



CAREC Institute

Quarterly Economic Monitor

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This thirteenth issue of the CAREC Institute Quarterly Economic Monitor is co-authored by Hans Holzhacker, Chief Economist at the CAREC Institute, Shiliang Lu, Research Specialist at the CAREC Institute, and Merdan Yazyyev, Research Expert at the CAREC Institute.

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Abbreviations

ADB	Asian Development Bank
ADO	Asian Development Outlook
CAREC	Central Asia Regional Economic Cooperation
CIF	Cost Insurance and Freight
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
FDI	Foreign Direct Investment
FOB	Free on Board
GDP	Gross Domestic Product
GEP	Global Economic Prospects
IMF	International Monetary Fund
PRC	People's Republic of China
QEM	Quarterly Economic Monitor
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter
WB	World Bank
WEO	World Economic Outlook
yoy	year-on-year

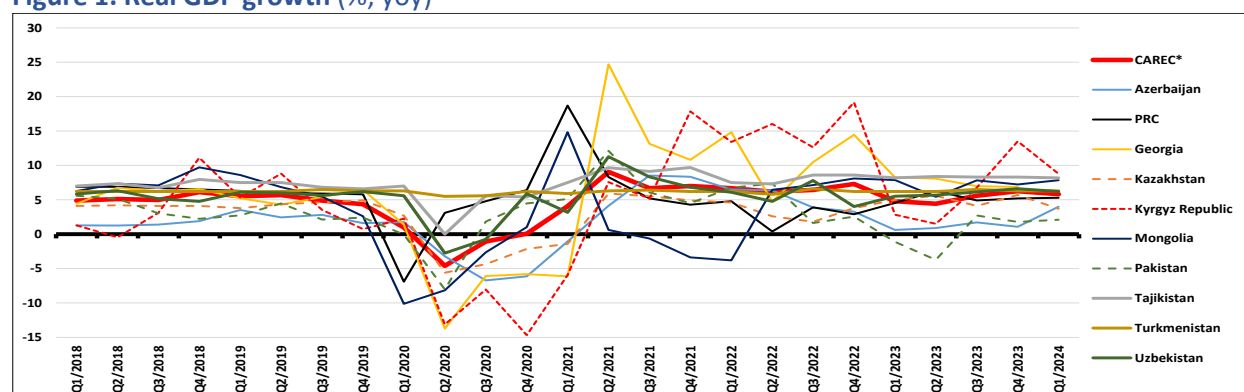
Continued robust growth in early 2024 - with some slowdown expected for 2024 as a whole and for 2025, and with some slowdown in export growth

Real GDP growth has remained generally rather high in early 2024 in the CAREC region and exceeded in most countries the growth rates of 2023. Consumption growth as indicated by retail sales was solid. GDP growth was mostly driven by manufacturing and by services such as trade and information technology. While being more affected by crises than overall GDP, long-term growth of services is faster than overall GDP growth also in the CAREC region, as is the case in other parts of the world. Mining is still highly volatile and developments there might need more research and specific attention by the authorities. Exports showed some signs of slowing down in early 2024 even though commodity prices have been largely stable. This might require the acceleration of trade facilitation and investment attraction measures to counter this trend, and even more so the re-strengthening of policies to diversify export products and to upgrade required technologies and competitiveness. New efforts to attract foreign direct investment (FDI) might be supportive of this while policies need to ensure that FDI actually contributes to technology transfer and an improved local production potential.

Growth generally accelerated in Q1 2024 from 2023; International Financial Institutions forecast some deceleration for 2024 as a whole and for 2025, but not a very dramatic one.

Most CAREC economies saw GDP growth accelerate in Q1 2024 compared with 2023 as well as compared with the average of the five years before the COVID-19 pandemic. Growth was higher in Q1 2024 than in 2023 in Azerbaijan, the PRC, the Kyrgyz Republic, Mongolia, Pakistan and Uzbekistan (Figure 1, Table 1,). It was higher compared to 2015-19 in all member economies with data availability except for the PRC, Pakistan and Turkmenistan. Turkmenistan's real GDP growth rate remained unchanged at 6.3% yoy in Q1 2024 from 2023 and from 2015-19. The rather strong growth in most member economies led average CAREC real GDP growth to accelerate to 5.8% yoy in Q1 2024 from 5.2% yoy in 2023 and 4.5% yoy in 2015-19.

Figure 1. Real GDP growth (% , yoy)



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

Note: Some economies don't provide quarterly data, but publish only by longer periods, e.g. Jan-Sep; the figures in this chart are rough estimates by the authors how these data translate into growth rates of separate quarters.

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

International financial institutions (IFIs) forecast somewhat slower growth for the full year of 2024 than the turn out in Q1 2024. ADB-IMF-WB foresee growth in all member economies with data availability except for Kazakhstan to turn out slightly lower in 2024 as a whole than in Q1 2024 (Table 1). For all economies except for Azerbaijan and Pakistan this applies also compared to 2023. By contrast, ADB-IMF-WB expect growth to accelerate in Azerbaijan to 1.2-2.8% yoy in 2024 from 1.1% yoy in 2023; in Pakistan to 1.8-2.0% yoy in 2024 from -0.2% yoy in 2023. For 2025, ADB-IMF-WB project growth to re-accelerate

in Kazakhstan, Mongolia, Pakistan, and Uzbekistan compared to 2024, whereas in the rest of the economies to slow further. An exception is Azerbaijan, where growth is expected to average 2.1% yoy both in 2024 and in 2025.

Table 1. Real GDP growth (% , yoy)

	2015-2019	2021	2022	2023	2024 Q1	2024F	2025F	2024F			2025F		
						Average ADB, IMF and WB		ADB	IMF	WB	ADB	IMF	WB
Afghanistan	1.9	-20.7	-6.2										
Azerbaijan	0.8	5.6	4.6	1.1	4.0	2.1	2.1	1.2	2.8	2.3	1.6	2.3	2.4
PRC	6.7	8.4	3.0	5.2	5.3	4.9	4.4	4.8	5.0	4.8	4.5	4.5	4.1
Georgia	4.0	10.5	10.4	7.0	-	5.3	5.2	5.0	5.7	5.2	5.5	5.2	5.0
Kazakhstan	2.5	4.3	3.2	5.1	3.7	3.4	5.2	3.8	3.1	3.4	5.3	5.6	4.7
Kyrgyz Republic	4.2	5.5	9.0	6.2	8.8	4.6	4.3	5.0	4.4	4.5	4.5	4.2	4.2
Mongolia	3.9	1.6	5.0	7.0	7.8	5.1	6.2	4.1	6.5	4.8	6.0	6.0	6.6
Pakistan*	3.8	5.8	6.2	-0.2	2.1	1.9	2.9	1.9	2.0	1.8	2.8	3.5	2.3
Tajikistan	6.9	9.2	8.0	8.3	8.2	6.5	5.2	6.5	6.5	6.5	6.5	4.5	4.5
Turkmenistan	6.3	5.0	6.2	6.3	6.3	4.4	4.2	6.5	2.3		6.0	2.3	
Uzbekistan	5.8	7.4	5.7	6.0	6.2	5.3	5.5	5.5	5.2	5.3	5.6	5.4	5.5
CAREC	4.5	6.3	6.1	5.2	5.8	4.4	4.5	4.4	4.4	4.3	4.8	4.4	4.4

*The column labeled 2021 refers to FY2020/21, 2022 refers to FY2021/22, and so on.

** To keep growth rates comparable, Afghanistan is not part of the CAREC average because data unavailability since 2022.

Note: Green figures indicate faster growth than in 2023, red figures slower growth.

Sources: CEIC, national statistical offices, ADB (ADO, April 2024 forecasts), IMF (WEO, April 2024 forecasts, 2024 Article IV Mission to the PRC), WB (GEP, June 2024 forecast), authors' calculations based on data from national statistical agencies and news.

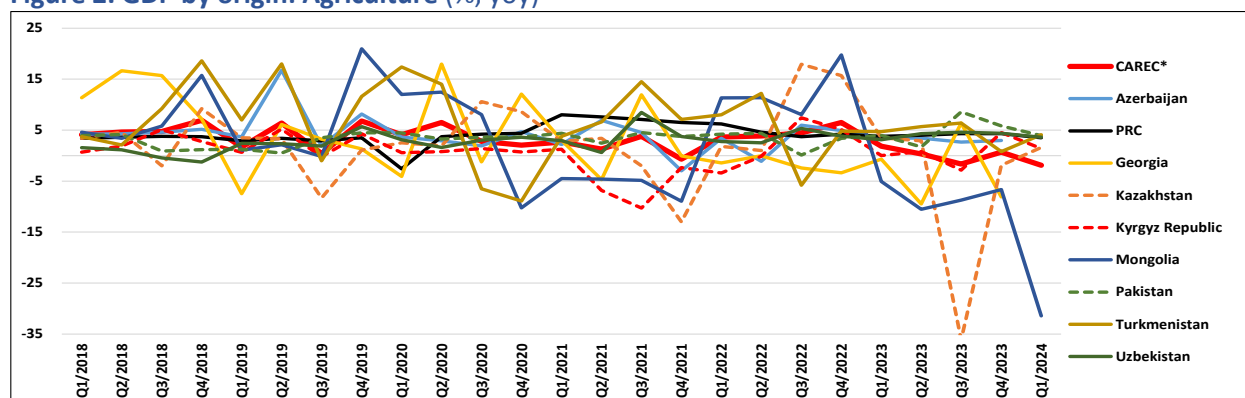
GDP by components: manufacturing and services were the most dynamic elements in Q1 2024; long-term services are the fastest growing component of GDP.

Growth in agriculture turned out between 3.5% and 4.1% yoy in about one-half of the CAREC members in early 2024, was slightly below this growth rates in others, and remained generally below overall GDP growth. On average in the region, value added¹ in agriculture contracted by 1.9% yoy at constant prices in Q1 2024, after a 0.3% yoy growth in 2023 (Figure 2). However, this average is strongly influenced by Mongolia's sharp contraction by 31.4% yoy in Q1 2024 caused by a "dzud" (heavy snow), which caused the death of more than 5 million livestock animals². Excluding Mongolia, the average growth rate was 3.0% yoy in Q1 2024, up from 1.3% yoy in 2023. The PRC, Pakistan, Turkmenistan, and Uzbekistan recorded growth rates of 3.5%, 3.9%, 4.1%, and 3.6% yoy, respectively. Growth in the Kyrgyz Republic was 1.4% yoy in Q1 2024 after 0.6% yoy in 2023. In Kazakhstan growth recovered to still not very high 1.6% yoy in Q1 2024 from a contraction in 2023 because of a slump by 36.1% yoy in Q3 2023. Except for Pakistan, growth in agriculture was lower in all CAREC members with data availability than overall GDP growth.

¹ The Monitor analyses here components of real GDP. All components are looked at in national currency at constant prices.

² <https://mongolia.gogo.mn/r/oljgd>

Figure 2. GDP by origin: Agriculture (% yoy)

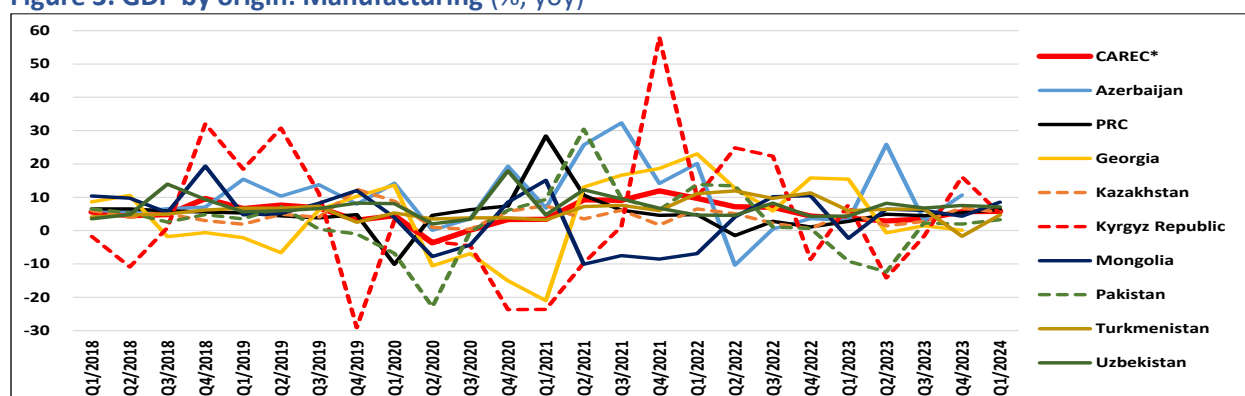


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

Value added growth in manufacturing accelerated in Q1 2024 compared to 2023 and was higher than overall GDP growth in several member countries. Average CAREC growth in manufacturing accelerated to 5.8% yoy in Q1 2024 from 4.0% yoy in 2023 (Figure 3). All member economies with data availability saw stronger growth in Q1 2024 than on average in 2023. In all member economies except Turkmenistan and Pakistan growth was higher than 5% yoy in Q1 2024, in Turkmenistan and Pakistan still 4.7% yoy and 3.3% yoy, respectively. In Turkmenistan this came after a slight contraction in Q4 2023 and in Pakistan after a severe contraction in the first half of 2023. Growth in manufacturing turned out above overall GDP growth in the PRC, Kazakhstan, Mongolia, Pakistan, and Uzbekistan.

Figure 3. GDP by origin: Manufacturing (% yoy)



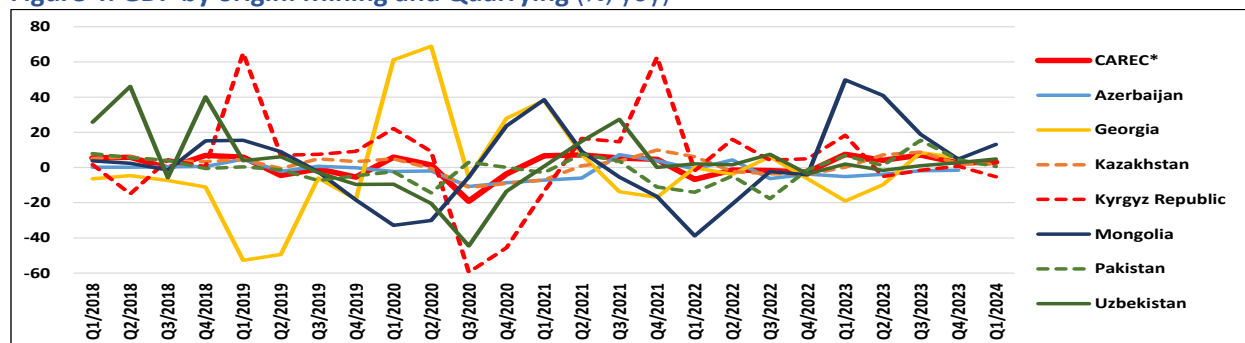
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

Growth in mining³ value added has remained volatile, and member countries have still not consistently outgrown 2019 levels. Year-on-year growth in mining at constant prices in Kazakhstan and Pakistan has decelerated for three consecutive quarters since Q3 2023 to 1.9% and 0.6% yoy, respectively, in Q1 2024 (Figure 4). In the Kyrgyz Republic, growth returned to a negative reading of 5.2% yoy in Q1 2024 after a marginal acceleration to 0.7% yoy in Q4 2023 from -1.5% yoy in Q3 and -5.1% yoy in Q2. However, Mongolia resumed double-digit growth of 13.1% yoy in mining in Q1 2024 after 4.7% yoy growth in Q4 2023 and spikes of over 40% yoy in the first half of 2023. Uzbekistan recorded 4.9% growth in Q1 2024 compared with average growth of 1.0% yoy in 2023. As the result of the high volatility and in part not sustained growth, value added in mining - in contrast to the other GDP components - has not yet consistently exceeded pre-pandemic 2019 levels in most CAREC economies (Figure 5).

³ Mining includes also oil and gas.

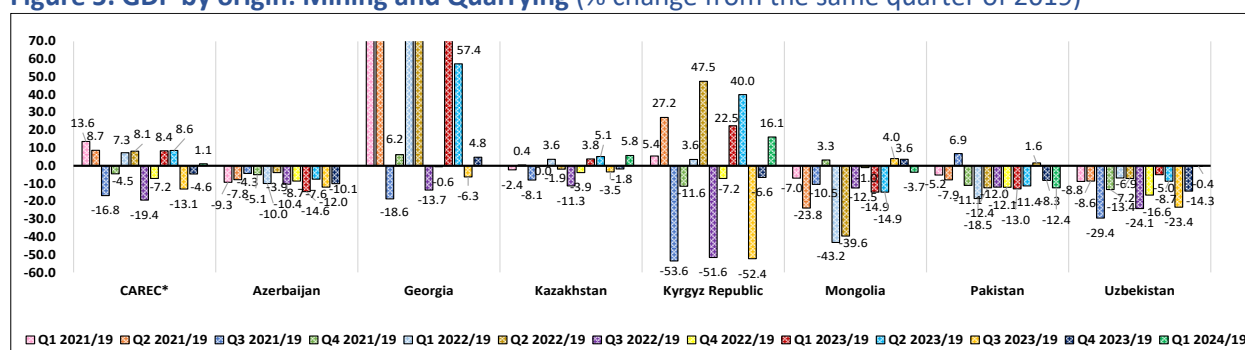
Figure 4. GDP by origin: Mining and Quarrying (% yoy)



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

Source: CEIC, authors' calculations.

Figure 5. GDP by origin: Mining and Quarrying (% change from the same quarter of 2019)

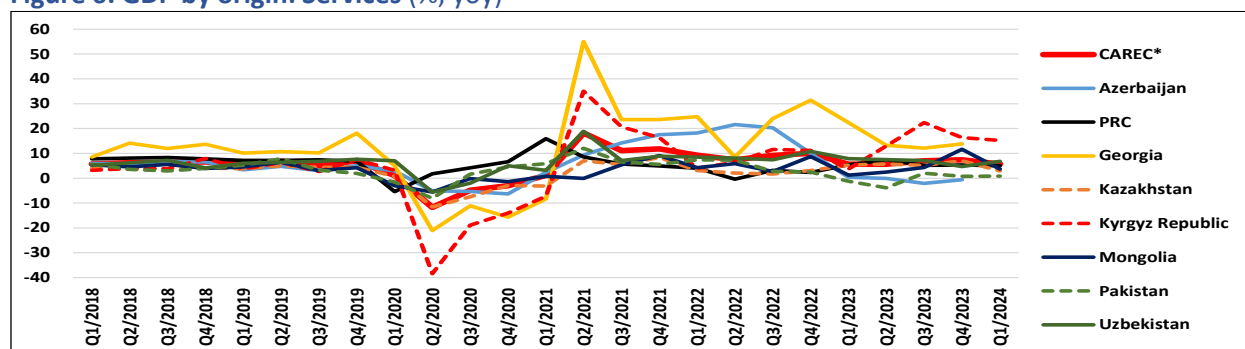


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

Value added growth in services generally slightly eased in Q1 2024, but accelerated in the Kyrgyz Republic and Pakistan. Average CAREC growth in services at constant prices slowed from average 6.4% yoy in 2023 to still respectable 5.7% yoy in Q1 2024 (Figure 6); Azerbaijan and services-heavy Georgia have not published Q1 2024 data yet. Growth in services was at 0.8% and 15.2% yoy in Pakistan and the Kyrgyz Republic, respectively, higher in Q1 2024 than in 2023 and unchanged at 6.8% yoy in Uzbekistan. It was lower in the PRC, but services still grew at a robust rate of 5.0% yoy. Kazakhstan, and Mongolia saw 2.9% and 3.7% yoy growth, respectively. In Turkmenistan, services grew by 7.6% yoy in Q1 2024, higher than the full-year growth rate of 5.1% yoy in 2023. Growth in services was higher than overall GDP growth in Uzbekistan, and especially in the Kyrgyz Republic.

Figure 6. GDP by origin: Services (% yoy)



Note: Services here include wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage, accommodation and food service activities, and information and communication.

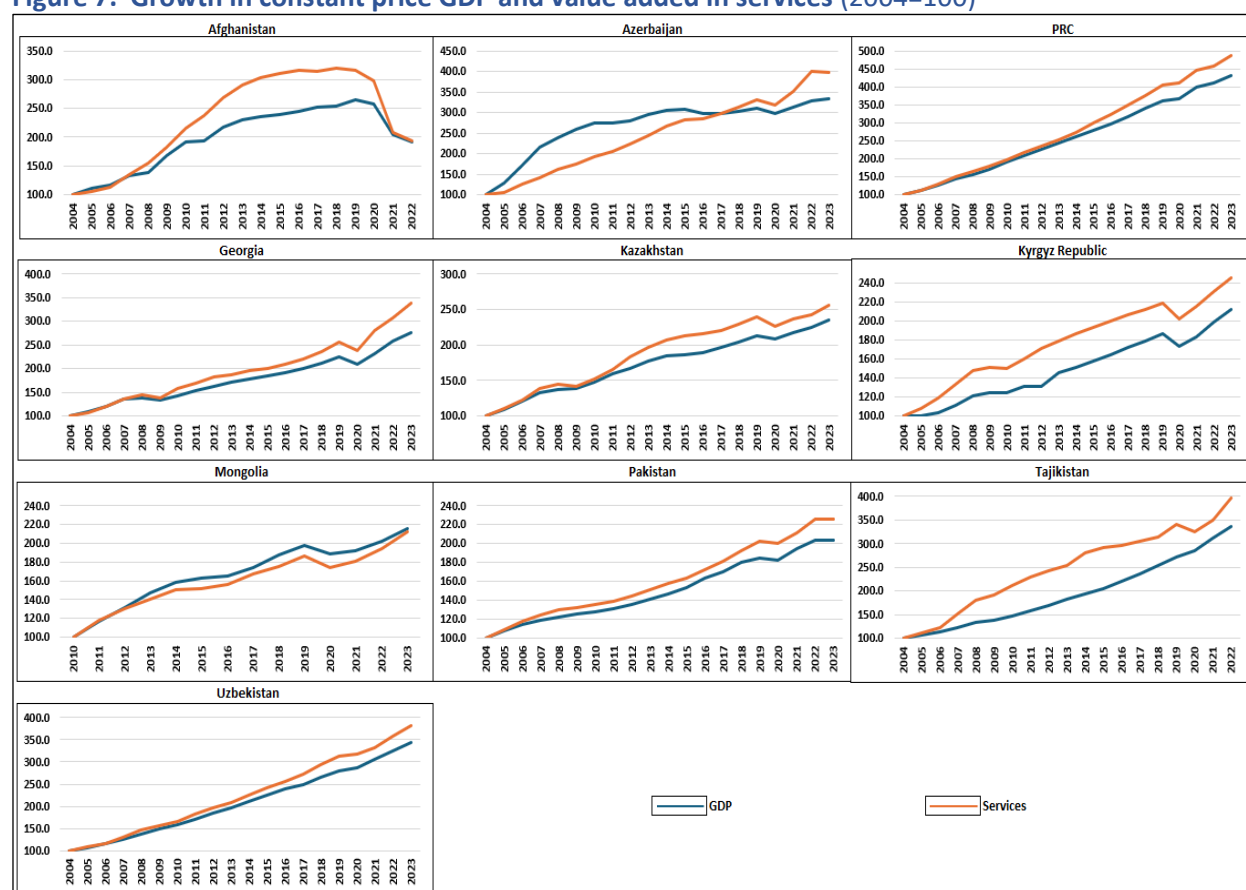
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

Excursion I: The relation of growth in services and growth in GDP in a long-term perspective

Whereas services were the fastest growing component of GDP only in Uzbekistan and the Kyrgyz Republic in Q1 2024, they are long-term clearly the most dynamic element of GDP in most CAREC economies. This is in line with the global trend. Figure 7 sets the year 2004 as the starting point and depicts how constant price GDP and value added in services moved from there. In all CAREC economies except for Afghanistan and Mongolia value added in services exceeded overall GDP by 2023. The relative growth of the two reflects deeply rooted socio-economic developments and sector characteristics in the respective countries. In Azerbaijan, for example, the initial faster growth of GDP than services, is related to the development of the oil industry. In Mongolia as well mining plays a crucial role for the pattern there. In the Kyrgyz Republic and in Tajikistan services grew faster than GDP particularly until 2009-10, then also there mining and related industries seem to have taken over. In the PRC, little difference between overall GDP and services can be seen until 2012. However, from then on, the PRC has begun to develop services particularly fast.

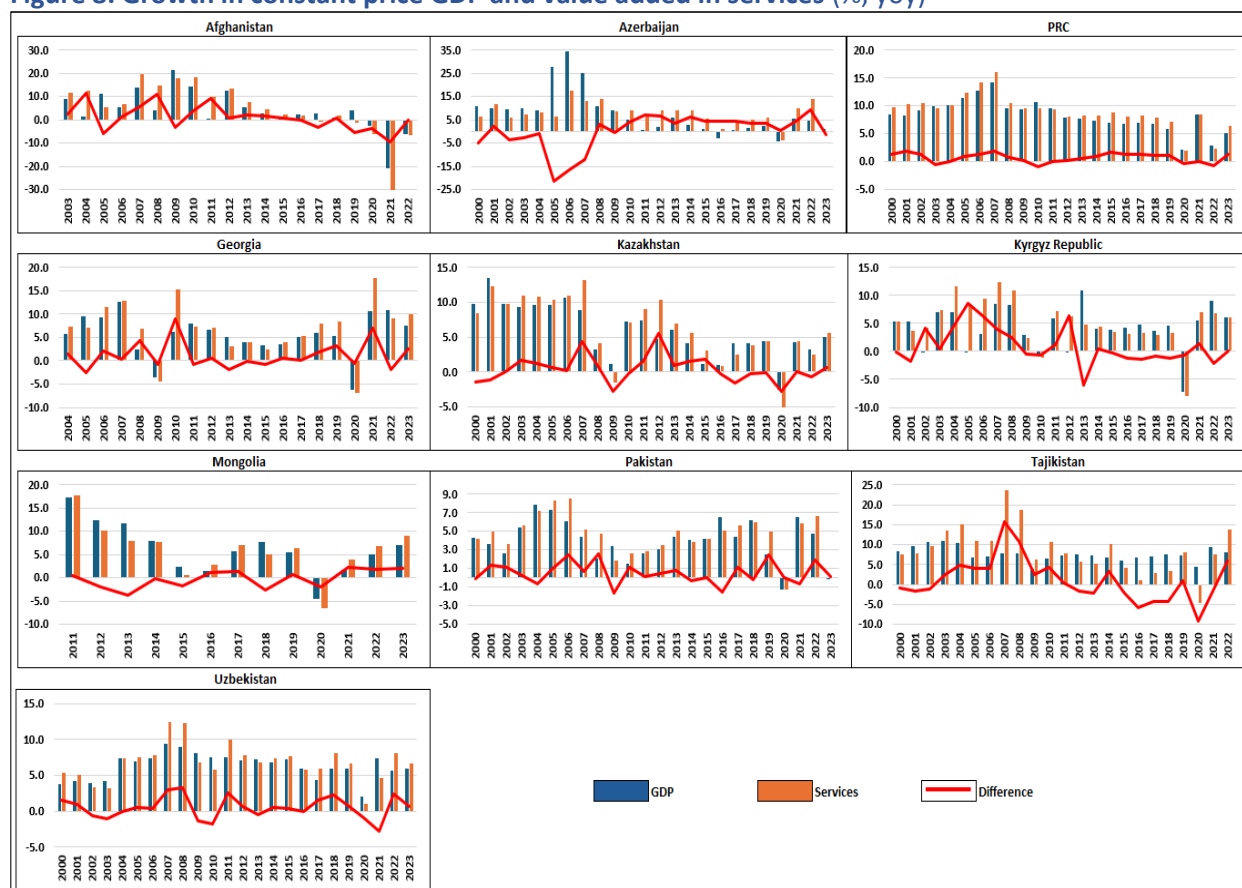
Figure 7. Growth in constant price GDP and value added in services (2004=100)



Note: For Mongolia the data are available only since 2010.

Source: World Bank, World Development Indicators, authors' calculations.

Figure 8. Growth in constant price GDP and value added in services (% , yoy)



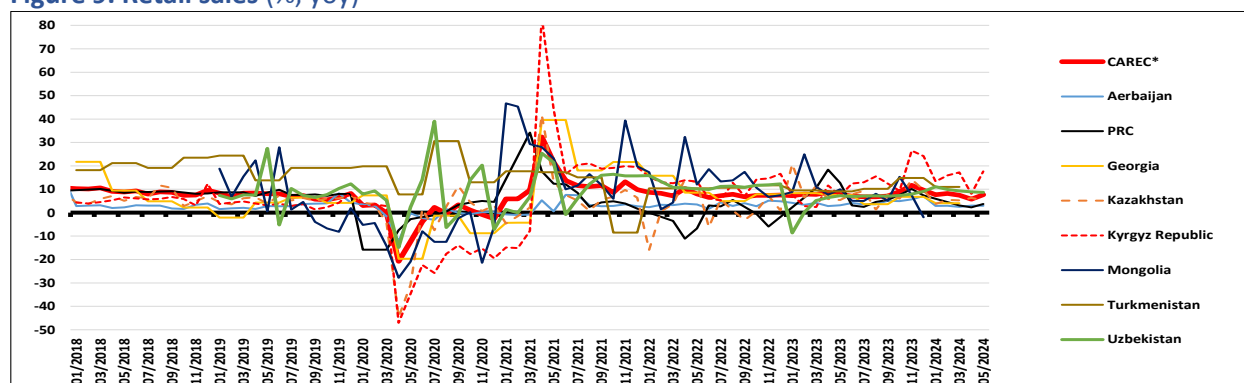
Note: For Afghanistan the data are available since 2003, for Georgia since 2004, and for Mongolia only since 2011.
Source: World Bank, World Development Indicators, authors' calculations.

Figure 8 shows the growth rates of GDP and services separately for every year. A stylized fact evident from the figure is that crisis years such as 2009-10 and 2020-21 affect services more strongly than GDP. This can be seen particularly clearly for Kazakhstan, but also for Uzbekistan, Pakistan, and the PRC, and is to some extent also visible in most other CAREC economies as well.

High frequency indicators: generally continued robust growth

Growth in retail sales remained decent in early 2024, with some CAREC economies seeing some slowdown compared with 2023 but others delivering double-digit growth. Constant price retail sales were 7.7% higher in January-May 2024 than in the same period a year earlier on average in the CAREC region compared with growth of 6.4% in 2023 (Figure 9). The Kyrgyz Republic, Turkmenistan, and Uzbekistan made the highest contributions to this growth with double-digit growth rates of 14.4%, 11.0%, and 13.3% yoy, respectively. Retail sales were not surging as much in Azerbaijan, the PRC, Georgia and Kazakhstan, but were also up by 2.9%, 3.0%, 4.1%, and 5.2% yoy, respectively, somewhat less, however, than in 2023.

Figure 9. Retail sales (% , yoy)

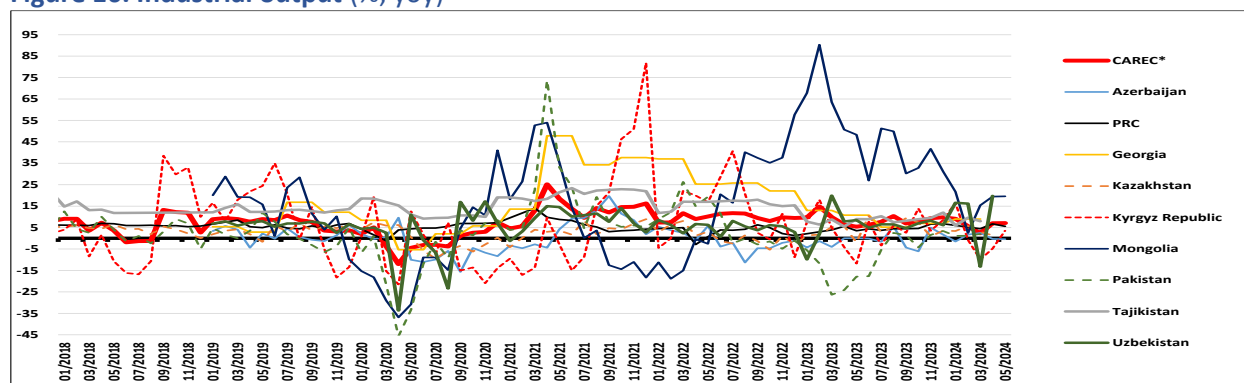


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

Industrial output growth slightly moderated on average in the CAREC region in January - May 2024, but one-half of economies recorded higher growth rates than in the same period of last year. Average CAREC growth in industrial output decelerated to 6.0% yoy in January-May 2024 from 8.5% yoy in 2023 (Figure 10). However, this was strongly influenced by the drastic deceleration of Mongolia's growth from extraordinarily high 48.7% in 2023 to still high 15.7% yoy in Jan-May 2024. Other countries with high growth rates in Jan-May 2024 are Uzbekistan with 9.8% yoy and Georgia with 9.0% yoy, followed by Tajikistan with 7.9% yoy and the PRC with 5.6%. Azerbaijan recorded only 0.4% yoy growth, the Kyrgyz Republic 0.9% yoy, and Pakistan 1.5% yoy. For Pakistan this comes after a severe contraction in 2023.

Figure 10. Industrial output (% , yoy)



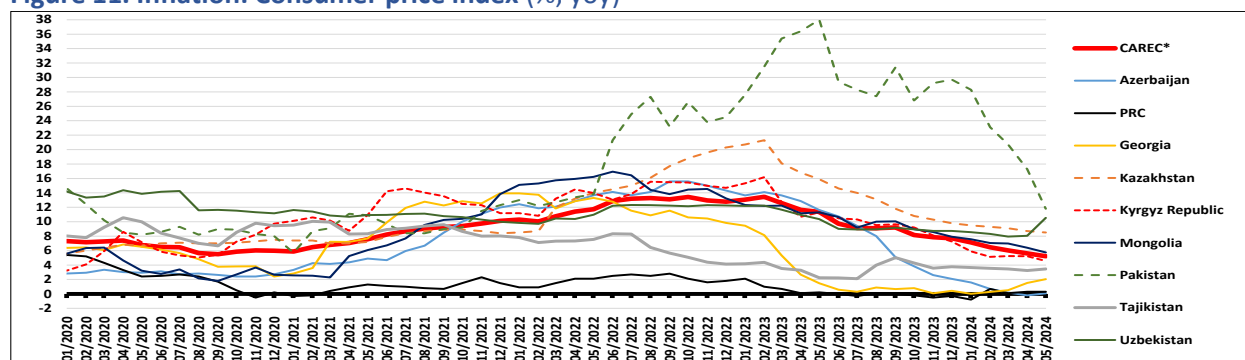
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

Inflation: lower in high-inflation economies, slightly up in low-inflation economies

Inflation continued to recede in the CAREC region, yet in some low-inflation member economies consumer prices began to pick up again. Average CAREC annual inflation eased to 5.2% yoy in May 2024 from a peak of 13.4% yoy in February 2023 (Figure 11). In relatively higher inflation economies such as Kazakhstan, the Kyrgyz Republic, and Mongolia, inflation continued to recede in 2024 and returned to single digits. Pakistan also saw a sharp drop, but the rate was still 11.8% in May 2024. Uzbekistan's inflation climbed up to 10.5% again in May 2024 after easing to a low of 7.9% in March 2024. In low-inflation economies such as Azerbaijan, the PRC, Georgia, and Tajikistan, consumer price growth re-accelerated, only marginally though.

Figure 11. Inflation: Consumer price index (% , yoy)



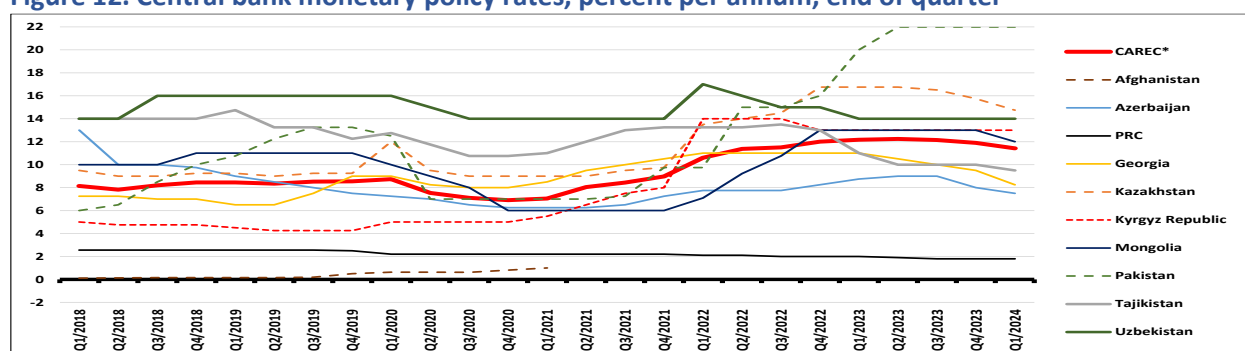
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

Monetary policy: some easing, some continuation, no tightening

Five CAREC central banks eased their monetary policy stance and cut their main policy interest rates during Q1 2024, whereas four left them unchanged. Azerbaijan once again lowered its policy rate by 50 basis points (bps) in Q1 2024 to 7.50 percent after a 100 bps cut in Q4 2023 (Figure 12). Georgia and Kazakhstan cut their policy rates in consecutive four and three quarters respectively to 8.25% and 14.75% in Q1 2024. Mongolia and Tajikistan lowered their policy rates in Q1 2024, to 12.00% and 9.50%, respectively, after they kept the rates unchanged in the three quarters before. The PRC, the Kyrgyz Republic, Pakistan, and Uzbekistan kept rates unchanged in Q1 2024, at 1.80%, 13.00%, 22.00%, and 14.00%, respectively.

Figure 12. Central bank monetary policy rates, percent per annum, end of quarter



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

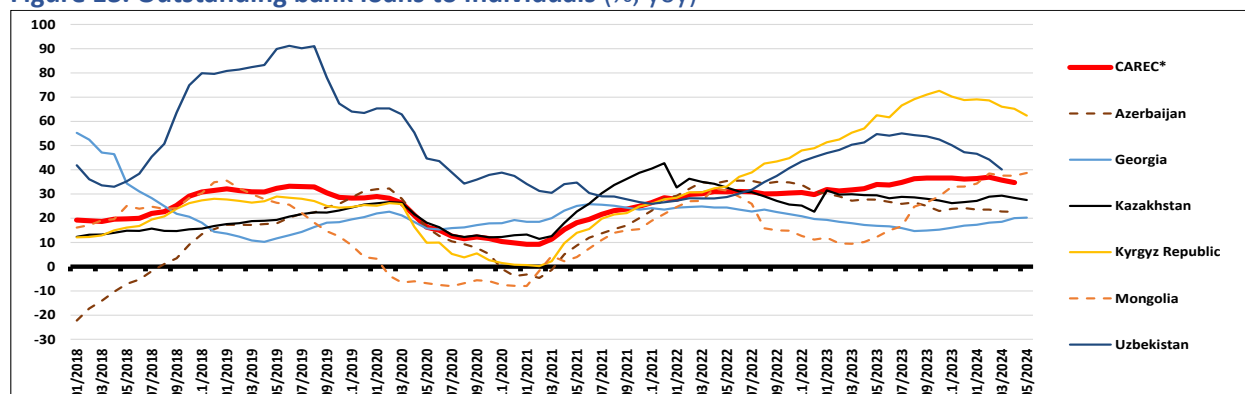
Source: CEIC, authors' calculations

The more accommodative monetary policy allowed credit growth to accelerate; in Uzbekistan and especially the Kyrgyz Republic growth in credit to individuals somewhat decelerated but has remained extremely high. Credit growth to individuals accelerated to 20.2% yoy in May 2024 in Georgia from 16.9% in December 2023, to 27.5% yoy from 26.7% in Kazakhstan, and to 38.7% yoy from 33.1% in Mongolia (Figure 13). In Azerbaijan growth in credit to individuals eased by contrast to 22.6% in April 2024 from 24.2% in December 2023. In the Kyrgyz Republic growth in credit to individuals was 6.4 percentage points lower than in December 2023 but stood still at impressive 62.4% yoy in May 2024. In Uzbekistan growth was 40.1% yoy in March 2024, compared with 47.2% in December.

Corporate loan growth accelerated to 22.0% yoy in Georgia in May 2024 from 15.7% yoy in December 2023, and to 14.7% yoy in May from 12.6% yoy in December in Mongolia (Figure 14). It decelerated slightly to 9.6% yoy by May in Kazakhstan from 11.9% yoy in December, and to 7.7% yoy in March from 11.0% in December in Uzbekistan.

Credit growth, especially to individuals, has thus remained rather high in nominal terms in some of the CAREC economies despite lower inflation rates, leading to significant expansion in real terms. While this supports the economy, this might lead to some strain in the banking sector if loan takers become overindebted. The developments need some attention from the side of the authorities.

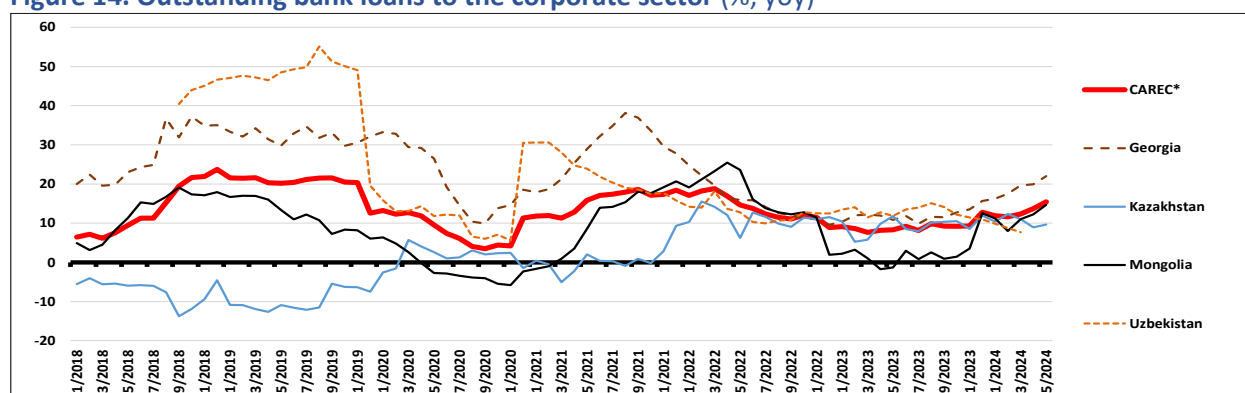
Figure 13. Outstanding bank loans to individuals (% , yoy)



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

Source: CEIC, authors' calculations.

Figure 14. Outstanding bank loans to the corporate sector (% , yoy)

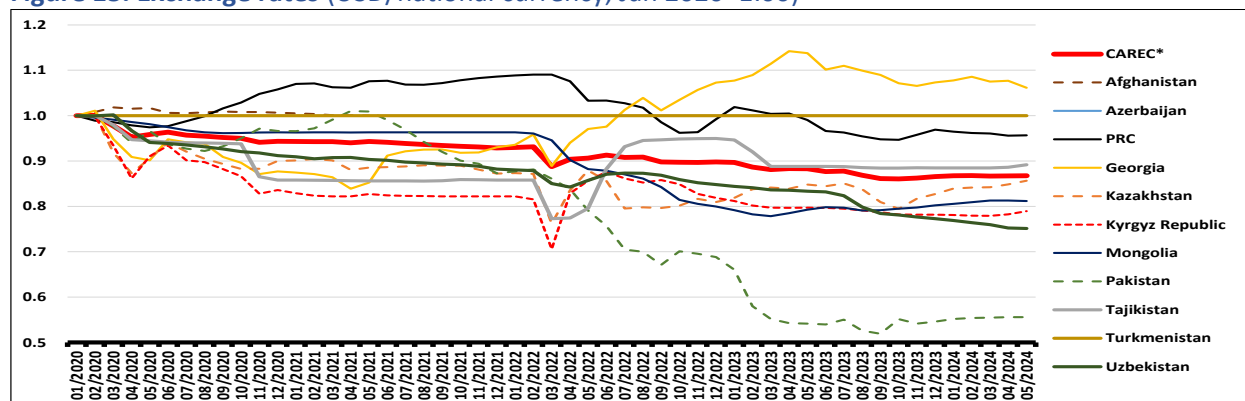


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

Thanks to CAREC countries prudent monetary policies and no major balance of payment strains, exchange rates have largely stabilized since late 2023 or even slightly appreciated in some CAREC economies. The PRC saw a slight weakening of its currency by 1.3% between December 2022 and May 2024, Georgia by 1.1%, and Uzbekistan by 2.8% (Figure 15). In Azerbaijan and Turkmenistan exchange rates remained unchanged. In the other countries exchange rates appreciated between 0.8% (Tajikistan) and 3.5% (Kazakhstan). With inflation down but still at 8.5% in Kazakhstan, for example, or 11.8% in Pakistan, the stability of the exchange rate leads to appreciation in real terms, which might erode competitiveness to some extent. Inflation will thus need to come down further, or exchange rates need to weaken again to some extent, or there has to be a significant increase in productivity to preserve high-inflation countries' competitiveness.

Figure 15. Exchange rates (USD/national currency, Jan 2020=1.00)



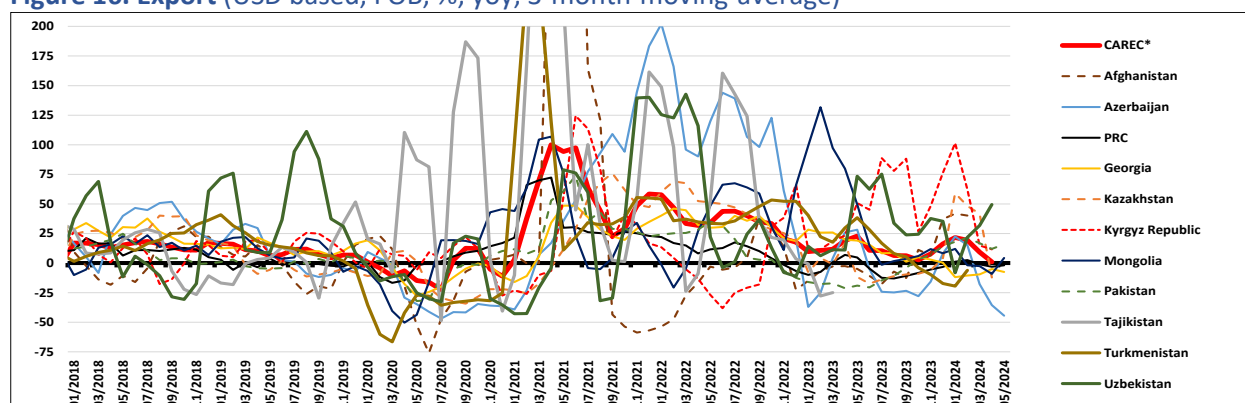
*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, Trading Economics, authors' calculations.

External sector – some slowdown in exports, some worsened trade balances, some lower capital flows in some member economies

Several CAREC economies had strong export growth in early 2024, but others experienced severe contractions. Pakistan saw export growth of 15.8% yoy in USD-terms in the three months to May 2024, Mongolia 4.3% yoy, Uzbekistan 49.4% yoy in the three months to April, and Afghanistan 40.2% yoy in the three months to February 2024 (Figure 16). Export growth in Uzbekistan and Afghanistan sharply re-accelerated after a contraction in late 2023 and January 2024. Azerbaijan, by contrast, experienced a contraction of 44.5%, the PRC of 1.9%, Georgia of 7.6% yoy in the three months until May 2024. In Kazakhstan exports shrank by 12.1% yoy in the three months to April, and in Turkmenistan by 6.1% yoy in the three months to February. At the same time the slowdown in 2024 cannot be attributed to a yoy decline to commodity prices as was the case in early 2023; they stabilized since the begin of 2023 (Figure 17). The slowdown would need some more detailed investigation and perhaps some policy measures.

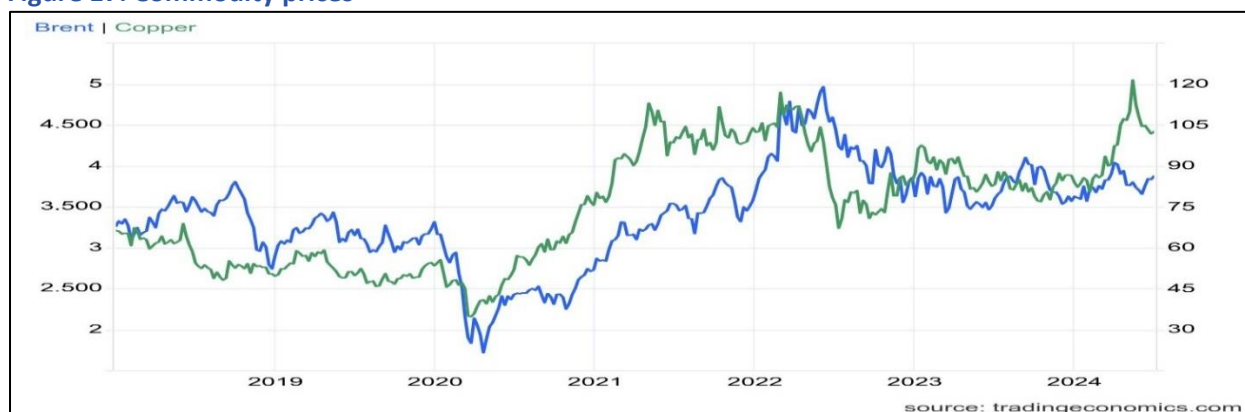
Figure 16. Export (USD based, FOB, %, yoy, 3-month-moving-average)



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

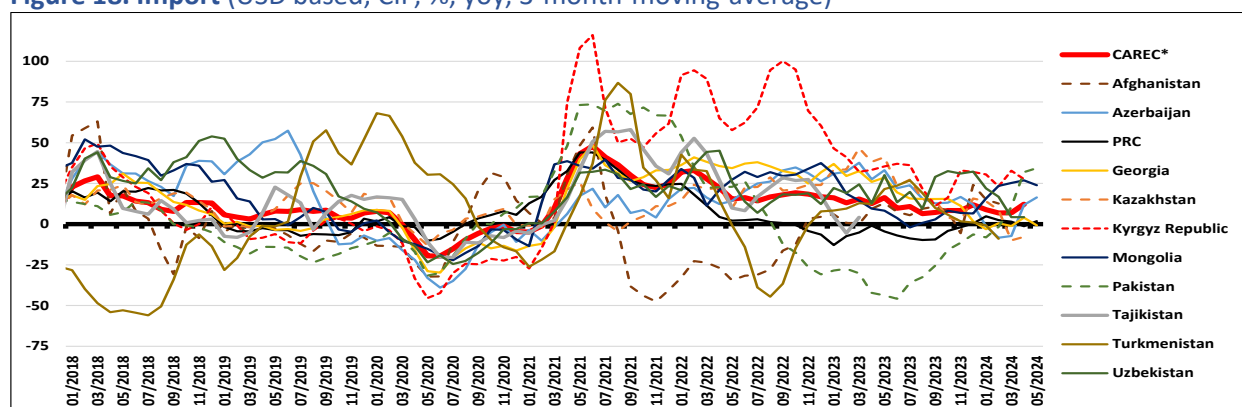
Source: CEIC, authors' calculations.

Figure 17. Commodity prices



Most CAREC economies experienced rather strong import growth in early 2024. In Azerbaijan imports were 16.4% higher than a year earlier in the three months to May 2024, in Mongolia 23.9%, in Pakistan 34.4%, and in the Kyrgyz Republic 27.6% higher in the three months to April (Figure 18). Uzbekistan saw an increase by 4.3% yoy in the three months to April, the PRC 1.8% yoy in the three months to May. Only Georgia had a slight decline of 0.7% yoy in the three months to May, and Kazakhstan a decline of 7.8% yoy in the three months to April. The strong growth in Pakistan comes after severe contractions in the second half of 2022 and in 2023, though.

Figure 18. Import (USD based, CIF, %, yoy, 3-month-moving-average)

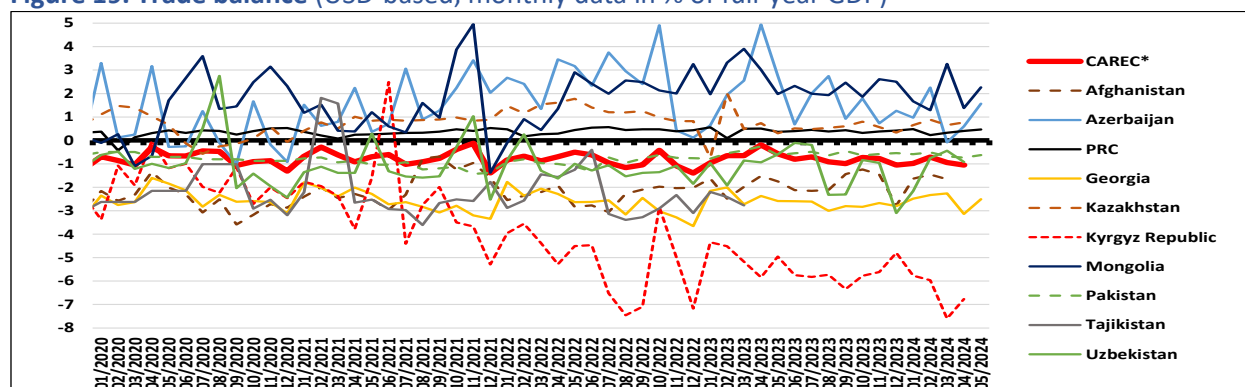


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

As a consequence of their export and import performance, some CAREC economies experienced a slight deterioration in their foreign trade balance in early 2024 compared to the same period of 2023, only Kazakhstan saw a marginal improvement. Azerbaijan's trade surplus narrowed to 1.1% of GDP in early 2024 from 2.6% in the same period of 2023, Mongolia's to 2.0% of GDP from 2.8%; Georgia's deficit widened to 2.5% from 2.4%, the Kyrgyz Republic's to 6.5% of GDP from 5.0% of GDP, and Pakistan's from 0.5% to 0.6% (Figure 19). At the same time, Kazakhstan's surplus increased to 0.7% of GDP from 0.6%, and Uzbekistan's deficit remained unchanged at 1.1% of GDP.

Figure 19. Trade balance (USD-based, monthly data in % of full-year GDP)

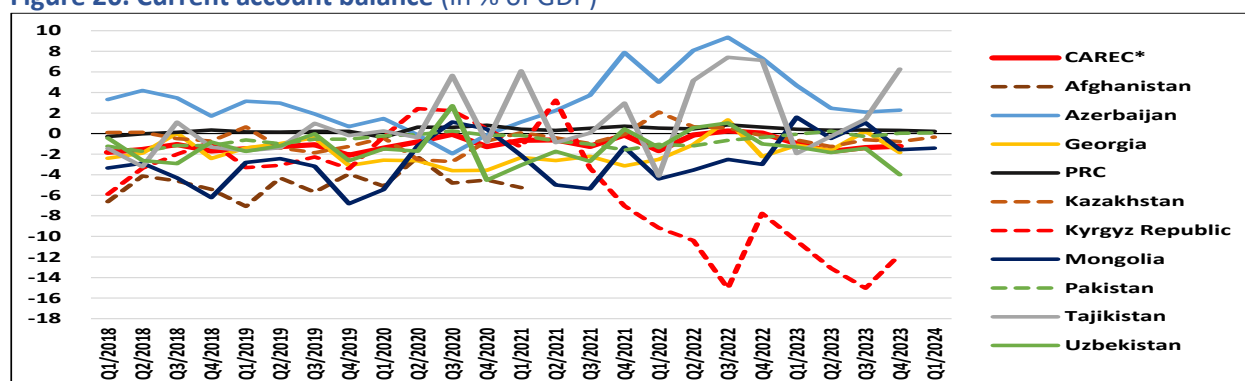


*Refers to the simple average of CAREC economies where data are available.

Source: CEIC, authors' calculations.

The current account of the balance of payments slightly deteriorated in most CAREC economies in Q1 2024 or Q4 2023. This was brought about by the developments in the trade in goods, but also impacted by trade in services, profits of foreign invested companies, and labor earnings abroad. Mongolia recorded a 1.4% of GDP deficit in Q1 2024 after a surplus of 1.6% of GDP in Q1 2023; the PRC's surplus narrowed to 0.2% of GDP from 0.4% of GDP (Figure 20). Azerbaijan's surplus narrowed to 2.3% of GDP in Q4 2024 from 7.3% a year earlier, Tajikistan's to 6.3% of GDP from 7.1%. The Kyrgyz Republic's deficit widened to 11.8% of GDP from 7.8%, and Uzbekistan's to 4.0% from 1.0% of GDP. By contrast, Pakistan saw a surplus of 0.1% of GDP in Q1 2024 after a deficit of 0.1% of GDP in Q1 2023, Kazakhstan saw its deficit to shrink to 0.3% of GDP from 0.6%, and Georgia to 1.8% of GDP from 2.2% of GDP a year earlier in Q4 2023.

Figure 20. Current account balance (in % of GDP)



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

Source: CEIC, authors' calculations.

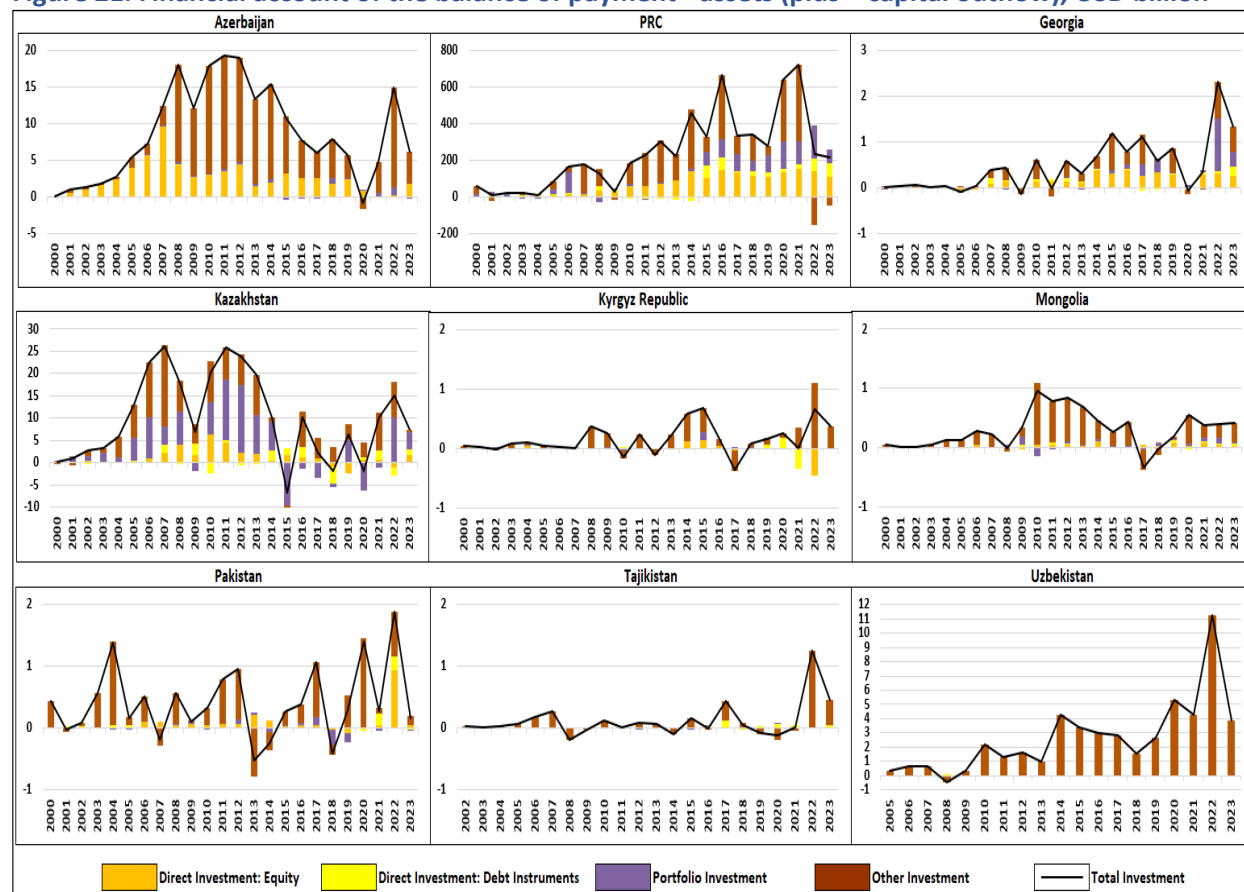
Excursion II: Flows on the financial account of the balance of payment

The main blocks of the balance of payments are the current account, the financial account, and the change in international reserves. Figure 21 depicts the CAREC economies' net capital flows on the assets side of the financial account, broken down by foreign direct investment (equity and debt), portfolio investment, and "other investment", which is mostly deposits or loans. Figure 22 shows the CAREC economies' net capital flows on the liabilities side, broken down by the same components. It also shows the resulting foreign debt dynamic (on the right-hand scale).

Only the PRC, and the countries with sovereign wealth funds Azerbaijan and Kazakhstan, and Uzbekistan have major outflows on the asset side, that is investment abroad. Kazakhstan's sovereign wealth fund acquires foreign bonds, therefore a substantial part of outflows is portfolio investment. Azerbaijan and

Uzbekistan have mostly “other investment” that is deposits abroad or some loans extended to foreign entities. The PRC is a major direct investor abroad, both equity and debt. FDI outflows reached almost USD 200 billion in 2022 and 2023, whereas “other investment” saw reflows in 2022 and 2023. Azerbaijan, the PRC, and Kazakhstan had less investment abroad in 2023 than in 2022 and remained also below the levels generally reached over the last 20 years. However, in Kazakhstan investment was higher than in most of 2017-2020, and in Azerbaijan higher than in 2019-2021. In Uzbekistan outflows were not as high as in 2022, but continued to be rather elevated.

Figure 21. Financial account of the balance of payment - assets (plus = capital outflow), USD billion



Note: For Tajikistan the data are available since 2002, and for Uzbekistan since 2005.

Source: CEIC, authors' calculations.

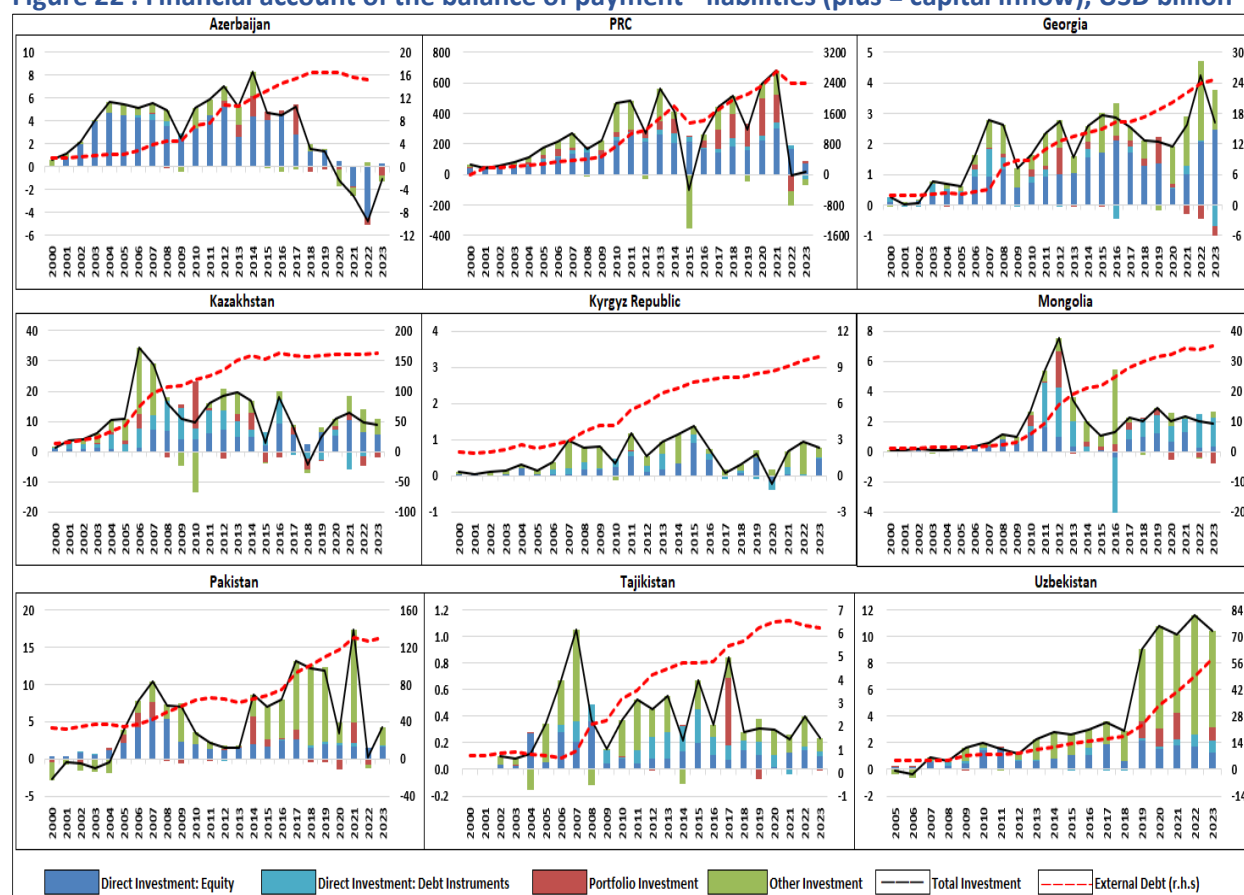
The current account deficit countries Georgia, Kyrgyz Republic, Mongolia, Pakistan, and Uzbekistan need substantial capital inflows to finance their deficits. They all saw substantial capital inflows during the last decade causing rising external debt levels. For the current account surplus countries, debt levels have stabilized since a few years.

For some economies capital inflows remained below the levels of previous years. Azerbaijan, the PRC, and Pakistan attracted less inflows in 2022 and 2023 than they usually had before.

Countries are interested in capital inflows not only to finance their deficits but also for other reasons such as know-how and technology transfer and access to foreign markets via FDI. Azerbaijan, the PRC, and Tajikistan are current account surplus countries; Kazakhstan is sometimes in surplus, sometimes in deficit. They nevertheless enjoy substantial inflows. Figure 22 shows that a significant part of capital inflows into the CAREC economies is in the form of FDI, though at varying degrees.

It will be crucial for the development of the CAREC region to maintain a conducive environment for continued FDI inflows, and this not only into mining and manufacturing but also into services.

Figure 22 . Financial account of the balance of payment - liabilities (plus = capital inflow), USD billion



Note: For Uzbekistan the data are available only since 2005.

Source: CEIC, authors' calculations.

Conclusion: robust growth but mining and the external sector need some attention

The CAREC region's GDP growth has been quite robust in early 2024. However, the performance of mining remains volatile, and CAREC export growth has slowed to some extent. To keep external debt sustainable and to foster know-how and technology transfer and to diversify exports from the CAREC region, continued FDI inflows - especially in the form of equity and also outside the mining sector - will be required. At the same time, policies and local knowledge hubs and infra-structure are needed that enable and make sure that FDI will actually help to build up local expertise and production.

CAREC governments' cooperation initiatives

China, Kazakhstan launch new connectivity projects to boost bilateral, regional cooperation**Date: 2024-07-04**

In a major step aimed at bolstering connectivity and cooperation, visiting Chinese President Xi Jinping and Kazakh President Kassym-Jomart Tokayev on Wednesday attended the opening ceremonies of one transportation project and several cultural exchange facilities. ... On Wednesday, the two heads of state presided over the opening ceremony of a road transport route to a Caspian Sea port via video link, bolstering Kazakhstan's efforts to improve its connectivity. ... Apart from attending the opening ceremony of the Chinese Culture Center in Astana and the Kazakh Culture Center in Beijing, the two heads of state also unveiled here the Kazakhstan Branch of Beijing Language and Culture University (BLCU).

MORE: <https://english.news.cn/20240704/4ff05a9da0cf4b979375128b283f35ea/c.html>

Source: Xinhua**Azerbaijan, Uzbekistan Central Banks sign MoU****Date: 2024-07-04**

As part of his visit to Dushanbe, Chairman of the Central Bank of Azerbaijan Taleh Kazimov met Thursday with Chairman of the Central Bank of Uzbekistan Mamarizo Nurmuratov. The sides signed a memorandum of understanding aimed at promoting further strengthening and expansion of cooperation between the two central banks and developing the financial sector. This memorandum outlines deepening partnerships in key areas and includes provisions for conducting mutual visits to facilitate the exchange of experience and information.

MORE: https://azertag.az/en/xeber/azerbaijan_uzbekistan_central_banks_sign_mou-3081982

Source: Azertac**Kyrgyzstan explores extractive industry collaboration with Afghanistan****Date: 2024-06-29**

Kyrgyzstan's Minister of Economy and Commerce, Daniyar Amangeldiev, engaged in a diplomatic dialogue with Afghanistan's Acting Minister of Mines and Petroleum, Shahabuddin Delawar, in Kabul, focusing on collaborative efforts in the extractive industry. ... The meeting, as reported by Trend, delved into critical aspects of the extractive sector, discussing the exploration and development of mineral resources, including iron ore, antimony, and oil. Both sides expressed a shared interest in expanding cooperation within the extractive industry and oil and gas sectors. They highlighted the importance of actively exchanging experiences and knowledge in these fields. ... The Afghan side expressed a desire for cost-effective transit through Central Asian countries, particularly Kyrgyzstan.

MORE: <https://wadsam.com/afghan-business-news/kyrgyzstan-explores-extractive-industry-collaboration-with-afghanistan/>

Source: Wadsam**World Insights: China-Kyrgyzstan-Uzbekistan railway to greatly boost regional connectivity****Date: 2024-06-16**

The China-Kyrgyzstan-Uzbekistan railway reflects the common aspirations of China, Kyrgyzstan and Uzbekistan, and will inject strong momentum into the economic and social development of the three countries, Central Asia and beyond, experts have said. On June 6, Chinese President Xi Jinping, Kyrgyz President Sadyr Japarov and Uzbek President Shavkat Mirziyoyev congratulated via video link the signing of an intergovernmental agreement in Beijing on the China-Kyrgyzstan-Uzbekistan railway project. The railway will begin in Kashgar, northwest China's Xinjiang Uygur Autonomous Region, and enter the territory of Uzbekistan through Kyrgyzstan. In the future, it will reach West Asia and South Asia.

MORE: <https://english.news.cn/20240616/bf266394184f411fa2fc64ffb09637e4/c.html>

Source: Xinhua

Pakistan expressed readiness to use Tajikistan's transit routes as a gateway to Central Asian markets

Date: 2024-05-29

The Minister of Economic Development and Trade Zavki Zavkizoda met with the Federal Minister of Transport, simultaneously responsible for investment and privatization of the Islamic Republic of Pakistan Abdul Alim Khan. During the meeting it was noted that Pakistan is ready to use Tajikistan's transit routes as a gateway to Central Asian markets. ... The sides discussed investment opportunities of the Republic of Tajikistan, especially in such sectors as textile, mining and energy, establishment of joint ventures in Tajikistan. In addition, the sides expressed readiness to use transportation corridors of both countries. At the end of the meeting, the sides expressed readiness to increase bilateral trade turnover and fully utilize the opportunities of both countries.

MORE: <https://eng.khovar.tj/2024/05/pakistan-expressed-readiness-to-use-tajikistan-s-transit-routes-as-a-gateway-to-central-asian-markets/>

Source: Khovar

Tajikistan-Azerbaijan business forum results in signing of a number of cooperation documents

Date: 2024-05-22

A forum of representatives of business communities of Tajikistan and Azerbaijan with participation of Tajikistan Minister of Industry and New Technologies Sherali Kabir and Azerbaijan Minister of Economy Mikail Jabbarov took place in Azerbaijan's capital, Baku, on May 20. ... Tajikistan's state-run news agency Khovar says the parties discussed the opportunities of collaboration in industry, agriculture, infrastructure development, energy, services, information technologies and other priority areas. ... Khovar notes that in particular, eight documents were signed on the day of the business forum.

MORE: <https://asiaplustj.info/en/news/tajikistan/economic/20240522/tajikistan-azerbaijan-business-forum-results-in-signing-of-a-number-of-cooperation-documents>

Source: Asia-Plus

Tajikistan and Chinese XUAR intend to create joint industrial enterprises

Date: 2024-05-14

An informal working meeting between the Minister of Economic Development and Trade of Tajikistan Zavki Zavkizoda and the Deputy Chairman of the Government of the Chinese Xinjiang Uygur Autonomous Region Sun Hongmei took place on May 9 in Urumqi. Zavkizoda presented the opportunities of Tajikistan in the fields of trade, economics, industry, energy and agriculture. The parties agreed to take the necessary measures to fulfill the minutes of the meeting of the Subcommittee of the Intergovernmental Commission of Tajikistan and the Chinese Xinjiang Uyghur Autonomous Region in priority areas, in particular, the creation of joint industrial enterprises, solar power plants, mineral processing, e-commerce, and export of domestic goods to the XUAR.

MORE: <https://eng.khovar.tj/2024/05/tajikistan-and-chinese-xuar-intend-to-create-joint-industrial-enterprises/>

Source: Khovar

Kazakhstan, Azerbaijan, and Uzbekistan sign agreement on energy interconnection

Date: 2024-05-02

The energy ministries of Kazakhstan, Azerbaijan, and Uzbekistan signed a historic memorandum at the Tashkent International Investment Forum on May 1, marking a significant step towards interconnecting the energy grids of the three countries, reported the Kazakh Ministry of Energy. ... The memorandum aims to determine the foundational terms of cooperation for the ambitious project of linking the energy systems of Azerbaijan, Kazakhstan, and Uzbekistan. A key component of the plan involves investigating the feasibility of laying a high-voltage cable along the seabed of the Caspian Sea alongside ventures within other territories. This strategic move seeks to optimize the trade of green energy among the three countries, harnessing technical and economic efficiencies.

MORE: <https://astanatimes.com/2024/05/kazakhstan-azerbaijan-and-uzbekistan-sign-agreement-on-energy-interconnection/>

Source: The Astana Times

Kazakhstan, Afghanistan, Turkmenistan to develop transport infrastructure in Afghanistan

Date: 2024-04-29

Three countries agreed to enhance transit and transport infrastructure in Afghanistan at an April 27 trilateral meeting between Kazakh Deputy Prime Minister Serik Zhumangarin, Director General of the Transport and Communications Agency under Turkmenistan's Cabinet of Ministers Mammetkhan Chakyev, and Afghan Minister of Commerce and Industry Nooruddin Azizi in Kabul, reported the Prime Minister's press service. The parties will create favorable and competitive tariff conditions to ensure the swift passage of container trains from China through Kazakhstan and Turkmenistan to Afghanistan, and onward to Pakistan, India, and Middle Eastern countries. According to preliminary calculations, the delivery time for goods via the accelerated route from China's Xian/Urumqi to Afghanistan's Turgundi and Andkhoy will be reduced to 10-12 days.

MORE: <https://astanatimes.com/2024/04/kazakhstan-afghanistan-turkmenistan-to-develop-transport-infrastructure-in-afghanistan/>

Source: The Astana Times

Kazakhstan, Afghanistan sign agreements on agricultural product supply

Date: 2024-04-29

Kazakhstan and Afghanistan reached an agreement worth over \$ 12 million on the supply of sunflower oil, cereal products, and flour at the Kazakh-Afghan business forum in Kabul, the Prime Minister's press service reported on April 26. ... Alongside the forum, 35 Kazakh companies presented their products and services at a thematic exhibition during the delegation's official visit to Afghanistan. Afghan companies expressed interest in motor oil, planning to sign the first contract with Kazakh suppliers.

MORE: <https://astanatimes.com/2024/04/kazakhstan-afghanistan-sign-agreements-on-agricultural-product-supply/>

Source: The Astana Times

Visa-free traffic between Georgia and Pakistan launched

Date: 2024-04-12

Visa-free traffic between Georgia and Pakistan has been launched. The agreement will concern citizens who hold diplomatic and official/service passports. According to GEOSTAT data, in January-February 2024, the trade turnover between the two countries was 1.516 million dollars, of which exports amounted to 169.46 thousand dollars, and imports to 1.346 million dollars.

MORE: <https://georgiatoday.ge/visa-free-traffic-between-georgia-and-pakistan-is-launched/>

Source: Georgia Today

Visa-free travel agreement between China and Georgia officially signed

Date: 2024-04-10

Visa-free travel between China and Georgia has been officially signed. The document was signed by the Minister of Foreign Affairs of Georgia, Ilia Darchiashvili, and the Ambassador of China to Georgia, Chou Tsien. After entering into force, the agreement will allow citizens of Georgia to travel to China without a visa and stay in the country for 30 days at a time. The agreement will enter into force after the completion of internal legal procedures by the two states.

MORE: <https://georgiatoday.ge/visa-free-travel-between-china-and-georgia-was-officially-signed/>

Source: Georgia Today

CAREC cross-border business activities

Chinese company invests in manufacturing special equipment in Fergana

Date: 2024-07-08

China's Shiyan Zhenke Industrial Technology plans to open a special equipment production facility in Fergana region. The regional administration reports that the investment project, estimated at \$40 million, will be implemented in two stages over three years. ... In the first stage, the company will invest \$20 million in creating assembly, welding, and painting lines. At this stage, annual production will be 500 units of special equipment. In the second stage, production volumes will be increased to 100 monthly units,

requiring another \$20 million investment. Finished products will be sold in Uzbekistan under a new local brand.

MORE:<https://uza.uz/en/posts/chinese-company-invests-in-manufacturing-special-equipment-in-fergana> 613360

Source: Uza

First Chinese trucks sent via Middle Corridor delivered to Azerbaijan by ASCO vessel

Date: 2024-07-05

China has started using Trans-Caspian International Transport Route (Middle Corridor) for transportation of trucks. According to the Azerbaijan Caspian Shipping Company (ASCO), first 26 trucks column was loaded onto "Mercury-1" ferry vessel of ASCO marine transport fleet at Kurik port (Kazakhstan) on July 3. Trucks have already arrived to Azerbaijan and will be sent to European countries via Georgia and Türkiye. In May of the current year, China sent three trucks weighing 80 tons to Europe via "Middle Corridor" from Kurik.

MORE:<https://azertag.az/en/xeber/first-chinese-trucks-sent-via-middle-corridor-delivered-to-azerbaijan-by-asco-vessel-3083414>

Source: Azertac

Kazakh, Chinese business leaders ink 40 multibillion-dollar agreements

Date: 2024-07-03

Kazakh and Chinese business leaders inked over 40 agreements worth \$3.7 billion on the sidelines of the Kazakh-Chinese Business Council on July 2. ... Samruk Kazyna Sovereign Wealth Fund signed 16 agreements with Chinese partners, including ones on the production of wind components, investment in the construction of a container hub in the Aktau seaport, and the development of e-commerce. ... Kazakh and Chinese business leaders also plan to launch the Qostanay Grain Industry plant for deep wheat processing in the Kostanai Region in 2027. ... China is Kazakhstan's largest foreign trade partner. In January-March, trade turnover hit \$6.3 billion. In 2023, bilateral trade grew by 30%, reaching \$31.5 billion.

MORE:<https://astanatimes.com/2024/07/kazakh-chinese-business-leaders-ink-40-multibillion-dollar-agreements/>

Source: The Astana Times

Chinese global leader in clean energy signs multimillion-dollar agreements for new kazakh projects

Date: 2024-07-03

Kazakh business representatives and the Power Construction Corporation of China (POWERCHINA), a global leader in clean and low-carbon energy, water resources, and environmental construction, signed several significant projects worth \$165 million at a July 2 meeting of the China-Kazakhstan Entrepreneurs Committee. ... POWERCHINA has signed 23 projects in Kazakhstan, covering hydropower, thermal power, renewable energy, road construction, and mining, with direct investment in Kazakhstan exceeding \$100 million.

MORE:<https://astanatimes.com/2024/07/chinese-global-leader-in-clean-energy-signs-multimillion-dollar-agreements-for-new-kazakh-projects/>

Source: The Astana Times

Tashkent to host an exhibition of Turkmenistan products

Date: 2024-07-01

As part of the meetings of the Joint Turkmenistan – Uzbekistan Commission and the Uzbekistan – Turkmenistan Business Council, a "Made in Turkmenistan" exhibition will be held in Tashkent on July 15-16, Turkmenistan State News Agency reports. ... Deputy Prime Minister Batyr Atdayev stated this at a meeting of the Turkmenistan government, adding that the event will be organized to implement the agreements reached at the highest level in accordance with the "Plan of joint activities for further development of cooperation between Turkmenistan and Uzbekistan".

MORE:<https://uza.uz/en/posts/tashkent-to-host-an-exhibition-of-turkmenistan-products> 612193

Source: Uza

Mongolian enterprises to have greater access to the markets of Uzbekistan and Central Asian Countries

Date: 2024-06-26

During his State Visit to the Republic of Uzbekistan, President of Mongolia Khurelsukh Ukhnaa met with President of Uzbekistan Shavkat Mirziyoyev, engaging in discussions with representatives from the business communities of the two countries. The business representatives from the two countries viewed this meeting as a clear sign that their leaders are placing special emphasis on developing trade, economic, and investment relations. The Presidents expressed their commitment to supporting enterprises in various leading economic sectors such as mining, agriculture, light industry, transport, logistics, and tourism, aiming to increase trade turnover by 10 to 20 times in the near future. ... Several enterprises, such as "Tavan Bogd Solutions" LLC, "Mongol Basalt" JSC, "Doctor Auto Chain," and "Era Jims," have signed cooperation agreements with the Uzbek side.

MORE:<https://montsame.mn/en/read/346679>

Source: MONTSAME News Agency

Chinese company to build a solar power plant in Tajikistan

Date: 2024-06-25

On June 21, Chinese investors at a forum in Dushanbe made pledges of over US\$500 million, according to the State Committee for Investment and State-owned Property Management of Tajikistan (GosKomInvest), says an article posted on Radio Liberty's website on June 24. They reportedly included promised investment for an iron-ore processing plant in the northern city of Khujand, the modernization of one of the capital's main stadiums, and the purchase of Chinese electric cars for local taxi services. ... More eyebrow-raising is the apparent US\$1.5 billion commitment of a Chinese company to building a solar power plant near Tajikistan's border with Afghanistan. The investment reportedly revealed in late May by Tajikistan's Ministry of Economic Development and Trade is envisaged in four stages, with the first costing a mere US\$150 million with a capacity of 150 megawatts.

MORE:<https://asiaplustj.info/en/news/tajikistan/economic/20240625/chinese-company-to-build-a-solar-power-plant-in-tajikistan>

Source: Asia-Plus

Chinese, Pak enterprises sign MoU to build potato starch plant in Pakistan

Date: 2024-06-12

In a significant move towards strengthening economic ties between Pakistan and China, leading enterprises from both countries, Henan Ruzhou Ideal Starch and KASB Corporation of Pakistan signed a memorandum of understanding (MoU) to construct a state-of-the-art potato starch plant in Pakistan. ... This MoU will harness the expertise and technological prowess of the Chinese partners, ensuring the efficient and sustainable production of high-quality potato starch. This venture is expected to not only bolster Pakistan's agricultural sector but also contribute to the region's overall economic development, China Economic Net (CEN) reported.

MORE:<https://www.nation.com.pk/12-Jun-2024/chinese-pak-enterprises-sign-mou-to-build-potato-starch-plant-in-pakistan>

Source: The Nation

Azerbaijan Trade House to open in Chinese city of Nanjing

Date: 2024-05-13

Azerbaijan is set to open its trade house in Chinese city of Nanjing. According to the Azerbaijan's Export and Investment Promotion Foundation (AZPROMO), the opening ceremony of the Azerbaijan Trade House will be hosted in Nanjing on May 15, co-organized by the Ministry of Economy and Azerbaijan's Trade Representative Office in China. Currently, Azerbaijan has trading houses operating in China's cities of Qingdao, Zhangjiajie, Xi'an, Chengdu and Beijing, 4 trade facilities in Shanghai, Harbin, Jinan and Wuhan and 3 wine houses in Urumqi and Shanghai.

MORE:<https://azertag.az/en/xeber/azerbaijan-trade-house-to-open-in-chinese-city-of-nanjing-2999998>

Source: Azertac

To-date, China has invested over \$5 billion in Tajikistan's energy sector**Date: 2024-07-03**

The contribution of the People's Republic of China to the economic development of the Republic of Tajikistan as a strategic and investment partner is of primary importance. In the energy sector alone, 35 investment projects have been implemented in Tajikistan under financial support of China since Tajikistan got its independence. China has invested more than 57.2 billion somonis (over \$5.3 billion) in Tajikistan's energy sector. This information was reported by the press service of the Ministry of Energy and Water Resources of Tajikistan. ... The Export-Import Bank of China has allocated \$880 million in concessional loans for the implementation of these projects. In addition, direct investments by Chinese companies in Tajikistan's energy sector reportedly amount to \$197 million.

MORE: <https://asiaplustj.info/en/news/tajikistan/economic/20240703/to-date-china-has-invested-over-5-billion-in-tajikistans-energy-sector>

Source: Asia-Plus**Ambassador of Uzbekistan to Turkmenistan: We have reached a record level of bilateral trade****Date: 2024-06-27**

Over the past few years Turkmenistan and Uzbekistan have demonstrated impressive growth in trade and economic relations. Bilateral trade, having grown nearly sixfold since 2017, reached a new high in 2023, exceeding \$1 billion. ... The interview identifies the key factors that stimulated the economic recovery and the role played by small and medium-sized enterprises in Turkmenistan and Uzbekistan as drivers of the national economies.

MORE: <https://orient.tm/en/post/73370/ambassador-uzbekistan-turkmenistan-we-have-reached-record-level-bilateral-trade>

Source: Orient**Azerbaijan invested \$13mln in Georgia's economy in Q1 2024****Date: 2024-06-11**

Azerbaijan invested \$13 million in Georgia's economy in the first quarter of this year. According to National Statistics Office of Georgia, although the volume of investments made by a number of countries in the economy of Georgia has decreased, the volume of investments made by Azerbaijan is \$20 million more compared to the previous year.

MORE: https://azertag.az/en/xeber/azerbaijan_invested_13mln_in_georgia_039s_economy_in_q1_2024-3049782

Source: Azertac**Foreign trade turnover between Tajikistan and Pakistan increases by 1.6 times in 2023****Date: 2024-04-02**

In 2023, the foreign trade turnover between Tajikistan and Pakistan increased by 1.6 times compared to 2022 and amounted to \$52.7 million. It was stated on April 1 during a meeting of the Minister of Economic Development and Trade Zavki Zavkizoda and the General Director of the National Logistics Group of Pakistan Farrukh Shehzad Rao. The meeting focused on the possibility of expanding cooperation in the fields of trade, economics and investment. The parties paid special attention to the issue of exporting organic fruits and vegetables from Tajikistan to Pakistan. It was expressed readiness to further strengthen mutually beneficial cooperation and implement the discussed issues.

MORE: <https://eng.khovar.tj/2024/04/foreign-trade-turnover-between-tajikistan-and-pakistan-increases-by-1-6-times-in-2023/>

Source: Khovar

Green Development Forum of SCO Countries opens in Qingdao**Date: 2024-07-09**

China - The Green Development Forum of Shanghai Cooperation Organization (SCO) countries was opened on July 8 in Qingdao, Shandong province, China. It was attended by around 350 domestic and foreign guests. The initiative of “Building the “SCO Green Development Partnership” and promoting sustainable development” was launched to push forward deeper cooperation among SCO member states in areas such as green energy, green industry, tackling climate change and ecological protection.

MORE: <https://www.nation.com.pk/09-Jul-2024/china-launches-green-development-forum-of-sco-countries>

Source: The Nation**SCO Secretary General gives insights into prospects of environmental cooperation among SCO member states****Date: 2024-07-03**

Secretary General of the Shanghai Cooperation Organization Zhang Ming, in an exclusive interview with Kazinform spoke about global environmental issues, as well as current projects and prospects for environmental cooperation among the SCO member states. Zhang Ming highlighted the urgent and worsening issue of global climate change, noting the increasing frequency of environmental disasters worldwide, which pose serious threats and challenges to the development and security of all countries.

MORE: <https://en.inform.kz/news/sco-secretary-general-gives-insights-into-prospects-of-environmental-cooperation-among-sco-member-states-e221f8/>

Source: Kazinform**A Cooperation Agreement for the development of green energy signed between companies of three countries****Date: 2024-06-20**

Shanghai, China, hosted the 17th International Photovoltaic Power Generation and Smart Energy Exhibition & Conference. According to the Ministry of Energy of Uzbekistan, as part of the event Uzbekistan’s Yashil Energiya, Malaysia’s Fabulous Sunview and China’s Huawei Tech. Investment Tashkent signed a Cooperation Agreement. ... the joint development of green energy in Uzbekistan, the construction of small solar photovoltaic stations with a total capacity of 50 MW, ... are envisaged.

MORE: https://uza.uz/en/posts/a-cooperation-agreement-for-the-development-of-green-energy-signed-between-companies-of-three-countries_609055

Source: UzA**China extends support for Pakistan's green energy leap****Date: 2024-06-17**

In recent years, the global environmental crisis has compelled nations to rethink their energy strategies, focusing more on sustainability and less on fossil fuels. At the forefront of this green transition is China, whose remarkable transformation into a renewable energy powerhouse is not just reshaping its own energy landscape, but also profoundly influencing other developing nations. Among the beneficiaries of China's green expertise is Pakistan, a nation eagerly embracing a sustainable future through its collaboration with China under the China-Pakistan Economic Corridor, or CPEC, framework.

MORE: <https://www.chinadaily.com.cn/a/202406/17/WS666f8bc5a31095c51c50930e.html>

Source: China Daily

China, Central Asia see remarkable achievements in green cooperation

Date: 2024-06-13

Recently, a cargo train carrying 50 twenty-foot equivalent units of photovoltaic (PV) modules departed from Wuhan, central China's Hubei province for Tashkent, capital of Uzbekistan. As the first PV products-dedicated freight train between Wuhan and Central Asia, it will further promote China-Central Asia green cooperation. ... Central Asia boasts rich wind, solar, water and other renewable energy resources. As of the end of 2022, the total installed capacity of renewable energy projects invested and built by Chinese enterprises in Kazakhstan, including the 100-MW Zhanatas wind farm, Turgusun hydropower plant, and a wind project in Akmola Region, had exceeded 1,000 MW.

MORE: <http://en.people.cn/n3/2024/0613/c90000-20181072.html>

Source: People's Daily Online

Azerbaijan and Turkmenistan are addressing issues related to the use of alternative energy sources and the fight against climate change

Date: 2024-06-12

On June 12, 2024, a meeting was held at the UAE Embassy in Turkmenistan on the topic "The path from Dubai to Baku - Pre-COP29". ... The Ambassador noted that Azerbaijan and Turkmenistan are moving forward in resolving important issues related to alternative energy and climate change. Although both countries have rich oil and natural gas reserves, they are contributing to projects aimed at combating climate change while adhering to their commitments to reduce methane emissions. The diplomat expressed his conviction that brotherly Turkmenistan will also make its valuable contribution to COP 29.

MORE: <https://orient.tm/en/post/73101/azerbaijan-and-turkmenistan-are-addressing-issues-related-use-alternative-energy-sources-and-fight-against-climate-change>

Source: Orient

Islamic Development Bank supports Rogun HPP Project in Tajikistan

Date: 2024-06-11

News agency Khovar has reported on the Islamic Development Bank (IDB) support in the construction of the Rogun Hydropower Plant (HPP) in Tajikistan. Dr. Muhammad Suleiman Al-Jasser, President of the IDB Group, announced this after a meeting with Tajik President, Emomali Rahmon. The meeting detailed Tajikistan's history towards economic development and outlined the country's priorities for the future.

MORE: <https://timesca.com/islamic-development-bank-supports-rogun-hpp-project-in-tajikistan/>

Source: The Times of Central Asia

An international forum on important areas of the green economy was held in Ashgabat

Date: 2024-06-10

The international scientific conference "Important directions of the green economy: eco-, nano-, bio- and information technologies" was held on June 9 at the Oguz Han University of Engineering and Technology. ... During the plenary session, representatives of well-known scientific centers from Belarus, Turkey, China, Austria, and Japan made welcoming speeches. The guests outlined their vision of the prospects for cooperation and the possibilities of organizing joint projects in such areas as nano- and chemical technologies, energy, biotechnology, molecular biology, agriculture, ecology, genetics, etc.

MORE: <https://turkmenportal.com/en/blog/79114/an-international-forum-on-important-areas-of-the-green-economy-was-held-in-ashgabat>

Source: Turkmenportal

Azerbaijani President: We will see that our target to have two gigawatts of renewables by the end of 2027 is absolutely realistic

Date: 2024-06-04

“We will see that our target to have two gigawatts of renewables by the end of 2027 is absolutely realistic. This is only the beginning,” said President of Azerbaijan Ilham Aliyev as he addressed the opening of the 29th International Caspian Oil & Gas Exhibition - Caspian Oil & Gas and the 12th Caspian International Power and Green Energy Exhibition - Caspian Power as part of the Baku Energy Week at the Baku Expo Center. ... One gigawatt of renewables will save us roughly half a billion cubic meters of natural gas, which the market needs and will need,” the head of the state added.

MORE: https://azertag.az/en/xeber/azerbaijani_president_we_will_see_that_our_target_to_have_two_gigawatts_of_renewables_by_the_end_of_2027_is_absolutely_realistic_video-3038046

Source: The Azerbaijan State News Agency

Almaty hosts Central Asia Climate Change Conference 2024

Date: 2024-05-29

The Central Asia Climate Change Conference (CACCC-2024) held in Almaty from May 27 to 29 addressed issues of sustainable water and land management, energy, food security and environmental sustainability amid climate change, reported the World Bank’s press service. Dubbed Bridging Climate Goals with Action: Making Ambitions a Reality this year, the conference brought together over 400 participants to review progress, challenges, and gaps in executing climate commitments, as well as carbon neutrality, green transition, and security.

MORE: <https://astanatimes.com/2024/05/almaty-hosts-central-asia-climate-change-conference-2024/>

Source: The Astana Times

Central Asian Hydrogen Prospects unveiled at Hydrogen Diplomacy Forum

Date: 2024-05-24

The Central Asian hydrogen development potential along with pilot projects was explored at the Central Asian and European Hydrogen Diplomacy Forum on May 23 in Astana. The forum was organized by the Hydrogen Diplomacy Office Astana, serving as an international exchange platform between Kazakhstan and Germany on green hydrogen in cooperation with the European Union’s Sustainable Energy Connectivity in Central Asia (SECCA) project.

MORE: <https://astanatimes.com/2024/05/central-asian-hydrogen-prospects-unveiled-at-hydrogen-diplomacy-forum/>

Source: The Astana Times

Climate finance gaps

Date: 2024-05-24

As funding for green and low-carbon transition in BRI countries remains inadequate, more efforts should be made to advance international cooperation in this regard. ... As green development continues to be integrated into Belt and Road cooperation, addressing climate change has become an important part of the efforts, supporting participating countries to mitigate and adapt to climate change, as well as to accelerate green and low-carbon transitions.

MORE: <https://www.chinadaily.com.cn/a/202405/24/WS664fe51da31082fc043c8d2c.html>

Source: China Daily

Pakistan establishes first 'Climate Change Authority'

Date: 2024-05-18

The federal government has established the country's first "Climate Change Authority" under the Climate Change Act 2017. The authority was formed after a three-member Supreme Court bench in its judgment had directed the government to establish the Climate Change Authority to cope with the risk of global warming and environmental degradation.

MORE:<https://www.nation.com.pk/18-May-2024/pakistan-establishes-first-climate-change-authority>

Source: The Nation

President of Kyrgyzstan approves \$50 million loan to improve air quality

Date: 2024-05-17

President of Kyrgyzstan Sadyr Japarov signed the Law «On the ratification of the financing agreement (project to improve air quality in the Kyrgyz Republic) between Kyrgyzstan and the International Development Association, signed on December 12, 2023 in Bishkek.» The press service of the head of state reported. The document was adopted by the Parliament on April 18, 2024. It provides for a \$50 million loan to the country from the International Development Association to implement a project to improve air quality.

MORE:https://24.kg/english/294260_President_of_Kyrgyzstan_approves_50_million_loan_to_improve_air_quality/

Source: 24.kg

Future rides on hydrogen energy industry

Date: 2024-05-09

Sichuan province is going all out to support the hydrogen energy industry's development. This follows a conference held in late April on further promoting the application of the hydrogen industry chain. The Inner Mongolia and Xinjiang Uygur autonomous regions also have abundant traditional and new energy resources. ... Hydrogen energy also has broad application prospects in fields such as metallurgy and petroleum refining. That requires the strengthening of technological research, and the enhancement of technological innovation. It also calls for mature market mechanisms and substantial policy support.

MORE:<https://www.chinadaily.com.cn/a/202405/09/WS663c0579a31082fc043c6056.html>

Source: China Daily

Green Corridor project to connect energy systems of Uzbekistan, Kazakhstan, and Azerbaijan

Date: 2024-05-02

Tashkent hosted the second meeting of the energy ministers of Uzbekistan, Azerbaijan, and Kazakhstan. ... At the meeting, a presentation of the "Green Corridor" project, a crucial step towards sustainable energy, was made. The parties drew attention to the issues of approving the technical conditions of the preliminary feasibility study of the project for the export of green energy produced in the region to Europe by connecting the energy sectors of Azerbaijan, Kazakhstan, and Uzbekistan, the possibility of attracting international consultants to study the technical and economic basis of the project, as well as the development of the project interstate agreement.

MORE:<https://en.inform.kz/news/green-corridor-project-to-connect-energy-systems-of-uzbekistan-kazakhstan-and-azerbaijan-fc76ce/>

Source: Kazinform

Electric vehicles owners to be granted benefits and issued green license plates

Date: 2024-04-26

President of Kyrgyzstan Sadyr Japarov signed the Law «On Amendments to Some Legislative Acts (to the laws of the Kyrgyz Republic «On Environmental Protection», «On Road Traffic in the Kyrgyz Republic) ». The press service of the head of state reported. The document was adopted by the Parliament on March 14, 2024. The adopted law provides for the provision of benefits for the use of wheeled vehicles with electric engines, creation of charging infrastructure for electric vehicles. According to the project, the issuance of special green state registration plates for electric vehicles is introduced during state registration.

MORE:[https://24.kg/english/292672 Electric vehicles owners to be granted benefits and issued green license plates/](https://24.kg/english/292672-Electric-vehicles-owners-to-be-granted-benefits-and-issued-green-license-plates/)

Source: 24.kg

Head of State eyes joint projects in green energy with China's leading high-end equipment manufacturer

Date: 2024-03-29

During his visit to China, Head of State Kassym-Jomart Tokayev held a meeting with rotating Chairman of SANY Group Co. Ltd Xiang Wenbo to focus on bringing to life joint projects in green energy sector. ... One of the world's leading enterprises of high-end equipment manufacturing industry is involved in the construction of a 1 GW wind power plant in Kazakhstan and wants to build a plant for assembling parts for WWP in the country.

MORE:<https://en.inform.kz/news/head-of-state-eyes-joint-projects-in-green-energy-with-chinas-leading-high-end-equipment-manufacturer-1316ef/>

Source: Kazinform

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



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