



News

CAREC Institute Hosts Successful Tianshan Forum on Central Asia Economic Cooperation

The CAREC Institute hosted the Tianshan Forum for Central Asia Economic Cooperation from December 2 to 3, bringing together over 380 participants, including senior government officials, representatives of international organizations, financial institutions, and the private sector, and experts from think tanks and academic institutions. The forum focused on “Unlocking Connectivity and Investment in Central Asia.”

In his welcoming address, CAREC Institute Director Charymuhammets Shallyyev emphasized the forum’s role in strengthening regional cooperation. “The Tianshan Forum will serve as a bridge connecting policymakers, the private sector, development partners, and the academic community to provide solutions to the challenges we face together,” he said. Since beginning operations in Urumqi in 2015, the CAREC Institute has been dedicated to promoting regional economic cooperation and development through research, capacity building, knowledge sharing, and partnerships. Over the past decade, the Institute has published more than 180 research papers, supported more than 20,000 government officials from member countries through more than 150 training programs, and worked with nearly 70 partner organizations.

The opening session featured remarks from senior officials, including Lan Fo’an, Minister of Finance of China; Chen Xiaojiang, Secretary of the CPC Xinjiang Uyghur Autonomous Regional Committee, China; Ahsan Iqbal, Federal Minister, Ministry of Planning, Development and Special Initiatives, Pakistan; Ganbat Jigjid Secretary of State, Ministry of Finance, Mongolia; and Yang Yingming, Vice President of the Asian Development Bank. The forum’s program included keynote speeches and expert panel discussions on advancing economic cooperation, enhancing transport and digital connectivity, and developing human capital across the region. As part of the event, the “Investing in Central Asia” Subforum, co-organized with the Export-Import Bank of China, hosted two roundtable discussions focused on improving the business environment and promoting smart, sustainable investment.

During the forum, the CAREC Institute also launched the Central Asia Regional Financial Cooperation Research Center in collaboration with the Finance Department of the Xinjiang Uyghur Autonomous Region. This new initiative further underscores the CAREC Institute’s role as a key knowledge hub, committed to supporting smarter policies, building stronger partnerships, and deepening regional integration in Central Asia.

The forum has received support from many international and national institutions, including the People’s Government of Xinjiang Uyghur Autonomous Region, the Asian Development Bank, Import and Export Bank of China, ADB-PRC Regional Knowledge Sharing Initiative, Eurasian Fund for Stabilization and Development, IFLYTEK, Association of Chartered Certified Accountants, Asian Infrastructure Investment Bank, ADB Institute, International Road Transport Union, Global SDGs and Leadership Development Center, Beijing National Accounting Institute, Shanghai National Accounting Institute, and Xiamen National Accounting Institute.

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CAREC Institute Successfully Hosts 9th CAREC Think Tank Development Forum in Urumqi



Group Photo of the 9th CAREC Think Tank Development Forum

The 9th CAREC Think Tank Development Forum was hosted by the CAREC Institute (CI), in collaboration with the Asian Development Bank (ADB), the Eurasian Fund for Stabilization and Development, and the ADB–PRC Regional Knowledge Sharing Initiative, on 1 December 2025 in Urumqi, Xinjiang, People’s Republic of China. The Forum, themed “Accelerating Transformative Effect of Green Initiatives through Innovative Financing Mechanisms in the CAREC Region,” brought together over 150 participants from government, international organizations, the private sector, think tanks, and academia.

As the world focuses increasingly on green transitions and sustainable development, this Forum served as a vital platform for dialogue among regional and international stakeholders. Since its establishment, the CAREC Think Tank Network (CTTN) has been instrumental in fostering cooperation and sharing innovative solutions to pressing regional challenges, including those related to green finance.

The opening session featured remarks from key partners. CAREC Institute Director Charymuhammet Shallyyev emphasized the urgency of addressing substantial financing gaps as countries pursue ambitious green transition goals. “Across the region, governments are adopting ambitious green transition commitments, but financing gaps remain substantial. This Forum provides a timely platform to discuss practical solutions,” he noted.

Mr. Mukiyat Jarmuhammat, Deputy Governor of the People’s Government of Xinjiang Uygur Autonomous Region and Mr. Yang Yingming, the Vice President of the Asian Development Bank also offered opening remarks. In his keynote speech, Dr. Wang Xin, Director-General of the Research Bureau at the People’s Bank of China, shared insights on China’s experience in developing sustainable finance.

The Forum featured four expert panel sessions covering key aspects of the green transition, including innovative financing models, green banking, sustainable lending practices, and climate finance. Experts from international organizations, such as UN agencies, multilateral development banks, as well as representatives of the banking sector and research institutes, actively contributed to the discussions. They shared diverse insights on how financial institutions can mobilize capital for sustainable development and highlighted the critical role of international donors in supporting climate finance. The concluding session was dedicated to discussions on CTTN’s way forward, where member institutions shared their views on various aspects of cooperation within the network.

At the forum, CTTN members presented their latest research, providing region-driven, policy-relevant insights on green finance, sustainable infrastructure, and climate resilience. These discussions not only focused on the latest trends in green financing but also explored practical ways to close the financing gaps that hinder the region’s green transition.

The Forum concluded with a briefing on CTTN’s achievements over the past year, followed by a forward-looking discussion on its future development and priorities. Director Shallyyev highlighted the Forum’s key takeaways, noting that mobilizing sustainable finance at scale remains the cornerstone of any meaningful green transition, whether through blended finance, ESG-aligned banking reforms, or innovative financing vehicles. He also underscored the importance of effective regional cooperation underpinned by shared frameworks, harmonized standards, and knowledge exchange, as well as the growing role of robust evidence, data, and research in shaping informed policy decisions and unlocking cross-border solutions.

CAREC Leadership Training Workshop Successfully Held in Urumqi on Leveraging AI for Social and Economic Transformation

On December 4-5, the CAREC Institute successfully hosted the CAREC Leadership Training Workshop in Urumqi, Xinjiang, the People's Republic of China under the theme "Leveraging AI for Social and Economic Transformation in the CAREC Region." The workshop aimed to explore how Artificial Intelligence (AI) can contribute to regional development and to strengthen practical collaboration to support the socio-economic transformation of CAREC member countries.

The event received support from the Asian Development Bank Institute, the ADB-PRC Regional Knowledge Sharing Initiative, and iFLYTEK. Over 50 participants attended, including government officials from CAREC member countries, experts and scholars from institutions like the Asian Development Bank, ADB Institute, Eurasian Fund for Stabilization and Development, Peking University, Tsinghua University, Zhejiang University, Xinjiang University, as well as experts from Singapore and India, and representatives from leading AI tech companies.

Day 1: AI Empowering Regional Socio-Economic Development

The first day of the workshop focused on the critical role AI can play in driving socio-economic development, with deep dives into key regional development areas.

Participants, including representatives from CAREC member governments, academic experts, international organizations, and the private sector, discussed how AI can promote inclusive and sustainable growth in Asia, foster innovation in digital trade, and accelerate regional integration. They also exchanged ideas on how to address potential disputes and challenges in the application of AI technologies.

Academician Wushouer Silamu from the Chinese Academy of Engineering opened the session with a presentation on "Silk Road Digital Interconnectivity and Industrial Ecosystem Construction," emphasizing how AI is becoming a key enabler of socio-economic transformation in the CAREC region's digital economy. Professor Zongming Guo from Peking University and Professor Chao Zhang from Tsinghua University shared their expertise on generative AI and its history and future, as well as the importance of software security in the age of large language models. Additionally, based on real-world experience in China, Professor Sen Gong from Zhejiang University presented the application of AI in primary healthcare in Zhejiang, Jiangxi, and Guizhou, while Dr. Yixin Yao from the CAREC Institute introduced Chinese AI regulations and relevant case studies.

Dr. Shu Tian from the Asian Development Bank introduced the concept of "Harnessing Digital Transformation for Good," emphasizing that technology application should always balance inclusivity and social responsibility. Mr. Guosheng Li from Singapore shared insights on the country's digital transformation journey, while Mr. Subhasis Bera from India discussed the challenges faced by small and medium-sized enterprises in participating in digital trade and offered policy recommendations for AI adoption in this area. Dr. Lurong Chen from the Economic Research Institute for ASEAN and East Asia examined how data flows and trust-building influence technology adoption. Finally, Ms. Michele Sonen from Jus Mundi, the legal technology firm, presented on how AI is being used in alternative dispute resolution.

Day 2: Practical Cases and Real-World Applications

On the second day, the workshop shifted focus to practical applications of AI, particularly in macroeconomic analysis and industry-specific scenarios. Ms. Natalia Lavrova from the Eurasian Fund for Stabilization and Development demonstrated how AI tools are enhancing macroeconomic data analysis, improving the efficiency of economic monitoring and forecasting.

Representatives from leading AI companies, including Alibaba's Cainiao Group and iFLYTEK, shared real-world applications of AI across sectors, such as supply chain management, water and agriculture integration, water resource management, and education.

Building Consensus for Regional Cooperation

In the final session, CAREC member-country representatives discussed opportunities for AI collaboration and identified the critical knowledge needs and priorities for capacity-building programs targeting AI policymakers in the CAREC region. The country representatives also discussed potential economic and social sectors for AI collaboration and how countries can leverage the CAREC platform to explore AI opportunities through partnerships with leading regional tech companies.

By combining theoretical insights with practical case studies, the workshop provided diverse perspectives on AI's role in the CAREC region and laid a strong foundation for future regional cooperation in this rapidly evolving field.

CAREC Institute Holds 16th Governing Council Meeting in Bishkek

The CAREC Institute (CI) held its 16th Governing Council (GC) Meeting on 21 November 2025 in Bishkek, Kyrgyz Republic, chaired by Mongolia. The meeting brought together GC members and representatives from the Asian Development Bank to review the Institute’s progress and endorse key documents guiding its future direction.

During the meeting, the GC reviewed several key documents, including the Progress Report for 2025, the CI Strategy 2026–2030, the Rolling Operational Plan for 2026–2027, and the Budget and Recruitment Plan for 2026. After extensive discussions, the GC approved these documents, which will steer the Institute’s strategic priorities and operational plans in the coming years.

GC members highlighted the need for CI to improve institutional efficiency, enhance HR policies, ensure coherent multi-year programming, and better align with regional priorities. They emphasized the importance of strengthening impact assessments with a results matrix to track performance and outcomes. Additionally, the members called for diversifying resource mobilization, reinforcing internal systems, and deepening cooperation with national institutions and stakeholder networks to support CI’s growing program delivery and impact.

Prior to the GC meeting, CI management also participated in the 24th CAREC Ministerial Conference on 20 November. Director Charymuhammet Shallyyev delivered an intervention statement during the Development Partners Session, highlighting the Institute’s contributions and strategic direction.



Group Photo of the 16th Governing Council Meeting in Bishkek

CAREC Institute Participates in the 12th China-Central Asia Cooperation Forum

On November 6, the CAREC Institute took part in the 12th China–Central Asia Cooperation Forum, held under the theme “Promoting the China–Central Asia Spirit, Facilitating Common Modernization.” The event gathered government representatives, development partners, and experts to discuss cooperation priorities for inclusive and sustainable growth across the region.

The CAREC Institute was represented by Dr. Elvira Kurmanalieva, Senior Economist, and Mr. Merdan Yazzyev, Senior Strategic Planning Specialist, who jointly presented the Institute’s work in promoting regional cooperation and inclusive development.

During the session on “Deepening Mutually Beneficial Cooperation under Belt and Road Initiative”, Dr. Kurmanalieva noted the accelerating economic integration between China and Central Asia, as evidenced by income growth and changing trade patterns. She underscored the importance of developing transport corridors and energy infrastructure and suggested further collaboration in innovation, green projects, and cultural exchange.

At the sub-forum on “Sharing Poverty Reduction Experience, Achieving Common Development,” Mr. Merdan Yazzyev discussed the importance of integrated water–food–energy management for reducing poverty and improving livelihoods in the CAREC region. He noted that efficient resource use supports food security, employment, and social stability.

The Forum was co-organized by the Good-Neighbourliness, Friendship and Cooperation Commission of the Shanghai Cooperation Organization and the People’s Government of Xinjiang Uygur Autonomous Region. It provided a valuable platform for dialogue and knowledge exchange among regional stakeholders.



Photo Collection from the 12th China-Central Asia Cooperation Forum

CAREC Institute Holds 7th Advisory Council Meeting to Review New Strategy and Operation Plan

The CAREC Institute (CI) successfully held its 7th Advisory Council Meeting online on 3 November, bringing together Advisory Council members, key stakeholders, and CI management and staff. The meeting focused on reviewing CI's new strategy for 2026–2030 and the Rolling Operation Plan for 2026 and 2027.

The new strategy is built on achievements and lessons learned from previous years and provides concise guidance for the institutional transformation of CI to continue its mission as a leading regional institution promoting regional cooperation in the CAREC region. More importantly, it sets out strategic priorities and essential reforms for the next five-year period. The Rolling Operation Plan translates these priorities into specific activities and targets for the coming two years.

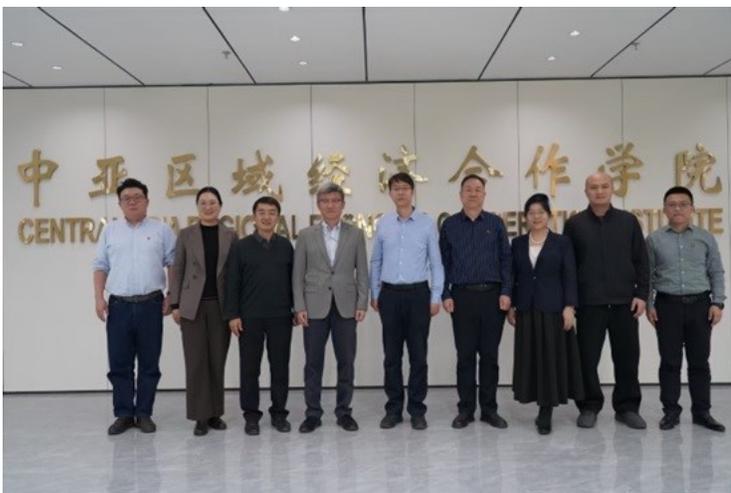
During the meeting, participants discussed the Institute's future development and long-term objectives outlined in the new Strategy.

The Advisory Council, comprised of distinguished experts, serves as a key platform for dialogue and guidance. Insights and feedback from the meeting will support CI's efforts to advance knowledge, strengthen capacity, and promote collaboration among member countries in the coming years.



Group Photo of the 7th Advisory Council Meeting

Delegation from the Department of Economic Forecasting of the PRC State Information Center Visits CAREC Institute



Group Photo of the Department of Economic Forecasting of the PRC State Information Center Visits CAREC Institute

A delegation led by Mr. Zhang Peng, Director of the World Economy Research Office at the Department of Economic Forecasting, State Information Center (SIC) of the People's Republic of China (PRC), visited the CAREC Institute on November 17. They were welcomed by Dr. Li Kouqing, Deputy Director One of the CAREC Institute, together with Dr. Yao Yixin, Senior Research Specialist, as well as specialists from the Chief Economist Team and the Strategic Planning Division.

During the meeting, both sides engaged in extensive discussions on regional economic trends, transport and connectivity, trade facilitation, investment, and green development, and explored potential opportunities for joint research and knowledge sharing.

Dr. Asif Razzaq Participates in Think Road Forum on Sustainable Development in Uzbekistan

Dr. Asif Razzaq, Senior Research Specialist at the CAREC Institute, attended the Think Road Forum on Sustainable Development held in Tashkent, Uzbekistan. The forum was organized by the Institute for Advanced International Studies at the University of World Economy and Diplomacy under the World Bank-funded Modernizing Uzbekistan National Innovation System (MUNIS) project. It brought together key regional actors focused on sustainable development and the green transition across Central Asia.

During the forum, Dr. Razzaq presented the recently released Renewable Energy Investment Ecosystem Study. The report proposes more than 15 key indicators to assess the environment for foreign direct investment (FDI) in renewable energy. It also outlines more than 200 elements that shape the investment ecosystem, ranging from legal and institutional frameworks to broader conditions affecting investor confidence and regional attractiveness. The study supports policymakers in identifying strengths, challenges, and future reform needs.

By participating in the forum, Dr. Razzaq contributed to regional knowledge exchange on sustainable development. He highlighted the importance of attracting more renewable energy investments and promoting cooperation among Central Asian countries for low-carbon growth.

In addition to the forum, Dr. Razzaq attended a working meeting with the Investment Promotion Agency of Uzbekistan (IPA) as part of the proposed Investment Promotion Project (IPP). He presented the final project document for IPA's review. Discussions focused on aligning the IPP with Uzbekistan's ongoing investment reforms, particularly the development of the Uzbekistan Investment Single Window—an initiative designed to streamline procedures and enhance service delivery for foreign investors.

The visit also helped explore future collaboration with academic and development partners to strengthen research and capacity-building activities in renewable energy investment.

CAREC Institute Recruits First Cohort of Interns from Tsinghua and Peking Universities 9 PhD Candidates Join to Bolster Regional Cooperation and Development

The CAREC Institute launched its first internship program in partnership with Tsinghua University and Peking University on November 3-4, 2025. Following interviews, the Institute selected 9 PhD candidates from the two universities as interns, representing fields such as Afro-Asian Languages and Literatures, Business Administration, Economics, Law, Political Science, and Sociology.

The selected interns will engage in their duties through a combination of online and offline formats. This program marks a significant step in the Institute's efforts to deepen partnerships with universities and research institutions within and beyond the region. It also reflects its focused efforts to build an influential regional platform for international knowledge cooperation.

The CAREC Institute is an intergovernmental organization that supports regional economic cooperation and integration among the CAREC member countries. Headquartered in Urumqi, Xinjiang Uygur Autonomous Region, People's Republic of China (PRC), the Institute serves as a regional knowledge hub owned and governed by 11 member countries: Afghanistan, Azerbaijan, the PRC, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The CAREC Institute began its physical operations in 2015.



Group Photo from the First Cohort of Interns from Tsinghua and Peking Universities 9 PhD Candidates Join to Bolster Regional Cooperation and Development

CAREC Institute Co-Organizes Academic Session at Asia SME Monitor 2025 Launch in Baku



Dr. Ghulam Samad made a Presentation at Asia SME Monitor 2025 Launch in Baku

The Asian Development Bank (ADB) organized the launch seminar for the Asia Small and Medium-Sized Enterprise (ASM) Monitor 2025 Edition on November 12-13, 2025, in Baku, Azerbaijan. The seminar focused on the theme “*Global Uncertainty, Trade, and Private Sector Businesses in Asia and the Pacific.*” It brought together experts and stakeholders to discuss the challenges and opportunities facing micro, small, and medium-sized enterprises (MSMEs) in the current global environment.

Dr. Ghulam Samad, Chief of the Research Division at the CAREC Institute, participated in the seminar and contributed to the discussions. On the first day, Dr. Samad delivered a presentation on “*How Governments Can Respond to Increased Global Uncertainty for Designing Effective MSME Development Strategies.*” His

presentation explored several key issues, including the digitalization of businesses, the green transformation of MSMEs, ESG (Environmental, Social, and Governance) transitions, and the roles of women, youth, and MSMEs in global value chains.

On the second day, the CAREC Institute, in partnership with ADB, co-organized an academic session focused on the thematic study “*Challenging Global Trade Environment and Private Sector Businesses in Developing Asia.*” Dr. Samad moderated the session on “*International Trade for MSMEs*” and participated as a discussant in the session on “*MSME Trade Policies and Assessments.*” He also delivered the closing remarks for the session, underscoring the importance of evidence-based policymaking and regional cooperation to promote economic integration across CAREC countries.

CAREC Institute Organizes Session on Digitalization and Smart Logistics at CAREC Business Forum

The CAREC Business Forum (CBF) was held in Bishkek and organized by the CAREC Secretariat of the Asian Development Bank, aiming to create an open and inclusive regional cooperation platform that promotes B2B and B2G engagement to transform CAREC transport corridors into dynamic economic corridors. The CBF is organized back-to-back with the 24th CAREC Ministerial Conference. It brought together over 150 participants, including government officials, private sector representatives, financial institutions, institutional and individual investors, development partners, industry experts, and academia.

To spotlight the Kyrgyz Republic’s advancement of its regional potential, the CAREC Institute organized a session titled “*Digitalization and Smart Logistics in the Kyrgyz Republic.*” The session explored how digital solutions can transform transport and trade systems into efficient, transparent, and competitive logistics networks.

Dr. Ghulam Samad, Chief of the Research Division at the CAREC Institute, participated as a panelist alongside Mr. Bekzhan Rysmendeev, Deputy Minister of Transport and Communications of the Kyrgyz Republic, and other experts. Dr. Samad presented preliminary findings from the ongoing research project “*e-Logistics and Digitalization of Transport Corridors.*” He also shared policy recommendations focused on addressing the Kyrgyz Republic’s issues and challenges through enhanced digital integration and corridor management.

Advancing Transport Leadership Program-Cohort 2

From November 10 -14, 2025, the CAREC Institute, jointly with the Asian Development Bank (ADB) and the Shanghai National Accounting Institute (SNAI)/Asia-Pacific Finance and Development Institute (AFDI), delivered the second cohort of the Advancing Transport Leadership Program in Shanghai, China.

The intensive five-day workshop was designed to equip participants with the knowledge and skills to lead the future of transport. Through case studies, field visits, and collaborative exercises, the program focused on building sustainable, low-carbon, and resilient transport systems. Key objectives were to:

Explore cutting-edge advancements in transport technology, finance, and business models.

Analyze key trends, challenges, and opportunities from digitalization and low-carbon solutions to inclusive mobility.

Enhance leadership capabilities for effective policy engagement and the promotion of transformative projects.

Innovate and co-create practical solutions for sustainable connectivity and mobility.

The combination of theoretical case studies and practical site visits delivered a powerful, holistic lesson: **the future of sustainable transport lies at the intersection of innovative leadership, smart financing, climate resilience, and fully integrated, technology-driven infrastructure systems.**

ADB plans to continue this critical capacity-building initiative to support the region's evolving transport and development goals.

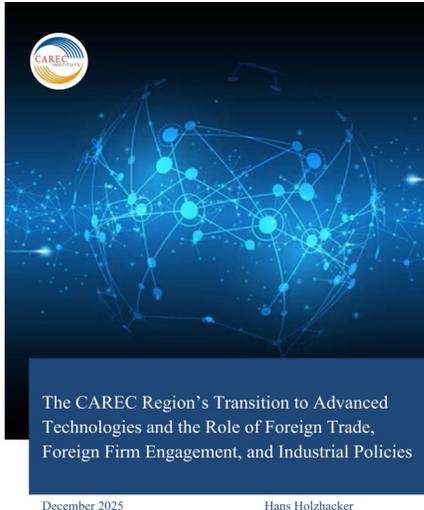
ADB Advancing Transport Leadership Program, Cohort 2

10-14 November 2025, Shanghai, PRC



Group Photo from the Advancing Transport Leadership Program, Cohort 2

CAREC Institute Report Explores CAREC Region's Transition to Advanced Technologies and the Role of Foreign Engagement and Industrial Policies



The CAREC Institute has released a new report titled *The CAREC Region's Transition to Advanced Technologies and the Role of Foreign Trade, Foreign Firm Engagement, and Industrial Policies*. Authored by Dr. Hans Holzhaecker, Consultant to the CAREC Institute, the report examines the CAREC region's economic growth and its shift towards advanced technologies. It explores how foreign trade, foreign investment, and industrial policies will shape the region's future.

Over the past 30 years, the CAREC region has made significant economic progress, with the median gross national income (GNI) per capita rising from a low of 33.4% of the global GNI per capita in 1996 to as much as 77.1% in 2024. To sustain this growth, the region must adopt emerging technologies such as artificial intelligence (AI), new electrification, and low-carbon technologies.

The report highlights that to manage industrial change and capitalize on new opportunities, CAREC governments must play an active role. Key priorities include fostering innovation, developing skilled talent, improving the investment climate, and enhancing regional and international cooperation. Foreign trade and foreign investment will continue to be crucial drivers of sustainable growth and higher productivity.

The author suggests that industrial policies should focus on advanced technologies. While there might be reasons to support traditional sectors for some time to help them adjust to the new realities without too fast, too painful, not manageable, not financeable disruptions, policies should not shield firms from competition indefinitely and include sunset clauses or clear benchmarks for ending support when objectives are not met. The author also emphasizes the need for governments to assist those affected by the transition through retraining programs, infrastructure investment, and temporary income support, while ensuring fair working and living conditions during the economic shift.

Policy Brief on Digitalization and Green Transformation in China's Energy Sector

A recent policy brief by Dr. Asif Razzaq, Senior Research Specialist at the CAREC Institute, examines how digitalization can help energy companies in China transition to greener practices. The study, based on data from 2008 to 2022 of A-share listed energy companies, finds that technologies like big data, AI, and smart grids improve efficiency, transparency, and innovation, which are key to promoting sustainability. The research shows that digitalization reduces short-term thinking in management, raises executives' awareness of environmental issues, increases media attention, and helps companies overcome financial barriers.

The findings indicate that non-state-owned, renewable energy, and growth-stage companies benefit the most from digital transformation, while state-owned and fossil fuel companies show less improvement. Dr. Razzaq suggests that policies should focus on strengthening digital infrastructure, expanding access to green finance, and addressing short-term decision-making. He also calls for training executives in digital skills and green governance to drive further sustainability.

Although the study focuses on China, the brief notes that similar challenges may exist in regions with a digital divide, such as Central Asia, where digitalization could also help drive the transition to greener energy.

This policy brief is extracted from a research paper published in the Journal of Environmental Management (Elsevier).

<https://www.sciencedirect.com/science/article/abs/pii/S0301479725030233>

CAREC Institute's Quarterly Economic Monitor No.18

The CAREC Institute has published its latest Quarterly Economic Monitor. Main conclusion about the region's economic performance in the first nine months of 2025: Solid economic performance with possible cooling ahead amid continued high global uncertainty.

During the first nine months of 2025, the CAREC region demonstrated stable and high economic growth rates, exceeding the 2024 average. GDP growth was mainly driven by the industrial sector, which was supported by a strong services sector and a recovery in the agricultural sector. This economic growth is becoming increasingly broad-based, reflecting a positive trend toward industrial diversification that will enable the CAREC region to overcome its dependence on raw materials in the future. However, in some cases, rapid economic growth was driven by strong domestic demand and fiscal stimulus, which added to inflationary pressures and led to an acceleration in consumer price inflation, which reached 6.0% in September 2025. This forced central banks to conduct a cautious monetary policy.

This trend is occurring against a backdrop of high uncertainty and volatility in commodity markets. At the same time, demand from the People's Republic of China remains an important factor, reflecting its role as the main trading partner for most countries in the region. Ongoing strong global structural transformations, such as changes in global supply chains and nearshoring, provide the CAREC region with an opportunity to position itself as an emerging alternative manufacturing and logistics corridor. This trend is supported by significant growth in construction and investment in the region, particularly in infrastructure, which contributes to the increase in intra-regional trade and development of transportation links.

Looking ahead, the projected moderation in GDP growth from 5.8% in 2024 to 5.3% in 2025 and 4.6% in 2026 reflects the region's vulnerability to weakening of external demand from key partners, volatility in global commodity prices, and tightening of global financial conditions. Against the backdrop of global structural trends, such as changes in international trade rules and the reorientation of trade flows, the CAREC region is undergoing a structural transformation of its economies, which opens opportunities for long-term sustainable economic growth.



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.