



Economic Brief

Trade Facilitation Progress in Central Asia: From a WTO TFA perspective

By

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ABBREVIATIONS

ADB	Asian Development Bank
ADO	Asian Development Outlook
CAREC	Central Asia Regional Economic Cooperation
CPMM	Corridor Performance Measurement and Monitoring
EU	European Union
GDP	Gross Domestic Product
GVCs	Global Value Chains
IMF	International Monetary Fund
LDC	Least Developed Country
OECD	Organization for Economic Cooperation and Development
TFA	Trade Facilitation Agreement
TFI	Trade Facilitation Indicator
UNECE	United Nations Economic Commission for Europe
WB	World Bank
WCO	World Customs Organization
WTO	World Trade Organization

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Abstract

A more prominent role in promoting regional cooperation and integration has been given to the five Central Asian countries due to their unique geographical location. Therefore, progress in trade facilitation in the five Central Asian countries is of greater significance for the entire CAREC regional economic cooperation and integration.

This economic brief discusses the progress of trade facilitation in Central Asia in the context of the World Trade Organization (WTO)'s Trade Facilitation Agreement (TFA). Based on the preliminary study, provides a preliminary perspective on the adoption of TFA measures by the Central Asian WTO members - Kazakhstan, the Kyrgyz Republic, and Tajikistan - as well as of the non-members Uzbekistan and Turkmenistan. The economic brief also tries to understand the impact of the trade facilitation implementation of the Central Asian countries, identifies challenges, and concludes with some practical recommendations.

1. Introduction

1.1 Overview of the WTO Trade Facilitation Agreement (TFA)

As part of the international community's collective efforts, and recognizing the imperative for universally accepted trade regulations to facilitate and enhance global trade, the World Trade Organization (WTO) launched the Trade Facilitation Agreement (TFA) in 2017, which aims to enhance the efficiency of cross-border movement of goods by improving transparency and governance, streamlining and modernizing border procedures, and improving the movement of goods in transit.¹

¹ WTO (2014). *Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization* (Decision of 27 November 2014). Accessed (March 27, 2024) from: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/L/940.pdf&Open=True>

The TFA stands out as the most widely implemented set of international trade facilitation rules and disciplines, boasting 130 members at all levels of development, including three central Asian members Kazakhstan, Kyrgyz Republic, and Tajikistan. Consequently, it has been hailed as a milestone, not only because it is the first multilateral agreement since the WTO was established in 1995, but also because it reflects efforts to further liberalize trade policies to expand world trade and help developing and least-developed countries (LDCs) integrate into **today's global economy.**

Box 1: Special and Differential Treatment of TFA

The TFA introduces a category system, allowing each developing and least-developed member to self-determine when it will implement the respective provisions and what it needs in terms of related capacity-building support. Category A contains provisions that developing and LDC members designate for implementation upon entry into force of the TFA (or within one year in the case of LDCs). Category B contains provisions that developing and LDC members will implement after a transition period following entry into force of the Agreement. Finally, Category C contains provisions that developing and LDC members will implement after a transition period “and requiring the acquisition of implementation capacity through the provision of assistance and support for capacity building.” Together with additional flexibilities, including the right of developing countries and LDCs to shift provisions from Category B to Category C, the TFA breaks new ground in its implementation philosophy, allowing members to tailor implementation to their particular circumstances¹.

1.2 TFA's Global Impact and Purpose

After nearly 30 years of dedicated efforts by the WTO, global economic and trade liberalization have significantly reduced the obstructive impact of tariffs and other barriers to international trade, including for the Central Asian countries. However, international trade costs remain significantly high, partly due to administrative burdens and inefficient customs procedures. The development of global value chains (GVCs), which rely heavily on supply chain development, underscores the importance of reducing trade time to seamlessly integrate into just-in-time production networks.² This issue has garnered significant attention from

² WTO (2015). *World Trade Report 2015*. Accessed (March 27, 2024) from: https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf

international organizations such as the WCO, WB³, OECD, and UNECE⁴. For example, the global semiconductor value chain is a highly efficient and innovative network resulting from the delicate division of labor and specialization, where no single economy can competitively maintain a complete semiconductor supply chain on its own.⁵ Gao et al (2023) have identified differences in the activities of domestically-owned versus foreign-owned firms along global supply chains.⁶ The regional characteristics of current GVCs were discovered to be mostly attributable to domestically owned firms in each economy and these enterprises were mostly involved in the three regional centers of North America (centered on the US), Europe (centered on Germany), and East Asia (centered on the PRC), serving as the driving force for the regionalization of current supply chains.⁷

Convincing policymakers of the benefits of the Trade Facilitation Agreement (TFA) is crucial as it aims to reduce trade costs. Demonstrating the economic advantages of implementing trade facilitation measures is imperative. Various models, including computable general equilibrium (CGE) simulations, predict substantial export gains from the TFA, ranging from US\$ 750 billion to well over US\$ 1 trillion per year worldwide, depending on the implementation timeframe and coverage. Gravity model estimates suggest that the trade gains from the TFA could be even larger, with global exports increasing by between US\$1.1 trillion and US\$3.6 trillion, depending on the extent to which the provisions of the TFA are implemented. Developing countries have the most to gain from a rapid and full implementation of the TFA, as both exports and GDP growth will increase more than in developed countries.⁸

³ World Bank (2023) . Access (March 19, 2024) from:

<https://www.worldbank.org/en/programs/trade-facilitation-support-program>

⁴ United Nations (2023) *Digital and Sustainable Trade Facilitation: Global Report 2023*.

Access (March 19, 2024) from: <https://www.untfsurvey.org/files/documents/report-digital-sustainable-2023-global.pdf>

⁵ WTO (2023). *GLOBAL VALUE CHAIN DEVELOPMENT REPORT 2023 RESILIENT AND SUSTAINABLE GVCS IN TURBULENT TIMES*. Access (March 19, 2024) from:

https://www.wto.org/english/res_e/booksp_e/gvc_dev_rep23_e.pdf

⁶ WTO (2023). *GLOBAL VALUE CHAIN DEVELOPMENT REPORT 2023 RESILIENT AND SUSTAINABLE GVCS IN TURBULENT TIMES*. Access (March 19, 2024) from:

https://www.wto.org/english/res_e/booksp_e/gvc_dev_rep23_e.pdf

⁷ WTO (2023). *GLOBAL VALUE CHAIN DEVELOPMENT REPORT 2023 RESILIENT AND SUSTAINABLE GVCS IN TURBULENT TIMES*. Access (March 19, 2024) from:

https://www.wto.org/english/res_e/booksp_e/gvc_dev_rep23_e.pdf

⁸ WTO (2015). *World Trade Report 2015*. Accesses (March 27, 2024) from:

https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf

1.3 The WTO TFA will significantly facilitate Central Asian countries to better integrate into global supply chains, both for WTO and non-WTO members.

As mentioned above, along with the global impact, the CI-ESCAP joint report on "Digital and Sustainable Trade Facilitation in Central Asia Regional Economic Cooperation (CAREC 2021)" indicates that it is also quite significant for the CAREC to implement both binding and non-binding WTO TFA measures, resulting in a 4-9% reduction in trade costs. Although this report generally reflects the 10 member countries of the CAREC region, to some extent, it describes the progress made by Central Asian countries in implementing the WTO TFA. In addition, the importance of the WTO TFA is also well reflected in the CAREC Integrated Trade Agenda (CITA) 2030, which advocates enhancing trade by liberalizing market access, streamlining border crossing procedures, strengthening logistics services, and promoting other trade facilitation measures, including improved access to trade finance, recognizing the unique geographical position of Central Asia and its potential for transit trade⁹.

Furthermore, ensuring the agreement's effective implementation demands meticulous monitoring of the TFA's progress post-ratification, particularly crucial for Central Asia, where trade facilitation stands as a strategic priority. This not only fosters increased regional trade but also advances regional integration.

At present, the global economic recovery is progressing steadily, but at a slower pace and in a very divergent manner, with continued growth of 3.2% in 2024 and 2025, the same pace as in 2023, and the pace varies across different regions. The IMF published its most recent 'World Economic Outlook' report on April 16, 2024, revising its global growth projections to 3.2% in 2024, which is 0.1 percentage points higher than the January forecast. The IMF believes that global economic growth this year will be unchanged from last year and is expected to remain at 3.2 percent in 2025 as well. However, the IMF cautioned that the global growth outlook remains susceptible to downside risks, including escalating prices, elevated interest rates, geopolitical tensions, and financial sector vulnerabilities, necessitating vigilance¹⁰. In light of these challenges, while Central Asia's real GDP is anticipated to rise, the region must enhance the implementation of the WTO TFA, particularly in areas where entrenched structural trade issues intersect with geopolitical conflicts and other overarching factors, compounding obstacles to seamless trade flows.

⁹ CAREC Program (2018), *CAREC Integrated Trade Agenda (CITA) 2030*

¹⁰ IMF (2024), *World Economic Outlook: Steady but Slow: Resilience Amid Divergence*.

Access (March 18, 2024) from:

https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024?cid=ca-com-compd-pubs_belt

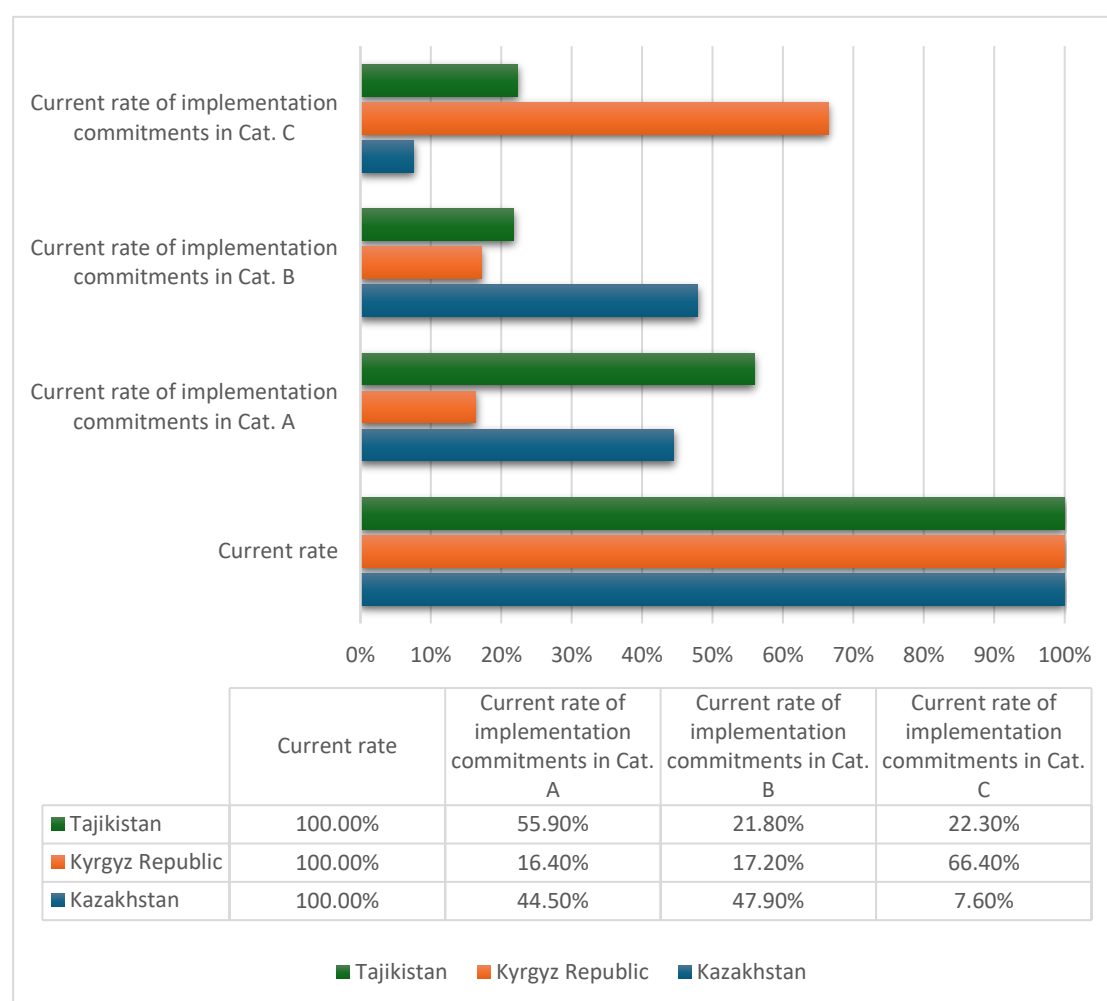
Although advancements in transport connectivity and expedited cross-border operations have contributed to trade facilitation, it remains crucial for both WTO and non-WTO members in Central Asia to cultivate competitive supply chains for enhanced integration into global value chains. This imperative holds particular significance for Turkmenistan and Uzbekistan, highlighting the necessity of leveraging the TFA as a strategic tool to expedite their accession progress.

1.4 Current Status of WTO TFA Implementation in Central Asia

1.4.1 The current implementation rate of TFA commitments by WTO members in Central Asia is 100%.

The TFA is an integral component of the WTO's legal framework, binding for all WTO members. However, there are provisions allowing developing countries and LDCs to autonomously establish implementation schedules based on their specific capacities. Each member country is required to notify the WTO, which in turn monitors and evaluates the implementation progress following the TFA provisions. According to WTO data, current WTO members in Central Asia have fully implemented their TFA commitments (Figure 1), implying that they have done so according to their strengths.

Figure 1: Implementation Rates of the Central Asian WTO Members



Source: edited based on the WTO data¹¹

1.4.2 Although Turkmenistan is still in the early stages of implementing WTO TFA-related measures, two non-WTO members are proactively implementing the WTO TFA reflecting a desire to engage in the multilateral trading system.

Uzbekistan and Turkmenistan, currently in the accession process to join the WTO, already play a significant role in the international trade system. Despite not being full members yet, they have practically and preliminarily identified and implemented WTO Trade Facilitation Agreement (TFA) measures, showcasing their commitment to trade facilitation. This proactive approach allows for the assessment of the impact of Central Asia's trade facilitation efforts, even with not yet full-fledged Trade Facilitation Indicators (TFIs) scores from Turkmenistan. As non-members, Uzbekistan and Turkmenistan focus on bilateral trade agreements and

¹¹WTO. Access (Feb 15, 2024) from: <https://www.tfadatabase.org/en/implementation>

unilateral trade facilitation reforms to enhance their trade competitiveness.¹² They align their trade standards with international norms, modernize ports, improve logistical services, and adopt best practices in customs operations. This strategic flexibility enables them to tailor their trade strategies to their economic interests and development goals, potentially negotiating favorable terms in trade deals. Despite not enjoying the direct benefits of membership, their proactive engagement contributes to the integration of Central Asia into the global trading system, thereby bolstering their economic prospects.

1.5 Monitoring and Best Practices

International indicators and best practices in trade facilitation serve as benchmarks to gauge a country's progress and effectiveness in streamlining cross-border trade. The definition of trade facilitation varies across international organizations and academic literature. Key indicators often include the World Bank's Logistics Performance Index (LPI), which measures countries across six dimensions: efficiency of the clearance process, quality of trade and transport infrastructure, ease of arranging competitively priced shipments, competence and quality of logistics services, ability to track and trace consignments, and the frequency with which shipments reach consignees within the scheduled or expected delivery time.¹³

Box 2: Best practices

Singapore consistently ranks high on the LPI due to its world-class infrastructure, streamlined customs procedures, and innovative use of technology in logistics.¹ The country's success is rooted in best practices such as the implementation of a single-window system that allows traders to submit regulatory documents at a single location or entity. This system reduces complexities, processing times, and costs associated with trade. Additionally, Singapore leverages advanced information technology systems to enhance logistical operations, such as the use of Automated Guided Vehicles (AGVs) in ports and Radio Frequency Identification (RFID) systems for tracking and tracing goods.

These exemplary practices and metrics not only streamline trade processes but also offer templates for other nations seeking to enhance their logistics and trade facilitation systems. By adopting similar measures—customized to their unique circumstances and capabilities, countries can augment their competitiveness in the global marketplace, thereby stimulating

¹² OECD (2023). Trade Facilitation in Central Asia, Access (Feb 20, 2024) from: https://read.oecd-ilibrary.org/trade/trade-facilitation-in-central-asia_80ed999c-en#page5

¹³ World Bank, Access (Feb 28, 2024) from: <https://data.worldbank.org/indicator/LP.LPI.CUST.XQ?locations=SG>

economic growth and advancement. Among them, the OECD TFIs are aligned with the provisions of the WTO TFA, rendering almost every TFI applicable to the TFA. Additionally, the Asian Development Bank (ADB) has developed the Corridor Performance Measurement and Monitoring (CPMM) TFIs specifically for member countries of the CAREC program, focusing on the speed and costs of traveling along CAREC transport corridors and passing through border crossing points.¹⁴ Moreover, the United Nations provides a comprehensive overview of the progress and challenges faced by the Central Asian region. In the following, a review by this brief of progress and areas requiring further enhancement primarily relies on OECD TFIs, supplemented by CPMM TFIs and UN Trade Facilitation reports.

2. Understanding of the impact of the WTO Trade Facilitation Implementation

2.1 Since 2020, the WTO TFA has increasingly supported trade resilience amid global disruptions, significantly aiding Central Asia's trade stability and economic growth.

Typically, research on the impact of WTO TFA implementation focuses on trade cost reduction, competitiveness, etc. However, since 2020, the role of the WTO TFA in trade resilience has increasingly attracted attention against the backdrop of COVID-19 and geopolitical conflicts that exacerbate global supply chain disruptions. The various prominent TFIs comprehensively reflect policy efforts to address supply chain disruptions, including the availability of trade-related information, the simplification and coordination of trade-related documents, the automation and simplification of border procedures, and the improvement of domestic cooperation among border agencies, which effectively enhances supply chain resilience. As a result, trade in Central Asia in particular, has emerged in better shape than initially expected.¹⁵

The most compelling evidence in this regard comes from the Asian Development Bank's flagship Asian Development Outlook (ADO) 2022 report, which found that the economies of the Caucasus and Central Asia have shown exceptional resilience to shocks, with growth prospects for the Caucasus and Central Asia revised up from 3.9% to 4.8% in 2022, as the spillover from the Russia-Ukraine conflict has been milder than expected given the still functional supply chain to facilitate trade.

¹⁴ <https://www.adb.org/news/videos/trade-facilitation-carec-10-year-cpmm-perspective>

¹⁵ OECD (2023). Trade Facilitation in Central Asia, Access (Feb 20, 2024) from: https://read.oecd-ilibrary.org/trade/trade-facilitation-in-central-asia_80ed999c-en#page14

2.2 COVID-19 and geoeconomic tensions have disrupted global trade, emphasizing the importance of trade facilitation in maintaining efficient trade flows and enhancing supply chain resilience, particularly in Central Asia.

To discover further, since trade facilitation plays an increasing role in sustaining economic resilience for Central Asian countries, it strengthens the advocacy for its impact on maintaining trade flow resulting from the resilience of the supply chain and economy systematically.

Aligning with the strategic cluster of the CAREC program, trade facilitation to some degree means to further sustain the development of strategic pathways through central Asian countries.

The traditional Northern Corridor, which historically transported goods from the PRC to Europe through Russia, has experienced a notable decline due to complicated factors currently. Nevertheless, the Trans-Caspian International Transport Route (TITR) through Central Asia¹⁶, is also generally recognized as a Middle corridor, which exemplifies the impact of trade facilitation on maintaining trade flow associated with export diversification in Central Asia. According to The Economist¹⁷, Central Asian countries are expediting the TITR's construction, resulting in an 88% increase in cargo volume to 2 million tons in the first nine months of 2023. The ADB reports significant trade gains and new opportunities in Central Asia due to trade liberalization policies, regional transport and customs cooperation, and infrastructure development¹⁸.

For the sake of consistency, there is no need to discuss further the potential of the Middle Corridor, which has been the subject of much literature. Whatever the discussion so far, the most prominent issue has always been the persistently high costs. Despite the continuing need for cost reduction, the Middle Corridor has undoubtedly become a key enabler for the smooth flow of trade.

In 2015, WTO analysis highlighted that trade policy and regulatory differences account for a significant share of the total cost of trade and affect the structure of global trade. This is particularly important in Central Asia, where many landlocked countries rely on efficient trade corridors and where the wide disparity in the transparency and availability of regulations and

¹⁶ OECD (2023). Trade Facilitation in Central Asia, Access (Feb 20, 2024) from: https://read.oecd-ilibrary.org/trade/trade-facilitation-in-central-asia_80ed999c-en#page5

¹⁷ 成为区域交通新枢纽——中亚贸易地位提升. Access (Feb 28, 2024) from: https://swt.fujian.gov.cn/xxgk/jgzn/jgcs/myycyaqc/jmxx/202401/t20240124_6385800.htm

¹⁸ Kamablek Karymshakav and Burulcha Sulaimanova 'Trade Facilitation, Infrastructure, and International Trade in Central Asian Countries' ADB East Asia Working Paper Series, Feb 2023

requirements among Central Asian countries, in addition to infrastructure in need of upgrading, is an important reason for high trade costs. In addition, progress in cost reduction is significant in terms of a 4-9% reduction in trade costs in implementing both binding and non-binding WTO FTA measures in a broad sense¹⁹.

In short, cost reduction through the implementation of TFA has played an increasing role in the further development of the corridors. In this context, trade facilitation measures should play an enhanced role in offsetting some of the time and cost increases experienced by businesses and consumers. It is generally welcomed that improved and ongoing facilitation reforms in Central Asia are proving to actively facilitate resilience to the risks of supply chain disruptions²⁰.

2.3 Geoeconomic challenges highlight the need for enhanced and improved trade facilitation cooperation to ensure smooth global trade flows and support economic resilience and diversification.

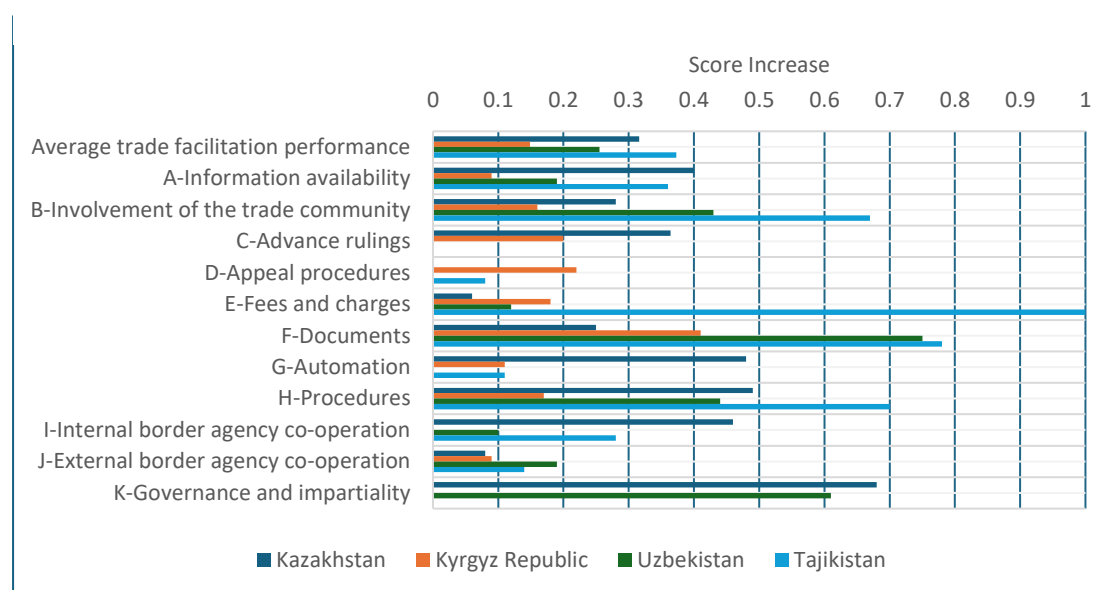
Geoeconomic challenges further complicate the landscape for sustainable development. Trade facilitation is a cornerstone of GVCs, effectively reducing both the time and costs associated with the movement of goods. Given the geographical distance of Central Asian countries from major markets, they face an inherent disadvantage. However, trade facilitation is emerging as a key force that can mitigate this disadvantage, as it strengthens connectivity, thereby enhancing regional competitiveness, fostering deeper integration, and reaping the benefits of global trade. Taken together, these factors underscore the need for robust, flexible trade facilitation systems that can withstand global trade flows and remain as smooth as possible even in times of crisis. A notable case is the Belt and Road Initiative, which focuses on the development of substantial infrastructure based on investments made in recent years.

For a broader research perspective, the OECD TFIs are also considered here. The OECD TFIs provide a structured overview of the trade facilitation policy environment in 163 individual economies that have closely tracked the WTO TFA to assess the status of their trade facilitation efforts, identify challenges, and identify opportunities for progress. It shows that Central Asian countries have made significant progress in trade facilitation, as evidenced by the overall improvement in their performance on the OECD Trade Facilitation Indicators in 2022 (see Figure 2). For example, Uzbekistan achieved the highest relative performance since 2019, with

¹⁹ CI-UNESCAP (2021). Digital and Sustainable Trade Facilitation in Central Asia Regional Economic Cooperation (CAREC) 2021, Access (July 23, 2024) from: <https://www.untfsurvey.org/files/documents/report-digital-sustainable-2021-global.pdf>

²⁰ OECD (2023). Trade Facilitation in Central Asia, Access (Feb 20, 2024) from: https://read.oecd-ilibrary.org/trade/trade-facilitation-in-central-asia_80ed999c-en#page5

Figure 2: the Improvement of the TFIs Performance from 2017 to 2022



foreign trade turnover equivalent to 72% of GDP in 2022, while Kazakhstan led the absolute increase in TFI scores and had the best performance in the region, with foreign trade turnover in Kazakhstan at US\$139.8 billion in 2023, an increase of 3.2% year-on-year. All this underpins the resilience and diversification of trade, which also provides a solid foundation for cooperation.

Together with other organizations, the OECD also stresses the importance of implementing WTO TFA measures to achieve trade diversification while emphasizing the importance of cooperation. Countries such as Turkmenistan and Uzbekistan serve as examples of how continuous improvements in trade facilitation can lead to a more diverse and robust trading environment, paving the way for two countries to further integrate global value chains based on cooperation. Overall, progress has been made in the area of cooperation, but in relative terms, cooperation continues to score lower, as trade facilitation is essential for smoothing trade flows, reducing costs, and enabling countries to diversify their exports, thereby contributing to economic resilience and growth, which is the reason for the slower pace of integration and cooperation. Source: OECD Trade Facilitation Indicators Database

3. Evaluation of Current Challenges and Areas Needing Improvement

Overall, trade facilitation lags behind other regions and income groups (Figure 2). While there has been progress in trade facilitation reform, recent years have seen discrepancies in performance improvement across various dimensions, leading to heterogeneity among the Central Asian countries. For example, Kazakhstan has shown significant advancements since

2017 in automating procedures, whereas Kyrgyzstan, Tajikistan, and Uzbekistan have made limited or no progress, resulting in significant score disparities in this aspect. In addition, the overall performance falls behind most of the regions covered by the dataset.

3.1 Regional governments need to improve the timely online publication of comprehensive trade-related regulations.

In areas such as the availability of comprehensive, up-to-date, and user-friendly penalty provisions, appeal procedures, judicial decisions, and trade agreements, regional governments need additional efforts to make up-to-date trade-related legislation on all sectors available online. In particular, Tajikistan and Uzbekistan could consider harmonizing the advance publication of trade-related regulations before entry into force, which today appears to cover only selected trade-related procedures.

3.2 Automation challenges hinder clearance procedures in the Kyrgyz Republic, Tajikistan, and Uzbekistan due to outdated business processes and insufficient electronic integration.

Although significant progress has been observed across the region, automation remains one of the most challenging areas for the Kyrgyz Republic, Tajikistan, and Uzbekistan. For instance, the Kyrgyzstan Republic established a single window system in 2009, which became operational in 2013.²¹ This system relied on a centralized database and offered web-based access to governmental departments, agencies, customs brokers, and traders. However, the absence of re-engineered business processes within these agencies led to data redundancy and slow processing times, thereby impeding clearance procedures. Furthermore, the system encountered difficulties due to the lack of operational electronic interfaces with the IT systems of various agencies.

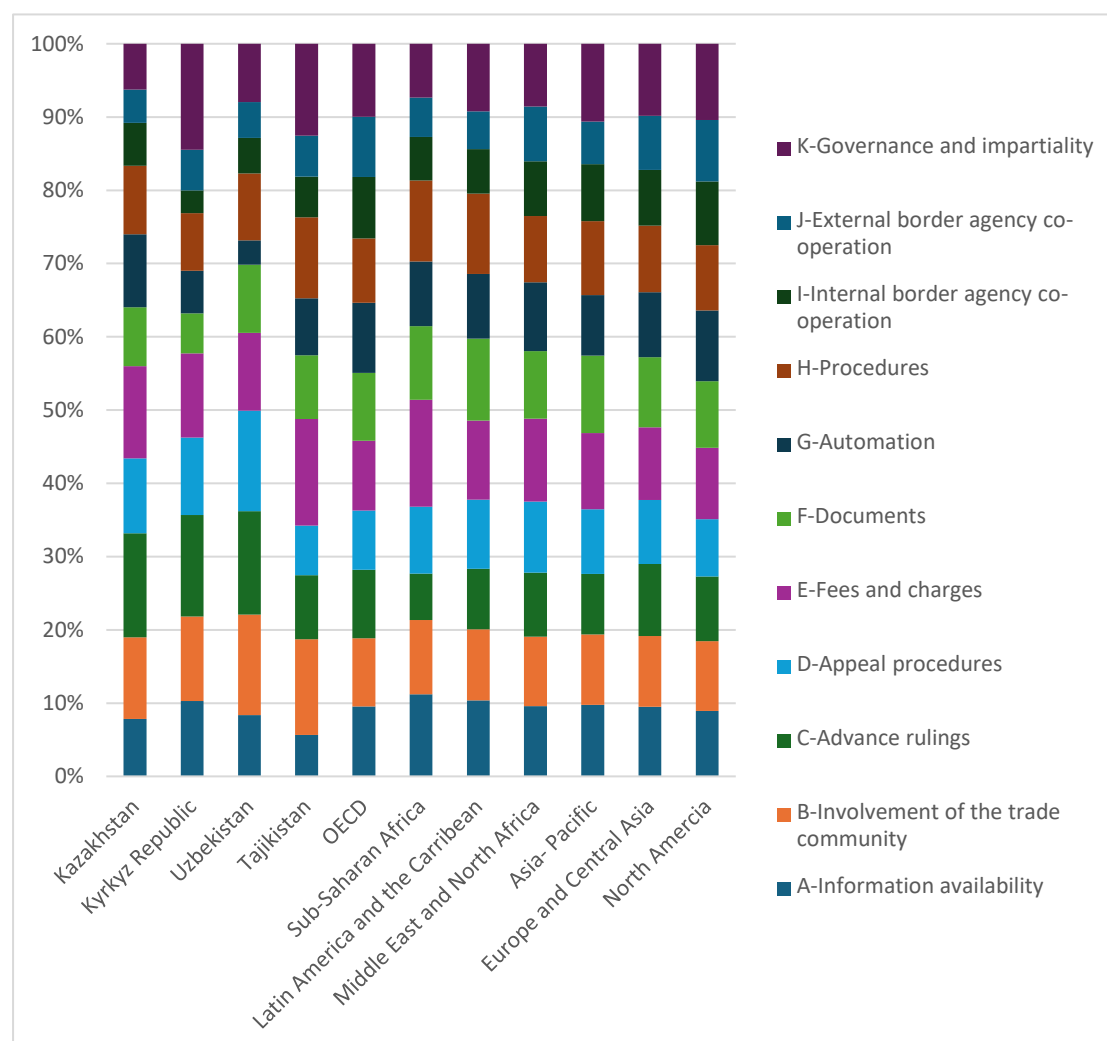
3.3 Central Asia's trade facilitation is hindered by poor domestic and cross-border cooperation, leading to inefficient border processes and limited electronic data exchange.

The region faces challenges to domestic and cross-border cooperation, which resulted in the lowest average TFI performance in these areas compared to the other regions (Figure 3).²²

²¹ OECD (2023). Trade Facilitation in Central Asia, Access (Feb 20, 2024) from: https://read.oecd-ilibrary.org/trade/trade-facilitation-in-central-asia_80ed999c-en#page34

²² OECD (2023). Trade Facilitation in Central Asia, Access (Feb 20, 2024) from: https://read.oecd-ilibrary.org/trade/trade-facilitation-in-central-asia_80ed999c-en#page24

Figure 3: The Trade Facilitation Performance in Central Asia compared to other Regions



Source: OECD Trade Facilitation Indicators Database

For example, Kazakhstan has performed relatively well compared to its regional peers. However, the absence of a generalized electronic exchange between Kazakhstan and neighboring countries has led to duplicated efforts. Truck drivers need to carry a large amount of paper documentation with them and undergo lengthy time border queuing times and controls that could be avoided if the electronic exchange of data were to function properly²³. The Kyrgyz Republic is a target country of UNECE's capacity-building support to implement the WTO TFA aimed at strengthening the inter-agency mechanisms in support of domestic border agency cooperation, allowed by national legislation for cross-border cooperation with

²³ OECD (2023). Trade Facilitation in Central Asia, Access (Feb 20, 2024) from: https://read.oecd-ilibrary.org/trade/trade-facilitation-in-central-asia_80ed999c-en#page38

neighboring countries; however, the agencies cooperation success has remained limited²⁴.

4. Policy Recommendations

4.1 Enhancing online platforms and single windows can improve the availability of trade-related information, benefiting both WTO members and acceding countries.

The development of online platforms and single windows can significantly improve the availability of information online, in particular, the use of single windows as a centralized database for all stakeholders. Therefore, the WTO members in Central Asia, Kazakhstan, the Kyrgyz Republic, and Tajikistan have improved their national trade single windows. However, as reviewed by the WTO TFIs, further improvements need to be made on an ongoing basis. For the non-WTO members, Uzbekistan and Turkmenistan are still in the accession process, they also need to focus on the establishment and improvement of a trade single window.

4.2 Improve transparency in trade-related legislation and customs procedural information to promote TFA compliance and effectiveness.

As the WTO is a rules-based multilateral trading system, trade-related legislation and the transparency and availability of customs procedural information are also key to the WTO TFA. Given that the performance score is relatively lagging behind other regions, there is much room for improving the availability of information for both members and acceding countries, standardizing procedures and data exchange, harmonizing document requirements for electronic data exchange, etc. within the region.

4.3 Strengthen inter-agency cooperation to establish systematic national and cross-border cooperation mechanisms, as well as promote regional coordination and cooperation.

It is generally understood that the underlying rationale of the WTO TFA is to facilitate the smooth flow of trade, leading to corresponding trade integration. In this context, given the high cost of trade in Central Asia, which is disproportionally driven by the diversification of transport requirements, it is therefore also essential to enhance inter-agency cooperation to establish systematic and regular national and cross-border cooperation mechanisms, thereby strengthening regional coordination and cooperation.

Above all, in broad terms, the impactful trade reductions are associated with paperless trade measures resulting in a reduction of about 17%, compared with the conventional trade facilitation measures resulting in a 4-9% cost reduction, which is over 10% excess. However, the implementation level of 'cross-border paperless trade' remains low at 47%, with significant challenges remaining in enabling the electronic exchange and legal recognition of trade-

²⁴ OECD (2023). Trade Facilitation in Central Asia, Access (Feb 20, 2024) from: https://read.oecd-ilibrary.org/trade/trade-facilitation-in-central-asia_80ed999c-en#page47

related data and documents across borders²⁵. In this regard, the intense joint effort for enhancing digital trade facilitation is strongly advocated here as well.

²⁵ UNESCAP (2023). Digital and Sustainable Trade Facilitation: Global Report (2023) Access (July 23, 2024) from: <https://www.untfsurvey.org/files/documents/report-digital-sustainable-2023-global.pdf>