4TH CAREC Institute Annual Research Conference

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Session One:

Discussant
Evidence from the CAREC Corridor Performance Measurement and Monitoring Database

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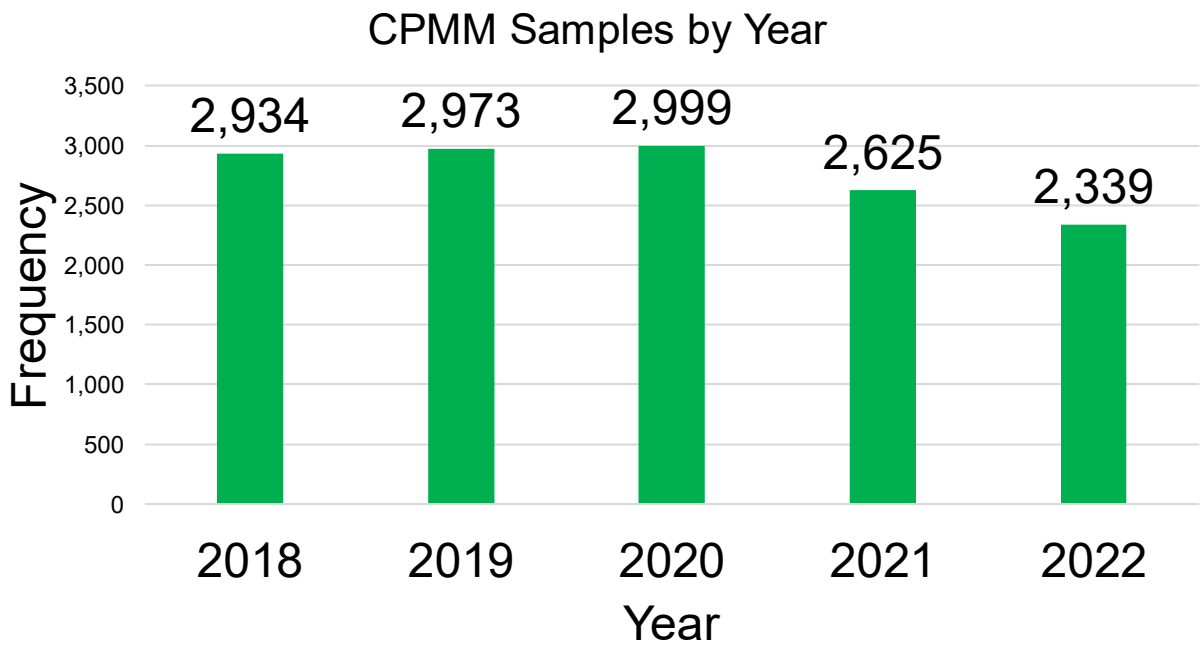
Rethinking Development Strategies
Green, Innovative, and Inclusive Development for the CAREC region

The Impact of COVID-19 Mobility Restrictions on Trade Facilitation at Borders in the CAREC Region

Kijin Kim, Jerome Abesamis, and Zemma Ardaniel
Asian Development Bank

High Frequency Fact-Based Findings

This paper demonstrates the use of empirical evidence instead of case studies, highlighting CPMM due to its availability of long-term time series data at high frequency (monthly) and large sample size.



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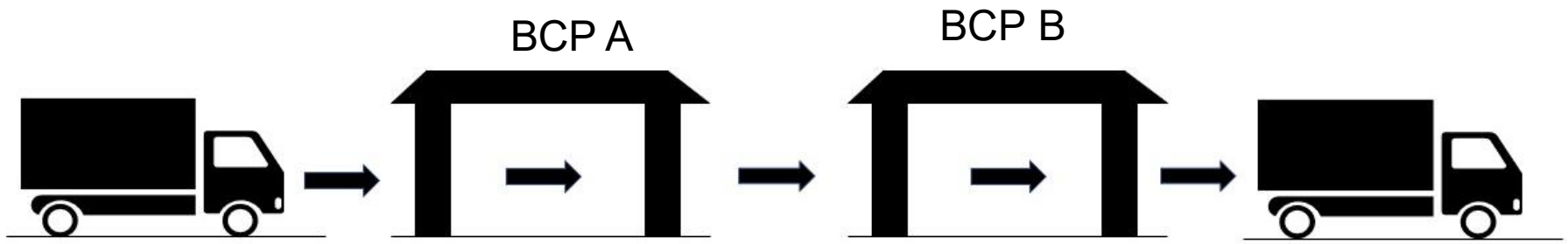
Border-Crossing is mutually dependent



Average time at BCP A is a sample estimation that is not only affected by internal processes, but can also be affected by the performance at BCP B.

Congestion, inefficient processes, suboptimal layout, additional controls, trade policies etc can affect the performance of adjacent BCP.

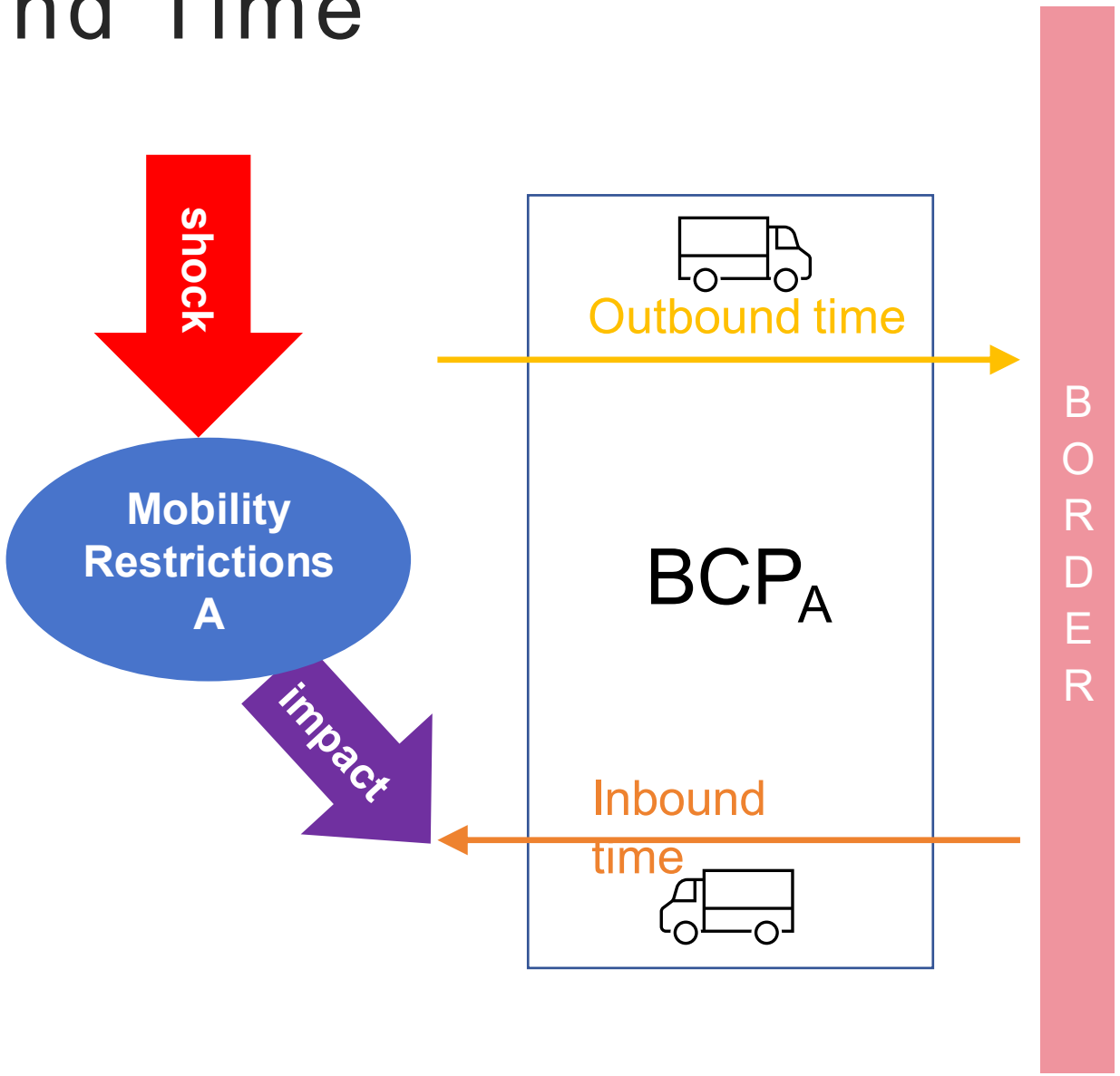
To shorten time-crossing, both BCPs need to improve simultaneously to achieved an overall improvement, and not an isolated improvement only.

Importance of Inbound Time

“A unitary increase in the level of the mobility restriction index leads to a 0.4% time delay for inbound cargo to clear the border, with the **impact lasting up to the 5th month** after implementation. However, outbound time remains unaffected by the mobility restrictions.”

Underlying reasons for greater delays in inbound time

- ✓ More stringent checks on incoming goods
- ✓ Sealing of trucks
- ✓ Rail gauge change (OSJD rule)
- ✓ In COVID-times, strict epidemiological tests

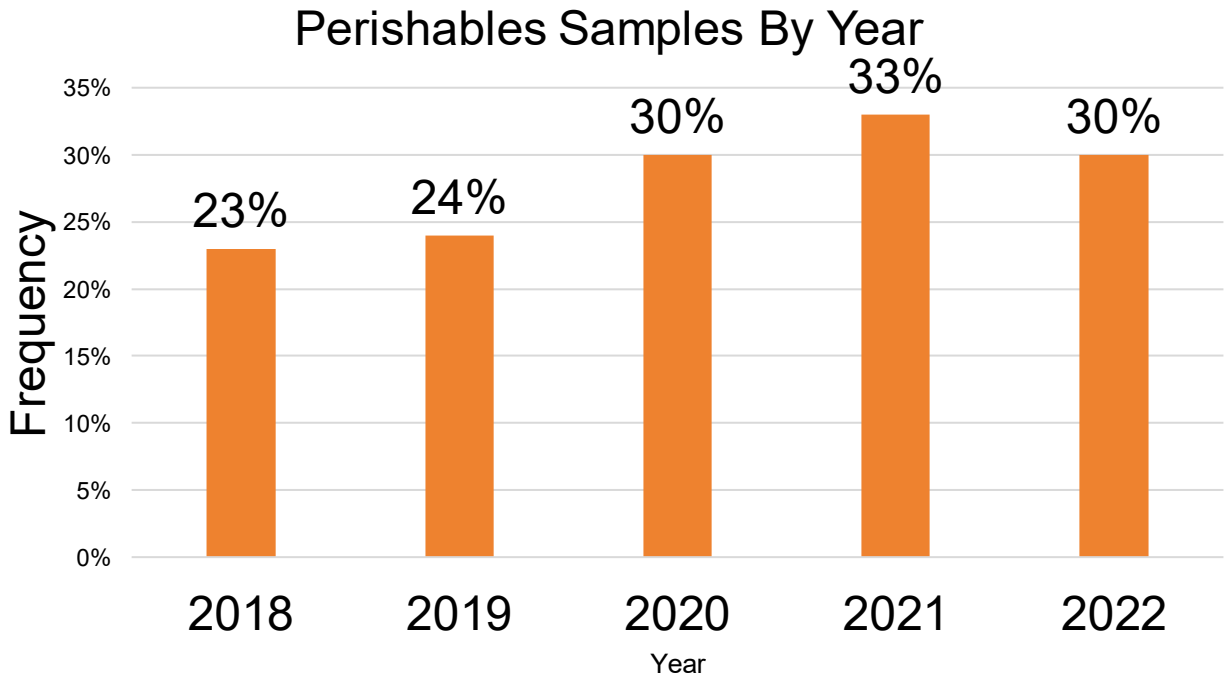


Impact of Non-Tariff Measures and Border Crossing Time and Costs on Trade in Perishable Goods in the Central Asia Regional Economic Cooperation Region

Dorothea M. Ramizo and Akiko Terada-Hagiwara
Asian Development Bank

Importance of Perishable Shipments

This is an excellent research on perishable shipments in CAREC region. In CPMM, perishable shipments accounted for 23% to 33% of all samples per year, mainly transported by trucks. This phenomenon was driven by shipments of vegetables in the region, which reflected the underlying trade structure of CAREC members. Key exports of fruits and vegetables from Kyrgyz Republic, Tajikistan and Uzbekistan, across Kazakhstan and Turkmenistan, were observed. Transit shipments from Pakistan to Central Asia were also analyzed in CPMM.



Impact of Behind the Border

It is true that the impact of behind the border is more significant than at the border.

While the BCPs in CAREC facilitate transit and perishables are accorded higher priority in clearance, ad hoc border closures can disrupt perishables shipment. In general, CPMM estimated that the time per se for SPS is not lengthy.

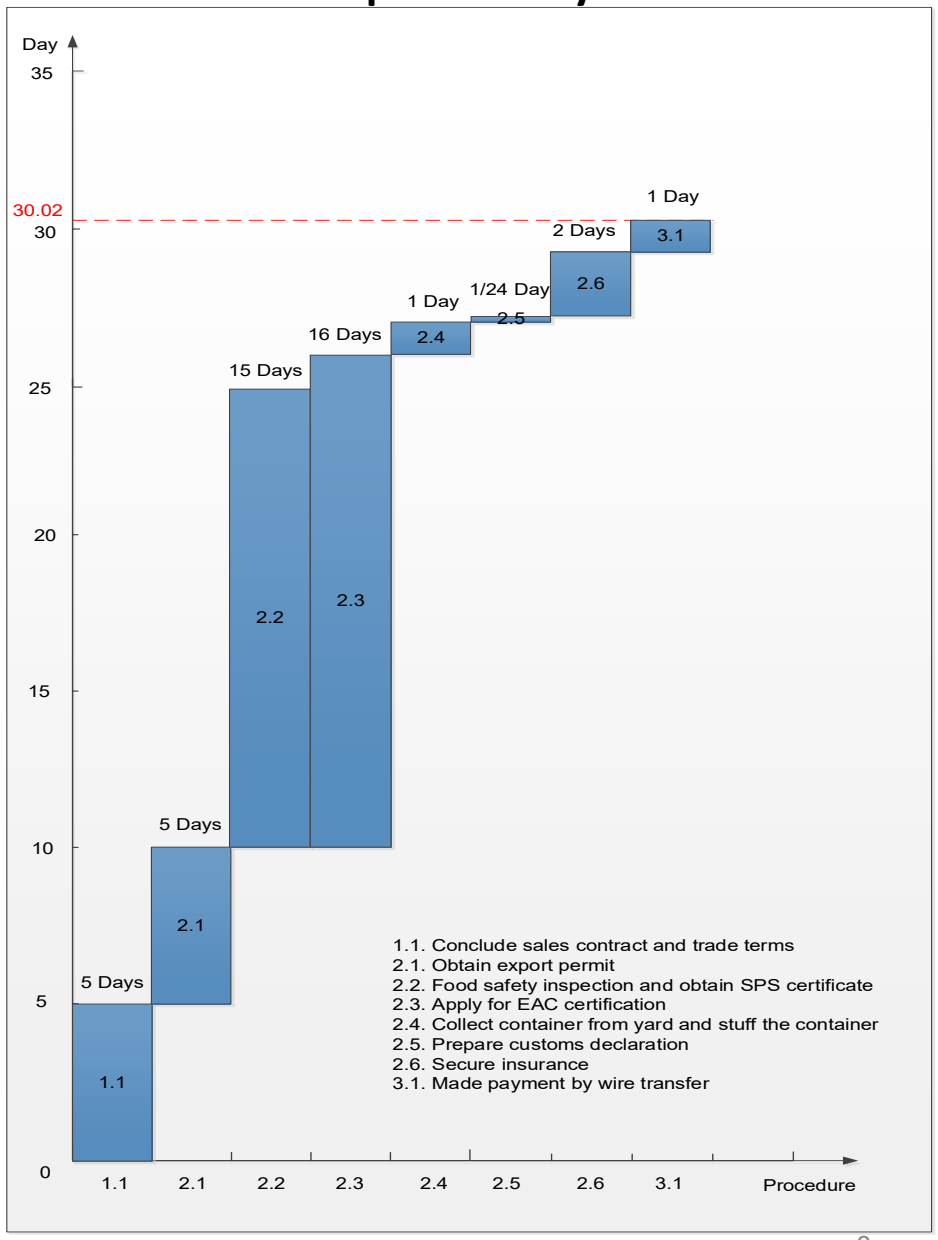
On the other hand, the time to obtain permits and certificates for perishable shipments can be very lengthy.

Reference: CPMM Annual Report 2018

Case study: Shipment of Tomato Paste from Urumqi to Almaty

Problem: Duplicate need to obtain SPS related documents to comply with local regulation and EAEU.

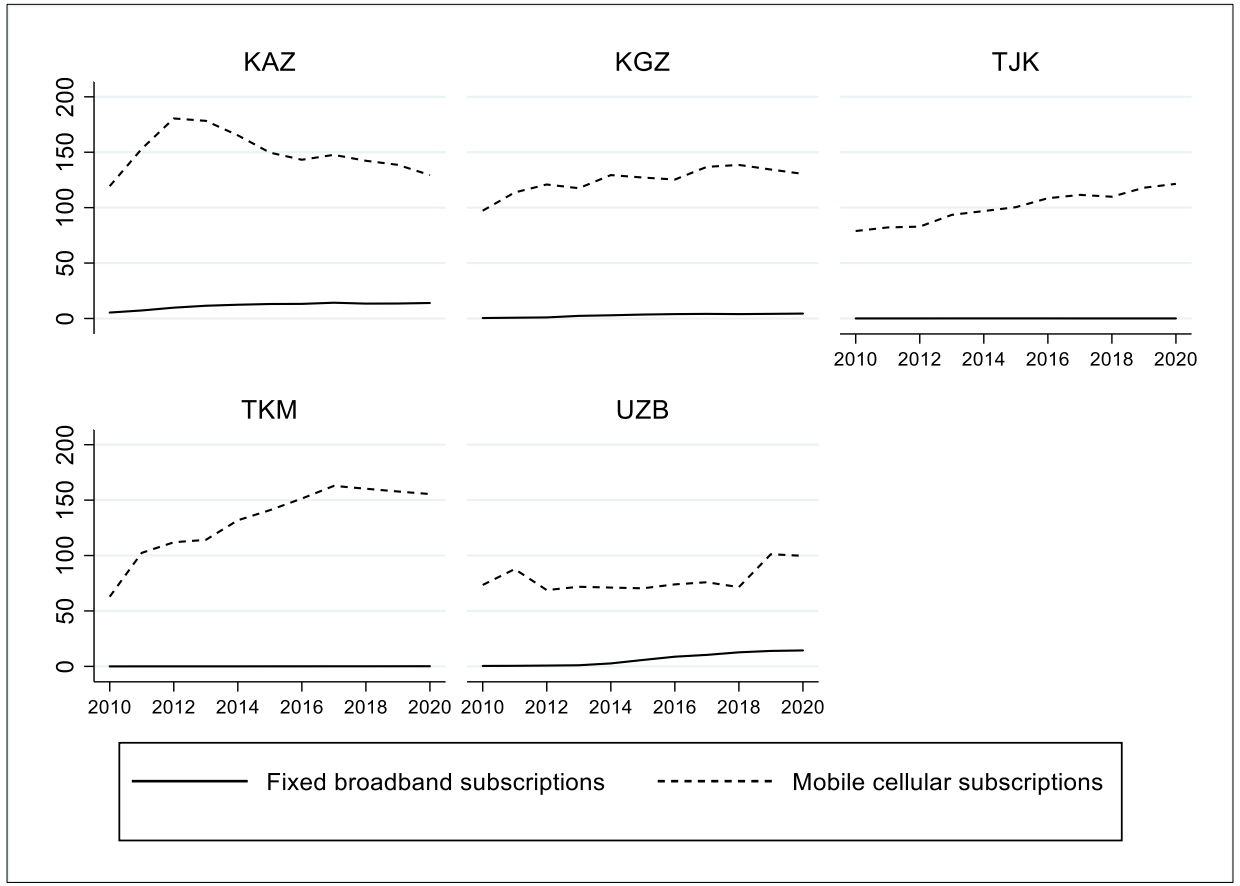
Time Procedure Chart for exporting tomato sauce from Urumqi to Almaty

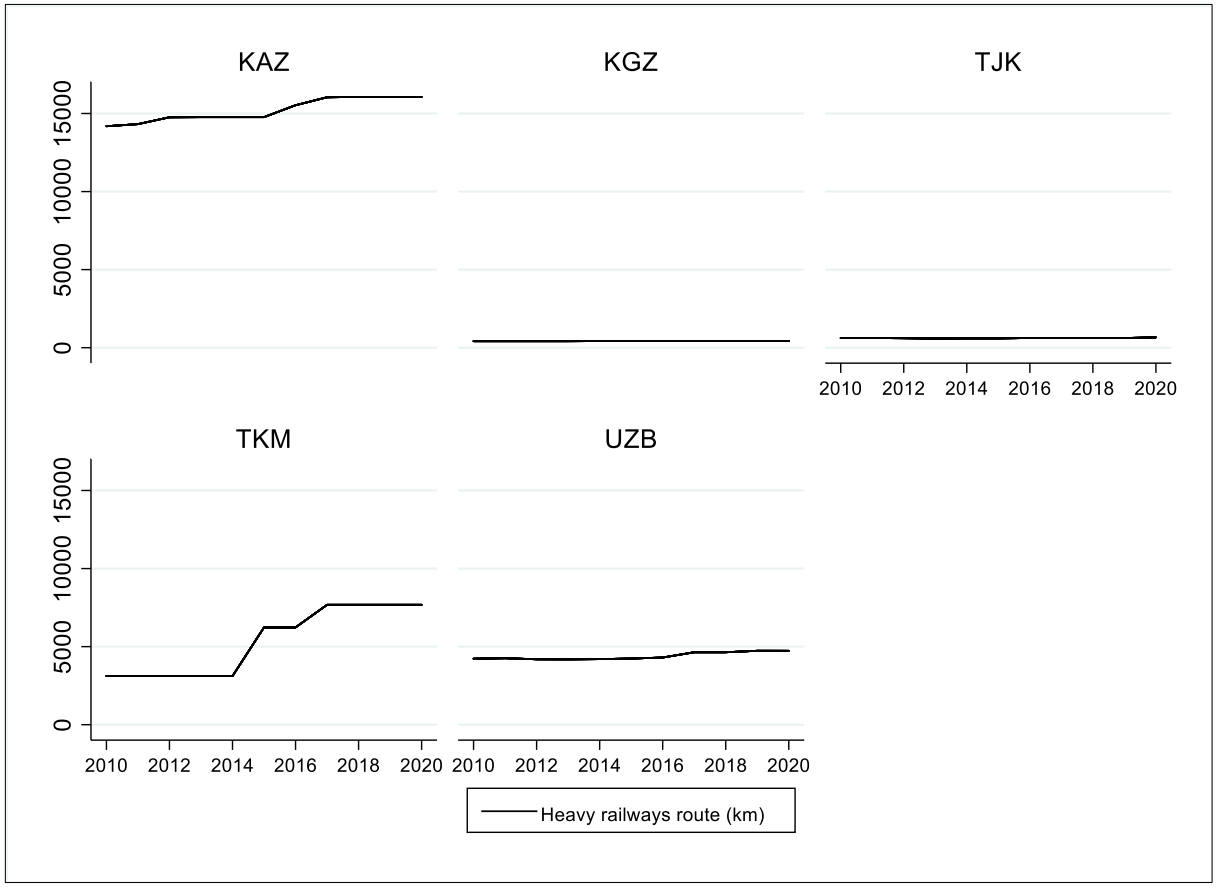


Trade Facilitation, Infrastructure, and International Trade in Central Asian Countries

Kamalbek Karymshakov

The Importance of “Hard” Infrastructure



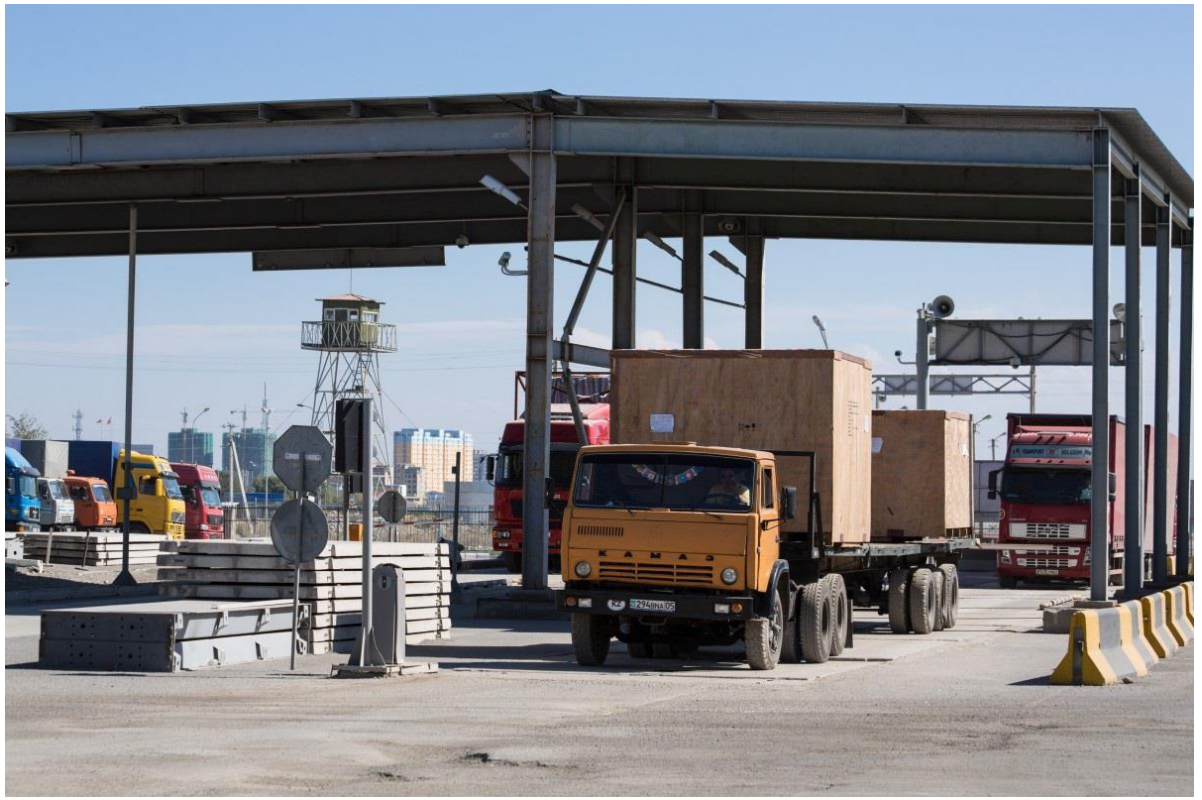


Using the research methodology, further useful analysis can be conducted considering the transport infrastructure such as ports, inland facilities, special economic zones etc. In particular the study of multimodal logistics is an important area given the interest in the Middle Corridor.

The Importance of “Soft Infrastructure”

The author mentioned the need to establish “hard” infrastructure” as well as “soft infrastructure”. This is absolutely true as the presence of man-made or institutional barriers (such as cumbersome border-crossing) is equivalent to travelling an additional hundreds of kilometers.

- ❑ Single Window
- ❑ One Stop Shop
- ❑ Authorized Economic Operators
- ❑ Green Lanes
- ❑ Pre-Arrival Declarations
- ❑ Electronic Data Interchange
- ❑ E-Permit
- ❑ E-Queuing System
- ❑ Smart Gates



Geographical Proximity and Trade Impacts in the Central Asia Regional Economic Cooperation Program Region

Ghulam Samad, Amjad Masood, Junaid Ahmed
CAREC Institute

Border-crossing performance and Trade

The paper provides good analysis into the inverse relationship between border-crossing performance and the trade volume.

The impact is also greater on the BCP receiving the shipment (inbound) compared to outbound BCPs. This is aligned with the findings from Kijin Kim, Jerome Abesamis, and Zemma Ardaniel.

The findings also examined the e-SPS and did not show significance. In CPMM, the average SPS time was not lengthy at the border. However, as discussed in the session by Dorothea M. Ramizo and Akiko Terada-Hagiwara, SPS could be a more significant element ‘behind the border’ and this data is not captured by CPMM. Perhaps using another tool such as the UNESCAP Business Process Analysis would give better insights.

Interpretation of CPMM Data

The aggregated border-crossing time is a high-level indicator. Corridor specific indicators are more useful since each corridor has different physical and institutional attributes.

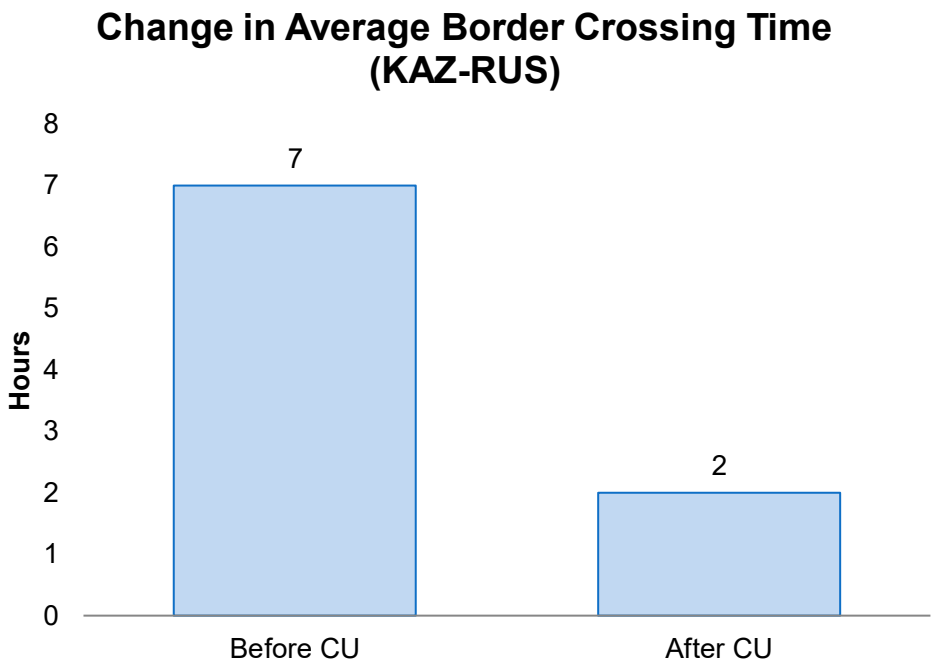
	Overall			Road			Rail		
	Mean	Median	CV	Mean	Median	CV	Mean	Median	CV
TF1	13.7	14.1	27.3	10.3	9.9	35.2	25.7	25.9	**13.6**
Corridors									
1	-	-	-	6.5	6.2	59.9	31.5	31.0	**20.4**
2	-	-	-	7.8	7.2	24.2	14.2	4.5	**163.9**
3	-	-	-	5.5	5.2	25.0	4.5	5.1	**57.6**
4	-	-	-	4.4	4.0	39.0	20.8	21.0	**25.6**
5	-	-	-	22.7	28.0	69.9	-	-	**-**
6	**-**	**-**	**-**	**39.0**	**69.6**	**35.8**	**5.7**	**4.5**	**90.1**

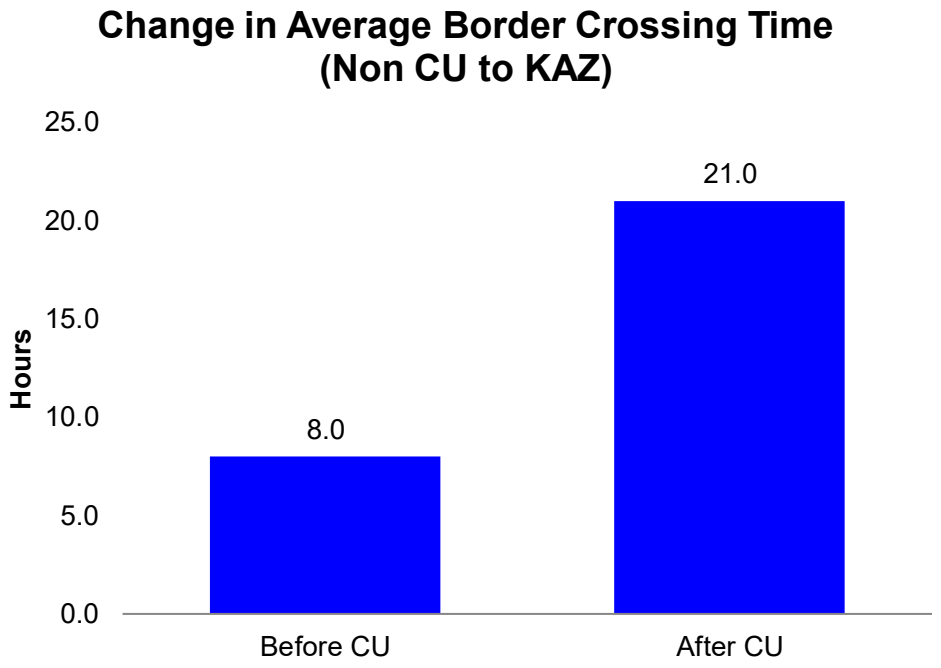
Road: For example, Corridors 5 and 6 showed consistently higher border-crossing time, due to the delays at Torkham and Chaman-Spin Buldak.

Rail: Train crossing at Alashankou-Dostyk and Horgos-Altynkol are longer than the road crossing at the same BCPs.

Impact of RTAs - EAEU

Kazakhstan is a founding member of the Eurasian Economic Union (EAEU). At that launch of EAEU, Kazakhstan was the only CAREC member (Kyrgyz Republic joined later in 2016).





The EAEU is a customs union which means border controls are greatly simplified, and cross-border movement of goods within EAEU members are not subject to import duties. At the border of EAEU members, only border security guards and SPS agency remain. CPMM demonstrates that while EAEU shortened 3.5 times the average border-crossing time between Kazakhstan and the Russian Federation, the average border-crossing time at Kazakhstan with non-EAEU members surged 2.6 times.

Further Research Areas

The analysis by Ghulam Samad, Amjad Masood, Junaid Ahmed suggests good potential future research directions, here some examples are added to provide some directions.

Future Research Areas	Remarks
BCP Specific Data	This is being discussed in the new CPMM plan and highlighted at the CAREC Customs Cooperation Committee.
Digitalization Initiatives	Systems such as CATS/ICE, eNavbat, CarGoRuqsat etc. Integrated information systems and data interchange is also much needed for the Middle Corridor.

Conclusion

- ✓ CPMM offers a **comprehensive large sample time series data** for research and analysis.
- ✓ It currently focuses on '**At The Border**' and less 'Behind the Border' issues.
- ✓ Support from policymakers is needed to increase the **utility** of CPMM, and from customs on the **freight volumes** through selected BCPs.
- ✓ Wider applications can be achieved by **enhancing the access to data** at the unaggregated level, via the CPMM portal.

Thank You

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Post-Event Survey: 4th Annual Research Conference

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