Eurasian Development Bank

EDB MONITORING OF MUTUAL INVESTMENTS –2024

Eurasian continent: New and Traditional Partners

Research Department

EDB Monitoring of Mutual Investments Reports

Monitoring of Mutual Investments in the Eurasian Region
(CIS countries, Georgia, Mongolia, Ukraine)

Monitoring of Mutual Investments between the Eurasian region and external partner countries
(China, Türkiye, Iran, the Gulf states)

1

MMI Methodology

Monitoring of Mutual Investments (MMI) Methodology

Monitoring of Mutual Investments relies on a database of projects

EDB MMI Database – intellectual property of the Bank

Unique methodology

- Investment data and the list of projects are updated on an annual basis
- Built "from the bottom up" and covers investments channelled through offshore areas
- Sources of information include corporate reports and other primary information

Level of detail

- Information on the scope, development, geography, and sectoral structure of mutual FDI
- Monitoring of a wide range of parameters (ownership structure of investor companies, form of FDI, source of financing, green projects, etc.).
- OKVED-based sectoral classification (to the second digit)

Broad coverage

- Monitoring of mutual investments of Eurasian region countries with China, Türkiye, Iran, and the Gulf states
- 900+ active investment projects
- Significant regional projects worth $1 million or more

Benefits

- Supplements investment statistics of central (national) banks
- Applied analysis tool. Identification of investment trends
- Advantage for business decision-making

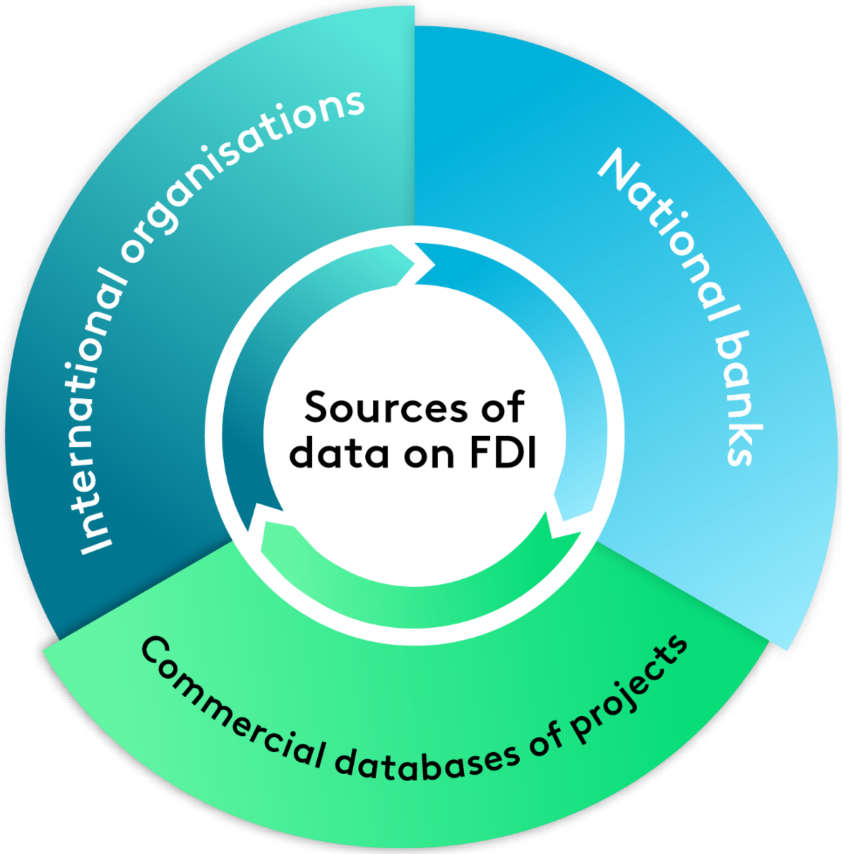
The key research indicatoris the stock of mutual direct investments (mutual FDI stock).

Geography of the study: 13 countries of the Eurasian region: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan

The database also covers mutual investments with China, Türkiye, Iran, and the Gulf states.

Source: EDB.

Sources of data on foreign direct investments (FDI)



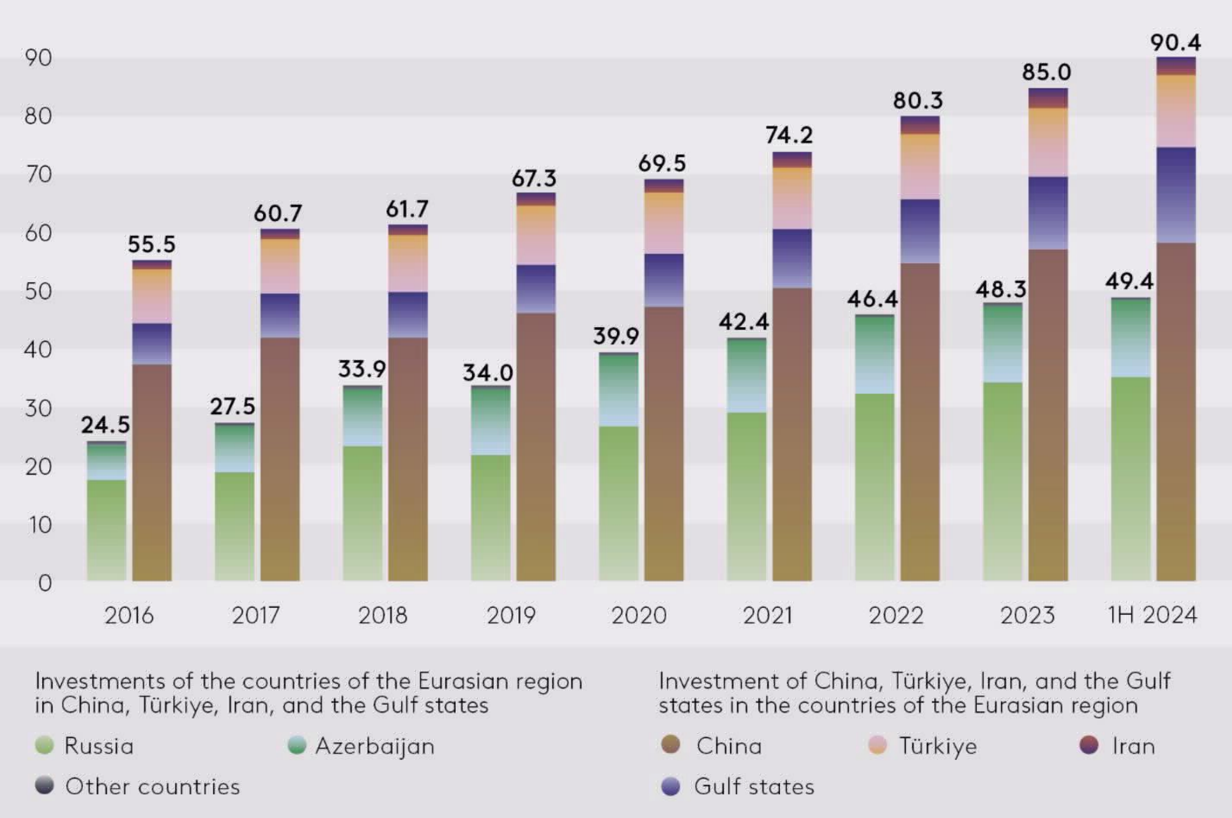
- **UNCTAD (UN Conference on Trade and Development):** annual world investment reports containing information on (inward/outward) FDI flows and stocks in all countries. **UNCTAD has aggregated information on countries without detailed data on FDI.**
- **National (Central) Banks** have detailed information on FDI for their respective states. **Official statistics of Central Banks do not take into account offshore investments.**
- **Commercial databases of projects:** Financial Times (fDi Markets), Thomson Reuters, Bureau van Dijk of Moody's Analytics (Orbis), etc. **Global coverage, often have outdated information on projects in the region.**

2

Mutual Investments between the Countries of the Eurasian Region and External Partner Countries (China, Türkiye, Iran, the Gulf states)

The Eurasian region is a net importer of investments

Stock of Direct Investments between the Eurasian Region and External Partner Countries (China, Türkiye, Iran, and the Gulf States), $ billions



Source: EDB MMI Database.

China, Türkiye, and the UAE

are leading exporters of investments with a **92%** share ($83 billion, +8.5% since 2022) of total FDI in the Eurasian region.

51%

the share of **CA countries (+5 p.p. since 2022)** in investment inflows from China, Türkiye, Iran, and the Gulf states

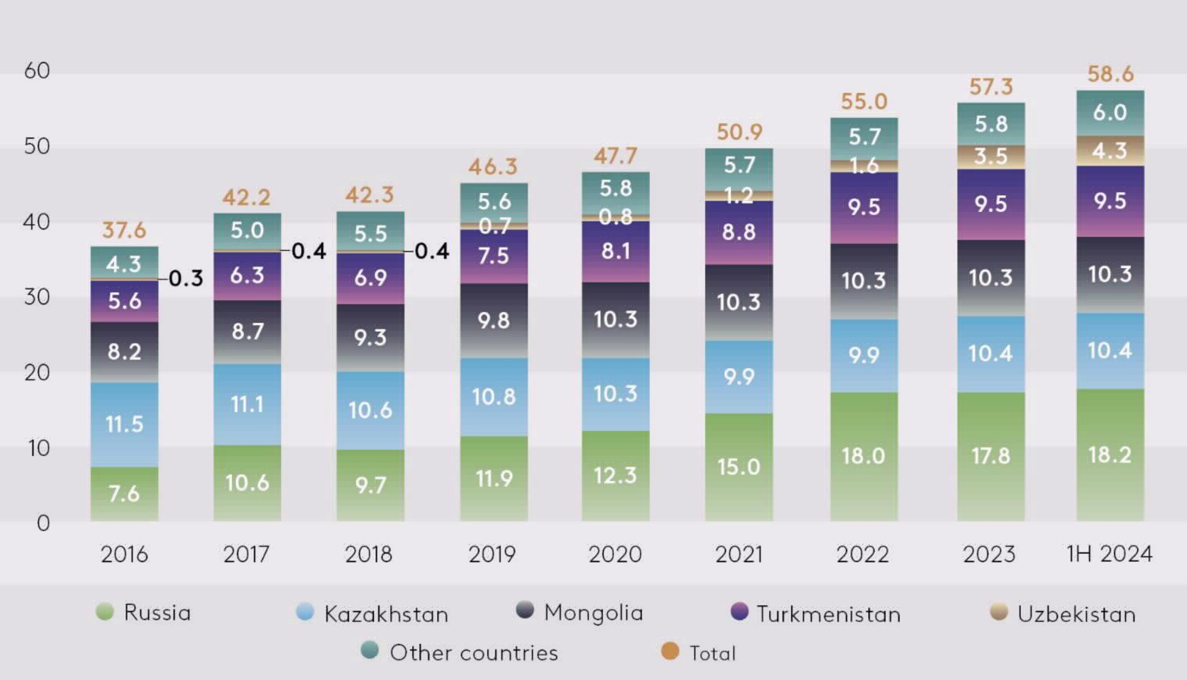
Greenfield projects

are the priority form of projects in Eurasia financed by China, Türkiye, Iran, and the Gulf states, with **63%** of the total.

China is ramping up direct investments in electricity generation and manufacturing

173 active projects implemented by China in the Eurasian region are recorded in the EDB MMI Database

Trends in China's Direct Investment Stock in the Eurasian Region, $ billions



Source: EDB MMI Database.

+5.7%

average annual growth rate of China's investment stock in the Eurasian region since 2016

+$3 billion

contribution **of the manufacturing sector** (+0.5 p.p. since 2022, 20.1%) and **electricity generation** (+3.3 p.p., 6.9%) to the total increase in China's investment stock between 2022 and 1H 2024

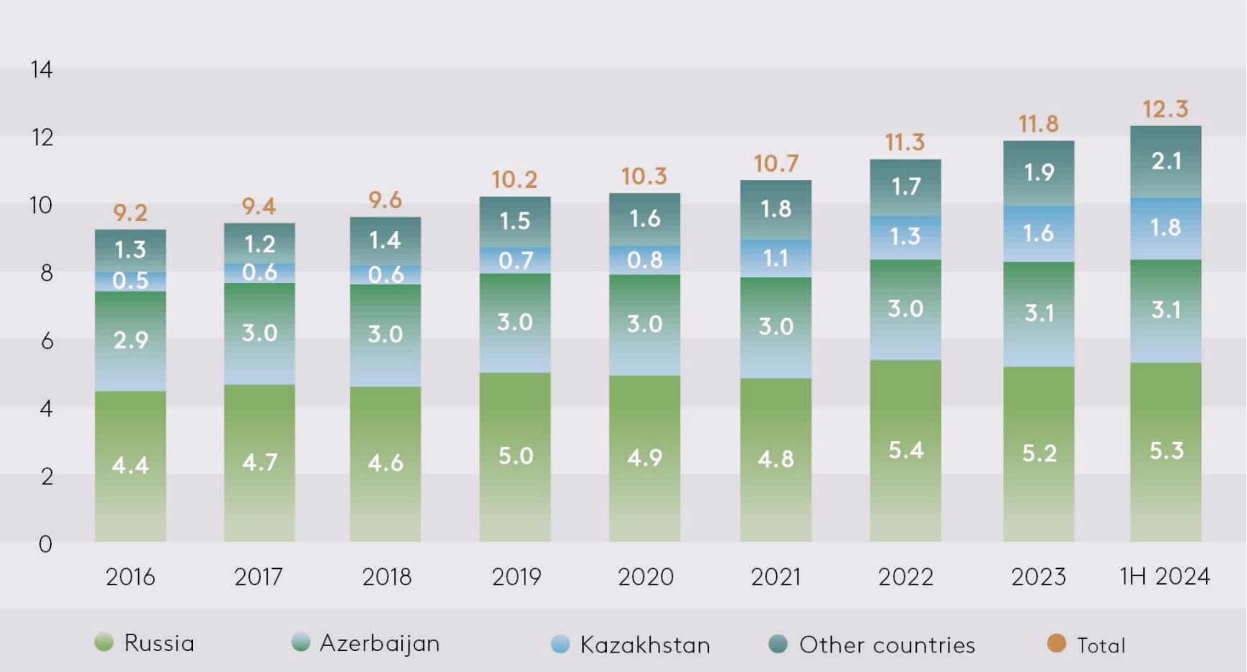
+47%

the share of **Central Asian** countries ($40.2 billion) in China's total FDI stock in the Eurasian region (end 1H 2024)

Türkiye: broad sectoral diversification of investments

128 active projects by Türkiye in the Eurasian region are recorded in the EDB MMI Database

Trends in Türkiye's Direct Investment Stock in the Eurasian Region, $ billions



Source: EDB MMI Database.

27.9 billion

surplus of investments in Türkiye over Türkiye's investments in the Eurasian region

81%

Türkiye's share ($40.2 billion) in total outward FDI from the Eurasian region

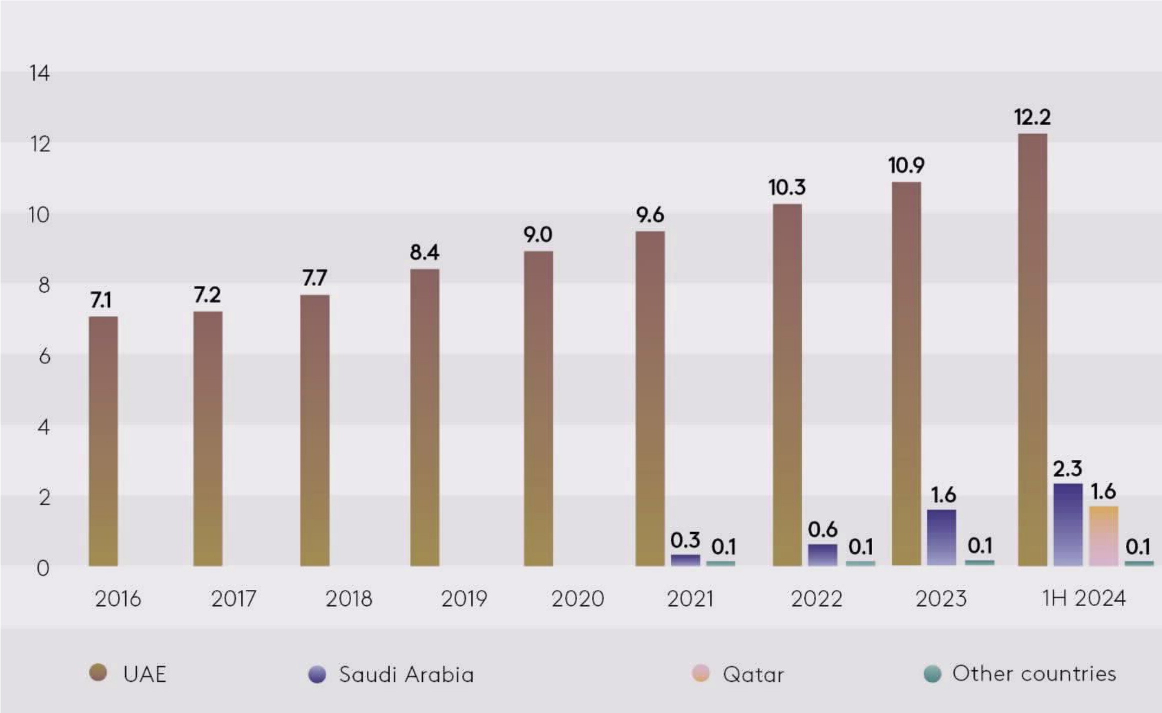
67%

the share of **extractive industries, construction, and manufacturing** in Türkiye's total investment stock in the Eurasian region (end 1H 2024)

The Gulf states' investments in the Eurasian region have grown by 50% over a year and a half to $16.1 billion

173 active projects by the Gulf states in the Eurasian region are recorded in the EDB MMI Database

Trends in the Gulf States' Direct Investment Stock in the Eurasian Region, $ billions



Source: EDB MMI Database.

>90%

the share of **CA countries** in investment inflows from the Gulf states (end 1H 2024)

83%

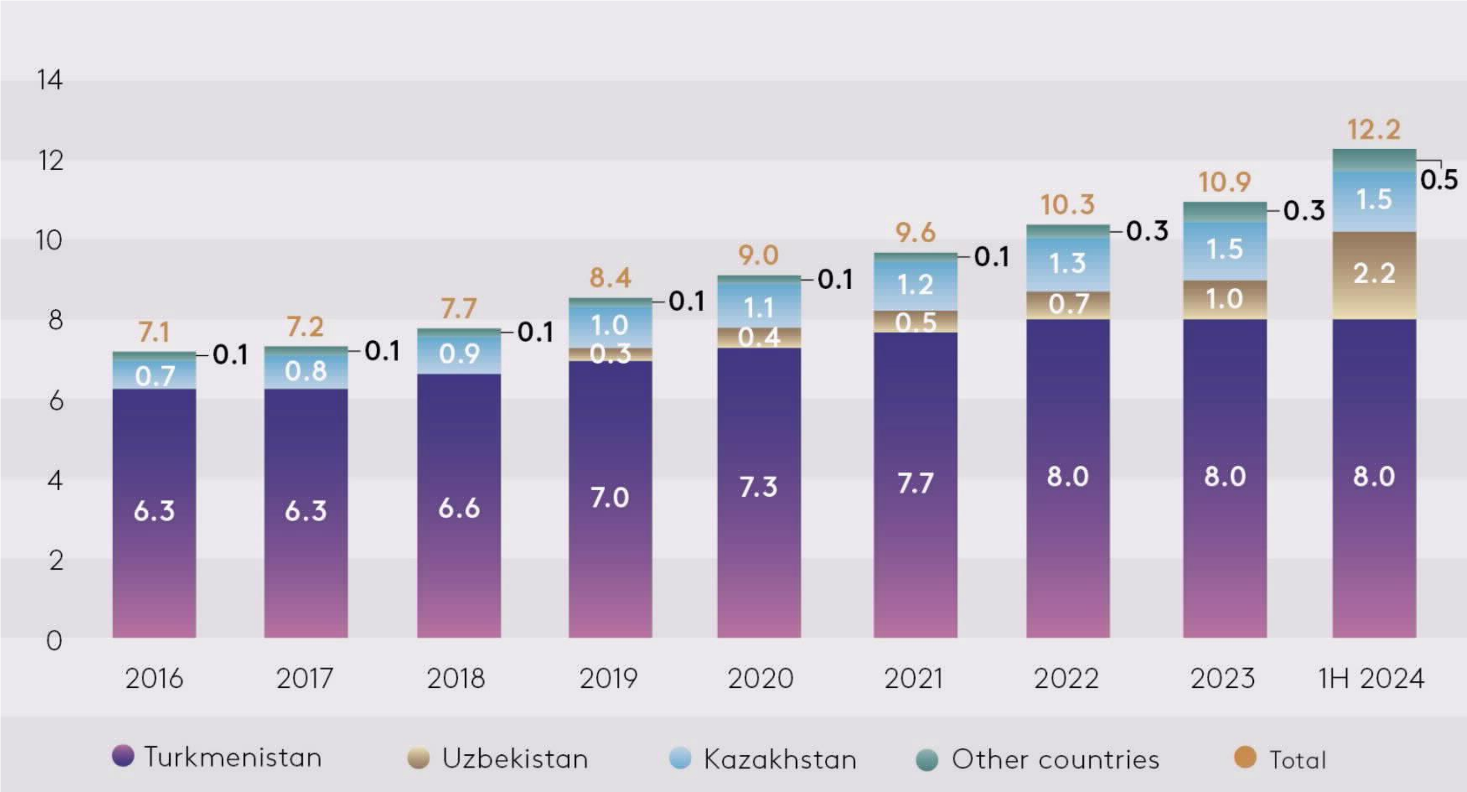
the share of **greenfield projects** (end 1H 2024)

Energy

is the priority sector, accounting for 95% of investments in new projects in 2023–1H 2024.

UAE: an important investor in Turkmenistan

Trends in the UAE's Direct Investment Stock in the Eurasian Region, $ billions



x3.9

growth in FDI stock (to $2.06 billion at end 1H 2024) in the **energy sector** over a year and a half

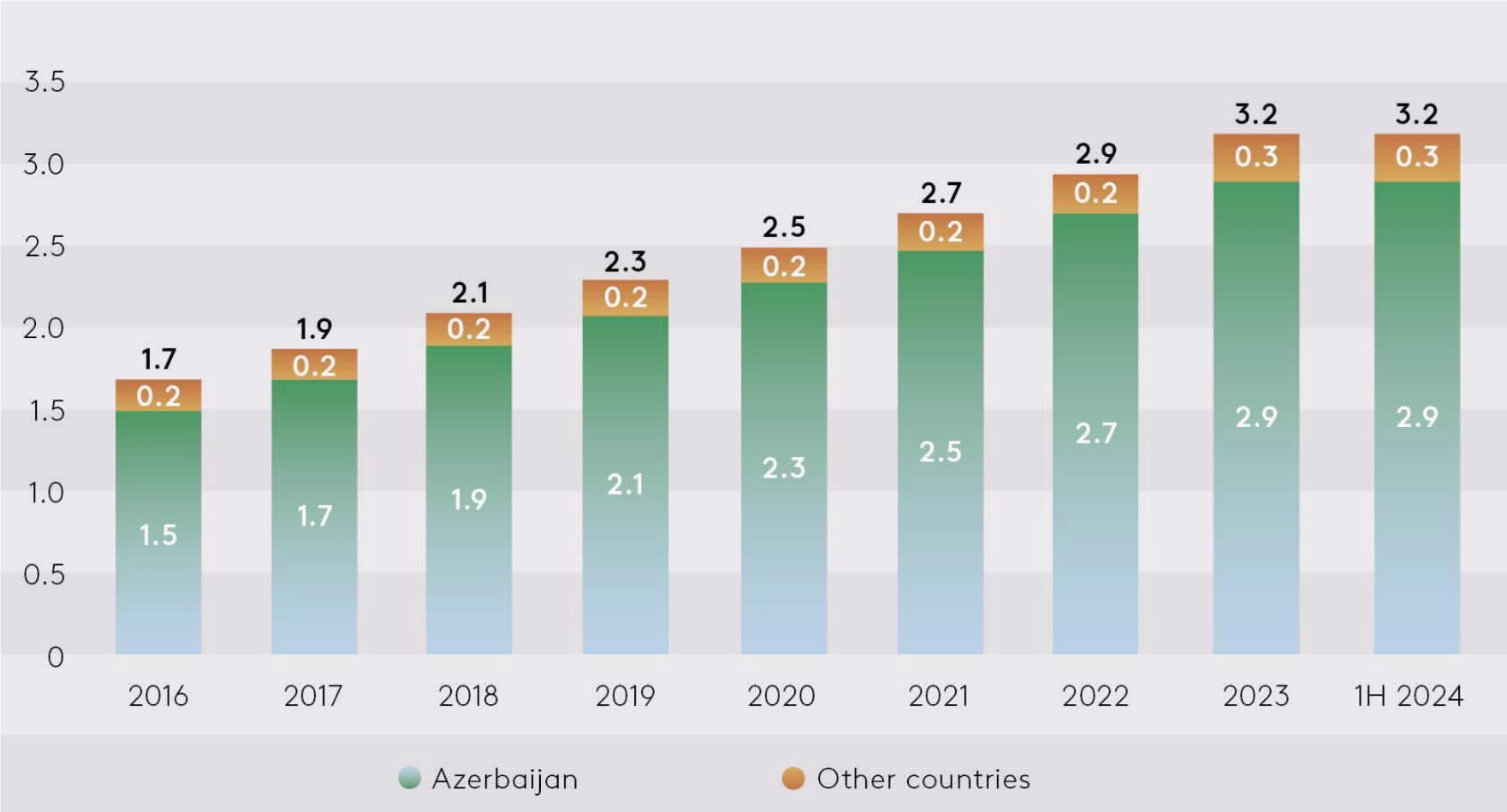
+11.5 p.p.

growth of **Uzbekistan's** share (from 6.4% to 17.9%) in the UAE's FDI over a year and a half

Source: EDB MMI Database.

Iran: investment focus on Azerbaijan

Trends in Iran's Direct Investment Stock in the Eurasian Region, $ billions



Source: EDB MMI Database.

x1.9

growth of FDI stock in the Eurasian region since 2016

92%

of Iran's investments are financed by companies **with state participation** (end 1H 2024).

>90%

of FDI stock targets **extractive industries** (end 1H 2024)

Key new projects of China, Türkiye, Iran, and the Gulf states in the Eurasian region

97% of investments ($7.7 billion) in new projects between 2023 and 1H 2024 went to the **Central Asian** countries

15 projects out of the **top 20** in volume of investment stock were attracted by **Uzbekistan**, most of them in the **energy sector**

Project	Start year	Investor country (company)	FDI stock, $ millions
Construction of a solar farm	2023	China (CEEG)	**1,500**
Construction of wind farms	2023	Saudi Arabia (ACWA Power)	**518**
Construction of a thermal power plant	2024	UAE (Mubadala) (TAQA)	**500**

Qatar is the largest investor in new projects in **Kazakhstan**

Project	Start year	Investor country (company)	FDI stock, $ millions
Purchase of mobile operator MT-S	2024	Qatar (Power International Holding)	**1,476**
Purchase of Bereke Bank	2024	Qatar (Lesha Bank)	**147**
Construction of a medical hub	2024	Qatar (Power International Holding)	**25**

Key facts for 1H 2024

MMI
Eurasian region and external partner countries

1. The mutual investment stock of China, Türkiye, Iran, and the Gulf states in the countries of the Eurasian region stood at **$90.4 billion**, up **12.6%** since 2022.

2. The major investor countries are: **China** at $58.6 billion (+$3.6 billion since 2022), **Türkiye** at $12.3 billion (+$1 billion), the **UAE** at $12.2 billion (+$1.9 billion)

   The key recipients of investments in the Eurasian region are: **Russia** at $23.5 billion (+$0.2 billion since 2022), **Turkmenistan** at $17.5 billion (+$0.1 billion), **Kazakhstan** at $15.5 billion (+$2.8 billion)

   Central Asia's share in investment from external partners reached 51% at $46.2 billion, up 25% since 2022.

3. The largest investment growth was recorded in **manufacturing** (+$1.4 billion to $14.4 billion) and **energy** (+$5.8 billion to $9.1 billion).

4. The **Gulf states** are the main drivers of investment growth. Their investments in the Eurasian region increased by 50% to $16.1 billion over a year and a half, with more than 90% targeting Central Asian countries.

5. **Greenfield projects** are the main form of investment. Such projects account for more than 60% ($57 billion) of total investments in the Eurasian region.

Eurasian Development Bank

Շնորհակալություն ուշադրության համար.

Дзякуй за ўвагу!

Назар аударғандарыңызға рахмет!

Назар салганыңыздарга рахмат!

Благодарим за внимание!

Раҳмати калон!

Research on EDB website

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