



Development Partners Dialogue | 25 Years of Partnership

Session 2

Enabling Regional Trade and Tourism: From Policy and Regulatory Reforms to Regional Competitiveness

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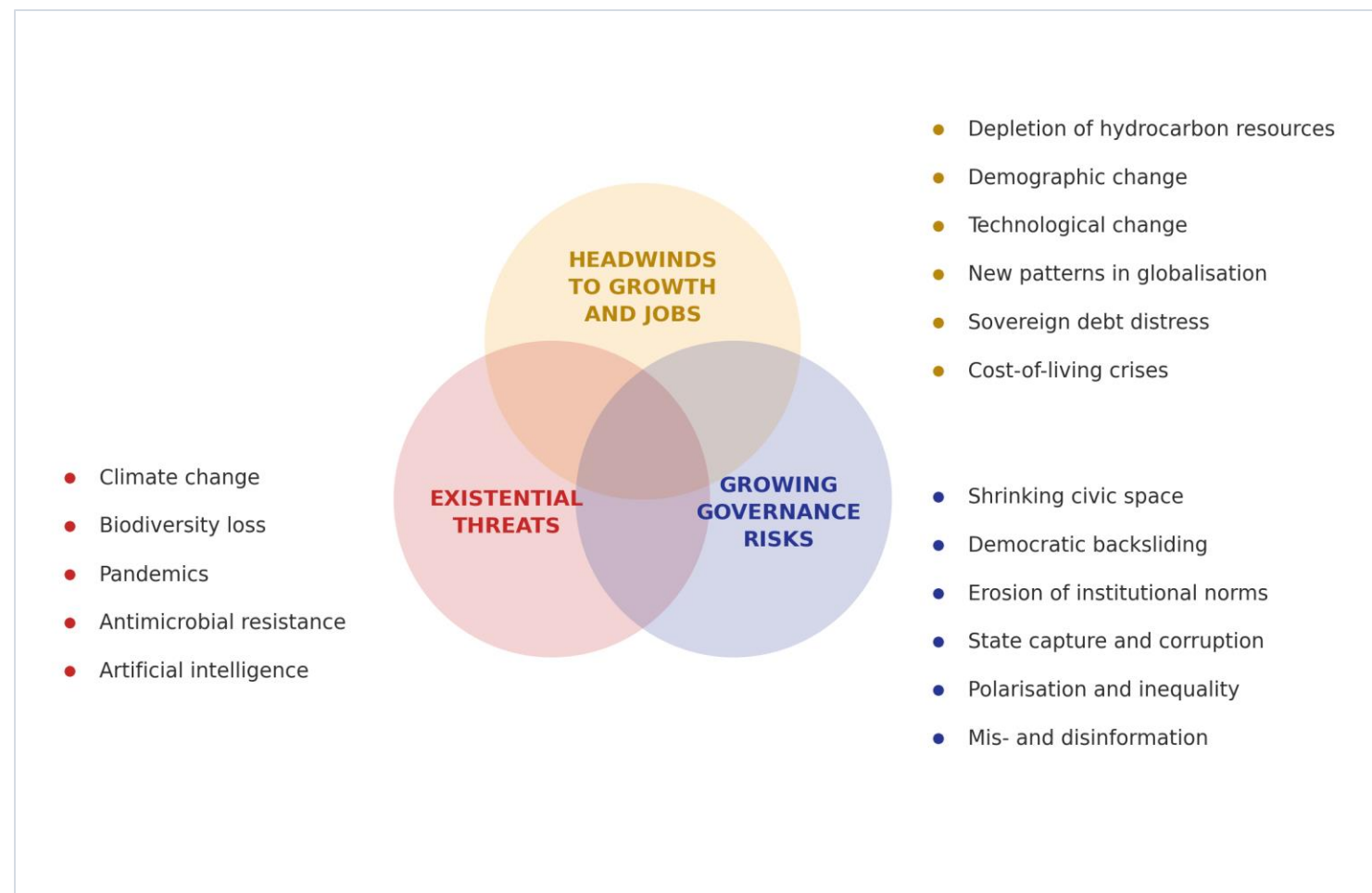
28 September 2026
Ulaanbaatar, Mongolia

PART 1

Why does regional integration matter more now?

The development landscape facing CAREC countries has become more turbulent

Resilience, not growth alone, has become a central development objective.

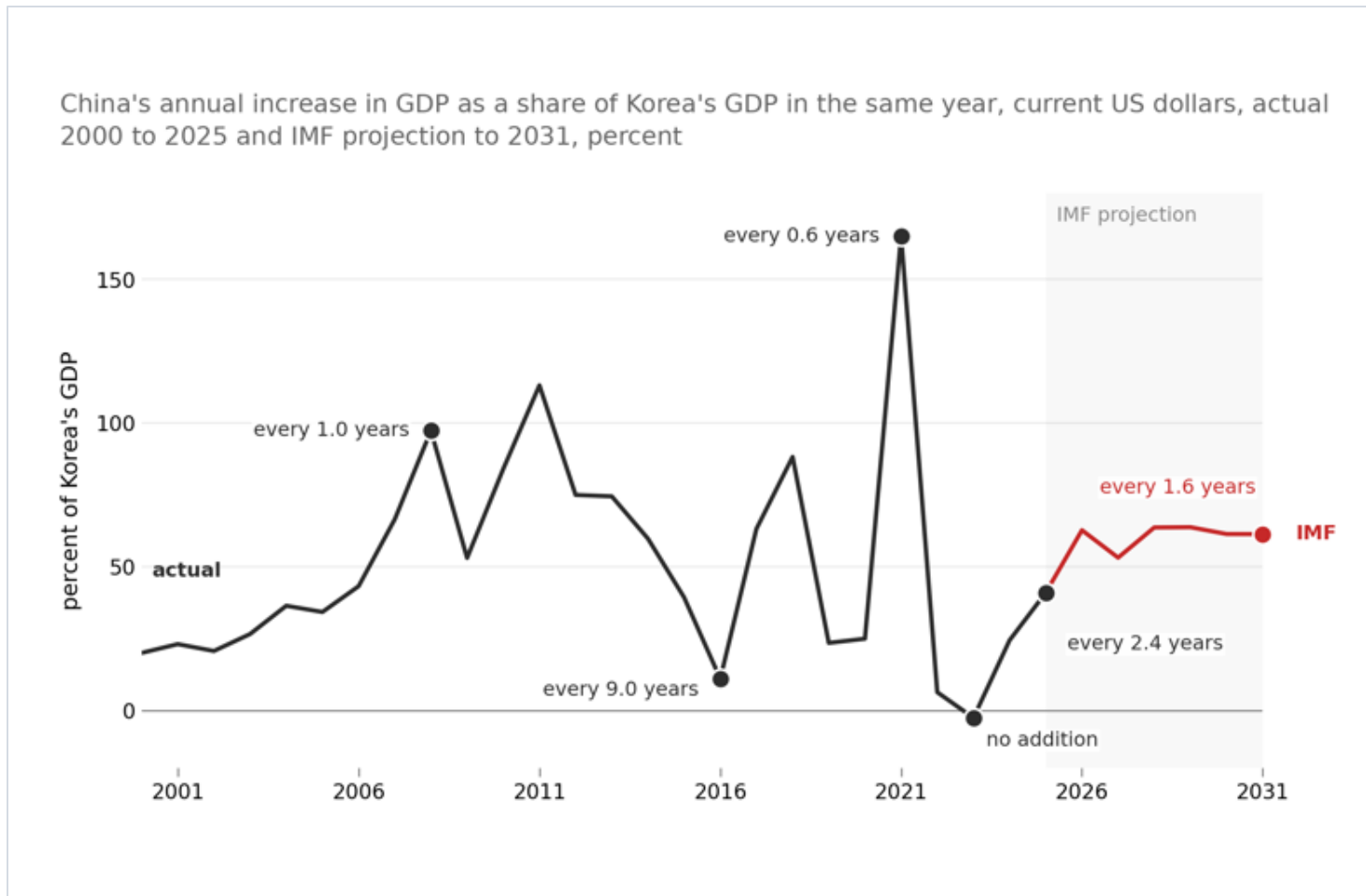


Three overlapping sets of risks now shape the environment for trade and investment.

- Trade and investment operate in a more fragmented, uncertain environment.
- Shocks increasingly affect supply chains, market access, investment and employment.
- Countries need the ability to absorb shocks and to redirect economic activity.
- Regional integration widens the set of markets, suppliers and opportunities available when conditions change.

Seek opportunity amid disruption: are we facing deglobalisation?

Growth in the major engines is slower and more uneven, but it has not gone away.



1.6 years

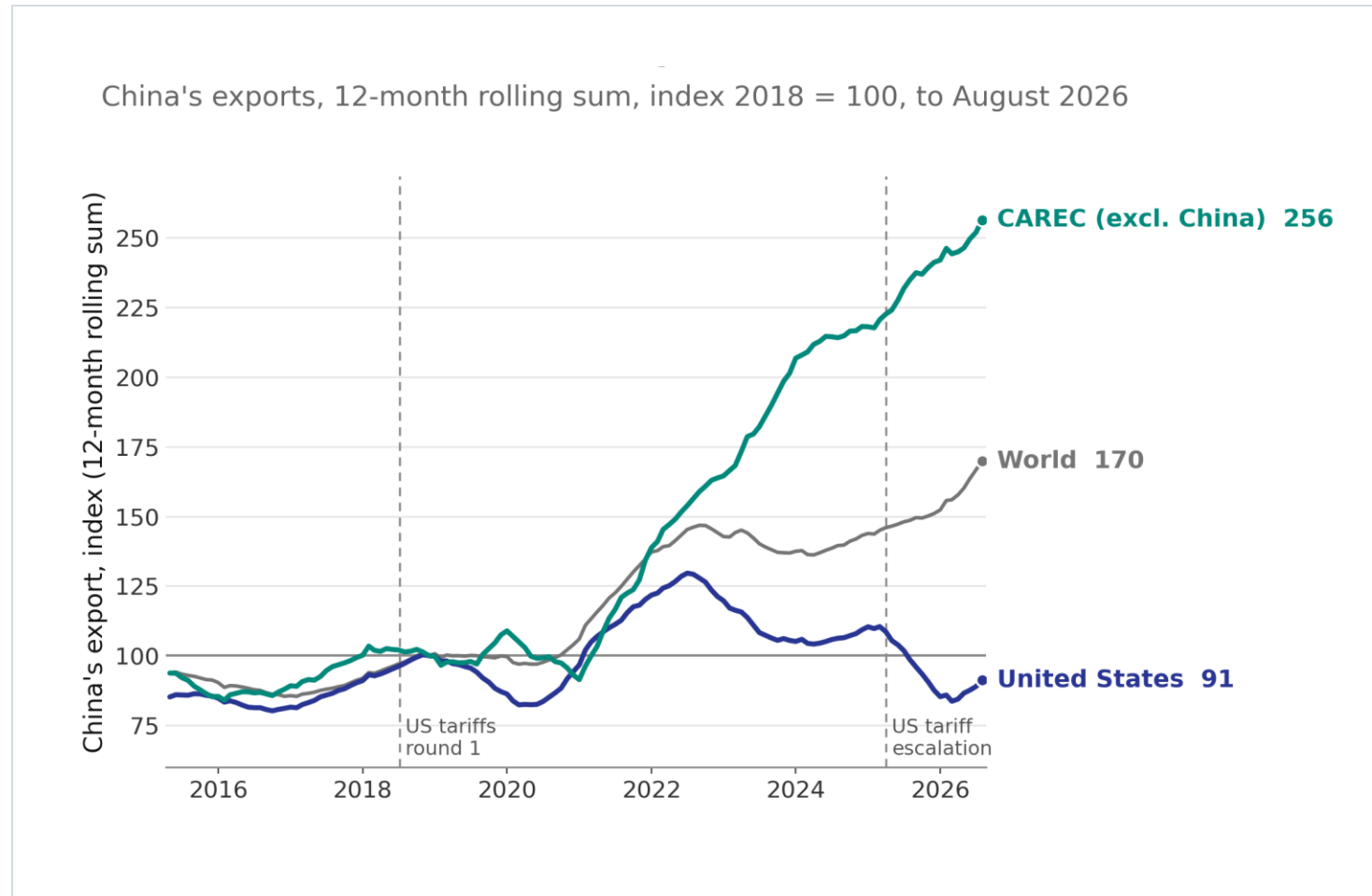
Time for China's GDP increment to equal one Korea, IMF projections to 2031

Disruption is changing the pattern of global growth, not switching it off.

- China's annual GDP increment still equals roughly 60% of Korea's GDP.
- The pace has swung widely: a Korea every 0.6 years in 2021, every 9 years in 2016.
- The lesson is volatility and repositioning, not retreat.

Foster new alliances and deepen existing connections

Trade is being redirected, and CAREC countries are on the receiving end.



Source: China Customs monthly data, General Administration of Customs of the People's Republic of China; UNDP calculations. CAREC excl. PRC.

2.5×

Growth in Chinese exports to CAREC countries since 2018 (12-month rolling sum, index 2018 = 100)

Chinese exports to CAREC have grown 2.5 times since 2018, against 1.7 times to the world and a decline to the United States.

- Each US tariff episode coincides with a further step up in exports to CAREC.
- Redirected trade is an opportunity for market access and investment, but also a new form of dependence to manage.

Regional integration builds resilience: a steadier path to long-term prosperity

What separates rich from poor economies is not how fast they grow, but how often and how much they shrink.



0.4 vs 1.6

Percentage points a year lost to shrinking, rich countries vs poor countries, 1950 to 2011

**Growth when growing is broadly similar across income groups.
Shrinking is what differs.**

- Resilience means fewer and shallower shrinking episodes.
- Diversified markets, products and production networks give economies room to adjust when a shock hits one channel.
- Regional integration adds a second market and production base.

PART 2

What does this mean for CAREC countries?

Strong connectivity momentum across CAREC countries

Connectivity is improving

4.1%

**GDP growth, CAREC excl. PRC, 2024
(2.6% in 2023)**

\$357 → \$131

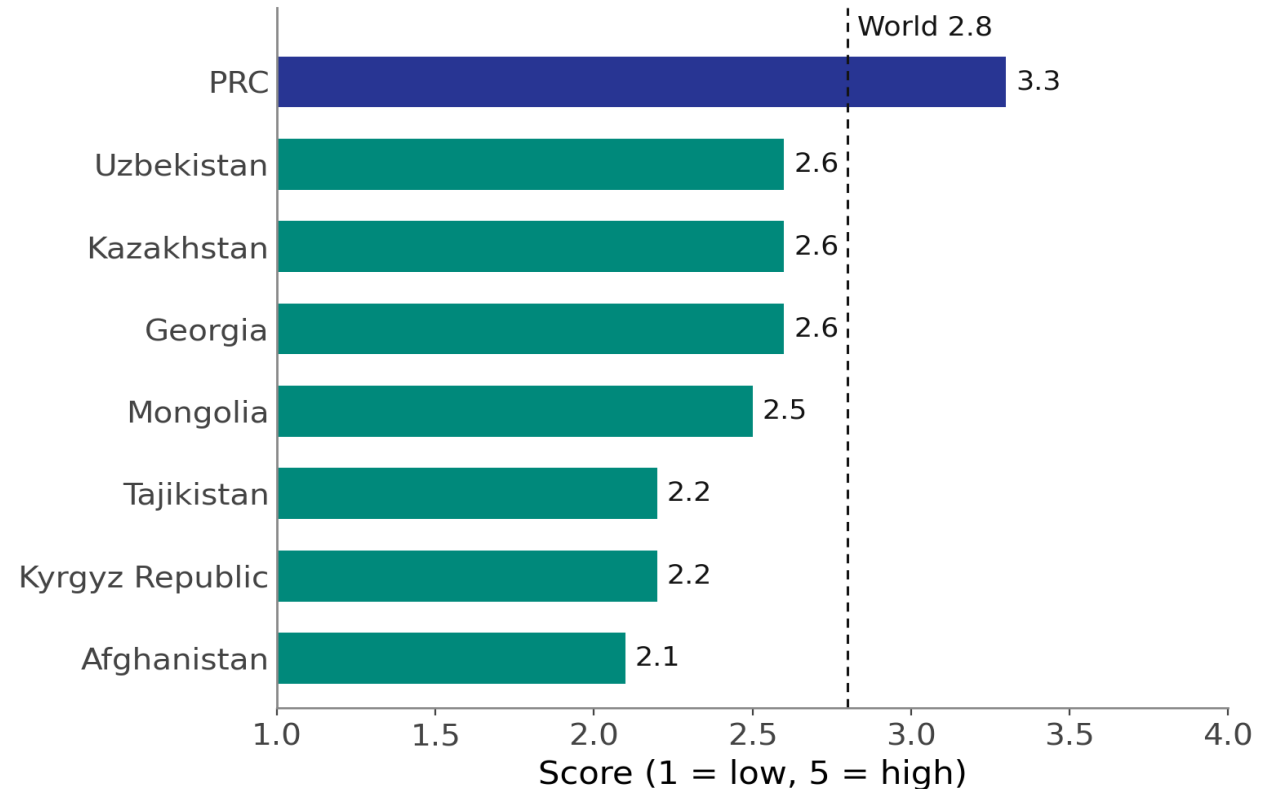
**Average cost to clear a road border
crossing, 2021 → 2023**

51.5 → 29.3 h

**Rail border-crossing clearance time,
2021 → 2023**

**Border costs and times are falling fast — but
customs quality still trails the world average.**

Efficiency of customs clearance, Logistics Performance Index



Source: World Bank, Logistics Performance Index 2023, via WDI.
Note: Azerbaijan, Pakistan and Turkmenistan not covered.

Where UNDP is improving connectivity on the ground

Turkmenistan

Digital customs & trade data

Single Window for Export-Import Operations

2021–2025

16 ministries and 22 agencies on one platform

Strengthening Trade Capacity, I–II

2019–2024

Trade-policy capacity, paperless trade and Ministry digitalization

Foreign-trade statistics

2024–2025

Services-trade and cargo-transport data, with Customs

Tajikistan

Integrated border management

Border Management Programme II

2019–2022

Kokul border crossing point and cross-border market built; 794 border and customs officers trained

Border Management Programme III

2023–2026

Improving functionality of border crossing points; 100+ traders trained

Kazakhstan

Customs & SPS standards

Customs support to the State Revenue Committee

2024–2026

15 specialized vehicles and inspection equipment for mobile customs monitoring

Northern Kazakhstan Landscape

2024–2027

Two national standards for organic wild-harvested products; audit of phytosanitary control

Kyrgyz Republic

Quality infrastructure

Aid for Trade in Central Asia

standards support

Standards body recognized to certify ISO 22000 and HACCP, cutting reliance on foreign certifiers

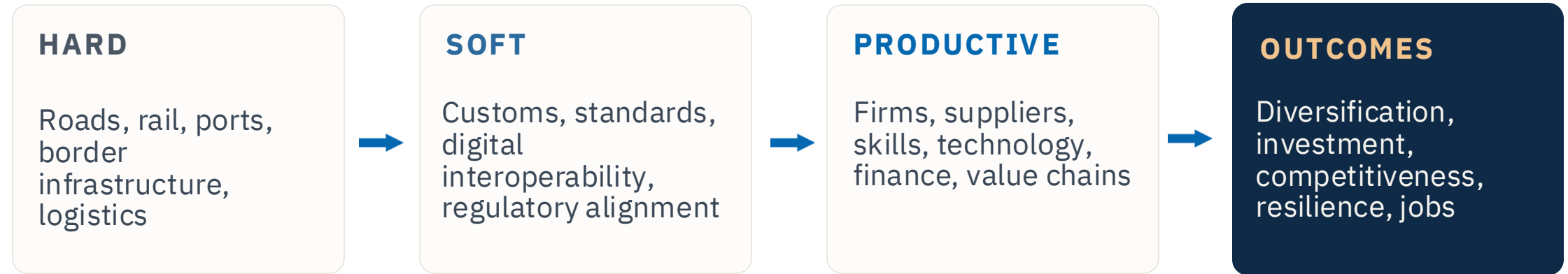
Training on ISO 22000, 22002, 9001 and 19011; quality infrastructure built into the National Export Development Programme 2025–2028

Soft connectivity in practice: digital customs, open-but-secure borders, recognised standards and reliable trade data.

THE CORE PROPOSITION

Connectivity is necessary — but not sufficient

The development return on infrastructure depends on soft and productive connectivity.



| Integration is lagging

6.2%

Intra-CAREC share of total trade (excl. PRC), 2024 — 4.7% in 2017

\$69bn → \$137bn

Central Asian exports doubled 2010–2023; imports tripled to \$148bn

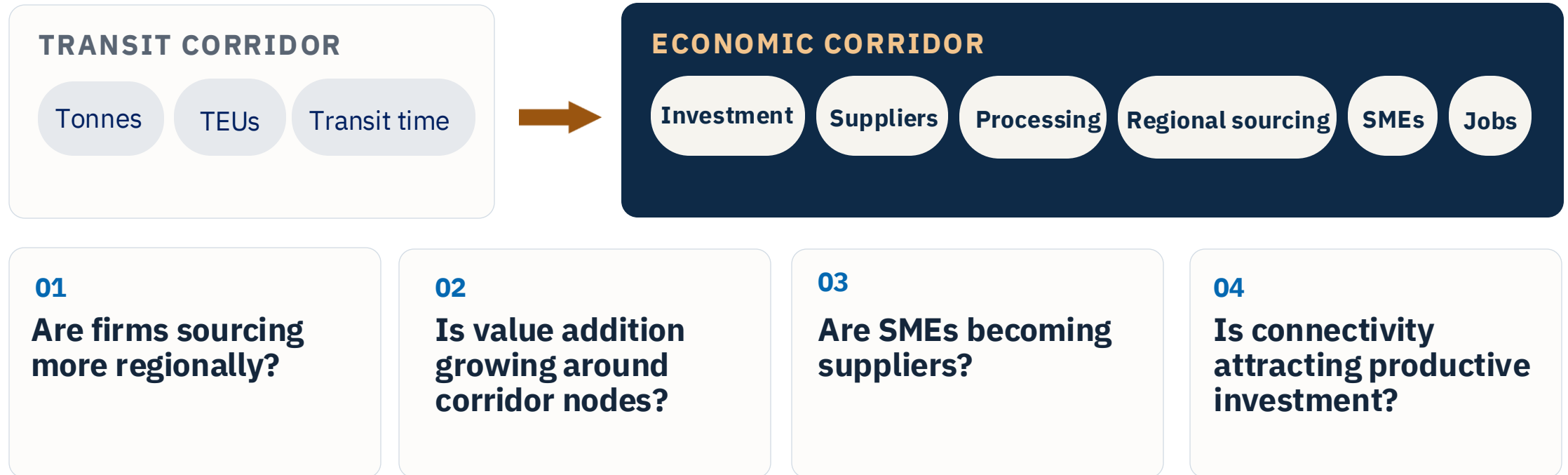
>60%

Commodity share of Central Asian exports

Connectivity is rising faster than integration.

From transport corridor to productive economic corridor

Measure success by the value created within corridor economies — not only by cargo volumes and transit time.



Turning corridor connectivity into local value

WHAT UNDP DOES

Along the Middle Corridor, UNDP upgrades green, future-proof and employment-rich value chains, links producers with processors and buyers across regions and borders and strengthens local economies and governance — so corridor trade creates local jobs.

KGZ · TJK · UZB

Aid for Trade in Central Asia

Green, future-proof, employment-rich chains

Megatrend-based method picks niche chains (honey, dried fruits, tourism, handicrafts), then upgrades technology, standards and market access.

13 value chains
6,000+ jobs, 66% women
\$500m export contracts

TAJIKISTAN

LITACA III

JICA · 2021–2025

Cross-border local economies

Revitalized Shohon and Tem cross-border markets; One Village One Product processing for honey, peanuts and handicrafts

649 businesses & groups
93 productive facilities
\$2m+ exports

GEORGIA

Inclusive Access to Markets

SMEs into European value chains

Export readiness, certification, trade fairs and buyer matching in beverages, packaging, apparel and IT services.

306 SMEs, 73% women-led
25 new EU exporters
960 jobs

KAZAKHSTAN · NEW

Advancing Local Governance Reform

Local governance for territorial development

Stronger akimats and maslikhats, local planning and fiscal decentralization, and pilot local socio-economic initiatives.

€4.2m EU-funded
Pilot regions in selection

NEXT STEP FOR INTEGRATION

From national chains to regional networks

Intra-industry linkages

Neighbours co-produce and trade inputs and components



Regional production networks

Cross-border clusters around corridor nodes and hubs



Shared standards

Mutual recognition so inputs and products cross borders



Supplier development

Local SMEs feeding corridor investment and buyers

LOOKING AHEAD

The next integration agenda: three shifts

SHIFT 1

From transit routes

to productive economic corridors

Measure connectivity by the local and regional economic value it creates.

SHIFT 2

From national export strategies

to regional production networks

Complementary value chains, shared markets, diversified trade and investment ties.

SHIFT 3

From fragmented projects

to regional public goods

Interoperable systems, recognised standards, trade intelligence, supplier networks, tourism platforms, portable skills.

Connectivity creates access. Productive capacity creates value. Diversification creates resilience.
Regional cooperation allows all three to scale.

How UNDP can help deliver the agenda

Working across the full chain — from policy and institutional reform to enterprise upgrading and investment readiness — so that connectivity generates local value more diversified trade and investment, stronger resilience and better jobs.



Thank you!