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| **Kazakhstan** |
| 1. Institutional weakness and inefficiency of government actors (ie, corruption, disconnect between policies and reality)
 | * Significantly high corruption and institutional weakness that inhibits efficiency
* This contributes to the overall cost of trade
 |
| 1. Transparency and inadequate private sector\*
 | * Methods about how this data is collected is dubious; need better data collection methods
* There is a perceived risk that businesses are not prepared for WTO accession
 |
| 1. EEU Harmonization\*
 | * Rules created in Moscow for EEU add to the cost of product production standards because they are focused on the Russian market, not Kazak economic opportunities. There is a perceived risk that WTO accession will put competitive pressure on unprepared companies
* EEU policies are growth prohibitive. It is difficult to adjust standards of product, which are geared to Russia and not other markets
 |
| 1. Transport and Logistics\*

\* Numbers 2, 3, 4 are tied for 2nd place | * Rules that inhibit trucks from one country to pass into another country; the registration process; the cost of doing trade. Trade facilitation methods need enhanced (proper software and procedures)
* Logistics adds 70% of the product costs versus 7% in places such as the US; lack of transparency; locals need R&D and access to finance, etc.
* There needs to be better analysis to prioritize the infrastructure built. The benefits do not always match the cost requirement
 |
| **Kyrgyzstan** |
| 1. WTO Implementation
 | * Kyrgyzstan is a WTO member but implementation is lagging
* WTO rules, regulations, requirements are not made public
* Lack of compliance with international safety standards
* The CU and WTO need to be harmonized and the government is requesting assistance.
	+ There is a lack of information on the CU, legal reforms needed for accession, and unknown implications on WTO
	+ When they join the WTO there are special rates negotiated at a lower percentage. When Russia joined the WTO after KR, they negotiated rates at a higher rate than KR, so we don’t know how that will be affected when they join the CU. Rates expected to go up once KR joins CU; who will cover that “damage.” There is a lot of grid-lock in renegotiating the rates
 |
| 1. Formalizing the informal Sector
 | * Formalizing the informal sector will strengthen the tax base and would help the government provide services for its citizens
* The shadow economy is estimated to be 50%. There are three types of businesses: 1) the informal; 2) the patent regime (semi-formal); and 3) formal.
	+ Since there is a significant time and cost requirement to become a formal business, most businesses remain semi-formal
 |
| 1. Corruption and its effect on businesses
 | * Corruption is a symptom of weak and inefficient institutions, which are a major issue
* There is a lack of institutional memory within government institutions.
* Lack of transparency
* Need for good documentation for traders
 |
| **Tajikistan** |
| 1. Corruption
 | * Deeply embedded in the system; when somebody is going to a certain gov’t position, it is assumed that person will take care of themselves and that is it; if somebody wants to be appointed as a customs rep for Afg, e.g., it costs $1M for one year, which they should recover $1M (e.g., $4M found in officials car)
* Border management practices are not professionalized
* Local businesses do not want to get too large or they will be taken over.
* There is low capacity within the government
 |
| 1. Political willingness to trade among neighbors
 | * Visa issues for certain South Asian countries inhibits access and prevents trade.
* Enhanced customs border coordination is needed, especially between Tajikistan, Pakistan, and Afghanistan
* There are different trade regimes with its neighbors
* Poorly implemented transit agreement with neighbors
	+ Uzbekistan imposes trade barriers that are in violation of the International Road Transport (TIR) rules
 |
| 1. Competitive Value Chains\*
 | * Tajikistan has a large trade deficit and is heavily reliant on remittances
* Remittances make up approximately 50% pf GDP
 |
| 1. Logistics and transport\*

\*Numbers 3 and 4 are tied and number 4 is related to number 2 | * The single window is not implemented
* Logistics costs are prohibitive
* Security and transit through Afghanistan is a major issue
 |
| **Uzbekistan** |
| 1. Isolated policies\*
 | * Overly regulated, restrictive trade policies aimed to bolster reserves and support the complex exchange rate regime
 |
| 1. Currency regime\*
 | * Significant, complex currency controls which contribute to significant market distortions
 |
| 1. Lack of reliable information\*
 | * Lack of information and existing information is not reliable
 |
| 1. Heavily regulated trade\*

\*Numbers 1 and 2 are tied and 3 and 4 are tied. Number 4 is related to number 1 | * Trade preference system has not been adopted
* Quota system has not been adopted
* Anti-dumping duties have not been set
* Exports require 100% prepayment
 |
| **Turkmenistan** |
| 1. Lack of government capacity to promote a business enabling environment
 | * Lack of a business enabling environment
* Centralized, government controlled economy
* Economic diversification is a government priority but there is limited capacity to develop the SME sector
 |
| 1. Conservative, isolationist policies
 | * State controlled economy
	+ Over-reliance on natural resources (ie, gas)
* Private sector production is oriented for internal consumption
* Rent seeking behavior
 |
| 1. Lack of information\*
 | * Lack of transparency and information
* When statistics are available, they are perceived to be relatively accurate
 |
| 1. Visa difficulties\*

\*Numbers 3 and 4 are tied | * It is difficult to obtain a visa to enter Turkmenistan, which inhibits access and international trade
 |
| **Central Asia**  |
| 1. Un-harmonized trade regimes
 | * CU, EEU, and WTO regulations are not harmonized
 |
| 1. Weak value chains
 | * Value chains are weak and not competitive
 |
| 1. Corruption\*
 | * Significant corruption exists as a result of weak and inefficient government structures
 |
| 1. Trade and transport logistics
 | * Inefficient transport and logistics across the region resulting in high transportation costs
* 90% of all cargo is transported by railway
	+ Trucks need special registration to cross the borders (there is a different regime) and is less efficient than rail
* Transportation conventions and agreements are not signed and/or implemented
* Deficient trading platforms
 |
| 1. Capacity building for government and private sector\*

Number 3 is related to 5 | * Inefficient government structures
* There is a perceived risk that businesses are not prepared for CU, EEU, or WTO
 |
| **Afghanistan** |
| 1. Security and stability
 | * Security is an issue, especially for transit of goods though Afghanistan
* Corruption
 |
| 1. Trade harmonization
 | * Quality issues surrounding exports
* Not a WTO member
* Significant non-tariff barriers
 |
| 1. Transport and logistics\*
 | * Poor infrastructure which increases time and cost
* Trucks registered in Tajikistan cannot move through Afghanistan and vice versa. Some people register trucks in both countries and they switch plates and documents
* Railway cars from Afghanistan to Central Asia need to be offloaded by trucks and then reloaded
* There are no air flights between Afghanistan and Central Asia.
* Capital costs are high
 |
| 1. Weak value chains\*

Numbers 3 and 4 are tied | * Value chains are weak
* Afghanistan produces similar goods as in Central Asia
 |
| **Pakistan** |
| 1. Signing of conventions
 | * Need to liberalize its distorted trade regime
* Needs to sign and leverage current trade agreements better
* Flawed trade agreements
 |
| 1. People to people connections
 | * Visas are a major issue
* No direct flights with neighboring countries
* Lack of information
 |
| 1. Transport and logistics
 | * Poor transport infrastructure which increases time and costs
* India trade is not connected through Pakistan
 |