CAREC INSTITUTE NEWSLETTER

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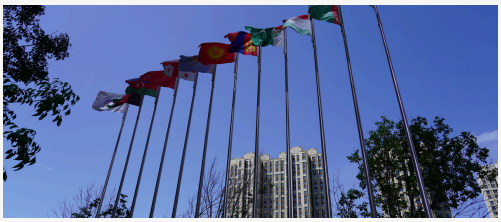

About the CAREC Institute

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 Deputy Director Li Kouqing Addresses Inaugural SCMP China Conference: Central Asia 2026 in Astana

Dr. Li Kouqing, Deputy Director One of the CAREC Institute, spoke at the inaugural "China Conference: Central Asia 2026" on 7 September 2026, in Astana, Kazakhstan. Hosted by the South China Morning Post (SCMP) in partnership with the Astana International Financial Centre (AIFC), the forum brought together more than 300 policymakers, business executives, think-tank researchers, and media representatives to discuss China – Central Asia economic and trade cooperation.

Hong Kong Chief Executive John Lee delivered opening remarks via video link, and senior officials from the Chinese Embassy in Kazakhstan and the AIFC also attended. Sessions covered capital, resources, human development, and the Digital Silk Road.

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INSTITUTE SPOTLIGHT · CONTINUED FROM PAGE 1

Three Priorities for a More Connected Eurasia



The inaugural "China Conference: Central Asia 2026," hosted by the South China Morning Post in partnership with the Astana International Financial Centre, Astana, 7 September 2026.

The event took place as China and Central Asian countries deepen treaty-based partnerships, expand cross-border capital flows and step up cooperation in infrastructure and the digital economy. The region has been drawing growing attention as an economic destination in its own right.

During a plenary panel titled "A More Connected Eurasia: Business, Economics and Diplomacy in a Multi-Vector Region," Dr. Li Kouqing highlighted three priorities for strengthening regional connectivity: upgrading physical infrastructure, advancing digital integration, and fostering an environment where capital, talent, and technology move freely across borders.

Later that day, Dr. Li joined a roundtable, where he briefed participants on economic trends in Central Asia and discussed business opportunities and challenges with Hong Kong business leaders.

It was the first time the SCMP China Conference series had been held in Central Asia.

> "Upgrading physical infrastructure, advancing digital integration, and fostering an environment where capital, talent, and technology move freely across borders."
>
> **Dr. Li Kouqing, Deputy Director One, CAREC Institute**



The plenary panel "A More Connected Eurasia: Business, Economics and Diplomacy in a Multi-Vector Region."

PARTNERSHIP · URUMQI, 15 SEPTEMBER 2026

CAREC Institute Partners with DEC40 to Advance Regional Digital Transformation



CI Director Charymuhammet Shallyyev and DEC40 Secretary-General You Jing sign the MoU in Urumqi.

The CAREC Institute (CI) and the Global Digital Economy Cities Alliance (DEC40) signed a Memorandum of Understanding (MoU) in Urumqi on 15 September to strengthen digital cooperation across the CAREC region.

CI Director Charymuhammet Shallyyev and DEC40 Secretary-General You Jing signed the MoU, establishing a formal framework for effective collaboration between the two organizations. CI Deputy Directors Dr. Li Kouqing and Dr. Kuat Akizhanov, division chiefs, and DEC40 representatives also attended the ceremony, followed by in-depth discussions on areas of mutual interest.

Under the MoU partnership, CI and DEC40 will work on joint research, capacity building and knowledge sharing on digital development, AI applications, and industrial collaboration. The framework aims to expand institutional networks, share technical expertise and support sustainable regional development.

“Digitalization is central to the CAREC 2030 strategy and offers member countries a pathway to overcome geographic constraints,” Shallyyev said. “As cities emerge as vital laboratories for regional innovation, this partnership will link them directly to global best practices and international networks.”

You Jing said that DEC40 prioritizes Central Asia in its global engagement strategy, and that the MoU will serve as a foundation for deeper regional digital cooperation that benefits CAREC member countries.

The MoU is part of CI’s ongoing efforts in building productive partnerships to promote digital transformation and supports the CAREC program’s objectives on regional connectivity and economic resilience. Both sides will work to implement the MoU for tangible outcomes.



Delegations of the CAREC Institute and the Global Digital Economy Cities Alliance, Urumqi, 15 September 2026.



12 SEPTEMBER 2026 · URUMQI, XINJIANG

Dr. Kouqing Li Attended the 2nd Tianshan Dialogue

On September 12, 2026, at the invitation of China Road and Bridge Corporation (CRBC), Dr. Kouqing Li, Deputy Director One of the CAREC Institute, attended the 2nd Tianshan Dialogue—"Promoting Interconnectivity, Empowering Synergies" —held in Urumqi, Xinjiang.

As a keynote speaker, he outlined the opportunities and challenges facing the economic development of Central Asian countries, as well as the proactive efforts they are making to advance sci-tech innovation. He noted that Urumqi, with its unique advantages, is highly expected to become a core hub for transferring domestic innovations to Central Asia region. Building Urumqi into a regional sci-tech innovation hub not only aligns with the technological trends and the drive for high-quality development, but also actively promotes regional cooperation, injecting greater vitality into the time-honored Silk Road. As a closing, he put forward several recommendations on building Urumqi into a regional sci-tech innovation hub.



Dr. Li Kouqing delivering a keynote address at the 2nd Tianshan Dialogue, Urumqi.

17 SEPTEMBER 2026 · CALL FOR APPLICANTS

Flagship Study on "AI in Transportation in CAREC Region"

CAREC Institute is pleased to share a new consulting opportunity for its flagship study, "AI in Transportation in CAREC Region," which will be conducted jointly with the Asian Development Bank (ADB).

The study will examine artificial intelligence in the transport sector across Central Asia Regional Economic Cooperation countries. The consulting services recruitment notice has now been published on ADB's Consultant Management System (CMS).

Interested and qualified applicants are invited to visit the CMS portal to review the assignment details and application requirements:

ADB CMS Portal: https://cms.adb.org/

Applicants may search using Selection No. 227922 or Reference No. E-048335-002.

Project: TA-9754 REG: Central Asia Regional Economic Cooperation: Knowledge Sharing and Services in Transport and Transport Facilitation (Phase 2)

Assignment: Artificial Intelligence in the Transport Sector in Central Asia Regional Economic Cooperation Countries

Reference No.E-048335-002

Please share this opportunity with relevant professionals and organizations in your network.

CAREC Institute Knowledge Product

Policy Brief Examines Mongolia's Capacity to Absorb Foreign Investment



On Foreign Investment Absorption Capacity in Mongolia: A Macroeconomic Assessment

By Elvira Kurmanalieva and Sukhdelger Sosorbaram, CAREC Institute | September 2026

The CAREC Institute has published a policy brief On Foreign Investment Absorption Capacity in Mongolia: A Macroeconomic Assessment, which examines why large foreign investment inflows in Mongolia have not been translated into sustained productivity growth or economic diversification.

According to the brief, about 75% of Mongolia's foreign direct investment inflows are attracted to the mining sector. Investment in the sector has supported periods of rapid growth, but volatile inflows have also been associated with sharp economic swings, with limited benefits for other sectors of the economy. The analysis points to procyclical fiscal policy, limited efficiency of public investment, shortages of skilled labor, weak technology transfer, weak institutions and a shallow financial sector as key constraints.

To address these constraints, the brief recommends stronger fiscal rules and public investment management, training that better matches industry needs, and greater support for domestic suppliers and non-mining sectors. It also calls for more credible institutions and regulations to help translate investment into productivity growth and diversification.

Read the policy brief

75%

of Mongolia's foreign direct investment inflows are attracted to the mining sector.

Volatile inflows have supported periods of rapid growth but have also been associated with sharp economic swings, with limited benefits for other sectors of the economy.

Click here to view the publications

Upcoming Events



CAREC Institute Chai Talk: The Legal Foundation of Digital Trade — Practical Barriers to Cross-Border E-Commerce, 13 October 2026

The CAREC region stands at a critical juncture where digital transformation offers unprecedented opportunities for economic integration and growth. Yet the promise of a digitally connected CAREC corridor remains constrained by fragmented legal and regulatory frameworks that hinder cross-border digital trade. Despite progress in digital infrastructure and trade facilitation, regulatory misalignment and weak coordination across member countries continue to limit intra-regional trade.

Digital trade holds transformative potential for the region, but significant legal and regulatory hurdles remain. Differences in legislation and administrative procedures rather than the absence of laws are among the most immediate and tangible barriers. These include divergent requirements for electronic transactions and digital signatures, incompatible approaches to data protection and cross-border data flows, uneven consumer protection regimes, and non-harmonized customs and payment procedures.

During this Chai Talk, e-commerce and digital trade associations from the CAREC countries will explore the shift from general principles of regional cooperation toward a more pragmatic examination: Which disparities in legislation and administrative procedures currently impede cross-border e-commerce within the CAREC region, and in what areas can nations already progress toward greater regulatory compatibility without requiring full legislative unification? The session will facilitate a comparison of regulatory frameworks, identify shared obstacles for businesses, and determine sectors suitable for incremental rule alignment or mutual compatibility, potentially paving the way for pilot initiatives to jointly tackle specific cross-border challenges.

Format: Online via Zoom with simultaneous interpretation in English and Russian.

Register here: https://carecinstitute-org.zoom.us/webinar/register/WN_GCxvZ9bJSlaSnferocGz1A

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

2–3 November 2026	Second Tianshan Forum for Central Asia Economic Cooperation — Almaty, Kazakhstan. Full preview in Issue 85.
20 November 2026	Knowledge Sharing Webinar: Heterodox Approaches to Development in Central Asia — Post-Soviet Development Economics and Society.

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