

Economic and Trade Cooperation Upon Resource Endowment

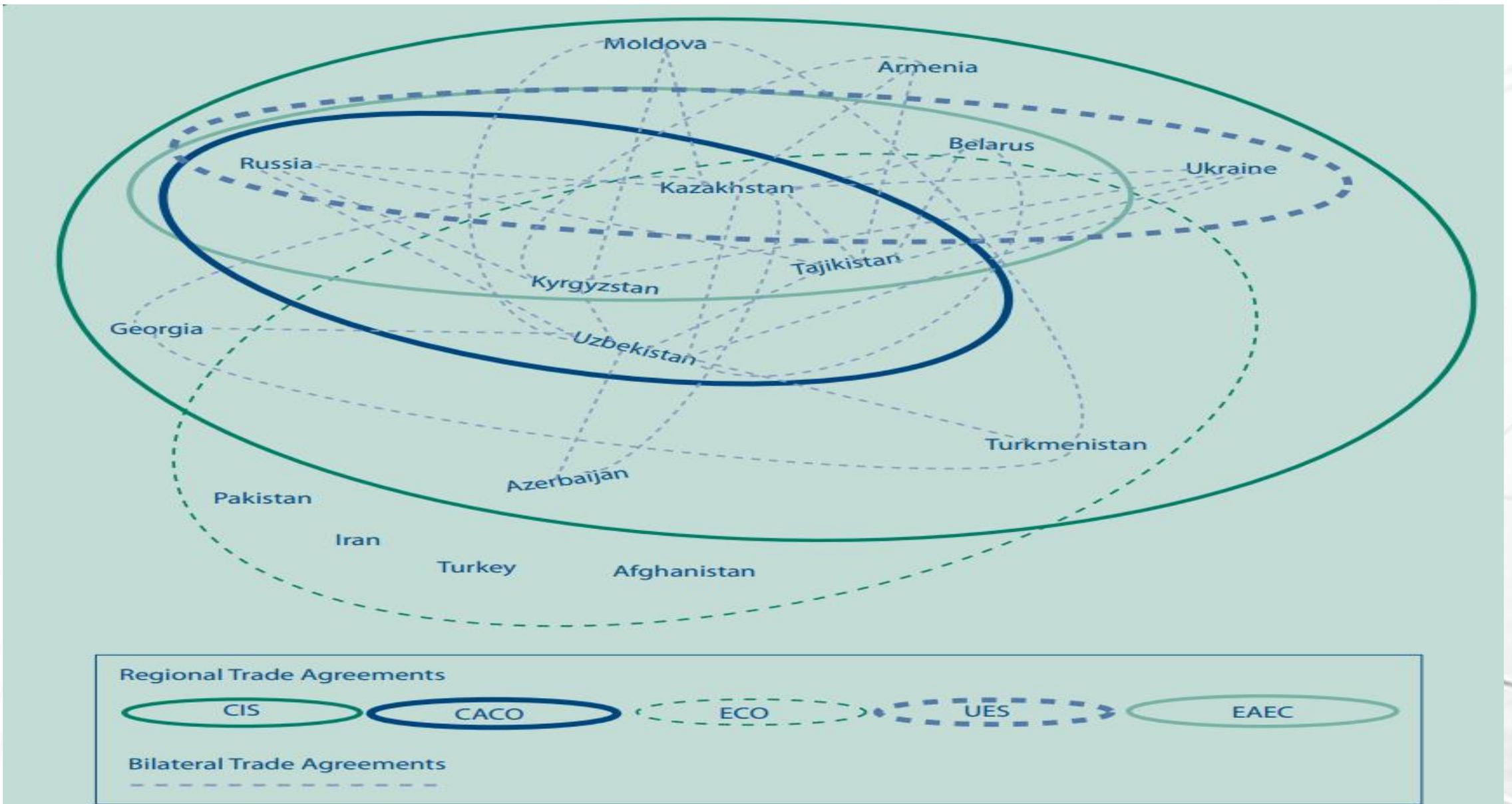
Rovshan Mahmudov

CAREC Institute, Senior Capacity Building Specialist,
(rovshanm@carecinstitute.org)

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What is the new driver of economic cooperation and integration?

Main international organizations, regional groupings and initiatives involved for economic and trade cooperation (CIS, SCO, CAREC, EEC, ECO, SPECA, EurAsEC BRI, UNESCAP, etc)



The spaghetti bowl effect of regional and bilateral trade agreements involving Central Asian countries (as of August 2005), source: UNDP



What are the benefits from economic and trade integration?

Central Asian Countries



Natural resources

Kazakhstan: oil, natural gas and non-ferrous metals

Kyrgyzstan: water power resources, gold

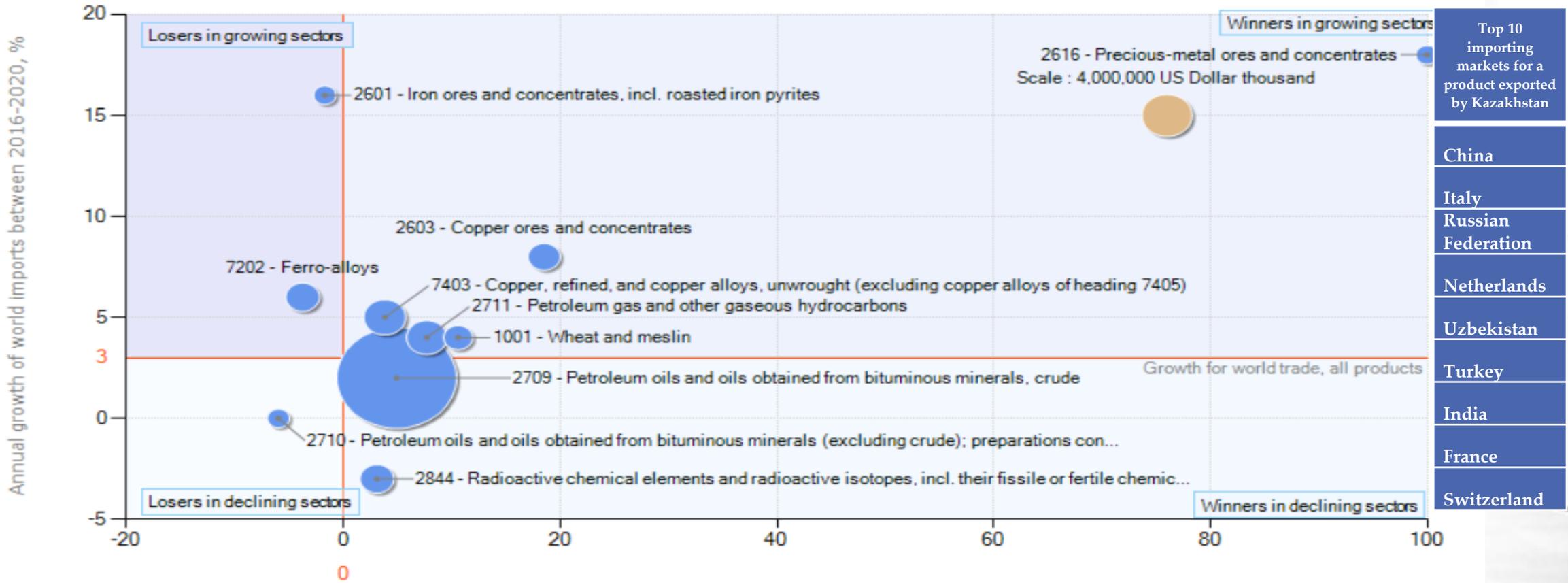
Tajikistan: water power resources, precious metals

Turkmenistan: oil and natural gas

Uzbekistan: gold and uranium

Central Asian countries' export by products and top 10 importers

Growth of national supply and international demand for products exported by Kazakhstan in 2020



- Top 10 importing markets for a product exported by Kazakhstan
- China
 - Italy
 - Russian Federation
 - Netherlands
 - Uzbekistan
 - Turkey
 - India
 - France
 - Switzerland

● Kazakhstan is a net exporter for this product |
 ● Reference bubble |
 The bubble size is proportional to export value |
 ITC

Central Asian countries' export by products and top 10 importers

Growth of national supply and international demand for products exported by Kyrgyzstan in 2020



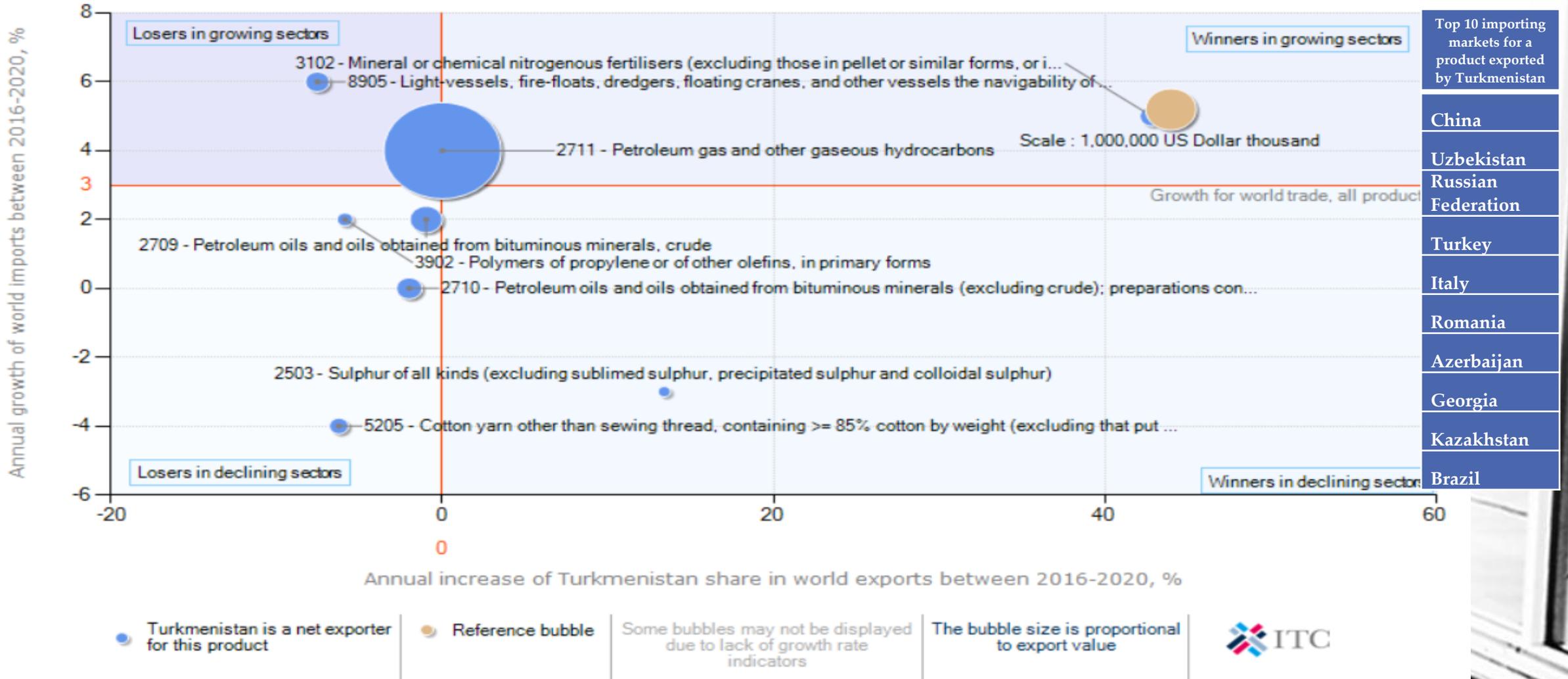
Central Asian countries' export by products and top 10 importers

Growth of national supply and international demand for products exported by Tajikistan in 2020



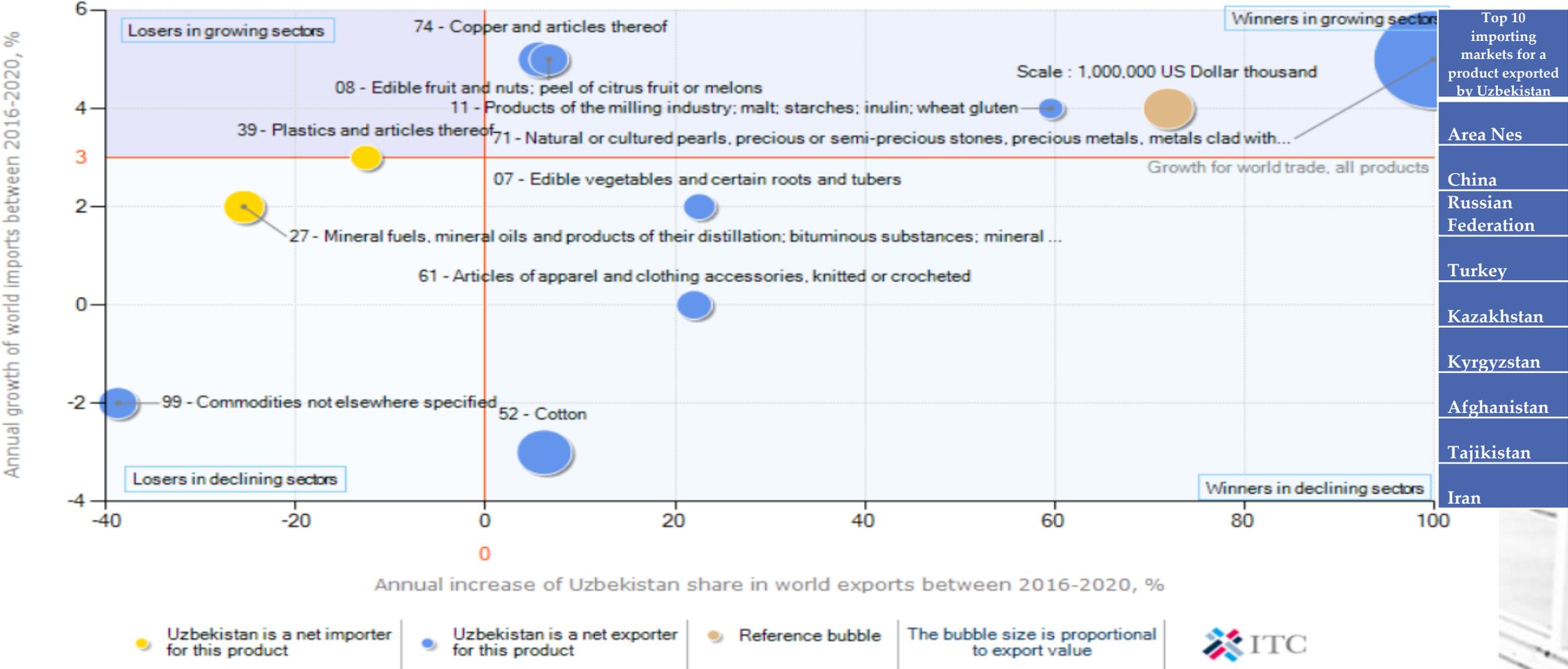
Central Asian countries' export by products and top 10 importers

Growth of national supply and international demand for products exported by Turkmenistan in 2020



Central Asian countries' export by products and top 10 importers

Growth of national supply and international demand for products exported by Uzbekistan in 2020



Central Asia's Comparative Advantage in International Trade

Kazakhstan

Radio active materials: RCA (46.8)

Meal and flour of wheat and flour of meslin:
RCA(26.3)

Sulphur and unroasted iron pyrites: RCA (25.8)

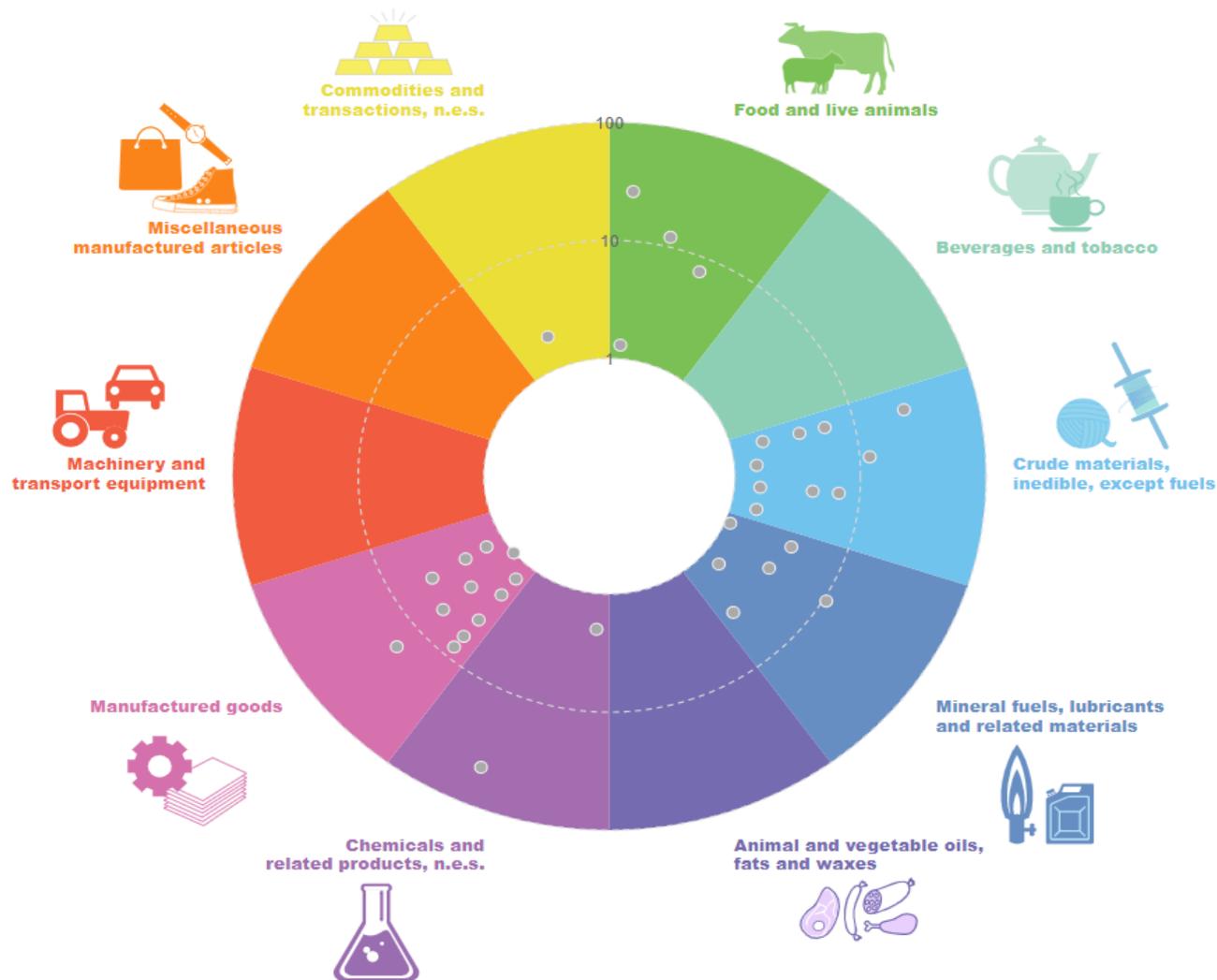
Pig iron, sponge iron: RCA (16.8)

Barley: RCA (12.1)

Oil seed: RCA (12)

Petroleum oils, bitumen: RCA (10.6)

Wheat and meslin: RCA (7.5)



Central Asia's Comparative Advantage in International Trade

Kyrgyzstan

Ores&concentrates of precious metal: RCA (66.6)

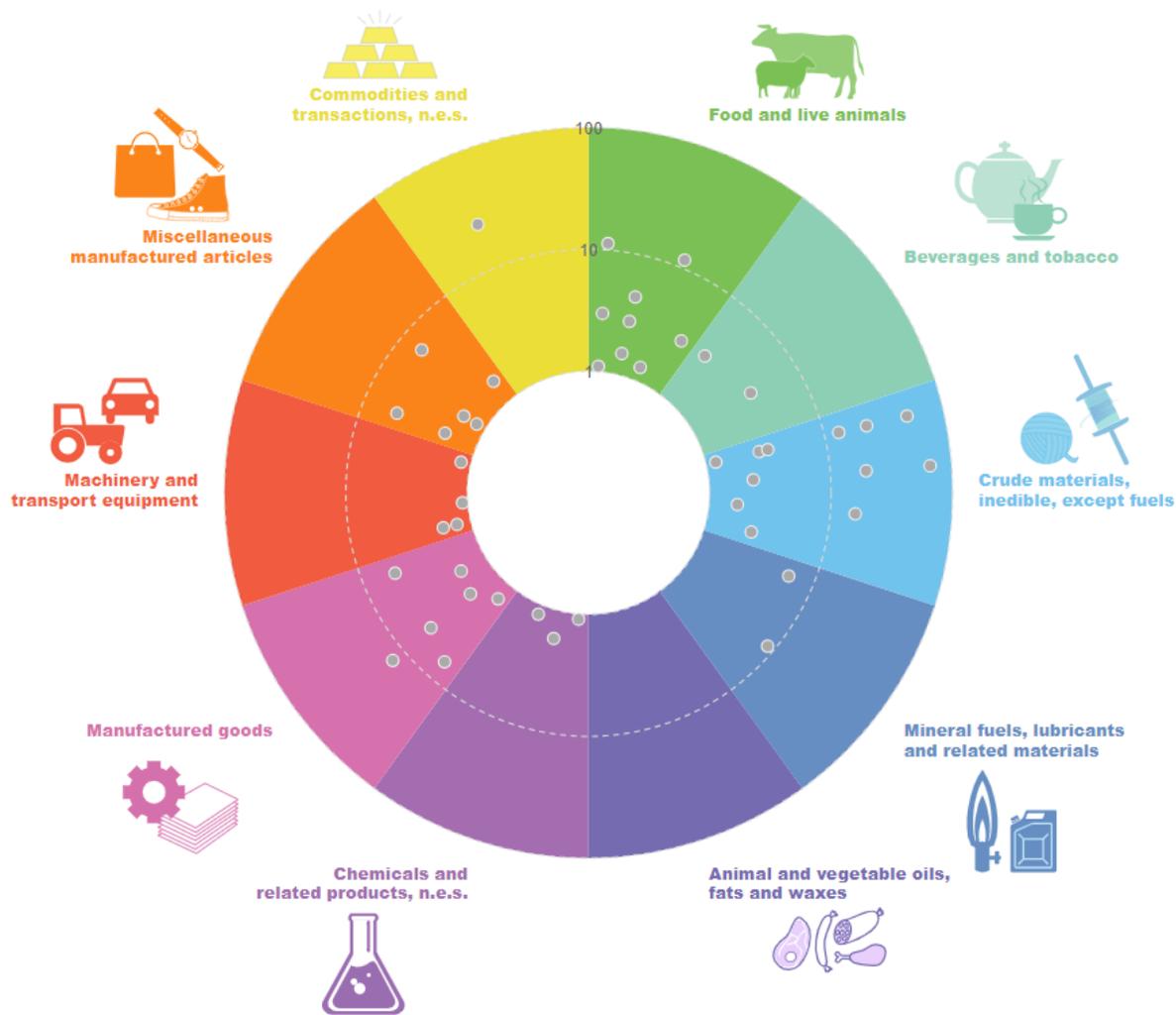
Hides and skins, raw: RCA (49.9)

Gold: RCA 24.2

Cotton: RCA (19.7)

Leather: RCA (13.2)

Vegetables: RCA (11.7)



Central Asia's Comparative Advantage in International Trade

Tajikistan

Cotton: RCA (188.8)

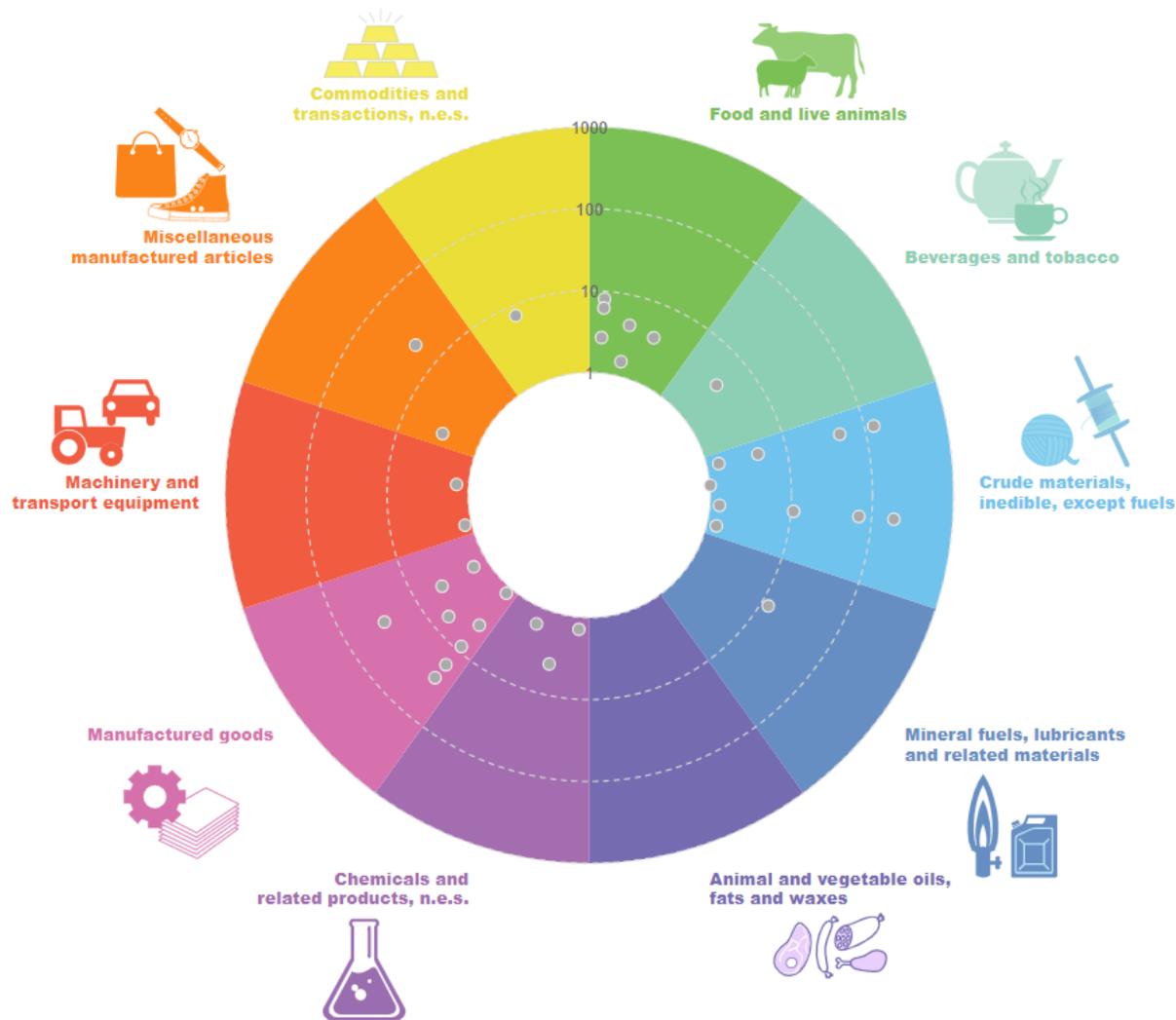
Silk: RCA (130.6)

Ores&concentrates of precious metal: RCA (69.6)

Lime, cement: RCA (29.5)

Aluminum: RCA (27.2)

Gold: RCA 7.5



Central Asia's Comparative Advantage in International Trade

Turkmenistan

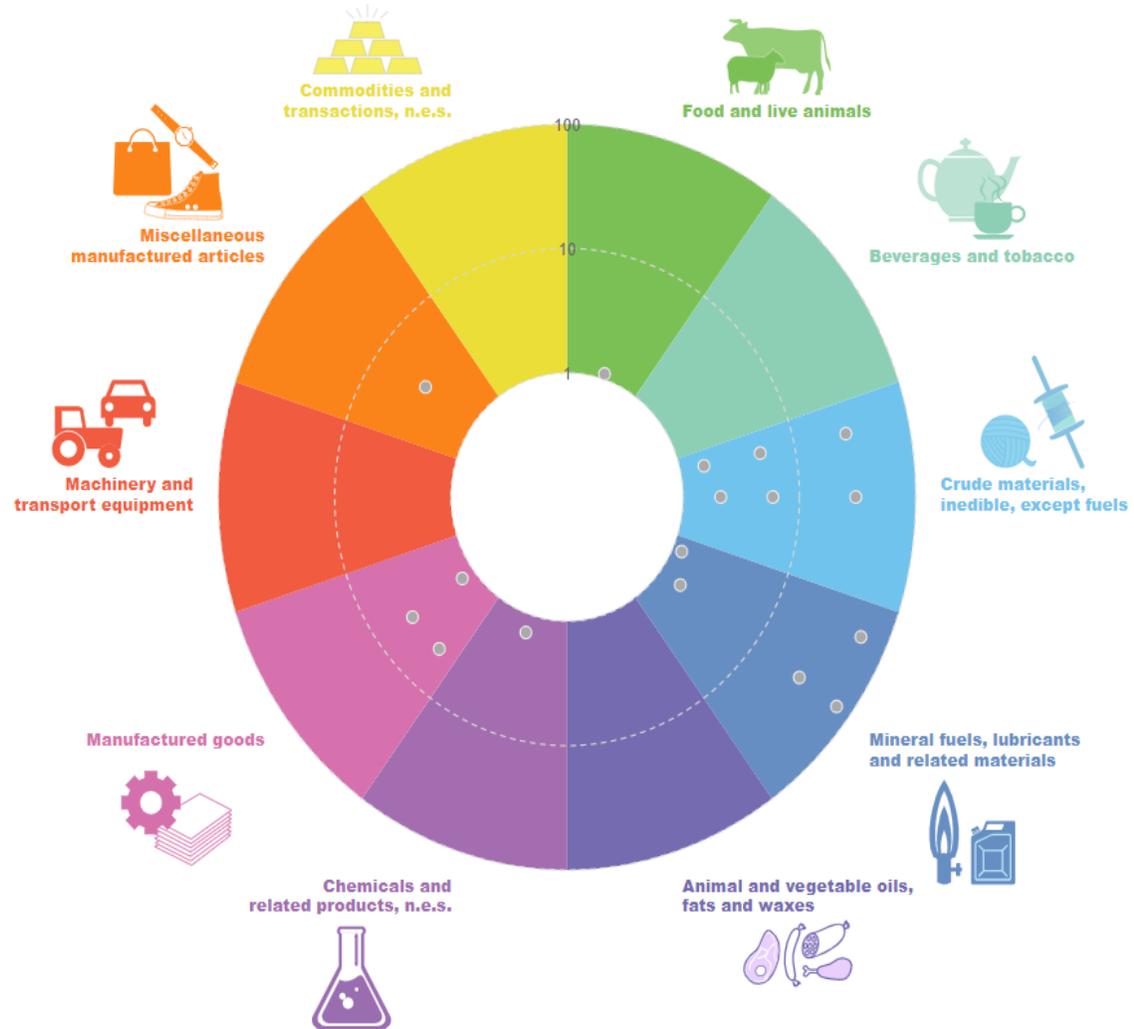
Natural gas: RCA (73.5)

Briquettes, lignites and peat: RCA (58.6)

Cotton: RCA (30.5)

Coal gas: RCA (29.5)

Sulphur, unroasted iron pyrites: RCA (28.3)



Central Asia's Comparative Advantage in International Trade

Uzbekistan

Silk: RCA (95.5)

Meal and flour of wheat: RCA (58.6)

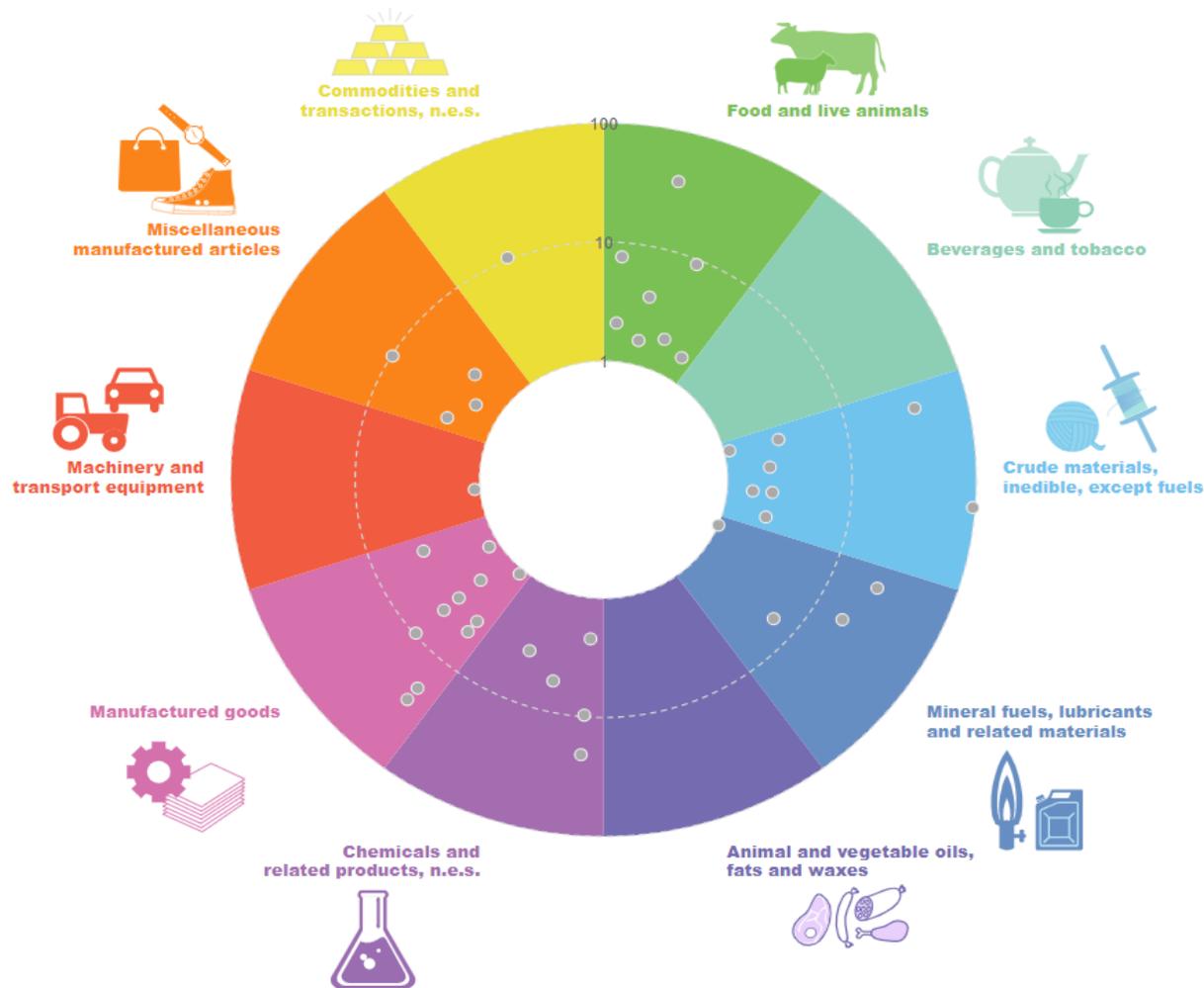
Cotton: RCA (37.5)

Natural gas: RCA (24.2)

Textile yarn: RCA (27)

Radio actives material: RCA (20.9)

Gold: RCA (10.5)



Trade relationship between China and Central Asian countries

- ▶ Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan are located in Central Asia. Five of which contain 3,8 million square kilometers, whereas Kazakhstan, Kyrgyzstan, and Tajikistan have common border with China.
- ▶ Trade between China and Central Asian countries has been increasing in recent years. However, current trade relations, which consist China's export of final goods such as textile, consumer electronics, food, fertilizers and machinery to Central Asian region and import of mineral and agricultural products from these countries, cannot be called 'mutually beneficial'.

List of top 10 products imported by China

Unit : US Dollar thousand

HS2 code	Product label	2017	2018	2019
TOTAL	All products	1,840,957,060	2,134,987,265	2,068,950,255
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	455,494,791	521,542,155	496,832,132
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	247,578,520	347,782,297	343,636,632
84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	169,779,652	202,317,919	190,308,746
26	Ores, slag and ash	125,380,730	135,914,467	163,605,608
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	97,414,143	102,526,375	98,661,866
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	79,231,361	81,492,534	75,125,428
39	Plastics and articles thereof	68,949,683	74,867,230	71,578,324
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	14,331,075	61,958,709	60,540,892
29	Organic chemicals	55,761,871	67,391,000	57,806,523
74	Copper and articles thereof	41,196,624	47,646,537	40,807,909

source: www.trademap.org

► China became the second-largest economy in the world with a foreign trade volume of USD 4.5 trillion at the end of 2019.

► China has state-owned enterprises that account for the majority of imports, especially in the energy, including oil and gas, as well as telecommunication and construction sectors.

► A list of top 10 products imported by China showed that imports of mineral fuels, mineral oils and its by-products, which mainly contain energy commodities, are in second place, while imports of mine is in fourth.

Kazakhstan

Kazakhstan's most exported products are petroleum oil and gas. China is an important customer of Kazakhstan, both for these goods and for imports of copper and chromium.

China does not apply any safeguard actions on petroleum oils and oils obtained from bituminous minerals. The import tariff is 0%.

At the same time, China does not apply any trade barriers on refined Copper and Copper alloys. The import tariff is 2% for this product group.

KAZAKHSTAN'S TOP 5 EXPORTS TO CHINA

Unit: US Dollar thousand

Product HS code	Product label	Kazakhstan's exports to China			Kazakhstan's exports to World		
		Value in 2017	Value in 2018	Value in 2019	Value in 2017	Value in 2018	Value in 2019
	All products Total:	5,777,685	6,272,925	7,823,406	48,342,145	60,956,233	57,722,942
271121	Natural gas in gaseous state	87,583	983,447	1,588,642	1,554,520	2,171,387	2,790,780
740311	Copper, refined, in the form of cathodes and sections of cathodes	1,077,309	1,343,961	1,548,580	2,003,658	2,248,672	2,277,288
270900	Petroleum oils and oils obtained from bituminous minerals, crude	853,409	829,488	1,179,232	28,584,364	37,796,202	33,563,062
280300	Copper ores and concentrates	915,716	835,288	738,809	1,080,350	1,185,483	1,153,834
720241	Ferro-chromium, containing by weight > 4% of carbon	862,618	790,002	732,625	1,835,880	1,766,770	1,551,198

source: www.trademap.org

Kyrgyzstan

Kyrgyzstan has rich gold, copper, antimony, mercury, uranium, and other heavy rare earth material fields. Kyrgyzstan produces 15% of uranium, 30% of rare earth materials, 100% of antimony.

China does not apply any import requirements and safeguard rules for refined precious metal ores and its concentrates. Consumption tax is 17% and applied import tariff is 0%.

On the other hand, China does not apply any trade remedies on cigars, cheroots, cigarillos, cigarettes, of tobacco or containing tobacco. 25% MFN duties applied & 17% Consumption tax.

KYRGYZSTAN'S TOP 5 EXPORTS TO CHINA

Unit : US Dollar thousand

Product HS code	Product label	Kyrgyzstan's exports to China			Kyrgyzstan's exports to world		
		Value in 2017	Value in 2018	Value in 2019	Value in 2017	Value in 2018	Value in 2019
TOTAL	All products	97,474	61,238	81,469	1,790,758	1,764,613	1,965,502
261690	Precious-metal ores and concentrates (excluding silver ores and concentrates)	34,818	20,353	26,478	143,754	124,48	157,61
240220	Cigarettes, containing tobacco	21,463	10,238	20,804	22,098	10,53	21,833
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	7,005	10,22	10,616	43,654	68,762	67,286
780199	Unwrought lead (excluding refined lead and lead containing by weight antimony as the principal ...	0	0	5,752	1,791	1,298	7,195
270210	Lignite, whether or not pulverised, non- agglomerated (excluding jet)	1,349	2,565	4,648	5,691	9,195	12,626

source: www.trademap.org

Tajikistan

Besides cotton and aluminum, Tajikistan has not successfully tapped its potential in high-value-added products. 95% of Tajikistan's exports to China consist of 2 products which are cotton and ores.

China does not apply any countervailing duty measures on ores and concentrates antimony ores, any safeguard action or trade remedies on cotton excluding consumption taxes, not carded or combed. The duty rate is 0% and consumption tax is 17%.

On the other hand, China does not apply any specific trade regulatory requirements and remedial action against cotton yarn. 5% customs duty is applied for this product group.

TAJIKISTAN'S TOP 5 EXPORTS TO CHINA

Unit: US Dollar thousand

Product code	Product label	Tajikistan's exports to China			Tajikistan's exports to World		
		Value in 2017	Value in 2018	Value in 2019	Value in 2017	Value in 2018	Value in 2019
Total	All products	35,381	57,076	55,419	983,826	1,073,858	1,115,850
261710	Antimony ores and concentrates	29,070	31,381	25,960	33,142	35,846	28,349
520100	Cotton, neither carded nor combed	495	10,214	10,365	121,026	165,303	139,601
520512	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight and with a linear ...	723	3,565	5,728	14,726	18,179	15,666
520524	Single cotton yarn, of combed fibres, containing >= 85% cotton by weight and with a linear ...	1,097	1,390	3,372	9,393	11,596	14,305
261610	Silver ores and concentrates	0	0	3,241	526	1,164	4,660

source: www.trademap.org

Turkmenistan

87% of Turkmenistan's exports are natural gas. Turkmenistan exports all-natural gas to China (USD 8,61 billion)

China imports natural gas from Kazakhstan and Tajikistan as Turkmenistan with %0 duty tax.

A total of 4 measures applied to Sulphur export. 3% customs duty applied for this product group.

On the other hand, China does not apply any safeguard action or trade remedies on vegetable saps and extracts of liquorice. The import tariff is 6%.

TURKMENISTAN'S TOP 5 EXPORTS TO CHINA

Unit : US Dollar thousand

Product code	Product label	Turkmenistan's exports to China			Turkmenistan's exports to world		
		Value in 2017	Value in 2018	Value in 2019	Value in 2017	Value in 2018	Value in 2019
TOTAL	All products	6,575,125	8,119,370	8,685,698	7,986,282	10,098,303	9,921,778
271121	Natural gas in gaseous state	6,526,056	7,961,877	8,614,453	6,559,745	8,034,944	8,614,453
250300	Sulphur of all kinds (excluding sublimed sulphur, precipitated sulphur and colloidal sulphur)	14,106	63,293	36,601	16,584	69,333	36,601
130212	Extracts of liquorice (excluding that with a sucrose content by weight of > 10% or in the form . . .	8,573	8,71	10,061	18,721	36,888	13,613
253090	Arsenic sulfides, alunite, pozzuolana, earth colours and other mineral substances, n.e.s.	646	4,664	6,983	2,826	4,664	6,983
271311	Petroleum coke, non-calcined	9,981	12,973	6,28	29,587	27,521	22,612

source: www.trademap.org

Uzbekistan

China is one of Uzbekistan's largest trading partners. In 2019, it made 85% of Uzbekistan's natural gas exports to China.

China imports natural gas from Uzbekistan. China does not apply any anti-dumping action, safeguard action or countervailing duty measures. China's duty rate level is 0% for this product group.

China does not apply any specific trade regulatory requirements and remedial action against cotton yarn. 5% customs duty is applied for this product group. However, 0% tariffs applied for Cotton.

UZBEKISTAN'S TOP 5 EXPORTS TO CHINA

Unit: US Dollar thousand

Product code	Product label	Uzbekistan's exports to China			Uzbekistan's exports to World		
		Value in 2017	Value in 2018	Value in 2019	Value in 2017	Value in 2018	Value in 2019
TOTAL	All products	1,313,428	2,120,927	1,762,654	10,079,471	10,919,012	14,929,507
271121	Natural gas in gaseous state	579,643	1,286,599	915,020	1,389,933	2,423,995	2,263,157
520514	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight and with a linear ...	133,657	178,753	247,179	187,845	212,093	278,912
520100	Cotton, neither carded nor combed	109,625	71,004	141,406	477,102	222,136	281,638
520512	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight and with a linear ...	39,730	43,403	91,427	156,675	147,898	199,824
390120	Polyethylene with a specific gravity of >= 0,94, in primary forms	91,249	80,921	71,499	364,539	400,154	363,646

source: www.trademap.org

The Potential for the Development of Economic Cooperation Between China & Central Asia

- Creation of Chinese and Central Asian holding companies in different industries (producing final goods such as textile, consumer electronics, light industry, food production, non-ferrous metallurgy);
- Acceleration of regional integration in Central Asia through digital trade development, fintech, telemedicine and investment in digital infrastructure
- Integration of the transport and energy systems of China and Central Asia;

THANK YOU FOR ATTENTION