Export promotion strategies in countries of the region

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Outline

• FAO Regional Initiative on Improving Agri-food Trade and Market Integration
• Export promotion strategies: strategic documents and main aims
• Main factors and tools for export development:
  • Institutions
  • Product safety and quality
  • Infrastructure
  • Human resources
Regional Initiative on Improving Agri-Food Trade: overall goal and program elements

Goal: Improve policy environment for agri-food trade

Program Elements

- Implementation of trade agreements to increase access to new markets
  - WTO CD
- Supportive policy environment for export diversification
  - Export diversification assessments
  - Value chain analyses and policy recommendations for export
  - Export promotion strategies
- Increased capacity to implement global food quality standards
  - CD on phytosanitary and IPPC issues
  - CD on food safety standards, best practices and system architecture
  - CD on sanitary/veterinary control issues
  - Geographical Indication food quality branding
Average annual value of imports, exports and trade balance of agrifood products (HS codes 1-24), 2013-2014, mln USD

Main destinations for agrifood product exports (HS codes 1-24), 2014, mln USD

<table>
<thead>
<tr>
<th>Exports from:</th>
<th>Armenia</th>
<th>Belarus</th>
<th>Georgia</th>
<th>Kazakhstan</th>
<th>Kyrgyzstan</th>
<th>Moldova</th>
<th>Russia</th>
<th>Tajikistan</th>
<th>Uzbekistan</th>
<th>Ukraine</th>
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</thead>
<tbody>
<tr>
<td>To Belarus</td>
<td>7.8</td>
<td>26.8</td>
<td>43.3</td>
<td>0.2</td>
<td>212.8</td>
<td>1007.4</td>
<td>1.5</td>
<td>63.4</td>
<td>518.3</td>
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<td>To Kazakhstan</td>
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<td>181.2</td>
<td>60.0</td>
<td>74.5</td>
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<td>1691.7</td>
<td>28.8</td>
<td>936.7</td>
<td>250.3</td>
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<tr>
<td>To Russia</td>
<td>236.3</td>
<td>4729.6</td>
<td>222.4</td>
<td>312.7</td>
<td>26.1</td>
<td>131.1</td>
<td>1.6</td>
<td>83.9</td>
<td>911.8</td>
<td></td>
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<tr>
<td>To Ukraine</td>
<td>82.2</td>
<td>84.3</td>
<td>86.3</td>
<td>2.9</td>
<td>1.1</td>
<td>72.5</td>
<td>584.8</td>
<td>0.6</td>
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<tr>
<td>To China</td>
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<td>9.7</td>
<td>5.0</td>
<td>126.5</td>
<td>4.1</td>
<td>5.7</td>
<td>1095.0</td>
<td>0.8</td>
<td>66.1</td>
<td>764.9</td>
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<td>1145.6</td>
<td>8.1</td>
<td>4.8</td>
<td>1865.5</td>
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<tr>
<td>Other countries</td>
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<td>532.7</td>
<td>285.4</td>
<td>1024.9</td>
<td>97.6</td>
<td>691.7</td>
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<td>9.0</td>
<td>458.0</td>
<td>13440.4</td>
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</table>

Government strategic documents for export development:

- **Kyrgyzstan:** Export Development Plan of the Government of the KR for 2015-2017
- **Tajikistan.** A draft of the Program about export promotion and import substitution in Republic of Tajikistan for 2017-2020.
- **Turkmenistan.** The State programme for increasing exports and the State programme for organization of production produce for import substitution (May 2015)
- **Azerbaijan:** On additional measures to promote the export of non-oil products (March 2016)
- **Belarus:** National Program for export support and development in Republic of Belarus for 2016-2020
- **Moldova:** Strategy for Development of the international trade in the Republic of Moldova for 2014-2020
- **Russia:** a draft of Export Promotion Act; a draft of subprogram for agri-food export support of the State program on agriculture development and agri-food market regulation for 2013 – 2020.
- The export promotion is given a priority in agriculture development strategies/programs
Main aims of export promotion programmes, with a view to further increasing agricultural exports and improvement of the trade balance

• The strategy of diversifying export markets and removing trade barriers with the majority of partner countries (Georgia, Ukraine)

• From the export of raw materials to the export development of products with higher value-added, processed products (Kyrgyzstan)

• To ensure delivery of safe and quality food products for domestic consumers and for export (Moldova)

• Occupation the new niches on foreign markets (Belarus)

• Intensification of agri-food import substitution and orientation of the domestic production for export (Tajikistan, Turkmenistan)

• Reorientation from traditional export goods to new species (Azerbaijan, Kazakhstan, Uzbekistan)
Main factors-advantages for export development

• Favorable natural-climatic conditions
• Insuring of production and price stability; competitive farmers (domestic support of agricultural producers, competitive policy without trade restrictions and government interference)
• Available state budget funds (export promotion agency and funds, export credit agencies, infrastructure development, etc.).
• Membership in WTO and RTAs
• Ability of agribusiness to quick geographical and goods diversification of exports
• Human resources capacity
• Food safety control system that is trusted by consumers and importers
Trade Agreements

1998
WTO entry of
Georgia
2000

2001
WTO entry of Rep.
Moldova

2003
WTO entry of
Armenia

2008
WTO entry of
Ukraine

2010
Customs Union of
Belarus, Kazakhstan
and the Russian Fed.

2011
CIS Free Trade
Agreement among
Armenia, Belarus,
Kazakhstan, Kyrgyzstan,
Rep. Moldova, Russian
Fed., Ukraine and
Tajikistan

2012
WTO entry of Russian
Fed.

2013
WTO entry of
Tajikistan; Uzbekistan
Signed CIS FTA

2014
EU DCFTAs
Ukraine, Rep. Moldova,
Georgia

2015
WTO entry of
Kazakhstan

Eurasian Economic Union
of Belarus, Kazakhstan,
Russian Fed. and
Kyrgyzstan, Armenia

WTO observer governments:
Azerbaijan, Belarus, Uzbekistan
Trade agreements: significant role in export development

• Joining to WTO, RTAs and bilateral FTAs goes to further market liberalization and harmonization trade related legislation (WTO, CIS FTA, DCFTAs, EAEU, others): benefits from “game by the common rules” and market openness

• Trade negotiations as one of the main export promotion activities; qualified negotiating team

• Participation in retail forums, trade fairs to build positive country image as well as establishment new trade relations

• Trade attaches needed on the traditional and new markets

• Trade missions abroad established
Main tools for export development: *institutions*

- Inter-governmental coordination (Ministries of Agriculture, Economy, Trade with export/investment promotion agencies, customs and SPS authorities)
- Establishment of the designated national body for export promotion with a clear mandate, responsibilities, budget and transparency
- Transparency in government spending and evaluation of effectiveness of the export promotion programs
- Single window system for customs and export
- Avoid governments export restraints (export restrictions and regulatory environment)
- Engage private sector: Chambers of Commerce, agri-food business associations to be involved in developing trade promotion activities, provide expertise to guide public sector actions (establish public-private dialogue)
Main tools for export development: products quality and safety

• National legislation is in compliance with the international standards
• The effectiveness of official veterinary and SPS control system and its compliance with international practice
• Legislation and administrative practices should be designed to promote safe processes (HACCP)
• Laboratories with international accreditation
• Focus on value addition; on niche markets (e.g. organic products); GIs
• Build a positive country image/brand as a deliver of high quality products
Main tools for export development: *infrastructure*

- Trade facilitation and simplification of exports procedures
- Investments into trade infrastructure
- Storages for small producers
- Equipment for appropriate packaging, refrigerators
- Transportation services, transport logistics, sufficient amount of transport and its specifications
- Wholesale markets, exhibitions, fairs
- Informational trade portals
- Information about export should be closer to direct agricultural producers (for example, regional centers of agrarian developments, export centers)
Main tools for export development: human resources

- Education and human resource development for production and marketing in export sectors
- For different aspects of food safety issues (incl. risk assessment) it is necessary to have in place specially trained, reliable and tested in practical assignments personnel
- New and updated educational programs for local staff and students of academia, institutes, colleges
- Dedicate more financial resources to agricultural and market research to develop the technological base and strategic vision for the sector (including export orientation)
- Support to marketing research, analysis of foreign markets, provide access to market information
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THANK YOU FOR YOUR ATTENTION!