

Eldor Aripov: Central Asia is becoming a space of new opportunities



On October 16-17, the delegation of Uzbekistan headed by the Director of the Institute for Strategic and Regional Studies under the President of the Republic of Uzbekistan (ISRS) Eldor Aripov took part in the Astana Think Tank Forum “Middle Powers in a Changing Global Order: Strengthening Security, Stability and Sustainable Development”.

The forum, held under the auspices of the Astana International Forum and organized by the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, was attended by more than 45 leading experts from Central Asia, the CIS, the EU, the USA and Asia. The President of the Republic of Kazakhstan Kassym-Jomart Tokayev spoke during the plenary session.



Director of ISRS Eldor Aripov took part in the session entitled: “II Central Asian Forum on Security and Cooperation”. In his speech, he focused on the development prospects of Central Asia.

As the representative of the ISRS noted, even in the recent past, experts called Central Asia the “Central Asian Balkans” and the Fergana Valley a “powder keg,” referring to the high conflict potential of the region due to unresolved territorial and water disputes and interethnic tensions.

“We managed to resolve all unresolved issues and remove acute disagreements. This process was launched 7 years ago, the President of Uzbekistan declared Central Asia the main foreign policy priority. This is an example of the long path we have traveled from a situation full of contradictions to reaching the level of trusting partnership and cooperation. Thanks to this breakthrough, we can already confidently talk about the emergence of a New Central Asia,” Eldor Aripov emphasized.

According to him, today the region is gradually turning into a space of new opportunities, convergence of interests and inclusive cooperation.

In this context, the expert paid special attention to the active dynamics of the region's economic indicators. It was noted that the Central Asian economy has demonstrated sustainable growth (6.2%) in the last ten years, twice exceeding the world average (2.6%).

Against this background, he pointed out, the volume of attracted investments in Central Asia has almost doubled - from \$27 billion in 2016 to \$50 billion in 2023. At the same time, mutual direct investments between Central Asian countries are also growing - by an average of 9% per year.

The number of joint ventures has increased many times. For example, since 2016, the number of enterprises with the participation of capital from Central Asian countries in Uzbekistan has increased almost 6 times - to 1,830, and the number of joint ventures with the participation of Uzbek capital in

Central Asian countries - 8.5 times (to over 4.7 thousand).

The region is already considered a promising market. By 2050, the region's population will exceed 100 million people. At the same time, Central Asia will remain one of the youngest - the average age of the population will be about 30 years.

Moreover, the expert noted, the region is rich in reserves of rare earth critical materials necessary for digital and green transformation. Taken together, these circumstances increase the interest of extra-regional partners in Central Asia.

According to Eldor Aripov, this is also reflected in the created dialogue formats "Central Asia plus". Today, more than 10 such dialogue platforms are functioning, 6 of which were created in the last 5 years.

Moreover, starting in 2022, many of these formats are held at the level of heads of state - with China, the USA, Germany, the EU. Next year, South Korea will also join this number.

The expert is firmly convinced that countries should take advantage of this unique geopolitical situation to defend a common vision and agree on priorities for regional development in cooperation with third countries.

In this regard, in his opinion, it is very important to take into account the competitive advantages that the Central Asian countries have and which can act as catalysts for the economic development of the region.

Firstly, according to Eldor Aripov, the region has the opportunity to become an important agro-industrial center on the Eurasian continent. Agriculture is one of the key sectors of the economies of the countries, which provides the processing industry with the necessary raw materials.

It was noted that today more than 50% of the region's population lives in rural areas, and agriculture accounts for about 40% of the total number of employed people and an average of about 20% of GDP (\$90 billion).

Against this background, joint efforts are needed to develop agro-industrial cooperation between the Central Asian countries, attract investment and high technologies to the agro-industrial complex.

Secondly, as the expert claims, the relevance of digitalization is growing. Today, digital technologies are rapidly penetrating all spheres of human life and are becoming a driver of economic development.

Due to the geographical remoteness from world markets and high logistics costs, the goods of the countries of the region are initially inferior in competitiveness. In particular, the share of costs for cargo transportation reaches 50% of the final cost of goods, which is almost 5 times higher than the world average - 11%.

The way out of this situation is the widespread development of the IT sector, the export of IT services.

"Central Asia has an important advantage for the development of the IT market - a rapidly growing population, represented mainly by young people - the most active consumers of digital services," the expert noted.

According to him, according to existing forecasts, the number of Internet users in the Central Asian region will increase by 20% by 2028 and will amount to 63 million people, and the penetration rate will increase from 70 to 75%, which in turn will give a powerful impetus to the growth of IT product exports in the countries of Central Asia.

In Uzbekistan alone, since 2020, IT services exports have increased by 22 times and reached \$344 million by the end of 2023.

Thirdly, according to Eldor Aripov, renewable energy is becoming one of the most important growth points in interaction with foreign economic partners.

In his opinion, this is especially relevant today, when the pace of development of energy infrastructure in Central Asia does not keep up with the speed of industrialization and urbanization, as well as demographic growth. In this regard, the expert referred to World Bank estimates that by 2030, regional energy needs will increase by more than 30%.

According to him, in order to expand energy supply capabilities, it is important to consistently switch to renewable sources and modernize national and regional energy systems. And for this, the Central Asian countries will need investments of at least \$20 billion in the next 5-10 years.

"I am convinced that the implementation of the planned plans in this area with partners in the Central Asia plus format will strengthen the energy security of our region," Eldor Aripov noted.

At the same time, answering a question about the presence of soft power in Central Asia, the director of the ISRS emphasized that only in recent years have our countries begun to increasingly clearly realize what colossal potential the region has in this area.

Thus, according to the expert, historically, in Central Asia, both sedentary and nomadic cultures intertwined, numerous ethnic groups lived, and a tolerant, multi-confessional environment reigned. Zoroastrianism was born here, Buddhism spread further to the East from here, and fundamental works on Islam were written. "Openness to all trends, cultures, and religions created conditions for the powerful development of thought and progress," Eldor Aripov believes.

According to the ISRS representative, the region's openness, stability, ability to resolve contradictions based on compromises, and developed infrastructure allow the components of Central Asia's "soft power" to be positioned around the world.

As the expert emphasized, "there is a growing interest in our culture, identity, music, architecture, clothing, cuisine, and achievements in sports all over the world. Taken together, this represents a powerful resource for projecting the soft power of the entire region."

A very positive trend, according to the director of ISRS, is that we are ceasing to divide our huge cultural, historical, civilizational heritage. To argue about the nationality of our great scientists, poets, thinkers. Today everyone understands that this is a common heritage.

In this context, Eldor Aripov drew attention to the Forum recently held in Turkmenistan, dedicated to the 300th anniversary of the poet and thinker Magtymguly Fragi, who made an important contribution to strengthening fraternal ties and bringing the countries and peoples of the region closer together, as well as popularizing the rich spiritual heritage of Central Asia throughout the world.

The expert cited as an example a separate resolution adopted in Uzbekistan on the broad celebration of the 300th anniversary of Magtymguly Fragi's birth. In connection with this date, literary evenings, competitions, conferences and seminars are held. Performances are staged in theaters, Uzbek and Turkmen filmmakers made a joint feature film about the poet. Monuments to this great figure have been erected in Tashkent and Khiva. Recently, a monument to Abai was unveiled in Ashgabat with the participation of the Heads of the two states.

"This is a trend of amazing significance that once again brings us back into the bosom of one cultural and historical civilization. It creates the preconditions for the consolidation of our common soft power," Eldor Aripov concluded.