



CAREC Infrastructure Financing

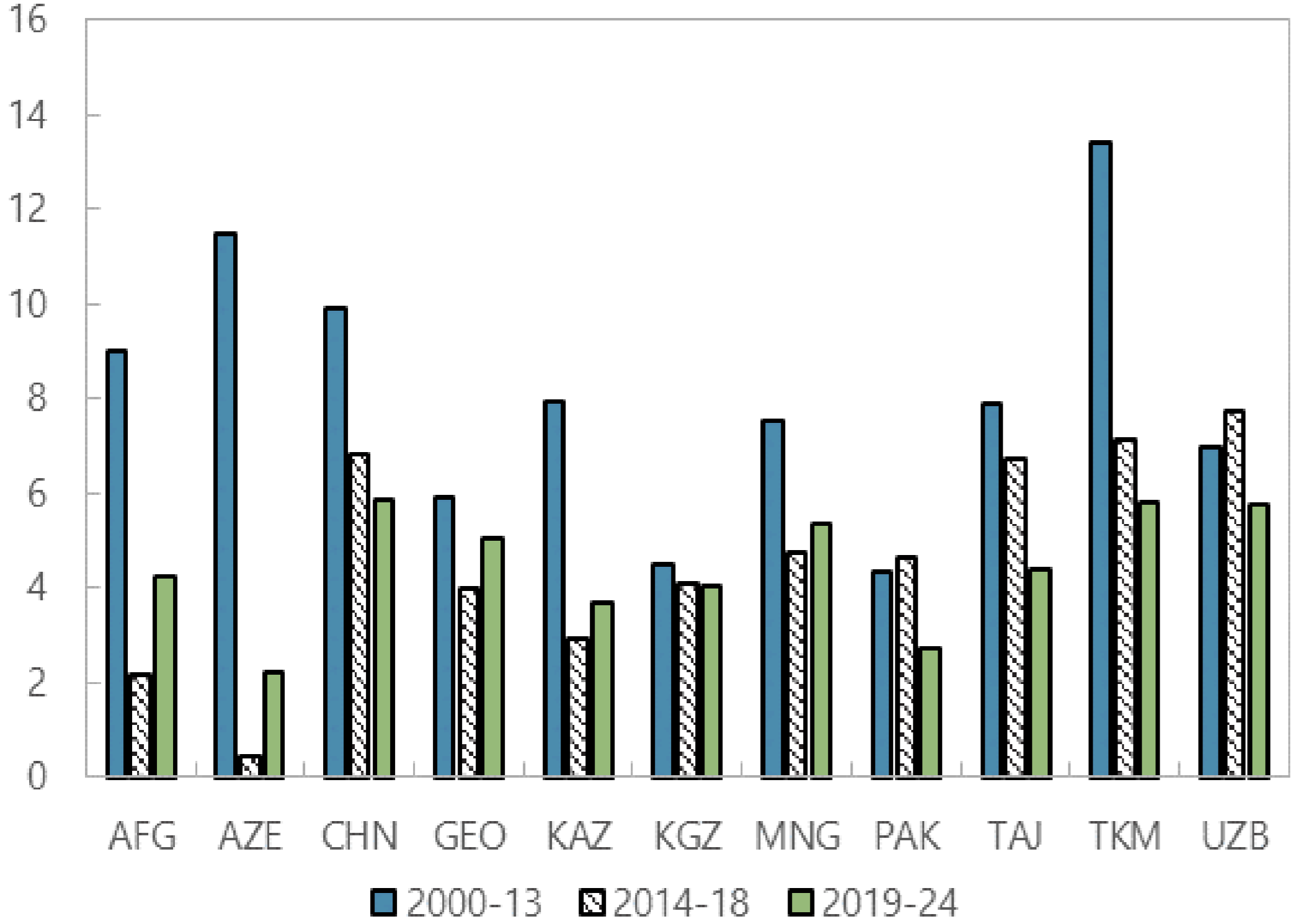
for Growth and Regional Connectivity

CAREC High-level Forum
15 May 2019, Nur-Sultan, Kazakhstan
Balancing Infrastructure Investment with Debt Sustainability

Mr. Safdar Parvez
Director, Regional Cooperation and Operations Division
Asian Development Bank

Subdued Growth Projections

CAREC Average GDP Growth Rates. 2000-24
(In percent)



Source: IMF World Economic Outlook

- CAREC countries' growth expected at 5% per annum on average
- Fiscal consolidation under way: fiscal deficit reduction from -3.3% in 2016 to -2.1% in 2018
- Yet, prioritized public investments remain critical
- Quality infrastructure, combined with reforms, and human capital needed to lift productivity and growth

CAREC Infrastructure Investment Needs

Remain Substantial

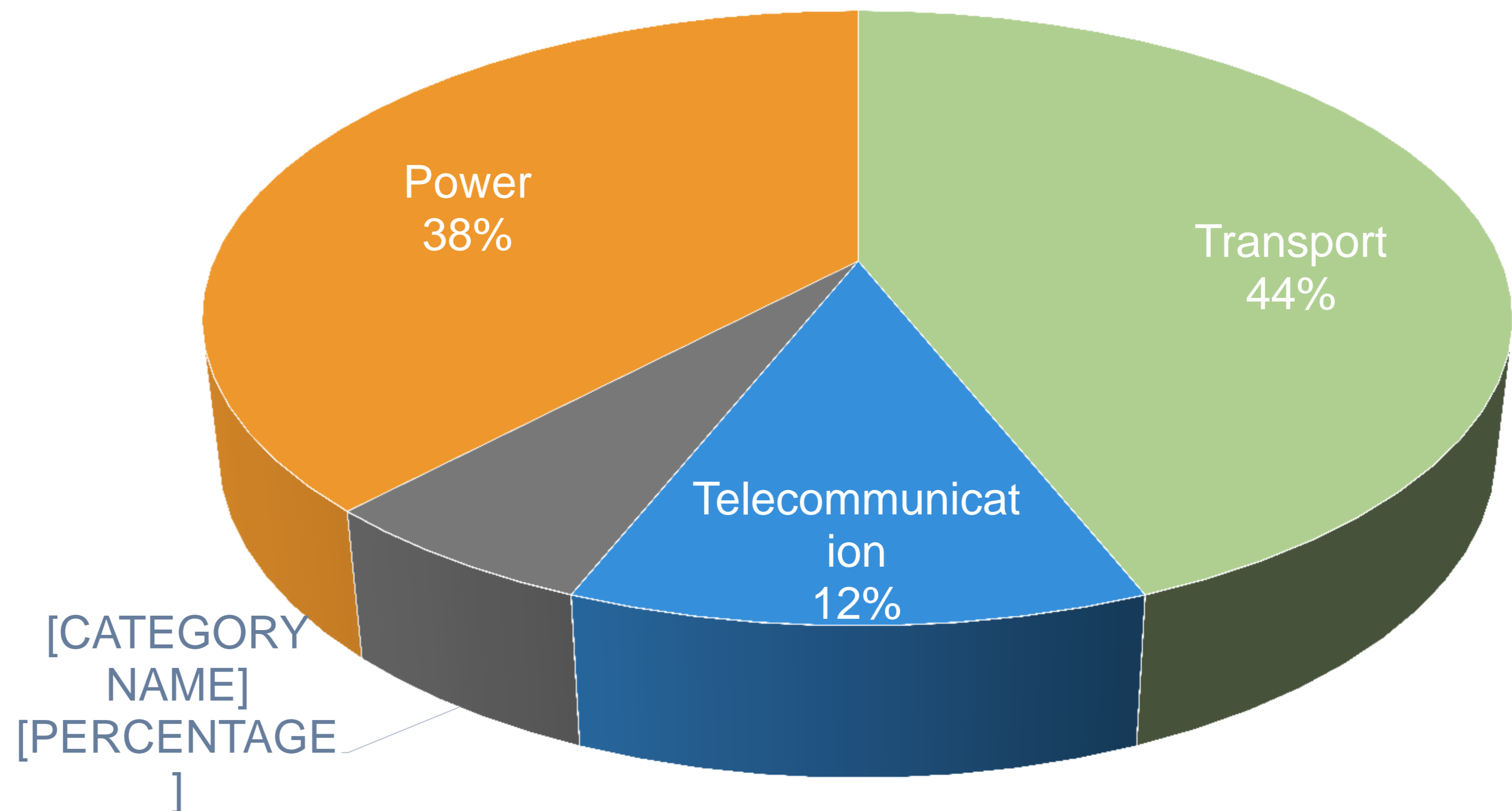
Share of Infrastructure Needs in CAREC 2016–2030

✓ Investment Needs

CAREC region investment need estimated at \$77 billion annually

✓ Investment Gap

Infrastructure investment gap at 3.1% of GDP in Central Asia, 5.7% in South Asia, and 1.2% in East Asia (PRC)



Reasons for High Infrastructure Needs

Periods of low investments



Expected stronger regional cooperation in CAREC



Inadequate maintenance, repairs of public assets

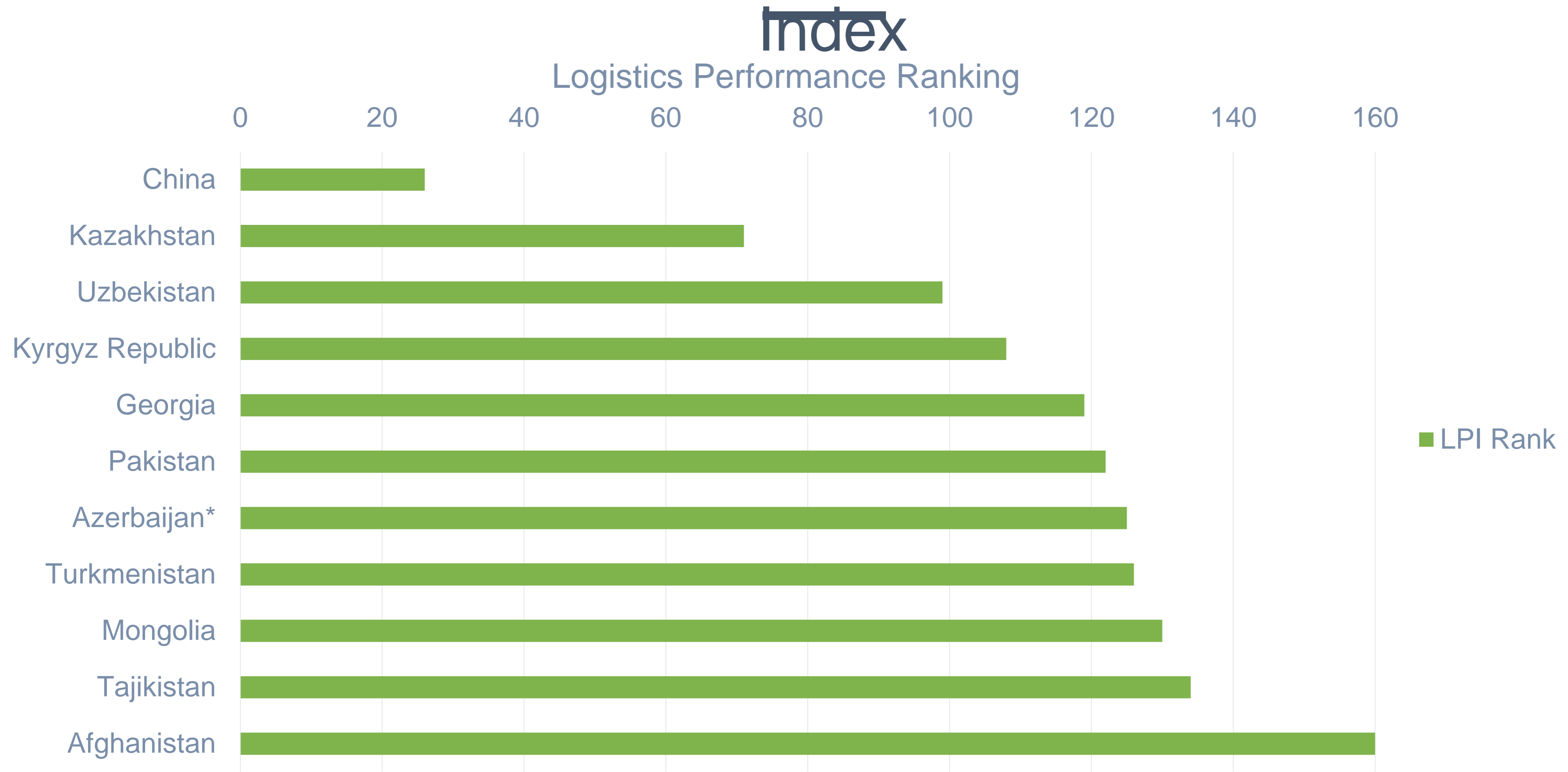


Sparse population and large distances



Climate change and natural disaster risks

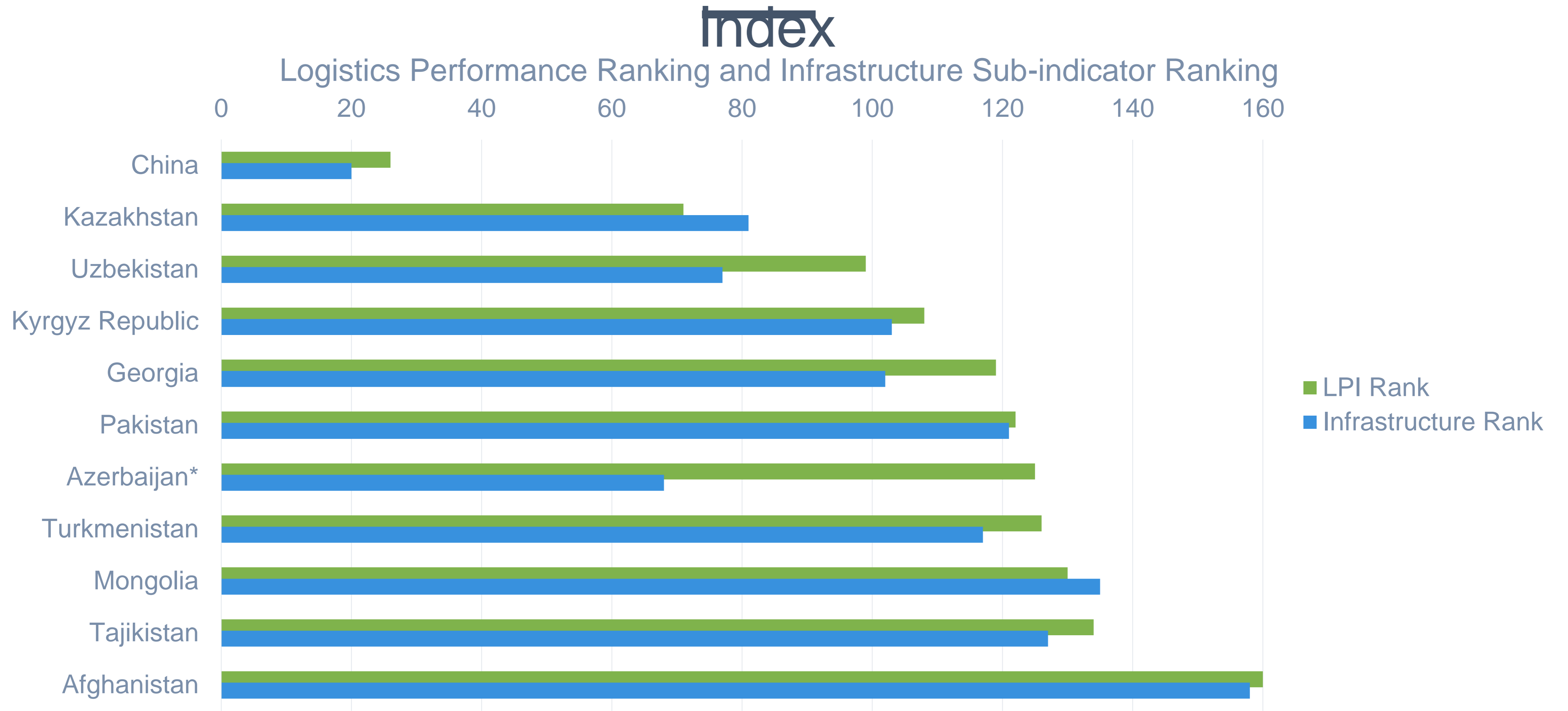
CAREC countries lag behind on Logistics Performance



Source: World Bank LPI database. 2018 data. Rank out of 160 countries

* Data for 2014

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Complementing Connectivity: Trade Facilitation and Policy Reforms



Tariff liberalization and reduction of non-tariff barriers



Regulatory alignment of SPS systems with international standards and conventions



Customs simplification and harmonization (single windows)

Regional Projects Investment Requirements



China-Pakistan Economic Corridor: \$62 billion;
Central Asia Economic Corridors



Mazar-i-Sharif – Kabul - Jalalabad – Peshawar
railway: \$4.8 billion



Rogun Dam in Tajikistan: \$2-5 billion



Turkmenistan-Afghanistan-Pakistan-India
(TAPI) gas pipeline: \$7 billion;
Transcaspian Pipeline: \$1.5-5 billion



Anaklia Port Georgia: \$2-3 billion



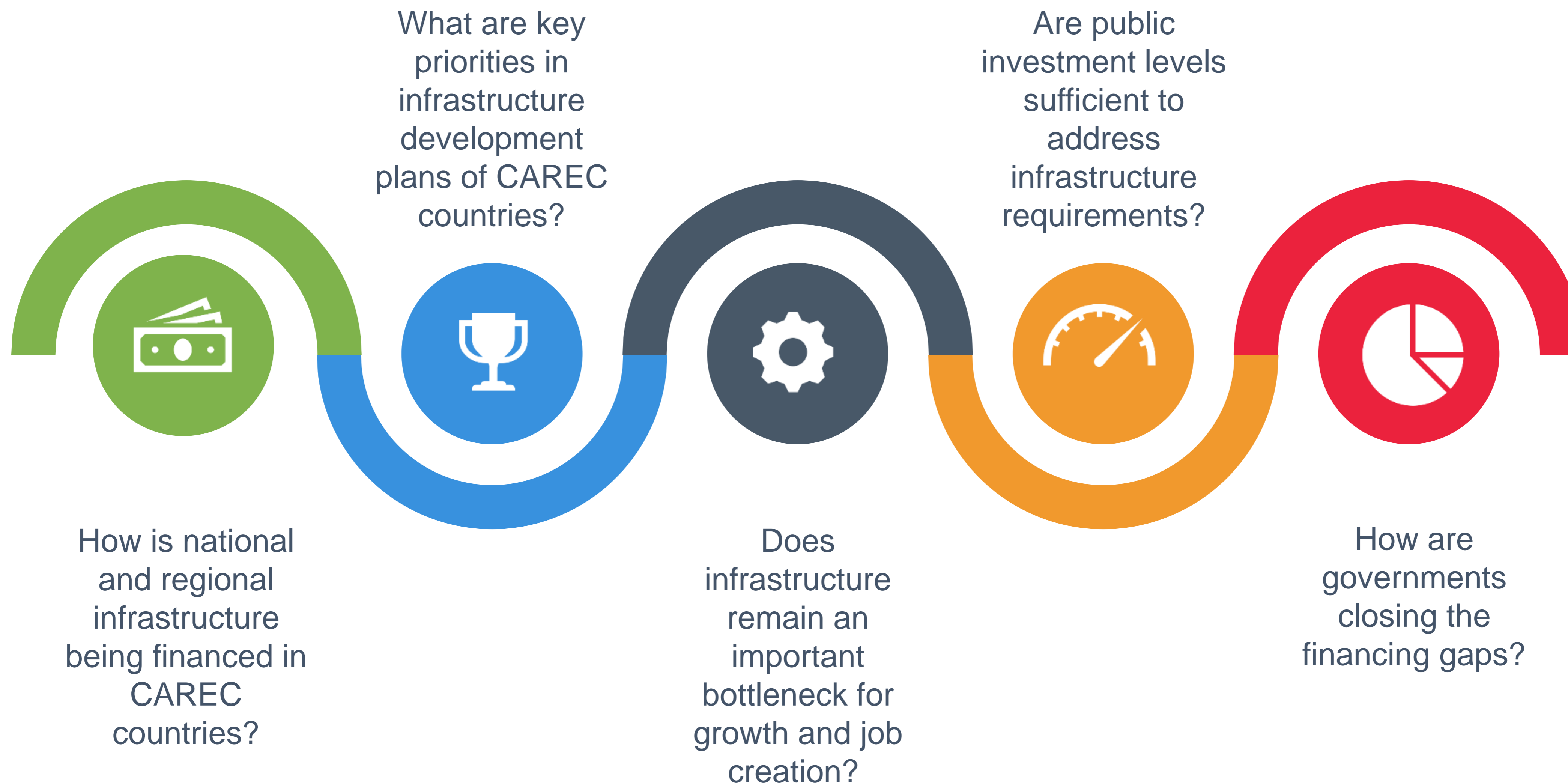
CAREC transport corridors
and border crossing points



Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-
Pakistan (TUTAP) grid: \$1 billion
Central Asia-South Asia (CASA-1000) grid: \$1.2 billion



Questions for Panel Discussion





GET IT IN TOUCH

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