

Analysis of Regional Trade Development Trends in Central Asian Countries (Uzbekistan, Kyrgyzstan and Tajikistan)

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ABSTRACT

The article assesses the factors influencing the development of bilateral trade relations among Central Asian countries namely Uzbekistan, Kyrgyzstan and Tajikistan through comparative analysis. The importance of deepening institutional reforms and developing trade-supporting infrastructure in facilitating bilateral trade was also assessed for exporting and importing operations, and recommendations were developed in key areas.

KEYWORD: Central Asian countries, import-export turnover, economic reforms, Authorized Economic Operators (AEO)

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International trade is one of the important factors of global growth and poverty reduction, and there is a positive trend in relation to its long-term economic growth. In the current conditions of rapid growth of global trade, difficulties in conquering distant foreign markets require further developing regional trade relations for Central Asian countries. In this research main attention is given to Uzbekistan, Kyrgyzstan and Tajikistan because of sharp increase in bilateral trade and regional trade in Central Asia.

Over the past decade, the volume of foreign trade of Central Asian countries (Uzbekistan, Kyrgyzstan and Tajikistan) has increased significantly. In particular, in 2000-2017, Uzbekistan's exports increased by 4.3 times, while its imports increased by 4.4 times². Similar indicators for Kyrgyzstan were 4.7 and 7.8 times, and for Tajikistan were 1.3 and 3.4 times. Main indicators are given in table #1.

Table #1. Volume of export and import growth in Central Asian countries, (USD million)³

	2000	2003	2006	2008	2011	2014	2017
Export of Uzbekistan	3264,7	3725,0	6389,8	11493,3	15021,3	13545,7	13927,8
Import of Uzbekistan	2947,4	2964,2	4781,6	9704	11344,6	13984,3	13055,4
Export of Kyrgyzstan	573,2	742,3	1182,4	2752,4	3380,2	2796,7	2679
Import of Kyrgyzstan	651,7	868,4	2239,8	4757,4	5059,9	6547,8	5052
Export of Tajikistan	849,9	984,9	656,3	864,92	1164,4	836,4	1125
Import of Tajikistan	868,4	1142,1	1617,7	3704	4381,4	4142,4	2929

The export structure of all three countries is dominated by primary and intermediate products, while the share of finished products and high-tech products is insignificant (table 2).

² Mingishov, L. "Important factors and priority directions of increasing competitiveness of export goods of Uzbekistan" GSJ: Volume 8, Issue 3, March 2020, Online: ISSN 2320-9186 www.globalscientificjournal.com P2223

³ Source: Table is formed by the Author based on data from the world Bank and the State statistics Committee of the Republic of Uzbekistan.

Table #2. Structure of export and import products of Central Asian countries (Uzbekistan, Kyrgyzstan and Tajikistan) and the share of high-tech products in export-import turnover (2016)⁴

	Export structure			Import structure		
	Uzbekistan	Kyrgyzstan	Tajikistan	Uzbekistan	Kyrgyzstan	Tajikistan
Share high technology product (%)	4,7	4,4	0,4	8	6,4	2,8
Share of primary products (%) (A)	23,4	15,4	44,8	6,4	4,6	6
Share of intermediate products (%) (B)	72,4	68,5	51,1	52,5	51,1	48,4
Share of capital (equipment) (%)(C)	0,4	3,6	1,8	26,3	14,9	13,8
Share of consumer goods (%) (D)	3,7	7,8	2,2	11	26,3	33,3

From a theoretical point of view, countries located far from major trade centers are more likely to engage in mutual trade with neighboring countries. However, despite the fact that the volume of total foreign trade in the countries of Central Asia (Uzbekistan, Kyrgyzstan and Tajikistan) in 2017 relative to 2008 increased by 16.5 percent, the share of exports posted in General exports to these countries decreased from 31.4 to 15.3 percent, and the share of imports in their total imports from 11.5 to 9.2% (table 3 and 4).

Table #3. Trade between Central Asian countries (Uzbekistan, Kyrgyzstan and Tajikistan) in 2017, exports (USD million)⁵

	Into Uzbekistan		Into Kyrgyzstan		Into Tajikistan		Overall		In percentage of total exports	
	2008	2017	2008	2017	2008	2017	2008	2017	2008	2017
From Uzbekistan	//	//	160	181	154	181	314	362	13	2,7
From Kyrgyzstan	232	146	//	//	27	24	259	170	9,4	6,3
From Tajikistan	75	57	3	14	//	//	78	71	9	6,3
Overall	307	203	163	191,6	181	205	651	599,7	31,4	15,3

Table #4. Trade between Central Asian countries (Uzbekistan, Kyrgyzstan, Tajikistan) in 2017, imports (million us dollars)⁶

	From Uzbekistan		From Kyrgyzstan		From Tajikistan		Overall		In percentage of total imports	
	2008	2017	2008	2017	2008	2017	2008	2017	2008	2017
Into Uzbekistan	//	//	232	146,3	75	51,7	307	198	3,2	1,5
Into Kyrgyzstan	160	163,6	//	//	3	14	163	177,6	3,4	4,5
Into Tajikistan	154	69,3	27	24,288	//	//	181	93,6	4,9	3,2
Overall	314	232,9	259	170,6	78	65,7	651	469,2	11,5	9,2

If the volume of foreign trade turnover between Uzbekistan and Kyrgyzstan in 2008 amounted to 392 million US dollars, in 2010 it reached 496 million US dollars, in 2017 – 309.6 million US dollars. At the same time, the volume of Uzbekistan's exports to Kyrgyzstan in 2017 amounted to 163.6 million US dollars, and the volume of Kyrgyzstan's exports to Uzbekistan – 146 million US dollars.

In the total volume of Uzbekistan's exports to Kyrgyzstan in 2017, the share of fruit was 13.5 %, urea was 6.9 %, ammonium nitrate was 5.8 %, carpets and other floor coverings – 5.2 %, knitwear and other cotton products – 3.6 %, natural gas in the gaseous state – 2.7 %, aluminum – 1.9 %, etc.

In the volume of Uzbekistan's imports from Kyrgyzstan in 2017, the share of electric energy was 16.8%, cast iron and steel were 16.8%, dump trucks for off-road use – 8%, refractory bricks, blocks, tiles and similar refractory ceramic structural products – 4.5%, Portland cement – 3% , etc.

If the volume of foreign trade turnover between Tajikistan and Uzbekistan in 2008 amounted to 229 million US dollars, by 2017 this figure was 126.4 million US dollars. At the same time, after a sharp drop in 2008-2013 (by 95%) Uzbekistan's exports to Tajikistan increased from 7.5 million US dollars in 2013 to 69.3 million US dollars in 2017.

Uzbekistan's imports from Tajikistan decreased from \$ 98 million up to \$ 3.3 million in 2000-2014. Over the past 4 years, there has been a steady increase in the volume of imports from this country, which in 2017 reached 57.1 million US dollars.

⁴ Source: Table is compiled by the author based on data from the ITC International trade competitiveness map – https://tradecompetitivenessmap.intracen.org/TP_EP_IC_StageP.aspx?TY=E&IN=00&YR=2016 // Note: A+B+C+D=100%

⁵Source: Table is compiled by the Author based on the data from national statistical Committee of the Kyrgyz Republic <http://www.stat.kg>) and the Agency for statistics under the President of the Republic of Tajikistan (<https://www.stat.tj>), the State statistics Committee of the Republic of Uzbekistan (<https://www.stat.uz>)

⁶Source: Table is compiled by the Author based on the data from national statistical Committee of the Kyrgyz Republic <http://www.stat.kg>) and the Agency for statistics under the President of the Republic of Tajikistan (<https://www.stat.tj>), the State statistics Committee of the Republic of Uzbekistan (<https://www.stat.uz>)

In the structure of Uzbekistan's exports to Tajikistan in 2017, the share of urea (in water solution or without it) was 19.3%, ammonium nitrate (in water solution or without it) – 12%, cars for cargo transportation – 5.4%, glazed ceramic flags and paving slabs – 4.5% , etc.

In the structure of Tajikistan's exports to Uzbekistan in 2017, 64.2 percent were zinc ores and concentrates, 16.3 percent – Portland cement, 13 percent – cotton, 2.6 percent – bars and rods made of silico-manganese steel, 1.06 percent – unalloyed and unprocessed aluminum and others. (Appendix 1.1.3).

The volume of trade between Kyrgyzstan and Tajikistan is developing at a slow pace. If in 2008 their total foreign trade turnover was 30 million USD, in 2017 it was 38 million USD. At the same time, if the export of Kyrgyzstan to Tajikistan in 2008-2013 increased from 27 million USD up to 51 million USD, the figure was 24 million USD in 2017.

Kyrgyzstan's imports from Tajikistan in 2008-2017 tended to grow (with the exception of 2010, 2012, and 2013) and increased from 3.3 million USD to 14 million USD.

In 2017, 13.5 percent of Kyrgyzstan's total exports to Tajikistan were oils and preparations made from petroleum or bituminous minerals, 13 percent – light oils and preparations of petroleum or bituminous minerals, 12.4 percent were petroleum oils and oils obtained from bituminous minerals and etc.

In 2017, in the structure of Kyrgyzstan's imports from Tajikistan, Portland cement accounted for 31.5 percent, fresh grapes – 18 percent, aluminum and products made from it – 7 percent. In 2014-2015, the share of Tajikistan's electricity exports to Kyrgyzstan was 65.5% and 46.5%, respectively. However, in 2017, the share of Tajikistan's electricity exports to Kyrgyzstan was 3.9%.

As the results of the analysis show that current structure of exports of Central Asian countries, where commodities predominate, and its lack of diversification is a high dependence of the amount of export revenues on the unstable world market conditions. Weak post-crisis recovery of the world economy, sharp geopolitical situation in some regions of the world⁷, the economic sanctions of Western countries against Russia, slow economic growth in China, the rapid decline in oil prices⁸ and other raw materials and incurred in connection with this problem began to have a negative impact on the growth of foreign trade of Central Asian countries in recent years⁹.

The problem is compounded by the presence of numerous foreign trade barriers in the Central Asian countries, which increase the transaction costs of business and hinder the growth of the competitiveness of their producers. More or less successfully, these barriers are eliminated between countries that have joined the Customs Union / EAEU. In General, the potential of economic cooperation between the Central Asian countries is very poorly used¹⁰.

According to the analysis, the following factors are the main reasons for the weak development of trade relations between these countries:

First, in these countries, export revenues are mainly provided by exports of primary raw materials and intermediate goods, while imports play an important role in providing the domestic market with machinery and technology, industrial and consumer goods. Countries mainly produce simple, medium-and low-tech products that do not require many components, and are poorly connected to each other in creating value chains. From this point of view, the possibility of developing a chain of national and regional value is limited. Materials and components for existing small, technically complex production (for example, for the production of automobiles or electronics) are imported from outside. Only a small percentage of spare and component parts are localized.

Secondly, implementation of various foreign trade policies in these countries has also had a negative impact on the development of their mutual trade and industrial cooperation. In particular, until recently, Uzbekistan pursued a policy of protectionism in foreign trade, while Kyrgyzstan and Tajikistan pursued relatively more liberal trade policies. Protectionist policies in Uzbekistan limited opportunities to expand trade with foreign countries, including Kyrgyzstan and Tajikistan.

Thirdly, the low volume of foreign trade and industrial cooperation between these countries is largely a consequence of the high transaction costs of export-import operations. This situation, on the one hand, can be explained by the insufficient level of development of the transport and logistics system in these countries, which does not meet modern requirements. On the other hand, there is a lack of transparency regarding rules and regulations, excessive and lengthy customs clearance processes, and the presence of many documentary requirements. In the context of insufficient capacity and monopolization of domestic markets for many products, unfavorable trade conditions between these countries do not allow achieving economies of scale in many sectors of the economy, expanding the choice of raw materials and intermediate goods for the production of products

⁷Муминов, И "Стратегический путь развития" "Правда Востока" 2020/3, 29293, №63 Стр.2

⁸Muminov, Ilkhomjon "New horizons of integration processes in Central Asia", GSJ, 2020/3, Volume 8, Issue 3, p182

⁹Ibid p.183

¹⁰Ibid p.184

with higher added value, creating a competitive environment in commodity markets and increasing the competitiveness of producers¹¹.

In present conditions the development of bilateral trade and cooperation, development of transport communications in Central Asia could be an important factor in increasing the competitiveness of their economies and growth in real incomes.

The decline in foreign trade turnover in Central Asian countries (Uzbekistan, Kyrgyzstan and Tajikistan) is largely due to the existing high trade costs. This situation, on the one hand, can be explained by the insufficient level of development of the transport and logistics system in these countries, which does not meet modern requirements.

On the other hand, the lack of transparency regarding rules and regulations, excessive and lengthy customs clearance processes, and a multitude of documentary requirements (which require documents in different formats and with different data elements) all add to the costs and time required to conduct trade.

Trade facilitation is becoming an important factor in increasing foreign trade and accelerating the economic growth of countries. This is due to the impact of trade facilitation on competitiveness and market integration, and because the trade regime is playing an increasing role in attracting foreign direct investment.

The main goal of trade facilitation is to speed up and reduce the cost of international trade, while ensuring security and guarantees. More specifically, trade facilitation is the simplification of formalities, procedures and the corresponding exchange of information and documents between different partners in the supply chain.

This is evidenced by the World Bank's ease of doing business index for the "Foreign trade" component, which reflects the ease of conducting foreign trade operations based on indicators such as time and money costs associated with processing documents and passing customs control when exporting and importing goods.

As a result of the government's implementation in recent years of a number of measures to improve the investment climate and support exports in Central Asian countries (Uzbekistan, Kyrgyzstan and Tajikistan), simplification and cheapening have undergone several step-by-step processes of registration of export-import operations. In particular, the gradual introduction of the "single window" system¹² and the processing of goods through customs declaration in electronic form is important in simplifying foreign trade procedures in these countries. However, in these countries, there is an excessive bureaucratic procedure in the legislative and law enforcement practice in the field of issuing permits and passing control procedures at customs and border posts.

As noted in the World Bank's "Doing business 2019" report, the amount of time and financial costs for export/import from abroad in countries that rank high on the "international trade" indicator is close to zero. In particular, if the cost of passing border and customs control for imports in the countries with the best indicators (28 countries) is 0 USD, in industrialized countries on average is 100.2 USD, in Europe and Central Asia on average is 162.3 USD, this figure is 278 US dollars in Uzbekistan, 223 USD is in Tajikistan, 512 USD is in Kyrgyzstan (table 5).

Despite a number of reforms implemented in Central Asian countries to simplify (optimize) trade in recent years, as an example in Uzbekistan in the period 2014-2018, only the time for processing export documents decreased from 174 hours to 96 hours, but there were no positive changes in other time and financial expenses. Although the Kyrgyz Republic has achieved a significant reduction in time and financial costs for exports, time and financial costs for imports remain high. In the Republic of Tajikistan, the time for processing export documents has also been reduced from 135 hours to 66 hours, and the time for border and customs control has been reduced from 144 hours to 51 hours. However, there were no positive changes in exports and imports in terms of reducing the number of required documents and financial costs spent on customs control. In this regard, today one of the important directions in the development of foreign trade in Central Asian countries is to reduce the time and financial costs for processing documents and customs.

¹¹ Mingishov, Laziz "Directions of Deepening Institutional Reforms in Increasing the Competitiveness of Uzbekistan's Export" THE INTERNATIONAL JOURNAL OF MANAGEMENT, Vol 8 Issue 4 (October, 2019), P2

¹² Resolution No. 305 of the Cabinet of Ministers of the Republic of Uzbekistan "on measures for phased implementation of the mechanism for implementing export operations in "single window" principle" dated 17.11.2011, in Kyrgyzstan, the "single window" Concept was adopted in 2008 in accordance with Government Resolution No. 315 "on the concept of implementing the "single window" principle in foreign trade of the Kyrgyz Republic" dated on June 19, 2008 and Government Resolution No. 76 "on the feasibility study of the project to implement the "single window" principle in foreign trade of the Kyrgyz Republic" dated on February 4, 2009, the Introduction of the "single window" system in foreign trade in Tajikistan was implemented according to the Concept which was approved by Government decree No. 659 in December 2008. The government also instructed the interagency coordination Committee to develop a program for the implementation of the "single window" system. The program, which was approved by Government decree No. 222 dated in May 2010, provides for simplification and automation of trade procedures in the period from 2010 to 2015.

Table #5.Comparative table of the rating of Uzbekistan, Kyrgyzstan and Tajikistan by indicators of the “Foreign trade” component for 2019

Criteria	Uzbekistan	Kyrgyzstan	Tajikistan	Europe and Central Asia	OECD03CP high income level	The best country in overall
EXPORT						
Time to pass border and customs control (hours)	112	5	51	22,1	12,5	1 (19 States)
Border and customs control costs (USD)	278	10	313	157,5	139,1	0 (19 States)
Time for processing documents (hours)	96	21	66	24,3	2,4	1 (26 States)
Document processing costs (USD)	292	110	330	97,9	35,2	0 (20 States)
IMPORT						
Time to pass border and customs control (hours)	111	72	107	21,1	8,5	0 (25 States)
Border and customs control costs (USD)	278	512	223	162,3	100,2	0 (28 стран)
Time for processing documents (hours)	174	36	126	24,7	3,4	1 (30 стран)
Document processing costs (USD)	292	200	260	93,9	24,9	0 (30 стран)

Source: World Bank doing business Reports 2019

For foreign trade in Central Asian countries such as Uzbekistan, Kyrgyzstan, and Tajikistan, the following documents are required: for exporting products – “certificate of origin”, “certificate of conformity”, and for importing – “customs declaration”, which are not required in Belarus and Armenia. In addition, there is an excess of documents required in the import of Kyrgyzstan “Document certifying payment of customs duties”, “transit declaration”, “document on delivery control”, and in the export of Tajikistan “Report on inspection by the customs authority”, “document on payment of customs duties”, and in import “SOLAS certificate ”(appendices 1,2). In total, Uzbekistan requires 10 documents for export, 7 for import, Kyrgyzstan 7 for export, 10 for import, and Tajikistan 11 for export and 11 for import. For comparison, in the EU countries, the package of documents presented to customs authorities is the same for both export and import, and consists of an invoice, packing list, bill of lading, as well as an “Intrastat” Declaration (statistical report on export/import operations)¹³.

When determining the main directions for reducing existing barriers to foreign trade of countries, reducing the time and financial costs of processing documents and customs, the UN studies on trade facilitation and the introduction of paperless trade are important¹⁴. According to the results of this study, in 2017, out of 43 important measures, 12 were partially implemented in Uzbekistan, which accounted for 25.85% of the results on foreign trade facilitation. The report notes that no positive results have been achieved in the development of cross-border paperless trade in Uzbekistan. Of the 43 measures in Kyrgyzstan, 23 were partially implemented, 1 fully implemented, and 37.63% of the results were achieved to facilitate foreign trade. In Tajikistan, out of 43 measures, 16 were partially implemented, 6 were fully implemented, and 50.54% of the results on foreign trade facilitation were achieved. The state of implementation of these measures in developed countries like the Netherlands is 93.55%, 86% is in Germany (table 2.1.2). Also, these developed countries have fully implemented a system for developing cross-border paperless trade, which includes a recognized certification body, participation in cross-border electronic data exchange (related to trade), electronic exchange of certificates of origin, electronic exchange of sanitary and phytosanitary certificates, and which have not yet been implemented in Central Asian countries (Uzbekistan, Kyrgyzstan, Tajikistan).

Table #6.Trade facilitation and implementation of paperless trade in Central Asia and developed countries, 2017¹⁵

States	The result of the trade facilitation	Cross-border Paperless trade	Paperless trade	Institutional structure and cooperation	Formalities	Transparency
Uzbekistan	25,81%	0%	29,63%	22,22%	25%	53,33%
Kyrgyzstan	37,63%	11,11%	37,04%	44,44%	33,33%	73,33%
Tajikistan	50,54%	11,11%	37,04%	55,56%	79,17%	73,33%
The Netherlands	93,55%	77,78%	92,59%	100%	100%	100%
Germany	86,02%	61,11%	92,59%	88,89%	91,67%	93,33%

¹³ REPORT on the results of the Study of the reasons for the lack of positive dynamics in promoting the position of Uzbekistan in the world Bank report "Doing Business 2019", Tashkent-2019

¹⁴This study covers 120 countries and evaluates 47 measures related to the world trade organization agreement to reduce foreign trade procedures, as of the time of their implementation in countries. (<https://untfsurvey.org/> – UN Global Survey on Trade Facilitation and Paperless Trade).

¹⁵Table is compiled by Author on the basis of Data taken from <https://untfsurvey.org/world> - UN Global Survey on Trade Facilitation and Paperless Trade.

In order to further deepen the above-mentioned reforms and facilitate trade in the Central Asian countries (Uzbekistan, Kyrgyzstan, Tajikistan), it is also important to implement specific aspects of the “standards for security and facilitation of international trade in the world” developed by the world customs organization.

The main purpose of applying these standards is to simplify customs control and registration of goods by enterprises, declarants, organizations, transport and forwarding companies – suppliers of goods, in good faith acting customs rules, and to increase the effectiveness of the established control over the flow of goods. Many foreign countries achieve this effective simplified system by creating an authorized economic operator and a trade institution an authorized entity in their export activities¹⁶.

At the same time, a number of specific aspects can be seen in the experience of foreign countries in creating the AEO Institute¹⁷. In particular, the establishment of the AEO Institute in Turkey started a new era in customs procedures and further facilitated trade with its trading partners. The feasibility study program is a major step in turning the Turkish state into a country where trade is the easiest and safest¹⁸.

The Brazilian experience of cooperation between public and private sectors is also essential to accelerate the transition to an effective system of foreign trade.

In May 2004, the Alliance for the modernization of Brazil’s foreign trade, better known as Procomex, was officially established as an informal movement of more than 50 business associations with senior officials from Customs Committee and the Ministry of development, industry and trade by providing a dialogue mechanism for customs and business, Procomex has started a long road to building trust.

It became clear that this would be a lengthy process, and that a more formal institutional structure was needed to ensure the duration of the work. Thus, in 2005, the Procomex Institute was established as an operational division of the Alliance. Companies were invited to participate by providing business-specific know-how and financial support. Representatives of participating companies and business associations had equal rights in the management of the Institute.

In 2006, a survey of participating associations and their corporate membership was conducted to identify the main obstacles and opportunities for growth, as well as to develop recommendations for modernizing export / import procedures. At the end of 2006, a process of proposals for review and priorities was organized with the assistance and partnership of senior customs authorities. As a result, a formal Memorandum of understanding was signed with the Brazilian tax service, which is accountable to customs. Five different working groups, including the private sector and customs officials, were created based on the identified priorities. They reported on their progress on a monthly basis at a meeting between customs and Alliance members.

The Brazilian partnership between the private sector and the government / customs is crucial and shows exceptional results in a huge developing economy. While this mechanism needs to be further strengthened in order to meet new challenges in the rapidly changing international trading environment, the experience of Brazil is an important way to develop effective cooperation. This model and similar initiatives can play an important role in helping to build a new partnership paradigm that includes all stakeholders in the development of the international supply chain.

In conclusion, based on trade Facilitation and the introduction of paperless trade developed by the UN and the world customs organization, the implementation of the “world standards for facilitating international trade and security” in Central Asian countries requires the implementation of the following measures:

Firstly, the establishment of the National Committee for trade facilitation in Uzbekistan and Kyrgyzstan (established in Tajikistan);

Secondly, the development of a regulatory act that provides for the regulation of passing control procedures at posts and the development of a risk management system and Regulations on “electronic transactions” between Uzbekistan, Kyrgyzstan and Tajikistan;

Thirdly, the creation of a recognized certification body;

¹⁶ Currently, there is 1 Institute of Authorized Economic Operators (AEO) in Kyrgyzstan. AEO in Kyrgyzstan emerged as a result of the creation of the Customs Union in order to bring the Union's customs administration closer to international standards. For the first time, the AEO Institute within the CU was introduced in 2010. AEO activities in the CU are regulated by the Customs code of the Eurasian economic Union (Annex 1 to the Agreement on the Customs code of the Eurasian economic Union dated 11.04.2017). at the national level, AEO is regulated by the Law “on customs regulation in the Kyrgyz Republic”.

Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 363 dated April 29, 2019 “on measures to introduce the institution of an authorized economic operator»

¹⁷ Turkey has identified the creation of the most convenient and secure commercial activity in the world as the main goal of its foreign trade strategy and developed the AEO program on January 10, 2013. Turkey signed this international bilateral agreement with South Korea on June 9, 2014. Negotiations are also underway with the United States, Georgia and Kazakhstan to sign this agreement.

¹⁸ Murat Seker. Trade Policies, Investment Climate, and Exports across Countries. World Bank Policy Research Working Paper No. 5654, World Bank. – Washington, DC, 2010.

Fourthly, participation in cross-border electronic exchange of trade-related data; joint use of the material and technical base (including IT systems and “single window” for trade), application of common data and messaging standards, and joint training activities;

Fifthly, establishing mutual electronic exchange of the certificate of origin is in need.

Sixthly, it is necessary to improve the activities of authorized economic operators (AEO) and institutions of authorized economic entities implemented in Central Asian countries (except Tajikistan), in accordance with the rules and requirements of advanced countries in this area. In particular, the process of granting AEO status in the EU is more stringent, which takes much longer and provides for the provision of three types of authorized economic operators – “C”, “S” and “F”, which differ both in the requirements for obtaining each status and in the privileges for the applied customs control measures. Currently, this is the way to improve the AEO Institute in the EAEU.

Seventh, the transition to an effective system of foreign trade environment between these countries, the creation of an Alliance of cooperation with the public and private sectors in accelerating the processes of customs modernization (Brazilian experience);

- Professional development of employees of state bodies involved in customs administration. It is necessary to radically improve the interaction of state bodies in the provision of services within the “Single window”.
- ensuring the full functioning of the customs information system that allows participating states to submit applications in real time and receive permits with the assigned QR code, conduct automatic analysis based on the HS code, and remotely monitor the process of issuing permits.

Appendix1 Number of required documents for export in Central Asian countries (in comparison with the CIS countries)¹⁹

	Uzbekistan	Kyrgyzstan	Tajikistan (product: edible fruits and nuts)	Belarus	Kazakhstan	Armenia (Product: Alcoholic and non- alcoholic beverages)
1.	Contract	Purchase and sale agreement	Контракт	Контракт		
2.	Cargo customs declaration		Cargo customs declaration	Customs declaration	Customs declaration	
3.	Consignment	Consignment	Consignment	Consignment	Consignment	Consignment
4.	Commercial in voice	invoice	invoice	invoice	invoice	invoice
5.	Certificate of origin	Certificate of origin	Certificate of origin			Transit document
6.	Certificate of conformity	Certificate of conformity	Certificate of conformity ²⁰			
7.	Packing list	Packing list	Receipts for payment for terminal services	Packing list	Packing list	
8.	License for exporting cotton (the export of cotton)		Report on inspection from the customs authority	Consignment		
9.	Fumigation certificate (for cotton export)	Contract for transportation	Phytosanitary certificate	Document confirming the authority of the person submitting the declaration		
10.	Phytosanitary certificate (for cotton exports)		TIR carnet	SOLAS certificate		
11.			Document on payment of customs duties			

¹⁹REPORT on the results of the Study of the reasons for the lack of positive dynamics in promoting the position of Uzbekistan in the world Bank report "Doing Business 2019", Tashkent-2019

²⁰These certificates of origin differ depending on the country where the export cargo is sent: the so-called "form A" is required for EU countries, and the "ST-1" form is required for Russia.

Appendix2 Number of required documents for import in Central Asian countries (in comparison with the CIS countries)²¹

	Uzbekistan	Kyrgyzstan	Tajikistan*	Belarus	Kazakhstan	Armenia*
1.	Customs declaration	Customs declaration	Cargo customs declaration			
2.	Consignment	Invoice for transportation	Consignment	Consignment	Consignment	Bill of lading (CMR)
3.	Commercial invoice	invoice	invoice	invoice	invoice	invoice
4.	Certificate of origin	Certificate of origin	Certificate of origin			
5.	Expert assessment on the HS code	Purchase and sale agreement	Contract	Contract		
6.	Packing list	Packing list	Packing list	Packing list	Packing list	Packing list
7.	Serial numbers	Document certifying the cost of transportation	Receipts for payment for terminal services	Statistical Declaration		
8.		Document certifying payment of customs duties	Document on payment of customs duties			
9.		Transit Declaration	Consignment			Transit document (T1)
10.		DKD-delivery control document	Report on inspection from the customs authority			
11.			SOLAS certificate			

Note: * - product: Spare parts for motor vehicles**References:**

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