



National Trade Facilitation Roadmap of Kyrgyzstan for Economic Recovery from COVID -19 2021-2024

Expert consultation
(Virtual)

October 27, 2020

Roadmap Structure

I. VISION STATEMENT

II. ASSESSMENT OF CURRENT SITUATION AND IMPEDIMENTS

III. GOALS

IV. ACTIVITIES

V. IMPLEMENTATION SCHEDULE

VI. GOVERNANCE STRUCTURE

VII. IMPLEMENTATION RISKS

VIII. RESOURCE MOBILIZATION

PROPOSED VISION

By 2024, Kyrgyzstan will achieve 60% implementation of trade facilitation in the UN Global Survey for Digital and Sustainable Trade Facilitation, Kyrgyzstan will be among top 60 countries in Trading Across Border in Doing Business, and reduce the number of procedures for essential goods by 50%.

UN Global Survey on TF 2019

For Kyrgyzstan, 2017 and 2019 results are the same since Kyrgyzstan did not provide any updated questionnaire in 2019. However, it is going to be done in 2021 survey.

2019 Trade facilitation score of 37.63%

Cross-Border Paperless Trade: 11.11%; Paperless Trade: 37.04%; Institutional Arrangement and Cooperation: 44.44%; Formalities: 33.33%; Transparency: 73.33%.



2017 Trade facilitation score of 37.63%

Cross-Border Paperless Trade: 11.11%; Paperless Trade: 37.04%; Institutional Arrangement and Cooperation: 44.44%; Formalities: 33.33%; Transparency: 73.33%.



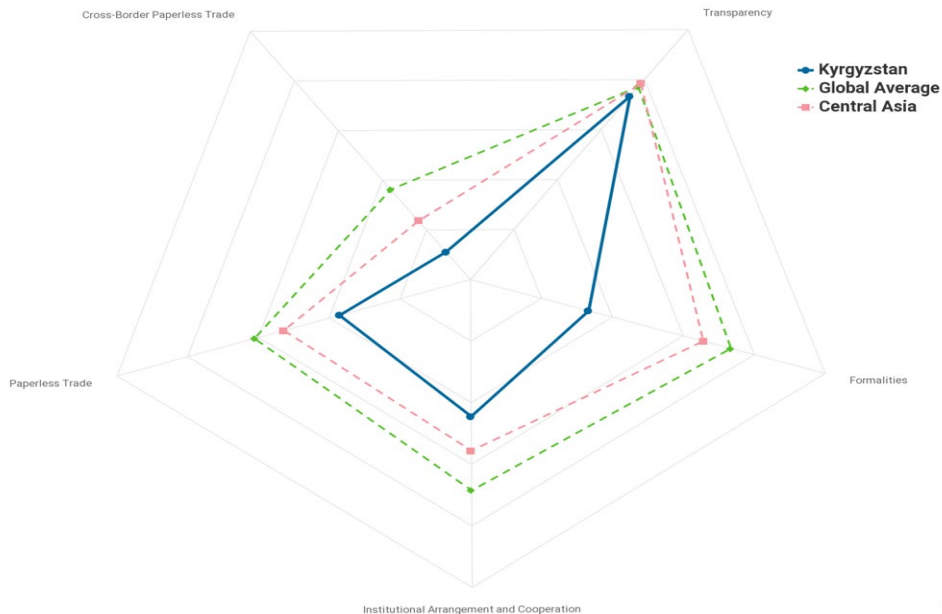
2015 Trade facilitation score of 36.56%

Cross-Border Paperless Trade: 11.11%; Paperless Trade: 37.04%; Institutional Arrangement and Cooperation: 44.44%; Formalities: 33.33%; Transparency: 66.67%.

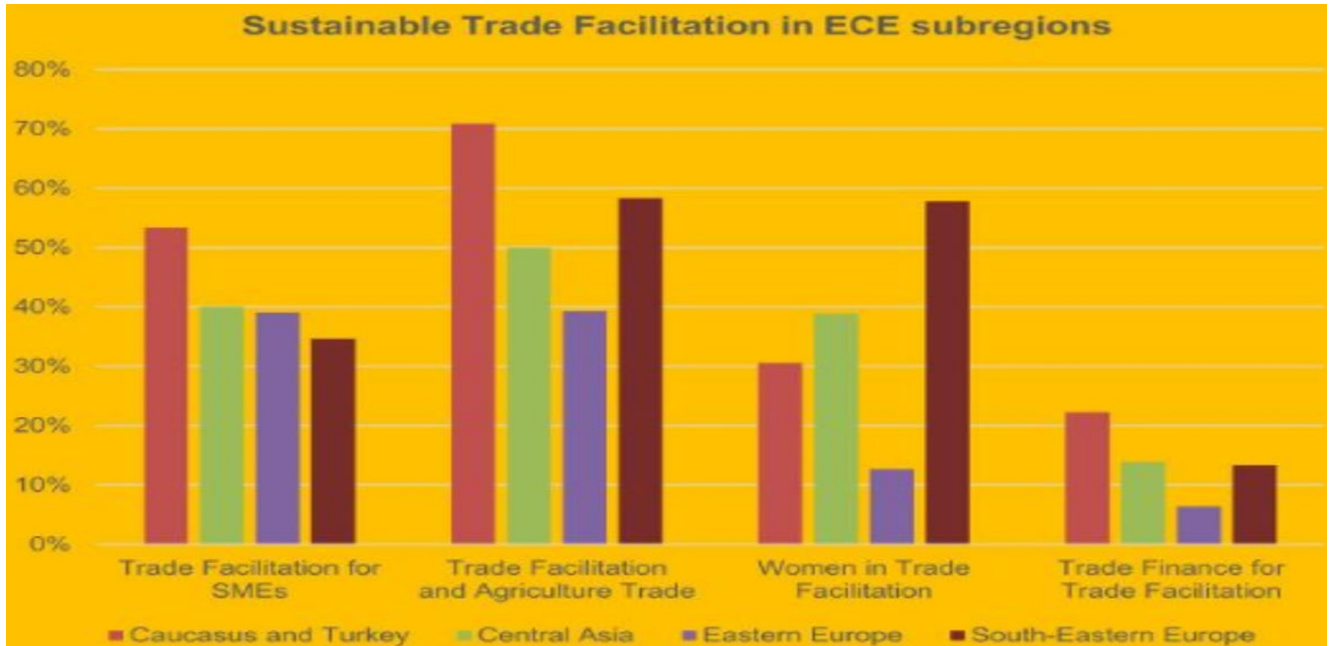


UN Global Survey on TF 2019

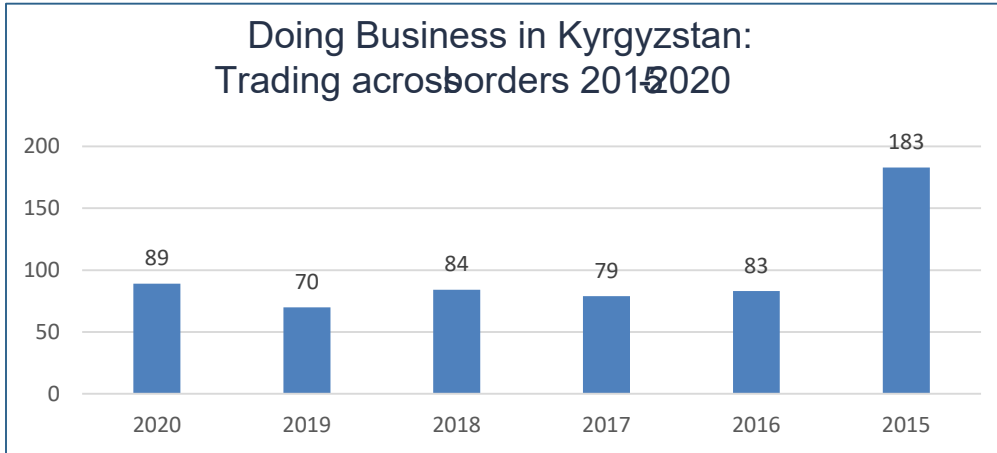
Kyrgyzstan's position	
Transparency	73,3%
Formalities	33,3%
Inst. Arrangements and Cooperation	44,4%
Paperless Trade	37,0%
Cross-Border Paperless Trade	11,1%
SME-related TF	33,3%
Agriculture-related TF	41,6%
Women-related TF	22,2%



Sustainable Trade Facilitation



Other TF Related Indexes



LPI Index	
2018	2016
108 rank	146 rank

COVID-19 Impacts

According to preliminary estimates of the NSC for January-June 2020 the volume of **GDP** was amounted to 228.3 billion KGS (2,8 billion USD) and **decreased by 5.3%** vs. the corresponding period of 2019, excluding Kumtor it decreased by 6.9%

The **foreign trade turnover** was amounted to 2557,4 million USD in January-June 2020 and comparing with the same period in 2019 has **decreased by 24.4%**

For January-June 2020, the gross volume of **cash inflows transfers decreased by 13.2%** compared to the corresponding period of 2019 and, accordingly, influenced the decline in **wholesale and retail trade by 15%**

For January-June 2020, the **revenues of the state budget** amounted to 52.5 billion KGS (651,1 million USD) or 81.1% of the target amount

Budget deficit, according to preliminary data, for January-June 2020, formed **at the level of 7.7% of GDP** or 17.7 billion soms (219,6 million USD)

About 1–1.8 million workers (with a total workforce of 2.6 million) have lost their jobs

52% of all poor households experienced a significant deterioration in their financial situation

The number of registered cases of domestic violence increased by 65% compared to the same period in 2019.

UN Survey on TF Measures in Times of Crisis and Pandemic

NTFC's role: there was no separated decision of the Government on the appointment of a the NTFC for taking TF measures in a pandemic, the State Headquarters was established to implement economic measures aimed at minimizing the consequence of external shocks and stimulating economic development

Transparency and International cooperation emergency TF measures were published on websites of relevant state agencies but were not shared with IOs, there are not special enquiry points and CA regional mechanisms to share information and coordinated response

Inter-Agency and Cross Border Coordination "one stop-shop" was introduced but not fully implemented TF measures were harmonized within the EAEU to facilitate the movement of essential and relief products

Proactive Plan for Cross Border Trade of Essential Products no Proactive plan, all TF measures were accepted during the pandemic

Trade Facilitation on Essential Supplies there were "green corridors" but without special lanes, counters representatives of State Sanitary and Epidemiological Service were on BCPs to control safety of workers/drivers and disinfect cargoes

Facilitate Movement of people no special expedited movement of people with negative COVID-19 status, there was a general order for all: three types of movement permits were issued, it was required to have employment statement, ID document and routesheet/truck route order

Digital Trade Facilitation no digital TF measures were introduced

Support to SMEs Deferral of tax payments were introduced, VAT exemptions prolongation of report submissions, interest and rent payments, Action Plan for 2020 to restore economic activity and support SMEs

Inter-Agency and Cross-Border Coordination

Interaction of public agency through IS "Tunduk" and electronic document management system" Infodocs

Two AEO companies temporary storage of goods in premises, open areas and other areas of the AEO release of goods before filing a customs declaration, customs operations related to the release of goods can be carried out in premises, open areas and other areas of the AEO

The work on **electronic TIR and CMR** is under implementation

After Pilot project on pre-arrival processing information, **the Order on interaction of state agencies on automobile BCPs on the EAEU border** is going to be adopted after receiving pre-arrival processing information, the state agencies have to issue a decision within 15 minutes to expedite the customs procedures

Introduction of Risk Management system: The work on the modernization of RM system is under the implementation within the SCS Development Strategy, it is planned to launch RM system in control agencies by April 2021.

National Transit Coordinator: SCS coordinates and organizes cooperation of authorized state bodies at BCPs of EAEU border on the implementation of transit procedures in Kyrgyzstan and informational support for transit operations.

Digital trade facilitation measures

SWIS **Tulpar** web service that allows participants in foreign economic activity to submit applications and accompanying documents in electronic format to state agencies and other organizations that issue permits and other documents necessary for the implementation of export, import, and transit operations

For 2019 37 state agencies and other organizations, including 10 private bodies for product certification, are connected to the SWIS

Within the SWIS, 33 permits required for the implementation of foreign trade operations can be received

For 3 quarters of 2019 in SWIS 25184 permits were issued comparing to the same period in 2020 this number increased up to 29539 permits

It is planned to launch a pilot project "one-stop-shop" at "Dostuk" BCPs with Uzbekistan

Supporting SMEs

- From April 1 to October 1, 2020 postponement of installment payment plan for tax debt
- Extension of deadline for submitting tax reports by 1 July 2020
- Until April 1, 2021, the extension of the deadline for the submission of a single tax return for 2019
- Until July 1, 2020 non-application of tax sanctions and penalties for late fulfillment of tax obligations
- Tax audits were prohibited until January 1, 2021
- Temporary prohibition of corporate bankruptcy procedures until January 1, 2021
- Creation of the Anti-Crisis Fund in the amount of KGS 14.0 billion KGS for preferential lending to SME
- Prolongation and restructuring of principal amounts and interest on loans for a period of at least 3 months
- Provision of benefits to domestic suppliers in the amount of 20% in the public procurement procedure

Supporting women traders

Gender Inequality Index 2018 87th place out of 162 countries

Gender Gap Index 2020 93rd place out of 153 countries

Legal framework:

Development of National Program for the Development of Women's Entrepreneurship: at the implementation stage by the Ministry of Economy of the KR

Supporting measures:

ADB project Women's Entrepreneurship Development

BaiTushunProject Women's Leadership in SMEs

EBRD Program Women in Business

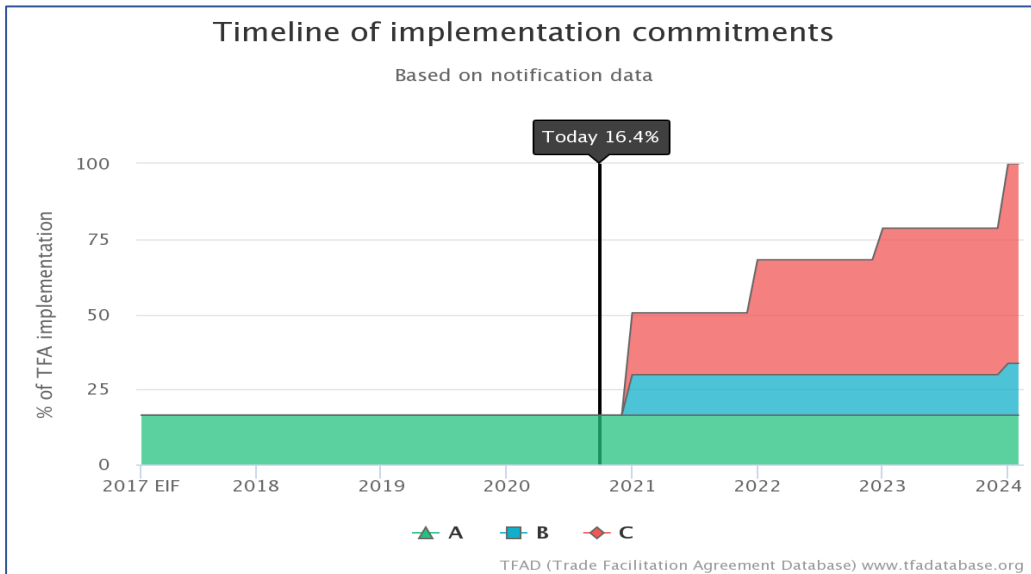
Financial products (loans) ~~ShkerAyim~~ and ~~AyimCredit~~

COVID19 response measures:

No separate measures were introduced to support women traders, there are general supporting measures for all SMEs

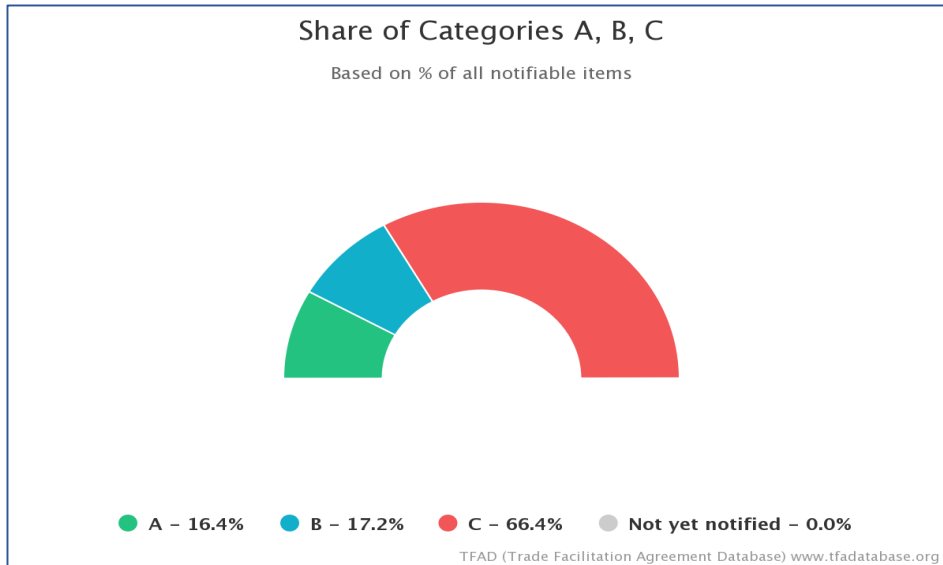
WTO TFA Implementation Status

As part of the integration process, the Kyrgyz Republic ratified the WTO Agreement on Trade Facilitation on November 22, 2016. To date, the rate of implementation of commitments under WTO TFA is 16.4% across categories: 16,4% %rate of category A commitments; 0,0% %rate of commitments under categories B and C



WTO TFA Implementation Status

Category B - 17.2% implementation of commitments under WTO TFA is planned for the period from December 2020 to December 2023 and category C - 66.4% is expected to be implemented from December 2020 to December 2023 upon receipt of capacity building support

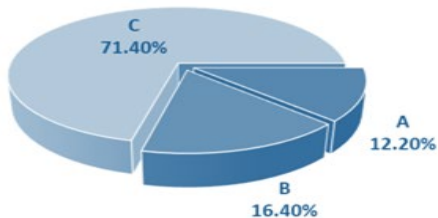


WTO TFA Implementation Action Plan

TFA Plan 2017

147 activities:

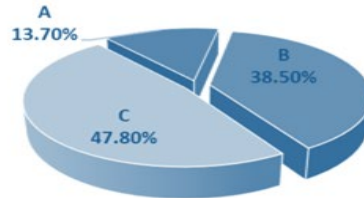
- Category A – 6
- Category B – 21
- Category C - 120



Revised TFA Plan 2019

Revised TFA Plan includes 117 activities:

- Category A – 16
- Category B – 45
- Category C - 56



Discussion plan

1. Discussion of goals and activities of the Roadmap

- Identification of goals and subgoals
- Determination of activities required and implementation schedule

2. Review of not-implemented activities of the WTO TFA Implementation Action Plan

- Focus on category C measures and priority measures
- Choose measures to be included in the Roadmap

3. Discussion on TF Legal framework

- Identification of legal acts to be adopted or amended, etc.

4. Include recommendations for the COVID-19 response

- Review policy recommendations of IOs

5. Summarize the discussion

Proposed Goals

Discussion of **Goals** and **Activities** of the Roadmap:

Proposed GOALS

- Improve TF legal framework
- Improve transparency
- Improve institutional arrangement and inter-agency cooperation
- Improve cross-border cooperation
- Improve digital TF measures
- SME-related TF measures
- Agriculture-related TF measures
- Women-related TF measures
- Improve custom infrastructure and logistics
- etc.

Proposed discussion on Legal Framework

Discussion on TF Legal framework

Legal acts requiring changes:

- Participation in the process of making amendments to the CC EAEU
- Development of relevant by-laws to the Law on Custom Regulation of the KR
- Digitalization: e-commerce, etc.

Adoption of new legal acts:

- Law of the KR on the accession of the Kyrgyzstan to the Revised Kyoto Convention
- Laws on facilitation of transport procedures

Legal acts to be recognized as invalid:

- TBD



Thank You !

Contacts:

Salehin Khan

e-mail: khan.salehin@un.org
phone: +41 (0) 22 917 3227

Aidar Samykbaev

e-mail: aidaroffice@mail.ru
phone: +996 772 77 96 60

Alla Shlykova

e-mail: alla.shlykova@un.org
phone: +41 (0) 22 917 3774

Aidai Baidzhigitova

e-mail: aidaibaidzhigitova@gmail.com
Phone: + 996 706 80 16 94