



Food and Agriculture
Organization of the
United Nations

REVIEW OF AGRICULTURAL TRADE POLICIES IN THE POST-SOVIET COUNTRIES 2017–2018



REVIEW OF AGRICULTURAL TRADE
POLICIES IN THE POST-SOVIET
COUNTRIES
2017–2018

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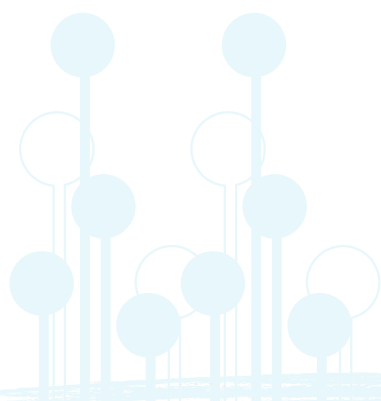


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Foreword

This review is the fourth issue in the series on agricultural trade and changes in trade policies of the post-Soviet countries. Like the previous review, it was prepared within the framework of FAO's Regional Initiative on Improving Agrifood Trade and Market Integration in Europe and Central Asia.

The Regional Initiative aims to provide support to its members as they improve their foreign trade policies and create a favourable environment for the involvement of small and medium-sized agribusinesses in international trade. To achieve this goal, the Regional Initiative promotes the capacity building of the countries to understand the prospects of trade agreements and to set up a mechanism for their implementation, as well as to harmonize national food safety and quality standards with international standards.

This publication resulted from the work of the Agricultural Trade Expert Network in Europe and Central Asia, which was established in 2014 with FAO support. The Network is a neutral and independent platform for the exchange of knowledge and expertise in this field. It currently includes experts from the leading research institutions and analytical centres in all post-Soviet countries and some European Union (EU) countries. The Network's mandate includes improving the awareness of the private sector and civil society about the consequences of trade policy changes and involving stakeholders in a more efficient way in the dialogue with governments on the development and improvement of trade policies.

This publication seeks to study the trends in agricultural trade in the post-Soviet space and monitor recent policy changes that influence their dynamics and composition. The annual review contributes to the building of the analytical base on agricultural trade and trade policy in Europe and the Central Asia region. Transparent information on changes made in trade policy, in turn, fosters stronger partnerships and normalization of trade relations.

The publication contains a common chapter that summarizes key agricultural trade trends in twelve post-Soviet countries in 2017–2018. This year, the publication also includes a chapter reviewing prospects for enhancement of some Central Asian countries' agricultural trade with China and the Russian Federation. It presents findings of the World Bank study on possible consequences of the development of the Chinese and Russian Federation economies for agriculture and trade by the region's countries. They indicate that Central Asian

countries can potentially meet some part of China's growing demand for agricultural products. Moreover, the study exposed some limitations hindering the development of the region's export potential, including challenges related to production and processing, technical barriers, and institutional restrictions.

Another chapter of the publication deals with a review of the impact of climate change on agricultural trade in Eastern Europe and Central Asia. The findings of the study indicate that both regions will be able to increase exports of their agricultural goods in the foreseeable future under the influence of the changing climate upon trade and markets. Due to the global contraction of food supply, food prices will grow both in Eastern Europe and in the rest of the world. The analysis presented in this chapter relies on the survey of interconnected issues of agricultural product trade, climate change and food security findings, which are provided in the publication *The State of Agricultural Commodity Markets* (FAO, 2018).

Apart from thematic chapters, the publication contains 12 country chapters highlighting in more detail the changes in agricultural and trade policies of Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation, Tajikistan, Turkmenistan, Uzbekistan, and Ukraine. Each chapter reviews recent trends in the development of each country's agricultural trade policy in 2017–2018, as well as some changes in the first half of 2019. It covers the trade measures implemented by national governments that influence agricultural product exports and imports, the participation of the countries in multilateral, regional and bilateral trade agreements, and recent changes in domestic support for agricultural manufacturers.

The collaborative effort of authors from 12 countries revealed major changes in the trade policies of the regional countries in 2017–2018. Overall, the period under study proved favourable for the development of their foreign agricultural trade, which was promoted by the general improvement of the macroeconomic situation in the countries under review. An increase was recorded in the output of some agricultural goods most successfully exported to external markets. Foreign agricultural trade turnover grew in almost all the countries of the region. Also recorded were substantial increases in both exports and imports of agricultural goods in value terms.

The regional countries that signed association and free trade area agreements with the European Union (Georgia, the Republic of Moldova, and Ukraine) continued institutional reforms in 2017–2018 to approximate their national legislation to the EU acquis concerning food safety, sanitary and phytosanitary measures. In the Eurasian Economic Union (EAEU) countries, work was underway to harmonize policies of the member countries. It should be noted that the number of bilateral trade agreements, both preferential and non-preferential, increased in the post-Soviet region during the years under review.

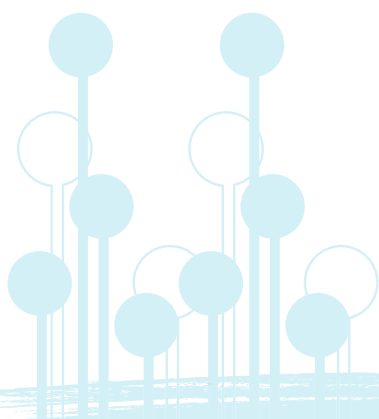
We are grateful to all the country chapter authors, members of the Agricultural Trade Expert Network in Europe and Central Asia, who worked on the publication, Andrea Zimmermann and Adkham Akbarov (Trade and Markets Division, FAO) for preparation of

thematic chapters, Alla Saranina and Alfinura Sharafeyeva (Trade and Markets Division, FAO) for assistance in the technical preparation of the materials. Besides, a valuable contribution was provided to the content of the publication by Kateryna Schroeder and Sergiy Zorya (The World Bank) who shared findings of the study *China/Russia 2030 – Implications for Agriculture in Central Asia* (World Bank, 2018) and wrote a chapter on this subject. We also thank Remenchych Mayya, translator, and Odette Mitumba Boya, copy-editor, for translation and editing work.

The sequence of the countries in Part 4 remained as in the original Russian version (in alphabetical order in the Russian language) in order to preserve the same numbering of tables and figures as in the original version.

We hope that this review will be both interesting to readers as well as contribute to awareness-raising on the most recent agricultural trade trends. Furthermore, we hope it can lead to increased transparency of the foreign trade policies of countries in the region.

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Abbreviations and acronyms

AEIA	Armenian Export Insurance Agency
AIC	Agro-industrial complex
AMS	Aggregate Measure of Support
AoA	Agreement on Agriculture
ASEAN	Association of Southeast Asian Nations
AZPROMO	Fund for Promotion of Exports and Investments (Azerbaijan)
CDN	Commodity distribution network
CEFTA	Central European Free Trade Agreement
CGEM	Computable general equilibrium model
CIS	Commonwealth of Independent States
CUC	Customs Union Commission
DRC	Domestic resource cost
EAEU CCT	Common Customs Tariff of the Eurasian Economic Union
EAEU	Eurasian Economic Union
EEC	Eurasian Economic Commission
EFTA	European Free Trade Association
EPCA	Enhanced Partnership and Cooperation Agreement
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FCS	Federal Customs Service
FEA	Foreign economic activities
FEZ	Free economic zone
FTA	Free trade area
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GHG	Greenhouse gases
GKR	Government of Kyrgyz Republic
GMO	Genetically modified organism
GSP	Generalized System of Preferences
GSP+	Generalized System of Preferences Plus
GUUAM	Regional association of Georgia, Ukraine, Uzbekistan, Azerbaijan and the Republic of Moldova
HS	Harmonized System
IFPRI	International Food Policy Research Institute
IPPC	International Plant Protection Convention
ITC	International trade centre
JSC	Joint-stock company
KR	Kyrgyz Republic
KGS	Kyrgyz som
LLC	Limited Liability Company
MERCOSUR	South American Common Market
MFN	Most Favoured Nation
MoA	Ministry of Agriculture
NDC	Nationally determined contribution
OIE	World Organization for Animal Health

OJSC	Open joint-stock company
PP	Percentage point
PRC	People's Republic of China
RA	Republic of Armenia
RAz	Republic of Azerbaijan
REC	Russian Export Centre
RF	Russian Federation
RK	Republic of Kazakhstan
RKDF	Russian-Kyrgyz Development Fund
RT	Republic of Tajikistan
RU	Republic of Uzbekistan
SAFS	State Agency for Food Security
SCM	Subsidies and countervailing measures
SDR	Special and differential regime
SME	Small and medium-sized enterprises
SMI	Soil moisture index
SPS	Sanitary and phytosanitary (measures)
TBT	Technical barriers to trade
TRQ	Tariff Rate Quota
UAE	United Arab Emirates
UCC FEA	Ukrainian Classification of Commodities for Foreign Economic Activities
FEACN	Foreign Economic Activity Commodity Nomenclature
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
USA	United States of America
VAT	Value-added tax
VCP and PCP	Veterinary and phytosanitary control posts
WTO	World Trade Organization

Part 1

Key developments in
agricultural trade in the
post-Soviet countries in
2017–2018

Key developments in agricultural trade in the post-Soviet countries in 2017–2018

Adkham Akbarov

Dynamics of agricultural exports and imports in the region

Substantial growth in exports and imports of goods, including agricultural products,¹ was recorded in the post-Soviet region in 2017–2018, whereas the shares of aggregate agricultural exports and imports in the total value of exports and imports of all commodities decreased.² In 2018, it amounted to 9.1 percent and 11.9 percent, respectively, having declined by 1.6 and 1.4 percentage points (pp) as compared to 2016.³

Some countries demonstrated considerable reduction of the share of agricultural exports: for example, it decreased from 18.0 percent to 15.5 percent in Belarus, from 32.8 percent to 28.7 percent in Georgia, from 46.6 percent to 43.4 percent in the Republic of Moldova, from 9.4 percent to 6.3 percent in Turkmenistan, and from 26.1 percent to 16.2 percent in Uzbekistan. In other countries, the share of agricultural exports during the period of 2017–2018 remained at about the same level as in 2016. The countries with the highest share of agricultural exports in the total exports of goods were still the Republic of Moldova (43.4 percent), Ukraine

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(39.5 percent), Georgia (28.7 percent) and Armenia (28.2 percent). As in the previous years, the lowest shares were still recorded in Azerbaijan (4.0 percent), Kazakhstan (5.2 percent), the Russian Federation (5.5 percent), and Turkmenistan (6.3 percent).

The share of agricultural imports in the total imports of goods in 2017–2018 remained rather stable in most countries of the region. The only exception was seen in Uzbekistan (where the share decreased by 4.4 pp in 2018 as compared to 2016, down to 9.0 percent), Turkmenistan (where it increased by 4.1 pp to reach 9.3 percent), and Azerbaijan (with 3.7 pp decline, to 14.9 percent).

¹ The review includes agricultural products from chapters 01-24 of the Harmonized Commodity Description and Coding System as well as some products from chapters 29 (2905.43 and 2905.44), 33 (33.01), 35 (35.01 - 35.05), 38 (3809.10 and 3824.60), 41 (41.01 - 41.03), 43 (43.01), 50 (50.01 - 50.03), 51 (51.01 - 51.03), 52 (52.01 - 52.03) and 53 (53.01 and 53.02). The full list is provided in Annex 1.

² This review covers 12 post-Soviet countries: Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation, Tajikistan, Turkmenistan, Uzbekistan and Ukraine.

³ The statistical analysis used data from the UN Comtrade database, downloaded through WITS (World Integrated Trade Solution) (WITS, 2019), as of 18 September 2019. The statistical data on Tajikistan, Turkmenistan and Uzbekistan were received from country chapter authors



Over 2017–2018, the share of agricultural imports in the observed countries did not exceed 23.0 percent (Figure 1.1).

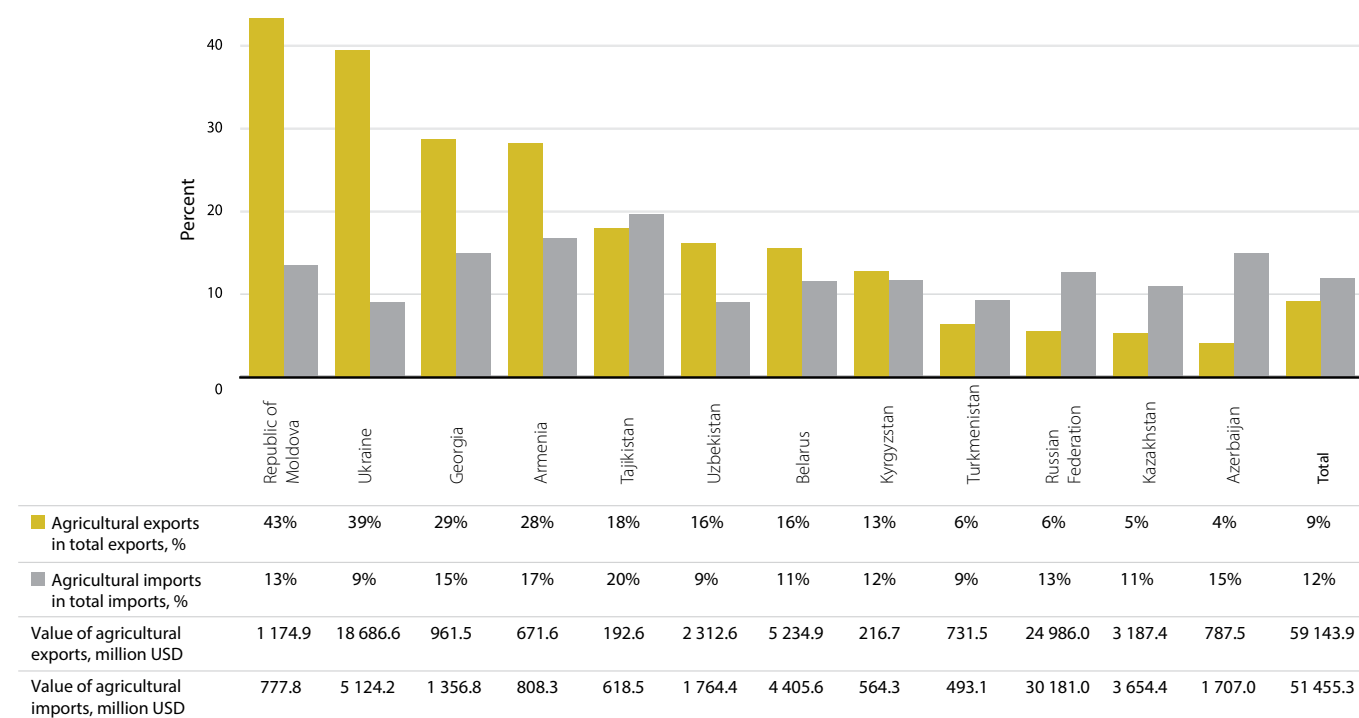
The aggregate agricultural exports from countries in the region have grown considerably in value terms both in 2017 and 2018, reaching USD 52.7 billion and 59.1 billion, respectively. In 2017, it was USD 7.6 billion higher than the 2016 figure while in 2018, it was USD 14.0 billion higher. At the same time, the aggregate agricultural imports in the countries of the region have increased considerably (though to a lower extent), by USD 7.8 billion (to USD 51.5 billion). Due to outpacing growth of exports

compared to imports, the positive trade balance in agricultural products⁴ has increased more than fivefold since 2016, reaching USD 7.6 billion in 2018 (Figure 1.2).

Exports at country level. The increase in the aggregate agricultural product exports in value terms occurred, in the first instance, due to substantial growth of exports from Belarus, the Russian Federation, and Ukraine. These countries recorded high agricultural export growth in 2017–2018, compared to 2016, the 2018 export value increased by 24 percent in Belarus (USD 1 003.3 million increment, to USD 5 234.9 million); by 44 percent in Kazakhstan (by USD 980.6 million, to USD 3 187.4 million);

FIGURE 1.1

Agricultural export and import shares in total value of exports and imports of all commodities in the post-Soviet region countries, 2018



Source: UN Comtrade (2019) and country-chapter authors; the author's calculations.

by 46 percent in the Russian Federation (by USD 7 842.7 million, to USD 24 986.0 million); and by 22 percent in Ukraine (by USD 3 352.8 million, to USD 18 686.6).

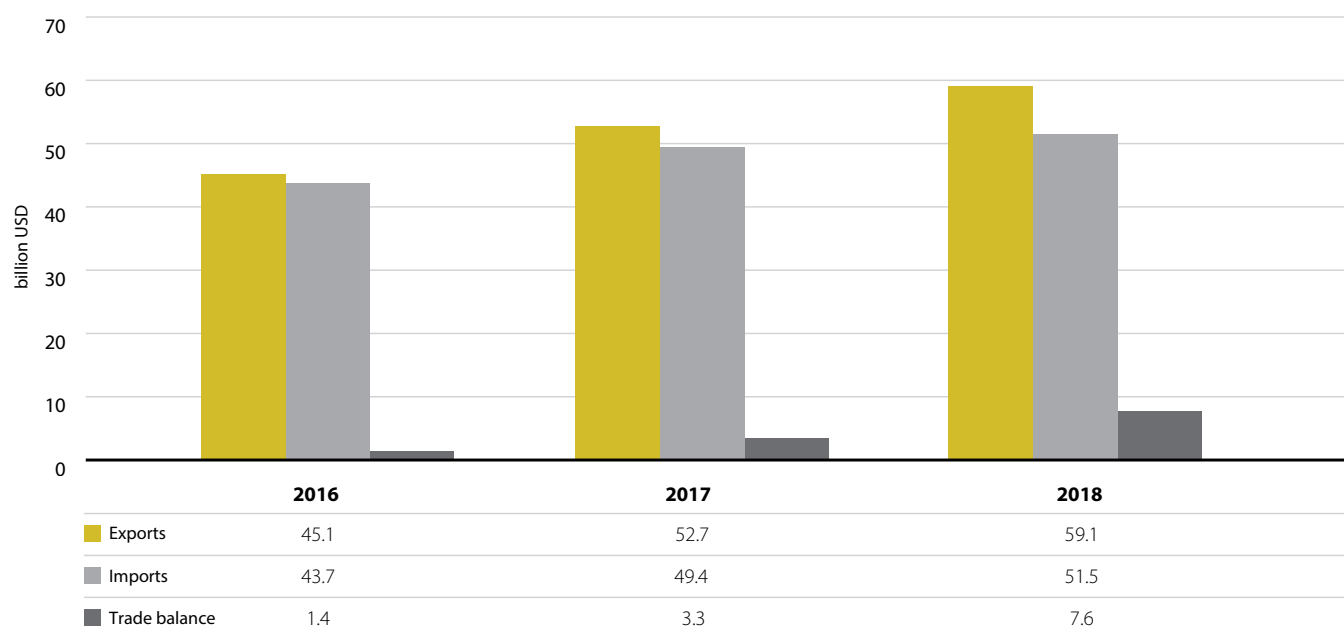
The period of analysis was marked by an increase in agricultural exports in value terms for most countries of the region. Their volume in 2018 exceeded the 2016 figure by USD 246.3 million in Azerbaijan (by 46 percent; and amounted to USD 787.5 million in 2018); by USD 152.4 million in Armenia (29 percent; USD 671.6 million); by USD 268.0 million in Georgia (39 percent; USD 961.5 million); by USD 222.5 million in the Republic of Moldova (23 percent; 1 174.9 million).

In Kyrgyzstan, a substantial growth of exports (by 46 percent, or USD 77.7 million, as compared to 2016) occurred in 2017. In 2018, however, the country did not succeed in repeating its 2017 success: its exports amounted to USD 216.7 million. This figure is USD 48.7 million (or 29 percent) higher than in 2016. Exports from Tajikistan and Turkmenistan remained almost at their 2017 levels, whereas 2018 saw exports rise by 21 percent (by USD 33.1 million to USD 192.6 million) and by 4 percent (by USD 25.5 million to USD 731.5 million) compared to 2016.

⁴ The terms "agricultural products," "agrifood products" and "agri-products" are used in the text interchangeably.

FIGURE 1.2

Agricultural trade turnover in the post-Soviet region, 2016–2018, billion USD



Source: UN Comtrade (2019) and country-chapter authors; the author's calculations.

An exception was recorded in Uzbekistan where some decline in agricultural exports was observed in certain years of the period: their value amounted to USD 2 312.6 million in 2018, which is USD 128.0 million (5 percent) less than in 2016. At the same time, this figure is USD 111.1 million (5 percent) higher than the 2017 level.

Imports at country level. The USD 7.8 billion increase in the aggregate agricultural imports in value terms mostly stemmed from the growth of imports in the Russian Federation, Ukraine, Kazakhstan and Belarus from 2016 to 2018. The Russian Federation's imports in 2018 (USD 30 181.0 million) exceeded the 2016 figure by USD 4 819.5 million (or 19 percent), Ukraine's imports (USD 5 124.2 million) amounted to USD 1 176.5 million (30 percent) higher than in 2016; Kazakhstan (USD 3 654.4 million) registered a USD 599.6 million (20 percent) increase whereas Belarus (USD 4 405.6 million) imported USD 329.3 million (8 percent) more than in 2016.

At the same time, an annual increment in agricultural imports in 2017–2018, though to a lesser extent, was registered in Georgia, Armenia and the Republic of Moldova. Imports in these countries in 2018 was by USD 291.7 million, USD 171.2 million and USD 166.3 million, respectively, greater than in 2016, which eventually amounted to USD 1 356.8 million, USD 808.3 million and USD 777.8 million (Figure 1).

Some countries, such as Uzbekistan and Kyrgyzstan, experienced instability in agricultural product imports. In Uzbekistan, the imports decreased in 2017 but increased in 2018 to reach USD 1 764.4 million (USD 245.3 million, or 16 percent, more than in 2016). In Kyrgyzstan, the exports grew considerably in 2017, but in 2018 they failed to reach the previous year level, amounting to USD 564.3 million. However, it is still USD 97.3 million (21 percent) more than in 2016.

In Azerbaijan, agricultural imports were growing at a stable but slow rate, reaching USD 1 707.0 million in 2018. Growth was only 8.0 percent (or USD 128.3 million) as compared to 2016.

However, agricultural imports in value terms did not increase in all the countries of the region during the period of 2017–2018. They were on the decline in Tajikistan and Turkmenistan year-on-year, and in 2018 amounted to USD 618.5 million and USD 493.1 million, respectively, (USD 33.7 million (5 percent) and USD 186.5 million (27 percent) less than in 2016).

Trade balance. The dynamics of the agricultural trade balance varied substantially among countries in the region. As in 2016, Belarus, the Republic of Moldova, Turkmenistan, Uzbekistan and Ukraine remained net exporters of agricultural products. In these countries

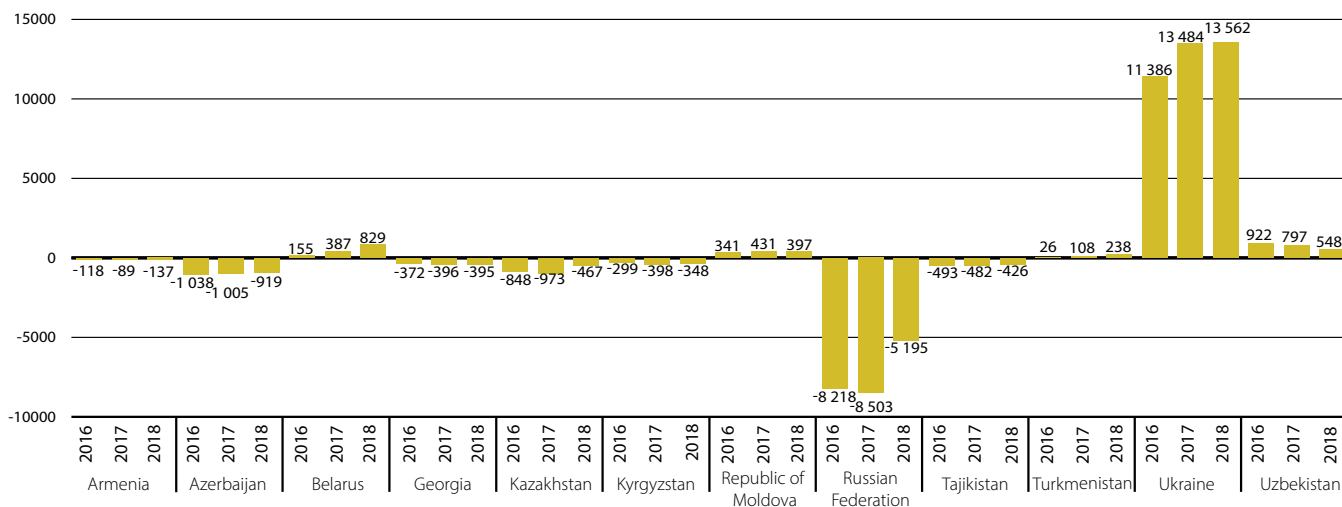
(except Uzbekistan), a positive trade balance grew considerably in 2018 compared to 2016. In Belarus, the balance increased more than fivefold, reaching USD 829.3 million, due to a significant increase in exports of dairy products, vegetable oils and meat as well as due to a sizable reduction of fruit and vegetable imports. The balance also increased in the Republic of Moldova – by 17 percent (to USD 397.2 million); in Turkmenistan – more than nine times (to USD 238.4 million), mostly due to an increase in exports of fats and oils (of animal or plant origin) and cereals; and in Ukraine – by 19 percent (to USD 13 562.5 million). At the same time, it shrank considerably in Uzbekistan, by 41 percent (down to USD 548.2 million), which occurred mainly because of a major cut in cotton exports and a greater increase in the imports of cereals and live animals (Figure 1.3).

Other countries in the region remained net importers of agricultural products in 2017–2018. A negative foreign trade balance in this product category decreased in 2018 versus 2016 in Azerbaijan – to USD 919.5 million, in Kazakhstan – to USD 467.0 million, in the Russian Federation – to USD 5 195.0 million, and in Tajikistan – to USD 425.9 million. In a number of countries, however, a negative trade balance increased: in Armenia – to USD 136.7 million, Georgia – to USD 395.3 million, and in Kyrgyzstan – to USD 347.6 million.

Geographical structure of exports. In 2017–2018, an absolute increase in the aggregate exports of the post-Soviet countries was registered. Meanwhile, there was a decline in the shares of aggregate exports to the Russian Federation (from 11.6 percent to 10.7 percent), and to Kazakhstan (from 5.0 percent to 4.5 percent); at the same time, an increase in the shares of China: (from 6.7 percent to 7.8 percent), Belarus (from 2.9 percent to 3.4 percent), the EU (from 16.8 percent to 18.0 percent), and other countries of the world (from 47.2 percent to 47.8 percent) (Figure 1.4).⁵ Thus, the trend of more active expansion of agricultural exports to countries outside the region compared with exports to the traditional Commonwealth of Independent States (CIS) markets continued.

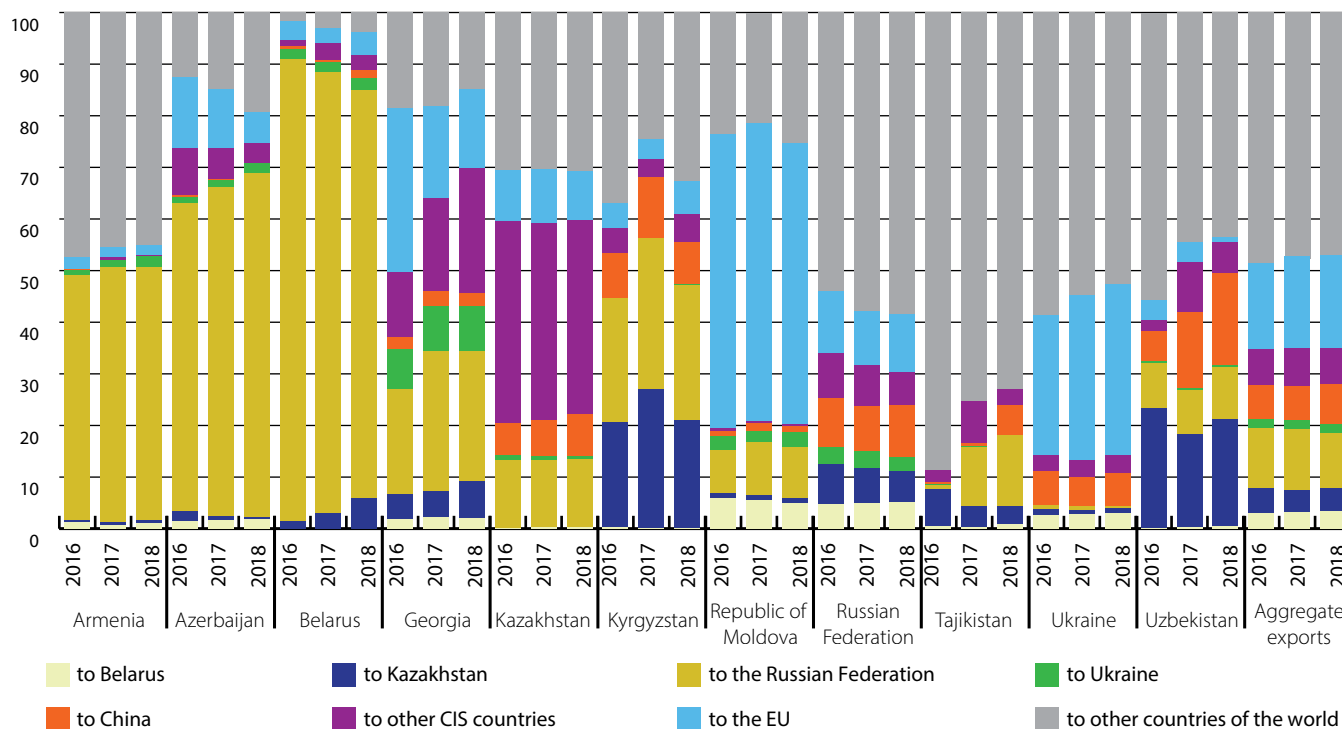
⁵ The analysis does not include trade flows between Turkmenistan and its trade partners due to unavailability of country-disaggregated data.

FIGURE 1.3
Agricultural trade balance in the post-Soviet region countries, 2016–2018, million USD



Source: UN Comtrade (2019) and country-chapter authors; the author's calculations.

FIGURE 1.4
Main destinations of agricultural exports from countries in the region, 2016–2018, percentage share



Source: UN Comtrade (2019) and country-chapter authors; the author's calculations.

At the same time, the main share of agricultural exports in 2018 in some countries of the region accounted for the Russian Federation: 79 percent in Belarus, 66.4 percent in Azerbaijan, 49.1 percent in Armenia, 26.3 percent in Kyrgyzstan, and 25.3 percent in Georgia. Notably, in all these countries except Belarus and Kazakhstan, a growing trend in the Russian market's share was recorded during the period under review. On the contrary, in the export structure of Belarus – one of the region's major exporters of agricultural products – the share of the Russian market dropped considerably, by 10.4 pp versus the 2016 level. In other countries in the region, the share of exports to the Russian Federation was lower than 14.0 percent in 2018, however there were some positive dynamics: increase by 12.9 pp in Tajikistan, by 1.4 pp in the Republic of Moldova, and by 1.3 pp in Uzbekistan.

The European Union (EU) market remained a priority for agricultural exports of the Republic of Moldova, Ukraine, Georgia, and the Russian Federation: its share in 2018 was 54.5 percent, 33.2 percent, 15.4 percent and 11.4 percent, respectively. Importantly, however, some contraction of that share in all the above-mentioned countries except Ukraine was observed during the period under review (Ukraine showed an increase in its exports to the EU). In Georgian exports, the share of the EU – Georgia's second most important trade partner – dropped by almost 1.5 times (from USD 220.6 million in 2016 to USD 148.2 million in 2018), which happened mostly due to a considerable decline of nut exports to the EU countries as well as due to a major increase in exports of alcoholic and non-alcoholic beverages to the countries in the region. In other countries in the region, less than 10 percent of their exports were destined for the European Union in 2018.

Meanwhile, the Chinese market plays a prominent and increasingly sizeable role: its share in agricultural exports in 2018 increased to 17.7 percent in Uzbekistan, to 10.1 percent in the Russian Federation, and to 8.1 percent in Kazakhstan, falling down to 8.2 percent in Kyrgyzstan. In Ukraine, it remained stable and also relatively high at 6.3 percent. Notably, China's share in exports from Uzbekistan has grown almost threefold since 2016 (from USD 141.8 to 410.2 million) whereas Uzbekistan's exports to Kazakhstan and other countries has decreased.

Kazakhstan's market was an important destination for agricultural exports of Kyrgyzstan (20.9 percent in 2018), Uzbekistan (20.7 percent), Georgia (7.1 percent), the Russian Federation (6.1 percent) and Belarus (5.9 percent). Belarus accounted for a sizeable share of exports of the Republic of Moldova (4.9 percent) and the Russian Federation (5.0 percent). Georgia exported a moderate

share of its goods to Ukraine (8.6 percent). The share of Kazakhstan's exports to other CIS countries (especially Uzbekistan and Tajikistan) remained stably high during the observed period, amounting to 37.7 percent in 2018. Additionally, the share of other CIS countries was considerable in exports from Georgia (24.2 percent).

The Russian Federation demonstrated a growing share of its agricultural exports to the other countries of the world: it increased by 4.4 pp, up to 58.4 percent, between 2016 and 2018. Moreover, the share of agricultural exports to other countries around the world increased in exports from Azerbaijan and Belarus, while declining for other countries in the region.

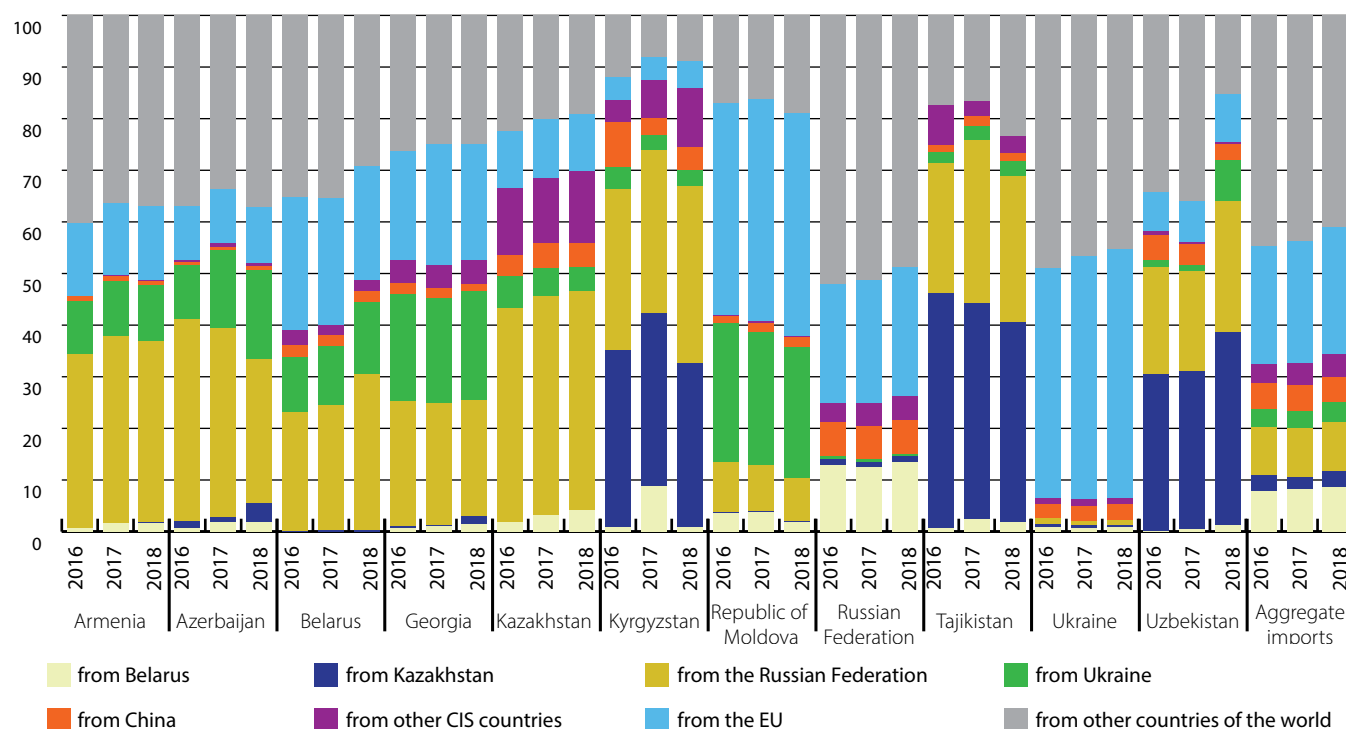
Geographical structure of imports. Compared to 2016, the aggregated imports of agricultural products increased substantially from the EU (by 27.0 percent to USD 12 528.7 million in 2018), Belarus (by 29.0 percent to USD 4 381.2 million), Ukraine (by 37.6 percent to USD 1 966.9 million), and other CIS countries (by 38.8 percent to USD 2 228.8 million). Moreover, a stable increase in import deliveries from the Russian Federation (by 21.0 percent to USD 4 875.3 million in 2018), China (by 16.6 percent to USD 2 536.5 million) and Kazakhstan (by 19.5 percent to USD 1 532.5 million) was recorded (Figure 1.5).

The EU remained the largest supplier of agricultural products to the post-Soviet countries, with its share of the region's aggregate imports continuing to grow. Almost half of agricultural products imported by Ukraine (48.2 percent) and the Republic of Moldova (43.2 percent) in 2018 originated from the EU, which is 3.8 pp and 2.1 pp, respectively, higher than in 2016. Imports from the EU also provided about a quarter of agricultural imports by the Russian Federation (25.0 percent), Georgia (22.5 percent), and Belarus (22.1 percent). Compared to 2016, its share in 2018 declined by 3.7 pp in Belarus, and increased by 1.9 pp and 1.6 pp, respectively, in the Russian Federation and Georgia. In other countries in the region, the share of imports from the EU remained stable, 14.2 percent at most.

Agricultural imports from the Russian Federation continued to play an important role for most of the countries in the region analysed. The share of imports from that country substantially grew between 2016 and 2018 in Belarus (by 7.2 pp to 30.1 percent), Uzbekistan (by 4.7 pp to 25.2 percent), Tajikistan (by 2.9 pp to 28.2 percent) and Kyrgyzstan (by 2.9 pp to 34.2 percent). Meanwhile, it contracted markedly in Azerbaijan - by 11.1 pp (to 28.0 percent). The share of imports from the Russian Federation remained stably high in Kazakhstan (42.4 percent), Armenia (35.1 percent), and Georgia (22.5 percent).

FIGURE 1.5

Geographical structure of agricultural imports in countries in the region, 2016–2018, percentage share



Source: UN Comtrade (2019) and country-chapter authors; the author's calculations.

Imports from Belarus made up an appreciable part of the Russian Federation's agricultural imports (13.5 percent, or USD 4 066.7 million in 2018) whereas its share in other countries of the region did not exceed 4.2 percent. Imports from Kazakhstan still accounted for a considerable share of the imports in Tajikistan (38.9 percent in 2018), Uzbekistan (37.4 percent) and Kyrgyzstan (31.8 percent). Moreover, the share of Kazakhstan increased considerably compared to 2016 only in Uzbekistan (by 7.0 pp), whereas it contracted slightly in Tajikistan and Kyrgyzstan. Imports from Ukraine made up a significant share of agricultural products imported in many countries of the region such as the Republic of Moldova (25.4 percent), Georgia (21.0 percent), Azerbaijan (17.4 percent), Belarus (13.9 percent), Armenia (10.9 percent) and Uzbekistan (8.0 percent). Remarkably, the share of imports from Ukraine in Uzbekistan increased considerably in 2018 (by 6.6 pp) compared to 2016 due to expansion of imports from Ukraine up to USD 141.9 million. The share of other CIS countries in imports of most countries in the region remained small (under 4.7 percent). Kazakhstan and Kyrgyzstan were an exception: imports from other CIS countries in 2018 amounted to 13.9 percent and 11.6 percent, respectively.

Agricultural product imports from China played no major role for many countries in the region. The Russian Federation imported the most from China (6.5 percent in

2018). The share of imports from other countries around the world contracted or remained stable in almost every country in the region, except the Republic of Moldova where an increase was observed. Remarkably, the share of Uzbekistan's imports coming from other countries around the world dropped by 19.0 pp in 2018 compared to 2016.

Export structure by product. An increase in regional exports was observed during the period 2017–2018 for almost all major product chapters. In terms of product chapters, the largest share in the aggregate exports still belonged to cereals (code 10 in the Harmonized System (HS)): their exports amounted to USD 19 478.7 million, or 32.9 percent of the total exports of agri-products in the region. Therewith, exports of cereals increased by 50.9 percent (or by USD 6 567.8 million) compared to 2016. The increase occurred mainly due to the Russian Federation (from USD 5 606.1 million to USD 10 456.4 million), Ukraine (from USD 6 073.9 million to USD 7 240.7 million), and Kazakhstan (from USD 817.0 million to USD 1 304.5 million). An expansion in exports of cereals was also observed in the Republic of Moldova: the exports increased by 40.6 percent (from USD 158.2 million to USD 222.7 million) (Figure 1.6).

Wheat accounts for the main share in the Russian Federation's cereals export structure. According to FAO

estimations (2017, 2018a, 2019), a record-breaking harvest of cereals was registered in the Russian Federation in 2017–130.8 million tonnes. In particular, output of wheat increased to 85.9 million tonnes, which contributed to considerable growth of wheat exports in 2017–2018. Corn and wheat prevail in the Ukrainian cereals export structure. Ukraine scaled up corn exports considerably due to substantial growth of this crop output in the country (35.8 million tonnes in 2018).

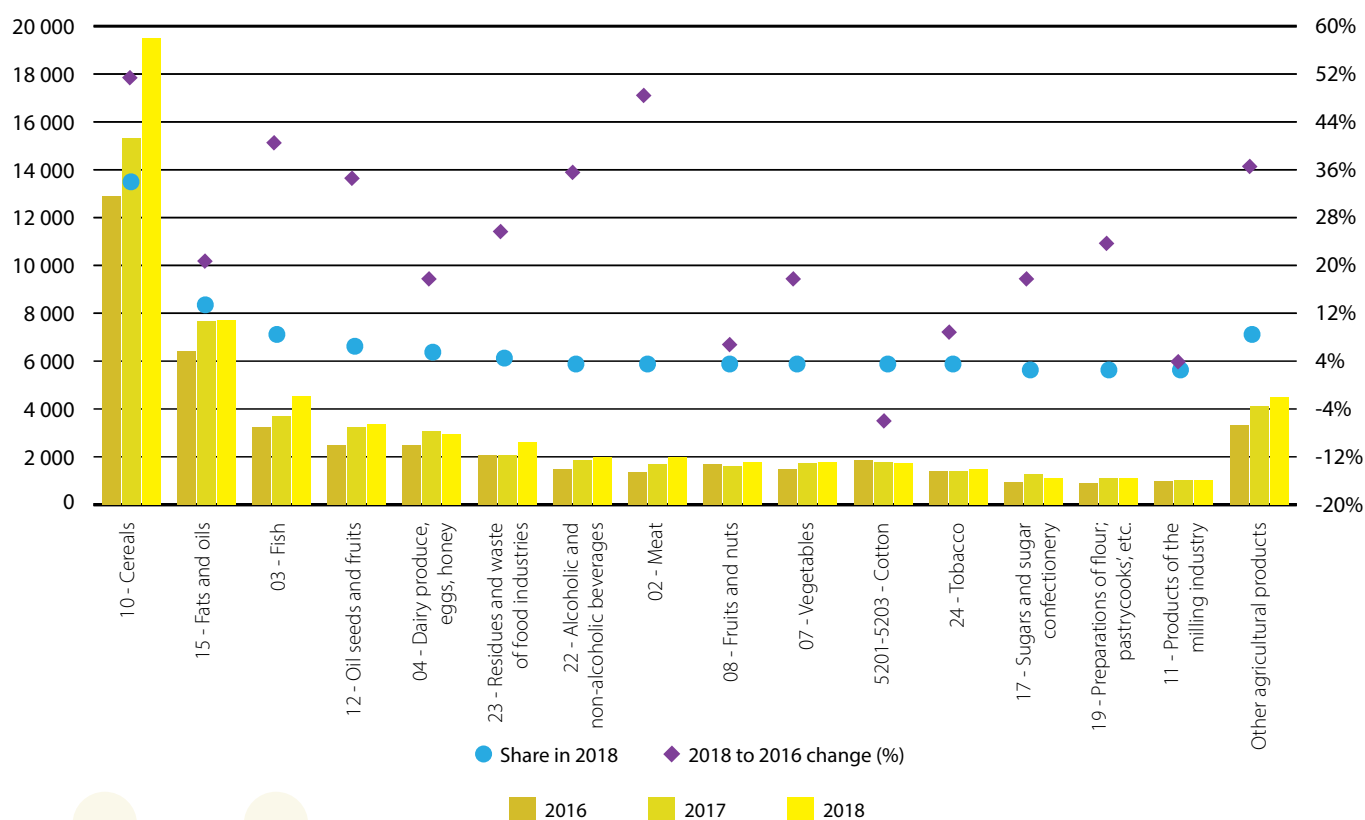
Considerable increase compared to 2016 was also recorded in exports of such product chapters as fish (HS-03) – which grew by 40.2 percent (and therefore the share of fish amounted to 7.6 percent of the aggregate agricultural exports); oil seeds and fruits (HS-12)

– grew by 34.5 percent (5.7 percent); meat (HS-02) – grew by 48.4 percent (3.4 percent); and alcoholic and non-alcoholic beverages (HS-22) – grew by 34.9 percent (3.4 percent).

There was a substantial increase in imports compared to 2016 in a range of agricultural product chapters including alcoholic and non-alcoholic beverages (HS-22) – 46.9 percent increment (their share amounted to 7.9 percent of aggregate imports in 2018); fish (HS-03) – 27.8 percent (5.7 percent); oil seeds and fruits (HS-12) – 28.3 percent (5.7 percent); residues and wastes of food industries (HS-23) – 29.0 percent (3.9 percent); preparations of flour and pastry cooks' products (HS-19) – 26.0 percent (3.9 percent) (Figure 1.7).

FIGURE 1.6

Product structure of agricultural exports of the post-Soviet region countries (aggregate), 2016–2018, value in million USD, change and share in percentages



Source: UN Comtrade (2019) and country-chapter authors; the author's calculations.

Edible fruits and nuts held the leading position in the aggregate imports of agricultural products by the countries of the region: 14.1 percent of all the imports accounted for this product chapter in 2018.

EAEU. Agricultural trade among the Eurasian Economic Union (EAEU) member countries continued to grow in 2017–2018. However, the share of agricultural exports to the EAEU as part of the total agricultural exports of most Union countries (except Armenia and Kyrgyzstan) contracted. The greatest decline of this indicator was recorded in Belarus, by 4.7 pp to 86.3 percent (Figure 1.8). Consequently, agricultural exports by major exporters (Belarus, Kazakhstan and the Russian Federation) were developing at a faster rate in terms of exports to non-EAEU markets.

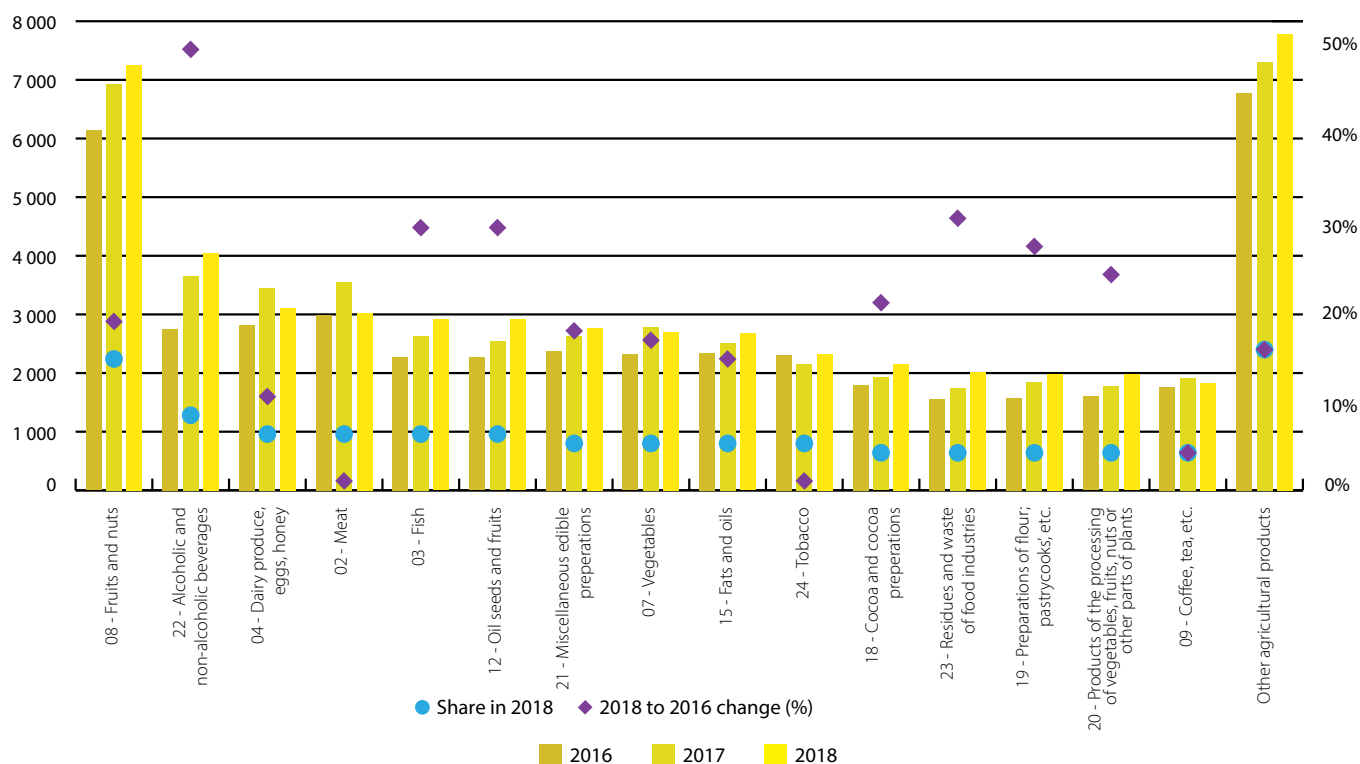
Agricultural imports in all the EAEU countries also increased in 2017–2018. Moreover, an increase in the share

of imports from the Union member countries in their total agricultural imports compared to 2016 was recorded. The greatest increase was observed in Belarus (7.0 pp); Kazakhstan also registered an increase (3.9 pp). Therefore, it can be concluded that the growth rate of imports of the Union member countries from the EAEU in 2017–2018 was higher than that of the non-EAEU countries.

The largest share of the intra-EAEU exports was recorded in Belarus – 51.2 percent in 2018. At the same time, it declined by 3.1 pp compared to 2016. The Russian Federation’s share of exports within the EAEU, on the contrary, increased – by 2.1 pp (to 36.9 percent). In other Union member countries, this indicator grew slightly. In the intra-EAEU imports, the Russian Federation still accounted for the largest share – 55.9 percent in 2018 although it decreased by 1.6 pp compared to 2016 (Figure 1.9).

FIGURE 1.7

Product structure of agricultural imports in the post-Soviet region countries (aggregate), 2016–2018, value in million USD, change and share in percentages



Source: UN Comtrade (2019) and country-chapter authors; the author’s calculations.

Agricultural trade policies

Import policies

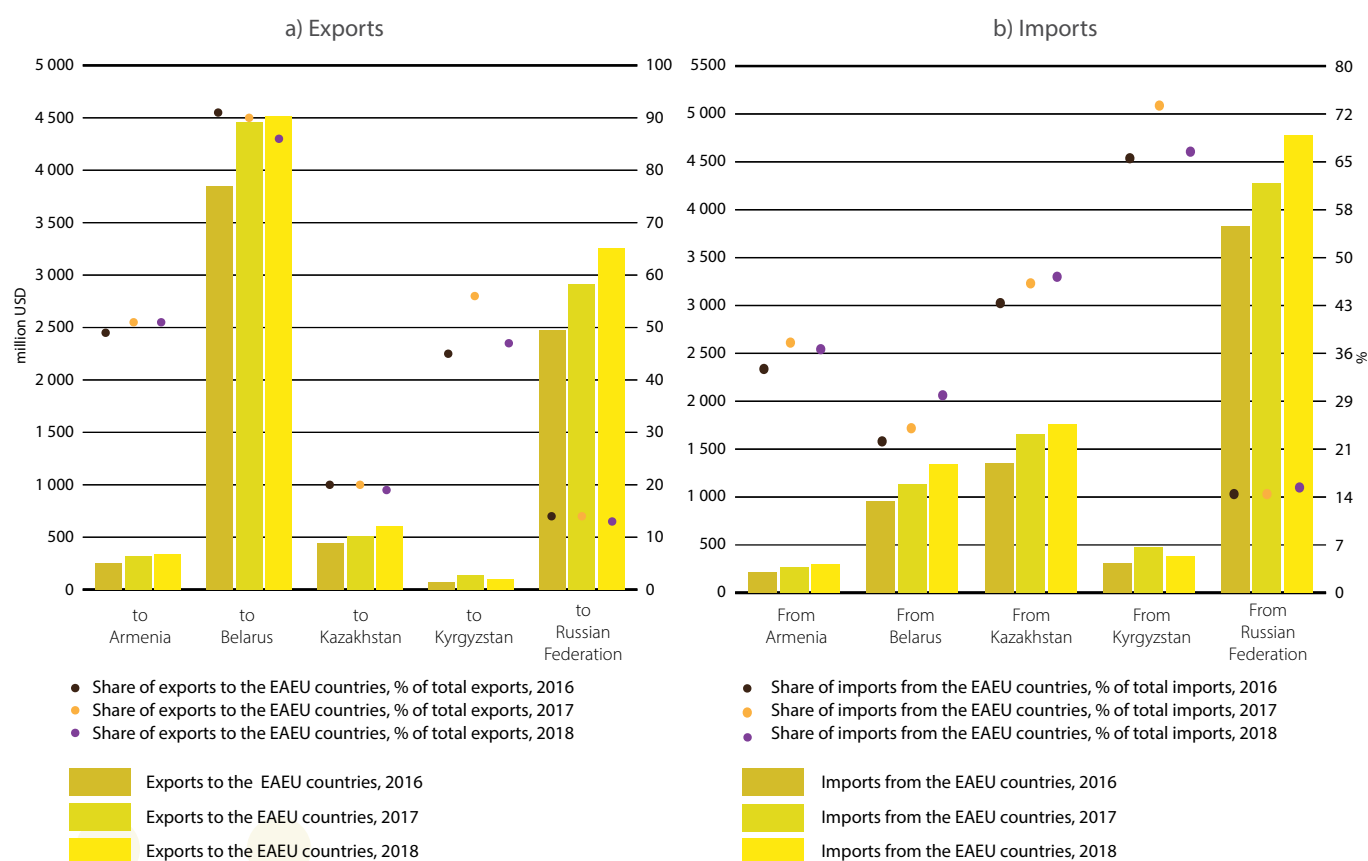
In 2017, a reduction in average applied import duties, compared to 2016, was recorded in most countries of the region⁶. Ukraine (no change) and Tajikistan (0.1 pp increase) were an exception. However, the average applied import duty rate grew again in 2018 year-on-year in almost every country of the region (except Ukraine where it remained at the same level) (Figure 1.10). In Turkmenistan, import duties remained unchanged since 2015. Moreover, setting a zero rate and reducing import duties on many agricultural products has been going on in Uzbekistan since late 2017.

In Azerbaijan, changes occurred during the period 2017–2019 in import duties on certain live animal categories (pure-bred animals, poultry) and seeds of soya, sunflower, lucerne and sugar beet (a zero-rate import duty was applied) as well as on butter (its import rate was reduced from 15 percent to 5 percent). Additionally, seasonal import duties on potatoes were applied.

Armenia continued to harmonize its import tariffs with the rates of the Common Customs Tariff (CCT) of the EAEU, a process that is scheduled for completion by 2022. It is expected that import duties on most agricultural goods, especially meat, will be raised by the end of the harmonization process. Considering that import duties on some agricultural goods in Armenia and Kazakhstan are

FIGURE 1.8

Dynamics of intra-EAEU agricultural exports and imports, 2016–2018, value in million USD, change and share in percentages



Source: UN Comtrade (2019) and country–chapter authors; the author's calculations.

currently lower than the EAEU CCT rates, these countries must ensure traceability of such imported goods. In addition, their export to the territory of other Union member countries is only allowed after the payment of a difference between the national import tariffs and the EAEU CCT. Therewith, a tariff preference (zero-rate import duty) continued to apply in Kazakhstan for the import of raw cane sugar for processing in the country’s territory, and was set for 2010–2019.

Moreover, tariff quotas approved by the Eurasian Economic Commission (EEC) Board resolutions were applied by the EAEU member countries (except Armenia) for some agricultural product categories (meat of bovine animals, meat of swine, meat and edible offal of poultry) in 2017–2018. Within the framework of the free trade agreement between the EAEU and Viet Nam, tariff rate quotas for long-grain rice imports from Viet Nam in 2018 were divided between Belarus and the Russian Federation⁷. In Ukraine, the tariff rate quota on imports of raw cane sugar was not filled over the observed period because of a sufficient supply of domestically produced sugar beets.

In addition to import duties and quotas, the countries of the region were actively applying trade policies based on veterinary, sanitary and phytosanitary (SPS) requirements and technical regulation in 2017–2018 to restrict imports of some agricultural products to their territory. Furthermore, Georgia, the Republic of Moldova and Ukraine continued to align their national legislation on SPS regulation with the EU acquis.

As of 2018, the Russian Federation lifted its ban on import of agricultural products from Turkey, which had been in effect since 2016 as a special economic measure.⁸ At the same time, a quantitative restriction on import of tomatoes from Turkey remained in force. The mutual bans on imports of some agricultural products, introduced by the Russian Federation and Ukraine earlier, were extended in 2017–2019; moreover, the lists of goods banned for import were extended.

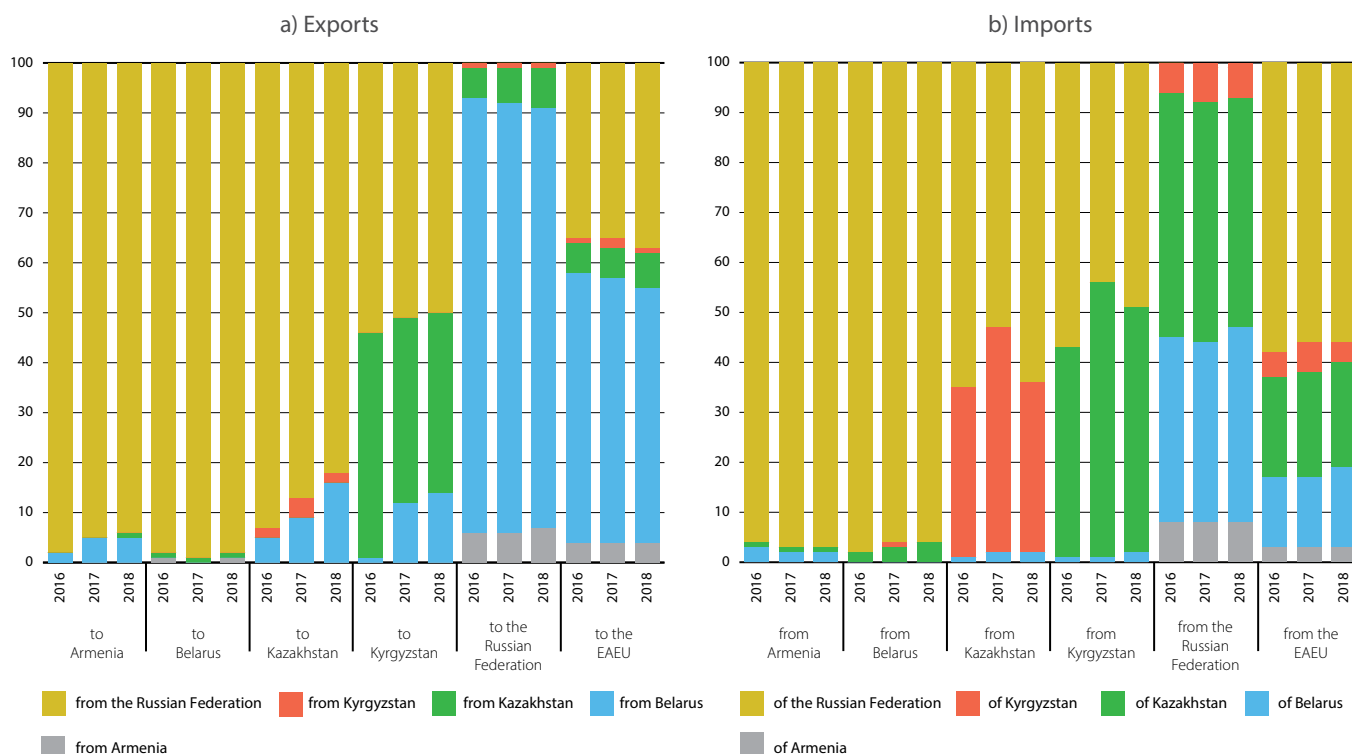
⁶ There are no data for Azerbaijan, Turkmenistan and Uzbekistan in the WTO database. <https://data.wto.org/>

⁷ Within a transition period framework, a zero-rate import duty on long-grain rice was in effect in Armenia until the end of 2018.

⁸ The ban was introduced in November 2015 by the Decree of the Russian Federation President “On measures to ensure national security of the Russian Federation and protect the Russian Federation citizens against criminal and other unlawful actions, and on application of special economic measures against Turkey”.

FIGURE 1.9

Geographical structure of intra-EAEU agricultural exports and imports, 2016–2018, percentage share



Source: UN Comtrade (2019) and country-chapter authors; the author’s calculations.

Trade facilitation measures were actively implemented in the countries of the region during the period 2017–2018. In particular, mandatory electronic veterinary certification has been in effect in the Russian Federation since the middle of 2018. An agreement on the organization of a simplified customs corridor for certain goods was signed by Tajikistan and Uzbekistan. Additionally, in late 2018, Azerbaijan introduced green corridor rules for foreign economic activity entities to minimize time spent at the border and document processing costs.

Export policies

As an export policy tool, Belarus, Kazakhstan, the Russian Federation, Tajikistan, Turkmenistan, Uzbekistan and Ukraine applied export duties on some agricultural products during 2017–2018. Meanwhile, the countries that are WTO members met their commitments concerning the application of export duties.

In some countries in the region, quantitative restrictions on the export of agricultural products from their customs territory were cancelled during the observed period. For example, Uzbekistan lifted a decade-long ban on export of certain agricultural product categories in May 2017⁹: the country is now allowed to export but only pursuant to decisions made by its president or government. The list of agricultural products permitted for export was expanded in 2019. In Belarus, temporary licensing of flax

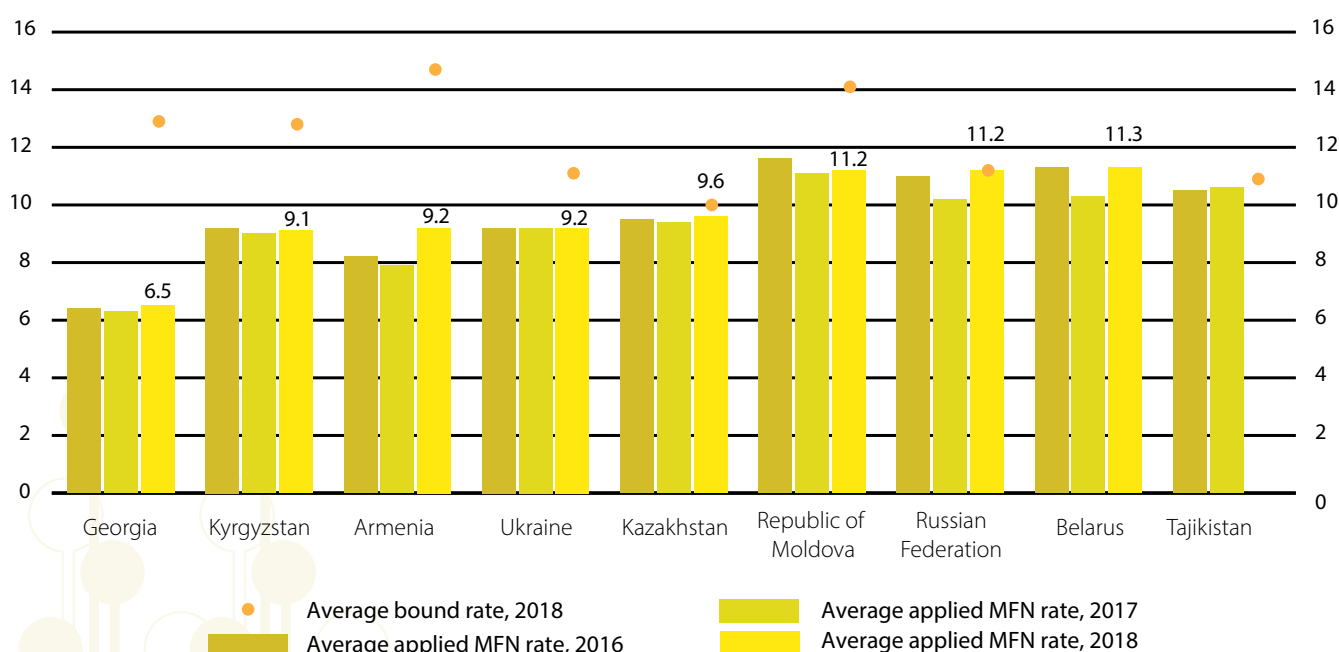
fibre export outside the EAEU customs territory ceased to be in force in 2017. Turkmenistan substantially expanded its list of agricultural products that may be exported from Turkmenistan without payment of export duties and quantitative restrictions.

It should also be noted that some countries of the region adopted new programmes and designed projects aimed at stimulating agricultural exports. In particular, in 2018 Kyrgyzstan approved a state programme of export development for 2019–2022 that is intended to provide support to some priority sectors, including dairy production and processing of fruits and vegetables. In December 2018 the Russian Federation approved the federal project Export of Agro-industrial complex's products, which was designed to improve the environment and facilitate exports of agricultural products. In Belarus, the project known as On export support, was developed, envisaging, *inter alia*, support for the participation of national companies in international exhibitions and assistance in product quality control abroad.

Moreover, some countries of the region established export support institutions which provide a variety of financial and non-financial support to agricultural product suppliers. For example, in Ukraine, the Export Promotion Office was founded, whose mandate includes provision of consultancy and assistance to exporters to access

FIGURE 1.10

Dynamics of the applied and bound MFN import duty rates on agricultural products, 2016–2018, percent



Source: WTO (2019c).

foreign markets. In Tajikistan, the Agency for Export was established under the Government of the country, its mission being to enhance the country's export potential and to assist exporters in promoting their products to foreign markets. In Uzbekistan a decision was made to establish the UzAgroExportBank joint-stock commercial bank, one of whose goals is to finance investment projects for the development of production and exports of agricultural goods.

Among the export support measures, partial reimbursement for the costs of exporters' participation in international specialized exhibitions was actively applied. It is one of the most frequently practiced measures of financial support in the countries of the region: it was used in Azerbaijan, Belarus, Georgia and Kazakhstan. In late 2017, the possibility of using this practice was resumed in Ukraine as well.

Trade agreements

The negotiation process for the accession of Azerbaijan, Belarus and Uzbekistan to the World Trade Organization (WTO) continued in 2017–2019. During a meeting of the relevant Working Party in Azerbaijan in May 2017, issues of domestic support to agricultural producers and export subsidies were discussed. In Belarus, the 10th and 11th meetings of the Working Party on the Accession to the WTO took place in 2017 and 2018; bilateral negotiations on market access are also underway with countries such as Australia, Brazil, the EU, Canada, the United States, and Ukraine. Resumption of activities for accession to the WTO on the part of Uzbekistan became a significant development: the Government approved a roadmap to renew the process of accession and adaptation of national legislation; an inter-agency commission for work with the WTO was established; and the department for coordination of the country's cooperation with the WTO was created within the structure of the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan.

Bilateral trade relations with European countries, China and Israel were actively developing in the region during 2017–2018. The free trade agreement between the European Free Trade Association (EFTA) and Georgia, concluded in the middle 2016, took full effect on 1 May 2018. In addition, the free trade agreement between Georgia and China, signed in May 2017, came into force on 1 January 2018.

On 11 July 2017, the ratification procedure for the European Union-Ukraine Association Agreement (approval by the Council of the European Union) was completed. The Agreement came into full effect on 1 September 2017. Additionally, provisions on the Deep and Comprehensive Free Trade Area between the EU and Ukraine began to be

applied as of 1 January 2018 in the provisional application mode. Since the same date, the Russian Federation suspended its Free Trade Area (FTA) Agreement with Ukraine due to taking effect of the economic component of the EU-Ukraine Association Agreement.

The free trade agreement between Ukraine and Israel was signed on 21 January 2019. It will enable Ukraine to export a certain list of goods to Israel on a duty-free basis. The number of the goods will be gradually increased whereas the import duty rate will be reduced step by step over a seven-year transition period after which a zero-rate tariff will be set for 60 percent of agricultural products. The most significant benefit of the Agreement for Ukraine is the guaranteed quota for delivery of soft wheat varieties to Israel. In addition, the Canada-Ukraine free trade agreement came into effect in August 2017.

In May 2018, the EAEU countries entered into a provisional agreement that will lead to the creation of a free trade area (FTA) between the Islamic Republic of Iran and the EAEU member states for a three-year period (it will take effect upon ratification by all the parties). As part of the Agreement, the parties also managed to provide each other with bilateral tariff preferences for some goods. On the same day, the Agreement on Trade and Economic Cooperation between the EAEU and China was signed, which is not a preferential agreement. It is also worth noting that such an important event within the Union framework has taken effect of the EAEU Customs Code since 1 January 2018 (after ratification of it by all five participating countries). It replaced the Customs Union Customs Code and contains trade facilitation provisions, in particular concerning a shift to electronic declaration of goods or prevention of customs re-inspection.

Domestic support to agricultural producers

The volume of state support to agriculture in most countries of the region increased in 2017–2018 compared to 2016. The increase was particularly substantial in Ukraine: the amount of the funds allocated from the state budget in 2017 grew by almost 4.5 times year-on-year to 9.4 billion hryvnias (USD 335 million).⁹ The volume of budget support to agricultural enterprises was increased considerably in 2018 as well (to UAH 12 076.0 million, or USD 444.0 million), inter alia, due to cancellation of the VAT accumulation on special accounts and to the transition of agricultural enterprises to the general taxation system.

⁹ A detailed list of products is provided in the country chapter on Uzbekistan.

¹⁰ For conversion into US dollars, the average national currency rate to the US dollar was used for all the countries (provided by the country chapter authors).

At the same time, some countries of the region reduced the level of their support to agriculture in 2017 compared to 2016: in Armenia – to 25 261.0 million Armenian drams (USD 52.3 million), in Belarus – to 1 541.2 million Belarusian rubles (USD 797.8 million), in Georgia – to 155.1 million Georgian laris (USD 61.8 million). In 2018, however, the support volume reduction only continued in Belarus whereas Armenia recorded its considerable increase (Table 1.1).

In Azerbaijan, a number of new programmes for domestic support to various subsectors of agriculture were adopted in 2017–2018 (in particular, to support production of silk-worm cocoons and silk farming, rice growing, tea farming, and citriculture), including through direct subsidies for certain agricultural product types.

In Ukraine, the above-mentioned increase in budget financing is also mainly related to adoption of a new programme of financial support for agricultural producers that includes subsidies for development of livestock farming and partial compensation for the cost of domestically made agricultural machinery.

Moreover, considerable growth of the volume of state support to agriculture was recorded in Kyrgyzstan where public expenditure for subsidization of interest rates on the loans provided to agricultural producers increased substantially.

In the Russian Federation, the amount of funds allocated from the federal budget in 2017–2018 for the implementation of the State programme for development of agriculture and regulation of agricultural product, raw materials and food markets in 2013–2020 slightly increased. In addition, Russian agriculture receives substantial support from regional budgets. Some changes occurred in the domestic support policy for agriculture: in particular, the federal project titled Exports of agro-industrial complex's products was integrated into the structure of the above-mentioned state programme.

The structure of state support to agriculture in Belarus was dominated by amber box measures (about 83 percent). Meanwhile, financing was augmented for green box measures such as direct subsidies per hectare, transfers to regions facing less favourable conditions for agricultural production, development of domestic food aid programmes, and subsidies for consultancy and product promotion services.

The largest share in the structure of state support measures for agriculture in Kazakhstan belonged to the subsidization measures within the amber box framework (78.3 percent). In 2018, with an aim to reduce inefficient subsidies and enhance efficiency of agriculture support instruments, the country launched the process of

digitalization of agricultural services, decreased direct payments, the system for compensation of production costs, improved agricultural insurance systems, restored and enhanced a system of subsidization of interest rates on commercial loans, and adopted additional measures to enhance the system of state support to the agricultural sector.

Armenia embarked on the implementation of a number of programmes designed to improve efficiency in agriculture, mitigate consequences of anomalous climatic events, upgrade the irrigation system, shift from low-yielding to high-productivity orchard crop varieties, and expand the agricultural product processing volumes.

Tajikistan continued the implementation of its programmes in agriculture adopted earlier. In addition, the country commenced realization of a new programme for the development of livestock farming for 2018–2022.

To stimulate agricultural production, the President of Turkmenistan signed a number of documents in recent years, including a resolution that allows authorized banks to grant preferential loans to agricultural producers as well as a resolution on raising wheat purchase prices two times (it only applies to wheat purchased through government orders).

In Uzbekistan, measures were introduced as of 1 March 2018 for radical improvement of the system of financing for the production of raw cotton and spiked cereals. Moreover, a whole range of sectoral organizations were instituted or transformed as well as a number of free economic zones established.

Conclusion

Overall, the period of 2017–2018 proved favourable for the development of agricultural trade among countries in the region. It was promoted by general improvement of the macroeconomic situation in most of them, which is confirmed by accelerated rates of their national GDP growth (World Bank, 2019). The inflation rate, in general, stabilized, global oil prices went up, and relations between certain countries of the region improved. Political relationships among the Central Asian countries are growing stronger, which in turn contributes to the development of regional economic integration. The region registers increasing outputs of some agricultural goods most actively exported to external markets.

Driven by the above-mentioned factors, the agricultural trade turnover increased in almost all countries in the region. Substantial gains in value terms were demonstrated by both exports and imports of agricultural

goods. At the same time, the aggregate share of agricultural products in the total value of exports and imports of all commodity groups in the post-Soviet region decreased. This indicates a relative lag of foreign trade turnover growth rates in this category of goods.

Belarus, the Republic of Moldova, Turkmenistan, Uzbekistan and Ukraine remained net exporters of agricultural products whereas all other countries are net importers. The largest positive foreign trade balance in this category of goods remains in Ukraine. Regarding export destinations, the tendency of a more active expansion of export flows to countries outside the region compared to the pattern of deliveries to the traditional CIS country markets continued. Thus, some countries of the region are successfully implementing the policy of geographic diversification of their exports. Remarkably also, almost a half of the aggregate 2018 gain of agricultural exports

from the countries of the region compared to 2016 was provided by the increase in exports of the key exported commodity chapter – cereals. The EU and the Russian Federation remained the main suppliers of agricultural goods to the region, with a growing share by European trade partners during the years under study.

The development of agricultural trade was also substantially influenced by the trade policy pursued by the regional countries as well as by the policy of domestic support to agriculture. During the review period both policies experienced appreciable transformation, which was reflected in the dynamics and structure of agricultural product exports and imports by the post-Soviet region countries.

¹¹ No data are available for Turkmenistan and Uzbekistan.

TABLE 1.1
The volumes of budget financing for the agricultural sector in the countries of the region, 2016–2018, million monetary units¹¹

Country	Currency	2016	2017	2018
Azerbaijan*	national currency	741.0	769.0	920.0
	USD	418.4	448.5	541.2
Armenia*	national currency	29 658.0	25 261.0	40 309.0
	USD	61.7	52.3	83.5
Belarus*	national currency	2 002.1	1 541.2	1 483.7
	USD	1 006.8	797.8	728.5
Georgia*	national currency	161.5	155.1	na
	USD	68.2	61.8	na
Kazakhstan*	national currency	279	392	na
	USD	233.8	735.5	na
Kyrgyzstan*	national currency	3 675.0	4 958.0	5 691.0
	USD	52.6	72.0	82.7
Republic of Moldova***	national currency	700.0	900.0	900.0
	USD	35.1	48.7	53.6
Russian Federation**	national currency	312	335	349 589.0
	USD	777.0	545.0	
Tajikistan***	national currency	430.2	583.4	676.1
	USD	48.8	68.2	73.9
Ukraine***	national currency	2 112.0	9 442.0	12 076.0
	USD	82.7	335.0	444.0

Notes: * actual financing;
** actual financing from federal and regional budgets;
*** planned financing. Source: Data by country-chapter authors; the author's calculations.



Part 2

Climate change and
agrifood trade

Climate change and agrifood trade

Andrea Zimmermann

Executive summary

Extreme weather events such as droughts, heavy snowfalls, floods and heat waves have increased throughout Eastern Europe and Central Asia in the last decades (USAID, 2018). Such weather events can lead to disruptions of agricultural supply through their effects on agricultural production and transport infrastructure. Trade could play a crucial role in adapting to supply disruptions caused by extreme events in one part of the world by increasing the imports from other parts of the world.

Apart from the increasing occurrence of extreme weather events, climate change is also associated with slow-onset

changes affecting agricultural productivity worldwide. High-latitude countries can expect productivity gains from climate change and could export a part of their surpluses to adversely affected countries. Low-latitude countries would be most severely affected in terms of production losses and may need to buffer these losses through increased food imports.

While studies investigating the effects of climate change on agricultural productivity are plenty and there is an emerging literature on the relation between climate change and agrifood trade (Hertel, 2018; Zimmermann et al., 2018), the effects on Eastern Europe and Central Asia are less researched. The analysis presented in this chapter is based on research on agricultural trade, climate change

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and food security that was carried out for FAO's *The State of Agricultural Commodity Markets 2018*.

Results of a global model-based simulation of the effects of climate change on trade and markets show that Eastern Europe and Central Asia could increase their exports of agrifood products. The increasing net exports would mainly go to low-latitude countries whose agriculture sector would be hit relatively harder by climate change. However, caused by the globally shrinking food supply, food prices would increase in Eastern Europe as in the rest of the world.

In 2015, countries worldwide negotiated the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC). The

Agreement aims to keep the rise in global average temperature to well below 2°C above pre-industrial levels by reducing the emission of climate change causing Greenhouse Gases (GHG). As its core mechanism, the Paris Agreement requests each member country to outline and communicate their post-2020 climate actions in official documents – the Nationally Determined Contributions (NDCs).

Like most NDCs that have been submitted by the countries that ratified the Agreement, the NDCs of the countries in Eastern Europe and Central Asia are not yet clearly specified. A thorough assessment of potential interlinkages between the climate policies outlined in the NDCs and trade policies is therefore difficult. While some of them could be interrelated with trade policies under

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WTO legislation, in principle there is no fundamental conflict between climate change policies and multilateral trading rules.

Clearly, more research on the economic impacts of climate change in the region and potential policy responses will be needed to support policymakers in the preparation of suitable and location-specific climate change mitigation and adaptation strategies.

Impact of climate change on agricultural trade and markets

Assumptions and scenarios in the model-based analysis

This study is based on model-based simulations to project potential global and regional agricultural and economic developments to the year 2050.

The simulations have been prepared for FAO's The State of Agricultural Commodity Markets 2018 on agricultural trade, climate change and food security (FAO, 2018b). The present study focusses on the simulation results for Eastern Europe and Central Asia. The three sub-regions considered here are Central Asia including Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan; Eastern Europe including Belarus, the Republic of Moldova and Ukraine; and the Russian Federation and countries of the South Caucasus¹ comprising the Russian Federation and Armenia, Azerbaijan and Georgia.

A reference and a climate change scenario were simulated by the global Computable General Equilibrium (CGE) model MAGNET (Modular Applied GeNeral Equilibrium Tool) – a model of the global economy including agriculture. The reference scenario reflects a continuation of current trends. It assumes that world population and GDP will grow by 39 and 135 percent between 2011 and 2050, respectively. Due to technological progress, crop yields are assumed to increase in all regions. Technological progress is expected to lead to yield increases by 46.33 and 38 percent in Eastern Europe, Central Asia and the Russian Federation and countries of the South Caucasus, respectively. Driven by the increase in demand due to population and GDP growth and the crop yield improvements through technological progress, global agricultural production and trade are projected to expand over 2011–2050. The reference scenario does not consider climate change.

In the climate change scenario, global GHG emissions are expected to be at an intermediate level and the corresponding increase of global mean surface temperature by the end of this century relative to its beginning is expected to be in the range of 1.4 °C to 3.1 °C, with a mean of 2.2 °C. The impacts of climate change on crop yields are derived by feeding information from global circulation models into crop growth models, which provide the yield projections under climate change. Between 2011 and 2050, the global average yield across all crops is assumed to decline by 1.1 percent due to climate change only. Crop yields are projected to rise due

to climate change in Central Asia (1.4 percent) and the Russian Federation and countries of the South Caucasus (3.5 percent). However, they are projected to decline in Eastern Europe (1.5 percent).

When interpreting the results, one should bear in mind that, while economic models are useful tools to understand how various drivers interact in complex systems, they are based on assumptions and often focus on specific aspects while leaving out others. For example, long-term climate change impact assessments are often based on the slow-onset effects on crop yields only, while extreme events, impacts on livestock productivity and other effects of climate change, such as sea-level rise, are not considered. Moreover, the uncertainties in assumptions and results can accumulate over the model chain, from climate to crop, to economic models and over the long-term projection horizon.

Sources: Cui et al. (2018) and FAO (2018b).

Production and trade

In many regions in the global study, the adverse impacts of climate change on crop yields and agricultural production could partly be offset or even reversed by farm-level responses such as intensifying management (e.g. increasing use of fertilizers and pesticides) and expanding the arable area. Nonetheless, compared with the non-climate change reference scenario, climate change is expected to result in reductions in agricultural production in large parts of Africa, the Middle East and South and Southeast Asia (Figure 2.1). Overall, agricultural production is expected to remain more or less stable in Central Asia (-0.04 percent).² Slight increases are predicted for Eastern Europe (0.4 percent) and the Russian Federation and countries of the South Caucasus (0.9 percent).

The uneven effects on different world regions lead to changes in regional comparative advantages and trade patterns. Regions that are expected to be hit relatively harder by climate change will import more, whereas regions that are less affected or whose agriculture sector could even benefit from climate change are expected to export more.

Due to the much higher losses in agricultural production in many other parts of the world, the three Eastern European and Central Asian regions considered here are

¹ Here the geographic country and region classification of MAGNET has been used and not that of FAO. In addition, agricultural trade and production include all edible crops, livestock, processed food, and fish. Please see Wageningen Economic Research. 2018. *Climate Change and Global Market Integration: Implications for global economic activities, agricultural commodities and food security*. SOCO 2018 Background Paper, Rome, FAO.

² Although crop yields are expected to increase in Central Asia under climate change, agricultural production is projected to decrease compared to the reference scenario. This might be due to globally changing comparative advantages under climate change and associated adaptations of global agrifood markets.

expected to gain in comparative advantage. Agrifood net exports³ are expected to increase in Central Asia and Eastern Europe by USD 116 and 249 million, respectively. The Russian Federation and countries of the South Caucasus could increase agrifood net exports by USD 2 466 million in the climate change scenario compared to the reference run without climate change (Table 2.1).⁴ However, all regions would maintain their net trade status. Central Asia and the Russian Federation and countries of the Caucasus would remain net food importers, while Eastern Europe could manifest its net exporter status.

Central Asia could increase its agrifood net exports to almost all world regions and in particular to China and East Asia by USD 38 million, South and Southeast Asia by USD 42 million and Near East and North Africa (NENA) by USD 58 million. Eastern Europe would see increasing net

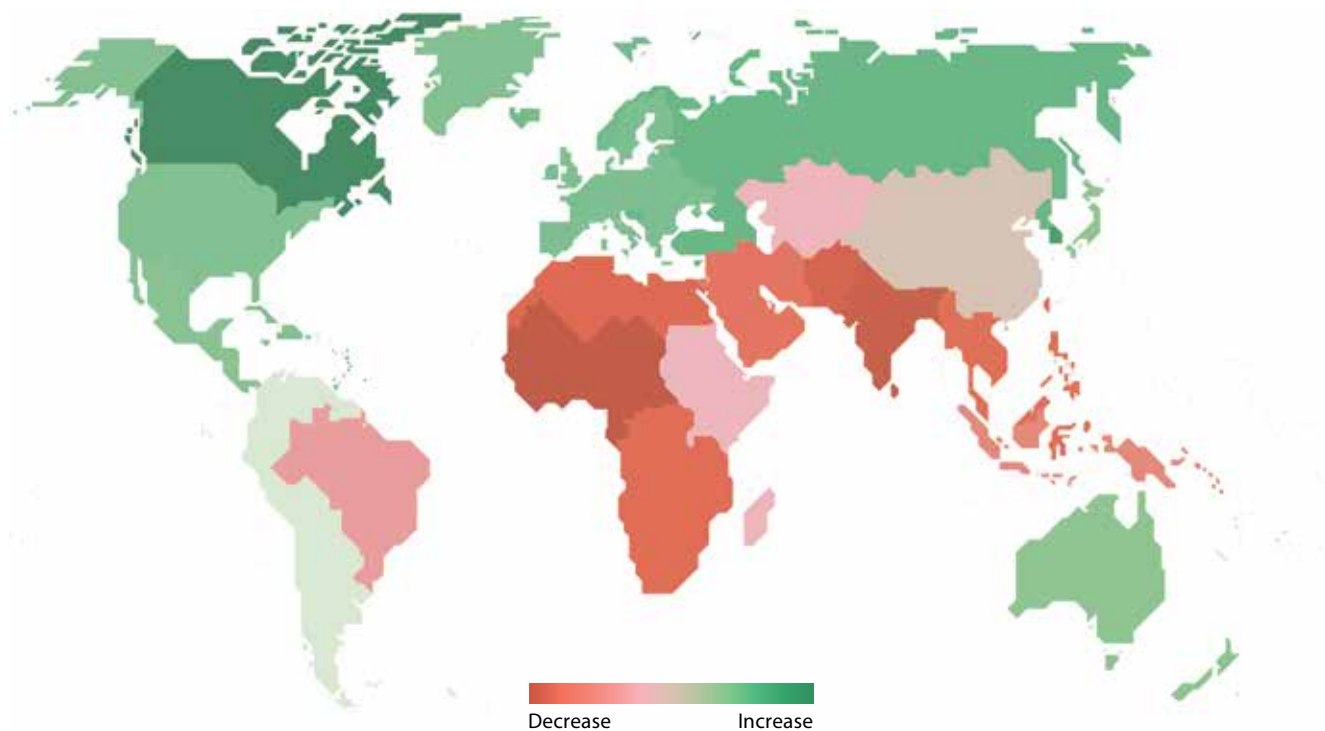
exports mainly to sub-Saharan Africa by USD 81 million and South and Southeast Asia by USD 307 million. The Russian Federation and South Caucasus could expect increasing net exports to all world regions. Export could increase to Latin America and the Caribbean, NENA, sub-Saharan Africa and South and Southeast Asia by USD 119, 1316, 538 and 290 million, respectively. Central Asia and Eastern Europe could see decreasing net exports to within the Eastern Europe and Central Asia region (by 29 and 28 USD million, respectively). The Russian Federation and countries of the South Caucasus would likely increase net exports to the other countries of Eastern Europe and Central Asia (by USD 57 million).

³ Net exports are defined as exports minus imports. Net exports increase when exports increase and/or imports decrease. They decrease when exports decrease and/or imports increase.

⁴ In the model Central Asia includes Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan; Eastern Europe includes Belarus, the Republic of Moldova and Ukraine; and the Russian Federation and countries of the South Caucasus comprises the Russian Federation and Armenia, Azerbaijan and Georgia.

FIGURE 2.1

Changes in agricultural production in 2050: climate change relative to the reference scenario



Source: FAO (2018b) based on data provided by Wageningen Economic Research (Cui et al., 2018).

Impact of climate change on consumers

Changes in GDP would be marginal in the three regions and range from a minimal decline of 0.14 percent in Central Asia over almost no change in Eastern Europe to a 0.01 percent increase in the Russian Federation and countries of the South Caucasus.

However, due to the globally shrinking production and accompanying increases in world market prices, food consumer prices could increase between 0.2 percent in the Russian Federation and countries of the South Caucasus, 0.3 percent in Central Asia and 0.6 percent in Eastern Europe. Consequently, consumers' food purchasing power would decline by 0.6 percent in Central Asia and Eastern Europe and by 0.1 percent in the Russian Federation and countries of the South Caucasus (Figure 2.2).

Climate and trade policy

Agricultural trade could play an important role in re-balancing supply and demand between regions that are unevenly affected by climate change and ensuring food security. A well-functioning trading system will be crucial for trade to play this balancing role in adapting to climate change globally.

Agriculture will not only be severely affected by climate change, it is also one of the main contributors to it. Around 24 percent of all GHG emissions come from agriculture, forests and other land uses. Agriculture will therefore play a crucial role in both adapting to climate change and mitigating it. In many countries of the world agriculture will thus become subject to climate policies aiming at reducing GHG emissions from the sector and supporting its adaptation to climate change.

The first global accord to combat climate change and adapt to its effects is the Paris Agreement. The Agreement entered into force in November 2016 and has, as of

October 2019, been ratified by 186 of 197 Parties to the United Nations Framework Convention on Climate Change (UNFCCC). Its central aim is to reduce GHG emissions such that global warming in the 21st century will reach no more than 2°C above pre-industrial levels, and ideally no more than 1.5°C. In addition, the Agreement aims to strengthen the climate change adaptation and mitigation ability of developing countries through financial support, transfer of technology and related capacity building activities.

The Paris Agreement (Article 4, paragraph 2) requires each country that ratified it to prepare and communicate successive Nationally Determined Contributions (NDCs). These documents define each country's objectives to reduce national GHG emissions and outline its plans towards implementing domestic mitigation and adaptation measures.

A review of the NDCs of the countries in Eastern Europe and Central Asia is provided below, followed by an assessment of potential interlinkages between climate and trade policies.⁵

Patterns of Nationally Determined Contributions (NDC)

The NDCs first specify the countries' general commitment to mitigating climate change, which is usually a GHG emission reduction with respect to a base year or a business-as-usual scenario. In addition to the general commitment, countries typically present more specific mitigation and adaptation measures that they intend to implement.

Table 2.2 gives an overview of the NDCs submitted by the countries in the region. The table focuses on whether the respective NDC mentions that the country would like to revert to a market mechanism⁶ to reduce GHG emissions, whether mitigation and adaptation measures are planned to be applied to the agriculture sector, and whether the NDC includes a request for international support to help achieve the mitigation and adaptation targets.

TABLE 2.1

Increases in net exports of agricultural products in 2050: Climate change relative to the reference scenario (in million USD, 2011 constant prices)

	North America and Oceania	Latin America and the Caribbean	Near East and North Africa	Sub-Saharan Africa	Europe	South and Southeast Asia	China and East Asia	Eastern Europe and Central Asia	World
Central Asia	1	8	58	7	-9	42	38	-29	115
Eastern Europe	-9	6	-17	81	-93	307	2	-28	249
Russian Federation and countries of the South Caucasus	10	119	1 316	538	99	290	37	57	2 466

Source: Based on data provided by Wageningen Economic Research (Cui et al., 2018).

Armenia’s NDC includes land use and forestry in the sectors subject to mitigation. Among other sectors, adaptation activities refer to agriculture including fishery and forestry. Armenia explicitly mentions carbon taxes as a measure to curb GHG emissions and to generate domestic funds for climate change mitigation and adaptation activities. In addition, international financial mechanisms such as the Green Climate Fund and bilateral funds are envisaged to support Armenia’s mitigation and adaptation efforts.

Azerbaijan’s NDC refers mainly to mitigation measures. In the agriculture sector mitigation measures will apply to manure management and to the use of alternative sources of energy. It is also mentioned that Azerbaijan would reduce its vulnerability towards climate change impacts.

Belarus specifically mentions a Strategy for the Adaptation of Agriculture to Climate Change in its NDC. Belarus also mentions that it will continue to support developing countries in awareness-raising, education, capacity building and research and development related to climate change.

Georgia will apply mitigation measures to the agriculture sector as well. Georgia’s general commitment is split into an unconditional part and a conditional part subject to international technical cooperation. Adaptation measures in the agriculture sector will include, but are not limited to research and development, introduction of innovative irrigation management, implementation of anti-erosion measures, and capacity building of farmers.

The NDC of Kazakhstan mentions that agriculture will be one of the sectors covered by mitigation plans and supports the inclusion of market-based mechanisms to curb GHG emissions.

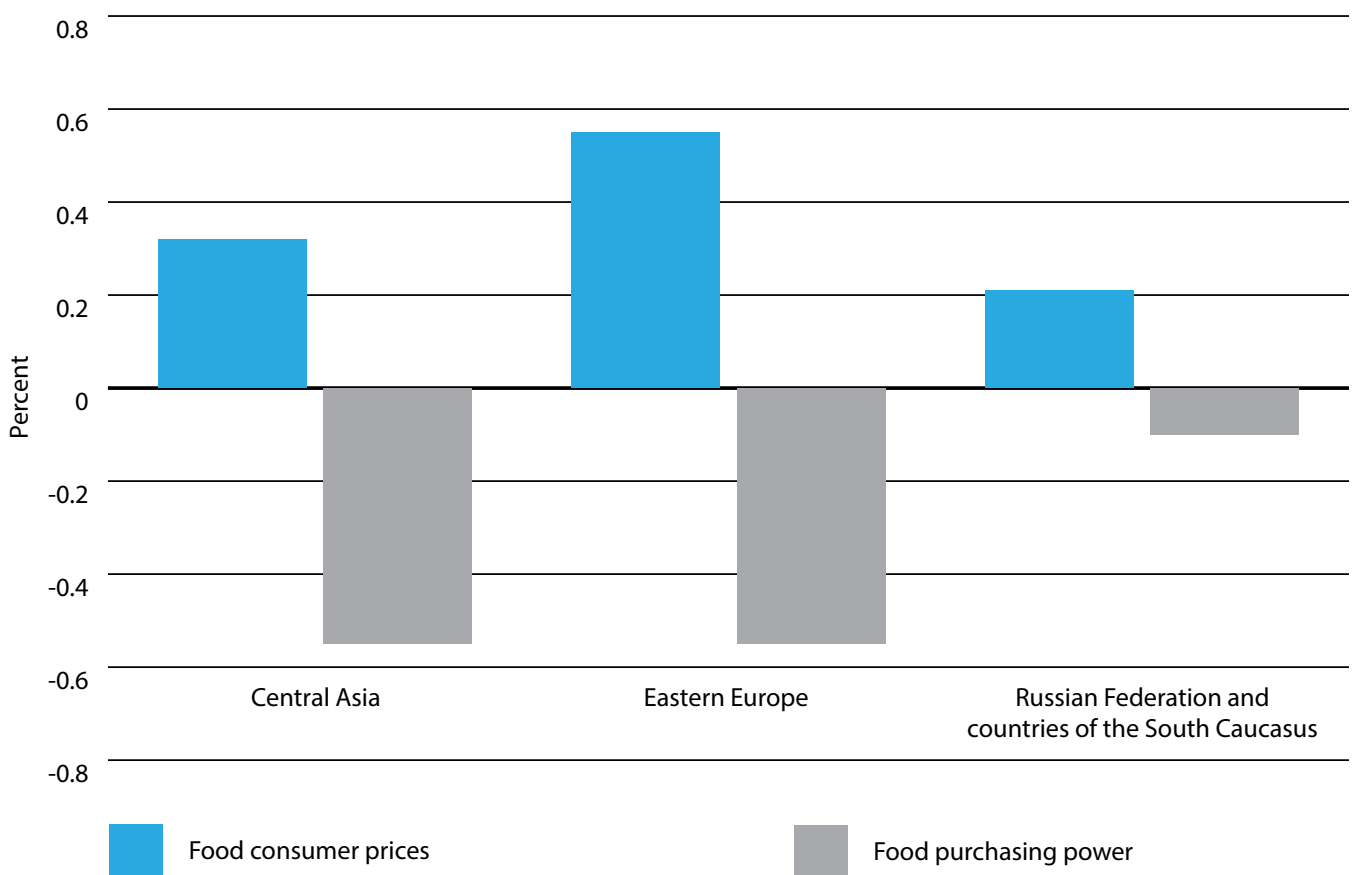
The Republic of Moldova mentions that it may use bilateral, regional and international market mechanisms to achieve its 2030 emission reduction target. The Republic

⁵ At the time of writing this article, the Russian Federation announced its ratification of the Paris Agreement. Kyrgyzstan is discussing ratifying the Agreement. Both countries have not yet submitted their NDCs to the NDC registry.

⁶ Market-based mechanisms to reduce GHG emission typically refer to taxes on GHG emissions or emission trading schemes.

FIGURE 2.2

Changes in food prices and food purchasing power in 2050: Climate change scenario relative to the reference scenario



Source: Based on data provided by Wageningen Economic Research (Cui et al., 2018).

of Moldova also explicitly refers to risk management and adaptation measures in the agriculture sector. Adaptation measures apply to management, production processes and crop allocation, research and development and capacity building. The NDC of the Republic of Moldova also refers to increased investments in efficiency of irrigation infrastructure, aqua-technologies and the improvement of water resource management.

Tajikistan splits its NDC into an unconditional emission reduction target and a target subject to substantial international funding and technology transfer. The unconditional target foresees not to exceed 80–90 percent of the GHG emission level of 1990 by 2030. The conditional target speaks of not exceeding 65–75 percent of the 1990 level. Mitigation plans will apply to agriculture. Agriculture is also extensively referred to under the plans for adaptation.

Turkmenistan mentions agriculture as one of the sectors to which mitigation plans will apply as well. While mitigation plans will primarily be implemented by means of the state's budget, further GHG emission reductions could be achieved through additional international financial resources and technological support. Turkmenistan's NDC extensively refers to expected aggravation of water shortages under climate change, their impact on agriculture and respective adaptation measures.

Ukraine explicitly mentions agriculture as a sector affected by mitigation measures. Ukraine will also participate in international market mechanisms for emission trading.

Uzbekistan's NDC envisages support from international organizations and financial institutions to help achieve its targets. Adaptation of agriculture and water management sectors feature highly on Uzbekistan's climate change agenda. Specifically crop management measures, improvements in irrigation management and research and development are mentioned.

Reconciling climate and international trade policies

Although the NDCs remain rather vague about the exact measures that will be implemented, some climate policies could have effects on trade and markets and may thus become subject to international trade rules under WTO legislation and possibly other trade agreements.⁷ Table 2.3 provides a categorization of potential climate policies and related WTO disciplines.

All reviewed NDCs specifically refer to agriculture. Armenia, Kazakhstan, the Republic of Moldova and Ukraine state their intention to revert to market based mechanisms in order to curb GHG emissions. Armenia's NDC explicitly mentions the possibility of implementing carbon taxes. Carbon taxes and emission trading schemes

aim to internalize environmental costs of GHG emissions. They could possibly be accompanied by border measures (e.g. Border Tax Adjustments based on carbon footprints) to even out disparities between domestic levels of carbon pricing and the risk of increasing imports from countries without carbon policies (carbon leakage). Such border measures, however, are extremely challenging to design and implement technically and open up the possibility of protectionism, which could be challenged under the non-discrimination principle of the WTO.

Armenia, Azerbaijan, Georgia, Republic of Moldova, Tajikistan, Turkmenistan and Uzbekistan all mention the use of adaptation measures in their NDCs. The measures are not clearly specified yet, and therefore an assessment of their compatibility with provisions of the WTO is not possible. In general, however, many domestic climate change policies could qualify as no or minimally trade-distorting measures and would be covered by the Green Box (Annex 2 of the Agreement on Agriculture). These measures include Research and Development (R&D), training and extension, payments for relief from natural disasters, and payments under environmental programmes and infrastructure investments. Some countries could revert to subsidies to promote the development and use of goods and technologies to curb GHG emissions and adapt to challenges posed by the changing climate. Market price support and input subsidies, in particular, could have trade-distorting effects and would be subject to limits under the Amber Box provisions on domestic support (Article 6 of the Agreement on Agriculture).

While carbon labelling regulations and food safety standards are not referred to in the analysed NDCs, they would need to comply with provisions under the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and the Agreement on Technical Barriers to Trade (TBT Agreement).

Armenia, Georgia, Tajikistan, Turkmenistan and Uzbekistan request assistance for climate change mitigation and adaptation. This is explicitly provided for by the Paris Agreement, in particular through its provisions on financial and technical assistance to help developing countries meet their mitigation and adaptation objectives, and is recognized through the special and differential treatment (SDT) for developing countries in the WTO agreements. The detailed relations between potential climate and trade policies are laid out in FAO (2018b).

Like most NDCs that have been submitted by the countries that ratified the Agreement, the NDCs of the countries in Eastern Europe and Central Asia are not yet

⁷ Azerbaijan, Belarus, Turkmenistan and Uzbekistan are currently not members of the WTO.

clearly specified. A thorough assessment of potential interlinkages between the climate policies outlined in the NDCs and trade policies is therefore difficult. While some of them could be interrelated with trade policies under WTO legislation, in principle there is no fundamental conflict between climate change policies and multilateral trading rules.

More research on the economic impacts of climate change in the region and potential policy responses will be needed to support policymakers in the preparation of suitable and location-specific climate change mitigation and adaptation strategies.

TABLE 2.2

Overview of key elements in the NDCs of countries in Eastern Europe and Central Asia

Country	Market mechanism	Mitigation in Agriculture	Adaptation in agriculture	Request for international support
Armenia	Carbon tax	Yes	Yes	Yes
Azerbaijan		Yes	Yes	
Belarus			Yes	
Georgia		Yes	Yes	Yes
Kazakhstan	Yes	Yes		
Republic of Moldova	Yes		Yes	
Tajikistan		Yes	Yes	Yes
Turkmenistan		Yes	Yes	Yes
Ukraine	Emission trading	Yes		
Uzbekistan			Yes	Yes

TABLE 2.3

Overview of climate policies and related WTO disciplines

Policy category	Potential climate policy	Related WTO positions and disciplines
1) Taxes and emission trading schemes	<ul style="list-style-type: none"> Aim: Internalize environmental costs of GHG emissions Examples: Carbon taxes, emission trading schemes Disparities in domestic levels of carbon pricing and risk of 'carbon leakage' (increased imports from countries without carbon policy through cross-border relocation of production) Border measures to counterbalance these disparities may be implemented (e.g. Border Tax Adjustments) 	<ul style="list-style-type: none"> Treatment of identical food products that differ solely on their carbon footprint untested Main WTO disciplines: Article XX of GATT; Agreement on Agriculture (AoA) - Market access
(2) Domestic support	<ul style="list-style-type: none"> Aim: Promote the development and use of climate-friendly goods and technologies; climate change adaptation Examples: Expenditures on research and development, payments for environmental services, insurance schemes 	<ul style="list-style-type: none"> Main WTO disciplines: Agreement on Subsidies and Countervailing Measures (SCM); AoA - Domestic support
(3) Regulations and standards	<ul style="list-style-type: none"> Aims: Promote the use of climate-friendly goods and technologies, promote food safety (climate change may lead to higher pest and disease pressure on crops with potential effects on food safety) Examples: Carbon labelling initiatives (e.g. based on carbon footprint), regulations concerning food safety Problematic if these discriminate against imports 	<ul style="list-style-type: none"> WTO encourages the use of international standards to reduce the likelihood of dispute settlements Main WTO disciplines: Technical Barriers to Trade (TBT) Agreement; Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)
(4) Support to developing countries	<ul style="list-style-type: none"> Assistance for climate change mitigation/adaptation to developing countries is explicitly provided for in the Paris Agreement Examples: Support for development of drought resistant crops, more efficient irrigation systems 	<ul style="list-style-type: none"> Main WTO disciplines: Special and Differential Treatment (SDT) for developing countries; in particular, SDT in the AoA provides for special treatment of domestic support (as part of development programmes) for investment subsidies and agricultural input subsidies (Article 6.2)

Source: FAO (2018), Zimmermann et al., (2018), Blandford, (2013) and WTO-UNEP, (2009).

Part 3

China/Russia 2030 –
Implications
for agriculture
in Central Asia

China/Russia 2030 – Implications for agriculture in Central Asia

Kateryna Schroeder and Sergiy Zorya

*The chapter is based on the findings of the World Bank study *China/Russia 2030 – Implications for Agriculture in Central Asia*.¹*

Introduction

Central Asia has for centuries occupied a position of strategic importance in trade between East and West. The region's advantageous geographical location, large natural resources endowments, untapped yield potential and the possibility of greater private sector investment through policy reform, suggest that Central Asia is well placed to be more competitive in satisfying food import demand in its traditional Russian and post-Soviet markets and the growing Chinese ones. However, to do so Central Asian countries need to recognize the underlying trends that are transforming food demand in China and Russian Federation, and appropriately respond to them. Analysis of the drivers and trajectory of regional agrifood trade

between Central Asia and China/Russian Federation could provide timely input to decisions that will influence the policies and prosperity of all these countries for decades to come. The objective of the ongoing World Bank study is to improve Central Asian governments' understanding of opportunities for their agrifood sectors in Chinese and Russian markets and to provide practical policy recommendations on how to take advantage of these opportunities. In turn, the study has been carried out in three phases:

- **Phase 1** identified a long list of agrifood products for which China and Russian Federation will likely exhibit strong import growth until 2030 and 2050 and provide market opportunities for imports from Central Asian countries.

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- **Phase 2** carried out a preliminary identification of particular product value chains in which Central Asian countries have a strong potential to become competitive or increase their competitiveness in the Chinese markets. It also preliminarily identified determinants of competitiveness for the selected agrifood value chains in the Central Asian countries and tentatively suggested policy reforms and investments that could enhance them.
- **Phase 3** of the study aims to deepen knowledge of the Central Asian governments about the Chinese horticulture import markets, their entry requirements, successful entry strategies employed by the well-established exporters to China, and

the differences in requirements for penetrating the Chinese market compared to the Russian market – the traditional market for most Central Asian agriculture products. It also explores the opportunities for Central Asian exporters to earn more value for their produce in the Russian markets.

The current chapter presents the findings of Phases 1 and 2 of the study.

¹ For the purposes of this analysis, the Central Asian region includes Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

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Emerging Opportunities for Central Asian Countries

In China, population growth, rising incomes, urbanization, and changes in consumer preferences have resulted in an ever-growing demand for food that will persist into the future. According to the IFPRI IMPACT model² projections (2015), by 2030, Chinese per capita GDP will increase to USD 25 530, up from USD 12 750 in 2017, while its population will increase to 1.4 billion people. The projected urbanization rate will reach 67 percent by 2030, compared to 56 percent in 2015 (Goh et al., 2014). In the Russian Federation, according to the same projections, per capita GDP will approach USD 29 000 in 2030, a more than 50 percent increase from 2017 income levels.

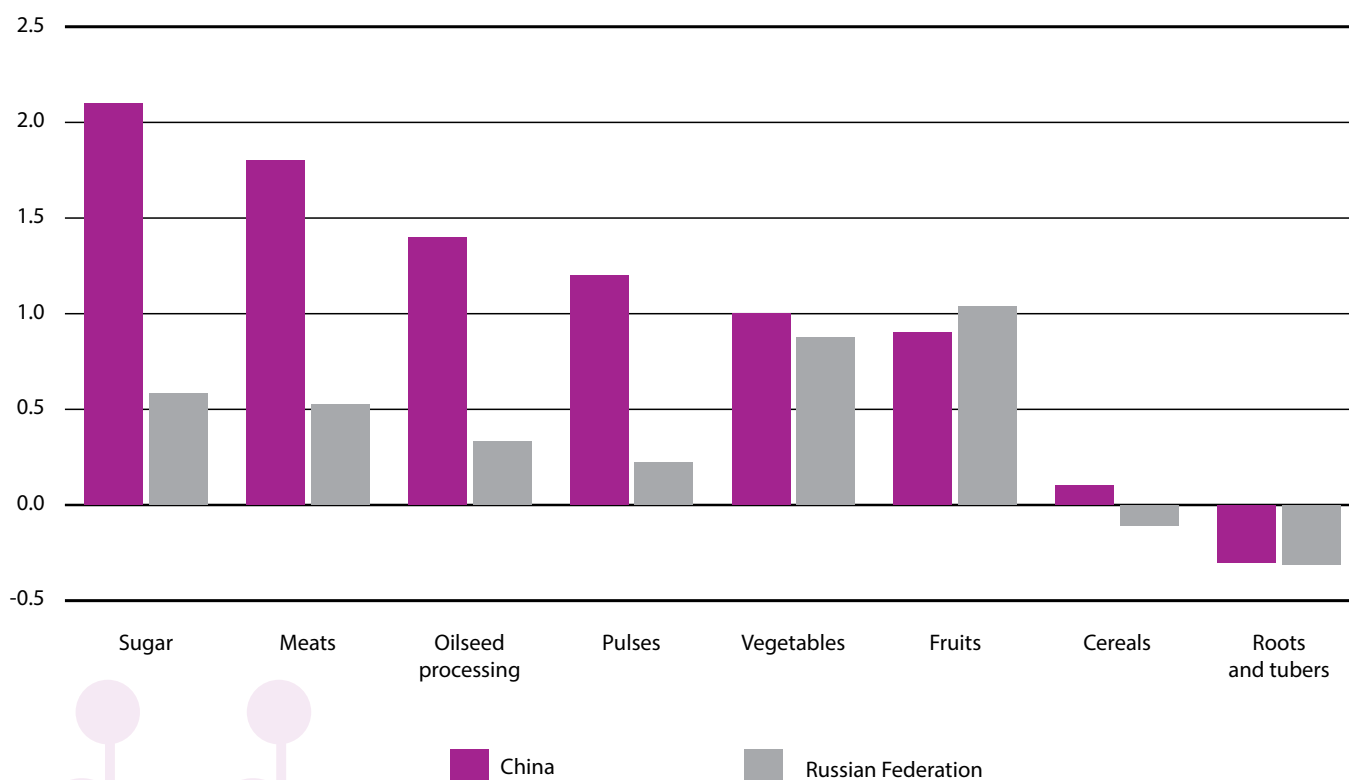
As a result, the expanding and increasingly more affluent and educated middle-class consumers in both countries have been shifting their dietary preference to more

protein, and more diverse, higher quality foods such as fruits and vegetables. According to the IFPRI projections, this demand growth for higher value food products is expected to continue into the future (Figure 3.1). These estimates are also supported by the OECD-FAO Agricultural Outlook that, for example, projects that China’s annual per capita fruit consumption is estimated to grow from 96.7 kilograms in 2017 to 106.8 kilograms by 2022. The magnitude of the consumption growth projections may be revised downwards as both countries experience slower than expected economic growth, but overall positive dynamics and composition of consumption basket, as well as focus on healthy and quality food, will certainly remain.

In both countries, changes in the dietary preferences also coincide with changing food and grocery shopping habits – consumers increasingly favour formal retail channels over traditional markets, and particularly in China turn more often to online platforms for purchasing groceries.

FIGURE 3.1

Projected average annual growth in Chinese and Russian food demand, 2017–2030, percent³



Note: IFPRI baseline SSP2 pathway, no climate change assumption. Source: IFPRI IMPACT projections, 2015.

Sales of online fresh fruits have been one of the main drivers of the exponential growth of Chinese e-commerce in recent years; in 2018, 285 million fresh fruit items accounting for 11 billion yuan (USD 1.6 billion) were sold online, a threefold increase from 2014. In Moscow, the city where most of the Central Asian fruit is consumed, according to the survey conducted by the FDF Group in 2015, 92 percent of respondents stated that supermarkets were their main channel for fresh produce purchases. Traditional markets accounted for only 33 percent. Experts also confirm that large retail chains have become primary importers of fresh fruits in the country, further confirming importance of the formal retail chains in fruit supply. Such a shift towards fresh produce purchases in supermarkets and online require stricter quality and safety certifications that need to be met by suppliers, who want to remain relevant in either market.

In order to satisfy increasing consumer demand, China's agrifood imports have soared. Appreciation of the renminbi has made food imports more competitive and China's accession to WTO in 2001 has reduced opportunities for protective trade policy. The Chinese National Bureau of Statistics reports that from 2006 to 2015, the compound annual growth rate for China's agrifood trade value (import-export food and live food animals) grew 11.8 percent from USD 35.7 billion in 2006 to USD 108.7 billion in 2015. In 2016, China's agricultural trade value totalled USD 184.6 billion with a trade deficit of USD 3.8 billion. China has seen consistent robust growth in imports of major oilseeds and coarse grains including corn, sorghum and DDGs. Wheat and rice imports are also on the rise in recent years. Moreover, China's livestock imports are increasing significantly.

According to the IFPRI IMPACT projections (2015), Chinese agrifood imports will keep increasing in the future to accommodate growing food demand (Figure 3.2). The fastest growing categories of food until 2030 are projected to be milk, sugar, oilseeds and meats. Post-2030, ageing and declining population as well as slowing income growth will largely contribute to declining food demand and imports for all major agrifood categories, except for milk, sugar and pulses.

In terms of horticulture products, China is a top ten world importer of fruits with imports accounting for USD 5.8 billion in 2016. And while at the aggregate level, China is a net exporter of horticulture products, for some fruits it maintains a strong net importer position. As an example, in 2015–2017, an average value of net imports of cherries in China accounted for almost one billion USD, net imports of grapes accounted for USD 500 million. Net imports of fresh apricots increased from USD 1.5 million to USD 4.2 million between 2015 and 2017. Many of these fruits, fresh and dried, can be sourced from Central Asia. If IFPRI IMPACT food import demand growth rates are applied to the value of the recent net imports of fruits

for which Central Asian countries are historically net exporters, it demonstrates significant room for additional fruit exports to China (Table 3.1).

In summary, based on the IFPRI IMPACT projections, the following agricultural commodities⁴ identified as the ones for which China will likely exhibit strong import growth until 2050 include: wheat, milk, beef, pork, lamb, sugar, soybean (seed, meal, oil), sunflower (seed, oil), rapeseed (seed), and a number of horticulture products, including dry peas, grapes, apricots (fresh and dry), plums (fresh and dry), cherries, walnuts (with shell) and watermelons.

Similar to the Chinese projections, projected growing incomes and changing diets in the Russian Federation, will be resulting in strong higher value-added food import growth (Table 3.2). This will particularly be seen in growing imports for fruits, milk and meats (beef, pork and poultry). As an example, according to the Russian Federal State Statistics Service (Rosstat), during the first six months of 2018, consumption of fruits increased by 8.6 percent. For many of the fruits, such as grapes, cherries and plums, the Russian Federation is import-dependent.

Overall, the list of agriculture commodities for which the Russian Federation will likely exhibit strong import growth until 2050 include: poultry, milk, beef, eggs, pork, sugar, potatoes, groundnut, soybean (meal) and the following horticulture⁵ products: grapes, apricots (fresh and dry), plums (dry), cherries, strawberries and melons.

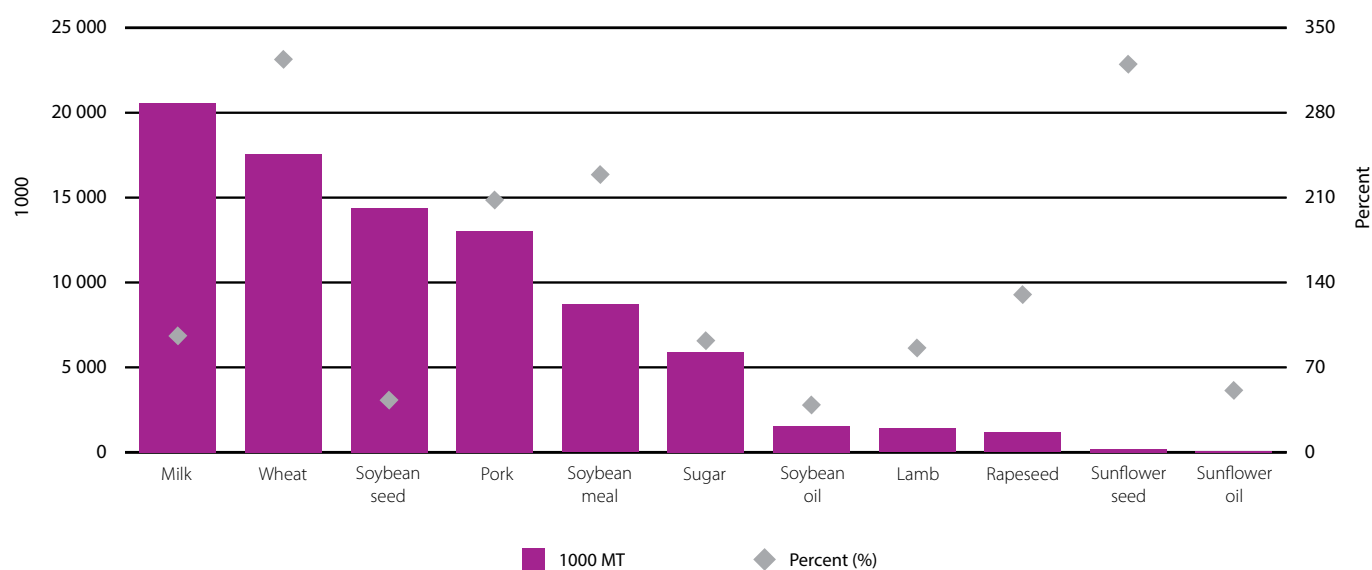
² IMPACT is an integrated modeling system that links information from climate models, crop simulation models, and water models (hydrology, water basin management, and water stress models), linked to a core global, partial equilibrium, multimarket model focused on the agriculture sector. This model system supports longer-term scenario analysis through the integration of these multidisciplinary modules to assess and compare the potential effects of changes in biophysical systems, socioeconomic trends, technologies, and policies.

³ SSP2 pathway, no climate change assumption; Model version IMPACT 3.2.1.

⁴ IFPRI IMPACT model offers projections for fruits and vegetables' aggregates only, it does not allow for differentiation across the specific horticulture products' import growth. The choice of the fruits that have been selected as the ones that will likely exhibit strong import growth until 2050 based on the latest historic trade data that was used to examine recent horticulture trade for China and Central Asia. Based on this analysis, horticulture products for which China is a strong net importer were compared to the horticulture products for which Central Asian countries are net exporters.

⁵ Membership of Kyrgyzstan in the Eurasian Economic Union makes it impossible to estimate horticulture export volumes from Kyrgyzstan to Russian Federation, as many of the trade flows occur through Kazakhstan.

FIGURE 3.2
Absolute and relative change in Chinese net imports, 2016–2050



Source: IFPRI IMPACT projections, 2015; SSP2 pathway, no climate change assumption; Model version IMPACT 3.2.1.

Current Agrifood Trade with China and Russian Federation

IFPRI projections show that there is a significant overlap in the agricultural commodities for which both China and the Russian Federation are net-importers, creating significant market opportunities for the Central Asian countries for the products for which they exhibit competitiveness. However, in order to take advantage of the changing composition of the agrifood markets in both China and the Russian Federation, Central Asian countries need to increase and diversify their exports towards higher value-added commodities that meet stringent quality and food safety standards. Currently, all Central Asian countries, except for Uzbekistan, remain net agrifood importers. Primary commodities dominate their export structure, except for Kyrgyzstan, and higher value-added ones account for most of the imports. Wheat in Kazakhstan, and cotton in Tajikistan and Uzbekistan account for over a third of all agrifood exports (Figure 3.3). The situation has deteriorated in Tajikistan in recent years, as share of cotton in total exports continued to increase – from 77 percent in 2016 to 85 percent in 2015. At the same time, there is a positive, albeit slow, trend observed in

Uzbekistan that has been decreasing share of cotton and its products in overall agrifood exports. Kyrgyzstan is the only country in the region that has a dominant share of the higher value-added products in its export structure.

China still occupies a relatively small, but marginally growing share, in total Central Asian agrifood exports. In 2018, agrifood exports accounted for a total of USD 671 million, a USD 154-million increase from 2017. Uzbekistan and Kazakhstan captured 97 percent of this value, with Kyrgyzstan and Tajikistan being just the marginal players. Uzbekistan is the leader in the region, its agrifood exports accounted for USD 400 million in 2018, however, the bulk of the Uzbek export to China (82 percent) is comprised of cotton and its products. Exports from Kazakhstan (total of USD 252.3 million in 2018) are more diversified – the largest shares are attributed to cereals (39.2 percent), oils and fats (23.6 percent) and oilseeds (19 percent). The dominant export category from Kyrgyzstan is tobacco – 58 percent of total agrifood exports. The existing export structure fails to capture the food demand structures in China that are moving towards higher value-added imports.

Russian Federation and other countries of the former Soviet Union remain key destinations for the agrifood exports from Central Asian countries (Figure 3.4). For example, in Kyrgyzstan, 88 percent of cherries, 99 percent of fresh apricots and plums are exported to Russian Federation and Kazakhstan. Similar export dynamics can be observed for Uzbek and Tajik fruits.

Overall, exports from the Central Asian countries are currently concentrated in countries which have lower value for Central Asian products compared to other markets. For example, for selected products, the price

differential for Uzbek products between Uzbekistan's current traditional markets and larger markets (but where Uzbek presence is marginal) is significant. This is true for other countries in the region as well. This points to the potential for Central Asian countries to increase the value of their exports besides the volume. In addition, Central Asian suppliers are missing an opportunity for price premiums in the formal retail sector, as their produce is still largely sold in open markets.

TABLE 3.1
Projections of the Chinese horticulture imports

Horticulture product	Current Chinese horticulture net imports 2015–2017 average, USD	Projected Chinese net imports in 2030 USD (in prices of 2005)	Projected Chinese net imports in 2050 USD (in prices of 2005)
Grapes, fresh	532 000 000	633 080 000	577 752 000
Apricots, fresh	496 490	590 823	539 188
Cherries, fresh	903 424 257	1 075 074 866	981 118 743
Plums and sloes, fresh	99 008 118	117 819 660	107 522 816
Walnuts, with shell	25 300 000	30 107 000	27 475 800
Apricots, dry	2 600 000	3 094 000	2 823 600
Plums, dry	7 557 770	8 993 746	8 207 738

Source: UN COMTRADE (2019), Author's calculations.

TABLE 3.2
Russian Federation agrifood net imports' growth projections, 2050

Product category	Value, million USD (in prices of 2005)
Temperate Fruit	5 712
Poultry	4 839
Milk	3 368
Beef	3 006
Eggs	1 312
Pork	1 208
Sugar	550

Source: IFPRI IMPACT projections, 2015; SSP2 pathway, no climate change assumption; Model version IMPACT 3.2.1.

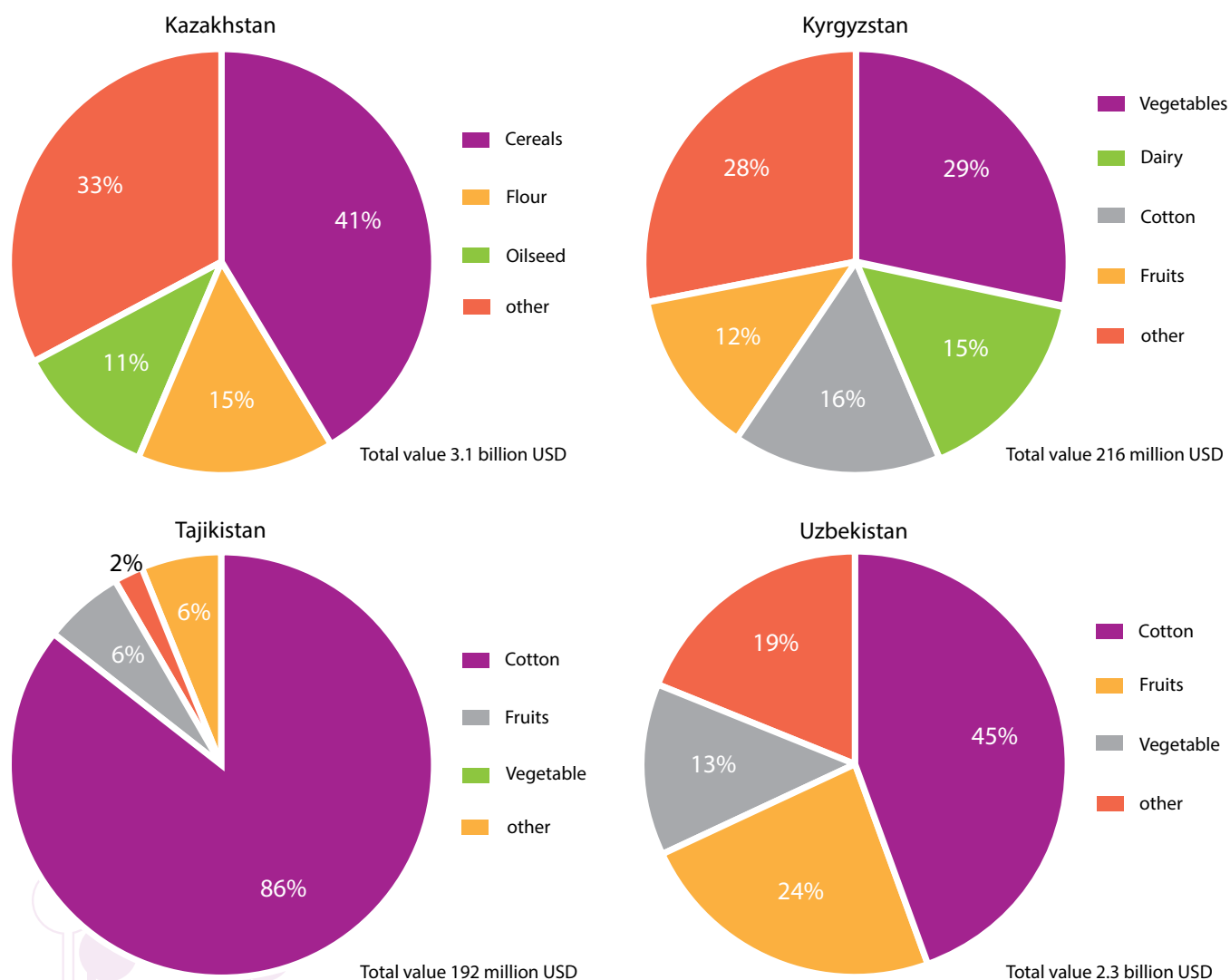
Agrifood Export Competitiveness Assessment for Central Asia

An export competitiveness assessment was conducted for the agricultural commodities that have strong potential for competitiveness in the Chinese markets. This assessment consisted of preliminary analysis of the financial cost of production and factors (policy and non-policy related) that influence these costs, calculation of revealed comparative advantage (RCA) and domestic resource costs (DRC), and consultations with stakeholders in the Central Asian countries to validate the empirical findings.

Revealed comparative advantage index is defined as the relative weight of exports of a commodity in a nation's total exports, relative to the share of that commodity in total world exports (Balassa, 1965).

$$RCA = \frac{X_{ij} / \sum_i X_{ij}}{\sum_j X_{ij} / \sum_{i,j} X_{ij}}$$

FIGURE 3.3
Product structure of Central Asian agricultural exports, 2018



Source: National statistics, 2018.

where X_{ij} stands for net exports of product j from country i . Thus, the numerator of the RCA is the share of product j in the exports of country i , and the denominator is the commodity's share in all global exports of all products.

When $RCA > 1$, the country has a comparative advantage in that commodity (and the higher the RCA, the stronger the advantage), or a comparative disadvantage when $RCA < 1$. A negative value for the RCA indicates that the country is a net importer of the product, which would not be considered a positive indicator of competitiveness. Nonetheless, a low or negative RCA combined with a low DRC could indicate that there is some policy or trade barrier that is artificially lowering the ability to export, and if it is corrected, the country might become competitive on world markets.

There are several limitations associated with the RCA methodology. Specifically, RCA is based on actual patterns of trade, which may be strongly affected by a number of factors related to present or past policies. For example, if production of a good is heavily subsidized by public funding, it may have high exports and RCA, but greater production would make society as a whole worse off. In addition, RCA is "static," that is, it does not demonstrate whether or not the current level of specialization is above

or below the long run equilibrium optimal level. If the current trade patterns represent an equilibrium, then the fact that a country has a high RCA in a product does not imply that further specialization in that product would improve its welfare. Rather, the inference from a high RCA that the country should expand its production of that commodity (relative to the expansion of production in the world at large), requires the assumption that the current trade patterns are not already at some equilibrium state. In the case of countries that are still in a state of transition from a previous highly distorted trade environment, such as those in Central Asia, this is probably a reasonable assumption.

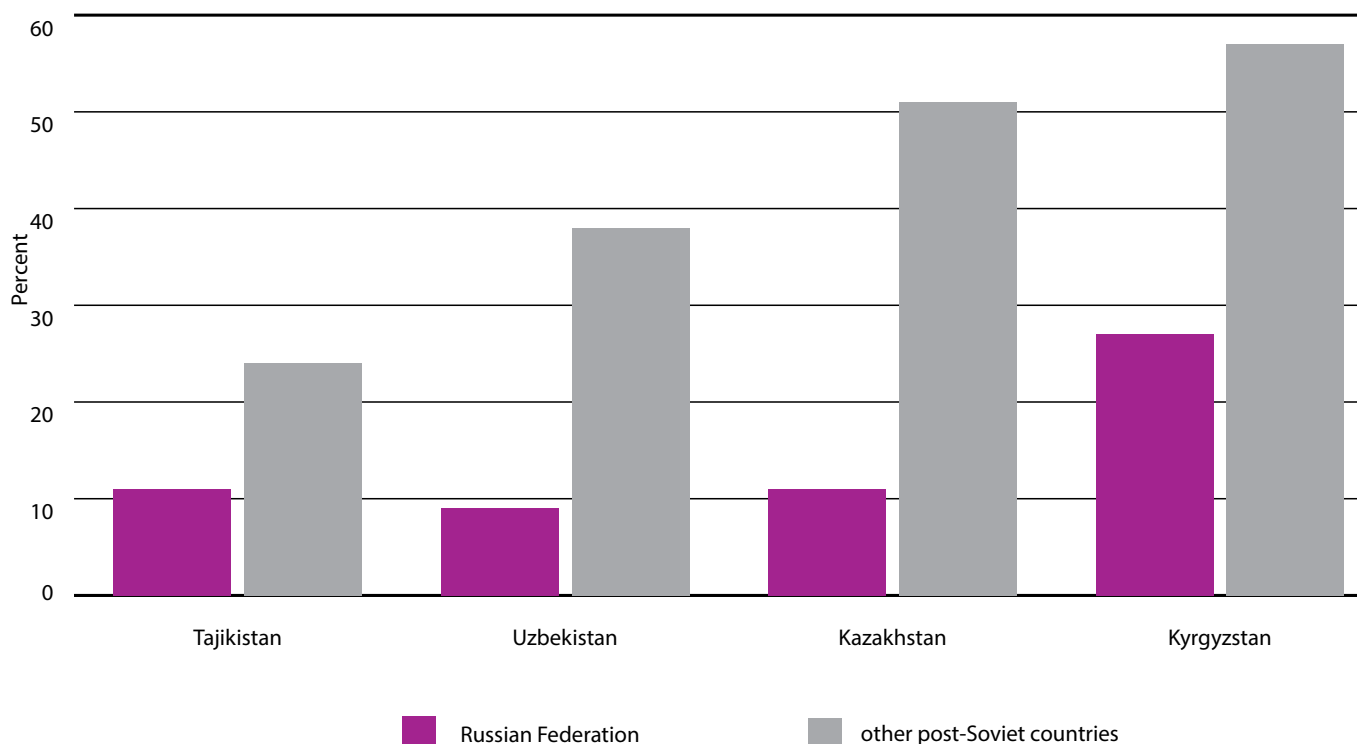
Domestic resource cost of a product shows the value of a country's resources used to produce one dollar's worth of that commodity.

$$DRC_{ij} = \frac{c_{ij}^d}{p_{ij} - c_{ij}^f}$$

where c_{ij}^d and c_{ij}^f represent, respectively, domestic and foreign input costs for country i 's production of good j . The denominator of this fraction is the price of a unit of

FIGURE 3.4

Share of the Central Asian agrifood exports in the post-Soviet countries, 2018



Source: National statistics, 2018.

the output (its undistorted border price, measured in foreign exchange) minus the cost of imported inputs needed to produce it – the net foreign exchange generated (if the good is an export) or saved (if it is an import substitute) by producing one unit of product j domestically.

$DRC_{ij} < 1$ is an indication that country i has a comparative advantage in producing good j , that is, it costs less to produce a unit of the commodity than it is worth. The smaller the DRC_{ij} is, the greater the advantage would be. In DRC methodology all values are economic values, that is, the value to society as a whole. Tradable goods prices are adjusted for taxes/ tariffs/ effects of quantitative trade restrictions/ subsidies. Non-tradable goods are adjusted to shadow prices. Financial profitability is based on market prices, so will result in a false indication.

There are a number of empirical difficulties associated with estimating DRC. First, it is difficult to estimate shadow prices for non-tradables – such as labour, capital, and land – given the absence of some of the required data and other issues. There are also complications in making empirical adjustments for tradable products. The border prices must be adjusted by transport costs to make them comparable to farmgate prices. Also, for products that are not traded in the same form in which they are produced on the farm, calculating a border price equivalent to compare to the farmgate price requires an adjustment for processing costs. Finally, policies induce shifts in production decisions that affect the coefficients of input use that are used in the empirical calculation of the DRCs. For example, if fertilizer prices are artificially subsidized, farmers adopt more fertilizer intensive production technologies. So, these distortions affect the DRC calculations in a way that cannot be fully corrected by simply adjusting the prices. In recognition of the shortcomings of the objective indicators of comparative advantage and competitiveness, the assessment of export competitiveness was guided by expert opinion from interviews with actual market participants.

Country findings:

This section presents findings of the stakeholder consultations and comparative advantage analysis conducted in Phase II of this study that identify a list of agriculture products for which Central Asian countries could potentially satisfy some of the growing Chinese (and Russian) agrifood demand.

Kazakhstan

There are natural preconditions which may support exports of Kazakh agricultural products to China as well as to other markets, including vast rainfed arable land

to produce grain, oilseed and pulse crops using 'low input – low output' production systems; and large-scale pasture land suitable for grass-fed beef and sheep meat production, which may be valued on export markets. Based on the RCA indicators, the products with the most export potential include wheat and sunflower seed (Table 3.3). World demand on sunflower seeds as well as its processed products has been increasing. Kazakhstan seems to be remote from the main markets, however, changing consumption patterns in China may create a larger opportunity for Kazakhstan.

Relatively high RCA for rapeseed seed suggests its competitiveness potential as well. In addition, the results of the DRC indicators point to the competitiveness of rapeseed seed and dry peas. Climate conditions in Kazakhstan for rapeseed cultivation are not as favourable as in Europe, Canada, Ukraine and even neighbouring regions of the Russia Federation, which means that Kazakhstan would struggle to become a massive supplier. Nevertheless, demand for the crop and its processed products continue to grow and create incentives for Kazakh producers. The Chinese government is consistently protecting the country's market, but Kazakh exporters have been able to find an entryway into the market. The bypassing of rapeseed trade restrictions through Mongolia is a good illustration of that. Removal of restrictions for peas exports to China may become a significant factor in crop planting area expansion in Kazakhstan.

Based on the expert opinions, additional products for consideration include lamb and beef (these are also supported by the DRC, but not the RCA results). The current structure of livestock production does not match potential demand. Chinese buyers request massive and stable supplies, which are inoperable for Kazakh commercial producers, who are still in the early stages of development. However, the pace of livestock sector development, as well as the Government's continuous efforts to support producers, may give fruitful results in the foreseeable future.

Kyrgyzstan

Cherries, walnuts, milk, fresh apricots, and plums (fresh and dried) were identified as the products with the highest competitive potential to enter the Chinese markets (Table 3.4). Other products mentioned by stakeholders as possible competitors in the Chinese markets included beef, lamb and honey. Current exports to China remain limited; however, they have been marginally increasing for some products (i.e. cherries).

Cherry yields have been increasing in Kyrgyzstan since 2007, but still lag behind those of the major world exporters. This indicates a potential for further increasing

cherry production, and exports, if yields are improved. The key destinations of the Kyrgyz cherries are the Russian Federation and Kazakhstan. However, exports to China have been gradually increasing since 2015. Most cherries from Kyrgyzstan come into China via air freight to Urumqi, the capital of Xinjiang Uyghur Autonomous Region. In the last two years, China and Kyrgyzstan have been strengthening their cooperation in the area of SPS requirements, creating a further potential to increase exports of cherries and other horticulture products. In 2017, around ten cherry orchards were inspected by Chinese delegation and received permission for exports to China. New marketing channels are also opening with the development of the online delivery services.

Kyrgyzstan is also one of the largest walnut exporting countries in the world. Walnuts are exported to a variety of countries, China. National experts conveyed in the interviews that Kyrgyzstan has a strong potential for further increasing walnuts exports, including to China, under the condition that walnut plantations are expanded.

Production of fresh apricots in Kyrgyzstan has remained relatively stable since 2010. On average the Kyrgyz farmers harvest 3 MT/ha, which is low compared to other large apricot producers (i.e. Uzbekistan - 11 MT/ha, and France and Italy -12 MT/ha, Spain 7.5 MT/ha, Turkey – 5MT/ha). Large demand from the Russian Federation creates an important opportunity for Kyrgyzstan to increase its fresh apricots exports.

Production of fresh plums in Kyrgyzstan has remained relatively stable since 2010. Kyrgyz plum yields are significantly lower (6.2 MT/ha) than those in the largest exporters of plums (i.e. 17 MT/ha in Chile, 16.2 MT/ha in Italy). The Kyrgyz fresh plums are mainly exported to Kazakhstan and the Russian Federation. The geography of prunes exports is much more diversified. Nevertheless, most of the exports still go to the Russian Federation and Kazakhstan. Overall, the export volumes of plums (fresh

and dry) remain very low in comparison to the current demand in both China and the Russian Federation.

Tajikistan

Tajik exports that exhibit export competitiveness based on the RCA analysis,⁸ include apricots (dry and fresh), plums (fresh) and grapes (fresh) (Table 3.5). Among the analysed products, the only one that Tajikistan exports to China are dry apricots, albeit in very small quantities (0.6. percent of total dry apricots' exports' value in 2015–2017).

Historically, Tajikistan was one of the largest producers of fruits in the USSR. However, following the collapse of the Soviet Union and the civil war, the production of stone fruits decreased as many farmers cut down their orchards, and the marketing channels collapsed. Starting in 1999, the government of Tajikistan has made an effort to diversify agricultural production by encouraging farmers to produce more fruits.

China could become an attractive market for Tajik fresh and dried fruit exports – the two countries share a border and a relatively large share of the expatriate ethnic Tajik population lives in the Xinjiang region. However, a number of constraints need to be removed for the exports of the selected products to grow. Among the key ones are small production volumes relative to Chinese import demand, low compliance with the Chinese SPS requirements, and prohibitively high air transportation costs.

⁶ Darker color suggests that the product can be included in the short list based on all three criteria – RCA, DRC and expert opinion; lighter color shades imply that not all the criteria have been met.

⁷ A negative value for the RCA indicates that the country is a net importer of the product, which would not be considered a positive indicator for competitiveness. Nonetheless, a low or negative RCA combined with a low DRC could indicate that there is some policy or trade barrier that is artificially lowering the ability to export, and if this is corrected, the country might become competitive on world markets.

⁸ DRC analysis are being conducted in the Phase III of the study.

TABLE 3.3
Export competitiveness assessment, Kazakhstan⁶

Product	Net exports (2015–2017 average) million USD	RCA (2012–2016 average) ⁷	DRC (2017)
Wheat	671.0	6.17	0.71
Sunflower seed	50.7	5.38	0.40
Rapeseed seed	25.1	0.94	0.18
Peas (dry)	5.1	0.72	0.32

Source: UN COMTRADE (2019), Authors' calculations.

Uzbekistan

In accordance with the export competitiveness analysis, products that have a potential to capture Chinese markets and grow in the Russian markets include cherries, apricots (dry and fresh), plums (fresh), grapes (fresh) and walnuts (Table 3.6). For cherries, plums and grapes both China and the Russian Federation have a large demand that Uzbekistan may strive to meet. Recently, Uzbekistan has started exporting cherries to China.

Uzbekistan has strong pre-conditions for the production of cherries due to its good climatic conditions, early crop maturing and inexpensive labour. Upgrading cherry production technologies has the potential to further boost cherry yields. For example, there are opportunities for using technologies to further extend the cherry season to allow for larger harvests.

Table grapes are the number one product from the fresh produce category exported from Uzbekistan. Thanks to its climatic conditions, Uzbekistan can export table grapes almost all year round. Its production has been steadily increasing since 2008, primarily driven by improved yields.

Uzbekistan has a strong potential to increase both production and exports of walnuts. Production of walnuts has been increasing since 2012 due to both increases in area and yields. In 2017 the President of Uzbekistan signed a decree “On creation and organization of activities of the Association of producers and exporters of walnuts” that established the Association and allocated an additional USD 50 million and 10 000 ha to new walnut plantations, however, the effects of these changes are yet to be seen.

Similar to other horticultural products, production of plums has been increasing in Uzbekistan in recent years. Exports of fresh plums; however, has remained rather volatile over the last five years. Exports of prunes saw a sharp increase in 2017, reaching USD 16.9 million in value (compared to 8 million in 2016 and 2015). Fresh plums are mainly exported to Kazakhstan and the Russian Federation. The geography of prunes is much more diversified – in 2017, Uzbekistan exported prunes to 15 countries.

There are a number of constraints that affect the competitiveness of the entire horticulture sector in the country. These include relatively low yields, and high transport and logistics costs. Knowledge and capacity constraints across all aspects of the value chain are also a barrier. According to the survey results, the lack of up-to-date information about the Chinese import requirements and about the existing competitors in the country was identified as an additional constraint to the Uzbek horticulture exporters’ penetration of this market.

Summary and Conclusions

The IFPRI IMPACT’s model used in this study confirms the rising demand for higher value agrifood products in China and the Russian Federation at least until 2030. The long-term forecast of strong demand provides a helpful scenario to plan/justify investments by Central Asian countries for the export-oriented development of their agricultural sectors. Specifically, the findings of the stakeholder consultations and comparative advantage analysis conducted in Phase II of this study demonstrate that the Central Asian countries could potentially meet some of the growing Chinese agrifood demand. Specifically, for Kazakhstan, the commodities that are (or can become) competitive in Chinese markets include wheat, sunflower seed, rapeseed, and potentially beef. Kyrgyzstan, Tajikistan and Uzbekistan have strong potential for increasing horticulture exports to China, namely grapes, apricots (fresh and dry), plums (fresh and dry), walnuts, and cherries, products that are traditionally exported to the Russian Federation and Kazakhstan.

While the Russian Federation remains the main market for Central Asian fruits, domestic production has been increasing, putting competitive pressure on Central Asian products. Moreover, most Central Asian horticulture products in the Russian Federation seem to be sold at open markets where requirements for safety and quality can be weaker than those in supermarkets. The ability of the Central Asian countries to increase their exports to the Russian Federation and penetrate higher-end markets would serve as a preliminary proof of readiness of the Central Asian fruit exporters to comply with the requirements posed by the higher-end export markets such as China.

To realize their export potential in higher value-added products, the Central Asian countries would need to overcome constraints along their agricultural value chains, including those related to trade. Enabling Central Asian countries to convert their natural/endowment advantages into competitive advantage in specific export markets requires complementary investments in processing, logistics, trade/export services and infrastructure. Based on international experience, this should generate a sustainable source of value-addition and jobs. During Phase II of the study, the following constraints were identified through the stakeholder interviews and literature review: production and processing constraints (i.e. low yields, lack of cold storage facilities, insufficient irrigation), technical barriers (i.e. lack of adequate SPS capacities) and institutional constraints (i.e. cumbersome customs procedures and limited export promotion efforts at the national/regional level). This is consistent with the recent IFC studies that looked at export constraints for selected agrifood products in Kazakhstan and Uzbekistan. In the

case of Uzbekistan, the key constraints for increasing fruit exports that were identified included limited infrastructure for certification compliance, fragmented supply chains, an uneven playing field in exports and high transport costs. In addition to an understanding of the overall constraints for expanding horticulture exports, analysis of the specifics of the importers' markets is needed to identify entry opportunities.

Post-2030, an ageing and declining population as well as slowing income growth will largely contribute to declining

food demand in China for all major agrifood categories, except for milk, sugar and pulses, albeit the overall size of the market will still be a large one. Similar dynamics will be observed in the Russian Federation and former Soviet Union countries, the traditional markets for the Central Asian countries. Thus, looking beyond China and penetrating other markets needs to be included in any long-term trade diversification strategy for Central Asian countries.

TABLE 3.4

Export competitiveness assessment, Kyrgyzstan

Product	Net exports (2015–2017 average) USD	RCA (2013–2017 average)	DRC (2017)
Apricots (fresh)	2 605 524	78.8	0.77
Walnuts (with shell)	7 331 118	29.0	0.56
Plums (fresh)	637 057	13.4	0.72
Cherries	505 818	7.6	0.17
Plums (dried)	210 043	3.3	0.29
Milk	2 930 699	1.4	0.43

TABLE 3.5

Export competitiveness assessment, Tajikistan

Product	Net exports (2015–2017 average, USD)	RCA (2012–2016 average)
Apricots (dry)	6 086 562	287.3
Apricots (fresh)	833 364	35.6
Plums (fresh)	889 636	19.6
Grapes	2 655 497	5.8

TABLE 3.6

Export competitiveness assessment, Uzbekistan

Product	Net exports (2015–2017 average) USD	RCA (2012–2016 average)	DRC (2017)
Cherries	44 733 333	172.0	0.20
Apricots (fresh)	20 396 311	109.1	0.17
Apricots (dry)	9 594 508	57.1	-
Walnuts	39 208 645	37.5	0.20
Plums (fresh)	10 665 391	28.6	0.41
Grapes, including table	78 195 406	22.1	0.22 (table) 0.65 (wine)
Plums (dried)	11 261 431	7.3	-

Source: UN COMTRADE (2019), Authors' calculations.



Part 4

Country agricultural
trade policies review

Azerbaijan

Elchin Atabayev

Overall context of trade policy

Azerbaijan has observer status in the WTO, and continues negotiations concerning its membership with the Organization. The Working Party's meetings regarding negotiations for the country's accession to the WTO, held in May 2017, addressed the issues of domestic support in agriculture and agricultural export subsidies. A significant institutional event was the approval of the regulations on the institute of the trade representative of the Republic of Azerbaijan at active embassies and consulates in 2017.¹ In view of the establishment of the Food Safety Agency of the Republic of Azerbaijan (AFSA), the authority to carry out expert examination of exported products and issuance of certificates confirming its results were transferred to the above-mentioned structure's ambit.

The decision to introduce a green corridor both for importers and exporters of agrifood products became another major event that will have an effect on agrifood trade development. Even today, dozens of companies and individuals (engaged in trade of these goods and passing necessary authentication based on e-signatures) import and export products without the involvement of customs officers. The key trend observed in 2017–2018 consisted of the widespread use of digital technologies in trade transactions and customs procedures. As a result, 100 percent of declarations are now filled out online, and 100 percent of invoices (B2B, B2G) are drawn up online as well. The opening of the Absheron Logistic Centre (Lokbatan, Baku, Azerbaijan) with potential freight turnover of up to 11 million tonnes a year was part of the trade policy. The centre, operating on a "single-window" basis, is situated at a section of the historical Silk Road

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within the framework of China's new initiative, One Belt One Road.

Overall, agricultural trade during 2017–2018 showed the following pattern: imports were USD 1 703.3 million in 2017, and USD 1 707.0 million in 2018; exports increased from USD 698.1 million to USD 787.5 million over the same years. Hence, the country managed to reduce its negative agricultural trade balance from USD 1 005.1 million in 2017 to USD 919.5 million in 2018 through considerable growth of exports, and with a relatively minor increase in imports.

Agricultural trade policies

An important regulatory act during the analysed period was the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan (RAz) No. 500 of 17 November 2017 "On approval of the commodity nomenclature of foreign

¹ *Decision of the Cabinet of Ministers of the Republic of Azerbaijan No. 429 of 13 October 2017 "On approval of the Regulations on the trade representative and on the trade representative's office operating at the embassies and consulates of the Republic of Azerbaijan in foreign countries and of the Model Structure of the trade representative's office operating at the embassies and consulates of the Republic of Azerbaijan in foreign countries".*



economic activities of the Republic of Azerbaijan, import customs duty rates, and export customs duty rates”² The document, which came into force on 1 January 2018, is intended to ensure correspondence with the new version of the Harmonized Commodity Description and Coding System.

Among the measures that will have an effect on agricultural exports and imports, we should mention the Resolution of the Cabinet of Ministers of the RAz No. 303 of 16 July 2018 “On the approval of the Rules of food safety registration of the entities operating in the foodstuff sector, and of the state register maintenance”³ Along with the protection of consumers’ interests, the rules relieve exporters and importers of the necessity to ensure certification of conformity in case of recurrent exports.

Amendments to the Law “On the state duty” took effect on 1 July 2018. According to the legislative act enshrining them, a state duty amounting to 20 manats should be paid for issuance of a food safety certificate. The certificate is a new and unique form of food safety certification. Registration of business entities engaged in the production and importation of food products is subject to state duties amounting to 150 manats (for the first entry into the register), 50 manats (for registration of changes in the register data), and ten manats (for issuance of a copy of the extract from the register). The rate of state duty has been fixed for issuance of an expert examination report confirming that an animal, product or raw material of animal origin meet veterinary standards, as well as for labelling of animal carcasses, poultry and other products. The state duty amount will be between five qapiks and five manats.

Import policy

According to the RAz President’s Decree of 28 December 2018, a simplified electronic declaration is drawn up in advance for the goods moved across the customs border. Failing to submit a simplified electronic declaration in advance entails administrative liability but is not grounds to deny customs clearance of the goods.

Import duties

The Resolution of the Cabinet of Ministers of the RAz No. 337 of 24 August 2017, a zero-rate import duty was set for some goods in chapters 01 and 12 (live animals: pure-bred animals, poultry; oil seeds and fruits: seeds of soya, sunflower, lucerne, sugar beet). The Resolution of the Cabinet of Ministers of the RAz No. 479 of 3 November 2017, import duties on butter (0405) were reduced from 15 percent to 5 percent.

Seasonal duties were also applied. The Resolution of the Cabinet of Ministers of the RAz No. 375 of 3 September 2018 fixed the customs duty rate on import

of potatoes at 30 percent of their customs value for the period from 1 September to 31 October 2018. These duties applied to the potatoes harvested between 1 January and 30 June 2018. The duties on the potatoes harvested in other periods remained unchanged, at 15 percent of the product customs value.

Import policy measures based on SPS requirements and technical regulation

From 1 July 2018, the authority to impose import restrictions based on the SPS requirement and technical regulations were transferred to the newly established Food Safety Agency of the Republic of Azerbaijan (AFSA).⁴ Corresponding amendments were also made to the laws “On veterinary medicine” and “On phytosanitary control”^{5,6}

From 26 June 2018, the State Service of Veterinary Control under the Ministry of Agriculture of Azerbaijan⁷ introduced temporary restrictions on imports of chicken and poultry products from the Russian regions where H5N1 avian influenza cases were detected. The ban applied to products from Kursk, Penza, Samara and Orel oblasts of the Russian Federation.

Besides, the spread of H5N8 avian influenza among poultry was detected in Ryazan, Samara, Tula, Rostov and Nizhny Novgorod oblasts as well as the Republic of Tatarstan and the Chuvash Republic of the Russian Federation. In view of that, restrictions on imports of poultry and poultry products (processed and non-processed) from the above-listed regions were imposed since 1 August 2018. Cases of cattle nodular dermatitis were found in Samara oblast of the Russian Federation. To prevent the spread of avian influenza viruses and penetration of cattle nodular dermatitis, the AFSA addressed the RAz State Customs Committee in July 2018 with a notice to introduce disinfection of the transit transport from Ryazan, Samara, Tula, Rostov and Nizhny Novgorod oblasts as well as the Republic of Tatarstan and the Chuvash Republic of the Russian Federation at border checkpoints.

Export policy

The leading positions in the agricultural export structure were occupied by tomatoes, persimmons, hazelnuts and cotton fibre (Table 4.1).

In 2018, Azerbaijan exported 621 028 tonnes of fruits and vegetables amounting to USD 559.6 million. The volume of exports of fruits and vegetables increased by 13.1 percent in 2018 whereas their value rose by 11.3 percent.

Export duties

Azerbaijan does not apply export duties to the non-oil sector products, including agricultural products. The

consignment period for export deliveries is 180 days. According to the President's Decree of 10 February 2017, the supervisory functions for consignment-based exports are exercised by the RAZ Chamber for Oversight of Financial Markets and the State Customs Committee.

Export promotion measures

Export promotion measures include expansion of a network of trading houses. Azerbaijan's trading houses operate in Belarus, Kazakhstan, China, Latvia, the United Arab Emirates, Poland, the Russian Federation, and Ukraine.

In 2017–2018, the practice of paying export incentives for non-oil product exports was successfully applied. The basic amount for calculation of the incentive rate is 3 percent of the product's customs value. The following was approved to implement the above-mentioned measure: a) export incentive payment rules; b) list of non-oil products to which the incentive will apply; c) coefficients to the basic amount. The Resolution of the Cabinet of Ministers of the RAz No. 276 of 26 June 2018 introduced multiplying coefficients to the basic level (3 percent) to encourage exports of the following agricultural product types: eggs of birds – 1.5; olive oil and its fractions – 1.5; fruit wines (including pomegranate wines) – 2.0. Exporters have the opportunity to apply for payment of the export incentive via the www.azexport.az portal. The Resolution of the RAz Cabinet of Ministers of 19 January 2018 approved the "Technical requirements to information systems in order to connect to the www.azexport.az web portal". The e-export service provided for by the above-mentioned resolution ensures

issuance of the following certificates:

- a) international veterinary certificate for exported animals, products and raw materials of animal origin;
- b) phytosanitary (re-export phytosanitary) certificate for export (re-export) of plants and products of plant origin;
- c) certificate of quality to export food products to the European Union countries; and
- d) certificate attesting the product's origin from a specific country.

² Resolution of the Cabinet of Ministers of the RAz No. 500 of 17 November 2017 "Commodity nomenclature of foreign economic activities of the Republic of Azerbaijan, import customs duty rates, and export customs duty rates": <http://www.e-ganun.az/framework/37035>

³ Resolution of the Cabinet of Ministers of the RAz No. 303 of 16 July 2018 "On the approval of the Rules of food safety registration of the entities operating in the foodstuff sector, and of the state register maintenance".

⁴ The RAz President's Decree of 3 May 2018 "On amending the Decree of the President of the Republic of Azerbaijan No. 12 of 11 November 2008 "On applying the "Single window" principle for inspection of goods and vehicles crossing the border checkpoints at the state border of the Republic of Azerbaijan".

⁵ The RAz President's Decree No. 396 of 10 December 2018 "On applying the Law of the Republic of Azerbaijan No. 1346-VQD of 27 November 2018 on amending the Law of the Republic of Azerbaijan "On veterinary medicine" and amending the Decree of the President of the Republic of Azerbaijan No. 316 of 22 November 2005 on applying the Law of the Republic of Azerbaijan "On veterinary medicine".

⁶ The RAz President's Decree No. 397 of 10 December 2018 "On applying the Law of the Republic of Azerbaijan No. 1347-VQD of 27 November 2018 on amending the Law of the Republic of Azerbaijan "On phytosanitary control" and amending the Decree of the President of the Republic of Azerbaijan No. 441 of 2 August 2006 on applying the Law of the Republic of Azerbaijan "On phytosanitary control".

⁷ From 1 July 2018, veterinary control powers were transferred to the State Agency for Food Security.

⁸ Resolution of the RAz Cabinet of Ministers No. 276 of 26 June 2018.

⁹ The RAz President's Decree No. 1255 of 22 February 2017.

¹⁰ Resolution of the RAz Cabinet of Ministers No. 17 of 19 January 2018.

TABLE 4.1
Volume of exports of leading agricultural products, million USD

Year/Commodity	Tomatoes	Persimmons	Hazelnuts (shelled)	Cotton fibre
2017	151.6	90.9	93.5	32.5
2018	177.4	114.5	114.5	79.5

Source: UN COMTRADE (2019), Authors' calculations.

The web portal started issuing so-called free sales certificates that are required to import products in many European Union countries. Free issuance of such certificates via the www.azexport.az portal (operating at the Centre for Analysis of Economic Reforms and Communications under the RAz President) aims to promote the Made in Azerbaijan brand.

An important development during the analysed period was the introduction and approval of the rules for the use of the so-called green corridor for foreign economic activity entities (the RAz President's Decree of 21 December 2018). For accelerated crossing of the border, companies register at the customs office, acquire the status of a permanent user of the green corridor, and obtain a permit from the SCC Audit Department for each trade operation. Only verification of an electronic seal number takes place at the border. In this way, time spent at the border and document processing costs are minimized, thereby facilitating trade procedures.

The policy of expanding the export support measures continued in 2017–2018. The RAz President's Decree No. 1784 of 11 January 2018 provides for an increase in the number of the state budget-funded export missions from 10 to 25 per year.¹¹

The Azerbaijan Export and Investment Promotion Foundation (AZPROMO) organized 24 trade missions during 2017–2018. At six international exhibitions, companies, including agrifood companies, displayed their products in a united national exhibit booth. Forty-five agriculture companies were represented at the World Food Moscow 2018 exhibition on the costs subsidization basis (AZPROMO, 2018). Whereas, according to the previous version of the rules for support (accepted in 2016), up to 20 thousand manats could be allocated for marketing research per agreement concluded, the RAz President's Decree No. 1784 increased that amount to 30 000 manats. The number of state budget-funded exhibitions and fairs where exporters present themselves in a united national exhibit booth is increased from five to ten annually. According to the amendments, the subsidized part of the expenses incurred by exporters individually participating in exhibitions is increased from 30 percent to 50 percent, and the absolute amount of support grew from 5 000 to 10 000 manats. Development of the organic market niche began rather actively. With support from the RAz Academy of Sciences and involvement of German companies Rapunzel and Bio-inspecta, 200 tonnes of shelled organic hazelnuts were exported in 2018 for the first time. In October 2018, AZPROMO Fund conducted a competition among exporters for subsidized placement of goods in the Direct Imported Goods (DIG) retail chain in China as part of promotion of the Made in Azerbaijan brand.

Trade agreements

Azerbaijan's trade with the CIS countries takes place according to free trade principles on the basis of the current Agreement on the CIS free trade area. No changes occurred during the period under review.

Changes in the policy of domestic support to agriculture

Among the institutional support measures, we should mention integration of all regional (district) structures concerned with agriculture into the single State Agrarian Development Centres. Farmers and various structures providing agricultural services (e.g. leasing, extension services, etc.) are integrated into a single system of electronic agriculture (e-agriculture). The single base where e-agriculture and e-customs (electronic customs) are integrated allows for all the processes in the value-added chain to be cheaper and faster.

In general, the volume of subsidies to agriculture in different areas in 2017–2018 is described by the following data:

- a) direct subsidies, including subsidies for purchase of fuel and mineral fertilizers, equipment and cattle leasing, procurement of primary and secondary seeds, etc. – 205.5 million manats in 2017, and 342.8 million manats in 2018;
- b) tax exemptions for producers – 333 million manats in 2017, and 306.9 million manats in 2018; and
- c) subsidies for irrigation water costs – 230.5 million manats in 2017, and 270 million manats in 2018.

The total amount of the subsidies allocated to the sector was 769.0 million manats in 2017 and 920.0 million manats in 2018.

During the analysing period implementation of the measures aimed to strengthen support to agricultural producers continued. According to the RAz Cabinet of Ministers Resolution No. 311 of 2 August 2017, the amount of subsidy for every tonne of sugar beets delivered to a processing enterprise was four manats while the average purchase price of sugar beets was 58 manats per tonne. According to the RAz Cabinet of Ministers Resolution No. 85 of 10 March 2017, subsidy for production or purchase of silk-worm cocoons was five manats per kilogramme, and that subsidization level was kept in 2018 as well. In 2018, the amount of subsidy for purchase of mineral and organic fertilizers was increased from 100

to 150 manats per hectare whereas subsidy for purchase of pesticides was increased from ten to 50 manats per hectare.¹² In bee farming, it was decided to provide subsidies at the rate of ten manats per bee family for the subsequent five-year period.¹³

The RAz President's Order of 2 March 2018 raised the upper limit of per hectare subsidies for purchase of mineral fertilizers and of biohumus used to grow genetically non-modified plants by 50 percent. The rate of subsidies for purchase of pesticides for the same producer category was raised fivefold.

As measures of domestic support to certain sectors, including export-oriented cotton farming and silk farming, the following programmes were approved during the period under review: "The State Programme of the Republic of Azerbaijan for development of cotton farming for 2017–2022",¹⁴ "The State Programme of the Republic of Azerbaijan for the development of silk-worm cocoon production and silk farming for 2018–2025",¹⁵ "The State Programme of the Republic of Azerbaijan for development of rice growing for 2018–2025",¹⁶ "The State Programme of the Republic of Azerbaijan for development of tea farming for 2018–2027",¹⁷ and "The State Programme of the Republic of Azerbaijan for development of citrus fruit growing for 2018–2025".¹⁸

The Strategic "road map" for production and processing of agricultural products remains the key document that determines the sectors developed for the period

until 2025. As of 1 January 2019, according to data from the Centre for Analysis of Economic Reforms and Communications under the RAz President, the level of achievement of the objectives set therein is not satisfactory (37 percent achieved, 7 percent achieved partially, 56 percent not achieved). The matters of improvement and boosting of agricultural trade remain extremely important to ensure the sector's competitiveness and the country's food security.

¹¹ The RAz President's Decree No. 1784 of 11 January 2018 "On amending the Decree of the President of the Republic of Azerbaijan No. 1063 of 5 October 2016 on approval of the Rules for regulation of payment mechanisms and calculation of the budget-reimbursed part of the expenses incurred on the organization of export missions to foreign countries, on the survey of foreign markets and marketing research, on promotion of the Made in Azerbaijan brand in foreign markets, on local companies obtaining the certificates and patents necessary to undertake export to foreign countries, and on implementation of programmes and projects for export studies and development".

¹² Resolution of the RAz Cabinet of Ministers No. 175 of 17 April 2018.

¹³ The RAz President's Order of 5 March 2018. <http://agro.gov.az/azbaycan-respublikasnda-arln-inkiafnn-stimulladrlmas-haqqnda-azbaycan-respublikas-prezidentinin-smcam>

¹⁴ The State Programme of the Republic of Azerbaijan for development of cotton farming for 2017–2022. Approved by the RAz President's Order No. 3082 of 13 July 2017.

¹⁵ The State Programme of the Republic of Azerbaijan for development of silk-worm cocoon production and silk farming for 2018–2025. Approved by the RAz President's Order of 27 November 2017.

¹⁶ The State Programme of the Republic of Azerbaijan for development of rice growing for 2018–2025. Approved by the RAz President's Order of 9 February 2018.

¹⁷ The State Programme of the Republic of Azerbaijan for development of tea farming for 2018–2027. Approved by the RAz President's Order of 12 February 2018.

¹⁸ The State Programme of the Republic of Azerbaijan for development of citrus fruit growing for 2018–2025. Approved by the RAz President's Order of 13 February 2018.

Armenia

Hasmik Hovhanesian

Overall context of trade policy

State policy in Armenia's agricultural sector is focused on the introduction of modern technologies, industrialization, further development of agriculture, provision of favourable conditions to agricultural operators, increase in their real income and the country's food security level, and encouragement of exports of agrifood products due to enhancement of their competitiveness. Merger of the Ministry of Agriculture of Armenia into the Ministry of Economy was endorsed in 2019.

Establishment of standards and technical regulations and conformity assessment in Armenia are implemented according to the Treaty on the Eurasian Economic Union

(EAEU) and the national laws. The country's agricultural policy is reflected in such documents as the Strategy of development of Armenia for 2014–2025 and the Strategy of sustainable development of rural areas and agriculture for 2010–2020, in which the sector's importance and potential is underlined.

The EAEU Customs Code has been in force in the country since 2018, according to which actually all the procedures for submission of customs declarations and customs processing must be carried out in electronic form using "single window". Within the EAEU framework, Armenia is a party to the free trade agreements with Viet Nam and China as well as to the Interim Agreement on the establishment of a free trade area with the Islamic Republic of Iran.

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The Comprehensive and Enhanced Partnership Agreement with the European Union was signed in November 2017, and the work is going on to bring the commitments undertaken under the Agreement with the EU into conformity with the commitments within the EAEU framework. In addition, a preferential regime (GSP) is in force in Armenia's relations with such partner countries as Canada, Norway, the United States, Switzerland and Japan.

Export promotion matters in Armenia fall within the ambit of the Chamber of Commerce and Industry whereas the Armenian Export Insurance Agency (AEIA) provides export insurance and pre-export financing insurance.

Despite growing exports of a number of agricultural goods, Armenia's foreign trade balance in these product groups remained negative in 2018. It was more than USD 89.2 million in 2017, and USD 136.7 million in 2018. The main export goods were tobacco and manufactured tobacco substitutes (39.9 percent of total agricultural product exports) as well as alcoholic and non-alcoholic beverages (34.2 percent). The value of agricultural product imports was almost USD 808.3 million, which is 12.6 percent more than in 2017 (USD 717.6 million).

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Agricultural trade policies

Armenia joined the EAEU in 2015. The Eurasian Economic Commission (EEC) is responsible for the foreign trade policies of the organization member states, including the tariff regime, transit trade, contingencies, technical regulations, and SPS measures. Accession to the EAEU required Armenia to harmonize its import tariffs with the rates of the EAEU Common Customs Tariff (CCT); however, provisional exceptions will be in force for nearly 1 000 tariff lines until 2022. These include some types of meat and poultry, dairy produce, fruits and vegetables, tea, cereals, starches, vegetable oils, tobacco and gelatin. By 2022, import tariffs will be raised for a large part of agricultural products (except some fresh and dried fruits), most substantially for meat. According to the treaty on Armenia's accession to the EAEU, those goods may be imported into Armenia until 2022 but may not be re-exported to other member states without payment of a difference between the Armenian and EAEU CCT rates.

The Customs Code of Armenia was replaced with the Customs Code of the Customs Union in 2015, and with the EAEU Customs Code in 2018. According to the latter, actually all the procedures for submission of customs declarations and customs processing must be carried out in electronic form using "single window". Set-up of the electronic declaration system must be completed by 2020, with a pilot project launched since 2018.

Import policy

Import duties

Accession to the EAEU resulted in higher import duties on many goods, and Armenia is currently negotiating with other WTO members, according to Articles XXIV and XXVIII GATT, to review 6 536 tariff lines, including agricultural goods. The average applied tariff was increased from 2.7 percent in 2009 to 7.5 percent, whereas the share of non-ad valorem tariffs in their total number grew from 0.5 percent to 13 percent.

Tariff protection for agriculture increased from 6.6 percent in 2009 to 12.8 percent in 2018, and is still higher than the overall applied MFN average (7.5 percent in 2018) and the average for manufacturing (WTO, 2019a). Most protected among agricultural goods are animals and animal originated products (tariff rate reaches 26 percent) as well as sugar and confectionery (15 percent).¹

In addition to import duties, importers must pay fees for customs services and other charges. With some exceptions (e.g. temporary import), all imports are subject to VAT whereas alcoholic beverages, tobacco products and fuel are also liable to excise duties. According to the current customs procedure, foreign goods used to

undertake processing operations in Armenia's customs territory within the prescribed time limits are fully and conditionally exempted from import customs duties, taxes and non-tariff regulation measures subject to subsequent export of the products of processing outside Armenia's customs territory.

Besides, import duties are not applied to temporary imports² (that can be exempted from duties and taxes in part or in full) and to re-export.

Tariff quotas and quantitative restrictions on imports

No import tariff quotas and quantitative restrictions on imports were applied in the country in 2017 and 2018. As a rule, imports are not deterred by prohibitions, quotas or licensing requirements, however restrictions are possible based on considerations of health care, security or environmental protection.

Import policy measures based on SPS requirements and technical regulation

The procedure for importing food products has been slightly simplified in Armenia since March 2017. A service centre based on the "single window" principle has been opened, providing more coordinated and specialized services to importers and exporters of these products. It reduces the time of service delivery considerably, and ensures transparency of all the procedures performed. The centre also delivers online services to conduct surveys related to imports or exports of food products, to allow users to search for necessary documents, and to provide specialist advice.

The legal basis for the establishment of standards, technical regulations and conformity assessment is provided by the Treaty on the Eurasian Economic Union and national laws. The EAEU Treaty states that technical regulations of the EAEU shall be used for the purpose of protecting life and (or) human health, property, the environment; protecting life and (or) health of animals and plants; preventing actions that mislead consumers; and ensuring energy efficiency and cost-effective use of resources within the EAEU. The adoption of technical regulations of the EAEU for other purposes is not allowed.³

The procedures for drafting, adopting, amending and cancelling technical regulations within the EAEU framework are set by the Council Decision No. 48 of 20 June 2012. Although the relevant legislation for Union member states is common, development of standards does not fall within the EAEU competence.

The matters related to standards and technical regulations are still under the supervision of various state institutions subordinated to the Ministry of Economic Development

and Investments and the Government of Armenia. The National Institute of Standards closed joint-stock company is a national standardization authority coordinating the work of technical committees on standardization. The Ministry of Economic Development and Investments also supervises the work of the National Institute of Metrology and of the National Accreditation Body non-profit state organization. The WTO Notification Agency under the Ministry of Economic Development and Investments is responsible for compliance with Armenia's notification commitments according to the Agreement on Technical Barriers to Trade (TBT Agreement), and is the country's TBT information centre.

The Armenian industrial and agricultural companies will have about five years to bring their operations into conformity with the EAEU technical regulations. Before this period expires, they must observe corresponding national laws. The Government recommends exporters and importers to shift to using the EAEU technical regulations as soon as possible. By the transition period end, all the goods manufactured, imported and circulating in the EAEU territory must meet the Union's binding requirements.

Armenia is a member of the World Organization for Animal Health and Codex Alimentarius. The country also signed the International Plant Protection Convention. Its SPS-related laws and regulations were brought into conformity with international standards within the EAEU framework. The Union members designed a system of cooperation to ensure timely notification of the WTO about all relevant technical regulations, TBT and SPS measures, as well as to discuss and consider the comments received from the WTO members according to Recommendation No. 8 of the Eurasian Economic Commission Board.

Export policy

All the goods exported from Armenia outside the EAEU are subject to customs declaration. Since Armenia has no borders with other EAEU member states, overland and maritime transportation is carried out via the customs transit procedures.

Export duties

The EAEU member states concluded separate agreements on export duties according to which each member state sets its own list of goods that these duties may apply to. During the period in question, Armenia applied zero-rate export duties to all the goods. Exported goods are exempted from VAT and excise tax. Armenia grants no export subsidies to agricultural goods.

Armenia passed the Law "On free economic zones" (FEZ) in June 2011, and drafted a number of regulatory acts late that year to attract foreign investments to the FEZ using various incentives. At present, three free economic zones exist in the country.

Quantitative restrictions on exports (including export bans) were not applied in Armenia in 2017 and 2018.

Export promotion measures

The Armenian Export Insurance Agency (AEIA) currently provides two types of insurance products: export insurance and pre-export financing insurance. Both products also cover agricultural product exports. The insurance services are delivered by the AEIA on a commercial basis; accordingly, the insured entities (exporters or commercial banks) must pay a premium calculated as a percentage of the amount insured. The Chamber of Commerce and Industry of the Republic of Armenia, which is responsible for encouragement of export, is functioning as well.

Trade agreements

In the EAEU context, Armenia is a party to the free trade agreement with Viet Nam that took effect in October 2016. On 17 May 2018, during the Astana Economic Forum, the Agreement on Trade and Economic Cooperation between the EAEU and China and the Interim Agreement leading to establishment of a free trade area between the Eurasian Economic Union and the Islamic Republic of Iran were signed. At present, the EAEU is holding negotiations on a free trade area with a number of other countries. Besides, Armenia has eight bilateral FTAs with some countries of the former Soviet Union, and signed the Agreement on the CIS free trade area. The Comprehensive and Enhanced Partnership Agreement with the European Union was signed in November 2017. Armenia is currently working to bring its commitments undertaken under the Agreement with the EU into conformity with the commitments within the EAEU framework.

Armenia enjoys the Generalized System of Preferences Plus (GSP+) in trade with the European Union, which allows it to export more than 7 000 goods to the EU countries on privileged terms: a zero rate applies to 3 300 items whereas a reduced rate applies to 3 900 items. In addition, the Generalized System of Preferences (GSP) is in force in Armenia's relations with such partner countries as Canada, Norway, the United States, Switzerland and Japan.

¹ WT/TPRS/379

² Temporary importation of goods is an operation in which foreign-made goods may be used in the Customs Union's customs territory within a fixed time limit.

³ The Treaty on the Eurasian Economic Union, Article 52(1).

Changes in the policy of domestic support to agriculture

Agriculture still plays an important role in ensuring the country's economic growth. However, climate specifics, terrain conditions, and the small size of many farms pose major challenges. The country's agricultural policy is laid out in several documents including the "Strategy of development of Armenia for 2014–2025" and the "Strategy of sustainable development of rural areas and agriculture for 2010–2020" where the sector's importance and potential is underlined. Although there are several governmental programmes of support to agriculture, the amount of funds allocated is rather small in relation to the total value of production. It was only 1 percent for green box measures and 0.5 percent for amber box measures in 2018.

The total support to agriculture (green and amber box measures) was USD 83 million⁴ in 2018, which is 5.6 percent higher than the 2017 level. The state support to irrigation activities was increased to USD 44.6 million, or by 82 percent compared to the previous year. The current level of support to agriculture via amber box programmes in 2017–2018 was not higher than the zero-bound Base Total AMS, which corresponds to the obligations Armenia assumed to the WTO.

Armenia has started implementation of a number of programmes in recent years to improve efficiency of agriculture, reduce the damage caused to agriculture by climatic events, introduce modern irrigation methods, replace low-yielding orchard crop varieties with high-productivity ones, and enlarge the agricultural product processing volumes.

In particular, the following programmes, financed from the State Budget and other sources, were launched in 2017:

- programme of state support for financial leasing of agricultural machinery for the purpose of its supply to agricultural operators on acceptable terms;
- programme for subsidization of interest rates on the loans granted to agriculture, and the programme for subsidization of interest rates on the loans granted to agricultural product processing enterprises;
- programme for subsidization of interest rates on the loans for installation of hail protection grids (beginning from 2018);
- programme for subsidization of interest rates on the loans for introduction of a drip irrigation system;
- programme of state support to intensive gardens;
- programme "Development of livestock farming in Armenia in 2019–2024";

- programme "State support to creation in Armenia of vineyards, intense fruit gardens and berry plantations laid out according to modern technologies"; and
- programme "Development of production of local seeds and seeds of some cereal and leguminous crops in the Republic of Armenia", etc.

There are also some programmes to encourage development of agriculture with financial assistance from international organizations, including the European Programme of Cooperation in Development of Agriculture and Rural Areas; the 2nd Programme of Community Management of Agricultural Resources and Competitiveness; the Programme of Rural Economic Development – New Economic Opportunities (Centre for Agribusiness and Rural Development); Fund for Economic Development of Rural Areas of Armenia; programmes financed by the Austrian Development Agency, etc.

In view of the low economic activity level in border areas, rural communities and disaster zones, the goal of state guarantees on loans to small and medium-sized enterprises (SME), including agricultural ones, is to support business development in the above-mentioned areas for their transition from self-sufficiency to profitability, to create new jobs, and to ensure access to economic opportunities for all. The programme allows entrepreneurs to apply for loans, guaranteeing up to 70 percent of the principal loan amount for up to five years. The greatest possible guaranteed amount may not exceed USD 31 000 (per entrepreneur).

Armenia also provides some tax exemptions to agricultural producers. First of all, taxpayers (including farmers) are exempt from VAT if their commodity turnover was not greater than USD 120 000 in the previous calendar year. Secondly, agricultural producer taxpayers are exempt from profit tax in terms of agricultural product sales income as well as income from sales of fixed and other assets if such income is not greater than 10 percent of gross income (the agricultural product category includes cereals, fodder crops, plants and vegetables, other plant-originated foodstuffs, fruits and berries, trees and seeds, bovine animals, poultry, and fish products).

Armenia's agriculture has ample opportunities for the manufacturing of high-quality and environmentally safe products, processed and fresh fruits and vegetables in modern packaging as well as fishery products that meet international food safety standards. Greenhouse areas are expanded as demand for greenhouse technology grows, especially for small and medium-sized greenhouses. VAT exemption of the imports of equipment and parts for greenhouse complexes since 2015 has brought

positive results, promoting inflow of investments to the greenhouse sector.

Thus, Armenia can offer quality and unique agricultural goods for export. Since the adaptation of the country's agriculture to market conditions is not yet complete, support to the sector at the state level, stimulation of commodity exports, and enhancement of cooperation with other countries play an especially important role.

⁴ At the yearly average exchange rate of the Central Bank of Armenia.

⁵ Approved by the Minutes of the Decision No. 11 of the Republic of Armenia (RA) Government of 16 March 2017.

⁶ The leasing interest rate is 2 percent. Approved by the Minutes of the Decision No. 16 of the RA Government of 16 March 2017.

⁷ Approved by the Minutes of the Decision No. 39 of the RA Government of 14 September 2017.

⁸ Approved by the Minutes of the Decision No. 53 of the RA Government of 21 December 2017.

⁹ Approved by the Minutes of the Decision No. 37 of the RA Government of 31 August 2017.

¹⁰ Approved by the Minutes of the Decision No. 53-11 of the RA Government of 21 December 2017.

¹¹ Approved by the Minutes of the Decision No. 53-11 of the RA Government of 21 December 2017.

Belarus

Natalia Kireyenka

Overall context of trade policy

Foreign trade is one of the priority sectors in the Belarusian economy, playing a significant role in the national AIC's operation. The foundational documents for the country's agrarian sphere are the "State programme for development of agrarian business in the Republic of Belarus for 2016–2020"¹ and the "National programme for export promotion and development for 2016–2020"². The regulatory legal basis that governs foreign trade activities at the national level is formed by the provisions of the Laws "On state regulation of

foreign trade activities"³ (No. 347-3 of 25 November 2004), "On measures for protecting the economic interests of the Republic of Belarus in foreign commodity trade" (No. 346-3 of 25 November 2004, No. 397-3 as reworded on 13 July 2016),⁴ "On customs regulation in the Republic of Belarus" (No. 129-3 of 10 January 2014, as reworded by No. 32-3 of 19 June 2017).⁵ An Inter-agency Council for Foreign Trade Policy is active.⁶

Development of foreign trade in agricultural products is regulated in Belarus by the Treaty on the Eurasian Economic Union⁷ and the "Concept of a concerted (coordinated) agro-industrial policy of the members

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states of the Customs Union and the Single Economic Space”.⁸ The customs tariff regulation in Belarus is effected according to the EAEU provisions.⁹

For the purpose of development of agriculture and agricultural trade policy, the following acts were adopted during 2017–2018: the “Doctrine of national food security of the Republic of Belarus through 2030”,¹⁰ which determines target criteria in the field of agricultural production, domestic consumer market and foreign trade in agricultural products,¹¹ and the directive of the President of the Republic of Belarus “On development of rural areas and enhancement of the agricultural sector’s

¹ Resolution of the Council of Ministers of the Republic of Belarus No. 196 of 11 March 2016 (as reworded by No. 846 of 22 November 2018).

² Resolution of the Council of Ministers of the Republic of Belarus No. 604 of 1 August 2016.

³ National Register of Legal Acts of the Republic of Belarus No. 2/1096 of 9 December 2004.

⁴ National Register of Legal Acts of the Republic of Belarus No. 2/1095 of 9 December 2004.

⁵ National Register of Legal Acts of the Republic of Belarus No. 2/2127 of 15 January 2014.

⁶ Resolution of the Council of Ministers of the Republic of Belarus No. 524 of 22 June 2015 (as reworded by No. 782 of 31 October 2018).

⁷ The Treaties as reworded on 10 October 2014, 23 December 2015 (as reworded on 11 April 2017), and the protocols as reworded on 8 May 2015, 15 March 2018.

⁸ Resolution of the Supreme Eurasian Economic Council No. 35 of 29 May 2013.

⁹ Treaty on the Customs Code of the Eurasian Economic Union (took effect on 1 January 2018), ratified by the Law of the Republic of Belarus “On ratification of the Treaty on the Customs Code of the Eurasian Economic Union” of 10 November 2017.

¹⁰ Resolution of the Council of Ministers of the Republic of Belarus No. 962 of 15 December 2017.

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efficiency”,¹² which provides for, inter alia, build-up of annual exports of agricultural products and foodstuffs to USD 7 billion by 2020. According to the Decree of the President of the Republic of Belarus “On promoting the development of export of goods (works, services),¹³ amendments were made to the “Regulations on state-supported export risk insurance” in terms of granting of export credits, and to the working procedure of the open joint-stock company (OJSC) “Development bank of the Republic of Belarus” in that area.

Within the EAEU framework, Belarus was involved in the adoption of the EEC Board Recommendation “On formulating approaches to the concerted export policy of the Eurasian Economic Union member states concerning agricultural goods”¹⁴ that contains a list of groups of agricultural products for export deliveries to third-country markets (e.g. wheat and meslin to Azerbaijan, Iran (Islamic Republic of) and Turkey; milk and cream, condensed or with sugar or other sweetening agents, to Azerbaijan, Ukraine, etc.) the EAEU member states should take concerted actions for the organization of exhibitions and fairs as well as for the holding of business forums.

Agricultural trade policies

Import policy

Import duties

Tariff concessions and tariff preferences are granted to third countries by the Republic of Belarus according to the EAEU Treaty.¹⁵ No changes in import customs duty rates for agricultural goods occurred in 2017–2018. Changes in the ad valorem component of combined rates affected 14 commodity codes in 2017, and 18 in 2018. For eight commodity codes, it increased in 2018. The highest growth was recorded for code 09 (coffee, tea, mate and spices) – from 84.1 percent to 87.3 percent, code 18 (cocoa and cocoa preparations) – from 45.0 percent to 48.0 percent, and code 20 (preparations of vegetables, fruit, nuts) – from 56.3 percent to 57.8 percent. Decrease occurred for ten commodity codes, including code 10 (cereals) – from 55.8 percent to 48.6 percent, code 17 (sugar and sugar confectionery) – from 17.7 percent to 14.3 percent, and code 22 (beverages and spirits) – from 71.0 percent to 70.0 percent.

Tariff quotas

The list of goods for which tariff rate quotas (TRQ) applied in 2018, and volumes of the tariff quotas were defined in the EEC Board Resolution.¹⁶ Allocation of agricultural goods imported under TRQs (meat of swine, fresh, chilled or frozen; swine trimmings;¹⁷ boned meat of fowls, fresh,

chilled or frozen;¹⁸ boned meat of turkeys, fresh, chilled or frozen)¹⁹ across oblasts of the country was implemented pursuant to the Resolution of the Cabinet of Ministers of the Republic of Belarus²⁰ and the Order of the Ministry of Agriculture and Food of the Republic of Belarus.²¹ In 2018, a tariff quota for imports of long-grain rice (FEACN of the EAEU codes 1006 30 670 1, 1006 30 980 1) originating from the Socialist Republic of Viet Nam and imported into the territory of the Republic of Belarus from that country.²²

Quantitative restrictions on imports (including import bans)

Quantitative restrictions (including bans) on imports are regulated by the Decree of the President of the Republic of Belarus²³ (in 2018, its paragraph 2 ceased to be in force, which had provided for measures to streamline the system of public authorities and other state organizations as well as to optimize the size of their staff). Quantitative restrictions on agricultural product imports were not applied in 2017–2018.

Import policy measures based on SPS requirements and technical regulation

In 2017, the Department of Veterinary and Food Supervision of the Republic of Belarus issued 39 directives on temporary restriction on the import of agricultural products to the Republic of Belarus, 28 directives on full cancellation of previously imposed restrictions (including 9 imposed in 2016, and 19 in 2017), and 3 directives on their partial cancellation. In 2018, the total quantity of such documents decreased considerably (23 directives on temporary restriction, 11 on full cancellation, and two on partial cancellation). The country introduced temporary restrictions, still valid, on import to its territory of the following products:²⁴

- poultry products because of registered highly pathogenic avian influenza – from Hauts-de-France region (France, since 4 January 2018), Emilia-Romagna region (Italy, since 4 January 2018), Kostroma oblast (the Russian Federation, since 5 January 2018), Zabaykalsky Krai (the Russian Federation, since 12 February 2018), Limpopo province (South Africa, since 16 February 2018), Occitanie and Nouvelle-Aquitaine regions (France, since 17 February 2018), Western Cape province (South Africa, since 19 February 2018), etc.; and
- live swine, meat of swine, and its preparations because of registered cases of African swine fever among animals – from Heves province (Hungary, since 26 April 2018), and some regions of the Russian Federation: Tver oblast (since 13 July 2018), Novgorod, Ivanovo and Belgorod oblasts (since 23 July 2018), Samara oblast (since 10 August 2018), etc.

Export policy

Export duties

Export customs duty continued to be in force in 2017–2018 for the following goods exported from the territory of the Republic of Belarus outside the customs territory of the EAEU member states: rape or colza seeds, whether or not broken (FEACN 1205),²⁵ at EUR 100 per 1 000 kg; raw skins of bovine animals (FEACN 4101) and other raw skins (FEACN 4103), at EUR 500 per 1 000 kg; tanned skins of bovine animals (FEACN 4101) and tanned skins of other animals (FEACN 4106), at 10 percent, but no less than EUR 90 per 1 000 kg.²⁶

Quantitative restrictions on exports (including export bans)

Temporary licensing of exports of flax fibre outside the customs territory of the Eurasian Economic Union ceased to be in force in 2017.²⁷ On 10 March 2018, the validity period of the Resolution of the Cabinet of Ministers of the Republic of Belarus expired. The resolution stated that exports of flax fibre outside the EAEU customs territory since February 2017 required one-time licenses from the Ministry of Antimonopoly Regulation and Trade of Belarus as agreed upon with the Belarusian Light Industry Concern.²⁸

Export subsidies, including transport subsidies, are not applied in Belarus.

Export promotion measures

To improve the system of state support to exporters, the draft Decree of the President of the Republic of Belarus “On export promotion” was developed. The document provides for reimbursement for the costs of participation in international specialized exhibitions and of product conformity assessment in foreign countries. As part of national exhibitions (displays) abroad in 2018, Belarusian agricultural products²⁹ were represented in five out of six events.³⁰ Besides, Belarus supported adoption of the EEC Board Recommendation “On the list of international agricultural exhibitions and fairs for 2019–2020”.³¹

In line with the global trend of digital economy development, great attention was paid to work for information support to export. As of the end of 2018, 4 848 Belarusian and 393 foreign enterprises are registered at the portal for exporters, <https://export.by>,³² and information about 16 715 goods (including agricultural) and services is presented. A commodity distribution

¹¹ Improvement of efficiency of foreign agricultural product trade by means of: building export capacity and increasing the share of exports in the value of agricultural production, raw materials and food to 40 percent by 2020 (as compared to the 2010–2015 average), and by 45 percent to 2030; reducing the imported component in the costs of production of agricultural goods, raw materials and food to 20–22 percent by 2020 and to 18–20 percent by 2030; reducing the share of imported food products in the sales of trading organizations in the domestic market to 15 percent by 2020 and to 14 percent by 2030.

¹² Directive of the President of the Republic of Belarus No. 6 of 4 March 2019.

¹³ Decree of the President of the Republic of Belarus No. 534 of 25 August 2006 (as reworded by No. 317 of 4 September 2017).

¹⁴ Recommendation of the Eurasian Economic Commission Board No. 25 of 14 November 2017.

¹⁵ The Treaty on the Eurasian Economic Union of 29 May 2014 (as amended by the Protocol of 15 March 2018).

¹⁶ The EEC Board Resolution No. 97 of 18 August 2017.

¹⁷ Codes of the FEACN of the EAEU: 0203 11 100 1, 0203 11 900 1, 0203 12 110 1, 0203 12 190 1, 0203 12 900 1, 0203 19 110 1, 0203 19 130 1, 0203 19 150 1, 0203 19 550 1, 0203 19 590 1, 0203 19 900 1, 0203 21 100 1, 0203 21 900 1, 0203 22 110 1, 0203 22 190 1, 0203 22 900 1, 0203 29 110 1, 0203 29 130 1, 0203 29 150 1, 0203 29 550 1, 0203 29 590 1, 0203 29 900 1, 0203 29 900 2.

¹⁸ Codes of the FEACN EAEU: 0207 13 100 1, 0207 14 100 1.

¹⁹ Codes of the FEACN EAEU: 0207 26 100 1, 0207 27 100 1.

²⁰ Resolution of the Council of Ministers of the Republic of Belarus No. 980 of 20 December 2017.

²¹ Order of the Ministry of Agriculture and Food of the Republic of Belarus No. 9 of 10 January 2018 (as reworded by No. 359 of 26 November 2018).

²² The EEC Board Resolution No. 97 of 18 August 2017; Resolution of the Council of Ministers of the Republic of Belarus No. 335 of 4 May 2018.

²³ Decree of the President of the Republic of Belarus No. 124 of 5 April 2016 (as reworded by No. 91 of 28 February 2018).

²⁴ A complete list of directions can be found on the website of the Department of Veterinary and Food Supervision of the Ministry of Agriculture and food of the Republic of Belarus.

²⁵ Decree of the President of the Republic of Belarus No. 272 of 21 May 2010 (as reworded by No. 380 of 28 July 2014).

²⁶ Decree of the President of the Republic of Belarus No. 40 of 1 February 2011.

²⁷ Resolution of the Council of Ministers of the Republic of Belarus No. 156 of 17 February 2012.

²⁸ Resolution of the Council of Ministers of the Republic of Belarus No. 653 of 25 August 2017.

²⁹ Resolution of the Council of Ministers of the Republic of Belarus No. 927 of 6 December 2017.

³⁰ May 2018 – Shanghai (China), Chicago (USA), Dushanbe (Tajikistan); July 2018 – Ekaterinburg (the Russian Federation); November 2018 – Shanghai (China); December 2018 – Ho Chi Minh City (Viet Nam).

³¹ The EEC Board Recommendation No. 19 of 18 September 2018.

network (CDN) has been developing actively.³³ The CDN of the Ministry of Agriculture and Food of the Republic of Belarus abroad comprised 177 organizations, including 35 (19.8 percent) – with Belarusian investments (trading houses, trade missions and branches, joint ventures, sales outlets), and 142 (80.2 percent) without domestic capital (dealership and distribution structures).³⁴ Besides, an active role in the country's agricultural CDN is taken by Belgospishcheprom concern represented in other countries by 11 trading houses, seven of which (63.6 percent) operate in the Russian Federation market.³⁵

Trade agreements

Belarus has observer status in the WTO. The Republic of Belarus applied for accession to the WTO in 1993. The 10th - 12th meetings of the Working Party on the Accession to the WTO as well as bilateral negotiations on market access with the WTO parties concerned took place in 2018–2019. As of 1 January 2019, bilateral negotiations on market access were completed, and bilateral protocols signed, with 20 WTO members.³⁶ Bilateral negotiations on market access are underway with Afghanistan, Australia, Brazil, the EU, Canada, Costa Rica, the United States, and Ukraine.

In 2017, Belarus updated a package of documents on the extent of state support to agriculture, taking the WTO requirements into consideration (WT/ACC/SPEC/BLR/7/Rev.5, addendum to the report WT/ACC/SPEC/BLR/7/Rev.5/Add.1). A regular multilateral meeting on state support to agriculture took place in the official format in September 2017, and two rounds of informal consultations with the Cairns Group on this subject were held in 2018.³⁷ Based on outcomes of the consultations, an updated package of commitments on state support to agriculture was sent to the Cairns Group in December 2018.

*Bilateral cooperation.*³⁸ Bilateral relations feature prominently in Belarus' foreign economic priorities. As of the end of 2018, bilateral free trade area (FTA) agreements are in force with Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation, Serbia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine. The Agreement on the CIS free trade area was signed on 8 October 2011, with Armenia, Belarus, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation and Ukraine as its parties. Uzbekistan acceded to the agreement on special individual terms. The legal foundation for the Belarusian-Russian integration is provided by the Treaty on the Establishment of the Union State signed by the leaders of Belarus and the Russian Federation on 8 December 1999.

The European Union is the second significant market for Belarusian exports. By now, the negotiations concerning the EU-Belarus Partnership Priorities, which will become a cooperation roadmap for 2019–2020, have reached

their final stage. The European Union is going to allocate between EUR 112 and 136 million in grants to Belarus in terms of the technical assistance country programme alone.³⁹ Having signed agreements on financing for the EU transboundary cooperation programmes "Poland-Belarus-Ukraine" and "Latvia-Lithuania-Belarus", Belarus also obtained access, on a competitive basis, to the EU grant funds amounting to EUR 282.7 million until 2020.

The Republic of Belarus and the EAEU. Within the EAEU framework, Belarus continued its policy towards building an economic union based on implementation of the EAEU Treaty of 29 May 2014 and on respect for interests of all the member states of that integration association. The Customs Code of the Eurasian Economic Union took effect on 1 January 2018. The meeting of the Eurasian Intergovernmental Council, held on 25 October 2017 in Yerevan, Armenia, approved the Action Plan (Roadmap) for elimination of exemptions and restrictions in the EAEU internal market for 2018–2019. A free trade regime with a third party is established pursuant to Article 35 of the EAEU Treaty. The free trade agreement between the EAEU and the Socialist Republic of Viet Nam was signed on 29 May 2015;⁴⁰ an interim agreement with the Islamic Republic of Iran was concluded on 17 May 2018;⁴¹ and the Agreement on Trade and Economic Cooperation with China was signed on 17 May 2018. Negotiations are underway concerning creation of an FTA with Egypt⁴², India⁴³, Israel and Singapore as well as concerning trade regime unification with Serbia.

Changes in the policy of domestic support to agriculture

State support to agriculture is a component in the socio-economic policy of the Republic of Belarus. The support mechanism is defined in the Decree of the President of the Republic of Belarus "On the state agricultural policy"⁴⁴ whereas the volumes and sources of financing⁴⁵ are specified in the State Programme for Development of the Agricultural Business in the Republic of Belarus for 2016–2020.

The volume of direct budgetary support totalled USD 797.8 million in 2017, or USD 97 per hectare of agricultural land (in 2016 - USD 1 006.8 million, or USD 118 per hectare of agricultural land). Its structured was dominated by compensation for losses of banks due to the granting of concessional loans (more than 60.0 percent in the republican budget expenditures, and about 4.0 percent in local budget expenditures). A large share of the republican budget expenditures belonged to expenses for the financing of budget-funded organizations (8.0 percent of all the republican budget expenditures for agriculture), construction of drainage systems, combined irrigation systems, and essential

facilities of reclamation and water management systems (6.7 percent) as well as payment of insurance premiums (4.7 percent). In the local budget expenditures for agriculture, a considerable percentage accounts for purchase price mark-ups for the following goods: cow milk; mare milk; goat milk; sheep milk; young dairy breed bovine grown at animal farming facilities engaged in bovine breeding and fattening; meat breed and cross-breed bovine; buckwheat; and long-stalked flax straw.⁴⁶

The largest percentage in the structure of non-trade-distorting support measures (green box measures) at the republican level belonged to expenditures for training, infrastructural services, payments under environmental programmes, and research. Non-product-specific support measures made up about 90 percent of the amber box measures.

The financial and economic standing of Belarusian agriculture currently features a growing debt of agricultural organizations and a shortage of financial means. To tackle this problem, a package of legislative acts was adopted since 2014 and during 2017–2018, which provide for measures of financial rehabilitation, management efficiency improvement for state-owned insolvent agricultural organizations, and regional development.⁴⁷ As of 1 January 2019, 304 agricultural organizations applied for the restructuring of their debts amounting to 646.8 million Belarusian rubles in total. 24 percent of the requested amount has actually been restructured. A mandatory condition for granting a delay (payment in instalments) consists of the timely making of current payments to the budget, resource and service providers, etc. Many organizations placed on a list of enterprises subject to financial rehabilitation do not always meet that condition. Therefore, according to actual data, debt restructuring was granted in a lesser amount than planned by the resolution. The number of loss-making agricultural organizations decreased in 2018 to 10.1 percent of their total number (in 2017, it was 11.7 percent).⁴⁸ Also on a positive note, agricultural production output increased by 5.4 percent, in value terms, in all establishment categories (982.4 million Belarusian rubles).

³² Created by the Republican Unitary Enterprise "National Centre for Marketing" to provide information support to Belarusian exporters in promotion of their products to external markets as well as to advertise the export potential of Belarus. <https://export.by>

³³ Resolution of the Council of Ministers of the Republic of Belarus No. 183 of 24 February 2012 (as reworded by No. 1000 of 26 December 2017).

³⁴ Data from the Ministry of Agriculture and Food of the Republic of Belarus.

³⁵ Detailed information is available on the Belgospisheprom website (www.bgp.by).

³⁶ China, India, Turkey, Armenia, Bulgaria, the Dominican Republic, Cuba, Kyrgyzstan, the Republic of Moldova, Panama, the Republic of Korea, Japan, Ecuador, Norway, Guatemala, El Salvador, Iceland, Chinese province of Taiwan, Argentina, and Switzerland.

³⁷ The group comprises 20 countries: Australia, Argentina, Bolivia, Brazil, Viet Nam, Guatemala, Canada, Columbia, Costa Rica, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Thailand, Uruguay, Philippines, Chile, and South Africa.

³⁸ Report of the Ministry of Foreign Affairs of the Republic of Belarus "Overview of the Republic of Belarus foreign policy results and activities of the Ministry of Foreign Affairs in 2018".

³⁹ In the following areas: strengthening the public administration system; economic development and market opportunities; transport communications, energy, environment and climate; and interhuman contacts.

⁴⁰ Having taken effect on 5 October 2016, it provides for lifting or substantial reduction of import duties on all the key items Belarus exports to Viet Nam. Therewith, a necessary extent of protection of Belarusian producers is ensured in case the domestic market is opened to Vietnamese-made goods.

⁴¹ According to Art. 9.5 of the interim agreement, its validity period is three years unless the parties agree to extend its application according to the procedure set forth in Art. 1.3.

⁴² An application was submitted on 27 May 2015.

⁴³ A statement on commencement of negotiations to establish an FTA with the EAEU was signed in June 2017.

⁴⁴ Decree of the President of the Republic of Belarus No. 347 of 17 June 2014.⁴⁵ 219.2 billion rubles, including 4.0 billion rubles from the republican budget and 3.3 billion rubles from local budgets. The Programme provides for mobilization of resources from the Belgospisheprom Belarusian State Food Industry Concern, loans (including concessional) from the OJSC "Development bank of the Republic of Belarus" and other banks, as well as proprietary funds of the entities undertaking agro-industrial production operations.

⁴⁶ Resolution of the Council of Ministers of the Republic of Belarus No. 19 of 11 January 2019.

⁴⁷ Decree of the President of the Republic of Belarus No. 253 of 4 July 2016; Decree of the President of the Republic of Belarus No. 399 of 2 October 2018; Decree of the President of the Republic of Belarus No. 407 of 16 October 2018; Decree of the President of the Republic of Belarus No. 73 of 9 March 2017; Decree of the President of the Republic of Belarus No. 135 of 27 April 2017; Decree of the President of the Republic of Belarus No. 136 of 27 April 2017; Decree of the President of the Republic of Belarus No. 147 of 5 May 2017; Decree of the President of the Republic of Belarus No. 280 of 8 August 2017.

⁴⁸ As of 1 January 2019, 281 agricultural organizations were subject to pre-judicial rehabilitation whereas 81 were subject to being declared economically insolvent (bankrupt) (for reference: according to the Decree No. 253 as of 1 July 2016 – 323 and 102 agricultural organizations, respectively).

Georgia

Shalva Pipia

Overall context of trade policy

The main goals of Georgia's foreign trade policy are as follows: integration into the global economy; further liberalization of trade policy; facilitation of export and import procedures; and diversification of trade relations by establishing preferential regimes with key trade partners.

The Ministry of Economy and Sustainable Development of Georgia is a leading institution that determines, pursues and coordinates the state policy on trade. The ministry develops and implements the country's trade policy.

The key instrument for regulation of foreign trade is the Tax Code of Georgia¹ that provides for an import taxation procedure, customs regimes and procedures, and grounds for exemption of some imported goods from import duties.

The Law of Georgia "On Entrepreneurs" regulates the forms of legitimate activities of economic entities, and sets legal provisions which guarantee equal rights and non-discrimination for local and foreign entrepreneurs.

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The Law of Georgia “On Licences and Permits” regulates a relevant sector of activities, and defines a list of licences and permits, including the imported and exported product types that require such licences and permits. It also establishes the rules for issuing, amending and repealing licences and permits. The Food/Feed Safety, Veterinary and Plant Protection Code applies to food products, animal feed, animals, plants, production of animal and plant originated items, their processing and distribution in the territory of Georgia. Control of food/

feed safety as well as veterinary and phytosanitary control related to movement of goods across the customs border (re-export, import, export and transit) is regulated by this code and the Tax Code of Georgia.

¹ All the information about legislative acts is sourced from the Legislative Herald of Georgia: <https://matsne.gov.ge> and the Tax Code of Georgia: <https://matsne.gov.ge/ka/document/view/1043717>

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Agricultural trade policies

Import policy

Import duties

The import duties on agricultural products applied in Georgia fall into three groups: 0 percent, 5 percent and 12 percent. In addition to the customs duties, VAT at the 18 percent rate and excise tax on imported goods are charged. Both these taxes are equally applied to domestically made products and imported goods. The flat average rate of import duties on the goods from the countries enjoying the most favoured nation (MFN) regime is set at a low level in Georgia. Flat average MFN tariffs were 1.79 percent for all goods and 5.75 percent for agricultural goods in 2017. In 2018, they amounted to 1.77 percent and 5.82 percent, respectively.

Regarding current import duties on agricultural products in Georgia, a zero-rate import duty applies to more than a half of the goods; the rate is set at 5 percent for 80 items, and at 12 percent for the rest.

Besides, more favourable customs regimes are provided for food imports from the CIS countries, the EU, China and Turkey. A zero-rate import duty is imposed on imports from the CIS and EU countries for all agricultural goods. With respect to China and Turkey, most products are covered by preferential and/or zero rates of import duties, and only some commodity groups are subject to a 12 percent duty.

Tariff quotas

Georgia does not apply tariff rate quotas on agricultural imports.

Quantitative restrictions on imports (including import bans).

Georgia has no quantitative restrictions or quotas on agricultural imports.

Import policy measures based on SPS requirements and technical regulation

Georgia continues to pursue an open trade policy, including the establishment of customs rules and trade facilitation measures in conformity with international practices and the WTO rules. The country implemented a number of reforms to facilitate trade procedures, including the creation of free trade areas. On 4 January 2016, Georgia ratified the Agreement on Trade Facilitation that took effect on 22 February 2017.

The process of approximating the Georgian legislation to the European Union rules goes on according to the plan approved at the signing of the Association Agreement with the EU. Substantial amendments were made to the Food/Feed Safety, Veterinary and Plant Protection Code in 2014.

Export policy

Export duties

Georgia does not apply any export duties to agricultural goods. Agricultural imports are exempt from VAT.

Quantitative restrictions on exports (including export bans)

Georgia has no quantitative restrictions or bans on agricultural exports.

Export promotion measures

Georgia provides no export subsidies, and applies no export finance instruments. Export support is mainly provided in the form of facilitating exporters' participation in international exhibitions and trade delegation missions.

Trade agreements

The following developments occurred in Georgia's bilateral and multilateral trade agreements in 2017–2018:

- The free trade agreement between the European Free Trade Association (EFTA) and Georgia took full effect on 1 May 2018. It was signed on 27 June 2016 within the framework of the EFTA ministerial meeting in Bern, Switzerland. The agreement was in effect for Iceland and Norway as of September 2017, and for Liechtenstein and Switzerland as of 1 May 2018. The agreement covers such matters as trade in goods and services, sanitary and phytosanitary measures, technical barriers to trade, country of origin determination rules, trade facilitation, cooperation in customs matters, intellectual property, public procurement, competition, protective measures in trade, and sustainable development.
- On 13 May 2017, Georgia signed the free trade agreement with China. The agreement came into force on 1 January 2018. Georgia and China started discussing possible introduction of the free trade regime as far back as September 2015, and signed the Memorandum on refinement of the Free Trade Agreement in October 2016, which took effect in May 2017. According to the agreement, about 94 percent of Georgia's products will be exported to China

with no customs duties. Besides, 90.9 percent of the products will enjoy duty-free access to the Chinese market right after taking effect by the agreement whereas the duty-free regime will be extended to the remaining 3 percent within the next five years. Accordingly, a great number of Chinese products (96.5 percent) will be imported to the territory of Georgia with no customs duties.

- In February 2019, the free trade agreement between Georgia and China, Hong Kong SAR came into force. The agreement was signed on 28 June 2018 as part of the One Belt One Road summit. It provides for definition of conditions for free movement of goods and facilitation of trade in services between Georgia and China, Hong Kong SAR. The document covers matters such as customs and trade cooperation, intellectual property rights, technical barriers to trade, sanitary and phytosanitary measures, etc.
- In April 2017, during the visit of the Georgian Minister of Economy to New Delhi, negotiations began concerning a free trade agreement with India. The parties signed a memorandum on commencing the preparation of a necessary feasibility study.

Changes in the policy of domestic support to agriculture

Georgia used no amber box measures for domestic support to agriculture in 2017. The total amount of state budget expenditure for green box measures was USD 61.8 million. This is USD 6.4 million less than in 2016. The following key programmes and projects were under implementation in 2017:

- *Food safety programme.* The programme is designed to control the safety of food products and ensure consumers' health. Laboratory tests of various food product samples for their quality inspection, as well as drinking water safety tests, are undertaken within this programme.
- *Programmes on phytosanitary security, plant diagnostics and protection.* These programmes are aimed at implementing measures to prevent mass outbreaks of dangerous and quarantinable diseases and pests, particularly the marmorated bug, and at undertaking diagnostics and laboratory tests of samples for the purposes of plant protection and phytosanitary security enhancement.
- *Programmes for animal health care and identification/registration.* These programmes are designed to improve epizootic security. They are aimed at undertaking: research and diagnostics of diseases in animals, preventive vaccination to avert highly dangerous diseases, animal identification/registration, and control of feed and veterinary preparation quality.
- *Programme of concessional financing of agricultural credits.* The programme is aimed at enhancing access to financial resources for enterprises and private entrepreneurs actively engaged in the agricultural sector. They are granted support under the concessional lending scheme via commercial banks and microfinance organizations.
- *Agricultural insurance programme.* The programme is designed to reduce risks for agricultural producers working on small-size agricultural land plots. The insurance is provided by private insurance companies, and the programme offers coverage of some part of the insurance premium for small farmers.
- *Programme of support to agricultural cooperatives.* Under this programme, financial and technical support is provided to agricultural cooperatives in order to increase their productivity and competitiveness.
- *Programmes for promotion of Georgian agricultural goods, wine and winemaking.* The programmes are aimed at promoting and popularizing Georgian goods in local and international markets. Under the programmes, assistance is provided to producers for participation in international competitions and exhibitions.

Kazakhstan

Nurlan Kulbatyrov

Overall context of trade policy

The Customs Codes of the Republic of Kazakhstan¹ and the Eurasian Economic Union² took effect in Kazakhstan's territory on 1 January 2018. The Customs Code of the Republic of Kazakhstan contains provisions of the EAEU Customs Code as well as national competencies concerning trade policy regulation.

While the code was being adopted, the following key changes occurred in regulation of agrifood trade:

- electronic declaration of goods was introduced;
- a customs declaration is filled out by a customs body official (as chosen by the foreign trade activity entity concerned);
- the list of cases where release of goods is allowed prior to submission of a customs declaration to the customs body was extended (for example, when importing animals, perishable goods, or goods delivered as part of implementation of investment projects); and
- no repeat desktop customs audit is allowed.

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Trade in agricultural goods increased slightly in 2017 year-on-year: from USD 5 891.0 million in 2017 to USD 6 659.0 million in 2018, i.e. by 13.0 percent.³ The trade turnover growth was mainly caused by increased exports that grew from USD 2 417.7 million to USD 3 033.5 million, i.e. by 25.5 percent.

The main increment of the export volume occurred due to increased deliveries of wheat, barley, and flax seeds.

Main export destinations for the above-mentioned agricultural goods include the CIS countries (first of all Tajikistan and Uzbekistan) and some non-CIS countries (such as Afghanistan, China, Belgium, Iran (Islamic Republic of), and Italy). Among the EAEU countries, Kyrgyzstan and the Russian Federation are key importing countries.

¹ *The Code of the Republic of Kazakhstan "On customs affairs in the Republic of Kazakhstan" (No. 123-VI LRK of 26 December 2017).*

² *The Treaty on the Customs Code of the Eurasian Economic Union (No. 123-VI LRK of 11 April 2017).*

³ *Data by the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (RK) and the Statistics Committee of the Ministry of National Economy of the RK.*

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Although the export growth rates are higher than the import growth rates, the share of imports in the structure of the country's agricultural trade prevails substantially. Kazakhstan imports more goods of this group than it exports to external markets.

Kazakhstan's accession to the World Trade Organization (WTO) in November 2015, following a years-long negotiation process, became a key achievement of the trade openness policy. Owing to its WTO membership, Kazakhstan received more favourable conditions for access to external markets of goods and services due to the predictability and stability of the Organization members' foreign economic activities, as well as the possibility of using the WTO tools to settle trade disputes and prevent discriminatory measures.

Through the regional economic integration framework, Kazakhstan, along with other Eurasian Economic Union members, made its way from the Customs Union to the EAEU. At the same time, analysis of the current trends in mutual trade within the Organization's framework reveals a number of concerns.

The Russian Federation remains Kazakhstan's dominant trade partner in the EAEU, with its share continuing to grow (in 2016 – 89.6 percent of Kazakhstan's total exports to the EAEU countries). Since it is impossible to use protective trade measures within the Union, Russian currency fluctuations can adversely affect Kazakhstan's trade balance. Besides, existing barriers to trade have a major negative impact on Kazakhstan's exports to the EAEU countries.

Production of machinery and equipment is the main economic sector where barriers are high. In addition, exporters of chemical and agricultural products as well as of electric, electronic and optical equipment face barriers.

An agreement was entered into force within the EAEU framework, according to which import customs duties for more than 59 percent on commodity items exported from the EAEU member states are abolished immediately, and for another 29 percent they will be reduced to zero over transitional periods of between five and ten years.

Third countries' interest in concluding free trade area agreements within the EAEU framework is growing year after year: active talks are currently underway with Egypt, India, Iran (Islamic Republic of), Israel and other countries that expressed their interest in cooperation with the Union.

Agricultural trade policies

Import policy

Import duties

In its foreign trade, Kazakhstan pursues a uniform trade policy with the EAEU member states, taking into consideration, however, its commitments to WTO. Import customs duties are set according to the EAEU Common Customs Tariff in relation to imports from third countries, but they are not applied to Union member states. The average applied import duty rate (MFN) for agricultural products was 9.4 percent in 2017 whereas the final bound rate under commitments to the WTO is set at 9.7 percent (WTO, 2019b).

The highest MFN rates were applied to imports of alcoholic beverages and tobacco (21.1 percent) followed by livestock products (15.5 percent), dairy products (14.6 percent), sugar and confectionery (10.8 percent).

It should be noted that the List of Exemptions⁴ has been in force within the Eurasian Economic Union activities since 2016, according to which import duty rates on some goods may be set lower than the EAEU CCT rates as per the country's commitments in WTO. Kazakhstan ensures traceability of such goods by creating and applying a system of recording designed to not allow their export to the territory of other EAEU member states. For 2019, according to the new EAEU commodity nomenclature, the list of exemptions for agricultural goods comprises 1 121 items.

During 2010–2019, Kazakhstan applies a zero-rate import duty on imports of raw cane sugar for industrial processing.⁵

Tariff rate quotas

According to its commitments to the WTO, Kazakhstan applied tariff rate quotas in 2017–2018 within the limits of the defined agreed-upon volume of beef and poultry imports (1.4 thousand tonnes and 128.8 thousand tonnes, respectively). Tariff quotas for import of meat of bovine animals were set at 21 000 tonnes, and import of meat and edible offal of poultry at 140 000 tonnes.

The (agreed-upon) tariff rate quotas are allocated by the Ministry of National Economy of the Republic of Kazakhstan,⁶ however allocation of the agreed-upon tariff rate quotas among processing entities is provided by the Ministry of Agriculture of the Republic of Kazakhstan.⁷

Tariff preferences

Kazakhstan applies the Uniform System of Tariff Preferences within the EAEU framework to developing and least developed countries, namely reducing:

- by 25 percent the import customs duty rate for certain goods originating from developing countries; and
- to 0 percent the import customs duty rate for certain goods originating from least developed countries.⁸

Besides, when concluding free trade agreements within the EAEU framework, preferential zero-rate customs duties are applied (e.g. under the Agreement on the CIS free trade area, and the free trade agreement between Kazakhstan and Viet Nam).

Quantitative restrictions on imports (including import bans)

No quantitative restrictions on imports and import bans were applied to agricultural goods in 2017–2018.

Import policy measures based on SPS requirements and technical regulation

In May 2017, Kazakhstan was granted the status of a foot-and-mouth disease free zone, with vaccination for five regions of the country – Almaty, East Kazakhstan, Zhambyl, Kyzylorda, and South Kazakhstan oblasts. Hence, the Republic of Kazakhstan currently has the official status of a foot-and-mouth disease free country.

In 2018, according to recommendations given by experts of the World Organization for Animal Health, and based on findings of the veterinary service system assessment, the Ministry of Agriculture of the Republic of Kazakhstan drafted a five-year plan and commenced its implementation.

Besides, the Ministry of Agriculture developed the Programme “Effective State Control and Supervision” for 2018–2022 (hereinafter referred to as the Programme). The Programme implementation stages include the following tasks:

Stage I:

- establishing 28 veterinary and phytosanitary control posts (VCPs and PCPs) near the Kazakhstan-Russian Federation border, three VCPs and PCPs near the Kazakhstan-Kyrgyzstan border, and 18 interzonal posts;

- equipping veterinary and quarantine inspectors with necessary material and technical facilities including for photo and video recording;
- equipping laboratories to achieve the level set by international requirements; and
- delimiting the responsibility of the government and agricultural producers for the quarantine and phytosanitary welfare.

Stage II:

- integrating the plant quarantine and veterinary information systems with the information systems of public authorities;
- integrating with the information systems of the EAEU member states;
- using the E-AIC Programme products in the state control and supervision system;
- carrying out monitoring of the quarantine, phytosanitary and epizootic situation in the country as well as of movement of the products subject to control; and
- minimizing the human factor’s influence on decision-making concerning the detected violations by means of enhancing the veterinary and plant quarantine information systems, including with the aid of blockchain technology.⁹

⁴ Order of the Minister of National Economy of the Republic of Kazakhstan No. 58 of 9 February 2017 “On approval of the list of goods to which import customs duties are applied, their rates, and validity period”.

⁵ Decision of the Customs Union Commission No. 130 of 27 November 2009 “On the uniform customs tariff regulation of the Eurasian Economic Union”.

⁶ Order of the Minister of National Economy of the Republic of Kazakhstan No. 444 of 29 December 2017 “On some matters concerning allocation of tariff quotas for importation of some sorts of meat”.

⁷ Order of the Deputy Prime Minister – Minister of Agriculture of the Republic of Kazakhstan No. 291 of 5 July 2018 “On the approval of allocation of the tariff rate quotas granted to processing enterprises for 2018 among the enterprises”.

⁸ Decision of the Customs Union Commission No. 130 of 29 November 2009 “On the uniform customs tariff regulation of the Eurasian Economic Union”.

⁹ A continuous serial chain of information-containing blocks, built according to certain rules (linked list). Copies of the blockchains are generally stored in many different computers independently from each other.

Besides, restrictions on import of the products listed below were imposed pursuant the Order of the Republic of Kazakhstan Minister of Agriculture No. 7-1/587 of 29 June 2015 “On approval of the veterinary (veterinary-sanitary) rules” (RK MoA, 2019):

- from 22 June 2018 – live swine, boar’s semen, meat of swine from Belgium, Hungary, Kaliningrad oblast of the Russian Federation, China, the Republic of Moldova, and Romania because of the African swine fever in Subcarpathian Voivodeship, Poland;
- from 21 June 2018 – live poultry and eggs for incubation, feather and down, meat of poultry, and all types of poultry products not thermally processed, feed and feed additives for poultry, hunting trophies not taxidermically processed, from Kursk, Samara, Penza, Orel, Rostov and Nizhny Novgorod oblasts of the Russian Federation as well as from Vordingborg municipality, the Kingdom of Denmark; and
- from 14 June 2018 – live sheep and goats, genetic materials, products from sheep and goats, skin, fur, wool, down and other raw materials, and products of slaughtering of sheep and goats, from the Republic of Kalmykia, the Russian Federation.

Temporary restrictions were also imposed on the imports of the following products:

- from 3 July 2018 – animals susceptible to foot-and-mouth diseases, and meat of bovine, swine and sheep, milk and dairy produce from Palestine;
- from 5 July 2018 – small animals susceptible to plague, live sheep and goats, genetic materials, products from sheep and goats, skin, fur, wool, down and other raw materials, and products of slaughtering of sheep and goats, from Yambol province of the Republic of Bulgaria; and
- from 29 August 2018 – live poultry, eggs for incubation, feather and down, poultry meat, and all types of poultry products, feed and feed additives for poultry, from the Kingdom of Belgium.

Restrictions not only on imports but also on transit across Kazakhstan’s territory were applied to the following:

- from 10 October 2018 – other animals susceptible to nodular dermatitis; products from bovine animals and other susceptible animal types without proper processing securing destruction of the nodular dermatitis virus; untreated raw skins obtained by slaughtering of bovine animals and other susceptible animals, from Chelyabinsk, Sverdlovsk and Omsk oblasts of the Russian Federation;
- from 26 March 2018 – live animals, including horses, from the Republic of Azerbaijan (the imposed ban

- does not apply to circus and zoo animals, sporting, exhibition and decorative animals); and
- from 3 September 2018 – live horses, stallion semen, meat of horses and its preparations, raw hides and skins, raw horns, hooves and guts, hunting trophies obtained from susceptible animal types, animal feed and feed additives of plant and animal origin.

Export policy

Export duties

Export customs duty rates are applied in Kazakhstan to the following goods:¹⁰

- 1) raw hides and skins of bovine or equine animals, sheep or lambs
 - at EUR 200–400 per tonne (until 2019–2020), depending on the product type, in relation to the countries that are not EAEU member states and the countries with which Kazakhstan signed bilateral and multilateral free trade agreements in 2011;
 - at 20 percent, but no less than EUR 200 per tonne, and EUR 200 per tonne (until 2019–2020) in relation to the countries with which Kazakhstan signed bilateral and multilateral free trade agreements in 2011, depending on the product type; and
- 2) wool, not carded or combed, waste of wool, animal hair – at 10 percent, but no less than EUR 50 per tonne.

Quantitative restrictions on exports (including export bans)

No quantitative restrictions on exports or export bans were applied to agricultural goods in Kazakhstan in 2017–2018.

Kazakhstan continues to meet its commitments within the WTO framework as regards non-application of export subsidies for agricultural goods.

Export promotion measures

The Government of the Republic of Kazakhstan implements measures to promote exports of agricultural goods, as permitted by the WTO rules, under the following programmes:

- State Programme of Development of the AIC for 2017–2021;
- State Programme for Industrial and Innovative Development for 2015–2019;
- State Programme “National export strategy for 2018–2022”;
- State Programme of Infrastructural Development

- “Nurly zhol” for 2015–2019; and
- Integrated Programme for Business Support and Development “Business Roadmap 2020”.

The key task within the framework of the above-mentioned programmes in the agricultural sector is to boost exports of processed agricultural products 2.5 times between 2017 and 2022. According to the target indicator, exports of such products in 2022 should total USD 2 702.5 million.

A leading role in the promotion of exports of processed agricultural products is played by the Ministry for Investments and Development of Kazakhstan, the main tasks¹¹ of which are as follows:

- involving the National Institute of Export Development and Promotion and the Atameken National Chamber of Entrepreneurs in provision of service support to exporters; and
- reimbursing some part of the expenses incurred by export companies in the field of industrial and innovative activities for product advertising and participation in foreign exhibitions and fairs, as well as for maintenance of representative offices and completion of the trademark registration and product certification procedures.

In 2018, the Ministry for Investments and Development of Kazakhstan approved a number of roadmaps for export promotion to such potential markets as the EAEU and CIS member states, countries of Central Asia, Persian Gulf and Europe, as well as China and Iran (Islamic Republic of).

Key functions in the promotion of exports of raw agricultural products are performed by the Ministry of Agriculture of Kazakhstan, its main tasks being:

- to provide information to exporters;
- to lift veterinary and phytosanitary barriers; and
- to obtain access to the markets of priority countries, consolidating in the existing markets.

A leading part in the field of insurance and financial support to exporters is played by the JSC “Export Insurance Company “KazakhExport” that fulfils the following main tasks:

- exporter credit insurance;
- export trade financing; and
- pre-export financing.

“KazakhExport” provides credit insurance to non-primary product exporters as well as financial support to buyers of Kazakhstani non-primary products by means of granting them trade finance on advantageous terms.

Major developments in the field of export promotion in 2017 include:

- establishment of the Export Policy Council under the Kazakhstan Government; and
- renaming the JSC “Export Credit Insurance Corporation “KazExportGarant” to the JSC “Export Insurance Company “KazakhExport”.

In 2018, the Kazakhstan Ministry of Agriculture made efforts to promote export products to foreign markets through the lifting of barriers (agreement and recognition of veterinary certificates issued in Kazakhstan):

- on the part of China concerning pure-bred horses, beekeeping products, meat of sheep, meat of bovine animals, slaughter horses, and fish;
- on the part of the UAE concerning pure-bred bovine animals, pure-bred sheep and goats, chicken eggs, meat of bovine, sheep and goats and poultry;
- on the part of Iran (Islamic Republic of) concerning chilled meat of sheep, live sheep, eggs, and meat of bovine animals; and
- on the part of Saudi Arabia concerning live bovine animals, sheep and goats.

¹⁰ Order of the Minister of National Economy of the Republic of Kazakhstan No. 81 of 17 February 2016 “On approval of the List of goods to which export customs duties are applied, their rates, and validity period, and the Rules for calculation of the export customs duty rates for crude petroleum and petroleum-based products”.

¹¹ Under the State Programme for Industrial and Innovative Development for 2015–2019.

Trade agreements

Kazakhstan has been a full member of the WTO since 30 November 2015. Kazakhstan, in cooperation with the EAEU, holds negotiations to enter into preferential agreements with third countries. On 17 May 2018, during the Astana Economic Forum, the Interim Agreement leading to the establishment of a free trade area between the EAEU and its member states and the Islamic Republic of Iran was signed for three years.¹² At present, the agreement is undergoing the ratification procedure in the EAEU countries. On 21 December 2015, Kazakhstan signed the Comprehensive and Enhanced Partnership Agreement with the European Union (CEPA) that covers, inter alia, cooperation in the field of agriculture and rural development. On 26 February 2018, the 16th meeting of the EU-Kazakhstan Cooperation Council took place. At the 12th summit of the Asia Europe Economic Forum (AEEF), held in October 2018 in Brussels, Kazakhstan President Nursultan Nazarbaev had a meeting with European Commission President Jean-Claude Juncker and the EU country leaders. Based on outcomes of the above-mentioned meetings, it was decided to draft a roadmap for the CEPA implementation.

Changes in the policy of domestic support to agriculture

The volume of state support to agriculture totalled USD 1 205 million in 2017. The larger share (78.2 percent) in its structure belonged to amber box subsidies. The greatest percentage in the total volume of product-specific support measures accounted for direct payments for certain types of livestock products. The structure of non-product specific support was dominated by subsidies for the development of plant production. Some changes occurred in the domestic policy of state support to agriculture in 2018, aiming to reduce inefficient subsidies and enhance the efficiency of certain agriculture support instruments.

Automatization

As part of the State Programme for Development of AIC for 2017–2021, the process of automatization of all services rendered to agriculture began in 2018, namely their digitalization. The main goal of the automatization is to enhance accessibility of finance for AIC entities as well as to facilitate access to export markets and export development. The process of formalization of subsidies for purchase of herbicides, bioagents (insect eaters) and biological preparations as well as for development of livestock farming and plant production is now fully automated. The service delivery time has been reduced almost two and a half times due to the automatization.

Direct payments

The government cut down amounts of direct payments to the processors buying domestic cattle since September 2018. It stopped providing partial input subsidies for the production of oil, forage and agricultural crops grown under cover. Subsidies in 2018 were only paid to producers of rice, sugar beets and cotton plant.¹³

Compensation for production costs

Besides, changes were made in the price reduction system for the fuel purchased by farmers for agricultural purposes. The government previously allocated a limited quota for concessionary diesel fuel with no account of crop area but in July 2018 it introduced its electronic allocation.¹⁴ This project started operating in a pilot mode in Pavlodar oblast. Allocation of quotas for concessionary diesel fuel now depends on the actual crop area and electronic field maps¹⁵ for 2018, confirmed by space satellite images.

Agricultural insurance

Enhancement of the agricultural insurance system is also underway: a draft law providing for a shift to index insurance is under consideration. The damage amount was formerly calculated on the basis of standard costs, however as soon as the draft law is adopted, a system of crop insurance against weather risks based on the soil moisture index (SMI) will be implemented.

Subsidization of interest rates on commercial loans

The system for subsidization of interest rates on investment commercial loans and leasing of agricultural machinery and animals was restored and improved in 2018.¹⁶ Investment lending was enhanced by means of revising and updating investment passports as well as redistributing the budget from inefficient subsidies to interest rate subsidization.

In addition, as part of the measures for financial rehabilitation of the agricultural sector, steps were taken to reduce the loan debt burden by subsidizing the 14 percent interest rate where the government finances 7 percent as well as by extending the loan term to nine years.

Other changes in the domestic support policy

Moreover, some projects for improvement of the system of state support to the agricultural sector were designed in the period under review. According to the most recent changes, state support measures will be divided into systemic, sectoral, regional and investment programmes in 2019. A programme implementation structure, management and responsible persons will be approved for each project.

In addition to the above-listed changes, it was decided to implement a project management system in agriculture. According to it, the following bodies will be established in 2019:

- the state programme governing board that will include some government members; and
- the state programme expert board and management office that will include parliament members and representatives of non-governmental organizations.

The above-mentioned steps will establish personal responsibility of officials within the project system implementation framework.

Green box measures

The state continues to provide assistance in the development of agriculture by means of supporting general services such as research, training, inspection, veterinary and other services. The Project Office for Development of the Agricultural Science was initiated as a measure to improve efficiency of scientific research in the field of agriculture. Dissemination of knowledge will now rely on agro-parks and regional centres providing agricultural support and counselling to farmers on the ground. Besides, it is planned to utilize potential of research institutes and higher educational institutions to disseminate knowledge and technological solutions based on the regional centres.

¹² After ratification by all the parties, the Agreement will be in force for three years.

¹³ Order of the Deputy Prime Minister – Minister of Agriculture of the Republic of Kazakhstan No. 297 of 12 July 2018 “The rules for subsidization of improvement of plant growing product yield and quality, cost of fuel and lubricants and other goods and materials required to undertake spring planting and harvesting works, by means of subsidizing the production of priority crops.”

¹⁴ Order of the Deputy Prime Minister – Minister of Agriculture of the Republic of Kazakhstan No. 297 of 12 July 2018 “The rules for subsidization of improvement of plant growing product yield and quality, cost of fuel and lubricants and other goods and materials required to undertake spring planting and harvesting works, by means of subsidizing the production of priority crops.”

¹⁵ Electronic field maps are formed based on space satellite images as an electronic database. The database contains precise information about the area on which agricultural works were performed. According to it, concessionary fuel and lubricants are allocated.

¹⁶ Order of the Acting Kazakhstan Minister of Agriculture No. 317 of 23 July 2018 “On approval of the Rules of subsidization for partial reimbursement of the expenses incurred by an agro-industrial complex entity when making investments”.

Kyrgyzstan

Roman Mogilevskii

Overall context of trade policy

The foreign trade policy of Kyrgyzstan in 2017–2018 was still focused on leveraging the opportunities opened due to the country's accession to the Eurasian Economic Union, on commodity and geographical diversification of exports, and on maintenance of competitiveness of the products made in Kyrgyzstan, both in foreign markets and inside the country. Since some part of the EAEU member states' foreign trade policy within the Union is delegated to the Eurasian Economic Commission level, a number of

changes that occurred in the policy affecting Kyrgyzstan's exports and imports was formalized by that supranational body's decisions.

Agrifood trade of Kyrgyzstan was developing in 2017–2018 amid moderate economic growth rates both in Kyrgyzstan itself and in Kazakhstan and the Russian Federation which account for more than a half of the volume of that trade. The average GDP growth rate in 2017–2018 was 4.0 percent in Kyrgyzstan, 4.1 percent in Kazakhstan, and 1.9 percent in the Russian Federation. The volumes of Kyrgyzstan's agrifood trade with these two

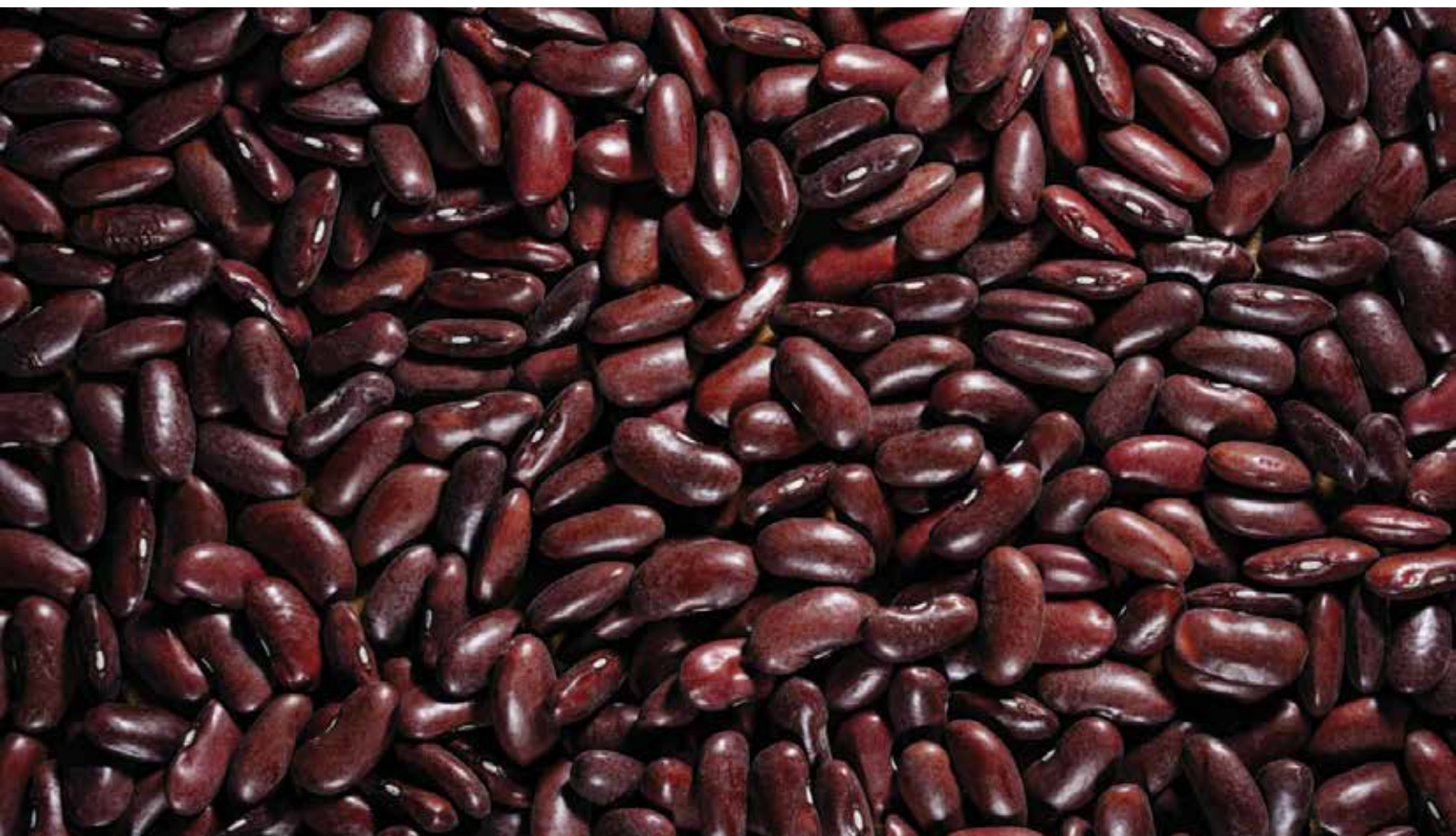
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countries still struggles to approach the level of 2013 – the last year before commencement of sudden currency devaluation and general aggravation of the situation in the region. The continuing decline of imports of wheat grain and wheat flour from Kazakhstan demonstrated by the official statistics of both countries – with their obvious presence in Kyrgyzstan’s domestic market – may indicate large volumes of informal imports that grew dramatically after elimination of the Kyrgyzstan-Kazakhstan customs border due to Kyrgyzstan’s accession to the EAEU. Kyrgyzstan’s trade with Kazakhstan also experiences difficulties owing to periodic border lock-up and frequent application of sanitary and phytosanitary measures.

Uzbekistan’s growing openness leads to an increase in Kyrgyzstan’s trade turnover with that country. The agrifood trade turnover between the two countries grew almost fivefold in 2018 compared to 2016. The growth was mainly achieved due to an increase in deliveries of fruits and vegetables from Uzbekistan.

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Agricultural trade policies

Import policy

Import duties

In 2017–2018, some reduction of the import duty rates of the Common Customs Tariff of the Eurasian Economic Union (CCT EAEU), applied by Kyrgyzstan, continued according to the Russian Federation's commitments it assumed when joining the WTO in 2012. The reduction applied to many commodity groups including fish and seafood, vegetables, fruits, fats, canned fruits, wines, and other goods.

Tariff quotas

The EEC decisions increased the tariff rate quota on beef imports for Kyrgyzstan from zero in 2017 to 3 500 tonnes in 2018 and 7 000 tonnes in 2019. At the same time, the tariff rate quota on poultry meat imports, amounting to 58 000 tonnes in 2017–2018, was decreased to 56 000 tonnes in 2019. Under the free trade agreement between the EAEU and Viet Nam concluded in 2015, tariff quotas for rice imports from that country were also introduced. In 2018–2019, the tariff quota for Kyrgyzstan was set to zero.

In terms of **quantitative restrictions, sanitary and phytosanitary control measures, and technical regulation** concerning imports, no change occurred during the period under review.

Other import policy measures

To rule out state budget revenue losses, VAT on imports of wheat and wheat flour was re-imposed in November 2017. Prior thereto, the legislation provided for resumption of VAT on the above-mentioned product deliveries from 1 September 2018.

Export policy

To prevent export of unprocessed products from the country and maintain the resource base for the domestic leather industry, the Government of the Kyrgyz Republic (GKR) issued a resolution¹ whereby introduced duties on exports of raw hides and skins of bovine and equine animals outside the EAEU and the CIS free trade area participating countries, at a rate of 20 percent but no less than EUR 0.2 per kilogramme. Before that, the hides and skins were mainly exported to China. Their exports totalled 98 000 tonnes amounting to USD 2.4 million. As a result

of introduction of those duties, exports of hides and skins actually dropped to zero in 2017–2018.

Quantitative restrictions and bans on exports of agrifood products are not used in Kyrgyzstan, except a ban on export of alcohol and tobacco products by individuals in any amount greater than 5 litres of alcohol products or 250 grams of tobacco per person older than 18 years of age.²

Export promotion measures

In December 2018, the Kyrgyzstan Government endorsed its programme for Development of Exports from Kyrgyzstan for 2019–2022. It focuses on the development of a number of priority sectors, including dairy production and processing of vegetables and fruits. The programme also highlights priority cross-cutting issues of export activities, including quality assurance infrastructure, development of the transport and storage logistics, and provision of access to finance and skilled staff to exporter enterprises. The necessity of marketing support to Kyrgyzstan's export products abroad is also mentioned.

Since Kyrgyzstan joined the EAEU in 2015, the Government has applied major efforts to bring the country's veterinary system into conformity with the Union standards. In October 2017, the Kyrgyzstan Government programme "Development of the Kyrgyz Republic veterinary service for 2018–2023" was adopted. These efforts resulted in recognition of the Kyrgyzstan veterinary system's equivalence to the systems of other EAEU countries; a relevant decision was made by the EEC Council in March 2019. The decision means, *inter alia*, that the Kyrgyzstan Government may independently form a list of enterprises permitted to export goods to other EAEU countries, and initiate their inspections. In February 2019, the Russian Federation permitted deliveries of fresh meat, meat products and honey from Kyrgyzstan provided that the latter's veterinary service exercises enhanced laboratory control, and that preliminary notices are drawn up for each supplied batch via the Russian information system "Mercury. Notifications", and that the above-mentioned products cross the border at specially designated checkpoints. Meanwhile, Kazakhstan has permitted transit of Kyrgyz-made meat products to the Russian Federation since early 2017 only by railways in sealed cars and containers.

At the same time, formal equivalence recognition of Kyrgyzstan's veterinary and phytosanitary³ systems does not mean that all the problems with agricultural product exports to the EAEU countries have already been solved. The Russian Federation strengthened sanitary and phytosanitary control on its borders. If any breach

of the rules is found, the Russian Federation Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoznadzor) sends the products back to the sending country; in case of finding any quarantinable items (agricultural pests) or a country of origin subject to the Russian countersanctions against the EU, the United States, Ukraine and some other countries, the products are disposed of. These measures affect exports of agricultural products, mainly fruits and vegetables, from Kyrgyzstan and other Central Asian countries to the Russian Federation delivered by road transport.

In 2018, the number of notices at the Rosselkhoznadzor's website about return/disposal of products from Central Asia generally and from Kyrgyzstan in particular reached 876 and 209, respectively.⁴ The total volume of the products sent back to Kyrgyzstan in 2017–2018 was 4 100 tonnes annually, i.e. 18–19 percent of the total volume of deliveries of fresh Kyrgyz vegetables and fruits to the Russian Federation. Violations mainly consist of wrong execution or absence of phytosanitary certificates and freight labels. In addition, 166 tonnes, or 7 percent, of dry milk exported to the Russian market from Kyrgyzstan was returned in 2018.

To facilitate deliveries of agrifood products within the EAEU framework, the Kyrgyzstan State Inspectorate for Veterinary and Phytosanitary Safety agreed to switch over to a component of the Argus the Russian federal state information system for execution of permits for the import, export and transit of freights liable to state veterinary surveillance, as well as for their registration when crossing the state border of Kyrgyzstan and the EAEU boundary.

Kazakhstan and Kyrgyzstan exchanged short-term restrictions on agrifood product deliveries from time to time in 2017–2019. For example, Kazakhstan strengthened control on the border between the two countries in October 2017, which resulted in a many kilometres long queues on the Kyrgyzstan side of trucks delivering, inter alia, perishable agricultural products. The situation was resolved in two months after settlement of the problems at the level of the two countries' presidents. In October 2018, Kyrgyzstan imposed temporary restrictions on imports of poultry meat and eggs from Almaty and North Kazakhstan provinces of Kazakhstan to prevent the spread of avian influenza. Kazakhstan responded with a ban on imports of meat products from Kyrgyzstan. The restrictions were mutually lifted in a few days.

As part of efforts to diversify export markets for Kyrgyz agrifood products, veterinary and sanitary audits of some Kyrgyz meat industry enterprises is carried out by specialists from the United Arab Emirates. Its positive

outcomes will enable commencement of exports of beef and lamb to that country.

Trade agreements

Kyrgyzstan took part in the conclusion of two trade agreements as an EAEU member in 2018.

The Agreement on Trade and Economic Cooperation between the EAEU and China was signed on 17 May 2018. At present, it is under ratification by all the signatories. Kyrgyzstan has already ratified it (the KR Law No. 26 of 19 February 2019). The agreement is non-preferential. According to expert estimates (Sputnik, 2018), it provides for enhancement of cooperation in the field of non-tariff barriers, customs administration and facilitation of trade procedures, and contains elements of regulatory approximation in transport, industrial cooperation, and investments. Agriculture is only mentioned among a whole range of other sectors in which the parties agreed to develop their cooperation in terms of infrastructure, research, technology exchange, development of transport corridors, environment, and financial regulation. The agreement provides for a very mild regime of consultations concerning the domestic subsidies applied by the parties; agricultural products have been completely deleted even from that regime.

On the same day of 17 May 2018, the Interim Agreement leading to the establishment of a free trade area between the Eurasian Economic Union and its member states, of one part, and the Islamic Republic of Iran, of the other part, was concluded. The agreement was ratified by the KR Law No. 16 of 23 January 2019.⁵ It envisages the establishment of the most favoured nation (MFN) regime between the parties and mutual provision of the national regime concerning all goods. It is also stated that all the payments related to imports and exports of all the traded goods are limited in their value by the cost of the services provided and may not constitute indirect protection to domestic goods or a means to impose duties on imports or exports for fiscal purposes. Groundless quantitative restrictions according to the applicable World Trade

¹ GKR Resolution No. 254 of 16 May 2016 "On the approval of export customs duty rates for exportation of raw hides and skins of bovine and equine animals".

² GKR Resolution No. 563 of 6 August 2015 "On the measures for implementation of the requirements set in the Law of the Kyrgyz Republic "On customs regulation in the Kyrgyz Republic".

³ Equivalence of Kyrgyzstan's phytosanitary system was recognized in 2015 (see the Review of Agricultural Trade Policies in the Post-Soviet Countries, 2015–2016).

⁴ The author is grateful to Z. Enikeeva who compiled a database on product return/disposal based on notices on the Rosselkhoznadzor's website.

⁵ The text below through the section end is based on the materials of the KR Government's Opinion on the Interim Agreement (KR Government's Resolution No. 435 of 18 September 2018).

Organization rules will be lifted and not applied during the validity period of the Interim Agreement to the goods concerning which tariff commitments are assumed. Also, the document contains obligations similar to those provided in the General Agreement on Tariffs and Trade (GATT), which prevents abuse of power by the companies granted exclusive or special rights or privileges (state trading enterprises, monopolies).

Regarding technical regulation and sanitary and phytosanitary measures, the Interim Agreement contains provisions aimed at enhancing transparency of the adoption and application of relevant measures. The requirements similar to those adopted in the WTO in these fields are limited to the application to the goods for which tariff commitments will be in force. The Interim Agreement provides for a number of measures and mechanisms designed to facilitate trade procedures and develop cooperation between the customs services of the EAEU member countries and Iran (Islamic Republic of). It does not inhibit the use of antidumping, countervailing and special protective measures, as well as provides for an additional opportunity to apply bilateral protective measures.

A modern mechanism for dispute resolution and enforcement of the arbitration body's decisions is envisaged. Reciprocal concessions for tariff reduction according to the Interim Agreement concept cover only some part of the commodity nomenclature. The parties managed to offer mutual tariff preferences for all the key declared goods of export interest. The export coverage of the final package of the Iranian concessions for the EAEU totalled USD 1 021 million (of which USD 411 million accounts for agricultural goods and USD 610 million for industrial goods). Concessions on the EAEU part cover USD 272 million's worth of imports from Iran (Islamic Republic of) (where USD 241 million account for agricultural goods and USD 31 million for industrial goods). Overall, the concessions cover about 50 percent of the entire mutual exports. The Interim Agreement offers two concession categories: tariff concessions, or tariff "freezing", concerning the priority export interest of each of the EAEU member states, which guarantees that the Iranian tariffs, currently acceptable to Kyrgyzstan (generally at the 5 percent rate), shall not be exceeded, and that bans to the deliveries should not be applied.

Changes in the policy of domestic support to agriculture

State expenditures for support to agriculture were rapidly growing in 2017–2018 (a 60 percent increase in USD terms in 2018 compared to 2016; see Table 4.2). The growth was particularly high in state capital investments in agriculture (development budget) and expenditures on subsidies for interest rates on loans for agricultural producers. However, the expenditures remain quite low if compared to agricultural production volumes. The rate subsidy conditions continue to improve: in the Financing for agriculture – 7 project, approved by the KR Government on 28 January 2019, the interest rate for borrowers in priority financing areas (agricultural product exporters, seed-growing and breeding farms, sugar beet producers) is set at 6 percent per annum for loans granted for up to three years; it is 8–10 percent for other borrower categories. For comparison: in 2019, commercial loans for comparable periods are granted at the rate of over 20 percent per annum.

Support to investment projects in Kyrgyzstan's agrarian sector from the Russian -Kyrgyz Development Fund also increased.⁶ As can be seen in Table 4.3, the number of projects in production and processing of agricultural goods tripled by early May 2019 as compared to early 2017 whereas the volume of financing allocated for those projects increased three and a half times.

Another form of financial support for enterprises, including agrifood product manufacturers, consists of the OJSC "Guarantee Fund" that grants financial guarantees to the enterprises that do not have enough assets to use as a collateral for taking loans from commercial banks. As of the end of 2018, the Guarantee Fund issued 311 guarantees amounting to KGS 258 million (about USD 4 million) to agricultural and processing enterprises, which allowed them to obtain KGS 760 million's worth of loans (slightly less than USD 11 million). The Guarantee Fund's capital is mainly formed from the state budget resources, including borrowed funds granted by the Asian Development Bank. The Fund also received loans from the Russian-Kyrgyz Development Fund, amounting to KGS 200 million (about USD 3 million).

⁶ For more details about the Fund, see the Review of agricultural trade policies in the post-Soviet countries, 2015-2016.

TABLE 4.2
State support for agriculture in Kyrgyzstan

	2016	2017	2018
KR Ministry of Agriculture, Food Industry and Melioration	2 582	3 378	4 081
current expenses	1 539	1 796	1 800
development budget (external financing)	1 035	1 569	2 259
development budget (internal co-financing)	8	13	22
State Inspectorate for Veterinary and Phytosanitary Safety under the KR Government	520	566	726
"Financing for Agriculture" interest rate subsidy projects	573	1 014	885
Total			
Kyrgyz soms (KGS) million	3 675	4 958	5 691
USD million	52.6	72.0	82.7
% of gross agricultural output	1.9	2.4	2.8
For reference:			
Exchange rate, KGS/USD	69.91	68.87	68.84
Gross agricultural output, KGS million	197 101	208 530	203 823

Source: KR Ministry of Finance, KR National Statistics Committee, KR National Bank, the author's calculations.

TABLE 4.3
Financing for production and processing of agricultural goods from the Russian -Kyrgyz Development Fund

	31.12.2016	01.05.2019
Number of projects	293	978
percentage of the total number of projects financed by the Fund	46%	54%
Financing allocated, USD million	22.0	76.8
percentage of the total amount of the Fund financing	12.6%	23.6%

Source: RKDF, the author's calculations.

The Republic of Moldova

Anatolie Ignat and Yevgenia Lukashenko

Overall context of trade policy

The main laws regulating the Republic of Moldova's foreign trade are as follows:

- Law No. 1031 of 8 June 2000 "On the state regulation of foreign trade activities" intended to encourage the national economic development by intensifying foreign trade operations and providing conditions for the effective integration of the Republic of Moldova's integration into the world economy;
- Regulation of the Government No. 777 of 13 August 1997 "On improving the mechanism of foreign trade regulation";
- Law No. 218 of 1 June 2001 "On the accession of the Republic of Moldova to the World Trade Organization";
- Law No. 112 of 2 July 2014 "On ratification of the Agreement on Association between the Republic of Moldova, of one part, and the European Union, of the other part"; and
- Law No. 49 of 31 March 2016 "On ratification of the Free Trade Agreement between the Republic of Moldova and the Republic of Turkey".

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A number of new laws were passed in 2017 in addition to the current legislative acts that govern the Republic of Moldova's foreign trade, including the Law No. 238 of 17 November 2017 "On adoption of the Additional Protocol V to the Agreement on Amendment of and Accession to the Central European Free Trade Agreement (CEFTA)", and the Law No. 205 of 6 October 2017 "On ratification of the Protocol on approval of the procedure for the establishment and operation of the working body coordinating the actions of the contracting parties to the Agreement on Establishment of a Free Trade Area between the GUUAM Member States of 20 July 2002".

The Republic of Moldova continued to expand its trade and economic cooperation with international partners in 2018. Key moments include the signing of the Agreement on Trade and Economic Cooperation with the Government of the Republic of Kazakhstan, the Agreement on Economic And Technical Cooperation with the Government of the United Arab Emirates as well as continuing negotiations in Beijing regarding conclusion of the free trade agreement between the Republic of Moldova and China.

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In order to promote exports, the measure “Encouraging the activities for promotion to foreign markets” was included in the national legislation of the Republic of Moldova in 2017. The measure is intended to provide financial assistance for the organization and participation of agricultural producers in agrifood exhibitions, fairs and competitions both in the country and on the international level.

In 2017, the Republic of Moldova recorded an increase in the value of both exports and imports of agricultural goods as compared to 2016. The balance of foreign trade in agricultural goods grew by 26.3 percent in 2017 year-on-year, to USD 430.8 million. Destinations for export deliveries of agricultural goods were still determined, first of all, by the geographical proximity of sales markets. A downward trend was also observed in the imports of agricultural goods from the CIS countries amid their growing supplies from the European Union.

Agricultural trade policies

Import policy

Import duties

The import duty rates in the Republic of Moldova have been changed on the annual basis since 2015 pursuant to the Law “On approval of the Combined Commodity Nomenclature”.¹ The flat average rate of applied customs duty (MFN) for agricultural goods was 11.1 percent versus 11.6 percent in 2016. The import duties do not exceed the bound levels according to the country’s commitments to the WTO. In addition, most imported goods in the country are liable to value-added tax, and some part of them are subject to excise duties as per the approved list of goods.

Tariff quotas

According to the Law No. 1031-XIV of 8 June 2000 “On the state regulation of foreign trade activities”, the Government of the Republic of Moldova approved in May 2016² certain trade measures to protect the domestic market, which consisted of temporary suspension of customs duty exemption for Ukraine-originated goods imported into the Republic of Moldova. However, those temporary measures have been cancelled as of 1 January 2017.

Quantitative restrictions on imports (including import bans)

No quantitative restrictions or bans on imports of agricultural goods were applied in the Republic of Moldova in 2017–2018.

Import policy measures based on SPS requirements and technical regulation

The National Agency for Food Safety is a body responsible for implementation of the state policy on regulation and control of food safety as well as in the field of veterinary medicine, zootechnical treatment, animal farming, plant protection, and quality of agricultural raw materials and food products. Eleven phytosanitary and veterinary control posts were in operation on the border and seven posts inside the country in 2017–2018. Besides, the work continued to transpose the EU *acquis* on food safety into the national legislation.

Export policy

Export duties

No export duties or taxes are applied in the Republic of Moldova.

Quantitative restrictions on exports (including export bans)

No quantitative restrictions or bans on exports were imposed in the Republic of Moldova in 2017–2018.

Export subsidies including transport subsidies

No export and transport subsidies were applied in the Republic of Moldova in 2017–2018.

Export promotion measures

In order to develop exports, the Ministry of Agriculture, Regional Development and Environment, in interaction with the Agency for Interventions and Payments in Agriculture and the National Fund for Development of Agriculture and Rural Areas, included the measure “Encouraging the activities for promotion to foreign markets” in the national legislation for the first time in 2017, as one of the principles of subsidization of agricultural producers.³

The goal of the measure is to distribute financial resources via professional associations in the agricultural sector to support the organization and participation of agricultural producers in agrifood-related exhibitions, fairs and competitions, including marketing chains in the external market, except for the events sponsored by other institutions and partners. Compensation is provided for expenses on the participation in, and organization of, such kind of events as well as expenses on registration of products with a protected geographical indication, a

protected designation of origin, and traditional quality guaranteed. The volume of state support in this area must not be greater than 50 percent of the amount of expenses. It should be noted, however, that this measure is not popular among agricultural producers. The funds necessary for its implementation were never disbursed in 2018.

In 2017–2018, development of a draft strategy for promotion of Moldavian-made agricultural products in domestic and foreign markets continued with support from the FAO. Its key objective is to provide a concerted, dynamic and well-coordinated policy leading to increase in consumption of these products. The strategy aims to ensure the most efficient promotion of agrifood products using a wide range of marketing communication tools. The draft is still under development.

Trade agreements

On 11 May 2018, the Republic of Moldova Parliament passed the Law No. 82 “On ratification of the Agreement between the Government of the Republic of Moldova and the Government of the Republic of Turkey on the Promotion and Mutual Protection of Investments signed on 16 December 2016 in Istanbul”.

On 6 October 2017, the Republic of Moldova Parliament passed the Law No. 205 “On ratification of the Protocol on approval of the procedure for establishment and operation of the working body coordinating the actions of the contracting parties to the Agreement on Establishment of a Free Trade Area between the GUUAM Member States of 20 July 2002 signed on 27 March 2017 in Kiev”.

The Resolution of the Republic of Moldova No. 865 of 5 September 2018 approved the Agreement between the Government of the Republic of Moldova and the Government of the Republic of Kazakhstan on Trade and Economic Cooperation signed on 16 March 2018.

The Resolution of the Republic of Moldova No. 307 of 4 April 2018 approved the Agreement between the Government of the Republic of Moldova and the Government of the United Arab Emirates on Economic and Technical Cooperation signed on 30 January 2018 in Dubai.

Changes in the policy of domestic support to agriculture

State support to agriculture is provided in the Republic of Moldova by the Agency for Interventions and Payments in Agriculture through the National Fund for Development of

Agriculture and Rural Areas. The fund is generated using annual appropriations from the state budget (planned as a separate line for the policy of subsidies for agriculture and rural areas) as well as finance from other sources, including those provided for by the European Commission programme funds.

The volume of the state support fund was set in the same amount in 2018 as in 2017 – 900 million lei (about USD 53.6 million at the average annual exchange rate).⁴ In 2017, the Republic of Moldova Government issued the Resolution on allocation of resources to the National Fund for Development of Agriculture and Rural Areas for 2017–2020.⁵ In accordance with the Law No. 276 of 16 December 2016 “On the principles of subsidization of agricultural producers”,⁶ annual appropriations from the state budget, together with other sources of financing for the Fund, must make up at least 2 percent of the approved state budget revenues.⁷

The Resolution of the Republic of Moldova Government No. 455/2017 approved the “Regulations on the conditions and procedure for disbursement of resources of the National Fund for Development of Agriculture and Rural Areas”. The regulations were adapted to the European Commission’s requirements stated in the Agreement on Financing of the ENPARD Moldova Programme (European Programme for Agriculture and Rural Development), and establishes measures of support from the Fund’s resources.

Provisions of the Law No. 276/2016 “On the principles of subsidization of agricultural producers” became a foundation for the development of a relevant regulation that envisages improvement of the system of subsidization of agricultural producers in the Republic of Moldova and its adaptation to European best practices.

¹ Law No. 172 of 25 July 2014 “On approval of the Combined Commodity Nomenclature”. Published on 8 August 2014 in Monitorul Oficial No. 231-237/529. The date of taking effect is 1 January 2015.

² Resolution of the Republic of Moldova Government No. 576 of 6 May 2016 “On introduction of trade measures to protect the domestic market”. Monitorul Oficial No. 128-133.

³ Resolution of the Republic of Moldova Government No. 455 of 21 June 2017 “On allocation of resources of the National Fund for Development of Agriculture and Rural Areas”. Monitorul Oficial No. 201-213/537 of 23 June 2017.

⁴ Average annual exchange rate in 2017 was 18.4902 lei per USD.

⁵ Resolution of the Government No. 455 of 21 June 2017 “On allocation of resources to the National Fund for Development of Agriculture and Rural Areas”. Published on 23 June 2017 in Monitorul Oficial No. 201-213/537.

⁶ Law No. 276 of 16 December 2016 “On the principles of subsidization of agricultural producers”. Published on 3 March 2017 in Monitorul Oficial No. 67-71/93, the date of taking effect is 1 January 2017.

⁷ Article 18 (2).

Provision of grants is an effective lever for raising investments in agriculture and for developing that sector.

As part of implementation of the Government's Resolution No. 507/2018 of 30 May 2018 on approval of the "Regulations on the conditions and procedure for granting advance subsidies for start-up projects from the National Fund for Development of Agriculture and Rural Areas", the Order No. 147/2018 of the Minister of Agriculture, Regional Development and Environment announced a competition of applications for preliminary start-up project grants. During the first competition in 2018, the Agency for Interventions and Payments in Agriculture received 38 applications for advance subsidies for start-up projects concerning investment planning in the agricultural sector, amounting to about 32.0 million lei. Considering the situation, the Order No. 206/2018 of the Minister of Agriculture, Regional Development and Environment announced the second competition of applications for such subsidies. During the competition, the Agency for Interventions and Payments in Agriculture received 28 relevant applications amounting to about 23.2 million lei.

In 2018, some decrease in the amount of subsidies was registered as compared to 2017 both overall and for some measures of support. The greatest cutdown in subsidies occurred in the following areas:

- *Submeasure 2.3. Encouraging agricultural producers by compensating for irrigation expenses.* The amount of subsidies dropped from 3 957.5 lei in 2017 to 116.6 thousand lei in 2018, or almost 34.0 times;
 - *Submeasure 2.3. Item 1.6.4. Primary processing, packaging, chilling, freezing and storage of meat; processing, packaging and storage of milk; analysis of honey.* Subsidies decreased from 12 825.1 thousand lei in 2017 to 4 553.7 thousand lei in 2018, or almost 2.8 times;
 - *Submeasure 1.2. Anti-frost and anti-hail systems.* The amount of subsidies decreased from 4 270.4 thousand lei in 2017 to 1 829.9 thousand lei in 2018, or almost 2.3 times;
 - *Submeasure 1.5. Encouraging the procurement of pure-bred animals and maintenance of the genetic stock.* Subsidies were cut down from 10 041.7 thousand lei in 2017 to 5 191.5 thousand lei in 2018, or almost 2 times; and
 - *Submeasure 1.7. Encouraging the lending to agricultural producers by commercial banks and non-banking financial institutions.* The volume of subsidies decreased from 72 032.6 thousand lei in 2017 to 37 850.3 thousand lei in 2018, or almost two times.
- *Submeasure 1.8. Encouraging the establishment and operation of agricultural producer groups.* The volume of support grew from 271.8 thousand lei in 2017 to 1 092.7 thousand lei in 2018, or almost 4 times;
 - *Submeasure 1.7.A. Encouraging insurance against production risks in agriculture* increased from 4 474.9 thousand lei in 2017 to 5 190.7 thousand lei in 2018, or by 16 percent;
 - *Submeasure 1.2.C. Encouraging investments in arrangement of berry plantations.* The funding grew from 8 768.8 thousand lei in 2017 to 9 713.3 thousand lei in 2018, or by almost 11 percent; and
 - *Submeasure 1.6. Item 1.6.3. Treatment, drying and conditioning of cereals, seeds of oil crops, sunflower and soya.* The amount of support rose from 35 090.6 thousand lei in 2017 to 36 258.8 thousand lei in 2018, or by almost 3 percent.

For the entire agricultural sector overall, the volume of subsidies decreased in 2018 down to the level of 614 429 thousand lei, which is by about 22 percent lower than the level of 2017 when it was 791 161 thousand lei (Table 4.4).

During the reorganization of public authorities, the Government's Resolution No. 20 of 18 January 2019 reorganized the Agency for Interventions and Payments in Agriculture as a state institution into the Agency for Interventions and Payments in Agriculture as an administrative body subordinated to the Ministry of Agriculture, Regional Development and Environment of the Republic of Moldova.

^a Repayment of debts from previous years is not mentioned in the table.

Meanwhile, state support grew in the following areas:

TABLE 4.4

Programmes of state support to Moldavian agricultural producers from the funds of the Agency for Interventions and Payments in Agriculture, 2017–2018, thousand lei⁸

Priorities, measures and submeasures	2017	2018	2018 to 2017 (%)
Priority I. Improving competitiveness of the agricultural sector by means of restructuring and modernization			
Measure 1. Investments in agricultural facilities for restructuring and adaptation to the European Union standards			
Submeasure 1.1. Encouraging investments in production of vegetables and fruits in protected ground (winter greenhouses, sun porches, tunnels)	9 305.3	5 588.2	60.1 %
Submeasure 1.2. A. Anti-frost and anti-hail systems	4 270.4	1 829.9	42.9 %
Submeasure 1.2. D. Uprooting of perennial plantings	57 680.0	39 938.9	69.2 %
Submeasure 1.2. P. Encouraging investments in arrangement of perennial plantings and fruit gardens	48 700.0	43 828.6	90.0 %
Submeasure 1.2. B. Encouraging investments in arrangement of vineyards	34 380.8	30 172.5	87.8 %
Submeasure 1.2. C. Encouraging investments in arrangement of berry plantations	8 768.8	9 713.3	110.8 %
Submeasure 1.3. Encouraging investments in agricultural machinery	222 000.0	166 489.4	75.0 %
Submeasure 1.4. Encouraging investments in the infrastructure and technological upgrading of animal farms	38 540.0	25 556.0	66.3 %
Submeasure 1.5. Encouraging the procurement of pure-bred animals and maintenance of the genetic stock	10 041.7	5 191.5	51.7 %
Submeasure 1.7. Encouraging the lending to agricultural producers by commercial banks and non-banking financial institutions	72 032.6	37 850.3	52.5 %
Submeasure 1.7. A. Encouraging insurance against production risks in agriculture	4 474.9	5 190.7	116.0 %
Measure 2. Investments in processing and sales of agricultural products			
Submeasure 1.6. Encouraging investments in development of the post-harvest treatment and processing infrastructure	180 099.7	158 282.7	87.9 %
1.6.1. Packaging and refrigerating facilities for storage of fruits, grapes and vegetables	93 933.9	93 168.3	99.2 %
1.6.2. Treatment, drying and freezing of fruits, grapes, vegetables and potatoes	38 250.1	24 301.9	63.5 %
1.6.3. Treatment, drying and conditioning of cereals, seeds of oil crops, sunflower and soya	35 090.6	36 258.8	103.3 %
1.6.4. Primary processing, packaging, chilling, freezing and storage of meat; processing, packaging and storage of milk; analysis of honey	12 825.1	4 553.7	35.5 %
Submeasure 1.8. Encouraging the establishment and operation of agricultural producer groups	271.8	1 092.7	402.0 %
Submeasure 1.9. Encouraging the activities for promotion to foreign markets	-	-	
Priority II. Ensuring sustainable management of natural resources			
Measure 3. Preparation for taking actions concerning environment and rural areas			
Submeasure 2.1. Encouraging investments in consolidation of agricultural lands	34.4	-	
Submeasure 2.2. Encouraging investments to purchase irrigation equipment	30 822.4	23 727.0	77.0 %
Submeasure 2.3. Encouraging agricultural producers by compensating for irrigation expenses	3 957.5	116.6	2.9 %
Submeasure 2.4. Encouraging investments in procurement of No-Till and Mini-Till equipment	54 406.3	49 675.9	91.3 %
Submeasure 2.5. Supporting promotion and development of ecological agriculture	1 590.2	982.4	61.8 %
Priority III. Increasing investments in the physical infrastructure and the infrastructure of services in rural areas, including in the infrastructure of agricultural enterprises located outside settlements			
Submeasure 3.1. Supporting investments in the infrastructure of agricultural enterprises located outside cities (in 2015 only)	-	-	
Measure 4. Improvement and development of the rural infrastructure	8 665.7	9 007.6	103.9 %
Measure 5. Counselling and training services	1 118.9	195.0	17.4 %
TOTAL	791 161.4	614 429.2	77.7 %

Source: The Agency for Interventions and Payments in Agriculture of the Republic of Moldova.

The Russian Federation

Natalia Shagaida, Renata Yanbykh and Elena Zhiryayeva

Overall context of trade policy

The institutional foundations of the foreign trade activities did not undergo any major changes during the period under review. Meanwhile, a whole range of documents was adopted, regulating particular aspects of the activities both within the Eurasian Economic Union (EAEU) framework and in relations with third countries, and a new law on customs regulation was passed.¹

In December 2016, the passport of a special project on agricultural export promotion was approved (The Russian Government, 2019). The priority project

“AIC product exports”, later transformed into the federal project “AIC product exports” within the national project “International cooperation and exports”, was approved by the Presidium of the Council for Strategic Development and National Projects under the Russian Federation President in December 2018. The project includes some implementation measures which should improve the environment for export deliveries of agricultural products.

In 2018, some special economic measures in the form of a ban on imports of some agricultural goods from the countries supporting the sanctions against Russian legal and/or natural persons, were extended to 31 December 2019.²

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Agricultural trade policies

Import policy

Import duties

The import customs duty rates for homogenized products (FEACN of the EAEU heading 1602), mango chutney (FEACN EAEU heading 2001) and malt beer (FEACN EAEU heading 2203) were reduced since 1 September 2018 as part of the Russian Federation's commitments to the WTO. For malt beer subheadings, the duty rate was decreased from EUR 0.04 to 0.018 per litre. All the import duty rates for agricultural goods, except meat of swine, were brought into conformity with the WTO bound rate for 2018. The

duty rates for meat of swine (heading 0203) must be reduced from 65 percent to 25 percent beginning from 1 January 2020. The bound customs duty rate for sugar is USD 250 per tonne, but, considering that the duty rate is determined by the average monthly price of sugar at the New York Commodity Exchange, the actually applied duty on some subheadings of the heading 1701 was below the WTO bound level. The applied simple average duty rate for agricultural goods was 10.2 percent in 2017, and 11 percent in 2016. Meanwhile, the final bound tariff rate

¹ Federal Law No. 289-FL of 3 August 2018 "On the customs regulation in the Russian Federation and on amending some legislative acts of the Russian Federation".

² Decree of the Russian Federation President No. 420 of 12 July 2018.

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in 2017 must not be higher than 10.9 percent according to the Russian Federation's commitments to the WTO. Thus, the Russian Federation's commitments to the WTO were met.

Tariff quotas

The tariff rate quotas (TRQs) in 2017 and 2018 were the same: meat of bovine animals – 570 000 tonnes; meat and trimming of swine – 430 000 tonnes; meat of poultry – 364 000 tonnes; milk whey – 15 000 tonnes. It is in line with the Russian Federation's commitments to the WTO, which also provide allocation of these quotas among the European Union countries, the United States, and Costa Rica.³ For example, 89 000 tonnes of beef and 80 000 tonnes of poultry meat can be supplied from the European Union annually. However, by virtue of the special economic measure (the ban on imports), this quota is not filled. For example, the chilled beef quota was 1 percent filled in 2017 (2018 – 1.9 percent), the frozen beef quota – 39 percent (2018 – 35.1 percent), poultry meat (depending on the product type) – 5-15 percent (2018 – 2-12 percent). Meanwhile, tariff quotas are annually allocated by country in accordance with the Russian Federation's commitments to the WTO. In 2018, allocation as per the Russian Federation Government Resolution No. 1498 of 9 December 2017 was in force. In particular, the TRQ for fresh and chilled meat of bovine animals (FEACN of the EAEU heading 0201) from the EU amounted to 29 000 tonnes whereas the TRQ for frozen meat of bovine animals (FEACN of the EAEU heading 0202) was 50 000 tonnes. According to the customs statistics for 2018, meat of bovine animals (heading 0202) was supplied only from Hungary – 12 tonnes. The allocated TRQ for import of 3 000 tonnes of frozen meat of bovine animals from Costa Rica was also not filled. No imports of beef took place from the United States.

According to the free trade agreement between the EAEU and Viet Nam, the tariff rate quota for imports of long-grain rice to the Russian Federation amounted to 9 039 tonnes in 2018.

Import policy measures based on SPS requirements and technical regulation

The Russian Federation Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoz nadzor) allowed resumption of deliveries of live swine and products thereof (except embryos and semen) from the entire EU territory except the areas affected by the African swine fever (ASF). In March 2018, requirements to transit live swine via the ASF affected administrative areas of the EU were

established. In 2018, Rosselkhoz nadzor revised the list of the ASF affected areas of the EU member states. Deliveries of finished products made of thermally processed meat of swine are allowed from the affected areas.

The restrictions on import of poultry meat from many countries because of highly pathogenic avian influenza, imposed in 2017, were lifted. Temporary restrictions on transit of the poultry meat of the United States (of America) across the Russian Federation to Kazakhstan were introduced as of 20 November 2018. The decision was made because the Republic of Kazakhstan has no internal product tracing system, which creates a threat of penetration to the Russian market of the products of unknown origin re-exported from Kazakhstan.

The Russian Federation Government Resolution No. 128 of 8 February 2018 established the rules for control of imported quarantinable products at the place of production. With its Order No. 64 of 13 February 2018, the Russian Federation Ministry of Agriculture updated the procedure for issuance of phytosanitary, re-export phytosanitary, and quarantine certificates.

Mandatory electronic veterinary certification has come into effect since 1 July 2018. Veterinary supporting documents are drawn up in paper form only in exceptional cases.

Among provisional measures, note should be made of direct-only deliveries, subject to phytosanitary certificates, of tomatoes from Bangladesh, Djibouti, Guinea, Lebanon, Sudan, Syrian Arab Republic (the), and, United Republic of Tanzania (the), Yemen, Zambia across the so-called outer boundary (the Russian Federation border, apart from its borders with the EAEU states) since 16 October 2017.

The EEC Board Resolution No. 12 of 23 January 2018 included provisions on non-smoking tobacco products in the section of uniform sanitary requirements containing the requirements to cigarettes and raw tobacco. Restrictions on content of fatty acid trans-isomers were toughened (at most 2 percent) in the technical regulation on oil and fat products. An experiment on labelling of tobacco products was carried out in the Russian Federation between 15 January and 31 December 2018 for the purpose of their tracing. A list of products, for customs processing whereof a document must be produced about the compliance with the requirements of the EAEU Technical Regulation "On safety of packaged drinking water, including natural mineral water" was approved. New rules for labelling of milk-containing products have been in force since 15 July 2018. According to the EEC

Resolution No. 90 of 20 December 2017, an updated procedure has been in force since 26 December 2018 to indicate GMO presence in food product labels (if GMO content is at least 9 percent).⁴

Other import policy measures

The new law on Customs regulation now includes Chapter 41 "Imposition of a ban on trade in some commodity categories in the Russian Federation". The Order of the Russian Federation Federal Customs Service (FCS) No. 1943 of 8 December 2017 approved the procedure for actions to be taken by customs body officials when removing from trade and disposing of prohibited agricultural import goods. Administration of the embargo is burdensome to the FCS: its enforcement is difficult because unfair importers change commodity nomenclature codes and labels to bring in the prohibited products. For that reason, the FCS management came forward to the Russian Federation Ministry of Agriculture with an initiative to ban import, not of commodity groups but of entire categories (RBC, 2019). However, such a proposal was not even supported by agricultural producers who were afraid that the ban would cover some goods necessary for agricultural production.

The Russian Federation Ministry of Agriculture Order took effect on 20 January 2018, setting a permitted amount of imported goods intended for production of baby food (veal, beef, boneless chicken and turkey meat, slices of quick-frozen vegetables), imports of which had been previously prohibited pursuant to the Russian Federation President's Decree No. 560 of 6 August 2014 "On the application of certain special economic measures to ensure security of the Russian Federation".

Rosselkhoznadzor carried out inspections of Belarusian enterprises to compare the volumes of production and deliveries to detect imports bypassing the embargo imposed in 2014 on import of agricultural products from some countries through the territory of Belarus. Based on results of verification of champignon outputs in Belarus, restrictions on imports of mushrooms were introduced. Imports of mushrooms are permitted against guarantees of the Republic of Belarus' National Organization for Plant Quarantine and Protection subject to pre-shipment monitoring by Rosselkhoznadzor.⁵

A special economic measure in the form of a ban on imports of some agricultural goods from Turkey was in force in the Russian Federation since 1 January 2016. As of 2018, the restrictions have been lifted for all products, except tomatoes imports of which are permitted

amounting to no more than 100 000 tonnes.⁶

The Russian Federation Government Resolution No. 1716-83 of 29 December 2018 banned import of agricultural goods of FEACN of the EAEU headings 1001, 1512, 1603, 1604, 1704, 1806, 1905, groups 20 (2001, 2002, 2004, 2005-2007, 2009) and 22 (2203, 2204, 2208) into the Russian Federation from Ukraine. The validity period of the Russian Federation President's Decree No. 1 of 1 January 2016 (as reworded by No. 775 of 30 December 2018) was extended to 1 July 2019; the Decree restricts international transit road and railway transportation of freights from the territory of Ukraine to Kazakhstan and Kyrgyzstan across the Russian Federation territory. The transit is only possible from the Republic of Belarus territory. Import of agricultural goods that are subject to the special economic measure from Ukraine is banned.

Excise rates for some types of tobacco products have been increased since 1 January 2018. A number of orders of the Russian Federation Ministry of Finance have come into force, setting a list of customs bodies where transactions with alcoholic beverages from Georgia, the Republic of Lithuania, and the Republic of Moldova as well as transactions with meat and wood may be carried out. Since 2016, importers of vegetable and fruit products from Belarus, the Republic of Moldova and Serbia had the opportunity to execute their freights via the Argus-Fito Federal State Information System module (preliminary information on import of products with high phytosanitary risk, subject to phytosanitary control at the customs clearance completion sites). This practice now applies to freights from Turkey as well.

Export policy

Export duties

No export duty is applied to agricultural goods. Grain exports are also not subject to export duties except subheading 1001 99 (wheat, other than durum wheat,

³ Protocol of the Accession of the Russian Federation: Schedule CLXV part I most-favoured-nation tariff, section I Agricultural Products, section I B Tariff Quotas.

⁴ Restrictions not directly affecting agricultural products and food are not addressed here. For example, imports of primates from Armenia have been banned since 15 June.

⁵ Rosselkhoznadzor's letter of 30 August 2018 No.3/21517.

⁶ Order of the Russian Federation Ministry of Agriculture No. 560 of 3 November 2017.

other than seed) for which a zero percent rate was set until 1 July 2019.

Export subsidies, including transport subsidies

No major changes have occurred in this field compared to the previous review.

Export promotion measures

A system of state support to exports has evolved in the Russian Federation for now, including guarantee and credit support, services for insurance of export credits and Russian Federation investments abroad, and integrated support to export-oriented enterprises. Integrated support for food exports is provided by the Russian Export Centre JSC (REC) established in 2015. Throughout 2018, REC was working to prepare the national project “International cooperation and export” that was endorsed on 14 December 2018. According to the project passport, the volume of exports of the agrifood products should be increased from the baseline of USD 21.6 billion (as of 31 December 2017) to USD 45 billion in 2024.

Supply-demand balances for milk, dairy produce, meat and meat products, determining the mutual supply volumes, were agreed and signed between the Russian Federation and Belarus in September 2018.

Considerable information support is provided to exports of agricultural goods by the Russian Federation trade missions in foreign states, exporter associations, and the Chamber of Commerce and Industry of the Russian Federation. The Russian Federation Ministry of Agriculture established a new union of grain exporters in 2019.

Trade agreements

In October 2017, Ukraine initiated a dispute in the WTO against the Russian Federation because of restrictions on transit and imports of some Ukrainian goods including juices, beer, other alcoholic beverages, and confectionery. This dispute is at the stage of request by Ukraine for a consultation with the respondent. It is already the second dispute initiated by Ukraine due to the restrictions on transit of goods. The first dispute commenced in 2016 did not result in cancellation of the measure introduced by the Russian Federation President’s Decree No. 1 of 1 January 2016, including the ban on the import of some agricultural goods.

The EU requested consultations with the Russian Federation on 7 February 2018, pointing out that the restrictions on imports of pork, recognized as failing to meet the WTO rules, are still in force. The EU sent a request

to suspend its obligations according to Article 22.2 of the Understanding on Rules and Procedures Governing the Settlement of Disputes.

A number of international agreements were reached at the Rosselkhoz nadzor level. In particular, veterinary requirements related to the imports of beef, poultry meat, sheep and goats from the Russian Federation to Saudi Arabia were agreed upon in November 2017. On 30 March 2017, sanitary requirements to boneless beef in vacuum packaging, chilled lamb and frozen boneless beef supplied from the Russian Federation were agreed upon. On 7 November 2018, two protocols between the Russian Federation and Chinese parties were signed: on the inspection, quarantine, veterinary and sanitary control of mutual deliveries of frozen poultry meat, and on the veterinary and sanitary requirements for mutual deliveries of dairy products. Five protocols on phytosanitary requirements for wheat, oats, flax seeds, sunflower seeds, and buckwheat exported from the Russian Federation to China were signed on 1 November 2017. A protocol regarding the ensuring of safety, quality and phytosanitary requirements to mutual deliveries of cereals and their preparations was signed with Thailand on 27 December 2018. On the same day, a veterinary certificate for exports of Russian beef to Turkey was agreed upon.

Considerable influence on the development of the Russian Federation’s foreign trade policy is also exerted by its membership in the EAEU. In the EAEU framework, the Agreement on Trade and Economic Cooperation with China, the Interim Agreement leading to the establishment of a free trade area with the Islamic Republic of Iran, and memoranda on cooperation with ASEAN and MERCOSUR were signed in 2018. Preparatory work was carried out for a free trade area agreement with Serbia.

Changes in the policy of domestic support to agriculture

The Russian Federation’s agrarian policy continued to change consistently in 2017–2018. Some amendments were made to the key document – the “State Programme for development of agriculture and regulation of markets of agricultural products, raw materials and food for 2013–2020” (the State Programme). Substantial changes occurred in the policy of domestic support to agriculture in early 2017.⁷ While the novelties, introduced in 2015, aimed at supporting the sectors important to import substitution, with their implementation protected by

targeted budget financing lines,⁸ the new version of the State Programme contains more aggregated financing lines. The new version includes seven subprogrammes:

- 1) "Technical and technological modernization, innovative development";
- 2) "Management of the State Programme implementation";
- 3) "Development of the agro-industrial complex's finance and credit system";
- 4) "Development of the agro-industrial complex sectors";
- 5) "Providing general conditions for the operation of the agro-industrial complex sectors";
- 6) "Encouraging investment activities in the agro-industrial complex"; and
- 7) the priority federal project, integrated into the State Programme structure – "Export of agro-industrial complex products".

As informed by the Russian Federation Ministry of Agriculture, 233.8 billion rubles (USD 4 billion at the average annual exchange rate of 58.3 RBL/USD) was disbursed from the federal budget for implementation of the State Programme in 2018, and 254.1 billion rubles (also USD 4 billion at the average annual exchange rate

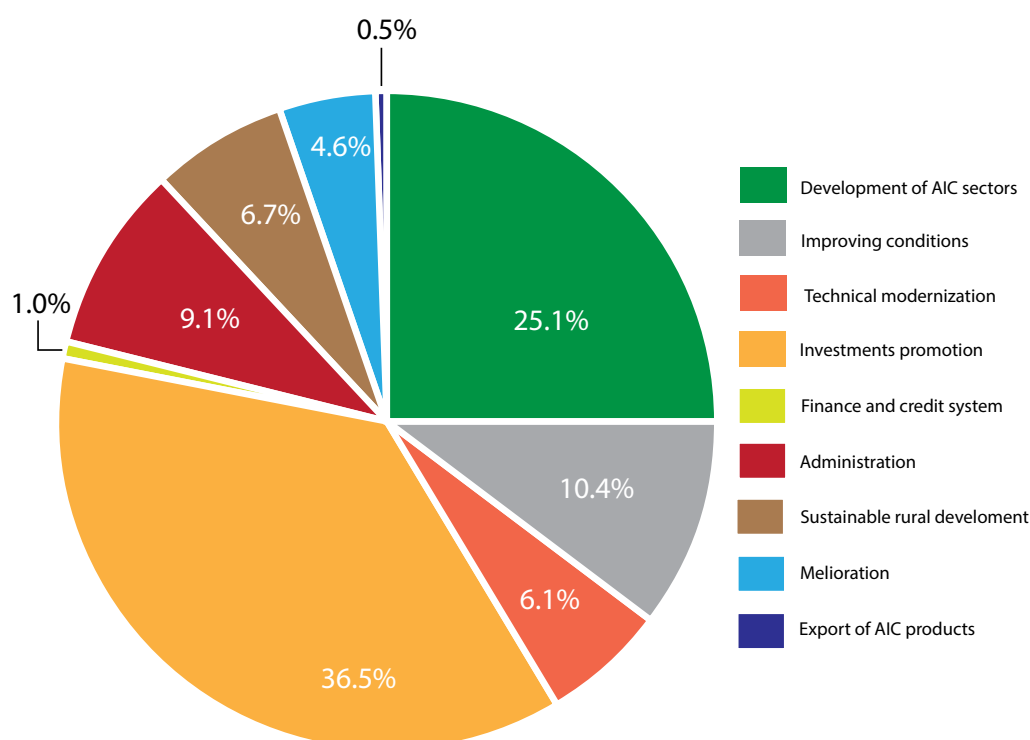
⁷ Resolution of the Russian Federation Government No. 396 of 31 March 2017 "On amending the State programme for development of agriculture and regulation of markets of agricultural products, raw materials and food for 2013–2020".

⁸ Five subprogrammes were outlined: "Development of open- and protected-ground vegetable growing, and of seed potato farming"; "Development of dairy cattle breeding"; "Support for pedigree work, selection and seed farming"; "Development of wholesale distribution centres and infrastructure of the social catering system"; "Development of the agro-industrial complex's finance and credit system".

⁹ National Reports "On the implementation progress and results of the State programme for development of agriculture and regulation of markets of agricultural products, raw materials and food for 2013–2020, in 2017–2018".

FIGURE 4.1

Structure of the State Programme financing from the federal budget, 2017–2018, percentage of total financing



Source: National Reports "On the implementation progress and results of the State programme for development of agriculture and regulation of markets of agricultural products, raw materials and food for 2013–2020, in 2017–2018".

of 62.7 RBL/USD) was allocated in 2018.⁹ These amounts are supplemented by co-financing from regional budget the share of which reaches one-third of total subsidies to agriculture.

In 2017–2018, the subprogramme “Investment promotion activities in the agro-industrial complex” received 36.5 percent of total funds from the federal budget, including compensation for direct incurred costs of construction and modernization of agro-industrial complex facilities and concessional lending support. Another 25.1 percent of the total financing was disbursed to activities within the framework of the subprogramme “Development of the agro-industrial complex sectors” (including subsidies for the provision of decoupled support to agricultural producers in the plant growing sector and subsidies for enhancement of productivity in dairy animal farming). 9.1 percent of the federal budget resources was disbursed to the State Programme implementation management; 10.4 percent to the subprogramme “Creation of an enabling environment for the operation of the agro-industrial complex sectors” (market regulation, animal disease control measures, reparation of damages in case of emergencies, etc.); 6.1 percent to the subprogramme “Technical and technological modernization, innovative development”; 6.7 percent to the federal target programme “Sustainable

rural development for 2014–2017 and through 2020”; 4.7 percent to the federal target programme “Development of agricultural land melioration in Russian Federation for 2014–2020”; 1.0 percent to the subprogramme “Development of the agro-industrial complex’s finance and credit system” (replenishment of the Russian Agricultural Bank’s authorized capital; only active since 2017). The financing structure was very similar in 2017 and 2018 (more detailed data about financing for the State Programme are presented in Table 4.5).

New developments occurred in early 2019. The State Programme was extended until 2025. The project-based approach was chosen as the main mechanism to achieve the stated objectives. The state support areas did not substantially change, however some subprogrammes were transformed into departmental or federal projects.¹⁰

Adoption of a separate state programme for comprehensive rural areas became another important step in the agricultural policy.¹¹ The programme’s declared priorities include improving life quality and well-being of the rural population, and building a balanced system of settlement that includes various community types, accounting for regional specifics and types of rural areas.

¹⁰ Resolution of the Russian Federation Government No. 98 of 8 February 2019 “On amending the Resolution of the Russian Federation Government No. 717 of 24 July 2012”.

¹¹ The State Programme “Comprehensive rural development” was approved by the Resolution of the Russian Federation Government No. 696 of 19 May 2019. The total volume of financing for the programmed in 2020–2025 is about 2.3 trillion rubles, including 1 trillion from the federal budget.

TABLE 4.5

Volume of federal budget funds allocated for implementation of the State Programme, billion rubles

Areas of expenditure*	2017	2018	2019 (plan)
AIC technical modernization	15.9	14.0	8.0
Investment promotion activities in the agro-industrial complex	83.0	94.9	114.8
Development of the AIC sectors ensuring accelerated import substitution of main types of agricultural products, raw materials, and food	58.3	64.3	59.9
State Programme implementation management	28.2	16.0	14.2
Improving conditions for the operation of the AIC sectors	16.6	34.2	29.9
Sustainable rural development	14.9	17.8	17.4
Development of the Russian Federation’s melioration complex	11.2	11.4	13.2
Export of AIC products	0.7	1.5	38.8
Creating a system of support to farming and developing rural cooperation**	-	-	7.4
Development of the AIC finance and credit system (replenishment of the Russian Agricultural Bank’s authorized capital)	5.0	-	-
TOTAL	233.8	254.1	303.6

Notes: * Area titles may vary slightly from year to year. From 2019, they have been implemented as part of federal and departmental projects as well as departmental programmes;

** Previously supported via the subprogramme “Development of small economic entities and agricultural cooperation”;

Source: National Report on the State Programme implementation in 2017; speech by E.V. Fastova, Deputy Minister of Agriculture, at the 10th International Conference for agricultural producers and suppliers of agricultural inputs and services “Where the Margin Is 2019” (Moscow, 7 February 2019). <http://ikar.ru/gdemarzha/>

Tajikistan

Mavzuna Karimova

Overall context of trade policy

Foreign trade in agricultural goods in the Republic of Tajikistan is regulated by legislative and regulatory acts, bilateral and multilateral intergovernmental agreements, and the WTO agreements together with the country's commitments within that Organization.

The key regulatory acts that govern foreign trade of the Republic of Tajikistan include:

- Law of the Republic of Tajikistan "On foreign trade activities" (as reworded by the Law of the Republic of Tajikistan (RT) No. 1215 of 8 August 2015);
- Customs Code (as most recently reworded by the RT Law No. 1422 of 30 May 2017);
- Tax Code (as most recently reworded by the RT Law No. 1546 of 3 August 2018);
- Law of the Republic of Tajikistan "On food safety" No. 890 of 1 August 2012;
- Law of the Republic of Tajikistan "On international treaties of the Republic of Tajikistan" No. 1326 of 23 July 2016;
- Resolution of the Republic of Tajikistan Government "On import customs duty rates in the Republic of Tajikistan" No. 399 of 8 August 2018; and
- Law of the Republic of Tajikistan "On banking activities", No. 5 of 19 May 2009 (as most recently reworded on 3 August 2018).

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The trade policy objectives and priorities are also enshrined in national strategies and programmes:

- National Development Strategy of the Republic of Tajikistan through 2030 (No. 636 of 1 December 2016);
- Medium-term Development Programme of the Republic of Tajikistan for 2016–2020 (No. 678 of 28 December 2016); and
- State Programme for Export Promotion and Import Substitution in the Republic of Tajikistan for 2016–2020 (No. 503 of 26 October 2016).

A negative foreign trade balance remained during 2017–2018 not only for agricultural products but also for all commodity groups; the national currency devaluated, the banking sector situation aggravated, and the effective demand of population slumped due to contraction of remittances from migrant workers. A steady downward trend in the national currency exchange rate versus the US dollar continued over the period under review (from 8.54 Tajikistani somoni per USD in 2017 down to 9.15 in 2018).

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Agricultural trade policies

Import policy

Import duties

Import policy is regulated by the Resolution of the Republic of Tajikistan Government “On import customs duty rates in the Republic of Tajikistan” of 8 August 2018 and by the Customs Code of the Republic of Tajikistan. Quantitative restrictions and bans on imports of agricultural goods were not applied in 2017–2018.

According to the Agreement on the CIS free trade area of 18 October 2011, zero-rate import customs duties are applied to the goods originating from the organization’s member states (Armenia, Belarus, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation, Ukraine, and Uzbekistan). Besides, there are preferences for the least developed countries in the form of the import customs duty rate for goods originating there from equal to 50 percent of the approved rates.

According to Article 15 of the Laws “On the state budget of the Republic of Tajikistan” for 2017 and 2018, VAT on imports of wheat (except for wheat imported for production of excisable goods), on its delivery to processing enterprises, and on the sale of wheat-based products is set at 10 percent (with an 18 percent rate in force for any other type of goods). The amount of VAT payable at procurement (import) of other products (works, services) for subsequent delivery of wheat and/or processing and sale of wheat-based products may not be higher than 10 percent.

The same article of the Law for 2018 states that imports of all kinds of pure-bread animals of meat, milk and wool categories, elite seeds, and reproductive varieties of agricultural crops as well as silk-worm cocoons for development of silk framing are exempt from VAT and customs duties.

Tariff quotas

Tajikistan does not use any import tariff rate quotas.

Quantitative restrictions on imports (including import bans)

Tajikistan applied no quantitative restrictions or bans on imports of agricultural goods during 2017–2018.

Import policy measures based on SPS requirements and technical regulation

The Law of the Republic of Tajikistan “On plant quarantine and protection” No. 1233 of 28 November 2018 came

into force, defining the legal, institutional and economic foundations of plant quarantine and protection, implementation of quarantine phytosanitary measures, and management of plant protection agents. The law is intended to ensure preservation of agricultural products, protection of human and animal health, and environment. Early in 2019, amendments were made to the national Law “On trademarks and service marks” (as reworded by the RT Law No. 1584 of 2 January 2019).

Other import policy measures

According to the Law of the Republic of Tajikistan No. 1511 of 21 February 2018, some amendments were made to Article 169 of the Tax Code defining the list of import transactions exempt from VAT payment:

- import of goods undertaken to implement investment projects of the Republic of Tajikistan Government within the limits of funds provided for in grant (loan) agreements;
- import of agricultural machinery the list of which is approved by the Republic of Tajikistan Government; and
- import of technologies, equipment and materials to meet the needs of poultry farming, and/or importation of goods directly for internal needs of poultry farms and enterprises that produce combined feeds for poultry and animals.

According to the amendments made to the Tax Code of Tajikistan, taxation particularities are established for newly created and active enterprises engaged in the full cycle of cotton fibre processing into final products. The national government defined a list of such enterprises as well as tax preferences for them, consisting of exemption from import duties and VAT. Exports of the goods manufactured by such enterprises are also VAT exempt. This measure was introduced to reduce unemployment in the manpower-surplus Tajikistan and to ensure full utilization of industrial capacities of the cotton fibre processing enterprises.

In addition, to tackle the problems related to meeting the population’s demand for meat products, poultry farms, and enterprises producing combined poultry and animal feeds are exempt from corporate profit tax, VAT and on-road users tax for six years from 1 January 2018.

Guided by the Protocol on cooperation and mutual assistance in customs matters dated 14 June 2017, the Customs Services under the Republic of Tajikistan Government and the State Customs Committee of the Republic of Uzbekistan signed an Agreement on organizing a simplified procedure of customs operations for movement of goods and vehicles between the two countries. It is the so-called “simplified customs corridor”

for a certain list of goods that include: vegetables and certain edible roots and tubers; edible fruits and nuts; peel of citrus fruits or melons; peanuts, not roasted or not prepared in any other way, shelled or not shelled, crushed or not crushed; preparations of vegetables, fruit, nuts or other parts of plants; miscellaneous food products (RT Government Resolution No. 129 of 6 March 2018).

Export policy

Export duties

According to the Law of the Republic of Tajikistan No. 1367 of 14 November 2016, the cotton fibre sales tax was abolished and replaced with an export duty at the rate of 10 percent of the product customs value. Sales of cotton fibre inside the country is not liable to sales tax, however, a 10 percent export duty is charged in the case of cotton fibre export. This decision was adopted to increase added value and output of in-country cotton fibre processing. This measure brought good results as the cotton fibre output has grown over recent years in the country.

Quantitative restrictions on exports (including export bans)

No quantitative restrictions or bans on exports of agricultural goods were introduced in the country during 2017–2018. Exports are regulated according to the common requirements and procedures applicable to all other goods.

Export subsidies

Tajikistan does not apply any subsidies for exports of agricultural products, and has no system of export credits and export guarantees.

Export promotion measures

For the purpose of sustainable enhancement of the country's export potential, the Agency for Export under the Republic of Tajikistan Government was established (Resolution of the RT Government No. 396 of 6 August 2018). Its operations are aimed at promoting sustainable development of exports of goods, products and services; providing conducive conditions for higher competitiveness of domestic goods and services in foreign markets; assisting in attraction of direct consumers, reliable intermediaries, wholesale commodity networks, and other trading partners in foreign countries for exports of goods and services.

The Ministry of Economic Development and Trade of the Republic of Tajikistan, in cooperation with the Ministry of Finance and the Ministry of Agriculture, continues implementation of the State Program on Export Promotion and Import Substitution in the Republic of

Tajikistan for 2016–2020 (Resolution of the RT Government No. 503 of 26 November 2016).

The Coordinating Committee on Facilitation of Trade Procedures continued its work, having held as many as six meetings since 2017. The Committee established a permanent Working Group for improvement of non-tariff trade instruments to support local producers and develop exports. The Working Group was directly involved in drafting of the following documents: draft Resolution of the RT Government "On import customs duty rates in the Republic of Tajikistan" (approved on 8 August 2018, No. 399); draft Resolution of the RT Government "On amending the Resolution of the RT Government No. 302 of 9 June 2018 "On approval of the excise tax rates for some goods produced in, and imported into, the Republic of Tajikistan" (approved on 6 August 2018, No. 397).

Efforts were taken to reduce time and money spent by the foreign economic activity (FEA) entities on export, import and transit of goods. The Ministry of Economic Development and Trade of the Republic of Tajikistan is tasked with: reducing and limiting the requirements to documents for issuance of permits and certificates to foreign economic activity entities; standardizing trade data; providing FEA entities with access to foreign trade information; simplifying the crossing procedure at border checkpoints; and optimizing the state control of goods during export and import subject to domestic production (Resolution of the RT Government No. 286 of 31 May 2018).

Work was carried out to open the country's trade missions in other countries. In particular, the Regulation "On the trade mission of the Republic of Tajikistan in foreign countries" was adopted (No. 518 of 31 October 2018) according to which it is recommended to create additional staffing positions for these purposes in some countries (China, Germany, Kazakhstan, the Russian Federation, Turkey, Uzbekistan).

The Committee also carried out works to implement the Action Plan for adaptation of the customs legislation of the Republic of Tajikistan to the provisions of the International Convention on the Simplification and Harmonization of Customs Procedures (revised Kyoto Convention).

A trade information web portal (tajtrade.tj) concerning trade facilitation was created. It is intended to simplify export, import and transit of goods and vehicles for all foreign trade actors. The portal contains information about the country's trade system and foreign trade operations. It provides domestic and international entrepreneurs as well as other stakeholders with information about the procedures of import, export and transit of 39 commodity groups. The Tajikistan trade portal was developed by the Ministry of Economic Development and Trade and the International Trade Centre with financial support from

the Government of Switzerland and other development partners, in particular the UN Conference on Trade and Development (UNCTAD), the UN Development Programme (UNDP), and the Organization for Security and Cooperation in Europe (OSCE).

Implementation of the World Bank project concerning trade logistics in Central Asia is going on, which is designed to simplify the procedures of export and import transactions for the purpose of building a “green corridor” between the Republic of Tajikistan, the Russian Federation, Uzbekistan and Afghanistan, and to improve the activity of the country’s Customs Committee as part of the “Single Window” project.

The Regulations on the Committee for Food Security under the Government were developed; the list of institutions and organizations being part of its system was prepared; and the Food Security Programme was adopted (Resolution of the RT Government No. 520 of 31 October 2018).

Trade agreements

The Republic of Tajikistan is a party to the Agreement on the CIS free trade area of 18 October 2011, along with Armenia, Belarus, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation, Ukraine and Uzbekistan.

No new agreements on free trade were signed in 2017–2018, however active work was going on to conclude trade and economic agreements with some countries of the world.

The Resolution of the RT Government No. 563 of 30 November 2017 endorsed the draft Agreement between the Ministry of Agriculture of the Republic of Tajikistan and the Ministry of Agriculture and Food of the Republic of Belarus on cooperation in agriculture, which focuses on: livestock farming; mechanization of agricultural production; production of seeds; introduction of innovative technologies in agriculture; land melioration; land use planning; soil and irrigation system research; scientific research activities in agriculture; and cooperation in the field of phytosanitary and veterinary control.

Tajikistan develops close cooperation with Afghanistan. Trade and economic agreements were signed on 29 May 2017 between the two countries in trade, transportation, railway communication, and some other fields, which is to result in growing mutual trade turnover due to operation of all-year-round trade corridors and support for entry of goods made in Tajikistan into markets of other regions of the world.

The Agreement on Cooperation in Agriculture was concluded between the Ministry of Agriculture of the

Republic of Tajikistan and the Ministry of Agriculture of the Hashemite Kingdom of Jordan (Resolution of the RT Government No. 526 of 9 November 2017).

The Agreement on Establishment of the Institute for Central Asian Regional Economic Cooperation,¹ signed on 26 October 2016, was ratified (Resolution of the RT Government No. 1001 of 21 February 2018).

The agreement on strategic partnership between Tajikistan and Turkmenistan was concluded (Decree of the President of the Republic of Tajikistan №956 of 31 October 2017).

On 31 October 2017, the Resolution of the RT Government No. 511 endorsed the Agreement between the Government of the Republic of Tajikistan and the Government of Turkmenistan on long-term trade and economic cooperation that covers also the matters related to enhancement of cooperation in agriculture, introduction of new technologies in plant growing and livestock farming, and establishment of joint ventures in production, processing and sales of agricultural products.

The Agreement on Cooperation in Agriculture between the Government of the Republic of Tajikistan and the Government of Turkmenistan was endorsed (Resolution of the RT Government No. 514 of 31 October 2017).

The Parliament of Tajikistan ratified the Agreement on Strategic Partnership between the Republic of Tajikistan and Turkmenistan signed on 2 November 2017.

The year 2018 was marked with important events in the history of bilateral relations between Tajikistan and Uzbekistan. Four meetings of the Intergovernmental Commission for Trade and Economic Cooperation were held, and a number of agreements were signed: the Agreements between the Governments of the two countries on interregional cooperation; the Agreements between the Ministries of Agriculture of Tajikistan and Uzbekistan on cooperation in agriculture (Resolution of the RT Government No. 126 of 6 March 2018);² the Agreement on interregional cooperation No. 119 of 6 March 2018; the Agreement between the public executive authority of Dushanbe city, the Republic of Tajikistan, and the local executive authority of Tashkent city, the Republic of Uzbekistan, on cooperation in trade, economic, cultural and humanitarian fields for five years (No. 131 of 6 March 2018); the Agreement between the Committee for Food Security under the Government of the Republic of Tajikistan and the State Plant Quarantine Inspection under the Cabinet of Ministers of the Republic of Uzbekistan on cooperation in plant quarantine matters (No. 421 of 15 August 2018). The Resolution of the RT Government No. 119 of 6 March 2018 endorsed the Agreement between the Government of the Republic

of Tajikistan and the Government of the Republic of Uzbekistan about avoidance of double taxation and prevention of evasion of taxes on income and capital.

The Government of Tajikistan entered into a number of agreements with Azerbaijan as well, in particular the Agreement on Cooperation in Veterinary Medicine (Resolution of the RT Government No. 402 of 6 August 2018), and the Agreement on Cooperation between the Ministry of Economic Development and Trade of the Republic of Tajikistan and the Ministry of Economy of the Republic of Azerbaijan (Resolution of the RT Government No. 403 of 8 August 2018).

Changes in the policy of domestic support to agriculture

Implementation of the approved programmes for reform of agriculture and support to its branches is going on in the country, in particular:

- Programme for reforming of agricultural sector of the Republic of Tajikistan for 2012–2020 (Resolution of the RT Government No. 383 of 1 August 2012);
- Programme for the development of sericulture and processing of silkworm cocoons in the Republic of Tajikistan for 2012–2020 (Resolution of the RT Government No. 409 of 30 August 2011);
- State Programme for the development of new irrigated land and rehabilitation of land withdrawn from agricultural turnover in the Republic of Tajikistan for 2012–2020 (Resolution of the RT Government No. 450 of 31 August 2012);
- Programme of organization and restoration of refrigerators and cold stores for storage of agricultural products in the Republic of Tajikistan for 2015–2019 (Resolution of the RT Government No. 727 of 1 December 2014);
- Programme for the development of the pastures for 2016–2020 (Resolution of the RT Government No. 724 of 28 November 2015);
- Programme for the development of the breeding branch and animal breeding in the Republic of Tajikistan for 2016–2020 (Resolution of the RT Government No. 792 of 30 December 2015);
- Programme for the development of gardening and viticulture for 2016–2020 (Resolution of the RT Government No. 793 of 30 December 2015); and
- Programme for the development of seed-growing sector for 2016–2020 (Resolution of the RT Government No. 438 of 28 October 2016).

The country began to implement the Integrated Programme of Livestock Sector Development for 2018–2022 (Resolution of the RT Government No. 160 of 27 March 2018) that defines an action plan for implementation of the programme in livestock sectors (breeding of cattle, sheep and goats, pedigree work and pure breeding improvement, yak breeding, horse raising, poultry farming, fish farming, bee farming, development of pastures, and biotechnologies in livestock farming).

The share of expenditures for agriculture in the state budget structure increased from 2.94 percent in 2017 to 3.17 percent in 2018. Their amount stood at USD 68.2 million and USD 73.9 million, respectively. The Resolution of the RT Government No. 509 of 31 October 2018 approved the “Programme of state foreign borrowings of the Republic of Tajikistan for 2019, and a forecast of indicators for 2020–2021” according to which 18 loan projects will be aimed at restoration and development of agriculture, rehabilitation of irrigation systems, land irrigation, and development of the cotton farming sector.

The Parliament of the country ratified the Agreement between the Republic of Tajikistan and the International Fund for Agricultural Development for the Community-Based Agricultural Support Project (Resolution of the RT Parliament No. 1098 of 25 May 2018), the Agreement between the Government of the Republic of Tajikistan and the Food and Agricultural Organization of the United Nations on the Strengthening Institutions and Capacity of the Ministry of Agriculture and State Veterinary Inspection Service for Policy Formulation Project (No. 1150 of 1 October 2018), and the Agreement between the Government of the Republic of Tajikistan and the Food and Agricultural Organization of the United Nations on the Lifecycle Management of Pesticides and Disposal of POPs, Pesticides in CA countries and Turkey Project (Resolution of the RT Government No. 517 of 31 October 2018).

¹ This association consists of Azerbaijan, China, India, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

² They provide for cooperation in the following areas: plant growing; livestock farming; mechanization of agricultural production; innovative technologies in agriculture; and joint scientific research in agriculture.

Turkmenistan

Yury Aronskiy

Overall context of trade policy

Turkmenistan continued implementation of its policy of boosting the volume of agricultural exports and substituting imports in 2017–2018, including pursuant to the realization of two state programmes:

- 1) the State Programme for Increasing the Export Volume; and
- 2) the State Programme for Organizing the Production of Import-Substituting Products.

One of the measures for implementation of the above-mentioned policy is to introduce a number of restrictions in currency circulation for private companies and individuals: currency exchange amounts for these categories were considerably limited. Likewise, additional import duties were introduced for some agricultural goods.

The pursued agricultural policy allowed increasing agricultural product outputs substantially, achieving a positive foreign trade balance, and reducing the dependence of Turkmenistan's economy on the hydrocarbon sector. In 2018, a foreign trade balance

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surplus was reached for the first time over the last four years, amounting to USD 6 328 million for all goods: exports stood at USD 11 650.9 million while imports amounted to USD 5 322.9 million. The same trend was observed in 2018 in foreign trade of agricultural goods where exports totalled USD 731.5 million, with imports at USD 493.1 million.

Agricultural trade policies

Import policy

Import duties

The import duty rates set by two Resolutions of the President of Turkmenistan (No. 14085 of 26 January 2015 and No. 14394 of 4 September 2015) have not changed since 2015. Import of feed for poultry producing enterprises is exempt from import duties to support development of poultry breeding.¹

¹ Resolution of the President of Turkmenistan of 2 March 2018.

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Quantitative restrictions on imports (including import bans)

Quantitative restrictions and bans on imports of agricultural products were not applied in 2017–2018.

Tariff quotas

Import tariff rate quotas were not applied in 2017–2018.

Import policy measures based on SPS requirements and technical regulation

No substantial changes occurred in the system of sanitary and phytosanitary requirements as well as technical regulation measures for agricultural product imports to Turkmenistan in 2017–2018. Still in force is the requirement for undergoing border veterinary control in case of imports of live animals, products of animal origin, veterinary preparations, biological materials, feed and raw materials of animal origin. Delivery of quarantinable products of plant origin and their transit across the territory of Turkmenistan requires obtaining an import quarantine permit.

Other import policy measures

In addition to tariff regulation of imports, Turkmenistan also applies non-tariff measures to some goods whose import into the country is subject to licensing. The list of such goods is corrected on an annual basis depending on state priorities at any given moment. In addition, the country applies some other measures of non-tariff regulation of imports, in particular:

- customs and administrative measures on the border. In Turkmenistan, all the imported agricultural goods are subject to SPS certification. A special order is in force for some import product types (e.g. agricultural machinery), providing for implementation of special procedures of testing and certification; and
- restriction of the settlement forms for import deliveries of all products to Turkmenistan.

According to the current procedure, approved by the Central Bank of Turkmenistan in 2015 and designed to protect interests of local importers, advance payment as one of the possible settlement forms is not possible in case of commodity deliveries to Turkmenistan under foreign trade contracts. When concluding a contract for delivery of goods to Turkmenistan, the foreign supplier may only expect the following terms of payment for the goods delivered: letter of credit, payment against bank guarantee, or payment on receipt of the cargo by the Turkmen buyer. This procedure of settlements on

imports is controlled by the Commodity Exchange and the Interbank Currency Exchange of Turkmenistan that is a structural unit of its Central Bank.

Export policy**Export duties**

According to the Resolution of the President of Turkmenistan No. 14085 of 26 January 2015, a list of goods which may be exported from Turkmenistan without payment of export duties (zero rate) and quantitative restrictions was defined. The list includes, *inter alia*, pasta products, honey, food salt, tomato paste, ice-cream, and other types of food ice with or without cocoa.

The above-mentioned list was later supplemented with packaged vegetable and fruit products, animal guts, and fur products (raw fur skins and primary processing products). At the same time, mineral water and non-alcoholic beverages, vegetables and melons, fruits (July-August), canned vegetable and fruit products, confectionery, canned fish, and cotton oil were included in the list of goods that may be exported without export duties.²

Other agricultural goods are covered by the customs duties the rates of which are set by the State Customs Service of Turkmenistan (Order No. 28 of 15 March 2018, registered by the Ministry of Justice of Turkmenistan on 4 May 2018 under No. 1136). No other policy documents concerning export duties were adopted in 2017–2018.

Quantitative restrictions on exports (including export bans) were not applied in 2017–2018.

Export promotion measures

According to the Resolution of the President of Turkmenistan No. 14723 of 15 April 2016 “On improving the procedure of sales of some commodities in foreign states and of their export from Turkmenistan”, foreign trade contracts of legal entities in the non-governmental sector and private entrepreneurs, which concern exports of products made in Turkmenistan, have not been subject to mandatory registration at the State Commodity Exchange of Turkmenistan since 1 May 2016. Furthermore, the list of goods for which exporters are exempt from export duties was approved.

Preferential transport tariffs, granted by the Ministry of Rail Transport to the state-owned enterprises carrying out internal transportation of goods and transportation for export, continued to be in force in 2017–2018. These transportation tariffs are much lower than those tariffs applicable for non-state-owned enterprises.

Other export policy measures

The Resolution of the President of Turkmenistan No. 14594 of 5 February 2016 approved the List of export products subject to certification for export from Turkmenistan. The list of agricultural goods to be certified included cotton and cotton fibre, wheat and wheat flour, silk-worm cocoons, and raw silk.

Trade agreements

Trade cooperation between Turkmenistan and other countries is generally successful. The country carries out foreign trade with 119 countries of the world. Turkmenistan concluded intergovernmental agreements on trade and economic cooperation with 25 countries, free trade agreements with seven countries (Azerbaijan, Armenia, Belarus, Georgia, the Russian Federation, Tajikistan and Ukraine), agreements on promotion and mutual protection of investments with 22 countries, and agreements on avoidance of double taxation with 14 countries.

No changes occurred in terms of the country's accession to the WTO in 2017–2018. A discussion is underway in Turkmenistan, involving international experts, as regards expedience of accession to that international organization.

Changes in the policy of domestic support to agriculture

Significant events in the field of Turkmenistan's agricultural sector reform consisted of the following decisions enshrined in the Resolution of Halk Maslahaty, the country's supreme public authority, dated 25 September 2018:

- allocation of land plots to peasant farms and individuals for the use for up to 99 years provided that no less than 70 percent of the allocated plot area be sowed with agricultural crops whose harvest is turned over to the government. The rest of the land may be used by the commodity producer concerned at their discretion; and
- stage-wise privatization of all the state-owned animal farms being on the books of the Ministry of Agriculture and Water Management of Turkmenistan.

To provide financial support to agricultural producers, introduce innovations and advanced technologies in agriculture, the President of Turkmenistan signed a resolution on 6 March 2017, according to which authorized banks are allowed to grant concessional loans to agricultural product manufacturers of all ownership

forms at 1 percent per annum for the purchase of agricultural machinery and materials, and at 5 percent per annum for the financing of investment projects related to the development of livestock farming and poultry breeding, processing, and service delivery to rural areas. Such support can serve as an additional incentive for accelerated growth of agricultural production and exports.

To stimulate development of the country's agricultural sector and encourage the work of farmers, the President of Turkmenistan signed a Resolution on 5 October 2018 on a twofold increase of wheat purchase prices. The wheat purchase price for agricultural producers is 800 manats, or USD 800 per tonne at the fixed exchange rate of three and a half manats per USD, since 1 January 2019. Nevertheless, wheat flour prices for the population will remain unchanged. Purchase prices of cotton were also increased twofold. They are set depending on cotton quality and stand at between 1 800 and 2 000 manats per tonne (or USD 514-571 per tonne).

Besides, the new rules allow agricultural land leaseholders to sell the agricultural products outputted over and above the governmental contract at market prices. It is expected to increase their profits and interest in production scale-up considerably. The government also continues to provide active support to agricultural land leaseholders, financing more than 60 percent of expenses for agricultural crop growing. Banks grant targeted concessional loans to farming entities for up to ten years. These loans are issued at 1 percent per annum for purchase of agricultural machinery and equipment, and at 5 percent per annum for financing of investment projects related to development of livestock farming and poultry breeding.

National private entrepreneurs have been contributing greatly to the development of Turkmenistan's agricultural sector over recent years. The private sector's share in the agricultural output reached 96 percent in 2019. As part of implementation of the import substitution and export build-up programmes, private farming businesses and private enterprises for primary agricultural production, for processing of agricultural produce as well as for food industry are being established in the country, including large poultry breeding companies and meat, dairy and bread producing factories.

² Resolution of the President of Turkmenistan No. 14723 of 15 April 2016 "On improving the procedure of sales of some commodities in foreign states and of their exportation from Turkmenistan".

Uzbekistan

Daria Iliina

Overall context of trade policy

Priority areas of Uzbekistan's agrifood trade policy include import substitution, promotion of agricultural exports, geographical diversification of exports, increasing the share of high value-added goods in the structure of exports, and preparation for accession to the WTO.

Main regulatory acts that govern the country's foreign trade are the Laws of the Republic of Uzbekistan "On foreign economic activity",¹ "On protective measures, antidumping and countervailing duties",² "On export

control",³ "On the customs tariff"⁴ as well as the Customs Code⁵ and the Tax Code.⁶ The Foreign Economic Activity Commodity Nomenclature of the Republic of Uzbekistan, developed on the basis of the updated Harmonized Commodity Description and Coding System, has been in effect since 1 January 2018.⁷

A series of reforms designed to liberalize and facilitate international trade were carried out in Uzbekistan in 2017–2019. In particular, import duties on almost all commodity groups were reduced considerably or zeroed. To simplify movement of imported goods across the border, mandatory pre-shipment inspection of goods was

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cancelled. Since 2018, veterinary, phytosanitary, ecological and sanitary-epidemiological control is exercised by customs bodies at border posts during customs control.

A ban on exports of some agrifood products was lifted in the period under review, and now those goods are allowed to be exported pursuant to decisions of the President or Government of the Republic of Uzbekistan. A new bank, UzAgroExportBank, was established in 2017 for the export promotion purposes. The bank's key activities are aimed at financing investment projects for development of agricultural production and exports, and assisting its clients in drafting of strategies for promotion of agrifood products to international markets.

¹ Law of the Republic of Uzbekistan No. 77-II of 26 May 2000.

² Law of the Republic of Uzbekistan No. 554-II of 11 December 2003.

³ Law of the Republic of Uzbekistan No. 658-II of 26 August 2004.

⁴ Law of the Republic of Uzbekistan No. 470-I of 29 August 1997.

⁵ Law of the Republic of Uzbekistan No. LRU-400 of 20 January 2016.

⁶ Law of the Republic of Uzbekistan No. LRU-136 of 25 December 2007.

⁷ Resolution of the President of the Republic of Uzbekistan (RU) No. RP-3448 of 28 December 2017 "On the introduction of the Commodity Nomenclature of Foreign Economic Activities of the Republic of Uzbekistan, 2017 version".



Active work was carried out in 2017–2018 concerning the country's accession to the WTO, including the negotiations held between the Minister of Foreign Trade of Uzbekistan and WTO Director-General. A department was established in the structure of the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan, which will be responsible for collection and preparation of a package of materials and documents as well as for

drafting of proposals concerning adaptation of the national legislation to meet the requirements of the WTO agreements.

The Ministry of Investments and Foreign Trade of the Republic of Uzbekistan was established in January 2019, on the basis of the Ministry of Foreign Trade and the State Committee of the Republic of Uzbekistan for Investments.⁸

TABLE 4.6

List of goods exempt from import duty for imports in the territory of the Republic of Uzbekistan

Goods	Exemption date	Expiry date	Limitation on application
Pedigree material (products), accessories and equipment used in bee farming, special vehicles and trailers for transportation of hives, veterinary medicinal products and preparations used to prevent bee diseases and pests, necessary wood materials and timber for hive production, polyurethane foam, auxiliary equipment, components and spare parts therefor, raw beeswax and wax products ¹⁰	16.10.2017	01.01.2023	Only for member organizations of the Uzbekistan Asalarichilari Association
Cotton, artificial and synthetic fibre, wool, raw and other materials necessary for textile production and not produced in the Republic of Uzbekistan ¹¹	14.12.2017	01.01.2021	Only for textile industry enterprises – members of the Uzteksilprom Association
Raw and materials used in collection of silk-worm seed material, and equipment for silk-worm nurseries, ^{12,13} not produced in the Republic of Uzbekistan	12.01.2018	01.01.2023	Only for member organizations of the Uzbekipaksanoat Association (silk industry)
Bovine animals, sheep and goats, meat of bovine animals, meat of sheep, potatoes, soybeans, sunflower and sesame seeds, sugar ¹⁴	01.02.2018	01.01.2020	No limitations for importer organizations
Combined fish food (extruded, starter, productional) (FEACN code 2309 90) ¹⁵	03.02.2018	01.01.2020	No limitations for importer organizations
Imported materials, raw stuff, plant protection agents, and items not produced in the Republic of Uzbekistan in sufficient volumes, imported and used in production of wine-making goods ¹⁶	28.02.2018	01.01.2025	Only for winemaking enterprises
Imported materials necessary for Karakul sheep breeding ¹⁷	14.03.2018	01.01.2023	Only for entities engaged in Karakul sheep breeding and Karakul product processing enterprises
Imported fruit and vegetable seeds, plants, cuttings and slips (FEACN 060210, 06220), mineral fertilizers, chemical plant protection agents, modern energy-saving greenhouses and their components ¹⁸	29.03.2018	01.01.2021	No limitations for importer organizations
Pedigree fish stock, pedigree fish caviar and the equipment, accessories, mechanisms and their spare parts not produced in the Republic of Uzbekistan but necessary for incubation, laboratories, intense fish rearing, fish harvesting, fish processing, chilling and storage, equipment for supply of alternative energy, specialized equipment for reclamation works, and means of transport for transportation of live fish ¹⁹	06.11.2018	01.11.2021	No limitations for importer organizations
Purebred laying hens, process equipment, special machinery, their spare parts, and other fixed assets required to organize poultry farming, processing and storage of poultry products, organize incubation shops, construct and reconstruct buildings and structures designed for poultry farming, bird food and food additives, veterinary preparations, diagnostic agents	13.11.2018	01.11.2021	Only for foreign organizations and their subsidiaries, brand shops, dealer networks, and business entities
Oil seeds under the FEACN code groups 1201-1207 (soy-beans, sunflower seeds, other oil crop seeds) for production of vegetable oils ²⁰	16.01.2019	01.01.2021	Only for member enterprises of the Uzyogmoysanoat Association
Natural honey (FEACN code 0409 00 000 0) collected due to movement of bee colonies by bee farming entities to a neighbouring country according to the "temporary import" customs regime ²¹	18.03.2019	01.01.2022	Applies to the extent not exceeding 50 kg of imported natural honey per bee colony

Source: Compiled by the author based on the national legislative framework of Uzbekistan.

Agricultural trade policies

Import policy

Import duties

The import duty rates have been substantially revised since 1 October 2017: they have been zeroed or reduced for almost all commodity groups.⁹ The rates of import duties for the agricultural goods listed in [Table 4.6](#) were set to zero in 2017–2019.

Main principles to further improve the customs tariff regulation system, approved in June 2018:

- strengthening the regulating function of customs tariffs based on development priorities of economic sectors to ensure their smooth integration into global value chains;
- improving the tariff regulation system for foreign economic activities subject to foreign best experience, international principles and standards;
- creating conditions for the provision of local producers with raw materials not produced in Uzbekistan or produced in insufficient quantities and used for manufacture of export-oriented products;
- maintaining favourable conditions for imports of modern process equipment and machinery for creation of new production facilities as well as for further intensification of domestic production upgrading and re-equipment processes and accelerated implementation of infrastructural projects;
- unifying import duty rates for goods, similar in terms of type, purpose, property and composition as well as close in terms of their codes of commodity nomenclature of foreign economic activities, to prevent their classification as product lines liable to lower customs payment rates for customs clearance; and
- unifying the excise tax rates for excisable goods, and applying excise tax to the goods harmful to human health and environment.²²

Tariff rate quotas

Import tariff rate quotas are not applied in Uzbekistan.

Quantitative restrictions on imports (including import bans)

Uzbekistan does not apply quantitative restrictions and bans on imports of agricultural goods.

⁸ Decree of the RU President No. DP-5643 of 28 January 2019 "On measures to improve the management system in the field of investments and foreign trade".

⁹ Resolution of the RU President No. RP-3303 of 29 September 2017 "On measures for further streamlining of foreign economic activities of the Republic of Uzbekistan".

¹⁰ Resolution of the RU President No. RP-3327 of 16 October 2017 "On measures for further development of bee farming in the Republic".

¹¹ Decree of the RU President No. DP-5285 of 14 December 2017 "On measures for accelerated development of textile, sewing and knitting industry".

¹² Silk-work nursery is a room for silk-worm feeding.

¹³ Resolution of the RU President No. RP-3472 of 12 January 2018 "On measures for further development of silk industry in the Republic".

¹⁴ Decree of the RU President No. DP-5303 of 16 January 2018 "On measures for further maintenance of the country's food security".

¹⁵ Resolution of the RU President No. PP-3505 of 3 February 2018 "On additional measures to increase fish production outputs in 2018".

¹⁶ Resolution of the RU President of 28 February 2018 "On measures for radical improvement of the winemaking industry and sales of alcohol products".

¹⁷ Resolution of the RU President No. PP-3603 of 14 March 2018 "On measures for accelerated development of the Karakul sheep breeding sector".

¹⁸ Decree of the RU President No. DP-5388 of 29 March 2018 "On additional measures for accelerated development of the fruit and vegetable farming sector in the Republic of Uzbekistan".

¹⁹ Resolution of the RU President No. RP-4005 of 6 November 2018 "On additional measures for further development of the fish farming sector".

²⁰ Resolution of the RU President No. RP-4118 of 16 January 2019 "On additional measures for further development of the oil and fat production industry and for implementation of the market-based industry management mechanisms".

²¹ Resolution of the RU President No. RP-4243 of 18 March 2019 "On measures for further development of, and support to, the livestock sector".

²² Resolution of the RU President No. RP-3818 of 29 June 2018 "On measures for further streamlining of foreign economic activities and improvement of the customs tariff regulation system of the Republic of Uzbekistan".

Import policy measures based on SPS requirements and technical regulation

On 1 September 2018, effect was given to the procedure according to which customs bodies at border customs posts exercise also veterinary, phytosanitary, ecological and sanitary-epidemiological control during customs control.²³ Before that, veterinary surveillance was carried out at border control veterinary posts (sections) while sanitary surveillance was conducted by sanitary quarantine units of the territorial Centre for State Sanitary and Epidemiological Surveillance.

Other import policy measures

Customs, tax and other concessions granted to certain individual economic entities for imports of food products (FEACN 02-24) to the Republic of Uzbekistan have been cancelled since 1 February 2018.²⁴ The Cabinet of Ministers of the Republic of Uzbekistan may no longer adopt any decisions that provide certain economic entities with individual customs, tax or other concessions as well as other preferences for import of food products to Uzbekistan. The procedure of mandatory pre-shipment inspection of goods imported to the Republic of Uzbekistan has been abolished since March 2018.²⁵

Export policy

Export duties

An export fee at the rate of 5 percent of the value of exported products has been imposed since 1 June 2018 on exports of semi-finished leather items (FEACN codes 4104, 4105, 4106 21 000 0) across the customs border of the Republic of Uzbekistan.²⁶ Funds received due to that charge are transferred to the Uzcharmsanoat Association's Fund for Development and Support of the Leather and Footwear Industry.

Quantitative restrictions on exports (including export bans)

In May 2017, the ban on exports of grain crops (wheat, rye, barley, oats, rice, corn, and buckwheat), bread and bakery products, flour and cereals, cattle and poultry, meat and edible meat offal, sugar, vegetable oils, raw skins and hides, raw fur skins (including Karakul), silk-worm cocoons, raw silk (no-throw), and silk waste, which had been in force during ten years, was lifted.²⁷ These products are now allowed for export but only pursuant to decisions of the President or Government of the Republic of Uzbekistan.

There is a procedure according to which import of raw skins and hides (including non-standard), raw fur skins including Karakul (including non-standard) across the

customs border of the Republic of Uzbekistan can be carried out based on decisions of the President or Government of the Republic of Uzbekistan Of the Republic of Uzbekistan.²⁸

Restrictions on exports of meat of swine, meat and edible offal of poultry, pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, vegetable oils, sugar, bread and pastry, and silk waste (including cocoons unsuitable for reeling, yarn waste and garneted stock) have been lifted since 1 January 2019.²⁹

Exports of one-day chicken has been permitted since 1 April 2019.³⁰

Export promotion measures

In January 2017, it was decided to establish a new bank – UzAgroExportBank joint-stock commercial bank.³¹ Priority areas of its operations include financing of investment projects for development of agricultural product and exports, first of all of fruits and vegetables, and development of necessary infrastructure as well as assisting its clients in drafting of strategies for promotion of agro-industrial products, first of all fruits and vegetables, to international markets in cooperation with foreign banks, financial institutions, diplomatic and trade missions.

The Uzagroexport company's monopoly in delivery of fruit and vegetable products abroad was eliminated in June 2017.³² The company was established in April 2016 and gained a monopoly right to export fresh and processed fruit and vegetable products.³³ Other private and dehqan farms had to conclude commission contracts with it, and the commission rate reached as much as 1 percent of the actual volume of exports. At that time, the decision was driven by the need to create a single high-quality and efficient chain for product exports to foreign countries under the state control. As a result, business entities were allowed since 1 July 2017 to effect exports of fresh fruits and vegetables, grapes and melons and gourds under direct contracts subject to 100 percent pre-payment.

As another step toward liberalization of export operations, the requirement on mandatory sale by economic entity exporters of 25 percent of their currency receipts from exports of all goods (works, services) was abolished.³⁴

The mandatory procedure of entering into export contracts for fruit and vegetable products at prices no lower than those published by Uzagroexport JCS, as well as of the customs clearance of fruit and vegetable products without conclusion of an export contract, on the invoice basis, at prices no lower than those indicated at the Uzagroexport's official website has been abolished since August 2018.³⁵

The Association of Lemon Producers and Exporters was founded in March 2018 for further development of cultivation of lemon seedlings in the territory of Uzbekistan,³⁶ in addition, the Association of Ferula Producers and Exporters was established.³⁷

The procedure has been in force since October 2018,³⁸ according to which:

- Legal entities exporting fruit and vegetable products have the right to export fruit and vegetable products without pre-payment, opening of a letter of credit, execution of a bank guarantee and having an insurance policy insuring the export contract against political and commercial risks.
- Legal entities exporting fruit and vegetable products, which failed to ensure timely transfer of their receipts from the fruit and vegetable product exports to bank accounts, are entered into the register of the unfair exporters of fruit and vegetable products³⁹ and are subject to the requirement for making 100 percent pre-payment for exports of fruit and vegetable products.
- Business entities have the right to export fruit and vegetable products without having a wholesale trade licence. The individual entrepreneurs' receipt from the export of fruit and vegetable products is subject to the procedure of taxation that provides for making a uniform tax payment.
- The exported fruit and vegetable products are not subject to customs inspection unless signs of a customs law violation risk are detected. Responsibility for reliability of the data contained in the documents as well as for illegal movement of goods across the customs border of the Republic of Uzbekistan is placed on the exporter.
- A decision was made according to which the funds amounting to at least USD 15 million must be provided for in the drafting of the State Budget of the Republic of Uzbekistan beginning from 2019 for the Export Promotion Agency under the Ministry of Foreign Trade of the Republic of Uzbekistan.⁴⁰

²³ Resolution of the RU President No. RP-3818 of 29 June 2018 "On measures for further streamlining of foreign economic activities and improvement of the customs tariff regulation system of the Republic of Uzbekistan".

²⁴ Decree of the RU President No. RP-5303 of 16 January 2018 "On measures for further maintenance of the country's food security".

²⁵ Resolution of the RU President No. RP-3624 of 24 March 2018 "On measures for further liberalization of foreign trade and improvement of trade transactions efficiency".

²⁶ Resolution of the RU President No. RP-3693 of 3 May 2018 "On measures for further encouragement of development and growth of the export potentials of the leather and footwear industry and the down and fur industry".

²⁷ Decree of the RU President No. DP-5057 of 25 May 2017 "On measures for further promotion of exports and ensuring competitiveness of domestic goods in foreign markets".

²⁸ Resolution of the RU President No. RP-3693 of 3 May 2018 "On measures for further encouragement of development and growth of the export potentials of the leather and footwear industry and the down and fur industry".

²⁹ Decree of the RU President No. DP-5564 of 30 October 2018 "On measures for further liberalization of trade and development of competition in commodity markets".

³⁰ Resolution of the RU President No. RP-4243 of 18 March 2019 "On measures for further development and support for livestock sector".

³¹ Resolution of the RU President No. RP-2740 of 24 January 2017 "On formation of the joint-stock commercial bank UzAgroExportBank".

³² Resolution of the RU President No. RP-3077 of 21 June 2017 "On measures of further support to domestic exporter organizations and improvement of foreign economic activities".

³³ Resolution of the RU President No. RP-2515 of 7 April 2016 "On formation of Uzagroexport specialized foreign trade company for export of fresh and processed fruits and vegetables".

³⁴ Resolution of the RU President No. RP-3157 of 28 July 2017 "On additional measures to encourage domestic exporter enterprises".

³⁵ Decree of the RU President No. DP-5495 of 1 August 2018 "On measures for radical improvement of the investment climate in the Republic of Uzbekistan".

³⁶ Resolution of the RU President No. RP-3586 of 6 March 2018 "On measures for further development of lemon growing in the Republic of Uzbekistan".

³⁷ Resolution of the RU President No. RP-3617 of 20 March 2018 "On measures to arrange a plantation of ferula in Uzbekistan, increase the volume of its processing and exports".

³⁸ Resolution of the RU President No. RP-3978 of 17 October 2018 "On additional measures to improve efficiency of promotion of fruits and vegetables to foreign markets".

³⁹ The register of unfair exporters is a list, automatically generated in real time, of exporters having overdue receivables on export contracts included in the Uniform Electronic Information System of Foreign Trade Operations. As regards export contracts for fruit and vegetable products, receivables are considered as overdue upon expiration of 120 calendar days from the customs freight declaration execution date.

⁴⁰ Resolution of the RU President No. RP-4069 of 20 December 2018 "On measures to strengthen export promotion and stimulation".

Trade agreements

In November 2017, the President of Uzbekistan announced renewal of the work on the country's accession to the WTO. The Government of Uzbekistan approved a special 'roadmap' in March 2018 to ensure effective systemic work and regular monitoring of the process of Uzbekistan's accession to the organization. It includes 34 measures aimed at preparing documentation to resume the accession process and at adapting the national legislation. An interdepartmental commission for interaction with the WTO was established in May 2018; chaired by the Minister of Foreign Trade, the commission consists of ministry and agency heads. In September 2018, the Minister of Foreign Trade of Uzbekistan held negotiations with WTO Director-General Roberto Azevedo concerning the country's accession to the WTO. A new department was established in the structure of the Ministry of Investments and Foreign Trade responsible for coordination of cooperation between the Republic of Uzbekistan and the World Trade Organization that will be engaged in collection and preparation of a package of materials and documents as well as in drafting of proposals on adaptation of the national legislation to meet the requirements of the WTO agreements.

The Protocol on the Application of the Agreement on the CIS free trade area between its parties and the Republic of Uzbekistan remains in force.

The Protocol on exemptions from the free trade regime between the Government of the Republic of Uzbekistan and the Government of the Republic Tajikistan was approved on March 2018, which had been provided for in the corresponding Agreement between the two Governments dated 10 January 1996.

In May 2017, the Senate of Uzbekistan ratified inclusion of textile products in the agreement on bilateral trade with the EU.⁴¹ The protocol came into force on 1 July 2017.

As Uzbekistan met the requirements set to product transportation conditions, the Republic of Korea lifted its ban on export of cherries from Uzbekistan in 2017.

Changes in the policy of domestic support to agriculture

To support agricultural production, Uzbekistan in 2017–2018 continued implementation of the "Programme for further reformation and development of agriculture for 2016–2020"⁴² and the "Strategy of actions in five priority directions of development of the Republic of Uzbekistan in 2017–2021"⁴³ that contains measures for modernization and intense development of the agricultural sector.

The Association of Walnut Producers and Exporters was established.⁴⁴ This decision was intended to encourage effective utilization of rainfed lands and to increase outputs of walnuts.

In October 2017, the Council of Farmers of Uzbekistan was transformed into the Council of Farmers, Dehkan Farms and Owners of Household Plots of Uzbekistan.⁴⁵ A fund for support of the above-mentioned producers was established under it.

The State Employment Promotion Fund of the Republic of Uzbekistan grants subsidies for installation of lightweight greenhouses and for purchase of seeds, seedlings and irrigation means in the amount of between three to ten minimum wages, based on tripartite agreements concluded between Tomorka Hizmati LLC, employment promotion centres, and owners of household plots.⁴⁶

Licensing of activities related to production of natural grape wines made of raw materials grown on proprietary vineyards has been abolished since 1 January 2019, and such wines are classified as agricultural products. Producers of technical grape varieties are exempt from land tax until 1 January 2025, regardless of the use of spaces between rows for the cultivation of agricultural crops.⁴⁷

State-guaranteed prices for procurement of raw cotton and spiked cereals, disaggregated by variety and class, have been set since 1 March 2018, ensuring improvement of producers' profitability and encouraging cultivation of high-quality products. Since the same date, no governmental contracts for raw cotton production and procurement are placed on lands with low soil fertility and yields below 1 500 kilograms per ha during subsequent three years.⁴⁸

The Balik Ishlab Chikaruvchi free economic zone was created, and the "Programme of measures for accelerated innovative development of the fishing industry in the Republic for 2018–2013" was approved.⁴⁹

The Bukhoro-Agro free economic zone was created in Bukhara oblast, its key objective being to attract direct foreign and domestic investments for creation of modern greenhouse facilities, *inter alia* with the use of hydroponics, based on the cluster principle, and for the organization of production of structures, equipment and other components for construction of modern energy-saving greenhouses.⁵⁰

The procedure of compensation in 2019–2020 for interests on the loans granted by commercial banks for fish⁵¹ and poultry farming⁵² projects as well as for projects concerning the creation of modern greenhouses complexes⁵³ has been introduced. The compensation is

paid from the resources of the State Fund for Support to Entrepreneurship Development of under the Cabinet of Ministers of the Republic of Uzbekistan. The compensation rate amounts to:

- 25 percent of the interest rate set by the commercial bank on the loans granted to replenish current assets but not more than 5 percentage points; and
- 50 percent of the interest rate set by the commercial bank on the loans granted to purchase fixed assets but not more than 10 percentage points.

Fish farming clusters are being created, specializing in comprehensive production (incubation shops, fish and fry production, high-protein fish food, processing and storage) in the fish farming industry. It is defined that the fish farming clusters capable of producing at least 50 tonnes of fish annually will be exempt from all kinds of taxes and mandatory deductions to state target funds beginning from 1 January 2019.⁵⁴

Poultry farming clusters are being created in all regions on a stage-wise basis (13 in 2019 alone), covering the entire production cycle – poultry growing, poultry processing, making of finished products and their delivery to consumers.⁵⁵

The Agency for Development of Horticulture and Greenhouse Farming under the Ministry of Agriculture of the Republic of Uzbekistan was established in March 2019.⁵⁶

⁴¹ Before that, the most favoured nation regime under the Partnership and Cooperation Agreement was not applied to imports of Uzbek textile goods which were regulated by the EU-Uzbekistan Agreement on Trade in Textiles signed on 7 April 2011.

⁴² Resolution of the RU President No. RP-2460 of 29 December 2015 "On measures for further reformation and development of agriculture for 2016-2020".

⁴³ Decree of the RU President No. DP-4947 of 7 February 2017 "On the Strategy of actions for further development of the Republic of Uzbekistan".

⁴⁴ Resolution of the RU President No. RP-3025 of 1 June 2017 "On establishing, and organizing the activities of, the association of walnut producers and exporters".

⁴⁵ Decree of the RU President No. DP-5199 of 9 October 2017 "On measures for radical improvement of the system for protection of rights and legitimate interests of farm enterprises, peasant farms and small holding owners and for efficient utilization of cultivated agricultural land areas".

⁴⁶ Resolution of the RU President No. RP-3680 of 26 April 2018 "On additional measures for improvement of the activities of farm enterprises, peasant farms and small holding owners".

⁴⁷ Resolution of the RU President No. RP-3573 of 28 February 2018 "On measures for radical improvement of the winemaking industry and sales of alcohol products".

⁴⁸ Resolution of the RU President No. RP-3574 of 28 February 2018 "On measures for radical improvement of the financing system for production of raw cotton and spiked cereals".

⁴⁹ Resolution of the RU President No. RP-3657 of 6 April 2018 "On additional measures for accelerated development of the fishing industry".

⁵⁰ Resolution of the RU President No. RP-3843 of 10 July 2018 "On measures for establishment of the Buhoro-Agro free economic zone".

⁵¹ Resolution of the RU President No. RP-4005 of 6 November 2018 "On additional measures for further development of the fish farming sector".

⁵² Resolution of the RU President No. RP-4015 of 13 November 2018 "On additional measures for further development of poultry farming".

⁵³ Resolution of the RU President No. RP-4020 of 20 November 2018 "On measures for providing additional conditions for development of greenhouse complexes".

⁵⁴ Resolution of the RU President No. RP-4005 of 6 November 2018 "On additional measures for further development of the fish farming sector".

⁵⁵ Resolution of the RU President No. RP-4015 of 13 November 2018 "On additional measures for further development of poultry farming".

⁵⁶ Resolution of the RU President No. RP-4246 of 20 March 2019 "On measures for further development of horticulture and greenhouse farming in the Republic of Uzbekistan".

Ukraine

Tamara Ostashko

Overall context of trade policy

The Government of Ukraine approved the “Export Strategy of Ukraine (a roadmap of strategic development of trade) for 2017–2021” on 27 December 2017.¹

The roadmap defines three strategic goals for the development of Ukraine’s foreign trade over four years:

- 1) creating enabling conditions for the development of trade and innovations for export diversification;
- 2) developing business and trade support services to enhance competitiveness of small and medium-sized enterprises;
- 3) improving skills and competencies of small and medium-sized enterprises necessary to engage

in international trade. The declared final goal and key objective of the Export Strategy consists of a shift to the export of science-intensive innovative products for Ukraine’s sustainable development and success in world markets. Subject to the need to concentrate efforts amid limited resources, promising economic sectors have been chosen for the drafting of sectoral and intersectoral export strategies and for further promotion of those sectors’ products. The promising sectors in the Ukrainian economy include, *inter alia*, food and processing industries.

According to the Export Strategy provisions, the Government of Ukraine approved the “Development strategy for exports of agricultural, food and processing

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industry products of Ukraine through 2026”.² This document extends the scope of application of the strategy for food and processing industries to cover agriculture. The document sets forth three key goals: 1) diversifying the commodity nomenclature of exports by means of gradual increase in the number of export product lines by including finished food products, food additives and ingredients, niche goods and organic products; 2) diversifying sales markets: opening markets of 50 countries declared as priority ones; 3) diversifying export

entities by increasing the number of domestic companies involved in export supply chains, and improving access to foreign markets for small and medium-sized agricultural producers.

¹ Order of the Cabinet of Ministers of Ukraine No. 1017-p of 27 December 2017 “On the endorsement of the Export Strategy of Ukraine (a roadmap of strategic development of trade) for 2017–2021”.

² Order of the Cabinet of Ministers of Ukraine No. 588-p of 10 July 2019 “On the endorsement of the Development strategy for exports of agricultural, food and processing industry products of Ukraine through 2026”.

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Agricultural trade policies

Import policy

Import duties

The simple average rate of import duties on agricultural goods in 2018 was 9.2 percent, the same as in 2017, with the average rate weighted by the volume of trade (imports) amounting to 5.5 percent (2017).

Based on findings of the anti-dumping investigation conducted by the Ministry of Economic Development and Trade of Ukraine, the Interdepartmental Commission for International Trade introduced anti-dumping duties at the rate of 31.3 percent on chocolate and other food preparations containing cocoa made in the Russian Federation for five years starting from 20 June 2017.

As a mirror measure in response to the Russian Federation's suspension of the Agreement on the CIS free trade area in relation to Ukraine, the Cabinet of Ministers of Ukraine issued Resolutions No. 1019 of 20 December 2017 and No. 1088 of 1 December 2018 that extended the removal of the zero-rate import duty preferences for imports of goods originating from the Russian Federation until the end of 2018 and 2019, respectively.

Tariff quotas

The tariff rate quota on import of raw cane sugar (code 1701 11) to Ukraine, amounting to 267.8 thousand tonnes at a 2 percent in-quota import duty rate, was not filled in 2017 and 2018.³ This is explained by two facts: the Ukrainian manufacturers fully meet the needs of domestic sugar refineries, and minimum sugar prices within the limit of the quota on sugar production from Ukrainian-made beet roots were still in force in 2018, therefore imports of raw cane sugar was unprofitable.

Quantitative restrictions on imports (including import bans)

With its Resolutions No. 1022 of 20 December 2017 and No. 1089 of 18 December 2018, the Cabinet of Ministers of Ukraine prolonged the validity of the ban on import of Russian agricultural goods to 31 December 2018 and 31 December 2019, respectively. The ban was imposed by the Resolution of the Cabinet of Ministers of Ukraine No. 1147 of 30 December 2015 as a response to the imposition by the Russian Federation Government of a ban on import of agricultural goods from Ukraine to the Russian Federation's customs territory. The range of the Russian goods banned for imports to Ukraine includes meat and meat offal, fish, milk and dairy products, tea, coffee, cereals and their preparations, vegetable and

animal oils, confectionery, baby food, beer, vodka, ethyl alcohol, cigarettes, and other agricultural goods. The Resolution of the Cabinet of Ministers of Ukraine No. 1154 of 27 December 2018 supplemented the list of the goods originating from the Russian Federation banned for imports to Ukraine with items such as corn starch, glucose and glucose syrup, maltodextrin and maltodextrin syrup.

Import policy measures based on SPS requirements and technical regulation

According to the "Strategy of implementing the legislation on sanitary and phytosanitary measures",⁴ a large-scale reform of the Ukrainian legislation on SPS regulation for the purpose of its alignment with the EU acquis continued in 2017–2018. On 21 December 2017, the Law of Ukraine "On feed safety and hygiene" (No. 2264-VIII) was passed, which will take effect on 19 January 2020. The Law defines the legal and institutional foundations for ensuring the safety of feeds in the process of their manufacture, sales and use, *inter alia* setting requirements to feed hygiene, labelling and packaging, and regulating relationships between market operators and public authorities. According to Article 48 of the Law, setting requirements to import of feeds to Ukraine's customs territory, import of feeds manufactured at facilities failing to comply with the requirements prescribed by the Ukrainian legislation is prohibited. Feeds of animal origin may be imported to Ukraine's customs territory if they originate from the country and made at the facility included in the register of countries and facilities from which import is allowed. Such a register is maintained by a special competent authority. The law also establishes a simplified procedure of state registration of the feed supplements permitted for use by foreign states or international organization in accordance with the requirements found to be equivalent to the Ukrainian requirements for state registration of feed supplements.

On 10 July 2018, the Law of Ukraine No. 2501-VIII "On amending some legislative acts of Ukraine to regulate some phytosanitary procedures" was passed. The Law introduces a norm according to which phytosanitary expert examination may be conducted, solely for product export purposes, by privately owned phytosanitary laboratories. The Law came into force on 2 February 2019.

Export policy

Export duties

Ukraine meets its commitments to the WTO concerning the reduction of export duties on oil seeds, live animals, hides and skins. Export tariffs on flax, sunflower and safflower seeds⁵ in 2018 were set at 10 percent,⁶ on live animals⁷ at 10 percent, and on hides and skins⁸ at 20 percent.⁹

Export promotion measures

According to the Protocol on the Accession to the WTO, Ukraine has no right to use export subsidies. No state export credits or insurance was used in 2017–2018.

During 2017 and 2018, Ukraine continued to build its regulatory framework and carry out organizational work to establish a state institution for export support, which will maintain insurance and re-insurance and provide contract guarantees as well as act as the Ukrainian Government's agent for reducing the cost of export credits. With its Resolution No. 65 of 7 February 2018 "On establishing the Export Credit Agency", the Cabinet of Ministers of Ukraine decided to found the Export Credit Agency private joint-stock company and approved its foundation documents. The Agency's authorized capital was formed amounting to 200 million hryvnias, equivalent to USD 7.28 million.¹⁰

Other export policy measures

The practice of signing memoranda between the Ministry of Agrarian Policy and Food of Ukraine and grain exporters continued. On 4 August 2018, the Ministry signed a memorandum of understanding with economic entities exporting grain, for 2018/2019 marketing year. The memorandum fixes the volume of expected exports of food-class wheat at 8 million tonnes (including flour in grain equivalent) as well as the same quantity of forage.

With its Order No. 199 of 28 March 2018, the Government of Ukraine established the Export Promotion Office that is subordinated to the Ministry of Economic Development and Trade of Ukraine. The Office was created on the basis of the project office for export promotion that had worked since 2015 and become an advisory body to the Ministry of Economic Development Trade since 2016. The Office's functions include consulting and provision of direct assistance to exporters for entering the foreign markets. It conducts trainings, seminars and conferences as well as organizes on-site trade missions and exhibition events in other countries.

The Resolution of the Government of Ukraine No. 933 of 6 December 2017 renewed the possibility of financing of Ukraine's participation in exhibitions and fairs from the state budget. Preparation and presentation of national expositions will be partially funded from the state resources.

The Resolution of the Cabinet of Ministers of Ukraine No. 455 of 4 July 2017 established the Council for International Trade as a single platform for coordination of actions in development of the country's international trade. The Council is chaired by the First Vice Prime Minister – Minister of Economic Development and Trade of Ukraine. The Council's functions include exercising the

powers of the National Committee on Trade Facilitation establishment of which is provided for by the WTO Agreement on Trade Facilitation.

The Law of Ukraine No. 2440-VIII of 22 May 2018 "On amending subsection XX (2) "Transitional provisions" of the Tax Code Ukraine regarding some matters of value-added taxation of operations on import of oil crops from the customs territory of Ukraine" approved the amendments to the Tax Code of Ukraine that provide for abolition of value-added tax (VAT) refund for export of soya (from 1 September 2018 to 31 December 2021) and rape (from 1 January 2020 to 31 December 2021). The VAT refund abolition does not apply to the export operations undertaken by agricultural enterprises that produce soya and rape on their own or rented land or on land in permanent use.

Trade agreements

In addition to existing trade agreements, Ukraine and Israel signed a free trade agreement on 21 January 2019.¹¹ It will take effect 60 days after its ratification by the Verkhovna Rada of Ukraine and the Knesset of the State of Israel. Although Israel's share in the agricultural product exports from Ukraine is only 1.81 percent, Ukrainian exporters are interested in discovering that country's markets. Israel is a net importer of agricultural products, and the top ten of its agricultural import items include goods of interest to Ukrainian exporters – chilled boneless beef, wheat, corn, finished food products, soybeans, and sugar.¹² Mutual trade liberalization provides conditions for exports of Ukrainian agricultural products to that country. Although the average applied import duty rate for agricultural goods in Israel was 9.2 percent in 2017, the same as in Ukraine, the binding coverage of Israeli tariffs reaches 75.6 percent with a rather high level of the average bound tariff for agricultural goods

³ As per the notification by Ukraine to the WTO Committee on Agriculture G/AG/N/UKR/29 of 30 January 2018; and the notification by Ukraine to the WTO Committee on Agriculture G/AG/N/UKR/32 of 29 January 2019.

⁴ Order of the Cabinet of Ministers of Ukraine No. 228-p of 26 February 2016 "On the endorsement of the Comprehensive Strategy of Implementation of Chapter I "Sanitary and phytosanitary measures" of Title IV "Trade and trade-related matters" of the Association Agreement between the European Union, the European Atomic Energy Community and their Member States, on the one part, and Ukraine, on the other part and its Member States".

⁵ UCC FEA codes 1204 00, 1206 00, 1207 99 99 00.

⁶ Law of Ukraine No. 1033-XIV of 10 September 1999 "On the export duty rates on seeds of some oil crops (as amended and supplemented)".

⁷ UCC FEA codes 0102 90 05 00, 0102 90 21 00, 0102 90 29 00 0.

⁸ UCC FEA codes 4101, 4102, 4103 90 00 00.

⁹ Law of Ukraine No 180/96-BP "On the export duty on live animals and raw hides and skins (as amended and supplemented)".

¹⁰ At the official rate of the National Bank of Ukraine as of 7 February 2018.

¹¹ Free Trade Agreement between the Cabinet of Ministers of Ukraine and the Government of the State of Israel.

¹² Trade Policy Review. Report by the Secretariat. Israel. Revision. 10/10/2018. Doc # 18-6254.

(78.1 percent) (WTO, 2019d). Israel's average bound tariff for key items of the Ukrainian agricultural exports is rather high: 66.7 percent for cereals, 39.5 percent for oilseeds and vegetable oil, 97.8 percent for animal products, which creates uncertainty for exporters. Israel has 12 bound tariff quotas for 6 percent of tariff lines of agricultural goods that include also potentially promising goods for Ukrainian exports.

The free trade agreement between the two countries provides for a rather complex multi-stage modality of mutual concessions as regards access to agricultural product markets. Starting from the Agreement's effective date, Israel establishes zero-rate duties on imports of fish, fish fillet, rape and bittercress oil, canned and prepared vegetables from Ukraine. For some goods, full liberalization of access to the Israeli market will be introduced step by step during three, five and seven years. Following the seven-year transition period, the zero tariff will be set for almost 60 percent of agricultural goods imported by Israel.

Besides, the Agreement includes a complex scheme for partial liberalization of agricultural product markets. For some goods, duties will be partially reduced, by 15 percent, 20 percent, 25 percent or 50 percent, immediately upon taking effect by the Agreement. Markets of some other goods will be partially liberalized (with duties set at 50 percent, 20 percent and 10 percent MFN tariffs) during two, three, five, or seven years. In particular, the markets of cabbage, fresh cucumbers, some types of milk and cream will be partially liberalized.

The modality of partial liberalization of the Israeli market for Ukrainian agricultural goods includes also preferences within the scope of tariff quotas, the use of which opens the greatest opportunities for Ukrainian exporters. The most promising prospects are related to the guaranteed duty-free quota on delivery to Israel of soft wheat varieties in the amount of 450 thousand tonnes per year. Ukraine, for its part, committed to not use export duties on the above-mentioned quantity of wheat. Zero-rate tariff quotas are also set for meat of sheep and goats (100 tonnes), frozen parts of dressed poultry and poultry offal (135 tonnes), condensed milk and cream (550 tonnes), kefir and yoghurts (50 tonnes), butter (50 tonnes), milk pastes (50 tonnes), cheese of all kinds and whey cheese (40 tonnes), eggs of poultry (5.5 million), honey (25 tonnes), some fresh and prepared vegetables and fruits, vegetable oil (2,600 tonnes), sausages containing chicken meat (50 tonnes), ice-cream (400 tonnes), and feed for cats and dogs (60 tonnes).

The free trade agreement between Ukraine and Israel will not adversely affect the competitiveness of domestic producers in the country's domestic market, however it will open up new opportunities for deliveries of traditional Ukrainian export goods, first and foremost

wheat and vegetable oil, within the tariff rate quotas. The Agreement also expands the prospects for exports of high value-added goods (meat and dairy products, vegetables, fruits, juices, canned vegetables and meat) by small and medium-sized businesses.

Changes in the policy of domestic support to agriculture

The Law of Ukraine No. 2646-VIII of 6 December 2018 "On amending the Budget Code of Ukraine to implement medium-term budget planning" introduced triennial budget planning in the country, which will enable implementation of systemic reforms in agriculture, increase the extent of responsibility of budget holders, and reduce uncertainty for support programme participants.

The volumes of direct budget support to the Ukrainian agriculture were slightly decreased in 2019 as compared to the year before. The Law of Ukraine "On the State Budget of Ukraine for 2019 (No. 2629-VIII of 23 November 2018) provides for expenditures of the Ministry of Agrarian Policy and Food in the amount of 11.12 billion hryvnias (USD 401.59 million¹³), that being 12 percent less than in 2018. It is envisaged to allocate 5 909.0 million hryvnias (USD 201.34 million) directly to agricultural development support programmes. As before, priority areas of support to agricultural producers include support to private farms and animal husbandry (including, for rural households), however financing of relevant programmes has been reduced. Zero point eight billion hryvnias (USD 28.89 million) has been allocated for the programme of farm support in 2019, which is 80 percent of the 2018 level. The decreased budget funding for this programme in 2019 is explained by the fact that half of the funds in 2018 was spent on compensation for interest rates on bank loans, however, 22.7 percent of those appropriations were not used because of high lending risks and farmers having no collateral security. In 2019, therefore, the Resolution of the Cabinet of Ministers of Ukraine No. 106 of 30 January 2019 "On amending the Procedure for using the funds provided for in the state budget to render financial assistance to the development of farms" supplemented the list of the areas and changed the farm support mechanisms.

State support to private farms in 2019 is provided in the following areas: partial compensation for the cost of domestically made agricultural plant seeds; partial compensation for the expenses related to agricultural extension services provided; financial support to agricultural service cooperatives; partial compensation for the cost of purchased Ukrainian-made agricultural machinery and equipment; budget subsidy per unit of cultivated land (1 hectare) for farms; additional financial

support to private farms having the family farm status via the mechanism of extra payment of the uniform contribution to mandatory state social insurance for the benefit of insured persons (family farm members/head); and reduction of the cost of commercial credits. The key spending unit for the budget funds allocated for financial support in the form of a budget subsidy per unit of cultivated land (1 hectare) is the Ukrainian State Fund for Farm Support. Financial support envisaged for agricultural service cooperatives is granted to cooperatives engaged in production of dairy products, meat, fruits, berries and vegetables as well as to cooperatives procuring and processing bee farming products, berries, mushrooms and plants. It is provided that the support should be used to purchase domestically made equipment for production, collection, storage, processing, quality determination, sorting and packaging of agricultural products as well as machines for their transportation.

Financing for the animal husbandry support programme decreased by 12.5 percent in 2019 year-on-year, to UAH 3.5 billion (USD 126.4 million). Support areas changed, and some new support entities were added whereas the programme itself was named “The state support for animal farming, agricultural product storage and processing, and aquaculture (fish farming)”. The following elements are financed under the programme: partial compensation for the interest rate on bank loans raised to cover the expenses related to activities in sheep and goat raising, bee farming, fur farming, rabbit farming, silk farming and aquaculture (fish farming); partial compensation for the costs of construction and reconstruction of animal production units; a special budget transfer for maintenance of dairy, dairy and meat, and meat cows; a special budget transfer for maintenance of young bovine animals; partial reimbursement for the cost of pure-bred animals procured for subsequent reproduction; partial reimbursement for the costs of construction and reconstruction of animal production units; partial reimbursement of agricultural commodity producers for the costs of construction and reconstruction of grain storage and processing enterprises.

For the programme for reduction of the cost of credits in agriculture UAH 127 million (USD 4.59 million) were planned in 2019, which is two times more than in 2018. Besides, financing for the programme of support to development of hop growing, arrangement of new gardens, vineyards and berry plantations increased by 25 percent, to UAH 400 million (USD 13.94 million). UAH 881.8 million (USD 29.7 million), or 7 percent less than in 2018, is expected to be allocated to the programme for financial support to agricultural producers in 2019. This support is provided in the following areas: a budget transfer for development of agricultural commodity producers and stimulation of agricultural product output, which is prescribed by Article 161 of the Law No. 1877-IV of 24 June 2004 “On state support

to agriculture of Ukraine”; partial compensation for the purchase of Ukrainian-made agricultural machinery and equipment. In 2019, these two programme areas were supplemented with partial compensation for the cost of special grain-transporting cars purchased by domestic manufacturers as well as of equipment for production of bioethanol and electricity from biomass.

The Law of Ukraine No. 2518-VIII of 4 September 2018 “On invalidating the Law of Ukraine “On state regulation of sugar production and sales” abolished the provisions about minimum prices of sugar and sugar beet which had exerted a substantial upward impact on the country’s AMS level.

No new green box programmes were implemented in Ukraine over the period since it had joined the WTO. A greater part of budget funds for this category of programmes is still allocated to finance general government services. The budget expenditures for research and academic staff training in the agrifood sector domain in 2019 total UAH 143 million (USD 4.82 million), which is 10 percent more than in 2018. The volume of financing for the State Service of Ukraine for Food Safety and Consumer Protection, actively engaged in epizootic situation control and in diversification of sales markets (agreeing upon international certificates and undertaking other activities to open meat and dairy product markets), will amount to UAH 4.86 billion (USD 163.69 million) in 2019, which is 3 percent higher than the 2018 level.

¹³ Hereinafter the sums in US dollars are calculated at the official rate of the National Bank of Ukraine as of 1 January 2019: 27.69 UAH/USD.

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Annexes

ANNEX 1. List of products included in the analysis

Short name	Full description	
01	Live animals	Live animals
02	Meat	Meat and edible meat offal
03	Fish	Fish and crustacean, mollusc and other aquatic invertebrate
04	Dairy products, eggs, honey	Dairy prod; birds' eggs; natural honey; edible prod nes
05	Animal originated products	Products of animal origin, not elsewhere specified or included
06	Trees and other plants	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
07	Vegetables	Edible vegetables and certain roots and tubers
08	Fruit and nuts	Edible fruit and nuts; peel of citrus fruit or melons
09	Coffee, tea	Coffee, tea, maté and spices
10	Cereals	Cereals
11	Products of the milling industry	Products of the milling industry; malt; starches; inulin; wheat gluten
12	Oil seeds and oleaginous fruits	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder
13	Lac; gums, resins	Lac; gums, resins and other vegetable saps and extracts
14	Vegetable plaiting materials	Vegetable plaiting materials; vegetable products not elsewhere specified or included
15	Animal or vegetable fats and oils	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes
16	Meat and fish preparations	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates
17	Sugars and sugar confectionery	Sugars and sugar confectionery
18	Cocoa and cocoa preparations	Cocoa and cocoa preparations
19	Preparations of cereals, pastry cooks' products	Preparations of cereals, flour, starch or milk; pastry cooks' products
20	Preparations of vegetables, fruit, nuts or other parts of plants	Preparations of vegetables, fruit, nuts or other parts of plants
21	Miscellaneous edible preparations	Miscellaneous edible preparations
22	Beverages, spirits and vinegar	Beverages, spirits and vinegar
23	Residues and wastes of food industries,	Residues and waste from the food industries; prepared animal fodder
24	Tobacco	Tobacco and manufactured tobacco substitutes
290543	Mannitol	Alcohols; polyhydric, mannitol
290544	D-glucitol (sorbitol)	Alcohols; polyhydric, d-glucitol (sorbitol)
3301	Essential oils	Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils
3501	Casein, caseinates and other casein derivatives; casein glues	Casein, caseinates and other casein derivatives; casein glues
3502	Albumins	Albumins (including concentrates of two or more whey proteins, containing by weight more than 80% whey proteins, calculated on the dry matter), albuminates and other albumin derivatives
3503	Gelatin	Gelatin (including gelatin in rectangular (including square) sheets, whether or not surface-worked or coloured) and gelatin derivatives; isinglass; other glues of animal origin, excluding casein glues of heading 35.01
3504	Peptones and their derivatives	Peptones and their derivatives; other protein substances and their derivatives, not elsewhere specified or included; hide powder, whether or not chromed
3505	Dextrins and other modified starches	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches
380910	Finishing agents	With a basis of amylaceous substances
382460	Sorbitol	Sorbitol other than that of subheading 2905.44

Short name		Full description
4101	Raw hides and skins of bovine	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further pre-pared), whether or not dehaired or split
4102	Raw skins of sheep or lambs	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter
4103	Raw hides and skins n.e.c	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter
4301	Raw fur skins	Raw fur skins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03
5001	Silk-worm cocoons	Silk-worm cocoons suitable for reeling
5002	Raw silk	Raw silk (not thrown)
5003	Silk waste	Silk waste (including cocoons unsuitable for reeling, yarn waste and garnetted stock)
5101	Wool	Wool, not carded or combed
5102	Fine or coarse animal hair	Fine or coarse animal hair, not carded or combed
5103	Waste of wool or of fine or coarse animal hair	Waste of wool or of fine or coarse animal hair, including yarn waste but excluding garnetted stock
5201	Cotton; not carded or combed	Cotton; not carded or combed
5202	Cotton waste	Cotton waste (including yarn waste and garnetted stock)
5203	Cotton, carded or combed	Cotton, carded or combed
5301	Flax, raw or processed	Flax, raw or processed but not spun; flax tow and waste (including yarn waste and garnetted stock)
5302	True hemp (cannabis sativa L.)	True hemp (Cannabis sativa L.), raw or processed but not spun; tow and waste of true hemp (including yarn waste and garnetted stock)

ANNEX 2.

Table 1 A: Agricultural trade (sum of HS codes according to the list in Annex 1) in 2016–2018 (USD million)

Country	Export		Import		Trade balance				
	2016	2017	2018	2016	2017	2018			
Armenia	519.2	628.5	671.6	637.1	717.6	808.3	-118.0	-89.2	-136.7
Azerbaijan	541.2	698.1	787.5	1 578.7	1 703.3	1 707.0	-1 037.5	-1 005.1	-919.5
Belarus	4 231.6	4 971.2	5 234.9	4 076.3	4 583.8	4 405.6	155.3	387.5	829.3
Georgia	693.5	781.1	961.5	1 065.1	1 176.8	1 356.8	-371.6	-395.6	-395.3
Kazakhstan	2 206.9	2 520.7	3 187.4	3 054.9	3 494.0	3 654.4	-848.0	-973.3	-467.0
Kyrgyzstan	168.0	245.7	216.7	467.1	643.7	564.3	-299.1	-397.9	-347.6
Republic of Moldova	952.4	1 138.9	1 174.9	611.5	708.1	777.8	340.9	430.8	397.2
Russian Federation	17 143.2	20 831.5	24 986.0	25 361.5	29 335.0	30 181.0	-8 218.3	-8 503.5	-5 195.0
Tajikistan	159.6	155.6	192.6	652.2	639.8	618.5	-492.7	-484.2	-425.9
Turkmenistan	706.0	705.2	731.5	679.6	597.2	493.1	26.4	108.0	238.4
Ukraine	15 333.8	17 838.5	18 686.6	3 947.7	4 355.0	5 124.2	11 386.2	13 483.5	13 562.5
Uzbekistan	2 440.6	2 201.5	2 312.6	1 519.0	1 404.2	1 764.4	921.6	797.4	548.2

Table 1B: Total trade in 2016–2018 (USD million)

Country	Export			Import			Trade balance		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Armenia	1 807.8	2 145.0	2 383.4	3 218.5	3 893.5	4 849.9	-1 410.7	-1 748.5	-2 466.5
Azerbaijan	13 380.8	15 306.0	19 458.6	8 472.5	8 767.8	11 459.4	4 908.3	6 538.2	7 999.2
Belarus	23 537.4	29 240.0	33 726.1	27 609.9	34 234.8	38 408.9	-4 072.5	-4 994.9	-4 682.8
Georgia	2 113.7	2 735.5	3 354.5	7 235.8	7 939.2	9 123.1	-5 122.0	-5 203.8	-5 768.6
Kazakhstan	36 775.3	48 502.7	61 109.1	25 174.8	29 599.4	33 658.4	11 600.5	18 903.4	27 450.6
Kyrgyzstan	1 423.0	1 757.5	1 690.3	3 844.5	4 487.3	4 829.6	-2 421.4	-2 729.8	-3 139.2
Republic of Moldova	2 044.6	2 425.1	2 706.8	4 020.4	4 831.4	5 764.3	-1 975.7	-2 406.3	-3 057.5
Russian Federation	285 491.1	359 152.0	451 494.8	182 257.2	228 212.7	240 225.8	103 233.8	130 939.2	211 269.1
Tajikistan	898.7	1 198.0	1 073.3	3 031.2	2 774.9	3 151.0	-2 132.5	-1 576.9	-2 077.7
Turkmenistan	7 520.1	7 788.0	11 650.9	13 176.8	10 188.0	5 322.9	-5 656.7	-2 400.0	6 328.0
Ukraine	9 357.7	13 927.8	14 253.9	11 328.3	13 055.4	19 555.2	-1 970.6	872.4	-5 301.3
Uzbekistan	36 361.0	43 428.4	47 334.7	39 249.6	49 439.2	57 187.1	-2 888.6	-6 010.8	-9 852.4

Table 2A: Main destinations of agricultural exports (sum HS codes according to the list in Annex 1) in 2018

Export destinations									
Exporting country	Belarus	Kazakhstan	Russian Federation	Ukraine	China	Other CIS countries	EU	Rest of the world	Total
<i>USD million</i>									
Armenia	6.6	4.0	329.6	14.2	0.8	0.9	12.9	302.6	671.6
Azerbaijan	14.4	3.6	523.3	15.3	0.9	31.3	46.1	152.6	787.5
Belarus	-	310.7	4 135.3	122.1	82.4	147.6	233.5	203.3	5 234.9
Georgia	20.2	67.9	243.6	83.1	23.0	233.1	148.2	142.5	961.5
Kazakhstan	9.0	-	420.6	17.9	257.0	1 201.1	303.7	978.1	3 187.4
Kyrgyzstan	0.2	45.2	57.0	0.2	17.7	11.6	13.9	70.8	216.7
Republic of Moldova	57.5	12.3	114.6	34.9	14.9	3.0	640.0	297.8	1 174.9
Russian Federation	1 261.6	1 525.7	-	674.8	2 530.7	1 556.9	2 849.2	14 587.1	24 986.0
Tajikistan	1.5	6.8	26.6	0.1	11.1	6.0	-	140.5	192.6
Turkmenistan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Ukraine	568.6	156.3	96.4	-	1 171.5	669.9	6 194.9	9 829.1	18 686.6
Uzbekistan	12.6	479.2	230.9	11.7	410.2	138.8	24.5	1 004.7	2 312.6

Table 2B: Main destinations of agricultural exports in 2017

Export destinations									
Exporting country	Belarus	Kazakhstan	Russian Federation	Ukraine	China	Other CIS countries	EU	Rest of the world	Total
<i>USD million</i>									
Armenia	4.9	2.7	310.9	8.3	0.6	3.0	12.2	285.9	628.5
Azerbaijan	11.5	5.1	445.7	9.1	1.4	41.4	81.1	102.8	698.1
Belarus	-	148.9	4 242.8	105.2	18.7	162.9	140.2	152.5	4 971.2
Georgia	18.1	38.1	213.0	66.6	24.0	139.7	140.3	141.2	781.1
Kazakhstan	7.4	-	326.6	18.7	178.2	959.4	265.3	765.1	2 520.7
Kyrgyzstan	0.4	65.9	71.9	0.2	28.7	8.9	9.4	60.3	245.7
Republic of Moldova	63.0	11.8	115.8	25.3	16.7	4.9	656.5	244.9	1 138.9
Russian Federation	1 017.3	1 452.5	-	682.0	1 782.4	1 685.8	2 142.7	12 068.7	20 831.5
Tajikistan	0.5	6.3	17.8	0.3	0.7	12.9	-	117.1	155.6
Turkmenistan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Ukraine	490.1	169.0	106.3	-	1 017.0	583.0	5 718.5	9 754.6	17 838.5
Uzbekistan	7.2	393.9	188.2	12.0	320.7	216.9	82.5	980.2	2 201.5

Table 2C: Main destinations of agricultural exports in 2016

Export destinations									
Exporting country	Belarus	Kazakhstan	Russian Federation	Ukraine	China	Other CIS countries	EU	Rest of the world	Total
<i>USD million</i>									
Armenia	6.6	2.0	246.4	5.4	0.3	0.6	11.8	246.0	519.2
Azerbaijan	7.3	10.6	323.9	5.5	2.3	48.9	74.5	68.1	541.2
Belarus	-	63.7	3 781.7	88.5	18.8	52.1	153.4	73.5	4 231.6
Georgia	13.3	33.1	141.0	54.4	15.5	86.8	220.6	128.8	693.5
Kazakhstan	4.2	-	287.3	23.6	133.9	866.1	218.1	673.7	2 206.9
Kyrgyzstan	0.6	34.1	40.3	0.2	14.5	7.9	8.4	61.9	168.0
Republic of Moldova	55.4	9.4	80.4	25.3	10.3	4.1	543.7	223.8	952.4
Russian Federation	818.1	1 309.0	-	576.2	1 626.9	1 484.4	2 065.4	9 263.2	17 143.2
Tajikistan	0.8	11.3	1.5	0.3	0.4	3.9	-	141.4	159.6
Turkmenistan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Ukraine	399.3	187.2	97.3	-	1 025.4	468.1	4 169.1	8 987.3	15 333.8
Uzbekistan	4.3	565.7	210.9	9.7	141.8	53.3	93.3	1 361.6	2 440.6

Table 3A: Main origins of agricultural imports (sum of HS codes according to the list in Appendix 1) in 2018

Import origins									
Importing country	Belarus	Kazakhstan	Russian Federation	Ukraine	China	Other CIS countries	EU	Rest of the world	Total
<i>USD million</i>									
Armenia	12.7	1.6	283.6	87.8	6.5	1.7	114.9	299.5	808.3
Azerbaijan	32.1	59.7	477.7	296.7	11.9	10.1	183.7	635.2	1 707.0
Belarus	-	8.9	1 332.8	613.1	94.6	93.8	973.3	1 289.1	4 405.6
Georgia	19.5	21.0	305.6	284.4	18.7	63.5	305.8	338.5	1 356.8
Kazakhstan	152.4	-	1 550.4	171.0	168.2	506.5	409.2	696.8	3 654.4
Kyrgyzstan	5.4	179.2	193.2	16.6	25.2	65.3	29.3	50.2	564.3
Republic of Moldova	15.1	0.8	64.5	197.9	14.3	2.1	336.2	146.9	777.8
Russian Federation	4 066.7	340.5	-	140.0	1 975.3	1 392.9	7 541.9	14 723.8	30 181.0
Tajikistan	10.9	240.5	174.5	17.6	10.0	20.1	-	144.9	618.5
Turkmenistan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Ukraine	42.9	21.2	48.0	-	157.9	65.6	2 469.1	2 319.5	5 124.2
Uzbekistan	23.6	659.1	445.0	141.9	54.0	7.4	165.3	268.0	1 764.4

Table 3B: Main origins of agricultural imports in 2017

Import origins									
Importing country	Belarus	Kazakhstan	Russian Federation	Ukraine	China	Other CIS countries	EU	Rest of the world	Total
<i>USD million</i>									
Armenia	11.6	0.1	259.1	76.9	7.6	1.1	99.6	261.5	717.6
Azerbaijan	32.5	16.0	622.1	257.0	11.9	10.2	181.4	572.1	1 703.3
Belarus	-	9.0	1 114.0	523.4	94.0	92.1	1 128.5	1 622.9	4 583.8
Georgia	11.9	2.9	276.7	240.6	22.3	53.5	274.6	294.2	1 176.8
Kazakhstan	108.3	-	1 483.9	192.9	164.5	446.2	397.9	700.4	3 494.0
Kyrgyzstan	57.3	214.9	204.1	18.4	20.8	48.0	28.3	51.9	643.7
Republic of Moldova	26.9	0.6	63.7	182.0	12.5	2.6	305.1	114.7	708.1
Russian Federation	3 679.7	257.0	-	174.5	1 851.3	1 334.9	6 973.7	15 063.9	29 335.0
Tajikistan	15.7	267.7	201.1	18.0	12.4	18.4	-	106.5	639.8
Turkmenistan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Ukraine	31.8	18.1	41.9	-	124.1	52.8	2 054.9	2 031.3	4 355.0
Uzbekistan	6.6	430.6	271.7	16.4	55.7	6.0	111.3	506.1	1 404.2

Table 3C: Main origins of agricultural imports in 2016

Import origins									
Importing country	Belarus	Kazakhstan	Russian Federation	Ukraine	China	Other CIS countries	EU	Rest of the world	Total
<i>USD million</i>									
Armenia	3.8	0.1	215.5	64.9	5.6	0.9	89.6	256.7	637.1
Azerbaijan	10.2	22.5	617.4	164.3	8.2	8.1	164.8	583.2	1 578.7
Belarus	-	3.6	940.7	434.3	93.6	117.1	1 051.8	1 435.1	4 076.3
Georgia	7.9	4.1	257.0	221.3	21.5	48.5	223.3	281.5	1 065.1
Kazakhstan	55.0	-	1 267.5	186.3	126.4	394.3	342.1	683.3	3 054.9
Kyrgyzstan	4.4	159.3	146.2	19.4	41.5	19.4	21.0	55.9	467.1
Republic of Moldova	21.9	0.9	59.0	165.8	7.8	0.5	251.7	103.8	611.5
Russian Federation	3 255.7	309.8	-	138.0	1 684.4	900.3	5 851.5	13 221.8	25 361.5
Tajikistan	4.4	296.1	165.1	14.1	7.9	50.6	-	114.1	652.3
Turkmenistan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Ukraine	30.6	25.3	46.9	-	104.9	51.7	1 753.0	1 935.2	3 947.7
Uzbekistan	2.8	461.2	312.3	21.3	73.6	14.0	113.8	519.9	1 519.0

Table 4A: Export of agricultural products (sum of HS codes according to the list in Annex 1) between EAEU countries in 2018

Export destinations					
Exporting country	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russian Federation
<i>USD million</i>					
Armenia	-	6.6	4.0	0.1	329.6
Belarus	13.0	-	309.2	66.0	4 131.0
Kazakhstan	1.7	9.0	-	173.6	420.6
Kyrgyzstan	0.1	0.2	45.2	-	57.0
Russian Federation	234.8	1 261.6	1 525.7	239.1	-

Table 4B: Export of agricultural products between EAEU countries in 2017

Export destinations					
Exporting country	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russian Federation
<i>USD million</i>					
Armenia	-	4.9	2.7	1.3	310.9
Belarus	9.9	-	148.9	59.6	4 242.8
Kazakhstan	1.0	7.4	-	177.0	326.6
Kyrgyzstan	0.1	0.4	65.9	-	71.9
Russian Federation	202.1	1 017.3	1 452.5	238.7	-

Table 4C: Export of agricultural products between EAEU countries in 2016

Export destinations					
Exporting country	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russian Federation
<i>USD million</i>					
Armenia	-	6.6	2.0	0.1	246.4
Belarus	2.7	-	63.7	3.8	3 781.7
Kazakhstan	0.0	4.2	-	153.1	287.3
Kyrgyzstan	-	0.6	34.1	-	40.3
Russian Federation	165.4	818.1	1 309.0	180.9	-



Table 5A: Import of agricultural products (sum of HS codes according to the list in Annex 1) between EAEU countries in 2018

Import origins					
Importing country	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russian Federation
<i>USD million</i>					
Armenia	-	12.7	1.6	0.3	283.0
Belarus	6.9	-	8.9	2.1	1 318.7
Kazakhstan	4.5	152.4	-	51.1	1 550.4
Kyrgyzstan	0.0	5.4	179.2	-	193.2
Russian Federation	313.3	4 066.7	340.5	51.1	-

Table 5B: Import of agricultural products between EAEU countries in 2017

Import origins					
Importing country	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russian Federation
<i>USD million</i>					
Armenia	-	11.6	0.1	0.1	259.1
Belarus	5.6	-	9.0	0.9	1 114.0
Kazakhstan	2.7	108.3	-	61.6	1 483.9
Kyrgyzstan	1.4	57.3	214.9	-	204.1
Russian Federation	293.1	3 679.7	257.0	48.8	-

Table 5C: Import of agricultural products between EAEU countries in 2016

Import origins					
Importing country	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russian Federation
<i>USD million</i>					
Armenia	-	3.8	0.1	0.0	215.5
Belarus	5.9	-	3.6	0.9	940.7
Kazakhstan	1.8	55.0	-	25.4	1 267.5
Kyrgyzstan	-	4.4	159.3	-	146.2
Russian Federation	229.8	3 255.7	309.8	33.7	-

Table 6: Armenia

Armenia: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	2.3	4.5	-2.2	6.5	6.7	-0.2	2.2	6.7	-4.5
02	Meat	10.1	50.6	-40.5	16.1	70.9	-54.8	14.5	68.3	-53.9
03	Fish	10.7	2.5	8.2	19.2	4.3	14.9	23.9	3.8	20.0
04	Dairy products, eggs, honey	13.0	34.1	-21.2	15.7	46.8	-31.1	10.0	46.2	-36.2
05	Animal originated products	0.1	4.9	-4.8	-	1.2	-1.2	0.0	6.9	-6.9
06	Trees and other plants	6.1	3.3	2.8	9.5	2.6	6.9	8.2	4.5	3.7
07	Vegetables	24.3	9.2	15.1	17.8	8.3	9.4	28.3	11.9	16.3
08	Fruit and nuts	27.6	29.6	-2.0	15.2	39.1	-23.9	25.2	55.2	-30.1
09	Coffee, tea	3.9	28.4	-24.5	3.4	29.4	-26.0	4.3	29.9	-25.6
10	Cereals	0.0	73.8	-73.8	0.0	76.2	-76.2	0.0	83.5	-83.5
11	Products of the milling industry	0.1	9.0	-8.9	0.2	11.6	-11.4	0.2	12.4	-12.2
12	Oil seeds and oleaginous fruits	0.4	8.9	-8.5	0.5	12.5	-12.1	0.7	11.9	-11.2
13	Lac; gums, resins	0.1	5.3	-5.2	0.1	6.0	-5.9	-	7.4	-7.4
14	Vegetable plaiting materials	-	0.1	-0.1	0.0	0.1	-0.1	-	0.0	0.0
15	Animal or vegetable fats and oils	0.6	42.8	-42.2	0.1	49.2	-49.0	0.1	55.1	-55.0
16	Meat and fish preparations	3.2	6.6	-3.4	4.0	8.8	-4.8	6.8	8.3	-1.6
17	Sugars and sugar confectionery	1.2	34.3	-33.1	1.3	56.6	-55.2	1.1	41.7	-40.6
18	Cocoa and cocoa preparations	3.6	43.4	-39.8	10.6	46.6	-36.0	16.1	47.7	-31.6
19	Preparations of cereals, pastry cooks' products	1.4	25.3	-23.9	1.1	29.9	-28.9	1.3	34.4	-33.1
20	Preparations of vegetables, fruit, nuts or other parts of plants	19.1	14.1	5.0	24.1	16.9	7.1	27.0	19.3	7.7
21	Miscellaneous edible preparations	2.3	21.8	-19.5	3.1	25.5	-22.4	3.3	31.2	-27.9
22	Beverages, spirits and vinegar	175.5	60.9	114.6	241.8	61.4	180.3	229.7	41.0	188.7
23	Residues and wastes of food industries	0.6	26.5	-25.9	0.0	30.4	-30.4	0.0	45.8	-45.8
24	Tobacco	211.6	94.8	116.7	237.4	74.1	163.4	267.6	130.4	137.2
Total – HS codes 1-24		517.9	634.9	-117.0	627.7	715.1	-87.3	670.3	803.6	-133.3
290543	Mannitol	0.0	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
290544	D-glucitol (sorbitol)	0.0	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
3301	Essential oils	0.0	0.1	-0.1	0.0	0.1	-0.1	0.0	0.1	-0.1
3501	Casein, caseinates and other casein derivatives; casein glues	-	0.0	-0.0	-	0.0	-0.0	-	0.1	-0.1
3502	Albumins	-	0.1	-0.1	-	0.0	-0.0	-	0.0	0.0
3503	Gelatin	0.0	0.1	-0.1	-	0.1	-0.1	-	0.2	-0.2
3504	Peptones and their derivatives	-	1.2	-1.2	-	1.2	-1.2	-	1.7	-1.7
3505	Dextrins and other modified starches	0.0	0.6	-0.6	0.0	0.5	-0.5	-	0.3	-0.3
380910	Finishing agents	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	0.0	0.0
382460	Sorbitol	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
4101	Raw hides and skins of bovine	0.6	-	0.6	0.6	0.0	0.6	0.7	0.0	0.6
4102	Raw skins of sheep or lambs	0.1	-	0.1	0.2	-	0.2	0.0	0.0	0.0
4103	Raw hides and skins n.e.c	-	-	0.0	-	-	0.0	-	0.0	0.0
4301	Raw fur skins	0.6	-	0.6	-	-	0.0	0.6	-	0.6
5001	Silk-worm cocoons	-	-	0.0	-	-	0.0	-	-	0.0
5002	Raw silk	-	-	0.0	-	-	0.0	-	-	0.0
5003	Silk waste	-	-	0.0	-	-	0.0	-	-	0.0
5101	Wool	-	0.1	-0.1	-	-	0.0	0.0	0.0	0.0
5102	Fine or coarse animal hair	-	0.0	-0.0	-	-	0.0	-	-	0.0
5103	Waste of wool or of fine or coarse animal hair	-	0.0	-0.0	-	-	0.0	-	-	0.0
5201	Cotton; not carded or combed	-	-	0.0	-	0.1	-0.1	-	0.3	-0.3
5202	Cotton waste	-	-	0.0	-	0.0	-0.0	-	0.1	-0.1
5203	Cotton, carded or combed	-	-	0.0	-	0.4	-0.4	0.0	1.7	-1.7
5301	Flax, raw or processed	-	0.0	-0.0	0.0	0.0	-0.0	0.0	0.0	0.0
5302	True hemp (cannabis sativa L.)	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
Total – HS codes 290543-5302		1.2	2.2	-1.0	0.8	2.6	-1.8	1.3	4.7	-3.4
Total		519.1	637.1	-118.0	628.5	717.6	-89.2	671.6	808.3	-136.7

Table 7: Azerbaijan**Azerbaijan: structure of imports and exports of agricultural products and trade balance in 2016–2018**

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	0.6	28.7	-28.1	1.7	49.4	-47.7	0.4	57.5	-57.2
02	Meat	0.1	38.6	-38.6	1.7	63.6	-61.9	1.3	70.1	-68.7
03	Fish	0.2	15.4	-15.2	0.4	17.6	-17.2	0.5	19.6	-19.1
04	Dairy products, eggs, honey	2.8	93.2	-90.3	8.2	124.9	-116.8	8.6	131.1	-122.5
05	Animal originated products	0.6	0.2	0.4	0.7	0.4	0.2	1.2	0.6	0.7
06	Trees and other plants	0.6	17.9	-17.3	0.4	21.9	-21.6	0.4	27.9	-27.5
07	Vegetables	129.0	62.0	67.0	210.1	57.1	153.0	233.3	56.2	177.1
08	Fruit and nuts	243.8	73.0	170.8	292.7	75.3	217.4	326.3	108.4	217.9
09	Coffee, tea	6.2	48.9	-42.7	10.3	59.9	-49.6	9.4	55.8	-46.4
10	Cereals	2.6	345.3	-342.7	0.0	291.5	-291.5	7.8	257.5	-249.7
11	Products of the milling industry	0.1	17.4	-17.3	0.1	17.8	-17.8	0.5	15.6	-15.1
12	Oil seeds and oleaginous fruits	2.9	26.3	-23.4	3.5	34.3	-30.8	6.6	37.5	-30.9
13	Lac; gums, resins	1.4	0.6	0.8	1.1	0.5	0.6	1.1	0.4	0.6
14	Vegetable plaiting materials	0.1	0.6	-0.5	0.1	1.1	-1.0	0.1	1.0	-0.8
15	Animal or vegetable fats and oils	17.1	144.1	-127.0	17.0	148.3	-131.3	16.9	140.9	-124.0
16	Meat and fish preparations	0.4	18.8	-18.4	0.4	25.7	-25.3	0.3	26.0	-25.7
17	Sugars and sugar confectionery	62.3	187.6	-125.3	40.2	202.8	-162.5	25.5	122.5	-97.1
18	Cocoa and cocoa preparations	4.9	48.1	-43.2	6.0	55.5	-49.4	3.8	64.8	-61.1
19	Preparations of cereals, pastry cooks' products	1.1	74.8	-73.7	1.9	77.2	-75.3	2.2	87.6	-85.4
20	Preparations of vegetables, fruit, nuts or other parts of plants	11.4	25.2	-13.8	15.5	29.0	-13.6	17.4	32.3	-14.9
21	Miscellaneous edible preparations	2.0	52.3	-50.3	3.3	67.2	-63.8	4.1	73.1	-69.1
22	Beverages, spirits and vinegar	18.7	58.4	-39.7	21.9	66.8	-44.9	16.2	85.6	-69.4
23	Residues and wastes of food industries.	7.9	43.9	-36.0	6.4	45.2	-38.7	6.9	65.6	-58.7
24	Tobacco	8.9	153.2	-144.3	15.3	166.5	-151.2	14.3	165.8	-151.5
Total – HS codes 1-24		525.5	1 574.6	-1 049.1	658.9	1 699.6	-1 040.7	705.1	1 703.5	-998.3
290543	Mannitol	-	-	0.0	-	0.0	-0.0	-	0.0	0.0
290544	D-glucitol (sorbitol)	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
3301	Essential oils	-	0.1	-0.1	-	0.2	-0.2	0.0	0.2	-0.2
3501	Casein, caseinates and other casein derivatives; casein glues	-	0.2	-0.2	-	0.0	-0.0	-	0.1	-0.1
3502	Albumins	-	0.1	-0.1	-	0.4	-0.4	-	0.1	-0.1
3503	Gelatin	-	0.1	-0.1	-	0.1	-0.1	-	0.1	-0.1
3504	Peptones and their derivatives	-	1.3	-1.3	-	1.2	-1.2	-	1.3	-1.3
3505	Dextrins and other modified starches	-	1.1	-1.1	-	1.4	-1.4	-	1.4	-1.4
380910	Finishing agents	-	0.0	-0.0	-	0.2	-0.2	-	0.1	-0.1
382460	Sorbitol	-	-	-	-	-	-	-	-	-
4101	Raw hides and skins of bovine	7,1	0.0	7,1	3,9	0,0	3,9	0,1	-	0,1
4102	Raw skins of sheep or lambs	2,4	-	2,4	1,3	-	1,3	1,5	-	1,5
4103	Raw hides and skins n.e.c	0,0	0,0	0,0	-	0,0	-0,0	-	-	0,0
4301	Raw fur skins	-	0,0	-0,0	-	0,0	-0,0	0,0	0,0	0,0
5001	Silk-worm cocoons	-	-	0,0	-	-	0,0	-	-	0,0
5002	Raw silk	-	-	0,0	-	-	0,0	0,3	0,0	0,3
5003	Silk waste	-	-	0,0	0,1	-	0,1	0,0	0,0	0,0
5101	Wool	0,1	-	0,1	0,2	0,0	0,2	0,1	0,0	0,1
5102	Fine or coarse animal hair	-	0,0	-0,0	-	-	0,0	-	0,0	0,0
5103	Waste of wool or of fine or coarse animal hair	-	0,0	-0,0	-	-	0,0	-	-	0,0
5201	Cotton; not carded or combed	6,0	1,1	5,0	32,5	0,0	32,5	79,5	0,0	79,5
5202	Cotton waste	0,0	0,0	0,0	1,2	0,0	1,2	0,9	0,0	0,9
5203	Cotton, carded or combed	-	0,0	-0,0	0,0	0,0	0,0	-	0,0	0,0
5301	Flax, raw or processed	-	0,0	-0,0	-	0,0	-0,0	-	0,0	0,0
5302	True hemp (cannabis sativa L.)	-	0,0	-0,0	-	-	0,0	-	-	0,0
Total – HS codes 290543-5302		15,7	4,1	11,6	39,2	3,6	35,6	82,4	3,5	78,9
Total		541.2	1 578.7	-1 037.5	698.1	1 703.2	-1 005.1	787.5	1 707.0	-919.5

Table 8: Belarus

Belarus: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	7.1	28.9	-21.9	4.9	21.1	-16.2	5.7	23.0	-17.3
02	Meat	692.8	86.5	606.3	748.9	90.3	658.7	828.2	128.1	700.1
03	Fish	115.7	326.4	-210.7	133.9	363.9	-230.0	124.6	361.6	-237.0
04	Dairy products, eggs, honey	1 859.1	83.7	1 775.5	2 180.8	56.6	2 124.2	2 046.9	55.8	1991.1
05	Animal originated products	5.8	9.2	-3.3	8.7	11.9	-3.2	10.6	12.3	-1.7
06	Trees and other plants	19.5	116.6	-97.1	45.9	262.3	-216.4	89.3	377.3	-288.0
07	Vegetables	235.6	476.3	-240.7	314.3	506.8	-192.5	309.1	310.2	-1.1
08	Fruit and nuts	196.1	1 074.7	-878.6	156.9	989.5	-832.5	147.9	668.7	-520.8
09	Coffee, tea	1.2	83.7	-82.5	1.8	91.1	-89.3	3.5	84.6	-81.1
10	Cereals	22.7	60.2	-37.5	0.5	108.4	-107.9	2.6	156.4	-153.7
11	Products of the milling industry	74.8	31.9	42.9	56.5	38.2	18.2	46.9	33.7	13.2
12	Oil seeds and oleaginous fruits	5.7	96.2	-90.5	6.1	135.6	-129.6	21.7	346.2	-324.5
13	Lac; gums, resins	1.0	10.8	-9.8	1.4	13.0	-11.7	2.3	15.0	-12.7
14	Vegetable plaiting materials	0.1	0.2	-0.1	0.1	0.3	-0.2	0.2	0.4	-0.2
15	Animal or vegetable fats and oils	55.1	150.7	-95.5	73.8	184.4	-110.6	216.9	184.9	32.0
16	Meat and fish preparations	258.5	38.1	220.4	350.1	47.8	302.3	369.2	66.6	302.5
17	Sugars and sugar confectionery	198.7	165.3	33.4	208.3	184.8	23.5	203.2	101.2	102.0
18	Cocoa and cocoa preparations	44.5	125.2	-80.7	65.9	140.9	-75.0	66.6	154.7	-88.0
19	Preparations of cereals, pastry cooks' products	84.5	194.4	-109.9	148.7	273.9	-125.2	151.8	203.1	-51.3
20	Preparations of vegetables, fruit, nuts or other parts of plants	49.6	119.3	-69.6	75.5	132.7	-57.2	81.8	146.2	-64.3
21	Miscellaneous edible preparations	40.2	238.8	-198.7	56.4	278.1	-221.7	63.5	286.7	-223.3
22	Beverages, spirits and vinegar	142.3	168.0	-25.7	206.9	218.6	-11.7	212.6	237.6	-25.0
23	Residues and wastes of food industries,	53.3	341.4	-288.2	58.1	373.3	-315.3	167.6	400.5	-232.9
24	Tobacco	-	-	0.0	-	-	0.0	-	-	0.0
Total – HS codes 1-24		4 164.1	4 026.4	137.6	4 904.3	4 523.6	380.7	5 172.7	4 354.8	817.9
290543	Mannitol	0.0	0.1	-0.1	0.0	0.1	-0.1	0.0	0.1	-0.1
290544	D-glucitol (sorbitol)	0.0	0.2	-0.2	0.0	0.3	-0.3	0.0	0.3	-0.3
3301	Essential oils	0.0	0.7	-0.7	0.0	0.7	-0.7	0.1	1.0	-1.0
3501	Casein, caseinates and other casein derivatives; casein glues	10.8	0.3	10.5	14.7	0.2	14.5	11.3	0.1	11.2
3502	Albumins	0.1	0.8	-0.7	0.8	0.9	-0.2	0.6	1.3	-0.7
3503	Gelatin	7.3	1.4	5.9	7.0	1.6	5.4	7.5	1.3	6.2
3504	Peptones and their derivatives	0.0	3.6	-3.6	0.0	4.9	-4.9	0.1	4.5	-4.4
3505	Dextrins and other modified starches	0.6	4.8	-4.2	0.8	5.9	-5.1	0.9	5.4	-4.5
380910	Finishing agents	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0
382460	Sorbitol	-	-	-	-	-	-	-	-	-
4101	Raw hides and skins of bovine	2.3	0.3	2.0	2.5	0.3	2.2	1.2	-	1.2
4102	Raw skins of sheep or lambs	-	-	0.0	-	-	0.0	0.0	0.0	0.0
4103	Raw hides and skins n.e.c	0.5	0.0	0.4	0.0	-	0.0	0.0	0.0	0.0
4301	Raw fur skins	10.9	0.9	10.0	13.0	1.8	11.1	14.3	4.3	10.0
5001	Silk-worm cocoons	-	-	0.0	-	-	0.0	-	-	0.0
5002	Raw silk	-	-	0.0	-	-	0.0	-	0.0	0.0
5003	Silk waste	-	-	0.0	-	-	0.0	-	-	0.0
5101	Wool	8.4	18.2	-9.8	10.6	23.4	-12.9	5.6	10.0	-4.4
5102	Fine or coarse animal hair	-	-	0.0	-	-	0.0	-	0.0	0.0
5103	Waste of wool or of fine or coarse animal hair	0.8	0.0	0.8	1.1	0.0	1.1	0.6	0.0	0.6
5201	Cotton; not carded or combed	-	15.2	-15.2	0.0	17.3	-17.2	0.1	18.7	-18.6
5202	Cotton waste	0.2	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.0
5203	Cotton, carded or combed	0.1	0.6	-0.5	0.0	0.1	-0.0	0.0	0.2	-0.2
5301	Flax, raw or processed	25.4	2.5	23.0	16.2	2.2	14.0	19.6	3.0	16.6
5302	True hemp (cannabis sativa L.)	-	-	0.0	0.0	-	0.0	0.0	0.0	0.0
Total – HS codes 290543-5302		67.6	49.9	17.7	66.9	60.2	6.8	62.2	50.8	11.5
Total		4 231.6	4 076.3	155.3	4 971.2	4 583.8	387.5	5 234.9	4 405.6	829.3

Table 9: Georgia

Georgia: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	47.3	10.9	36.4	44.0	13.8	30.2	34.8	20.8	14.0
02	Meat	14.4	97.1	-82.7	30.2	113.0	-82.8	48.9	108.6	-59.7
03	Fish	11.3	36.6	-25.3	2.8	37.4	-34.6	2.4	30.1	-27.6
04	Dairy products, eggs, honey	1.4	50.5	-49.0	4.2	65.1	-60.9	2.8	66.6	-63.8
05	Animal originated products	0.2	4.5	-4.4	0.4	4.7	-4.3	0.7	5.5	-4.8
06	Trees and other plants	1.3	11.2	-9.9	1.0	13.8	-12.8	1.5	17.2	-15.6
07	Vegetables	10.1	46.5	-36.4	16.1	38.5	-22.4	16.0	42.5	-26.5
08	Fruit and nuts	200.3	44.2	156.1	107.2	53.1	54.1	103.7	78.1	25.6
09	Coffee, tea	9.4	24.1	-14.7	10.4	27.2	-16.8	12.3	28.5	-16.1
10	Cereals	3.4	105.1	-101.7	5.6	120.4	-114.7	5.0	140.1	-135.1
11	Products of the milling industry	9.9	24.1	-14.2	11.8	22.4	-10.6	5.6	18.0	-12.4
12	Oil seeds and oleaginous fruits	5.2	13.3	-8.0	3.3	15.7	-12.4	4.9	16.0	-11.2
13	Lac; gums, resins	0.2	0.7	-0.4	0.1	0.8	-0.7	0.0	0.9	-0.9
14	Vegetable plaiting materials	0.2	0.1	0.2	0.0	0.1	-0.1	0.0	0.1	-0.1
15	Animal or vegetable fats and oils	9.8	68.9	-59.0	12.8	67.7	-54.9	16.2	74.7	-58.6
16	Meat and fish preparations	0.1	16.9	-16.8	0.1	20.1	-20.0	0.0	23.1	-23.1
17	Sugars and sugar confectionery	5.4	86.0	-80.6	5.4	88.1	-82.8	1.1	77.7	-76.6
18	Cocoa and cocoa preparations	1.5	52.1	-50.6	2.6	54.8	-52.2	2.2	54.9	-52.6
19	Preparations of cereals, pastry cooks' products	1.7	57.2	-55.5	2.4	66.7	-64.3	2.3	70.7	-68.4
20	Preparations of vegetables, fruit, nuts or other parts of plants	16.6	27.8	-11.2	22.9	33.5	-10.5	30.4	41.9	-11.5
21	Miscellaneous edible preparations	2.9	69.0	-66.1	7.4	80.4	-73.0	8.0	85.2	-77.2
22	Beverages, spirits and vinegar	299.8	66.8	233.1	417.7	83.3	334.4	473.6	99.9	373.8
23	Residues and wastes of food industries,	27.1	41.8	-14.7	22.8	39.8	-17.0	26.1	49.4	-23.4
24	Tobacco	12.6	107.3	-94.7	47.0	113.4	-66.4	160.6	203.1	-42.5
Total – HS codes 1-24		692.2	1 062.2	-370.0	778.3	1 173.8	-395.5	959.2	1 353.5	-394.4
290543	Mannitol	-	0.0	-0.0	0.0	0.0	-0.0	-	0.0	0.0
290544	D-glucitol (sorbitol)	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
3301	Essential oils	-	0.1	-0.1	0.0	0.2	-0.1	0.0	0.2	-0.2
3501	Casein, caseinates and other casein derivatives; casein glues	0.0	0.5	-0.5	0.0	0.5	-0.5	0.0	0.7	-0.7
3502	Albumins	-	0.0	-0.0	-	0.1	-0.1	-	0.1	-0.1
3503	Gelatin	-	0.4	-0.4	-	0.3	-0.3	0.0	0.4	-0.4
3504	Peptones and their derivatives	-	1.0	-1.0	0.1	1.0	-1.0	0.0	0.8	-0.8
3505	Dextrins and other modified starches	0.0	0.4	-0.4	0.0	0.5	-0.5	0.0	0.5	-0.5
380910	Finishing agents	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
382460	Sorbitol	-	0.3	-0.3	-	0.4	-0.4	-	0.3	-0.3
4101	Raw hides and skins of bovine	0.7	0.2	0.6	1.9	-	1.9	1.5	0.2	1.3
4102	Raw skins of sheep or lambs	0.0	-	0.0	0.1	-	0.1	0.2	-	0.2
4103	Raw hides and skins n.e.c	-	-	0.0	-	-	0.0	-	-	0.0
4301	Raw fur skins	-	0.0	-0.0	-	-	0.0	-	0.0	0.0
5001	Silk-worm cocoons	-	-	0.0	-	-	0.0	-	-	0.0
5002	Raw silk	-	-	0.0	-	-	0.0	-	-	0.0
5003	Silk waste	-	-	0.0	-	-	0.0	-	-	0.0
5101	Wool	0.5	-	0.5	0.7	0.0	0.7	0.5	0.0	0.5
5102	Fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5103	Waste of wool or of fine or coarse animal hair	-	0.0	-0.0	-	-	0.0	-	-	0.0
5201	Cotton; not carded or combed	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
5202	Cotton waste	0.0	-	0.0	-	0.0	-0.0	-	0.0	0.0
5203	Cotton, carded or combed	-	-	0.0	-	-	0.0	-	0.0	0.0
5301	Flax, raw or processed	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
5302	True hemp (cannabis sativa L.)	-	-	0.0	-	-	0.0	-	0.0	0.0
Total – HS codes 290543-5302		1.3	2.9	-1.6	2.8	2.9	-0.2	2.3	3.2	-0.9
Total		693.5	1 065.1	-371.6	781.1	1 176.8	-395.6	961.5	1 356.8	-395.3

Table 10: Kazakhstan

Kazakhstan: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	3.9	19.5	-15.6	3.9	26.2	-22.3	26.9	56.7	-29.7
02	Meat	19.0	160.3	-141.3	20.9	207.5	-186.5	45.1	211.3	-166.1
03	Fish	50.9	50.7	0.2	52.9	60.3	-7.4	56.6	71.1	-14.4
04	Dairy products, eggs, honey	21.9	230.8	-208.8	41.8	281.1	-239.2	66.0	257.6	-191.6
05	Animal originated products	7.5	2.7	4.8	6.2	3.0	3.1	6.3	4.0	2.3
06	Trees and other plants	6.5	60.3	-53.8	11.0	61.4	-50.5	14.3	62.7	-48.3
07	Vegetables	57.4	123.3	-65.8	119.4	170.4	-51.0	137.9	166.8	-28.9
08	Fruit and nuts	9.2	417.2	-408.0	49.3	444.8	-395.5	50.1	506.9	-456.9
09	Coffee, tea	9.5	124.7	-115.2	9.1	138.2	-129.1	12.2	130.9	-118.7
10	Cereals	817.0	11.1	805.8	827.8	16.6	811.1	1 304.5	27.8	1276.6
11	Products of the milling industry	518.3	20.0	498.3	487.5	24.0	463.5	468.8	24.7	444.0
12	Oil seeds and oleaginous fruits	203.0	53.0	150.1	281.0	56.0	225.0	341.7	60.6	281.1
13	Lac; gums, resins	0.9	6.4	-5.6	1.1	7.3	-6.2	1.0	9.3	-8.3
14	Vegetable plaiting materials	1.7	0.9	0.8	0.8	0.6	0.1	0.3	0.5	-0.2
15	Animal or vegetable fats and oils	64.2	183.6	-119.4	118.5	189.0	-70.6	140.0	196.9	-56.9
16	Meat and fish preparations	7.8	72.1	-64.3	8.2	91.1	-82.9	13.5	96.1	-82.5
17	Sugars and sugar confectionery	33.7	266.0	-232.3	62.6	290.1	-227.5	63.7	256.7	-193.0
18	Cocoa and cocoa preparations	27.4	184.3	-156.8	40.5	197.9	-157.4	40.4	206.6	-166.2
19	Preparations of cereals, pastry cooks' products	40.3	237.3	-197.0	48.5	278.8	-230.3	53.2	280.8	-227.7
20	Preparations of vegetables, fruit, nuts or other parts of plants	6.0	157.7	-151.7	7.0	190.6	-183.6	8.1	206.2	-198.1
21	Miscellaneous edible preparations	13.2	215.1	-202.0	23.4	259.1	-235.6	26.7	273.1	-246.4
22	Beverages, spirits and vinegar	44.5	167.9	-123.4	40.7	220.1	-179.4	49.7	262.4	-212.7
23	Residues and wastes of food industries,	54.4	62.7	-8.3	63.1	84.4	-21.3	78.4	95.3	-16.8
24	Tobacco	111.0	209.7	-98.8	92.4	174.4	-82.1	96.8	173.6	-76.8
Total – HS codes 1-24		2 129.3	3 037.1	-907.8	2 417.6	3 473.2	-1 055.6	3 102.1	3 638.5	-536.4
290543	Mannitol	-	0.1	-0.1	-	0.2	-0.2	-	0.2	-0.2
290544	D-glucitol (sorbitol)	-	0.1	-0.1	-	0.1	-0.1	0.0	0.2	-0.2
3301	Essential oils	0.0	1.1	-1.1	-	1.3	-1.3	-	1.3	-1.3
3501	Casein, caseinates and other casein derivatives; casein glues	0.0	0.8	-0.8	-	0.7	-0.7	0.0	0.6	-0.6
3502	Albumins	0.0	0.6	-0.6	0.0	0.6	-0.6	0.0	0.6	-0.6
3503	Gelatin	-	1.3	-1.3	0.0	1.1	-1.1	0.0	1.2	-1.2
3504	Peptones and their derivatives	0.1	7.1	-7.1	0.1	8.3	-8.2	0.1	5.3	-5.2
3505	Dextrins and other modified starches	0.1	3.4	-3.3	0.1	4.2	-4.1	0.1	4.8	-4.7
380910	Finishing agents	0.0	1.6	-1.6	-	0.4	-0.4	0.0	0.1	-0.1
382460	Sorbitol	-	0.4	-0.4	-	0.4	-0.4	-	0.4	-0.4
4101	Raw hides and skins of bovine	0.7	0.3	0.4	0.6	0.4	0.2	0.8	0.2	0.6
4102	Raw skins of sheep or lambs	-	-	0.0	0.0	-	0.0	0.1	-	0.1
4103	Raw hides and skins n.e.c	0.0	0.0	0.0	-	0.0	-0.0	0.0	0.0	0.0
4301	Raw fur skins	0.0	0.0	0.0	0.1	-	0.1	0.1	0.0	0.1
5001	Silk-worm cocoons	0.1	0.1	0.0	0.4	0.4	0.0	0.0	0.0	0.0
5002	Raw silk	-	-	0.0	0.2	0.2	0.0	0.1	0.1	0.0
5003	Silk waste	0.0	0.0	0.0	-	-	0.0	-	-	0.0
5101	Wool	3.0	0.1	2.9	5.7	0.6	5.1	4.8	0.2	4.6
5102	Fine or coarse animal hair	0.0	-	0.0	-	0.0	-0.0	0.1	-	0.1
5103	Waste of wool or of fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5201	Cotton; not carded or combed	71.5	0.1	71.5	92.6	0.6	91.9	78.4	0.4	78.0
5202	Cotton waste	1.5	0.5	1.0	3.3	1.2	2.1	0.5	0.0	0.5
5203	Cotton, carded or combed	0.4	-	0.4	-	0.0	-0.0	0.1	0.0	0.1
5301	Flax, raw or processed	-	0.1	-0.1	0.0	0.1	-0.1	0.0	0.1	-0.1
5302	True hemp (cannabis sativa L.)	-	0.0	-0.0	-	0.0	-0.0	0.0	-	0.0
Total – HS codes 290543-5302		77.6	17.7	59.8	103.0	20.7	82.3	85.3	15.8	69.4
Total		2 206.9	3 054.9	-848.0	2 520.7	3 494.0	-973.3	3 187.4	3 654.3	-467.0

Table 11: Kyrgyzstan
Kyrgyzstan: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	1.7	0.4	1.3	8.4	1.3	7.1	5.8	0.7	5.1
02	Meat	0.5	18.2	-17.7	1.5	37.0	-35.5	4.0	28.9	-24.9
03	Fish	0.1	3.9	-3.8	0.7	5.2	-4.5	0.8	4.8	-4.0
04	Dairy products, eggs, honey	23.6	8.2	15.4	37.2	58.6	-21.3	33.0	8.7	24.4
05	Animal originated products	0.9	0.2	0.7	1.7	0.8	0.9	1.6	0.6	1.1
06	Trees and other plants	0.1	1.4	-1.4	4.8	3.7	1.1	0.3	3.8	-3.5
07	Vegetables	62.2	10.6	51.5	75.2	13.8	61.4	61.9	14.5	47.4
08	Fruit and nuts	23.4	31.0	-7.5	34.2	45.4	-11.1	26.8	69.3	-42.5
09	Coffee, tea	0.4	10.3	-9.8	1.0	13.5	-12.5	1.0	14.2	-13.2
10	Cereals	0.2	33.0	-32.8	0.3	48.3	-47.9	0.4	24.5	-24.1
11	Products of the milling industry	0.1	13.2	-13.1	0.0	22.3	-22.2	0.0	20.4	-20.4
12	Oil seeds and oleaginous fruits	1.3	2.2	-1.0	2.2	5.1	-2.9	2.0	6.5	-4.5
13	Lac; gums, resins	0.1	0.2	-0.1	0.2	0.1	0.0	0.1	0.2	0.0
14	Vegetable plaiting materials	0.2	0.0	0.1	-	0.1	-0.1	0.0	0.0	0.0
15	Animal or vegetable fats and oils	0.0	51.6	-51.5	0.6	57.5	-57.0	0.4	49.3	-48.9
16	Meat and fish preparations	0.8	2.7	-1.9	0.9	5.9	-5.1	1.2	5.3	-4.1
17	Sugars and sugar confectionery	0.5	55.1	-54.6	1.6	43.2	-41.6	2.4	34.0	-31.5
18	Cocoa and cocoa preparations	0.9	42.3	-41.4	0.6	44.9	-44.3	0.6	41.1	-40.5
19	Preparations of cereals, pastry cooks' products	6.3	49.8	-43.5	10.8	52.7	-41.9	13.8	50.5	-36.7
20	Preparations of vegetables, fruit, nuts or other parts of plants	0.5	9.7	-9.2	0.9	14.2	-13.2	1.4	13.7	-12.3
21	Miscellaneous edible preparations	4.4	38.7	-34.3	6.8	39.1	-32.3	5.4	37.8	-32.4
22	Beverages, spirits and vinegar	3.0	28.2	-25.2	5.9	42.7	-36.8	5.4	43.2	-37.7
23	Residues and wastes of food industries,	0.0	6.9	-6.9	0.2	8.2	-8.0	0.2	10.9	-10.7
24	Tobacco	15.6	43.8	-28.2	22.8	75.2	-52.4	11.8	78.8	-67.0
Total – HS codes 1-24		146.7	461.6	-314.9	218.6	638.8	-420.2	180.6	561.7	-381.2
290543	Mannitol	-	0.0	-0.0	-	-	0.0	-	-	0.0
290544	D-glucitol (sorbitol)	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
3301	Essential oils	-	0.1	-0.1	-	0.4	-0.4	-	0.1	-0.1
3501	Casein, caseinates and other casein derivatives; casein glues	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
3502	Albumins	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
3503	Gelatin	0.2	0.1	0.1	0.2	0.1	0.1	0.2	0.1	0.2
3504	Peptones and their derivatives	-	0.6	-0.6	-	0.4	-0.4	-	0.8	-0.8
3505	Dextrins and other modified starches	0.0	0.6	-0.5	0.0	0.8	-0.7	0.1	0.9	-0.9
380910	Finishing agents	-	0.0	-0.0	-	0.0	-0.0	-	-	0.0
382460	Sorbitol	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
4101	Raw hides and skins of bovine	1.0	3.3	-2.3	1.1	2.4	-1.3	0.4	0.0	0.3
4102	Raw skins of sheep or lambs	0.1	-	0.1	0.0	-	0.0	0.0	-	0.0
4103	Raw hides and skins n.e.c	0.0	0.0	0.0	-	-	0.0	-	-	0.0
4301	Raw fur skins	-	0.0	-0.0	-	0.1	-0.1	-	0.1	-0.1
5001	Silk-worm cocoons	0.1	0.1	0.0	-	-	0.0	-	-	0.0
5002	Raw silk	0.0	0.0	-0.0	0.2	0.2	0.0	0.2	0.2	0.0
5003	Silk waste	0.2	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0
5101	Wool	0.5	0.0	0.5	0.7	0.0	0.6	0.7	0.1	0.6
5102	Fine or coarse animal hair	0.0	-	0.0	0.0	0.0	0.0	0.2	-	0.2
5103	Waste of wool or of fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5201	Cotton; not carded or combed	19.1	0.0	19.1	24.7	0.0	24.7	34.2	0.0	34.2
5202	Cotton waste	0.1	0.5	-0.4	-	0.5	-0.5	0.0	0.1	-0.1
5203	Cotton, carded or combed	-	-	0.0	-	0.0	-0.0	-	-	0.0
5301	Flax, raw or processed	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
5302	True hemp (cannabis sativa L.)	-	-	0.0	-	-	0.0	-	-	0.0
Total – HS codes 290543-5302		21.3	5.5	15.8	27.1	4.9	22.2	36.0	2.6	33.4
Total		168.0	467.1	-299.1	245.7	643.7	-398.0	216.6	564.3	-347.7

Table 12: Republic of Moldova

Republic of Moldova: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	10.1	6.6	3.5	7.8	6.3	1.5	11.7	4.8	6.8
02	Meat	8.5	23.2	-14.7	10.8	33.8	-23.0	9.7	36.0	-26.3
03	Fish	0.1	35.3	-35.2	0.0	37.9	-37.9	0.0	41.8	-41.8
04	Dairy products, eggs, honey	21.5	37.8	-16.3	28.3	48.7	-20.4	23.6	55.1	-31.5
05	Animal originated products	0.0	4.0	-3.9	0.1	4.6	-4.5	0.5	6.0	-5.5
06	Trees and other plants	2.0	10.3	-8.2	1.8	13.7	-11.9	1.8	18.1	-16.3
07	Vegetables	8.2	29.3	-21.1	9.2	33.1	-23.9	7.1	53.6	-46.5
08	Fruit and nuts	155.8	47.4	108.4	221.6	54.3	167.3	207.6	71.4	136.2
09	Coffee, tea	1.5	13.6	-12.1	2.0	15.9	-13.9	2.6	17.1	-14.5
10	Cereals	158.2	14.9	143.3	182.9	17.0	165.9	222.7	21.7	201.0
11	Products of the milling industry	0.8	21.8	-21.0	1.8	23.1	-21.3	2.1	23.0	-20.8
12	Oil seeds and oleaginous fruits	202.8	33.1	169.7	242.8	36.7	206.0	242.2	49.9	192.3
13	Lac; gums, resins	0.1	1.1	-1.0	0.1	1.0	-0.9	0.1	1.1	-1.1
14	Vegetable plaiting materials	0.0	0.1	-0.1	0.4	0.5	-0.1	0.8	0.6	0.3
15	Animal or vegetable fats and oils	54.3	24.4	29.9	53.7	25.7	28.0	66.9	20.7	46.1
16	Meat and fish preparations	0.0	11.2	-11.1	0.0	14.0	-14.0	0.0	16.1	-16.1
17	Sugars and sugar confectionery	43.9	26.3	17.7	27.1	35.9	-8.8	19.1	18.1	1.0
18	Cocoa and cocoa preparations	6.8	22.1	-15.3	8.2	24.2	-16.0	9.0	25.5	-16.5
19	Preparations of cereals, pastry cooks' products	16.8	33.8	-16.9	14.4	37.8	-23.4	15.7	42.1	-26.4
20	Preparations of vegetables, fruit, nuts or other parts of plants	41.4	17.5	23.9	69.6	21.4	48.1	49.2	24.5	24.7
21	Miscellaneous edible preparations	8.2	57.3	-49.1	8.3	63.5	-55.2	10.0	66.4	-56.4
22	Beverages, spirits and vinegar	175.0	50.7	124.3	205.4	56.4	149.0	220.3	62.2	158.2
23	Residues and wastes of food industries,	15.8	27.4	-11.6	16.1	31.9	-15.7	22.0	34.9	-12.9
24	Tobacco	13.6	58.9	-45.3	18.6	67.9	-49.3	22.8	63.5	-40.7
Total – HS codes 1-24		945.5	608.0	337.4	1 131.0	705.2	425.8	1 167.5	774.3	393.2
290543	Mannitol	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
290544	D-glucitol (sorbitol)	-	0.0	-0.0	-	0.0	-0.0	0.0	0.0	0.0
3301	Essential oils	2.7	0.5	2.1	4.0	0.1	3.8	4.1	0.1	4.0
3501	Casein, caseinates and other casein derivatives; casein glues	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
3502	Albumins	0.0	0.3	-0.3	-	0.1	-0.1	-	0.0	0.0
3503	Gelatin	0.0	0.4	-0.4	-	0.4	-0.4	0.0	0.6	-0.6
3504	Peptones and their derivatives	-	0.9	-0.9	-	1.1	-1.1	-	1.2	-1.2
3505	Dextrins and other modified starches	0.0	0.4	-0.4	0.0	0.5	-0.5	-	0.5	-0.5
380910	Finishing agents	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
382460	Sorbitol	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
4101	Raw hides and skins of bovine	3.5	-	3.5	3.5	0.0	3.5	2.7	-	2.7
4102	Raw skins of sheep or lambs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
4103	Raw hides and skins n.e.c	-	0.1	-0.1	-	0.0	-0.0	-	-	0.0
4301	Raw fur skins	0.1	-	0.1	0.1	-	0.1	0.2	-	0.2
5001	Silk-worm cocoons	-	-	0.0	-	-	0.0	-	-	0.0
5002	Raw silk	-	-	0.0	-	-	0.0	-	-	0.0
5003	Silk waste	-	-	0.0	-	-	0.0	-	-	0.0
5101	Wool	0.4	0.4	-0.0	0.3	0.6	-0.3	0.3	0.9	-0.6
5102	Fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5103	Waste of wool or of fine or coarse animal hair	0.0	-	0.0	0.0	-	0.0	0.0	-	0.0
5201	Cotton; not carded or combed	0.3	0.3	-0.0	-	0.0	-0.0	-	0.0	0.0
5202	Cotton waste	-	0.0	-0.0	-	-	0.0	-	-	0.0
5203	Cotton, carded or combed	-	-	0.0	-	-	0.0	-	-	0.0
5301	Flax, raw or processed	0.0	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
5302	True hemp (cannabis sativa L.)	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
Total – HS codes 290543-5302		7.0	3.4	3.5	7.9	2.9	5.0	7.4	3.5	3.9
Total		952.4	611.5	341.0	1 138.9	708.1	430.8	1 174.9	777.7	397.1

Table 13: Russian Federation

Russian Federation: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	22.6	169.0	-146.4	30.8	208.1	-177.3	42.7	308.1	-265.4
02	Meat	218.6	2 281.7	-2 063.1	323.7	2 670.4	-2 346.7	407.2	2 065.7	-1658.5
03	Fish	3 015.3	1 392.1	1 623.2	3 482.4	1 626.2	1 856.2	4 282.4	1 802.1	2480.2
04	Dairy products, eggs, honey	224.8	2 135.1	-1 910.4	259.6	2 630.1	-2 370.5	252.4	2 334.9	-2082.5
05	Animal originated products	74.4	49.7	24.6	88.1	78.1	9.9	100.9	98.2	2.6
06	Trees and other plants	3.2	577.8	-574.6	4.0	567.9	-563.9	3.1	599.2	-596.1
07	Vegetables	478.8	1 396.0	-917.2	494.6	1 794.8	-1 300.2	406.5	1 845.0	-1438.5
08	Fruit and nuts	77.0	3 830.6	-3 753.6	103.3	4 677.7	-4 574.4	111.0	5 089.7	-4978.7
09	Coffee, tea	141.1	1 157.7	-1 016.6	157.6	1 271.9	-1 114.3	161.1	1 188.4	-1027.3
10	Cereals	5 606.1	343.9	5 262.2	7 527.2	357.9	7 169.2	10 456.4	328.9	10127.5
11	Products of the milling industry	243.0	134.7	108.2	228.5	128.6	100.0	262.1	123.2	138.9
12	Oil seeds and oleaginous fruits	519.7	1 670.5	-1 150.8	641.1	1 815.5	-1 174.5	760.8	1 893.8	-1133.0
13	Lac; gums, resins	8.6	187.0	-178.4	11.1	200.3	-189.2	11.9	238.0	-226.1
14	Vegetable plaiting materials	9.3	4.4	4.9	6.7	5.1	1.6	9.2	4.9	4.4
15	Animal or vegetable fats and oils	2 208.6	1 088.2	1 120.4	2 713.7	1 212.1	1 501.6	2 669.3	1 340.5	1328.8
16	Meat and fish preparations	132.3	368.4	-236.1	168.3	480.2	-311.9	182.2	569.0	-386.8
17	Sugars and sugar confectionery	244.9	484.7	-239.8	489.6	400.7	88.8	414.6	405.5	9.1
18	Cocoa and cocoa preparations	483.8	971.1	-487.3	553.7	1 048.6	-494.9	640.5	1 180.0	-539.5
19	Preparations of cereals, pastry cooks' products	518.6	675.1	-156.5	557.7	815.8	-258.1	579.1	954.0	-374.9
20	Preparations of vegetables, fruit, nuts or other parts of plants	223.6	1 074.2	-850.7	258.5	1 182.0	-923.4	296.6	1 286.7	-990.1
21	Miscellaneous edible preparations	505.6	1 157.0	-651.4	624.9	1 349.8	-724.9	672.3	1 392.8	-720.5
22	Beverages, spirits and vinegar	453.8	1 824.6	-1 370.8	498.9	2 492.7	-1 993.8	555.1	2 681.6	-2126.5
23	Residues and wastes of food industries.	945.2	770.4	174.8	865.6	866.3	-0.7	1 084.5	946.3	138.2
24	Tobacco	685.9	1 158.3	-472.4	616.2	937.9	-321.7	519.1	975.6	-456.5
Total – HS codes 1-24		17 044.5	24 902.2	-7 857.7	20 705.6	28 818.7	-8 113.1	24 880.8	29 652.0	-4 771.2
290543	Mannitol	0.0	2.3	-2.3	0.0	2.6	-2.6	0.0	3.3	-3.3
290544	D-glucitol (sorbitol)	0.1	21.2	-21.1	0.1	22.8	-22.7	0.1	25.3	-25.2
3301	Essential oils	16.1	13.8	2.3	13.7	16.1	-2.4	14.7	16.9	-2.2
3501	Casein, caseinates and other casein derivatives; casein glues	0.6	24.2	-23.6	0.4	37.4	-37.1	0.1	29.8	-29.6
3502	Albumins	0.8	21.9	-21.0	1.2	25.5	-24.3	2.0	25.3	-23.2
3503	Gelatin	2.6	41.7	-39.1	3.2	48.3	-45.2	3.2	48.0	-44.8
3504	Peptones and their derivatives	2.5	103.9	-101.4	4.1	113.1	-109.0	3.5	108.3	-104.8
3505	Dextrins and other modified starches	4.5	102.8	-98.3	5.1	113.8	-108.8	7.4	122.3	-114.8
380910	Finishing agents	0.0	0.6	-0.5	0.0	0.6	-0.5	0.1	0.6	-0.5
382460	Sorbitol	0.1	6.6	-6.5	0.0	6.7	-6.7	0.1	6.5	-6.4
4101	Raw hides and skins of bovine	2.6	3.8	-1.2	3.2	4.6	-1.4	3.3	3.4	-0.1
4102	Raw skins of sheep or lambs	0.1	2.3	-2.3	0.1	5.3	-5.2	0.0	5.7	-5.7
4103	Raw hides and skins n.e.c	0.4	0.0	0.4	0.4	0.0	0.4	0.6	0.0	0.6
4301	Raw fur skins	49.6	10.8	38.8	67.7	34.4	33.4	50.6	38.6	12.0
5001	Silk-worm cocoons	-	-	0.0	-	-	0.0	-	-	0.0
5002	Raw silk	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
5003	Silk waste	-	0.0	-0.0	-	0.0	-0.0	-	0.0	0.0
5101	Wool	16.7	3.6	13.1	20.0	4.1	15.9	15.6	5.0	10.6
5102	Fine or coarse animal hair	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.1
5103	Waste of wool or of fine or coarse animal hair	0.6	0.0	0.6	0.4	0.1	0.2	0.3	0.1	0.3
5201	Cotton; not carded or combed	0.2	80.5	-80.3	5.8	45.8	-40.0	0.5	54.2	-53.7
5202	Cotton waste	0.1	7.2	-7.2	0.1	16.1	-16.0	0.2	17.3	-17.1
5203	Cotton, carded or combed	0.0	9.0	-9.0	0.1	14.2	-14.2	0.2	15.1	-14.9
5301	Flax, raw or processed	1.2	3.2	-2.0	0.4	4.6	-4.2	2.5	3.3	-0.8
5302	True hemp (cannabis sativa L.)	0.0	-	0.0	0.0	0.0	0.0	-	0.0	0.0
Total – HS codes 290543-5302		98.7	459.3	-360.6	125.9	516.2	-390.3	105.2	529.0	-423.8
Total		17 143.2	25 361.5	-8 218.3	20 831.5	29 335.0	-8 503.4	24 986.0	30 181.0	-5 195.0

Table 14: Tajikistan

Tajikistan: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	0.0	0.8	-0.8	0.0	0.6	-0.6	0.0	2.7	-2.6
02	Meat	0.0	33.0	-32.9	0.1	40.5	-40.4	0.2	42.8	-42.6
03	Fish	-	1.1	-1.1	-	2.5	-2.5	0.1	4.4	-4.3
04	Dairy products, eggs, honey	0.2	15.2	-15.0	0.1	18.9	-18.8	0.0	12.3	-12.2
05	Animal originated products	0.3	0.1	0.1	0.3	0.1	0.2	0.5	0.2	0.3
06	Trees and other plants	-	2.3	-2.3	0.4	2.3	-1.9	0.0	1.6	-1.6
07	Vegetables	7.6	4.4	3.2	3.1	6.3	-3.2	4.3	6.3	-2.0
08	Fruit and nuts	13.5	16.2	-2.7	13.6	13.1	0.5	11.4	17.0	-5.6
09	Coffee, tea	0.1	10.5	-10.4	0.1	7.4	-7.3	0.0	8.1	-8.1
10	Cereals	0.2	242.6	-242.4	0.1	205.6	-205.5	0.1	182.3	-182.3
11	Products of the milling industry	0.1	38.5	-38.4	0.1	23.1	-23.1	0.3	18.9	-18.6
12	Oil seeds and oleaginous fruits	1.2	3.8	-2.6	0.9	7.0	-6.1	0.8	5.8	-5.0
13	Lac; gums, resins	5.3	0.0	5.3	7.7	0.0	7.6	3.2	0.0	3.2
14	Vegetable plaiting materials	0.3	0.1	0.2	-	0.3	-0.3	0.0	0.4	-0.4
15	Animal or vegetable fats and oils	0.0	92.1	-92.1	0.0	93.7	-93.7	0.1	83.0	-82.9
16	Meat and fish preparations	-	2.8	-2.8	-	3.6	-3.6	-	8.2	-8.2
17	Sugars and sugar confectionery	0.0	65.0	-64.9	0.3	74.0	-73.7	0.0	70.8	-70.7
18	Cocoa and cocoa preparations	0.0	27.5	-27.4	-	29.4	-29.4	0.1	30.5	-30.4
19	Preparations of cereals, pastry cooks' products	0.2	38.1	-38.0	0.8	39.1	-38.3	0.4	40.9	-40.5
20	Preparations of vegetables, fruit, nuts or other parts of plants	0.2	7.1	-6.9	0.3	6.3	-6.0	0.2	8.1	-8.0
21	Miscellaneous edible preparations	0.0	13.9	-13.8	0.0	16.6	-16.6	0.0	19.0	-19.0
22	Beverages, spirits and vinegar	0.1	13.7	-13.6	0.2	16.9	-16.7	0.6	20.0	-19.4
23	Residues and wastes of food industries,	0.0	9.3	-9.3	-	9.6	-9.6	0.0	14.2	-14.2
24	Tobacco	3.4	13.2	-9.7	3.5	21.2	-17.7	2.4	20.3	-17.9
Total – HS codes 1-24		32.8	651.1	-618.3	31.5	638.0	-606.5	24.8	617.6	-592.8
290543	Mannitol	-	-	0.0	-	0.1	-0.1	-	-	0.0
290544	D-glucitol (sorbitol)	-	-	0.0	-	-	0.0	-	-	0.0
3301	Essential oils	-	0.1	-0.1	-	0.1	-0.1	-	-	0.0
3501	Casein, caseinates and other casein derivatives; casein glues	-	-	0.0	-	-	0.0	-	-	0.0
3502	Albumins	-	0.0	-0.0	-	0.0	-0.0	-	-	0.0
3503	Gelatin	-	-	0.0	-	0.0	-0.0	-	0.0	0.0
3504	Peptones and their derivatives	-	0.6	-0.6	-	0.6	-0.6	-	0.2	-0.2
3505	Dextrins and other modified starches	-	0.4	-0.4	-	0.5	-0.5	-	0.6	-0.6
380910	Finishing agents	-	-	0.0	-	0.5	-0.5	-	0.0	0.0
382460	Sorbitol	-	-	-	-	-	-	-	-	-
4101	Raw hides and skins of bovine	0.0	-	0.0	0.1	-	0.1	-	-	0.0
4102	Raw skins of sheep or lambs	0.1	-	0.1	0.1	-	0.1	0.0	-	0.0
4103	Raw hides and skins n.e.c	-	-	0.0	-	-	0.0	-	-	0.0
4301	Raw fur skins	-	-	0.0	-	-	0.0	-	-	0.0
5001	Silk-worm cocoons	0.8	-	0.8	1.0	-	1.0	0.8	-	0.8
5002	Raw silk	0.1	-	0.1	0.4	-	0.4	0.3	-	0.3
5003	Silk waste	0.1	0.0	0.1	0.1	-	0.1	0.0	-	0.0
5101	Wool	-	-	0.0	-	-	0.0	-	-	0.0
5102	Fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5103	Waste of wool or of fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5201	Cotton; not carded or combed	120.9	-	120.9	121.0	-	121.0	165.3	-	165.3
5202	Cotton waste	3.1	0.0	3.1	1.6	-	1.6	1.3	0.0	1.3
5203	Cotton, carded or combed	1.7	-	1.7	-	-	0.0	-	-	0.0
5301	Flax, raw or processed	-	-	0.0	-	-	0.0	-	-	0.0
5302	True hemp (cannabis sativa L.)	-	-	0.0	-	-	0.0	-	-	0.0
Total – HS codes 290543-5302		126.8	1.2	125.6	124.1	1.8	122.4	167.8	0.8	167.0
Total		159.5	652.3	-492.7	155.6	639.8	-484.2	192.6	618.5	-425.8

Table 15: Turkmenistan

Turkmenistan: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	-	-	0.0	-	-	0.0	-	-	0.0
02	Meat	-	89.6	-89.6	-	102.1	-102.1	-	75.1	-75.1
03	Fish	-	-	0.0	-	19.5	-19.5	-	16.4	-16.4
04	Dairy products, eggs, honey	-	44.2	-44.2	-	19.6	-19.6	-	14.2	-14.2
05	Animal originated products	-	18.9	-18.9	-	24.9	-24.9	-	22.6	-22.6
06	Trees and other plants	3.1	-	3.1	3.1	0.3	2.8	3.1	0.7	2.4
07	Vegetables	5.4	72.4	-67.0	5.8	43.7	-37.9	8.1	39.7	-31.6
08	Fruit and nuts	3.5	63.7	-60.2	3.7	39.6	-35.9	3.9	34.1	-30.2
09	Coffee, tea	-	1.3	-1.3	-	14.7	-14.7	-	11.6	-11.6
10	Cereals	190.1	-	190.1	219.6	-	219.6	218.2	-	218.2
11	Products of the milling industry	10.3	23.5	-13.2	-	15.5	-15.5	-	23.9	-23.9
12	Oil seeds and oleaginous fruits	-	-	0.0	-	-	0.0	-	-	0.0
13	Lac; gums, resins	-	-	0.0	-	-	0.0	-	-	0.0
14	Vegetable plaiting materials	-	11.1	-11.1	-	9.5	-9.5	-	8.7	-8.7
15	Animal or vegetable fats and oils	50.3	11.9	38.4	67.6	25.4	42.1	91.4	22.7	68.7
16	Meat and fish preparations	-	-	0.0	-	8.1	-8.1	-	6.9	-6.9
17	Sugars and sugar confectionery	1.7	56.7	-55.0	1.4	62.2	-60.8	1.6	43.3	-41.7
18	Cocoa and cocoa preparations	-	36.8	-36.8	2.0	16.8	-14.8	2.1	11.3	-9.2
19	Preparations of cereals, pastry cooks' products	-	60.1	-60.1	-	24.6	-24.6	-	20.7	-20.7
20	Preparations of vegetables, fruit, nuts or other parts of plants	-	27.6	-27.6	2.9	-	2.9	3.6	-	3.6
21	Miscellaneous edible preparations	26.1	152.6	-126.5	51.9	58.4	-6.5	47.1	48.3	-1.2
22	Beverages, spirits and vinegar	-	9.2	-9.2	-	12.4	-12.4	-	15.0	-15.0
23	Residues and wastes of food industries,	-	-	0.0	-	-	0.0	-	-	0.0
24	Tobacco	-	-	0.0	-	99.9	-99.9	-	77.9	-77.9
Total – HS codes 1-24		290.5	679.6	-389.1	357.9	597.2	-239.3	379.1	493.1	-114.0
290543	Mannitol	-	-	0.0	-	-	0.0	-	-	0.0
290544	D-glucitol (sorbitol)	-	-	0.0	-	-	0.0	-	-	0.0
3301	Essential oils	-	-	0.0	-	-	0.0	-	-	0.0
3501	Casein, caseinates and other casein derivatives; casein glues	-	-	0.0	-	-	0.0	-	-	0.0
3502	Albumins	-	-	0.0	-	-	0.0	-	-	0.0
3503	Gelatin	-	-	0.0	-	-	0.0	-	-	0.0
3504	Peptones and their derivatives	-	-	0.0	-	-	0.0	-	-	0.0
3505	Dextrins and other modified starches	-	-	0.0	-	-	0.0	-	-	0.0
380910	Finishing agents	-	-	0.0	-	-	0.0	-	-	0.0
382460	Sorbitol	-	-	-	-	-	-	-	-	-
4101	Raw hides and skins of bovine	-	-	0.0	-	-	0.0	-	-	0.0
4102	Raw skins of sheep or lambs	5.3	-	5.3	5.4	-	5.4	5.2	-	5.2
4103	Raw hides and skins n.e.c	-	-	0.0	-	-	0.0	-	-	0.0
4301	Raw fur skins	-	-	0.0	-	-	0.0	-	-	0.0
5001	Silk-worm cocoons	-	-	0.0	-	-	0.0	-	-	0.0
5002	Raw silk	3.6	-	3.6	4.2	-	4.2	6.4	-	6.4
5003	Silk waste	-	-	0.0	-	-	0.0	-	-	0.0
5101	Wool	1.3	-	1.3	4.2	-	4.2	5.0	-	5.0
5102	Fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5103	Waste of wool or of fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5201	Cotton; not carded or combed	9.2	-	9.2	21.1	-	21.1	12.1	-	12.1
5202	Cotton waste	-	-	0.0	-	-	0.0	-	-	0.0
5203	Cotton, carded or combed	396.1	-	396.1	312.4	-	312.4	323.6	-	323.6
5301	Flax, raw or processed	-	-	0.0	-	-	0.0	-	-	0.0
5302	True hemp (cannabis sativa L.)	-	-	0.0	-	-	0.0	-	-	0.0
Total – HS codes 290543-5302		415.5	-	415.5	347.3	-	347.3	352.4	-	352.4
Total		706.0	679.6	26.4	705.2	597.2	108.0	731.5	493.1	238.4

Table 16: Ukraine

Ukraine: structure of imports and exports of agricultural products and trade balance in 2016–2018

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	30.9	58.0	-27.1	45.8	57.4	-11.7	45.8	71.8	-26.0
02	Meat	387.2	80.8	306.4	531.7	112.1	419.6	645.9	167.7	478.3
03	Fish	17.0	409.9	-392.9	26.4	454.7	-428.3	25.0	549.5	-524.5
04	Dairy products, eggs, honey	330.5	59.5	271.1	494.8	84.9	409.9	480.9	106.4	374.5
05	Animal originated products	8.8	18.1	-9.3	11.2	21.8	-10.5	12.9	22.5	-9.6
06	Trees and other plants	3.7	22.4	-18.7	4.0	27.1	-23.2	4.4	34.0	-29.5
07	Vegetables	152.6	81.7	71.0	235.6	75.9	159.8	235.7	106.2	129.5
08	Fruit and nuts	148.2	476.2	-328.0	195.7	476.9	-281.1	228.6	526.7	-298.1
09	Coffee, tea	14.1	187.8	-173.7	13.6	194.1	-180.5	12.1	209.0	-197.0
10	Cereals	6 073.9	148.8	5 925.1	6 501.9	176.7	6 325.2	7 240.6	191.1	7049.5
11	Products of the milling industry	138.7	22.1	116.6	186.0	32.2	153.7	175.8	34.3	141.5
12	Oil seeds and oleaginous fruits	1 535.0	319.5	1 215.5	2 060.3	358.3	1 702.0	1 954.1	397.4	1556.7
13	Lac; gums, resins	0.4	25.3	-24.9	0.6	25.2	-24.7	1.1	29.7	-28.6
14	Vegetable plaiting materials	27.0	1.0	26.0	23.8	1.0	22.8	33.7	0.8	32.9
15	Animal or vegetable fats and oils	3 963.0	246.0	3 717.0	4 612.6	266.6	4 346.0	4 496.5	267.4	4229.2
16	Meat and fish preparations	14.3	61.7	-47.4	15.5	82.0	-66.4	21.7	97.2	-75.5
17	Sugars and sugar confectionery	352.0	56.2	295.8	417.7	47.6	370.2	366.9	67.1	299.8
18	Cocoa and cocoa preparations	162.2	217.1	-54.9	183.8	236.2	-52.4	204.1	306.7	-102.6
19	Preparations of cereals, pastry cooks' products	212.4	88.4	124.0	296.6	117.8	178.8	268.3	153.6	114.7
20	Preparations of vegetables, fruit, nuts or other parts of plants	140.3	110.8	29.5	176.6	142.4	34.2	172.3	181.4	-9.1
21	Miscellaneous edible preparations	100.2	328.4	-228.2	121.1	363.8	-242.7	132.0	408.1	-276.1
22	Beverages, spirits and vinegar	163.7	289.4	-125.7	209.1	372.7	-163.5	229.6	489.6	-259.9
23	Residues and wastes of food industries.	983.0	151.6	831.3	1 052.4	167.7	884.6	1 224.8	216.2	1008.6
24	Tobacco	321.8	430.2	-108.4	355.7	395.6	-39.9	398.7	420.8	-22.1
Total – HS codes 1-24		15 281.1	3 890.9	11 390.2	17 772.5	4 290.6	13 481.9	18 611.5	5 055.1	13 556.4
290543	Mannitol	0.0	0.5	-0.5	-	0.5	-0.5	0.0	0.6	-0.6
290544	D-glucitol (sorbitol)	0.0	1.8	-1.8	0.0	1.6	-1.6	1.6	1.9	-0.2
3301	Essential oils	0.7	3.3	-2.7	1.8	4.2	-2.4	40.6	4.5	36.1
3501	Casein, caseinates and other casein derivatives; casein glues	28.0	0.4	27.5	40.3	0.3	39.9	3.3	0.2	3.1
3502	Albumins	3.2	3.0	0.2	1.3	2.5	-1.2	2.3	2.8	-0.5
3503	Gelatin	3.0	2.3	0.7	2.4	3.2	-0.9	2.3	4.0	-1.7
3504	Peptones and their derivatives	1.7	10.4	-8.7	2.1	11.3	-9.2	1.0	9.2	-8.1
3505	Dextrins and other modified starches	0.4	20.7	-20.3	0.4	22.0	-21.7	0.9	25.7	-24.8
380910	Finishing agents	-	0.1	-0.1	0.0	0.1	-0.1	0.0	0.1	-0.1
382460	Sorbitol	0.0	0.9	-0.9	-	1.0	-1.0	0.0	1.3	-1.3
4101	Raw hides and skins of bovine	1.1	2.7	-1.6	0.8	4.8	-4.1	0.5	8.3	-7.8
4102	Raw skins of sheep or lambs	0.0	-	0.0	-	-	0.0	-	0.0	0.0
4103	Raw hides and skins n.e.c	-	-	0.0	-	-	0.0	0.0	-	0.0
4301	Raw fur skins	13.2	2.5	10.7	15.8	3.6	12.2	21.2	2.1	19.0
5001	Silk-worm cocoons	-	-	0.0	-	-	0.0	-	-	0.0
5002	Raw silk	-	0.0	-0.0	-	0.0	-0.0	-	-	0.0
5003	Silk waste	-	0.0	-0.0	-	0.0	-0.0	-	-	0.0
5101	Wool	0.1	1.5	-1.4	0.3	1.5	-1.2	0.1	1.6	-1.4
5102	Fine or coarse animal hair	-	0.2	-0.2	-	0.1	-0.1	0.0	0.1	-0.1
5103	Waste of wool or of fine or coarse animal hair	-	1.4	-1.4	-	1.3	-1.3	-	1.7	-1.7
5201	Cotton; not carded or combed	-	2.6	-2.6	-	1.9	-1.9	-	1.5	-1.5
5202	Cotton waste	-	2.2	-2.2	-	3.5	-3.5	-	2.8	-2.8
5203	Cotton, carded or combed	0.0	0.2	-0.2	0.0	0.5	-0.5	0.1	0.6	-0.6
5301	Flax, raw or processed	1.2	0.1	1.1	0.8	0.1	0.7	1.2	0.2	1.1
5302	True hemp (cannabis sativa L.)	0.1	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0
Total – HS codes 290543-5302		52.7	56.7	-4.0	66.0	64.3	1.6	75.1	69.1	6.1
Total		15 333.8	3 947.7	11 386.1	17 838.5	4 355.0	13 483.5	18 686.6	5 124.2	13 562.5

Table 17: Uzbekistan**Uzbekistan: structure of imports and exports of agricultural products and trade balance in 2016–2018**

HS codes	Name	2016			2017			2018		
		Export	Import	Trade balance	Export	Import	Trade balance	Export	Import	Trade balance
<i>USD million</i>										
01	Live animals	1.5	26.1	-24.5	2.3	40.6	-38.3	2.6	75.0	-72.4
02	Meat	0.3	30.2	-29.9	0.0	13.2	-13.2	0.0	18.6	-18.6
03	Fish	0.6	3.3	-2.7	1.4	3.3	-1.9	0.6	5.9	-5.2
04	Dairy products, eggs, honey	1.4	22.7	-21.3	16.8	16.7	0.0	11.5	19.8	-8.3
05	Animal originated products	4.0	4.0	0.0	5.1	4.5	0.7	1.0	6.3	-5.3
06	Trees and other plants	3.6	14.0	-10.3	1.9	30.3	-28.4	4.4	37.1	-32.7
07	Vegetables	333.0	7.5	325.5	217.7	42.0	175.7	307.7	46.9	260.8
08	Fruit and nuts	592.6	34.6	558.0	417.2	21.0	396.2	543.9	25.3	518.6
09	Coffee, tea	6.0	71.1	-65.1	6.9	51.6	-44.6	11.5	51.1	-39.6
10	Cereals	36.6	231.5	-194.9	53.0	191.7	-138.7	20.6	305.6	-285.0
11	Products of the milling industry	5.2	166.4	-161.2	46.4	115.4	-69.0	70.1	132.6	-62.4
12	Oil seeds and oleaginous fruits	26.7	41.2	-14.4	17.4	58.9	-41.6	31.8	85.1	-53.3
13	Lac; gums, resins	21.5	2.4	19.1	22.8	2.0	20.8	23.7	2.3	21.4
14	Vegetable plaiting materials	11.6	0.1	11.5	2.5	0.0	2.4	0.3	0.1	0.3
15	Animal or vegetable fats and oils	0.3	243.2	-242.9	0.6	187.0	-186.4	1.9	238.2	-236.3
16	Meat and fish preparations	0.0	1.5	-1.5	0.0	1.9	-1.9	0.0	2.4	-2.4
17	Sugars and sugar confectionery	1.9	350.9	-349.0	5.4	337.9	-332.4	4.8	347.4	-342.6
18	Cocoa and cocoa preparations	2.1	26.5	-24.4	5.4	29.2	-23.8	6.2	35.5	-29.3
19	Preparations of cereals, pastry cooks' products	2.0	39.8	-37.8	4.9	37.7	-32.8	4.9	45.5	-40.6
20	Preparations of vegetables, fruit, nuts or other parts of plants	18.4	10.7	7.7	29.2	9.7	19.5	30.7	14.8	15.9
21	Miscellaneous edible preparations	0.1	30.8	-30.6	0.5	33.7	-33.2	0.8	48.0	-47.3
22	Beverages, spirits and vinegar	10.7	13.2	-2.5	18.3	9.4	8.9	13.3	4.1	9.1
23	Residues and wastes of food industries.	2.1	77.5	-75.4	3.7	85.5	-81.8	4.7	132.5	-127.8
24	Tobacco	8.0	34.7	-26.7	8.3	26.0	-17.7	9.1	20.0	-11.0
Total – HS codes 1-24		1 090.5	1 483.8	-393.2	887.7	1 349.3	-461.6	1 106.1	1 700.0	-594.0
290543	Mannitol	-	-	-	-	0.0	-0.0	-	-	0.0
290544	D-glucitol (sorbitol)	-	-	-	-	7.9	-7.9	-	-	0.0
3301	Essential oils	-	-	-	-	0.1	-0.1	-	-	0.0
3501	Casein, caseinates and other casein derivatives; casein glues	0.1	15.6	-15.6	0.3	23.9	-23.6	0.3	30.4	-30.1
3502	Albumins	-	-	0.0	-	-	0.0	-	-	0.0
3503	Gelatin	-	-	0.0	-	-	0.0	-	-	0.0
3504	Peptones and their derivatives	-	-	0.0	-	-	0.0	-	-	0.0
3505	Dextrins and other modified starches	-	-	0.0	-	-	0.0	-	-	0.0
380910	Finishing agents	-	-	-	-	0.0	-0.0	-	-	0.0
382460	Sorbitol	-	-	-	-	-	-	-	-	-
4101	Raw hides and skins of bovine	93.2	0.2	93.0	102.9	0.2	102.7	123.1	0.0	123.0
4102	Raw skins of sheep or lambs	-	-	0.0	-	-	0.0	-	-	0.0
4103	Raw hides and skins n.e.c	-	-	0.0	-	-	0.0	-	-	0.0
4301	Raw fur skins	-	-	-	1.0	0.4	0.7	0.6	1.9	-1.3
5001	Silk-worm cocoons	18.3	0.1	18.2	30.9	-	30.9	49.9	-	49.9
5002	Raw silk	-	-	0.0	-	0.0	-0.0	-	-	0.0
5003	Silk waste	-	-	0.0	-	-	0.0	-	-	0.0
5101	Wool	1.7	2.5	-0.8	2.2	1.5	0.7	2.4	1.6	0.8
5102	Fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5103	Waste of wool or of fine or coarse animal hair	-	-	0.0	-	-	0.0	-	-	0.0
5201	Cotton; not carded or combed	637.2	3.3	633.9	1 176.1	7.7	1 168.4	1 029.9	12.0	1017.9
5202	Cotton waste	599.1	2.1	597.0	-	-	0.0	-	-	0.0
5203	Cotton, carded or combed	-	-	0.0	-	-	0.0	-	-	0.0
5301	Flax, raw or processed	0.6	11.5	-11.0	0.4	13.2	-12.8	0.3	18.4	-18.1
5302	True hemp (cannabis sativa L.)	-	-	0.0	-	-	0.0	-	-	0.0
Total – HS codes 290543-5302		1 350.1	35.3	1 314.8	1 313.8	54.9	1 258.9	1 206.5	64.3	1142.2
Total		2 440.6	1 519.0	921.6	2 201.5	1 404.2	797.4	2 312.6	1 764.4	548.2

Data sources for tables of annex 2.

Tables 1A-B, 2A-C, 3A-C, 4A-C, 5A-C, 6-17

Armenia

United Nations Comtrade Database - International Trade Statistics, downloaded through WITS (World Integrated Trade Solution) (<https://wits.worldbank.org>).

Azerbaijan

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Belarus

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Georgia

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Russian Federation

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Tajikistan

The Statistical Agency under President of the Republic of Tajikistan

Turkmenistan

State Committee for Statistics of Turkmenistan

Ukraine

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Uzbekistan

State Committee of the Republic of Uzbekistan on Statistics



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