

A Study on Trade Restrictions in Central Asia

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Abstract: On September 7, 2013, Chinese President Xi Jinping put forward the Silk Road Economic Belt initiative, which has brought China closer to the Central Asian countries and brought new opportunities for trade and investment cooperation between China and the five Central Asian countries. This initiative has also received a positive response and broad consensus from Central Asian countries, with the gradual elimination of trade barriers between regions and the acceleration of the process of regional economic integration. China and the five Central Asian countries have strong economic and trade complementarity, and their economic development strategy, energy strategy, access strategy, diplomatic and security strategy are well matched. Geopolitical and cultural advantages are conducive to China's participation in the rapid process of China-ASEAN. However, there are also many problems in trade and investment cooperation between China and the five Central Asian countries. In order to reduce trade barriers and trade costs, expand the scale of trade and investment between China and the five Central Asian countries, and eliminate the factors that restrict the development of trade and investment between China and the five Central Asian countries, it is imperative. This paper mainly studies how to break the restrictive factors of trade between China and the five Central Asian countries.

1. Introduction

The Central Asian in the core region of the Silk Road Economic Belt has far-reaching strategic significance for China to use international resources to promote economic and trade development because of their unique geographic location and resource endowment advantages. The Central Asian is the necessary place for China to lead to the economic circle of Western Asia and the hinterland of Europe. It is the core economic region in the Silk Road Economic Belt connecting the Asian Economic Circle and the European Economic Circle. The five Central Asian countries have different endowments of resources, strong complementarity with China's economy and great potential for economic and trade cooperation. However, in the process of economic and trade cooperation, there are still some factors restricting the realization of trade facilitation. This paper mainly studies how to eliminate trade barriers between China and the five Central Asian countries, so as to achieve trade facilitation.

2. Trade Facilitation Related Concepts

There are two main differences between trade facilitation and trade liberalization: First, trade facilitation focuses on how trade facilitation can reduce transaction barriers by simplifying procedures, harmonizing standards or adopting other methods to reduce transaction costs, Trade liberalization is concerned with how to create a fair international trade environment, usually through trade negotiations to achieve lower tariffs, and thus to improve the efficiency of customs clearance, customs inspection and quarantine, transport facilitation, and other aspects of trade liberalization; And promote the exchange of goods within the region. Second, the formation of the two different reasons, trade facilitation is the driving force with the liberalization of trade continues to increase, the main reason for restricting international trade is no longer the traditional tariff and non-tariff barriers, but because of inefficient ports, customs clearance is not Trade liberalization is driven by the fact that, with the development of the world economy, the economic globalization is becoming more and more important in the process of trade liberalization, And the international division of

labor has become a trend, to strengthen trade between countries and promote trade liberalization will have certain inevitability. Although trade facilitation and trade liberalization are somewhat different, they can not be completely independent and separate, in fact, there are still some links between the two. On the one hand, trade liberalization is a prerequisite for trade facilitation, if the two countries have high tariff barriers, and even market access problems are not resolved, very few trade, trade facilitation also lost the existence of relying on; On the one hand, the ultimate goal of trade facilitation and trade liberalization is the same, which is to realize the free flow of the elements in the world or region and the best allocation of resources. They are closely linked and can be regarded as a whole.

Investment facilitation content, according to the previous literature review, usually contains six aspects: capital settlement, investment access, investment protection, investment treatment, dispute settlement, international cooperation. Capital investment mainly refers to the opening of the investment field and the establishment of enterprises in the host country and the management of enterprise procedures is simple; investment protection mainly refers to the host country in the investment enterprises face the risk of expropriation , Political risk and other non-commercial risks, the protection of investment enterprises to provide protection measures and the home country has a sound overseas investment insurance system; investment treatment mainly refers to whether the host country to give investment enterprises non-discriminatory treatment, MFN and national treatment; Dispute settlement mainly refers to the attribution of jurisdiction when legal disputes arise; international cooperation mainly refers to the facilitation of investment in the two countries through the establishment of free trade area and other forms of economic cooperation.

3. Conditions of Trade and Investment Facilitation in the Five Central Asian Countries

Central Asia five countries are landlocked countries, no sea, away from the ocean, the lack of shipping links with other countries, the regional disadvantage of the economic development of the five Central Asian countries has become one of the bottlenecks, but its integration in the Eurasian continent, through The lines of communication between the five Central Asian countries can significantly shorten the distance between the Pacific Ocean and the Indian Ocean, the Pacific Ocean and the Atlantic Ocean, thus strengthening the Asian and European and even Asia and Africa economic ties. China's Xinjiang region, as a bridgehead for China's opening to the west, borders Kazakhstan, Tajikistan and Kyrgyzstan among the five Central Asian countries and is also close to Uzbekistan and Turkmenistan. It has saved China and the five Central Asian countries from trade and investment facilitation.

From the historical connection, China and the five Central Asian countries have a profound historical origin, the ancient Silk Road embodies the close ties between China and the five Central Asian countries. In 119 AD, Zhang Qian's mission to the Western Regions opened a direct link between China and Central Asian countries. Since then, China and Central Asia's political and economic exchanges from the Han Dynasty, the Sui Dynasty, the Tang Dynasty, the Yuan Dynasty and the Qing Dynasty have been extended to the establishment of the People's Republic. Over the past century and a half, although the natural connection between China and Central Asia has broken down, the profound accumulation formed by the long historical ties between China and the region has only been sealed up but has not disappeared. After the disintegration of the Soviet Union, China was the world's first to recognize the sovereignty of Central Asian countries and formal diplomatic relations with one of the countries, since the relationship between China and the five Central Asian countries has developed steadily. In recent years, China has further promoted the policy of good-neighborliness and friendship, consolidated and deepened bilateral relations and strengthened cooperation with various countries in Central Asia. With the help of the SCO platform, China has more contact with Central Asian countries.

In September 2013, Chinese President Xi Jinping proposed the construction of the "Silk Road Economic Belt", which was actively recognized by the Central Asian countries. In the context of building the Silk Road Economic Zone, the Chinese government encourages electric power, home appliances and textiles , Agricultural, environmental protection, electronics and other non-resource

areas of the strength of Chinese enterprises to invest in the five countries of Central Asia to increase imports of agricultural products in five countries in order to optimize the trade structure and business for the five Central Asian countries to participate in China, Exhibition to facilitate. It is obvious that the five Central Asian countries have the demand for developing trade and attracting foreign investment. The Chinese government also has the hope of foreign trade and direct investment. The two sides are in line with the economic development strategy.

4. Content Modules for Trade and Investment Facilitation in Central Asian

RMB settlement can reduce exchange rate risk. At present, China and Central Asian countries, the main trade settlement currency in the US dollar, import and export both sides need to carry out foreign exchange, will face the risk of dollar exchange rate fluctuations. If you choose RMB for China and the Central Asian countries trade settlement, from the Chinese point of view, import and export trade enterprises can avoid foreign exchange through the bank and purchase foreign exchange risk; from the perspective of Central Asian countries, the Central Asian countries and China Trade is very complementary, "through the RMB settlement of trade can basically achieve the level of supply and demand balance," and through appropriate transfers, but also eliminates the purchase and sale of the dollar, the exchange rate risk can be avoided. In addition, the performance of the yuan from the point of view, the currency is relatively stable, and therefore suitable for China and the Central Asian countries, cross-border trade settlement.

Travel trade is still an important part of the trade between China and Central Asian countries. A large number of dollar clearing transactions make a large number of foreign currency notes floating in the bank settlement system, the two countries of the country's banking regulatory agencies lack effective regulation, the US dollar cross-border cash flow information from the balance of payments statistical monitoring, It is possible to make illegal funds to evade control, for criminals to use cash settlement for money-laundering transactions to create conditions, and even make terrorist financing possible. The use of RMB settlement, you can effectively combat the dollar black market transactions, to promote border trade business to the bank centralized settlement, easy to implement effective banking supervision. In addition, the RMB settlement of cross-border trade can also be an effective solution to the current US dollar cash transfer costs, high risk.

Xinjiang as an important trade and investment exchanges with Central Asian countries, should seize the "Silk Road Economic Zone" construction opportunities, combined with other provinces and autonomous regions to the state departments to apply for the establishment of development financial institutions, such as the formation of the Western Development Bank, Regional development and trade and investment cooperation with neighboring countries to provide credit funds to support, in particular, to strengthen the interconnection infrastructure construction investment support. To strengthen the cultivation of a certain scale of trade and investment enterprises, to provide supplementary support for the listing of enterprises, and encourage enterprises through the issuance of corporate bonds, short-term financing bills, medium-term notes and other means of direct financing. Finally, the Bank will strengthen financial innovation, provide financial support for trade and investment facilitation, encourage some banks to set up "Silk Road Financial Service Center", and design customized and specialized financial products for trade and investment cooperation between China and Central Asia.

Since the establishment of the Shanghai Cooperation Organization (SCO), transportation cooperation has been the focus of trade and investment facilitation in the region. Since its establishment, the "Organization Declaration", "Constitutional Charter", "Intergovernmental Agreement on Regional Economic Cooperation, The Memorandum on Investment Facilitation and the Outline of Multilateral Economic and Trade Cooperation, the importance of transport cooperation is reflected. In the cooperative mechanism, the organization has started in 2002, the mechanism of the Conference of Ministers of Transport, since the signing of a number of road transport agreements.

China has signed an inter-governmental cooperation agreement on customs cooperation with some countries in Central Asia, as well as agreements between the two countries. For example, the

Chinese Government has signed the Agreement on Customs Cooperation and Mutual Assistance with the Governments of Kazakhstan and Uzbekistan, and the Chinese Customs has signed mutual assistance with Kyrgyzstan Customs. The Chinese government should also make full use of the platform of the "Eight-Countries Customs Cooperation Mechanism" under the framework of the Central Asian Economic Cooperation (CAREC) and the trade and investment facilitation mechanism under the framework of the Shanghai Cooperation Organization, and further strengthen customs cooperation with the five Central Asian countries. Improve customs clearance efficiency. Specifically in the areas of simplification and harmonization of customs formalities, joint customs supervision, information technology and single window construction, risk management and follow-up audits, regional transit development and border port infrastructure construction.

5. Conclusion

This paper summarizes the development situation of trade and investment facilitation between China and the five Central Asian countries, summarizes the main factors which restrict the trade and investment facilitation between China and the five Central Asian countries from various angles and puts forward specific countermeasures, Decision-making departments and related enterprises to provide theoretically with strategic, forward-looking, practical and feasible in practice, high-quality countermeasures and suggestions; the same time, to promote the implementation of the Silk Road economic zone strategy to provide an important reference.

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