



UNCTAD-UNECE Regional Policy Dialogue:  
the role of competition policy in supporting MSMEs economic recovery  
in the post COVID-19 crisis

The impact of COVID-19 induced non-tariff measures on SPECA  
countries' trade patterns:  
Evidence from UNECE's survey of freight forwarders

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# UNECE's survey of freight forwarders

- Transportation is key aspect of the SMEs' competitiveness in CA (the share of freight/transportation cost in the product values is about 35%)
- Survey aimed to analysis how COVID-19 pandemic influenced the trade patterns
- Based on phone interviews with 32 freight forwarders (June-August 2020)  
UNECE conduct survey

# Lack of adequate trade facilitation tools: an impediment to MSMEs' competitiveness

- Lack of up-to-date information on border control procedures
- Difficult to obtain documents (permits for importing and exporting medical products; transit visas; lack of quota on permits for transit shipment)
- Burdensome border control procedures resulting in long queues:
  - Unnecessary documentary checks
  - Lengthy fumigation procedures and vehicle disinfection procedures led to long queues.
  - Lack of mutual recognition of phytosanitary certificates and physical inspection
  - Lack of mutual recognition COVID-19 testing procedures

# Lack of digitalization: an impediment to MSMEs' competitiveness

- Poor internet connectivity.
- State agencies lack proper ICT equipment to facilitate control
- Electronic documents are not widely used: trade and transport documents, including certificates and transit permits are issued in hard copies.
- Most of the freight forwarders lack proper ICT equipment for improving their services (incl. GPS & software).
- Most countries have outdated car fleets, which undermines long-distance services.

# Additional recovery challenges

## Freight forwarding industry under stress

Most of the forwarders interviewed were unable to maintain operations beyond 4 to 6 months without financial assistance and were struggling with legal problems for failing to comply with the delivery terms.

## Resulting changes in trade patterns

- Exports from SPECA countries to Georgia, the Russian Federation, Turkey and China increased while exports to the Islamic Republic of Iran and the European Union decreased.
- Trade within the SPECA region: Exports to Tajikistan increasing and exports to Kazakhstan and Turkmenistan decreasing. Uzbekistan faced fluctuations of exports from other SPECA countries with increases from Afghanistan, Kazakhstan and Tajikistan and with decreases from Azerbaijan and Turkmenistan.
- Increased importance of the Russian Federation as the main source of imports.



# Key recommendations

- Establish a common approach for coordinating health screening at BCPs and facilitating mutual recognition of COVID-19 test results, especially for drivers
- Create a green corridor for facilitating the movement of perishable goods during the pandemic. Border control is complicated by an overreliance on physical inspections.



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**THANK YOU !**

On behalf

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