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Shymkent-Tashkent-Khujand Economic Corridor Development: Progress, Challenges and Opportunities

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Outline

- i. Overview of Shymkent-Tashkent-Khujand Economic Corridor (STKEC)
- ii. Rationale for STKEC Development
- iii. Road Map for STKEC Development
- iv. Progress in Implementation of the Road Map
- v. Challenges and Opportunities for STKEC Development

Overview of STKEC

Key Steps for STKEC Development

- Approval of the technical assistance (TA) by ADB (October 2018)
- TA inception missions (May 2019)
- Field research (July-September 2019)
- First regional workshop (December 2019)
- Second regional workshop (August 2020)

Rationale for STKEC Development

- Significant scope to increase intraregional merchandise trade (including intra-industry trade) and reduce supply-chain risks
- Considerable potential for expansion of intraregional trade in services (e.g., tourism, education and health care)
- Opportunities to boost—through RCI—FDI inflows and exports of goods (e.g., horticulture products) and services (e.g., tourism-related services) to other countries
- Opportunities for expansion of transit trade

Overview of STKEC

Geographic Focus of STKEC

Kazakhstan:

- Shymkent city
- Turkestan province

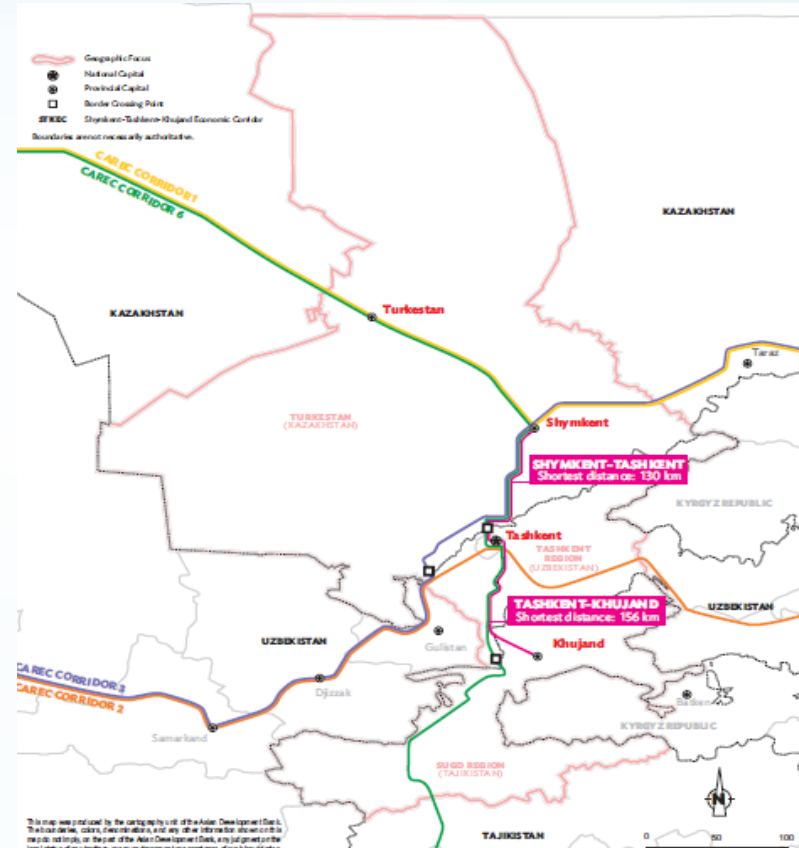
Uzbekistan:

- Tashkent city
- Tashkent province

Tajikistan:

- Sughd province, including Khujand city

Note: About 15% of the total population of Central Asia live in this region



Source: Asian Development Bank

Road Map for STKEC Development

Thematic Focus Areas:

- Improvement of road and railway transport connectivity
- Modernization of border crossing points and border management
- Development of horticulture value chains
- Modernization of sanitary and phyto-sanitary measures and development of food quality certification services
- Development of regional tourism
- Development of special economic zones and industrial zones

Road Map for STKEC Development

Expected Results/Vision for STKEC Development

- Close economic cooperation among the Kazakh, Tajik, and Uzbek parts of the STKEC
- Superior transport connectivity of the STKEC
- Seamless movement of vehicles, goods, and people across borders within the STKEC
- Extensive cross-border trade and investment flows within the STKEC
- High levels of trade with the rest of the world
- Larger shares of manufactures and services in exports

Progress in Implementation of Road Map for STKEC Development

- Approval of additional TA resources by ADB (November 2020)
- Undertake prefeasibility studies on the establishment of
 - i. International Center for Industrial Cooperation on the border between Kazakhstan and Uzbekistan (finalizing)
 - ii. Trade and logistics center in Sugd province (finalizing)
- Promote knowledge sharing and capacity building
 - i. ADB-IRU workshop on TIR digitalization (September 2021)
 - ii. ADB-UNECE workshop on digitalization of trade documents (May 2022)
- Support STKEC institutionalization
 - i. Establishment of technical working groups and steering committee planned

Progress in Implementation of Road Map for STKEC Development

- Modernization of several BCPs (2019-present)
- Launch of passenger railway service between Tashkent and Khujand cities (June 2022)
- Signing of an action plan for collaboration between Turkestan and Tashkent provinces for 2023-2024 (December 2022)
- Construction of a Kazakh-Uzbek multimodal logistics center in Tashkent province (planned)
- Establishment of an Uzbek-Tajik trade and industrial zone near the Oybek-Fotehobod BCP (planned)

Challenges

- Ensuring continued support of numerous stakeholders, including government agencies at the national, provincial and city levels in all three STKEC countries
- Ensuring active private sector involvement, in particular in the form of investments
- Lowering barriers to cross-border movements of people, vehicles and goods while ensuring public safety and security
- Ensuring that benefits of STKEC development are broadly shared

Opportunities

- Strong historical, cultural and ethnic ties among the three countries/provinces/cities
- Recent improvements in bilateral relations among the STKEC countries
- High priority attached by the government of all three countries to deepening regional and global economic integration
- Membership of all three countries in a number of regional cooperation organizations and programs

Thank You