



Impact of the WTO Accession on Tajikistan Agriculture

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Introduction

- ▶ In March 2013 the Republic of Tajikistan became a full-fledged member of the World Trade Organization
- ▶ Agriculture produces up to 20 percent of GDP, 30% of exports and employs 66% of economically active population of the country.
- ▶ Agriculture is an exceptional topic in a framework of the WTO rules and principles of trade liberalization.
- ▶ Many acceding countries dedicate special attention to obligations on agriculture during their negotiating process on their commitments.



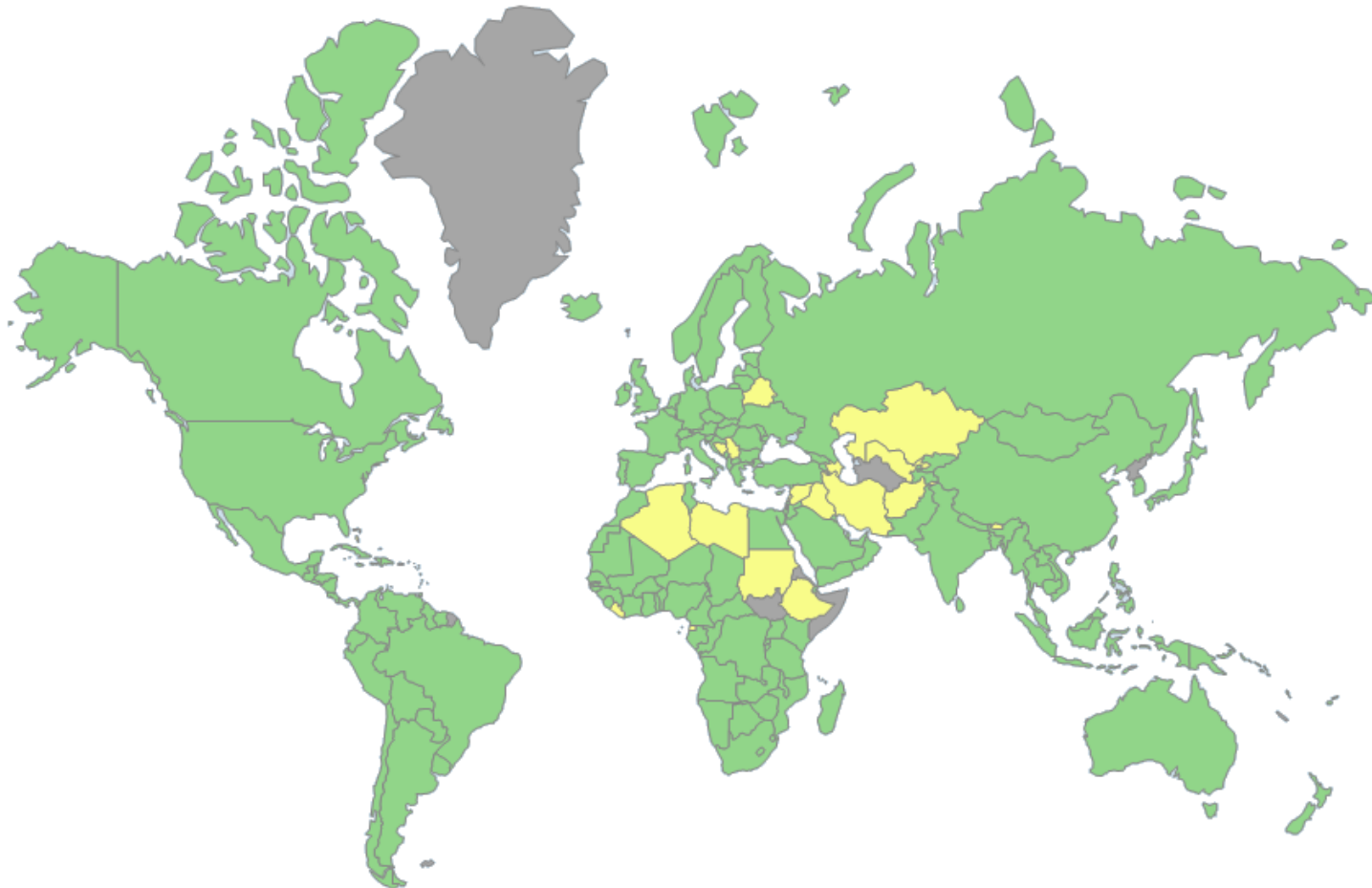
Methodology

- ▶ The methodology of the thesis is based on statistical analysis of primary data on trade, tariffs and subsidies.
- ▶ Trade statistics are obtained from quarterly reports of Customs Service of the Republic of Tajikistan
- ▶ Most-Favored-Nation (MFN) applied and bound tariff statistics are obtained through web Tariff Download Facility of WTO
- ▶ Non-Tariff measures applied by members in trade with goods are also obtained from WTO Integrated Trade Intelligence Portal (I-TIP).
- ▶ Commitments on subsidies are compiled from final reports of Working Groups on accession of each member country as.



WTO Agricultural regulation

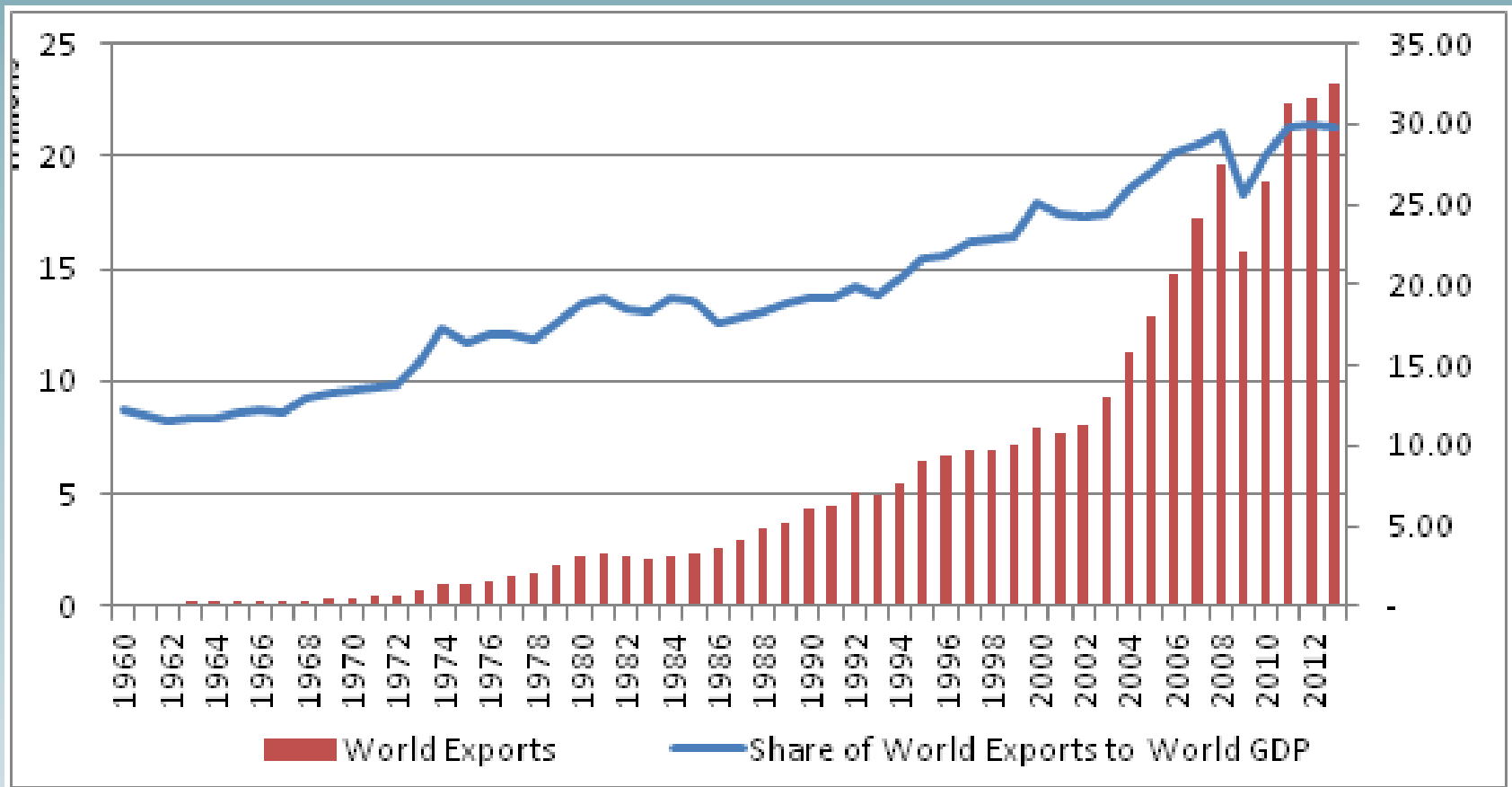
Map of Membership of WTO



Members **Observers** **Non-Members**



World Exports and Share of World Exports to World GDP

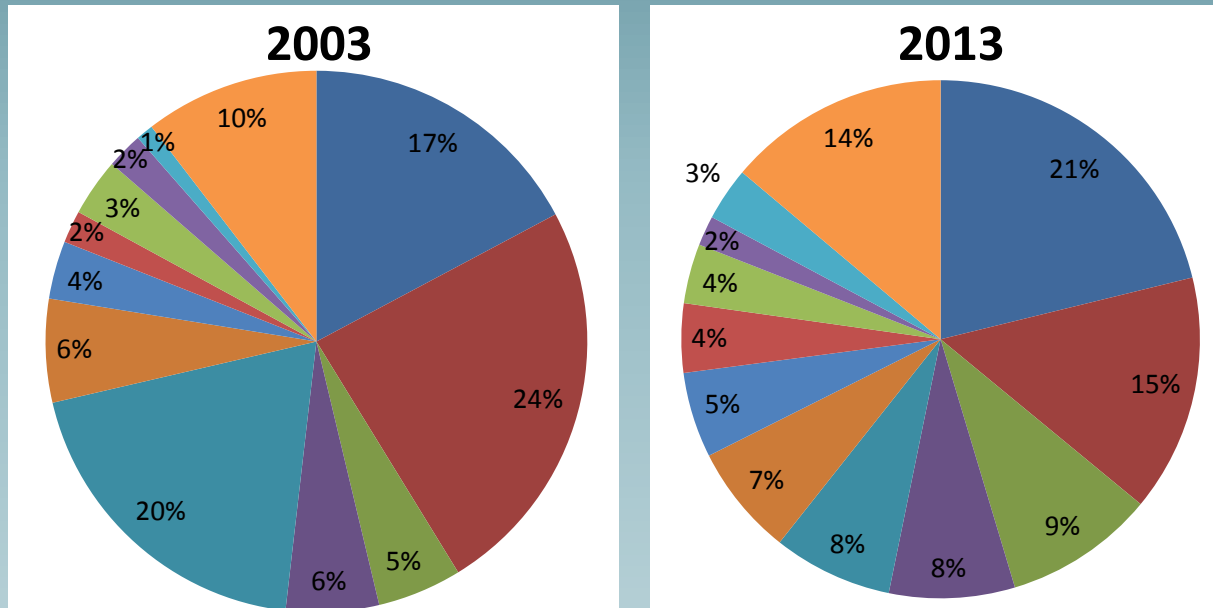


Tajikistan as member of WTO

General Socio-Economic Indicators

	2009	2010	2011	2012	2013	2014	Jan-June 2015
Gross domestic product in current prices, bln. US dollars	5,0	5,6	6,5	7,6	8,5	9,2	3,28
<i>Growth rate, %</i>	103,4	106,5	107,4	107,5	107,4	106,7	106,4
Per capita, US dollars	663	742	847	952	1051	1114	392,7
Volume of industrial production bln. US dollars	1,51	1,8	1,6	2,1	2,2	2,3	0,929
<i>Growth rate, %</i>	93,7	109,7	105,9	110,4	103,9	105,1	114,2
Agricultural production bln. US dollars	1,90	2,1	3,2	3,5	3,5	4,2	0,852
<i>Growth rate, %</i>	110,5	106,8	107,9	110,4	107,6	108,5	106,9
Capital Investment bln. US dollars	0,9	1,0	1,1	0,9	1,2	1,5	0,692
Inflation, за период, %	5,0	9,8	9,3	6,4	3,7	7,4	6,3
Unemployment, %	2,2	2,3	2,6	2,5	2,5	2,5	2,6
Trade turnover mln. US dollars	3578,7	3853,1	4443,3	5137,6	5284,8	5316,2	2009,1
<i>Growth rate, %</i>	76,4	107,6	115,4	115,1	102,9	106,6	78,1
Export mln. US dollars	1010,0	1195,2	1256,9	1359,4	1163,4	977,7	434,4
Import mln. US dollars	2568,7	2657,8	3186,4	3778,2	4121,3	4338,8	1574,7
Exchange rate of Somoni to Dollars	4,1	4,4	4,61	4,76	4,77	4,76	5,83

Structural Changes of Crop Production in 2000 - 2013



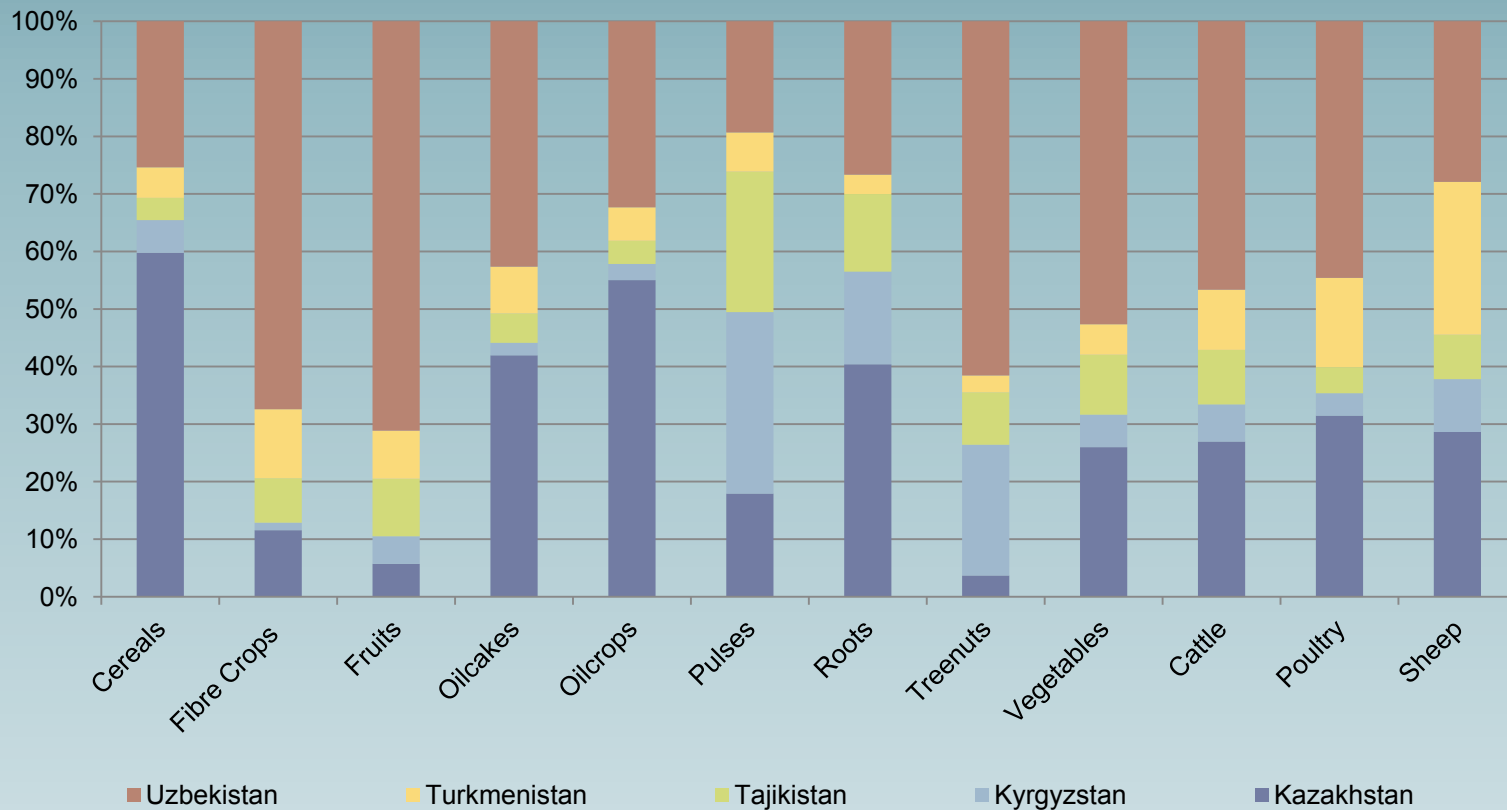
Harvested area in 2013



- | | | | |
|---------------|---------------|-----------------------|---------------|
| ■ Potatoes | ■ Wheat | ■ Watermelons | ■ Onions, dry |
| ■ Seed cotton | ■ Tomatoes | ■ Carrots and turnips | ■ Apples |
| ■ Maize | ■ Rice, paddy | ■ Grapes | ■ Others |



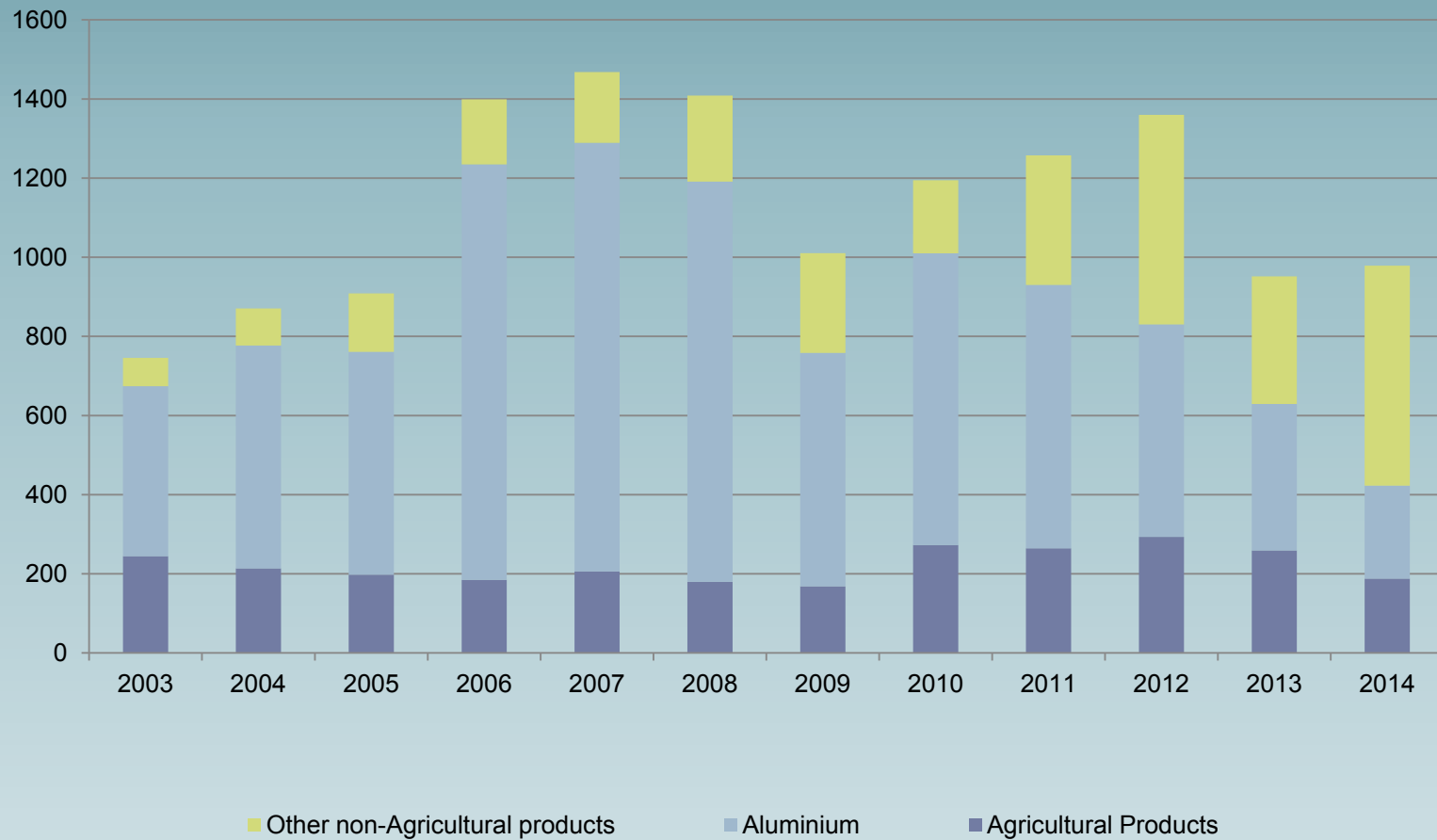
Share in Production of main agricultural products between CA countries in 2013



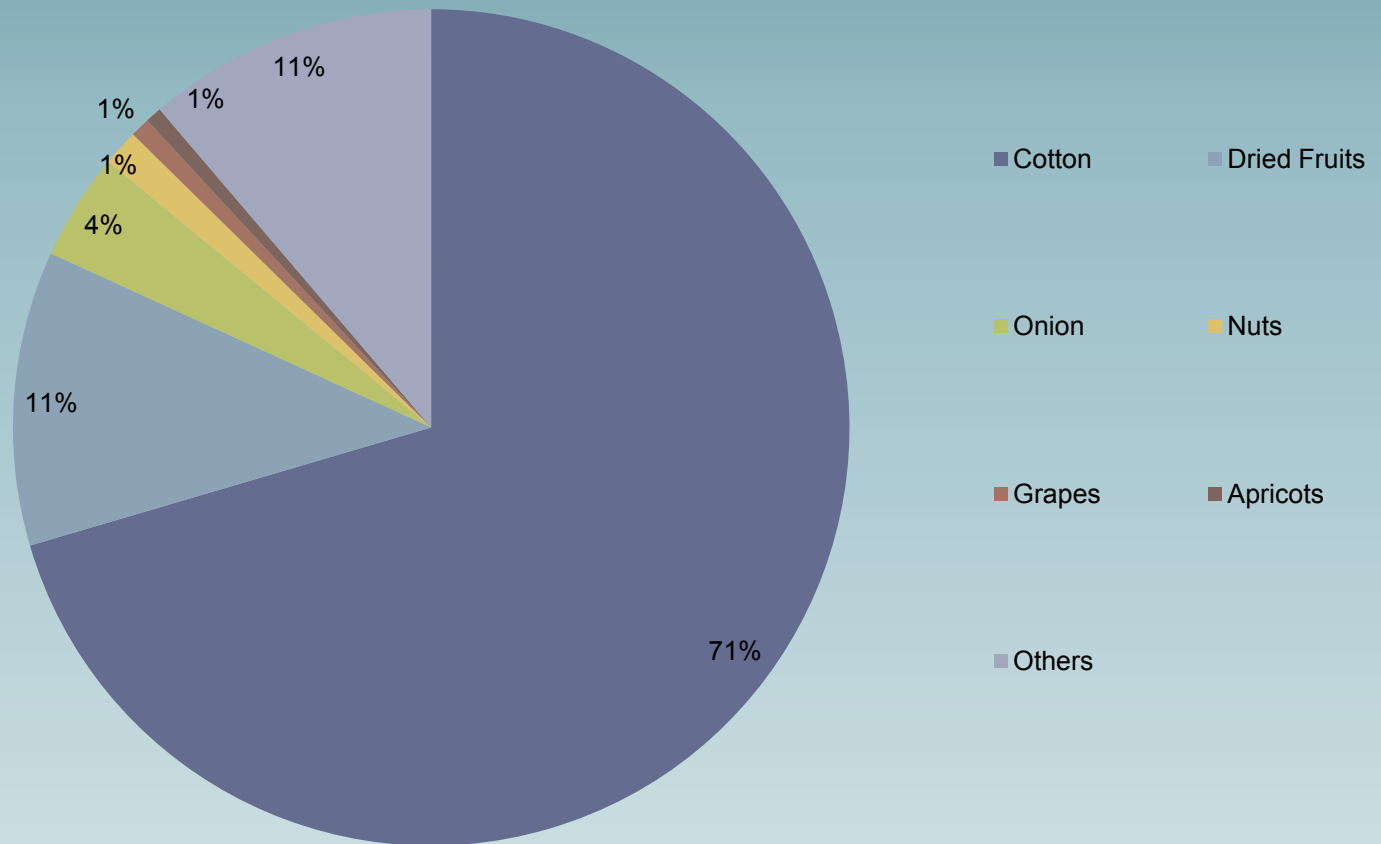
Dynamics of Trade in 2003-2014 (in thous. US dollars)



Structure of Exports in 2003-2014 (in thous. US dollars)



Structure of Exports of Agricultural Products in 2014

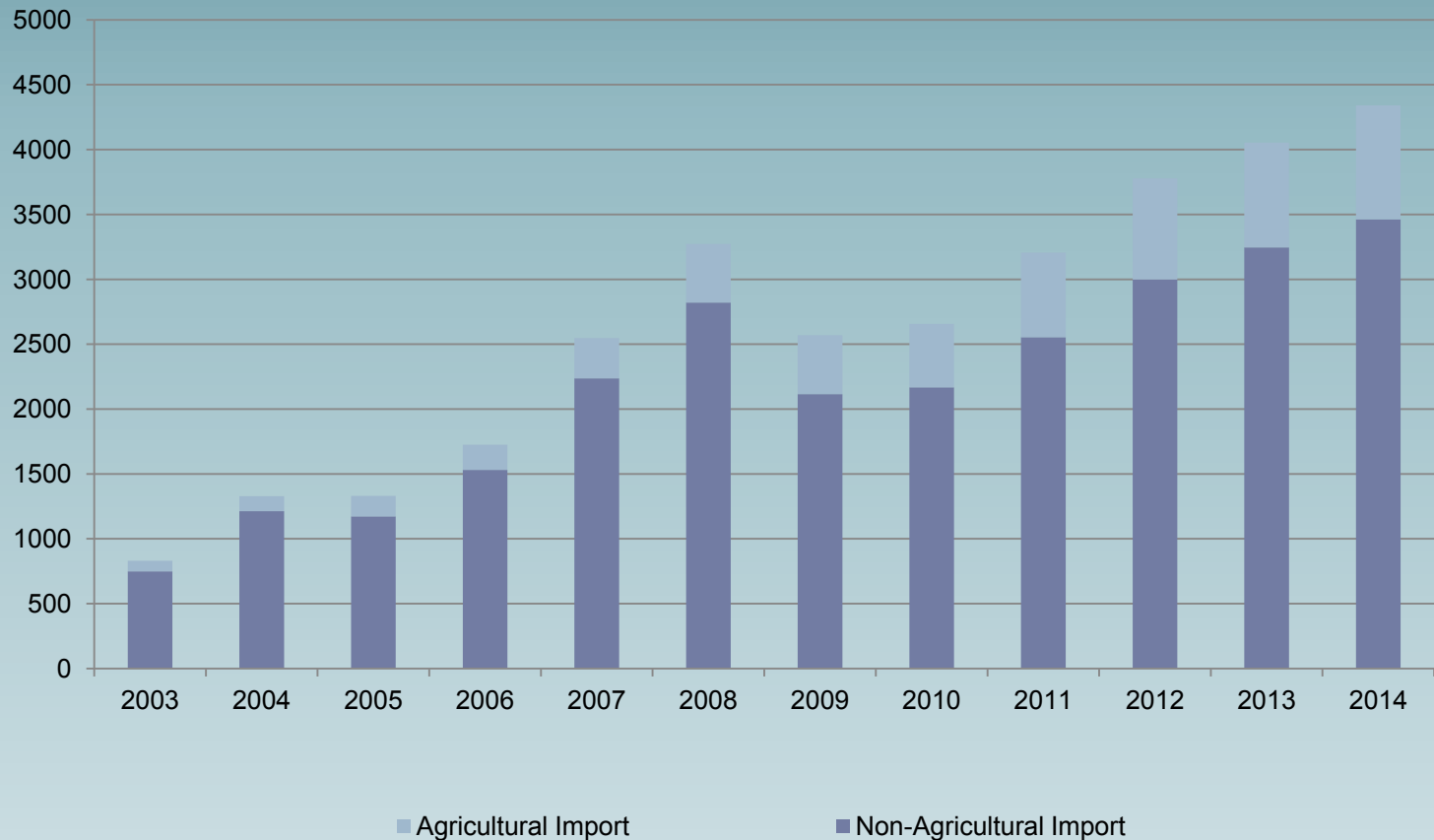


Markets of Main Exporting Products of Tajikistan in 2014

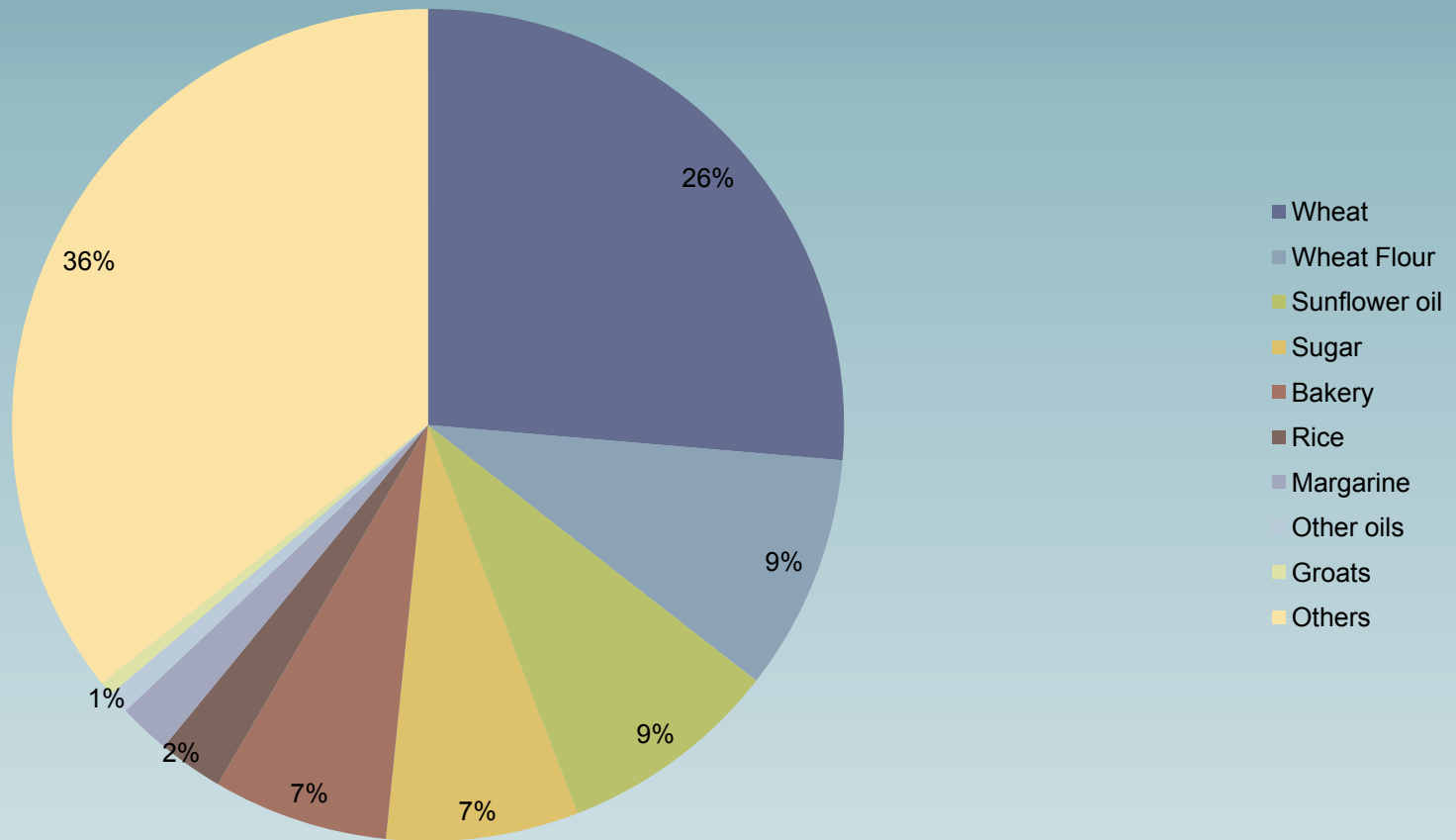
	Cotton	Dried Fruits	Onions	Nuts	Total	In %
	<i>\$132.3 mln.</i>	<i>\$21.4 mln.</i>	<i>\$7.7 mln.</i>	<i>\$2.6 mln.</i>	<i>\$164 mln.</i>	<i>100%</i>
Turkey	40.7%	1.0%	0.0%	19.5%	54.57	33%
Iran	21.4%	1.0%	0.0%	4.0%	28.63	17%
Kakakhstan	0.0%	78.0%	91.3%	57.6%	25.22	15%
Russia	15.7%	3.0%	0.0%	0.0%	21.41	13%
Pakistan	13.4%	0.0%	0.0%	0.0%	17.73	11%
China	2.2%	1.0%	0.0%	7.4%	3.32	2%
Belarus	1.0%	6.5%	0.0%	3.0%	2.79	2%
Iraq	0.0%	3.7%	0.0%	1.0%	0.82	0%
Afganistan	0.0%	0.0%	3.4%	3.0%	0.34	0%
Others	5.6%	5.8%	5.3%	4.5%	9.18	6%



Structure of Imports in 2014



Structure of Imports of Agricultural Products in 2014



Countries of Origin of Main Importing Products of Tajikistan in 2014

	Wheat	Wheat Flour	Sunflower oil	Sugar	Bakery	Rice	Margarine	Total	In %
	<i>\$231.5 mln.</i>	<i>\$80.6 mln.</i>	<i>\$75.7 mln.</i>	<i>\$65.6 mln.</i>	<i>\$59.8 mln.</i>	<i>\$22 mln.</i>	<i>\$17.6 mln.</i>	<i>552.8 mln.</i>	100%
Kazakhstan	99.9%	95.9%	13.4%	-	18.8%	38.6%	-	338.4	61%
Russia	-	4.1%	32.9%	-	44.7%	35.1%	92.3%	78.9	14%
Pakistan	-	-	-	62.7%	-	3.3%	-	41.9	8%
Turkmenistan	-	-	50.4%	-	-	-	-	38.2	7%
Afghanistan	-	-	-	24.8%	-	15.3%	-	19.6	4%
Iran	-	-	-	-	21.3%	7.0%	-	14.3	3%
Belarus	-	-	-	5.9%	-	-	-	3.9	1%
Kyrgyzstan	-	-	-	-	3.1%	-	-	1.9	0%
Azerbaijan	-	-	1.4%	0.9%	-	-	-	1.7	0%



Obligations of Tajikistan under WTO

- ▶ The General Agreement on Tariffs and Trade 1994 (GATT);
- ▶ The Agreement on Agriculture;
- ▶ The Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement);
- ▶ The Agreement on Technical Barriers to Trade (TBT Agreement);
- ▶ The Agreement on Trade-Related Investment Measures;
- ▶ The Agreement on Implementation of Article VI of the GATT 1994 (the Agreement on Customs Valuation);
- ▶ The Agreement on the Implementation of Article VII of the GATT 1994 (the Anti-dumping Agreement);
- ▶ The Agreement on Preshipment Inspection;
- ▶ The Agreement on Rules of Origin;
- ▶ The Agreement on Import Licensing Procedures (the Agreement on ILP);
- ▶ The Agreement on Subsidies and Countervailing Duties (the SCM Agreement);
- ▶ The Agreement on Safeguard Measures.



Main principles of WTO

- ▶ **Tariff Rates**
- ▶ ***The Most Favored Nation (MFN)***
- ▶ **National Treatment**
- ▶ **Subsidies**
- ▶ **Agreement on Agriculture**
- ▶ **Agreement on Customs Valuation**
- ▶ **import licenses**
- ▶ **Anti-dumping Agreement**
- ▶ **Countervailing Duties**
- ▶ **Safeguard Measures**
- ▶ **Technical Barriers**
- ▶ **Sanitary and Phytosanitary Measures**



Obligations for Agricultural Sector

- ▶ ***Market access: benefits***
- ▶ ***Market access: constraints***
- ▶ ***Constraints from SPS and TBT measures***
- ▶ ***Domestic agricultural support measures***
- ▶ ***Agricultural Subsidies***



Agricultural Subsidies

Support measures under “Green Box”

	2003	2004	2005	2008	2009	2010
Research	217	503	513	1586	1531	1793
Pest and disease control	311	998	980	1291	1277	1474
Training services	131	177	338	728	726	710
Inspection services	33	74	117	54	54	62
Services on distribution of information, expertise and knowledge	0	0	0	28	0	0
Infrastructural services	2408	6553	7445	4139	3144	2747
Public stockholding for food security purposes	0	0	3048	0	0	0
Regional assistance programmes	0	0	963	0	0	0
Assistance of structural changes through investment stimulation	0	0	0	482	789	1,607
Total	3101	8306	13404	8308	7520	8393



Support Measures under “Amber Box”

	Year	Product-specific AMS	Gross production	Current Total AMS (aggregate)	
				%	
Potato	2008	381	213939	0.17	0
	2009	0	226662	0	0
	2010	1348	265364	0.5	0
	Average	576	235324	0.24	0
Corn	2008	381	48354	0.78	0
	2009	0	0	0	0
	2010	0	34023	0	0
	Average	127	22682	0.55	0
Wheat	2008	355	284381	0.12	0
	2009	0	231973	0	0
	2010	0	212455	0	0
	Average	118	272936	0.04	0
Cotton	2008	0	250966	0	0
	2009	548,000	199561	274.6	548,000
	2010	0	698760	0	0
	Average	182,667	383096	48.7	182,667
				Total	182,667



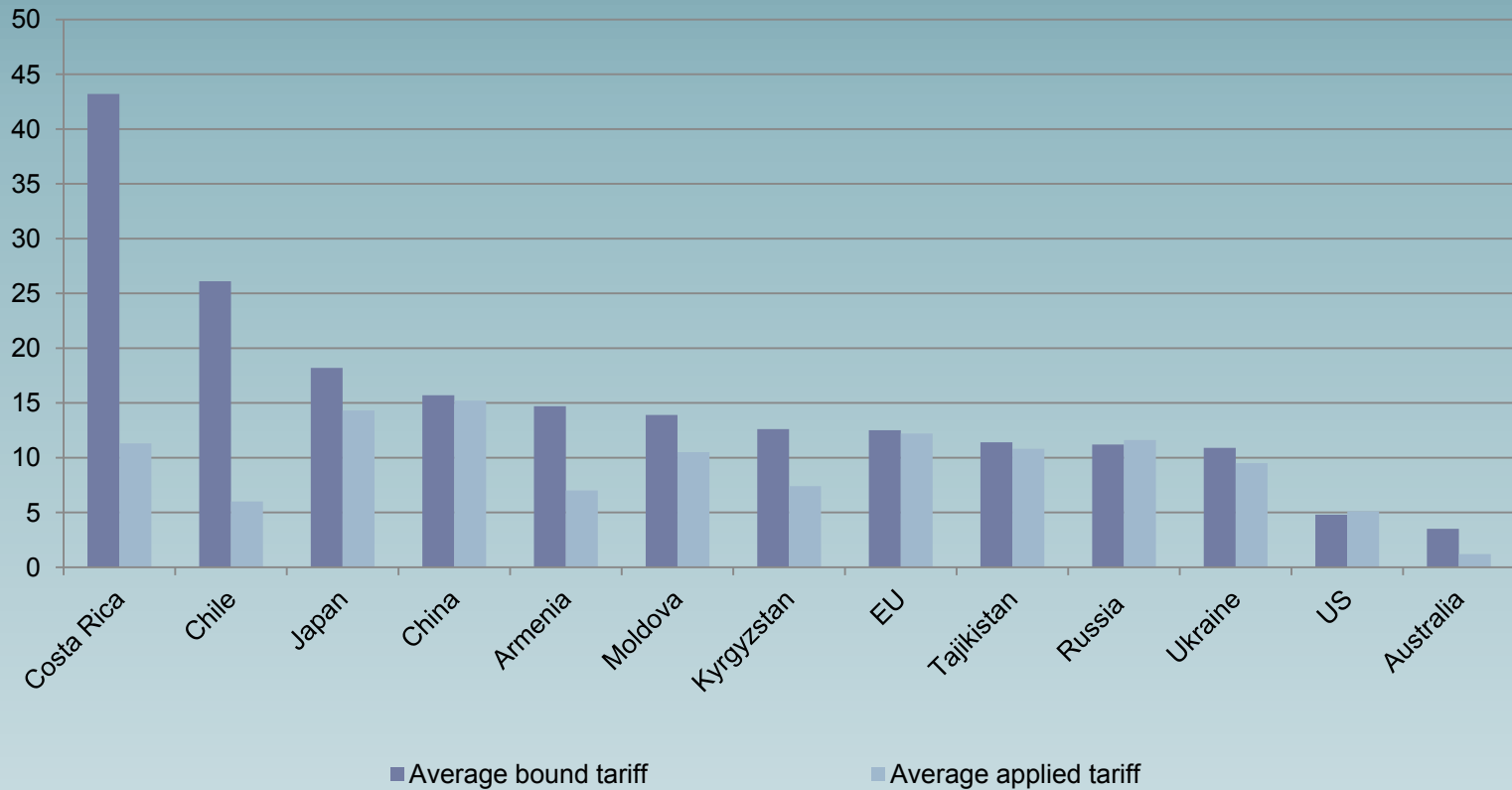
Comparison of commitments among CIS countries

CIS Commitments on Domestic Support

	Year of Acession	Currency	Base AMS	Transition period	Final Bound AMS	De minimis %
Tajikistan	2013	mIn USD	182.7		182.7	10%
Russia	2012	bIn USD	4.4	2012-2018	4.4	5%
Ukraine	2008	mil UAH	3043		3043	5%
Armenia	2003	USD	0		0	5%
Moldova	2001	mIn SDR	16	2001-2004	13	5%
Georgia	2000	GER	0		0	5%
Kyrgyzstan	1998	KGS	0		0	5%



Average Bound and Applied Tariffs for Agricultural Products



Average Applied and Bound Tariff

	<i>Armenia</i>		Georgia		<i>Kryrgyzstan</i>		Moldova		<i>Ukraine</i>		<i>Russia</i>		<i>Tajikistan</i>	
	<i>Bound</i>	<i>Applied</i>	Bound	App	<i>Bound</i>	<i>App</i>	Bound	App	<i>Bound</i>	<i>Ap</i>	<i>Bound</i>	<i>App</i>	<i>Bound</i>	<i>A</i>
	<i>d</i>	<i>.</i>			<i>d</i>				<i>d</i>	<i>p</i>			<i>d</i>	<i>p</i>
Animal products	15	7	11	8	10	8	17	15	13	11	23	20	9	0
Dairy products	15	10	12	5	12	11	15	15	10	10	15	17	13	3
Fruit, vegetables	15	9	13	9	16	10	14	13	13	10	9	11	13	1
Coffee, tea	14	9	12	5	11	7	11	8	6	6	6	7	7	7
Cereals & preparations	15	5	14	7	12	8	13	10	13	13	10	12	11	0
Oilseeds, fats & oils	14	8	3	0	11	6	11	6	11	8	7	8	7	7
Sugars and confectionery	15	8	12	11	10	4	56	19	18	18	13	13	10	6
Beverages & tobacco	15	8	39	24	19	15	16	13	9	12	24	29	31	1
Cotton	15	0	9	0	10	0	0	0	1	1	0	0	20	5
Other agricultural products	15	3	11	0	10	2	9	5	8	6	5	6	7	7



Non-tariff measures applied by WTO members in 2014

	ADP	CV	LIC	QR	SG	SPS	SSG	TBT	TRQ	XS	Total
World	<u>1881</u>	<u>177</u>	<u>643</u>	<u>1087</u>	<u>299</u>	<u>14002</u>	<u>658</u>	<u>19494</u>	<u>1256</u>	<u>429</u>	39926
USA	<u>297</u>	<u>89</u>	<u>15</u>	<u>31</u>	<u>10</u>	<u>2762</u>	<u>173</u>	<u>1200</u>	<u>52</u>	<u>13</u>	4642
China	<u>112</u>	<u>5</u>	<u>4</u>	<u>21</u>		<u>1019</u>		<u>1082</u>	<u>10</u>		2253
Brazil	<u>199</u>	<u>5</u>	<u>2</u>		<u>4</u>	<u>1055</u>		<u>755</u>	<u>1</u>	<u>16</u>	2037
EU	<u>131</u>	<u>21</u>	<u>18</u>	<u>11</u>		<u>552</u>	<u>27</u>	<u>908</u>	<u>87</u>	<u>20</u>	1775
Canada	<u>70</u>	<u>30</u>	<u>17</u>	<u>26</u>	<u>3</u>	<u>937</u>		<u>585</u>	<u>21</u>	<u>11</u>	1700
Japan	<u>5</u>		<u>17</u>	<u>42</u>	<u>1</u>	<u>420</u>	<u>97</u>	<u>720</u>	<u>18</u>		1320
Israel	<u>9</u>		<u>2</u>		<u>2</u>	<u>9</u>		<u>866</u>	<u>12</u>	<u>6</u>	906
Chile	<u>2</u>		<u>1</u>		<u>15</u>	<u>507</u>		<u>380</u>	<u>1</u>		906



Discussions

- ▶ Main market of imports - CIS countries
- ▶ Kazakhstan and Russia share 75% of main agricultural imports of Tajikistan
- ▶ Free Trade Agreement of CIS
- ▶ Substitution of domestic wheat to imports from Kazakhstan
- ▶ Elimination the risk of illegitimate measures
- ▶ Potential markets
- ▶ 182 million dollars plus the amount of 10% de minimis of production value of Amber box support
- ▶ “Cotton Four” group



Conclusion

- ▶ taken by Tajikistan in agricultural sector reveals no significant changes in policies and trade regime that was applied before accession. Negotiated terms are at acceptable level allowing smooth transition of economy without withstanding drastic competitive pressure from external markets
- ▶ in a future perspective rather more important to liberalize food market with purpose of lowering prices and covering shortages of provisions
- ▶ would make possible to identify competitive sectors and concentrate limited opportunities in their development



Continued

- ▶ boost of trade flows and obvious improvements from better trade conditions should not be expected in a short term conditions
- ▶ Amends from accession to WTO is a long-term unquantifiable investment
- ▶ significant effects reached through indirect influences, such as of being under the protective shield of dispute settlement mechanism, defense of national interests in negotiation processes, technical support in reforms of government institutions, increasing investment attractiveness and credibility of country



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Thank You.

