



Working Groups – 15 November 2012

Regional Conference organized by the OSCE Academy and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Federal Ministry for Economic Cooperation and Development of Germany (BMZ)

14 – 15 November 2012 in Bishkek, Kyrgyzstan

Day 2: Parallel working groups

Working group 1

The Customs Union and Tajikistan and Kazakhstan

The first working group discussed the impact of the Customs Union on Tajikistan and Kazakhstan. The discussion was based on the inputs from Bulat Khusainov (Institute of Economy, Kazakhstan), Roman Mogilevsky (University of Central Asia) and Sabirzhan Dzhangozin (Customs and Transportation expert, Kazakhstan). The Kazakh experts shared their experience of difficulties with transition to the Customs Union regime. The regime of common customs border suffers from lack of coordination and capacity. The new regime also contributed to increased stringency of customs controls on Chinese imports, although no significant change to trade balances occurred. There is considerable potential for trade facilitation measured. Jonathon Hornbrook (GIZ) spoke on the experience of the implementation of SAFE and positive examples of implementing best practices in trade facilitation.

Eventually the group identified five major take-aways.

Key take-aways from the discussion:

- Membership of Tajikistan in the Customs Union will likely only take

place after Kyrgyzstan accession and therefore after Tajikistan's WTO accession;

- A need was voiced that there could be even closer cooperation with the WTO and GIZ on trade facilitation in the region. Study visits to countries, such as El Salvador, which show considerable progress in trade facilitation, were proposed;
- There is a need for more transparency regarding the identification of the value of goods traded;
- A need was voiced that there could be trainings on legislation and activity of the Customs Union;
- The Customs Union as such cannot protect its members from Chinese imports.



Working group 2

The Customs Union and Kyrgyzstan

The second working group discussed the influence of the Customs Union on Kyrgyzstan separately and focused on the social impacts of Kyrgyzstan joining the

Customs Union as well as Russia's recent membership in the WTO. Three major results were drawn from debates.

Key take-aways from the discussion:

- Impact analysis and research on the topic of accession should be accompanied by the involvement of all interested participants including NGOs, private sector and public sector;
- Debates and discussions as well as negotiation and accession processes should be transparent and include a solid analytical framework (political reasons are not enough). Implications of new tariffs, non-tariff barriers and administration should be explained and economic benefits from new markets or products should be shown to traders;
- The state institutions are not fully ready to operate in the Customs Union. Their capacity should be augmented as part of the transition period.

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