News

CAREC Institute Participates in 15th Kashi-Central and South Asia Commodity Fair



CI Delegation held a group meeting with Kashi leadership

The CAREC Institute attended the 15th Kashi-Central and South Asia Commodity Fair with a delegation led by Director Charymuhammet Shallyyev, joined by Deputy Director One Professor Li Kouging and Mr. Hu Xiao, Chief of Human Resources and Finance. The delegation took part in high-level meetings and discussions to strengthen economic cooperation, promote academic collaboration, and enhance policy support across the region.

The fair, which began on August 15 in Kashi Prefecture, Xinjiang

Uygur Autonomous Region, brought together participants from 40 countries and regions, including CAREC member countries such as Kazakhstan, the Kyrgyz Republic, Uzbekistan, Georgia, Azerbaijan, and Pakistan. A total of 181 overseas enterprises and 1,120 domestic companies showcased a wide range of products, covering areas such as investment cooperation, international trade, and domestic trade. Serving as a key platform for regional economic cooperation, the event attracted exhibitors and visitors from Central Asia, South Asia, and beyond.

On August 14, Director Shallyyev spoke at a group meeting of international participants together with the Kashi leadership. He emphasized Kashi's growing importance as a strategic hub for the Belt and Road Initiative. He highlighted major infrastructure projects, such as the China–Kyrgyzstan–Uzbekistan Railway and the Xinjiang Pilot Free Trade Zone, which will further enhance Kashi's role in regional trade and

connectivity. He also reaffirmed the Institute's commitment to research, capacity building, and policy advice throughout the CAREC region, and announced the upcoming Tianshan Forum for Central Asia Economic Cooperation, scheduled for December 2025 in Urumqi. The forum will coincide with the Institute's 10th anniversary in the region.

During the visit, the delegation also met with Mr. Wu Xiaobin, Executive Deputy Commissioner of the Kashi Prefectural Administrative Office. Both sides discussed opportunities for future cooperation, including organizing relevant international seminars during future Commodity Fair and its advisory support for Kashi's cooperation with neighboring countries.

In addition, Deputy Director One Professor Li Kouqing visited Kashi University to engage in discussions on academic research, capacity development, and knowledge exchange, further strengthening the Institute's role as a bridge for regional intellectual cooperation.



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Deputy Director One Li Kouging Visited Kashi University

CAREC Institute Participates in 7th Karamay Petroleum & Petrochemical Exhibition

The CAREC Institute attended the 7th China (Karamay) International Petroleum, Natural Gas & Petrochemical Technology and Equipment Exhibition in Karamay, Xinjiang, from August 13 to 15, Under the theme 2025. "New Momentum, New Manufacturing, New Efficiency," this gathering brought together over 400 companies from 19 provinces and eight countries. With specialized areas for oil and gas, chemicals, new energy, and intelligent technology, the exhibition showcased the latest developments in the energy sector and hosted a series of side business dialogues, events. academic symposiums. The CAREC Institute team included Director Mr. Charymuhammet Shallyyev, Deputy



Delegates gathered at the 7th Karamay Petroleum & Petrochemical Exhibition

Director One Professor Li Kouqing, and Mr. Hu Xiao, Chief of Human Resources and Finance.

On opening day, Director Shallyyev spoke at the Global Energy Transition Summit. He highlighted the vital role of energy in addressing global challenges. He stated, "Energy lies at the heart of tackling many of the challenges we face today. It is fundamental to eradicating poverty, ensuring access to essential services like healthcare, education, clean water, and sanitation, empowering youth and women, driving sustainable industrialization, and combating climate change." He also emphasized the importance of innovation and collaboration. These were key themes of the exhibition and are essential for building sustainable and resilient energy systems in the CAREC region.

Director Shallyyev announced that the CAREC Institute will host the Tianshan Forum for Central Asia Economic Cooperation in Urumqi in December 2025, celebrating the Institute's 10th anniversary of its physical presence. The Forum will focus on connectivity, investment, and economic growth in Central Asia.



CI Delegation Meets with China University of Petroleum – Beijing at Karamay

During the exhibition, Deputy Director One Professor Li Kouqing held bilateral talks with Executive Vice Mayor Yu Xingguo on how CAREC Institute can support Karamay's development, particularly in the oil and gas sector. The team also visited the Karamay Cloud Computing Industrial Park to learn about the latest advancements in computing technology. In addition, a meeting was held with representatives from the China University of Petroleum – Beijing at Karamay to discuss potential collaborations in research and training. The CAREC Institute looks forward to promoting regional cooperation and innovation in partnership with all stakeholders.

CAREC Institute Address Trade Barriers and Inequality at Central Asian Economics Conference 2025

The Central Asian Economics Conference 2025, held at Nazarbayev University from August 29 to 31, wrapped up with robust discussions on critical regional issues in Central Asian region like international trade, economic inequality, climate change and policy reforms. The event drew economists from Central Asia and beyond, featuring keynote speeches on global energy shifts and advanced economic analysis, alongside sessions covering topics from corporate finance to climate policy. Notable contributions came from Dr. Elvira Kurmanalieva, Senior Economist with the CAREC Institute's Chief Economist Team, who presented a poster on infrastructure and trade costs in the CAREC region, and Dr. Kuat Akizhanov, CAREC Institute's Deputy Director Two, who explored Kazakhstan's inequality challenges in a session on environment, climate, and resource policy.

Poster presentation by Dr. Kurmanalieva highlighted how better infrastructure and cross-border connectivity could significantly cut trade costs, especially for landlocked CAREC countries. Using network analysis and data from 200 nations, she showed that a 1% improvement in connectivity could reduce trade costs by up to 0.06%, with countries gaining most from transport and logistics investments. She urged regional leaders to commit to long-term infrastructure projects, strengthen cross-border cooperation on physical and regulatory frameworks, warning that neglecting these efforts risks stunting economic growth due to geographic isolation.

Dr. Akizhanov took aim at mainstream economics for ignoring historical and power dynamics in Kazakhstan, where the wealthiest 1% hold over 25% of national wealth while the bottom 50% scrape by with less than 5%. Citing thinkers like Keynes and Polanyi, he tied growing inequality to neoliberal policies since the 1990s, including privatization and elite influence, and called for a shift to broader, pluralistic approaches that weave in politics and institutional reform. He pushed for policies tackling root issues like regressive taxes and informal labor markets, stressing that equitable growth means moving beyond poverty reduction to directly address concentrated wealth at the top.







Photo Collection from the Central Asian Economics Conference 2025

The Center for Foreign Policy Research and International Initiatives of Uzbekistan Visits CAREC Institute

The CAREC Institute received a delegation from the Center for Foreign Policy Research and International Initiatives under the Ministry of Foreign Affairs of Uzbekistan (the Center), led by Director Sanjar Valiev and joined by senior experts from the Center and the Ministry. They were welcomed by CAREC Institute Director Charymuhammet Shallyyev, Deputy Director One Kouqing Li, and colleagues.

During the meeting, the two sides shared their institutional mandates, recent activities, and future cooperation priorities. The CAREC Institute presented its forthcoming Strategy 2026–2030, outlining plans for cross border research collaboration and capacity building in Central Asia. Building on this, they discussed recent research achievements and explored opportunities for joint studies in areas such as sustainable development, regional connectivity, and digital transformation. The Uzbek delegation expressed strong interest in contributing to these initiatives and proposed organizing expert exchanges and policy dialogues in the coming year.

To further facilitate the collaboration, the CAREC Institute invited the Center to participate in the Tianshan Forum for Central Asia Economic Cooperation and the CAREC Think Tank Development Forum, both scheduled for December, as platforms for exchanging insights and building regional partnerships. "Strengthening partnerships with leading research institutions is vital for fostering evidence based policymaking and promoting regional connectivity," said Director Shallyyev.

Mr. Valiev stated that the Center is ready to support the CAREC Institute's work and to engage more closely with universities, policymakers, and government agencies in Uzbekistan.



Group Photo with the Center for Foreign Policy Research and International Initiatives Under the Ministry of Foreign Affairs, Uzbekistan.

CAREC Institute Participates in Third United Nations Conference on Landlocked Developing Countries

The Third United Nations Conference on Landlocked Developing Countries (LLDC3) took place in Awaza, Turkmenistan, from 5 to 8 August 2025. Held once every ten years, the conference centered on the theme "Driving Progress through Partnerships" and brought together more than 20 heads of state, along with over 3,000 participants including policymakers, development partners, experts, and business representatives from around the world. Thirty-two landlocked developing countries, including eight CAREC members, continue to face challenges from their lack of direct access to seaports. LLDC3 served as a platform to address these issues, attract investment, and advance the Awaza Programme of Action (2024–2034) and Awaza Political Declaration.

As LLDCs work with the international community to make cross-border trade faster, more efficient, and less costly, they have the potential to turn geographic barriers into strategic advantages by becoming "landlinked" rather than "landlocked." On 6 August, the Connectivity Track opened with remarks from senior officials, including Mr. Mammethan Chakyyev, Deputy Chairman of the Cabinet of Ministers of Turkmenistan; Ms. Rabab Fatima, UN Under-Secretary-General and High Representative for LDCs, LLDCs, and SIDS; and Mr. Dmitry Mariyasin, Deputy Executive Secretary of UNECE. During the session on Regional Integration Initiatives, Dr. Ghulam Samad, Chief of the Research Division at the CAREC Institute, spoke on the importance of turning transport corridors into economic corridors to boost trade, create jobs, and attract investment. He emphasized: "By transforming transport corridors into dynamic economic corridors, we can unlock new opportunities for trade and development, benefiting millions across the region." Dr. Ghulam also stressed the need for closer cooperation among landlocked and transit countries, as well as regional organizations, to better align infrastructure, regulations, and investment plans.

During the discussion, Dr. Ghulam outlined how LLDCs could leverage CAREC's analytical tools and policy recommendations to enhance trade facilitation. The CAREC Corridor Performance Measurement and Monitoring (CPMM) Tool identifies inefficiencies and supports evidence-based reforms, and policy research provides practical guidance on trade logistics and corridor development. CAREC also promotes regional cooperation with transit countries, and partnerships with organizations such as the Asian Development Bank help to mobilize resources and provide technical assistance for trade reforms.

The CAREC Institute will continue to support its member countries by offering knowledge products and promoting the adoption of innovative solutions in domestic reforms. Researchers, policymakers, private sector representatives, and other stakeholders are encouraged to use these resources, work together, and find new ways to make trade routes more efficient and resilient.



Photo Collection from the Third United Nations Conference on Landlocked Developing Countries

CAREC Institute's Policy Dialogue Calls for Inclusive Pathways in Green and Digital Transitions

On August 28, the CAREC Institute hosted a policy dialogue titled "Addressing Socio-Economic Inequality: Decent Work in CAREC's Green and Digital Transitions." The event examined how the shift toward green and digital economies can be harnessed to reduce inequality rather than deepen it. Policymakers, experts, and civil society representatives explored strategies to align labor policies, social protection, and environmental planning for more equitable growth.

Dr. Kuat Akizhanov, Deputy Director Two of the CAREC Institute, stressed that tackling inequality is vital to ensure the benefits of these transitions are widely shared. He called for policies that create jobs, build skills for the future workforce, and address structural barriers to equality.

ADB—CAREC Institute International consultant Dr. Erin Waterson warned that vulnerable groups—particularly women, youth, and minorities—risk being left behind. She urged investment in education, workforce training, and digital skills to bridge gaps and promote inclusive innovation.

Dr. Ilhom Abdulloev, Chief of Capacity Building at the CAREC Institute, highlighted the importance of labor rights, social protection, and environmental justice in shaping fairer labor markets. He underscored that governments, businesses, and civil society must work together to ensure transitions deliver decent work for all.

During the Panel Discussion, ADB-CAREC Institute National Consultants also shared country perspectives. Ms. Lia Goderdzishvili pointed to Georgia's urban—rural divide, while Dr. Alma Kudebayeva emphasized Kazakhstan's need to modernize social protection systems. Mr. Aibek Kadyraliev called for stronger regional cooperation, and Dr. Mubinzhon Abduvaliev stressed investment in Tajikistan's infrastructure and human capital. From Uzbekistan, Mr. Sandjar Babaev highlighted comprehensive reforms to secure inclusive growth.

Across the dialogue, participants agreed that regional cooperation, policy innovation, and inclusive strategies are key to ensuring that CAREC's green and digital transformations drive both sustainability and equality.



Group Photo from the Policy Dialogue

Publications

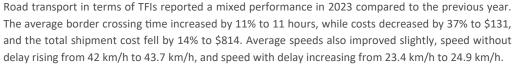


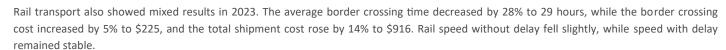
Corridor Performance Measurement and Monitoring (CPMM) Annual Report 2023

The CAREC Institute has published the 2023 CAREC Corridor Performance Measurement and Monitoring (CPMM) Annual Report, supported by the CAREC Program, Asian Development Bank (ADB). The CPMM Annual Report provides a detailed overview of five Trade Facilitation Indicators (TFIs) across the 11 CAREC member countries. Using disaggregated data from 2021 to 2023 by transport mode (road and rail) and direction (inbound and outbound), the analysis reveals diverse performance trends in trade and transport facilitation.

This year's report includes three new chapters, Route Monitor, Policy Monitor, and Border Crossing Points (BCPs) Monitor, that offer a closer look at corridor operations, recent policy developments, and border crossing performance across the region.

Key findings show mixed progress in TFIs:





The CPMM 2023 analysis calls for renewed commitment from CAREC countries to prioritize trade facilitation reforms, invest in smart logistics systems, and enhance regional cooperation. Progress is evident, but sustained improvement will require both strategic investment and policy coordination. These efforts will be essential to fostering a more resilient, efficient, and competitive CAREC transport network.

For more information, detailed country updates, and access to CPMM resources, please visit the CPMM Portal.

The CAREC Region's Increasing Trade in Low Carbon Technology– A Reflection of the New Wave of Electrification and Electric Mobility



Economic Brief

The CAREC Region's Increasing Trade in Low Carbon Technology

-A Reflection of the New Wave of Electrification and Electric Mobility

Hans Holzhacker
Consultant, CAREC Institute

August 2025

Trade in low-carbon technology (LCT) products plays a pivotal role in supporting global efforts to green economies and achieve climate goals. The CAREC Institute's new Economic Brief sheds light on the progress of LCT trade in the CAREC region.

The brief provides evidence that LCT shares in global trade have substantially risen over the last two decades, while the product mix has changed towards electricity-related technologies, and in particular towards batteries and electric vehicles (EVs). The People's Republic of China (PRC) is a major driver of this development.

On the import side, the increase in the LCT shares and the move towards EVs also applies to the CAREC region as a whole. On the export side, the CAREC region's (excluding the PRC) LCT ratios and LCT export values remained rather low. However, the ongoing new wave of electrification in the region is likely to significantly enhance the region's LCT trade further in the coming years. And the imminent local EV production and assembly have the capacity to increase the CAREC region's LCT trade even on the export side. Utilizing the region's huge critical minerals potential, and its production capacities in metals such as copper could help to further localize LCT production, if mining develops further and downstream production gets more momentum.

For how fast the CAREC region's low-carbon transition can evolve and how smooth the transition will be economically and socially, public policies will matter. Engaging with foreign investors, providing infrastructure and training for local suppliers, perhaps some well-crafted local content policies, the setting of technical standards, trade facilitation, and scaling up LCT production through enhanced intra-regional trade are among the measures in support of reducing the carbon-intensity of the economies of the CAREC region.

New Policy Brief Examines the Effects of the EU's CBAM on China and Other Economies



Policy Brief

A Forward-Looking Policy Study on the CAREC Region from the Perspective of Assessing the EU's CBAM Impact on China

Marina Wang, Senior Research Specialist Chief Economist Team, CAREC Institute

August 2025

A new policy brief by Senior Research Specialist Dr. Marina Wang from the CAREC Institute examines the potential effects of the European Union's Carbon Border Adjustment Mechanism (CBAM) on China, with broader insights for other CAREC economies. Using the advanced GTAP E global trade and energy model, the study assesses how CBAM could impact GDP, welfare, trade patterns, sector performance, and export markets under two different scenarios.

CBAM, scheduled for full implementation in 2026, connects carbon pricing with cross-border trade. The analysis suggests that, with broad coverage, China's GDP could decrease by 0.33 percent, while the EU's GDP could rise by 1.29 percent. Most of the EU's welfare gains, around 72 to 85 percent, are attributed to reduced carbon leakage rather than increased trade competitiveness.

Key Findings from the China Case Study:

- Sharp reductions in China–EU trade in carbon intensive goods are only partially offset by trade diversion toward the United States, United Kingdom, ASEAN, BRICS, and other untaxed markets.
- High carbon sectors such as metals, chemicals, and cement experience the largest losses, while some low carbon sectors, including pharmaceuticals, machinery, and paper products, see modest growth.
- Broadening CBAM's scope from selected high carbon industries to the whole economy magnifies GDP and welfare losses and accelerates shifts in export markets.

Implications for the CAREC Region

As a major CAREC economy and key trading partner, China's experience with CBAM is directly relevant to its neighbors. Many CAREC economies share similar export profiles, sector structures, and carbon intensity, making them vulnerable to CBAM-related risks. Trade shifts affecting China could also reshape regional trade, investment, and competition within CAREC.

The policy brief recommends a phased response for CAREC economies:

Short term (2024 to 2026): Set up CBAM-compliant carbon accounting systems and adopt emissions benchmarks in high-risk sectors like steel and cement.

Medium term (2026 to 2030): Strengthen regional carbon market links, aiming for 60 percent emissions coverage by 2030, and invest 30 percent of carbon pricing revenues in low-carbon innovation and industry upgrades.

Long term (after 2030): Create a unified CAREC "carbon label" aligned with global standards to maintain market access and seek agreements with the EU on CBAM revenue sharing to support a fair transition.

Adopting these measures could reduce CAREC's aggregate GDP losses from CBAM by 40–60%, while positioning the region as an active participant in the global low carbon economy.

CAREC Institute Releases Brief on Emission Trading Systems in the Region

The CAREC Institute has released a new economic brief, authored by Dr. Marina Wang, Senior Research Specialist, which examines the evolving role of Emissions Trading Systems (ETS) in the Central Asia Regional Economic Cooperation (CAREC) region. The study comes during global shifts in carbon pricing and the European Union's planned Carbon Border Adjustment Mechanism (CBAM).

The brief looks at the experiences of China and Kazakhstan, the region's current leaders in emissions trading, to show how well designed carbon markets can cut emissions, protect promote trade competitiveness, and sustainable growth. It reviews global trends in emissions trading, such as market growth, the industries involved, price changes, and revenue raised, and discusses whether a shared CAREC carbon market could work. It also discusses the political, economic, and institutional problems other CAREC members may face when introducing carbon pricing.

Key recommendations are proposed:



Economic Brief

ETS Analysis in the CAREC Region

Marina Wang, Senior Research Specialist Chief Economist Team, CAREC Institute

August 2025

Redirect carbon revenues: invest carbon revenues and international climate finance in renewable energy projects, especially solar and wind.

Support key industries: develop sector-specific carbon trading systems for industries like cement and metals to keep them competitive and encourage decarbonization.

Strengthen data systems: improve monitoring and reporting with help from international partners to ensure transparency and support future market connections.

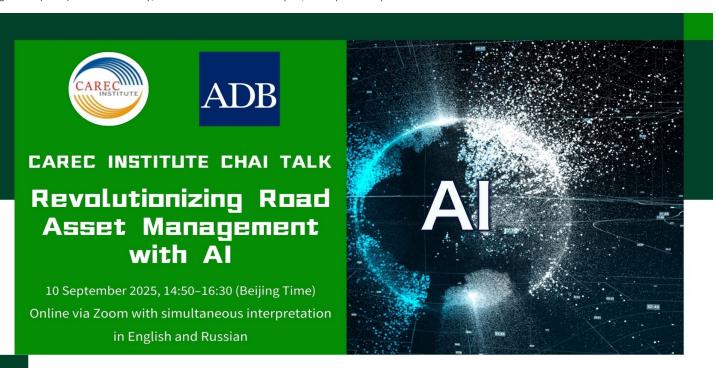
Promote a just transition: use carbon pricing revenues to help affected workers and vulnerable households through retraining programs and energy subsidies.

Coordinate regionally: harmonize carbon market rules and gradually link systems across CAREC countries, tailoring approaches to each country's readiness and capacity.

CAREC Institute Chai Talk: Revolutionizing Road Assets Management with AI

Event Overview

Efficient and resilient road networks are vital for economic growth, regional connectivity, and social progress—especially in the CAREC region, where roads are essential for cross-border trade and integration. Recognizing this, the CAREC Transport Strategy 2030 prioritizes Road Asset Management (RAM) to ensure safety, extend infrastructure lifespan, and optimize operational costs.



Traditional road management methods—such as manual inspections and reactive repairs—are no longer sufficient to meet today's needs. Artificial Intelligence (AI) is transforming RAM by enabling predictive maintenance, automated damage detection, and data-driven decision-making. For CAR-EC countries, these innovations lead to improved road safety, smarter resource allocation, and significant reductions in logistics costs.

Al-powered RAM equips transport authorities to forecast road failures, optimize maintenance schedules, and monitor conditions in real time using advanced technologies like drones and IoT sensors. These advancements strengthen infrastructure resilience and support more reliable, cost-effective transport networks across the region.

Why Attend?

Join this Chai Talk webinar to:

- Discover how Ai is transforming road asset management worldwide and in the CAREC region
- Gain Practical insights into implementing data-driven road maintenance solutions
- Learn from experts about overcoming challenges in adopting new technologies
- Benefit from valuable perspectives tailored for transport policymakers, infrastructure managers, and technology specialist

Please Note: The session may be photographed or recorded. By participating, you consent to the possible use of your name and likeness in future publications.

Join us by registering here:

https://carecinstitute-org.zoom.us/webinar/register/WN EwG6Py6rR K2kTuuSzRPkQ

Policy Workshop on Advancing the Green Transition in CAREC: Policy Pathways for Low-Carbon Growth

The CAREC Institute is pleased to announce an online policy workshop scheduled for September 11-12, 2025, from 15:00 to 18:00 Beijing Time. This event will focus on developing practical strategies for advancing sustainable development in the CAREC region through four key areas:

Low-Carbon Technology Trade: Trends in electric mobility and renewable energy, and how to leverage these developments.

Digitalization and Decarbonization: The role of digital technologies in energy efficiency and infrastructure modernization.

Carbon Pricing and Market Mechanisms: The implementation of emission trading systems and carbon pricing as incentives for low-carbon investments.

Equitable Fiscal Policies: Discussions on fiscal policies, green financing pathways, and public-private partnerships for mobilizing resources for the green transition.

The policy workshop will promote dialogue among policymakers, researchers and experts, helping to align national strategies with regional climate goals. Participants will gain insights into policy strategies for scaling up renewable energy initiatives, modernizing infrastructure, and promoting inclusive transition approaches. Attendees will also learn how to develop effective fiscal policies and regulatory frameworks that support sustainable growth, attract investments, and encourage innovation. Additionally, participants will explore ways for CAREC countries to integrate climate initiatives with economic development, highlighting opportunities in green trade, digital transformation, and carbon markets to embed sustainability into their economic planning.

Participants who complete the two-day webinar will be awarded a Certificate of Attendance issued by the CAREC Institute.

Please register here:

https://carecinstitute-org.zoom.us/webinar/register/WN zxoCsjzrSkCJIzwpKl-xFw



About CAREC Institute

The Central Asia Regional Economic Cooperation (CAREC) Institute is an intergovernmental organization dedicated to promoting the economic cooperation in the Central Asia and along the Silk Road through knowledge generation and sharing. The CAREC Institute is jointly shared, owned, and governed by eleven member countries.

The Institute acts as a knowledge connector among the five CAREC themes—economic and financial stability; trade, tourism, and economic corridors; infrastructure and economic connectivity; agriculture and water; human development—to ensure coherence in design and implementation of policies, programs, and projects to promote regional economic cooperation and integration.









