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ENSURING ECONOMIC SECURITY OF THE CENTRAL ASIAN REGION

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Abstract

The provided text analyzes the multifaceted nature of regional economic security within Central Asia, with a specific focus on the Republic of Uzbekistan. It explores the protective mechanisms for individuals and states against internal and external threats, highlighting the importance of socio-economic stability. The study provides a detailed statistical analysis of Uzbekistan's trade turnover with neighboring states (2016–2025), noting a significant 3.3-fold increase in regional trade. Key challenges addressed include the region's heavy reliance on raw material exports, high transport and logistical costs due to being landlocked, and acute environmental threats—specifically water scarcity and uneven resource distribution. The text concludes with strategic recommendations for deepening integration through optimized transit policies, food security cooperation, and economic diversification into high-value-added sectors.

Keywords: Regional economic security, Central Asia, foreign trade turnover, economic integration, water resource management, sustainable development, logistics and transit corridors, diversification, food security, environmental threats.

Introduction

Regional security is defined as the state of protection for the individual, society, and the state, as well as the economic interests of a region, against internal and external threats. It ensures stability in the socio-economic sphere and creates conditions for the continuous development of the region.

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Regional economic security encompasses financial, production (food), information, investment and innovation, and environmental security, as well as socio-economic security (Fig. 1).

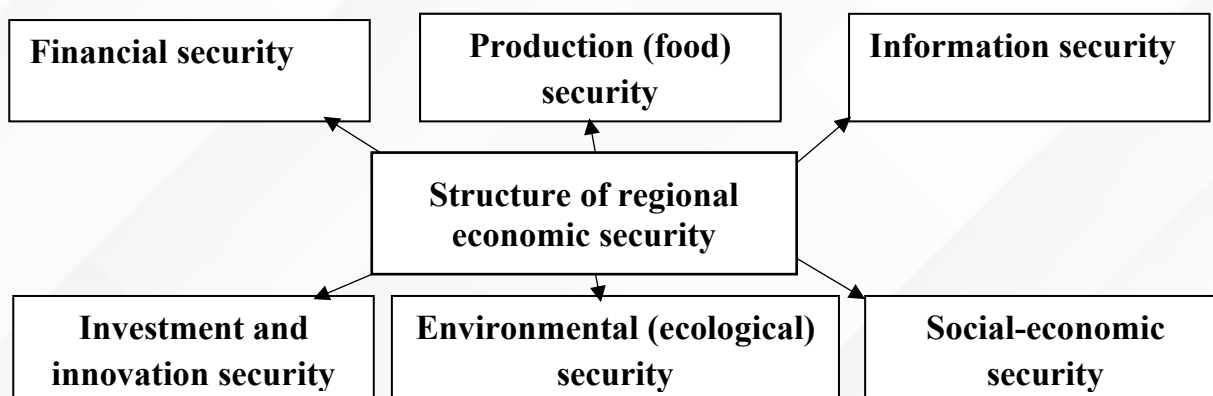


Figure 1. Structure of Regional Economic Security ¹

In the process of monitoring the socio-economic situation in a region, many international organizations, including the United Nations, utilize a system of indicative indicators grouped into six main categories: social, economic, agricultural development, investment, financial, and indicators reflecting the results of institutional changes.

In general, the following socio-economic indicators are used to determine the level of economic security of a region: gross regional product per capita, the subsistence minimum, the income level of the population, the unemployment rate and other labor market indicators, the literacy rate of the population, as well as indicators of population differentiation by income level and other characteristics. Strengthening socio-economic relations between the countries of the region is a necessary attribute for ensuring the economic security of the Central Asian region. Furthermore, ensuring peace and security in Central Asia, as well as the

¹ Compiled by the author

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formation of a stable and economically developed regional space, are among the most important goals and key tasks that the peoples of the region strive to achieve. One of the priority areas of cooperation between the countries of Central Asia is the increase of mutual trade turnover. Currently, the share of mutual trade among the countries of the region is about 10% of their total foreign trade volume. For comparison, the same indicator in the countries of the European Union reaches 60%, and in the countries of the Asia-Pacific Economic Cooperation, it is about 68%.

Table 1. Share of Neighboring Countries in the Foreign Trade Turnover of the Republic of Uzbekistan (USD millions)²

States	2016	2018	2020	2023	2025
Kazakhstan	1 898,9	2 055,7	2 919,6	4 398, 9	4 969,6
Kyrgyzstan	167,4	253,6	402,8	953,4	1 199,2
Tajikistan	197,1	237,8	390,5	756,8	912, 3
Turkmenistan	209,1	177,9	302,7	1094,4	1 203,7
Afghanistan	519,7	617,8	604,6	867,0	1 678,5
Central Asia	2 994,2	3 345,1	4622,3	8068,0	9 963,3
Total Foreign Trade Volume	24232,2	26566,1	33430,0	62567,4	81 166,8
CA and Afghanistan	12%	13%	14%	12%	13%

The analysis of the dynamics of the foreign trade turnover of the Republic of Uzbekistan with the countries of Central Asia and Afghanistan for the period 2016–2025 indicates a steady trend toward the expansion of regional trade and economic ties. The total volume of Uzbekistan's foreign trade turnover with

² Compiled by the author based on data from the National Committee on Statistics of the Republic of Uzbekistan



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Central Asian countries increased from 2.99 billion USD in 2016 to 9.96 billion USD in 2025, representing a growth of more than 3.3 times. This reflects the deepening of regional economic integration and the increasing mutual dependence of national economies.

Overall, the presented data confirm that the countries of Central Asia and Afghanistan hold a stable and strategically important place in the foreign economic relations of the Republic of Uzbekistan. The expansion of regional trade contributes to strengthening the country's economic security, diversifying foreign trade flows, and reducing dependence on remote markets. At the same time, it creates the prerequisites for forming a unified economic space in the Central Asian region.

At the same time, Central Asian countries possess significant untapped economic potential. In particular, there are broad prospects for increasing the volume of interregional trade, especially in finished industrial products with high added value. According to a report by the Boston Consulting Group, Central Asia's potential for attracting foreign direct investment over the next 10 years is estimated at \$170 billion, of which \$40–70 billion—previously oriented mainly toward the raw materials sector—could be attracted into non-resource sectors of the economy.

Ensuring security and social stability in Central Asia depends largely on the level and quality of the region's economic development. The dominant role of raw material extraction and processing in the structure of Central Asian economies is one of the most discussed factors affecting the region's economic security. In this regard, economic diversification, the development of the service sector, the introduction of innovative technologies in production processes, and the training of highly qualified specialists are key conditions for ensuring sustainable economic growth and strengthening the economic security of the region's countries.

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Analysis shows that raw materials make up a significant share of exports from Central Asian countries. At the same time, transport costs in regional countries are significantly higher compared to a number of other states. For instance, delivering a single container from Central Asian countries to Shanghai costs approximately five times more than a similar shipment from Turkey or Poland. Landlocked countries are forced to direct about 18% of their export earnings to cover transport costs, whereas in developed countries, this figure averages around 9%.

Environmental factors in the system of ensuring the region's economic security are becoming of paramount importance amid growing global challenges related to climate change. Global warming, desertification, droughts, and floods can lead to food shortages, increased migration flows, and the emergence of large-scale humanitarian crises. According to the latest data, the socio-economic damage caused to Central Asia by environmental problems over the last 30 years is estimated at approximately \$10 billion, with the affected population numbering about 10 million people. Damage from natural disasters currently reaches about 2% of the region's gross domestic product.

In recent years, ensuring the economic security of Central Asia has become an important task requiring a comprehensive and coordinated approach from all countries in the region. Amid technological development and the emergence of new types of threats, the need for continuous monitoring of existing risks—taking into account their transformation and changing nature of impact—becomes particularly significant.

One of the most acute problems for Central Asian countries is the limited availability of water resources. Under the conditions of climate change, desertification processes, and population growth, the demand for water resources in the region's countries is steadily increasing. In the future, negotiations on the distribution of water resources may cause growing mistrust between regional states and, as a result, the formation of certain socio-economic threats.

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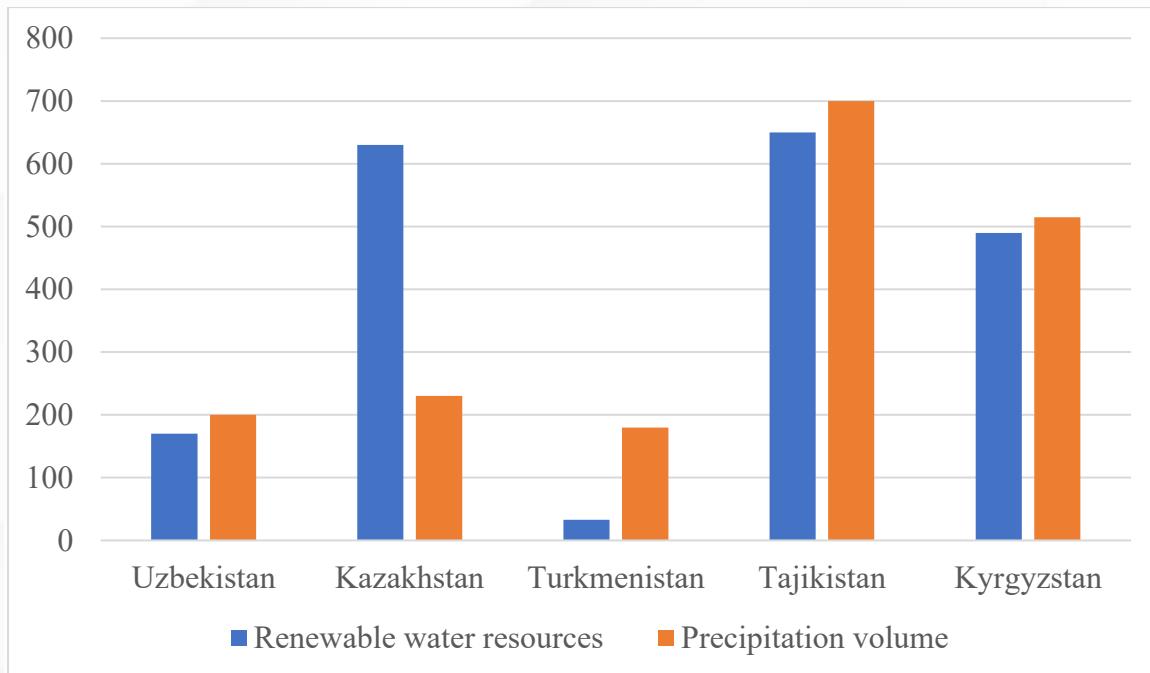


Figure 2. Distribution of Water Resources by Central Asian Countries, 100 million m³

Water resources in Central Asia are unevenly distributed due to the region's geographical features. Countries located primarily in mountainous areas, such as the Republic of Tajikistan and the Kyrgyz Republic, possess relatively large water resources. At the same time, downstream states—Uzbekistan, Turkmenistan, and Kazakhstan—experience a shortage of water resources amid growing demand related to population growth and agricultural development.

According to the European Environment Agency, the Republic of Tajikistan has renewable water resources of about 7 billion cubic meters per year. The equivalent figure for the Kyrgyz Republic is more than 5 billion cubic meters per year, the Republic of Kazakhstan is over 6 billion cubic meters, the Republic of

³ Compiled by the author based on open data from the European Environment Agency. <https://www.eea.europa.eu/ru>

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Uzbekistan is about 1.7 billion cubic meters, and Turkmenistan is approximately 0.3 billion cubic meters per year.

For instance, in the Republic of Uzbekistan, the Republic of Tajikistan, and the Kyrgyz Republic, the share of agriculture in the Gross Domestic Product is approximately 20%. In the Republic of Turkmenistan, this figure is more than 10%, while the lowest indicator in the region is observed in the Republic of Kazakhstan, standing at around 5%.

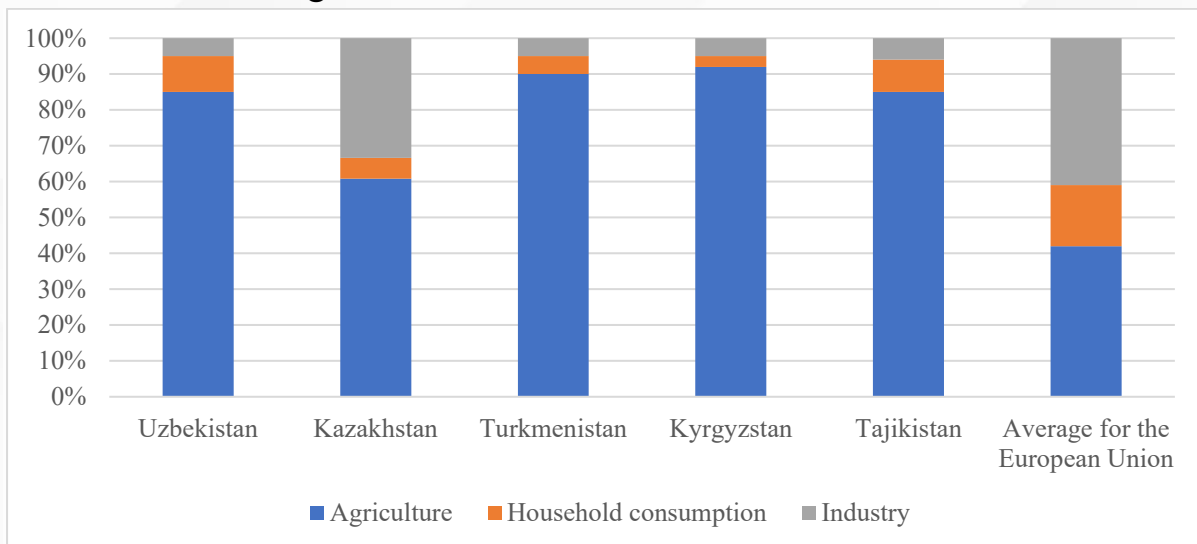


Figure 3. Distribution of water resources by economic sectors in the Central Asian region 4

As a result, about 80% of all water resources in the region are used in the agricultural sector. In Turkmenistan, specifically, approximately 90% of water resources are directed toward agricultural needs. For comparison, in developed countries—such as those in the European Union—only about 40% of water resources are used for agricultural production, while a comparable share of water is directed toward the needs of the industrial sector.

⁴ Compiled by the author based on open data from the European Environment Agency. <https://www.eea.europa.eu/ru>

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Water consumption volumes vary significantly among the countries of the Central Asian region. For instance, while the Republic of Kazakhstan consumes an average of about 21 billion m³ of water per year, the equivalent figure for the Republic of Uzbekistan is approximately 56 billion m³.

When calculating water consumption per capita, the highest figure in the region is observed in Turkmenistan, amounting to about 5.9 thousand m³ per person per year. The lowest figure was recorded in the Republic of Kazakhstan—approximately 1.3 thousand m³ per person.

For comparison, the average level of water consumption per capita in European Union countries is about 484 m³, which is significantly lower than the corresponding figures for the Central Asian region. This is observed despite the fact that, in general, the European continent is not considered a region with an acute shortage of water resources.

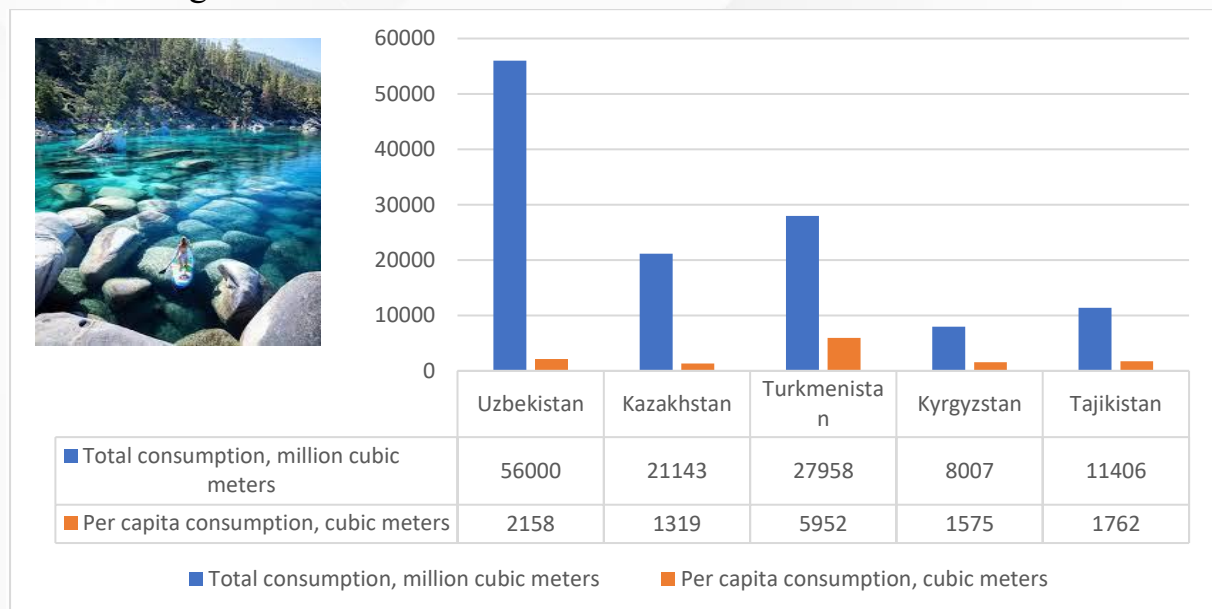


Figure 4. Statistics of water consumption by Central Asian countries 5

⁵ Compiled by the author based on open data from the European Environment Agency.

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Environmental threats to the region's economic security, particularly problems related to water resources and their distribution, remain a central focus for the states of Central Asia. Deepening cooperation in this area, seeking mutually beneficial solutions to existing problems, and maintaining the commitment of states to previously reached agreements are essential elements for countering environmental challenges and strengthening regional economic security.

Throughout its history, Central Asia has played a significant role in the development of world trade. The Great Silk Road, which passed through the region's territory, was of particular importance for the development of world civilization and international economic relations. However, the discovery of sea routes and the development of port infrastructure have led to a situation where the bulk of global freight is currently transported by sea. The lack of direct access to the sea and the remoteness from major maritime routes negatively affect the sustainable economic growth of the Central Asian region, which, in turn, causes serious logistical problems.

As part of the expert discussion, reports and presentations were presented on the following key areas:

- Strategy for forming regional economic cooperation in Central Asia.
- Development of the agro-industrial complex of Central Asian countries under pandemic conditions and current problems of ensuring food security.
- Trends in trade and economic interaction between the countries of the region.
- Prospects for the development of transport and logistics infrastructure in the Central Asian region.
- Issues regarding the development of cooperation between the customs services of Central Asian countries.
- Prospects for increasing the tourism potential of Uzbekistan in cooperation with the countries of the region.

Based on the results of the round table, the following proposals and recommendations were developed. First of all, choosing the most effective

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integration platforms for developing regional cooperation in various fields is one of the most pressing tasks. In this context, the improvement of transit and transport policy takes on special significance. It is necessary to conduct an analysis of current transit tariffs through the territory of the Republic of Uzbekistan, consider the possibility of providing tariff discounts, and increase the quantity and quality of transport and logistics services.

For instance, there are two transit corridors through the territory of Uzbekistan as alternative routes for transporting flour products manufactured in the Republic of Kazakhstan and destined for the Afghan market. Despite a comparable level of tariffs, routes through Turkmenistan turn out to be on average **3%** cheaper, which leads Kazakh exporters to choose these specific corridors. According to forecasts, a **30%** reduction in transit tariffs through the territory of Uzbekistan will allow for the attraction of an additional 120,000–140,000 tons of transit cargo per month. An increase in traffic volumes will lead to a decrease in the unit cost of transportation, an increase in the profitability of JSC "Uzbekistan Railways" and transport companies, and will also provide additional foreign exchange inflows to the state budget due to increased transit cargo flows.

An important direction is the establishment of early information exchange regarding transit cargo shipments with neighboring states. Currently, the legal and contractual framework in this area has been formed with the Republic of Kazakhstan, the Kyrgyz Republic, and the Republic of Tajikistan. Parallel to this, the coordination of technical conditions for information exchange and the preparation of corresponding agreements with Turkmenistan are underway.

Secondly, it is necessary for the Republic of Uzbekistan to take comprehensive measures to develop the agricultural market and deepen cooperation with neighboring countries in the field of food security. The introduction of temporary export restrictions on certain types of food products by several states to protect domestic markets has increased risks for Uzbekistan's agricultural sector. In particular, the conditions for exporting fruit and vegetable products became more

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complicated, which was also facilitated by a decrease in the purchasing power of the population in Kazakhstan and the Russian Federation—key sales markets for these products.

Thirdly, balancing Uzbekistan's foreign trade turnover with the countries of Central Asia is an urgent task. The foreign trade balance with the Republic of Kazakhstan and Turkmenistan remains negative, which requires an activation of export policy. To achieve this, it is necessary to conduct a detailed analysis of the domestic markets of these countries and their import structures to identify promising product positions for expanding exports.

Reducing the share of raw materials by increasing the export of high-value-added products, as well as developing the processing of imported raw materials at domestic enterprises, is of priority importance. Creating a competitive environment in industry and increasing the competitiveness of local producers will contribute to strengthening the country's export potential.

Fourthly, considering the stabilization of the epidemiological situation, it is advisable to gradually conduct youth forums between the countries of Central Asia, as well as to stimulate tourism flows to Uzbekistan from neighboring states. Based on mutual cooperation, joint tourism products should be developed, including cross-border tourist routes, which will strengthen the integration and economic interaction of the countries in the region.

The priority of the country's economic development and the fact that its participation in the global economic system serves as an important growth factor necessitate the development and implementation of scientifically grounded socio-economic reforms. The transition of the Republic of Uzbekistan to market relations and active participation in international economic processes make the issues of ensuring the state's economic security highly relevant. In this regard, economic security is viewed as a guarantee of national independence, sustainability, stability, and public well-being.



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