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Errata:
This document has been updated with the most current data available as of June 2025. Revisions may be made in future releases to ensure the accuracy and timeliness of the economic insights provided.

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Abbreviations

CIF – Cost, Insurance and Freight

FY – Fiscal Year

GDP – Gross Domestic Product

IMF – International Monetary Fund

OTS – Organization of Turkic States

PRC – People's Republic of China

Q1 – First Quarter

Q2 – Second Quarter

Q3 – Third Quarter

Q4 – Fourth Quarter

TIF – Turkic Investment Fund

WB – World Bank

WEO – World Economic Outlook

yoy – year-on-year

Preface

The *Turkic States Quarterly Economic Outlook* provides a comprehensive analysis of the economic developments within the Organization of Turkic States (OTS), synthesizing trends and forecasts essential for shaping policy and decision-making.

This report draws on extensive data from experts and officials within the OTS, including Ms. Leyla Karimova from the State Statistical Committee of Azerbaijan, Ms. Saliya Seidakhmatova from Kyrgyzstan's National Statistics Committee, Mr. Alibek Raipov from Kazakhstan’s Center for World Economy, Ms, Latofat Burieva from Uzbekistan’s Center for Economic Research and Reforms, Ms. Betül Tashtemir from Turkstat and Mr. Mehmet Yüce from Turkiye’s Ministry of Environment, Urbanization, and Climate Change, Mr. Dénes Ádam from the Hungarian Central Statistical Office, and Aysun Onet and Mr. Yilmaz Altinterim from Northern Cyprus’ Statistical Agency. Special thanks to Mr. Mammadov for coordinating the appointment of nominees for the working group through the OTS Secretariat.

This collaboration has been vital to ensuring the accuracy of the analysis. The working group, consisting of statistical committee representatives, has played a key role in collecting and verifying the data.

Prepared by Ms. Vusala Jafarova, head of the Turkic World Research Center under the Center for Economic Analysis and Communication of Azerbaijan, this report reflects the collective efforts of OTS member states and their agencies. While the data has undergone rigorous review, the views expressed do not necessarily reflect the official stance of the Center for Economic Analysis and Communication, the Government of Azerbaijan, or the OTS.

We appreciate the continued support from our member states and agencies, as this report remains an essential resource for promoting regional economic cooperation and growth.

Prof. Dr. Vusal Gasimli

Executive Director

The Center for Analysis of Economic Reforms and Communication of Azerbaijan

Executive Summary

In the first quarter of 2025, the aggregate **economic output** of the Organization of Turkic States (OTS) reached approximately USD 593.8 billion, accounting for 2.1% of global GDP. Despite representing a relatively modest share in the global economy, the OTS region exhibited a striking growth dynamic, with an average GDP growth rate of 5.04%, more than double the global average of 2.3% as estimated by the World Bank. This divergence reflects not only the economic recovery momentum across several OTS member states but also their expanding role in regional and global value chains.

Even more telling is the region's performance in global trade. In Q1 2025, the total **trade turnover** of OTS countries amounted to USD 369.3 billion, corresponding to 4.4% of global trade turnover. This figure is more than twice the region's share in global GDP, underscoring its outward-oriented economic structure and growing significance in cross-border commerce. The relative trade overperformance suggests a high degree of openness and competitiveness in sectors such as energy, logistics, manufacturing, and agro-exports—particularly for countries like Türkiye, Kazakhstan, and Azerbaijan that serve as pivotal transit and export corridors.

Compared to these top-tier economies, the OTS region's 2.1% share in global GDP and 4.4% share in global trade appear modest in absolute terms but are nonetheless significant given the region's size, development stage, and economic diversity. The OTS countries' trade intensity—measured by a disproportionately higher share in global trade relative to GDP—places them among the more globally integrated regional groupings and highlights their growing role in connecting Europe and Asia through energy, transport, and industrial corridors.

In Q1 2025, **GDP growth** across the eight OTS member states varied notably, reflecting different stages of economic development and sectoral drivers. Kyrgyzstan achieved an extraordinary 13.1% year-on-year expansion, fueled by a surge in agricultural output and rising global demand for raw materials. Close behind were Northern Cyprus (6.4%), Uzbekistan (6.8%), and Turkmenistan (6.3%), all supported by strong public investment, resource sector growth, and increasing foreign direct investment.

Kazakhstan experienced robust but more moderate growth of 5.6%—the strongest Q1 performance since 2012—driven by oil production and infrastructure projects. Turkiye and Azerbaijan recorded more subdued growth of 2.0% and 0.3% respectively; Turkiye's performance lagged forecasts amid monetary tightening, while Azerbaijan's modest rise was supported by non-oil sectors despite contraction in hydrocarbons. Hungary remained the exception, contracting slightly by 0.2%, reflecting stagnation in Central Europe. Overall, OTS average growth significantly outperformed the global average of ~2.3%, underscoring the region's dynamic economic trajectory and its increasing role in Eurasian development.

During the period the **external trade** among the member countries of the (OTS) demonstrated a mixture of resilience and structural imbalance. While overall trade turnover exceeded USD 369 billion for the group, only a few countries maintained significant surpluses. Turkiye's total trade turnover reached USD 153.2 billion, with exports growing by 2.5% and imports increasing by 4.6%, leading to a widening trade deficit of USD 22.6 billion. Azerbaijan, however, reported moderate increase in exports, with USD 6.4 billion and recorded a trade surplus of USD 722 million. Kazakhstan continued to play a critical role in the Middle Corridor (Trans-Caspian International Transport Route), which facilitated significant trade flows between China and Europe, reinforcing its position as a regional logistics hub.

Energy exporters such as Turkmenistan continued to anchor regional trade surpluses, whereas other, including Turkiye, Kyrgyzstan, and Northern Cyprus, registered widening deficits. Uzbekistan stood out with rapid export expansion, underscoring its ongoing industrial diversification and market reforms. The persistence of structural trade imbalances in smaller and consumption-driven economies highlights both the opportunity and necessity for deeper regional integration and strategic trade realignment within the OTS bloc.

The OTS region displayed marked contrasts in **investment and financial** sector activity. Kazakhstan recorded a solid 6.3% increase in fixed capital investment—equivalent to about KZT 3 trillion—supported by regional infrastructure expansion and state-led stimulus under the Nurly Zhol plan. Uzbekistan similarly posted robust investment growth (~8%), reflected in continued diversification toward manufacturing and logistics. Kyrgyzstan achieved an exceptional near 90% surge in fixed investment, largely driven by large-scale hydropower and transport projects linked to the Belt and Road Initiative

Banking assets across the OTS region also expanded. Kazakhstan's bank assets grew ~17% to over KZT 137 trillion, fueled by credit to households and corporates. Turkiye's banking system expanded steadily, with credit up by 36% and deposits rising by nearly 32%, despite inflationary headwinds and policy volatility. Northern Cyprus recorded an impressive 43% growth in bank assets, highlighting rising domestic liquidity and construction financing amid economic rebound. The region's overall investment and financial sector momentum reflects continued state-driven infrastructure development and rising private sector engagement—even in economies facing macro-financial constraints.

In the 1st quarter 2025, several member countries recording strong **FDI inflows** and sustained public investment momentum. FDI in OTS countries showed positive momentum, with Kazakhstan attracting USD 7.1 billion in 2024, driven by investments in the energy and infrastructure sectors. Turkiye's FDI increased in primarily in automotive, textiles, and digital services. The Turkic Investment Fund, established to facilitate cross-border investments, focusing on green energy, digital infrastructure, and transport networks across the region.

Kazakhstan and Uzbekistan led regional trends through structural reforms, large-scale infrastructure programs, and improved regulatory environments, attracting sizable foreign capital into energy, transport, and manufacturing. Turkiye bolstered by investor confidence and regional integration. While quarterly data for some economies remain limited, anecdotal evidence suggests continued interest in strategic sectors such as agribusiness, mining, and tourism. These developments reflect the growing attractiveness of the Turkic region as a destination for productive capital, provided fiscal and regulatory continuity.

In Q1 2025, **public budget** performance across OTS economies demonstrated both disciplined revenue mobilization and strategic expenditure decisions in support of public investment. Azerbaijan achieved modest revenue growth (+5.4%) alongside a 3.5% reduction in expenditures, underscoring fiscal restraint and room for reallocating funds toward priority sectors. It continues to demonstrate exceptional fiscal resilience, maintaining one of the lowest government debt levels among investment-grade sovereigns with SOFAZ assets equivalent to 81% of GDP. Kazakhstan's budget revenues surged 16%—driven by tax and non-tax sources—while expenditures rose by 9.5% reflecting sustained fiscal stimulus under the Nurly Zhol framework.

Green and digital transformation across the OTS region is gaining strategic visibility, though implementation remains uneven. In **Q1 2025**, Azerbaijan, Uzbekistan, and Kazakhstan made the most notable advances. Azerbaijan's partnership in the *Caspian-Black Sea Green Energy Corridor*, formalized at COP29, targets the export of renewable electricity to Europe by leveraging its solar and wind potential alongside SOFAZ-backed hydrogen initiatives

Despite positive growth in some sectors, inflation, trade imbalances, and energy dependency remain significant risks for the region. Continued focus on energy diversification, infrastructure development, and regional integration will be essential to address these challenges and sustain long-term growth. Rising global tensions and uncertainty risks also pose a threat to trade and investment flows within the region.

Looking forward, the economic outlook for Q2 2025 appears moderately optimistic. The Middle Corridor is expected to continue its role as a key facilitator of intra-OTS trade, driving further regional integration and investment. The OTS region is not only sustaining above-average growth but is also gaining traction as a strategic economic bloc with disproportionate relevance in global trade flows. This combination of strong output growth and elevated trade engagement positions the Turkic states as emerging contributors to global economic dynamism, with increasing potential to influence supply chains, regional integration, and Eurasian connectivity in the years ahead.

In conclusion, while the Turkic States show significant economic potential, efforts should be focused on strengthening intra-regional trade, investment flows, and energy cooperation. Addressing inflation, structural imbalances, and economic diversification will be crucial for ensuring sustainable growth in the coming years. Continued investment in green energy, digital transformation, and logistical connectivity will be key drivers for future prosperity within the region.

1. Macroeconomic Overview

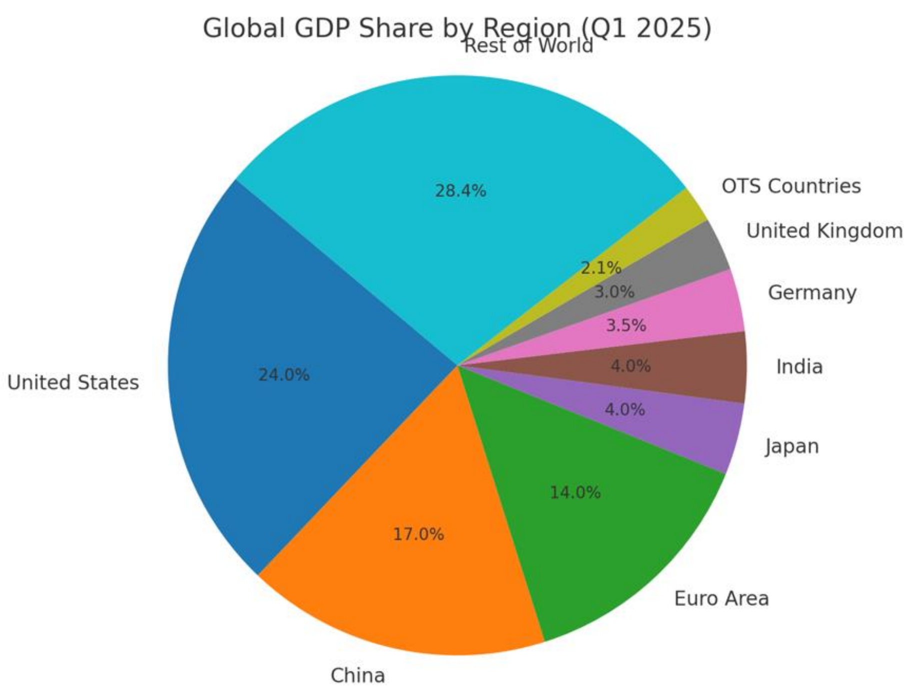
1.1. OTS in the Global Economy

The first quarter of 2025 reinforced the growing importance of the Organization of Turkic States (OTS) in global economic architecture. With a combined GDP of approximately **USD 593.8 billion**, the OTS bloc represented **2.1% of global output**—a relatively modest share compared to the world's largest economies, yet significant in the context of the region's economic size, developmental heterogeneity, and strategic geographic positioning.

In terms of trade engagement, the OTS region registered a **total trade turnover of USD 369.3 billion**, accounting for **4.4% of global merchandise trade**. This implies a **trade-to-GDP ratio well above the global average**, highlighting a pronounced outward orientation of the regional economies. The external sector remains a principal driver of growth for several members, especially those with energy-exporting and transport-hub characteristics, including **Kazakhstan, Türkiye, and Azerbaijan**.

To contextualize the OTS region's place in the global economy, **Figure 1** presents the global distribution of GDP by key economic powers, while **Figure 2** illustrates the trade turnover landscape.

Figure 1: Global GDP Share by Region, Q1 2025



Source: National Statistical Agencies & IMF

As shown, the **United States** continues to dominate global output with an estimated **24%** share, followed by **China (17%)**, and the **Euro Area (14%)**. Other notable contributors include **Japan, India, the UK, and Germany**, each accounting for 3–5% individually. (Figure 1).

In trade, **China** leads with over **13%** of global trade, followed by the **U.S. (9%)** and **Germany (7%)**. Against this backdrop, the OTS's 2.1% share in global GDP and 4.4% in global trade reveals not only rising interconnectivity but also structural competitiveness in cross-border commerce.

Figure 2: Global Trade Turnover Share by Region, Q1, 2025

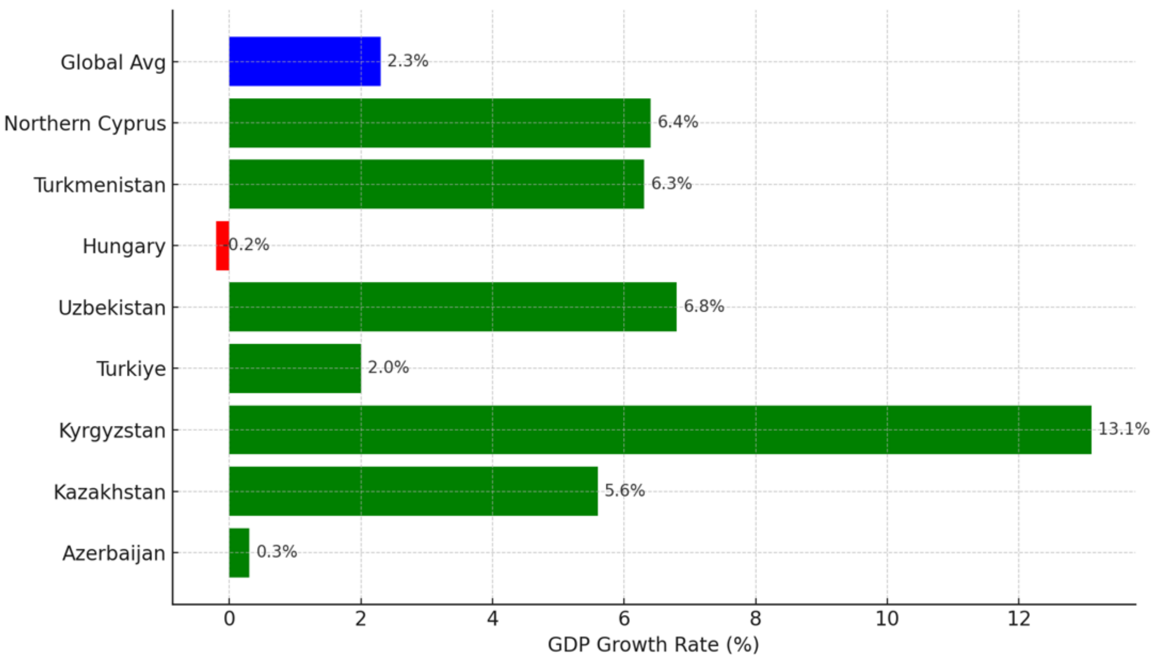
Source: National Statistical Agencies & IMF

The disparity between the region's trade share and GDP share reflects a **high trade intensity**—a hallmark of globally integrated economies. This alignment with Eurasian trade corridors, enhanced customs union agreements, and energy and logistics infrastructure investments signal the OTS's deepening integration into global value chains. In comparison, global economic activity during the first quarter of 2024 showed slower momentum, with a global GDP growth rate of around 2.1% and a deceleration in trade volumes due to persistent inflationary pressures, tighter monetary policy, and supply chain adjustments post-COVID. Global trade growth remained subdued at approximately 1.7%, as reported by the World Bank and IMF (World Bank, 2024; IMF, 2024), marking a low point in post-pandemic normalization. The global environment then was characterized by financial volatility, policy tightening, and ongoing geopolitical uncertainty, especially in energy and commodity markets.

1.2. GDP Growth Overview

The **average GDP growth rate** across OTS countries stood at **5.04%**, considerably outpacing the **global average of 2.3%** as projected by the World Bank (World Bank, 2025). This dynamic was primarily fueled by structural investment-led growth in Central Asian members, resilience in external trade, and partial recovery of domestic demand. Countries such as Kyrgyzstan and Uzbekistan posted robust double-digit and high single-digit growth, respectively, underpinned by sectoral diversification and regional infrastructure projects.

Figure 3. GDP Growth Rates for OTS Countries



Source: National Statistical Agencies & IMF

The first quarter of 2025 revealed a striking divergence in economic trajectories within the OTS region. Kyrgyzstan's GDP surged, marking a compelling rebound driven by record agricultural output and heightened demand for minerals—supported by major infrastructure and BRI-linked projects like hydropower and rail link. Northern Cyprus, while not formally tracked in global databases, displayed strong growth around benefiting from robust tourism, construction investment, and financial inflows. Uzbekistan's economic expansion was propelled by industrial diversification and rising FDI w hile Turkmenistan's growth reflects continued public investments in energy and infrastructure projects.

Kazakhstan experienced growth underpinned by enhanced oil output from Tengiz, major pipeline projects, and public infrastructure. Turkiye's growth underperforming relative to the predicted 2.3%, as high interest rates constrained consumption despite positive contributions from stocks and public investment. Azerbaijan's growth was modest, with non-oil sectors like automotive, transport, and services offsetting weakness in the oil and gas industry. Meanwhile, Hungary contracted slightly reflecting sluggish performance in Central Europe. Together, these outcomes helped boost the OTS average growth more than double the global rate signaling the region's growing economic resilience and strategic importance in connecting Asia and Europe.

Throughout Q1 2025, OTS economies displayed marked heterogeneity in performance, revealing both structural opportunities and vulnerabilities:

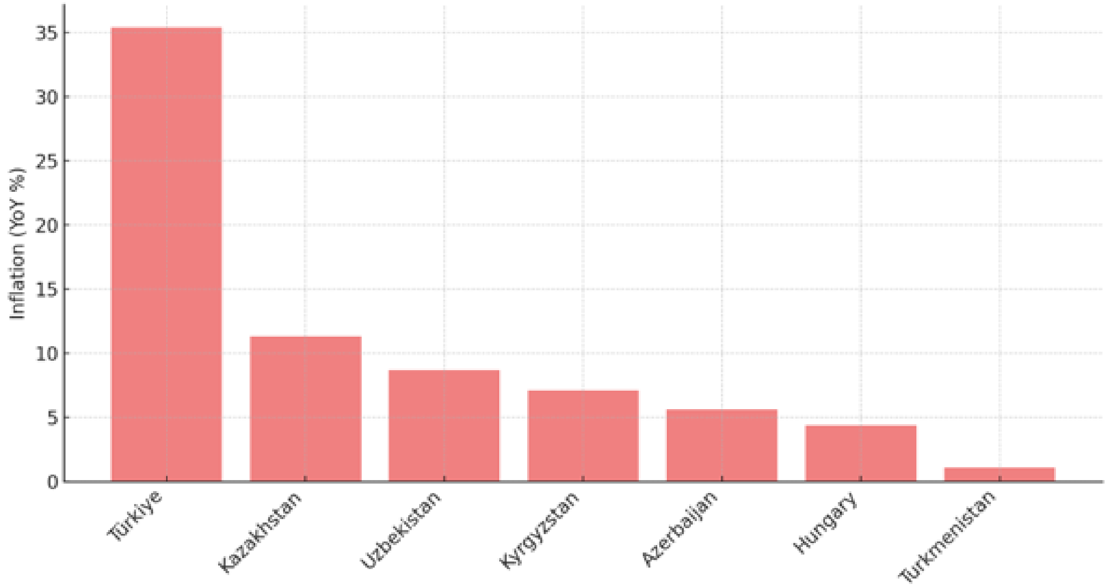
- **Kyrgyzstan** registered a **13.1% GDP surge**—the highest in the region—amid a **16.3% industrial expansion** and **2.5% agro growth**, driven by high agriculture output (41.9 billion soms) and strong global demand for raw materials. This rapid growth aligns with increased investment in hydropower and trade facilitation under CIS frameworks.
- **Uzbekistan's** economy grew **6.8%**, supported by **6.5% industry** and **3.8% agricultural growth**, alongside rising construction and ICT activities, increased enterprise registrations, and transport turnover, all signaling diversification and investment resilience.
- **Northern Cyprus** climbed **6.4%**, propelled by a **44% industrial surge** and a remarkable **42.6% agro jump**, although absolute sector volumes remain modest. These gains reflect the rebound of tourism, construction, and light manufacturing in a services-driven economy.
- **Turkmenistan's** 6.3% GDP growth was supported by widespread expansion: **0.3% in industry**, **3.8% in construction**, and **4% in agriculture**, along with strong transport (+11.1%), trade (+9.9%), and service (+8.8%) growths, enabled by public investments and infrastructure acceleration.
- **Kazakhstan** delivered **5.6% growth**, with industry at **6.6%** and agriculture at **3.7%**, fueled by stable oil output, large-scale infrastructure projects, and sustained resource export demand.
- **Turkiye's** GDP rose **2.0%**, despite a **1.8% contraction in industry** and **2.0% decline in agriculture**. The expansion was driven mainly by **construction (+8.8%)**, **services**, and domestic consumption, even as high interest rates and weak external demand dampened factory and farm outputs.
- **Azerbaijan** showed steady **0.3% growth**, reflecting a **3.8% decrease in the oil and gas sector**. Non-oil value added grew by **2.5%**, with industrial products and agro output increasing year-on-year.
- **Hungary** stagnated with a **0.2% decline**, mainly due to a **3.9% drop in industrial output**, **5.1% fall in construction**, and **0.7% fall in farming**, while services managed minor growth (+1.1%).

This comprehensive sectoral breakdown demonstrates that while some OTS countries rely on traditional drivers like energy and agriculture, others are rapidly diversifying through industry, services, and investment. Such heterogeneity offers both resilience and comparative advantage as the region integrates further into Euro-Asian economic corridors.

2. Inflation trends

Global inflationary pressures remained elevated in Q1 2025, reflecting broad-based cost pass-through and persistent service-sector inflation. According to a survey of global economists, the **average headline inflation for 2025 is expected to be around 4.0%**, slightly above the 3.9% forecast at the end of 2024. The **IMF projects headline inflation at 4.2%** for the year, with advanced economies converging toward central bank targets and EMDEs experiencing more lagged disinflation.

Figure 4. Inflation Rates in Q1 2025 in OTS member states



Source: National Statistical Agencies & IMF

Within the OTS region, several countries continue to face significantly higher inflation:

- **Türkiye**: Year-on-year CPI inflation declined to **35.4% in May 2025**, from 38% in April. The central bank forecasts year-end inflation at 24%.
- **Kazakhstan**: CPI inflation stood at **10.0% in March**, up from 9.4% in February, with annual food and utilities contributing markedly to upward pressure.
- **Uzbekistan**: Annual inflation was approximately **9.4% in 2024**.
- **Kyrgyzstan** reduced inflation from 10.8% in 2023 to **5.0% in 2024**, with recent estimates pointing toward around **6.9% by March 2025**
- **Azerbaijan**: Annual inflation stood at **5.6%** in Q1 2025, remaining within the Central Bank of Azerbaijan's target corridor of 4% ±2 percentage points. Food price inflation registered at **6.0%**, reflecting moderate pressures from global commodity trends and domestic supply adjustments.
- **Hungary**: Inflation decelerated to **3.7% year-on-year** by March 2025, reflecting successful monetary tightening and falling energy prices (Hungarian Central Statistical Office, 2025).

- **Northern Cyprus**: Annual inflation was reported at **61.0%** in early 2025, driven by Turkish lira volatility and rising import costs (TRNC State Planning Organization, 2025).

Other OTS economies report similar mid-to-high single-digit inflation — reinforcing the region's divergence from the global 4.0% benchmark and highlighting the need for continued macroeconomic tightening.

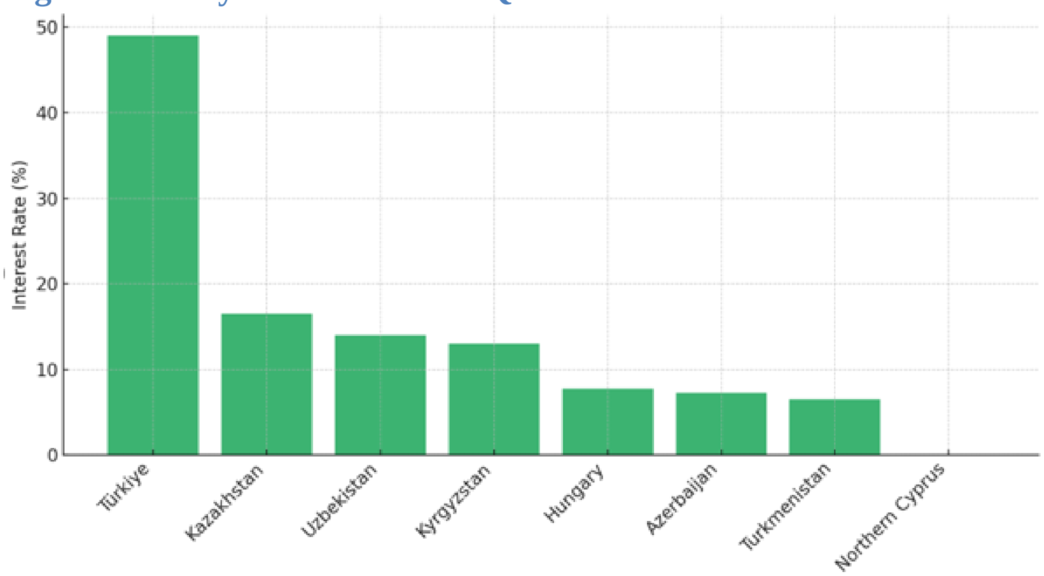
3. Monetary Policy Trends - Policy Interest Rates

During the first quarter of 2025, central banks across the OTS and globally navigated complex macroeconomic conditions marked by persistent inflation pressures, uneven growth trajectories, and evolving external financial environments. Policy interest rates remained a central tool for managing inflation expectations and supporting financial stability, albeit with differing policy stances across the OTS region.

Globally, major central banks exhibited a cautious approach to rate adjustments. The U.S. Federal Reserve held the federal funds rate steady in the range of 5.25% to 5.50%, reflecting ongoing vigilance over inflation dynamics. Similarly, the European Central Bank maintained its main refinancing operations rate at 4.50%, while signaling that rate cuts could be on the table by the second half of the year if inflation expectations continue to fall (IMF, 2025).

In the OTS region monetary policy responses varied, reflecting country-specific inflation paths and monetary policy frameworks (see Figure 6)

Figure 5. Policy Interest Rates – Q1 2025



Source: National Central Bank statistics of OTS countries

Among OTS member states, policy interest rate decisions were shaped by country-specific inflation trends, currency stability objectives, and structural constraints:

Türkiye maintained its benchmark policy rate at **45%** in March 2025, consistent with its disinflation strategy amid still-elevated inflationary expectations. The Central Bank of the Republic of Turkiye (CBRT) continued a tight monetary stance in line with medium-term inflation targeting (CBRT, 2025).

Kazakhstan's National Bank kept its base rate at **15.75%** during Q1 2025, emphasizing inflation containment and anchoring expectations, especially amid rising utility and food costs (NBK, 2025).

Uzbekistan preserved a moderately tight policy stance, with the central bank holding its rate at **14.0%**, aiming to steer inflation back into the 5–7% target corridor over the medium term (Central Bank of Uzbekistan, 2025).

Kyrgyzstan lowered its key rate from 13.0% to **12.0%** in March 2025, citing easing inflation and a more favorable domestic demand environment (National Bank of Kyrgyz Republic, 2025).

Azerbaijan's Central Bank held the refinancing rate steady at **7.75%**, maintaining its neutral stance while closely monitoring inflation, which remained within the central bank's target corridor (CBAR, 2025).

Hungary continued gradual monetary easing, cutting its base rate to **7.00%** by March 2025, as inflation slowed and monetary conditions became more accommodative (MNB, 2025).

Turkmenistan does not officially publish a benchmark policy rate, and its monetary policy remains largely administrative and governed through directed credit and state-led banking operations (ADB, 2024).

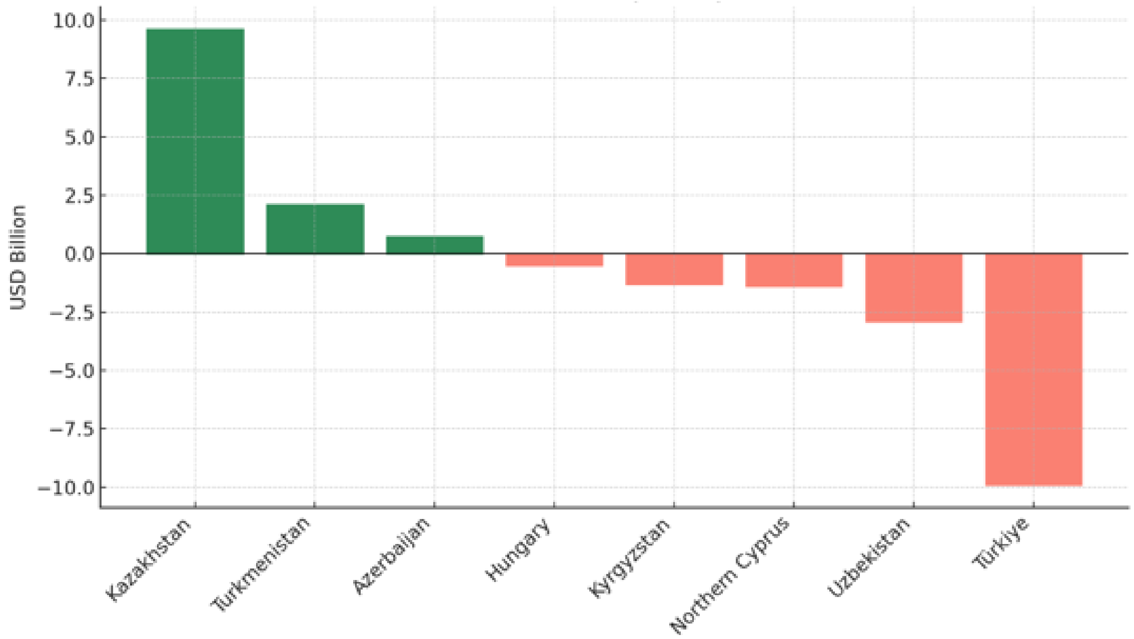
Northern Cyprus aligns its monetary framework with that of Turkiye due to the currency peg to the Turkish lira, effectively importing CBRT's monetary stance.

In summary, Q1 2025 saw a cautious but increasingly differentiated policy environment within the OTS. Inflation-targeting frameworks and exchange rate stability remained the key anchors of interest rate decisions. Moving forward, potential rate cuts may materialize in the latter half of the year if disinflation trends hold and external conditions remain supportive.

4. External Trade Performance

External trade remains a critical dimension of economic performance in the OTS region, reflecting both global market conditions and country-specific structural characteristics. In the first quarter of 2025, several OTS countries demonstrated robust trade activity, though the distribution of trade balances and growth rates reveals asymmetries across the region.

Figure 6. Trade Balance by Country – Q1 2025, in billions USD



Source: National Statistical Agencies

Kazakhstan continued to play a stabilizing role in regional trade. Despite a year-on-year decline in exports by approximately 11.5%, the country maintained a sizeable trade surplus of USD 3.45 billion due to its strong hydrocarbon and metals exports (Kazakhstan Statistics Committee, 2025). This surplus persisted even as imports increased slightly, reflecting stable domestic demand and public investment.

Uzbekistan posted one of the region's most dynamic trade performances, with exports growing by over 24% in Q1 2025. This expansion was fueled by strong industrial goods and agri-food shipments, while imports contracted modestly. The resulting trade deficit of around USD 1.1 billion was narrower than in previous years, reflecting improved terms of trade and a rebalancing toward higher-value exports.

In contrast, Turkiye's trade deficit widened further to over USD 34 billion in Q1, driven by strong import growth (+6.6%) amid currency depreciation and resilient consumer demand. Exports rose modestly (+3.7%), supported by automobile and machinery shipments, but remained insufficient to offset elevated energy and intermediate goods imports.

Turkmenistan, achieved a substantial trade surplus, with exports estimated at USD 12.4 billion and imports near USD 3.85 billion. This reflects its ongoing dependence on natural gas exports and limited reliance on imported consumer goods

Hungary, the only EU member in the group, reported stable trade dynamics. Exports declined marginally (-0.4%) while imports remained largely flat, leading to a trade surplus of over USD 4.5 billion (KSH, 2025). Hungary's performance underscores the resilience of high-tech and industrial manufacturing in the face of European economic slowdown.

Azerbaijan, while maintaining a narrow trade surplus (USD 630 million), with imports rising sharply (+52.6%), reflecting recovering domestic consumption and rising demand for capital goods. The country's strong reliance on hydrocarbon revenues makes its trade position sensitive to oil price fluctuations.

On the deficit side, Kyrgyzstan and Northern Cyprus both reported structurally negative trade balances. Kyrgyzstan's exports contracted by 6.5%, while imports fell more sharply (-16.1%), resulting in a USD 2.3 billion deficit—typical for a landlocked, import-dependent economy. Northern Cyprus, although growing its export base (+6%), remains highly reliant on imports, particularly in food, fuel, and manufactured goods, leading to a persistent deficit of approximately USD 3 billion (NCTR Planning Organization, 2025).

Overall, Q1 2025 data illustrate a pattern where OTS energy-exporting economies continue to fund trade surpluses, while smaller or industrializing members face persistent trade deficits. For the bloc as a whole, deepening intra-regional trade, improving logistics, and fostering industrial complementarity may serve as effective strategies to reduce external imbalances and enhance collective trade resilience in the years ahead.

5. Fixed capital and Bank assets

Fixed Capital Investment varied markedly across OTS economies in Q1 2025, reflecting the alignment—or lack thereof—between public infrastructure initiatives and private sector condition. **Kyrgyzstan** recorded an extraordinary year-on-year increase of 90.6%, driven by large hydro and railway infrastructure linked to the Belt and Road Initiative, as reported by the Kyrgyz Republic Statistical Committee. **Uzbekistan** posted a substantial ~7.9% rise in fixed investment, supported by mechanization in industrial and agribusiness sectors, per

Kazakhstan maintained steady investment growth of 6.3%, boosted by the Nurly Zhol public infrastructure program and corporate reinvestment. **Turkiye** saw a modest increase of 2.1%, primarily through construction-led activity, though investment remained subdued due to high financing costs and exchange rate volatility.

Banking Assets and Credit Growth advanced broadly across the region, although the pace and sources of credit varied.

- **Kazakhstan's** banking assets grew by 17%, sparked by robust credit demand in wholesale trade and consumer sectors
- **Turkiye** experienced a 36% rise in credit and a 32% increase in deposits, reflecting inflation-led borrowing and central bank support, with non-performing loans remaining contained at ~2%
- **Northern Cyprus** saw a striking 43% increase in bank assets, driven by housing and deposit growth during the post-COVID recovery.
- **Hungary** and **Azerbaijan** recorded modest bank asset growth (3–4%), with Azerbaijan's system underpinned by oil-linked liquidity, while Hungary faced European integration headwinds.

Fitch Ratings' recent bank-level analysis highlighted that **Turkish banks** are managing inflation-related pressures well, with margins recovering in late 2024 and maintaining stable profitability into Q1 2025. **Kazakhstan's sovereign rating (BBB, stable)** reflects its strong fiscal and financial metrics—enhanced by sustained investment spending and secure institutional frameworks (Fitch, 2025).

Azerbaijan's investment and financial sector profile in Q1 2025 remained anchored in strong fundamentals, despite a cyclical moderation in capital expenditure. The country's external position continues to be one of the strongest among its peers: international reserves and SOFAZ assets are projected to reach USD 74 billion by end-2025, equivalent to 98.4% of GDP (Fitch Ratings, 2025). These buffers provide exceptional financing flexibility and shield the economy from external volatility. Fiscal indicators remain highly favorable. With general government debt at just 20.4% of GDP and foreign-currency-denominated liabilities steadily declining, Azerbaijan stands out for its low-risk debt structure and ample fiscal space. Government deposits and sovereign assets offer meaningful capacity to absorb oil price fluctuations and support countercyclical policies.

Asset growth is moderate but backed by improved liquidity management and reduced dollarization, with FX deposits now accounting for 40%, down significantly from past highs. Fitch's affirmation of Azerbaijan's investment-grade rating (BBB-) and upgrade of the Country Ceiling to 'BBB' reflect continued macroeconomic prudence, robust external liquidity, and credible policy efforts to support diversification and long-term fiscal sustainability.

Monetary authorities across the OTS have pursued a mix of tight policy and measured easing to balance inflation control with macroeconomic stability. In Kyrgyzstan, inflation was brought back within target range, enabling steady growth alongside infrastructure investment, supported by prudent monetary management and declining public debt.

Joint OTS arrangements and coordinated infrastructure-finance ecosystem, supported by macro-financial stability frameworks, regional credit integration, and a supportive investment climate, could mobilize private capital, reduce systemic dependencies, and realign credit flows to industrial, trade, and technological priorities.

6. Investment and FDI Trends

Foreign direct investment and domestic investment trends during Q1 2025 reveal that strategic reforms and targeted infrastructure spending have been pivotal in attracting capital, while macro-financial stability remains equally critical.

In **Kazakhstan**, FDI remained elevated, supported by a comprehensive reform package that includes special economic zones and streamlined licensing procedures. While 2024 saw an annual FDI high of USD 16.3 billion, technical capital outflows in Q1—related to profit repatriation—have masked continued greenfield investment inflows, particularly in transport, renewables, manufacturing, and mining.

Uzbekistan continued its upward momentum, buoyed by robust institutional reforms. The 2025 IMF Article IV report highlighted stable external reserves, narrowing deficits, and strong economic fundamentals. Notably, the establishment of IT Park—a tax-incentivized technology zone—and a planned USD 1.7 billion listing of state-owned assets by Franklin Templeton signal growing openness and commitment to institutional reform.

In **Turkiye**, FDI surged by 89% year-on-year in Q1 2025, reaching USD 3 billion, with an annualized inflow of USD 13.1 billion—the highest since mid-2023. The main investment recipients were wholesale, retail (48%), and manufacturing sectors (22%), underlining renewed investor confidence in the country's macro policies and its strategic regional positioning. Top investor countries included Kazakhstan, the Netherlands, and the U.S., indicating broad foreign interest.

Kyrgyzstan, **Azerbaijan**, **Hungary**, **Turkmenistan**, and **Northern Cyprus**, indicators suggest steady inflows in extractive industries, logistics, agribusiness, and tourism. Kazakhstan led FDI into Turkiye with a 34% share in Q1—the first instance of an intra-regional OTS capital transfer that signals growing investment flows within the bloc.

Overall, Q1 2025 demonstrates that economies combining regulatory liberalization, large-scale public infrastructure investment, and macroeconomic stability—such as Kazakhstan, Uzbekistan, and Turkiye—have been most successful in attracting private and foreign capital. Continued diversification, capital market development (e.g. Uzbekistan's asset listing strategy), and regional cooperation on infrastructure will be vital for sustaining growth-oriented investment across the OTS bloc.

7. Fiscal sector developments

Public budget trends in Q1 2025 reveal that fiscally responsible frameworks have enabled several OTS countries to simultaneously boost revenues and strategically manage expenditures, laying a foundation for sustainable investment. In Kazakhstan, revenues rose by 16.2%, driven by hydrocarbon and non-tax revenues, while spending expanded by 9.5% to accommodate infrastructure development (IMF, 2025).

Kyrgyzstan's revenues surged by over 80%, matching a 34.6% rise in expenditures—primarily to support hydropower, connectivity projects, and social programs—without compromising fiscal sustainability, as public debt declined to around 36% of GDP during 2024 (IMF, 2025). Uzbekistan and Turkiye posted robust revenue-growth of 26.5% and 47%, with expenditure growth at 10% and 45% respectively—reflecting targeted investments in logistics and public infrastructure supported by external financing lines. Turkiye's revenues, bolstered by a new $5 billion AIIB financing line for infrastructure and green projects. Uzbekistan added 26% in revenues and 10% more in expenditure, highlighting its proactive investment stance. Even Hungary and Northern Cyprus recorded strong revenue expansions (2% and 65%) with controlled spending rises. Collectively, these trends point to a dynamic public investment phase geared toward long-term development, although they will require continued fiscal oversight to manage inflation and debt sustainability.

Azerbaijan, with more modest revenue growth (+5.4%), reduced expenditure by 3.5%, reinforcing fiscal discipline amid reconstruction and state-owned fund accumulation. Public investment in Azerbaijan's Q1 2025 budget reflects a sustained commitment to post-conflict reconstruction. According to the Finance Ministry, AZN 812.3 million (USD 477.8 million) was spent in Q1 on rebuilding infrastructure, housing, and public services in liberated **Karabakh and Eastern Zangazur economic regions**—a 33.5% year-on-year decline signaling transition from initial emergency reconstruction to systematic development. This initial phase expenditure is part of a broader five-year AZN 20 billion (USD 11.8 billion) commitment, which will account for approximately 30% of capital budget allocations through 2029. These investments are being channeled into road networks, energy systems, education and healthcare facilities, facilitating the **"Great Return"** of internally displaced persons and supporting socioeconomic integration in newly liberated territories. The strategic scaling from high-intensity rebuilds to more structured investment highlights Azerbaijan's forward-planning and budgetary discipline in addressing long-term regional stabilization.

Positive governance developments in the OTS region further bolster macroeconomic resilience. Kazakhstan enhanced its fiscal transparency by expanding budget accessibility, increasing public debt resilience via strong sovereign asset build-up (NFRK reserves at USD 60 billion, ~23% of GDP) Kyrgyzstan's rapid transition to a fiscal surplus, declining public debt, and strengthened monetary autonomy reflect improved macroeconomic stewardship (IMF, 2025). The country's low external debt levels and accumulation of foreign reserves provide a degree of fiscal flexibility (Asian Development Bank, 2025).

8. Green and Digital Transformation

The green and digital transformation across the Organization of Turkic States (OTS) has accelerated in early 2025, driven by climate imperatives, global technological trends, and regional strategic commitments. While progress remains uneven and often constrained by fiscal and regulatory barriers, notable strides are being made in renewable energy, low-carbon transition, digital connectivity, and e-governance. This dual transformation has become central to the region's long-term development agenda, as reflected in the **OTS Strategic Roadmap 2022–2026** and the **Turkic World Vision 2040** (OTS, 2021).

Green Transition Momentum

The 2024 COP29 summit marked a turning point for the OTS bloc's green ambitions. Azerbaijan, Kazakhstan, and Uzbekistan announced the **Caspian–Black Sea–Europe Green Energy Corridor**, a multi-billion-dollar transnational initiative aimed at exporting renewable electricity to the European market. Azerbaijan's Ministry of Energy and the State Oil Fund (SOFAZ) are spearheading preparatory work for a hydrogen economy strategy, including feasibility studies on **blue hydrogen** production from gas condensate (Shah Deniz) and **green hydrogen** from solar and wind resources (Caspian News, 2024).

According to Azerbaijan's Ministry of Energy (2025), over **1.5 GW of renewable energy capacity** is currently under development, with international investors including ACWA Power (Saudi Arabia) and Masdar (UAE) engaged in wind and solar projects. The country aims to meet **30% of electricity demand from renewables by 2030**.

Kazakhstan's **National Energy Report (2024)** highlights 134 renewable energy facilities in operation, providing around **4.5% of the national power mix**, with a goal of **15% by 2030**. The country is expanding its feed-in tariff schemes and has initiated battery storage pilots under support from the EBRD and Green Climate Fund.

Uzbekistan's ambitions are equally pronounced. As part of its **Energy Strategy 2030**, it targets **40% of electricity generation from renewables**, underpinned by solar auctions and public-private partnerships. The **Ministry of Energy of Uzbekistan (2025)** reports the launch of over **1.1 GW in solar and wind capacity** in Q1 2025 alone, co-financed by ADB and the IFC.

Kyrgyzstan continues to leverage its hydropower potential, which already constitutes **over 85% of national electricity generation**. In March 2025, the government approved the **Green Economy Action Plan 2024–2028**, which extends the previous strategy and allocates resources toward sustainable forest use, water resource efficiency, and environmental education (UNEP, 2024).

Despite these advances, structural challenges persist. **Tariff misalignment**, **underdeveloped carbon markets**, and **limited fiscal space** hamper rapid scaling. Green finance remains underutilized, with most capital flowing through concessional loans and bilateral development assistance rather than domestic financial markets.

Digital Transformation Trajectories

Digitalization has emerged as a strategic enabler of inclusive growth and public service delivery. Spearheaded by programs like **Digital Uzbekistan–2030**, member states are investing in broadband expansion, digital government services, and IT ecosystems. According to the **Ministry for Digital Technologies of Uzbekistan**, over **18,000 km of fiber-optic networks** were laid in 2024–Q1 2025, and **internet penetration reached 86%** by March 2025.

Azerbaijan's **"Digital Hub" strategy** focuses on transforming the country into a regional ICT corridor between Europe and Asia. In partnership with global telecom firms and the World Bank, Azerbaijan is implementing cross-border fiber-optic backbones (Trans-Eurasian Information Super Highway - TASIM), while expanding local e-government platforms and AI-supported public service delivery (Mincom.gov.az, 2025).

At the **2024 OTS Bishkek Summit**, Kyrgyzstan was designated the **Digital Capital of the Turkic World for 2025**, reflecting its commitment to tech innovation and youth-led digital entrepreneurship. The country expanded its "Tunduk" interoperable platform to link 30+ state agencies and over 200 e-services (Kyrgyz Digital Development Agency, 2025).

Northern Cyprus is expanding fintech applications and e-payments, backed by Türkiye's digital payment standards. Turkmenistan remains cautious but has piloted e-taxation systems and blockchain-based land registries with UNDP technical support (ADB, 2024).

However, **funding gaps**, **cybersecurity capacity**, and **cross-border regulatory divergence** remain critical bottlenecks. Many digital initiatives remain limited to pilot stages or urban geographies, with rural regions underserved.

Regional Commitments and Outlook

In line with the **Turkic World Vision 2040**, the OTS aims to become a regional innovation and sustainability hub. The establishment of the **Turkic Green Fund** and the **Digital Silk Road Innovation Network**, expected in late 2025, is intended to mobilize financing, streamline technical cooperation, and harmonize standards for digital and green transitions.

According to the **OECD Eurasia Competitiveness Report (2024)**, effective transition policies could add **up to 1.5 percentage points** to long-term GDP growth for OTS members, while improving resilience to external shocks. However, success will depend on **greater regional coordination**, **institutional capacity building**, and **alignment of national development strategies** with green and digital objectives.

Table 1. Key Indicators: Green & Digital Sector (Q1 2025)

Indicator	Azerbaijan	Kazakhstan	Uzbekistan	Kyrgyzstan	Türkiye
Renewable share in power mix (%)	10%	4.5%	9%	85% (hydro)	12%
Planned renewable capacity by 2030	30%	15%	40%	~90% hydro reliance	25%
Broadband penetration (%)	82%	77%	86%	65%	91%
Fiber-optic expansion Q1 2025 (km)	5,300	4,200	18,000	2,100	11,500
Number of e-government services	300+	250+	240+	200+	350+

Sources: ADB (2024, 2025), UNEP (2024), OECD (2024), Mincom.gov.az (2025), TurkStat (2025), Uzbek Ministry of Energy (2025), World Bank (2025)

9. Regional Connectivity and Trade – The Role of the Middle Corridor

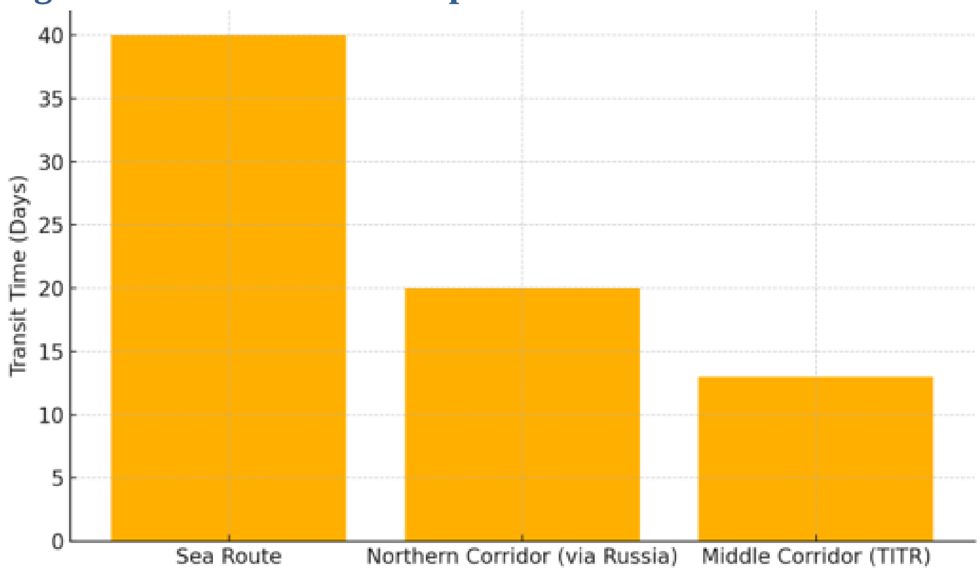
In the first quarter of 2025, the Middle Corridor—also known as the Trans-Caspian International Transport Route (TITR)—solidified its strategic significance for the OTS emerging as a core artery of East-West connectivity amid global trade disruptions. Functioning as a multimodal transit link between China and Europe via Central Asia, the Caspian Sea, the South Caucasus, and Türkiye, the Middle Corridor offers a viable alternative to the Northern and Southern trade corridors, both of which have experienced geopolitical constraints.

The corridor's operational relevance continues to grow. According to the European Bank for Reconstruction and Development (EBRD, 2024), transit cargo volume surged over 33% in 2024, with the upward trajectory sustained into early 2025. The re-routing of Eurasian trade flows due to the war in Ukraine and ongoing sanctions on Russia has propelled the Middle Corridor into the spotlight as a secure, timely, and competitive trade route.

Map 1. The Trans-Caspian International Transport Route

One of the corridor's most compelling advantages is its reduced transit time between China and Europe, which ranges from 12 to 15 days, depending on route configuration and customs processing—less than half the duration of traditional maritime routes, which typically take 35–45 days via the Suez Canal (World Bank, 2023; TITR Association, 2025). In comparison, the Northern Corridor via Russia, once considered the primary overland route, has experienced significant delays and reduced utilization due to sanctions, adding uncertainty and cost to east-west logistics. The Middle Corridor's competitive timing and political neutrality have made it increasingly attractive for time-sensitive goods, including electronics, perishables, and auto parts.

Figure 7. Transit Time Comparison of transit routes



Source: ADB CAREC Program.

Container throughput between Kazakhstan and Azerbaijan rose by 35%, underpinned by rising eastbound exports from China and westbound agricultural and metallurgical shipments. The Port of Baku alone processed over 100,000 TEUs, a record high for a single quarter. This surge reflects both improved intermodal coordination and the corridor's growing appeal amid congestion on traditional maritime and overland routes. Countries like Uzbekistan and Kyrgyzstan increasingly utilized Kazakhstan's Khorgos Dry Port and Aktau seaport as primary gateways, enabling better integration of landlocked economies into global supply chains (CAREC Institute, 2025).

Among OTS economies, Kazakhstan, Azerbaijan, and Türkiye are the primary enablers of corridor throughput. Kazakhstan's ongoing rail modernization and port infrastructure at Aktau, Azerbaijan's Baku-Tbilisi-Kars (BTK) rail line, and Türkiye's Marmaray and logistic port assets enable high-volume cargo interconnectivity. Uzbekistan's investments in dry ports and logistics terminals further enhance the corridor's inland connectivity. Meanwhile, Azerbaijan reported a 2.3% year-on-year increase in cargo transportation (January–March 2025), reaching 55.9 million tons, and a 4.2% rise in passenger transportation, signaling continued infrastructure usage expansion (State Statistical Committee of Azerbaijan, 2025).

The World Bank (2023) estimates that freight volumes through the corridor could exceed 10 million tonnes by 2030—more than tripling from 2022 levels—if critical bottlenecks such as border wait times, digital documentation, and rail gauge interoperability are addressed. These projections are supported by regional commitments under the CAREC 2030 framework and ADB-financed multimodal transport projects.

For OTS economies, the corridor is not merely logistical infrastructure but a broader platform for economic transformation. The trade turnover share of the OTS region reached

USD 369.3 billion in Q1 2025, comprising 4.4% of global trade—well above its 2.1% share in global GDP—reflecting a high level of trade intensity and outward orientation. Countries like Kazakhstan and Azerbaijan have leveraged the corridor to diversify exports into chemicals, metals, agribusiness, and light industry, while boosting transit revenues.

To ensure future scalability and trade competitiveness, OTS member states should prioritize corridor governance harmonization, single-window customs integration, digitization of freight documentation, and rail connectivity standardization. The upcoming 2025 Middle Corridor Investment Forum, hosted under the OTS Secretariat, aims to outline joint funding priorities and engage development partners in corridor-wide PPP initiatives.

Visual representations of regional rail and port investments, trade volume distribution, and cross-border corridor segments are recommended in this section. Maps from the World Bank's *Middle Corridor Trade Potential Study (2023)* and the ADB's *CAREC Transport and Trade Facilitation Strategy 2030* are suggested for high-quality reference visuals.

10. Strategic Outlook

The first quarter of 2025 marked a period of strong macroeconomic momentum and evolving structural priorities for the OTS, reinforcing the bloc's growing strategic relevance in Eurasia. Building on the objectives set forth in the OTS 2022–2026 Strategy and the Turkic World Vision 2040, member states have continued to advance regional integration through enhanced trade, infrastructure connectivity, digital transformation, and sustainable development.

Anchored by a combined GDP of approximately USD 593.8 billion and a trade turnover of USD 369.3 billion in Q1 2025, the OTS region has outperformed its proportional economic weight. With a 2.1% share in global GDP and a 4.4% share in global trade, OTS countries demonstrate high trade intensity and strategic positioning within Eurasian value chains (World Bank, 2025). This is further supported by key transit routes such as the Middle Corridor, which saw cargo volumes rise 42% year-on-year in early 2025 and continues to attract investment and institutional support from multilateral development partners (EBRD, ADB, TRACECA).

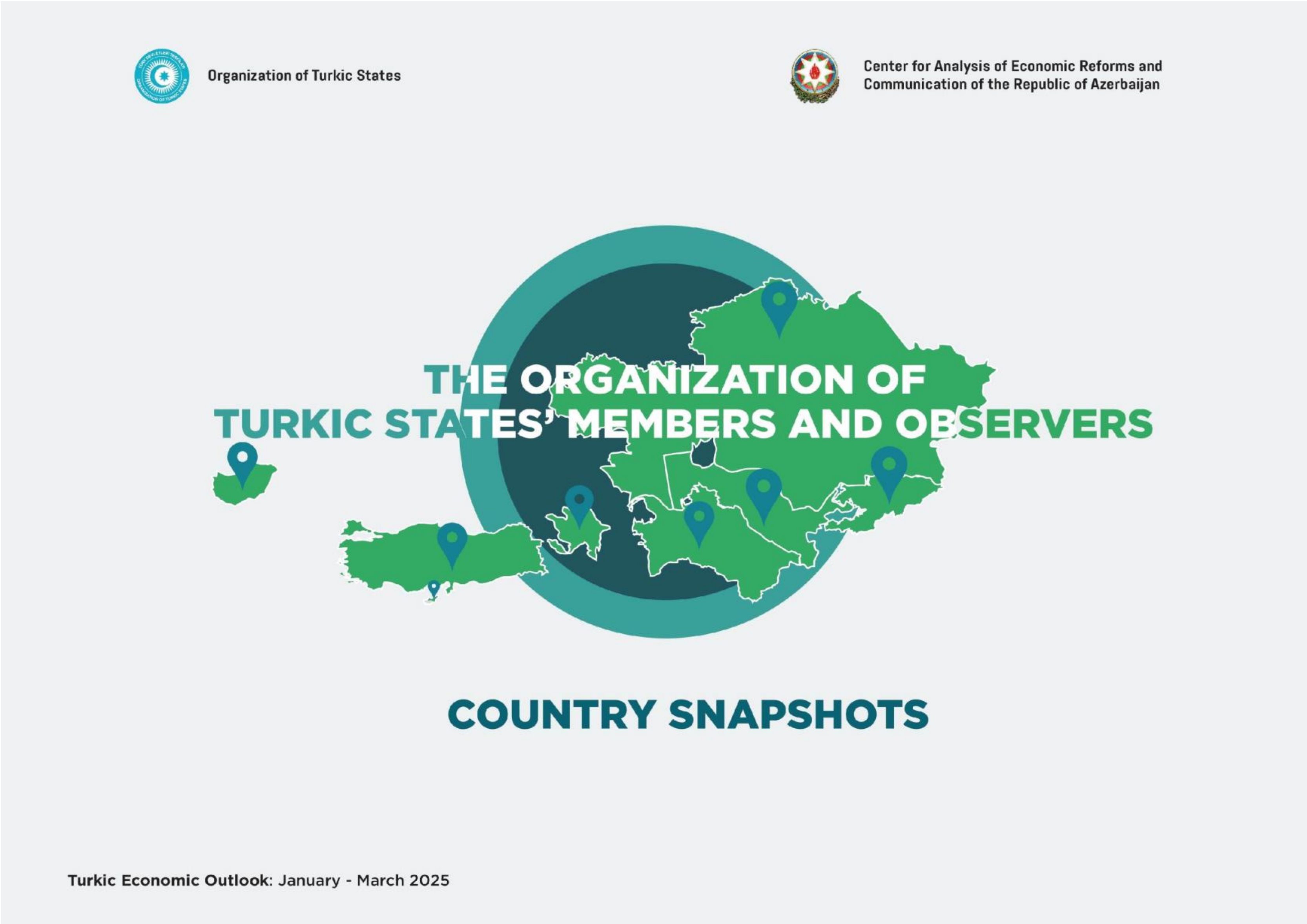
The regional policy consensus is increasingly focused on coordinated infrastructure development, financial integration, and digital harmonization. Initiatives under the Digital Silk Road and efforts to align customs procedures and transport regulations are aligned with OTS's strategic targets to enhance trade fluidity and investment attractiveness. Countries like Kazakhstan and Azerbaijan have taken key roles in energy transition planning and green financing mechanisms, echoing Turkic Vision 2040's emphasis on climate resilience and resource sustainability.

Monetary and fiscal stability, as seen in Azerbaijan's low public debt and strategic asset management through SOFAZ, and in Turkiye's disinflationary monetary policy stance, underpin the bloc's overall macro-financial credibility. Meanwhile, investment in strategic sectors such as logistics, clean energy, agribusiness, and digital infrastructure has gained momentum across member states, including Uzbekistan's tech-driven modernization drive and Kyrgyzstan's connectivity investments.

Going forward, the Turkic Council's coordination mechanisms are expected to play a pivotal role in shaping a common economic area, including shared industrial platforms, digital trust frameworks, and a unified investment roadmap. The upcoming OTS Economic Ministers' Meeting in late 2025 is expected to endorse a joint action plan for regional industrial clustering and transit-oriented development.

Realizing the OTS Vision 2040 will require sustained institutional capacity building, enhanced data-sharing mechanisms, and deeper engagement with global markets and partners. However, the region's youthful demographics, geopolitical centrality, and growing political cohesion position it well to become a transformative force in Eurasian integration over the next decade.

Annex 1. Comparative Visual Dashboards



GENERAL OVERVIEW OF THE ORGANIZATION OF TURKIC STATES' MEMBERS AND OBSERVERS

Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

Turkic Economic Outlook: January - March 2025

AREA
(thousand km^2)
4 823.5

POPULATION
(milion people)
178.8

GDP
(million USD)
593 833.1

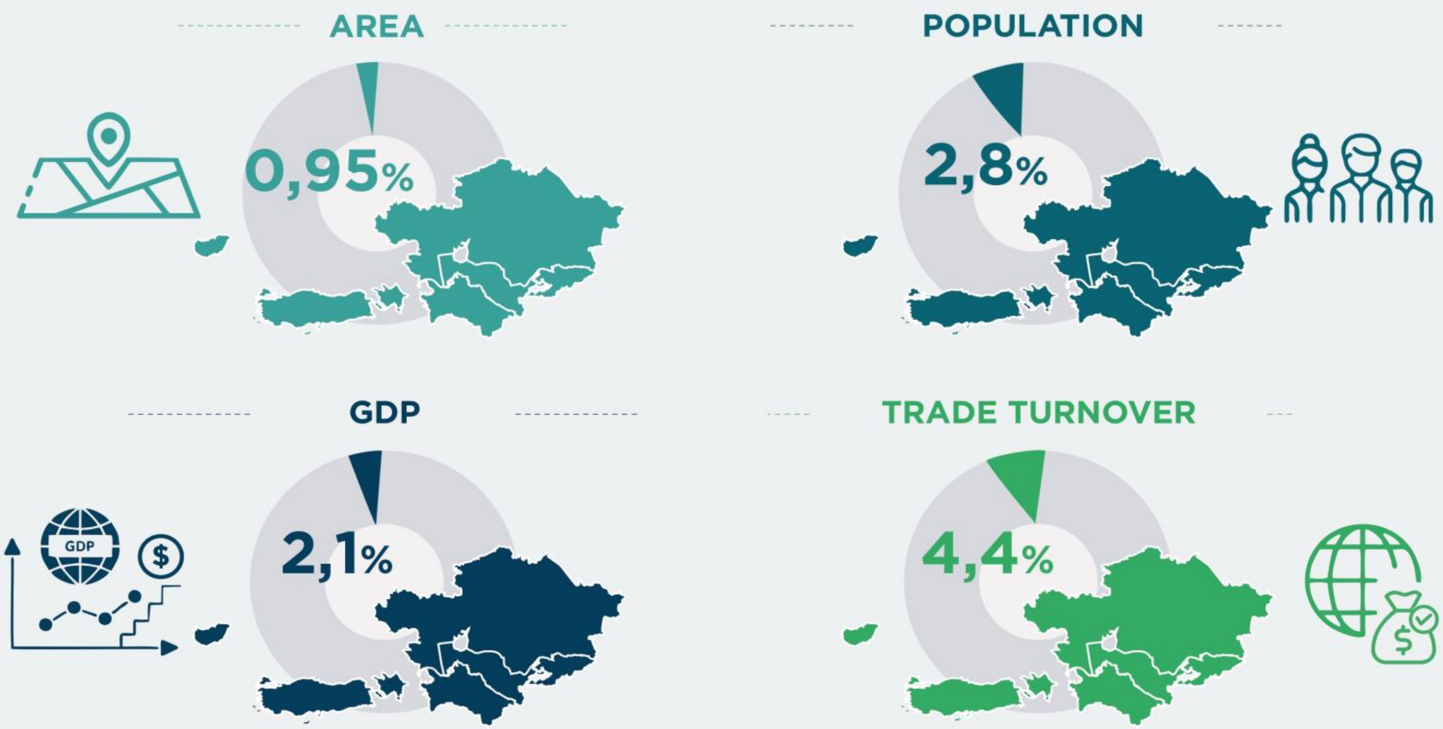
TRADE TURNOVER
(million USD)
369 317.8

"*CAERC staff estimate"

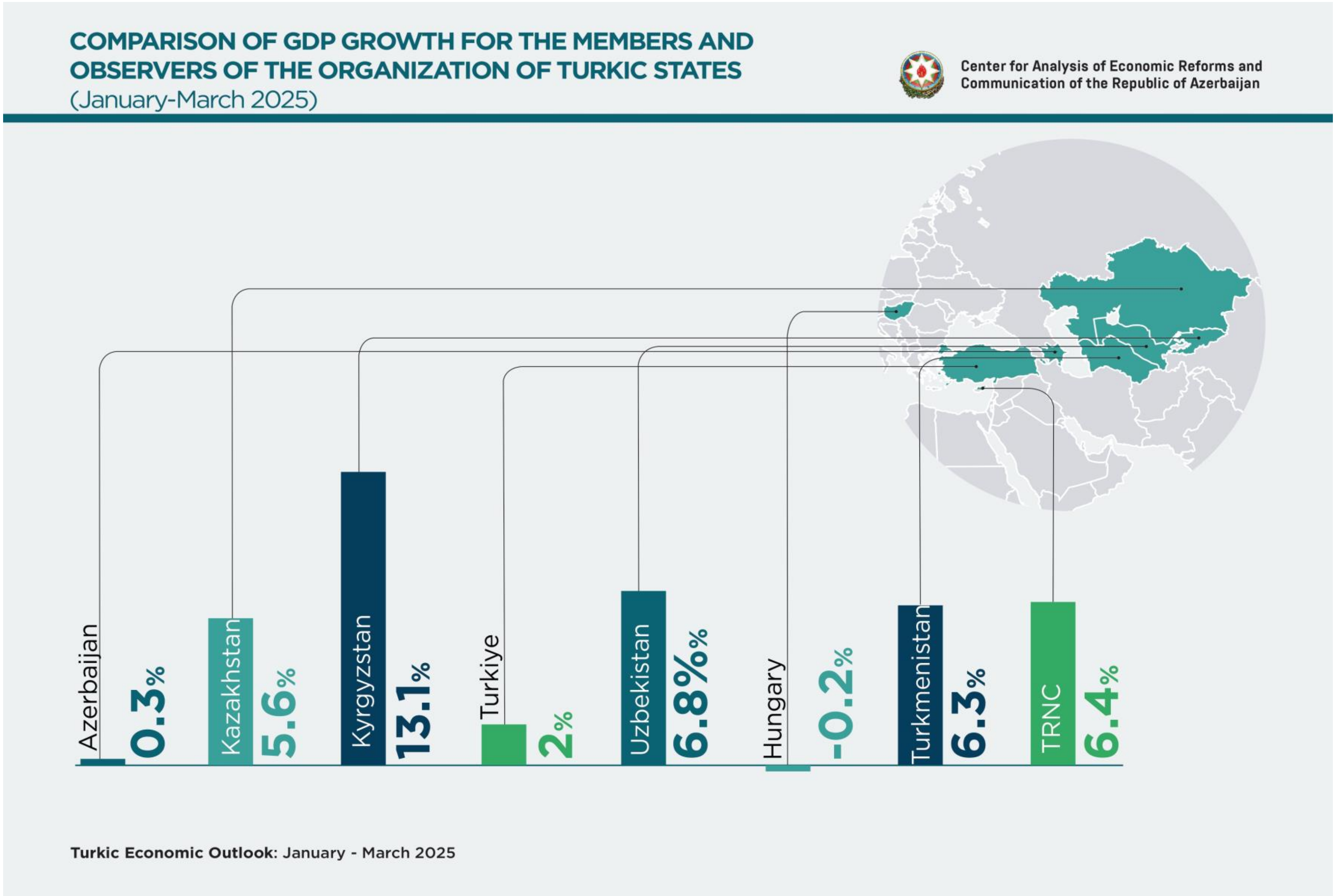
THE SHARE OF THE ORGANIZATION OF TURKIC STATES' MEMBERS AND OBSERVERS IN THE WORLD

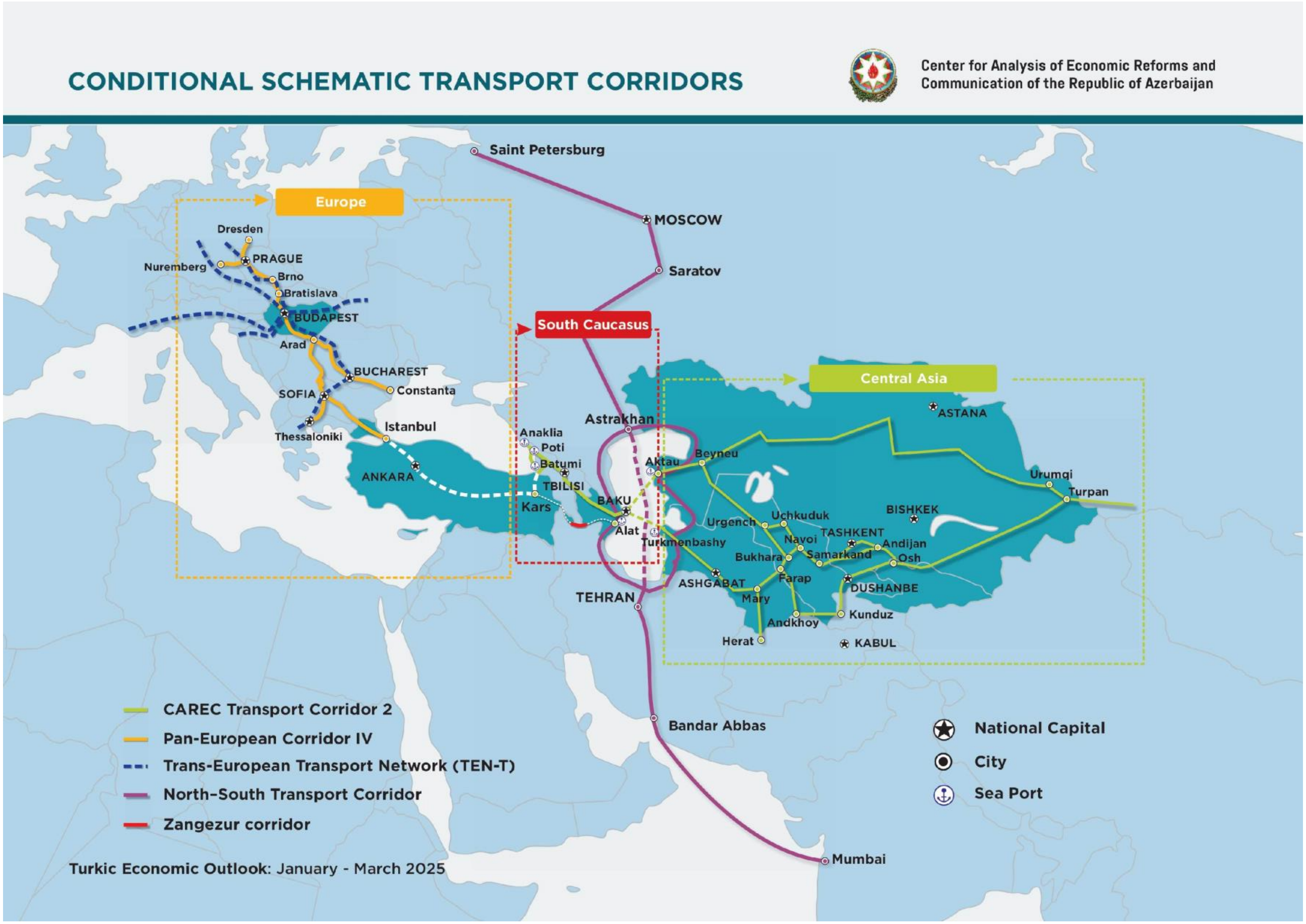
Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

Turkic Economic Outlook: January - March 2025



"*CAERC staff estimate"


COMPARISON OF GDP GROWTH FOR THE MEMBERS AND OBSERVERS OF THE ORGANIZATION OF TURKIC STATES
(January-March 2025)
Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan
Azerbaijan
0.3%
Kazakhstan
5.6%
Kyrgyzstan
13.1%
Turkiye
2%
Uzbekistan
6.8%%
Hungary
-0.2%
Turkmenistan
6.3%
TRNC
6.4%
Turkic Economic Outlook: January - March 2025



CONDITIONAL SCHEMATIC TRANSPORT CORRIDORS
Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan
Saint Petersburg
MOSCOW
Saratov
Europe
South Caucasus
Central Asia
Dresden
PRAGUE
Nuremberg
Brno
Bratislava
BUDAPEST
Arad
BUCHAREST
Constanta
SOFIA
Thessaloniki
Istanbul
ANKARA
Anaklia
Poti
Batumi
TBILISI
Kars
BAKU
Alat
Astrakhan
Aktau
Beyneu
Turkmenbashy
TEHRAN
ASTANA
Urumqi
Turpan
BISHKEK
Uchkuduk
Urgench
TASHKENT
Navoi
Andijan
Bukhara
Samarkand
Osh
Farap
ASHGABAT
DUSHANBE
Mary
Kunduz
Andkhoy
Herat
KABUL
Bandar Abbas
Mumbai
CAREC Transport Corridor 2
Pan-European Corridor IV
Trans-European Transport Network (TEN-T)
North-South Transport Corridor
Zangezur corridor
National Capital
City
Sea Port
Turkic Economic Outlook: January - March 2025

AZERBAIJAN:
MAIN MACROECONOMIC INDICATORS (January-March 2025)

Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

Exchange rate: 1 USD = 1.70000 AZN

ECONOMIC GROWTH

GDP*
(17.584,1 mln $)
↑ 0.3%

INDUSTRIAL PRODUCTION*
(9 308.3 mln $)
↓ 2.7%

AGRICULTURAL PRODUCTS*
(942.1 mln $)
↑ 1.9%

FOREIGN TRADE

EXPORTS
(6 293.3 mln $)
↑ 0.8%

IMPORTS
(5 663.0 mln $)
↑ 52.6%

TRADE BALANCE
+630.3 mln $

FINANCE

INVESTMENTS DIRECTED TO FIXED CAPITAL*
(2 039.82 mln $)
↓ 10.1%

BANK ASSETS*
(32 268.0 mln $)
↑ 3.5%

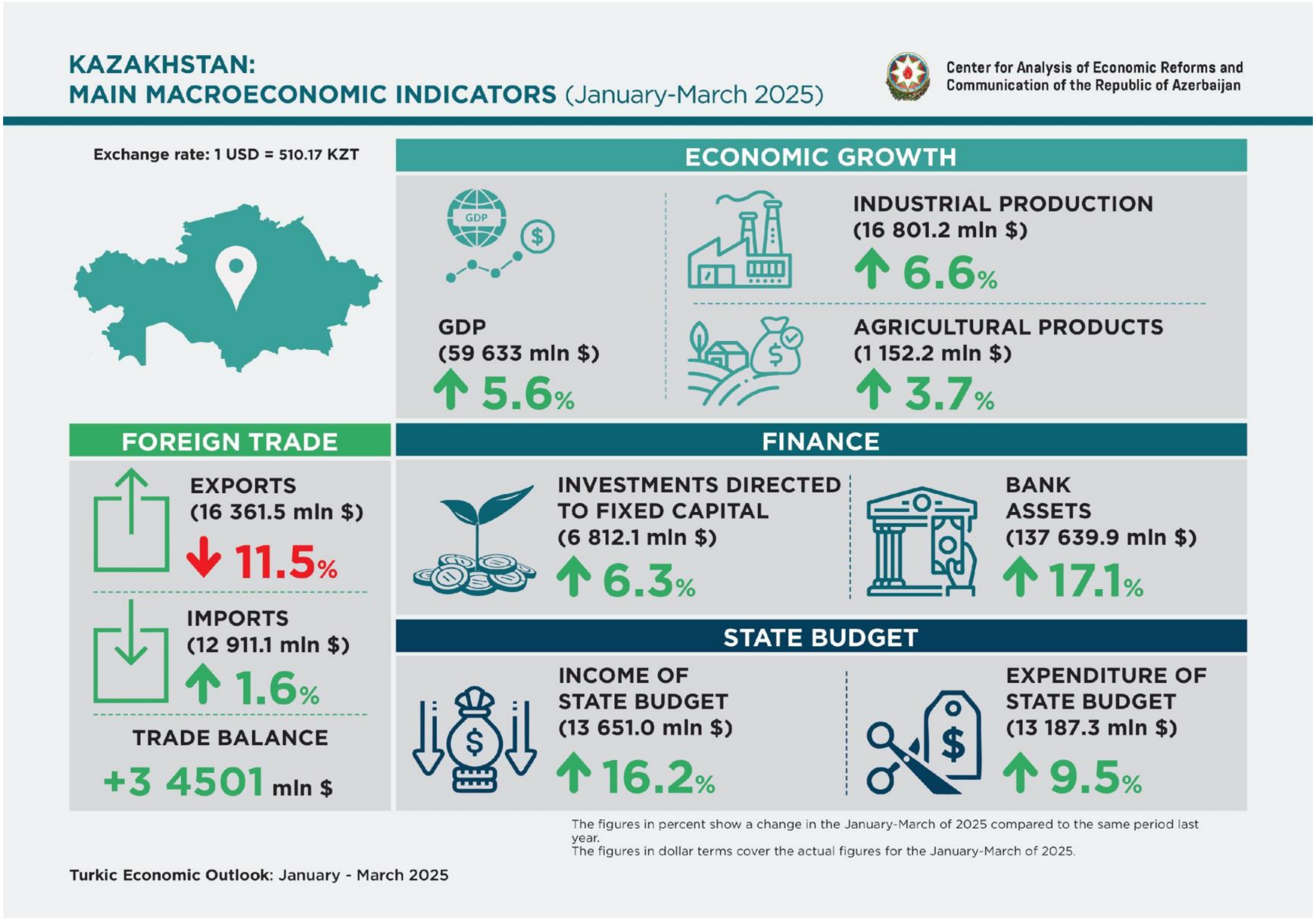
STATE BUDGET

INCOME OF STATE BUDGET*
(5 725.3 mln $)
↑ 5.4%

EXPENDITURE OF STATE BUDGET*
(4 773.5 mln $)
↓ 3.5%

The figures in percent show a change in the January-March of 2025 compared to the same period last year.
The figures in dollar terms cover the actual figures for the January-March of 2025.
* Calculated on the basis of the conversion of the national currency to the US dollar at the exchange rate as of the last day of the 4th quarter of the relevant years.

Turkic Economic Outlook: January - March 2025


KAZAKHSTAN:
MAIN MACROECONOMIC INDICATORS (January-March 2025)
Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan
Exchange rate: 1 USD = 510.17 KZT
ECONOMIC GROWTH
GDP
GDP (59 633 mln $) ↑ 5.6%
INDUSTRIAL PRODUCTION (16 801.2 mln $) ↑ 6.6%
AGRICULTURAL PRODUCTS (1 152.2 mln $) ↑ 3.7%
FOREIGN TRADE
EXPORTS (16 361.5 mln $) ↓ 11.5%
IMPORTS (12 911.1 mln $) ↑ 1.6%
TRADE BALANCE +3 4501 mln $
FINANCE
INVESTMENTS DIRECTED TO FIXED CAPITAL (6 812.1 mln $) ↑ 6.3%
BANK ASSETS (137 639.9 mln $) ↑ 17.1%
STATE BUDGET
INCOME OF STATE BUDGET (13 651.0 mln $) ↑ 16.2%
EXPENDITURE OF STATE BUDGET (13 187.3 mln $) ↑ 9.5%
The figures in percent show a change in the January-March of 2025 compared to the same period last year.
The figures in dollar terms cover the actual figures for the January-March of 2025.
Turkic Economic Outlook: January - March 2025

KYRGYZSTAN:
MAIN MACROECONOMIC INDICATORS (January-March 2025)

Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

Exchange rate: 1 USD = 87.47 KGS

ECONOMIC GROWTH

GDP* (3 773.2 mln $) ↑ 13.1%

INDUSTRIAL PRODUCTION* (1 825.1 mln $) ↑ 16.3%

AGRICULTURAL PRODUCTS* (480.3 mln $) ↑ 2.5%

FOREIGN TRADE

EXPORTS (506.8 mln $) ↓ 6.5%

IMPORTS (2 811.7 mln $) ↓ 16.1%

TRADE BALANCE -2 304.9 mln $

FINANCE

INVESTMENTS DIRECTED TO FIXED CAPITAL* (650.9 mln $) ↑ 90.6%

BANK ASSETS* (10 465.9 mln $) ↑ 11.9%

STATE BUDGET

INCOME OF STATE BUDGET* (1 841.9 mln $) ↑ 80.2%

EXPENDITURE OF STATE BUDGET* (1 233.8 mln $) ↑ 34.6%

The figures in percent show a change in the January-March of 2025 compared to the same period last year.
The figures in dollar terms cover the actual figures for the January-March of 2025.
* Calculated on the basis of the conversion of the national currency to the US dollar at the exchange rate as of the last day of the 4th quarter of the relevant years.

Turkic Economic Outlook: January - March 2025

HUNGARY:
MAIN MACROECONOMIC INDICATORS (January-March 2025)

Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

Exchange rate: 1 USD = 356.42 HUF
Exchange rate: 1 USD = 0.88 EUR

ECONOMIC GROWTH

GDP*
(55 355 mln $)
↓ 0.2%

INDUSTRIAL PRODUCTION*
(9 410 mln $)
↓ 3.9%

AGRICULTURAL PRODUCTS*
(562 mln $)
↓ 0.7%

FOREIGN TRADE

EXPORTS*
(42 748 mln $)
↓ 0.4%

IMPORTS*
(38 239 mln $)
↓ 0.1%

TRADE BALANCE
+4 508 mln $

FINANCE

INVESTMENTS DIRECTED TO FIXED CAPITAL*
(7 596 mln $)
↓ 10.1%

BANK ASSETS*
(231 132 mln $)
↑ 4%

STATE BUDGET

INCOME OF STATE BUDGET*
(25 806 mln $)
↑ 2%

EXPENDITURE OF STATE BUDGET*
(32 972 mln $)
↑ 3.7%

The figures in percent show a change in the January-March of 2025 compared to the same period last year.
The figures in dollar terms cover the actual figures for the January-March of 2025.
* Calculated on the basis of the conversion of the national currency to the US dollar at the exchange rate as of the last day of the 4th quarter of the relevant years.

NORTHERN CYPRUS:
MAIN MACROECONOMIC INDICATORS (January-March 2025)

Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

Exchange rate: 1 USD = 18.6887 TRY

ECONOMIC GROWTH

GDP* (7 162.8 mln $) ↑ 6.4%

INDUSTRIAL PRODUCTION* (738.2 mln $) ↑ 44.2%

AGRICULTURAL PRODUCTS* (653.0 mln $) ↑ 42.6%

FOREIGN TRADE

EXPORTS* (196.2 mln $) ↑ 6%

IMPORTS* (3 223.2 mln $) ↑ 6.4%

TRADE BALANCE* -3 027.0 mln $

FINANCE

LOCAL INVESTMENT (5.1 mln $) ↓ 11.8%

BANK ASSETS (10 997.8 mln $) ↑ 43.1%

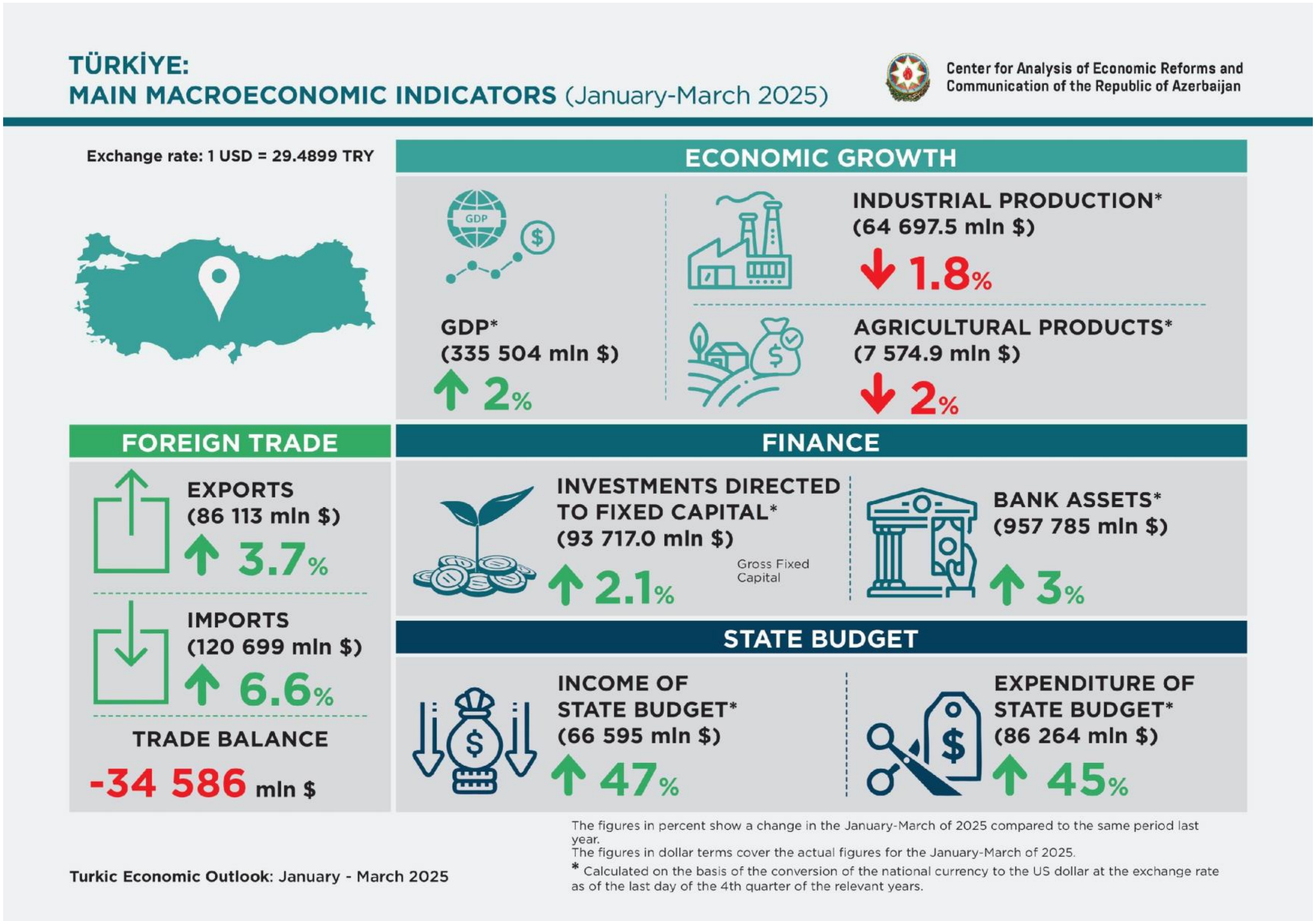
STATE BUDGET

INCOME OF STATE BUDGET (769.7 mln $) ↑ 65.4%

EXPENDITURE OF STATE BUDGET (718.1 mln $) ↑ 72.3%

* Middle Term Program (2025-2027) publicized by TRNC State Planning Organization. 2024 datas are yearly estimated datas and 2025 datas are yearly forecasted datas (% changes are yearly changes)

Turkic Economic Outlook: January - March 2025


TÜRKİYE:
MAIN MACROECONOMIC INDICATORS (January-March 2025)
Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan
Exchange rate: 1 USD = 29.4899 TRY
ECONOMIC GROWTH
GDP
GDP* (335 504 mln $)
2%
INDUSTRIAL PRODUCTION* (64 697.5 mln $)
1.8%
AGRICULTURAL PRODUCTS* (7 574.9 mln $)
2%
FOREIGN TRADE
EXPORTS (86 113 mln $)
3.7%
IMPORTS (120 699 mln $)
6.6%
TRADE BALANCE
-34 586 mln $
FINANCE
INVESTMENTS DIRECTED TO FIXED CAPITAL* (93 717.0 mln $)
2.1%
Gross Fixed Capital
BANK ASSETS* (957 785 mln $)
3%
STATE BUDGET
INCOME OF STATE BUDGET* (66 595 mln $)
47%
EXPENDITURE OF STATE BUDGET* (86 264 mln $)
45%
The figures in percent show a change in the January-March of 2025 compared to the same period last year.
The figures in dollar terms cover the actual figures for the January-March of 2025.
* Calculated on the basis of the conversion of the national currency to the US dollar at the exchange rate as of the last day of the 4th quarter of the relevant years.
Turkic Economic Outlook: January - March 2025

TURKMENİSTAN:
MAIN MACROECONOMIC INDICATORS (January-March 2025)

Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

Exchange rate: 1 USD = 3.50 TMT

ECONOMIC GROWTH

GDP*
(89 050 mln $)
↑ 6.3%

INDUSTRIAL PRODUCTION*
(N/A mln $)
↑ 0.3%

AGRICULTURAL PRODUCTS*
(N/A mln $)
↑ 4%

FOREIGN TRADE

EXPORTS
(12 400 mln $)
↑ 13%

IMPORTS
(3 850 mln $)
N/A

TRADE BALANCE
+8 542 mln $

FINANCE

INVESTMENTS DIRECTED TO FIXED CAPITAL*
(N/A mln $)
N/A

BANK ASSETS*
(N/A mln $)
N/A

STATE BUDGET

INCOME OF STATE BUDGET*
(N/A mln $)
N/A

EXPENDITURE OF STATE BUDGET*
(N/A mln $)
N/A

The figures in percent show a change in the January-March of 2025 compared to the same period last year.
The figures in dollar terms cover the actual figures for the January-March of 2025.
* Calculated on the basis of the conversion of the national currency to the US dollar at the exchange rate as of the last day of the 4th quarter of the relevant years.

Turkic Economic Outlook: January - March 2025

UZBEKISTAN:
MAIN MACROECONOMIC INDICATORS (January-March 2025)

Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

Exchange rate: 1 USD = 12 944.74 UZS

ECONOMIC GROWTH

GDP*
(25 771 mln $)
↑ 6.8%

INDUSTRIAL PRODUCTION*
(16 327 mln $)
↑ 6.5%

AGRICULTURAL PRODUCTS*
(4 072 mln $)
↑ 3.8%

FOREIGN TRADE

EXPORTS
(8 107 mln $)
↑ 24.4%

IMPORTS
(9 195 mln $)
↓ 2.3%

TRADE BALANCE
-1 088 mln $

FINANCE

INVESTMENTS DIRECTED TO FIXED CAPITAL*
(9 302 mln $)
↑ 7.9%

BANK ASSETS*
(61 885 mln $)
↑ 4%

STATE BUDGET

INCOME OF STATE BUDGET*
(4 939 mln $)
↑ 26.5%

EXPENDITURE OF STATE BUDGET*
(5 980 mln $)
↑ 10%

The figures in percent show a change in the January-March of 2025 compared to the same period last year.
The figures in dollar terms cover the actual figures for the January-March of 2025.

* Calculated on the basis of the conversion of the national currency to the US dollar at the exchange rate as of the last day of the 4th quarter of the relevant years.

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