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# **Road Map for Shymkent-Tashkent-Khujand Economic Corridor Development**

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# Outline

- Key steps in the formulation of the road map for Shymkent-Tashkent-Khujand economic corridor (STKEC) development
- Geographic focus of STKEC development
- Thematic focus areas for STKEC development
- Expected results (vision for the STKEC)
- Proposed institutional setup for STKEC development
- Progress and challenges in the implementation of the road map

# Key Steps in Formulation of Road Map 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)

# Geographic Focus of STKEC Development

## Kazakhstan:

- Shymkent city
- Turkestan oblast

## Uzbekistan:

- Tashkent city
- Tashkent oblast

## Tajikistan:

- Khujand city
- Sughd oblast



Source: Google Maps

# Opportunities for Increasing Trade in STKEC Region

- Growing markets in the STKEC region
- Little trade now, but huge potential for expansion
- Some scope for intra-industry trade in existing sectors
- Development of new export products (higher value-added agriculture, manufacturing etc.)
- Untapped potential for trade in services (e.g. tourism, education, health care)
- Expansion of transit trade

# Opportunities for Increasing Cross-Border Economic Cooperation in STKEC region

- STKEC region as a 'laboratory' for export product development
- Development of regional value chains (COVID-19 lessons)
- Provision of regional public goods:
  - joint network of quality certification facilities
  - joint development of standards and certification for organic produce
  - joint professional education and business development programs for prospective export sectors (e.g. tourism)

# Proposed Thematic Focus Areas

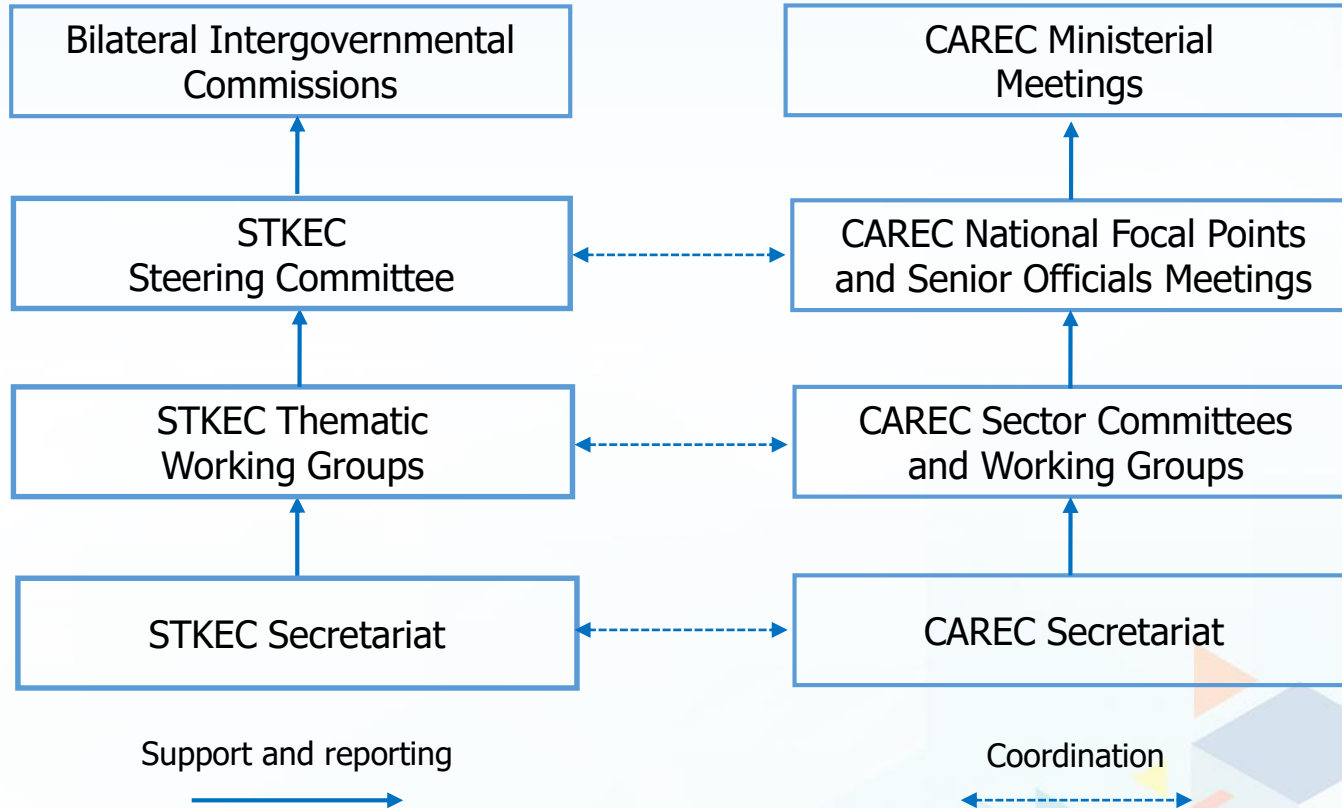
- Improvement of road and railway transport connectivity
- Modernization of border crossing points and border management
- Development of horticulture value chains
- Modernization of sanitary and phyto-sanitary measures and development of food quality certification services
- Development of regional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

# Expected Results (Vision for STKEC)

- 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



# Proposed Institutional Setup



# Progress in Road Map Implementation

- Approval of the additional TA resources by ADB (November 2020)
  - To undertake prefeasibility studies on the establishment of
    - i. International Center for Trade and Economic Cooperation “Central Asia” on the border between Turkestan and Tashkent oblasts
    - ii. Trade and logistics center in Sugd oblast
  - To support STKEC institutionalization, knowledge sharing, and capacity building
- Inception workshop (April 2021)
- ADB-IRU workshop on TIR digitalization (September 2021)
- Engagement of a consulting firm (November 2021)

# Next Steps

- Country consultations on the prefeasibility studies (December 2021)
- Signing of an MoU among the administrations of Turkestan, Tashkent and Sughd oblasts (2022)
- Establishment of the Steering Committee and a Thematic Working Group on Transport Connectivity and Trade Facilitation (2022)
- Knowledge sharing and capacity building activities (2022)
- Completion of the two prefeasibility studies (2022)

# Challenges

- Ensuring continued support of numerous stakeholders, including government agencies at the national, oblast 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

**Thank You**