



## 2020 CAMCA COUNTRY UPDATES

*This collection features submissions from CAMCA Network representatives from each of the ten CAMCA countries providing readers with the latest updates on each country since last year's CAMCA Regional Forum. Each country update synopsis includes the most notable economic, political and social developments, insights on what those interested in the region should be on the lookout for in the coming years, and finally, top examples of recent intraregional cooperation.*

### AFGHANISTAN

#### - Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019):

**Economic:** After a year of drought and intensifying insecurity, Afghanistan's economy showed some signs of recovery in 2019, with growth rising to 3% from 2.7% largely due to a better agricultural crop. According to the updated IMF forecasts from April 14, 2020, due to the outbreak of COVID-19, GDP growth is expected to fall to -3% in 2020 and pick up to 4.5% in 2021, subject to the post-pandemic global economic recovery.

Donor commitments end in 2020 and Afghanistan is preparing for a major donor conference in November 2020 to re-commit donors in support of Afghanistan's economic growth and development.

**Political:** First, the parliamentary and presidential elections, both of which were widely disputed resulting in major political unrest and instability. The presidential election outcome was settled through a power-sharing agreement between incumbent Ashraf Ghani and Abdullah Abdullah, in which Abdullah Abdullah took on the lead role in the peace process with the Taliban.

The second major event was the progress made in the peace process with the Taliban, where an agreement was signed between the U.S. and the Taliban in Doha in February 2020. Now the focus is on creating momentum to kickstart direct talks between the Taliban and the Afghan Republic's delegations.

**Social:** The COVID-19 pandemic resulted in lockdowns in all major cities affecting the daily life of citizens. Wide-spread campaigns to inform and warn people have had a level of effect but generally quarantine measures are not adhered to. Mosques and group prayers are still continuing, and positive cases are still on the rise. This pandemic has put an increasing burden on social life on top of the existing war and poverty across the country.

#### - Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

The peace process, if successful, will be a game changer for the entire region as it could open up the full potential of Afghanistan; connecting Central Asia to South Asia and paving the way for major economic opportunities and infrastructure projects including, but not limited to, the cross-national Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline as well as the Central Asia South Asia (CASA 1000) power transmission network.

The U.S./NATO troop withdrawal will change the regional military power dynamic, naturally affecting Central Asian states north of Afghanistan.

The downside of failing to reach a political settlement is a potential system collapse resulting in a civil war. The mass migrations and other consequences of this happening are clear to everyone, amplifying the significance of this process.

- **For those considering investing in your country, what are the top sectors they should be watching?**

1. Mining sector: There are hugely untapped reserves across Afghanistan, including but not limited to copper, lithium and gold as well as oil.
2. Education sector: A major demand for quality, tertiary-level education still dominates the country. Any serious investment in universities would quickly yield positive financial results. As of now, aside from the local universities and the American University of Afghanistan (currently supported by USAID), work has begun on establishing the OIC-funded Islamic University of Afghanistan, as well as a Saudi-funded university with a focus on technical and social science majors.
3. Agriculture: The backbone of Afghanistan's economy, investing in this sector is competitive. The major challenge is to ensure products reach the designated markets in time.

- **Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

- Afghanistan-Uzbekistan bilateral trade relations are on the rise since 2018. Both Mazar-e-Sharif and Termez are increasing the daily trade across the border leading to an increasing number of investors from Afghanistan to establish factories in Uzbekistan.
  - Increasing direct flights from Kabul to Central Asian capitals e.g. Almaty, Dushanbe and Tashkent.
  - Afghanistan pivoting from South towards Central Asia to reduce economic and trade dependency on our southern borders. This is because the political tensions with our southern neighbors resulted in trade blockages which hurt the economy, but now our trade routes are far more stable after the pivot.
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## ARMENIA

- Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** The economy maintained robust growth despite a slowdown in exports. In 2019 the Armenian government recorded [7.6% GDP growth](#). Based on those numbers, fiscal balance has improved. Armenia's Ministry of Finance issued [\\$500 million USD worth Eurobonds](#) with a 10-year maturity period. The country's [new tax reform](#), introduced in June 2019, aims to boost medium-term economic activity: the corporate income tax was reduced by 2% to 18% and the tax on dividends for non-resident organizations decreased to 5%. Two alternative tax systems for small businesses were replaced by a single micro entrepreneurship system. The Ministry of High-Tech Industry granted tax privileges to tech start-ups, and the [World Congress on Information Technologies](#) held in Armenia in October 2019 boosted international investment in the industry. Armenia's road network stretches [for 7,750 kilometers](#), of which 4,000 km are categorized as a community or lifeline road network.

**Political:** There have been a number of developments in the policy justice and judicial reform, education and environmental policies, infrastructure development in the field of roads, as well as in healthcare. In September 2019 Armenia approved the [Strategy on Judicial and Legal Reform 2019-2023](#) tackling reforms in transitional justice, public accountability, unified platform of services, criminal and criminal procedures legislation, etc. Starting from January 2022 [single-use plastic bags](#) will be banned in Armenia according to the amended Law on Trade and Services. This is a huge step towards addressing environmental issues. Developments in the field of higher education law envisage closer cooperation between higher education and research institutions under one umbrella together with employers. Armenian parliamentarians have registered success in various international organizations, such as the OSCE, Council of Europe, etc., thus, underlining the importance and value of parliamentary diplomacy.

**Social:** Real wages [continue to grow](#) and were increased by 4.5% in 2019. The salary of teachers was raised in September, after remaining stagnant over the past 10 years. TUMO center, which is a national brand for non-formal education in STEM, has opened branches in Paris, Berlin, Beirut and Tirana and there has been interest to open one in Kazakhstan.

- Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

Human capital development coupled with IT industry advancement are the key areas to consider when it comes to Armenia.

Large scale healthcare, education and social capital development projects create in-house expertise for know-how in terms of long-term development and enhancement strategies. Armenia's population has distinctive health characteristics that could be valuable to global biotech development. Thus, biotech and digital health are definitely areas to keep a close eye on. In addition, 'Cleantech' solutions that could mitigate negative environmental impacts would be an interesting area for both policy design and investment.

Armenia has established a tradition and ecosystem for Artificial Intelligence Pure Research, and according to World Bank research, it has strong global comparative advantages in mathematics and natural sciences – even more so than in ICT – so this is definitely a top area to consider in the country's development context.

Linked to this topic it is important to mention that two of the three dominant global electronic design automation firms have operations in Armenia.

- For those considering investing in your country, what are the top sectors they should be watching?

1. AI pure research
2. Quantum research
3. Education technology
4. FinTech
5. Biotechnology

- **Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

Armenia mostly has bilateral relationships with the regional countries, apart from their cooperation within the CIS platform, CSTO and the Eurasian Economic Union. In 2019, Armenia and Uzbekistan engaged in healthcare sector cooperation. There is intensive cooperation between Armenia and Turkmenistan in cultural matters, and mutual exhibitions have been planned for 2020. Cooperation with Tajikistan evolves around trade and the economic sector, energy, technology, science, IT and the cultural-humanitarian spheres. The Armenia-Kyrgyzstan Friendship Group of the National Assembly of Armenia is actively engaged in a number of initiatives in trade and the economic sector, as well as in education and culture. Armenia also has strong cooperation with Georgia across a number of sectors, mostly related to energy and economic cooperation, in addition to education and healthcare. There are high-level dialogues between these governments on a yearly basis, and to underscore the importance of such collaborations, our Deputy Prime Ministers chair the intergovernmental consultations on both sides.

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## AZERBAIJAN

### - Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** Among important economic developments was the opening of the Trans-Anatolian Natural Gas Pipeline (TANAP), which is a major part of the Southern Gas Corridor, connecting the giant Shah Deniz gas field in Azerbaijan to Europe. The COVID-19 pandemic and oil price slump has resulted in economic slowdown in early 2020. The World Bank estimates that Azerbaijan's GDP will fall to -2.2%. The pandemic has the potential to markedly change the economic outlook of Azerbaijan, considering the potential further decrease of the role of the oil sector, as well as the possible rise of business activity in non-oil sectors of the economy (agriculture, tourism, IT).

**Political:** 2019 has been characterized by personnel and institutional changes in the Azerbaijani system of powers. Parliamentary elections were held in February 2020. The idea behind early elections was to foster an establishment of new generations of modern and well-educated experts who would stimulate economic and political reforms in the country. New appointments have taken place within the executive power, including the Head of the Presidential Administration, Head of the Ministry of Internal Affairs and Assistant to the President on Socio-Political Issues. More young professionals have replaced aging officials.

**Social:** Azerbaijan started implementing a new project – the development of Centers for Sustainable and Operational Social Security (DOST center). They aim to render social services (employment, social security, targeted social assistance, pensions, social insurance and other services) through simplified procedures.

The outbreak of the COVID-19 pandemic has been mitigated through an effective and well-organized governmental response. Moreover, senior leadership has been heavily involved in the daily implementation of such mitigation activities. This has triggered widespread public support and produced an effect of a unified society during these difficult times.

### - Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

Azerbaijan will continue to deepen its political and economic reforms. Young and educated professionals will drive necessary changes in key economic and political realms of the country.

Due to the pandemic-triggered economic slowdown and oil price slump, initiatives in non-oil business sectors will continue to expand. Mechanisms to facilitate and increase foreign direct investments such as “Invest in Azerbaijan” and “First in Azerbaijan” will promote investments into the non-oil sectors of the country.

### - For those considering investing in your country, what are the top sectors they should be watching?

1. Tourism
2. Transportation
3. Agriculture
4. Technologies

### - Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:

- The success of Azerbaijan's e-public services agency – Azerbaijan Services and Assessment Network (ASAN), prompted the Afghan government to sign a Memorandum of Understanding with the State Agency for Public Services and Social Innovations under the President of the Republic of Azerbaijan. With the support of Azerbaijan, the same e-public services model has been developed for Afghan citizens. The organization with the same name ([www.asan.gov.af](http://www.asan.gov.af)) had already been established in Afghanistan.
- A strategic partnership with Georgia manifests itself in various regional projects, such as the Southern Gas Corridor that contributes to energy security in the EU.
- Cooperation between Turkmenistan and Azerbaijan on the use of the Caspian Sea resources.
- Azerbaijan cooperates successfully with Uzbekistan in military, tourism and public services sectors. Officials anticipate the further expansion of cooperation in industry, agriculture, tourism, trade, investment and other areas.

## GEORGIA

### - Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** The economic effects of the devastating COVID-19 virus have not yet been fully assessed. By any estimate, it appears that the GDP of Georgia will at least shrink by minus 5-6% (versus projected +5%) in 2020. In some sectors, the damage will be worse, such as in the hospitality sector and transportation. In the best-case scenario, i.e. the virus decreases during the summer, the economic fallout and forecasting may be fully assessed and estimated by the end of the year.

**Political:** “Gavrilov’s night” - mass, spontaneous and sustained anti-occupational demonstrations in Tbilisi and throughout the country – was triggered by the visit of the Russian MP Gavrilov in the summer of 2019.

Results of the above-mentioned protests included constitutional amendments on the changes in the election system to a more proportional system that will better represent the population in Parliament (elections are due in October 2020). These changes are projected to take place in the upcoming month.

Continued “borderization” of South Ossetia, a region of Georgia occupied by Russia, and the rest of Georgia’s administrative line by Russian military forces, and the abduction of Georgian citizens.

**Social:** Frankfurt Book Fair (October 2019) – the world largest book fair, both in the number of visitors as well as the number of publishing houses and agents attending. Georgia was host of the fair in October 2019 and it was a brilliant opportunity to present the old and modern aspects of Georgian culture to the highly educated public, coupled with mass media coverage.

Bocuse d’or – meaning the biennial world chef championship named after famous French chef, Paule Bocuse. In mass-media, it is often referred to as the culinary equivalent of the Olympic Games. For the first time, part of Bocuse d’or worldwide championship was held in Tbilisi (November 2019).

### - Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

Georgia’s geographical location is an asset that is nearly impossible to deny. Watch the development of maritime routes to Bulgaria, Romania and Turkey with a further eye on Europe, as well as the development of road transport networks.

### - For those considering investing in your country, what are the top sectors they should be watching?

1. Maritime and road transit
2. Electricity, gas and oil transit
3. Textile and any other sector (like automotive) of semi-goods that need low to medium skill workforce
4. Real Estate
5. IT
6. Tourism

### - Top examples of my country’s involvement in intraregional cooperation among the CAMCA countries include:

- Georgia remains Armenia’s not only strategic but also vital supporting partner in the delivery of the majority of goods by road
- Armenia and Azerbaijan remain in the top-10 of tourist visitors to Georgia
- The direct flight between Tashkent and Tbilisi
- TBC (a Georgian bank) entered the banking sector of Uzbekistan
- Increasing overall trade with CAMCA countries

## KAZAKHSTAN

- Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** The spread of COVID-19 became a great challenge and the primary reason for the economic slowdown of Kazakhstan and countries around the world. According to current estimations, Kazakhstan's annual GDP will be 0.9% less than the estimated 3.5-4% for a number of reasons, including quarantine measures and limited economic activity on the local and international level. The most vulnerable industries are SMEs, non-food retail, HORECA, entertainment, travel agencies, aviation, oil and gas, mining, transport and the power and utilities sectors. However, the government has taken bold and substantial measures to support Kazakh people and businesses. Nearly \$2.3 billion USD was allocated for a new Employment Roadmap to reduce unemployment, 700,000 companies and entrepreneurs were provided with a tax reduction, approximately 4.5 million people received financial support in the amount \$100 USD and companies received fiscal support to cover paid leave of employees.

**Political:** Despite the spread of COVID-19 in Kazakhstan, the process of political reforms declared by Kassym-Jomart Tokayev since he took office as the President of Kazakhstan is still underway. The Parliament approved draft laws proposed by the National Council of Public Trust, such as the adoption of the law "On procedure for organizing and holding peaceful assemblies in the Republic of Kazakhstan;" introducing a mandatory 30% quota for women and young people on the voting party lists; reducing the number of members of political parties required for their state registration - from 40,000 to 20,000 people; establishing the institute of parliamentary opposition; mitigation of punishment under article 174 of Criminal Code ("Fomenting of social, national, gender, racial, class or religious discord"). On May 27<sup>th</sup>, the third Meeting of the National Council of Public Trust proposed a new package of reforms in the spheres of political freedom, education, public administration and good governance.

The accepted norms of these aforementioned laws give a real opportunity for the growth of the parliamentary opposition and the chance to introduce new people and perspectives to the political arena. Future elections to the Mazhilis, no matter whether they are premature or on-time, will not give the "Nur Otan" party an overwhelming victory. The political landscape will gain at least 30,000 people around the country who will know how to write laws, evaluate the budget, control the budget and prepare alternative budgets and programs. Then we will have a society of a completely different quality. The central government, despite some difficulties, has kept its word and aims for the liberalization of legislation.

**Social:** In 2019, Kazakhstan entered into a new stage of its development. The political and social activity inside the country increased. Higher levels of access to the Internet and social networks accelerated domestic processes inside Kazakh society. With the new generation between the ages of 14-29 already comprising 22% of the population, Kazakhs saw 4-million people bringing new values, aspirations and demands. As a result, emerging trends have shaped new social trends and the societal agenda.

800 new schools for 650,000 pupils and 16 new, world-class hospitals will be built by 2025. The average cost of state grants has increased by three times in 2020, allowing for the hiring of international faculty and staff.

- Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

Kazakhstan is passing through a vital stage of political and economic reform. The new legislation on political rights and freedoms will be implemented in the short to medium-term. The spread of the global pandemic and the volatile energy resource industry is pushing Kazakhstan to diversify its economic structure and focus on emerging areas, such as the manufacturing and agriculture industries, IT services, education, international and green finance, etc. With rising economic competition, "human capital" and the search for new ideas and talents will be a great motivating factor and will urge companies and the Kazakh government to provide better services. The very fabric of local society will transform. The social contract between the state and society will change and it will lead to greater democratic and inclusive processes inside Kazakhstan.

- **For those considering investing in your country, what are the top sectors they should be watching?**

1. Mining
2. Manufacturing
3. Transport and logistics
4. Agro-business
5. Processing and food industry
6. *\*Plus the Astana International Financial Centre (AIFC) state asset privatization program*

- **Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

The intraregional cooperation with CAMCA states is an important objective of Kazakhstan's foreign policy. One of the key priorities is enhancing an economic partnership with Uzbekistan. Bilateral trade in 2018 increased by 47% and reached \$3.022 billion. Collaboration in the fields of economy, trade, transport, scientific, technical, cultural and humanitarian areas have demonstrated great progress. During the second Forum of Interregional Cooperation held in February 2020, both Kazakhstan and Uzbekistan signed 52 agreements that accumulated about \$550 million USD in worth.

The development of transit and transport routes, infrastructure, trade and cultural ties is topical and is steadily growing between Kazakhstan and Azerbaijan, distinguished by constructive steps taken in fields of business, trade and joint transport projects. In 2017, the intergovernmental commission of the two countries adopted a road map for 2018-2020 for the expansion of economic and trade cooperation. More than 800 companies with the participation of Azerbaijani capital operate in Kazakhstan, and more than 70 Kazakh companies are implementing projects in Azerbaijan. In 2018, the bilateral trade turnover between the two countries amounted to \$221 million. One of the latest projects between Kazakhstan and Azerbaijan was the launch of a transcontinental project aiming to create a digital telecommunications corridor between Europe and Asia through the construction of fiber optic links along the bottom of the Caspian Sea in the city of Aktau in 2019.

## KYRGYZSTAN

### - Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** Despite the Kyrgyz Republic's WTO membership since 1998, the focus of trade was shifted to the Eurasian Economic Union (EAEU) after August 2015. EAEU, as a regional trade union, signed Free Trade Agreements with Serbia, China and Singapore in 2019.

The Business Ombudsman Institute was established to ensure the guarantee of state protection of the rights and interests of entrepreneurs and businesses before national and regional government authorities, including local self-governance bodies and state enterprises. The Former Ambassador of Great Britain to the Kyrgyz Republic was appointed as the Business Ombudsman in August 2019.

In June 2019, the National Council for Sustainable Development under the President of the Kyrgyz Republic established the Industry and Entrepreneurship Development Committee. The main purpose of the Committee is to provide a venue for resolving policy issues hindering industrial development and entrepreneurship in the country. The Committee also serves as the dialogue platform between the business community and government bodies.

The Kyrgyz government launched the Digital Kyrgyzstan program based on the National Digital Transformation Strategy "Taza Koom", which was co-authored by several Kyrgyz CAMCA Network members.

**Political:** In August 2019, the arrest of the former President Almazbek Atambaev put an end to the confrontation between the current and previous authorities. Thanks to Kyrgyz journalists, the topic of corruption has been raised to a new level nationwide. However, the entire year was an endless and inconclusive investigation into the former deputy head of the customs service, Raiymbek Matraimov, by the authorities. In the meantime, several opposition politicians were put in jail under the pretext of fighting corruption. The U.S. Department of State has classified them as Political Prisoners.

On the eve of the parliamentary elections, pro-government political parties were created. The president has not yet openly supported any of the parties.

Since 2019 there has been an increase in conflicts on the border of Kyrgyzstan and Tajikistan. Despite the political will to demarcate and delimit state borders, these issues remain unresolved and cause concern, along with the ongoing border issues with neighboring countries.

### **Social:**

**Gender** - Despite the previous commitment of the Kyrgyz government's vow to realize gender equality by 2020, on International Women's Day (March 8, 2020) dozens of women activists marching for gender equality were detained by the police. The international community was shocked after the mass media (New York Times, etc.) reported about this violation of women's rights. Meanwhile, efforts by international organizations to help combat these issues still cannot keep pace with the increasing incidences of domestic violence and sexual abuse (DVSA). At present, one in four women still experience an incidence of DVSA.

**Education** - The Ministry of Education of the Kyrgyz Republic introduced electronic queues into kindergartens and schools to avoid corrupt and opaque schemes in placing children in educational institutions. In light of quarantine measures for COVID-19, the Ministry began producing and airing video tutorials for schoolchildren through TV and YouTube channels. Additionally, the adoption of children has been simplified through the digitalization of processes, which reduced the time for obtaining permissions from 14 to 7 days.

**Unemployment** - Following the global trend, the unemployment rate is expected to grow due to the impact of the pandemic. This will likely increase social turbulence following the pandemic crisis. The current number of unemployed people is 156,300, and as that number grows (especially among low skilled workers and returning migrants) it will create unprecedented pressure on the country's social protection system and economy.

Though the unemployment allowance is equal to \$4/month, only 155 persons currently receive it, raising questions on whether it could withstand a more realistic increase in collectors. An online survey conducted by one of the largest news portals revealed that about 50% of respondents lost their jobs or were offered to take unpaid leaves. This is coupled with the increasing presence of religious groups and public concern over corruption and unresolved border tensions with neighboring Tajikistan and Uzbekistan.

**Healthcare** - The healthcare system failed to provide medical staff with sufficient PPE, resulting in the infection of medical personnel for every fourth infected person. Lastly, a group of volunteers, including a Kyrgyz CAMCA Network member, developed a data-based website (tirik.kg) with information about the needs of healthcare organizations and the provided humanitarian aid.

- **Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?**

The country is heading into a more turbulent time in economic, political and social dimensions. The current pandemic revealed a heavy dependence on remittances, of which volume is declining, and has disrupted the structure of the national economy. The upcoming parliamentary elections in October 2020 are expected to bring kleptocratic, nationalistic, religious and corrupt political parties into power. There are very few (or even no existing) progressive political groups in power. In terms of social developments, again, a lot will depend on the divide among political groups and corrupt clans.

- **For those considering investing in your country, what are the top sectors they should be watching?**

1. Agritech with a focus on food and meat processing
2. Consumer staples, lightweight industry
3. Information Technology
4. Tourism
5. Telemedicine has potential if IT and medicine find synergy and begin collaborating
6. Distance (online) education platforms, as there is a great potential to address the demand in the region

- **Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

Most of the intraregional cooperation agenda is set behind the doors of the Eurasian Economic Union and Shanghai Cooperation Organization. There is very little independence in such cooperation building among the Central Asian nations. There were a few attempts by Uzbek and Kazakh leaders individually, but it seems there is no collective vision for such cooperation shared by the leaders of the rest of the countries. In this respect, the Kyrgyz Government's contribution to such regional cooperation is very limited and sporadic, and is mostly driven by support from outside powers like Russia and the U.S.

One of the positive examples of regional cooperation was the introduction of the Silk Road Visa for tourists. This initiative was started by Uzbekistan and Kazakhstan, and the Kyrgyz Republic expressed interest. Another example of collaboration is the signing of a Memorandum in October 2017 on establishing an automobile corridor "Kashgar-Osh-Andijan-Tashkent" for the transportation of goods from China to Uzbekistan through the Kyrgyz Republic.

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# MONGOLIA

- Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** The Declaration on the Strategic Partnership between the United States and Mongolia was released on July 31, 2019 after the meeting of U.S. President Donald Trump and President of Mongolia Battulga Khaltmaa. This declaration indicates Mongolia's successful utilization of the third-neighbor policy and makes the United States the fifth country to sign a strategic partnership with Mongolia. The U.S.-Mongolia Strategic Partnership is built on mutual understanding and a shared pursuit of global and regional peace and security, protecting human rights, freedom of speech, and national independence and territorial integrity.

**Political:** Mongolia has amended its constitution for the second time since it was ratified in 1992, strengthening the powers of the prime minister in a bid to end years of costly political instability and economic stagnation. The recent amendments were novel because of the extent of deliberation and public engagement. Despite the dominance of the ruling [Mongolian People's Party](#) (MPP), the amendment involved engagement of the public, [the main opposition party](#) and the Mongolian President.

Experts say such changes will tip the balance of power in favor of the prime minister, giving the office full authority to appoint and dismiss the cabinet and weakening the role of the presidency.

**Social:** The unexpected rise of the Mongolian heavy metal band, the Hu, resurrected the rock genre. With more YouTube views than Stormzy, this metal band is a surprising smash hit – and they've only just begun. The band only sings in Mongolian, mixing metal with the ancient art of throat singing. The fact that they do not sing or speak in English does not hold them back from connecting to the audience – heavy metal has a way of connecting any crowd together. The Hu, known for their sudden smash hit "Yuve Yuve Yu", have been streamed 10 million times on Spotify and gained over 40 million YouTube views.

- Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

**Parliamentary Election:** The 2020 parliamentary elections will be held in 29 constituencies across the country, with 20 constituencies in 21 aimags and 9 constituencies in Mongolia's capital city of Ulaanbaatar, dependent on the population, administrative and territorial division, territory size and density.

## Mega projects: Erdenes Tavantolgoi IPO

In June 2018, the Parliament passed a resolution to begin work on putting the 6.3 BLN tonne Tavan Tolgoi coking coal deposit into economic circulation, and the government is now preparing for an international IPO of up to 30% of the project. The \$1 billion proceed will finance the infrastructure works, including constructing five roads to take the coal to various foreign markets and a 450-mw power plant. The Ministry of Mining and Heavy Industry reported last year that altogether \$7.11 billion would be needed until 2021 to activate Tavan Tolgoi to its full potential.

## Mega projects: Oil Refinery

The construction of the first domestic oil refinery, which is strategically important to remove Mongolia's dependence on oil products from a single foreign source, will commence in 2020 in the Dornogovi region. The refinery is financed by a \$1 billion discounted credit provided by the Indian Government. Construction of the access road and the railway to the refinery has already been completed with a MNT 250-billion loan financing from the Development Bank.

- For those considering investing in your country, what are the top sectors they should be watching?

The strong economic recovery in recent years has been driven by strong fiscal outcomes, improved coordination of macroeconomic policy, favorable global commodity prices and sturdy inflows of FDI. The World Bank forecasts that medium-term growth prospects remain positive, largely supported by robust growth in private consumption and continued steady investment in mining and manufacturing. However, there are significant downside risks to the growth outlook

emerging from elevated uncertainties in the global and domestic environments, including the COVID-19 pandemic, parliamentary elections in 2020, the potential impact of the U.S. and China trade deal and recapitalization issues of the banking sector.

1. Mining (Coal, Copper, Iron Ore, Gold)
2. Finance (Retail and SME finance backed by consumption growth)
3. Construction (Urban developments, real estate, municipal infrastructure developments such as water treatment, waste management projects)
4. Infrastructure (Renewable energy projects, road and railway network development)
5. Agriculture (Meat and dairy processing, cashmere and wool industry)

**- Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

The 11<sup>th</sup> batch of Mongolian peacekeepers, serving in the NATO-led “Resolute Support” mission in the Islamic Republic of Afghanistan, organized a training in cooperation with the military trainers on “Survival skills” and “COVID-19 prevention” at the site and mutually exchanged experiences. The survival skills session featured theoretical and practical training in sheltering, firefighting, water retrieval, rope knotting, topographic orientation and tactical retrieval in the desert region. Moreover, a joint training on COVID-19 prevention was held for health and hygiene doctors of Germany, Camp Marmal and other military doctors. Additionally, based on the guidelines developed by the World Health Organization, the Ministry of Health of Mongolia and the General Staff of the Mongolian Armed Forces, all kinds of preventive measures have been taken, face masks and coverings have been sewn using their internal resources and are being used in daily activities and operations.

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## TAJIKISTAN

- Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** In 2019, the second out of the six units of the Rogun Hydropower Plant (HPP) was launched. The capacity of the installed unit is 240 megawatts, which allowed the country to ensure the sustainability of domestic consumption and increase electricity exports to neighboring countries in line with existing and upcoming obligations. To finance the reconstruction of the Rogun HPP and the Tajik Aluminum Company (TALCO) - two of the largest enterprises in the country - the Parliament of Tajikistan approved amendments to the law "On the privatization of state property," according to which the assets are excluded from the list of objects prohibited for privatization.

Despite the country's stable economic growth until 2019 (on average 7% per annum), the country began to face economic difficulties at the end of 2019 and the beginning of 2020. The reason for the recession was a decrease in economic activity in Tajikistan's main partner countries, particularly in the Russian Federation and Kazakhstan, recipients of a significant portion of Tajik exports and the source of all labor remittances. This slowdown of economic activity created a fiscal deficit. The end of the first quarter of 2020 was overshadowed by the start of the economic downturns provoked by COVID-19. This has the potential to become the deepest economic downturn in the modern history of the republic. It is estimated that Tajikistan's economic growth will slow down to 1.7 to 5.5% percent (World Bank and ADB estimates).

**Political:** The main political event of the year was the election of the eldest son of the President, Rustami Emomali, as the chairman of the Upper House of the Parliament, where his candidacy was approved unanimously. This is the second most important position in the country as they assume the post of the head of the state in the event of the death or incapacity of the president.

Parliamentary elections conducted in March 2020 were undramatic. The party of the President won the election with more than 50% of the votes. According to the OSCE/ODIHR: "The parliamentary elections were held under tight control; systematic violations of fundamental political rights and freedoms left no room for political discussion and the opposition was excluded from the political landscape."

On the regional level, conflict ensued over disputed territory between Tajikistan and Kyrgyzstan. Despite a political will from both sides, clashes between residents of Tajik and Kyrgyz settlements repeatedly took place, leading to numerous cases of injuries and deaths between civilians and soldiers from both sides.

In 2020 Tajikistan is chairing the SCO and it is expected that the agenda of the organization for 2020 will center around the effects of COVID-19, regional security and economic stability.

**Social:** According to official statistics, in Tajikistan the number of detected cases of COVID-19 exceeded 3,500 cases. 47 of them were fatal. According to this data, Tajikistan is leading in the number of infected and dead in the Central Asia region. However, the crisis with COVID-19 has also had a powerful impact on the rallying together and self-organization of the Tajik society, which helped withstand the first wave of the pandemic.

The lower house of the parliament of Tajikistan adopted amendments to the law on state registration of acts of civil status, which imply a ban on the use of Slavic suffixes in surnames and patronymics. Birth certificates will be issued without morphemes characteristic of the Russian language - "ov / ev", "ovn / evn" and "ovich / evich". An exception will also be made for representatives of national minorities.

- Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

1. Presidential election and transition of power
2. The presidential election is, of course, the primary intrigue for Tajikistan. Many in the country are discussing two main options: Emomali Rakhmon will again nominate his own candidacy or will propose instead a successor - predicted to be the president's son, Rustami Emomali.
3. The effect of COVID-19 – Country needs
4. Census that will be held in October 2020

- **For those considering investing in your country, what are the top sectors they should be watching?**

1. Construction and construction materials
2. Agriculture
3. Information Technology and digitalization (Telemedicine and online education platforms)
4. Mining
5. Energy sector

- **Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

The official means of the intraregional cooperation is the Shanghai Cooperation Organization, where Tajikistan serves as the chairman in 2020. Recently, leaders of the Central Asia region are endeavoring to establish a channel of cooperation that is based on a good-neighborhood relations model.

Several natural disasters, in addition to the effects of COVID-19, recently occurred in Uzbekistan, and Kazakhstan and Kyrgyzstan demonstrated a high level of support between the leaders of the Central Asian countries, which materialized via humanitarian aid and sending convoys of experts and equipment to affected areas.

In general, COVID-19 has made CAMCA regional trade and cooperation more intensive. COVID-19 pushed the CAMCA region to become less dependent on pharmaceutical and hygienic products that were mainly imported from abroad. Taking into account the potential of the textile industry in the region, most of the Central Asian countries set up and increased their production of medicine, individual protection means (masks, protective suits, cleaning and sanitary supplies, etc.) and even started to export them abroad.

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## TURKMENISTAN

- Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** Turkmenistan has requested to join the World Trade Organization (WTO) as an observer. The President of Turkmenistan Gurbanguly Berdimuhamedov signed a resolution on the entry of Turkmenistan to the World Trade Organization as an observer at the regular meeting of the Cabinet of Ministers of Turkmenistan held in Ashgabat on May 15, 2020. The document was sent to the Director-General of the WTO Roberto Azevedo. According to the WTO procedures, the topic of accepting Turkmenistan to the WTO as an observer will be considered during the successive session of the WTO General Council which will be held in the near future. During an online meeting of the representatives of the Permanent Mission of Turkmenistan to the UN Office in Geneva with experts from the WTO held on May 5, 2020, it was noted that Turkmenistan's national economy will further develop through its observer status in WTO.

**Political:** The International Transit-Transport Route “Caspian Sea-Black Sea” is underway. On May 7, 2020, a quadrilateral working meeting was held in the Ministry of Foreign Affairs of Turkmenistan through videoconferencing on the discussion of the Intergovernmental Agreement on the Establishment and Implementation of the International Transit-Transport Route “Caspian Sea-Black Sea.” Representatives of the Ministry of Foreign Affairs as well as other ministries and departments of Turkmenistan, the Republic of Azerbaijan, Georgia and Romania participated in the meeting to discuss issues pertaining to the increase of cargo transportations via the ports of Turkmenbashi, Baku, Poti, Batumi and Constanta, as well as the stimulation of cooperation with all stakeholders, including the European Union.

Noting the global nature and perspectives of the given route for the development of economic partnerships, production and energy cooperation, trade and investments, the parties also discussed opportunities of using digital technology and arranging informational data exchange.

**Social:** The digitization of the urban trade network is under implementation. Integrating a digital system will be underway through the end of the year and all shopping outlets in the capital will be unified by a single system that allows a virtual monitoring of the movement of goods, delivery to warehouses, dispatch to shops and volume of sale. This virtual and centralized system will allow for classifying information about the provision of shopping networks with goods, supplementing the time their stocks are in shops, and will arrange an uninterrupted supply and creation of electronic reporting on sale and payments to suppliers. This digital platform will create conditions for effective management and provide solutions to marketing goals and objectives.

Director of the Centre of Computer Technologies Hanmammet Mollakov explained that the online platform will be designed for the convenience of consumers. It will contain information about each shop, its address, contact details, the variety of goods and other necessary information. Visitors of the trade portal will be able to make online orders with delivery and receive additional information through a question-answer format. This system will enable the study of demand in local markets. At the next stage, this system of electronic shopping will be introduced in velayat centres.

- Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

On May 15, 2020 at a meeting of the Cabinet of Ministers, the President of Turkmenistan signed a Resolution "on Turkmenistan's accession to the World Trade Organization as an observer", approving the proposal of the Government Commission for the study of issues related to Turkmenistan's joining the WTO as an observer. This Decree was signed in order to implement the "Program for the development of foreign economic activity of Turkmenistan for 2020-2025," the effective integration of our state into the world economic system and the development of market relations in the country. In accordance with the document, an application for Turkmenistan's accession to the World Trade Organization as an observer was sent to the WTO Director General that same day. According to the WTO accession procedures, this issue will be considered at the next meeting of the General Council of the WTO.

- **For those considering investing in your country, what are the top sectors they should be watching?**

1. Construction
2. Textile industry
3. Oil & Gas sector
4. Digitalization of the infrastructure
5. Chemical industry

- **Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

The international transport corridor of the Caspian Sea. The Black Sea is under serious discussion now. Turkmen specialists have drafted proposals related to the implementation of this project, as well as the creation of a working commission at the expert level to discuss economic, logistics and other relevant issues. Foreign experts have underlined the important role of the Caspian basin as the largest transport and logistics hub. It was emphasized that the connection between the Caspian Sea and the Black Sea regions in a single transport corridor can create enormous potential for the development of economic partnerships, industrial and energy cooperation, trade and investment.

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## UZBEKISTAN

- Please share what you consider to be one of the most notable developments in your country since the last CAMCA Regional Forum (June 2019) in each of the following sectors:

**Economic:** [In 2019](#), Uzbekistan sold \$1 billion of Eurobonds in its first foray into international debt markets as the country opened its economy to foreign investment after more than two decades of isolation. [In 2018-2019](#), Uzbekistan's GDP has grown from \$44 billion to \$58 billion. At the start of 2020, a goal was set to increase GDP by 2x over the next 5 years - up to \$100 billion, to reduce the inflation rate to 5% and to increase consumer production. [FDI](#) in 2019 amounted to \$4.2 billion, which is \$3.1 billion, or 3.7x, more than in 2018.

The economy currently operates under the lockdown and quarantine measures implemented by the Uzbek Government to counter the current COVID-19 pandemic. Local businesses were offered some relief in taxes and rent payments. The restrictions are now eased enough to allow more businesses (beauty salons, but not restaurants) to do regular business with strict protective measures (sanitizers, face masks, social distance.)

**Political:** [Uzbekistan](#) has been named “Country of the Year” by renowned British magazine, *The Economist*. Every year, the publication nominates the states that succeeded in making the greatest progress in affairs of democracy to achieve the title of Country of the Year. Additionally, the [parliamentary elections](#) were viewed as an important political event which could represent an important stage in Uzbekistan’s transition to democracy. These elections – the first since Shavkat Mirziyoyev was elected president in 2016 – were held under the slogan “New Uzbekistan – New Elections”. Finally, [women](#) took 32% of the total 150 seats in the Legislative Chamber of the Oliy Majlis. In the Senate and local councils, this figure exceeded 25%. Representation of women in the national parliament has reached a level consistent with UN recommendations. According to this indicator, the legislative body is ranked 37<sup>th</sup> among 190 national parliaments of the world, whereas 5 years ago it was 128<sup>th</sup> in this ranking.

**Social:** [Reforms in the education system](#) are currently underway. Measures are being taken to increase the number of kindergartens as a basic link in the educational process. While in the first quarter of 2019 there were more than 9,700 kindergartens in the country, today their count has reached 14,050. In 2020, the number of children attending preschool educational institutions will increase from 54% to 60%. The total number of kindergarten kids increased by 400,000 to 1,800,000. For many years, limited quotas for admissions to universities was a serious problem. For example, just 2-3 years ago higher educational institutions annually accepted no more than 60-70,000 people. In other words, only 9% of all graduates of high schools had the opportunity to become university students. In 2019, 150,000 students were accepted to study at universities. The percentage of high school graduates with higher education reached 20%. The percentage of high school graduates with higher education in 2020 will be at least 25%, and in the future – up to 50-60%.

Unfortunately, the [bursting of Sardoba dam](#) in the Syrdarya Region of Uzbekistan caused the evacuation of almost 100,000 people in Uzbekistan and Kazakhstan, and caused damage estimated around \$1 billion to the economy.

- Looking forward, what are a few of the most important developments that you think people should be on the watch for in your country in the coming years?

[In July 2019](#), at the WTO headquarters, Uzbekistan handed over an updated memorandum on its foreign trade regime, which signified the official start of negotiations for accession to the WTO. Technically negotiations had resumed from previous efforts made in the early 2000’s. The resumption of the process of Uzbekistan’s accession to the WTO was identified by Shavkat Mirziyoyev as one of the key areas of the country's trade and economic development priorities. Uzbekistan applied to join the WTO in 1994. Now, Uzbekistan holds an observer state status.

[In connection](#) with the processes of accession of Uzbekistan to the WTO, a lot of analytical and organizational work is being carried out: [On May 11, 2020](#), Senators approved Uzbekistan’s participation in the Eurasian Economic Union (EAEU) as a state with an observer status.

According to supporters of establishing cooperation within the EAEU, cooperation with this organization further enhances the ability to increase foreign trade, implement major investment projects and regional clusters in the country, and develop regional ties in organizing industrial and trade zones. Currently, the EAEU includes Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia. Moldova holds an observer status in the organization.

- **For those considering investing in your country, what are the top sectors they should be watching?**

### Tourism

Turning tourism into a strategic sector of the economy is a priority. [Uzbekistan](#) has introduced a visa-free regime for citizens of 86 countries and a simplified visa regime for citizens of 57 countries. In 2019, 6.7 million tourists visited Uzbekistan. It is planned to increase the flow of foreign tourists up to 10 million in 2022 and up to 12 million in 2025. Export of tourism services will be increased up to \$3 billion over the next five years.

### Textile Industry

There are currently more than 2,000 textile enterprises in the country with 365,000 employees. Over the past three years, export potential has doubled. Last year, \$1.6 billion worth of products were delivered to foreign markets. Uzbekistan has the resources and means sufficient to fully process the domestically grown cotton ([2,845,000 tons](#)), to increase exports up to \$15 billion and to provide employment for more than 3 million people.

### Agro Business (fruit and vegetable processing, creation of value chain, etc.);

In 2020, a goal was set to achieve the export of fruits and vegetables in the amount of \$2 billion and to increase this figure by 3-4 times in the next 5-7 years. To achieve this goal, investments are attractive for the development of horticulture, viticulture, seed production, livestock and agrology, widespread introduction of water-saving technologies, research and training of qualified human resources.

### Education

The higher education landscape in Uzbekistan has been changing rapidly. Many foreign universities have opened international branch campuses. The government provides tax breaks, public-private partnership and other incentives to encourage more such higher education institutions to open. Uzbekistan set a goal to reach the top 30 leading countries of the world in the rating of the Program for International Student Assessment (PISA) by 2030.

### Renewable Energy

Uzbekistan approved the concept of supplying energy for 2020–2030. According to the concept, by 2030 it is planned to increase generation capacities from 12.9 GW to 29.3 GW, and electricity production from 63.6 billion kWh to 120.8 kWh. The capacity of thermal power plants using natural gas will be 13.4 GW (45%), coal - 1.7 GW (5.9%), hydro power plants - 3.8 GW (13.1%), wind power plants - 3 GW (10 , 4%), photovoltaic power plants - 5 GW (17.3%), including 1 GW with energy storage devices, and nuclear power plants - 2.4 GW (8.3%).

### Waste Management & Recycling

More than 7 million tons of household waste is generated annually, of which only 19% is recycled. The private sector is not involved in this process. There is more and more waste as a result of the expansion of construction and production. According to the strategy for municipal solid waste management in Uzbekistan for 2019-2028, recycling of solid household waste is to increase up to 60% by 2028.

### Privatization

According to World Bank estimation, the state's share in the economy of Uzbekistan remains high and currently stands at 50-55%.

- **Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

[On July 17, 2019](#), Uzbekistan and Kazakhstan launched an international highway Beineu – Akzhigit – the Border of Uzbekistan. The reconstructed road gives a new impetus to the Silk Road trade flows opening the corridor to the Caspian countries, the countries of Central Asia, to Russia and to Europe. [The highway](#) will boost freight traffic from 1,000 to 7,000 vehicles per day and their speed from 50 to 100 kilometers per hour.

[Uzbekistan](#) has officially joined the Cooperation Council of Turkic Speaking States, also known as the Turkic Council. The decision to accept Uzbekistan to the group was made on October 15, 2019 during a two-day summit of member states in Azerbaijan's capital, Baku.

[Shavkat Mirziyoyev](#) emphasized the importance of implementing large transport and communication projects, which will create wide opportunities for accessing the markets of Europe, China and South Asia, as well as the effective use of the potential of the new Baku–Tbilisi–Kars railway.

On Nov. 29, 2019, Uzbekistan hosted the Second Consultative Meeting of Central Asian Leaders. [At the meeting](#), President Shavkat Mirziyoev proposed to establish an investment forum and transport council in Central Asia as well as expansion of cooperation in the energy sector, taking into account the long-term interests of the region, paying special attention to increasing the share of renewable energy sources and joint formation of a recognizable tourist brand and image of Central Asia. Also, the Uzbek leader presented several initiatives aimed at developing a common vision of multilateral cooperation in Central Asia.

The [President of Uzbekistan](#) proposed the establishment of a Central Asian Prize for outstanding achievements in the field of science, culture and art, as well as the holding of University Forums and Regional Sports Games.

[On April 11, 2020](#), Georgian TBC Bank has obtained the full banking license of the Central Bank of Uzbekistan. It will start working in Tashkent and then expand to the provinces, with about 20 branches expected to open by year-end.

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