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CENTRAL ASIA



Azerbaijan, Kazakhstan and Uzbekistan press electricity export plan, Central Asian economies to record strong growth

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Central Asian countries consolidate efforts to press ahead an ambitious electricity export plan, aimed for European Union as the primary export market.

Efforts to integrate economically among Azerbaijan, Kazakhstan, and Uzbekistan are advancing, with a focus on developing a green energy plan.

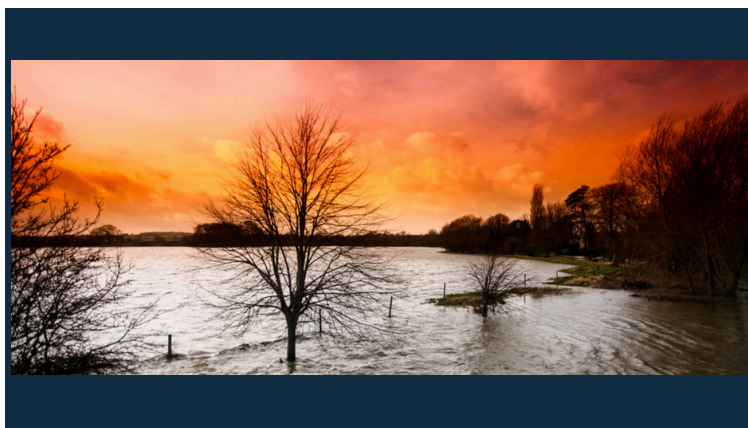
The energy ministers of the three countries announced the signing of a memorandum of understanding in early May to explore their joint electricity export potential by harnessing mainly wind and solar power. Kazakhstan is also aiming to boost its hydropower generating capacity. In outlining cooperation plans, the tripartite memo envisions the laying of a "high-voltage cable" on the Caspian Sea's seabed. Technical specifications for such a transmission line have already been developed, according to Kazakh Energy Minister Almassadam Satkaliyev.

"A proposed business model will be developed for the development of international transmission corridors (financing, revenue flow and ownership) and for the sale of green energy to the countries of the European Union," a ministry statement quoted Satkaliyev as saying.

A feasibility study, initiated on May 10, is assessing construction and financing specifics, aiming to provide preliminary cost and capacity estimates by year-end.

This initiative complements the B5+1 economic blueprint supported by the United States, encouraging Central Asian states to reduce trade barriers and enhance regional connectivity.

The goal aligns with each country's plans to significantly boost their renewable energy capacities. Uzbekistan leads in this ambition, targeting an increase in renewable energy capacity to 27 GW by 2030. Meanwhile, Kazakhstan and Azerbaijan, while also committed to increasing renewable output, face challenges such as domestic power deficits and geopolitical concerns.



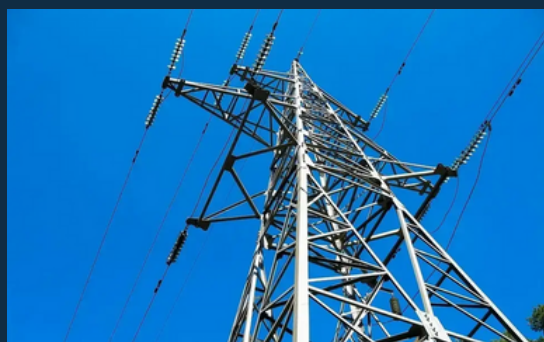
EBRD: Central Asian economies to record strong growth despite natural disasters in the region

The most recent Regional Economic Prospects study from the European Bank for Reconstruction and Development (EBRD) predicts that the growth of Central Asian economies would drop to 5.4% in 2024 before picking up to 5.9% in 2025.

According to the analysis one of the main growth drivers in 2023, trade intermediation with Russia has reached a plateau. Environmental problems such as severe floods and extremely cold weather in Kazakhstan and Mongolia, respectively, will have negative detrimental short-term impact on economy. But the region's outlook for both 2024 and 2025 remains very positive.

Over the last two years, the region has seen a sizeable increase in publicly and privately financed investment in transport, logistics and export-oriented manufacturing capacities. Robust growth in wages and real incomes, coupled with a surge in international arrivals and tourism, fuelled a consumption boom, further supported by technological advances in consumer lending. Intra-regional trade, investment and tourism continued to rise, assisted by much-improved regional cooperation on common challenges ranging from water and energy shortages to transport and border management bottlenecks. Inflation receded to single-digit levels in all countries in line with broader global trends, allowing central banks in most Central Asian states to reprioritize growth and start softening their monetary policy stances, the article quotes.

The EBRD predicts that the implementation of tariff modifications and infrastructure upgrades will dominate public policy in 2024 and 2025. Kazakhstan's GDP grew in 2023 despite a decline in oil export revenue due to government spending and consumer demand. According to the analysis increase in oil output and possible privatizations will cause Kazakhstan's GDP to grow by 4.5% in 2024 and 5.5% in 2025, respectively.



The Times of Central Asia: Kazakhstan and Vietnam Look to Expand Economic Cooperation

The Times of Central Asia reports, on May 15 Minister of Industry and Construction of Kazakhstan, Kanat Sharlapaev and the Minister of Industry and Trade of Vietnam, Nguyen Hong Dien discussed increasing trade potential between two countries.

The parties noted that trade turnover between the two countries amounted to US \$979 million in 2023, including \$958 million in the trade of industrial products. From January-March 2024, bilateral trade reached \$229 million.

The Vietnamese side expressed interest in developing mineral deposits in Kazakhstan, as well as engaging in cooperation in the chemical industry.

Other sectors earmarked for cooperative development included the production of equipment for light industry, mechanical engineering, energy, agriculture, and food production.

Vatican News: Pope blesses "Voice of the Unborn" bell destined for Kazakhstan

Pope Francis blessed the "Voice of the Unborn" bell, which is destined for Kazakhstan, during a ceremony that highlighted its role in promoting the protection of human life from conception to natural death.

Archbishop Thomas Peta, Metropolitan Archbishop of Astana, Kazakhstan, told Vatican News that the consecration of the bell was a "very family-oriented and personal event."

"One could see the enormous joy of the Holy Father," he said. "The Pope, together with the children, was the first to ring the bell. It was a momentous event as the question of defending life from conception to natural death is a worldwide concern."

The bell was set in motion for the first time by Pope Francis on September 23, 2020, during a General Audience at the Vatican. More bells were created in 2022 and in 2024 for Kazakhstan.

