CAREC INSTITUTE NEWSLETTER

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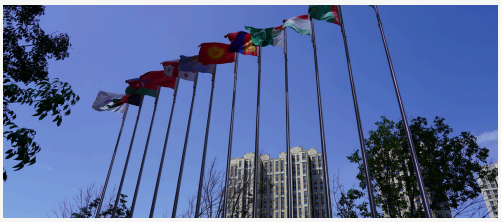

About the CAREC Institute

The CAREC Institute is an intergovernmental organization jointly owned by eleven member countries, dedicated to promoting economic cooperation in Central Asia and along the Silk Road through knowledge generation and sharing. Acting as a knowledge connector across five core themes—including economic stability, trade, connectivity, agriculture, and human development—the Institute ensures policy coherence to drive regional integration.

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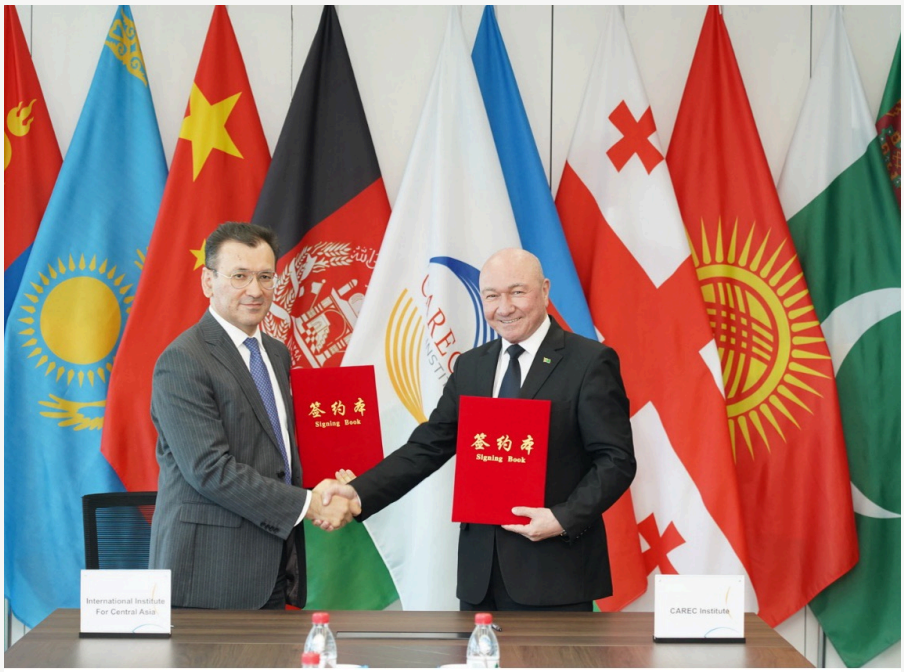


Institute Spotlight

CAREC Institute and IICA Convene Roundtable to Advance Regional Poverty Alleviation and Sustainable Development

The CAREC Institute and the International Institute for Central Asia (IICA) co-hosted a roundtable discussion in Urumqi on 16 July 2026. Themed "Uzbekistan and CAREC: Advancing Sustainable Development Partnerships and Preventing Vulnerable Groups from Falling Back into Poverty," the hybrid forum brought together experts from China and Central Asia to discuss practical approaches to regional development.

In their opening remarks, CAREC Institute Director Charymuhammet Shallyyev and Javlon Vakhabov, Deputy Advisor to the President of Uzbekistan on Foreign Policy and Director of IICA, noted that poverty eradication is an ongoing process. They encouraged regional stakeholders to strengthen connectivity and translate knowledge into practical solutions to prevent backsliding into poverty.

Continued on page 2 →

INSTITUTE SPOTLIGHT · CONTINUED FROM PAGE 1

Uzbekistan and CAREC: Advancing Sustainable Development Partnerships



Participants at the CAREC Institute–IICA roundtable, Urumqi, 16 July 2026.

During the session, experts from China and Uzbekistan exchanged insights and shared practical experiences. Uzbek specialists from the Center for Economic Research and Reforms under the Presidential Administration, the Institute for Macroeconomic and Regional Studies under the Cabinet of Ministers, the Center for Transport and Logistics Development Problems under the Ministry of Transport, and IICA discussed CAREC's role in regional integration. They highlighted the development of cross-border transport corridors and inclusive economic policies as key factors for Uzbekistan's economic growth.

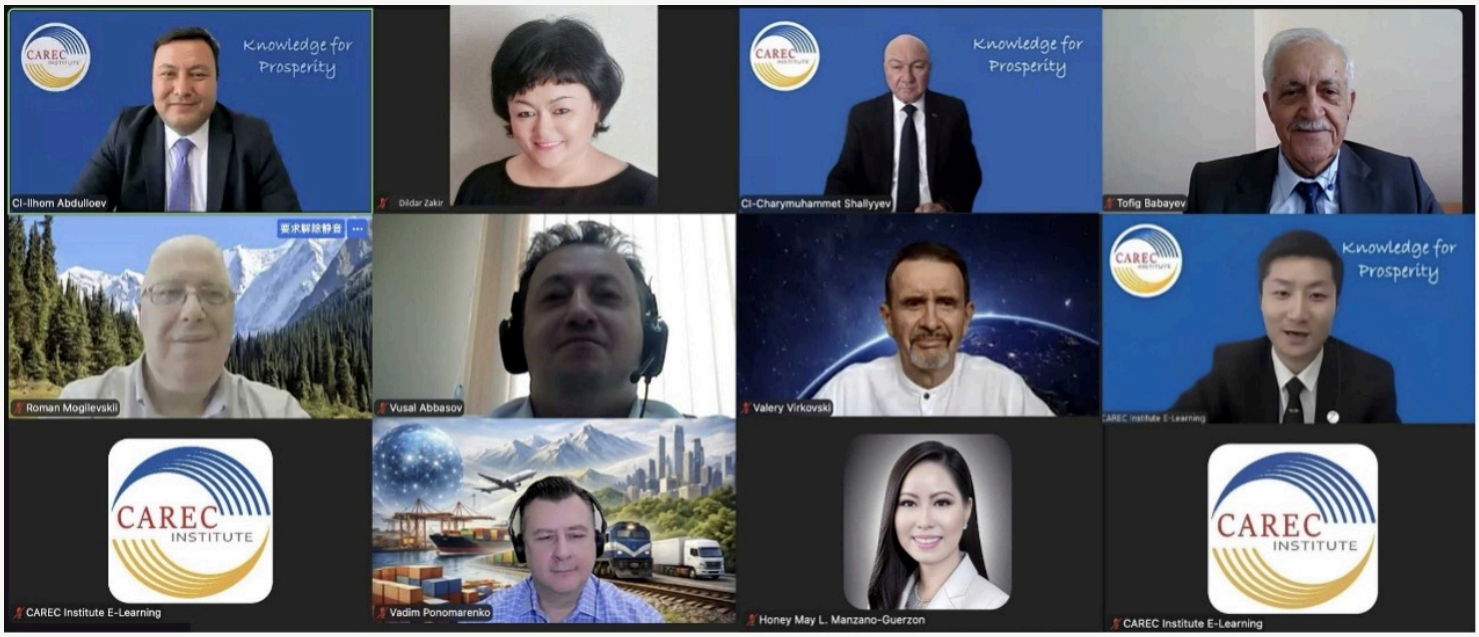
Chinese experts from the China International Poverty Reduction Center, the Department of Agriculture and Rural Affairs of the Xinjiang Uygur Autonomous Region (Central Asia-China Poverty Alleviation Cooperation Center), the Overseas Agricultural Research Center of the Chinese Academy of Agricultural Sciences, and the Xinjiang Institute of Ecology and Geography of the Chinese Academy of Sciences shared their insights on China's poverty reduction progress and international cooperation, Xinjiang's poverty alleviation practices, agricultural technology-driven poverty reduction, and technological interventions for grassland restoration in Central Asia, offering valuable practice for regional poverty reduction and sustainable development. Furthermore, CAREC Institute Senior Research Specialist Yao Yixin shared lessons learned from China's cooperation with Multilateral Development Banks (MDBs) on poverty reduction, noting that these insights can support efforts to narrow regional development gaps and jointly advance the United Nations 2030 Agenda for Sustainable Development.

Following the seminar, the CAREC Institute and IICA officially signed a Memorandum of Understanding (MoU), establishing a framework for long-term cooperation. CAREC Institute Deputy Director One Li Kouqing stated that the Institute will continue to serve as a vital link, facilitating regular academic exchanges and policy-oriented research, fostering connectivity and mutual benefit among CAREC member countries, and jointly promoting regional prosperity and sustainable development.

> "The Institute will continue to serve as a vital link, facilitating regular academic exchanges and policy-oriented research, fostering connectivity and mutual benefit among CAREC member countries, and jointly promoting regional prosperity and sustainable development."
>
> **Li Kouqing, Deputy Director One, CAREC Institute**

POLICY DIALOGUE

CAREC Institute Holds Online Policy Dialogue on Transport and Digital Logistics



The online policy dialogue "Accelerating Transport and Logistics Digitalization in the CAREC Region," July 2026.

The CAREC Institute recently held an online policy dialogue titled "Accelerating Transport and Logistics Digitalization in the CAREC Region." Policymakers, development partners, private-sector representatives, and industry experts from across the region gathered to discuss key issues related to transport and logistics digitalization and to explore a regional roadmap for cross-border digital logistics standardization and the removal of non-physical trade barriers.

The dialogue centered on the findings of the study Digital CAREC: National Electronic Logistics Platforms and Digitalization of Transport Corridors, which is led by the CAREC Institute and supported by the Asian Development Bank. Dr. Valery Vilkovinsky, Chair of the DTLP International Expert Network and international consultant, presented on approaches and principles of transport corridors digitalization in the CAREC region. He noted that the best international practices prove that transport and digital infrastructures should be developed in a coordinated way. This enables not only physical but also digital connectivity across borders to facilitate trade in CAREC countries.

Dr. Tofig Babayev, Head of the International Relations and Innovation Department at the Institute of Control Systems under the Ministry of Science and Education, Azerbaijan and the International Consultant for the CAREC Institute's research study, delivered findings and outlined key policy implications for the CAREC region. National experts from Azerbaijan, the Kyrgyz Republic and Turkmenistan shared national updates on logistics digitalization, research findings and targeted policy suggestions. The study identifies interconnected national electronic logistics systems and upgraded digital transport corridors as key measures to shorten cross-border transit times, improve customs clearance efficiency, enhance regional supply chain stability, and boost trade vitality across the CAREC region.

In the discussion session, international and national consultants and participants exchanged views on the development of national electronic logistics platforms, digital upgrading of transport corridors, cross-system interoperability, and collaborative mechanisms for cross-border data flows. Participants reviewed and discussed core proposals put forward in the research.

The research results suggest a six-stage framework for implementing national electronic logistics systems, spanning institutional refinement, governance formulation, technical deployment, pilot testing, official launch and capacity building. It is recommended to adopt an "operation-maintenance-management" model and public-private partnerships to ensure sustainable delivery. As a key innovation, the study proposes the Digital Passport concept for major corridor segments. It also introduces a digital maturity assessment system for border ports and standardized single-window modules to boost regional logistics interoperability, identifies priority corridors for digital upgrading, and highlights the need for improved regulatory frameworks to support full-scale system implementation.

In his remarks, CAREC Institute Director Charymuhammet Shallyyev stated that the dialogue has provided a valuable reference for advancing regional digital logistics standardization, eliminating non-physical trade barriers, and deepening cross-border digital logistics cooperation.

CAREC Institute Hosts Workshop on Regional Transport Connectivity



The workshop on railway interconnectivity and the "soft connectivity" of cross-border logistics, Urumqi, 17 July 2026.

The CAREC Institute hosted a workshop at its Urumqi office on 17 July, as a key component of the "Global Sustainable Transport Humanities Exchange Advanced Training Program: Railway Interconnectivity Standard Innovation between China and Its Neighboring Countries", organized by the China International Sustainable Transport Innovation and Knowledge Center. The event brought together representatives from transport authorities, railway operators, and academic institutions from CAREC member countries, including Azerbaijan, China, Kazakhstan, Mongolia, Pakistan and Tajikistan, as well as Russia and Southeast Asian countries such as Bangladesh, Cambodia, Laos, Malaysia, Myanmar, Thailand, and Vietnam. Participants exchanged insights on the "soft connectivity" of cross-border logistics to explore practical approaches for enhancing regional integration.

In his opening remarks, CAREC Institute Director Charymuhammet Shallyyev emphasized that true connectivity is driven by data, standards, and cooperation, noting that standards on paper mean little if reality is fragmented. Deputy Director One Dr. Li Kouqing echoed this, stressing that cooperation and seamless transportation and data connectivity are essential for turning transport corridors into economic corridors.

During the thematic sessions, Mr. Shallyyev noted that the Institute has long been engaged in research, policy dialogue, and training in transport and connectivity. He also announced a recent agreement to establish the Transport and Logistics Center in partnership with the Asian Development Bank. Mr. Shallyyev stated that the Center will leverage existing research and training resources to provide "soft support" for the region's hard infrastructure, delivering knowledge services aligned with member countries' needs and CAREC regional transport planning.

Dr. Ghulam Samad, Chief of the Research Division, presented the Institute's latest findings on CAREC Corridor Performance Measurement and Monitoring, Containerization in CAREC, and E-Logistics and Corridor Digitalization research projects. He highlighted persistent gaps in infrastructure, customs efficiency, and digital integration, pointing to asymmetric transit times at adjacent border crossings as a challenge. Dr. Samad urged stakeholders to pursue coordinated investments, accelerate digital transformation across railway networks, and expand rolling stock capacity to meet the surging demands of transit trade. Delegates from Mongolia and Pakistan also shared firsthand insights into the current state of their national rail systems and the operational hurdles they face.

The workshop concluded with an in-depth dialogue on addressing the bottlenecks of "soft connectivity" in cross-border logistics, harmonizing regional policy coordination, and streamlining customs. Participants broadly noted that such knowledge sharing and experience exchange provide useful insights for improving future work.

POLICY DIALOGUE

CAREC Institute and Asian Development Bank Host Online Policy Dialogue on Climate Extremes and Economic Resilience



The online policy dialogue on environmental extremes, economic impacts and resilience in the CAREC region, 3 July 2026.

The CAREC Institute and the Asian Development Bank (ADB) recently co-hosted an online policy dialogue titled "Environmental Extremes, Economic Impacts, and Resilience in the Central Asia Regional Economic Cooperation Region: The Case of Dzud in Mongolia." The virtual session brought together policymakers, researchers, and development partners to examine the economic losses of climate extremes and explore approaches toward systemic resilience.

In opening remarks, Dr. Kuat Akizhanov, Deputy Director Two of the CAREC Institute, highlighted the region's growing vulnerability to climate change, citing the devastating 2024 dzud in Mongolia as an example. The disaster claimed over 8 million livestock and contracted the agricultural sector's GDP by 35%. ADB Chief Economist Dr. Albert Park further noted that landlocked CAREC countries are particularly exposed to such climatic extremes, underscoring the urgent need to build economic resilience.

To examine these impacts, experts shared relevant dzud-related research. Dr. Dina Azhgaliyeva from ADB observed that extreme climate has a disproportionate impact across households, with vulnerable groups facing particularly severe coping pressures. Shifting to macroeconomic consequences, Dr. Tuvshintugs Batdelger from the National University of Mongolia revealed that a 1 percentage point increase in dzud-affected land reduces household real net income by 0.19%. His research further showed that families reallocate resources heavily toward food, with higher-income households, despite having larger herds, facing proportionally larger income losses.

Turning to practical solutions, discussions focused on optimizing early warning systems and integrating traditional coping mechanisms into national policies. Speakers also highlighted the need for comprehensive, actionable "last mile" guidance, improved local institutional capacity, and regional solutions such as transboundary early warning systems and macro-fiscal instruments to build systemic climate resilience.

The dialogue framed climate change as a critical socioeconomic challenge, underscoring the imperative to shift from reactive disaster response to systematic, anticipatory, and regionally coordinated resilience frameworks. Participants recommended advancing this transition by leveraging the CAREC Climate Change Action Plan 2025-2027, supported by the CAREC Climate and Sustainability Project Preparatory Fund. These initiatives aim to integrate local coping knowledge into national policies, deepen regional cooperation, and foster pragmatic policy dialogue.

> "A 1 percentage point increase in dzud-affected land reduces household real net income by 0.19%."
>
> **Dr. Tuvshintugs Batdelger, National University of Mongolia**



2–5 JULY 2026 · BEIJING

CAREC Institute Director Attends 2026 Global Digital Economy Conference

From 2-5 July, Mr. Charymuhammet Shallyyev, Director of the CAREC Institute, attended the 2026 Global Digital Economy Conference in Beijing, where he delivered a keynote speech at the Digital Central Asia International Cooperation Forum.

Highlighting that digitalization opens new prospects for digital cooperation between China and Central Asia, Mr. Shallyyev called for practical collaboration across three key areas: computing infrastructure development, harmonized digital standards, and inclusive public digital services. He stressed the need to integrate digital infrastructure with regional transport and energy corridors, accelerate cross-border recognition of electronic documents and business credentials, strengthen cooperation mechanisms, and build a skilled digital workforce. Furthermore, he noted that the CAREC Institute will leverage the Tianshan Forum, research initiatives, and capacity-building programs to engage governments, enterprises, and academic institutions. These efforts will help enhance China–Central Asia digital cooperation and build a more secure, inclusive regional digital economy.

Jointly organized by Chinese authorities and international organizations, the 2026 Global Digital Economy Conference centers on artificial intelligence, digital governance, and data innovation under the theme "Building Digital-Friendly Cities: Unbounded Intelligence, Globally Connected Data". The conference has brought together nearly 40 high-level delegations and over 1,000 industry professionals worldwide for cross-border dialogue and knowledge sharing.



1 JULY 2026 · ONLINE

CAREC Institute Chai Talk Explores Inclusive Development in Central Asia

The CAREC Institute recently hosted an online Chai Talk, "The Central Asian Development Pivot: New Approaches, New Opportunities," bringing together academics and policy experts to explore development models rooted in the region's unique institutional, historical, and cultural contexts.

Dr. Kuat Akizhanov, Deputy Director Two of the CAREC Institute, opened the session by sharing findings from the Institute's research on Addressing Socio-Economic Inequality: Decent Work in CAREC's Green and Digital Transitions. He briefed participants on the current landscape, emphasizing the importance of ensuring this dual transition is inclusive and delivers tangible benefits to communities across the region.

The panel featured insights from Dr. Balihar Sanghera and Dr. Franco Galdini of the University of Birmingham, alongside Dr. Galym Zhussipbek from Suleiman Demirel University. Experts examined critical social dynamics, including profit distribution, resource management, and the role of cultural traditions in upholding social rights and human dignity.

Discussions highlighted the need to look beyond traditional development metrics, focusing instead on strategies to narrow regional development gaps and foster inclusive governance. The dialogue also explored ways to incorporate civil, political, social, and economic dimensions into regional development frameworks, and how academic research can better inform policymaking. Furthermore, experts examined the social implications of the green and digital transitions and the challenge of balancing individual and collective rights within the broader development context.

Through its Chai Talk series, the CAREC Institute continues to foster open, inclusive dialogue, bridging research and policy to advance sustainable development across the region.



29 JULY 2026 · SHANGHAI

CAREC Institute Deputy Director Li Kouqing Addresses Regional Economic Cooperation at 2026 ACCA-SNAI Annual Conference

Dr. Li Kouqing, Deputy Director One of the CAREC Institute, delivered a keynote speech titled "Central Asian Regional Economy and Regional Economic Cooperation" at the 2026 ACCA-SNAI Annual Conference in Shanghai on 29 July 2026.

Co-hosted by the Association of Chartered Certified Accountants (ACCA) and the Shanghai National Accounting Institute (SNAI), the conference was held under the theme "Redefining Finance, Advancing with Intelligence." Sessions focused on ESG-driven sustainability, cross-border investment facilitation, and AI-enabled finance transformation, bringing together representatives from government, academia, think tanks, and the private sector.

In his remarks, Dr. Li reviewed economic trends and regional integration in Central Asia. He noted that most countries in the region have grown steadily in recent years, driven by infrastructure upgrades and digital adoption. While these developments present clear opportunities for foreign investors, he emphasized that businesses should balance prudent risk management with active pursuit of development opportunities.

To support these efforts, the CAREC Institute will continue to provide evidence-based research, policy dialogue and capacity building, advancing sustainable investment and digital connectivity across the region.



Dr. Li Kouqing delivers the keynote address, Shanghai, 29 July 2026.



30 JULY 2026 · SUZHOU

CAREC Institute Deputy Director Li Kouqing Attends 2026 Suzhou AI Expo

On July 30, the 2026 Suzhou AI Product & Application Expo opened at the Suzhou International Expo Center. Dr. Li Kouqing, Deputy Director One of the CAREC Institute, joined senior Suzhou municipal officials and other distinguished guests at the launch ceremony.

During the event, Dr. Li toured exhibition areas dedicated to smart education, healthcare, and transportation. He also engaged with industry representatives and experts on AI applications in regional talent development and digital cooperation.

The launch ceremony of the 2026 Suzhou AI Product & Application Expo, 30 July 2026. (Photo credit: Suzhou Industrial Park Media Center)

About the CAREC Institute

The CAREC Institute is an intergovernmental organization jointly owned by eleven member countries. It builds knowledge and capacity to advance regional cooperation and integration across economic stability, trade, connectivity, agriculture, and human development, in support of the CAREC 2030 Strategic Framework.

CAREC Institute Knowledge Product

Quarterly Economic Monitor No. 21 and the CPMM Annual Report 2024



CAREC Institute's Quarterly Economic Monitor No. 21

Chief Economist Team, CAREC Institute | July 2026

The CAREC Institute has published its latest Quarterly Economic Monitor. Main conclusion about the region's economic performance in the first half of 2026: The CAREC region is experiencing growth divergence, inflation pressures and re-orientation in trade flows.

Read the QEM No. 21



CAREC Corridor Performance Measurement and Monitoring Annual Report 2024

CAREC Institute | July 2026

The CAREC Institute has released the CAREC Corridor Performance Measurement and Monitoring Annual Report 2024, an important knowledge product prepared with support from the Asian Development Bank. Drawing on actual commercial cross-border shipments data collected across the CAREC transport corridors and Border Crossing Points, the report provides an evidence-based assessment of regional transport and trade facilitation performance and identifies opportunities to strengthen connectivity, logistics efficiency, and regional cooperation.

The 2024 report highlights continued progress in regional connectivity, including advances in customs modernization, digital trade facilitation, railway development, and multimodal transport. Across the CAREC region, ongoing investments in transport infrastructure, expanded use of digital solutions, and closer institutional cooperation are contributing to more efficient and resilient trade corridors. While performance varies across transport modes and locations, the overall findings underscore the importance of sustained reforms, greater digitalization, and coordinated efforts to further improve corridor efficiency, strengthen supply chain resilience, and facilitate the seamless movement of goods across borders.

The CAREC Institute remains committed to supporting member countries through rigorous research, policy dialogue, and evidence-based recommendations that advance regional cooperation and integration. The Corridor Performance Measurement and Monitoring (CPMM) continues to serve as a trusted platform for monitoring transport corridor performance, informing policy decisions, and promoting collaborative solutions that enhance trade competitiveness and sustainable economic development across the CAREC region.

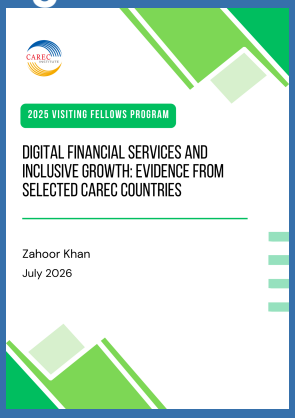
For more information, please visit the CPMM Portal.

Read the CPMM Annual Report 2024

Click here to view the reports

Visiting Fellows Program

Two Visiting Fellows Reports Examine Digital Finance and Digital Trade



Digital Financial Services and Inclusive Growth: Evidence from Selected CAREC Countries

Dr. Zahoor Khan | July 2026

The CAREC Institute has released a new research report under its 2025 Visiting Fellows Program. Titled Digital Financial Services and Inclusive Growth: Evidence from Selected CAREC Countries, the report is authored by Dr. Zahoor Khan. Covering the 2014–2024 period, the study explores how digital financial services (DFS) correlate with and affect inclusive growth (IG) across selected CAREC member countries.

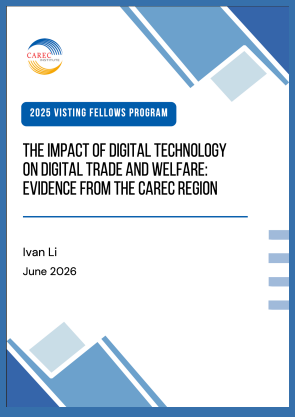
The research builds composite indices to measure digital financial services and inclusive growth. Using empirical evidence from CAREC economies, it examines how advances in digital finance support broader regional economic development.

The report assesses regional digital finance performance across four key areas: digital infrastructure, DFS adoption, internet affordability and bandwidth capacity. It also evaluates inclusive growth through four core pillars, including social inclusion, human development, economic prosperity and climate resilience, all of which serve major regional development goals.

Empirical results show that digital financial services steadily boost regional inclusive growth. Notably, less developed economies gain the most from digital finance investment, with the highest marginal improvement returns.

By comparing development gaps among member countries, the report demonstrates that digital finance is a key tool for balanced regional growth. It offers practical policy implications for upgrading digital infrastructure and expanding inclusive financial access, enabling tailored resource distribution across the region.

Read the report



The Impact of Digital Technology on Digital Trade and Welfare: Evidence from the CAREC Region

Dr. Ivan Li | July 2026

The CAREC Institute has released a new Visiting Fellows Program report authored by Dr. Ivan Li, titled The Impact of Digital Technology on Digital Trade and Welfare: Evidence from the CAREC Region. The study assesses how digital technology affects digital trade development and welfare across CAREC economies and identifies key factors driving regional cross-border digital trade growth.

Using a structural gravity framework and bilateral trade data from 2005 to 2021, the study constructs bilateral digital technology measures covering infrastructure, components and platforms to identify the channels through which technology reduces trade costs. The results show that physical digital infrastructure is the strongest correlate of digital trade; a one-standard-deviation increase in infrastructure is associated with a 43% average rise in bilateral digital trade across sample country pairs. In contrast, digital-specific provisions in trade agreements deliver only limited marginal gains and play only a limited role in driving digital trade growth.

The report's scenario simulations assess the potential economic gains from regional digital infrastructure improvement. For CAREC economies with relatively inadequate infrastructure, lifting their facilities to the regional median level could bring an additional USD 915 million in annual digital services exports, while upgrading relevant infrastructure to the ASEAN standard could generate annual gains of USD 1.19 billion.

Based on empirical results, the author puts forward a phased policy proposal suitable for CAREC member states. It suggests advancing physical digital infrastructure improvement prior to full regulatory harmonization, so that policy arrangements can adapt to local digital development conditions. The two-phase approach first improves basic regional digital connectivity to consolidate development foundations and then promotes infrastructure upgrading toward international standards. This evidence-based policy idea provides practical references for advancing the CAREC 2030 Strategy and narrowing regional digital development gaps.

Read the report

Click here to view the reports

Upcoming Events



The Tenth CAREC Think Tank Development Forum, Tashkent, 20–21 August 2026

The CAREC Institute, in partnership with Westminster International University in Tashkent (WIUT), will host the Tenth CAREC Think Tank Development Forum (CTTDF) in a hybrid format in Tashkent, Uzbekistan, on August 20–21, 2026. The event is supported by the Asian Development Bank (ADB), the Eurasian Fund for Stability and Development (EFSD), and the PRC Poverty Reduction and Cooperation Fund. Themed "Towards Robust, Innovative, and Inclusive Financial Sector Development in the CAREC Region," the forum will serve as a platform for strategic policy dialogue and knowledge sharing, aimed at identifying regional financing bottlenecks and supporting coordinated development across the CAREC region.

CAREC member countries are steadily advancing key development priorities, including infrastructure expansion, industrial upgrading, and regional economic connectivity. This progress is driving a sustained increase in the demand for long-term investment financing. However, the region continues to face structural challenges, such as massive long-term financing gaps and underdeveloped capital markets, which constrain the scale of sustainable investment and hinder broader economic growth.

To address these pressing challenges, the forum will conduct in-depth discussions on several key areas. Participants will explore responsible digital finance, expanded financial inclusion, and alternative financing channels. They will also examine the role of domestic institutions and capital markets, build effective financial safety nets, and advance regional financial cooperation to find practical solutions to financing constraints.

The event will bring together government representatives, international organizations, think tanks, academic institutions, and financial sector leaders from across the CAREC region to share insights and strengthen practical cooperation in building a more resilient financial ecosystem.

For those joining online, please access the forum via:

https://us06web.zoom.us/j/84128978278

Full event details, agendas and registration links are available at carecinstitute.org/events. Recordings and presentations from past dialogues are published on the CAREC Institute E-Learning Platform.

ALSO COMING UP

27 August 2026	Policy Dialogue: Enhancing Containerization in the CAREC Region — Strategies for Policy and Economic Growth
13 October 2026	CAREC Institute Chai Talk: The Legal Foundation of Digital Trade — Practical Barriers to Cross-Border E-Commerce
2 November 2026	Second Tianshan Forum for Central Asia Economic Cooperation, Almaty, Kazakhstan

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