

**4 July 2016**

**Joint Advisory Group draft speech Kyrgyz Republic**

Thank you Mr. Chairman,

On behalf of the Government of the Kyrgyz Republic, I would like to thank the Government of Switzerland for its support of the program "Trade Promotion in the Kyrgyz Republic", and ITC for implementing it. The program has been implemented in Kyrgyzstan since 2002. Since 2009, ITC has provided technical assistance to the textile and clothing industry, has aided our Government to improve the quality of our infrastructure and has accelerated the creation and development of trade promotion. Also ITC helped to develop an exports plan for the Kyrgyz Republic for the period 2015 - 2017.

Under the program, small and medium-sized enterprises (SMEs) take part in international exhibitions in Russia and Europe and receive valuable advice from leading international experts on design, production management, marketing, quality and productivity. The program provided an important contribution to the development of textile and clothing manufacturing in the Kyrgyz Republic in the years 2013 through 2016.

The sewing industry is of great social importance for Kyrgyzstan, as it employs a significant part of the population and it creates new jobs. More than 160.000 people are employed in the industry. And of manufactured apparel carrying the sign «Made in Kyrgyzstan» more than 90 percent is exported, particularly to Russia, Kazakhstan, other Central Asian countries, as well as other countries outside the region.

Industrial enterprises are in need of support, as industrial output and exports are in decline. This is related to a decrease in orders, due to the lower purchasing power of the Russian Federation and the fall of the rouble. In 2015,

production fell by 58% compared to 2012 and amounted to 3.364 billion kilograms. In 2015, exports decreased by 75% compared to 2012 (-\$ 156 million to \$ -39.6 million in 2015).

The International Trade Centre has assisted in developing the Export Development Plan 2015-2017, the successful implementation of which will help to create a favorable business-operating environment for export capability and competitiveness of priority sectors in Kyrgyzstan. The plan complements the Sustainable Development Plan of Kyrgyzstan until 2017 and the Plan of the Government of the Kyrgyz Republic for export development for 2015-2017, which was approved on March 31, 2015.

One of the results of liberal market reforms in business environment, trade facilitation and promotion was the introduction of the Single Window facility for reducing administrative barriers, enhancing the efficiency of customs procedures and for improving the transparency and predictability of administrative procedures. A special Centre under the Ministry of Economy operates the Single Window.

With ITC's support a strategic and operational plan was developed for the "Single Window" organization (local trade support organization). ITC assisted in defining a portfolio of services and in developing a roadmap for improving employee performance. Also it conducted training for employees. Under the project a directory for provider services in three languages was developed, which was distributed among trade associations, businesses, and stakeholders.

The Kyrgyz Government and the private sector of Kyrgyzstan need the support of experts from international organizations for the country to adapt to the new conditions arising nowadays due to the structural and normative changes in the country quickly and to diversify our exports. There is a general need for multi-level expert support:

- At the national level Programs for the development and implementation of export strategies
- For trade support institutions in the creation and strengthening of the Agency for the promotion of investments and exports,
- And in the private sector, where SMEs in priority sectors need support to improve their export competitiveness.

As the program will come to an end in December of this year we would like to ask the Swiss Government to consider extending the successful ITC Program and by doing so continue to support the much needed adaptation to the new conditions in the context of regional trade agreements where Kyrgyzstan is a member, as well as the development of the Kyrgyz export development strategies in the medium and long-term.

In conclusion, on behalf of my Government, I would like to express our appreciation for the Cooperation provided by the ITC, as well as donor countries, international financial and development institutions for all their work and contributions into the national and regional initiatives on Trade promotion and Trade facilitation.

Thank you.