

**5th Ministerial Conference on
Central Asia Regional Economic Cooperation
20 October 2006
Urumqi, Xinjiang Uygur Autonomous Region, People's Republic of China**

**Opening Statement and Views on the CAREC Comprehensive Action Plan
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Dear Mr. Chairman!
Distinguished Ladies and Gentlemen, Conference Participants.

First of all allow me to welcome the participants of such a representative forum. With your permission, on my behalf and on behalf of Tajik delegation, I would like to wish all the participants of the 5th Ministerial Conference on Central Asia Regional Economic Cooperation productive and successful deliberations on today's issues so critical for our countries to ensure mutual understanding, trust and security.

Making use of this opportunity I would like to express gratitude to the Government of People's Republic of China and the Asian Development Bank for warm hospitality and great arrangements for this meeting.

Central Asia Regional Economic Cooperation Program, initiated by the Asian Development Bank, aims to improve wellbeing and reduce poverty in countries of the region. We strongly believe that efficient regional cooperation is the most important factor of peace and prosperity in Central Asia. A key to achieve sustainable economic growth and increase living standards lies with collective development of abundant human and natural resources and creating transport connectivity within and outside the region.

I should note in advance that Tajikistan delegation supports the proposed Comprehensive Action Plan. We think that this document provides adequately firm and sustainable basis to begin a new stage of regional cooperation for the good of our countries. I would like to note that this is the result of long and thorough work of the governments in the region, a large group of experts and staff of multilateral institutions. Priorities and main areas of activities in Comprehensive Action Plan fully reflect our vision for long-term regional cooperation. Main emphasis should be on projects in energy, transport and trade facilitation to accomplish tangible and positive results to ensure broad access to external markets.

If before our region could have been called instable due to security threat in a number of countries, than today I could definitely state that main components for development process have been accomplished.

Peace and stability have been established in the region, political components which make the basis for sustainable investment climate developed, population of each country is prepared for the creative process of vital activity.

Countries of our region not just have common borders but they have common history, cultural heritage, religion and have long-standing traditions originating from times of the Great

Silk Road. Countries of our region have always been open for trade and carried out continuous and free circulation of goods among all parts of the world.

The process of effective integration of Central Asian countries into a multilateral trade system make them encounter a number of challenges and at the same time open new real opportunities for economic development.

In this context **improvement of regional trade** and elimination of non-trade barriers provide an opportunity to use the whole capacity of countries of the region. In this one should consider that this capacity is very high. In this respect the region can well become self-sufficient.

Measures on facilitation of trade relations aimed at elimination of constraints related to the poorly coordinated control, high fees and duties, excessive bureaucracy, non-official payments and underdeveloped infrastructure, may help countries of the region to reduce the operational costs, improve the general investment climate and open new business opportunities for themselves.

Expansion of the regional trade cooperation, in our opinion, would contribute to strengthening of the base for promotion of resolution of the poverty issue in countries of the region.

In this respect Tajikistan is ready to promote development of new trade and economic relations in countries of our region in every possible way.

In line with other main development priorities of Central Asia there is a problem of **use of rich water and energy resources of the region**.

In general, as of today in Central Asia the issues of their rational use are closely inter-related. Having sources upstream, in the mountains of one country, rivers carry their waters through other countries and finally fall into the Aral sea. Thus, water quite naturally unifies all the countries. Considering this, the main task of countries of the region should become identification of common factors which unify all the countries in use of water-energy resources. The regional strategy on use of water-energy resources in Central Asia may be considered in such conditions only as coordination of national strategies and interests.

The problem of rational use of water and energy resources of the region is still most critical, as we think. Unfortunately the measures taken in this areas by countries of the region have not always and do not consider the interests of regional development.

The objective is to enable all the countries to benefit from joint operation of the consolidated energy system of Central Asia.

Implementation of joint projects in this area may become the first step to further joint utilization of hydro-energy capacity and development of a number of industries in Central Asia, as well as improvement of energy security of the region. This may be facilitated by low cost of power, generated in hydropower stations, including those in the Republic of Tajikistan and its competitiveness in power markets.

The policy towards regionalization of hydro-energy market may be considered by all countries of Central Asia as most important and necessary condition for successful

development of the energy sector and entire economy in future, as well as creation of the Eurasian sub-regional economic area. It is obvious that today for one separate country even if it has significant energy and water resources, it is difficult to ensure own security standing apart from international integration processes in fuel and energy complex and without cooperation with neighboring countries.

By accumulation of water in water reservoirs, fair mutually beneficial distribution and rational use it is possible to resolve the problem of water supply in the entire Central Asian region for a long term period, and therefore guarantee growth of agricultural production, that will strengthen the food products security in Central Asian countries.

Generation of cheap renewable hydro-energy and its sale within and outside the region will enable to continuously pay all the anticipated costs and preserve gas, oil for more effective use. Availability of high-capacity hydro power stations in the system will improve performance and economic parameters of other power stations.

In this it should be noted that the majority of countries round Central Asia need additional volumes of electrical energy, and in future the demand will grow. In this respect in line with introduction of new capacities, construction of power transmission lines to those countries is a matter of regional significance.

It is difficult to talk about development of the region without resolution of problems in the area of **transport and communications**.

The Central Asian countries have different levels of development of thoroughfares. In addition to general geographic remoteness of countries of the region from major markets, seaways and railway junctions, various obstacles artificially piled up by certain countries make this problem more difficult, especially for Tajikistan, which is located in the south end of the region.

We think that one of the ways to resolve these problems lies in independent proper maintenance of the above mentioned entities of infrastructure by each country at their expense, their joint exploitation and introduction of free of charge use of thoroughfares without any permission. Other option may be regulation of the issue through peaceful policy, when international transport communications are used in the interest of all countries of the region on the basis of clear and explicit rules depending on the market conditions.

Actuality of these issues is increasing considering the perspective creation of the new corridors through Afghanistan and China which are becoming realistic. In our country we have one section of the road Murgab pass Kulba on the border with China already put into operation, and it complies with international standards and provides access to Karakorum highway in China, Pakistan and India. The project of rehabilitation of strategic motorways, connecting our country with Uzbekistan and Kyrgyzstan are actively implemented. Besides we have agreements with Iran, Pakistan and Afghanistan on direct motor way communication between our countries. That means there is a perspective that our countries will have beneficial transport location.

Then why don't we now create encouraging unified conditions in the region for normal transport communication which will not only significantly increase mutual trade but all will benefit from transit traffic of other countries.

The above mentioned development priorities of the regional cooperation will encourage coordination of countries and international institutes within CAREC on secondary priorities in the Comprehensive Action Plan – development of human capacity, agriculture, tourism and other.

I would like to note that it became a good tradition to hold business forums within CAREC. Such forums are not just promote networking of business people of the region, but also really reflect the results of activity of our program, when we hear urgent problems of coordination and interaction at certain level and recommendations on their resolution, from lips of our beneficiaries.

I am sure, to implement our long term vision for regional cooperation in full – **Good neighbors, Good partners, Good perspectives** – it is necessary to switch from the strategy for search of compromises to the strategy of common benefits (common interests). In this case we can create a strong base for wide-ranging integration not only in the economy but in other aspects of people's life in countries of Central Asian region.

I hope that this meeting will serve as a starting point for unification of efforts in further integration of economies of our countries with the purpose of further development and active participation in the ongoing globalization processes.

Finally, I would like to thank all organizers of the forum for invitation and hospitality.

Thank you for your attention.

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