



CAREC Institute

Quarterly Economic Monitor

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Disclaimer

This issue of the CAREC Institute Quarterly Economic Monitor looks at economic developments in the CAREC region based on latest available GDP, fiscal, monetary, and external economy data, along with some high-frequency data. It also reviews the vaccination progress in the CAREC region and lists news about economic cooperation within the region.

The Monitor is co-authored by Hans Holzhacker, Chief Economist at the CAREC Institute, Kamalbek Karymshakov, Economist at the CAREC Institute, and Shiliang Lu, Research Specialist at the CAREC Institute.

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Abbreviations

ADB	Asian Development Bank
bln	billion
CAREC	Central Asia Regional Economic Cooperation
CNY	Chinese Yuan
CPI	Consumer Price Index
GDP	Gross Domestic Product
IMF	International Monetary Fund
mln	million
NPL	Non-performing Loans
PRC	People's Republic of China
Q1	First quarter
Q2	Second quarter
Q3	Third quarter
Q4	Fourth quarter
qoq	quarter-on-quarter
WB	World Bank
WHO	World Health Organization
yoy	year-on-year

ON THE WAY TO RECOVERY, BUT THE PHASING OUT OF SUPPORT MEASURES MUST BE CAREFUL AND SELECTIVE

Average CAREC region real GDP growth finally turned positive in the first quarter of 2021, after negative growth rates throughout 2020. The recovery was especially strong in the PRC. Countries with a high share of exports going to the PRC such as Mongolia and Turkmenistan also profited from this. Higher fuel and metal prices benefitted the CAREC net exporters of mineral fuels and metals. A number of CAREC economies reached already higher readings in several indicators than in comparable periods of 2019.

However, GDP still contracted in four of the eleven CAREC economies. Goods exports and manufacturing rose substantially, but services posted a less impressive recovery than manufacturing, and household consumption a less impressive one than production. The negative social impact of the pandemic is still severe. In industries such as accommodation and restaurants employment took a drastic hit. Real wage growth has been subdued in early 2021. Whereas money supply has significantly increased since the second half of 2020 thanks to accommodative central bank policies and a higher saving ratio, loan growth has been sluggish in most CAREC economies. Non-performing loans have not increased drastically in most CAREC economies. However, there was an increase in the Kyrgyz Republic and in Mongolia from already rather high levels. In other CAREC economies banks' asset quality might deteriorate too after the phasing out of the authorities' support measures and the re-tightening of risk assessment rules.

Investment still needs to recover, growth rates were still negative in several CAREC economies in early 2021. Investment recovery depends even more than the rest of the economy on overcoming the uncertainties related to the pandemic. Governments should encourage investment especially now by further improving the business climate and easing doing business by advancing e-government and simplifying regulations. At the same time, a special focus should be given to greening projects, digitalization, but also projects in the services sector, including in health, education, and tourism. Opportunities for launching such projects involving more than one CAREC country should be explored.

To avoid a highly diverging speed of recovery for different sectors of the economy and for different parts of the population, and leaving behind substantial parts of businesses and the population, policy measures in support of the economy and households must be reduced carefully and selectively. Our previous CAREC Quarterly Economic Monitor showed that some fiscal space for maneuver is left in most CAREC economies. This issue of the Monitor shows that given loan growth is rather weak, exchange rates are reasonably stable, and inflation has accelerated only moderately, monetary policy could also remain supportive for some time where needed. Economic policies must be calibrated carefully to support the upswing while not jeopardizing future fiscal and monetary sustainability. At the same time plans must be concretized how to build forward better, especially how to accelerate the green and digital transitions.

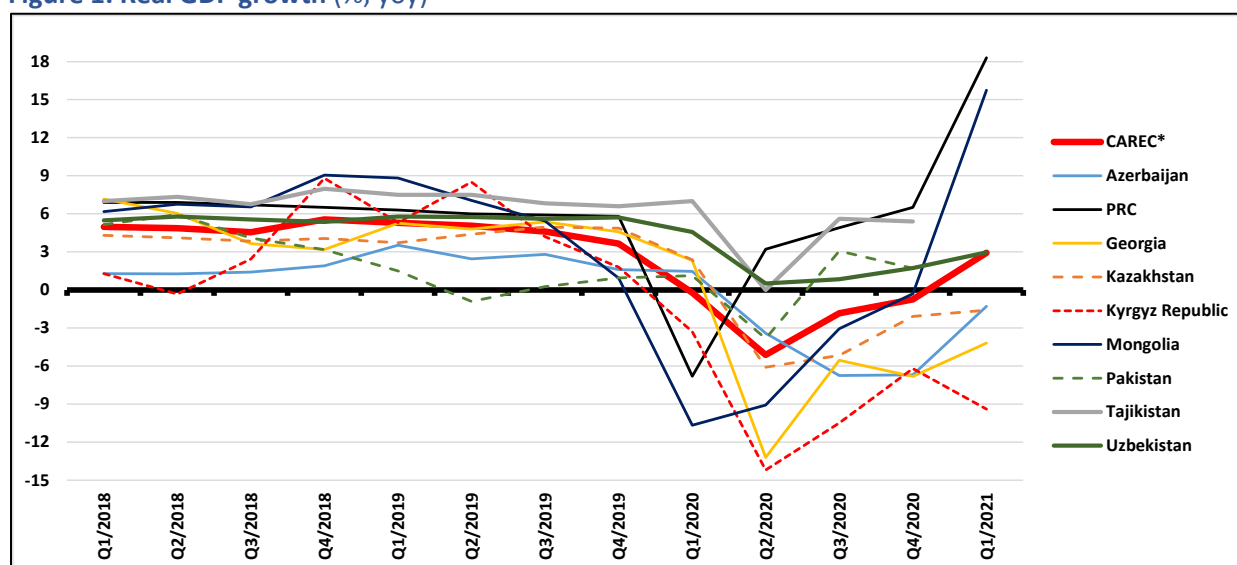
Proper public health measures remain key for a fast recovery, especially progress in COVID-19 vaccination. The relaxing of containment measures must be aligned with success in fighting the pandemic. The correlation between high-frequency output and demand indicators and mobility indicators reflecting containment measures has weakened in 2021, but a severe resurgence of the pandemic and resulting renewed quarantine requirements would certainly derail the nascent recovery.

Recovery, but some CAREC economies still experienced negative growth in Q1

After the sharp downturn in 2020, CAREC economies are on the way to recovery. Average real GDP growth for the CAREC region accelerated to plus 2.9% year-on-year in Q1 2021 from minus 0.8% year-on-year in Q4 2020 (Figure 1). The International Monetary Fund, the World Bank, and the Asian Development

Bank forecast an acceleration of GDP¹ growth in 2021 for all CAREC economies except Afghanistan and Turkmenistan (Table 1). They forecast a further acceleration in 2022 except for the PRC because of the PRC's extraordinary high rate in 2021. This is in line with recent developments, but to achieve the envisioned growth CAREC economies will have to avoid setbacks due to a resurgence of the COVID-19 pandemic.

Figure 1. Real GDP growth (% , yoy)



*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

Table 1. Real GDP growth forecasts (% , yoy)

	2020	2021F	2022F	2021F			2022F		
		Average ADB, IMF and WB		ADB	IMF	WB	ADB	IMF	WB
Afghanistan	3.9	2.7	3.6	3.0	4.0	1.0	4.0	4.2	2.6
Azerbaijan	-4.3	2.3	2.7	1.9	2.3	2.8	2.5	1.7	3.9
PRC	2.3	8.3	5.5	8.1	8.4	8.5	5.5	5.6	5.4
Georgia	-6.1	4.3	5.6	3.5	3.5	6.0	6.0	5.8	5.0
Kazakhstan	-2.6	3.2	3.7	3.2	3.2	3.2	3.5	4.0	3.7
Kyrgyz Republic	-8.6	4.4	4.6	3.5	6.0	3.8	5.0	4.6	4.3
Mongolia	-5.3	5.2	6.4	4.8	5.0	5.9	5.7	7.5	6.1
Pakistan	0.5	1.6	3.3	2.0	1.5	1.3	4.0	4.0	2.0
Tajikistan	4.5	5.1	5.2	5.0	5.0	5.3	5.5	4.5	5.6
Turkmenistan	5.9	4.7	4.4	4.8	4.6		4.9	3.9	
Uzbekistan	1.6	4.6	5.3	4.0	5.0	4.8	5.0	5.3	5.5

Source: Asian Development Bank. Asian Development Outlook, Financing A Green and Inclusive Recovery, April 2021; International Monetary Fund. World Economic Outlook: Managing Divergent Recoveries, April 2021; International Monetary Fund. Regional economic outlook update. Middle East and Central Asia: Arising from the Pandemic: Building Forward Better, April 2021; World Bank. Global Economic Prospects, June 2021.

¹ Gross domestic product (GDP) is the sum of value added in goods and services produced within a country's borders in a specific time period (most often, and also here, during a year. Real GDP is nominal GDP at constant prices.

In the PRC and Mongolia, the upswing was very steep in Q1. In these countries real GDP growth accelerated to 18.3% yoy and 15.7% yoy in Q1 2021, respectively, offsetting the deep declines in Q1 2020 (Table 2). Uzbekistan saw also significant yoy growth in Q1 2021 even though growth in Q1 2020 was still strong there. However, Azerbaijan, Georgia and Kazakhstan still experienced negative growth rates of 1.3% yoy, 4.2% yoy and 1.6% yoy, respectively. The Kyrgyz Republic saw real GDP contraction to accelerate to minus 9.4% yoy in Q1 from minus 6.2% yoy in Q4. Fast growth in the PRC and Mongolia, and quarter by quarter improvements in most other CAREC economies, was made possible by successfully controlling the COVID-19 pandemic in the PRC, better dealing with the pandemic, and adjusting to the pandemic in other CAREC economies, and by higher oil, copper, and other commodity prices that have helped net commodity exporters.

Table 2. Real GDP growth (% , yoy)

	2019	2020	2019				2020				2021	2021/ 2019**
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1
Afghanistan	1.2	3.9	-	-	-	-	-	-	-	-	-	-
Azerbaijan	2.5	-4.3	4.6	4.0	2.3	-0.5	1.5	-3.4	-6.8	-6.7	-1.3	0.2
PRC	6.0	2.3	6.3	6.0	5.9	5.8	-6.8	3.2	4.9	6.5	18.3	10.3
Georgia	5.0	-6.1	5.2	4.8	5.4	4.6	2.3	-13.2	-5.6	-6.8	-4.2	-2.0
Kazakhstan	4.5	-2.6	3.7	4.4	5.0	4.9	2.4	-6.1	-5.2	-2.1	-1.6	0.8
Kyrgyz Rep.	4.6	-8.6	8.5	4.2	1.8	-8.6	-3.3	-14.2	-10.5	-6.2	-9.4	-12.4
Mongolia	5.2	-5.3	8.8	7.1	5.4	0.9	-10.7	-9.1	-3.1	-0.3	15.7	3.3
Pakistan	1.0	0.5	1.5	-0.9	0.2	0.9	1.1	-3.8	3.1	1.7	-	-
Tajikistan	7.5	4.5	7.5	7.5	6.8	6.6	7.0	0.0	5.6	5.4	-	-
Turkmenistan	6.3	5.9	-	-	-	-	-	-	-	-	-	-
Uzbekistan	5.8	1.6	5.7	6.0	5.9	5.8	4.6	0.4	0.8	1.6	3.0	7.7
Average CAREC***	4.3	-1.4	5.8	4.8	4.3	2.3	-0.2	-5.1	-1.9	-0.8	2.9	2.7

* Some countries don't provide quarterly data, but publish only on longer periods, e.g. Jan-Sep; the figures in this table are rough estimates by the authors how these data translate into quarterly numbers.

** Growth of Q1 2020 and Q1 2021 linked.

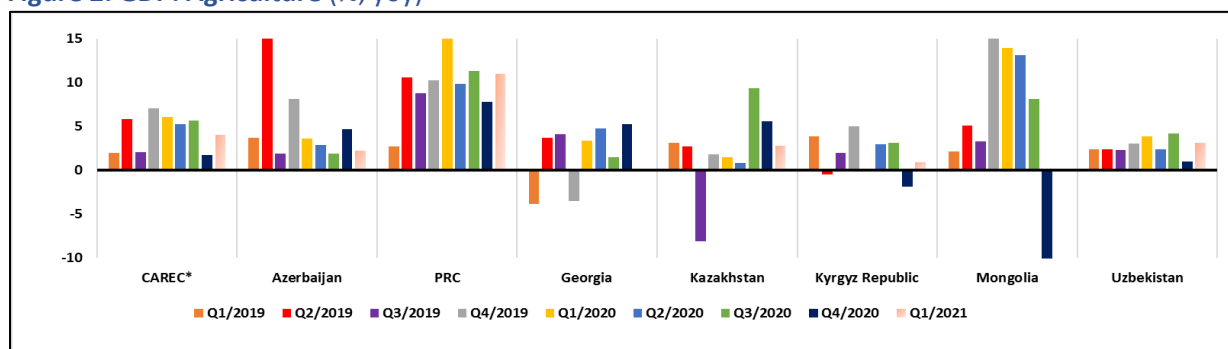
*** Simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations based on national statistical office data and news.

The recovery is largely driven by manufacturing, growth in services is still rather weak

Agricultural production significantly increased from a year earlier in early 2021. Growth in agriculture accelerated to 4% yoy in Q1 2021 from 1.7% yoy in Q4 2020 on average in the CAREC region (Figure 2). All CAREC economies secured positive growth with the exception of Mongolia, which saw a decline by 10.4% yoy in Q4 2020. The PRC achieved the highest growth at 11% yoy. However, for most countries the real proof for agriculture will come only later in the year during the main months of harvests.

Figure 2. GDP: Agriculture (% , yoy)



Source: CEIC, authors' calculations.

Recovery in industry was thanks to manufacturing whereas mining was still weak in most countries.

Growth in manufacturing was positive already in the second half of 2020 on average in CAREC and accelerated to 6.4% yoy in Q1 2021 (Figure 3). The high Q1 figure was due to a surge in the PRC by 30% yoy, and substantial growth in Mongolia, Kazakhstan, and Uzbekistan. Georgia and the Kyrgyz Republic saw a decline by 3% yoy and 23% yoy, respectively.

In contrast to manufacturing, growth in mining still looks rather weak except for Mongolia (and presumably Turkmenistan, judging from exports). It was negative in Q4 2020 in all CAREC economies with available data other than Mongolia and continued to be so in Q1 2021 (Figure 4).

Services were severely buffeted by the COVID-19 pandemic. Growth in services remained negative in all countries with data availability in Q4 2020, services' value added decreased by 9.2% yoy on average in CAREC (Figure 5). Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, and Mongolia, all experienced a heavy yoy contractions in services in three quarters in 2020, beginning with Q2. According to latest data, Mongolia saw some increase at 3.6% yoy in Q1 2021, whereas services continued to decline by 2.4% yoy in Kazakhstan. However, the PRC saw the value added in transportation, storage and postal services and that of real estate services grow by 32.1% yoy and 21.4% yoy respectively, with an average two-year growth of 6.6% and 6.8% respectively, according to the National Bureau of Statistics of China.

Figure 3. GDP: Manufacturing (% , yoy)

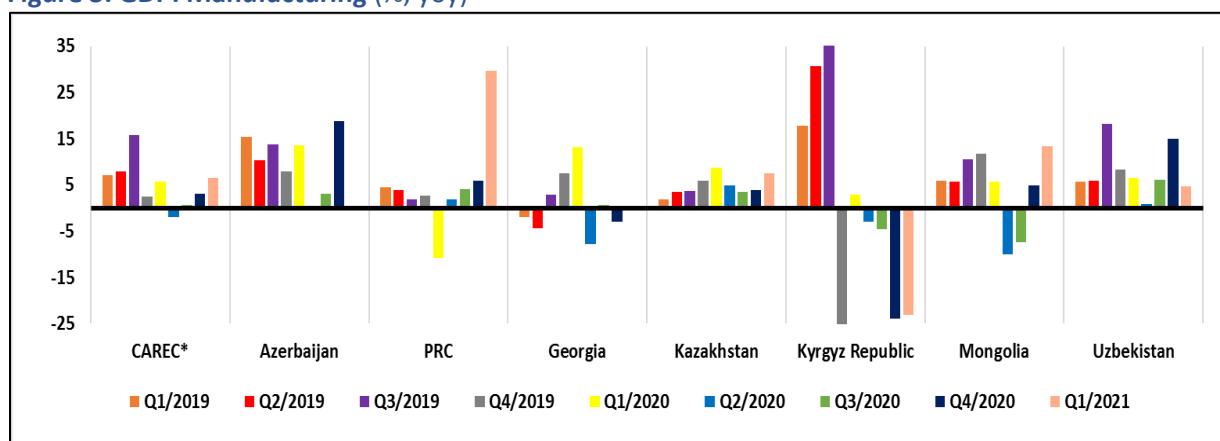


Figure 4. GDP: Mining and Quarrying (% , yoy)

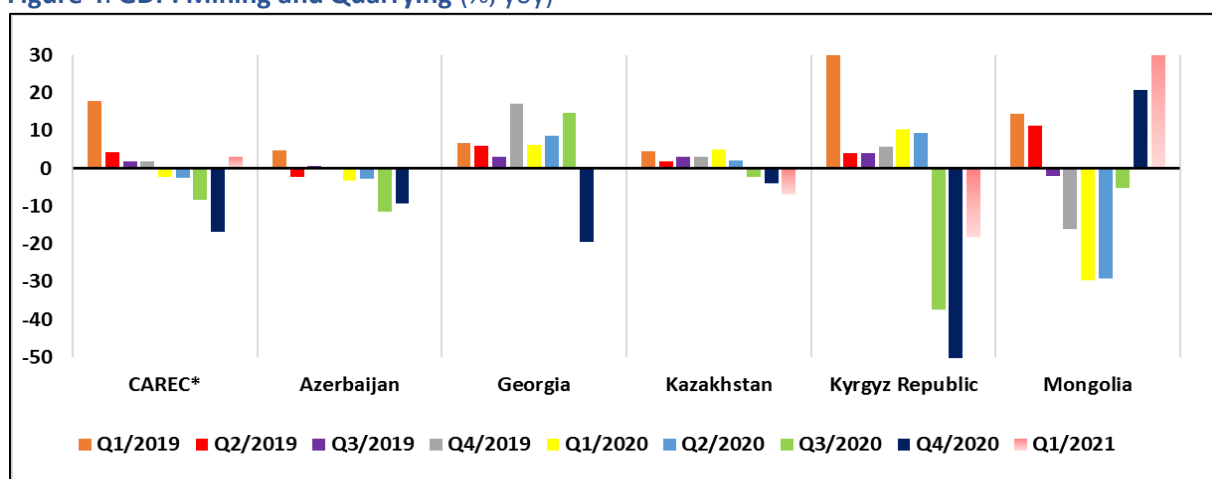
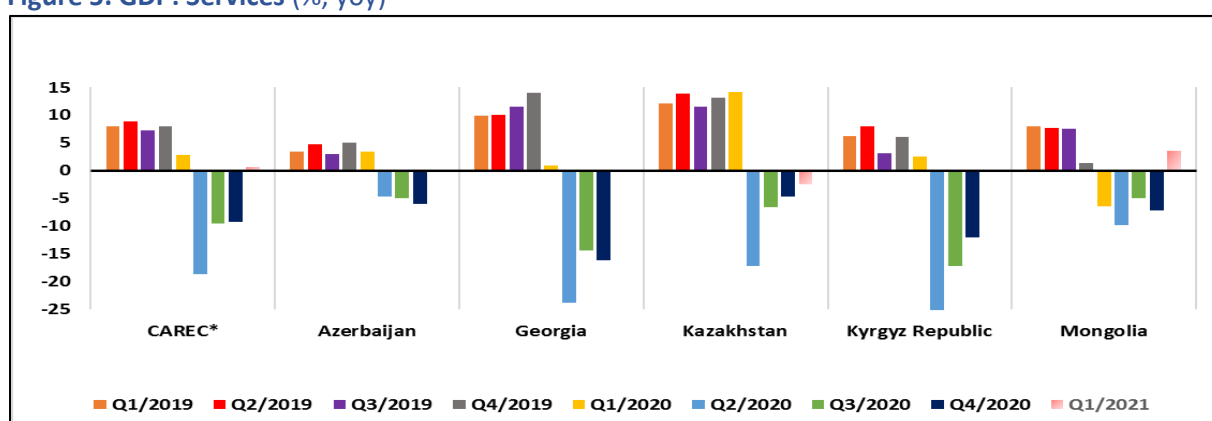


Figure 5. GDP: Services (% , yoy)



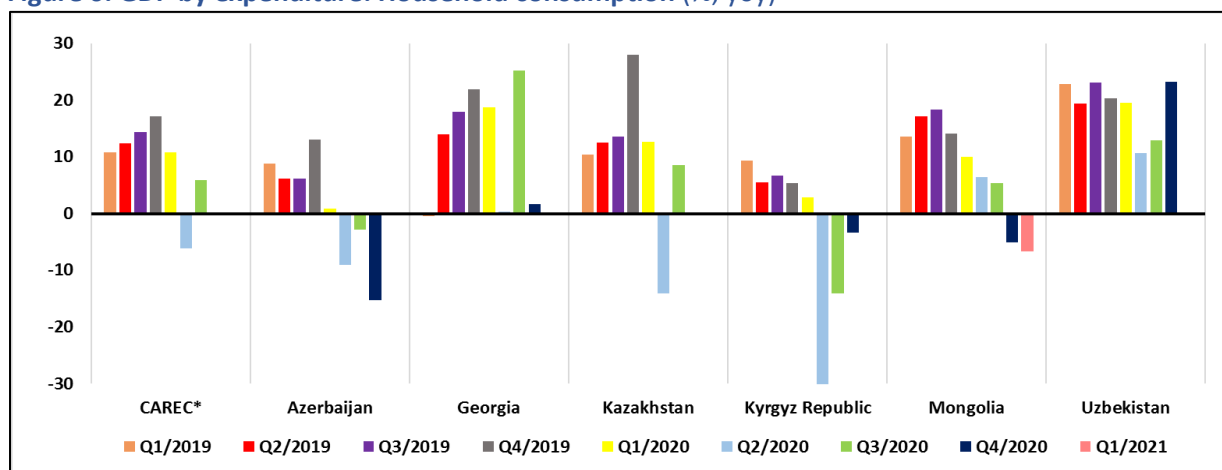
Source: CEIC, authors' calculations.

Consumption and investment severely hit in 2020, and still need time to recover fully

Consumption growth is still volatile. Average CAREC household consumption growth turned positive in nominal terms² to 5.8% yoy in Q3 after falling severely in Q2 2020 but slowed again to 0.2% yoy in Q4 2020 (Figure 6). Azerbaijan, the Kyrgyz Republic, and Mongolia saw a decline in household consumption still in Q4 2020, even not adjusting for inflation. In Mongolia, household consumption still declined in Q1 2021. The deep contraction in CAREC's household consumption, especially in Q2 2020, was due to a decline in household incomes and reduced mobility during the pandemic. Difficulties to record/estimate consumption properly due to the switching of households to e-commerce perhaps played a role too to keep indicators low because some consumption might have been overlooked. On the other hand, there might be some underestimation of the contraction in the informal sector. However, in the PRC per capita consumption expenditures increased nominally by 17.6% yoy in Q1, according to the National Bureau of Statistics of China.

² For most CAREC economies data are readily available only in nominal terms, not deflated. Therefore, we can discuss in this chapter only nominal developments. However, we regard this as nevertheless useful for highlighting the swings on the demand side.

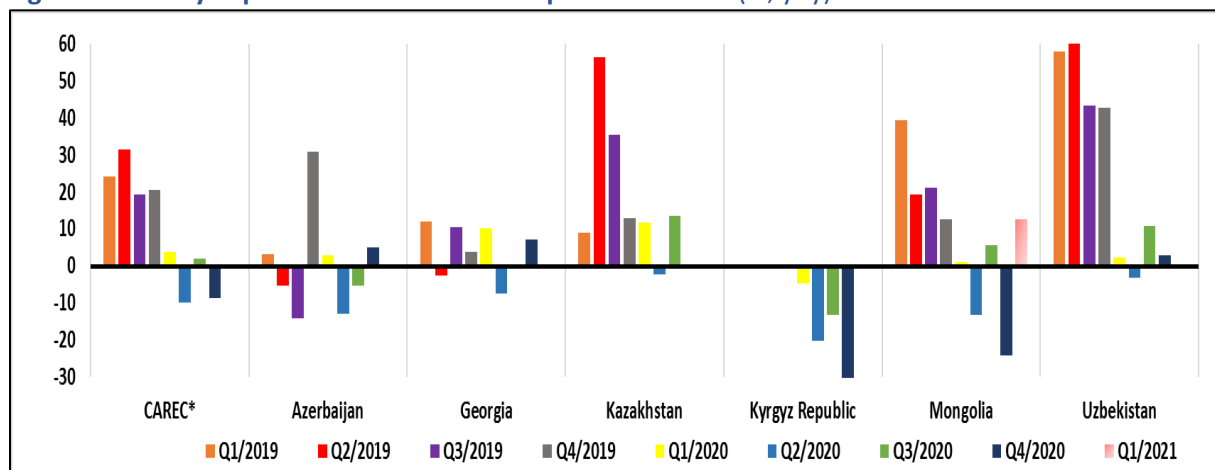
Figure 6. GDP by expenditure: Household consumption (% , yoy)



Source: CEIC, national statistical office, authors' calculations.

Gross fixed capital formation was weak throughout 2020 in the CAREC region and remained rather weak also in Q1 2021. It contracted especially severely in the Kyrgyz Republic and in Mongolia (Figure 7). In Q4 2020, gross fixed capital formation remained 34% below previous year's readings in the Kyrgyz Republic, and 24% in Mongolia. However, Mongolia saw some improvement in Q1 2021. In the PRC, investment in fixed assets (excluding rural households) was up by 25.6% yoy, and up by 2.9% from Q1 2019. Looking at a slightly different indicator, still common in the post-Soviet region, "investment in basic funds"³, reveals that investment growth was still negative in the countries for which this statistic is available for Q1 2021 (Figure 8).

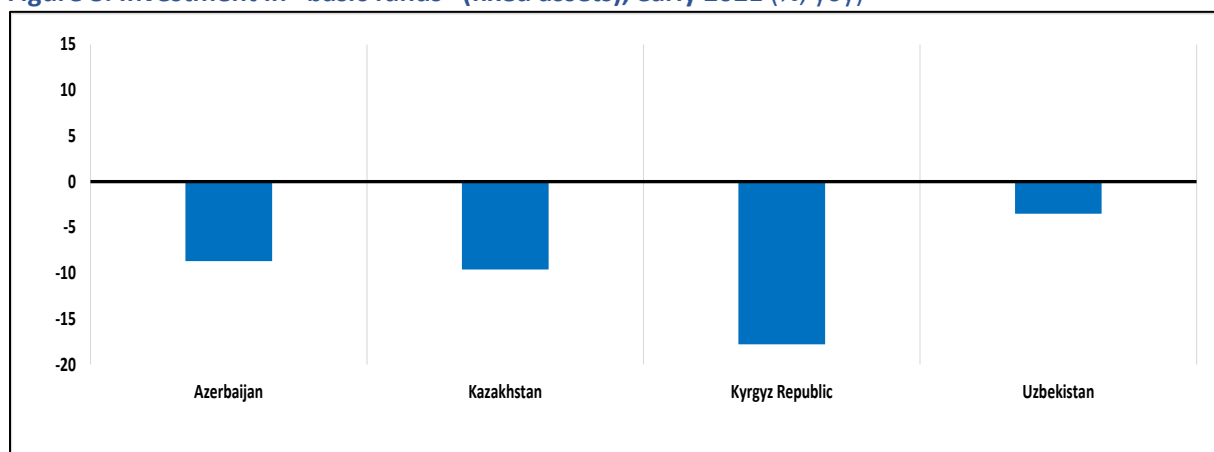
Figure 7. GDP by expenditure: Gross fixed capital formation (% , yoy)



Source: CEIC, national statistical office, authors' calculations.

³ The indicator reflects investment in fixed assets only of companies (in particular not in housing).

Figure 8. Investment in “basic funds” (fixed assets), early 2021 (% , yoy)

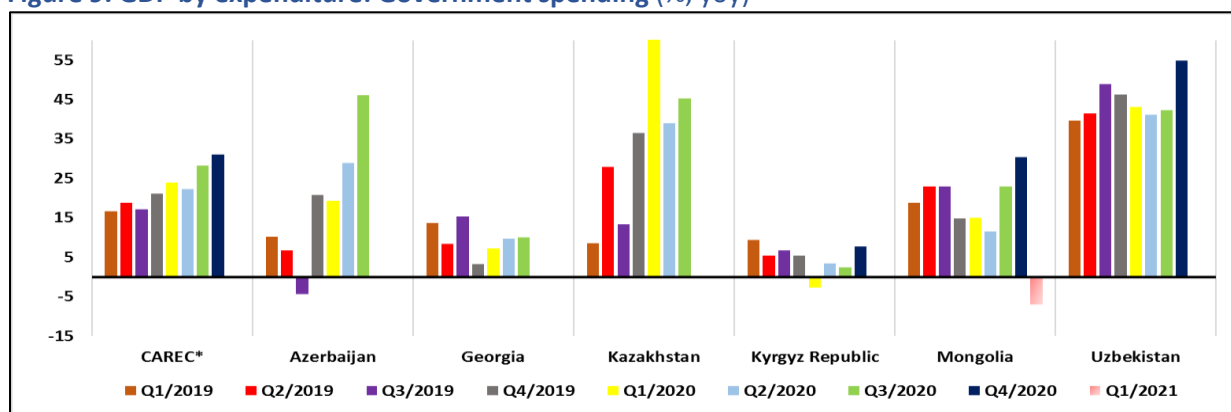


*Azerbaijan, the Kyrgyz Republic data refer to January-April 2021; Kazakhstan, Uzbekistan data refer to January-March 2021

Source: National statistical offices, authors’ calculations

While growth in other components of GDP by expenditure was subdued in 2020, government spending was substantially up. In Q4 2020, a quarter with a high share of expenditures from the annual budget in many countries, government spending was 31% higher than a year earlier on average in CAREC (Figure 9). The highest growth was observed in Azerbaijan, Kazakhstan, and Uzbekistan at 46% yoy, 45% yoy and 55% yoy, respectively. The Kyrgyz Republic saw a more moderate growth by 7% yoy. After strong growth also in Mongolia in Q4, the country cut government spending by 7% yoy in Q1 2021, from rather high growth rates before though.

Figure 9. GDP by expenditure: Government spending (% , yoy)



Source: CEIC, national statistical office, authors’ calculations.

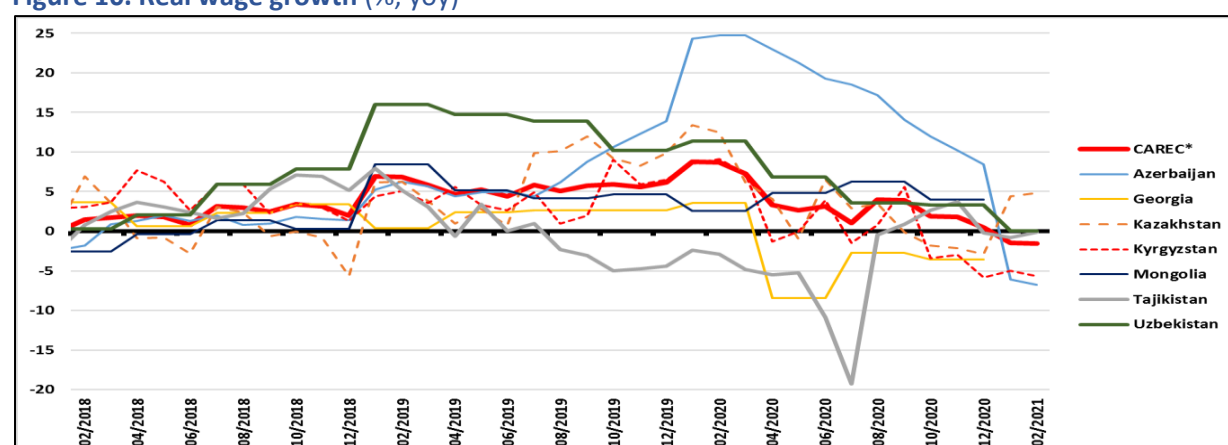
Lower wages and increasing unemployment

After a peak in early 2020, average CAREC real wage growth decelerated throughout 2020 and further in 2021, thus contributing to consumption weakness. It turned from plus 9.0% yoy in January 2020 to minus 1.5% yoy in March 2021, at least for the countries with already available data. Weak labor demand along with slightly re-increasing inflation rates negatively affected real wage⁴ growth in almost all CAREC economies in Q1 2021. The exception was Kazakhstan, which reported real wage growth of plus 2.6% yoy in March 2021, after minus 3.0% yoy in December 2020, however (Figure 10). Azerbaijan saw the sharpest swing from extraordinary high 24% yoy in early 2020 to minus 8% by March 2021. The Kyrgyz Republic

⁴ Real wage growth is nominal wage growth adjusted for the effects of inflation.

also experienced negative growth rates in Q1 2021. The downward path in Tajikistan, which began in late 2019 was reversed by some recovery in September-November 2020 but has been followed by stagnation since. Uzbekistan saw a deceleration too, although growth rates remained marginally positive.

Figure 10. Real wage growth (% , yoy)



*Refers to the simple average of CAREC economies where data are available.

** Real wages are estimated based on nominal wage and CPI.

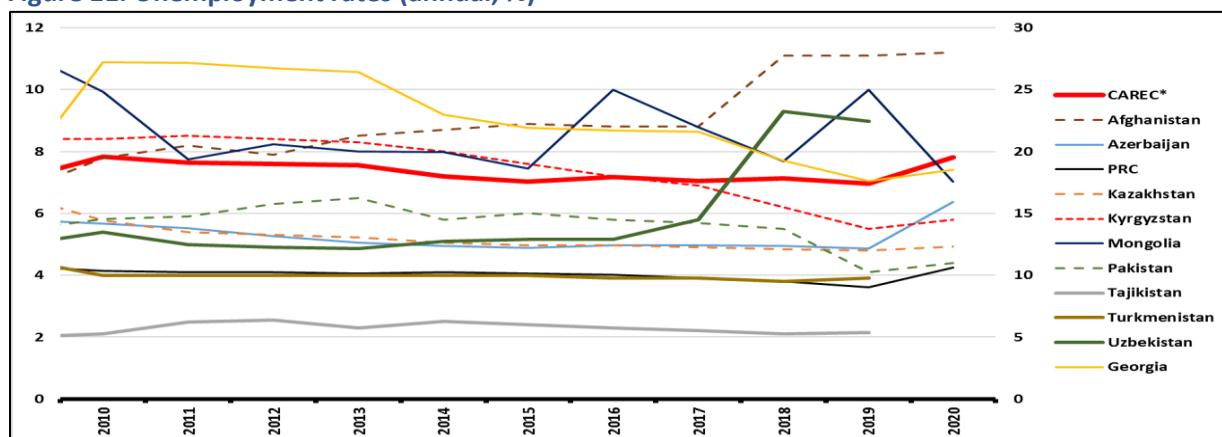
Source: CEIC, authors' calculations.

Data for 2020 indicate only a mild increase in unemployment, but these data hardly reveal the full picture. Azerbaijan saw an increase in the unemployment rate from 4.8% to 6.3%, Georgia from 17.6% to 18.5 % in 2020 after a decrease since 2010 (Figure 11). Unemployment rates rose only marginally to 4.9% and 4.4% in Kazakhstan and Pakistan, respectively. In most CAREC economies unemployment rates are based on registered unemployed persons. They do not fully reflect unemployment dynamics due to insufficiently developed active labor market policies and therefore little incentives to register. However, a survey among micro, small, and medium enterprises in four CAREC economies commissioned by the CAREC Institute and soon to be published, indicates that these enterprises indeed tried to keep their workforce and rather reduced working hours and wages, thus contributing to stabilizing employment. Official figures nevertheless probably underestimate the scale of unemployment.

By December 2020, employment was below a year earlier in almost all countries for which data are available. Exception is Mongolia that indicated plus 1.8% yoy employment growth in December 2020. Services sectors such as trade, accommodation and food saw severe cuts in employment in several CAREC economies. In Georgia, the Kyrgyz Republic, and Mongolia employment in accommodation and food decreased by 35%, 21% and 28% yoy, respectively. Substantially lower employment in several sectors of the economy, especially hospitality, indicate that actual unemployment might be higher as is evident from unemployment rates⁵ (Figure 12). In addition, some share of returned labor migrants is likely swelling the number of the unemployed.

⁵ Unemployment rate is the share of the labor force that is not currently employed but could be. This can refer to registered unemployed persons or to estimates of unemployment based on surveys.

Figure 11. Unemployment rates (annual, %)

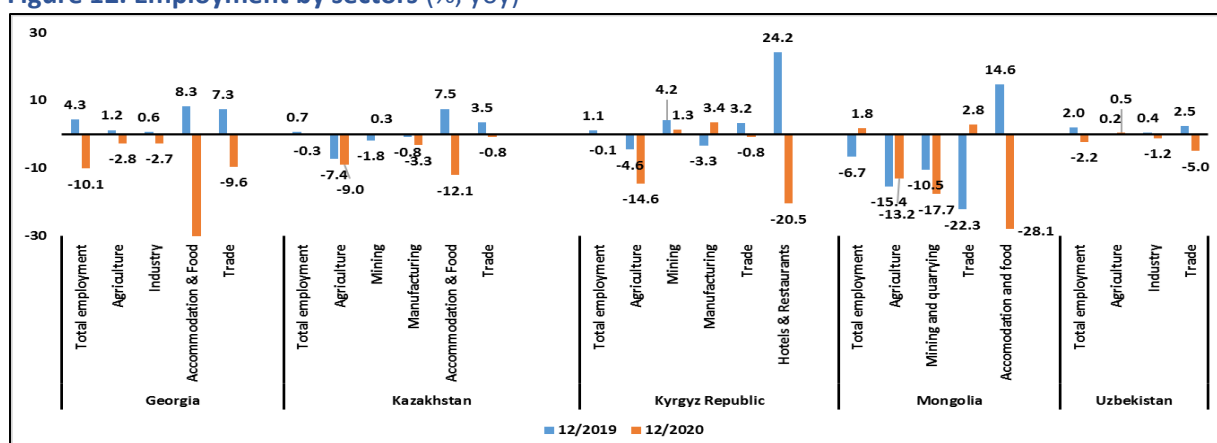


*Refers to the simple average of CAREC economies where data are available.

** Values of right-hand side vertical axis refer to unemployment rates in Georgia.

Source: CEIC, authors' calculations.

Figure 12. Employment by sectors (% , yoy)



*Uzbekistan data refer to the full year.

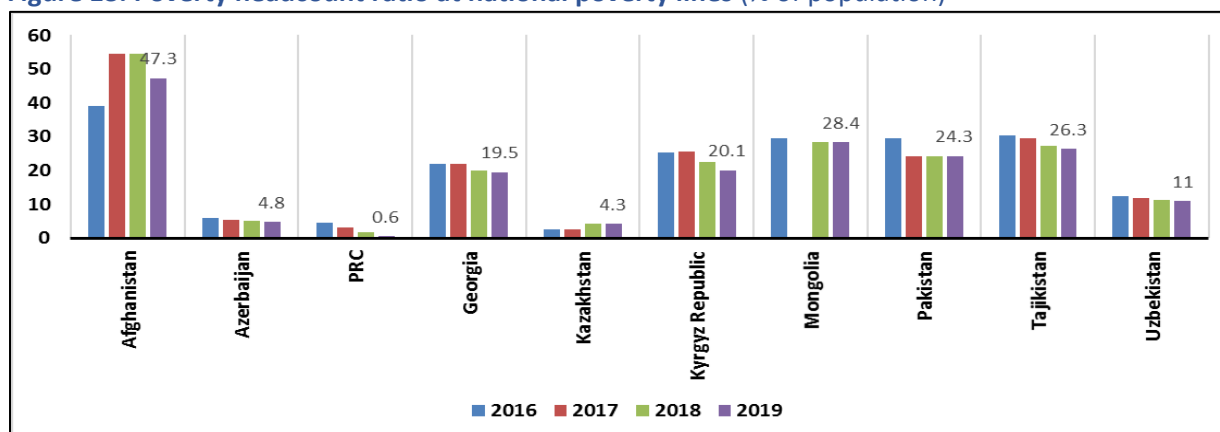
Source: CEIC, national statistical offices, authors' calculations.

The adverse effects of the COVID-19 crisis on employment and incomes have re-increased the risk of poverty. Almost all CAREC economies saw poverty rates falling until 2019. Afghanistan, Mongolia, Tajikistan, Pakistan, and the Kyrgyz Republic, had nevertheless still levels above 20% in 2019 (Figure 13). Poverty rates are not available yet for 2020, but recent analytical reports note an increase in the share of populations endangered to fall into poverty⁶. The World Bank, for instance, estimates that the poverty rate in the Kyrgyz Republic might have increased by 11 percentage points in 2020⁷.

⁶ In the report published by the National Statistics Office of Mongolia (NSO) and the World Bank (2020) it is indicated that additional 15 percent of people of Mongolia remain vulnerable to falling into poverty. The National Statistics Office of Mongolia (NSO) and the World Bank (2020) "Mongolia Poverty Update". Available at: https://www.1212.mn/BookLibraryDownload.ashx?url=Poverty_report_2018_ENG.pdf&ln=En (accessed 17 May 2021)

⁷ World Bank "One Year Later in the Kyrgyz Republic's Battle Against COVID-19". Available at: <https://www.worldbank.org/en/news/feature/2021/03/17/one-year-later-in-the-kyrgyz-republic-s-battle-against-covid-19> (accessed 15 May 2021)

Figure 13. Poverty headcount ratio at national poverty lines (% of population)

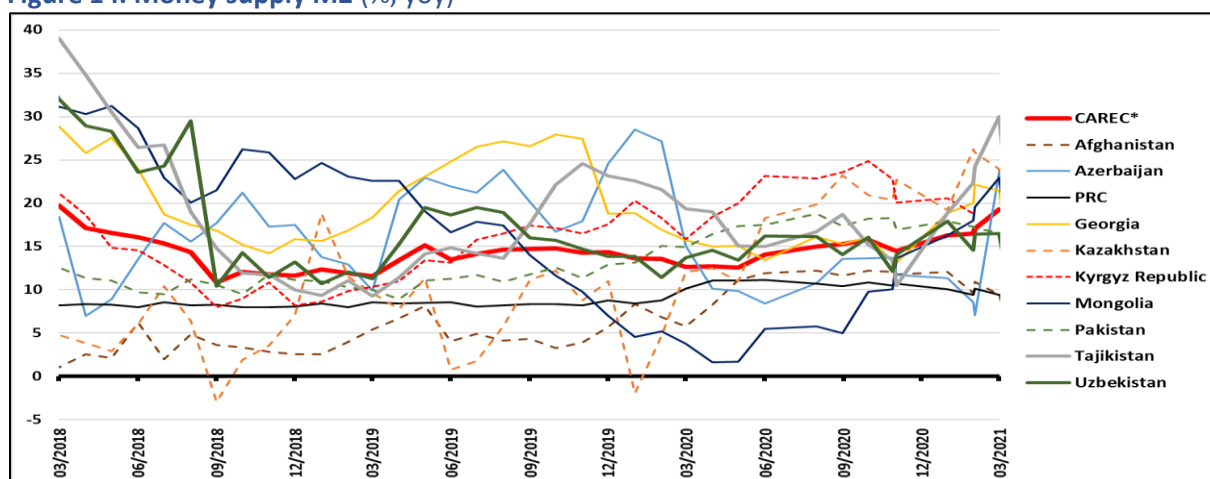


Source: Asian Development Bank, World Bank, national statistical offices, authors' calculations.

Higher money supply, but credit growth is still sluggish

Money supply has accelerated since mid-2020 thanks to accommodative central bank policies and, since the second half of 2020, thanks to faster deposit growth. Broad money growth accelerated from 14% yoy on average in CAREC in 2020 to 19% yoy by March 2021 (Figure 14)⁸. Countries with above average expansion of money supply were Azerbaijan, Georgia, Kazakhstan, Mongolia, and Tajikistan. Deposit growth varied among countries but was on average higher in the second half of 2020 than in the first half of 2020 and in 2019 (Figure 15).

Figure 14. Money supply M2 (% , yoy)

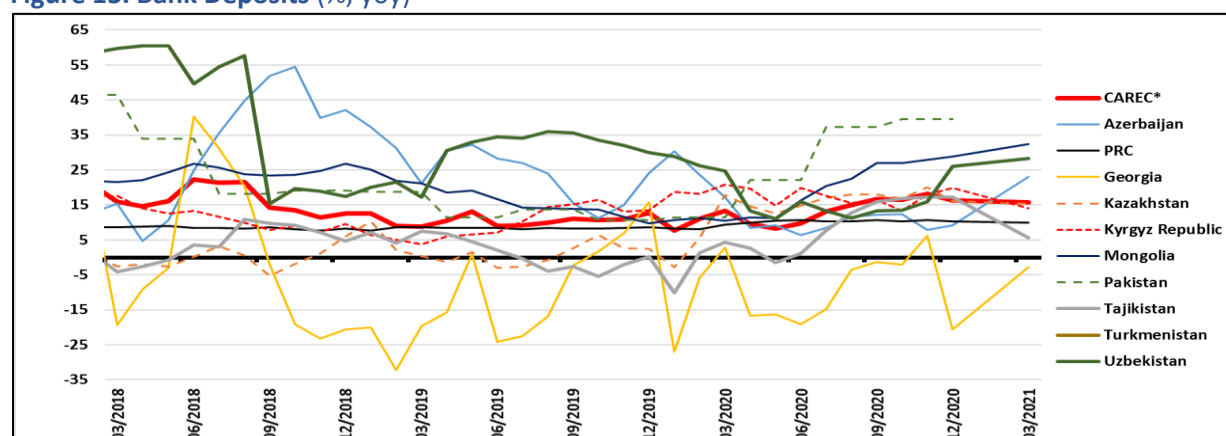


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

⁸ Broad money is a measure of the amount of money circulating in a national economy including both highly liquid "narrow money" such as cash and sight deposits, and also less liquid forms such as term deposits.

Figure 15. Bank Deposits (% , yoy)

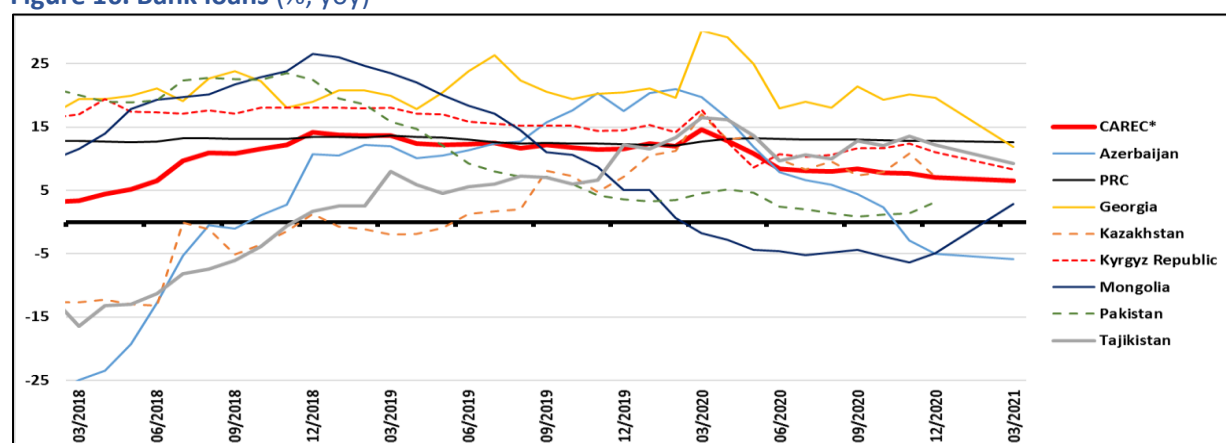


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

In contrast to money supply, average CAREC loan growth slowed since mid-2020. In the PRC the increase in outstanding bank loans moderated only from 13.2% yoy in June 2020 to 12.3% yoy by April 2021, but some countries experienced a more pronounced deceleration (Figure 16). An exception is again Mongolia: after significantly negative growth rates in most of 2020, loan growth turned positive in March 2021.

Figure 16. Bank loans (% , yoy)



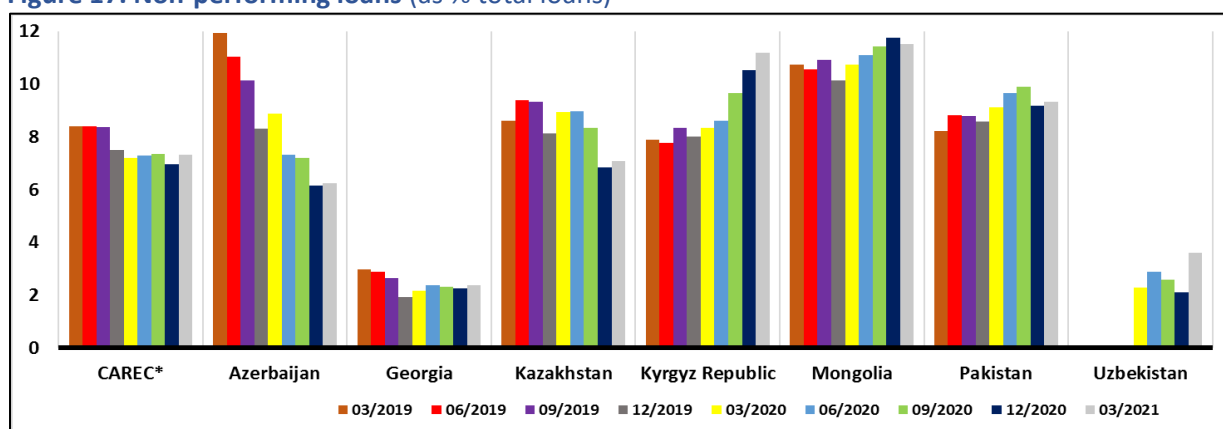
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

The average CAREC non-performing loans ratio was stable throughout 2020, with even a slight decline the last two quarters. However, developments differed in different countries. Azerbaijan and Kazakhstan saw a decline, whereas the Kyrgyz Republic, Mongolia, Pakistan, and Uzbekistan experienced increasing NPL ratios (Figure 17)⁹. Data for the first quarter 2021 indicate some further growth in NPLs in the Kyrgyz Republic to 11%, and in Uzbekistan to still rather moderate 3.6%. Mongolia's NPL ratio slightly decreased in the first quarter of 2021 but is at 11.5% still rather high. Past assets quality reviews in Mongolia have still to bear fruit. While government-supported bad asset workout programs in the aftermath of the 2008-2009 financial crisis in some countries have contributed to keep NPLs manageable, it remains to be seen how the difficulties caused by the COVID-19 pandemic will impact NPL ratios after government support measures for companies and households will be phased out, and classification procedures will be re-tightened.

⁹ A nonperforming loan (NPL) is a loan on which the borrower has not made payments of principal or interest as scheduled for some time, in most definitions more than 90 days.

Figure 17. Non-performing loans (as % total loans)



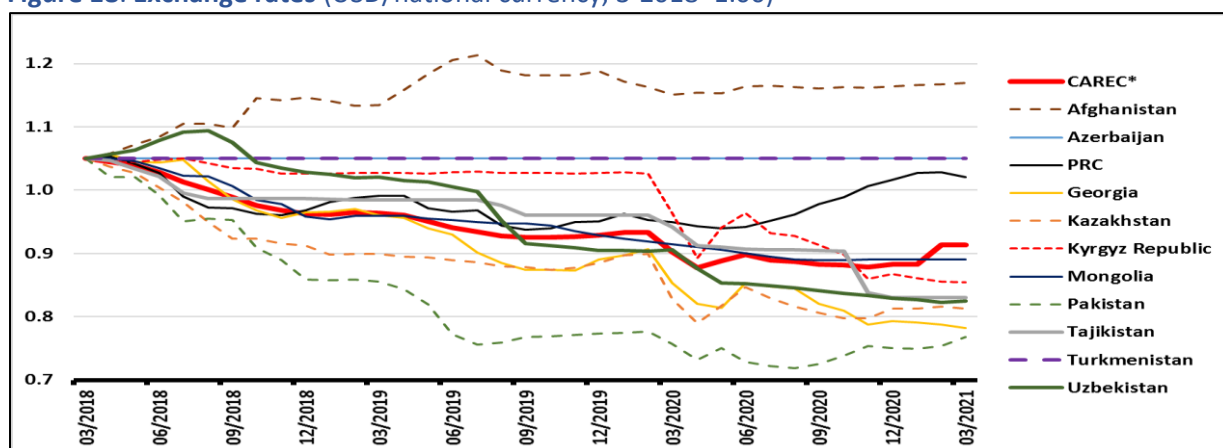
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

Exchange rates remained relatively stable during the pandemic

Despite increased money supply, exchange rates have depreciated mostly only moderately since the begin of the pandemic, in part because of central bank support and regulation. The CNY has re-appreciated since mid-2020 in line with the PRC's export boom. There was also a slight appreciation in Kazakhstan, Pakistan, and Uzbekistan in early 2021, whereas the PRC, Georgia and the Kyrgyz Republic saw a slight depreciation. Azerbaijan and Turkmenistan preserved their fixed exchange rate regimes (Figure 18).

Figure 18. Exchange rates (USD/national currency, 3-2018=1.00)

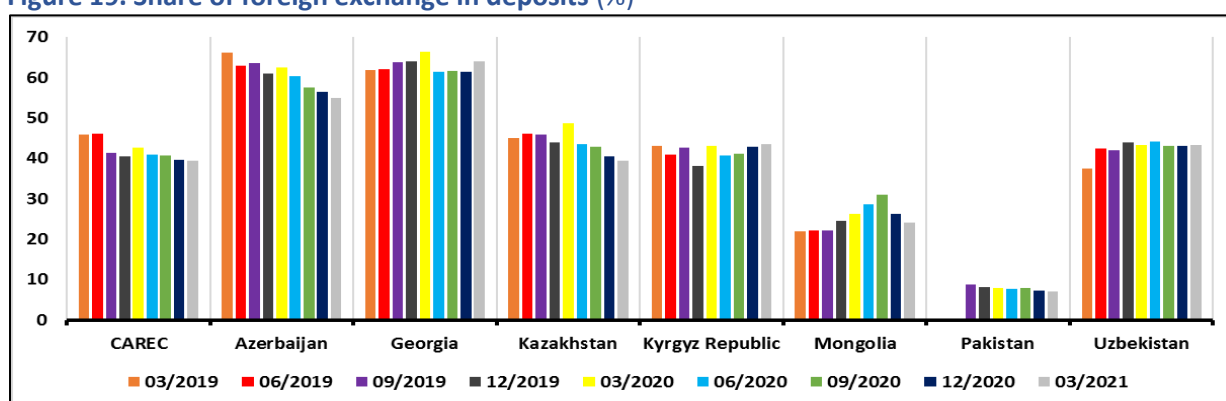


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

Exchange rate stability has been supported by contained dollarization. High dollarization reflects potential exchange rates risks and is often the only hedge against depreciation available in CAREC economies. It limits the effectiveness of monetary policy and must be considered when central banks design their policies. Despite heightened economic risks, there was no flight to the dollar, at least not in domestic dollar deposits. The share of foreign exchange in bank deposits has remained stable or even declined in most CAREC economies (Figure 19). However, dollarization is still high in Azerbaijan and Georgia. It might be higher also in other countries than official figures suggest because of the dollar's role in the informal economy. At the early stages of the pandemic also some dollar outflows from some CAREC economies were registered.

Figure 19. Share of foreign exchange in deposits (%)



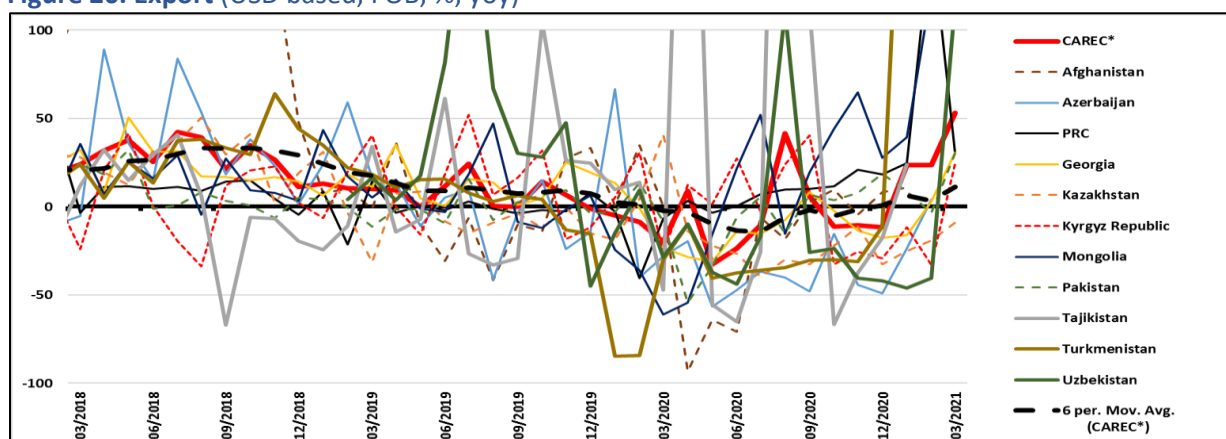
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

High-frequency indicators: export-driven recovery in industrial output, retail sales volatile

After volatile, but generally highly negative readings in 2020, CAREC exports recovered in Q1 2021. Exports were still by 11% lower in USD terms than the year before in December 2020 on average in CAREC, but regained momentum in 2021 to reach 53% yoy growth in March (Figure 20). This was enough to make export growth positive also compared to March 2019. Exports of the PRC surged in early 2021 to 155% yoy in February, including exports of pandemic-related goods such as masks. Countries with a very high share of exports going to the PRC such as Mongolia and Turkmenistan experienced strong export growth already since January 2021. Export growth of other CAREC economies remained subdued until February 2021. However, by March 2021 all CAREC economies except Kazakhstan, with a large share of exports going to Europe, announced positive growth rates.

Figure 20. Export (USD based, FOB, %, yoy)

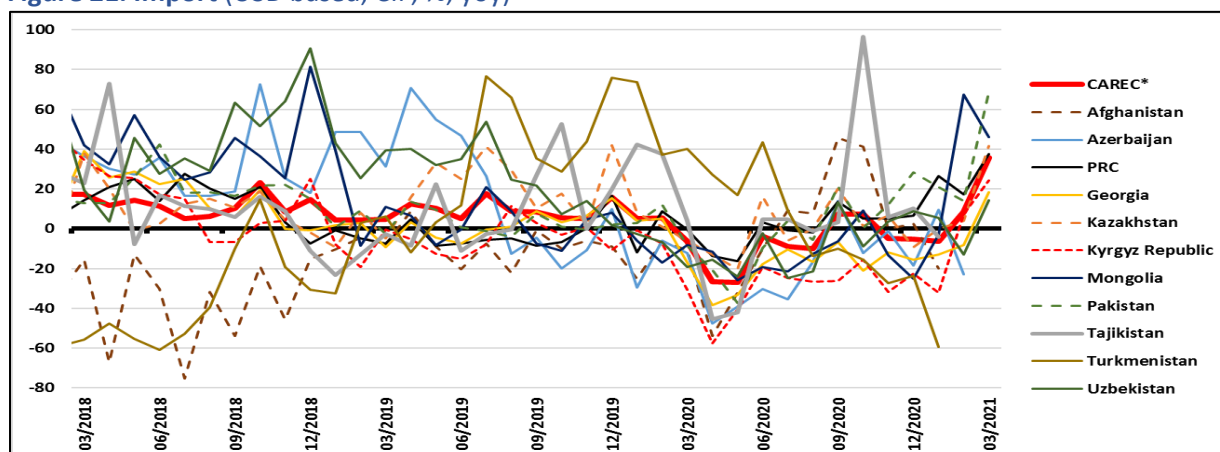


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

With consumption and production recovering, also import growth turned positive from February 2021 on. It reached 36% yoy in March 2021 on average in CAREC (Figure 21). Imports increased in most CAREC economies, but especially strongly in the PRC, Kazakhstan, Mongolia, and Pakistan with growth in March reaching 37%, 41%, 46% and 69% yoy, respectively. In most CAREC economies imports were higher in March 2021 than in March 2019. Most likely CAREC imports will surpass pre-COVID-19 levels during the rest of 2021.

Figure 21. Import (USD based, CIF, %, yoy)

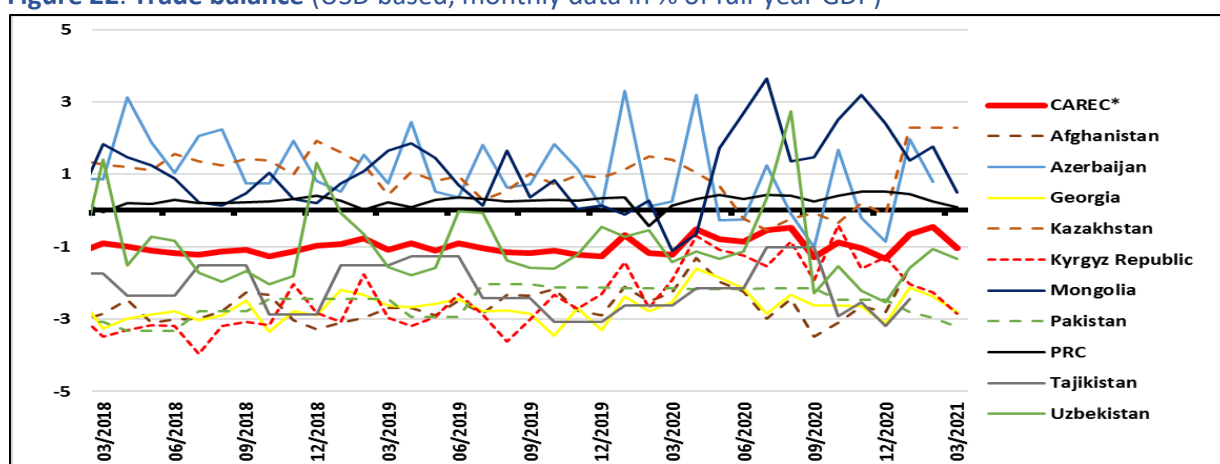


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

It remains to be seen how stronger import growth will affect trade balances in the longer term¹⁰. Trade deficits in % of GDP have not changed very much compared to 2019 on average in CAREC, or even narrowed temporarily a bit (Figure 22). A lot will depend on the further development of fuel and metal prices, with net fuel and metal exporters profiting from high prices, net importers experiencing terms of trade losses. The April 2021 issue of the World Bank's pink sheets forecasts energy prices to remain elevated in the coming years, and metals to decline somewhat from 2021 levels, but remain significantly above 2019 and 2020 levels¹¹.

Figure 22. Trade balance (USD based, monthly data in % of full-year GDP)



*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

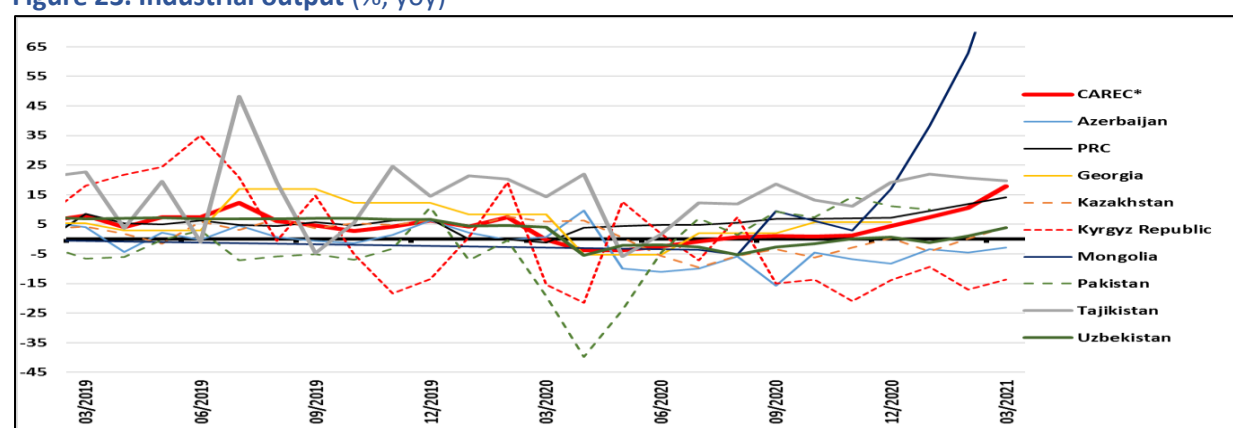
To a large part thanks to export growth, also CAREC industrial production strongly recovered in the first quarter of 2021. Growth reached 17% yoy in March 2021 on average in CAREC (Figure 23). In March 2021 industrial output growth reached 14% yoy in the PRC, 20% yoy in Tajikistan. It reached astonishing growth of 100.3% yoy in Mongolia, with growth of 156% in mining and 47% in manufacturing. The mining boom was related to the export surge that reached 93% yoy in March. However, in Azerbaijan and the Kyrgyz Republic, industrial output continued the decline that began in mid-2020 in these countries with a contraction in March 2021 by 2.8% yoy and 13.7% yoy, respectively. In Kazakhstan and Uzbekistan

¹⁰ The trade balance is the difference between the value of a country's exports and imports.

¹¹ <https://thedocs.worldbank.org/en/doc/c5de1ea3b3276cf54e7a1dff4e95362b-0350012021/original/CMO-April-2021.pdf>

industrial output growth was at 4.0% yoy and 3.8% yoy still rather moderate by March. With the exception of the Kyrgyz Republic and Azerbaijan, industrial output was higher in March 2021 than in March 2019 for the countries with available data.

Figure 23. Industrial output (% yoy)

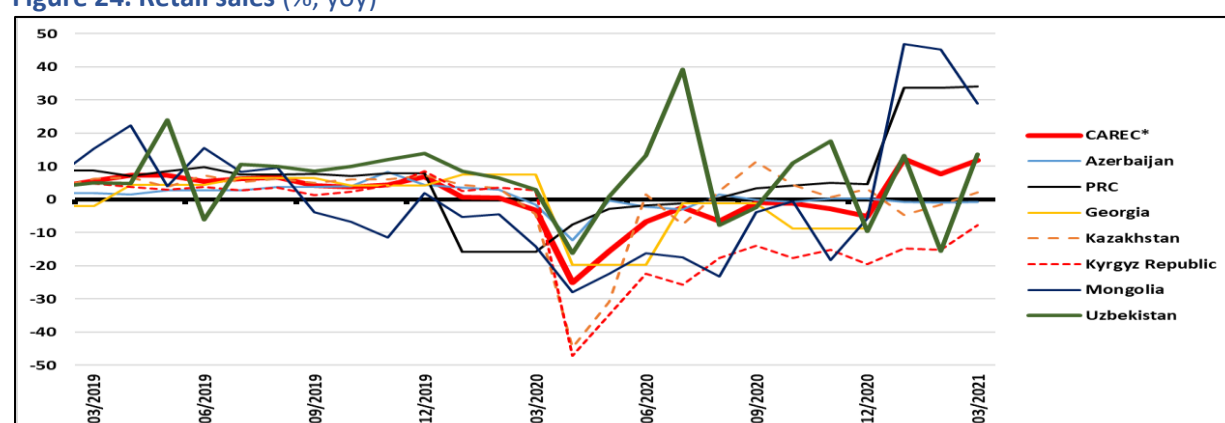


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

The contraction in consumption as captured by retail sales has eased since mid-2020 and consumption growth turned positive in Q1 2021. However, there was some volatility. Only in the PRC and in Mongolia retail sales were constantly higher than the year before throughout Q1 (Figure 24). Kazakhstan saw some decline in January and February, and a rather weak recovery to only plus 2.2% yoy in March. Retail sales in Uzbekistan were also volatile, up by 13.3% yoy in January, down by 16% yoy in February, then recovering to plus 13.7 % yoy in March. The Kyrgyz Republic continued to experience a decline in all months of Q1 and was 8% in minus yoy in March. Retail sales were higher in March 2021 than in March 2019 in the PRC, Mongolia and Uzbekistan, but in other countries the trend is less clear yet. Retail sales severely contracted in April and May 2020 in CAREC, and it will be interesting to watch where April, May 2021 data will leave consumption levels relative to 2019.

Figure 24. Retail sales (% yoy)



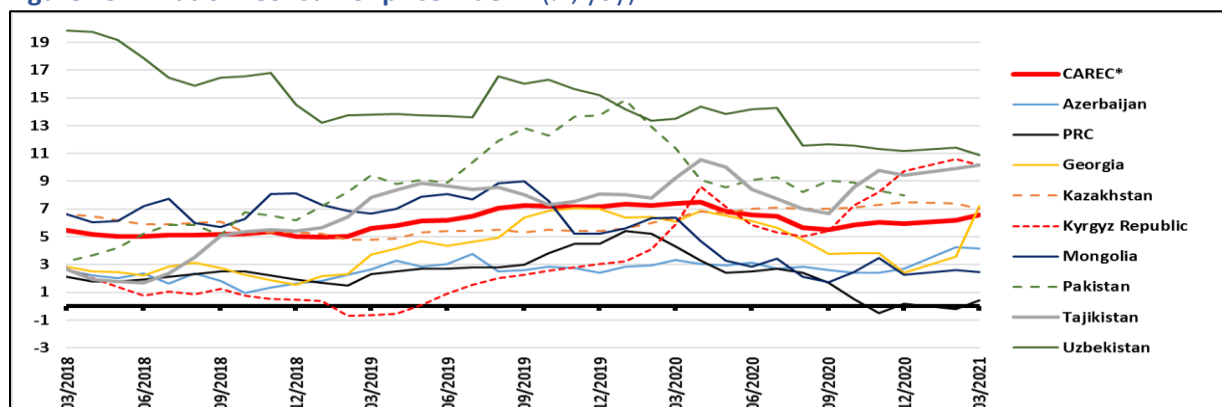
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

Inflation re-accelerated in Q1 2021, moderately though. Average CAREC consumer price inflation increased from 5.9% in December 2020 to 6.6% in March 2021. All CAREC economies saw inflation accelerate since January 2021, though at different speed. Between December 2020 and March 2021, the inflation rate rose from 2.7% to 4.2% in Azerbaijan, from 2.4% to 7.2% in Georgia, from 9.7% to 10.2% in the Kyrgyz Republic, and from 9.4% to 10.1% in Tajikistan (Figure 25). However, on average inflation is still

below the reading of early 2020. It remains to be seen how strong the pass-through from the current increase in global inflation will be.

Figure 25. Inflation: Consumer price index¹² (% , yoy)



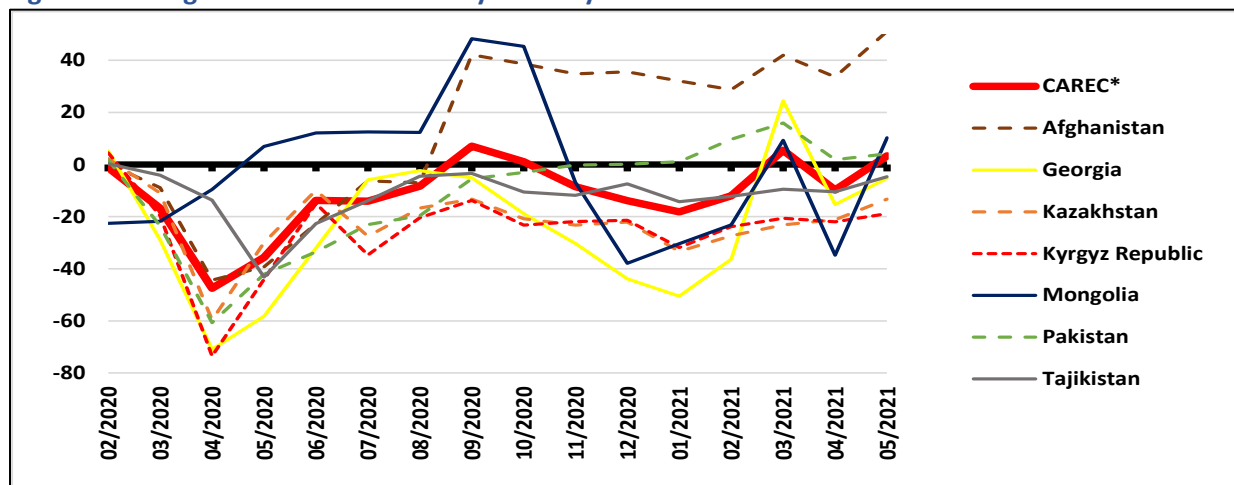
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC. Authors' calculations.

Prospects depend on the global economy, but overcoming COVID-19 at home remains key

After the rebound in social and economic activity until March 2021, some volatility was seen since April 2021. Google's mobility for "Retail and recreation" (Figure 26) and "Workplaces" (Figure 27) indicators had a trough in CAREC in January 2021 at minus 18% and minus 22% compared to the baseline, respectively, but reached plus 5.4%, and minus 4.8% in March 2021. However, both mobility types renewed their fall in April to recover again in May.

Figure 26. Google COVID-19 community mobility: Retail & Recreation

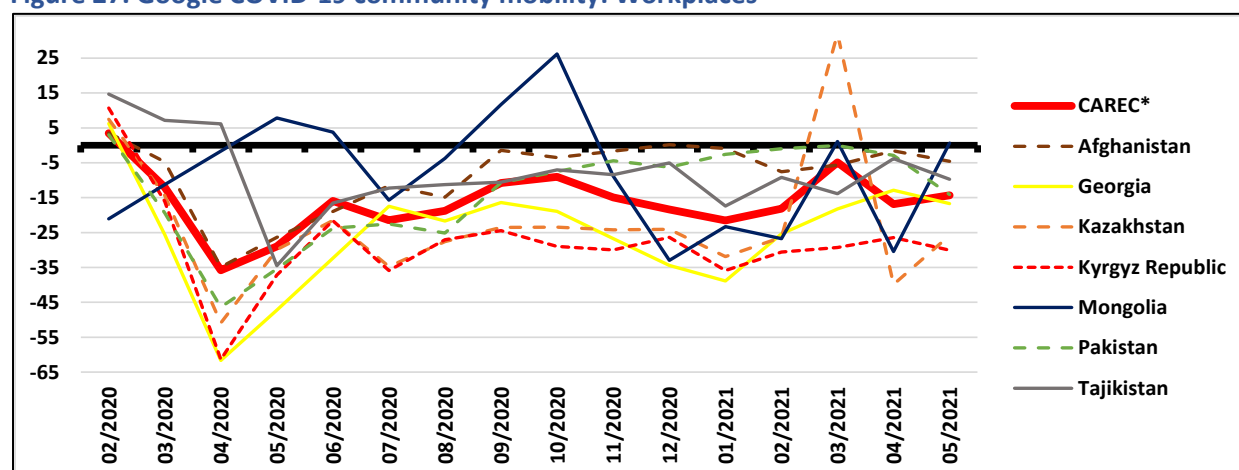


*Refers to the simple average of CAREC economies where data are available.

Source: "Google COVID-19 Mobility Reports" (accessed 10 May 2021); authors' calculations.

¹² The consumer price index (CPI) measures the cost of goods and services in a basket reflecting the purchased of the average consumer.

Figure 27. Google COVID-19 community mobility: Workplaces

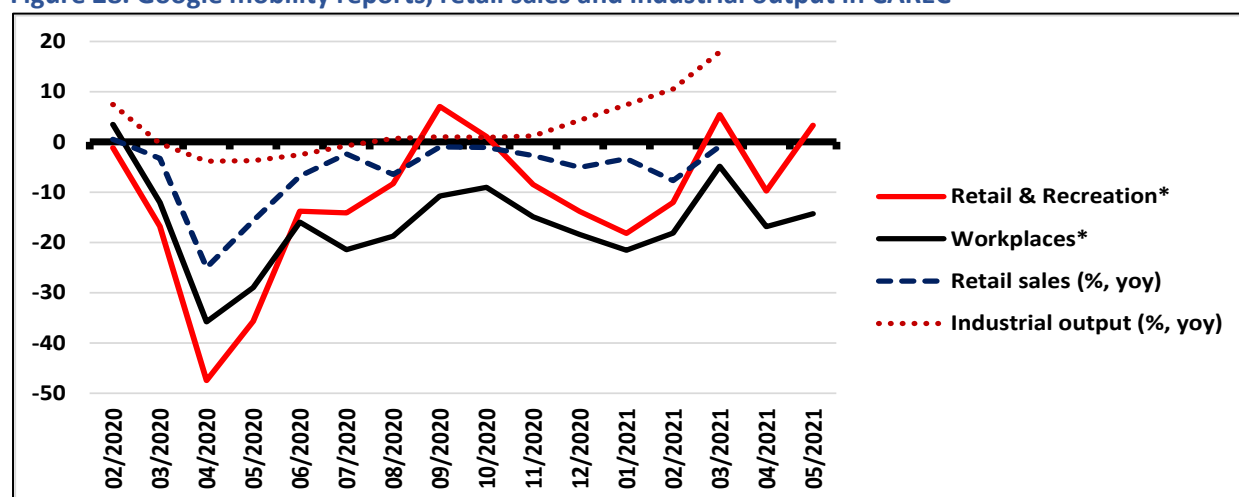


*Refers to the simple average of CAREC economies where data are available.

Source: "Google COVID-19 Mobility Reports" (accessed 10 May 2021); authors' calculations.

For the sustained revival of the CAREC economies the pandemic must be overcome. The correlation between the mobility indicators and industrial production and retail sales has weakened since Q4 2020 (Figure 28). It is nevertheless obvious that a severe resurgence of the pandemic would again affect both consumption and production highly negatively. The pandemic must be overcome to make the recovery sustainable and a basis for building forward even better.

Figure 28. Google mobility reports, retail sales and industrial output in CAREC



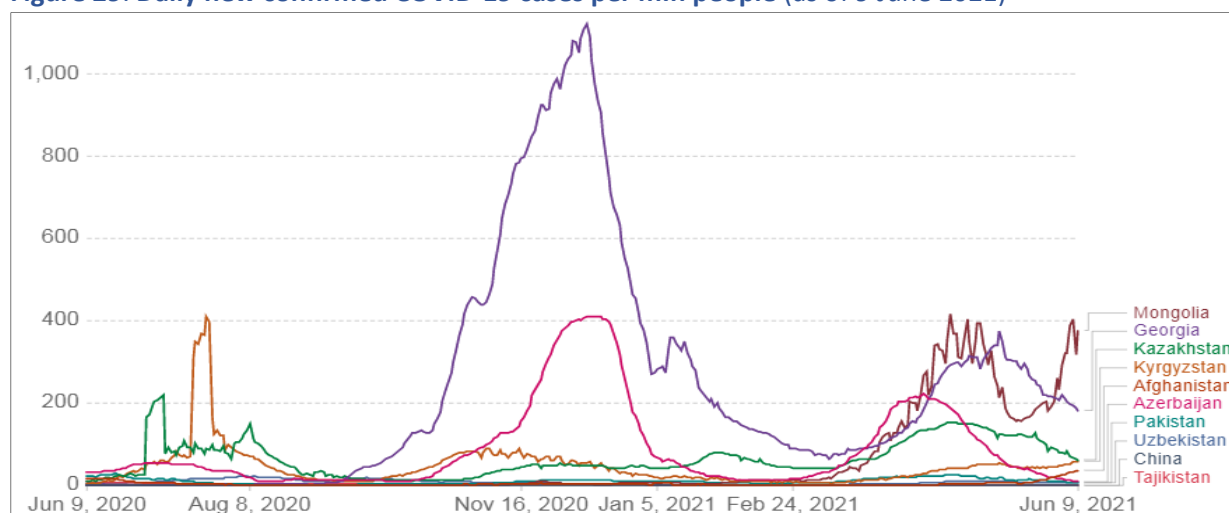
*Refers to the simple average of CAREC economies where data are available.

Source: "Google COVID-19 Mobility Reports" (accessed 10 May 2021); CEIC, authors' calculations.

VACCINATION PROGRESS IN THE CAREC REGION

Metrics reflecting the daily new confirmed COVID-19 cases of the CAREC region resemble a roller coaster. Since mid-March 2021, most CAREC economies have gone through a third wave of the COVID-19 pandemic and the number of new infections surged up substantially. Mongolia registered another record high of 404 new confirmed cases per million people solely on 7 June, slightly below the overall peak in April 2021. Other countries such as Georgia, Kazakhstan and Azerbaijan have also seen a significant rise of new cases over the past two or three months (Figure 29).

Figure 29. Daily new confirmed COVID-19 cases per mln people (as of 9 June 2021)



Note: Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Source: Our World in Data: Coronavirus (COVID-19) Cases (accessed 10 June 2021)

There is still a shortage of vaccines globally, but the number of available vaccines has increased.

According to the World Health Organization (WHO), there are 185 COVID-19 vaccine candidates in preclinical development and 102 in clinical development at present¹³ (Figure 30). Among them, vaccines from AstraZeneca/Oxford, Moderna, Pfizer/BioNTech, Sinovac and CanSino have moved to the phase 4 trials¹⁴. To make vaccines available as rapidly as possible to address the health crisis, the WHO has listed five COVID-19 vaccines approved earlier for emergency use, namely, Pfizer/BioNTech, Janssen (Johnson & Johnson), Moderna and two AstraZeneca/Oxford vaccines¹⁵. Recent additions to the list are two Chinese-made inactivated vaccines by Sinopharm¹⁶ and Sinovac¹⁷, respectively. Despite various vaccines for countries to procure, the provision of overall COVID-19 jabs is still far from enough. According to the United Nations International Children's Emergency Fund (UNICEF), COVAX was 140 million doses short of its target by the end of May and will be 190 million doses short by the end of June¹⁸. However, the situation is improving, though still not sufficiently, due to more pledges by countries to share vaccines. "The addition expands the list of COVID-19 vaccines that COVAX¹⁹ can buy, and gives countries confidence to expedite their own regulatory approval, and to import and administer a vaccine," said Dr Tedros Adhanom Ghebreyesus, WHO Director-General²⁰.

¹³ <https://www.who.int/publications/m/item/draft-landscape-of-covid-19-candidate-vaccines>

¹⁴ Clinical trials on the COVID-19 vaccine take place across four phases. Phase 1 trials assess the vaccine's safety, appropriate dosages, and side effects within small groups of people (approx. 20-50 people). Phase 2 trials further explore safety and start to investigate efficacy on several hundred people. Phase 3 trials involve thousands of people to confirm that the vaccine is safe and effective for broader use. Phase 4 trials, conducted after national regulatory approval, involve further monitoring on the vaccine's efficacy and safety in an even wider population over a longer timeframe.

¹⁵ AstraZeneca/Oxford vaccines refer to vaccines produced by AstraZeneca-SKBio (Republic of Korea) and the Serum Institute of India.

¹⁶ <https://reliefweb.int/report/world/who-lists-additional-covid-19-vaccine-emergency-use-and-issues-interim-policy>

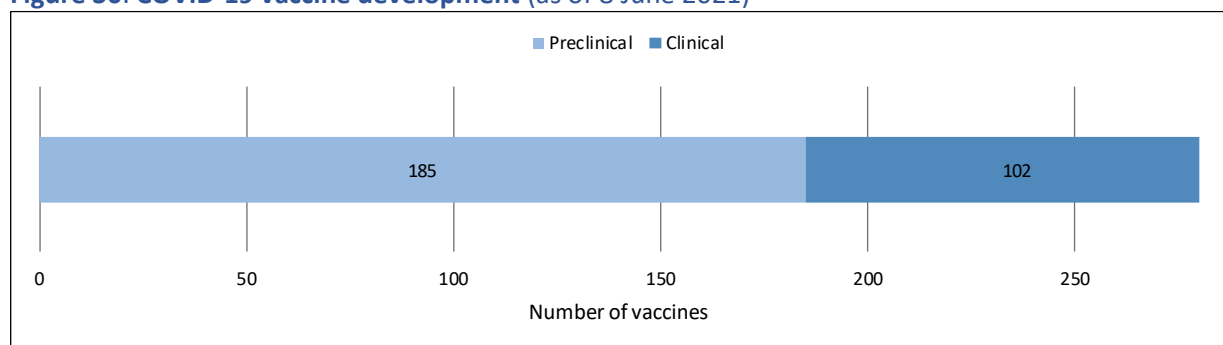
¹⁷ <https://www.who.int/news/item/01-06-2021-who-validates-sinovac-covid-19-vaccine-for-emergency-use-and-issues-interim-policy-recommendations>

¹⁸ <http://finance.sina.com.cn/chanjing/cywx/2021-05-17/doc-ikmyaawc5784090.shtml>

¹⁹ COVAX is co-led by the Coalition for Epidemic Preparedness Innovations (CEPI), Gavi and the World Health Organization (WHO), alongside key delivery partner UNICEF. Its aim is to accelerate the development and manufacture of COVID-19 vaccines, and to guarantee fair and equitable access for every country in the world.

²⁰ <https://global.chinadaily.com.cn/a/202105/10/WS609869eca31024ad0babccd2.html>

Figure 30. COVID-19 vaccine development (as of 8 June 2021)



Source: World Health Organization: Draft landscape and tracker of COVID-19 candidate vaccines (accessed 11 June 2021)

In the CAREC region, most member countries have secured doses from more than one source. Pakistan, for example, ordered doses from five vaccine suppliers, namely, from CanSino, AstraZeneca/Oxford, Sinopharm/Beijing, Sinovac and Sputnik V, followed by the PRC, Mongolia, and Turkmenistan from four suppliers. In contrast, Georgia and Tajikistan currently are vaccinating their population only by AstraZeneca/Oxford vaccines (Table 3).

Table 3. Vaccine status in the CAREC economies

Country	Vaccines	Last observation date	Source
Afghanistan	AstraZeneca/Oxford, Pfizer/BioNTech, Sinopharm/Beijing	2021/6/8	WHO
Azerbaijan	AstraZeneca/Oxford, Sinovac, Sputnik V	2021/6/9	Government of Azerbaijan
PRC	Sinopharm/Beijing, Sinopharm/Wuhan, Sinovac, CanSino	2021/6/9	National Health Commission
Georgia	AstraZeneca/Oxford	2021/6/9	Government of Georgia
Kazakhstan	Sinopharm/HayatVax, Sputnik V, QazVac	2021/6/9	Government of Kazakhstan
Kyrgyz Republic	Sinopharm/Beijing, Sputnik V	2021/6/9	Ministry of Health
Mongolia	AstraZeneca/Oxford, Pfizer/BioNTech, Sinopharm/Beijing, Sputnik V	2021/6/8	Ministry of Health via ikon.mn
Pakistan	CanSino, AstraZeneca/Oxford, Sinopharm/Beijing, Sinovac, Sputnik V	2021/6/9	National Command and Operation Centre
Tajikistan	AstraZeneca/Oxford	2021/5/30	WHO
Turkmenistan	EpiVacCorona, AstraZeneca/Oxford, Sinopharm/Beijing, Sputnik V	2021/4/4	WHO
Uzbekistan	AstraZeneca/Oxford, RBD-Dimer, Sputnik V	2021/6/1	Government of Uzbekistan

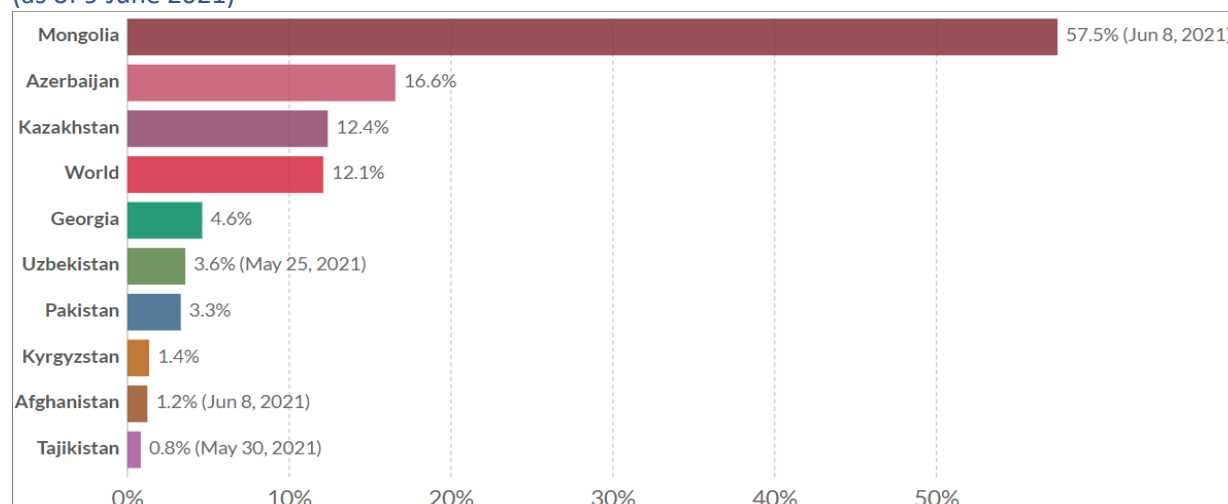
Source: Our World in Data: Coronavirus (COVID-19) Vaccines (accessed 11 June 2021)

The CAREC economies gave themselves ambitious targets for the speed of vaccination, but most have still to catch up. Mongolia and Afghanistan aim to vaccinate at least 60% of their population by end-June 2021 and by 2022, respectively. The PRC plans to immunize 70-80% of its population by the end of 2021/ beginning of 2022 as it continues to make its vaccines available to other countries. Kazakhstan plans to vaccinate 10 million people (over 50% of its population) free of charge by September 2021. Pakistan is ramping up to vaccinate 70 million people by the end of 2021²¹. Despite these solid resolves, many CAREC economies are lagging the average world vaccination pace measured by the share of people that received at least one dose of COVID-19 vaccine. Among them, the Kyrgyz Republic, Afghanistan, and Tajikistan had less than 2% of their population vaccinated by at least one dose (Figure 31). By contrast, Azerbaijan and Kazakhstan moved faster than the world average, covering 16.6% and 12.4% of their population, respectively. Mongolia impressively performed the best in the CAREC region with almost 60% of its population vaccinated by at least one dose.

²¹ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#P>

Vaccine shortage is still one of the main reasons holding back vaccination campaigns currently. To fill the gap between supply and demand of COVID-19 vaccines, the CAREC economies should continue to negotiate with WHO, COVAX and other international organizations/pharmaceutical companies to acquire more vaccines. Meanwhile, to enhance production capacity and reduce transaction costs, the countries with advanced medical equipment can invest and produce their own vaccines. Pakistan, for example, recently successfully manufactured a COVID vaccine locally at the National Institute of Health (NIH) Islamabad with the help of the Chinese pharmaceutical company CanSino²².

Figure 31. Share of persons who received at least one dose of COVID-19 vaccine in the total population (as of 9 June 2021)

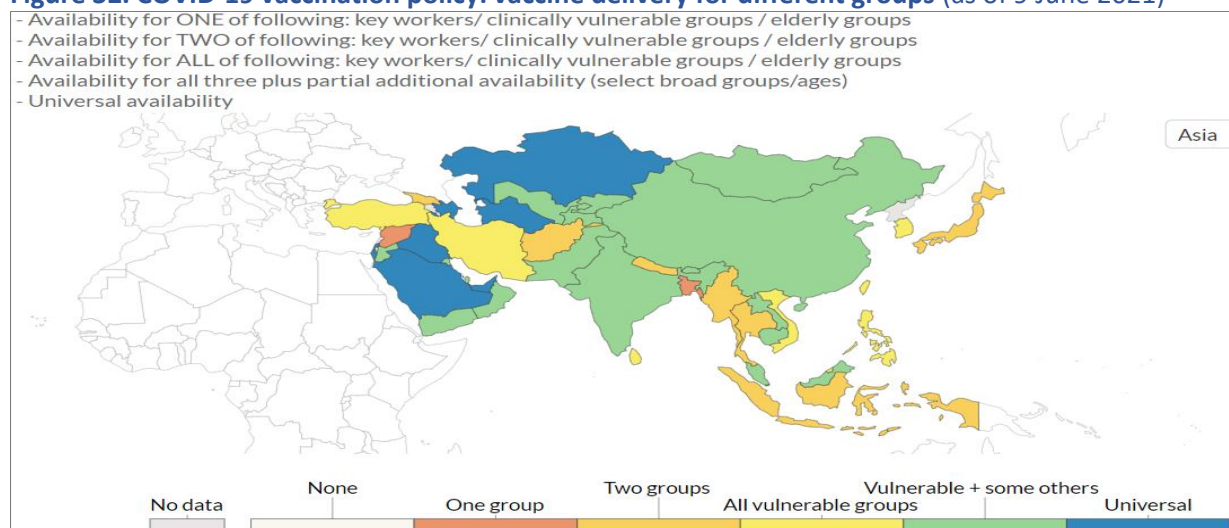


Source: Our World in Data: Coronavirus (COVID-19) Vaccines (accessed 11 June 2021)

In view of the limited provision of COVID-19 doses, most countries in the world mapped out government policies and prioritized the distribution of doses to certain groups of people. Figure 32 shows the vaccination policies adopted by Asian countries. In the CAREC region, Azerbaijan, Kazakhstan and Turkmenistan are taking a universal approach and making doses available for all groups of people. The PRC, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, and Uzbekistan give vaccination priority to key workers, clinically vulnerable people, and elderly groups, plus some specific groups of people in case of the additional availability of doses. Afghanistan and Georgia still limit the scope only to key workers and clinically vulnerable persons.

²² <https://arynews.tv/en/covid-vaccine-pakistan-manufactures-locally/>

Figure 32. COVID-19 vaccination policy: vaccine delivery for different groups (as of 9 June 2021)



Source: Our World in Data: Coronavirus (COVID-19) Vaccines (accessed 11 June 2021)

CONCLUSIONS

The CAREC region has begun to recover, but challenges remain. The recovery differs for industries and countries. Some parts of the population have remained in difficult circumstances or are highly vulnerable. The phasing out of support measures must be careful and selective. There is some monetary and fiscal space left, although countries must also keep sustainability in mind. Investment is still rather weak. The investment climate should be made conducive especially now. Particularly investment that helps “build forward better” should be encouraged. The CAREC region has big potential, but also needs related to greening, digitalization, and other types of advanced technology. Overcoming the COVID-19 pandemic remains key for saving lives, returning to normality, and for sustained economic recovery.

While the global infection and death rates are falling, the COVID-19 pandemic is not over unless a high share of population globally gets vaccinated, and some herd immunity can be developed eventually. Therefore, regional cooperation still significantly matters. Countries should continue to cooperate on the development of vaccines, particularly in face of new strains of SARS-CoV-2. Besides, cooperation should be enhanced for joint production of vaccines, joint establishment of medical lab, capacity building and mutual recognition of health QR codes, and other measures to prevent and fight the pandemic.

ANNEX 1: CAREC-COUNTRY POLICY RESPONSES TO COVID-19

Country	Total package (USD, mln), % of GDP (2019)	Fiscal policy	Monetary and macro-financial policy	Exchange rate and BoPs
Afghanistan	517.21 (2.77%)	Providing free bread to the poor (Apr.-Jun. 2020); waiving electricity bills and paying utility bills for vulnerable people in Kabul; extending the tax filing deadline for Q1 2020 by 45 days; tax and customs payment penalties waived with conditions.	DAB postponing the IFRS 9 implementation to Jun. 2021 and suspending administrative penalties and fees; DAB ending the freeze on loan classifications and recommencing the enforcement of all prudential requirements in Aug. 2020 with flexible application of penalties and prudential triggers; emergency measures for the nonbank sector allowed to expire at end-Jul. 2020.	DAB focusing on achieving price stability in the context of a flexible exchange rate regime; DAB engaging money-service providers to ensure uninterrupted services.
Azerbaijan	1,597.26 (3.75%)	Increasing budget spending on public health by AzN0.37 bln (0.5% of GDP) in 2020; paying allowances/benefits to medical workers; one-year exemption from land and property tax to selected sectors; rental property tax in the COVID-affected areas reduced from 14% to 7%; one-time extension of social assistance for vulnerable people; 2021 budget allocating another AzN261 mln (0.3% of GDP) for fighting the pandemic.	In Dec. 2020, CBA lowering the refinancing rate by 25 bp to 6 ¼% and setting the floor of the interest rate corridor as 5.75% and the ceiling as 6.75% after rounds of adjustment; on 23 Apr. 2020, CBA providing a relaxation of capital requirements and risk weights on mortgage loans, a moratorium on late fees and interest rate penalties, guarantees on insurance premiums and suspension of inspections of credit institutions; In Jan. 2021, inspections suspended resumed, and additional capital requirements for consumer loans reinstated.	Foreign exchange auctions conducted and all demands for foreign currency satisfied at the announced 1.7 AzN/USD rate.
PRC	2,330,693.24 (16.10%)	An estimated RMB4.9 trillion (or 4.7% of GDP) of discretionary fiscal measures announced; increasing spending on epidemic prevention and control; production of medical equipment; accelerating disbursement of unemployment insurance and extension to migrant workers; tax relief and waived social security contributions; additional	Liquidity injection into the banking system; expansion of re-lending/discounting facilities by RMB1.8 trillion to support businesses and reduction of interest rates; reducing reverse repo rates, MLF rates and interest on excess reserves; expanding policy banks' credit line to private firms and MSEs; introducing new instruments to support lending to MSEs; delay of loan payments, with	Reserve requirement on FX forward was reduced to zero; restrictions on the investment quota of foreign institutional investors (QFII and RQFII) removed and

		public investment; automatic stabilizers further increasing on budget support.	the deadline extended to the end of 2021; tolerance for higher NPLs and reduced NPL provision coverage requirements; support bond issuance by financial institutions to finance SME lending; additional financing support for corporates via increased bond issuance by corporates; increased fiscal support for credit guarantees; flexibility in the implementation of the asset management reform; easing of housing policies by local governments; etc.	new quota for domestic institutional investors granted; macroprudential adjustment coefficient for overseas lending by domestic enterprises increasing by 2/3 in Jan. 2021, leading to a higher ceiling.
Georgia	2,825.21 (17.56%)	Fiscal support provided to individuals and businesses in response to the COVID-19 pandemic in 2020 amounted GEL1.86 bln (3.8% of GDP) in spending and revenue measures; the package in 2021 expected to reach GEL 1.247 mln (2.3% of 2021 GDP).	On-site inspections have been suspended; moratorium on fines introduced where a breach emerged due to the crisis; NBG easing the policy rate by 100 bps between Apr. and Aug. 2020 and hiking the rate by 150 bps in 2021 with the most recent 100 bps hike taking place on 28 Apr., bringing the policy rate to 9.5%; inflation remained at 7.2% yoy in Apr. 2021 and increase in inflation reflecting higher energy and input costs as well as the pass-through from exchange rate depreciation; financial sector fully operational during the second lockdown (Nov. 28-Jan. 30);	Net USD916 mln foreign exchange in 2020 and USD243 mln in 2021 sold by NBG to smooth exchange rate volatility.
Kazakhstan	23,799.24 (14.42%)	Cash payments to the unemployed and self-employed, an increase in pension and social benefits, additional health spending, and support for employment and businesses; Subsidized lending of KZT1 trillion (1½% of GDP) being provided to help SMEs finance working capital (KZT800 bln); about 2½% of GDP being allocated to support employment; tax incentives/concessions and credit support for selected groups/sectors; cash transfers to vulnerable people; “Employment	Base rate cut and kept at 9% to support activity; since mid-Mar. 2020, risk weights, capital conservation buffer and limits on foreign currency positions lowered, list of eligible collaterals expanded, and liquidity coverage ratio requirement reduced; banks and other lenders encouraged to grant loan repayment deferrals and to freeze their loan classifications at the pre-COVID-19 status; reduced risk weights for SMEs and exemptions for holding additional provisioning against deferred loans	Tenge depreciating by 10% in 2020 to mitigate excessive volatility; NBK largely refraining from FX interventions since Apr. 2020 (ex. in late Sep. and late Oct.); international reserves increased,

		Roadmap“ and support for SMEs (credit support, tax and loan payment deferrals) expected to continue in 2021; additional COVID-related spending (0.6% of GDP) included in the revised 2021 budget; salary increase for doctors over 2021-23 announced; overall fiscal stimulus package in 2021 amounts to about 1.6% of GDP.	expected to last until end-2021; many other measures expected to remain until mid-2021.	driven by the rising gold price; preliminary data suggesting the external current account improving in 2020; tenge stabilizing since early 2021.
Kyrgyz Republic	838.11 (10.87%)	Three packages of anti-crisis plan economic measures totaling USD555 mln (7.2% of GDP) introduced to mitigate the impact on the economy; postponement of tax payments, time-bound exemptions of property and land taxes, and temporary price controls on 11 essential food items; temporary tax exemptions for SMEs, support food security program to the vulnerable groups, and subsidized credit to banks to provide funding to SMEs through soft loans; providing training for health-care workers, procure PPE and medical tests.	Policy interest rate raised by 75 basis points to 5% in Feb. 2020; NBKR to postpone enactment of several financial regulations until further notice; liquidity ratio lowered to a minimum of 30%, liquidity ratio requirements to be removed, minimum threshold level for mandatory reserve requirements reduced from 80 to 70%, risk-weights of FX corporate and retail loans to be reduced from 150% to 100%; banks or NBFIs possibly not to downgrade the classification category due to financial condition of the borrower; delaying or restructuring payments of the principal of loans extended to business and people for 6 months, if desired by borrowers.	USD519.7 mln and USD83.7 mln of foreign exchange reserves sold by NBKR in 2020 and so far in 2021, respectively; KGS depreciating by 18.7% vis-a-vis the USD in 2020 after a long period of stability since mid-2016.
Mongolia	3,798.74 (28.33%)	MNT17 bln (0.04% of GDP) of additional health spending allocated to epidemic prevention and control, acquisition of medical supply and medical staff overtime salaries in Feb. 2020; a second package of fiscal measures (amounting to roughly 2% of GDP) announced in May: a further increase in child money allowance(till end-2020), a scale-up of food stamp allowance, an increase in social welfare pensions for the vulnerable people; exemption of CIT, rent	Policy rate cut to 6% through 4 rounds(Mar. to 10%, Apr. to 9%, Sep. to 8% and Nov. to 6%) in 2020; MNT reserve requirement of banks reduced by 200 basis points to 8.5% in Mar. 2020, releasing MNT324 bln (0.8% of GDP) of additional liquidity in the banking system, and by 250 basis points to 6% in Nov.; temporary financial forbearance measures implemented (extended through end-Jun. 2021) on prudential requirements, loan classifications, and restructuring standards;	Coal exports starting to gradually resume in Mar. 2020 after the border closure with China earlier.

		income tax, customs duty and VAT on certain imported good through end-Jun. 2021; MNT 3 bln financial support to selected provinces affected by domestic transmissions, temporary exemption of tax penalties and charges on late payment, coal briquette price subsidy to ger districts in Ulaanbaatar City; waiving utility (electricity, heating, water, and waste disposal) payments to business entities and households and reducing the price of coal briquettes by 75%; in Apr. 2021, government announcing a cash handout of MNT300,000 per citizen to compensate an income loss associated with a renewed lockdown; in May 2021, the government announcing a bonus of MNT50,000 to individuals fully vaccinated; repealing the 2 percentage points increase on social insurance contribution implemented in Jan. 2021.	allowing existing consumption loan borrowers to defer their principal and interest payments by up to 12 months (from Apr. 2020); Anti-Pandemic Law, subsidized mortgage program and concessional financing to gold miners extended until end-Jun. 2021; a three-year stimulus package announced in Feb. 2021, and the size for stimulus in 2021 estimated at 5% of GDP.	
Pakistan	20,017.65 (7.96%)	A relief package worth PKR 1.2 trillion (2.9% of GDP) announced in Mar. 2020: elimination of import duties on emergency health equipment (recently extended until Dec. 2020), cash transfers to 6.2 mln daily wage workers and to more than 12 mln low-income families, accelerated tax refunds to exporter, support to SMEs and the agriculture sector in various forms, etc; the FY 2021 budget including further increases in health and social spending, tariff and custom duty reductions on food items and the provision of tax incentives to the construction sector (extended through the end of Dec. 2021); cash grants to low-income households, tax relief, and additional health spending (including a salary	SBP responding to the crisis by cutting the policy rate by a cumulative 625 basis points to 7.0% since 17 Mar. 2020; scope of existing refinancing facilities expanded and three new ones introduced, and these facilities extended beyond their original deadline of Jun. 2020 to Sep. or Dec. 2020; temporary regulatory measures introduced to maintain banking system soundness and sustain economic activity: reducing the capital conservation buffer by 100 basis points to 1.5%, increasing the regulatory limit on extension of credit to SMEs by 44% to PRs180 mln, relaxing the debt burden ratio for consumer loans from 50% to 60%, allowing banks to defer clients' payment of principal on loan obligations by one year, relaxing	Lifting the limit on import advance payments and import on open account; allowing banks to approve an Electronic Import Form (EIF) for the import of equipment donated by international donor agencies and foreign governments; relaxing the condition of 100% cash margin requirement on import of

		increase for healthcare workers).	regulatory criteria for restructured loans for borrowers who require relief beyond the extension of principal repayment for one year, and suspending bank dividends for the first two quarters of 2020 to shore up capital; SBP introducing mandatory targets for banks to ensure loans to construction activities account for at least 5% of the private sector portfolios by Dec. 2021.	certain raw materials.
Tajikistan	4.12 (0.05%)	Providing VAT exemptions on essential imports, lump-sum assistance equivalent to minimum wage to vulnerable households and other socially disadvantaged groups; health workers receiving supplemental pay, while tariff increases on electricity, water, and communal services postponed until end-2020; providing free medical care to citizens placed under medical care and COVID-19 patients, as well as sick leave and compensation benefits; providing grain, seed and fuel to farms to boost food security, and time-bound tax holidays and relief to targeted industries and small businesses until Sep. 2020; financial support to SMEs and subsidizing food for population; granting a debt relief around USD50 million recently under G20 DSSI initiative, with the funds included to anti-COVID envelop under supplementary budget currently being discussed in the Parliament.	Measures taken by NBT to ease monetary and liquidity conditions and adopted an Action Plan to address effects of pandemic on the banking sector; policy rate cut by 100 basis points in Apr. and 100 basis points in Aug. 2020 to 10.75%; reserve requirements lowered, enforcement of prudential requirements relaxed, and foreign exchange liquidity provided by NBT; NBT waiving supervisory sanctions against those banks that are providing adequate loan loss provisions and as a result fail to meet capital adequacy ratio and liquidity ratio, and recommending banks to waive penalties for businesses and individuals that face hardships in repaying their loan obligations between May and Oct. 2020; income tax rate for interest income on domestic currency deposits lowered till end-Dec. 2020 by 5%; RRR lowered from 3% to 1% and from 9% to 5% for local currency and foreign exchange deposits, respectively; interest rate on bank deposits lowered from 12 to 6% from Jul. 1 to 31 Dec. 2020; NBT recommending the banks to consider restructuring (i.e. extending maturity) loans that face temporary hardship.	NBT allowing a 17% depreciation of somoni to align the official exchange rate with cash market rate; foreign exchange liquidity provided to banks.
Turkmenistan	1.00 (0.00%)	Increasing health spending for preventing an outbreak of	Temporary suspension of loan repayments provided to	Special regime established for

		COVID-19 and to provide support to businesses (possibly through tax relief, bank loans, and assistance in providing raw materials) affected by the containment measures; bonus salary of 20%, 15%, and 10% to be given to healthcare professionals working in the remote rural facilities, frontline facilities, and other rural facilities, respectively; raising excises on both tobacco and alcohol products with varying rates based on the origin and type of product.	businesses affected by the COVID containment measures.	essential and high-priority imports and projects; exchange restrictions on current international payments and transactions tightened; Reserve Currency Fund established in May 2020, resources to be used for imports of food, etc.
Uzbekistan	1,000.00 (1.65%)	Anti-Crisis Fund of USD1 bln (about 2% of GDP); expanded funding for healthcare; an increase in the number of families with children and low-income families receiving social benefits; assistance to affected businesses via interest subsidies; additional public works for infrastructure and to support employment; social contributions for individual entrepreneurs reduced, payment of property and land taxes postponed, a moratorium on tax audits extended, and tax declarations for 2019 income taxes delayed; local govts to reduce taxes by 30% and provide a grace period on paying property tax; in 2021, higher expenditures on healthcare and social assistance as well as policy lending to support the economy, primarily through the Fund for Reconstruction and Development.	Banks to defer loan repayments of firms in sectors affected by COVID-19; deadlines for loan repayments for affected sectors extended; policy rate cut by 200 basis points to 14% in 2020; the central bank delaying phasing in tighter liquidity regulations and restricting banks' dividend distributions; in Oct. 2020, the authorities recommending banks to consider further deferral of loan repayments on a case-by-case basis.	No measures.

Note: Highlighted in bold are responses in 2021.

Source: ADB COVID-19 Policy Database: Policy Measures; IMF: Policy Tracker (accessed 11 June 2021)

CAREC governments' cooperation initiatives

Tajikistan, Uzbekistan Sign 36 Cooperation Documents

Date: 2021-6-10

36 cooperation documents were signed in Dushanbe today during an official visit of Uzbek President Shavkat Mirziyoyev to Tajikistan. The Tajik president's official website has cited only nine of them so far:

- A government-to-government agreement between Tajikistan and Uzbekistan in the field of industry and new technologies;
- A memorandum of Understanding (MoU) on cooperation between the Ministry of Industry and New Technologies of Tajikistan and Uzbekistan's Complex Mining Solution;
- A government-to-government agreement between Tajikistan and Uzbekistan on establishment of Tajikistan-Uzbekistan Investment Company;
- A protocol on making amendments to a government-to-government agreement between Tajikistan and Uzbekistan of August 17, 2018 on the allocation of land plots for the construction of the diplomatic mission of Tajikistan in Uzbekistan and the diplomatic mission of Uzbekistan in Tajikistan;
- A protocol on making amendments to a government-to-government agreement between Tajikistan and Uzbekistan of March 9, 2018 on mutual travels of citizens;
- A program of cooperation between the Foreign Ministries of Tajikistan and Uzbekistan for 2021-2022;
- A government-to-government agreement between Tajikistan and Uzbekistan on establishment of a joint-stock company, preparation of a feasibility study for construction and operation of two hydropower plants in the basin of the Zarafshon River;
- A government-to-government agreement between Tajikistan and Uzbekistan on transit of goods through the territory of Uzbekistan;
- A roadmap for the expansion of agricultural cooperation between the governments of Tajikistan and Uzbekistan for 2021-2022.

MORE: <https://asiaplustj.info/en/news/tajikistan/politics/20210610/tajikistan-uzbekistan-sign-36-cooperation-documents?>

Source: Asia-Plus

Afghanistan Becomes a Permanent Member of PAECO

Date: 2021-6-4

The Wolesi Jirga (House of Representatives) of Afghanistan has announced that Afghanistan has become a permanent member of the Parliamentary Assembly of the Economic Cooperation Organization (PAECO). Currently, Turkey, Azerbaijan, Uzbekistan, Iran, Pakistan, Kyrgyzstan, and Tajikistan are members of PAECO, and Afghanistan and three other countries have recently joined the organization. ... The agenda items of the conference included discussions on the impact of COVID-19 on implementation of Sustainable Development Goals, the role of parliaments in enhancing trade and connectivity, and advancing tourism for development and poverty alleviation.

MORE: <https://wadsam.com/afghan-business-news/afghanistan-becomes-a-permanent-member-of-paeco/>

Source: Wadsam

Turkmenistan and Uzbekistan Sign Agreements on Water Management and Land Use

Date: 2021-5-26

President of Turkmenistan Gurbanguly Berdimuhamedov held talks with Minister of Foreign Affairs of the Republic of Uzbekistan Abdulaziz Kamilov, who arrived in Ashgabat on a working visit. After the talks, Deputy Prime Minister, Minister of Foreign Affairs of our country Rashid Meredov and Minister of Foreign Affairs of the Republic of Uzbekistan Abdulaziz Kamilov signed the Agreement between the governments of Turkmenistan and Uzbekistan on the Joint Turkmen-Uzbek Intergovernmental Commission on Water Management Issues, as well as an additional agreement to the Agreement between the governments of the two countries on the use of land for a fee.

MORE: <https://turkmenistan.gov.tm/en/post/54719/turkmenistan-and-uzbekistan-sign-agreements-water-management-and-land-use>

Source: Turkmenistan: Golden Age

Kazakh, Tajik Businesses Sign Agreements Worth \$100 Million in Dushanbe

Date: 2021-5-24

Following last week's official visit by President Kassym-Jomart Tokayev to Dushanbe, the businesses of the two countries signed agreements worth \$100 million, said Kazakh Minister of Trade and integration Bakhyt Sultanov. Sultanov, who has also been to Dushanbe as part of the delegation, noted the two countries have the potential to bring their trade turnover to \$2 billion from the current nearly \$800 million. He said Central Asia is one of the key areas of trade and economic cooperation for Kazakhstan. MORE:<https://astanatimes.com/2021/05/kazakh-tajik-businesses-sign-agreements-worth-100-million-in-dushanbe/>

Source: The Astana Times

Turkmenistan to Build Oil and Gas Field at Herat University

Date: 2021-5-20

The Afghan embassy in Ashqabad on Thursday announced that Turkmenistan will build an oil and gas field at Herat University. ... According to the embassy, Turkmenistan has rich #scientific-professional experience in the oil and gas sector. The Afghan Embassy in Ashqabad has expressed hope that the establishment of an oil and gas field in Herat University will strengthen economic cooperation, especially in regional projects, including the TAPI between the two countries.

MORE:<https://avapress.com/en/234566/Turkmenistan-To-Build-Oil-And-Gas-Field-At-Herat-University>

Source: Afghan Voice Agency

Pak-Uzbek Transit Trade Launched

Date: 2021-5-13

The embassy of Uzbekistan in Pakistan together with Pakistani transport company "Best Trans Pvt Ltd" and Uzbek freight forwarding company "Asad Trans" for the first time implemented pilot trans-Afghan logistics project for the direct delivery of Uzbek export goods to Pakistan through the territory of Afghanistan. ... Successful implementation of the project provides significant reduction of the cost of transportation of Uzbek goods, including shipping at Uzbek-Afghan border, and subsequently at Afghan-Pakistani border in accordance with TIR CARNET Convention dated on 1975, members of which are Uzbekistan, Afghanistan and Pakistan.

MORE:<https://nation.com.pk/13-May-2021/pak-uzbek-transit-trade-launched>

Source: The Nation

China to Enhance Cooperation with Central Asia

Date: 2021-5-11

Foreign ministers from China and five Central Asia countries will meet on Wednesday in Xi'an, Shaanxi province, in their first face-to-face contact since their initial meeting by videoconference in July. During the meeting, State Councilor and Foreign Minister Wang Yi and foreign ministers from Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan will hold in-depth exchanges on anti-pandemic cooperation, joint construction of the Belt and Road, interconnectivity and international coordination...

MORE:<http://global.chinadaily.com.cn/a/202105/11/WS6099cfd5a31024ad0babd13a.html>

Source: China Daily

Pakistan, Turkmenistan to Enhance Economic, Trade Connectivity

Date: 2021-5-7

Pakistan and Turkmenistan on Thursday agreed to enhance the bilateral economic and trade cooperation in the different potential sectors for broadening the trade connectivity between both sides. The two sides decided to work on mutual cooperation in Sanitary and phytosanitary (SPS) standards for trade of agriculture products, banking sector, pharmaceuticals, engineering goods, trade dispute resolution, establishing warehouses in Pakistan, establishing joint chamber of commerce and industry, exchange of information on trade, tariff and regulatory regimes and exchange of delegations of professionals and businessmen from information technology sector, said a press release issued by Ministry of Commerce.

MORE:<https://nation.com.pk/07-May-2021/pakistan-turkmenistan-to-enhance-economic-trade-connectivity>

Source: The Nation

Azerbaijani, Georgian Railway Authorities Sign Protocol on Bilateral Cooperation

Date: 2021-5-7

Azerbaijan and Georgia have signed a protocol on bilateral cooperation in the railway sector as Chairman of Azerbaijan Railways CJSC Javid Gurbanov met with a delegation led by Chief Executive Officer of Georgian Railways JSC David Peradze in Baku. ... During the meeting, the sides also discussed the cooperation within the Trans-Caspian International Transport Route and other issues of mutual interest.

MORE: https://azertag.az/en/xeber/Azerbaijani_Georgian_railway_authorities_sign_protocol_on_bilateral_cooperation-1775939

Source: Azertag

Sichuan Liaison Office of the China-Pakistan Business Council Launched to Promote Trade Ties

Date: 2021-4-17

The Sichuan Liaison Office of the China-Pakistan Business Council was launched Saturday to accelerate the integration of Sichuan into the China-Pakistan Economic Corridor (CPEC) and promote bilateral economic and trade cooperation. ... The China-Pakistan Business Council is a bilateral economic and trade exchange mechanism jointly established by the China Council for the Promotion of International Trade (CCPIT) and Pakistan Federation of Industry and Commerce, to strengthen bilateral economic and trade cooperation and promote trade, investment and other economic activities between enterprises of both countries, the statement said.

MORE: <https://www.thenews.com.pk/latest/821773-sichuan-liaison-office-of-the-china-pakistan-business-council-launched-to-promote-trade-ties>

Source: The News

Second Central Asia – China (C5+C) Ministerial Meeting to Take Place in May

Date: 2021-4-14

Deputy foreign ministers of Central Asian countries and China held an online meeting on April 13. At the meeting, Uzbekistan was represented by Furkat Sidikov. The parties discussed preparations for the Second Central Asia – China (C5+C) Foreign Ministers Meeting, scheduled for the first half of May in the Chinese province of Shaanxi, Dunyo news agency reported. During the talks, the draft agenda, program and final documents of the upcoming ministerial meeting, organizational aspects of the event were considered. First Central Asia – China ministerial meeting was held on July 16 last year in an online format. The delegation of Uzbekistan was headed by FM Abdulaziz Kamilov.

MORE: <https://kun.uz/en/09018559>

Source: kun.uz

What Will the International Center for Trade and Economic Cooperation between Kazakhstan and Uzbekistan Do

Date: 2021-4-12

The Ministry of Trade and Integration of the Republic of Kazakhstan revealed details of the construction of an international center on the border with Uzbekistan. In the future, it is planned to create an industrial zone with cluster cooperation projects on the basis of MCTPP. There they will produce food products: flour products, pasta, confectionery, fat and oil, meat products. Fruit and vegetable products and light industry goods will also be produced: clothing, carpets and other floor coverings, bed linen and table linen. In addition, a construction and chemical industry for the production of polypropylene, household chemicals, and building materials will appear in the industrial zone.

MORE: <https://invest.gov.uz/mediacenter/news/what-will-the-international-center-for-trade-and-economic-cooperation-between-kazakhstan-and-uzbekistan-do/>

Source: Invest.gov.uz

Kazakh, Uzbek PMs Launch Construction of Central Asia International Centre for Trade and Economic Cooperation

Date: 2021-4-12

Kazakh Prime Minister Askar Mamin and Uzbek Prime Minister Abdulla Aripov launched the construction of the Central Asia International Center for Trade and Economic Cooperation located at the Kazakh-Uzbek border, according to the Kazakh Prime Minister's press service. ... The two countries seek to turn the

center into a major industrial, trade and logistics platform to implement joint investment projects between Kazakhstan and Uzbekistan, primarily in the manufacturing, agro-industrial and light industry sectors.

MORE: <https://astanatimes.com/2021/04/kazakh-uzbek-pms-launch-construction-of-central-asia-international-centre-for-trade-and-economic-cooperation/>

Source: The Astana Times

Deputy Prime Minister of Uzbekistan and Minister of Commerce of China Discuss the Implementation of Mutual Agreements in Priority Areas

Date: 2021-4-1

Virtual talks have been held between the Deputy Prime Minister, Minister of Investments and Foreign Trade of Uzbekistan Sardor Umurzakov and the Minister of Commerce of the People's Republic of China Wang Wentao. ... An agreement was reached to intensify interaction to attract large Chinese companies to the implementation of new projects in Uzbekistan aimed at creating high-margin industries using innovative Chinese technologies. Currently, 40 promising project proposals have been developed, which are subject to further study with Chinese investors. The parties agreed to unite efforts to accelerate the elaboration of the draft Agreement between the Governments of Uzbekistan and China on the approval of the Program for the development of trade, economic and investment cooperation for 2021-2025.

MORE: https://uza.uz/en/posts/deputy-prime-minister-of-uzbekistan-and-minister-of-commerce-of-china-discuss-the-implementation-of-mutual-agreements-in-priority-areas_253666

Source: Uza

CAREC cross-border business activities

China to Invest \$400 Million in a Power Project in Afghanistan

Date: 2021-5-31

A number of Chinese investors in a meeting with President Mohammad Ashraf Ghani pledged to invest \$400 million in a coal-powered power plant in Afghanistan, according to a statement from the Afghan Presidential Palace. The statement said Chinese investors were interested in setting up a power plant that would generate 300 megawatts of electricity using coal fuel in Afghanistan. The plant will increase the country's power generation capacity by almost 50 percent.

MORE: <https://wadsam.com/afghan-business-news/china-to-invest-400-million-in-a-power-project-in-afghanistan/>

Source: Wadsam

Azerbaijan Trade House Opens in Nur-Sultan

Date: 2021-5-26

Azerbaijan Trade House has opened in Nur-Sultan, the capital of Kazakhstan. "The establishment of Azerbaijan Trade House in Kazakhstan will give impetus to the development of economic relations between the two countries," said Azerbaijani ambassador to Kazakhstan Rashad Mammadov as he addressed the inauguration ceremony. "Another two branches of Azerbaijan Trade House will soon open in Aktau and Almaty," he added.

MORE: https://azertag.az/en/xeber/Azerbaijan_Trade_House_opens_in_Nur_Sultan-1789809

Source: Azertag

Rs83 billion Projects Identified under CPEC to Modernise Agriculture Sector

Date: 2021-5-20

As many as 18 projects worth around Rs83 billion have been identified in agriculture sector under the multi-billion dollar China-Pakistan Economic Corridor (CPEC) project, with an aim to exploit its true potential and modernise it for the sustainable economic growth.

MORE: <https://nation.com.pk/20-May-2021/rs83-billion-projects-identified-under-cpec-to-modernise-agriculture-sector>

Source: The Nation

Uzbekistan to Become Key Logistics Hub in CA

Date: 2021-5-19

Uzbekistan is soon to ink an agreement on joining the international trade promotion program "World Logistics Passport". This initiative was put forward by the Emirati company DP World, at the recent meeting organized by The Uzbek Ministry of Investment and Foreign Trade. The sides touched upon the creation of a "dry port" in the city of Navoi, and building a large logistics hub and a free economic zone in the capital.

MORE: <https://uzreport.news/economy/uzbekistan-to-become-key-logistics-hub-in-ca>

Source: UzReport

Kazakhstan Business Expands Presence in Tajikistan

Date: 2021-5-17

The Kazakhstan-Tajikistan business forum has started today in Dushanbe. Representatives of the business community of Tajikistan, the leadership of the Chamber of Commerce and Industry of Tajikistan, the State Committee for Investment and State Property Management of Tajikistan, Tajinvest and others were participated in Kazakhstan-Tajikistan business forum. ... The negotiations resulted in the signing of 5 documents: 3 contracts for the supply of Kazakhstani products and 2 memorandums of cooperation, for a total amount of up to \$ 100 million.

MORE: <https://www.gov.kz/memleket/entities/mti/press/news/details/202771?lang=en>

Source: Ministry of Trade and Integration of the Republic of Kazakhstan

Kyrgyzstan to Become Largest Exporter of Education in Central Asia

Date: 2021-5-15

Deputy Prime Minister of Kyrgyzstan Zhyldyz Bakashova said the time has come to make Kyrgyzstan the largest exporter of education and skilled labor in Central Asia. She stated it at a visiting meeting to discuss the roadmap for a new conceptual model of development of the educational process «University 4.0». ... In her presentation, she noted that it was high time to switch to a different system of organizing the educational process, and added that «University 4.0» model is fully consistent with global trends in the development of higher education.

MORE: https://24.kg/english/194095_Kyrgyzstan_to_become_largest_exporter_of_education_in_Central_Asia/

Source: 24.kg

Several Roads under CPEC in Their Final Phase: Pakistani Official

Date: 2021-5-8

Pakistan will start reaping the benefits of the second phase of the China-Pakistan Economic Corridor (CPEC) in the form of industrial and agricultural development and a better road connectivity, Chairman of Pakistan's CPEC Authority Asim Saleem Bajwa said. Several roads under CPEC are in their final phase which are expected to be inaugurated in 2021 and after their completion, locals will experience a better connectivity, and business opportunities in the country will increase, Bajwa said on Tuesday night.

MORE: <https://wadsam.com/international-business-news/several-roads-under-cpec-in-their-final-phase-pakistani-official/>

Source: Wadsam

KAZAKH INVEST Took Part in the Forum on Regional Trade and Economic Cooperation of the SCO Countries

Date: 2021-4-28

KAZAKH INVEST presented the investment opportunities of Kazakhstan at the large-scale platform of the forum on regional economic cooperation and the international trade and investment exhibition of the SCO countries in Qingdao (China). ... As a result of the forum, a memorandum of cooperation was signed between KAZAKH INVEST and the Administrative Committee of the China-SCO Demonstration Zone of Trade and Economic Cooperation.

MORE: <https://invest.gov.kz/media-center/press-releases/kazakh-invest-prinyal-uchastie-v-forume-po-regionalnomu-torgovo-ekonomicheskomu-sotrudnichestvu-stra/>

Source: KAZAKH INVEST

China Remains Top Importer among Other Countries: SBP

Date: 2021-5-28

China topped the list of countries from where Pakistan imported different products during the first ten months of financial year (2020-21), followed by United Arab Emirates (UAE) and Singapore. The total imports from China during July-April (2020-21) were recorded at \$10312.089 million against the \$7638.065 million during July-April (2019-20), showing an increase of 35.02 per cent during the period, State Bank of Pakistan (SBP) said.

MORE: <https://nation.com.pk/28-May-2021/china-remains-top-importer-among-other-countries-sbp>

Source: The Nation

Pakistan's Exports to Afghanistan Decrease 5.57pc

Date: 2021-5-18

Pakistan's exports of goods and services to Afghanistan witnessed a decrease of 5.57 percent during the first nine months of financial year (2020-21) as compared to the corresponding period of last year, State Bank of Pakistan (SBP) reported. The overall exports to Afghanistan were recorded at \$746.328 million during July-March (2020-21) against exports of \$790.377 million during July-March (2019-20), showing decline of 5.57 percent, the SBP data revealed.

MORE: <https://nation.com.pk/18-May-2021/pakistan-s-exports-to-afghanistan-decrease-5-57pc>

Source: The Nation

Mongolia Trades with 129 Countries

Date: 2021-5-17

In the first four months of 2021, Mongolia traded with 129 countries from all over the world, and the total trade turnover reached USD 4.5 billion, of which USD 2.5 billion were exports and USD 2.0 billion were imports. The total foreign trade turnover increased by USD 1.5 billion (50.6%), where exports increased by USD 1.1 billion (81.8%) and imports increased by USD 374.9 million (23.6%) compared to the same period of previous year. ... The foreign trade balance was in surplus of USD 535.4 million in the first four months of 2021, compared with deficit of USD 212.7 million in the first 4 months of 2020. Trade with China reached USD 3.1 billion in the first 4 months of 2021, which is 68.7% of the total trade turnover.

MORE: <https://montsame.mn/en/read/264154>

Source: Montsame

FTA-II with China to Help Increase Pak Exports

Date: 2021-5-13

The second Free Trade Agreement (FTA-II) with China would provide an opportunity to Pakistan to increase its exports to China by \$4 to 6 billion in next three years. ... As in the 1st quarter of 2021, Pakistan's exports to China rose to \$888 million as compared to \$526 million during corresponding months of 2020, showing an increase of 69 percent. Pakistan exports to China grew by 17.5 percent reaching \$2.12 billion during last year.

MORE: <https://nation.com.pk/13-May-2021/fta-ii-with-china-to-help-increase-pak-exports>

Source: The Nation

Trade Turnover between Azerbaijan and Uzbekistan Increased by 13 Percent

Date: 2021-4-15

Despite the economic difficulties caused by pandemic, the trade turnover between Azerbaijan and Uzbekistan increased by 13 percent reaching \$80 million, Ambassador of Uzbekistan to Azerbaijan Bahrom Ashrafkhanov said as he addressed an Online B2G Forum organized by Caspian Energy Club. The diplomat mentioned that the trade turnover between the two countries tripled over the past three years.

MORE: https://azertag.az/en/xeber/Trade_turnover_between_Azerbaijan_and_Uzbekistan_increased_by_13_percent-1756453

Source: Azertag

Note: Text as in the original, shortened by the authors.



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