

IV. МАРКАЗИЙ ОСИЁ ИҚТИСОДИЙ РИВОЖЛАНИШ ТАМОЙИЛЛАРИ
Principals of Central Asian Economic Development
Принципы экономического развития Центральной Азии

**INTRAREGIONAL MUTUAL TRADE OF CENTRAL ASIAN
COUNTRIES AS A FACTOR OF INTEGRATION¹**

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Abstract: *Integration and regionalization are an integral part of the development of the modern international relations around the world. Central Asia, being a part of the world community, cannot remain aloof from the processes of globalization and integration.*

The Central Asian countries are strengthening cooperation in various fields: in the economy, in politics, in the electric power industry, in the field of cultural and humanitarian relations.

The authors of this article have studied the development of trade relations within the region since 2000. Based on the statistical data of reputable international organizations, the authors have analyzed data that allowed to trace the dynamics of the development of trade relations between countries of the Central Asian region.

The paper analyzes the current state of development of intraregional trade between Central Asian countries. The authors studied the dynamics of trade turnover between the countries of the region. Possible measures are considered through improving the growth of mutual trade of the countries of the Central Asian region.

The growth of mutual trade between the Central Asian countries is one of the key factors for the development and strengthening of integration potential in the region.

Firstly, the growth of mutual trade contributes to strengthening economic connectivity between countries and increasing the flow of goods, services and capital between them. This, in turn, can contribute to the growth of economic opportunities and investments in the region, as well as improving the standard of living of the population.

Secondly, the increase in mutual trade contributes to the creation of a favorable environment for expanding trade ties and investments with other regions. A large volume of trade

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within the region can make it more attractive to other countries and investors, which can lead to additional economic opportunities and growth for the countries of Central Asia.

Thirdly, the growth of mutual trade can help to increase the competitiveness of products and services on the international market, which can also help to increase exports and attract new investments to the region.

In general, the growth of mutual trade between the Central Asian countries can have a positive contribution to the integration and development of the region, as it contributes to the expansion of economic ties, increased investment and increased competitiveness. The governments of the countries should work together to create favorable conditions for the growth of mutual trade and integration.

Keywords: *Central Asia, foreign trade, cooperation, integration, economic cooperation*

Introduction

Intra-regional trade refers to the trade of goods and services that takes place within a specific regional group of countries. In the context of Central Asia, it means trade between countries in the region such as Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan. Such trade can occur at both the level of government organizations and private companies and entrepreneurs. Intra-regional trade includes the import, export, and re-export of goods and services produced and consumed within the region. It can stimulate economic growth in the countries of the region and contribute to the strengthening of economic ties and integration among them.

Intra-regional trade among the countries of Central Asia is of great importance for the economic development of the region. The Central Asian countries have a similar economic structure and are highly dependent on each other in trade.

Overall, intra-regional trade is an important element of economic development for the countries of Central Asia. The development of economic ties among the countries in the region can contribute to improving the standard of living, creating new jobs, and strengthening stability and security in the region.

One of the important aspects of intra-regional trade and economic relations in Central Asia is transportation infrastructure. The region is located at the intersection of important transportation routes between Asia and Europe, as well as between Russia and Iran. This makes the region a significant transit point for trade links between different regions.

Another crucial aspect of intra-regional trade and economic relations is the shared access to energy resources. Central Asia holds significant reserves of oil, gas, uranium, and other valuable minerals, and the countries in the region cooperate in their extraction and export.

However, despite these positive trends, intra-regional trade and economic relations in Central Asia also face various challenges and issues, such as limited transportation infrastructure, difficulties with skilled workforce, underdevelopment of small and medium-sized businesses, and problems accessing financial resources.

Furthermore, another challenge for intra-regional trade and economic relations in Central Asia is the uneven distribution of resources and potential among the countries in the region. For example, Kazakhstan and Turkmenistan possess significant natural resources such as oil and gas, while Kyrgyzstan and Tajikistan have limited resources. This can lead to imbalances in trade relations and generate inequality among the countries in the region.

Discussion and results

Central Asian region is influenced by numerous external factors, such as geopolitical tensions, international sanctions, changes in the global economy, and others. These factors can have a negative impact on intra-regional trade and economic relations, complicating cooperation among the countries in the region.

Despite these challenges, intra-regional trade and economic relations in Central Asia have significant potential for development. Improving transportation infrastructure, reducing barriers and simplifying customs procedures, advancements in technology and innovation, as well as cooperation in the field of ecology and climate change, can contribute to accelerating economic growth and improving the standard of living in the region. Let's consider the intra-regional trade volume of Central Asian countries separately.

Since 2018, annual Consultative Meetings of the Heads of State of Central Asia have been held. In his speech at the 4th Consultative Meeting of the Heads of State of Central Asia, President of the Republic of Kazakhstan, K.K. Tokayev, noted that "Central Asian economic cooperation can very well become, if not the main, at least one of the key sources of growth for our national economies"²

² Official website of the President of the Republic of Kazakhstan. President K.K. Tokayev's speech at the IV Consultative Meeting of Heads of Central Asian States. July 21, 2022. <https://www.akorda.kz/ru/vystuplenie-na-iv-konsultativnoy-vstreche-glav-gosudarstv-centralnoy-azii-2163148>

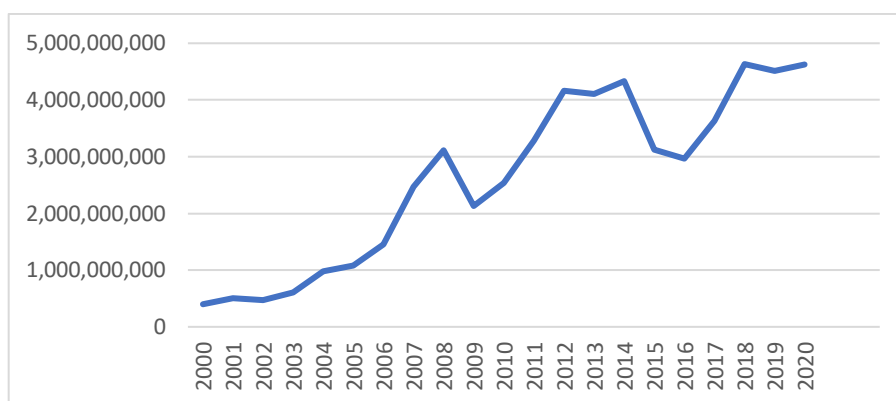


Diagram 1. Trade turnover of the Republic of Kazakhstan with Central Asian countries
Compiled by the authors based on UN Comtrade data.

According to the data in the table, we can conclude that the highest absolute indicators of trade turnover, both overall and with Central Asian countries, are observed for Kazakhstan. This is because Kazakhstan has the largest economy in the region in terms of GDP volume. Trade and economic relations are stable with all countries in the region.

President Tokayev stated, "Over the past 5 years, Kazakhstan's trade turnover with other Central Asian countries has grown by 42%, reaching 6.3 billion dollars. Considering the availability of significant reserves to increase mutual trade, it is desirable to raise this indicator to 15 billion dollars in the foreseeable future."³

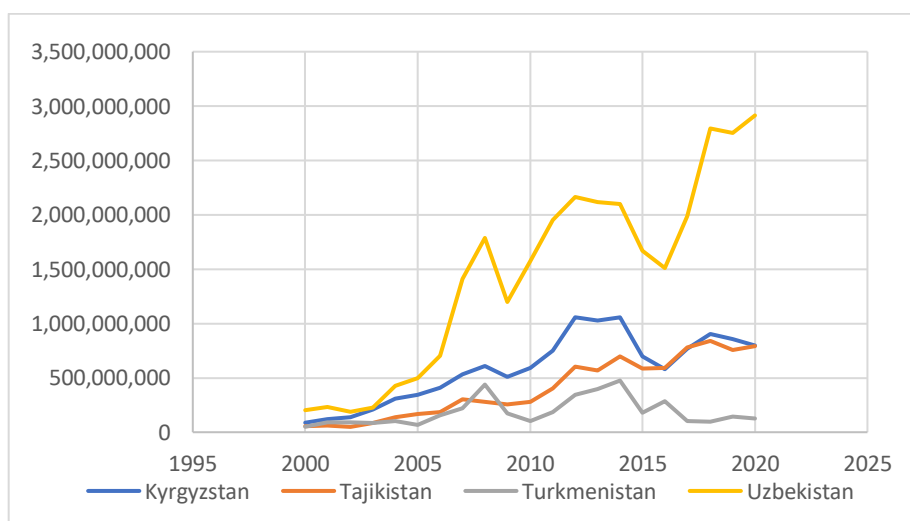


Diagram 2. Trade turnover of the Republic of Kazakhstan with Central Asian countries
Compiled by the authors based on UN Comtrade data.

³ Ibid.

In Kazakhstan's trade turnover with Central Asian countries, Uzbekistan stands out. Bilateral trade and economic relations between the two countries were relatively low from the 1990s until the mid-2000s due to several reasons. The situation changed in 2008 during the visit of the President of Uzbekistan to Astana, where an Agreement on the establishment of a free trade zone between Uzbekistan and Kazakhstan was signed. In the subsequent years, the volume of external trade between the two countries increased significantly.

The trade turnover between Kazakhstan and Uzbekistan reached \$4.05 billion in the first 10 months of 2022, which is 34.7% higher than the same period in 2021 (\$3.0 billion)⁴. It should be noted that this volume of trade between the countries is the highest recorded to date. There has been a consistent growth in trade turnover between Kazakhstan and Uzbekistan over the past five years.

Cooperation between the two countries is constantly gaining momentum. International and intergovernmental platforms have been created to address practical issues and activate bilateral relations. For example, since 2017, the Kazakhstan-Uzbekistan Business Council has been established for this purpose, with the Chairman of the National Chamber of Entrepreneurs "Atameken" serving as the co-chair from the Kazakh side.

The focus of attention includes issues related to transit transport rates, mutual recognition of certificates, prices of cotton raw materials, yarn, and fabrics, as well as labor migration. These and many other issues are on the agenda of the Kazakhstan-Uzbekistan Business Council.

Kazakhstan is the third-largest trading partner of Uzbekistan (after China and Russia) with a share of 8.9% in the trade turnover. According to the Chamber of Commerce and Industry, the major items of Kazakhstani exports to Uzbekistan are oil and petroleum products, wheat, flour, sunflower seeds, ferrous and non-ferrous metals, inorganic chemicals, and food products.

From Uzbekistan, Kazakhstan imports energy resources, automobiles, cotton fiber, chemical products, plastics, fertilizers, and fruit and vegetable products.⁵

⁴ Kapital. Trade turnover between Kazakhstan and Uzbekistan increased by 27%. October 18, 2022.

<https://kapital.kz/economic/109730/na-27-vyros-tovarooborot-kazakhstana-i-uzbekistana.html>

⁵ Kapital. Trade turnover between Kazakhstan and Uzbekistan increased by 27%. October 18, 2022.

<https://kapital.kz/economic/109730/na-27-vyros-tovarooborot-kazakhstana-i-uzbekistana.html>

Let's consider the trade relations between Kazakhstan and Kyrgyzstan, which are characterized as consistently positive. In September 2022, the parties agreed to increase mutual trade by facilitating the supply of early fruit and vegetable products from Kyrgyzstan to the Republic of Kazakhstan. This agreement was made within the framework of the signed memorandum of understanding between the Ministry of Trade and Integration of the Republic of Kazakhstan and the Ministry of Agriculture of the Kyrgyz Republic regarding the intention to organize the supply of fruit and vegetable products.

Furthermore, under the signed memorandum of cooperation between the Ministry of Trade and Integration of the Republic of Kazakhstan and the Ministry of Economy and Commerce of the Kyrgyz Republic, the parties agreed to simplify trade procedures, reduce business costs, and promote cooperation in the exchange of electronic documents.

According to the press service of the Ministry of Trade and Integration of the Republic of Kazakhstan, the trade turnover between Kazakhstan and Kyrgyzstan for January-February 2022 amounted to \$126.3 million, which is 6.8% higher than the same period of the previous year (\$118.2 million).

However, it is noted that exports from Kazakhstan to Kyrgyzstan decreased by 14.2% in January-February 2022, reaching \$72.6 million. The decline in exports to Kyrgyzstan is attributed to a decrease in the supply of natural gas by 84.7% or \$12 million, extracts, essences, coffee concentrates, tea, mate, coffee substitutes by 91.4% or \$3.3 million, wheat by 89.6% or \$2.3 million, and dried leguminous vegetables by 100% or \$1.8 million.

On the other hand, there has been an increase in the supply of untreated or semi-treated gold, including in powder form, by 400% or \$3 million, coal by 220% or \$2.7 million, tobacco products by 34.6% or \$1.7 million, and water, including mineral and carbonated water with sugar, by 42.9% or \$1.3 million.

The main export commodities from Kazakhstan to Kyrgyzstan are tobacco products (\$6.6 million, 9% share), coal (\$5 million, 6.8% share), water, including mineral and carbonated water with sugar (\$4.5 million, 6.2% share), untreated or semi-treated gold, including in powder form (\$4 million, 5.5% share), passenger cars (\$2.8 million, 3.8% share), natural gas (\$2.2 million, 3% share), sealants, putties (\$1.4 million, 1.9% share), flat-rolled products of non-alloy steel plated with other materials (\$1.3 million, 1.8% share), pasta products (\$1.3 million, 1.8% share).

In addition, imports to Kazakhstan from Kyrgyzstan increased by 59.6% in January-February 2022, reaching \$53.7 million. The increase in imports from Kyrgyzstan is attributed to the higher import of petroleum products by 49.6% or \$9.7 million, hot-rolled non-alloy steel bars by 48.5% or \$8.5 million, polished glass by 2.8 times or \$3.7 million, buttermilk, yogurt, kefir by 3.7 times or \$2 million, unglazed ceramic tiles by 126.3 times or \$620.5 thousand, metal structures made of black metals up to \$518.5 thousand, and nitrogen fertilizers by 112.3 times or \$401.9 thousand. However, there has been a decrease in the import of precious metal ores and concentrates by 18.6% or \$2.6 million, condensed, and dried milk and cream by 82.3% or \$882.1 thousand, water, including mineral and carbonated water with sugar by 94.4% or \$418.8 thousand, bread and bakery products by 12.9% or \$409.4 thousand, and lighting equipment by 99.7% or \$349.9 thousand.

The main import commodities to Kazakhstan from Kyrgyzstan include precious metal ores and concentrates (\$11.5 million), petroleum products (\$9.9 million), hot-rolled non-alloy steel bars (\$8.7 million, 16.2% share), polished glass (\$5.8 million, 10.7% share), buttermilk, yogurt, kefir (\$2.8 million, 5.2% share), bread and bakery products (\$2.8 million, 5.2% share), plastic packaging (\$1.1 million, 2.1% share), and strong alcoholic beverages (\$693.9 thousand, 1.3% share).⁶

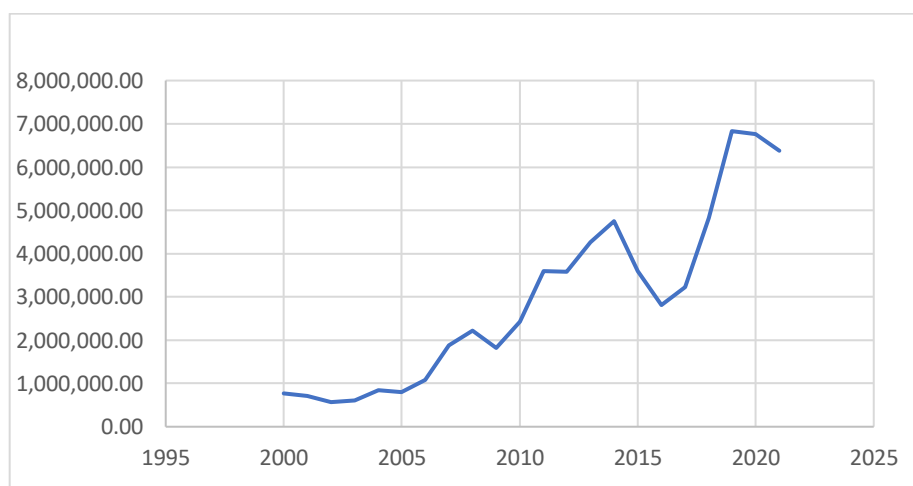


Diagram 3. Trade turnover of the Republic of Uzbekistan with Central Asian countries
Compiled by the authors based on UN Comtrade data.

⁶ Official website of the Ministry of Trade and Integration of the Republic of Kazakhstan. Trade turnover between Kazakhstan and Kyrgyzstan increased by 6.8%. April 19, 2022.
<https://www.gov.kz/memleket/entities/mti/press/news/details/358803?lang=ru>

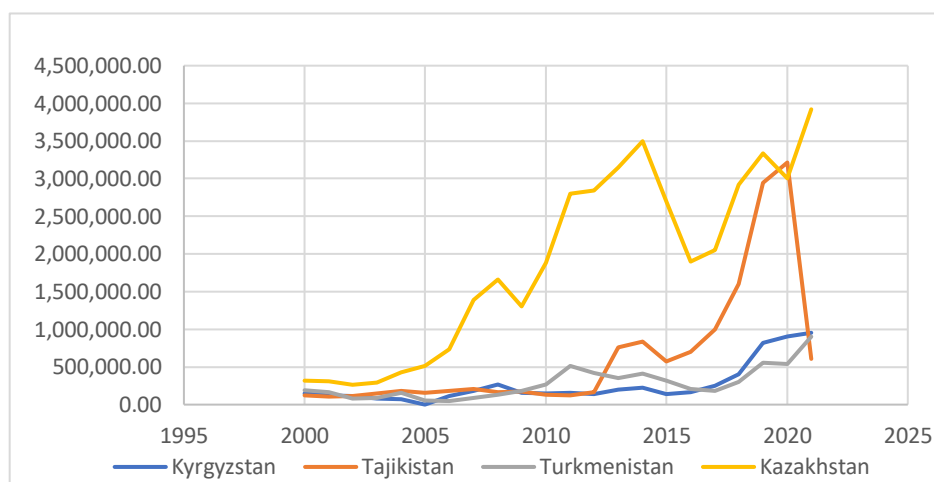


Diagram 4. Trade turnover of the Republic of Uzbekistan with Central Asian countries
Compiled by the authors based on UN Comtrade data.

Since 2017, Uzbekistan's economy has been opening up to the world. Uzbekistan accounts for 20% of the GDP of Central Asian countries and is home to 45% of the population. The country is rich in natural resources and has a developed manufacturing base. The structural reforms initiated by the leadership of Uzbekistan in 2017 have significantly improved the investment climate of the republic and increased its potential to attract external financing for economic development.⁷

In the overall trade turnover of Uzbekistan, trade with Central Asian countries holds a significant position (an average of 17% over the past 5 years). The highest trade turnover indicators of Uzbekistan within the Central Asian region are recorded with Kazakhstan.

In his speech at the III Consultative Meeting of Heads of Central Asian States, held on August 6, 2021, in Awaza, Turkmenistan, President of the Republic of Uzbekistan Shavkat Mirziyoyev noted:

"The present realities require decisive steps from us to form a new model of economic cooperation in Central Asia. It is important to identify new growth points, new drivers of our long-term development. It is necessary to increase intra-regional trade. In order to transition to a full-fledged free trade regime, it is important to remove existing barriers. By developing industrial cooperation, innovation, and digital technologies, we can create long value chains. For this, it is necessary to

⁷ Kapital. E. Vinokurov. Economic reality and prospects of Central Asia are still not fully realized. November 11, 2021.
<https://kapital.kz/economic/100273/ekonomicheskaya-real-nost-i-perspektivy-tsentral-noy-azii-poka-ne-osoznany.html>

encourage direct business contacts between entrepreneurs and regions of our countries, regularly hold investment and economic forums, and industrial exhibitions. Taking into account the important initiatives and proposals voiced by my esteemed colleagues in this sphere, I believe that the time has come to adopt an Agreement on the common directions of regional trade and economic cooperation".⁸

Analyzing the trade turnover between Kazakhstan and Uzbekistan, we can conclude that these countries are important mutual trading partners. In addition, the well-known Kazakhstani political analyst Dosym Satpayev noted in his article that "Central Asia has an opportunity to use 'windows of opportunity' that have opened up due to changes in the geopolitical situation."

One of the "windows of opportunity" identified by D. Satpayev is "Accelerating closer regional cooperation within Central Asia. In this case, Kazakhstan and Uzbekistan could act as locomotives and advocates of such cooperation, becoming somewhat analogous to Germany and France within the European Union".⁹

The author emphasizes the role of the business community of Central Asian countries as an engine of regional cooperation. "Traditionally, most efforts for economic cooperation come from top-down state initiatives, so they predominantly have a general economic nature. However, the focus should be on sectoral integration. It is necessary to rely primarily on the micro-level, that is, on economic entities".¹⁰

According to a report published by the State Committee of Statistics of Uzbekistan, the foreign trade turnover between Uzbekistan and Turkmenistan in 2022 amounted to \$926.3 million, representing a 2.7% increase compared to the same period last year.

During the reporting period, Uzbekistan imported Turkmen goods worth \$731.5 million, which is a 3% increase compared to the same period in 2021. At the same time, the country's exports to Turkmenistan increased by 1.5% and amounted to \$194.8 million. Turkmenistan is among the top ten largest trading partners of Uzbekistan.

⁸ Official website of the President of the Republic of Uzbekistan. President Shavkat Mirziyoyev's speech at the Third Consultative Meeting of Heads of Central Asian States. August 7, 2021.
<https://president.uz/ru/lists/view/4534>

⁹ Forbes Kazakhstan. Dosym Satpayev: Can Kazakhstan and Uzbekistan form a regional duo? March 7, 2023.
https://forbes.kz/actual/expertise/dosym_satpayev_smogut_li_kazakhstan_i_uzbekistan_sozdat_regionalnyiy_duet/

¹⁰ Ibid.

The total foreign trade turnover of Uzbekistan for 2022 exceeded \$50 billion 8.4 million, which is \$6.21 billion or 18.6% more compared to the same period in 2021.

Other major regional partners of Uzbekistan in terms of trade turnover during the mentioned period are Kazakhstan (over \$4.6 billion) and Kyrgyzstan (\$1.26 billion).

In 2021, the trade turnover between Uzbekistan and Turkmenistan amounted to \$926.3 million.

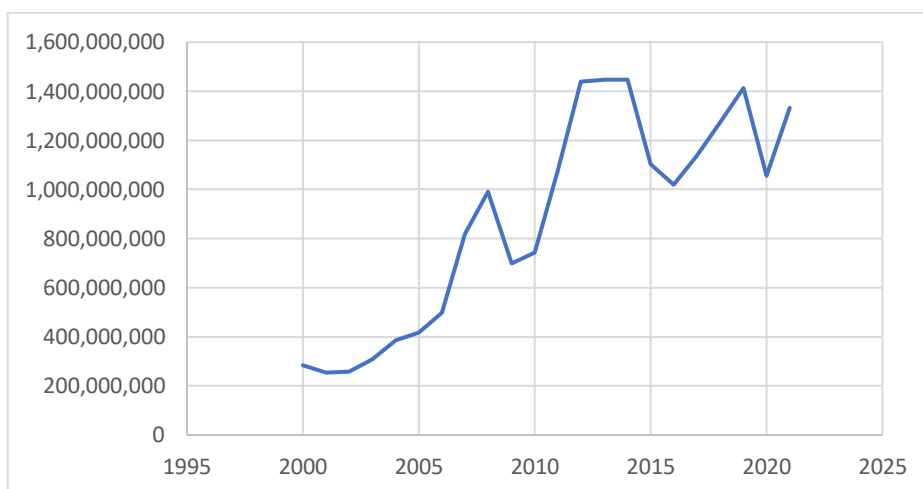


Diagram 5. Trade turnover of the Kyrgyz Republic with Central Asian countries
Compiled by the authors based on UN Comtrade data.

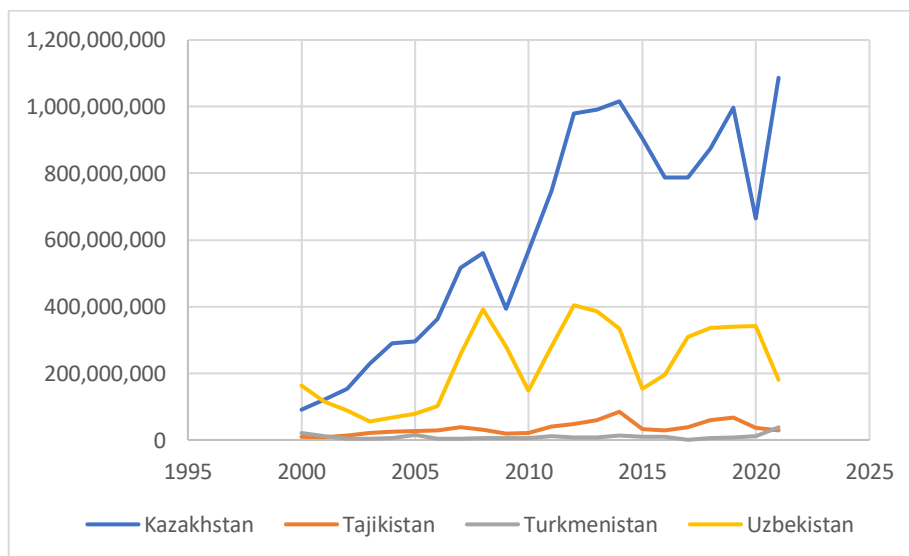


Diagram 6. Trade turnover of the Kyrgyz Republic with Central Asian countries
Compiled by the authors based on UN Comtrade data.

Trade and economic relations between the Kyrgyz Republic and the Republic of Uzbekistan are developing steadily, with the level of trade showing a tendency to grow.

The trade turnover between the Kyrgyz Republic and the Republic of Uzbekistan in 2021 amounted to \$496.6 million, with exports at \$180.1 million and imports at \$316.8 million (compared to \$341.3 million in 2020, with exports at \$152.5 million and imports at \$188.8 million).

The main share in the commodity structure of exports from the Kyrgyz Republic and the Republic of Uzbekistan includes cement, fuel and energy resources (coal, petroleum products), live animals, ferrous metals and products made from them, ceramic products, vehicles and their parts, glass and glassware, various equipment and mechanical devices, stone products, cement, and others.

Imports consist of consumer goods and agricultural raw materials (vegetables, fruits, etc.), plastics and products made from them, fertilizers, pharmaceutical products, natural gas, light industrial products, aluminum products, copper, glass, ceramics, vehicles and their parts, electric machinery and appliances, various equipment and their parts, and others.

During the State Visit of the President of the Kyrgyz Republic, S.N. Japarov, to the Republic of Uzbekistan on March 11-12, 2021, a substantial package of documents was signed, and key agreements were reached in political, trade and economic, cultural, humanitarian, and other spheres, giving a powerful impetus to the deepening and expansion of Kyrgyz-Uzbek relations. The Uzbek-Kyrgyz Development Fund was established with a charter capital of \$200 million. The Fund will finance self-sustaining projects in priority sectors of the Kyrgyz economy by providing loans to businesses in various sectors. The Fund will create new foundations for strengthening bilateral economic ties.

Important joint projects for Kyrgyzstan include the construction of the joint railway "China-Kyrgyzstan-Uzbekistan" and the construction of the Kambar-Ata HPP-1.

Overall, the current level of relations and the potential for trade and economic relations between the Kyrgyz Republic and the Republic of Uzbekistan remain high. The main prospective areas in trade and economic relations between the Kyrgyz

Republic and the Republic of Uzbekistan continue to be cooperation in the agro-industrial, industrial, transport and communication, and tourism sectors.

During the Fourth Consultative Meeting of the Heads of State of Central Asia in Cholpon-Ata, the President of the Kyrgyz Republic, Sadyr Japarov, noted:

"... I believe that the drivers of growth in Central Asia are free trade and investments, development of transport and transit infrastructure, and digitization. Today, there are already positive examples of mutually beneficial cooperation in these areas.

The establishment of cross-border trade centers on the borders of Kazakhstan and Uzbekistan, as well as an industrial trade and logistics center near the Kyrgyz-Kazakh border, will contribute to the activation of trade.

It is extremely important to completely remove tariff and non-tariff barriers that hinder free trade, including unjustified cargo delays at the borders. I hope that digitalization tools will help solve the accumulated issues".¹¹

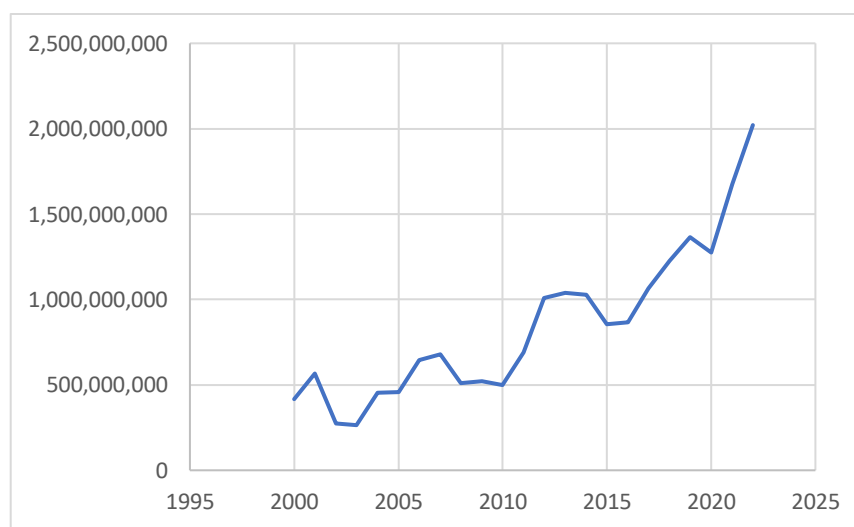


Diagram 7. Trade turnover of the Republic of Tajikistan with Central Asian countries
Compiled by the authors based on UN Comtrade data.

¹¹ Official website of the President of the Kyrgyz Republic. President Sadyr Japarov: In the current crisis conditions of international relations, the Central Asian countries will cooperate even more closely to promote the common interests of the region on the world stage. July 21, 2022.
https://www.president.kg/ru/sobytiya/vystupleniya_obrascheniya/22976_prezident_sadir_ghaparov_v_nineshni_krizisnih_usloviyah_meghdunarodnih_otnosheniy_strani_ca_budut_eshe_bolees_tesno_sotrudnichat_chtobi_prodvigat_obshnie_interesi_regiona_na_mirovoy_arene

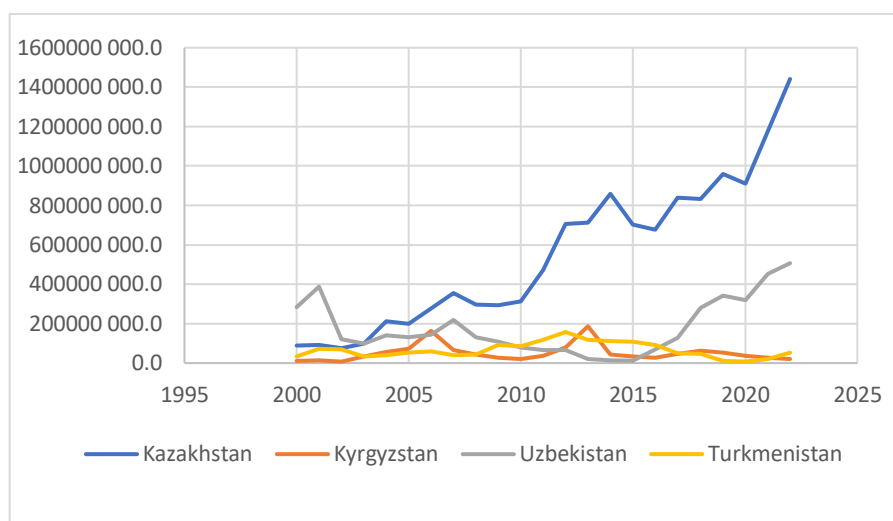


Diagram 8. Trade turnover of the Republic of Tajikistan with Central Asian countries
Compiled by the authors based on UN Comtrade data.

According to the Customs Service, in the 1st quarter of 2022, Tajikistan's trade turnover with neighboring countries amounted to: Kazakhstan - \$353.9 million, Uzbekistan - \$163.4 million, Turkmenistan - \$13.8 million, Kyrgyzstan - \$3.3 million.

Based on the diagram data, it can be concluded that Tajikistan's trade turnover with Central Asian countries shows a positive trend.¹²

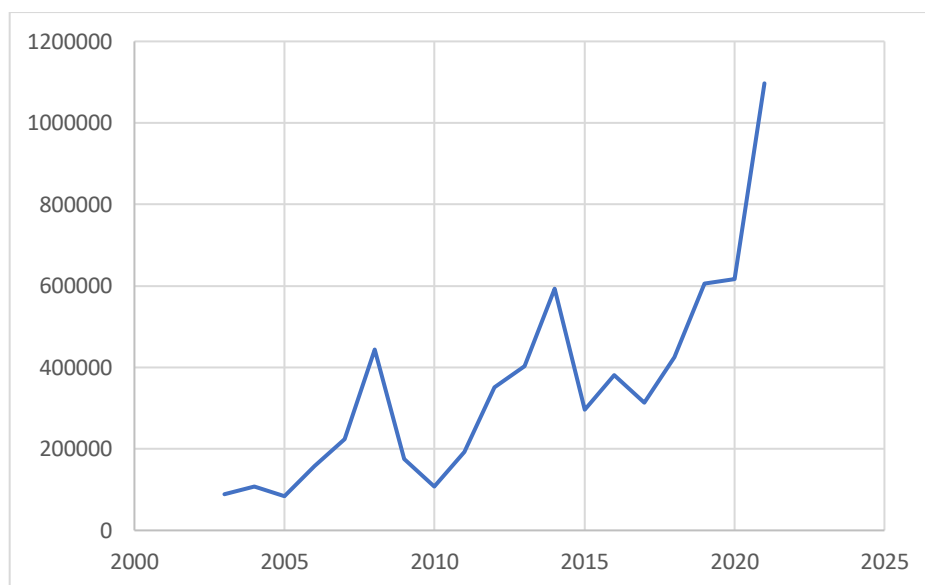


Diagram 9. Trade turnover of Turkmenistan with Central Asian countries
Compiled by the authors based on UN Comtrade data.

¹² Media-group Asia-plus. Central Asian countries want to simplify trade. <https://asiaplustj.info/ru/news/tajikistan/economic/20220517/strani-tsentranoi-azii-hotyat-uprostit-torgovlyu>

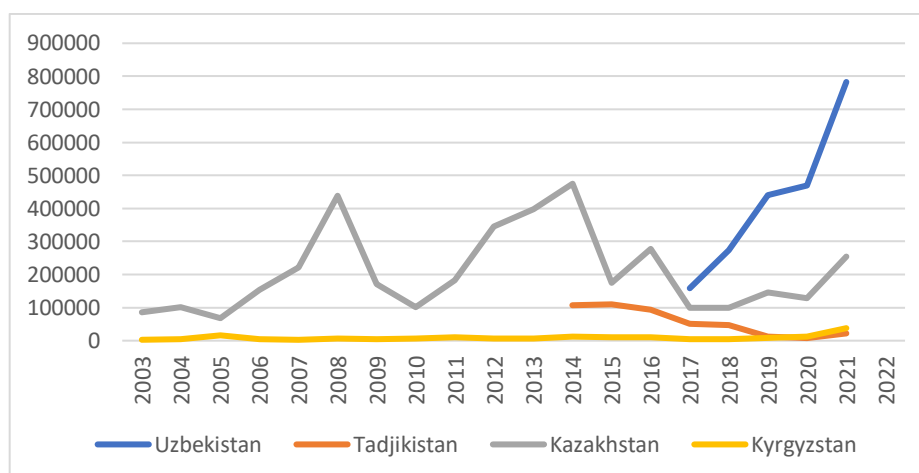


Diagram 10. Trade turnover of Turkmenistan with Central Asian countries
Compiled by the authors based on UN Comtrade data.

Overall, there is a stable positive trend in the development of intra-regional trade relations. Thus, statistical data indicate that trade is a sustainable factor for Central Asian countries and can be considered as a possible basis for integration.

There are several ways to enhance intra-regional trade in Central Asia:

Reduction of trade barriers: One of the main obstacles to intra-regional trade in Central Asia is the high level of trade barriers between regional countries. Therefore, reducing tariff and non-tariff barriers, as well as simplifying customs procedures, can significantly improve the situation.

Development of transportation infrastructure: Developing transportation infrastructure such as roads, railways, ports, and airports can accelerate the movement of goods and services between regional countries and make them more accessible to small and medium-sized enterprises.

Support for small and medium-sized businesses: Creating favorable conditions for small and medium-sized businesses, such as streamlining registration procedures, facilitating access to credit, providing training and export support, can stimulate the development of inter-regional trade and promote the integration of small and medium-sized enterprises into the regional market.

Facilitation of trade digitalization: Implementing e-commerce and digital technologies, such as electronic payments and documentation, can greatly simplify trade processes and improve access to regional markets for small and medium-sized enterprises.

The integration of Central Asian countries is crucial for the economic, social, and political development of the region. Here are a few reasons why the integration of Central Asian countries is important:

Increase in trade volume: Integration of Central Asian countries can contribute to an increase in trade volumes between these countries. Establishing a free trade zone and reducing customs barriers can lower the cost of trade, expedite the movement of goods and services, and attract more investments to the region.

Strengthening economic stability: Integration can enhance economic stability in the region. The more interconnected the economies of different countries, the lower the likelihood of economic crises. This can lead to greater economic resilience in the region and reduce risks for investors.

Boosting competitiveness: Integration can enhance the competitiveness of businesses and industries in the region. Increased competition can lead to price reductions, improved quality of goods and services, and faster adoption of innovations.

Shared resource utilization: Integration can promote the shared utilization of resources in the region. For example, countries can collaborate in utilizing shared water resources or in jointly developing transportation infrastructure.

Improving security: Integration can improve security in the region. Collaborative efforts in combating terrorism, smuggling, and drug trafficking can be more effective when countries join forces.

Development of cultural connections: Integration can strengthen cultural ties between countries in the region. This can lead to the development of tourism and exchange of knowledge and experience in various fields.

The integration of Central Asian countries can be realized through various formats, such as creating a free trade zone, establishing a customs union, or forming a common market. Some of these formats may be more effective depending on the goals that countries aim to achieve.

For example, creating a free trade zone can be a useful first step in regional integration. It would allow countries to reduce tariffs and technical barriers, thereby promoting increased trade volumes and investments.

Establishing a customs union, on the other hand, can be more effective in improving coordination of national economic policies and ensuring consistency in customs policies.

Finally, creating a common market can provide countries with the opportunity to establish common rules and standards for trade and investment. This can contribute to improved competition and stimulate economic growth and development in the region.

Conclusion

Overall, the integration of Central Asian countries holds great potential for enhancing economic development and stability in the region, as well as improving the quality of life for people. Governments of the countries should work together to create favorable conditions for integration and implement measures that can make the region more attractive to investors.

The growth of mutual trade among Central Asian countries is a key factor in the development and strengthening of integration in the region.

Firstly, the growth of mutual trade contributes to strengthening economic connectivity between countries and increasing the flow of goods, services, and capital among them. This, in turn, can promote economic opportunities and investments in the region, as well as improve the living standards of the population.

Secondly, the increase in mutual trade creates a favorable environment for expanding trade relations and investments with other regions. A large volume of intra-regional trade can make it more attractive to other countries and investors, leading to additional economic opportunities and growth for Central Asian countries.

Thirdly, the growth of mutual trade can enhance the competitiveness of products and services in the international market, which can also contribute to increased exports and attracting new investments to the region.

Overall, the growth of mutual trade among Central Asian countries can have a positive impact on integration and the development of the region, as it fosters expanded economic connections, increased investments, and enhanced competitiveness. Governments of the countries should work together to create favorable conditions for the growth of mutual trade and integration.

To realize the potential for growth in mutual trade among Central Asian countries, it is necessary to pursue an active policy aimed at strengthening economic connections between the countries. Key measures could include the following:

- Promoting trade relations between countries through the development of joint projects, establishment of free trade zones, facilitation of customs procedures, and reduction of trade barriers.
- Encouraging joint investments in projects of regional significance, such as transportation routes and energy projects related to resource processing.
- Developing small and medium-sized businesses, especially in sectors that can stimulate trade between countries.
- Creating conditions for the development of trade tourism in the region, which can serve as an additional channel for increasing trade flows.
- Advancing the digital economy, which can significantly streamline trade processes and business interactions between countries.

Implementing these measures will help strengthen the integration of Central Asian countries, make the region more attractive to foreign investors and tourists, and contribute to the growth of the population's prosperity. However, for the effective development of trade relations, it is also important to consider potential risks and challenges, such as political and economic instability in some countries of the region, limited access to technology, and a low level of infrastructure development.

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