

A FRESH PERSPECTIVE ON THE ECONOMY OF CENTRAL ASIA

Central Asia — five republics in the centre of the Eurasian space



Central Asia — large and dynamically developing region

- ▶ Substantial progress in social and economic development
- ▶ Capacious sales market and expanding pool of labour resources
- ▶ Improving living standards
- ▶ Dynamic development of infrastructure and increasing mobility of the population
- ▶ Strategic role of the region in Eurasia: substantial growth prospects

The region's achievements and structural changes

Increase in 2000–2021

		2000	2010	2021
 1.4x	Population, millions	55	62	77
 7.5x	GDP, \$ billions	46	243	347
 1.8x	Share in global GDP (PPP), %	0.4	0.6	0.7
 17.2x	FDI stock, \$ billions	12.3	101.6	211.4
 6x	Turnover of foreign trade in goods, \$ billions	27.4	149.4	165.5
 3.1x	Mobility of the population, pkm/person	2,198	4,435	6,792 (2019)

↑ from 6.4% to 9.9%

increase in the share of mutual trade in goods among Central Asian countries in total foreign trade turnover over the last eight years

6.2%

average annual GDP growth rate in the Central Asian countries over the last 20 years

2x

FDI stock originating from the PRC exceeds FDI stock originating from the RF

\$52.8 billion

estimated aggregate value of proposed investment projects in the region's water and energy complex in 2021

Challenges

Lack of access to the sea

- ▶ Excessive transport costs
- ▶ Constrained growth of trade

Resource dependence and low level of financial development

- ▶ GDP growth volatility
- ▶ Constrained growth of household incomes

Lack of coordination in the water and energy complex

- ▶ Economic losses
- ▶ Increasing water shortage

Climate change and environmental damage

- ▶ Rising temperature
- ▶ Pollution of the biosphere

Region's growth points

Development of transit transport potential, creation of the Eurasian transport network

Attraction of private investment, diversification of production and exports, expansion of the range of financial services

Coordinated development of the water and energy complex

"Green" transformation of the economies