WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

World Scenario Series

Scenarios for the South Caucasus and Central Asia

September 2014

REF 250814

Contents

Preface

Espen Barth Eide
Managing Director and Member of the Managing Board, World Economic Forum

Philipp Rösler
Managing Director and Member of the Managing Board, World Economic Forum

The South Caucasus and Central Asia is a region often viewed through a narrow historical lens, in which the Soviet era looms larger than the region's proud history of centrality to the global economy and as home to cutting-edge thinkers. The region has untapped potential to play an important economic role in the world. As countries reflect on how best to pursue their economic objectives in transforming this potential into reality, they must ask themselves what role their immediate neighbours will play in supporting their aspirations, and how regional relations can best be shaped to maximize collective benefits.

Both lingering and new political tensions throughout Eurasia constantly clamour for immediate attention, diverting the region from focusing on its fundamental strengths. It may therefore seem like an odd moment to suggest raising our eyes to the long-term horizon of 2035 and discussing opportunities for economic collaboration. In these volatile times, conventional thinking postulates that there is an order of priority between addressing urgent political obstacles in the short term and pursuing economic opportunities in the long term. Yet it is precisely at such times that it is important to consider that to overcome political stalemate, nurturing budding economic partnerships can contribute to creating the trust needed to address existing tensions. And it is in times when short-term crises crowd out our thinking that it is most valuable to force ourselves to consider the long term, and to focus on finding common interests, creating a shared vision on which to build.

To support this strategic, cross-stakeholder thinking, the World Economic Forum initiated the Scenarios for the South Caucasus and Central Asia. This process was launched with a Strategic Dialogue on the Future of the South Caucasus and Central Asia, held in Baku on 7-8 April 2013, and over the past 18 months has involved over 500 participants.

The scenario approach that underpins this project supports decision-makers in assessing major changes to their operating contexts, which are beyond their control, and to prepare them to both seize relevant new opportunities and pro-actively address potential risks. It also allows stakeholders to hold a constructive dialogue on current decisions made in the South Caucasus and Central Asia about the future of regional frameworks based on the deeper factors that will shape the region, rather than merely pitting actors against one another in a debate for or against specific institutions.

It is hoped that this report will widen the lens through which this region's prospects are viewed by serving as a resource for stakeholders to create a more sustainable and prosperous future.

Foreword

The increasing complexity of the world economy brings opportunities as well as risks. With this in mind, the State Oil Company of the Azerbaijan Republic (SOCAR) supports the Forum's Scenarios for the South Caucasus and Central Asia project to gain a better understanding of the changing landscape in our country and region, and to forge avenues for sustainable prosperity that had not been considered before.

We were particularly pleased to support the Forum's Strategic Dialogue on the Future of the South Caucasus and Central Asia in Baku on 7-8 April 2013, which brought together over 300 participants from the region with international leaders to engage in constructive dialogue on prospects for regional economic collaboration. The 18-month project has also conducted valuable workshops and policy discussions in Georgia, Kazakhstan, the Kyrgyz Republic, People's Republic of China and Turkey, among other places. We are proud to have helped foster discussions on important regional matters.

These discussions made clear that just as our neighbours depend on us for their economic well-being, our own economic future is dependent not only on our own strategy and results, but on those of our partners as well. While a single economic plan for the whole region is not possible given the differing geographies and resources of constituent countries, it is realistic to aim for greater coherence, synergy and momentum in the pursuit of collective strategies.

We believe that Azerbaijan has contributed to such a process in recent years. Keenly aware of our economic interdependence with Europe and other immediate neighbours, we have also been particularly open to other economic and political partners. We believe we are now a good example of the type of multi-vector economic foreign policy highlighted in this report.

We have enjoyed the opportunity to support the World Economic Forum, with its proud history of raising questions and initiating strategic dialogue among policy-makers and leaders from business and civil society about the long-term development of the world economy. We thank the Forum for its thought leadership and convening power throughout this project.

Rovnag Abdullayev
President, SOCAR
(State Oil Company of the Azerbaijan Republic)

Executive Summary

At a time when the global economy is showing signs of fundamental uncertainty in both advanced and emerging markets, the South Caucasus and Central Asia region could present an unexpected source of economic dynamism on which global investors could build. For the purposes of this report, the region comprises Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

As with a start-up, however, a national or regional economy can be successful only by clarifying its economic vision and developing a clear strategy for matching internal resources and comparative advantages with the demands of internal and external markets. Over 18 months, the World Economic Forum engaged over 500 stakeholders and experts in a dialogue to **reflect together on the prospects of regional collaboration to attain the economic goals of the countries of South Caucasus and Central Asia, aiming to:**

- Maximize the potential of their energy resources
- Integrate into global supply chains
- Create a diversified economic base
- Develop a high-standard workforce

This report finds that while short-term wins are achievable by countries acting on their own, **the pursuit of these four goals will be more sustainable if action is anchored in long-term regional collaboration.** Indeed, as one participant in the project highlighted, "unlike individuals, who can move as they become wealthier, countries cannot change their neighbours". This means that no one part of the region can be stronger than its weakest link, thereby making regional solidarity a matter of rational as well as ethical importance. Ironically, the region's current low level of regional economic interdependence makes it a good candidate for quick and easily achievable wins in this regard.

Bringing down "economic borders" in the region, which are among the highest in the world, could yield transformative impact on cross-border trade and domestic growth. It could also enhance consumer choice, facilitate home-grown production and attract greater foreign investment, all of which would help steer the region in the direction of its stated economics goals.

To achieve these gains, countries in the region will need to address their political differences, which have resulted in freezing economic resources, representing a significant collective loss for the region. Fortunately, as this project's stakeholder consultation has highlighted, there exists favourable momentum among regional decision-makers for expanding the region's formal and informal patterns of regional economic collaboration.

The development of economic strategies has a long lead time, however, so strategic decisions must take into account future contexts that are very likely to be different from today. Possible relevant outcomes are explored in **three scenarios, helping the region to learn and prepare for whichever future arises.**

Three Scenarios: Future Contexts for the Region in 2035

Split Up

In 2035, the global economy is dominated by powerful trading blocs centred on the Atlantic, Pacific and Indian oceans. Members within these blocs collaborate intensively on energy and other commercial matters, but politics and protectionism severely limit exchanges between the blocs.

Southern Gateway

The global economy of 2035 is digital, knowledge-based and dominated by newly advanced economies. South-South trade, especially in services, has become more important. The Islamic Republic of Iran is now open for business and at the centre of access to new markets for non-Western producers.

Climate Pressure

By 2035, the bubbling effects of climate change are beginning to cause havoc in the global economy. The financial ramifications of ever more costly responses to natural disasters are leading to a funding shortfall that takes its toll on global economic activity. The consequences of these disruptions include a rising demand for environmentally responsible growth.

By exploring potential upcoming challenges, the scenarios open up space to identify robust growth strategies and reflect on the potential of pursuing these strategies collectively or individually. Each scenario is followed by suggested strategic options that include, among others:

- **Becoming an inter-regional broker:** Bordering the European, Russian and Asian markets, the region is ideally positioned to play the role of a traditional trade corridor or more innovative "bridge," "convener," or "translator" between diverging regional economic blocs.

- **Creating the digital supply chains of the future:** The region may have an invaluable opportunity to leapfrog its integration into physical supply chains and instead invest in its digital infrastructure, workforce, and small and medium-sized enterprises (SMEs) to capitalize on a more immaterial 21st-century economy.

- **Developing green initiatives:** The region's potential for green-economy initiatives, including but not limited to its hydropower resources, is vast and already underway to be exploited. Opting for an environmentally friendly regional economic model could help countries not only hedge against future ecological pressures, but also possibly mitigate them.

An early exploration of the costs and benefits of implementing these or other potential strategies, whether individually or collectively, reveals that in most instances **the benefits of working collaboratively appear to outweigh those of unilateral action.** Indeed, **working together generally makes a decisive difference between short- and long-term gains,** for while a country can easily achieve quick wins on its own, its longer-term sustainable prosperity will typically rely on the ability to ensure stability in its immediate environment.

Introduction: Rethinking Prospects for Regional Prosperity

When the countries of the South Caucasus and Central Asia region – for the purposes of this report Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan – are viewed together, it is often through too narrow a prism. In the future, however, **the region has the potential to establish a fresh identity as a centre of activity within a new, 21st-century economy.**

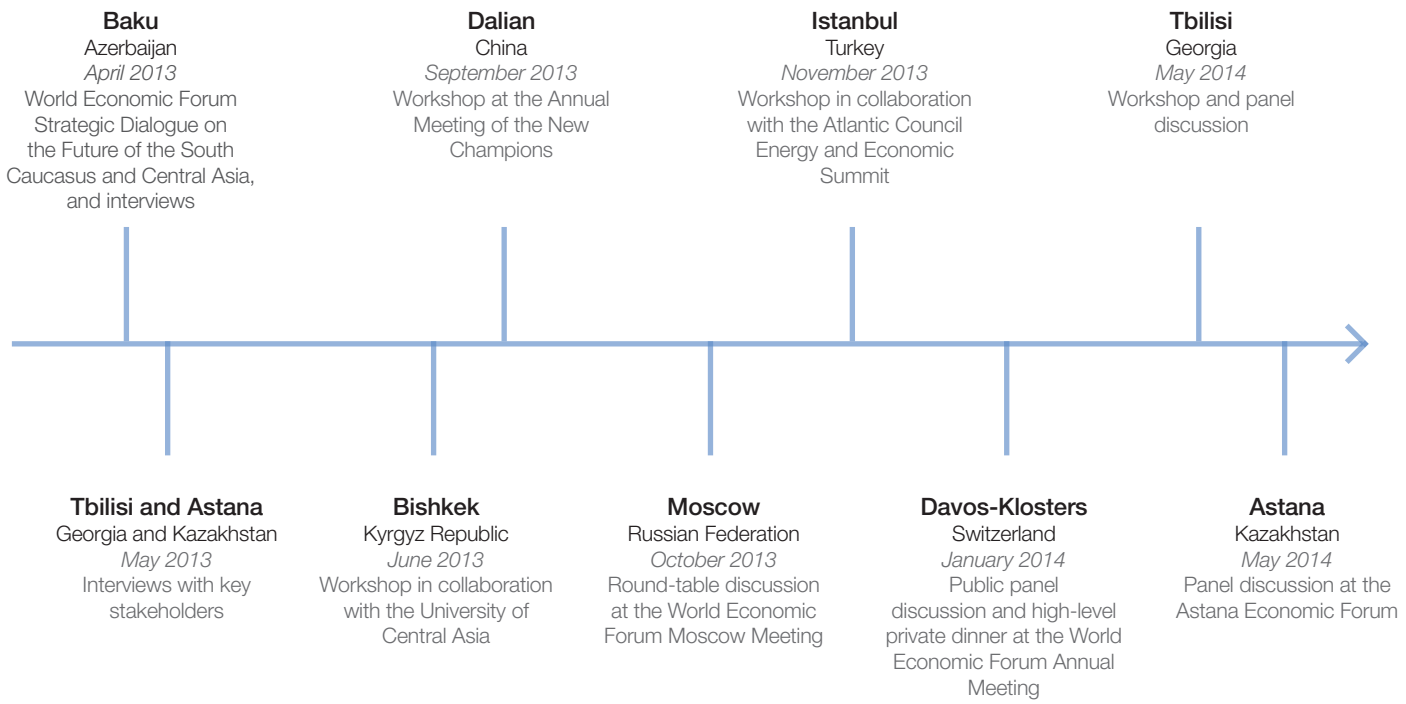
For a large part of the last two millennia, the region found itself located at the world's economic centre of gravity. Its position was summed up by a term that continues to have deep resonance today: the "Silk Route". The global economic centre of gravity was pulled far to the north and west over the last two centuries (Figure 1) by the Industrial Revolution in Europe and the United States. However, the growth of China and India in particular is poised to pull it back to the east and south again, thereby potentially returning the region into the limelight if it is able to capitalize on this opportunity.

Talk of a New Silk Route has become increasingly common, with growing interest in linking China's production capacities to Europe's consumer market through rail, among other means. However, the ambition of recreating former trading glories risks over-reliance on the continuance of external factors outside the control of regional decision-makers, such as China's westward focus and the domestic growth it relies on. Indeed, while the region's location – sitting at the confluence of the world's greatest population and economic centres – is a potential advantage given the world's shifting economic geography, focusing on it too narrowly risks overlooking transformations in the region's surroundings, or ignoring its other potential advantages, such as the power of its domestic market.

While the Silk Route remains an evocative catchphrase for branding purposes, attempts to revive this historical notion may have taken the concept too literally, and thereby have overshadowed the need for a deeper rethinking of the region's "business idea" in the world market.

In this context, the World Economic Forum **provides an impartial, forward-looking platform for business leaders and policy-makers to commonly reflect on the prospects of regional collaboration for achieving its economic goals.** This process started with the World Economic Forum Strategic Dialogue on the Future of the South Caucasus and Central Asia, Baku, Azerbaijan 7-8 April 2013. Throughout its course into 2014, it has involved over 500 participants in interviews, workshops and other Forum events, both within and around the region. This report which captures the main insights of the process aims to support further reflection without being confined to an otherwise valuable discussion of the specific institutional initiatives that have attempted, each in their own way, to provide coherence to this region (Box 1).

Timeline: Strategic Dialogue on the Future of the South Caucasus and Central Asia

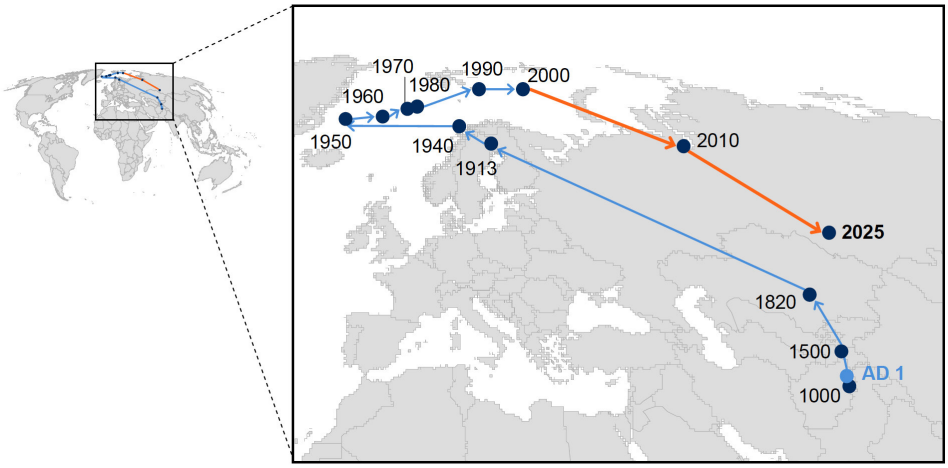


Consultations with stakeholders reveal that when countries in the region envision what it would take to create their sustainable economic prosperity, **four common goals emerge:**

- Maximize the potential of their energy resources
- Integrate into global supply chains
- Create a diversified economic base
- Develop a high-standard workforce

Part I of this report begins by exploring whether regional economic collaboration could be a valuable avenue for countries in the region to better and more quickly reach their common goals for achieving sustainable economic prosperity in the region. Part II presents scenarios of three possible future contexts for the region as well as strategic options to help its stakeholders think about how to best pursue, individually or collectively, the economic goals of their countries. The options presented in this report are not intended to be exhaustive. Instead, they serve as a starting point to spark further discussion on other possible options for the region to successfully deliver on its economic goals, and how best to pursue them.

Figure 1: Evolution of the Earth's Economic Centre of Gravity
AD 1 to 2025



Note: Economic centre of gravity is calculated by weighting locations by GDP in three dimensions and projected to the nearest point on the earth's surface. The surface projection of the centre of gravity shifts north over the course of the century, reflecting the fact that in three-dimensional space America and Asia are not only "next" to each other, but also "across" from each other.

Source: McKinsey Global Institute, analysis using data from Angus Maddison; University of Groningen

Reproduced from: McKinsey Global Institute, *Urban World: Cities and the rise of the consuming class*, June 2012

Box 1: Regional Institutions and the Eurasian Economic Union

A choice was made in this report not to focus on the individual merits of the many institutional initiatives that have attempted to shape the region to date. Instead, the approach was to explore the underlying logic for economic collaboration in the region, as well as the exogenous factors that will influence the future contexts for stakeholders' decisions on institutional agreements. In so doing, **this report aims to promote a common understanding of the region's potential for a sustainable and prosperous future, rather than to engage in a shorter-term and at times politically tainted debate over the details of singular institutional designs.**

Ongoing policy developments within the region at the time of this writing nevertheless suggest the need to mention one such institutional endeavour – namely, the Eurasian Economic Union (EEU), which is expected to become operational in January 2015. Much of the current debate about the EEU has, however, been dominated by geopolitical considerations, as illustrated by recent tensions over the future of the Ukrainian economy.

An attempt was made throughout this project to address this issue through a more economically grounded narrative, as was the case during a round-table session held at the 2013 World Economic Forum Moscow Meeting, which brought Andrey Slepnev, Minister of Trade, Eurasian Economic Commission, and Igor Finogenov, Chairman of the Management Board, Eurasian Development Bank, together with international economists and business figures.

The scenarios presented in this report help to contextualize regional stakeholders' decisions about whether and which institutions to join, rather than to prescribe any of them. More broadly, the foresight methodologies underpinning the report can help stakeholders reflect on the future of the EEU and other institutional developments in a more holistic and sustainable fashion than has sometimes been the case.

For instance, a number of important uncertainties may warrant further consideration, such as:

- To what extent will economic and political logic ever be separable in the development of the EEU (or indeed in other examples of regionalism)?
- How can the EEU and other regional blocs, including but not limited to the European Union (EU), interact in a productive way? Is open regionalism achievable?
- Can the EEU prosper if its membership remains limited to post-Soviet states? Under what conditions may countries with no shared Soviet past desire to join the EEU?
- Need the EEU be forever led by the Russian Federation? How would an economic downturn or other domestic change within the Russian Federation impact the EEU's future?

Only by answering these and other critical questions about the region's longer-term future can stakeholders in the South Caucasus and Central Asia develop robust strategies for their institutional choices.

Part I: The Case for Regional Economic Collaboration

This section analyses the case for regional economic collaboration as a means of achieving the region's economic goals of maximizing the potential of its energy resources, integrating into global supply chains, creating a diversified economic base and developing a high-standard workforce.

A country's capacity to succeed will always depend at first on the stability and cohesiveness of its immediate environment, especially when considering resilience against downturns that are either exogenous (such as a global economic crisis) or endogenous (for example, the breakdown of a more fragile neighbour). As one participant in this project highlighted, **"Unlike individuals, who can move as they become wealthier, countries cannot change their neighbours." The success of a region, however loosely it may be defined, indeed depends on the strength of its weakest link,** thereby justifying a form of proactive solidarity and collaboration, if only for economic ends. In this sense, **regional collaboration reinforces all countries' prospects by strengthening each country's destiny.**

Further, economic issues typically serve as the most achievable routes to collaboration. Their promises of growth make it easier to identify win-win opportunities to build and later capitalize on in other areas of relations between states, with potential positive feedback loops.

Economic disparities in the region are substantial – but that may indicate potential for remarkable, easy wins

Currently, little sense exists of the South Caucasus and Central Asia being a common market, or even a coherent one. In terms of competitiveness, according to the World Economic Forum's Global Competitiveness Report 2014-2015, **the gap in ranking between the highest and lowest performers in the region is 70 ranks** (out of a total of 144 countries). As shown in Figure 2, **the largest gross domestic product (GDP) in the region is over 30 times greater than the lowest, and is nearly 13 times greater when measured on a GDP-per-capita basis.** At present, the region is composed of highly diverging economies. In terms of connectedness, **the region lags far behind others in intra-regional trade flows,** with fully 96% of exports going outside the region.[1]

Figure 2: The South Caucasus and Central Asia: A Region of Heterogeneity

Source: World Economic Forum, based on data from World Bank, 2012; World Integrated Trade Solution (WITS)/United Nations Commodity Trade Statistics Database (UN Comtrade), 2012; International Monetary Fund, Direction of Trade Statistics, 2012; Central Intelligence Agency, *The World Factbook*, 2013; and World Economic Forum calculations

Data from the World Bank's *World Development Report 2009: Reshaping Economic Geography* show that the **"economic borders" between countries in the South Caucasus and Central Asia region are notably high,** as with many early emerging countries, compared to advanced economies (Figures 3 and 4). Building on these data, HSBC Global Research points out that in the 1950s and 1960s, the same could have been said for those countries now considered to be in the developed world, and that their example shows that **a concerted effort to collaborate on reducing barriers to trade and other economic flows can have a transformative effect on domestic economies,** particularly those suffering from small size or a landlocked status. As shown in Figure 3, the countries in the region share some of the highest economic borders in the world and, in this sense, represent a type of "last frontier" for both intra-regional and global economic integration.

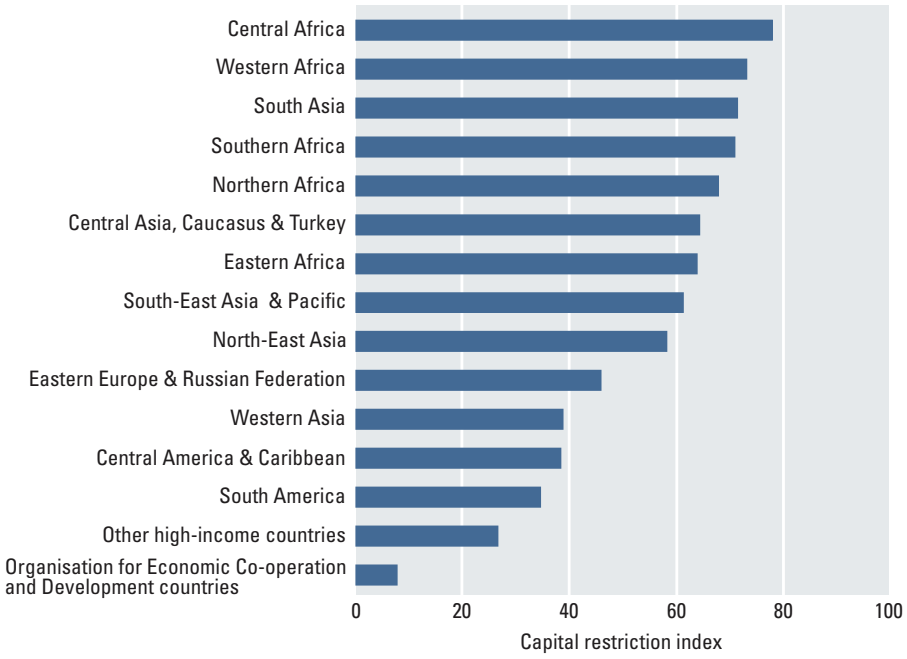
Figure 3: Differences in Economic Borders

Note: The width of the borders is proportional to a summary measure of each country's restrictions to the flow of goods, capital, people and ideas with all other countries. Dark grey areas = insufficient data

Source: World Development Report 2009, World Bank, HSBC

Reproduced from: King, S. *The Southern Silk Road: Turbocharging "South-South" economic growth*, HSBC Global Research, June 2011

Figure 4: Capital Restrictions – Highest in Africa, South Asia and Central Asia

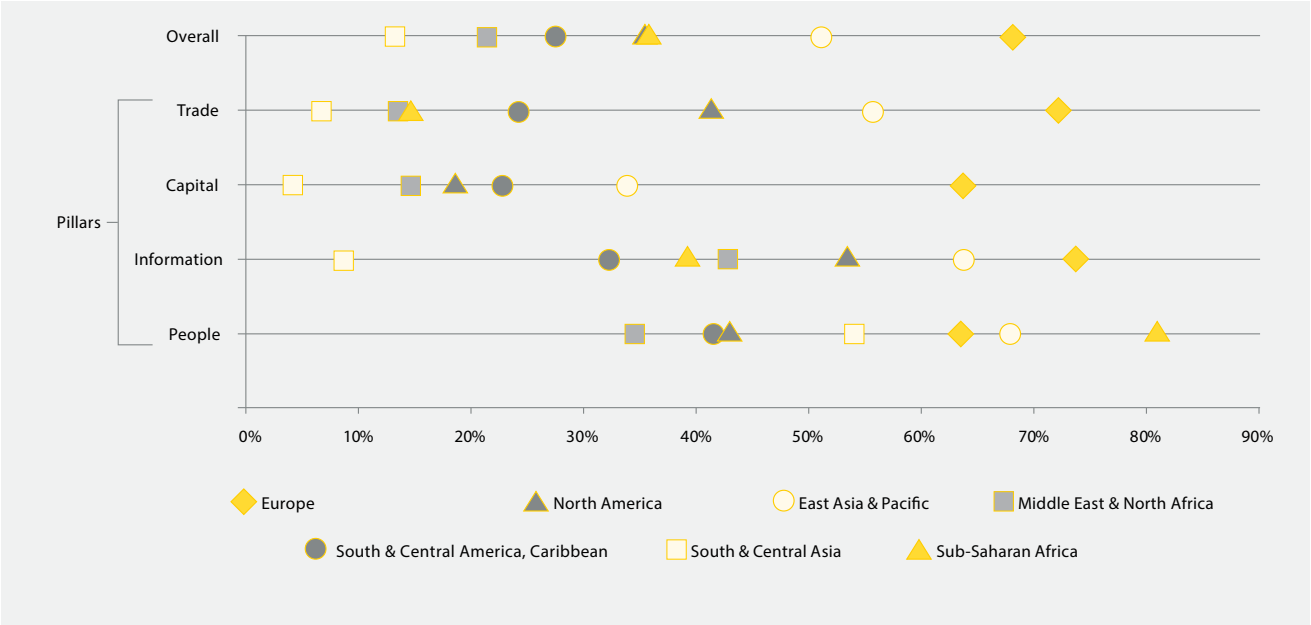


Source: Chinn, M.D.; Ito, H., 2006. Reproduced from: World Bank. *World Development Report 2009: Reshaping Economic Geography*, 2008

Collaboration and prosperity often go hand in hand – and gains could be particularly high in this region

As suggested in the DHL Global Connectedness Index 2012 (Figure 5), the wealthiest regions in the world – Europe, North America, East Asia and the Pacific – are also the most economically connected. Although this does not imply that a direct causal link exists between integration and economic prosperity, and while affluent regions certainly benefit from other determinant factors such as strong institutions, it does appear that **the regions with more trade flows also tend to be broadly more economically successful.**[2] The South Caucasus and Central Asia region, which is conflated here with South Asia,[3] forms the region with the lowest intra-regional trade flows. If greater intra-regional trade is correlated with regional prosperity, then the region's lag may be interpreted as a sign of great potential economic gains.

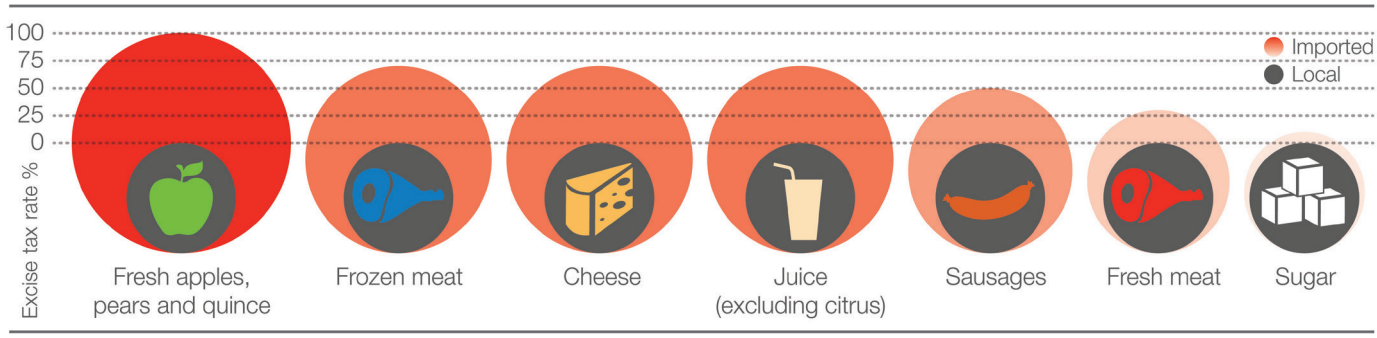
Figure 5: Regional Average Intra-Regional Share of Flows by Pillar



Reproduced from: Ghemawat, P.; Altman, S. *DHL Global Connectedness Index 2012: Analyzing global flows and their power to increase prosperity*, 2012

The economic logic behind this link between greater trade and wealth is explored by the European Bank for Reconstruction and Development (EBRD) in its *Transition Report 2012: Integration across Borders*. It points out that lowering trade barriers should **enhance consumer choice by stimulating greater competition among producers, which could be vitally important to the South Caucasus and Central Asia.** Currently, consumers in the region bear much of the cost of high trade barriers, as is, for example, the case with agricultural products for which consumers pay high excise taxes, as illustrated in Figure 6.

Figure 6: The South Caucasus and Central Asia: Consumers Losing from Barriers to Trade (the Particular Example of Uzbekistan)



Source: World Economic Forum, based on data from Anderson, B.; Klimov, Y. *Uzbekistan: Trade Regime and Recent Trade Developments*, University of Central Asia, 2012

In parallel to these benefits for consumers, economic collaboration also promises to give producers in the region more reliable **access to higher-quality and/or lower-priced inputs for production.** For example, more collaboration around natural resource management could mean more reliable electricity supply, while even lower barriers to labour mobility – a metric on which the region already scores relatively well – could help maximize the region's high-quality workforce.

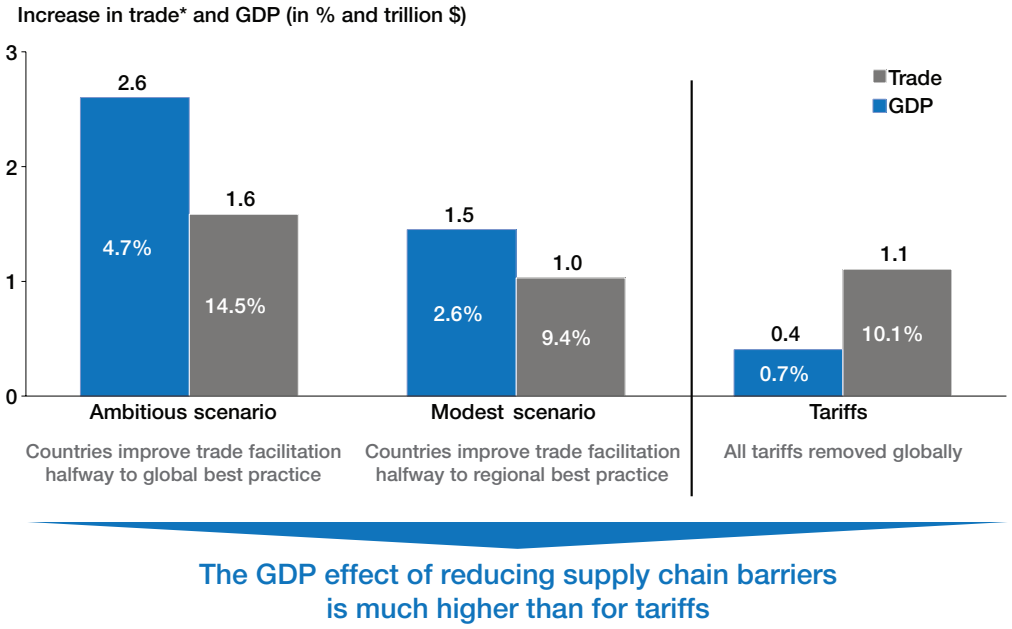
The region's producers and, more generally, its economy could also benefit in that collaborative regions **offer larger markets for both regional and foreign producers, thereby attracting proportionately more investment than nations acting alone.** This directly echoes views heard in this project's stakeholder consultations and represented in the "Frustrated" paradigm (Box 2). A concrete example of how regional collaboration can be a powerful tool to attract investment is captured in the concept of "growth poles" applied in *The Africa Competitiveness Report 2013*, published by the Forum in collaboration with the World Bank and the African Development Bank. Growth poles are created by coordinated investments in many sectors, usually combining public, private and cross-border investment, thus requiring some form of regional collaboration. The poles are intended to support self-sustaining industrialization by generating further medium-term investment and employment. Creating growth poles could be a particularly attractive strategy for the South Caucasus and Central Asia, given the concept's acute applicability to capitalizing on the region's rich natural resources.

Furthermore, if using such strategies helps regional collaboration to indeed achieve higher investment and a greater fluidity of capital, this could lead to an even more productive allocation of investment in a region endowed with large sovereign wealth funds. This, in turn, could help nations to diversify their economies, as capital tends to be attracted as a priority to areas of objective comparative advantage. As the EBRD's 2012 report points out, this in turn can become a step towards further integration into the global economy, as "countries within a regional integration area can build cross-border production chains by leveraging each other's comparative advantages and subsequently exporting the finished product outside that area".

Another way that regional collaboration can help to increase integration into global supply chains is through trade facilitation measures, which seek to simplify trade procedures and reduce barriers to trade. Supply chain barriers include all factors that limit trade before and after goods cross the border, such as the lack of adequate transport and infrastructure, or heavy administrative procedures.

As highlighted by another recent Forum report,[4] measures to tackle these barriers and facilitate trade have a positive effect on both trade and economic growth (Figure 7). Indeed, **reducing supply chain barriers can have a far greater impact than reducing formal trade barriers such as tariffs.** The report found that if every country in the world improved these supply chain barriers just halfway to the level of global best practice, global GDP could increase by $2.6 trillion (4.7%) and exports by $1.6 trillion (14.5%). For certain countries in the South Caucasus and Central Asia region, these barriers are significant, particularly with regard to transportation costs, customs procedures and corruption. **The report also found that this region is one of those set to reap the greatest benefits from reforms to enable trade:** decreasing supply chain barriers could raise exports by an estimated 65% and imports by 49%, as well as the region's GDP by 8%, which is the second-highest potential gain in the world.

Figure 7: Reducing Supply Chain Barriers: A Greater Effect on Trade and Growth than Removing Tariffs



* Based on export value; includes only the effect of "Border Administration" and "Telecommunication and Transport Infrastructure".

Source: Ferrantino, Geiger and Tsigas, The Benefits of Trade Facilitation - A modelling Exercise. Based on 2007 baseline

Reproduced from: World Economic Forum, *Enabling Trade: Valuing Growth Opportunities,* 2013.

Non-economic obstacles to collaboration remain to be overcome

The South Caucasus and Central Asia region is therefore set to particularly benefit from the payoffs of greater regional collaboration – or, conversely, to avoid the opportunity cost of its absence.[5] The term "frozen conflicts" is often applied to certain of the region's security tensions; less appreciated is the consequence that the region suffers from what can be called a syndrome of "frozen economic resources" due to its broader set of political tensions.

Similar analysis has been conducted into the economic costs of other conflict situations. A World Bank analysis in 2013 found, for example, that Israeli checkpoints reduced the potential GDP of the West Bank by 6%.[6] In the South Caucasus and Central Asia region, various studies estimate the opportunity costs of political tensions and the currently limited regional collaboration, and highlight how they channel into wide-ranging aspects of the economy. According to a World Bank study in 2000 and a report by the United Nations Development Programme (UNDP) in 2005, improvements in regional collaboration could lead to GDP growth of 30-38% for the South Caucasus and 50-100% for Central Asia over a 10-year period. If transport corridors were developed within the region, trade could rise by up to 160% overall, and transit trade could increase by 113%.[7] These transport corridors could further induce significant savings in supply chain costs and create employment. As for the region's natural environment, the aforementioned UNDP report assesses that improved regional collaboration could prevent a yearly loss of 3.6% in GDP thanks to better water management. These estimated opportunity costs are collated in Figure 8.

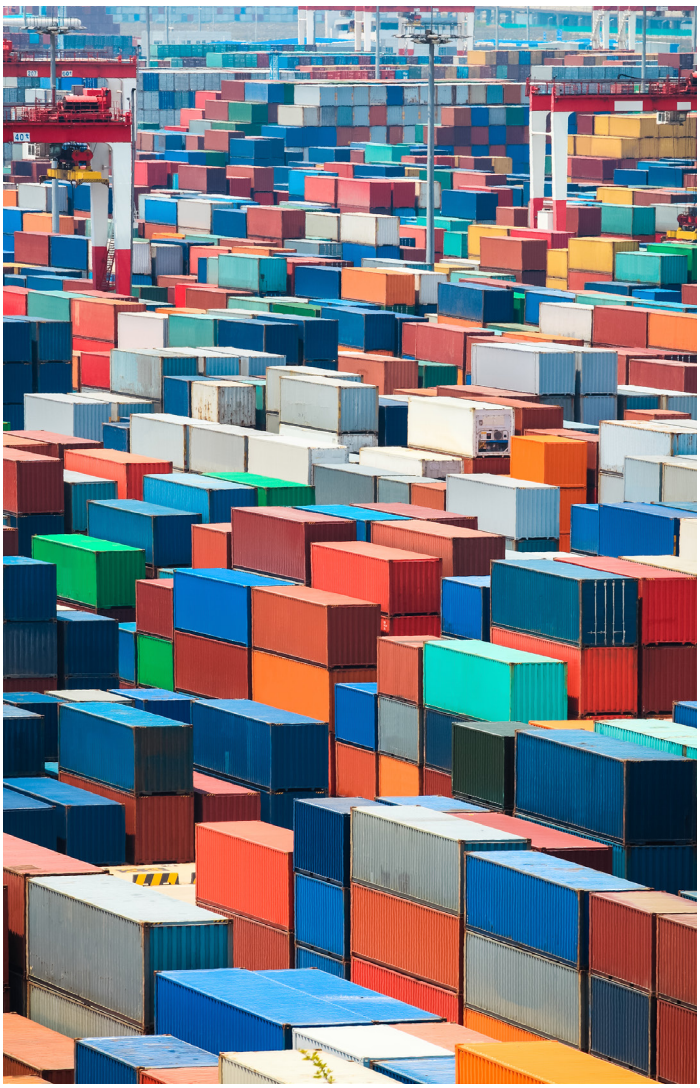
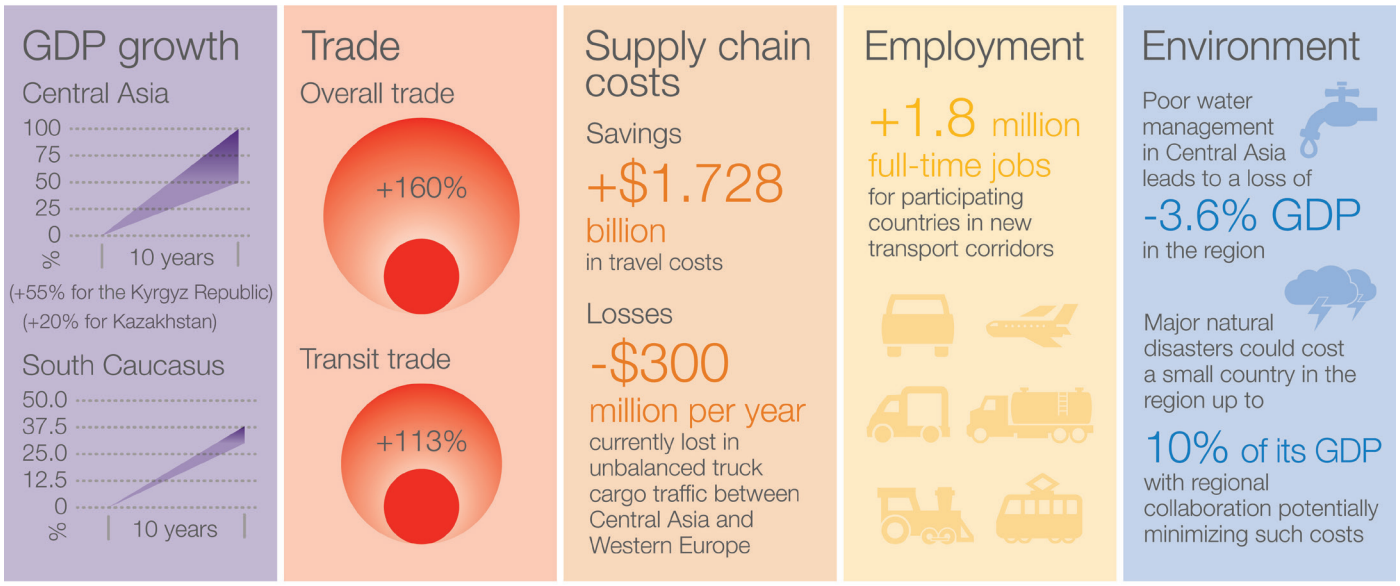


Figure 8: Great Potential Gains from Regional Collaboration and Reducing Opportunity Costs



Source: World Economic Forum, based on data from World Bank, 2000; Asian Development Bank, 2005; United Nations Development Programme, 2005; and Silk Road Studies, 2007

In each of these cases, **settling political tensions will be at the heart of maximizing economic opportunities.** Indeed, while some initiatives – primarily at a unilateral and bilateral level – have improved aspects of the region's economic fluidity in recent years, the South Caucasus and Central Asia region remains fraught with political obstacles to greater economic collaboration among its nations. Both longstanding tensions among certain countries within the region and external security threats have served as justifications for barriers to regional trade.

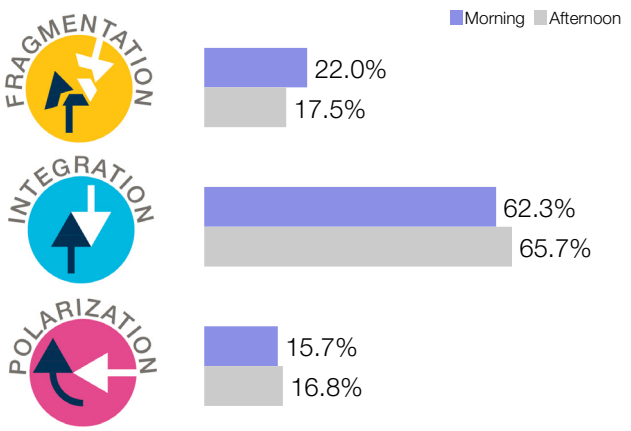
As a consequence of this relative stalemate, **the region as a whole, and many of its parts, currently suffer unnecessary economic losses.** The status quo is particularly insidious because not only have political tensions directly prevented economic gains, but they have also precluded existing or budding exchanges from serving as a thawing mechanism, by shunning their potential as shoots of trust-building developments.

There is momentum behind increasing regional economic collaboration

It is easy to forget that regions which now benefit from close collaboration once faced problems that seemed insurmountable, both from apparent lack of economic complementarity and lack of political trust. That they overcame their own obstacles suggests that the South Caucasus and Central Asia region can do so as well, given sufficient desire and political will.

The stakeholder consultations undertaken indicate that political will exists: more stakeholders were concerned about the feasibility than the desirability of greater regional economic collaboration (Figure 9). For this project, over 500 participants from all eight countries in the region were engaged, all of whom participated in one or several of the nine round-table, panel or workshop discussions in Baku, Tbilisi, Bishkek, Astana, Moscow, Istanbul, Dalian and Davos-Klosters. In addition to these discussions, nearly 200 stakeholders participated in a formal voting exercise conducted in April 2013 during the Forum's Strategic Dialogue on the Future of the South Caucasus and Central Asia, in which 60% thought the region's most likely economic future would be one of integration, about 20% indicated fragmentation and roughly 15% polarization.

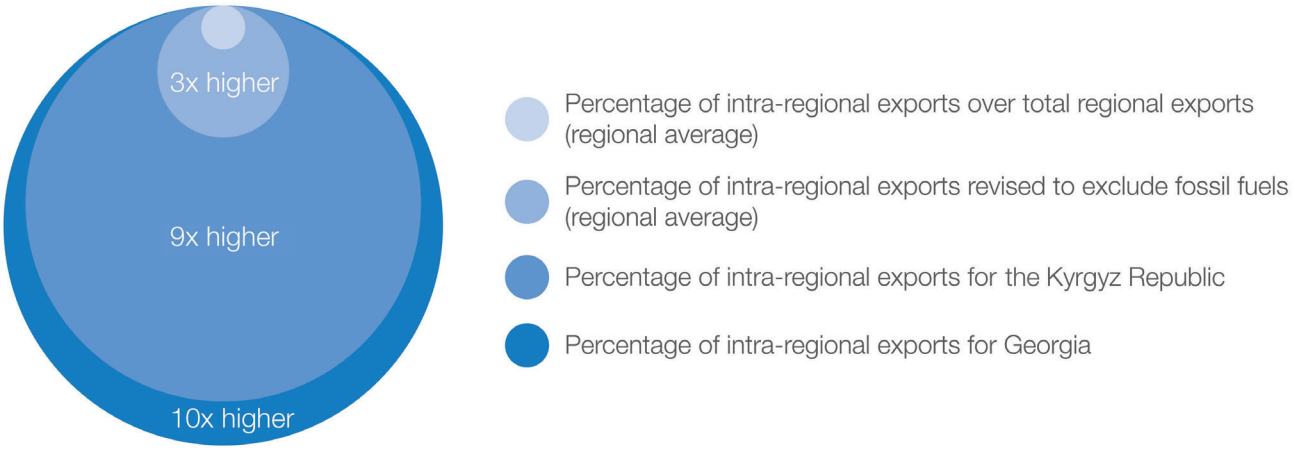
Figure 9: Stakeholder Views on the Region's Economic Future



Source: Results of voting exercise conducted during two sessions at the Forum's Strategic Dialogue on the Future of the South Caucasus and Central Asia in Baku, April 2013

In addition to these stakeholder perceptions, a closer look at the data provides cause for encouragement, suggesting that intra-regional trade is greater than expected for certain countries in the region, and with regard to non-fossil fuel exports (Figure 10). Although intra-regional trade represents a mere 4% of regional export trade in total, this average disguises exceptions: in Georgia and the Kyrgyz Republic, for instance, the share is approximately 40% (Figure 2). The percentage is also skewed by the dominance of fossil fuels in the region's export products; without these, the portion of intra-regional trade nearly triples from 4 to 11%.

Figure 10: The South Caucasus and Central Asia: More Intra-Regional Trade Than Meets the Eye



Source: WITS/UN Comtrade, 2012

These statistics also cover only formal trade. While estimates vary, informal trade – based on goods often imported from China, but primarily re-exported within the region – is also believed to be significant, at over 250% higher than official trade figures in the Kyrgyz Republic, and nearly 60% higher in Tajikistan.[8] **This points to a high level of intra-regional activity even where it is discrete.** In addition, anecdotal evidence exists that cross-border investment is growing within the region, with Kazakh investment into the Kyrgyz Republic, Uzbekistan and Tajikistan estimated by some at close to $900 million in the 2005-2012 period.[9]

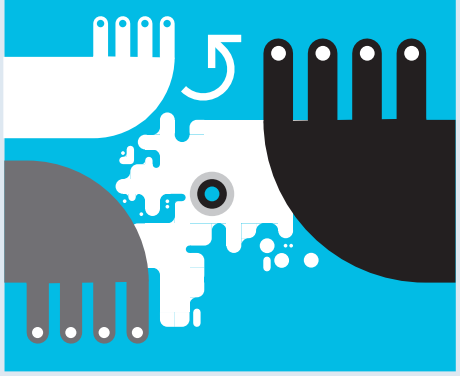
Overall, the Eurasian Development Bank has noted that the "level of integration in the energy, agriculture and education sectors is higher in Central Asia than in the rest of the post-Soviet space".[10] **Such exchanges – particularly those at a grass-roots level** – are significant when thinking about future prospects of regional economic collaboration, as they are **highly resilient to policy volatility or contextual changes given their need-driven nature and their multiple points of origin.** As the report of the Forum's first Global Meeting of Regional Organizations (2012) observes: "This type of bottom-up regionalization often leads to more institutionalized forms of regionalism, as common norms and regulations are needed to facilitate transaction flows. Once set up, these types of regional organizations often take on a life of their own." This is also the spirit behind a recent proposal by the World Bank for the creation of a "Levant Private Sector Network" to represent the influence and interests of business actors in that region's cross-border economic space. Such an initiative could be a source of inspiration for private-sector players in South Caucasus and Central Asia, known to be particularly active both historically and today.

Box 2 provides an overview of some of the recurring arguments heard throughout the project's stakeholder consultation about the desirability and feasibility of increased regional economic collaboration. Appetite for more freedoms among private-sector actors throughout the region, including in cross-border activities, was evident in the stakeholder consultations, pointing to the possibility that business actors at many levels may already trust each other more than their non-economic peers. Such a hypothesis would **reflect not only the fact that a degree of trust is necessary for commercial exchanges to flourish, but also that commerce has often been a vector of trust-generation in itself.**

As noted earlier, however, **such energy will be stifled so long as confidence does not also define the nature of political relations within the region.** In turn, in order for such sound economic and political relations to exist between countries, **trust must characterize domestic relations, allowing leaders to encourage free cross-border flows rather than worrying about their effects on their nations' futures.**

Box 2: Paradigms of the Nuances of Stakeholder Views

The sceptics

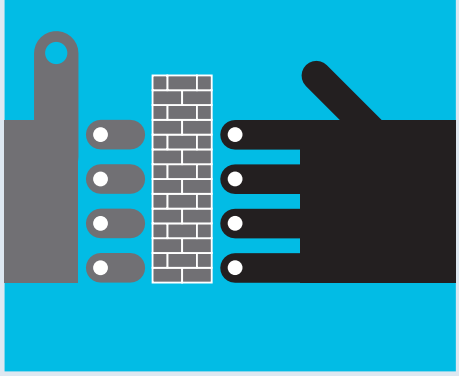


> "I am mostly not convinced by the benefits of regional economic collaboration."

Arguments heard

The Sceptics were not persuaded by the arguments for regional economic collaboration. In general, they believe that the difficulties posed by economic disparities, lack of trade complementarity and long-standing political tensions among countries in the region are so forbidding that greater benefits are likely to come from pursuing economic exchanges with partners outside the region.

The daunted

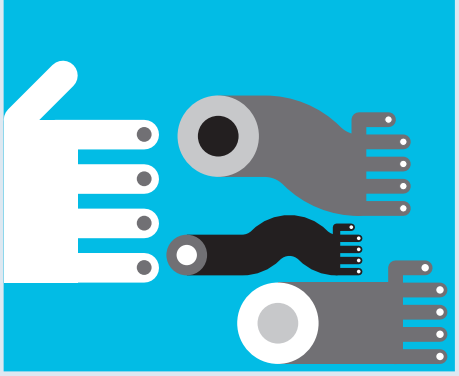


> "I am entirely favourable to regional economic collaboration, but the costs are very high."

Arguments heard

The Daunted favour greater collaboration in principle, but are seriously concerned about the potential implementation costs. Common arguments include ceding hard-won national sovereignty too early after gaining it, the need for strong borders to tackle illicit trade and terrorism, and the potential for threats to domestic stability from pursuing politically and economically costly reforms.

The frustrated



> "I would like to pursue further regional economic collaboration, but factors outside of my control limit my ability to do so."

Arguments heard

The Frustrated take a favourable view of regional economic collaboration but fear their enthusiasm is not shared by others in the region, and suspect a new generation of leaders will have to emerge before it becomes practical. Their concerns focus on disappointments owed to a lack of following for their attempts at leadership, pointing out that it is doubtful whether one country can reap the benefits of even the most challenging reforms if these are not emulated by neighbours.

Source: Stakeholder consultations

Part II: Scenarios for a Changing Economic Geography and their Implications for Strategic Decisions

Charting a course to achieve the four goals identified in stakeholder consultations as common across the region's countries – maximizing the potential of energy resources, creating a diversified economic base and integrating into global supply chains – is not a straightforward task. **The development of economic strategies has a long lead time, so strategic decisions must consider future contexts that are very likely to be different from today.**

Scenarios can be used to help leaders make more robust decisions about growth strategies (Box 3). Three scenarios – whose time horizon is 2035 – have been developed to describe possible future contexts for the region and its evolving economic geography. While exploring potential challenges, each opens up space to reflect on potential collaborative growth opportunities. The drivers of change discussed throughout the conversations that led to the development of these scenarios were numerous and, as with all scenario exercises, their potential combinations limitless. **The narratives have hence been identified for their ability to do the following:**

- **Speak to the region's economic goals of maximizing its energy potential, integrating into global supply chains, creating diversified economies and developing a high-standard workforce**
- **Challenge stakeholders' assumptions about the future context in which these goals will have to be achieved, including as pertains to the rise of potential new opportunities**
- **Allow stakeholders to reflect on the merits of regional economic collaboration as a means for achieving these goals**

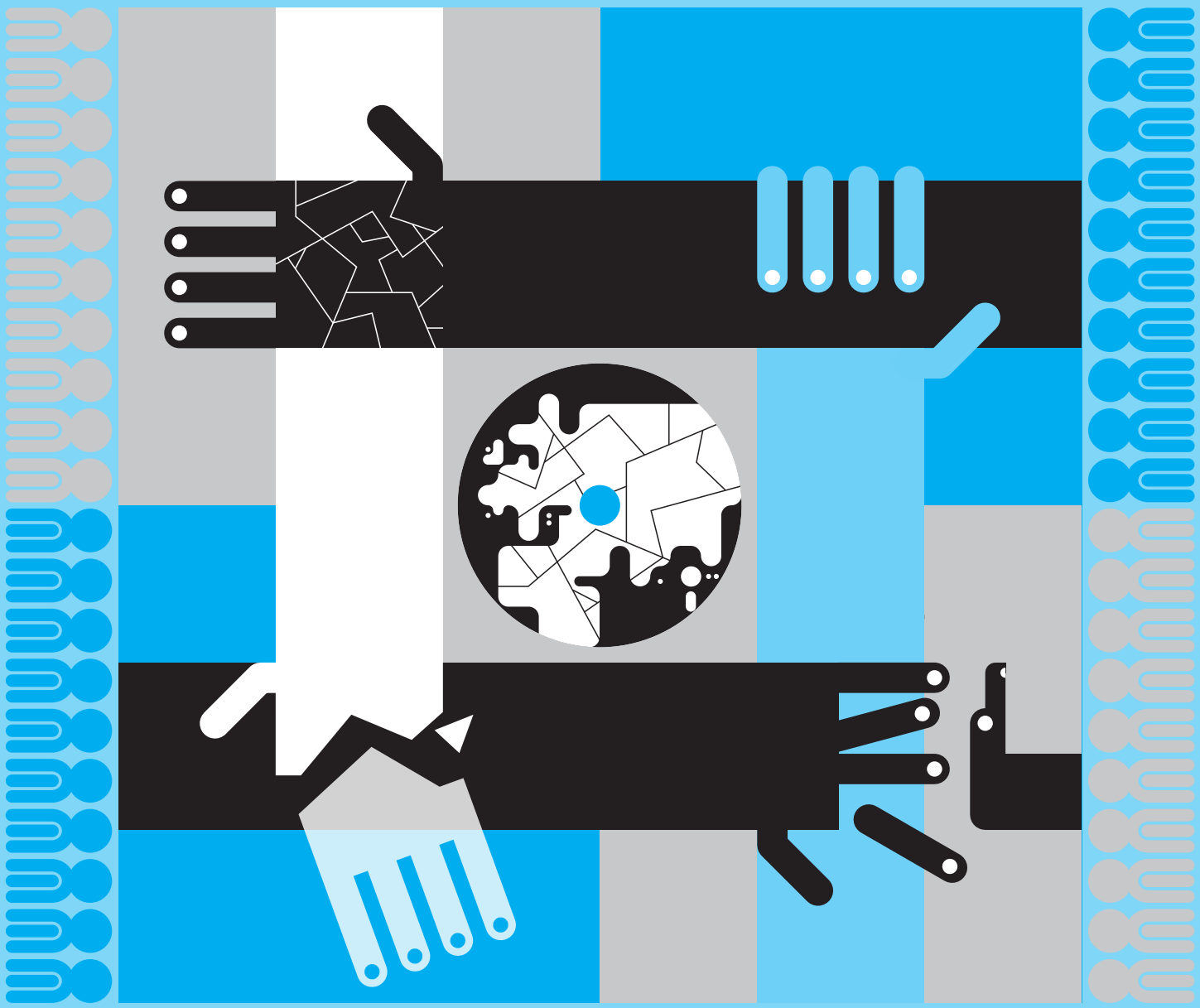
The strategic options presented after each scenario are intended neither as prescriptive policy recommendations nor as an exhaustive list of suggestions, but as a guide to help begin collaborative thinking about what the best options for the region's sustainable prosperity could be, based on numerous workshop outputs and other stakeholder consultations. For each strategy option, this report lays out a number of supporting arguments for an individual, country-level approach to implementation that is then contrasted with a more collaborative, regional approach in pursuing the strategy.

Box 3: Why Scenarios?

When situations are crucial but highly uncertain, it would be unwise to rely on predictions. Yet, it is necessary to assess what future contexts might look like to assist current decision-making. Scenarios provide this assessment. They are not forecasts, but plausible views of different possible futures, opening up the understanding of how things could be.

Scenarios are not ends in themselves. The World Economic Forum does not provide recommendations. Scenarios provide a framework for stakeholders to develop new ideas and solutions, and for better-informed and more robust decision-making in the light of future developments. The process itself allows the building of social capital to drive change from the learning generated in the process.

Split Up



Split Up

In 2035, the global economy is dominated by powerful trading blocs centred on the Atlantic, Pacific and Indian oceans. Members within these blocs collaborate intensively on energy and other commercial matters, but politics and protectionism severely limit exchanges between the blocs.

Contextual Pathways

In retrospect, by the mid-2010s clear signs had emerged that the era of economic globalization was giving way to a new age of economic regionalism. The pace of this fragmentation accelerated when the EU decided to establish a 20-year moratorium on new members. This measure was one of the ways in which the EU sought to protect the revival of its economies that resulted from its long-negotiated but finally successful Transatlantic Trade and Investment Partnership (TTIP) with the United States.

Since then, the world economy has become increasingly fragmented into regional trading blocs, each with its own regulations and extensive barriers to both transregional supply chains and inter-regional imports. India, now at the helm of an "Indian Ocean Economic Club", finally emerged in the 2020s as a global economic power player, ignoring the lingering security tensions of a progressively developing but still fragile Afghanistan to its north, and instead choosing to focus on its ocean-wide influence.

China, facing a slowdown of its growth following the drop in global demand for its goods – owing to the fragmentation of the global economy as well as a domestic decline in consumption – began efforts to join the bustling Trans-Pacific Partnership (TPP) that had allowed the United States and East Asia to sustain their economic health at a high point despite geopolitical uncertainties. This East Asian economic robustness benefited from a "Look East" policy of Russia, among other trends, which attempted to manage a progressive decline of its economy by expanding its eastward ties through agreements that included privileged access to its energy reserves, on occasion at arguably discounted rates.

European energy strategies have also become increasingly marked by political considerations, seeking to complement traditional Eastern suppliers with growing North American and Mediterranean imports. The year 2035 is one in which it is hard to distinguish economics from politics.

Impact of the Contextual Pathways on the South Caucasus and Central Asia Region

The EU's protectionist turn represents a blow to the South Caucasus in particular, as hopes of future membership are being laid to rest and existing trading ties curtailed. Central Asia, for its part, has been badly affected not merely by the slowdowns of both its Russian and Chinese economic partners, but by its exclusion from their growing bilateral ties as well.

Whereas the creation of an Asian Infrastructure Investment Bank (AIIB) led to hopes of grand Beijing-financed projects in the mid-2010s, China's capital shortage is resulting in gradually fewer investments in the region. Similarly, the Russian Federation's own economic slowdown is leading to a nationalistic turn against Central Asian migrant labour, hurting the remittances it long funded. It is true that the Eurasian Economic Union remains functioning, but its scope is limited in such a context. Furthermore, whereas Central Asia was for a time a beneficiary of the Sino-Russian rapprochement – as its prime intermediary – China's economic limitations and the Russian Federation's political turn mean that neither party now sees the need to engage the region in their relationship.

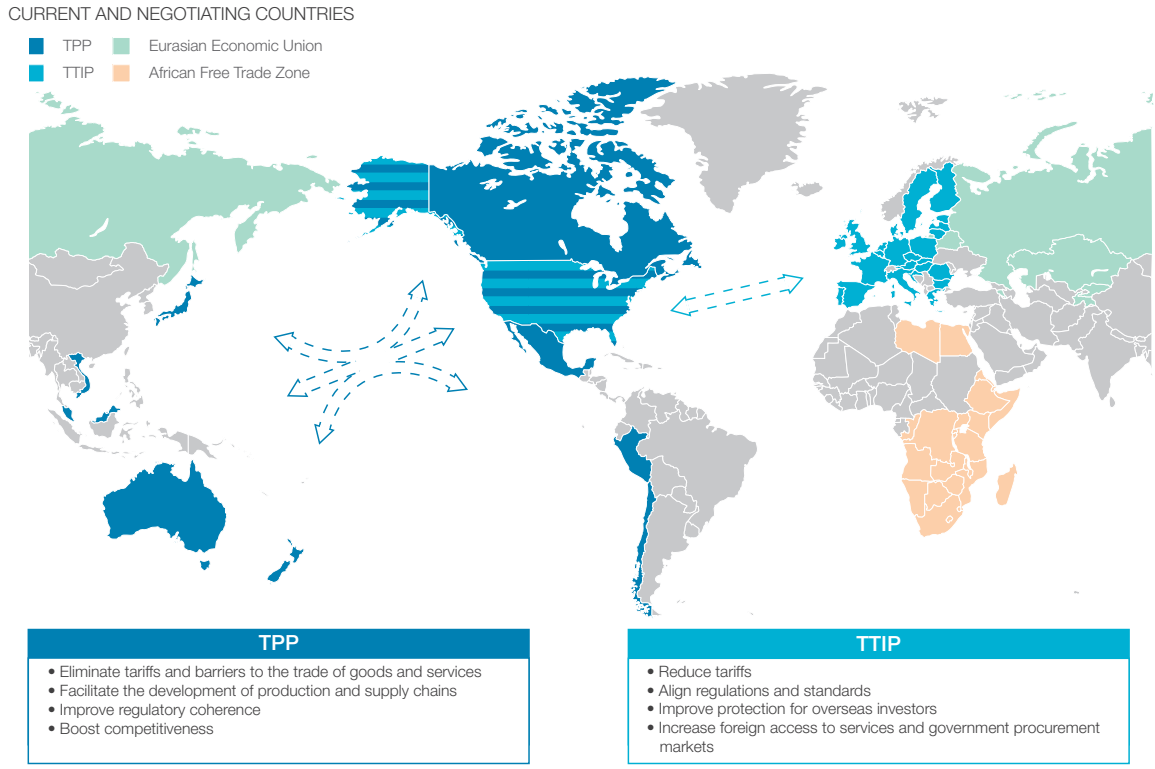
Formal and informal trade flows are being highly impacted by the difficulty of exporting goods from the South Caucasus and Central Asia to most markets. Even where potential demand for the region's products still exists, as in Europe or throughout the broad Indian Ocean area, it is becoming difficult to produce goods that are acceptable to multiple trade partners, due to both the political implications of economic exchanges and more mundane variations in regulatory requirements.

In general, the region risks being largely left out in the cold economically by the protectionist behaviour of the world's regional trading blocs. Even the region's energy sector is being affected by this fragmentation of the global economy. Not only has China's demand slowed, but both its needs and those of other East Asian consumers are being catered to by a Russian Federation that depends more than ever on exporting its own energy resources. European demand is being sustained, but is focused on supplies closer to home or originating from its new trans-Atlantic partnership. South Asian energy needs, though repeatedly hailed as a potential recipient for Central Asia's energy surplus, are being largely cut off from the region by insecure distribution channels, given Afghanistan's lingering security tensions.

Signposts (Early Indicators of this Future)

Ongoing negotiations for the development of the TTIP and TPP mega-regional trade agreements have the potential to reshape the map of the global economy (Figure 11).

Figure 11: New Regional Trade Alliances (selected)



Source: World Economic Forum, *Global Risks 2014, Ninth Edition*

Because of their size and reach, the TPP and TTIP mark significant steps in the cementing of regional arrangements as the preeminent locus of trade negotiations and have triggered interest in a number of similar initiatives … The possibility that countries such as Brazil, India, Russia, and Indonesia, largely excluded from the mega-regionals, will become more protectionist or obstructive cannot be dismissed.

Uri Dadush, Senior Associate and Director, International Economics Program, Carnegie Endowment for International Peace, March 2014

We welcome the prospect of US liquid natural gas exports in the future since additional global supplies will benefit Europe and other strategic partners … We agree on the importance of redoubling transatlantic efforts to support European energy security to further diversify energy sources and suppliers.

EU-US Summit Joint Statement, March 2014

Establishing closer ties with the People's Republic of China – our trusted friend – is Russia's unconditional foreign policy priority. Now Russia-China cooperation is advancing to a new stage of comprehensive partnership and strategic interaction. It would not be wrong to say that it has reached the highest level in all its centuries-long history.

Vladimir Putin, President of the Russian Federation, May 2014

Strategic Options to Consider for this Scenario

1 – The region develops its own regional market: In a world characterized by a trend towards omnipresent economic regionalism, the region could opt to maximize the opportunities presented by its 100-million-large consumer base in 2035 by becoming a regional market of its own. Such a strategy need not lead to a similarly closed-off market akin to the other regional blocs described in this scenario. Rather, it would simply aim to **make the most of intra-regional markets** currently fragmented due to subpar policy and administrative barriers, in a context where extra-regional demand has been made all the more difficult to access. Given the close interdependencies between regional collaboration and diversification, such a strategy may help the region diversify its economic base in addition to supporting demand.

Reasons for countries to pursue this strategy individually:

- **Unilateral impact:** Economic history shows that country-level measures, such as unilateral liberalization of trade, can have notably large effects on cross-border transactions even in the absence of reciprocation.
- **Snowball effect:** Such unilateral measures, given their creation of a basis of trust, could stimulate a snowball effect leading to progressively reciprocal responses.

Reasons for countries to pursue this strategy collectively:

- **Mutual concessions:** It may be easier to achieve a necessary reduction of tariff and non-tariff barriers collectively, as plurilateral negotiations can allow for mutual concessions and facilitate an agreement.
- **Regional coherence:** Intra-regional trade is boosted if countries specialize in different goods, rather than if several among them produce similar or identical goods. Collaboration in developing export strategies is a critical step towards this.
- **Internal mobility:** Movement of people within the region is already high relative to other intra-regional flows, as discussed earlier in this report. This may provide a head start for the development of a common labour and consumer market.

2 – The region becomes an inter-regional broker: To the extent that it remains possible to work with more than one of the divided regional blocs envisaged in this scenario, the region is ideally positioned – bordering the European, Russian and Asian markets – to **play the role of a traditional trade corridor or more innovative "bridge," "convener," or "translator" between diverging blocs.** Such a strategy could help the region overcome the effects of the breakdown in global supply chains depicted in this scenario by recreating and positioning itself at the centre of new, albeit weaker bonds among the world's divided economic blocs.

Reasons for countries to pursue this strategy individually:

- **Diplomatic head start:** Each country may have already invested efforts in building close bilateral ties with a certain regional bloc, which it would be reluctant to give up as its national comparative advantage.
- **Negotiation agility:** Though perhaps short-sighted, attempts at balancing between partnerships with diverging regional blocs may be more easily pursued by countries individually, rather than their having the burden of collective alignment.

Reasons for countries to pursue this strategy collectively:

- **Collective leverage:** Negotiations with regional blocs are likely to be more challenging for any individual country without the leverage of regional cohesion. Countries acting alone may specifically find it more difficult to divorce political and economic influences in their discussions with regional blocs.
- **Open passage:** If the region aspires to offer a transit route between different regional blocs, it will need collaboration on common transport infrastructure and openness in its cross-border relations.
- **Common platform:** A degree of collaboration will also be needed for the region to become a non-physical broker among blocs – for example, as translator of regulations and other immaterial barriers to trade.
- **Diplomatic credibility:** The region will have more diplomatic credibility as a broker in the divided world economy if it has demonstrated the capacity to solve its own political disputes and develop trust among its countries.

Southern Gateway

Southern Gateway

The global economy of 2035 is digital, knowledge-based and dominated by newly advanced economies. South-South trade, especially in services, has become more important. The Islamic Republic of Iran is now open for business and at the centre of access to new markets for non-Western producers.

Contextual Pathways

Two trends have transformed the world economy since 2014. Firstly, what are now called the "newly advanced" (formerly "emerging") economies have successfully achieved their transition of becoming leaders in the global economy, with an ever-larger share of global trade now being conducted strictly among themselves rather than with mature markets. The warming of the Islamic Republic of Iran's relationship with the West in the late 2010s and its subsequent integration into the global economy served, in particular, as a psychological turning point towards a decidedly post-Western economic landscape.

Secondly, the global economy has become even more service-oriented, knowledge-based and digital in nature. The burgeoning of middle classes in South Asia, the Middle East and sub-Saharan Africa, among other places, consequently presented opportunities not only for emerging market producers, but also for non-Western service providers. In Eurasia in particular, a tandem composed of the Islamic Republic of Iran and Turkey – sometimes called the "Southern Gateway"– has helped unlock both physical and digital supply chains at the crossroads of three continents.

The transformation of the world's consulting and digital industries in this new economy has become an interesting case study of how small and medium-sized enterprises (SMEs) in emerging markets have profited from their proactivity in this increasingly multipolar world. Indeed, in a notable trend, historically-powerful Western consultancies and digital services providers were progressively blindsided throughout the 2020s by competition from emerging-market firms that better understood the nuances of non-Western approaches and ideas. Examples of being overtaken have become common in the new, post-Western global economy.

Impact of the Contextual Pathways on the South Caucasus and Central Asia Region

Significant trade opportunities are opening up for the region's SMEs. China's relative wage increases and East Asia's deepening middle-income trap of the early 2020s have created space for the region in manufacturing exports. Meanwhile, new demand for innovative consulting and digital services is playing to the strengths of the region's high-quality workforce and its historical role as a conveyor of knowledge and ideas.

Some are calling the rise of this more skilled workforce the era of the region's "tech nomads", in reference to its history of population mobility. Social media platforms within the region – including its now-famed "ChatEurasia" messaging service – are playing a role in this new development, creating a degree of regional identity with consequences for the fluidity of its labour market. All in all, the increasingly digital nature of the world economy is providing the region with the potential to overcome its landlocked status by leapfrogging into immaterial supply chains.

In a similar surpassing of the region's formerly limited connectivity, the spectacular rise of SMEs leads to the development of myriad land-based hubs that together create a more balanced picture of the region's economic geography. This move away from a Soviet heritage of focus on capital cities represents a renewal of the region's harmonious urban vibrancy, unseen for centuries.

Both Turkey and the Islamic Republic of Iran, in particular, are serving this trend by becoming important distributors of the region's goods and services in new Middle Eastern and African markets. Iranian investors are reactivating their country's historical eastward economic links, while Turkey's role in the region builds on its ancient affinities throughout Eurasia. Despite that Iranian resources are now competing against the region's energy exports (to Europe in particular), the country's opening is generally being perceived as a net benefit for the South Caucasus and Central Asia.

Signposts (Early Indicators of this Future)

The rising importance of emerging markets in world trade has been associated with the growth in South-South trade corridors (trade between developing markets). The shares both of South-South and of North-South trade (trade between developed and developing countries) have expanded over the last twenty years at the expense of North-North trade.

Standard Chartered, 2014

The current trajectory suggests that the African middle class will grow to 1.1 billion (42%) in 2060. As African economies are growing (7 of the 10 fastest growing in the world are African), the wealth is trickling down and Africa now has the fastest-growing middle class in the world.

Deloitte, 2012

The basket of products consumed by China, India and other emerging nations as they "catch-up" with the developed world will, at the margin, be very different from the basket of products consumed by a typical Westerner. Who will produce these goods and services?

HSBC Global Research, June 2011

Global flows were once the domain preserve of governments and the largest companies. But digitization is now opening the door of flows to small and medium-sized enterprises and even individual entrepreneurs to take part in cross-border commerce and exchanges, giving rise to a new era of micromultinationals.

McKinsey Global Institute, April 2014

Strategic Options to Consider for this Scenario

1 – The region revamps its historical supply chains: Given the region's unique geographic position at the crossroads of emerging-market growth centres, and its existing production capacities and know-how, it could work to **revamp historical supply chains in which its comparative advantage has been but temporarily held up.** These include automobiles, textiles, and agriculture and processed foods, among others, all of which would help to achieve the region's goal of economic diversification, as well as integration into global supply chains, by taking advantage of its geographic location at the doorstep of future growth markets.

Reasons for countries to pursue this strategy individually:

- **Historical advantage:** Individual countries have national histories of comparative advantage in certain of these sectors which they may seek to capitalize on.
- **Targeted reform:** Some of the policies to stimulate new supply chains can be pursued effectively at a national level, such as openness to foreign investment, and policies to encourage the development of SMEs through a conducive environment.

Reasons for countries to pursue this strategy collectively:

- **Economies of scale:** It is likely to be more efficient and competitive to produce goods in multi-country supply chains with economies of scale, rather than in individual countries acting alone.
- **Specialization:** The region's countries are likely to have more export success if they avoid producing similar goods, by taking into account their neighbours' strategies and elaborating common strategies.
- **Common infrastructure:** Collaboration on smooth transportation of goods between countries, and common infrastructure to facilitate it, is necessary to integrate into international supply chains.
- **Common standards:** Collaboration to agree on standards helps ensure products are suitable for their export markets.
- **Knowledge flows:** Cross-border flows of information and knowledge encourage the innovation and technological change that drive economic growth.
- **Labour efficiency:** Cross-border flows of people allow skilled labour to move to where it is needed most.
- **Capital allocation:** A certain level of capital market integration is necessary to allow investment to flow to where it is needed in the region and profits to be utilized effectively.

2 – The region creates its digital supply chains of the future: This scenario's depiction of the future offers the region a chance to both diversify and overcome the limitations of its landlocked status by increasing its ability to trade in digital services. To do so, however, the region will have to **invest in its digital infrastructure and workforce, and in creating an environment conducive to SME development,** all of which

will require effort. The benefits of investing in information technology as a means of supporting competitiveness have been well documented by the World Economic Forum's Global Information Technology Report series. But beyond physical infrastructure, countries in the region will also need to support softer measures related to the development and transfer of skills and credentials through mobility and shared standards, among other means. SME development will only be encouraged through shifts in institutional governance as well.

Reasons for countries to pursue this strategy individually:

- **National values:** This strategy is based on workforce and education reform, which relates intimately to cultural values that are commonly seen as sensitive national policy areas.
- **Digital head start:** Some countries in the region may seek to capitalize on their head start in digital infrastructure.
- **External imports:** Leapfrogging technologies are most likely to be imported from outside the region, thereby allowing countries to upgrade their capabilities individually.
- **Post-geographic reach:** The digital economy's immaterial nature may give individual countries the sense that they can pursue their digital supply chain strategies by leapfrogging, rather than collaborating with, their geographic neighbours.

Reasons for countries to pursue this strategy collectively:

- **Free exchange:** Economies based on innovation have a particular need for the free exchange of information and ideas, and would hence be at odds with a policy of isolationism.
- **Open minds:** Knowledge economies are only as strong as the workforce that constitutes them, which makes the value of a free and open regional labour market as relevant as ever.
- **Cultural edge:** While educational partnerships with leading but distant academic institutions may support capacity building, they will not be able to replace exchanges with neighbours closer to home – particularly in a world where cultural affinities have become a comparative advantage.
- **Division of labour:** Just as in a physical supply chain, digital supply chains can benefit from an interstate division of labour, capitalizing on niche specializations among countries.
- **Infrastructure interdependencies:** Underpinning the immaterial exchanges of a knowledge economy are concrete elements of infrastructure, such as fibre-optic cables whose laying requires regional collaboration.

Climate Pressure

Climate Pressure

By 2035, the bubbling effects of climate change are beginning to cause havoc in the global economy. The financial ramifications of ever more costly responses to natural disasters are leading to a funding shortfall that takes its toll on global economic activity. The consequences of these disruptions include a rising demand for environmentally responsible growth.

Contextual Pathways

Though haphazard, initiatives at various levels of governance to curb and mitigate the effects of rising temperatures gave stakeholders hope in the 2020s that they might be able to avert the worst effects of climate change. Soon, however, it became clear that the worsening impacts of climatic disruptions, originally predicted by forecasting bodies for the year 2050 and beyond, had already begun making themselves felt through a concerning rise in the intensity of extreme weather events and related natural disasters.

2028 was the worst year on record, with a path of destruction left across South-East Asia by Cyclone Ursula, soon followed by Hurricane Vincent that devastated swathes of the eastern seaboard of the United States. The losses suffered by the global insurance and reinsurance industries unexpectedly exposed systemic risks, promptly coined “financial climate risks”, and had a contagion effect on the rest of the financial system, even reaching sovereign balance sheets. The resulting liquidity crisis of 2029-2033 affected borrowers globally and sparked an economic slowdown that still continues in 2035.

In this environment of reduced economic activity and renewed urgency to limit the impact of climate change, Europe’s profile of slower but more sustainable and environmentally friendly growth has become widely seen as a model, including in the most carbon-intensive emerging economies. To the east, Japan and the Republic of Korea, with a head start in transitioning to lower-carbon economies, have taken on a leadership role in Asia as they seek to translate their experience into soft power leverage, through various financing mechanisms to support green economies abroad.

Impact of the Contextual Pathways on the South Caucasus and Central Asia Region

The world’s liquidity crisis is hitting the region’s oil and gas industry, as foreign oil and gas companies are becoming all the more conscious of preventable costs, such as those incurred by shortcomings in institutional governance. This is creating an impetus to reform domestic business climates.

National oil and gas companies, with another set of mandates and comparative advantages, are trying to take up the slack left by more traditional international companies. However, they are struggling with their relative lack of know-how to upgrade infrastructure for resilience against climate-related disasters, and are running into difficulties in adequately responding to a growing scrutiny of production methods from increasingly environmentally conscious buyers outside the region.

This is creating a setback for the region’s comparative advantage in energy, just at a time when the significance of this sector to the region’s economies has grown. Indeed, other facets of the region’s economies, including agriculture and fisheries, are being so badly harmed by climate change and environmental degradation that oil and gas revenues are becoming ever more needed in response.

With the right governance incentives, however, the region sees potential in adapting to this new reality. Among other promising avenues, Japanese and Korean investments are within reach, such that the region can now consider rebuilding its economies on a greener path by harnessing its hydropower resources, among other strengths.

Signposts (Early Indicators of this Future)

I know a lot about financial risks—in fact, I spent nearly my whole career managing risks and dealing with financial crisis. Today I see another type of crisis looming: A climate crisis.

Henry Paulson, US Secretary of the Treasury (2006-2009)

Climate change will have a number of direct effects, which will impact human livelihood. Particularly significant will be the impact on water. Economic development will also be impacted, as the South Caucasus and Central Asia are depending in large parts on climate-dependent sectors, particularly agriculture. Beyond these impacts, a number of factors may affect social and political relations within and between states.

Adelphi Research, commissioned by the Organization for Security and Co-operation in Europe (OSCE), 2010

There are growing calls for pension funds to publish their carbon exposure as concern builds over the long-term investment risks of carbon-intensive portfolios … Norway's $840bn sovereign wealth fund … set up an expert group in February to assess whether it should stop investing in fossil-fuel companies.

Financial Times, June 2014

For years, the global oil majors have been like Formula One cars, racing flat-out to grow. Investors now want them to take their foot off the pedal. Pressure has been building on them to curb their vast capital spending programmes and return more cash to shareholders.

Financial Times, November 2013

Strategic Options to Consider for this Scenario

1 – The region further improves its institutional governance to ensure investor confidence: If climate-related events create a liquidity crisis that increases competition for investment, the region's business climate and institutional governance will need to be highly robust to retain the interest of international oil and gas companies. Indeed, these companies' technical know-how and distribution networks will be ever more critical to the region's energy output; yet, in this scenario, these actors are pictured as cash-strapped and reluctant to invest in countries with high corruption costs or risks of political *force majeure*. This new reality points to a need for the region to further improve its institutional governance in the oil and gas sector at the very least. But interestingly, **doing so would likely lead to substantial positive spillover effects into other sectors of the economy,** which could help the region attract the investment needed to further diversify its economic base, thereby serving its countries far beyond their oil and gas sectors and the inevitable, eventual exhaustion of those sectors' resources.

Reasons for countries to pursue this strategy individually:

- **Unequal starts:** Countries that have a stronger track record on governance reforms may not see the value of collaborating with neighbours who have further to travel.
- **Diverse priorities:** Areas of the business climate that need improvement tend to vary from one country to another.

Reasons for countries to pursue this strategy collectively:

- **Sharing of best practice:** The path towards effectively improving institutional governance is not always straightforward. Countries in the region might therefore benefit from each other's learnings to avoid costly repetitions.
- **Institutional interdependencies:** As highlighted in the "Frustrated" paradigm (Box 2), the value of even the most substantial institutional reforms at a national level can be dramatically limited if such change remains confined to one nation.
- **Investor perceptions:** Persisting poor governance in even limited parts of the region could negatively affect investors' perceptions of the region as a whole and limit their eagerness to engage with it.

2 – The region develops green economy initiatives: If climate-related pressures threaten to make the region's oil and gas exploitation more difficult, investing in the development of greener economies can serve as both a hedge against and a potential mitigation tool for this future of environmental pressures. The region already has numerous initiatives to develop its green growth potential, but much more can be done. **Investing in its hydropower resources, as one leading example, can benefit not only those countries with rich hydropower resources, but also their neighbours involved in this energy's distribution**

channels, as well as those who may choose to invest themselves financially in such projects. This would not only respond to a vast and growing demand for electricity in the region's vicinity (including in South Asia), but would also be in sync with a world of environmental scrutiny, and will hence make the region's prosperity more sustainable.

Reasons for countries to pursue this strategy individually:

- **Head start:** Countries that have already begun investing substantially in green technologies or other environmentally friendly initiatives may not want to halt their efforts on account of lagging partners.
- **Varying advantages:** Different countries in the region may wish to pursue different strategies to develop green growth projects, depending on their comparative advantage.

Reasons for countries to pursue this strategy collectively:

- **Cross-border interdependencies:** Green growth projects such as the exploitation of hydropower can only be successful with a certain level of cooperation between the region's countries that allows for attracting investment, developing common infrastructure and distributing electricity across borders to external markets in particular.
- **Managing the commons:** The excessive exploitation of a particular regional resource, caused by individual countries' self-interest, could risk being an example of the tragedy of the commons, which can be resolved only by collective action.
- **Mitigating environmental degradation:** The effects of climate change depicted in this scenario are not certain to lead to such levels of water scarcity that the region's hydropower becomes moot. They are likely, however, to precipitate turbulence justifying the type of preparedness that can only be reached through collective investment in infrastructure and management of resources.
- **Investment costs:** Given the notably high cost of certain green investments, the region may care to pool its resources to collectively benefit from otherwise unattainable endeavours.

Key Messages and Takeaways

As mentioned in the introduction to Part II, each of the presented scenarios and suggested strategic options has been identified among a range of conceivable narratives to illustrate important messages aimed at **helping stakeholders both in and outside the region to avoid the risk of crafting their long-term strategies based on potential blind spots.** These messages, meant to support more robust choices today, are summarized in Box 4.

Particularly from the discussion of strategic options, it is clear that most strategies can be pursued individually, and in some cases working alone can speed up taking action. Even when this is not the case, it is still better to pursue an action individually than not at all.

In most instances, however, the **benefits of working collaboratively seem to outweigh those of unilateral action.** Collaborative action typically avoids costly duplication, favours collective leverage and builds on the inherent economic benefits of openness, among other gains. Furthermore, **if the collective economic potential of countries in the South Caucasus and Central Asia were considered as a common resource to be managed and maximized, then the costs of squandering such great, latent prosperity by pursuing disparate and at times conflicting economic policies would become increasingly evident.** In such a perspective, the need for policy coherence at a regional level would become inevitable.

Indeed, **working together is generally the difference between short- and long-term gains.** Individual countries can, for example, unilaterally implement governance reforms that improve their score in rankings such as the World Bank's Ease of Doing Business Index. However, future regional instabilities could drag them steadily back down again. For prosperity to be sustainable, it needs to be strengthened by collaboration with neighbours.

Towards Regional Prosperity: Benefits of Individual and Collective Pursuits

Country goals to achieve regional sustainable prosperity:
Maximize the potential of energy resources
Integrate into global supply chains
Create diversified economies
Develop a high-standard workforce

Option 1: Pursue individually
Country → Global Level

Advantages:
Faster: more agile
Easier: less alignment required

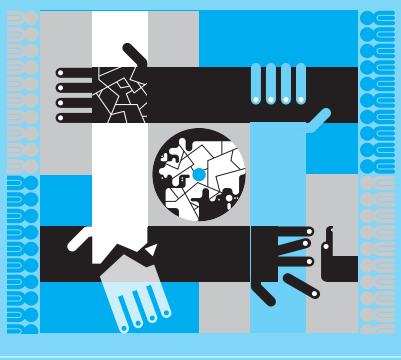
Option 2: Pursue collectively
Country → Regional → Global Level

Advantages:
Higher gains: by maximizing synergies
Greater resilience: through regional solidarity and support mechanisms

Box 4: Key Messages for the Scenarios

Each scenario and associated strategic options can be mapped out against important messages aimed at supporting the region's current decisions.

Split Up



Scenario Summary
In 2035, the global economy is dominated by powerful trading blocs centred on the Atlantic, Pacific and Indian oceans. Members within these blocs collaborate intensively on energy and other commercial matters, but politics and protectionism severely limit exchanges between the blocs.

Key Messages
The existence of accessible export markets for the region's products, including its most prized oil and gas resources, cannot be taken for granted.

(Geo)political considerations outside the region may increasingly shape global economic decisions, with ramifications for the region's relations with even its closest partners.

The region's internal market represents an underexploited growth opportunity that can be valuably pursued, even without aiming to create a strictly inward-looking or secluded market.

Despite the negative externalities that a fragmented world might bring to the region, its strategic location at the geographic and cultural crossroads of all major economic centres can make it a resilient pivot for the global economy.

Southern Gateway

Scenario Summary
The global economy of 2035 is digital, knowledge-based and dominated by newly advanced economies. South-South trade, especially in services, has become more important. The Islamic Republic of Iran is now open for business and at the centre of access to new markets for non-Western producers.

Key Messages
While the region has legitimately been focused on its Russian, European and Chinese economic partners to date, it should not underestimate other potential trading partners that may emerge and allow the region to make use of its cross-cultural strengths.

The growing share of services in the global economy – particularly those knowledge-based and digital – represents an opportunity, if adequately capitalized on, for the region to break free from its landlocked status.

In order to seize such opportunities, however, the region must live up to international expectations for highly skilled labour, which will inevitably require a premium on social openness.

A degree of regional cooperation is necessary for the region to sustain even externally facing supply chains, with regard to both their hard and soft infrastructure requirements.

Climate Pressure

Scenario Summary
By 2035, the bubbling effects of climate change are beginning to cause havoc in the global economy. The financial ramifications of ever more costly responses to natural disasters are leading to a funding shortfall that takes its toll on economic activity. The consequences of these disruptions include a rising demand for environmentally responsible growth.

Key Messages
Climate change has the potential to represent a direct and indirect threat to the region, such that it should be aware of both its contribution and its potential exposure to this issue.

Even without a complete shift to a global, renewable energy future, the region's oil and gas production may run into challenges to both the exploitation and distribution of its resources.

External pressure for the region to further collectively improve its institutional governance architecture in the energy sector could have positive ramifications for its broader economic sectors.

While the region is often considered to be a leader in oil and gas, it also has the potential to develop green economic initiatives, such as maximizing its hydropower potential.

Conclusion

This report has explored whether and how regional economic collaboration can help the South Caucasus and Central Asia region to achieve sustainable prosperity, an objective shared by its individual nations.

While formidable obstacles to achieving greater regional collaboration undoubtedly exist, **the process of creating this report – with over 500 stakeholders involved in interviews, workshops and other events – showed that many within the region are well disposed in principle to the idea.**

The strategic options emerging from the scenarios discussed herein make clear that **while many policies for achieving sustainable prosperity can be pursued by individual nations, most policies are more robust if undertaken in collaboration with others in the region.**

As a changing global economic context poses both threats and opportunities, **regions that can create a coherent business idea and openly address their shortcomings will increasingly be at an advantage.** There will be no place for relying on legacy, shunning a reaching hand or ignoring the need for reform.

Using the Scenarios for the South Caucasus and Central Asia

1. Testing Planned Policies and Strategies

Just as a wind tunnel tests the integrity of an airplane's wings, the scenarios can be used to test planned policies and strategies. The aim is to understand under which conditions the policy or strategy could be best pursued, individually or collectively, or could be susceptible to changes in the future context and become a liability. The policies and strategies can then be modified to ensure they are flexible to address developments across the scenarios (for example, by being able to serve multiple purposes). Important questions to address include:

- Do these policies and strategies help reach the region's important economic goals?
- Are they resilient in each scenario?
- Are they best pursued individually or collectively at a regional level?

2. Exploring Implications and Generating New Options

The scenarios can be used to generate new strategic and policy options. By considering different future contexts (the opportunities and threats in the scenarios), alongside the weaknesses and strengths of the country, firm or organization using them, tailored implications of the scenarios can be rendered. The implications can then be developed into options for each scenario by asking how the strengths and opportunities can be maximized, and the weaknesses and threats minimized. From there, these options can be tested, as noted in the first point, to understand which are robust across the scenarios, and which are contingent and would require an investigation of choices.

The following template can be used to generate implications and options:

Template

Implications	Split Up	Southern Gateway	Climate Pressure
Strengths			
Weaknesses			
Opportunities			
Threats			

3. Developing an Early Warning Capability

The scenarios provide different "frames", or ways of seeing developments unfolding in the context of the South Caucasus and Central Asia. Without such frames, it is difficult to differentiate the important signals from the noise. As frames, they help organize the categories of information for monitoring change. In this way, the scenarios provide an early warning capability signalling important, emerging changes.

The scenarios can be used in this capacity by considering which developments would be the entrance to each one, signalling their unfolding. Then, scanning processes can be put in place to monitor the possible developments and ensure the information is regularly analysed and discussed in policy and strategy forums.

4. Enabling Strategic Conversations

The scenarios can be used in discussions and workshops to help stakeholders understand possible developments in the future context of the South Caucasus and Central Asia, and to generate options in response. A suggested workshop outline for using the scenarios in this type of strategic conversation follows:

Sample Half-Day Workshop

Objectives

1. To learn about developments in the future context of the South Caucasus and Central Asia by using the scenarios
2. To understand the implications of the scenarios for the four economic goals underpinning the region's long- term economic prosperity

Duration

Four hours (e.g. 13.00 - 17.00)

Agenda

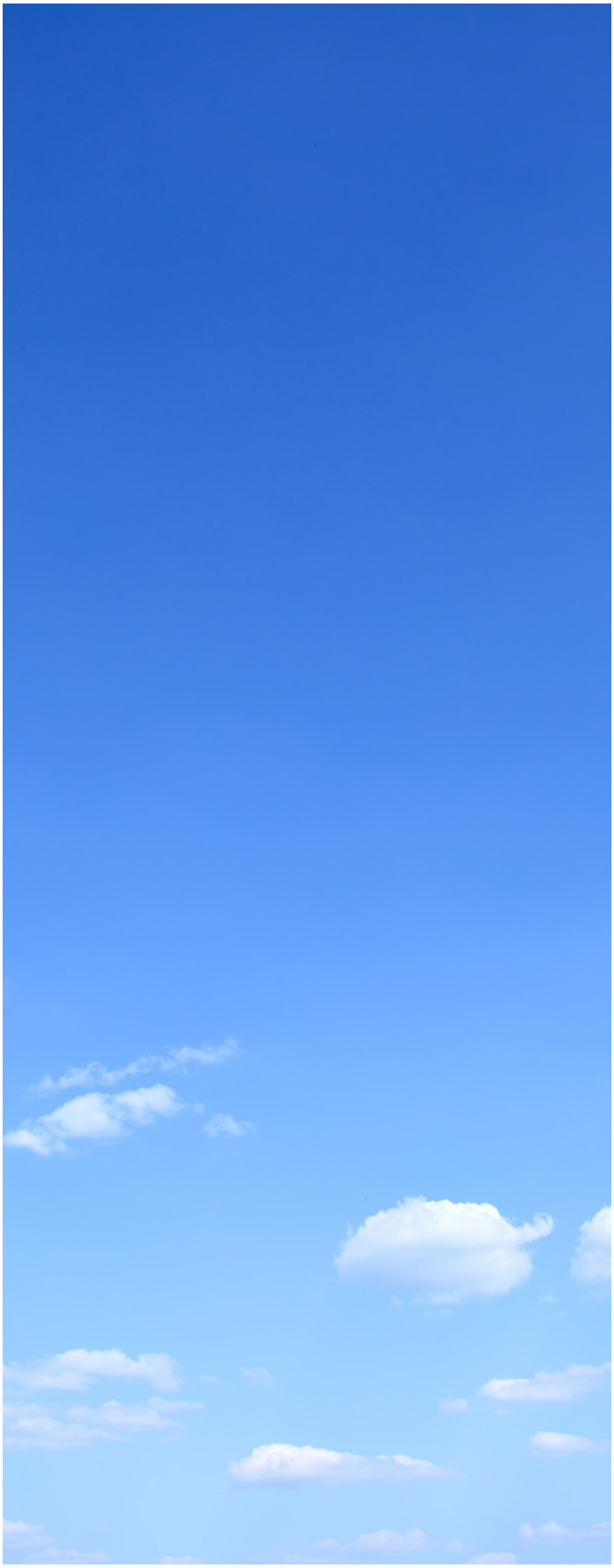
13.00 - 14.00	Introduction Economic goals and scenarios
14.00 - 15.00	Breakout group discussions Implications of the scenarios for the South Caucasus and Central Asia region's economic goals
15.00 - 15.30	Plenary Report from each breakout group
15.30 - 15.50	Coffee/tea
15.50 - 16.50	Round table Discussion of robust policy options across the scenarios to promote and encourage the region's sustainable and long-term economic development
16.50 - 17.00	Next steps and closing

Annex 1: The Value of Scenarios

Scenario thinking is a powerful strategic management tool that can be used in the private, public and non-profit sectors, as well as in a multistakeholder context. While scenarios are often used to provide public- and private-sector decision-makers with the tools to anticipate potential hazards, they have also proven to be a powerful tool for creating opportunities – in the form of new policies, new strategies and forging new connections – by freeing thought from the constraints of the past.

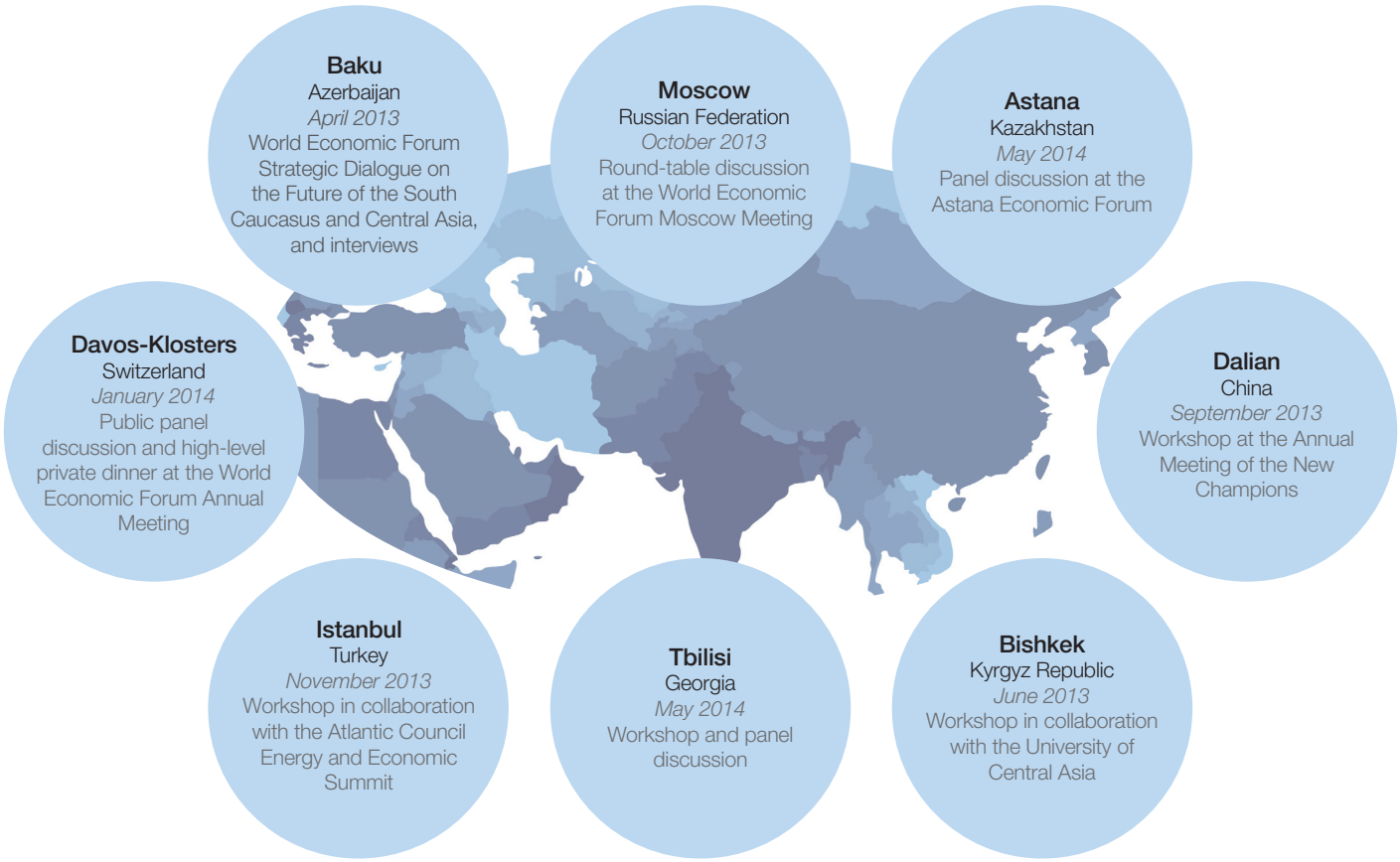
Scenarios can enrich learning and decision-making at both the country and company level. In particular, they provide leaders with the ability to:

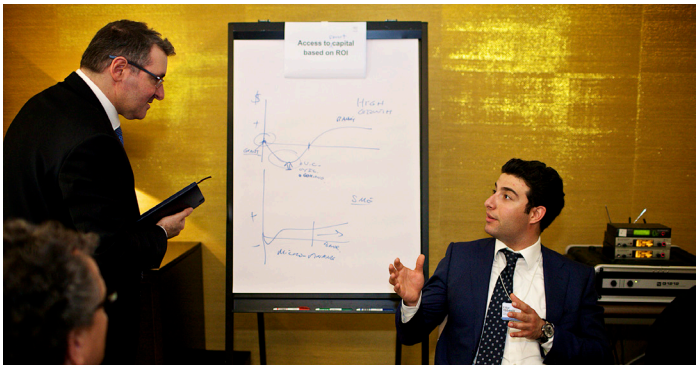
- Enhance a policy's or strategy's robustness by identifying and challenging underlying assumptions and established wisdom
- Make better strategic decisions by discovering and framing uncertainties, leading to a more informed understanding of the challenges involved with substantial and irreversible commitments, and contributing to strong and pre-emptive governmental or organizational positioning
- Improve awareness of change by shedding light on the complex interplay of underlying drivers and critical uncertainties, and enhancing sensitivity to weak and early signals of significant changes ahead
- Increase preparedness and agility for coping with the unexpected by visualizing possible futures and mentally rehearsing responses
- Ease mutual understanding and collaborative action by providing stakeholders with a common language and concepts in a non-threatening context, thereby allowing for the creation of effective and innovative multistakeholder options



Annex 2: Process and Stakeholder Engagement

This project builds on the outcomes of workshops and interviews held in the South Caucasus and Central Asia, as well as in some significant neighbouring countries.





Endnotes

1 Data about the state of the region's economies can notably be found lacking at times. Encouraging improved data collection by and for countries in the region may be one important step towards strengthening the region's future prosperity.

2 See the World Economic Forum's Global Enabling Trade Report 2014 for more detail on the link between trade and economic growth.

3 For the purposes of its study, DHL considers South and Central Asia to include Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Uzbekistan, India, Bangladesh, Nepal, Pakistan, Sri Lanka and Turkey.

4 World Economic Forum. Enabling Trade: Valuing Growth Opportunities, 2013.

5 While regional trade agreements may lead to both trade creation and trade diversion, reference is made here to the consensus view that the volumes and benefits of trade creation tend to outweigh the risks of trade diversion.

6 Cali, M.; Oliver, J. "West Bank Check-Points Damage Economy, Illustrate High Cost of Trade Barriers", in The Trade Post, World Bank, 7 July 2013.

7 Alamgir, M. Report on the Economic Impact of Central-South Asian Road Corridors, Asian Development Bank, 2005.

8 Mogilevskii, R. Trends and Patterns in Foreign Trade of Central Asian Countries, University of Central Asia, 2012.

9 Kourmanova, A. Regional Cooperation in Central Asia: Nurturing from the Ground Up, The Central Asia Fellowship Papers, No. 1, October 2013.

10 Vinokurov, E. et al. EDB System of Indicators of Eurasian Integration, Eurasian Development Bank, February 2010.

11 World Bank. Over the Horizon: A New Levant, March 2014.

Bibliography

Alamgir, M. *Report on the Economic Impact of Central-South Asian Road Corridors*, Asian Development Bank, 2005.

Anderson, B.; Klimov, Y. *Uzbekistan: Trade Regime and Recent Trade Developments*, Working Paper No. 4, Institute of Public Policy and Administration, University of Central Asia, 2012.

Aziz, M., in Starr, F. (ed.). *The New Silk Roads: Transport and Trade in Greater Central Asia*, 2007.

Calì, M.; Oliver, J. "West Bank Check-Points Damage Economy, Illustrate High Cost of Trade Barriers", in *The Trade Post*, World Bank, 7 July 2013.

Central Intelligence Agency, *The World Factbook*, 2013.

Deloitte, *Deloitte on Africa: The Rise and Rise of the African Middle Class*, 2012

European Bank for Reconstruction and Development (EBRD). *Transition Report 2012: Integration Across Borders*, November 2012.

Ghemawat, P.; Altman, S. *DHL Global Connectedness Index 2012: Analyzing global flows and their power to increase prosperity*, 2012.

International Alert. *From War Economies to Peace Economies in the South Caucasus*, 2004.

International Monetary Fund, Direction of Trade Statistics, 2012.

King, S. *The Southern Silk Road: Turbocharging "South-South" economic growth*, HSBC Global Research, June 2011.

Kourmanova, A. *Regional Cooperation in Central Asia: Nurturing from the Ground Up*, The Central Asia Fellowship Papers, No. 1, October 2013.

Maas, A. et al. Shifting Bases, *Shifting Perils: A Scoping Study on Security Implications of Climate Change in the OSCE Region and Beyond*, Adelphi Research, commissioned by the Office of the Co-ordinator of the Organization for Security and Co-operation (OSCE) Economic and Environmental Activities, December 2010.

McKinsey Global Institute. *Urban World: Cities and the Rise of the Consuming Class*, June 2012.

—. *Global flows in a digital age: How trade, finance, people, and data connect the world economy*, April 2014.

Mogilevskii, R. *Trends and Patterns in Foreign Trade of Central Asian Countries*, Working Paper No. 1, Institute of Public Policy and Administration, University of Central Asia, 2012.

Polyakov, E. *Changing Trade Patterns after Conflict Resolution in South Caucasus*, World Bank, Poverty Reduction and Economic Management Sector Unit, Europe and Central Asia Region, 2000.

Risky Business Project. *Risky Business: The Economic Risks of Climate Change in the United States*, June 2014.

Standard Chartered. *Global trade unbundled*, April 2014.

Starr, F. (ed.). *The New Silk Roads: Transport and Trade in Greater Central Asia*, 2007.

United Nations Development Programme. *Bringing down barriers: Regional cooperation for human development and human security*, Central Asia Human Development Report, 2005.

Vinokurov, E. et al. *EDB System of Indicators of Eurasian Integration*, Eurasian Development Bank, February 2010.

World Bank. *Changing Trade Patterns after Conflict Resolution in South Caucasus*, 2000.

—. *World Development Report 2009: Reshaping Economic Geography*, November 2008.

—. *Over the Horizon: A New Levant*, Report No. 86946-IQ, Poverty Reduction and Economic Management Department, Middle East and North Africa Region, March 2014.

World Economic Forum. *Inaugural Global Meeting of Regional Organizations: Regional Organizations as Catalysts for Advancing Global Cooperation*, November 2012.

—. *Enabling Trade: Valuing Growth Opportunities*, 2013.

—. *The Africa Competitiveness Report 2013*, in collaboration with the World Bank, the African Development Bank and the Ministry of Foreign Affairs of Denmark.

—. *The Global Competitiveness Report 2014-2015*.

—. *Global Enabling Trade Report 2014*.

—. *Global Risks 2014, Ninth Edition*, 2014.

—; Bilbao-Osorio, B.; Dutta, S.; Lanvin, B. (eds). *The Global Information Technology Report 2013: Growth and Jobs in a Hyperconnected World*, a collaboration with INSEAD, 2013.

World Integrated Trade Solution (WITS)/United Nations Commodity Trade Statistics Database (UN Comtrade), 2012.

Acknowledgements and Project Team

The Scenarios for the South Caucasus and Central Asia project was supported by the State Oil Company of the Azerbaijan Republic (SOCAR).

The World Economic Forum would like to thank the following current and former public figures from and outside the region for their engagement in this project:

Ali Abbasov, Minister of Communication and Information Technologies of Azerbaijan

Ilham Aliyev, President of Azerbaijan

Natiq Aliyev, Minister of Industry and Energy of Azerbaijan

Huseyngulu Baghirov, Minister of Ecology and Natural Resources of Azerbaijan

Sali Berisha, Prime Minister of Albania (2005-2013)

Bold Luvsanvandan, Minister of Foreign Affairs of Mongolia

Algirdas Butkevicius, Prime Minister of Lithuania

Irakli Garibashvili, Prime Minister of Georgia

Petar Ivanovic, Minister of Agriculture and Rural Development of Montenegro

George Kvirikashvili, Vice-Prime Minister and Minister of Economy and Sustainable Development of Georgia

Alminas Maciulis, Chancellor of the Prime Minister of Lithuania

Elmar Mammadyarov, Minister of Foreign Affairs of Azerbaijan

Shahin Mustafayev, Minister of Economic Development of Azerbaijan

Davit Narmania, Minister of Regional Development and Infrastructure of Georgia (2012-2014)

Zsuzsanna Németh, Minister of National Development and Economy of Hungary (2011-2014)

Djoomart Otorbaev, Prime Minister of the Kyrgyz Republic

Maia Panjikidze, Minister of Foreign Affairs of Georgia

Bakytzhan Sagintayev, First Deputy Prime Minister of Kazakhstan

Samir Sharifov, Minister of Finance of Azerbaijan

Bakhyt Sultanov, Deputy Prime Minister and Minister of Finance of Kazakhstan

Babamyrat Taganov, Minister of Economy and Development of Turkmenistan

Taner Yildiz, Minister of Energy and Natural Resources of Turkey

This publication synthesizes the ideas and contributions of many individuals whom the project team would like to thank for their time, energy and insights. In particular, the team would like to thank the following individuals for their engagement with the project:

Carles Castello-Catchot, Associate Director, Strategic Foresight Initiative, Atlantic Council

Fadi Farra, Co-Founder and Partner, Whiteshield Partners Limited

Victor Halberstadt, Professor of Economics, Leiden University

Laura Linderman, Associate Director, Dinu Patriciu Eurasia Center, Atlantic Council

Johannes Linn, Visiting Fellow, Brookings Institution

Clare Lockhart, Director, ISE Center

Roman Mogilevskii, Project Coordinator, Institute of Public Policy & Administration, University of Central Asia

Martin Naegele, Director, Network of Global Agenda Councils, World Economic Forum (2008-2013)

Vali Nasr, Dean and Professor of International Relations, The Paul H. Nitze School of Advanced International Studies, Johns Hopkins University

Alexander Plekhanov, Senior Economist, European Bank for Reconstruction and Development (EBRD)

Frederick Starr, Chairman, Central Asia-Caucasus Institute, Adjunct Professor of European and Eurasian Studies, The Paul H. Nitze School of Advanced International Studies, Johns Hopkins University

The team would also like to thank the experts who helped shape the insights reflected in this report through interviews, discussions and participation in workshops between January 2013 and May 2014 and the Strategic Dialogue on the Future of the South Caucasus and Central Asia, Baku, Azerbaijan 7-8 April 2013. In particular, the team thanks (in alphabetical order):

Kamuran Abacioglu, ATV

Mammad Abbasbeyli, CRA Group of Companies

Eldar Abbasov, Ministry of Communication and Information Technologies of Azerbaijan

Vugar Abbasov, Cahan Holding

Askarali Abdibaev, United Nations Development Programme (UNDP)

Rovnag Abdullayev, State Oil Company of the Azerbaijan Republic (SOCAR)

Tolkunbek Abdygulov, Office of the Prime Minister of the Kyrgyz Republic (2010-2014)

Alisher Abidjanov, National University of Uzbekistan

Vusala Abishova, APA Holding
Keti Adeishvili, AS Georgia
Adgezal Aghayev, AtaHolding
Shukur Aghazadeh, AzMETCO
Imran Ahmad, CNN
Tevfik Akdag, Dogus Management Services Limited
Azamat Akeleev, Public Supervisory Council of the Ministry of Finance of the Kyrgyz Republic
Farhad Akhmedov, Aznar CJC
Halil Akinci, Cooperation Council of Turkic Speaking States
Teymur Alakbarov, ASPI Consulting Engineers Inc.
Morten Albæk, Vestas Wind Systems A/S
Asel Albanova, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Aleksi Aleksishvili, Policy and Management Consulting Group
Anar Aligulov, R.I.S.K. Scientific-Industrial Company
Aydin Aliyev, The State Customs Committee of Azerbaijan
Fuad Aliyev, Azerbaijan Marketing Society
Kamil Aliyev, Azvirt Company
Mahir Aliyev, United Nations Environment Programme (UNEP)
Nazim Aliyev, State Oil Company of the Azerbaijan Republic (SOCAR)
Parviz Aliyev, Azertrans Ltd
Vagif Aliyev, State Oil Company of the Azerbaijan Republic (SOCAR)
Famil Alizade, Altes Group
Burak Altinbasak, Helix Management Consultants
Luca Anceschi, La Trobe University
Armenuhi Arakelyan, AREGAK Universal Credit Organization
Ali Asadov, Office of the President of Azerbaijan
Rufat Aslanli, State Securities Commission of Azerbaijan
Aslan Aslanov, Azerbaijan State Telegraph Agency (AzerTAc)
Maarif Aslanov, Aqrovest
Gorkem Atac, ING Group
Samir Axundov, Siemens AG
Zaur Axundov, SW Holding
Makram Azar, Barclays
Mahir Babayev, European Bank for Reconstruction and Development (EBRD)
Mukhtar Babayev, State Oil Company of the Azerbaijan Republic (SOCAR)
James Bacchus, University of International Business and Economics, China
Lars Christian Bacher, Statoil ASA
George Bachiashvili, Georgian Co-Investment Fund
Elchin Baghirov, Office of the President of Azerbaijan
Akhundov Bakhtiyar, Chevron
Sheradil Baktygulov, Institute for Public Policy (Kyrgyz Republic)
Fatih Baltaci, Akfel Group
Mustafa Baltaci, Istanbul Stock Exchange (ISE)
Bruno Balvanera, European Bank for Reconstruction and Development (EBRD)
Elkhan Bashirov, MATANAT A
Maia Bashirova, Association of Azerbaijani Businessmen in Georgia
Vitaliy Baylarbayov, State Oil Company of the Azerbaijan Republic (SOCAR)
Vugar Bayramov, Center for Economic and Social Development (CESD)
Nazik Beishenaly, Academy of Public Administration under the President of the Kyrgyz Republic
Soykan Bektas, Institute of Strategic Studies
Sandro Bibilashvili, BGI Legal
Abdülhamit Bilici, Cihan News Agency
Osman Birgili, Tekfen Construction & Installation Co., Inc.
Gordon Birrell, BP Plc
Damir Bisembin, Embassy of Switzerland in the Kyrgyz Republic
Ketevan Bochorishvili, Ministry of Economy and Sustainable Development of Georgia
Dinara Bolatbekkyzy, Republic TV and Radio Corporation Kazakhstan
Jim Boulden, CNN
Fabrizio Bovino, Embassy of Italy to Georgia
Clément Brenot, Organisation for Economic Co-operation and Development (OECD), Eurasia Competitiveness Programme
Daniel Broby, Silk Invest
Antonius Broek, United Nations Development Programme (UNDP)
Carlos Bronzatto, World Association of Investment Promotion Agencies (WAIPA)
Matthew Bryza, Atlantic Council
Yigit Bulut, Kanal 24
Aidjigit Buranov, Embassy of the Kyrgyz Republic to Azerbaijan
William Burkett, ConocoPhillips
Mathew Burrows, Atlantic Council
Clemente Cappello, Sturgeon Capital
François Carmantrand, Suez Environnement
Massimiliano Castelli, UBS AG
Sakir Gokhan Cay, Institute of Strategic Studies
Ünal Çeviköz, Embassy of Turkey to the United Kingdom
Changhoe Han, Korea International Trade Association (KITA)
Suresh Chaturvedi, Overseas Infrastructure Alliance (India) Pvt. Ltd (OIAPL)
Hongbo Chen, Tsinghua University
Maxim Chereshnev, Novosibirsk Expocentre
Hannes Chopra, DaVinci Capital
Edward Chow, Center for Strategic and International Studies (CSIS)
Basil A. Coronakis, New Europe Newspaper
Alper Coskun, Embassy of Turkey to Azerbaijan
Tanguy Cosmao, Statoil ASA
Stefano Costa, Constructions Industrielles de la Méditerranée (CNIM)
Jean-Philippe Courtois, Microsoft International

Zsolt Csutora, Embassy of Hungary to Azerbaijan
Jay Cziraky, Move One Inc.
Timur Dadabaev, Tsukuba University, Japan
Burkhard Dahmen, SMS Siemag AG
Leonid Demidov, United Nations Office on Drugs and Crime (UNODC)
Zeynep Dereli, APCO Worldwide Inc.
Olivier Descamps, European Bank for Reconstruction and Development (EBRD)
Fabrizio Di Amato, Maire Tecnimont
Donelle DiLorenzo, Booz Allen Hamilton
Atanas Djumaliev, Goldman Sachs
Ketevan Dolidze, Bank of Georgia
Sergey Drobyshevsky, Gaidar Institute
Duke of York, Buckingham Palace
Jonathan Dunn, International Monetary Fund (IMF)
Amer Zafar Durrani, World Bank
Esther Dyson, EDventure Holdings Inc.
Bolot Dyushaliev, Kyrgyz-Russian Economic Council
Nikolai Eatwell, Clifford Chance LLP
Ian Leslie Edwards, Leighton Asia Limited
Ertan Efegil, Sakarya University
Aleksandr Eremin, JSC VTB Bank
Rovshan Farhadov, Az-Granata
Farid Farhadzade, Gok-Nur Baki Ltd
Matthias Feldman, Swiss Development and Cooperation Office
John P. Finigan, Ministry of Foreign Affairs of Mongolia
Igor V. Finogenov, Eurasian Development Bank
Brigitte Floc'h, EADS France - EADS International Luke Fochtman, Theodor Wille Intertrade (TWI)
Olga Fougelson, B2B Consulting
Joshua Foust, American Security Project
Jake Frazer, Theodor Wille Intertrade (TWI)
Sabine Freizer, Atlantic Council
Alexander Gabuev, Kommersant Publishing House
Revaz Gachechiladze, Tbilisi State University
J. Carl Ganter, Circle of Blue
Azad Garibov, Center for Strategic Studies under the President of the Republic of Azerbaijan
Vusal Gasimli, Center for Strategic Studies under the President of the Republic of Azerbaijan
Suleyman Gasimov, State Oil Company of the Azerbaijan Republic (SOCAR)
Taleh Gasimov, Karat Holding
Ekaterina Gazadze, Bank of Georgia
Klaus Gerhaeusser, Asian Development Bank (ADB)
Konstantinos Geropoulos, New Europe Newspaper
Tinatin Gholadze, Innovation and Entrepreneurship Development Centre
Christian Giudicelli, Total E&P Azerbaijan
Nigar Göksel, Turkish Policy Quarterly (TPG)
Bulent Goktuna, Mineks International
Abdolbari Goozal, Azersun Holding
Lee Graham, Agathon Consulting
Dominic Grainger, GroupM EMEA
Sergei Gretsky, George Washington University
Khagani Guluzade, Akkord Industry Construction Investment Corporation
Andrey Guryev, OJSC PhosAgro
Ilgar Guseynov, Trend News Agency
Mikail S. Gutseriev, Russneft
Laurent Guye, Embassy of Switzerland in the Kyrgyz Republic
Valerian Gvalia, EU-Georgia Business Council (EUGBC)
Wadie Habboush, Habboush Group
Rufet Hacialibayov, Microsoft Corporation
Farhad Hajiyev, Azerbaijan Youth Foundation
Jahangir Hajiyev, The International Bank of Azerbaijan (IBA)
Rahman Hajiyev, The First News
Rashad Hajiyev, International Bank of Azerbaijan
Cagri Haksoz, Sabanci University
Jan Harfst, United Nations Development Programme (UNDP)
Mushfiq Hasanov, BeSmart
Sevinj Hasanova, Ministry of Economic Development of Azerbaijan
Janet Heckman, European Bank for Reconstruction and Development (EBRD)
Alexandre Hedjazi, University of Geneva
Frans van Houten, Royal Philips
Ara Hovsepyan, North-South Road Corridor Investment Program
Lyndsay C. Howard, International Bank of Azerbaijan (IBA)
Rahim Huseynov, Azerbaijan Marketing Society
Riyad Huseynov, Synergy Group
Faiq Husiyev, AZTV
David Iakobachvili, BioEnCo. Bioenergy Corporation LLC
Zakir Ibrahimov, Tamiz Shahar JSC
Georgios Ioannidis, Azerfon LLC
Vedat Irdelp, Vito Energy and Investment
Yevgeniy Ivanov, ABB Global Marketing
Volker Jacoby, United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA)
Fariz Jafarov, Central Bank of Azerbaijan
Kamal Jafarov, Azerbaijan Lawyers Confederation
Tamar Janashia, Business Initiative for Reforms in Georgia
Lasha Janelidze, PwC Georgia
James F. Jeffrey, The Washington Institute for Near Eastern Policy
Veselin Jevrosimovic, ComTrade Group
Karl Johansson, EY
Arjan de Jongste, Philips Russia
Ken Joyner, Midrex Technologies Inc.
Kathie Julian, Asian Development Bank (ADB)
Olga Kalinina, Raum7

Ajay Kalsi, Indus Gas Ltd
Yelena Kalyuzhnova, University of Reading
Tihomir D. Kamenov, Commercial League Healthcare Group
Sergey Kapinos, Organization for Security and Co-operation in Europe (OSCE) Centre, Bishkek
Rana Kapoor, YES BANK Limited
Aidan Karibzhanov, Visor Holding LLP
Samir Karimov, Socar Turkey Enerji A.S.
Farkhad Kasimov, ConocoPhillips
Nargis Kassenova, KIMEP Center for Research and Development
Cemil Kazanci, Kazanci Holding
Tom Keatinge, JPMorgan
Bulent Kenes, Today's Zaman
Henry G. R. Kerali, World Bank
Anna Khachatryan, Millennium Communities Development Foundation
Aigerim Khafizova, JSC Center for International Programs
Iskender A. Khalilov, ISR Holding
Nana Kharbedia, United Nations Secretariat
Ali Kibar, Kibar Holding AS
Koba Kikabidze, Caucasian Institute for Economic and Social Research (CIESR)
Igor Kirdoda, Global Energy Azerbaijan
Josko Klisovic, Ministry of Foreign Affairs and European Affairs of Croatia
Nino Kochishvili, Azerbaijan Export and Investment Promotion Foundation (AZPROMO)
Talaibek Koichumanov, Council for Business Development and Investment of the Government of the Kyrgyz Republic
Kakha Kokhreidze, Georgian Chamber of Commerce and Industry
Pavel Koktyshev, Club of Young Entrepreneurs in Kazakhstan
Stepan Kolesnichenko, Hearts of Russia
Svitlana Kolomiiets, Private Practice
Dmitry Konov, Sibur LLC
David Koranyi, Atlantic Council
Khalid Koser, Geneva Centre for Security Policy (GCSP)
Andrey L. Kostin, JSC VTB Bank
Vladimir Kovacevic, Duro Dakovic Group
Ekaterina Kozinchenko, Strategy&
Boris Krasnyansky, Group DF
Margery Kraus, APCO Worldwide Inc.
Bohdan Krawchenko, University of Central Asia
Dmitry G. Kromsky, OJSC VimpelCom
Florian Krueckl, BASF Central Asia LLP
Andrew C. Kuchins, Center for Strategic and International Studies (CSIS)
Mamuka Kudava, Economic Policy Research Center
Saroj Kumar Jha, World Bank
Irakli Kurashvili, Embassy of Georgia to Switzerland
Maxim Kuznetsov, Philips Ukraine LLC
Mikhail Kuzovlev, Bank of Moscow
Andrey R. Kuzyaev, LUKOIL Overseas Holding
Zurab Lalazashvili, BDO Georgia
James Larsen, Momentum
Marlene Laruelle, George Washington University
Steffen Leistner, Strategy&
Rice Leland, The Business Year
Kafkasli Levent, Tekfen Holding Co. Inc.
Daokui Li, Tsinghua University
Heike Liebold, GDF SUEZ
Eric Livny, International School of Economics (ISET), Tbilisi State University
Christopher Logan, Silk Road Mining and Development
Kevin Lu, MIGA - World Bank Group
Helge Lund, Statoil ASA
Kaare Lunde, Tieto Oyj
Alan McKinnon, Kühne Logistics University
Nail Maganov, OAO Tatneft
Sudhir Maheshwari, ArcelorMittal
Thomas Maier, European Bank for Reconstruction and Development (EBRD)
Meruert Makhmutova, Public Policy Research Center of Kazakhstan
Preetam Maloor, International Telecommunication Union (ITU)
Huseyn Mamedov, BP Plc
Israfil Mammadov, State Oil Fund of the Republic of Azerbaijan (SOFAZ)
Khalik Mammadov, State Oil Company of the Azerbaijan Republic (SOCAR)
Rasim Mammadov, Baku Steel Company
Rufat Mammadov, AZPROMO
Sanar Mammadov, Azerbaijan Marketing Society
Vusal Mammadov, State Oil Company of the Azerbaijan Republic (SOCAR)
Hasan Mammadzade, Embassy of Azerbaijan to Lithuania
Iulian Manea, Siveco
Jeff Mankoff, Center for Strategic and International Studies (CSIS)
Mubariz Mansimov, Palmali Group of Companies
Erica Marat, Wilson Center
Christophe Margerie, Total
Alyona Markovich, GameChangers Education and Research Program
Elena Martynova, USM Holdings Limited
Giovanni Masotti, RAI - Italian Television
Irakli Matkava, Ministry of Economy and Sustainable Development of Georgia (2012-2013)
Piers Maynard, UBS AG
Aydin Mehdiyev, Delta-Group
Cem Mengi, ING Group
Maxim Menshikov, JSC VTB Bank
Natalia Merabishvili, Georgian Law and Policy Centre
Pascal Meunier, Embassy of France to Azerbaijan
Tatyana Mikayilova, Red Communications PR & BTL Agency

Kunio Mikuriya, World Customs Organization (WCO)
Sona Mirzoyan, Delegation of the European Union to Armenia
Olexandr Mischenko, Embassy of Ukraine to Azerbaijan
Reinhard Mitschek, Nabucco Gas Pipeline International GmbH
Aidar Mokenov, Independent Consultant
Afshin Molavi, New America Foundation
Henrik Molin, Skybridge Capital
Galya Molinas, The Coca-Cola Company
Obie Moore, Dentons
Richard Morningstar, Embassy of the United States to Azerbaijan
Denis Morozov, European Bank for Reconstruction and Development (EBRD)
Farhad Moshiri, USM Holdings Limited
Samvel Movsisyan, Leadership School Foundation
Shahmar Movsumov, State Oil Fund of the Republic of Azerbaijan (SOFAZ)
Genci Mucaj, Embassy of Albania to Turkey
Bakhtiyar Mukhamedziev, Zalkar Bank
Bektas Mukhamejanov, Ministry of Environment Protection of Kazakhstan
Jamil Muradov, Gilan Holding
Nikolay Murashkin, Cambridge Central Asia Forum
Shota Murgulia, Ministry of Regional Development and Infrastructure of Georgia
Teimuraz Murgulia, Municipal Development Fund of Georgia (2013-2014)
Mammad Musayev, National Confederation of Entrepreneurs (Employers) Organizations of Azerbaijan Republic
Sahib Musayev, Sumgait Technologies Park
Roman Muzalevsky, iJet Intelligent Risk Systems, Inc.
Kairat Naizabekov, Samruk-Kazyna JSC
Rovshan Najaf, Azerbaijan Investment Company
Shahid Naqvi, The Abraaj Group
Sabit Narbayev, KAZNEX Invest
Elshad Nasirov, State Oil Company of the Azerbaijan Republic (SOCAR)
Shuja Nawaz, Atlantic Council
Vineet Nayyar, Tech Mahindra Ltd
Kamran Nazarov, Ganja Automobile Plant
Rustam Nazarov, AFM Radio station
Efgan Niftiyev, Caspian Strategy Institute
Ermek Niyazov, Oracle
Elmira Nogoibaeva, Independent Consultant
Olly Norojono, Asian Development Bank (ADB)
Vadym Novynskyi, PJSC Smart-Holding
Abduvahap Nurbaev, Osh Entrepreneurs Union
Adil Nurgozhin, VTB Capital I2BF
Rza Nuriyev, The Boston Consulting Group Ltd
Quentin O'Toole, Deloitte
Tinatin Odilavadze, Georgian Co-Investment Fund
Lars Oermann, KfW Bankengruppe
Günther H. Oettinger, European Commission
Kakha Okrojanashvili, State Security and Crisis Management Council of Georgia
Konstantin Orlov, Club Foresight Games
Jomart Ormonbekov, United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA)
David Owen, Deloitte
Seref Özata, Ekovitrin Media Group
Hasan Selim Ozertem, International Strategic Research Organisation (USAK)
Zinaida Pak, Club of Young Entrepreneurs in Kazakhstan
Luigi Panaino, The Coca-Cola Company
Matthew Parish, Holman Fenwick Willan LLP
Mir Jamal Pashayev, PASHA Holding
Movlan Pashayev, PwC
Barry Pavel, Atlantic Council
Mark Payne, Clifford Chance LLP
Sirin Payzin, CNN Türk
Giorgi Pertaia, Georgian National Investment Agency
Alexandros Petersen, Wilson Center
Sebastien Peyrouse, George Washington University
W. DeVier Pierson, Hunton & Williams LLP
Alfred Piesinger, Siemens VAI Metals Technologies GmbH
Maria Pineda, University of California, Los Angeles (UCLA)
Nizami Piriyev, AZMECO (Azerbaijan Methanol Company)
Sergey Ponomarev, Association of Markets, Enterprises, Trade and Services
Vitaly Postolatiy, SAP CIS & Baltic States LLC
Andrey Potapov, Takeda Russia CIS
Alexander Potapushin, Mercuria Energy Group Ltd
Alexey Potemkin, Russian Union of Student Organizations
Alexey Prazdnichnykh, LLC Strategy Partners Group
Oleg M. Preksin, Russian Union of Industrialists and Entrepreneurs
Joseph Procak, Asian Development Bank (ADB)
Victor Prodedovich, USAID Regional Economic Cooperation Project (REC)
Irina Pruidze, Georgian Organization of the Scout Movement
Herbert Quelle, Embassy of Germany to Azerbaijan
Valencia Raevskaya, Tomsk State University of Control Systems and Radioelectronics (TUSUR)
Mazdak Rafaty, Varengold Wertpapierhandelsbank AG
Huseynaga Ragimov, Azpetrol Ltd
Emil Rahimov, AS Group Investment Georgia
Subramanian Ramadorai, Tata Consultancy Services Ltd
Miroslav Ransdorf, European Parliament
Alexey Reshtenko, Microsoft
Aleksandre Revia, Economic Security Department, Government of Georgia
Francisco Ribeiro, Adecco Group Russia
John M. Roberts, Platts
Ivan Romanovskiy, OAO LUKOIL
Evgeniy Romaschin, Mining Machines

Alexander Rondeli, Georgian Foundation for Strategic and International Studies (GFSIS)

Alan Rousso, European Bank for Reconstruction and Development (EBRD)

Bakhtiyar Sadigov, The Azerbaijan

Murad Sadikhov, Nobel Oil

Ruslan Sadikhov, Baku White City project

Dilbar Sadykova, International Youth Diplomacy League

Ainoura Sagynbaeva, SIAR Research and Consulting Group

Masoumeh Sahami, United Nations Conference on Trade and Development (UNCTAD)

Ferit F. Sahenk, Dogus Group

Xavier Sala-i-Martin, Columbia University

Askar Salymbekov, Dordoi Association

Omar Samad, New America Foundation

Ahmet Sanic, Qafqaz University

Petr Sanikov, Russian Direct Investment Fund (RDIF)

Dev Sanyal, BP Plc

Andrey Sapelin, State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank)

Mahmood Sariolghalam, National University of Iran

Karine Sarkissian, The Coca-Cola Company

Yelden Sarybay, Nazarbayev Center

Siddhart Saxena, Cambridge Central Asia Forum, Centre of Development Studies

Engel Sayfutdinov, Kazan Federal University

David Schenkein, Agios Pharmaceuticals, Inc.

Florian Schroder, German Chamber of Commerce and Industry

Felicia Scoarta, Siveco

Chris Seiple, Institute for Global Engagement

Raushan Seitkasymova, National Bank of the Kyrgyz Republic

Alexander Semenyaka, The Agency for Housing Mortgage Lending

Asylkhan Serikov, Air Liquide SA

Suhel Seth, Reliance Industries Limited

Itir Sevim-Ciftci, Clifford Chance

Sabine Ulmann Shaban, Embassy of Switzerland to Azerbaijan

Temirbek Shabdanaliev, Freight Operators Association

Brenda Shaffer, Georgetown University

Alexander Shaghikyan, A&M Financial Consulting CJSC

Isaac Sheps, Carlsberg A/S

Aigerim Shilibekova, Center for International and Regional Studies, Gumilyov Eurasian National University

Dmitry Shirshov, KPMG

Alexey Shkolnikov, JSC VTB Bank

David Sichinava, David Sichinava Individual Entrepreneur

Farooq Siddiqui, Rustavi Steel

Anush Simonyan, UBS AG

Erling Skjonsberg, Embassy of Norway to Azerbaijan

Andrey Slepnev, Eurasian Economic Commission (EEC)

Myles Smith, Independent Consultant

Aziz Soltobaev, Svetofor Group

Antonio Somma, Organisation for Economic Co-operation and Development (OECD)

Lars Troen Sorensen, Statoil ASA

Suleyman Sozen, Dogus Group

Wolfgang Sporrer, OMV AG

Tim Steadman, Clifford Chance LLP

Eric Stewart, US-Turkmenistan Business Council

Olga Stoliarchuk, Salans LLC

Valery Subbotin, OAO LUKOIL

Aida Sultanova, Associated Press (AP)

Anne Suotula, Organization for Security and Co-operation in Europe (OSCE)

George Tagg, United States Department of State

Rufat Tagizadeh, Ministry of Communication and Information Technologies of Azerbaijan

Murat Talayhan, Barclays

Fettah Tamince, Rixos Hotels

Orhan Taner, Atlantic Council

Ozgur Tanrikulu, McKinsey & Company

Oktay Tanrısever, Middle East Technical University

Hrachya Tashchyan, Foreign Relations Department, Government of Armenia

Nurbek Tashibekov, Mina Corp

Rachel Tausendfreund, German Council on Foreign Relations

Kira Taymanova, Educational Center Dom Benua

Virginie Thevenet, Constructions Industrielles de la Méditerranée (CNIM)

Mukhtar Tileuberdi, Permanent Mission of Kazakhstan to Switzerland

Medet Tiulegenov, American University of Central Asia

Giorgi Tkeshelashvili, Beeline Mobile LCC

Sübidey Togan, Bilkent University

Hovhannes Toroyan, Ameriabank CJSC

Manuela Traldi, ITAZERCOM

Yulia Tseplyaeva, Sberbank

Elene Tskhakaia, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Kjetil Tungland, Trans Adriatic Pipeline AG

Medea Turashvili, International Crisis Group (ICG)

Muammer Türker, National Security Council of Turkey

Cüneyt Turktan, Bakcell

Emin Tuzun, Dogus Group

Agah Ugur, Borusan Holding AS

Emil Umetaliev, Kyrgyz Concept

Alisher B. Usmanov, USM Holdings Limited

Evgeni Utkin, KM Core

Cuneyt Uygun, Kazanci Holding

Ilgar Valiyev, AZPROMO Georgia

Elmir Valizada, Ministry of Communication and Information Technologies of Azerbaijan

Vilmos Vályi-Nagy, Ministry of National Development and Economy of Hungary

Sergey Vardanyan, Isolux Corsan
Ilgar Veliyev, EY
Samir Veliyev, Ministry of Economic Development of Azerbaijan
Zaur Veliyev, Center for Strategic Studies under the President of the Republic of Azerbaijan
Olga Verkhola, Georgian-Ukrainian Business Club
Justina Vitkauskayte, European Parliament
Arkady Volozh, Yandex
Ivan Vozmilov, Ural State University of Economics
Laurentius de Vries, Terex Corporation
Yulia Vymyatnina, European University at St Petersburg
Thomas de Waal, Carnegie Endowment for International Peace
Eric Walker, Chevron
Richard Weitz, Hudson Institute
Jochen R. Wermuth, Wermuth Asset Management GmbH
Ross Wilson, Atlantic Council
Lan Wu, Asian Development Bank (ADB)
Igor I. Yakovenko, Azerbaijan Electronics (AZEL)
Kae Yanagisawa, Japan International Cooperation Agency (JICA)
Yan E. Yanovskiy, First Nation Société Bancaire
Anton Yaremchuk, Agency of Strategic Initiatives (ASI)
Haldun Yavas, Caspian Strategy Institute
Kenan Yavuz, Socar Turkey Enerji A.S.
Aiman Yedigeyeva, Nazarbaev University
Sabr Yessimbekov, Chamber of Commerce and Industry of Kazakhstan
Murat Yetkin, Hurriyet Daily News
Betul Yirik, The Business Year
Shigeaki Yoshikawa, Mitsubishi Corporation
Ayse Zadil, JPMorgan Chase Bank
Gaukhar Zainullina, Eurasian Economic Commission
Dimitri Zaitsev, Roland Berger Strategy Consultants
Rufat Zamanov, State Oil Company of the Azerbaijan Republic (SOCAR)
Daniel Zaretsky, American Chamber of Commerce in Tajikistan
Almira Zejnilagic, FTI Consulting
Zhanna Zenina, Optima Advisory Limited
Akram Zeynally, Embassy of Azerbaijan to Switzerland
Timur Zhakslykov, Ministry of Economic Integration of Kazakhstan
Zhao Changhui, Import-Export Bank of China
Diana Zharovskikh, TEDx Kaliningrad
Alexander Zhukov, Whiteshield Partners Limited
Bakai Zhunushov, European Bank for Reconstruction and Development (EBRD)
Emanuelis Zingeris, Parliament of Lithuania
Shurenchimeg Zokhiolt, International Labour Organization (ILO)
Alexander Zolortarev, Midrex Technologies Inc.
Arturas Zurauskas, Embassy of Lithuania to Azerbaijan

The project team expresses its gratitude to the following colleagues from the World Economic Forum for their advice and support throughout the project (in alphabetical order):

Børge Brende (2011-2013)
Oliver Cann
Diane Davoine
Attilio Di Battista
Margareta Drzeniek Hanouz
Jonathan Eckart
Espen Barth Eide
Thierry Geiger
David Gleicher
Pedro Gomez Pensado
Natalie Hatour
Trudi Lang
Bernice Lee
Philipp Schroeder
Olivier Woeffray

Project Team

The Scenarios for the South Caucasus and Central Asia project team includes the following individuals at the World Economic Forum (in alphabetical order):

Nanayaa Appenteng, Intern, Strategic Foresight (2013)
Anastassia Aubakirova, Director, Head of Eurasia (2012-2014)
Andrew Bishop, Senior Manager, Strategic Foresight
Andrew Chakhoyan, Associate Director, Eurasia
Kristel Van der Elst, Senior Director, Head of Strategic Foresight
Salvatore Freni, Senior Associate, Eurasia
Firdaus Mahmood, Senior Associate, International Organizations and Government Affairs
Beatriz Martinez Alvarez, Associate, Strategic Foresight
Stephan Mergenthaler, Associate Director, Strategic Foresight
Jeyhun Musayev, Senior Manager, Eurasia
Elena Smirnova, Associate Director, Head of Consumer, Media and Health Cluster, Partnership

Writer: Andrew Wright
Editing: EditOr Proof
Layout: David Bustamante, Senior Manager, Production and Design
Illustration: Peter Grundy

WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation in the spirit of global citizenship. It engages with business, political, academic and other leaders of society to shape global, regional and industry agendas.

Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is independent, impartial and not tied to any interests. It cooperates closely with all leading international organizations.

World Economic Forum
91–93 route de la Capite
CH-1223 Cologny/Geneva
Switzerland

Tel.: +41 (0) 22 869 1212
Fax: +41 (0) 22 786 2744

contact@weforum.org
www.weforum.org