

Current Trends in China's International trade with Central Asian Countries

Wenya Huang¹, Mukambaeva Irina², Jai-Houng Leu³

Abstract

The research highlights the increasing importance of international electronic commerce as a modern form of global exchange, demonstrating its potential to enhance trade efficiency and connectivity across borders. The study also examines the evolution of China's foreign economic policy, identifying its strategic shifts and assessing their impact on trade relations with Central Asian countries. A detailed analysis of China's trade with Central Asian nations reveals key trends, challenges, and opportunities in bilateral and multilateral economic cooperation. The study further evaluates the role of the Belt and Road Initiative (BRI) as a transformative force in regional and global trade, emphasizing its contribution to infrastructure development and trade facilitation.

Keywords: *International Trade , Central Asian Countries, Impact on Trade Relations.*

Introduction

Research Motivation

The traditional and fundamental approaches to implementing this policy encompass a broad range of trade, economic, and now, financial and investment tools, which are supported by various elements of soft power. A new phase in foreign policy has been ushered in, where its conceptualization aligns with a theoretical, philosophical, and socio-political rethinking of the discourse, with foreign policy concepts emerging as one of its core components.

In China, discourse has evolved into a vital "communication bridge" and communication itself has been recognized as a necessary tool for navigating monumental internal changes (Chen, 2021). For such communication to align with Beijing's strategic goals, it must be framed in language that resonates with the intended audience, which requires the application of scientific knowledge. This need for careful analysis led to the establishment of an extensive network of think tanks and increased focus on the educational quality provided to party members and key government officials (Pomozova, 2021) [1].

When Xi Jinping ascended to leadership, foreign policy was elevated to a strategic governance level, as seen in his leadership of the Central Foreign Affairs Commission (formerly the Central Leading Small Group on Foreign Affairs) along with various other commissions overseeing critical areas of Chinese policy. This shift underscores the emergence and evolution of numerous concepts in Xi's discourse, several of which have been formalized in key party and state documents—such as peaceful development, the Chinese Dream, the Belt and Road Initiative, and the idea of a "community of common destiny for mankind"—all of which are central to Beijing's contemporary foreign policy. While Western analysts often point to China's "obscurity" due to the difficulty of pinpointing the original authors of these concepts, it is now common to attribute them directly to President Xi, with these concepts regarded as integral components of the socialism with Chinese characteristics in the new era [2].

Literature Review

The cautious response from the West to the concept of "peaceful rise" (Glaser and Medeiros, 2007; Buzan, 2014) . prompted a shift in China's foreign policy rhetoric, leading to the gradual removal of the term from Beijing's global discourse by 2004. This was replaced by the more conciliatory idea of "peaceful development," aimed at easing international concerns by toning down the assertiveness of

¹ Kyrgyz National University named after Jusup Balasagyn, Email: hwenya666@gmail.com

² Kyrgyz National University named after Jusup Balasagyn, Email: mukambaeva@gmail.com

³ Institute of Artificial Intelligence, Guangzhou Huashang College, Guangzhou 511300, China, Email: jahonleu@yahoo.com.tw, (Corresponding Author)

China's rise. The debate between "development" and "rise" came to a head during the 17th Congress of the Communist Party of China (CPC), where it was specifically addressed. As Ren Xiao points out, "peaceful development" became not just "China's strategic intent" but also "a foundational philosophy guiding both its domestic and foreign policies [3].

China's foreign policy focus began intensifying in 2012, a shift that was far from spontaneous. The concepts driving this change had been evolving over time, drawing from both Western scholarship and an analysis of global successes and failures, particularly the Soviet Union's experiences. However, not all proposed ideas successfully made it into mainstream discourse. For example, the "new model of major country relations," introduced by Chinese President Xi Jinping during his 2013 meeting with U.S. President Barack Obama, was essentially an interpretation of the G2 concept [4]. Yet, the relevance of this concept quickly diminished under Donald Trump's trade war-focused policy with China, rendering it largely obsolete.

The concept of "nation" in China does not carry the purely primordial connotations often associated with extreme forms, such as in North Korea (Asmolov et al., 2022). Instead, it aligns more with a constructivist view, treating the nation as an "imagined community" (Anderson, 2006). Similarly, China's understanding of human rights is largely declarative, emphasizing rights without corresponding duties. This perspective is closely intertwined with core socialist values (Litvak and Pomozova, 2021) [5]. Li Junru, in his article "Chinese Dream. Chinese People's Dream of Human Rights" (Li, 2014), explores this relationship, highlighting how the Chinese Dream unites the dignity of the state, its people, and individual citizens. Although the extent of Li Junru's contribution to the theoretical development of this concept remains speculative, given the lack of open sources, his extensive writings portray the Chinese Dream as central to modern China's political ideology. This concept, linked inseparably with the "great rejuvenation of the Chinese nation," is enshrined in the Communist Party of China's Constitution since 2017 (Charter, 2017), appearing three times and closely associated with the CPC, socialism with Chinese characteristics, and Xi Jinping's thoughts. While the preamble does not directly mention the Chinese Dream, it references the aim of achieving the "great rejuvenation of the Chinese nation," which serves as the foundation of this vision.

Another pivotal concept of modern China is the Belt and Road Initiative. Formally, it seeks to enhance existing trade routes and develop new transport and economic corridors, connecting countries willing to join and fostering trade relations with China. However, this initiative, although grounded in economic and infrastructure projects, also functions as a foreign policy tool. It is perceived globally as such. European countries, situated at the endpoint of this grand endeavor, are particularly cautious, wary of becoming strategically dependent on Beijing. The idea of the Maritime Silk Road, later incorporated into the Belt and Road Initiative, was first introduced by Chinese Prime Minister Li Keqiang at the China-ASEAN trade fair in September 2013 (Li, 2013) [6].

Research Framework

For China, the BRI presents a multitude of strategic advantages. It offers a productive outlet for the country's \$3 trillion in capital reserves, accelerates the internationalization of the renminbi, fosters global momentum for setting standards aligned with Chinese interests, and facilitates the export of domestic overcapacity in sectors such as steel, cement, and machinery. The scale of the BRI enhances China's leverage over other nations, enabling it to secure preferential trade and investment deals for its enterprises. Additionally, the initiative strengthens China's energy security by providing more direct access to oil and gas supplies from Russia, Central Asia, and Iran, thereby reducing concerns about the disruption of maritime supply routes by the U.S. Navy during times of geopolitical tension. Furthermore, the BRI aids China in transitioning from an investment-driven growth model to one focused on consumption. According to Yale economist Stephen Roach, the contribution of consumption to GDP growth has only increased by 2.5% since 2010, largely due to precautionary spending driven by fears surrounding China's insufficient social safety net. In this context, the BRI serves as a vital tool for China to offset domestic economic challenges by tapping into external sources of growth, compensating for weaker internal demand [7].

Despite progress in this field, existing studies on China-Central Asia cross-border e-commerce remain limited in scope. There is a noticeable lack of quantitative analysis, comprehensive data support, and well-grounded policy recommendations. The diverse economic landscapes, technological capabilities, and levels of international integration among Central Asian nations contribute to varying trade potentials, yet previous research has largely overlooked these disparities. Few studies have

examined the underlying differences and interconnections between these markets, nor have they proposed tailored development models for each country's unique e-commerce potential.

To bridge this gap, the present study aims to conduct a thorough analysis of the factors shaping cross-border e-commerce potential between China and Central Asia. By leveraging empirical research and data-driven insights, this study will provide a clearer understanding of trade opportunities, formulate effective policy recommendations, and foster deeper cooperation in the digital economy. Strengthening bilateral e-commerce ties will not only accelerate trade development but also contribute to the formation of a more integrated digital ecosystem, reinforcing the long-term economic partnership between China and Central Asian countries.

Despite being the world's largest manufacturer, China also imports a variety of goods that it does not have enough of to meet domestic demand or that are economically viable to buy overseas. For example, China imports oil, natural gas, rare earth elements, agricultural products, and high-tech goods such as semiconductors and medical equipment.

Results and Discussion

The five nations of Central Asia are strategically positioned within the Silk Road Economic Belt, a rapidly expanding hub for trade between China and Belt and Road Initiative (BRI) countries. In recent years, the globalization of the digital economy has fueled the swift expansion of cross-border e-commerce between China and Central Asia. Accurately forecasting the growth potential of this market and identifying optimal development strategies are crucial for fostering trade, advancing digital commerce, and shaping the future of cross-border e-commerce.

Utilizing an expanded gravity model to assess market potential, we categorize the e-commerce trade opportunities between China and Central Asian countries while actively exploring innovative business models for this sector. The rise of cross-border e-commerce is set to enhance trade quality between China and Central Asia, reinforce the Silk Road Economic Belt's economic framework, and ensure steady progress for the Belt and Road Initiative.

However, cross-border e-commerce for exports faces multiple challenges, including regulatory uncertainties stemming from intensified government oversight, inefficiencies and high costs in logistics, complexities in international payments, risks associated with cross-border fund flows, weak intellectual property enforcement, and product homogeneity. To address these issues, a strategic approach is necessary. Capitalizing on the opportunities presented by the Belt and Road Initiative and proactively entering new markets can drive sustainable growth. Strengthening international cooperation in e-commerce at the national level will help establish a more stable regulatory environment, while government-led initiatives should focus on creating an efficient, well-integrated support system to facilitate international trade. Additionally, investment in logistics infrastructure, improvements in overseas warehousing, and the enhancement of service efficiency are essential. Advancements in financial technologies, particularly blockchain, can further streamline transactions. Finally, building strong export brands will be key to increasing global competitiveness in the cross-border e-commerce landscape.

In general, the meaning of China's imports of products is to meet the country's needs, expand industry, improve the quality of life of the population, and support international trade and economic growth.

The volumes of imported products Key

The analysis of the volumes of imported products from Central Asian republics to China in thousand US dollars and their share in the total world import volume from 2017 to 2024 reveals the following key trends:

(1) Growth in import volumes:

The import volume from Central Asian republics to China has shown a consistent increase over the period. In 2017, the volume was \$14.53 billion, and by 2024, it is projected to reach \$30.64 billion. This growth demonstrates the expanding trade relations between China and Central Asia, likely driven by increased demand for goods, infrastructure projects, and regional economic integration, particularly within the framework of the "Belt and Road Initiative."

(2) Fluctuations in share of total world imports:

The share of imports from Central Asia in China's total world imports has fluctuated over the years. In 2017, it was 0.79%, which increased to 0.89% in 2018. However, the share decreased in 2019 and 2020 to 0.48% and 0.50%, respectively. This decrease can be attributed to global economic conditions, such as trade disruptions, the COVID-19 pandemic, and changes in global demand. Despite this, there was a notable rebound in 2021, with the share rising to 1.03%. The share continued to grow in 2022 and 2023, reaching 1.09%, and is expected to rise further to 1.18% by 2024 (Figure 1). This indicates that while the global trade landscape fluctuates, Central Asia's share in China's imports is gradually increasing.

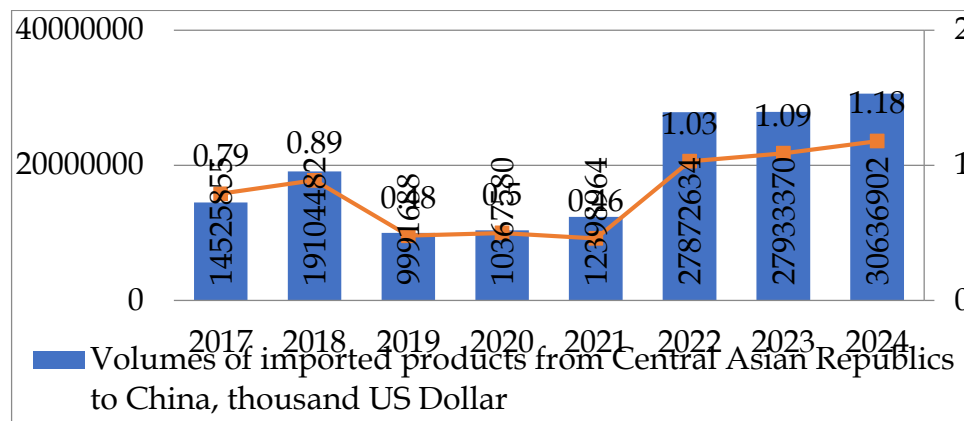


Figure 1. Volumes of imports of products from the Central Asian republics to China and their share in the total volume of imports

Source: compiled by the author based on data from the International Trade Center

(3) Impact of global trade dynamics:

While there have been fluctuations in the share of total world imports, the overall trend of increasing import volumes highlights Central Asia's growing importance as a trade partner for China. The region's economic integration and participation in global trade, especially within the context of China's strategic initiatives, are key factors driving this growth.

(4) Projections for future growth:

The forecasted continued increase in both import volumes and share suggests a promising outlook for trade between China and Central Asia. With ongoing investments in infrastructure, energy, and other sectors, it is likely that this trend of rising imports will continue, enhancing Central Asia's role in China's broader trade network.

In conclusion, the data reveals that imports from Central Asia to China have steadily increased, with a noticeable recovery in recent years after a brief dip. The projected growth in both import volumes and share in the total world imports reflects the strengthening economic ties between China and the Central Asian republics, which are expected to continue in the future.

Overall, the analysis shows that the import of goods from Central Asia to China is significantly increasing, and this trend is expected to continue, indicating the further strengthening of economic ties between the regions.

The analysis of the volumes of imported products from the Central Asian republics to China in thousand US dollars from 2017 to 2024 reveals the following key trends:

(1) Kazakhstan:

Kazakhstan consistently has the highest import volumes to China among the Central Asian countries. The volume of imports from Kazakhstan increased significantly from \$6.34 billion in 2017 to an estimated \$15.86 billion in 2024, with noticeable growth particularly from 2020 onwards. This highlights the strengthening of trade ties between China and Kazakhstan, likely driven by energy exports and growing infrastructure projects under the "Belt and Road Initiative."

(2) Turkmenistan:

Imports from Turkmenistan show significant fluctuation, with a large peak in 2018 (\$8.12 billion), followed by a sharp decline in 2019 and 2020. However, imports rebounded dramatically in 2021 to \$10.31 billion, largely due to energy exports and infrastructure deals with China. The 2024 projection suggests a slight decrease, bringing the volume to about \$9.62 billion, which indicates a stabilization of trade.

(3) Kyrgyzstan:

Kyrgyzstan exhibits the smallest import volumes among the Central Asian republics. The import value remained relatively low until 2020, but there is a dramatic projected surge in 2024 to \$2.80 billion. This large increase in 2024 could be due to an anticipated rise in trade related to regional infrastructure development or increasing demand for Chinese products in Kyrgyzstan.

(4) Uzbekistan:

The import volumes from Uzbekistan have shown steady growth, from \$1.47 billion in 2017 to an estimated \$2.01 billion in 2024. Uzbekistan's imports have been driven by demand for Chinese goods, particularly machinery and consumer products. The gradual increase indicates the country's growing economic ties with China and its expanding manufacturing sector.

(5) Tajikistan:

Tajikistan's imports have been relatively modest, though there has been some fluctuation over the years. The import value rose from \$46.7 million in 2017 to \$349.2 million in 2024, with a noticeable spike in 2021 (Figure 2). This suggests that while Tajikistan's imports are growing, the volumes remain lower compared to other Central Asian countries, reflecting its smaller economic scale.

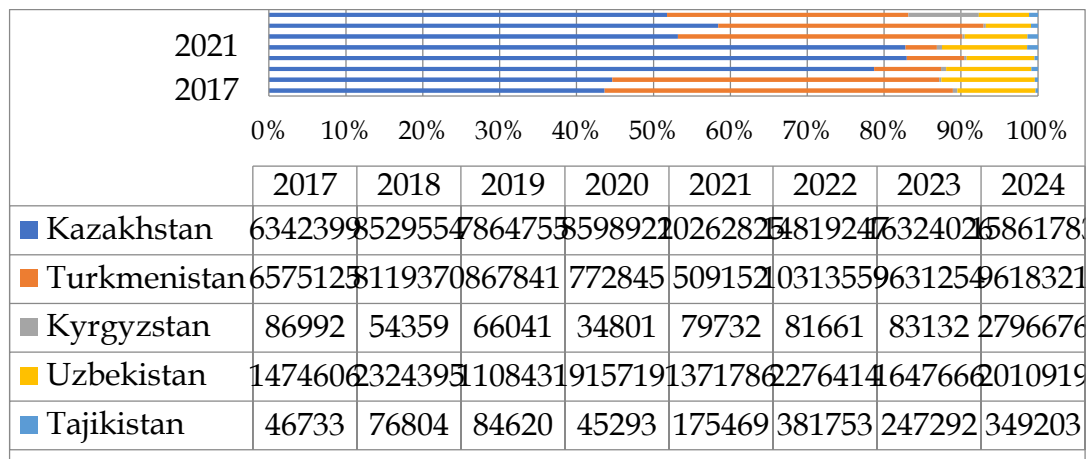


Figure 2. Volumes of imported products from Central Asian Republics to China, thousand US Dollar

Source: compiled by the author based on data from the International Trade Center

Overall, the data indicates that Kazakhstan and Turkmenistan are the largest importers of Chinese products in Central Asia, with Uzbekistan and Kyrgyzstan showing steady growth in their imports. Tajikistan, though smaller in import volumes, demonstrates growth as well, especially in recent years. The overall trend reflects strengthening trade relations between China and the Central Asian republics, driven by various economic factors including energy exports, infrastructure development, and regional economic integration.

The analysis of the volumes of imported products from Kyrgyzstan to China in thousand US dollars and the share in the total import volume of Central Asian republics from 2017 to 2024 reveals the following key trends:

(1) Volatility in import volumes:

The import volume from Kyrgyzstan to China experienced significant fluctuations over the period. In 2017, imports were valued at \$86.99 million, but they decreased in 2018 to \$54.36 million. Import volumes increased again in 2019 to \$66.04 million, but then sharply declined in 2020 to \$34.80 million, likely due to the impacts of the COVID-19 pandemic and disruptions in trade. However, from 2021

onwards, there has been a noticeable recovery, with the import volume increasing to \$79.73 million in 2021 and further rising to \$81.66 million in 2022. The dramatic surge in 2024 is expected, reaching \$2.80 billion, marking a significant increase (Figure 3).

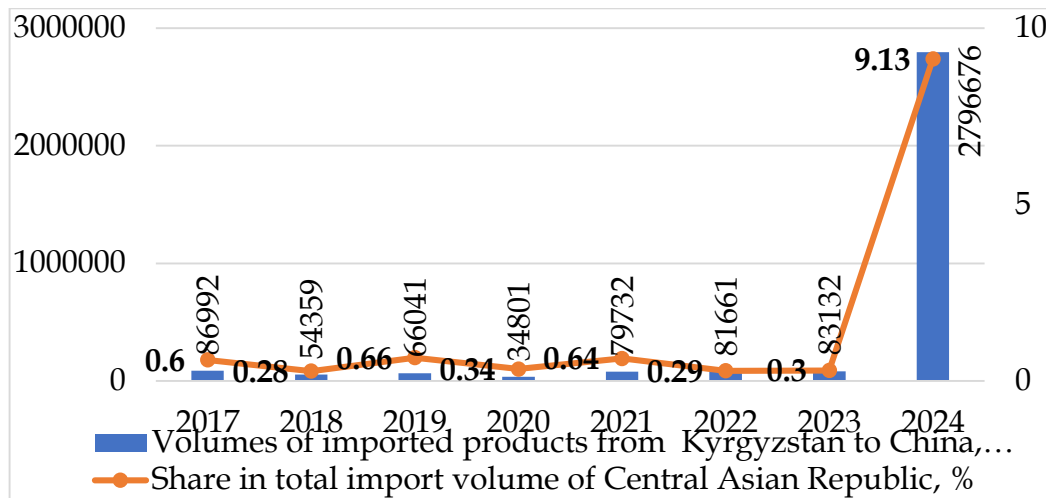


Figure 3. Volumes of imported products from Kyrgyzstan to China

Source: compiled by the author based on data from the International Trade Center

(2) Fluctuations in share of total imports:

The share of Kyrgyzstan's imports in the total import volume of Central Asian republics also shows considerable variation. In 2017, Kyrgyzstan's share was 0.6%, but this dropped significantly in 2018 to just 0.28%. The share increased to 0.66% in 2019, then fell again to 0.34% in 2020, before rising to 0.64% in 2021. In 2022, however, the share dropped again to 0.29%, and is projected to make a substantial jump to 9.13% by 2024. This sharp rise in 2024 indicates a significant change in trade patterns, likely driven by new economic agreements or changes in the trade landscape between Kyrgyzstan and China.

(3) Implications of the sharp increase in 2024:

The dramatic projected increase in imports and share in 2024 suggests that Kyrgyzstan may experience a substantial surge in trade with China. This could be due to a variety of factors, including improved trade agreements, infrastructure projects, or new demand for Chinese goods. It could also reflect increased integration into regional economic initiatives like the "Belt and Road Initiative."

While Kyrgyzstan's imports to China have historically been modest compared to other Central Asian republics, the trends indicate a potential shift in the trade dynamics. The sharp rise in 2024 could mark the beginning of a new phase in economic relations, with Kyrgyzstan becoming a more significant partner in terms of imports to China.

In conclusion, although Kyrgyzstan's import volumes and share in total Central Asian imports have fluctuated significantly, the projected sharp increase in 2024 suggests that Kyrgyzstan is likely to experience stronger economic ties with China in the coming years. This could be indicative of the country's growing importance as a trade partner in the region.

Chinese exports to Central Asia have significantly increased over the years, growing from \$21.46 billion in 2017 to an estimated \$64.35 billion in 2024. The most notable surge occurred in 2021-2023, with exports nearly doubling from \$29.51 billion in 2021 to \$61.44 billion in 2023, reflecting a sharp increase in trade relations. In 2017, China exported \$21.46 billion worth of products to the Central Asian Republics, accounting for 0.94% of its total global exports. In 2018, exports increased to \$22.56 billion, but their share in global exports slightly declined to 0.9%. In 2019, trade surged to \$26.06 billion, with the share in global exports rising to 1.04%, reflecting growing economic ties. In 2020, exports dropped to \$21.17 billion due to the global economic slowdown caused by the COVID-19 pandemic, reducing the share to 0.82%. In 2021, trade rebounded strongly to \$29.51 billion, with a 0.88% share in China's total global exports, showing post-pandemic recovery. In 2022, exports saw a sharp increase to \$42.37 billion, raising their share to 1.18%, indicating strengthening trade relations. In 2023, exports reached \$61.44 billion, nearly triple the 2020 level, with a 1.81% share, marking a significant expansion in trade.

In 2024, exports are estimated to reach \$64.35 billion, with a 1.8% share, maintaining the high trade volume established in the previous year (Figure 4).

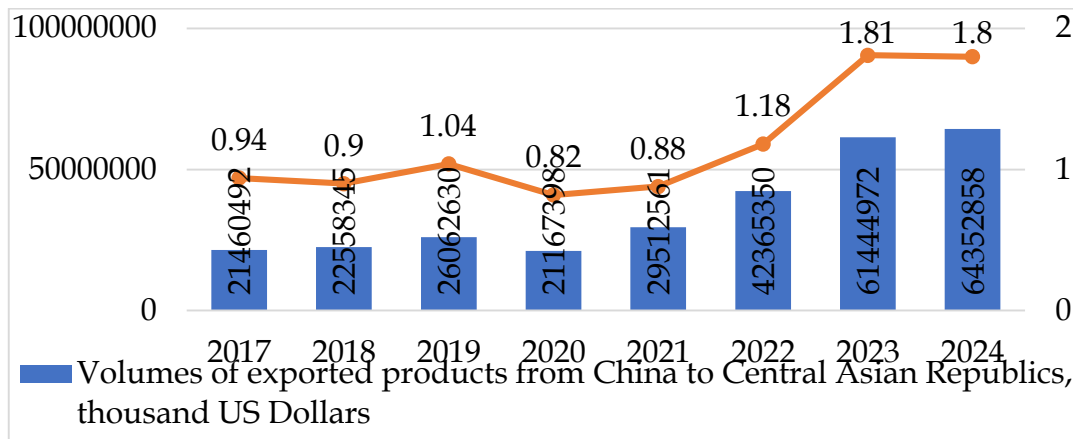


Figure 4. Volumes of exports of products from the Central Asian republics to China and their share in the total volume of imports

Source: compiled by the author based on data from the International Trade Center

The high 1.8% share in 2024 suggests Central Asia is becoming an increasingly important trade partner for China.

From 2017 to 2024, China's exports to Central Asian countries showed a steady increase, with Kazakhstan and Kyrgyzstan being the largest trade partners. Despite a drop in 2020 due to the global pandemic, exports surged in 2021-2023, reflecting strengthened economic ties.

Kazakhstan has remained the top importer of Chinese goods, with exports growing from \$11.63 billion in 2017 to a projected \$28.11 billion in 2024. The significant increase in 2023-2024 suggests deeper economic integration.

Kyrgyzstan experienced a remarkable surge in imports, rising from \$5.37 billion in 2017 to \$19.92 billion in 2024. The sharp jump from \$2.86 billion in 2020 to \$15.42 billion in 2022 indicates increasing trade dependence on China (Figure 5).

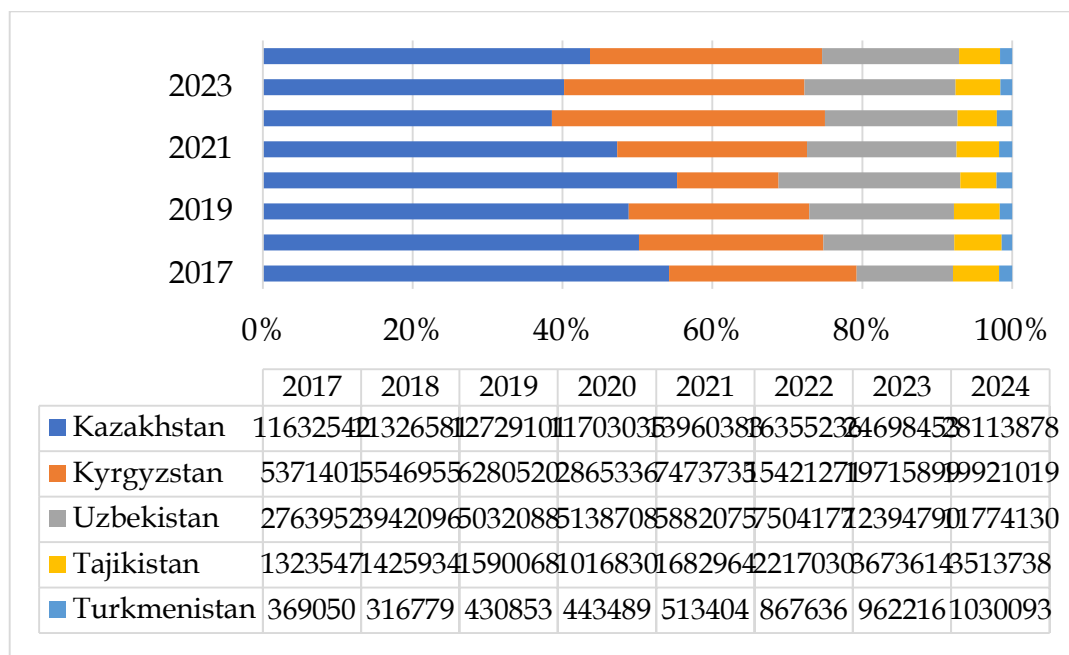


Figure 5. Volumes of exported products from China to Central Asian Republics, thousand US Dollar

Source: compiled by the author based on data from the International Trade Center

Uzbekistan saw steady growth, with imports increasing from \$2.76 billion in 2017 to a peak of \$12.39 billion in 2023, before slightly declining to \$11.77 billion in 2024. This suggests a possible stabilization in trade volumes.

Tajikistan had moderate growth, with imports rising from \$1.32 billion in 2017 to \$3.51 billion in 2024, more than doubling over the period.

Turkmenistan had the smallest trade volume, growing from \$369 million in 2017 to \$1.03 billion in 2024, indicating slow but consistent growth in imports from China.

Key Observations and Implications

COVID-19 Impact (2020): A sharp decline in trade, especially with Kyrgyzstan and Tajikistan, highlights the disruption caused by global economic conditions.

Post-Pandemic Recovery: Rapid trade growth from 2021 onward, especially in Kazakhstan and Kyrgyzstan, suggests increased economic cooperation and demand for Chinese products.

Kyrgyzstan's Boom (2021-2023): A striking increase in imports indicates a shift in trade dynamics, possibly due to re-export activities or infrastructure projects.

Potential Trade Saturation (2024): A slight slowdown in Uzbekistan and Tajikistan may signal market stabilization.

Overall, China's exports to Central Asia have nearly tripled since 2017, emphasizing the region's growing importance in China's trade strategy.

In 2017, China exported \$5.37 billion worth of products to Kyrgyzstan, accounting for 25.03% of its total exports to Central Asia. In 2018, exports increased slightly to \$5.55 billion, while Kyrgyzstan's share in China's exports to the region decreased to 24.59%. In 2019, trade continued to grow, reaching \$6.28 billion, but its share in total exports to Central Asia declined to 24.1%, suggesting stronger growth in other regional markets. In 2020, due to the impact of the COVID-19 pandemic, exports to Kyrgyzstan dropped sharply to \$2.86 billion, reducing its share to 13.54%, the lowest in the period. In 2021, trade rebounded significantly to \$7.47 billion, restoring Kyrgyzstan's share to 25.32%, indicating strong post-pandemic recovery. In 2022, exports surged to \$15.42 billion, the highest annual growth in the period, increasing Kyrgyzstan's share in China's Central Asian exports to 36.4% (Figure 6).

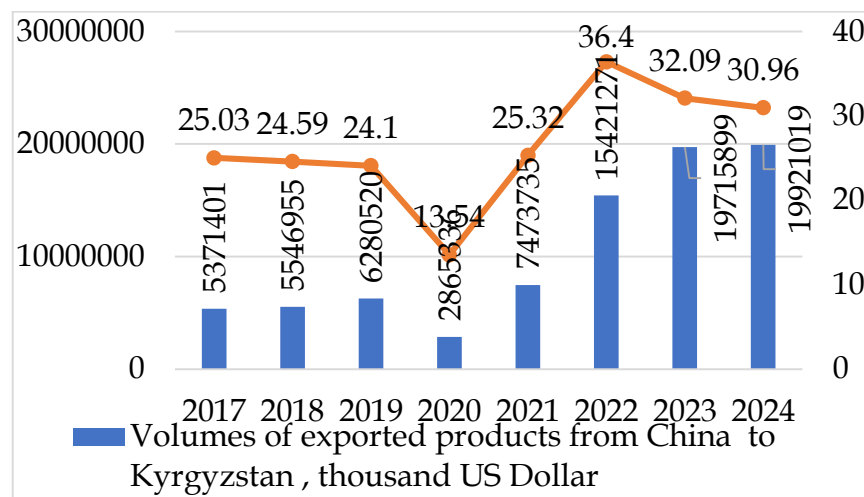


Figure 6. Volumes of exported products from China to Kyrgyzstan

Source: compiled by the author based on data from the International Trade Center

In 2023, trade continued to grow, reaching \$19.72 billion, though its share in total exports decreased to 32.09%, reflecting rising trade with other Central Asian countries. In 2024, exports are expected to reach \$19.92 billion, with Kyrgyzstan's share in China's regional exports slightly declining to 30.96%, suggesting market stabilization.

In 2017, the trading balance between China and the Central Asian republics amounted to \$6.93 billion, representing 1.61% of China's total global exports. In 2018, the balance decreased significantly to \$3.45 billion, with its share in global exports dropping to 0.96%, indicating a decline in trade activity.

In 2019, there was a sharp increase in trade, reaching \$16.07 billion, and its share in global exports rose to 3.72%, reflecting stronger economic engagement. In 2020, the balance declined to \$10.79 billion, with a reduced global share of 2.03%, likely due to the impact of the COVID-19 pandemic. In 2021, trade recovered to \$17.11 billion, increasing its share in China's global exports to 2.49%, indicating renewed economic activity in the region exports. In 2022, the balance dropped to \$14.49 billion, while its share in global exports decreased to 1.65%, suggesting a temporary slowdown in trade. In 2023, the trading balance surged to \$33.51 billion, with a 4.04% share in global exports, marking a record high and reinforcing China's growing economic influence in Central Asia (Figure 7).

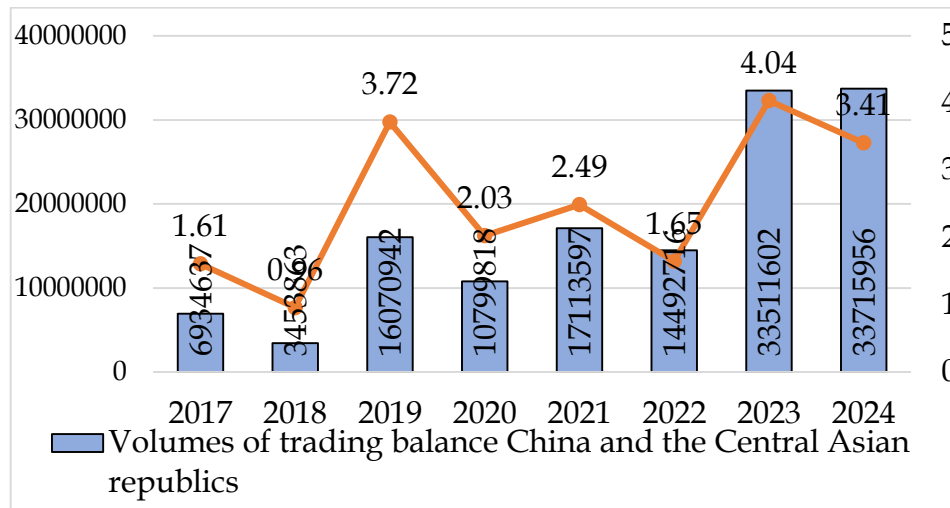


Figure 7. Volumes of trading balance China and the Central Asian republics and their share in the total volume of trading balance

Source: compiled by the author based on data from the International Trade Center

In 2024, the balance is expected to remain stable at \$33.72 billion, with a slightly lower global share of 3.41%, indicating sustained but slightly moderated trade growth.

In 2017, China's trading balance with Central Asian republics showed positive figures for Kazakhstan (\$5.29 billion), Kyrgyzstan (\$5.28 billion), Uzbekistan (\$1.29 billion), and Tajikistan (\$1.28 billion). However, Turkmenistan recorded a negative balance of -\$6.21 billion, indicating a significant trade deficit.

In 2018, the trading balance dropped significantly for Kazakhstan (\$2.8 billion) but remained stable for Kyrgyzstan (\$5.49 billion). Uzbekistan's trade balance slightly increased to \$1.62 billion, while Tajikistan's rose to \$1.35 billion. Turkmenistan's deficit deepened to -\$7.8 billion, reflecting continued trade imbalances. In 2019, trade surged with Uzbekistan (\$3.92 billion) and Kyrgyzstan (\$6.21 billion), while Kazakhstan saw a moderate rise to \$4.86 billion. Tajikistan's trade balance reached \$1.51 billion, but Turkmenistan improved its position significantly, reducing its deficit to -\$437 million. In 2020, due to the pandemic, the balance declined for Kazakhstan (\$3.1 billion) and Kyrgyzstan (\$2.83 billion). However, Uzbekistan's trade increased to \$4.22 billion. Tajikistan saw a drop to \$971 million, while Turkmenistan's deficit narrowed to -\$329 million. (Figure 8).

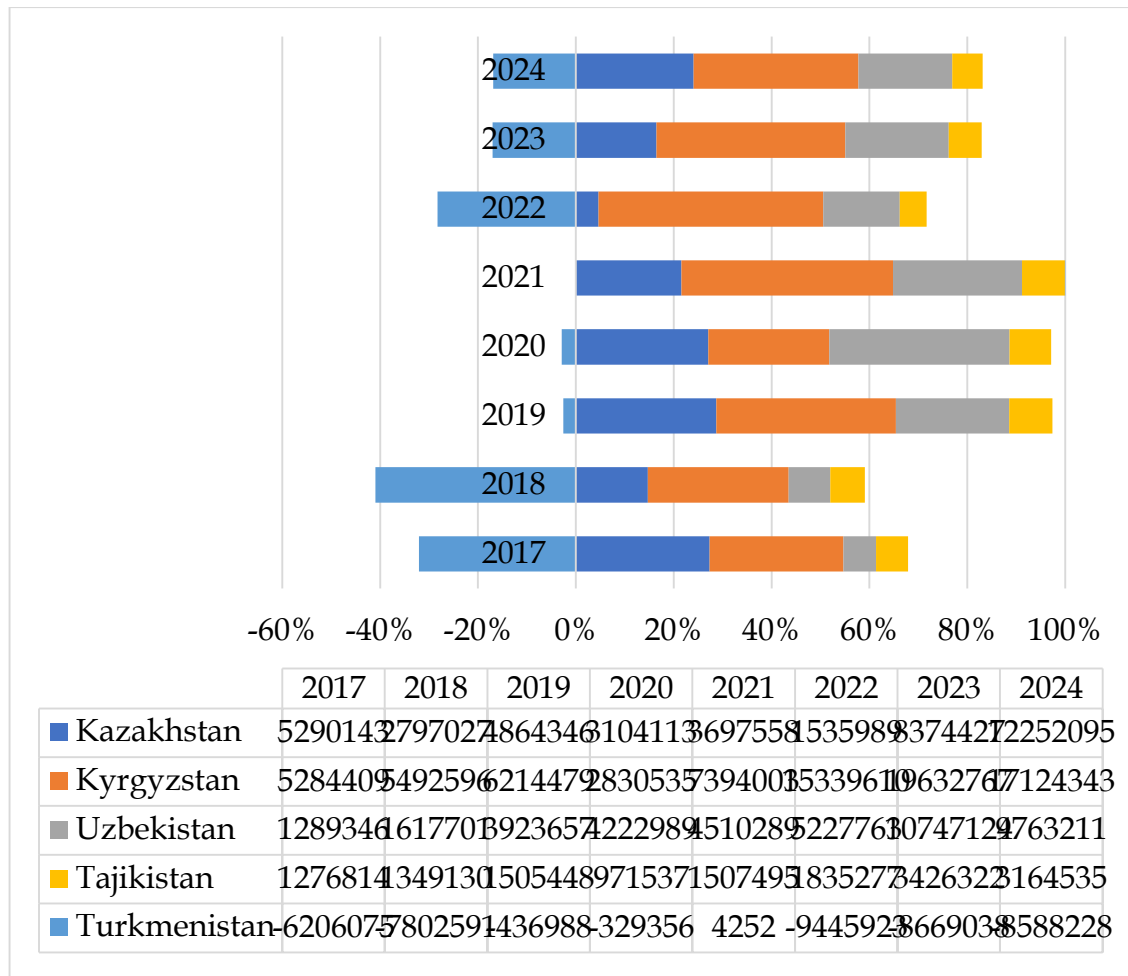


Figure 8. Volumes of trading balance China and the Central Asian republics, thousand US Dollar

Source: compiled by the author based on data from the International Trade Center

In 2021, trade rebounded strongly in Kyrgyzstan (\$7.39 billion) and Uzbekistan (\$4.51 billion), while Kazakhstan saw a modest increase to \$3.7 billion. Tajikistan's trade balance returned to \$1.51 billion. Turkmenistan recorded a slight positive balance of \$4.25 million, showing signs of trade recovery.

In 2022, the trading balance rose significantly for Kyrgyzstan (\$15.34 billion) and Uzbekistan (\$5.23 billion), while Kazakhstan's trade dropped to \$1.54 billion. Tajikistan reached \$1.83 billion, but Turkmenistan's trade deficit worsened to -\$9.45 billion, reflecting growing economic imbalances.

In 2023, trade volume expanded sharply for Kyrgyzstan (\$19.63 billion) and Uzbekistan (\$10.75 billion), while Kazakhstan recorded a substantial increase to \$8.37 billion. Tajikistan also saw a rise to \$3.43 billion. However, Turkmenistan continued to experience a large deficit of -\$8.67 billion.

In 2024, trade is expected to remain strong in Kazakhstan (\$12.25 billion) and Kyrgyzstan (\$17.12 billion), though the latter shows a slight decline. Uzbekistan's balance is forecasted to decrease to \$9.76 billion, while Tajikistan's trade is expected to reach \$3.16 billion. Turkmenistan's deficit is projected to persist at -\$8.59 billion, indicating ongoing trade challenges.

In 2017, the trading balance between China and Kyrgyzstan stood at \$6.93 billion, accounting for 76.2% of the total trading balance with Central Asian republics. This highlights Kyrgyzstan's substantial role in China's trade relations within the region (Figure 9).

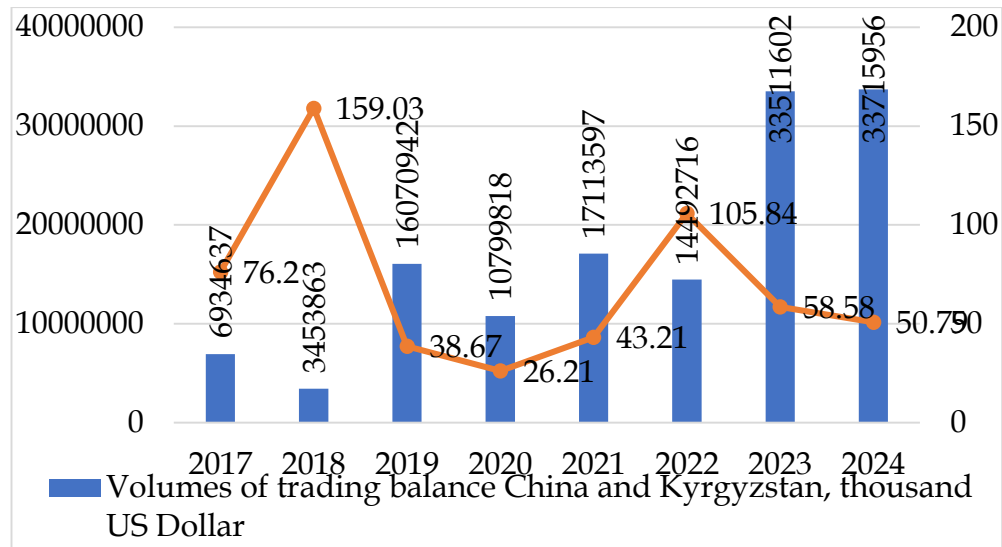


Figure 9. Volumes of trading balance China and Kyrgyzstan and share in total trading balance of Central Asian Republic

Source: compiled by the author based on data from the International Trade Center

In 2018, the trade volume dropped sharply to \$3.45 billion, but its share in the regional trading balance surged to 159.03%, indicating that other Central Asian countries experienced even more significant declines in trade.

In 2019, trade rebounded significantly to \$16.07 billion, yet its share in the regional balance declined to 38.67%, reflecting increased trade activity with other Central Asian nations.

In 2020, the trading balance fell to \$10.8 billion, influenced by the economic impact of the COVID-19 pandemic. Its share in the total regional balance further declined to 26.21%, suggesting a more balanced distribution of trade across Central Asia. In 2021, the trade volume recovered to \$17.11 billion, and its share in the regional balance rose to 43.21%, emphasizing Kyrgyzstan's continued importance in China's regional trade strategy. In 2022, the trading balance slightly decreased to \$14.49 billion, but its share in the regional total surged to 105.84%, indicating a contraction of trade volumes with other Central Asian countries. In 2023, trade between China and Kyrgyzstan experienced a substantial increase, reaching \$33.51 billion, while its share in the total Central Asian trading balance stood at 58.58%, underscoring strong bilateral trade relations. In 2024, trade is projected to remain stable at \$33.72 billion, with Kyrgyzstan's share in the regional trading balance slightly decreasing to 50.79%, indicating a more diversified trade landscape across Central Asia.

In 2024, the total value of imports from Kyrgyzstan to China amounted to approximately 2.8 billion US dollars. The import composition reveals key products that highlight the economic relationship between the two countries, emphasizing Kyrgyzstan's role as a significant supplier of natural resources and raw materials.

Impact of the Belt and Road Initiative on the Development of International Trade

An analysis of China's cross-border e-commerce market potential with five Central Asian nations reveals significant variations in trade potential across the region. The status of cross-border e-commerce trade between China and these countries has been subject to continuous shifts over time, reflecting an evolving market landscape. While fluctuations occur annually, four out of the five nations have, at some point, demonstrated high trade potential. With the expansion of the digital economy and the Belt and Road Initiative, cross-border e-commerce is poised to play a pivotal role in enhancing trade structures and fostering high-quality economic cooperation between China and Central Asia.

However, export-oriented cross-border e-commerce faces multiple challenges:

Regulatory and Tax Pressures: Increasing government oversight and stringent tax policies raise compliance costs and trade risks for exporters.

Logistics Inefficiencies: High transportation costs and slow delivery times undermine customer satisfaction and limit market competitiveness.

Payment Security Concerns: The sector is vulnerable to fraud, financial risks, and transaction uncertainties in cross-border payments.

Intellectual Property and Branding Issues: Many enterprises lack brand differentiation and a strong awareness of intellectual property rights, leading to an oversaturated market characterized by low-cost competition.

To overcome these barriers and drive sustainable growth, a multi-level strategic approach is essential:

Policy and Global Engagement: The Chinese government should take an active role in shaping international e-commerce regulations, fostering global cooperation mechanisms to create a more predictable and supportive trade environment.

Institutional and Regulatory Innovation: Local and national governments must spearhead comprehensive service frameworks by standardizing technical guidelines, operational processes, and regulatory models to streamline cross-border transactions.

Market Expansion and Competitiveness: Exporters should leverage Belt and Road opportunities to enter emerging markets, enhance logistics networks, strengthen brand identity, and boost product competitiveness.

By addressing these challenges and capitalizing on new market opportunities, China-Central Asia cross-border e-commerce can evolve into a highly efficient and strategically significant trade ecosystem.

Taiwan, China The competitiveness in the Southeast Asian e-commerce market is about 3 to 10 times smaller than that of the main competitive countries. According to the range law of Lanchester's law, the competition range in this market is 0.20. The total size of the e-commerce market of the six ASEAN countries is \$7 billion, accounting for 0.7% of the global market. Taiwan, China strives for the e-commerce market potential of the six ASEAN countries = $3.47/0.7=4.95$ 7, and China Taiwan strives for the e-commerce market potential of the six ASEAN countries = $3.47/0.7=4.95$ 7. It is estimated that the potential market share of China Taiwan e-commerce in ASEAN is 4.95 times of the current level. Taiwan, China The strategy focuses on Vietnam, Thailand and the Philippines, among which Vietnam is the biggest opportunity. Taiwan, China strives for the potential of Vietnam global e-commerce market $3.47/0.08=43.37$ Taiwan, China strives for the potential of Vietnam global e-commerce market $3.47/0.08=43.37$. It is estimated that the potential market share of Chinese Taiwan e-commerce in Vietnam is 43.37 times of the current level.

Over the past decade, China has consistently prioritized the high-quality development of its foreign trade. In 2021, the total value of China's goods trade reached \$6.05 trillion, while services trade surpassed \$800 billion, marking increases of 56% and 70%, respectively, compared to 2012. The share of the international market for imports and exports of goods rose from 10.4% in 2012 to 13.5% in 2021. China has maintained its position as the world's largest trading nation for five consecutive years. Cross-border e-commerce imports and exports have grown almost tenfold over the last five years. Additionally, four China International Import Expos have been successfully held, with a combined turnover of \$272.27 billion.

This continuous expansion of trade demonstrates that China is not just a "world factory" but also a "world market." By providing global markets with high-quality, affordable, diverse, and appealing products, China is also offering other countries greater access to its domestic market. Over the last decade, trade between China and countries along the "Belt and Road" has flourished. From 2013 to 2021, the annual trade volume between China and Belt and Road nations rose by 73%, from \$1.04 trillion to \$1.8 trillion. The concept of "Silk Road E-commerce" has evolved into a new area of cooperation, leading to the construction and operation of several warehouses along the route. The China-Europe Express has seen over 50,000 trains operating, reaching more than 180 cities across 23 European countries.

Between 2013 and 2021, China's direct investment in Belt and Road countries amounted to \$161.3 billion. By the end of 2021, Chinese enterprises had invested a total of \$43.08 billion in economic and trade cooperation parks in these countries, creating 346,000 local jobs and fostering international production partnerships.

The World Trade Organization (WTO) defines cross-border e-commerce (Cross-border E-commerce) as "cross-border transactions of goods and services through electronic means";

(WTO, 2020). When enterprises enter the target market, they need to make clear their market positioning, systematically analyze the overall competitive environment, evaluate the comprehensive competitiveness of themselves and competitors, and take market share as the core index. In addition, enterprises can adopt the multi-attribute decision analysis (Multi-Attribute Decision Making, MADM) method to improve the scientific and effective nature of decision-making. The purpose of this study is to provide feasible suggestions on competitive positioning and market entry strategies for Taiwan, China cross-border e-commerce enterprises to expand the ASEAN market, so as to help them achieve sustainable development in the regional market.

Driven by economic globalization and digitalization of e-commerce, cross-border e-commerce is reshaping a new pattern of international trade. The development of cross-border e-commerce in China and the potential of the e-commerce market in Southeast Asia have had a profound impact on the development of global trade. Studying the dynamic changes of these two markets and the interaction mechanism is of great practical significance to promote the global economy.

Conclusion and Suggestion

China should continue fostering economic diplomacy with Central Asian countries by developing bilateral and multilateral trade agreements. Joint industrial and trade zones should be expanded to stimulate regional trade and attract foreign investments.

Trade facilitation measures, including digital customs clearance and standardized logistics processes, should be implemented to reduce barriers. Infrastructure investment in transportation and energy projects should be prioritized to strengthen regional supply chains.

China and Central Asian governments should enhance transparency in BRI-related projects to ensure sustainable economic benefits. Special economic zones and trade corridors under the BRI should be further developed to enhance trade efficiency.

China should diversify its export markets beyond traditional partners, strengthening ties with emerging economies. Active participation in global trade organizations and agreements should be maintained to ensure long-term economic stability.

E-commerce regulations should be harmonized with international standards to facilitate smoother cross-border transactions. Investments in digital infrastructure, logistics, and last-mile delivery services should be increased to enhance market competitiveness.

By implementing these recommendations, China can strengthen its position in international trade, enhance its economic partnerships with Central Asian countries, and leverage digitalization for sustainable trade growth.

References

- [1] Litvak, N.V. and Pomozova, N.B, (2022). Evolution of China's Global Foreign Policy Conception in the 21st Century. *Russia in Global Affairs*, 20(4), pp. 43-63. DOI: 10.31278/1810-6374-2022-20-4-43-63
- [2] Xi Jinping, 2021. Speech by H.E. Xi Jinping, President of the People's Republic of China at the Conference Marking the 50th Anniversary of the Restoration of the Lawful Seat of the People's Republic of China in the United Nations. Available at: https://www.fmprc.gov.cn/eng/zxxx_662805/202110/t20211025_9982254.html
- [3] Glaser, B.S. and Medeiros, E.S., 2007. The Changing Ecology of Foreign Policy-Making in China: The Ascension and Demise of the Theory of 'Peaceful Rise'. *The China Quarterly*, 190, p. 304. Grubel, H., & Lloyd, P. (1975). *Intra-Industry Trade: Theory and Practice*. New York: Macmillan.
- [4] Koval, V. V. (2017). Cross-Border Trade in the Context of Globalization: Current Challenges and Prospects // *Bulletin of Economic Studies*, 4(28), 112-121.
- [5] Litvak, N.V. and Pomozova, N.B, (2021). Chinese Diplomatic Discourse for Europe: A Change of Style. *Russia in Global Affairs*, 19(1), pp. 50-70. Available at: <https://eng.globalaffairs.ru/articles/chinese-diplomatic-europe/> [Accessed 15 September 2022].
- [6] Li Kailu. (2006). Taiwan, China Research on the performance indicators of renewable energy policy implementation [D]. The Institute of Management, Qiaoguang Technical Institute.
- [7] Abantsev A. (2024). Cross-border electronic commerce in China <https://as-pacific.com/blog/category-vse-o-biznese-s-kitaem/transgranichnaya-elektronnaya-kommerciya-v-kitae/>.