

UZBEKISTAN

KYRGIZSTAN

TURKMENISTAN

TAJIKISTAN

EU-CENTRAL ASIA

RELATIONS

Over the past years, there has been an increasing interest among the EU and its economic operators in the Central Asia region, exemplified by the fact that the EU is the main trading partner for the region and the biggest foreign investor. At the same time, the EU is facing significant competition in the region. For European companies, challenges remain, including the need for an improved business climate and enhancing the region's ability to attract and maintain investments.

In an environment of increasing uncertainty and geopolitical tensions, it is more clearly understood that enhanced trade and economic relations between the EU and Central Asia countries can also contribute to goals related to economic security and the resilience of supply chains. The region is resource-rich, for instance in the areas of energy and critical raw materials, providing key inputs for the energy and digital transitions. At the same time, the region sits at crucial transport corridors, connecting Europe and Asia.

In this respect, BusinessEurope welcomes the decision to upgrade relations between the EU and Central Asia to a strategic partnership, taken on 4 April 2025, during the 1st EU-Central Asia Summit that took place in Samarkand, Uzbekistan. The EU and its Central Asian counterparts should now focus on the delivery of concrete results as outlined in the Annex of the Joint Declaration. The European business community is committed to supporting these efforts.

1. A STRONGER FRAMEWORK FOR COLLABORATION BETWEEN THE EU AND CENTRAL ASIA

While ameliorating the business environment and strengthening the capacity of the countries in the region to attract and retain sustainable investments is linked to national policy and reforms agendas, an enhanced collaboration between the EU and Central Asia can support these efforts. The EU should deploy all available instruments in this respect.

- Accelerating the implementation of **Enhanced Bilateral Partnership and Cooperation Agreements (EPCAs)** with Kazakhstan, the Kyrgyz Republic (signed in June 2024) as well as with Uzbekistan and Tajikistan (pending signature) can provide a stable framework for bilateral engagement. Even if EPCAs are not preferential agreements, they offer important opportunities of cooperation in key areas, such as energy, transport, the environment and climate change.
- The EU's **Global Gateway** can be a particularly useful instrument to advance trade and economic relations with the countries in Central Asia, through concrete projects, for instance in the areas of connectivity and critical raw materials. The Trans-Caspian Transport Corridor, which commits €10 billion investments in sustainable transport connectivity, is a clear example of how the Global Gateway can deliver. At the same time, we also view Global Gateway as a capacity building tool for local infrastructures, the regulatory and institutional environment.
- In this respect, as we highlight in BusinessEurope's dedicated position paper on Global Gateway, enhanced coordination between Member State Development Finance Institutions, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and Export Credit Agencies (ECAs) around raw materials projects should be utilized to deploy new combined tools under a 'Team Europe' approach, ensure synergies and mitigate investment risks, starting with pilots in strategic partner countries. Moreover, inviting Member States ECAs as implementation partners in the Global Gateway should be considered as a way to enhance implementation of the projects and strengthen the European suppliers' role.
- The EU should also consider negotiating **Clean Trade and Investment Partnerships (CTIPs)** with Central Asian countries. Based on a value chain approach that helps partners scale up while ensuring access to critical inputs, CTIPs can be a means to increase collaboration on clean energy, critical raw materials, clean-tech trade, and investments.
- The EU signed Memoranda of Understanding (MoU) on **Strategic Partnerships on raw materials** with Kazakhstan and Uzbekistan, which have so far delivered limited results in terms of investments. This may be linked to the broader conditions in the business environment, barriers to trade and investments and access to finance. We hope that the expansion of Global Gateway and the potential launch of CTIPs with countries in Central Asia will also contribute to addressing part of this problem, for instance through more streamlined procedures for the approval of viable projects.
- The use of instruments such as the EU's **Generalised System of Preferences (GSP)** continue to play a role in supporting the trading capacity and development of the region, while promoting sustainable development and good governance.

- Access to medicines in Central Asia should be accelerated, while maintaining high safety and efficacy standards through a simplified registration mechanism for medicines already approved by the European Medicines Agency (EMA), or which have a valid registration in at least three EU Member States. Regulatory authorities in Central Asia should also recognise Good Manufacturing Practice (GMP) certificates issued by competent authorities of EU Member States.
- Finally, at the multilateral level, the European business community also calls for supporting Turkmenistan and Uzbekistan in becoming full members of the [WTO](#), adhering to and enhancing the rules-based international trading system.

2. ADDRESSING CONCERNS RELATED TO SANCTIONS CIRCUMVENTION

Sanctions' circumvention and avoidance is an important concern voiced by EU businesses, leading to reluctance in engaging further and more actively in the region. Helping companies address what is perceived as an elevated political, economic and legal risk is therefore crucial.

- Companies recognize the significant work that is conducted on this front by the International Special Envoy for the implementation of EU Sanctions.
- It is also anticipated that the inauguration of the EU SME Sanctions Helpdesk will facilitate companies in their due diligence efforts, conducting assessments, identifying and addressing risks.



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