



## Asia-Pacific Trade Briefs

### Kyrgyzstan

**Merchandise trade:** The price of gold, the main export product of Kyrgyzstan, has fallen across recent years with major consequences for trade and growth. Merchandise exports contracted by -7.9% compared with an average -1.5% annual growth during 2010 and 2014. Exports are diversified across only 203 products and 31 markets – compared to the Asia-Pacific average of 2,107 products and 95 partners. Gold (including gold plate) is the major export product worth 44.3% of total exports. The main export partners are Switzerland, Kazakhstan and the United Arab Emirates, which together account for nearly three-quarters of Kyrgyzstan's exports (72%). In 2014, merchandise imports contracted by -5.6% as the economy weakened due in part to falling export revenues. Imported products consist mainly of textiles and apparels (23.9%), and petroleum oils (10.8%). Its major import partners are China and the Russian Federation.

**Services trade:** Kyrgyzstan's services exports contracted by -13.4% and service imports grew by 10.9% in 2014 – down from average annual growth rates of 15.5% and 11.4% respectively during 2010-2014. Nevertheless, the services trade balance in 2014 remained negative.

**Global value chains (GVCs):** The share of intermediate goods in trade – a proxy for participation in GVCs – is lower in the Kyrgyzstan (18%) than in the Asia-Pacific overall (22%) for imports, and much higher in the Kyrgyzstan (58%) than the Asia-Pacific (18%) for exports. As an importer, Kyrgyzstan has a relatively low level of participation in GVCs as it primarily imports final goods such as petroleum and textiles. However, it exports a relatively high level of commodity-type intermediate goods such as gold and chemical elements.

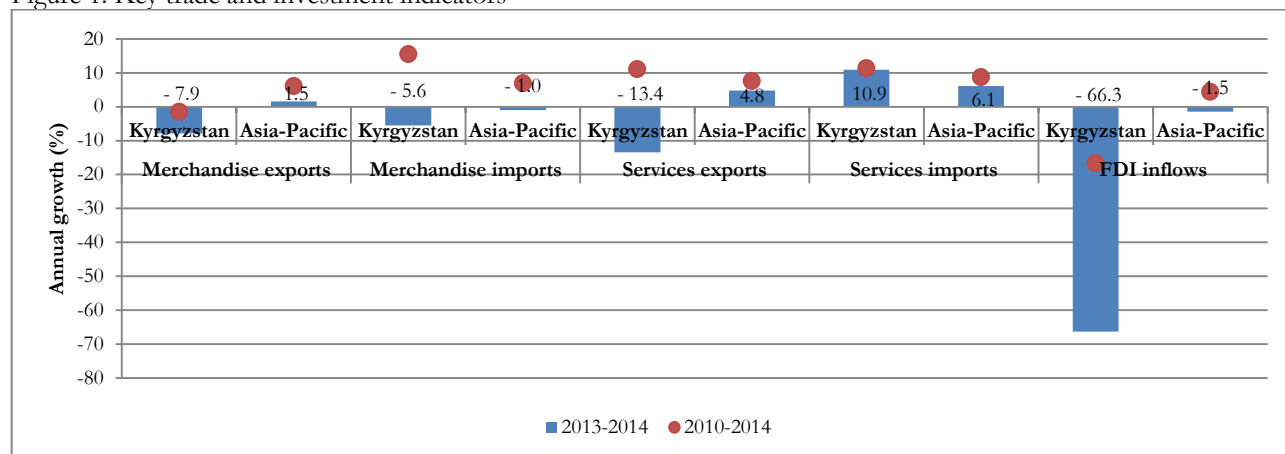
**Foreign direct investment (FDI):** Kyrgyzstan's FDI inflows reached around \$626 million in 2013, after which they declined sharply, by -66.3% to just \$211 million in 2014. Major factors behind the declining inflows have been an ongoing dispute with the Canadian group Centerra Gold over control of the Kumtor gold mine, and perceptions of corruption which continue to weigh on investor sentiment. The Transparency International Corruption index ranked Kyrgyzstan 150/177 in the world in 2013.

**Tariffs:** Average MFN applied and effective tariffs at 4.5% and 4.0% are almost half of Asia-Pacific averages of 7.4% and 7.4%.

**Trade costs:** Intraregional trade costs in Kyrgyzstan have gradually increased since 2009. It is much costlier for Asia-Pacific economies to trade with Kyrgyzstan than with East Asia-3 (China, Japan and Republic of Korea) – the intraregional benchmark – and with EU-3 (France, Germany and United Kingdom) – the extraregional benchmark. Based on the UNRC Survey 2015\*, the Kyrgyzstan's trade facilitation and paperless trade implementation score is at 42%, compared to 46.5% for the Asia-Pacific.

**Trade agreements:** Kyrgyzstan has 10 trade agreements in force, higher than the Asia-Pacific average of 7 agreements. Seventy-four per cent of exports are to PTA partners, compared to 35% for the Asia-Pacific. Thirty-two per cent of imports are from PTA partners, compared to 45% for the Asia-Pacific.

Figure 1. Key trade and investment indicators



\*Country notes summarising results of the UNRC Survey 2015 are available at: <http://unnex.unescap.org/UNTRSurvey2015.asp>

Figure 2. Top merchandise markets

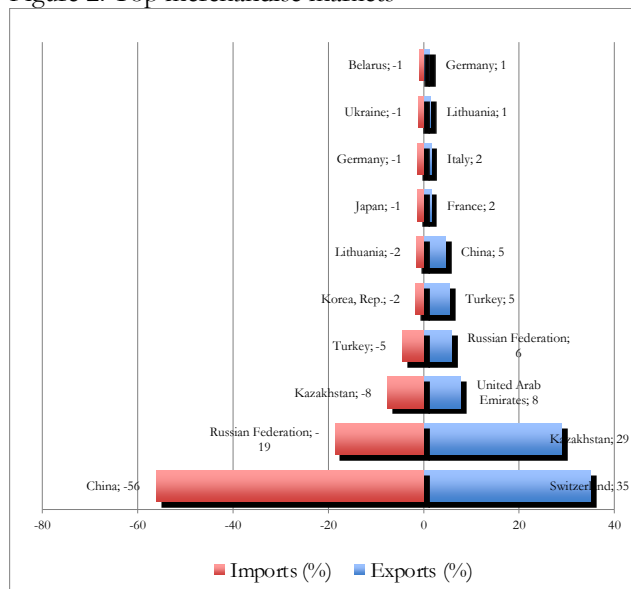


Figure 3. Top merchandise products

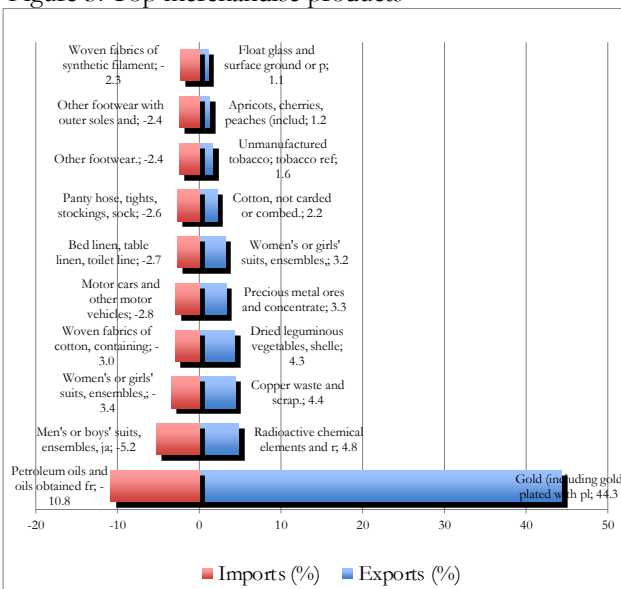


Figure 4. Trade in goods by their use

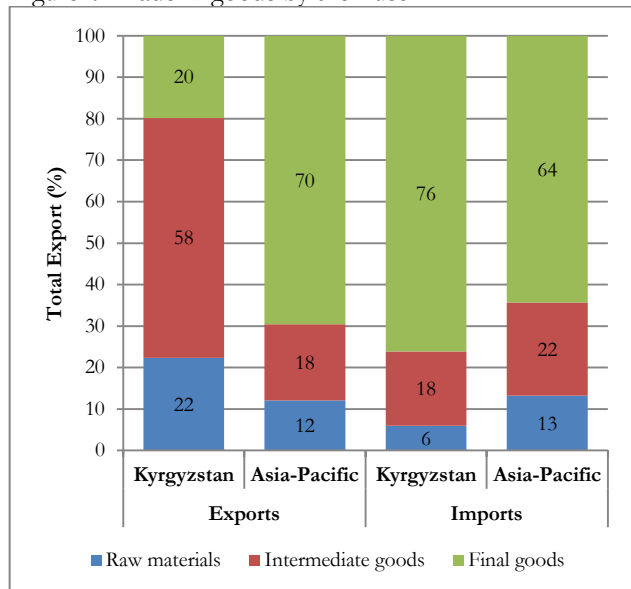


Figure 5. Foreign direct investment

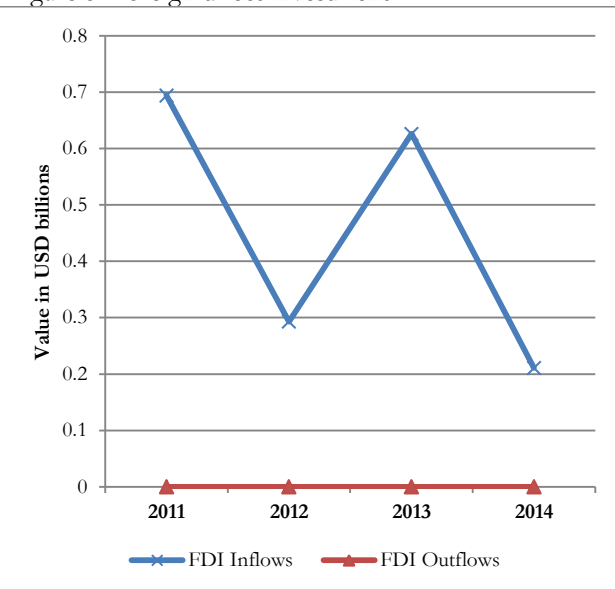


Figure 6. Tariffs

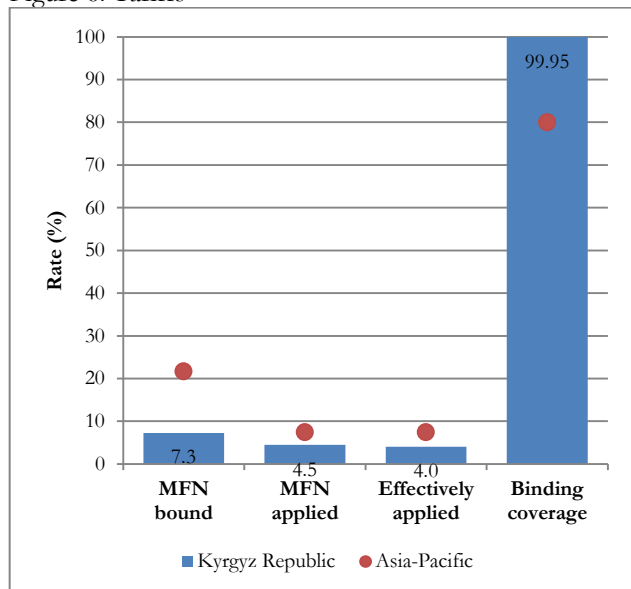
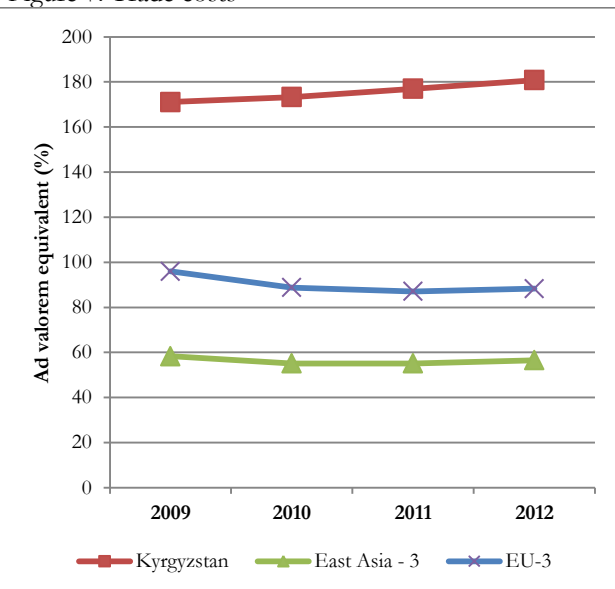


Figure 7. Trade costs



Sources: Trade and tariff data were accessed through WITS. FDI data was accessed through UNCTADstat.

Notes: Trade data follows the HS2007 classification. Mirror data is used. Products are defined at the 6-digit level.

Definitions: Primary, intermediate, consumer, and capital goods are defined using UNCTAD System of Accounts. Final goods are defined as the sum of consumer and capital goods. Bound tariff is the maximum most favoured nation (MFN) tariff permitted under WTO obligations. MFN applied tariff is the tariff applied on imports among WTO members. Effectively applied rate is the lowest tariff available, i.e. preferential rates where available.

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