



13th USAID Central Asia Trade Forum

Enhancing Connectivity in Central Asia : an OECD perspective

Session I: Unveiling New Markets
Tuesday 14 May 2024, 10.30-12.00



- 1. Improving Trade Facilitation in Central Asia**
2. Realising the Potential of the Middle Corridor



Trade facilitation in Central Asia

Key achievements and way forward for the region

Achievements

- **Improvements on Trade Facilitation Indicators**, especially on
 - Governance and impartiality
 - Involvement of the trade community
 - Information availability
- Expressed aim of closer intra-regional **integration**

Way forward

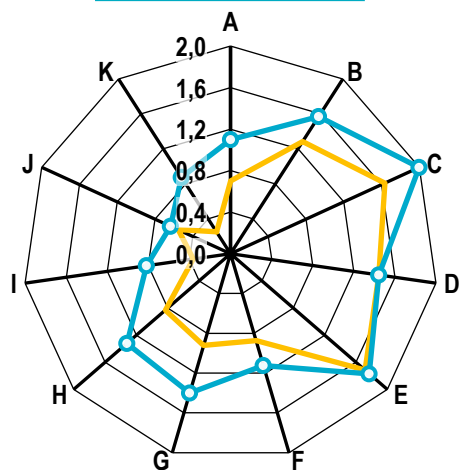
- **Improve access** to documentation
- **Boost digitalisation** in trade-related procedures
- **Build up infrastructure** to enhance intra-regional trade and inter-regional freight of goods



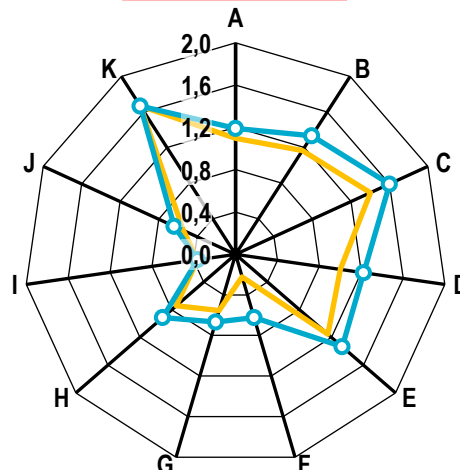
Country focus

Measured improvements since 2017 and key recommendations

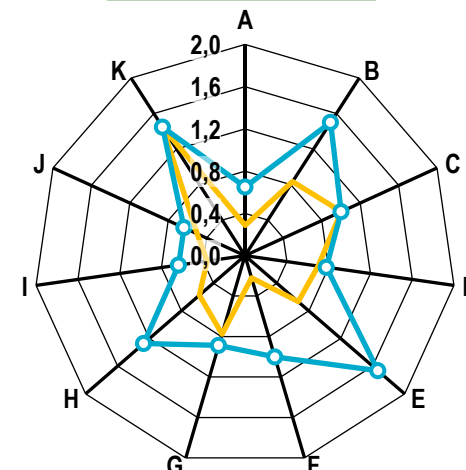
Kazakhstan



Kyrgyzstan



Tajikistan



— 2017

— 2022

Legend: **A** - Information availability, **B** - Involvement of the trade community, **C** - Advance rulings, **D** - Appeal procedures, **E** - Fees and charges, **F** - Documents, **G** - Automation, **H** - Procedures, **I** - Internal border agency co-operation, **J** - External border agency co-operation, **K** - Governance and impartiality.

Key recommendations by country

KZ

- Expand the existing single window
- Reduce compliance costs

KG

- Consult the trade community
- Harmonise internal border agency co-operation

TJ

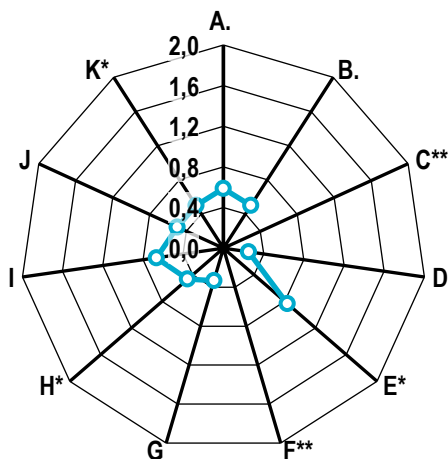
- Adopt an automated risk management system
- Ensure the effective functioning of the court system



Country focus

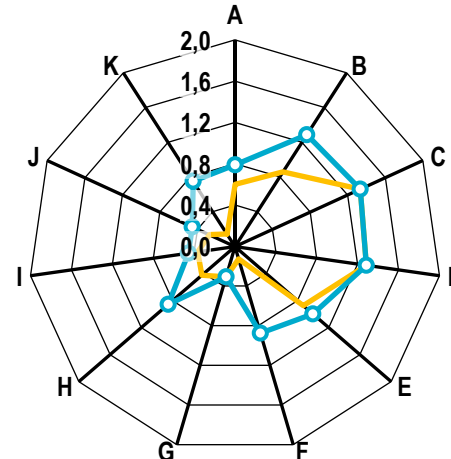
Measured improvements since 2017 and key recommendations

Turkmenistan



— 2017

Uzbekistan



— 2022

• **Legend:** **A** - Information availability, **B** - Involvement of the trade community, **C** - Advance rulings, **D** - Appeal procedures, **E** - Fees and charges, **F** - Documents, **G** - Automation, **H** - Procedures, **I** - Internal border agency co-operation, **J** - External border agency co-operation, **K** - Governance and impartiality.

Key recommendations by country



**Foster intra-regional
co-operation with the
neighbours**



**Expand the use of
document copies**

- Note: 2 is the maximum score. Dimensions marked with * include less than half of the OECD TFI sub-indicators, while those marked with ** are not presented at all due to insufficient data.
- Source: OECD TFIs database.



1. Improving Trade Facilitation in Central Asia
- 2. Realising the Potential of the Middle Corridor**



The OECD surveyed or interviewed 170+ private and public players from Kazakhstan, Azerbaijan, Georgia and Türkiye

1

OECD survey

- Survey questions were adapted to **respondent type: firm, association, government entity**
- Questions centred around:**
 - Middle Corridor use
 - Soft measures
 - Transport infrastructure
 - Policy priorities
- Respondents came from the main Middle Corridor countries**
- Adapted questions depending on stakeholder type**

Individual companies	112	Major freight players in KZ, AZ, GE and TR
Business associations	15	Road freight Rail freight Sea freight
Government entities	16	Ministries, committees

2

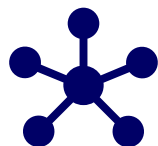
Qualitative interviews complemented the questionnaires

Ministries	4	KZ, AZ, GE, TR	IOs	9	AIIB, WB, ITC, TRACECA, EBRD, UNECE, TITR, BSEC-URTA, IRU	Private sector	21	Business associations / companies
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« Realising the Potential of the Middle Corridor »

Main findings



Regional Trade Integration

Businesses indicated that “demand is weak compared to other trade routes”

- **Limited global and regional trade** constrains **private-sector demand** for the Middle Corridor

Recommendations:

- Enhance the trade potential through private-sector development reforms



Soft measures

Businesses reported a “drastic increase in border crossing times since early 2022”

- **Unharmonised regulation** and **lengthy procedures** lead to **delays at border**, hampering the route’s competitiveness

Recommendations:

- Simplify and harmonise the regulation frameworks
- Digitalise transit documents
- Intensify cross-border cooperation



« Realising the Potential of the Middle Corridor »

Main findings



Infrastructure

Businesses reported “important congestion at Caspian Sea ports” despite low utilisation rates

- **Important bottlenecks** appear due to **insufficient investments**, **lack of multimodality** and **inadequate fleets**

Recommendations:

- Improve multimodality and develop the logistics sector
- Address critical bottlenecks such as the Caspian Sea crossing



Stakeholder Co-ordination

Businesses indicated that “infrastructure can be disconnected from the needs and is planned without common vision”

- **Institutional** and **Public-Private cooperation** could be improved at the **national and regional level**

Recommendations:

- Develop the institutional tools for a common approach of the Middle Corridor
- Enhance private sector involvement in the development of the corridor



Thank you!

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<https://eu-cai.org>

