

Regional SPS Border Services Management Assessment

Trade Corridors and BCPs

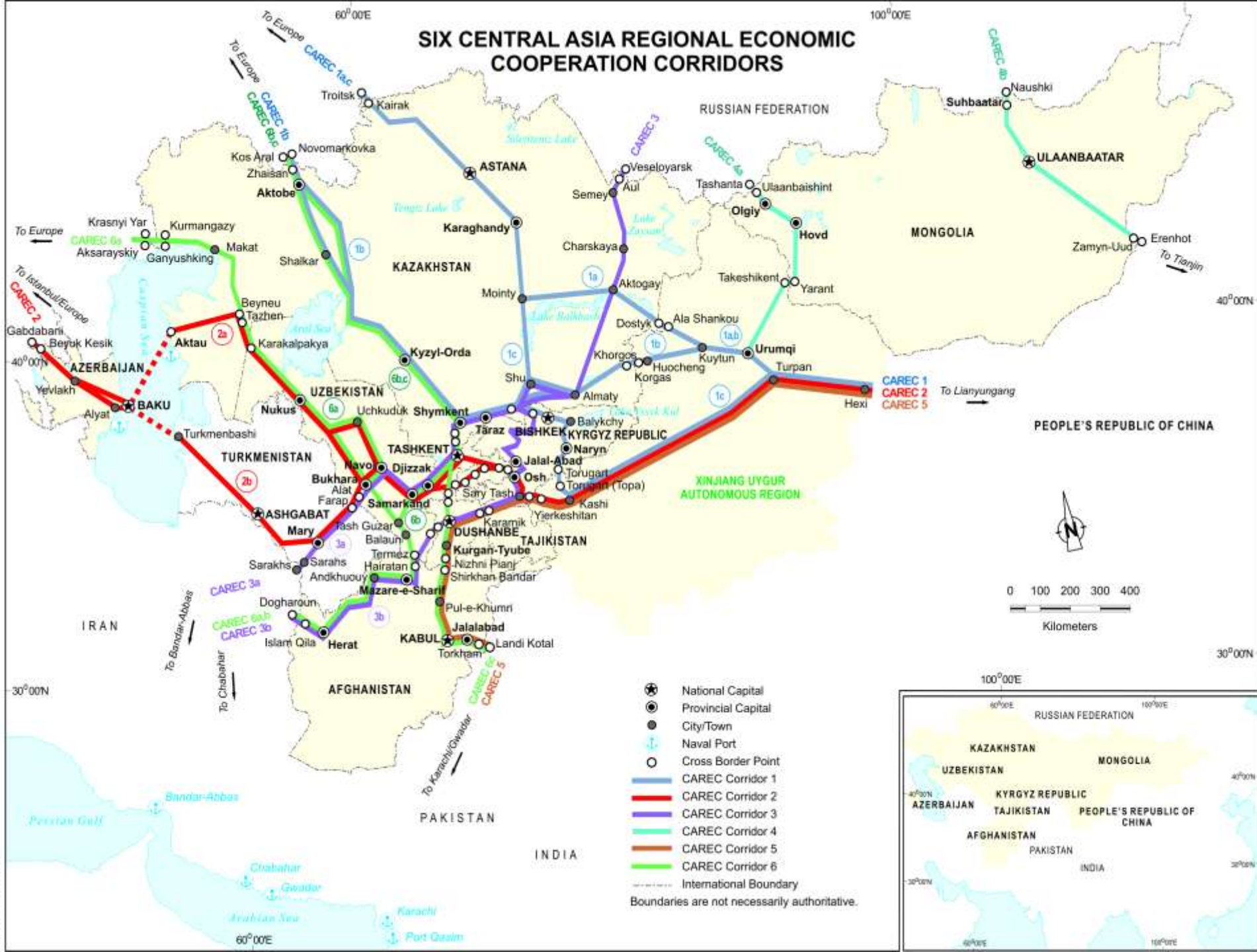
Structure

1. Background
2. CAREC corridors
3. Trade trends in the region
4. Trade scenarios
5. Recent developments in the region
6. Border management: common problems
7. Priority BCPs for potential assistance

1. Background

- All CAREC members except Pakistan are landlocked
- Distance between major cities and ports is 4000 km
- WB and ADB reports list 30 multilateral BCPs in CAREC region
- Main type of used transports are road and rail

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3. Trade Trends in the Region

- Cross dependence between Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan
- Azerbaijan transit route for export of products to Kazakhstan and other CA countries
- Trade relations between Turkmenistan, Afghanistan and Tajikistan
- Mongolia potential market for goods from China and transit road to Russia
- Kyrgyzstan re-exporter of Chinese goods to CA

4. Trade Scenarios (1)

- 71% of Kazakhstan total export is grain and flour (in non-oil sector)
- Kazakhstan is a transit route to Russia and big market for various perishable goods from Kyrgyzstan, Tajikistan and Uzbekistan
- Tajikistan and Uzbekistan big exporters of cotton (primary product)
- Not so much trade turnover among three of CA countries

4. Trade scenarios (2)

- Afghanistan exporter of dry fruits, fresh and hides of animals to Pakistan and Tajikistan
- Pakistan exporter of processed food and animal origin products to Afghanistan
- Turkmenistan importer of fresh fruit and vegetables from Tajikistan, Uzbekistan and Kyrgyzstan
- China main export market for goods from Mongolia; and now agricultural commodities from Central Asian countries

5. Recent Developments in CAREC economy

- CAREC countries mostly are exporters of raw agricultural commodities (not processed) vs. importers of processed food products from Russia, Turkey, EU, USA, Iran, Belarus
- Azerbaijan, Kazakhstan, Afghanistan are importers of live animals
- Sanctions against Russia may provide a good opportunity to promote export of agrifoods from CAREC region
- Further expansion of Customs Union can change trade scenarios in the region

6. Border Management: Common Problems

- Non-existence of IT based import/export application systems
- Informalities in export/import procedures, in other words unwritten charges and requirements. (*Note requirements of Article 8/Annex C of SPS Agreement as well as Transparency requirements (Article 7/Annex B)*)
- Insufficient intergovernmental cooperation between Customs
- Lack of proper understanding of Single Window concepts
- Non-existence of strategy for development of border crossing points in most of member states
- No proper coordination among border control bodies and related agencies

7. Priority BCPs for TA Consideration

- Chaldovar – Merke (Lugovaya),
- Ak-zhol – Korday,
- Dostuk – Dustlik,
- Zamyn Uud - Erlian
- Kushtegirmon,
- Tokham – Torkhan,
- Sher Khan Bandar – Nizhnj Pianj,
- Hairaton – Termez BCP,
- Red-Bridge and Boyuk Kesik

Plant Health

Previously covered in Session on TADs and regulated pests

Food Safety

Findings and general conclusions: Border inspection for food safety in CAREC countries

- Risk based border inspections, on clearly defined Risk based categories for foods, are minimally conducted. Mongolia applies Risk Based inspections at borders.
- Some of the CIS countries in CAREC have a common legislation; Regulation on Sanitary Control at Border Crossing Points of May 22, 2000 # 927. The system is based on GOST standards by which potentially unnecessary checks are conducted which may be obstacles to trade.
- The system of Certificates of HACCP Compliance is not applied.
- The border control legislation for food products **has not been harmonised with the various Codex standards**

Recommended Action points border control in CAREC countries

- The countries have to establish risk-based categories of the various food products. Identification of the Risk based categories should be conducted on a regional approach.
- Certificates of HACCP Compliance are recommended to be applied. This requires HACCP to be mandatory in the legislation.
 - Application of Certificates of HACCP compliance has to be embedded in the system of Risk based inspections.
- Since Mongolia is already advanced in the system of Risk based Mongolia is recommended to be assisted to enhance their system to international best practices and to serve as a **CAREC benchmark**.
- The countries have to be trained **regionally** on the various Codex documents related to border control.