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Strategies for Positioning Central Asia as a Unified Investment Destination

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December 2025

FOREWORD

From the Director of the Institute for Advanced International Studies (IAIS), First Vice-Rector for Academic Affairs, University of World Economy and Diplomacy (UWED).

This work was prepared by the Institute for Advanced International Studies (IAIS) at UWED and the Astana International Financial Centre (AIFC). The report presents an analytical assessment of Central Asia's investment potential and examines the key factors shaping the region's evolving investment landscape. It also analyses the trends driving economic interaction among the Central Asian states.
In recent years, Central Asia has entered a period of profound transformation and stronger economic momentum, making an assessment of its investment potential especially timely. Against the backdrop of ongoing reforms, infrastructure development, and the countries' growing efforts to deepen regional interaction, increasing attention is being given to the possibility of viewing Central Asia not only through the lens of individual economies, but also as a potentially integrated investment space. Discussion of such approaches reflects the efforts of the countries in the region to better understand the sources of synergy, complementarity, and coordination potential that may influence Central Asia's position on the global investment map.

The Central Asian countries – Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan – have entered a new phase of geoeconomic transformation. With a population exceeding 80 million and a GDP exceeding US$500 billion, the region is rapidly modernising its economy, strengthening its institutional foundation, expanding international ties, and introducing digital and green technologies. All of this creates the preconditions for a shift from fragmented national investment strategies toward a cohesive regional approach.

The region is currently characterised by intensifying political dialogue and the emergence of new formats of regional cooperation. The Consultative Meetings of the Heads of State of Central Asia have become a key platform for aligning positions on issues of transport and energy connectivity, climate resilience, trade cooperation, and human capital development.

As international investors increasingly evaluate opportunities through the lens of macro-regions, Central Asia possesses many of the prerequisites for forming a unified investment space. In this context, studying various models for positioning Central Asia as a single investment destination helps us better understand which institutional, communications, and infrastructure elements may prove relevant to further development.

One of the key conclusions of the study highlights the importance of developing a shared regional investment brand – such as 'Invest in Central Asia.' A unified communications approach, common standards for engaging with investors, integrated digital platforms, and joint presentations of the region's potential at global venues will help raise Central Asia's international profile, lower barriers for investors, and create conditions for the development of cross-border projects.

Going forward, IAIS and AIFC intend to continue their collaboration in joint research, expert dialogues, academic initiatives, and the development of policy recommendations aimed at strengthening the region's economic resilience. I am confident that this publication will make a meaningful contribution to shaping a modern and integrated vision of Central Asia's investment future. The combination of political will, institutional coherence, and a shared commitment to sustainable development is capable of transforming the region into a dynamic and attractive hub for international capital.

Akram Umarov

Director, Institute for Advanced International Studies (IAIS)
First Vice-Rector for Academic Affairs, UWED

FOREWORD

From the Governor of the Astana International Financial Centre (AIFC)

Strengthening economic ties between Kazakhstan and Uzbekistan is gaining genuine strategic importance.

Our countries are located at the centre of Eurasia's key trade and transport corridors and are natural partners in shaping a new space for economic growth in Central Asia. In recent years, we have witnessed a qualitative deepening of intergovernmental dialogue, increased business cooperation, and the implementation of joint infrastructure and industrial projects. These developments reflect strong political commitment at the highest level, the alignment of economic reforms, and a shared ambition for modernisation.

Key trends in the global economy – including the transformation of value chains, growing demand for sustainable energy sources, and the expansion of digital infrastructure – present Kazakhstan and Uzbekistan with a unique window of opportunity. Both countries possess complementary economic strengths: Kazakhstan offers a strong resource base, well-developed transport and logistics hubs, and an advanced financial ecosystem; Uzbekistan brings significant demographic potential, a dynamic industrial sector, and an ambitious modernisation agenda. The combination of these competitive advantages can provide both scale and resilience to regional development.

Central Asia, with a population exceeding 80 million and a steadily growing economy, is increasingly perceived not as a collection of separate national markets, but as a space of shared economic integration and trust. In this context, a key priority is to structure cooperation in a way that enables the free movement of capital, technology and expertise across the region, generating value-added, employment and new growth opportunities. A regional approach to investment and industrial development therefore stands out as the most promising pathway forward.

The Astana International Financial Centre is well positioned to serve as an institutional platform for such cooperation. Its jurisdiction based on English common law, independent court and arbitration system, the Astana International Exchange (AIX), and a well-developed ecosystem of investor services provide a transparent and predictable environment for cross-border projects. We continue to expand partnerships with key institutions in Uzbekistan – across both the public and private sectors – and observe growing interest from businesses in both countries in new formats of mutual investment.

I am confident that the deepening cooperation between Kazakhstan and Uzbekistan will form the foundation for a broader regional investment space across Central Asia.

Our shared success will depend on how effectively and systematically we realise the region's economic, human and institutional potential.

We recognise this potential. And now is the right time to unlock it.

Renat Bekturov

Governor, Astana International Financial Centre (AIFC)

1. STRATEGIES FOR POSITIONING CENTRAL ASIA AS A UNIFIED INVESTMENT DESTINATION

1. Key findings

Central Asia (CA), comprising Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan, is undergoing a period of dynamic transformation marked by accelerating economic reforms, market diversification, and expanding international linkages. Amid intensifying global competition for capital and the restructuring of global value chains, the region is seeking to strengthen its position as an attractive and resilient investment destination. The region's total population exceeds 80 million, and its gross domestic product (GDP) reached approximately US$500 billion in 2024.

The region faces a set of challenges: competition from other emerging markets, the need for institutional strengthening, and an unstable global geopolitical environment. Nevertheless, amid the continuing fragmentation of the global economy and the emergence of new centres of growth, Central Asia can offer investors a unique combination of geographic location, resource endowment, and human capital.

This study analyses the key components of a regional investment strategy - from the geoeconomic context to institutional mechanisms and sectoral growth poles. Special attention is given to the possibility of building synergies among the countries of the region and creating a shared investment space that would enable Central Asia to transform from a group of countries with isolated policies into a resilient and competitive macro-regional economic structure.

Key findings and recommendations:

- Central Asia has sufficient combined scale and complementarity to implement a regional strategy for attracting investment.
- Greater coordination and synchronization of investment policies can significantly reduce transaction costs and improve predictability for investors.
- Effective institutional platforms already operate and can serve as delivery hubs for regional projects involving multiple countries.
- Promoting Central Asia as a single investment space can enhance its competitiveness in attracting global capital, as modern investors increasingly view macro-regions, rather than individual states, as investment destinations.
- A unified brand - "Invest in Central Asia" - would raise global recognition and anchor the region as a collective destination for investment.
- Leveraging the AIFC's internationally recognized jurisdiction based on English common law, its independent court and arbitration, and the AIX exchange can channel investment not only to Kazakhstan but to the wider region.

Investors are increasingly viewing opportunities through a regional lens. Central Asia has all the prerequisites to become a major investment hub in Eurasia. The transition from fragmented national efforts to a coordinated regional strategy requires stronger institutional coordination and policy synchronisation. This approach will enable the region to effectively leverage its competitive advantages and strengthen its position in the global economy, attracting investors oriented toward long-term and sustainable projects.

2. GEOECONOMIC AND POLITICAL-INSTITUTIONAL CONTEXT OF THE REGION

Central Asia, covering more than four million square kilometres and home to a population exceeding 80 million as of 2025, represents a strategically significant macro-region of the Eurasian continent. The region comprises five states: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Despite lacking direct access to maritime routes, Central Asia occupies a unique geographic position at the heart of Eurasia, connecting major global markets including China, Russia, Europe, South Asia and the Middle East. This strategic location underscores the region's potential as a key hub for logistics, energy and investment, capable of facilitating economic interaction between East and West as well as North and South. As global supply chains are reconfigured and international trade patterns evolve, Central Asia's importance as a transit corridor and a zone of strategic engagement continues to grow.

Historically, the region served as a major centre of trans-regional connectivity, functioning as a nexus for trade, cultural exchange and intellectual development. During the era of the Silk Road, cities such as Samarkand, Bukhara and Otrar emerged not only as important commercial centres but also as hubs of scholarship and cultural dialogue. Following the dissolution of the Soviet Union (in 1991), the countries of Central Asia focused on building national institutions, consolidating state sovereignty and implementing economic reforms. The early decades of independence were largely characterised by autonomous development strategies aimed at internal stabilisation. In recent years, however, against the backdrop of global challenges - including security concerns, climate change and the growing need for cross-border infrastructure - the region has gradually shifted toward closer regional cooperation.

Annual Consultative Meetings of the Heads of State of Central Asia, launched in 2018, symbolize this shift. These meetings have created a platform for political dialogue that strengthens trust and fosters joint approaches to regional issues. Discussions span a wide agenda, including energy and transport cooperation, water management, infrastructure development, environmental sustainability, and education initiatives. Proposals include creating coordination mechanisms at the level of line ministries for implementing cross-border projects, reflecting a nascent institutional foundation for regional cooperation.

Central Asia's geoeconomic importance is intensifying, drawing the attention of global players. China, through the Belt and Road Initiative (BRI), actively invests in transport and energy infrastructure across the region, advancing key rail and logistics corridors. In the first half of 2025 alone, the region attracted an estimated US$25 billion of Chinese investment under BRI, including port modernization, energy facilities, and mining projects - deepening Central Asia's integration into global trade networks.[1]

Russia maintains close economic ties with the region, particularly via the Eurasian Economic Union (Uzbekistan, Tajikistan, and Turkmenistan not currently members). Kazakhstan and the Kyrgyz Republic participate in EAEU initiatives such as customs harmonization and digital trade platforms. Russia also invests in energy and infrastructure, including transport-corridor upgrades, reinforcing its strategic partnership with Central Asia.

The European Union has also expanded its engagement with Central Asia. Building on its 2019 Strategy for Central Asia, the EU announced at the 2025 EU-Central Asia Summit in Samarkand the launch of the Global Gateway investment package worth €12 billion. The initiative is aimed at strengthening transport connectivity and deepening cooperation in areas such as critical raw materials, digital infrastructure, water management and energy.[2]

The United States intensified its engagement with Central Asia through the C5+1 format, launched in 2015, which has become a key platform for dialogue on economic, energy, environmental, and security issues. In 2023, the B5+1 business format was launched to strengthen trade and economic ties; in 2025 the platform continues to expand its cooperation, including projects related to critical minerals and green energy.[3] This evolution reflects a broader U.S. objective to support the region's integration into global supply chains.

Türkiye, India, the Gulf states, South Korea, and Japan all show rising interest in Central Asia, viewing it as both a promising market and a source of strategic materials such as lithium, uranium, and rare earths. In 2025, Türkiye expanded investments in transport infrastructure and textiles; India advanced projects in IT and pharmaceuticals; and Gulf countries - including Saudi Arabia and the UAE - financed initiatives in green energy and agriculture industry. South Korea and Japan focused on technology cooperation, including data centres and smart infrastructure - further diversifying the region's external economic links.

As the world transitions to a low-carbon economy, Central Asia is gradually establishing itself as a future producer and exporter of clean energy - an important element of the broader Eurasian energy architecture. The region has considerable resources for solar, wind, and hydropower, and the potential for

[1] greenfdc.org

[2] consilium.europa.eu

[3] spot.uz

producing green hydrogen. In the field of civil nuclear energy as a stable low-carbon baseload, projects have been initiated in Uzbekistan and Kazakhstan.

Kazakhstan, with a GDP of approximately US$290 billion, remains the regional leader in terms of foreign trade volumes and investment inflows. Hydrocarbons and uranium account for more than 60% of exports. Kazakhstan is actively advancing its logistics and financial infrastructure, including ports on the Caspian Sea, railway corridors, and the Astana International Financial Centre, which offers access to international investor protection mechanisms, arbitration, and a jurisdiction based on English common law.

Uzbekistan, the region's second-largest economy with a GDP of approximately US$115 billion, is undergoing rapid economic transformation driven by privatisation and industrial modernisation reforms. In 2024, the volume of foreign direct investment (FDI) in Uzbekistan reached US$11.9 billion (53.6% higher than the previous year's figure), while the FDI-to-GDP ratio rose by 2.4 percentage points to 10.3%.[4] Uzbekistan is pursuing large-scale privatization, developing "smart" manufacturing, and modernizing agriculture and infrastructure.

Kyrgyzstan and Tajikistan, despite their smaller economies, with GDP of approximately US$18 billion and US$14 billion, respectively, play an important role in supplying the region with water resources and low-cost electricity. The two countries are active participants in the CASA-1000 project, which envisages the export of hydroelectric power to Afghanistan and Pakistan.[5] Kyrgyzstan remains a significant exporter of gold, much of which is supplied to Switzerland, while Tajikistan is expanding exports of aluminium and electricity, also strengthening cooperation with Iran and China on infrastructure and energy projects.

Turkmenistan, with a GDP of about US$51 billion in 2024, remains highly reliant on natural gas exports, with China serving as its principal export market. The government continues to advance the TAPI pipeline project and has also explored westward export options across the Caspian toward the South Caucasus and Türkiye. In 2023, Turkmenistan and Pakistan signed a Joint Implementation Plan related to TAPI, while cooperation with China continued across energy and communications.

Despite growing interest in deeper cooperation, institutional inconsistency remains a key constraint. Differences in regulatory levels, investment regimes, administrative barriers, and technical standards continue to hinder joint initiatives. In recent years, however, positive shifts have become evident: countries have begun aligning their national development strategies, establishing bilateral commissions on investment and infrastructure, and sharing data among relevant government agencies.

[4] spot.uz

[5] casa-1000.org

Central Asia continues to demonstrate political stability. Although governance models and degrees of political liberalisation vary across countries, most states demonstrate resilience to both internal and external shocks and maintain a clear interest in expanding international cooperation. Issues of security, combating cross-border crime, extremism, and migration are addressed bilaterally and within platforms such as the Shanghai Cooperation Organisation, the CSTO (Collective Security Treaty Organization), and the C5+1 format. In a changing world, Central Asia increasingly perceives itself as a single geoeconomic space capable of developing coordinated solutions, laying the groundwork for sustainable regional development over the long term.

3. INVESTMENT POTENTIAL OF CENTRAL ASIA

Central Asia, comprising Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, is strengthening its position on the global investment map, driven by a combination of rich natural resources, an evolving human capital base, a strategic geographic location and ongoing reforms aimed at improving the business environment. The region is increasingly perceived as a promising investment space, where political will for integration and economic complementarity create favourable conditions for attracting both traditional and new investors.

Amid intensifying global competition for capital, Central Asia offers a distinctive set of investment opportunities supported by reform-oriented policies and growing interest in cross-border projects. The region is demonstrating increasing resilience while maintaining its investment attractiveness and is gradually shifting from a fragmented perception towards a more integrated regional investment positioning.

Over the past two decades the region has evolved from a peripheral destination into one of Eurasia's more dynamic economic nodes. According to the UNCTAD World Investment Report 2025, cumulative foreign direct investment (FDI) inflows into the region since independence (1991) have exceeded US$220 billion.[6] Kazakhstan has attracted approximately US$151.3 billion, accounting for more than half of the total, largely due to major projects in the oil and gas sector, mining and financial infrastructure. Turkmenistan's inward FDI stock stood at around US$44.6 billion, while Uzbekistan reached US$16.7 billion, reflecting the country's stronger investment momentum following reforms launched in 2017. Kyrgyzstan and Tajikistan accounted for a combined US$7.9 billion, with investment activity concentrated in sectors such as energy, mining and related infrastructure.[7]

The economic profiles of the region's countries demonstrate a high degree of complementarity, which enhances their collective investment appeal. Kazakhstan remains the regional leader by virtue of its resource base, encompassing oil, gas, uranium, and rare earth metals, as well as its developed financial infrastructure,

[6] World Investment Report 2025, UNCTAD
[7] unctad.org

including the Astana International Financial Centre (AIFC). Uzbekistan is actively developing its textile industry, agro-industrial sector, chemical production and tourism. Turkmenistan maintains its position in gas exports while simultaneously developing transport and logistics projects. The Kyrgyz Republic and Tajikistan focus on hydropower, metals extraction, and tourism. These differences form the basis for a synergistic investment space capable of accommodating diverse investor interests.

Each country in the region has identified priority areas for attracting investment, with a focus on sustainable development and structural economic modernisation. Kazakhstan is focused on processing industries, critical minerals, renewable energy and transport infrastructure. Under its Investment Policy Concept to 2029, the country aims to increase investment in fixed capital to 23% of GDP and attract US$150 billion in FDI, with a strong emphasis on economic diversification and productivity growth.[8]

By the end of 2025, the Astana International Financial Centre whose jurisdiction is based on the principles of English law and includes an independent court, an arbitration centre, and the AIX exchange, had facilitated the attraction and structuring of approximately US$20 billion in investment through its ecosystem.[9] These results highlight the AIFC's role as a key regional financial hub, providing a transparent legal framework and access to international financial instruments, thereby enhancing its attractiveness for investors engaged in cross-border projects across Central Asia.

Uzbekistan continues to implement large-scale institutional reforms aimed at improving the investment climate. In 2019, the Law on Investments and Investment Activity was adopted,[10] and in 2024 The Investment Promotion Agency under the Ministry of Investment, Industry and Trade of the Republic of Uzbekistan (UzIPA) was established, providing investor support through a "one-stop-shop" mechanism.[11] The "Uzbekistan-2030" Development Strategy sets priorities in the agro-industrial sector, textiles, digitalisation and energy.[12] In 2024, Uzbekistan attracted a record US$34.9 billion in foreign investment and loans.[13]

In an interview with Euronews ahead of the first Central Asia-EU Summit in Samarkand in April 2025, President of the Republic of Uzbekistan Shavkat Mirziyoyev emphasised the importance of three key areas of cooperation – strengthening regional security, deepening economic integration, and ensuring environmental sustainability. He noted: " Central Asia has undergone a profound transformation in recent years and has acquired a new identity as a space of constructive dialogue,

8 primeminister.kz
9 aifc.kz
10 lex.uz
11 invest.miit.uz
12 gov.uz
13 Montfort Eurasia. Investor Perception Report: Central Asia and the Caucasus. 2025

trust and comprehensive cooperation… We are facing a historic chance to make our region not only sustainable but also prosperous.”[14]

Uzbekistan is focused on developing high value-added sectors, including textiles, pharmaceuticals, machinery manufacturing, logistics, agriculture, and information technology. At the same time, the "Digital Uzbekistan - 2030" strategy is being implemented, while a cluster-based approach is being advanced in the agricultural sector to enhance value added and attract foreign investors.

Across Central Asia, the structure of foreign direct investment (FDI) remains characterised by a strong concentration in extractive industries, particularly oil and gas and mining. At the same time, there is a gradual shift towards diversification, with growing investment in manufacturing, transport and logistics, financial services and trade.

Key investment projects in the region underscore its potential and are building a positive international profile. In Kazakhstan, the Tengizchevroil project - involving Chevron, ExxonMobil, and KazMunayGas - remains one of the world’s largest oil projects, with total investment exceeding US$45 billion, contributing to the development of energy infrastructure and reinforcing the region’s position in the global hydrocarbon market. In Tajikistan, the Rogun hydropower plant represents one of the region’s largest energy projects, aimed at ensuring domestic electricity supply and expanding exports to South Asia. In Uzbekistan, major industrial projects are being implemented at Navoiyazot, including the ammonia and urea complex, thereby strengthening the country’s industrial base and expanding domestic chemical production.

The Central Asia - China gas pipeline, linking Turkmenistan, Uzbekistan and Kazakhstan with China, plays a key role in ensuring stable export flows and attracting investment into regional energy infrastructure. At the same time, digital initiatives such as Astana Hub and Uzbekistan IT Park are fostering the development of regional innovation ecosystems, supporting start-ups and attracting international technology companies.

International financial institutions play a key role in supporting Central Asia’s investment potential. In 2024, the European Bank for Reconstruction and Development significantly increased its engagement in Central Asia, investing EUR 2.26 billion across 121 projects -nearly double the previous year’s level. With an additional EUR 784 million mobilised from co-financing partners, total financing exceeded EUR 3 billion. Kazakhstan and Uzbekistan emerged as the largest recipients, ranking 6th and 5th globally in terms of EBRD investment volumes. Regionally, EBRD funding was distributed as follows: Uzbekistan - EUR 938 million, Kazakhstan - EUR 913 million, Tajikistan - EUR 88 million, and Kyrgyzstan - EUR 52

[14] president.uz

million. In addition, Mongolia, while not part of Central Asia, received EUR 264 million.

Of the total, 61% was directed toward sustainable infrastructure projects, 24% – toward the banking sector for lending to SMEs, women, and young entrepreneurs, as well as climate resilience and resource efficiency initiatives, with the remaining 15% provided to corporate clients. Notably, 58% of all EBRD investment in Central Asia in 2024 went to green economy projects. In the longer term, cumulative EBRD investment has exceeded EUR 10 billion in Kazakhstan, reached EUR 5 billion in Uzbekistan, and surpassed EUR 1 billion in both Tajikistan and Kyrgyzstan.[15]

The region's energy sector holds significant potential. Kazakhstan and Turkmenistan possess substantial hydrocarbon reserves, while Tajikistan and the Kyrgyz Republic have considerable hydropower resources. The CASA-1000 project, which envisages electricity exports to Afghanistan and Pakistan, is contributing to the development of cross-border electricity trade and stronger regional energy connectivity.[16]

Beyond the energy sector, Central Asia also offers significant opportunities in agro-industry and transport connectivity.[17] Transport networks, including the ports of Aktau and Kuryk, as well as rail links with China and Iran, are reinforcing the region's role as a transcontinental logistics corridor.[18]

Alongside the development of conventional industries, Central Asia is shaping the digital economy agenda. In Kazakhstan, the Alatau City project and the international AI centre alem.ai reflect the country's efforts to build an ecosystem for artificial intelligence and digital technologies. In Uzbekistan, IT Park supports a fast-growing technology ecosystem.[19] In the Kyrgyz Republic, the High Technology Park plays an important role in the development of the country's export-oriented IT sector.[20] These trends are accompanied by the expansion of data centre and cloud infrastructure, including projects in Tashkent and Astana.

Green transformation is gaining momentum across Central Asia. Companies such as Masdar and ACWA Power are implementing major solar and wind energy projects in Kazakhstan and Uzbekistan, with a combined planned capacity exceeding 5 GW, including a 1 GW wind project in Uzbekistan. Additional institutional support for this agenda is provided by the AIFC Green Finance Centre, which makes a meaningful contribution to the development of sustainable finance in Central Asia by providing verification services for sustainable finance instruments, and is the first and only

[15] the-tenge.kz
[16] https://www.casa-1000.org
[17] fao.org
[18] eabr.org
[19] it-park.uz
[20] htp.kg

organisation in Central Asia accredited by ICMA (International Capital Market Association) and the CBI (Climate Bonds Initiative).[21]

Central Asia is gradually moving from a space of inter-state competition toward one of deeper cooperation, as countries in the region work together to build a more integrated and attractive investment ecosystem. Investors increasingly assess opportunities not only at the level of individual markets, but also through the lens of large-scale regional platforms - including cross-border transport corridors, integrated markets and shared access to resources and infrastructure. Cooperation in areas such as logistics, energy and digitalisation therefore strengthens the region's competitiveness and reinforces its role as a strategic hub for global markets.

Advancing a unified regional investment space will require closer infrastructure connectivity, harmonisation of investment policies and regulatory frameworks, and the expansion of cross-border projects. In an environment of intensifying global competition for capital, such coordination can improve Central Asia's position as a destination for long-term investment, while also enhancing economic resilience and supporting greater strategic autonomy within the broader Eurasian context.

4. PLATFORMS AND FORMATS OF REGIONAL COOPERATION

Central Asia is increasingly moving towards the establishment of coordinated mechanisms aimed at positioning the region as a unified investment destination. Historically, the region has faced political, infrastructural and regulatory fragmentation, which has limited its potential as an integrated economic space. In recent years, however, a shift towards pragmatic regionalism has emerged, grounded in mutual benefit, trust and a shared understanding of global challenges, including climate change, digitalisation and the energy transition. This shift is supported by growing political will and institutional initiatives aimed at strengthening regional integration and attracting international capital.

Regional cooperation is evolving across three main dimensions: political-diplomatic, economic-operational and institutional.

The political-diplomatic dimension is anchored in the Consultative Meetings of the Heads of State of Central Asia, launched in 2018.[22] This format, which excludes external actors, provides a platform for strategic dialogue and agenda-setting across key areas, including transport, energy, water resource management, investment and climate resilience. The regular summits held across the region have contributed to confidence-building and the alignment of strategic priorities, laying the foundation for deeper cooperation.

The economic-operational dimension is developing through a growing number of regional initiatives and partnerships. Since 2022, cooperation among national export

[21] gfc.aifc.kz
[22] eurasian-studies.tsu.ru

credit agencies, development institutions and sovereign investment funds has intensified. Joint initiatives involving organisations such as KAZAKH INVEST National Company JSC (Kazakh Invest), the Uzbekistan Direct Investment Fund and UzIPA are advancing projects in construction materials, agro-processing, machinery manufacturing and renewable energy.[23]

A notable step in strengthening institutional cooperation is the establishment of the International Centre for Industrial Cooperation "Central Asia" at the Kazakhstan-Uzbekistan border.[24] Located near the Atameken and Gulistan checkpoints, the centre will cover a total area of 100 hectares, with part of the site designated as a regional industrial zone. It is expected to host joint ventures, logistics hubs, and trading platforms operating under harmonised standards and procedures, potentially serving as a scalable model for other border areas across the region. The official opening is planned for the first half of 2027.

The institutional dimension of regional cooperation requires further harmonisation of regulatory frameworks, investment protection mechanisms and technical standards across industries. In this context, the Astana International Financial Centre is playing an increasingly important role. With its jurisdiction based on English common law, independent dispute resolution mechanisms and developed financial infrastructure, the AIFC provides a neutral and trusted platform for facilitating cross-border investment.

Another important area of cooperation is emerging in water diplomacy, climate change mitigation and infrastructure adaptation to cross-border risks. Regional discussions increasingly focus on coordinated responses to droughts and floods, as well as the alignment of investment strategies in irrigation infrastructure and renewable energy. These initiatives have the potential to evolve into a more structured regional platform for climate resilience, aligned with both national priorities and the expectations of sustainability-focused investors.

Informal platforms - particularly dialogue among Central Asian business communities - also play a key role in strengthening cooperation and promoting investment opportunities. Regular regional business forums bring together entrepreneurs, investment promotion agencies such as Kazakh Invest and UzIPA, and representatives of trade, infrastructure, and economy ministries.[25] These platforms facilitate knowledge exchange, the identification of joint projects and the development of coordinated strategies to enhance the region's global competitiveness. They are increasingly supported by international partners, including the European Bank for Reconstruction and Development and the Asian Development Bank, which have expressed readiness to finance cross-border projects in sustainable agriculture, digitalisation and infrastructure.

[23] gov.kz
[24] rus.baq.kz
[25] invest.gov.kz

The “Central Asia+1” format - involving various external partners from the EU and the United States to China, Japan, and South Korea - has become an additional channel for institutionalising regional cooperation. These platforms are gradually moving beyond political dialogue to encompass economic projects, including initiatives in sustainable agriculture, energy cooperation, digital transformation, and personnel training.

In particular, the Central Asia-European Union Summit held in Samarkand on 3-4 April 2025 marked a significant milestone in strengthening interregional cooperation. The summit placed
a strong emphasis on green economy initiatives, critical raw materials, digitalisation and connectivity.[26] During the summit, the President of the European Commission, Ursula von der Leyen, announced the implementation of a EUR 12 billion investment package and stated: ‘Your strategic location can open global trade routes and investment flows.’[27]

The establishment of the United Nations Regional Centre for the Sustainable Development Goals for Central Asia and Afghanistan in Almaty, announced at the United Nations General Assembly on 4 March 2025, reflects the region’s aspiration for deeper integration into the global sustainable development agenda.[28] This initiative also underscores Central Asia’s potential as a region capable of turning geographic constraints into new opportunities for growth through strategic investment and international cooperation.

Thus, an increasingly robust architecture of platforms and cooperation formats is taking shape, in which political will is matched by institutional capacity, and economic pragmatism is reinforced by regional solidarity. The key challenge for the coming years will be to transform this evolving architecture into a coherent, scalable and investment-ready system, in which Central Asia not only coordinates positions but acts as a coordinated participant in the global investment dialogue.

5. STRATEGY FOR POSITIONING CENTRAL ASIA AS A UNIFIED INVESTMENT DESTINATION

In the context of intensifying global competition for capital, Central Asia is increasingly positioning itself as a unified, integrated and promising investment destination. This shift is aimed at overcoming the fragmentation of national initiatives and developing a coordinated strategy that enables the region to act as a cohesive economic bloc on the global stage. Achieving this objective requires stronger institutional coordination, reinforced political commitment and the effective utilisation of existing platforms, including the Astana International Financial Centre, as well as national investment promotion agencies such as Kazakh Invest and

[26] consilium.europa.eu
[27] ru.euronews.com
[28] akorda.kz

UzIPA. Major forums, including the Astana International Forum, Astana Finance Days and the Tashkent International Investment Forum, play an important role in strengthening the region's investment profile.

Political support for a regional approach is becoming increasingly evident. At the Consultative Meetings of the Heads of State of Central Asia, leaders have consistently emphasised that the region faces a range of cross-border challenges - including water resource management, logistics development and the transition to a green economy - which require coordinated responses to ensure sustainable growth and enhance investment attractiveness. At the Tashkent International Investment Forum in June 2025, the President of Uzbekistan, Shavkat Mirziyoyev, proposed advancing the concept of a "Common Space for Investment and Trade" in Central Asia, highlighting the need to establish new financial mechanisms to support regional projects.[29]

The implementation of this strategic agenda depends on the expansion of cross-border projects and the development of harmonised investment promotion mechanisms. Key priorities include strengthening institutional platforms that provide legal, informational and service support to investors; developing joint communication strategies and international outreach initiatives; and systematically promoting Central Asia as a unified investment destination across global forums and media platforms.

Creating favourable conditions for scaling cross-border projects is particularly important in sectors such as renewable energy, logistics, digital infrastructure and agro-industry. Existing initiatives can serve as a foundation for further development, provided that coordination between public and private sector stakeholders is strengthened. Enhanced cooperation and the exchange of best practices will support the development of a common framework for action, capable of attracting long-term capital and reinforcing the region's position in the global economy.

National investment promotion efforts across Central Asia demonstrate significant progress. In Kazakhstan, Kazakh Invest serves as a single coordination platform for supporting priority investment projects, working in close coordination with the Astana International Financial Centre, which offers investors a legal framework based on English common law, international arbitration and access to the Astana International Exchange.

In Uzbekistan, investment infrastructure continues to strengthen, supported by the activities of the UzIPA investment promotion agency and an active reform agenda led by the government. The invest.gov.uz platform integrates investment opportunities, regulatory information and project facilitation procedures. The Ministry of Investments, Industry and Trade plays a central role in coordinating engagement with international investors. A notable example is the Tashkent International Investment Forum (TIIF), which since 2022 has become a key platform

29 president.uz

for presenting priority sectors and strategic projects in areas such as energy, chemicals, manufacturing, agribusiness and pharmaceuticals.[30] In 2025, TIIF attracted more than 3,000 participants from 97 countries, serving as an indicator of growing international interest in Uzbekistan.

One of the key structural constraints limiting greater investment inflows into the region remains the absence of a unified regional brand and coordinated promotion strategy. Despite strong progress at the national level, international investors continue to face a fragmented landscape, where each country operates with its own tools, messaging and institutional frameworks. In the context of intensifying global competition for capital and the rising importance of regional blocs, there is a clear need to develop a collective regional brand, such as “Invest in Central Asia”. Such an approach would enhance the region’s visibility while demonstrating its scale, resilience and aggregate economic potential.

Another important initiative for positioning Central Asia as a unified investment destination is the proposed creation of a regional digital investment platform. Such a platform would consolidate information on priority projects, investment conditions, regulatory frameworks and institutional support across Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan. Supported by national investment agencies, it could provide transparent and centralised access to investment opportunities across the region, including projects in renewable energy, logistics and digital infrastructure, while also facilitating more standardised and streamlined investment procedures.

In addition, joint investment roadshows could serve as an effective instrument for promoting Central Asia as a unified investment destination. Such roadshows would present integrated, cross-border projects to international investors and corporations, highlighting the synergies achieved through multi-country implementation. These initiatives could include integrated transport and logistics corridors, regional energy clusters, shared digital platforms, and industrial parks operating under harmonised investor service standards.

Organising such roadshows in major global financial centres - including London, Singapore, Dubai, New York and Beijing - would contribute to building a unified investment brand for Central Asia and positioning the region as a promising hub for sustainable economic growth at the intersection of Europe and Asia.

Flagship forums such as Astana Finance Days and the Tashkent International Investment Forum could serve as the foundation for a coordinated regional promotion campaign. In addition, introducing a “Central Asia Investment Week” format, held on a rotating basis across the region’s capitals, would further strengthen a consistent communication agenda and reinforce Central Asia’s positioning as a coordinated regional investment space.

[30] tiif.online

Alongside communication and branding tools, institutional efforts are required to develop infrastructure mechanisms that support deeper economic integration. The creation of cross-border special economic zones, industrial parks and logistics hubs, particularly in border regions, is becoming increasingly important. A notable example is the International Centre for Industrial Cooperation "Central Asia", currently being developed at the Kazakhstan-Uzbekistan border.[31] Similar initiatives could serve as platforms for expanding Central Asian exports into the CIS, China, Southeast Asia and the Middle East.

Within this framework, the AIFC possesses a comprehensive and balanced set of instruments that enable it to function as a regional platform of international scale and facilitate Central Asia's integration into global economic processes. Its neutral status supports equitable and politically independent engagement with all countries in the region, while its legal system based on English common law provides a predictable and transparent environment for business operations. This is further reinforced by an extensive network of global partnerships with leading financial centres and institutions, creating stable channels for attracting capital, technology and expertise. Taken together, these factors position the AIFC not only as an effective entry point for international investors, but also as a strategic node linking regional initiatives with global markets.

In this context, a key condition for success is the alignment of national and regional investment promotion strategies, ensuring that they are perceived as complementary elements of a unified architecture. This requires not only coordination of event calendars and communication strategies, but also the development of standardised investor facilitation frameworks, joint marketing materials and a unified approach to positioning the region in priority capital markets. Such an approach would enable Central Asia to present a consolidated regional narrative on global platforms and demonstrate its integrated investment potential.

Building a strong and sustainable investment image for the region requires consistent, long-term efforts supported by tangible projects and measurable outcomes. Regional cooperation in investment promotion should be guided by a "win-win" principle, whereby each country's participation strengthens the overall value proposition of Central Asia and ensures a balanced distribution of benefits from incoming capital. At the same time, it is essential to account for the specific characteristics and competitive advantages of each economy, integrating them into a unified strategy that is compelling for both global institutional investors and strategic industry partners.

A coordinated and institutionally supported investment strategy would enable Central Asia to evolve from a group of neighbouring states into a recognisable and competitive macro-region within the global investment landscape. By combining political commitment, infrastructure development, financial mechanisms and

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[31] gov.kz

coordinated marketing efforts, the region has the potential to secure a stable flow of investment necessary for modernisation, economic diversification and improvements in living standards.

6. CONCLUSION

In his article “The Renaissance of Central Asia: Towards Sustainable Development and Prosperity”, published on 8 August 2024, the President of the Republic of Kazakhstan, Kassym-Jomart Tokayev, outlines the historical, economic and cultural foundations for deepening regional integration and strengthening Central Asia’s role as an independent and influential actor in global affairs.[32] He emphasises that the region has transitioned from political fragmentation to strategic partnership, developing a unique five-party cooperation framework that supports the expansion of intra-regional trade, the development of transport and logistics corridors, and the strengthening of energy and food security, while also promoting the engagement of younger generations in modernisation processes. Particular emphasis is placed on the transition from a resource-based economic model towards green energy and knowledge-based industries. The Concept for the Development of Regional Cooperation “Central Asia – 2040” is also highlighted as a key strategic framework for advancing regional collaboration. As President Tokayev noted, “Our future depends on strengthening cohesion, mutual trust and openness to the world,” underscoring that regional cooperation is not only a strategic choice, but a necessity.

In this context, Central Asia is at a critical stage of its economic, political and institutional development. The region is gradually evolving from an object of external geopolitical interest into a subject capable of shaping and implementing its own strategic agenda. One of the key priorities in this regard is the development of a coordinated strategy to position Central Asia as a unified investment destination.

The analysis presented in this report demonstrates that the region possesses strong underlying conditions for such strategy, including aligned economic policy priorities, complementary sectoral specialisations, substantial resource endowments, a shared historical legacy and increasing political coordination among the countries of the region. Together, these factors provide a solid foundation for a more integrated approach to investment promotion.

In the global competition for capital, regions that succeed are those able to offer investors scale, predictability and strong institutional frameworks. In this regard, initiatives and platforms aimed at the joint promotion of regional investment opportunities, including Invest Africa, provide a useful reference point.[33] Central Asia has the potential to follow a similar path by developing its own collective brand and instruments for the coordinated promotion of its investment potential.

[32] akorda.kz

[33] investafrica.com

Against the backdrop of growing global interest, the region is becoming increasingly significant from a geoeconomic, logistical and investment perspective. Despite its rich resource base, strategic location, and relatively young population, Central Asia continues to be perceived in the international investment arena not as a unified investment space, but as a group of separate and, in some cases, competing jurisdictions. This perception constrains the region's ability to attract investment and weakens its position in the global competition for capital.

Each country in Central Asia continues to pursue its own investment strategy, frequently positioning itself as a distinct investment destination rather than as part of a broader regional space. This approach results in competition among countries for a limited pool of investors, a fragmented investment image on international platforms and duplication of investment promotion efforts. Moreover, the absence of joint initiatives and coordinated platforms limits investors' ability to develop a comprehensive understanding of the region's potential, associated risks and cross-border synergies.

A key prerequisite for addressing these challenges is the political commitment of regional leaders and the strengthening of trust among economic institutions. In this context, regular high-level engagements play a critical role in shaping a shared vision for the region's investment future.

Taken together, these dynamics suggest that a clear window of opportunity remains for the development of a unified regional investment identity for Central Asia. In an increasingly volatile global economic environment, such coordinated approaches can support sustainable development, strengthen economic sovereignty and enhance the region's international competitiveness.

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