



CAREC Business Forum
18-19 November 2025; Bishkek, Kyrgyz Republic

ECONOMIC POTENTIAL OF CAREC CORRIDORS



Bahodir Ganiev, Senior Advisor
Center for Economic Development, Uzbekistan

Outline

- 1. Strategic importance of CAREC corridors**
- 2. Recent progress in developing the corridors**
 - Key improvements
 - Remaining challenges
- 3. Unlocking the full potential of CAREC corridors**

CAREC corridors are key transport arteries of the region

CAREC Corridor 1:

Europe–East Asia

CAREC Corridor 2:

Europe–Mediterranean–East Asia

CAREC Corridor 3:

Russian Federation–Middle East and South Asia

CAREC Corridor 4:

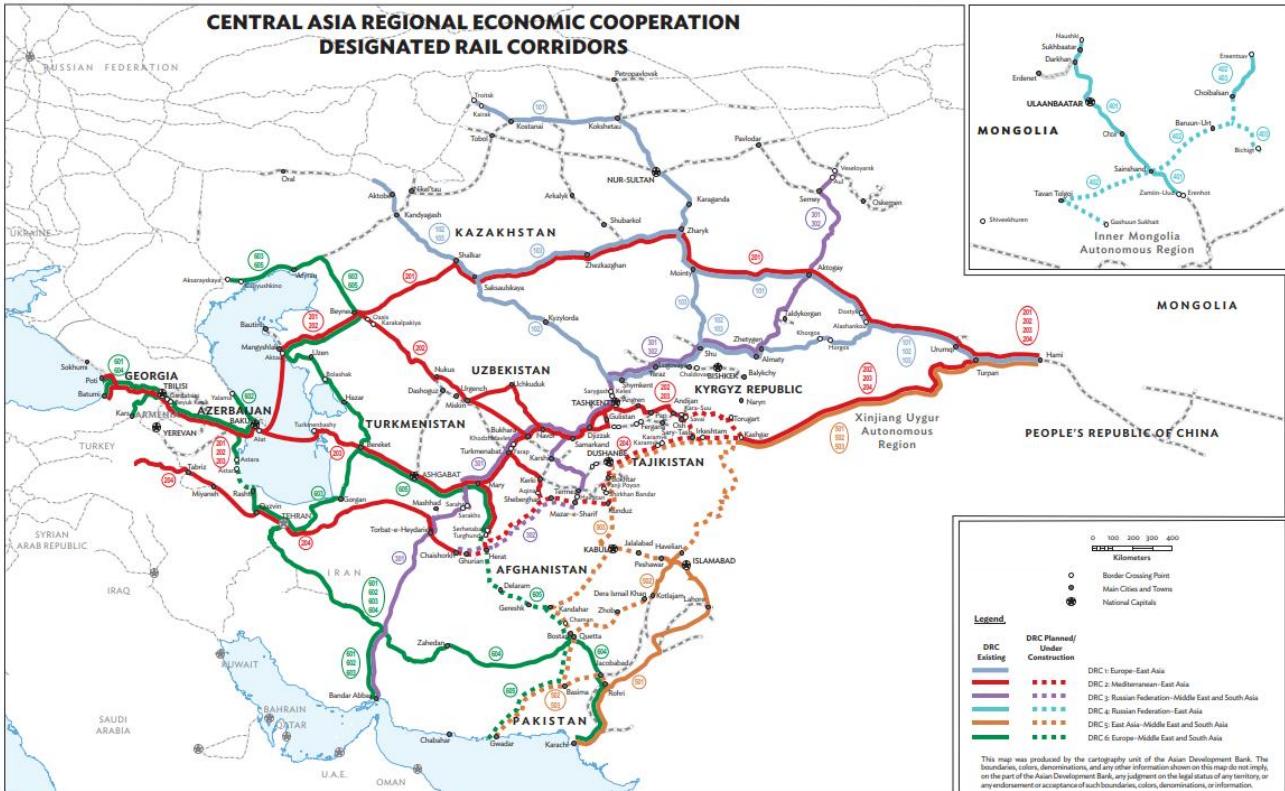
Russian Federation–East Asia

CAREC Corridor 5:

East Asia–Middle East and South Asia

CAREC Corridor 6:

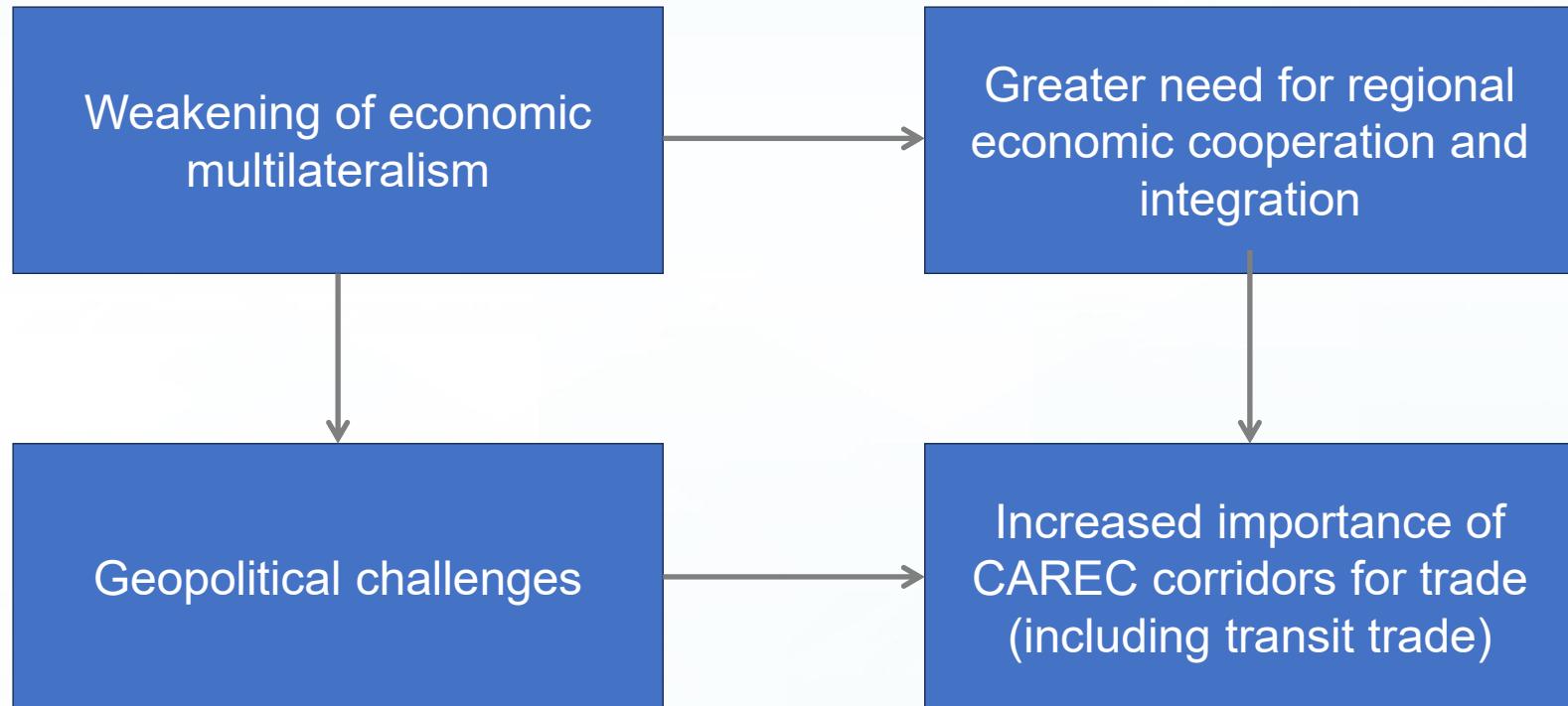
Europe–Middle East and South Asia



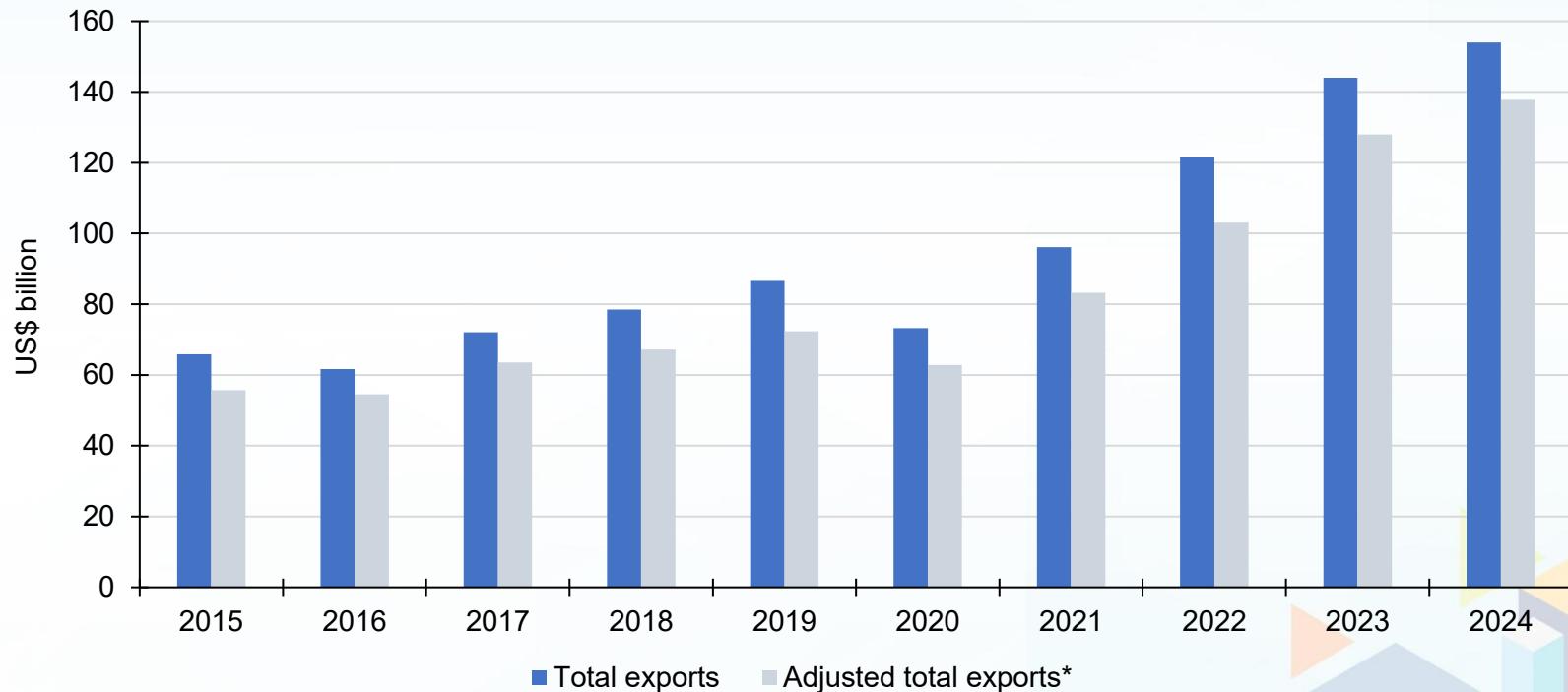
Source: CAREC Program website.

INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.

Recent global developments have reinforced the importance of CAREC corridors



Intra-CAREC merchandise exports more than doubled between 2015 and 2024

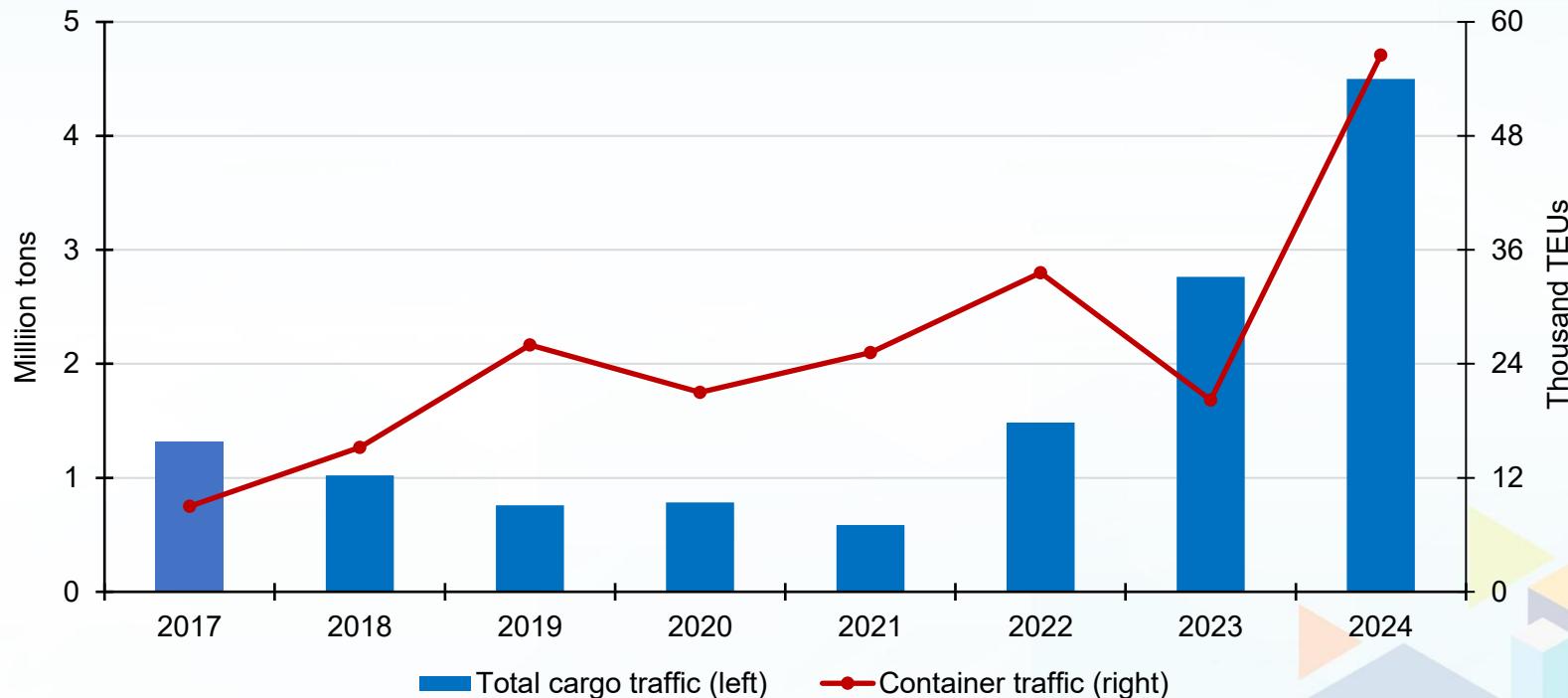


* Exclude exports of crude oil, oil products, gas, electricity, and gold.

Source: UNCTADstat; author's calculations.

INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.

Cargo flows along the Trans-Caspian International Transport Route (which largely coincides with CAREC Corridor 2) surged after 2022

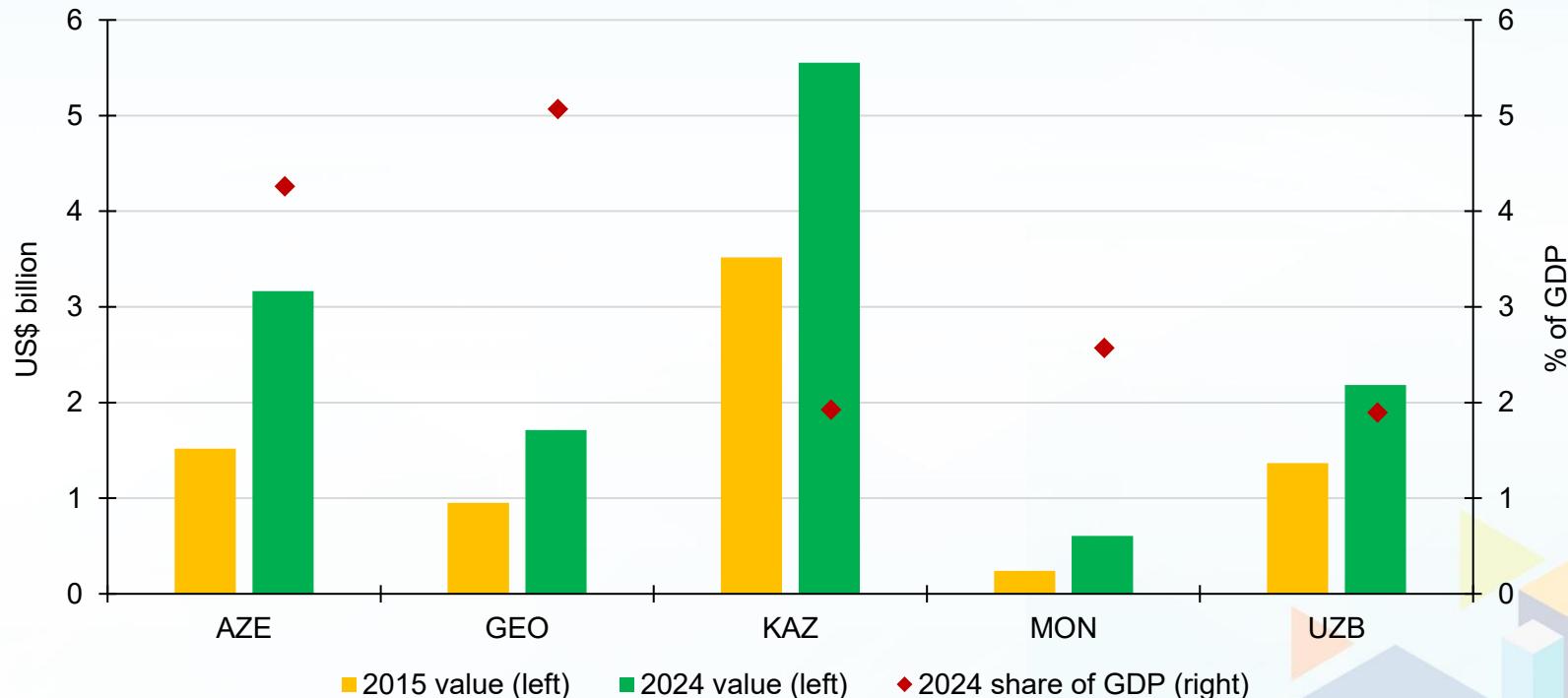


TEU = twenty-foot equivalent unit.

Source: Eurasian Rail Alliance Index; Ministry of Transport of Kazakhstan.

INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.

Exports of transport services have increased considerably in several CAREC countries



GDP = gross domestic product.

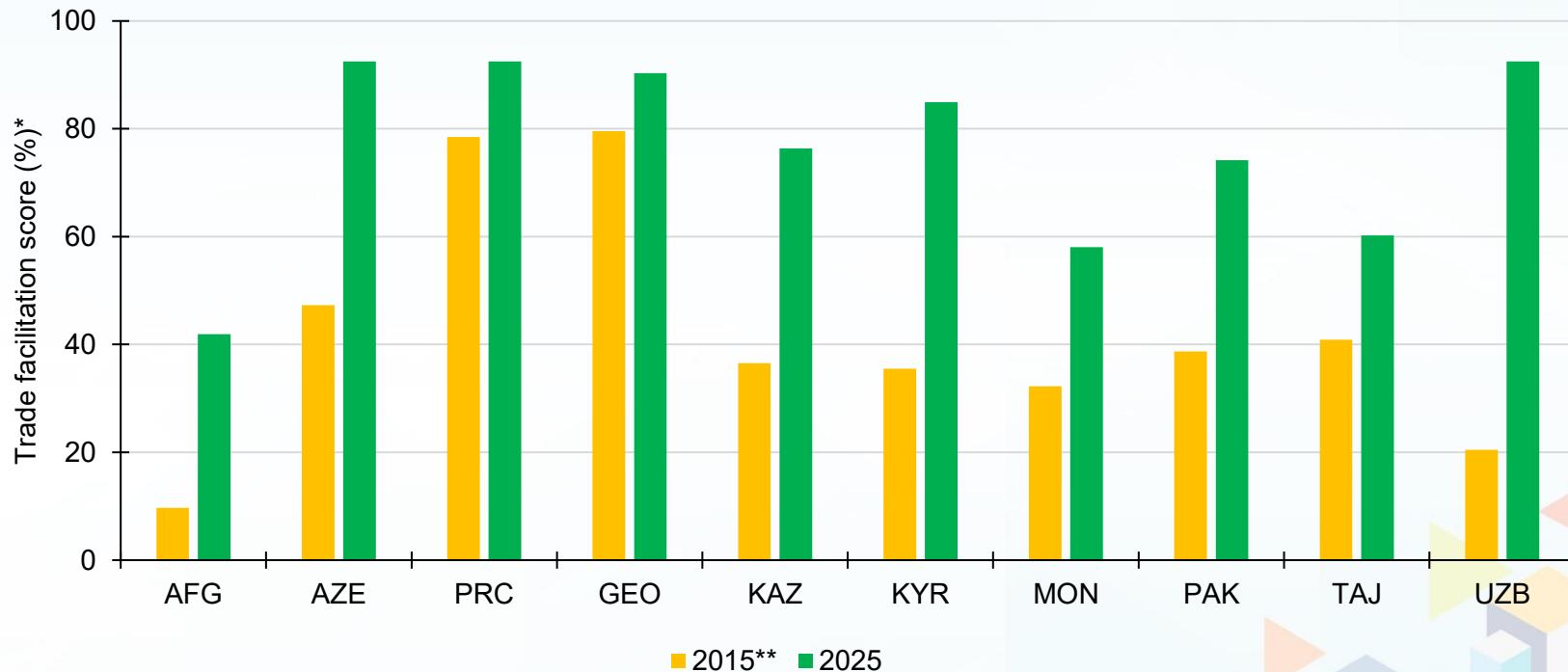
Source: World Development Indicators database; author's calculations.

INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.

Substantial infrastructure investments have been made in the development of CAREC corridors

- Nearly US\$34.5 billion had been invested along the six corridors as of December 2023
- These and subsequent investments have mostly focused on:
 - Rehabilitation and upgrading of existing roads
 - Construction of new roads
 - Modernization of railway lines and related infrastructure
 - Upgrading of rolling stock
- Investments have also been made in the modernization of border-crossing infrastructure

CAREC countries have made significant progress in trade facilitation



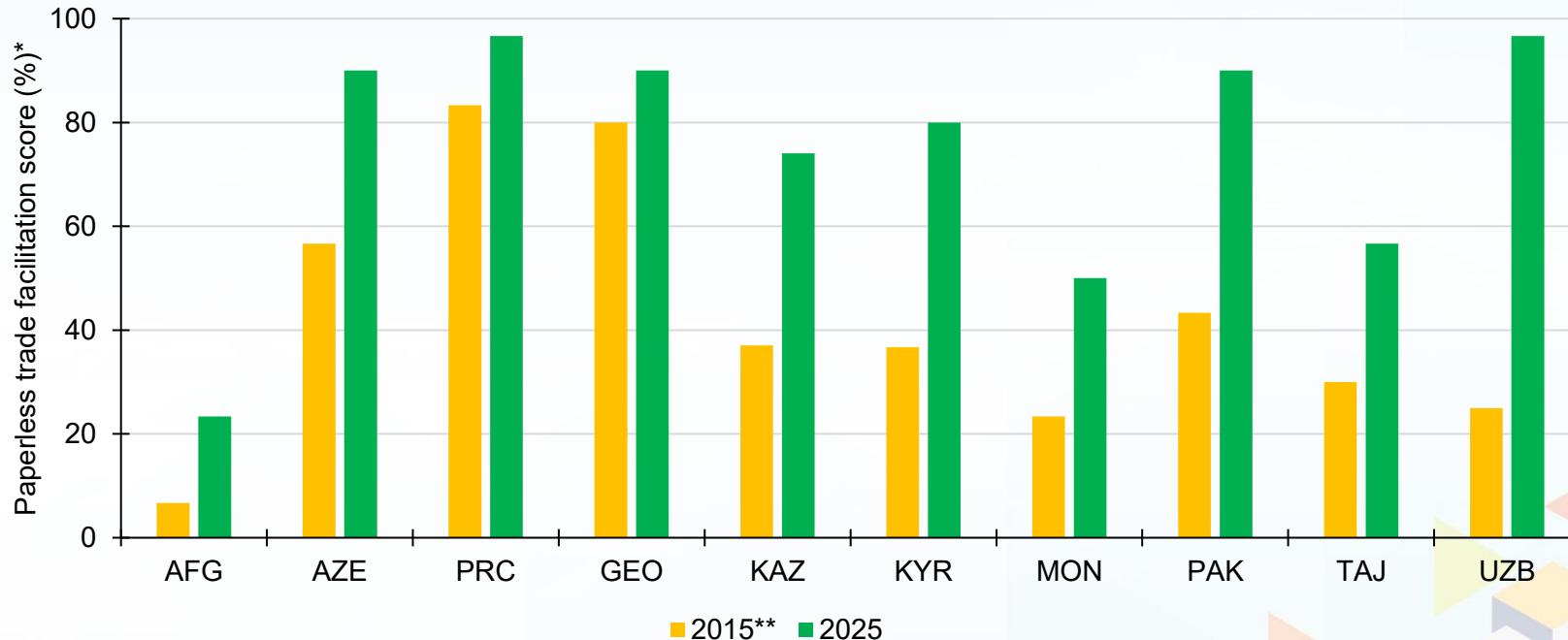
* The trade facilitation score ranges from 0 to 100%, with a higher score indicating greater progress in trade facilitation.

** The data for Georgia refer to 2019.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation database.

INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.

CAREC countries have also made good progress in implementing paperless trade



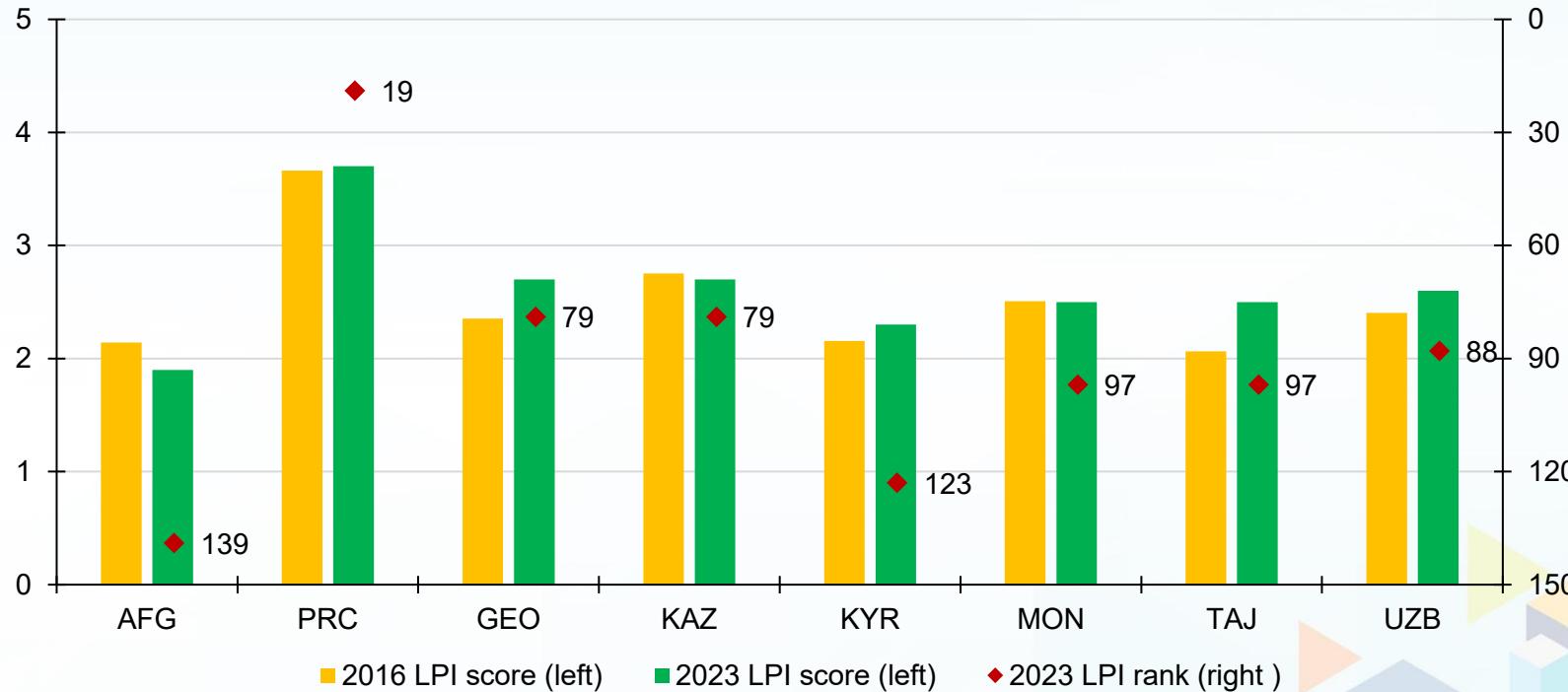
* The paperless trade facilitation score combines the measures under the Paperless Trade and Cross-Border Paperless Trade components of the UN survey. It ranges from 0 to 100%, with a higher score indicating greater progress in the implementation of paperless trade.

** The data for Georgia refer to 2019.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation database; author's calculations.

INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.

However, the development of logistics systems has been uneven across the region

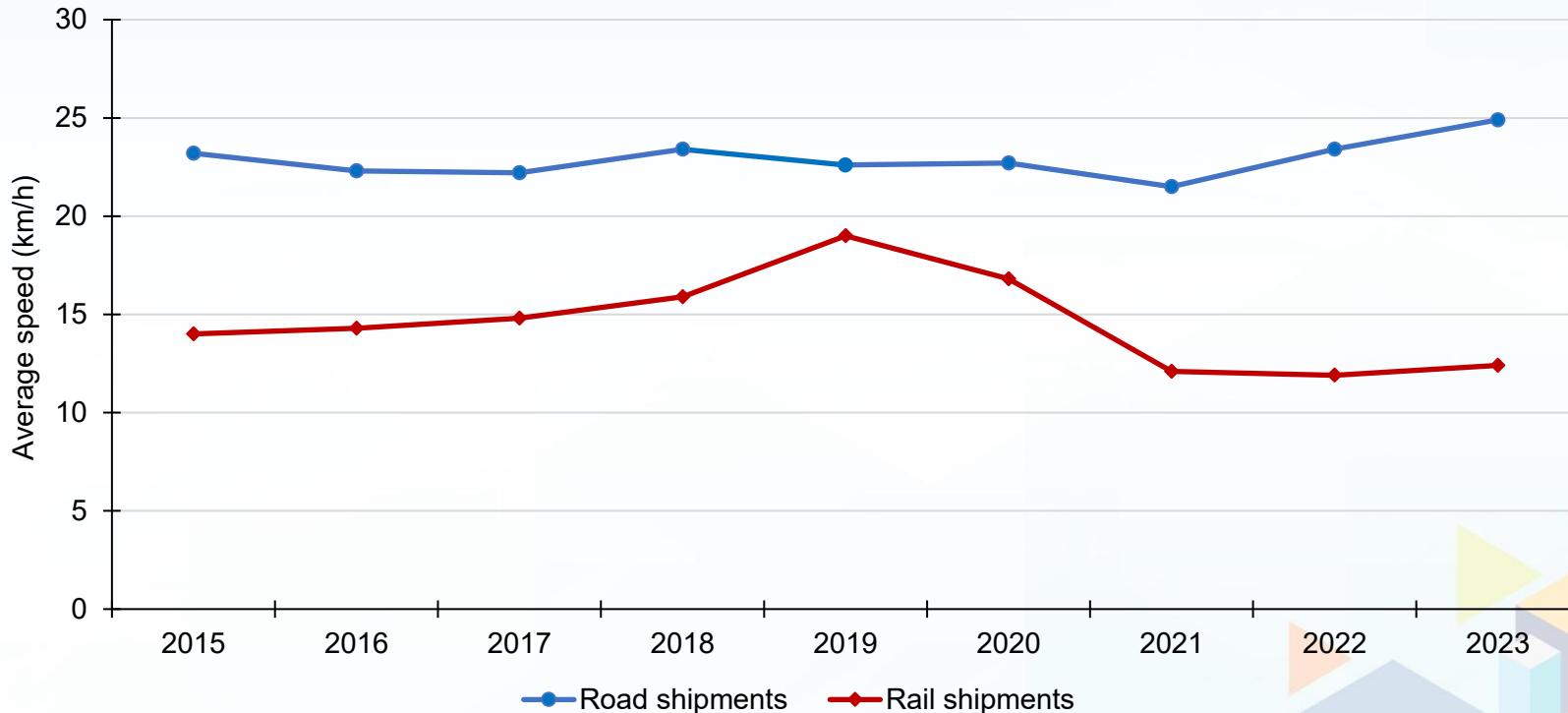


LPI = Logistics Performance Index.

Note: The LPI score ranges from 1 (lowest) to 5 (highest). LPI 2023 covers 139 countries. It does not cover Azerbaijan, Pakistan, and Turkmenistan.

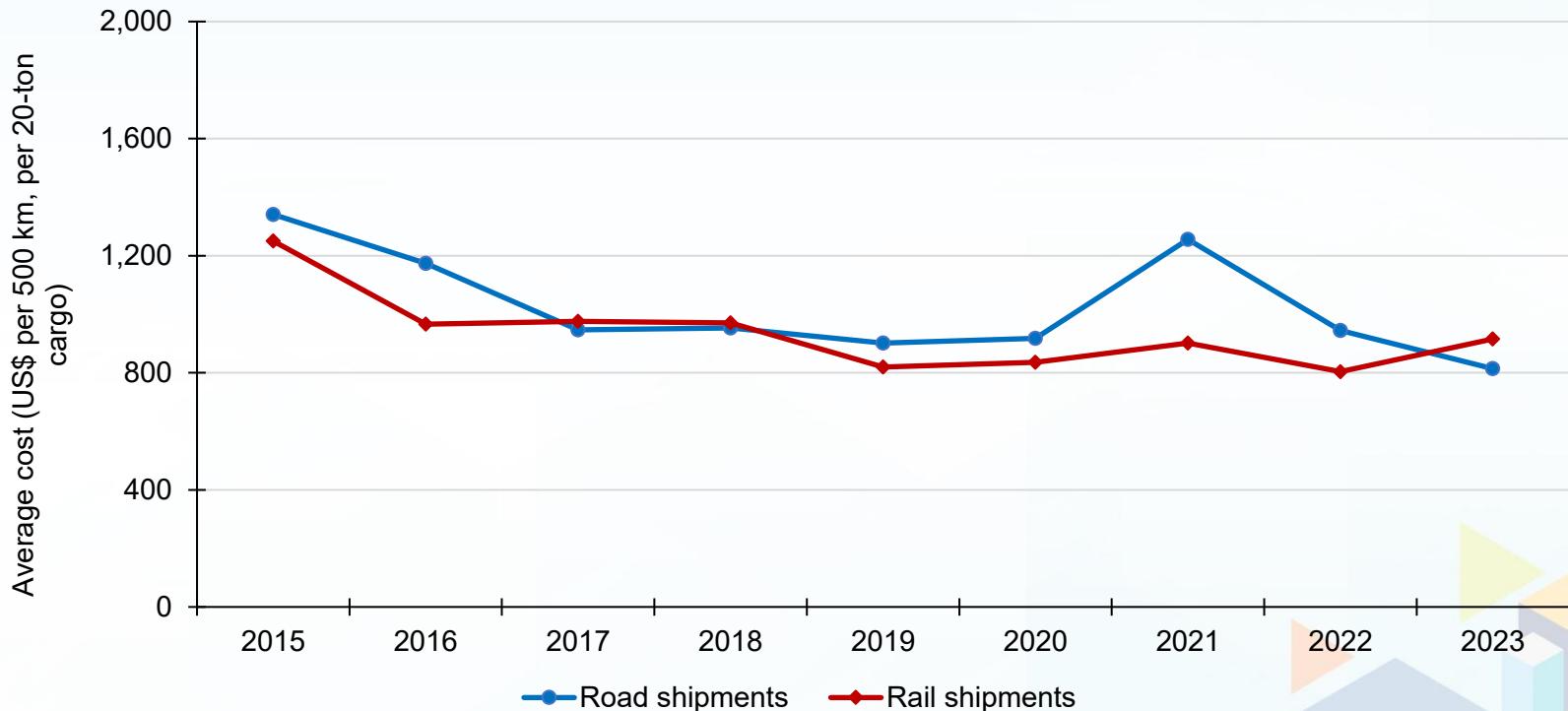
Source: Logistics Performance Index database.

The average speed of international shipments along CAREC corridors has remained roughly unchanged



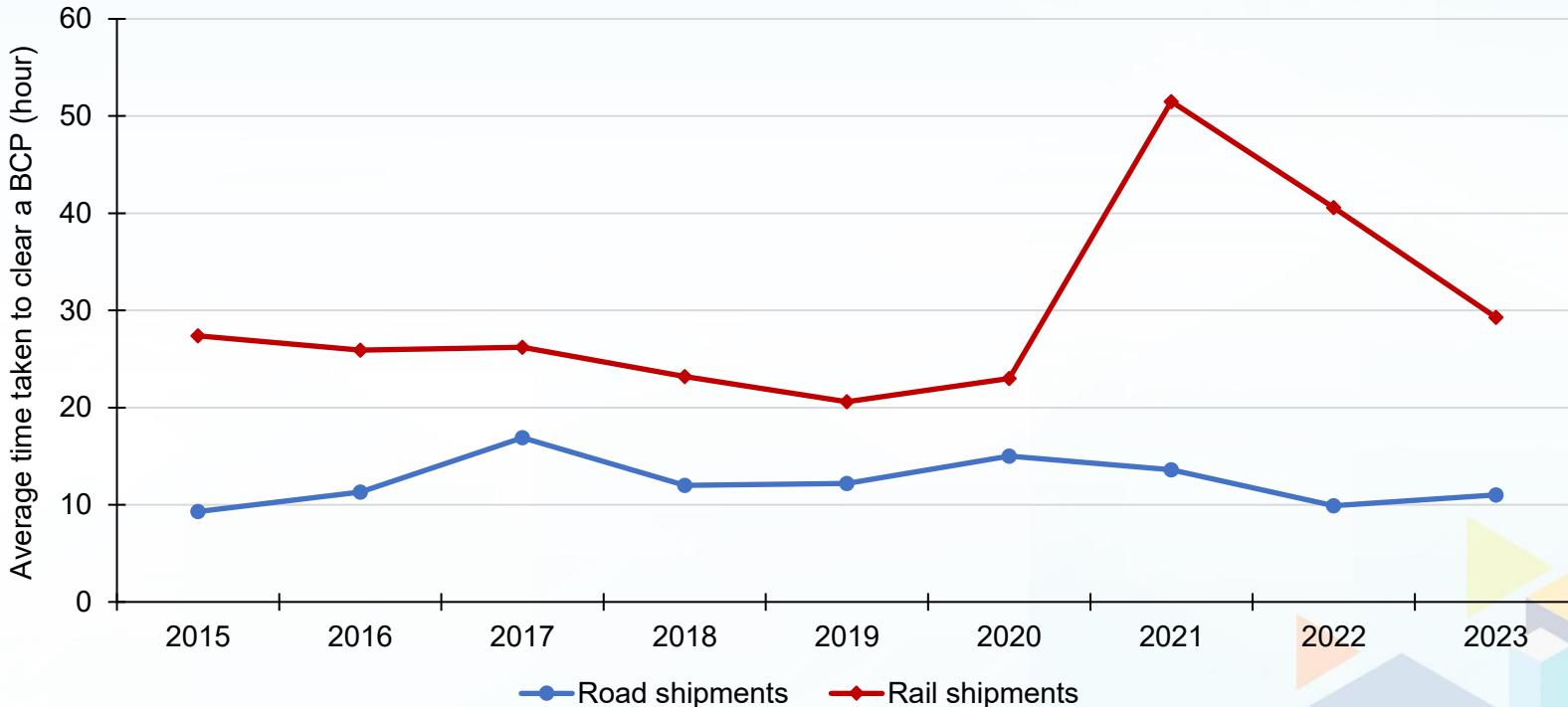
Source: CPMM database.

The average cost of international shipments along CAREC corridors has declined only modestly



Source: CPMM database.

The average border crossing time for international shipments along CAREC corridors has increased



BCP = border-crossing point.

Source: CPMM database.

INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.

Several constraints continue to limit the performance of CAREC corridors

- Missing links, particularly along railway routes
- Poor condition and/or capacity limitations of some sections and nodes
- Inadequate logistics infrastructure and services
- Long and unpredictable border-crossing times
- Lack of an effective electronic regional customs transit system
- Fragmented legal and regulatory framework for cross-border digital trade

Participation in key international legal instruments for digital trade remains uneven across CAREC countries

Legal Instrument	AZE	PRC	GEO	KAZ	KYR	MON	PAK	TAJ	TUR	UZB
United Nations Convention on the Use of Electronic Communications in International Contracts (2005)	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗
e-CMR Additional Protocol (2008)	✓	✗	✗	✗	✓	✗	✗	✓	✓	✓
WTO Trade Facilitation Agreement (2013)	✗	✓	✓	✓	✓	✓	✓	✓	✗	✗
Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (2016)	✓	✓	✗	✗	✓	✓	✗	✓	✓	✓
UNCITRAL Model Law on Electronic Commerce (1996)	✗	✓	✗	✗	✗	✗	✓	✗	✗	✗
UNCITRAL Model Law on Electronic Signatures (2001)	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗
UNCITRAL Model Law on Electronic Transferable Records (2017)	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

✓ = Country has signed/ratified/acceded (treaties) or adopted (model laws).

✗ = Country has not signed/ratified/acceded (treaties) or not adopted (model laws).

Source: United Nations Treaty Collection database; UNCITRAL website.

The economic potential of CAREC corridors is far from being fully realized

- Intraregional trade accounts for about 6% of CAREC countries' total merchandise trade (less than 8% without the PRC)
- There is significant unrealized potential in:
 - Expanding trade in agri-food products to enhance regional food security
 - Developing regional value chains and production networks
 - Increasing transit trade and boosting exports of related services
 - Developing regional tourism routes along selected corridor sections

Cross-border economic corridors can help unlock the development potential of CAREC corridors

A cross-border economic corridor is a geographical area spanning two or more countries and characterized by:

- Superior domestic and cross-border transport connectivity
- Seamless movement of goods, services, and people across borders
- Strong cross-border trade, investment, and business linkages

It combines the benefits of:

- Agglomeration and clustering of economic activity
- Regional economic cooperation and integration

Several sections of CAREC corridors offer strong potential for cross-border economic corridor development

Cross-Border Economic Corridor	Status	CAREC Corridor(s)
Almaty-Bishkek Economic Corridor (ABEC)	Under development	Corridors 1 and 3
Shymkent-Tashkent-Khujand Economic Corridor (STKEC)	Proposed	Corridors 1-3 and 6
Azerbaijan-Georgia economic corridor	Potential	Corridor 2

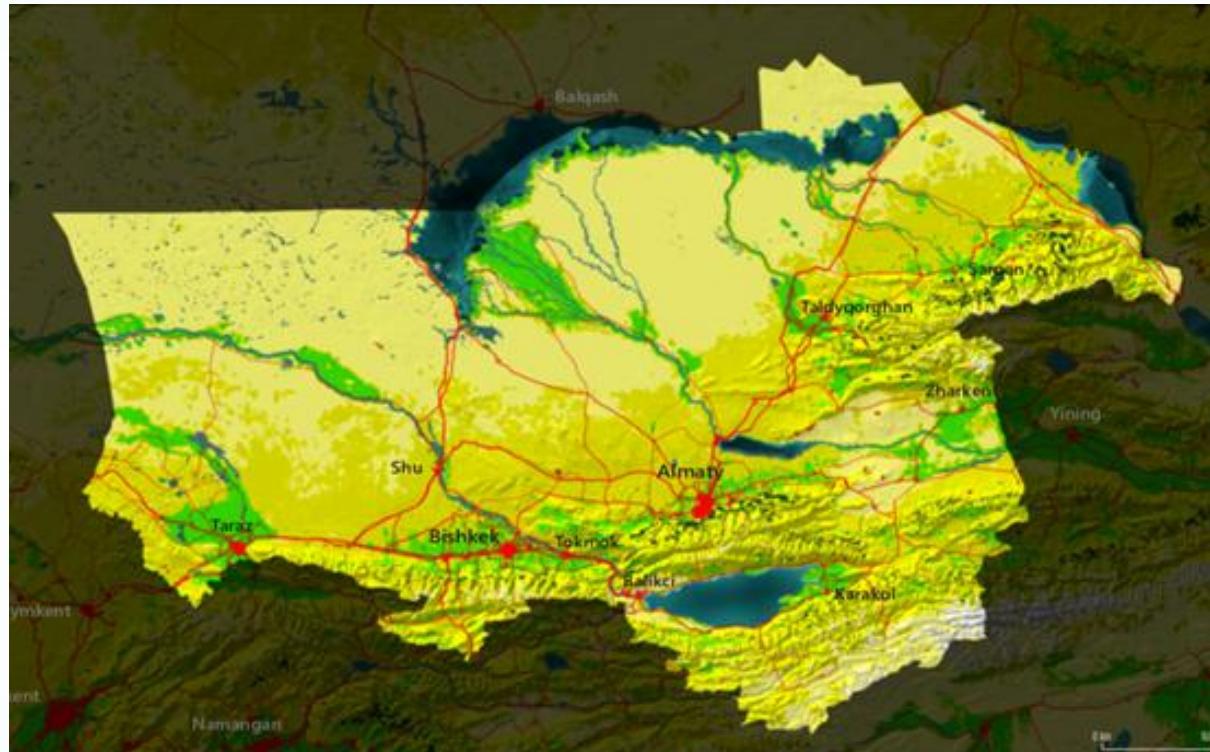
Source: CAREC Program website; author.

ABEC is the pilot cross-border economic corridor under the CAREC Program

It has an effective institutional mechanism

Its focus sectors are:

- Air quality
- Tourism
- Agribusiness
- Connectivity
- Health



Source: ABEC website.

Unlocking the full economic potential of CAREC corridors requires stronger B2G and B2B collaboration

B2G collaboration priorities:

- Building, operating, and maintaining roads along CAREC corridors
- Streamlining border-crossing procedures
- Implementing effective electronic regional customs transit systems (e.g., e-TIR and CATS/ICE)
- Harmonizing legal and regulatory frameworks for digital trade

B2B collaboration priorities:

- Developing smart cross-border logistics systems
- Developing regional value chains and production networks
- Developing multi-country tourism routes

Thank You

E-mail for queries: bganiev2014@gmail.com