CAREC Institute
Quarterly Economic Monitor

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Shiliang Lu

January 2022
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Disclaimer

This fifth issue of the CAREC Institute Quarterly Economic Monitor looks at economic developments in the CAREC region in 2021 based on latest available GDP, fiscal, monetary, and external economy data, along with some high-frequency data and discusses some aspects of potential future developments. It also updates the state of COVID-19 infections and 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

<table>
<thead>
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<th>Description</th>
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<tr>
<td>CAREC</td>
<td>Central Asia Regional Economic Cooperation</td>
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<tr>
<td>COVID-19</td>
<td>Coronavirus disease 2019</td>
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<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>H1</td>
<td>First Half (financial or calendar year)</td>
</tr>
<tr>
<td>H2</td>
<td>Second Half (financial or calendar year)</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>Q1</td>
<td>First quarter</td>
</tr>
<tr>
<td>Q2</td>
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<td>Third quarter</td>
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<td>Quarterly Economic Monitor</td>
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<tr>
<td>qoq</td>
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<tr>
<td>sa</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WHO</td>
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GDP IS ABOVE 2019 LEVELS, WHAT NOW?

GDP growth in the CAREC region substantially accelerated after the sharp slow-down in 2020 caused by the COVID-19 pandemic, allowing GDP to exceed 2019 levels in 2021 in most CAREC economies. So, is the CAREC region about to return to pre-COVID-19 growth? This Quarterly Economic Monitor attempts to shed some light on some aspects of this question by looking at recent and also more long-term data.

The Monitor concludes that there is still significant volatility in GDP growth rates and that it is therefore difficult to judge how fast current growth actually is. Seasonal adjustment of quarterly growth rates shows that especially in the second half of 2020, and partially in the first half of 2021 as well, growth rates were significantly higher than in the five years before the pandemic. The fast recovery associated with the rebuilding inventories that were run down before, the need to re-employ personnel that earlier was out of work, and other heightened demand is one of the reasons of supply chain disruptions, renewed slowdowns, and substantial inflation pressures beside continued disruptions by the COVID-19 pandemic.

Accelerated technological change, especially digitalization and decarbonization, opens new opportunities for the region but also brings new challenges for growth and employment. Deep structural change is on the agenda. It is not clear yet what this means for GDP growth rates in the decade to come. It is clear that growth must be of a different quality, that appropriate policies would help to facilitate the transition, and that CAREC cooperation should be an important element of these policies.

Getting the COVID-19 pandemic under control remains key for a sustainable recovery. Strategies to control future COVID-19 spikes caused by new variants and prepare health systems to deal with them effectively based on experience gained so far.

We hope for the Best and wish you a pleasant 2022 that lays the ground for finally overcoming the COVID-19 pandemic and for a successful next decade!!

Recovery since H2 2020, most CAREC economies exceeded 2019 GDP levels in 2021

Real GDP growth has turned positive in almost all CAREC economies since the second quarter of 2021. The higher base in Q3 2020 than in Q2 2020 let average real GDP growth decelerate to 5.8% yoy in the CAREC region in Q3 2021 from 8.9% yoy in Q2 2021, after 3.0% yoy in Q1 2021. All CAREC economies except Azerbaijan saw growth slow in Q3 2021 from Q2 2021. However, growth rates in all economies except for Mongolia remained positive (Figure 1, Table 1).

Figure 1. Real GDP growth (% yoy)

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, national statistical agencies, authors’ calculations.
Table 1. Real GDP growth (% yoy)*

<table>
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<td>-</td>
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<td>3.2</td>
<td>4.9</td>
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<td>-</td>
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<td>4.6</td>
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<td>Average CAREC**</td>
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<td>-0.8</td>
<td>-0.2</td>
<td>-5.5</td>
<td>-2.2</td>
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* Some economies 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 growth rates of separate quarters.

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

Green indicates positive growth rates, red negative ones.

Sources: CEIC, authors’ calculations based on data from national statistical agencies and news.

Seasonal adjustment reveals that most CAREC economies had positive quarter-on-quarter growth already since the second half of 2020, though with some volatility. Strong recovery in H2 2020 was followed by a flattening of the curve in several CAREC economies in H1 2021, mostly with some re-acceleration in Q3 2021 (Figure 2). However, real GDP exceeded 2019 levels in all CAREC economies in Q3 2021, except for the Kyrgyz Republic and Mongolia.

Figure 2. Real GDP, seasonally adjusted (Q1 2019 = 100)

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

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

Growth of GDP components: generally positive, but still somewhat mixed

Agricultural growth slowed in a number of CAREC economies during 2021 and was in some even negative in Q3. In most CAREC economies yoy growth remained positive in 2021, but in the Kyrgyz Republic, Mongolia, and Kazakhstan agriculture contracted yoy in Q3 2021 due to droughts, among other
factors (Figure 3). As a result, constant price value added turned out below 2019 levels in the Kyrgyz Republic in Q3 2021. However, in the PRC it substantially exceeded 2019 levels during all of 2021, and to a lesser extent also in the other CAREC economies.

**Figure 3. GDP: Agriculture (% yoy)**

![Graph showing GDP: Agriculture (% yoy) for various countries, including CAREC*, Azerbaijan, PRC, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, and Uzbekistan.](image)

*Refers to the simple average of CAREC economies where data are available. For the economies not included in the chart data are not available.
Source: CEIC, authors’ calculations.

Growth in manufacturing was positive in almost all of 2021 in all CAREC economies except for the Kyrgyz Republic and Mongolia. Growth averaged 5.4% yoy in Q1, 10.8% yoy in Q2 and 4.5% yoy in Q3 2021 in the CAREC region (Figure 4). In the Kyrgyz Republic growth turned positive to 7.2% yoy in Q3, after negative growth of 9.3% yoy in Q2 2021. All CAREC economies with data availability except for Mongolia achieved constant price value added in manufacturing above 2019 levels in Q3 2021.

**Figure 4. GDP: Manufacturing (% yoy)**

![Graph showing GDP: Manufacturing (% yoy) for various countries, including CAREC*, Azerbaijan, PRC, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, and Uzbekistan.](image)

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, authors’ calculations.

Value added generation in mining also recovered to some extent in 2021 but it remained below 2019 levels. Average growth in mining was 13.3% yoy in Q3 2021 in the CAREC region, further up from 9.8% yoy in Q2 2021 (Figure 5). However, this was mostly due to strong readings of 26.7% yoy and 27.8% yoy for the Kyrgyz Republic and Uzbekistan, respectively. The performance of other main mining economies was less impressive. Kazakhstan recorded rather meager growth of 3.6% yoy in Q3 2021, after 1.0% yoy in Q2. In Azerbaijan mining continued to contract during all of 2021. Mongolia suffered a decline by 4.5% yoy in Q3, after strong growth of 9.9% yoy in Q2 though. Constant price value added in mining was below 2019 levels in all CAREC economies with data availability in Q3 2021. However, higher exports and oil prices in late 2021 indicate that improvement is to be expected.
Growth in services was positive in all CAREC economies with data availability in Q2 and Q3 2021 after sharp contractions in 2020 and a still weak Q1 2021. Services’ value added increased by 19.3% yoy in Q2 and 8.8% yoy in Q3 2021 on average in the CAREC region (Figure 6). All CAREC economies with data availability recorded positive growth in Q2 and Q3 2021. All economies exceeded 2019 levels in Q2 2021, but Kazakhstan and the Kyrgyz Republic fell back below 2019 levels in Q3 due to insufficient growth rates in this quarter to compensate for the declines in 2020.

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, authors’ calculations.

**Figure 7. Constant price value added in services, seasonally adjusted (Q1 2019 = 100)**

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, national statistics agencies, authors’ calculations
Seasonal adjustment points to a continued steep recovery in services in some CAREC economies, but not in all. There was a clear upward trend for Georgia in 2021, but less so in other CAREC economies (Figure 7). In Kazakhstan readings remained below a temporary peak in Q4 2020 and below 2019 levels. The Kyrgyz Republic also remained below 2019. Mongolia and the PRC showed sideward movements in 2021, with the PRC after a strong recovery in 2020 though.

**High frequency indicators: by and large surpassing 2019 levels but some volatility persists**

Industrial output confirms the general growth pattern in the CAREC region of high annual growth rates until early 2021 largely due to the low base in 2020, some flattening off then but with still decent growth rates in most CAREC economies. Average growth in the CAREC region was 10.8% yoy in October 2021, significantly less than at the peak in April, May 2021, but still high (Figure 8). Industrial production in Azerbaijan and the Kyrgyz Republic even accelerated to 11.5% yoy and 46.3% yoy, respectively, in October 2021. Growth in Tajikistan and Uzbekistan was 28.7% yoy and 7.5% yoy, respectively, in September 2021. The PRC saw growth of 3.5% in October, a further deceleration from average 8.0% yoy in Q2 2021. Mongolia suffered a contraction of 13.0% yoy and 11.2% yoy in September and October, respectively, after very strong growth in the first half of 2021.

**Figure 8. Industrial output (% yoy)**

Industrial output exceeded 2019 levels in most CAREC economies in Q3 2021, with significant differences among economies, however. Only the PRC, Georgia and Tajikistan remained consistently above 2019 levels in 2021 (Figure 9). The mining countries Azerbaijan, Kazakhstan, and Mongolia showed a rather mixed picture.

**Figure 9. Industrial output (2021 compared to same month in 2019, %)**

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, national statistical agencies, authors’ calculations.
Consumption as captured by retail sales recovered and was substantially higher in 2021 than in 2020 on average in the CAREC region, although growth rates differed among countries and slowed in H2 2021. Growth in constant price retail sales eased after generally very high readings in H1 2021 but growth remained above 10% yoy in Uzbekistan, the Kyrgyz Republic, and Mongolia. In other CAREC economies growth was lower, but still positive (Figure 10).

Figure 10. Retail sales (% yoy)

*Refers to the simple average of CAREC economies where data are available. Source: CEIC, authors’ calculations.

Globally and in the CAREC region rising inflation has contributed to worries about the sustainability of consumption growth. The higher inflation also raises the question to what extent monetary policy can remain supportive or at least neutral to economic growth. Consumer price inflation accelerated to 11.1% yoy on average in the CAREC region by November 2021 (Figure 12). The PRC continues to have the lowest inflation rate among the CAREC economies at 2.3% yoy in November thanks to decreasing food prices, 

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although up from deflation in early 2021. This allowed the People’s Bank of China to ease monetary policy even though producer price inflation is substantial. In other CAREC economies inflation rates are significantly higher and increasing. In Georgia and the Kyrgyz Republic annual inflation rose from 7.7% and 10.9%, respectively, in May 2021 to 12.5% and 12.3%, respectively, in October 2021. Azerbaijan experienced an acceleration from 6.7% yoy in August to 11.1% yoy November 2021. In Kazakhstan, Mongolia, and Uzbekistan inflation rates were also high at 8.7%, 10.5%, and 10.3%, respectively, in November 2021.

**Figure 12. Inflation: Consumer price index*(%, yoy)**

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC. Authors’ calculations.

Food accounts for large shares in the CAREC economies’ consumer baskets, and food prices are especially critical for the wellbeing of the population. Food prices have risen more than in many years before since the onset of the pandemic (Figure 13). Food price inflation accelerated from 4.9% in Q2 2021 to 8.1% in Q3 2012 in Azerbaijan, and from 17.4% to 21.5% in the Kyrgyz Republic, from 10% to 11.3% in Kazakhstan, from 9.4% to 11.1% in Tajikistan, and from 14.2% to 15.0% in Uzbekistan. The PRC saw deflation accelerate from minus 0.7% to minus 4.3%, after high spikes in late 2019 and 2020, however, that were mostly related to swine fever outbreaks. In Pakistan, food price inflation was 9.4% in Q1, it increased to 13.7% in Q2 but eased again to 9.5% in Q3. In some CAREC economies subsidies for fuels and fertilizer and fiscal support to agricultural holdings that buy agricultural products have a significant impact on food prices, and these policies might be affected by the price developments.

**Figure 13. Consumer price index: Food (%, yoy)**

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC. Authors’ calculations.

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2 The consumer price index (CPI) measures the cost of goods and services in a basket reflecting the purchases of the average consumer.
Relatively high export and import growth, polarization in trade balances

Annual export growth was generally high in 2021 despite easing in the second half of 2021 as the base in 2020 grew. In the three months to September 2021 exports were 31% higher in USD terms than in the year before on average in the CAREC region, though down from a peak of 70% in April 2021 (Figure 14). For oil exporters Azerbaijan and Kazakhstan export growth kept accelerating in Q3 2021, whereas export growth in the PRC, Georgia and Pakistan moderated, although remaining strong due to the still relatively low base in 2020. The export performance of the Kyrgyz Republic was less favorable, the one of Tajikistan, Uzbekistan, and Turkmenistan highly volatile according to available data. After high growth in the first half of 2021, growth in Mongolia came down in the second half because of COVID-related border closures by the PRC.

**Figure 14. Export (USD based, FOB, %, yoy, 3-months moving average)**

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, authors’ calculations.

Export growth was sufficiently high in 2021 to elevate exports of most CAREC economies above 2019 levels in late 2021. The PRC, Pakistan, and Georgia clearly exceeded 2019 levels through almost all of 2021 (Figure 15). Oil exporters Azerbaijan and Kazakhstan, and copper and coal exporter Mongolia surpassed 2019 levels in the second half of 2021. This was in line with reincreased global demand as is evident by the increases in commodity prices (Figure 16). Turkmenistan, Uzbekistan, and the Kyrgyz Republic remained below 2019 levels.

**Figure 15. Export (USD based, FOB, 2021 compared to the same quarter of 2019, %)**

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, authors’ calculations.
Import growth also continued to be rather high in Q3 2021 thanks to the still relatively low base in Q3 2020, although growth rates were clearly down from their peaks in early 2021. Import growth was 28% yoy in the three months to September 2021 on average in the CAREC economies (Figure 17) after a peak of 50% in the three months to June 2021. Both, the rates of import growth and their development over time varied strongly among the CAREC economies. Pakistan’s import growth surged to 74% yoy in the three months to October, constantly accelerating from minus 23% yoy in the three months to June 2020. Kazakhstan represents the other extreme with just 0.6% import growth in the three months to September 2021. There are no recent data for Afghanistan, but a drastic import contraction since August must be assumed.

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

Source: CEIC, authors’ calculations.

Figure 17. Import (USD based, CIF, %, yoy, 3-months moving average)

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

Source: CEIC, authors’ calculations.
Since the second half of 2021, at latest, imports were higher than in 2019 in all CAREC economies except for Afghanistan and Azerbaijan. The PRC, Pakistan, and Turkmenistan consistently secured higher import levels in 2021 than in 2019 (Figure 18). Georgia, the Kyrgyz Republic, and Uzbekistan overtook 2019 levels in the second half of 2021, in Kazakhstan and Mongolia imports were somewhat more volatile.

Foreign trade balances remained relative stable on average in the CAREC region, but the average masks an increasing polarization. While balances continued to average around minus 1% of GDP, the traditional deficit countries Kyrgyz Republic, Georgia, and to some extent Pakistan, saw their deficits substantially widen in 2021 (Figure 19). The traditional surplus countries Azerbaijan and Kazakhstan had their surpluses increase.

Figure 19. 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.

Exchange rates were broadly stable in 2021

Despite some volatility in foreign trade and capital flows, exchange rates remained relatively stable in 2021 in the CAREC region except for Afghanistan and to some extent Pakistan in the second half of the year. The currencies of most CAREC economies did not weaken substantially in 2021 after strongly losing value in the years before (Figure 20). Pakistan and Uzbekistan experienced some depreciation in 2021, Georgia some appreciation. The currencies of Kazakhstan, the Kyrgyz Republic, and Mongolia remained roughly stable, Azerbaijan and Turkmenistan kept their currencies fixed. The PRC’s currency also changed little in 2021 after (re)gaining value in the second half of 2020. Afghanistan’s currency has sharply depreciated since mid-2021. Thanks to their relative stability, exchange rates only marginally contributed to the spikes in inflation in 2021 in most CAREC economies. This allows some room for monetary policy not to tighten too aggressively, given foreign exchange reserves have not been run down strongly in support of the currencies. Some CAREC economies might have used special funds to support their currencies, Kazakhstan ran down the foreign assets of the National Oil Fund of Republic of Kazakhstan, for example. However, official foreign exchange reserves were in all CAREC economies higher in Q2 or Q3 2021 than two years earlier (Table 2).
**Figure 20. Exchange rates** (USD/national currency, 3-2018=1.00)

![Graph showing exchange rates](image)

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, TradingEconommics, authors’ calculations.

**Table 2. Foreign Exchange Reserves (mln USD)**

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<tr>
<td>Mongolia</td>
<td>3,939</td>
<td>-</td>
<td>754</td>
<td>-</td>
</tr>
<tr>
<td>Pakistan</td>
<td>17,149</td>
<td>17,572</td>
<td>8,241</td>
<td>8,025</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>13,538</td>
<td>11,950</td>
<td>2,076</td>
<td>221</td>
</tr>
</tbody>
</table>

*Refers to the simple average of CAREC economies where data are available.
Source: CEIC, national statistical agencies, authors’ calculations.

**Overcoming COVID-19 remains key for sustaining the rebound in economic activity**

Social and economic activity as measured by Google mobility indicators substantially recovered in 2021, but full recovery lies still in the future. “Retail and recreation” passed February 2020 readings in mid-2021 on average for the CAREC region, but Kazakhstan, the Kyrgyz Republic and Tajikistan remained below the zero-line (Figure 21). “Workplace” mobility is still below zero for CAREC economies other than Mongolia and Pakistan (Figure 22).

**Figure 21. Google COVID-19 community mobility: Retail & Recreation**

![Graph showing Google COVID-19 community mobility](image)

*Refers to the simple average of CAREC economies where data are available.
Source: “Google COVID-19 Mobility Reports” (accessed 31 December 2021); authors’ calculations.
The correlation between mobility and the economic performance seems weakened, but a renewed drastic surge in the pandemic would certainly derail the economic recovery, at least to some extent. Especially industrial production looks less dependent on workplace mobility now than in early 2020 (Figure 23). However, much will depend on the emergence of new variants of the Sars-Cov-2 virus such as Omicron and how new outbreaks of the pandemic will be controlled. Progress in global vaccination efforts will remain crucial.

So back to normal? A slower normal?

With most CAREC economies recovering now for more than a year and surpassing 2019 levels in 2021, the question begins to arise whether growth is about to return to normal, although new Sars-Cov-2 variants still cast a shadow on the outlook. Most CAREC economies had very high seasonally adjusted, annualized growth rates in the second half of 2020 (Table 3). The sharp acceleration in H2 2020 - in the region and globally - triggered supply chain disruptions and delivery bottlenecks and caused inflation

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3 Quarter-on-quarter growth rates after cleaning for seasonal factors and taken to the fourth power to show what year-on-year growth rate would result.
pressures. Supply chain disruptions have resulted in growth volatility and partially in renewed slowdowns. Re-increasing COVID infection rates also have played a role. Some CAREC economies had higher growth rates also in Q3 2021 than in the five years before the pandemic, other economies lower ones.

Table 3. Real GDP growth, period average

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H2 2020</th>
<th>H1 2021</th>
<th>Q3 2021</th>
<th>2010-2014</th>
<th>2015-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.2</td>
<td>1.9</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>-9.5</td>
<td>-1.9</td>
<td>12.9</td>
<td>5.9</td>
<td>2.8</td>
<td>0.4</td>
</tr>
<tr>
<td>PRC</td>
<td>0.0</td>
<td>13.6</td>
<td>2.4</td>
<td>3.1</td>
<td>8.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Georgia</td>
<td>-27.3</td>
<td>20.9</td>
<td>39.6</td>
<td>-32.8</td>
<td>5.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>-12.9</td>
<td>9.6</td>
<td>2.4</td>
<td>5.9</td>
<td>5.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Kyrgyz Rep.</td>
<td>-23.7</td>
<td>-1.8</td>
<td>13.3</td>
<td>3.5</td>
<td>4.0</td>
<td>4.3</td>
</tr>
<tr>
<td>Mongolia</td>
<td>-6.9</td>
<td>5.9</td>
<td>-5.7</td>
<td>2.9</td>
<td>10.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Pakistan</td>
<td>-6.1</td>
<td>12.6</td>
<td>1.5</td>
<td>9.2</td>
<td>3.4</td>
<td>4.5</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>-3.4</td>
<td>15.3</td>
<td>5.4</td>
<td>15.7</td>
<td>7.1</td>
<td>6.9</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>-6.6</td>
<td>15.3</td>
<td>4.2</td>
<td>5.7</td>
<td>7.4</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Green indicates higher growth rates than before, red lower growth rates.
Sources: CEIC, authors’ calculations based on data from national statistical agencies and news.

Volatility will likely ease at some point, at least if the pandemic gets hopefully under control, but it is also not obvious what the appropriate reference period for “normal” is. Looking at the ten years after the great financial crisis and before COVID-19 shows that there was a significant slow-down between the first and the second half of the decade in most CAREC economies, not least because of commodity price volatility. Only the Kyrgyz Republic and Pakistan managed to have a slight acceleration (right hand columns of Table 3).

The next decade will bring about highly fundamental economic and social developments. There are scars from the pandemic in education and qualifications. At the same time the pandemic has accelerated technological change, especially digitalization. The global decarbonization agenda has been advanced by COP26.

More than one-half of the CAREC region’s (excluding the PRC) exports consists of mineral fuels (Figure 24), there is still a lot of coal used for energy generation, energy efficiency is generally low in the CAREC region and pollution high. The global agenda of decarbonization and reducing greenhouse gases will substantially impact the economies of the CAREC region, open new opportunities such as green hydrogen production, for example, but also require huge investments and restructuring, and new productions might take a while to get running at the necessary scale.

Broadband access as an indicator for digitalization shows that some CAREC economies are quite advanced in global comparison, while others must substantially catch up (Figure 25). All have to advance the digitalization agenda further and all must achieve further progress in integrating digitalization into everyday production and service processes. Digitalization will have a profound impact on services. The following chapter shortly points to services as an important sector affected by change.
Services grew faster than GDP during the past decade, what will happen in the coming one?

In most CAREC economies services were drivers of growth and rose more than GDP before being hit severely by the pandemic in 2020. Agricultural growth, by contrast, generally remained below GDP growth. (Figures 26 and 27). Mining is highly important especially for Azerbaijan, Kazakhstan, Mongolia, Turkmenistan, and Uzbekistan, but it is also highly volatile and strongly dependent on international business cycles and foreign investment. It substantially contributed to growth in some periods, while falling back in others. Manufacturing has a particularly high weight for the PRC, where it accounted for 26.2% of GDP in 2020, according to the World Development Indicators. This is still less than the 31.6% of 2009 though.
Services not only grew faster in most CAREC economies than GDP, but they also account for a large share of the economy. The share of services in GDP ranged from 35.7% of GDP in Tajikistan to 64.1% in Georgia, and the share in employment ranged from 38.1% in Pakistan to 64.2% in Kazakhstan in 2019.
Services in the CAREC region were among the fastest growing globally between 2009 and 2019. Services in all CAREC economies except the Kyrgyz Republic grew well above the global average, and also the Kyrgyz Republic achieved significant growth (Figure 28). In all CAREC economies except the Kyrgyz Republic constant price value-added in services was more than 50% higher in 2019 than in 2009. The increase in the share of services in GDP was also higher than on average among the countries of the World, although starting from various levels (Figure 29).

### Figure 28. Constant price value added in services (2009 = 100)

![Graph showing constant price value added in services](image)

Source: WB, national statistics agencies, authors’ calculations

### Figure 29. Share of services in GDP (%)

![Graph showing share of services in GDP](image)

Source: WB, national statistics agencies, authors’ calculations

There are services subindustries that provide big new opportunities. The ADB published a detailed report recently on services in the CAREC region that identifies seven subsectors as necessary for the further development of the economies: (i) telecommunication and information services, including software development and data processing; (ii) financial services, including insurance and other nonbank services; (iii) education and research and development services, including agricultural extension services, vocational training, scientific research and development, and market research; (iv) tourism-related services, including passenger transportation services; (v) freight transportation and storage services, including logistics services and cold storage services for horticulture products; (vi) quality testing and certification services, including those for food; and (vii) other agriculture-related services.

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However, there are also services subindustries that will have to undergo significant restructuring, including labor shedding. Trade, for example, accounted for between 19% of employment in Uzbekistan and 40% in Pakistan in 2019, according to International Labor Organization data. The World Economic Forum’s “Future of jobs” report lists “sales representatives” among the jobs “increasingly redundant”\(^5\). Digitalization and the surge of e-commerce during the pandemic has already brought about big changes that increase employment in delivery and logistics but shrink traditional forms of employment in trade. Other services will also undergo big changes. What the net effect on employment in services and on GDP growth rates in the coming decade will be remains to be seen. Policies that facilitate the transition while mitigating potential adverse effects on certain parts of the population are needed to help avoid deep dents in growth.

Policies matter

Global technological change will deeply affect the CAREC region in various ways in the coming decade, open new opportunities, but also require deep structural changes and a fast reorientation of production, services, and employment. A lot will depend on how well the CAREC economies will be able to adjust to the new circumstances, use the opportunities while tackling the challenges, implement the policies already adopted, and advance policies further. Improved connectivity and regional cooperation will also have to play an important role.

Best to nip in the bud: prepare for future COVID-19 spikes

The CAREC region eventually kept the number of daily new confirmed COVID-19 cases at a relatively low level after several resurgences of infections since the pandemic begun in early 2020. As of 27 December 2021, more than half of the CAREC economies reported less than 10 new confirmed cases per million people per day. Mongolia, Azerbaijan and Kazakhstan that were hit by another peak of new infections earlier also saw a stark decrease in numbers, with daily new confirmed cases less than 100 per million people. The only exception is Georgia with still over 500 new confirmed cases per million people per day despite a sharp fall in infections recently (Figure 30).

Figure 30. Daily new confirmed COVID-19 cases per mln people (as of 27 December 2021)

Note: The figure shows a 7-day rolling average. The number of confirmed cases is lower than the actual number of infections due to limited testing.
Source: Our World in Data, Coronavirus (COVID-19) Cases (accessed 29 December 2021)

The Omicron variant, a new SARS-CoV-2 strain, casts a shadow over the improved COVID-19 situation of the CAREC region though. As one of five variants of concern first reported in November 2021 by the WHO, the Omicron variant has been detected in 110 countries worldwide as of 24 December and continues to spread at a rapid pace\(^6\). The variant has now become the dominant strain in several countries such as the United States, the UK and its neighboring Ireland, and will be dominant in Europe by early 2022\(^7\). In the CAREC region, the PRC and Pakistan were the first two economies to report Omicron cases, then followed by Georgia and Mongolia (Table 4). As Omicron’s “substantial growth advantage” over the Delta variant prevails, the risk of importation of Omicron cases into other CAREC economies is high. “It is spreading significantly faster than the Delta variant in countries with documented community transmission, with a doubling time between 1.5–3 days.”, the WHO said\(^8\). To delay the importation, many CAREC economies have tightened international travel controls. Some re-shut their borders while others quarantined or banned people from high-risk regions\(^9\).

| Table 4. Reported variants of concern in the CAREC economies (as of 21 December 2021) |
|---------------------------------|-----|-----|-----|-----|-----|
| Afghanistan                     | Alpha | Beta | Delta | Gamma | Omicron |
| Azerbaijan                      | ●    | -    | ●    | -    | -       |
| PRC                             | ●    | ●    | ●    | ●    | ●       |
| Georgia                         | ●    | ○    | ●    | -    | ●       |
| Kazakhstan                      | ●    | ○    | ●    | -    | -       |
| Kyrgyz Republic                 | ●    | ●    | ●    | -    | -       |
| Mongolia                        | ●    | -    | ●    | -    | ○       |
| Uzbekistan                      | ●    | ●    | ○    | -    | -       |

Notes: “●” indicates that information for this variant was received by WHO from official sources; “○” indicates that information for this variant was received by WHO from unofficial sources and will be reviewed as more information become available.  
Source: WHO, COVID-19 Weekly Epidemiological Update, authors’ compilation (accessed 29 December 2021)

Vaccination, particularly with booster shots, remains the best possible measure to protect people from Omicron despite some preliminary studies showing that the variant could evade vaccine protection\(^10\). “Various studies have shown that the antibodies a person has after two doses of a COVID vaccine were much less effective against Omicron. ... But booster jabs improve both the quality and quantity of antibodies, offering more protection.”, according to Imperial College London\(^11\). The latest lab results released by Sinovac deem to confirm this by claiming “a third dose of its COVID-19 vaccine is 94% effective against the omicron variant of the coronavirus”\(^12\). According to the WHO, currently there are 194 COVID-19 vaccine candidates in preclinical development and 137 undergoing clinical development. Among them, 50 have moved to or beyond the Phase 3 trials and 23 are being used to vaccinate the general population (Figure 31).

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\(^9\) [https://ourworldindata.org/covid-international-domestic-travel](https://ourworldindata.org/covid-international-domestic-travel)


Regardless of the achievements of vaccination campaigns, the current vaccination pace of the CAREC economies still leaves large populations of the region potentially exposed to the coronavirus. According to Our World in Data, as of 27 December 2021, seven CAREC economies were below the world average level of 57% of people at least receiving one dose of COVID-19 vaccine. Among them, the proportion in Tajikistan and Georgia was less than 40% while the proportion in the Kyrgyz Republic and Afghanistan was even below 20%. Only the PRC and Mongolia performed better than the world average, with a share of 85% and 68%, respectively. The two economies also advanced significantly faster by the share of people fully vaccinated than others, reaching 75% and 65%, correspondingly (Figure 32). In any circumstances, however, all CAREC economies need still to improve their vaccination rate, including timely administration of booster shots, to cope with current uncertainties. Non-exhaustive data show that so far only Azerbaijan, the PRC and Mongolia have started booster-shot campaigns in the region.\textsuperscript{13}

The moderate vaccination rate of the CAREC region can be attributed, at least partially, to the scarcity of vaccine supply. At present the region has on average secured and/or expected vaccines for 77.8% of its population, surpassing the threshold of 70% to reach herd immunity as recognized earlier by most public health experts. However, the high reading was largely elevated by the PRC, Mongolia and Uzbekistan which have secured vaccines for 102.6%, 126.4% and 93.4% of its population, respectively. By contrast, economies such as Azerbaijan and Pakistan with relatively a low vaccine acquisition rate still need tens of thousands of courses to reach 70% of the population (Figure 33). Meanwhile, the potentially

\textsuperscript{13} https://ourworldindata.org/covid-vaccinations
underestimated rate for herd immunity in face of new COVID strains coupled with the future need of administering booster shots to improve protection against the emerging variants will certainly widen the supply-demand gap.

Figure 33. Secured vaccines and/or expected vaccine supply of the CAREC economies, % of population (as of 23 December 2021)

![Figure 33](image)

Another headwind that hampered the fast uplifting of the vaccination rate in the CAREC region is vaccination hesitancy. The CAREC Institute published a survey report on public attitudes towards COVID-19 vaccination in selected CAREC countries in April 2021 showing that people in some CAREC economies are reluctant to get vaccinated against the coronavirus. Specifically, merely around half of respondents from Georgia, the Kyrgyz Republic and Pakistan showed strong resolution to get vaccinated (Table 5). Respondents from Kazakhstan were found with even lower determination at 22.9%. Among the seven surveyed economies, only respondents from Mongolia and Tajikistan expressed strong willingness to be vaccinated at 82.5% and 76.3%, respectively.

Table 5. If in your country coronavirus vaccination will be for FREE and your country’s scientists recognize the vaccine as safe, would you and your family members get vaccinated? (%)

<table>
<thead>
<tr>
<th>Answer options</th>
<th>Georgia</th>
<th>Kazakhstan</th>
<th>Kyrgyz Republic</th>
<th>Mongolia</th>
<th>Pakistan</th>
<th>Tajikistan</th>
<th>Uzbekistan</th>
<th>7 COUNTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definitely</td>
<td>26.6</td>
<td>8.1</td>
<td>23.0</td>
<td>62.2</td>
<td>32.6</td>
<td>55.4</td>
<td>38.8</td>
<td>35.2</td>
</tr>
<tr>
<td>Rather yes</td>
<td>23.6</td>
<td>14.8</td>
<td>26.0</td>
<td>20.3</td>
<td>20.0</td>
<td>20.9</td>
<td>27.8</td>
<td>21.9</td>
</tr>
<tr>
<td><strong>Total percentage</strong></td>
<td><strong>50.2</strong></td>
<td><strong>22.9</strong></td>
<td><strong>49</strong></td>
<td><strong>82.5</strong></td>
<td><strong>52.6</strong></td>
<td><strong>76.3</strong></td>
<td><strong>66.6</strong></td>
<td><strong>57.1</strong></td>
</tr>
<tr>
<td>Rather no</td>
<td>9.2</td>
<td>27.6</td>
<td>14.6</td>
<td>5.7</td>
<td>9.2</td>
<td>9.6</td>
<td>24.7</td>
<td>14.4</td>
</tr>
<tr>
<td>Definitely not</td>
<td>25.8</td>
<td>27.9</td>
<td>16.8</td>
<td>6.7</td>
<td>34.2</td>
<td>8.4</td>
<td>-</td>
<td>17.1</td>
</tr>
<tr>
<td><strong>Total percentage</strong></td>
<td><strong>35</strong></td>
<td><strong>55.5</strong></td>
<td><strong>31.4</strong></td>
<td><strong>12.4</strong></td>
<td><strong>43.4</strong></td>
<td><strong>18</strong></td>
<td><strong>24.7</strong></td>
<td><strong>31.5</strong></td>
</tr>
<tr>
<td>I am already vaccinated</td>
<td>-</td>
<td>-</td>
<td>0.3</td>
<td>-</td>
<td>-</td>
<td>0.4</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>14.8</td>
<td>21.6</td>
<td>19.3</td>
<td>5.1</td>
<td>4.0</td>
<td>5.3</td>
<td>8.5</td>
<td>11.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>


Refers to the simple average of CAREC economies.

Source: IMF-WHO COVID-19 Vaccine Supply Tracker, authors’ compilation (accessed 29 December 2021)

**Humanity will defeat the COVID-19, but only together.** As Dr. Tedros, WHO Director-General, once put “We cannot defeat this virus one country at a time. ... We can only do it with a coordinated global effort, based on the principles of solidarity, equity and sharing.”\(^{15}\) Hence, the CAREC economies should continue to strengthen cooperation in the fight against the COVID-19. The potential area not only includes timely exchanging information over the pandemic but also includes further assessing the feasibility of developing regional vaccination certificates, coordinating more manufacturers to locally produce vaccines, etc. Besides, while encouraging more population to get vaccinated, governments should accelerate the procurement of booster shots in preparation for future needs.

\(^{15}\) [https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-special-ministerial-meeting-a-vaccine-for-all](https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-special-ministerial-meeting-a-vaccine-for-all)
ANNEX: CAREC COOPERATION INITIATIVES IN THE MEDIA

CAREC governments’ cooperation initiatives

Afghanistan, Kazakhstan to strengthen ties & reopen air corridor
Date: 2021-12-27
The Minister of Trade and Industry of Afghanistan, during a meeting with the Minister of Trade and Convergence of Kazakhstan, discussed the strengthening of trade relations, the reopening of the air corridor, and the opening of representative offices of Kazakh banks in Afghanistan. Kazakh Trade and Convergence Minister Bakhit Sultanov said at the meeting that trade relations between Afghanistan and Kazakhstan had decreased by about 27% in recent months, but his country was interested in resuming them. According to the Ministry of Trade and Industry, if trade relations between Afghanistan and Kazakhstan improve and resume, the two countries will be able to transport their trade assets to South Asia, China, Russia and the European Union.
Source: Wadsam

Power transmission agreement between Afghanistan and Tajikistan
Date: 2021-12-27
Da Afghanistan Breshna Sherkat announced that it has extended the contract for electricity imports from Tajikistan until the end of 2022. Breshna said in a statement that Hafiz Mohammad Amin, the company’s general manager, had signed a contract with Tajik Electricity for another year during an official visit to Tajikistan. It is worth mentioning that during this trip, regional and development projects such as CASA-1000, construction of a 500 kV line and in the energy sector between the two sides were discussed. Breshna has expressed hope that these talks would yield favorable results in the near future.
MORE: https://wadsam.com/afghan-business-news/power-transmission-agreement-between-afghanistan-and-tajikistan/
Source: Wadsam

The border trade zone between Turkmenistan and Kazakhstan will stimulate business cooperation
Date: 2021-12-20
This initiative will allow realizing the potential for interaction between entrepreneurs of the Balkan region of Turkmenistan and the Mangystau region of Kazakhstan. Kazakhstan is interested in strengthening trade and economic relations with Turkmenistan. In 9 months of 2021, the trade turnover between the countries reached $143 million. This is 11.7% more than in the whole of 2020.
Source: Orient Information Agency

Kyrgyzstan interested to join CPEC, benefit from Gwadar Port
Date: 2021-12-8
Kyrgyzstan is interested to join CPEC and benefit from the tremendous trade opportunities from Gwadar Port. These were the remarks by the Ambassador of the Republic of Kyrgyzstan to Pakistan Ulanbek Tolutaev during a Seminar on “Business, Education and Tourism Opportunities in Kyrgyzstan” organized by The Diplomatic Insight, Institute of Peace and Diplomatic Studies, Riphah Institute of Public Policy, Riphah International University, Islamabad.
Source: The Nation
Kazakhstan and Uzbekistan to sign a Declaration of allied relations

**Date:** 2021-12-6

The head of state, Kassym-Jomart Tokayev, held talks with the President of Uzbekistan Shavkat Mirziyoyev, who arrived in the capital of Kazakhstan on a state visit, ... Moreover, we agreed to instruct the governments to take the most energetic measures in order to bring the volume of trade to $3 billion in the near future, and then to bring the volume of trade to $10 billion. This is a very high level,“ said the Head of our state.


Source: Kazpravda

Nur-Sultan hosts Uzbekistan – Kazakhstan Business Forum

**Date:** 2021-12-5

Nur-Sultan hosted Uzbekistan – Kazakhstan Business Forum and an expanded meeting of the joint Business Council. According to Uzbekistan MIFT, the events were attended by heads of key ministries, agencies, industry associations, chambers of commerce and industry, holding companies and representatives of the business community of the two countries. ...Following the forum, trade contracts and bilateral agreements were signed on the implementation of joint projects and initiatives worth $5.9 billion.


Source: UzA

Turkmenistan, Iran and Azerbaijan agreed on swap gas supplies up to 2 billion cubic meters

**Date:** 2021-11-29

A trilateral agreement on swap supplies of 1.5-2 billion cubic meters of Turkmen gas to the Republic of Azerbaijan via Iran was signed in Ashgabat on Sunday. According to IRNA, the signing took place in the presence of the Presidents of Iran and Azerbaijan - Ebrahim Raisi and Ilham Aliyev. According to the agreement reached by the oil ministers of Iran and Azerbaijan, Turkmenistan will sell Azerbaijan from 5 to 6 million cubic meters of gas per day. The tenured contract comes into force on December 1 of the current year.


Source: Orient Information Agency

Turkmenistan and Kyrgyzstan create a joint investment fund

**Date:** 2021-11-27

Ashkhabad and Bishkek conduct an active work on creation of trading homes in two countries. Chairman of the Union of Industrialists and Entrepreneurs of the Kirghiz Republic Danil Ibraev told about it in the interview to ORIENT. ...As he said, an active work on creation of joint investment fund, expansion of the nomenclature of the goods delivered from Turkmenistan, in particular textile, petrochemical production is conducted.


Source: Orient Information Agency

The governments of Turkmenistan and the PRC signed a new five-year cooperation program

**Date:** 2021-11-23

The Turkmen-Chinese Cooperation Committee made preliminary results of joint work over the past year at an online meeting on Monday. ...A number of bilateral documents were signed at the meeting, including the Program of Cooperation between the Governments of Turkmenistan and the PRC for 2021-2025 and the Program to Expand Economic Partnership. At the intergovernmental level, an Agreement on Cooperation in the Field of Cybersecurity and a Memorandum of Understanding in the Field of Biological Security were also signed.


Source: Orient Information Agency
Pak-China economic, cultural exchange centre to help Pak traders

Date: 2021-11-23
President of Pakistan Sichuan Chamber of Commerce, Li Hongwu has said that the China Pakistan Economic and Cultural Exchange Incubation center in Chengdu would help Pakistani traders to explore business opportunities in China. He aims to make the center the first stop for Pakistani people when they first arrive in Southwest China. Here they can quickly get help, learn business opportunities in China, and find sale channels in China for their products, he told China Economic Net.

Source: The Nation

Kazakhstan and Tajikistan to cooperate as part of Green Bridge Partnership Program to promote climate policies in Central Asian Region

Date: 2021-11-4
Kazakhstan and Tajikistan signed the Charter of the Green Bridge Partnership Program on Nov.2 at the Central Asian pavilion as part of the 26th session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP26) in Glasgow. …Kazakhstan initiated the Green Bridge partnership program for Central Asian countries to preserve the environment in the region in 2010.

Source: The Astana Times

Head of Uzbekistan approves creation of Development Fund with Kyrgyzstan

Date: 2021-11-4
President of Uzbekistan Shavkat Mirziyoyev approved creation of a joint Development Fund together with Kyrgyzstan. The resolution of the head of state was announced today. Prime news agency reports. An intergovernmental agreement on creation of an Uzbek-Kyrgyz Development Fund with an authorized capital of $50 million with its subsequent increase to $200 million was signed in March 2021 during the visit of the President Sadyr Japarov to Uzbekistan.

Source: 24.kg

President Tokayev visits Turkmenistan to strengthen brotherly ties of the two nations

Date: 2021-10-25
President Kassym-Jomart Tokayev went on an official state visit to Ashgabat on Oct. 24-25, where he met with President Gurbanguly Berdymukhamedov, reports the Akorda press service. …Tokayev and Berdymukhamedov agreed on the need to boost trade, which suffered from the consequences of the pandemic. ...Kazakhstan is ready to increase exports of nearly 60 commodity items worth more than $130 million to Turkmenistan, including flour and wheat, the country’s key export items.

Source: The Astana Times

During the visit of the President of Turkmenistan to Uzbekistan, 23 documents were signed

Date: 2021-10-5
In total, during the visit, 23 documents were signed, covering almost all areas of multifaceted Turkmen-Uzbek interaction, …Among them are the Agreement on the establishment and regulation of the activities of the Turkmen-Uzbek border trade zone, providing for the creation of a Trade Center in adjacent territories, the Agreement on increasing the volume of trade and expanding mutually beneficial partnerships between enterprises and companies, the Protocol on organizing the exchange of preliminary information on goods and vehicles transported across the customs border.

MORE:https://orient.tm/en/post/34696/during-visit-president-turkmenistan-uzbekistan-23-documents-were-signed
Source: Orient Information Agency
Pakistan’s first national pavilion on China’s e-commerce platform launched

Date: 2021-12-26

Pakistan’s National Pavilion on JD.com, China’s famous e-commerce platform, has been launched, aiming at providing a useful platform to Pakistani and Chinese traders to promote Pakistan’s high-quality products through China’s huge online market. Pakistan Ambassador to China, Moin-ul-Haque, inaugurated Pakistan’s first online national pavilion in China at a simple ceremony held at the Embassy of Pakistan. The national pavilion would provide a useful platform to Pakistani and Chinese traders to promote Pakistani products through China’s huge online market.


Source: The Nation

Power projects under CPEC make Pakistan energy sufficient

Date: 2021-12-21

The power projects under the China-Pakistan Economic Corridor (CPEC) have transformed Pakistan to an energy-sufficient country from an energy-deficient one, thus opening new vistas of industrial growth in the country, said an article recently published by Pakistan’s English-language daily the Pakistan Observer. With the commissioning of power projects initiated under CPEC in the first phase, over 5,000 megawatts of power was added to the national grid, said the article. The projects helped Pakistan meet its domestic and industrial energy needs and also generated a large amount of employment, according to the article.

MORE: http://www.news.cn/english/asiapacific/2021-12/21/c_1310386519.htm

Source: Xinhua

Kyrgyzstan starts export of fuel to Afghanistan

Date: 2021-12-16

Kyrgyzstan began to export fuel to Afghanistan for the first time in 10 years. Pajhwok Afghan News media outlet reports. As noted, the fuel entered the northern Kunduz province of Afghanistan through the border village and the river port of Sher Khan Bandar. Matin Yousafzai, head of the Kunduz Chamber of Commerce and Industry, said after many years, fuel imports from Kyrgyzstan had begun. He said the import of fuel via Sherkhan Bandar would not only help reduce the fuel price but would also positively impact the port’s revenue.

MORE: https://24.kg/english/217418_Kyrgyzstan_starts_export_of_fuel_to_Afghanistan/

Source: 24.kg

China’s Global Building Material to invest $50m in Pakistan

Date: 2021-12-15

Chinese internet based B2B platform, Global Building Material (GBM) has announced its plans to invest US$50 million in Pakistan. Under the investment plan, GBM will open its first branch in Lahore (Pakistan) during the current month to introduce its new one-stop shopping experience for Pakistani building material retailers, and for the purpose it will launch an app for businessmen dealing in building material. Additionally, GBM is going to make comprehensive digital port zone in Karachi which includes a warehouse, digital centre, data center plus logistics center.


Source: The Nation

New retailer entering Uzbekistan

Date: 2021-12-8

A new retailer entered the Uzbek market. Magnum, a Kazakh retailing company, opened its first supermarket in Tashkent on 11 December 2021, and opened its second store just a week later. The company announced its plan to become a large foreign investor and promised to invest at least USD 5 million in each supermarket in Uzbekistan. Spot talked with Askar Mnайдар, CEO of Magnum Uzbekistan,
about the branding in Uzbekistan, what’s new to Uzbek consumers, investment progress of the project and the challenges the team is facing.

MORE: https://www.spot.uz/ru/2021/12/08/magnum/
Source: Spot.uz, authors’ translation.

Chinese-Kazakh joint venture starts production of nuclear fuel assemblies

Date: 2021-11-12
A nuclear fuel assemblies plant built by a Chinese-Kazakh joint venture was put into operation on Wednesday in the city of Ust-Kamenogorsk in the East Kazakhstan Region, the press service of China General Nuclear Power Corporation (CGNPC) Uranium Resources Co. Ltd said. With an operation period of 20 years, the project is jointly funded by CGNPC Uranium Resources and Kazakhstan's national atomic company Kazatomprom. The project officially started in December 2016. It is designed to produce 200 tons of uranium nuclear fuel components annually, which are used for generating thermal power inside a nuclear reactor. The fuel assemblies can satisfy the need of 8 million kilowatt nuclear power units.

MORE: http://www.news.cn/english/asiapacific/2021-11/12/c_1310305544.htm
Source: Xinhua

Chinese, Pak companies signed ICAs worth $34m at Pak Industrial Expo

Date: 2021-11-7
Chinese and Pakistani companies signed intended cooperation agreements (ICAs) worth $34 million in different sectors including construction, engineering, manufacturing, technology transfer etc during recently concluded three-day Pakistan Industrial Expo 2021. As per details, at least 9 Chinese companies are considering to have long-term development projects in Pakistani market as a result of interaction between both sides at the expo.

Source: The Nation

CAREC intra-regional economic highlights

Trade turnover between China and Kyrgyzstan increases 1.7 times

Date: 2021-12-28
The trade turnover between China and Kyrgyzstan has grown significantly compared to 2020. The information was announced at a meeting of representatives of the PRC with Chinoologists in the Kyrgyz Republic. ...The parties noted that the trade turnover increased 1.7 times compared to last year — up to $718.2 million. Prospects for cooperation have emerged within the framework of a large-scale international financial organization initiated by Beijing — One Belt, One Road. The parties added that 2022 would mark the 30th anniversary since the establishment of diplomatic relations between China and Kyrgyzstan. The PRC was one of the first to recognize the independence of the Kyrgyz Republic.

MORE: https://24.kg/english/218771_Trade_turnover_between_China_and_Kyrgyzstan_increases_17_times/
Source: 24.kg

Kazakhstan among top three trade partners of Uzbekistan

Date: 2021-12-24
Kazakhstan is among the top three trade partners of Uzbekistan with bilateral trade reaching $3.5 billion between January and November, according to Uzbekistan’s State Statistics Committee. ...Exports to Kazakhstan peaked above $1 billion, while imports reached $2.48 billion. This is a significant increase compared to the same period in 2020 when trade turnover was $2.6 billion. Back then, Uzbekistan imported goods and services from Kazakhstan worth $1.8 billion and exported up to $818 million. China and Russia are the top two trading partners of Uzbekistan, with $6.7 billion and $6.6 billion in trade, respectively.

Source: The Astana Times
Trade between Azerbaijan and Georgia increases by 33 percent

Date: 2021-12-14
The trade between Azerbaijan and Georgia increased by 33 percent in January-October this year, said Azerbaijan’s Minister of Economy Mikayil Jabbarov at the Azerbaijan-Georgia-Turkey business forum in Baku. "Azerbaijan is one of the largest investors in Georgia. To date, Azerbaijan has invested $ 3.3 billion in Georgia," Jabbarov added.
MORE: https://azertag.az/en/xember/Trade_between_Azerbaijan_and_Georgia_increases_by_33_percent-1951144
Source: Azertag

Trade between Kazakhstan and Kyrgyzstan grows nine percent in 2021

Date: 2021-12-9
Trade turnover between Kazakhstan and Kyrgyzstan reached US$680 million, growing by nine percent over the first nine months of 2021, said President Kassym-Jomart Tokayev as he welcomed Chair of Kyrgyzstan’s Cabinet of Ministers and Chief of the Presidential Administration Akylbek Japarov in Akorda on Dec. 8. This is also 1.2 percent higher than in the first nine months of pre-pandemic 2019. Kazakhstan and Kyrgyzstan now seek to bring the volume of trade up to $1 billion.
Source: The Astana Times

Pakistan’s exports to China up 76pc in first 3 quarters

Date: 2021-11-19
Pakistani Consul General, Shanghai, Hussain Haider has said that 2021 has been an excellent year for Pakistan-China bilateral trade. Driven by China-Pakistan Free Trade Agreement Phase, Pakistan exports to China have increased more than 76% year-on-year in the first three quarters despite the pandemic. “We believe that by the end of this year, our exports to China will cross $3 billion and that will be one of our highest-ever exports to China,” he said in an interview with China Economic Net (CEN).
MORE: https://nation.com.pk/19-Nov-2021/exports-to-china-up-76pc-in-first-3-quarters
Source: The Nation

China remains Mongolia's top export destination, import supplier in first 10 months

Date: 2021-11-18
China remains Mongolia's top export destination in the first 10 months of this year, accounting for 86.3 percent of Mongolia's total exports, the Mongolian National Statistics Office (NSO) said Thursday. The world's second-largest economy also remained Mongolia's top import supplier in the January-October period, accounting for 39.7 percent of the latter's total imports, the NSO said.
Source: Xinhua

Goods turnover between Turkmenistan and Kazakhstan has grown by 30% since the beginning of the year

Date: 2021-10-25
For 8 months of the current year goods turnover between Turkmenistan and Kazakhstan has grown more than 30% as compared with the similar period of the past year. ...Tokaev noted that Kazakhstan is ready to increase export of 60 commodity positions for a total sum more than 130 million US dollars to Turkmenistan. ...Following the results of negotiations, the Memorandum of mutual understanding on trading cooperation between the Ministry of Trade and Foreign Economic Relations of Turkmenistan and the Ministry of Trade and Integration of the Republic of Kazakhstan was signed.
Source: Orient Information Agency

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