



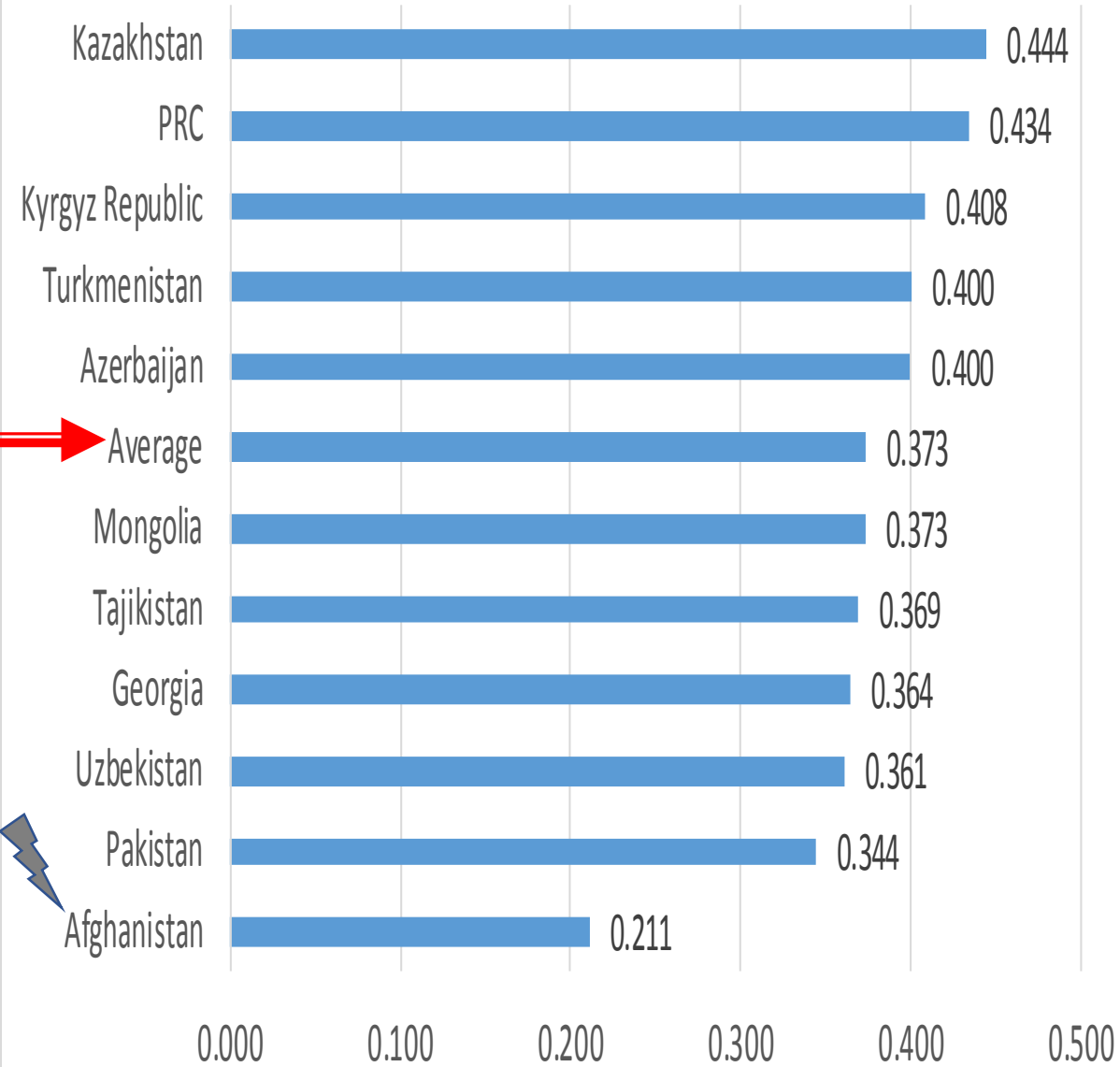
Country Performance on the CRII

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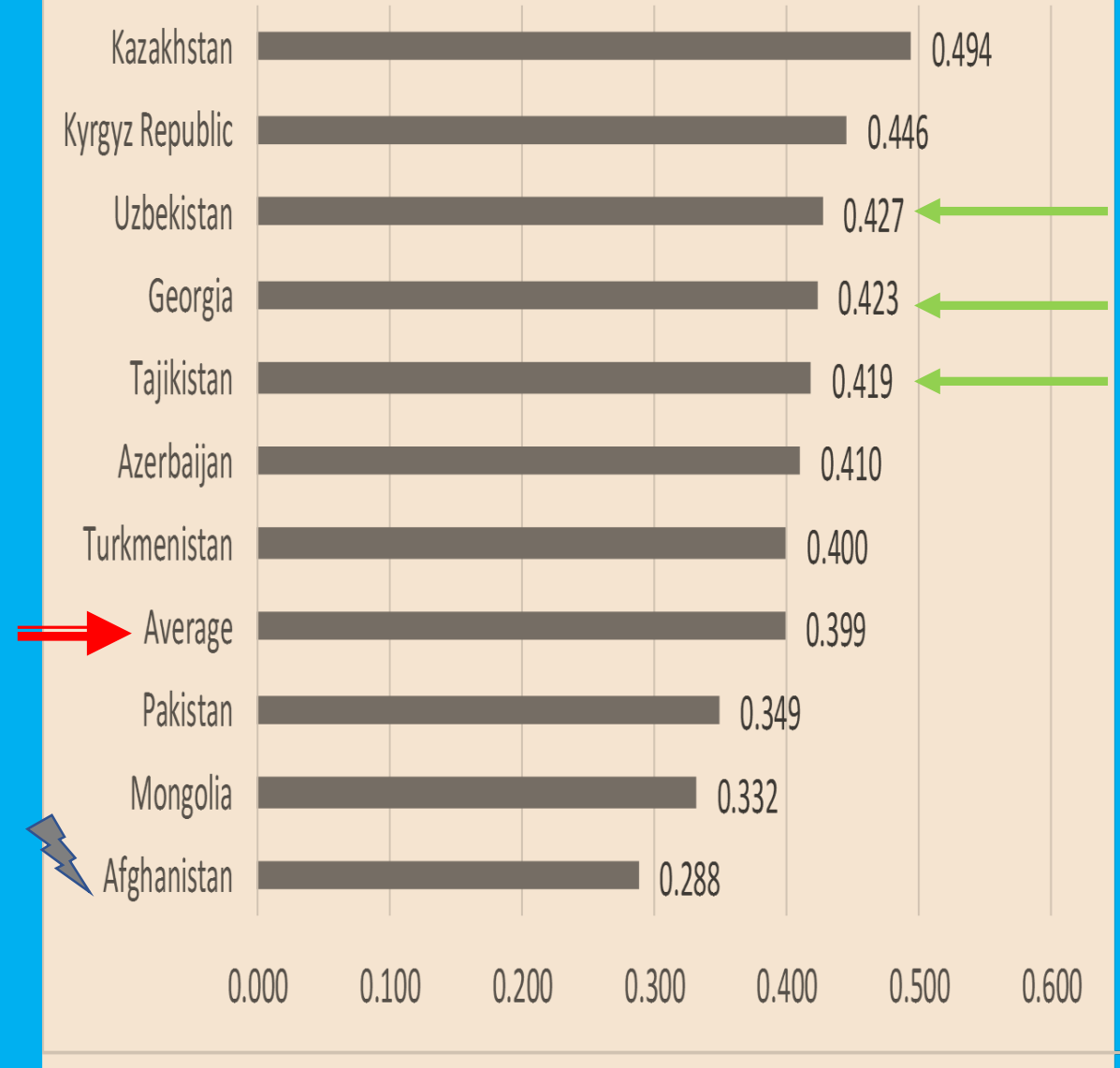
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CRII



CRII Ex PRC



COUNTRY SUB-GROUPINGS

High/Medium Integration

CWC

ExPRC

AVERAGE

0.373

0.399

• Kazakhstan

0.444

0.494

• Kyrgyz Republic

0.408

0.446

• PRC

0.434

• Uzbekistan

0.361

0.427

• Georgia

0.364

0.423

• Tajikistan

0.369

0.419

• Azerbaijan

0.400

0.410

• Turkmenistan

0.400

0.400

Low Integration

CWC

ExPRC

AVERAGE

0.373

0.399

• Pakistan

0.344

0.349

• Mongolia

0.373

0.332

• Afghanistan

0.211

0.288

POLICY PROPOSALS: Low Integration Countries

Afghanistan: low scores: infrastructure and connectivity 0.291; FMI 0; Regional Value Chain 0.306

- ✓ increase investments in Infrastructure and connectivity to connect to major markets;
- ✓ support SMEs (constitutes 75% of economy)
- ✓ Support Financial Development

Pakistan: medium scores: regional value chain 0.524; infrastructure and connectivity 0.417;
low score: trade and investment: 0.161

- ✓ Enhance support for infrastructure to link to China and India (two economic powerhouses)
- ✓ ADB support for Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline for badly-needed energy resources
- ✓ Support for the apparel sector; extend assistance to enhance regional value chains
- ✓ Diversify export markets for apparel within the region

Mongolia: high scores: regional value chain 0.525; movement of people 0.500;

low scores: trade and investment 0.370; FMI 0.169; infrastructure and connectivity 0.388

- ✓ diversify agricultural sector, competitive advantage in livestock/meat products
- ✓ Strengthen regional value chains in agriculture
- ✓ Promote tourism
- ✓ Competitive advantage in renewable energy (wind , solar)

Medium Integration

Uzbekistan: high scores: regional value chain 0.507; infrastructure and connectivity: 0.409

low scores: trade and investment: 0.227; movement of people 0.185; FMI 0.126

- ✓ develop agricultural RVCs in high value horticulture, livestock farming, diversify beyond cotton production
- ✓ develop tourism industry to exploit country's heritage sites
- ✓ Infrastructure development and improvement to link Uzbekistan, Kazakhstan and Tajikistan along major CAREC corridors
- ✓ Human capital investments to exploit the "demographic dividend"

Georgia: high scores: infrastructure and connectivity 0.772

low scores: trade and investment 0.154; RVC 0.283; movement of people 0.341

- ✓ investment in Anaklia Deep Seaport and Special Economic Zone to further strengthen connectivity between CAREC region and Europe
- ✓ Diversify export markets within the CAREC region for balanced trading relationships with EU
- ✓ Support tourism development

Tajikistan: high scores: RVC 0.654; infrastructure and connectivity 0.522; movement of people 0.415

low scores: trade and investment; 0.133 FMI 0.054

- ✓ Infrastructure investments in transport and energy, particularly the Dushanbe-Kyrgyz road network
- ✓ Reconnection to the Central Asia Power Systems (CAPS)
- ✓ Leverage abundant hydropower resources for intra-regional energy exchange
- ✓ job creation skills to wean away dependence on remittances
- ✓ Private sector development in support of SOE reform

Medium Integration (con't)

Azerbaijan: high scores: movement of people 0.603; infrastructure and connectivity 0.530; RVC 0.506

low scores: trade and investment ; 0.096 FMI 0.089

- ✓ Explore synergies with Baku Port and Anaklia Deep seaport in Georgia, as maritime transport hub for CAREC region and beyond
- ✓ Reduce dependence on extractive industries through support for agriculture; develop agricultural RVCs
- ✓ Policy interventions in border management; data management of movement of people at entry/exit ; support for more efficient migration and asylum regimes;
- ✓ Support legislative reform for movement of people
- ✓ Diversify export markets to spur intra-regional trade

Turkeministan: high scores: RVC 0.606; Infrastructure and Connectivity 0.502;

low scores: Trade and Investment 0.047; FMI 0.045; Movement of People 0.281

- ✓ as world's 12th supplier of natural gas, investments in regional exchange program to promote energy security; continuing support for TAP, TAPI, and TUTAP to streamline regional energy exchange
- ✓ Diversification of economy beyond natural gas and cotton exports, supporting regional market development
- ✓ Privatization of banks to increase private sector credit to GDP
- ✓ Credit access to SMEs through private banks
- ✓ Airport and railway construction to enhance infrastructure and connectivity

High Integration Countries

Kazakhstan: high scores: Infrastructure and Connectivity 0.551; RVC 0.545; FMI 0.381

low scores: trade and investment 0.164

- ✓ Most integrated country in the region; high potential to increase intra-regional trade
- ✓ Relatively high scores in FMI , potential to promote financial integration through the Astana International Financial Centre
- ✓ Diversification of economy to reduce dependence on extractive industries
- ✓ High level of education can be exploited for its potential for regional knowledge centers as knowledge hubs , in collaboration with the PRC

PRC: high scores: FMI 0.788; RVC 0.544; Infrastructure and Connectivity 0.480

low scores: Trade and Investment 0.006; movement of people 0.258

- ✓ Interpret scores with caution. These are results for whole of China, not for XUAR and IMAR; need to disaggregate data analysis
- ✓ Need to spur intra-regional trade and also focus Chinese investment to the CAREC region
- ✓ Collaborate with Kazakhstan to promote knowledge hubs for regional integration
- ✓ Invest in the development of intra-regional value chains especially in burgeoning manufacturing sectors in the CAREC region

Kyrgyz Republic: high scores: RVC 0.508; infrastructure and connectivity 0.420

low scores: trade and investment 0.380; FMI; 0.108

- ✓ Competitive advantage in garment industry through SMEs; need to advance along regional value chain by expanding to regional markets beyond Kazakhstan; capacity building in branding, marketing, distribution, technological advances in garment production
- ✓ Support development of agricultural RVCs

Growth Triangle Approach

ADB: “to solve the practical problems of regional integration among countries at different stages of economic development, even with different economic and social systems.”

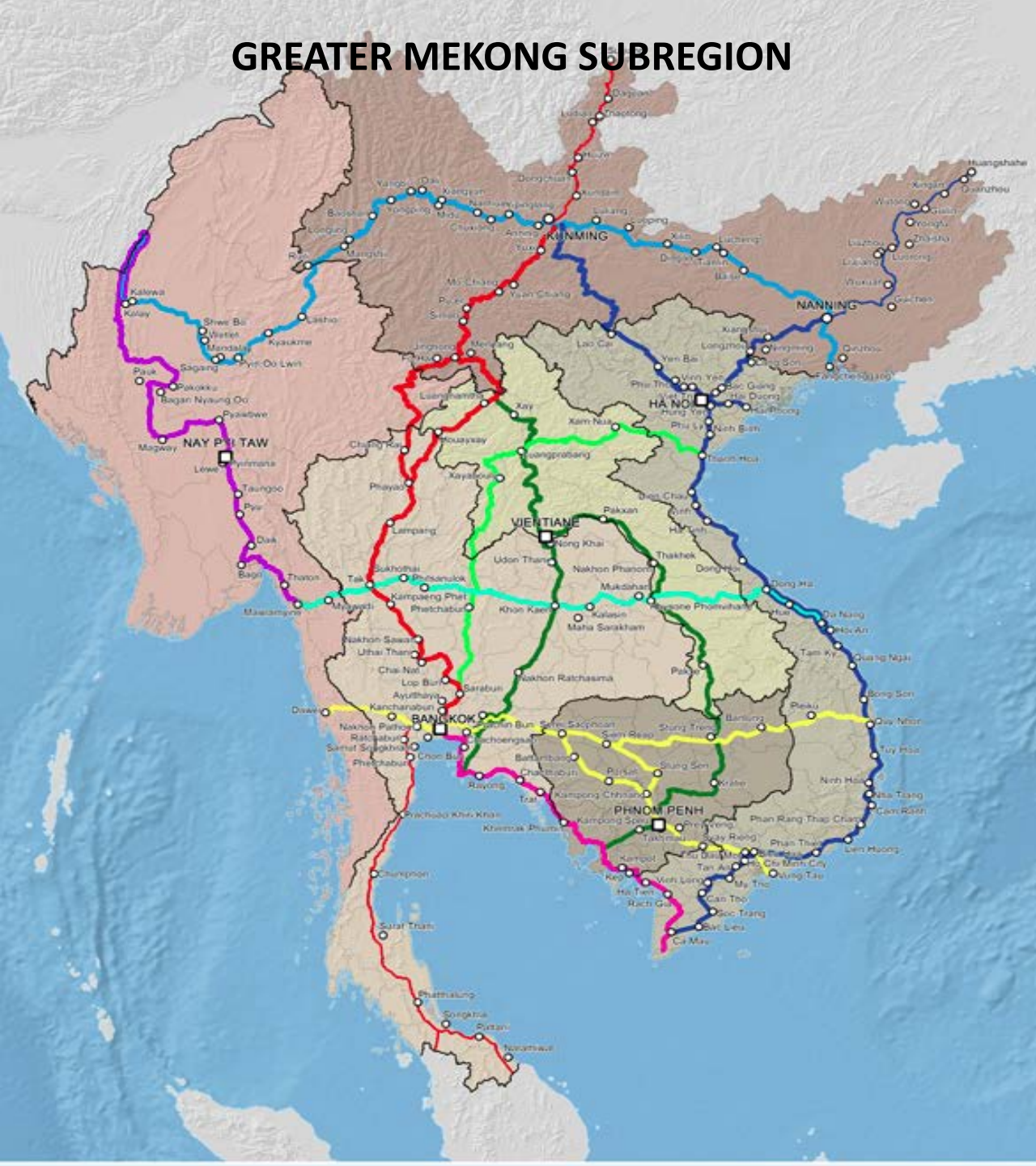
Geographical Growth Triangles:

- **Brunei-Indonesia-Malaysia-Philippines East Asia Growth Area (BIMP-EAGA)**
- **Greater Mekong Subregion (GMS): Cambodia, Laos, Myanmar, Thailand, Vietnam, Yunnan and Guianxi provinces in China**

Sectoral Growth Triangles:

- Knowledge triangle
- Transport and Logistics triangle
- Energy Triangle
- Financial Integration Triangle

GREATER MEKONG SUBREGION



BIMP-EAGA LOCATION MAP



CENTRAL ASIA REGIONAL ECONOMIC COOPERATION DESIGNATED RAIL CORRIDORS



0 100 200 300 400
Kilometers

○ Border Crossing Point
● Main Cities and Towns
★ National Capitals

Legend

- DRC 1: Europe-East Asia
- DRC 2: Mediterranean-East Asia
- DRC 3: Russian Federation-Middle East and South Asia
- DRC 4: Russian Federation-East Asia
- DRC 5: East Asia-Middle East and South Asia
- DRC 6: Europe-Middle East and South Asia

Solid Lines - DRC Existing
Broken Lines - DRC Planned/Under Construction

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STRIKE:

Strengthening Regional
Integration through

KNOWLEDGE ENHANCEMENT

FIVE AREAS of KNOWLEDGE COLLABORATION

- **ENERGY TRADE**
- **TOURISM**
- **AGRICULTURAL REGIONAL VALUE CHAINS**
- **PROMOTING GOOD BUSINESS /INVESTMENT CLIMATE**
- **COOPERATIVE WATER GOVERNANCE**