Eurasian Development Bank

Investment Cooperation in the Eurasian Region

based on EDB Monitoring of Mutual Investments

Report 25/14

Almaty — 2025

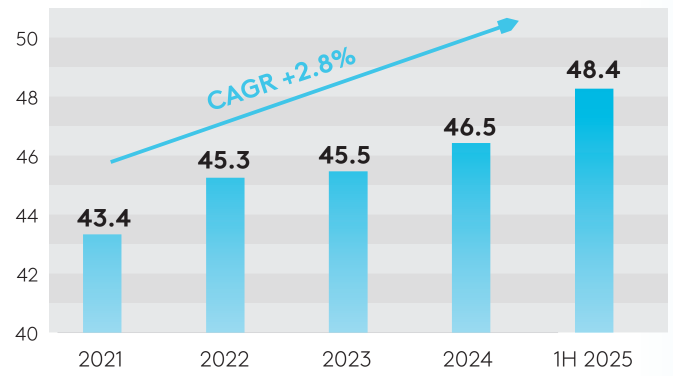
INVESTMENT COOPERATION IN THE EURASIAN REGION

based on the EDB Monitoring of Mutual Investments

FACTS AND FIGURES

ANALYTICAL REPORT`25

Mutual direct investment stock within the Eurasian region, $bn



396
+ 42 vs 2023

Number of **active investment projects** in the MMI database (as at end 1H 2025)

78%
-3.1 p.p. vs 2023

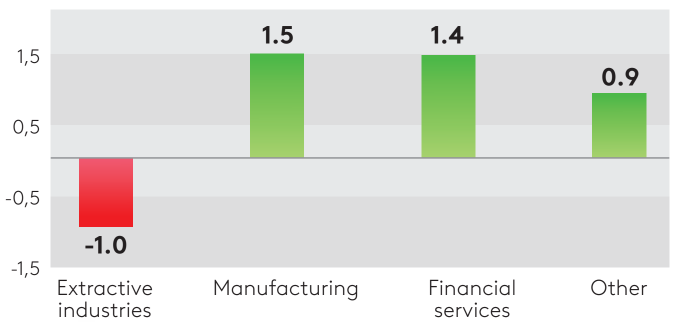
Russia's share of mutual investment exports in the region, **with $38bn**. But FDI from other countries is growing faster.

53%
-2.8 p.p. vs 2023

Total share of mutual investments attracted by the largest recipient countries: **Uzbekistan $10.8bn, Kazakhstan $9.4bn, and Azerbaijan $5.4bn.**

Manufacturing and financial services are key sources of mutual investment growth

Change of mutual FDI stock by sector (1H 2025 vs 2023), $bn



75%

The total increase in mutual FDI was driven by projects implemented in the **manufacturing and financial sectors.**

65%

The total increase in mutual FDI was driven by projects implemented **in Central Asia and the South Caucasus**

Intra-regional FDI in Central Asia is growing rapidly

$1.3bn
+ 42% vs 2023

volume of intra-regional direct investment stock **in Central Asia** (as at end 1H 2025)

2.2x
vs 2023

Construction is the largest sector in terms of FDI stock (as at end 1H 2025) in Central Asia, thanks to record investment attraction rates.

Significant sectors for investors and the factors of their attractivness

Manufacturing
- Market capacity is growing as a result of economic integration and industrial cooperation
- State support

Energy (renewables)
- The need to replace infrastructure that has become highly obsolete
- Growing demand for electricity from new industrial and infrastructure facilities

Transport and logistics
- The changing structure of regional and global trade.
- Exporters and importers are demanding improved logistical connectivity with South Asia and the Middle East. The development of the Middle Corridor and the INSTC is underway.

Agro-industrial complex
- Growth of the population and per capita income in Central Asia
- Sustained food demand from neighbouring countries (China, Türkiye, Gulf states)
- Rich natural resources
- Food security policies implementation in the countries of Eurasian region

Eurasian Development Bank

Full version of analytical report

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This report was prepared as part of the EDB's long-term project on Monitoring of mutual investments (MMI). It launches a series of publications and is devoted to mutual foreign direct investments in the Eurasian region. Two more analytical reports will be published as a continuation of the series: one on investment cooperation between the countries of the Eurasian region and external partner countries, and the other on mutual FDI between the Eurasian region and China. The analysis of mutual investments is based on the EDB database, which is formed on a bottom-up basis and regularly updated using diverse information from open sources, including company reports and other primary data. The report provides detailed information on the scale, dynamics, geographical and sectoral structure of mutual FDI in the Eurasian region in 2024 and in the first half of 2025. It assesses the trends affecting the nature and dynamics of investment activity in the Eurasian region.

Keywords: investment, foreign direct investment, FDI, mutual investment, investment stock, investment projects, Eurasian Economic Union, Central Asia

JEL: E22, F15, F21, F23, F36, G31, G34.

The electronic version of the report is available on the Eurasian Development Bank website: https://eabr.org/analytics/.

Comments and suggestions on this report can be sent to research@eabr.org.

Operational macro analytics, infrastructure monitoring, and other expert opinions of analysts are published weekly on the Eurasian Development Bank's Telegram channel: t.me/eabr_bank.

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TERMINOLOGY

Foreign direct investments (FDI) refer to investments that give the investor the ability to participate in the management of a company in a foreign country through various forms of contribution, including the acquisition of an interest in a company or the injection of capital to create new or to upgrade/expand existing assets.

Portfolio investments refer to investments that usually involve the acquisition of an interest (up to 10%) in a company for the purpose of generating income without the intention of being involved in the management of the company.

FDI stock refers to the total amount of investment in the framework of a transaction or series of transactions. It is calculated based on various parameters depending on the type of entity involved in the transaction. For example, investments in non-financial corporations may be valued at non-current assets, while investments in banks and insurance companies may be valued at equity or charter capital. In some cases, valuations may be performed using similar transactions in the market (see the Methodology in the Annex).

Non-current assets refer to assets of an enterprise that generate income for more than one year or the normal operating cycle, if longer than one year. Fixed assets (buildings, equipment, land), intangible assets (exclusive rights, patents), income-generating investments in tangible assets (investment property), and financial investments (loans granted, investments in other companies) can be classified as noncurrent assets on the company's balance sheet.

"Initial investments," greenfield projects, refer to investments in projects that create new assets from the ground up, which can include, for example, the construction of infrastructure or a new industrial plant (see the Methodology in the Annex).

"Expansion investments," brownfield projects, refer to investments in projects that upgrade or expand existing assets. For example, field expansions in the petroleum and gas sector or warehouse upgrading projects (see the Methodology in the Annex).

The Eurasian region refers to the region comprising 13 countries for the purposes of this report: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Conduit countries are countries used in international financial transactions to redistribute capital and income in order to reduce the tax burden or avoid taxes.

Controlling stake — a share of shares that gives the owner the ability to directly influence key management decisions in the company. As a rule, a stake of more than 50% of shares is considered a controlling stake.

Minority stake — a share of shares that is insufficient for direct participation in the management of the company. In this report, a minority stake is considered to be a share of shares ranging from 10% to 50% (inclusive).

SUMMARY

Box 1. General information about the EDB MMI project

The Eurasian Development Bank's Monitoring of Mutual Investments (EDB MMI) is a long-term analytical project aimed at systematically tracking and analyzing stock of mutual direct investments in the countries of the Eurasian region. The Eurasian region covers 13 countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

The EDB's MMI database has been compiled since 2016 using a bottom-up approach, which involves collecting data at the level of individual companies and investment projects. The sources are official corporate reports, press releases, and other publicly available data, which ensures high accuracy and transparency of information.

Every year, data on mutual investments for the previous period since 2016 is updated and reevaluated. Adjustments are made based on refined project information and new corporate reports, which, in accordance with the MMI methodology, take precedence over media publications.

As a result of the review conducted in 2025, the volume of FDI stock in the Eurasian region was adjusted: for 2023, it was reduced from $46.5 billion to $45.5 billion. At the end of 2024, the volume of mutual investment stock was revised upwards—increased by $400 million (to $46.5 billion) compared to the first half-year estimate presented in last year's report. At the same time, the overall dynamics and structure of investment flows observed since 2016 remain stable, with no changes in key trends.

Key trends

As of the end of the first half of 2025, the volume of mutual FDI stock in the Eurasian region reached **$48.4 billion**, an increase of **6.4% (+$2.9 billion)** compared to 2023. The main contributors to the positive dynamics were projects in **the banking sector in Armenia** and the construction of new **chemical production facilities in Kazakhstan**.

The steady growth of mutual FDI stock in the Eurasian region reflects the strengthening of mutually beneficial economic cooperation against the backdrop of declining global investment activity. At the end of 2024, global FDI inflows (excluding intermediary operations) decreased by **11%** compared to 2023, with the decline in investment activity continuing for the second year in a row (Figures A and B).

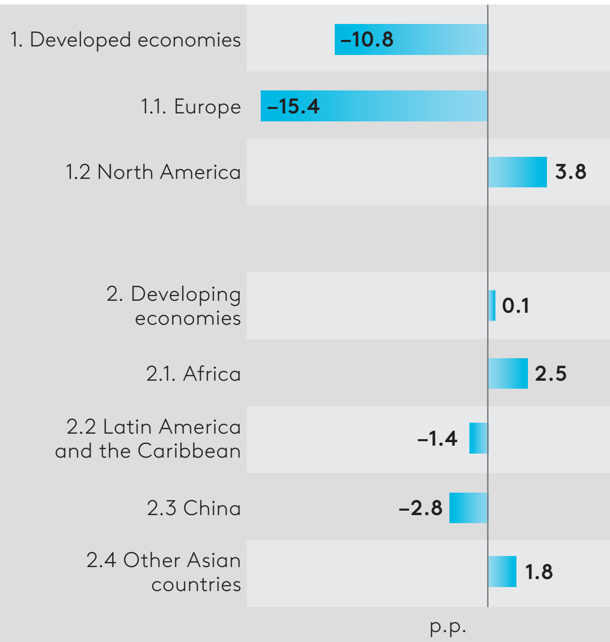
Since 2021, there has also been a slowdown in the average annual growth rate of mutual FDI to **2.8%** compared to **4.8%** for the previous five-year period from 2016 to 2020. This trend reflects a number of structural changes.

First, there has been **a gradual decline in the capital intensity of projects**: the average investment per project has fallen from **$120 million** to **$110 million**, indicating a shift towards less costly and more diversified initiatives.

Second, **investors are withdrawing from large commodity projects**: specifically, KAZ Minerals is leaving the Baimskaya project in Russia (2023), Russneft is leaving oil production assets in Azerbaijan (2024), and completion of the Shahpakhty field development project in Uzbekistan (2024).

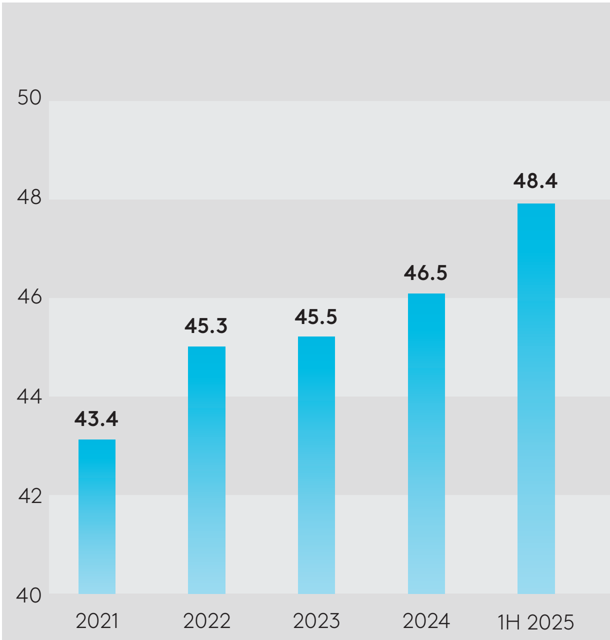
Third, **the sectoral diversification of investment flows** is intensifying: capital is being reallocated from capital-intensive extractive industries to manufacturing and energy, where projects are generally smaller in scale but generate higher added value.

↓ **Figure A. Contribution of world regions to global FDI inflows (excluding volatile financial flows) in 2024 compared to 2023, p.p.**



Source: UNCTAD, EDB Macro Review, September 2025.

↓ **Figure B. Dynamics of mutual direct investment stock of countries in the Eurasian region, billion dollars.**



Source: EDB MMI Database.

By mid-2025, greenfield projects became the dominant **type of investment** in the region for the first time, accounting for **40%** of total investment, while the share of brownfield projects declined to **39%**.

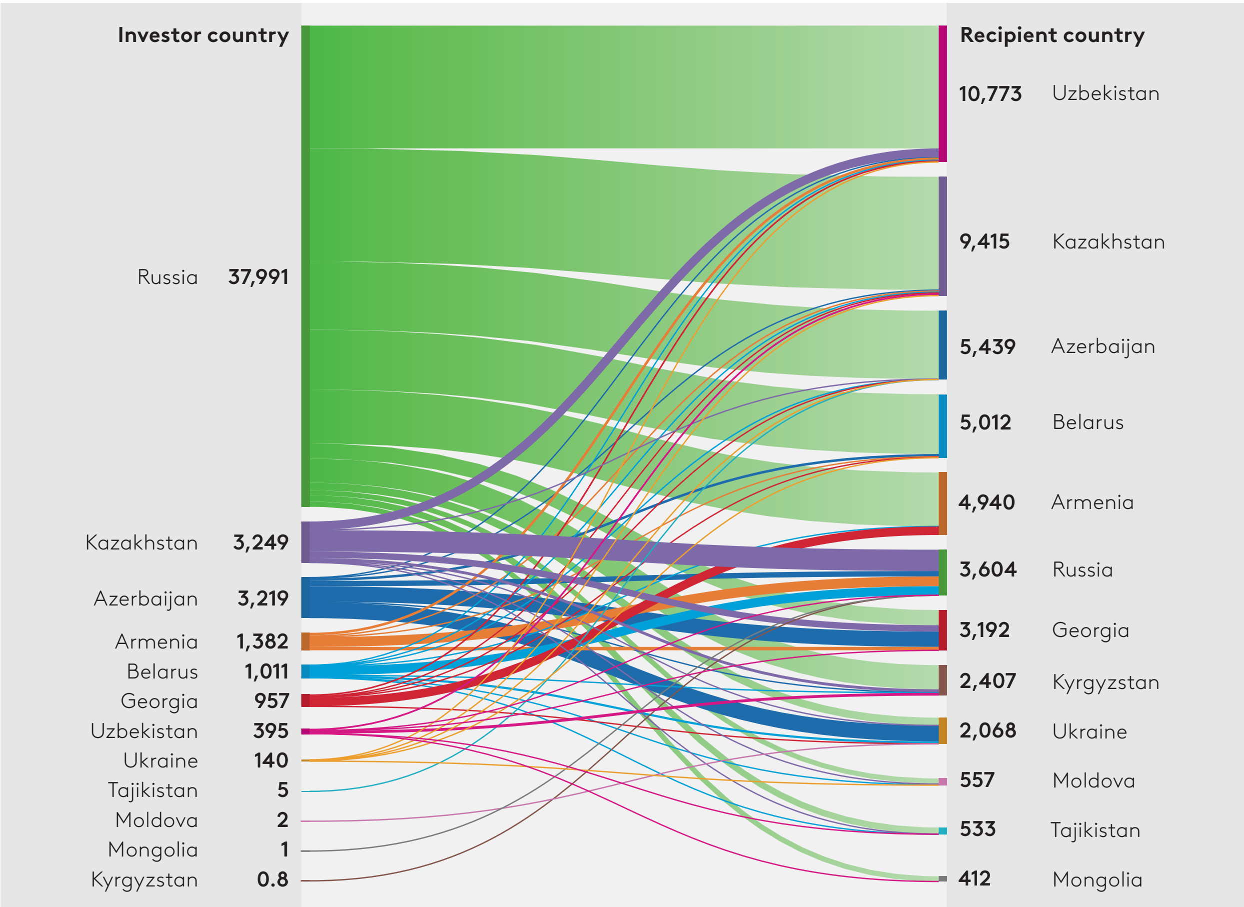
The role **of private companies in mutual FDI** is growing. Their share increased from **63%** in 2016 to **72%** in the first half of 2025. The share of state-owned companies during the same period decreased from **31% to 23%**.

Equity remain the main source of FDI (42% in the first half of 2025), although their share has decreased from 47% in 2016. At the same time, the share of combined financing schemes (equity and borrowed funds) is growing, from 34% to 40%, as well as borrowed resources, from 1% to 4%. This indicates the increasing use of external capital by investor companies.

Geographical structure

At the end of the first half of 2025, outward FDI from **five countries** in the Eurasian region exceeded **$1 billion**: Russia invested $38 billion, Kazakhstan and Azerbaijan invested $3.2 billion each, Armenia invested $1.4 billion, and Belarus invested $1.0 billion. (Figure C).

↓ Figure C. Directions of mutual FDI stock by country, $ millions



Source: EDB MMI Database.

Russia is the largest investor in the Eurasian region with a share of 78.6%, but for the first time since 2020, its share has fallen **below 80%.** The reason for this is the higher growth rates of investment from Central Asia and the South Caucasus. Over the past year and a half, Russian outward FDI growth has been **2.2%** compared to **6.2% on average for the region**.

The highest growth rates of outward investment were recorded in **Georgia** and **Uzbekistan**, where the volume of investment over the past year and a half increased **3.8 times** (to $0.96 billion) and **two times** (to $0.4 billion), respectively. The geography of these countries' investments remains predominantly subregional: for Georgia, these are the countries of the South Caucasus, and for Uzbekistan, Central Asia.

The structure of investment stock appears more balanced: **nine countries** in the region have managed to accumulate more than **$1 billion** in investments. The largest shares were recorded in Uzbekistan (22.3%), Kazakhstan (19.5%), Azerbaijan (11.2%), Belarus (10.4%), and Armenia (10.2%).

Over the past year and a half**,** the cumulative increase in attracted investments amounted **to $2.8 billion.** It was mainly provided **by Armenia** (+26%, or +$1 billion) and **Kazakhstan** (+11%, or +$0.95 billion).

Sectoral structure

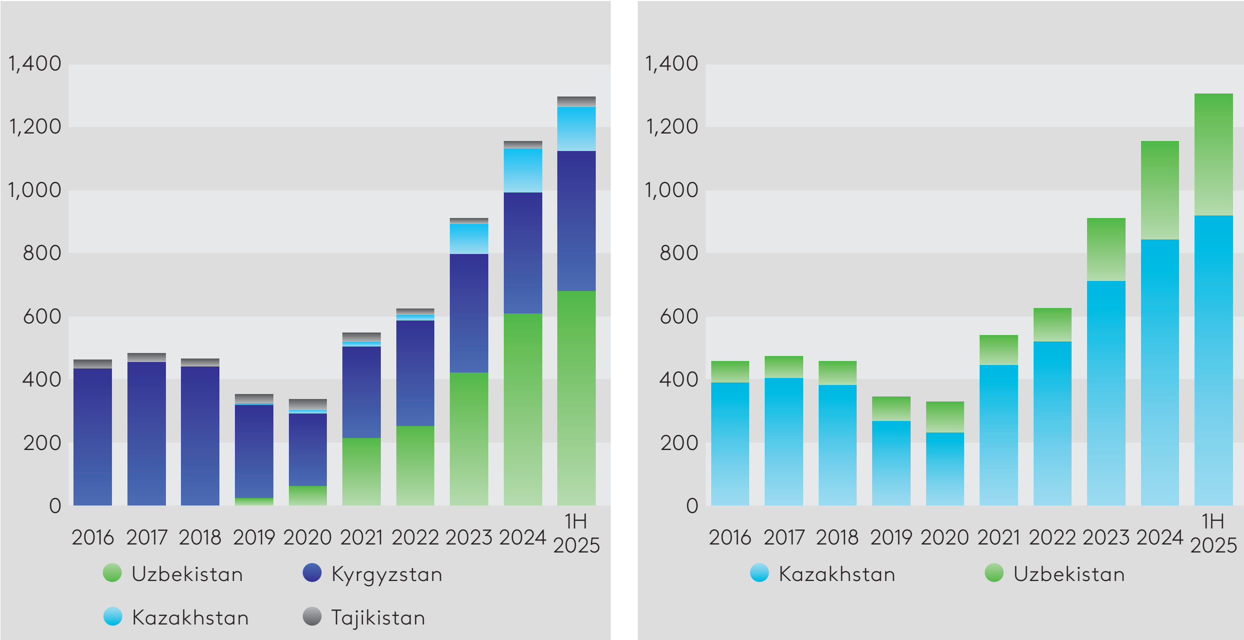
Mutual investments in the Eurasian region are concentrated in **three key sectors:** extractive industries (US$14.3 billion), manufacturing (US$8.9 billion), and transport and logistics (US$5.4 billion). Together, they account for about **60%** of the total FDI stock at the end of the first half of 2025.

In recent years, there have been noticeable changes in the sectoral structure. The most significant was a **4 p.p. reduction in the share of the extractive industries (to 29.6%)** compared to 2023, which corresponds to a decrease in volume of **$1 billion.** At the same time, **investments in the manufacturing sector grew by $1.5 billion**, which led to an increase in its share to **18.4% (+2.1 p.p.)**, as well as **in the financial sector**, where the increase amounted to **$1.4 billion**, and the share reached **10.9% (+2.5 p.p.)**. About half of the increase in investment in the manufacturing sector was provided by projects in **Kazakhstan**, including the construction of **chemical plants** for the production of fertilizers, butadiene, polyethylene, and other products. **Georgia** has become one of the leading investors in the financial sector. About 50% of its outward investment was directed to **banking assets in Armenia, Uzbekistan, and Belarus**.

Central Asia

Intra-regional mutual investment stock in Central Asia continue to show steady growth (Figure D). Since 2021, the dynamics have accelerated significantly, **averaging 24.4% per year**, which significantly exceeds the figures for the Eurasian region (**2.8%** for the same period).

↓ Figure D. Importing countries (left figure) and exporting countries (right figure) of intraregional FDI in Central Asia, $ millions



Source: EDB MMI Database.

At the end of 2024, the volume of mutual investment stock between Central Asian countries exceeded $1 billion for the first time, reaching **$1.15 billion,** and by the end of the first half of 2025, it increased by another 12.5% to **$1.3 billion.** This growth was largely driven by **investments made by Kazakh construction companies in projects in Uzbekistan**. They accounted for over **60% of the growth in** intraregional investments over the past year and a half (about **$240 million**).

The **two main** investors in the region, **Kazakhstan** and **Uzbekistan**, accounted for **72% ($928 million)** and **28% ($367 million)** of investments, respectively.

Uzbekistan is the leader in attracted investment, accounting for **53%** ($680 million) of all mutual FDI in Central Asia. It is followed by **Kyrgyzstan (34%)** and **Kazakhstan (11%)**. The key area of FDI in Central Asia is Kazakh business projects in Uzbekistan.

The construction sector attracted $440 million in FDI, while **manufacturing** attracted $340 million. These two sectors together account for **about 60%** of all investments within Central Asia. This structure reflects the priority given to developing **the region's production and infrastructure base**.

Promising sectors for investment

An analysis of mutual investment flows since the early 1990s has revealed significant changes in the sectoral structure of FDI in the Eurasian region (Figure E). There has been **a shift from extractive industries to sectors with higher added value**, reflecting the diversification of the investment profile and the structural transformation of the region's economy.

Four areas of investment are becoming priorities: **manufacturing, energy, transport and logistics, and agriculture.**

The manufacturing sector is attractive due to the capacity of its sales market amid strengthening economic cooperation within the EAEU and the CIS. Its investment attractiveness is enhanced by high export potential, the localization of production chains, and state support for industrialization.

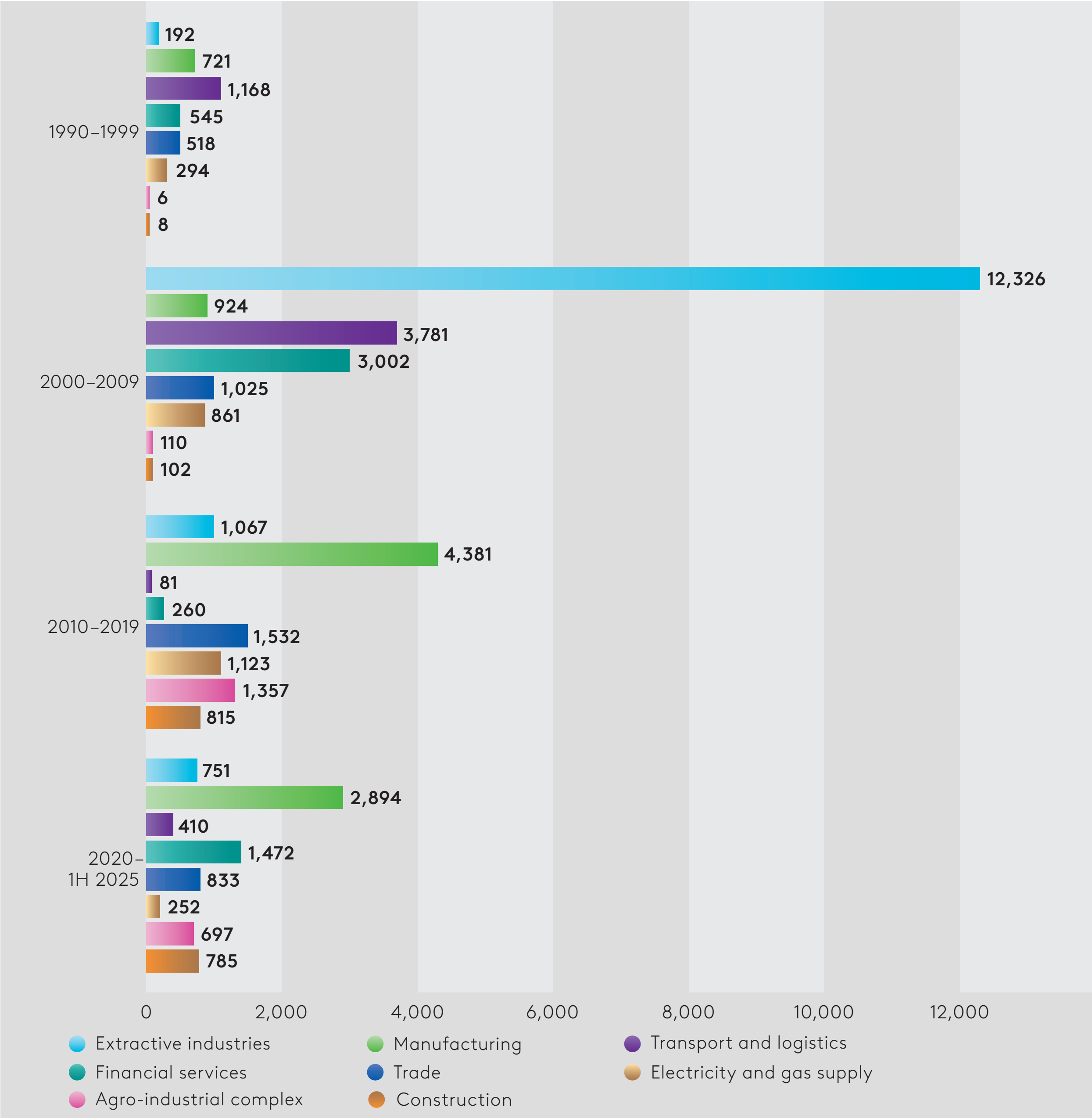
The investment attractiveness of **the energy sector** is driven by demand for the modernization of existing energy facilities and the commissioning of new ones, particularly renewable energy sources, due to the depreciation of existing infrastructure. Another important factor is the accelerated economic growth in the countries of the region, which is associated with an increase in energy consumption and the need to provide energy to new industrial and infrastructure facilities.

The transport and logistics sector remains highly attractive to investors, thanks in part to the active development of international corridors, including the International North–South Transport Corridor and the Trans-Caspian International Transport Route (the Middle Corridor).

Structural shifts in international trade and the reorientation of flows in the eurasian space are increasing the importance of routes through the Caspian Sea, the South Caucasus, Iran, and Central Asia. The growth of e-commerce is further stimulating demand for modern warehouses and distribution centres, creating a sustainable investment need for the modernization of the region's transport and logistics infrastructure.

The investment attractiveness of **the agro-industrial complex** is due to several factors: first, population growth, rising incomes and consumption in Central Asian countries; second, sustained external demand from China, Türkiye, other Asian countries, Africa, and the Middle East; third, the wealth of natural and geographical resources in the countries of the region; and fourth, the implementation of food security policies, which have been established as a national priority for the countries of the region.

↓ Figure E. Sectoral distribution of mutual investment stock in the Eurasian region by period, $ millions



Source: EDB MMI Database.

INTRODUCTION

The EDB has been implementing a project to monitor mutual investments (MMI) in the Eurasian region since 2012. The Eurasian region comprises 13 countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Uzbekistan, and Ukraine.

This report covers **exclusively mutual investments within the Eurasian region.** It is the first in a series of annual EDB studies dedicated to monitoring mutual investments between countries in the Eurasian region. It will be followed by two more reports, on investment cooperation between the countries of the Eurasian region and external partner countries, as well as a separate in-depth analysis of the Eurasian region's investment ties with China.

At the end of the first half of 2025, the EDB's MMI database covered 1,198 projects, which is 275 projects more than a year ago. The Eurasian region accounts for 549 mutual projects, of which 396 worth a total of $48.4 billion are currently active.

The increase in the number of projects in the database is due to expanded investment activity in the Eurasian region, primarily with countries that are external partners included in the database, as well as the work of a team of authors to refine the number of projects being implemented based on new information from open sources.

As part of the comprehensive work to refine projects and add new investment deals, the database on mutual direct investments for 2016–2023 was reevaluated and updated.

The indicators were revised in accordance with the methodological principles of the EDB's MMI, based on refined corporate reports and other data received, which have the highest priority in terms of reliability compared to information published by the media and other secondary sources.

The data update is methodological in nature and is aimed solely at improving its accuracy. The adjustment did not affect the overall trends in dynamics and structural proportions of mutual FDI. According to the revised estimates, the cumulative volume of mutual investments in the Eurasian region at the end of 2023 amounted to $45.5 billion, compared to $46.5 billion in the 2024 EDB report.

The report consists of four chapters. Each chapter provides a detailed analysis of key aspects of mutual foreign direct investment in the Eurasian region.

The first chapter analyzes changes and trends in the dynamics and structure of FDI at the global level.

The second chapter is devoted to analyzing the dynamics and structure of FDI in the countries of the Eurasian region, including by form of FDI, ownership of investor companies, and sources of investment.

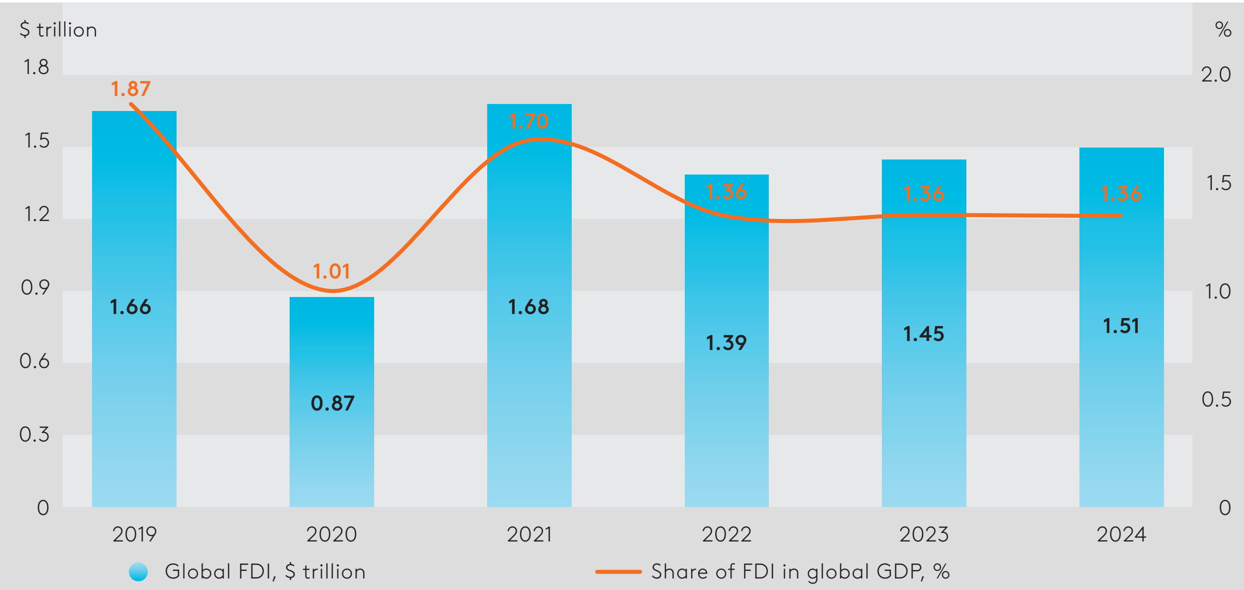
The third chapter contains a detailed analysis of the geographical structure of mutual FDI, with an emphasis on changes in the distribution of investments between countries in the Eurasian region. The dynamics and structure of FDI in the Eurasian Economic Union (EAEU), the Commonwealth of Independent States (CIS), and Central Asia are analyzed.

The fourth chapter analyzes the sectoral structure of mutual FDI, including changes and factors influencing its dynamics. It also identifies the most investment-attractive sectors of the economy and factors contributing to the inflow of investment.

CHAPTER 1.
MAJOR TRENDS IN FDI WORLDWIDE

Global FDI in real terms has declined for the second consecutive year. According to data from the United Nations Conference on Trade and Development (UNCTAD), FDI increased from $1.45 trillion to $1.51 trillion in 2024 (Figure 1). However, this growth was driven by significant transit financial flows in a number of European conduit countries[1]. Excluding these financial flows, global investment indicators **declined by 11%** from $1.67 trillion to $1.49 trillion. A similar situation was observed in 2023, when, excluding financial flows in offshore countries, FDI flows declined by 10% (UNCTAD, 2025).

↓ **Figure 1. Global FDI flows in nominal terms and as a share of global GDP**

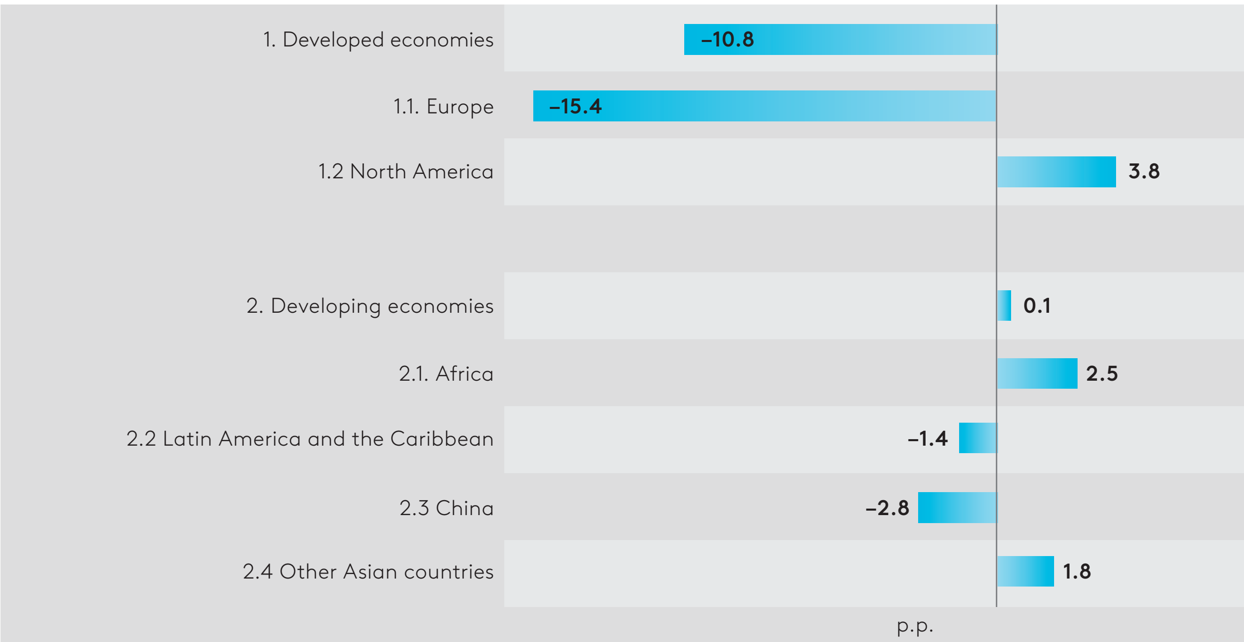


Source: World Investment Report 2025. UNCTAD.

Developed economies continue to drive global FDI flows. In 2024, they accounted for 42% of global FDI. Outward investment flows from these countries in 2016–2024 are characterized by a moderate decline and high volatility: their volume decreased from **$1.16 trillion** to **$1.11 trillion** (**–4.3%**) with an average annual decline of about **0.6**%. FDI inflows to developed countries over the same period declined much more sharply, from **$1.37 trillion** to **$0.64 trillion** (**–53%**)**,** with an **average annual decline of about 8**%. In 2024, the share of developed countries in global FDI inflows declined by 10.8 percentage points, mainly due to a sharp decline in investment in European economies (Figure 2). The US retained its status as the largest source of FDI, but became more inward-looking: more than 60% of greenfield investments remained within the country.

[1] Several European economies, including Ireland, Luxembourg, the Netherlands, and Switzerland.

↓ **Figure 2. Contribution of world regions to global FDI inflows (excluding volatile financial flows) in 2024 compared to 2023**



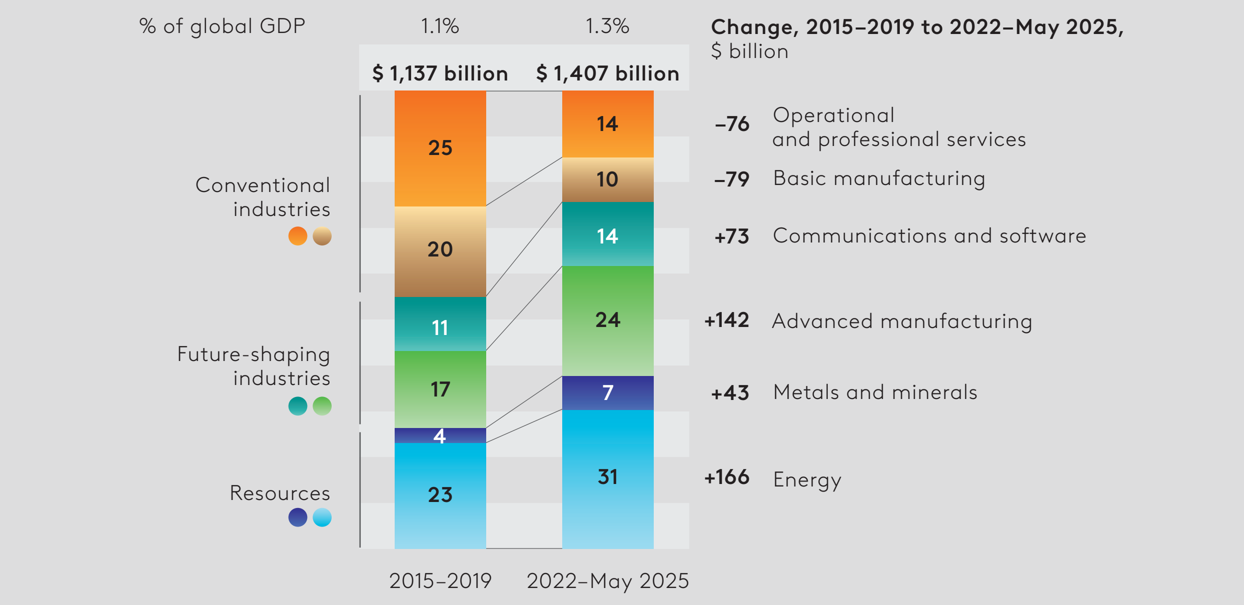
Source: UNCTAD, EDB Macro Review, September 2025.

Against the backdrop of declining interest among global investors in developed economies, **investment activity in developing countries are growing.** India and Saudi Arabia stand out among them, having increased their foreign investments and entered the global top 20 investor countries. China has changed its status from a net recipient of investment (developed countries have reduced FDI in the Chinese economy by 70%) to one of the largest investors. China's investment in advanced technology industries in Europe, Latin America, the Middle East, and North Africa has grown by two-thirds. At the same time, Chinese corporations reduced capital outflows (–8%) and the cost of greenfield projects (–50%), but increased their number (+6%) worldwide, focusing on manufacturing abroad. African and Asian countries showed steady growth in investment inflows (Africa from $55 billion to $97 billion, Asia from $542 billion to $657 billion), with Southeast Asia standing out, having almost doubled its volume.

Greenfield projects have become less capital-intensive, with investors opting for caution and risk diversification. Global activity in greenfield investments in 2024 showed a 3% increase in the number of projects. This is the third-highest number ever (>19,000 projects), although the total value of greenfield investments decreased by 5% compared to 2023, to $1.3 trillion.

This indicates a tendency among investors toward less capital-intensive projects and a shift in focus toward the information technology (IT) and artificial intelligence (AI) industries. Structurally, growth was driven by industrial production (especially semiconductors and electric vehicles) and digital industries, while capital-intensive sectors (energy, infrastructure) showed a decline.

↓ **Figure 3. Comparison of the structure of global greenfield investments by promising industries in 2015–2019 and 2022–May 2025**



Source: The FDI shake-up: How foreign direct investment today may shape industry and trade tomorrow. McKinsey (2025).

The priority is shifting from basic industry to advanced and digital industry. In 2024, the redistribution of investments continued in favour of the digital economy, data centres, and advanced manufacturing (semiconductors, rechargeable batteries, etc.). The number of projects in digital sectors grew by 17%, and their value doubled, mainly due to data centres and cloud infrastructure. In the manufacturing industry, there was a shift towards semiconductors: 4 of the 10 largest projects in 2024 were related to chips (total value +140%). The automotive industry remained a major recipient of investment, but with a slight decline in total value, offset by growth in the electric vehicle manufacturing sector. McKinsey estimates that the implementation of FDI projects announced since 2022 could more than quadruple current battery production capacity outside China and nearly double the global capacity of data centres used for artificial intelligence (Figure 3). Investment in the mining sector and critical minerals has returned to its long-term average ($40 billion), remaining buoyed by the energy transition and demand for lithium and cobalt.

Infrastructure projects are losing capital, with investors prioritizing more liquid and profitable sectors with lower risks. Investments in infrastructure have been under pressure from high capital costs and a 20% decline in project finance deals. Transport infrastructure remained the weakest in the world, with the decline linked to uncertainty about future global trade dynamics and budget constraints in recipient countries. Against this backdrop, telecommunications and digital infrastructure grew, especially broadband network projects. Renewable energy retained its status as the largest recipient of capital, but in 2024 the value of projects fell by a quarter, mainly in the EU, Asia, and Africa, reflecting cooling interest in climate change issues.

CHAPTER 2. KEY TRENDS IN MUTUAL FDI IN THE EURASIAN REGION

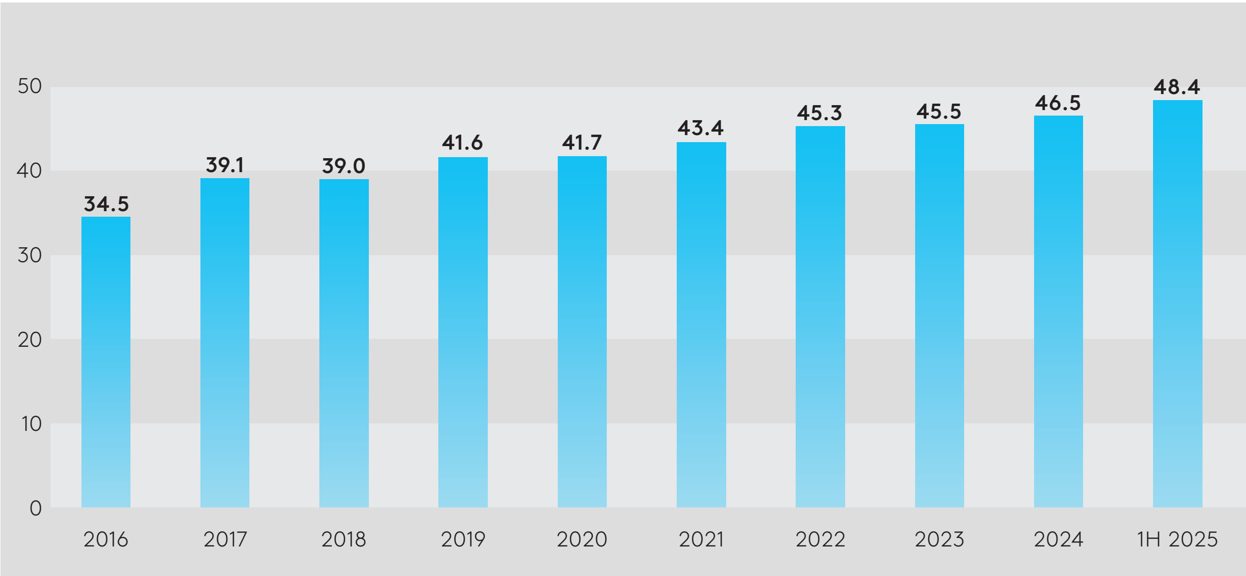
2.1. Dynamics of mutual FDI stock in the Eurasian region

Mutual FDI stock in the Eurasian region from 2016 to the first half of 2025 grew from $34.5 billion to $48.4 billion, or by almost 40% (Figure 4). The compound annual growth rate (CAGR) was about 3.8% for the entire period.

Growth was uneven: between 2016 and 2020, the CAGR was approximately 4.8%, while between 2021 and the first half of 2025, it slowed to 2.8%.

The $5 billion increase in FDI between 2021 and the first half of 2025 was driven by 99 new projects, which accumulated $6.5 billion in investments. At the same time, there was a decline in investment stock in projects that had been operating since an earlier period, amounting to $1.5 billion.

↓ **Figure 4. Dynamics of mutual FDI stock in the Eurasian region, $ billions**

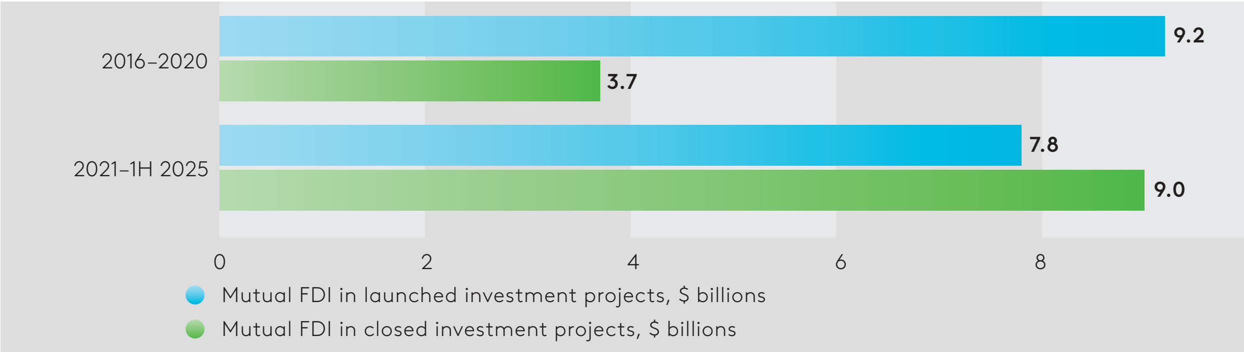


Source: EDB MMI Database.

Despite the slowdown in the growth of the value of mutual FDI stock, the number of projects launched remained unchanged. In 2016–2020, an average of 24 new projects were implemented and 15 were closed; in the period from 2021 to the first half of 2025, the figures remained at the same level.

One of the structural factors behind the slowdown in mutual FDI stock in the Eurasian region was the change in the capital intensity of investment projects. The slowdown in mutual FDI after 2021 is explained by a change in the structure of flows: while in 2016–2020 new projects (about $9.2 billion) significantly exceeded closed ones ($3.7 billion) in terms of volume, ensuring positive growth, in 2021 — the first half of 2025, the situation changed: closures ($9 billion) exceeded new investments ($7.8 billion). As a result, the balance became negative, and even the launch of large projects did not compensate for the outflow, which led to a slowdown in mutual investments (Figure 5).

↓ Figure 5. Mutual FDI projects launched and closed from 2016 to the first half of 2025, $ billions

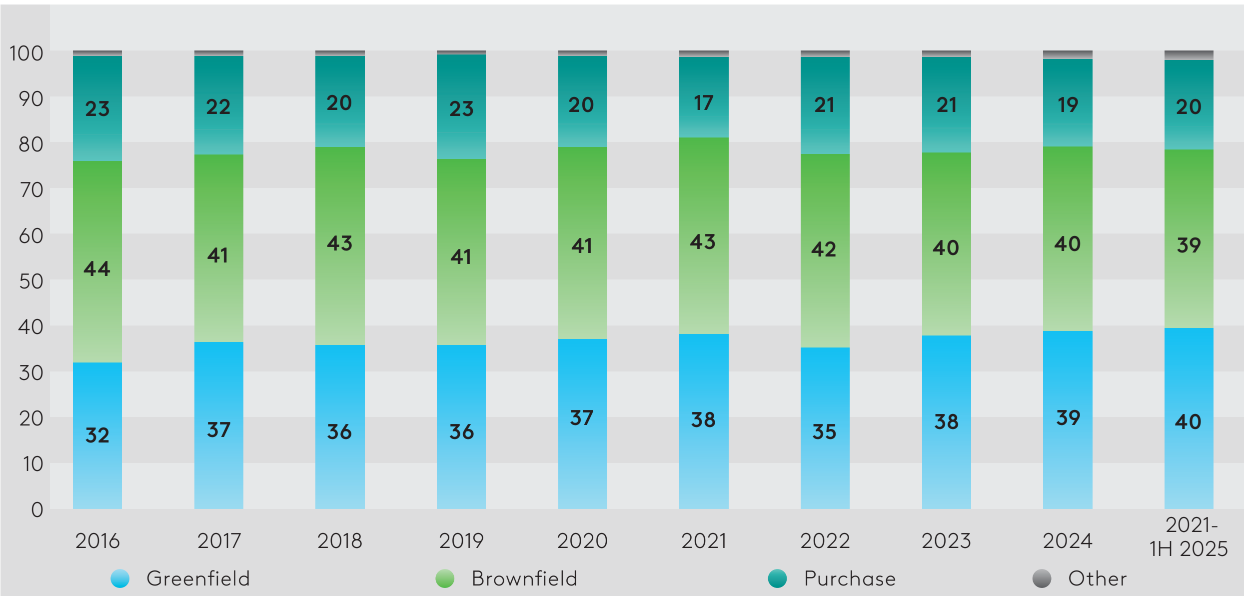


Source: EDB MMI Database.

2.2. Structure of investments by type of FDI

The largest volumes of mutual investments are accounted for by greenfield projects. Between 2016 and the first half of 2025, greenfield investments increased 1.7 times, from $11 billion to $19 billion. Their share in the structure of FDI grew from 32% to 40% (Figure 6). At the same time, it should be noted that the growth rate of greenfield investments has slowed significantly. Their average annual growth has slowed considerably over the past five years: while it was 7.1% in 2016–2020, it fell to 2.9% in 2021–first half of 2025.

↓ Figure 6. Structure of mutual FDI stock, 2016–first half of 2025, %



Source: EDB MMI Database.

Expansion purchases were the main form of FDI in the region throughout the period under review, and only in the first half of 2025 did they lose their leading position to primary investments. The main reason for this is the low growth rate of purchases with expansion: since 2016, the volume of FDI has increased by only a quarter, from $15.1 billion to $18.6 billion, with the CAGR for the last five years falling to 0.2% (2.6% in the period 2016–2020).

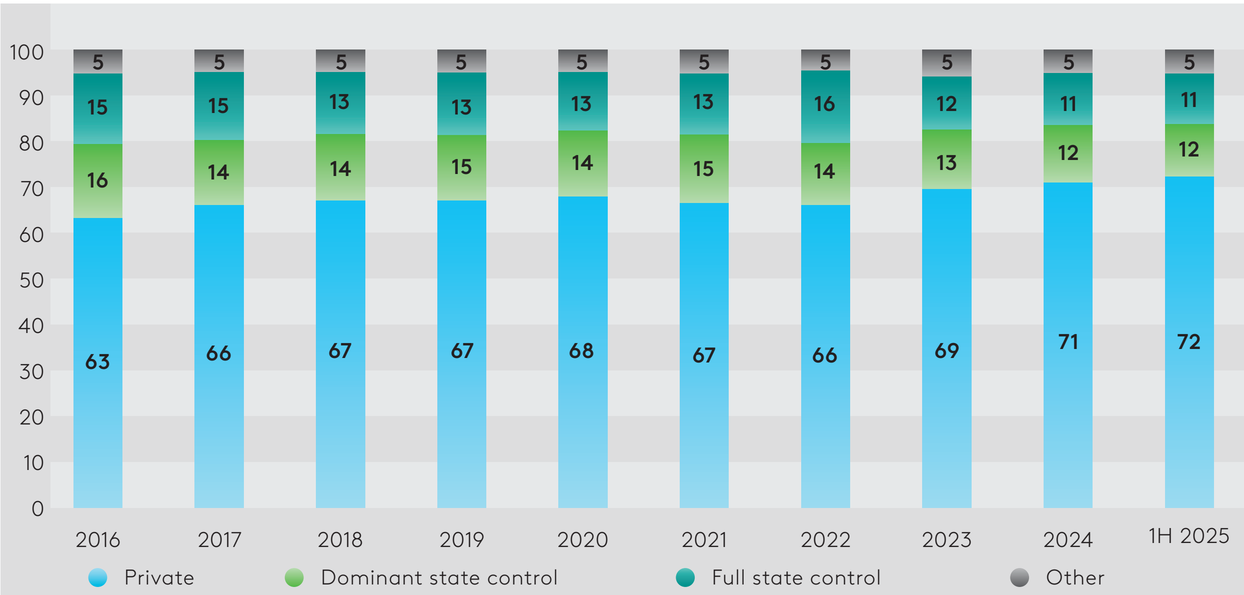
The share of **asset purchases as** a form of investment declined from 23% (2016) to 20% (first half of 2025) amid growth in greenfield projects. However, in 2021–first half of 2025, their growth rate accelerated (CAGR up by 1.8 p.p.), reflecting investors' growing interest in ready-made assets and their ability to compensate for the slowdown in greenfield activity.

2.3. Ownership structure of investor companies

Private companies remain the main driver of mutual FDI in the Eurasian region. The absolute volume of private investment grew from **$21.9 billion** in 2016 to **$34.7 billion** in the first half of 2025. The share of private capital in the structure of mutual FDI increased by **9 p.p.** — from **63%** in 2016 to **72%** in the first half of 2025 (Figure 7). The average annual growth rate for the same period was about **5%**, which is significantly higher than for other forms of ownership.

State-owned companies are gradually losing ground in the structure of mutual FDI. The total volume of investments by **wholly or partially state-owned enterprises** remained virtually unchanged over the period under review, at **$10.8 billion** in 2016 and **$11.0 billion** in the first half of 2025. At the same time, their share in the overall structure of mutual investments decreased from **31%** to **23%**.

↓ **Figure 7. Structure of mutual FDI by form of ownership, 2016 — first half of 2025, %**



Source: EDB MMI Database.

Investments by companies with predominantly foreign participation remain small. The volume of mutual FDI with foreign participation grew from **$0.94 billion** to **$1.3 billion** (**+39%**), but their share remains insignificant: about **3%** of the total volume.

The number of investment projects in the region continues to grow, with the structure shifting in favour of **private initiatives**. Private projects made the largest contribution: their number increased from **210** to **270**, reaching almost **70%** of all mutual investments. At the same time, the number of projects with **controlling state participation** decreased from **36** to **27**, and those with **foreign capital** from **17** to **9**.

2.4. Structure by investment sources

The structure of sources of financing for mutual FDI is becoming more diversified. Companies' equity are no longer sufficient, so **borrowed resources** and **combined schemes** involving budgetary instruments are being used more and more.

The main source of financing for mutual investments remains **equity**, but its role is gradually weakening. In **2016,** it accounted for **47%** of investments ($16.2 billion), while by **2025**, it will account for **42%** ($20.4 billion). The absolute volume grew by **26%**, but the compound annual growth rate (CAGR) was only **2%** for the entire period, which is less than for other types of financing.

The fastest growing segment is **combined sources (equity** and borrowed funds"), which has become **the second most important**. Its volume increased from **$11.9 billion** in 2016 to **$19.4 billion** in the first half of 2025, with an average annual growth rate of about **5**%. In the structure of total FDI in the Eurasian region, the share of this source grew from **34%** to **40**%.

Exclusively borrowed funds remain the least significant source, but show **the highest growth rates**. Their volume increased from **$392 million** to **$1.8 billion**, with an average annual growth rate of **16%** over the entire period. Their share in the structure of mutual investments grew from **1%** to **4%.**

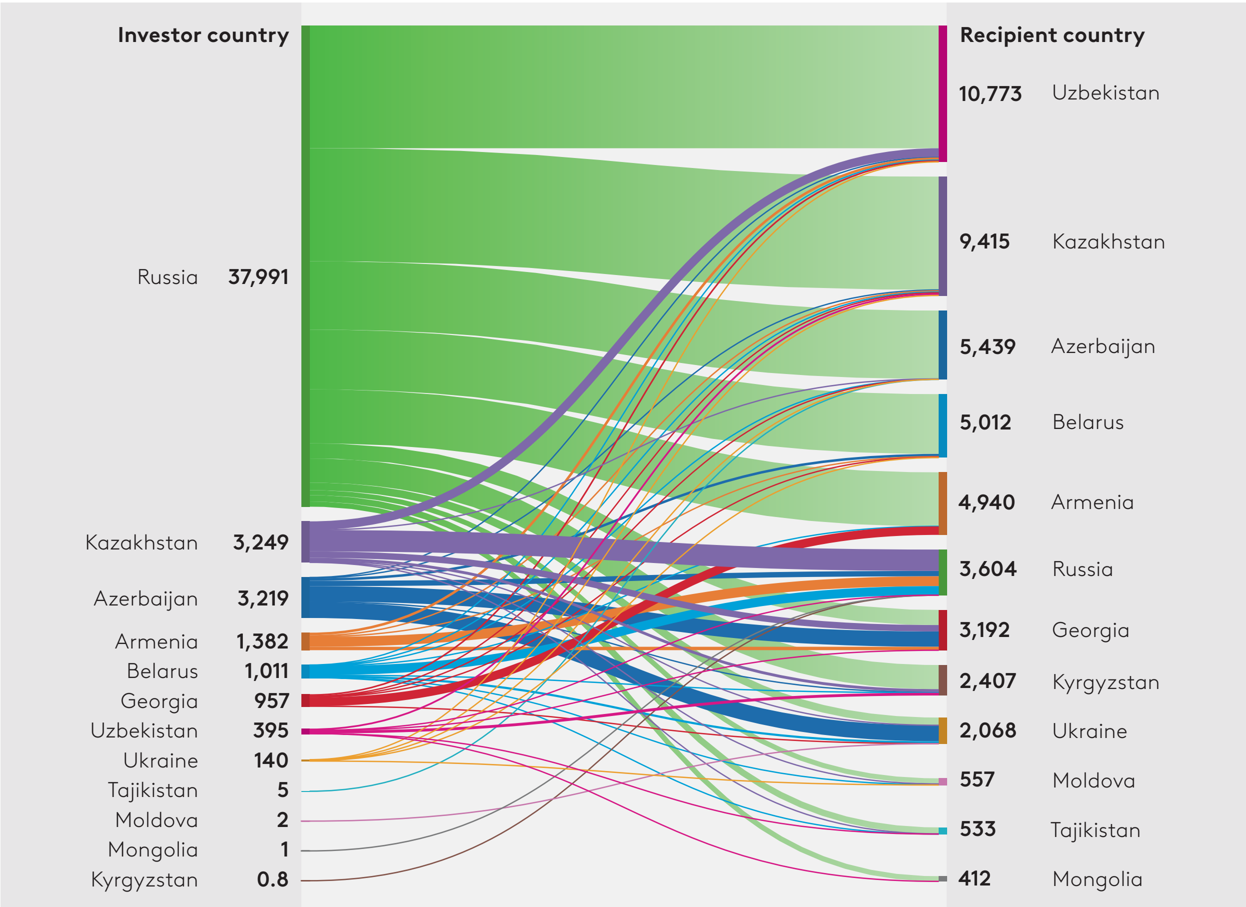
CHAPTER 3. GEOGRAPHIC STRUCTURE OF MUTUAL FDI

As of the end of the first half of 2025, **five countries in the Eurasian region** have a **mutual investment** portfolio of more than $1 billion: Russia — $38 billion, Kazakhstan and Azerbaijan — $3.2 billion each, Armenia — $1.4 billion, Belarus — $1 billion (Figure 8).

Russia retains its status as the largest investor (78.6%), although its share fell below 80% for the first time since 2020 due to a slowdown in growth (+2.2% over 1.5 years compared to +6.2% on average for the region). **The most dynamic growth** was in Georgia and Uzbekistan, where the volume of investment increased 3.8 and two times, reaching **$0.96 billion** and **$0.4 billion**, respectively.

The structure of FDI attracted shows a more even distribution: **nine countries accumulated more than $1 billion**, with the leaders being Uzbekistan (22.3%), Kazakhstan (19.5%), Azerbaijan (11.2%), Belarus (10.4%), and Armenia (10.2%).

↓ Figure 8. Directions of mutual FDI stock by country, $ millions



Source: EDB MMI Database.

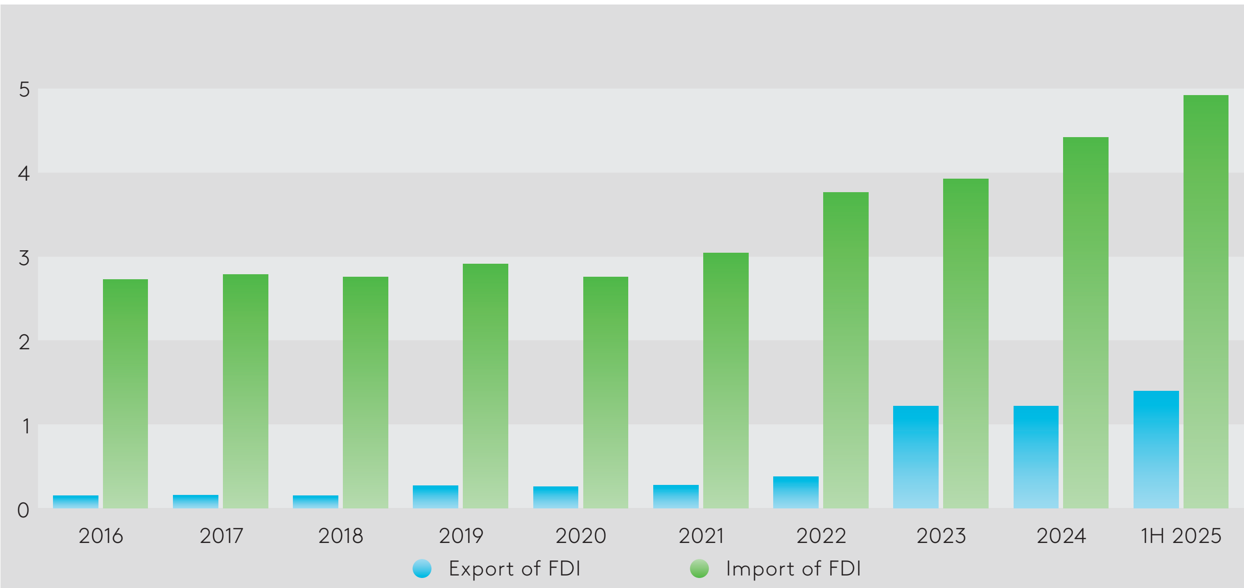
The total increase over 1.5 years amounted to $2.8 billion. The main contributors were Armenia (+26%, $1 billion) and **Kazakhstan** (+11%, $0.95 billion).

3.1. Analysis of FDI in the countries of the Eurasian region

Armenia

Armenia has one of the highest growth rates of direct investment in the Eurasian region. Between 2016 and the first half of 2025, **its investment in other countries in the region increased tenfold**, from $138.6 million to $1.38 billion. (Figure 9). The key driver of this growth was a series of large deals in 2023, including Balchug Capital's purchase of the Metropolis shopping centre and the Pulkovo Sky complex in Moscow for more than $750 million. In the first half of 2025, Armenia will implement **11 investment projects** in the countries of the Eurasian region, more than half of which (about $760 million) are concentrated in **the trade sector.** Among the new areas of activity, it is worth noting the acquisition by Revery Group of the Burger King franchise in Kazakhstan, with an estimated value of $110 million, as well as a significant expansion of Grand Holding's participation in joint cigarette production in Georgia, with its investment growing from $6 million in 2016 to $147 million at the end of the first half of 2025.

↓ **Figure 9. Mutual FDI between Armenia and countries in the Eurasian region, $ billions**



Source: EDB MMI Database.

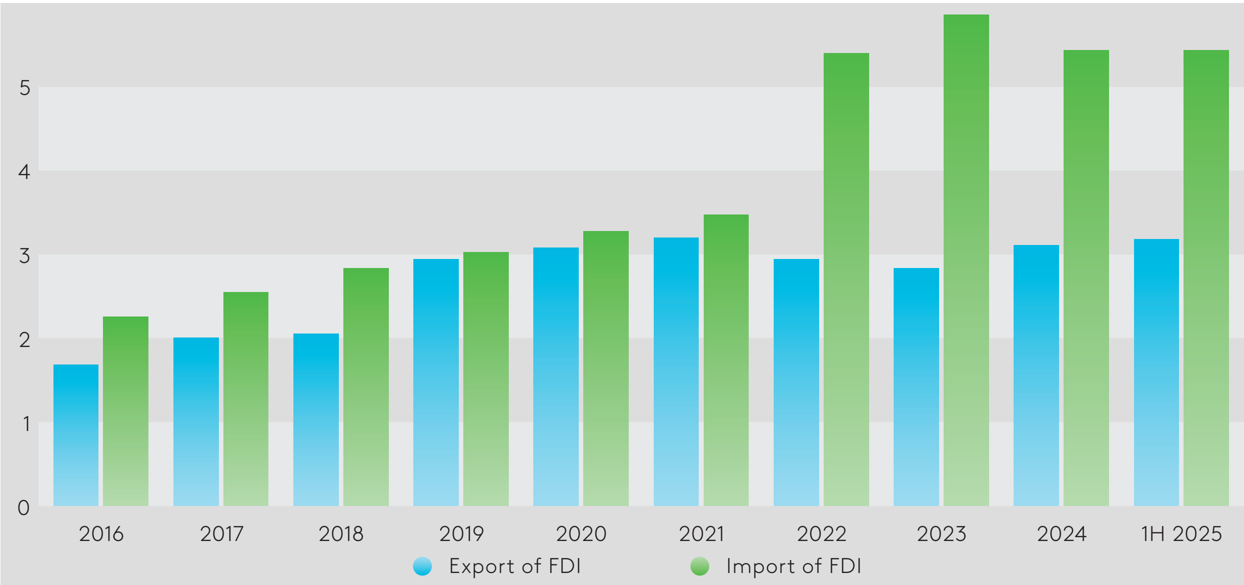
Armenia remains **a significant net importer of capital**: it accounts for **10.2%** of all FDI attracted in the Eurasian region, equivalent to **about $4.9 billion.** The main investors are **Russian companies**, which account for **86%** of this volume. Following the acquisition of Ameriabank by the Bank of Georgia in 2024, Georgia became one of the largest investors in Armenia, with investment stock of about $674 million. **The financial sector** dominates the sectoral structure of FDI inflows, accounting for about $2 billion, or 40% of the total.

Azerbaijan

Azerbaijan **ranks third** among the largest investors in the Eurasian region, slightly behind Kazakhstan in terms of investment volume. As of **July 2025,** the volume of Azerbaijani FDI stock reached **$3.2 billion**, distributed among **41 investment projects.** Since **2016,** investments have increased by **$1.5 billion** (**+90%**), allowing the country to rise from **fourth** to **third place** in the investor ranking, overtaking Belarus. The main sectors of investment are **telecommunications (25%)**, **transport and logistics (22%)**, and **trade (16%)**.

Key investments by Azerbaijani businesses are concentrated in **Ukraine ($1.3 billion)** and **Georgia ($1.2 billion)**. **Russia** leads in the number of projects, with **13 initiatives** worth a total of approximately **$424 million.** Azerbaijani capital is also present in other economies in the region: Belarus — five projects ($197 million), Kazakhstan — three projects ($43 million), Kyrgyzstan — one project ($53 million), Uzbekistan — two projects ($43 million).

↓ **Figure 10. Mutual FDI between Azerbaijan and countries in the Eurasian region, $ billions**



Source: EDB MMI Database.

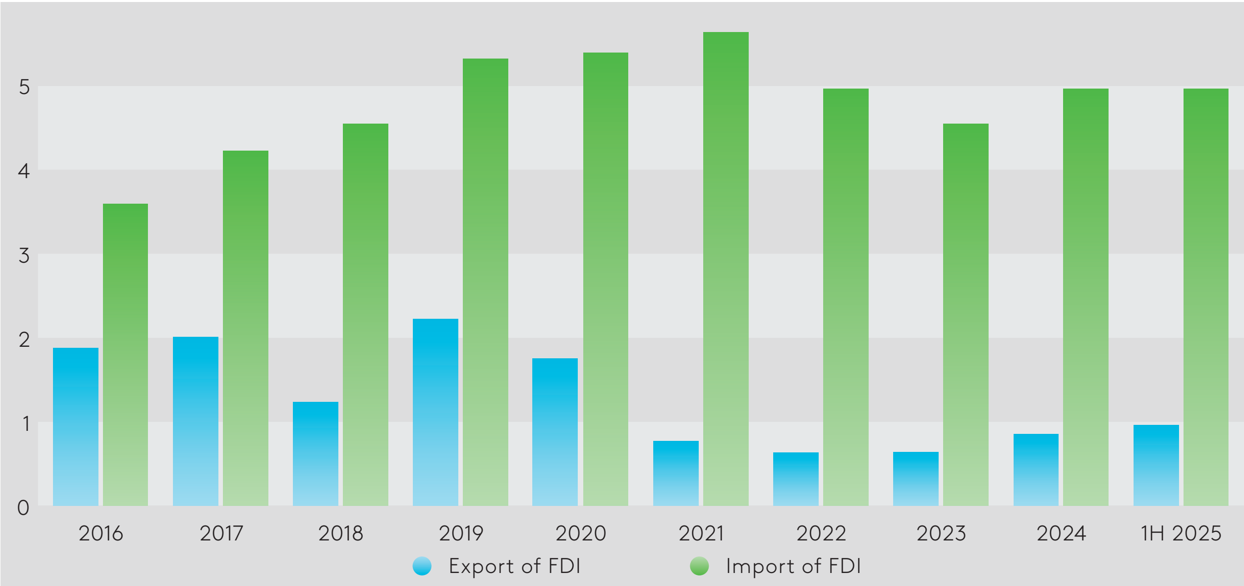
Azerbaijan is **one of the three largest recipients of FDI** from the Eurasian region. As of the end of the **first half of 2025,** the volume of inward FDI reached **$5.4 billion**, increasing **2.4 times** since 2016 (Figure 10). The country is characterized by **high capital intensity**: an average **of about $302 million per project**, which is the highest figure among the countries in the region. A total of 18 projects are being implemented in the country. About 90% of the total investment ($4.8 billion) is accounted for by one large project: the development of the Shah Deniz gas condensate field with the participation of Russian capital.

In terms of the structure of capital sources, **Russia** accounts for **almost the entire volume of investments received (99%)**. Compared to 2023, there was a **6.8% decline** due to Russian companies withdrawing from three projects in Azerbaijan worth over $400 million (from 2024 to the first half of 2025). In particular, in June 2024, RussNeft sold all of its oil production assets, with a total value of about $300 million.

Belarus

Belarus is gradually increasing its investment activity in the Eurasian region. At the end of the first half of 2025, the volume of Belarusian FDI reached **$1 billion**, which is **51%** more than in 2023 (Figure 11). However, in the long term, the trend remains negative: since **2016,** the total volume of investment stock has decreased by **47%**, mainly due to the withdrawal of Belarusian investors from the capital of Uralkali in 2021.

↓ **Figure 11. Mutual FDI between Belarus and countries in the Eurasian region, $ billions**



Source: EDB MMI Database.

The main factor behind the growth in recent years has been the participation of the Amkodor holding company in a project to modernize the Lipetsk Tractor Plant in Russia, in which approximately $246 million has already been invested. A total of **44 investment projects** are being implemented in the region, and Belarus is second only to Russia in their number. However, the average cost of projects remains relatively low (about $23 million) compared to other investor countries.

Belarusian investments are most widely represented in **Russia**, where **22 projects** worth about **$708 million** are being implemented**.** Investment cooperation between the two countries remains stable: in recent years, there have been no significant launches of new Russian projects in Belarus, nor any major capital outflows. In Ukraine, Belarusian companies are implementing **seven projects** worth **$171 million**, the main one being the activities of the computer equipment distributor ASBIS, which has been operating in the country since 1997. There are **five projects in Kazakhstan** with a total investment of about **$60 million**, and another **ten projects** worth a total of **$73 million** in Armenia, Azerbaijan, Kyrgyzstan, Moldova, Tajikistan, and Uzbekistan**.**

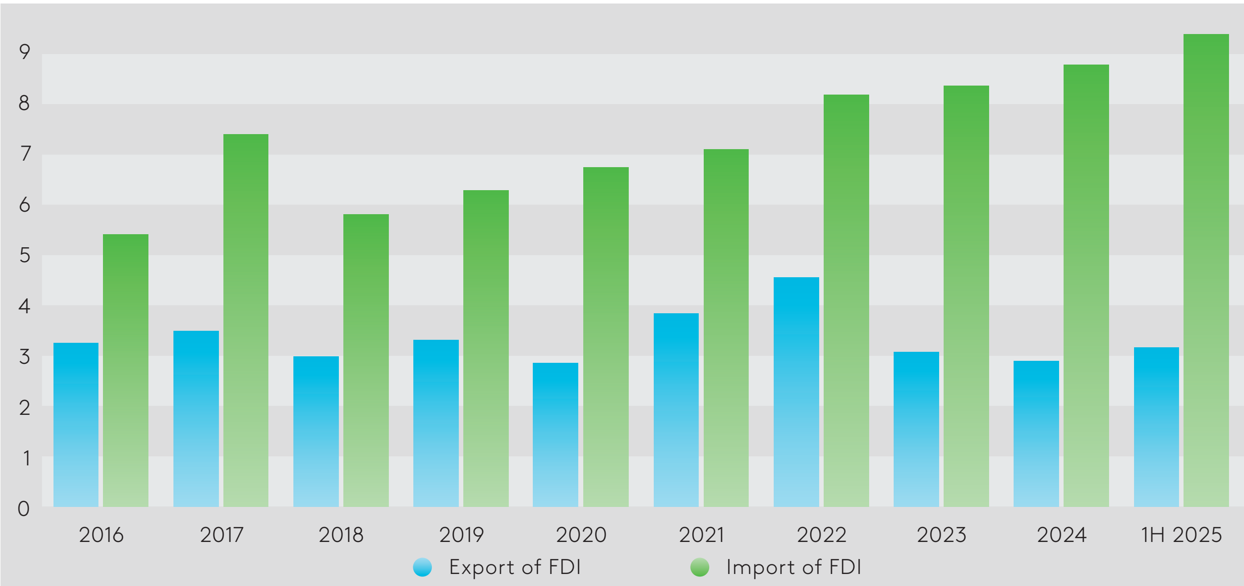
The sectoral structure of Belarusian investments is formed by four key areas: **manufacturing industry** — **$435 million** (19 projects), **extractive industries** — **$255 million** (two projects), **trade** — **$255 million** (20 projects), and the **agro-industrial complex** — **$66.3 million** (three projects).

Belarus also remains an important recipient of foreign capital from the Eurasian region. The volume of **FDI attracted** reached **$5.4 billion**, which is **8.5%** higher than in 2023 and **38%** more than in 2016. The main source of investment is **Russia**, which accounts for about **94%** of all investments. In the sectoral structure of FDI, **the financial sector** (35%), **manufacturing** (19%), and **transport and logistics** (18%) play the key role.

Kazakhstan

Kazakhstan is the second most important investor in the economies of the Eurasian region. The total volume of Kazakhstan's FDI stock for **the first half of 2025** amounted **to $3.25 billion** (**6.7%** of all mutual investments), which is roughly in line with the 2016 level. (Figure 12). The peak value was recorded in **2022** — **$4.6 billion**, after which there was a decline, partly due to KAZ Minerals' withdrawal from the Baimskaya project.

↓ Figure 12. Mutual FDI between Kazakhstan and countries in the Eurasian region, $ billions



Source: EDB MMI Database.

There are **42 projects** involving Kazakhstani capital in the region, **14** of which are within the EAEU and **28** outside it. The largest growth in Kazakhstani investment was in **Uzbekistan (2.7 times)**.

About **35%** of all Kazakhstani investments are in **the construction sector** (about **$1.1 billion**), where the key investors are BI Group and Basis-A. The largest project is Verny Capital's investment in the Ritz Carlton Moscow Hotel ($300 million), whose market value has declined due to exchange rate revaluation.

In terms of countries, **Russia** remains the largest destination for Kazakhstani investments (52% share, or $1.7 billion), but since 2022, their volume has decreased by 53%.

Uzbekistan ranks second in terms of investment from Kazakhstan, with approximately $680 million. Of the 14 projects, five were launched in 2024–2025, reflecting the intensification of Kazakh capital in the industry, logistics, trade, and financial sectors of the neighbouring country.

Georgia is the third destination, with **$506 million in investment stock**, of which more **than $300 million** is accounted for by the Batumi oil terminal (KazTransOil). In 2025, with the participation of PTC Holding, a port terminal in Poti ($32 million) was put into operation, strengthening Kazakhstan's transit and logistics positions and its access to the Black Sea.

Kazakhstan is also **one of the largest recipients of capital** in the Eurasian region. In the first half of 2025, FDI stock from countries in the region reached **$9.4 billion** (**19.5%** of all mutual investments). There are 93 projects being implemented in the country with an average cost of about $101 million. Since 2016, FDI has grown by 72%, and since 2022, by 14%.

The **extractive industries sector** remains the most attractive for investment, accounting for **$3.7 billion** (**39%** of all investments). About **95%** of FDI in Kazakhstan comes from **Russia**, with the largest investors being LUKOIL ($2.8 billion, five projects), Tatneft ($666 million, three projects), and EuroChem ($570 million, three projects).

Kyrgyzstan

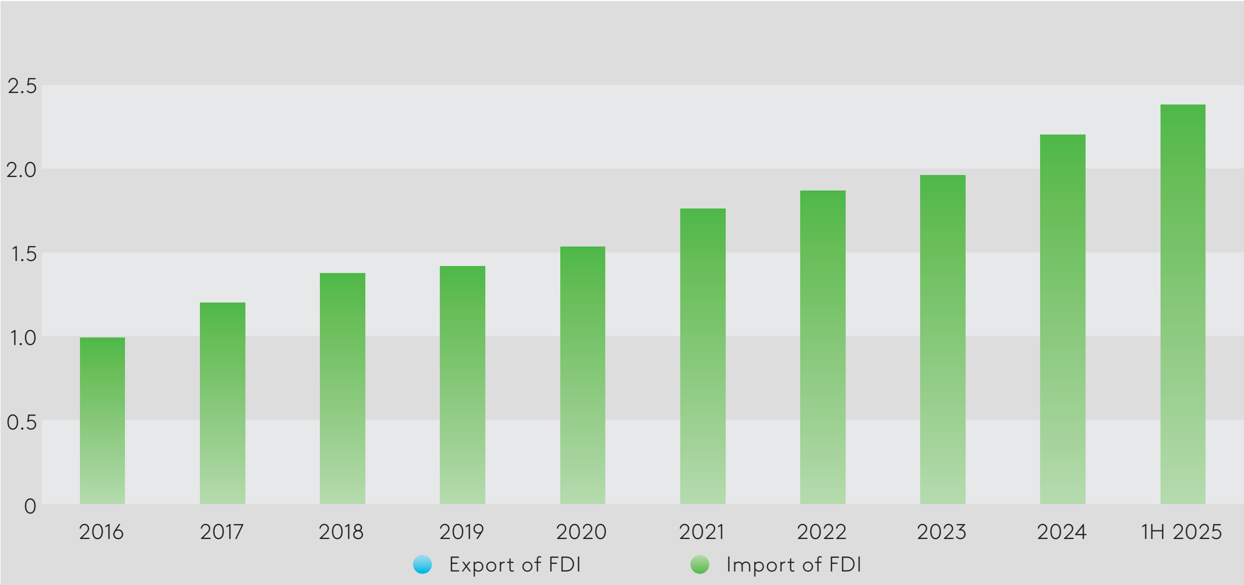
Kyrgyzstan is represented as an investor in the Eurasian region market by **one project** with an investment volume of about **$1 million.**

At the same time, the country remains **an active recipient of capital**: the volume of investment stock attracted from countries in the region reached **$2.4 billion** at the end of **the first half of 2025**, demonstrating steady positive dynamics: a **2.3-fold** increase compared to **2016** and **a 21%** increase compared to 2023 (Figure 13).

About **80%** of all attracted investments come from **Russia**. Over the past year and a half (**2024 — first half of 2025**)**,** the key projects involving Russian investors were:

- construction of a solar power plant in the Issyk-Kul region by Unigreen Energy;
- construction of the Karkyra mountain health resort in the same region.

↓ Figure 13. Mutual FDI between Kyrgyzstan and countries in the Eurasian region, $ billions



Source: EDB MMI Database.

In terms of sectoral structure, the main areas for attracting capital remain **the extractive industries and trade**, which account for **27%** and **22%** of all FDI attracted to the region, respectively.

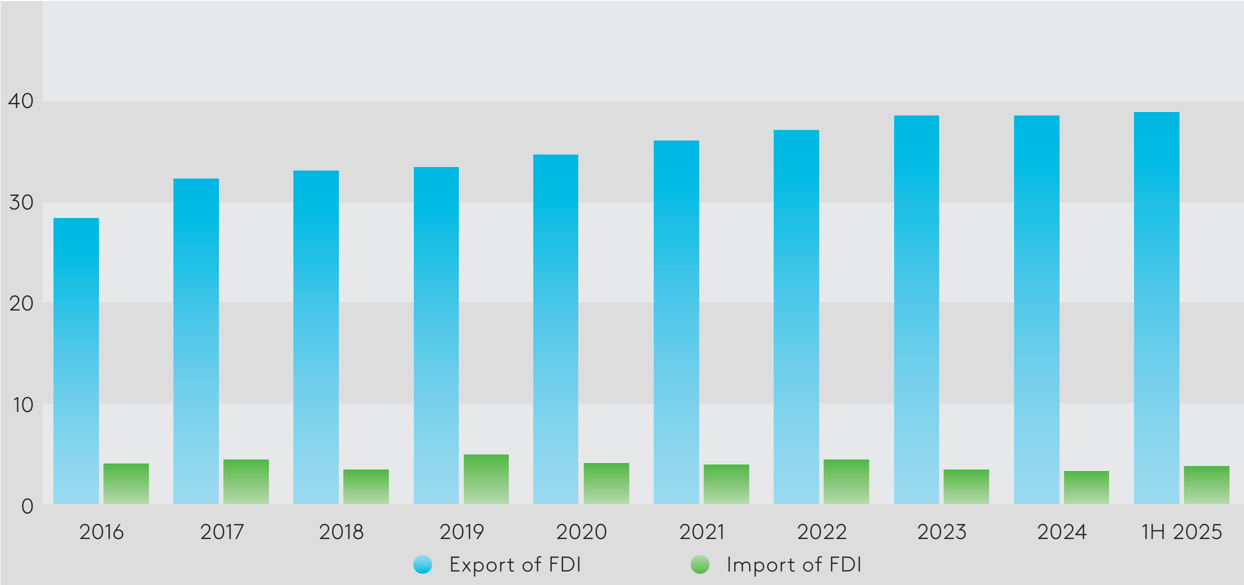
Russia

Russia remains **the largest investor** in the countries of the Eurasian region. As of July 1, 2025, it accounted for **78.6%** of total FDI exports. Since 2016, the volume of Russian investment has grown by **39%** — from **$27.3 billion** to **$38 billion**, However, since 2022, the pace has slowed significantly: while the average annual growth rate was around **5%** in 2016–2022, it has not exceeded **2%** in the last 2.5 years, and in 2024 it was only **0.2%**, the lowest figure for the entire period.

The volume of FDI attracted to Russia remains significantly lower than the volume of Russian investments in the countries of the Eurasian region. At the end of the first half of 2025**,** it amounted to **$3.6 billion,** which is 6.2% higher than in 2023 (Figure 14). Of this amount, $3.2 billion came from EAEU countries. With FDI from EAEU countries growing by **43%**, investments from Belarus grew the most significantly (+82%), while those from Kazakhstan declined (–10%).

The key area of Russian investment in the Eurasian region remains **extractive industries**, which account for **37%** of all investments ($13.9 billion), of which about **$12 billion** is in the oil and gas industry.

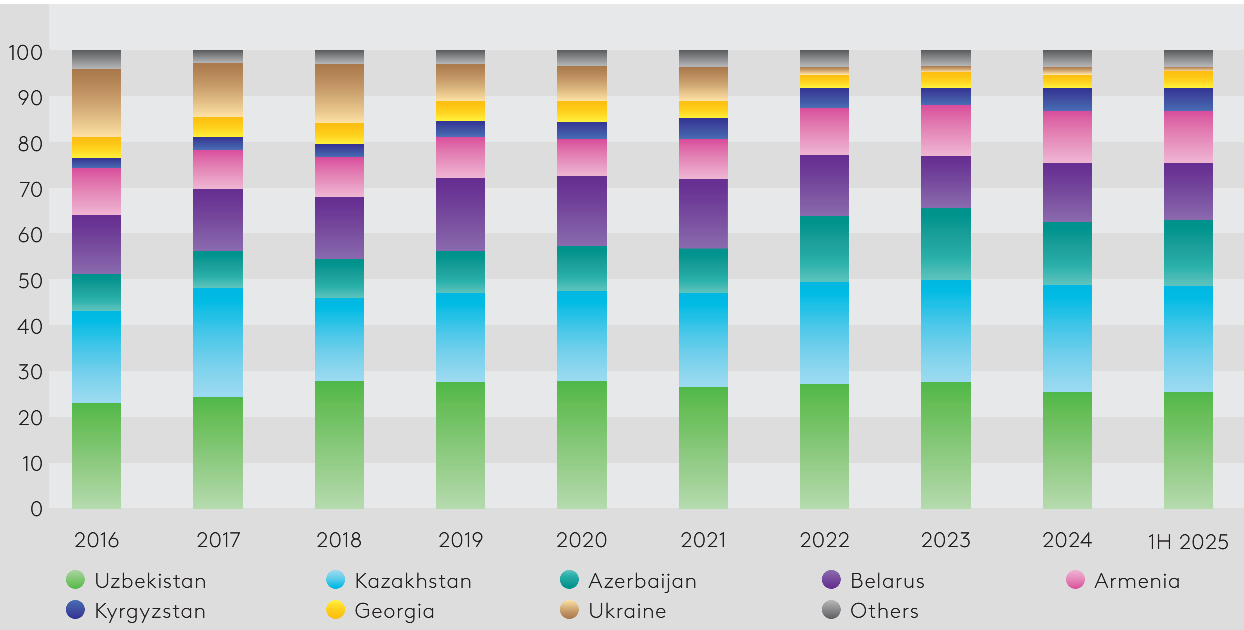
↓ Figure 14. Mutual FDI stock of Russia and countries of the Eurasian region, $ billions



Source: EDB MMI Database.

More than half of the projects, both in terms of investment volume (**$19.8 billion**) and number (**152 out of 213**), are concentrated in the EAEU countries. However, compared to 2022, the total volume of Russian FDI in the Eurasian region increased by **4.7% (**by **9.9%** to EAEU countries), while a **0.4%** decline was recorded in non-EAEU countries.

↓ Figure 15. Distribution of Russian FDI stock by countries in the Eurasian region, %



Source: EDB MMI Database.

Uzbekistan is the largest recipient of Russian direct investment in the Eurasian region. At the end of the first half of 2025, the volume of such investment amounted **to $9.7 billion**, which is $183 million less than in 2022. Less than in 2022. At the same time, Russia ranks third in terms of the number of projects implemented in Uzbekistan

(28 projects), behind Kazakhstan (76) and Belarus (45). This is due to the relatively high average cost of a single investment project — about **$346 million.**

Kazakhstan ranks second in the volume of accumulated Russian direct investment. As of July 2025, their total volume reached **$8.9 billion.** In 2024 – 1H 2025, **nine new investment projects** involving Russian capital were launched in the country, while Russian investors withdrew from six projects. The most significant was the withdrawal of a Russian shareholder from Polymetal, which is implementing the Kyzyl gold mining project. One of the major new projects was the purchase in 2024 by Sibur Holding of a stake in the construction of a polypropylene plant in western Kazakhstan.

Azerbaijan. At the end of the first half of 2025, the volume of Russian FDI stock in the country's economy reached **$5.4 billion**, which is **9.7%** higher than in 2022. It is noteworthy that this entire amount is distributed among only **10 projects**, which indicates a high average cost per project of about $540 million.

Belarus. The volume of accumulated Russian capital in the country's economy amounted to **$4.7 billion**, which is **0.9%** higher than in 2022**.** There are **45 Russian investment projects** being implemented in Belarus**.** In terms of the number of investment projects from the Eurasian region in Belarus, Russia ranks second after Kazakhstan.

Armenia. At the end of the first half of 2025, 22 Russian investment projects worth $4.3 billion are being implemented in Armenia. Since 2022, the volume of FDI from Russia to Armenia has increased by 13.9%. The main areas of investment are the financial sector (31%), energy (30%), and transport and logistics (27%).

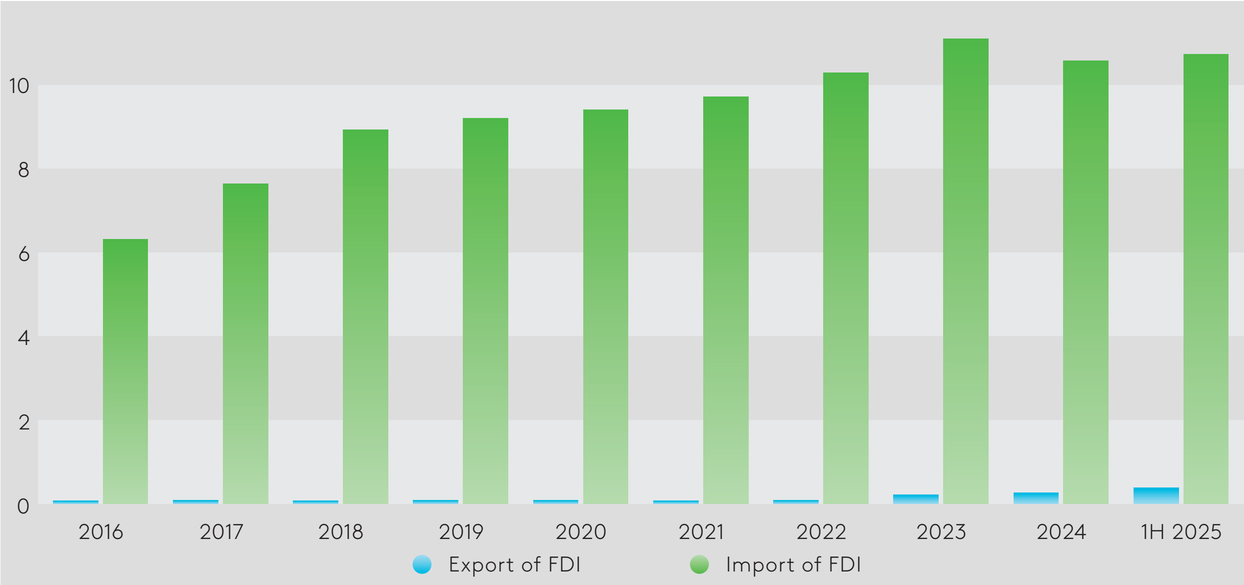
Kyrgyzstan. By July 2025, the volume of Russian FDI stock in the country reached **$1.9 billion**, which is **23%** more than in 2022. In 2024, two new investment projects involving Russian capital were launched for a total amount of about **$260 million.**

Other countries in the region. The total volume of Russian investments in Georgia, Ukraine, Tajikistan, Mongolia, Moldova, and Turkmenistan amounts to $3.1 billion. Of this, $1.2 billion is accounted for by Georgia. The largest project in the country is Alfa Group's stake in IDS Borjomi International.

Uzbekistan

At the end of **the first half of 2025**, the volume of direct investment from Uzbekistan to countries in the Eurasian region reached **$396 million**, which is **twice the figure** for 2023. In total, the country is implementing 13 investment projects, five of which were launched between 2024 and the first half of 2025, with a total FDI stock of $60 million. The bulk of Uzbek investments are concentrated in **Central Asian** countries, reflecting the country's growing economic interaction with its neighbours in Central Asia. **Manufacturing** remains the key sector, accounting for **86%** of all Uzbek investments abroad.

↓ Figure 16. Mutual FDI between Uzbekistan and countries in the Eurasian region, $ billions



Source: EDB MMI database.

Uzbekistan is **the largest recipient of investment** among the countries of the Eurasian region. As of the end of the first half of 2025, the country had attracted over $10.7 billion in FDI, accounting for 22.3% of the total volume. Since 2016, the volume of investment stock has increased by 69%. (Figure 16). The structure of FDI in Uzbekistan is characterized by high capital intensity: 51 projects are being implemented with an average cost of about $211 million. The main inflow of investment is directed to the extractive industries, which accounts for $4.8 billion, or 45% of the total investment.

Russian companies are the key investors. Their total investment amounts to $9.7 billion, or about 90% of all FDI stock from the Eurasian region. The bulk of Russian investment ($8 billion) is linked to major projects by LUKOIL, including the Kandy gas processing complex and the development of the Kandy-Hausak-Shady and South-Western Gissar fields. Among the new initiatives are Dzhel gas field by Gazprom (investment stock — $200 million, an increase of $50 million from 2023) and Tatneft's participation in the TatSinoNavoi petrochemical project, a joint venture with the Chinese company CNCEC, where investments reached $171 million by mid-2025 (an increase of $32 million since 2024).

Other countries in the region

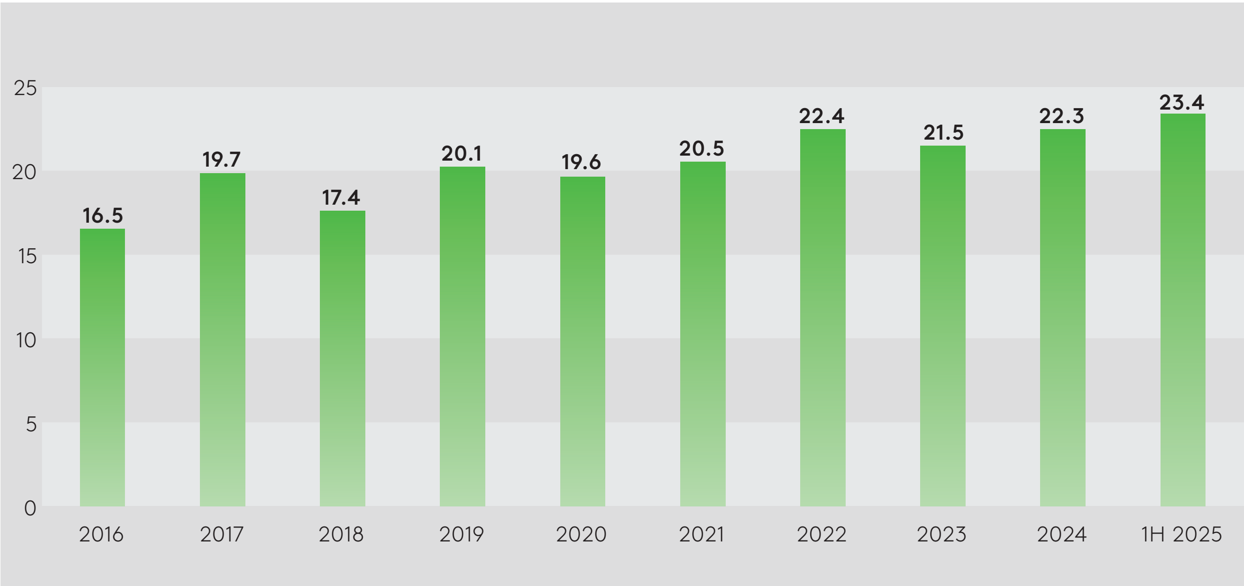
Investment activity by other countries in the region is assessed as low. The total volume of mutual FDI in **Georgia, Ukraine, Moldova, Tajikistan, Mongolia, and Turkmenistan** is about **$1.1 billion, or 2.3%** of the total volume, with Georgia accounting for almost 90% of this amount ($0.96 billion).

In terms of the structure of attracted investments, the above-mentioned countries account for a more significant volume of FDI: about **14%, or $6.8 billion.** Here, too, **Georgia** plays the leading role, accounting for 47% (about $3.2 billion). The key investors in the Georgian economy are companies from Azerbaijan and Russia, which accumulated $1.2 billion in investments by the end of the first half of 2025.

3.2. Mutual investments in the EAEU

Mutual investments within the EAEU are showing steady growth, reaching their highest level at the end of the first half of 2025 since the Union was created. The total volume of mutual FDI stock between the Union countries amounted to $23.4 billion, which is 42% higher than in 2016 (Figure 17). The positive trend resumed after a temporary decline in 2023 (from $22.4 billion to $21.5 billion). The share of mutual EAEU investments in the total volume of FDI in the Eurasian region reached 48.4%, which underscores the importance of the investment component in the processes of regional economic integration.

↓ **Figure 17. Volume of mutual FDI stock of EAEU member-states from 2016 to the first half of 2025, $ billions**



Source: EDB MMI Database.

Russia remains the main source of investment in the EAEU. At the end of the first half of 2025, its share in the total volume of FDI stock within the Union amounted to 84.6%, reaching $19.8 billion. This reflects the steady growth of Russian capital participation: since 2016, Russian FDI volumes have increased by 62%, and since 2022 — by 9.9%. In total, Russia is implementing 152 investment projects in the EAEU member states. At the same time, the volume of FDI imports into Russia from the Union countries amounts to $3.2 billion (13.5% of all EAEU FDI). It grew for the first time since 2022 and amounted to $312 million in 2024. However, the dynamics have been negative throughout the entire existence of the Union: since 2016, EAEU countries' investments in the Russian economy have decreased by 17.5%, and since 2022, by 21.4%.

Kazakhstan remains the second largest investor in the EAEU. At the end of the first half of 2025, its share in investment exports amounted to 8.2%, or **$1.9 billion.** After a 45% decline in investment in 2023 and a 19.7% decline in 2024, positive dynamics resumed in 2025: the growth of Kazakhstan's FDI in the economies of other EAEU member states amounted to $178 million (+10.3% compared to 2024).

Kazakhstan remains the largest recipient of capital within the Union: its share in the total volume of attracted investments is 39% ($9.1 billion). Since 2016, the volume of FDI in Kazakhstan from the Union countries has grown by 67%, and since 2022 — by 12%. There are 83 active projects being implemented in the country with the participation of companies from other EAEU member states.

The volume of FDI from **Armenia** into the economies of the Union countries increased 22-fold compared to 2023, facilitated by the launch of a major project, the purchase of the Metropolis trading house in Moscow by Balchug Capital. The combined share of investments from Armenia, Belarus, and Kyrgyzstan in total FDI exports within the Union is 7.2%, while their share in imports is 48%.

The sectoral structure of mutual investments in the EAEU is relatively diversified. More than half of all investments are concentrated in three sectors: extractive industries (19.9%), financial services (16.5%), and manufacturing (15.1%). At the same time, dependence on extractive industries in attracted investments has decreased significantly in recent years: since 2022, the volume of investments in this area has decreased by 42%, and in transport and logistics — by 5.5%. At the same time, the largest growth has been seen in the agro-industrial complex (AIC) — twice as much, manufacturing — 78%, and trade — 69%. It is manufacturing and trade that account for the largest number of active projects — 55 and 33, respectively. Despite rapid growth, the agro-industrial complex still accounts for a modest share (4.7%) and is ahead of only construction and geological exploration.

3.3. Mutual investments in the CIS

The share of mutual FDI in the CIS in the total investment of the Eurasian region increased from 77% in 2016 to 86% in the first half of 2025. In nominal terms, the total volume of mutual investments grew during this period from $26.7 billion to **$41.6 billion**, or by 56%. A total of 319 investment projects are being implemented in the CIS countries, which underscores the high level of investment cooperation within the Commonwealth.

Russia remains the largest investor within the CIS, accounting for 86% of all mutual investments, or $35.8 billion. Russian companies are implementing 203 of the 319 projects in the CIS.

Armenia stands out among the countries with the highest investment growth rates. The volume of FDI exports to other CIS countries increased 77-fold between 2016 and 2021, allowing the country to rank third in terms of investment volume in the Commonwealth after Russia and Kazakhstan. Armenia is implementing eight projects with a total investment of $1.1 billion (2.7% of the total volume of mutual FDI in the CIS).

Uzbekistan has also seen significant growth in investment in the economies of the CIS countries, doubling since 2016 and increasing 3.7 times since 2022 to $377.1 million.

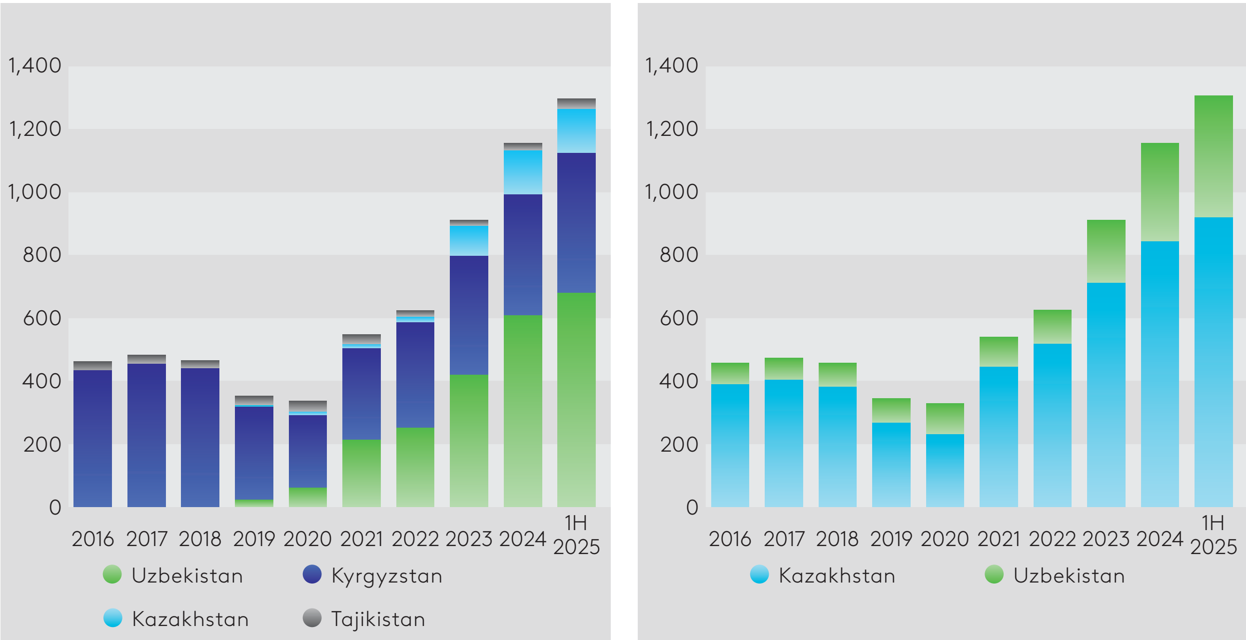
More than half of the CIS's mutual investments go to Central Asian countries. Uzbekistan attracts the largest amount of investment — 25.6% (about $10.6 billion), followed by Kazakhstan — 22.3% ($9.3 billion). Kyrgyzstan and Tajikistan together account for another 7.1% of FDI (5.8% and 1.3%, respectively). Kazakhstan leads in terms of the number of projects implemented: 89 investment deals involving businesses from CIS countries have been on its territory.

In terms of investment import dynamics, Azerbaijan (2.4 times) and Kyrgyzstan (2.3 times) have shown the highest growth rates since 2016. Kyrgyzstan has maintained high growth rates in attracting FDI from CIS countries in recent years, showing an increase of 27.8% in the first half of 2025 compared to 2022. At the same time, there has been a decline in investment in Russia — by 11.5% since 2016 and by 18.2% since 2022, reflecting a shift in investment flows within the CIS in favour of Central Asian countries.

3.4. Intra-regional investment in Central Asia

Mutual investments in Central Asia continue to grow, reflecting the trend towards deeper economic cooperation in the region. At the end of **the first half of 2025,** mutual FDI stock reached **$1.3 billion** (**+42%,** or **+$385 million** compared to 2023). This is **2.8 times** higher than **the 2016** level (**+$837 million**).

↓ **Figure 18. Importing countries (left figure) and exporting countries (right figure) of intraregional FDI in Central Asia, $ millions**



Source: EDB MMI Database.

The two largest players in the intraregional FDI market are **Kazakhstan** and **Uzbekistan** (Figure 18). However, they play different roles: Kazakhstan is **a net exporter** (**72%** of FDI exports, **11%** of imports), while Uzbekistan is **a net importer** (**52%** of imports, **28%** of exports). Between 2023 and the first half of 2025, FDI from Kazakhstan to Central Asia grew by **$214 million** (**+30%**), and from Uzbekistan — by **$170 million** (**+87%**). A total of **30 projects** are being implemented: **21** of them by investors from Kazakhstan and **9** from Uzbekistan.

Kazakhstan accumulated **$928 million** in investments in Central Asia and remained the largest investor throughout the entire observation period. **Construction** is a key sector, with **8 out of 21** projects (**47%**, **$439 million**) implemented, all of them in Uzbekistan. The driver was construction projects by BI Group (*NRG Yangi Baxt, Botanika Saroyi*) and Basis-A (*Koh Ota*) in Uzbekistan: three ongoing projects worth about $394 million. Kazakhstan attracted 11% of the total volume of mutual FDI in Central Asia: three Uzbek projects (Uzavtosanoat, Artel, Alliance Textile, launched in 2022–2023).

Uzbekistan attracted **$680** million in investments from other Central Asian countries, and all 14 projects are being implemented by businesses from Kazakhstan, including Halyk Bank, Magnum, and PTC Holding. FDI exports from Uzbekistan to other Central Asian countries are concentrated in 16 projects, including those by Uzavtosanoat (in Kazakhstan and Kyrgyzstan), Artel (in Kazakhstan, Kyrgyzstan, and Tajikistan), and United Cement Group (Kant Cement Plant, Kyrgyzstan).

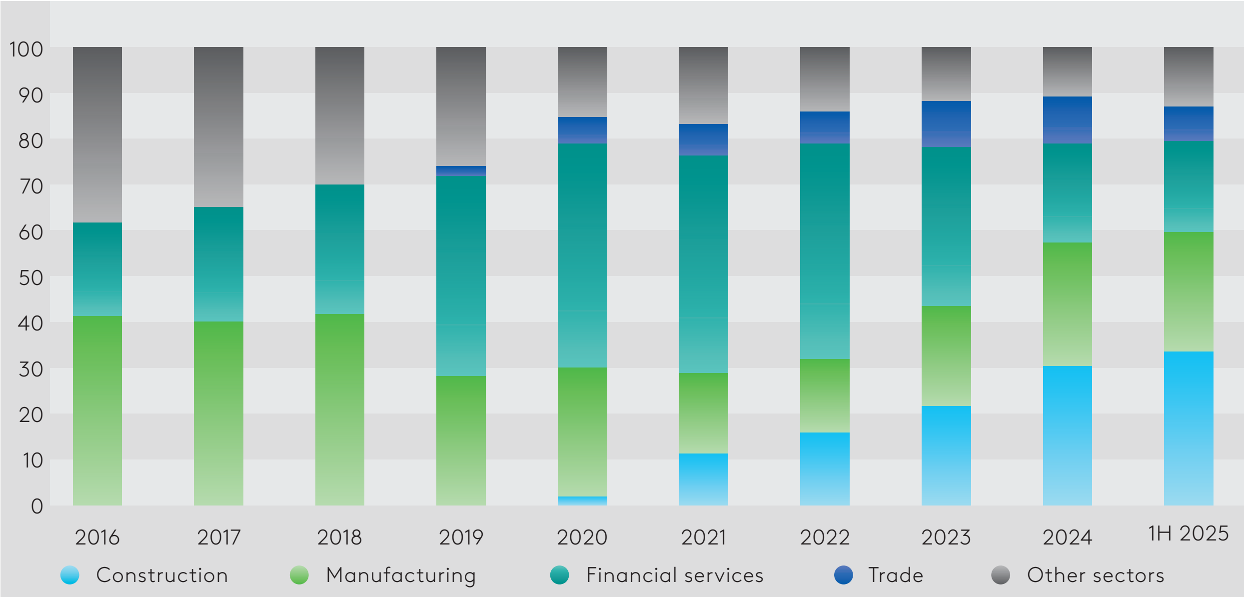
Kyrgyzstan ranks second in investment inflows from other Central Asian countries: **a total of $446 million**, half of which is invested by investors from Kazakhstan and the other half by investors from Uzbekistan (four projects from each side).

Tajikistan accounts for 2.3% of mutual FDI ($30.1 million, four projects, three of which are being implemented by investors from Kazakhstan and one from Uzbekistan).

About **80%** of mutual investments are concentrated in three sectors: construction — 34%, manufacturing — 26%, and financial services — 20% (Figure 19).

In the manufacturing sector, all projects are implemented by Uzbek companies (four in Kyrgyzstan, three in Kazakhstan, one in Tajikistan). In the financial sector, projects are implemented exclusively by Kazakh investors (Halyk Bank, Freedom Bank, KazakhExport, Pioneer Capital). Trade has picked up thanks to the entry of Kazakh retail chains into Uzbekistan.

↓ Figure 19. Distribution of intraregional mutual FDI in Central Asia by sector, %



Source: EDB MMI Database.

Box 2. New intraregional projects in Central Asia

1. **Freedom Bank in Tajikistan:** the technical launch of the Kazakh bank's branch took place in spring 2025. Approximately **$10 million has been** invested in the charter capital of Freedom Bank Tajikistan CJSC.

2. **Solar power plant in Kyrgyzstan (TGS-Energy, Kazakhstan):** the construction of a 50 MW power plant in the Issyk-Kul region is estimated at $34.3 million.

3. **Residential complexes in Tashkent:** Four residential complexes are under construction or in preparation for construction by Kazakh developer BI Group. Commissioning is scheduled for 2025–2026.

The growth in mutual investment in Central Asia is driven by the dynamic development of regional economies and sustained demand for residential, energy, manufacturing, logistics, and retail infrastructure. The rapidly growing markets of Kazakhstan and Uzbekistan enhance the overall investment attractiveness of the region and stimulate capital inflows. Demographic and institutional factors play a significant role. Central Asia remains one of the most economically "young" regions in the world, which supports demand for housing and energy resources. Economic reforms in Uzbekistan and improvements in the institutional environment in Kazakhstan are creating predictable and favourable conditions for business. **Since 2016, mutual FDI in the Central Asian region has grown almost threefold, while in the Eurasian region it has grown by only 40%,** making Central Asia a rapidly developing centre of capital attraction in the Eurasian space.

CHAPTER 4. SECTORAL STRUCTURE OF MUTUAL FDI

4.1. Sectoral structure of mutual investments in the region

There have been noticeable changes in the sectoral structure of mutual FDI in the Eurasian region in recent years.

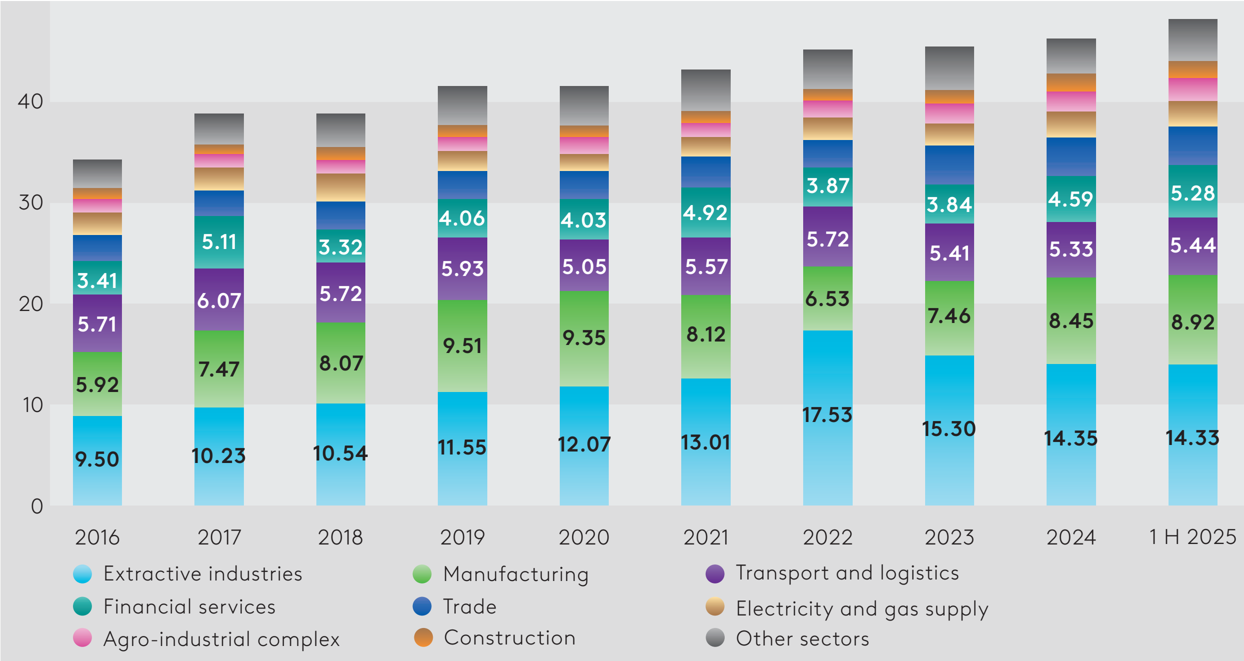
An important trend is **the decline in the share of the extractive industries sector** in mutual FDI in the region. For a long time, the extractive industries sector dominated in terms of the volume of FDI attracted. The peak came in 2022, when the share of investment in the sector reached 39%. After that, the figure began to decline gradually, and in the first half of 2025, the sector's share fell to 30% ($14.3 billion). Thus, the region's extractive industries specialization remains, but no longer in such a dominant form, with the share of other sectors growing.

One of the factors behind the decline in extractive industries FDI was **the change in the shareholder structure of Polymetal**, as a result of which **the Kyzyl mine development project in Kazakhstan** ceased to be classified as an investment with Russian participation. This led to **the elimination of more than $500 million** in mutual direct investment in the Eurasian region.

Another factor contributing to the decline was **the withdrawal of Russian investors from a number of projects in Azerbaijan**. In 2024, RussNeft completed the sale of its stakes in oil production assets, which it had owned since the early 2000s. Experts estimate the value of the deal at approximately **$300 million**, which is confirmed by financial statements and reserve data.

At the same time, **85% of investment stock** in the industry still come from **oil and gas projects ($12.1 billion)**, of which **$11.8 billion** comes from six ongoing Lukoil projects in Kazakhstan, Uzbekistan, and Azerbaijan.

↓ **Figure 20. Sectoral structure of mutual FDI stock in the Eurasian region, $ billions**



Source: EDB MMI Database.

The manufacturing sector has been the main beneficiary of structural shifts. The volume of FDI stock grew from $6.5 billion to $8.9 billion between 2022 and the first half of 2025, adding 36% in nominal terms (Figure 20). In terms of sectoral structure, growth amounted to +4 p.p. (from 14.4% to 18.4%) over the same period. This sector confidently ranks second, reflecting the trend towards industrialization and deeper localization of various industries in the Eurasian region.

Russian investors made the largest contribution to the growth. For example, **EuroChem's** project to build **a mineral fertilizer plant** in the Zhambyl region (Kazakhstan) added about $300 million to investment stock. Production is scheduled to start in 2027. A comparable increase was provided by **Tatneft's** project to build **a butadiene production plant** in the Atyrau region (Kazakhstan), also worth about $300 million.

Among the new investment projects, the largest was the purchase of a 40% stake in the **KPI** project **(a polypropylene production plant)** in the Atyrau region by **Sibur Holding** (Russia), which significantly strengthened Russia's position in the petrochemical segment of Kazakhstan.

The financial sector is also one of the main drivers of mutual investment in the region. Its role has strengthened considerably in recent years: the growth of mutual investment stock in the structure amounted to +2.4% compared to 2022 and reached 10.9% as of the first half of 2025. The total volume of FDI stock amounted to $5.3 billion at the end of the first half of 2025.

This growth was driven by two major deals. First, the expansion of a Russian investor's stake in the capital of Armenia's Arshinbank, established in 2003, resulted in an increase in investments of **$443 million** during the period under review. Second, in 2024, the Georgian Bank of Georgia Group PLC acquired Armenia's Ameriabank, bringing the total investment stock in the financial sector to **$604 million** at the end of the first half of 2025.

The **transport and logistics sector** is experiencing **moderate growth**, but the newest projects are **in the early stages of implementation**, and planned investments have not yet been converted into actual flows. Over the past year and a half, six new projects have emerged with a cumulative investment increase of $140 million. At the same time, the sale by the Russian company Forus of its 60% stake in Uzbekistan's largest gas storage facility, Gazli Gas Storage, had a negative impact on the overall dynamics, resulting in the elimination of FDI stock in the amount of $218 million and offsetting part of the growth in the industry.

The trade sector attracted more than $1 billion in mutual FDI over two and a half years (from 2023 to the first half of 2025), which added 2 p.p. and reached 8.1% in the sectoral structure of mutual FDI in the region.

Energy, agriculture, and construction are showing positive dynamics in mutual investments, both in nominal terms and in terms of share in the structure. Growth in these sectors amounted to $0.3 billion (+0.4 p.p.), 0.6 billion (+1.1 p.p.) and 0.56 billion (+1.0 p.p.), respectively. Their shares in the sectoral structure at the end of the first half of 2025 are 8.1%, 5.2% and 4.5%, respectively.

In **the energy sector**, Russian investors' investments in renewable energy sources and electric power infrastructure became key areas. Significant growth over a year and a half (2024–1H 2025) was provided by projects to build solar power plants in Kyrgyzstan (+$203 million) and investments in Electric Networks of Armenia CJSC (+$90 million). These projects reflect a shift in focus towards green energy and the modernization of energy networks in the region.

The agro-industrial complex is demonstrating a steady inflow of FDI thanks to the activity of Russian investors. The most significant projects were:

- construction of a greenhouse complex in the Turkestan region (Kazakhstan) by EcoCulture (+$287 million in FDI stock from early 2024 to mid-2025);
- creation of an agrocluster for the production of dietary supplements in Uzbekistan (+$32 million);
- expansion of a dairy plant in the North Kazakhstan region (+$30 million).

Together, these projects strengthen integrated agro-industrial chains and promote the localization of agricultural processing.

The main growth in **the construction sector** was provided by **Kazakh companies**, which increased their investments in the industry **by almost $300 million** over a year and a half**. Azerbaijani companies** also stepped up their activities, investing **about $80 million,** mainly in projects in **Uzbekistan and Kyrgyzstan**.

As a result, overall, from 2024 to the first half of 2025, there has been **a recovery in investment activity in the manufacturing, financial, and agro-industrial sectors**. At the same time**, the transport and extractive industries sectors** are showing **a slowdown, due** to the completion of a number of large deals, as well as the lack of new projects or delays in reaching the design capacity of capital-intensive initiatives.

4.2. Economic sectors most attractive to investors and factors contributing to their attractiveness

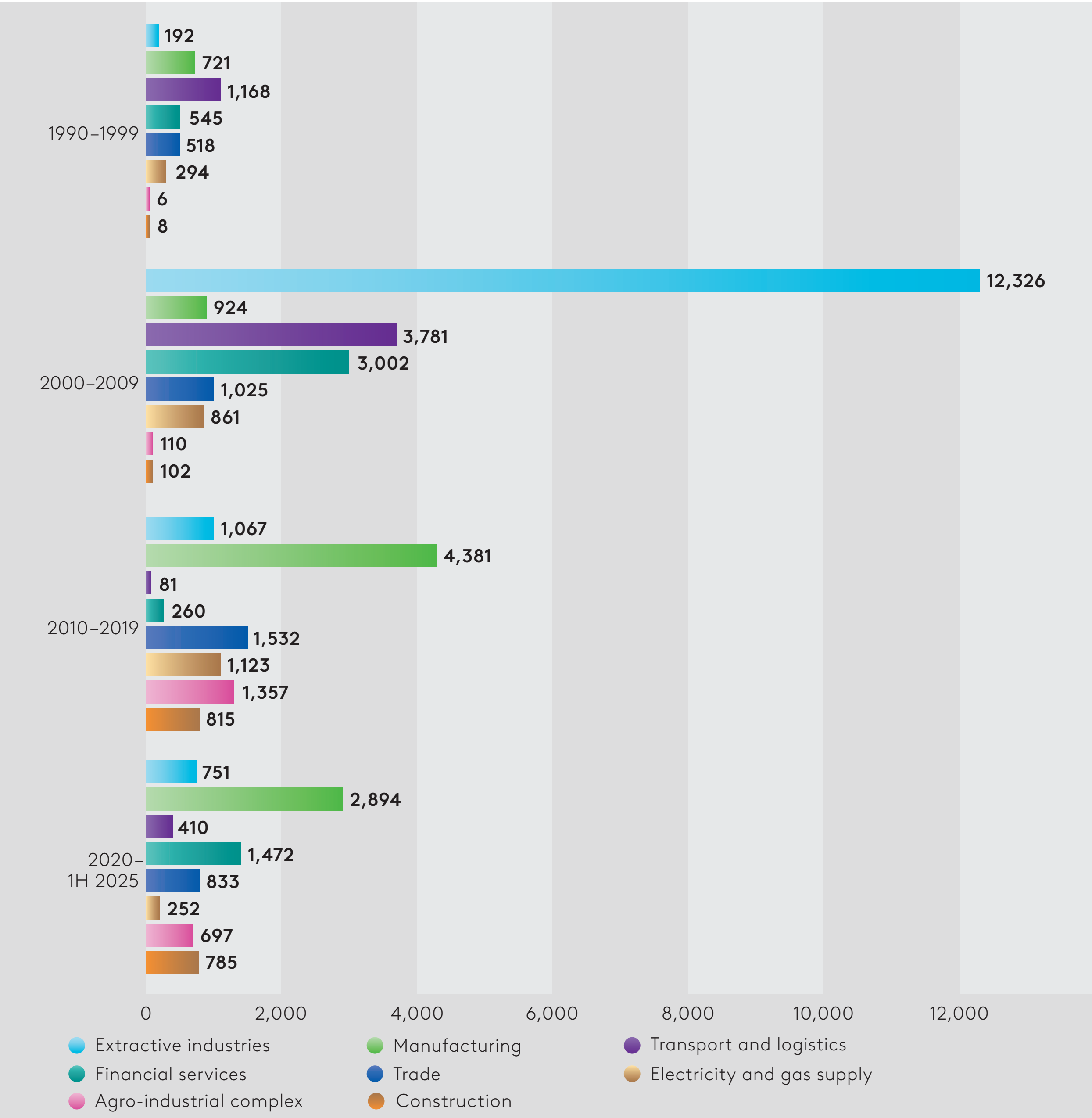
The EDB's FDI database allows tracking the dynamics of mutual direct investment since the early 1990s, when the post-Soviet states gained independence. The analysis covers key areas of investment over the past decade, including the first five years of the current decade. The figures presented by sector reflect mutual investments at the end of the first half of 2025, which makes it possible to identify sectoral trends in capital inflows and determine the most attractive sectors for investment, taking into account global development trends.

Projects launched in the 1990s and early 2000s have modest volumes of mutual investment in the Eurasian region, amounting to only **$3.5** billion at the end of the first half of 2025. The distribution structure was relatively balanced: transport — **$1.2 billion**, manufacturing **— $0.7 billion**, finance and trade — **$0.5 billion** each, and the extractive industries sector — only **$0.2 billion**. The low figures were explained by the transitional nature of the period after the collapse of the USSR and large-scale privatization, the lack of mature regulatory institutions, and underdeveloped infrastructure, which held back investor activity.

The volume of mutual investments in projects launched between 2000 and 2010 grew almost **sevenfold to $23.5 billion**, which was a consequence of the stabilization of the macroeconomic environment and rising energy prices. The main role in this period was played by **extractive industries projects** (about **$12.3 billion**), as well as **transport and logistics** (**$3.8 billion**) and **the financial sector** (**$3.0 billion**). The focus of investment shifted towards energy and infrastructure, reflecting recovery from the crises of the 1990s and increased regional economic integration. By the end of the decade, **oil and gas and financial projects accounted for about 80%** of mutual investments, consolidating the dominance of the extractive industries model of capital.

In the 2010s, there was a shift towards a more balanced investment structure. The total volume of mutual investments was **$9.2 billion**, with the priority shifting towards **manufacturing ($4.4 billion)**, **trade ($1.5 billion),** and **agribusiness ($1.4 billion)**. Commodity projects declined to $1.1 billion, reflecting a structural shift from extraction to processing and a shift in focus to domestic markets (Figure 21). During this period, there was increased participation by private capital and service industries: telecommunications and retail trade.

↓ **Figure 21. Mutual investment stock in the Eurasian region by sector and period (as of the end of the first half of 2025), $ millions**



Source: EDB MMI Database.

Since the early 2020s, mutual investments have continued to show diversification. By the first half of 2025, their cumulative volume reached **$8.5 billion**. **The manufacturing sector** ($2.9 billion) and **financial services** ($1.5 billion) remain the leaders, followed by **construction** and **the extractive industries sector** (0.8 billion each), as well as **agribusiness** ($0.7 billion). In recent years, there has been an increase in the participation of **investors from Azerbaijan, Kazakhstan, and Armenia**, which reinforces the multipolarity of the investment landscape in the region. Significant projects include SOCAR's investment in the development of the Ustyurt Plateau (approximately $2 billion), Agalarov Development's project to create the Sea Breeze Uzbekistan tourist cluster, and the development of the Ozon and Wildberries e-commerce infrastructure in Kazakhstan (more than $200 million).

An analysis of the dynamics of mutual FDI stock shows that it is gradually shifting from a dominance of extractive industries to **a diversified set of sectors with high added value and stable demand**. Based on regional and global trends, the following can be considered the most attractive areas for investment until the end of the current decade.

First, manufacturing (chemicals, materials, mechanical engineering). Its attractiveness to investors is explained by a combination of export potential, localization of production chains, and state support for industrialization. Within the Eurasian region, the full realization of the potential of mid- and high-end manufacturing -sector goods is estimated at $510 billion in annual aggregate effect due to export growth, import substitution, and overall increase in output (Ahunbaev, 2025).

An important factor is the integration component, the existence of a common economic space, and joint initiatives on industrial cooperation. This effect is particularly noticeable in the manufacturing industry, where the localization of production receives an additional stimulus thanks to access to a common sales market. Of the 103 projects in this sector being implemented in the Eurasian region, 55 are mutual investments by EAEU countries, and another 14 are investments by partners from other countries in the region in the Union's economy. An additional impetus is provided by national import substitution and industrialization programmes, which offer significant advantages to investors in industry in the implementation of projects and the sale of products.

Second, energy and renewable energy sources. The accelerating global transition to green energy is creating sustained investment demand for the construction and modernization of generating capacity. According to the International Energy Agency (IEA), by 2030, global renewable generation will grow by almost **90%** compared to 2023 levels, and installed capacity could increase **2.7 times.** This trend is also characteristic of the Eurasian region, especially for the countries of Central Asia.

An important factor is **the accelerated economic growth of Central Asian countries**, which stimulates the implementation of large greenfield energy projects. From 2000 to 2025, the region's economy grew more than **fivefold**. Since 2000, the average annual economic growth rate of Central Asian countries **has exceeded 6%.** In the near future, high growth rates exceeding the global average are expected to continue (Vinokurov, 2022). From 2016 to the first half of 2025, investment in energy projects increased by 95%, which is four times the average for the Eurasian region (22%). This rapid development is supported by high demand for the construction and modernization of energy facilities associated with the commissioning of new industrial and infrastructure facilities.

The third area is transport and logistics, especially in the context of the formation of new Eurasian routes. The growing importance of **the Trans-Caspian International Transport Route** (the Middle Corridor) and **the International North-South Transport Corridor** (INSTC) has been a key trend in recent years. Cargo traffic on the TITR reached **3.3 million tonnes** in 2024, including 56,500 containers in 20-foot equivalent units (TEU). Transport operations along the INSTC exceeded 20 million tonnes, including 50,000 TEU. The target forecast for 2030 is 11.4 million tonnes for the Middle Corridor and 32 million tonnes for the INSTC (Vinokurov, 2024). The growth in transport stimulates the development of railway, road, port, and logistics infrastructure, including warehousing, as well as digital solutions for efficient multimodal transit. The total investment needs for the development of the Eurasian Transport Network in Central Asia exceed $52 billion by 2035 (Vinokurov, 2025).

Structural shifts in global trade, production and consumption, trade wars, and the reorientation of trade flows in the Eurasian space are increasing the role of alternative transport routes through the Caspian region, the South Caucasus, Iran, and Central Asia. Another factor is the need to develop new transport routes from rapidly growing Central Asia to the markets of the Middle East, South and Southeast Asia. This brings to the fore new large-scale projects such as the Trans-Afghan railway corridor. This "logistics revolution" will require significant investment in infrastructure: in the construction of new and modernization of existing railways, in the expansion of port capacity on the Caspian and Black Seas, in the construction and modernization of border crossing points, in the construction of modern terminal and warehouse infrastructure, etc.

The region is experiencing an e-commerce boom, which is motivating investors to invest in **the modernization and construction of new warehouses and logistics centres**. The region's largest retailers are competing in terms of product delivery speed and are actively investing in the development of logistics chains between countries (for example, the Russian marketplaces Ozon and Wildberries are opening logistics centres in Kazakhstan and Uzbekistan). At the same time, industrialization is accelerating in the region, containerization of freight flows is expanding, and demands for the quality of logistics services and technical equipment of warehouses are growing. All this creates unprecedented demand for modern warehouses. By 2040, the demand for warehouse infrastructure in the region could increase from the current 58 million m^{2}to a potential 101–123 million m^2 (Vinokurov, 2025).

Amid the expansion of Russian marketplaces in Central Asia and the development of logistics infrastructure, the sector's growth may be accompanied by a reduction in pipeline transport assets. Since the end of 2022, the volume of FDI stock in this sector has decreased by 5%, while capital-intensive projects continue to be implemented mainly by investors from outside the region.

The fourth area is the agro-industrial complex and food processing. According to a joint report by the OECD and FAO, global demand for food will grow steadily until 2033, which increases the importance of agricultural processing, greenhouse production, logistics, storage, and food exports (OECD/FAO, 2024). The region has natural and geographical advantages for the formation of **clusters for deep processing of agricultural products** and the development of **export-oriented agricultural platforms**. Realizing the production and resource potential of the agro-industrial complex could provide the following positive effects for Eurasian countries by 2035: **food exports** will almost double from 2021 levels, and the Eurasian region will be able to feed 600 million people, including 240 million of its own population and an additional 360 million in third countries (Vinokurov, 2023).

The factors determining the attractiveness of the agro-industrial complex can be divided into several key groups. First, **socio-economic factors:** population growth in Central Asia and a gradual increase in disposable income are creating steady domestic demand for food and high-quality food products. This creates the conditions for the development of processing, greenhouse complexes, and local food production. Second, **natural and geographical factors:** Russia, Kazakhstan, Uzbekistan, and other Eurasian states have significant agricultural potential, including vast agricultural land, water resources, and favourable climatic zones. This potential is being realized, among other ways, through cross-border investments. Third, **stable external demand** from large markets such as China, Türkiye, and the Gulf countries remains an additional advantage. Fourth, **institutional and political factors:** food security is enshrined as a strategic priority because it is directly linked to economic stability. In this regard, governments actively support agricultural projects, including those with foreign participation, through subsidies, tax breaks, and targeted rural development and processing programmes.

The specifics of the sector should be taken into account: capital investments in the agro-industrial complex are traditionally lower than in industry, but the number of projects, their wide geography, and diversification of areas make the industry no less significant. Finally, the agricultural sector remains one of the least affected by geopolitical restrictions, making it particularly attractive for long-term investments with a moderate level of risk.

Thus, the investment structure of the Eurasian region is undergoing qualitative changes: extractive industries are being replaced by a portfolio of high -value-added industries that combine stable demand, export potential, industrial modernization, and the transition to a green economy.

Over the next three-five years, Eurasia's investment "growth frontier" will be determined by the synergy among manufacturing, energy (including renewable energy), and logistics — the main industries, further strengthened by the agro-processing and financial infrastructure sectors. These areas are supported by global trends: the accelerated development of renewable energy, the restructuring of Eurasian routes, and growing demand for food. All of this forms the basis for further FDI inflows into the Eurasian region and the transition to a more sustainable and integrated model of economic growth.

ANNEX.
RESEARCH METHODOLOGY

The Mutual Investment Monitoring database is an ongoing analytical project of the EDB and contains **detailed information** on mutual FDI stock in investor projects in the Eurasian region, including Russia, Azerbaijan, Kazakhstan, Armenia, Belarus, Georgia, Uzbekistan, Ukraine, Tajikistan, Turkmenistan, Kyrgyzstan, Moldova, and Mongolia.

The database has been compiled **on the basis of diverse information obtained from open sources** since 2016 using a bottom-up approach based on company reports and other primary information (company press releases and other sources).

FDI stock is calculated **in dollar terms** at the exchange rates of central (national) banks at the end of the reporting period (Table 1).

The database includes projects in which FDI stock at the end of one of the reporting periods **exceeds $1 million**. No rounding is performed, and projects worth less than $1 million are not included in the database. No exceptions are made for individual industries or countries.

The FDI stock of non-financial companies **is estimated based on non-current assets** (if available). This estimation method, recommended by the OECD and the IMF, is particularly important for countries with underdeveloped stock markets in order to estimate the reinvestment of profits (or, conversely, the depreciation of previous capital investments).

For banks and insurance companies, the main indicator for estimating FDI is **equity capital**. In the absence of data, information on **charter capital** is used, which may lead to an underestimation of FDI (this does not have a significant impact on overall indicators).

In certain cases, where possible, in accordance with OECD and IMF recommendations, the authors of the Monitoring assess the value of transactions **for similar acquisitions** made in the country/industry recently.

If a company discloses the actual value, **the estimates are revised**. Information on announced FDI is often used by external analysts for a long time and is not relevant. Unlike the Financial Times database and some other authoritative sources, the EDB verifies old information on announced FDI on an annual basis.

The OKVED classification is used to characterize **the sectoral structure** of FDI in the EDB's MMI database. The Russian sectoral classifier is almost fully consistent with international standards for assessing the sectoral affiliation of projects. The EDB's MMI uses a two-digit sector classification.

The information presented in the database allows **sorting by various parameters.** In addition to the FDI stock for each year (starting from 2016) and the sectoral affiliation of the project, the years of the start of investment (and exit from the project, if any) are indicated, the country's regions (for small projects, the presence of FDI in the capital or autonomous entities is noted), the role of state capital, the classification of FDI forms, the source of financing, the areas of use, and other information about the projects.

The following characteristics are used in the database to describe the role of the state and third-country TNCs in **the ownership structure of investor companies**:

- Companies with a single owner in the form of a private investor — national private investors account for 100% of the ownership structure of the investor company.
- Companies with a single owner in the form of the state — the state's share is 100%.
- Companies with a controlling stake held by the state — the state has control, i.e., more than 50% of the company's capital. On the one hand, this allows large companies that seek to distance themselves from the state by emphasizing their status as open (public) joint-stock companies to be accounted for separately, and on the other, it allows the presence of private co-investors in the company to be shown.
- Companies with a minority stake held by the state — the state has a direct investor stake, but does not have an absolute majority (i.e., 10.0–49.9% of shares or equity interests).
- Companies with a controlling stake held by a foreign investor — the company has a controlling investor from among third-country TNCs (but this is not 100% control, since then, according to the rules of the EDB's MMI database, the actual investor is clearly located outside the 12 post-Soviet countries under consideration), and we are talking only about real foreign investors, not formal owners from offshore companies.
- Companies with a minority stake held by a foreign investor — a foreign TNC has a direct investor stake, but does not have an absolute majority (i.e., 10.0–49.9% of shares or equity interests).
- Combinations of state participation and foreign direct investors in the ownership structure. In particular, the state has control, but there are foreign companies among the direct investors.

The classification of FDI forms is as follows:

- "Purchase" — no significant reinvestment has been made, although assets may be revalued (due to equipment depreciation, changes in real estate values, currency fluctuations, etc.).

- “Brownfield” — means that the initial asset acquisition transaction was supplemented by significant reinvestments in modernization or territorial expansion, or by additional transactions to acquire new shares or other enterprises (consolidated into the company).
- “Greenfield” — means investment in projects that create new assets from scratch. These include, for example, infrastructure development and the construction of new industrial enterprises. An option is possible when a project “from scratch” is not subsequently expanded, but significant additional investments in subsequent years are not uncommon.
- “Other” — this includes all complex cases, for example, if transactions are related to the peculiarities of privatization after the collapse of the USSR, when the asset was originally managed by structures of another Union republic.

Since 2023, the EDB’s MMI database has included information on the source of financing and the direction of use for project descriptions.

The source of funding allows the nature of the investments made in the project to be determined and is classified as follows:

- “Equity” — the company financed the project from available free cash flow.
- “Borrowed funds” — the investment project uses funds raised through a loan or credit line from a bank/organization.
- “Budget funds” — the project is financed from the state budget (projects of ministries and state bodies).
- “Other” — the source of the invested funds is a type of financing not included in the previous categories (interest-free loan, grant, debt collection, etc.).
- “Unknown” — details about the source of funding are not disclosed by the investing company, and it is not possible to guess the source based on the available information.

Direction of use — a characteristic describing the function of the invested funds, the vector of application of funds for the project. The direction of use can take the following values:

- “Costs of construction and major repairs of buildings and structures” — the invested funds are used for the construction/repair of structures (industrial/residential/office, etc.).
- “Costs of purchasing machinery, equipment, and vehicles and their major repairs” — investments are used to provide the facility with new equipment and machinery or to modernize existing technical means.
- “Costs of purchasing a share” — financing is directed towards the acquisition of a share (100% or less) in the investment object (deposit, joint-stock company, company, etc.).

- “Costs of investment in charter capital” — financing is directed towards reinvestment/recapitalization/modernization of an asset owned by the company (in whole or in part).
- “Other” — funds are used in areas not covered by the previous categories.

Some projects indicated several areas of use, for example, if a company is purchased and its profits are subsequently reinvested in the modernization of production.

Data processing is based on an analysis of FDI, excluding portfolio investments and investments by international financial organizations (IFIs). **IFIs’ investments** are made at the intergovernmental level, which makes it impossible to track the volume of investments from one country to another and, in most cases, do not involve ownership of shares in the project due to the debt form of financing.

FDI is a direct investment of large amounts of money, technology, and intellectual property, which usually enabling the start of production from scratch or significantly expanding existing production. It implies **the investor’s direct participation** in the management of the investment object. To be included in the database, a minimum 10% stake in the project is required.

Portfolio investments are usually made at later stages of the project, when the main investments have already been made and the recipient company’s shares are freely traded on the stock exchange. Since portfolio investments do not require large capital investments, the buyers of shares are often investors who do not claim participation in management.

Foreign direct investment is usually of great importance to the economies of developing countries, as it involves the opening and expansion of large-scale production facilities, technology transfer, and human capital development.

↓ **Table 1. Exchange rates for the evaluation of investment projects at the end of the period**

Exchange rate	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
USD/KZT	333.48	332.65	383.33	382.03	421.44	435.0	462.15	454.56	524.65	519.6
USD/RUB	61.27	57.61	69.83	61.99	74.41	74.65	69.9	90.36	113.5	78.26
USD/AZN	1.79	1.7	1.7	1.71	1.71	1.71	1.7	1.7	1.7	1.7
USD/AMD	483.92	484.08	485.25	478.0	519.5	479.0	392.0	403.79	396.56	385.5
USD/BYN	1.96	1.97	2.17	2.11	2.6	2.55	2.5	3.3	3.27	3.27
USD/KGS	69.56	69.0	69.85	69.51	83.5	84.8	85.68	89.09	87.03	87.32
USD/CNY	6.95	6.51	6.88	6.96	6.53	6.35	6.9	7.1	7.3	7.16
USD/TRY	3.53	3.79	5.29	5.94	7.43	13.32	18.69	29.48	35.31	39.81
USD/SAR					3.75	3.75	3.76	3.75	3.76	3.75
USD/UAH	27.1	27.93	27.53	23.68	28.3	27.25	36.9	38.05	42.01	41.77
USD/SOM	7.88	8.82	9.43	9.69	11.4	11.29	10.19	10.94	10.93	9.87
USD/MDL	19.92	17.1	17.04	17.15	17.11	17.75	19.13	17.3	18.33	16.73
USD/UZS	3215.85	8108.25	8,350.0	9507.56	10,476.9	10,820.67	11,246.81	12,362.17	12,957.1	12,591.6
USD/EUR	0.92	0.95	0.87	0.89	0.82	0.88	0.93	0.91	0.97	0.85
USD/GEL	2.66	2.59	2.68	2.86	3.28	3.09	2.68	2.68	2.82	2.72

Source: national/central banks of countries in the Eurasian region

Note: * as of the end of June 31, 2025.

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ABBREVIATIONS

AIC	agro-industrial complex
ASEAN	Association of Southeast Asian Nations
CA	Central Asia
CIS	Commonwealth of Independent States
EAEU	Eurasian Economic Union
FDI	foreign direct investment
GDP	gross domestic product
HPP	hydroelectric power plant
IFIs	International Financial Institutions
IMF	International Monetary Fund
MMI EDB	Eurasian Development Bank research project on monitoring of mutual direct investments in the Eurasian region
OECD	Organization for Economic Cooperation and Development
OKVED	All-Russian Classifier of Economic Activities
TNC	transnational corporation
UNCTAD	United Nations Conference on Trade and Development
USSR	Union of Soviet Socialist Republics
p.p.	percentage points
$	US dollar
1H	first half

Research at the EDB website

Macroeconomic Outlook
(RU/EN)

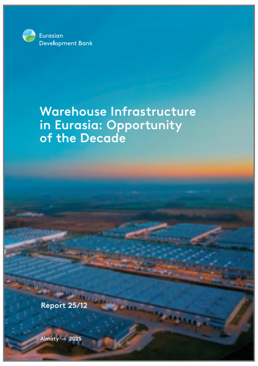
Macroeconomic Outlook 2025–2027

The analysis examines economic developments in early 2025 andoutlines key macroeconomic projections for late 2025, as well as forecasts for 2026 and 2027.

Working Paper 25/13
(RU)

Arab Gulf: Macroeconomic and Financial Monitoring

The EDB's monitoring provides an analysis of the economies of six Gulf countries and assesses medium-term trends, including GDP growth, inflation, debt sustainability, and fiscal and monetary policies.



Report 25/12
(RU/EN)

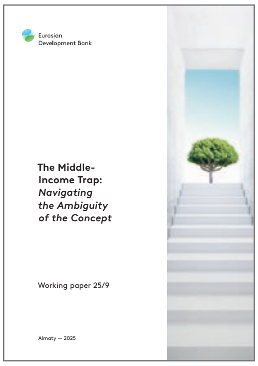
Warehouse Infrastructure in Eurasia: Opportunity of the Decade

The report presents an analysis of the current state of the warehouse logistics and storage sector in the Eurasian region, examines the main factors influencing its development, and provides a detailed forecast of demand for warehouse infrastructure in the region up to 2040.

Report 25/11
(RU/EN)

Advanced Manufacturing Potential in Eurasia: Sectoral Niches for Growth

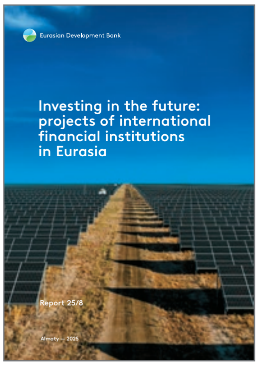
The transition to high value-added production could become a powerful driver of economic growth in the region. The study identifies priority industries and niche markets for each country, and provides estimates of export potential and import substitution potential.



Working Paper 25/9
(RU/EN)

The Middle-Income Trap: Navigating the Ambiguity of the Concept

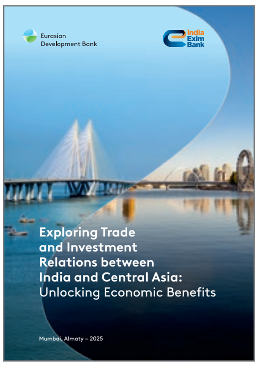
The study shows that diversity of interpretations of the "middle-income trap" makes it difficult to understand whether an economy is in it. The paper also identifies the factors of transition to a higher income: stable macroeconomics, ability to innovate, strong institutions and demographics.



Report 25/8
(RU/EN)

Investing in the future: projects of international financial organizations in Eurasia

The report analyzes 10 fundamental trends in non-sovereign financing by international financial institutions in the Eurasian region and formulates a number of proposals for more active and diversified IFI investments in development projects.



Report
(RU/EN)

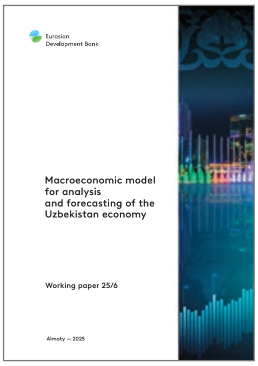
Exploring Trade and Investment Relations between India and Central Asia: Unlocking Economic Benefits

This joint report focuses on a comprehensive analysis of the current state and potential for improving bilateral trade and investment relations between India and Central Asia, and provides policy recommendations for closer cooperation.

Report
(RU/EN)

The Future of Islamic Finance in Central Asia

Joint report of the Eurasian Development Bank (EDB), the Islamic Development Bank Institute (IsDBI) and the London Stock Exchange Group (LSEG).



Working Paper 25/6
(RU/EN)

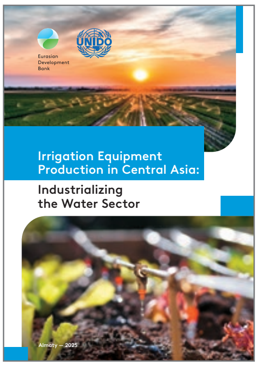
Macroeconomic model for analysis and forecasting of the Uzbekistan economy

The working paper presents the developed model of macroeconomic analysis and forecasting of the Uzbekistan economy. The integration of the new model into the EDB's model complex makes it possible to more accurately and comprehensively forecast the economic development of the Bank's region of operations, while taking into account close cross-country relationships.

Working Paper 25/5
(RU/EN)

Eurasian Transport Network: Projects Observatory and Interactive Map

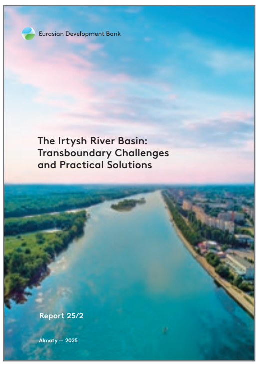
This working paper aims to facilitate the monitoring and coordination of infrastructure development along the corridors and routes of the Eurasian Transport Network



Report
(RU/EN)

Irrigation Equipment Production in Central Asia: Industrializing the Water Sector

Irrigation equipment production in Central Asia is becoming a strategic area for ensuring food security and efficient water resource management. A new report by EDB and UNIDO provides a detailed analysis of the current state of the market, a forecast of its development and recommendations for creating conditions for local production.



Report 25/2
(RU/EN)

The Irtysh River Basin: Transboundary Challenges and Practical Solutions

A recent study by the Eurasian Development Bank, titled "The Irtysh River Basin: Transboundary Challenges and Practical Solutions", presents the findings of a diagnostic analysis and a forecasting model of the basin's water resources. The study identifies the positions of the three countries involved and puts forward a series of practical solutions, including investment recommendations.

Report 25/1
(RU/EN)

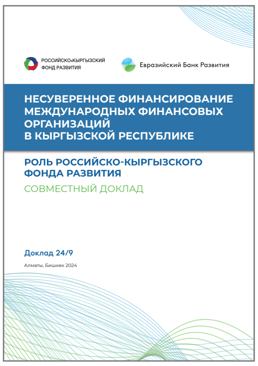
Mutual Investments on the Eurasian Continent: New and Traditional Partners

The report contains detailed information on the scale, dynamics, geographical and sectoral structure of mutual direct investment stock between the countries of the Eurasian region, on the one hand, and China, Türkiye, Iran, and the Gulf states, on the other hand, for the period from 2016 to the first half of 2024.

Report 24/10
(RU/EN)

EDB Monitoring of Mutual Investments — 2024. Eurasian Region

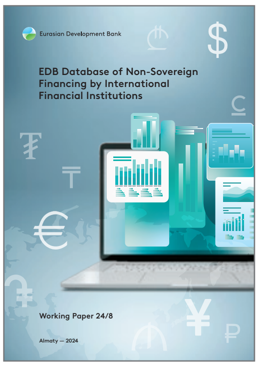
The report contains detailed information on the scale, dynamics, geographical and sectoral structure of mutual direct investments of the Eurasian region from 2016 to 1H of 2024.



Report 24/9
(RU)

Non-sovereign financing of international financial organizations in the Kyrgyz Republic

The report contains a comprehensive analysis of non-sovereign financing operations by international financial institutions in the Kyrgyz Republic over the last decade.



Working Paper 24/8
(RU/EN)

EDB Database of Non-Sovereign Financing by International Financial Institutions

Non-Sovereign Financing (NSF) Database is EDB's new analytical project. The EDB Database is a dynamic tool for timely monitoring and analysis of non-sovereign operations of IFIs in the Eurasian region.

Eurasian Development Bank

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