



TRANSPORT AND COMMUNICATION INTERCONNECTEDNESS OF CENTRAL ASIA: PROBLEMS AND SOLUTIONS

Primova Sitora Abdumurod qizi

PhD researcher in "World Economy" University of World Economy and Diplomacy. Tashkent, Uzbekistan. sitora.primova@mail.ru

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Abstract

Central Asia (CA) is located between Europe and Asia, wherein historically took place the Ancient Silk Road. It shows the big transport and transit potential of the region. However, only 2% of the whole trade between the biggest markets transported through CA. Why the region couldn't realize its potential? And what mechanisms could activate the transit ability of Central Asia? The Paper discusses these issues and includes some recommendations on the theme.

Keywords: transport and time cost, transport and transit potential, trade, interconnectedness, landlocked countries, physical barriers, national interests.

Annotatsiya

Markaziy Osiyo (MA) Yevropa va Osiyo o'rtasida joylashgan, bo'lib, qadimiy Ipak yo'li u yerdan o'tgan. Bu esa mintaqaning katta transport va tranzit salohiyati bor ekanligini ko'rsatadi. Biroq, eng katta bozorlar o'rtasida joylashgan mintaqqa transport yo'laklaridan butun savdoning faqat 2 %i o'tadi. Qanday sabablar tufayli Markaziy Osiyo mintaqasi o'z salohiyatini to'liq shakllantira olmadi? Markaziy Osiyoning tranzit qobiliyatini qanday mexanizmlar orqali faollashtirish mumkin? Maqolada ushbu masalalar muhokamasi va mavzu bo'yicha takliflar keltirilgan.

Kalit so'zlar: transport va vaqt narxi, transport va tranzit salohiyati, savdo, o'zaro bog'liqlik, dengizga chiqmagan mamlakatlar, jismoniy to'siqlar, milliy manfaatlar.

Аннотация

Центральная Азия (ЦА) расположена между Европой и Азией, где исторически пролегал Великий Шелковый путь. История и географическое расположение региона, свидетельствует о большом транспортно-транзитном потенциале. Однако только 2% всей торговли крупнейших рынков проходит через сухопутный маршрут ЦА. По каким причинам регион не смог реализовать свой транспортно-транзитный потенциал? И какие механизмы могли бы активизировать транзитные возможности Центральной Азии? В документе обсуждаются эти вопросы и содержатся некоторые рекомендации по теме.

Ключевые слова: транспортные и временные затраты, транспортно-транзитный потенциал, торговля, взаимосвязанность, страны, не имеющие выхода к морю, физические барьеры, национальные интересы.

Introduction

The geographical and geo-economic location of the Central Asian (CA) countries has led to a number of factors that have determined common goals and problems in the field of international transportation. All Central Asian countries have a similar level of interest in reducing transportation costs and developing transcontinental transit potential, and all Central Asian countries are interdependent in transport and transit transportation processes from each other. But the weak interconnectedness of transport communications in the region hinders the realization of the economic and transit potential of Central Asia.

Starting from A.Makedonskiy to big actors of today in policy, the economy of the world strive to capture Central Asia. As Zbigniew Brzezinski [1] named Central Asia as “The Grand Chessboard” - the region has strong attractiveness from geographically, transport and transit points.

At the same time CA countries landlocked – they do not have open access to the sea. Due to this reason, the export goods have plus 70% transport costs which made them uncompetitive in a world market. At present practically all (99%) of the goods traded between the EU and the Asian Pacific region are being shipped by sea. The Central Asian region today has a huge untapped export and transit potential, which, if used in the future, can allow increasing trade turnover between large regions of the Asia-Pacific region, South and Southeast Asia, Russia, and Europe through the implementation of major transport projects.

The main purpose of this article is to study ways of realizing the huge transit potential of Central Asia, rehabilitation of the trade and transport flow of the Great Silk Road. The initiative of the President of the Republic of Uzbekistan, Sh.M.Mirziyoyev, announced at the 75th session of the UN General Assembly, on the creation of a regional center for the development of transport and communication interconnectedness of the Central Asian countries, is presented as a key solution to the realization of the transit potential of the region. The article analyzes the opinion of scientists, experts and summarizes the results and recommendations.

Literature Review

For the study, analyzed the works of foreign and national experts in the transport sector. In particular, in the book "La connectivité centrasiatique au révélateur des crises internationales Les transports, l'énergie et l'eau entre interdépendance et désenclavements" of Michael Levystone [2], discussed the impact of world geopolitical issues, the war between Russia and Ukraine, to the transport and transit economy of Central Asia. Levystone consists, that Central Asia is once again becoming, under the influence of economic shocks caused by the war on Ukraine, a space used by regional powers seeking to evade Russia. This revival of interest can have a beneficial effect on countries Central Asia, whose customs policy is not coordinated, and transport networks have very strong differences. Zbigniew Brzezinski in his book “The Grand Chessboard”[1] analyzed the significance of political, geo-economical role of the CA and its key problems, he argued that for a long time, many of CA countries were under the transient influence of Persia, Turkey

and the Russian Empire, but this experience did not strengthen the spirit of common regional interests in them. On the contrary, due to their different ethnic composition, they are vulnerable to internal and external conflicts, which together makes them attractive for interference from more powerful neighbors. Zoidov A. in his work “Central Asian transport system: initiatives for joint coordination, problems and solutions” [3] analyzed a situational model of the transport system of Central Asia for the purpose of a scientifically based assessment, in particular, to determine the problems of the relationship between the subsystems (states of the region) of this system. Experts U. Ibragimov and D. Ibragimova [4], presented the ways to increase the transit potential of Central Asia, particularly they analyzed the key transport corridors that can strategically improve the transit potential of the region, and they implemented the common problems of transit and transport operations of CA. Firdavs Kobilov argued that region CA does not have the unified transport system and recommended to optimize the location of logistic centers of the region and to establish between them cooperation, it would increase the transit attractiveness of CA [9]. Lobar Umarova consists that the common desire of the Central Asian states to expand cooperation in the transport and transit sphere is becoming the most important factor in the sustainable economic growth of Central Asia and, improving the connectivity of the region and the development of transport infrastructure can increase GDP to \$350 billion. and higher [6]. Also were studied the international and national reports, reports of UNESCAP, UN, regional reports about the results of the summit of presidents CA countries [12].

The paper analyses the main reasons of the unrealized transit potential of the CA, and discusses the key problems of transport and transit operations of the region. At the same time paper includes the recommendations as solutions to common transport problems of CA, and mechanism that can fundamentally improve the transport and transit level of the region.

Methodology

The methodology of this study includes comparative analysis of research, theories of foreign and national experts, as well as an analysis of world experience.

Michaël Levystone [2] consists that after the regime of European sanctions against the Russian economy, which prohibits the transit of goods destined for the EU through Russian railway stations and ports, without slowing down the dynamics of Sino-European trade (+ 10% in the first quarter of 2022 compared to the first quarter 2021), naturally shifts foreign carriers towards Central Asia. Thus, it is expected that in the coming years the transport infrastructure of Central Asia will be loaded in a much larger volume than before 2022, when only 2% of the goods exchanged between Asia and Europe were transported by trucks or trains of Central Asia.

The main problems of the Central Asian countries in connection with the lack of transport connectivity [4]:

1. Inconsistency of the regulatory framework of various countries participating in the transportation process;
2. Various technical standards;
3. The absence of a unified railway track along the entire route, due to which the goods are either overloaded to another rolling stock, or the operation of changing wheelsets takes place at interstate butt border points;
4. Geo-economic differences of individual countries;

5. Insufficient carrying capacity of railways and highways;
6. The lack of a unified technology for the interaction of various modes of transport with fluctuations in the volume of transit cargo;
7. The underdevelopment of the network of logistics terminals and hubs, the lack of a unified methodology (policy) for their formation and interaction, both on the territory of the country and abroad.
8. The various targeted programs being developed and implemented for the development of transport infrastructure are of a non-systemic nature. There is no single methodological basis for developing specific recommendations on the above problems.

Analysis and results

The main reason of these problems is the absence of a unified transport system and transport-communication interconnectivity. According to UNESCAP, 50% of transit time is spent crossing borders [12]. But why CA countries do not have a unified system of transport and have so many oppositional transport rules that make obstacles in the transportation process? A big omission of Central Asian countries was unfavorable diplomatic relations with each other, which subsequently led to the formation of complicated transport and transit rules and other formal and informal obstacles in transit operations. Border conflicts, the problem of refugees and illegal migration, as well as unresolved contradictions over the distribution of water resources. All of them directly affected the situation with the construction of unhealthy competition that led to bypassing each other irrational transport corridors.

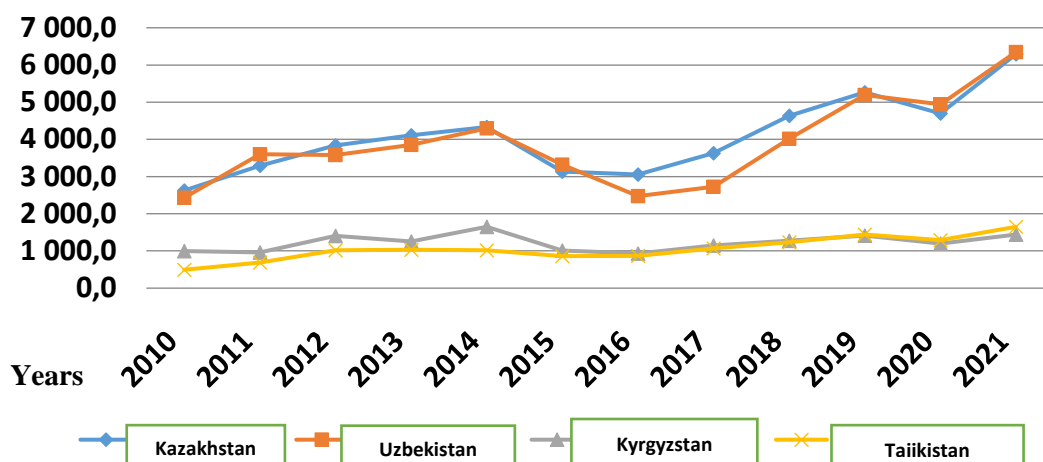
From 2016 year the diplomatic picture of CA countries radically changed. The countries reached a compromise on the Rogun hydroelectric power plant, agreed to open checkpoints on the borders of the two countries and expand bilateral trade. In 2022 Uzbekistan has made very serious territorial concessions in the name of friendship with neighboring Kyrgyzstan. All this takes place within the framework of the goal-setting policy of the country - building good-neighborly relations with the countries of Central Asia. According to their results, Tashkent received 4.5 thousand hectares, Kyrgyzstan - more than 19.5 thousand [5]. Conflictual relations gave way to friendly communication.

The number of bilateral and multilateral meetings of the heads of the Central Asian countries has significantly increased. First of all, it is important to note that established the summit of the presidents of CA countries and most important - the summits of the heads of Central Asian states have become regular [6].

The IV Consultative Meeting of the Heads of Central Asian States held in Cholpon-Ata [7] marked another important milestone in the development and strengthening of regional cooperation between Central Asian countries. A landmark event of the last summit, was the agreement on Friendship, Good-Neighborliness and Cooperation for the Development of Central Asia in the XXI century and the beginning of the procedure for its signing.

Over 5 years, Uzbekistan's trade with Central Asian countries increased 2.6 times, from \$ 2.5 billion in 2016 to \$6.3 billion in 2021. Uzbekistan's exports to Central Asian countries increased 2 times — from \$ 1.3 billion to \$2.7 billion, and imports 3.2 times — from \$ 1.2 billion. up to \$3.7 billion. 2021 has become a record year in terms of trade with each of the Central Asian countries separately. Over 5 years, the volume of trade has multiplied with all Central Asian countries: with Kazakhstan — by 2 times, up to \$ 3.9 billion,

Kyrgyzstan — by 5.7 times, up to \$ 952 million, Tajikistan — by 3 times, up to \$ 605 million, Turkmenistan — by 4 times, up to \$ 882 million [8].



Graph 1. Intraregional trade turnover between Central Asian countries, USD million

Source: <https://www.trademap.org/>

Any non-regional state interested in using the transport services of the region strives to see the transport system as a whole. That is, when carrying out international cargo transportation through the region on the basis of a single contract and passing through unified requirements and procedures, it will save time and finances[9].

In this regard, at the 75th session of the UN, President of the Republic of Uzbekistan Sh.M. Mirziyoyev put forward an initiative to create a Regional center for the development of transport and communication Interconnectedness [10], noting that the Central Asian states face an important strategic task – to ensure the deep integration of the region into global economic, transport and transit corridors. This initiative meets the interests of the entire region and the heads of Central Asian states supported its implementation. Realization of this initiative, could systematically change the whole picture of the level of transport operations, transit processes and this is the only the best instrument that could significantly help to improve and rehabilitate transit and transport potential of Central Asia.

At the same time, it can be noted that the key reasons identified by Zoidov A.A. require special attention to the development of a unified strategy (region-wide program) for the development of the regional transport system [3]:

1. The countries of Central Asia are geographically closed, that is, dependence on the transport policy of other countries when entering world markets;
2. High transportation costs in the process of external export-import cargo transportation of the countries of the region;
3. The countries of Central Asia have relatively large domestic markets and rich natural resources, so the interests of the powerful countries of the world collide in the region;
4. Many transport corridors of the Central Asian countries are closely interconnected (the level of interconnectedness in the transport sector has decreased in recent years) ;
5. All countries of the region are equally interested in the growth of the flow of international transit cargo in the region;

6. There is a high demand for external financial investments for the modernization of the transport system, the construction of new corridors and the introduction of new technologies into the industry, etc.

In 2021-2022, a team of experts from relevant state and non-governmental organizations from Central Asian countries prepared a report, a concept and an agreement on the expected Regional Center for Transport and Communication Interconnectedness. A huge advantage of the work of experts is that all the documents are agreed between the countries, taking into account the interests and problems of each country [11].

Conclusion and recommendations

The creation of a regional center will be a strategic step for a thorough and systematic solution of all existing transport and communication problems of the Central Asian countries and will help to realize the huge transit potential of the region. To solve existing problems, as well as to form a unified transport system, it is recommended:

1. Creation of a single «Transit code» and include only key and necessary transport processes facilitating and unifying transit and transport operations. First of all, this is the harmonization of legal and administrative norms in transport operations, in transportation processes. Harmonization of technical standards involved in transport operations. As well as the harmonization and optimization of tariffs in the Central Asian region.

2. Targeted and step-by-step improvement of transport infrastructure. It is necessary to repair active, working international transport corridors first.

3. It is necessary to digitalize all transport operations and create a single digital system of Central Asian countries.

4. To form a single digital platform for logistics centers and large roadside infrastructure facilities, adapting digital infrastructure to international standards;

5. Implementation of a unified policy in the field of transport safety, transportation safety and reduction of the harmful impact of transport on the environment. Unified transport policy is not about common geopolitical plans and economic interests (since each country is interested in various transport projects based on its geographical and political advantages), it is more about common norms, standards and institutional foundations.

In the future, the Regional Center can play a role as a factor in transforming the geographical disadvantage of the Central Asian countries into an advantage (lack of direct access to the sea, landlocked country), by improving transport services and increasing the attractiveness of land transport and transport infrastructure of the Central Asian region. Creation of logistics services in such a way that the speed of overland transportation of goods and cost reduction allowed to compete with sea transport.

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