# LOGISTICS & DIPLOMACY IN CENTRAL ASIA

(Eds)

Yann ALIX
Kuralay BAIZAKOVA
Jildiz NICHARAPOVA
Mirzokhid RAKHIMOV

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Mirzokhid RAKHIMOV

Fondation Sefacil
Logistique · Portuaire · Maritime

Technical School of Innovation
AUCA

Institut Français d'Etudes sur l'Asie Centrale

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# AVANT-PROPOS

*François DELAHOUSSE*
Ambassadeur de France au Kirghizstan
Bichkek – Kirghizstan

Le point commun de tous les territoires jouissant d'une immensité géographique réside dans l'importance prise par le secteur des transports dans leur histoire politique et leur construction diplomatique. Aussi loin que l'on puisse remonter de manière assurée, l'Empire romain a structuré son pouvoir pan-méditerranéen par sa maitrise technique des transports de marchandises et de personnes. Depuis les voiries terrestres jusqu'aux aménagements fluvio-maritimes en passant par la construction à grande échelle des véhicules et des contenants, l'Empire romain a su consolider l'expansion et l'unité territoriales par ses avancées en matière de transport et de logistique.

Grand bon historique : l'avènement de l'empire de Gengis Khan au XIII<sup>e</sup> siècle, où ce n'est pas tant la maîtrise technologique qui procura grandeur et pouvoir au maitre de la Mongolie que l'aptitude politique de structurer un formidable réseaux de comptoirs commerciaux pour inventer une première forme de *continuum* logistique des pré- et post-acheminements entre la mer de Chine et les confins de la mer Méditerranée.

Autre bond : autre continent. Il est coutume de rappeler que les jeunes démocraties états-unienne et canadienne reposèrent, dans leurs premières décennies d'expérimentations politiques, sur une obsession territoriale et stratégique : garantir la continuité de la connectivité infrastructurelle entre les espaces les plus orientaux et les espaces les plus occidentaux du continent. Et de rappeler que l'une des devises canadiennes les plus connues reste « a mari usque ad mare », soit tout simplement *d'un océan à l'autre*.

L'Empire russe de 1919 s'étendait sur une telle immensité spatiale que le pays fut divisé en 11 fuseaux horaires qui prenaient comme délimitations les voies ferrées (orientées Ouest-Est) et les rivières, voies de communication primordiales orientées Nord-Sud. Un siècle plus tard et tirant profit de l'opportunité *(ir)*rationnelle offerte par le changement climatique, le pouvoir russe fait du développement infrastructurel de la façade maritime Arctique l'une de ses priorités stratégiques pour évacuer les immenses réserves de ressources énergétiques vers ses clients asiatiques et européens. Une fois encore, les faisabilités du transport et de la logistique ont conditionné la concrétisation opérationnelle de cette nouvelle perspective géostratégique où nait, sous nos yeux de contemporains, une nouvelle rangée portuaire de Mourmansk à Vladivostok placée sous un contrôle souverain par une seule nation.

A travers la crise pandémique actuelle, les nomades globaux que nous sommes devenus avons saisi avec désarroi combien la mondialisation demeure tributaire de la robustesse et de la résilience des systèmes de transport. La fermeture des voies aériennes ou, plus récemment, la mise en place des protocoles de contrôle aux frontières ont profondément contraint les mobilités des hommes et des marchandises. Il en a résulté une prise de conscience quasi universelle du rôle vital de la logistique et des chaînes de valeur dans nos modes de vie et nos comportements. Beaucoup ont découvert que 90% des échanges planétaires se réalisaient par voies maritimes. Le blocage accidentel du Canal de Suez pendant 11 jours en mars 2021 a occupé les ondes des chaines d'informations, expliquant dans la confusion et les contresens les fondements d'une globalisation heureuse qui vacillait par une mauvaise manœuvre d'un porte-conteneurs long comme quatre terrains de football !

Loin de ces tribulations maritimes, les Etats enclavés de l'Asie Centrale ont vu les trains-blocs des sillons eurasiatiques s'animer de wagons remplis de produits manufacturés à haute valeur ajoutée pour garantir les pré- et post-acheminements entre la Chine et l'Europe. Que les trains empruntent la route septentrionale via la Mongolie ou celle plus au sud qui traverse le Xinjiang frontalier de plusieurs Etats de l'Asie Centrale, ils proposent tous des prestations qui mettent moitié moins de temps que les services maritimes de lignes régulières. En 2021, le seuil historique du million de conteneurs transporté sur les seuls réseaux ferroviaires russes est même dépassé, ce qui atteste du succès logistique de ces artères commerciales qui profitent des investissements chinois dans le cadre de l'initiative *Belt & Road.*

En partenariat avec l'Université Nationale Kazakhe *Al-Farabi* à Almaty, Kazakhstan, la fondation SEFACIL a organisé dès 2014 un premier séminaire de réflexions sur les relations entre la logistique et la diplomatie. La formulation originelle de l'atelier invitait à s'interroger sur le rôle que devait jouer la politique dans la constitution d'une logistique au service des Etats enclavés d'Asie Centrale. Sept années plus tard, forte de plusieurs sessions supplémentaires dont une à Oulan-Bator, Mongolie, en 2016, et une autre à Bichkek, Kirghizstan, en 2018, ainsi que d'une première publication intitulée déjà « *Logistics & Diplomacy* »[1], l'ambition kazakhe se diffuse pour inclure un nouveau séminaire à Tachkent en Ouzbékistan en octobre 2021, d'un autre à Almaty en novembre 2021, suivi d'un troisième à Bichkek au Kirghizstan en janvier 2022, en attendant de se rendre à Douchanbé, Tadjikistan, fin 2022 et peut-être à Achgabat, Turkménistan, en 2023.

Le présent ouvrage collectif constitue le résultat affiné de ces réflexions élargies quant aux imbrications indispensables entre la logistique et la politique. Fruit d'un travail collaboratif et pluridisciplinaire, l'ouvrage s'inscrit dans la philosophie défendue depuis 2014 par la Fondation SEFACIL : à savoir, combiner les réflexions d'enseignants-chercheurs de haute réputation avec les travaux d'étudiants doctoraux ou de jeunes professeurs. L'un des enjeux majeurs du mariage entre la logistique et la politique demeure celui de « conscientiser » les élites publiques au pouvoir socio-économique d'une logistique au service du territoire et des populations. L'Asie Centrale demeure souvent perçue comme une zone de transit, un espace de contact que l'on traverse pour relier des marchés immenses (Chine, Russie, Europe, sous-continent indien, etc.). La logistique peut et doit participer d'une intégration économique et politique régionale qui fédère les Etats de l'Asie Centrale en une démarche géopolitique et géostratégique inédite.

Les réflexions contenues dans cet ouvrage pluriel constituent une matière brute qui peut inspirer la projection d'un futur espace logistique plus solidaire et plus cohérent à l'échelle de l'Asie Centrale. Les défis restent grands pour édifier une stratégie commune ou tout du moins homogène entre les Etats concernés. L'Asie Centrale dispose d'atouts

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[1] Voir le volume dirigé par Yann Alix, Violeta Puscasu et Kuralay Baizakova in *Public Administration and Regional Studies*, N° 2-14, 2014, 104 pages (ISSN 2065-1759); et le volume dirigé par Kuralay Baizakova et Yann Alix « Geopolitics, logistics and diplomacy », atelier international, université KazNU Al Farabi, Almaty, avril 2017, publié par l'Université Nationale Kazakhe *Al-Farabi* en 2018, 138 pages (ISBN 978-9965-29-544-7).

énergétiques et d’une force de travail jeune, mais elle pâtit d’une faible industrialisation et d’une capacité très limitée dans la transformation manufacturière. Penser que la logistique peut constituer un vecteur de développement exige des structurations d’ampleur projetées sur le long terme, ce qui n’est pas toujours compatibles avec les agendas politiques ou les exigences des opérateurs économiques privés. Car, comme il est analysé dans le présent ouvrage, encore faut-il que les chaînes de valeur du futur, dans un monde post-Covid toujours à inventer, soient de véritables vecteurs de création de richesse pour les populations et les territoires de l’Asie Centrale. C’est un pan entier de recherche appliquée qui s’ouvre pour comprendre et analyser les mécanismes de construction et de pérennisation de la création de valeur sur les territoires enclavés d’Asie Centrale. Cet ouvrage constitue une pierre supplémentaire à l’édifice intellectuel co-construit depuis 2014 avec les enseignants-chercheurs et les décideurs publics des cinq Etats de l’Asie Centrale.

A toutes et tous, bonne lecture !

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# FOREWORD

What all geographically vast territories have in common is the importance of the transportation industry in their political history and diplomatic construction. As far back as realistically feasible, the Roman Empire structured its pan-Mediterranean power through its technical mastery of the transport of goods and people. From land roads to river and maritime facilities, or the large-scale construction of vehicles and containers, the Roman Empire was able to consolidate territorial expansion and unity through advances in transport and logistics.

A great historical leap: the advent of Genghis Khan's empire in the 13th century, where it was not so much technological mastery that brought greatness and power to the master of Mongolia, but rather the political ability to structure a formidable network of trading posts in order to invent a first form of logistical continuum of pre- and post-shipments between the China Sea and the confines of the Mediterranean Sea.

Other leap: other continent. It is customary to recall that the young American and Canadian democracies rested, in their first decades of political experimentation, on a territorial and strategic obsession: to guarantee the continuity of infrastructural connectivity between the most eastern and western spaces of the continent. And to recall that one of the best-known Canadian mottos remains "a mari usque ad mare", or simply *from sea to sea*.

The Russian Empire of 1917 was so vast in space that the country was divided into 11 time zones, which were delimited by railroads (running west-east) and rivers, which were the primary means of communication running north-south. A century later, taking advantage of the (*ir*)rational opportunity offered by climate change, the Russian government has made the infrastructural development of the Arctic seaboard one of its strategic priorities in order to evacuate the immense reserves of energy resources to its Asian and European clients. Once again, the feasibility of transport and logistics has conditioned the operational realization of this new geostrategic perspective where a new port row from Murmansk to Vladivostok is being born before our eyes under the sovereign control of a single nation.

Through the current pandemic crisis, the global nomads we have become have grasped with dismay how much globalization remains dependent on the robustness and resilience of transport systems. The closure of airways and, more recently, the implementation of border control protocols have profoundly constrained the mobility of people and goods. The result has been an almost universal awareness of the vital role of logistics and value chains in our lifestyles and behaviors. Many have discovered that 90% of global trade is carried out by sea. The accidental blockage of the Suez Canal for 11 days in March 2021 occupied the airwaves of the news channels, explaining in confusion and misunderstanding the foundations of a happy globalization that was faltering on account of a bad manoeuvre of a container ship as long as four soccer fields!

Far from these maritime tribulations, the landlocked states of Central Asia have seen the block trains of the Eurasian furrows come alive with wagons filled with high value-added manufactured goods to guarantee pre- and post-routing between China and Europe. Whether trains take the northern route through Mongolia or the southern route through Xinjiang, which borders several Central Asian states, they all offer services that take half the time of scheduled maritime services. In 2021, the historic threshold of one million containers transported on Russian rail networks alone will even be exceeded, attesting to the logistical success of these trade arteries, which benefit from Chinese investments under the Belt & Road initiative.

In partnership with the Kazakh National Al-Farabi University in Almaty, Kazakhstan, the SEFACIL Foundation organized in 2014 a first seminar to reflect on the relationship between logistics and diplomacy. The original wording of the workshop invited to question the role that politics should play in the constitution of logistics at the service of the landlocked states of Central Asia. Seven years later, with several additional sessions, including one in Ulaanbaatar, Mongolia, in 2016, and another in Bishkek, Kyrgyzstan, in 2018, as well as a first publication already entitled "*Logistics & Diplomacy*"[2], The Kazakh ambition is spreading to include a new seminar in Tashkent, Uzbekistan, in October 2021, another in Almaty in November 2021, followed by a third in Bishkek, Kyrgyzstan, in January 2022, while expecting to go to Dushanbe, Tajikistan, at the end of 2022, and - possibly - to Ashgabat, Turkmenistan, in 2023.

The present collective work is the fine-tuned result of these widened reflections on the indispensable interweaving of logistics and politics. Resulting from a collaborative and multidisciplinary work, the book is in line with the philosophy defended since 2014 by the SEFACIL Foundation: namely, to combine the reflections of renowned scholars with the work of doctoral students or young professors. One of the major challenges of the fusion between logistics and politics remains that of "raising awareness" among public elites of the socio-economic power of logistics at the service of territories and populations. Central Asia is often perceived as a transit area, a contact space that is being crossed to connect huge markets (China, Russia, Europe, Indian subcontinent, etc.). Logistics can and must be part of a regional economic and political integration that federates the Central Asian states in a new geopolitical and geostrategic approach.

The reflections contained in this plural work constitute a raw material that can inspire the projection of a future logistics space more united and more coherent on the scale of Central Asia. The challenges remain great to build a common or at least homogeneous strategy between the states concerned. Central Asia has energy assets and a young workforce, but it suffers from weak industrialization and a very limited capacity in manufacturing transformation. To think that logistics can be a vector of development requires large-scale structuring projected over the long term, which is not always compatible with political agendas or the demands of private economic operators. For, as will be stated in this book, the value chains of the future, in a post-Covid world still to be invented, must be real vectors of wealth creation for the populations and territories of Central Asia. This is a whole area of applied research that is opening up to understand and analyze the mechanisms for building and sustaining value creation in the landlocked territories of Central Asia. This book is an additional stone to the intellectual building of co-structures since 2014.

We wish you all a pleasant reading!

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[2] See Yann Alix, Violeta Puscasu et Kuralay Baizakova in *Public Administration and Regional Studies*, N° 2-14, 2014, 104 pages (ISSN 2065-1759); and Kuralay Baizakova et Yann Alix « Geopolitics, logistics and diplomacy », atelier international, university KazNU *Al Farabi*, Almaty, avril 2017 published by National University Kazakhe Al-Farabi in 2018, 138 pages (ISBN 978-9965-29-544-7).

# ПРЕДИСЛОВИЕ
# ПОСОЛ ДЕЛАУС

Общая черта всех обширных территориальных образований заключается в том, что транспортный сектор играет важную роль в их политической истории и выстраивании дипломатических отношений. Насколько мы можем с уверенностью вернуться в прошлое, Римская империя структурировала свою пан-средиземноморскую власть благодаря техническому мастерству в перевозке грузов и людей. От наземных дорог до обустройства рек и морских путей и вплоть до крупномасштабного строительства транспортных средств и вместилищ для перевозки грузов, Римская империя смогла укрепить территориальную экспансию и единство благодаря своим достижениям в области транспорта и логистики.

Хорошим историческим примером также может послужить появление империи Чингисхана в XIII веке, когда не столько технологическое мастерство обеспечило монгольскому владыке величие и власть, сколько политическая способность структурировать огромные торговые сети, чтобы изобрести раннюю форму логистического континуума до и после перевозок между Китайским морем и границами Средиземного моря.

Другой пример: другой континент. Немаловажно помнить, что молодые демократические государства в Соединенных Штатах и Канаде в первые десятилетия своих политических экспериментов опирались на территориальную и стратегическую важность: обеспечить непрерывность инфраструктурных связей между самыми восточными и самыми западными пространствами континента. Одним из самых известных канадских девизов остается *a mari usque ad mare* - от побережья до побережья.

Российская Империя 1917 года простиралась на такие обширные пространства, что страна была разделена на 11 часовых поясов, которые условно делили железнодорожные пути (Запад-Восток) и реки - основные пути сообщения (Север-Юг). Столетие спустя, воспользовавшись (ир)рациональными возможностями, предоставляемыми изменением климата, российские власти сделали инфраструктурное развитие арктического побережья одним из своих стратегических приоритетов, чтобы вывести огромные запасы энергоресурсов своим азиатским и европейским клиентам. В очередной раз транспортно-логистическая возможность обусловила оперативную конкретизацию этой новой геостратегической перспективы, где на наших глазах родилась новая портовая цепь от Мурманска до Владивостока, поставленная под суверенный контроль одной державы.

Из-за нынешнего пандемического кризиса глобальные кочевники, которыми мы стали, с тревогой осознали, насколько глобализация по-прежнему зависит от надежности и устойчивости транспортных систем. Закрытие авиалиний или, совсем недавно, введение протоколов пограничного контроля серьезно ограничили мобильность людей и товаров. Результатом стало почти всеобщее осознание жизненно важной роли логистики и цепочек создания стоимости в нашем образе жизни и поведении. Многие обнаружили, что 90% планетарных обменов происходит через море. Случайная блокировка Суэцкого канала на 11 дней в марте

2021 года оккупировала эфир новостных каналов, объясняя в путанице и неверном толковании основы счастливой глобализации, пошатнувшейся от неудачного маневра длинного как четыре футбольных поля контейнеровоза!

Вдали от этих морских невзгод, государства Центральной Азии, не имеющие выхода к морю, видели, как поезда евразийских борозд оживают вагонами, заполненными промышленными товарами с высокой добавленной стоимостью, чтобы гарантировать до- и постмаршрутное сообщение между Китаем и Европой. Независимо от того, идут ли поезда по северному маршруту через Монголию или по маршруту южнее, который пересекает Синьцзян, граничащий с несколькими государствами Центральной Азии, все они предлагают услуги, которые занимают вдвое меньше времени, чем обычные морские перевозки. В 2021 году был даже превышен исторический порог в один миллион контейнеров, перевозимых только по российским железнодорожным сетям, что свидетельствует о логистическом успехе этих коммерческих артерий, получающих выгоду от китайских инвестиций в рамках инициативы «Один пояс и один путь».

В партнерстве с Казахским национальным университетом им. Аль-Фараби в Алматы, Казахстан, фонд SEFACIL организовал в 2014 году первый семинар для размышлений о взаимосвязи логистики и дипломатии. Первоначальная формулировка семинара подтолкнула нас к вопросу о роли, которую политика должна играть в организации логистики на службе государств Центральной Азии, не имеющих выхода к морю. Семь лет спустя, благодаря нескольким дополнительным сессиям, в том числе одной в Улан-Баторе, Монголия, в 2016 году, и еще одной в Бишкеке, Кыргызстан, в 2018 году, а также первой публикации, озаглавленной «Логистика и дипломатия»[3], казахстанские амбиции расширяются и включают новый семинар в Ташкенте в Узбекистане в октябре 2021 г., еще один в Алматы в ноябре 2021 г., затем третий в Бишкеке в Кыргызстане в 2022 г., в ожидании поездки в Душанбе, Таджикистан, в конце 2022 г. и, возможно, в Ашхабад, Туркменистан, в 2023 г.

Эта коллективная работа является результатом этих более обширных размышлений о существенных взаимосвязях между логистикой и политикой. Будучи результатом совместной и междисциплинарной работы, книга является частью философии, защищаемой с 2014 года Фондом SEFACIL, а именно: объединить идеи уважаемых преподавателей-исследователей с размышлениями докторантов или молодых преподавателей. Одной из основных задач союза логистики и политики остается проблема «повышения осведомленности» общественных элит о социально-экономической силе логистики на службе у территории и населения. Центральная Азия до сих пор часто воспринимается как транзитная зона, пространство соприкосновения, через которое соединяются огромные рынки (Китай, Россия, Европа, Индийский субконтинент и т. д.). Логистика может и должна участвовать в региональной экономической и политической интеграции, объединяющей государства Центральной Азии в беспрецедентном геополитическом и геостратегическом подходе.

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[3] См. выпуск под редакцией Яна Аликса, Виолетты Пушкасу и Куралай Байзаковой в журнале *Public Administration and Regional Studies*, № 2-14, 2014 г., 104 стр. (ISSN 2065-1759); и выпуск под редакцией Куралай Байзаковой и Яна Аликса « Geopolitics, logistics and diplomacy », международный семинар, КазНУ Университет аль-Фараби, Алматы, апрель 2017 г., издан КазНУ им. аль-Фараби в 2018 г., 138 страниц (ISBN 978-9965-29-544-7).

Размышления, содержащиеся в этой многоплановой работе, представляют собой исходный материал, который может вдохновить на проектирование будущего логистического пространства, более единого и согласованного в масштабах Центральной Азии. По-прежнему велики проблемы, связанные с выработкой общей или, по крайней мере, однородной стратегии заинтересованных государств. Центральная Азия обладает энергетическими активами и молодой рабочей силой, но страдает от слабой индустриализации и очень ограниченных возможностей преобразования производства. Мысль о том, что логистика может стать вектором развития, требует крупномасштабного структурирования, запланированного на долгосрочную перспективу, что не всегда совместимо с политическими программами или требованиями частных экономических операторов. Потому что, как будет сказано в этой книге, по-прежнему необходимо, чтобы цепочки добавленной стоимости будущего, в постковидном мире, который еще предстоит изобрести, были реальными векторами создания богатства для населения и территорий Центральной Азии. Это целый раздел прикладных исследований, который открывается для понимания и анализа механизмов построения и устойчивости создания стоимости на не имеющих выхода к морю территориях Центральной Азии. Эта книга является еще одним камнем в интеллектуальном здании, которое с 2014 года строится совместно с преподавателями-исследователями и лицами, принимающими решения, из пяти государств Центральной Азии.

Всем приятного чтения!

Франсуа Делаус, посол Франции в Кыргызстане

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# EDITORIAL

## Diplomacy is an art
## Logistics is a necessity

## LOGISTICAL TRANSFORMATION IN EURASIA - SOME POLITICAL AND ECONOMIC OVERVIEW

*Pierre CHABAL*
Normandie Université
PhD Dr in Political science (IEP Grenoble)
Dr of Political Science in International relations (IEP, Paris)
Visiting professor, KazNU Almaty, UWED Tahskent, NUM Oulan Bator, Xiamen China
Le Havre – France

On the relevance of humility … Westerners often believe that modernity began with their 16th century *Renaissance*. However, historians know better. They prove to us that centuries before the European *Renaissance*, great human advances took place in the heart of Eurasia, notably – to mention only a few – in Uzbekistan with Ulugbek's astronomical observatory built in the 15th century, in Kazakhstan with the foundation of the first Kazakh Khanat in 1465, one century before the European modern State, and in Kyrgyzstan where, for long, the Silk Roads paused on the banks of the Issyk-Kul lake on their journeys between East and West. Elsewhere in Asia, mechanical printing using mobile metal letters was invented in Korea in the 14th century, long before Gutenberg. And so, it is today a *cliché* to suggest that distance has become irrelevant, not only *what* cartography tells us about *where* nations live but, more pointedly, *how* peoples think and to *what purpose* they apply their intelligence.

What happened in October and November 2021 in Tashkent and Almaty and in January 2022 in Bishkek – our *Logistics and Diplomacy* seminars – began 15 years ago, when I first addressed students of the KazNU, or 10 years ago, when I first taught students of the UWED, or 5 years ago, when I first visited Bishek and the AUCA to prepare our 2018 international conference there. But it also all started 20 years ago, when the sino-postsoviet Asia organised itself into an open regionalism, or 200 years ago when centripetal ambitions brought continental peripheries here, or also 2000 years ago when the scale of human ambitions was, if not larger, certainly more classically imperial. And 20 years from today, in the 2040s, let us be certain that Uzbekistan, Kazakhstan, Kyrgyzstan, and Central Asia at large and the whole of the 'new Asia' will have reversed geopolitical geometrics. Some of us will still be alive to witness the centrifugal engagement, by the center, of the peripheries. Others will observe from above.

When Yann Alix and I first met, in December 2011, the year of my first visit to UWED and 4 years on from my first visit to Uzbekistan, and 7 years already after my first visit to Kazakhstan, and only a few years before my footsteps would logically take me to Kyrgyzstan, so when Yann and I first met, what happened is: a narrow-minded political scientist opened to *maritime* logistics and a visionary geographer gave an open ear to *continental* Central Asia. At that time, I was organising an international conference on *Europe-Asia Interregional Competition*. I remember that I said to Yann – maybe he recalls; maybe not – “before 10 years pass, you and I will cooperate with Central Asia and I have just met good universities there”. I was wrong!

The KazNU is not a good university, it is the best institution for the intellectual Ibrashev-inspired ‘Pan-Asia-Centric’ analysis of world dynamics; and Yann discovered Kazakhstan already earlier, in 2017, at the highest level of a seminar he co-organised here in the KazNU!

The UWED is not just a good university, it is the best institution for the governmental analysis of world dynamics; and Yann visited Uzbekistan already in July 2021, at the level of a conference organised by Uzbekistan’s Ministry of Foreign Affairs.

The AUCA of Bishkek is not a good University, it is the best representative of American projected presence in a different continent, and to be sure at the heart of such a continent, the formerly-designated Heartland of British geographer McKinder. That is what I said to Yann before co-organising conferences in 2012 in France, 2014 in Almaty, 2016 in Oulan-Batar, 2018 in Bishkek, 2020 in Poland and 2022 in Le Havre

Now onto *Logistics and Diplomacy*. Diplomacy is an art; logistics is a necessity. When diplomacy and logistics disagree, chaos prevails. When they agree, progress and development ensue. As it happens, next month, a comprehensive international conference is taking place on a very close topic: *The Completion of Eurasia between logistical convergence and regional dissent.* Over 40 speakers from about 20 countries, (including Kazakhstan, Әрине Қазақстан !, Uzbekistan, albatta O’zbekiston !, and Kyrgyzstan, албетте Кыргызстан !) will reflect over four sessions on 1/ diplomatic competition, 2/ logistical challenges, 3/ the concept of Eurasia, 4/ historic turns from 1991 to 2021. There could hardly be more proximity these 2021 and 2022 *Logistics and Diplomacy* seminars and this conference next month, in May 2022.

For now, I suggest three avenues for a discussion based on the politics and economics of logistical transformation as *the end of “conceitful” divergence* (§1), the making of mutually completing convergence (§2) despite the ambiguous nature of the New Silk Roads (§3)

§1) The end of ‘conceitful’ divergence - This is the broad context in which logistics and diplomacy used to occur. Contextual analysis within social sciences suggests that reality and the use of reality rest on a social fabrication of the Self and of the Other. And, to be sure, between i/ a Chinese world that considered the outer world (mainly western) as barbarian, and ii/ the western world (mainly European) that considered Asia as a ‘land for the taking’ (*une terre à prendre;* in Uzbek *olish uchun er;* in Kyrgyz *алатын жер;* in Kazakh *алуу үчүн жер* ), exchanges were based on divergence.

On divergence and on imbalance. Unequal treaties ruled and created i/ a world where trade meant exploitation and ii/ a world in which interaction meant colonialism. In this vein, what is customarily referred to as ‘the opium wars’ could be renamed a series of ‘narrow-minded zero-sum games’ in contradiction to David Ricardo’s theory of international trade as the condition for nations to become, through interactions, *mutually* prosperous.

And so, probably, all such forms of imbalanced diplomacy are in fact the negation of international trade. For logistics becomes simply the obedient slave of unscrupulous leaders, with the effect that, following conceitful exchanges, wars of a revengeful nature are almost inevitable. *Mutatis mutandis*, historians and especially economic historians have connoted WWI as economic war among European capitalisms, and WWII as economic confrontation between capitalist and fascist hegemons.

§2) *The making of mutually completing convergence* - Here, by contrast, over the past few decades, international trade exchanges have undergone a levelling-off of sorts. In the PCW, the first sign of this was in 1995 the transformation of the ('talkative') GATT into a WTO equipped with more 'regulating' powers. Yet, as we know, commercial neo-realism struck almost immediately, first in 1997 with the so-called 'Asian' economic crisis and, repeatedly with, in 2008, the very a-professional financial crisis triggered by the totally sub-optimised bank-loans, toxic ones to be sure, referred to as the sub-prime crisis. And so, the 1990s and the 2000s marked a turning point in the economic re-structuration of the world.

China's accession to the WTO in 2001 was much commented as the confirmation of Beijing's insertion into world-trading. Yet, 2001 marks also the transformation of a China-neighbouring 'Group of the Shanghai 5' into a fully-fledged SCO (today with 9 members and a total of 21 affiliates). 2001 is also the assumption to power of a very assertive Vladimir Vladimirovich, intent on forming a Eurasian Economic zone, and SCO Energy Club, an Asian currency zone, etc.

There is less need to add to this list of Asian innovations than a necessity to state that the former West and the new East are now on a par with each other. The former West (or still relevant North?) is having to engage in *mutual* trade with a new East that is also part of the new South – the symbol of this being the 2015 joint Summit in Ufa of the SCO and of the BRICS, the creation of an Asian Development Bank, as well as joint military drills: within the SCO, within the CSTO, and sometimes together: *SCO* and *CSTO*.

What has been invented is a Eurasian provision of security for international trade, in balanced complement to western 'stabilisation' forces, the latter today a thing of the past, possibly to be cyclically revived in view of renewed instability.

§3) *The ambiguous nature of the New Silk Roads* - Today, former divergence and on-going convergence come together into logistics. A former French minister, Malraux, stated that 'The 21st century will be cultural'. Probably, he was wrong if he meant artistic harmony. Yet, he was definitely right if he meant a 21st century made up of soft and smart power. The 21st century 'will be' logistical as a means to veer diplomacy away from hegemonic zero-sum games and towards attempts at 'win-win' transport and trading strategies. The fact that XI Jin-Ping chose Astana (today Nursultan) in 2013 to deliver his 'New-Silk-Roads' speech matters less than the diachronic surge of a new hegemonic drive resolutely based on logistical aspects of international trade.

What is also in question is the nature of Chinese logistical geopolitics. If transport networks simply serve geo-economic constructions, such transport networks mainly feed into the geo-political projection of power. It is here that the contemporary Great Game takes place, incidentally with the USA. That was suggested as early as the 1990s as a 'head-to-head mounting to war' and a confrontation. In short, 1) an American projection of power since the (late) 19th century theorised by A. Mahan's 'Sea Power' that today meets with 2) a Chinese projection of power since the (late) 20th century implemented by the NSR, alias OBOR, alias BRI and many other terms and names. A polyphonic polysemy of Chinese logistical intents and ambitions that confronts American mono-meaning strategy of global PCW ambitions.

In brief conclusion, a seminar such as this one, held in Almaty in 2014, 2017 and 2021, in Bishkek in 2018 and 2022, and in Tashkent in 2021, helps us read between the lines of logistical schemes and to access the 'geo-diplomatic' meaning of New transport roads. What is constant is hegemonic ambition; what varies is the multilateral disguise of such an ambition. And so, dear colleagues and friends, while I hope to see you again in 20 years, in 200 years and also in 2000 years, let me anticipate on my own … longevity and thank you already now, in advance as it were! Thank you for your spontaneous trust, and professional opening. I hope they continue. 2023 will be host more of such seminars as they turn into an even more ambitious series associating continental Asia with maritime Asia, a dozen countries at least from 2023 onwards. So, let's live all together long, and overcome COVID.

Our pleasure, Yann's and mine, will continue over 20 years, 200 years, 2000 years, at least, with more seminars, more books, more collective Eurasian analyses of a new, combined kind.

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Chin yurakdan rahmat !
Сизге чын жүрөктөн рахмат !
спасибо за Ваше внимание !
Merci beaucoup !
A heartfelt thank you !

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# « La diplomatie est un art, la logistique une nécessité »

## TRANSFORMATION LOGISTIQUE EN EURASIE - APERÇUS POLITIQUES ET ÉCONOMIQUES

L'Occident situe la modernité à la Renaissance. Les historiens situent les grandes avancées humaines d'abord en Eurasie : l'observatoire astronomique d'Ulugbek et le premier Khanat kazakh au 15e s., les étapes kirghizes des Routes de la soie au bord d'Issyk-Kul…

Ce séminaire *Logistique & diplomatie* évoque l'Asie sino-postsoviétique s'organisant en régionalisme ouvert il y 20 ans, après les ambitions centripètes amenant en Asie les périphéries continentales il y a 200 ans, et les ambitions humaines surtout impériales il y a 2000 ans... Dans 20 ans, la « nouvelle Asie » aura inversé la géométrie géopolitique par l'engagement centrifuge du centre envers les périphéries.

J'ai rencontré Y. Alix en 2011. Un politiste s'est alors ouvert à la logistique maritime et un géographe à l'Asie centrale continentale. En Janvier 2022, c'était déjà le 6e séminaire après Almaty (2014, 2017, 2021), Bishkek (2018) et Tashkent (2021). En mai 2022, le 8e colloque d'un autre cycle *La complétude de l'Eurasie entre convergence logistique et désaccords régionaux ?* La concurrence diplomatique relève les défis logistiques et le concept d'Eurasie évolue par les « à-coups » historiques depuis 1991.

Dire que « la diplomatie est un art ; la logistique une nécessité », c'est rappeler que lorsque diplomatie et logistique sont en désaccord, le chaos règne ; quand elles s'accordent, progrès et développement s'ensuivent.

La politique et l'économie de transformation logistique ouvrent trois pistes.

1) la fin des divergences vaniteuses des anciennes logistique et diplomatie entre un monde chinois considérant le monde extérieur comme barbare et le monde occidental tenant l'Asie comme « terre à prendre ». Les échanges étaient fondés sur la divergence : le commerce signifiait exploitation et l'interaction signifiait colonialisme. Bref, une série de « jeux à somme nulle » niant la théorie du commerce international (Ricardo) comme condition de la « richesse » mutuelle des Nations (Smith). La diplomatie déséquilibrée nie le commerce international : la logistique y obéit à des chefs sans scrupule, les échanges vaniteux rendent les guerres inévitables.

2) les convergences s'imposent aujourd'hui. La transformation en 1995 du GATT en OMC a survécu à 1997 (crise « asiatique ») et 2008 (crise financière). Les années 1990-2000 voient la restructuration économique du monde. 2001, c'est l'entrée chinoise dans l'OMC, la transformation des « Cinq de Shanghai » en OCS à part entière (9 membres ; 21 affiliés), la détermination de Putin envers une zone économique et monétaire eurasienne, un Club de l'énergie de l'OCS… Ancien Occident et nouvel Orient sont sur un pied d'égalité. Ce qui a été inventé, c'est une sécurisation eurasienne du commerce international, toujours fragile.

3) Malgré l'ambiguïté des Nouvelles Routes de la Soie, les divergences anciennes et les convergences en cours se rejoignent dans la logistique. Le 21ème siècle « sera culturel » à travers une forme logistique du *soft power*, qui transforme la diplomatie des jeux

hégémoniques à somme nulle en stratégies de transport et de commerce « gagnant-gagnant ». XI Jin-Ping a choisi le Kazakhstan en 2013 (annonce des « Nouvelles routes de la soie ») pour dire l'élan diachronique d'une néo-dynamique hégémonique fondée sur la logistique du commerce. Quelle est la nature de la géopolitique logistique chinoise ? Si les réseaux de transport ne servent qu'à des constructions géo-économiques, ils alimentent surtout la « projection » géopolitique du pouvoir dans un « Grand Jeu » entre i/ puissance américaine (« Sea Power » de Mahan) et ii/ puissance chinoise grâce à : NRS, *OBOR*, *BRI*… Une polysémie polyphonique des intentions et des ambitions logistiques chinoises qui confronte la stratégie américaine à sens unique des ambitions mondiales de l'AGF.

Шын жүректен рахмет ! Chin yurakdan rahmat ! Сизге чын жүрөктөн рахмат !
спасибо за Ваше внимание ! Merci beaucoup ! A heartfelt thank you !

# «Дипломатия - это искусство, логистика - необходимость».

# ЛОГИСТИЧЕСКИЕ ПРЕОБРАЗОВАНИЯ В ЕВРАЗИИ - ПОЛИТИЧЕСКИЙ И ЭКОНОМИЧЕСКИЙ ОБЗОР

Запад относит современность к Ренессансу. Историки впервые узнают о великих достижениях человечества в Евразии: астрономическая обсерватория Улугбека и первое казахское ханство в XV веке, киргизские этапы Шелкового пути на берегу Иссык-Куля...

Этот семинар по логистике и дипломатии напоминает от том, как китайско-постсоветская Азия организовалась в рамках открытого регионализма 20 лет назад, после центростремительных амбиций, перенесших континентальные окраины в Азию 200 лет назад, и особенно имперских человеческих 2000 лет назад... Через 20 лет «Новая Азия» перевернет геополитическую геометрию центробежным движением центра по направлению к периферийм.

Я познакомился с Я. Аликсом в 2011 году. Тогда политолог открыл путь к морской логистики, а географ - к континентальной Центральной Азии. В 2021 году это был уже 6-й семинар после Алматы (2014, 2017, 2021), Бишкека (2018) и Ташкента (2021). В мае 2022 года будет 8-й симпозиум другого цикла «Целостность Евразии между логистическим сближением и региональными разногласиями?» Дипломатическая конкуренция решает логистические задачи, а концепция Евразии эволюционирует через исторические «взлеты и падения» с 1991 по 2021 год.

Сказать, что «дипломатия — это искусство; логистика — это необходимость» — это напоминание о том, что когда дипломатия и логистика противоречат друг другу, то царит хаос; в тех случаях, когда они согласованы, за этим следуют прогресс и развитие.

Политика и экономика логистических преобразований открывают три пути.

1) прекращение тщеславных разногласий старой логистики и дипломатии между китайским миром, считающим внешний мир варварским, и западным миром, считающим Азию «землей для захватов». Торговля была основа на разногласиях: торговля означала эксплуатацию, а взаимодействие означало колониализм. Короче говоря, серия «игр с нулевой суммой» отрицающих теорию международной торговли (Рикардо) как условие взаимного «богатства» Наций (Смит). Несбалансированная дипломатия отрицает международную торговлю: логистика подчиняется недобросовестным лидерам, тщетные обмены делают войны неизбежными.

2) Конвергенции необходимы сегодня. Трансформация ГАТТ в ВТО в 1995 году пережила 1997 год («азиатский» кризис) и 2008 год (финансовый кризис). 1990-2000-е годы — это перестройка мировой экономики. 2001 - это вступление Китая в мировую торговлю (вступление в ВТО), преобразование «Шанхайской пятерки» в полноценную ШОС (9 членов; 21 аффилированных членов), решимость Путина к евразийской экономической и валютной зоне, Энергетическому клубу

ШОС... Старый Запад и Новый Восток на равных. То, что было придумано, так это евразийская секьюритизация международной торговли.

3) Несмотря на неоднозначность «Нового шелкового пути», старые разногласия и продолжающиеся совпадение в логистике сходятся воедино. 21-й век «будет культурным» благодаря логистической форме «мягкой силы», которая преобразует дипломатию гегемонических игр с нулевой суммой в «беспроигрышные» транспортные и торговые стратегии. Си Цзиньпин выбрал Казахстан в 2013 году (объявление «Нового шелкового пути»), чтобы придать диахронический импульс гегемонической неодинамики, основанной на торговой логистике. Какова природа китайской геополитики логистики? Если транспортные сети используются только для геоэкономических построений, они питают, прежде всего, геополитическое «прогнозирование» силы в «Большой Игре» между i / мощью США («Морская держава» адмирала Мэхэна) и ii / силой Китая благодаря: НШП, ОПОП, Инициатива Пояс-Путь. Полифоническая многозначность китайских логистических намерений и амбиций, которая противопоставляется односторонней американской стратегии глобальных амбиций после «холодной войны».

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Спасибо за Ваше внимание! Merci beaucoup! A heartfelt thank you!

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# PART 1

# UZBEKISTAN

*Editor: Mirzokhid RAKHIMOV*
Academy of Sciences
Tashkent – UZBEKISTAN

# On Some Specifics of Central Asian Transportation Potential

*Ulugbek KHASANOV*
Associate Professor
Chair of International Relations Department
University of World Economy and Diplomacy
Tashkent – Uzbekistan

**Abstract:** The emergence of Central Asia into Global affairs demanded greater involvement of its nations and their economic system into trading and supply chains worldwide. The whole region faces the challenges of ensuring free and affordable access to railroad and sea transportation, reducing the costs associated with trans-border and trans-national transit corridors and networks.

**Keywords:** Central Asia, International Transportation Corridors, Logistics Network, Regional Cooperation, Afghanistan, BRI, China, Russia, Supply chains.

## INTRODUCTION

The process of integration of the regional economy into the world economic system leads to greater involvement of the Central Asian countries in the international distribution of labor and, accordingly, to the growth of their mutual trade with the main trading partners.

Historically, the Eurasian international transport corridors included: the Northern Corridor (Alashankou (China) - Druzhba - Aktogay - Astana - Kokchetav - Presnogorkovskaya (Kazakhstan) and further along with the territory of Russia and other post-Soviet countries to European countries); the Central Corridor (Druzhba - Aktogay - Alma-Ata - Chengeldy (Kazakhstan) - Tejen-Serakhs (Turkmenistan) - Mashhad (Iran) and further to Iranian ports and Turkey).

The North-South corridor connecting European countries and the northwest of Russia through the ports of Astrakhan and Olya with the ports of Iran, Azerbaijan, Kazakhstan, and Turkmenistan allows cargo transportation in the direction of the Persian Gulf, Pakistan, and India.

### Basic Determinants

The basis for the development of transport corridors can be the UNECE projects on the expansion of international transport infrastructure networks to the Caucasus and the Central Asian region, as well as international routes identified within the framework of the UNESCAP ALTID project. These routes are the mainland connections for international transport flows, providing direct links between Northern, Western, Central, and Southern Europe and the countries of the Caucasus, Transcaucasia, Black Sea, and Caspian regions, the Middle East, Central Asia, and parts of the Asia-Pacific region, including the Northeast Asia region.

It should be emphasized right away that both Russia and China are very interested in the participation of the countries of Transcaucasia and Central Asia in the development of the pan-Eurasian transport network as a whole and the program of the revival of the Great Silk Road, especially due to the connection of the latter with the trade and energy supply factors.

In May 1993, the States of the European Union signed the Brussels Declaration on the Development of a Transport corridor "Europe-Caucasus-Asia". The ambitious project of the Europe-Caucasus-Asia transport corridor connecting the countries of Europe and Asia provided for cargo transportation via the rail and road network of Italy, Germany, France, Great Britain, Spain, and Portugal through the Black Sea ports of Romania, Bulgaria, Ukraine, and Georgia to Transcaucasia and further to Central Asia, China, Japan, South Korea. When signing the Brussels Declaration, it was stated that it was necessary to develop several alternative routes so that there would be an opportunity to choose the most profitable ones depending on the types of goods and services. Initially, it was about connecting the transport highways of the republics of Central Asia and the Caucasus, and the EU countries.

Initial funds invested in the development of transport networks in Central Asia and the Caucasus were provided by international financial organizations. In addition, some Turkish companies within the framework of the project carried out the reconstruction of a 44-kilometer section of the Alyaty-Kazimagomed highway (80 km south of Baku) for $27.7 million. Several sections of the Azerbaijan State Railway (AGR), which are part of the Europe-Caucasus-Asia transport corridor, have been reconstructed. The EBRD has provided AGZHD with a loan in the amount of $ 202 million for a period of 15 years. The foreign investment of current and prospective projects for the development of the Georgian transport complex was estimated at $ 644 million. The main investors then were the World Bank, EBRD, Eurobank, the European Union, financial institutions, and companies from Japan, England, Turkey, and other countries. The state Concern Turkmen Railways has announced an international tender for the reconstruction of the railway. The project was estimated at $36 million and was financed by a loan provided by the Japan Foreign Economic Cooperation Fund.

In the early 90th Uzbekistan, Kyrgyzstan and China have implemented a joint project to build a road connecting the Fergana Valley with the western provinces of China. This transport route, passing through the cities of Tashkent - Andijan - Osh - Kashgar, not only connects Uzbekistan, Kyrgyzstan, and China with transport communications, but is also part of the historically established Great Silk Road. The opening of a section of the trans-Asian transport bridge across Kyrgyzstan has made fundamental changes in the latitudinal transit links carried out through the country, and the opening of the Karakoram Highway has revived meridional transit links through Kyrgyzstan, in particular, between Kazakhstan and Pakistan.

After 1993, real steps in the implementation of the transport sector of the project were taken by Georgia, which concluded an agreement with Turkey on the creation of the shortest railway route on the Kars–Akhalkalaki–Tbilisi–Baku line. Being continued, this line provided Georgia with an exit through Turkmenistan to the countries of the Pacific coast, and through Turkey to the Atlantic. It connected the states of the Persian Gulf with the countries of Central and Western Europe.

At the current moment, there is a process of creating and strengthening trade, transport, and economic bridge running through the whole of Central Asia, including through

Uzbekistan, which would connect Russia and the countries of the European Union with the countries of Southeast Asia, China and Japan.

The transportation of goods in interstate communication is not carried out in full due to the underutilization of the transport and transit potential of the republic, which indicates the less competitive level of domestic transportation networks and corridors.

In May 2013, a new railway line Bolashak (Kazakhstan) – Serkhetyaka (Turkmenistan), which was built and put into operation between Kazakhstan and Turkmenistan, began to function, which fully started functioning in 2014-2015. Cargo coming from Eastern Europe, Russia, Kazakhstan began to pass through a new shorter North-South railway corridor bypassing the territory of Uzbekistan. Previously, the cargo was delivered to the Iranian port of Bandar Abbas via the railway stations Karakalpakstan (Uzbekistan) – Naimankul (Turkmenistan) and Sary-Agach (Kazakhstan) – Khojadavlet (Turkmenistan). Transit cargo has been reoriented to bypass corridors due to a decrease in the competitiveness of the domestic railway, in particular, non-compliance with regulatory deadlines for cargo delivery.

As a result, this led to a sharp reduction in transit traffic and the annual loss of the previously possible volumes is about 4000-4500 thousand tons. It should be noted that there are some projects for the formation of transit corridors bypassing the territory of Uzbekistan, which increases the risks of undermining the country's economic security.

The transport and logistics potential of Uzbekistan in international trade is inextricably linked with the transport potential of the countries of Central Asia and Afghanistan surrounding Uzbekistan, through which cargo is transported.

The network of highways in Central Asia is quite extensive, but most of them are in poor condition, which indicates poor maintenance. The road network of the Central Asian countries includes approximately 66,000 km of trunk roads. The main regional and international traffic falls on roads with a length of about 29,000 km. Most of these roads are laid from north to south, and the transit of goods from Uzbekistan passes most often through the territories of Russia and Kazakhstan.

The total length of the railway tracks of the Central Asian states is more than 22,000 km. Kazakhstan has the largest railway network – 66% – and it is the undisputed leader in freight transportation. Up to 84% of all railway traffic in Central Asia is carried out on the territory of Kazakhstan. Uzbekistan has about 18% of regional railways, and about 11% of the total traffic is carried out on its territory.

Today, Central Asian countries face the challenges of ensuring free and affordable access to sea transportation, reducing the costs associated with crossing the state border.

## Major Regional Transit Networks are:

**Corridor 1** - transits through Kazakhstan and Russia to the ports of the Baltic states - Tallinn (Estonia), Klaipeda (Lithuania), Riga, Liepaja, Ventspils (Latvia).

**Corridor 2** - transits through Kazakhstan, Russia, Ukraine, or Belarus to the countries of the European Union through the border crossings Brest (Belarus) and Chop (Ukraine).

**Corridor 3** - transit through Kazakhstan, Russia, and Ukraine to the Black Sea port of Ilyichevsk (Ukraine).

**Corridor 4** (TRACECA) - transits through Turkmenistan, Kazakhstan, and Azerbaijan to the ports of the Black Sea.

**Corridor 5** - transits through Turkmenistan and Iran to the port of Bandar Abbas, located on the Persian Gulf coast.

**Corridor 6** - transits through Kazakhstan, China, Russia, using the Kazakh-Chinese border crossing (Dostyk/Alashankou) to the Chinese eastern ports and the Russian Far Eastern ports of Nakhodka, Vladivostok, and others.

**Corridor 7** - transits through Kyrgyzstan and China to the Chinese ports of the Yellow, East China, and South China Seas.

**Corridor 8** - transits through Afghanistan to the Iranian ports of Bandar Abbas, Chahbahar, and the Pakistani ports of Gwadar and Karachi.

## Chinese Factor

Currently, China is trying to dominate the regional logistics network promoting on a bilateral level its Belt and Road Initiative towards CA nations. One of them is the international project "One Belt— One Road", which can change China's influence on the region and transform Central Asia from several landlocked states into a transit region between Asia and Europe. China aids regional nations to re-open Central Asia to transnational business. This project was announced by Chinese leader Xi Jinping back in 2013 when he was on an official visit to Kazakhstan. In 2019, 125 countries and 29 international organizations confirmed their participation in this project, which signed 173 cooperation agreements. In the future, transport corridors should link 60 states in Europe, Asia, and Africa. China's "One Belt, One Road" initiative has combined two other projects: the "Silk Road Economic Belt" and the "Maritime Silk Road of the XXI Century" and its goal is to create a global infrastructure of trade routes.

Transport directions of the Belt & Road supposed to consider the following transport directions:

Central Asia, Russia to Europe (to the Baltic Sea);

Central Asia and Western Asia to the Persian Gulf and the Mediterranean Sea;

It is planned to form international corridors of economic cooperation in these areas: "China-Mongolia-Russia", "China-Central Asia-West Asia", "China-Indochina", "China-Pakistan" and "Bangladesh-India-Myanmar-China".

On April 25-27, 2019, the second high—level forum "One Belt, One Road" was held in Beijing. The summit was attended by 37 leaders of states and governments. The Chinese capital was visited by about 5 thousand guests who represented 150 countries and 90 international organizations. As a result of the event, 283 agreements were reached and cooperation agreements worth more than 64 billion dollars were signed.

In recent years, many transport projects have been implemented in this direction. On February 17, 2018, a new Tashkent–Andijan–Osh–Irkeshtam–Kashgar automobile corridor with a length of 920 km was opened, which connected Uzbekistan with China. And on July 17, 2019, Uzbekistan and Kazakhstan opened a new international transport corridor Beineu-Akzhigit-the border of Uzbekistan. In the field of air transportation, a new cargo air route was launched on July 15, 2019, between the Xinjiang Uygur

Autonomous Region of China and Tashkent. On May 15, 2019, Uzbekistan sent the first transit container cargo from the Kazakh port of Aktau.

Work continues on large-scale transport projects. Such, for example, is the construction of the Uzbekistan–Kyrgyzstan–China railway. This railway route is the shortest route from China to Europe and the Middle East. When this railway is put into operation, the distance, compared to the existing routes, will be reduced by 900 km, and the delivery time of goods will be reduced by 7-8 days. China is actively involved in the implementation of this project, which launched the direct freight railway route Xi'an—Bishkek on July 17, 2019.

## Russian Factor

Russia tries to develop its project in the region by forming a North-South transport corridor (EU-Russia - India). The transport corridor is designed to provide a link between the Baltic States and India through Iran. The main advantages of the North-South transport corridor over sea routes are a reduction of the transportation distance by two or more times (7,200 km) and a reduction in the cost of container transportation in comparison with sea routes. Russia is focused on the following routes:

- Kazakhstan - Turkmenistan - ports of Iran - ports of Pakistan - ports of India;
- Caspian Sea - ports of Iran - ports of Pakistan - ports of India;
- Azerbaijan- Iran - ports of Iran - ports of Pakistan - ports of India.

The route through the "Kabul Corridor" Russia - Kazakhstan - Uzbekistan - Afghanistan - ports of Pakistan - ports of India, can serve as a competitive alternative since it is 500-600 km shorter than the existing routes of the North-South corridor.

The Central Asian region today has a huge untapped export and transit potential, which, if used in the future, can allow increasing trade turnover between large regions of the Asia-Pacific region, South and Southeast Asia, Russia, and Europe through the implementation of major transport projects.

In connection with the implementation of this project and the strengthening of trade and economic cooperation between Uzbekistan and Afghanistan, Tashkent continues its efforts to promote the reconstruction of Afghanistan. Back in March 2019, Uzbekistan held a major Tashkent conference on Afghanistan's "Peace process, security cooperation, and regional cooperation". And in August 2019, the Ministry of Foreign Affairs of the Republic of Uzbekistan hosted a delegation of the Taliban movement, which visited Tashkent on August 7-10. Kazakhstan also takes an active position in the settlement of the situation in Afghanistan, which, during its presidency of the UN Security Council, put forward an initiative to "transform Central Asia and Afghanistan into a model zone of peace, cooperation and security."

The maximum involvement of rail transport in cargo transportation during the pandemic in 2020 led to a significant expansion of the geography of Uzbekistan's international transportation and showed a huge potential that needs to be worked on and developed on an ongoing basis, developing practical measures to increase the transit potential of the republic.

As a result of active management measures, in 2020 the volume of international rail transport amounted to 40 million tons (42% of the total volume of rail transport).

A special role in 2020 was played by an increase in the volume of transit of petroleum products from Turkmenistan by appointment to Afghanistan by 4.6 times compared to 2019, and from Russia by appointment to Tajikistan by 1.2 times. In addition, the transit of milling products from Kazakhstan to Afghanistan has significantly increased by 1.2 times. Also, agreements on tariff preferences concluded between the participating countries “Kyrgyzstan – Uzbekistan– Turkmenistan–Azerbaijan–Georgia” and Turkey contributed to the growth of transit traffic. This agreement was signed during the meetings of the heads of railways of five countries - Azerbaijan, Georgia, Kyrgyzstan, Turkmenistan, and Uzbekistan in Tashkent on December 19-20, 2019. During the meeting, the participants agreed to develop the international multimodal route “Asia-Pacific countries - China - Kyrgyzstan - Uzbekistan - Turkmenistan - Azerbaijan - Georgia - Europe” and vice versa, with the development of common approaches for the accelerated passage of container trains and the use of unified, competitive tariffs.

## Afghan Factor

In February 2021, Uzbek-Afghan-Pakistani high-level talks were held with the participation of the heads of key international financial institutions. As a result of the negotiations, a roadmap for the construction of the Mazar-i—Sharif—Kabul-Peshawar railway with a length of about 600 km was approved.

In the period of March 13-17, 2021, the delegation of the Republic of Uzbekistan visited the Islamic Republic of Pakistan to study the infrastructure of the Pakistani ports “Qasim”, “Karachi” and “Gwadar” and organize bilateral negotiations. As a result, an agreement was reached to intensify work on the effective use of the Uzbekistan–Afghanistan–Pakistan route using the ports of Pakistan.

In May 2021 the World Bank expressed its readiness to support the Mazar-I-Sharif-Kabul-Peshawar railway construction project, in particular, to allocate funding for field research and assist in the development of design estimates. The Mazar-I-Sharif-Kabul- Peshawar railway project is estimated at $5 billion.US dollars. It involves the construction of a highway with a length of 573 km and a transit potential of up to 20 million tons of cargo per year.

The construction of a new railway line is of interest to Russia, China, EU countries, and other countries to promote the Eurasian Economic Space to the south and increase transit traffic. So, in May 2021, at a meeting with the head of Russian Railways, the issue of joint promotion of the Mazar-i–Sharif-Kabul-Peshawar railway construction project with the involvement of international financial institutions was separately considered. An agreement was reached on the participation of Russian Railways in the comprehensive preparation of the project, including the development of technical documentation, and the early start of construction

## P.S.

It is worth noting that the considered main transport corridors, through which Uzbekistan carries out foreign trade cargo transportation, are not used effectively enough and their infrastructure needs to be developed to increase cargo traffic. Therefore, it is necessary to continue active work on improving the quality of services provided by transport and logistics companies of the republic to increase the volume of international cargo transportation and attract new transit cargo flows through the territory of Uzbekistan.

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# Development of industrial cooperation in Central Asian countries (Uzbekistan, Kyrgyzstan, Tajikistan)

*Gavkhar SULTANOVA*
Assistant Professor – Department of International Economics
University of World Economy and Diplomacy
Tashkent – Uzbekistan

&

*Saodat UMAROVA*
Post-Graduate Student
University of World Economy and Diplomacy
Tashkent – Uzbekistan

## АННОТАЦИЯ

*Важным направлением развития регионального сотрудничества в Центральной Азии является расширение промышленной кооперации предприятий стран. Развитие кооперационных взаимодействий между предприятиями центральноазиатских республик и формирование региональных цепочек добавленной стоимости способствуют углублению разделения труда и специализации в регионе, повышению производительности и конкурентоспособности промышленных предприятий, укреплению региональных связей и интенсификации интеграционных процессов. Создание и развитие региональных цепочек добавленной стоимости позволит странам приобрести новые сравнительные преимущества, достичь экономии от роста масштабов производства, тем самым откроет новые возможности для развития взаимной торговли и диверсификации ее товарной структуры. В дальнейшем развитие региональных производственных сетей создаст предпосылки для включения предприятий стран в глобальные цепочки стоимости с концентрацией на звеньях с высокой добавленной стоимостью.*

*В Узбекистане уже предпринимаются меры по созданию нормативно-правовой базы для формирования зон приграничной торговли с соседними странами. Президент Республики Узбекистан Шавкат Мирзиёев в своем послании Олий Мажлису в начале 2020 года заявил о планах создания трех приграничных зон свободной торговли в Андижанском, Термезском и Кунградском районах республики. Реализацией востребованной продукции в приграничных зонах будут заниматься частные трейдинговые компании. Кроме того, в 2019 году между Министерством национальной экономики Республики Казахстан и Министерством инвестиций и внешней торговли Республики Узбекистан был подписан Меморандум о взаимоотношении по вопросу создания Международного центра торгово-экономического сотрудничества «Центральная Азия». На территории международного центра планируется*

*создание индустриальной зоны с кластерными кооперационными проектами, транспортно-логистического центра и торгово-сервисной зоны. Наряду с этим, внешнеторговыми ведомствами Узбекистана и Туркменистана проводится работа над проектом Соглашения о создании и регулировании деятельности Узбекско-Туркменской зоны приграничной торговли.*

*В последние годы благодаря политической воле глав государств и активной деятельности деловых кругов наблюдается укрепление и расширение двухстороннего торгово-экономического сотрудничества Узбекистана с Кыргызстаном и Таджикистаном. За последние 5 лет объем взаимной торговли Узбекистана с Кыргызстаном возрос более чем в 5 раз и достиг 907 млн. долл. США в 2020 году. Товарооборот с Таджикистаном за тот же период увеличился в 2,5 раза и составил 493 млн. долл. в 2020 году. С обеими странами Узбекистан имеет профицит во внешней торговле.*

*Возможности развития отношений промышленной кооперации между предприятиями Узбекистана, Кыргызстана и Таджикистана во многом зависят от роста потоков взаимных прямых иностранных инвестиций, которые направляются для организации совместных производств, открытия филиалов, дочерних и ассоциированных компаний. Создание совместных предприятий является основной формой организации кооперационных взаимодействий между предприятиями стран-партнеров. Функционирующие совместные предприятия в основном осуществляют свою деятельность в текстильной и швейно-трикотажной отрасли, пищевой промышленности, производстве строительных материалов, машиностроении и сельском хозяйстве.*

*В 2020 году в Кыргызстане действовало 61 предприятие с участием узбекского и 26 предприятий с участием таджикского капитала, а в Узбекистане функционировало 175 предприятий с участием кыргызского капитала. Сотрудничество между промышленными предприятиями Узбекистана и Кыргызстана осуществляется преимущественно в текстильной сфере и производстве строительных материалов.*

*В Таджикистане действует 51 предприятие с участием узбекского капитала, совокупная доля которых составляет $15 млн. Инвестиции направлены на развитие сельского хозяйства, птицеводства и садоводства. В Узбекистане функционирует 178 предприятий, созданных с участием таджикского капитала, занятых в сфере легкой промышленности, производства продуктов питания, строительных материалов, переработке плодоовощной продукции.*

*Анализ состояния развития промышленной кооперации в Центральной Азии показал, что основной формой кооперационного взаимодействия между предприятиями стран является организация совместных предприятий. Другие формы международной промышленной кооперации, такие как аутсорсинг, субконтрактация, организация совместных промышленных кластеров, не получили достаточного развития в регионе. Вместе с тем, широкое использование подобных форм кооперации позволило бы максимально эффективно использовать потенциал каждого из производств и повысить конкурентоспособность выпускаемой продукции. Установление и развитие устойчивых и долгосрочных связей между предприятиями региона позволит им сформировать региональные производственные сети, основанные на внутриотраслевом и межотраслевом сотрудничестве. В этом направлении* *важное значение приобретает создание благоприятных рамочных условий, учреждение институтов и развитие инфраструктуры, облегчающей кооперационное взаимодействие предприятий стран.*

*В экономическом взаимодействии регионов стран Центральной Азии отсутствуют такие его формы как международные зоны экономического сотрудничества и совместные кластеры. Вместе с тем, мировая практика показывает, что формирование подобных институтов позволяет интенсифицировать приграничную торговлю, эффективно организовать совместную производственную деятельность, основанную на специализации и кооперировании производства, создавать новые рабочие места и обеспечить занятостью население приграничных регионов.*

*В приграничных территориях между Узбекистаном и Кыргызстаном, а также Узбекистаном и Таджикистаном имеется возможность формирования, как свободных торговых зон и зон приграничного экономического сотрудничества, так и трансграничных свободных экономических зон.*

*Географически формирование пограничной зоны свободной торговли возможно на границе Сурхандарьинской области в Узбекистане и Хатлонской области в Таджикистане с целью расширения объемов приграничной торговли сельскохозяйственными товарами. В частности, 50,4% валового регионального продукта Сурхандарьинской области формируется в сельском хозяйстве. В области развита плодоовощная отрасль, бахчеводство, производится продукция животноводства и птицеводства. В Хатлонской области Таджикистана производится 52,1% валовой продукции сельского хозяйства Таджикистана. Здесь также выращивается плодоовощная продукция, бахчевые, производится мясомолочная продукция и продукция пчеловодства. Создание зоны беспошлинной торговли и «зеленых» коридоров для торговли сельскохозяйственной продукцией на приграничной территории этих двух областей позволит значительно сократить трансакционные издержки экспортно-импортных операций и обеспечить занятостью местное население за счет развития сферы услуг. Развитие приграничной торговли создаст предпосылки для формирования в будущем межрегиональных цепочек добавленной стоимости в агропромышленном комплексе посредством образования совместных сельскохозяйственных кластеров на территории зоны.*

*Приграничную зону экономического сотрудничества можно создать на прилегающей территории Ташкентской области Узбекистана и Согдийской области Таджикистана. В 2020 г. 48,4% валового регионального продукта Ташкентской области было произведено в сфере промышленности. В области расположены крупные металлургические заводы, предприятия строительной индустрии, легкой и пищевой промышленности. На Согдийскую область в 2019 г. приходилось 75,9% от общего объема производства добывающей промышленности и 51,4% от общего объема производства обрабатывающей промышленности Таджикистана.*

*Таким образом, на приграничной территории Бекабада и Худжанда существует огромный нереализованный потенциал развития промышленной кооперации в форме создания совместных предприятий, аутсорсинга и субконтрактинга в сфере производства строительных материалов, продуктов питания, готовых* *текстильных изделий, электротехнической продукции и других товаров. В этой связи формирование со стороны Узбекистана зоны приграничного экономического сотрудничества позволит реализовать экономический потенциал регионов, обеспечить диверсификацию структуры производства и экспорта, добиться снижения издержек производства за счет специализации и кооперации, создать новые рабочие места для местного населения. В рамках зоны возможно создание совместных кластеров в текстильной отрасли, производстве продуктов питания, строительной индустрии.*

*Формирование трансграничной свободной экономической зоны, часть которой будет расположена на территории Андижанской области, а часть на территории Ошской области, позволит построить отношения промышленной кооперации между предприятиями регионов в таких отраслях, как производство швейной и трикотажной продукции, строительных материалов, бумажно-картонной продукции и продовольственных товаров, машиностроительной промышленности. Развитое сельскохозяйственное производство в соседствующих регионах также является предпосылкой для создания цепочек добавленной стоимости в агропромышленной сфере.*

*В месте пересечения территории трех стран (Ферганская область, Баткенская область, Согдийская область) возможно создание треугольника роста с целью стимулирования экономического развития и повышения конкурентоспособности соседствующих государств. Все эти области богаты природными и людскими ресурсами, имеют значительный потенциал развития промышленности, сельского хозяйства, сферы услуг. Здесь имеются возможности организации совместных предприятий в текстильной отрасли, электротехнической промышленности, производстве сельскохозяйственной техники, а также реализации совместных проектов в сфере сельского хозяйства и туризма.*

*Таким образом, формирование различных типов международных зон экономического сотрудничества послужит важным инструментом развития приграничной торговли и отношений промышленной кооперации, обеспечит экономическое развитие сопредельных территорий Узбекистана, Кыргызстана и Таджикистана, способствует повышению уровня занятости и благосостояния населения этих стран.*

# INTRODUCTION

An important direction in the development of regional cooperation in Central Asia is the expansion of industrial cooperation between enterprises of the countries. Cooperation, which is an effective form of cooperation and interaction between enterprises, based on the social division of labour and specialization of production, is considered one of the most common ways to increase the competitiveness of industrial production.

The development of cooperative interactions between enterprises in Uzbekistan, Kyrgyzstan and Tajikistan and the formation of regional value chains contribute to a deepening of the division of labour and specialization in the region, the productivity growth and competitiveness of industrial enterprises of the three countries, the strengthening of regional ties and the intensification of integration processes. The creating and development of regional value chains will allow countries to acquire new comparative advantages, to achieve economies of scale with production, thereby opening up new opportunities for the development of mutual trade and diversification of its commodity structure. In the future, the development of regional production networks will create preconditions for inclusion of three countries' enterprises in global value chains with a concentration on links with high added value.

## Forms of cooperative interaction between enterprises of Central Asian countries

In recent years, through the political will of the heads of state and the vigorous activity of business community, there has been a strengthening and expansion of bilateral trade and economic cooperation between Uzbekistan, Kyrgyzstan and Tajikistan. As part of the state visits of the presidents of Uzbekistan and Kyrgyzstan, there were signed documents concerning the spheres of trade and economy, transport, energy, culture and issues of state borders, which upgraded mutual relations to a new level. In particular, the development of product specialization and enterprises cooperation of agro-industrial complex, agriculture, mechanical engineering was identified as one of the main directions of deepening trade and economic cooperation, reflected in the Declaration on Strategic Partnership, Strengthening Friendship, Good-Neighbourliness and Trust between the Republic of Uzbekistan and the Kyrgyz Republic. Development of specialization and cooperation of enterprises in agro-industrial complex, agriculture, mechanical engineering and light industry, transport and communications, as well as mutual attraction of investments and the creation of joint business councils are also mentioned in this document[1].

The most important factor that contributed to the intensification of bilateral economic relations between Uzbekistan and Tajikistan was the mutual visits of the heads of stated. Within the framework of visits there was noted the need to take joint measures to expand cooperation between business structures and border regions of the two countries. The parties agreed to accelerate the implementation of projects to assemble of agricultural machinery, the production of building materials, food, textile, electrical products and other

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[1] Declaration on strategic partnership, strengthening friendship, good-neighbourliness and trust between the Republic of Uzbekistan and the Kyrgyz Republic. Web source: https://mfa.uz/ru/press/news/2017/10/12669/

goods[2]. In order to facilitate the strengthening of cooperation between the two states regarding the promotion of investments. An agreement between the Government of the Republic of Uzbekistan and the Government of the Republic of Tajikistan was signed on the promotion and mutual protection of investments on the 9th of March, 2018 in Dushanbe. This agreement provides investment area with a favourable treatment and will stimulate the inflow of private capital and the economic development of the two states.

Opportunities for the development of industrial cooperation relations between enterprises of Uzbekistan, Kyrgyzstan and Tajikistan largely depend on the growth of flows of mutual foreign direct investment, which are referred to organize joint ventures, open branches, subsidiaries and associated companies. Creating of joint ventures is the main form of organizing cooperative interactions between enterprises of the partner countries. The operating joint ventures mainly established in the textile, clothing, knitwear industries and also in food processing, construction materials, mechanical engineering and agriculture.

In 2020, 61 enterprises with the participation of Uzbek capital and 26 enterprises with the participation of Tajik capital operated in Kyrgyzstan, and 175 enterprises with the participation of Kyrgyz capital operated in Uzbekistan (Table 1).

**Table 1: Number of operating enterprises with foreign capital in the context of Central Asian countries (Uzbekistan, Kyrgyzstan, Tajikistan) in 2020, units**

| **Host country**<br>**Investing country** | **Uzbekistan** | **Tajikistan** | **Kyrgyzstan** |
|---|---|---|---|
| Uzbekistan | ■ | 51 | 61 |
| Tajikistan | 178 | ■ | 26 |
| Kyrgyzstan | 175 |  | ■ |

*Source: Data from the National Statistical Committee of the Kyrgyz Republic[3], the State Committee on Statistics of the Republic of Uzbekistan, the Ministry of Foreign Affairs of the Republic of Uzbekistan[4].*

Cooperation between the industrial enterprises of Uzbekistan and Kyrgyzstan is carried out mainly in the textile sector and the production of building materials. In particular, in April 2018, an Uzbek-Kyrgyz joint industrial enterprise Imzo was opened in Osh for the production of metal-plastic windows and doors[5]. The business community of two countries are planning to deepen industrial cooperation in the textile and garment and knitwear industry, including the organization of joint ventures and the export of finished products to the markets of third countries[6]. Considering that Kyrgyzstan and Uzbekistan have the status of a general system of preferences GSP +, which gives the countries' producers the right to export more than 6 thousand commodity items to European Union countries at zero tariff rates, the organization of joint ventures would make it

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[2] Web source: http://uza.uz/ru/politics/uzbekistan-i-tadzhikistan-strategicheskie-partnery-18-08-2018

[3] Web source: http://www.stat.kg/ru/publications/sbornik-deyatelnost-predpriyatij- s-inostrannymi-investiciyami-v-kyrgyzskoj-respublike-2008-2012/

[4] Web source: https://mfa.uz/ru/press/news/2018/08/15796/

[5] Web source: https://www.spot.uz/ru/2018/04/26/imzo/

[6] Web source: http://review.uz/ru/news/sentral-asia/za-2018-god-uzbekistan -eksportiroval-v-kyrgyzstan-tekstilnoi-produktsii-na-70-mln

possible to use the comparative advantages of both countries and expand the export of finished products to the European market.

In 2020, Kyrgyzstan exported products in the amount of 104 million euros to the EU. Revenues from the export of textile products amounted to only 1 million euros. In 2020, the export volume of goods from Uzbekistan to the EU amounted to 200 million euros. In the structure of exports of goods from Uzbekistan, about 2/3 are finished industrial products and more than 1/3 are primary goods. Among industrial goods several groups of products, which have a high share e.g. Textiles - 29.5%, Chemicals - 21.12%, and Clothing - 3.7%. Among primary processing goods, there is a high percentage of Agricultural products - 19.2%, Fuels and mining products -18.2%.

Uzbekistan is the member of GSP+ since the second half of 2021. In this case, cooperation in the manufacturing sector of goods intended for export can play a positive role in the formation of competitive export prices. In this regard, it is important to highlight the advantages of Uzbekistan as a partner for the countries of Central Asia. Given that Uzbekistan is not a member of the EAEU customs union, manufacturers located in Uzbekistan can import a technological base for organizing industrial production with a zero customs rate in accordance with the law.

Uzbekistan and Kyrgyzstan have significant potential for new joint ventures. During a ministerial meeting in February 2018, the Kyrgyz side proposed to create joint ventures on the basis of 42 enterprises, which includes 16 processing enterprises, 9 building materials enterprises, 4 textiles and garments enterprises, 3 paper and cardboard production enterprises, 4 mining and metallurgical enterprises and 6 enterprises in other industries. Kyrgyzstan also proposed to use more actively the existing potential in the textile industry of the two countries, through the creating of joint ventures for the production of garments and knitwear with the supply of cotton and synthetic yarn and cotton fabric from Uzbekistan[7]. In addition, Uzbekistan plans to organize an assembly production of agricultural machinery and household appliances in Kyrgyzstan.

In Tajikistan, there are 51 enterprises with the participation of Uzbek capital, the total share of which is $15 million. Investments are directed to the development of agriculture, poultry farming and horticulture[8]. There are 178 enterprises in Uzbekistan established with the participation of Tajikistan's capital (Table 1), engaged in light industry, food production, building materials, and fruit and vegetable processing. In 2017, six trading houses of Uzbekistan were opened in Tajikistan, and the Trading House of Tajikistan began operating in Tashkent since February 2018. To facilitate the development of relationships between economic entities of Uzbekistan and Tajikistan, the Uzbek-Tajik Business Council was established.

At the beginning of 2019, there were created two more joint Uzbek-Tajik enterprises. In particular, the Artel company in Dushanbe created a joint venture Artel Avesto Electronics LLC, the main activity of this venture is the production of household appliances under the Artel brand[9]. JSC "Uzagrotekhsanoatholding" and Investment and Production Company "Oriyon Invest" have established a joint production company "Oriyon Uzagro"

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[7] Web source: https://uz24.uz/ru/economics/uzbekistan-i-kirgizstan-obsudili-voprosi-promkooperacii-i-realizacii-sovmestnih-proektov

[8] Web source: https://asiaplustj.info/ru/news/tajikistan/economic/20210216/ v-tadzhikistane-deistvuet-51-kompaniya-s-uzbekskim-kapitalom

[9] Web source: https://www.gazeta.uz/ru/2019/02/14/artel/

for the production of agricultural machinery in Tajikistan. The enterprise will be engaged in the production of various tractors, in particular, loading and for transportation, special equipment. Currently, the State Unitary Enterprise “Tajik Aluminum Company” (TALCO) operates a joint Uzbek-Tajik enterprise LLC “TALCO-KRANTAS”, which is engaged in the installation and assembly of special municipal and construction vehicles.

Analysis of the state of development of industrial cooperation in Central Asian countries (Uzbekistan, Kyrgyzstan, Tajikistan) showed that the main form of cooperation between enterprises of the three countries is the organization of joint ventures. Other forms of international industrial cooperation, such as outsourcing, subcontracting, franchising, organization of joint industrial clusters, have not been sufficiently developed in the region. At the same time, the widespread use of such forms of cooperation would make it possible to use the potential of each of the industries as efficiently as possible and increase the competitiveness of the products. Establishment and development of stable and long-term relations between enterprises in the region will allow them to form regional production networks based on intra-industry and cross-industry cooperation. In this direction, the creation of favorable framework conditions, the establishment of institutions and the development of infrastructure that facilitate the cooperative interaction of enterprises of the three countries are of great importance.

Cooperation of the Central Asian countries must always take into account rapid technological changes, it is necessary to ensure effective management of production logistics, to improve the qualifications of employees of the upper and lower levels. In order to conquer new sales markets, it is very important to increase the competitiveness of the price and quality of your goods, apply modern marketing products and processes, qualitatively improve the supply chain, establish human resource management, and create more advanced and permanent technological ties.

In the economic interaction of the regions of the countries of Central Asia (Uzbekistan, Kyrgyzstan, Tajikistan), there are no such forms as international zones of economic cooperation and joint clusters. At the same time, world practice shows that the formation of such institutions makes it possible to intensify cross-border trade, effectively organize joint production activities based on specialization and cooperation of production, create new jobs and provide employment for the population of border regions. The experience of China, Vietnam, Thailand and other countries of Southeast Asia shows that creating of international free economic zones (FEZ) can raise business activity and the standard of living of the population of adjacent territories, increase the competitiveness of manufactured goods and services by combining natural resources, economic, scientific, technical and intellectual potential of the regions.

According to the definition of the Kyoto International Convention on the Simplification of Customs Procedures (1973), a free economic zone, or free zone, is understood as a part of the country’s territory where goods are considered as objects removed from the national customs territory and not subject to ordinary customs control and tax regulation. FEZs are formed with the aim of stimulating the economic development of regions, implementing structural changes in the economy, attracting foreign direct investment, developing export-oriented industries and promoting employment of the local population. The main purpose of creating international free economic zones is the development of interregional economic cooperation of neighbouring countries, including cross-border trade, the organization of joint ventures and the joint construction of transport and logistics infrastructure. The most common forms of international FEZs include border economic zones, cross-border economic zones, and growth triangles.

Uzbekistan, Kyrgyzstan and Tajikistan have significant unrealized potential for economic cooperation between border regions: Andijan region in Uzbekistan and Osh region in Kyrgyzstan; Fergana region in Uzbekistan and Batken region in Kyrgyzstan; Namangan region in Uzbekistan and Jalal-Abad region in Kyrgyzstan; Tashkent, Fergana and Samarkand regions in Uzbekistan and Sughd region in Tajikistan; Surkhandarya region in Uzbekistan and Khatlon region in Tajikistan.

The formation of an effective organizational and economic mechanism for creating international zones of economic cooperation in Central Asia should be based on the results of studying advanced foreign practices in this area.

## Foreign experience in creating international FEZ

FEZs play an important role in implementing the strategy of opening up the PRC's economy, ensuring high rates of economic growth and improving the well-being of the population. FEZs of the PRC have shown their effectiveness as a tool to attract domestic and foreign investment, develop exports, create high-tech industries and increase employment. Currently, there are 5 special economic zones, 90 zones of technical and economic development of the state level, 114 zones of new and high technologies, 13 free customs zones, 14 zones of cross-border economic cooperation of the state level, as well as the Shanghai Free Trade Zone.

In Chinese practice, there are three types of border zones: trade zones with border crossing, border trade zones with a special management regime, zones of border economic cooperation. Trade zones with border crossing are established in border areas (no more than 20 km from the border), their formation must be approved by the people's government of the PRC province; the activities of the zone are controlled by customs; transactions for the sale and purchase of goods are exempt from taxation if the value of the purchased goods does not exceed 3000 yuan per day per person [[10], p. 30]. In total, more than 90 trade zones with border crossings have been created in the PRC, their main function is to facilitate trade, exhibition activities and tourism.

Cross-Border Economic Cooperation Zones (CBEZ) began to be created in the PRC since 1992 with the aim of promoting the economic development of border regions, expanding border and interregional trade, and creating industrial production in border cities and provinces. In total, 14 CBEZ have been created in the PRC: 3 on the Chinese-Kazakh border, 3 on the border with Vietnam, 2 on the Sino-Burmese border, one each on the border with Mongolia and on the border with Korea, 4 on the Russian-Chinese border. On the territory of CBEZ, the following preferential terms of business are applied:

- for small and medium-sized enterprises, a 50 % discount is applied from the rates of customs duties and a 50% discount from the VAT rate, if the company specializes in trade with neighboring countries;
- import of machinery, equipment and materials for the construction of infrastructure facilities is exempt from import duties and VAT;

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[10] Kuchinskaya T.N. Otkrytyj prigranichnyj regionalizm v global'noj strategii Kitaya: uroki dlya Rossii // Vestnik CHitGU №1(68), 2011. – S. 30.

- companies have the right to leave part of tax payments for the construction of infrastructure facilities.

The activities of Chinese CBEZ are characterized by low costs and high efficiency, their operation has contributed to an increase in the level of economic development of the country's border regions, modernization and diversification of the structure of production and exports, and the creation of new jobs.

In addition to the border zones described above, there are also cross-border industrial zones in the PRC, for example, the Zuhai-Macau zone, formed in 2003 with the aim of increasing the level of economic development of Zuhai province and attracting investments from Macau.

Another widespread tool for the development of interregional economic cooperation is cross-border FEZs, which are a territory that includes the border regions of two or more countries, designed to stimulate economic development based on preferential policies, financial subsidies from the state and the private sector, providing adequate infrastructure in order to implement long-term macroeconomic and microeconomic goals[11].

Cross-border FEZs operate in different regions of the world. For example, Euroregions (EUREGIO) have been formed on the territory of the European Union, operating on the basis of interstate agreements on cooperation between the administrations of adjacent territories (Euroregion Meisse-Rhine, which includes the border regions of three countries: Germany, the Netherlands and Belgium along the Meuse and Rhine rivers). There are 6 cross-border FEZs in North America, including the Pacific Northwest Economic Region, created in 1991 and including the border areas of the United States and Canada.

Another type of cross-border zones in world practice is the triangles of economic growth, which are widespread in East and Southeast Asia. The concept of "triangles" was first formulated in 1989, when the leaders of Singapore, Malaysia and Indonesia proposed the creation of the "Southern Growth Triangle". The main goal of economic growth triangles is the development of border regions of three or more countries based on the joint use of existing factors of production. Their activities are aimed at improving economic, political and cultural ties with neighboring states. Within these zones, free movement of goods, services, capital and labor is carried out, joint industrial production is organized, infrastructure is developed, and joint projects in the field of agriculture and tourism are being implemented. Economic growth triangles are created on the basis of signed interstate memorandums of understanding, and special administrative structures are involved in management. Within such zones, effective interaction between the public and private sectors takes place. Thus, private investors finance most investment projects, while the state forms the legal framework for the operation and resolves administrative issues.

There are three types of economic growth zones in East Asia, which pursue different goals: creating growth poles; sharing of natural resources and infrastructure; taking advantage of geographic proximity and translating mutual geopolitical interests into geoeconomic ones.

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[11] Kostyunina G.M., Baronov V.I. Transgranichnye svobodnye ekonomicheskie zony v zarubezhnyh stranah (na primere Kitaya) // Vestnik MGIMO-Universiteta, №2, 2011. – S. 169.

In East Asia, projects of six growth zones have been created and are being implemented, covering the regions of 13 countries[12] :

Southern Growth Zone, uniting Singapore, Indonesia and Malaysia;

- East ASEAN growth zone - Brunei, Indonesia, Malaysia, Philippines;
- Northern Growth Zone - Indonesia, Malaysia, Thailand;
- Big China Economic Zone - PRC, Hong Kong, Taiwan;
- Big Mekong economic zone - Thailand, Vietnam, Laos, Cambodia, Myanmar, Yannan province in China;
- Economic zone in the river basin Tumangan - PRC, DPRK, Mongolia, Russia.

The countries of Central Asia also experienced participation in international zones of economic cooperation. In December 2002, an agreement was reached between the top officials of the PRC and Kazakhstan to establish the Khorgos Frontier International Cooperation Center (FICC). In April 2012, the center was commissioned. The main goals of the establishment of the Center from the Kazakh side are the implementation of the industrial and innovative policy of the state; development of export-oriented processing industries by attracting foreign capital; introduction of a system of international standards in foreign trade operations; improvement of transport and logistics infrastructure; development of international tourism; providing employment to the population of the border region and improving the qualifications of personnel. Khorgos FICC consists of two parts: the Kazakh one, located on the territory of the Panfilov district of the Almaty region and the Chinese one, located on the territory of the Ili-Kazakh Autonomous District in Xinjiang Uygur Autonomous Region.

The total area of the Khorgos FICC is 560 hectares, communication between the parts of the Center is carried out through a special pedestrian and transport crossing. Citizens of the Republic of Kazakhstan, China and other countries can stay on the territory of the Khorgos FICC, both in the Kazakh and Chinese parts, without a visa for up to 30 days[13]. Chinese people visiting the center have the right to export duty-free goods worth 8,000 yuan a day. Every day, the Khorgos FICC sells goods worth over 5 million yuan, the main buyers of which are Chinese entrepreneurs and traders from Central Asian countries[14]. In addition to the Khorgos FICC, the Khorgos-Eastern Gate FEZ operates in the Almaty region of Kazakhstan.

The FEZ is seen as a strategic facility for creating a logistics hub connecting China, Central Asia and the Middle East. The total area of the FEZ is 4591.5 hectares and includes three key zones - logistics and industrial, as well as the transport and logistics complex “dry port”. On the territory of the FEZ there is a special legal regime for the implementation of priority activities, including the production of drinks, tobacco products, furniture, repair and installation of machinery and equipment, storage and auxiliary transport activities, construction. The participants of the FEZ “Khorgos - Eastern Gates” are provided with preferences and benefits in order to create favorable conditions for their business: reduction of the corporate income tax by 100% on income from activities corresponding to the priorities of the FEZ; zero rate of property tax and land tax; exemption from rent for land plots for the medium term; a free customs zone operates on the territory of the

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[12] Kostyunina G.M. Svobodnye ekonomicheskie zony v mire i Rossii. Monografiya. – M.: MGIMO (U) MID Rossii, 2008. – S.89-90.

[13] Web source: http://www.mcps-khorgos.kz/project/geographical

[14] Web source: http://russian.news.cn/2017-11/16/c_136756769.htm

FEZ[15]. The total amount of attracted investments in the FEZ is 521 billion tenge. As a result of the functioning of the FEZ, it is planned to create ten thousand new jobs by 2030[16]. The study of international experience allows us to highlight the main prerequisites for the creation of international zones of economic cooperation:

- creating of a favorable foreign policy climate between neighboring countries, the resolution of controversial border issues, the signing of agreements and agreements on the border control system.
- economic complementarity of economic complexes of border regions of neighboring countries due to the available factors of production (different provision of natural, labor and capital resources, differences in the level of qualifications of the labor force, development of technologies). Border regions of countries can benefit from specialization and trade of goods and services for which they have a comparative advantage. Even in the absence of significant differences in the supply of production factors, they have the possibility of narrow specialization within the same industries, production cooperation and the development of intra-industry trade.
- geographical proximity of border regions contributes to the formation of interregional production networks within joint clusters, which allow to reduce transport costs and achieve external economies of scale of production due to the concentration of suppliers and labor force employed in related and supporting industries.
- developed transport and logistics infrastructure - creating zones of cross-border economic cooperation occurs at the intersection of the main land and sea routes connecting the regions of individual countries. The effectiveness of cross-border economic cooperation also depends on the availability of an adequate institutional framework for cross-border interaction and the level of administrative barriers in cross-border trade.

## Possibilities of creating international zones of economic cooperation and joint clusters in Central Asia

In the border areas between Uzbekistan and Kyrgyzstan, as well as Uzbekistan and Tajikistan, there is the possibility of forming both free trade zones and zones of cross-border economic cooperation, and cross-border free economic zones and growth triangles (Table 2). The choice of the type of FEZ depends on the degree of complementarity of the economic potentials of the border regions, the possibility of developing cooperative interaction between enterprises of adjacent territories, and the potential for expanding border trade.

So, the formation of border free trade zones is more expedient on the border of those regions that have practically similar comparative advantages e.g., in the field of agriculture, but contrasting in the differentiation of products within the same industries. In this case, the expansion of cross-border trade by creating conditions for duty-free import and export of goods and simplification of customs procedures will help to reduce

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[15] Web source: http://www.sezkhorgos.kz/

[16] Web source: https://bnews.kz/ru/special/100_shagov_chto_sdelano/view-k_2030_horgosvostochnie_vorota_obespechit_rabochimi_mestami_10_tisyach_chelovek

transport costs, achieve an increasing return on the growth of production, as well as increase the raw material base for processing industries and exports. Along with this, such zones can serve as an important tool for the development of international tourism in countries.

The creation of a cross-border economic cooperation zone is possible in those regions where there are significant opportunities not only for the development of border trade, but also for the creation of joint processing industries. It is better to form cross-border FEZs on bordering territories with significant potential for the development of intra-industry and inter-industry cooperation within the framework of joint clusters. At the same time, the republican and local authorities of adjacent territories should not only be interested in the development of cross-border economic cooperation, but also have the opportunity to make significant financial investments for the development of the corresponding infrastructure of cross-border FEZs.

At the intersection of all three countries, the formation of cross-border triangles of economic growth is possible. At the same time, it is of great importance to create conditions for the free movement of goods, services, capital and labor for the formation of interregional value chains.

**Table 2: Opportunities for the formation of international free economic zones in the adjacent territories of Uzbekistan, Kyrgyzstan and Tajikistan**

| Type of FEZ | Uzbekistan | Kyrgyzstan | Tajikistan |
|---|---|---|---|
| Border free trade zone | Surkhandarya region | | Khatlon region |
| Cross-border zone of economic cooperation | Tashkent region | | Sughd region |
| Cross-border FEZ | Andijan region | Osh region | |
| Economic growth triangle | Fergana region | Batken region | Sughd region |

*Source: compiled by the authors.*

Establishment of a cross-border free trade zone is possible on the border of Surkhandarya region in Uzbekistan and Khatlon region in Tajikistan in order to expand the volume of trade in agricultural goods. In particular, 50.4% of the GRP of the Surkhandarya region is formed in agriculture. The region has a developed fruit and vegetable industry, melon growing, livestock and poultry production. Khatlon region of Tajikistan produces 52.1% of the gross agricultural output of Tajikistan. It also grows fruits and vegetables, melons, meat and dairy products and beekeeping products. Establishing a duty-free zone and “green” corridors for trade in agricultural products on the border area of these two regions will significantly reduce the transaction costs of export-import operations and provide employment to the local population through the development of the service sector. The development of cross-border trade will create preconditions to create interregional value chains in the agro-industrial complex through the establishment of joint agricultural clusters on the territory of the zone.

A cross-border zone of economic cooperation (CBEZ) can be created on the adjacent territory of Tashkent region and Sughd region of Tajikistan. In 2020, 48.4% of the GRP of Tashkent region was produced in the industrial sector. There are large metallurgical plants, enterprises of the construction industry, light and food industries in the region.

The Sughd region in 2019 accounted for 75.9% of the total production of the extractive industry and 51.4% of the total production of the manufacturing industry in Tajikistan. On the territory of the region there is a developed production of food products, textiles and garments, silk and carpet weaving industries, production of wood products, leather production, production of electrical equipment. The administrative center of Sughd region, the city of Khujand is an important transport hub in Tajikistan and it is located 33 km from the city of Bekabad

Thus, in the border area of Bekabad and Khujand, there is a huge unrealized potential for the development of industrial cooperation in the form of joint ventures, outsourcing and subcontracting in the production of building materials, food products, finished textiles, electrical products and other goods. In this regard, establishing a cross-border economic cooperation zone by Uzbekistan will make it possible to realize the economic potential of the regions, ensure the diversification of the structure of production and exports, reduce production costs through specialization and cooperation, and create new jobs for the local population. Within the framework of CBEZ, it is possible to create joint clusters in the textile industry, food production, and the construction industry.

The Government of Tajikistan has identified the textile sector as a priority sector of the economy. In 2019, the textile sector (excluding cotton exports) accounted for almost 5.5% of Tajikistan's total exports, and if we include textiles and cotton fiber in exports, this figure reaches almost 21%. The textile industry is the second largest export industry in the country. Progressive goals for the development of the country's textile industry are outlined in the National Industrial Development Strategy for the period up to 2030. In addition, this industry serves as one of the key sectors for export diversification and import substitution. In this regard, the cooperation of the Central Asian countries and the pooling of efforts, the exchange of experience among specialists in this field will be useful and productive for all countries. Tajikistan has 6 vertically integrated textile companies, 12 spinning mills, 5 socks and knitwear factories, and 95 factories and sewing workshops, mainly located in the Sughd and Khatlon regions, as well as in Dushanbe. In terms of national consumption, the clothing market is a dynamically developing segment of the consumer market in Tajikistan.

There are several factors and market driving forces that contribute to the development of the clothing market in Tajikistan, including high population growth rates, growth in income and purchasing power of the population, development of a consumption culture, improved marketing skills of manufacturers, etc.

The formation of a cross-border FEZ on the adjacent territory of Uzbekistan and Kyrgyzstan is possible on the border of the Andijan and Osh regions. Enterprises of heavy industry and mechanical engineering, light and textile, construction and chemical, food industries operate in Andijan region. The Osh region of Kyrgyzstan specializes in the production of textile products (mainly cotton fabric), the food industry (confectionery and bakery products, fat and oil, alcoholic beverages, consumer goods for meat, butter and cheese, dairy and tobacco). The electric power, fuel industry, mechanical engineering and metalworking, woodworking and pulp and paper industries and the production of building materials are also developed here.

Establishment of a cross-border FEZ, part of which will be located on the territory of the Andijan region, and part on the territory of the Osh region, will allow building industrial cooperation relations between regional enterprises in such industries as the production of clothing and knitted goods, construction materials, paper and cardboard products and food products, and engineering industry. Developed agricultural production in neighboring regions is also a prerequisite for creating value chains in the agro-industrial sector.

The development of cross-border economic cooperation in the form of a cross-border FEZ will serve as an important tool to reduce the unemployment rate in these densely populated regions of Uzbekistan and Kyrgyzstan. In addition, there will be an opportunity to involve a significant number of small and medium-sized enterprises in cross-border value chains, which also contributes to an increase in GRP and an increase in the welfare of the population. At the same time, the governments of the two countries and local authorities will need to create an effective organizational and economic mechanism for the functioning of a cross-border FEZ, including:

- the legislative framework governing the activities of the FEZ, which provides for a preferential economic regime (incentive package) for local and foreign investors;
- creating of management structures for the development of cross-border economic cooperation, power expansion of local authorities to address current issues;
- infrastructural arrangement of the territory (basic conditions for conducting economic activities);
- construction of transport and logistics infrastructure based on a public-private partnership model;
- reduction of administrative barriers in border trade, creation of conditions for free movement of capital and labor;
- ensuring environmental protection.

At the intersection of the territory of three countries (Fergana region, Batken region, Sughd region), it is possible to create a growth triangle in order to stimulate economic development and increase the competitiveness of neighboring states. All these areas are rich in natural and human resources, have significant potential for the development of industry, agriculture, and services. There are opportunities for organizing joint ventures in the textile industry, electrical industry, agricultural machinery production, as well as implementing joint projects in the field of agriculture and tourism.

The formation of a triangle of economic growth on the territory of three neighboring states should take place in stages, moving from simpler forms of cross-border cooperation to more complex ones. So, at the first stage, it is advisable to form a free trade zone to ensure free cross-border movement of goods through the reduction of administrative barriers in mutual trade. At the same time, it is necessary to provide the most favored nation treatment for investors developing infrastructure, importing advanced technologies into the territory of the zone, so that later it evolves into a more complex form. At this stage, the financing of the cross-border zone will be carried out mainly at the expense of centralized sources of the governments of the participating countries, the role of private investors will not be great.

At the second stage, after the basic conditions for carrying out economic activities have been prepared and a developed transport and logistics infrastructure has been created, it will be necessary to actively attract private investment, which requires legislative consolidation of a clear and transparent system of benefits and preferences for local and foreign investors. The zone residents can be provided with the following benefits:

- exemption from income tax for a period of 3 years;
- zero rate of property tax and land tax;
- exemption from import duties on raw materials and materials used in export-oriented production;
- exemption from import duties on imported equipment;
- exemption from rent for land plots for a certain period;
- reimbursement of expenses for the construction of infrastructure facilities.

At this stage, it is possible to form a cross-border industrial zone or an export-production zone, where will be organized the production of various export-oriented manufacturing industries. The third stage of cross-border economic cooperation provides the development of production and export of goods with a high level of processing and science-intensive products. To this end, it is necessary to create an appropriate innovation infrastructure on the territory of this zone, including technology parks, technology-innovation centers and high-tech zones, ensuring the integration of science and production. At the same time, joint clusters are an important tool for specialization and cooperation of production, deep complex processing of raw materials and the production of goods with high added value. The task of the state at this stage is to create favorable conditions for the development of innovative activities within clusters (provision of tax incentives, elimination of administrative barriers, formation of a competitive market, development of a mechanism for venture financing of scientific developments).

Thus, the formation of various types of international zones of economic cooperation will serve as an important tool for the development of cross-border trade and industrial cooperation relations, ensure the economic development of the adjacent territories of Uzbekistan, Kyrgyzstan and Tajikistan, and contribute to an increase in the level of employment and welfare of the population of these countries.

# Assessing important aspects of logistics performance of Central Asian states

*Aziz ABDULLAEV*
Senior Lecturer
University of World Economy and Diplomacy
Tashkent – Uzbekistan

## РАСШИРЕННАЯ АННОТАЦИЯ

*Интенсивность процессов интеграции и глобализации, происходящих в мировой экономике, привела к расширению торговли между странами, что требует развития системы транспортных коммуникаций и создания новых перспективных трансконтинентальных транзитных коридоров, а с другой стороны, определяет взаимную координацию транспортных систем стран Центрально-азиатского региона с глобальной транспортной системой. В настоящее время выдвигаются различные инициативы по реализации транспортных проектов. Эффективное функционирование трансграничных транспортных коридоров требует эффективной координации транспортных и логистических систем государств Центральной Азии.*

*Страны Центрально-азиатского региона объединены не только географически, у них общая культурная, политическая и экономическая история, и сегодня перед ними стоят общие задачи по преобразованию системы государственного управления в более эффективные структуры. Это требует решения множества проблем, одной из которых является преодоление значительного расстояния, отделяющего их от мировых рынков товаров и услуг. Расходы, связанные с транспортировкой, являются одним из основных факторов конкурентоспособности экономики для стран Центрально-азиатского региона, расположенных вдали от морских портов, особенно для Узбекистана, который является страной с отдалённостью от международных морских путей территориями двух и более государств. Решение этой проблемы во многом зависит от эффективности функционирования транспортно-логистических систем стран Центральной Азии. Несмотря на возросший в последнее время объем инвестиций в развитие транспортной инфраструктуры, производительность транспортно-логистических систем в странах Центральной Азии так и остается низкой, что препятствует дальнейшей интенсификации торговли и общему развитию экономики. Проблемы, связанные с эффективностью логистики в Центрально-азиатском регионе, привели к региональной дезинтеграции и пассивному участию в глобальных цепочках создания стоимости. Хотя интенсивность торговли в последние годы несколько возросла, открытость региона в целом все еще остается сравнительно низкой из-за отсутствия инфраструктуры и того, что торговля сосредоточена на небольшом количестве товаров, а также общего сравнительно неблагоприятного делового климата.*

*Несмотря на это Центрально-азиатский регион остается привлекательным для мировой экономики, прежде всего, как источник сырья. Экономики стран*

*Центральной Азии, находясь в центре евразийского континента, обладают рядом сравнительных преимуществ, которые обеспечивают потенциал для развития промышленности, производства наукоемкой продукции с высокой добавленной стоимостью. Учитывая тот факт, что регион становится транзитным коридором для движения товаров и капитала между странами Азии, и Европы, реализация интеграционных проектов имеет реальные основания.*

*Страны Центральной Азии демонстрируют значительный логистический и транспортный потенциал, что подтверждается масштабами модернизации и строительства, направленных на дальнейшее развитие транспорта, служащего повышению конкурентоспособности региона. Модернизированная транспортная система позволит странам Центральной Азии иметь свои собственные конкурентные преимущества.*

*Оценить транспортно-логистический потенциал, а также инфраструктуру стран Центральной Азии непросто, поскольку существуют разные подходы к таким оценкам, авторы большинства подходов опираются на целый набор данных статистики связанный с транспортом и логистикой, который включает такие показатели, как плотность транспортных сетей, стоимость и время перемещения грузов, доля услуг, производимых в этом секторе, показатели эффективности логистики, объем инвестиций в транспортную инфраструктуру и многие другие. Результаты этого исследования в первую очередь основаны на индексе эффективности логистики и показателях международной торговли в отчете "Ведение бизнеса" и анализе некоторых аспектов методологии вышеупомянутых источников.*

*Данное исследование направлено на анализ текущего потенциала стран региона с точки зрения логистики, вопросов, связанных с координацией усилий, предпринимаемых с целью повышения эффективности логистикой деятельности и развития транспортной инфраструктуры стран Центрально-азиатского региона, которую следует рассматривать как один из основных факторов достижения устойчивого экономического роста, выявление проблем в этом направлении и разработку возможных решений. В статье исследуются возможные пути и подходы к оценке транспортно-логистического потенциала, а также показатели, связанных с логистикой, в государствах Центральной Азии, в частности, посредством Индекса эффективности логистики (LPI), публикуемого каждые два года, а также ежегодно публикуемого отчета "Ведение бизнеса".*

*LPI был создан для того, чтобы помочь странам выявить проблемы в своих логистических системах, с которыми они сталкиваются при выполнении своих функций в области торговой логистики. Основанный на всемирном опросе международных экспедиторских компаний и служб экспресс-доставки, Индекс эффективности логистики измеряет эффективность функционирования логистических систем в разных странах, включенных в отчет. Проект направлен на оказание помощи странам, включенным в рейтинг, в выявлении проблем и возможностей, связанных с эффективностью их логистики, путем измерения эффективности логистической деятельности.*

*Отчет "Ведение бизнеса" публиковался ежегодно и был направлен на обеспечение объективной основы для понимания и совершенствования нормативно-*

*правовой базы для предпринимательской деятельности во всем мире путем сбора и анализа всеобъемлющих количественных данных для сравнения условий регулирования бизнеса между странами и в динамике. Рейтинг стран мира в отчете "Ведение бизнеса" был основан на нескольких показателях, в том числе на данных связанных с показателями ведения международной торговли. Этот показатель обеспечил детальный анализ временных и стоимостных параметров внешней торговли стран, включенных в рейтинг. В сентябре 2021 года Всемирный банк принял решение прекратить публикацию исследования из-за определенных выявленных манипуляций со стороны группы сотрудников Всемирного банка, участвовавших в подготовке отчета.*

*Существуют проблемы, препятствующие развитию транспортно-логистических систем и их функционированию в Центральной Азии, в том числе отсутствие или недостаточная нормативная база для полноценного функционирования транспортно-логистической отрасли на национальном уровне и недостаточное количество межправительственных правовых документов, регулирующих перевозку товаров в регионе; несовершенные таможенные и другие процедуры пограничного контроля; низкий уровень формирования рынка передовых транспортно-логистических услуг; недостаточное количество высококвалифицированных специалистов в сфере логистики и транспорта; слабая интеграция национальных логистических систем в евразийские и трансазиатские логистические системы и другие. Кроме того, можно наблюдать недостаточный уровень координации усилий, предпринимаемых соответствующими ведомствами и министерствами государств Центральной Азии для совместного решения задач в этой области, а также отсутствие единой стратегии государств Центральной Азии по развитию региональной транспортной системы и совместному решению существующих проблем. Для решения вышеупомянутых проблем необходима координация усилий структур государств Центральной Азии, занимающихся вопросами транспорта и транспортных коммуникаций; организация работы комиссии по изучению проблем, связанных с транспортировкой и транзитом товаров в регионе; упрощение процедур таможенного контроля, которые занимают много времени в большинстве государств Центральной Азии, а также усовершенствование таможенных и других процедур пограничного контроля; привлечение представителей таможенных органов государств Центральной Азии в комиссию для изучения проблем, связанных с транспортировкой и транзитом товаров по территории Центральной Азии; разработка единой стратегии государств Центральной Азии по развитию региональной транспортной системы и совместному решению существующих проблем, среди прочего могут быть предложены в качестве решение вышеупомянутых вопросов.*

*Все страны Центральной Азии относятся к группе стран, не имеющих выхода к морю. Поэтому развитие транспортной инфраструктуры и доступ к портам имеют для них первостепенное значение. Разнообразие приоритетов в Центральной Азии в значительной степени затрудняет концентрацию усилий и финансовых ресурсов на решении действительно важных задач. Координация усилий правительств, интеграция транспортных и логистических систем государств Центральной Азии, а также улучшение показателей эффективности*

*логистики в регионе создают предпосылки для обеспечения региональной безопасности и устойчивого развития региона.*

**Key words:** transport sector, Central Asian region, volume of cargo, world trade flows, transport and transit costs, transportation, customs procedures, Logistics Performance Index, logistics activities, cargo traffic, logistics companies, ranking.

# INTRODUCTION

The volume of foreign trade and thus the physical volume of imports and exports is increasing as the world economy is more globalized and integrated today than ever. The location of Central Asian at the heart of Asian on the one hand grants an opportunity to benefit from being a link between such strategic regions as South East Asia and Europe and on the other hand the land-locked region experiences certain problems dealing with reaching sea ports, which makes it isolated from world trade flows to a certain extent.

In the past, the Central Asian region served as a bridge between Asia and Europe, but global trade flows have largely avoided it in recent decades. Currently, the volume of cargo transported by land from Asia to Europe is less than 2% of the volume of cargo transported by sea. Small amount of freight is carried by land, while the Russian territory is used for the major part of railway transportation.

In his welcoming speech during the international conference on Central Asia in the system of international transport corridors: strategic prospects and unrealized opportunities, the President of the Republic of Uzbekistan Shavkat Mirziyoyev noted that taking into account the important geostrategic position of Central Asia, which connects the major international markets, it is of particular importance to combine the efforts of our Central Asian states in order to accelerate the integration of the region into the system of international transport corridors.

Today, the States of the Central Asian region, without direct access to seaports, bear significant transport and transit costs, which reach 70-80 percent of the cost of exported products. Carriers lose up to 40 percent of their time for transporting goods due to imperfect customs procedures.

According to F. Jurayev (2018) the states of the Central Asia have recently made considerable efforts to grow their transport capabilities. Nowadays, a number of international projects related to the development of transport infrastructure are being realized across the Central Asian region. Speaking about, for instance, the railway transport, Kazakhstan with leading position in the region possesses the largest network of the railway transport accounting for 66 percent of the total length of the Central Asia’s railways and accounting for 84 percent of all freight transport. Almost one fifth of the regional railway network passes through the territory of the Republic of Uzbekistan and it accounts for slightly more than 10 percent of all traffic. Turkmenistan possesses approximately 12 percent of Central Asian railways and almost one twentieth of all traffic within the region.

## 1. Materials and Methods.

Evaluating the transport and logistics potential as well as infrastructure of the Central Asian countries is complicated, since the specialists offer diverse approaches to such estimates, most of the methods are based on a range set of transport statistics data, including such indicators as:

- cost, and time of cargo movement;
- the share of services produced in this market segment;
- quality of logistics performance indicators;
- the density of the transport network;

investment volume in the transport infrastructure and many others. The results of the given research are primarily based on Logistics Performance Index and Trading Across Borders indicators within Doing Business Report and the analysis of certain aspects of the methodology of the abovementioned sources.

## 2. Results and Discussion

### *2.1. Different approaches to assessing the logistics performance of Central Asian states*

The World Bank publishes a report dealing with the Logistics Performance Index with a comprehensive assessment of logistics activities of the world countries in every two years. According to the ranking the states of the Central Asian region do not demonstrate impressive results.

**Table 1: Logistics Performance Index ranking and scores, 2018**

| Country | LPI rank | LPI score | Customs | Infrastructure | International shipments | Logistics competence | Tracking & tracing | Timeliness |
|---|---|---|---|---|---|---|---|---|
| Germany | 1 | 4.20 | 4.09 | 4.37 | 3.86 | 4.31 | 4.24 | 4.39 |
| Sweden | 2 | 4.05 | 4.05 | 4.24 | 3.92 | 3.98 | 3.88 | 4.28 |
| Belgium | 3 | 4.04 | 3.66 | 3.98 | 3.99 | 4.13 | 4.05 | 4.41 |
| Austria | 4 | 4.03 | 3.71 | 4.18 | 3.88 | 4.08 | 4.09 | 4.25 |
| Japan | 5 | 4.03 | 3.99 | 4.25 | 3.59 | 4.09 | 4.05 | 4.25 |
| … | | | | | | | | |
| Kazakhstan | 71 | 2.81 | 2.66 | 2.55 | 2.73 | 2.58 | 2.78 | 3.53 |
| Uzbekistan | 99 | 2.58 | 2.10 | 2.57 | 2.42 | 2.59 | 2.71 | 3.09 |
| Kyrgyz Republic | 108 | 2.55 | 2.75 | 2.38 | 2,22 | 2.36 | 2.64 | 2.94 |
| Turkmenistan | 126 | 2.41 | 2.35 | 2.23 | 2.29 | 2.31 | 2.56 | 2.72 |
| Tajikistan | 134 | 2.34 | 1.92 | 2.17 | 2.31 | 2.33 | 2.33 | 2.95 |

*Source: Compiled by the author using the data provided in the LPI ranking 2018: Arvis, J-Fr, Ojala, L., Wiederer, C., Shepherd, B., Raj, A. & Dairabayeva, K.(2018). Connecting to Compete 2018: Trade logistics in the global economy: the logistics performance index and its indicators, The World Bank.*

The top 5 countries in the ranking published by the World Bank in 2018 are represented mainly by European countries (i.e. Germany, Sweden, Belgium and Austria). The LPI published in 2018 allows to compare the indicators dealing the transport and logistics systems of 160 countries. The index is based on a survey of operators (global freight forwarders and express carriers). The survey summarizes their feedback on the logistics performance of the countries where they operate. The 5 leader countries in the ranking demonstrate the LPI score higher 4 points, while not a single Central Asian country reaches the score of 3 points. Kazakhstan, being the leader among the Central Asian states scored 2.81 points and Uzbekistan occupying the second position in the region scored 2.58 points.

In accordance with the table in 2018 Kazakhstan ranked 71st among 160 countries of the world and Uzbekistan ranked 99th. Uzbekistan improved its performance by 19 positions compared to the previous 2016 report. Tajikistan, demonstrating the lowest logistics performance indicators ranked 134th among the countries included in the index.

The weakest points of practically all countries of the region can be observed in terms of the criterion dealing with the quality of trade and transport infrastructure. The leader of the region only reached 2.55 points and Tajikistan with the poorest logistics performance didn't even reach 2 points in this regard. The world leaders Germany and Sweden showed more than 4 points with the most developed trade and transport infrastructure.

One more common feature that unites practically all the countries of Central Asian region is poor performance regarding the efficiency of customs and border management clearance and the ease of arranging competitively priced shipments. Not a single country in the region reached 3 points in both indicators, while the top countries scored at least 3.99 and 3.59 points respectively.

The comparatively stronger positions have been occupied by the Central Asian countries in terms of the frequency with which shipments reach consignees within scheduled or expected delivery times. Kazakhstan scored 3.53 points and Uzbekistan scored slightly more than 3 points. However, these indicators are considerably lower than the indices of the top five countries that demonstrate the scores over 4 points.

In 2018, the World Bank calculated the aggregate LPI for the last 4 years (2012-2018). It was accomplished with an aim to create a complete picture of the logistics situation in the countries under consideration. This approach reduces random deviations from one LPI study to another and it allows you to compare the situation in the countries included in the ranking.

**Table 2: Aggregate Logistics Performance Index ranking and scores, 2012-18**

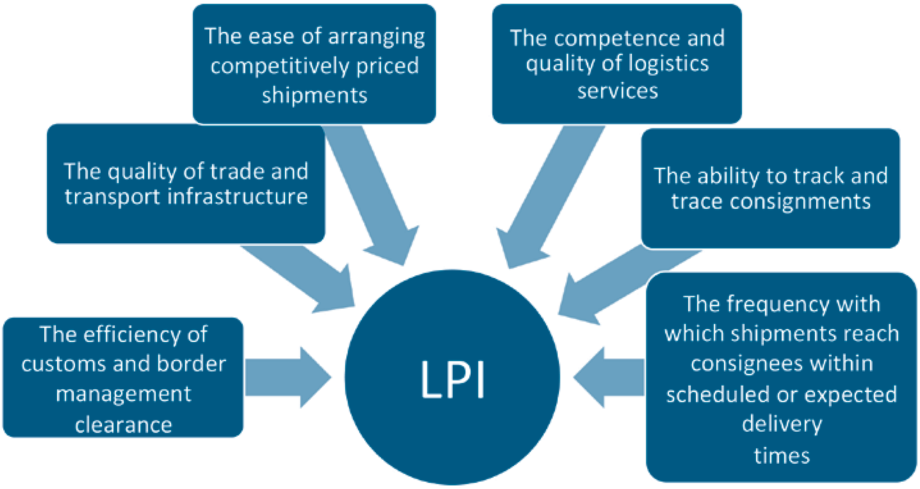
| | Mean LPI score, 2012–18 | Mean rank |
|---|---|---|
| Kazakhstan | 2.77 | 77 |
| Uzbekistan | 2.50 | 117 |
| Kyrgyz Republic | 2.38 | 132 |
| Turkmenistan | 2.34 | 142 |
| Tajikistan | 2.29 | 147 |

*Source: Compiled by the author using the data provided in the LPI ranking 2018: Arvis, J-Fr, Ojala, L., Wiederer, C., Shepherd, B., Raj, A. & Dairabayeva, K.(2018). Connecting to Compete 2018: Trade logistics in the global economy: the logistics performance index and its indicators, The World Bank.*

One can notice practically the same rankings of the Central Asian states as they were in the 2018 ranking in terms of their position within the region. For the period between 2012 and 2018, the Kazakhstan the leader in the region, scored 2.77 points and ranked 77 among the countries included in the aggregate report. The second position within the region belonged to Uzbekistan, which scored 2.50 with 117th ranking. Kyrgyz Republic and Turkmenistan scored 2.34 and 2.29 points respectively (Kyrgyz Republic –132nd, Turkmenistan –142nd). Tajikistan demonstrating the weakest indicators within the region scored 2.29 and ranked 147th among the world countries in the list.

The poor indicators demonstrated by the Central Asian region makes the counties less competitive in terms logistics, which brings about complexities to intensification of trade and makes the world trade routes avoid the region. Several studies at different times have criticized the LPI noting that due to the methodology of the Index, consisting of subjective assessments of various logistics operators, there are tendencies to distort it and underestimate a number of countries with a statistically better logistics system. In spite of this criticism the given ranking is among the most frequently used indices demonstrating the country's potential and resources dealing the logistics performance. The research is conducted by means of surveys mainly among international (transnational) logistics companies and is based on the following six criteria.

**Figure 1: The six core components taken into consideration while constructing the LPI**



*Source: Compiled by the author using the data provided in the LPI ranking 2018: Arvis, J-Fr, Ojala, L., Wiederer, C., Shepherd, B., Raj, A. & Dairabayeva, K.(2018). Connecting to Compete 2018: Trade logistics in the global economy: the logistics performance index and its indicators, The World Bank.*

V.I. Sergeyev and D.I. Zinina (2013) believe that the main factors determining the state of the country's logistics are taken into account in the Logistics Performance Index, and in general, the developed approach is constructive. However, the calculation of the index does not take into account such important factors as the territory of the country, the length of roads, population, access to the sea and a number of others. V.K. Yarashova (2021) thinks that the proposed methodology for assessing the effectiveness of logistics by the World Bank (LPI) is not scientifically sound. The study is based on the results of surveys of mainly international (transnational) logistics companies, and the survey of consumers of logistics services is not conducted. At the same time, the rating of some countries soars and decreases by several dozen positions.

Certainly within the World Bank publications dealing with the LPI it is asked to use LPI data with caution, because the results are primarily based on a web-based survey aggregating the views of the logistics and freight-forwarding community in the world. In addition, it is stated that the Logistics Performance Index and its components possess a limited domain of validity and the reasons for that are the following:

- the limited experience of survey respondents and,
- the logistics performance landlocked countries and small island states rely heavily on the logistics of other countries.

One more source with the different countries' indicators including the ones dealing with transportation and logistics competence is the Doing Business Report, an annual study by the World Bank Group, which assessed the ease of doing business in 190 countries based on 10 indicators. Those indicators, in particular, included the figures of trading across borders, which, in particular, recorded the time and expenses associated with the logistical process of exporting and importing goods. The relevant criterion measured the time and cost dealing with three sets of procedures, in particular, documentary compliance, border compliance and domestic transport, within the process of exporting or importing goods. In addition, Doing Business studies not only pointed out the problems that hindered the development of business, including the processes of exporting and importing, but also identified their causes and offered recommendations for the relevant necessary reforms. Recently the World Bank announced the termination of the publication of the study, because there were revealed certain manipulations by a group of World Bank employees who participated in the preparation of the study. However, the given annual report served as a reliable source providing with different countries' economic indicators for almost two decades.

In accordance with the trading across borders criterion of the Doing Business Report the Central Asian states were ranked quite differently from their positions in the LPI index.

**Table 3: The rankings of the Central Asian states in accordance with the trading across borders (The Doing Business Report for 2018, 2019 and 2020)**

| Countries | 2018 (190 countries) | | | 2019 (190 countries) | | | 2020 (190 countries) | | |
|---|---|---|---|---|---|---|---|---|---|
| | overall ranking | trading across borders | | overall ranking | trading across borders | | overall ranking | trading across borders | |
| | | ranking | score | | ranking | score | | ranking | score |
| Kazakhstan | 36 | 123 | 63.19 | 28 | 102 | 70.36 | 25 | 105 | 70.4 |
| Uzbekistan | 74 | 168 | 44.31 | 76 | 165 | 49.79 | 69 | 152 | 58.2 |
| Kyrgyz Republic | 77 | 84 | 73.34 | 70 | 70 | 80.74 | 80 | 89 | 74.7 |
| Tajikistan | 123 | 149 | 57.17 | 126 | 148 | 59.06 | 106 | 141 | 60.9 |

*Source: Compiled by the author using the data provided in the World Bank Doing Business Reports for 2018, 2019 and 2020.*

The above table demonstrates that according to trading across borders criterion Kazakhstan scored approximately 70 points in 2019 and 2020, while the country's score was only 63.19 in 2018, which shows an increase throughout the report period. However, Kazakhstan was not a leader among the Central Asian states, in contrast with its leading position in the Central Asian region according to LPI index.

In compliance with the Doing Business Report, Uzbekistan, like the other states in region demonstrated growth rates in terms of trading across borders. However, it scored the poorest indicator in the region with 58.2 points in 2020 and ranked 152nd among 190 countries.

With regard to Kyrgyz Republic one can notice that it scored 74.7 points with view to trading across borders standard, which was the best indicator in the region. The leader country among the Central Asian countries ranked 89th among the states included in the report prepared by the World Bank.

Tajikistan's trading across borders scores rose from 57.17 points to 60.9 points, as a result of which the country reached 141st position in the ranking. It is one of the poor indicators if we compare the figures belonging to the other states in Central Asia.

Certainly there are other reports including the Global Competitive Report, the IMD World Competitiveness Yearbook, the Global Enabling Trade Report and the Agility Emerging Markets Logistics Index that provide with rankings of the world countries basing on the logistics and transportation competence indicators among others.

**Table 4: World rankings reflecting the logistics performance**

| | The Name of the ranking | The issuing organization | The latest publication year | The number of countries included |
|---|---|---|---|---|
| 1 | The Global Competitiveness Report | The World Economic Forum, Geneva | 2020, every year | 140 |
| 2 | The IMD World Competitiveness Yearbook | International Institute for Management Development, Lausanne | 2020, every year | 63 |
| 3 | The Global Enabling Trade Report | The World Economic Forum, Geneva | 2016, every 2 years | 136 |
| 4 | Doing Business | The World Bank, Washington | 2020, every year | 190 |
| 5 | The Logistics Performance Index | The World Bank, Washington | 2018, every two years | 160 |
| 6 | The Agility Emerging Markets Logistics Index | Agility Global Integrated Logistics, Transport Intelligence | 2020, every year | 50 |

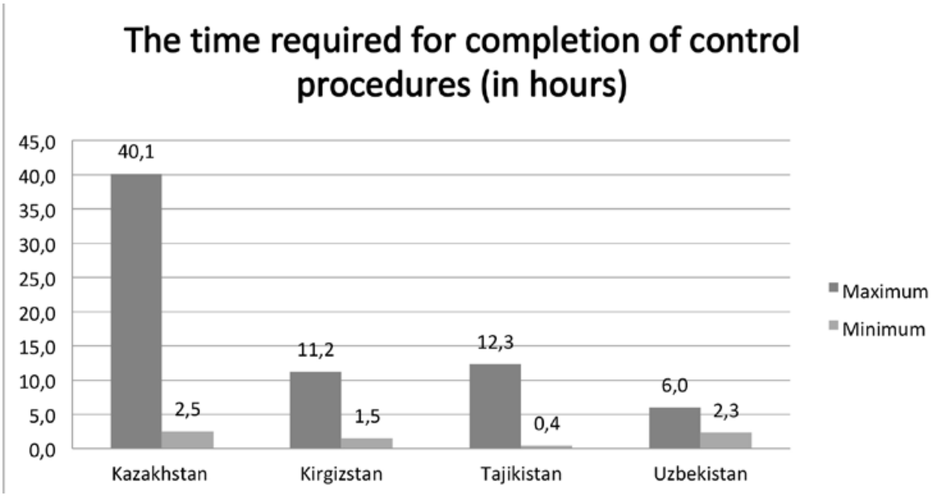
*Source: compiled by the author using the official data provided by the relevant organization on the Internet*

However, it was impossible to use the sources in order to conduct comparative analysis of all the four Central Asian countries (Kazakhstan, Kyrgyz Republic, Tajikistan and Uzbekistan) within the current research, since all the four states together were represented within none of the three above mentioned sources (the Global Competitive Report, the IMD World Competitiveness Yearbook, the Global Enabling Trade Report, and the Agility Emerging Markets Logistics Index).

The indicators within the 6 rankings given in table 3 are based on both subjective and unbiased data since they take into account both statistics provided the official sources and the views of respondents. In addition, T. Zorina and Yu Truhan (2019) think that in many countries, official statistics on the logistics services market at the national level are very scarce, mainly based on expert opinions.

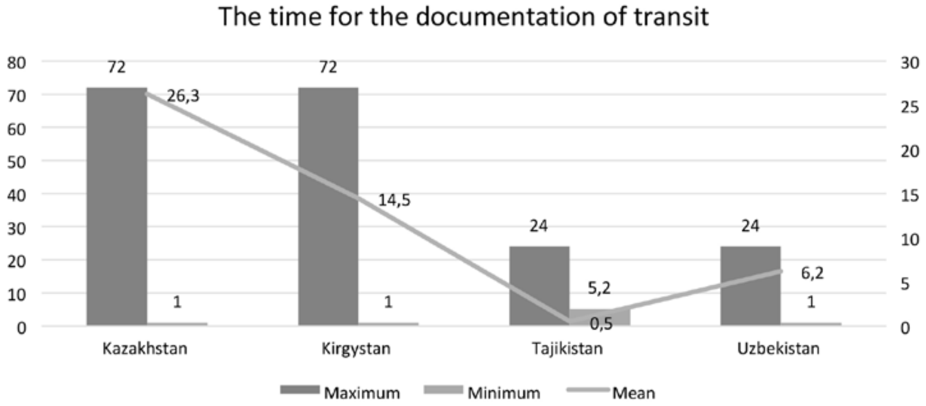
There has been conducted another survey among 130 exporting and importing companies dealing with estimation of time during customs control procedures for import, export and transit in Central Asia. For instance, the time required for the completion of control procedures differ in the Central Asian states.

**Figure 2: The time required for completion of control procedures within the customs offices in the Central Asian states**



Another important date provided by the same source deals with the time spent by exporting and importing companies on the documentation of transit. [1]

**Figure 3: The time required for the documentation of transit**



## *2.2. The problems dealing with the effective operation of Central Asian logistics systems and possible solution*

The results of the above mentioned studies dealing the logistics performance of the Central Asian states and the relevant world rankings give the evidence of the relevant problems hindering the development of the transport and logistics systems and their performance, which can be seen in the following:

- the absence or insufficient level of coordination of the efforts taken by the corresponding agencies and ministries of the Central Asian states to jointly tackle the tasks in the area;
- the absence of a unified strategy of the Central Asian States to develop the regional transport system and to jointly solve the existing problems;
- insufficient amount of funds allotted in the development of transport and logistics infrastructure;
- lack or low level of formation of the 3PL, 4PL and 5PL services market;
- insufficient number of highly qualified specialists in the sphere of logistics and transportation;
- absence or insufficient regulatory basis for the transport and logistics industry on the national level and insufficient amount of the intergovernmental legal documents regulating the transportation of the goods within the region;
- imperfect customs and other border controls procedures;
- weak integration of national logistics systems into the Eurasian and trans-Asian logistics systems.

Certainly, referring to the accomplishments in the transport and logistics systems in some of the Central Asian countries for the last years it must be noted the extent of these problems vary amongst the states in the region.

In some studies, it is recommended the states of the Central Asian states should integrate their transport and logistics system into a single regional transportation system in order to increase logistics performance of the region and integrate it into the global transportation flows even more deeply. In particular, according to A.A. Zokhidov (2020), the transport systems of Central Asia taken together are regarded as a significant part of the international transport system, and in this regard, it is possible to achieve high efficiency of the ongoing reforms in this area by means of appropriate development and coordination of the transport system of all countries in the region. The efficiency or, on the contrary, inefficiency of the mechanism for coordinating the transport policy of the Central Asian countries is evaluated in terms of the level of quality implementation of the expected results from these logistics systems of the states in the region. The importance of the regional transport system in the volume of European-Asian transport remains not at the proper level in comparison with the existing capacities. The observed trend in the regional transport system, as well as the existing problems (many transport projects have not been implemented for many years, transport costs are several times higher than international standards) mean that this issue is of a systemic nature and it needs to be solved jointly at the regional level.

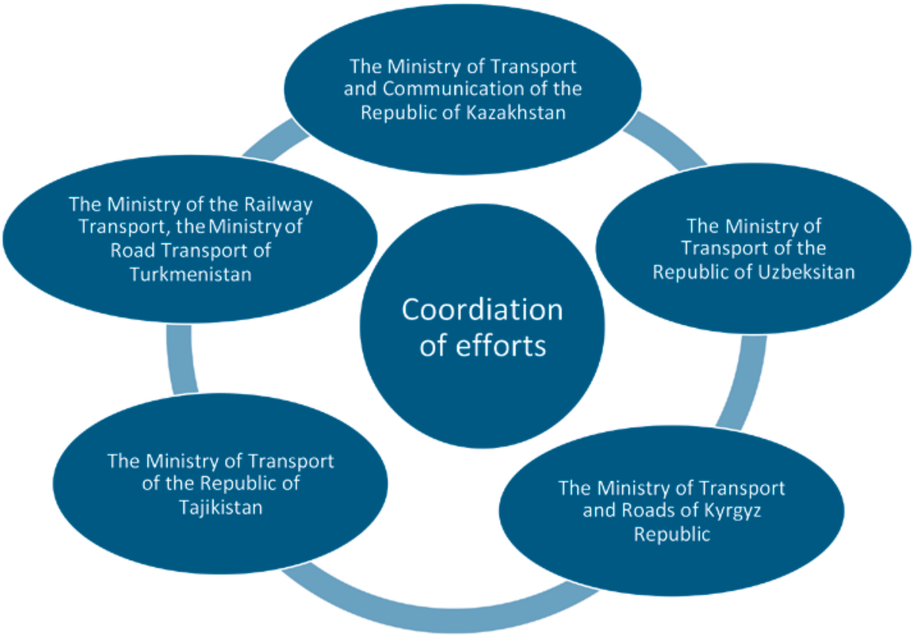
In terms of coordinating efforts of the Central Asian states to increase the competitiveness of economies in the region a unified strategy is believed to assist to fully utilize the potential of Central Asian regional transport system. A. A. Zokhidov thinks that there are the following general reasons that require special attention to the development of a unified strategy (a region-wide program) for the development of the regional transport system in Central Asia:

- firstly, the Central Asian countries are geographically closed, that is, they depend on the transport policy of other countries when entering world markets;
- secondly, high transport costs in the process of external export-import cargo transportation of the countries of the region;

- thirdly, the Central Asian countries have relatively large domestic markets and rich natural resources, so the interests of the powerful countries of the world collide in the region;
- fourthly, many transport corridors of Central Asian countries are closely interconnected (in recent years, the level of relationship in the transport sector has decreased);
- fifthly, all countries in the region are equally interested in increasing the flow of international transit cargo in the region;
- sixthly, there is a high demand for external financial investments for the modernization of the transport system, the construction of new corridors and the introduction of new technologies in the industry, etc.

Speaking of the relevant agencies involved in dealing with the problems associated with the logistics systems, there is a corresponding ministry in each of the Central Asian states and it is highly recommended that they should coordinate their efforts with an aim to develop the national transportation and logistics systems as well as to increase the position of the countries in the world rankings.

**Figure 4: The coordination of efforts dealing with the improvement of logistics performance on the ministerial level in Central Asia states**



*Source: compiled by the author.*

# SUMMARY

Taking into consideration the above stated it is offered the following solutions in order to solve the problems dealing with the transport sector and the free cargo flow in the Central Asian region:

1. to coordinate the efforts of the authorities of the Central Asian States dealing with transport and transport communications;
2. to organize the operation of the commission to study the problems dealing with transportation and transit of goods within the region;
3. to develop transport infrastructure of the Central Asian states so that the cargo traffic would be easier and with less expenses;
4. to develop a unified strategy of the Central Asian states to develop the regional transport system and jointly solve the existing problems;
5. to develop the mechanisms of attracting different sources in addition to the government funds to invest in the development of transport and logistics infrastructure;
6. to create the necessary conditions to form and develop 3PL, 4PL and 5PL services market that can be offered within the region;
7. to develop comprehensive regulatory framework for the transport and logistics industry on the national level taking into consideration the specifics of the opportunities of transportation of within Central Asia and the intergovernmental legal documents regulating the transportation of the goods within the Central Asian region;
8. to simplify customs control procedures that take long time in most Central Asian states as well as to modify the customs and other border controls procedures; to involve the representatives of the Customs agencies of the Central Asian states in the commission to study the problems dealing with transportation and transit of goods within the Central Asia;
9. to further develop the international transport corridors through the territory of Central Asia in order to fully integrate the Central Asian logistics system into the Eurasian as well as trans-Asian logistics systems.

The presence of contradictions in the policy of subsystems (states of the region) and the lack of a mechanism for their coordination at the regional level are among the factors of the inefficient operation of the Central Asian regional transport system. Referring to develop a unified strategy as well as region-wide programmes for the comprehensive development of the Central Asian transportation, it is advisable to provide for the preserve the interests of each state within Central Asia. For instance, transit states will receive more revenue from transit services by increasing the volume of transit flows through their territories.

All in all, the active promotion of integration projects in Central Asia, in particular by means of further incorporation of the transportation and logistics systems of the countries as well as improvement of logistics performance within the region creates favorable conditions for ensuring regional security and sustainable development of the Central Asian region.

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# Strengthening Authorized economic operator institute is one of the ways of improving international trade of Uzbekistan.

*Bahodir ISHMURADOV*
Lecturer
University of World Economy and Diplomacy
Tashkent – Uzbekistan

## EXTENSIVE ABSTRACT

*This chapter discusses the Institute of Authorized Economic Operator, which is being introduced in the Republic of Uzbekistan. The special simplifications provided for authorized economic operators, the degree of privilege and the scope of the status are the subject of this chapter.*

*The purpose of the chapter is to analyze the origin and development trends of the concept of a competent economic operator.According to the objectives of the chapter the following tasks were identified:*

- *Determining the origin of the concept of the authorized economic operator;*
- *Explain the essence of the concept of an authorized economic operator;*
- *Analyze the Experience of Introduction the institute of Authorized Economic Operator in Uzbekistan;*
- *Identify the General criteria for applicants for Certificate of authorized economic operator;*
- *Clarification of the list of special simplifications provided for authorized economic operators in Uzbekistan.*

*The main issue of this chapter is that, current customs procedures do not fully meet the requirements of international norms and standards, remain subject to excessive financial and time costs for participants in foreign economic activity. So, "Introduction of the Institute of Authorized Economic Operator in Uzbekistan within the Concept of Security Standards of the World Customs Organization is a topical issue today.*

*First of all, one of the urgent tasks is to study the best practices of countries and internationals to improve the "trading across borders", encourage honest entrepreneurs and introduce modern mechanisms to reduce bureaucratic barriers. One such mechanism is the Institute of Authorized Economic Operators. Second, the Institute of Authorized Economic Operator is a new concept. Until 2018, there was no such concept in Uzbekistan.*

*The current Authorized Economic Operator Institute is also not a complete final concept. This concept itself has also been refined 6 times since it was created. So, we need to study this institution systematically. This is because the concept proposed by the World Customs Organization gives more power to Authorized Economic Operators and has a* *wider range of members, as well as the fact that the concept of Security Standards of the World Customs Organization is periodically improved.*

*The chapter gives some brief additional information on World Customs Organization itself, SAFE framework of standards 2021 edition, Authorized economic operator institute concept and his history. The terrorist attack in the United States on September 11, 2001, prompted many states and international organizations to reconsider and improve their risk management systems. One such international organization was the World Customs Organization. He set himself the goal of creating a mechanism that would not only effectively manage the risk of international trade flows, but also have a positive impact on the economies of countries. As a result of 4 years of research, the World Customs Organization has developed the concept of Security Standards. At the sessions of the World Customs Organization Council in Brussels in June 2005, the member states of the Organization adopted the concept of security standards to ensure and simplify global trade. It was beginning of the Authorized economic operator institute history.*

## INTRODUCTION

Strengthening Authorized Economic Operator Institute in Uzbekistan within the Concept of Security Standards of the World Customs Organization is one of the topical issue of today.

First, in the World Bank's Doing Business 2018 ranking, Uzbekistan ranked 74th out of 190 countries with a total score of 66.33. The worst indicator of Uzbekistan in this ranking was the "trading across borders." In this regard, Uzbekistan took 168th place with 44.31 points. Let's look at the ranking after 2 years, in the Doing Business 2020 ranking, Uzbekistan took 69th place among 190 countries with a total of 69.9 points. In this ranking, the worst indicator of Uzbekistan was again the " trading across borders". We are 152nd with 58.2 points. Although we have achieved a partial change in the ranking, it shows that we still have a lot of work to do on the "trading across borders" indicator. An interesting question occurs: Why are we lagging behind 151 countries in this indicator? What is the secret of going ahead? What is the main problem of Uzbekistan in this matter?

Second, "the current customs procedures do not fully meet the requirements of international norms and standards, and remain subject to excessive financial and time costs for participants in foreign economic activity.

There are almost no mechanisms in place for foreign economic activity participants to comply with customs legislation and to encourage honest entrepreneurs to reduce administrative barriers"[17]

Inefficient and excessive control functions of the customs authorities lead to the violation of the rights and legitimate interests of business entities.

Insufficient use of opportunities for financial incentives for customs officials has a negative impact on the prevention of corruption and the effectiveness of the system as a whole.

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[17] Decree of the President of the Republic of Uzbekistan. On additional measures to improve the customs administration and increase the efficiency of the State Customs Service of the Republic of Uzbekistan dated November 24, 2018 No. PD-5582

Third, the Institute of Authorized Economic Operator is a new concept for Uzbekistan. Until 2018, there was no such concept in the country. Presidential Decree No. PD-5582 of November 24, 2018 “On additional measures to improve customs administration and increase the efficiency of the state customs service of the Republic of Uzbekistan” was adopted. In accordance with paragraph 5 of this decree, from February 1, 2019, it is planned to introduce the institute of “authorized economic operators” in accordance with international standards, which provide for the right to use simplified customs procedures to participants in fair foreign economic activity that meet the requirements set by the Cabinet of Ministers of Uzbekistan.

Fourth, in order to ensure the implementation of the mentioned Decree of the President of the Republic of Uzbekistan, as well as further simplification of customs procedures and implementation of international trade security in accordance with international standards, the Cabinet of Ministers adopted a Resolution, No. RCM-363 on April 29, 2019. The resolution was named “On measures to introduce the institute of authorized economic operator”. However, some issues and problems have begun to emerge in the introduction of the Institute of Authorized Economic Operator. Who can get the status of an authorized operator and who cannot? What should be the benefits provided to them and what should be the maximum limit of benefits? Is this new institute available in other countries as well? Is it the same or different from the concept we have? Questions began to arise. As a result, a year later, the Regulation “On authorized economic operators”, adopted by Resolution No. RCM-500.

On 24.08.2020, the Cabinet of Ministers adopted Resolution No. RCM-500, “On approval of the Regulations on Authorized Economic Operators”. According to this, the previous Resolution of “On measures to introduce the institute of authorized economic operator” was repealed and a new “Regulation on Authorized Economic Operators” was approved.

Fifth, the current Authorized Economic Operator Institute is also not a complete final concept. This is because the concept proposed by the World Customs Organization gives more power to the concept of an Authorized Economic Operator, and the scope of members is also broader.

The object of this article is the Institute of Authorized Economic Operator, which is being introduced in the Republic of Uzbekistan.

The special simplifications provided for authorized economic operators, the degree of privilege and the scope of the status are the subject of this article.

The purpose of the article is to analyze the origin and development trends of the concept of a competent economic operator.

According to the objectives of the article the following tasks were identified:

- Determining the originator of the concept and the origin of the concept of the authorized economic operator;
- Explain the essence of the concept of an authorized economic operator;
- Clarification of the list of special simplifications provided for authorized economic operators;

Brief mutual analysis of the literature and normative legal documents used in the preparation of the article:

Although the concept of an authorized economic operator is a relatively new concept for Uzbekistan, the object of the problem in solving its export-import and international logistics issues is not new. Many of Uzbek scientists have conducted their own scientific research in this regard. The scientific works of Doctor of economics, Professor N. Sirojiddinov, Doctor of economics, Professor I. Mavlanov, Doctor of economics, G. Sultanova, Doctor of economics, M. Hamdamov, Doctor of economics, Professor D. Suyunov, Doctor of economics, B. B. Abduganiev have been studied.

- Annual report 2020-2021 of World Customs Organization and Decree and Resolutions of Uzbekistan, such as
- 2018 and 2021 editions of the SAFE Framework of Standards of the World Customs Organization;
- Decree of the President of the Republic of Uzbekistan dated November 24, 2018 PD-5582 “On additional measures to improve customs administration and increase the efficiency of the state customs service of the Republic of Uzbekistan”;
- Resolution of the Cabinet of Ministers No. RCM-363 of April 9, 2019 “On measures to introduce the institute of authorized economic operator” (Abolished from November 26, 2020 by the resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated August 24, 2020 No. 500)
- Resolution of the Cabinet of Ministers No. RCM-500 of August 24, 2020 “On approval of the Regulation on authorized economic operators” were mutually analyzed.

Practical implication of the article is that, strengthening of the Institute of Authorized Economic Operator in Uzbekistan according to the Framework of Security Standards of the World Customs Organization is one of the solutions of the problems of foreign economic activity facing Uzbekistan today.

## Origin of the concept of Security standards

The terrorist attack in the United States on September 11, 2001, prompted many states and international organizations to reconsider and improve their risk management systems. One such international organization was the World Customs Organization. He set himself the goal of creating a mechanism that would have a positive impact on the economies of states, as well as effective management of the risk of international trade flows. To achieve this goal, the World Customs Organization has set several tasks. Including,

- re-identification of risk groups in international trade flows,
- high-precision monitoring of high-risk commodity groups, participants in foreign economic activity and regions in international trade flows;
- selective monitoring of low-risk commodity groups, participants in foreign economic activity and regions in international trade flows;
- simplification and facilitation of monitoring of low-risk commodity groups, participants in foreign economic activity and regions in international trade flows;
- further formation of existing principles of international trade flows. (Earlier principle was “Violators will be punished accordingly”)

As a result of 4 years of research, the World Customs Organization has developed the Concept of Security Standards.

At the sessions of the Council of the World Customs Organization in Brussels in June 2005, the member states of the Organization adopted the concept of security standards to ensure and simplify global trade. 169 countries have agreed to impeachment on their territory.

Brief information about the World Customs Organization:

- World Customs Organization (WCO);
- Founded on January 26, 1952;
- Intergovernmental organization;
- The headquarters is located in Brussels, Belgium;
- Member of the customs authorities of 183 countries (2021);
- Secretary General Kunio Mikuriya (January 2009 to present);
- Official website www.wcoomd.org.

The concept of security standards, adopted by the World Customs Organization in June 2005, announced a new approach to international trade flow management. In this approach:

- Digitization of customs clearance;
- Introduction of electronic information exchange in the Single window;
- Application of the principle of public-private partnership in relation to international trade flows;
- Increasing the importance of cooperation between customs and business entities;
- Risk groups in the flow of international trade have been re-identified, and as a result, it is planned to divide them into “red corridor”, “yellow corridor”, “green corridor”.

He noted that the principle of “Violators will be punished accordingly” in the earlier international trade flow is insufficient, and added the principle that “those who do not break the law will be encouraged.” Based on this principle, the Institute of Authorized Economic Operator was introduced.

It was determined that the concept of these Safety Standards would be improved from time to time. Additions and changes have been made several times. In 2007, 2010, 2011, 2012, 2015, 2018, 2021 this concept was improved.

Today, the 2021 edition of the SAFE Framework of Standards is in effect.

The structure of the 2021 edition of the SAFE Framework of Standards consists of 7 chapters and 5 appendices. These are: Chapter 1 - Introduction, Chapter 2 - Benefits, Chapter 3 - “Pillar 1. Customs-Customs”, Chapter 4 - “Pillar 2. Customs and Business”, Chapter 5 - “Pillar 3. Customs - other government and intergovernmental agencies”, Chapter 6 - Continuation and resumption of trade, Chapter 7 - Mutual recognition.

In the 2021 edition of SAFE Framework of Standards, 3 pillars are in turn divided into standards.

From the 3 main pillars it is understood that the 1st pillar is the relationship between customs office and administrations within a country; Pillar 2 - This is the communications of customs authority with business entities within a country. Pillar 3 is the relationship between the customs authorities of different countries and intergovernmental agencies.

The SAFE Framework consists of five core elements. *First*, it harmonizes the advance electronic cargo information requirements on inbound, outbound and transit shipments. *Second*, each country that joins the SAFE Framework commits to employing a consistent risk management approach to address security threats. *Third*, it requires that at the reasonable request of the receiving nation, based upon a comparable risk targeting methodology, the sending nation's Customs administration will perform an outbound inspection of high-risk cargo and/or transport conveyances, preferably using non-intrusive detection equipment such as large-scale X-ray machines and radiation detectors. *Fourth*, the SAFE Framework suggests benefits that Customs will provide to businesses that meet minimal supply chain security standards and best practices. *Fifth*, it promotes close cooperation with other governmental agencies representing different regulatory areas, in order to keep societies safe and secure while facilitating the movement of goods

It is clear that the principle of "Violators will be punished accordingly" in international trade flows in most countries is insufficient, so the Concept of Security Standards offers to implement the principle of "incentives for business through their status".

## The essence of the concept of an authorized economic operator

In English: Authorized economic operator (AEO)

In Uzbek language: Vakolatli iqtisodiy operator (VIO)

In brief definition, an Authorized Economic Operator is an entity that participates in the international flow of goods, performing functions that meet the requirements of the international flow of goods.

Extended definition is given in SAFE Framework. Authorized Economic Operator (AEO) is a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards. AEOs may include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders.

The general benefits provided to the Authorized Economic Operator under this concept are:

A. Measures to expedite cargo release, reduce transit time and lower storage costs (There are 23 measures are given);

B. Measures to facilitate post-release processes (4 measures are given);

C. Special measures relating to periods of trade disruption or elevated threat level (4 measures are given);

D. Participation in new trade facilitation programs (2 measures are given);

E. Benefits granted by other government agencies (5 measures are given);

F. Benefits arising from a mutual recognition agreement (9 measures are given);

G. Providing access to information of value to AEO participants (5 measures are given);

H. Indirect benefits (10 measures are given).

In addition to general benefits, there are some specific benefits for operators **of each category.**

Special simplifications are provided for each operator. For example, it consists of 11 specific benefits and simplification for exporters, 9 for imports, 6 for customs warehouse owners, 6 for customs brokers, 4 for logistics operators, 4 for customs carriers, 2 for ports and terminals, 2 for manufacturers.

## Introduction the institute of Authorized Economic Operator in Uzbekistan

In accordance with the Decree of the President of the Republic of Uzbekistan dated November 24, 2018 "On additional measures to improve customs administration and increase the efficiency of the State Customs Service of the Republic of Uzbekistan" from February 1, 2019, The institute of authorized economic operators was introduced for honest foreign economic actors, in accordance with international standards.

The decree states that "a number of systemic problems in the field of customs administration remain, which hinder the creation of a favorable investment climate in the country and the development of entrepreneurial activity. Current customs procedures do not fully meet the requirements of international norms and standards, and remain subject to excessive financial and time costs for participants in foreign economic activity. Almost no mechanisms are in place to encourage foreign economic activity to comply with customs legislation and to encourage honest entrepreneurs and reduce administrative barriers."

Also, in accordance with paragraph 5 of this decree, from February 1, 2019, the institute of "authorized economic operators" will be introduced in accordance with international standards, providing the right to use simplified customs procedures to participants of honest foreign economic activity who meet the requirements set by the Cabinet of Ministers.

As a mechanism for its implementation, paragraph 2 of the Roadmap for Improving Customs Administration on this issue requires a decision of the Cabinet of Ministers.

### ROAD MAP*
### On improving customs administration

| T/p | Measures | Form of implementation | Deadlines | Responsible executors |
|---|---|---|---|---|
| 2. | Approval of the Regulation on the Authorized Economic Operator, which provides for the granting of the status of the Authorized Economic Operator, as well as simplified types of customs procedures, delayed or installment payment of customs duties. | Draft resolution of Cabinet of Ministers. | Until December 25, 2018 y. | Customs Committee (Azimov),<br>MFT (Xodjayev),<br>ME(Mirzayev),<br>NAPM (Akhmedxodjayev) |

**Annex 1 to the Decree of the President of the Republic of Uzbekistan dated November 24, 2018 No. PF-5582 "On additional measures to improve customs administration and increase the efficiency of the state customs service of the Republic of Uzbekistan", Roadmap for improving customs administration*

Ensuring the implementation of the Decree of the President of the Republic of Uzbekistan dated November 24, 2018 PF-5582 “On additional measures to improve customs administration and increase the efficiency of the state customs service of the Republic of Uzbekistan”, as well as further simplification of customs procedures and in order to ensure trade security, the Resolution of the Cabinet of Ministers No. RCM-363 of April 9, 2019 “On measures to introduce the institute of authorized economic operator”.

With this Resolution of the Cabinet of Ministers, the State Customs Committee of the Republic of Uzbekistan is tasked to select as a pilot legal entities that meet the criteria for inclusion in the Register of Authorized Economic Operators in order to accelerate the development of the Institute of Authorized Economic Operators until June 1, 2019. The first 17 enterprises in the register of authorized economic operators were published on 22.06.2019 on the official website of the State Customs Committee.

The Cabinet of Ministers adopted Resolution No. 500 of 24.08.2020 “On approval of the Regulations on Authorized Economic Operators”.

The document was adopted in accordance with the Resolution of the Cabinet of Ministers of 29.04.2019 No 363 “On measures to introduce the institution of an authorized economic operator.”

| № | Major differences | According to Appendix to the Resolution of the Cabinet of Ministers No. RCM-363 of April 9, 2019 “On measures to introduce the institute of authorized economic operator” (Previous) | According to the Resolution of the Cabinet of Ministers No. RCM-500 of August 24, 2020 “On approval of the Regulation on authorized economic operators” (Current) |
|---|---|---|---|
| 1 | The difference in naming | was called“Category” | is called “Type” |
| 2 | Difference in the number of special simplifications | There were 2 categories of special simplifications:<br>Category “A”<br>Category “B” | There are 3 types of special simplifications:<br>1st type,<br>2nd type,<br>3rd type. |
| 3 | Differences in the level of privilege | Category “A” (less privilege)<br>Category B (more privileges) | Type 1 (less privileges)<br>Type 2 (more privileged)<br>Type 3 (the most privileges) |
| 4 | Differences in scope | 1. Importers and exporters | 1. Importers and exporters<br>2. Customs brokers<br>3. Customs warehouse owners<br>4. Persons acting as customs carriers |
| 5 | Document confirming the authorized economic operator | Notification of inclusion in the register | Certificate |

*The table is prepared by the author*

According to the current legislation of the Republic of Uzbekistan, the Authorized Economic Operator is a legal entity that meets the requirements of the Resolution of the Cabinet of Ministers No. 500 of 24.08.2020 “On approval of the Regulation on Authorized Economic Operators” for the use of simplified customs procedures in customs operations.

The certificate of inclusion of the legal entity in the register of authorized economic operators is made in electronic form (electronic document with QR-code (matrix barcode)). The certificate confirming the status of the operator gives the right to use special simplified customs procedures in carrying out customs operations.

Special simplifications are features of separate customs operations and customs control applied depending on the type of certificate. From the moment the operator is included in the register, it falls into the category of low risk. Public administration bodies and local public authorities cannot be operators. The certificate is divided into three types. Each type of certificate entitles the holder to use special simplifications for carrying out separate customs operations. The certificate comes into force from the date of inclusion of the legal entity in the register. Issuance of the certificate to other persons is prohibited.

The status of an authorized economic operator can be obtained by different categories of legal entities. Prior to this Resolution, the status of an authorized economic operator was available only to participants in foreign economic activity engaged in the export and import of goods, but now this status can be obtained by owners of customs warehouses, customs brokers and customs carriers. Based on international experience, 3 types of certificates (first, second and third types) have been introduced for authorized economic operators. Selection criteria for inclusion in the register of authorized economic operators have also been simplified. A new special simplification for the export of goods has been introduced for authorized economic operators before the submission of the customs cargo declaration. Currently, the register of authorized economic operators - a list of legal entities that have the right to use simplified customs procedures in the conduct of customs operations and have a certificate is formed by the State Customs Committee and posted on the official website of the committee. It should be noted that public administration bodies and local public authorities cannot be authorized economic operators.

### General criteria for applicants of Certificate of authorized economic operator
### When applying for inclusion in the register on the basis of all types of certificates, the legal entity must meet the following general criteria:

| For the 1-type of Certificate | For the 2-type of Certificate |
|---|---|
| Absence of administrative liability of the head, chief accountant and authorized person of the legal entity, as well as persons holding these positions for the last year, for an offense under Articles 171, 1711, 174, 175, 176, 177 and 227 – 227-21 – 227-27 of the Code of Administrative Liability of the Republic of Uzbekistan for the past year prior to the date of application to the customs authorities; | Possession of buildings (part of buildings) and (or) open areas (part of open areas) intended for use (on the right of use or possession) as a warehouse for storage of goods, meeting the requirements established in accordance with the Regulations on the authorized economic operator;<br>absence of overdue receivables on foreign trade operations. |
| During the last five years prior to the date of application to the customs authorities, the head of legal entity and chief accountant of the legal entity, as well as the authorized person were not prosecuted for crimes under Articles 175, 182, 184, 188, 189, 209, 228 and 246 of the Criminal Code of the Republic of Uzbekistan; | buildings (part of buildings) and (or) open areas (part of open areas) intended for use as a warehouse for storage of goods (on the right of use or possession) must have:<br>a) storage of goods and means of transport under customs control;<br>b) not to allow unloading, reloading and other cargo operations with goods and means of transport under customs control without the permission of the customs authorities; |

| | |
|---|---|
| absence of indebtedness for the payment of fines and penalties on them, including taxes and other mandatory payments for government; | The legal entity must provide the following in the territory of the authorized economic operator:<br>a) hard (concrete, asphalt or other) paving, including loading and unloading areas in the area;<br>b) parking place for vehicles;<br>c) the perimeter of open areas (parts of open areas) is surrounded by solid barriers along the entire perimeter; |
| have carried out foreign economic activity for at least three years prior to the date of registration of the application for inclusion in the register with the customs authorities, including: | The legal entity must provide the following in the territory of the authorized economic operator:<br>a) solid (concrete, asphalt or other) pavement, including loading and unloading areas adjacent to this area;<br>b) parking place for vehicles;<br>c) the perimeter of open areas (parts of open areas) is surrounded by solid barriers along the entire perimeter; |
| For customs brokers, annually submit not less than 500 import and (or) export customs cargo declarations for goods with an invoice value of at least the equivalent of 10.0 million US dollars; | d) establishment of customs control zones in the manner prescribed by law;<br>e) places allocated for customs inspection and customs inspection of goods and means of transport;<br>f) technical roads leading to the area;<br>g) a regime of control and security, providing the following, excluding unauthorized access to facilities located in the territory, including places of loading |
| For the owners of the customs warehouse, who stored goods in the amount of 10.0 million kg on the date of registration of the application with the annual value of the equivalent of 10.0 million US dollars; | (unloading) and storage of goods and vehicles:<br>identification of employees of the legal entity, their access to these facilities;<br>identification and registration of non-employees of the legal entity, their access to these facilities;<br>operatively cancel the access of the dismissed legal entity employees to these facilities and information systems. |
| For customs carriers, international transportation of not less than 200 imports and (or) export cargo (batch) annually; | h) ensuring the storage of video recordings of the customs inspection procedure for imported goods for three months and the connection of the central office of the State Customs Committee of the Republic of Uzbekistan and its departments in the Republic of Karakalpakstan, regions, Tashkent and the specialized customs complex «Tashkent-AERO» systems equipped with video surveillance, working around the clock, as well as access control systems for vehicles and individuals; |
| For importers and exporters, the invoice value of imported and (or) exported goods must be at least $ 2 million equivalents in the last twelve months and have filed at least 100 import and (or) export customs cargo declarations or the amount of customs duties paid must be at least 20,000 times and have at least 50 import and (or) export customs cargo declarations. | i) security and fire alarms, except for open areas (parts of open areas);<br>j) lighting system that allows video surveillance;<br>k) weighing devices (measuring instruments) that meet the legal requirements, providing the ability to weigh goods intended for placement in the territory;<br>l) loading and unloading equipment and mechanisms required for customs control of goods. |

| **For the third type of certificate:** |
|---|
| at the time of application for inclusion in the register, the legal entity must carry out foreign economic activity as an operator with the first and (or) second type of certificate for at least 2 years prior to the date of application to the customs authorities. |

### The list of special simplifications provided for authorized economic operators

| The first type of certificate entitles the operator to use the following special simplifications: | The second type of certificate entitles the operator to use the following special simplifications: | The third type of certificate entitles the operator to use the following special simplifications: |
|---|---|---|
| carrying out, first of all, customs operations related to the declaration and release of goods; | carrying out, first of all, customs operations related to the declaration and release of goods; | All special simplifications of types 1 and 2, as well as in addition: |
| failure to determine the direction of transportation of goods in relation to the goods transported by the operator; | non-application of customs control forms in the decision of the operator on the release of goods and means of transport, except for the measures established by the risk management system; | release of goods without submission of the customs cargo declaration in accordance with Article 272 of the Customs Code of the Republic of Uzbekistan, without ensuring payment of customs duties; |
| delivery of the operator's goods from the customs authority of departure to the place of arrival without payment of customs duties; | placement of goods under customs control in the premises, open areas and other areas of the operator, without ensuring the payment of customs duties; | release of goods for free circulation without payment of customs duties, payment of customs duties in installments and (or) delay of up to sixty working days; |
| carrying out customs transit by the operator's vehicle without ensuring payment of customs duties; | to carry out customs operations related to the release of goods in the open areas and other areas of the operator, in coordination with the customs authorities; | appointment of a responsible officer of the state customs service (hereinafter referred to as the coordinator) to assist the operator in the coordination and resolution of customs issues. |
| recognition by the state customs service of means of identification of the seals (compartments) of the vehicles loaded with the goods of the operator to be exported or the seals affixed by the operator to some of them; | release of goods for free circulation without payment of customs duties, payment of customs duties in installments and (or) delay of up to twenty working days; | |
| priority participation in pilot projects aimed at reducing the time and optimizing the procedure for customs operations by the state customs service; | conditional determination of the customs value of goods at the time of release, without ensuring the payment of customs duties; | |
| customs clearance of goods of the operator for free circulation with payment of customs duties in installments and (or) a delay of up to twenty working days, ensuring the payment of customs duties by 50%. | in the absence of separate documents (certificate of conformity), conditional release of goods (except for food and pharma- ceutical products) and subsequent submission of documents within sixty calendar days; | |

Today, more than 30 legal entities in the Republic of Uzbekistan have the status of authorized economic operators. The introduction of this institution will further simplify customs procedures, increase the efficiency of customs authorities, as well as eliminate bureaucratic barriers to business development and improve the investment climate in the country.

One of the biggest advantages is that authorized economic operators have the ability to pay customs duties in installments or in arrears. In the first two years, operators have used these opportunities more than 1,600 times, resulting in 157 billion. Were able to pay customs duties in excess of soums in installments or in arrears.

Authorized economic operators will be able to unload raw materials and goods required for production directly into their own warehouses without having to unload them in a customs warehouse. So far, operators have used this opportunity more than 7,000 times until today.

The increase in the number of authorized economic operators in the country will encourage law-abiding and honest entrepreneurs, expand their ranks and, ultimately, serve the economic development of the country. The large-scale reforms in the customs sphere also have a positive impact on the dynamics of customs duties. In particular, over the past 11 months of this year, 10 trillion soums were exported from the country. 408 billion soums in customs duties.

## CONCLUSION

In the course of this article, I came to the conclusion that, first of all, one of the urgent tasks of Uzbekistan is to study the best practices of countries and internationals to improve the “export-import and logistics process”, encourage honest entrepreneurs and introduce modern mechanisms to reduce bureaucratic barriers. One such mechanism is the Institute of Authorized Economic Operators.

Second, the Institute of Authorized Economic Operator is a new concept. Until 2018, there was no such concept in Uzbekistan. Presidential Decree of November 24, 2018 “On additional measures to improve customs administration and increase the efficiency of the state customs service of the Republic of Uzbekistan” was adopted and in accordance with paragraph 5 of this decree, from February 1, 2019 It is planned to introduce the institute of “authorized economic operators” in accordance with international standards, which provide for the right to use simplified customs procedures to participants in fair foreign economic activity that meet the requirements set by the Cabinet of Ministers.

Third, in order to further simplify customs procedures and ensure international trade security in accordance with international standards, the Cabinet of Ministers on April 29, 2019 adopted Resolution “On authorized economic operators.” However, some issues and problems have begun to emerge in the introduction of the Institute of Authorized Economic Operator. Who can get the status of an authorized operator? What should be the benefits provided to them and what should be the maximum limit of benefits? Is this new institution available in other countries as well? Is it the same or different from the concept we have? questions began to arise. As a result, a year later, on April 29, 2019, the Regulation “On authorized economic operators”, adopted by Resolution, was repealed. Instead, the Cabinet of Ministers on 24.08.2020 adopted Resolution No. 500 “On approval of the Regulation on Authorized Economic Operators”, which included a new Regulation “On Authorized Economic Operators”. The main reason is that we are slightly behind world standards in terms of exports and imports and international logistics.

Fourth, the current Authorized Economic Operator Institute is also not a complete final concept. We believe that we need to study this institution systematically. This is because the concept proposed by the World Customs Organization gives more power to the concept of Authorized Economic Operator and has a wider range of members, as well as the fact that the concept of Security Standards of the World Customs Organization is periodically improved. This concept itself has also been refined 6 times since it was created.

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# Promoting sustainable inter-regional transport connectivity between Central Asia and the EU: perspectives and challenges

*Firdavs KOBILOV*
Assistant-Teacher
University of World Economy and Diplomacy
Tashkent – Uzbekistan

## EXTENSIVE ABSTRACT

*International transport connectivity is the arteries of the global economy and the driving force of inter-regional cooperation. In inter-regional transport connectivity between the European Union and Central Asia have occurred sea changes in last years. The EU has a stake in promoting and developing cooperation in this area with Central Asia due to several rational reasons. Firstly, the strategic importance of the region is specified with its geostrategic and geographic location in crossroads of the East and West, North and South, being a linking bridge in connecting of Europe and Asia.*

*Despite common history and religion, culture, and geographic closeness, the intra-regional transport connectivity of the Central Asian countries did not function properly and effectively for long period. Several factors were the stumbling block for more than two decades since their independence for the development of transport connectivity. Firstly, in the first years of independence, Central Asian countries were engaged in the domestic political and economic situation in their country left by the Soviet Union. However, they forged a strong partnership with other countries of the region, these regional ties were not sufficient to build unique integrated transport connectivity in the region. Secondly, the poorly developed transport infrastructure caused many technical impediments in moving people from one country to another neighbouring state. Thirdly, despite the visa-free regime among four countries of the region, the existence of regulations, over bureaucratization of the border-control stations created additional obstacles and long queues to people crossing the frontiers. Fourthly, the unresolved border issues among countries of the region increased the confinement of the regional connectivity. Without clear defining borders and territory, further enhancing transport links among countries of the region was a challenging task.*

*The last five years are remembered with the sea changes in the Central Asian countries' relations. Since 2016, in the foreign policy of Uzbekistan has occurred several reforms that indicated Central Asia is a priority region of the external policy. Being at the centre of the region, Uzbekistan considers other Central Asian countries as a primary and principal partner of its foreign policy. The number of bilateral and multilateral meetings of the heads of the Central Asian countries has significantly increased. For instance, in 2018, with the initiative of the President of Uzbekistan Shavkat Mirziyoyev, was organized a consultative meeting of the Central Asian countries' leaders dedicated to directing joint action to find solutions to the regional problematic issues. For instance, the international conference "Central Asia":*

*One past and common future, cooperation for sustainable development and mutual prosperity" came with the grips of the common efforts to increase regional connectivity, promoting the transport system at country, regional and inter-regional levels. This chapter aims to study intra-regional connectivity among Central Asian countries, and the transport links between the European Union and Central Asia, and the importance of the Trans-European Network for Transport (TEN-T) as a role model for further enhancing the intra-regional ties among five Central Asian countries. By the transport connectivity, the author considers two geographic dimensions: intra-regional connectivity among Central Asian countries; and, inter-regional connectivity between the EU and Central Asian region. The main arguments of the work are: firstly, the inter-regional connectivity between the EU and Central Asia is a challenging task in the conditions of poor intra-regional connectivity in Central Asia; secondly, the route to the EU and back consists of land routes and two sea routes (the Caspian and Black seas). It creates technical problems, leads to increasing of time and growing the price of transportation of goods and services.*

*Thus, firstly, to improve and develop intra-regional transport connectivity, this chapter proposes two possible solutions: the establishing transport network hub among eleven 'regional cities' that could be core and principal destinations of the regional transport linkage; and, secondly, learning the European Union's TEN-T project in realizing it. Obviously, Europe and Central Asia are two different regions with their distinct geographic locations, size, mentality, culture, level of economic development and integration. However, learning their long-standing experience in creating transport links, and creating their own model, based on regional specificities of Central Asia, could be a good strategy for acting.*

*For realizing this, the European Union's Trans-European Transport Network (TEN-T) could be a practical and technical guide-line to address the infrastructure bottlenecks and barriers and to improve territorial cohesion. Firstly, the learning European TEN-T experience showed the necessity of creating different types of transport connections (automobile, railway and motorways) among Core Network Corridors of the EU (CEDR, 2019). Thus, for the Central Asian region, the backbone of the Core Network Corridors might be the eleven 'regional cities'. The cities are well connected with other cities in the country they are located, and, therefore, establishing firstly transport network among them consequently will link other cities and towns of the region. The financing and finding external funding for these projects would be one of the mainstreams among the decision-makers and experts.*

*The EU practice suggests using not only governmental budgets and financing from international banks but also attracting interesting sides from public sectors. Hence, establishing a public-private partnership is the root of the success of such projects. Firstly, it will increase the financial capability and, secondly, it will improve the quality of work by monitoring the process. Learning European experience and implementing it in the Central Asian region will further strengthen the integration and cooperation in the development of transport connectivity. As the consequence, united regional smart management will improve the quality of services of the local public and private transports, by reducing the negative impact of cars on the climate, increasing safety and decreasing traffic on the roads. Skilled and effective management is the core of every successful system, particularly, when it relates to regional management. Then, transparency, cooperative mood, mutual trust, and decisiveness are vital factors of prosperous regional transport connectivity. Sides also could negotiate technical aspects and facilities in the roads. For*

*instance, the special facilities for truck drivers should include rest and food zones. The European TEN-T projects that the presence of such zones in every 100 km is a required standard of the roads linking member-states. Besides, refuelling and recharging stations are required for all types of vehicles from cars, electro cars, trucks to motorcycles.*

*Secondly, the inter-regional transport link between the EU and Central Asia should involve the Caucasus region as a part of the project rather than as a third or transiting region. Therefore, there are very important trilateral negotiations and cooperation among the EU, Caucasus and Central Asian regions to facilitate these technical barriers, to reduce the time and price of the transport connectivity. Thus, promoting and further developing the EU and Central Asian transport connectivity can be gruelling at times without triplex cooperation with the Caucasus region.*

**Keywords:** Central Asia, European Union, transport connectivity, regional cities, sustainable and smooth transportation, intra-regional, inter-regional.

# INTRODUCTION

*The roads connect nations*[18]

International transport connectivity is the arteries of the global economy and the driving force of inter-regional cooperation. In transport links between the European Union and Central Asia have occurred sea changes in recent years. The EU has a stake in promoting and developing cooperation in this area with Central Asia due to several rational reasons. Firstly, the strategic importance of the region is specified with its geostrategic and geographic location in crossroads of the East and West, North and South, being a linking bridge in connecting of Europe and Asia. Secondly, Central Asian closeness to the Eastern borders has increased the importance of the countries' role of the region in preventing and stabilization of the longstanding conflict in Afghanistan. Thirdly, the emergence of China on the world stage, including through its Belt and Road Initiative (BRI) (Cornell & Starr, 2019, p. 6). Fourthly, the ongoing reforms and changes in the domestic and foreign policy of Uzbekistan such as the opening to the world, further liberalization of the economy, building a favourable investment environment, and promoting constructive regional dialogue with other Central Asian countries increase the attractiveness of the region. Fifthly, the EU's expansion towards Eastern Europe has brought the borders of both regions closer.

Before 2004 and 2007, the EU neighbourhood policy concentrated on the Mediterranean region. Then, remarkably shifted the centre of gravity of the union eastward (Ibid, p.21), and the European Neighbourhood Policy led to the increase of the EU's interest in the Eastern direction - the Caucasus and Central Asia. At least but not last, after the Ukraine conflict in 2004, the energy supply and energy security issues acquired valuable importance, growing the role of the Central Asian resources and transit roads in EU energy policy.

Taking into account the significance of the sustainable and safe connectivity in the bilateral relations, this chapter aims to study the transport connectivity between the European Union and Central Asia, and the importance of the Trans-European Network

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[18] Uzbek proverb

for Transport (TEN-T) as a role model for further enhancing the intra-regional ties among five Central Asian countries. By the transport connectivity, the author considers two geographic dimensions: intra-regional connectivity among Central Asian countries; and, inter-regional connectivity between the EU and Central Asian regions. The main arguments of the chapter are: *firstly*, the inter-regional connectivity between the EU and Central Asia is a challenging task in the conditions of poor intra-regional connectivity in Central Asia; *secondly*, the inter-regional transport link between the EU and Central Asia should involve the Caucasus region as a part of the project rather than as third or transiting region.

## Regional transport connectivity in Central Asia: perspectives and development

Despite common history and religion, culture, and geographic closeness, the intra-regional transport connectivity of the Central Asian countries did not function properly and effectively for long period. Several factors were the stumbling block for more than two decades since their independence for the development of transport connectivity. Firstly, in the first years of independence, Central Asian countries were engaged in the domestic political and economic situation in their country left by the Soviet Union. However, they forged a strong partnership with other countries of the region, these regional ties were not sufficient to build unique integrated transport connectivity in the region. Secondly, the poorly developed transport infrastructure caused many technical impediments in moving people from one country to another neighbouring state. Thirdly, despite the visa-free regime among four countries of the region, the existence of regulations, over bureaucratization of the border-control stations created additional obstacles and long queues to people crossing the frontiers. Fourthly, the unresolved border issues among countries of the region increased the confinement of the regional connectivity. Without clear defining borders and territory, further enhancing transport links among countries of the region was a challenging task.

The last five years are remembered with the sea changes in the Central Asian countries' relations. Since 2016, in the foreign policy of Uzbekistan has occurred several reforms that indicated Central Asia is a priority region of the external policy. Being at the centre of the region, Uzbekistan considers other Central Asian countries as a primary and principal partner of its foreign policy. The number of bilateral and multilateral meetings of the heads of the Central Asian countries has significantly increased. For instance, in 2018, with the initiative of the President of Uzbekistan Shavkat Mirziyoyev, was organized a consultative meeting of the Central Asian countries' leaders dedicated to directing joint action to find solutions to the regional problematic issues. The international conference "Central Asia: One past and common future, cooperation for sustainable development and mutual prosperity" came with the grips of the common efforts to increase regional connectivity, promoting the transport system at country, regional and inter-regional levels.

February 2017 became a turning point in relations between Tashkent and Dushanbe: after a 25-year pause, air traffic between the two countries resumed. In September 2017, the Dustlik checkpoint on the Uzbek-Kyrgyz border's reopening gave stimulus for the growth of multilateral cooperation between the two countries. Besides, the construction of the new railway and automobile bridges in the directions of the Turkmenabat-Farab crossing the Amudarya River provided the opportunity to increase the amount of cargo transit by 2.5 times. Additionally, it promotes an open direct path to the Caspian Sea and farther to the Black Sea, granting exit to Europe.

In 2018, the Tashkent International Conference on "Central Asia in the System of International Transport Corridors: Strategic Prospects and Untapped Opportunities" served as a political platform for further increasing transport connectivity, and reached the signing of the Declaration on the Development of the Transport and Transit Potential of Central Asia. The document emphasizes three big initiatives such as integrated transport management system, Regional Council for Transport Communications of Central Asian Countries, and the concept of tourist hubs in Central Asia that will further develop and improve regional connectivity at the inter-governmental level. Consequently, it led to constructive dialogue, incremental development of intra-regional relations, and gradual resolution of border-related issues. According to some reports, the length of the railway communication system of Central Asian countries extends more than 22,000 km.[19] These numbers are indicators of notable success in the transport connectivity and infrastructure sector.

Thus, there were significant positive changes in the relations of the Central Asian countries that had undergone a transformation and yielded development transport connectivity in the region. However, the region has not used its full potential to meet the relentless demand of more than 70 million inhabitants. The next part focuses on the possible ways to improve the current situation and comes up with suggestions for the joint action plan and blanket solution.

## European Union's TEN-T – as a role model for connectivity in Central Asia

The inter-regional connectivity of Central Asia with China, South Asia, and Europe is a challenging task without creating smooth and speed transport connectivity, modern and appropriate transport infrastructure. Therefore, firstly, this work emphasizes the necessity of developing and further enhancing the intra-regional transport links among five Central Asian countries, then focusing on promoting inter-regional transport ties. If we consider the ten big cities and towns of the region and their interconnectedness, we can find out that people transiting have to overcome some hurdles due to the poor connections, bureaucratic procedures, and scarcity of the modern transport infrastructure.

The map above demonstrates visually eleven cities of the five Central Asian countries' connectivity and the existence of the railway and automobile routes between them. However, this map does not highlight the main points for inter-regional connectivity with South Asia, China and Europa by the Caspian Sea, and focuses only on the intra-regional dimensions. These cities chose by the author based on the following criteria: the biggest cities by territory, the most populated, the most desired destinations, and their geographic location in crossroads of the intra-regional transport links.

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[19] https://isrs.uz/en/maqolalar/the-korea-times-central-asia-in-international-transport-corridors-system-uzbekistans-approach

**Figure 1: Map of transport connectivity of 'regional cities' in Central Asia**

*Source: Prepared by other using map of the sitehttps://www.advantour.com/rus/central-asia/map.htm*

There are only automobile roads connecting 'regional cities', while no railway routes that could make peoples movement smooth and faster several times. Therefore, this chapter proposes establishing "regional cities" indicated on the map and creating modernised, smooth and reliable transport infrastructure among them, and a unique regional electronic border control system to decrease the queue at the border checkpoints. Establishing comfortable, modern and smooth transport hubs in these cities will boost the regional economy by increasing the movement of goods and services across the region, strengthen export and import potential, grow the number of moving people by promoting regional and international tourism, and create a favourable investment environment by increasing Central Asian countries' attractiveness and arousing the foreign investor' interest.

For realizing this, the European Union's Trans-European Transport Network (TEN-T) could be a practical and technical guide-line to address the infrastructure bottlenecks and barriers and to improve territorial cohesion. Firstly, the learning European TEN-T experience showed the necessity of creating different types of transport connections (automobile, railway and motorways) among Core Network Corridors of the EU (CEDR, 2019). Thus, for the Central Asian region, the backbone of the Core Network Corridors might be the eleven 'regional cities'. The cities are well connected with other cities in the country they are located, and, therefore, establishing firstly transport network among them consequently will link other cities and towns of the region. The financing and finding external funding for these projects would be one of the mainstreams among the decision-makers and experts.

The EU practice suggests using not only governmental budgets and financing from international banks but also attracting interesting sides from public sectors. Hence, establishing a public-private partnership is the root of the success of such projects. Firstly, it will increase the financial capability and, secondly, it will improve the quality of work by monitoring the process.

Creating regional network hubs could include three types of regular transport routes: railway, expressway and motorways. Especially, the constructing fastest railways is one of the priorities in the development of regional public transports. Taking into account geography and landscape, the railways should be constructed using modern technologies based on developed countries' experience such as Europe and China. Furthermore, expressways also need extra funding to improve roads' conditions and safety. Construction of additional toll roads might contribute to the speed of moving, and decrease the time spent in ways.

These projects demand the integrated regional intelligent management system that should provide safe, smooth and environmentally friendly transport infrastructure. The European Union within TEN-T established Intelligent Transport Systems (ITS) (CEDR, 2019, p.26) for efficiently and cohesive management of European transport infrastructure. Intelligent transport management stresses three main technical and regulative aspects such as:

1. Monitoring system that road administration provides in online regime actual data about the traffic, weather conditions at the destinations;
2. Traffic information system that allows the road administration to gradually manage the traffic;
3. Traffic management system that provides appropriate management of traffic by controlling variable speed limits, dynamic lane management, ramp metering (CEDR, 2019, p.26).

Learning European experience and implementing it in the Central Asian region will further strengthen the integration and cooperation in the development of transport connectivity. As the consequence, united regional smart management will improve the quality of services of the local public and private transports, by reducing the negative impact of cars on the climate, increasing safety and decreasing traffic on the roads. Skilled and effective management is the core of every successful system, particularly, when it relates to regional management. Then, transparency, cooperative mood, mutual trust, and decisiveness are vital factors of prosperous regional transport connectivity.

Sides also could negotiate technical aspects and facilities in the roads. For instance, the special facilities for truck drivers should include rest and food zones. The European TEN-T projects that the presence of such zones in every 100 km is required standard of the roads linking member-states. Besides, refuelling and recharging stations are required for all types of vehicles from cars, electro cars, trucks to motorcycles. There should be approximately on average 4.8 petrol stations every 100km, and recharge stations for electric cars more than 2.7 per 100km (CEDR, 2019).

Thus, this chapter proposes two possible solutions to develop and improve the intra-regional connectivity: firstly, the establishing transport network hub among eleven 'regional cities' that could be core and principal destinations of the regional transport links; and, secondly, learning the European Union's TEN-T project in realizing it. Obviously, Europe and Central Asia are two different regions with their distinct geographic locations, size, mentality, culture, level of economic development and integration. However, learning their long-standing experience in creating transport links, and creating their own model, based on regional specificities of Central Asia, could be a good strategy for acting.

## Promoting sustainable connectivity between Central Asia and the EU

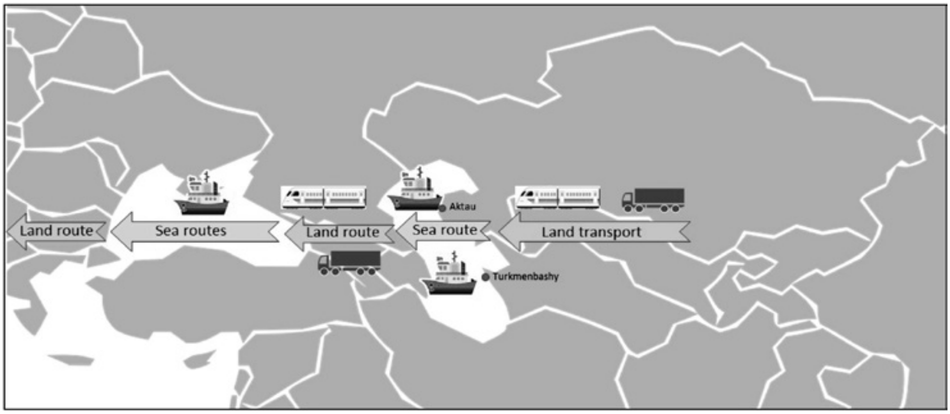
Central Asia is at the heart of the Eurasian landmass, and the main Silk Road roads crossed from this territory, making the region a linking bridge of far East and Europe. Despite Central Asian geostrategic and geopolitical location, nowadays several barriers challenge international transport connectivity with other regions, particularly, with the European Union. This part discusses the transport connectivity between Central Asia and the European Union, challenges and future perspectives; and comes up with some proposals to address problems.

There are several reasons for poor transport connectivity between Central Asia and the EU. Firstly, *geographic factor*: all five Central Asian countries do not possess direct exit to oceans, the landlocked countries with exit to main international sea trade routes. The landscape of the region with high mountains challenges constructing transport infrastructure. Besides, there is no common land or sea border between the Europe and Central Asia regions, which makes their land-based connection dependent on other regions such as Caucasus or countries as Russia. Consequently, the inter-regional transport connectivity cooperation should involve third parties and take into consideration their interests as well. *Secondly*, the lack of a regional approach in establishing due to the location of five countries in the regions. Kazakhstan and Turkmenistan have direct access to the Caspian Sea with two main ports Aktau and Turkmenbashy. And, there is a competition between them for being main ports, as a result, it undermines the regional efforts for strengthening transport connectivity.

The other three countries of the region: Kyrgyzstan, Tajikistan and Uzbekistan have to use one of these ports to reach Europe crossing the Caspian Sea and the Caucasus. Thus, these specific conditions create barriers in maintaining the regional strategy for building transport connectivity between the EU and Uzbekistan. Furthermore, and, one of the most principal challenges that the need for a united regional vision and strategy on how to develop transport connectivity with the EU. Five countries of the region possess their own visions of development based on their national interests and economic conditions. Hence, financing this project is a logical continuation of this concern.

The EU strategy on promoting and developing transport connectivity goes back to the 90's years of the XX century. In 1993, the EU launched Transport Corridor Europe Caucasus Asia (TRACECA) plan that could provide direct transport connectivity between Europe and Central Asia bypass Russia and Southern Asia. However, this plan for transport connectivity of Central Asia with the EU challenged with four-times of changes in the type of transports: firstly, from railway routes to sea routes in the Caspian Sea, then, to land transport type while crossing the Caucasus, and again to sea routes when it reaches the Caspian Sea, and, finally, again to land-based transports when it reaches Europe if sides aim not to cross the territory of Russia.

**Figure 2: Map of the transport routes type between Central Asia and the EU**



*Source: the map prepared by the author*

However, there are significant works done to tackle these challenges; and the EU has a stake in further promoting the inter-regional transport connectivity with Central Asia. Taking into account, the geostrategic and geopolitical location and efforts of Central Asia in promoting Euro-Asian connectivity, the EU Council stress that the partnership in this sphere is mutually beneficial for both regions. The EU strategy not only provides technical assistance in promoting transport connectivity in Central Asia but also actively finance different projects within it. From 2014 to 2020, the EU distributed €1.1 billion for Central Asian countries from its Development Cooperation Instrument.

In September 2018, the European Union released its Joint Communique titled 'Connecting Europe and Asia – Building blocks for an EU Strategy' (D'Ambrogio, 2021). This strategy of the EU is about more than infrastructure and includes tackling non-physical (e.g. regulatory) barriers to movement. (European Parliament resolution, 2021). The principal characteristics of the EU engagement with its Asian partners are along three strands. Firstly, it aimed to promote efficient transport links with Asian countries via network corridors (including air, sea and land types of connections). The main objective of such a strategy is developing digital and energy connectivity, and people-to-people connectivity. Secondly, this strategy focuses on building a partnership based on sustainable, open, inclusive and rules-based transport connectivity with Asia, and with regional and international organisations as well. Thirdly, the funding of this project is one of the issues that should be realized in an appropriate way. Sustainable finance is provided through various monetary instruments and enhanced lobbying of aids and supported leveraging of EU funding resources.

This grand strategy of the EU increases the significance of the Central Asian region, making it a linking bridge of Europe with other Asian countries. The realization of these projects depends on Asian countries themselves as well, especially, when it relates to Central Asia. As was mentioned above, connecting Central Asia with other regions heavily depends on the overall connectedness of the countries with each other. Therefore, again the fundament of inter-regional transport connectivity between Asia and Europe bases on promoting and strengthening intra-regional links. Asian and European close collaboration, joint actions and mutual trust could support this project's realization. However, another important aspect is the clashing moments of this project with other strategies promoted by different actors like China, Russia, and etc.

The European Union's objective as an emerging united global actor is to expand its existence in the Central Asian region. A consequent effort to achieve this goal triggered the accepting the New European Union's Strategy for Central Asia in 2019. The EU seeks to cooperate in the promotion of sustainable, comprehensive and rules-based connectivity. For the successful implementation of this plan, the EU calls for the establishment of a qualified network for building modern infrastructure and a fiscal and environmental-friendly economy that could provide the smooth transit of goods. It is in the EU's interest to extend Trans-European Network for Transport with the transport network of Central Asia, where the use of the Black and Caspian Seas' potential could strengthen the energy and transport links (Union, 2017, p. 5). The great interest in this project makes sense after China's Belt and Road Initiative and other initiatives, which can build sustainable transport links for connecting Europe and Asia, including the extension of the Trans-European Networks-Transport (TEN-T) to the EU's neighbouring countries (European Commission, 2019, p. 11). This goal is to realise balanced and sustainable East-West and North-South land transport connections, notably building upon the work of the Central Asian Regional Economic Cooperation.

The EU will provide technical assistance and promote sustainable infrastructure improvement with any help in constructing the transport system and guarantee interconnected work. The implementation process should include three steps: firstly, the improvement of transport links within every country; secondly, within Central Asian countries themselves, and finally, the connection with the EU and globally. Without a doubt, the current transport infrastructure in the region allows organizing the projects but it will not provide speedy and smooth transit of goods and comfortable networking.

Central Asia's importance as an energy supplier has grown in the wake of the Ukrainian conflict and unstable relations with Russia. This dilemma has forced the EU to look for new alternatives to the source of energy and its transportation to Europe. The EU is one of the big consumers of energy must concentrate on security and diversification of suppliers, working on sustainable energy sources and its transit routes, without excluding the hope to build the Trans-Caspian Pipeline. Besides, the EU emphasises the importance of Central Asia in this project and will cooperate with Central Asia to develop the regulative structures, technologies and abilities needed to reduce the costs, promote renewable energy sources and technologies that allow saving energy, and direct the investment with appropriate structures. The EU triggers using of modernised electricity delivery by smart and resilient decentralised grids and develops interconnections among countries, to encourage regional and inter-regional electricity trade (European Commission, 2019, p. 12).

## Facilitating regional trade and investment

The economy-oriented policy of the countries cannot isolate themselves from global trade and the world market anymore. Surely, the openness to the world, close regional cooperation, comfortable transport links with neighbours, facilitated inter-regional trade, creation of an attractive investment environment are key features of economic development and success. As one of the biggest single markets in the world with more than 447 million consumers[20], the EU is the most desired destinations and market in the world.

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[20] See: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_and_population_change_statistics

The European Union is as well interested in promoting and increasing trade cooperation with Central Asian countries. Understanding the cruciality of the appropriate transport connectivity for reliable and sustainable trade cooperation moves forward both sides to seek and address existing dilemmas in this sphere. Thus, using all the power and potential of the Central Asian countries to create regional integrated transport connectivity contributes to the development of trade with the European Union. Consequently, close cooperation with a big market such as the EU, and more integrated regional trade and favourable investment climate will pave the way for integration into the global market. It is crucially important for Central Asian countries to benefit from the opportunity provided by the EU in the framework of the New Strategy. The most important task is here is to create better labour conditions, improve the quality of the goods which can respond to European and world standards, stimulate exports of the goods to Europe and other regions, and further diversification of economies.

But there are still works that should be done in further deepening the EU and Central Asia transport connectivity. Thus, this piece suggests several recommendations to address the problems in the promotion the sustainable, smooth and secure connectivity. Firstly, Central Asian countries' cooperation at the institutional level for promoting inter-regional transport connectivity is vital. Countries of the region could negotiate with each interesting side as one united region and without granting benefits to one of them. The negotiating with the EU needs an integrated regional approach, where five countries of Central Asia should demonstrate the political will for close cooperation, eliminating the competitive mood between them. Any country of the region could develop transport links with other regions, however, they separately will be less attractive rather than as a whole region, as a single market with more than 70 million inhabitants.

Secondly, the route to the EU and back consists of land routes and two sea routes (the Caspian and Black seas). It creates technical problems, leads to increasing of time and growing the price of transportation of goods and services. As a solution, the inter-regional connectivity between the EU and Central Asia should consider the transiting countries, particularly, the Caucasus, as a part of this project rather than as third parties. Therefore, there are very important trilateral negotiations and cooperation among the EU, Caucasus and Central Asian regions to facilitate these technical barriers, to reduce the time and price of the transport connectivity. Thus, promoting and further developing the EU and Central Asian transport connectivity can be gruelling at times without triplex cooperation with the Caucasus region.

## CONCLUSION

Despite being at the heart of the crossroads of Eurasian connectivity, Central Asia was isolated from main global trade and markets for a long period. The reason for this dilemma was a poor intra and inter-regional connection, the absence of direct access to the main seas, lack of political and economic integrations. Furthermore, Central Asian countries are landlocked, and Uzbekistan is a double landlocked country in the region. This study considers it not as a disadvantage of the region, on contrary, this unique feature of Central Asia could be an opportunity for the united constructive cooperation on land transport connectivity in two geographic dimensions: intra-regional - among Central Asian countries, and inter-regional - among Central Asia and the Caucasus and the European Union. Thus, the study proposes for enhancing and supporting regional trade and tourism to establish sustainable, smooth and safe transport connectivity among the ‘regional cities’; and, secondly, to create trilateral cooperation among the Caucasus, Central Asia and the EU at the regional institutional level, where regional representatives at the negotiations will defend interests not only his/her country but a whole region. Thus, the European Union’s great interest in building sustainable, coherent and environmentally friendly transport connectivity with Asia is advantageous for Central Asia as a part of this project.

The aim of the European Union as a new single global player is to expand its presence in the Central Asian region. Consistent efforts to achieve this goal served as the impetus for the adoption of the New European Union Strategy for Central Asia in 2019. The EU seeks to cooperate in promoting sustainable, inclusive and rule-based communications.

In conclusion, I would like to emphasize that transport arteries are driving forces of the national and global economies and promotes intra and inter-regional movement of the people, goods and services. The rapid spreading globalization effects in all fields lead to the elimination of the national borders in their abstract forms leaving only physical frontiers among the regions and countries. If we name the transport links as arteries of the regional and global economy, then, if we compare it with the human organism, we should be borne in mind that smooth and fluent movement of blood in arteries that transits necessary sources for life supports the function of all organs, especially, the heart and mind. Thus, in order to support the economy and trade, it is very important to provide the smooth and sustainable movement of goods, services and people by transport veins of connectivity.

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# Политические изменения в Афганистане открывают путь для региональной логистической трансформации

*Rustam MAKHMUDOV*
Lecturer
University of World Economy and Diplomacy
Tashkent – Uzbekistan

## EXTENSIVE ABSTRACT

The article is devoted to the consideration of the prospects for the inclusion of Afghanistan in regional transport and logistics networks, the development of its natural resources and their inclusion in international value added and supply chains. In preparing the article, analytical works and articles written by Afghan, Central Asian, Russian, Chinese and Indian experts, international conferences proceedings were used. The author in his work relied on the methods of comparative historical analysis and analysis of the benefits and transaction costs of neo-institutional theory.

The return of the Taliban to power in August 2021, following the US troops' complete withdrawal and the rapid collapse of Afghan security forces, has opened a potential window of opportunity for Afghanistan's full return to the international transport and transit networks and the inclusion of its natural resources in global value chains. The fact is that Afghanistan has been on the trajectory of decreasing its transit potential for almost 200 years as a result of complex political events. In the 19th century, the Russian-British Great Game led to the division of the Central Asian region into two spheres of influence. The subsequent entry of the lands of the Bukhara Emirate and the Khiva Khanate into the Soviet Union in the form of several socialist republics and the launch of modernization processes on their territories added to the problem of reducing the transit importance of Afghanistan, a rapid divergence in cultural differences between parts of the once single region.

The partition of British India in 1947 had a negative impact on the role of Afghanistan as a regional transport and logistics hub, since the emergence of Pakistan and India was accompanied by the appearance of military-political and religious tension in South Asia. These countries fought each other four times in the 20th century and unleashed a regional nuclear arms race. Since 1979, all these problems have been supplemented by the outbreak of hostilities on the territory of Afghanistan itself as a result of the flared up civil war and the entry of Soviet troops in this country to assist The People's Democratic Party of Afghanistan regime. The complexity of the situation was that Afghanistan simultaneously turned into an arena of the Soviet-American confrontation, where the fate of the Cold War was being decided.

The withdrawal of Soviet troops from Afghanistan in 1989 and the subsequent fall of the regime of President Najibullah in 1992 did not lead to the stabilization of the country. Afghanistan plunged into another round of civil war already between the Mujahideen military groups. In 1994, a new player declared itself - the Taliban movement, which

two years later captured Kabul and announced the creation of the Islamic Emirate of Afghanistan.

After the 9/11 attacks, the organizer of which is believed to be the leader of al-Qaeda, Osama bin Laden, who was hiding in Afghanistan, the Taliban government was overthrown by the United States and the Northern Alliance. However, the establishment of a new government in the country headed by pro-Western presidents Hamid Karzai (2004-2014) and Ashraf Ghani (2014-2021) did not lead once again to the achievement of a lasting peace.

The second return of the Taliban to power raised the question of whether the movement will finally be able to stabilize the country and launch a new cycle of its modernization and inclusion in international transport, raw materials and production links. The Taliban is already behaving like the Afghan legitimate authorities and is trying to start a dialogue with regional and world powers on economic and investment issues. The Taliban announced its readiness to cooperate with the Central Asian countries in creating a new transport infrastructure. The goal is to create the Trans-Afghan transport corridor and the Termez-Mazar-i-Sharif-Kabul-Peshawar railway.

The project is potentially beneficial for the development of Afghanistan, and therefore it is no coincidence that the Taliban has expressed its support for the agreements of the previous Afghan authorities with Uzbekistan and Pakistan. First of all, the benefits are related to political issues. If the railway construction begins and foreign banks are ready to provide loans, then this will be tantamount to international recognition of the movement, which its cannot yet achieve.

The interest of the Taliban in the construction of the Termez-Mazar-i-Sharif-Kabul-Peshawar railway is also determined by financial dividends, namely, the receipt of payment for the transit of goods through Afghanistan. The economic situation in the country after the withdrawal of foreign troops, the cessation of direct financing of the Afghan budget from donor countries and the freezing of $9.5 billion Afghan assets in foreign banks remains difficult with the prospect of further deterioration. The Taliban needs stable long-term sources of income as air to breathe, and the railway can provide them.

Undoubtedly, the railway will be beneficial to the countries of Central Asia, Russia and the states of Eastern Europe as they will gain access to the rapidly growing South Asian market. In turn, South Asian economies are also interested in the fastest delivery of their goods to northern markets. However, in order to attract large volumes of cargo, the Central Asian countries and the Taliban will need to convince India to participate in the project. India is the largest generator of cargo flows in South Asia and without its participation the project will not reach full capacity.

The problem is that Delhi is unlikely to want to strengthen Pakistani geopolitical positions at its own expense. In its transport policy, Delhi prefers to bypass Pakistan and relies on the project for the development of the Iranian port of Chabahar, which it views as a gateway to Afghanistan, Central Asia and Europe within the framework of the North-South corridor. In addition, Delhi has traditionally had a difficult relationship with the Taliban due to its close ties to Islamabad and radical Islamist groups.

When speaking about the Termez-Mazar-i-Sharif-Kabul-Peshawar railway project, one should also keep in mind the interests of China. It seems that the railway can be beneficial to Beijing from the perspective of its trade, infrastructure and resource geopolitics in

Eurasia. If you look at the geography of Chinese transport and infrastructure activity in the South and Central Asia region, you will notice that it is clearly divided into two segments - the Central Asian section of the Belt and Road (OBOR) and the China-Pakistan Economic Corridor (CPEC) worth 40 billion dollars. Instability in Afghanistan previously did not allow the two large-scale Chinese projects to be fully combined.

Now, a certain window of opportunity is opening, and in the case of the construction of the Termez-Mazar-i-Sharif-Kabul-Peshawar railway and its integration with the Peshawar-Karachi high-speed railway, which is funded by Beijing, it cannot be ruled out that the Trans-Afghan transport corridor will become one of the axes of Chinese regional policy. The Termez-Mazar-i-Sharif-Kabul-Peshawar railway can stimulate Chinese investment in the Afghan mining sector, as it will allow the export of ore and semi-finished products to markets in both the southern and northern directions. The Taliban is currently trying to show Beijing that it can be seen as a reliable infrastructure partner. Possible stabilization of Afghanistan could revive the Tajikistan-Afghanistan-Turkmenistan railway project and give a second wind the Turkmenistan-backed Lapis Lazuli Corridor.

The changing political situation in Afghanistan gives a chance for realizing the country's potential in the transit of energy resources from Central Asia to the South Asian energy consumer markets. First of all, we are talking about the supply of natural gas from Turkmenistan to the markets of Pakistan and India via the TAPI gas pipeline. Its capacity should be 33 billion cubic meters per year. The resource base is the super-giant Galkynysh gas deposit in the Mary region. TAPI is of strategic importance for Ashgabat, as it desperately needs to diversify its supply routes, which are overly tied to the Chinese market, and increase its foreign exchange earnings. TAPI will provide Turkmenistan with access to the booming South Asian market experiencing growing energy hunger. The interests of Turkmenistan coincide with the interests of the Taliban, which has already declared its readiness to cooperate in the implementation of TAPI and provide security guarantees. However, both actors will need to convince India to become a tail-end consumer. Nowadays, Delhi prefers to rely on LNG imports for security reasons related to Pakistan.

The stabilization of Afghanistan and the recognition of the Taliban by the international community can open access to its natural resources and their inclusion in regional and global value and supply chains. First of all, copper reserves should be noted. This country is home to the largest undeveloped copper deposit in Eurasia "Aynak", whose recoverable reserves amount to 11 million tons. The Afghan subsoil is attractive in terms of lithium, which plays a key role in the transition to a green economy. Only one of the deposits in the Ghazni province has the same potential reserves of lithium as in Bolivia, which has the world's largest deposits of this metal. If we talk about rare earth elements (REE) in Afghanistan, such as lanthanum, cerium, neodymium, then their projected reserves are estimated from $1 to 3 trillion. The US Geological Survey estimates that the Khaneshin group of deposits in Helmand province alone could yield 1.1-1.4 million metric tons of REE.

Meanwhile, it should be noted that the key to the problem of opening the Afghan transport and resource potential lies in the political sphere. Obviously, the Taliban will have to negotiate, first of all, with the United States and the West, and agree to fulfill a number of political and humanitarian requirements related to the creation of an inclusive government with the involvement of a wide range of Afghan political groups, and respect for the rights of national minorities and women.

This will pave the way for international recognition for the new Afghan authorities. Nobody will invest heavily in large-scale projects in a country without internationally recognized authorities. So far, this seems to be a difficult dilemma, and, above all, for the Taliban movement, which will need to find a political formula that suits both the leading countries of the world community, which require the Taliban to comply with the accepted rules of the game, and groups within the movement that adhere to fundamentalist and nationalist views on domestic and foreign policy. The decision on how to proceed further rests with the Taliban. But it must be adopted as soon as possible, since the internal economic and humanitarian problems in Afghanistan are growing, and they can only be solved by creating jobs and increasing the income of the population, which will be impossible to do without foreign investment in infrastructure projects.

## Введение

Афганистан в результате Большой игры между Российской и Британскими империями в XIX веке, приведшей к разделу региона Центральной Азии, заметно понизил свой статус связующего транспортно-логистического звена. Последующее вхождение земель Бухарского эмирата и Хивинского ханства в состав Советского Союза в виде нескольких союзных республик и запуск на их территориях процессов модернизации добавили к проблеме снижения транзитной значимости Афганистана еще и быстрое расхождение в культурных отличиях между частями когда-то единого региона.

Негативно на роли Афганистана как регионального транспортно-логического узла сказался раздел Британской Индии в 1947 году, поскольку появление Пакистана и Индии сопровождалось созданием точки военно-политической и религиозной напряженности в Южной Азии. Эти страны четырежды воевали друг с другом в XX веке и развязали региональную гонку ядерных вооружений.

С 1979 года ко всем этим проблемам добавилось еще и начало боевых действий на территории самого Афганистана в результате разгоревшейся гражданской войны и введения советского ограниченного контингента для оказания помощи режиму НДПА. Сложность ситуации заключалась в том, что Афганистан параллельно превратился в арену советско-американского противостояния, где решалась судьба Холодной войны.

Вывод советских войск из Афганистана в 1989 году и последующее падение режима президента Наджибуллы в 1992 году не привели к стабилизации страны. Афганистан погрузился в очередной виток гражданской войны уже между самими моджахедами. В 1994 году о себе заявляет новый игрок – движение «Талибан», которое через два года берет Кабул и объявляет о создании Исламского эмирата Афганистан.

После террористических актов 11 сентября 2001 года, организатором которых считается укрывавшийся на афганской территории лидер «Аль-Каиды» Усама бен Ладен, власть талибов была свергнута США и группировками Северного альянса. Однако, установление новой власти в стране во главе с прозападными президентами Хамидом Карзаем (2004-2014гг.) и Ашрафом Гани (2014-2021гг.) не привело в очередной раз к установлению прочного мира.

Возродившееся движение «Талибан» смогло вернуться к власти в августе 2021 года после полного вывода американских войск и быстрого развала афганских силовых структур. Это создало уникальную ситуацию, когда у пришедшей к власти в Афганистане группировки не было сильных внутренних противников, что в свою очередь породило надежды на окончание затянувшейся нестабильности и реализации огромного афганского потенциала, связанного с его транспортно-транзитными и ресурсными возможностями.

## Надежды на открытие Трансафганского транспортного коридора

Движение «Талибан» сразу же после своего второго прихода к власти стало заявлять о готовности сотрудничать со странами Центральной Азии в создании новой транспортной инфраструктуры. В поздравительном послании по случаю 30-летия независимости Республики Узбекистан было отмечено, что власти Исламского эмирата подтверждают «заинтересованность в продолжении реализации инфраструктурных проектов в Афганистане с участием Узбекистана, в частности строительства железной дороги и линии электропередач. Исламский Эмират Афганистан будет оказывать все необходимое содействие нашим узбекским партнерам в данном направлении».[21] Под сотрудничеством в строительстве железной дороги имелся в виду проект железнодорожной магистрали «Термез - Мазари-Шариф - Кабул - Пешавар». Ее протяженность должна составить 600 км при ширине колеи 1520 мм и мощности в 20 млн. тонн грузов в год. Примерная стоимость строительства – 5 млрд. долларов.

Нужно отметить, что данный проект обсуждался еще в период нахождения у власти правительства Ашрафа Гани и привел к определенным результатам. 2 февраля 2021 года по итогам узбекско-афгано-пакистанских переговоров была утверждена «дорожная карта», предусматривающая запуск совместных геодезических, геологических, гидрогеологических и топографических исследований необходимых для последующей разработки технико-экономического обоснования (ТЭО) проекта. В переговорах участвовали международные финансовые институты и правительства стран-доноров. В ходе обсуждения финансово-инвестиционных вопросов Всемирный банк предложил взять на себя разработку модели финансирования строительства и привлечения инвестиционных средств.[22]

Проект потенциально выгоден для развития Афганистана и поэтому неслучайно, что движение «Талибан» выразило свою поддержку договоренностям прежних властей страны с Узбекистаном и Пакистаном. Прежде всего, выгоды связаны с политическими моментами. Если строительство железной дороги начнется и иностранные банки готовы будут предоставить кредиты, то это будет равносильно международному признанию талибов, чего они пока не могут добиться. Однако, очевидно, что получить согласие международных финансовых институтов будет очень непросто и в данном случае властям Эмирата придется договариваться, прежде всего, с США и Западом, пойдя на выполнение целого ряда требований политического и гуманитарного характера, связанных с созданием инклюзивного правительства с привлечением широкого спектра афганских политических групп, уважением прав национальных меньшинств и женщин.

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[21] Tashqi ishlar vazirligi rasmiy vakili, September 1, 2021. https://t.me/mfaspokesperson/443

[22] Узбекистан, Афганистан и Пакистан подписали «Дорожную карту» по строительству железной дороги. 08.02.2021. https://www.gazeta.uz/ru/2021/02/08/trans-afghan-railway/

Заинтересованность Талибан в строительстве железной дороги «Термез - Мазари-Шариф - Кабул - Пешавар» определяется и дивидендами финансового характера, а именно, получением платы за транзит грузов через афганскую территорию. Экономическая ситуация в стране после вывода иностранных войск, прекращения прямого финансирования афганского бюджета со стороны стран-доноров и замораживания средств прежнего правительства Афганистана в иностранных банках, в первую очередь, в американских, остается тяжелой с перспективой дальнейшего ухудшения. Талибам как воздух необходимы стабильные долгосрочные источники доходов и железная дорога их может дать.

Если железная дорога будет построена, то шансы на привлечение иностранных транзитных грузов можно оценивать, как достаточно высокие, учитывая заинтересованность стран Центральной Азии, России и государств Восточной Европы в увеличении товарооборота со странами Южной Азии. Определенным индикатором этого может служить проявленный компанией «Российские железные дороги» интерес к участию в реализации проекта. В конце октября 2021 года по итогам переговоров «Узбекистон темир йуллари» и «Российских железных дорог» была достигнута договоренность об обмене относящихся к проекту техническими и картографическими параметрами между проектными структурами и НИИ, а также вопрос присоединения афганских структур к Совету СНГ по железнодорожному транспорту. Ожидается, что в ближайшее время будет проведено трехстороннее обсуждение деталей строительства с участием афганской стороны.[23]

В свою очередь южноазиатские экономики также заинтересованы в быстрейшей доставке грузов на северные рынки, но здесь есть некоторые нюансы, касающиеся перспектив привлечения грузов из Индии, которая в силу растущей мощи своей экономики является ведущим грузоформирующим центром в Южной Азии. Из-за существующих сложностей в политических отношениях с Пакистаном вероятность того, что Дели будет направлять масштабные грузовые потоки через его территорию в Центральную Азию, является пока невысокой. Вряд ли Индия захочет усиливать за свой счет пакистанские геополитические позиции, тем более, что она в своей транспортной политике в регионе делает ставку на проект развития иранского порта Чабахар, который рассматривается ею как ворота в Афганистан, Центральную Азию и Европу в рамках коридора «Север-Юг». Ее инвестиционная политика в отношении Чабахара основывается на подписанном в январе 2016 года трехстороннем соглашении между Ираном, Индией и Афганистаном.

Необходимо учитывать и тот фактор, что у Дели были традиционно сложные отношения с Талибан из-за его тесных связей с Исламабадом и радикальными исламистскими группировками, в силу чего индийские власти всегда поддерживали правительства Хамида Карзая и Ашрафа Гани, в том числе и транспортной сфере. Здесь можно вспомнить поддержку Индией «Программы воздушных коридоров», которая была разработана правительством Ашрафа Гани для стимулирования национального экспорта. Согласно договоренностям Кабула и Дели, в 2017-2018гг. были открыты четыре воздушных грузовых коридора – «Кабул–Дели», «Кабул–Мумбаи», «Кабул-Амритсар» и «Кабул-Калькутта».[24] Индия принимала прямое

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[23] Узбекистан и РФ начнут работы по трансафганской железной дороге. 30.10.2021. https://uz.sputniknews.ru/20211030/uzbekistan-i-rf-nachnut-raboty-po-transafganskoy-jeleznoy-doroge-21164646.htm

[24] Kabul-Kolkata Air Cargo Begins Today By Neelapu Shanti
September 27, 2018, https://economictimes.indiatimes.com/blogs/et-commentary/kabul-kolkata-air-cargo-begins-today/

участие в строительство таких автомобильных трасс как «Зарандж – Диларам», «Спин-Булдак – Кандагар» и «Кандагар – Кабул».

Индия была в числе ведущих торгово-экономических и инвестиционных партнеров Афганистана. Взаимный товарооборот достиг 1,5 млрд. долларов в 2019-2020гг. Индийские компании поставляли на афганский рынок фармацевтическую продукцию, медицинское и компьютерное оборудование, сахар и цемент. Объем индийских инвестиций достиг 3 млрд. долларов. Одним из крупнейших индийских инвестиционных проектов в стране было строительстве дамбы «Шахтут» возле Кабула, стоимостью 236 млн. долларов.

В этой связи талибам, если они заинтересованы в привлечении индийских грузов в Трансафганский коридор, нужно будет провести ювелирную дипломатическую работу по налаживанию прагматичных отношений с Дели, не испортив при этом отношений с Исламабадом, который всегда настороженно относится к индийской активности в Афганистане.

Говоря о проекте железной дороги «Термез - Мазари-Шариф - Кабул - Пешавар» нужно держать в уме также интересы Китая. Как представляется, она может быть выгодна Пекину с точки зрения его торгово-инфраструктурной и ресурсной геополитики в Евразии. Если посмотреть на географию китайской транспортной и инфраструктурной активности в регионе Южной и Центральной Азии, то можно заметить, что она четко делится на два сегмента – центральноазиатский участок «Одного пояса, одного пути» (ОПОП) и Китайско-пакистанский экономический коридор (КПЭК), стоимостью 40 млрд. долл. При этом нестабильность в Афганистане ранее не позволяла полноценно соединить оба масштабных китайских проекта. Теперь же открывается определенное окно возможностей и в случае строительства железной дороги «Термез - Мазари-Шариф - Кабул - Пешавар» нельзя исключать ее превращения в одну из осей китайской политики в регионе по трем причинам.

Во-первых, она может быть интегрирована с крупнейшим инфраструктурным проектом в истории Пакистана – The Main Line-I project (высокоскоростная железная дорога «Пешавар - Карачи»), стоимостью около 7 млрд. долларов. Главным кредитором должны выступить китайские банки. Этот проект рассматривается как часть КПЭК. Высокоскоростная дорога «Пешавар - Карачи» должна также стимулировать железнодорожные грузоперевозки из китайского Синьцзяна в порт Гвадар в пакистанской провинции Белуджистан.[25] Во-вторых, железная дорога «Термез - Мазари-Шариф - Кабул - Пешавар» может стать стимулом для прихода китайских инвестиций в афганский горнодобывающий сектор, поскольку позволит вывозить руду и полуфабрикаты на рынки как в южном, так и северном направлении.

Талибан в настоящее время пытается показать Пекину, что хотел бы видеть Афганистан в качестве его инфраструктурного партнера. Согласно заявлению заместителя главы Политического офиса Талибан в Катаре Абдуллы Салама Ханафи, афганские власти поддерживают и готовы сотрудничать с Китаем в рамках ОПОП, поскольку эта инициатива будет способствовать развитию и процветанию Афганистана и региона.[26]

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[25] China-funded railway project in Pakistan may be launched early, Jun 04, 2021. https://www.southasiamonitor.org/china-watch/china-funded-railway-project-pakistan-may-be-launched-early

[26] «Талибан» назвал Китай основным партнером Афганистана. 03.09.2021. https://www.interfax.ru/world/78831

Узбекистан как ведущий промоутер проекта железной дороги также указывает на совпадение ее целей с ОПОП. Президент Узбекистана Шавкат Мирзиёев на международной конференции «Центральная и Южная Азия: региональная взаимосвязанность. Вызовы и возможности» (Ташкент, июнь 2021г.) заявил, что «проект строительства Транс-афганского железнодорожного коридора в перспективе может соединить наши страны с Китаем и другими ведущими государствами Азиатско-Тихоокеанского региона. Это полностью соответствует целям инициативы «Один пояс, один путь».[27]

Возможная стабилизация ситуации в Афганистане может стимулировать и развитие других транспортных проектов, связанных со странами Центральной Азии. Не исключено, что может быть реанимирован проект железной дороги «Таджикистан – Афганистан - Туркменистан», трехсторонний меморандум о взаимопонимании по строительству которой был подписан еще в 2013 году. В феврале 2021 года таджикский министр транспорта Азим Иброхим заявил, что Душанбе намерен построить свой участок железной дороги Туркменистан-Афганистан-Таджикистан (ТАТ) и в этой связи власти страны инициировали переговоры с АБР и ЕБРР по вопросу финансирования в объеме 128 млн долларов.[28] Туркменистан со своей стороны уже построил 30-км железнодорожную ветку от туркменской Акины до афганского города Андхой, торжественное открытие которой состоялось 14 января 2021 года.

Предполагается, что ветка «Акина-Андхой» должна также стать частью амбициозного туркменского транспортного проекта «Лазуритовый коридор», нацеленный на доставку грузов из северных провинций Афганистана через Туркменистан и его порты на Каспии в Баку и дальше в Европу. Официальный запуск коридора состоялся в 2018 году, однако, он пока так и не заработал в полную силу. Скорее всего, увеличение грузопотока по нему можно будет ожидать в случае восстановления и роста афганской экономики.

## Энергетический транзит и разработка природных ископаемых Афганистана

Изменение политической ситуации в Афганистане открывает теоретическое окно возможностей для реализации потенциала страны в области транзита энергоресурсов из Центральной Азии на рынки Южной Азии. В первую очередь, речь идет о поставках природного газа из Туркменистана на рынки Пакистана и Индии по газопроводу ТАПИ. Его мощность должна составить 33 млрд. кубических метров газа в год при стоимости от 8 до 10 млрд. долларов. Ресурсная база – супергигантское месторождение «Галкыныш» в Марыйской области.

Проект ТАПИ имеет для Ашхабада стратегическое значение, поскольку ему крайне необходимо диверсифицировать маршруты поставок, чрезмерно завязанные на китайском рынке, и увеличить свои валютные поступления. Интересы Туркменистана совпадают с интересами Талибан, который уже заявил

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[27] Выступление Президента Республики Узбекистан Шавката Мирзиёева на международной конференции «Центральная и Южная Азия: региональная взаимосвязанность. Вызовы и возможности». 16.07.2021. https://president.uz/ru/lists/view/4484

[28] Таджикистан намерен достроить железную дорогу до Афганистана. 04 фев 2021, https://centralasia.news/8500-tadzhikistan-nameren-dostroit-zheleznuju-dorogu-do-afganistana.html

о заинтересованности в реализации ТАПИ и готов предоставить гарантии безопасности. ТАПИ откроет Туркменистану доступ на бурно развивающийся южноазиатский рынок, испытывающий растущий энергетический голод. Основной рост потребностей на энергию на этом рынке приходится на Индию. По прогнозам Международного энергетического агентства, потребление природного газа в стране вырастит с 64 млрд. кубометров в 2019г. до 200 млрд. к 2040г. Общая зависимость Индии от импортируемых нефти и природного газа вырастит с 76 до 90% к 2030 году. Как полагает директор по анализу финансовых рынков и макроэкономики «Альфа-Капитал» Владимир Брагин (Россия), «потенциал роста потребления энергоресурсов в Индии намного выше, чем в Китае».[29]

Дели в силу комбинаций таких факторов, как небольшая внутренняя добыча и продолжающийся экономический рост, требующий много энергии, набирающие популярность в мире экологические требования в силу перехода ведущих западных и азиатских экономик к net-zero carbon emission и green economy, скорее всего, в стратегии своей энергетической безопасности сделает основную ставка на природный газ.

В настоящее время Дели в газовой сфере основное внимание уделяет импорту сжиженного природного газа (СПГ). Индия занимает 4-е место по импорту СПГ в мире. В 2019 году страна приобрела почти 24 млн тонн СПГ. В 2020 году спрос на СПГ увеличился еще примерно на 14% и достиг 25,7 млн тонн.[30] В этой связи индийские компании увеличивают инвестиции в строительство терминалов по приему, хранению и регазификации СПГ, а также по расширению мощностей уже функционирующих терминалов.

Среди последних крупных проектов можно назвать ожидаемый ввод в эксплуатацию частной компанией Swan Energy плавучего терминала мощностью 5 млн тонн в год, расположенного в Джафрабаде (Западный Гуджарат), что увеличит общие индийские мощности по приему и регазификации СПГ на 12% до 47,5 млн. тонн в год.[31] Согласно прогнозу компании Global Data, Индия покажет второй по величине прирост мощностей по регазификации СПГ в Азии в период с 2021 по 2025 год. Прирост составит около 21% от общего увеличения мощностей в регионе к 2025 году.[32]

Ставка Индии в газовом импорте на СПГ была во многом вынужденной, поскольку были сложности с реализацией трубопроводных проектов в течение последних двадцати лет. Это относится, в первую очередь, к двум конкурирующим трубопроводным проектам – газопровод «Мир» из Ирана через Пакистан в Индию (мощность 55 млрд. куб. м, из которых 21,5 млрд. выделяются для Пакистана и 33,5 млрд. – для Индии) и ТАПИ. Парадоксальность ситуации состоит в том, что рядом с индийским рынком находятся страны, обладающие крупнейшими запасами

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[29] Сергей Тихонов, Индия выходит на контракт. Российские нефть и газ могут получить новый рынок, Российская газета - Федеральный выпуск № 30(8381). 11.02.2021, www.rg.ru/2021/02/11/indiia-stanet-glavnym-potrebitelem-energoresursov-do-2040-goda.html

[30] India's surging domestic gas output to dent LNG import, but not for long: Wood Mackenzie. Aug 20, 2021, https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-surging-domestic-gas-output-to-dent-lng-import-but-not-for-long-wood-mackenzie/articleshow/85482890.cms?from=mdr

[31] India's new LNG plant starts next year, to boost import capacity by 12%, AUGUST 26, 2021.https://www.thehindu.com/news/national/indias-new-lng-plant-starts-next-year-to-boost-import-capacity-by-12/article36112229.ece

[32] India to account for 21% of APAC LNG regasification capacity by 2025, forecasts GlobalData, 03 Nov 2021, https://www.globaldata.com/india-account-21-apac-lng-regasification-capacity-2025-forecasts-globaldata/

природного газа в мире, но при этом не поставляющие газ на него. Иран обладает вторыми после России запасами газа в мире – 32 трлн. кубометров, а Туркменистан – четвертыми запасами, объемом в 19,5 трлн. куб. м. Это произошло в силу ряда причин.

Импорту иранского газа препятствует позиция США, которую Дели вынуждено учитывать, а также опасения части индийских элит в отношении «небезопасности» транзита через Пакистан. В свою очередь импорту туркменского газа мешала, главным образом, нестабильность в Афганистане. Однако, теперь, когда к власти вернулся Талибан и в стране у него практически нет сильной оппозиции, появляются определенные шансы на то, что ситуация вокруг ТАПИ сдвинется с мертвой точки.

Конечно, запустить строительство газопровода будет не так просто. Как и в случае с железной дорогой талибам необходимо будет получить признание международного сообщества, выдвигающего требования по формированию в Афганистане инклюзивного правительства. Если Талибан проявит готовность поделиться властью, то шансы на то, что ТАПИ получит зеленый свет есть. Конечно, остаются вопросы по готовности Дели получать туркменский газ через пакистанскую территорию. Тем не менее, нельзя исключать вероятность того, что в случае если туркменский газ будет дешевле СПГ, который покупает Индия, то экономическая целесообразность может возобладать над политическими опасениями. Сегодня, когда в мире нарастает гонка за лидерство в Четвертой промышленной революции, все шире вводятся критерии ESG при оценке компаний и принятия мировыми фондами решений по инвестированию в них, рассматривается возможность ввода углеродного налога при импорте иностранной продукции, доступ к дешевому и экологически чистому топливу будет иметь стратегическое значение.

Стабилизация Афганистана и признание власти Талибан может открыть доступ к его природным ресурсам и их включению в региональные и глобальные цепочки добавленной стоимости и поставок. Прежде всего, нужно отметить запасы меди. В этой стране находится крупнейшее в Евразии неразработанное месторождение меди «Айнак», чьи извлекаемые запасы составляют 11 млн. тонн. Китайские компании Jiangxi Copper и Metallurgical Corporation of China еще в 2007 году выиграли тендер на разработку «Айнака», однако, из-за сложной ситуации с безопасностью в стране они не смогли начать реализацию проекта.

Талибан в свою очередь возлагает большие надежды на приход китайских инвестиций, в том числе и в «Айнак». Если же говорить об интересе китайской стороны сегодня, то, скорее всего, она продолжает сохранять заинтересованность в афганской меди, учитывая растущие потребности КНР в этом металле, как показывают данные по импорту, например, рафинированной меди. Если в 2010 году страна импортировала 2,92 млн. тонн, то в 2020 году – 4,67 млн. тонн, несмотря на пандемию COVID-19.[33] По мере выхода мировой экономики из коронакризиса и реализации планов Пекина по трансформации экономики исходя из критериев нового технологического уклада, потребности китайской промышленности в данном виде сырья будут только расти.

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[33] Import volume of refined copper in China from 2010 to 2020 (in million metric tons). https://www.statista.com/statistics/1131464/china-refined-copper-import-volume/

Афганские недра привлекательны с точки зрения запасов лития, который играет ключевую роль при переходе к экологически чистой экономике. Согласно американским данным, только в одном из месторождений провинции Газни потенциальных запасов лития столько же, сколько в Боливии, которая обладает крупнейшими в мире залежами этого металла.[34]

Литий используется при производстве литий-ионных аккумуляторов и батарей, представляющих собой сердце современных электромобилей и гаджетов. Ожидается, что все ведущие мировые автоконцерны уже с 2023 года намерены выйти на рынок электромобилями собственного производства. Это уже устойчивый тренд. Прогнозируемый объем производства электромобилей в мире должен достичь 15 млн. к 2025 году. Китай при этом претендует на лидерство, планируя производить 8 млн. электромобилей к 2028г. Естественно, что все это вызовет взрывной рост потребностей в литии. К 2025 году они могут вырасти до 98 тыс. тонн с нынешних 35-38 тыс. тонн.[35] В настоящее время крупнейшими игроками на мировом рынке лития являются такие китайские корпорации, как Sichuan Tianqi Lithium и Jiangxi Ganfeng Lithium. Не исключено, что прежде всего они заинтересуются афганским литием и его включением в китайские цепочки производства добавленной стоимости.

Если говорить о редкоземельных элементах (РЗЭ) в Афганистане, таких как лантан, церий, неодим, то их прогнозируемые запасы оцениваются от 1 до 3 трлн. долларов. По оценкам Геологической службы США, только группа месторождений Ханешин в провинции Гильменд может дать 1,1-1,4 миллиона метрических тонн РЗЭ. В целом же, как считают американские эксперты, по запасам РЗЭ Афганистан являться потенциальным мировым лидером.[36]

Редкоземельные металлы представляют собой важнейшую составляющую современных высоких технологий, без которых невозможно представить производство мобильных телефонов, компьютеров, телевизоров, батарей и т.д. Китай контролирует более 80% мирового производства РЗЭ, что дает ему огромные технологические и геополитические преимущества в обостряющейся глобальной технологической гонке. В этой связи, можно ожидать, что именно китайские компании будут первыми претендентами на получение концессий на разработку афганских месторождений РЗЭ, что позволит им еще больше укрепить свои доминирующие позиции.

## Заключение

Таким образом, можно констатировать, что Афганистан обладает огромным потенциалом в транспортно-логистической и ресурсной сфере и впервые за последние сорок лет эта страна получила шанс на внутреннюю стабилизацию и интегрирование своих транзитных и ресурсных возможностей в мировой рынок, глобальные цепочки поставок и добавленной стоимости. Однако, сделать это можно будет только в случае получения международного признания новых

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[34] Afghanistan’s Mineral Resources Are a Lost Opportunity and a Threat By Ahmad Shah Katawazai, February 01, 2020, https://thediplomat.com/2020/02/afghanistans-mineral-resources-are-a-lost-opportunity-and-a-threat/

[35] Стоит ли инвестировать в Co-Li металлы: подводные камни рынка лития и кобальта. 21.06.2021, https://realnoevremya.ru/articles/216517-stoit-li-investirovat-v-co-li-metally

[36] Afghanistan’s Mineral Resources Are a Lost Opportunity and a Threat By Ahmad Shah Katawazai, February 01, 2020, https://thediplomat.com/2020/02/afghanistans-mineral-resources-are-a-lost-opportunity-and-a-threat/

афганских властей. Никто не будет вкладывать серьезные инвестиции в масштабные проекты в стране, не имеющей международно признанных властей. Пока это представляется сложной дилеммой и, прежде всего, для движения «Талибан», которому необходимо будет найти политическую формулу, устраивающую как ведущие страны мирового сообщества, требующих от талибов соблюдения принятых правил игры, так и группы внутри движения, придерживающихся фундаменталистских и националистских воззрений на внутреннюю и внешнюю политику. Решение о том, как же действовать дальше, остается за талибами. Но принимать его необходимо как можно быстрее, так как внутренние экономические и гуманитарные проблемы в Афганистане нарастают, и решить их можно лишь начав создавать рабочие места и повышая доходы населения, что без иностранных инвестиций в инфраструктурные проекты сделать будет невозможно.

# Logistics and Diplomacy: Converting Central Asia's landlockedness into an effective "landlinkedness" connectivity

*Yann ALIX*
General Delegate - SEFACIL FOUNDATION
Senior Manager – Abington Advisory – France
PhD Dr in Transport Geography (Concordia University – Canada)
Le Havre – France

## RÉSUMÉ EXÉCUTIF

Un événement unique dans l'histoire contemporaine vient questionner l'organisation économique et consumériste du monde : la crise pandémique de la COVID-19  qui a déjà fait plus de 5 millions de morts et détruit plus de 100 millions d'emplois dans le seul hémisphère Nord depuis le premier trimestre 2020. Le blocage de 11 jours du Canal de Suez en mars 2021 par un VLCC constitue un autre révélateur planétaire de la fragilité d'un système global construit sur des stratégies industrialo-manufacturières dépendantes totalement de la fiabilité de puissants réseaux maritimes sous le contrôle capitalistique de quelques acteurs organisés en alliances stratégiques.

La maritimisation économique mondiale est un fait avéré mais la fragilité logistique avec l'organisation internationale des chaînes de valeur s'est révélée avec la pénurie des matériels qui génère des altérations inquiétantes dans les systèmes de production, d'approvisionnement et de distribution.

Depuis une Asie Centrale enclavée, quelles conséquences et quelles opportunités peuvent émerger de cette disruption organisationnelle et logistique globale ? Dans quelle mesure la logistique peut-elle devenir un sujet de convergence stratégique et politique pour les pouvoirs publics des Etats d'Asie Centrale ? Ce sont ces questionnements qui constituent le fondement de travaux qui ont été impulsés par le réseau Asie-Europe que soutient la Fondation SEFACIL. Depuis 2014, en partenariat notamment avec l'Université Al-Farabi d'Almaty au Kazakhstan, des séminaires de recherche appliquée cherchent à comprendre les relations entre la sphère politique et le secteur logistique. L'hypothèse de travail demeure la même : comment les élites politiques des Etats de l'Asie Centrale peuvent se saisir du secteur des transports et de la logistique pour consolider des ententes géostratégiques visant à transformer à fixer des services et des valeurs ajoutées sur leurs territoires.

Les immenses territoires enclavés demeurent des espaces de transit où traversent des systèmes de transport qui relient l'Extrême-Orient à la Russie jusqu'à l'Europe. Or, les évolutions politiques et géopolitiques, avec notamment l'avènement de l'Organisation de Coopération de Shanghai (OSC), laissent à penser que de meilleures coordinations et coopérations politiques permettraient d'optimiser une véritable planification logistique sous-régionale. Il n'est pas inutile de rappeler que le continent Eurasiatique concentre les 2/3 de l'Humanité et pèse 60% de l'économie mondiale. Les 10 premiers ports asiatiques

manutentionnent plus de conteneurs que l'ensemble de tous les ports de commerce de l'Amérique du Nord et de l'Europe. Cette puissance économique et stratégique a façonné un monde contemporain sinocentré puisque la Chine absorbe 48% de toutes les importations de vracs secs du monde, devenant en 2020 le plus grand consommateur de charbon, de pétrole brut et de gaz naturel.

Depuis 2001 et son entrée officielle dans l'OMC, la Chine n'a cessé de concentrer les capacités de production, de transformation et de distribution des produits industriels et manufacturiers du monde entier, au point de lancer la *Belt & Road Initiative (BRI)* dès 2013 pour accompagner la structuration d'une mondialisation marchande où toutes les routes énergétiques et manufacturières mèneraient à Beijing, Shanghai, Shenzhen, Chongqing, etc. BRI concerne 138 pays dans le monde sur les 5 continents mais 54% des investissements internationaux chinois de BRI en 2020 se concentraient sur les seuls pays asiatiques.

Aujourd'hui, 38,000 convois ferroviaires ont transporté 3,4 millions d'EVP avec 30 services réguliers pour connecter 50 villes chinoises millionnaires et 150 grandes villes européennes. En 2020, les investissements chinois internationaux du programme BRI atteignaient « seulement » 47 milliards US$, soit 54% de moins qu'en 2019 avec toutefois un seul et unique secteur en croissance : la logistique (+25%).

Ces quelques données mettent en perspective une projection logistique et géostratégique majeure : l'Asie Centrale ne doit plus être perçue comme un immense territoire de transit où l'enclavement géographique est une contrainte économique. L'Asie Centrale s'impose comme un marché en émergence qui doit être l'origine première de produits *Made in Central Asia* pour être expédié autant en Europe qu'en Chine ou au sud-est de l'Asie. L'Asie Centrale est une mosaïque régionale où la logistique et le Value Chain Management doivent permettre d'unir les forces et les opportunités pour les économies de l'Ouzbékistan, du Kazakhstan, du Kirghistan et de tous leurs voisins, incluant des pays indispensables comme l'Afghanistan et le Pakistan.

Cette perspective logistique eurasienne demeure avant tout politique en autant que puisse se déterminer et se financer une vision publique d'aménagement avec des solutions de transport et de logistique qui soient cohérentes à l'échelle de l'immense territoire de l'Asie Centrale. Cette perspective exige d'identifier et surtout de prioriser les investissements logistiques, en concertation directe avec les opérateurs privés qui sont les partenaires privilégiés du développement des infrastructures (rail, routes et aéroports) mais surtout des superstructures (ports secs, centres multimodaux, plate-formes logistiques, parcs industrialo-manufacturiers, etc.). Pour ce faire, une forme d'agenda de travail peut être proposée selon quatre dimensions principales:

- A l'échelle des Etats-Nations de l'Asie Centrale tout d'abord avec l'impérieuse nécessité politique de coordonner et planifier des réseaux et des services qui soient cohérents et complémentaires avec le développement socio-économique d'un immense marché en devenir ;
- Cela ne peut se projeter sans la concertation directe avec les partenaires financiers qui investissent et commercent avec l'Asie Centrale (la Chine, la Russie, l'Europe, la Turquie, l'Inde, le Pakistan, etc.) ;
- Cela exige d'inclure bien évidemment les bailleurs de fonds multilatéraux qui accompagnent la transformation économique et logistique des territoires enclavés en favorisant le développement de solutions commerciales fluides, dématérialisées, décarbonées, sécurisées, fiabilisées, etc.) ; et,

- Cela sollicite l'accélération des coopérations d'affaires entre les sociétés logistiques régionales d'Asie Centrale et les entreprises privées spécialistes du transport et de la logistique comme les 3PL européennes qui veulent accélérer l'implantation de services et de solutions entre la Chine, la Russie et l'Europe.

Pour accélérer l'avènement de solutions logistiques régionales en Asie Centrale, il importe de mobiliser de l'intelligence logistique qui repose sur une cartographie fine des matrices origines premières et destinations finales de tous les produits, selon leur typologie, leur valeur commerciale, leur traitement logistique, leur saisonnalité, leur sensibilité au temps, etc. La cartographie des réseaux de valeur logistique s'avère indispensable pour comprendre et optimiser les potentiels du commerce international pour les Nations de l'Asie Centrale.

Des analyses qualitatives et quantitatives mobilisent les savoirs et savoir-faire du Data Management avec une « business intelligence » collective à dimension sous-régionale. Une gestion intégrée, dématérialisée et interconnectée des passages transfrontaliers doit permettre une réduction des temps de transit et des tracasseries administratives dans l'objectif de produire de la valeur industrielle et manufacturière territorialisée. Le potentiel du commerce intra-régional de l'Asie Centrale demeure largement sous-estimé et c'est bien la conjugaison des potentiels eurasiatiques et intra-asiatiques qui sont à prendre en compte dans les trajectoires du développement logistique. Les potentiels de trafics et de valeur au sein de l'espace économique et politique de l'Asie Centrale doivent se construire sur les économies d'échelle et la réduction des coûts de transactions générés par les flux déjà massifiés et orientés Est-Ouest (de et vers la Chine, de et vers l'Europe, de et vers la Turquie et le Proche-Orient, etc.).

Les travaux de réflexions stratégiques et prospectives sur la logistique en Asie Centrale par la Fondation SEFACIL participent à co-construire avec les décideurs publics les leviers d'actions et les moyens (économiques, financiers, juridiques, stratégiques) à mettre en œuvre pour transformer ces potentiels géographiques en valeurs ajoutées logistiques et manufacturières. La géographie logistique mondiale sera influencée par les forces du marché (jeux de l'offre et de la demande), par l'opinion publique qui a constaté la dépendance logistique à l'égard de la Chine et par les orientations politiques que les leaders sauront prendre pour implanter des industries, développer des services et augmenter la valorisation des territoires à haut potentiel de croissance. Encore faut-il que les éllites politiques des pays de l'Asie Centrale soient conscientisés et formés pour entreprendre la co-construction d'un immense marché logistique entre l'Europe, la Russie et la Chine.

Par les programmes de formation et de recherche dispensés dans des universités de prestige comme l'UWED à Tashkent, ce sont les fondements intellectuels et opérationnels qui se construisent afin que la logistique soit une discipline aussi centrale que ne peuvent l'être l'économie, la géopolitique ou les relations internationales. La projection d'un futur territoire logistique centro-asiatique exige des discussions et négociations politiques qui soient orchestrées au plus haut niveau décisionnel. Cette interrelation entre la diplomatie et la logistique constitue une nécessité à l'heure même où le E-commerce et le changement climatique constituent des variables disruptives qui font émerger de nouveaux territoires productifs… et logistiques. Pour les décideurs politiques et les diplomates de l'Asie Centrale, inclure la discipline de la logistique permet de considérer sous un autre angle le dessein commun d'une coopération économique et politique sous-régionale. La cohérence des investissements, les connectivités infrastructurels ou encore la proposition de services aux marchanddises et aux matériels seront optimisées en autant que chaque Etat de l'Asie Centrale échange avec ses voisins et homologues. *A contrario*, l'absence de vision commune et concertée pourrait imposer des infrastructures dupliquées, des concurrences inutiles entre services et superstructures ou pire des offres « moins-disantes » qui pourraient fausser une saine et légitime compétition entre territoires.

En guise de conclusion, la position géostratégique de l'Asie Centrale présente des atouts que les futurs réseaux de transport eurasiatiques vont évaluer en concurrence et complémentarité de ceux déjà en place, et ceux en cours de transformation comme dans les Etats voisins de l'Asie Centrale. La logistique a le pouvoir de redessiner le monde en fonction des relations entre le temps, le coût et la distance. L'Asie Centrale peut devenir un nouveau carrefour logistique pour sécuriser les approvisionnements européens, la diffusion optimisée des produits chinois, la supply chain de géants économiques et démographiques comme la Russie, l'Inde, le Pakistan ou encore la Turquie. Pour cela il convient de continuer de préparer le mariage entre la diplomatie et la logistique. Le présent travail constitue une modeste contribution à l'ambition collective et politique en apportant des idées prospectives et stratégiques, tant à destination des dirigeants des Etats de l'Asie Centrale qu'aux opérateurs et investisseurs logistiques qui s'intéressent à cet immense marché intérieur.

# INTRODUCTION

We met in Tashkent, Almaty and Bishkek: some historical and mythic cradle of globalization. In an indispensable logistical link within a Eurasian trade network that historically structured the first form of market globalization during the 13th century *Pax Mongolica*. That is, before maritime transport concentrated more than 80% of world trade and before 75,000 merchant vessels connected about 1,200 international ports in the world. Before all that, there were Tashkent, Almaty and Bishkek but also Samarkand, Bukhara, Turkestan or Dushanbe.

And so, today, what is the situation in a "global value chain" built on the power of global maritime energy and containerized networks? How are we to assess, anticipate and support the positioning of Central Asia in the networks of the "global supply chain"? The Eurasian continent concentrates 2/3 of Humanity and weighs 60% of the Global Economy. Asia's top 10 ports handle more containers than all commercial ports in North America and Europe combined. This maritime power has shaped a contemporary sino-centric world as China absorbs 48% of all the world's dry bulk imports, becoming in 2020 the largest consumer of coal, crude oil and LNG.

Since China joined the WTO in 2001, China has continuously concentrated production, processing and distribution capacities for industrial and manufacturing products around the world, to the point of launching as early as 2013 the Belt & Road Initiative (BRI) designed to support the structuring of a market globalization where all energy and manufacturing routes would lead to Beijing, Shanghai, Shenzhen, Chongqing, etc. The BRI implies 138 countries in the world, spread over 5 continents, but 54% of Chinese international investments in the BRI in 2020 were concentrated in Asian countries alone.

Central Asia is one of the largest economic zones but also one of the least interconnected, both logistically and diplomatically. Central Asian countries, especially Uzbekistan, Kazakhstan and Kyrgyzstan, need to combine sub-regional political dimensions with logistical opportunities in order to optimize shared economic and social development. To do so, it is imperative that politicians and public decision makers understand how logistics services can support sustainable and integrated growth for all regions of a Central Asia no longer landlocked in the future evolution of global value chains networks.

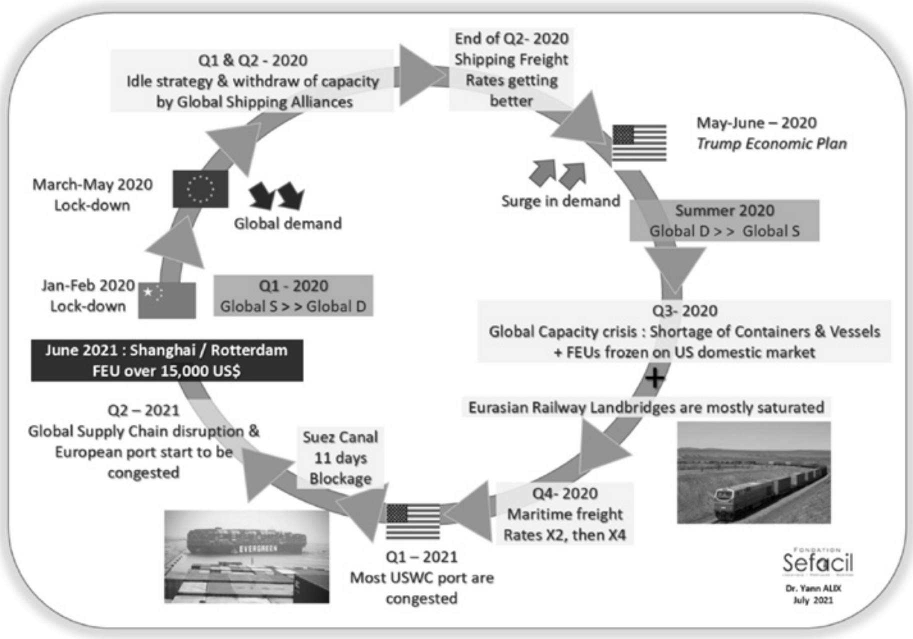
Due to the COVID 19, logistics became the heart of new political and geopolitical considerations, as much for a Europe hooked on China for industrial and manufacturing activities as for the USA which no longer has commercial fleets to weigh on the evolution of global maritime trade. At the end of 2021, some can assert logistics could be at the forefront of future financial and strategic commitments to be carried-out by the highest political authorities. This paper aims to highlight the importance of logistics in future global policy decisions with a particular focus on the situation in Central Asia. A first part outlines the circumstances and consequences of the pandemic crisis on global value chains. This helps to understand why it is critical for governments from Central Asia to seize this global logistics crisis as a major political opportunity for the region. A third part puts into perspective how and why Europe should assume a new leadership by activating the strategic power of European logistics and shipping companies to support an integrated regional development policy in Central Asia. This leads to a discussion about how to better combine logistics and diplomacy for a sustainable and integrated development of the whole Central Asia.

## 1. COVID-19 : A Global Value Chain Game Changer

A unique event in contemporary history questions today the world’s economic and consumer organization: the pandemic COVID-19 crisis which has already claimed more than 5 million lives and destroyed more than 100 million jobs in the hemisphere alone North (since the first quarter of 2020). The 11-day blockage of the Suez Canal in March 2021 by a VLCC is yet another “revealer” - at the scale of the planet - of the fragility of a global system built on industrial-manufacturing strategies totally dependent on the reliability of powerful networks covering “oligopolised” seas.

End of 2021, a 40-foot High Cube Dry container between Shanghai and Rotterdam costs on the spot market around US $ 15,000, a 7 to 8-fold increase in the price paid before the pandemic. And at least half of the European maritime terminals are congested, generating logistical additional costs estimated at several dozens of billions of US dollars. The shortage of material goods generates worrying alterations in the production, supply and distribution chains.

**Figure 1: Global Supply Chain disrupted by Global Pandemic Crisis**



*Source: Yann Alix, 2021*

What remains exceptional about this ongoing logistics crisis is that it relates to three interconnected dimensions:

- The first dimension to be considered is in the short-term: the current logistics instability reveals our collective inability to anticipate and predict the future of a global organization of exchanges and flows;
- The second to be evaluated is in the medium-term: global dependence on Chinese economic and political system requires a massive rethinking of the organization of production and industrial/manufacturing distribution; and
- The third to be projected is in the long-term: climate change stands such a risk variable that transport, logistics and supply chain will become crucial in international relations.

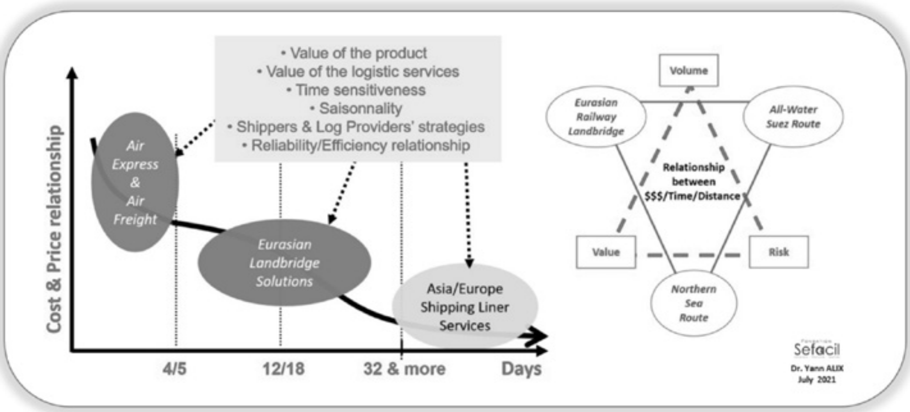
Accordingly, COVID-19 appears as a true supply chain game changer and some of the most powerful countries like the USA nor PR of China have already integrated these new paradigms to elaborate their own future global value chain (and energy) networks.

## 2. Consolidating Central Asia integrated market first

For the sole year 2020, 38,000 train transport carried 3.4 million TEUs with 30 scheduled services to connect 50 millionaire Chinese cities and 150 major European cities. Same year of reference, Chinese international investments in the BRI program dropped to US $ 47 billion, which is 54% less than in 2019. Only one sector grew: logistics (+ 25%). In Europe, industrial and manufacturing "near-shoring" strategies have become political and geopolitical arguments that accompany investment programmes to accelerate relocation in Europe but also in the Maghreb, Turkey… and Central Asia.

These data, however succinct, put into perspective a major logistical and geostrategic projection: Central Asia should no longer be seen as a huge transit area where geographic land-locking is an economic constraint. Central Asia is imposing herself as a market that must be the primary source of products "Made in Central Asia" to be shipped to Europe, China or Southeast Asia. Central Asia is a regional mosaic where logistics and Value Chain Management must combine forces and opportunities for the economies of Uzbekistan, Kazakhstan, Kyrgyzstan and its neighbours.

**Figure 2: Eurasian Value Chain Networks: Logistics' opportunities for Central Asia "landlinked" markets**

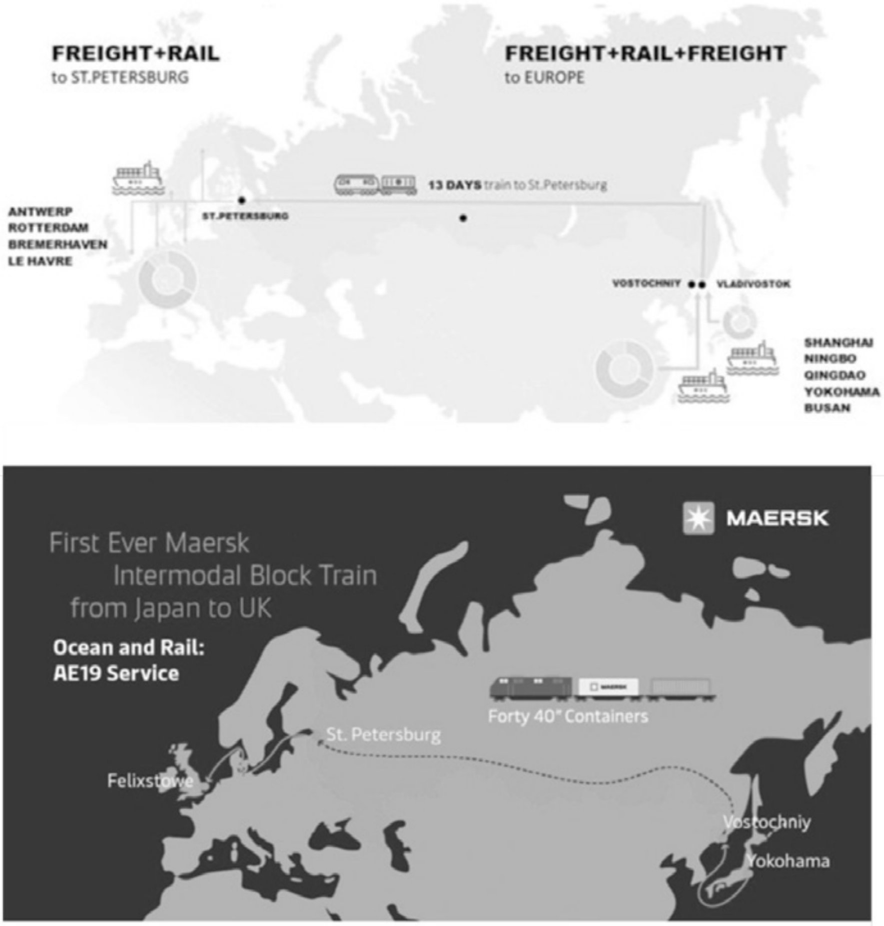


*Source: Yann Alix, 2020*

This new Eurasian logistics perspective is above all political in a public vision of developing transport solutions and logistics facilities that are consistent across the vast territory of Central Asia. This prospect requires identifying and above all prioritizing logistics investments, in direct consultation with private operators who are privileged partners in the development of infrastructure (rail, roads & airports) but above all superstructures (dry port, multimodal centers, logistics platforms, and industrial parks). The work is done according to four main dimensions:

- At the level of the Nation-States of Central Asia: to coordinate and plan networks and services that are coherent and complementary with the socio-economic development of a huge market
- In direct consultation with financial partners who invest and trade with Central Asia (China, Russia, Europe, Turkey, etc.)
- In consultation with multilateral investors who support the economic and logistical transformation of landlocked territories by promoting the development of fluid, dematerialized, carbon-free, secure, reliable commercial solutions, etc.
- In direct consultation with private companies specializing in transport and logistics such as the 3PLs which want to accelerate the establishment of services and solutions in Central Asia, the Shipping Lines which invest in air transport (CMA-CGM with CEVA Logistics) and rail (Maersk Line or MSC with direct combined Ocean-Rail services).

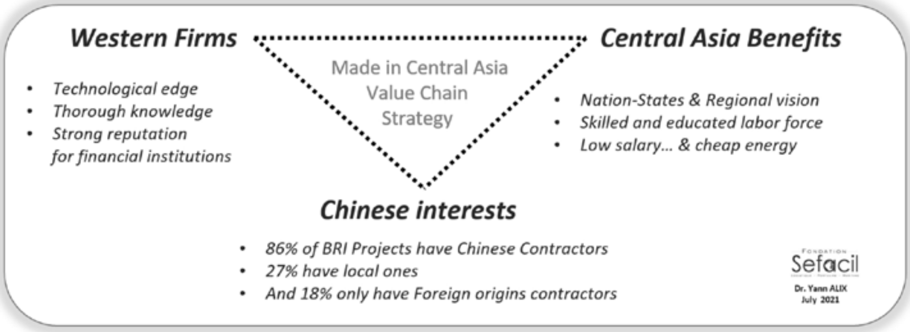
**Figure 3: Sketches of Maersk Line and MSC Shipping Eurasian Landbridge Services**



*Source: Maersk Line & MSC Shipping Websites*

The markets of Central Asia represent very strong potentials appropriate for the logistics development and transformation, with a young and qualified workforce. The conditions of access to energy are very favourable for Central Asia to position herself in the next 10 years as a vast land of interconnected opportunities and not just a huge territory of international transit between economic, demographic and political giants.

**Figure 4: Building a Common Value Chain Strategy to support Made in Central Asia production**



*Source: Yann Alix, 2021*

In order to accelerate the advent of regional logistics solutions in Central Asia, it is important to mobilize logistics analysis based on a detailed mapping-out of the primary origins and final destinations of all products, according to their typology, their commercial value, their logistics treatment, their seasonality, their time sensitiveness, etc. The mapping-out of logistics value networks is essential to understand and optimize the potential of international trade for the United Nations of Central Asia. Qualitative and quantitative analyses mobilize the knowledge and know-how of Data Management with a collective business analysis with a sub-regional dimension. An integrated, dematerialized and interconnected management of cross-border exchanges shall enable a reduction in transit times and red tape headaches with the aim of producing regionalized industrial and manufacturing value.

The potential of intra-regional trade in Central Asia remains somewhat underestimated and it is indeed the combination of Eurasian and intra-Asian potentials that must be taken into account in the trajectories of logistics development. The traffic and value potentials within the economic and political space of Central Asia must be built on economies of scale and on the reduction of transaction costs generated by the already massive and East-West oriented flows (from China and to China, from Europe and to Europe, from and to Turkey and the Middle East, etc.).

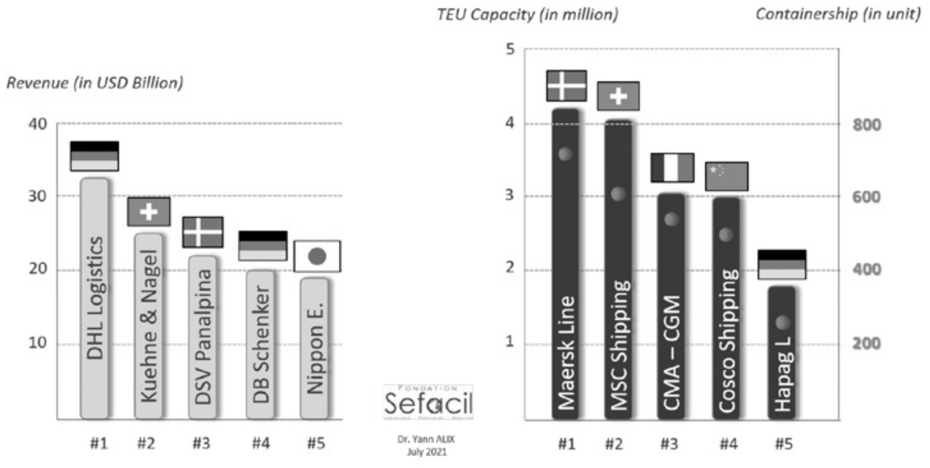
## 3. Changing EU pragmatism to enhance strategic and logistic connectivity with Central Asia

The global logistics pattern will be influenced by market forces (supply and demand dynamics), by public opinion which has observed the logistical dependence on China and by the political orientations that the leaders will take to establish industries, develop services and increase the valuation of areas with high growth potential.

The European Union is, seen from this perspective, excessively political and not pragmatic enough. Building resilience and connectivity is based on mutual trust and stakeholders' engagement on a shared and forward-looking vision that makes it possible to create a business climate conducive to post-covid changes. In the case of logistics, relations between the EU and Central Asia should seriously take into account the economic, financial and strategic weight of private companies specializing in transport and logistics. As a reminder, it is important to consider that 4 of the 5 largest maritime shipping companies in the world are European and that they concentrate 2/3 of the available world transport capacity. These shipping actors are also integrators and logistics facilitators who are interested in rail solutions and even in airline logistics organizations such as CMA-CGM, which created CMA-CGM *Cargo* in 2020 and which has been strengthening its land positioning for 12 months.

These powerful companies are the connectors of world trade and in this sense, in the political relationship between the European Union and Central Asia, it is essential to consider them as part of a long-term strategy. For example, CMA-CGM and the French government have been very close in the logistics management of COVID. German Hapag-Lloyd also worked with the Chancellor in order to secure supplies in national political coherence with the protection of the interests of importers and exporters of powerful German industrial and manufacturing lobbies. More discreet but just as much interconnected, the world number 1 Maersk Line is a key player in the economic and logistical diplomacy of a State such as Denmark. Like the Chinese or Turkish strategies, the European Union should consider its role and influence in Central Asia by reconciling its political and financial capacities with the economic and logistical power of the private sector.

**Figure 5: Shipping and Logistics are over dominated by European Private Firms (situation observed Jan, 1st 2021)**



Sources : DSV Panalpina 2021, Dynaliner 2021, Alphaliner 2021

*Source: Yann Alix, 2021*

Another equally essential European dimension in the management of relations between Europe and Asia, logistics integrators are key actors in the structuring of transport networks and of the production of logistics value. Once again, the investment power of global Third Part Logistics (3PL & 4PL) can constitute a vector of integration to optimize connectivity between the two great spaces that Europe and Central Asia represent. This goes well beyond the issue of infrastructures because we are talking about establishing networks of trust with strategic sharing of information related to the movement of goods. Connectivity must be projected as a multi-layered network, co-built on mutual reciprocity and confidence. Sharing information and data, deploying interconnected cross-border management systems nor supporting innovative Private Public Partnership for accelerating mobility and securing fluidity compose fundamentals layers of commitment which have to be impulse from EU as well as Central Asian highest level of policy decision makers. The Chinese and Turkish geostrategic models of influence in Central Asia are imposing themselves as operational solutions politically compatible with the democratic functioning of Central Asian states. Despite the direct effects of the pandemic, globalization remains inherently nomadic. The ability to deploy stable, efficient and sustainable networks depends on a reciprocal political commitment that shares a genuine geopolitical and geostrategic vision, a vision that necessarily includes private stakeholders.

**Figure 6: Innovative PPP as vehicle of resilience and connectivity for EU-Central Asia long-term partnership**

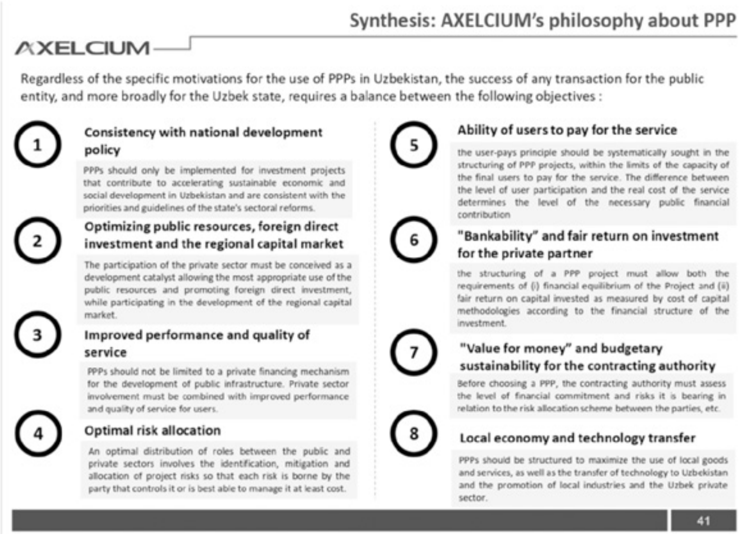
AXELCIUM
FINANCIAL ENGINEERING

UZBEKISTAN

WORKSHOP ON INFRASTRUCTURE DEVELOPMENT THROUGH
PUBLIC-PRIVATE PARTNERSHIP (PPP)
IN UZBEKISTAN

*Lessons from French models and experience*
*in PPP projects*

JUNE 21$^{st}$, 2021



Synthesis: AXELCIUM's philosophy about PPP

AXELCIUM

Regardless of the specific motivations for the use of PPPs in Uzbekistan, the success of any transaction for the public entity, and more broadly for the Uzbek state, requires a balance between the following objectives :

1 **Consistency with national development policy**
PPPs should only be implemented for investment projects that contribute to accelerating sustainable economic and social development in Uzbekistan and are consistent with the priorities and guidelines of the state's sectoral reforms.

2 **Optimizing public resources, foreign direct investment and the regional capital market**
The participation of the private sector must be conceived as a development catalyst allowing the most appropriate use of the public resources and promoting foreign direct investment, while participating in the development of the regional capital market.

3 **Improved performance and quality of service**
PPPs should not be limited to a private financing mechanism for the development of public infrastructure. Private sector involvement must be combined with improved performance and quality of service for users.

4 **Optimal risk allocation**
An optimal distribution of roles between the public and private sectors involves the identification, mitigation and allocation of project risks so that each risk is borne by the party that controls it or is best able to manage it at least cost.

5 **Ability of users to pay for the service**
the user-pays principle should be systematically sought in the structuring of PPP projects, within the limits of the capacity of the final users to pay for the service. The difference between the level of user participation and the real cost of the service determines the level of the necessary public financial contribution

6 **"Bankability" and fair return on investment for the private partner**
the structuring of a PPP project must allow both the requirements of (i) financial equilibrium of the Project and (ii) fair return on capital invested as measured by cost of capital methodologies according to the financial structure of the investment.

7 **"Value for money" and budgetary sustainability for the contracting authority**
Before choosing a PPP, the contracting authority must assess the level of financial commitment and risks it is bearing in relation to the risk allocation scheme between the parties, etc.

8 **Local economy and technology transfer**
PPPs should be structured to maximize the use of local goods and services, as well as the transfer of technology to Uzbekistan and the promotion of local industries and the Uzbek private sector.

41

The new modalities of a more balanced development between the public and private sectors are part of the legal and operational innovations of PPP (Public Private Partnership framework). The resilience of better connectivity necessarily requires the activation of these new PPP formats that are more robust and more structuring for States and private investor-operators. The strengthening of political, economic and logistical relations between Central Asia and the European Union must necessarily be based on these contractual prerogatives which ensure the consensual sharing of the benefits of balanced cooperation.

## CONCLUSION

E-commerce, climate change, consumer behaviour's … these are as many variables that lead to the emergence of new productive and logistics territories in a new geostrategic coherence, an emergence that combines geographic proximity and reliability of services. Central Asian Countries' geostrategic position constitutes an asset that future Eurasian transport networks will assess in competition and complementarity with those already in place, and those undergoing transformation as in Uzbekistan's neighbours. Logistics has the power to reshape the world based on the relation between time, cost and distance. Central Asia will become a new logistics hub for securing European supplies, the optimized distribution of Chinese products, the supply chain of economic and demographic giants such as Russia, India, Pakistan and Turkey.

Building resilience and new connectivity require rethinking the European model in terms of transport and logistics. European industry and manufacturers are already anticipating the potential of a European nearshoring which originates in Turkey, Egypt and the Maghreb. Central Asia is undoubtedly the next step in spatial and logistical integration. Today, Central Asia is looking to the Far East and structuring its networks to and from China. Tomorrow, Central Asia must be an integrated emerging market, a 360-degree multidimensional trading zone. Transport networks are the consequences of political networks and of networks of trust. Strengthening ties with the European Union must imperatively lead to rethinking the crucial role of logistics and of the distribution of products, from raw materials to high added-value manufactured goods.

The continuity of our commercial and economic relations, as well as of our political and geostrategic relations, depends on it.

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# PART 2

# KAZAKHSTAN

*Editor: Kuralay BAIZAKOVA*
Al-Farabi National University
Almaty – KAZAKHSTAN

# Multilateral diplomacy and connectivity in Central Asia

*Mirzokhid RAKHIMOV*
Head of the Department of the Center of Contemporary history
Academy of Sciences
Tashkent – Uzbekistan

## INTRODUCTION

Regional cooperation and integration are among the most important trends in contemporary international relations. The Central Asian Republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan have cofounded and joined regional organisations and institutions. However, there are challenges, similarities and contradictions within the multilateral relationships in Central Asia (such as the Commonwealth of Independent States, Eurasian Economic Union, Shanghai Cooperation Organisation, Belt and Road, Central Asia plus USA, the EU strategy, Central Asia plus Japan, Central Asia-Republic of Korea, India-Central Asia and others). In analysis regional institutions have taken into account particular local and regional situations, the internal and regional economies, cultures, and politics.

This paper is an attempt, from a multidisciplinary perspective, to analyse the new geopolitics in Central Asia, the formations and the challenges to regional cooperation initiatives in Eurasia, Central Asia from the perspective of open regionalism and broader partnership. Elaboration of formal multilateral relations in Central Asia will make a contribution to perspective on future regional cooperation and international partnership and connectivity. Current and future Central Asian transformation will be prompted by interlink local, regional, trans-regional and global issues and challenges.

## 1. Regional partnership initiatives within Central Asia

In the second part of 20th and beginning of 21th century a variety of regional and global political and economic organizations have developed. The major analytical frameworks driving such intensive political and economic integration include functionalism, neofunctionalism, liberal intergovernmentalism, and economic theories of integration, among others.[37]

Since the early 1990s, the Central Asian Republics have formed a new model of interstate cooperation. They have a common historical development and culture of diversity, language and religion, and a secular form of government. It is necessary to take into account a number of factors in multilateral relations within Central Asia. First, the Central Asian Republics have set as a priority the formation of the nation state identity over a

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[37] Ernst Haas, "International integration: The European and the universal process," International Organizations, 1961, 366–392; David Mitrany, A Working Peace (Chicago: Quadrangle Books, 1966); James Patrick Sewell, Functionalism and World Politics (Princeton University Press, 1966); A. LeRoy Bennett, International Organizations: Principles and Issues (New Jersey, USA: Prentice Hall, 1995), 230; Walter Mattli, The Logic of Regional Integration (Cambridge: Cambridge University Press, 1999), 9–11 and others.

regional one. Second, the republics were on the path to economic reform and these processes were of varying degrees of intensity.

In 1992, the Central Asia Regional Cooperation Organisation was created. In 1993, in Tashkent, the protocol between Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan on the establishment of the common market was signed. At this meeting of the term "Tsentralnaya Aziya" (Central Asia) was adopted as joint designation. In January 1994 at a meeting in Nukus, Uzbekistan and Kazakhstan signed a treaty on common economic space. Kyrgyzstan later joined. The agreement outlined the goals of allowing the free movement of goods, services, and capital between states, and involved coordination of fiscal, credit, tax, price, and customs policies. At the Almaty Summit in July 1994, Kazakhstan, Kyrgyzstan, and Uzbekistan decided to set up the Inter-State Council, consisting of Presidents and Prime Ministers. Soon after civil war ended in 1997, Tajikistan joined the common economic space of Kazakhstan, Kyrgyzstan, and Uzbekistan. In 1998, the regional partnership platform was renamed the Central Asian Economic Community (CAEC). In 2002, the Central Asian Cooperation Organisation (CACO) was created and included Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, but excluded Turkmenistan.

Within the CACO framework there were several problems in implementing policies[38].

Between 1994 and 2006, there were more than 200 documents signed, many of which were never realised. There were disparities with respect to regional cooperation and prioritising national interests over regional integration initiatives in the Commonwealth of Independent States (CIS), which were often contradictory. The CACO failed to provide the structure where states could find joint solutions to regional security problems and water sharing issues.

At the same time, multilateral relations between the states of Central Asia were strongly affected by regionalism in different countries. Following a strong Russian initiative in 2000, the Eurasian Economic Community (EEC) was founded. In October 2004, Russia became a member of CACO. In November 2005 at a summit in St. Petersburg, it was decided to incorporate CACO into the EEC. In January 2006, Uzbekistan became a new member of the EEC. From Uzbekistan's perspective, it was important that the EEC adopted the critical documents of CACO, including the ones on the use of water and energy. Uzbekistan declared its acceptance of the sixty-five treaties of the EEC, while Moscow did not commit to the signing of the main documents of CACO, of which there are hundreds. If the integration of the EEC was one-way, the concept, structure, and interests of CACO (including its executive bodies) should have automatically been incorporated into the EEC, but this did not happen. Furthermore, the EEC and the CACO documents were not synchronised. In October 2008, Uzbekistan withdrew its membership from the EEC.

In December 2016, the newly-elected President Mirziyoyev mentioned Central Asia as the priority of his foreign policy. His first two international visits were in March 2017, to Turkmenistan and Kazakhstan. During the visit to Turkmenistan, from March 5-6, 2017, Presidents Berdimuhamedov and Mirziyoyev adopted a joint statement and signed an

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[38] For more details, see: Gulnoza Saidazimova, "Regional integration in Central Asia: Realities, challenges, and potentials," Central Asia and Caucasus, 2000, (3). http://www.ca-c.org/journal/cac-09-2000/10.Saidazim.shtml; Farkhod Tolipov, "Multilateralism, bilateralism and unilateralism in fighting terrorism in the SCO area," China and Eurasia Forum Quarterly, 2006, 4 (2): 154; Timur Dadabaev, Toward Post-Soviet Central Asian Regional Integration (Tokyo: AKASHI SHOTEN Co. Ltd., 2004), 50.

agreement on strategic partnership. The States signed documents on cooperation in the economy, agriculture, transport, communication, and in the cultural-humanitarian spheres. The Presidents also participated in the opening ceremony of the Turkmenabad-Farab road and railway bridges over the Amudarya River between Turkmenistan and Uzbekistan.

The President of Uzbekistan paid a state visit to Kazakhstan on March 22-23, 2017. Nursultan Nazarbayev and Shavkat Mirziyoyev signed the Joint Declaration on Further Deepening of the Strategic Partnership and Strengthening of Good-neighbourliness[39]. More over 13 documents related to parliamentary partnership, documents on cooperation on the economy, trade, industry, transport, and defense were also signed. Among them, the Strategy of Economic Cooperation for 2017-2019 and the Agreement on the Interregional Cooperation are of particular importance. Within the framework of the visit, the National Industrial Fair of Uzbekistan and a business forum with participation of more than 500 entrepreneurs from Uzbekistan and Kazakhstan were held in Astana. As a result of these two events, trade contracts and investment agreements for a total of about US$1 billion were signed.

After October 2021 election Shavkat Mirziyoyev payid visit official visit to capital of Kazakhstan – Nursultan in December 5-6, 2021. Kassym-Jomart Tokayev and Shavkat Mirziyoyev agreed to establish the Interstate Supreme Council, the Interparliamentary Cooperation Council and the Council of Foreign Ministers of the Republic of Uzbekistan and the Republic of Kazakhstan to further strengthen the strategic partnership[40].

Uzbekistan extended cooperation with Tajikistan as well and 25 years after their termination, the flights between Tashkent and Dushanbe were re-established. In 2016-2021, the Central Asian Presidents had more than 20 official and working meetings with the Central Asian counterparts and a number of documents on economic, trade, transport, communication, and cultural cooperation were signed. As results of this the regional trade increased and particularly in 2017 alone, the volume of trade between Uzbekistan and Kyrgyzstan increased by 70 per cent, with Tajikistan by 85 per cent, and with Kazakhstan by 9 per cent. Despite COVID 19 had negative effect to regional economic relation in Central Asia in 2020, the total trade turnover between the countries amounted to $ 12.2 billion, the total foreign trade turnover - $ 145.5 billion.

On March 15-16, 2018, Astana hosted the first consultative meeting of the heads of Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and the chairman of the Mejlis of Turkmenistan. It should be noted that the initiative to hold regular meetings of the heads of Central Asian countries came from the President of Uzbekistan Shavkat Mirziyoyev. A general statement was adopted at the meeting, and the parties agreed to hold the format annually.

On November 29, 2019, the second Consultative Meeting of the Heads of State of Central Asia was held in Tashkent. Shavkat Mirziyoyev held bilateral meetings with the First President of Kazakhstan - Elbasy Nursultan Nazarbayev, President of the Kyrgz Republic

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[39] Uzbekistan MFA, “Uzbekistan - Kazakhstan: A New Stage of Cooperation Based on Historical Friendship and Strategic Partnership” March 2017, https://mfa.uz/en/press/news/2017/03/10505/?INVERT=N; Government of the Republic of Kazakhstan, “Head of State N. Nazarbayev and President of Uzbekistan S. Mirziyoyev Hold Negotiations” March 2017. http://www.government.kz/en/novosti/1008174-head-of-state-n-nazarbayevand-president-of-uzbekistan-s-mirziyoyev-hold-negotiations.html (Accessed May 5, 2018).

[40] https://kun.uz/en/news/2021/12/06/uzbekistan-kazakhstan-identify-priority-issues-for-cooperation (Accessed December 12, 2021).

Sooranbay Jeenbekov, President of Tajikistan Emomali Rahmon, as well as with President of Turkmenistan Gurbanguly Berdimuhamedov. During these meetings, topical issues of bilateral relations and prospects for their expansion were considered.[41]. Following the summit, a Joint Statement was adopted and the Regulations for the preparation and conduct of consultative meetings were approved and the heads of state unanimously elected Nursultan Nazarbayev as the Honorary Chairman of the Consultative Meeting of the Heads of State of Central Asia.

During the meeting, it was also decided to hold the next Consultative Meeting in 2020 in Kyrgyzstan. However, in connection with the transitional political processes in this republic, a joint decision was made to postpone the meeting of the Consultative meeting of Turkmenistan and in August 2021 the meeting was held on the Caspian coast, in the national tourist zone "Avaza", under the chairmanship of President of Turkmenistan Gurbanguly Berdimuhamedov.

At present, the Central Asian Republics have a total population of over 70 million people with a total GDP of over USD 310 billion.

***Contemporary Central Asian states***[42]

| Country | Population | GDP, current US$ billion | GDP growth in 2019-2020 | School enrollment, primary (% gross |
|---|---|---|---|---|
| Kazakhstan | 19 mln | 187 | 2 % | 104.9 |
| Kyrgyz Republic | 6.6 mln | 8 | 1 % | 105.9 |
| Tajikistan | 9.8 mln | 7.9 | 6 % | 99.6 |
| Turkmenistan | 6.1 mln | 41 | 4 % | |
| Uzbekistan | 34 mln | 56 | 5,5 % | |

The existing complex of modern challenges that pose a threat to national, regional and international security in Central Asia requires expanding and deepening the entire spectrum of relations.

## 2. Diversity and complicity of extra regional initiatives

The leading external actors in contemporary Central Asia declared their support for stability and regional cooperation. However, Russia traditionally views the region as being within its sphere of influence and China has considerably extended its economic presence in the region. The EU achieved some progress in the region, but still has limitations. Russia and China from one side and the USA and EU from another have different institutional security and transport connectivity approaches in Central Asia. Several Central Asian states are members of Russia-led military alliance CSTO, China increasing military cooperation in the region. At the same time Central Asian participated at the NATO's Partnership for Peace Programme (PfP).

The end of the 20th century was characterised by significant geopolitical changes and transformations in the Asian continent. Central Asian states voiced their interest

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[41] https://mfa.uz/ru/press/news/2019/11/22156/ (31.11.2019). (Accessed March 10, 2021).

[42] Sources: Statistic committee of Kazakhstan, Kirgizstan, Tajikistan, Turkmenistan, Uzbekistan. Statistic committee of CIS. World Banks ECO economic update. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2016/05/03/090224b0842f1054/3_0/Rendered/PDF/The0impact0of00ope0and0Central0Asia.pdf.

in developing mutually beneficial relations with different Asian regions and leading countries such as Japan, the Republic of Korea, India, Turkey, Iran, and others.

In 2004, Japan and Central Asia established a multilateral framework, “Central Asia plus Japan” and its main concepts were coordination and cooperation. However, it needs constant dialogue meetings, full-scale implementation of projects as well as expanding the range of cooperation, including academic partnerships between the participating countries.

In 2007, the “Republic of Korea-Central Asia” discussion forum has been organised. From 2007-2018, within the framework, meetings were held in Korea and in Central Asian republics to discuss issues for strengthening and further development of cooperation in various spheres, including the IT sector, agriculture, medicine, and health, implementing a system of “E-government,” increasing energy efficiency and natural resources, construction and infrastructure, science and technologies, finances, and textiles.

During its EU presidency in 2007, Germany initiated increasing bilateral and multilateral partnerships with Central Asian states as result of a EU strategy toward Central Asia from 2007-2013.[43] In 2014, the EU decided to extend the strategy for 2014-2018 with the volume of financing reaching 1 billion euros. In May 2019 the EU decided to extend strategy for the next five years. At present, along with Russia and China, the EU is the main trading partner of the Central Asian states, especially Kazakhstan. The EU has expressed an interest in the energy supplies of Central Asia. In the coming decades, the EU will extend its dependence on external energy supplies.[44]

Since 1992, the USA was the only major external actor in Central Asia without a regular multilateral consultative mechanism. In November 2015, US Secretary of State John Kerry made a visit to the countries of Central Asia and met with the Presidents of Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan to discuss bilateral relations and regional stability issues. In Samarkand, Secretary Kerry and the foreign ministers of Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan had meeting within the new cooperation format “C5+1,” pledged in New York in September 2015. The “C5+1” Joint Declaration of Partnership and Cooperation was accepted, which included regional trade, transport and communication, business climate in the region, environmental sustainability challenges, cooperation to prevent and counter transboundary threats and challenges, support Afghanistan, educational, cultural, and business exchanges, and others.[45] Nevertheless, the success of C5+1 requires concrete and long-term project and programme implementation in economy, trade, energy, communication, tourism, education, and other fields between the USA and Central Asian Republics.

Today, Central Asian and South Asian cooperation is important. In particular, India could play a special role in it, due its high interest in realising the North-South trade corridor initiative, which includes Central Asia as well. India also expressed interest in trade and ensuring energy security. Improvements in relations between of India-Pakistan and

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[43] Council of the European Union, “The EU and Central Asia: Strategy for a New Partnership”, May 31, 2007. https://eeas.europa.eu/sites/eeas/files/st_ 10113_2007_init_en.pdf (Accessed March 1, 2018).

[44] British Petroleum, “Energy Outlook 2035”. January 2014 https://www.bp.com/content/dam/bp/en/corporate/pdf/energy-economics/energy- outlook/bp-energy-outlook-2014.pdf

[45] US Department of States, Joint Declaration of Partnership and Cooperation by the Five Countries of Central Asia and The United States of America, Samarkand, Uzbekistan, November 1, 2015, http://www.state.gov/r/pa/prs/ps/2015/11/249050.htm. (Accessed March 10, 2019).

Afghan-Pakistan would be an important factor in connecting South and Central Asia. In January 2019 the first ministerial meeting of Foreign Ministers of India – Central Asia – dialogue with participation of Afghanistan was held in Samarkand, Uzbekistan. The Foreign Ministers of Afghanistan, India, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan attended the meeting. The Parties reaffirmed the willingness for cooperation, mutual support, joint solution on relevant issues in order to ensure security, stability and sustainable development.[46] In July 2021 Uzbekistan hosted a high-level International Conference titled "Central and South Asia: Regional Connectivity. Challenges and Opportunities" at Tashkent. The conference was an initiative of the President of Uzbekistan, Shavkat Mirziyoyev and it was attended by President of Afghanistan Ashraf Ghani, Ministers from Central Asian, West Asian and South Asian countries. Delegates from over 40 countries and about 30 international organizations, and heads of think tanks participated in the conference[47].

For several decades Turkey has attempted to unite Central Asia, Azerbaijan, and other Turkic peoples in the CIS in its own interests. In in 2009 Council of Cooperation of Turkish-speaking countries were founded by Turkey, Azerbaijan, Kyrgyzstan and Kazakhstan. Thus, Uzbekistan became the fifth member of the international organization in 2018.

Also, new Uzbek President Uzbekistan rebuilt relations with Eurasian Economic Union and in 2020 Uzbekistan received observer status with the EAEU and it was signed Memorandum of Cooperation with the Eurasian Economic Commission and a three-year Action Plan for its implementation[48].

China strongly supports multilateral cooperation within Shanghai Cooperation Organization (SCO) and over the years has gone through several stages. *The first period* began in 1996, when the principles and structural mechanisms were being formed for the development of multilateral relations of member states. This period was characterised by the normalisation of relations concerning a number of key issues: e.g. security, prevention of any possible conflicts between the member states, overcoming mutual distrust. The transformation of the Shanghai Five to the Shanghai Cooperation Organization (SCO) took place in June 2001 in Shanghai, at a meeting of the leaders of Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. In this meeting Uzbekistan joined the organization as a new member state. The year 2001 can be regarded as the beginning of the *second period* in the development of the organization.

In June 2002 at a meeting in St. Petersburg the founding document, the Organization Charter (Statute), was signed, and the St. Petersburg Declaration was adopted. Since 2004, the permanent Secretariat of the SCO has been functioning in Beijing. During the Tashkent Summit in June 2004 a Regional Anti-Terrorism Centre (RATS) SCO was opened. India and Pakistan in June 2017 at the meeting in Astana received full membership and it was first time expanding the organization. At the Dushanbe meeting in September 2021 it was start process of Iran`s membership in SCO.

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[46] "Ministerial Meeting of India-Central Asia-Afghanistan Dialogue held in Samarkand," at the Tashkent Times, 2019-01-14, tashkenttimes.uz/national/3399-ministerial-meeting-of-india-central-asia-afghanistan-dialogue-held-in-samarkand-2 (Accessed May 11, 2019).

[47] International conference "Central and South Asia: Regional Connectivity. Challenges and opportunities". URL: https://www.uzdaily.uz/en/post/66693

[48] ВЕЭС одобрил предоставление Узбекистану и Кубе статуса государства-наблюдателя при ЕАЭС. – URL: http://www.eurasiancommission.org/ru/nae/news/Pages/11-12-2020.aspx

The SCO passed through a number of interesting phases in its institutional and political evolution and represented an international instrument to coordinate areas of multilateral cooperation[49]. At present, the SCO comprises eight member states - India, Kazakhstan, China, the Kyrgyz Republic, Pakistan, Russia, Tajikistan, and Uzbekistan; four observer states - Afghanistan, Belarus, Iran and Mongolia; six dialogue partners - Azerbaijan, Armenia, Cambodia, Nepal, Turkey, and Sri Lanka.[50] According to the SCO, its member states encompass 20 per cent of global GDP, a total area of more than 60 per cent of territory of Eurasia, with a population of more than 3 billion, that is, almost half the population of the globe.

However, the existence of differences between the SCO member states on a number of political and economic aspects should be noted, in addition to the expansion of the organization, resulting in new challenges and problems for the SCO. There is a lack of conflict management measures, and differences on economic and stability aspects exist, as the majority of projects are sponsored by Chinese investments, even though other countries, particularly Russia, could advance a more active investment policy within the SCO framework. It is obvious that cooperation between the SCO and leading European and Asian countries, the United States, and international institutions needs to be developed.

In 2013, in Astana, the Chinese President Xi Jinping announced the creation of “The Silk Road Economic Belt,” in 2014 the Silk Road Fund (US$50 billion) was established, and in 2016 the Asian Infrastructure Investment Bank (AIIB) (more than US$100 billion) was founded, which aimed at providing investment and financial support toward cooperation in infrastructure, resources, industry, and the finance sector, as well as other transport communication projects. This involved various countries in the economic framework of “Belt and Road” initiative. The Central Asian countries and the current republics of the AIIB’s ninety-seven member states support China’s mega grant project.

On May 2017 and April 2019 together with more than dozen state and government leaders, the Presidents of Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan took part in the first and second “Belt and Road” international forum in Beijing. Today, there are many challenges to the stability and sustainable development of partner countries in the Belt and Road Initiative, which requires comprehensive bilateral and multilateral cooperation on economic, political, and security matters. In Central Asia, realisation of the regional and international projects is need. Increased connectivity and technological developments, as well as essential active implementation of the diverse range of cooperation between “Belt and Road” participating countries, including high-tech innovations, education, public diplomacy, and tourism are required.

## 3. Connectivity as factor of regional and international cooperation

Contemporary Central Asian states consider it important to develop communication networks. The Central Asian republics are involved in new transport arteries connecting Europe and Asia, including TRACECA. In 2007, the EU Commission launched “The

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[49] Mirzokhid Rakhimov. “Shanghai Cooperation Organization (SCO) and the Future of Regional Integration in Central Asia” in Asia Between Multipolarism and Multipolarity, Manohar Marrikar Institute for Defence, Studies and Analyses, Delhi. March 2020, P.134-149.

[50] The Shanghai Cooperation Organization. – URL: About SCO | SCO

Reorganisation of Transport Networks by Advanced Rail Freight Concepts (RETRACK)"[51] to identify main competing overland railway corridor between Europe and China.

China actively developed new communications links in Eurasia, in particular, communication with Europe. Its branches go in a to north-west and south-west direction, first passing through Russia, Ukraine, Belarus, Poland, and other countries and the second passing through Kazakhstan, Uzbekistan, Turkmenistan, Iran, Turkey, and Europe. The construction of the Tashkent-Andizhan-Osh-Sarytash-Irkeshtam motor highway and the Kashgar-Osh-Andizhan railway project are regarded as part of an intensive economic exchange between China and Central Asia. However, for number years, the implementation of the China-Kyrgyzstan-Uzbekistan rail project has faced certain difficulties in its realization mainly due to the position of Russia and internal disagreement in Kyrgyzstan. The logic of its continuity is the new railroad in Pap (Namangan region in Ferghana valley) – Angren (Tashkent region), which was built in 2016 in the territory of Uzbekistan. Traditionally, the Uzbek part of the Ferghana Valley was linked with the rest of the republic via neighboring countries; however, today, there are considerable needs for whole Ferghana Valley to use all transit potentials of Kyrgyzstan, Tajikistan, and Uzbekistan. From this perspective, strong transport communication between China and Central Asian countries raises the possibility of opening new transregional routes.

The importance of transportation of hydrocarbons from Central Asia and the Caspian region to external markets should be noted. In 2005, an oil pipeline from Atasu (Kazakhstan) to Alashankou (China) was completed. In 2009, the first gas pipeline (A line) between Central Asia-China was signed. In the following years, B and C lines, which pass through the territories of Turkmenistan, Uzbekistan, and Kazakhstan, were completed. Further, an intergovernmental agreement on the construction of the pipe-line between Turkmenistan-Afghanistan-Pakistan-India (TAPI) was signet and it will contribute toward future economic recovery of Afghanistan and extend Central Asian links with south and east Asia. Currently different Afghan transit corridors under construction.

For wider international cooperation an active dialogue and cooperation between the main actors is necessary. Central Asia's partnership with leading nations and international institutions is important for transforming and internationalising the region. Strong regional and trans-regional cooperation will considerably contribute to the development of trade, economy and investment.

# CONCLUSION

Central Asian regionalism is defined by a geographical, historical, and identical coexistence and through partnership and cooperation in economic and security matters. Post-Soviet Central Asia has sought a new model of interstates relations, but Central Asian cooperation has had very weak institutional frameworks and has gone through several regional integration initiatives. Prospects for cooperation in Central Asia will depend on the ability to work together to carry out the proper reforms and common projects.

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[51] Reorganisation of transport networks by advanced rail freight concepts, http://www.retrack.eu/site/en/about_secondary_objectives.php. (Accessed March 10, 2018)

One of the main challenges for providing security and stability in Central Asia is the maintenance of the geopolitical balance, as well as the creation of a multilevel system of partnerships with different countries and international organizations. Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, at different levels and in different situations, took part at CIS, SCO and others, where their interests were different but needed cooperation.

Central Asia participated in the development of new links to the east, west, south, and north. There is the potential for regional and trans-regional trade development that will facilitate foreign investment. Strong regional communication networks will strongly contribute to global interdependence.

To sum up, positive transformation and development in Central Asia affected patterns of regional cooperation and string connectivity. There are global and regional challenges today. To a large extent, the interests of external states in Eurasia are driven by their contradictory interests. However, strong international partnerships with Central Asian states is needed for democratic and economic reforms, new technology, innovation, and attracting foreign investment. Current and future transformation in Central Asia will depend on interlinks between regional and global issues and challenges.

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# Features of the post-pandemic transit policy of Central Asia countries

*Akimzhan ARUPOV*
Director of the Institute of World Economy and International Relations
Almaty - Kazakhstan

## EXTENSIVE ABSTRACT

Under the conditions of the Russian Empire, and then the existence of the USSR, the entire transport network of the region under study was focused primarily on the development of a common communication system within the vast country. Since the Central Asian states gained political independence, "geopolitical pluralism" has manifested itself in the emergence of several new subjects in Central Asian regional politics pursuing their own goals and interests. At the same time, a common problem for all countries of the Central Asian region is the lack of direct access to the open sea. To effectively resolve this problem, the states of the region are gradually coming to the idea of integrating economic and political efforts.

Central Asia is not only of geographic and economic importance. Today, the Central Asian region is the center of intersection of interests of world and regional powers. At the beginning of the last decade of the last century, the European Union paid special attention to the development of transport infrastructure in the Caucasus and Black Sea regions, and in Central Asia as a whole. The large-scale TRACECA project (transport corridor Europe-Caucasus-Central Asia) was the most efficient way from the CA region to the European markets. Central Asia has strategic natural resources (oil, gas, metals, etc.) as a powerful factor in the independent development of transport and logistics systems. The transit potential is poorly realized due to underdeveloped infrastructure, customs and technical restrictions, and high levels of corruption. The region is extremely interested in developing an infrastructure for effective access to the world market for its strategic resources.

From our point of view, it is necessary to create a single market for transport and logistics services in Central Asia. According to European experts, in the near future, railway transport will take over a significant part of the East-West cargo transportation. Accordingly, the Central Asian region is increasing its geostrategic importance. The pandemic introduced chaos and instability in the development of the world economy and intensified the tendency to closeness of each state. As you know, protectionism hinders the progressive development of the economy of any state. It creates conditions for suppressing competition and free enterprise.

Particularly strong, increased closeness and growth of protectionism affected some CA countries. As you know, millions of people - relatively surplus labor from Kyrgyzstan, Tajikistan and Uzbekistan - have lost the opportunity to go to work in other countries. And the Russian Federation itself suffers considerable economic losses from the consequences of the pandemic and restrictions on the free movement of labor.Recently, there have been a lot of complaints about the difficulties with the transit of goods when crossing the borders with the People's Republic of China. Thousands of vehicles and

containers are stuck at the border. Small and medium businesses incur significant losses. Supply chains are disrupted, and as a result, serious problems arise in the continuous production cycle. According to the respondents, not everything is explained by the pandemic and the measures to combat it. Sinophobic sentiments intensify.

An opinion is being formed that sometimes measures to combat a pandemic serve to put pressure on small states in the development of trade and, accordingly, the development of transport and logistics systems. In addition, public opinion is growing that a number of states in the region are losing full control over national transport and logistics systems, since the share of foreign investment in some countries has exceeded a safe level (Tajikistan and Kyrgyzstan). At the same time, Central Asia requires significant investments for the effective functioning of national economies and the corresponding safe development of transport and logistics systems. It seems that one of the ways to solve such a global problem could be concessional financing from not just any single country, but through lending by world financial institutions.

It is important to ensure the protection of national interests during transit through the territories of Central Asian countries and to maintain the balance of power of the world powers.Regional integration of Central Asia is in the process of formation based on many factors: cultural, civilizational, political, religious, economic, etc. On the one hand, the region has great potential for integration, on the other hand, there are objective factors that hinder who are involved in this process.

In order to ensure the common security and prosperity of the entire region, and not individual states, more attention should be paid to the construction of regional identity based on common points of contact between the countries of Central Asia, since there are objective prerequisites for uniting the region within the Central Asian Union. The process of gradual integration of individual countries of the region based on economic and cultural aspects can be called a positive phenomenon. From our point of view, there is an objective basis for the economic integration of the Central Asian countries.

For the development of the economies of the countries of the Central Asian region, it is important to ensure not only economic investments, but also political support. The CA states are interested in cooperation with all countries. Opposition between China and the West, the EAEU and the EU, the USA and Iran, Pakistan and India, etc. will not only hinder the progressive development of the countries of the region, but also create barriers to attracting foreign investment. Full and effective use of the transport and logistics potential of the CA countries, uninterrupted transit of highly profitable container trains, etc. will be beneficial to all participants in a single supply chain in the system of a single world economy.

## Введение

Для современной характеристики транзитной инфраструктуры государств Центрально-Азиатского региона необходим краткий экскурс в недавнее прошлое. В условиях Российской империи, а затем существования СССР, вся транспортная сеть исследуемого региона была ориентирована преимущественно на развитие общей системы коммуникации в рамках огромной страны. Даже строительство Туркестано-Сибирской железной дороги («Турксиб») было ориентировано на север для соединения с Транссибирской магистралью России.

В условиях постсоветского развития, когда новые независимые страны стали реформировать свою транспортно-логистическую инфраструктуру, четко проявилась необходимость ее диверсификации для активного развития внешнеэкономических связей с Турцией, Ираном, Пакистаном, Индией и Китаем, и другими государствами. С момента получения политической независимости государствами Центральной Азии, проявился «геополитический плюрализм», что выразилось в появлении несколько новых субъектов в центрально-азиатской региональной политике, преследующие собственные цели и интересы.

При этом общей проблемой для всех стран Центральноазиатского региона является отсутствие прямого выхода в открытое море. Для эффективного разрешения этой проблемы государства региона постепенно приходят к идее об интеграции экономических и политических усилий. В последнее десятилетие прошлого века уже были подписаны целый ряд двусторонних и многосторонних соглашений и договоров о совместном развитии транспортных коммуникации: «Среди таких документов важно выделить китайско-казахстанское соглашение о железнодорожных перевозках (февраль 1992 г.), протокол о сотрудничестве в области железнодорожного, автодорожного и морского транспорта между Китаем и Узбекистаном (март 1992 г.), протокол о морских перевозках между Азербайджаном, Ираном, Казахстаном, Россией и Туркменистаном (апрель 1992 г.), соглашение о координации работы железнодорожного транспорта и о сотрудничестве в области транзитных перевозок между Азербайджаном, Грузией, Туркменистаном и Узбекистаном (май 1996 г.). Кроме того, было заключено соглашение о создании транспортного коридора «Север — Юг» (2000 г.) между Россией, Индией и Ираном, к которым впоследствии присоединился Казахстан»[52]

В последние годы стали традиционными ежегодные встречи на высшем уровне глав государств Центральной Азии.

При этом есть четкое осознание на глобальном уровне стратегического значения Центрально-Азиатского региона. ЦА имеет не только географическое и экономическое значение. Сегодня, центрально-азиатский регион - центр пересечения интересов мировых и региональных держав.

Конечно же, прежде всего, особое значение имеет транспортно-транзитный потенциал. ЦА – основа систем транзитных коридоров, причем как Север – Юг, так и Восток – Запад.

В начале последнего десятилетия прошлого века, Европейский Союз уделял особое внимание развитию транспортной инфраструктуры как Кавказского и Черноморского регионов, так и Центральной Азии в целом. Масштабный проект ТРАСЕКА (транспортный коридор Европа-Кавказ-Центральная Азия) представлял собой самый эффективный путь из региона ЦА на европейские рынки.

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[52] Bogaturov, A.D. (2014) International relations in Central Asia. Events and documents. Moscow: Aspect Press (Богатуров, А.Д. Международные отношения в Центральной Азии. События и документы: учеб. пособие. Москва: Аспект Пресс) - URL: https://ozlib.com/836117/ekonomika/transportnaya_geopolitika_tsentralnoy_azii

Усиливается конкуренция и неравномерность в развитии транспортных коридоров ЦА:

- Восток (Китай)
- Север (Россия)
- Запад (Европа)
- Юг (Иран, Афганистан, Пакистан, Индия)

При этом, сейчас уже есть четкое осознание факта, что функционирование и развитие транспортно-логистического потенциала ЦА требует эффективной интеграции государств региона.

Центральная Азия имеет стратегические природные ресурсы (нефть, газ, металлы и др.) как мощный фактор самостоятельного развития транспортно - логистических систем. Транзитный потенциал плохо реализуется из-за слаборазвитой инфраструктуры, таможенных и технических ограничений, а также высокого уровня коррупции. Регион крайне заинтересован в развитии инфраструктуры эффективного доступа на мировой рынок своих стратегических ресурсов.

С нашей точки зрения, необходимо создание Единого рынка транспортно-логистических услуг стран Центральной Азии. По мнению европейских специалистов, в скором будущем, значительную часть грузоперевозок «Восток-Запад» примет на себя железнодорожный транспорт. Соответственно, центрально-азиатский регион увеличивает свое геостратегическое значение.

В условиях усиливающегося роста протекционизма и ускоряющейся регионализации мировой экономики важное значение приобретают вопросы интеграции между странами Центральной Азии на взаимовыгодных условиях.

Пандемия внесла хаос и нестабильность в развитии мировой экономики и усилила тенденции закрытости каждого государства. Протекционизм, как известно, сдерживает поступательное развитие экономики любого государства. Он создает условия для подавления конкуренции и свободного предпринимательства.

Особенно сильно, усиление закрытости и рост протекционизма затронул некоторые страны ЦА. Как известно, миллионы людей - относительно излишней рабочей силы из Кыргызстана, Таджикистана и Узбекистана лишились возможности выезжать на заработки в другие страны. Да и сама Российская Федерация несет немалые экономические потери от последствий пандемии и ограничений в свободном перемещении рабочей силы.

В последнее время, очень много нареканий на сложности с транзитом грузов при пересечении границ с Китайской народной республикой. Тысячи единиц автотранспорта и контейнеров застряли на границе. Малый и средний бизнес несут значительные убытки. Нарушаются цепочки поставок, и как следствие, возникают серьезные проблемы в непрерывном производственном цикле. Как считают респонденты, не все объясняется пандемией и мерами борьбы с ней. Усиливаются синофобские настроения.

Формируется мнение, что иногда меры по борьбе с пандемией служат для давления на малые государства при развитии торговли и соответственно развитии транспортно-логистических систем.

Кроме того, усиливается общественное мнение, что ряд государств региона теряют полный контроль над национальными транспортно-логистическими системами, так как доля иностранных инвестиции некоторых стран превысила безопасный уровень (Таджикистан и Кыргызстан).

При этом, Центральной Азии требуются значительные инвестиции для эффективного функционирования национальных экономик и соответствующего безопасного развития транспортно-логистических систем. Представляется, одним из путей решения столь глобальной проблемы могло бы стать льготное финансирование со стороны не какой-либо отдельно взятой страны, а путем кредитования мировыми финансовыми институтами.

Важно обеспечить защиту национальных интересов при транзите через территории стран Центральной Азии и соблюсти баланс сил мировых держав.

Обширные слабо освоенные районы центрально-азиатского региона, которые пока еще недостаточно интегрированы в систему мирохозяйственных связей, сдерживают экономическое развитие страны и остаются в стороне от выгод интеграции в глобальную экономику. Только эффективное развитие транспортно-логистических систем усилит позиции региона в мире, будет способствовать решению социально-экономических и других проблем в каждой из стран ЦА.  В частности, предполагается, что вдоль транспортных коридоров будет интенсивно развиваться инфраструктура и решаться вопросы с занятостью населения.

С другой стороны, нужны меры по устранению монополизма, упрощение визовых режимов. Взаимное признание вакцин для свободного передвижения людей

Требуется гармонизация национального законодательства и унификация нормативной базы для упрощения процедур при прохождении грузов через государственную границу. Но, лучший и комплексный путь развития экономики стран ЦА – экономическая интеграция.

Региональная интеграция Центральной Азии находится в процессе становления на основе множества факторов: культурных, цивилизационных, политических, религиозных, экономических и т.д.

С одной стороны, регион обладает большим потенциалом для интеграции, с другой стороны существует объективные факторы, препятствующие этому процессу. В целях обеспечения общей безопасности и процветания всего региона, а не отдельных государств, следует больше внимания уделять вопросам конструирования региональной идентичности основанной на общих точках соприкосновения стран Центральной Азии, так как, существуют объективные предпосылки для объединения региона в рамках Центральноазиатского Союза. Позитивным явлением можно назвать процесс постепенной интеграции отдельных стран региона основанном на экономических и культурных аспектах.

С нашей точки зрения, объективная основа для экономической интеграции стран Центральной Азии имеется. Интеграция выгодна и необходима странам региона. В соответствии с теорией сравнительных преимуществ каждая страна выигрывает от специализации на производстве товаров и услуг, по которым она имеет преимущества в относительных издержках. Экспортируя товары и услуги, на производстве которых она специализируется, страна покупает те товары и услуги, которые производить ей менее выгодно. Благодаря специализации, увеличивающей производительность по каждой категории товаров и услуг, их совокупное производство, а, следовательно, и потребление растет. В результате у всех стран, участвующих в международном разделении труда, повышается уровень жизни населения.

Следует отметить, что высокая степень зависимости экономик Центральной Азии от сырьевого экспорта несет в себе значительные риски. Риски связаны с неустойчивостью мировых цен на сырьевые товары. Их снижение может весьма негативно сказываться на экономиках стран-экспортеров, что делает их крайне зависимыми от внешних факторов. Ключевая проблема – так называемая «голландская болезнь», когда вследствие значительных объемов экспорта полезных ископаемых замораживается развитие прочих отраслей экономики, прежде всего перерабатывающей промышленности.

Поэтому все страны, в том числе имеющие богатые природные ресурсы, хотят производить и экспортировать товары конечного потребления с высокой степенью переработки. И здесь сопряжение инициативы «Один пояс и один путь» и интеграционных процессов в Центральной Азии может способствовать повышению конкурентоспособности продукции данных государств за счет:

- сокращения транспортных и логистических издержек;
- единых моделей потребления покупателей (местная несырьевая продукция, благодаря нашей культурной близости и сопоставимости уровней доходов, зачастую больше востребована внутри региона, чем в странах дальнего зарубежья);
- сокращения издержек продвижения продукции на рынки (территориальная и культурная близость страны-поставщика и страны-покупателя облегчает задачи рыночного продвижения).

То есть для стран Центральной Азии соседи по региону – идеальные рынки сбыта несырьевых товаров (продовольствие, одежда и обувь, бытовая техника, продукция химической промышленности, строительные материалы, медицинские изделия и т. д.).

Сейчас же предприятия региона, производящие несырьевые товары, ориентированы преимущественно на узкие внутренние рынки, что не позволяет им внедрять современные высокопроизводительные технологии, загружать и расширять производственные мощности, а, следовательно, использовать преимущества от узкой специализации и экономии на масштабах производства. Между тем современные технологии, узкая специализация и экономия на масштабах – главные инструменты повышения конкурентоспособности в современной экономике.

По большому счету, любой интеграционный процесс – это диалектическое противодействие и единство центростремительных и центробежных сил. Игнорирование этой истины часто приводит центральноазиатские исследования либо к умалчиванию факта имевшей место интеграции, либо к искажению причин дезинтеграции.

Такой парадигмой может быть признание региона в составе пяти государств и предопределенности их интеграционного развития. Доктрина – это стратегическое заявление на высшем уровне о выборе главного modus vivendi и modus operandi, следовательно, интеграционная доктрина должна провозгласить, что государства Центральной Азии будут последовательно строить свою внутреннюю, региональную и международную политику в соответствии с целями и ценностями региональной интеграции

Можно говорить об открытом регионализме или закрытом. К примеру, известная группа, осуществляющая мониторинг европейской стратегии в Центральной Азии EUCAM обратила внимание на особый дуализм «внешнего-внутреннего регионализма». Под внешним регионализмом понимается открытый, а под внутренним – закрытый регионализм. В первом случае в региональное сотрудничество вовлекаются прилегающие к Центральной Азии страны, во втором оно ограничено рамками пяти стран. При этом EUCAM верно обращает внимание на то, что при сравнительно небольшом общем населении внутрирегиональное сотрудничество в Центральной Азии имеет не большой потенциал, если оно не будет частью более широкого трансграничного экономического сотрудничества. Одновременно с этим в докладе EUCAM говорится, что, несмотря на то что не должно быть преувеличенных или преждевременных надежд на региональное сотрудничество в Центральной Азии, тем не менее, стремление к новой современной центральноазиатской региональной идентичности заслуживает поддержки в надежде, что это естественно приведет к созданию аутентичных нормативных оснований[53].

Сопряжение инициативы «Один пояс и один путь» и интеграционных процессов в Центральной Азии может способствовать повышению привлекательности стран региона для инвесторов. Все страны конкурируют между собой за инвесторов, которых привлекают в первую очередь хороший бизнес-климат и размер рынка для сбыта произведенной продукции. Чем больше рынок, тем больше интереса у инвесторов[54]. Более 70 млн человек населения пяти центральноазиатских стран и более 260 млрд. долл. совокупного ВВП стран Центральной Азии выглядят намного привлекательней, чем экономика отдельно взятой страны региона.

Для развития экономик стран Центральноазиатского региона важно обеспечить не только экономические инвестиции, но и политическую поддержку. Государства ЦА, заинтересованы в сотрудничестве со всеми странами. Противопоставление Китая и Запада, ЕАЭС и ЕС, США и Ирана, Пакистана и Индии и т.д. будет не только мешать поступательному развитию стран региона, но и создаст барьеры в привлечении иностранных инвестиции.

Полное и эффективное использование транспортно-логистического потенциала стран ЦА, бесперебойный транзит высокодоходных контейнерных поездов и др. будет выгоден всем участникам единой цепочки поставок в системе единого мирового хозяйства.

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# The Transport and Infrastructure Connection between Central Asia and European Union

*Murat LAUMULIN*
Chief Researcher
the Kazakhstan Institute for Strategic Studies under the President of Kazakhstan
Nur-Sultan - Kazakhstan

## EXTENSIVE ABSTRACT

В концептуальном виде роль ЕС в геополитике вокруг Каспийского моря и Центральной Азии была изложена в докладе Трехсторонней комиссии (2000 год), в котором констатировалось, что возможности Запада влиять на регион ограничены; рано или поздно Западу придется примириться с необходимостью сотрудничать в Центральной Азии с Россией, Китаем и некоторыми исламскими государствами.

Германское общество внешней политики разработало для своего правительства концепцию т.н. Стабилизационного пакта для Каспийского моря.

Он состоял из трех элементов:

- 1) создание сети транспортных коммуникаций по линии Восток-Запад как противовес существующим двести лет путям Север-Юг;
- 2) укрепление демократии и рыночной экономики в новых независимых государствах региона;
- 3) переход от геополитики к экономической конкуренции.

Эти требования, как заявлялось, отвечают интересам ЕС, исходя из которых, он был готов инвестировать в экономики стран Каспийского региона.

Европейские задачи и интересы в Каспийском регионе, как представляли в Берлине в начале 2000-х годов, состояли в следующем:

- отделение собственно европейских интересов от американских и разработка собственной европейской стратегии;
- привязывание Кавказа и Каспийского региона к Европе как к более привлекательной альтернативе, чем ОПЕК;
- вовлечение Европы в решение конфликтов на Кавказе, насколько возможно с участием России с целью создания здесь равных конкурентных возможностей и условий для сотрудничества;
- активная поддержка транспортной инфраструктуры по линии Восток-Запад и особенно газовой сети для связывания ресурсов региона, включая Иран, через Турцию с европейским рынком;
- выработка европейской позиции в отношении проекта магистральных трубопроводов из Каспийского региона в Европу;
- совмещение национальных интересов различных стран ЕС в регионе в рамках единой европейской внешней политики и политики в области безопасности.

В принятых Европейской Комиссией Стратегическом документе на 2002–2006 годы и в Индикативной программе на 2002–2004 годы для Центральной Азии подчеркивалась необходимость сосредоточить помощь на секторах, представляющих интерес для стран-партнеров, тем самым способствуя стабильности и безопасности в регионе, а также устойчивому экономическому развитию и сокращению бедности.

Основным инструментом, предложенным для этой цели, была региональная программа, направленная на содействие сотрудничеству между странами Центральной Азии в областях, представляющих интерес для ЕС, таких как транспорт, энергетика, управление природными ресурсами и окружающей средой, правосудие и внутренние дела.

В сентябре 2005 года для обеспечения координации и согласованности внешних действий ЕС в ЦА Совет ЕС учредил должность Специального Представителя ЕС по Центральной Азии.

31 мая 2007 года была принята первая Стратегия Европейского союза по Центральной Азии, которая на протяжении 12 лет служила главным программным документом ЕС, регламентирующим основные направления межрегионального сотрудничества.

Представители Европейской службы внешних действий особо отмечали целесообразность координации своей деятельности с соответствующими стратегиями России и Китая, относящимися к региону Центральной Азии. Поиск синергии между имеющимися инициативами планировался в таких вопросах как безопасность, транспорт, энергетика, устойчивое развитие, а также возможности, возникающие из инициатив «Шелкового пути».

15 мая 2019 года, после двух лет работы, Европейская Комиссия и Верховный представитель ЕС по иностранным делам и политике безопасности представили Совету ЕС Совместное коммюнике «Европейский союз и Центральная Азия: новые возможности для более крепкого партнерства», которое де-факто стало новой Стратегией ЕС по Центральной Азии. В силу это Коммюнике вступило 17 июня 2019 года после принятия соответствующих заключений Совета ЕС.

Условно все программы ЕС делятся на три группы.

К первой группе относятся транспортно-инфраструктурные проекты геополитического и геоэкономического масштаба, носивший континентальный и транснациональный характер. Это такие проекты как ТАСИС, ТРАСЕКА, ИНОГАТЭ, Транскаспийский трубопровод, ТАПИ, БТД и ряд других. К этой группе следует отнести политику ЕС на активизацию центральноазиатской интеграции, энергетические, водные и трансграничные проекты.

Практически, ни один из них не был реализован с участием государств ЦА. В целях реализации данной категории проектов ЕС действовал совместно с такими международными организациями как ООН, ОБСЕ, НАТО, Совет Европы, ПАСЕ, ВТО с использованием их институтов – ЕБРР, МВФ, Всемирный Банк, МАГАТЭ, ВОЗ и т.п.

ЕС является крупнейшим торговым партнером Казахстана. Более чем половина валовых прямых иностранных инвестиций в Казахстан, или почти $100 млрд., приходит из стран ЕС. Объем внешнеторгового оборота с ЕС в 2019 году составил 31,3 млрд. долларов (свыше трети в общем объеме товарооборота Казахстана).

Экспорт казахстанских углеводородов вносит важный вклад в диверсификацию поставок энергоресурсов в Европейский союз. За годы сотрудничества страна утвердилась в качестве надежного и ответственного партнера ЕС в этой сфере, войдя в четверку крупнейших поставщиков нефти в Европу с долей почти 10% в общем объеме импорта.

В Брюсселе признали, что в РК были реализованы эффективные реформы, которые вывели Казахстан на новый этап политической либерализации и диверсификации национальной экономики с акцентом на индустриально-инновационное развитие, а также обеспечили статус ключевого и приоритетного партнера ЕС в Центральной Азии.

Наряду с вопросами энергетики и борьбы с терроризмом третьей сферой пересечения интересов Европейского Союза и Центральной Азии является транспорт и инфраструктура. Потенциал сотрудничества в данной области действительно велик. Во-первых, для Европы центральноазиатские страны представляют ценность как новые рынки сбыта продукции. Во-вторых, для Европы не менее важен транзитный потенциал Центральной Азии, поскольку она в перспективе может связать ее с крупнейшим европейским торговым партнёром - Китаем, который также проявляет большую активность на данном направлении, в частности, в рамках стратегии «Один пояс, один путь».

На первый взгляд может показаться, что новый стратегический подход Европейского Союза по отношению к Центральной Азии мало отличается от стратегии 2007 г., однако более пристальный взгляд на нее в контексте современных интересов ЕС показывает, что отличия существенны.

Специалисты предлагают девять рекомендаций для будущего взаимодействия ЕС со странами Центральной Азии в области политики и безопасности. Их вполне можно рассматривать как стратегию ЕС на период действия новой Стратегии.

Во-первых, ЕС необходимо пересмотреть свои интересы в Центральной Азии. ЕС должен сделать это с учетом четырех факторов. Для начала, при пересмотре своих интересов ЕС должен учитывать новый контекст в Центральной Азии, а также новый контекст в странах, соседствующих с Центральной Азией.

Во-вторых, стратегия ЕС в отношении Центральной Азии должна быть сосредоточена на меньшем числе областей, для того чтобы повысить эффективность. В-третьих, в соответствии с предыдущим пунктом основные области, которые должны быть охвачены в будущем сотрудничестве между ЕС и Центральной Азией, должны быть определены на основе того, в каких сферах ЕС может предоставить реальную добавочную стоимость и достичь конкретных результатов, а также в областях, где страны Центральной Азии имеют реальные потребности.

В-четвертых, существует потребность в дополнительных научно обоснованных знаниях о Центральной Азии. Более того, исследования в Центральной Азии должны в большей степени учитываться в процессе выработки политики. В-пятых, ЕС должен продолжать работу в Центральной Азии как сверху вниз, так и снизу вверх. В-шестых, странам – членам ЕС необходимо больше участвовать в реализации данной стратегии. Это должно быть особенно распространено в тех областях, где государства – члены имеют сравнительные преимущества и где они воспринимаются в качестве образцов для подражания со стороны государств Центральной Азии.

В-седьмых, ЕС должен придерживаться более ориентированного на результаты подхода. Учитывая отсутствие конкретных результатов во многих областях, ЕС необходимо больше ориентироваться на достижение таких результатов. В-восьмых, ЕС должен продолжать развивать региональное сотрудничество со странами Центральной Азии. В-девятых, ЕС должен продолжать заниматься вопросом границ.

Таким образом, в последние годы (особенно с 2019 г.) происходит кардинальное изменение подходов ЕС в центральноазиатской политике. Играя важную роль транзитно-транспортного моста между Западом и Востоком, Казахстану, в свою очередь, следует активно участвовать в реализации всеобъемлющей Стратегии Евросоюза по взаимосвязанности между Европой и Азией. Дополнительную синергию здесь может дать сопряжение данной стратегии ЕС с отечественной программой «Нұрлы жол» и китайской инициативой «Один пояс – один путь».

Неизбежно напрашивается вывод, что Казахстану следует развивать торгово-экономическое, инвестиционное и финансовое сотрудничество с европейскими странами предпочтительно на двустороннем уровне, что в реальности и происходило, как минимум, последние два десятилетия. В этом ряду на первом месте находится Германия.

Что касается интересов Казахстана, то новая Стратегия ЕС дает Нур-Султану возможность выступать медиатором на широком поле международной политики, куда входят Афганистан (безопасность), Китай (транспортно-коммуникационные проекты), Иран, Сирия (мирное урегулирование), а также выступать посредником между Россией и Западом, более активно участвовать в налаживании контактов между НАТО и ОДКБ, ШОС и ЕС, ОБСЕ и СВМДА и т.д.

# INTRODUCTION

In July 2019, the EU has presented in Bishkek its long expected new strategy towards Central Asia. Many experts regarded this event as the fact of deep geopolitical significance. However, a some skeptical approach is saving among analytical community. The strategy, on paper at least, revises the EU's policy toward the region and how it cooperates with its organizations.

It sets out how the EU and the countries of Central Asia can work much more closely on issues such as resilience, prosperity, and regional cooperation.But is the regional dimension of the EU Central Asia strategy adequately conceived or appropriate for the twenty-first century? This question is particularly relevant given the growing regional role of China and India. The majority of Central Asian elites share many common views about the EU. They feel that the EU is barely visible in Central Asia, that it is unknown to the general public, that it has complex bureaucratic procedures, and finally, that it has ambitions greater than its actual leverage and ability to deliver.

It should be also mentioned that these researchers have quite a positive attitude towards the EU. The majority of Kazakhstan's political analysts traditionally view the EU as a positive geopolitical factor, and an example of economic success and effective regional integration. Attitudes towards the EU were unbiased: the EU did not have a burden of imperial history (as Russia), did not act aggressively and arrogantly (as the USA), and was not a source of potential threats (as China) or actual threats (as the Islamic world) threats. In short, regional activists had a very high opinion of the EU, in particular in the 1990s.

These feelings were encouraged by the EU's actions, including abundant economic assistance, and various large-scale programs like TACIS, and also by the geopolitical statements, announced by Brussels that claimed that Europe considered Central Asia and the Caspian region as areas of its strategic interests. Consequently, the EU was considered an adversary of former Soviet nations' reintegration due to its policy aimed at post Soviet area segregation in 2000 (paradoxically, the EU always advocated intensification of regional integration within Central Asia). "Double standards" in EU's policy (though they are much milder compared to those of US' policy) and other signs of "western solidarity" were also strongly criticized. It should be mentioned that Central Asia always recognized the difference between the motives of the West European nations and so called New Europe.

In fact, Europe did not have a definite strategy in Central Asia during the 2000s. At the same time, the EU goals related to Central Asia were clear from the very beginning, but the Union did not have instruments to reach them.

The European policy is mainly defined by Europe's Big Three (UK, France, Germany) as opposed to the EU institutions in Brussels. German policy towards Central Asia appears different for its so-called regional approach. Berlin takes Kazakhstan and other Central Asian nations together, as if they have common geographic and market conditions. It is possible to draw a parallel between German policy and the EU common policy. German interests in the region include the German ethnic group (dwelling mainly in Kazakhstan), reforms aimed at implanting the German model of social and market development, the expansion of German business, and regional resources.

In March 2008, Kazakhstan President Nazarbayev proposed the Path to Europe conceptual program during his annual Message. The message covered important issues in regards to Kazakhstan's position in the international arena and an outlook for its foreign policy. Kazakhstan was considered to be an important and powerful participant in the global energy security system. President emphasized that this time investments would be attracted mainly from domestic sources. Second, Kazakhstan actively began taking measures to integrate into the world transport system, including the North-South and West-East directions[55].

According to European politicians, stable democratic secular governments in Central Asia and the South Caucasus would form a security barrier protecting Europe from unstable Islamic regions. All in all, experts have different opinions about the importance of Central Asia to the EU. Nevertheless, European nations provide active support to their energy producing companies to ensure the stable supply of oil and gas from Central Asia.

In 2010, the leading EU experts in Central Asia supplied two types of recommendations: general strategic and more specific technical[56].

The strategic aspects of EU-Central Asia cooperation included the following:

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55 Ulviyya, A. (2018) The European Union-Central Asia Relations: Kazakhstan as A Leading Actor, Central Asia and Caucasus, 3: 25-33.

56 See: Emerson, M. Boonstra, J. Hasanova, N. etc. (2010) Into Eurasia: Monitoring the EU's Central Asia Strategy…

- A possible re-vamping of the strategy would be more appropriate in 2011 when the new External Action Service is in place.
- The EU has some clear security concerns with respect to Central Asia: energy supply secu-rity through diversification of sources and linkages with Afghanistan. Contrary to the opinion of some experts, this does not look like a conflict of interests vs. values as long as legitimate interests are pursued in a principled manner. However, Central Asia presents a real challenge in this regard, since the present state of governance in the region is far removed from these principles. This presents the EU with a choice: either to pass over its preferred principles in this case or to make a special effort to apply its principled approach in ways that are realistically operational in this difficult political environment.
- The case of Kazakhstan deserves special mention as a key country in the region that has chosen to respond to the EU's strategy by adopting its own "Path to Europe."
- The EU's concept of regional cooperation in Central Asia needs revision. However, it should not be overemphasized with respect to the opportunities for regional cooperation with neighbors external to the region (Eastern Europe, Russia, China, and South Asia) or in those areas where the EU has several major interests (e.g. in energy, transport, and security). The EU is working on this wider regionalism with projects to link Central Asia to its Eastern Partnership initiative.

The technical aspects are as follows:

- The EU intends to increase its diplomatic presence in the region, and with the impetus of the new Lisbon Treaty provisions this needs to be done decisively, with adequately staffed EU delegations in all five states.
- A structured process has been set up in the human rights field at both the official and the civil society levels. But this needs to be carefully upgraded, without which it risks becoming little more than a token routine of political convenience for both sides.

The EU Central Asia Strategy has already seen significant development of the regional dimension to the political dialogs between the EU and all five Central Asian states. Foreign minister meetings are being held to discuss broad political and security issues, sector-specific dialog circuits for education, water and the environment, and the rule of law, even though they were sporadic and took place within a very short period between 2008 and 2010. The EU, however, seeks to promote a gradual movement of ideas among the Central Asian participants in favor of regional cooperation.

The objective limits to Central Asian regionalism are evident, and this is reflected in a shift in EU spending, reducing the weight of regional programs and increasing that of bilateral ones.

At the same time, there is also a case for a second concept of regional cooperation, which we can call "external" rather than "internal" regionalism. External regionalism would involve cooperative activity with neighbours external to the region, whereas internal regionalism is restricted to the five Central Asian states. With its modest population size, Central Asian regional cooperation does not have much potential if it is not part of wider economic openness. While there are some activities which intrinsically have a cross-border regional cooperative dimension, such as border management itself, transport corridors and, above all, water management, it is nonetheless the case that these three examples have vital cross-border dimensions linking to neighbours external to the region with transcontinental dimensions. Thus, border management largely concerns drug trafficking, where Central Asia is just a transit passage between Afghanistan and Europe, Russia and China.

There are important long-term implications for the EU's relations with Russia, China, and India, as well as the shorter-term priority of finding some kind of political resolution of the Afghanistan imbroglio. The EU has already moved in this direction; it has regrouped Central Asia with South Asia, rather than in a former Soviet Union group. The EU has moved partly in this direction by grouping Central Asia with South Asia for the purpose of its aid administration.

Some think that a Eurasian frame is more suitable for the EU than just a link to South Asia. In this context, Central Asia is unique as a landlocked region sitting amidst the Big Four of Eurasia: Russia, China, India, and the EU. Today, the EU has to concentrate on a new picture of the multipolar world: there are new geopolitical players (or old players with new images), such as Russia, China, India, and the European Union itself. The new picture calls for new approaches and creates new strategic challenges - preserving order and the spirit of cooperation.

The EU has reason to take further steps in its conception of the multiple regional dimensions of its foreign policy, which already has the Eastern Partnership, Northern Dimension, Union for the Mediterranean, Black Sea Synergy, and now the Central Asia Strategy. Each of these initiatives has its rationale.

Unknown yet highly strategic, Central Asia attracts the interest of major global powers due to its vast energy resources and crucial geographic position. Russia, China, and the European Union view this region as an indispensable springboard to enhance their political and economic influence on the Eurasian landmass. Thus, facing strong competition and working on low budget, the EU is attempting to establish itself as a relevant and influential actor in an environment in which its leadership role is far from certain. Unlike in other post-communist regions, the EU is not able to rely on the attractiveness of its political models, and risks being marginalized by other global powers.

The crucial question then is: How does the EU exert influence in such a challenging geopolitical context? Which strategies does the EU apply to be an actor who counts? Through an analysis of the EU's discourse, instruments, and the reception of its policies in Central Asia, this study argues that the EU consciously takes the position of a second-tier actor who acts as a "consultant" and projects a picture of itself as an honest broker with no geopolitical agenda. The EU's influence is confined to niche domains in the security sphere that are nevertheless important for the regional security. The EU is not a great power in the region nor is it willing to become one. It does, however, have comparative advantages in being perceived as inoffensive and for occupying areas that are neglected by the other actors, such as governance and water security.

It remains the only Central Asian country to have an Individual Partnership Action Plan, through which it actively cooperates with the alliance. By contrast, the country's relationship with Council of Europe is surprisingly underdeveloped. In fact, as a European country, Kazakhstan other CA states and should normally be eligible for membership in this organization. To date, European states and organizations have largely failed to recognize Central Asian and mostly Kazakhstan's European identity. The exception is the OSCE, which, of course, embraces the broadest definition of Europe from "Vancouver to Vladivostok", and encompasses all of Central Asia as well as Mongolia.

The EU should be lauded for successfully negotiating an Enhanced Partnership and Cooperation Agreement with only Central Asia and Kazakhstan. In the short to medium term, the task for both Brussels and Astana should be the implementation of this agreement. But the EU should be prepared in the longer term to look beyond this agreement, especially in light of the changes taking place in the Eastern Partnership. Now that the Eastern Partnership is no longer synonymous with Association Agreements and DCFTAs, the EU should consider the merits of Kazakhstan at a future date joining the Eastern Partnership. Indeed, such a move could have beneficial implications for the initiative itself and more broadly for EU interests in the broader region. By extending the Eastern Partnership across the Caspian Sea, the EU would be in a much enhanced position to support the development of energy infrastructure across the Caspian Sea, providing it with access to Central Asian oil and gas reserves.

Equally important, it would put the EU in a better position to support the development of continental land trade routes along the New Silk Roads, which are currently being constructed to link Europe with China as well as the Indian subcontinent.

Approximately 68 million peoples have been allocated for the implementation of the program and clearly expressed its willingness for more close and comprehensive relations with the EU with a wide range of expectations such as: stable foreign trade incomes from the EU's developed economies; diversification of consumers of region's energy resources; encouraging FDI for the country's economic development, employment, social welfare and prosperity; balancing out Russian and Chinese political, economic, social and cultural influence; ensuring the safety of transportation routes that traverse the country; incorporating foreign experiences for improving the economic and financial system; eliminating the deficit of technology and innovation; getting support in resolving security issues; promoting Central Asian image as a value-based region[57].

The EU is likely to lose the game to Russia and China as long as the geopolitical agent per se remains physically stronger than the normative one in the international system. However, this game could be made more sophisticated by turning a soft power, where Europe is stronger, into a geopolitical asset. If the EU would decide to narrow its focus on a few matters where it would seek concrete impact, the focus should be on: bilateral partnerships and increased ties with civil societies; support for democratization and strengthening the defense of human rights; modest security cooperation based on conflict prevention; and a more simplified and effective development policy with a heavy emphasis on education.

One should remember that the very title of the EU's strategy implies a priori the existence of the region under the name, Central Asia. This, in turn, requires consideration of all Central Asian countries as indispensable parts of a single region and the display of an explicit regional dimension in the strategy. The new strategy should be made more "aggressive". This means shifting from a simple, general dialogue with the target country based on axiomatic ideas and principles, to a more meaningful dialogue based on explicit and prompting criteria to implement those ideas and principles.

The reopening of transport corridors connecting Europe and Asia via Central Asia is sure to be one of the most momentous developments of the coming decades. By creating

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[57] Ospanova, B. Sadri, H.A. Yelmurzayeva, R. (2017) Assessing EU perception in Kazakhstan's mass media, Journal of Eurasian Studies, 8 (1): 72-82; Peyrouse, S. (2014) How does Central Asia view the EU? EUCAM Policy Brief, 18: 13

land routes that will enable the booming economies of China and its neighbours to trade directly with the large economies of the European Union, it will increase the speed and drive down the cost for everyone involved. The benefit of such a development for Europe's manufacturing sector is obvious. The Central Asian transit countries also have much to gain from this project, including new hard and soft infrastructure, yields on tariffs, the creation of jobs, and efficient outlets for their own products.

Initiatives to develop these new trade corridors warrant the strong support of both the European Union and of Central Asian countries. Beyond these procedural conclusions, this study identifies four issues that the EU and Central Asian countries should take up immediately and address together. These recommendations are treated in turn below[58].

Nearly all attention regarding continental trade by land has thus far been dominated by governmental initiatives. But future success will be determined as much or more by market realities, and dependent on the private sector. Therefore, the first challenge is to embrace and build upon the inevitable shift from activities initiated and funded by governments to those market-driven activities in many spheres that must exist for the project as a whole to succeed.

To now, virtually all discussion of the New Silk Road has focused on the roles of China and the European Union. But for the project to succeed, it will be necessary to develop "soft infrastructures" along the route itself. To now, virtually all discussion of the New Silk Road has focused on the roles of China and the European Union. But for the project to succeed, it will be necessary to develop "soft infrastructures" along the route itself. The EU and Central Asian countries to work together to identify and remove existing impediments to the establishment of locally based soft infrastructure and to encourage private sector firms in their countries to seize opportunities in this area.

The geopolitics of transport and trade must be fully understood and their importance acknowledged by clear-headed policies. It is in the interest of both Europe and Central Asia to ensure that no power gain the ability to monopolize or control the emerging East-West transport corridor. This means utilizing the existing road and rail links to Northern Europe via the Russian Federation. But it also calls for balancing that northern route with the emerging corridor to Europe via the Caucasus and Turkey.

The European Union and its Central Asian partners to hasten the full opening of the transport corridor through the Caucasus and to facilitate its use by simplifying access through the Kazakhstani port of Aqtau and Turkmenistan's new port at Turkmenbashi. Working also with China they should enter into negotiations with Russia and Iran to assure that no Caspian littoral power has the right or power to impede such trade.

Discussion and action on trans-Eurasian land corridors to date has focused almost exclusively on reconnecting China and Europe. Looking forward, it will be necessary also to take fully into account the almost certain rise of the Indian subcontinent as a major economic force by the year 2040. Acknowledging this emerging reality, the European Union and its Central Asian partners should combine forces to advance the opening of the most direct and efficient transit corridors between Central Asia and the Indian subcontinent.

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[58] Starr, S.F., Cornell, S., Norling, N. (2015) The EU, Central Asia, and the Development of Continental Transport and Trade, Central Asia-Caucasus Institute & Silk Road Studies Program, Washington, DC: 64

The EU and the US have many shared interests in Central Asia, but follow different approaches. Allowing Central Asian governments to pick and choose partners enables them to play one actor against the other without engaging in much-needed reforms. EU-U.S. coordination and cooperation on border control support; promotion of democratic and human rights values; and development aid would help to increase leverage over local regimes, as well as increase the effectiveness of their respective or joint assistance programs in the region[59].

As Prof. F. Starr and S. Cornell propose, the EU, by contrast, defines itself on the basis of norms and values rather than pure interests, though as will be discussed in this paper, in Central Asia the EU often acts on the basis of a combination of European interests and values. This makes the EU particularly hard to pin down, and certainly implies that Central Asian leaders are predisposed to viewing the EU in the way it views other great powers. In spite of this, the role of the EU in Central Asian states' strategy has grown along the EU's own evolution. Several factors account for this. According to analysts, there are at least three spheres of policy where the EU, Central Asian countries, and other powers (Russia, China, the U.S., India, etc.) can work together.

First, cooperation to combat the common security threats coming from Afghanistan and Pakistan, in particular in the form of drugs and radical Islamic terrorism. Second, the regional water-hydropower nexus, where major solutions could best rely on international consortia with all major players present. Third, optimization of transcontinental transport routes for trade.

As for organizational initiatives, the EU might, if invited, become an observer member of the SCO. Or, alternatively, the EU meetings with the five Central Asian states could for some purposes be extended to include Afghanistan, Pakistan, and India. Moreover, since the EU has decided to have a Central Asia strategy, it is obliged as a matter of strategic consistency to articulate this in its world view.

The EU has based its approaches to Central Asia on the idea of placing it in the Eurasian context. It seeks to foster regional cooperation among the five states and is allocating 30 percent of its budget to regional projects. It comes to Central Asia with a presumption in favor of regional cooperation, the prospects of which look vague. But has the regional dimension of the EU Central Asia strategy been adequately conceived for the 21st century? This question is suggested by the great and growing regional role of China and India.

The reopening of transport corridors connecting Europe and Asia via Central Asia is sure to be one of the most momentous developments of the coming decades. By creating land routes that will enable the booming economies of China and its neighbours to trade directly with the large economies of the European Union, it will increase the speed and drive down the cost for everyone involved. The benefit of such a development for Europe's manufacturing sector is obvious. The Central Asian transit countries also have much to gain from this project, including new hard and soft infrastructure, yields on tariffs, the creation of jobs, and efficient outlets for their own products.

The Strategy divided EU priorities into seven areas. The fourth priority is "Strengthening energy and transport links," including supporting an integrated Central Asian energy

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[59] Starr S. Frederick, Cornell Svante E. (2018) The Long Game on the Silk Road: US and EU Strategy for Central Asia and the Caucasus, Lanham (MD), Boulder (CO): 160.

market, as well as the development of sustainable and renewable energy. Solutions need international consortia with all major players present. There is also a crucial need to improve transcontinental transport routes for trade. This could include the full opening of the transport corridor through the Caucasus and to facilitate its use by simplifying access through the Kazakhstani port of Aktau and Turkmenistan's new port at Turkmenbashi.

It is expected that the European Union Strategy "EU and Central Asia: New Opportunities for a Stronger Partnership" will allow Europeans to flexibly adapt their policies within the framework of more specific development programs and other initiatives. At the same time, it should be understood that this framework document sets the EU member states a general tone of cooperation and does not give specific guidelines for promoting their national interests in the region. In this regard, the development of traditional cooperation between countries on a bilateral basis does not lose its relevance.

At the same time, it is obvious that taking into account the current global processes cooperation of the European Union with Central Asia can bring, in addition to practical benefits, political and image dividends. Thus, effective cooperation with the region and the results achieved can be used as evidence of the effectiveness of European diplomacy for interaction with other regions. The Central Asian countries are also interested in developing a strategic partnership with the European Union, which would meet new realities and new needs.

First, the Central Asian states are inherently positively predisposed toward non-regional powers' presence in Central Asia. Second, Central Asian states have seen growing trade relations with the EU. The EU is, alongside China, the region's largest trade partner, with a total trade turnover of close to US $40 billion. Third, the EU is a source of both technology and ideas for Central Asia. This is not necessarily always a positive factor in the relationship, as Europeans often berate Central Asians for their human rights record and the lack of democratic reforms, criticism that Central Asian leaders do not necessarily welcome[60].

The majority of Central Asian elites share many common views about the EU: they feel that the EU is barely visible in Central Asia; that it is unknown to the population; that it has complex bureaucratic procedures; and that it has ambitions greater than its actual leverage. Ruling elites believe the EU lacks pragmatism in comparison to Chinese and Russian cooperation and influence. To conclude on a positive note, the EU can increasingly play to its strengths. European culture is admired by political and civil society elites in Central Asia. The strategy's fifth heading was "Environmental sustainability and water," which focuses heavily on the promotion of cooperation on water management, a perennial apple of discord in Central Asia.

Moreover, the EU offers an important alternative to the overwhelming influence of China and Russia. The EU is also seen as an actor with fewer stakes and interests in the region in comparison to China, Russia and the U.S., often turning the Union into an impartial player that can foster regional cooperation and understanding. But for the EU to increasingly engage in Central Asia it will need to strengthen its visibility. This can perhaps best be achieved by more transparent development assistance and a policy

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[60] Cornell, Svante E., Starr, Fr. Steady Hand, A (2019) The EU 2019 Strategy and Policy toward Central Asia, Central Asia-Caucasus Institute & Silk Road Studies Program, Johns Hopkins University, Washington, D.C.: 72.

focused on those areas in which the EU most excels and for which it is most admired: culture, education and regional cooperation.

The strategy should be made more flexible in terms of the projects and mandates that special EU agents in the recipient countries are authorized to accomplish. For the sake of achieving more efficiency and flexibility, a somewhat dynamic consultancy mechanism could be established in the EU offices of the recipient countries, such as an operational monitoring system and the appointment of highly qualified and independent national professionals for these offices. The strategy should imply frequent interactions between three sides – EU representatives, state authorities and civil society activists, experts and analysts – recognizing their potential to achieve joint inputs and outputs. For instance, joint sessions of official and non-governmental representatives might be organized on a regular basis.

The European Union had radically revised its Central Asian policy and the way it cooperates with the regional structures (including the SCO). There was a previous document –"The EU and Central Asia: Strategy for a New Partnership for the Years 2007-2013" – dated by 31 May, 2007. For obvious reasons, the EU needed Central Asia as a sustainable source of natural resources. This is not all, however: Brussels was convinced that it should expand its regulatory values to the region.

On the other hand, the European states (NATO members in particular) play an important role in combating the threats emanating from Afghanistan. The European Union does not hail the steadily increasing involvement of the United States in Eurasia and has to take Russia's interests into account. Recently, European experts have come to the conclusion that the EU will balance out China's increasing influence in the region, since Russia has stepped aside. These factors should be taken into account when formulating Central Asia's position in relation to the European Union.

The launch of an EU Strategy is an opportunity to take a step back and assess the EU policy toward Central Asia. The overview of EU policy in preceding pages suggests that from relatively modest beginnings two decades ago, the EU has devoted considerable attention and resources to its relationship with Central Asia – with a very organized approach, involving the production of concrete strategies, reviews of these strategies, and European Council conclusions on the region on a bi-yearly basis. This is laudable and compares well to the more disorganized policy of the United States toward Central Asia.

An overview of EU strategies raises a series of issues that continue to confront EU policy in Central Asia. First among these is scope. The EU is active on numerous fronts and has to take into account the interests of 28 member states, different EU institutions, civil non-government and activist organizations, and Central Asian governments. Navigating the different priorities advanced by different actors raises the risk of the EU trying to do too much with too little, instead of focusing its energies on several specific matters. Second is the regional question: the EU is frequently criticized for taking a regional approach to countries that have distinct differences.

In the near future, the relations between Central Asia and the EU will be affected by the geo-economic situation and geopolitical factors, such as Washington's new strategy in Central Asia; the vague military-strategic prospects in Afghanistan; the relations between Russia and the West; growing enormous China's economic and political influence; the world economic crisis; and the much greater importance of energy sources and food safety.

This can either positively or negatively affect the relations between Europe and Central Asia. Much will depend on the political will of the actors involved in the geopolitical intricacies. One thing is clear: Europe and Central Asia need each other for objective reasons. In short, the EU will need to increase its visibility if it wants to have influence in a region facing immense challenge not only from China and India, but also from Afghanistan and the threats of terrorism.

The Central Asian transit countries also have much to gain from this project, including new hard infrastructure developments - manufacturing plants, bridges, transportation, and communications networks - and soft infrastructure such as the creation of jobs and efficient outlets for local products. As for organizational initiatives, for some issues, EU meetings with the five Central Asian states could include Afghanistan, Pakistan, and India.

The 2019 Strategy is a solid next step in the EU's engagement with Central Asia. It has strong elements of continuity with the previous EU documents, while also showing the ability of adaptation to new developments, as seen most directly in the EU's stronger endorsement of regional cooperation in the region. The 2019 document also fulfilled an important and difficult task through the very process through which it was developed, succeeding in ensuring that important constituencies in both Central Asia and the EU were consulted, without losing control of the scope and breadth of the document's priorities[61].

As the EU turns toward implementing the priorities set out in its new Central Asia strategy, this study proposes several concrete recommendations for policy. This overview of EU strategy toward Central Asia suggests that over time, the EU has paid an increasing amount of attention to Central Asia and is in many ways the primary force representing the West in the region. Not only has the EU's attention to the region been on the ascendant, its constantly evolving approach to the region has exhibited consistency and predictability, while succeeding in conducting a realistic assessment of the most fruitful way to advance both European norms and European interests in Central Asia. Most important, the EU has continued to maintain a regional approach to Central Asia.

Separately, it is necessary to focus on the tools for the implementation of the Strategy, in which the key role is assigned to regional and bilateral programs financed within the 7-year budget cycles of the European Union. So, from 2014 to 2020, the budget for cooperation between the EU and Central Asia amounted to about 1.1 billion Euros[62].

## CONCLUSION

According to European experts, by 2050 a balance will be achieved between the volumes of emissions and absorption of greenhouse gases. At the same time, the natural capital of the EU will be protected and augmented, and economic growth will not depend solely on use of resources. However, they also note that in order to achieve this goal, Europe needs close cooperation with international partners. In this regard, the EU recognizes the

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[61] See also: Frappi, C., Indeo, F. (2019) Monitoring Central Asia and the Caspian Area Development Policies, Regional Trens, and Italian Interests, Eurasiatica Quaderni di studi su Balcani, Anatolia, Iran, Caucaso e Asia Centrale, Venezia: 218.

[62] Joint Communiqué: European Union - Central Asia Foreign Ministers' Meeting, Brussels, November 23, 2018. - URL: https://eeas.europa.eu/headquarters/headquarters-homepage/54354/joint-communiqu%C3%A9-european-union-%E2%80%93-central-asia-foreign-ministers-meeting-brussels-23-november_en

growing potential of the Central Asian countries and draws attention to the significant challenges they face in working to improve the resilience of their national economies.

In its new program document in relation to Central Asia, the European Union reaffirmed the importance of the comprehensive development of cooperation with the Central Asian countries and the region, in general, reaffirming its intentions to promote its sustainable development and outlining the priority areas of interaction at the interregional level.

It is expected that the European Union Strategy “EU and Central Asia: New Opportunities for a Stronger Partnership” will allow Europeans to flexibly adapt their policies within the framework of more specific development programs and other initiatives. At the same time, it should be understood that this framework document sets the EU member states a general tone of cooperation and does not give specific guidelines for promoting their national interests in the region. In this regard, the development of traditional cooperation between countries on a bilateral basis does not lose its relevance.

Taking into account the new relevant approaches and aspects of the Strategy, the effect of its implementation has yet to be assessed. It is obvious that the concentration of many priority areas in one document will set the European Union the task of using more resources than before. However, in connection with the changes taking place in the EU today against the background of the coronavirus pandemic, the weakening of the economy in this regard, migration and other problems, along with the strengthening of the role of Eurosceptic, the question arises whether the potential of the European Union will be sufficient to fully disclose and realize them.

At the same time, it is obvious that taking into account the current global processes cooperation of the European Union with Central Asia can bring, in addition to practical benefits, political and image dividends. Thus, effective cooperation with the region and the results achieved can be used as evidence of the effectiveness of European diplomacy for interaction with other regions.

The Central Asian countries are also interested in developing a strategic partnership with the European Union, which would meet new realities and new needs.

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# Certain aspects of the development of Kazakhstan's transport corridors

*Zhulduz BAIZAKOVA*
Senior researcher
Institute for Security and Cooperation Studies,
Department of International Relations,
Al Farabi Kazakh National University
Almaty - Kazakhstan

## EXTENSIVE ABSTRACT

Данная статья охватывает вопросы современного сотрудничества Казахстана с регионом Центральной Азии, а также другими ключевыми игроками в сфере транспортных коридоров и логистики. Речь идет об интересах Российской Федерации, Китая, Ирана, Афганистана, Пакистана и других.

С начала 2020 года мировая пандемия серьезно затронула сферу транспорта и логистики, и прогресс был приостановлен ограничениями Ковид-19, включая различные национальные, региональные и международные меры по сдерживанию распространения пандемии путем сдерживания глобальных цепочек поставок. Регион Центральной Азии, будучи слабо взаимосвязанным, испытал последствия глобального кризиса в числе первых.

В контексте выхода США и международного контингента стран НАТО из Афганистана в середине 2021 года, Вашингтон четко дал понять смену своих внешнеполитических приоритетов. Сегодня регион Центральной Азии не входит в сферу среднесрочных интересов для США и стран Запада.

Снижение американской политики в регионе совпало с ростом китайского присутствия. Именно в 2014 году Пекин впервые объявил о своей инициативе «Пояс и путь». С тех пор Китай приступил к осуществлению нескольких многомиллиардных инфраструктурных проектов, направленных на строительство и обновление новых и существующих морских портов, автомагистралей, железных дорог и других объектов с конечной целью строительства как сухопутных, так и морских мостов к европейским, а в конечном итоге и африканским рынкам.

В то же время, усиление роли и присутствия Китая в регионе, и в Казахстане, в частности, отражает определенный сдвиг в геополитическом развитии ЦА.

Китай тоже иногда создает проблемы с точки зрения транспорта и логистики. Например, в октябре 2021 года китайские таможенники запретили казахстанскому зерну и другой сельскохозяйственной продукции пересекать границу из-за внутренних ограничений COVID, или так они утверждали. Такие задержки на пересечении границы происходят все чаще, к большому сожалению казахстанских чиновников.

Среди основных вызовов и угроз в области транспорта и логистики выделяются географическое расположение Казахстана и современная геополитическая ситуация. Казахстан вынужден бороться за развитие и диверсификацию своих

экспортных маршрутов, рынков сбыта, а также новых транспортных коридоров. Как показали недавние события, связанные со специальной операцией российских сил на Украине, Казахстан оказался как бы под перекрестным огнем антироссийских санкций с одной стороны, и экономической взаимозависимостью с другой. Безусловно, антироссийские санкции фактически моментально ударили по РК, особенно в сфере экспортных поставок. Международные порты начали отказывать в принятии казахстанского экспорта, потому что товары прибывали на российских судах, зачастую без сопровождения необходимых документов, таких как международная страховка. Данные примеры наглядно показывают необходимость переориентации экономической и торгово-транспортной политики Казахстана, включая острую необходимость по поиску альтернативных путей и маршрутов сбыта собственной продукции.

В то же время, Узбекистан активно продвигает и лоббирует свои национальные интересы по созданию транспортного хаба на своей территории, посредством подключения Китая через железнодорожную сеть к Афганистану, Ирану и далее в страны Южной Азии. Казахстан в данном случае остается в проигрыше.

Казахстан никогда не прекращал попытки привлечь больше инвестиций и других возможностей для своего транспортного сектора и увеличить прибыль. Казахстан добивается развития своего национального транспортного потенциала с начала 1990-х годов. Страна старалась привлекать и вкладывать значительные средства в строительство и перестройку национальной системы автомобильных и железных дорог; морские порты и аэропорты, включая пограничные контрольно-пропускные пункты.

В рамках госпрограммы «Нурлы жол» в стране построено свыше 1300 км новых железных дорог. Есть планы увеличить пропускную способность грузового терминала Достык к 2022 году, расположенного на границе с Китаем.

В течение длительного времени Казахстан вместе с другими странами ЦА стремится к более тесному сотрудничеству с Ираном для получения доступа к открытым морям. Однако геополитическая конфронтация вокруг Ирана сделала эти вопросы слишком сложными и иногда даже слишком рискованными для изучения. Остается неясным, может ли Иран безопасно торговать со странами Центральной Азии в рамках действующего режима санкций.

То есть, пока перспективы Казахстана в получении доступа к южным морям также выглядят мрачными. Две страны в непосредственной близости от Казахстана, Россия и Иран, сталкиваются с жесткими санкциями, и предсказать, когда ситуация нормализуется, практически невозможно.

Руководство страны твердо верит, что есть и другие альтернативные транспортные проекты, которые предлагаются государствам региона. Страны Центральной Азии слишком хорошо понимают необходимость укрепления регионального сотрудничества в области логистики и транспорта. Региональная связь остается давней проблемой для Центральной Азии и Казахстана.

Таким образом, статья определяет основные вызовы и риски, и представляет широкую геополитическую картину региона, в котором страны Центральной Азии пытаются достичь одной универсальной цели – получить доступ к южным морям, посредством выхода на транспортные системы Ирана и Пакистана через турбулентный Афганистан.

## INTRODUCTION

Since gaining its independence, the Republic of Kazakhstan has been constantly working on improving and diversifying its transportation capabilities. The efforts paid off by bringing the country closer to the idea of serving as a land bridge connecting its Eastern and Western neighbours. Kazakhstan has been eagerly pursuing the development of its national transportation capacities since early 1990-s. The country tried to attract as well as invest heavily into constructing and re-constructing national highway and railway system; the seaports and airports, including the border checkpoints. It managed to resolve promptly and peacefully all of the border disputes left behind by the Soviet Union. It created necessary conditions for efficient border crossings, both for goods and the people. Kazakhstan directly borders five countries - Russia, China, Kyrgyzstan, Uzbekistan and Turkmenistan.

Via its land corridors, Kazakhstan connects China with Russia, South Caucasus and Europe; connects Russia with Central Asian region and Afghanistan; connects the rest of Central Asian republics (Kyrgyzstan, Tajikistan and Uzbekistan) with Russian Federation and Europe.

Being a transit country between East and West, Kazakhstan is widely considered as a strategic transportation link both regionally and internationally. However, since early 1990-s, there were always few key factors Kazakhstan struggled with and would probably continue to struggle with in the future. Those include geography and geopolitics, and whilst the former is constant, like the fact of being a land-locked country without an immediate access to the sea, the latter suggests much more volatile narrative. The complex character of geopolitics is that not only it frequently changes, but as a middle power Kazakhstan implements its own version of multi-vector, or multipolar foreign policy.

These factors, while running in the background still contribute to critical decision making in the area of transportation and communication. Furthermore, other explicit risks and challenges emerge, such as worldwide pandemic, focus on pursuing the sustainable development and green energy, the disruption of the global value chains and others.

Since early 2020, the field of transportation and logistics got seriously affected by the world pandemic and the progress has been suspended by Covid-19 restrictions, including various national, regional and international measures to curb the spread of the pandemic by containing the global supply chains. Clearly, it poorly reflected upon every type of the transport: land, sea and air; caused the disruption of the export/import operations, and resulted in creating a certain rift between the developed and developing economies. Central Asian region being poorly interconnected as it is, experienced the effects of the global crisis among the first. At the latest Central Asia-China Summit, Kazakh President Kassym-Jomart Tokayev highlighted the importance of diversifying the transportation routes by launching new land corridors. In this regard, authorities plan to invest as much as 20 billion USD until 2025 to expand the national transportation and logistical capacities, particularly in the direction of China[63]. According to some estimates, Kazakh government already

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[63] Askarov A. (2022) Kazakhstan intends to invest $20 billion in development of transport corridors (В развитие транспортных коридоров Казахстан намерен вложить $20 млрд.,), Kapital KZ 25.01.2022. – URL: https://kapital.kz/economic/102281/v-razvitiye-transportnykh-koridorov-kazakhstan-nameren-vlozhit-20-mlrd.html

allocated up to 30 billion USD in this field from early 1990-s[64]. Among other achievements, Kazakhstan managed to obtain the railroad link to Turkmenistan's national railway system. It proves to be highly important and strategic direction for future endeavours in this area.

Within the framework of state Program "Nurly Zhol", the country built over 1300 km of brand new railroads. For example, Borzhakty – ERSAI is now connected to the newly launched ferry complex Kuryk on the Caspian Sea[65]. Its construction was completed recently with the specific objective in mind – to serve as a supplementary port for Aktau. Nowadays Aktau port is getting heavily overwhelmed and overstretched with the sheer amount of shipped and received freight containers growing on the daily basis via Transcaspian route. In 2016, Azerbaijan, Kazakhstan, and Georgia signed an agreement on establishing the Trans-Caspian International Transport Route (TITR) to help to reduce the time required to reach a point of destination: up to 15 days instead of 45 days by the existing land corridors[66].

Kazakhstan together with other CA countries spends unbelievable amount on transportation, almost as much as 80% of the cost of the exported products. With 90 percent of the freight traffic between Asia and Europe occurring by maritime routes, the land corridors still remain at disadvantage. Without an efficient transportation system, Kazakhstan would continue facing difficulties in fully integrating into the global supply chains despite having abundant natural resources and being one of the littoral countries of the Caspian Sea, alongside Iran, Azerbaijan, Turkmenistan and Russia.

Similarly, Central Asian countries too comprehend well the need to enhance the regional cooperation regarding the logistics and transportation. Regional connectivity remains a long-standing issue for Central Asia and Kazakhstan. Overused old Soviet infrastructure, volatile regional and sometimes bilateral relations between the CA countries and low intra-regional trade levels contribute too[67]. On 24 February 2022, Russian Federation had launched "a special military operation" against Ukraine to protect the separatist regions of Donetsk and Lugansk as was claimed by the government. The operation had been deemed as both illegal and illegitimate by the international community, including European Union and NATO. Within barely a week, Russia became an international pariah overwhelmed under the countless sanctions and struggling to keep its national currency afloat.

Neither of Moscow's long-time allies and partners expected the situation to go from bad to worse in the matter of few days that followed the invasion. It became increasingly clear for the member states of the Eurasian Economic Union, including Kazakhstan that anti-Russian sanctions would hit them too, albeit indirectly. It was unclear though to what extent and how far the damage might take place. As of the March 5, 2022 the situation regarding the ongoing war in Ukraine is still unfolding and the effects as well as implications of the anti-Russian sanctions upon Kazakhstan's economic development are yet to be seen.

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64 Sultanov T. (2019) Development of transit potential in conditions of integration of the Republic of Kazakhstan into the -world transport system, *Eurasian Rail Alliance Index,* 05.31.2019. – URL: https://index1520.com/en/analytics/razvitie-tranzitnogo-potentsiala-v-usloviyakh-integratsii-respubliki-kazakhstan-v-mirovuyu-transport/

65 Kuryk Port Development Project. – URL: https://kuryk.kz/en/kuryk-project/development-history.html

66 Kenderdine, Bucsky (2021) Middle Corridor—Policy Development and Trade Potential of the Trans-Caspian International Transport Route, *Asian Development Bank*, May 2021. – URL: https://www.adb.org/publications/middle-corridor-policy-development-trade-potential

67 Sultanov T. (2019) Development of transit potential in conditions of integration of the Republic of Kazakhstan into the world transport system …

Already Kazakhstan started experiencing certain difficulties in delivering its goods, chiefly via the sea-ports[68]. This is easily explained by the fact of how close, almost interdependent the economies of Kazakhstan and Russia are, starting from the trade, import/export operations and the logistical chains between the two countries. Kazakhstani goods and products are shipped and delivered by the vessels registered in Russia that currently found themselves without an international insurance. Substantial amount of Kazakhstan's export to the world markets occurs via the territory of the Russian Federation, so when it does reach its destination the confusion begins. If situation is left unresolved, it would surely continue damaging Kazakhstan's export capacities further. This suspension of Kazakhstani goods has an inevitable logical conclusion: the urgency of diversification as fast as possible. And the search to remove the geographical curse of remaining land-locked.

The other impact from the ongoing war in Ukraine is considered more middle-term. Despite robust governmental measures to keep the prices down and the national currency afloat, the logistics nevertheless managed to get badly affected, which in turn contributes to the overall price increase. Moreover, some vendors deal with customers in Kazakhstan via their primary offices located in Moscow and other Russian cities which entails another set of damage to the continuous chain of supply between the two countries.The current situation better than any illustrates the pending risks and challenges, close economic and financial interdependency with Russia suggests for Kazakhstan.

With heavy anti-Russian sanctions under way, it is perhaps high time for Kazakhstan to start taking some serious precautious steps towards carving alternative transportation routes to South Asia, and possibly Iran. South Asian region has few issues of connectivity itself, with Pakistan forging stronger ties with China and Afghanistan and India pursuing its own ambitions elsewhere[69]. However, in January 2022 Islamabad announced its plans to construct a new gas pipeline from Kazakhstan. Also Pakistan envisioned to join the railway network with Kabul and Tashkent.

The other closest partner China too sometimes ends up creating troubles in terms of transportation and logistics. For example, in October 2021 Chinese custom officials banned Kazakh grain and other agricultural products from crossing the border due to the internal COVID restrictions, or so they claimed[70]. Such delays at the border crossing take place with an increasing frequency, much to the dismay of Kazakhstani officials. Kazakhstan never stops attempting to attract more investments and other opportunities for its transportation sector and to increase the profit. In this regard, there are plans to increase the cargo traffic capacity of the Dostyk Trans Terminal by 2022 located at the border with China. Currently over 70% of the traffic between the two countries flow through the Dostyk[71]. The most challenging route for Kazakhstan is envisaged as the one

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[68] "Shipping companies do not accept cargo from Kazakhstan»: the businessman's appeal was answered by the Foreign Ministry, March 03 (Судоходные компании не принимают грузы из Казахстана»: на обращение бизнесмена ответили в МИД). – URL: https://tengrinews.kz/kazakhstan_news/sudohodnyie-kompanii-ne-prinimayut-gruzyi-kazahstana-463433/

[69] Third Kazakh-China Rail Crossing Is Geo-economics, Not Development, by Tristan Kenderdine, December 2021 (Vol.16 No.4). – URL: https://www.globalasia.org/v16no4/feature/third-kazakh-china-rail-crossing-is-geo-economics-not-development_tristan-kenderdine#:~:text=In%20northern%20Xinjiang%2C%20China's%20economic,is%20no%20longer%20economic%20development.

[70] Transport trap: China banned the import of wheat from Kazakhstan (Транспортная ловушка: Китай запретил ввозить пшеницу из Казахстана), 05.10.2021. – URL: https://inbusiness.kz/ru/last/transportnaya-lovushka-kitaj-zapretil-vvozit-pshenicu-iz-kazahstana

[71] New Terminal at Dostyk Station Increases Cargo Traffic through Kazakhstan, 24 August 2021. Astana Times. – URL: https://

connecting Central Asia via Afghanistan to Iran and South Asia. When we say route, it suggests mainly railway network that can transport both goods and people. It should be solid, stable, and most importantly safe.

For a long period of time, Kazakhstan together with other CA countries has been looking towards cooperating closer with Iran to get an access to the open seas. However, the geopolitical confrontation around Iran made the matters too complex and sometimes even too risky to explore. In other words, it had never been particularly favourable and consistent. Iran's geopolitical stance in the region is also ambiguous and calls for few questions. It remains unclear whether Iran can safely trade with Central Asians under the current sanctions regime. And the new nuclear deal with United States has not been finalised for the time being.

In 2020 Iran opened 225 km. long railway link from Khaf to Herat in Afghanistan. The route is currently functioning to the benefit of both countries[72]. There are both good and bad news concerning this route for Central Asian republics, including Kazakhstan. If and when Kabul would be able to extend the existing Hairatan-Mazar-i-Sharif route to connect all the way to Herat, it would mean that both theoretically and empirically Central Asian countries would finally connect to the Iranian railway system. And would automatically gain access to Iranian sea ports. The bad news is no one can forecast precisely when this might happen, and how it might play out with increasingly conservative Taliban currently in power in Afghanistan.

Considering the recent tumultuous history of Afghanistan, it was always hard to tell whether the country can indeed serve as a solid and viable transportation link for whoever concerned. With Taliban takeover and major hostilities ended, it is yet an open question whether the new leadership is truly interested to implement those long pending infrastructure projects. So far there is only one route that functions today between Afghanistan and Central Asia: Termez-Mazar-i-Sharif railroad constructed back in 2011 and later exploited for the purposes of Northern Distribution Network. Uzbekistan and other interested parties envisage extending that railroad to the rest of the country and connect it with either Iranian or Pakistani railway system, preferably both[73].

The other alternative is to extend the railroad from Mazar-i-Sharif directly to Tajikistan to be connected in turn with Kyrgyz railway system leading further east to China. This route might prove longer though. Both Tehran and Kabul clearly prioritise the direct link to China: the shorter, the better as well as cheaper. Being located too far north Kazakhstan appears at a disadvantage here. Meaning, it is highly likely that the country would get bypassed to establish shorter, much more efficient route via Tajikistan and Kyrgyzstan. In this case Kazakhstan would fail to receive that long awaited access to the sea-ports of either Iran or Pakistan. Nur-Sultan would be left only to negotiate further and/or offer something in return for including the country in the suggested railway network. Meanwhile, Tashkent already signed the deal with Taliban regarding the construction of Trans-Afghan railway system linking Mazar-i-Sharif with Kabul and Pakistani Peshawar.

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astanatimes.com/2021/08/new-terminal-at-dostyk-station-increases-cargo-traffic-through-kazakhstan/

[72] Khaf-Herat Railway Project. – URL: https://www.railway-technology.com/projects/khaf-herat-railway-project/

[73] Central Asia in the system of international transport corridors: view from Uzbekistan, Institute for Strategic and Interregional Studies under the President of the Republic of Uzbekistan (Центральная Азия в системе международных транспортных коридоров: взгляд из Узбекистана, Институт стратегических и межрегиональных исследований при Президенте Республики Узбекистан), 06.09.2018. – URL: http://isrs.uz/ru/maqolalar/markazij-osie-halkaro-transport-julaklari-tizimida-uzbekiston-nigoi

World Bank is expected to fund the route worth 4.8 billion USD, as neither of the three countries involved is capable and willing to cover the bill[74].

Tashkent had been diligently negotiating and planning its opportunities in terms of regional connectivity, including both railroads and highways. In 2018, Kashgar – Irkeshtam – Osh – Andijan – Tashkent highway was launched connecting Uzbekistan with China via Kyrgyzstan, again bypassing Kazakhstan[75]. Uzbekistan is the only country in the region that borders all other Central Asian republics. Adding China-Kyrgyzstan-Uzbekistan railway with Kashgar-Irkeshtam-Osh-Andijan-Tashkent highway it makes up two different routes with every chance of becoming the key transport arteries that would finally bind Central Asia to the rest of the world[76]. Moreover, it also works well with the Chinese BRI narrative. At the same time, we should never forget about the geopolitics at play. These life changing infrastructure projects still hang in the air due to certain variables and factors, including the fragile situation in Afghanistan and its relations with each of CA country. Particularly very delicate configuration of the balance between Kabul and Dushanbe, one might add. Currently Taliban is experiencing certain difficulties regarding its relations with Tajikistan.

Dushanbe one way or another keeps providing support for ethnic Tajiks residing in Afghanistan, mainly in northern provinces. The current opposition group called National Resistance Front, the successor of the Northern Alliance who once sided with Washington during the Operation Enduring Freedom back in 2001 continues to present a very real and tangible threat to Taliban. In fact, it is considered the only enemy left to defeat within the country. The leader of the National Resistance Front, Ahmad Massoud junior stayed in Tajikistan after his forces got scattered by Taliban last year[77]. At the same time, since the takeover in August 2021, some of the military equipment and armoured vehicles United States left behind ended up in both Tajikistan and Uzbekistan when the pro-government troops escaped to the neighbouring republics. Taliban keeps demanding the return of those. Additionally the movement managed to station several thousand troops on the border with Tajikistan.

With relations turning this sour between the two CA republics and Afghanistan it remains to be seen whether any of the above mentioned logistical projects might materialise in the near future. However Afghanistan still depends on both Dushanbe and Tashkent regarding the supply of the electricity and humanitarian aid. Tajik power lines provide Afghanistan's Northern provinces with cheap electricity, etc.

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# CONCLUSION

Kazakhstan can only hope that this so called North-South transport corridor would prove beneficial for the main stakeholders, namely China, Iran and possibly India. Unfortunately neither United States nor European Union are interested so far in investing in the regional infrastructure at this stage. Since the withdrawal from Afghanistan, first in 2014, then in 2021 Washington had clearly signalled its dwindling interests to its Central Asian partners.

American declining policy in the region had coincided with the rising Chinese presence. It was in 2014 that Beijing first announced its One Belt, One Road initiative, also sometimes called as Belt and Road Initiative (BRI) and New Silk Road. Since then China had launched several multi-billion infrastructure projects aimed at constructing and renovating new and existing sea ports, highways, railways and other, with the ultimate purpose of building both land and the sea bridge to European, and eventually African markets. Kazakhstan as its first immediate western neighbour was supposed to serve as direct and strategic link connecting Beijing to other Central Asian republics, then to the Middle East and further to Eastern Europe.

With BRI's immediate future unknown, Kazakhstan is left greatly affected by the high connectivity gap separating it from closer integration into the global value chains. So far Kazakhstan's perspectives in gaining access to southern seas also looks bleak. Two countries in Kazakhstan's immediate neighbourhood, Russia and Iran are facing severe sanctions and it's almost impossible to forecast when the situation would normalise.

Having relied so massively on Moscow in terms of transportation and access to the world markets, Kazakh authorities may need to start investing in the alternative choices. The country's leadership strongly believes there are other alternative transportation projects that are being offered to the regional states. Like China having a direct access to both highway and railway system of Russian Federation or connecting directly with the bordering Kyrgyzstan and Tajikistan keen to participate in BRI as many others are, allowing thus to bypass Kazakhstan's territory altogether.

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# Belt and Road Initiative: opportunities for Kazakhstan

*Marat NARIBAYEV*
Professor
Kazakh-German University
Kazakhstan

## EXTENSIVE ABSTRACT

Статья посвящена актуальной тематике инициативы «Один пояс и один путь» (ОПОП) и участия в ней Казахстана. В историческом контексте инициативы рассмотрены концептуальные ее положения, включая положения совместного создания ОПОП и тесной связи экономик стран в мировой экономике.

Реализация ОПОП –это своеобразный ответ на призыв к многополярности, глобализации экономики, культурному многообразию, региональному сотрудничеству открытого типа, общей системы свободной торговли и открытости. Инициатива позволяет упорядочить перемещение факторов производства, повысить эффективность распределения ресурсов и т.п.

Инициатива - одна из составляющих стратегии торгово-экономического освоения Китаем Центральноазиатского региона и создания в перспективе полноценной зоны свободной торговли. Это подчеркивает тезис о четкой и прагматичной внешней политике Китая - крупной экономической державы как в глобальном, так и региональном форматах.

Для Республики Казахстан участие интересно с учетом некоторых условий, включая: анализ и выделение элементов, привлекательных для экономики страны, необходимость четкого определения организационных и правовых условий участия в проекте, обеспечение экономической безопасности страны. Также необходимо сверить стратегии развития страны и инициативы, раскрыть потенциал регионального рынка, активизировать инвестиции и потребление, создать спрос и рабочие места, а также проработать возможности для взаимного доверия и дальнейшего развития разностороннего сотрудничества. Казахстан прилагает усилия для активного участия в реализации Инициативы, опираясь на концептуальную основу и взаимовыгодное сотрудничество, стратегический характер партнерства и другие принципы.

Перспективными направлениями для Казахстана могут стать взаимная торговля, сфера инвестиций, развитие различной транспортной инфраструктуры, энергетика и транспортировка энергоресурсов, приграничное сотрудничество, переход к «зеленой экономике»-»зеленые реформы».

Взаимная торговля входит в перечень приоритетных направлений «Один пояс и один путь». Здесь следует четко придерживаться курса на устранение дисбаланса структуры казахстанского экспорта, обеспечение его диверсификации и поступательного роста товарооборота. Одновременно следует вести целенаправленную работу по увеличению содержания в казахстанском экспорте

продукции с высокой добавленной стоимостью. Также следует сосредоточиться на решение ряда задач, предложенных в инициативе. Приоритетными являются создание более благоприятных условий для внешней торговли и развитие таможенного сотрудничества в комплексе. Следует также работать над уменьшением издержек и увеличением пропускной способности перемещения грузов, в первую очередь транзитных.

Это будет способствовать решению еще одной важной для Казахстана внешнеэкономической задачи - формирование условий реализации соглашений ВТО.

В сфере инвестиций, привлекаемые инвестиционные средства следует направлять в различные перерабатывающие инновационные производства. Актуальным остается совместное создание высокотехнологических производств по переработке сырья, выпуск конкурентоспособных продуктов нефтехимии и металлургии, а также производство оборудования для нефтегазовой и металлургической промышленности, соответствующего мировым стандартам. Такая продукция позволит Казахстану обеспечить собственный внутренний рынок современным оборудованием, сократить расход валютных средств на импорт аналогичного оборудования, а также продвигать его на внешние рынки сбыта, улучшая структуру экспортных потоков.

В сфере энергетических ресурсов и передачи энергии следует активизировать сотрудничество в области экологически чистой энергетики, гидро- ветро- солнечной энергетике, других видах возобновляемой энергии. Актуальным является развитие технологий, оборудования и инжиниринга в области глубокой переработки природных энергоресурсов.

В рамках сотрудничества по передаче энергии и энергоресурсов предлагается участвовать в совместной деятельности по обеспечению безопасности нефтяных и газовых трубопроводов, других транспортных маршрутов, строительству трансграничных линий электропередач и коридоров передачи электроэнергии, а также модернизации существующих региональных электросетей.

В направлении “зеленых” реформ и внедрения “зеленых” технологий- учитывая большой опыт Китая в области “зеленых” реформ и то, что в Казахстане ведется работа по переходу к “зеленой экономике”, целесообразно включить в перечень задач - пункты Инициативы о необходимости “строить объекты «зеленой» низкоуглеродистой инфраструктуры, и уделять этому неослабленное внимание, предотвращая негативное влияние на среду и климат” региона. Следует проводить активную деятельность по повышению экологической культуры, укреплению сотрудничества в сфере охраны экологии, биологического разнообразия и противодействия изменениям климата, сообща создавать так называемый «зеленый» Шелковый путь.

При изучении основных направлений ОПОП, интересных для экономики Казахстана, было определено, что одним из ключевых направлений является Международная логистика и использование транс регионального транзитного потенциала для содействия реализации внешнеэкономической политики государства. Ключевым фактором стало выгодное географическое расположение страны в центре транзитной инфраструктуры Евразии.

Поэтому развитие различной транспортной инфраструктуры должно стать наиболее емким и разносторонним, так как связано практически со всеми отраслями национальной экономики страны. Здесь необходимым представляется развитие инфраструктуры в сфере транспорта и логистики, проектов инфраструктуры приграничного сотрудничества в целях улучшения условий автомобильных и железнодорожных грузопассажирских перевозок, и повышения эффективности использования Трансазиатского транспортного коридора. Казахстану следует оптимально организовать и результативно участвовать в работе по состыковке планов строительства инфраструктуры и существующих технологических стандартов, строительству международных магистралей и сети транспортной инфраструктуры, а также развитию инфраструктуры в сфере сельского, лесного и рыбного хозяйств, животноводства, переработки сельскохозяйственной продукции и экологического туризма.

В области международных телекоммуникаций приоритетным может стать участие в совместном строительстве и эксплуатации трансграничных оптико-волоконных и кабельных линий связи. Это позволит повысить качество и обеспечить надежность трансграничных телекоммуникаций по всему Экономическому поясу Шелкового пути. Следует также включить в программу сотрудничества повестку вопрос совместного производства телекоммуникационного оборудования.

В целях обеспечения бесперебойного функционирования сухопутных и водных каналов для смешанных перевозок, а также международной системы прохождения таможни, перегрузки и осуществления мультимодальных перевозок заинтересованным структурам следует организовать и участвовать в работе по формированию совместных правил международной транспортировки различных грузов, строительству инфраструктуры на пограничных переходах, увеличению количества водных маршрутов и авиасообщений, укреплению сотрудничества в области морской логистики, повышению уровня модернизации инфраструктуры авиационных перевозок.

На развитие транзитного потенциала Казахстана и повышение результатов его участия в ОПОП, влияет эффективное использование таких транспортных направлений и логистических факторов, как коридоры Ляньюнган – Хоргос- Актау, Центральная Азия –Бендер-Аббас (Иран), Казахстан – Азербайджан – Турция, Железнодорожный переход Казахстан – Туркменистан – Иран (Организация Экономического Сотрудничества-ЕСО), проект фидерного транспорта, а также открытие таможенного поста «Нұр жолы», как еще один вклад в возрождение Великого шелкового пути (ВШП).

С учетом того, что Казахстан находится маршрутах Шелкового пути и в центре его транзитной инфраструктуры акцент был сделан на одном из ключевых направлений ОПОП – «Транспорт и Логистика». Какие новые возможности они дают для экономики и бизнеса. В первую очередь они развивают логистическую деятельность и повышают уровень использования транзитного потенциала, и в итоге конкурентоспособность национальной экономики. Рассмотрены имеющиеся факторы и пути участия Казахстана в рамках транспорта и логистики, а также выделены и проанализированы приоритетные (актуальные) сферы и области экономики Казахстана, вклад в развитие которых дает можно получить за счет участия в ОПОП. Среди них – развитие прямых связей между административно-территориальными единицами и сфера «зеленых» реформ.

Далее рассмотрены дипломатические приоритеты, задачи внешней политики и приоритеты экономической дипломатии – которые можно решать и подвигать за счет участия Казахстана в инициативе ОПОП. К ним можно отнести:

- расширение международного сотрудничества для привлечения качественных иностранных инвестиций в базовые отрасли, включая транспорт и логистику;
- содействие в интеграции индустриальных сфер экономики Казахстана в международные и региональные производственные цепочки;
- содействие казахстанским товаропроизводителям в реализации проектов на зарубежных рынках;
- формирование трансконтинентального транзитно-логистического хаба на магистральных путях Восток – Запад и Север – Юг с опорой на потенциал государственной программы «Нұрлы жол», внедрение режима «открытого неба» и инфраструктурные инициативы зарубежных партнеров;
- развитие торгово-экономического и инвестиционного сотрудничества на региональном и местном уровне, Международного Центра приграничного сотрудничества «Хоргос», Центра торгово-экономического сотрудничества «Центральная Азия»;
- содействие укреплению региональной и глобальной энергетической безопасности, достижению баланса интересов стран-производителей, транзитеров и потребителей энергоресурсов, созданию диверсифицированных, стабильных и безопасных маршрутов их экспорта.

В заключении рассмотрен новый взгляд страны на новые вызовы COVID-19 в рамках ОПОП.

# INTRODUCTION

The BRI Initiative (Initiative), voiced by the leader of China, has a large-scale, strategic nature[78]. The following most significant and interesting aspects of it and possible approaches to Kazakhstan's participation in it can be distinguished.

1. First of all, the formulation of the Initiative. Symbols of common history and continuity are used in the transmission of the values of the Great Silk Road, declared a symbol of communication between East and West[79].
2. The modern international realities of the XXI century are reflected when "... the process of world economic recovery is" sluggish and slow ", and the international and regional situation remains complex and confused", the urgency of the development of "the main value of the Great Silk Road" is noted.
3. The Chinese economy and the world economy are closely related.

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[78] China and Kazakhstan need to create a "Silk Road Economic Corridor" - Chinese President Xi Jinping (2015) (Китаю и Казахстану нужно создать "экономический коридор Шелкового пути" - председатель КНР Си Цзиньпин.) - URL: http://kz.chineseembassy.org/rus/zhgx/t1074163.htm

[79] Excellent Prospects and Practical Actions for the Joint Creation of the Silk Road Economic Belt and the 21st Century Maritime Silk Road (2015). Material of the Chinese Consulate General in Almaty. (Прекрасные перспективы и практические действия по совместному созданию экономического пояса Шелкового пути и морского Шелкового пути XXI века (2015). Материал Генерального консульства КНР в Алматы).

4. China's need "to expand openness to the outside world and strengthen mutually beneficial cooperation with the countries of Asia, Europe, Africa... China is ready... to take on more obligations and make a more significant contribution to the world and form a new model of international cooperation and management"[80].
5. Changes took place in the international trade and investment structure and in the rules of trade, once again emphasizes the seriousness of the problems and the need for their joint solution.
6. The creation of BRI is a response "to the call of the world for multi polarity, economic globalization, cultural diversity, regional cooperation of an open type, a common system of free trade and openness."[81] BRI will help streamline the movement of factors of production, increase the efficiency of resource allocation, etc.
7. The initiative is one of the components of the strategy of trade and economic development of the Central Asian region by China and the creation in the future of a full-fledged free trade zone. This emphasizes the thesis of a clear and pragmatic foreign policy of China, both in the global and regional formats[82].

With this in mind, Kazakhstan is expected to participate subject to certain conditions.

1. Analysis and selection of elements that are attractive (benefits and advantages) for the country's economy.
2. The need for a clear definition of the organizational and legal conditions for participation in the project. Ensuring the country's economic security should remain one of the main conditions.
3. The need to reconcile the country's development strategies and initiatives, to unleash the potential of the regional market, to intensify investment and consumption, to create demand and jobs.
4. To work out the possibilities allowing "the peoples of different countries to meet more often and get to know each other more" for mutual trust and further development of diversified cooperation.[83]

The position of Kazakhstan should be to actively participate in the implementation of the Initiative. One of the key areas of BRI - International logistics - is the use of trans-regional transit potential for the implementation of Kazakhstan's foreign economic policy. The key factor is the country's favorable location in the center of the transit infrastructure of Eurasia region. What directions and projects can be taken into account and used to implement the tasks of foreign economic activity?

## Lianyungang - Khorgos - Aktau corridor

On the border of Kazakhstan and China on September 27, 2018, the NUR ZHOLY (RK) - KHORGOS (PRC) checkpoint, the largest in the CIS, was opened. The customs post will increase 30 times, and the increase in passenger traffic by 18. The opening of the Nur

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[80] Ibid.
[81] Ibid.
[82] Belt and Road Initiative: Status and Prospects (2018) Almaty: Research Institute for International and Regional Cooperation of the Kazakh-German University, 220 p. (Инициатива «Один пояс и один путь»: состояние и перспективы (2018) Алматы: Исследовательский институт международного и регионального сотрудничества Казахстанско-Немецкого университета, 220 с.)
[83] Ibid.

Zholy customs post is another contribution to the revival of the Great Silk Road (GSR) and an increase in the transit potential of Kazakhstan[84].

## Central Asian - Bandar Abbas (Iran) corridor

Railway crossing: Kazakhstan - Turkmenistan - Iran. According to the President of the Republic of Kazakhstan "at present there is good interaction within the Economic Cooperation Organisation, but there is still a lot to be done to achieve sustainable progress". Kazakhstan is very interested in bringing this railway line to full capacity[85]

## Kazakhstan - Azerbaijan - Turkey

Feeder transport project. Caspian feeder: the first feeder vessel was launched from the port of Aktau in Baku in April 2019.

### *1. New opportunities - for the economy and business.*

First of all, they are developing logistics activities and increasing the use of transit potential and, as a result, the competitiveness of the national economy.

- 1) The historical aspect - it is necessary to use the entrepreneurial interest in the caravans of the Great Silk Road. This factor has good potential and can be used in the development of tourist routes. In particular, there is a high tourist potential from China to Kazakhstan, various tourist routes and programs.
- 2) Project "Tien Shan". It provides special visas for businessmen and will make it easier to do business. Kazakhstan participates in this project.
- 3) "Digital Silk Road" is one of the paths of the Kazakhstan Digitalization Program.

In April 2019, the BRI summit was held in Beijing - where they talked about the results and prospects. As the head of the Kazakh delegation said - the world is tired of conflicts and opposition. Many countries and international organizations are interested in participating in BRI. BRI is a belt of tension reduction, stability and prosperity.[86]

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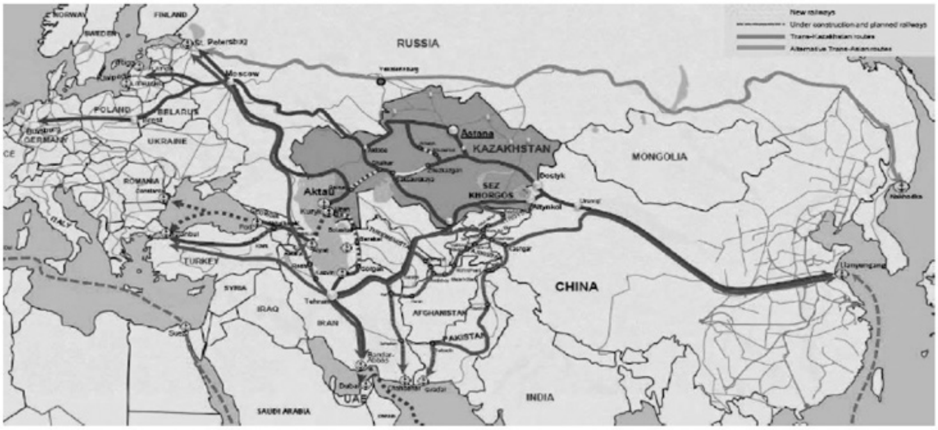
[84] https://kgd.gov.kz/ru/news/otkryt-novyy-punkt-propuska-nur-zholy-otkrytie-dannogo-punkta-propuska-privedet-k-vozrozhdeniyu

[85] Naribayev M. The Economic belt of the silk Road Opportunities and risks for Kazakhstan. Bulletin of NAS RK. # 6, 2018. p. 188-191.

[86] https://strategy2050.kz/

**Table 2: Railway corridors going through Kazakhstan**[87]



## *2. Suggested ways and measures*

1) Basic approaches to Kazakhstan's participation in the Initiative are:

- mutually beneficial nature of cooperation;
- ensuring the economic security of the country;
- support of the strategic nature of the partnership, which has a conceptual basis.

2) Promising areas: mutual trade, investment, development of various transport infrastructure, energy and transportation of energy resources, cross-border cooperation, the transition to a "green economy" - "green reforms".

## The development of these areas in the project is as follows.

**Mutual trade** is included in the list of priority areas BRI. Here it is necessary to strictly adhere to the course of eliminating the imbalance in the structure of Kazakhstani exports, ensuring its diversification and progressive growth of trade turnover. First of all, it is necessary to reduce the share of raw materials, scrap metal and similar commodity items. At the same time, purposeful work should be carried out to increase the content of products with high benefit in Kazakhstan's exports. The attention should also be focused on addressing some of the challenges proposed in the initiative.

1) Creation of more favorable conditions for trade due to:

- elimination of investment and trade barriers, improvement of the business environment in Kazakhstan;
- increasing the potential for cooperation and improving its quality;
- increasing the transparency of technical measures to regulate trade;
- expanding the range of products, optimizing the structure of mutual trade;
- development of new forms of trade, such as cross-border e-commerce;
- creation of a program of measures to facilitate trade in services.

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[87] Research &knowledge management. Railway Infrastructure Upside Transit Potential. September 2017. 20 p.

2) The development of customs cooperation can go by reducing costs and increasing the throughput of movement of goods. The main paths here will be:

- mutual assistance and mutual recognition of the results of customs control;
- development of cooperation in matters of inspection and quarantine, certification of goods;
- improvement of infrastructure at checkpoints and introduction of a "one window" regime at checkpoints;
- improving the security of supplies by optimizing cross-border surveillance procedures, introducing online checks of quarantine certificates, mutual recognition of certified intermediaries (distributors);
- efficient exchange of customs statistics data.

This will contribute to the solution of another important foreign economic task - the formation of conditions for the implementation of the WTO agreements. Kazakhstan is already completing the process of joining this organization and in the future it will have to run an economic cooperation under new WTO conditions. Our country needs to form and maintain certain competitive advantages and prospects for conducting foreign trade activities.

***Investment sphere***. This key area should be addressed by:

- improvement of favorable conditions for the use of investments;
- elimination of existing barriers to attracting investment;
- ensuring comprehensive investment protection and avoidance of double taxation;
- observance of the legal rights and interests of investors.

The growth of attracted investment funds from Chinese partners should be directed to processing industries, primarily to the oil, gas, mining and metallurgical sectors. The joint creation of high-tech industries for the processing of raw materials, the production of competitive petrochemical and metallurgical products, as well as the production of equipment for the oil and gas and metallurgical industries that meet international standards remains relevant. Such products will allow Kazakhstan:

- to provide our own domestic market with modern equipment;
- to reduce the consumption of foreign currency for the import of similar equipment;
- to promote it to foreign sales markets, improving the export structure.

**Development of transport infrastructure**. This direction should become the most comprehensive and versatile, as it is associated with almost all sectors of the national economy.

1) It seems necessary to develop infrastructure in the field of transport and logistics, infrastructure projects for cross-border cooperation in order to improve the conditions for road and rail freight and passenger transportation and increase the efficiency of using the Trans-Asian corridor. Kazakhstan should organize and participate in the work on:

- alignment of infrastructure construction plans and existing technological standards;
- construction of international highways and a network of transport infrastructure;
- development of infrastructure in the field of agriculture, forestry and fisheries, animal husbandry, processing of agricultural products and ecological tourism.

2) In the field of international telecommunications, participation in the joint construction of cross-border fiber-optic and cable communication lines may become a priority. This will improve the quality and ensure the reliability of cross-border telecommunications throughout the Silk Road Economic Belt. The issue of joint production of equipment should also be included in the cooperation program.

3) In order to ensure the smooth functioning of land and water channels for multimodal transport, as well as the international system of customs clearance, transshipment and multimodal transport, interested structures should participate in the work on:

- the formation of joint rules for the international transportation of goods;
- construction of infrastructure at border crossings;
- an increase in the number of water routes and air connections;
- strengthening cooperation in the field of maritime logistics.
- increasing the level of modernization of aviation infrastructure.

**The area of energy resources and transmission of energy.** Here it is necessary to intensify cooperation in hydropower, nuclear energy, wind and solar energy, and other types of clean and renewable energy. The development of technologies, equipment and engineering in the field of deep processing of natural energy resources is urgent. Within the scope of the supply of energy and energy resources. It is proposed to participate in joint activities on:

- ensuring the safety of oil and gas pipelines, other transport routes;
- construction of cross-border transmission lines and power transmission corridors;
- modernization of existing regional power grids.

**Development of direct ties between the administrative-territorial units of the countries.** This direction seems to be quite relevant. On the part of Kazakhstan, the subjects can be the East Kazakhstan, Almaty and Zhambyl regions, given their territorial proximity. On the Chinese side, we can offer the regions of Urumqi, Yining, Guangzhou and others. At the same time, the Khorgos ICBC should certainly become an important infrastructure component. It is advisable to intensify scientific and technical cooperation, exchange of experience in the field of high technologies and innovations. Close contacts should be established and the experience and possibilities of the Urumqi zone in the creation of high technologies and technical and economic development should be studied.

**Area of "green" reforms and introduction of "green" technologies.** Considering China's great experience in the field of green reforms and the fact that Kazakhstan is working on the transition to a green economy. It is advisable to include a list of tasks - points of the Initiative on the need to "build green low-carbon infrastructure facilities, and pay unremitting attention to this, preventing the negative impact on the environment and climate of the region. Vigorous activities should be carried out to improve ecological culture, strengthen cooperation in the field of environmental protection, biological diversity and counteracting climate change, together "build" the so-called "green" Silk Road.

It is necessary to take into consideration the important circumstance that China welcomes the attraction of investments of foreign companies in the country's economy and the development of infrastructure and industry of the countries along the territory of which the routes of the Great Silk Road run. In conclusion, it can be noted, that the application of these approaches and ways of participating in the creation of the BRI will allow Kazakhstan to take advantage of the benefits and results of this ambitious project, as well as to ensure the improvement of foreign economic activity and assistance to the development of the national economy.[88]

## Aspects of economic diplomacy.

According to the concept of Kazakhstan's foreign policy for 2020-2030- Priorities in the field of economic diplomacy:

- expansion of international cooperation to attract high-quality foreign investment in the basic sectors of the economy: mechanical engineering and instrument making, agro-industrial complex, light industry, transport and logistics;
- assistance in the integration of the most competitive sectors of the economy of Kazakhstan into international and regional production chains;
- assistance to Kazakhstani investors and manufacturers in the implementation of projects in foreign markets;
- continuation of efforts to transform Kazakhstan into a transcontinental transit and logistics hub on the East-West and North-South trunk routes, relying on the potential of the Nurly Zhol state program, the introduction of an "open skies" regime and infrastructure initiatives of foreign partners;
- development of trade, economic and investment cooperation at the regional and local level, ICBC "Khorgos", Center of TPP "Central Asia";
- assistance in strengthening regional and global energy security, achieving a balance of interests of countries, transit countries and consumers of energy resources, creating diversified, stable and safe routes for their export.[89]

# CONCLUSION

**One Belt One Way: a new look at new challenges.** Online meeting 24/06/2021 within the framework of the "One Belt, One Road" program. The main theme was "Facilitating cooperation against the COVID-19 pandemic for sustainable recovery". In his speech, Minister of Foreign Affairs Mukhtar Tileuberdi put forward a number of initiatives, including the establishment of cooperation in the digitalization of health care, ensuring access to vaccines against COVID-19 and their equitable distribution as a global public good. It's creating a practical mechanism of cooperation in the fight against coronavirus infection with participating countries. As a result of the event, the parties adopted two documents: "Belt and Road Partnership Initiative for cooperation in the field of vaccines against COVID-19" and "Belt and Road Partnership Initiative for cooperation in the field of green development."[90]

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[88] Naribayev M. The Economic belt of the silk Road Opportunities and risks for Kazakhstan. Bulletin of NAS RK. # 6, 2018. p. 188-191.

[89] The Concept of the Foreign Policy of the Republic of Kazakhstan for 2020-2030. 9 march 2020.

[90] The head of the Ministry of Foreign Affairs of Kazakhstan took part in an international video conference as part of the One Belt, One Road initiative (Глава МИД Казахстана принял участие в международной видеоконференции в рамках инициативы «Один пояс, один путь».)
URL: https://www.gov.kz/memleket/entities/mfa-london/press/news/details/221848?lang=ru

# Role of Central Asian Integration in Solving and Strengthening Logistics Issues

*Duman ZHEKENOV*
Dean of the Department of International Relations
al-Farabi KazNU
Almaty, Kazakhstan

## EXTENSIVE ABSTRACT (IN RUSSIA)

Вопросы логистики очень важны не только для стран Центральной Азии, но и для всего мира. Особенно логистика важна для развивающихся стран и регионов. Международные отношения, мировой порядок, геополитика являются политическими инструментами доминирующих стран или основных участников международных отношений. Но для развивающихся стран гео-экономика важнее геополитики. В этом случае вопросы логистики можно рассматривать как основные факторы в области гео-экономики.

Страны Центральной Азии - развивающиеся страны, соответственно регион также находится в стадии развития. Для региона и стран этого региона гео-экономика является важнее и существеннее геополитики.

Логистика – это как дипломатия для стран Центральной Азии. Не нужно подчеркивать актуальность логистики. Мы непосредственно сосредоточимся на роли интеграции в решении и усилении логистических вопросов, так как каждая страна региона пытается урегулировать вопросы логистики и получать от этого выгоду. В одном и том же сценарии одни страны могут достичь положительного результата, но другие могут столкнуться с убытками, или наоборот. Однако не в одном из этих сценарий Центрально-азиатский регион не может получить положительные результаты как полноценный геополитический регион. Только сильная и быстрая интеграция может способствовать региону решить логистические проблемы и укрепить ее, получив от этого положительные результаты.

Интеграционные процессы в регионе имеют определенные проблемы. Нельзя сказать, что в Центральной Азии нет интеграции. После распада СССР эти пять стран были определены как Центральная Азия. Именно эта простая географическая идентификация запустила интеграционные процессы. Тем не менее, уровень интеграционных процессов в регионе очень низкий. В этих странах имеются несколько основных факторов интеграции: общая или очень похожая история; одинаковые генетические корни, культура и мировоззрение; та же политическая система или режим; Исламский фактор; географическая граница. Эти факторы должны были стать основой глубокой интеграции, но этого не случилось. Все интеграционные инициативы исходят извне, а не изнутри. Страны Центральной Азии интегрированы в рамках региональных организаций, главной движущей силой которых являются Россия или Китай. Россия - в рамках Организации Договора о коллективной безопасности (ОДКБ) и Содружества Независимых Государств (СНГ); Китай - в рамках Шанхайской организации сотрудничества (ШОС).

Если попытаться дать оценку уровню интеграции в Центральноазиатском регионе, она будет оцениваться в рамках этих региональных организаций. Эти интеграционные модели важны и полезны для ускорения независимой интеграции отдельно для Центральной Азии. Однако мы должны понимать, что эти интеграционные процессы не могут отстоять интересы Центральной Азии как региона. Пришло время, для того, чтобы начать интеграционные инициативы изнутри региона, без каких-либо других региональных или глобальных доминирующих игроков международных отношений. С этой точкой зрения наша статья очень актуальна.

После распада СССР перед мировой академической сферой, в области международных отношений и геополитики, появился новый предмет для изучения как Центрально-азиатский регион, который потребовал новых подходов и комплексных исследований. Мы сосредоточимся на статьях, которые затрагивают две основные темы: интеграционные процессы в Центральной Азии и вопросы логистики в регионе. Также мы решили разделить их на две географические группы; авторы из Центральной Азии (внутренний взгляд), авторы не из Центральной Азии (внешний взгляд). Оба они очень важны для анализа, сравнения и попытки найти сопоставление.

Центральная Азия находится далеко от океана, поэтому нас не интересует теория «морской мощи» Альфреда Т. Махана. Нас интересует «Heartland» Хэлфорда Маккиндера. Все мы хорошо знаем о географической оси истории, и центрально-азиатские ученые и эксперты должны укреплять и развивать эту идею. В XXI веке, когда экономический центр смещается с Запада на Восток, когда логистические и транспортные возможности центрально-азиатского региона растут, концепция «heartland» стала снова актуальной.

Когда мы исследуем другие интеграционные процессы в качестве примера для Центральной Азии, мы не должны забывать о «географическом детерминизме». Европейский Союз или модель интеграции АСЕАН могут быть ориентиром для интеграции в Центральной Азии, но не могут быть путеводителям для этого региона. Мы должны изучить их успешный опыт и не должны повторять их ошибки, но сначала мы должны изучить собственное состояние, ситуацию, окружающую среду и историю, который могут быт теоретической основой собственный интеграции.

Центральная Азия должна сама разработать свою собственную концепцию интеграции на базе аналитических центров региона. Сегодня весь процесс глобализации, проблемы мирового управления, интеграционные и логистические вопросы нуждаются в аналитическом центре или мозговых центрах. Экспертные заключения и работа аналитических центров, а также концептуальные и теоретические продукты аналитического центра в области международных отношений и политологии должны быть теоретической базой наших исследований.

Дискуссионная часть статьи разделена на две части, которые анализируют ранний период интеграционного процесса и новый этап интеграции в Центральной Азии. В конце обсуждения было задано два новых вопроса и изложены мнение автора: могут ли Казахстан и Узбекистан стать осью Центрально-азиатской интеграции? Признают ли другие три страны центральную роль Казахстана и Узбекистана?

Эксперты Всемирного банка высказали свою точку зрения, согласно которой Центрально-азиатский регион еще не реализовал огромный внутренний и международный торговый, логистический и транспортный потенциал. Для этого есть ряд причин, например: отсутствие единого стратегического плана между странами Центральной Азии (проблемы интеграции); изоляция региона от мирового океана (географический детерминизм); не диверсифицированные транспортные маршруты (геоэкономические проблемы); нестабильная ситуация в Афганистане (геополитические проблемы). Каждая страна региона пыталась разрешить и урегулировать эти препятствия, но они делают это по отдельности. Если страны смогут достичь комплексного подхода к укреплению транспортных возможностей между собой и между соседними странами региона, ВВП региона увеличится на 15-20 процентов.

Если мы хотим решить логистические проблемы – мы должны регулировать интеграцию. Для интеграции мы должны создать теоретическую базу, для теоретической базы -страны Центральной Азии должны укреплять аналитические центры (или создавать их), для усиления аналитических центров - мы должны проводить научную интеграцию, для научной интеграции - мы должны наладить тесное академическое сотрудничество. (см. схему ниже).

- Академическое сотрудничество
- Научная интеграция
- Аналитические центры
- Теоретическая база
- Центрально-азиатская интеграция
- Решение и усиление логистических вопросов.
- Это может быть долгий и трудный путь, но у него будет прочная основа.

В заключение, логистика и транспортные коридоры похожи на вены региона. Тем не менее, для вен тело должно быть живым и целым. Центральная Азия с географической точки определена как регион, но этот регион должен экономически, политически, культурно и идеологически интегрироваться как можно скорее. Интеграция науки с наукой может стать движущей силой этого очень сложного процесса.

# INTRODUCTION

Logistic issues are very noteworthy not for only Central Asian countries, they are important for all over the world. Especially, it is significant for developing countries and regions. International relations, world order, geopolitics are the political tools of dominant countries or for main actor of international relations. For the developing countries geo-economics more essential than geopolitics. In this case, logistic issues are the main factor in the field of geo-economics. Central Asian countries are developing countries; relevantly region is also in the level of developing. For the region and for the countries of this region more important and vital geo-economics than geopolitics. If the diplomacy is a political tool for the main actor of the international relations, logistics is a main political tool for the Central Asian countries separately and for the completely central Asian region.

In these only two paragraphs, several times we have used the notion ‘Central Asian countires’ and ‘Central Asian Region’ simultaneously. Readers can say that we should use the notion of ‘region’. Nevertheless, Central Asian region is geographically identified region, on the other hand, this region is not a completely formulated politically and economically. Therefore every issue, not only logistics, should be investigated in two dimension. In the level of bilateral relations and in the level of raw multilateral relations.

Logistics as a diplomacy for Central Asian countries. No needs to emphasize the relevance of the Logistics. We will directly focus on the role of integration in the region in the solving and strengthening the logistic issues. Because, every country of region has been attempting to regulate logistic issues and get benefits from it. In one scenario, some countries may achieve positive results, others may face losses, or vice versa. However, it is not in one of these scenarios that the Central Asian region can receive positive results as a full-fledged geopolitical region. Only deep and quickly integration could help the region to solve and strengthen logistic issues and get benefits from it.

## Relevance

Integration processes have some problems in the region. Completely, we cannot say that Central Asia have not got the integration. After the collapse of USSR this five countries identified as a Central Asia. Just this simple geographical identification has started integrational processes. Nevertheless, the level of integrational processes very low in the region. These countries have some basic factor for integration: common or very close history; same genetic root, culture and world outlook; same political system or regime; Islamic factor; geographic border. These factors should be the base of the deep integration, but they could not. All the integrational initiatives come from outside, not from inside. Central Asian countries integrated within the framework of regional organizations that the main driving force are Russia or China. Russia – within the framework of Collective Security Treaty Organization (CSTO) and Commonwealth of Independent States (CIS); China – within the framework of Shanghai Cooperation Organization (SCO). If we will attempt to give the evaluation for the level of integration in Central Asian region, we will assess within the framework of these regional organizations. Nothing from inside. These integrational models and roads are important and useful for accelerating the independent integration for Central Asia separately. However, we should understand these integrational processes could not uphold the Central Asian interests as a region. Its time, actually we have long ago missed, for starting integrational initiatives from inside the region, without any other regional or global dominant actors of international relations.  From this foreshortening, our article is very relevant.

Nevertheless, from the early period of independents Central Asian countries have understood that they should integrate as a region. The first president of the Republic of Kazakhstan N. Nazarbayev had started some initiatives.  On April 30, 1994, an Agreement was signed between Kazakhstan, Uzbekistan and the Kyrgyz Republic on the creation of a Common Economic Space, which provides for “free movement of goods, services, capital, labor and ensures an agreed credit and settlement, budgetary, customs and currency policy”[91].  This was a first step for integrations and these three countries targeted to sign

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[91] Agreement on the creation of a single economic space between the Republic of Kazakhstan, the Kyrgyz Republic and the Republic of Uzbekistan // Collection of basic documents of the Inter-State Council of the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Uzbekistan and the Republic of Tajikistan. (Договор о создании единого экономического

plethora of other memorandums and agreements in the field of economic integration. On 1998, the Tajikistan had also joined to this alliance and Central Asian Alliance was transformed to the Central Asian Economic Community (CAEC). Within the CAEC was signed a lot of documents and planned to achieve common economic system. However, most of them were just a paper. We have a two main reason for this; first, each leader of these countries wanted to become the dominant leader of the region. Secondly, main target of each country was to integrate and cooperate with developed countries not with low-income countries of the region in that time. On one hand, all of them theoretically understood that regional integration is essential. On the other hand, they practically did nothing. Gradually, CAEC transformed to the Organization of Central Asian Cooperation (OCAC).

However, despite the vigorous activity of the states of the region to build integration structures and strengthen cooperation, integration has not achieved its goals. No single market was created. The reason was that the economies of the countries were further and further distanced. In connection with the decision to join Russia to the OCAC, in 2005 OCAC merged with the Eurasian Economic Union (EEU) and, thus, was actually liquidated.

Later, despite the fact that the idea of Central Asian integration has always remained relevant, new proposals did not find much support in the region. For example, in 2005, the President of Kazakhstan N. Nazarbayev put forward the idea of creating a new integration organization, but Uzbekistan did not support the initiative, giving priority to the development of bilateral relations. When we start thinking about the reasons for the failure of the previous stage of Central Asian integration, first, attention is drawn to the fact that the scale of integration ideas in Central Asia was not backed up by real economic instruments. Secondly, lack of common and own theoretical base for integration or if we have own theoretical base, lack of the Think-tank centers to study and promote these bases.

## Literature review

After the collapse of USSR in front of world academic sphere, in the field of international relations and geopolitics, has appeared a new subject as a Central Asian region that required new approaches and complex investigations. We can collect dozens of research papers about the Central Asia and related with it that where written between 1991-2021 years. However, we focus on to the papers, which involve two main subjects: integrational processes of Central Asia and logistic issue on the region. Also, we decided to classify them for two geographical groups; authors from Central Asia (internal view), non-Central Asian authors (external view). Both of them are very important for analyzing, comparison and for attempting to find a juxtaposition.

***Internal views.*** One of the main author from Central Asia (Kazakhstan) is M. Laumulin, who has been complexly investigating all the questions about Central Asia and related subjects. We can list dozens of papers written by M. Laumulin, but we would like to focus

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пространства между Республикой Казахстан, Киргизской Республикой и Республикой Узбекистан//Сборник основных документов Межгосударственного Совета Республики Казахстан, Киргизской республики, Республики Узбекистан и Республики Таджикистан.) — Bishkek, 1998.

on the latest monograph called "Central Asia in the era of transformation"[92]. M. Laumulin analyzed complex problems of Central Asian region generally, distinct problems of each countries of region particularly. In this monograph we can find process of Central Asian integration, where given assess and possible scenario for future integrational processes. In addition, one of the subchapter called "Transport and communication corridors", which is very important for our research. Lack of economic relations, one of the main reason for slow and weak integration in the region. From the view of M. Laumulin: "transport integration is a core factor of economic integration"[93]. We totally agree with him, but in this subchapter where analyzed only the transport corridors which Kazakhstan are actively participating for the process. We have to analyze whole Central Asian transport integration and logistic issues.

Another famous author from Central Asia (Uzbekistan), that his papers actively cited and take notice for every scholars who interested with Central Asia is F. Tolipov. The article "Micro-geopolitical semiotics of Central Asia: "Crossroads" and "bridges" analyzes a highly specific geopolitical phenomenon—geopolitical self-identification of the Central Asian countries with the help of geographic images, symbols, and signs used to prove their importance on the international arena and at the regional level in particular[94]. We were captured up with the idea of Micro-geopolitics based by geo-historical background. In our research paper we have been attempting to prove that without own geopolitical conception and thoughts, even "international theories with Central Asian specific" we cannot get out of the way Central Asian integrational processes. From this point of view, the article written by F. Tolipov can be the beginning of the study of history as the basis of geopolitics and the beginning of new research approaches on the study of the topics under our consideration. We would like to draw your attention to a few more articles by this author[95]

Abovementioned two author from Kazakhstan and Uzbekistan have made very attractive scientific discussion on the topic of "Uzbekistan and Kazakhstan: A Struggle for Leadership?" that published on several journals and websites[96]. On one hand, it is direct proof that between Central Asian countries has a scientific integration. On the other, this dialog or discussion showed that there is no desire for cooperation between countries; on the contrary, there is a desire for domination. If Central Asia wants to make an integration, Uzbekistan and Kazakhstan should understand that only equality, cooperation and mutual recognition of the equality could be the base of integrational processes. Kazakhstan and Uzbekistan should be the axis of Central Asian integration as a French and German in European Union. Moreover, it is time for moving up from competition to cooperation; from being the leader of Central Asia to being the axis with mutual recognition of equality.

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[92] Laumulin, M. (2020) Central Asia in the era of transformation (Центральная Азия в эпоху трансформации). – Nur-Sultan: KISS, 2020. – 464 p.

[93] Ibid.

[94] Tolipov, F. (2014) Micro-geopolitical semiotics of Central Asia: "Crossroads" and "bridges". - URL: https://www.researchgate.net/publication/283020090_Microgeopolitical_semiotics_of_Central_Asia_Crossroads_and_bridges

[95] Tolipov, F. (2010) Geopolitical Stipulation of Central Asian Integration, Strategic Analysis, 34:1, 104-113, DOI: 10.1080/09700160903378319 Tolipov, F. (2019) Uzbekistan-2.0 and Central Asia-2.0 New Challenges and New Opportunities, Monitoring Central Asia and the Caspian Area Development Policies, Regional Trends, and Italian Interests edited by Carlo Frappi and Fabio Indeo

[96] Laumulin, M., Tolipov, F. (2010) Uzbekistan and Kazakhstan: Fight for Leadership? (Узбекистан и Казахстан: Борьба за лидерство?). - URL: http://www.pircenter.org/media/content/files/9/ 13522873000.pdf

F. Tolipov mentioned that the next generation of leaders have a clear task for making integration, if they are not burdened with narrow national interests and continue to sacrifice higher regional interests and goals[97]. In this case, I challenge my Uzbek colleagues (young generation) to make a scientific discussion or dialog on the topic of "Can Kazakhstan and Uzbekistan be an axis of Central Asian integration?" that can be a base of new scientific integration.

In addition, we want to list some other author, which we collected as an internal view: Bulat Makhamediyev and Azimshan Khitakhunov from Al-Farabi Kazakh National University, that focused on regional integration from the economic and trade aspect[98]; Dadabayeva, G., White, K. from KIMEP University (Kazakhstan) whose tried to analyze the possible integration of Central Asia without Russia[99]; Rasyl Jumaly who published a book about the geopolitics of Central Asia[100].

***External views.*** During the research work on this topic, we have collected a huge number of foreign authors with a variety of opinions. Some of them believe for future Central Asian "own" integration, some of them thought that in this region the integration possible with participant of other international actors, some of them pointed out that with the idea of new Eurasianism Central Asian integration has dead. In our literature review, we inderlined some of them that is interesting in front of our view.

Department of International Relations Faculty of Political Science & Journalism Adam Mickiewicz University published the article "Central Asia is Dead, Long Live Eurasia? – Evolution of the (De) construction of Central Asia's Regionness," written by Mgr. Jeroen Van den Bosch[101]. The author tried to make an analysis based on historical background and focused on the "Turkistan", "Turan" ideas that can be the historical name of the region. The using the terms as "Alash Orda and Panislamism" drew our attention even deeper to the article. In this case, we want to add or develop it with the idea of "Alty Alash" (six nations). Idea "Alty Alash" can be the theoretical concept for the integrational processes of Central Asia. We have special pre-print called "A new enlightenment for Central Asian countries" that deeply describe this idea.

Lecturer in International Relations, School of International Relations, University of St Andrews Filippo Costa Buranelli published an article called: "Central Asian Regionalism or Central Asian Order? Some Reflections"[102]. From this article, we can find compresence the term of regionalism and regional organizations and resemblance and differences between them.

In addition, we should underline other authors like: Juheon Lee, Aleksey Asiryan and Michael Butler whose published article about Central Asian integration from the prism

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[97] Laumulin, M., Tolipov, F. (2010) Uzbekistan and Kazakhstan: Fight for Leadership? (Узбекистан и Казахстан: Борьба за лидерство?). - URL: http://www.pircenter.org/media/content/files/9/ 13522873000.pdf

[98] Mukhamediyev B., Khitakhunov A. (2017) Central Asian Integration and Its Impact on Regional Trade and Economy. In: Bilgin M., Danis H., Demir E., Can U. (eds) Country Experiences in Economic Development, Management and Entrepreneurship. Eurasian Studies in Business and Economics, vol 5. Springer, Cham. - URL: https://doi.org/10.1007/978-3-319-46319-3_2

[99] Dadabayeva, G., & White, K. (2019). Can Central Asia Be Integrated Without Russia? (Возможна ли интеграция Центральной Азии без России?) Вестник КазНУ. Серия историческая, 91(4), 130-137.

[100] Zhumaly, R. (2006) Geopolitics of Central Asia. (Геополитика Центральной Азии) – Алматы 2006. – 515 p.

[101] Bosch, J. (2016) "Central Asia is Dead, Long Live Eurasia? – Evolution of the (De) construction of Central Asia's Regionness," in: J. Marszałek-Kawa (ed.) Political and Security Policy in Asia: Challenges, perspectives, implications, Toruń: Wydawnictwo Adam Marszałek, 2016.

[102] Buranelli, F.C. (2021) Central Asian Regionalism or Central Asian Order? Some Reflections", *Central Asian affairs* №8, 1–26 pp.

of ASEAN example[103]; Marlene Laruelle from G. Bashington University, who wrote about Kazakhstan dilemma between Eurasian integration and Central Asian integrations[104]; Diana T. Kudaibergenova from University of Cambridge, that published an article "Theorizing the nature of power in Central Asia. Introduction in special issue"[105].

## Theoretical-methodological base

Central Asian integrational processes have been dictating by the other actors of international relations. On other word, this integrational process is going from outside, not from inside. External integration processes are based on classical Western theoretical concepts. On 1997, British government and their alliances had returned the Hong Kong and Macao to continental China with one requirement: China should keep "to system one government" role. Beijing should keep socialism with Chinese specific, Hong Kong and Macao should keep democratic system with western standards. The main idea was that democratic system of Hong Kong and Macao would be like virus on the continental China and would be the factor of unsustainability. Contrarily, Hong Kong and Macao have become the driving force of the economic development of China. This case totally proved that the theory of "geographical determinism" is very relevant. The main theoretical basis of our research should be Gornfeld Montesquieu's book "On the spirit of laws"[106].

When we investigate other integrational processes as an example for Central Asia, we should not forget about the "geographical determinism". European Union or model of ASEAN integration can be guideline for Central Asian integration, but it cannot be the role for this region. We have to study their successful experiences and should not repeat their mistakes, but first we have to study own condition, situation, environment and history.

Central Asia is far away from the ocean, so we are not interested Alfred T. Mahan's "sea power" theory. We are interested Halford Mackinder's "heartland"[107]. We all well-known about the geographical pivot of the history, and Central Asian scholars and experts should strengthen and develop this idea. In XXI century, when economic center have been shifting from the West to East, when logistic and transport ability of the Central Asian region are rising, the conception of "heartland" steel is relevant again.

Subsequently, the above mentioned ideas Central Asia should itself develop its own concept of integration in the bases of the think tanks of the region. Nowadays, all the process of globalization, problem of world governance, integrational and logistic issue need analytical center or think tanks.  Expert opinions and work of analytical centers and conceptual and theoretical products of think-tank center in the field of international affairs and political science should be the theoretical base of our research.

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[103] Lee,J., Asiryan,A., Butler, M. (2020 )Integration of the Central Asian Republics: the ASEAN example. - URL: https://www.e-ir.info/2020/09/17/integration-of-the-central-asian-republics-the-asean-example

[104] Laruelle, M. (2018) Kazakhstan's dilemma on Eurasion and Central Asian integrations. - URL: https://www.researchgate.net/publication/343895694_Kazakhstan%27s_Dilemma_on_Eurasian_and_Central_Asian_Integrations?

[105] Kudaibergenova, D., Buranelli., F.C.  (2021) Theorizing the Nature of Power in Central Asia. Introduction to the Special Issue, *Problems of Post-Communism*, 68:2, 89-91

[106] Montesquieu, C. (2001), The spirit of Laws. Batoche books, Kitchener, Canada, 726 p

[107] Mackinder, H. (1904) The Geographical Pivot of History, *The Geographical Journal*, Vol.170, No. 4, December 2004, pp. 298–321

M. Laumulin notices one of the main reasons for the collapse of the Soviet Union or the defeat in global world order in the lack of think tanks[108]. If the reason of the collapse of one of the dominant actor of international system is the lack of think tanks, obviously the problems of integration processes in Central Asia are also in it. In this case, we offer to start scientific integration between Central Asian countries, it can be a base other level of integration: people-to-people; business-to-business; state-to-state. The core of all these integration processes is science-to science.

## Discussion

***First integrational processes.*** After the collapse of the Soviet Union in 1991, the Central Asian countries found themselves in a particularly difficult situation. Within the framework of the USSR, a very high level of economic interdependence of the union republics was achieved. The disintegration of this network of connections created a serious problem. However, the level of development of the newly independent states in Central Asia was lower than that of the republics of the European part of the post-Soviet space. Therefore, it was more difficult for them to overcome the consequences of the collapse of the centralized system. In addition, the countries of Central Asia were isolated from world markets due to their special territorial location far from the World Ocean. Consequently, they needed to work with each other to overcome the all-round crisis. Many open issues needed to be addressed in a coordinated manner - first, issues in the water and energy sector.

In order to resolve them, organizations were created to regulate relations between states at the regional level. However, despite the presence of common problems and existing converging factors, projects to create a full-fledged integration association have not been implemented. It should be noted that the Central Asian republics were faced with the fact of the dissolution of the USSR, which took place because of the Belovezhsk agreement. Therefore, for the first time, the “Central Asian five” gathered immediately after that, on December 13, 1991, in the capital of Turkmenistan. Then they adopted a statement in which the countries of the region expressed their consent to join the CIS, which replaced the USSR, but subject to the provision of equal participation of the subjects of the disintegrating Union and the recognition of all CIS states as founders (as you know, the Belovezhsk agreement interpreted Russia, Belarus and Ukraine as the only founders of the USSR ).

Later, as dissatisfaction with the pace and nature of integration into the CIS grew, the countries of the Central Asian region began to make attempts at integration separately from the former Soviet republics. The beginning of a separate process in Central Asia was the signing on July 29, 1993 of the Almaty intergovernmental agreement on measures to deepen economic integration between Kazakhstan and Uzbekistan, to which Kyrgyzstan later joined. The main goals of the state were the solution of common economic problems after the breakdown of existing industrial ties, the development of the economic potential of the countries of the region, the distribution of energy resources, the provision of regional security, etc.

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[108] Laumulin, M.T. (2005) Central Asia in Foreign Political Science and World Geopolitics, Volume 1, Central Asia and Kazakhstan in Contemporary Political Science, Almaty (Центральная Азия в зарубежной политологии и Мировой геополитике, том 1, Центральная Азия и Казахстан в современной политологии). – Алматы. – 2005. – 704 р.

In connection with the growing influence of radical Islamism and the approach of the Taliban troops to the borders of Central Asia, the issue of security in the region became more and more urgent. In this regard, an important aspect was the strengthening of military-political cooperation, both between the countries of the region and with external actors. In order to intensify multilateral cooperation in the field of ensuring security in the region, developing a policy in the fight against terrorism and religious extremism, at the next summit in Tashkent in 2001, a decision was made to transform the CAPS into the Central Asian Cooperation Organization (CACO). Thus, the economic focus has shifted to issues of ensuring stability and maintaining peace in the region. Within the framework of the new organization, cooperation in the military-political direction was intensified, in addition, attempts were made to strengthen the political component, namely, inter-parliamentary cooperation of states, and the creation of a Council of Parliamentarians of the CACO member states. In 2002, a meeting of representatives of parliaments was held in Tashkent within the framework of the new organization[109].

However, despite the vigorous activity of the states of the region to build integration structures and strengthen cooperation, integration has not achieved its goals. Later, despite the fact that the idea of Central Asian integration has always remained relevant, new proposals did not find much support in the region. For example, in 2005, the first President of Kazakhstan N. Nazarbayev put forward the idea of creating a new integration organization, but Uzbekistan did not support the initiative, giving priority to the development of bilateral relations.

When we start thinking about the reasons for the failure of the previous stage of Central Asian integration, first, the experts take into consideration to the fact that the scale of integration ideas in Central Asia in the period 1990 - early 2000s was not backed up by real economic instruments. In this case, we have two more questions that are new: first, why 1990 – early 2000s should be the previous stage of the integration?; second, Do the main reason is lack of economic instruments and co-operations?

When we have started to study that the previous stage of the integrational processes of Central Asia began from 1991, we did a big mistake. The background of Central Asian integration far away from 1991. Before the 1991, during the USSR, during the period of Russian Empire, integrational processes were deeper that after 1991. Contrarily, from our point of view this period 1991-2000 is period of disintegration. Every country of the region had started own way and game and each of them dreamt to be a leader of Central Asia.

The very first stage of Central Asian integration was the period when Kazakh khan Khaknazar announced the idea of "Alty alash" (six nation). If we start to study this idea complexly and assess pros and cons of the conception, this idea can be a conceptual and ideological base for the new integrational processes of Central Asia.

Also, the one of the main factor of disintegration or crisis during the previous stage, as we get used to, not an economic factor. Main reason is lack of own conceptual, ideological base of Central Asia.

***New integrational processes.*** A new stage in the resumption of multilateral regional cooperation is associated with the coming to power in Uzbekistan of Sh. Mirziyoyev in

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[109] Makhmutova, E.V. (2018) Central Asia in search of its own integration model, *Bulletin of MGIMO University* (Центральная Азия в поисках собственной интеграционной модели), №4 (61). –78-91 pp.

2016 and with the large-scale reforms initiated by him in the country. Cooperation with neighbors has become a key priority of Tashkent's foreign policy, in connection with which dialogue with the states of the region has been activated again. So, in March 2018, in Astana (now Nur-Sultan), the first consultative meeting was held with the participation of the heads of all Central Asian states (with the exception of Turkmenistan, only the Chairman of the Parliament (Mejlis) Akja Nurberdyeva attended the summit)[110]. This event was the first meeting of representatives of all Central Asian countries, not initiated by external actors of international relations.

The next consultative meeting took place on November 29, 2019 in Tashkent. The summit stressed the importance of agreeing on a common vision of cooperation in the region. It was noted that in recent years, agreements have been reached on important issues that have not been resolved for many years, which meant significant progress. Considerable attention was paid to the issues of trade and economic relations, this is also because thanks to the successful reforms of Sh. Mirziyoyev, the trade turnover of Uzbekistan with the countries of the region has more than doubled in recent years, and the number of joint ventures has increased by four. In this regard, the Uzbek leader proposed to establish Investment Forum of Central Asian countries in Tashkent, as well as to hold annual meetings of the heads of the Chambers of Commerce and Industry. The importance of security issues in the region, the expansion of cooperation in the energy sector, as well as the cultural, humanitarian and tourism potential of Central Asia were especially emphasized.

Much attention was also paid to the topic of the transit potential of Central Asia and the improvement of the transport system within the region, in connection with which it is necessary to accelerate the formation of the Council for Transport Communications. Kazakhstan put forward the idea of concluding a "Treaty on good-neighborliness and cooperation for the development of Central Asia in the 21st century", which will reflect the basic principles of interaction between the states of the region. Moreover, it was decided to hold regular meetings of foreign ministers in the form of political consultations, as well as expert meetings.

It should be noted that it is the Tashkent-Nur-Sultan axis (in which both partners are absolutely equal, which is like the European France- Germany tandem) that will be the driving force behind the development of multilateral cooperation in the region. The smaller states of Central Asia will follow in line with the initiatives of Kazakhstan and Uzbekistan. It was the new open policy of Tashkent and the reforms of Sh. Mirziyoyev that changed the "alignment of forces" in the region and revived the integration processes, since Uzbekistan is the only country that borders on all the states of the region. In this context, the summit can be considered a great personal achievement of the new president of Uzbekistan. Kazakhstan, in turn, has always supported the idea of integration in the region. In recognition of the personal merits of N. Nazarbayev in promoting Central Asian integration, the first president of Kazakhstan was elected honorary chairman of the Tashkent consultative meeting. Since under Sh. Mirziyoyev, Uzbekistan intends to actively develop relations with all states of the region, a rather positive dynamics of development in this direction is seen.

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[110] Ibid.

In this case, we have two more questions that are new: first, can Kazakhstan and Uzbekistan be the axis of Central Asian integration?; second, Do other three countries recognize their Central role?

The discussion about the “Uzbekistan and Kazakhstan: struggle for leadership” between M. Laumulin and F. Tolipov should be no more relevant. Now both countries academic sphere should try to build the mutual beneficial and absolutely equal cooperation. If they overcome their small national interest in front of relevant regional interest, which simultaneously cover the national interest, these two countries can be the axis of Central Asia. All the more so, the architect of the world political system Z. Brzezinski in his «The Grand Chessboard» emphasized that Uzbekistan is the “soul” of Central Asia, and Kazakhstan is the “shield” of the region[111].

Another sensitive question the recognition of other three countries their central role. In this case, we should study advantage and disadvantage of French-German tandem in European Union. We know that some of the member of European Union blame axis EU in internal problems, but they understood that external question more relevant in the level of world affairs. Therefore, they can overcome their inner misunderstanding in front of common threats and challenges. Similarly, Central Asian countries should deeply understood relevant regional interests. Integration in the level of science-to-science can solve and regulate this problem.

# CONCLUSION

The experts from the World Bank have given their point of view, which concluded Central Asian region has not realized huge domestic and international trade, logistic and transport potential yet. There are a number of reasons for this, such as; lack of common strategic plan between Central Asian countries (problems of integration); the isolation of the region to the world ocean (geographical determinism); undiversified transport routes (geo-economic problems); unstable situation in Afghanistan (geopolitical problems). Each country of the region has been attempting to solve and regulate these obstacles and there are doing god efforts, but there are doing it separately. If the countries can achieve the complex approach for strengthening transport capability between each other and between neighbor countries of the region the region’s GDP will increase by 15-20 percent.

According to the estimates of the Institute of Central Asia and the Caucasus at the J. Hopkins University, transport isolation seriously hinders the economic growth of the Central Asian countries. This contributes to the development lag behind the maritime states by 20%.

At the same time, the volume of GDP in terms of purchasing power parity is reduced to 57%. The main losses are incurred by Uzbekistan, which must overcome the territory of the two states to enter world markets[112]. However, not only Uzbekistan has material losses, all countries are in same situation. In one scenario some countries can achieve

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[111] Brzezinski, Z. (2006) The Grand Chessboard. American primacy and its geostrategic imperatives. 109 p. - URL: https://thezeitgeistmovement.se/files/Books/Brzezinski-The_Grand_Chessboard.pdf

[112] Transport corridors of Central Asia: prospects and priorities for Uzbekistan (Транспортные коридоры Центральной Азии: перспективы и приоритеты для Узбекистана). - URL: retrieved from https://review.uz/post/transportne-koridor-centralnoy-azii-perspektiv-i-prioritet-dlya-uzbekistana

the beneficial result others can face damages, in the other scenario others. However, not on this several scenarios Central Asian region can get a benefit as an entire region.

For instance, by the project of Economic Belt of Silk Road with the transport corridors "Western Europe – Western China", which passes through China - Kazakhstan - Russia to Europe Kazakhstan can achieve some advantages. Especially, BRI and Kazakhstani strategic project "Nurly Zhol" have many common interests and overlaps.

*Retrived from google search*

Uzbekistan is also promoting projects that will connect the shortest route Central Asia through Afghanistan with Pakistan and the Middle East, provide an opportunity for the states of South Asia and the Middle East to enter the markets of the CIS and Europe. Thus, Uzbekistan is actively promoting the initiative to build the "Mazari-Sharif – Kabul – Peshawar" railway with access to the Pakistani ports of Gwadar and Karachi. Support in the implementation of this project was expressed by Russia, China, the United States and a number of international organizations, in particular the World Bank, ADB, EBRD, EIB, IDB and AIIB[113].

The implementation of this project will significantly reduce the delivery time of goods to Central Asia, the CIS and Europe. For example, with the full implementation of the project, the transportation of goods from Pakistan to Uzbekistan will take not 35, but 3-5 days.

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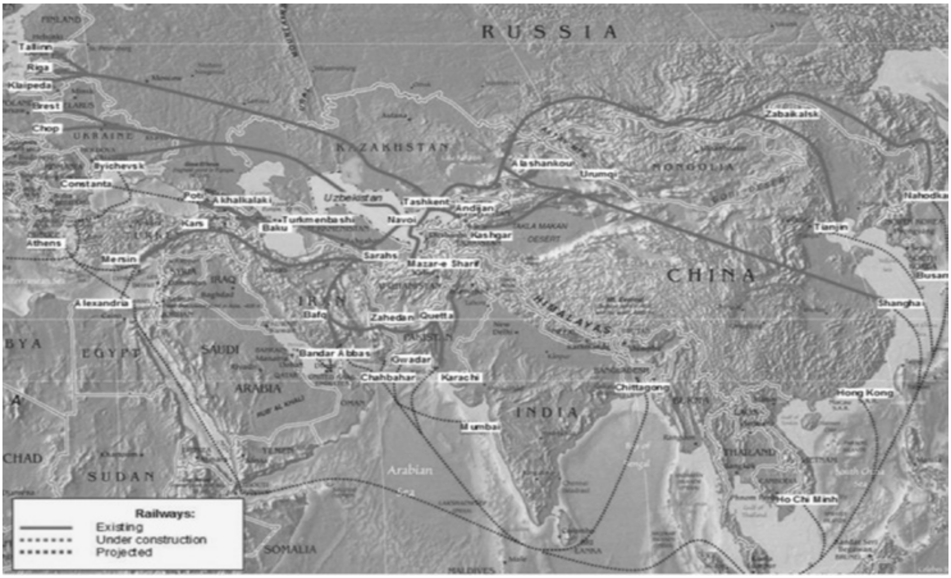
[113] Transport corridors of Central Asia: prospects and priorities for Uzbekistan (Транспортные коридоры Центральной Азии: перспективы и приоритеты для Узбекистана). - URL: retrieved from https://review.uz/post/transportne-koridor-centralnoy-azii-perspektiv-i-prioritet-dlya-uzbekistana



*Retrived from google search*

As you can see from the maps, Central Asian countries need common logistic strategic plan. Only deep and quick integration can solve and regulate this problem. Therefore, we are trying to give own conception to achieve this target. If we want to solve the logistic problems - we should regulate integration. For integration we should postulate theoretical base, for theoretical base – Central Asian countries should strengthen the think-tank centers (or create them), for strengthening the think tanks – we should make scientific integration, for scientific integration – we should make deep academic collaboration *(see below on the scheme).*

Academic collaboration
↓
Scientific integration
↓
Think tanks (analytical centers)
↓
Theoretical base
↓
Central Asian integration
↓
Solving and strengthening the logistic issues.

It may be a long and difficult way, but it is a way that will have a solid foundation. In conclusion, logistics and transport corridors like a vein of the region. Nevertheless, for the vein the body should be alive and intact. Central Asian region geographically defined, this region should economically, politically, culturally and ideologically should unify as soon as possible. “Science-to-science” integration can be the core driving force for this very complicated process.

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# Opportunities of trade and logistics cooperation within Shanghai Cooperation Organisation

*Kuralay BAIZAKOVA*
Professor
Director of the Institute for Security and Cooperation Studies
al-Farabi KazNU
Almaty, Kazakhstan

&

*Gulnara BAIKUSHIKOVA*
Associate Professor
al-Farabi KazNU
Almaty, Kazakhstan

## EXTENSIVE ABSTRACT

**Возможности торгово-логистического сотрудничества в рамках ШОС**

Для всех участников ШОС важно продолжение сотрудничества в области развития взаимосвязанности, внедрения на транспорте инноваций и эффективных технологических решений, развития мульти-модальных транспортно-логистических центров, перевозок всеми видами транспорта, прежде всего автомобильным и железнодорожным, а также создания современной транспортной инфраструктуры.

В декларации о создании ШОС 2001, Хартии ШОС, принятой в 2002 г., был заложен фундамент для налаживания регионального экономического сотрудничества.

В Программе многостороннего торгово-экономического сотрудничества стран-участниц ШОС 2003 на 20 лет транспорт назван одним из приоритетных направлений развития сотрудничества. В 2015 в рамках Организации была принята «Стратегия развития ШОС до 2025 года». Все эти документы содержат схожие положения, среди которых можно выделить и совершенствование транзитного потенциала государств-членов. Однако результаты региональной экономической кооперации пока недостаточно развиты.

Страны-члены ШОС все больше приходят к взаимопониманию по вопросам сотрудничества в рамках ШОС в транспортно-логистической сфере и подтверждают необходимость сосредоточить внимание на практической реализации целей и задач в сфере развития транспорта, которые были поставлены в ходе заседаний Совета глав государств-членов ШОС в 2018 в Циндао и в 2019 в Бишкеке, а также заседания Совета глав правительств в Ташкенте в 2019.

В 2019 была принята новая редакция Программы многостороннего торгово-экономического сотрудничества государств-членов ШОС до 2035, которая предусматривает реализацию задач по сбалансированному развитию эффективной

транспортной инфраструктуры и расширению применения цифровых технологий и интеллектуальных систем на транспорте для обеспечения устойчивого экономического роста в регионе.

Следует отметить, что в регионе ШОС уже проложено более 13 млн. км автомобильных дорог, или почти 20% всех мировых автомагистралей и около 250 тысяч км железных дорог, которые содействуют развитию региональной транспортной взаимосвязанности. Одновременно наблюдается тенденция роста перевозок грузов железнодорожным путем из Китая в Казахстан, Россию и далее в Европу, страны Центральной Азии и Персидского залива.

Далее государства-члены ШОС в 2019 г. государства-члены Организации подтвердили, что в целях повышения конкурентоспособности и привлекательности международных и региональных транспортных коридоров, пролегающих через территории государств-членов ШОС, важно дальнейшее углубление многостороннего сотрудничества в расширении транзитно-логистических возможностей региона путем создания новых и модернизации действующих международных маршрутов и мультимодальных центров логистики на пространстве Организации, развития международной транспортно-логистической системы.

Мультимодальные логистические центры, являясь важным узлом системы международных транспортных сетей, играют особую роль в эффективной организации логистической деятельности и обеспечении бесперебойного движения, перевалки, распределения и переработки трансграничных грузов.

В сентябре 2018 года в Ташкенте состоялась первая Встреча руководителей железнодорожных администраций государств-членов ШОС, что стало новым механизмом в рамках ШОС. Однако возможности железнодорожных перевозок еще слабы.

Развитие транспортной сети между странами Центральной Азии и выход к морским портам Пакистана и Ирана, развитие в регионе разветвлённой транспортной сети и создание условий для её эффективной интеграции в международную транспортно-коммуникационную инфраструктуру, стали основной причиной создания различных проектов строительства железнодорожных путей стран центральноазиатского региона с соседними странами и прежде всего с Афганистаном.

Меморандум по проекту строительства железной дороги Туркмения—Афганистан—Таджикистан был подписан еще в 2013 г. в Ашгабаде в ходе трёхсторонней встречи президентов трёх стран. Железная дорога должна была связать две страны Центральной Азии с Афганистаном и расширена далее в направлении Ирана на западе и к Кыргызстану и Китаю на востоке.

В настоящее время в Сурхандарьинской области Узбекистана активно действует Международный логистический центр с таможенным терминалом Termez Cargo. Через него проходит значительная часть грузов по направлению в северные провинции Афганистана.

Что касается Казахстана, то на рубеже нового этапа социально-экономической модернизации приоритетной задачей для страны в области развития национального транспортно-коммуникационного комплекса является обеспечение его конкурентоспособности на мировом рынке услуг и, соответственно, стимулирование роста торговых потоков через территорию республики.

Одной из наиболее важных точек казахстанского приграничного сотрудничества является Хоргос. На месте этого пограничного пункта, Казахстан сумел создать новую инфраструктуру транзита и приграничной торговли. Но, с другой стороны, экономический бум и большие денежные потоки привлекли внимание криминалитета, переросшее в создание целых цепей организованных преступных группировок. Километровые очереди грузовых автомобилей и вымогательство породили череду громких скандалов. Это нанесло сильный удар по имиджу Казахстана, как транзитного хаба и сухопутного моста между Азией и Европой.

Сегодня Республика Казахстан находится в процессе активного выстраивания своей транзитной политики, совершенствования ее направлений и формирования новых векторов. Для Казахстана важно, чтобы данная экономическая точка стала образцово-показательной, поскольку позитивный опыт Хоргоса будет экстраполирован на другие границы Казахстана с Россией, Узбекистаном, Кыргызстаном и другими странами.

Анализируя итоги январских событий 2022 г. в Казахстане, президент К. Токаев в том числе отметил важность наведению порядка на таможенной границе. Другой приоритетной задачей он обозначил диверсификацию транзитно-транспортных маршрутов и внедрение интегрированных логистических решений, в том числе через запуск новых сухопутных коридоров. Он сообщил, что на эти цели Казахстан до 2025 года планирует инвестировать 20 млрд долларов.

В целом, транспортно-транзитный потенциал стран Центральной Азии все еще остается малоразвитым. Согласно международному Индексу эффективности логистики, транспортная инфраструктура государств Центральной Азии не соответствует современным требованиям.

Китай является одним из мировых экономических центров, имеет огромный опыт в развитии транспортных сетей и создании мульти-модальных логистических центров. Так, КНР занимает третье место после США и ЕС по размеру рынка транспортно-логистических услуг — 18,7 % мирового рынка. Согласно планам правительства КНР, до 2035 года планируется создание сети из 212 новых логистических центров.

Сопряжение инициативы ОПОП с национальными стратегиями экономического развития государств-членов ШОС соответствует целям, задачам и принципам Организации. Так, для стран Центральной Азии сопряжение национальных стратегий развития с «Поясом и путем» позволяет создать прямой выход стран региона к морским портам.

Распространение коронавируса нанесло серьезный удар по мировой логистике и обеспечению цепочки поставок сырья и готовой продукции. По мнению большинства сторон, сейчас актуальными остаются вопросы бесперебойного обеспечения населения государств ШОС продовольственной продукцией, лекарственными средствами, медицинскими изделиями в условиях продолжающейся пандемии. В этом контексте прозвучали предложения по созданию специального механизма «зелёного коридора» по транзитным грузовым перевозкам для беспрепятственного прохождения импорта и экспорта социально значимых продуктов и средств индивидуальной защиты.

В процесс сотрудничества стран Центральной Азии с Китаем в сфере транспорта важно вовлекать Афганистан, что послужит еще одним фактором для стабилизации политической ситуации и экономического развития этой страны.

Одним из важнейших направлений развития афганской экономики является вопрос развития транспортной системы, в первую очередь, железных дорог. И политики, и эксперты, едины во мнении, что «благодаря географическому положению, Афганистан имеет огромный потенциал превращения в торговый, энергетический и транспортный узел региона, что будет способствовать обеспечению долгосрочного и устойчивого развития страны». Однако пока ситуация остается нестабильной никакую транспортную связь, будь то железные дороги, автомобильные шоссе, речные паромы, и даже воздушное сообщение, нельзя считать безопасными.

В рамках ШОС придается особое значение эффективному использованию имеющейся инфраструктуры в области транспорта, созданию новых мультимодальных транспортных коридоров, в том числе связывающих страны ШОС с крупнейшими морскими портами, строительству современных центров логистики, совершенствованию транзитного потенциала государств-членов и многостороннему сотрудничеству в сфере транспорта и логистики, как одного из главных условий для расширения взаимной торговли между странами-членами ШОС.

Однако процесс экономического сотрудничества в рамках ШОС замедляется из-за серьезных различий в уровнях экономического развития стран-членов, отсутствия механизма целевого финансирования проектов и ограниченности сфер взаимодействия.

Еще одним препятствием являются разногласия или конкуренция между государствами-членами ШОС. В качестве основных сдерживающих факторов взаимной торговли эксперты отмечают слабый уровень взаимодействия в транспортно-коммуникационной сфере между государствами ШОС.

Именно современная транспортно-коммуникационная и логистическая инфраструктура способна стать ключом к реализации многих крупных проектов и масштабных инициатив по созданию передовых производств и необходимых с учетом роста населения в странах ШОС необходимых рабочих мест.

# INTRODUCTION

The SCO is an organization that arose from the desire of states to jointly resolve issues of mutual security and confidence-building measures and subsequently extended its interests to the spheres of political, economic, cultural and humanitarian cooperation. It should also be noted such a subjective factor as the spirit of mutual respect and understanding that has developed in the SCO, a high level of trust and the ability to achieve mutually acceptable solutions.

For all members of this organization, it is important to continue cooperation in the field of interconnectedness, the introduction of innovations and effective technological solutions in transport, the development of multi-modal transport and logistics centers, transportation by all modes of transport, primarily road and rail, as well as the creation of modern transport infrastructure.

## 1. Evolution of SCO activities in the field of transport and logistics cooperation

Already in 1998, the members of the «Shanghai Five» raised the issue of encouraging and developing trade and economic cooperation. In the declaration on the establishment of the SCO in 2001, the expansion of economic cooperation was already highlighted as one of the priority areas of the organization's activities. The importance of cooperation in this area was also emphasized in the SCO Charter adopted in 2002[114]. Economic cooperation is an important component of cooperation within the SCO. First, the six countries created a mechanism for meetings of ministers of economy and trade and ministers of Communications, and searched for ways of practical cooperation in the trade and economic sphere. All this laid the foundation for establishing regional economic cooperation. The Program of Multilateral Trade and Economic Cooperation of the SCO member states, which approved in 2003 for 20 years was of great guiding importance for the development of regional economic cooperation between the countries.

In 2015, the «SCO Development Strategy up to 2025» was adopted within the framework of the Organization. All these documents contain similar provisions, among which are the following goals, directions and principles of the SCO, which determine the main priorities in the activities of the organization, namely: economic cooperation provides the support and promotion of regional economic cooperation in various forms, the promotion of the creation of favorable conditions for trade and investment for the gradual implementation of the free movement of goods, capital, services and technologies, as well as the efficient use of existing infrastructure in the field of transport and communications, the improvement of the transit potential of member states and the development of energy systems.

However, most of the existing economic programs were not implemented. The reasons for this lie in the fact that when creating the organization, the greatest attention was paid to security issues. Gradually, the SCO members began to actively interact in the field of trade, transport, industry, agriculture, and customs regulation. An analysis of the normative documents and mechanisms of economic cooperation of the SCO shows that the difficulties of economic cooperation are caused by differences in the priorities of the SCO member countries. One of the positive results of cooperation in the transport sector can be considered the signing, by the SCO member states in 2014, of the Agreement, according to which the SCO member states grant their carriers the right to carry out international road transport on each other's territory and some benefits.

The SCO member countries are increasingly coming to an understanding on cooperation within the SCO in the transport and logistics sector and confirm the need to focus on the practical implementation of the goals and objectives in the field of transport development, which were set during the meetings of the Council of Heads of State of the SCO Member States in 2018 in Qingdao and in 2019 in Bishkek, as well as meetings of the Council of Heads of Government (Prime Ministers) of the SCO Member States in Tashkent in 2019. At the same time, it was emphasized that the development of transport infrastructure and the implementation of large-scale joint projects in the field of transport, logistics and communications will significantly expand mutual trade, create

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[114] Charter of the Shanghai Cooperation Organization (Хартия Шанхайской организации сотрудничества). - URL: htpp://www.sectsco.org.

new markets, give a significant impetus to regional development and form a modern system of transport routes in the SCO space. Thus, on November 2, 2019, at a meeting of the Council of Heads of Government of the SCO in Tashkent, a new version of the Program for Multilateral Trade and Economic Cooperation of the SCO member states until 2035 was adopted.

The program of multilateral trade and economic cooperation of the SCO member states until 2035 provides for the implementation of tasks for the balanced development of efficient transport infrastructure and the expansion of the use of digital technologies and intelligent systems in transport to ensure sustainable economic growth in the region. It should be noted that more than 13 million km of roads, or almost 20% of all world highways, and about 250 thousand km of railways have already been laid in the SCO region, which contribute to the development of regional transport connectivity.  At the same time, there is a growing trend in the transportation of goods by rail from China to Kazakhstan, Russia and further to Europe, the countries of Central Asia and the Persian Gulf.

Another important document adopted at this meeting of the Council of Heads of Government of the SCO is the Memorandum between the customs services of the SCO member states on the mutual integration of national transit systems. The main purpose of this memorandum is to unify the principles of functioning of national control systems for transit goods, which should help accelerate the implementation of customs operations in relation to transit goods[115].

Further, the SCO member states in 2019, within the framework of the round table, the member states of the Organization confirmed that in order to increase the competitiveness and attractiveness of international and of regional transport corridors running through the territories of the SCO member states, it is important to further deepen multilateral cooperation in expanding the transit and logistics capabilities of the region by creating new and modernizing existing international routes and multimodal logistics centers in the space of the Organization, developing the international transport and logistics system[116].

Multimodal logistics centers, being an important node of the system of international transport networks, play a special role in the effective organization of logistics activities and ensuring the uninterrupted movement, transshipment, distribution and processing of cross-border cargo. Therefore, representatives of the SCO member states believe that it is necessary to develop partnerships between multimodal logistics centers, including through the exchange of information and investment cooperation. Such a partnership will help improve the efficiency of the functioning of the international transport corridors of the Eurasian region. At the same time, the role of the International Logistics Park of the city of Lianyungang in providing warehouse and logistics services for the SCO member states is important. Thus, the SCO member states noted the expediency of developing cooperation on the creation of multimodal transport and logistics centers.

Taking into account the steady dynamics of growth in the volume of rail and road cargo transportation between the SCO member states, representatives of the SCO member

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115 Customs of the SCO countries agreed to simplify procedures (Таможни стран ШОС договорились упрощать процедуры). - URL: https://ru.sputnik.kz/20191102/tamozhni-shos-uproschenie-protsedury-11923516.html

116 Information message on the results of the round table of the SCO member states (Информационное сообщение по итогам круглого стола государств-членов ШОС). (2019) - URL: http://rus.sectsco.org/news/20191207/611485.html

states noted the importance of continuing joint work on the construction of high-speed railways and highways, the creation of the necessary roadside infrastructure, as well as the formation of logistics centers and a network of industrial clusters along the transport arteries of the member states of the Organization. To promote the sustainable development of transport communications in the SCO space, they agreed on «the need for the widespread introduction of innovative and energy-saving technologies in the transport and logistics sector, the promotion of port cooperation, the facilitation of trade procedures, and the improvement of the efficiency of cross-border procedures in accordance with the best international practices to ensure the integrated use of transit potential of the SCO member states»[117].

In September 2018, the first Meeting of Heads of Railway Administrations of the SCO Member States was held in Tashkent, which became a new mechanism within the SCO. As noted by the then Secretary General of the SCO R. Alimov, «in conjunction with the development of the highway system, cooperation in the field of railway transport of the SCO member states is designed to contribute to the modernization of infrastructure and logistics, including through the expansion of the network of international logistics centers and the formation of a network of special multimodal transport and logistics clusters along road and railway arteries»[118].

Within the framework of the meeting of the Council of Heads of Government of the SCO States in Tashkent in November 2019, the «Concept of interaction between the railway administrations of the SCO member states», developed on the initiative of Sh. Mirziyoyev, was approved. The essence of this concept is to make more efficient use of existing highways, as well as the construction of new ones, in order to increase mutual and transit cargo transportation.

Currently, the shortest transport routes from China to Europe and the Middle East and back lead through Russia and Central Asia. Russia, through the modernization of the Trans-Siberian and Baikal-Amur railways, plans to increase their throughput by 1.5 times by 2025. The same processes are taking place in Kazakhstan, where 2.5 thousand km of railways and more than 12 thousand km of highways have been modernized and put into operation.  As a result, 11 international routes and corridors are already operating today; every day, 6-7 trains pass along the Kazakhstani highways from East to West. However, rail transportation capacity is still weak. For example, according to the European Commission, last year rail transport accounted for only 1.3% of trade turnover between China and the European Union and 2.6% in value terms, despite the fact that rail transport is usually cheaper than air and faster than sea transport.

At the same time, taking into account the active growth of electronic commerce at the regional and global levels, the need for accelerated delivery of goods to consumers, primarily by rail, is increasing many times. This testifies to the huge potential and opportunities for expanding mutually beneficial cooperation in the field of freight transportation by rail between the SCO countries.To increase the transit potential of the SCO member countries, the China-Kyrgyzstan-Uzbekistan railway construction project proposed by the leadership of Uzbekistan and Kyrgyzstan is very timely and can become

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[117] Ibid.

[118] The first meeting of the heads of railway administrations of the SCO member states was held in Tashkent (Первая Встреча руководителей железнодорожных администраций государств-членов ШОС прошла в Ташкенте). - URL: http://infosco.biz/index.php?lng=ru&newId=19330&domainId=sh

one of the promising additional routes connecting China with the countries of the Middle East, Turkey and Europe. The project is designed to become an important link in the regional transport network within the framework of the East-West and North-South projects, providing access to international seaports for the geographically closed states of Central Asia, which is the core of the SCO.

To analyze the existing enormous potential of the SCO in the transport and logistics field, attention should be paid to the World Bank's logistics infrastructure rating, which is published on the basis of surveys of logistics business figures from 155 countries every two years. Thus, according to the logistics index for 2020, the ranking of the SCO member states is as follows (in descending order):

- China - 12th place (in 2016 9th place) – 2018
- India - 44 (in 2016 – 36th place) – 2018
- Kazakhstan — 71 (in 2016 - 77th place)
- Russia - 75 (in 2016 - 99th place)
- Uzbekistan - 99 (in 2016 - 118th place)
- Kyrgyzstan - 108 (in 2016-146th place)
- Pakistan - 122 (in 2016 - 68th place)
- Tajikistan - 134 (in 2016 - 153rd place).

According to this index, the SCO member countries need to make additional efforts to intensify interstate cooperation in order to develop transport networks, create multimodal logistics centers and improve the efficiency of logistics services.

## 2. The role of Central Asian countries in the development of transport and logistics cooperation within the SCO

The development of transport infrastructure accelerates the development of regions. This is important for each region, but for the Central Asian region, the development of a solid infrastructure has its own characteristics. First of all, the countries of the region need to overcome geographic isolation, solve the problem of the region's closedness and dependence on countries that provide them with access to world markets. Due to its unique geographical location, Central Asia is able to turn into one of the most important hubs of world trade. To implement these plans, it is necessary to take into account a whole range of internal and external factors. As for external factors, the distinguishing feature is that for the Central Asian region, in addressing infrastructure issues, geopolitical and geostrategic factors are very important, on the choice of which their further development depends. In fact, these are questions of its competitiveness, questions of its integration into the world economy, and much more.

The development of the transport network between the countries of Central Asia and access to the seaports of Pakistan and Iran, the development of an extensive transport network in the region and the creation of conditions for its effective integration into the international transport and communication infrastructure, have become the main reason for the creation of various railway construction projects of the countries of the Central Asian region with neighboring countries and, above all, with Afghanistan.

The memorandum on the Turkmenistan-Afghanistan-Tajikistan railway construction project was signed back in 2013 in Ashgabat during a trilateral meeting of the presidents of the three countries. The railway was to link the two Central Asian countries with Afghanistan and expanded further towards Iran in the west and to Kyrgyzstan and China in the east. For Tajikistan, the main purpose of the construction of this railway was to lay an alternative route bypassing Uzbekistan. President of Turkmenistan Gurbanguly Berdimuhamedov, in turn, stated that the railway line would become part of the transport and transit project of the Afghanistan-Turkmenistan-Azerbaijan-Georgia-Turkey corridor. For Afghanistan, this is the first trans-Afghan railway.

In 2016, the western and eastern parts of the TAT project were built. However, the deterioration of the situation in Afghanistan hinders the implementation of the project. The Asian Development Bank, which financed the construction of the Afghan section of the road, announced that it was suspending participation in the project due to the deterioration of the situation. The next factor that slowed down the construction of the railway was the unexpected appearance of coronavirus infection for everyone, when all states of the world closed their state borders, including the Central Asian countries. In January 2021, the Akina–Andhoy section was opened for traffic. However, the fate of the Turkmenistan-Afghanistan-Tajikistan (TAT) railway is still unclear, although this project could compete with the Chinese initiative “One Belt, One Road” in importance. There are several factors and reasons that say that the TAT project will not continue.

Currently, an international logistics Center with a Termez Cargo customs terminal is actively operating in the Surkhandarya region of Uzbekistan. A significant part of the cargo passes through it in the direction of the northern provinces of Afghanistan. As for Kazakhstan, at the turn of a new stage of socio-economic modernization, the priority task for the country in the development of the national transport and communication complex is to ensure its competitiveness in the global service market and, accordingly, stimulate the growth of trade flows through the territory of the republic.

The importance of developing the transport and logistics infrastructure of Kazakhstan is evidenced by a number of strategic documents, such as the New Silk Road project in 2012; the program “Nurly Zhol - the way to the future”, which provides for an increase in the country’s export potential and the need to continue creating a logistics hub in the east and maritime infrastructure in the west of the country; “One Hundred Concrete Steps of President N. Nazarbayev”, which notes the need for Kazakhstan’s integration into international transport and communication flows.

One of the most important points of Kazakhstan’s cross-border cooperation is Khorgos. On the site of this border checkpoint, Kazakhstan has managed to create a new infrastructure for transit and cross-border trade. Commenting on the situation with Khorgos, Kazakh experts note that «A dry port, an international center for border trade, automobile and railway entrances, hangars, rural warehouses and even new settlements have appeared in the middle of the steppe. All this has created a point for new economic activity, and not only in Kazakhstan, but also in the regions of Southern Siberia, as well as Central Asia»[119]. But, on the other hand, the economic boom and large cash flows attracted the attention of criminals, which grew into the creation of entire chains of organized criminal groups. Expert A. Kaukenov showed that «the downside of cross-border cooperation is endless scandals related to the exposure of corrupt officials, the

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[119] The expert commented on the situation on the border between Kazakhstan and China. (2022) (Ситуацию на границе Казахстана и Китая прокомментировал эксперт). - URL: https://www.inform.kz/ru/situaciyu-na-granice-kazahstana-i-kitaya_a3899821?utm_referrer=https%3A%2F%2Fzen.yandex.com

arrest of smugglers, criminal wars for the redistribution of influence and the struggle of security forces for border control»[120].

Today, the Republic of Kazakhstan is in the process of actively building its transit policy, improving its directions and forming new vectors. For Kazakhstan, it is important that this economic point become exemplary, since the positive experience of Khorgos will be extrapolated to other borders of Kazakhstan with Russia, Uzbekistan, Kyrgyzstan and other countries.

Analyzing the results of the January events of 2022 in Kazakhstan, President K. Tokayev, among other things, noted the importance of restoring order at the customs border. He noted that Kazakhstan is able to increase export deliveries to China in 135 positions. During the summit "Central Asia - China" in 2022, he proposed to develop joint approaches on trade and transport interconnectedness, I propose to launch the mechanism of ministerial consultations «Central Asia - China»[121]. Another priority task of the Head of State of Kazakhstan was the diversification of transit and transport routes and the introduction of integrated logistics solutions, including through the launch of new land corridors. He said that Kazakhstan plans to invest $20 billion by 2025 for these purposes.

Thus, according to Kazakh experts, Kazakhstan can become a hub country in the Central Asian region, an integrator of intraregional economic ties, a center of attraction for capital and investment, the location of regional production facilities or branches of the world's largest companies focused on the Central Asian market, the provision of international services. In the future, Kazakhstan can serve as an important link, a transcontinental economic bridge of interaction between the European, Asia-Pacific and South Asian economic systems. In general, the transport and transit potential of the Central Asian countries is still underdeveloped. According to the International Logistics Efficiency Index, the transport infrastructure of the Central Asian states does not meet modern requirements.

## 3. SCO and the BRI

Economic cooperation between China and Central Asia will develop rapidly in the next decade. This course of events reflects a global trend - China continues to turn into a powerful economic center of the modern world. Export, investment, and, in recent years, the technological capabilities of China are constantly growing. At the same time, so far China's trade turnover with the SCO countries is only 5.7% of the total foreign trade turnover of the country, which indicates a low degree of dependence of China's foreign trade on the SCO countries [122]. In 2015, Premier of the State Council of the People's Republic of China Li Keqiang proposed to create an International Logistics Park of the SCO on the basis of the port of Lianyungang. Due to its unique geographical and strategic advantages, Lianyungang is becoming an important link in the integrated system and the maritime transport hub of the Silk Road.

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[120] Ibid.

[121] President of Kazakhstan Kassym-Jomart Tokayev spoke about the January events at a meeting with the heads of states of Central Asia and the President of China, 25.01.2022. (Президент Казахстана Касым-Жомарт Токаев высказался об январских событиях на встрече с главами государств ЦА и Председателем КНР). - URL: inform.kz https://www.inform.kz/ru/kasym-zhomart-tokaev-prinyal-uchastie-v-sammite-glav-gosudarstv-central-naya-aziya-kitay_a3890635

[122] Romanov E. (2019) SCO Economic Perspective (Экономический ракурс ШОС), *Economic Review*, №4 (232). - URL: https://review.uz/post/ekonomicheskiy-rakurs-shos

After the OPOP initiative was put forward, President of the People's Republic of China Xi Jinping proposed to combine the efforts of Lianyungang and Khorgos to build a "New Asian-European Sea and Land Transport Corridor" and create an exemplary demonstration project of cooperation. It is in the city of Lianyungang that the "Eastern" section of the "New Asian-European Transcontinental Transport Corridor" with a total length of 10,900 km originates - from China through Central Asia and Russia to Rotterdam in the Netherlands. In terms of traffic volume, the new Eurasian Continental Bridge from Lianyungang occupies one of the leading places in China. In 2018, the port 's cargo turnover amounted to 236 million tons and about 5 million standard containers[123].

China is one of the world's economic centers, has extensive experience in the development of transport networks and the creation of multi-modal logistics centers. Thus, China ranks third after the USA and the EU in terms of the size of the transport and logistics services market — 18.7% of the world market. According to the plans of the Chinese government, it is planned to create a network of 212 new logistics centers by 2035. The integration of the OPOP initiative with the national economic development strategies of the SCO member states corresponds to the goals, objectives and principles of the Organization. Thus, for the countries of Central Asia, the integration of national development strategies with the "Belt and Road" makes it possible to create direct access for the countries of the region to seaports. In addition, it turns the region into a crossroads of transcontinental transport corridors – North-South and East-West. «In this context, the sub-regional transport corridor "Russia - Kazakhstan - Uzbekistan - Turkmenistan - Iran- Oman - India" is able to provide all countries of the region with access to the markets of the Middle East and to the ports of the Mediterranean Sea»[124].

## 4. The impact of the pandemic on the development of the infrastructure of the SCO member states

The outbreak of the epidemic has had an impact on the entire world economy. The spread of the coronavirus has dealt a serious blow to global logistics and the supply chain of raw materials and finished products. In May 2020, the Foreign Ministers of the SCO member states discussed issues of jointly overcoming the socio-economic consequences of the pandemic. They noted the importance of effective use of the potential of the Program of multilateral Trade and Economic Cooperation of the SCO member states until 2035, in particular in transport and transit, infrastructure, agriculture and other areas.

According to the majority of the parties, the issues of uninterrupted provision of the population of the SCO states with food products, medicines, medical products in the conditions of the ongoing pandemic remain relevant now. In this context, proposals were made to create a special "green corridor" mechanism for transit cargo transportation for the unhindered passage of imports and exports of socially significant products and personal protective equipment. They also noted the need to strengthen coordinated interaction between transport, customs, phytosanitary and other relevant departments of the SCO countries in order to provide the population with the necessary food products.

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[123] Information message on the results of the round table of the SCO member states (2019) - URL: http://rus.sectsco.org/news/20191207/611485.html

[124] Interview with the General Secretary of SCO Vladimir Norov. 06.12.2019. (Генеральный секретарь ШОС Владимир Норов интервью). - URL: https://liter.kz/8338-shos-vstrecha-v-nur-sultane/

During his speech at the Summit of the Heads of the SCO member states in Dushanbe in September 2021, President of Kazakhstan K. Tokayev expressed the idea that «the post-crisis recovery processes provide a unique opportunity to rethink the state of affairs in the field of trade and economic cooperation in the SCO space. – The issue is broader than just restoring individual indicators of interregional cooperation. It is necessary to analyze macro trends, assess risks and make system decisions on this basis»[125].

The President of Kazakhstan reminded the heads of State and Government that the pandemic and the March incident in the Suez Canal highlighted the strategic vulnerability of maritime cargo transportation. Against the background of these events, transcontinental overland routes, primarily the New Silk Road, have significantly increased their attractiveness. It was about the need to jointly solve a number of problems that hinder the full implementation of the transport and transit advantages of the SCO member states. First of all, we are talking about a significant difference in the levels of development of transport infrastructure in the SCO member states. Therefore, a pragmatic synergy of national infrastructure strategies based on full consideration of the economic interests of the participating countries would meet the common interests. Further, K. Tokayev spoke about the need to sign a memorandum of cooperation to ensure stable operation of transport in emergency situations[126].

## 5. The role of the Afghan factor

It is important to involve Afghanistan in the process of cooperation between the Central Asian countries and China in the field of transport, which will serve as another factor for stabilizing the political situation and economic development of this country. The Afghan settlement in the context of SCO participation has become an important topic of discussion at a number of SCO summits. Many experts understand that economic development is necessary to resolve issues of stabilization of Afghanistan and regional security issues. But the current state of Afghanistan gives grounds for moderate optimism about the ongoing processes of transition to a peaceful life in the country and the restoration of the economy and social sphere of the country.

One of the most important areas of development of the Afghan economy is the development of the transport system, primarily railways. Infrastructure construction projects in this region have not only economic, but also strategic importance. One could foresee that the Afghan railways could provide easy and direct access for South Asian countries to the Central Asian, Russian and European markets[127]. Both politicians and experts agree that “due to its geographical location, Afghanistan has a huge potential to become a trade, energy and transport hub of the region, which will contribute to ensuring the long-term and sustainable development of the country»[128]. At the same time, we have to admit that the transport communications under construction are not

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[125] Tokayev K. (2022) Destructive processes in the world have intensified as a result of the onset of the coronavirus pandemic (Токаев К. Деструктивные процессы в мире усилились в результате наступления пандемии коронавируса). - URL: https://inbusiness.kz/ru/news/tokaev-destruktivnye-processy-v-mire-usililis-v-rezultate-nastupleniya-pandemii-koronavirusa

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[127] Syroezhkin K.L. (2011) Central Asia Today: threats and challenges (Центральная Азия сегодня: угрозы и вызовы). – Almaty. – P.84-85

[128] Kudryashova Yu. The Afghan Crisis and the Shanghai Cooperation Organization (Афганский кризис и Шанхайская организация сотрудничества). - URL: http://www.centrasia.ru/newsA.php?st=1311022140

yet needed by the Afghan population itself, this infrastructure is not in demand by the underdeveloped economic system of Afghanistan. All government and international programs for the economic revival of Afghanistan look smooth only on paper.

Among the Central Asian countries, Tajikistan and Uzbekistan have a direct border with Afghanistan. It is advisable for Uzbekistan to focus on the shortest route to the sea through Afghanistan to the seaports of Iran and Pakistan on the coast of the Indian Ocean. Tajikistan attaches great importance to the implementation of transport and communication projects with the participation of Afghanistan, which will allow Tajikistan to break the transport deadlock. Kyrgyzstan is also interested in restoring peaceful life in Afghanistan, establishing and developing trade relations. Kazakhstan, for its part, continues practical cooperation with Afghanistan, periodically sending aid there in the form of food, essential goods and medicines. As the President of Kazakhstan K. Tokayev noted, «I am convinced that a safe and stable Afghanistan will open up new horizons for expanding trade and economic ties and sustainable development of Asian countries»[129].

However, it should also be said about the obstacles in the implementation of economic projects in Afghanistan. Thus, the deadlines for the implementation of many major projects in Afghanistan have been repeatedly postponed. The main reason for this is security issues. Despite the promising programs and strategies that have been developed in the SCO, the Central Asian countries treat them with a certain degree of skepticism, since their implementation is blocked by the lack of an effective mechanism to respond to emerging threats and challenges. As long as the situation remains unstable, no transport connection, be it railways, highways, river ferries, or even air traffic, can be considered safe. Thus, the SCO still has very limited opportunities to participate in Afghan affairs.

An analysis of the positions of the SCO member states on the stabilization of Afghanistan after 2021 indicates that all states are more or less concerned about the situation with regional security after the Taliban came to power. All States agree on the need to stabilize the IRA. But not all countries see this stabilization in a single form. The main difficulty for the international community in building the future of Afghanistan is to find a multilateral formula for promoting the interests of everyone, despite the fact that the ways found may not always be equally advantageous for all participants, and not to the same extent.

According to experts, it would be advisable for the SCO in the near future to solve the following practical tasks on the Afghan settlement. The SCO could use its authority to effectively coordinate cooperation between the countries of the region in the stabilization of Afghanistan. To stabilize the situation in Afghanistan, it is necessary to restore the economy, i.e., first of all, the implementation of infrastructure projects. Further support is needed for projects aimed at expanding the transport and communication network through the construction of new railways and highways through the territory of Afghanistan.

Today, despite the lack of unity of opinion on the role and capabilities of the SCO on the Afghan problem, the need to strengthen joint actions to counter threats emanating from Afghanistan occupies an important place in the foreign policy of the Central Asian countries, Russia and China. Only the economic interest of all regional "players" can

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[129] Priorities of Kazakhstan's chairmanship in the CICA (Приоритеты казахстанского председательства в СВМДА). - URL: https://www.inform.kz/ru/prioritety-kazahstanskogo-predsedatelstva-v-svmda- a3891756

ensure peace and stability in Afghanistan and in the region as a whole, which, in turn, is a prerequisite for the successful implementation of economic projects.

## CONCLUSION

Thus, the main priorities for the development of transport and logistics cooperation between the SCO member states are noted in a whole series of SCO documents. Within the framework of the SCO, special importance is attached to the effective use of existing infrastructure in the field of transport, the creation of new multimodal transport corridors, including connecting the SCO countries with major seaports, the construction of modern logistics centers, improving the transit potential of member states and multilateral cooperation in the field of transport and logistics, as one of the main conditions for expanding mutual trade between the SCO member states.

However, the process of economic cooperation within the SCO is slowing down due to serious differences in the levels of economic development of the member countries, the lack of a mechanism for targeted financing of projects and limited areas of interaction. Another obstacle is disagreements or competition between the SCO member states. As the main constraining factors of mutual trade, experts note the weak level of interaction in the transport and communication sphere between the SCO states.

In order to effectively exploit the growing transit potential of the SCO space, it is necessary to consistently facilitate the passage of goods flows by increasing the level of service and eliminating administrative barriers. To this end, it is important to take additional measures to improve the customs infrastructure at border checkpoints. Experts of the SCO countries consider it necessary to accelerate the construction and development of infrastructure of multi-modal logistics centers in cross-border territories and along transport routes connecting various modes of transport, accelerate the processes of harmonization and unification of standards in the field of transport.

It is the modern transport, communication and logistics infrastructure that can become the key to the implementation of many large-scale projects and large-scale initiatives to create advanced industries and necessary jobs, taking into account the population growth in the SCO countries.

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# PART 3

## KYRGYZSTAN

*Editor: Jildiz NICHARAPOVA*
Technical School of Innovation American University of Central Asia
Bishkek – KYRGYZSTAN

# Opportunities linking South- and Central-Asia and 'Self-reliant India'

*Dildora KHODJAEVA*
Assistant Professor
Joint degree programme.
Tashkent State University of Economics (Uzbekistan)
IMC Krems University of Applied Sciences (Austria)
CEO, Uzbek-India Tourism Association

## АННОТАЦИЯ

В результате первоначальной реакции ВОЗ на пандемию 11 марта 2020 года большинство стран фактически закрыли свои внешние границы, а международные рейсы были приостановлены, чтобы предотвратить распространение нового коронавируса.

В связи с ограничений и нехватки средств индивидуальной защиты (СИЗ) многие страны осознали свою зависимость от китайских производителей и поставщиков. Обострение ситуации поставило под угрозу в основном медицинский персонал и вызвало рост цен на изделия медицинского назначения для населения. Пандемия вызвала настоятельный призыв к расширению производства, торговой защиты и цепочки поставок в каждую страну.

В то время как взаимосвязанность цепочек поставок по всему миру привела к полной остановке многих экономик, возможно, первоначальная реакция на пандемию привела к резкому усилению протекционизма. Каждое дальновидное правительство было вынуждено принять свою национальную программу на ранней стадии, чтобы контролировать глобальную пандемию внутри страны. В то критическое время правительство Индии, будучи главным игроком в Южной Азии, решило превратить кризис в возможность, проанализировав вызовы пандемии, и выступило с новой инициативой: Атманирбхар Бхарат Абхияан (Кампания «Самодостаточная Индия»). Призыв к самостоятельной Индии, стартовавший в мае 2020 года на фоне вспышки коронавируса, был направлен на то, чтобы сделать страну независимой и бороться с конкуренцией на мировой арене.

Чтобы создать благоприятную среду для производства и привлечь инвестиции, правительство Индии запустило еще несколько программ, с особым вниманием на момент «Сделано в Индии» (2014 г.), как для участия в глобальных цепочках, так и в качестве экспортера в мире. Учитывая конкурентоспособность и благоприятные условия работы, многие мировые производители и цепочки поставок стремятся сместить базы в Индию, а это, в свою очередь помогает стране развиваться

В этой главе анализируется эффективность Кампании «Самодостаточная Индия», которая является новой версией «Сделано в Индии». В нем исследуется реакция Индии на глобальную пандемию и ценность подхода «Будь индийцем и покупай индийский». Более того, в нем оценивается не только наращивание потенциала внутри страны, но и потребность в расширении экспорта отечественной продукции и товаров, что обеспечивает потенциальное положение Индии как ключевого

участника в связях и цепочке поставок между Южной и Центральной Азией, и даже за ее пределами. В главе автор пытается раскрыть потенциал Индии как нового производственного центра по сравнению с Китаем.

К 2000-м годам Китай приобрел известность в качестве «фабрики мира». Ситуация со вспышкой пандемии показала другим странам, что глобальная цепочка поставок не должна зависеть только от одного Китая, поэтому большинство стран осознали необходимость не зависеть от одного государства. Пожалуй, в данном случае давно известная всем инвесторам поговорка, «не клади все яйца в одну корзину» или «не клади все деньги в один карман», актуальность которой проверена временем может служить доказательством. Это подтолкнуло несколько стран к пересмотру направления следующего непредвиденного шторма в их глобальную цепочку поставок и сделать ее более устойчивой, совместной и объединенной в сеть.

В то время как большая часть мира стремится заменить Китай в цепочках поставок, Индия имеет возможность производить в больших масштабах, и это очевидная альтернатива Китаю. Однако появление возможных стран-производителей в рамках MITI-V (Малайзия, Индия, Таиланд, Индонезия и Вьетнам) побуждает Индию действовать на опережение и создавать благоприятные условия для производителей, чтобы они оставались впереди конкурентов. В этом отношении Индия может оказаться на пороге реального экономического взлета не только внутри страны, но и за рубежом.

Государства Центральной Азии (ЦАГ), будучи чрезвычайно близкими соседями и опасаясь доминирующего влияния великих держав, таких как Россия и Китай, смотрят на Индию как на друга и партнера, который, как ожидается, также будет играть балансирующую роль в играх великих держав в Средней Азии. В этой связи в главе рассматривается политика Индии «Connect Central Asia» и возможности «Соединения Центральной и Южной Азии» через наземные и морские каналы связи.

В последние месяцы геостратегическое значение Центральной Азии значительно возросло из-за того, что талибы вернулись к власти в Афганистане и Узбекистан продемонстрировал готовность заключать деловые сделки с недавно сформированным временным правительством. В частности, мост Дустлик (Дружба) (построенный в 1982 году через реку Амударья) является «воротами», открывающими новые перспективы автомобильного, железнодорожного и морского сообщения между Центральной и Южной Азией. Принимая во внимание важность продолжающихся преобразований в Афганистане, исследование направлено на оценку роли региона в транспортных коридорах и заинтересованность великих держав во влиянии в регионе.

Страны Центральной Азии имеют неиспользованный экспортно-транзитный потенциал, вызванный отсутствием прямого доступа к морским перевозкам. При увеличении объема торговли между странами Центральной и Южной Азии неэффективная транспортная связность остается одной из основных проблем в регионах, также как и необходимость развития надежных логистических коридоров. Китай в рамках своей стратегии «Один пояс, одна дорога» взял на себя инициативу по преодолению разрыва через Пакистанский порт «Гвадар» Китайско-Пакистанского экономического коридора (КПЭК). Кроме того, недавняя трансформация в правительстве Афганистана придала импульс созданию дорожной сети из Центральной и Южной Азии. Строительство железнодорожной линии протяженностью 573 км от Мазари-Шарифа до Пешавара через Кабул согласовано между Пакистаном, Узбекистаном и Афганистаном, что обеспечит постепенную интеграцию Афганистана в экономическую систему Центральной Азии.

Чтобы уменьшить зависимость от порта Гвадар и китайского торгового доминирования в регионе Центральной Азии, одновременно иранский порт Чабахар служит для соединения Индии с Центральной Азией. Поскольку Индия и Иран имеют прочные экономические связи, Индия вложила значительные средства в инфраструктуру Ирана. Все порты Индии связаны с Чабахаром, который связан с Международным транспортным коридором «Север–Юг» (МТКСЮ). Учитывая тот факт, что к Южной Азии также географически относятся Бангладеш, Бутан, Мальдивы, Непал, Пакистан, Индия и Шри-Ланка, диверсификация внешней торговли станет перспективным и стратегически значимым для экономического сотрудничества.

Чтобы стать непосредственным участником в Центральной Азии и укрепить жизненно важные глобальные производственно-сбытовые цепочки, Индия должна найти баланс, наращивая внутренний потенциал с помощью проектов «Сделано в Индии» и кампания «Самодостаточная Индия». Более того, укрепление проектов наземной и морской связи между Центральной и Южной Азией может обеспечить активную привлекательность стран Евразии для индо-тихоокеанской орбиты. В частности, нынешнее развитие активной дипломатии между Центральной и Южной Азией, основанное на совместной геополитике, поднимет взаимодействие на новый уровень.

## ABSTRACT

There are several turning points in modern history, which shaped international diplomacy – The Versailles Peace Conference (1919-20), the Economic Depression (1929-30), World War II (1939-1945), the Fall of the Berlin Wall 1989, the 11th September Terrorist Attacks (2001) and the Coronavirus (Covid-19) pandemic (2019+). At the initial stage of the pandemic the world witnessed disruption of globally integrated supply-chains, with long-lasting impact on numerous fronts: economic. technical, social, political and industrial. While world-wide interconnectedness of supply-chains was bringing numerous economies to a complete halt, many countries across the globe were grappling to counter the threatening impact of the pandemic.

At that crucial time, the government of India planned to convert the crisis into an opportunity. It analysed_pandemic challenges and came up with a new initiative: *Atmanirbhar Bharat Abhiyaan* (Self-reliant India Campaign). The call for Self-reliant India which kick-started amid the coronavirus outbreak (May 2020) aimed to make the country independent and combat competition in the global stage. The campaign did not shut down doors to globalisation or isolate nations, on the contrary, it began to embrace the world as well as it has more to offer globally.

This chapter analyses India's 'Self-reliant' mission and role in logistics segments. It scrutinises how an economically beleaguered India is finding its way in boosting its image as an attractive investment destination and facilitating India's manufacturing export performance. The Central Asian States (CAS), being extremely close neighbours and wary of dominating influences of the great powers such as Russia and China, look

towards India as a friend and partner, which is also expected to play a balancing role in the big power games in Central Asia.

In the past months, Uzbekistan's geostrategic importance has increased significantly, due to the Talibans having_returned to power in Afghanistan, where Uzbekistan has shown readiness to forge business deals with the newly formed interim government. In particular, the Dustlik (Friendship) Bridge (built in 1982 across the Amu-Darya River) is the 'gateway', which unlocks new vistas towards road-, railway- and maritime connections between Central- and South Asia.

Above and beyond, India has one of the largest rail- and roads systems in the world and is located in the Centre of South Asia, which increases the interests of Bangladesh and Pakistan as well in Afghanistan's market- and trade-routes to Central Asian countries. In this vein, this paper is suggested to find its way into the series of *Logistics and Diplomacy* seminars that associate, since 2014, Central Asian academics and practitioners.

## INTRODUCTION

History depicts many inventions that humankind owes to countries with great civilizations, which are mostly located in Eurasia. Down through the centuries, inventions like paper, magnetic compass, gunpowder, ink, shampoo, silk, natural fibres such as wool, jute, cotton and many more were introduced generally by ancient China and India. Knowledge of the different miraculous substances, commodities, cultures, religions, languages, technology, ideas as well as infectious diseases carried along the legendary Great Silk Road connecting the Far East with South Asia, Africa, the Middle East and Southern Europe via terra-line and maritime links.

The vast trade network has had a profound effect on human culture as well as growth of economy and expansion of standards of living in cities along the Silk Road. Thus, the Silk Road passing through Central Asian cities played a key role linking East and West trade routes.

It is observed that the termination of the Great Silk Road (in Central and South Asia existed until beginning of the 20th century) and the start of the Great Game (19th century) brought a change in the power structure of the Central Asian region and the conquest of Central Asian lands by the Russian Empire reflected the significance of Central Asia in a negative way, which converted the territory into a 'terra incognita'.

China's Belt and Road Initiative (BRI, 2013+) encouraged the revival of the ancient Silk Road, which would stimulate the following sectors: transportation (ports, roads, railways), energy (pipelines, power grids, hydropower dams), and information technologies and communications (fibre-optic networks, data centres, satellite constellations).

As a historic recurrence, once, along the old Silk Road to Europe the plague or 'black death' spread, while in modern age amid a fostering BRI project, the world faced the COVID-19 pandemic, which affected the economy, manufacture, employment, education and disrupted the supply chain around the globe. This is the severest crisis to hit humanity since World War II.

Considering the initial response to the pandemic by the WHO on March 11, 2020, most countries effectively sealed their external borders and international flights were suspended in order to prevent the spread of novel coronavirus. As a result of restrictions and shortage of personal protective equipment (PPE), many countries became aware of their dependence on Chinese manufacturers and suppliers. This exacerbating situation has thrown into danger largely healthcare personnel and caused a rise in the price of medical products for public use. The pandemic spurred a strong call for broader manufacture, trade protection and supply chain to every single country.

While world-wide interconnectedness of supply-chains was bringing numerous economies to a complete halt, perhaps initial response to the pandemic led to a dramatic rise of protectionism. Each wise government was impelled to adopt a new national scheme in the early-phase to control global pandemic domestically. At that crucial time, as the main actor of South Asia, the government of India planned to convert the crisis into an opportunity, analysed pandemic challenges and came up with a new initiative: *Atmanirbhar Bharat Abhiyaan* (Self-reliant India Campaign). The call for Self-reliant India which kick-started in May 2020, amid a coronavirus outbreak aimed to make the country independent and combat the competition in the global stage.

This chapter analyses the performance of 'Self-reliant India Campaign', which is the new version of 'Make in India'. It explores India's response towards the global pandemic and the value of the 'Be Indian and Buy Indian' approach. Moreover, it appraises not only building capacities domestically, but also the call of expanding export of domestic products and commodities, which ensures India's potential position as a key participant in connectivity and supply-chain between South- and Central Asia even beyond. The chapter attempts to explore India's potential as a new manufacturing hub vis-à-vis China. It reviews India's 'Connect Central Asia policy' and 'Central and South Asia connectivity' opportunities via terra-link and maritime links. Taking into account the importance of the ongoing transformation in Afghanistan the study aims to evaluate the role of the region in transport corridors and interest of greater powers for the influence in the region.

## 1. Initiatives towards boosting image of India

A need or uncertainty encourages creative efforts to meet the need and solve the problem. As rightly said, 'necessity is the mother of invention'. The devastation caused by the global pandemic pushed the Indian government to take the necessary measures as to several policies for the protection of the livelihood, health and safety of the citizens prior to the pandemic. The desire to boost domestic production of medical supplies during the global pandemic boosted the new national campaign. The 'Self-reliant India' mission saw light in May, 2020. The uniqueness of the Indian campaign takes its root from Gandhian ethical economic model and principles of self-reliance (*swadeshi*) and complete independence (non-dependence: *swaraj*) in thought, practice and lifestyle, which at that time localization saved the nation from great crises.

With the aim of integration rather than isolation, the Atmanirbhar Bharat Abhiyaan or 'Self-reliant India' vision was introduced by Prime Minister Modi, to help the Indian economy get back on its feet with a special economic package worth Rs. 20 lakh crore (approx. 265 billion, $US) and active participation in post-COVID global supply-chains as well as the need to attract foreign direct investment. The Five pillars of Atmanirbhar Bharat focus on:

1. Economy - which brings in quantum jump and not incremental change;
2. Infrastructure - which will become India's new identity as 'Modern India';
3. Systems - based on 21st-century technology-driven arrangements;
4. Vibrant Demography - building strength and capabilities on the world's youngest demography';
5. Demand - well functioning demand and supply chains to full capacity.

In order to be on the pathway of self-reliance, following are the five exemplary phases have been rolled out:

- Phase-1-Businesses including MSMEs;
- Phase-2- Poor, including migrants and farmers;
- Phase-3-Agriculture;
- Phase-4-New Horizons of Growth;
- Phase-5- Government Reforms and Enablers.

In this vein, there is one more major national programme 'Make in India' designed by the Government of India, to foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. Basically, the 'Make in India' was a set of nation-building initiatives launched in September, 2014. Intending to strengthen India's manufacturing sector and to brand India a global industrial hub. The initiative is considered as a positive invitation to potential partners and foreign investors around the world. In a broader sense, boosting the private sector increases India's overall competitiveness.

The focus of the 'Make in India' programme is on 25 sectors of the economy. Some of these include: automobiles, aviation, IT, pharmaceuticals, media and entertainment, textiles, ports, leather, railways, design manufacturing, renewable energy, mining, bio-technology, electronics tourism and hospitality and wellness among others. Accordingly, several schemes such as Digital India, Skill India, Start-up India, Smart Cities, *Swachh Bharat Abhiyan* (Clean India Mission), *Sagar Mala* (maritime logistics), etc. have been launched under the aegis of 'Make in India'.

Both 'Make in India' and 'Self-reliant India' carry a more or less similar approach focused on reviving the economy, promoting domestic production, supporting start-ups, budding enterprises, generating employment, strengthening supply chains and empowering people. These national programmes can help the country in getting rid of its dependence on imports of defence and medical equipment. Consequently, this may lead to an improved position at the international level, in terms of geopolitics and diplomacy. Due to such productive reform strategies, as per 'Doing Business 2020 indicators', India has made a substantial leap upward, raising its ease of doing business ranking from 130 in 2016 to 63 in 2019 (Doing Business Index, 2020) out of 190 countries.

With Covid-19, public health has risen to the top of every agenda as individuals, societies and nation-states focus on a common goal. Amid unprecedented challenges, each wealthy country has done their part to accelerate development, production and equitable access to Covid-19 tests, treatments, and vaccines. Since vaccination is regarded as a key pillar of public health and with the global collaborative framework towards producing coronavirus vaccine brought together Indian scientists as well. India's professional approach with previous experiences in developing vaccines against smallpox, cholera, plague, dengue, typhoid, as well as its immense potential to manufacture and supply pharmaceutical drugs across the globe at affordable prices, made the country the world's largest manufacturer of generic drugs and vaccines in the globe. Therefore, India is often referred to as the 'pharmacy of the world' (Parrish, 2021) or as the pharmaceutical hub of the world due to strategic global partnerships in pharma and biotech. These relationships enabled rapid R&D, manufacture, and deployment of new vaccines (Ramachandran, 2021).

India's sharp focus on the pharmaceutical sector brought success to the country. As a result, in partnership with Serum Institute of India (SII) in Pune and Oxford University along with British pharmaceutical major, AstraZeneca developed their Covishield vaccine in January 2021. By November 2021, Covaxin, India's first indigenous vaccine against Covid-19, was developed by Bharat Biotech in collaboration with the Indian Council of Medical Research (ICMR) – the National Institute of Virology (NIV) (Bharat Biotech, 2021). According to UNICEF (UNICEF India, 2021), a qualitative assessment of the public posts around the COVID19 vaccine in India demonstrated generally positive feelings, with many posts expressing national pride that India produced its own vaccine. These 'Made in India' vaccine achievements can be counted on as a success story of 'Self-reliant India' as well.

On the other hand, India's health diplomacy generates goodwill with the world and its foreign policy outreach pays great attention to the 'Share and Care' approach. Health diplomacy, which has attracted limited attention compared to political, economic, and military diplomacy, has gained new importance over the last year. Therefore, India has been proactive in using medical supplies and vaccines to advance its diplomatic goals (Yang, 2021). While the world blocked export of essential medicines, India generously provided medical supplies to over 150 countries. India has skilfully practised 'vaccine diplomacy' under its Vaccine Maitri (Vaccine Friendship) campaign and distributed 'Made in India' vaccines to almost 100 countries. Exercising an attractive public diplomacy tool has been a boon to India, which projects the country as a global power. On the other hand, India's regional challenger, China, has also attempted to rebrand itself as a global health leader with its active health diplomacy in a form of 'mask diplomacy' and 'vaccine diplomacy'.

## 2. Can India beat China as the new manufacturing hub of the world?

As the important role China used to play in global manufacturing and value chain, the pandemic and international lockdowns drastically hit the world trade hard, which directly affected each country's economy. Indeed, by the 2000s China had gained the fame name as the 'manufacturing hub of the world'. The pandemic outbreak situation has shown other countries that the global supply chain should not be relied on one China only so that most nations realised the need not to depend on a single state. Perhaps, the wise saying has proven in this case, 'don't put all eggs in one basket'. This pushed several countries to reconsider navigation of the next unpredicted storm to their global supply chain and make it more resilient, collaborative and networked. Now is the time to determine how to create global fast-tracks within existing logistics chains so that, in the event of an emergency, vital supplies would continue to move quickly around the planet.

Considering some powerful countries such as the US (along with its western allies) and Australia are currently experiencing 'trade tensions' with China and hence it is the most opportune time for countries like Malaysia, India, Thailand, Indonesia and Vietnam –

coined as the 'MITI-V' or Mighty Five (Global Manufacturing Competitiveness Index, 2016) to replace China as the 'world factory'. While competing for the title of the world's next 'manufacturing hub', which country has more chances? According to the Global Manufacturing Risk Index (Cushman & Wakefield, 2021), India ranked 2nd after China as the most sought-after manufacturing destination globally. This indicates the growing interest in India by manufacturers as a desired manufacturing hub.

What makes India so potential? How does India attract foreign investors? As the biggest factor for being a potential country lies on locally available natural resources, in this case, India is rich in natural resources. India's mining sector is the backbone of the manufacturing and infrastructure sectors of the economy, which contributes 11% of the country's industrial GDP and 2.5% of total GDP. The country produces as many as 100 minerals including fuel, metallic, non-metallic, gas, petroleum, and titanium ore and atomic minerals.

While undertaking a concise analysis, comparatively, India, like its Asian rival, has a massive population (1.40 billion) – albeit a younger workforce, precisely, the average age of a citizen in India is 28 years versus 38 years in China. Further, India has a variety of areas as important for low-cost manufacturing competitiveness as low labour costs, a supportive policy environment, good quality infrastructure, and availability of engineers, a minimum level of education for all workers, economic growth and a large internal consumer market (M. Lomas, 2017). Another major strength is that India has a large pool of highly skilled English-speaking human resources and leading IT professionals, who make the country much more international in terms of doing business.

As it has been mentioned above, in order to create a favourable environment for manufacturing and attract investment the government of India has launched several policies of 'Self-reliance', emphasising 'Make in India' to engage globally, participate in global value chains, and serve as an exporter to the world. Given the competitiveness and favourable working conditions, many global manufacturers and supply chains have been shifting base to India, whereas the country is beneficial to develop. Several international companies like Apple, Tesla and many alike have already initiated talks to pursue production plans in India. Apart from electronics and automobiles, smartphones, pharmaceuticals, textile and OEMs. And other sectors have also started eyeing India as a viable option to set up production (Sh. Agarwal, 2021).

While much of the world is looking to substitute for China in supply chains, India has the capability to manufacture at a large scale and this is the obvious alternative to China. However, the emergence of possible manufacturing countries within MITI-V encourages India to act proactively and create a favourable environment for manufacturers to stay ahead of the competition. In this regard, India may be on the threshold of a real economic take-off not just domestically but internationally as well.

## 3. Afghanistan – the Gateway for Europe and Asia

One should take in that geographical location and geo-strategic space of any country formulates its fate and, indeed, any nation's geography is significant. Being a pivotal region of the 'Heartland', the 'Rimland' – Central and South Asia – historically remained interconnected to each other, whether before or during and even after the disintegration of the USSR. While dealing with the Great Power politics in the Central Asian region, it is only a matter of 150 years since Russia has taken regional hegemony of the Heartland, whereas it still holds powerful influence over Central Asian States. Relatively, over the years, different geopolitical interpretations of this region have been promoted by global powers such as 'Greater Eurasia', 'Central Eurasia', 'Grand Chessboard' and so on.

In this regard, it is necessary to recall that, untill the 19th century, Central Asia had predominant connections with South Asian nations, precisely with the Indian Subcontinent, which continually prompted influence to each other. The reason behind this was that the Boburid (known as Mughal) dynasty, being descendants of Amir Temur, maintained personal contacts and had strong linkages with Central Asian Emirs, intellectuals and Sufi leaders. This kind of diplomatic and cultural relations created a favourable atmosphere for traders, religious figures and ordinary wanderers. The works of some scholars (S. Levi, 2004) indicate the presence of whole colonies of Indian traders in various Silk route cities of Central Asia.

The main players of the 'Great Game', Britain and Russia, suspended dynamic interactions between Central and South Asian nations and terminated a network of caravan route chains. The 'Power Game' not only brought a geopolitical interruption among the regions, but also generated a buffer zone named Afghanistan. By an irony of fate, for the last 3 decades Afghanistan has been perceived as a security threat for Central Asian countries, where they, in fact, must protect themselves.

By occupying an important geostrategic position at the crossroad of Central and South Asia, Afghanistan plays a vital platform role to serve as a bridge among the sub-regions. One should recall that Afghanistan, as an integral part of the other five Stans (Kazakhstan, Kyrgyzstan, Turkmenistan, Uzbekistan and Tajikistan), shares similar history, geography, ethnicity, religion, culture and other factors, which have direct relation to Central Asia. Taking into consideration these cultural and civilizational points as a potential mediator, Uzbekistan has driven the first channel of communication with the Taliban (N. Imamova, 2021) in 2018 for the Afghan peace process, which made Uzbekistan the most dominant actor of the region. As the only country in the region bordering all Central Asian States, Uzbekistan expanded efforts to stabilise the region after the withdrawal of the US troops from Afghanistan. In fact, the recent dynamic development of the situation in Afghanistan brought colossal changes not only to the surrounding regions but also political transformation in the horizon of the entire world.

The peace negotiations between the Taliban and Uzbekistan open doors for economic projects connecting the countries to major international transportation corridors with access to sea ports in South Asia and the Middle East (U. Hashimova, 2020). In this case, Uzbekistan has invested heavily in regional transportation infrastructure to reach global markets via South Asia and wants to protect those ambitions (B. Pannier, 2021).

It should be noted that Uzbekistan benefited from the Soviet legacy as four decades ago (1982) the Soviet Union constructed an 816-m long rail-motor bridge across the Amu-Darya river in order to strengthen the strategic transport capabilities. This was the world's largest structure of the kind at the time. Symbolically named the Friendship (Do'stlik) Bridge between the cities of Hairatan (Afghanistan) and Termez (Uzbekistan), it has witnessed the withdrawal of Soviet troops from Afghan territory in 1989. Between 1997-2001, the bridge was closed and, following the US-led intervention in Afghanistan, Tashkent reopened the Friendship (Hairatan) Bridge in December 2001, to enable humanitarian assistance to be delivered into northern Afghanistan.

Uzbekistan’s border with Afghanistan is short, roughly 150 km. However, it is a most strategic one. The Termez Cargo Centre (launched in 2016) is considered as the only such terminal in Central Asia located less than two kilometres from the Uzbek-Afghan border. The purpose of the terminal was to provide a complex of transport and logistics services and process transit cargoes of transportation (rail and road) to and from Afghanistan. Since with the emerging imbroglio, Afghanistan faces worsening humanitarian crisis, the Termez Cargo Centre has become a focal point for international aid, whereas being shipped to various parts of Afghanistan by truck or rail.

In 2010, with the purpose of revitalizing the Afghan economy, the Uzbekistan national rail company (Temir Yo’llari) built Afghanistan’s first 75 km of train route between Hairatan and Mazar-e-Sharif as an extension of the Friendship Bridge. The construction was funded by the Asian Development Bank with some $165 million (ADB, 2014). The link aimed to promote regional cooperation and trade by complementing the Central Asia Regional Economic Cooperation (CAREC) corridors that connect Central Asia to South Asia, the Caucasus, and the Middle East.

As the main priority of Uzbekistan’s ‘new foreign policy’ focused on regional diplomacy and enhancing strong ties with neighbours. With recent changes in Kabul, Tashkent urges to cooperate globally to improve the situation in Afghanistan and develops major projects. In this vein, for prolonging of greater regional connectivity the Trans-Regional Railway Project (TRRP) of ‘Termez – Mazar-e-Sharif – Kabul – Peshawar’ a 573 km long railway by the ‘New Uzbekistan’ would stimulate chances to provide ideal socio-economic, geopolitical and geostrategic benefits for the regional countries especially Uzbekistan, Afghanistan and Pakistan. Consequently, many global financial organisations have shown their willingness to finance the railway project (M. Hassan Khan, 2021).

With the objective to enhance the connectivity within Eurasian region another interesting project has been in the making for almost two decades – transit trade ‘Chabahar agreement’ between India, Iran and Afghanistan. Since the Chabahar port has direct access to the open seas and oceans, it attracts attention at the global level and has a potential to become the important ‘Gateway’ for interconnection between Central Asia, the Middle East, Africa and Europe. In this case, the Gwadar Port has the same economic and strategic importance as Chabahar.

Due to geo-strategic locations, two Asian powers value the importance of the ports: Iran’s Chabahar project driven by India; and Pakistan’s Gwadar driven by China as a part of BRI activities. Considering Iran- and Pakistan’s significant cultural ties with Central Asian States, both the ports of Gwadar and Chabahar can collaborate and strengthen their economic relations, whereas Afghanistan is indeed a key link to ensure integration of the regions in this condition. Concerning the Chabahar Port, from the Iranian border, India constructed the Zaranj-Delaram road network (218 km) in Afghanistan, whereas setting up road access to ‘Garland Highway’ to four major cities in Afghanistan – Herat, Kandahar, Kabul and Mazar-e-Sharif. In terms of the Gwadar Port under China-Pakistan Economic Corridor, Central Asia and Pakistan have advantageous positions as well and as the SCO members. All courtiers can benefit from smooth trade routes.

Furthermore, the synergy with other significant networks such as the International North-South Transport Corridor (INSTC) project, will enable to expand strategic partnership, economic cooperation and ease visa facilities between the INSTC project members. The INSTC is the 5-way crossroads project with a 7.200 km-long multi-mode network: maritime, road and rail routes, which was initiated based on the vision of India, Russia and Iran by augmenting connectivity through Central Asia. Without doubt, the diversification of trade routes can improve inter-regional connectivity and international networks. It also intensifies manufacture and contributes favourable conditions to facilitate global integration, importantly, it will smooth integration of logistics assets for the entire Eurasia.

## 4. 'Connect' India with Central Asia

The importance of a regional approach and cooperation between Central and South Asia luminanced in the form of India's 'Connect Central Asia Policy' in 2012, which was actually reinforced with the Modi administration since 2015. The renewed focus on the Central Asian region can be associated with the formation of China's BRI project, while India is also committed to expand its economic relations with the region (Rhea and. Sharanya, 2019). The two most important South Asian countries: India- and Pakistan's permanent membership to the SCO (2017) has improved the Organisation's influence globally, wherein two leading powers Russia and China are also on the same board. And as a major player in the Middle East Iran's ascension to full SCO member in 2021, basically may bring the end of Tehran's strategic loneliness and increase its confidence with the powerful crew. Consequently, SCO offers Iran to revive its solid bridge and direct access to Central Asian States.

In this context, India with its cultural and historic links and as a stakeholder in the region, looks beyond borders, while Central Asian States provide the platform for India to leverage its cultural, economic and political connections to play a leading role in Eurasia. In the last few years, despite the pandemic, several dynamic meetings, exchange of views on global and regional processes between India and Central Asia demonstrate the great interest of both sub-regions for expanding overall cooperation. Subsequently, the 'India-Central Asia Dialogue', at Foreign Ministers' level is a part of importantly moving India's engagement with the region since 2019. Furthermore, to facilitate deeper cooperation between small, medium and big enterprises to boost the inter-regional trade and economic exchanges as an institutional platform, the 'India-Central Asia Business Council' (ICABC) was established in 2020. Accordingly, the ICABC has agreed to constitute four 'Joint Working Groups' (JWGs) in sectors like Energy (Oil and Gas & Renewable Energy), Agro, Food-Processing and Textiles, Tourism, Air Corridors, Pharmaceutical, Life-sciences and Healthcare.

To affirm the commitment and enhancing engagement through regional diplomatic platforms and to strengthen connectivity between the Central and South Asian regions via trade, transport, industry and energy links, Tashkent hosted the International Conference 'Central and South Asia: Regional Connectivity. Challenges and Opportunities' (July 2021). Since the situation serves the interest of others, more than 600 participants from 40 countries and different International organisations explored new ways to further enhance cooperation between the two regions at this significant event. In this point, Uzbekistan reveals that it plays a constructive role towards establishing peace and regional connectivity between Central and Southern Asia.

Specifically, considering the collaboration between Central and South Asia, it should be noted that the pharmaceutical industry is the most active sector taken by India. There are many Indian companies, joint ventures and manufacturing units of pharmaceutical and fine chemical products that have established a foothold in the Central Asian market. Given the existing geographical barriers, India deploys its soft power through IT, capacity building, culture, and networking. IT centres of excellence were operationalised/modernised in Tashkent, Ashgabat, Dushanbe and Bishkek (Singh Roy, 2017). Notably, there is no sphere that would not reach cooperation between Central Asia and India, may it be agriculture, metallurgy, textile or culture and education. Even, India's defence cooperation with Central Asia has grown in the recent past, such as education and training exchanges, joint military exercises successfully conducted between India-Kazakhstan ('Prabal Dostyk' and 'KAZIND'), India-Kyrgyzstan ('KHANJAR') and India-Uzbekistan ('DUSTLIK).

However, due to the absence of direct terra-link, India's supply chain with Central Asia remains below its true potential. Relatively, from a logistics perspective, the geostrategic position and the BRI project's newer roads and highways, railways, waterways and airports provide China with a dominant position in Eurasia, particularly with Central Asian States. In this case, India relies heavily on a massive network of roads which are not always paved or wide enough enable the transport of products comfortably. According to the Logistics Performance Index (LPI) China ranked 26, Thailand in 32, Vietnam in 39, Malaysia in 41 and compared to its Asian MITI-V challengers India ranked 44 in 2018 (Connecting to Complete, 2018).

Therefore, there is a new stage fronting India and the Central Asia regions: the key areas are transit and transport, logistics network, regional and international transport corridors, free trade agreements, manufacturing industry and job creations.

Remarkably, India's connectivity diplomacy in Central Asia got a major boost when Tashkent showed its interest to join the Chabahar connectivity project in 2021. The endorsement of this plan by Uzbekistan as well as by its neighbours unlocks the region and significantly enhances India's outreach to Eurasia and beyond. In this case, the Chabahar port would become a regional transit hub in imminent years, providing a more economic and stable route to connect continents and India may be a game-changer in the region.

## CONCLUSION

The countries of Central Asia have untapped export and transit potential, caused by a lack of direct accessibility to sea transportation. While increasing the volume of trade between the Central and South Asian countries, inefficient transport connectivity remains one of the major challenges within the regions, whereas a need to develop reliable logistic corridors. Indeed, China, as a part of its BRI strategy, has taken the lead to bridge the gap through Pakistan's 'Gwadar' port, China-Pakistan Economic Corridor (CPEC). Additionally, the recent regime transformation in Afghanistan provides the impetus for Central-South Asia road network linking. The construction of a 573 km long railway line from Mazar-e-Sharif to Peshawar via Kabul, agreed between Pakistan, Uzbekistan and Afghanistan, which would provide gradual integration of Afghanistan into the Central Asian economic system.

To reduce dependence on Gwadar port and Chinese trade dominance in the Central Asian region, side-by-side Iran's 'Chabahar' port serves to connect India with Central Asia. Since India and Iran have strong economic links, India has heavily invested in Iran's infrastructure. India's ports are all connected with Chabahar which is coupled with the INSTC. It would increase strategic significance if Bangladesh and Sri Lanka utilised the

INSTC as well. In this case, the connectivity would also boost inter-regional cooperation in Central and South Asia.

In order to become a direct stakeholder in Central Asia and to strengthen vital global value chains, India must find a balance by building up domestic capabilities through ‘Make in India’ and ‘Self-reliant India’ projects. Moreover, strengthening the terra-link and maritime connectivity projects between Central and South Asia can provide Eurasia countries active attractivity towards the Indo-Pacific orbit. Particularly, current active diplomacy developments between Central and South Asia based on cooperative geopolitics, would boost the interactions to a new height.

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# Regional cooperation in Central Asia and the role of logistics

*Nargiza MURATALIEVA*
editor of CABAR.asia analytical materials
Institute for war and Peace reporting
Bishkek - Kyrgyzstan

## EXTENSIVE ABSTRACT

This paper discusses the importance of starting the process of the Central Asian countries' regional cooperation in terms of promoting infrastructure and logistics projects that contribute to intraregional connectivity. The article presents the results that the countries were able to achieve after 2016 in terms of logistics in general. In addition, special attention is paid to some railway transport projects that have the potential to link certain Central Asian countries both among themselves and with external players, such as China or Russia. The thesis is substantiated that the Central Asian countries will remain dependent on logistics projects of other countries when reaching out world markets, unless they start working on the development of those projects that will strengthen intraregional connectivity. Work on logistics in a broad sense will affect both the geopolitical, geo-economic balance, and somehow the civilizational choice of the region.

It is concluded that the existing format of consultative meetings still does not provide for the integration of transport strategies of the five countries, without which it will be difficult to promote further regional cooperation.

## INTRODUCTION

The Central Asian region is increasingly attracting attention from global and regional players, taking into account the demonstrated readiness to discuss and solve intraregional problems. In the countries of the region, both at the level of the political elite and at the level of the expert community, a discourse on regional cooperation has been launched, as well as the search for optimal recipes and mechanisms for strengthening cooperation, logistics development has begun, ideas are being generated to solve pressing problems in Central Asia.

Since 2018, after holding three consultative meetings of the heads of Central Asian states (the first in Astana, then in Tashkent in November 2019, next in Turkmenistan in August 2021), the context and prerequisites for regional cooperation and solving long-standing problems, including in the field of economic cooperation and logistics, have gradually begun to improve in the region. It is safe to say that the new approach of the Central Asian States to regional cooperation has already had a significant effect.

In particular, a breakthrough for the region as a whole is the instruction of the heads of state to the foreign ministries in 2021 (following the results of the consultative meeting in Avaza) to complete work on the approval of the draft Roadmap for the development of regional cooperation for 2022-2024 in the near future.

Other important results for regional cooperation and logistics were the following:

- Visa policy liberalization has begun. At the end of 2018, Uzbekistan and Kazakhstan agreed to introduce a tourist multivisa. Other countries in the region are also showing interest in this "silk multivisa". Uzbekistan and Tajikistan have agreed on a 30-day visa-free regime.
- The process of removing transport barriers is underway. For the first time in 25 years, Uzbekistan's air and bus service with Tajikistan has been resumed. Since 2017, high-speed passenger trains have been running between Uzbekistan and Kazakhstan.
- There is a gradual settlement of separate border disputes. Uzbekistan and Tajikistan have opened 10 border crossings, putting an end to years of hostile relations. Tensions on the Uzbek-Kyrgyz border have subsided: the opening of new border posts and the liberalization of the border crossing regime create a surge in mutual trade.

Another important trigger for strengthening regional cooperation may be the threats emanating from Afghanistan. As Frederick Starr writes, "ASEAN emerged at a time of severe geopolitical tension in Southeast Asia, and succeeded in forming a consensus among regional states to prevent efforts of great powers to pit one regional state against another[130]." In this regard, a parallel can be drawn with the crisis in Afghanistan, which may prompt Central Asian political elites to overestimate the importance and necessity of strengthening regional cooperation, including with the aim of starting to build their own architectonics of regional security.

## At the same time, this positive effect from the unfreezing of regional ties may be short-term due to the fact that new transport and logistics projects are still not being developed for a number of reasons.

It is well known that the constant and sustainable development of transport and logistics infrastructure is not only a condition for regional economic cooperation, but also a stimulating factor in the internationalization of trade relations.

The experience of most integration associations demonstrates the special role of transport and logistics systems as an important condition for the formation of a single economic space and the development of the economic bloc.

Therefore, after the opening of borders and the removal of primary barriers, the leaders of the CA states face a series of more complex and important decisions. Despite the huge potential of mutually beneficial partnership, at present the CA countries are not yet able to effectively use the available opportunities for cooperation efforts.

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[130] S. Frederick Starr, Modernization and Regional Cooperation in Central Asia: A New Spring? November, 2018. – P.9 // http://silkroadstudies.org/resources/1811CA-Regional.pdf

## Obstacles to the development of logistics links

## The Central Asian region remains an economically fragmented space.

Indeed, the neighbors of the Central Asian region are the optimal market for non-primary goods and manufacturing products. In particular, the Central Asian market is attractive for regional producers due to the reduction of transport and logistics costs, similar consumption patterns, as well as relatively low costs of product promotion.

Nevertheless, active intraregional trade can serve as a powerful engine of economic growth for all. According to UN experts, effective economic cooperation of the Central Asian countries could increase regional GDP at least twice in 10 years.

However, today the states of the region have not yet developed stable civilized economic relations. Regional trade is limited by many regulatory barriers. Central Asia remains a region divided into different trade blocs – some countries are members of the WTO, others are members of the EAEU, and the third group interacts only within the CIS.

For example, Turkmenistan is still far from WTO membership and remains outside the CIS free trade zone, while Tashkent only partially applies the provisions of the CIS FTA treaty. Since 2017, active negotiations on Uzbekistan's accession to the WTO have begun.

As a result, a complex web of trade regimes has developed in the Central Asian region today. The countries of the region have distanced themselves from each other in terms of the openness of their economies. This seriously complicates the implementation of a coordinated trade and tariff policy, the harmonization of customs regulation, standards and certification.

Therefore, numerous tariff and non-tariff barriers are widely used in the trade policies of Central Asian countries. And the emerging trend towards the activation of regional trade is still weak and uncertain.

## Border and water management problems do not contribute to the region formation and the development of logistics

The still unresolved border problems between Kyrgyzstan and Tajikistan, as well as with Uzbekistan, not only lead to human casualties, a tense political atmosphere, but also intensify the process of defragmentation of the region. In the context of bloody border conflicts, external centers of power can more easily realize their interests that undermine the process of regionalization.

For instance, the discourse is actively replicated that the only possible solution to border problems is the EAEU enlargement by the accession of Tajikistan and Uzbekistan, what will make the borders formal and transparent within Central Asia. However, this thesis again undermines the Central Asian region's subjectivity, which is presented as weak and unable to independently resolve internal contradictions without external involvement.

The delay in the resolving border issues also leads to a deepening of water distribution problems, to increase in smuggling and the power of "gray zones" with a shadow economy, which contradicts the logic and spirit of regional cooperation. It can be noted that without the resolution of border and water problems, the development of new transport and logistics projects seems to be very difficult, which means that the format of consultative meetings will not be able to transform into a well-coordinated mechanism for promoting regional cooperation.

Another key challenge facing Central Asia is the problem of development and harmonization of transport hubs

The Central Asian States, despite recent steps towards rapprochement, remain one of the least interconnected in the world. The reason for weak ties lies in the limited infrastructure, which seriously hinders the creation of economic corridors.

Thus, according to OECD estimates, roads in Central Asia require significant repairs – 60% of roads in Kyrgyzstan, 54% of roads in Kazakhstan, 48% of roads in Tajikistan and 23% of roads in Uzbekistan have neither asphalt nor concrete pavement. In general, the investment needs of the infrastructure of the CA region are estimated by the OECD at $492 billion for the period from 2016 to 2030[131].

The problem of poor infrastructure is exacerbated by the lack of cooperation in the transport sector between the Central Asian States.

In this regard, the following hindering factors can be identified:

- lack of harmonization of tariff rates between transport operators, as a result of which there are inflated transit tariffs and duties, primarily pursuing fiscal goals;
- long-term control procedures leading to delays at border crossing points;
- frequently changing restrictions and sanitary and phytosanitary procedures;
- lack of a single mechanism coordinating the transport system of the region;

The physical and non-physical barriers noted above significantly increase the cost of freight transportation on the internal routes of Central Asia. According to forecasts, by 2030, cargo worth about $176 billion will be transported through the countries of Central Asia.

To compare the Central Asian countries in terms of the quality of transport services, the World Bank Logistics Efficiency Index can be used[132]. The logistics performance (LPI) is the weighted average of the country scores on the six key dimensions:

- 1) Efficiency of the clearance process (i.e., speed, simplicity and predictability of formalities) by border control agencies, including customs;
- 2) Quality of trade and transport related infrastructure (e.g., ports, railroads, roads, information technology);
- 3) Ease of arranging competitively priced shipments;
- 4) Competence and quality of logistics services (e.g., transport operators, customs brokers);
- 5) Ability to track and trace consignments;
- 6) Timeliness of shipments in reaching destination within the scheduled or expected delivery time.

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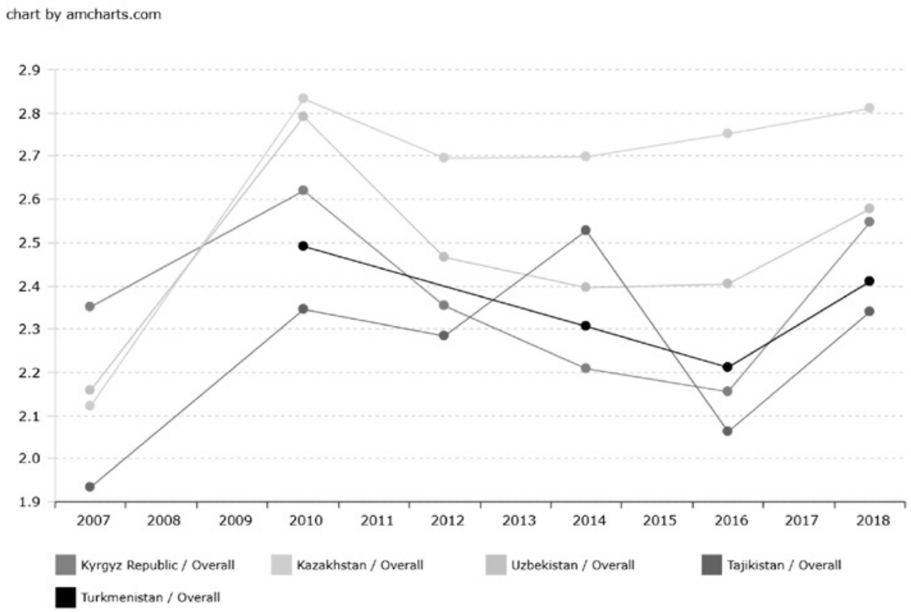
[131] OECD (2018), Enhancing Competitiveness in Central Asia, Competitiveness and Private Sector Development, OECD Publishing, Paris, https://doi.org/10.1787/9789264288133-en

[132] Source: LPI, global Rankings Data Table https://lpi.worldbank.org/international/scorecard/line/128/C/KGZ/2018/C/KAZ/2018/C/UZB/2018/C/TJK/2018/C/TKM/2018#chartarea

**Figure 1: Central Asian countries in the global ranking of the Logistics Efficiency Index (in dynamics for 2007-2018)**



According to the expert of the Institute for Strategic and Interregional Studies under the President of the Republic of Uzbekistan F.Zhuraev “the railway communication system of the Central Asian countries extends for more than 22 thousand km. Kazakhstan has the largest and most operated railway, which accounts for 66% of the total length of railway tracks in the region and performs 84% of all freight traffic. About 18% of regional railways pass through the territory of Uzbekistan, which account for about 11% of all traffic. Turkmenistan has approximately 12% of regional railways and provides 4% of all traffic[133].” These indicators indicate the need to increase the connectivity of the transport systems of Kyrgyzstan and Tajikistan with their neighbors in the region. In particular, such work was carried out during 2017-2018.

In 2016, the Angren-Pop railway line was put into operation in Uzbekistan. In February 2017, air traffic between Tashkent and Dushanbe was restored, which was terminated in 1992. In 2017, the Tashkent-Almaty high-speed rail link was opened, and additional flights of national air carriers were also involved. Since September 2017, the “Dustlik” checkpoint has resumed operation on the Uzbek-Kyrgyz border. In 2017, new railway and road bridges Turkmenabat-Farab across the Amu Darya were opened, which in the future can become important links in the Uzbekistan-Turkmenistan-Iran-Oman transport and transit route. At the end of February 2018, traffic was opened along the Tashkent-Andijan-Osh-Irkeshtam-Kashgar automobile corridor, which for the first time allowed road carriers from Central Asia to go directly to China. In March 2018, the “Dzhartepa” checkpoint was opened on the border of Uzbekistan and Tajikistan, connecting Samarkand with Penjikent. Uzbekistan and Tajikistan resumed air traffic, restored the Galaba-Amuzang-Khoshady railway.

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[133] Central Asia in the system of international transport corridors: a view from Uzbekistan. 06.09.2018 // https://isrs.uz/ru/maqolalar/markazij-osie-halkaro-transport-julaklari-tizimida-uzbekiston-nigoi

Thus, improving the transport infrastructure while reducing soft trade barriers (for example, the abolition of burdensome customs procedures) will reduce the costs of doing trade and increase the attractiveness of Central Asian countries for foreign investors.

## Discussed logistics projects contributing to the connectivity of the region

**Figure 2: China-Kyrgyzstan-Uzbekistan railway.**

*Source: https://www.thethirdpole.net/en/regional-cooperation/china-kyrgyzstan-uzbekistan-railway-remains-uncertain/*

Negotiations on the construction of the China-Kyrgyzstan-Uzbekistan railway project have been underway since 1996, but to this day, there are no details of the start of the project, nor the terms of preliminary agreements. It is noteworthy that before the visit of the President of Kyrgyzstan to Beijing in February 2022, it was announced that “one of the main issues for discussion will be the prospect of building the China-Kyrgyzstan-Uzbekistan international railway[134].” However, after the completion of this visit, except declarations for support of this infrastructure project, no agreements were reached. There are several reasons why the railway will not move from the discussion stage to practical implementation in any way.

Firstly, initially the parties could not agree on the issue of financing. The cost of the project in various periods of its discussion ranged from 2 to 6 billion US dollars. It is also noteworthy that the cost may vary depending on which of the parties will finance the project. Initially, China was ready to allocate either a loan for the construction of a Kyrgyz railway section, or through the scheme “investments for resources” in the terms of mineral deposits. Bishkek considered both options unprofitable, due to

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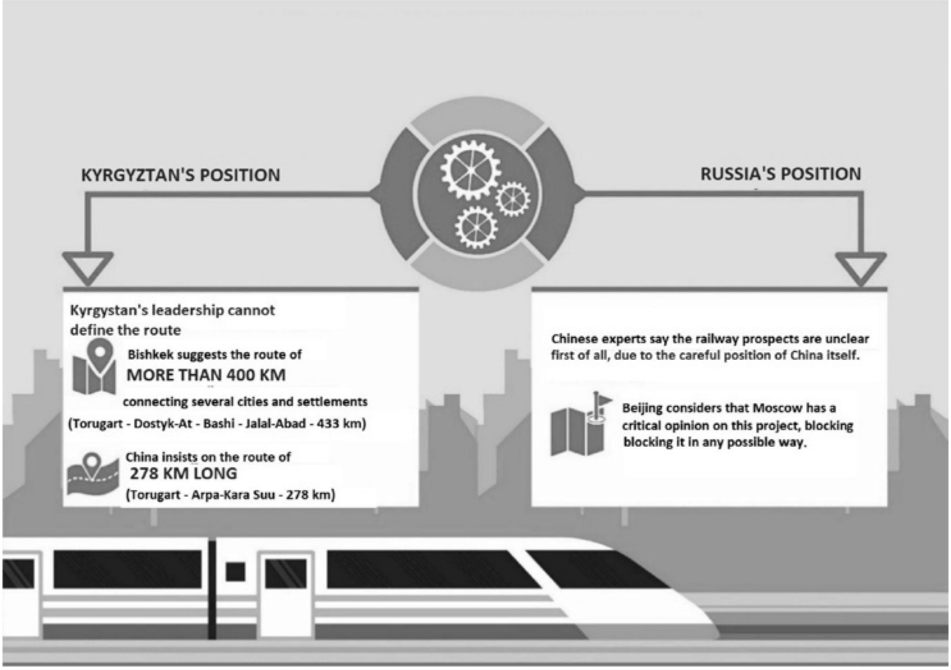
[134] Sadyr Zhaparov will pay a working visit to China, 02.02.2022 // https://knews.kg/2022/02/02/sadyr-zhaparov-s-rabochim-vizitom-posetit-kitaj/

the fact it can offer a limited list of products for export, unlike China and Uzbekistan. Accordingly, Kyrgyzstan as a net importer has not seen great economic benefits from transit opportunities, except for the sea access and foreign trade. It was assumed that the road through Kyrgyzstan would not end in Uzbekistan, it would also be included in the network of Tajikistan, Afghanistan, Iran and Turkey, and then the road would connect to the European network. However, experts fairly point out the difficulties of reaching Europe through the south due to instability in Afghanistan.

Secondly, there are still no details about the technical arrangements that are related to both the specific route of the road and the gauge. As is known, China consistently seeks the standard of the European gauge – 1435 mm, while the Russian standard, common to all post-Soviet states, including Kyrgyzstan and Uzbekistan, is 1520 mm. The aspect of the route is quite unsettling for the Kyrgyz side, given that it is existentially important for Bishkek to connect the northern and southern regions of the country, which have remained isolated outside the railway lines since the Soviet Union. In addition, it is the fact that Uzbeks are the second largest ethnic group after the Kyrgyz (about 15% of the country's citizens) and most of them live in the southern regions of Kyrgyzstan. Accordingly, the political elites of Kyrgyzstan remain concerned about the Uzbek political and economic dominance in the south. Researcher Sofia Pale points out that the connection of Kyrgyzstan and Uzbekistan may upset the balance in the relations of the southern and northern elites of Kyrgyzstan. At the same time, the strengthening of the Uzbek economic presence may even spur the desire of some territories for independence. In this situation, according to Pale, the Kyrgyz authorities should first build an internal North-South branch in order to firmly link the northern and southern regions of Kyrgyzstan and only then open the possibility of transit[135].



Kyrgystan's leadership cannot define the route

Bishkek suggests the route of MORE THAN 400 KM connecting several cities and settlements (Torugart - Dostyk-At - Bashi - Jalal-Abad - 433 km)

China insists on the route of 278 KM LONG (Torugart - Arpa-Kara Suu - 278 km)

Chinese experts say the railway prospects are unclear first of all, due to the careful position of China itself.

Beijing considers that Moscow has a critical opinion on this project, blocking blocking it in any possible way.

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[135] Sofia Pale. Kyrgyzstan and the Chinese "New Silk Road", 09/3/2015 – http://ru.journal-neo.org/2015/09/03/kirgiziya-i-kitajskij-novy-j-shelkovy-j-put/

Another point is that the implementation of logistics projects in Kyrgyzstan requires diplomatic success not only in the foreign policy with China, Uzbekistan, but also the ability to negotiate in the domestic political audience. In particular, anti-Chinese rallies often occur in Kyrgyzstan, which have repeatedly led to the disruption of projects. For example, due to protests in 2020, the construction project of an industrial trade and logistics center in At-Bashy with the involvement of $280 million from Chinese partners was canceled.

And among other things, the implementation of infrastructure projects that can somehow connect some of the countries of Central Asia with each other by rail will be influenced by the geopolitical and geo-economic situation. The positions of both countries outside the Central Asian region and the largest economies within the region affect the likelihood of starting the implementation of certain projects. First of all, the China-Kyrgyzstan-Uzbekistan railway contradicts the interests of Russia, and secondly, it contradicts the interests of Kazakhstan. As the head of the Association of Carriers of Kyrgyzstan Temirbek Shabdanaliev rightly noted, "Kazakhstan and Russia are railway monopolies for the movement of goods from China. Russia has a very long railway from China, Kazakhstan takes the second place. Kazakhstan already has two railways approaching the border with China. In this regard, Kazakhstan and Russia do not want to lose their monopoly, influence and authority[136]." As a result, to this day, construction has not received practical implementation, remaining in the declarations as an "important project" that will begin "in the near future."

As can be seen, the implementation of infrastructure projects is influenced not only by the balance of interests on the part of the stakeholders themselves, but also by external players, as well as neighboring countries within Central Asia.

Another project that could partially ensure the internal connectivity of the Central Asian region and promote regional cooperation was the construction project of the **Russia-Kazakhstan-Kyrgyzstan-Tajikistan** railway, initiated by the ex-president of Kyrgyzstan A.Atambaev in 2013. The decision to build the Russia-Kazakhstan-Kyrgyzstan-Tajikistan railway was considered at an informal CSTO summit. According to the idea, this project was planned to be transregional, paving the way further to the Turkmenistan-Iran-Persian Gulf route. At that time, relations between Tajikistan and Kyrgyzstan with Uzbekistan during the Karimov period were rather cool. Logistically, Tajikistan was highly dependent on the position of Tashkent, that is why it was necessary to look for workarounds to Kazakhstan and Russia. But in the balance between the advantages of this project in terms of strengthening the image and integration processes within the EAEU, the disadvantages still outweighed for the Kremlin. In particular, Moscow did not see the expediency of financing the project for itself, doubting the profitability and safety of its investments[137]. The ensuing crisis in Russian-Ukrainian relations and its aftermath has shifted the focus and agenda for Russia itself. In addition, the warming of relations between Tajikistan and Uzbekistan, as well as the lack of interest from Russia and Kazakhstan, do not contribute to its ideological advancement.

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[136] Expert: Construction of the China-Kyrgyzstan-Uzbekistan railway is unprofitable for Russia and Kazakhstan, March 5, 2021 https://www.gazeta.uz/ru/2021/03/05/railway

[137] Mordvinova A. Kyrgyzstan–Tajikistan railway, December 10, 2015 // https://riss.ru/article/6248/

As a result, the project received neither further substantive discussion nor a fully completed feasibility study. And the deteriorating relations between Kyrgyzstan and Tajikistan due to border conflicts in 2021 and 2022 freeze this idea altogether.

Similar problems can be called for another project initiated by Iran in 2010, the 2 thousand km long China-Kyrgyzstan-Tajikistan-Afghanistan-Iran railway. Although in 2014 the parties expressed interest and readiness, the matter did not progress beyond declarations[138]. The parties have not reached a compromise either in terms of financing or in terms of gauge. However, the security problem can be considered paramount in this project, taking into account the unstable Afghanistan, as well as the ambiguous situation in Iran itself. Another trans-Afghan project of the Mazar-i-Sharif-Kabul-Peshawar railway, despite the interest of Tashkent, remains under great doubt due to the coming to power of the banned Taliban movement in Afghanistan, which remains internationally unrecognized.

# CONCLUSION

As the analysis has shown, for the development of intraregional cooperation, it is critically important to focus on the promotion of transport and logistics projects. The Central Asian countries remain dependent on logistics projects of other countries when entering world markets. As can be seen, the influence of Russia and China in the infrastructure projects of the region is decisive.

In the construction of their own transport and logistics systems, the countries of the region have made progress in different ways: if Kazakhstan, Uzbekistan and Turkmenistan are most actively building railways and highways, then Kyrgyzstan and Tajikistan have not made much progress in this regard over the thirty years of independence.

Over the thirty-year period of sovereignty of the Central Asian countries, there is still a wide list of unrealized infrastructure and logistics projects that could strengthen the connectivity of the region. The main reasons for the slowdown of a number of infrastructure projects are dependence on investments and financial injections from big players, difficulties in finding a compromise on the route and conditions of financing at the multilateral level, political instability within Kyrgyzstan, as well as the prevailing spirit of competition rather than cooperation for transport flows and others.

At the same time, the format of the consultative meetings still does not provide for the integration of the transport strategies of the five countries, without which it is difficult to promote regional cooperation. Following the results of the last consultative meeting, which was held in Avaza, in paragraph 12 of the Joint Statement of the heads of State of Central Asia, "the parties noted the need to accelerate the creation of a regional Meeting on transport communications, coordination of the Program and Agreement on the Joint Development of the transport system in Central Asia, taking into account ongoing and promising projects for the formation of profitable international transport corridors with the participation of the states of the region. The parties supported the initiative

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[138] Khurramov Kh. A new transport corridor and the "suspended" fate of the railway from China to Tajikistan, June 14, 2020 // https://rus.ozodi.org/a/30670099.html

of the Uzbek side to establish a Regional center for the development of transport and communication connectivity under the auspices of the United Nations.[139]"

In addition, the successful implementation of logistics projects is due to diplomacy and diplomatic potentials both at the international and domestic political levels.

At the same time, it is important to emphasize that the development of logistics in a broad sense will not only contribute to the economic prosperity of the region, but will also determine the civilization choice, paving the way and strengthening ties either between the countries of Central Asia themselves, or towards one or another external player.

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[139] Joint Statement following the Consultative Meeting of the Heads of State of Central Asia // 06.08.2021 https://turkmenportal.com/blog/38733/v-turkmenistane-podvedeny-itogi-tretei-konsultativnoi-vstrechi-liderov-stran-ca

# Cooperation of China and Kyrgyzstan within Belt and Road Initiatives: Construction of Roads in Kyrgyz Republic

*Jildiz NICHARAPOVA*
Director for Academic Affairs
Technical School of Innovation
American University of Central Asia
Bishkek – Kyrgyzstan

## EXTENSIVE ABSTRACT

This chapter discusses cooperation of Kyrgyz Republic and China within Belt and Road Initiatives especially road construction projects together with other infrastructural projects. Historical background on development of cooperation among two neighbours in different spheres will be analysed and how the creation of BRI impacted the cooperation among them. What are the impacts of BRI projects on Kyrgyzstan in terms of development?

Our chapter consists of two parts. First, we will analyse the cooperation between Kyrgyzstan and China within BRI since its creation. We will analyse benefits and problems of cooperation for Kyrgyzstan since BRI is seen as a project which is uniquely beneficial for China. We will discuss the history of cooperation between Kyrgyz Republic and China since the independence of Kyrgyzstan in economic and other spheres. In the second chapter we will analyse the construction of roads in Kyrgyz Republic with the financial support of China within BRI and its benefits for Kyrgyzstan and China.

**Key words:** Belt and Road Initiatives, Kyrgyzstan, infrastructural projects, financing, construction of roads, economic impacts.

## АННОТАЦИЯ

В этой главе обсуждается сотрудничество Кыргызской Республики и Китая в рамках инициативы «Один пояс, один путь», особенно проекты строительства дорог вместе с другими инфраструктурными проектами. Будут проанализированы исторические предпосылки развития сотрудничества между двумя соседями в различных сферах и то, как создание BRI повлияло на сотрудничество между ними. Каково влияние проектов BRI на Кыргызстан с точки зрения развития?

Наша глава состоит из двух частей. Сначала проанализируем сотрудничество Кыргызстана и Китая в рамках Один пояс один путь с момента его создания. Мы проанализируем преимущества и проблемы сотрудничества для Кыргызстана, поскольку BRI рассматривается как проект, однозначно выгодный для Китая. Мы обсудим историю сотрудничества Кыргызской Республики и Китая с момента обретения Кыргызстаном независимости в экономической и других сферах. Во второй главе мы проанализируем строительство дорог в Кыргызской Республике при финансовой поддержке Китая в рамках Один пояс один путь и его преимущества для Кыргызстана и Китая.

**Ключевые слова:** Один пояс один путь, Кыргызстан, инфраструктурные проекты, строительство дорог, финансирование, влияние.

# INTRODUCTION

Belt and Road Initiative is one of them broiling topics in academic, business and political area for discussion. Beijing and Bishkek agreed that the Belt and Road Initiative (BRI), through implementation of major projects, is of key significance to bilateral ties and regional cooperation agreed by both sides during Chinese President Xi Jinping state visit to the Central Asian country, where he also attended the 19th Shanghai Cooperation Organization summit in June 2019.

The two sides noted that there is great potential for cooperation to dock the China-proposed BRI with Kyrgyzstan's National Development Strategy 2018-2040, adding that they will look for more overlapping interests and realize common development based on the principle of mutual benefits and win-win outcomes. The two sides pledged to explore potential for cooperation, further expand trade, to promote the exchanges between the enterprises, transportation cooperation, bilateral agriculture cooperation, cooperation in investment and finance, protect legitimate rights of citizens and legal persons and cooperation in commerce and tourism.

Since the inception of the BRI in 2013, all cooperation projects and any cooperation between China and other nations have been related to BRI projects. According to Aminjonov et.al (2019, p.1), projects are regarded as part of the BRI if they meet the criteria of:

- being publicly reported as a BRI project, regardless of whether projects are fully or partially financed by the BRI financial institutions, such as the Asian Infrastructure Investment Bank (AIIB), China Development Bank, Export–Import Bank of China or New Silk Road Fund, or
- are implemented and financed via a bilateral or multilateral format.

Some scholars consider Chinese projects to exclusively serve Chinese interests and not the interests of the Central Asian countries. According to Taliga (2021, p.8) a large share of the funds injected by China into Central Asia never leaves the Chinese system: a loan granted by a Chinese bank to a Central Asian government is reinvested in the Chinese company that gets the contract and which brings Chinese equipment and a Chinese workforce to Central Asia to carry out the project. A multi-regional study of the BRI conducted by Building and Wood Worker's International (BWI) indicates that more than 60% of the BRI projects funded by China are allocated to Chinese companies.

Despite the importance of Kyrgyzstan to the BRI, with the exception of a not much of research papers (Mogilevskii 2019; Aminjonov, Sim, 2020; Kitade 2019; Vakulchuk, Overland 2019), not a lot research has been done which analyzes the economic cooperation between China and Kyrgyz Republic or which clarifies the impact of the BRI on the economies of Kyrgyz Republic.

Two of the six BRI corridors pass through the region of Central Asia, connecting China. The BRI is important for Central Asian countries since for most of the Central Asian economies, China offers the closest port. Central Asia is important for BRI since two out of six corridors pass through Central Asia. The governments of Central Asia are expecting investments, first in the infrastructure projects, to open the landlocked region economically and attract more diversified projects with greater global attention. ADB has estimated that over USD 30 billion needs to be spent annually on infrastructure modernization until 2030 in Central Asia given the current conditions of infrastructure in Central Asia (Sim, Aminjonov, 2020).

This chapter aims to analyze the cooperation of China and Kyrgyz Republic within BRI and most specifically infrastructure projects – roads constructed in Kyrgyzstan with Belt and Road Initiative.  This chapter discusses what roads have been constructed within the framework of the BRI in the Kyrgyz Republic and their economic role and impact on Kyrgyz economics.

Research was done using qualitative analysis of secondary sources (articles, book chapters, research center reports) and primary data received from the Ministry of Transportation of Kyrgyz Republic and some statistic data from open sources. The text is organized into two main sections, each dedicated to the aforementioned fields of research, and concluding remarks. In the first we analyze the cooperation of China and Kyrgyz Republic within BRI. In which spheres these two neighbors are cooperating fruitfully. In the second part we analyze the construction of roads in Kyrgyz Republic with the financial and logistic support of China within BRI. Also benefits and problems of cooperation for Kyrgyzstan are analyzed.

## 1. China and Kyrgyzstan cooperation within BRI

People's Republic of China is a big neighbour of Kyrgyzstan and since its independence Kyrgyz Republic considers PRC as one of the main partners in all spheres. Kyrgyzstan is also a very important neighbour for China since they have common frontier of more than 1000 km. The history of friendly exchanges between two nations has lasted for more than 2000 years (Han Yichen 2019).

According to Roman Vakulchuk and Indra Overland Kyrgyzstan is of less interest to China due to the small size of its market and its geographic location (Vakulchuk, Overland 2019). From total 261 Chinese projects in Central Asia 46 is implemented with Kyrgyzstan coming just after Kazakhstan with 102 projects. From 46 BRI and bilateral projects of China and Kyrgyzstan:

- 17 of them on trade and industrial development including mineral extraction, industry, agriculture, food and finance and IT,
- 11 – rail and road connectivity,
- 5 – energy and
- 13 – people-to-people projects.

According to CADGAT total Chinese investments to Kyrgyzstan is 5.3 billion USD by 2019 – 1.7 billion USD going to rail and road; 2.7 billion USD going to energy; 676 million USD – mineral and petroleum exploration, 31,5 million USD – agriculture and food. China possesses more strategic (34 in KZ – 32) projects in Kyrgyzstan than commercial (12, in KZ 70) (CADGAT, 2019). Roads are the second key sector, followed by energy. The majority of these Chinese projects in Central Asia are bilateral. Apart from loans and direct investments, China provided Kyrgyzstan with more than USD 300 million non-refundable aid to build roads and supply potable water to remote regions.

According to Taldybaeva (2017) the cooperation between the two countries within the BRI is based on reconstruction of existing railways and highways and construction of new railways and highways, pipelines and logistic infrastructure, ensuring the transportation of energy resources such as Turkmen and Uzbek gas to China, relocation of Chinese production facilities to Kyrgyzstan in order to meet the demand for Chinese goods in the EAEU, provision of Chinese investments, improving cooperation in many fields, and strengthening border cooperation by establishing a free trade zone. China is expecting to create stable economies through the construction of new roads, railroads, and gas and oil pipelines in territories endowed with natural resources (Yazdani 2020, p. 190).

Han Yichen said that the bilateral pragmatic cooperation has brought tangible benefits to Kyrgyz people. The Osh Hospital aided by China is in use now and provides high-quality medical services to residents in the southern region. Bilateral cooperation in the fields of education, medical care, culture and art continues to promote mutual understanding of the two peoples. Kyrgyzstan has opened 4 Confucius Institutes and 21 Confucius Classrooms. More than 4,600 Kyrgyz students are studying in China. Experts from the First Hospital of Hebei Medical University have come to Kyrgyzstan for volunteer medical consultation every year since 2008. The hospital has also established a Research Center of Congenital Heart Disease in cooperation with the Ministry of Health of Kyrgyzstan (2019).

The State Council Information Office of China and the Bishkek Humanities University have jointly established the “China Pavilion,” which provides a platform for the Kyrgyz people to know China and Chinese people (Han Yichen 2019). And of course as mentioned above construction of roads, modernization of energy system and development urban spaces is the main benefits for Kyrgyzstan. Bishkek road conditions were improved. The Bishkek road network reconstruction project started in October 2016, covering 49 streets and 10 bridges with a total length of 95.4 kilometers. By 2019, 47 roads have been constructed and restored. The wide and flat roads have given the city a modernized view (Liu Zhonghua et al. 2019).

Only 500 of the more than 1,800 villages in the country had the access to centralized water supply. To tackle the issue, the Chinese Academy of Sciences (CAS) and the Kyrgyz National Academy of Sciences co-established the Research Center for Ecology and Environment of Central Asia (RCEECA) in Bishkek in 2014. Chen Xi, deputy director of Xinjiang Institute of Ecology and Geography under the CAS and director of RCEECA, said the center has helped to conduct Kyrgyzstan’s first systematic study on drinking water safety in nearly 30 years after the country’s independence, striving to develop the best and most suitable implementation plan for water purification technologies. In August 2018, RCEECA established the first drinking water safety technology demonstration site in Bishkek (Zhonghua et al. 2019).

Since 2012, China has become the largest source of foreign direct investments into the economy of Kyrgyzstan; for 2006-2017, the cumulative gross of Chinese FDI inflow was equal to USD2.3 billion. For this period, Chinese FDI constituted 25-50% of total FDI to Kyrgyzstan (National Statistic Committee KR 2017). Key Chinese FDI sectors are geological explorations, the mining industry and the production of refined petroleum products. Mining-related FDI (geological explorations and the mining industry) concentrate on the development of gold deposits in Kyrgyzstan. Chinese companies operate some

10 medium-sized mines producing gold-copper concentrate, which is exported for refining to China. Chinese FDI in other sectors of the Kyrgyz economy (e.g. retail trade, construction materials production, food processing) is relatively minor. In 2009, Chinese Eximbank financed the construction of a large cement plant in southern Kyrgyzstan. Later, however, this plant was sold to Kazakh investors (Mogilevski 2019 p.10-11).

Debt dependency and the risk of loss of sovereignty are generally of concern for Kyrgyz population (Vakulchuk, Overland 2019). In 2008 Kyrgyz government's debt to Eximbank was 9 million USD and in 2017 it raised to 1.7 billion USD made up 42% of total Kyrgyz government external debt or 24% of GDP. All infrastructure loans provided by the Government of China are concessional with effective interest rates of 1.86-2.5%, repayment periods of 20-25 years and grace periods of 5-11 years (Mogilevski 2019, p.15). According to IMF the Kyrgyz Republic remains at moderate risk of debt distress (IMF 2018).

According to The Wall Street Journal citing the Center for Global Development Kyrgyzstan is included into 8 indebted countries with Djibouti, Laos, Maldives, Mongolia, Montenegro, Pakistan and Tajikistan. According to Ministry of Finance of Kyrgyz Republic Kyrgyz debt to China is 53.6% of GDP and it may grow till 71% of GDP.

Sinophobia is the next most important problem in this cooperation. Most of Kyrgyz society views China's cultural expansion rather negatively and potential influx of Chinese immigrants is viewed as a risk (Jochec and Kyzy 2018). Mostly demonstrations in regions and Bishkek against China are organized against Chinese immigrants, mining companies implemented by Chinese, debt implications one of the most and hotly discussed topic in Kyrgyz society and the main concern of population, and rights of Kyrgyz workers in Chinese companies.

## 2. Construction of Roads in Kyrgyzstan within BRI

In recent years the Government of China has supported the implementation of several major infrastructure projects in Kyrgyzstan. The total amount of loans is USD 2.1 billion; if one adds to this amount the grants and costs of "resources in exchange for investments" project, the total costs of infrastructure projects financed by China in Kyrgyzstan go as high as USD2.2 billion. (Mogilevski 2019, p.5). These loans went mostly for road and energy system rehabilitation and development. From 2008-2017, 12 projects were implemented and 6 of them were on road rehabilitation for more than 1 billion USD. Four out of twelve projects were on energy system rehabilitation for more than 1.2 billion USD for modernization of electricity transmission in the south of Kyrgyzstan, construction of electricity transmission 500 kV Datka Kemin, 500 kV Datka substation, modernizing Bishkek heat and power plant and more than 1 billion USD planned to be spent for gas pipeline Kyrgyzstan-China in the future. For urban development of Bishkek 120 million goes (China-Kyrgyzstan intergovernmental agreements).

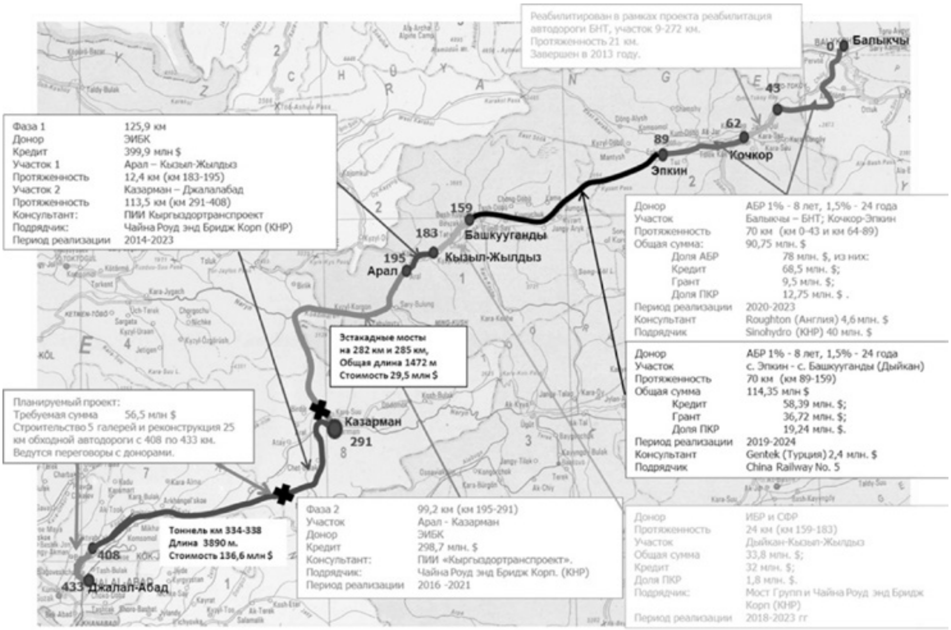
Significant progress has been made in the construction of the cross-border fiber optic cables for information transmission. Beijing and Bishkek have signed a cooperation agreement on fiber optic cables and practically launched the project (Yichen 2019). Chinese companies built two petrol stations in Tokmok and Kara-Balta and participate in natural resources extraction (Vakulchuk, Overland 2019). From 1996 to 2016, a total of 2 billion 521 million US dollars investment had been injected on roads in Kyrgyzstan. Of these, $206 million are grants, $ 213 million are the country's own funds. The remaining $ 2 billion 102 million are loans (24.kg, 2018).

The road projects are parts of the CAREC corridors that have been designed to improve the transportation links in Central Asia and connect the region with China, South and West Asia, and Europe. The road Bishkek-Naryn-Torugart is part of the CAREC Corridor 1c, the alternative road North-South is the road connecting Corridors 1 and 3, and the roads Osh-Sarytash-Irkeshtam and Osh-Batken-Isfana are parts of Corridor 2 (Mogilevski 2019 p.9). Bishkek-Naryn-Torugart road's loans amount was 200 mln.US dollars with the length of 230km and totally funded by Eximbank and contractor was China Road and Bridge Corporation (Ministry of Transportation and Roads KR, 2019). Eximbank financed 67km of roads by putting 75 mln.US dollars to Osh-Sarytash-Irkehstam roads (Ministry of Transportation and Roads KR, 2019) and Sarytash-Nura (CAREC-2) put 25mln US dollar by State Bank of China for 50km of length.

Within BRI the road projects are part of the CAREC corridors that have been designed to improve transportation links in Central Asia and connect the region with China, South and West Asia, and Europe. The Bishkek-Naryn-Torugart Road is part of the CAREC Corridor 1c, the alternative North-South Road is the road connecting Corridors 1 and 3, and the Osh-Sarytash-Irkeshtam and Osh-Batken-Isfana Roads are parts of Corridor 2.

The construction of an alternative North-South highway is well underway in Kyrgyzstan. The road is supposed to address the country's various communication problems. Several foreign banks and institutions have allocated their funds (mainly loans) for road construction; Chinese Eximbank is a major lender (Mukambaev 2020). To date, the Ministry is implementing the 13 road construction projects, with the involvement of funds from international development partners.

Figure 1: Alternative North-South Road



Реабилитирован в рамках проекта реабилитация автодороги БНТ, участок 9-272 км.
Протяженность 21 км.
Завершен в 2013 году.

| | |
|---|---|
| Фаза 1 | 125,9 км |
| Донор | ЭИБК |
| Кредит | 399,9 млн $ |
| Участок 1 | Арал – Кызыл-Жылдыз |
| Протяженность | 12,4 км (км 183-195) |
| Участок 2 | Казарман – Джалалабад |
| Протяженность | 113,5 км (км 291-408) |
| Консультант: | ПИИ Кыргыздортранспроект |
| Подрядчик: | Чайна Роуд энд Бридж Корп (КНР) |
| Период реализации | 2014-2023 |

| | |
|---|---|
| Донор | АБР 1% - 8 лет, 1,5% - 24 года |
| Участок | Балыкчы – БНТ; Кочкор-Эпкин |
| Протяженность | 70 км (км 0-43 и км 64-89) |
| Общая сумма: | 90,75 млн. $ |
| Доля АБР | 78 млн. $, из них: |
| Кредит | 68,5 млн. $; |
| Грант | 9,5 млн. $; |
| Доля ПКР | 12,75 млн. $ . |
| Период реализации | 2020-2023 |
| Консультант | Roughton (Англия) 4,6 млн. $ |
| Подрядчик | Sinohydro (КНР) 40 млн. $ |

| | |
|---|---|
| Донор | АБР 1% - 8 лет, 1,5% - 24 года |
| Участок | с. Эпкин - с. Башкууганды (Дыйкан) |
| Протяженность | 70 км (км 89-159) |
| Общая сумма | 114,35 млн $ |
| Кредит | 58,39 млн. $; |
| Грант | 36,72 млн. $; |
| Доля ПКР | 19,24 млн. $. |
| Период реализации | 2019-2024 |
| Консультант | Gentek (Турция) 2,4 млн. $ |
| Подрядчик | China Railway No. 5 |

Эстакадные мосты
на 282 км и 285 км,
Общая длина 1472 м
Стоимость 29,5 млн $

Планируемый проект:
Требуемая сумма 56,5 млн $
Строительство 5 галерей и реконструкция 25 км обходной автодороги с 408 по 433 км.
Ведутся переговоры с донорами.

Тоннель км 334-338
Длина 3890 м.
Стоимость 136,6 млн $

| | |
|---|---|
| Фаза 2 | 99,2 км (км 195-291) |
| Участок | Арал - Казарман |
| Донор | ЭИБК |
| Кредит | 298,7 млн. $ |
| Консультант: | ПИИ «Кыргыздортранспроект». |
| Подрядчик: | Чайна Роуд энд Бридж Корп. (КНР) |
| Период реализации | 2016 -2021 |

| | |
|---|---|
| Донор | ИБР и СФР |
| Протяженность | 24 км (км 159-183) |
| Участок | Дыйкан-Кызыл-Жылдыз |
| Общая сумма | 33,8 млн. $; |
| Кредит | 32 млн. $; |
| Доля ПКР | 1,8 млн. $. |
| Подрядчик: | Мост Групп и Чайна Роуд энд Бридж Корп (КНР) |
| Период реализации | 2018-2023 гг |

Total length of Alternative North-South Road (from Balykchy (North) to Jalal-Abad (South) is 433km with total investment amount of 937.5mln.US dollars, loan 857.49mln.US dollars and grant 46.22 mln.US dollars. Kyrgyz Government part is 33.79 mln.US dollars. Phase 1, 150.9km is financed by Eximbank with total amount of 399.9mln.US dollars. Section one Aral-Kyzyl-Jyldyz 12.4km and section 2, Kazarman-Jalal-Abad 138.5km. Contractor is China Road and Bridge Corporation. Phase 2 is 99.2km Aral-Kazarman with total loan 298.7mln.US dollars and financed by Eximbank (Ministry of Transportation and Roads of KR, 2019).

Below information on roads construction in Kyrgyz Republic. Out of 14 projects 2 are financed by Eximbank. The length of the roads financed by Eximbank is 226 km with total cost of 700 mln USD. Both of them are the part of the project “Alternative road North-South” phase 1 and 2. Phase 3 is financed by Asian Development Bank. 125.9km is Aral-Kyzyl-Jyldyz part and 99km is Aral-Kazarman part. Out of total 969 mln. USD for 14 projects around 700 mln. USD is financed by Eximbank. Total length of roads is being constructed is 733 km out of them only 226 km financed by Eximbank. These roads are constructed by China Roads and Bridges Corporation which is Chinese company.

As is known in 2014 the Ministry of Transport and Roads of KR initiated the construction of an alternate road “North South”. One of the main purposes of the road is to establish an international transit corridor Tajikistan-Kyrgyzstan-Kazakhstan through connecting the Alternative North South road with the Issyk Kul transport ring and Tyup Kegen road. Formation and development of transport corridors must be based on the condition that the carriers from each of the States Parties shall be provided with the conditions of carriage that are as good as the conditions provided by the Parties to their own carriers. Connection of this road with the roads in Kazakhstan Uzbekistan, and Tajikistan will enable establishing a through transit route Kazakhstan-Kyrgyzstan-Tajikistan. It will allow the country to overcome the transport deadlock, while retaining its economic self-reliance and complying with its CAREC obligations (Ministry of Transportation and Roads KR, 2019).

There were several scandals linked to projects which were financed by China like Central Heat Station scandal after the accident and in the construction of North-South Alternative road. The online news site 24.kg said that the cost of the road construction was increased five times (24.kg, 2018). According to Open Democracy, it appears that price tags were inflated by several orders of magnitude, from paying 1.1 USD per kilogramme of cement (cost on the local market: 0.07 USD) to paying 2,000 USD per month to provide office space to an engineer on the construction site (Aidar, 2018). Apart from road works, the same allegedly happened during the modernization of the Bishkek Heat and Power Plant (HPP), which was also financed with a 386 million USD loan from China’s Exim Bank. As Fergana.ru reports, the Kyrgyz authorities and Chinese contractor TBEA (which was recommended by official Beijing for the modernization work) signed accounting papers for $600 pliers, $14,000 video cameras and $1,500 fire extinguishers. A parliamentary committee concluded that approximately 100 million USD was embezzled in the operation. As a result, two former Prime Ministers have been arrested on corruption charges along with a number of other officials (Aidar, 2018).

In the table 1 we see that Eximbank cost is very high in comparison with other donors. For example, project for rehabilitation of route Bishkek-Naryn-Torugart, 272-365km which is funded by Arabic Coordination Group, the cost of 93 km of road is 45,4 mln. US dollar when we that project “Alternative road North-South”, phase 2, Kazarman-Jalal-Abad financed by Eximbank for 99,2 km costs 298,7 mln. US dollars.

### Table 1: Construction of roads in Kyrgyzstan

| № | Name of project | Length (km) | Cost ($mln) |
|---|---|---|---|
| 1 | Project «Alternative road North-South", phase 1, Kazarman-Jalal-Abad (Eximbank) | 125,9 | 399,9 |
| 2 | Project «Alternative road North-South", phase 2, Kazarman-Jalal-Abad (Eximbank) | 99,2 | 298,7 |
| … | ……………………………… | | |
| 10 | Project for rehabilitation of route Bishkek-Naryn-Torugart, км 272-365; (Arabic Coordination Group) | 93 | 45,4 |
| 14 | ……………………………… | | |
| | Total | 733 (226 km Eximbank) | 969 (700 mln USD Eximbank) |

*Source: Ministry of transportation of Kyrgyz Republic*

According to the Government's plan, the road should solve the following problems: a) be an alternative transport corridor between the south and the north of the country, bypassing border territories; b) contribute to the development of the country's interior, inter alia by improving access to Sandyk aluminum and Kara-Kechinsky coal deposits; c) provide a safer way bypassing the Too-Ashuu and Ala-Bel passes (Mukambaev 2020).

The construction of this Alternative Road will greatly improve the transport capacity of China exporting goods and materials to Uzbekistan, Tajikistan, Kazakhstan and other surrounding countries and even Europe through the land access in Kyrgyzstan, and have a great and profound significance to further promote the trade contacts between China and Kyrgyzstan and drive the rapid growth of regional economy (24.kg, 2014).

The construction of roads, modernization of the energy system and development of urban spaces are the main benefits for Kyrgyzstan. The Bishkek road network reconstruction project started in October 2016, covering 49 streets and 10 bridges with a total length of 95.4 kilometers. By 2019, 47 roads had been constructed and restored. (Zhonghua et al. 2019).

The China-Kyrgyzstan-Uzbekistan railroad had been under discussion for almost 20 years but stalled over Kyrgyzstan's complaints that the project lacked benefits for Bishkek (Hashimova 2018). The China-Kyrgyzstan-Uzbekistan railway and Turkmenistan-China gas pipeline are the major opportunity for Kyrgyzstan both cross Kyrgyz territory. Railway can potentially provide annual fees of 200 million USD for freight transit but there are several issues technical standards and funding sources and Chinese requirement to provide a deposit in the form of access to natural resources of Kyrgyzstan (Vakulchuk, Overland 2019).

A large share of the funds injected by the PRC into Central Asia never leaves the Chinese system: a loan granted by a Chinese bank to a Central Asian government is reinvested in the Chinese company that got the contract, which brings Chinese equipment and a Chinese workforce to Central Asia to carry out the project. For example, the multi-regional study of the BRI conducted by Building and Wood Worker's International (BWI) refers to the data that more than 60% of the BRI projects, funded by China, are allocated to Chinese companies (Taliga 2021).

The problem is that China provides loans to countries under the condition that they use Chinese technologies and hire Chinese workers. All the infrastructure projects have been implemented by the Chinese companies CRBC and TBEA Co.Ltd which use a mostly Chinese labour force as well as machinery, equipment and materials which have been imported from China  (Mogilevski 2019, p.9). For instance, a workforce made up of 30% locals built Kyrgyzstan's Osh-Sarytash-Irkeshtam and Bishkek-Naryn-Torugart Roads, partly funded by China, and 70% Chinese workers, with 60% imported raw materials. Consequently, benefits for the local economy are tempered as mostly Chinese materials, technology, equipment and labour force are used (Sim, Aminjonov, 2020, p.25).

In 2011-2017 total money committed to projects implementation was 4.1 billion USD, 2.2 billion USD for infrastructure projects and 1.9 billion USD of FDI however contribution to aggregate demand was much smaller according to Roman Mogilevski since most part of these resources went to imports of goods and services from China. According to him contribution of these projects to employment in Kyrgyzstan is not significant since it composes only 0.1-0.3% of country's total employment. Enterprises with Chinese participation paid 53.2 million USD of tax to Kyrgyz budget that composes 2.5% of state budget (Finance Ministry of Kyrgyz Republic). Concerning the trade Kyrgyz exports to China in 2016-17 was 2% of total country's export (mostly gold export) and imports of machinery and equipment from China to KR in 2011-2017 6-10% of total imports of the country (Mogilevski 2019, p.13).

# CONCLUSION

We have analyzed the cooperation of Kyrgyzstan and China within BRI. First, China is the main investor to Kyrgyz economy and finances actively many infrastructure projects especially in construction of roads. Second, almost all projects financed by China is accompanied by scandals like Central Heat Station of Bishkek and North-South Alternative Road and most of the scholars consider them not beneficial for Kyrgyz Republic and doesn't contribute to Kyrgyz economy. Implementation of such projects with Chinese workforce negatively impacts Chinese image in Kyrgyzstan by raising Sino phobia problem. In mining sector, we see a lot of problems with local people manifesting against Chinese workforce when the unemployment rate is very high in Kyrgyzstan.

In conclusion we would like to say that Kyrgyzstan and China are the immediate neighbors and good relations between them are extremely important for both sides. Belt and Road Initiative is a tool for improving relations of mutual benefit, mutual respect and common prosperity. Kyrgyzstan should use this opportunity to develop economic and political stability in country and be in good relationship with all the neighbors and partners. Kyrgyzstan has multi-vectored foreign policy principles that means Kyrgyzstan will cooperate with all the states of the world.

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# Les corridors de développement : le cas d'étude de Khorgos au Kazakhstan

*Marie HILIQUIN*
Doctorante en Géographie et Aménagement du Territoire
Univ. Lille, Univ. Littoral Côte d'Opale, ULR 4477 - TVES - Territoires Villes Environnement & Société, F-59000 Lille, France

## RÉSUMÉ

Le corridor de développement Chine - Asie centrale est un élément clé de la réussite du projet chinois des nouvelles routes de la soie. Un corridor de développement peut prendre plusieurs formes et son évolution est représentative du développement territorial où il est situé. L'analyse théorique des impacts de corridor est révélatrice des inégalités des partenariats qualifiés par la Chine de win – win. Le point de passage frontalier de Khorgos, au cœur de cet arc de développement et vitrine de la présence chinoise en Asie centrale présente aujourd'hui de nombreux dysfonctionnements liés à la pandémie de la Covid - 19 mais plus intrinsèquement à la structure du projet. Ce chapitre a pour vocation d'analyser les enjeux de la présence chinoise dans cet espace.

## ABSTRACT

The China-Central Asia development Corridor is a key element in the success of China's Belt and Road Initiative. A development corridor can take many forms and its evolution is representative of the territorial development where it is located. Theoretical analysis of corridor impacts reveals the inequalities of partnerships described by China as win-win. The Khorgos border crossing point is at the heart of this development arc and showcase of the Chinese presence in Central Asia. It is currently experiencing numerous dysfunctions linked to the Covid pandemic but more intrinsically to the structure of the project. The purpose of this chapter is to analyse the challenges of the Chinese presence in this area.

## INTRODUCTION

Dans le cadre de la mondialisation, la notion de corridors de développement est un pilier de la globalisation des échanges. En théorie, le corridor Chine - Asie centrale comporte des éléments propices à la réussite du projet des routes de la soie. Il existe un réseau de métropoles actives en plein développement et des centres de transaction comme Nour – Soultan et Almaty (Kazakhstan), Bichkek et son bazar (Kirghizistan) ou encore Tachkent en Ouzbékistan. Le réseau centrasiatique dispose d'un réseau d'infrastructures de communication hérité du système soviétique qui tend à se moderniser, notamment sous le prisme du projet de la Belt and Road initiative (BRI). Leur synergie intermodale demeure néanmoins relative et fut durement impactée par la pandémie de la Covid – 19. Par ailleurs, si un réseau de pôles importants existe, il demeure très peu connecté de par leur faible nombre et l'ancienneté du réseau. Paradoxalement, ce dernier est à la fois récent, puisque hérité de l'URSS mais trop ancien pour faire face aux enjeux et nécessités logistiques du XXIe siècle. Enfin, une des contraintes pour le projet chinois est l'interdépendance de ce réseau à d'autres puissances comme la Turquie ou la Russie, des partenaires historiques de cette région du monde.

Le projet des nouvelles routes de la soie aussi appelé BRI (Belt and Road Initiative) ou OBOR (One Belt One Road) fut lancé en 2013 par Xi Jinping à Nour – Soultan (anciennement Astana). Le choix d'annoncer ce projet au Kazakhstan, pays voisin de la Chine et principal fournisseur de ressources énergétiques, n'est pas anodin : il annonce les prémices d'une collaboration indispensable à la Chine pour mener à bien son initiative. Les routes de la soie ont pour objectif de développer d'importantes voies de communication, maritimes et terrestres pour relier la Chine à l'Europe et ainsi maintenir l'exportation de son importante production industrielle. Ce projet a pour enjeu de maintenir le niveau de croissance chinoise. On constate une influence accrue de la Chine en Asie centrale depuis le début des années 2000 et de l'ouverture de ces deux zones géographiques (Kellner, 2016). La Chine cherche également à sécuriser son approvisionnement énergétique via les gazoducs, oléoducs ou encore le commerce d'uranium au Kazakhstan dont la moitié de la production est exportée en Chine (Ministère de l'économie, des finances et de la relance, 2021). Le Kazakhstan, leader de la région est au cœur du projet de la Belt and Road Initiative et est un partenaire indissociable de la Chine de par ses ressources, son positionnement géographique et la coopération sécuritaire menée depuis près de 30 ans. Pourtant, le développement de la zone logistique de Khorgos, à la frontière entre les deux pays et vitrine de la réussite des routes de la soie, est sujet à controverse sur sa réussite depuis sa création.

Face à ces ambiguïtés, la Belt and Road Initiative peut-elle être un levier de développement logistique pour l'Asie centrale ? Quels sont les impacts territoriaux nationaux du projet chinois et est – ce réellement un projet *win – win* pour l'Asie centrale et le Kazakhstan ?

Dans un premier temps, ce chapitre s'intéressera à la notion de corridors de développement, thématique chère au discours politique chinois sur les bénéfices des routes de la soie pour ses partenaires. Puis, dans un second temps il présentera les enjeux du corridor Chine - Asie centrale dans l'espace eurasiatique. Enfin, il s'attardera sur une des étapes principales du corridor : le poste frontière de Khorgos.

## 1. Les corridors de développement comme levier de développement territorial

### *1.1. Qu'est ce qu'un corridor de développement ?*

La notion de corridor de développement a été développée conjointement par les scientifiques et les institutions internationales et régionales. Apparue à la fin des années 1960, la notion géographique de corridor s'est formée avec l'accélération des échanges mondiaux et l'essor de la planification et des grands projets urbains. Sa définition même est sujette à plusieurs controverses du fait de l'unicité de chaque corridor. Le site internet de ressources Géoconfluences définit le corridor comme : « un espace géographique dans lequel les régions sont parfaitement interconnectées par des liaisons terrestres ou maritimes plurimodales » (Géoconfluences, 2010). Néanmoins, l'idée de « parfaite interconnexion » est à relativiser. Elle est étroitement liée aux échelles, aux acteurs du territoire et à leurs besoins. Cette interconnexion est difficilement parfaite et doit surtout évoluer dans le temps. Le lien avec les transports est indissociable de cette notion puisqu'elle est liée à la connectivité des territoires entre eux. Le phénomène de maillage multiscalaire des économies provoqué par la mondialisation tend à créer ces corridors que les Nations Unies définissent comme : « un axe de concentration des infrastructures de communication » (Fau, 2019) et les déclinent sous forme multiple : corridor de développement, urbain, de croissance ou encore de commerce. L'ONU a notamment contribué à la généralisation du terme de corridor en lançant entre 2002 et 2005 le projet *Capacity-building in developing inter-regional land and land-cum-sea transport linkages*. Ce projet avait pour premier objectif d'aider les États membres de la Commission économique pour l'Afrique (CEA), des pays de l'Europe centrale et orientale (PECO), de la Commission économique et sociale pour l'Asie et le Pacifique (CESAP), de la Commission économique et sociale des Nations unies pour l'Asie occidentale (CESAO) et de la Commission économique pour l'Amérique latine et les Caraïbes (CEPALC) à renforcer leurs capacités nationales de développement des liaisons de transport interrégional terrestre et terrestre-maritime. Le deuxième objectif était également de promouvoir la coopération interrégionale pour faciliter le commerce et le tourisme.

La popularité de cette notion auprès des gouvernements et des acteurs du territoire a rapidement propulsé les corridors de développement comme un outil de gouvernance et de planification de la croissance et du développement économique.  Ils ont pour objectif de « favoriser l'implantation de nouvelles activités productives grâce à l'amélioration de l'accessibilité au développement d'infrastructures énergétiques et des capacités de transformation des productions locales et de favoriser le développement des marges et non uniquement des principaux nœuds structurants. Il ne s'agit donc pas seulement de relier les villes entre elles par des axes de communication plus performants, à créer ou améliorer mais de développer un nouveau type d'espace multipolaire et transnational articulant entre elles des régions urbaines existantes et des régions émergentes » (Fau, 2019). Dans le cadre de la Belt and Road Initiative et de l'axe eurasiatique, la notion de marge prend tout son sens quant au désenclavement des pays d'Asie centrale. En effet, cet enclavement, tant physique qu'économique est une des problématiques relatives au projet des nouvelles routes de la soie. Selon le gouvernement chinois, le corridor économique allant de la Chine vers l'Europe, doit tendre à développer cette zone géographique par la création d'infrastructures multimodales améliorant la connectivité de la région (Wang, 2016). Les corridors demeurent principalement des constructions politico - économiques dans le cadre de la mondialisation et de la libre circulation des biens. Néanmoins, dans le cadre de la BRI des barrières physiques et des contraintes politiques peuvent contrarier les ambitions chinoises. Par ailleurs, la qualité des infrastructures de transport, notamment en Asie centrale, est un frein à l'expansion chinoise vers l'Ouest (World Bank, 2019).

### *1.2. Identifier, mesurer et quantifier les corridors*

Un corridor est le résultat d'un processus global et plusieurs types de couloirs peuvent être identifiés. Claude Comtois identifie trois types de corridors : le corridor de pénétration, le corridor chaîne et le corridor centrifuge (Alix, Comtois, De Monnie, 2012).

- « Le "corridor de pénétration" est fondé sur la construction d'une route n'affichant aucune activité de transit à l'exception des points d'entrée et de sortie. Ce corridor peut servir à acheminer des équipements et de la main-d'œuvre pour le développement de régions ressources dont les produits sont ensuite expédiés vers des marchés de transformation ou de consommation. Il peut également permettre à des États enclavés de disposer d'un accès direct à la mer à des fins commerciales dans le cadre de conventions internationales, d'accords bilatéraux ou de négociations politiques. »

- « Le "corridor-chaîne" affiche une séquence de corridors dont le terminal de sortie de l'un coïncide avec le terminal d'entrée de l'autre. Les terminaux servent soit de destination finale, soit de lieux de transit le long d'un itinéraire à destinations multiples. Les terminaux peuvent être reliés au sein d'une ligne de service de groupage-dégroupage de marchandises ou de passagers. La qualité des équipements et des services de transport aux terminaux influence le degré d'accessibilité de l'itinéraire. »
- « Le "corridor centrifuge" présente un ensemble de corridors, fondés sur différents modes de transport, qui émanent de et convergent vers quelques terminaux situées le long d'une ceinture axiale. Le corridor centrifuge permet d'atteindre des économies d'échelle par la concentration de services. Le corridor centrifuge repose sur le développement d'infrastructures de transport et leur intégration aux fonctions de production et de transformation, aux marchés de consommation et aux procédés logistiques. »

Cette typologie permet d'appréhender le corridor ferroviaire eurasiatique comme désignant l'ensemble des voies ferrés reliant l'Asie et plus spécifiquement la Chine à l'Europe intégré de façon plus globale à un réseau. En effet, la juxtaposition des routes, des voies ferroviaires et des axes énergétiques créent ce que Comtois qualifie d'« armature formative des corridors » (Alix, Comtois, De Monnie, 2012).

Il existe plusieurs méthodologies afin d'identifier les différents corridors de développement. Plusieurs institutions se sont essayées à l'exercice mais l'exhaustivité de ces analyses reste contestée. En effet, les critères d'identification, majoritairement basés sur des données économiques et logistiques, sont particulièrement nombreux et ne permettent pas d'inclure l'intégralité des indicateurs de performance dans une analyse. Par ailleurs, chaque pays ne dispose pas des mêmes méthodes de calculs ou même de données complètes. L'identification et la quantification des corridors dépend avant tout de l'objectif de l'étude : un outil d'aménagement, de développement, de réduction de la pauvreté, d'atténuation des impacts environnementaux des transports ? Construire une matrice d'indicateurs est extrêmement complexe et idéaliste, leur pertinence, leur fiabilité et leur compréhension sont souvent critiquées Selon Pelletier et Alix (2011), les méthodes simples utilisant des indicateurs facilement accessibles peuvent donner des résultats forts plausibles. Il existe plusieurs initiatives institutionnelles afin de recenser les corridors de développement à travers le monde comme la *Transport Result Initiative* de la Banque Mondiale ou le *Logistic Performance Index (LPI)* de la Banque Mondiale de 2018 qui analyse la qualité des infrastructures, leur recensement et la qualité des services mais aussi leur coût.

Si les corridors de développement présentent de nombreux avantages, le point optimal de circulation des richesses reste difficile – voire impossible – à atteindre. Alain Cariou analyse ainsi les facteurs qui ont incité le gouvernement russe à passer d'une logique nationale où le Transsibérien est pensé uniquement comme un moyen de vaincre l'immensité continentale et d'intégrer les périphéries au territoire national à une logique transnationale où le Transsibérien est envisagé comme un vecteur d'insertion dans la mondialisation, notamment par un rapprochement avec une Asie en pleine croissance, et comme un « instrument de puissance et de développement » (Cariou, 2018, Fau, 2019).

La Banque Asiatique de Développement (BAD) est très impliquée en Asie centrale et apporte une méthodologie plus opérationnelle. Elle identifie trois grandes stratégies : identifier les zones marginales, les maillons logistiques faibles et imposer un discours techniciste prônant la « connectivité » (Fau, 2019). Nathalie Fau rappelle que ce discours ne doit pas passer sous silence les enjeux de pouvoirs liés au contrôle des corridors. Une véritable lutte d'influence se joue pour le contrôle des flux dans cette zone : élites locales, gouvernements locaux et étrangers, institutions régionales et internationales. Ces conflits d'intérêts multiscalaires s'inscrivent dans des problématiques récurrentes en Asie centrale : inégales répartition des richesses et corruption. Le poste frontière de Khorgos, point de passage névralgique du corridor Chine – Asie centrale, met en lumière ces difficultés de développement territorial.

## 2. Le corridor Chine – Asie centrale au cœur de l'Eurasie

### *2.1. Identification géographique*

Le corridor Chine – Asie centrale a été largement identifié par les institutions régionales, internationales et les gouvernements chinois et centrasiatiques dans leurs accords de coopération. Ce corridor historique initial des antiques routes de la soie est la vitrine de la communication chinoise du projet de la Belt and Road Initiative. Il relie la province du Xinjiang à l'Europe vers :

- La Méditerranée, en passant par le Kazakhstan, le Kirghizistan, le Tadjikistan, l'Ouzbékistan, le Turkménistan, l'Iran et la Turquie.
- Le nord de l'Europe, en passant par le Kazakhstan, la Russie, la Biélorussie ou l'Ukraine, la Pologne et l'Allemagne.

Des chercheurs chinois ont proposé d'identifier ce corridor dans le cadre des routes de la soie en traçant une ligne droite d'Almaty jusqu'à Achgabat. Cette ligne passe par Bichkek, Tachkent, et Douchanbé non loin au sud de cette ligne. Si la ligne est prolongée vers le nord-est, elle atteindra une position au nord d'Urumqi (plus de 100 kilomètres). Cette ligne droite relie les six centres économiques les plus importants d'Asie centrale dans l'espace. La zone environnante avec cette ligne droite comme axe est précisément la zone la plus densément peuplée et constitue le plus grand marché d'Asie centrale. Ils nomment ainsi cette ligne : « l'axe de développement économique de l'Asie centrale ». Ils rappellent également que cet « arc dans l'espace » s'inscrit à proximité des six autoroutes internationales au Kazakhstan, dont l'autoroute Tachkent-Shymkent-Taraz-Bichkek-Almaty-Khorgos. Khorgos étant d'une grande importance pour le transport de marchandises en transit (Yang, Wang, 2018). Néanmoins, cet axe plusieurs contraintes rendent cet axe incertain. Les pays traversés souffrent de multiples inégalités territoriales dans tous les secteurs : accès énergétique, structure industrielle, logistique et de transports, conflits territoriaux et frontaliers, modes de gouvernance différents, tensions ethniques et religieuses. Les infrastructures de transports pourraient être un frein considérable au projet chinois. Les routes en mauvais état ou encore les infrastructures ferroviaires peu développées ralentissent profondément la connectivité sur et entre les territoires centrasiatiques. Enfin, les conditions géophysiques de l'Asie centrale rendent la création de nœuds et de hubs complexes : espaces arides, chaînes et cols de montagnes allant jusqu'à plus de 4000m d'altitude. Le corridor Chine – Asie centrale s'inscrit donc dans un vaste espace que l'on peut difficilement qualifier d'ensemble mais plutôt de territoires hétéroclites que le gouvernement chinois tend à instrumentaliser pour mener à bien son projet.

### *2.2. Un espace de contrôle stratégique : le corridor dans la théorie du heartland ou de la zone pivot*

L’Asie centrale s’inscrit dans ce vaste ensemble complexe à délimiter qu’est l’Eurasie. Philippe Pelletier le définit comme « l’ensemble terrestre formé par l’Europe et l’Asie, en tant que supercontinent. Il est généralement utilisé dans deux domaines distincts. D’une part en géographie physique : l’Eurasie désigne en biogéographie une vaste aire commune d’espèces végétales et animales, et en géologie l’une des plaques lithosphériques majeures. D’autre part, en géopolitique voire en géographie culturelle : soit le terme Eurasie permet de postuler une unité passée ou présente des civilisations européennes et asiatiques ; soit de se focaliser sur l’espace clé de cette unité : l’Asie centrale, pour tout ou partie, ou bien la Russie dans son ensemble, ou encore, mais plus récemment, le monde turcophone. » (Pelletier, 2011). Cette définition peut être complétée par celle, plus succincte, d’Yves Lacoste qui définit l’Eurasie comme un « ensemble continental de nature essentiellement géologique englobant l’Europe (10 millions de km², et le continent asiatique (44 millions de km²). L’Eurasie compte 4,5 milliards d’hommes, de femmes et d’enfants » (Lacoste, 2003). L’approche retenue dans cette thèse sera donc de considérer l’Eurasie comme un ensemble particulièrement vaste dans lequel l’Asie centrale joue un rôle précis d’articulation entre l’Europe et la Chine dans le cadre des nouvelles routes de la soie. Néanmoins, Michel Bruneau rappelle au début de son ouvrage que « jamais cet immense espace n’a été politiquement ou culturellement uni, et il ne devrait pas l’être dans un avenir prévisible, mais les progrès incessants, grandissants, des communications et connexions de toutes sortes, grâce aux progrès des infrastructures, lui donnent de plus en plus de cohérence et font qu’un Eurasie devient une réalité de plus en plus tangible sur un arrière fond de concurrence, de rivalités et de quête d’une hégémonie par les plus grandes puissances du monde » (Bruneau, 2018).

Une autre approche, celle d’un *heartland* ou espace central, et d’un « pivot géographique » fût également théorisée dans la première moitié du XX$^{e}$ siècle et s’applique à l’Eurasie. John Mackinder a été le premier à présenter cette notion comme celle de plusieurs superpuissances luttant pour le contrôle stratégique d’une zone située entre la Chine, la Russie et l’Allemagne. Grâce au contrôle des voies de communication en Asie centrale notamment, la puissance la plus présente pourrait contrôler facilement l’Eurasie (Mackinder, 1904). Ainsi, selon le concept de pivot géographique, la Russie à l’époque et désormais la Chine, de par leur position géographique et leur étalement autour de cette zone, pourraient s’imposer comme puissance de premier plan sur la scène internationale en dominant la région centrasiatique.

### *2.3. Les enjeux du programme de développement de l’ouest chinois*

L’accessibilité physique est un élément clé de la stratégie chinoise pour le développement de la Belt and Road Initiative et le programme chinois de développement du « Grand Ouest » a permis l’accroissement des échanges en ouvrant les frontières du Xinjiang vers le Kazakhstan. Ce programme proposé à la fin des années 1990 et lancé dans les années 2000 a pour vocation de réduire les écarts de développement économique entre les régions de l’est et de l’ouest et à améliorer les régions du centre. L’instauration de cette stratégie s’est mise en place par des incitations à la fois politiques et financières (Castets, 2009).

De nombreux projets de construction ont été encouragés et soutenus par les documents de planification nationaux : les plans quinquennaux du Parti communiste chinois. On note notamment l’importance dans ces documents, depuis cette période, du développement ferroviaire et du transport de pétrole et de gaz. Par exemple, le quatorzième plan quinquennal (2021 – 2025) pour le développement économique et social national de la République populaire de Chine et les grandes lignes des objectifs à long terme pour 2035 présentent une section « favoriser le développement des zones frontalières ». Cet encadré insiste sur l'amélioration des villes frontalières, la création de nouveaux villages frontaliers, la construction ou rénovation d'autoroutes, d'aéroports et enfin la construction, transformation et modernisation de ports comme Khorgos. Ces projets doivent soutenir les mécanismes de coopération régionale afin de partager les avantages et bénéfices d'une relation conjointe. Il y est par ailleurs de nouveau question de créer « un sens communautaire de la nation chinoise » en lien avec les communautés ethniques présentes dans ces zones (Quatrième session de la treizième assemblée populaire générale, 2021).

Depuis le lancement en 2013 des nouvelles routes de la soie et même avant, les plans quinquennaux chinois ont fait de cette « conquête de l'ouest », un objectif primordial. Il n'est néanmoins jamais question dans ces documents de planification, bien que nationaux, de l'importance de la coopération avec les pays frontaliers, dont le Kazakhstan malgré la mention des projets d'infrastructure transcendant le territoire chinois. Par ailleurs, si le nom de Khorgos est mentionné à plusieurs reprises, il est systématiquement présenté du côté chinois et non kazakhstanais. Le positionnement stratégique de ces plans interroge sur les réels bénéfices des de partenariats « win – win » pour les pays signataires.

## 3. Le cas de Khorgos dans un corridor de développement

### *3.1. Localisation et composantes du site*

La frontière entre la Chine et le Kazakhstan mesure 1 533 kilomètres et compte deux points de passage ferroviaire avec des zones logistiques importantes : Khorgos et Alashankou en Chine et Khorgas et Dostyk côté kazakhstanais.

Khorgos est désormais le point de passage le plus important privilégié dans les échanges de flux matériels entre la Chine et le Kazakhstan et comme porte d'entrée commerciale vers l'Asie centrale. Ce point de passage est une ville frontière symbole de la coopération entre les deux pays, dont les discussions ont commencé en 2005, bien avant le lancement du projet des nouvelles routes de la soie. Cette ville est aussi le symbole des difficultés que la Chine rencontre dans sa stratégie d'ouverture vers l'ouest. Khorgos a pour vocation de devenir l'un des plus grands centres de distribution en Asie centrale. Cette Zone Economique Spéciale (ZES) se compose d'un port sec de 130 hectares, associé à un parc logistique de 225 hectares et d'une zone industrielle de 225 hectares. Le parc à conteneurs peut contenir jusqu'à 18 000 entités. En décembre 2011, une voie ferrée de 293 km a été achevée entre le poste-frontière de Khorgos et le terminal Zhetygen du Kazakhstan. Les voies des côtés chinois et kazakhstanais des frontières ont été connectées en 2012.

Il existe également un centre de coopération frontalière internationale Chine-Kazakhstan, une zone de libre-échange. Il s'agit d'un lieu neutre utilisant un modèle commercial exempt d'impôt. La zone économique spéciale *Khorgos-East Gate* pour le commerce avec la Chine via des pôles industriels et logistiques est utilisée par les grandes entreprises mais également dans le domaine de l'entrepreneuriat individuel. Certaines agences de tourisme ont ouvert des projets de tourisme d'achat sans visa. Selon le site internet du centre de coopération environ 3 000 à 4 000 citoyens kazakhstanais et plus de 4 000 à 5 000 citoyens chinois ont visité chaque semaine cette zone commerciale en

2018. Selon cette même source, l’achèvement de la construction du projet d’autoroute Almaty-Khorgos de 304,4 kilomètres raccourcira la distance d’Almaty à Khorgos de près de 50 kilomètres. Cette nouvelle autoroute *Western Corridor* rendra le trajet plus sûr et confortable.

L’objectif de toutes ces infrastructures est de permettre aux trains de relier la Chine jusqu’à la mer Caspienne vers la Russie. Cette zone de passage à la frontière permet notamment d’effectuer un changement ferroviaire, les deux pays exploitant des lignes avec des écartements différents. Les lignes de chemin de fer en Chine utilisent l’écartement standard des chemins de fer d’Europe occidentale de 1 435 mm, ayant été à l’origine conçu, construit, détenu et exploité par des sociétés européennes. En tant qu’ancien membre du bloc soviétique, le Kazakhstan utilise l’écartement le plus large de la Russie, ce qui signifie qu’à chaque fois que des marchandises entrent ou sortent de Chine, elles doivent être transférées dans différents wagons. Le même processus laborieux est répété en Pologne à la frontière biélorusse (Le Corre, Kirişci, 2018)

### *3.2. Difficultés d’évaluation*

Quantifier la qualité d’un corridor de développement est particulièrement complexe comme expliqué précédemment. Sur le terrain d’Asie centrale il est notamment plus difficile d’approcher l’exhaustivité du fait de sources manquantes, incomplètes ou parfois peu fiables. Ce chapitre n’a pas pour vocation à quantifier de façon exacte la réussite ou l’échec de Khorgos mais d’identifier le développement territorial engendré par les nouvelles routes de la soie.

Le trafic ferroviaire est la figure de proue du discours chinois pour la réussite des routes de la soie. La société mondiale d’exploitation portuaire DP World fournit ses services de gestion au terminal de fret, de vrac et de conteneurs pour cette ZES[140]. Selon elle en 2021 environ 65 trains transportant 6 200 EVP de marchandises traversent la passerelle de Khorgos chaque mois.  Par ailleurs, la gare routière doit avoir la capacité d’accueillir 2 200 camions et 300 véhicules légers par jour. En 2020, le compte Facebook Khorgos Gateway a publié avoir traité 228 677 conteneurs EVP, soit 44,3% de plus qu’en 2019. Des équipements et des machines surdimensionnés sont envoyés du port sec vers différents pays, comme 313 unités de récolteuses de coton livrées au Turkménistan ou 32 unités de voitures de métro au métro d’Almaty. En janvier 2021, des camions-grues lourds (55 tonnes), des niveleuses, des chargeuses et 150 unités de bus Hyundai à Almaty ont été surchargés avec succès (Facebook Khorgos Gateway, 2021). Si ces chiffres paraissent encourageants, il est nécessaire de rappeler que le trafic ferroviaire ne constitue qu’une infime partie du trafic mondial, la voie maritime restant largement privilégiée par la Chine. La part du chemin de fer dans les échanges entre la Chine et l’Europe est de 1,3 % en 2016, derrière l’avion (1,9 %) et le maritime (95 %) (Fouquin, 2019).

### *3.3. Les limites de Khorgos*

Après avoir mené plusieurs entretiens auprès d’entreprises étrangères et de logistique ayant travaillé à Khorgos de nombreux problèmes ont été soulevés[141]. Dans un premier temps la pandémie de la Covid - 19 a créé un frein considérable à la fluidité du point de passage. De nombreux camions ont été bloqués entre 3 et 9 mois sur le site. Plusieurs

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[140] Entretien mené auprès d’Hicham Belmaachi, Chief Operating Officer pour DP World, avril 2019, Almaty

[141] Entretiens anonymes menés en 2022 au Kirghizistan, en France et au Kazakhstan dans le cadre de mes recherches doctorales

aspects sont mis en cause : la mauvaise communication entre les services de douanes sino - kazakhstanais, des formulaires administratifs complexes, d'importants problèmes de corruption, une mauvaise gestion des marchandises stockées dans des entrepôts en plein air non protégés des aléas météorologiques. Par ailleurs, si la Chine n'avait pas officiellement fermé sa frontière, les périodes de quarantaine ont fortement prolongé les délais de transferts des marchandises, les chauffeurs restants régulièrement bloqués d'un côté ou de l'autre de la zone tampon. La différence de fuseau horaire crée également un ralentissement des services administratifs, la Chine ayant 2h d'avance sur le Kazakhstan. Enfin, on constate une répartition territoriale extrêmement inégalitaire dans le développement du bâti sur la zone frontalière. La zone chinoise se densifie et se modernise depuis la fin des années 2000 tandis que la zone kazakhstanaise demeure éparse (Bachelet, Damiani, 2018). Les photos satellites du site montre en effet une évolution constante et importante des infrastructures chinoises tandis que le côté kazakhstanais a peu évolué, que ce soit sur la zone logistique ou dans la grande ville la plus proche Jarkent située à 35km.

De nombreuses zones d'ombre demeurent sur les perspectives de développement de Khorgos. Le développement du fret ferroviaire pourrait connaître un essor important ces prochaines années grâce à son prix moins élevé que l'aérien et sa rapidité en comparaison avec le maritime. Enfin, sous le prisme des routes de la soie verte, le développement de ces flux est encouragé par la Chine. Néanmoins, les difficultés de gestion kazakhstanaise sont un frein considérable tout comme le retour à vide des trains de marchandises de l'Europe.

## CONCLUSION

Le cas d'étude de Khorgos à la frontière sino – kazakhstanaise est une des nombreuses illustrations des inégalités territoriales engendrées par le projet des nouvelles routes de la soie. Il serait utopique d'envisager des retombées économiques importantes à court terme sur cette région frontalière pour le Kazakhstan. La création ou l'amplification de corridors de développement font partie des outils de gouvernance prônés par la Chine afin d'augmenter les bénéfices de son projet lié à la globalisation des échanges. Néanmoins, le principe de non-ingérence dans les affaires étrangères peut être à double tranchant pour les pays concernés, la Chine se préoccupant peu du développement des infrastructures globales du pays et de la formation des travailleurs locaux. Le corridor d'échanges entre la Chine et l'Asie centrale est héritier d'une longue et ancienne tradition de coopération. Néanmoins, au regard des inégalités territoriales globales et des difficultés de développement de Khorgos, il est plus juste de considérer ce corridor Chine – Asie comme un corridor de logistique balbutiant ou comme un « corridor de pénétration » en devenir (Alix, De Monie, Comtois, 2012).

Le contexte géopolitique pourrait également être un frein aux ambitions chinoises, en quelques mois, les conflits en Afghanistan, au Kazakhstan et en Ukraine ont créé un climat de tensions dans le domaine de la coopération internationale. Le développement de la sinophobie en Asie centrale ou dans les pays d'Asie du sud-est prouve également les réticences des populations locales à l'accueil des investissements et des travailleurs chinois. Il est trop tôt en 2022 pour évaluer les bénéfices à long terme des routes de la soie en Asie centrale le projet restant relativement jeune. Il est néanmoins nécessaire de souligner que la Chine demeure un acteur incontournable à la fois pour les pays en voie de développement mais aussi pour les grandes puissances historiques. A la différence de l'occident, la Chine mène son projet par des accords de coopération et ses réelles alliances diplomatiques sont rares. Le jeu de l'échiquier centrasiatique demeure imprévisible et une zone de lutte d'influence grandissante à venir.

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# Development and digitalization of Logistics in Kyrgyzstan

*Aziza TYNALIEVA*
Journalist in Internews
Lecturer at Ala-Too University
Bishkek – Kyrgyzstan

## EXTENSIVE ABSTRACT

В этой статье подчеркивается важность цифровизации как результата четвертой промышленной революции в контексте логистики и дипломатии между странами Центральной Азии, а в частности развивающейся страны Кыргызстана. С момента коллапса СССР, Кыргызстан столкнулся со значительными трудностями в плане социально-политической стабильности молодой республики. Таким образом, Кыргызская Республика пережила три государственных переворота, что значительно понизило экономическую привлекательность страны в глазах внешних инвесторов. Страна не была готова к внезапному переходу из централизованной экономики в рыночную. Такие изменения послужили подоплекой к закрытию многих производственных предприятий, что в свою очередь привело к увеличению уровня безработицы и в целом к ухудшению динамики макроэкономических показателей.

В данной статье мы проанализировали факторы, влияющие на эффективность торговли, таможенных пунктов и процесса сбора налогов. Также был проведен анализ геопозиции КР, обусловленной суровыми климатическими условиями и горными рельефами, которые влияют на качество инфраструктуры и возможность ее улучшения.

Есть необходимость внедрять в таможенные пункты информационные системы, которые обеспечивают сотрудникам таможни быструю инспекцию товаров, а также гарантируют их легальность. В свою очередь, аналогичные электронные помощники создаются с целью свести человеческий контакт к минимуму, что в идеале должно привести к исчезновению коррупции и минимизации стоимости таможенной очистки. Вы ознакомитесь с реализующимися и реализованными проектами по автоматизации госуслуг на приграничных таможенных пунктах, таких как Единое Окно, Санарип Тамга и Смарт Бажы. Также, Вы изучите подробнее инвестиции и кредиты, направленные на развитие и ремонт автомобильных дорог, железных дорог, и других типов инфраструктуры. В заключении, мы приводим рекомендации и пример запуска, интеграции, автоматизации таможенной системы Иордании в качестве модели для цифровизации приграничных служб Кыргызской Республики.

# INTRODUCTION

This chapter discusses the current state of Kyrgyzstan's economic digitalization in logistics, its' development and impact as of one of the most principal stakeholder's facilitation of trade across EU, Central Asia and East Asia. It is impossible to extend the topic without taking into account overall digitalization in Kyrgyzstan. Since digital technology is the main driver of economic change, that facilitates trade and entrepreneurship, as well as moves countries forward towards a globalized, more interconnected world. Therefore, one can not underestimate the status in terms of readiness of the customs points and centers in the context of technological advances. The COVID-19 pandemic has proved that the digitalization is no longer an option, but rather an imperative for a developing country such as Kyrgyzstan.

In this article we will discuss the geographical challenges dictated by mountainous relief, economic dependency, technological necessity and implementation of border control management systems, as well as successful integration examples of the Kingdom of Jordan.

## 1. Geological positioning

The mountainous relief poses the key challenge to maintain the low costs of transportation costs. Landslides and rockslides endanger the passage between high altitude areas. Also, the lack of timely reconstruction of infrastructure impacts roads rapid degradation. This poses problems for transportation and logistics companies.  Therefore, we can conclude that a mountainous and at the same time landlocked geographic positioning with harsh climate impedes Kyrgyzstan in trade areas. Meanwhile, its geographical location exhibits a great potential to trade between Russia, Kazakhstan, China, Middle East, and South Asia. Kyrgyz government outlined the necessity to create a year-round infrastructure for shipment and goods transit. According to OECD (2019), Kyrgyzstan plans to spend more than half of its 5.5 billion USD investments in railway construction (56 percent) and road building (37 percent).[142]

Kyrgyzstan Is considered to be the heart of Central Asia. With its political democracy that inspires the neighboring countries, Kyrgyzstan is known by its comparatively market-driven, but rather mixed economies. After the fall of Soviet Regime, Kyrgyzstan's sudden transition to a totally new market led economies to a devastating effect in production, environment sustainability, human capital and education. While the politics there have been unstable since the fall of Soviet Union, Kyrgyzstan relied mostly on international donors such as Russia, US and China. In 2001 Kyrgyzstan was the only country that hosted both Russian and American military bases. Nevertheless, in 2009 it has been decided that the American base should be closed. Thus, as the relationships between the US and Kyrgyzstan deteriorated, Kyrgyzstan's proximity to Russia and China has only grown.[143]

Historically Kyrgyzstan lagged behind its neighbors in road construction, its first logistics companies occurred as private small entities that facilitated the trade with China through wholesale markets such as Dordoi. Expansion of regional key transport corridors could enable the landlocked country as Kyrgyzstan not only to access the far-rich Western

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markets, but also grip the advantages of being a transit country that connects two continents. However, to initiate this process, Kyrgyzstan has to prove the technological readiness with the unified international standards, as well as well-built infrastructure. As an evidence, Kyrgyzstan strongly relies on its road transportation. Almost 95% of road transport and cargo is delivered by road. While construction of a new road requires 2300-2500$ per km, the renovation of old existing road varies in price around 650-900 $ per km. Despite the heavy reliance on roads, Kyrgyzstan is 110th out of 141 countries on road connectivity according to World Economic Forum. Since the government is unable to fund the projects fully, Kyrgyzstan attracts public funds from international donors such as World Bank, ADB and Islamic Bank, EBRD for partial or full coverage of project's costs.

Kyrgyzstan in 2013 adopted Belt and Road Initiative proposed by China. Related public infrastructure projects that were financed through loans or FDIs include rehabilitation and construction of automobile road, railway, electricity, heat and power transmission lines. (0 SSRN). Nowadays Kyrgyzstan owes 41 % of its external debt to China, since the start of the BRI multi-billion-dollar project. Overall, the total amount credited is 2.2 USD billion of concessional loan. Although Kyrgyzstan controls Tian-Shan mountain range, which offers the best overland to the West Asia & Europe, it had its loan escalated due to the negotiations that were not carefully elaborated.[144] However, according to estimates, the bulk of reforms generally aimed at simplifying trade processes within the context of BRI will lead to GDP growth from 9 to 32%, and exports increase from 9 to 22%.[145] Hubs that will be constructed next to the BRI railroads and automobile roads will more likely to gain more benefit than others.

The following road Bishkek-Naryn-Torugart is the major road that connects West to East, the Alternative South and North Road as suggests its name connects the South with North of Kyrgyzstan, despite the difficult passage of mountains. Osh-Sarytash-Irkeshtam connects Kyrgyzstan with China, and Osh-Batken-Isfana bypasses Uzbekistan and Tajikistan that allows uninterruptible mobility and cross-trade from Batken oblast' of Kyrgyzstan towards the West Asia.

Although, the project received strong support and orchestration from the government of Kyrgyz republic, the dependency on China continuously receives strong anti-Chinese sentiment from the people of Kyrgyzstan, that see the proximity in international relationships with China as a threat to its territorial integrity. Also, such Sinophobic attitudes are dictated by the experience of lack of implementation and adherence to human rights by several plants opened in Kyrgyzstan by Chinese entrepreneurs.[146]

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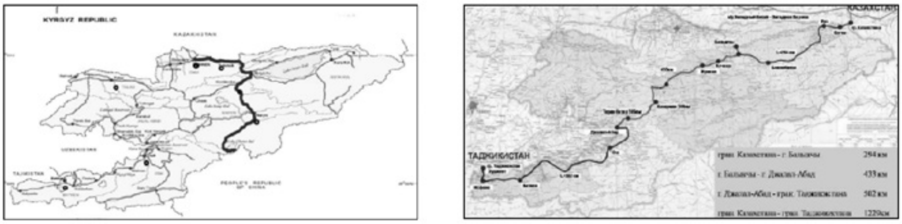
144 Alexander, L. (2021, March 2). Central Asian Geopolitics: The Kyrgyz Republic. The Borgen Project. https://borgenproject.org/central-asian-geopolitics/

145 Kudryavtseva, T. (2021, November 17). ADB to support digitalization of government procurement in Kyrgyzstan. 24.Kg. https://24.kg/english/213840_ADB_to_support_digitalization_of_government_procurement_in_Kyrgyzstan/

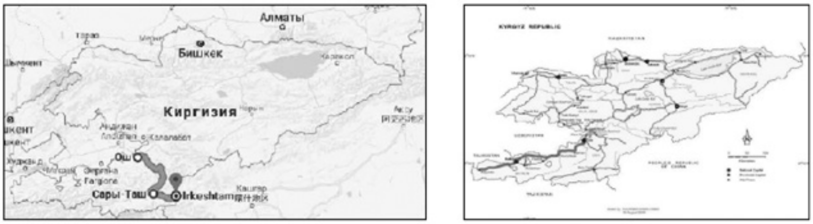
146 Is anti-Chinese sentiment in Kyrgyzstan strong enough to freeze a key Belt and Road Initiative project? (2021b, November 16). Global Voices. https://globalvoices.org/2021/08/05/is-anti-chinese-sentiment-in-kyrgyzstan-strong-enough-to-freeze-a-key-belt-and-road-initiative-project/

**Figure 1: BRI-related automobile road projects in Kyrgystan**



a. Bishkek-Naryn-Torugart (blue line)

b. Alternative road North-South (red line)



c. Osh-Sarytash-Irkeshtam (blue line)

d. Osh-Batken-Isfana (pink line)

*Source: http://piumotc.kg/en/main/, Google maps*

## 2. Technological importance

The lack of technological solutions and status quo created an opportunity for corruption to thrive due to the appetite of Kyrgyz government officials. To eradicate or maximally reduce the corruption rates at the customs post and tax services, the initiative named "Smart Bazhy" or Smart Customs has been presented. In fact, the reduction of human presence and digitalization offers a myriad of opportunities for the economy in terms of transparency and equity and elimination of corruption. Moreover, digitalized processes accelerate the trade process thanks to a rapid customs clearance processes comprised of customs declaration, inspection of goods, and identification of registration number, temporary storage, and accordance to the standards and so on. A bottleneck in a single operation generates a slowdown in the value chain and facilitates trade deficit.

The digitalization is only at its initial stages in Kyrgyzstan. According to UN survey led in 2020 assessing the internet penetration, it was identified that only 38% of individual users have access to internet, which is a double less than the number of neighbouring Kazakhstan. According to specialists' statement, countries must invest 6 billion dollars to provide half of the Central Asian population with internet, and that is until the 2030.[147]

However, according to the ex prime-minister Abylghaziev, the development of strategy of tax services for the years 2019-2023 and its consecutive realization plan was adopted. The document outlines the development of customs processes in terms of

- automation;
- application of a risk management system by customs authorities to speed up and simplify customs operations;

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[147] Mogilevskii, R. (2019, April 9). Kyrgyzstan and the Belt and Road Initiative. Https://Ssrn.Com/Abstract=3807754. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3807754

- organization and implementation of effective measures to counteract offenses in the field of customs;
- manifestations of corruption.

The realization of the defined measures is aimed to provide more effective administration of tax payments and overall transparency of customs operations.[148] International donors such as IDB, UNECE, EEC, EABR support such technological advances. For example, recently IDB approved a budget of 1 Million dollars to help Kyrgyzstan fully digitalize its national procurement electronic platform using the advanced technological solutions of ICT, that abides international standards based on block chain technology.[149]

### *World Trends*

Within the scope of the 4th Industrial Revolution, the changes occurred in every aspect of life, be it business exchanges, or personal life. Electronic systems and information technology solution shifted the world to a more connected, more globalized place. IT today plays an important role in economy. For example, from years 2010 - 2016 developed countries' digital economies impacted the GDP as an increase from 4.3 % to 5.5%, whereas the GDP of developing countries ranged from 3.6% to 4.9%. The largest share of the numerical economy in GDP (12.0%) was recorded in South Korea.

In comparison to other countries, Kyrgyzstan lags behind in digitalization of economy. As a country, Kyrgyzstan has only started its' digitalization. Therefore, according to statistical information gathered as of 2017 the share of IT sector in GDP accounted as of 0.4% only.

According to NRI the top leaders that demonstrate solid results in four primary pillars as Technology, People, Governance, Impact are the following countries:

**Table 1: Top 10 performers in NRI 2021**

| | | | Pillars | | | |
|---|---|---|---|---|---|---|
| **Economy** | **NRI Rank** | **NRI Score** | **Technology** | **People** | **Governance** | **Impact** |
| **Netherlands** | 1 | 82.06 | 3 | 7 | 2 | 3 |
| **Sweden** | 2 | 81.57 | 4 | 4 | 5 | 2 |
| **Denmark** | 3 | 81.24 | 7 | 2 | 3 | 7 |
| **United States** | 4 | 81.09 | 1 | 5 | 7 | 16 |
| **Finland** | 5 | 80.47 | 10 | 3 | 4 | 5 |
| **Switzerland** | 6 | 80.20 | 2 | 12 | 11 | 6 |
| **Singapore** | 7 | 80.01 | 8 | 9 | 12 | 1 |
| **Germany** | 8 | 78.95 | 5 | 8 | 13 | 10 |
| **Norway** | 9 | 78.49 | 13 | 6 | 1 | 11 |
| **United Kingdom** | 10 | 76.60 | 6 | 16 | 14 | 9 |

*Source: Network Readiness Index Database, Portulans Institute, 2021.*

Whereas, if we talk about the regional leaders, Russia, Armenia and Kazakhstan in Eurasian Union are considered to be the top-performing countries for the network readiness.

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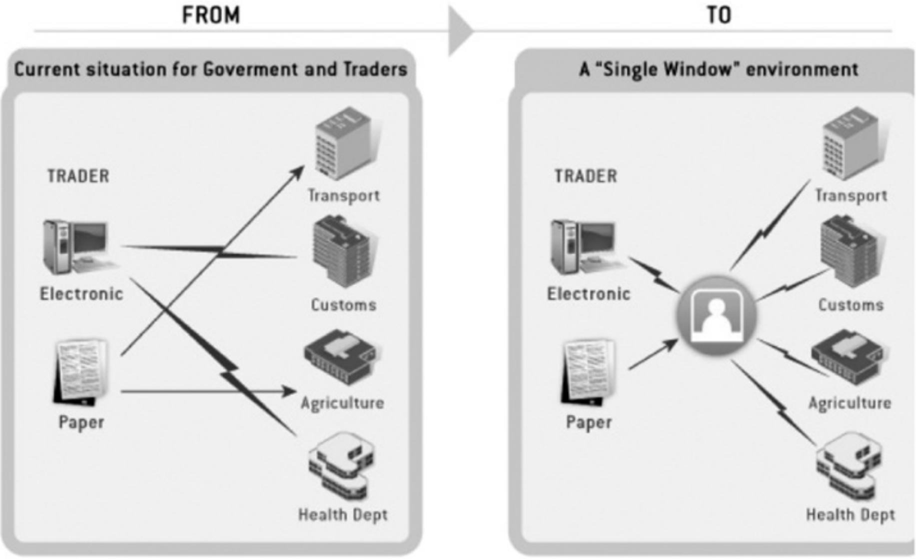
[148] South Caucasus and Central Asia: The Belt and Road Initiative Kyrgyz Republic Country Case Study. (2020, June).

[149] Высший Евразийский Экономический Совет. (2020, December). Решение о стратегических направлениях развития евразийской экономической интеграции до 2025 года.

**Table 2: NRI 2021 Top 3 countries by region**

| Africa | Arab States | Asia & Pacific | CIS | Europe | The Americas |
|---|---|---|---|---|---|
| 1. South Africa (70) | 1. United Arab Emirates (34) | 1. Singapore (7) | 1. Russian Federation (43) | 1. Netherlands (1) | 1. United States (4) |
| 2. Mauritius (71) | 2. Saudi Arabia (40) | 2. Korea, Rep. (12) | 2. Armenia (60) | 2. Sweden (2) | 2. Canada (11) |
| 3. Kenya (84) | 3. Qatar (42) | 3. Australia (13) | 3. Kazakhstan (61) | 3. Denmark (3) | 3. Chile (44) |

Globally, among 130 countries, Kyrgyzstan as of 2021 took the 92nd position, in comparison to Russia that was the 40th, Armenia the 60th and Kazakhstan the 61st. (nri_2021).



*Source: UNECE - UN/CEFACT (UNECE Recommendation 33)*

### *Nowadays*

Eurasian Bank of Development as well as Eurasian Economic Union as of April 15, 2021 discussed the cooperation strategies directed on improvement and integration in the sphere of transport and logistics. The implementation of e-systems enabling logistics and trade sectors' boost has already started. For example, the concept of Single Window is to simplify international trade, through integration of multitude of platforms, systems and environments. The following image demonstrates the desired transition from the status quo to the future environment.  Because of this, a website named trade.kg was created, that endorsed the stakeholders in foreign trade easily obtain various documents and certificates through filling out a form in the e-portal. Certificates possible to obtain are as follows:

- "Certificates of state registration"
- "Phytosanitary Certificate"
- "Certificate of Origin"
- "Veterinary Certificate", etc.

Such opportunities led by e-systems clearly offer less human interaction, more data and transparency. The instruments for simplification and standardization of trade processes within the Eurasian Union differ between each other by character as well as by countries. Nevertheless, there are four types of informatics materials. Not all of them mandatory for the external economic players, however, it is important to be informed about them.

1. Conventions are obligatory
2. Recommendation and standards are not mandatory
3. Guidelines are not mandatory
4. Collections, case studies and best practices is the last category of tools, aimed at providing information in order to better understand a particular issue in an applied context.

However, the process is far from the finish line. As of today, the implementation of program documents for the formation of an ecosystem of digital transport corridors is underway. It is planned to launch eleven services, the purpose of which is the use of electronic document management and an electronic protocol for weight and size control, booking a queue at a car checkpoint of the EAEU states. The ecosystem of digital transport corridors will create conditions for wide access to software products and resources for participants in the transport services market, and will contribute to an increase in freight traffic in the Union countries.[150] Eurasian Economic Union introduced Strategy 2025 that focuses on close economic cooperation between Kyrgyzstan, Russia, Armenia, Kazakhstan, and Belorussia. Within a closer look on customs regulation improvement, the aim is to eliminate human-touch from digital platforms, improve the customs regulatory process and provide the sole standard for customs operations and customs control, as well as simplify the document application and processing operations. Also, under the agenda of Strategy-2025, it is planned to provide a portal free of charge for information about the purchases, dishonest suppliers, and recognition of banking guarantees, elimination of smuggling.

Development of transport and infrastructure is aimed on systematic and continuous creation of a unique transport corridor based on the principles of honesty, openness, security, accessibility, trustfulness and eco-friendliness, also creation of non-discriminatory opportunities for the member-states' entrepreneurs in the matter of provision of logistical services, as well as cooperation under the Chinese Belt and Road initiative. The ongoing strategical direction for the members of the Eurasian Economic Union is to eliminate the barriers within the space of EEU, maximal reduction of withdrawal, elimination of fraudulent activities and adherence to mutually agreed conventions and market competitiveness. Maintaining such relationships between the countries will most likely increase the credibility, and therefore stimulate economy. Also, it is important to enhance the system of technical control of goods and application of sanitary measures by creating an effective mechanism of defense from low-quality, possibly dangerous for intake goods. The work in tax area will be based on development of digitalization per each taxpayer. Such services will enable the government to count the taxes for each transaction happened internationally, and even domestically, once

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[150] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), & Salimova-Tekay, J. (2021, December). Infrastructure Financing in Kyrgyzstan.

involved in trade. It opens a window for honest, transparent transaction and open society in general.[151]

As a reaction to systemic problems related to bribing the officials and bribe-taking, a pilot-project named Sanarip Tamga was launched. Such acts not only caused cargo delays, but also led to increased costs of freight. Therefore, in 2019 the implementation of pilot project “Sanarip Tamga” in Kyrgyzstan, made possible to send the cargo information in advance, that is to say before the cargo arrives to the customs station. Such an inquiry accelerates the decision making process as identifying the way and the form of customs control, measure risks, implement other customs operations. The implementation of this initiative will guarantee the creation of favorable conditions for participants in foreign economic activity by cutting the waiting time when moving goods through customs checkpoints. The project was launched in the member states to test the information system for provision of information in advance.

From the year of 2012 all the customs procedures are run through a single information system. The main concern of Customs Office in Kyrgyz Republic is to ensure the economic interests of the country and prevent the illegal activities such as smuggling. Then, it is important to create possibilities for the participants in economic activities that enable them to check the status of the goods sent, that are being transported. It is planned to implement a system for customs declaration, digitalization of economic trade, marking of goods, etc. According to Samat Isabekov, there is an acute necessity to adopt innovative systems in the framework of digitalization. Thanks to such information systems, there will be governmental application that will enable the electronic tracking of vehicle, thus it will be possible to minimize the contact with the Customs Office employees. As a recommendation the government should take immediate measures in order to accelerate the inclusion of Single window and Universal Access in the Information Security. There should be steps to control the efficiency of project implementation and its’ transparency. To combat corruption at the borders, government of Kyrgyz Republic might consider changing the old staff by new staff. Also, as outlined earlier there should be information systems where one can alarm about the employee demanding bribe.

### *Investments*

National Strategy for Sustainable Development included series of projects between 2012-2017 to improve the infrastructure. Although projects on building international corridors are essential for the future economies of Kyrgyzstan, they require serious investments, since the costs of construction are high. According to officials of Ministry of Transport, the local government can only finance 60% of projects. According to the Investment Policy Review, the Kyrgyz government acknowledged the need of investment from local or foreign investors in order to reach the key national and strategic objectives. The key sectors that are in need to attract FDI and loans are agro-mining, transport & communications, agriculture, as well as tourism, textile. Major countries that invest in gold mining sector is Canada and Russia, whereas China puts more emphasis on manufacturing, engineering, and geological prospecting. Other countries in investors list are Turkey, Kazakhstan, United Kingdom, and Ireland. In comparison to other developing countries Kyrgyzstan still lags behind, especially if one compares to Turkmenistan or Mongolia that attract substantial foreign direct investments. However, there is a positive

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[151] Saltanat Kudaiberdieva (2021, August 26). Digitalisation in Kyrgyzstan: One Step Forward and Two Steps Back. CABAR.Asia. https://cabar.asia/en/digitalisation-in-kyrgyzstan-one-step-forward-and-two-steps-back

tendency since the 2010 that helped Kyrgyzstan to compete along the countries as Republic of Moldova, Tajikistan, and Botswana.

### *Recommendations*

From the beginning of 1997, Jordan concentrated on improving efficiency of customs clearance and border control aiming at simplifying the trade processes and eliminating illegal traffics. The main focus was on Information Technology solutions, as well as linking closer the producers to the government agencies. In 2006 Jordan's customs services has signed a treaty with Jordan's Free Economic Zone Custom Services to continue the work on modernization of information systems regarding customs clearance and strengthening the territorial borders. This three year program was financed by USAID and another American company MCC. It included overall four components, such as:

1. Implementation of television and X-ray cargo systems in several customs points
2. Transition from the old system to the new one, completed by more modern ICT solutions
3. Creation of disaster recovery data centers
4. Installation of an integrated electronic systems that allows the entry or exit of cargos, only if the corresponding electronic card show total compliance with the regulations.

Other than that, there were more than a thousand trainings and workshops that aimed at teaching the staff to use those systems correctly. Also, they implemented the use of GPS to track vehicles on the territory of the Kingdom. Overall, as a result of the program, the connectivity within the customs organs was strengthened, despite the decrease of custom fees, thanks to transparency and simplicity of the processes, Jordan's economy received a boost from customs sphere, and elimination of illegal trafficking.

Kyrgyzstan should not omit benchmarking to similar countries. It has to tackle several problems, such as smuggling, corruption, non-compliance to the rules, bottlenecks and inefficiency in order to facilitate trade and diplomacy across the region. Evidently, some part of the customs automation has already taken place and been implemented, however, there is still an acute need for a continuous development in Information Technology. One successful example outlined above, shows that The Kingdom of Jordan, with its 10 million habitants, has carefully implemented a plan and reached positive outcomes in terms of providing security and increase in trade.

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# Value Chain Management as a Key Factor of Sustainable Rural Development in the Kyrgyz Republic

*Maral SAGYNALIEVA*
PhD Candidate in Economics
National Academy of Sciences of the Kyrgyz Republic.

Управление цепочкой добавленной стоимости как один из ключевых факторов
устойчивого развития сельских территорий в Кыргызской Республике

## АННОТАЦИЯ.

В мире в течение последних двух-трех десятилетий, устойчивое развитие сельских территорий стала одной из приоритетных целей государственных программ развитых экономик в связи с осознанием того, что сельская экономика приобрела существенную значимость и стала играть ключевую роль в формировании как национальных, так и международных торговых отношений, а также непосредственно в стимулировании экономического развития страны в целом. Ввиду этого, развитие сектора сельского хозяйства в рамках программ по устойчивому развитию сельских территорий стала одной из первоочередных целей и задач национальных стратегий и государственных политик развивающих стран. Например, в Кыргызской Республике одно из направлений по устойчивому развитию регионов может стать эффективное и систематическое управление цепочкой добавленной стоимости в сельском хозяйстве.

В данное статье обсуждаются и анализируются следующие основные вопросы:

Во-первых, дается краткий обзор по конструктивным мерам и действиям, проведенных в рамках национальных политик по устойчивому развитию страны, в которых цели по устойчивому развитию регионов были определены приоритетными и первоочередными в ходе реализации государственных программ. Более того, после участия на конференции в 2012 году в г. Рио-де-Жанейро по установлению целей устойчивого развития, Кыргызская Республика активно провела ряд законотворческих мероприятий, направленных на достижение целей устойчивого развития в стране. Например, в Национальной Стратегии по Устойчивому развитию Кыргызской Республики на период 2013-2017 годы, принятой в 2013 году, экономическое развитие регионов предлагалось реализовать через построение нескольких технополисов в регионах, которые, в первую очередь, способствовали бы активно развитию сельской инфраструктуры, диверсификации сельской экономики и развитию малого и среднего бизнеса, направленные на развитие сельского хозяйства. При достижении одних задач, в последующем ставились другие приоритетные задачи в рамках других государственных политик и концепций по устойчивому развитию регионов.

Во-вторых, изучая годовые доклады международных организаций по развитию Кыргызской Республики, были сделаны следующие существенные выводы. На

примере отчета Продовольственной и Сельскохозяйственной программы ООН, был проведен анализ по проблемам, существующих в цепочке добавленной стоимости в секторе сельского хозяйства. В отчете были изучены все проекты, реализуемые международными организациями и направленные на сельское развитие – туризм, агропромышленное направление, школьное и среднее техническое образование, повышение информированности по повышению качества услуг здравоохранения и другие. Активными международными организациями по устойчивому развитию сельских территорий, в основном, стали многие программы ООН, сельские проекты ЮСАИД, Японского агентства по международному сотрудничеству, Международного фонда по развитию сельского хозяйства, и инвестиционные проекты международных финансовых институтов, таких как Всемирный Банк и Европейский Банк Реконструкций и Развития.

В-третьих, разработка и проведение государственных политик, направленных на устойчивое развитие сельских территорий, и имплементация международных проектов по развитию и управлению цепочек добавленной стоимости в секторе сельского хозяйства Кыргызской Республики непосредственно способствовали возникновению растущего количества малых и средних предприятий, индивидуальных предпринимателей и крестьянских фермерств, а также был выявлен значительный рост производства и объема сельскохозяйственной продукции за 5-летний период с 2016 года по 2020 год, экспортируемой в страны СНГ и за пределами СНГ.

В-четвертых, в данной статье приводятся несколько кейсов об успешно реализовавшихся на практике и в настоящее время благополучно работающих предприятий в секторе сельскохозяйственного производства в регионах страны. Эти предприятия, на своем примере, показали эффективность и качество управления цепочкой добавленной стоимости в секторе сельского хозяйства, начиная от местного до мирового уровня. Благодаря деятельности таких производственных предприятий в сельской местности, заметны устойчивые процессы развития такие, как строительство и реконструкция дорог, улучшение качества жизненных условий сельских резидентов путем проведения трубопроводов и сооружений хозяйственно-питьевого водоснабжения, а также канализационных труб, строительства школ и медицинских пунктов.

В заключении, все примеры, предоставленные в данной статье, сопровождаются официальными статистическими данными по стране и по областям раздельно с целью проведения сравнительного и ситуационного анализа и оценки по развитию сельских территорий через эффективное управление цепочки добавленной стоимости сельскохозяйственной продукции как в пределах страны, так и за пределами страны, на глобальном уровне. Для поддержания и укрепления дальнейшего устойчивого развития сельских территорий Кыргызской Республики, необходимо на регулярной основе проводить мониторинг и оценку государственными органами, а также представителями частного сектора для выявления проблем и быстрого оперативного устранения  или решения их на всех уровнях управления, а также рекомендуется создать комплексный план мер по предотвращению и смягчению рисков в процессе управления цепочкой добавленной стоимости в секторе сельского хозяйства.

Ключевые слова: анализ цепочки добавленной стоимости, территория сельской территорий, устойчивое развитие, СМБ, сельское хозяйство, управление добавленной стоимости, международные программы по развитию.

# ABSTRACT

Over the world, during the last two-three decades, sustainable rural development has become a priority goal of developed economies' state programs. This is related to the fact that sustainable rural development has been recognized as a substantial value in shaping the framework of both national and international trade relations and a key role of rural economy in furthering economic development of a country as a whole. Thus, the development of the sector of agriculture in the framework of sustainable rural development has also been set up as one of the primary objectives of the developing countries' national strategies. For example, in the Kyrgyz Republic sustainable rural development can be achieved through effective and systematic value chain management.

This paper provides the following key points: firstly, an overview of constructive developments done within the national policy framework and under the international development projects in the sector of agriculture; secondly, the analysis and evaluation of value chain management process by region by present taken place in the Kyrgyz Republic; thirdly, the successful practices and practical cases of agricultural value chain development by region; and, fourthly, to what extent sustainable rural development achieved because of development and management of agricultural value chain. In addition to this, the official statistical data is followed case by case for comparative and situational analysis in order to demonstrate how reliable and comprehensive a picture of agricultural development is currently present in the Kyrgyz Republic.

**Key words:** value chain analysis, rural development, sustainable development, SMEs, agriculture, value chain management, international development programs.

# INTRODUCTION

For the last two decade, most developing countries, including the Kyrgyz Republic, have drawn their attention and actions towards sustainable development of rural areas because of recognizing a significant value and a key role of rural economy in shaping the framework of both national and international trade relations. Furthermore, according to the works done by such scholars as Yakop and Bergeijk[152], Selmier and Oh[153], Van Bergeijk *et al.*[154], the mutual trading relations are capable, to a large extent, to improve diplomatic economic relations among countries. Consequently, if goods and services produced in the sector of agriculture are of high quality, in compliance with international food standards and with the certification and product quality requirements, the trading relations will lead to increasing the quality and sustainability of economic relations

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[152] Yakop, M., & van Bergeijk, P. A. (2011). Economic diplomacy, trade and developing countries. Cambridge Journal of Regions, Economy and Society, 4(2), 253-267.

[153] Selmier, W. T., & Oh, C. H. (2013). Economic Diplomacy and International Trade: ASEAN's Quest to Value-Claim. The World Economy, 36(2), 233-252.

[154] Van Bergeijk, P. A., Yakop, M., & de Groot, H. L. (2011). The economic effectiveness of diplomatic representation: An economic analysis of its contribution to bilateral trade. The Hague Journal of Diplomacy, 6(1-2), 101-120.

among producers of each countries which, in turn, will enhance economic diplomacy among those countries. Why is the sector of agriculture addressed in this paper? Because, recently, the development of the sector of agriculture in the framework of sustainable rural development has become one of primary objectives of the developing countries' national strategies.

With regard to the trajectories of sustainable rural development, the Kyrgyz Republic has the opportunity to develop alongside a number of sustainable rural development ways or concepts which have at present time demonstrated sustainability and performance capability. One of them are ecological tourism, or ecotourism, which includes alpinism, trekking, etc. Also, a provision of recreation goods and services is accounted because about 94 per cent of the country's territory is covered by mountains that have mineral resources and a wide range of biological resources. However, when sustainable rural development is discussed, the number of rural residents involved in tourism is not significant. According to the National Statistic Committee[155], about 60 % of total population reside in rural areas, and more 40 % of total working-age population are employed in the sector of agriculture. In this connection, the concept of value chain management of agricultural goods and services is considered one of key factors of sustainable rural development for the Kyrgyz Republic.

Moreover, value chain management is vastly needed mainly in developing countries, in particular the Kyrgyz Republic, because the agriculture sector has still remained the main sector of economy. Additionally, the following official data demonstrates the positive developments in the sector of agriculture of the country.

### Table 1: Export of products in the Kyrgyz Republic in 2016-2020 (ths. USD)

| Items | 2016 | 2017 | 2018 | 2019 | 2020 | Growth 2016-2020 |
|---|---|---|---|---|---|---|
| Export of products from agriculture, forestry and fishing | 128 182,8 | 136 677,5 | 128 029,9 | 162 822,7 | 160 846,1 | 25% |

*Source: National Statistical Committee of the Kyrgyz Republic*

As seen in Table 1, the export capacity of agricultural production, including items from agriculture, forestry and fishing, has been increased from 128 182,8 thousand USD to 160 846,1 thousand USD from 2016 to 2020 that determines the growth by 25%. Such export growth for five years reveals that the sector of agriculture can produce export-oriented production.

### Table 2: Subjects of businesses in the Kyrgyz Republic in 2016-2020 (units)

| Items | 2016 | 2017 | 2018 | 2019 | 2020 | Growth 2016-2020 |
|---|---|---|---|---|---|---|
| Small businesses | 13 592 | 13 858 | 14 520 | 16 199 | 16 302 | 20% |
| Medium enterprises | 776 | 795 | 769 | 779 | 717 | -8% |
| Individual entrepreneurs | 379 150 | 389 778 | 401 658 | 411 405 | 418 763 | 10% |
| Farms (peasant) | 414 919 | 428 730 | 439 602 | 452 308 | 461 581 | 11% |

*Source: National Statistical Committee of the Kyrgyz Republic*

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[155] NSC (2021). National Statistical Committee of the Kyrgyz Republic.

For the same period of time in 2016-2020, a number of subjects of different businesses, such as small businesses, individual entrepreneurs and farms (peasant) was increased by 20 %, 10 % and 11 %, respectively. While a number of medium enterprises, on the contrary, as slightly decreased by 8 %. In overall, the positive dynamics of a growing number of businesses is observed. The most noteworthy data is about the number of farms increased by 11 % who are primarily and directly involved in value chain development and management in rural areas, as well who are dependent on its effectiveness and sustainability.

In this paper, the Section II discusses the policy framework related to the concept of sustainable rural development and the role of value chain management within this concept. The Section III reviews the reports on value chain analysis prepared by international organizations such as the FAO in the Kyrgyz Republic, the World Bank, the ADB, the EBRD and others. The Section IV demonstrates the successful cases of value chain management by oblast in the sector of agriculture. The conclusion and recommendation are provided in the Section V.

## 1. The Policy Framework on Sustainable Rural Development of the Kyrgyz Republic

Since joining in 2012 the Conference on Sustainable Development in Rio de Janeiro under the auspices of the United Nations, the Kyrgyz Republic has been rigorously elaborating on and implementing numerous public policies, expressly or impliedly, pertinent to sustainable rural development or regional development of the country. The Sustainable Development Goals specified to be achieved by each UN member, including the Kyrgyz Republic, addressed the importance of fair distribution of the social and economic benefits of development in both urban and rural areas. Consequently, the Kyrgyz Republic has made all efforts to accomplish the following policy settings on rural or regional development within the various national programs.

In 2013, the National Sustainable Development Strategy of the Kyrgyz Republic for the period of 2013-2017 was ratified in which the economic development of regions was referred as one of the priority tasks. To stimulate regional development, a number of technopolises were considered to be constructed in each potential region because a technopolis was able to advance rural infrastructure development, a diversification of rural economy, as well it would allow to form and develop small and medium enterprises in the sector of agriculture in particular.

The next significant step became a ratification the Decree on the Concept of regional policy for the period of 2018-2022[156] by the Kyrgyz Government in 2017. The Concept was an integral part and continuation of the National Development Strategy of the Kyrgyz Republic for 2018-2040. The main objective of the Concept was to improve people's welfare and living standards through applying constructive and relevant to each oblast development approaches. The main one was to introduce an incentive mechanism of regional development by determining its specific characteristics, creating economically competitive clusters, implementation of investment projects, including public-private partnership.

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[156] Concept of regional policy of the Kyrgyz Republic for the period of 2018-2022

Moreover, most international organizations also re-oriented their project activities in rural areas in order to comply their objectives with the national strategy programs, as well to support the Kyrgyz Republic in achieving the Sustainable Development Goals. For example, the European Union provided financing in amount of 10 million EUR to implement the Integrated Regional Development Program in the Kyrgyz Republic. The program objective was to create employment opportunities and additional capabilities to generate income for all rural residents within the sustainable economic development in, mainly, Jalal-Abad oblast.

It is worth noting that from 2018 to 2020 the Kyrgyz Government declared three times each year the Year of regional development. If the year of 2018 was just the Year of regional development, then the year of 2019 was the Year of regional development and digitalization, and the year of 2020 was acknowledged the Year of regional development, digitalization and support for children. Such a focused policy emphasizes the significance of rural economic development by building export capacity of agricultural producers.

By looking at Table 1 and 2 above, in which the growth of export of items from agriculture, forestry and fishing by 25 % and the growth of a number of farms by 11 % are observed, the policies focused on sustainable rural development are assumed to have properly executed and built to a significant extent the export capacity building of agricultural production.

## 2. International Value Chain Projects for Sustainable Rural Development

In 2018 under the Food and Agriculture Organization of the United Nations, the Assessment of Agribusiness Environment in Kyrgyzstan[157] was conducted. It provides the analysis of the value chain issues in the sector of agriculture in the country carried out by the main international development organizations such as the United States Agency for International Development (USAID), the International Fund for Agricultural Development (IFAD), the Japan International Cooperation Agency (JICA) and the United Nations Development Programme (UNDP), the World Bank (WB) and the European Bank for Reconstruction and Development (EBRD).

According to the assessment report, since 1996 the IFAD have been implementing a number of the development projects focusing mainly on development of livestock value chain in Issyk-Kul oblast. Under the IFAD Access to Market Project starting from 2016, the selected beneficiary enterprise was able to purchase the production refrigerator to be operating in the slaughterhouse at the total cost of USD 100 000. Moreover, the beneficiary enterprise developed the long-term productive partnership with three farm groups close to the enterprise's location area in the region in order to ensure to have sustainable supplies of livestock ecologically safe meat. As follows from the IFAD Supervision report (2020), in order to make livestock value chain management further sustainable and efficient, the following project activities were exercised in the targeted regions: social mobilization, trainings on conducting of technical expertise, financial literacy and business planning, development of gender and inclusion strategies and action plans and others.

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[157] FAO, 2018. Assessment of agribusiness environment in Kyrgyzstan: summary of value chain gap analysis and recommendations.

The agricultural food value chain analysis prepared by the WB (2018) and the EBRD (2019) presents the overview of challenges that hindered the agri-food trade due chiefly to poor infrastructure, unskilled labor force and low competitiveness among small-scale farmers. The EBRD, nevertheless, observes slight positive processes of the Central Asian states, including the Kyrgyz Republic, in integrating into regional and global value chains. But, in general, the Kyrgyz enterprises that have received fully or partly foreign investment have become active actors of the agricultural food value chain at regional and global level. Additionally, under the Community Seed Funds Project implemented by the World Bank in 2014-2018, across the country 3,474 farmers received high-quality seeds of agricultural crops and fertilizers in order to improve the agricultural productivity, as well the special trainings on crop and seed production management methods and techniques were arranged for farmers to apply them further.

In 2016 the JICA was also involved in implementing value chain development projects within the country. In the framework of the Seed Project, 80 Kyrgyz farmers visited Japanese farms to learn about the technologies used in seed production and the design of effective agricultural cooperation among farmers. As a result, the JICA and the Ministry of Agriculture of the Kyrgyz Republic founded the Kyrgyz Vegetable Seeds Cooperatives in order to provide relevant trainings and to disseminate timely information for the interested farmers, as well to initiate the development of the productive partnership among value chain actors and participants in rural communities.

The USAID completed two projects related to agricultural development – “Farmer-to-Farmer Project” (2013-2018) and “Agro Horizon Project” (2014-2018). Both project objectives were directed to increase farmers’ income through improving agricultural productivity, transferring advanced knowledge and technologies and building export capacity by strengthening agri-food value chains.

Among numerous development projects of the UNDP and the EU there are projects focused on rural development where agriculture is the main strand of employment opportunities and income generation for rural residents. The UNDP program on the Integrated development in Osh oblast (2016-2018) and the Integrated Rural Development Project (2018-2023) co-financed by EU and commissioned by Federal Ministry for Economic Cooperation and Development (BMZ) thorough he GIZ in the Kyrgyz Republic in the southern part of the country are straightforwardly connected with the development and implementation of agricultural value chain activities.

All projects which the FAO has been implementing are directly related to agri-food production in the country. In other words, the main project objectives and tasks are to strengthen the value chains of agricultural production and its productivity that further generates more households’ income and increases the wellbeing of rural population. Moreover, in 2017-2018, the FAO jointly with the Kyrgyz Government, including local governance, and Finland implemented the aquaculture development project. The aquaculture project outcomes are as follows: the operational facilities such as the hatcheries, feed mills, and other relevant equipment, and the trained fish farmers.

Summarizing all above-mentioned analysis of value chain projects implemented by the international organizations in the country, it is worth highlighting that international contributions have been significantly made into sustainable rural development, specifically in agricultural value chain development in all regions:

- The knowledge was extensively shared;
- The relevant technologies were duly transferred;
- The facilities were built in compliance of all required standards;
- The various trainings by profession were intensively arranged; and
- The international consultation and information were comprehensively disseminated over the country, etc.

## 3. Successful case-studies of value chain management by oblast of the Kyrgyz Republic

This chapter provides analysis and evaluation of how useful and reliable the official statistical data can be applied by the representatives of private sector in order to start doing local or regional small or medium businesses by oblast. Because, in the process of value chain management there are a lot of direct and indirect actors and participants who enables the working environment of goods and services channels.

**Batken oblast.** Table 3 presents that exports of agricultural products in thousands of USD for the period of 2016-2020. The rapid and high dynamics of exports of animal and plant products indicated is marked. The figures show that there is high international demand for the Kyrgyz animal and plant products.

Table 3: Export of products in Batken oblast in 2016-2020 (ths. USD)

| Items | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Export of agricultural products (ths. USD) | | | | | |
| Live animal and animal products | 262,7 | 303,4 | 233,7 | 796,7 | 2 083,2 |
| Plant products | 417,8 | 2 263,4 | 4 076,3 | 7 518,1 | 4 921,9 |

*Source: National Statistical Committee of the Kyrgyz Republic*

All the above data says that the business sector of Batken oblast has been able to manage value chain in the sector of agriculture in the way which allowed efficiently to be integrated into regional and global value chain. As a good example in point, the processing of peach, apricot, cherry, grapes and other fruits can stand in Batken oblast. There are several development projects implemented with Alysh-Dan and Altyn-Aimak Farm cooperatives. For example, the Alysh-Dan Farmer Cooperative founded in 2008 was received the financial and technical support under several international development projects such GIZ, UNDP, USAID and others. Moreover, the cooperative obtained the international organic certificate to export fresh and dried fruit and vegetables.

Nowadays, Alysh-Dan has about 1200 members who are small-scale farmers planting mostly apricot trees. All these farmers were given a number of trainings to enhance their knowledge, skills and experience in producing and processing the organic products of international and regional level. Even more, to meet all requirements of organic certification, proper infrastructure was developed: the production facilities, equipment, transportation, pipe-line and sewage systems.

**Jalal-Abad oblast.** The same positive tendency in relation to export of agricultural produce in Jalal-Abad oblast is observed in Table 4. According to the data provided, the export of live animal, animal and plant products has been to a large extent increased from 46 thousand to 3 474 thousand USD and from 4 570 thousand to 6 899 thousand USD in 2019 and a sharp decline up to about 4 888 thousand USD due to the world pandemic situation in 2020 for the given period.

### Table 4: Export of products in Jalal-Abad oblast in 2016-2020 (ths. USD)

| Items | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Live animal and animal products | 46,0 | 631,7 | 442,8 | 1140,9 | 3474,4 |
| Plant products | 4570,1 | 9179,3 | 8012,3 | 6899,7 | 4887,7 |

*Source: National Statistical Committee of the Kyrgyz Republic*

In Jalal-Abad oblast the most well-known natural resources that are targeted by numerous international projects are walnut and fruit forests, as well rice and cotton fields. The forest harvesting in mountains are able to generate additional income to rural residents and to protect from natural disasters. To conserve the biodiversity of the walnut and fruit forests, there have been a number of international projects implemented by GIZ, USAID and others. Moreover, with financial support and technical consultations under the GIZ projects the small and medium enterprises could export the Kyrgyz walnut as an organic certified product. Rice and cotton producers received intensive funding to increase the productivity by arranging relevant trainings and consulting on construction of facilities that would further build export capacity.

**Osh oblast.** As shown in Table 5, the data provides an increasing dynamic of export of live animal, animal and plant products in thousands of UDS for the given period, except the data on export of plant products in 2020. In fact, Osh oblast is considered the second large region having a big export potential after Chui oblast.

### Table 5. Export of products in Osh oblast in 2016-2020 (ths. USD)

| Items | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Live animal and animal products | 264,9 | 77,0 | 172,8 | 225,1 | 4485,7 |
| Plant products | 873,1 | 1353,5 | 2256,7 | 1595,6 | 1032,7 |

*Source: National Staticial Committee of the Kyrgyz Republic*

In this region there are a lot of agricultural projects financed and implemented both internally and externally. For recent 10 - 15 years, ones of the most financed and export oriented agricultural produces have become honey and honey related products and cotton growing. For, example, two mountainous districts, Alai and Chon Alai rayons, have been famous with mountain honey production which was implemented with financial support of a number of international development organizations such as USAID, GIZ, Helvetas and others. However, these two rayons have been still referred to the economically backward and underdeveloped areas in Osh oblast due to unfavorable geographical and weather characteristics like a high mountain range and cold weather.

Currently, these rayons produce ones of best honey and honey products and supply the local, regional and global markets. The Alai and Chon Alai honey brands have already got acknowledged at international markets in China and Japan. Almost all rural residents in these areas are actively engaged in beekeeping activities what allow to yield honey and honey related products in volume for export.

**Chui oblast.** When compared to the data above with the data on Batken, Osh and Jalal -Abad oblast, Table 6 demonstrates the highest export capacity of live animal and animal products rather than plant products in Chui oblast. Although, as seen in Table 6, export of live animal, animal and plant products sharply increased for the given period from 2016 to 2020. The export of live animal and animal products in Chui oblast increased from 19 359,7 thousand USD in 2016 to 47 909,6 thousand USD in 2020 that noticeably differs from that data of other oblasts.

**Table 6: Export of products in Chui oblast in 2016-2020 (ths. USD)**

| Items | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Live animal and animal products | 19 359,7 | 16 510,4 | 23 893,8 | 37 060,7 | 47 909,6 |
| Plant products | 830,7 | 6 258,3 | 2 461,8 | 3 340,6 | 9 755,4 |

*Source: National Staticial Committee of the Kyrgyz Republic*

In Chui oblast as an administrative and economic center of the country there are a lot of enterprises of different scale which have foreign investment or receive low-interest-rate loans or technical grants in the framework of the international development programmes. As Table 6 displays that live animal and animal products are export-oriented items, then the cases on these products are taken into consideration.

In Chui oblast, nearby Bishkek city, there are numerous successful production enterprises on meat processing such as Adal Azyk LLC, Barkad LLC, Salih Halal LLC, Al-Halal LLC and others. These enterprises have been able to construct specific production facilities in accordance with all food safety requirements and standards within the national and international food policy framework. Moreover, the personnel working at these enterprises are highly qualified, skilled and trained on a regular basis, including the production, administration and logistics departments. The location areas of production facilities are, in general, outside of urban areas that facilitate stable supply chains of live animal or fresh meat from rural areas. Even, some enterprises have its production or storage facilities in adjacent villages that allow to provide employment opportunities mainly for rural residents.

Summarizing the cases by oblast and the official statistical data, it is assumed that the data is able to provide a more real picture to some extent of how small and medium enterprises, farm cooperatives and individual entrepreneurs can productively cooperate and effectively manage agricultural value chain from local to global levels. Additionally, it is supposed to be if rural development is sustainable, then international development is sustainable.

## CONCLUSION AND RECOMMENDATIONS

Over the world, the economic and financial processes in developed countries are rapidly transforming all involved human living environments which are able to generate more goods and services, more financial and human resources, more innovations and technical advanced tools and other. However, such an intensive development approach is not fully suited to all developing economies because such rigorous transformations at global level make rural development less sustainable, less adaptive and less integrated into global development processes[158]. Because, each developing country, specifically the Kyrgyz Republic, has its own development rates because of a number of inherent factors and settings ranging from the geographical location, the climate and weather conditions, human capital, natural resources to specific governance and political affairs of a country.

The Kyrgyz Republic, in turn, has the comparative and competitive advantages alongside with the disadvantages in relation to sustainable rural development. In a general context, for last three decades, the deliberate but constructive dynamics of agricultural development in rural areas has been noticeably spotted. Specifically, with financial and technical support of local governments and the major international development programs, in the sector of agriculture the value chain was developed that further enabled rural small and medium enterprises, individual entrepreneurs and farms to be actively involved in productive agricultural cooperation, to generate more stable income and to enhance their living conditions in rural areas. Also, it is worth noting that the value chain management developed in rural areas reaches out to with a lot of stakeholders vertically and horizontally - local, regional and global; individual, SMEs and large exporting companies; local and national government and international actors; direct and indirect, etc.

Furthermore, the official data above analyzed and the successful cases given clearly present the evidences that effective management of value chain of agricultural produce enables rural development be sustainable and advantageous even in the developing countries. Because not only have rural residents received benefits in the monetary terms, but also rural infrastructure has got improved due to construction or renovation of roads, production facilities, utility and drinking-water pipelines, new houses, etc.[159]

Effective value chain management of agricultural production at each level – local, regional and global – is argued to be one of key factors of sustainable rural development. Consequently, in order to achieve and then maintain sustainable rural development in the long run, it is recommended to direct and indirect stakeholders to carry out more studies and research activities on specific agricultural cash crops by oblast in order to identify the challenges and potential the value chain actors could experience. More comprehensive support from government institutions should be provided towards agricultural development under the various national and international programmes as systematically implemented in developed countries. As well known, the sector of agriculture is the most important sector which ensures food security and safety of a country and should be taken seriously into consideration.

Moreover, the consequences of climate change have become the most adverse factors affecting the agricultural productivity, land and water resources vastly in rural areas because of rupturing weather patterns. In addition to this, the Kyrgyz Republic is by nature a mountainous country that makes it more vulnerable and sensitive to any even small changes of weather conditions at local, regional and global level.

It is worth emphasizing that sustainable rural development should be not be considered the goal of one country and solved separately from international development. Thus, the programs of international organizations such as the Sustainable Development Goals facilitated by UN, the FAO projects on agricultural development and others should

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[158] Mihai, F. C., & Iatu, C. (2020). Sustainable rural development under Agenda 2030. Sustainability Assessment at the 21st century, 9-18.

[159] Shepherd, A. (1998). Sustainable rural development. Macmillan International Higher Education.

be integrated into national strategies of each country without reference of economic growth and development.

In conclusion, value chain management can be considered not only one of key factors of sustainable rural development, but also a more practical working mechanism which is able to maintain sustainability of rural development in developing countries. Moreover, sustainable rural development is closely in the Kyrgyz Republic interrelated and interdependent with agricultural development. Thus, accountable, effective and duly management of agricultural value chain can significantly bring long-term benefits and perspectives to more stakeholders and beneficiaries involved from local to global level and the economic development of the country as a whole.

# POSTCRIPT

## From Geopolitics to Logistics and Digital: Why Lithuania might be the future gateway of Central Asia States

*Anthony POULLAIN*
President
CARGO STREAM FRANCE SAS
CARGO STREAM
Vilnius – Lithuania

From Geopolitics to Logistics and Digital: while Lithuania might be the future gateway of Central Asia States from the vast interior of Central Asia's perspective, the Baltic States may seem remote, almost alien to the freight dynamics that animate the furrows between the Far East, Russia and Europe. However, Lithuania's highest political authorities intend to become an essential artery in the service of opening up Central Asian countries, primarily Uzbekistan and Kazakhstan. Bilateral economic cooperation with Kazakhstan alone reached 1.3 billion euros in trade value in 2018 and includes more than 20 strategic partnership agreements in the transport, tourism and agricultural sectors. The Lithuanian government wants to strengthen these business ties with a special emphasis on transport and logistics, in coordination with the partner governments of Tashkent and Nur-Sultan.

**Figure 1: The Klaipeda-Kaunas-Vilnius Corridor: Central Asian Gateway to Europe**

*Source : Lithuanian Railway*

To understand Lithuanias's ambition, it is worth recalling a simple geographical consistency that conventional map projections make invisible. The international port of Klaipeda on the Baltic Sea is one of the closest and easiest maritime solutions for Central Asian importers and exporters. Connectivity with the Russian and Central Asian rail systems offers some of the most efficient transit times and first dedicated services are emerging such as the Baltic *Wind Container Service*.

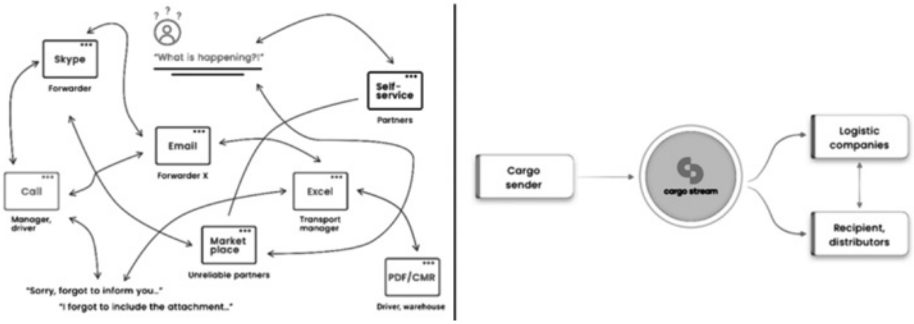
Klaipeda plays the role of a port gateway but also of a maritime hub for the distribution of flows from and to Central Asia on the Baltic and Northern/Western Range markets. The various rail corridors Kaunas-Vilnius provide connections to Central and Western Europe, as well as to Ukraine and the Black Sea countries.

## Digital Infrastructure: Digital for integrated logistics

Lithuania is among the most digitally advanced nations and this digital competitiveness is manifested in the specific sector of logistics. Cargo Stream (UAB Keliu Systemos) is part of this Lithuanian logistics innovation ecosystem with dematerialized solutions (Software As A Service) that serve the traceability and fluidity of transnational logistics flows. With its recent developments in Western Europe and up to the French port of Dunkirk, Cargo Stream plans digital transport solutions that can serve the future rail and road freight users of Central Asia.

One of the constraints still bridging logistics and politics is the management of the documentary flows that accompany any movement of international goods. This constraint remains just as limiting as the one related to the differences in rail gauges for trains or traffic permits for truckers. Digital transformation is accelerating the efficiency of digital solutions that, on the one hand, remove a large part of the physical documentary controls while, on the other hand, guarantee real security (logistics, economic and financial) of the informational transactions that accompany any exchange of goods between the various stakeholders in an international transport chain.

**Figure 2: A cloud-based Transportation Management System to optimize logistics processes**



*Source : CARGO STREAM 2022*

Cargo Stream is a logistics facilitator that supports traffic potential by offering agility in tracking and managing pre- and post-cargo movements. This optimization of logistics operations means transaction savings that should accompany the competitiveness of Central Asian shippers and transport organizers. The collaborative approach for carriers also supports organizational flexibility that enables optimized grouping/ungrouping of flows for better door-to-door performance from Europe, the Baltic and wide Central Asian market. The portability and reliability of the information exchanged are also assets that unite shippers-organizers-carriers in a secure transactional transparency. This dimension of intelligent dematerialization of information related to goods is crucial in the ability of Central Asian economic actors to connect to European and Baltic potentials.

The logistics-policy pairing must include a third intangible variable: digital acceleration, which facilitates structuring projects between Central Asia and its partners. The power of digitalization should be reappraised, especially when its goal is to optimize the future connectivity of landlocked territories to global value chains.

# CONTRIBUTORS OF THE BOOK

**Aziz K. ABDULLAEV**, Senior lecturer at the Department of International Finance and Investment of the University of World Economy and Diplomacy. The University was established in 1992, it is one of the most prestigious universities in Uzbekistan and trains the specialists in the sphere of International Economics and Management, International Relations as well as International Law. Abdullaev earned his bachelor's and master's degree from the University of World Economy and Diplomacy. He has been already teaching such subjects as International Marketing, International Logistics as well as Economic Diplomacy at the University for about ten years. The range of research interests includes the transportation sector and its impact on economy and foreign trade as well as international marketing.

**Yann ALIX** is the General Delegate of the SEFACIL Foundation which aims to set up, lead and animate a think-tank around strategic & prospective analysis on themes related to the future of Maritime Transport, Ports & Logistics. He holds a PhD from Concordia University and a doctorate in transportation geography from the University of Caen. He has founded and directed two collection of books (*Les Océanides* & *Afrique Atlantique*). He currently works on global value chain strategies with a focus on the impact of shipping vertical concentration as well as on new port hierarchy. Since 2014, Yann Alix is involved in Central Asia to tackle issues related to logistics and supply chain including political and geopolitical aspects. Yann Alix has published and directed 15 books over the last decade.

**Akimzhan Arupovich ARUPOV**, Doctor of Economics, Professor, Academician of International Academy of Informatization. Head, Institute of the World Economy & International Relations (Kazakhstan). Two-time winner of «Best Teacher of Higher Education Institution of Republic of Kazakhstan» title & grant (2007, 2014). Honorary Employee of Education of Republic of Kazakhstan. Research interests: the World economic processes, Globalisation & Regionalisation of the World Economy, Integration processes in Central Asia, Problems & Perspectives of Eurasian Economic Union development. Author of more than 400 publications including 3 classbooks for students of Higher Education Institutions, 7 monographs.

**Gulnara BAIKUSHIKOVA**, Doctor PhD, Acting Associate Professor of al-Farabi Kazakh National University. Main research interests: Kazakhstan's foreign policy, Central Asian studies, bilateral relations, education for sustainable development, educational migration.

**Kuralay I. BAIZAKOVA**, Doctor of History of International Relations, Professor of al-Farabi Kazakh National University, Director of Institute for Security and Cooperation Studies, as well as the European Information Center and Resource & Information Centre on NATO. Main research interests: International and regional security, Security cooperation, Regional integration, European integration, Cooperation between CA and the European Union. Author of more than 400 publications. Participant more than 250 international conferences on the actual issues of the contemporary International Relations.

**Zhulduz BAIZAKOVA** is a Senior lecturer at the Department of International Relations, Al Farabi Kazakh National University. Zh. Baizakova studied International Relations, both bachelor and post-doctoral degrees at the Al Farabi Kazakh National University. She completed her MSc in International Security and Global Governance at Birkbeck College, University of London. Her research areas include regional security of Central Asia, Afghanistan and regional connectivity issues. She is also Senior Fellow at the Institute for Security and Cooperation Studies of the Kazakh National University. Zh. Baizakova contributed papers for Strategic Studies Institute, United States Army War College; Jane's Intelligence Review; Foreign Military Studies Office; Central Asian Program (CAP) at George Washington University and other national and international academic journals and publications.

**Pierre CHABAL** is, with Yann Alix, the founder in 2014 of this *Logistics and Diplomacy* research seminar. He also founded two other research networks : the *Europe-Asia* one since 2004 that is holding its 8th international academic meeting (in France) in 2022; and the Kazakh-Franco-Korean *Law research* one since 2014 which will convene for the 6th time in 2023 (in Korea). His PhD (Grenoble IEP) analysed the role of cabinet ministers in policy-change in France, Britain, Spain and Germany. His Science Doctorate (Paris IEP) presented a multi-conceptualisation of the ‹Shanghai cooperation› in the ‹New Asia›. He directed the publication of the collective *L'Organisation de coopération de Shanghai et la construction de la nouvelle Asie* (Peter Lang, 2016) and authored *La coopération de Shanghai : conceptualiser la nouvelle Asie* (Presses universitaires de Liège, 2019). Currently co-director of the Lexfeim research center at Le Havre university, his main affiliation, he runs on the Sciences-Po Euope-Asia campus the seminar *Geopolitics of Central Asia* , is invited professor at the *al-Farabi* Kazakh National University and is visiting professor at the national universities of Mongolia (NUM), Uzbekistan (UWED), and in Kyrgyzstan (AUCA), China (X'ian, Xiamen), Korea (InHa), Japan (Keio), Malaysia (UUM) and Turkey (Marmara). After many years of collaboration with Mongolia, he received the *Altan Gadas* decoration from this country›s presidency.

**Marie HILIQUIN** est doctorante en géographie et aménagement du territoire au laboratoire TVES à l'Université de Lille. Elle réalise son Master 1 en urbanisme au *College of Architecture and Urban Planning* à l'Université de Tongji à Shanghai. Elle obtient son Master 2 en aménagement et urbanisme parcours *Eurostudies* à l'Institut d'Aménagement et d'Urbanisme de Lille en 2018. Sa thèse s'intitule : « La route de la soie, de la Chine à l'Europe : vers un projet d'aménagement plus global entre les grands enjeux de coopération transfrontalière et la diffusion des flux étrangers ». Elle s'intéresse plus particulièrement aux enjeux et impacts territoriaux de la Belt and Road Initiative en Asie centrale. Ses recherches portent notamment sur le développement du Grand Ouest chinois dans la région du Xinjiang, la frontière sino – kazakhstanaise et le poste frontière de Khorgos.

**Bahodir ISHMURADOV** is Founder and Managing director of Impex Advisor LLC., a Customs brokerage which was established in 2009y. Its performance indicator of customs value of the goods reached 100 million USD in 2021y. At the same time Ishmuradov is a Lecturer at the Department of International Finance and Investment of the University of World Economy and Diplomacy. The University was established in 1992, it is one of the most prestigious universities in Uzbekistan and it trains the specialists in the sphere of International Economics and Management, International Relations as well as International Law. Previously Ishmuradov earned his bachelor's degree from the University of World Economy and Diplomacy. Then received his MBA Master's degree in Center for Corporate Governance at National Agency for Project Management under the President of Uzbekistan.

**Dildora KHODJAEVA** is an experienced Indologist and specialist of Central and South Asia Studies. She pursued her BA in «Indo-Uzbek Literature Relations», MA in Hindi Language, Literature and Culture, her MPhil in Area Studies at the Centre for Russian and Central Asian Studies, School of International Relations, Jawaharlal Nehru University (JNU). Based on her one decade of first-hand experience at the Lal Bahadur Shastri Centre for Indian Culture, Embassy of India, (Tashkent), she has pursued her PhD on "Cultural Diplomacy between Uzbekistan and India" at JNU. Her major area interests include cultural diplomacy, soft power, socio-political situation in Eurasia, cross-cultural communication and international relations. Recent publications include "A Pathway of Cultural Impact between Central and South Asia: Buddhism to Baburids", "Soft Power: An Important Factor Influencing Foreign Policy", "A Sensible Soft Power Generator: Indian Diaspora Abroad and Its Prospects in Uzbekistan". Dr. Khodjaeva developed an educational YouTube channel to help Uzbek University students build critical thinking and Intercultural Communication skills. Currently she is an associate professor at the joint program of Austrian IMC Krems University of Applied Sciences and Tashkent State University of Economics, Uzbekistan. Since 2022 she is a CEO of Uzbek-India Tourism Association (UZINTA).

**Firdavs KOBILOV** is an assistant-teacher at the University of World Economy and Diplomacy, Department of International relations. He obtained his Master's Degree from the University of Glasgow, ERASMUS JOINT MASTER on Southern European Studies. During this programme, he studied at three consortiums: the University of Glasgow, the National and Kapodistrian University of Athens, Greece; and Universidad Autonoma de Madrid, Spain, and he is an Alumni of this programme. Kobilov's research areas are the European Union's external policy in Central Asia, Uzbekistan's foreign policy, security, migration issues. His career started in the Centre of Contemporary History of Uzbekistan as a Senior Researcher at the Academy of Science.

**Murat T. LAUMULIN** had studied at the Historic Faculty, Kazakh State University since 1976 to 1982. He was awarded as Doctor of History in the Institute of USSR, History, Academy of Sciences in Moscow (1990). Dr. Laumulin has an experience in diplomatic and political spheres. He was granted by the Monterey Institute of International Studies (1992), and awarded by the Fulbright Scholar Program (1995), Conference of German Academy of Sciences (1997), MacArthur Foundation (1997), and NATO Defence College in Rome (2003). Dr.Laumulin is an author of numerous publications concerned foreign policy of the Republic of Kazakhstan, nuclear non-proliferation, US-Kazakh relationship and Asian security. He is author of 41 books.

**Rustam MAKHMUDOV** is an Uzbek political analyst who specializes in the issues of Central Asian security and economy. His alma mater was the Tashkent State Institute of Oriental Studies where he learnt Pashto and Dari languages. His professional career as an analyst started in 2000 when he joined the Institute of Strategic and Regional Studies under the President of the Republic of Uzbekistan. In two years Makhmudov was invited to the Ministry of Foreign Affairs and in 2002 he went to work for the Centre for Political Studies. Currently, he lectures at the University of World Economy and Diplomacy, which trains personnel for the Uzbek foreign office. Makhmudov collaborates as a regular contributor with the "The Great Game" journal (Russia), as well the Konrad Adenauer Foundation and Rosa Luxsemburg Stiftung (Germany). Rustam Makhmudov is an author of 200 articles on geopolitics, energy sector, regional security, Afghan conflict, transport communications, economy, innovative technologies, philosophy and linguistics both in Uzbek and international analytical journals and websites.

**Nargiza MURATALIEVA** holds PhD in political science, associate professor, with a dissertation was devoted to “Regional policy of Russia and China in Central Asia and the SCO as a factor of interaction.” She completed a research internship at the Oldenburg University, Germany. Currently she works as an editor of CABAR.asia (Central Asian Bureau of Analytical Reporting) analytical materials at the Institute for War and Peace Reporting with over 50 articles published. Author of the monograph “Russia and China in Central Asia”, as well as co-author of about 10 monographs. Her areas of expertise – security, political processes in Central Asia, international organizations.

**Marat K. NARIBAYEV**, Doctor of economic sciences, Professor of the Kazakh-German University, Faculty of Economic Sciences, Member of the “Ecosystem management” working group of the Council on Transition to Green Economy under the President of the Republic of Kazakhstan, Member of the Board of Directors - Independent Director of the JSC, Full member (Academician) of the International Informatization Academy (IIA). Research area of interest: Foreign economic activity and globalization, Regional integration, The Belt & Road Initiative, Green and the digital economy, Project management and analysis, Insurance activity, Corresponding member of the Kazakhstan National Academy of Natural Sciences for the section “Economic Sciences”, Full member of the International Informatization Academy.

**Jildiz NICHARAPOVA** holds Master’s and PhD degree in Political Sciences from Sciences Po Aix en Provence, University Aix-Marseille, France. Since September 2019 Jildiz is a Director for Academic Affairs of Technical School of Innovation American University of Central Asia, Bishkek, Kyrgyz Republic. From 2015-2019 Jildiz was a Head of Research Office and Associate Professor at American University of Central Asia, Bishkek. 2012-2014 she worked at Academy of Public Administration under the President of Kyrgyz Republic as Associate Professor and Chair of Academic Development Council. From 2009-2018 Jildiz worked as Associate Professor at Kyrgyz National University School of International Relations. In August 2019 book edited by Jildiz Nicharapova and Sebastien Peyrouse titled “Integration processes and state interests in Eurasia”. In December 2019 book edited by Pierre Chabal and Jildiz Nicharapova titled “Cross-border exchanges: Eurasian perspectives on diplomacy and logistics”. Jildiz is an author of articles published in Europe, Latin America, and CIS countries. Forthcoming book jointly edited with Yann Alix (SEFACIL Foundation France), Professor Pierre Chabal (University Normandy Le Havre, France), Professor Kuralay Baizakova (Kazakh National University) and Professor Jildiz Nicharapova (Technical School of Innovation AUCA Kyrgyz Republic) entitled “Diplomacy and Logistics”. Main research interests: International Relations - International Security, International Organizations, Central Asia, SCO, EAEU, BRI, Russia and China in Central Asia, Foreign Policy, integration processes.

**Mirzokhid RAKHIMOV** currently serves as the head of the department at Contemporary History Center of the Academy of Sciences as well as the Professor of the Webster University branch in Tashkent. He was assigned as a visiting scholar to a number of universities, including to the University of Cambridge and London University, the Universities of Washington and John Hopkins, Leiden University, Giessen and Bellfield Universities, Hokkaido University, Nehru Universities, CERCEC CNRS-EHESS, University of Lanzhou. His scholarly interests cover contemporary history, regional and international relations in Central Asia. His selected publications include: S. Jonboboev, M. Rakhimov, R. Seidelmann, (eds). (2015) Central Asia, issues, problems and perspectives. Cuvillier Publishing House, Goettingen, Germany. P.298; A. Sengupta, M. Rakhimov (eds). (2015) South and Central Asia: insights and commentaries. KW, New Delhi. P.409; Alikberov A., Rakhimov M. (eds).

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**Maral SAGYNALIEVA** is a PhD Student in Economics at National Academy of Sciences of the Kyrgyz Republic, and Senior Lecturer at Ala-Too International University in Bishkek, Kyrgyz Republic. She earned Master of Arts in International Political Economy at the University of York, England, United Kingdom, in 2020 and Master Degree in Public Policy at National Graduate Institute for Policy Studies, Tokyo, Japan, in 2013. She worked as Monitoring and Evaluation Specialist at GIZ Kyrgyzstan on biodiversity conservation and poverty alleviation and FAO National Project Coordinator and Policy Expert on Biosafety/Cartagena Protocol. Her research and professional interests are focused to sustainable rural development, including mountainous areas, and agricultural development, including sustainable production and consumption. Additionally, she is a founder of Open Innovations R&D Center (2017) which carries out various studies on socio-economic development, environmental issues, including climate change, and on education, as well conduct trainings and workshops on a regular basis.

**Umarova SAODAT** received Master's Degree from the University of World Economy and Diplomacy in 2020. Now she continues her research on textile industry of Uzbekistan.

**Gavkhar SULTANOVA** is Associate Professor in the University of World Economy and Diplomacy, PhD. Senior lecturer and Postdoctoral researcher of UWED. She is an author of more than 50 publications in the field of International economics. She is currently teaching "International Economics", "Economic Globalization", "World Economy" (Bachelor) courses at the International Economics and Management Department of UWED. She is a Team Leader of Work Group Economists (WGE) of Tashkent Jean Monnet Centre of Excellence for European Studies.

**Aziza TYNALIEVA** holds bachelor degree in Business Administration from one of the most recognized universities in Turkey Middle East Technical University. She had a year of Erasmus exchange in Sweden in 2017, Linnaeus University where she studied Marketing and Business Communications. She speaks fluently five languages as Kirghiz, Russian, Chinese, French and Turkish languages. She held an internship in 2018 in Eurasian Economic Committee (EEC) in the department of customs infrastructure in Moscow, where she discovered the Single Window concept at the beginning of its implementation phase and developed subsequent interest in the area of customs regulation and IT. Later, she joined Huawei Moscow R&D Institute as an HR Executive for two consecutive years. Currently, she is a journalist in Internews, and a part-time lecturer of Organizational Economics in Ala-Too International University. Her professional interests are focused on school education, gender issues, safe migration within the CIS region.

**Duman K. ZHEKENOV** is the dean of International Relations department of Al-Farabi Kazakh National University. He has numbers of article and chapter on monographs in the field of geopolitics, regional studies, contemporary China, Central Asian integration and logistics. Duman Zhekenov has graduated an internship programme from University of Pennsylvania and Columbia University (USA) on the topic of "Bilateral relations between China and US in post-bipolar period". At this time, he is actively involved in the problems of integration and logistics in Central Asia. In addition, the international relations department of university is targeting for organization of the Think Tank centre in the field of Geopolitics and Eurasian studies.

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