



Best practices in export promotion:  
Experiences in Latin America, Europe and  
Central Asia, IAMO Halle (Saale),  
Germany, on 24-25 May 2016

# Creation of conditions for export of goods and services



## Government of the Kyrgyz Republic

**EDP** • Adoption of the Export Development Plan of the Government of the Kyrgyz Republic for 2015–2017

- Joining the Eurasian Economic Union from 12.08.2015



# Goal and Objectives of *EDP*

## National Sustainable Development Strategy of the Kyrgyz Republic for 2013–2017

GOAL is to develop the competitive export potential for sustainable economic growth

### Objectives:

- a) Creating basic conditions for achieving a more attractive foreign trade regime;
- б) Improving competitiveness of goods and the liability of producers for their goods

# EDP was developed:

- by using ITC method;
- by involving into the development process all key stakeholders;
- with ITC's and GLZ's significant support and participation;
- by inviting experts from Kazakhstan and Europe.

# EDP' FPs among development partners



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# Private sector buy-in

➔ Over 250 people from the private sector participated to the EDP' consultations

"The NES process helped us to clearly identify key issues that prevent us from exploiting export opportunities in emerging markets as well as in OECD economies. Its implementation should enable the private sector to best respond to buyers' requirements as well to strategically climb the value-added ladder. The involvement of funding partners and buyers into the process introduces a concrete element of reality that will help securing implementation".

Farhad Tologonov,  
Director of the Association of Light Industry Enterprises of Kyrgyzstan, Legprom



# Intermediary findings and results

- Sector profile
- Markets' trends and requirements
- Value chain mapping and analysis
- Problem tree
- Buyers' point of view
- Future value chain
- Draft plan of action
- Vision

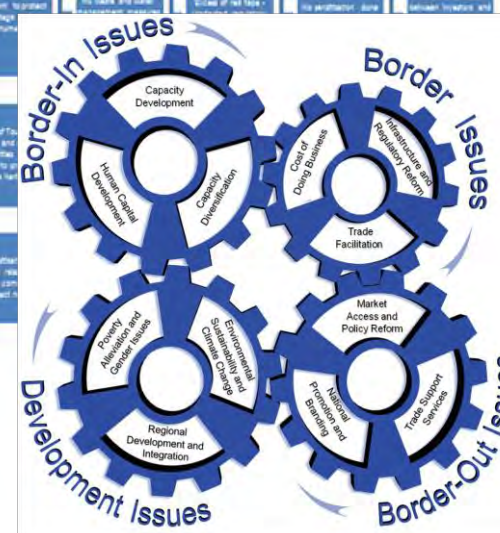
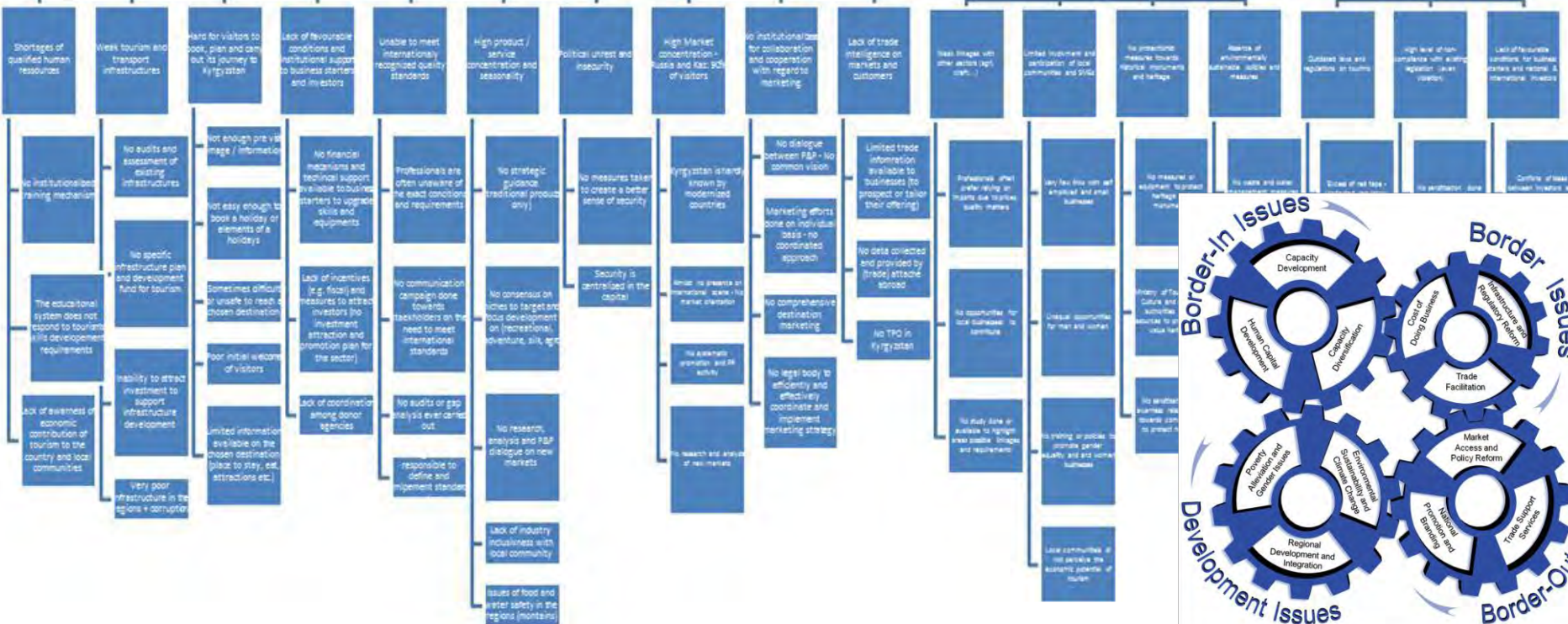




# Problem tree



## LACK OF EXPORT CAPACITY AND PERFORMANCE OF THE TOURISM SECTOR



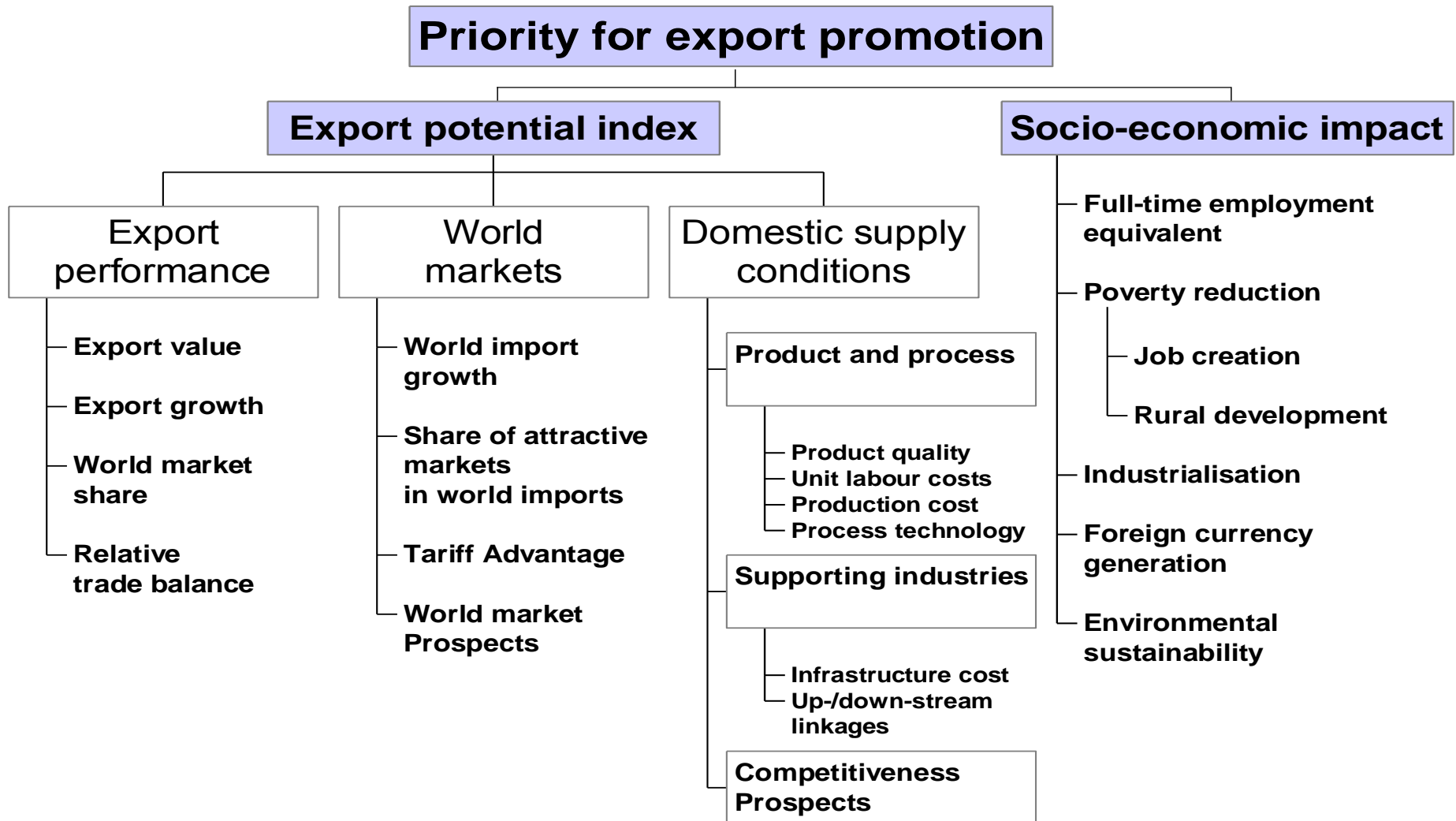


# EDP

EDP is focused on achievement of specific objectives in areas such as:

- Access to trade information;
- Improvement of capacity of entities and institutes;
- Trade promotion;
- Export support and promotion;
- Trade facilitation;
- Development and support of a quality infrastructure;
- Decreasing the tax burden, Providing exporters with access to financial resources.

# Identification of priority sectors



# Identification of priority sectors

Several criteria were taken into consideration to select the sectors

Criteria for Sector Selection	S1	S2	S3	S4	S5
International demand		X	X	X	
Export performance	X		X	X	X
Scope for diversification and value addition	X			X	X
Comparative advantage	X	X		X	
Contribution to employment and socio-economic development		X	X		X
Ability to attract domestic and foreign investment	X		X	X	
Existing and potential government and donor support	X	X		X	
Potential for integrating into global value-chains			X	X	X
Potential for increasing regional trade integration	X		X	X	X

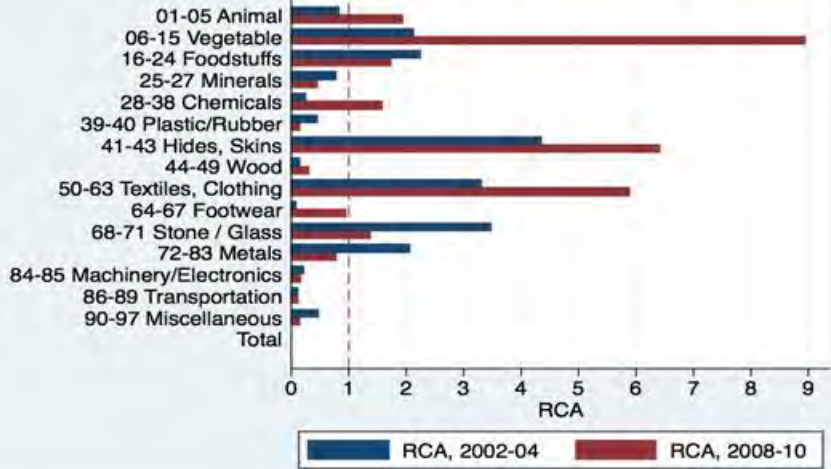
# Identification of priority sectors

	<b>EXPORT POTENTIAL</b>		
<b>SOCIO-ECONOMIC DEVELOPMENT</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>High</b>	--	Tourism <sup>12</sup>	Articles of apparel
<b>Medium-High</b>	Handicraft	Edible fruits, nuts and vegetables, Dairy products	Processed fruits and vegetables, Bottle of Mineral waters
<b>Medium</b>	--	IT services	Cotton
<b>Low-Medium</b>	Wool and animal hair	Raw hides and skins and live animals	Mineral fuels and metals
<b>Low</b>	--	--	--

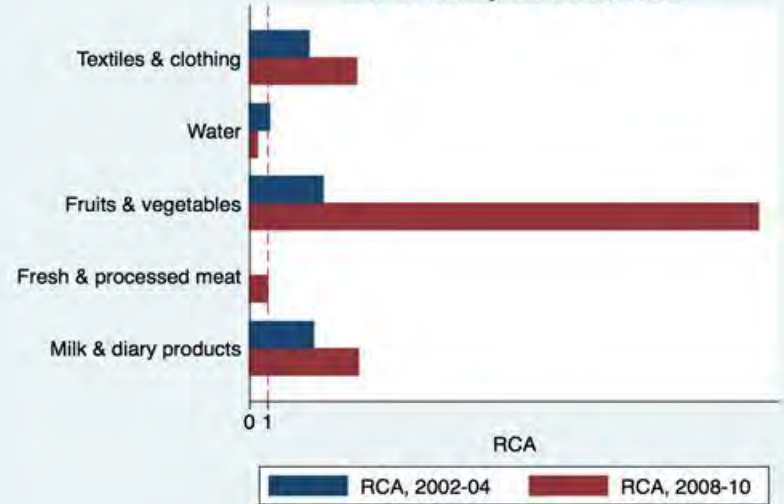


# Priority sectors overview

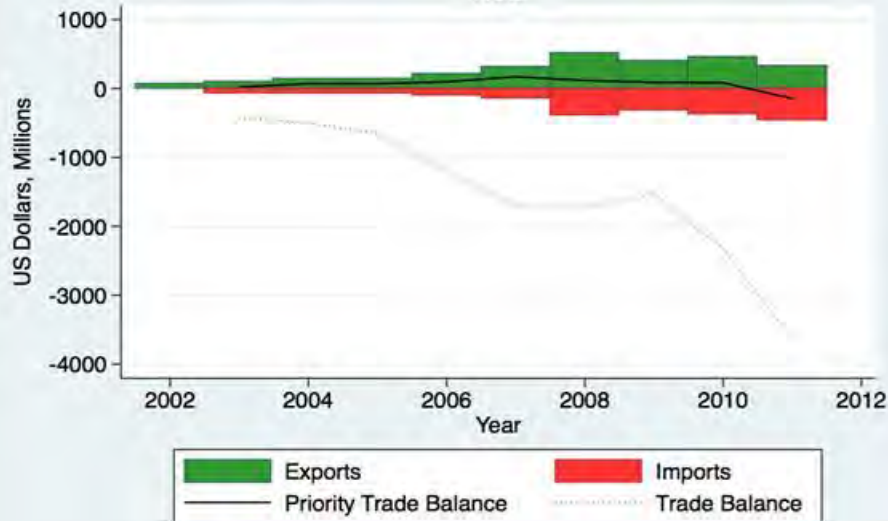
Revealed Comparative Advantage, KGZ



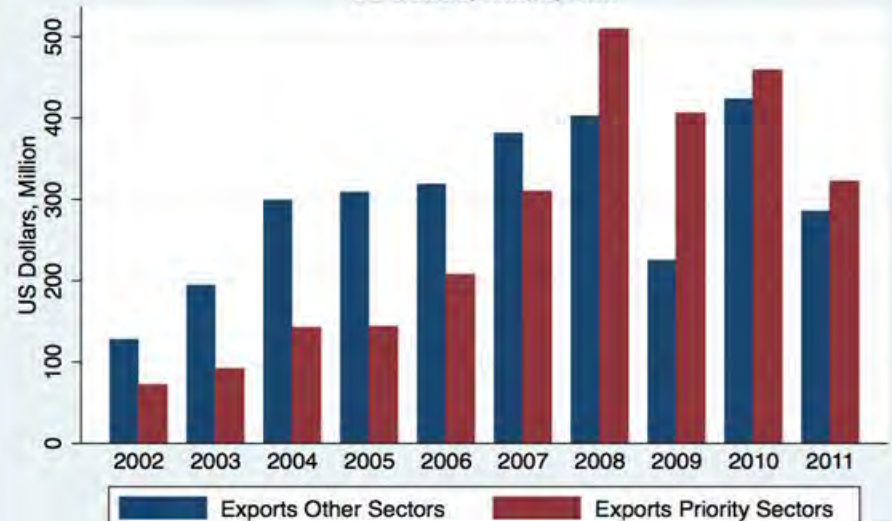
RCA Priority Sectors, KGZ



Exports, Imports in Priority Sectors  
KGZ



Exports of Priority and Other Sectors  
US Dollars, Million, KGZ



# Priority sectors



Tourism



Raw and  
processed meat



Bottled water



Milk and dairy products



Clothing



Fruits and  
vegetables

# Cross-sector functions

- Quality Management
- Trade information and promotion
- Access to finance
- Trade facilitation



# Plan of activities of the Kyrgyz Republic for 2015–2017

	Objective	Indicators	Responsible entity	Timeframe	
1.1	Enhance access to trade information	<ul style="list-style-type: none"> <li>Number of trained specialists</li> <li>Number of agreements signed</li> <li>Number of surveys conducted</li> </ul>	MoE	31 December 2017	
	Activities	Expected outcomes	Responsible entities	Timeframe	Resources
1.1.1	Carry out research studies and identify a list of problems in the area of trade information exchange and dissemination for the purpose of export transactions	<ul style="list-style-type: none"> <li>Report on the studies conducted</li> <li>Recommendations on solutions to problems</li> </ul>	MoE	31 July 2015	Attraction of donor aid
1.1.2	Enhance capacity of TSIs in collecting, analysing and delivering trade information	Quality of the services provided is improved	MoE, MALR, Ministry of Energy and Industry (MEI), Ministry of Culture, Information and Tourism (MCIT)	31 December 2016	Attraction of donor aid
1.1.3	Sign agreements on cooperation on export promotion between the MoE and business associations	<ul style="list-style-type: none"> <li>Partnership relations between the public and private sector are established in the area of export promotion</li> <li>Regular meetings are conducted (not less than once a quarter)</li> </ul>	MoE, SWCSE	31 March 2015 31 December 2017	Within budget allocations
1.1.4	Ensure cooperation with foreign TSIs over trade information exchange and dissemination	<ul style="list-style-type: none"> <li>Cooperation agreements are signed with foreign TSIs</li> <li>Availability and updates of the trade information provided by foreign TSIs</li> </ul>	SWCSE	31 December 2017	Within budget allocations
1.1.5	Conduct marketing surveys on product promotion of the priority sectors in target markets (including with consideration of Kyrgyz Republic accession to the CU)	<ul style="list-style-type: none"> <li>Reports on the surveys</li> <li>Recommendations</li> </ul>	MoE, SWCSE, ministries and agencies	31 December 2017	Attraction of donor aid



# High level endorsement (Decree N174 , 31.03.2015)



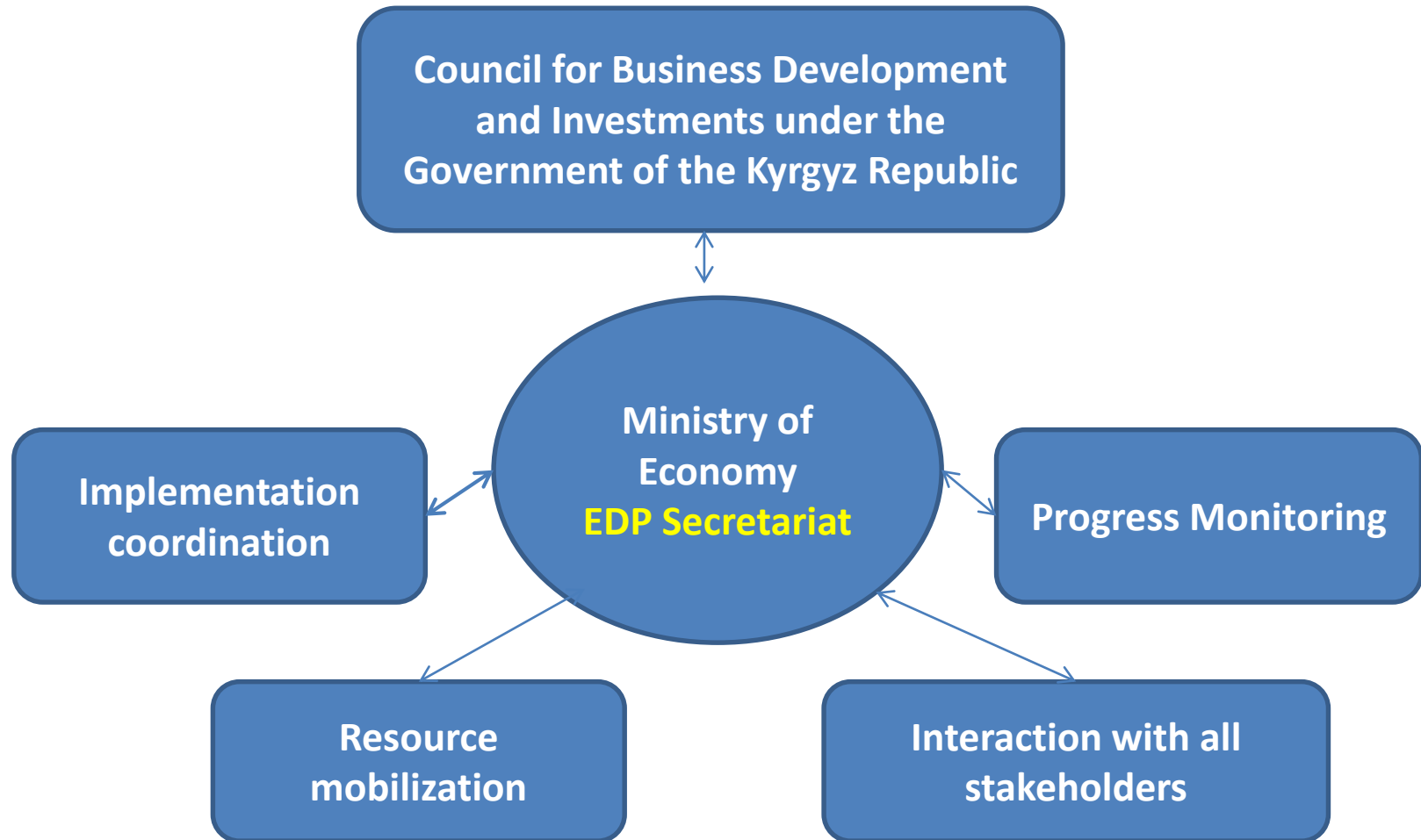
## HIGH-LEVEL ENDORSMENT

"We need to eliminate existing barriers to trade, to create the proper enabling export environment and to strengthen the capacities of enterprises to develop our exports in a sustainable manner. This will result in new jobs, revenue growth and prosperity for Kyrgyzstan. This is the focus of the NES, which we are developing in partnership with the private sector and under the guidance and support of ITC and GIZ..."

*Djoomart Otorbaev,  
First Vice Prime-Minister of the Kyrgyz Republic*



# EDP implementation management



# EDP Action plan

EDP Action plan based on realization of 51 activities.

Governmental organizations responsible for EDP implementation, realize all actions, 28 of which will be fully implemented by means of state budget.

12 actions have been already realized.

Meetings of focal points of responsible governmental organizations are being organized on the regular basis to monitor EDP implementation.

# Results of implementation





# Trade information and Export promotion

❖ MoUs were signed with priority sectors business associations;

❖ Support provided to private sector to participate at number of exhibitions;



❖ Cooperation Agreements were signed with foreign TPO for exchange of trade information;



❖ Application was sent to EU to obtain status of GSP+ for the Kyrgyz Republic and on January 2016 EU granted Kyrgyzstan these preferences;

# Trade facilitation

- ❖ In frame of accession to the Eurasian economic union the national legislation has been brought into full agreement with legal framework of the EEU (40 laws and 51 resolutions GKR).



- ❖ The requirements of VAT excess refund and reimbursement are being fulfilled.
- ❖ Sales tax for export of goods and services was canceled.
- ❖ Movement of freights from the countries of participants of EEU has become simpler - procedure of examination and registration of freights imported from the country-participants of EEU was excluded.

# Quality Management

- ❖ Procedures for accreditation of control bodies developed and approved.
- ❖ 35 technical regulations of the EEU have come into force.
- ❖ 4 priority customs border crossing points of the Kyrgyz Republic and 7 veterinary control check posts have been equipped.
- ❖ Sanitary and phytosanitary types of control on the Kyrgyz-Kazakh border was cancelled on November 2015.
- ❖ Register of veterinary products was placed on Ministry of Agriculture website.



# Quality Management

❑ 18 Kyrgyz livestock enterprises were included in the register of companies, which can make deliveries to the territory of the Member States of the EEU (Russia and Kazakhstan).



❑ Checklist for inspections of businesses producing milk and milk products in circulation in the territory of the Customs Union has been approved .



❑ 28 accredited laboratories and 6 certification bodies were included in the Unified Register of the EEU.

# Access to finance



The Kyrgyz-Russian development fund was established. The Fund began to supply credits to entrepreneurs up to 3 mln. USA dollar through 2 governmental banks since 3 September, 2015



On the project “Financing of Agriculture – 3” 10.2 % of total loans was issued to the processing industry in 2015.



In order to create agro-technical service centers and maintenance of agricultural machinery being worked issuing agricultural business equipment for leasing



A mechanism for the capitalization of the guarantee fund is being developed. Created 5 public funds. Draft concept was worked out on the development of Guarantee Funds in the Kyrgyz Republic until 2020 developed.



# Other measures of Export promotion

- ❖ The Kyrgyz Republic took part in the World Exhibition "EXPO " and plans to participate in the Interstate exhibition " 25 years of CIS : New opportunities of integration and partnership" exhibition and forum "Eurasian Week" in 2016 in Moscow .
- ❖ Agreement on free trade between the Eurasian Economic Union and the Socialist Republic of Vietnam was signed. Agreement with Vietnam provides the possibility of increasing exports of raw tobacco and alcohol products.
- ❖ Negotiations with China on trade and economic agreement are in progress. Agreement, on one hand, will create conditions for market access for a large number of goods, on the other hand - preferences for large investment projects.
- ❖ The process of signing the agreement on free trade zone with 9 countries, including Egypt , India, Indonesia, Iran, Tunisia, Israel, Serbia, Singapore and Cambodia, is being worked out.

# Other measures of Export promotion

- ❖ The producers, suppliers and exporters who interested in delivery of goods to foreign markets can address SE "Center "of a single window". Also, they can be registered in the GE database as an exporter, for the purpose of finding potential buyers for them in the future.
- ❖ The representative of SE "Center "of a single window" in Moscow was appointed for domestic production export promotion on the markets of the Russian Federation
- ❖ The system of the green channel was introduced for simplification of passing of agricultural production to KR and in/from the People's Republic of China.

# Thank you for your attention!



**Kyrgyzstan**  
So much to discover!

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