

# Appendix A: Economic and Social Indicators

**Table 1: Selected Central Asian Region Economic and Social Indicators <sup>a</sup>**

Item	Fiscal Year					
	1998	1999	2000	2001	2002	2003
<b>I. Economic Indicators</b>						
<b>A. Income and Growth</b>						
1. GDP per Capita (\$, current)	755.0	688.7	671.7	709.1	745.2	860
2. GDP Growth (% , in constant prices)	1.7	4.4	8.1	10.2	8.4	8.4
Agriculture	(1.7)	10.3	3.3	9.5	2.4	3.4
Industry	2.8	5.0	11.5	11.8	10.7	8.1
Services	2.6	1.7	7.8	10.3	6.8	2.5
<b>B. Saving and Investment (current and market prices) (% of GDP)</b>						
1. Gross Domestic Investment	17.9	18.6	17.8	23.5	25.9	27.6
2. Gross Domestic Savings	11.3	17.5	22.6	23.3	25.5	26.2
<b>C. Balance of Payments</b>						
1. Merchandise Trade Balance (% of GDP)	(1.3)	3.6	13.7	7.9	9.3	10
2. Current Account Balance (% of GDP)	(8.7)	(3.9)	2.3	(3.2)	(2.7)	(2.7)
3. Merchandise Export (\$) Growth (annual % change)	(18.2)	8.3	48.1	(0.1)	3.9	24.8
4. Merchandise Import (\$) Growth (annual % change)	(6.0)	(10.5)	14.6	18.4	(1.2)	24.9
<b>D. External Payments Indicators <sup>c</sup></b>						
1. Gross Official Reserves (including gold, \$ million)	3,824.3	4,227.1	4,407.7	4,995.4	5,484.2	7958.8
2. External Debt Service (% of GNI)	4.3	5.5	12.2	11.5	12.9	-
3. Total External Debt (% of GDP)	29.3	33.6	49.8	58.1	63.3	-
<b>II. Social Indicators</b>						
<b>A. Population Indicators</b>						
1. Population (million)	62.4	62.9	63.3	63.8	64.4	65.0
2. Annual Population Growth Rate (% change)	0.9	0.8	0.6	0.8	0.9	0.9
<b>B. Social Indicators</b>						
1. Total Fertility Rate (births per woman)	-	-	2.4	2.4	2.3	-
2. Infant Mortality Rate (per 1,000 live births)	-	-	71.5	70.3	-	-
3. Total Life Expectancy at Birth (years)	-	-	66.0	65.5	65.0	-
Female	-	-	69.9	69.4	69.0	-
Male	-	-	62.3	61.8	61.3	-
4. Total Adult Literacy Rate (% of people aged 15 and above) <sup>c</sup>	99.1	99.2	99.3	99.3	99.3	-
Female	98.7	98.8	98.9	99.0	99.1	-
Male	99.6	99.6	99.6	99.6	99.6	-

- = not available or missing data for one or two countries, hence average was not computed.

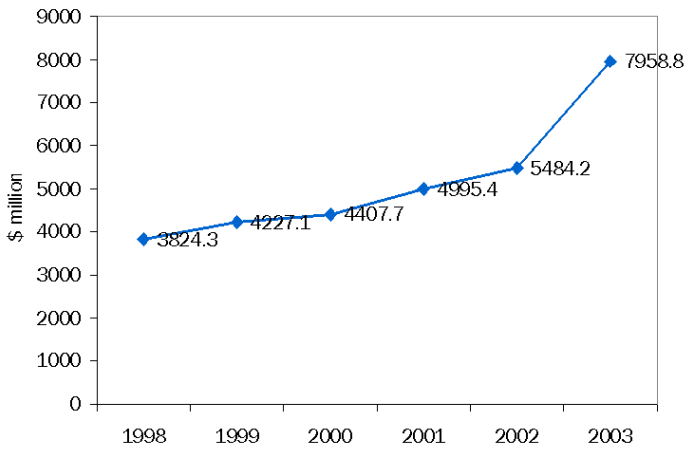
<sup>1</sup> Regional averages (or sums) were computed for Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

<sup>2</sup> Regional averages (or sums) exclude Turkmenistan.

<sup>3</sup> Average is computed only for 3 countries where data are available, namely, Kazakhstan, Tajikistan and Uzbekistan.

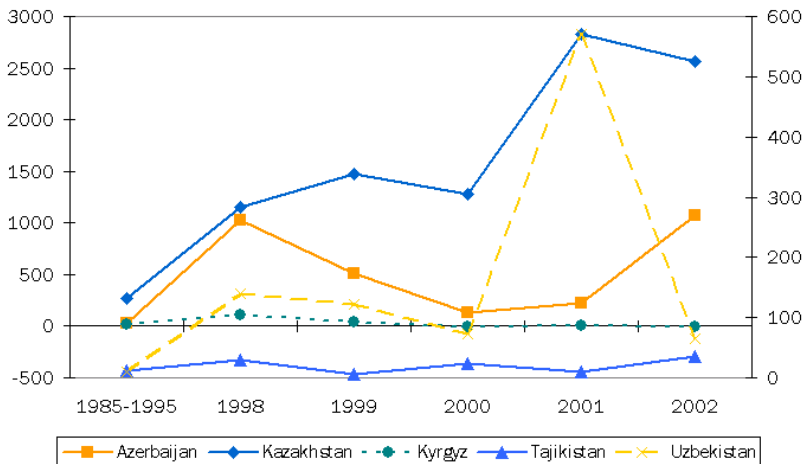
Sources: World Development Indicators Online, August 2004; Latest Respective Country Strategy and Program Updates

**Figure 4: Gross Official Reserves**  
(including gold, \$ million) 1998–2003



Source: World Development Indicators Online, August 2004.

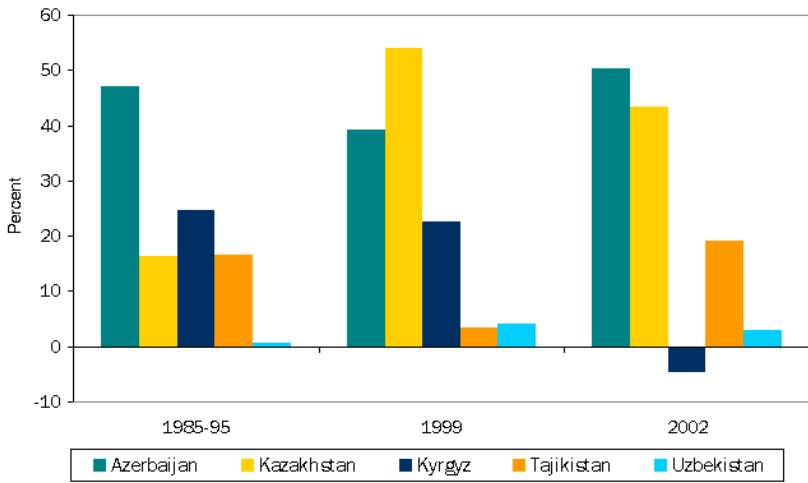
**Figure 5: Foreign Direct Investment Flows**  
(in \$ million) 1985–1995, 1998–2002



Source: World Investment Report 2003, UNCTAD

### Figure 6: Foreign Direct Investments

(as % of Gross Fixed Capital Formation, 1985–95, 1999, and 2002)



Source: World Investment Report 2003, UNCTAD.

## Appendix B: Regional Organizations

### 1. Economic Cooperation Organization (ECO)

- (i) Established in 1985 by Iran, Pakistan and Turkey, in 1992 it expanded to include 7 new members: Afghanistan, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.
- (ii) Its objective is to seek sustainable socioeconomic development of member states.
- (iii) ECO heads of states have met frequently since 1992, and the summits have typically included declarations and agreements. However, the implementation record has been poor and the impact has been limited. A fundamental obstacle to regional integration is the similarity of the member countries' economies which all tend to specialize in a small group of primary products such as oil, gas, minerals, and cotton. Trade among the Central Asian Republics (CARs) and with their neighbors has therefore expanded slowly.
- (iv) A recent priority is assistance in the reconstruction of Afghanistan. A 5-year action plan was endorsed in 2003.

### 2. Central Asia Cooperation Organization (CACO)

- (i) Established in February 2002, CACO includes Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan. It evolved from the Central Asia Economic Union formed in 1994 by Kazakhstan, the Kyrgyz Republic, and Uzbekistan. It became the Central Asian Economic Community (CAEC) in 1998 when Tajikistan joined and was re-named in 2002.
- (ii) CACO aims to expand cooperation in politics, economics, transport and energy infrastructure, water and energy resources, agriculture, trade, science, technology, environment, culture, tourism, sports, humanitarian issues, and regional safety and stability.
- (iii) In July 2003, the presidents of the 4 member states held a summit in Almaty. A number of agreements were signed, including closer coordination in combating terrorism and drug trafficking, as well as the creation of various consortia that will deal with such issues as water, energy resources, and food supplies.
- (iv) Central Asian leaders have attempted to distinguish CACO from its predecessor by emphasizing improved effectiveness. CAEC passed numerous resolutions but implementation was poor. Although there has been a flurry of activity since the establishment of CACO, it is

very early to judge whether implementation will actually improve.

- (v) In November 2003, President Nazarbayev of Kazakhstan, acting on behalf of CACO, wrote to IFI heads asking for their cooperation in establishing CACO consortia in sectors such as transport, energy, and water.

### 3. Shanghai Cooperation Organization (SCO)

- (i) In 1996, the "Shanghai Five" was established consisting of the PRC, Russia, Kazakhstan, the Kyrgyz Republic, and Tajikistan. In June 2001, Uzbekistan was invited to join and the group was officially renamed the Shanghai Cooperation Organization.
- (ii) The group aims to strengthen mutual trust among member states encouraging effective cooperation in politics, economy, science and technology, culture, education, energy, transportation, environmental protection, and other fields. It also hopes to jointly ensure regional peace, security, and stability.
- (iii) Two SCO permanent bodies-the secretariat in Beijing and the executive committee of a regional antiterrorism center in Tashkent-were set up in 2003.
- (iv) Despite the intention to cover the many issues above, SCO has focused on regional security and politics. It has also recently started focusing on economic matters.
- (v) An increasing level of interaction between CAREC and SCO is visualized in coming years.

### 4. Commonwealth of Independent States (CIS)

- (i) The CIS is a community of independent nations established by a treaty signed at Minsk, Belarus on 8 December 1991 by the heads of state of Russia, Belarus, and Ukraine. Between 8 December and 21 December, the three original signatories were joined by Armenia, Azerbaijan (its parliament, however, rejected ratifying membership until 1993), Kazakhstan, Kyrgyz Republic, Moldova, Tajikistan, Turkmenistan, and Uzbekistan. When Georgia joined in 1993, all of the former republics of the USSR except the Baltic states had become members of the CIS. Its headquarters are in Minsk.
- (ii) The organization was conceived as the successor to the Union Soviet Socialist Republics (USSR) in its role of coordinating foreign and economic policy of member nations. The treaty recognized current borders and each republic's independence, sovereignty, and equality. It also established a free-market rouble zone, embracing the

- republics' interdependent economies, and a joint defense force for participating republics.
- (iii) Strategic nuclear weapons in Belarus, Kazakhstan, Russia, and Ukraine were to be under the joint control of those republics with day-to-day authority in the hands of the Russian president and defense minister. Belarus, Kazakhstan, and Ukraine no longer possess such weapons.
  - (iv) At the CIS summit in 2003, four countries-Russia, Ukraine, Kazakhstan and Belarus-signed an agreement aimed at establishing a unified economic space with the ultimate goal of abolishing tariffs and harmonizing markets in key areas such as transport and energy. If realized, this plan would be the boldest initiative to come out of the CIS. Progress may be difficult to achieve given the track record of previous CIS resolutions and the conflicting interests of members.
5. Eurasian Economic Community (formerly the CIS Customs Union)
- (i) In December 1994, Kazakhstan announced the formation of a customs union treaty with Russia and Belarus that came into effect on 15 July 1995. The Kyrgyz Republic acceded in 1996 and Tajikistan in 1999 at which point it was called the Union of Five. In October 2000 the Union of Five was renamed the Eurasian Economic Community and a new treaty was signed in Astana that came into effect in May 2001.
  - (ii) The emphasis is on free intra-community trade as well as a common market for labor and capital, common policies towards migration, and more general policy harmonization. A specific intention is to coordinate WTO accession as underscored in the February 2004 summit in Almaty.
  - (iii) Recent initiatives also include the financing of power stations in Kazakhstan and Tajikistan as well as a plan for a unified energy grid embracing member states.
6. Special Programme for the Economies of Central Asia (SPECA)
- (i) SPECA was launched in 1998 with the support of two United Nations regional organizations-the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic Commission for Europe (ECE)-as an alternative forum for regional cooperation. The presidents of Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan signed the Tashkent Declaration on 26 March 1998 creating SPECA, and in September 1998 Turkmenistan officially

indicated its intention to sign the Declaration and to participate in SPECA projects.

- (ii) The main purpose of SPECA is to support the Central Asian countries in strengthening their cooperation in order to stimulate economic development and to facilitate integration with the economies of Asia and Europe. Through consultation with the participating countries, five priority areas were identified, and working groups were set up as instruments to develop and implement the program in each priority.

#### 7. GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova) Group

- (i) It was founded as a political, economic, and strategic alliance designed to strengthen the independence and sovereignty of these former Soviet republics.
- (ii) It seeks to enhance regional economic cooperation through development of a Europe-Caucasus-Asia transport corridor. It has also become a forum for discussion on existing security problems, conflict resolution, and the elimination of other risks and threats.
- (iii) Cooperation among delegations of Azerbaijan, Georgia, Moldova and Ukraine started in 1996 in Vienna, Austria, where four states issued joint statements and proposed common initiatives.
- (iv) On October 10, 1997, the Presidents of Azerbaijan, Georgia, Moldova, and Ukraine met in Strasbourg during the summit of the Council of Europe and stated their mutual interest in developing bilateral and regional cooperation, European and regional security, and political and economic contacts.
- (v) On April 24, 1999, Uzbekistan joined the group at the GUUAM Summit in Washington, D.C.
- (vi) During its 6-year existence, GUUAM has pledged to become a vital part of the east-west export routes although little effort has been made to achieve this goal. At the 2003 Summit, however, US commitment was obtained for projects relating to the creation of the Europe-Caucasus-Asia transport corridor.

#### 8. Black Sea Economic Cooperation

- (i) In June 1992, the heads of state and government of eleven countries-Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine-met on the invitation of the Government of Turkey in Istanbul. This Summit was successfully

crowned with the signing of the historic Summit Declaration on Black Sea Economic Cooperation.

- (ii) Its objective is to create an area of free movement of people, capital, and goods in which initiatives for cooperation come from below rather than above, allowing roles for states in arranging the legal framework.