

Trade Policy Cooperation under CAREC Program

Guoliang WU

Regional Cooperation Specialist

Asian Development Bank

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Presentation Outline

Trade Policy Cooperation under CAREC Program

Introduction

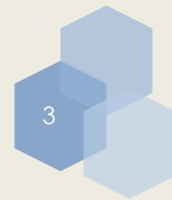
CAREC
Trade Policy
Strategic Action Plans

CASE STUDY:
Technical Assistance on
Addressing TBT

Trade in Services

Introduction

TPCC four key focuses



(i) achieving WTO accession and post accession adaptation;

(ii) making non-tariff measures consistent with WTO TBT Agreement and SPS Agreement;

(iii) expanding trade in services; and

(iv) achieving more trade openness prior to WTO accession.



CAREC

Trade Policy Strategic Action Plans



TPSAP Goals

(Old and New)



- Achieving more trade openness prior to WTO accession

Old 1



New 1

- ✓ Achieving more trade openness prior to WTO accession

- Achieving WTO accession

Old 2



New 2

- ✓ WTO accession and post accession

- Capacity building on trade issues

Old 3



New 3

- ✓ Capacity building and knowledge sharing on trade issues



New 4

- ✓ Expansion of trade in services



New 5

- ✓ Make technical regulations on industrial goods and SPS measures consistent with the WTO TBT and SPS agreements

TPSAP Policy Action

(Old and New)

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Old TPSAP 2008-2012



New TPSAP 2013-2017

- Supporting WTO accession

- ✓ WTO accession and implementation of commitments

- Pre-accession tariffication of quantitative restrictions

- ✓ Eliminate quantitative restraints on trade

- Pre-accession trade tax reductions and simplifications

- ✓ Simplify and liberalize the trade-tax regime

- Capacity building and knowledge transfer activities

- ✓ Capacity building and knowledge sharing throughout all focuses

- Reducing barriers to transit and border trade

- ✓ Promote market access and national treatment for foreign companies in backbone service sector

- ✓ Adoption of international standards and prepare national SPS strategy and action plan

CAREC Trade Policy Action Plans



Trade Policy Strategic Action Plan for 2008-2012

Trade Policy Strategic Action Plan for 2013-2017

GOALS

- Achieving more trade openness prior to WTO accession
- Achieving WTO accession
- Capacity building on trade issues

- ✓ Achieving more trade openness prior to WTO accession
- ✓ WTO accession and **post accession**
- ✓ Make technical regulations on industrial goods and SPS measures **consistent with the WTO TBT and SPS agreements**
- ✓ **Expansion of trade in services**
- ✓ Capacity building and knowledge sharing on trade issues

POLICY ACTION

- Supporting WTO accession
- Pre-accession tariffication of quantitative restrictions
- Pre-accession trade tax reductions and simplifications
- Capacity building and knowledge transfer activities
- Reducing barriers to transit and border trade

- ✓ WTO accession and **implementation of commitments**
- ✓ Eliminate quantitative restraints on trade
- ✓ Simplify and liberalize the trade-tax regime
- ✓ **Adoption of international standards and prepare national SPS strategy and action plan**
- ✓ **Promote market access and national treatment for foreign companies in backbone service sector**

Trade Policy Strategic Action Plan (TPSAP)

Three main expansions of its focus



The new TPSAP, endorsed in the 12th CAREC Ministerial Conference in 2013, continues to emphasize the objectives of the previous one, but notes that the trade policy agenda is shifting and expanding.

- **Expansion on both supporting WTO accession and the post-accession commitments implementation.**

Pakistan, 1 January 1995
Mongolia, 29 January 1997
Kyrgyz Republic, 20 December 1998
Georgia, 14 June 2000
China, 11 December 2001
Tajikistan, 2 March 2013
Kazakhstan, 30 November 2015
Afghanistan, 29 July 2016

*Non-WTO countries in CAREC: Azerbaijan,
Turkmenistan, Uzbekistan*

- **Expansion on both trade in industrial goods and trade in services.**

Of the eleven CAREC countries, only Pakistan, China and Georgia have ports with access to open seas..

- **Expansion on both tariff and non-tariff issues.**

Regardless of their WTO membership status, reduce the NTBs for achieving greater trade openness.

The background is a solid dark blue. It features several decorative geometric elements: a cluster of light blue and white hexagons in the top left, a smaller cluster of similar hexagons in the bottom left, and a large, faint outline of a hexagonal grid structure in the bottom right.

Case Study:

**Technical Assistance on
Addressing TBT**

WTO and Tajikstandart

A full-pledged WTO member in March 2013

Legal, regulatory and administrative impediments to trade;
low FDI;
conflicts of interests of the [Standards Agency -Tajikstandart](#)

Tajikstandart dominates quality infrastructure;
contradicts international best practice;
incompliant with Tajikistan's WTO commitments

WTO commitment to conduct a policy research and analysis
on organizational reform of Tajikstandart



Current Organization of Tajik Quality Infrastructure

TECHNICAL
REGULATION

TRADE
INSPECTION

STANDARDS

CONFORMITY
ASSESSMENT

(Certification,
testing)

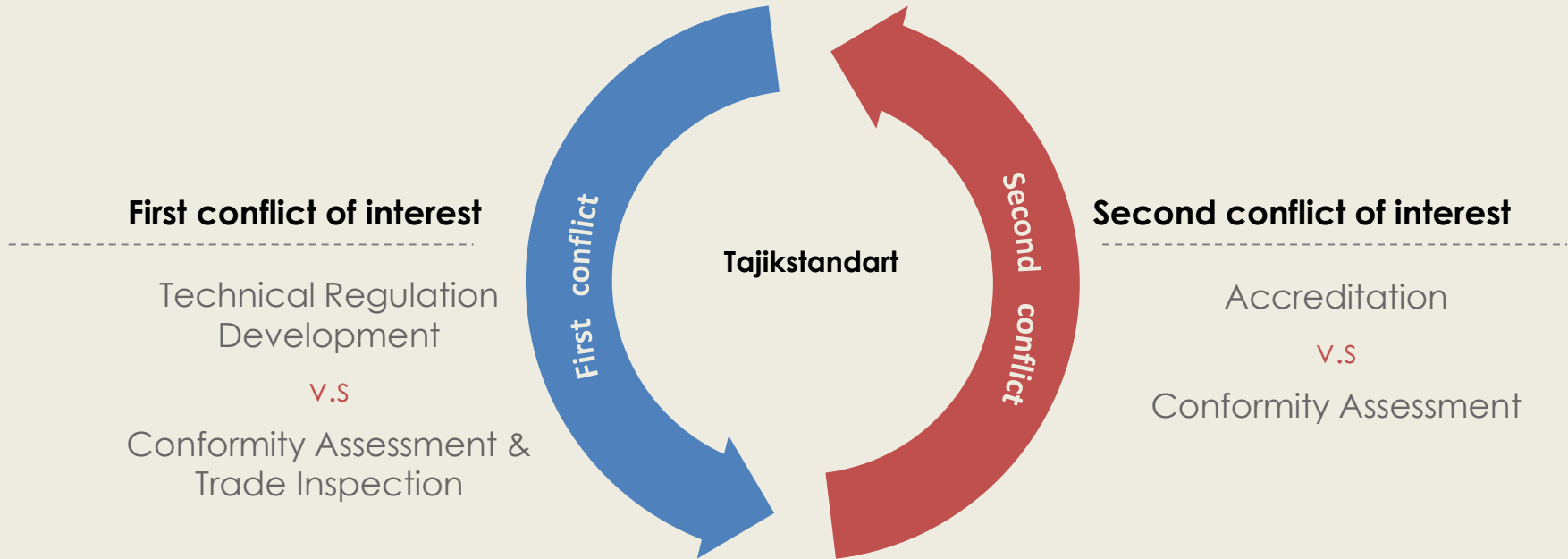
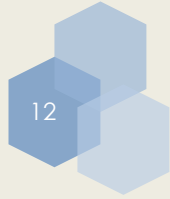
ACCREDITATION

METROLOGY

Tajikstandart Conflicts of Interests

Threaten both the ability of Tajik quality infrastructure to safeguard product safety and quality and the efficiency and effectiveness of the services offered.

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**TECHNICAL
REGULATION**

Authorized Body for
Technical Regulation
under the President's
Office

**TRADE
INSPECTION**

Authorized Body for
State Supervision

ACCREDITATION

Focal point for
accreditation

Ministry of Economic
Development & Trade

New Tajikstandart

STANDARDS

**CONFORMITY
ASSESSMENT**

(Certification,
testing)

Public & Private
sector alternative
services providers

METROLOGY



Trade in **Services**

Trade in Service

Leading driver of global economic growth

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A critical instrument in forming GVCs;



Productivity in manufacturing increased as a result of gains in efficiency in service sector



Gains from global trade liberalization enhanced by 80% if services included in the reform package



The quality of service availability, an important determinant of rural income



Service liberalization reduces costs of doing business



Benefits gained through FDI and trade via GATS Mode III

CAREC TPSAP 2013-2107

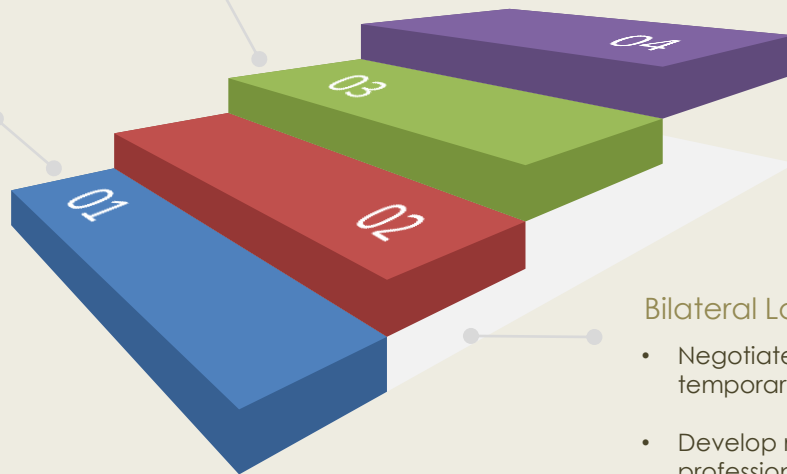
Objectives and policy actions

Expansion of backbone service provision

- Promote market access and national treatment for foreign companies that would provide financial services, telecommunications, and transportation services.

Expansion of cross-border trade in services

- Conduct national studies to assess key bottlenecks.
- Commission and score the Services Trade Restrictiveness.
- Improve the quality of institutions
- Implement key regulatory policy steps to liberalize telecommunications and other important sectors.



Regulatory improvement and sustained review of services regulations.

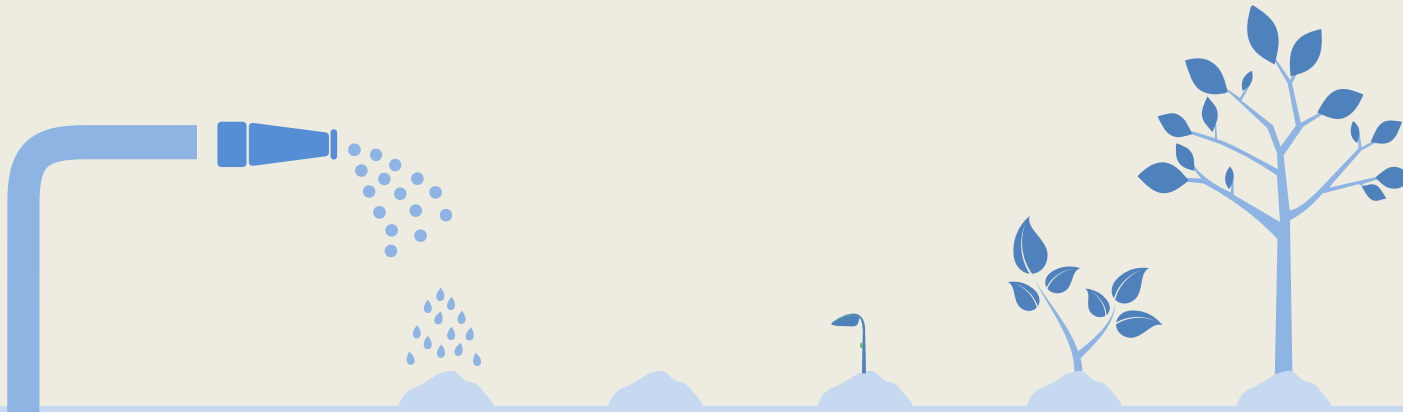
- Organize public-private dialogue to flag problems and contribute to the solution.
- Formation of a technical team for substantial analysis to lead the dialogue into policy action.

Bilateral Labor Agreements

- Negotiate Bilateral Labor Agreements for a temporary visa regime.
- Develop mutual recognition agreements for professional qualifications.

CAREC Region at Tipping Point

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A tipping point: prospects for further trade expansion limited by economic fundamentals and trade policy shortcomings

Sustainably developing the resource sectors and expansion of trade beyond commodities would require

- (i) more skilled labor;
- (ii) strengthened institutions that deliver better services and ensure competition; and
- (iii) improved connectivity.



**“ We have to learn how to work within the
limits that are possible, not what is
desirable. ”**

Roberto Azevêdo

OUR CONTACT INFO

Send your message, advice, and suggestion at
guoliangwu@adb.org

ASIAN DEVELOPMENT BANK
6 ADB Avenue
Mandaluyong City, Metro Manila
Philippines

Give us a call at
+6 32 632 4444

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Thank you!