



UNIVERSITY OF CENTRAL ASIA
GRADUATE SCHOOL OF DEVELOPMENT
Institute of Public Policy and Administration

OPPORTUNITIES AND CHALLENGES FOR AGRI- FOOD TRADE BETWEEN KYRGYZSTAN AND PAKISTAN: KYRGYZSTAN'S CASE

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Bishkek, Kyrgyzstan

KYRGYZ-PAKISTAN RELATIONS

- Relations between the two countries were established on 20 December 1991;
- Diplomatic relations were formally established on 10 May 1992;
- In 1991 both countries signed an agreement for the promotion and expansion of economic and cultural ties;

COMMON UNIONS

- Central Asian Regional Economic Cooperation (CAREC)
- Economic Cooperation Organization (ECO)
- Shanghai Cooperation Organization (SCO)

Why Pakistan?

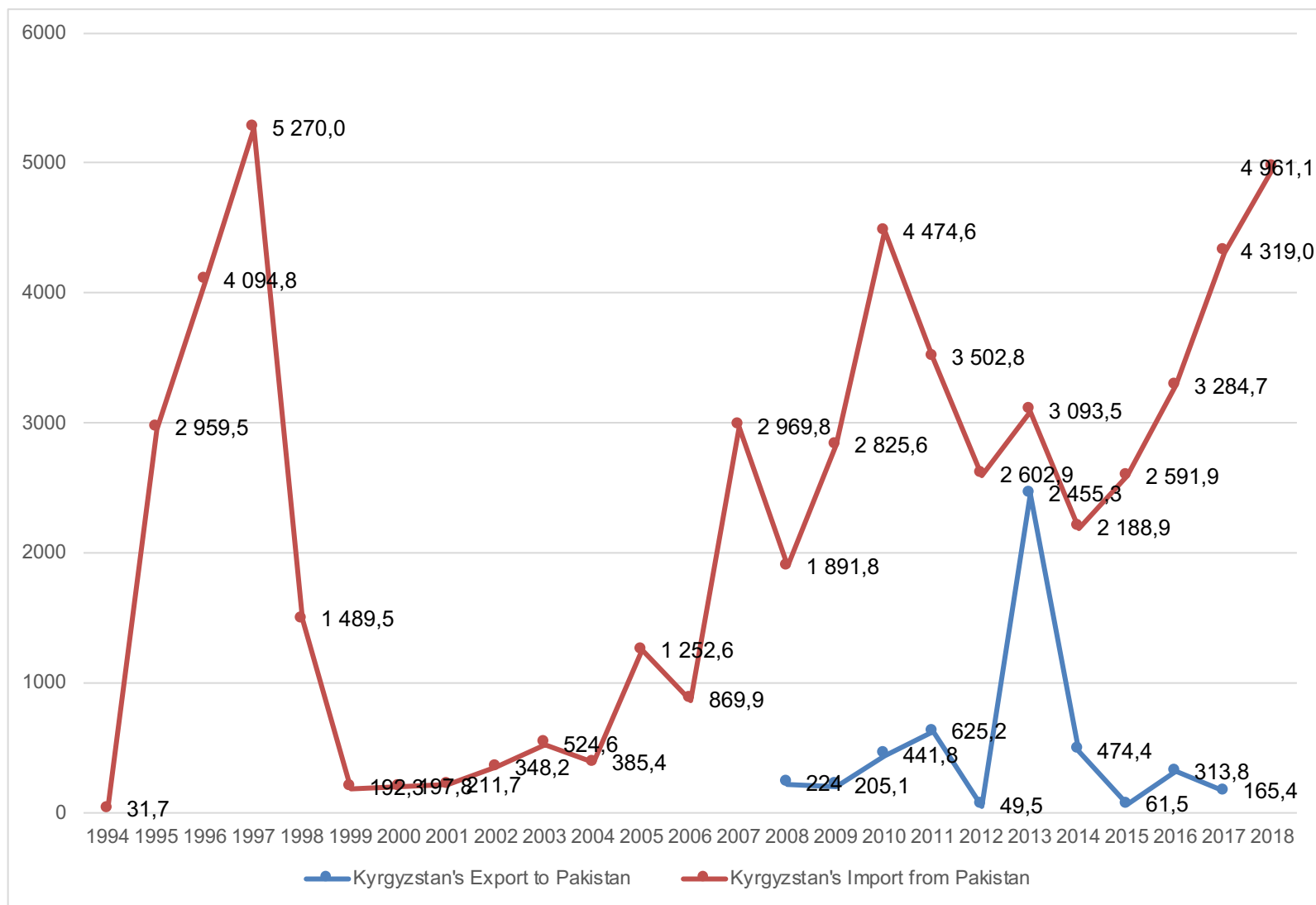


- Almost neighbors
- Population – 200 million people
- Nearest sea-port in Karachi
- High-quality commodities for cheap prices

Why Kyrgyzstan?

- Access to
 - Eurasian Economic Union (EAEU) – population **183.7** million people
 - Central Asia (CA) – population **52.5** million people
- High-quality commodities
- Access to the nearest Free Economic Zones
 - Naryn oblast

Bilateral Trade, thous. USD



Source: National Statistic Committee of the Kyrgyz Republic

Trade between Kyrgyzstan and Pakistan in 2006-2018, thous. USD

EXPORT

Export	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Live animals	0.410		0.143	0.388								2.113	1.840
Meat and meat products	3.051	2.680	7.192	3.502							138.099		0.032
Animal's liver and its products	3.051	2.680	7.192	3.502	3.000	15.300	4.134						
Milk and milk products	0.240	0.745	0.747		272.000	437.500		2344.257					
Bread and pastries	2.976	2.966	7.503	2.877	1.328	18.291	4.134						
Fruits	0.029	0.095	0.108	0.273	0.452	0.844						0.055	
Juices	0.029	0.095	0.108	0.137	0.166	1.219							
Sugars and sugar confectionery	0.774	0.004	0.016	0.019	0.122	0.009							
Natural honey	0.763								2.124	6.580	1.150		
Drinks	2.002	0.202	0.296	0.299	0.254	0.192							
Skins, fur and raw leather		18.432	12.411										
Coffee unroasted				0.023	0.021	0.196							
Tea					0.069	0.154							
Livestock meat products and canned food							7.930	1.948	0.593	9.275	0.642		0.114
Beans												0.009	220.500

Source: National Statistic Committee of the Kyrgyz Republic

Trade between Kyrgyzstan and Pakistan in 2006-2018, thous. USD

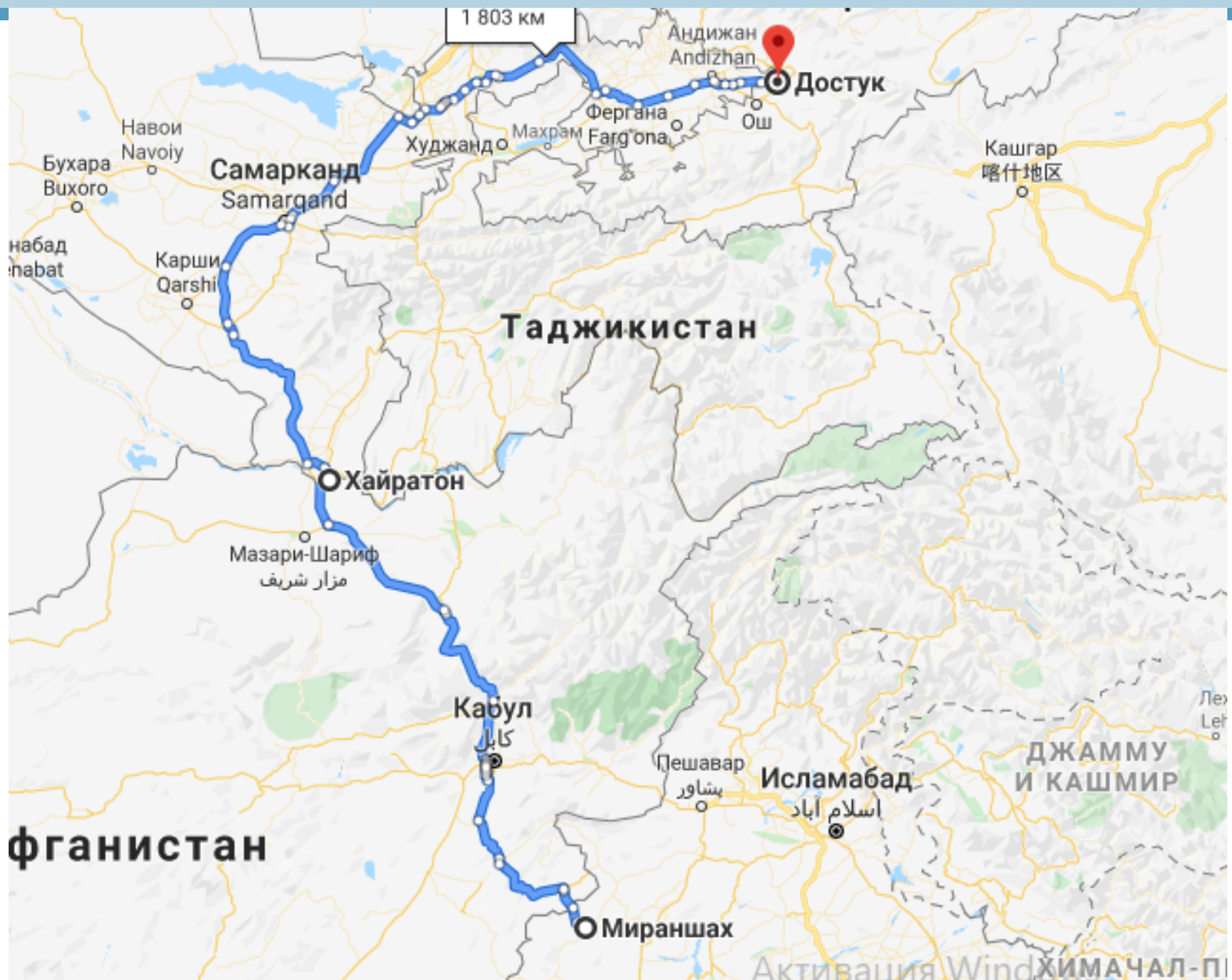
IMPORT

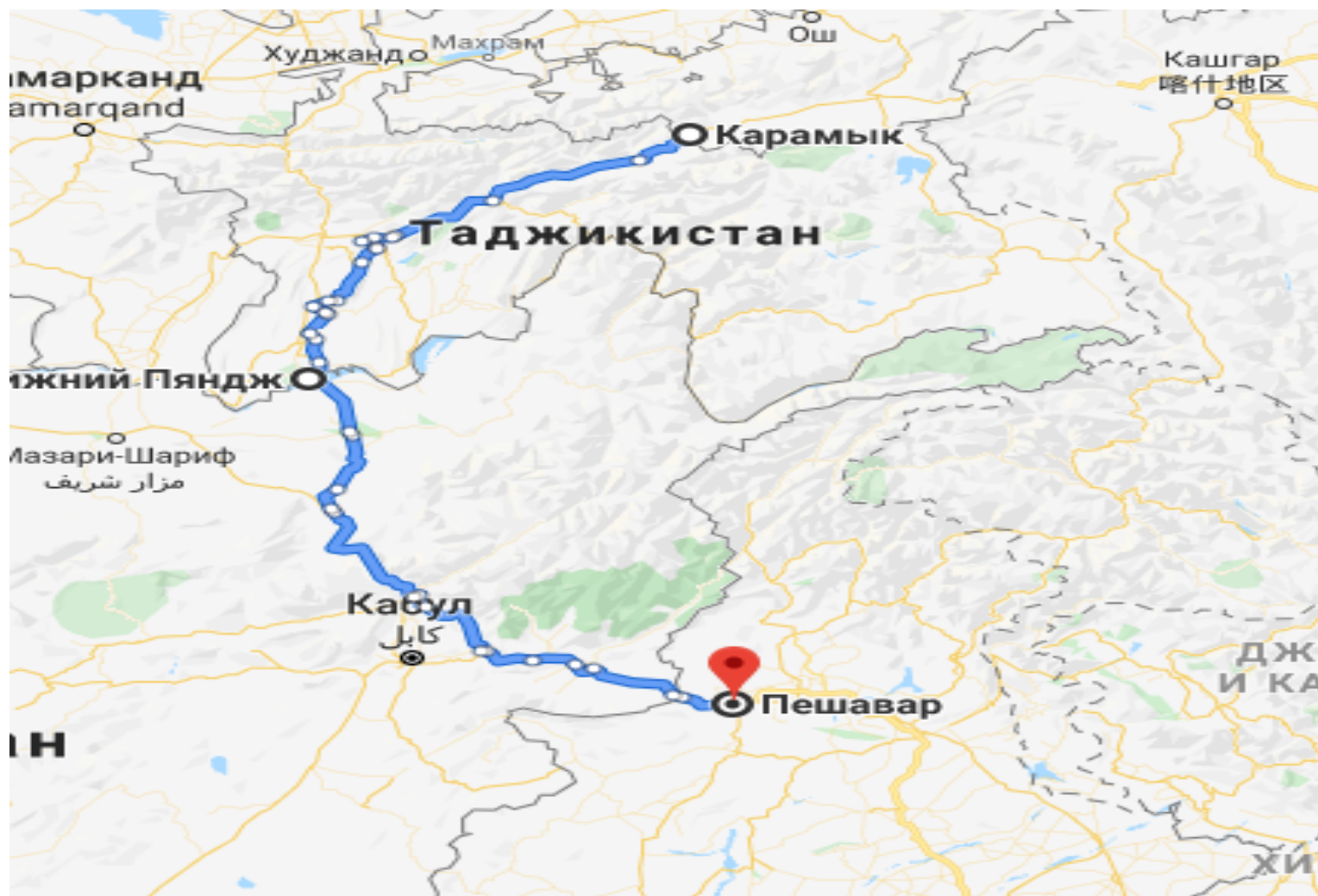
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rice	4.500	17.715	6.719	67.419	16.609	13.468	13.800	143.574	348.314	146.802	75.424	76.022	138.524
All fruits and vegetables	101.216	897.037	437.731	1007.665	1542.563		658.327	77.326					
Potato		248.632	59.031			8.240		6.500				64.200	
Citrus fruits (mandarin, orange, other)	101.216	648.237	378.700	1006.415	1540.563	1661.902	650.144	61.413	65.697	89.926	197.400	45.774	63.771
Coffee, tea, cacao, spices, and products from them				3.993	19.656								
Tea				3.993	15.844					11.660	93.430	312.928	281.750
Juices				0.296					4.058	5.675	45.097	71.714	32.590
Sugars and sugar confectionery					20.692	7.818						4.668	16.046
Cookies, wuffles					17.825	1.294							
Tobacco products					281.802	2.828							63.000
Vegetable Oils					22.140	5.295				7.793	13.135	1.035	9.977

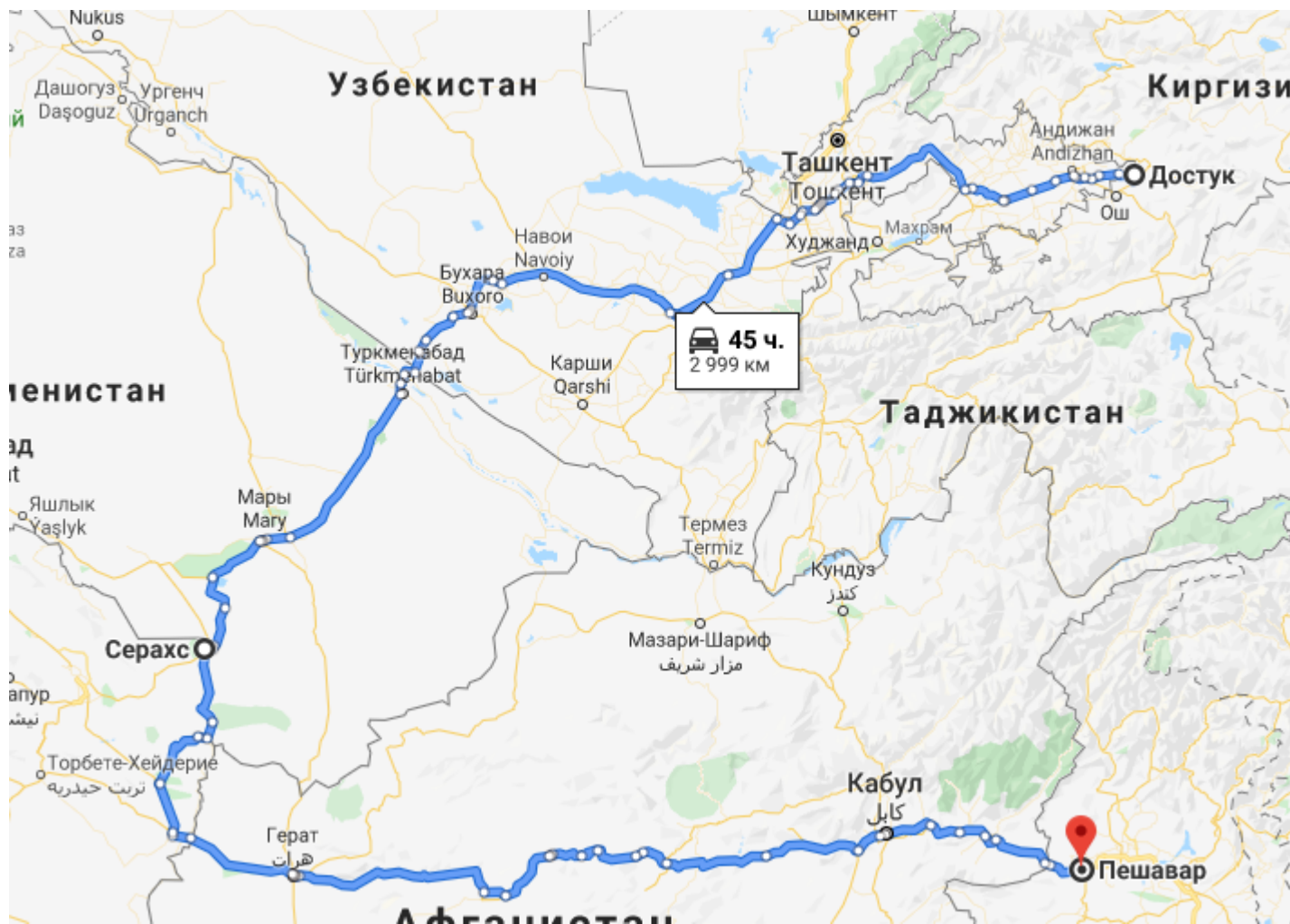
Source: National Statistic Committee of the Kyrgyz Republic

ROUTES

- Transits are done through Afghanistan and then delivered to Kyrgyzstan via Uzbekistan and/or Tajikistan:
 - Kyrgyzstan, Osh (Dostuk) – Uzbekistan (Dustlik);
 - Uzbekistan, Bukhara region (Alat) – Turkmenistan (Farab)
- All commodities are gathered in Iran and then sent to Kyrgyzstan via Afghanistan or Turkmenistan and then via Tajikistan or Uzbekistan:
 - Uzbekistan, Bukhara region (Alat) – Turkmenistan (Farab);
 - Turkmenistan (Sarahs) – Iran (Sarahs)







ROUTES - CHINA

- Karachi seaport –
Shanghai (China) –
Urumqi – Kashi –
Torugart
- Potential route:
Pakistan – China via
Karakorum Highway –
Kyrgyzstan (Torugart)



FINDINGS (1)

Interest in cooperation in mutual trade between Kyrgyzstan and Pakistan is becoming strongly pronounced and the interest in bilateral trade cooperation is increasing. In addition, all experts indicated that the existing cooperation is limited but has a far greater capacity to grow;

FINDINGS (2)

Potential Commodities:

- Kyrgyzstan has capacity in export of **potato, dairy products** (especially, **powdered milk, kurut**), **meat and meat products, livestock, wheat and honey**;
- Pakistan has capacity in export of **mango, Mandarin oranges, Basmati rice** and other **citrus fruit crops, early spring vegetables and greengrocery**;

CHALLENGES

- Chinese border authorities do not allow commodities to go through their territory and reasons of such returns are unknown despite all sides provide required documents on a full scale;
- It is dramatically difficult for Kyrgyz drivers to get Chinese visa to enter this country. It takes 3 months to make an appointment to Chinese Embassy in Kyrgyzstan, costs \$500 (per year), and in case of rejection reasons of the denial are not explained; time and money are lost;
- Drivers at the Torugart checkpoint and Naryn region all complained about dramatic fall in volumes of goods for the last 4 months in Chinese warehouses in Topo and Kashi where Kyrgyz transport operators upload their trucks;
- It is worth noting that the problem of commodities' scarcity in Chinese warehouses in Uluuchat, where from Kyrgyz trucks to Irkeshtam checkpoint go through, does not exist.

OPPORTUNITIES

- China has officially opened all its more than 1,200 checkpoints (border crossing points + inland customs checkpoints) for TIR, marking the full implementation of the TIR Convention in PRC;
- Industrial trans-logistic hub in At-Bashi;
- All trade and logistic companies give their consent to deliver to/from Pakistan and Kyrgyzstan all commodities in case of any delivery orders and absence of barriers from transit countries;
- Kyrgyz producers of agricultural commodities are ready to export their goods to Pakistan in case of orders from any side;

CONCLUSION

- Overall, due to complexity of the logistics chain, the high cost of border crossings between countries, as well as the complex trade route, trade between Kyrgyzstan and Pakistan is not developed and the turnover is small;
- However, companies genuinely seemed interested in the development of trade cooperation between Kyrgyzstan and Pakistan



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THANK YOU!