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**Removing regulatory and procedural barriers to trade
in the Economic Commission for Europe region,
forthcoming country studies: Azerbaijan and Turkmenistan**

Economic Commission for Europe study on regulatory and procedural barriers to trade in Turkmenistan: project outline*

Submitted by the secretariat

Summary

At the seventh session of the Steering Committee on Trade Capacity and Standards on 27–28 June 2022, the Government of Turkmenistan requested the Economic Commission for Europe (ECE) secretariat to support the country's trade reforms as part of the accession process to the World Trade Organization (WTO). In response to this request, the ECE secretariat mobilized funding to undertake capacity-building with the generous support of the Islamic Development Bank and the Islamic Center for the Development of Trade.

The project "Removing Regulatory and Procedural Barriers to Trade in Turkmenistan" was approved by the Executive Committee of the ECE in November 2023. It will involve undertaking a study on regulatory and procedural barriers to trade. These tailor-made studies provide an in-depth analysis of the non-tariff measures governing trade in goods, identify a country's needs to improve the trade regime and customs system and provide action-oriented recommendations. They aim to assist countries in establishing the institutional and legislative framework for ensuring the country's successful integration into the global economy. This document presents the outline of the study.

* This document has not been formally edited by ECE.



I. Introduction

1. The Government of Turkmenistan has set a series of ambitious programmes contributing to the achievement of the United Nations Sustainable Development Goals (SDGs).¹ Specific objectives include mitigating climate change impacts, promoting green economic sectors, using natural resources rationally, and ensuring the realization of human rights and gender equality, among others.

2. As outlined in the “Program for the Development of the Foreign Economic Activity of Turkmenistan for 2020–2025”, much of the potential for improving Turkmenistan’s trade lies in further enhancing the country’s export competitiveness, diversifying export opportunities, attracting foreign direct investment and enhancing cooperation with international organisations. Significantly, the authorities have initiated accession negotiations to the World Trade Organization (WTO) on 25 November 2021. As part of these agendas, the Government also aims to build logistics infrastructure and transform Turkmenistan into one of the transport and communication centres in the East-West and North-South global trade routes.

II. Project outline

A. Economic analysis and trade profile

3. The introductory chapter of the study assesses Turkmenistan’s economy from a historical and comparative perspective. It describes the country’s main trade patterns and general business climate and provides an overview of Turkmenistan’s key import and export industries and trade partners. It identifies key drivers of export growth and examines Turkmenistan’s potential to join regional and global value chains, benchmarked against national objectives and the attainment of the United Nations SDGs.

B. Overview of the current trade regime of Turkmenistan (chapter I)

4. This chapter provides an overview of the country’s trade-related laws and strategies. It also describes the international trade regime and ongoing regional integration processes of relevance to Turkmenistan. It assesses potential avenues for regional cooperation through the United Nations Special Programme for the Economies of Central Asia. Particular attention is given to the existing trade-related framework for digitalization in Turkmenistan.

C. Removing regulatory and procedural barriers to trade (chapters II and III)

5. This part (consisting of two separate chapters) reviews the current regime of Turkmenistan vis-à-vis the following areas: regulatory and standardisation conditions (i.e. standards, technical regulations, conformity assessment procedures and related quality infrastructure) and trade facilitation measures (including digital trade facilitation, such as paperless trade and cross-border paperless trade measures). Both are an important consideration during the WTO accession process.

6. Having a strong quality infrastructure for trade ensures transparency in assessing the eligibility of products for market entry and facilitates efficient conformity assessment processes, thus enhancing a country’s competitiveness, which is essential for maximizing opportunities for market access. Chapter II of the study aims to assist authorities in aligning domestic regimes with the best international practices in the area of quality infrastructure.

¹ See <https://hlpf.un.org/sites/default/files/vnrs/2023/VNR-2023%20Turkmenistan%20Report%20EN.pdf>.

7. Trade facilitation helps to lower overall trade costs, fasten shipments, increase economic welfare, and enhance opportunities for digital and green transitions, which is particularly relevant for enhancing a country's prospects for integration into value chains. Chapter III provides an overview of Turkmenistan's trade facilitation measures and benchmark them against international best practices.

8. Both chapters consider WTO requirements and identify areas that require legal amendments and institutional reforms to enhance trade efficiency, including integration into global and regional value chains.

D. Conclusion and recommendations for the way forward

9. The concluding part provides an overview of the key take-aways. It also suggests a set of recommendations for further enhancing market access and trade facilitation policies, with a particular focus on existing ECE tools, including in the context of the ECE Working Party on Regulatory Cooperation and Standardization Policies, Working Party on Agricultural Quality Standards, and the United Nations Centre for Trade Facilitation and Electronic Business.
