



CADGAT

Central Asia Data Gathering and Analysis Team

Intra-regional trade in Central Asia

Central Asia Regional Data Review

No. 9, July 2013

In 2009, the Norwegian Institute of International Affairs (NUPI) and the OSCE Academy established the Central Asia Data-Gathering and Analysis Team (CADGAT). The purpose of CADGAT is to produce new cross-regional data on Central Asia that can be freely used by researchers, journalists, NGOs and government employees inside and outside the region. The project is managed and the reports are edited by Kristin Fjaestad and Indra Overland at NUPI. Comments and questions can be sent to: cadgat@nupi.no. The datasets can be found at: www.osce-academy.net/en/cadgat/

The following datasets have been published previously:

1. Hydroelectric dams and conflict in Central Asia
2. Narcotics trade and related issues in Central Asia
3. Language use and language policy in Central Asia
4. The transport sector in Central Asia
5. Road transportation in Central Asia
6. Gender and politics in Central Asia
7. Political relations in Central Asia
8. Trade policies and major export items in Central Asia

CADGAT has also produced a database on 'Elites in Central Asia', which can be found at the same website.

Introduction

These reports present an important aspect of regional cooperation in Central Asia – trade. Many factors speak in favour of regional trade and cooperation, including (a) the communication, transport and energy infrastructure created by the former Soviet Union as an integrated national system; (b) environmental issues which require regional approaches; (c) the potential attraction of a region free of trade and transit barriers for foreign and local investors, compared with the limitations of small national economies; (d) utilization of regional cooperation to overcome geographical obstacles and to improve access to global markets. However, statistics on intraregional trade indicate that the level of trade in the region still falls short of its potential.

These reports (three in total) are based on data collected from various sources, with the results of this laborious effort presented in tables and graphs. As the data come from different sources they may not be free of methodological flaws. However, where possible the data have been verified and compared with various alternative sources.

This first report deals with the trade policies and major export items of each of the five Central Asian countries. It includes a review of trade policies and trade complementarity in the region, and tables showing the evolution of export profiles of each country after independence.

Key findings

- The leaders of the Central Asian countries adopted diverse economic strategies which have led to divergence in trade policies, ranging from quite liberal (Kyrgyzstan) to relatively restrictive (Uzbekistan). This can be seen as one obstacle to harmonization of regional trade and cooperation.
- All five Central Asian states have natural resources as their main export items, and are largely dependent on these exports. In 2011, the most important export commodity in Kazakhstan (crude oil and gas condensate) and Tajikistan (aluminium) accounted for 62.4% and 63.4%, respectively, of total exports.
- The Central Asian states have a low degree of trade complementarity: they produce and export many of the same items and therefore need to look for trade partners beyond their immediate neighbours.

Regional trade agreements in Central Asia

Regional Trade Agreements	Current Members	Year	Problems	Current Status
Agreement on the Establishment of a Free Trade Area (FTA) in CIS countries ¹	All CIS countries – Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine Uzbekistan	1994	CIS countries unable to agree on a common list of exemptions from the free trade regime. In 1999, the agreement was amended to allow the exemptions to be agreed upon bilaterally. However, even that has not meant that all CIS countries could agree on the list of exemptions.	The agreement has not been fully implemented.
ECOTA (Economic Cooperation Organization Trade Agreement) ²	Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan, Uzbekistan	1992	Member states lack appropriate infrastructure and institutions (which ECOTA seeks to develop) to make full use of available resources in the region and provide sustainable development. The envisaged tariff reduction has not yet been not achieved.	ECOTA entered into force on 24 March 2008
CAC (Central Asian Commonwealth) established by Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. Renamed Central Asian Economic Union (CAEU) in which Tajikistan and Turkmenistan did not participate. Renamed the Central Asian Economic Community (CAEC) when Tajikistan re-joined in 1998. The presidents of the four countries proclaimed the Central Asian Cooperation Organization (CACO) as the successor to the	Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan. Georgia and Ukraine had observer status.	1994	The aim of setting up a Central Asian common market within the CACO framework was too ambitious, given political frictions and conflicting national and supranational interests.	At their meeting in St. Petersburg in October 2005, the presidents of the CACO member countries decided to merge the organization with the EAEC.

¹ Full text of the agreement available at: <http://www.worldtradelaw.net/fta/agreements/cisfta.pdf>

² ECO secretariat website: <http://www.ecosecretariat.org/>

CAEC in 2002. Russia joined in 2004.				
Eurasian Economic Community (EAEC). ³	Belarus, Russia, Kazakhstan, Kyrgyzstan, Tajikistan. In 1995, Kazakhstan joined the agreement on the establishment of a customs union, signed by Belarus and Russian Federation in early 1995. The Kyrgyz Republic followed in 1996 and Tajikistan in 1999. In February 2000, the five countries signed an agreement on a common external tariff schedule (CETS). In October 2000, they signed a treaty establishing the EAEC. In October 2005, Uzbekistan applied for membership and acceded to the EAEC in January 2006. In 2008 Uzbekistan temporarily suspended its membership.	1995	Main problem is unwillingness of other key countries in the region (e.g. Ukraine and Uzbekistan) to join the agreement.	Launched on 1 January 2010. A single market for the Customs Union of Belarus, Kazakhstan, and Russia is in place from 1 January 2013.
Single Economic Space (SES)	Belarus, Kazakhstan, Russia, and Ukraine	2003	Ukraine unwilling to sign all SES agreements	Following Ukraine's unwillingness to cooperate full-scale, the next stage was EAEC, with Belarus, Kazakhstan and Russia.

³ EAEC website: <http://www.evrazes.com/en/about/>

1. KAZAKHSTAN

Trade with the Central Asian countries and other main trade partners

	% of total foreign trade turnover				Value in USD mill.				Major export/import items
	1995	2002	2007	2011	1995	2002	2007	2011	
Central Asian trade partners									
Afghanistan	-	0.2	0.2	-	-	31	197	-	Export: food and mineral products, metals Import: meat and vegetable products
Kyrgyzstan	-	0.9	0.6	0.6	-	140	531	750	Export: food products, coal, gas Import: meat and vegetable products, clothes, electricity
Tajikistan	-	0.3	0.4	0.3	-	49	304	405	Export: food products, chemical industry; machinery, mineral products Import: textiles (cloth), food products
Turkmenistan	-	0.5	0.3	0.1	-	90	221	183	Export: foodstuffs Import: foodstuffs
Uzbekistan	-	1.2	1.7	1.5	-	188	1410	1950	Export: wheat, food products (flour), mineral products Import: cotton, food
World trade partners⁴									
Russia ⁵	47.1	24.9	20.2	18.9	4266	4047	16286	23854	Export: mineral products, metals, metal goods, chemical production (uranium), construction materials Import: machinery, means of transport; metals; timber
China	3.7	8.2	11.4	16.9	332	1 336	9 147	21313	Export: mineral products; metals; metal goods; chemical industry (uranium) Import: machinery, equipment; means of transport; metals; metal goods; chemical industry products
Italy	1.9	6.9	11.1	12.8	173	1 123	8 905	16190	Export: mineral products, construction materials, metals; metal goods Import: means of transport, equipment, means of transport; chemical products
Netherlands	6.0	1.3	3.5	5.5	541	211	2 840	6929	Export: oil products Import: chemical products, equipment for agriculture
Germany	4.1	5.0	3.7	2.9	368	807	2 980	3693	Export: oil products, chemical industry, metals Import: means of transport, mechanical equipment, electrical goods
France	0.4	0.8	5.8	4.8	37	138	4 688	6102	Import: electrical goods, electronic and mechanical equipment, medicine and cosmetics, means of transport
Ukraine	-	3.12	3.3	3.5	-	509	2642	4405	Export: meat and vegetable products (wheat, flour), mineral products Import: food products, equipment

⁴ Kazakhstan's largest trade partners outside of Central Asia in percentage of total trade.

⁵ Alsharov, R.: "Ekonomika Rossii i Kazahstana: Puti Integratsii i Razvitiia Konkurencii", 2010, available at: <http://www.nomad.su/?a=4-201005240030>, accessed on 23 July 2012.

Kazakhstan: total volume of trade with other countries, in USD mill. ⁶
(“Kaz” denotes official Kazakh sources, “Foreign” denotes official sources in trade partner country) ⁷

Countries	1995		2002		2007		2010	
	Kaz	Foreign	Kaz	Foreign	Kaz	Foreign	Kaz	Foreign
Russia	4266	N/A	4047	4065	16286	16350	17451	15300
China	332	N/A	1336	1323	9147	9650	14087	19169
Italy	173	N/A	1123	1134	8905	9730	11157	11100
Germany	368	368	807	784	2980	4310	3578	6220
Netherlands	541	541	211	209	2840	4700	4137	4502
France	37	N/A	138	135	4688	3180	4934	4352

⁶Statistics Agency of Kazakhstan; in: *Kazahstanza Godi Nezavisimosti*. According to the approximate calculation of trade data from the Statistics Agency of Kazakhstan (2012), Kazakhstan’s level of trade volumes of with Uzbekistan (both import and export) places Uzbekistan in the range from 10 to 15 in the list of Kazakhstan main trade partners; Kyrgyzstan is in the range from 20 to 25; Tajikistan and Turkmenistan are in the range from 35 to 40.

⁷ Data from national statistics of the Central Asian countries as well as the statistics of their main trading partners.

Figure 1.

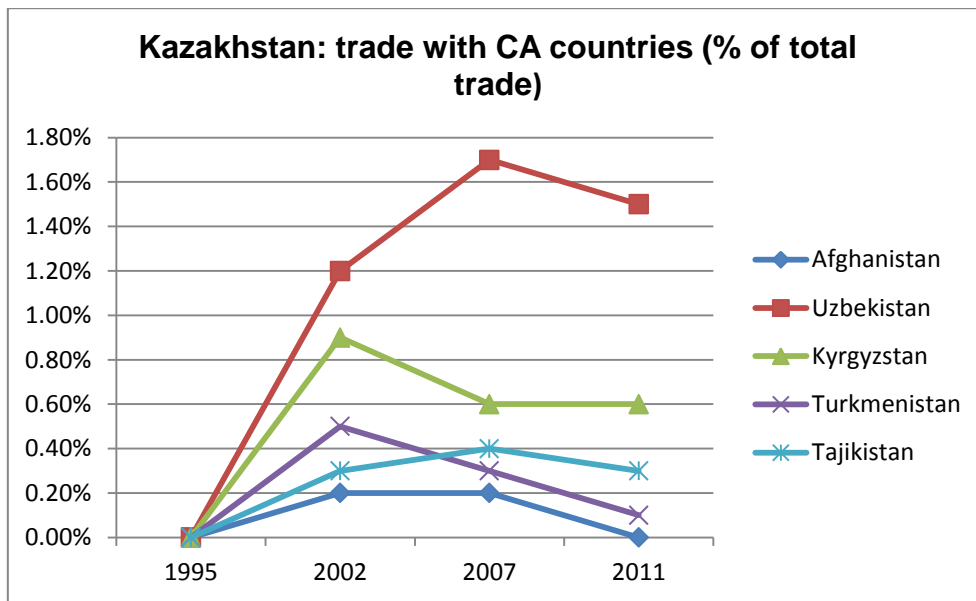


Figure 2.

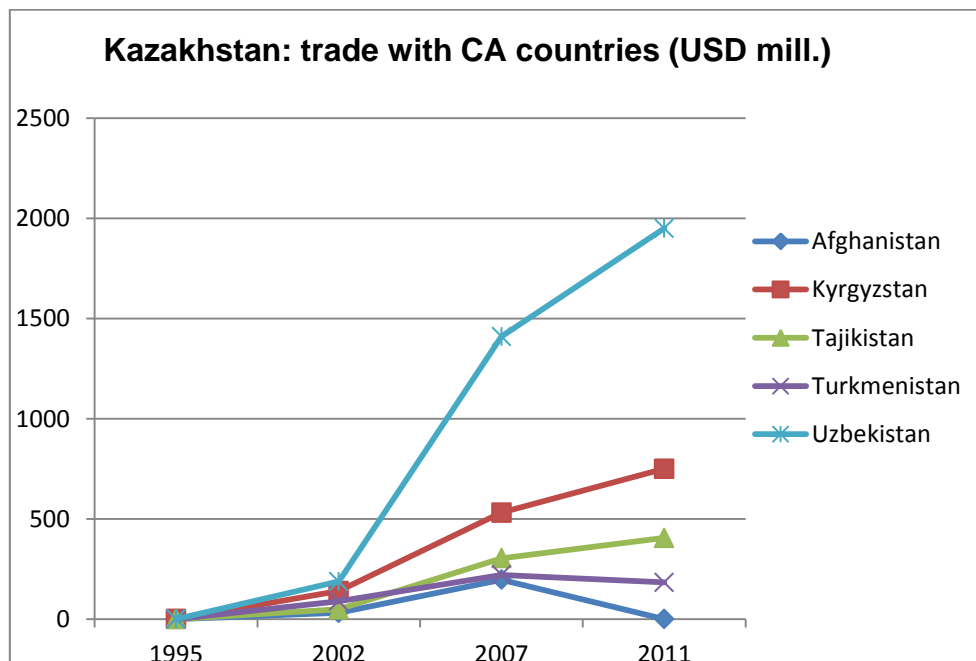


Figure 3.

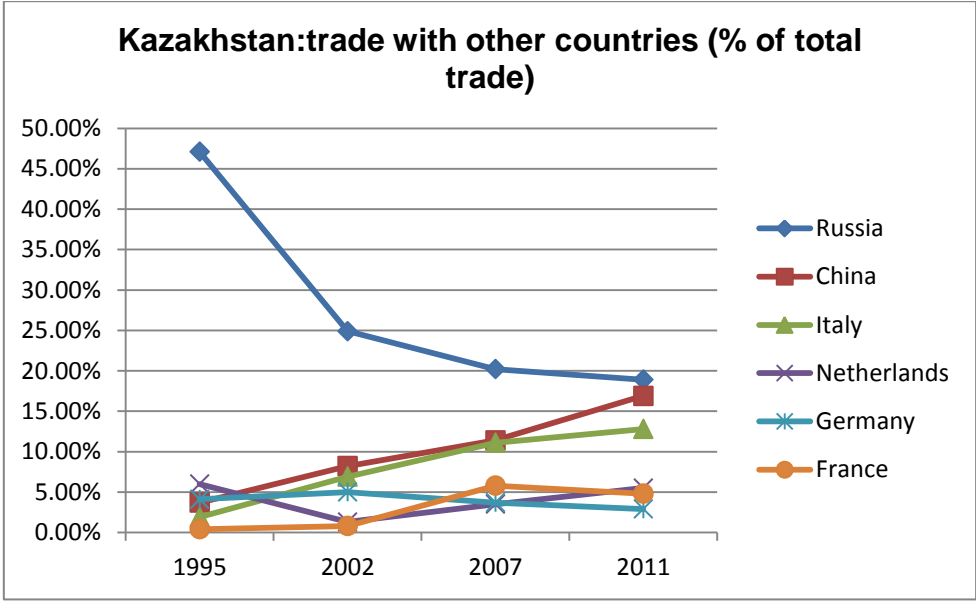
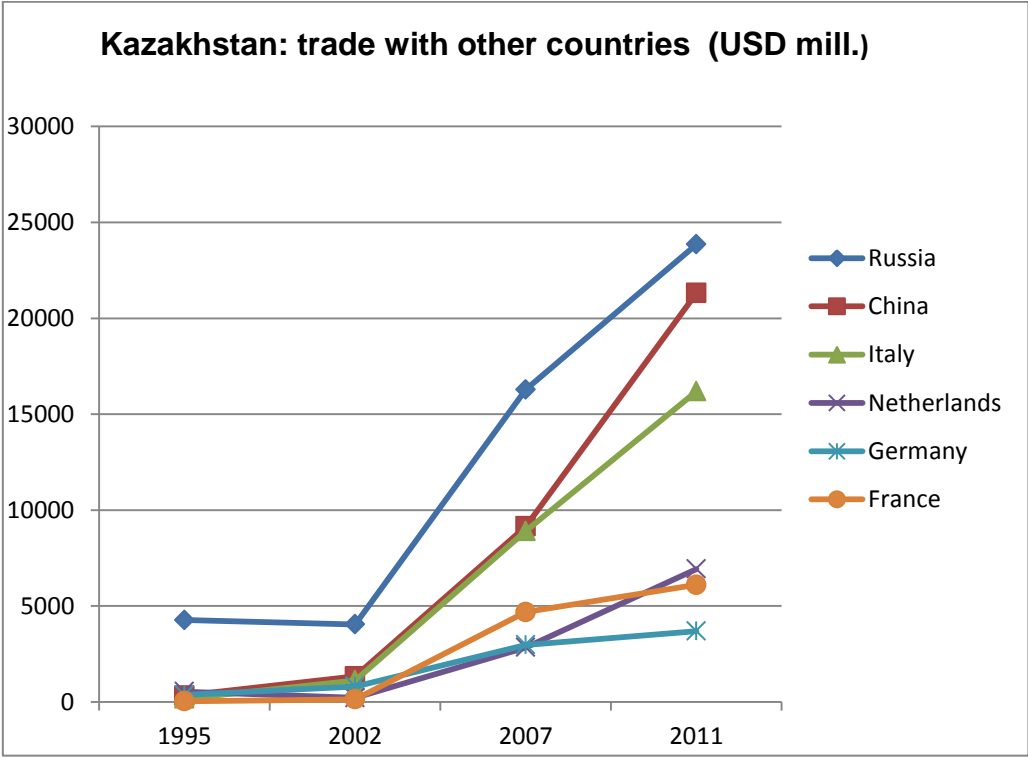


Figure 4.



2. KYRGYZSTAN

	% of total foreign trade turnover				Value in USD mill.				3 major export/import items
	1995	2002	2007	2011	1995	2002	2007	2011	
Central Asian trade partners									
Kazakhstan	20.5	15.0	12.6	10.7	179	161	517	694	Import: grain, *mazut, coal. Export: electricity, food (dairy products and vegetables), plastic packaging materials
Tajikistan	1.5	1.3	0.7	0.6	13	14	30	37	Import: powder explosives, aluminium, airplane fuel. Export: food (mineral water/soft drinks, chocolates), textiles, domestic animals
Uzbekistan	18.2	8.2	5.0	3.1	159	88	207	202	Import: natural gas, fertilizers, and cigarettes. Export: airplane fuel (until 2010), electric lamps, diesel fuels
World trade partners⁸									
Russia	25.1	18.3	29.41	26.4	220	197	1213	1710	Import: fuel (petrol and diesel), chocolate, wood. Export: textiles (clothing), food (sugar, vegetables), airplane fuel
China	8.5	9.4	10.16	14.9	75	100	418	965	Import: textiles (materials, clothing, and shoes), non-organic chemicals. Export: oil and oil products, leather, aluminium
Switzerland	0.3	9.3	5.80	13.7	3	100	239	888	Import: medicine, paper, machinery. Export: gold, silver
USA	2.6	7.1	2.43	3.3	23	76	100	211	Import: poultry, vehicles (trucks), medicine. Export: non-organic chemicals, airplane fuel
Germany	2.4	3.1	1.47	2.4	21	33	61	154	Import: cars, perfume, medicine. Export: tobacco, airplane fuel, scrap steel

⁸ Kyrgyzstan's largest trade partners outside of Central Asia in percentage of total trade.

Kyrgyzstan: total volume of trade with other countries, in USD mill.⁹
(“KG” denotes official Kyrgyz sources, “For” denotes official sources in trade partner country)¹⁰

Countries	1995			2002			2007			2011		
	KG	For	% ¹¹	KG	For	%	KG	For	%	KG	For	%
Russia	220	N/A	N/A	196.8	178.2	110.4	1213.4	1165.8	104.1	1709.8	1449.8	117.9
Kazakhstan	179.3	113.6	157.8	160.7	140.3	114.5	517	530.4	97.5	694.4	N/A	N/A
China	74.7	231	32.3	100.4	201.9	49.7	417.4	3779.2	11.0	965.4	4976.4 ¹²	19.4
Switzerland	2.9	0.7	414.3	99.9	1.9	5257.9	238.5	5.7	4184.2	888	9.2	9652.2
USA	23	33	69.7	76.2	35.9	212.3	99.8	50.4	198.0	211.2	106.6	198.1

⁹ According to the trade data for 2011 of the National Statistics Committee of Kyrgyzstan, the Central Asian countries rank in the following order in the trade volume with Kyrgyzstan: Kazakhstan 4th, Uzbekistan 6th, Tajikistan 16th, Afghanistan in the range 19 to 22 and Turkmenistan 23rd.

¹⁰ Data from the national statistics of the Central Asian countries as well as the statistics of their main trading partners.

¹¹ The third column shows the relation of the first to the second: i.e. the difference between Kyrgyz report and the partner report. In the case of 1995 Kyrgyz–Kazakh trade, this means Kyrgyzstan reported 157.6% of the Kazakh estimates of the trade turnover. In ideal case that would be 100% (when both countries report the same figure).

¹² The difference in Kyrgyz and Chinese trade statistics probably reflects the degree to which imported goods are not accurately registered, to avoid taxes. There are various forms of hiding real value of goods: many sources indicate the main method involves reporting a different type of goods and bribing the customs officers.

Figure 5.

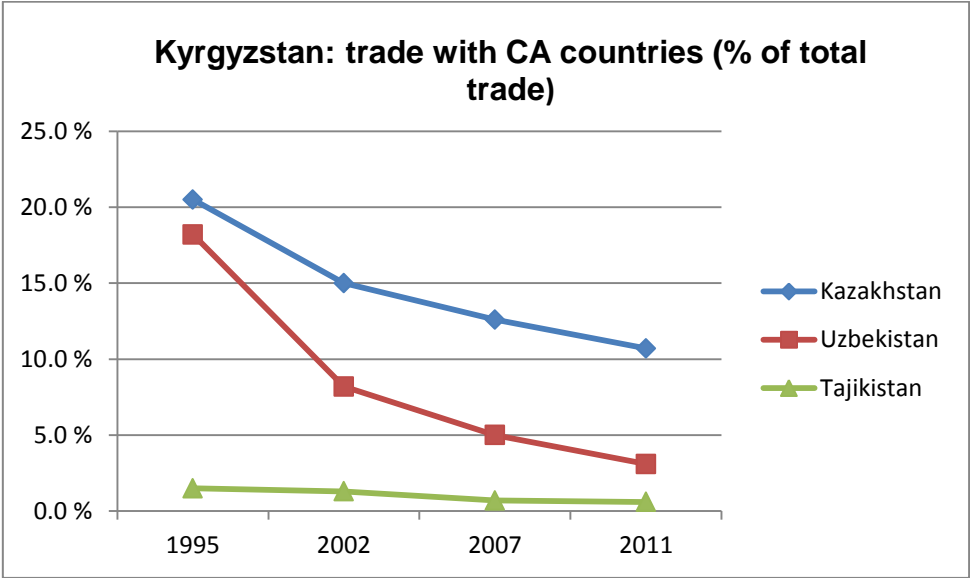


Figure 6.

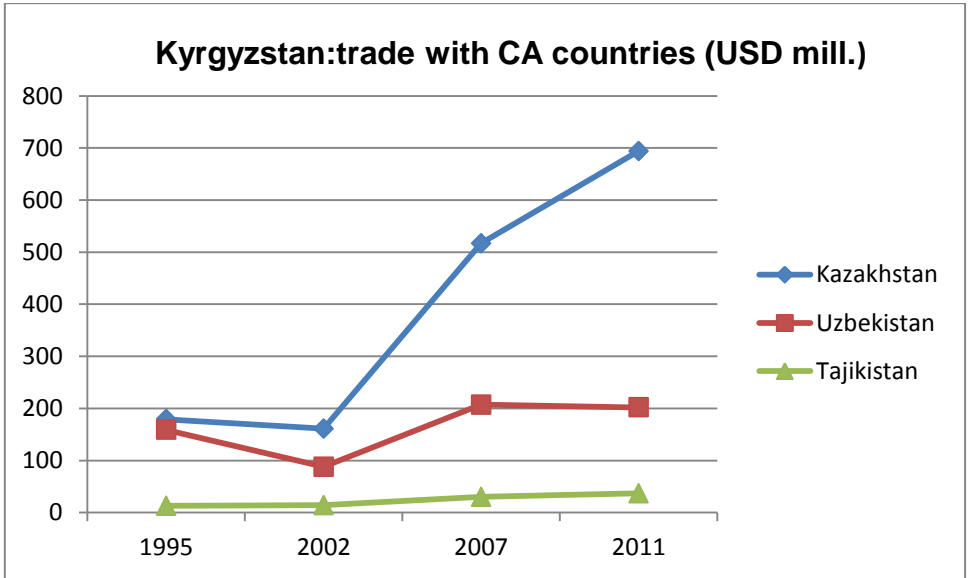


Figure 7.

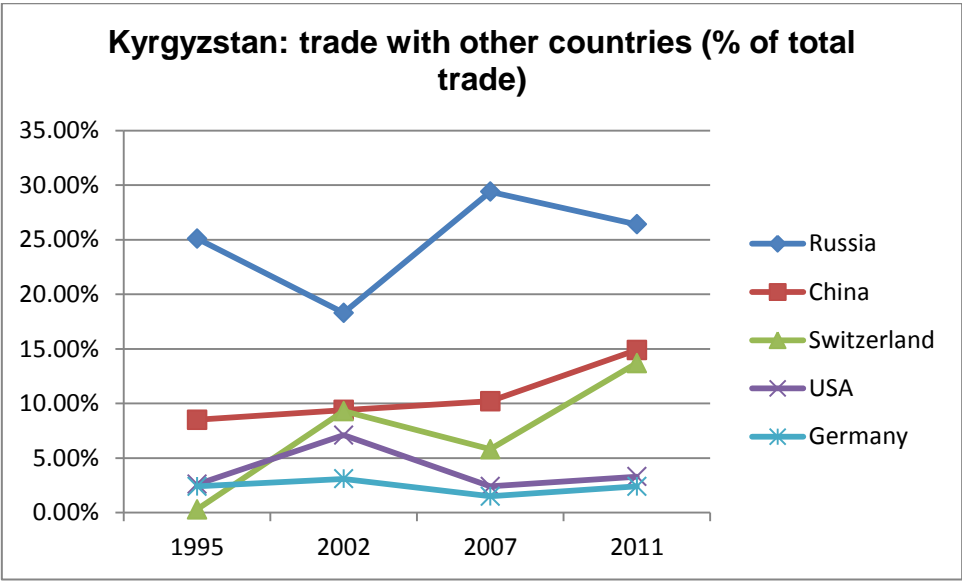


Figure 8.



3. TAJIKISTAN

	% of total foreign trade turnover				Value in USD mill.				Major export/import items
	1995	2002	2007	2011	1995	2002	2007	2011	
Central Asian trade partners									
Kazakhstan	2.1	5.2	11.4	8.9	34	76	357	313	Oil products, food products, consumer goods
Kyrgyzstan	0.3	0.6	1.5	0.5	5	9	62	22	Agriculture products, textiles
Uzbekistan	24.6	14.0	-	-	383	205	-	-	Natural gas, agricultural products
Turkmenistan	3.8	3.9	1.0	2.2	60	57	43	85	Oil products, liquefied natural gas, agricultural products
World trade partners¹³									
Russia	14.8	17.2	22.6	24.9	231	251	911	958	Oil products, food products, equipment
China	0.4	0.6	7.0	17.8	6	10	284	685	Consumer goods, aluminium, cotton
Iran	0.1	3.0	3.4	5.2	2	44	136	201	Consumer goods, equipment, agricultural products
Turkey	0.7	8.8	13.7	11.3	12	129	551	437	Textiles, aluminium, cotton
Netherlands	16.6	14.9	14.2	0.2	259	217	571	9	Aluminium, cotton

¹³ Tajikistan's largest trade partners outside of Central Asia in percentage of total trade.

Tajikistan: total volume of trade with other countries, in USD mill.¹⁴
(“TAJ” denotes official Tajik sources, “For” denotes official sources in trade partner country)¹⁵

Countries	1995		2002		2007		2010		2011	
	TAJ	For	TAJ	For	TAJ	For	TAJ	For	TAJ	For
Russia	231.3	357.0	251.0	133.9	911.0	769	898.1	886	958.3	810
Kazakhstan	33.5	-	75.7	48.8	356.8	303.5	294.5		312.6	405.2
Turkey	12.0	7.6	129.0	50.5	550.5	261.4	210.9	427.4	437.0	496.7
China	6.0	23.8	9.7	42.7	283.6	524.5	672.0	1,309	685.3	1,406

¹⁴ According to the trade data for 2011 of the National Statistics Committee of Kyrgyzstan, the Central Asian countries rank in the following order in the trade volume with Kyrgyzstan: Kazakhstan 4th, Uzbekistan 6th, Tajikistan 16th, Afghanistan in the range 19 to 22 and Turkmenistan 23rd.

¹⁵ Data from national statistics of the Central Asian countries as well as the statistics of their main trading partners.

Figure 9.

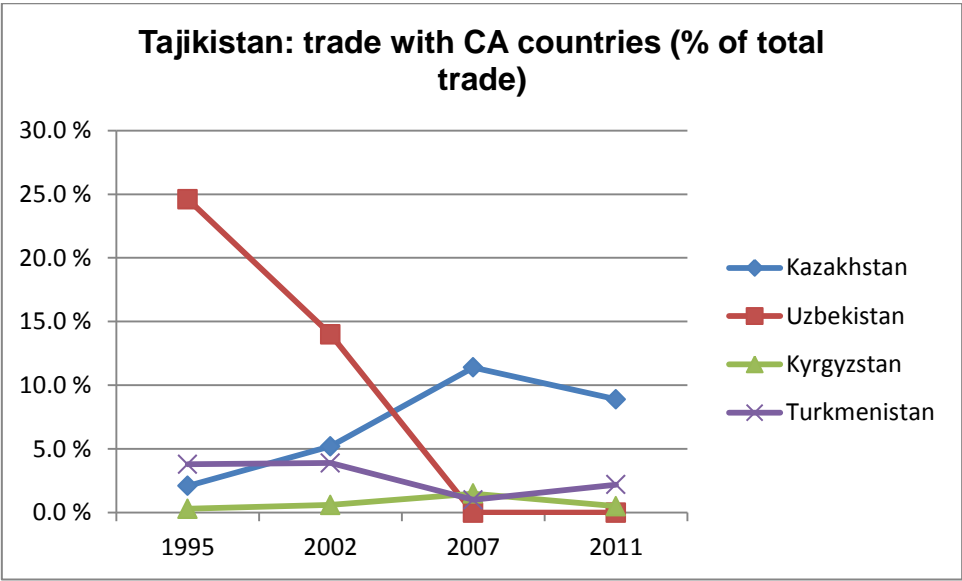


Figure 10.

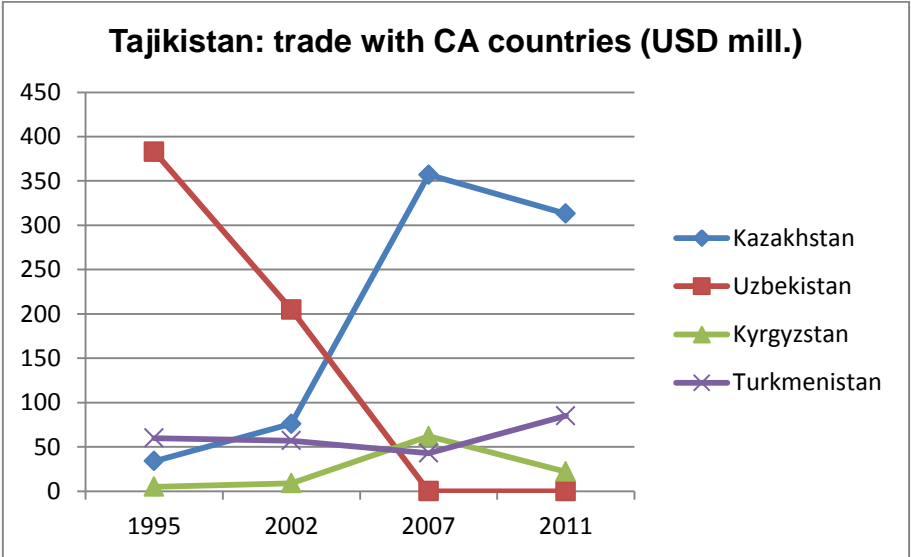


Figure 11.

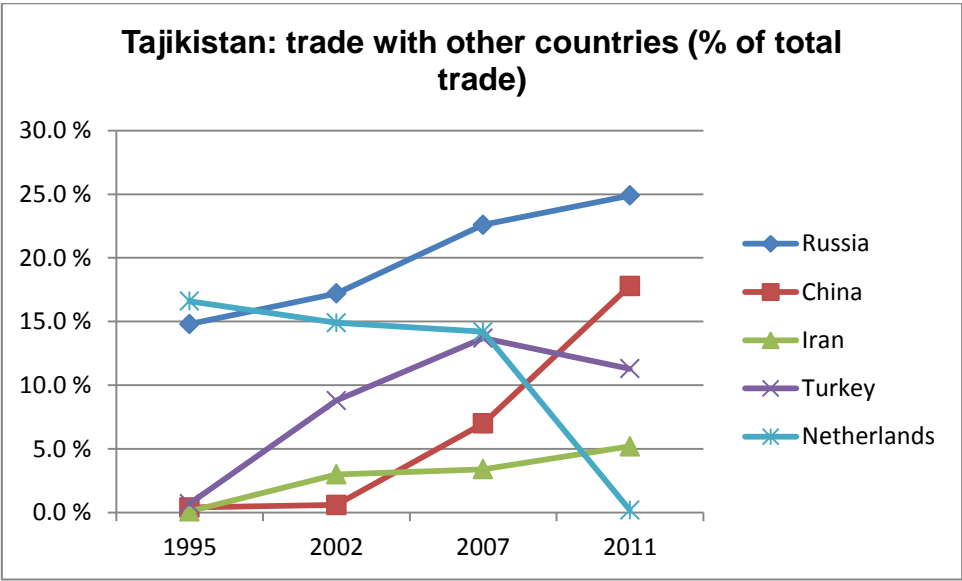
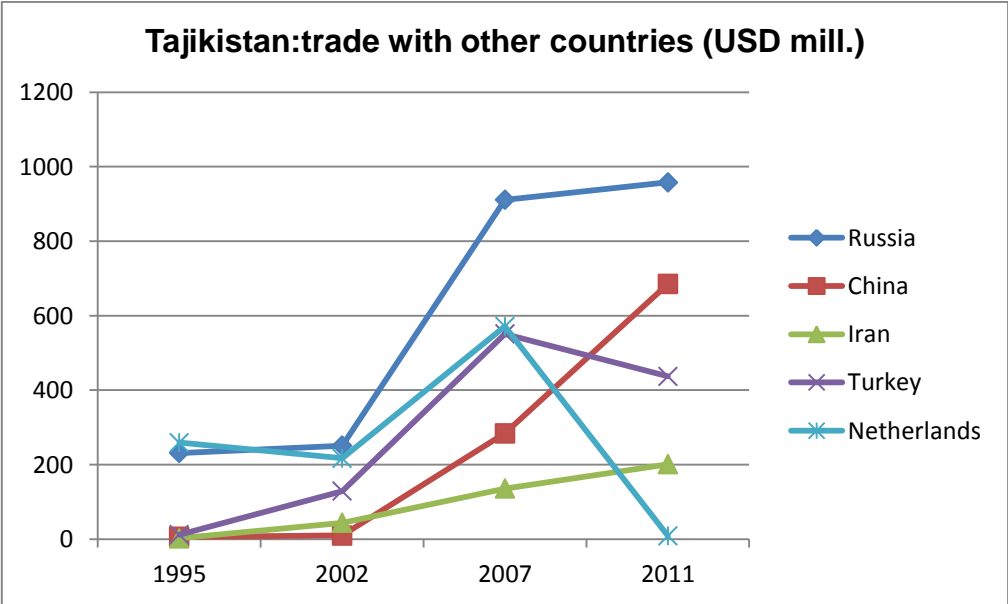


Figure 12.



4. TURKMENISTAN¹⁶

	% of total foreign trade turnover				Value in USD mill.				Major export/import items
	1995	2002	2007	2011	1995	2002	2007	2011	
Central Asian trade partners									
Afghanistan	-	0.6	1.9		-	29	217	-	Energy, food, construction materials
Kazakhstan	-	0.6	0.6	0.6	-	28	71	183	Food, wheat, equipment, vehicles, mineral products
Kyrgyzstan	-	0.1	0.1	-	-	6	12	-	Consumer goods
Tajikistan	-	0.3	-	0.7	60	15	-	194	Oil products, agricultural products
Uzbekistan	-	1.0	0.6	0.7	-	49	69	196	Oil products, machinery, fertilizers, food, construction materials
World trade partners¹⁷									
Russia	-	8.7	36.3	15.0	-	433	4853	4315	Machinery and equipment, natural gas, food
China	-	2.1	3.4	19.5	-	91	455	5615	Energy resources, equipment, consumer goods
Iran	-	8.8	14.2	16.4	-	437	1895	4722	Food, equipment, raw materials, natural gas, construction materials
Turkey	-	8.1	9.7	12.8	-	402	1297	3652	Machinery, equipment, textile, construction materials
Ukraine	-	31.3	2.8	4.2	-	1559	328	1200	Gas, food, pipes

¹⁶Sources: Statistical Yearbook of Turkmenistan, 1998–2002, 2000–2005, 2002–2007, 2009, 2010, 2011, newspaper *Нейтральный Туркменистан*, 2010–2012.

¹⁷ Turkmenistan's largest trade partners outside of Central Asia in percentage of total trade.

Turkmenistan:¹⁸ total volume of trade with other countries, in USD mill.¹⁹
(“TM” denotes official Turkmen sources, “For” denotes official sources in trade partner country)²⁰

Countries	1996		2002		2007		2010		2011	
	TM	For	TM	For	TM	For	TM	For	TM	For
Russia	134.7	272.1	433.23	174.7 ²¹	485.3	453.1	3320.4	905.4 ²²	4315.3	4300.0 (1302.5*)
Iran	155.8	40.5**	436.5	88.38**	1895.3	2000	3880.4	3159.5	4722.4	
Turkey	153.6	166.0	401.6	216.4	1296.5	736.7	2921.2	1526.2	3651.5***	1886.0
China	128.2	N/A	91	91.0	454.7	400	1922.9	1500.1	5615	-

* - without natural gas export

** - Iranian official statistics include only export value with Turkmenistan; import value with Turkmenistan included as a part of import from other countries

*** - from newspaper *Нейтральный Туркменистан*

Trade distortion for Turkmen and Turkish data probably related, to illegal trade.

¹⁸ Sources: Аналитическая справка по Республике Туркменистан http://brokersonline.ru/ved_news/2093-analitcheskaya-spravka-po-respublike-turkmenistan.html (Russia), China's Ministry of Commerce <http://www.easttime.ru/analitic/3/8/484.html>, CIA World Factbook, <http://iran.polpred.com/>, <http://tsd.cbi.ir/DisplayEn/Content.aspx>, http://www.turkstat.gov.tr/VeriBilgi.do?alt_id=12

¹⁹ According to the trade data for 2011 of the National Statistics Committee of Kyrgyzstan, the Central Asian countries rank in the following order in the trade volume with Kyrgyzstan: Kazakhstan 4th, Uzbekistan 6th, Tajikistan 16th, Afghanistan in the range 19 to 22 and Turkmenistan 23rd.

²⁰ Data from national statistics of the Central Asian countries as well as the statistics of their main trading partners.

²¹ Export of natural gas probably not included http://www.gks.ru/bgd/regl/B03_11/lssWWW.exe/Stg/d020/i021490r.htm

²² Export of natural gas probably not included http://www.gks.ru/bgd/regl/B03_11/lssWWW.exe/Stg/d020/i021490r.htm

Figure 13.

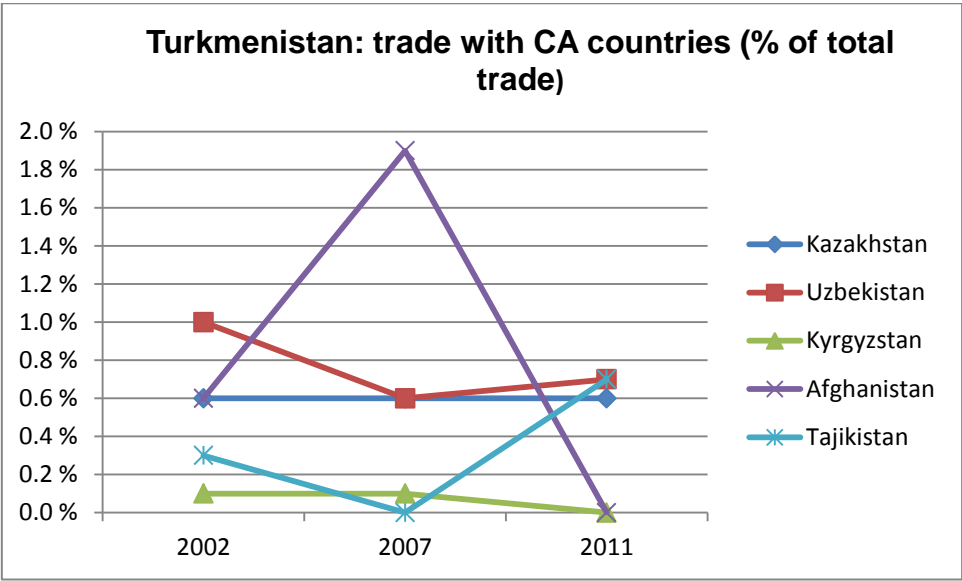


Figure 14.

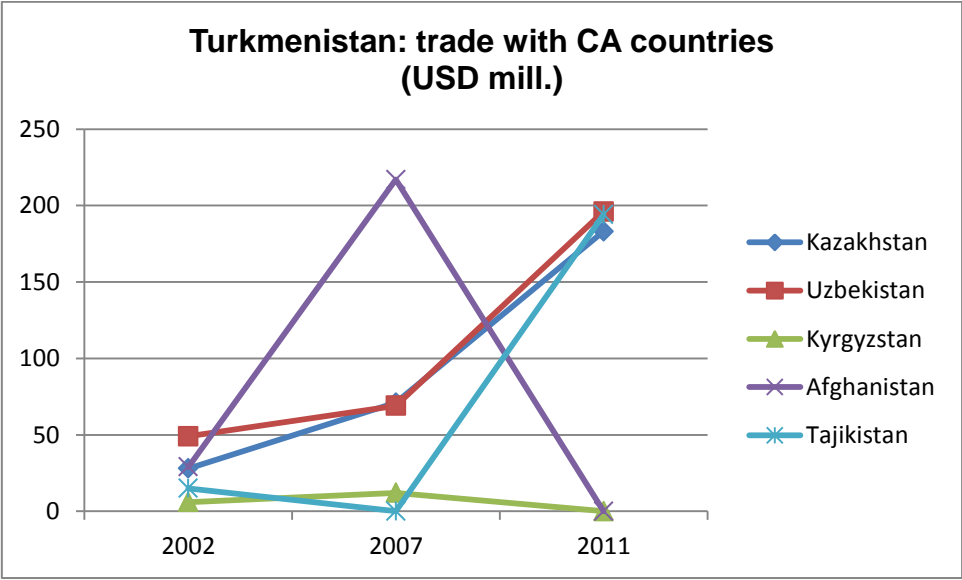


Figure 15.

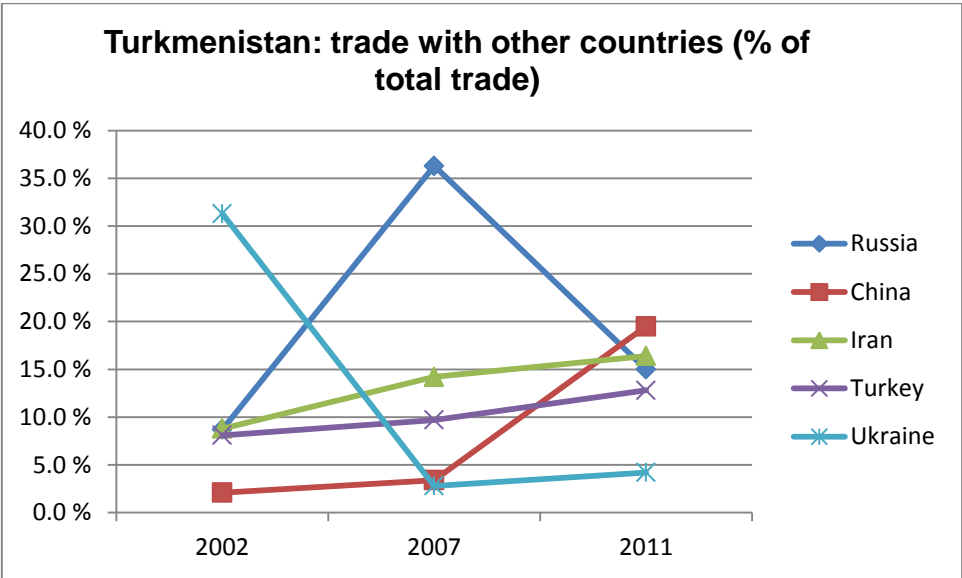
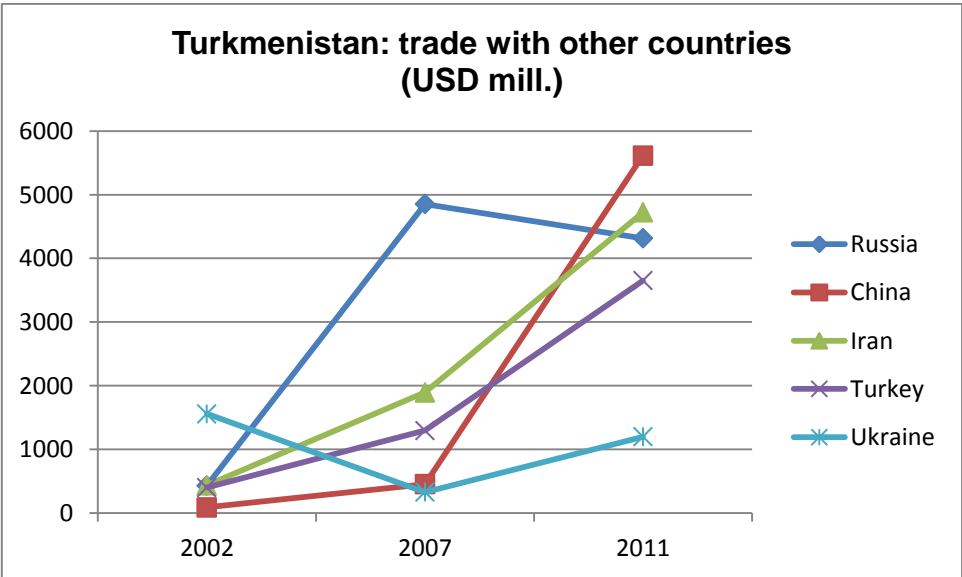


Figure 16.



5. UZBEKISTAN²³

	% of total foreign trade turnover				Value in USD mill.				3 major export/import items
	1995	2002	2007	2011	1995	2002	2007	2011	
Central Asian trade partners									
Afghanistan	-	1.1	2.3	3.1		62	327	791	Electricity, services, construction materials
Kazakhstan	6.3	4.5	8.4	10.9	413	257	1195	2783	Energy, grain, food
Kyrgyzstan	2.4	1.7	1.2	0.6	161	95	171	153	Electricity, gas, food
Tajikistan	5.6	4.4	1.5	0.5	374	253	213	128	Gas, food, electricity
Turkmenistan	-	1.3	0.6	1.8		76	85	460	Services, fertilizers, food
World trade partners²⁴									
Russia	26	14.2	28.4	26.2	1714	815	4041	6691	Machinery and equipment, cotton fibre and textiles, food
China	1.8	0.6	5.3	10.2	119	34	754	2604	Consumer goods, equipment, raw materials
South Korea	13.7	10.9	4.1	6.4	906	622	583	1634	Auto components, equipment, raw materials
Turkey	1.3	2.5	5.3	4.7	89	1423	754	1200	Non-ferrous metals, coal, textile
Ukraine	3.6	6	7.5	2.6	241	344	1067	664	Gas, food, consumer goods

²³ Sources: [Отчеты "Основные показатели социально-экономического развития Республики Узбекистан» за 2006-2011 года"](#), Информационно-аналитический обзор "Экономика Узбекистана" за 2003 – 2009 г.г., IMF reports, ADB report "Key Indicators 2003"

²⁴ Uzbekistan's largest trade partners outside of Central Asia in percentage of total trade.

Uzbekistan: total volume of trade with other countries, in USD mill.²⁵
(“UZB” denotes official Uzbek sources, “For” denotes official sources in trade partner country)²⁶

Countries	1995		2002		2007		2010	
	UZB	For	UZB	For	UZB	For	UZB	For
Russia ²⁷	1714	1713	814	750	4041	3199	6378	3446
Ukraine	241	-	343	97	1067	907	664	326
South Korea	906		621.8		584	850	1634	1616
China ²⁸		119	34.2	132	754	1130	2604	2480
Turkey ²⁹	88.9	200	142.7	169	754	840	1200	1293

²⁵Sources: Отчеты "Основные показатели социально-экономического развития Республики Узбекистан" за 2006-2011 года", Информационно-аналитический обзор "Экономика Узбекистана" за 2003 – 2009 г.г., IMF reports, ADB report "Key Indicators 2003", Statistics Committees of Russian Federation, Ukraine, "Российский Статистический Ежегодник 2011" Москва 2011. Interview of the Chinese Ambassador to Uzbekistan to the portal www.china.org.cn - http://www.china.org.cn/opinion/2012-01/21/content_24437462.htm, James A. Bellaqua "The Future of China-Russia Relations", 2010, The portal of the Ministry of Economy of Turkey - <http://www.economy.gov.tr/index.cfm?sayfa=countriesandregions&country=UZ®ion=2>, The Journal of Turkish weekly, 7 November 2008, Kemal Kaya, "Turkey", in S. Frederick Starr, ed., *The New Silk Roads: Transport and Trade in Greater Central Asia*, Stockholm & Washington, DC: CACI & SRSP Joint Center, 2007. According to the Statistics Committee of Uzbekistan, the level of trade volume of Uzbekistan with Kazakhstan (both import and export) places Kazakhstan in the 2nd place after Russia, Afghanistan is ranked 6th, Turkmenistan 9th, Kyrgyzstan 16th, Tajikistan 21st.

²⁶Data from the national statistics of the Central Asian countries as well as the statistics of their main trading partners.

²⁷Difference in trade statistics from Uzbekistani and Russian sources could be due to under-invoicing in order to pay fewer import duties.

²⁸Difference in trade statistics from Uzbekistani and Chinese sources could be due to under-invoicing in order to pay fewer import duties.

²⁹Difference in trade statistics from Uzbekistani and Turkish sources could be due to under-invoicing in order to pay fewer import duties.

Figure 17.

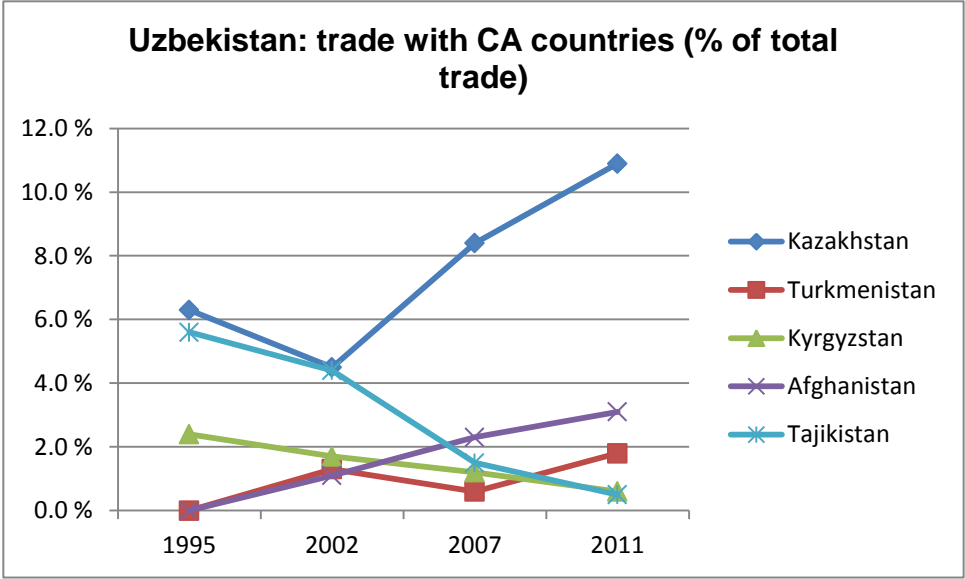


Figure 18.

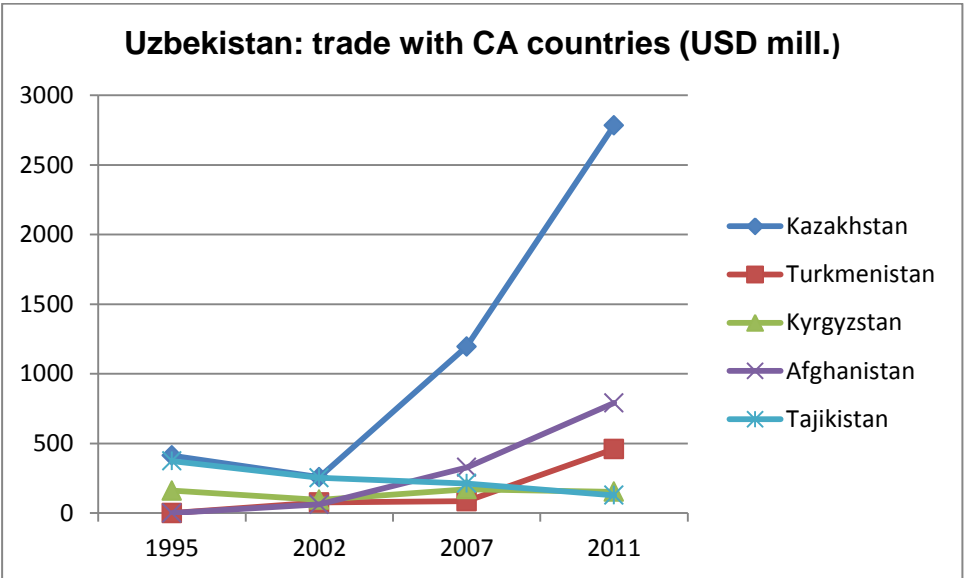


Figure 19.

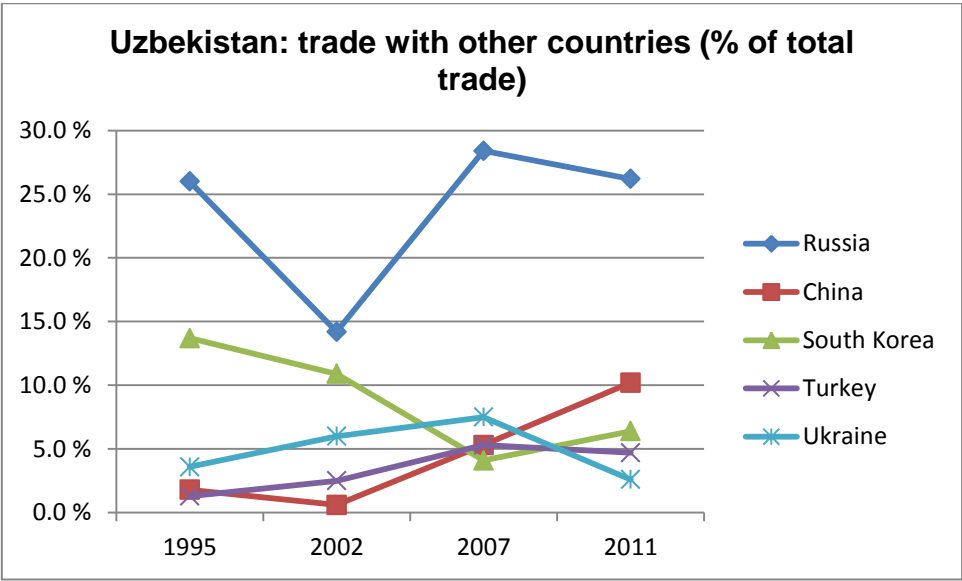


Figure 20.

