

CENTRAL ASIAN COUNTRIES AND THEIR CURRENT ECONOMY

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Abstract. *The article discusses the current economic situation of the Central Asian countries, the standard of living of the population, future forecasts and the factors affecting them.*

Keywords: *extensive, Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan, economic potential, World Bank, GDP, distribution of GDP per capita, retail trade, export, import, inflation, investment, positive balance.*

INTRODUCTION

Central Asia (CA) - is a region of immense strategic importance due to its geographical location and natural resource reserves. The total land area is 6 million kv.km it is a significant area in the world. The population is more than 76 million people. A large part of the population is Turkic peoples, consisting of Uzbeks, Tajiks, Kazakhs and several other ethnic groups. After independence, the countries of Central Asia developed in a largely extensional way. This has caused them to lag behind intensively developing nations in economic development. Richard Pomfred, an economist at Johns Hopkins University, made the following statement about the region: "Today, geographically centrally located Central Asia, has become economically marginalized".[1] the countries of Central Asia do not have direct access to sea transport and are therefore also disconnected from the cheapest transport routes.

DISCUSSION

To date, the countries of the region have realized that they are in a mood of good neighborliness and economic unionism, and that it is necessary to act in solidarity in the development of the region. The countries are working in cooperation in the direction of resource extraction, production, logistics in the direction of creating a new common economic space in the region. Based on the data of the World Bank's world development indicator, we can see that the economic potential of the region is high and will continue to grow in the future, judging by the forecast of the GDP of the Central Asian countries in 2022 and its per capita values, as well as future growth indicators.

Table 1

| Countries | Population | GDP (billion \$) | GDP per capita ratio | GDP growth(2022) | GDP growth (2023 forecast) |
|--------------|------------|------------------|----------------------|------------------|----------------------------|
| Kazakhstan | 19 765 004 | 203,666 | 10.3 | 3% | 3,5% |
| Uzbekistan | 36 024 946 | 80,4 | 2,2 | 5,7% | 4,9% |
| Turkmenistan | 6 218 446 | 60,263 | 9.7 | 3.7% | 3.7% |

| | | | | | |
|------------|------------|-------|-----|------|------|
| Kyrgyzstan | 6 799 321 | 8,928 | 1.3 | 4% | 4% |
| Tajikistan | 10 011 000 | 8,756 | 1.1 | 4,2% | 4,8% |

Source: World Bank, World Development Indicator. *Official statistics of Turkmenistan data are not available.

From the table it can be seen that 2023 will also continue to increase the GDP of the Central Asian countries. One of the main reasons why Uzbekistan's GDP growth is poorly forecast compared to 2022 is the political and economic situation in the world. Due to the economic situation of Russia, Uzbekistan's main trading and investment partner, and the sanctions imposed on it, the GDP growth rate may be lower than in 2022. The influence of Russia, the main economic partner of the countries of the region, can affect not only Uzbekistan, but also all the countries of the region.

In general, the service sector in Kazakhstan, including banking, transport, finance, is developing rapidly and contributing to the economy. A clear example of this is that in 2022, 53.5% of GDP fell in the service sector and commodity production was 40.1%.

Uzbekistan is the largest country in terms of area after Kazakhstan and Turkmenistan. Uzbekistan is the only country that borders all Central Asian countries and Afghanistan. This means that Uzbekistan is an important "bridge" that connects the entire region, there is a large potential. As of the end of 2022, the gross domestic product (GDP) of the Republic of Uzbekistan at current prices is 888.3 trillion UZS. 484.7 trillion in the production of goods in the GDP structure. SoC, 343.4 trln in the services sector. gross value added to the sum was created, while net taxes on products were 60.3 trillion UZS.

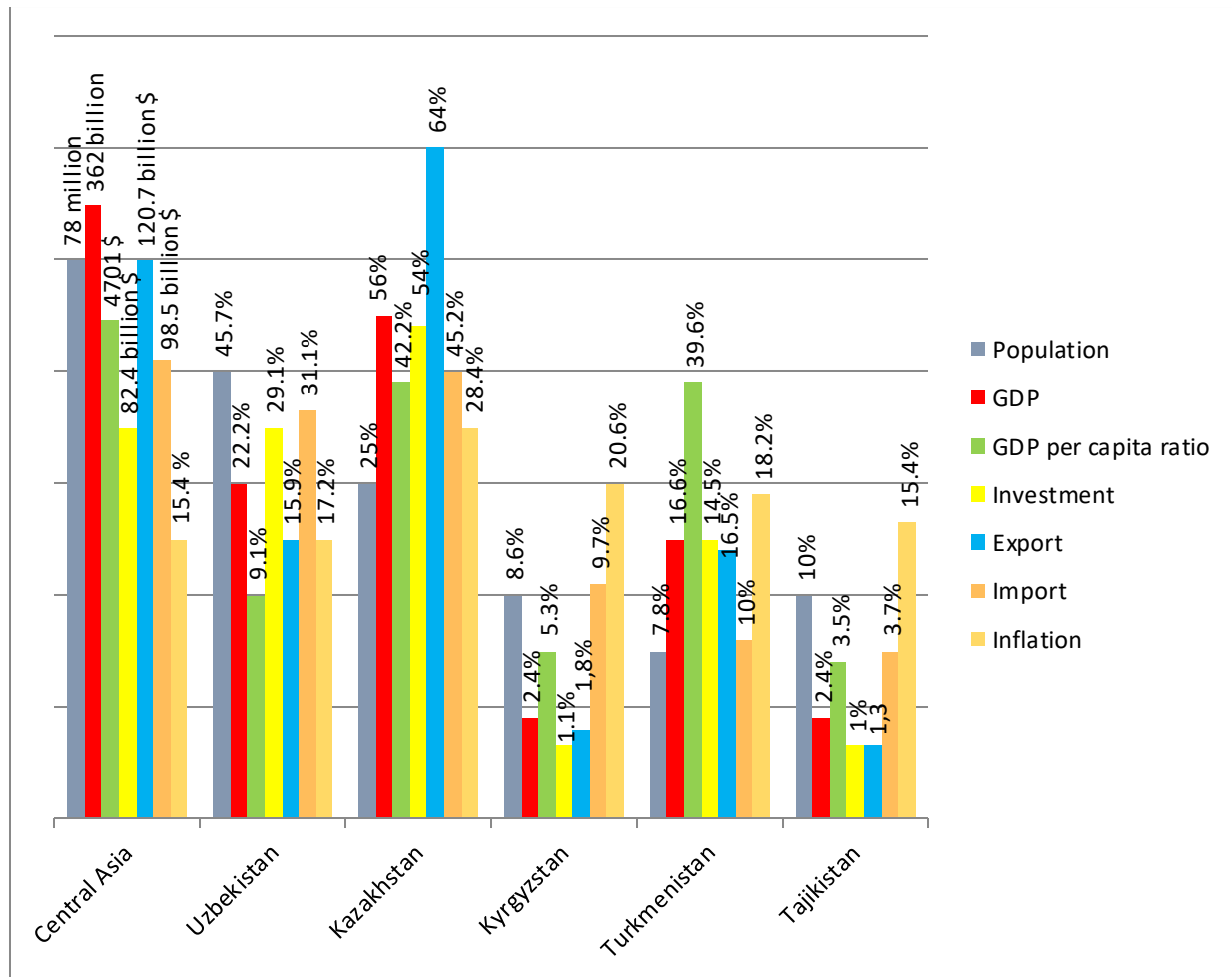
Turkmenistan is one of the most closed countries in the world. In the world community, there are practically no official data and statistics about the life of this state. Therefore, information about the state of the economy of Turkmenistan is based on the assessments of analysts, very approximate and, perhaps, unrealistic.

Kyrgyzstan is among the agro-industrial countries. The total cost of goods and services provided in the territory of Kyrgyzstan in 2022 is \$ 8.928 billion, the bulk of which falls on the sphere of remanufacturing, wholesale and retail trade.

Tajikistan is one of the poorest countries in Central Asia, with a significant percentage of the population living on the poverty line. Based on statistics from the previous year, Tajikistan's GDP can be seen to show similar results from Kyrgyzstan. Its main structural units belong to the agricultural, industrial and construction sectors.

We list the share of the Central Asian countries with respect to the sum of the main economic indicators of 2022 in the diagram below:

Diagram 1



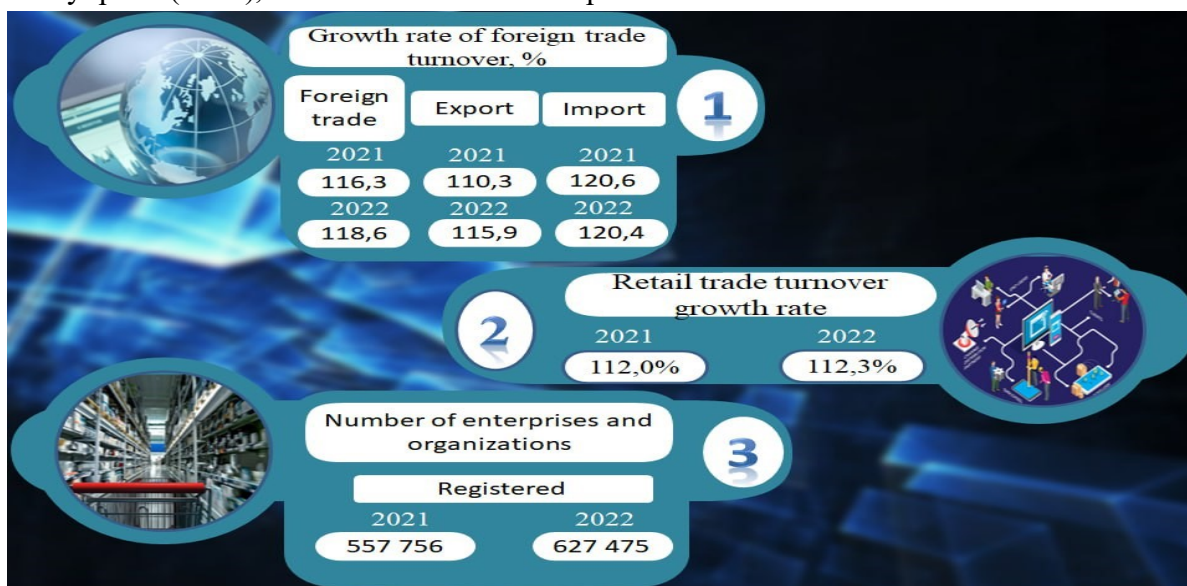
This diagram shows that the largest economy in Central Asia is Kazakhstan, with GDP even higher than that of other CA countries, accounting for more than 56% of the total share. Next are Uzbekistan (22%), Turkmenistan (16.6%) and the rest of Kyrgyzstan(2.5%) and Tajikistan(2.4%), respectively. But we can see that the proportions change with a much greater difference when it comes to per capita. Uzbekistan with the largest population of the region accounts for 9.14% of the total GDP per capita in Central Asia. In only 2 countries in Central Asia, Kazakhstan and Turkmenistan have a clear advantage over the rest of the per capita GDP. The largest proportion for the total is Kazakhstan(42.2%), Turkmenistan(39.7%), Kyrgyzstan(5.3%) and the smallest proportion is Tajikistan (3.6%), respectively. Uzbekistan, which has been achieving great growth in recent years in terms of investment attraction, is the second in the region, the first being Kazakhstan with 54.1% of the total share of the region. Kazakhstan is actively attracting foreign investment, which helps to diversify its economy and stimulate economic growth. The government has also implemented a number of initiatives to attract foreign investors, such as proposing reforms tailored for the business environment and implementing technology-based development plans. As for Uzbekistan, the main part of foreign investments is involved in construction, medicine, information and technology, as well as education. The investor states with the highest share in the total foreign investment and loans taken are Russia(20.3 %), China (16.4 %), Turkey(10.1 %), Germany(6 %), Saudi Arabia(6 %), the United States(3.8 %), Cyprus(3 %), Italy(2.4 %), Switzerland(1.9 %), the United Kingdom(1.6%). Investments in Turkmenistan are generally focused on oil and gas, agriculture and textiles. Foreign investors in Kyrgyzstan are

mainly attracted to areas such as construction, education, mining, textiles and agriculture. Major investments are allocated by the World Bank. Although Tajikistan is a country with a low standard of living, its economy is developing rapidly. At the same time, the government made efforts to attract foreign investment and stimulate economic growth, in particular, in the field of hydropower and mining.

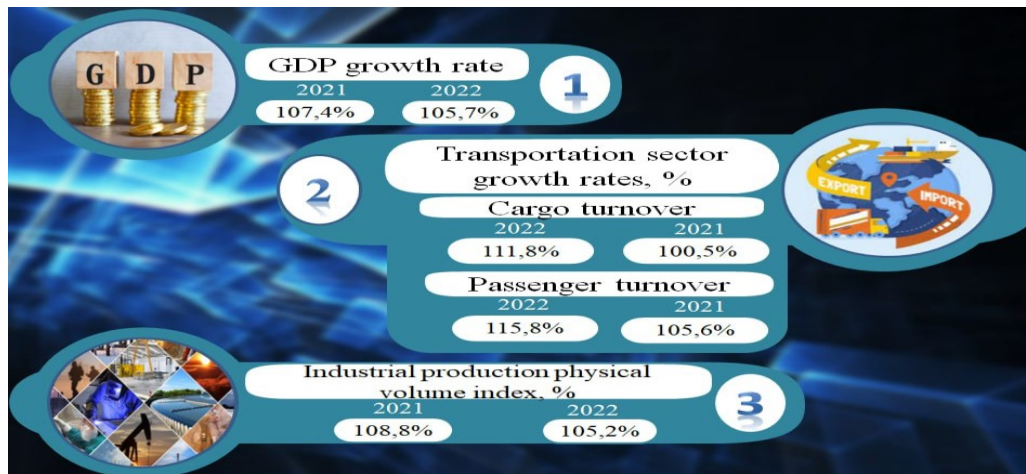


Picture 1

As can be seen from the picture, Kazakhstan's foreign trade turnover in January-December 2022 amounted to 134,437.6 million. US dollars and increased by 32.1 percent in nominal terms compared to January-December 2021, including exports – 84394 million. US dollar (39.9% more at face value), imports 500-43.6 million. US dollars (an increase of 20.8 percent in the nomination). Looking at the exports of this country, we can see that some of the main exports in the year were oil and petroleum products. Next were copper, copper alloys, radioactive chemical elements and radioactive isotopes (3.1% of the total), copper ores and concentrates (2.8%), wheat and other goods. When it comes to imports, most of the goods entered from abroad are technical means, that is, the means of communication (3%), the computer and its equipment (2.4%), cars and their auxiliary parts (5.7%), aircraft and various fuel products.



Picture 2



Picture 3

As of the end of January-December 2022, Uzbekistan has a foreign trade turnover of 50,008.4 million. US \$ compared to 2021, increased to the 7,837.9 million US dollar or 18.6%. In particular, the export volume was 19,309.1 million US dollar (an increase of 15.9% compared to the corresponding period last year) and imports of 30,699.3 million US dollar (grew by 20.4% compared to the corresponding period last year). There was also an increase in the content of exports, including: oils (fats) of animals and plants, fats and waxes -13.9 b compared to the corresponding period of last year. (19.6 Mt. Up to us doll), drinks and tobacco-3.1 b. (75.0 mln. Us doll), various finished items-by 41.5% (325.7 million. US dollars), food products and living animals-18.9 % (259.8 million. US dollars), as well as industrial goods by 2.5% (110.1 million. US dollars). The largest share in the composition of imports is machines and transport equipment-16.9 % (1,396.0 million. US dollar), industrial goods - 22.0% (1,039.4 million. US dollars), chemicals and similar products not included in other categories - 16.0 % (583.5 million. US dollar).

Tajikistan's foreign trade turnover in 2022 was \$ 7 billion 512.9 million, an increase of \$ 1 billion 508.2 million, or 25.1 percent, over 2021. In particular, according to the statistical agency, imports of goods amounted to \$ 5 billion 182.9 million, an increase of \$ 965.1 million, or 22.9 percent, compared to 2021. The share of exports is over \$ 2.3 billion, an increase of \$ 543.1 million or 30.4 percent from 2021. In 2022, Tajikistan conducted Export-import Operations with 109 countries around the world. The volume of trade with non – CIS countries amounted to 3 billion 626 million dollars (1 billion 567.5 million dollars – exports, more than 2 billion dollars-imports). The main export goods in exports are steel-minerals and concentrates - 31.4% (730.8 million dollar) - aluminum-6% (139.9 million dollar) - electricity. The main volume of exports is to Kazakhstan – 20.8%, China – 15.8%, Turkey – 7.7%, Uzbekistan – 7.7%, as well as Iran – 4.9%, Afghanistan – 4.5%, Belgium – 4.4% and Russia – 3.8%. The main share of goods in the composition of imports - oil products - 13.2% (681.6 million. dollar) - wheat-5.3% (329.1 mln. dollar) - cars-4.5% (234 million. dollar) - wood-2.2% (114.8 million. dollar)) - mineral fertilizers-1.6% (80.4 million. dollar), etc. The main importers remained the same - Russia entered the top five - 30.6%, Kazakhstan - 18.5%, China - 16.2%, Uzbekistan - 7.6%, Turkey-3.3%. The state, which is on the 3rd in the picture, said that foreign trade of Kyrgyzstan amounted to \$ 11,815.8 billion, with an increase indicator of 7% compared to 2021. But at a time when exports were mentioned, the fall (2,752.2 billion in 2021, \$ 2,186. 7 billion in 2022) compared to 2021 was observed, the amount of import goods entering increased almost 2 times, from \$ 5,559. 7 billion in 2021 to \$ 9,629. 1 billion in 2022.

In 2022, Turkmenistan's foreign trade amounted to \$ 20 billion, including exports of \$ 12.7 billion and imports of \$ 7.3 billion. For comparison, Turkmenistan's total foreign trade turnover in 2021 was \$ 15.1 billion. Energy is one of the priority sectors of Turkmenistan's economy, accounting for almost 80% of national exports. The country is focused on the subsequent production of high value-added products, the processing of fuel resources, the active development of the gas-chemical industry. As a result, the production of synthetic gasoline, polymers, mineral fertilizers was established. Last year, China became the country's largest trading partner due to being the leading buyer of Turkmenistan gas, with Turkey and Russia leading next on the list. Gas exports (buyers China, Russia, Azerbaijan, Uzbekistan) increased by more than 60 percent in 2022 compared to the previous year, and electricity (Afghanistan, Iran, Kyrgyzstan and Uzbekistan) increased by almost 30 percent. In addition, Turkmenistan also exports oil, textiles, carpets and food to world markets.

The volume of inflation in 2022 was higher in Central Asian countries, especially Kazakhstan, compared to other countries. The lowest inflation rate is seen in Tajikistan. The highest share in exports and imports is in Kazakhstan, the lowest share is in Tajikistan. In the region, only Kazakhstan and Turkmenistan have a positive balance in mutual trade. The highest negative balance was recorded in Uzbekistan and the smallest in Tajikistan.

CONCLUSION

The positive trend of later times began to appear not only in economics, but also in other areas. For example, in recent years, a number of problems in Central Asia have been eliminated (including border, transport, customs issues), but this does not mean that problems have not yet been overcome. In addition to the fact that Central Asia is the main trading and investment partner of Central Asia, Russia and China, its eastern and northern neighbors, means that the influence of Russia and China on these countries is growing. The large number of Central Asian labor migrants in Russia, as well as billions of debts borrowed and borrowed from China, add to this concern for some time. Although the countries of Central Asia were able to recover growth after the impact of the pandemic, the situation in the world (Ukraine) does not greatly affect the countries of Central Asia.

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