



SUCCESS STORY

Tajikistan prioritizes WTO post-accession activities

USAID helped Tajikistan become the fifth WTO member to ratify the WTO Agreement on Trade Facilitation



Photo by REC

Mr. Rahimzoda, Minister of Economic Development and Trade (MEDT) (right), Mr. Nazriev, Deputy Minister MEDT (center), Mr. Jekic, REC's Senior WTO Advisor (left), the WTO Ministerial Conference, Bali, Indonesia, December 3, 2013

“The development and approval of the Post WTO Accession Program as well as joining the WTO Agreement on Trade Facilitation were made possible only because of the reform-oriented leadership of the Ministry of Economic Development and Trade and the skillful technical assistance provided by USAID.”

Saidrahmon Nazriev, Deputy Minister of Economic Development and Trade of the Republic Tajikistan

With assistance from USAID, Tajikistan became a member of the World Trade Organization (WTO) in March 2013, after 11 years of negotiations. Through its Regional Economic Cooperation (REC) Project, USAID supported the Government of Tajikistan by providing a wide range of technical assistance leading up to accession and continues to provide support for post-accession activities under the Government of Tajikistan's Economy Adjustment Program (post-WTO accession action plan), which was adopted in December 2014.

The program includes activities needed to fulfill commitments made during Tajikistan's WTO accession process, as well as other activities aimed at further liberalizing the trade regime. The program's main objective is to create a favorable environment for the development of small and medium enterprises, attract foreign investment, strengthen cooperation with other WTO members, and provide the advantages of WTO membership to the business community.

The program also aims to address unemployment through creating new jobs, reducing poverty, and raising living standards. Since its inception in December 2014, the program has achieved important results, making it easier to do business in Tajikistan. For example, the number of goods subject to mandatory certification has been reduced from about 7,500 items to about 2,500. Additionally, the number of mandatory permits and licenses was reduced from around 600 to around 80. These improved efficiencies will save businesses significant amounts of time and money.

As another result of USAID assistance, in May 2015 Tajikistan became the fifth WTO member to ratify the WTO Agreement on Trade Facilitation. The agreement is the first new fully multilateral trade agreement negotiated under the auspices of the WTO since the organization's establishment in 1995. The agreement provides detailed rules regarding transparency, fees and formalities, freedom of transit, and cooperation of customs authorities in foreign trade operations. In addition, the agreement provides special privileges for the least developed WTO members, who can choose preferential timing for implementation of specific provisions, whereas developed members are obliged to provide immediate technical assistance for implementation.

Tajikistan will benefit from the Agreement on Trade Facilitation, as its implementation is expected to boost international trade and save traders and transportation and logistics companies valuable time and money. Developing countries, such as Tajikistan, will significantly benefit from the agreement, since it is considered a critical step to improving their respective trade and investment environment. Ratification of the agreement is a clear signal that Tajikistan is serious about further reforming and liberalizing its economy.