
The Effects of Tajikistan's Trade Policy Changes on its Agricultural Sector

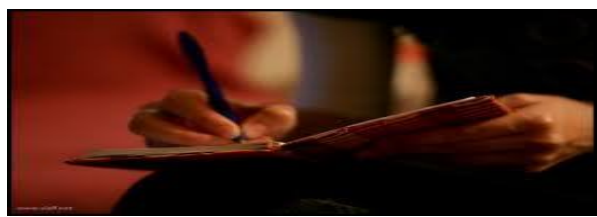
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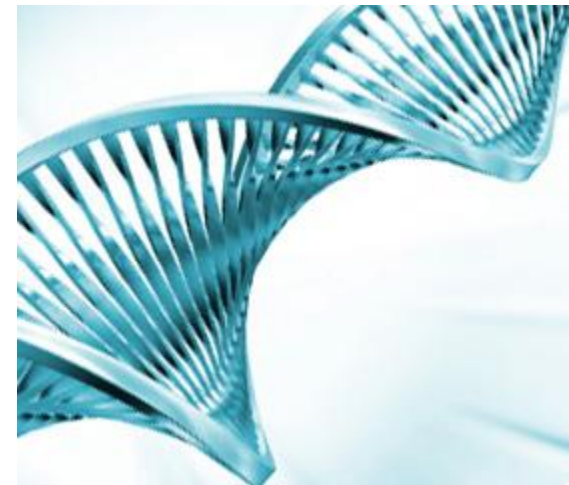
Outline

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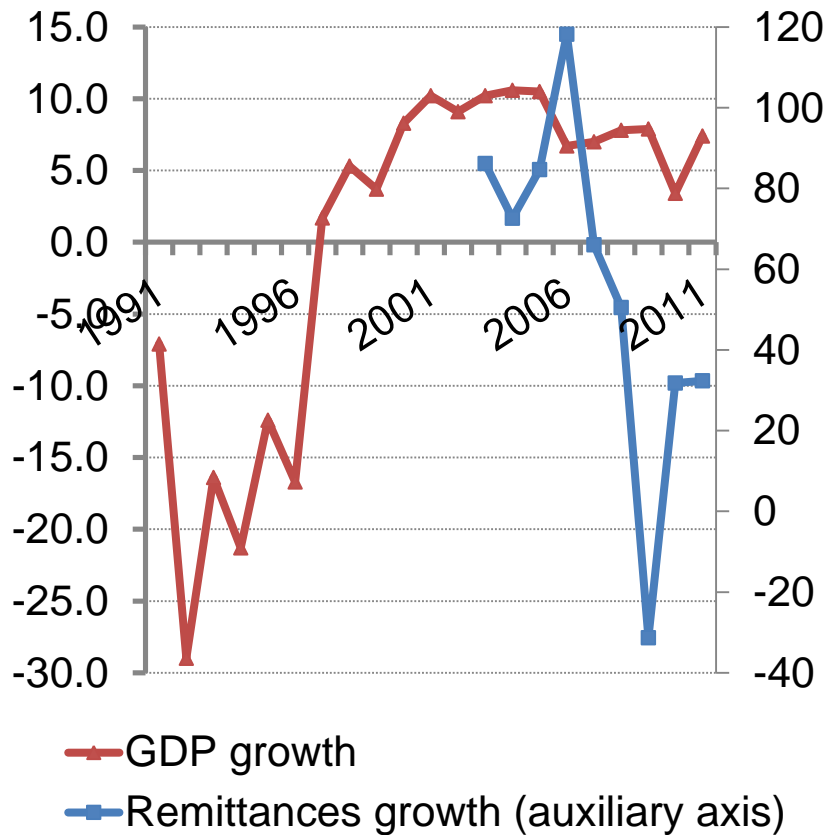


1. JUSTIFICATION OF THE STUDY

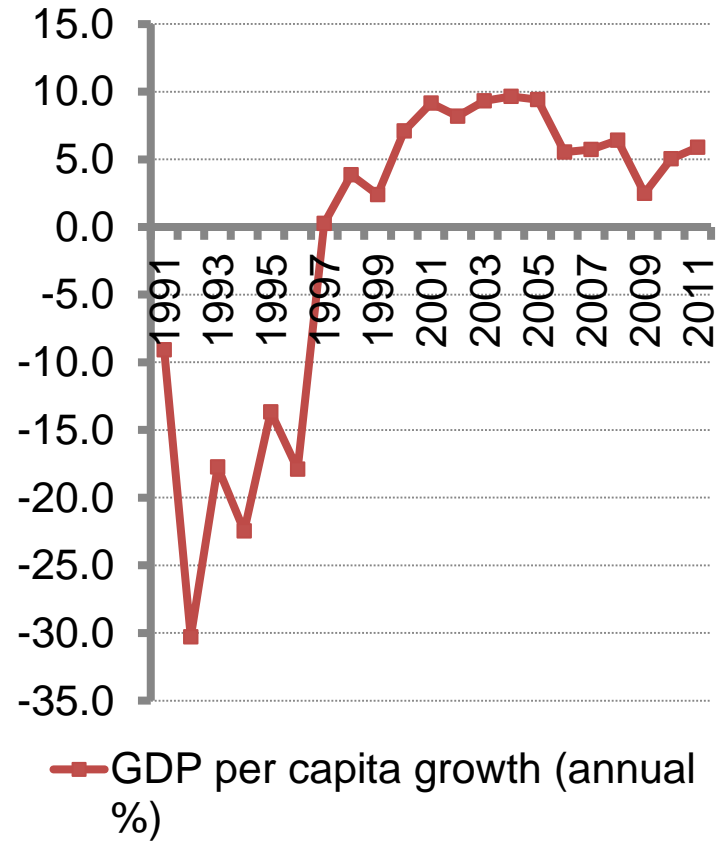


1. Justification of the study

Annual growth of GDP and Remittances (%)

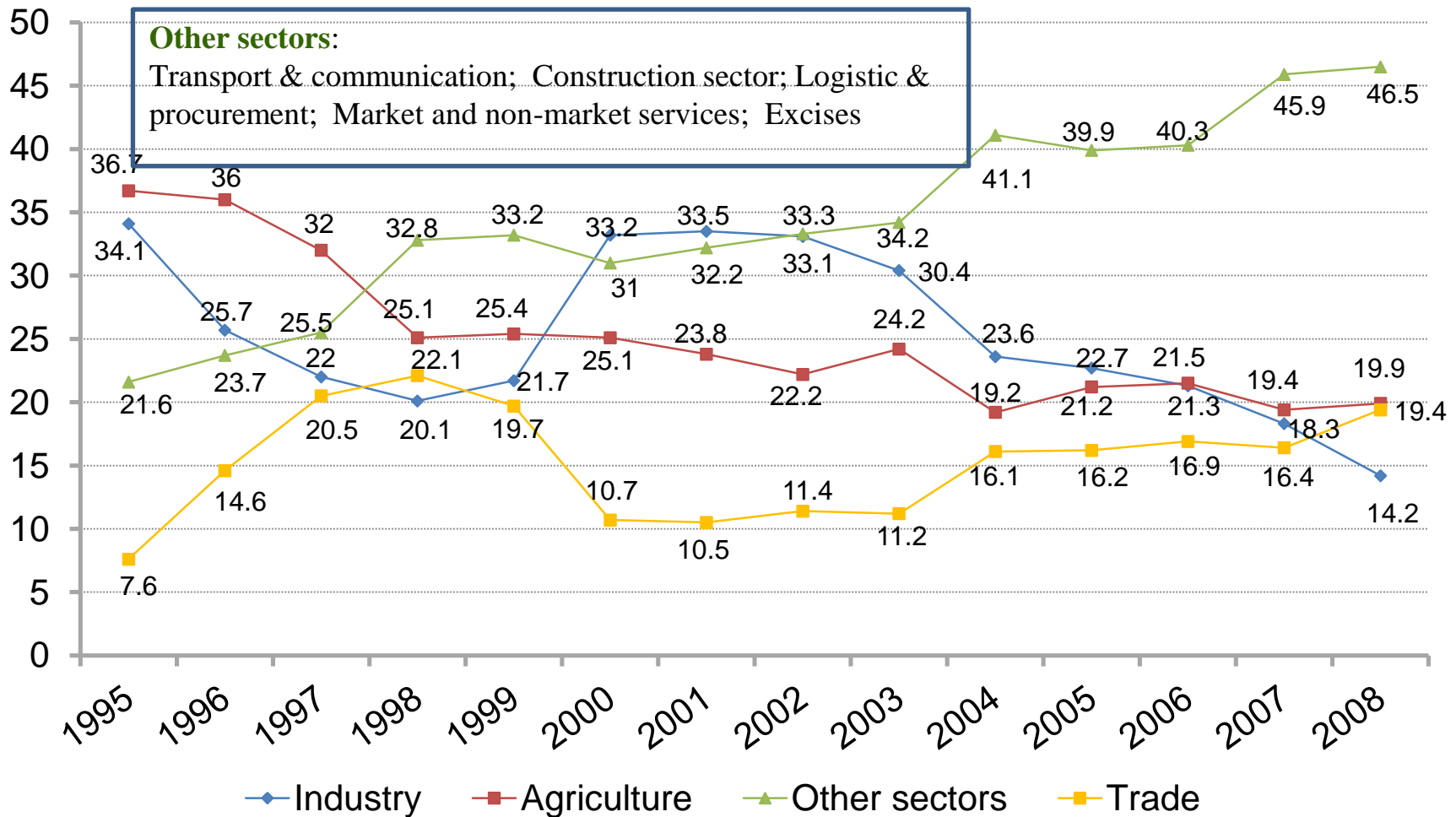


GDP annual per capita growth (%)



1. Justification of the study

Nominal GDP by economic sectors (percent)



Source: Own compilation based on the data of Agency on Statistics of the Republic of Tajikistan. Statistical yearbook "Socio-economic indicators". 2004 & 2010.

2.



Objectives

&

RESEARCH



Objective & Research Questions

Objective

- To assess the impact of Tajikistan's WTO and EAEU accessions on its agricultural sector.

Research questions

- How does the accession of the WTO and EAEU effects consumers, producers and the state budget in Tajikistan?
- How will value of agricultural production & the balance of trade changes?



3. METHODOLOGY



3. METHODOLOGY

- The main research tool for the analysis is a AGRISIM – partial-equilibrium net trade model.

COUNTRIES & REGION		COMMODITIES	
Australia	Mexico	Livestock	Crops
Brazil	Russia	Beef & Veal	Wheat
Canada	South Africa	Milk	Coarse grains
China	Tajikistan	Pig meat	Maize
Egypt	Ukraine	Poultry	Rice, refined
European Union 27	USA	Eggs	Sugar, refined
India	Uzbekistan	Mutton & Goat	Cotton, fiber
Japan	Rest of the World		Oils
Kazakhstan	World		
Kyrgyzstan			

3. METHODOLOGY

AGRISIM includes 67 equations:

- Commodity balance sheet;
- Yield and area functions;
- Net trade equations;
- Prices;
- Price transmission elasticity;
- Welfare functions;
- Elasticities, etc.

Developed & simulated scenarios:

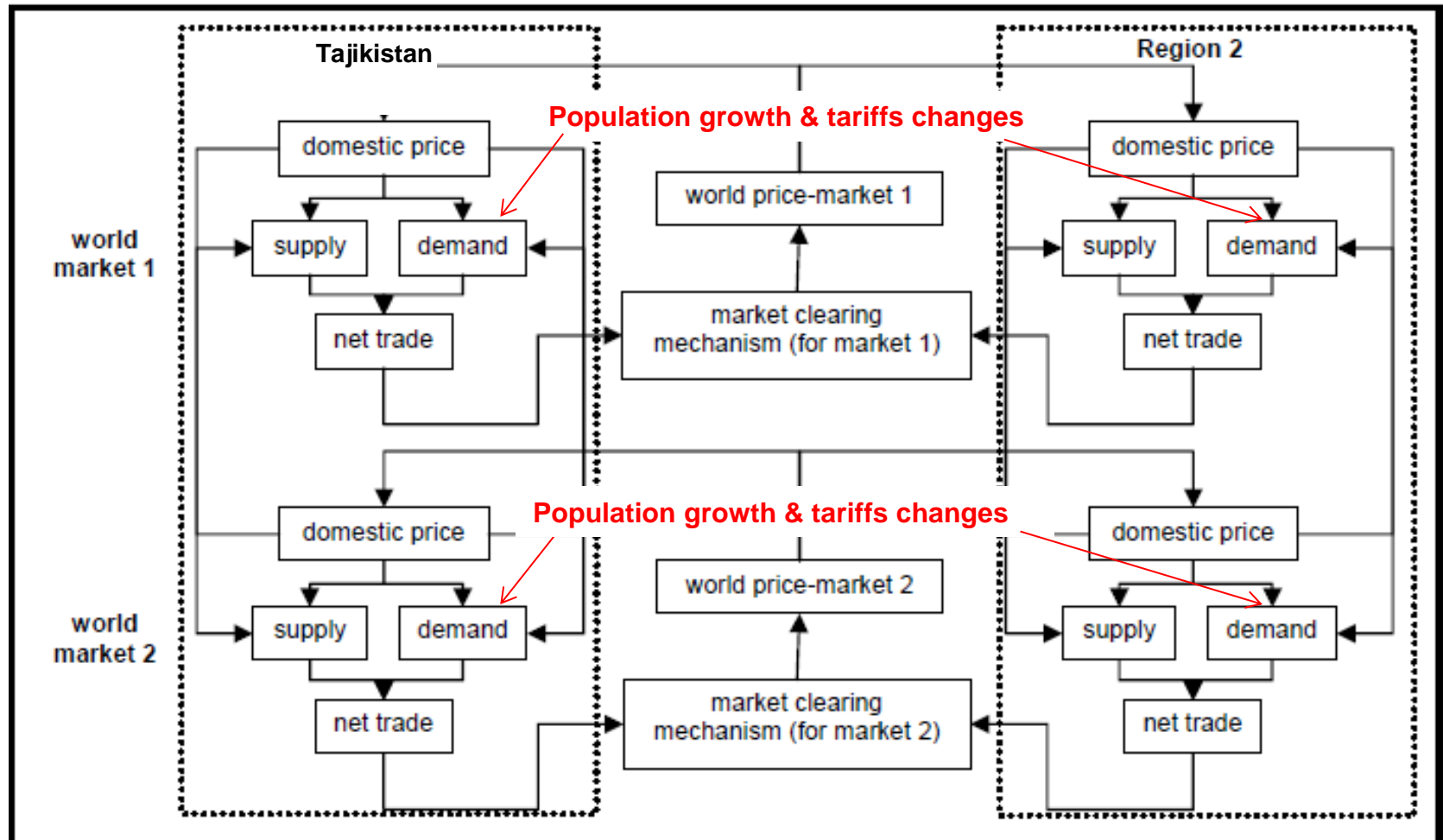
Base assumption – population growth;

Scenario 1 (WTO) – BA plus commodity specific bounded tariffs under WTO agreement;

Scenario 2 (EAEU) – BA plus all import tariffs are zero.

3. METHODOLOGY

Simple 2 Market & 2 Commodities Model



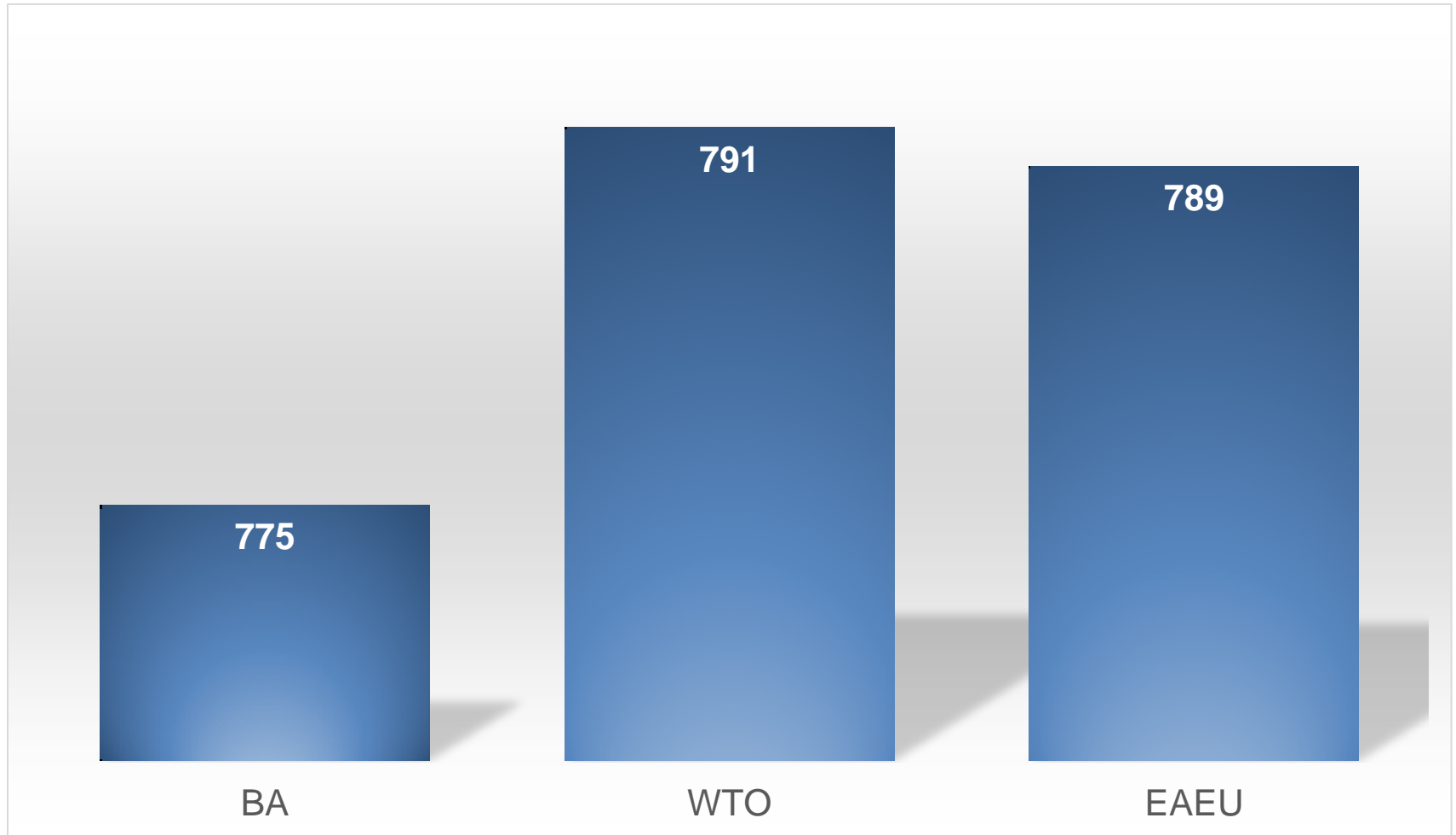


4. RESULTS



4. Results

Value of Agricultural Production (million USD)



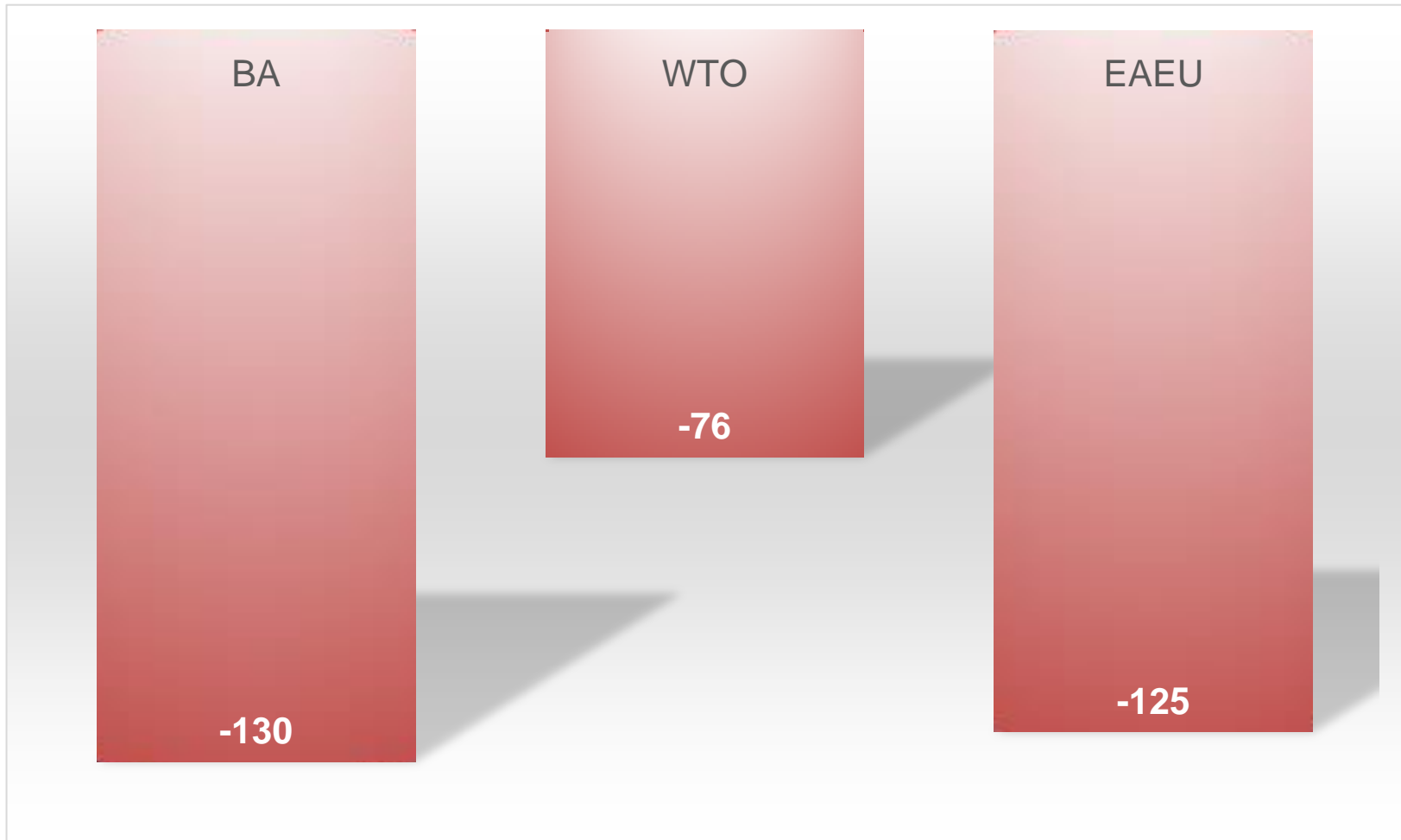
4. Results

Value of Agricultural Production Change in Scenario (million USD)

	WTO accession				EAEU accession			
	BA	WTO	Changes (WTO against BA)		BA	EAEU	Changes (EAEU against BA)	
			%	million USD			%	million USD
Beef & veal	69.4	46.8	-32.6	-22.6	69.4	46.3	-33.4	-23.2
Coarse grain	11.9	12.9	9.1	1.1	11.9	13.8	16.3	1.9
Cotton, fibre	83.6	219.6	162.6	136.0	83.6	209.6	150.7	126.0
Eggs	9.0	3.1	-65.3	-5.9	9.0	3.7	-59.4	-5.4
Maize	26.3	30.6	16.2	4.3	26.3	29.5	12.2	3.2
Milk	124.4	177.4	42.6	53.0	124.4	165.0	32.7	40.6
Mutton & goat	73.7	80.2	8.9	6.6	73.7	72.9	-1.0	-0.8
Oilseeds	156.0	162.8	4.3	6.7	156.0	156.1	0.0	0.0
Pork	1.6	1.9	22.2	0.3	1.6	1.6	4.9	0.1
Poultry	1.2	0.5	-57.4	-0.7	1.2	0.4	-61.6	-0.7
Rice, refined	56.7	28.5	-49.8	-28.2	56.7	29.1	-48.7	-27.6
Sugar, refined	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat	161.7	26.6	-83.5	-135.1	161.7	61.4	-62.0	-100.3
Total	775.5	791.0	2.0	15.5	775.5	789.4	1.8	13.9

4. Results

Balance of Trade Changes (million USD)



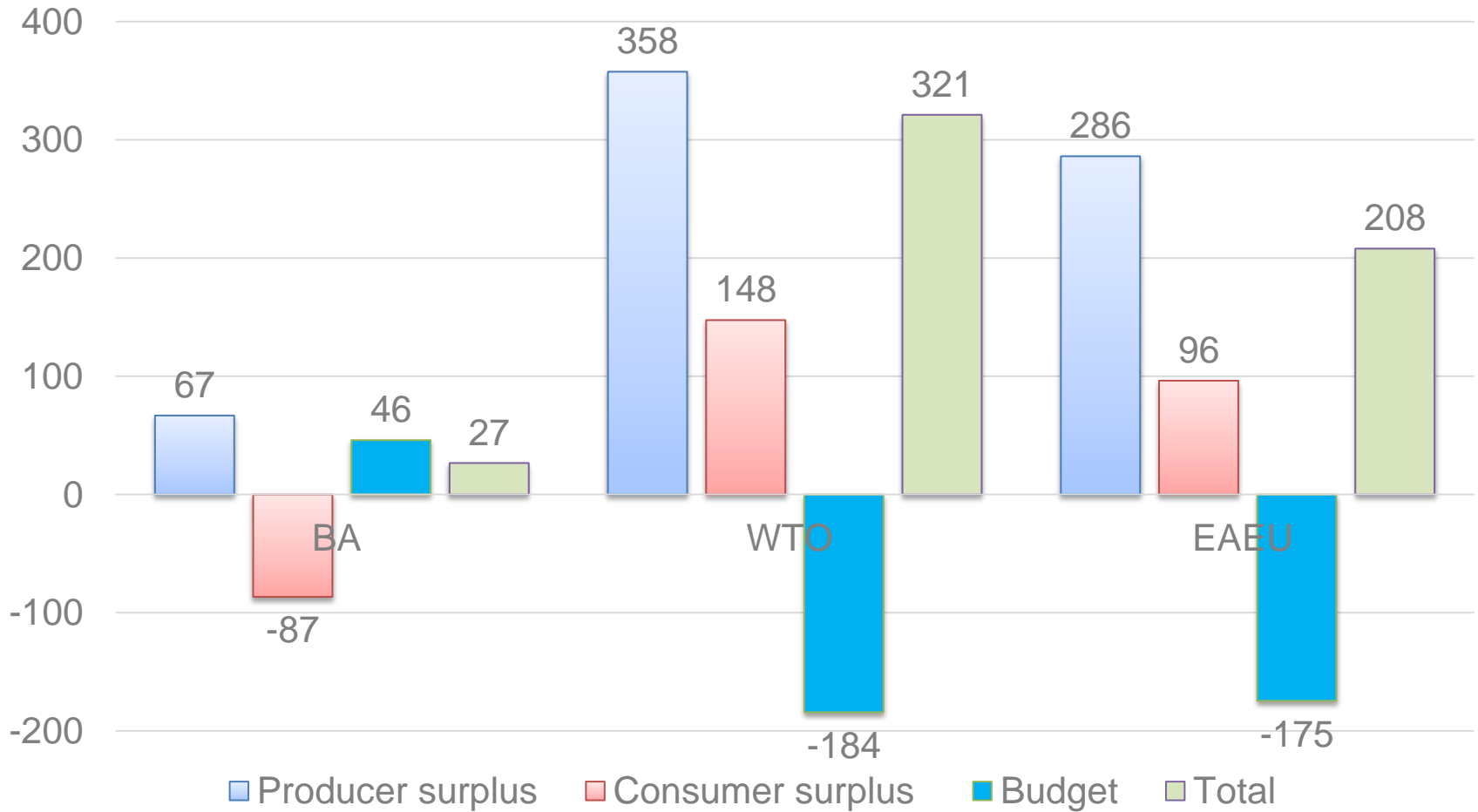
4. Results

Balance of Trade Changes (million USD)

	WTO accession				EAEU accession			
			Changes (WTO against BA)				Changes (EAEU against BA)	
	BA	WTO	%	million USD	BA	EAEU	%	million USD
Beef & veal	-26.5	-30.7	-15.9	-4.2	-26.5	-34.5	-30.5	-8.1
Coarse grain	-2.8	-0.9	67.4	1.9	-2.8	-1.2	58.7	1.6
Cotton, fibre	153.3	157.1	2.5	3.8	153.3	179.8	17.3	26.5
Eggs	-6.1	-7.9	-29.9	-1.8	-6.1	-8.7	-43.3	-2.6
Maize	-3.1	2.1	170.1	5.2	-3.1	0.4	113.9	3.5
Milk	-15.4	-4.1	73.3	11.3	-15.4	-5.8	62.5	9.7
Mutton & goat	-8.4	-9.6	-14.5	-1.2	-8.4	-11.8	-40.1	-3.4
Oils	-39.2	-18.6	52.7	20.7	-39.2	-28.7	26.9	10.5
Pork	-7.5	-7.4	1.7	0.1	-7.5	-7.5	0.2	0.0
Poultry	-11.4	-13.2	-15.9	-1.8	-11.4	-13.9	-22.2	-2.5
Rice, refined	-2.1	-9.5	-359.2	-7.5	-2.1	-8.6	-314.7	-6.5
Sugar, refined	-71.3	-68.9	3.4	2.4	-71.3	-71.6	-0.5	-0.3
Wheat	-89.6	-64.4	28.2	25.2	-89.6	-112.7	-25.8	-23.1
Total	-130.0	-75.8	42.0	54.2	-130.0	-124.7	4.0	5.3

4. Results

Welfare changes (million USD)



Conclusion

5. Conclusion



5. Conclusion

- The country's accession to the WTO and the EAEU has a positive effect on both, producers and consumers, with substantial losses to the budget.
- An application of smaller import tariffs, under international trade agreement (WTO), in open and small economy, net importer of agricultural products, like Tajikistan, will allow to minimize the losses of the losers and maximize the gain of the gainers, than applying zero tariffs within the regional trade agreement.
- The effects of the WTO and EAEU accession on other sectors of economy, using CGE model, are subject of the further studies.

Thank you for your kind attention!



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