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Prospects of Potential PTA with Uzbekistan & Tajikistan with Targeted Lines for Concession

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List of Abbreviations

Abbreviation	Explanation
APTTTA	Afghanistan, Pakistan, Tajikistan Transit Trade Agreement
BRI	Belt and Road Initiative
CAGR	Compound Annual Growth Rate
CARs	Central Asian Republics
CIS	Common Wealth of Independent States
CISFTA	Commonwealth of Independent States Free Trade Area
DTRE	Duty and Tax Remissions
ECA	Europe and Central Asia
ECO	Economic Cooperation Organization
FTA	Free Trade Agreement
HS	Harmonized System
MFN	Most Favored Nation
OIC	Organization of Islamic Cooperation
PCA	Partnership and Cooperation Agreement
PSW	Pakistan Single Window
QTTA	Quadrilateral Traffic in Transit Agreement
SPS	Sanitary and Phytosanitary
SBP	State Bank of Pakistan
SMEs	Small and Medium Enterprises
SOEs	State Owned Enterprises
TBT	Technical Barriers to Trade
WTO	World Trade Organization

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Executive Summary

Uzbekistan and Tajikistan are landlocked countries. Afghanistan is the main transit route between Pakistan and Tajikistan. Currently, trade of Pakistan with Uzbekistan and Tajikistan is very limited yet Pakistan enjoys trade surplus with both the countries. Prospects of undergoing Free Trade Agreement with Uzbekistan and Tajikistan seem lucrative as per quantitative analysis of data. This research focuses in identifying the prospective trade areas and impediments that are hindering the trade relations. Entering into Uzbek and Tajik market will open door for Pakistan to capture Central Asian Republics' market. However, transit agreement is a prerequisite because of Afghanistan's volatile situation.

In such circumstances, opening of trade to countries like Tajikistan, Uzbekistan will open doors to Central Asian markets as well. And Pakistani products can have edge in market competitiveness. Pakistan has estimated export potential of USD 85 million with Tajikistan and USD 373 million with Uzbekistan. In the past, while benefits could be reaped more and there is apparent trade deficit yet Pakistan has benefitted with trade agreements like SAFTA and bilateral agreements with China, Malaysia and Iran in terms of value and number of exporters. Pakistan can tap potential of trade with CARs countries by establishing trade linkage with Uzbekistan and Tajikistan.

For a country like Pakistan trade agreements especially with less distant countries can prove to be beneficial. One reason to slow growth of Pakistan's exports is its concentration to few major markets like China, US, Germany, UK, UAE. With time, non-tariff barriers and trade requirements of developed economies are increasing and Pakistan's export is stagnant if not decreasing. Parameters of ease of doing business needs to be taken care off, before initiating any trade agreement. Without establishing banking channels and currency exchange issues, exporters and importers will remain hesitant for entering into this market.

1. Introduction:

This report evaluates potential of Free Trade Agreement and trade prospects with Uzbekistan and Tajikistan. Aim of this study is to find targeted products which can be traded with both the countries and finding major impediments because of which trade with Uzbekistan and Tajikistan is truncated.

For this purpose, major imports and exports of Uzbekistan and Tajikistan have been analyzed separately. Moreover, bilateral trade analysis with both the countries have been conducted. This will give deeper insight into market dynamics and potential products which can be traded. Country profile for both the countries is analyzed at the beginning of the research to find out social and economic trends amongst the population. Size of population, level of urbanization, transport system etc. are all indicative of a country's development and their requirements. Final targeted potential areas of trade along with identification of product is presented after considering trade of Uzbekistan and Tajikistan with the world and finding those products in Pakistan's import and export basket.

The common products are indicative of prospective trade areas as these countries have requirement of those products which they are getting from other countries around the world and Pakistan has the potential to supply those products or import on lower prices.

Furthermore, analysis of tariffs, NTB measures and transit options is also presented in this research. Competitors of both the countries are analyzed along with trade agreements. This exercise helps in assessing Pakistan's rationalization of tariff and non-tariff measures which are major indicators of trade.

Uzbekistan can be a lucrative potential market for Pakistan to export pharmaceutical, agricultural, textile products. Uzbekistan has great demand for Portland cement, flat rolled iron products and parts of tractors and machinery. Pakistan can import cotton yarn from Uzbekistan at cheaper rates from Uzbekistan, primarily due to geographical proximity. Tajikistan is a potential market to export milled rice, pharmaceutical products which are used for preventive care, chemical products and butter milk.

Trade with these countries is a doorway to CARs market. However, transit, banking and supply chain issues are major impediments to the trade. It is to be noted here that this research is primarily

a quantitative analysis of trade figures. Limitation of this research is that analysis mostly is based on secondary objective data. Ground realities, political conditions, or exporter/importer's issues in detail are not scope of this research hence qualitative analysis is discussed cursorily.

1.1 Comparison with Pakistan

1.1.1 Economic Indicators

When comparing the various economic and social indicators of Pakistan with Uzbekistan and Tajikistan, it is quite evident from the table below that Pakistan is larger in size, population etc. Yet economic gap is relatively less. Pakistan's area is six times that of Tajikistan and double the size of Uzbekistan. Population of Tajikistan is very less as compared to Pakistan, almost 20 times less. Quite naturally, GDP gap is also significant but GDP growth rate of Tajikistan and Uzbekistan is more than Pakistan. Despite of Covid year, Uzbekistan's GDP grew by 1.6 percent and Tajikistan's annual GDP growth has been 4.5 percent in the year 2020 while Pakistan's GDP growth rate is 0.5 percent for the same year.

Table 1: Comparison of Economic Indicators of Pakistan with Uzbekistan and Tajikistan

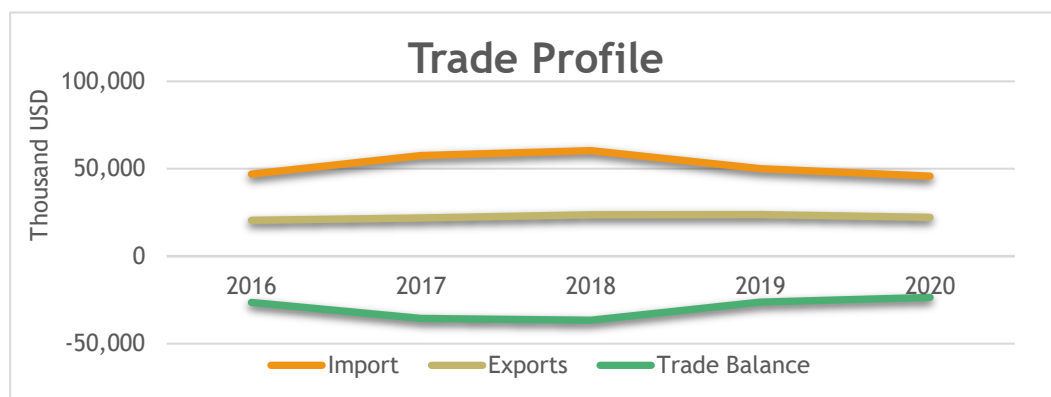
Indicators	Pakistan			Uzbekistan			Tajikistan		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total Area	881,913 km ²			447,400 km ²			144,100 km ²		
Total Population (in millions)	212.2	216.6	212	33	33.6	34	9.1	9.3	9.7
GDP (current US\$)	314.6	278.2	262.7	50.4	57.7	57.7	7.5	8.1	7.9
GDP growth (annual %)	5.8	1	0.5	5.4	5.6	1.6	7.3	7	4.5
General government revenue (Percent of GDP)	15.2	12.9	15.1	27.7	28	26.6	29	27.3	25.2
General government total expenditure (Percent of GDP)	21.6	21.9	23.1	26	28.3	29.8	31.8	29.4	29.6
Inflation, average consumer prices (Percent change)	2.5	8.6	9.3	27.5	19.2	11.9	8.6	7.8	3.8
Total Exports (billion USD)			22.2	10.9	14.3	13.1	1	1.1	1.3
Total Imports (billion USD)	60.3	50.1	45.8	17.3	21.8	19.9	3.1	3.3	3.1
Unemployment rate (Percent of total labor force)	5.5	4	4.5	5.7	5.6	5.9	29	27.3	25

Source: Wikipedia

1.2 Pakistan's Trade Profile

With 3.94% economic growth rate, Economy of Pakistan performed better than projected growth rate as compared to -0.47% in 2019-20. Imports reached to US\$ 45 Billion in 2020 while exports were US\$ 22 Billion, resulting in trade deficit of US\$ 23 Billion.

Figure 1: Trade Profile of Pakistan



Source- ITC Trade Map

1.2.1 Top Trading Partners of Pakistan:

China, UAE, USA are top most importing partners of Pakistan. While USA, China and UK are top 3 export destinations of Pakistan. Pakistan mainly imports petroleum products, palm oil, iron and steel etc. Top exporting products of Pakistan are Cotton and textile products, cereals, agro products, leather and sports goods.

Figure 2: Top Import Partners of Pakistan

Source-ITC Trade Map

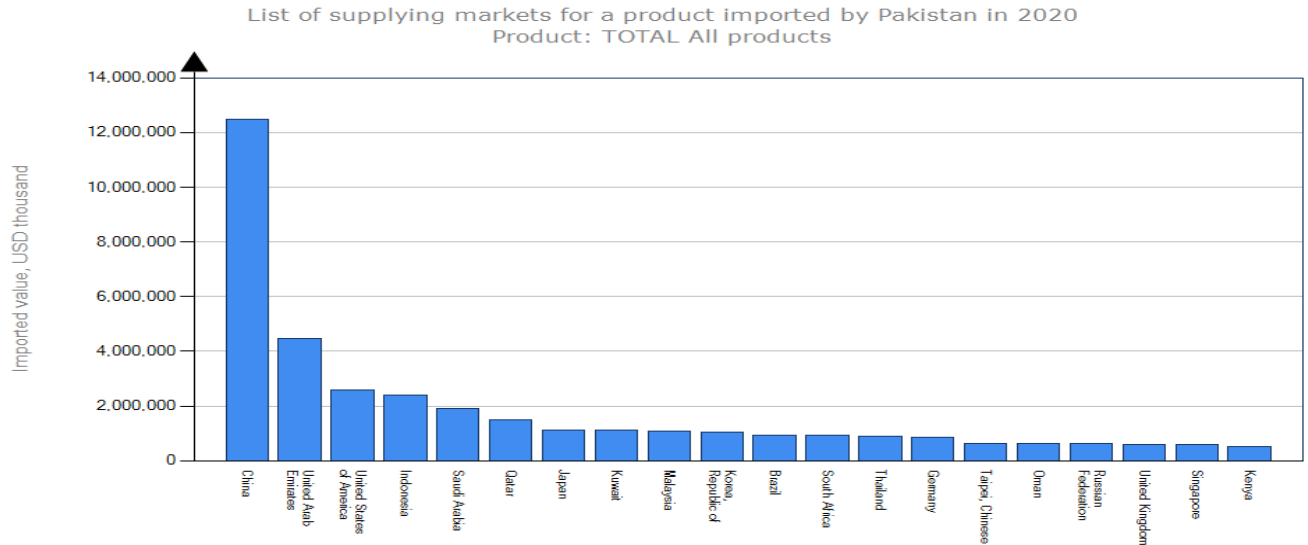
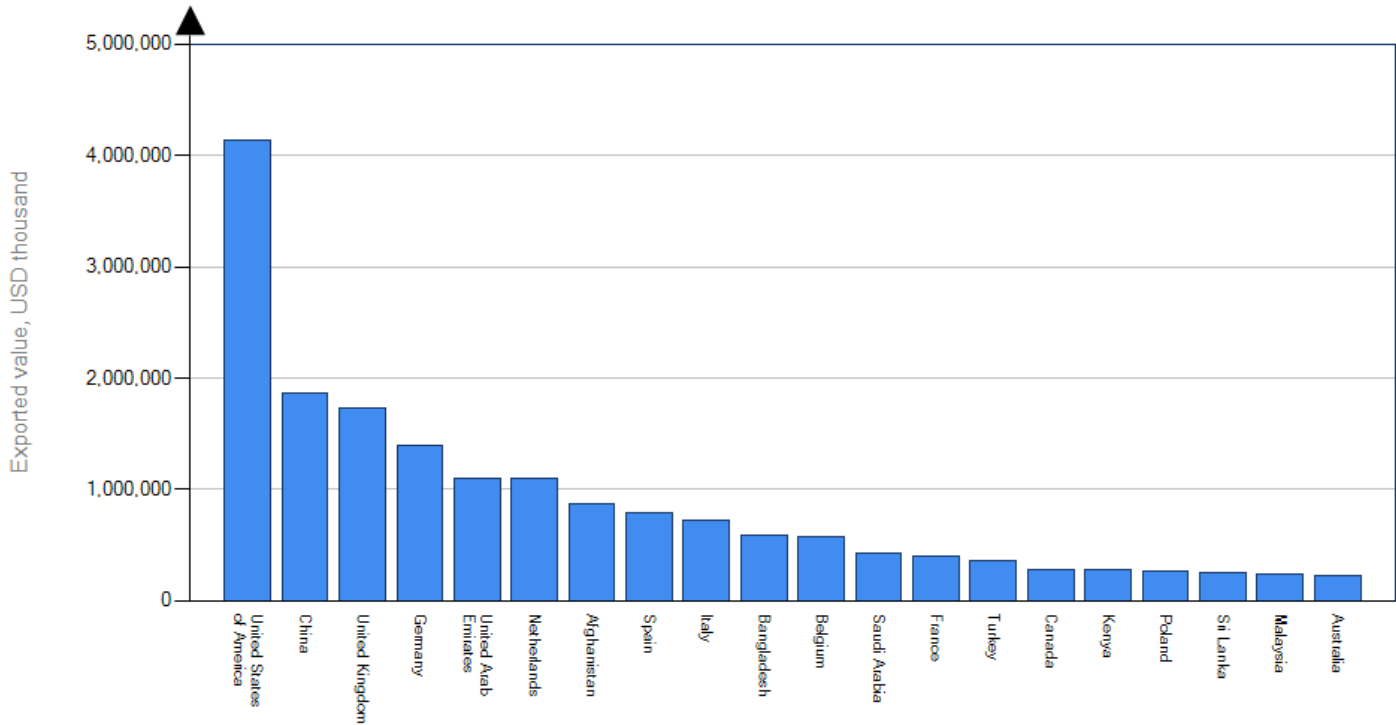


Figure 3: Top Export Partners of Pakistan

List of importing markets for a product exported by Pakistan in 2020
Product: TOTAL All products



Source-ITC Trade Map

1.2.2 Pakistan's Top Exporting Products

Major exporting products (at HS level 02) are textile, apparels (knitted or crocheted), cotton, apparel (not knitted), Cereals, leather products, copper, salt, edible fruits and nuts, medical and surgical instruments. Major export chunk constitutes of textile sector.

On average over past 5 years, these top 10 exporting products constitute approximately 69% of total exports of Pakistan.

Major exporting products are constituted of textile sector.

1.2.3 Pakistan's Top Imported Products

Pakistan is seeing constant decline in the import bill for past 4 years. Top importing products constitute of mineral fuels, machinery, iron and steel, cotton among others. These top products constitute almost 70% of Pakistan's imports.



UZBEKISTAN

2. Uzbekistan

2.1 Country Overview

Uzbekistan is one of only three economies that maintained positive economic growth in 2020 in the Europe and Central Asia (ECA) region, despite Covid-19 situation. The early reforms for the transition to market economy supported steady growth in 2020.¹ Key subsectors which played key role are manufacturing, mining and quarrying, and trade. On the other hand, the accommodation and food, and wholesale and retail trade subsectors gained significant momentum, while transportation and storage activity rebounded on the services side of the economy. While, agricultural sector (which constitutes of 30% of GDP) suffered because of severe drought conditions in the region.

At the end of March 2021, the Government of Uzbekistan promulgated a strategy to manage and reform SOEs, targeted for implementation in 2021–25. The aim of is to reduce number of SOEs by 75%, transform and privatize large state-owned enterprises (SOEs) in various sectors, invest in poverty and unemployment reduction, improve the social protection system, and develop human capital. Better and more accessible health and education services are also a top priority.

With the population size of 34 million, Uzbekistan has the great potential to become regional economic power with: a dynamic, well-educated, and entrepreneurial population – the biggest in Central Asia, infrastructural development; and the biggest potential consumer market in the region. Uzbekistan's cotton industry and rich natural assets, for example, gold and petroleum gas offer great potential for private investors. The public authority's pronounced monetary strategy focuses on the fascination of private ventures through progress of Uzbekistan's business environment, privatization, and advancement of foreign trade.

2.1.1 Geography²:

- Location:
 - Situated southeast and southwest of the Aral Sea.
 - The western half of the Kyzylkum Desert
- Area:

¹ The World Bank in Uzbekistan, Accessed on 09-09-21

² Official Website of Ministry of Investments and Foreign Trade of the Republic of Uzbekistan, Accessed on 03-09-2021

- Total area is 447,400 km², 63% including agricultural land
- The central part consists of the valley and delta of the Amu Darya (river)
- On the west the republic includes the southeastern part of the Ustyurt Plateau
- Climate:
 - The climate is marked by cool winters and hot summers. Average rainfall is only 3 to 4 inches (75 to 100 mm).
- Borders:
 - Only one of two countries in the world completely surrounded by other landlocked countries
 - Uzbekistan is bordered by Kazakhstan to the northwest and north, Kyrgyzstan and Tajikistan to the east and southeast, Afghanistan to the south, and Turkmenistan to the southwest.
- Natural Resources:
 - Uzbekistan is a resource rich country including abundance of gold, copper, zinc, natural gas, petroleum, coal, uranium, silver
- The autonomous republic of Qoraqalpoghiston (Karakalpakstan) is located in the western third of the country.
- Main cities of Uzbekistan are Tashkent, Samarkand, Bukhara, Fergana, Namangan

Figure 4 Map of Uzbekistan



Source Encyclopedia Britannica

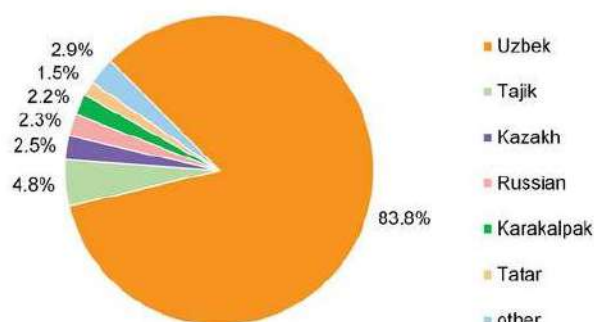
2.1.2 Transport System:

- Transport facilities in the republic include a railway from Qūnghirot to Chārjew in Turkmenistan
- motor roads that link several cities of the republic
- and 11 airports in total providing air connections with Moscow, Tashkent, Ashkhabad, and other cities.

2.1.3 Ethnic groups and Languages:

- Uzbeks make up more than four-fifths of the population, followed by Tajiks, Kazakhs, Tatars, Russians, and Karakalpaks.
- Uzbeks is the primary language while Russian is secondary language spoken by most of the urban population.
- It is a Sunni majority Muslim state, followed by Shia population and then Russian Orthodox Christians.

Figure 5 Ethnic Background of Uzbeks



Source: Encyclopedia Britannica

2.1.4 Population Trends:

Largest population in Central Asia, number 42 in the list of countries (and dependencies) by population with 0.43% of total world population share

Table 2 Uzbekistan's Population Dynamics, 2020

Total Population	34,022,495
Growth Rate	1.74 %
Literacy Rate	100%
Male Population	49%

Female Population	51%
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Source- World Bank

2.2 Trade Agreements and Trading Blocs

2.2.1 Free Trade Agreements

Uzbekistan has ten Free Trade Agreements already signed and in effect. Most of these FTAs constitute of regional countries or CIS area.

Table 3 FTAs signed by Uzbekistan

S. No	FTA Nomenclature	In Effect Date
1	Uzbekistan-Russia FTA	3/25/1993
2	Uzbekistan-Moldova FTA	1/1/1995
3	Uzbekistan-Georgia FTA	1/1/1995
4	Uzbekistan- Tajikistan FTA	1/1/1996
5	Uzbekistan- Azerbaijan FTA	5/27/1996
6	Uzbekistan-Kazakhstan FTA	1/1/1997
7	Uzbekistan- Kyrgyz FTA	3/20/1998
8	Economic Cooperation Organization Trade Agreement	7/17/2003
9	Uzbekistan- Ukraine FTA	1/1/2006
10	Commonwealth of Independent States Free Trade Area	9/20/2012

Source: World Bank

2.2.2 Trading Blocs

Table 4 Membership of Major Alliances

Commonwealth of Independent States (CIS)
Organization of Islamic Cooperation (OIC)
Economic Cooperation Organization (ECO)

Source: PBC

2.3 Analysis of Trade Restrictions

2.3.1 Non-Tariff Barriers' Analysis

Uzbekistan is currently in the process of transformations.³ Brief summary of these reforms are discussed below;

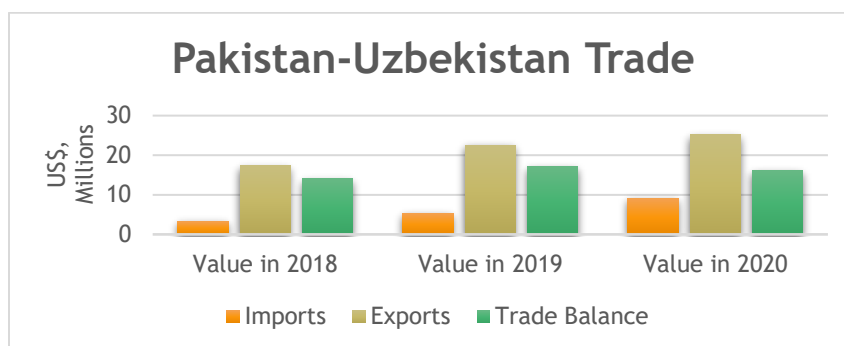
³ Melnikovová, L., & Voronin, S. Recent Reforms In The Customs System Of The Republic Of Uzbekistan: Regulating Imports. Statistics, 27(4), 339-89

- ❖ No import custom duties are faced by members of the CISFTA as Uzbekistan is itself a member.
- ❖ Uzbekistan has granted the most favored nation (MFN) regime to 45 countries, mainly its most important trading partners and the country also resumed negotiations on accession to the WTO Agreement in July 2019.
- ❖ From January 1, 2019, the products which are not locally produced face zero tariffs like imports of fish, rice, sunflower oil, sugar, flour, leather, pipes, rods, woods, machines, tools, oil, gas and coal. While 5 to 70 % tariffs are applied on products which are produced domestically to protect the local market.
- ❖ There are other costs besides tariffs which include import excise taxes,
 - 15% value added tax (VAT) and customs clearance fee which is 0.2 percent of declared customs value.
 - Import Excise taxes are applied at high rates to protect local markets leading to overall prices of as much as 100 % or even 150 % of the actual worth of the goods.
- ❖ A system of simplified “corridors” is being introduced at customs posts in Uzbekistan. At these terminals, government agencies and other organizations provide customs, banking, logistics, express laboratory, phytosanitary, veterinary, sanitary, environmental, certification and other services on the basis of “one window principle”.
- ❖ In 2019, Russia applied 145,518, China 344,707 and Kazakhstan applied 155,454 non-tariff measures on the exports of Uzbekistan (at HS 06 level). (Annexure 1) explains the non-tariff measures faced by Uzbekistan from top 3 export partners on top 10 exporting products of Uzbekistan.

2.4 Tariff Barriers’ Analysis

Exporters of Uzbekistan faced ad valorem tariffs (%) by only top 10 exporting partners. Details of China, Turkey, Iran and Afghanistan are shared in the Annexure 2 and 3 below. There were no tariffs faced by Uzbek exporters in 2019 by other than top 10 importers.

2.4.1 Bilateral Trade

Figure 6 Pakistan-Uzbekistan Bilateral Trade Growth

Source- ITC Trade Map

Pakistan enjoys trade surplus with Uzbekistan. Pakistan is exporting over US\$ 25 million worth of products while importing US\$ 9 million in 2020. Pakistan's exports grew exponentially by 78% from 2016-2020 while imports grew in a relatively steady manner by 31%. Pharmaceutical products, fruits and vegetables are the major exporting products by Pakistan to Uzbekistan. Export net is less diversified as these top products constitute over 80% of the total exports.

Since 2015, Pakistan's exports of only top 10 products grew by over US\$ 18 million (at HS 06 level). Although Pakistan is in trade surplus with Uzbekistan still imports from Uzbekistan also increased by approximately US\$ 5 million since 2018. Pakistan mainly imports beans, legumes, zinc, cotton yarn, salt, vegetables, silk and machinery.

2.5 Most Traded Commodities of Uzbekistan

2.4.2 Exports

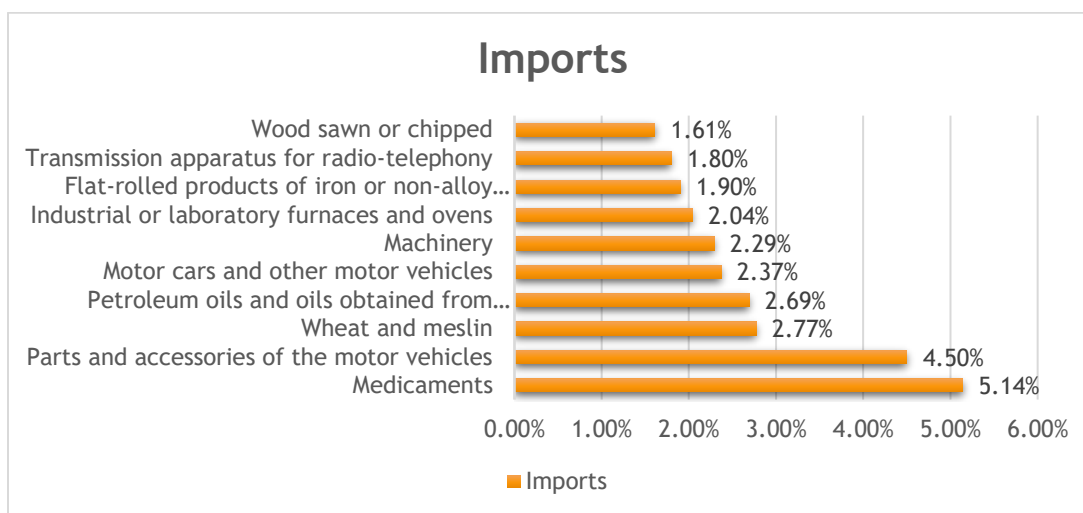
Top exports of Uzbekistan in the past 4 years have been Pearls, cotton, copper, mineral fuels, agricultural and textile products. Overall an increasing trend is seen in the exports of Uzbekistan (excluding Covid year), Almost 48% increase between 2017-2019. Total world exports of Uzbekistan are around US\$ 13 Billion while top 5 commodities constitute over 70% of export share.

- Gold (including gold plated with platinum): **43%** (\$5.8 billion)
- Cotton yarn: **7.03%** (\$934 million)
- Petroleum gases and other gaseous hydrocarbons: **4.42%** (\$587 million)

- Refined copper and copper alloys, unwrought- **4.38%** (\$582 million)
- Polymers of ethylene, in primary forms- **1.98%** (\$263 million):
- Wheat or meslin flour-**1.64%** (\$218 million):
- Dried leguminous vegetables, shelled, whether or not skinned or split-**1.46%** (\$194 million)
- Apricots, cherries, peaches (including nectarines), plums and sloes, fresh-**1.42%** (\$188 million)
- Grapes, fresh or dried- **1.41%** (\$188 million)

2.4.3 Imports

Total imports of Uzbekistan for the year 2020 has been US\$ 19.9 Billion. Major importing products at HS 02 level are machinery, vehicles, iron & steel, pharmaceutical products, mineral fuels, surgical instruments and cereals. Until 2019, upward trend of total imports is seen with an increase of 82%.

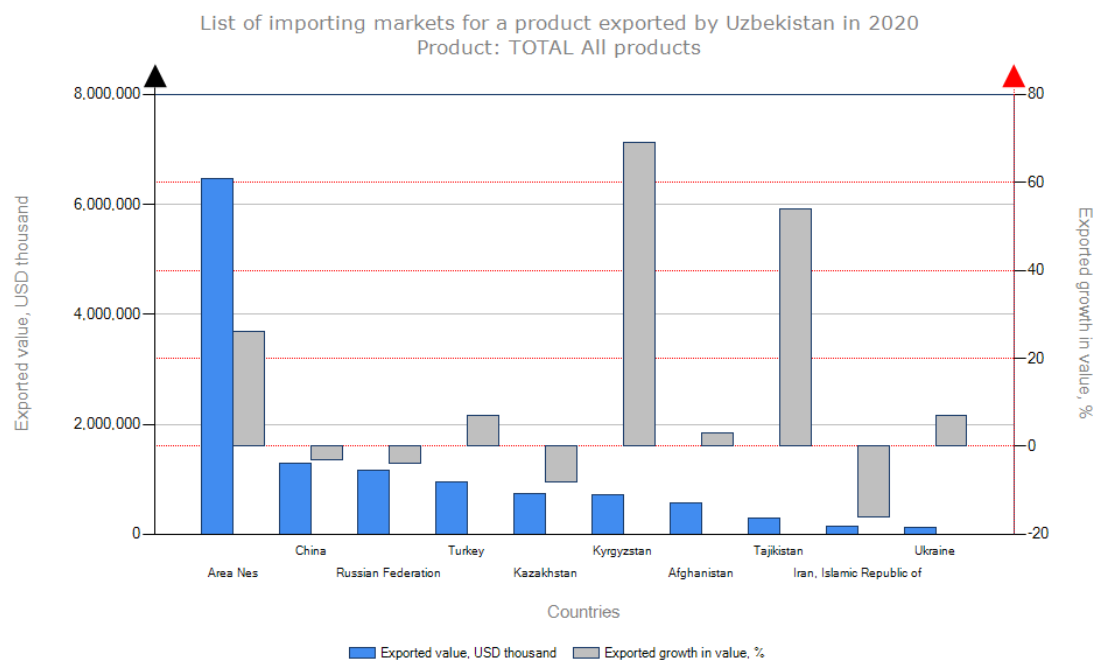
Figure 7 Top Importing Products of Uzbekistan -HS 02 Level

Source – ITC TradeMap

Imports of Uzbekistan are diverse as top 10 importing products constitute only 17% of the total imports. Other than machinery, pharmaceutical products, wheat, and sugar are rising importing commodities of Uzbekistan as observed at HS 04 level.

2.4.4 Overview of Top Trading Partners of Uzbekistan

There is positive growth in top importing partners of Uzbekistan over a period of last 5 years in trade value. Out of these, Uzbekistan has already Free Trade Agreement with Russia, Kazakhstan, Turkmenistan. Turkey is part of ECO alliance. China is investing in BRI projects. Pakistan's share is also increasing and is currently on 46th number in the list of exporting countries of Uzbekistan. While this growth has potential, the increase is seen very slow (see Annexure 6).

Figure 8 Export Partners of Uzbekistan and Export Growth Rate: 2016-20

Source- ITC Trade Map

Turkey, Kyrgyzstan, Tajikistan and Ukraine shows positive import growth from Uzbekistan over a period of 5 years on average. Most of the top trading partners of Uzbekistan are part of ECO.

2.5 Feasibility Study

2.5.1 Areas under discussion

Top 20 products which Uzbekistan is importing and Pakistan is exporting are shown in the Annexure 7 below.

Out of these products, 'Medicament' (HS 300420), 'Portland Cement' (HS 844520), 'Cane or Beet Sugar' (HS 170199) and wheat (HS 100199) are products of high demand in Uzbekistan. But exports of wheat from Pakistan are diminishing over the years and local sugar fiasco makes it highly uncertain commodity. 'Medium oils' (HS 271019) and 'petroleum oils' (HS 270900) are exported in high value but the demand will be decreasing in future and environmental concerns makes them highly unpromising for the future exports.

2.5.2 Analysis of Top 10 High Potential Exports to Uzbekistan

Table 5 Top 10 Export Potential Products to Uzbekistan

HS Codes		Product Label	Equivalent ad valorem tariff faced by Pakistan	Uzbekistan's imports from world	Pakistan's exports to world
				value in 2019 (USD)	value exported in 2019 (USD)
TOTAL		All products		21,855,139	23,818,817
1	271019	Medium oils and preparations, of petroleum or bituminous minerals	30	612,952	123,626
2	252329	Portland cement	30	152,199	174,098
3	170490	Sugar confectionery not containing cocoa	30	12,848	35,140
4	870120	Road tractors for semi-trailers	26	126,704	10,268
5	110100	Wheat or meslin flour	23	86,171	122,965
6	850710	Lead-acid accumulators of a kind used for starting piston engine	17	13,234	26,247
7	870899	Parts and accessories, for tractors, motor vehicles for the transport	10	334,040	7,166
8	721049	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm	10	180,614	30,331
9	270900	Petroleum oils and oils obtained from bituminous minerals	10	100,546	248,810
10	390760	Poly"ethylene terephthalate	10	81,823	231,534

Source: ITC TradeMap

Indicative trade potential of top 25 export products alone, to Uzbekistan constitute approximately of USD 609.7 Million. Combined trade potential of cement, sugar, wheat, machinery parts, and vegetable fats is up to USD 338.2 Million.

2.5.3 Price and Competitor Analysis of Top Potential Products

Pakistan has great potential for ‘Portland cement ...’ (HS-252329) in Uzbekistan but there has been no export in 2020 by Pakistan to Uzbekistan. On the other hand, Russia exported Portland Cement to Uzbekistan at the lowest price of US\$ 221 per ton for the said period. ‘Medicaments ...’ (HS-300490) is another product with great export potential from Pakistan. Pakistan exported only just over US\$ 3 Million to Uzbekistan as India offered the lowest unit value of US\$ 4,1536 for exporting this product to Uzbekistan in 2020. The lowest unit values for exporting ‘Wheat ...’ (HS-110100), ‘Cane or beet sugar ...’ (HS-170199), ‘Instruments ...’ (HS-901890), ‘Bananas ...’ (HS-080390), ‘Medicaments ...’ (HS-300439), ‘Lead-acid accumulators ...’ (HS-850710) and

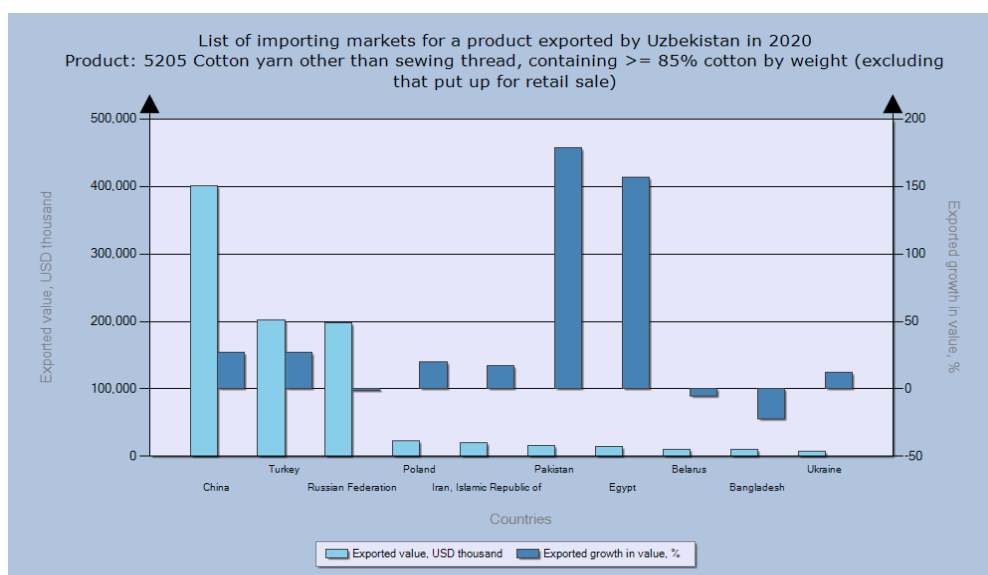
‘Milled rice ...’ (HS-100630) to Uzbekistan were offered by Pakistan in 2020. However, the aforementioned products were not the top export commodities of Pakistan to Uzbekistan in the said year (see Annexure 8).

2.5.4 Analysis of Top 10 High Potential Imports from Uzbekistan

Top products of Uzbekistan with export potential for Pakistan are products of single cotton yarn, dried shelled kidney beans and legumes, potassium chloride and artificial waxes (see Annexure 9).

Analyzing HS ‘5205’ Single Cotton Yarn’ further, Pakistan is 6th top export destination for Uzbekistan for this product. Pakistan imported approximately 2 million USD worth of single cotton yarn from Uzbekistan (see Annexure 10).

Figure 9: Importing Markets for ‘5205’ Exported by Pakistan



China, Turkey and Poland are importing with less tariffs applied and have lesser per ton value as compared to what Pakistan is being offered. Pakistan has applied 11% tariff still price is higher than Iran which has applied 17% tariffs (see Annexure 11).

Uzbekistan is top 3rd importing Partner of Pakistan for importing ‘single cotton yarn’. Pakistan can work on tariff reduction and import maximization for Uzbekistan as price is cheaper to what we are importing from China, Oman, Vietnam, Turkey, UAE etc.

After reducing 11% tariff on Uzbekistan's imports, unit value of single cotton yarn can be reduced to USD 2183, which is lowest of all the importing countries.

Further division of HS 5205 indicates a different picture. Top 3 imports of Pakistan are 'HS 520513', 'HS 520524', 'HS 520512'.

2.5.5 Analysis of HS 520513:

520513 Single cotton yarn, of uncombed fibers, containing \geq 85% cotton by weight is being imported by Uzbekistan at highest price of 2419 million USD per ton with 11% tariffs. Vietnam and Oman on the other hand are giving cheaper rates (see Annexure 12).

When unit value of Uzbekistan's export destinations is compared for this product it is quite evident that Pakistan is importing at exorbitant price and there is plenty of room to negotiate the prices (see Annexure 13).

2.5.6 Analysis of 520524:

Pakistan is 5th largest importer of the Product, 'HS 520524' Single cotton yarn, of combed fibers, containing \geq 85% cotton by weight from Uzbekistan. Yet the price at which Pakistan is buying is expensive than other countries even including China, Poland. Pakistan has applied 11% tariffs while other countries have applied less tariffs but even after reducing tariffs, Pakistan has room to negotiate the prices (see Annexure 14).

If Pakistan's imports are analyzed, Pakistan is importing 'HS 520524' at very high prices from China, Oman, Tajikistan and Vietnam. There is no difference in quality as the same product which Pakistan is importing from China at unit value of 3168 USD/ton, China imports from Uzbekistan at 2599 USD/ton. Pakistan must increase its exports from Uzbekistan, as currently Uzbekistan is the 7th importing partner which is second last on the list and prices can be negotiated further after reducing tariffs.



TAJIKISTAN

3. Tajikistan

3.1 Country Overview

3.1.1 Geography⁴:

- Location: Land locked country situated in the Heart of Asia
- Area:
 - Total Area: 144,100 km²
 - Mountains cover 93 percent of Tajikistan's surface area
 - Agricultural land is 34%
- Climate:

3.1.2 In general, Tajikistan's climate is continental, subtropical, and semiarid, with some desert areas. The climate changes drastically according to elevation

- Most precipitation occurs in the winter and spring.
- Borders:
 - Tajikistan is nestled between Kyrgyzstan and Uzbekistan to the north and west, China to the east, and Afghanistan to the south
- Natural Resources:
 - Tajikistan is a mineral rich country with more than 600 documented deposits of some 50 different minerals including; Aluminum, silver, water, gold, petroleum, uranium, zinc
- Major cities of Tajikistan are Dushanbe (capital), Khujand, Kulob

Figure 10 Map of Tajikistan



Source: Encyclopedia Britannica

⁴ Library of Congress- Federal Research Division, Country Profile of Tajikistan (2007) <https://www.loc.gov/rr/frd/cs/profiles/Tajikistan>

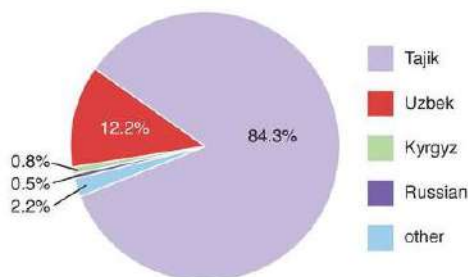
3.1.3 Transport System:

- The railroad system totals only 680 km (420 mi) of track
- The total length of roads in the country is 27,800 km. Automobiles account for more than 90% of the total volume of passenger transportation and more than 80% of domestic freight transportation
- 10 airports in major cities

3.1.4 Ethnic groups and Languages:

- Most of Tajikistan's population (more than four fifths) belongs to the Tajik ethnic group
- Tajik is the first official language. Russian is used as the official inter-ethnic language
- Some of the other languages spoken are Rushani, Shughni, Ishkashimi, Wakhi and Tajik are
- The state is constitutionally secular; Islam is practiced by 98% of the population.

Figure 11 : Ethnic Background of Tajiks



Source: Encyclopedia Britannica

3.1.5 Population Trends:

Population of Tajikistan is number 95 in the list of countries (and dependencies) by population with 0.1% of total world population share

Table 6 Tajikistan Population Dynamics, 2020

Total Population	9,781,597
Growth Rate	2.32 %

Literacy Rate	99.78%
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Source: *Encyclopedia Britannica*

3.2 Trade Agreements and Trading Blocs

3.2.1 Free Trade Agreements

Table 7: FTAs signed by Tajikistan

S. No	FTA Nomenclature	In Effect Date
1	Tajikistan-Armenia Free Trade Agreement	Signed and In Effect
2	Tajikistan-Belarus Free Trade Agreement	Signed and In Effect
3	Tajikistan-Kyrgyz Free Trade Agreement	1 st January, 2006
4	Tajikistan-Russia Free Trade Agreement	8 th April, 1993
5	Tajikistan-Ukraine Free Trade Agreement	6 th July, 2001
6	Tajikistan-Uzbekistan Free Trade Agreement	1 st January, 1996

Source: *World Bank*

3.2.2 Trading Blocs

Table 8 Membership of Major Alliances

Commonwealth of Independent States (CIS)
Organization of Islamic Cooperation (OIC)
Economic Cooperation Organization (ECO)
World Trade Organization (WTO)

Source: *PBC*

3.3 Analysis of Trade Restrictions

3.3.1 Non-Tariff Barriers' Analysis

A brief summary of non-tariff barriers applied by Tajikistan is given below;

- ❖ Letter of Credit (LC) is required by most of the import related activities through a foreign exchange bank
- ❖ A special license is required for the products which are injurious to human health like tobacco, alcohol or some drugs. This license is non-transferable and has to be renewed every year.
- ❖ Several sanitary and phytosanitary certifications are required e.g A valid veterinary certificate is required for the imports of live animals, for the imports of live plants, a

phytosanitary certificate is required, special quality certification is required for food and consumer products

- ❖ Labelling and packaging requirements include; translation of labels in Russian language including the name of country of origin, product and producer. All the packages in a shipment must be labelled with the weight, quantity, country of origin, destination, and name of the buyer.
- ❖ Customs declaration form is required for all the trading activities in Tajikistan
- ❖ A period of 15 days from the date of arrival is specified for the declaration of imported goods at the port of entry along with all the required documentation and certifications.
- ❖ Tajikistan also applies a number of testing requirements for the products being imported
- ❖ Tajikistan imposes a standard customs charges of 1.5% of the commodities custom value and 20% value added tax rate for the imported items. Average tariff rate applied by Tajikistan is around 7%.⁵
- ❖ Anti-dumping and countervailing duties are also applied where required.

Tajikistan, overall is a relatively liberal tariff regime as maximum tariffs applied are 15% and no tariffs are applied on 45 least developed countries of the world⁶ (see Annexure 15 and 16).

3.3.2 Tariff Barriers' Analysis

Tajikistan faces less tariff barriers from importing partners as most of the top trading partners are CISFTA members which do not apply any tariffs amongst each other. On the other hand, Tajikistan faces comparatively higher equivalent ad valorem tariffs (%) from Pakistan as indicated in the Annexure 17.

- ❖ Tajikistan imposes a standard customs charges of 1.5% of the commodities custom value and 20% value added tax rate for the imported items. Average tariff rate applied by Tajikistan is around 7%.⁷

⁵ 'Import Policy, Regulations and Procedures' Tajikistan Ministry of Commerce (Regulatory and Procedural Barriers to Trade in Tajikistan)

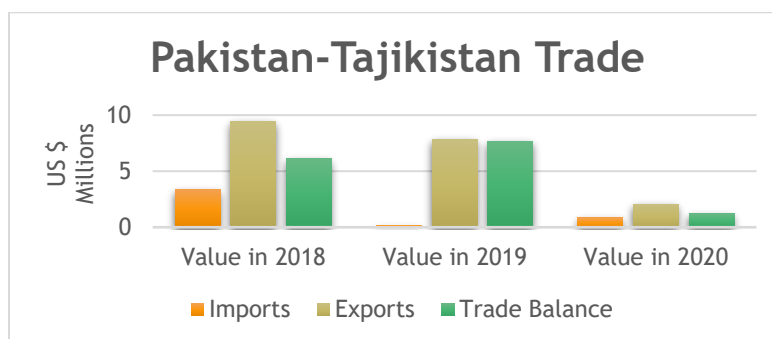
⁶ (The International Trade Administration (ITA), US Department of Commerce 'Tajikistan Import Tariffs')

⁷ 'Import Policy, Regulations and Procedures' Tajikistan Ministry of Commerce

- ❖ Anti-dumping and countervailing duties are also applied where required (see Annexure 18).

3.4 Bilateral Trade

Figure 12 Pakistan-Tajikistan Bilateral Trade: 2018-20



Source: ITC TradeMap

In 2020, Pakistan exported \$2M to Tajikistan. Exports to Tajikistan are decreasing since 2018 by 78%. Only 12 products collectively are exported, main products exported from Pakistan to Tajikistan are pharmaceutical products (0.62 M USD), dairy products (0.56 M USD), edible fruits (0.5 M USD), organic chemicals, cereals, sugar etc.

Imports of Pakistan from Tajikistan have been recorded 0.8 Million USD for the year 2020. There has been negative growth of 24% Since 2018 when total imports were 3.3 million USD. However, in 2020 imports were increased as compared to 2019 (1.4 million USD). Since 1995, Pakistan has been importing only 7 products from Tajikistan. These include cotton yarn (\$0.8 million), vegetables (\$0.2 million), electrical machinery and equipment and parts of aircraft (see Annexure 19 and 20).

3.5 Most Traded Commodities of Tajikistan

3.5.1 Exports

Tajikistan has seen exponential growth of almost 46% in the exports over the last 4 years. Top exporting products of Tajikistan are pearls, cotton, ores, minerals, oil and fuel, agricultural and textile products in over-all.

- **Gems, precious metals:** US\$596.1 million (45.4% of total exports)
- **Cotton:** \$173.9 million (13.3%)

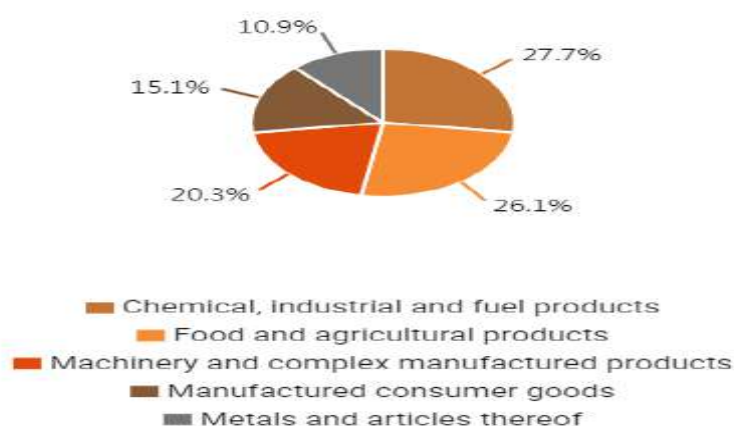
- **Ores, slag, ash:** \$158.2 million (12.1%)
- **Aluminum:** \$140.4 million (10.7%)
- **Salt, sulphur, stone, cement:** \$60.3 million (4.6%)
- **Mineral fuels including oil:** \$55.7 million (4.2%)
- **Other base metals:** \$32.4 million (2.5%)
- **Clothing, accessories (not knit or crochet):** \$17.3 million (1.3%)
- **Iron, steel:** \$11 million (0.8%)
- **Fruits, nuts:** \$10.9 million (0.8%)

3.5.2 Imports

Tajikistan has stable importing trend which remains around US\$ 3 billion in the past 5 years. Major importing commodities are mineral fuels, cereals, machinery, iron and steel, wood, sugar amongst others. It is evident that demand for importing products has remained static for some time.

Major Import Commodities (2020)

% share

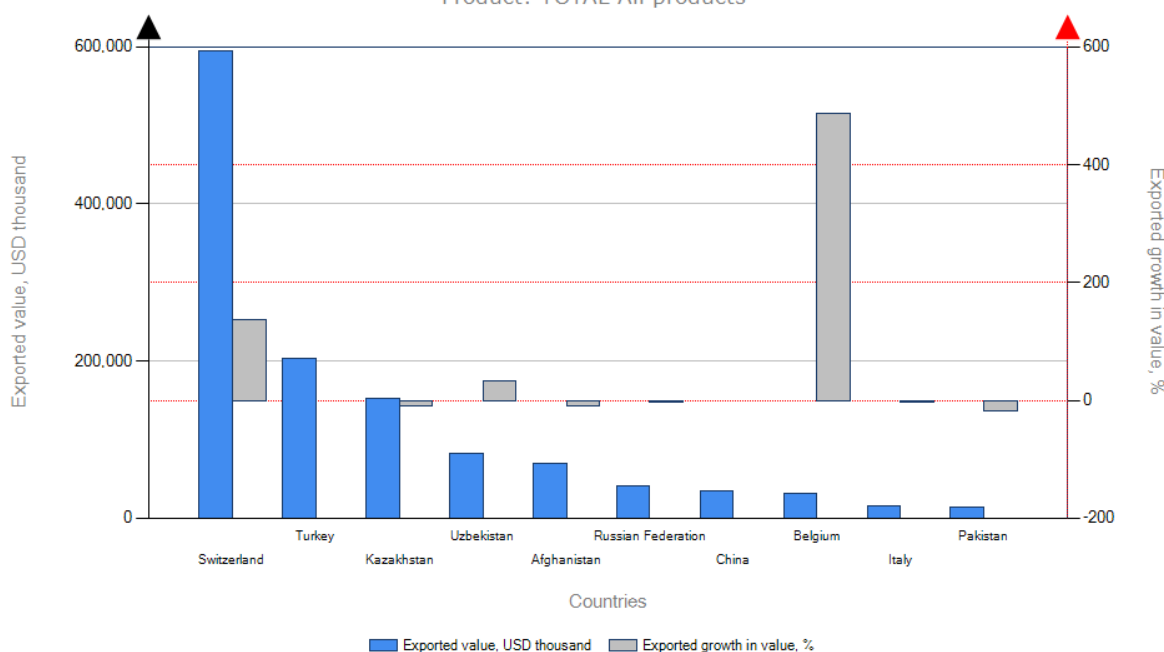


3.5.3 Overview of Top Trading Partners of Tajikistan

Table 9 Top 10 Importing Partners of Tajikistan and Ranking of Pakistan

Ranking	Partner	Value imported in 2020 (USD thousand)	Share in Tajikistan's imports (%)	Share of Tajikistan in the partner's exports (%)	Growth in imported value between 2016-2020 (% p.a.)	Share of partner countries in world exports (%)	Average distance between partner countries and all their importing markets (km)	Ease of doing business ranking
	World	3,139,016	100		3	100		
1	Russian Federation	932,593	29.7	0.2	0	2	3552	28
2	Kazakhstan	757,571	24.1	1.5	14	0.3	3710	25
3	China	438,392	14	0	-11	15.1	6563	31
4	Uzbekistan	238,447	7.6	2.2	62	0.08	2269	69
5	Turkey	119,617	3.8	0.1	4	1	3065	33
6	Germany	91,080	2.9	0	6	8	3100	22
7	Korea	53,463	1.7	0	42	3	5083	5
8	Belarus	52,348	1.7	0.2	19	0.1	1840	49
9	Iran	48,359	1.5	0.4	-11	0.07	4553	127
10	Japan	47,020	1.5	0	45	3.7	5726	29
19	Pakistan	11,552	0.4	0	-9	0.1	6359	108

List of importing markets for a product exported by Tajikistan in 2020
Product: TOTAL All products



3.6 Feasibility Study

3.6.1 Analysis of Top 10 High Potential Exports to Uzbekistan and Tajikistan

Currently Pakistan is exporting only 24 products in total worth of USD \$ 2.05 Million. Annexure 21 shows potential of Pakistani products in Tajikistan based on their imported value for the year 2020.

3.6.2 Price and Competitor Analysis of Top Potential Products

HS Code	Product	Competitor	Ranking	Value Imported in 2020 USD	Quantity	Unit Value	Growth in Imported Value (2016-20)	Growth in Imported Quantity	Average Tariff
63090	Worn clothing and clothing accessory	Russia	1	10,906	19,603	556/ton	98	142	0
		Kazakhstan	2	1,298	N/A	N/A	N/A		0
		Finland	3	474	63	7524/ton	132	27	15
		Pakistan	5	124	103	1204/ton	5	19	15

Source: UN Comtrade

Pakistan is exporting total 1.9 Billion USD 'HS 63090' worn clothing to the world. Tajikistan is a great market for this product. Pakistan is already 5th trading partner. Potential can be materialized by negotiating 15% tariffs for this product applied by Tajikistan to capture more of market share beating Finland and Poland with competitive price.

HS Code	Product	Competitor	Ranking	Value Imported in 2020 USD	Quantity	Unit Value	Growth in Imported Value (2016-20)	Growth in Imported Quantity	Average Tariff
100630	Semi-milled or wholly milled rice	Kazakhstan	1	9,769	34,741	281/ton	15	20	0
		Russia	2	1,360	4,578	297/ton	84	127	0
		Thailand	3	113	304	372/ton	199	306	5
		Pakistan	World	1532879	2,820,497	543/ton	3	-1	5

Source: UN Comtrade

Tajikistan is importing 'semi-milled or wholly milled rice' 'HS 100630' worth 11 Million USD. This product is top exporting commodity of Pakistan and has enough supplying capacity. Unit

value is less as compared to India which is exporting at 598/tons. If cheaper prices are offered and tariffs are removed price of Pakistan will become even competitive to supply in Tajikistan.

3.6.3 Analysis of High Potential Imports from Uzbekistan and Tajikistan

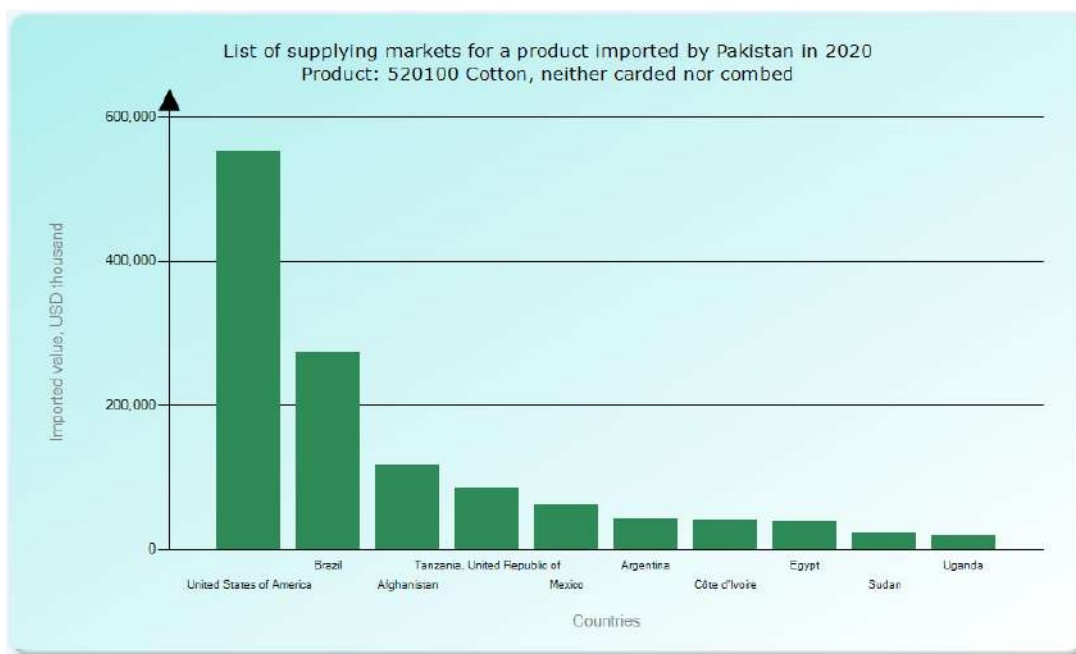
Out of top 50 importing products of Pakistan, there are only two products which Tajikistan is exporting to the world and has value over a million.

Code	Product label	Average Import Value of Pakistan (2016-20) Thousand USD	Average Export Value of Tajikistan (2016-20) Thousand USD
520100	Cotton, neither carded nor combed	884203.2	136571
870323	Motor cars and other motor vehicles principally designed for the transport of persons	272056.4	3191.8

➤ 520100:

Pakistan is importing 1.3 billion USD cotton, 'HS 520100' from around the world. USA, Brazil and Afghanistan are amongst the top exporters.

Figure 13 Top Importing Partners of Pakistan for HS 520100



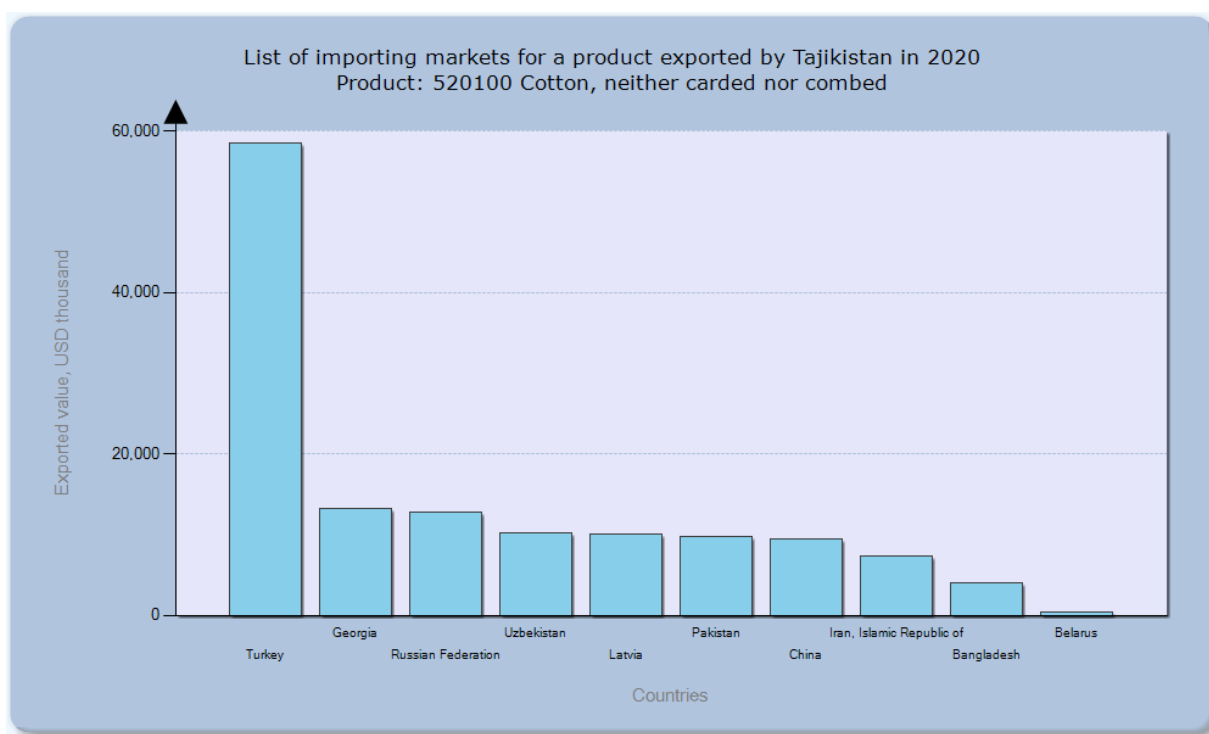
Source- ITC Trade Map

Pakistan is importing more than 55 million USD worth of cotton from USA at the cost of 1.6 million dollars per ton.

Exporter	Value Imported in 2020 (USD Thousand)	Unit Value/Ton	Average Distance (km)	Average Tariff (%)
USA	551,896	1630	11503	3
Brazil	272,286	1546	15392	3
Afghanistan	117,135	1787	666	3
Tajikistan	9,756	1375	10368	3

Tajikistan is exporting the product at 1.3 million per ton to Pakistan. If compared with other export destinations of Tajikistan, Pakistan is getting a competitive price even after 3% tariffs applied. However, price difference of Pakistan's imports from almost every other destination is higher than what Tajikistan is offering.

Figure 14 Top Export Destinations of Tajikistan for HS 520100



Source- ITC Trade Map

4. Transit Opportunities

The geographical distance between Pakistan and Uzbekistan is roughly 1,295 KM. However, the distance between Karachi and Tashkent is roughly 2,950 KM while the distance between Lahore and Tashkent is roughly 1,917 KM.

Pakistan ranks 111th rank globally on the Ease of Doing Business Indicator’s component indicator of Trading Across Borders in 2019 with a score of 67.5 out of 100 and secured.

Pakistan ranked 122nd globally on the Logistics Performance Index (LPI) in 2018 with a score of 2.42 out of 5.

Now the shipping options from Pakistan to Uzbekistan can be several based on various factors. They are discussed in detail below;

4.1 Lowest Cost Shipping Alternative

Freight rate index: 6 615 transit time estimate: 5.2 days CO2 emission index: 3 640



Even cheaper alternate is to transport the consignment from Lahore to Tashkent. It gives freight rate index of 4,406 and estimated transit time of 3.7 days

4.2 Shipping alternative with cost advantage

Freight rate index: 9 214 transit time estimate: 38.3 days CO2 emission index: 3 422

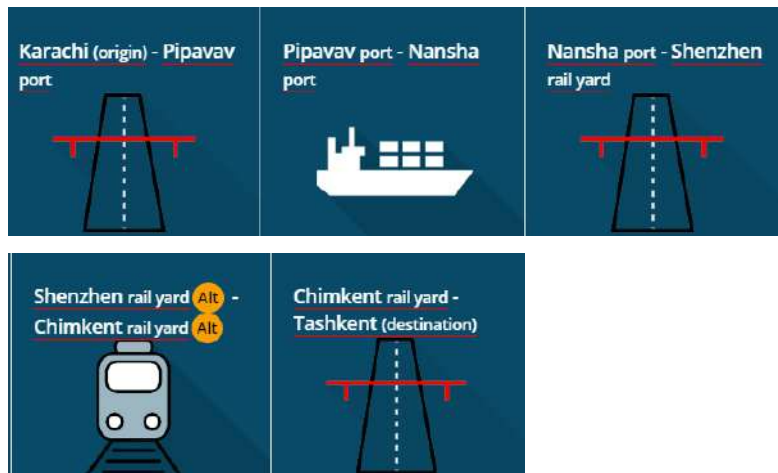




There can be an alternate route from Lahore to Tashkent. It will have freight rate index of 11334 but shipping time will be reduced to 5.1 days. The shipment moves from Lahore to Kabul International Airport to Dushanbe airport finally reaching Tashkent in Uzbekistan.

4.3 Shipping alternative with transit time advantage

Freight rate index: 11 005 transit time estimate: 34.3 days CO2 emission index: 4 009



4.4 Environmentally friendly shipping alternative

Freight rate index: 9 869 transit time estimate: 36.3 days CO2 emission index: 3 165





5. Conclusion

In conclusion, for a country like Pakistan trade agreements especially with less distant countries can prove to be beneficial. Major reason is that Pakistan's exports are concentrated to few major exporters like China, US, Germany, UK, UAE. With time, non-tariff barriers and trade requirements of developed economies are increasing and modernization rate of Pakistan's export is stagnant if not decreasing. There is lack of innovation in products and lack of progress in matching international standards. Now reasons for backwardness of Pakistan's exports can be many like volatile currency exchange rates, governance issues, lack of subsidies, lack of tariff rationalization, weak negotiations, lack of productive research etc. But reality cannot be denied.

In such circumstances, opening of trade to countries like Tajikistan, Uzbekistan will open doors to Central Asian markets as well. And Pakistani products can have edge in market competitiveness. Pakistan has estimated export potential of USD 85 million with Tajikistan and USD 373 million with Uzbekistan. In the past, while benefits could be reaped more and there is apparent trade deficit yet Pakistan has benefitted with trade agreements like SAFTA and bilateral agreements with China, Malaysia and Iran in terms of value and number of exporters⁸. In Uzbekistan and Tajikistan, Pakistan can have edge of distance⁹. Pakistan can tap potential of trade with CARs countries by establishing trade linkage with Uzbekistan and Tajikistan.

5.1 Major Impediments for PTA

In order to sign trade agreement with any country, major parameters of ease of doing business must be fulfilled. With Uzbekistan and especially Tajikistan Pakistan has to face;

⁸ Alam, Shaista (2015) The effect of preferential trade agreements on Pakistan's export performance, CREDIT Research Paper, No. 15/10, The University of Nottingham, Centre for Research in Economic Development and International Trade (CREDIT)

⁹ Reis, Jose Guilherme & Taglioni, Daria, (2013), Determinants of export growth at the extensive and intensive margins: evidence from product and firm-level data for Pakistan, Policy Research Working Paper Series 6341, The World Bank.

Currency Exchange: US dollars are very limited in Uzbekistan and Tajikistan and they trade in their local currency. In Uzbekistan, Pakistani exporters receive payments in Som which has three different exchange rates. Moreover, informal currency exchange is almost double the actual exchange rates. Because of strict government regulations, Pakistani exporters are not allowed to carry US dollars along.

Banking Issues: There are no international banks in Uzbekistan and Tajikistan. Only SBP was working in Tajikistan which is also wrapping up the services by the end of 2021.

Transit/ Supply Lines: There is currently no transit agreement signed by either of the governments. APTTTA is yet to be formalized which will open corridor for Pakistan in Uzbekistan, Tajikistan and other CIS countries.

Language Barrier: Pakistani exporters face language barrier as even English is not spoken in Uzbekistan and Tajikistan commonly. Services of professional translators are required for most communication.

Documentation Process: For example, the government of Tajikistan requires bioequivalence or biosimilar compliance from exporters of pharmaceutical products which costs approximately US\$ 250,000 to US\$ 500,000. Exporters are unable to afford such exorbitant prices

Bureaucratic Hurdles: Government of Tajikistan and Uzbekistan are known for delaying the process and red tapism. Pakistani exporters face huge difficulties for even simple documentations or registrations.

5.2 Identification of Future prospects under PTA

Most lucrative products to be traded with Uzbekistan under any future agreement can be;

- Medicaments (’ (HS- 300490, 300390, 300410, 300439, combined exports are 7.3 Million while export potential is
- Uzbekistan is a huge market for parts and accessories of tractors HS 870899 they are importing 54 million worth of these while Pakistan is barely exporting 10% of their total imports.
- Portland Cement is another lucrative product. Market of Uzbekistan is huge while Pakistan is not currently exporting. There is great demand of cement in Uzbekistan and

Turkmenistan of Pakistani cement owing to its high quality. However, precarious situation of Afghanistan is the major hurdle in the export of products from Pakistan to CARs. owing to absence of Tri party Transit Trade Agreement, there has always been a question mark on the provision of smooth transit by Afghanistan¹⁰.

- Pakistan is already exporting Bananas, Milled Rice and Lead Acid Accumulators in very meagre value; less than a million dollar while their export potential is above 10 million dollars
- Fruits and Vegetables are also in high demand. Although Uzbekistan is primarily agrarian country, still because of weather conditions and climate they need to import agro based products and Pakistan can provide at competitive prices.
- Similarly, in order to reduce import bill Pakistan can negotiate concessions and get cotton yarn from Uzbekistan which is providing at economical prices and good quality.

Commodities which can be traded with Tajikistan with great business potential are;

- Pharmaceutical products are in high demand in Tajikistan as well. Preventive medicines, medicines for diabetes, high blood pressure and anti-allergies are required. Other than these, medicinal herbs, balms or prophylactic medicines are demand. Their combined export potential is also over 45 million dollars. Exporters of Pakistan need an expensive registration dossier. But plus side is that registration for Tajikistan will open doors of trade with other CIS countries as well once the union is finalized.
- Milled rice is another lucrative commodity. Export potential for HS-100630 is over 10 million US dollars while Pakistan is currently exporting barely 2% of it.
- Buttermilk is already being exported to Tajikistan but there is potential for the growth

Exports on services side especially of have huge potential in both Uzbekistan and Tajikistan as well. Uzbekistan is market of 3.5 billion US dollars while Tajikistan is market of 0.5 billion US dollars.

‘Telecommunications, Computer and Information’, ‘Financial Services’, ‘Construction’ and ‘Travel and Tourism’ are lucrative markets which Pakistan can tap into. Pakistan has exported over 5 billion of consolidated services to the world. Pakistan has the potential to extend the

¹⁰ Review from Mr. Said Mehmood, Honorary Council General, Tajikistan over telephonic conversation

services sector to Uzbekistan and Tajikistan as well, as these governments especially of Uzbekistan are keen on developing country with introducing better facilities.

6. Recommended Plan of Action

- Transit agreement with Uzbekistan and Tajikistan must be finalized sooner than later. Signing of APTTTA is need of the hour.
- Pakistan Single Window Operation must be established to assist exporters for documentations and expediting bureaucratic processes.
- Under the governance of State Bank of Pakistan, banking channels must be established to sort exchange and transaction issues.
- Loans and subsidies for the exporters especially SMEs must be provided to encourage the trade in new market. Duties and Tax remission is another scheme which will reassure the exporters
- Exporters must be guided to look towards Uzbekistan and Tajikistan for the trade. Potential of market must be explained and benefits of entering in to the CARs market must be elucidated.
- Government agencies can help exporters by providing testing facilities at customs department to fulfill requirements related to Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) measures at subsidized rates.
- Marketing Activities especially exhibitions in Tajikistan will provide an edge to Pakistani exporters as none of the competitors are doing exhibitions in Tajikistan currently. Similarly, in Uzbekistan exhibitions will give a boost to introduce Pakistani products.
- Special focus for exhibitions must be on edible agro products, textile, chemical and allied products.
- Cultural and educational exchange programs will develop a soft target in growing young population of Uzbekistan and Tajikistan, resultantly other Central Asian Countries.
- Tourism can provide boost to the trade amongst the partner countries. Pakistan as well as Uzbekistan and Tajikistan have great heritage and scenic beauty to attract travelers. Direct flights will increase the prospects of trade as well.

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- Wits- World Bank
- Trading Economics
- TDAP Report and Discussions with relevant officers

- OEC- The Observatory of Economic Complexity
- The Atlas of Economic Complexity
- FAO- Food and Agriculture Organization of the United Nations
- Encyclopedia Britannica

9. Annexures

Annexure 1: Non-Tariff Measures applied by the Selected Top Export Partners of Uzbekistan on Uzbekistan's Top 10 Export Products at HS-06 Level (2019)

HS Code	Product label	Number of Non-Tariff Requirements applied by		
		Russian Federation	China	Kazakhstan
710813	Gold, incl. gold plated with platinum, in semi-manufactured forms, for non-monetary purposes	2	7	2
271121	Natural gas in gaseous state	-	13	4
740311	Copper, refined, in the form of cathodes and sections	0	12	1
390120	Polyethylene with a specific gravity of $\geq 0,94$,	15	44	39
520100	Cotton, neither carded nor combed	2	54	10
520514	Single cotton yarn, of uncombed fibres	0	0	1
710691	Silver, incl. silver plated with gold or platinum	2	4	2
790112	Unwrought zinc, not alloyed	0	N/A	36
520512	Single cotton yarn, of uncombed fibres	0	0	1

Source: PBC

Annexure 2: Equivalent Ad Valorem Tariffs (%) applied by Top export partners of Uzbekistan on top 10 Export products (2019)

HS Code	Product label	Tariff (%) applied by China	Tariff (%) applied by Turkey	Tariff (%) applied by Afghanistan	Tariff (%) applied by Iran
710813	Gold, incl. gold plated with platinum	0	0	-	-
271121	Natural gas in gaseous state	0	-	-	10
999999	Commodities not elsewhere specified	-	-	-	-
740311	Copper, refined, in the form of cathodes	2	0	-	5
390120	Polyethylene with a specific gravity of $\geq 0,94$	7	2	1	8
520100	Cotton, neither carded nor combed	20	0	3	5
520514	Single cotton yarn	5	3	-	15
710691	Silver, incl. silver plated with gold or platinum	0	0	-	-
790112	Unwrought zinc	3	3	5	5
520512	Single cotton yarn	5	3	3	20

Source- PBC

Annexure 3: Equivalent Ad Valorem Tariffs (%) Applied by Uzbekistan on its Top 25 Import Products at HS-06 Level to its Selected Top Import Partners (2019)

HS Code	Product label	China	South Korea	Turkey	Germany	USA	Lithuania	Japan
300490	Medicaments	5	5	5	5	5	5	5
271019	Medium oils	30	30	30	30	30	30	30
940600	Prefabricated buildings	30	30	30	30	30	30	30
880240	Aeroplanes and other	10	10	10	10	10	10	10
100199	Wheat and meslin	5	5	5	5	5	5	5
870323	Motor cars	35	35	35	35	35	35	35
870899	Parts and accessories, for tractors	10	10	10	10	10	10	10
440710	Coniferous wood sawn	0	0	0	0	0	0	0
847420	Crushing or grinding machines	0	0	0	0	0	0	0
260300	Copper ores	5	5	5	5	5	-	5

Source- PBC

Annexure 4: Share of Pakistan's Exports to Uzbekistan's Imports value

Codes	Products	Pakistan's Export to Uzbekistan	Uzbekistan's Imports from World
		USD (1000)	
TOTAL	All products	25,206	1,995,5151
300490	Medicaments	4,749	713,992
080520	Fresh or dried mandarins incl. tangerines	3,215	5,169
080450	Fresh or dried guavas, mangoes and mangosteens	2,906	30
080390	Fresh or dried bananas (excluding plantains)	2,389	25,878
300390	Medicaments	1,909	2,049
100630	Semi-milled or wholly milled rice	1,141	3,026
360500	Matches (excluding pyrotechnic articles of heading	923	1,601
380290	Activated kieselguhr and other activated natural mineral products	569	1,351
300410	Medicaments containing penicillins or derivatives	541	11,843
071080	Vegetables, uncooked or cooked by steaming	294	20
821220	Safety razor blades of base metal, incl. razor blade	271	1,425
481159	Paper and paperboard, surface-coloured	267	3,247
630210	Bedlinen, knitted or crocheted	261	14
293690	Provitamins and mixtures of vitamins	235	198
100620	Husked or brown rice	234	160
080410	Fresh or dried dates	185	1,435
070320	Garlic, fresh or chilled	171	2,598
300439	Medicaments containing hormones or steroids	165	17,046
721012	Flat-rolled products of iron or non-alloy steel	159	8,023
950662	Inflatable balls	145	770

Source- ITC Trade Map

Annexure 5: Top Imports of Pakistan from Uzbekistan

Product	Labels	Imports of Pakistan from Uzbekistan					Exports of Uzbekistan to World	
		Value in 2020, USD thousand	Share in Pakistan's imports, %	Equivalent ad valorem tariff applied by Pakistan	Quantity imported in 2020	Unit value (USD/unit)	Value in 2020, USD thousand	Annual growth in value between 2016-2020, % p.a.
TOTAL	All products	9,095	0		0		13127295	11
790111	Unwrought zinc	4,995	19	3	2194	2277	0	
520513	Single cotton yarn, of uncombed fibres	1,698	50	11	702	2419	188303	18
250300	Sulphur of all kinds	1,167	15	3	13180	89	1511	-3
071333	Dried, shelled kidney beans	828	1	3	867	955	10478	-9
520524	Single cotton yarn, of combed fibres	133	2	11	45	2956	46865	2
520512	Single cotton yarn, of uncombed fibres	107	6	11	44	2432	193578	10
410510	Skins of sheep or lambs, in the wet state	69	1	3	13	5308	439	-54
340490	Artificial waxes and prepared waxes	43	1	6	16	2688	6703	-1
310420	Potassium chloride for use as fertilizer	19	0	3	50	380	37713	4
071390	Dried, shelled leguminous vegetables	7	0	3	11	636	15	-90

Source- ITC Trade Map

Annexure 6: Top 10 Importing Partners of Uzbekistan

Ranking	Partner	Value imported in 2020 (USD thousand)	Share in Uzbekistan's imports (%)	Share of Uzbekistan in the partner's exports (%)	Growth in imported value between 2016-2020 (% p.a.)	Share of partner countries in world exports (%)	Average distance between partner countries and all their importing markets (km)	Ease of doing business ranking
	World	19,955,151	100		19	100		
1	China	4,425,626	22.2	0.2	20	15.1	6563	31
2	Russian Federation	4,079,758	20.4	1.4	17	2	3552	28
3	Kazakhstan	2,091,366	10.5	4.5	28	0.3	3710	25

4	Korea, Republic of	1,934,612	9.7	0.3	20	3	5083	5
5	Turkey	1,072,526	5.4	0.7	21	1	3065	33
6	Germany	691,915	3.5	0.1	8	8	3100	22
7	Lithuania	471,193	2.4	0.5	26	0.2	1747	11
8	Czech Republic	456,151	2.3	0	84	1.1	1295	41
9	India	420,144	2.1	0.1	15	1.6	6693	63
10	Turkmenistan	395,080	2	5.1	56	0.05	4459	
46	Pakistan	24,032	0.1	0.1	-11	0.1	6359	108

Source- ITC Trade Map

Annexure 7: Top 20 common Imports of Uzbekistan and Export of Pakistan

Code	Product label	Average Import of Uzbekistan	Average Export of Pakistan
300490	Medicaments consisting of mixed or unmixed products	\$607,737.00	\$83,229.25
870899	Parts and accessories, for tractors, motor vehicles	\$544,474.75	\$6,353.25
271019	Medium oils and preparations, of petroleum or bituminous	\$458,786.25	\$143,475.00
100199	Wheat and meslin (excluding seed for sowing, and durum wheat)	\$337,332.50	\$22,200.50
270900	Petroleum oils and oils obtained from bituminous minerals, crude	\$172,146.25	\$186,572.50
721070	Flat products of iron or non-alloy steel	\$170,923.75	\$1,381.25
721049	Flat-rolled products of iron or non-alloy steel	\$157,165.75	\$31,538.25
847420	Crushing or grinding machines for solid mineral substances	\$156,303.75	\$436.75
842952	Self-propelled mechanical shovels, excavators and shovel loaders	\$154,926.25	\$1.75
880240	Airplanes and other powered aircraft of an of an unladen weight > 15000 kg (excluding helicopters)	\$146,445.75	\$436.75
841780	Industrial or laboratory furnaces and ovens, non-electric	\$143,740.25	\$38.00
170113	Raw cane sugar, in solid form	\$142,641.25	\$1,918.50
841480	Air pumps, air or other gas compressors	\$142,625.50	\$467.50
170199	Cane or beet sugar and chemically pure sucrose, in solid form	\$140,273.25	\$236,999.50
847480	Machinery for agglomerating, shaping or moulding solid mineral	\$135,601.25	\$269.25
870410	Dumpers for off-highway use	\$125,364.75	\$105.50
252329	Portland cement	\$119,385.75	\$181,705.75
844520	Textile spinning machines	\$107,135.25	\$616.50

Source: ITC TradeMap

Annexure 8: Unit Value Comparison of Top Importing Commodities of Uzbekistan

HS Code	Product	Competitor	Ranking	Value Imported in 2020 USD	Quantity	Unit Value	Growth in Imported Value 2016-20)	Growth in Imported Quantity	Average Tariff
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300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	India	1	166,144	4000	41536	11	20	5
		Ukraine	2	63,836	3231	19757	14	11	0
		Russia	3	60,920	3035	20072	15	23	0
		Pakistan	20	6,929	134	51709	8	8	5
271019	Medium oils and preparations, of petroleum or bituminous minerals	Russia	1	305,722	755,529	405	3	16	0
		Turkmenistan	2	75,727	159,532	475	300	288	0
		Kazakhstan	3	34,582	100,417	344	165	160	0
		Pakistan	World	69,782	186,025	375	-3	-1	10
270900	Petroleum oils and oils obtained from bituminous minerals	Kazakhstan	1	98,047	209,916	467	-4	-5	0
		Turkmenistan	2	84,911	269,902	315	21	43	0
		Kyrgyzstan	3	9,175	38,665	237	65	66	0
		Pakistan	World	119,122	376,507	316	18	16	10
170199	Cane or beet sugar and chemically pure sucrose	Russia	1	114,959	283,148	406	66	78	0
		Belarus	2	18,109	41,553	436	263	262	0
		Kazakhstan	3	7,620	15,556	490	-29	-30	0
		Pakistan	10	391	752	520	21	11	30
252329	Portland Cement	Kazakhstan	1	69,489	1,275,345	54	70	55	0
		Tajikistan	2	38,715	729,321	53	67	57	0
		Kyrgyzstan	3	21,183	729,321	54	65	52	0
		Pakistan	World	257,273		34	-1	11	30

Source: UN Comtrade

Annexure 9: Potential Export Products of Uzbekistan for Pakistan

HS Code	Product Label	Pakistan's imports from Uzbekistan	Uzbekistan's exports to world	Pakistan's imports from world
		Average Import Value (2018-20) USD	Average Export Value (2018-20) USD	Average Value (2018-20) USD
520513	Single cotton yarn, of uncombed fibres	596	156,213	13,197
071333	Dried, shelled kidney beans	413	12,210	70,777
520524	Single cotton yarn, of combed fibres	173	65,124	25,327
520512	Single cotton yarn, of uncombed fibres	36	180,447	9,814
410510	Skins of sheep or lambs, in the wet state	23	1,329	8,251
340490	Artificial waxes and prepared waxes	21	7,143	10,808
310420	Potassium chloride for use as fertiliser	6	36,463	11,748

071390	Dried, shelled leguminous vegetables	2	24	61,260
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Source: ITC TradeMap

Annexure 10: Market Comparison of Uzbekistan's Exporting Partners

List of importing markets for the product exported by Uzbekistan in 2020										
Product: 5205 Cotton yarn other than sewing thread, containing >= 85% cotton by weight										
Importers	Value exported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Quantity exported in 2020	Unit value (USD/ton)	Growth in exported value between 2016-2020 (% , p.a.)	Growth in exported quantity between 2016-2020 (% , p.a.)	Growth in exported value between 2019-2020 (% , p.a.)	Ranking of partner countries in world imports	Average distance between partner countries and all their supplying markets (km)	Average tariff (estimated) faced by Uzbekistan (%)
World	933,999	933275	460231	2029	15	23	2			
China	400,662	400157	212409	1886	27	36	0	1	3232	5
Turkey	202,333	202238	95535	2118	27	36	4	3	3163	3.2
Russian Federation	197,828	197828	97142	2036	-1	5	4	7	2380	0
Poland	23,609	23609	10823	2181	20	28	66	24	4351	3.2
Iran, Islamic Republic of	20,283	20215	8270	2453	17	22	-52	33	2068	17.6
Pakistan	16,509	16509	7273	2270	179	217	65	22	3968	11
Egypt	14,969	14969	5829	2568	157	168	25	10	3939	5
Belarus	10,449	10449	3465	3016	-5	0	-23	45	2596	0
Bangladesh	10,304	10304	4407	2338	-22	-18	-13	2	1570	
Ukraine	7,189	7189	2612	2752	12	12	-13	50	2727	0

Source- ITC Trade Map

Annexure 11: Comparison of Pakistan's Import Partners for HS 5205

List of supplying markets for the product imported by Pakistan in 2020								
Product: 5205 Cotton yarn other than sewing thread, containing >= 85% cotton by weight								
Exporters	Value imported in 2020 (USD thousand)	Quantity imported in 2020	Unit value (USD/ton)	Growth in imported value between 2016-2020 (% , p.a.)	Growth in imported quantity between 2016-2020 (% , p.a.)	Growth in imported value between 2019-2020 (% , p.a.)	Average distance between partner countries and all their importing markets (km)	Average tariff (estimated) applied by Pakistan (%)
World	63,753	16790	3797	-13	-11	-37		
China	53,342	13132	4062	62	71	20	3517	5
Oman	4,143	1449	2859	426	214	463	2460	11
Uzbekistan	1,938	790	2453			778	3453	11
Viet Nam	1,362	530	2570	158	170	1145	2410	11
Turkey	1,102	418	2636	2	17	32	2386	11

Egypt	692	127	5449	-41	-37	-16	2960	11
Tajikistan	385	124	3105			241	2843	11
United Arab Emirates	382	80	4775	58	59	86	4220	11
Thailand	162	44	3682	50	70	1592	3458	11
Turkmenistan	118	58	2034			-28	2378	11

Source: ITC TradeMap

Annexure 12: List of supplying markets for 'HS 520513' imported by Pakistan in 2020

Exporters	Value imported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in Pakistan's imports (%)	Share of Pakistan in the partner's exports (%)	Quantity imported in 2020	Unit value (USD /ton)	Growth in imported value between 2016-2020 (% p.a.)	Share of partner countries in world exports (%)	Average distance between partner countries and all their importing markets (km)	Average tariff (estimated) applied by Pakistan (%)
World	3,430	1955	100		1428	2402	-30	100		
Uzbekistan	1,698	-1,698	49.5	3.6	702	2,419		22	2,979	11
Viet Nam	832	-832	24.3	4.8	348	2,391		15.8	2,628	11
Turkey	606	-606	17.7	41.1	250	2,424	111	7.6	3,340	11
Oman	294	-294	8.6	100	129	2,279	118	0.03	1,365	11

Source: ITC TradeMap

Annexure 13: Top 10 importers of HS 520513 from Uzbekistan

List of importing markets for the product exported by Uzbekistan in 2020											
Product: 520513 Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight and with a linear											
Importers	Select your indicators										
	Value exported in 2020 (USD thousand)	Share in Uzbekistan's exports (%)	Share of Uzbekistan in the partner's imports (%)	Quantity exported in 2020	Unit value (USD /Ton)	Growth in exported value between 2016-2020 (% p.a.)	Growth in exported value between 2019-2020 (% p.a.)	Ranking of partner countries in world imports	Average distance between partner countries and all their supplying markets (km)	Average tariff (estimated) faced by Uzbekistan (%)	Number of non-tariff requirements faced by Uzbekistan
World	188,303	100		94,621	1,990	18	17				
Turkey	109,226	58	91.6	55,027	1,985	31	23	3	3,068	3.2	
Russian Federation	46,310	24.6	91.9	22,961	2,017	0	1	5	2,367	0	0
China	13,224	7	5.2	7,136	1,853	26	19	1	3,120	5	0
Pakistan	6,860	3.6	49.5	3,239	2,118		42	23	2,393	11	1
Poland	5,088	2.7	88	2,600	1,957	47	71	15	3,649	3.2	3
Peru	1,316	0.7	2.2	752	1,750			6	16,455	6	4
Belarus	1,163	0.6	83.2	533	2,182	-19	-20	33	3,093	0	
Kyrgyzstan	1,163	0.6	96.1	495	2,349	10	16	37	498	0	0

Iran, Islamic Republic of	1,117	0.6	96.5	575	1943	151	-28	36	1701	15	
Ukraine	918	0.5	34.8	448	2049	23	141	25	1681	0	

Source: ITC TradeMap

Annexure 14: Top 10 Importers of Product 520524 from Uzbekistan

List of importing markets for the product exported by Uzbekistan in 2020											
Product: 520524 Single cotton yarn, of combed fibres, containing >= 85% cotton by weight and with a linear ...											
Importers	Value exported in 2020 (USD thousand)	Share in Uzbekistan's exports (%)	Share of Uzbekistan in the partner's imports (%)	Quantity exported in 2020	Unit value (USD /Ton)	Growth in exported value between 2016-2020 (% p.a.)	Growth in exported quantity between 2016-2020 (% p.a.)	Ranking of partner countries in world imports	Average distance between partner countries and all their supplying markets (km)	Average tariff (estimated) faced by Uzbekistan (%)	Number of non-tariff requirements faced by Uzbekistan
World	46,865	100		16115	2908	2	5				
Russian Federation	12,463	26.6	75.7	4475	2785	10	17	11	2432	0	0
Turkey	10,800	23	39	3953	2732	41	49	5	3517	3.2	
Bangladesh	4,163	8.9	1.5	1509	2759	-22	-20	2	1408	10	
Egypt	4,009	8.6	1.3	1441	2782	221	239	20	4242	5	
Pakistan	3,523	7.5	1.6	1206	2921	55	50	19	3829	11	1
China	3,137	6.7	0.9	1207	2599	-37	-35	1	3253	5	0
Singapore	1,968	4.2		110	17891					0	
Iran, Islamic Republic of	1,813	3.9	44.8	621	2919	1	5	30	2237	15	
Poland	1,417	3	33	523	2709	31	38	28	5183	3.2	3
Bosnia and Herzegovina	1,020	2.2	54.7	260	3923			38	4715	5	

Source: ITC TradeMap

Annexure 15: Non-Tariff Measures Applied by the Top 10 Export Partners of Tajikistan on Tajikistan's Top 25 Export Products at HS-06 Level (2020)

HS Code	Product label	Switzerland	Turkey	Kazakhstan	Uzbekistan	Afghanistan	Russian Federation	China	Belgium	Italy	Pakistan
710820	Monetary gold	-	-	-	-	-	-	-	-	-	-
760110	Aluminium,	0	N/A	12	-	-	0	8	6	6	0
520100	Cotton, neither	N/A	N/A	10	-	N/A	2	54	14	14	56

	carded nor combed											
260700	Lead ores and concentrates	-	N/A	8	-	N/A	8	22	N/A	N/A	0	
252329	Portland cement	0	N/A	17	-	N/A	9	10	6	6	3	
260800	Zinc ores	0	N/A	4	-	-	4	8	N/A	N/A	0	
271600	Electrical energy	0	N/A	1	-	N/A	2	N/A	N/A	N/A	0	
811090	Articles of antimony	1	N/A	18	-	-	6	0	-	5	-	
261710	Antimony ores and concentrates	0	N/A	-	-	-	4	0	6	6	0	
520524	Single cotton yarn, of combed fibres	N/A	N/A	-	-	-	0	0	3	3	1	

Source: ITC Trade Map

Annexure 16: Non-Tariff Measures Applied by Tajikistan on its Top 25 Import Products at HS-06 Level to its Top 10 Import Partners and Pakistan (2020)

HS Code	Product label	Russian Federation	Kazakhstan	China	Uzbekistan	Turkey	Germany	South-Korea	Belarus	Iran	Japan	Pakistan
100199	Wheat and meslin)	21	21	21	-	21	21	-	-	-	21	21
271019	Medium oils	50	50	50	-	50	50	-	-	-	50	50
271112	Propane, liquefied	6	6	6	-	6	6	-	-	-	6	6
721420	Bars and rods, of iron or non-alloy steel	1	1	1	-	1	1	-	-	-	1	1
271012	Light oils and preparations	24	24	24	-	24	24	-	-	-	24	24
281820	Aluminium oxide	N/A	N/A	N/A	-	N/A	N/A	-	-	-	N/A	N/A
870323	Motor cars and other motor vehicles principally	24	24	24	-	24	24	-	-	-	24	24
440710	Coniferous wood sawn or chipped	N/A	N/A	N/A	-	N/A	N/A	-	-	-	N/A	N/A
170199	Cane or beet sugar	8	8	8	-	8	8	-	-	-	8	8
300490	Medicaments	48	48	48	-	48	48	-	-	-	48	48

Source: ITC Trade Map

Annexure 17: Equivalent Ad Valorem Tariffs (%) Faced by Tajikistan on its Top 25 Export Products at HS-06

HS Code	Product label	Switzerland	Turkey	Kazakhstan	Uzbekistan	Afghanistan	Pakistan
710820	Monetary gold	-	-	-	-	-	-
760110	Aluminium, not alloyed	0	3	0	0	-	3
520100	Cotton, neither carded nor combed	0	0	0	0	3	3
260700	Lead ores and concentrates	-	0	0	0	3	3
252329	Portland cement	0	0	0	0	10	20
260800	Zinc ores and concentrates	0	0	0	0	-	3
271600	Electrical energy	0	0	0	0	3	3
811090	Articles of antimony,	0	2	0	-	-	-
261710	Antimony ores and concentrates	0	0	-	-	-	3
520524	Single cotton yarn	1	3	-	0	-	11

Source: ITC Trade Map

Annexure 18: Equivalent Ad Valorem Tariffs (%) Applied by Tajikistan on its Top 25 Imports Products at HS-06 Level to

HS Code	Product label	Russian Federation	Kazakhstan	China	Uzbekistan	Turkey	Pakistan
100199	Wheat and meslin	0	0	0	0	0	0
271019	Medium oils	0	0	5	0	5	5
271112	Propane, liquefied	0	0	0	0	0	0
721420	Bars and rods, of iron or non-alloy steel	0	0	5	0	5	5
271012	Light oils	0	0	0	0	0	0
281820	Aluminium oxide	0	0	5	0	5	5
870323	Motor cars and other motor vehicles	0	0	5	0	5	5
440710	Coniferous wood sawn or chipped	0	0	5	0	5	5
170199	Cane or beet sugar	0	0	5	0	5	5
300490	Medicaments	0	0	5	0	5	5

Source: ITC Trade Map

**Annexure 19:
Pakistan's Exports to Tajikistan Compared with Tajikistan's Imports from World**

Product Code	Product Label	Pakistan's Exports to Tajikistan						Tajikistan's Imports from World		
		Value in 2020, USD thousand	Share in Pakistan's exports, %	Equivalent ad valorem tariff faced by Pakistan	Quantity exported in 2020 (tons)	Unit value (USD/unit)	Number of non-tariff requirement faced by Pakistan	Value in 2020, USD thousand	Share in world imports, %	Unit value (USD/unit)
TOTAL	All products	2,050	0		0			3139016	0	

040390	Buttermilk, curdled milk and cream	563	14	10	269	2093		6180	0	1181
080520	Fresh or dried mandarins	440	0	5	1817	242		6972	0	462
300490	Medicaments	352	0	5	36	9778		41316	0	3194
300450	Medicaments containing provitamins, vitamins	84	2	5	5	16800		782	0	2300
300439	Medicaments containing hormones or steroids	79	0	5	30	2633		174	0	4244
320810	Paints and varnishes	67	1	5	31	2161		2754	0	
080390	Fresh or dried bananas	61	0		198	308		7945	0	707
293690	Provitamins and mixtures of vitamins	57	10	5	14	4071		83	0	2677
300390	Medicaments	56	1	5	13	4308		46	0	3538
170490	Sugar confectionery	48	0	15	24	2000		11758	0	1133

(Source- ITC Trade Map)

Annexure 20: Pakistan's Imports from Tajikistan as Compared with Tajikistan's Exports to World

Code	Label	Pakistan's Imports from Tajikistan						Tajikistan's Exports to World	
		Value in 2020, USD thousand	Annual growth in value between 2016-2020,	Share in Pakistan's imports, %	Equivalent ad valorem tariff applied by Pakistan	Quantity imported in 2020 (tons)	Unit value (USD/unit)	Value in 2020, USD thousand	Unit value (USD/unit)

TOTAL	All products	836	-64	0		0		1311879	
520524	Single cotton yarn, of combed fibres,	385		5	11	124	3105	13435	2541
071333	Dried, shelled kidney beans	200		0	3	223	897	1	250
520100	Cotton, neither carded nor combed	98	-86	0	3	63	1556	135994	1358
630900	Worn clothing and clothing	10		0	3	18	556	73	3174
852691	Radio navigational aid apparatus	1		0	3	25	40	0	

(Source- ITC Trade Map)

Annexure 21: Top 10 Potential Export Products to Tajikistan

Product Code	Product Label	Value Imported by Tajikistan (World 2020) USD	Value Exported by Pakistan (World 2020) USD	Value Exported to Tajikistan USD
100199	Wheat and meslin (excluding seed for sowing, and durum wheat)	238,987	17,788	0
271019	Medium oils and preparations, of petroleum or bituminous minerals,	178,122	119,122	0
170199	Cane or beet sugar and chemically pure sucrose	57,063	Average Import 2016-20 (214215.2)	0
300490	Medicaments consisting of mixed or unmixed products	41,316	105,609	352
020714	Frozen cuts and edible offal of fowls of the species Gallus	23,459	2,496	0
230990	Preparations of a kind used in animal feeding (excluding dog or cat	20,288	7,181	0
630900	Worn clothing and clothing accessories	13,074	198,433	124
240220	Cigarettes, containing tobacco	12,544	14,779	0
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	11,299	153,2879	12
190531	Sweet biscuits	10,701	18,840	0

Source: ITC Trade Map