

Support to regional trade in Central Asia

Situation

Central Asia as a region, including Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, is becoming increasingly important in economic terms in this era of globalisation. To ensure stable economic growth, attract foreign investment and bring greater prosperity to the people of Central Asia, the infrastructure in the region must be improved, effective transport routes established, trade barriers dismantled and an atmosphere of mutual trust created. Some import and export procedures can still take up to three weeks, as goods are examined and inspected, certificates issued and payments processed.

Objective

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has, since 2006, been helping Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan to design an enabling environment and appropriate structures to foster regional and international trade.

Approach

The project addresses three areas of action:

1. Single windows and one-stop shops, which allow businesses to submit all relevant documents to one office or one place, are being introduced. Electronic procedures allow commercial documents to be produced, processed and passed on more simply, more rapidly and more transparently.

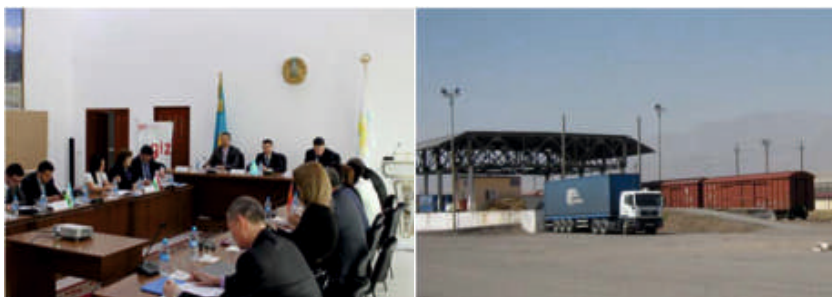
Project name	Support to regional trade in Central Asia
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan
Lead executing agency	Ministry of Economy and Budget Planning (KZ), Ministry of Economy (KG), Ministry of Economic Development and Trade (TJ), Ministry of Foreign Economic Relations, Investment and Trade (UZ)
Duration	September 2014 – December 2016

2. Support is being delivered to encourage the reform of the quality management infrastructure for foreign trade. The private sector is being involved in order to gear activities increasingly to internationally recognised norms and standards.
3. Regional consultation and coordination mechanisms bring those responsible in the different countries around one table, help identify and eliminate constraints, and encourage the introduction of a pro-trade environment.

International agreements and procedures, including the WTO Trade Facilitation Agreement, are taken into account. They form the basis for simplifying and harmonising cross-border trade procedures.

Results

The stage is now set for improved trade. At the end of the Programme, over 58% of 400 surveyed companies acknowledged an improvement in the conditions for international and regional trade, 52% of respondents confirmed a positive impact of trade facilitation for their company. The cutting down the number of both documents, required for cross-border trade, and official contacts for individual export and import operations, as well as simplification of operations reduces the transaction costs for



Regional seminar in KazInst, Astana, Kazakhstan

Centre for International logistics "Angren", Angren, Uzbekistan

trade. Thus, in all countries the time required for approval of trade operations was reduced. Significantly more trade transactions are taking place in these countries through the newly established Single Window (or similar) procedures. Almost 65% of the companies, surveyed at the end of the Programme, confirmed an improvement in the procedures for border processing during the Programme period, only slightly above 10% mentioned a worsening of the procedures.

Transforming quality infrastructure institutions to service providers in coordination with the private sector facilitates the accessibility of standards and reduces costs. Accreditation authorities, the key institutions in quality management infrastructure, have already been officially recognised in Kyrgyzstan and Kazakhstan. The first testing laboratories and testing procedures have been brought into line with international regulations. Their accreditation will help ensure worldwide acceptance of certificates and test reports, saving expensive duplicate testing, and facilitating the trade in goods.

“International standards stimulate trade, overcome artificial trade barriers and help level the playing field. This makes companies, industries and economies more competitive, making it easier for them to export, and stimulates diversification nationally and internationally” (from the letter ISO).

Programme provided support in capacity building of more than 200 experts and auditors according to ISO standards. Furthermore 24 experts participated in internationally recognized trainings and audits according to quality managements (ISO 9001) and food safety management (ISO 22 000) standards.

With globalisation, the cross-border trade in goods and services is increasing rapidly everywhere. The concomitant liberalisation of the trade in goods and services, however, calls for parallel measures to assure the quality of the goods and services on the market. Officially recognised testing, calibration and certification (conformity testing) provide a guarantee that the products traded and services delivered comply with international standards, such as the conformity regulations of the European Union.

The systematic exchange of data between the «Single Windows» and the systems of the individual customs authorities mean that fewer inspections are needed, speeding up trade. Better use can be made of the limited inspection capacities, and the potential for corruption on the part of state and customs officials is reduced.

Kyrgyzstan's Single Window already acts as an umbrella for nine of the country's eleven foreign trade institutions. They issue licences and thus facilitate cross-border trade. In 2013, more than 7,400 licences were processed by the Single Window. Only one year later this figure had risen to over 28,000 licences, which were issued as e-certificates.

Exchange of experience and knowledge among the countries is vitally important both for the Single Windows, and for the field of quality management infrastructure. In Kyrgyzstan, GIZ supported the dialogue between the public and private sector. The results were incorporated in a resolution that reduced the number of documents required for exports from eight to three. In Uzbekistan, the time required for customs clearance of goods for export was reduced from three days to one.

Published by Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
Registered offices Bonn and Eschborn, Germany

Regional Programme 'Support to regional trade
in Central Asia'
David Oberhuber, Programme Manager
Toktogul st. 96-2
720040, Bishkek, Kyrgyzstan
T + 996 312 90 91 31
F + 996 312 90 90 80
david.oberhuber@giz.de
www.giz.de

Autor(s) Viola Reinhard
Layout Aziza Tasheva
As at January 2016

GIZ is responsible for the content of this publication

On behalf of Federal Ministry for Economic
Cooperation and Development (BMZ)

Division 401 Central Asia; East Asia, Laos, and Cambodia

Addresses of the BMZ offices	BMZ Bonn Dahlmannstraße 4 53113 Bonn, Germany T +49 (0)228 99 535-0 F +49 (0) 22899535-3500	BMZ Berlin Stresemannstraße 94 10963 Berlin, Germany T +49 (0)30 18535-0 F +49 (0)30185352501
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poststelle@bmz.bund.de
www.bmz.de