

**UZBEKISTAN AGRICULTURE MODERNIZATION TECHNICAL ASSISTANCE
(P162303)**

Uzbekistan: Agricultural Trade Policy Report

Final Report

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List of Acronyms

AQSIQ	General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China
CET	Common External Tariff
CIS	Commonwealth of Independent States
CU	Customs Union
EAEU	Eurasian Economic Union
EEC	Eurasian Economic Commission
EU	European Union
FTA	Free Trade Agreement
GAP	Good Agricultural Practice
GDP	Gross Domestic Product
GoU	Government of Uzbekistan
GSP	Generalized System of Preferences
HACCP	Hazard Analysis and Critical Control Points
HS	Harmonized System
IPPC	International Plant Protection Convention
ISO	International Organization for Standardization
ITC	International Trade Centre
MFN	Most Favoured Nation
NTMs	Non-tariff measures
OIE	World Organization for Animal Health
PAH	Polycyclic Aromatic Hydrocarbons
PCA	Partnership and Cooperation Agreement
PCBs	Polychlorinated Biphenyls
SME	Small and medium sized enterprise
SPS	Sanitary and phytosanitary measure (WTO Agreement)
TBT	Technical barriers to trade (WTO Agreement)
TFA	Agreement on Trade Facilitation (WTO Agreement)
TPR	Trade Policy Review
USD	United States dollar
UZS	Uzbek Soms
WTO	World Trade Organization

Executive summary

In February 2017, the Government of Uzbekistan (GoU) adopted and began implementing its Strategy of Actions for the Development of Uzbekistan for 2017–2021¹, which outlined its political, economic and social priorities, including measures to liberalize the economy and trade. The development strategy for 2017-2021 identifies goals such as the “liberalisation and facilitation of export activities, diversification of the export structure and geography, and the expansion and mobilisation of the export potential of economic sectors and territories”. The program envisages an “export activities development concept for 2018-2021” that would include programs for the identification and development of prospective industries for export-oriented products, export market diversification and trade infrastructure development. The government also aims at a full liberalisation of foreign economic activities related to exports and the removal of existing obstacles for exporting firms. An important step in this direction was taken by the GoU in September 2017, when it allowed the exchange rate to float and lifted restrictions on currency exchange, leading to the Uzbek Som (UZS) losing almost half of its value in a single day. However, the GoU recognizes that to promote private investment while ensuring environmental sustainability and inclusive growth, the liberalization of the foreign exchange regime needs to be accompanied by other structural reforms.²

As part of this reform process, the GoU is now engaged in progressively transforming its agriculture sector into a modern, diversified and sustainable production, processing and marketing system. Over the last two years it has adopted a number of measures to improve market incentives in agriculture by lifting price controls for certain raw materials and production inputs, and extending the use of commodity market exchanges. In the cotton sector, the government raised the state procurement prices, gradually shifted some cotton low-yielding areas to production of fruits and vegetables, and piloted cotton clusters with private sector participation incentivizes to boost farmer productivity and improve sector efficiency. The export of fruits and vegetables has been largely liberalized by permitting the competition among exporters and very recently removing the minimum export prices.

To support the reform process, the World Bank has been engaged in a policy dialogue with the GoU of its overall agricultural modernization agenda. During FY16, a Just in Time Technical Assistance helped initiate the policy dialogue with the Government on agricultural modernization. A cross-Practice technical group, led by the Agriculture GP, was established from the Bank side to oversee the policy dialogue, adopt a multi-sector approach to the agriculture modernization agenda and to provide multi-sector answers and guidance to the Government.

This report, produced as part of the Uzbekistan Agricultural Modernization Technical Assistance, provides an overview of the agricultural trade and trade policies in Uzbekistan with the goal of identifying key areas for advancing agricultural trade policy reforms. It also identifies several key products and prospective markets for export and assesses their market access potential and requirements. The report concludes with the recommendations for the GoU’s consideration around four key areas – trade policy measures, trade agreements and the World Trade Organization (WTO) accession status, market access conditions for exports, and export promotion.

Historically, agricultural trade in Uzbekistan has been shaped by the GoU’s goals of self-sufficiency and economic independence. Cotton has been Uzbekistan’s major export and an important source of hard currency for the government since early 1990s, resulting in heavy involvement of the GoU in its production, marketing and exports. However, food security concerns together with the environmental and social problems associated with cotton production have spurred

¹ Decree of the President of the Republic of Uzbekistan No. UP-4947 of February 7, 2017 "On the Strategy of Actions for the Further Development of the Republic of Uzbekistan".

² <http://www.worldbank.org/en/country/uzbekistan/overview>

the relative shift in the cropping structure in the country, first, towards wheat and now to horticulture, in which Uzbekistan has a comparative advantage. As a result, Uzbekistan's horticultural products are fast becoming the second largest agricultural export commodity group in the country. Horticultural export revenues more than tripled, from about USD 500 million in 2006 to USD 1.2 billion in 2016.

Driven by the legacy of the Soviet Union trade patterns and quality standards, Uzbekistan's key trade partners have traditionally been CIS republics. For example, Russia and Kazakhstan account for the dominant share of Uzbekistan's fruit and vegetable exports, while Kazakhstan is the main exporter of grain and wheat into Uzbekistan. At the same time, China and the EU have been growing in their significance for Uzbekistan's agricultural exports. However, meeting quality and food safety requirements of the more stringent export markets remain a challenge for the country and slows down exports' geographic diversification.

The ongoing reform process provides an opportunity for the GoU to diversify the composition and geography of its agricultural trade, under the condition that several key constraints are removed. First, speeding up WTO accession negotiations to finalize the accession will enable Uzbekistan to take greater advantage of the multilateral trading system and allow for resolving trade issues through the participation in Agriculture, Sanitary and Phytosanitary (SPS) or any other Committees and by using the dispute settlement mechanism. Second, continuing the effort of liberalizing agricultural exports and imports will strengthen production and export potential of agricultural goods, particularly, horticulture. Third, upgrading food quality and safety standards (including private ones) would open an access to the export markets with more stringent requirements helping diversify trade risks and earn more income. Forth, promoting domestic and foreign investment in horticulture production and exports would allow for reaping the benefits of comparative advantage Uzbekistan has in the sector. Finally, scaling up export promotion efforts would prepare more stakeholders to enter the export markets.

1 Introduction

1 Uzbekistan is a landlocked, Central Asian country that shares borders with Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan. In 2004–2016, Uzbekistan’s economic growth was rapid and lifted significant parts of the population out of poverty. The development of small and medium-size enterprises (SMEs) was the main driver of the job growth, contributing to increased incomes and poverty reduction. Increased exports of copper, gas and gold aided by high commodity prices, generated state budget revenues that financed large increases in investment and salaries to bolster domestic consumption. However, declining global commodity prices in 2013–2016 and the weak economic performance of China and Russia adversely affected Uzbekistan’s exports, as well as state budget revenues and household incomes.

2 In February 2017, the GoU adopted and began implementing its Strategy of Actions for the Development of Uzbekistan for 2017–2021³, which outlined its political, economic and social priorities, including measures to liberalize the economy. An important step towards this direction was taken by the GoU in September 2017, when it allowed the exchange rate to float and lifted restrictions on currency exchange, leading to the Uzbek Som (UZS) losing almost half of its value in a single day. However, the GoU recognized that to promote private investment while ensuring environmental sustainability and inclusive growth, the liberalization of the foreign exchange regime needs to be accompanied by other structural reforms.⁴

3 Agriculture plays an important role in Uzbekistan’s economy. In 2017, 49 percent of the population – around 16 million people – resided in rural areas and most are employed in agriculture. Agriculture accounts for about 17 percent of Uzbekistan’s GDP and over 30 percent of employment in the country. Agricultural development is, therefore, crucial for ensuring rural livelihoods, jobs, and food security.

4 Due to its natural endowment, Uzbekistan has a comparative advantage in horticulture. Horticulture is an important part of agricultural production, although the sub-sector accounts for only about 16 percent of aggregate arable lands, in contrast to grains (47 percent) and cotton (37 percent). Driven by the growing domestic and export markets, production of horticulture has been increasing steadily, primarily by displacing land used to grow cotton and wheat. By 2020, the GoU has a goal of converting over 200 thousand hectares into horticulture production, away from cotton and wheat.⁵ Production of fruits and vegetables is among the most profitable activities for both dehkan (smallholder farms) and more commercial farms. The economic importance of the sub-sector is therefore significant, considering that it accounts for more than 35 percent of the agricultural export value. Uzbekistan has become a major producer of horticultural products in the region, with the potential to expand exports.⁶ The GoU is currently developing a medium-term strategy for key reforms in the sector with strong focus on promoting exports of horticultural products and soybeans.

5 This report provides an overview of the agricultural trade and trade policies in Uzbekistan with the goal of identifying key areas for further agricultural trade policy reforms. It also identifies several key products and prospective markets for export and assesses their market access potential and requirements.

³ Decree of the President of the Republic of Uzbekistan No. UP-4947 of February 7, 2017 "On the Strategy of Actions for the Further Development of the Republic of Uzbekistan".

⁴ <http://www.worldbank.org/en/country/uzbekistan/overview>

⁵ Decree of the President of the Republic of Uzbekistan No. PP-2460 of December 29, 2015 "On Measures for Further Reforming and Development of Agriculture for the Period of 2016-2020."

⁶ <http://www.worldbank.org/en/news/feature/2017/11/14/loans-helping-uzbek-farmers-sell-more-of-the-best-fruits-and-vegetables-in-the-world>

2 Evolution of agricultural trade in Uzbekistan⁷

6 Agricultural trade in Uzbekistan has traditionally been shaped by the GoU's goals of self-sufficiency and economic independence. Cotton has been Uzbekistan's major export and an important source of hard currency for the government since early 1990s, resulting in heavy involvement of the GoU in its production, marketing and exports. However, food security concerns together with the environmental and social problems associated with cotton production have spurred the relative shift in the cropping structure in the country, first, towards wheat and now to horticulture. As a result, Uzbekistan's horticultural products are fast becoming the second largest agricultural export commodity group in the country. Horticultural export revenues have more than tripled, from about USD 500 million in 2006 to almost USD 1.2 billion in 2016.⁸

7 Driven by the legacy of the Soviet Union trade patterns and quality standards, Uzbekistan's key trade partners have traditionally been CIS republics (in particular, Russia and Kazakhstan). For example, Russia and Kazakhstan account for the dominant share of Uzbek fruit and vegetable exports, while Kazakhstan is the main exporter of grain and wheat into Uzbekistan. At the same time, China and EU have been growing in their significance for the Uzbek agricultural exports. However, meeting quality and food safety requirements of the more stringent export markets remain a challenge for the country and slows down exports' further geographic diversification.

2.1 Agricultural exports and key export products

8 Uzbekistan exports are concentrated in raw materials such as cotton, copper, natural gas and uranium, as well as higher value-added goods, including apparel, fertilizers, fruits, and vehicles. The main markets for exports from Uzbekistan are China, Kazakhstan, Russia, and Turkey. The heavy reliance on commodity exports and a limited number of markets make Uzbekistan vulnerable to volatile prices and demand fluctuations. Agri-food exports averages 26 percent of the total export.

9 Between 2013 and 2016, the annual value of agricultural exports⁹ declined by 25.8 percent, and amounted to USD 2.4 billion in 2016¹⁰, while imports of agricultural products increased by 6.1 percent in the same time period (Figure 1, Table A1). Nevertheless, the share of agricultural products in total exports of Uzbekistan remained stable at around 26 percent.

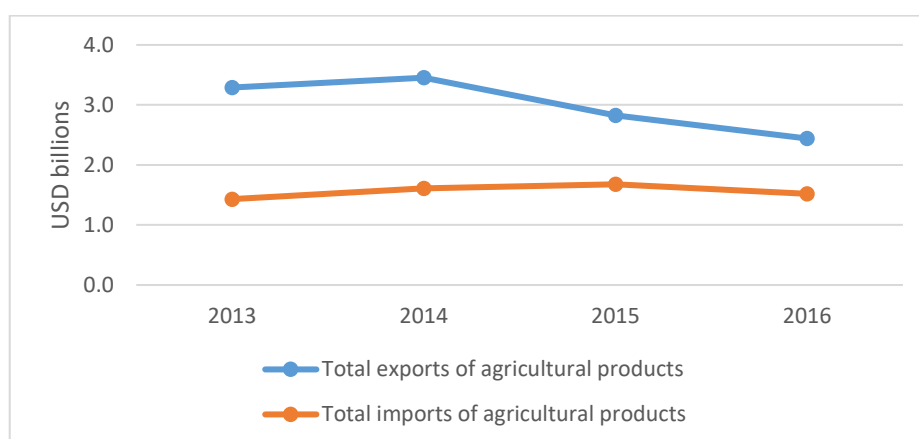
⁷ Unless stated otherwise, numerical indicators in this section are based on calculations using the data of the State Statistics Committee of the Republic of Uzbekistan provided by Darya Ilina - Senior research fellow at the Institute for Forecasting and Macroeconomic Research (IFMR) under the Ministry of Economy of the Republic of Uzbekistan.

⁸ UN COMTRADE mirror statistics

⁹ Here and below, agricultural products are defined as commodity groups/codes according to the HS codes of foreign economic activity: all goods covered by Annex 1 to the WTO Agreement on Agriculture, namely: groups 01-02, 04-24 plus some goods of groups 29 (codes 2905.43 and 2905.44), 33 (only 33.01), 35 (from 35.01 to 35.05), 38 (codes 3809.10 and 3823.60), 41 (from 41.01 to 41.03), 43 (only 43.01), 50 (from 50.01 to 50.03), 51 (from 51.01 to 51.03), 52 (from 52.01 to 52.03), 53 (codes 53.01 and 53.02), plus fish and fish products (group 03 of the HS code).

¹⁰ Note that the official export of agri-food products in 2016 using the definition of and reported by the Government of Uzbekistan was USD 1.6 billion. It accounted for 13.6 percent of total exports.

Figure 1: Uzbekistan's exports and imports of agricultural products, 2013-2016

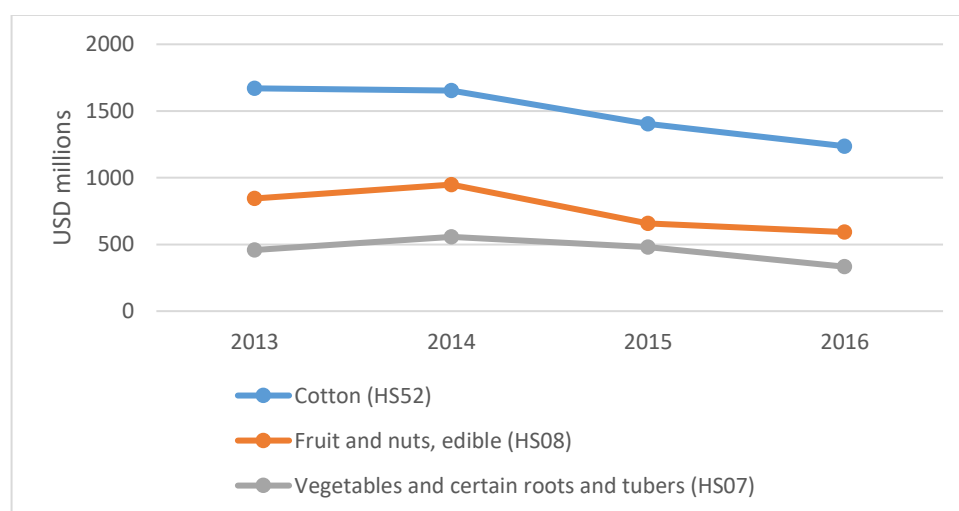


Source: Calculations are based on data of the State Statistics Committee of the Republic of Uzbekistan, 2018.

10 **Despite the efforts to reduce the dependence on cotton exports, which resulted in their decline during 2013-2016, cotton (HS Chapter 52) continues to account for the largest share of agricultural exports.** In 2016, its share in the total agricultural exports was 50.6 percent, corresponding to USD 1.2 billion (of which 26.1 percent or USD 637.2 million was not carded or combed cotton; HS Heading 5201). Fruits and nuts (HS Chapter 08) accounted for 24.3 percent or USD 592.6 million, while vegetables (HS Chapter 07) constituted 13.6 percent or USD 333.0 million of all agricultural exports in 2016, respectively.

11 **The value of exports in all three product groups has been declining since 2014.** The efforts of the GoU to increase exports of processed fruits and vegetable products (HS Chapter 20) have not been successful yet, and their share in agricultural exports remains less than 1 percent (Figure 2 and Table A2).

Figure 2: Exports by the main category of agricultural products, 2013-2016

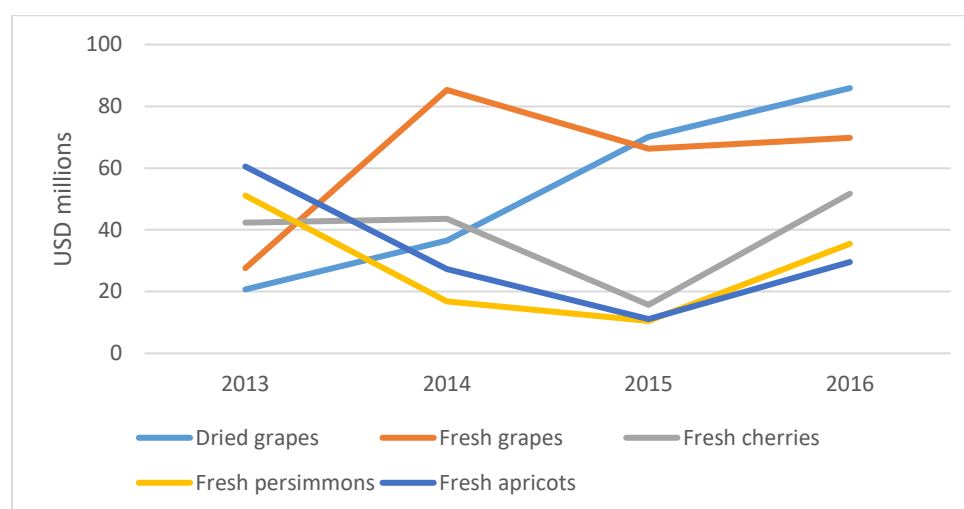


Source: Calculations are based on data of the State Statistics Committee of the Republic of Uzbekistan, 2018.

12 **In 2016, the top five fruits and vegetables (HS Chapters 07 and 08) that Uzbekistan exported were dried grapes (HS subheading 080620), fresh grapes (HS subheading 080610), fresh cherries (HS subheading 080929), fresh persimmons (HS subheading 081070) and fresh apricots (HS subheading 080910).** Exports of dried and fresh grapes have increased between 2013 and 2016 (by 315 and 153 percent, respectively). Exports of fresh cherries dropped between 2014 and 2015 and have increased since then (up by 22 percent in 2016 compared to 2013). Exports of fresh persimmons and apricots dropped between 2013 and 2015 and have been recovering since then. However, their export value

was still lower in 2016 than in 2013 (by 31 and 51 percent, respectively) (Figure 3). Tomatoes were the most exported vegetable product in 2016 (HS subheading 070200).

Figure 3: Top-5 exported products* in 2016



*Note: *excluding cotton*

Source: UN Comtrade, mirror data, 2018.

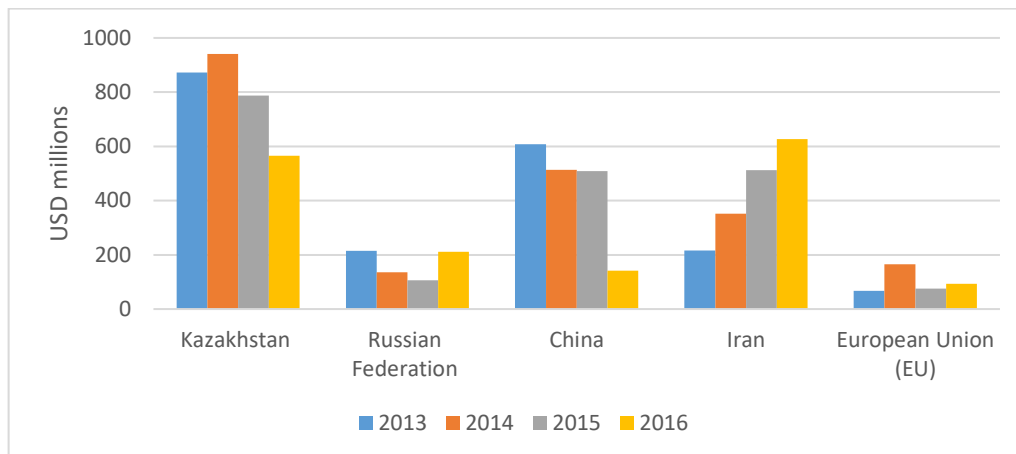
2.2 Key export destinations¹¹

13 **Uzbekistan's agricultural exports to Iran have been continuously increasing since 2013.** In 2016, Iran became the top export destination for agricultural products - mainly cotton - from Uzbekistan, accounting for USD 626.8 million or 25.7 percent of Uzbekistan's total agricultural exports. Another key destination for agricultural exports is the traditional trading partner Kazakhstan (in 2016, USD 565.7 million or 23.2 percent of the total agricultural exports), although the value of agricultural exports to Kazakhstan has been declining since 2014. The declining trend in agricultural exports to Russia since 2010 was reversed in 2016 when exports increased, amounting to USD 210.9 million or 9 percent of the total agricultural exports. Export to the European Union (EU) has been relatively stable and amounted to USD 93.3 million in 2016. China showed a significant drop of agri-food imports from Uzbekistan in 2016, which can be explained by a drop of its cotton imports. Due to its large cotton stocks, China reduced the import of cotton not only from Uzbekistan (about 30 percent less than in the previous year), but also from the United States of America and India. A lower cotton production in 2016 and an increase in domestic consumption also lowered the availability of Uzbek cotton for exports (Figure 4, Table A3).¹²

¹¹ Figures and tables on key export destinations and global market developments of products of interest for Uzbekistan are also provided in Annex 3.

¹² https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Cotton%20and%20Products%20Annual_Tashkent_Uzbekistan%20-%20Republic%20of_3-30-2017.pdf

Figure 4: Main destinations for exports of agri-food products, 2013-2016

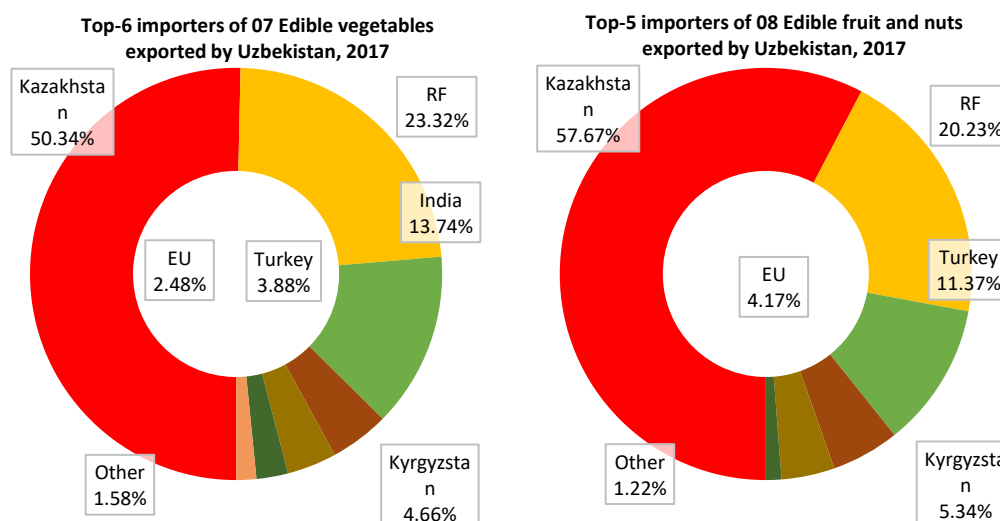


Source: Calculations are based on data of the State Statistics Committee of the Republic of Uzbekistan, 2018.

14 **Main destinations for exports of fruit, nuts and vegetables are Kazakhstan and Russia.** More than 50 percent of Uzbek exports of vegetables are destined for Kazakhstan, and more than 23 percent for Russia. Similarly, Kazakhstan accounts for more than 57 percent of Uzbekistan's exports of fruit and nuts, while the share of Russia is 20 percent. The share of India in vegetable exports is also substantial (more than 13 percent), while more than 11 percent of its fruit and nuts exports are destined for Turkey. Other important markets for the product groups vegetables and fruits/nuts are Kyrgyzstan (4.7 and 5.3 percent, respectively) and the EU (2.5 and 4.2 percent, respectively) (Figure 5, Table A 5, Table A6).

15 **Kazakhstan and China are the major importers of dried grapes, representing 33 and 30 percent of all dried grapes imports from Uzbekistan in 2016, respectively.** The EU and Saudi Arabia accounted for 17 and 7 percent of dried grapes imports from Uzbekistan, respectively. 74 percent of fresh grapes, 81 percent of cherries, 78 percent of persimmons and 63 percent of apricots of Uzbekistan's exports in the respective categories were imported by Kazakhstan. Kazakhstan was followed by Russia as the main export destination for these products in 2016, while other importing countries accounted for relatively minor shares (Table 1). Major importers of fresh tomatoes from Uzbekistan were also Kazakhstan and Russia.

Figure 5: Top importers of vegetables (HS Chapter 07) and fruits and nuts (HS Chapter 08) exported by Uzbekistan in 2017



Source: International Trade Centre (ITC), mirror data, 2018.

Table 1: Main destinations for the top-5 exported products* from Uzbekistan in 2016

<i>Importers</i>	<i>Imported value from Uzbekistan (millions of USD)</i>	<i>Share</i>
<i>HS subheading 080620 - dried grapes</i>		
Kazakhstan	28.7	33%
China	25.3	30%
European Union	14.5	17%
Saudi Arabia	5.8	7%
Other countries	11.5	13%
<i>HS subheading 080610 - fresh grapes</i>		
Kazakhstan	51.5	74%
Russia	17.3	25%
Other countries	1.0	1%
<i>HS subheading 080929 - fresh cherries</i>		
Kazakhstan	41.5	81%
Russia	9.5	18%
Other countries	0.6	1%
<i>HS subheading 081070 - fresh persimmons</i>		
Kazakhstan	27.7	78%
Russia	7.1	20%
Other countries	0.8	2%
<i>HS subheading 080910 - fresh apricots</i>		
Kazakhstan	18.7	63%
Russia	10.5	36%
Other countries	0.4	1%

Note: *excluding cotton. Source: UN Comtrade 2018, mirror data.

2.3 Agricultural imports

16 Uzbekistan's agricultural imports amounted to USD 1.5 billion in 2016, up by USD 88.0 million (6.1 percent) from the 2013 level. The share of agricultural imports in total imports increased from 11 percent in 2013 to 13 percent in 2016. Sugars and sugar confectionary (HS Chapter 17), fats and oils (HS Chapter 15), cereals (HS Chapter 10) and products of the milling industry (HS Chapter 11) - in particular, wheat flour - are the main categories of agricultural imports. In 2016, these amounted to USD 350.9 million (23 percent), USD 243.2 million (16 percent), USD 231.5 million (15 percent) and USD 166.4 million (11 percent), respectively (Table A4).

17 Uzbekistan imports agri-food products mainly from Kazakhstan (USD 461.1 million, 30 percent of total agri-food imports in 2016). Other important countries selling agri-food products to Uzbekistan include Brazil (USD 375.2 million or 25 percent of the total agri-food imports) and Russia (USD 312.3 million or 21 percent of the total agri-food imports) in 2016.

18 Overall, Uzbekistan maintains a positive trade balance in agricultural products, which in 2016 amounted USD 921.5 million - half of the level in 2013. This decline was driven in part by the policy of the GoU targeting a reduction in cotton exports and in part by the lower demand for agri-food products in the countries that constitute Uzbekistan's main markets.

3 Overview of Uzbekistan's trade and related policies

19 The relatively low importance of trade in Uzbekistan's economy is partly a consequence of its trade regime.¹³ In the years since its independence and the dissolution of the Soviet Union in 1991, Uzbekistan's approach to economic liberalisation has been cautious. Uzbekistan is not a member of the WTO and its trade regime has until recently been defined by a high level of protection for import-competing industries and restrictions on exports of food and some other products.¹⁴

20 The President of Uzbekistan Shavkat Mirziyoyev, who assumed the post in December 2016, and the GoU have been engaging in an important reform agenda. It aims at progressively transforming Uzbekistan's agriculture sector into a modern, diversified and sustainable production, processing and marketing system. As one of its numerous activities, the GoU is currently developing a medium-term strategy for key reforms in the sector.

3.1 Regulatory framework for trade policy

21 In February 2017, the GoU adopted and began implementing its Strategy of Actions for the Development of Uzbekistan for 2017–2021, which outlined its political, economic, and social priorities, including measures to liberalize the economy. The development strategy for 2017-2021 identifies goals such as the "liberalisation and facilitation of export activities, diversification of the export structure and geography, and the expansion and mobilisation of the export potential of economic sectors and territories". The program envisages an "export activities development concept for 2018-2021" that would include programs for the identification and development of prospective industries for export-oriented products, export market diversification and trade infrastructure development. The government also aims at a full liberalisation of foreign economic activities related to exports and the removal of existing obstacles for exporting firms.

22 An important step towards trade opening was made by the GoU on September 5, 2017, when a presidential decree abolished the requirement to convert foreign currency export earnings

¹³ In 2017, according to the World Development Indicators, the export of goods and services to GDP in Uzbekistan was 28.5 percent. For comparison, in countries pursuing the export-oriented policies such as South Korea and Vietnam the same ratio was 43.1 percent and 101.6 percent, respectively. The average export of goods and services to GDP in Europe and Central Asia region in 2017 was 43.2 percent.

¹⁴ OECD (2018): Enhancing Competitiveness in Central Asia, Competitiveness and Private Sector Development. OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264288133-en>

into Uzbek Som for all types of businesses. At the same time, the Central Bank abolished its “crawling peg” regime vis-à-vis the US dollar, allowing the exchange rate of the Uzbek Som to float. This change in the exchange rate policy resulted in the national currency losing half of its value in one day, remaining at the new level since September 2017.

23 Uzbekistan has also undertaken reforms to facilitate trade across its borders. The GoU is currently working on several initiatives to enhance trade facilitation, including the simplification of procedures and documents required to exports, and the authorisation for business entities to open bank accounts abroad. In June 2017, the government launched a “green corridor”, the goal of which is to provide simplified procedures for customs and phytosanitary clearance for fruits and vegetables that are supplied to Russia.¹⁵

24 The primary statutes that govern foreign trade in Uzbekistan are the Laws of the Republic of Uzbekistan “On foreign economic activities”¹⁶, “On protective measures, anti-dumping and countervailing duties”¹⁷, “On export control”¹⁸, “On certification of products and services”¹⁹, and the Tax²⁰ and Customs Codes. In April 2016, an updated edition of the Customs Code of Uzbekistan came into effect.²¹ It includes 412 articles (up from 198), 31 concepts (up from 16) and 5 new forms of customs control. It reduces the period for document checks by the customs authorities after the release of goods to one year (down from three years) and settles issues related to customs payments.²² A new edition of the Tax Code is currently under preparation.

3.2 Trade policy measures

25 The following sub-sections review the main trade policies of Uzbekistan that affect agricultural imports and exports. They include import tariffs, export restrictions and domestic support to agriculture.

3.2.1 Import tariffs

26 Uzbekistan applies import tariffs and excise taxes on some products. There are no tariff rate quotas or quantitative restrictions on imports of agri-food products. As part of the ongoing trade liberalisation since 2017, Uzbekistan started to gradually reduce import tariffs and excise taxes on imported goods. A new wave of import tariff changes is anticipated to come into force on January 1, 2019.²³

27 On April 1, 2017, excise taxes were reduced for several agricultural goods, which are mainly imported from Kazakhstan, but apply to imports from all countries. Excise taxes were cut for wheat flour (from 11 to 5 percent); sunflower and safflower oil (from 20 to 10 percent); canned vegetables, without the addition of vinegar (from 50 to 10 percent); fruit and vegetable juices (from 70 to 30

¹⁵ OECD (2018): Enhancing Competitiveness in Central Asia, Competitiveness and Private Sector Development. OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264288133-en>

¹⁶ Law of the Republic of Uzbekistan No. 285-XII of 14.06.1991 "On Foreign Economic Activities" (New version, approved by the Law of the Republic of Uzbekistan of 26.05.2000 No. 77-II).

¹⁷ Law of the Republic of Uzbekistan No. 554-II of 11.12.2003 "On Protective Measures, Anti-Dumping and Countervailing Duties".

¹⁸ Law of the Republic of Uzbekistan No. 554-II of 11.12.2003 "On Protective Measures, Anti-Dumping and Countervailing Duties".

¹⁹ Law of the Republic of Uzbekistan No. 1006-XII of 28.12.1993 "On Certification of Products and Services".

²⁰ Law of the Republic of Uzbekistan No. 1006-XII of 28.12.1993 "On Certification of Products and Services".

²¹ Law of the Republic of Uzbekistan No. 1006-XII of 28.12.1993 "On Certification of Products and Services".

²² Previously, these issues were considered in the Law of the Republic of Uzbekistan No. 470-I of August 29, 1997 "On Customs Tariff", which was abolished in accordance with the Law of the Republic of Uzbekistan No. ZRU-401 of 20.01.2016. g

²³ Resolution of the President of the Republic of Uzbekistan No. PP-3818 of 29.06.2018 "About measures for Further Streamlining of Foreign Economic Activity and Enhancement of System of Customs and Tariff Regulation of the Republic of Uzbekistan".

percent); and products for the preparation of sauces and ready sauces (from 70 to 25 percent, except tomato ketchup and mayonnaise). Furthermore, the excise tax on pasta was cancelled.

28 On September 1, 2017 the excise taxes of imported meat and meat by-products (previously 30 percent), poultry fat, pork fat (previously 30 percent), wheat flour (previously 11 percent) and animal feed (previously 70 percent) were abolished.²⁴ Excise taxes on cane sugar and coffee were reduced. In addition, customs duties were set to zero for cream, soybean and sunflower oils, seed material, rye flour, durum and coarse wheat flour, cane sugar, cocoa beans, raw materials used in pharmaceuticals, as well as some animal feed products. Custom duties were reduced for bovine meat, pork, pork fat, poultry fat and other meat by-products, wheat flour and cane sugar. On September 15, 2017, customs duty and excise tax for sugar cane, beet and chemically pure sucrose in the solid state were set to zero (from previously 10 percent).²⁵

29 An important trade measure was the reduction of tariffs on a wide range of products which came into effect on October 1, 2017, when the GoU reduced customs duties on 1,154 product lines. Of these, for 579 products tariffs were eliminated.²⁶ Customs duties were reduced for fish, milk, spices, wheat, buckwheat, rice, cocoa, and many other goods. Moreover, excise taxes were further reduced. On February 1, 2018, the Government approved a temporary exemption²⁷ from payments of fees for custom-related services, excluding fees for customs clearance for certain types of foodstuffs and raw materials, including cattle, sheep and goats, cattle meat, lamb, potatoes, soybeans, sunflower seeds, sesame and sugar. The exemption will be in place until January 1, 2019.

3.2.2 Export restrictions

30 An important part of trade liberalisation that is taking place in Uzbekistan is the removal of the export bans on many agri-food products. In June 2016, the GoU abolished the ban on the export of fruit and vegetable products, potatoes, melons and grapes by motor transport, introduced on September 1, 2015.^{28,29} The ban was aimed at reducing the re-export of Uzbek products to Russia by Kazakhstan.

31 In May 2017, the GoU also cancelled the ban on exporting other products, which had been in force since 1997. These include grains (wheat, rye, barley, oats, rice, maize, buckwheat), bakery products, flour and cereals, livestock and poultry, meat and meat food by-products, sugar, vegetable oils, hides and skins (including karakul fur), cocoons of silkworm, raw silk (untwisted), silk waste.³⁰ The abolition of the ban on flour exports has led to increasing grain exports from Kazakhstan to Uzbekistan, where it is processed and re-exported to Afghanistan.

32 In June 2017, the export monopoly rights given to "Uzagroexport" for exports of fresh and processed fruit and vegetables were revoked.³¹ The company was established in April 2016 as a single

²⁴ Resolution of the President of the Republic of Uzbekistan No. PP-3213 of 15.08.2017 "On Measures for Further Streamlining Foreign Economic Activity of the Republic of Uzbekistan".

²⁵ Resolution of the President of the Republic of Uzbekistan No. PP-3269 of 12.09.2017 "On Measures for Further Streamlining Foreign Economic Activity of the Republic of Uzbekistan".

²⁶ Resolution of the President of the Republic of Uzbekistan No. PP-3303 of 29.09.2017 "On Measures for Further Streamlining Foreign Economic Activity of the Republic of Uzbekistan".

²⁷ Decree of the President of the Republic of Uzbekistan No. UP-5303 of 16.01.2018 "On Measures to Further Ensure Food Security of the Country".

²⁸ Decree of the President of the Republic of Uzbekistan No. UP-4947 of 07.02.2017 "On the Strategy of Actions for the Further Development of the Republic of Uzbekistan".

²⁹ Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 207 of 15.06.2016 "On Approval of the Regulation on the Order of Export of Fresh and Processed Fruit and Vegetable Products".

³⁰ Decree of the President of the Republic of Uzbekistan No. UP-5057 of 25.05.2017 "On Measures to Further Stimulate Exports and Ensure the Competitiveness of Domestic Goods in Foreign Markets".

³¹ Decree of the President of the Republic of Uzbekistan No. UP-5057 of 25.05.2017 "On Measures to Further Stimulate Exports and Ensure the Competitiveness of Domestic Goods in Foreign Markets".

state-controlled export supply chain.³² Farmers, including smallholder (dehkan) farmers, were obliged to enter into supply contracts with "Uzagroexport", for which they paid the company a commission of up to 1 percent of the value of exports. From July 1, 2017, to stimulate competition, business entities have been allowed to export fresh fruit and vegetables, grapes and melons under the condition that the importer provides a 100 percent prepayment for the shipment. This condition was waived, however, only to the firms exporting through Uzagroexport. Other firms still have to comply with a 100 percent prepayment requirement. And, from August 1, 2018, the indicative/minimum export prices for fruits and vegetables, which hindered the quick response of exporters to the movements in world market prices and import demand's changes, were phased out.³³

33 Uzbekistan does not apply export tariffs or export subsidies. The GoU supports export mainly through institutional development, trade exhibitions and opening of trade missions in importing countries.

3.3 Domestic support to agriculture

34 While domestic support policies such as subsidies to farmers are different from border measures, they can substantially influence trade through their effects on agricultural production. Therefore, this section briefly examines agricultural policies of Uzbekistan. The ongoing agricultural sector reforms as part of the 2017-2021 Strategy recognize the need for diversifying away from cotton into high value-added and labour-intensive production and processing, including horticulture. This is motivated by the need to expand remunerative jobs in the rural areas and enhance exports, while also improving food security.³⁴ The GoU is also looking for ways to promote the cultivation of soybeans for domestic consumption (food and feed) and export.³⁵

35 In 2017, the government expenditures on support to productive sectors amounted to slightly over USD 1 billion (10.7 percent of the total government expenditures). Of these, USD 490.5 million (48 percent) were allocated to water management, USD 83.8 million (8 percent) were dedicated to the fund for the improvement of irrigated lands under the Cabinet of Ministers of the Republic of Uzbekistan and USD 58.0 million (6 percent) to financial support to farms, which produce on marginal lands and farms, which produce certain products, such as raw cotton and wheat that are sold to the state stocks (reserves).³⁶ Financial support to these farms is mainly provided for the purchase of inputs for production of cotton, the prepayment of inputs and services for production of the future year's harvest, and for soil improvement.

36 Moreover, Uzbekistan's state agencies purchase around 50 percent of wheat and 100 percent of raw cotton production at administrative prices. The administrative prices are below the export parity prices in case of cotton and below the import parity prices in case of wheat, but the authorities have started to increase the state procurement cotton prices in 2017 with the objective to converge them with export parity price level over the medium run. State orders for purchasing fresh fruits and vegetables (about 4 million tons, which is less than 20 percent of the 2017 harvest), paddy

³² Resolution of the President of the Republic of Uzbekistan No. PP-2515 of 07.04.2016 "On Establishing of a Specialized Foreign Trade Company for the Export of Fresh and Processed Fruit and Vegetable Products "Uzagroeksport".

³³ Decree of the President of the Republic of Uzbekistan No. UP-5495 of 01.08.2018 "On Measures to Substantially Improve Investment Climate in the Republic of Uzbekistan".

³⁴ <http://www.worldbank.org/en/news/feature/2017/11/14/loans-helping-uzbek-farmers-sell-more-of-the-best-fruits-and-vegetables-in-the-world>

³⁵ Resolution of the President of the Republic of Uzbekistan dated 14.03.2017 №PP-2832 "On Measures to Organize Soybean Planting and Increase Cultivation of Soybeans" in the Republic of Uzbekistan for 2017–2021 (amended by Resolution №PP-3144 24.07.2017) provides a concrete action plan with implementation deadlines and responsible agencies, allocation of financial resources, R&D, selection of varieties, and agro-technical training programs.

³⁶ Based on calculations using the data of the State Statistics Committee of the Republic of Uzbekistan provided by Darya Ilina - Senior research fellow at the Institute for Forecasting and Macroeconomic Research (IFMR) under the Ministry of Economy of the Republic of Uzbekistan.

rice³⁷ and soybeans³⁸ at market prices were introduced in 2016, 2017 and 2018, respectively. The state order of fruits and vegetables is intended to guarantee the stable supply of fresh fruits and vegetables for private processing enterprises of the "Uzbekozikovkatholding"³⁹ company, domestic consumers, and for exports.

37 Farms that have introduced a system of drip irrigation are exempted from paying the land tax for five years. In addition, commercial banks can issue preferential loans from a Special Fund for Preferential Loans. These can be issued to farms for a period of not less than 2 years for agricultural production and for investment projects of all small businesses including dehqan farms for up to 5 years. Farms can also take out preferential loans to purchase mini-technologies and compact equipment for the processing of fruits, vegetables and animal products for a period of not less than 5 years, including a grace period of at least 18 months. The interest rate of credits from the Fund's resources should not exceed 50 percent of the Central Bank's refinancing rate as of the day of issuing the credit.

4 Trade agreements and WTO accession status

4.1 WTO accession status

38 Uzbekistan applied for WTO membership in December 1994. The third and last meeting of the Working Group for WTO accession, which is chaired by the Republic of Korea, was held in October 2005. As such the negotiations have not proceeded in any meaningful way for over a decade. However, in November 2017, during a visit to the Republic of Korea, the President of Uzbekistan Shavkat Mirziyoyev announced the intention of the GoU to resume the work on Uzbekistan's WTO accession. The governments of the two countries signed a Memorandum and a Roadmap for the assistance that the Republic of Korea would provide to Uzbekistan for its accession to the WTO. This assistance will include assessing the consequences of joining the organization, examining national legislation from the point of view of the requirements of the WTO agreements, as well as technical and expert support and consultancies for ministries and institutions concerned.

39 In preparation for accession to the WTO, the GoU is planning to modernize several of its legislative and normative acts. This includes developing a new regulation on the application of subsidies and countervailing measures (with special attention to the classification of subsidies subject to their impact on trade), the revision of the law "On Foreign Economic Activity" in accordance with the norms and rules of the WTO and amendments to the Non-Tariff Regulation Act, which provides the basis for the implementation of sanitary and phytosanitary measures.

4.2 Regional and bilateral trade agreements

40 Uzbekistan has signed bilateral trade agreements with 46 countries.⁴⁰ A protocol establishing a free trade area between the members of the Commonwealth of the Independent State (CIS)

³⁷ The volume of the state order was to be approved before February 20, but the normative legal act was not published publicly.

³⁸ The volume of state orders is not fixed. It replies to the need for a stable supply of soybean oil, raw materials for processing enterprises and fodder for livestock farms.

³⁹ The company holding "Uzbekozikovkatholding" was created on the basis of the abolished Association of Food Industry of Uzbekistan and includes a number of enterprises of food, oil, fat, meat and milk products. The main objectives and activities of the company are to conduct market research, elaborate and organize programs for industry and technology development, attract foreign direct investment, organize the export of agri-food products, develop measures to increase the competitiveness of products, introduce international food quality assessment systems, assist the enterprises of the industry in standardization and certification of their products and provide services and training (<https://oziq-ovqat.uz/post/view/47>).

⁴⁰ Resolution of the Ministry of Foreign Economic Relations, Investments and Trade, Ministry of Finance, State Customs Committee of the Republic of Uzbekistan No. 2015/10-12, 101, 01-02/8-47 of 05.12.2015 "On Adding to the List of Countries with which Agreements on Trade and Economic Cooperation with the Provision of the Most-Favored-Nation Treatment were

(Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, and Ukraine⁴¹) and Uzbekistan came into force in May 2014. This protocol grants Uzbekistan duty free access to the markets of all the countries that are signatories to the agreement and vice versa. The protocol contains several exemptions from the provisions of the CIS FTA related to import regime, national treatment, and to a dispute settlement mechanism. Uzbekistan can apply excise taxes on imports, which by far exceed taxes on similar locally produced goods. Uzbekistan does not provide national treatment according to Article III of GATT 1994 and can introduce non-tariff measures that do not comply with the WTO agreements. These exemptions will be in effect either until December 31, 2020 or until Uzbekistan's becomes a member of the WTO, whichever comes first.

41 Free trade agreements with Georgia and Azerbaijan that were signed in 1995 and 1996, respectively, are still in force.

42 In April 2015, the Agreement between the GoU and the Government of the Russian Federation on the main directions of development and deepening of economic cooperation for 2015-2019 came into force.⁴² The agreement aims to promote the deepening of bilateral trade relations, diversification of the goods traded, expanding trade in agricultural products as well as in high value-added goods of mutual interest. In 2016, a Russian-Uzbek working group on the supply of fruit and vegetable products from Uzbekistan to Russia was established.⁴³ Uzbekistan is seeking to establish an agreement with the customs service of Russia and the Rosselkhozadzor⁴⁴ on the simplified procedure for customs and phytosanitary clearance to establish the so-called "green corridor".

43 At the end of 2016, following the recognition of the eradication of the use of child labour in the collection of cotton in Uzbekistan, the European Parliament ratified the inclusion of a textile protocol in the Partnership and Cooperation Agreement (PCA) between the EU and Uzbekistan.⁴⁵ The protocol aims to reduce duties on the imports of textiles from Uzbekistan to facilitate trade in cotton and textile products between Uzbekistan and the EU. The Senate of Uzbekistan ratified the inclusion of textile products in the bilateral trade agreement with the EU⁴⁶ in May 2017 and the protocol came into force on July 1 of the same year.

5 Market access conditions for exports in the key markets

44 Considering Uzbekistan's comparative advantages in the production of fruits and vegetables, as well as the priorities of the GoU to promote farming and export of these products,

Signed" (registered by the Ministry of Justice of the Republic of Uzbekistan on December 11, 2015, registration No. 426-7). These states are: 1. Austria 2. Bangladesh 3. Belgium 4. Bulgaria, 5. Great Britain, 6. Hungary, 7. Vietnam, 8. Germany, 9. Greece, 10. Denmark, 11. Egypt, 12. Israel, 13. India, 14. Indonesia, 15. Iran, 16. Ireland, 17. Spain, 18. Italy, 19. Jordan, 20. Cyprus, 21. Korea, 22. China, 23. Latvia, 24. Lithuania, 25. Malta, 26. Luxembourg, 27. Netherlands, 28. Portugal, 29. Pakistan, 30. Poland, 31. Slovenia, 32. Romania, 33. Slovakia, 34. Singapore, 35. United States, 36. Turkey, 37. Finland, 38. France, 39. Czech Republic, 40. Switzerland, 41. Sweden, 42. Estonia, 43. Japan, 44. Saudi Arabia, 45. Malaysia, 46. Brazil.

⁴¹ The Agreement has been ratified by seven CIS member states (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine) out of eight signatories (with the exception of Tajikistan).

⁴² The Agreement between the Government of the Republic of Uzbekistan and the Government of the Russian Federation on the main directions for the development and deepening of economic cooperation for 2015-2019 (Tashkent, December 10, 2014, approved by Presidential Decree No. PP-2303 of 23.02.2015, came into force on April 14, 2015).

⁴³ The Agreement between the Government of the Republic of Uzbekistan and the Government of the Russian Federation on the main directions for the development and deepening of economic cooperation for 2015-2019 (Tashkent, December 10, 2014, approved by Presidential Decree No. PP-2303 of February 23, 2015, came into force on April 14, 2015).

⁴⁴ Federal Service for Veterinary and Phytosanitary Surveillance "Rosselkhozadzor" in the Russian Federation (<http://www.fsvps.ru/fsvps/main.html? language=en>).

⁴⁵ "UzDaily.uz" News Agency. "The European Parliament ratified the textile protocol with Uzbekistan" [in Russian] URL: <https://www.uzdaily.uz/articles-id-30885.htm>

⁴⁶ Previously, most-favored-nation treatment under the Agreement on the partnership and cooperation was not applied to the import of textile goods from Uzbekistan, which was governed by the agreement between Uzbekistan and the EU on the trade in textile products, signed on April 7, 2011.

the market and market access analysis focuses on these product categories.⁴⁷ In this section, the potential demand and market access requirements for these products are analysed for Eurasian Economic Union (EAEU), China, the EU, and Turkey. Tariffs and non-tariff measures such as sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT) are discussed in the context of market access. Although tariff rates can be low in some of Uzbekistan's trading partners or prospective markets, non-tariff measures can constitute a substantial obstacle for exports.

45 **The potential export markets considered were selected based on the following criteria:**

- They are already important trading partners of Uzbekistan.
- They feature a stable and predictable set of rules (in particular SPS and technical regulations) based on WTO principles and norms and thus allow Uzbekistan formulating and implementing long-term strategies and reforms guided and recognized by the multilateral trading system.
- The analyzed markets are large and stable in growth, which, again, allows for designing and implementing long-term plans for expanding Uzbekistan's exports.
- Export promotion towards these markets and adapting to their specific requirements also increases the readiness and capacity of Uzbekistan's businesses to enter other markets in geographic proximity. For example, the adaptation to EU market requirements and standards may also facilitate access to other markets in Europe, North Africa, and Middle East that have trade agreements with the EU and thus a high level of harmonization with its trade rules and norms.

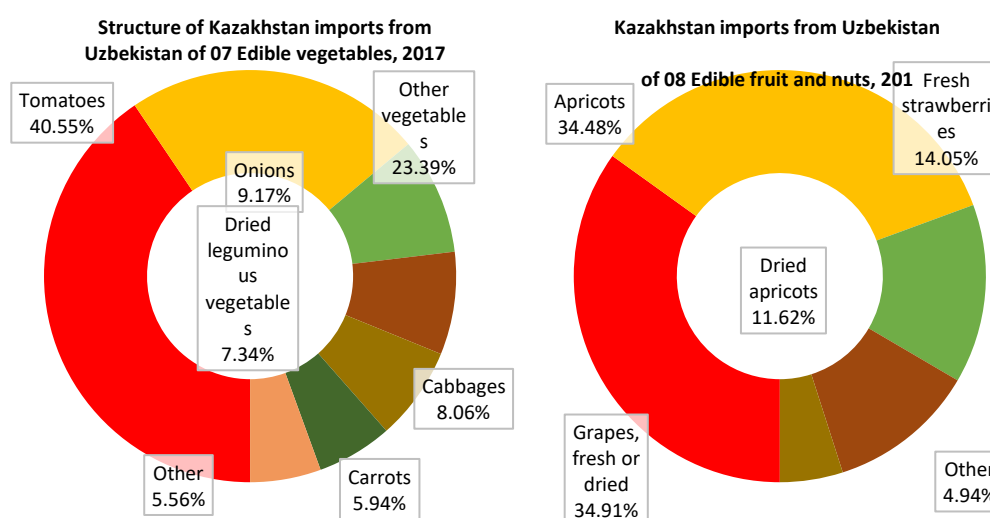
5.1 Kazakhstan, Russia and the Eurasian Economic Union (EAEU)

5.1.1 Trade summary

46 **Facilitated by both the geographical proximity and the CIS FTA, Kazakhstan was one of the largest export markets for Uzbek agricultural goods in 2017.** The value of vegetables exports (HS Chapter 07) to Kazakhstan was USD 75.1 million in 2017, while exports of fruits and nuts (HS Chapter 08) amounted to USD 239.1 million. Uzbekistan's exports of tomatoes (HS Heading 0702), cabbages, cauliflowers etc. (HS Heading 0704), carrots, turnips, etc. (HS Heading 0706), cucumbers and gherkins (HS Heading 0707), and dried leguminous vegetables (HS Heading 0713) accounted for more than 50 percent of Kazakhstan's imports of these products. For strawberries, dried fruits and melons (HS Headings 0810, 0813, 0807) Uzbekistan supplied more than 70 percent, and for fresh or dried grapes and fresh fruits (HS Headings 0806 and 0809) more than 80 percent of Kazakhstan's total imports of these products (Figure 6, Table A7, Table A8).

⁴⁷ The comparative advantage of fruits and vegetables is derived from the rising export of these products in recent years and the suitable agro-ecological conditions to produce high quality horticulture products at low cost. The 2018 World Bank study on the opportunities of Central Asia's export to China and Russia found Uzbekistan to have a comparative advantage in apricots, plums, cherries, grapes, risings, watermelons, melons, and walnuts.

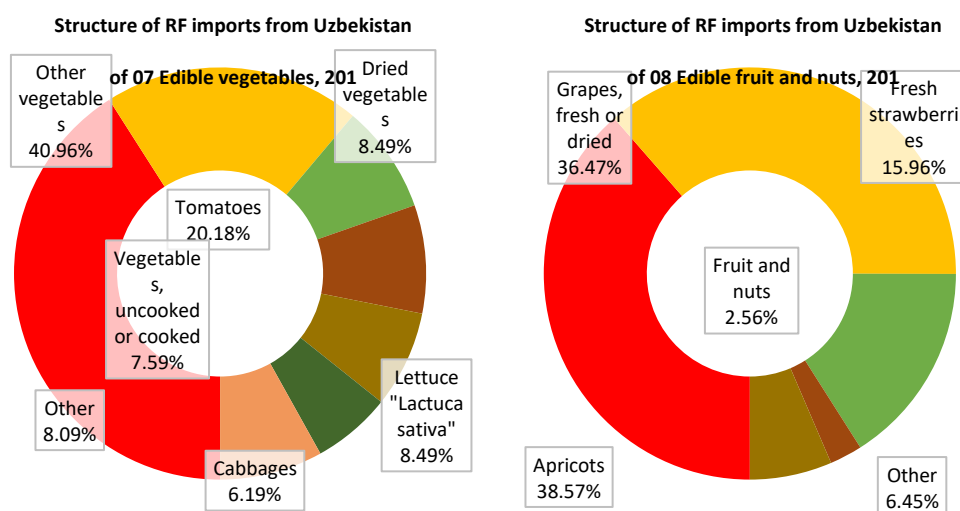
Figure 6: Structure of Kazakhstan imports from Uzbekistan, vegetables and fruit and nuts, 2017



Source: International Trade Centre (ITC), 2018.

47 **Facilitated by geographical proximity, historical economic and political ties and the CIS FTA, Russia is another major importer of agricultural products from Uzbekistan.** In 2017, Russia imported from Uzbekistan vegetables (HS Chapter 07) for USD 34.8 million and fruits and nuts (HS Chapter 08) in the amount of USD 83.9 million. The main products in the vegetable category were tomatoes (HS Heading 0702) and other vegetables (HS Heading 0709). Within the category of fruits and nuts, the main products exported to Russia were apricots (HS Heading 0809) and dried and fresh grapes (HS Heading 0806) (Figure 7, Table A9, Table A10).

Figure 7: Structure of the Russian Federation's imports from Uzbekistan of vegetables and fruit and nuts, 2017



Source: International Trade Centre (ITC), 2018.

5.1.2 Tariffs

48 **While not a member of the WTO, Uzbekistan benefits from the duty-free regime under the protocol signed with the CIS FTA member countries.** On average, this gives an advantage of 8-10 percent lower tariffs in the markets of both Kazakhstan and Russia in comparison with suppliers from countries without trade preferences.

5.1.3 Regulatory requirements

BOX 1: *The Eurasian Economic Union (EAEU)*

On January 1, 2010, the Russia-Kazakhstan-Belarus Customs Union (CU) entered into force when the three countries adopted a common external tariff (CET). Most of the tariff rates were set at the level that Russia applied at that time. Following Russia's WTO accession in 2012, the CU adopted Russia's WTO schedule of tariff bindings as the CET. On January 1, 2015, Kazakhstan, Belarus and Russia established the Eurasian Economic Union as the successor to the CU. Armenia joined the EAEU on January 2, 2015, and Kyrgyzstan joined on August 12, 2015. The Eurasian Economic Commission (EEC) is the supranational body in charge of coordinating the economic integration among Member States and implementing the external trade policy of the Member States.

The Treaty on the Function of the Customs Union in the Framework of the Multilateral Trading System (May 19, 2011) reaffirmed the primacy of WTO rules in the EAEU legal framework. On issues involving trade in goods, EAEU legal instruments establish the basic principles that are implemented at the national level through domestic laws, regulations, and other measures. EAEU legal measures also cover issues such as border enforcement of intellectual property rights, trade remedy determinations, establishment and administration of special economic and industrial zones, and the development of technical regulations and SPS measures. The EAEU Customs Code came into force in January 2018.

Nevertheless, customs administration practices remain a substantial barrier to trade. Importers report high costs for customs clearance, a lack of transparency and information from customs authorities, and arbitrary interpretation of customs clearance requirements at the border. Moreover, there are discrepancies between Kazakhstan's bound tariffs established as part of WTO accession commitments and the CET of the EAEU. Effectively, for a large share of agricultural products Kazakhstan applies lower rates than the CET.

49 **The legal framework of the EAEU is the Treaty on the Eurasian Economic Union.** The treaty contains several annexes, which regulate specific areas including Non-Tariff Measures (NTMs) that can be applied within the territory of the union and towards third parties exporting to the EAEU. Annex 6 (Protocol on Common Customs Tariff Regulation) sets out principles and procedures of customs tariff regulation. The customs union has a common external tariff on its borders, which should be applied in a unified manner. The Annex also regulates the application of tariff rate quotas to third countries. Annex 7 (Protocol on Non-Tariff Regulatory Measures in Relation to Third Countries) states that in the EAEU common NTMs "shall apply in trade with third countries on the territory of the Union".

50 **There shall not be any trade bans or quantitative restrictions (export/import), though paragraph 12 of this Protocol (Annex 7) describes exceptional cases, where such restrictions and bans may be introduced.** These exceptions are generally consistent with the exceptions allowed under the WTO. Article 46 of the EAEU Treaty establishes the following rules for the applications of the following types of NTMs in trade with third countries: prohibition on imports, quantitative restrictions on imports, the exclusive right to import, automatic licensing (import monitoring), and authorization procedures for imports.

51 **In addition to the rules that apply to all EAEU members, each member may unilaterally apply NTMs (for 6 months) to imports from third countries.** Therefore, when planning to export to any EAEU member, Uzbek businesses should verify information from the EAEU official web site as well as the relevant web sites of the EAEU members regarding EAEU as well as national measures to avoid unforeseen complications and delays at the border (which is critical for perishable goods). The EAEU legislation also recognizes that the relations within the EAEU shall be governed by the Treaty on the Functioning of the Customs Union within the multilateral trading system (WTO). The EAEU agreement provides for a possibility for a third party to become an observer to the Union. The status gives access to all non-confidential materials, draft decisions and documents, as well as allows the observer to be

invited to participate in meetings of the EAEU bodies, e.g. Consultative Committee on Technical Regulation, Sanitary, Veterinary and Phytosanitary Measures of the EAEU.

52 On 1 June 2017 the Uniform Quarantine and Phytosanitary Requirements to Quarantine Products and Objects at the Customs Border and Customs Territory of the Eurasian Economic Union entered into force in the EAEU. Imports of products of high phytosanitary risk into the EAEU customs territory shall be accompanied by a phytosanitary certificate issued by an authorized plant quarantine authority of the exporting country and/or the re-exporting country. Special quarantine phytosanitary requirements for particular types of quarantine products are set out in Tables of the Uniform Requirements (Decision №157).

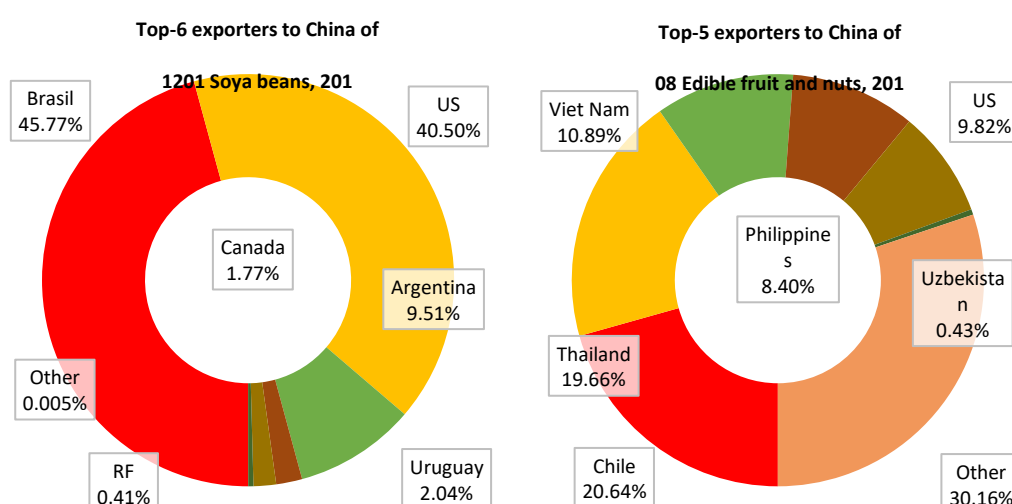
53 The full text of the Decision of the Council of the Eurasian Economic Commission dated 30 November 2016 №157 and its amendments is available at the official web site of the EAEU and the Eurasian Economic Commission. All other EAEU documents are published on the official website of the EAEU.

5.2 China

54 Due to its size, China's economy has a large impact on world markets and particularly on the neighbouring countries. China is a net importer of agricultural products and the largest export market for many agricultural producers. In 2015, China's import of agricultural products amounted to USD 108.2 billion, thus constituting an important and prospective market for Uzbekistan.

55 China is the world's largest importer of soybeans (HS Heading 1201). Soybeans constitute the largest category of China's agricultural imports (USD 34.0 billion in 2016). Imports of other products of interest to Uzbekistan, vegetables (HS Chapter 07) and fruit and nuts (HS Chapter 08) amounted to USD 1.9 billion and USD 5.9 billion in 2016, respectively. Almost all soybeans imported by China are from South and North America (Figure 8). However, the capacity of the Chinese market and its geographical proximity to Uzbekistan could make it a prospective export market for soybeans from Uzbekistan in the long-run, in case of a successful implementation of the national program to increase the production of this crop. Exploring this market would require undergoing stringent and lengthy procedures for sanitary and phytosanitary certification.

Figure 8: Top exports of soybeans and edible fruit and nuts to China, 2016



Source: International Trade Centre (ITC), 2018.

56 For Uzbekistan, the possibility of exporting fruits and nuts could be particularly attractive. The value of China's imports in this category amounted to USD 5.9 billion, mostly from Chile, the United States and the countries of South-East Asia. Uzbekistan's exports of fruits and nuts to China

amounted to USD 25.4 million, an equivalent of 0.43 percent of Chinese imports in this category (Figure 8).

57 **Uzbekistan already has a significant production of strawberries, grapes and other fresh fruits nuts - products which are imported by China in large quantities** (Table 2). Grapes (HS Heading 0806) in particular are a good example of successful exports. In 2016 Uzbekistan entered the Top-6 suppliers of this product to the Chinese market. Other exporters of grapes to China include Chile, Peru, Australia, the United States, and South Africa.

58 **An example of a significant underutilization of the export potential of Uzbekistan are exports of dried apricots (HS Heading 0813)**, where the share of Uzbekistan in total exports to China in 2016 was only 0.1 percent, while share of Kyrgyzstan was 1.1 percent. The total value of exports from all countries amounted USD 74.7 million. Most dried apricots imports were sourced from Thailand. As such, Uzbekistan could explore the possibility of significantly increasing exports of this product to China.

59 **Among vegetables, dried leguminous vegetables (HS Heading 0713) could be an interesting category for potential exports from Uzbekistan.** China's imports of these products amounted to USD 422.4 million in 2016.

Table 2: Volume of China's imports of fruit and nuts, 2016

Product: 08 Edible fruit and nuts; peel of citrus fruit or melons		
HS Heading	Product label	China import value in 2016, millions of USD
0810	Fresh strawberries, raspberries, blackberries, back, white or red currants, gooseberries	1,874
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	920
0806	Grapes, fresh or dried	685
0803	Bananas, incl. plantains, fresh or dried	586
0802	Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts ...)	528
0804	Dates, figs, pineapples, avocados, guavas, mangoes fresh or dried	364
	Other	909

Source: International Trade Centre (ITC), 2018.

5.2.1 Tariffs

60 **China is a WTO member since 2001 and its import tariffs are subject to a maximum (bound tariffs) established at the accession.** China's average applied MFN agricultural tariff rate is 15.5 percent,⁴⁸ while its WTO bound rate is 15.7 percent. The average applied MFN tariff rate for the product group "Fruit, vegetables, plants", is 14.8 percent, and the average applied MFN tariff rate for the product group "Oilseeds, fats & oils", which contains soybeans and soybean products, is 10.9 percent.

5.2.2 Regulatory requirements

61 **China's SPS/TBT system is based on international agreements, national legislation and regulation (which is to be in compliance with international agreements such as the WTO SPS and TBT Agreements and the standards adopted by Codex Alimentarius, OIE and IPPC).** The main

⁴⁸ Details of China's MFN tariff rate for Chapters 07, 08 and HS Heading 1201 are available in the Annex (Table A11). However, the information provided in the Annex can only be used for information purposes and cannot be used as a source of official information for customs clearance.

regulating body for SPS is the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ). It is in charge of national quality, metrology, entry/exit commodity inspection, entry-exit health quarantine, entry-exit animal and plant quarantine, import-export food safety, certification and accreditation, standardization, as well as administrative law enforcement.⁴⁹ Also, WTO SPS and TBT National Enquiry Points are located in the AQSIQ. The enquiry points are responsible for addressing all enquiries from foreign governments, importers and exporters and trade experts forwarded to the Chinese government regarding existing, modified, drafted or planned SPS/TBT measures.⁵⁰ However, the enquiry points do not conduct market research, provide business planning information or export advisory services.

62 China has made considerable progress in ensuring transparency of its laws and regulations and other acts related to trade. In the 2016 China Trade Policy Review (TPR), WTO Members recognized China's further effort in reforming its economy, but expressed concerns regarding some governmental initiatives such as "Made-in-China 2025", which may raise new trade barriers and become discriminatory against foreign companies.⁵¹ Various editions of the TPR state further challenges:⁵²

- Although China committed to providing translations of its legislation into one or more WTO official languages, translations are still very rare. Often only explicit trade laws are translated, whereas the majority of other laws and acts that could limit the access to the Chinese market remain inaccessible for foreign governments and traders.
- A lack of transparency of the governmental measures and policies continues to be of concern to many of China's trading partners. Practices especially in the area of customs and SPS quarantine bodies also vary considerably and remain unpredictable for traders.⁵³
- Some WTO Members note lengthy and unclear import procedures for some agricultural goods, as their companies often raise concerns about the implementation of food and safety legislation by China. China's SPS measures often lack scientific justification, are non-transparent, and their arbitrary application impact exporting companies and become unjustifiably burdensome.⁵⁴
- China's implementation of its 2015 Food Safety Law has introduced new regulations. These regulations, many of which were notified to the WTO TBT Committee, but not the WTO SPS Committee, include exporter facility and product registration requirements for goods such as dairy, infant formula, seafood, grains and oilseeds. Additionally, despite facing strong international opposition and agreeing to a two-year implementation delay, Chinese authorities are still considering the implementation of a burdensome and unnecessary measure requiring official certification of all food products, including low-risk food exports.⁵⁵
- In 2017 China has notified to the WTO its "Regulations on the Implementation of the Food Safety Law of the People's Republic of China (Revised Draft)" as SPS 1055. This is a revised draft regulation in line with implementation of its Food Law, which seems to incorporate

⁴⁹ <http://english.aqsic.gov.cn/AboutAQSIQ/Mission/>

⁵⁰ This holds for all enquiry point established in all WTO members under TBT and SPS or any other agreement.

⁵¹ TPR China 2016 Minutes of the Meeting, document WT/TPR/M/342 dated 29.09.2016.

⁵² Unless stated otherwise, the challenges mentioned below are based on various editions of the WTO Trade Policy Review on China and Piatnyskyi. 2018. Analysis of the key export markets for Uzbekistan agri-food products. Background paper to this report.

⁵³ USTR. 2017 National Trade Estimate Report on Foreign Trade Barriers.

⁵⁴ In this relation there is an important role of the respective official bodies of Uzbekistan to be played in establishing direct working communication on a regular basis with the Chinese authorities to address arising trade concerns and issues. Duly and timely resolution of any issue is vital for agricultural exports (perishable goods in particular).

⁵⁵ USTR. 2018 National Trade Estimate Report on Foreign Trade Barriers, p. 106.

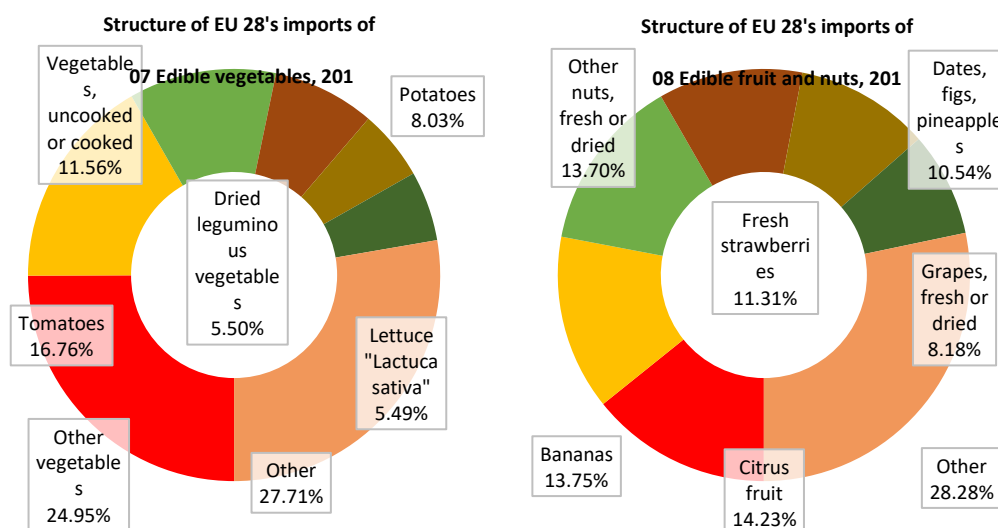
already existing measures and practices. In October 2017, China announced that it would delay implementation by two years.

- Some of China's SPS measures continue to enter into force without having first been notified to the SPS Committee, and without other WTO members having had the opportunity to comment on them, even though they appear to be the type of measures that are subject to the notification requirements of the SPS Agreement.
- Many of these not notified measures are of key concern to exporters, *e.g.* measures implementing important new registration requirements, residue standards, inspection requirements and quarantine requirements.
- Some WTO Members note that Chinese customs officials are still improperly using "reference pricing," which usually results in a higher dutiable value.
- In September 2015, China ratified the WTO Trade Facilitation Agreement (TFA), which includes provisions for expediting the movement of goods, release and clearance of goods, including goods in transit. The TFA also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issue. Notwithstanding these commitments exporters often report problems during customs clearance: procedures are inefficient, lengthy, inconsistent and vary from port to port. Moreover, some fees appear to be excessive.

5.3 European Union

63 The EU is one of the largest export markets for many countries that produce agricultural products. In 2017, agri-food imports of the EU from countries outside the Union amounted to USD 117 billion.⁵⁶ It imports substantial quantities of vegetables (HS Chapter 07; USD 28.39 billion in 2017) and fruit and nuts (HS Chapter 08; USD 52.1 billion in 2017). The EU also imports a significant volume of soybeans (HS Heading 1201; USD 6.2 billion in 2017) (Figure 9).

Figure 9: Structure of EU's imports of edible vegetables and edible fruit and nuts, 2017



Source: International Trade Centre (ITC), 2018.

5.3.1 Tariffs

64 The EU's average applied MFN agricultural tariff rate is 11.1 percent, while its WTO average bound rate for agricultural products is 11.9 percent. The average applied MFN tariff rate for the

⁵⁶ https://ec.europa.eu/agriculture/sites/agriculture/files/trade-analysis/statistics/outside-eu/regions/agrifood-extra-eu-28_en.pdf

product group "Fruit, vegetables, plants", which includes fruits, nuts and vegetables, is 10.5 percent, and for the product group "Oilseeds, fats & oils", which includes soybeans – 5.6 percent. Uzbekistan benefits from the EU PCA which grants MFN treatment, the Generalised Scheme of Preferences (GSP) which allows developing countries to pay fewer or no duties on exports to the EU and the EU-Uzbekistan Textile Protocol which recently entered into force.⁵⁷

65 Imports of fresh fruit and vegetables to the EU are subject to an Entry Price System. The Entry Price System is a complex tariff system that provides a high level of protection to EU producers. Fruits and vegetables imported at or above an established entry price are charged an ad valorem duty only. However, fruits and vegetables imports valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. A tariff equivalent is charged on products valued at between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.⁵⁸ Not all fruits and vegetables are subject to an entry price. It applies, for example, to tomatoes (Table A11).

5.3.2 Regulatory requirements

66 As in other member states of the WTO, in the EU non-tariff measures for agricultural products are divided into two major categories: SPS measures, which address risks to human, plant and animal health, and technical (labelling and quality) regulations, the so-called Technical Barriers to Trade (TBT). Any company looking for an opportunity to export to the EU will have to demonstrate compliance with the EU non-tariff measures through certification of its quality systems and/or product testing. The general legislative requirements for food products are the following:

- Control of food safety and health - applicable to all food products
- Control of food contaminants - applicable to all food products
- Composition - for all food products
- Labelling - for all pre-packaged foods
- Traceability and control.

67 An important aspect of food safety management is the implementation of the ISO 22000 standard, which refers to food safety requirements for enterprises in the food industry. The standard integrates the principles of the Hazard Analysis and Critical Control Point (HACCP) system, and application steps developed by the Codex Alimentarius Commission. Food products are subject to official control. Products that are considered unsafe for human consumption will be denied access to EU markets. The EU operates a 24-hour monitoring and notification system⁵⁹ for violations of food safety standards and the corresponding health risks, which publishes notifications of all unsafe and critical food and feedstuffs entering the EU market so that each of the 28-member countries can react quickly to such risks. The portal is open for external access and has a special page for consumers in the EU countries, who can independently track violations of the EU norms for certain imported goods.

68 Food contaminants are substances that have not been added to food intentionally, but entered inadvertently at any stages of its production, packaging, transport or handling. Contamination has a negative impact on the quality of food and may imply a risk to human health. The EU establishes maximum levels for the following contaminants: mycotoxins (aflatoxins, ochratoxin A, fusarium-toxins, patulin, citrinin), metals (cadmium, lead, mercury, inorganic tin, arsenic), dioxins and Polychlorinated Biphenyls (PCBs), Polycyclic Aromatic Hydrocarbons (PAH), 3-MCPD, melamine,

⁵⁷ Details of the EU's MFN tariff rate, GSP and applicable entry prices for imports of goods included in Chapters 07, 08 and HS Heading 1201 can be found in the Annex (Table A11). However, the information provided in the Annex can only be used for information purposes and cannot be used as a source of official information for customs clearance.

⁵⁸ <https://gain.fas.usda.gov/Recent%20GAIN%20Publications/EU%20Exporter%20Guide%20for%20Fresh%20Fruit%20and%20Vegetables%20Brussels%20USEU%20EU-27%202-7-2012.pdf>

⁵⁹ RASF Portal: <https://webgate.ec.europa.eu/rasff-window/portal/?event=notificationsList&StartRow=1>

erucic acid, and nitrates. The basic principles of EU legislation on contaminants in food are laid down in Council Regulation 315/93/EEC, Maximum levels for the above-mentioned substances in food are set in Commission Regulation (EC) №1881/2006.

69 **Uzbekistan is listed in the Commission Regulation (EC) №669/2009 of 24 July 2009 (as amended)⁶⁰ and is subject to an increased level of official controls on imports of food and feed of non-animal origin at the EU points of entry.** This implies document and physical checks (including laboratory tests) to be carried out by the EU competent authorities. The products subject to increased official controls are dried vine fruit (0806.20), dried apricots (0813.10.00), and apricots, otherwise prepared or preserved (2008.50.61). The application of such measures by the EU sets a precedent for many other countries to treat imported agricultural products from Uzbekistan accordingly.

BOX 2: France – Ban on cherries from countries that allow the use of dimethoate

On April 27, 2017, France reinstated an April 22-December 31, 2016 ban on the import and sales of cherries from countries where dimethoate – a pesticide and acaricide (kills mites and ticks) – can be applied to cherries and cherry trees. France’s decision followed a ban on domestic production of this chemical compound, which France claims is harmful to human health. France imports roughly one-fifth of its cherry consumption, the bulk coming from EU countries including some (such as Spain and Germany) that have already banned dimethoate. Under the ban, countries that allow the application of dimethoate are not allowed to export cherries to France, even if the producer has never applied dimethoate. This ban ignores information provided by the United States documenting that dimethoate is not used in certain cherry producing states, or that it is used post-harvest when there is no possibility for residues, and thus no risk to consumers. The dimethoate ban potentially sets a precedent for France to unilaterally ban products from countries using compounds approved for use in the EU but banned only in France under safeguard measures intended for short-term emergency cases. For example, France in late 2017 announced its intention to ban glyphosate in 3 years, even though the EU reauthorized the chemical’s use for 5 years.

Source: USTR (2018): *National Trade Estimate Report on Foreign Trade Barriers*, p. 174.
<https://ustr.gov/sites/default/files/files/Press/Reports/2018%20National%20Trade%20Estimate%20Report.pdf>

70 **Composition.** A product can be rejected by EU buyers and customs authorities, if it contains undeclared or unidentified substances or exceeds limits for such materials. There is a special legislation for additives (e.g. colours, thickeners) and flavours, which describes which E-numbers and substances are allowed for use.⁶¹ Often, import problems arise because of undeclared or too high contents of preservatives (e.g. in sulphite) in dried fruits or food colours such as E110 (Sunset Yellow) used in dried candied fruits.

71 **Labelling.** Regulation (EC) №1169/2011 on providing information about the product to consumers entered into force on December 13, 2014. In practice, the regulation requires:

- A minimum font size for mandatory information.
- A clearer and more understandable presentation of information on allergens (e.g. soy, nuts, gluten, lactose) in pre-packaged products (with emphasis on font, style or background colour) in the ingredients list.
- Mandatory information on allergens in foods that are not packaged.

⁶⁰ Commission Implementing Regulation (EU) 2015/525 of 27.03.2015 amending Annex I to Regulation (EC) №669/2009 implementing Regulation (EC) №882/2004 of the European Parliament and of the Council as regards the increased level of official controls on imports of certain feed and food of non-animal origin
<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R0525>

⁶¹ Regulation (EC) №1925/2006 of the European Parliament and of the Council of 20.12.2006 on the addition of vitamins and minerals and of certain other substances to foods.

- Information on nutritional properties for most ready-made foods.
- Some of the obligations (e.g. the minimum font size) apply only to packaged products.

72 **Traceability and responsibility.** The EU requires certain level of traceability at all stages of production (growing), processing and transportation of food and feed products. Though the traceability requirement is not applicable beyond the EU borders, the EU importer needs to comply with it. The importer must be able to define the entity from which the product is being exported. The competent authorities at the EU border verify the appropriate documentation and information to facilitate the traceability of products. The goods should include a specific label – the traceability code - which specifies the product's origin, product category and producer at each stage of the production. The code allows the traceability back to an individual farm or, in the case of consolidated products, a batch number leading back to the point of primary production.

5.3.3 Private standards

73 **Since 2005, importers and retailers in the EU have been increasingly applying “private standards”, which *de jure* and *de facto* are not regulated by the WTO or any other international standard-setting organization.** A network of private sector standards started in the EU in 1997 as EurepGAP to address growing consumer concerns about the safety and quality of food products. Today it is widely known as GLOBALG.A.P.⁶² The objective of GLOBALG.A.P. is to ensure quality through certification of conformity with certain production standards, e.g. Good Agricultural Practice (GAP). The system is used by all major European retailers, as well as retailers in some other countries.

74 **A producer who is interested in complying with GLOBALG.A.P. standards can download the relevant standards for free.** Once the quality systems are in place, a GLOBALG.A.P. approved certification body conducts an on-site inspection. When the standards compliance is confirmed, a GLOBALG.A.P. Integrated Farm Assurance Standard V5 certificate and a unique number are issued for the relevant consignment. Buyers use this number to verify compliance with the relevant standards.

75 **The EU insists that it is not an official EU standard.** Today there is no consensus among the WTO Members regarding the use of private standards. There is an ongoing debate about the definition of the term "private standard", and whether these standards fall within the scope of the SPS Agreement. Some countries express concerns about the ability of market operators to enforce these standards at farm level, considering the cost of implementation, compliance and proof of compliance with such standards. Many supermarkets (e.g. Carrefour Group) in the EU countries rely on private standards. Nevertheless, complying with GLOBALG.A.P. will constitute a competitive advantage of Uzbek food exports, and their adoption will need to be proactively encouraged.

5.4 Turkey

5.4.1 Trade summary

76 **In 2017 Turkey was one of the main destinations for agricultural exports from Uzbekistan, in particular for fruits and nuts (HS Chapter 08).** For this product group, Uzbekistan was the fourth largest supplier to Turkey in 2017 with a market share of 8.2 percent (equivalent to USD 47.1 million). Although Uzbekistan it is among the top ten suppliers of vegetables (HS Chapter 07) to Turkey, the value of exports for this group is substantially smaller (USD 5.8 million in 2017) and far less than exports from Russia and Kazakhstan (USD 34.8 million and USD 34.2 million in 2017, respectively).

77 **Turkey imports a significant volume of soybeans (HS Heading 1201).** In 2017, total soybean imports amounted to USD 947.9 million, sourced mostly from North and South America and Ukraine (the latter with an export value of USD 277.0 million).

⁶² https://www.globalgap.org/uk_en/

78 **Turkey has been undertaking efforts to expand its trade within the region and enhance relations with the EU through a dialogue on modernising the existing EU-Turkey Customs Union, which is Turkey's most important Free Trade Agreement.** This may also pose an opportunity for entering the EU market through establishing sustainable supply chains including repackaging of Uzbek fruits and vegetables in Turkey.

79 **When the Turkish President Recep Tayyip Erdogan visited Uzbekistan on April 30, 2018, the countries announced plans to activate and advance their bilateral and economic relations.** The total value of most recently signed contracts for Uzbek exports is USD 680 million, and there are plans to increase bilateral trade by USD 5 billion in the coming years.⁶³ Given their geographic proximity, the explicit political will from both sides, common values and aspirations, good relations and ambitions to deepen trade and economic relations, Turkey and Uzbekistan show signs of taking important steps toward further integration. The steps towards deeper cooperation include talks on preferential trade agreements, signing of nearly 30 cooperation projects in 2017⁶⁴ and signing of several bilateral documents aimed at facilitating transit and further development of transport corridors.⁶⁵

5.4.2 Tariffs

80 **Turkey's average applied tariff rate for agricultural products is 43.2 percent⁶⁶, while its WTO bound rate is 61 percent.** Turkey continues to maintain high tariff rates on many imported food and agricultural products. In particular, for the product group "Oilseeds, fats & oils" including soybeans, the average applied MFN tariff rate is 14.2 percent, and for the product group "Fruit, vegetables, plants" (with HS Chapters 07 and 08), the average applied MFN tariff rate is 34.1 percent. Tariffs on fresh fruits range from 19.5 percent to 135.9 percent. While the gap between applied and bound rates gives some flexibility to the Turkish Government to modify tariff rates in response to domestic and international market conditions, it also reduces the predictability for exporters to Turkey.

5.4.3 Regulatory requirements

81 **The Turkish Ministry of Economy is responsible for the implementation of norms and requirements and for providing information to foreign operators.** Turkey carries out quality checks for agricultural products as part of the control process according to Communiqué No 2015/21 on Commercial Quality Controls on Certain Agricultural Produce at Export and Import Stage (cotton is also subject to commercial quality controls at export and import stages and in the domestic market as well).⁶⁷

82 **Turkey aligns and harmonizes its technical regulation legislation and quality control infrastructure with the EU.** Turkey also aligns and harmonizes its SPS measures with the EU acquis, specifically in the area of food safety, veterinary and phytosanitary regulation. For areas, where no relevant EU legislation exists, Turkey's SPS measures are developed in accordance with the WTO SPS Agreement and the guidelines provided by the standard-setting international organizations. The main body responsible for SPS issues is the General Directorate of Food and Control of the Ministry of Food, Agriculture, and Livestock. It is also listed as Turkey's Enquiry Point responsible for official notifications and responses to enquiries under the WTO SPS Agreement. Turkey's Law on Veterinary Services, Plant Health, Food and Feed No 5996 DD13.06.2010⁶⁸ contains specific chapters and provisions that outline food safety, labelling and traceability and other essential requirements, sanctions and penalties for

⁶³ <https://mft.uz/ru/news/uzbekistan-i-turtsija-novaja-planka-sotrudnichestva>

⁶⁴ <https://akipress.com/news:592872>

⁶⁵ <http://www.freshplaza.com/article/183930/Uzbekistan-and-Turkey-agree-to-diversify-trade-with-fruit-and-vegetables>

⁶⁶ Details of Turkey's MFN tariff rate for imports of goods included in Chapters 07, 08 and HS Heading 1201 can be found in the Annex (Table A11). However, the information provided in the Annex can only be used for information purposes and cannot be used as a source of official information for customs clearance.

⁶⁷ WTO Turkey Trade Policy Review 2016 WT/TPR/M/331, dated 28.04.2016.

⁶⁸ Republic of Turkey Ministry of Food, Agriculture and Livestock.
<https://www.tarim.gov.tr/Sayfalar/EN/Mevzuat.aspx?Ogeld=14>

non-compliance with the law and establishes the mandate of the Ministry of Agriculture and Rural Affairs of Turkey.⁶⁹

83 Turkey's alignment and harmonization with the EU *acquis* implies that exports to Turkey automatically also qualify for entry into the EU and vice versa. However, the process of alignment also implies that Turkish authorities frequently implement changes to requirements without notification or consultation with trading partners.

6 Prospects for Uzbekistan to develop agricultural trade

84 The GoU is undertaking efforts to eliminate exports of raw cotton in the next two to three years⁷⁰, shifting the productive resources towards enhancing the processing capacities for cotton and exporting higher value-added textile goods. The GoU is also taking actions to significantly increase exports of fruits and vegetables⁷¹, including in their processed form. The export potential of the fruits and vegetables sector is estimated to be over USD 5 billion (currently USD 665.9 million are exported).⁷² Uzbekistan is already among the leading exporters of apricots (2nd place globally), persimmons (3rd place), cherry (5th place), and peaches (9th place). In 2018, the fruit and vegetable industry of Uzbekistan expects to increase their exports by 30 percent compared to 2017. According to the Uzbekozikovkatholding, the quantity of exported fruits and vegetables will reach 1.2 million tons, for the total value of USD 1 billion. Currently, fruits and vegetables are exported to 70 countries. Contracts for the supply of fruits and vegetables during 2018 and 2019 were signed with South Korea, China, Saudi Arabia, the United States, Indonesia, Germany and other countries. The Uzbekozikovkatholding plans to expand exports to other countries of South East Asia, Europe, Middle East, Africa as well as North and South America.

85 In addition, several initiatives of the President of the Republic of Uzbekistan target the development of exports of ferula⁷³, lemons⁷⁴, soybean⁷⁵, licorice⁷⁶, Indonesian bitter pepper⁷⁷, walnut⁷⁸ (most of them belong to HS groups 08 and 12), and fish⁷⁹. The main constraint to expanding Uzbekistan's agricultural trade is its limited integration in global and regional markets due to restrictive national trade policies, challenges in providing food quality and safety in line with

⁶⁹ https://www.tarim.gov.tr/Belgeler/ENG/Legislation/law_veterinary_services.pdf

⁷⁰ Official website of the President of the Republic of Uzbekistan "In the Syrdarya region will be reduced 20,000 hectares of cotton areas" URL: <http://press-service.uz/en/lists/view/1641> (Date of reference: 15.04.2018).

⁷¹ Decree of the President of the Republic of Uzbekistan No. UP-5388 of 29.03.2018 "On Additional Measures for the Accelerated Development of Fruit and Vegetable Growing in the Republic of Uzbekistan". Source: National Legislation Database, 30.03.2018, No. 06/18/5388/0970.

⁷² Gulyamov R.A., etc. (2014): Potential and Prospects of Development of Fruit and Vegetable Growing and Viticulture of Uzbekistan. Tashkent, "UZBEKISTAN". p.104.

⁷³ Resolution of the President of the Republic of Uzbekistan No. PP-3617 of 20.03.2018 "On Measures to Create Ferula Plantations in the Republic, Increase the Volume of Processing of its Raw Materials and Exports." Source: National Legislation Database, 03.03.2018, No. 07/18 / 3617/0963.

⁷⁴ Resolution of the President of the Republic of Uzbekistan No. PP-3586 of 06.03.2018 "On Measures for Further Development of the Sphere of Limnology in the Republic of Uzbekistan". Source: National Legislation Database, 06.03.2018, No. 07/18/3586/0853.

⁷⁵ Resolution of the President of the Republic of Uzbekistan N PP-2832 of 14.03.2017 "On Measures to Organize Soybean Planting and Increase the Cultivation of Soybeans in the Republic for 2017-2021."

⁷⁶ Resolution of the Cabinet of Ministers No. 63 of 01.27.2018 "On Measures for Further Development of Production and Industrial Processing of Licorice and Other Herbs in the Republic of Uzbekistan". Source: National legislation database, 02.01.2018, the number 09/18 / 63/0637.

⁷⁷ Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 62 of 27.01.2018 "On Measures to Increase the Sowing of Bitter Pepper in the Republic on the Basis of Foreign Experience". Source: National Legislation Database, 29.01.2018, No. 09/18/62/0633 - only in Uzbek.

⁷⁸ Resolution of the President of the Republic of Uzbekistan No. PP-3025 of 01.06.2017 "On Establishment and Organization of the Association of Walnut Producers and Exporters". Source: "Narodnoe slovo", 2017, No. 110 (6774); Set of legislations of RU, 2017, No. 23 (452).

⁷⁹ Resolution of the President of the Republic of Uzbekistan No. PP-3657 of 6.04.2018 "On Additional Measures for the Accelerated Development of the Fishing Industry". Source: National Legislation Database, 07.04.2018, No. 07/18/3657/1027.

international standards and limited efforts to promote exports. The following section gives practical recommendations to address these constraints.

7 Policy recommendations for expanding and diversifying agri-food exports from Uzbekistan

86 **In recent years, Uzbekistan has been undertaking practical steps for expanding trade and developing exports.** The GoU plans to streamline and increase the effectiveness of its export promotion efforts. Based on the analysis in this document and GoU priority to liberalize and diversify trade, the following recommendations are proposed for consideration of the GoU:

Trade policy measures:

- a. **Eliminating the 100 percent prepayment condition for exports of fruits and vegetables for all exporters.** Firms selling fruits and vegetables through Uzagroexport are no longer required to meet the requirement of full prepayment. Yet, other firms still are. This restriction stimulates the use of unofficial and illegal marketing channels, and, consequently, prevent the establishment of formal channels that are needed to gain access to profitable foreign food markets. Uzbekistan will only benefit if farms and processing companies participate in export activities without restrictions, strengthening the export potential and competitiveness of food products from Uzbekistan.
- b. **Reducing import barriers for quality and performance-enhancing machinery and equipment.** Uzbekistan has moved towards removing import barriers for equipment necessary to enhance the quality and safety of its fruits and vegetables. Further revision and modernization of the rules and existing practices in this area are needed.

Trade agreements and WTO accession status:

- c. **Speeding up WTO accession negotiations to finalize the accession.** This will enable Uzbekistan to take greater advantage of the multilateral trading system. Membership in the WTO will allow Uzbekistan to resolve trade issues through the participation in Agriculture, SPS, TBT or any other Committee and by using the dispute settlement mechanism.⁸⁰ Trade measures used by the Members are discussed in these WTO Committees. In addition, Members' experts often meet at the margins of the Committees to find ways to resolve trade concerns at a technical level. The implementation of the Trade Facilitation Agreement is yet another instrument to facilitate exports through an improved set of rules and specific disciplines on non-discriminatory access to information on customs procedures, border agencies cooperation, transit, perishable goods, single window, etc.⁸¹
- d. **Making use of the full range of the WTO transparency mechanisms** even at the stage of being an observer and acceding country: notifications and trade policy reviews, non-confidential materials of the Dispute Settlement Body, participation as an observer in all relevant WTO Committees and groups, etc. The relevant authorities and Uzbek businesses can also benefit from access to the notification databases for SPS (<http://spsims.wto.org/>) and TBT (<http://tbtims.wto.org/>). The WTO and the International Trade Centre (ITC) have also developed a special alert system with open access *E-ping* (<http://www.epingalert.org/en>), which allows to keep track of product requirements that national governments introduce in their markets. The system is available in English, French and Spanish.

⁸⁰ The dispute settlement procedure can be used against EAEU members individually, since each of them is a WTO Member and has individual commitments. The EAEU is not recognized by the WTO as a subject of international law.

⁸¹ Membership in the WTO will open an opportunity for Uzbekistan to participate in all trade talks under the current Doha Round, of which of direct interest may be the trade in cotton initiative. See Ministerial Decision dated 19.12.2015. WT/MIN(15)/46 — WT/L/981 : https://www.wto.org/english/tratop_e/agric_e/cotton_e.htm

- e. **Concluding free trade agreements** with additional trading partners would provide greater access to their markets. Agreements should clearly define and clarify trade rules and procedures facilitating bilateral trade. The implications of any trade agreements for Uzbekistan's economy should be studied thoroughly and the trade-offs should be discussed with the private sector. FTAs with Turkey,⁸² South Korea could potentially be beneficial for Uzbekistan. Due attention should be paid to the specific provisions of each agreement (SPS/TBT, investment, terms of trade, tariffs and non-tariff barriers). Concluding FTAs does not imply that SPS rules in the export markets will be eased. The new generation of trade agreements are versatile and complex, with potentially strong implications for both exports and the import-competing sectors. These can imply risks particularly to the sensitive sectors and particularly to SMEs or smallholder agricultural producers. FTAs with more developed economies may contain special provisions on technical assistance and support programs for Uzbekistan, which would help companies in Uzbekistan and the GoU to adjust to the new trade rules and to build or strengthen the institutional capacities of the ministries, agencies and business associations, SMEs and cooperatives in rural areas.

Market access conditions for exports:

- f. **Upgrading food quality and safety standards and control systems.** Certified fruits and vegetables, especially under the private standards, can receive price premiums and enjoy greater access to food markets. Although Uzbekistan has made progress in promoting food quality and safety standards and removing barriers in its certification system, significant actions still need to be taken to gain access to the EU and other markets with stringent requirements to food quality.
- g. **Continuing cooperation with international organizations that provide technical support in improving safety standards and bringing them in line with WTO rules and standards developed by the international standard-setting bodies as well as in creating a framework that would facilitate the voluntary adoption of HACCP systems by the private sector.** Priority should be given to agricultural products with high export potential, such as cherry, grapes, melons, as well as organic fruits and vegetables. Given that the demand for organic foods is growing in Western Europe and other developed countries, there could be some potential for developing exports of processed products, including dried fruits and nuts.
- h. **Diversifying exports of fruits and vegetables through increasing production volumes and quality of products in which Uzbekistan's producers have a competitive advantage.** Moreover, actions could be taken to promote growing new types of products, including new varieties with higher productivity and other characteristics (colour, size, etc.) to reduce production costs and compete successfully in foreign markets.
- i. **Promoting foreign direct investment in the fruit and vegetable sector of the economy.** Partnership with foreign companies often helps companies engaged in processing fruits and vegetables to gain access to new foreign markets. Foreign partners have experience with standards and requirements of destination markets, understanding of consumers' tastes and preferences, as well as knowledge of product distribution channels. It is necessary to intensify the work on attracting foreign direct investment in the fruit and vegetable sector with the view to bolster the integration of producers and exports from Uzbekistan in the global value chains.
- j. **Developing a modern logistics network through the creation of multimodal trade-logistics centers, geographically close to the main areas of fruit and vegetable production in**

⁸² The FTA between Turkey and Bosnia and Herzegovina is exemplary in the sense of a full liberalization of market access: all duties for goods from Bosnia and Herzegovina are granted free (zero duty) access to the Turkish market, except certain meat products.

Uzbekistan. These trade-logistics centers should perform a range of operations for the storage and handling of food products (freight forwarding services, maintenance of vehicles and containers, cargo cleaning as well as information, financial, insurance services related to trade, etc.).

Export promotion:

- k. **Discussing/preparing export promotion strategy, programs and initiatives** with the main stakeholders as a joint effort between the government and the private sector, with the GoU leading the process. The GoU should stimulate a dialogue with rural communities and SMEs to ensure that export promotion initiatives and efforts are well understood and supported by businesses and the wider society. This would foster a smooth implementation of the programs. Furthermore, the costs of their implementation could be shared with the private sector.
- l. **Strengthening (or building new) trade diplomacy** through embassies is an essential component of promoting Uzbekistan's exports. In this process, it is crucial to ensure inter-agency coordination and cooperation between the relevant ministries for formulating and presenting the country's consistent position in different countries/markets and international forums.
- m. **Encouraging and supporting the participation of national companies in international trade fairs** and similar events and assist in the organization of special export-oriented training and upgrading of skills for national companies, in particular SMEs, cooperatives and business associations. Efficient business communication, English, Chinese or other languages proficiency, training and export advisory services, are necessary for boosting export activities at a practical level and not only at the level of a government strategy.

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Table A1: Uzbekistan's trade in agri-food products, millions of US Dollars

	2013	2014	2015	2016
Total exports of agricultural products	3 290.9	3 453.9	2 827.5	2 440.6
Total imports of agricultural products	1 431.0	1 611.1	1 677.9	1 519.0
Trade balance	1 859.91	1 842.81	1 149.59	921.55

Source: Calculations are based on data of the State Statistics Committee of the Republic of Uzbekistan, 2018.

Table A2: Uzbekistan's agri-food exports by HS chapter, millions of US Dollars

Products	2013	2014	2015	2016
01 – Live animals	2.21	2.01	2.38	1.53
02 – Meat and edible meat offal	0.00	0.75	1.62	0.25
03 - Fish and crustaceans, mollusks and other aquatic invertebrates	0.00	0.01	0.01	0.61
04 – Dairy products, eggs, honey	0.79	0.72	1.32	1.40
05 - Animal originated products	3.93	3.21	3.44	4.00
06 - Trees and other plants, live; bulbs, roots and the like	2.74	2.49	1.33	3.63
07 - Vegetables and certain roots and tubers	458.59	556.55	479.17	333.01
08 - Fruit and nuts, edible	844.54	948.40	657.17	592.58
09 - Coffee, tea	7.08	8.43	5.66	6.01
10 – Cereals	30.38	62.05	53.65	36.63
11 - Products of the milling industry	0.54	0.38	0.92	5.25
12 - Oil seeds and oleaginous fruits	54.96	30.25	45.39	26.73
13 - Lac; gums, resins and other vegetable saps and extracts	7.09	7.27	18.36	21.52
14 - Vegetable plaiting materials; vegetable products not elsewhere specified or included	0.17	0.24	0.28	11.55
15 - Animal or vegetable fats and oils and their cleavage products; prepared animal fats; animal or vegetable waxes	0.08	0.51	0.45	0.33
16 - Meat, fish or crustaceans, mollusks or other aquatic invertebrates; preparations thereof	0.03	0.48	0.38	0.00
17 - Sugars and sugar confectionery	1.79	1.66	1.28	1.93
18 - Cocoa and cocoa preparations	0.09	0.68	0.71	2.14
19 - Preparations of cereals, flour, starch or milk; pastrycooks' products	1.46	1.27	1.89	2.00
20 - Preparations of vegetables, fruit, nuts or other parts of plants	35.03	26.34	17.36	18.40
21 - Miscellaneous edible preparations	0.30	0.11	0.16	0.14
22 - Beverages, spirits and vinegar	19.60	14.01	14.74	10.74
23 - Food industries, residues and wastes thereof; prepared animal fodder	0.01	3.51	2.52	2.11
24 - Tobacco and manufactured tobacco substitutes	17.33	12.20	14.35	8.03
Total - product groups 1-24	1 488.74	1 683.55	1 324.53	1 090.51

290543 - mannitol	-	-	-	-
290544 - sorbitol	-	-	-	-
3301 – Essential oils	-	-	-	-
35 - albuminoidal substances, modified starches, glues	0.02	0.17	0.97	0.06
380910 - Finishing agents	-	-	-	-
382360 - Industrial monocarboxylic fatty acids (sorbitol n.e.p)	-	-	-	-
41 - Raw hides and skins	102.26	90.74	78.89	93.17
4301 - raw fur skins	-	-	-	-
50 - Silk	27.20	23.58	18.18	18.34
51 - Wool	2.67	1.71	1.42	1.67
52 - Cotton	1 669.89	1 653.48	1 402.57	1 236.26
5201 - Cotton; not carded or combed	1 163.00	1 047.74	736.10	637.20
53 - Vegetable textile fibers; paper yarn and woven fabrics of paper yarn	0.11	0.69	0.94	0.57
Total – product groups 290543-5303	1 802.15	1 770.38	1 502.96	1 350.06
Total exports – agri-food products	3 290.88	3 453.93	2 827.49	2 440.57

Source: Calculations are based on data of the State Statistics Committee of the Republic of Uzbekistan, 2018.

Table A3: Main destinations for Uzbekistan’s agri-food exports, millions of US Dollars

Country	2013	2014	2015	2016
Belarus	3.9	7.4	7.3	4.3
Kazakhstan	872.5	941.4	786.9	565.7
Russian Federation	214.2	136.2	105.9	210.9
Ukraine	625.0	228.0	8.3	9.7
China	608.3	513.2	509.0	141.8
Iran	215.7	352.1	512.1	626.8
Other countries of the CIS	118.1	119.5	48.9	53.3
European Union (EU)	67.4	164.7	75.7	93.3
Other countries	565.78	991.43	773.5	734.8
Total exports of agri-food products	3 290.88	3 453.93	2 827.49	2 440.6

Source: Calculations are based on data of the State Statistics Committee of the Republic of Uzbekistan, 2018.

Table A4: Uzbekistan’s agri-food imports by HS chapter, millions of US Dollars

Products	2013	2014	2015	2016
01 – Live animals	29.29	44.79	41.07	26.07
02 – Meat and edible meat offal	65.29	73.40	65.89	30.18
03 - Fish and crustaceans, mollusks and other aquatic invertebrates	4.35	7.71	8.11	3.35
04 – Dairy products, eggs, honey	32.07	30.63	29.41	22.68
05 - Animal originated products	0.43	0.25	0.38	3.95
06 - Trees and other plants, live; bulbs, roots and the like	15.18	12.95	10.38	13.95

07 - Vegetables and certain roots and tubers	14.93	19.41	17.62	7.46
08 - Fruit and nuts, edible	10.97	15.38	20.24	34.62
09 - Coffee, tea	45.84	50.16	56.89	71.11
10 - Cereals	125.55	159.84	293.91	231.51
11 - Products of the milling industry	244.03	279.89	246.61	166.41
12 - Oil seeds and oleaginous fruits	35.60	42.06	38.63	41.15
13 - Lac; gums, resins and other vegetable saps and extracts	1.62	1.17	2.70	2.43
14 - Vegetable plaiting materials; vegetable products not elsewhere specified or included	0.10	0.23	0.06	0.08
15 - Animal or vegetable fats and oils and their cleavage products; prepared animal fats; animal or vegetable waxes	250.36	258.88	252.57	243.23
16 - Meat, fish or crustaceans, mollusks or other aquatic invertebrates; preparations thereof	2.53	2.97	3.08	1.50
17 - Sugars and sugar confectionery	287.61	303.61	311.12	350.91
18 - Cocoa and cocoa preparations	20.48	27.08	22.81	26.49
19 - Preparations of cereals, flour, starch or milk; pastrycooks' products	37.84	56.83	43.16	39.79
20 - Preparations of vegetables, fruit, nuts or other parts of plants	8.08	12.71	6.95	10.67
21 - Miscellaneous edible preparations	27.44	37.52	33.20	30.77
22 - Beverages, spirits and vinegar	7.77	11.12	11.16	13.19
23 - Food industries, residues and wastes thereof; prepared animal fodder	67.52	88.96	88.62	77.55
24 - Tobacco and manufactured tobacco substitutes	45.68	30.63	32.53	34.70
Total - product groups 1-24	1 380.56	1 568.20	1 637.08	1 483.75
290543 - mannitol	-	-	-	-
290544 - sorbitol	-	-	-	-
3301 – Essential oils	-	-	-	-
35 - Albuminoidal substances, modified starches, glues	20.75	21.10	19.13	15.62
380910 - Finishing agents	-	-	-	-
382360 - Industrial monocarboxylic fatty acids (sorbitol n.e.p)	-	-	-	-
41 - Raw hides and skins	0.71	0.14	0.13	0.15
4301 - Raw fur skins	-	-	-	-
50 - Silk	0.27	0.66	0.26	0.14
51 - Wool	3.37	2.84	0.78	2.46
52 - Cotton	0.57	1.21	2.49	5.34
5201 - Cotton; not carded or combed	0.00	0.03	0.00	3.28
53 - Vegetable textile fibers; paper yarn and woven fabrics of paper yarn	24.74	16.97	18.04	11.55
Total – product groups 290543-5303	50.41	42.92	40.82	35.26
Total imports – agri-food products	1 430.97	1 611.12	1 677.90	1 519.02

Source: Calculations are based on data of the State Statistics Committee of the Republic of Uzbekistan, 2018.

Table A 5: Top-6 destinations for Uzbekistan's exports

Product: HS Chapter 07 Edible vegetables and certain roots and tubers	
Importers	Exported value in 2017, thousands of USD
Total	149207
Kazakhstan	75122
Russian Federation	34800
India	20501
Kyrgyzstan	6947
Turkey	5787
EU	3699
Other	2351

Source: International Trade Centre (ITC), mirror data, 2018

Table A6: Top-5 destinations for Uzbekistan's exports

Product: HS Chapter 08 Edible fruit and nuts; peel of citrus fruit or melons	
Importers	Exported value in 2017, thousands of USD
Total	414547
Kazakhstan	239111
Russian Federation	83860
Turkey	47118
Kyrgyzstan	22117
EU	17274
Other	5067

Source: International Trade Centre (ITC), mirror data, 2018

Table A7: HS Chapter 07 Kazakhstan imports from Uzbekistan

Product: 07 Edible vegetables and certain roots and tubers		
Product code	Product label	Imported value in 2017, thousands of USD
0702	Tomatoes, fresh or chilled	30458
0709	Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliacious vegetables, edible)	17570
0703	Onions, shallots, garlic, leeks and other alliacious vegetables, fresh or chilled	6892
0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled	6054
0713	Dried leguminous vegetables, shelled, whether or not skinned or split	5512
0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh	4459
	Other	4176

Source: International Trade Centre (ITC), 2018

Table A8: HS Chapter 08 Kazakhstan imports from Uzbekistan

Product: 08 Edible fruit and nuts; peel of citrus fruit or melons		
Product code	Product label	Imported value in 2017, thousands of USD
0806	Grapes, fresh or dried	83466
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	82441
0810	Fresh strawberries, raspberries, blackberries, back, white or red currants, gooseberries	33605
0813	Dried apricots, prunes, apples, peaches, pears, papaws "papayas", tamarinds	27788
	Other	11810

Source: International Trade Centre (ITC), 2018

Table A9: HS Chapter 07 Russian Federation imports from Uzbekistan

Product: 07 Edible vegetables and certain roots and tubers		
Product code	Product label	Imported value in 2017, thousands of USD
0709	Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliacious vegetables, edible	14254
0702	Tomatoes, fresh or chilled	7041
0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared	2952
0705	Lettuce "Lactuca sativa" and chicory "Cichorium spp.", fresh or chilled	2942
0710	Vegetables, uncooked or cooked by steaming or boiling in water, frozen	2636
0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled	2150
	Other	2827

Source: International Trade Centre (ITC), 2018

Table A10: HS Chapter 08 Russia imports from Uzbekistan

Product: 08 Edible fruit and nuts; peel of citrus fruit or melons		
Product code	Product label	Imported value in 2017, thousands of USD
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	32341
0806	Grapes, fresh or dried	30584
0810	Fresh strawberries, raspberries, blackberries, back, white or red currants, gooseberries	13381
0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not	2145
	Other	5409

Source: International Trade Centre (ITC), 2018

Table A11: Tariff schedules (Rates of import duties)⁸³

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
07	Edible vegetables and certain roots and tubers				
0701	Potatoes, fresh or chilled				
07011000	Seed potatoes	4.5	0	13	1 – 19.3
07019010	Potatoes for manufacture of starch, fresh or chilled	5.8	2.3	13	19.3
07019050	Fresh or chilled new potatoes from 1 January to 30 June	9.6	6.1	13	19.3
07019090	Old potatoes, fresh or chilled (excl. new potatoes, seed potatoes and potatoes for manufacture of starch)	11.5	8		19.3
0702	Tomatoes, fresh or chilled	Entry Price*		13	48.6
0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled				
07031011	Onion sets, fresh or chilled	9.6	6.1	13	49.5
07031019	Onions, fresh or chilled (excl. sets)	9.6	6.1	13	49.5
07031090	Shallots, fresh or chilled	9.6	6.1	13	49.5
07032000	Garlic, fresh or chilled	9.6 + €120/100kg/net		13	49.5
07039000	Leeks and other alliaceous vegetables, fresh or chilled (excl. onions, shallots and garlic)	10.4	6.9	13	49.5
0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled				
07041000	Fresh or chilled cauliflowers and headed broccoli	9.6 Min €1.1/100kg/net	6.1	10	19.5
07042000	Brussels sprouts, fresh or chilled	12	8.5	13	19.5
07049010	White and red cabbages, fresh or chilled	12 Min €0.4/100kg/net	8.5	13	19.5
07049090	Other	12	8.5	13	19.5
0705	Lettuce (<i>Lactuca sativa</i>) and chicory (<i>Cichorium</i> spp.), fresh or chilled				
07051100	Fresh or chilled cabbage lettuce	12 Min €2/100kg/br	8.5	10	19.5
07051900	Fresh or chilled lettuce (excl. cabbage lettuce)	10.4	6.9	10	19.5
07052100	Fresh or chilled whitlew chicory	10.4	6.9	13	19.5
07052900	Fresh or chilled chicory (excl. whitlew chicory)	10.4	6.9	13	19.5
0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled				
07061000	Fresh or chilled carrots and turnips	13.6	10.1	13	36.9
07069010	Fresh or chilled celeriac "rooted celery or German celery"	13.6	10.1	13	36.9
07069030	Fresh or chilled horse-radish " <i>Cochlearia armoracia</i> "	12	8.5	13	36.9
07069090	Fresh or chilled salad beetroot, salsify, radishes and similar edible roots (excl. carrots, turnips, celeriac and horse-radish)	13.6	10.1	13	36.9
0707	Cucumbers and gherkins, fresh or chilled				
07070005	Cucumbers, fresh or chilled	Entry Price*		13	29.7
07070090	Fresh or chilled gherkins	12.8		13	29.7
0708	Leguminous vegetables, shelled or unshelled, fresh or chilled				
07081000	Peas " <i>Pisum sativum</i> "	8	4.5	13	19.5

⁸³ The MFN tariffs applied by the Russian Federation and Kazakhstan are not included in the Annex, because in accordance with the *CIS Free Trade Agreement and the Protocol of October 18, 2011 between its Parties and the Republic of Uzbekistan*, Uzbekistan imports are duty free.

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
07082000	Beans "Vigna spp., Phaseolus spp."	10.4 Min €1.6/100kg/net	6.9	13	19.5
07089000	Leguminous vegetables, (excl. peas "Pisum sativum" and beans "Vigna spp., Phaseolus spp.") shelled or unshelled, fresh or chilled	11.2	7.7	13	19.5
0709	Other vegetables, fresh or chilled				
07092000	Fresh or chilled asparagus	10.2	6.7	13	19.5
07093000	Fresh or chilled aubergines "eggplants"	12.8	9.3	13	19.5
07094000	Fresh or chilled celery (excl. celeriac)	12.8	9.3	10	19.5
07095100	Fresh or chilled mushrooms of the genus "Agaricus"	12.8	9.3	13	19.5
07095910	Fresh or chilled chanterelles	3.2	0	13	19.5
07095930	Fresh or chilled flap mushrooms	5.6	2.1	13	19.5
07095950	Fresh or chilled truffles	6.4		13	19.5
07095990	Fresh or chilled edible mushrooms (excl. chanterelles, flap mushrooms, mushrooms of the genus "Agaricus" and truffles)	6.4	2.9	13	19.5
07096010	Fresh or chilled sweet peppers	7.2	3.7	13	19.5
07096091	Fresh or chilled fruits of genus Capsicum for industrial manufacture of capsin or capsicum oleoresin dyes	0		13	19.5
07096095	Fresh or chilled fruits of genus Capsicum or Pimenta for industrial manufacture of essential oils or resinoids	0		13	19.5
07096099	Fresh or chilled fruits of genus Capsicum or Pimenta (excl. for industrial manufacture of capsin or capsicum oleoresin dyes, for industrial manufacture of essential oils or resinoids, and sweet peppers)	6.4	2.9	13	19.5
07097000	Fresh or chilled spinach, New Zealand spinach and orache spinach	10.4	6.9	13	19.5
07099100	Globe artichokes	Entry Price*		13	19.5
07099210	Olives for uses other than the production of oil	4.5	0	13	19.5
07099290	Olives other	€13.1/100kg/net		13	19.5
07099310	Courgettes	Entry Price*		13	19.5
07099390	Pumpkins, squash and gourds (Cucurbita spp.) other	12.8	8.9	13	19.5
07099910	Salad vegetables, other than lettuce (Lactuca sativa) and chicory (Cichorium spp.)	10.4	6.9	13	5 – 19.5
07099920	Chard (or white beet) and cardoons	10.4	6.9	13	5 – 19.5
07099940	Capers	5.6	2.1	13	5 – 19.5
07099950	Fennel	8	4.5	13	5 – 19.5
07099960	Sweetcorn	€9.4/100kg/net		13	5 – 19.5
07099990	Other	12.8	8.9	13	5 – 19.5
0710	Vegetables (uncooked or cooked by steaming or boiling in water), frozen				
07101000	Potatoes, uncooked or cooked by steaming or by boiling in water, frozen	14.4	10.9	13	19.5
07102100	Shelled or unshelled peas "Pisum sativum", uncooked or cooked by steaming or by boiling in water, frozen	14.4	10.9	13	19.5
07102200	Shelled or unshelled beans "Vigna spp., Phaseolus spp.", uncooked or cooked by steaming or by boiling in water, frozen	14.4	10.9	13	19.5
07102900	Leguminous vegetables, shelled or unshelled, uncooked or cooked by steaming or by boiling in water, frozen (excl. peas and beans)	14.4	10.9	13	19.5
07103000	Spinach, New Zealand spinach and orache spinach, uncooked or cooked by steaming or by boiling in water, frozen	14.4	10.9	13	19.5
07104000	Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen	5.1 + €9.4/100kg/net eda	1.6 + €9.4/100kg/net eda	10	5.1 + €2.91/ 100kg/net
07108010	Olives, uncooked or cooked by steaming or by boiling in water, frozen	15.2	11.7	13	19.5

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
07108051	Sweet peppers, uncooked or cooked by steaming or by boiling in water, frozen	14.4	10.9	13	19.5
07108059	Fruits of genus Capsicum or Pimenta, uncooked or cooked by steaming or by boiling in water, frozen (excl. sweet peppers)	6.4	2.9	13	19.5
07108061	Frozen mushrooms of the genus Agaricus, uncooked or cooked by steaming or by boiling in water	14.4	10.9	13	19.5
07108069	Frozen mushrooms, uncooked or cooked by steaming or by boiling in water (excl. of the genus Agaricus)	14.4	10.9	13	19.5
07108070	Tomatoes, uncooked or cooked by steaming or by boiling in water, frozen	14.4	10.9	13	19.5
07108080	Artichokes, uncooked or cooked by steaming or by boiling in water, frozen	14.4	10.9	13	19.5
07108085	Asparagus, whether or not cooked by boiling in water or by steaming, frozen	14.4		13	19.5
07108095	Vegetables, whether or not cooked by boiling in water or by steaming, frozen (excl. potatoes, leguminous vegetables, spinach, New Zealand spinach, orache spinach, sweetcorn, olives, fruits of the genus Capsicum or of the genus Pimenta, mushrooms, tomatoes)	14.4	10.9	13	19.5
07109000	Mixtures of vegetables, uncooked or cooked by steaming or by boiling in water, frozen	14.4	10.9	10	19.5
0711	Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption				
07112010	Olives provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption (excl. for oil production)	6.4	2.9	13	19.5
07112090	Olives provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption, for oil production	€13.1/100kg/net		13	19.5
07114000	Cucumbers and gherkins provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable for immediate consumption	12	8.5	13	36
07115100	Mushrooms of the genus "Agaricus", provisionally preserved, e.g., by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption	9.6 + €191/100kg/net eda	6.1 + €191/100kg/net eda	13	36
07115900	Mushrooms and truffles, provisionally preserved, e.g., by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption (excl. mushrooms of the genus "Agaricus")	9.6	6.1	13	36
07119010	Fruits of genus Capsicum or Pimenta provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption (excl. sweet pepper)	6.4	2.9	13	5 - 36
07119030	Sweetcorn provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption	5.1 + €9.4/100kg/net	1.6 + €9.4/100kg/net	13	5 - 36
07119050	Onions provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption	7.2	3.7	13	5 - 36
07119070	Capers provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption	4.8	1.3	13	5 - 36
07119080	Vegetables provisionally preserved, e.g., by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption (excl. olives, capers, cucumbers and gherkins, mushrooms, truffles)	9.6	6.1	13	5 - 36
07119090	Mixture of vegetables provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption	12	8.5	13	5 - 36

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared				
07122000	Dried onions, whole, cut, sliced, broken or in powder, but not further prepared	12.8	9.3	13	19.5
07123100	Dried mushrooms of the genus "Agaricus", whole, cut, sliced, broken or in powder, but not further prepared	12.8	9.3	13	19.5
07123200	Dried wood ears "Auricularia spp.", whole, cut, sliced, broken or in powder, but not further prepared	12.8	9.3	13	19.5
07123300	Dried jelly fungi "Tremella spp.", whole, cut, sliced, broken or in powder, but not further prepared	12.8	9.3	13	19.5
07123900	Dried mushrooms and truffles, whole, cut, sliced, broken or in powder, but not further prepared (excl. mushrooms of the genus "Agaricus", wood ears "Auricularia spp." and jelly fungi "Tremella spp.")	12.8	9.3	13	19.5
07129005	Dried potatoes, whether or not cut or sliced, but not further prepared	10.2	6.7	13	11.7 – 19.5
07129011	Dried sweetcorn, hybrid, for sowing	0		13	11.7 – 19.5
07129019	Dried sweetcorn "Zea mays var. saccharata", whether or not cut or sliced, but not further prepared (excl. hybrids for sowing)	€9.4/100kg/net		13	11.7 – 19.5
07129030	Dried tomatoes, whole, cut, sliced, broken or in powder, but not further prepared	12.8	9.3	13	11.7 – 19.5
07129050	Dried carrots, whole, cut, sliced, broken or in powder, but not further prepared	12.8	9.3	13	11.7 – 19.5
07129090	Dried vegetables and mixtures of vegetables, whole, cut, sliced, broken or in powder, but not further prepared (excl. potatoes, onions, mushrooms, truffles, sweetcorn, tomatoes and carrots)	12.8	8.9	13	11.7 – 19.5
0713	Dried leguminous vegetables, shelled, whether or not skinned or split				
07131010	Peas, "Pisum sativum", dried and shelled, for sowing	0		0	0 – 19.3
07131090	Peas, "Pisum sativum", dried and shelled, whether or not skinned or split (excl. peas for sowing)	0		5	0 – 19.3
07132010	Dried, shelled chickpeas "garbanzos", whether or not skinned or split, for sowing	0		0	0 – 19.3
07132090	Other	0		7	0 – 19.3
07133110	Dried, shelled beans of species "Vigna mungo [L.] Hepper or Vigna radiata [L.] Wilczek", whether or not skinned or split, for sowing	0		0	0 – 19.3
07133190	Other	0		3	0 – 19.3
07133210	Dried, shelled small red "Adzuki" beans "Phaseolus or Vigna angularis", whether or not skinned or split, for sowing	0		0	0 – 19.3
07133290	Other	0		3	0 – 19.3
07133310	Dried, shelled kidney beans "Phaseolus vulgaris", for sowing	0		0	0 – 19.3
07133390	Dried, shelled kidney beans "Phaseolus vulgaris", whether or not skinned or split (excl. for sowing)	0		7.5	0 – 19.3
07133400	Bambara beans (Vigna subterranea or Voandzeia subterranea)	0		7	0 – 19.3
07133500	Cow peas (Vigna unguiculata)	0		7	0 – 19.3
07133900	Dried, shelled beans "Vigna and Phaseolus", whether or not skinned or split (excl. beans of species "Vigna mungo [L.] Hepper or Vigna radiata [L.] Wilczek", small red "Adzuki" beans and kidney beans)	0		7	0 – 19.3
07134010	Dried, shelled lentils, whether or not skinned or split, for sowing	0		0	0 – 19.3
07134090	Other	0		7	0 – 19.3
07135010	Dried, shelled broad beans "Vicia faba var. major" and horse beans "Vicia faba var. equina and Vicia faba var. minor", whether or not skinned or split, for sowing	3.2	0	0	0 – 19.3
07135090	Other	3.2	0	7	0 – 19.3

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
07136010	Pigeon peas (Cajanus cajan), for sowing	3.2	0	0	0 – 19.3
07136090	Other	3.2	0	7	0 – 19.3
07139010	Dried, shelled leguminous vegetables, whether or not skinned or split (excl. peas, chickpeas, beans, lentils, broad beans and horse beans), for sowing	3.2	0	0	0 – 19.3
07139090	Other	3.2	0	7	0 – 19.3
0714	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith				
07141000	Manioc (cassava)	€9.5/100kg/net		5 - 10	0 – 19.3
07142010	Sweet potatoes, fresh, whole, for human consumption	3	0	13	19.3
07142090	Sweet potatoes, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets (excl. fresh whole sweet potatoes used for human consumption)	€6.4/100kg/net	€4.4/100kg/net	0	19.3
07143000	Yams (Dioscorea spp.)	€9.5/100kg/net		13	19.3
07144000	Taro (Colocasia spp.)	€9.5/100kg/net		13	19.3
07145000	Yautia (Xanthosoma spp.)	€9.5/100kg/net		13	19.3
07149020	Arrowroot, salep and similar roots and tubers with high starch content	€9.5/100kg/net		13	19.3
07149090	Roots and tubers of Jerusalem artichokes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets, and sago pith (excl. roots and tubers of manioc, arrowroot)	3	0	0	19.3
08	Edible fruit and nuts; peel of citrus fruit or melons				
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled				
08011100	Coconuts, desiccated	0		12	0 - 30
08011200	Coconuts in the inner shell (endocarp)	0		12	30
08011910	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled, for sowing	0		0	30
08011990	Other	0		12	30
08012100	Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	0		10	30
08012200	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	0		10	30
08013100	Cashew nuts in shell	0		20	30
08013200	Cashew nuts shelled	0		10	30
0802	Other nuts, fresh or dried, whether or not shelled or peeled				
08021110	Fresh or dried bitter almonds in shell	0		24	43.2
08021190	Fresh or dried almonds in shell (excl. bitter)	5.6	2.1	24	43.2
08021210	Fresh or dried bitter almonds, shelled	0		10	43.2
08021290	Fresh or dried almonds, shelled (excl. bitter)	3.5	0	10	43.2
08022100	Fresh or dried hazelnuts or filberts "Corylus spp.", in shell	3.2	0	25	43.2
08022200	Fresh or dried hazelnuts or filberts "Corylus spp.", shelled and peeled	3.2	0	10	43.2
08023100	Fresh or dried walnuts in shell	4	0	25	43.2
08023200	Fresh or dried walnuts, shelled and peeled	5.1	1.6	20	43.2
08024000	Fresh or dried chestnuts "Castanea spp.", whether or not shelled or peeled	5.6	2.1	25	43.2
08025000	Fresh or dried pistachios, whether or not shelled or peeled	1.6	0	10	43.2
08026110	Macadamia nuts, in shell, for cultivation	2	0	0	43.2

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
08026190	Other	2	0	24	43.2
08026200	Macadamia nuts, shelled	2	0	24	43.2
08027000	Kola nuts (Cola spp.)	0		24	43.2
08028000	Areca nuts	0		10	43.2
08029010	Pecans	0		25	43.2
08029050	Pine nuts, fresh or dried, whether or not shelled or peeled	2	0	25	43.2
0803	Bananas, including plantains, fresh or dried				
08031000	Plantains	16	12.5	10	145.8
08039010	Fresh bananas, other	€117/1000kg/net		10	145.8
08039090	Dried bananas, other	16	12.5	10	145.8
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried				
08041000	Fresh or dried dates	7.7	4.2	15	25
08042010	Fresh figs	5.6	2.1	30	45.9
08042090	Dried figs	8	4.5	30	45.9
08043000	Fresh or dried pineapples	5.8	2.3	12	58.5
08044000	Fresh or dried avocados	4	0	25	45
08045000	Fresh or dried guavas, mangoes and mangosteens	0		15	45
0805	Citrus fruit, fresh or dried				
08051020	Fresh sweet oranges	Entry Price*		11	54
08051080	Fresh or dried oranges (excl. fresh sweet oranges)	12		11	54
08052100	Mandarins (including tangerines and satsumas)	16	12.5	12	54
08052200	Clementines	16	12.5	12	54
08052900	Other	16	12.5	12	54
08054000	Grapefruit, including pomelos	1.5	0	12	54
08055010	Lemons (Citrus limon, Citrus limonum)	Entry Price*		11	54
08055090	Limes (Citrus aurantifolia, Citrus latif)	12.8	8.9	11	54
08059000	Other	12.8	9.3	30	54
0806	Grapes, fresh or dried				
0806101005	Fresh table grapes of the variety Emperor (Vitis vinifera c.v.), from 1 January to 31 January and from 1 December to 31 December	Entry Price*		13	54.9
0806101090	Fresh table grapes, other	11.5	8	13	54.9
08061090	Fresh grapes (excl. table grapes)	14.4	10.9	13	54.9
08062010	Dried Currants	2.4	0	10	54.9
0806203010	Dried Sultanas in immediate containers of a net capacity not exceeding 2kg	2.4	0	10	54.9
0806203090	Dried Sultanas, other	2.4		10	54.9
08062090	Other	2.4	0	10	54.9
0807	Melons (including watermelons) and papaws (papayas), fresh				
08071100	Fresh watermelons	8.8	5.3	25	86.4
08071900	Fresh melons (excl. watermelons)	8.8	5.3	12	86.4
08072000	Fresh pawpaws "papayas"	0		20	86.4
0808	Apples, pears and quinces, fresh				
08081010	Fresh cider apples, in bulk, from 16 Sep to 15 Dec	7.2 Min €0.36/100kg/net		10	60.3

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
08081080	Fresh apples (excl. cider apples, in bulk, from 16 Sep to 15 Dec)	Entry Price*		10	60.3
08083010	Fresh perry pears, in bulk, from 1 Aug to 31 Dec	7.2 Min €0.36/100kg/net		12	60.3
080833090	Other	Entry Price*		10	60.3
080840000	Quinces	7.2	3.7	16	60.3
0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh				
08091000	Apricots	20	16.5	25	55.8
08092100	Sour cherries "Prunus cerasus"	12	8.5	10	55.8
08092900	Other	12	8.5	10	55.8
08093000	Peaches, including nectarines	17.6 / Entry Price*	14.1	10	55.8
08094005	Plums	6.4 / Entry Price*	2.9	10	55.8
08094090	Sloes	12	8.4	10	55.8
0810	Other fruit, fresh				
08101000	Strawberries	11.2	7.7	14	55.8
08102010	Raspberries	8.8 / Entry Price*	5.3	25	50
08102090	Blackberries, mulberries and loganberries	9.6	6.1	25	50
08103010	Blackcurrants	8.8	5.3	25	50
08103020	Redcurrants	8.8	5.3	25	50
08103090	Other	9.6	6.1	25	50
08104010	Cowberries, foxberries or mountain cranberries "fruit of the species Vaccinium vitis-idaea"	0		30	50
08104030	Fruit of species Vaccinium myrtillus	3.2	0	30	50
08104050	Fruit of species Vaccinium macrocarpum and Vaccinium corymbosum	3.2	0	30	50
08104090	Other	9.6	6.1	30	50
08105000	Kiwifruit	8.8 / Entry Price*	5.3	20	55.8
08106000	Durians	8.8	5.3	20	50
08107000	Pesimmons	8.8	5.3	20	50
08109020	Tamarinds, cashew apples, lychees, jackfruit, sapodillo plums, passion fruit, carambola and pitahaya	0		12 / 20 / 30	50 - 55.8
08109075	Other	8.8	5.3	20	50 - 55.8
0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening				
08111011	Strawberries, uncooked or cooked by steaming or boiling in water, sweetened, with sugar content of > 13%, frozen	20.8 + €8.4/100kg/net		30	15.4 - 37
08111019	Strawberries, uncooked or cooked by steaming or boiling in water, sweetened, with sugar content of <= 13%, frozen	20.8		30	15.4 - 37
08111090	Strawberries, uncooked or cooked by steaming or boiling in water, unsweetened, frozen	14.4		30	15.4 - 37
08112011	Raspberries, blackberries, mulberries, loganberries, black, white or red currants and gooseberries, uncooked or cooked by steaming or boiling in water, sweetened, with sugar content of > 13%, frozen	20.8 + €8.4/100kg/net		30	15.4 - 37
08112019	Other	20.8		30	15.4 - 37
08112031	Raspberries, uncooked or cooked by steaming or boiling in water, frozen, unsweetened	14.4		30	15.4 - 37
08112039	Blackcurrants, uncooked or cooked by steaming or boiling in water, frozen, unsweetened	14.4		30	15.4 - 37

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
08112051	Redcurrants, uncooked or cooked by steaming or boiling in water, frozen, unsweetened	12		30	15.4 - 37
08112059	Blackberries and mulberries, uncooked or cooked by steaming or boiling in water, frozen, unsweetened	12		30	15.4 - 37
08112090	Other	14.4		30	15.4 - 37
08119011	Guavas, mangoes, mangosteens, papaws "papayas", tamarinds, cashew apples, lychees, jackfruit, sapodillo plums, passion fruit, carambola, pitahaya, coconuts, cashew nuts, brazil nuts, areca "betel" nuts, cola nuts and macadamia nuts, uncooked or cooked	13 + €5.3/100kg/net	9.5 + €5.3/100kg/net	30	15.4 - 37
08119019	Frozen fruit and nuts, edible, uncooked or cooked by steaming or boiling in water, containing added sugar or other sweetening matter, with a sugar content of > 13% by weight (excl. strawberries, raspberries, blackberries, mulberries, loganberries)	20.8 + €8.4/100kg/net	17.3 + €8.4/100kg/net	30	15.4 - 37
08119031	Tropical fruit and tropical nuts	13	4.5	30	15.4 - 37
08119039	Other	20.8	7.2	30	15.4 - 37
08119050	Fruit of species <i>vaccinium myrtillus</i> , uncooked or cooked by steaming or boiling in water, frozen, unsweetened	12	8.4	30	15.4 - 37
08119070	Fruit of species <i>vaccinium myrtilloides</i> and <i>vaccinium angustifolium</i> , uncooked or cooked by steaming or boiling in water, frozen, unsweetened	3.2	0	30	15.4 - 37
08119075	Sour cherries " <i>Prunus cerasus</i> ", whether or not boiled or steamed, frozen, not containing sugar or other sweetening matter	14.4	10.9	30	15.4 - 37
08119080	Cherries, whether or not boiled or steamed, frozen, not containing added sugar or other sweetening (excl. sour cherries " <i>Prunus cerasus</i> ")	14.4	10.9	30	15.4 - 37
08119085	Guavas, mangoes, mangosteens, papaws "papayas", tamarinds, cashew apples, lychees, jackfruit, sapodillo plums, passion fruit, carambola, pitahaya, coconuts, cashew nuts, brazil nuts, areca "betel" nuts, cola nuts and macadamia nuts, uncooked or cooked	9	3.1	30	15.4 - 37
08119095	Other	14.4	5	30	15.4 - 37
0812	Fruit and nuts, provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption				
08121000	Cherries	8.8	5.3	30	15.4
08129025	Apricots; oranges	12.8	9.3	25	15.4
08129030	Pawpaws	2.3	0	25	15.4
08129040	Fruit of species <i>vaccinium myrtillus</i>	6.4	2.2	25	15.4
08129070	Guavas, mangoes, mangosteens, tamarinds, cashew apples, lychees, jackfruit, sapodillo plums, passion fruit, carambola, pitahaya and tropical nuts	5.5	2	25	15.4
08129098	Other	8.8	5.3	25	15.4
0813	Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits of this chapter				
08131000	Apricots ⁸⁴	5.6	2.1	25	43.2
08132000	Prunes	9.6	6.1	25	43.2
08133000	Apples	3.2	0	25	43.2
08134010	Peaches, incl. nectarines	5.6	2.1	20	15.4
08134030	Pears	6.4	2.9	25	15.4

⁸⁴ Restriction on entry into free circulation for dried apricots from Uzbekistan. See Commission Implementing Regulation (EU) 2015/525 of 27 March 2015 amending Annex I to Regulation (EC) No 669/2009 implementing Regulation (EC) No 882/2004 of the European Parliament and of the Council as regards the increased level of official controls on imports of certain feed and food of non-animal origin : <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R0525>
Commission Regulation (EC) No 669/2009 of 24 July 2009 implementing Regulation (EC) No 882/2004 of the European Parliament and of the Council as regards the increased level of official controls on imports of certain feed and food of non-animal origin and amending Decision 2006/504/EC : <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32009R0669&qid=1416375143976>

CN	DESCRIPTION	EU		China PR	Turkey
		MFN Base Rate, %	GSP Rate, %	MFN Rate, %	MFN Rate, %
08134050	Pawpaws	2	0	25	15.4
08134065	Tamarinds, cashew apples, lychees, jackfruit, sapodillo plums, passion fruit, carambola and pitahaya	0	0	25	15.4
08134095	Other	2.4	0	25	15.4
08135012	Mixtures of dried papaws "papayas", tamarinds, cashew apples, lychees, jackfruit, sapodillo plums, passion fruit, carambola and pitahaya, not containing prunes	4	0	18	37.8
08135015	Other	6.4	2.2	18	37.8
08135019	Mixtures of dried apricots, apples, peaches, incl. prunus persica nectarina and nectarines, pears, papaws "papayas" or other edible and dried fruit, containing prunes (excl. mixtures of edible nuts, bananas, dates, figs, pineapples, avocados, guavas)	9.6	6.1	18	37.8
08135031	Mixtures exclusively of dried coconuts, cashew nuts, brazil nuts, areca "betel" nuts, colanuts and macadamia nuts	4	0	18	37.8
08135039	Mixtures exclusively of edible and dried nuts of heading 0802 (excl. of coconuts, cashew nuts, brazil nuts, areca "betel" nuts, colanuts and macadamia nuts)	6.4	2.4	18	37.8
08135091	Mixtures of edible and dried nuts, bananas, dates, pineapples, avocados, guavas, mangoes, mangosteens, citrus fruit and grapes, not containing plums or figs (excl. mixtures exclusively of nuts of heading 0801 / 0802)	8	4.5	18	37.8
08135099	Mixtures of edible and dried nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, citrus fruit and grapes, containing plums or figs	9.6	6.1	18	37.8
0814	Peel of citrus fruit or melons (including watermelons), fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions	1.6	0	25	15.6
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder				
1201	Soya beans, whether or not broken				
120110	Soya beans, whether or not broken, seed	0		0	0
120190	Soya beans, whether or not broken, other	0		3	0

Sources: **EU Customs Tariff (TARIC):** https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/what-is-common-customs-tariff/taric_en; **Republic of Turkey: Ministry of Customs and Trade:** <http://english.gtb.gov.tr/trade/customs/import/duties-and-taxes/normal-customs-clearance/customs-tariff/turkish-customs-tariff-2016>; **WTO. Tariff Analysis Online facility:** <https://tao.wto.org/welcome.aspx?ReturnUrl=%2fExportReport.aspx%3fRT%3dTL&RT=TL>

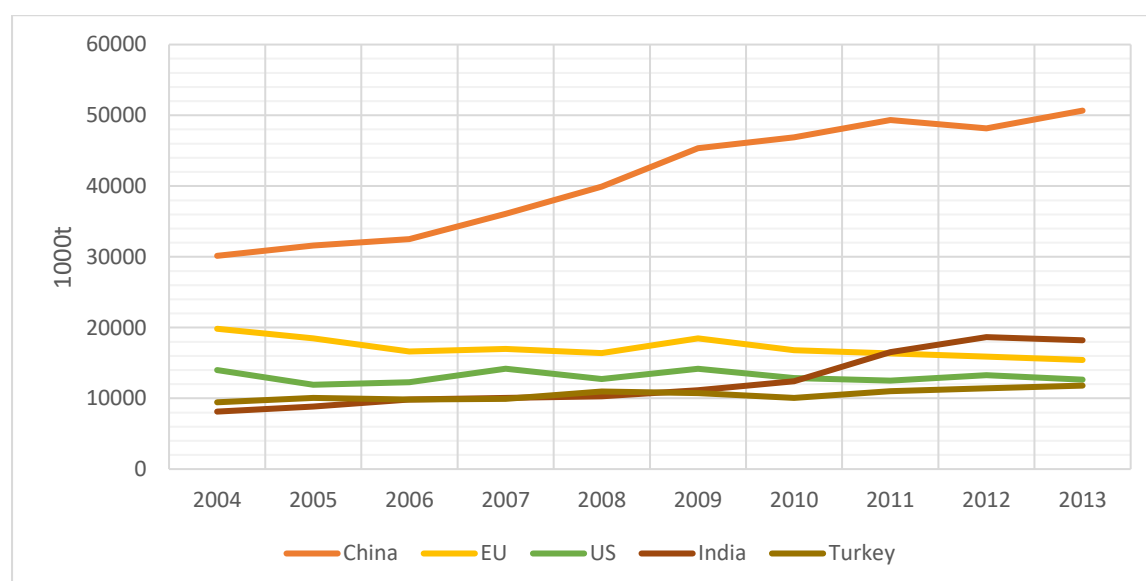
* See Annex 2 Commission Implementing Regulation (EU) 2017/1925 of 12 October 2017 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff / Official Journal of the EU, L282, Vol.60, 31 Oct 2017

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2017:282:FULL&from=EN>

Table B1: Uzbekistan's top 10 exported agricultural commodities, 2014-2016

	'000 USD	% of agr. exports
Raw cotton	388,333.36	38.8%
Fresh grapes	73,794.90	7.4%
Dried grapes	64,155.84	6.4%
Fresh cherries	37,017.04	3.7%
Tomatoes	28,788.71	2.9%
Other vegetables	28,220.29	2.8%
Nuts	27,517.37	2.7%
Fresh peaches	23,449.22	2.3%
Fresh apricots	22,638.92	2.3%
Fresh persimmons	20,895.48	2.1%

Source: UN Comtrade (2018, mirrored)

Figure B1: Trends in global tomato production, 2004-2013

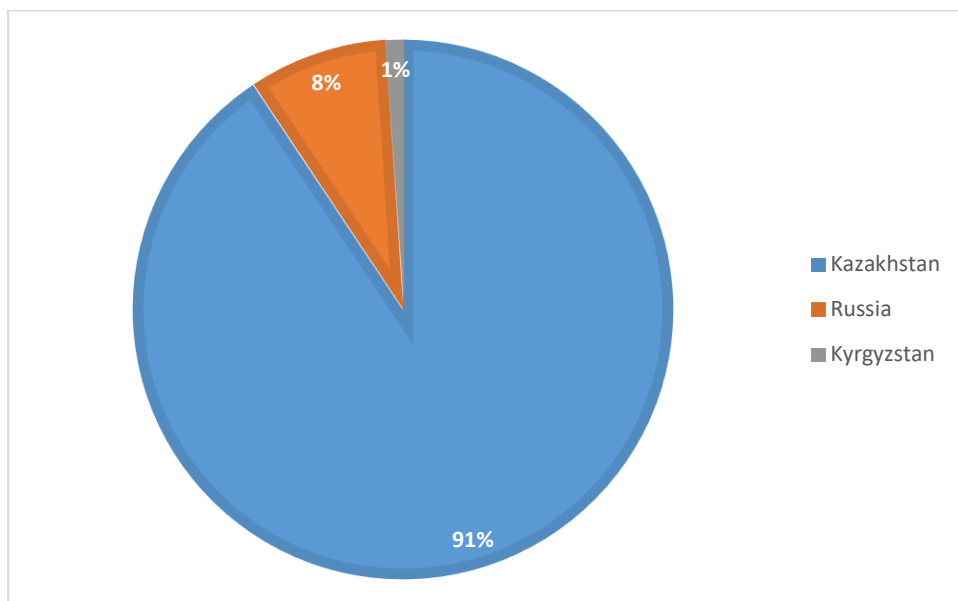
Source: FAOSTAT (2018)

Table B2: Uzbekistan's rank in the tomato market, 2011-2013

	Rank
Production	12
Exports	26
Imports	100
Consumption	10

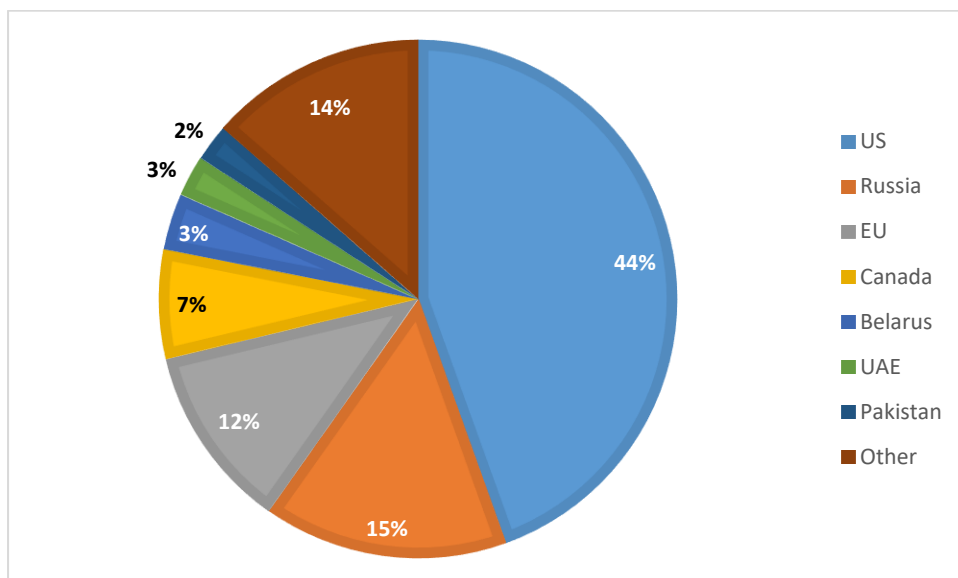
Source: FAOSTAT (2018)

Figure B2: Largest markets for Uzbek tomatoes, 2014-2016



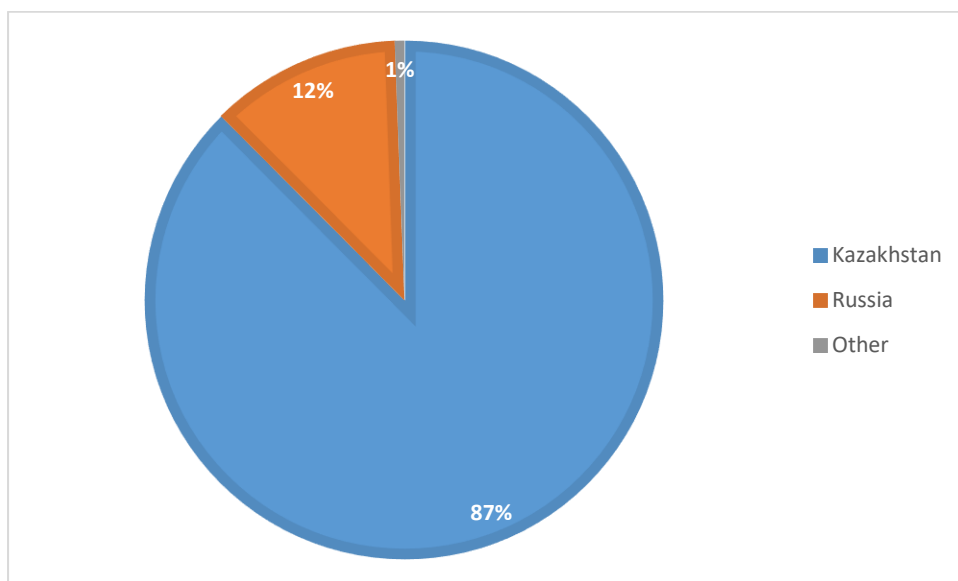
Source: UN COMTRADE (2018)

Figure B3: Share in global imports of tomato, 2014-2016



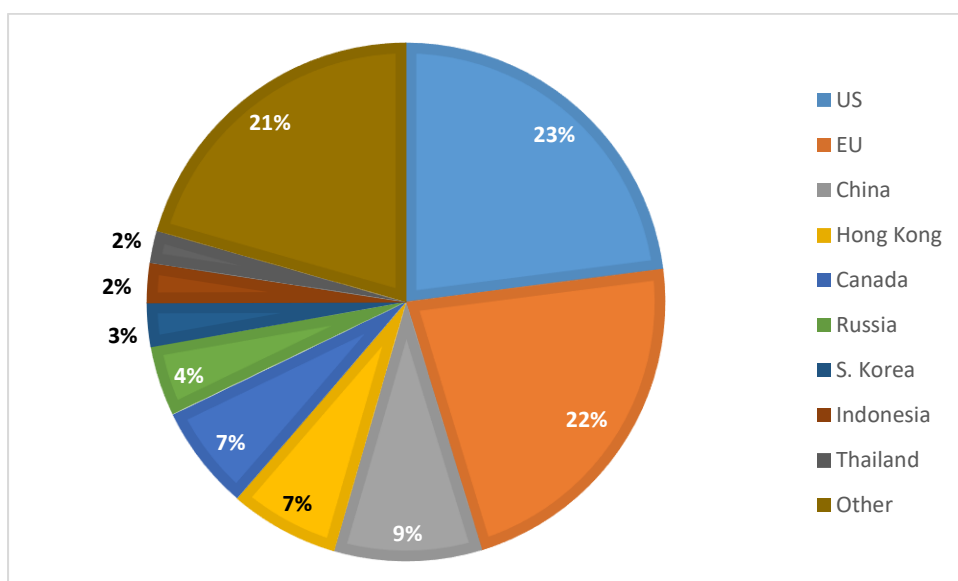
Source: UN COMTRADE (2018)

Figure B4: Largest markets for Uzbek fresh grapes, 2014-2016



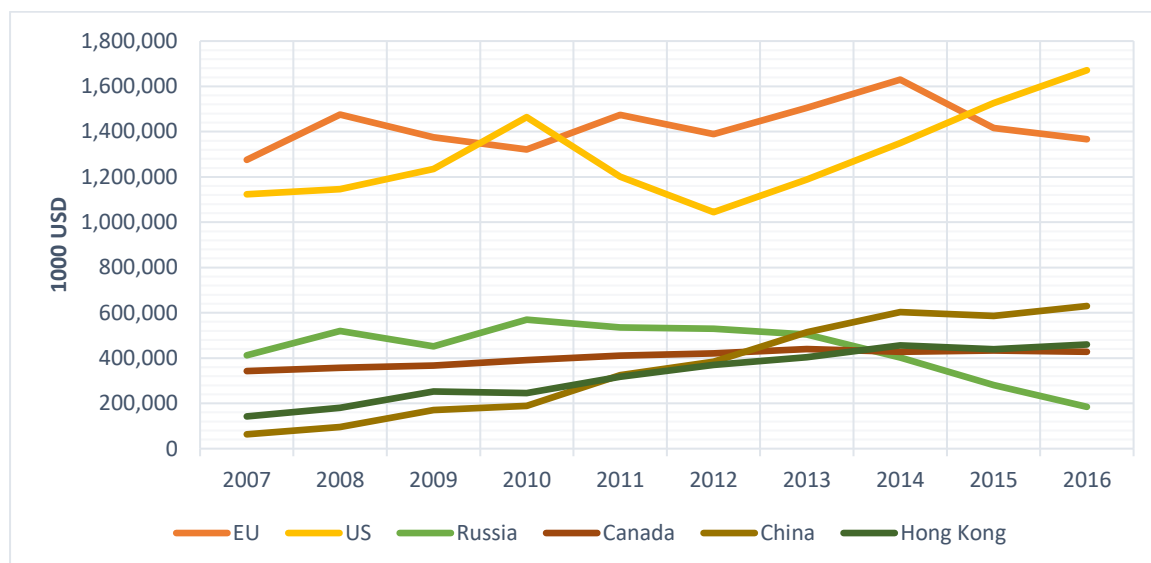
Source: UN COMTRADE (2018)

Figure B5: Share in global imports of fresh grapes, 2014-2016



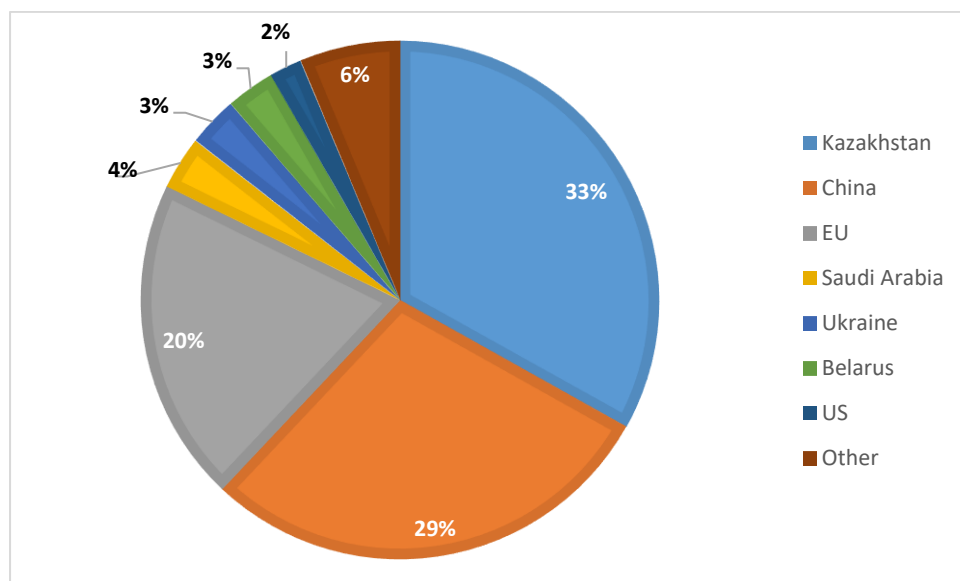
Source: UN COMTRADE (2018)

Figure B6: Trends in global fresh grape imports, 2007-2016



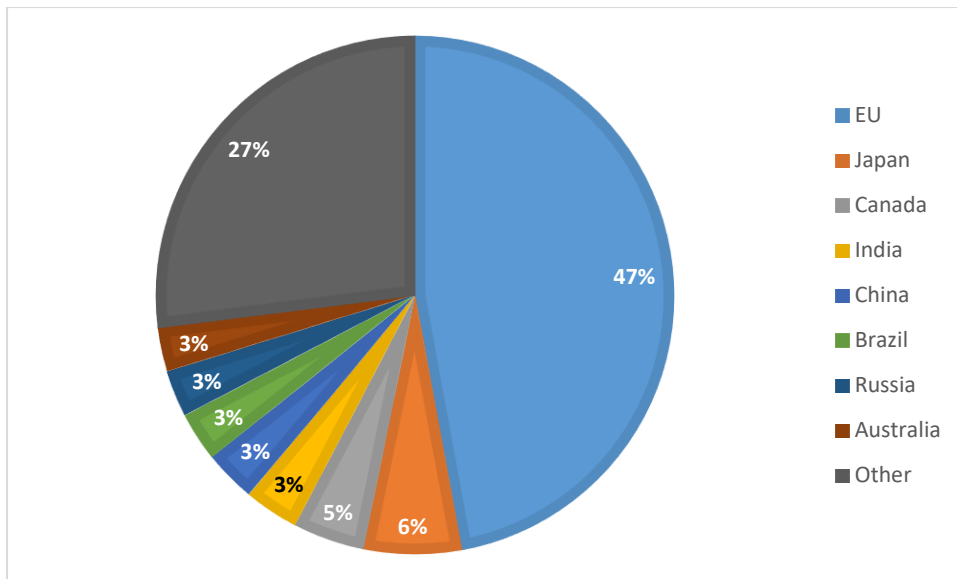
Source: UN COMTRADE (2018)

Figure B7: Largest markets for Uzbek dried grapes, 2014-2016



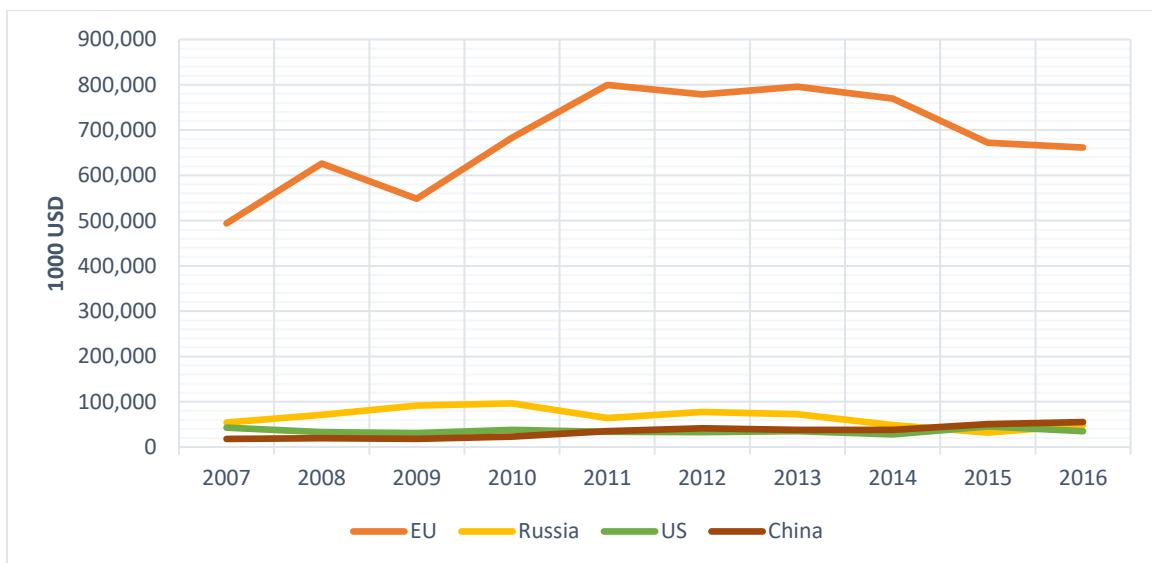
Source: UN COMTRADE (2018)

Figure B8: Share in global imports of dried grapes, 2014-2016



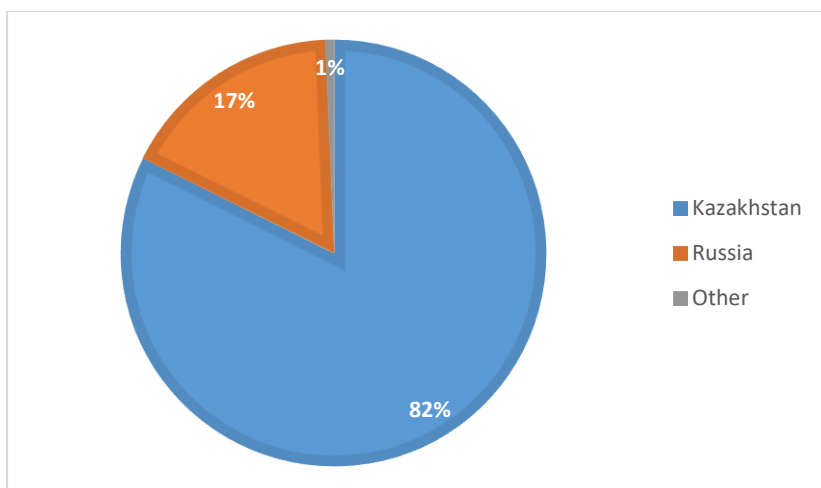
Source: UN COMTRADE (2018)

Figure B9: Trends in global dried grape imports, 2007-2016



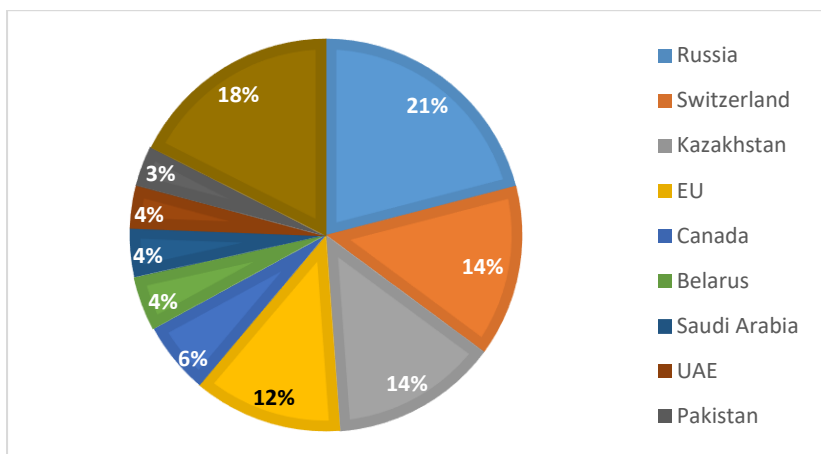
Source: UN COMTRADE (2018)

Figure B10: Largest markets for Uzbek apricots, 2014-2016



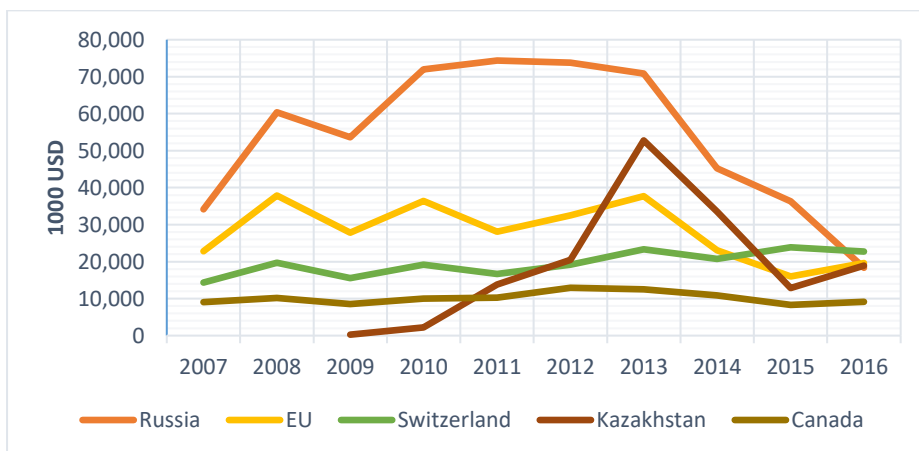
Source: UN COMTRADE (2018)

Figure B11: Share in global imports of apricots, 2014-2016



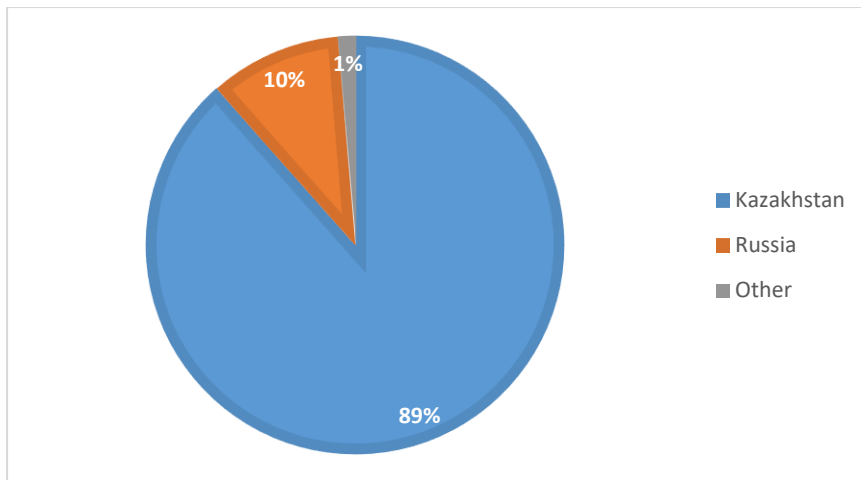
Source: UN COMTRADE (2018)

Figure B12: Trends in global apricot imports, 2007-2016



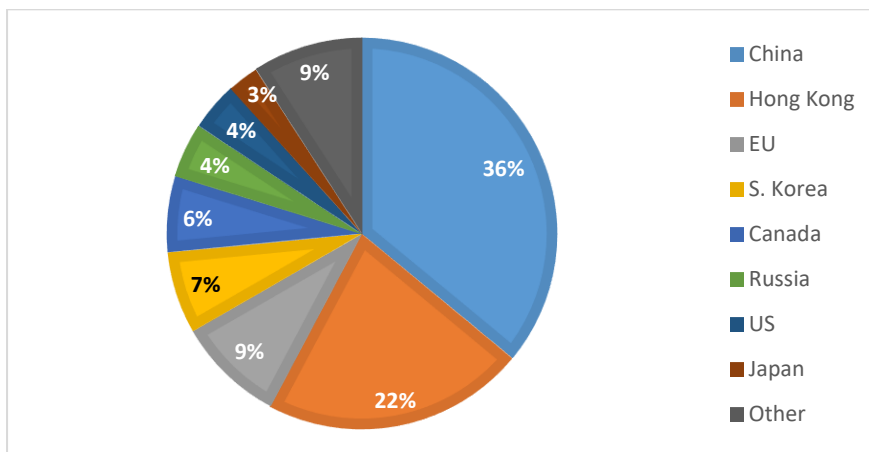
Source: UN COMTRADE (2018)

Figure B13: Largest markets for Uzbek cherries, 2014-2016



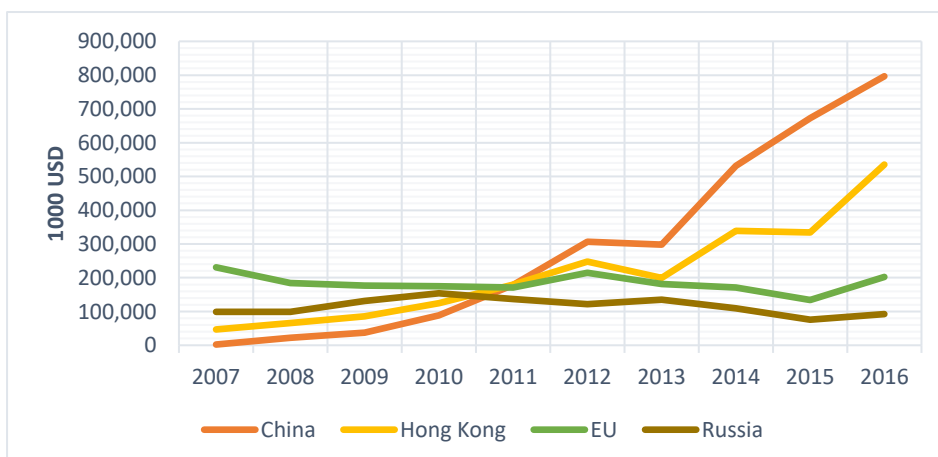
Source: UN COMTRADE (2018)

Figure B14: Share in global imports of cherries, 2014-2016



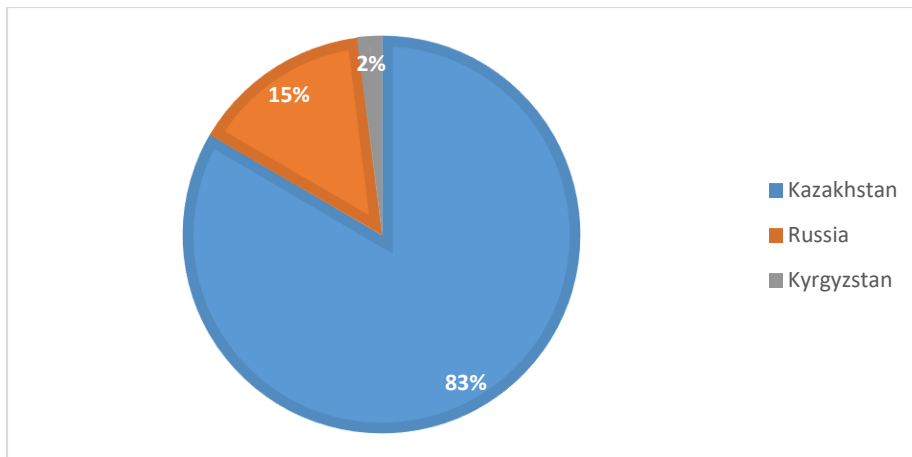
Source: UN COMTRADE (2018)

Figure B15: Trends in global cherry imports, 2007-2016



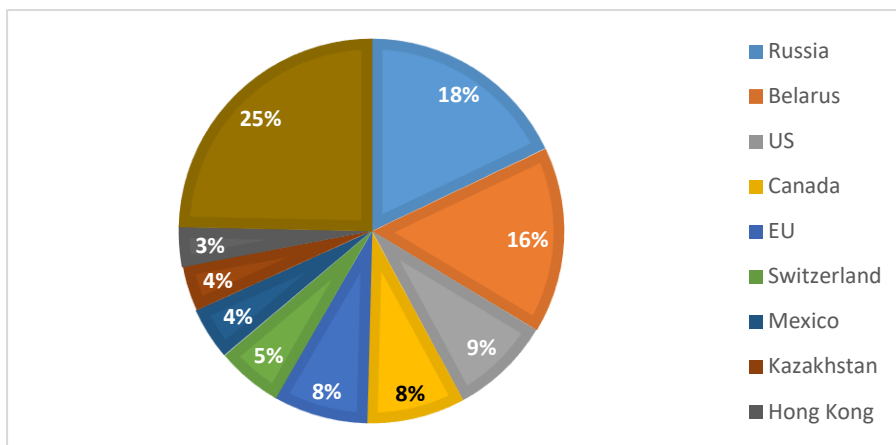
Source: UN COMTRADE (2018)

Figure B16: Largest markets for Uzbek peaches, 2014-2016



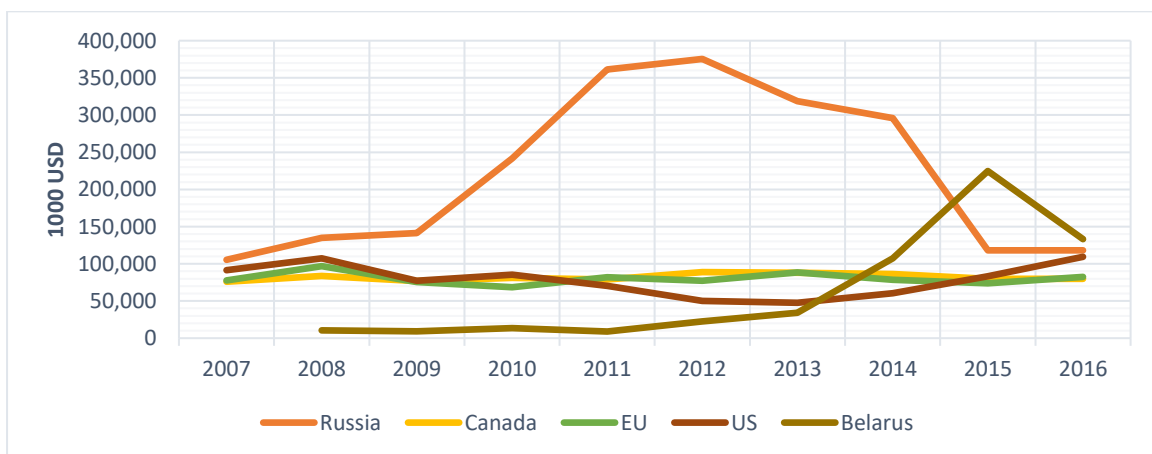
Source: UN COMTRADE (2018)

Figure B17: Share in global imports of peaches, 2014-2016



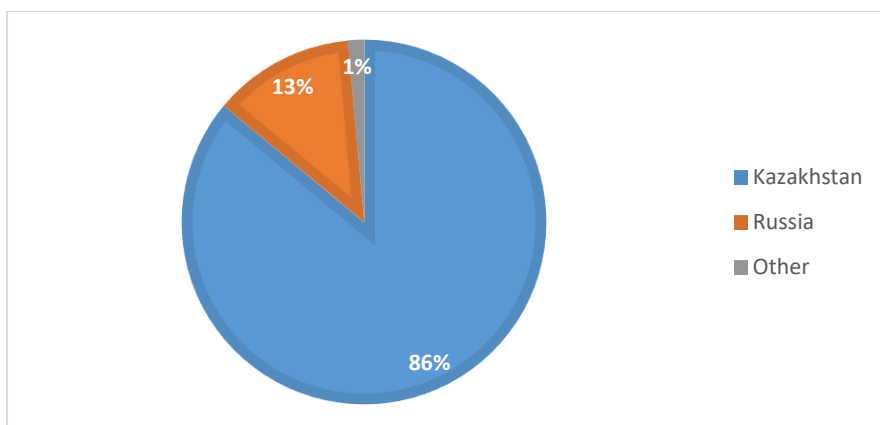
Source: UN COMTRADE (2018)

Figure B18: Trends in global peach imports, 2007-2016



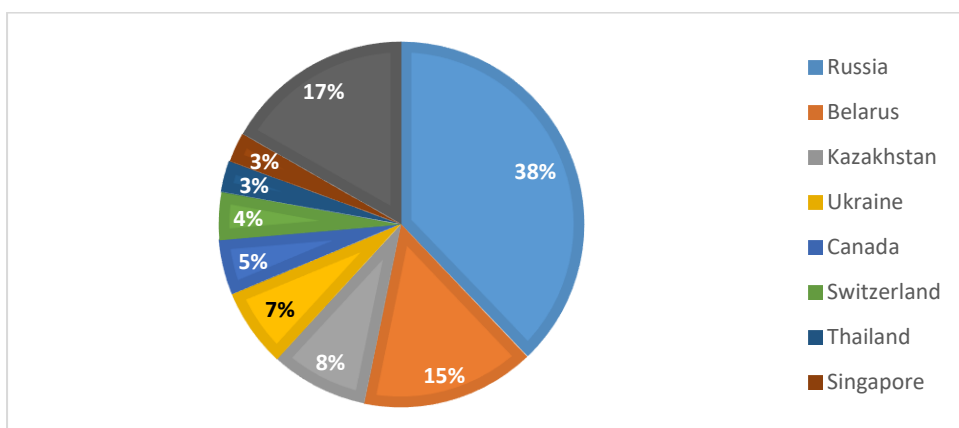
Source: UN COMTRADE (2018)

Figure B19: Largest markets for Uzbek Persimmons, 2014-2016



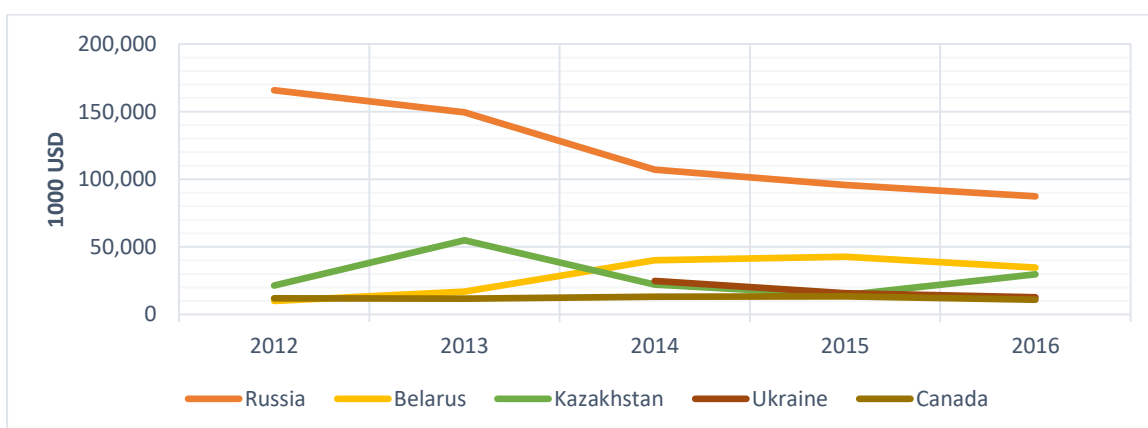
Source: UN COMTRADE (2018)

Figure B20: Share in global imports of persimmons, 2014-2016



Source: UN COMTRADE (2018)

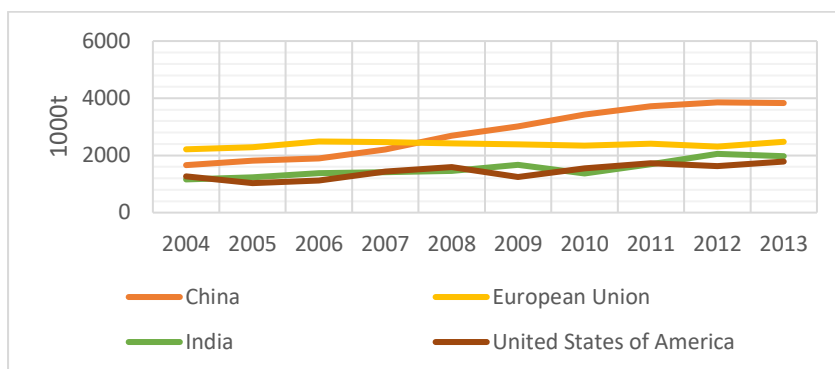
Figure B21: Trends in global persimmon imports, 2012-2016*



Source: UN COMTRADE (2018)

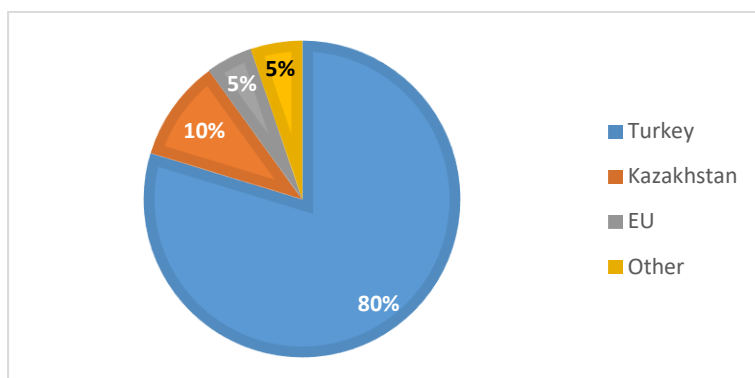
* Data for persimmons are available only since 2012. Before 2012, persimmons were not considered a category of their own within the Harmonized System (HS) nomenclature.

Figure B22: Trends in global nut consumption, 2004-2013



Source: FAOSTAT (2018)

Figure B23: Largest markets for Uzbek walnuts, 2014-2016



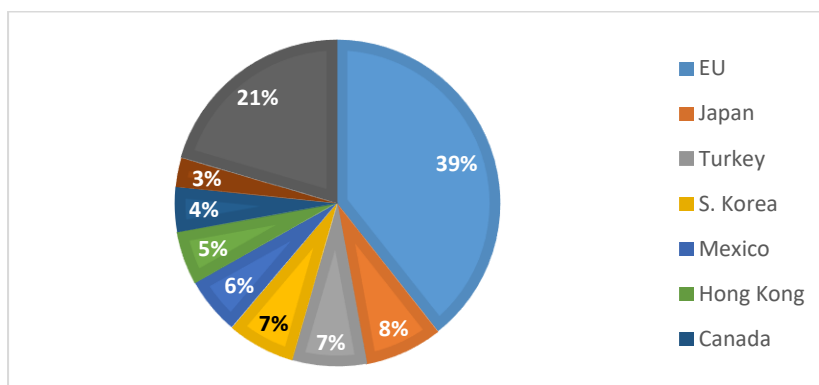
Source: UN COMTRADE (2018)

Table B3: Uzbekistan's rank in the nuts market, 2011-2013

	Rank
Production	39
Exports	46
Imports	143
Consumption	46

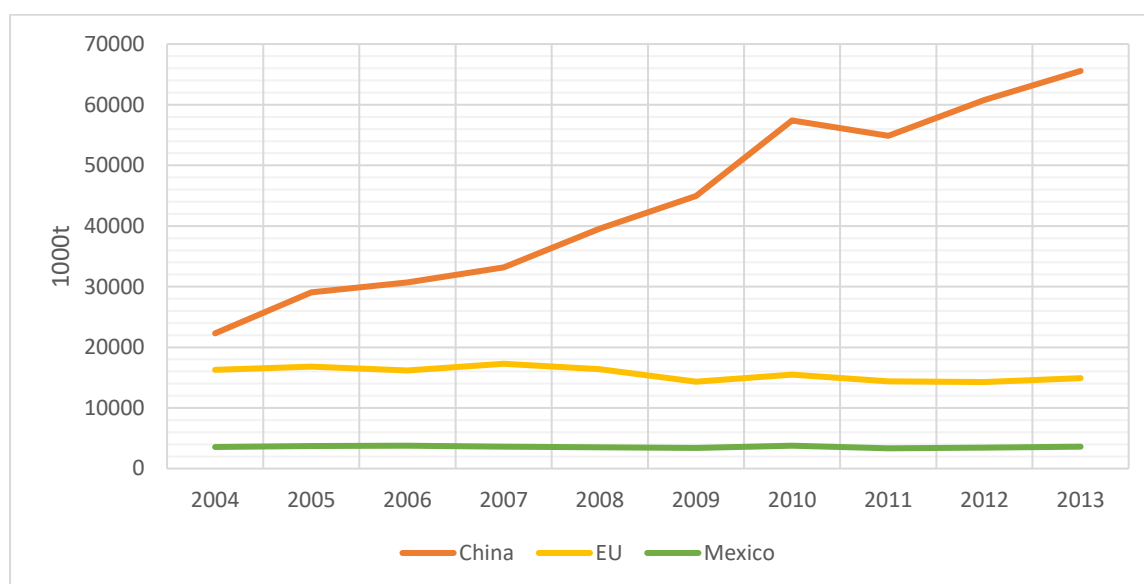
Source: FAOSTAT (2018)

Figure B24: Share in global imports of walnuts, 2014-2016



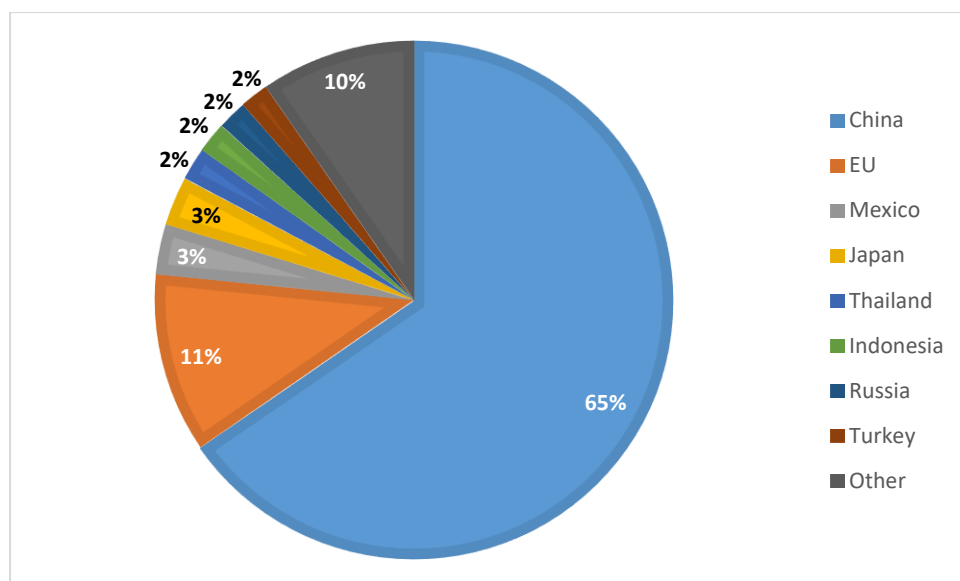
Source: UN COMTRADE (2018)

Figure B25: Trends in global sybean imports, 2004-2013



Source: UN COMTRADE (2018)

Figure B26: Share in global imports of soybean, 2014-2016



Source: UN COMTRADE (2018)

Table B4: Uzbekistan's rank in the soybean market, 2011-2013

	Rank
Production	-
Exports	-
Imports	149
Consumption	71