



THE ROLE OF SPECIAL ECONOMIC ZONES IN DIGITAL TRANSFORMATION OF CENTRAL ASIA

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DIGITAL STRATEGIES OF CA COUNTRIES

Digital Kazakhstan 2018-2022

- Digitalization of existing economy
- Creation of digital industry of the future



Astana hub
SEZ PIT

Concept Digital Kyrgyzstan for 2019-2023

- Ensuring economic growth through the digital transformation of priority sectors of the economy
- Strengthening international partnerships and creating new economic clusters.



HTP Bishkek

Digital Uzbekistan – 2030

- Digital transformation of priority economic sectors and regions. Widespread introduction of digital technologies in private and public sectors.



IT-Park
Tashkent

DIGITALIZATION IN KYRGYZSTAN

System of interdepartmental interaction "Tunduk"

- 127 commercial organizations and 77 state bodies, 1033 services.

"Digital Nomad" program

- granting of special status to foreign citizens

"Digital Documents"

- not need to carry passports, certificates and other documents

Meken-kart

- regulating the legal status of compatriots with foreign citizenship

Kyrgyzstan is the first country in the world, which is going to adopt the Digital Code

DIGITALIZATION INDICATORS OF UZBEKISTAN

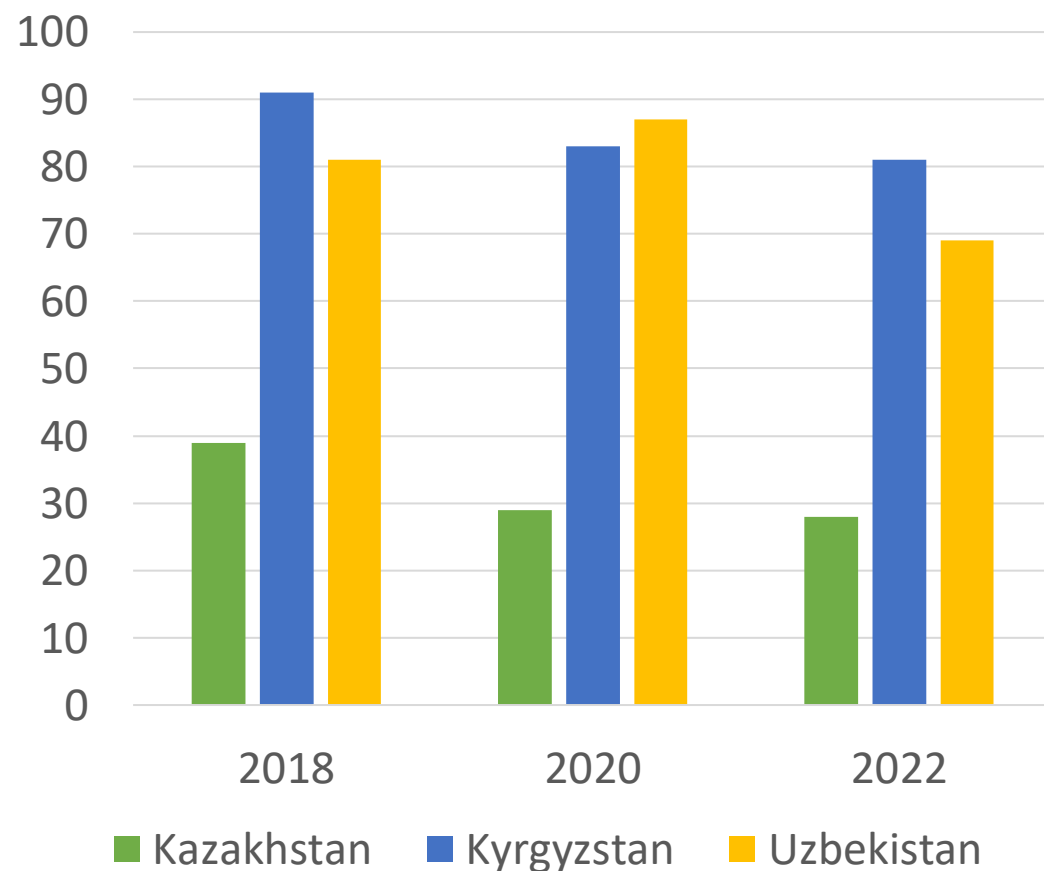
Indicator	2017	2020	2022
Bandwidth of the international data network (Gbps)	64.2	1200	1800
Total number of Internet users (million)	14.7	22.5	27.2
The cost of tariffs for Internet services (external channel) for providers (\$)	91.5	5.5	3
Total length of fiber-optic communication lines (thousand km)	20.3	46.6	118
Number of mobile subscribers (million)	21.4	25.4	30.2
Number of mobile base stations (units)	19990	31740	49640
Digital television coverage (%)	95	100	100

It is worth noting that the costs of tariffs for Internet services (external channel) for providers was equal to \$423 in 2013.

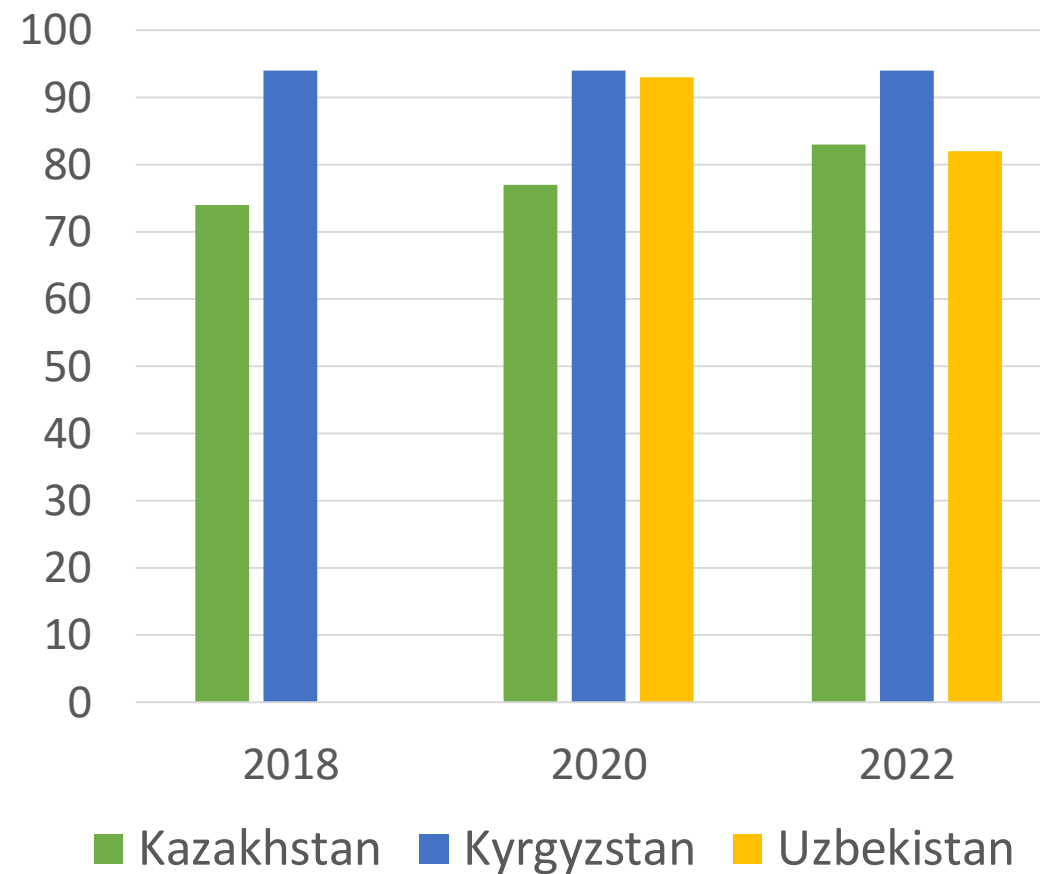
Source: The Author's compilation based on data from the Ministry of Digital Technologies of Uzbekistan

ACHIEVEMENTS OF DIGITAL POLICIES OF CA COUNTRIES

E-GOVERNMENT DEVELOPMENT INDEX



GLOBAL INNOVATION INDEX



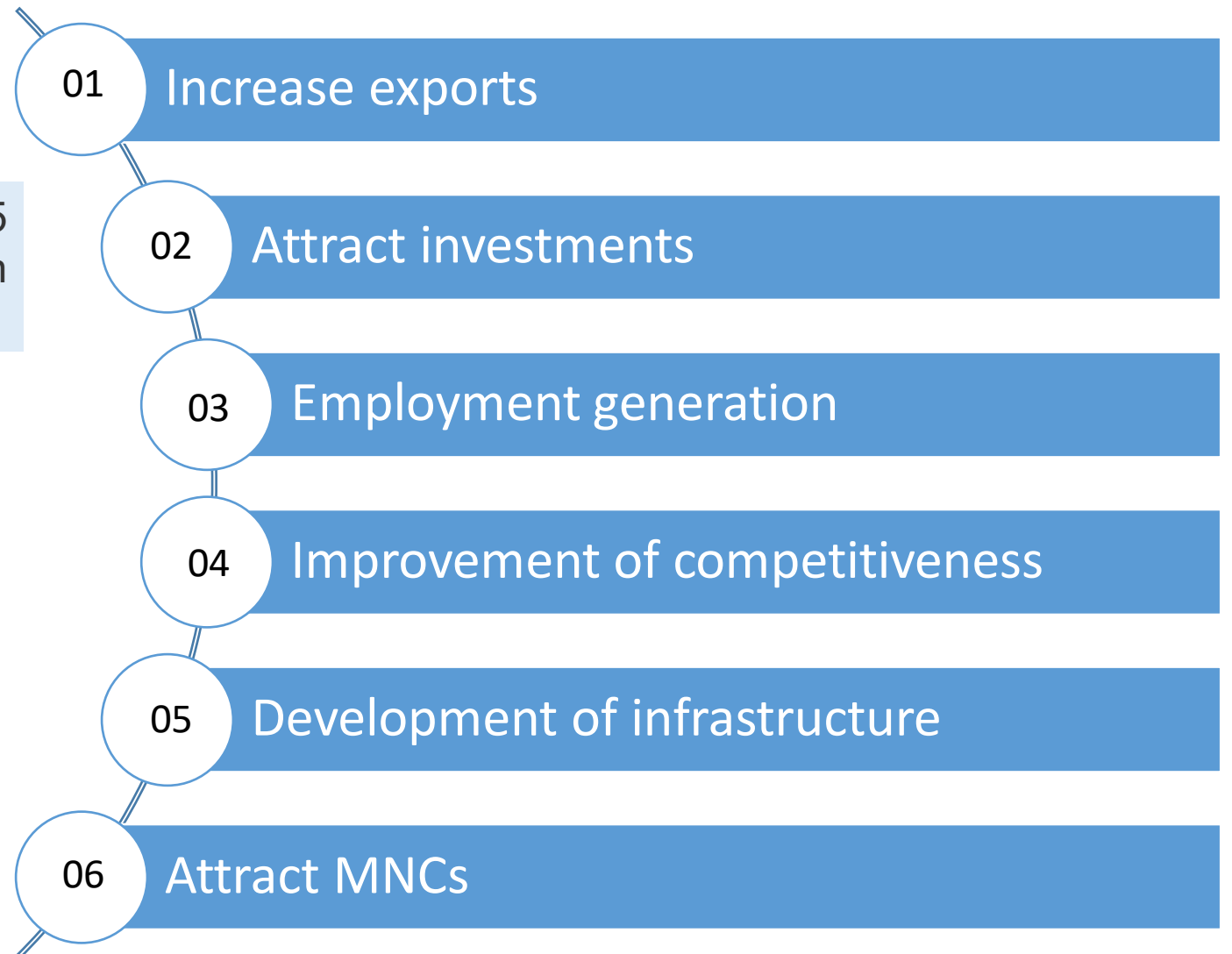
Source: The Author's compilation based on data from the UN (2018; 2020; 2022). For the GII: The Author's compilation based on data from Cornell University, INSEAD, and World Intellectual Property Organization (WIPO, 2018); Cornell University, INSEAD, and WIPO (2020); WIPO (2022).

PURPOSE OF SEZS

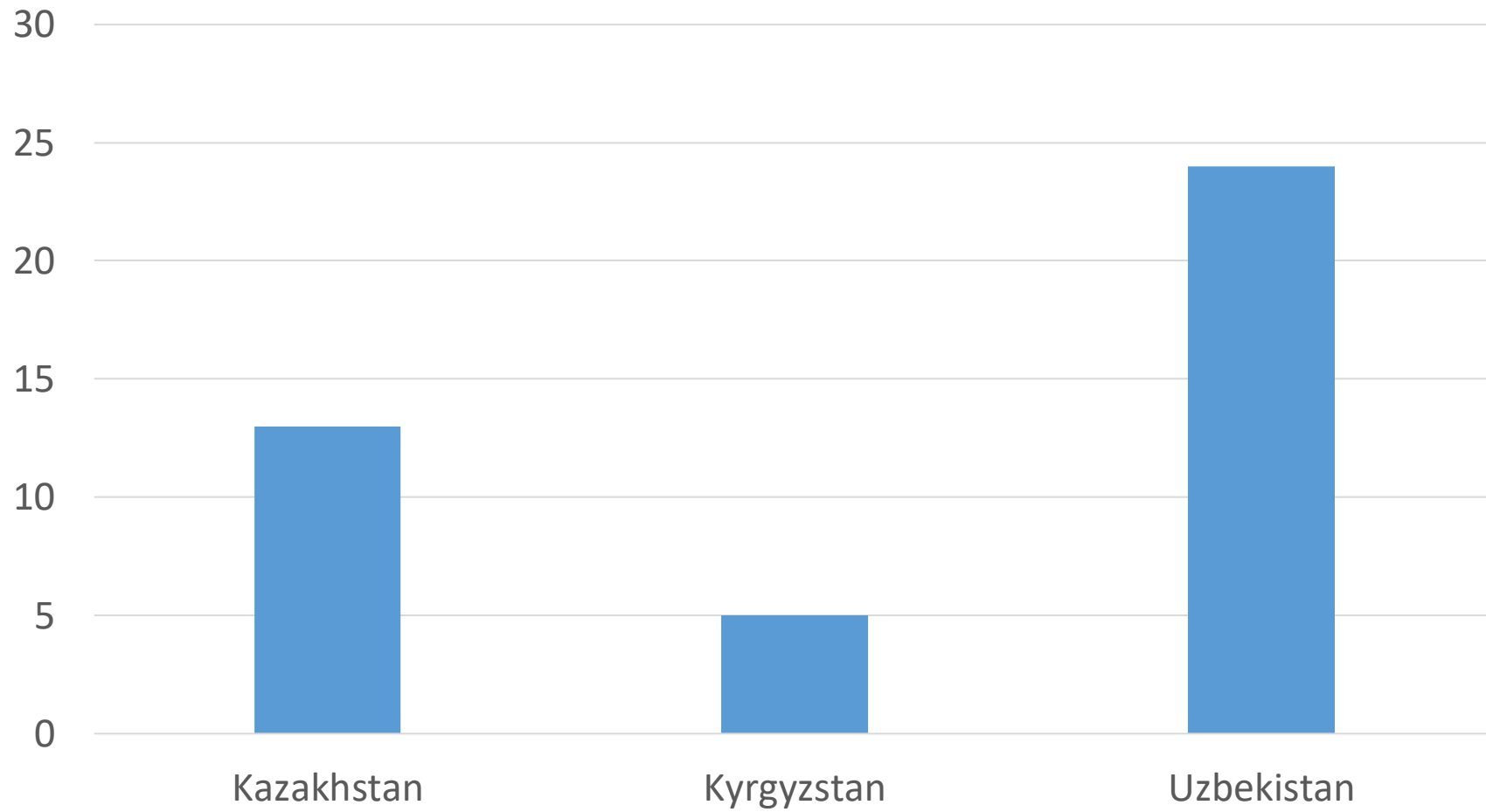
7,000 special economic zones in 145 economies, employing over 100 million people.

EXAMPLES

- Shenzhen in China
- The Katowice Special Economic Zone in Poland
- HTP in Belarus



NUMBER OF SEZS IN CA



SEZ POLICY IN CENTRAL ASIA

Kazakhstan

- 315 implemented projects worth 1.2 trillion tenge, 21 thousand jobs created

Kyrgyzstan

- Only 1 out of 5 SEZs works (Bishkek SEZ)

Uzbekistan

- Between 2008 and 2022, 604 projects worth \$3.2 billion were implemented; the country's SEZs attracted around \$896.9 million; about 55,000 new jobs were created.

TECH GARDEN AND ASTANA HUB

TECH GARDEN

- Creation of an ecosystem to support industrial enterprises in their digital transformation.
- International acceleration program Startup Kazakhstan
- The Fund unites about 300 participants in industrial innovation and research activities.
- Tech Garden is the operator for the implementation of R&D work for subsoil user enterprises as part of their obligations to allocate 1% of total annual revenue/extraction costs.

ASTANA HUB

- The mission of Astana Hub is to become a center for the development of innovative projects.
- All participants of the technology park receive tax preferences.
- Participation status allows companies to attract foreign workers and issue a work visa for them for up to 5 years instead of the standard 3 years.
- There is no quota for the number of foreign employees involved.

IT-PARK IN TASHKENT

In July 2019, the Technological Park of Software Products and Information Technologies (IT Park) was created in Tashkent.

- Legal, organizational and marketing assistance. Tax preferences. Modern office space, laboratories, a coworking area.

IT-Park uses the principle of “extraterritoriality”

- Residents of IT Park can use the preferences provided, regardless of their location in the territory of the republic.

IT Park residents more than tripled their exports to \$57 million in the first quarter of 2023.

- In 2019 – 6.2 million USD, in 2022 – 140 million USD. In 2023 –\$300 million USD (forecast).

HIGH-TECHNOLOGY PARK (HTP) OF THE KYRGYZ REPUBLIC

The HTP started its work in 2012

- In 2013 – 3 resident companies with a volume of exports of \$0.244 million USD. In 2022, 258 companies with 46 million USD exports.
- In 2022, the HTP experienced the highest rate of growth in the number of residents, which equaled 67 companies in six months.

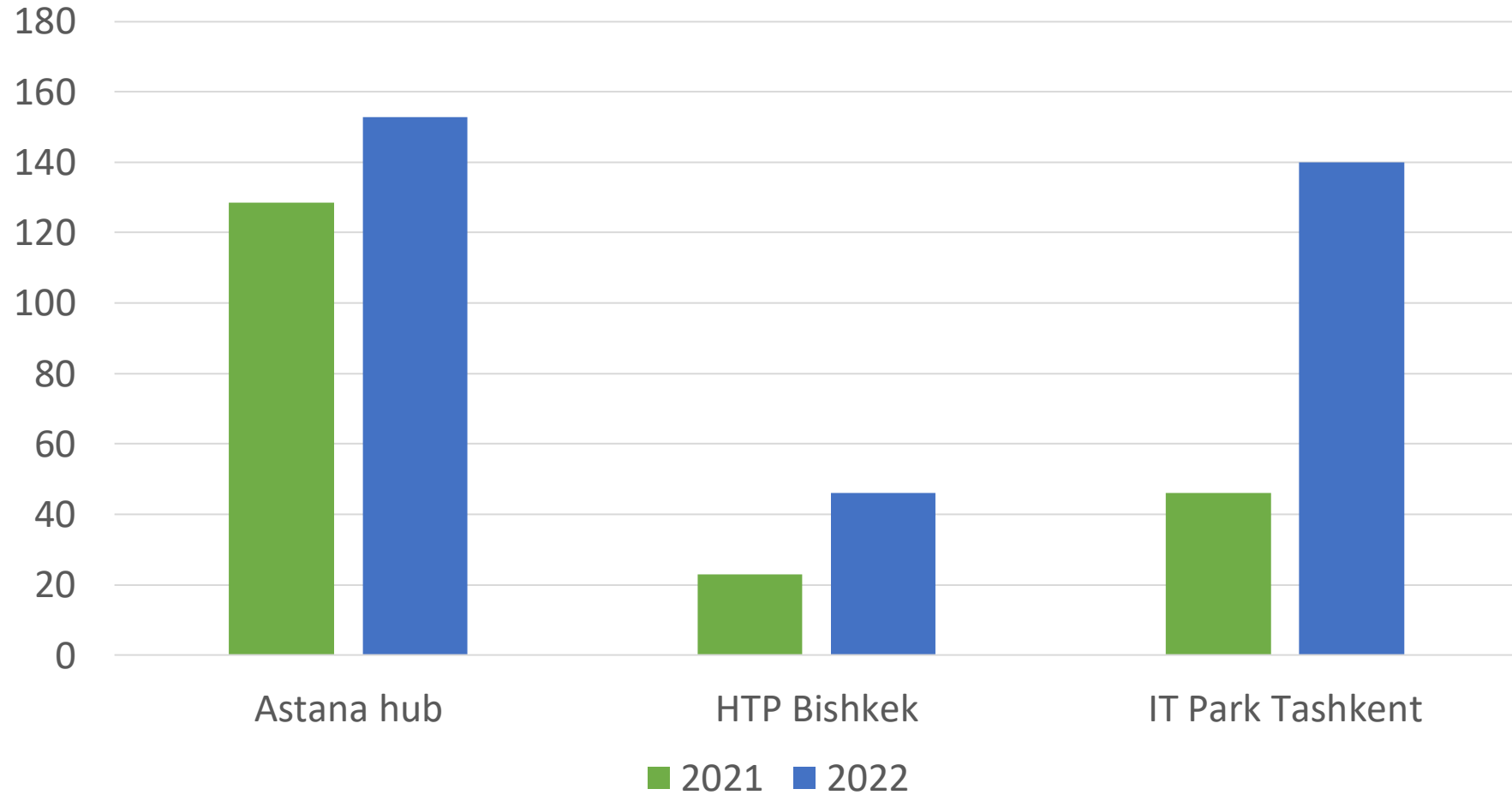
Revenue

- At the end of 2022, the volume of revenue amounted to more than 4.2 billion soms (99% more than in the same period last year).
- The new target for 2023 is to bring this figure to 8 billion.

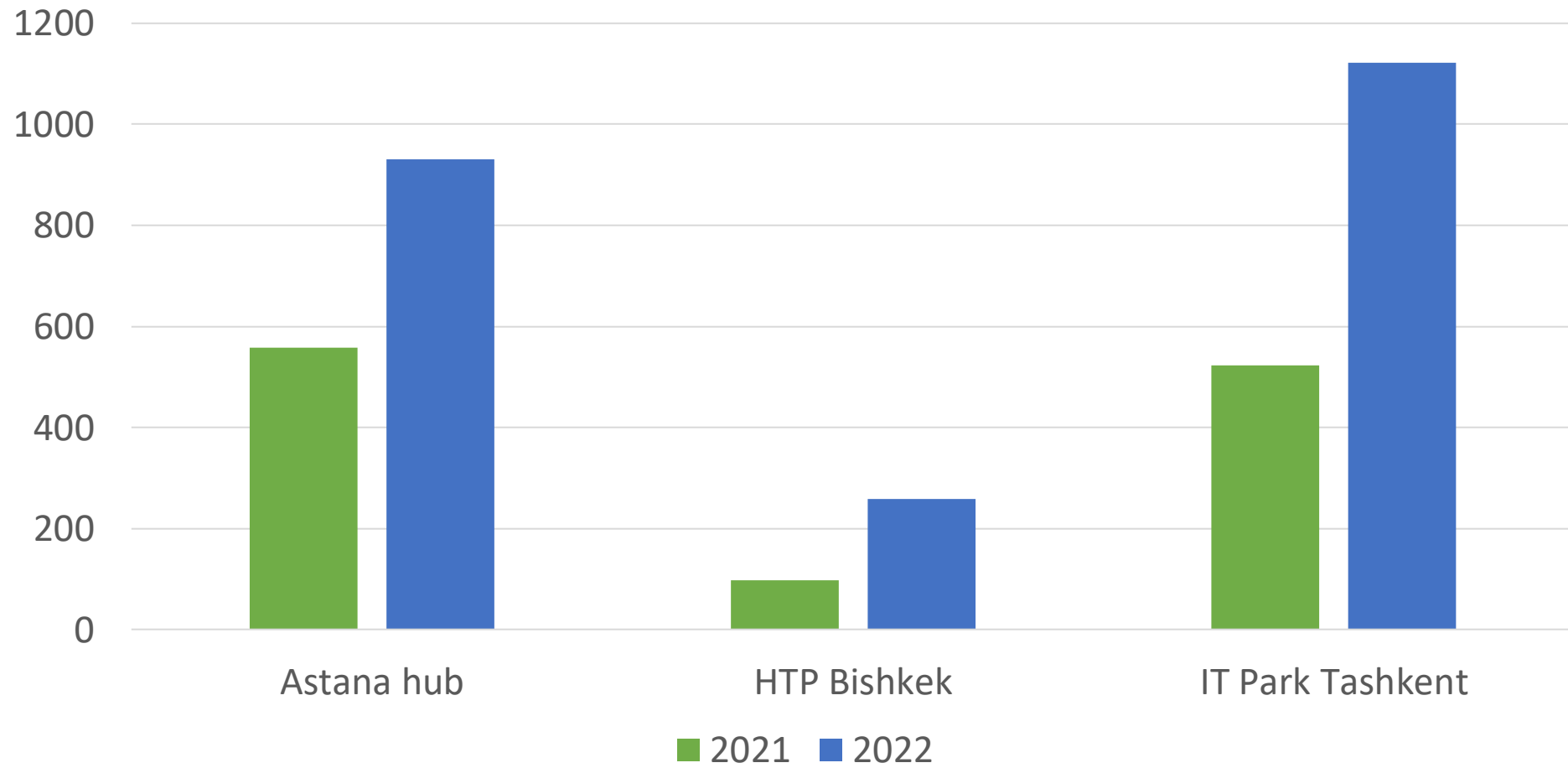
Destination of exports

- The main activity was the development and implementation of software (70.2%).
- Most of the exports went to the USA - 32.21%. Russia is in second place (17.88%). If we compare the figures for 2019, then a sharp jump in exports to Turkey is observed - 5291.7%.

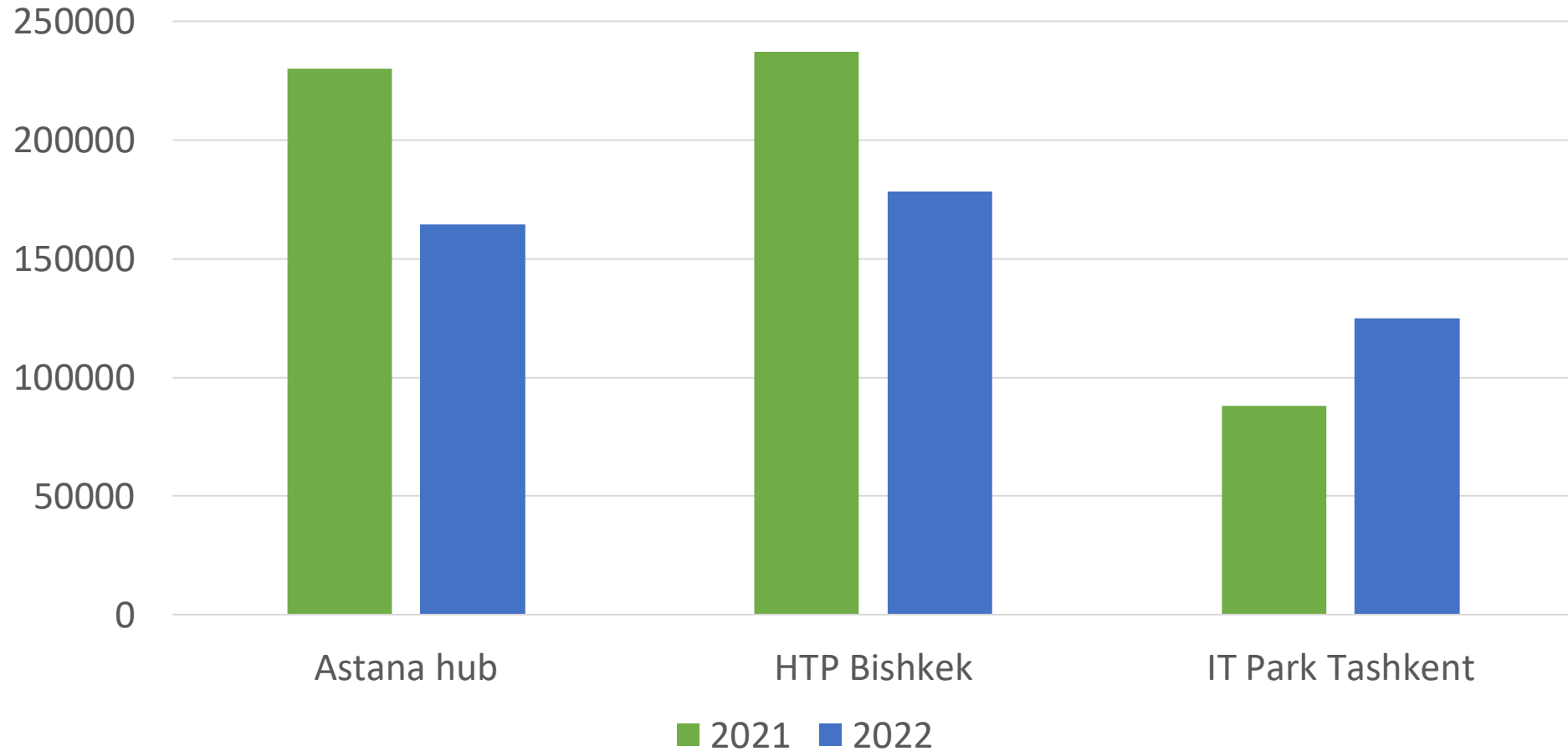
EXPORTS OF CA SEZS, MILLION USD



NUMBER OF RESIDENT COMPANIES

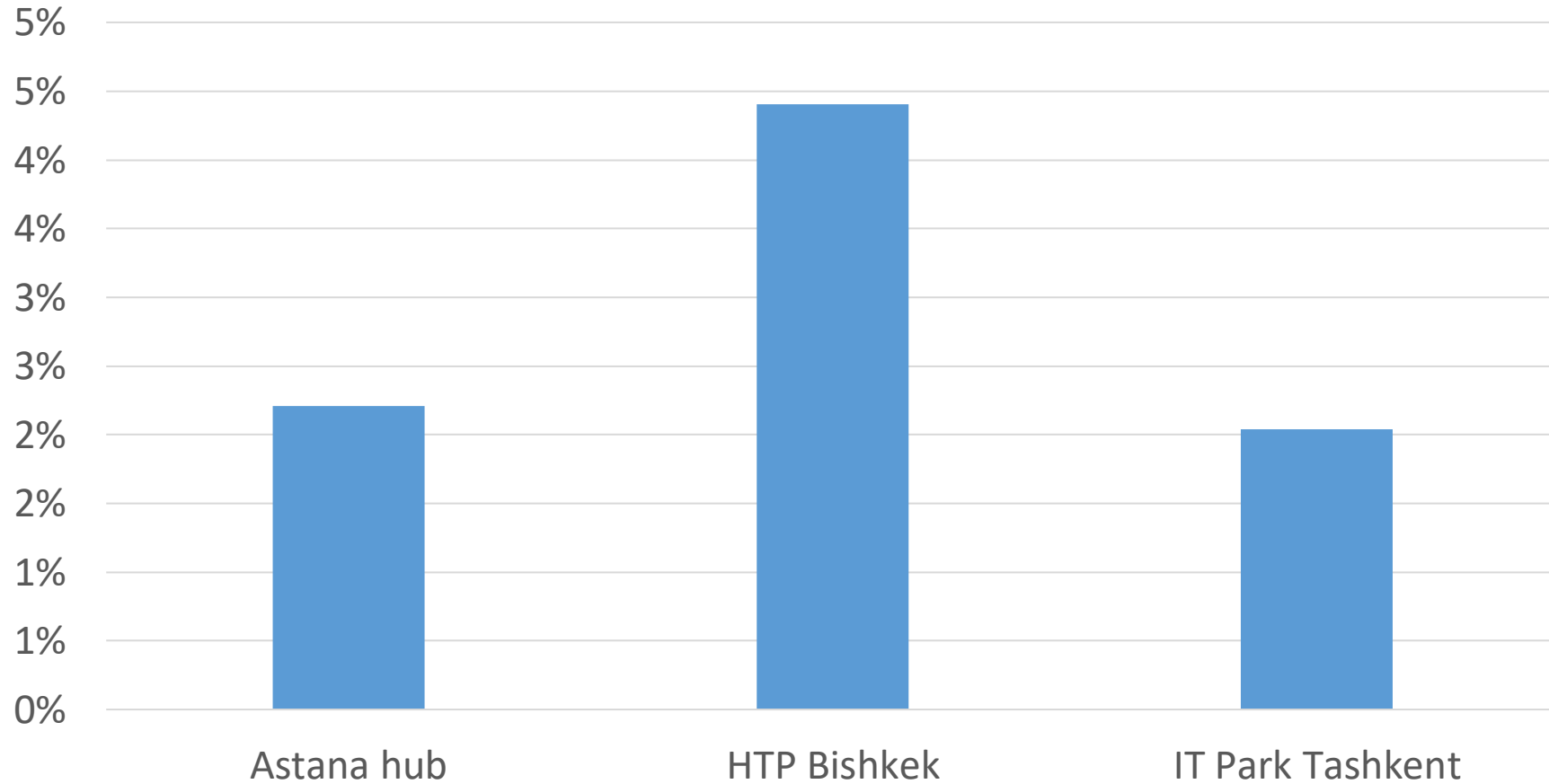


EXPORTS PER RESIDENT, USD



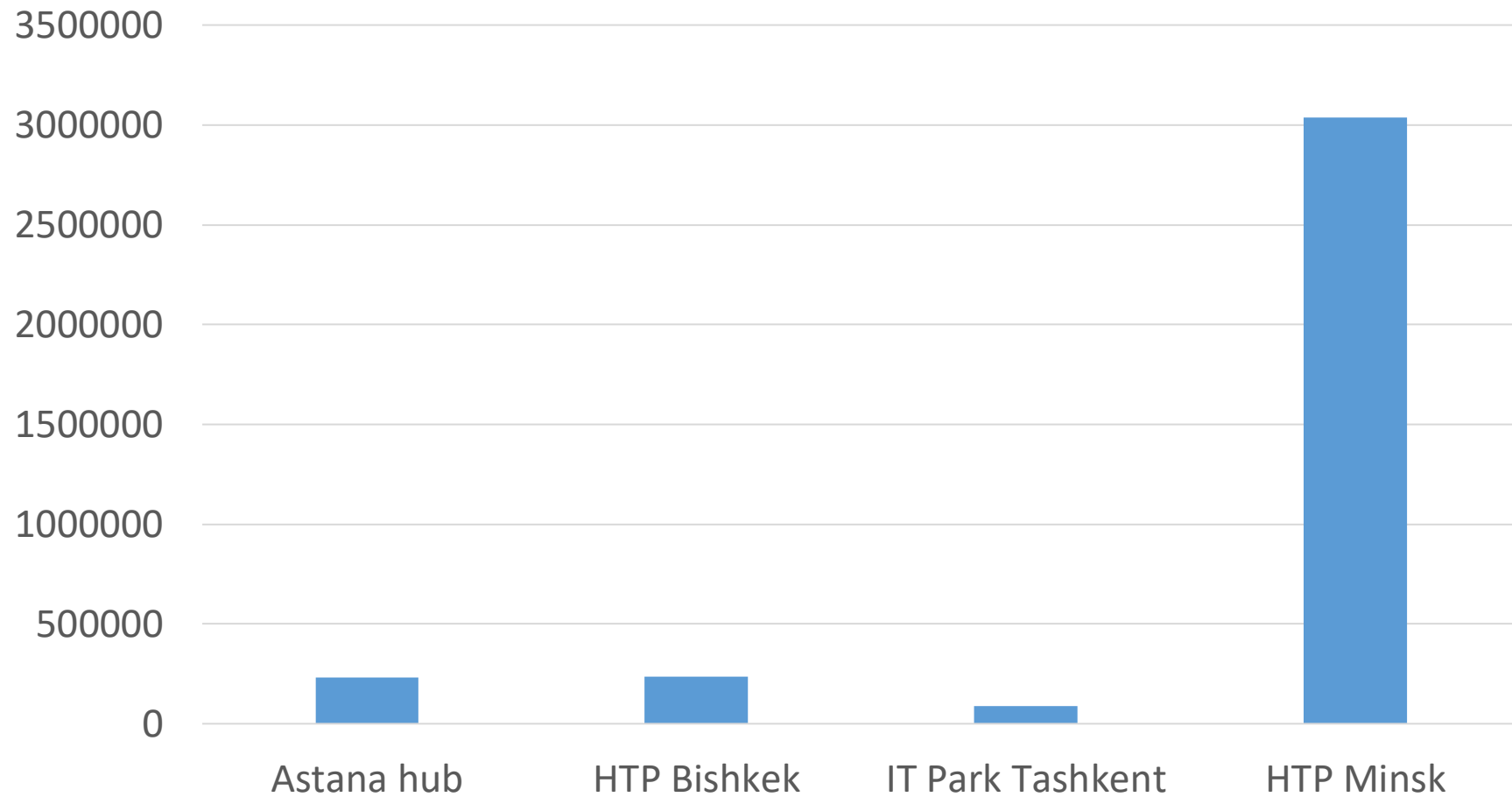
Source: The Author's calculations

SHARE IN THE COUNTRIES' TOTAL SERVICES EXPORTS



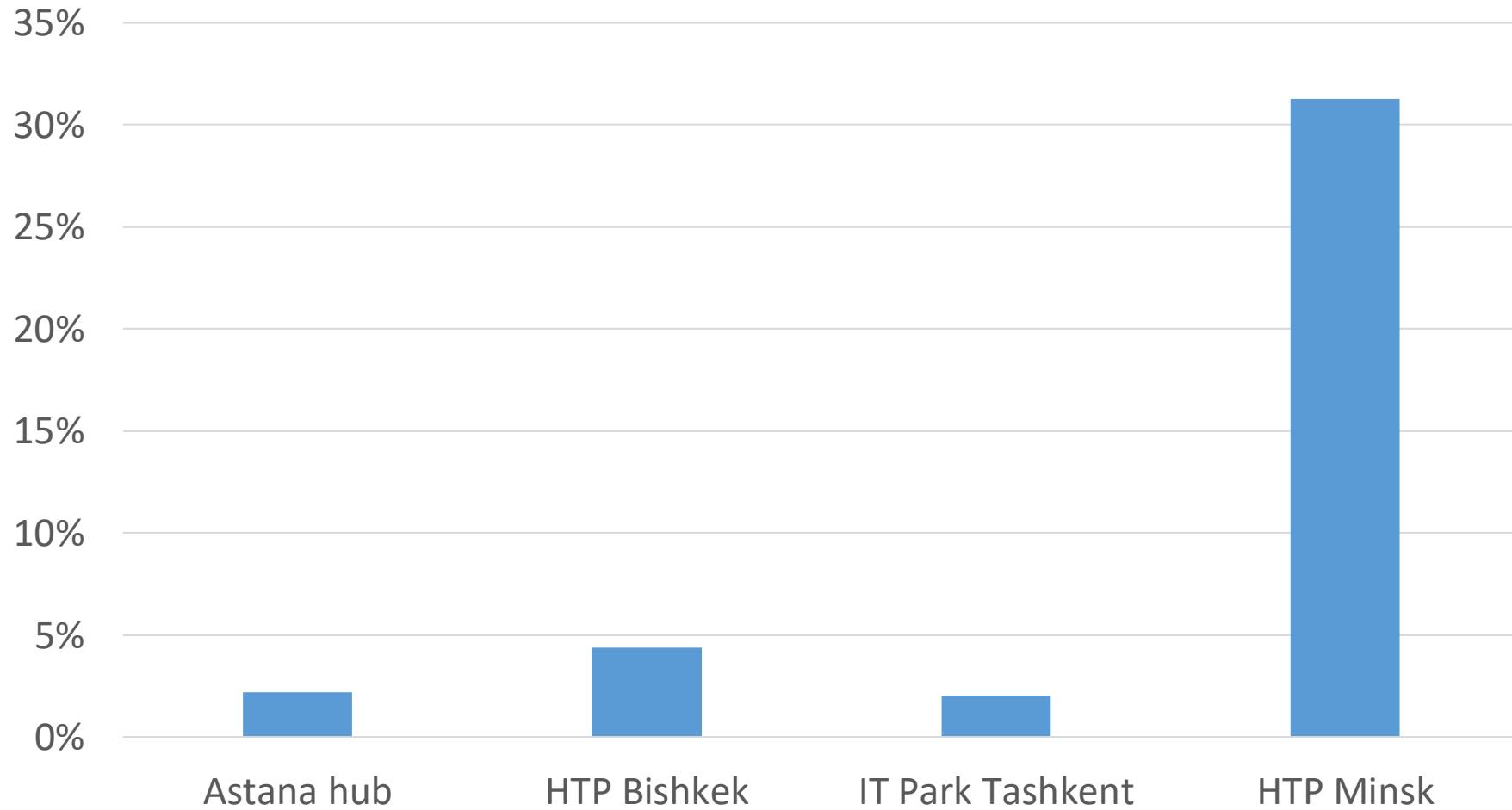
Source: The Author's calculations

CA VS BELARUS, EXPORTS PER RESIDENT, USD, 2021



Source: The Author's calculations

CA VS BELARUS, SHARE IN TOTAL SERVICES EXPORTS, 2021



Source: The Author's calculations

CONCLUSION

01

Central Asian countries pursue digital strategies to transform their economies, digitalize public and private services, and find new sources of economic and technological growth.

02

Digital Policies positively contributed to the digital transformation of the region

03

Special Economic Zones are important parts of Central Asia's industrial and digital policies. All zones have tax and trade preferences, and the support measures are wide.

04

IT-focused SEZs show positive changes in terms of exports and number of companies

THANK YOU FOR YOUR ATTENTION

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