-the-supply-chain approach to remove barriers on both side of the border
- ✔ Jointly address primarily two main types of trade barriers: procedural obstacles and Quality related barriers

Challenges are rooted in a hierarchical approach to cross-border operations

- **Control mindset**
- **“Turf” issues**
- **Patron/client relationship with businesses**
- **Limited public-private consultations**

Business community should be involved in public-private dialogue (PPD) with border agencies.

A successful PPD needs to be:

Inclusive	Comprehensive	Coordinated
Ensure that all economic sectors and companies of all sizes are represented in the PPD process	Be involved in the prioritization of reforms, policy formulation, implementation and monitoring through PPD	To be effective and successful, businesses must coordinate amongst themselves

Thank you for your attention