

# *Central Asia as the Hub of Eurasian Economic Integration --Implications for CAREC*

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## Three main messages

- Eurasian integration: big opportunities – big challenges
- Central Asian integration: key for Central Asian prosperity and Eurasian integration
- CAREC has a major role to play in facilitating this dual integration process

## Eurasian integration: Big opportunities – big challenges

## Eurasian economic integration – the opportunity of the 21<sup>st</sup> Century

- The opening up of China and disintegration of Soviet Union → reintegration of a dynamic Eurasia and related infrastructure and institution building needs
  - **Energy (oil, gas, power)**
  - **Trade, transport, communications**
  - Capital, investment
  - Environment
  - Migration
  - Tourism
  - Epidemics, drugs, etc.

J. Linn and D. Tiomkin in *Asia Europe Journal*  
Volume 4, Number 1 / April, 2006

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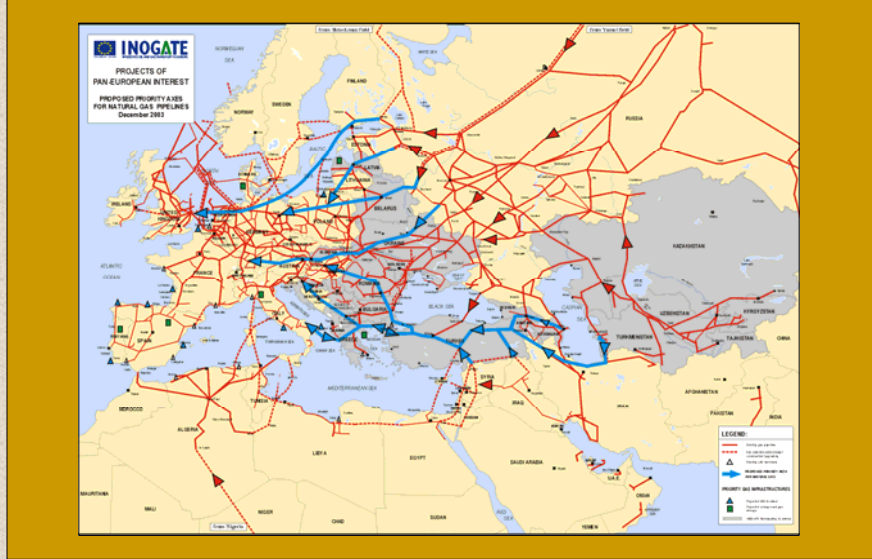
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## Oil Transport Routes

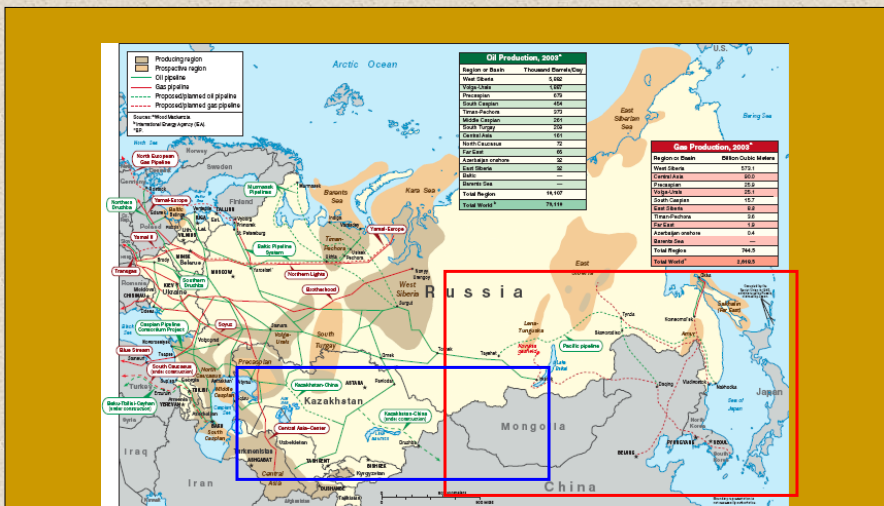


Source: WTO

# Natural Gas Transport Routes

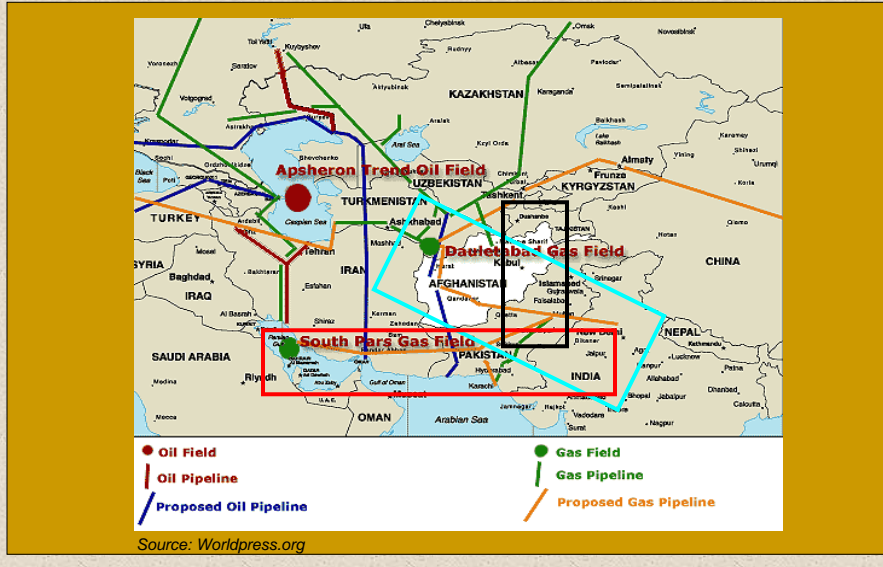


# Selected Oil and Gas Infrastructure in Eastern Eurasia

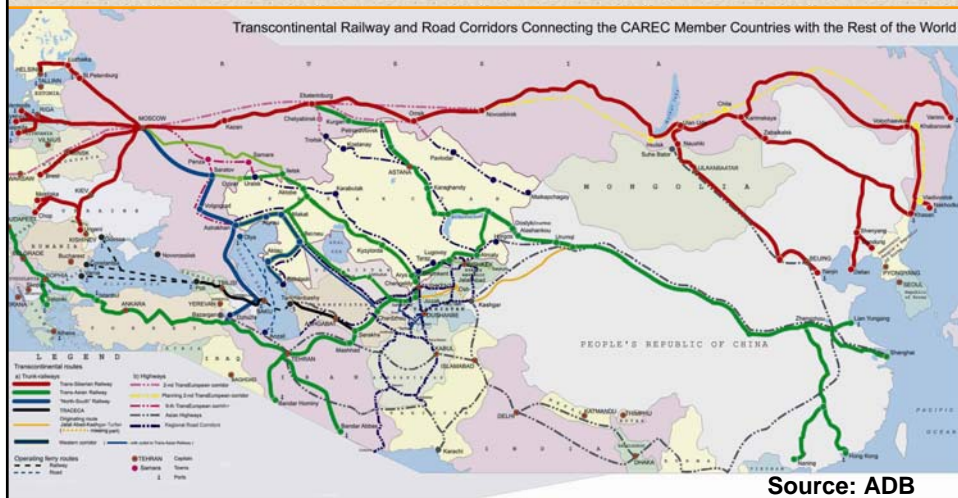


Source: Energy Information Administration

# Major Southern Eurasia Oil and Gas Transport Projects



# Trans-Eurasian Transport Routes



# Central Asian integration: key for Central Asian and Eurasian integration

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## Central Asia at the heart of Eurasia



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## ...with substantial investment and institution building requirements

- A stable and prosperous Central Asia key to the integration of Eurasia
- Requires major regionally coordinated investments and institution building in all areas, esp. regional infrastructure
- Recently increased focus on integration of Central Asia
- And development of regional institutions
  - SCO, EurAsEC, EDB, CAREC, SPECA

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## Regional Cooperation: Major benefits for Central Asia

Main areas for regional cooperation:

- Trade, transport and trade facilitation
- Energy, water, environment
- Education, health, migration
- Human security (disaster preparedness, drugs)

Benefits from regional cooperation/integration

→ double GDP over 10 years

Source: UNDP Center Asia Human Development Report 2005

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## A good opportunity for regional cooperation!

- Shared long-term interest in a stable, prosperous region
- Current positive regional trends
  - Economic recovery makes for greater incentives
  - Integration is happening, esp. among Kazakhstan, Kyrgyz Republic and Tajikistan
  - Growing links with Afghanistan, recent changes in Turkmenistan
  - Growing links with other neighbors
- Positive external factors
  - Eurasian integration as a driving force
  - Growing support from large neighbors for regional cooperation
  - Support from international development partners
  - Growing strength of regional organizations (SCO, EurAsEC, EDB, CAREC, SPECA)

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## Strengths and challenges for



### ■ Strengths

- Clear Focus on key areas (transport, trade, energy)
- Clear action plan and sectoral strategies
- Track record of country interest and engagement
- Strong MI technical inputs and financing

### ■ Challenges

- Organizational capacity
- Visibility, political support at high levels
- Links with other regional organizations
- Links between national and regional plans
- Key players are missing

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## Implications for



### Priorities for CAREC

- ❑ Implement Comprehensive Action Plan and Sector Strategies and monitor results
- ❑ Strengthen organizational capacity (CAREC Institute)
- ❑ Strengthen outreach (CAREC Institute)
- ❑ Strengthen links with other regional organizations
- ❑ Strengthen links between national and regional plans
- ❑ Bring in missing country(ies) and create development partners' forum

*Thank You!*

