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Disclaimer:

The views expressed in this publication are those of the authors and do not necessarily reflect the views of the Organization of Turkic States or its member states.

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

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Photo: The Twelfth Summit of the Organization of Turkic States (OTS) under the theme “Regional Peace and Security” on 7 October 2025.

Abbreviations

CIF – Cost, Insurance and Freight

FY – Fiscal Year

GDP – Gross Domestic Product

IMF – International Monetary Fund

OTS – Organization of Turkic States

PRC – People’s Republic of China

TIF – Turkic Investment Fund

WB – World Bank

WEO – World Economic Outlook

yoy – year-on-year

Preface

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

This report draws on extensive data provided by focal points from the statistical agency officials nominated with the support of the Organization of Turkic States (OTS). The contributors include Ms. Leyla Karimova from the State Statistical Committee of Azerbaijan; Ms. Saliya Seidakhmatova from the National Statistics Committee of Kyrgyzstan; Mr. Alibek Raipov from Kazakhstan's Center for World Economy; Ms. Latofat Burieva from Uzbekistan's Center for Economic Research and Reforms; Mr. Salih Keleş, Trade Expert at the Ministry of Trade of Türkiye; Mr. Dénes Ádám from the Hungarian Central Statistical Office; and Ms. Aysun Önet and Mr. Yılmaz Altinterim from the Ministry of Foreign Affairs of Northern Cyprus.

Special thanks are extended to Mr. Farid Mammadov, Project Manager at the OTS Secretariat, for coordinating the nomination of working group members and facilitating collaboration among national focal points.

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

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

Prof. Dr. Vusal Gasimli

Executive Director

The Center for Analysis of Economic Reforms and Communication of Azerbaijan

Executive Summary

During January–September 2025, the economies of the Organization of Turkic States (OTS) demonstrated strong growth outperformance and sustained external integration amid a moderating global environment. Average GDP growth across the Turkic States reached 6.86%, more than double the estimated global growth rate of about 3.2% (IMF). In nominal terms, combined GDP amounted to approximately USD 1.79 trillion, corresponding to around 2.0% of estimated global GDP for the first nine months of 2025. Growth remained broad-based across the region, supported by investment activity, infrastructure development, and non-oil sector expansion, despite heterogeneous country-level dynamics.

External trade remained a key engine of economic activity. Total trade turnover reached USD 958.5 billion, equivalent to about 3.6% of estimated global trade in January–September 2025 (UNCTAD-based estimate), underscoring the region’s above-average trade openness relative to its economic size. Energy exporters maintained positive trade balances, while strong import demand in larger economies reflected investment and consumption needs. The data highlight both the resilience of OTS trade flows and the importance of continued export diversification and value-added upgrading to strengthen external positions over the medium term.

Macroeconomic expansion was accompanied by rising investment, expanding financial intermediation, and sizable fiscal activity. Fixed capital investment increased across most member states, while banking sector assets exceeded USD 1.05 trillion in Türkiye and grew at double-digit rates in several other OTS economies. Public revenues rose in nominal terms across the region, enabling continued spending on infrastructure, digitalization, and green energy, while fiscal stances diverged depending on country size and resource endowments. At the same time, green energy deployment, digital public services, and strategic connectivity initiatives—particularly along the Middle Corridor—advanced measurably, reinforcing the Turkic States’ role as a growing hub between Asia and Europe.

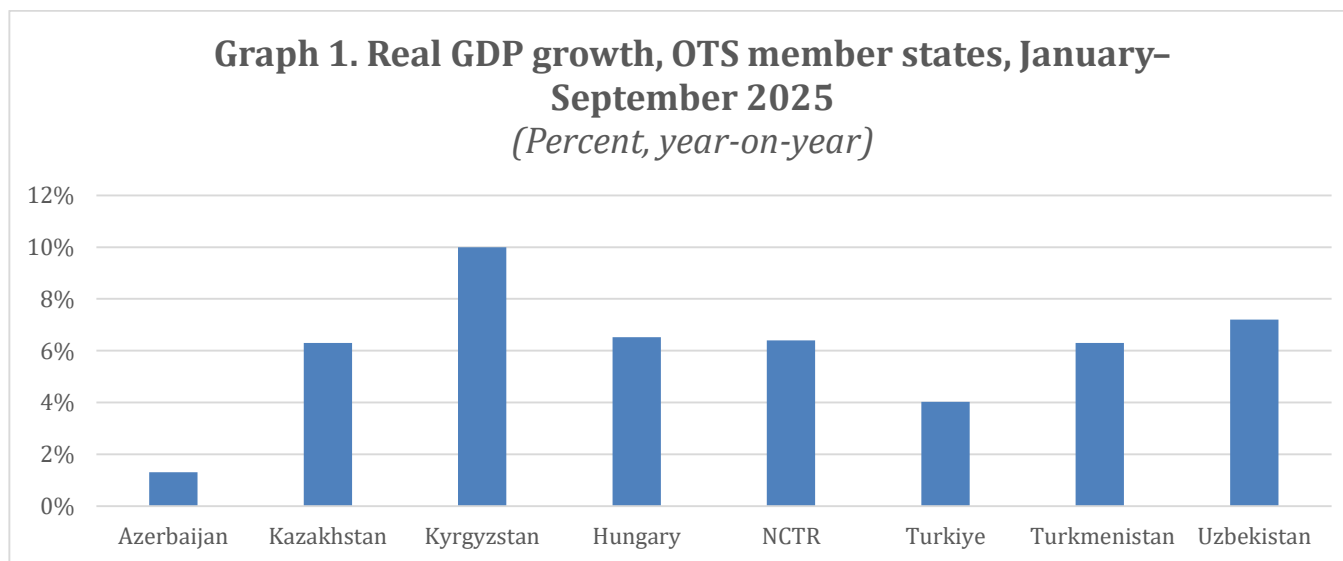
Looking ahead, the Turkic States enter the final quarter of 2025 with solid growth momentum, strong trade integration, and increasing investment in future-oriented sectors. Sustaining this performance will depend on deepening intra-OTS economic integration, scaling green and digital infrastructure, and leveraging strategic transport corridors to enhance resilience and raise the region’s medium-term share in global output and trade.

1. Macroeconomic Overview

Global activity remained resilient through 2025, though momentum moderated relative to 2024. The International Monetary Fund (IMF) projects world real GDP growth at 3.2% in 2025 (World Economic Outlook, October 2025). On the trade side, UNCTAD expects global trade (goods + services) to exceed USD 35 trillion in 2025, with growth slowing later in the year after earlier strength. These conditions provided a generally supportive, but increasingly mixed, external environment for Eurasian supply chains and corridor-based connectivity.

OTS in the global economy—continued growth outperformance

OTS in the global economy—continued growth outperformance. In January–September 2025, the Organization of Turkic States (OTS) economies recorded average GDP growth of 6.86%, more than double the IMF’s global benchmark. In nominal terms, combined GDP reached USD 1.79 trillion, equivalent to ~2.0% of estimated global GDP for the first nine months of 2025 (author’s estimate using IMF world aggregates; OTS national focal-point data). Growth was broad-based across members: Kyrgyzstan (10.0%), Uzbekistan (7.2%), Hungary (6.5%), Northern Cyprus (6.4%), Kazakhstan (6.3%), Turkmenistan (6.3%), Türkiye (4.0%), and Azerbaijan (1.3%).



Source: OTS Statistical Committee Working Group / national statistical agencies.

Sectoral signals—diverse drivers, investment support. Sectoral performance suggests that expansion was not driven by a single engine. Industry growth was strongest in Kyrgyzstan (+10.3%) and Kazakhstan (+7.3%), while Türkiye (+3.4%) and Uzbekistan (+6.6%) maintained positive industrial momentum; Azerbaijan’s industry was broadly flat (-0.1%). Agriculture strengthened in parts of Central Asia (Turkmenistan +12.9%,

Kazakhstan +4.4%, Uzbekistan +4.0%), while Türkiye recorded contraction (-6.4%) (national focal-point data). Investment remained an important near-term accelerator: fixed investment growth was positive in several members (e.g., Kazakhstan +13.5%, Uzbekistan +15.2%, Türkiye +7.5%), consistent with ongoing infrastructure and modernization cycles (national focal-point data).

Macroeconomic performance across the OTS is increasingly linked to corridor-led integration, reflecting the growing role of transport, logistics, and transit services as drivers of output, investment, and trade. Over recent years—and with greater intensity during January–September 2025—the reconfiguration of global supply chains has elevated the importance of Eurasian overland routes, reinforcing the economic relevance of OTS economies as connectivity nodes between Asia and Europe. Commitments reaffirmed at the Gabala Summit—including intensified work on trade facilitation, customs and transport cooperation, digitalization of border procedures, and ensuring freedom of transit—provide a policy framework aimed at reducing transaction costs, shortening transit times, and improving reliability along key routes. These measures are macroeconomically relevant, as they support higher trade volumes, stimulate logistics-related services, and enhance the return on infrastructure investment across member states.

The Middle Corridor has emerged as a central transmission channel for these effects. Freight flows along the corridor have increased multiple times compared with pre-2022 levels, supported by investments in ports, railways, rolling stock, and border infrastructure across OTS economies. This expansion has had measurable spillovers into transport, warehousing, trade services, and construction, sectors that recorded some of the fastest growth rates in several member states during the reporting period. At the macro level, rising corridor utilization has contributed to above-average trade turnover growth relative to GDP, reinforcing the region’s openness and external integration.

Improved connectivity enhances market access for non-resource exports, facilitates participation in regional value chains, and strengthens the attractiveness of OTS economies for foreign direct investment. As a result, connectivity initiatives complement domestic diversification strategies and support more balanced growth models across the region. Overall, the strengthening of corridor connectivity—anchored in coordinated policy commitments and sustained infrastructure investment—has become an increasingly important structural factor underpinning macroeconomic performance in the Turkic States. Continued progress in harmonizing regulations, digitalizing transit procedures, and expanding corridor capacity is expected to further reinforce growth momentum and economic integration in the period ahead.

Sectoral Dynamics

In Azerbaijan, non-oil activity remained the main engine of growth during January–September 2025. Output in the non-oil and gas industrial segment increased by 6.3% year-on-year, partially offsetting lower hydrocarbon production, resulting in an overall industrial contraction of 1.9% (State Statistical Committee of Azerbaijan, 2025a). Merchandise imports expanded, while exports softened in real terms, yielding a trade surplus of approximately USD 0.9 billion over the period (State Statistical Committee of Azerbaijan, 2025b). Fixed capital investment remained broadly stable, with a higher allocation toward non-oil sectors, particularly transport and services (State Statistical Committee of Azerbaijan, 2025c).

Kazakhstan's sectoral performance was broad-based, supported by infrastructure development and logistics upgrades. During January–September 2025, transport output increased by 22.7%, construction by 18.4%, mining by 8.4%, manufacturing by 5.5%, and agriculture by 3.7% (Bureau of National Statistics of Kazakhstan, 2025a). External engagement remained strong, with trade turnover reaching KZT 31.4 trillion (approximately USD 59.7 billion) in the period (Bureau of National Statistics of Kazakhstan, 2025b).

In the Kyrgyz Republic, sectoral gains were led by construction and trade-related services, reflecting strong investment inflows and public infrastructure projects. Industrial output also expanded, while agriculture remained stable (National Statistical Committee of the Kyrgyz Republic, 2025a). Goods exports moderated, and imports normalized in line with domestic demand during January–September 2025, indicating a gradual rebalancing of external flows (National Statistical Committee of the Kyrgyz Republic, 2025b).

Economic activity in Türkiye remained services-led, with construction providing additional support. National accounts data show construction output increased by 7.3% year-on-year in the first quarter of 2025, with services growth underpinned by tourism and domestic demand, trends that persisted into the third quarter (Turkish Statistical Institute [TurkStat], 2025a). Manufactured-goods exports remained broadly stable, while imports increased in response to investment and consumption demand (TurkStat, 2025b).

Uzbekistan's expansion remained broad-based, with strong contributions from industry and agriculture, alongside firm growth in retail trade and logistics. During January–September 2025, exports increased by around 29% year-on-year, while imports rose by approximately 7%, lifting total trade turnover by about 16% (Statistics Agency under the President of the Republic of Uzbekistan, 2025a). Fixed capital investment continued to rise, particularly in manufacturing and infrastructure (Statistics Agency of Uzbekistan, 2025b).

In Hungary, sectoral indicators were mixed but stabilizing through the third quarter of 2025. Earlier industrial weakness eased, while construction output increased by 3.6% year-on-year in May and 4.9% in July, reflecting improved project execution (Hungarian Central Statistical Office [KSH], 2025a). Services activity strengthened and helped offset manufacturing softness, while services trade improved and goods trade remained broadly flat over the January–September period (KSH, 2025b).

Sectoral performance in Turkmenistan reflected continued capital formation and energy-linked services activity. Official releases for January–September 2025 indicate steady real-sector growth supported by large-scale investment programs and expanding transport and trade services (State Committee of Turkmenistan on Statistics, 2025).

In Northern Cyprus (TRNC), sectoral growth was anchored by tourism and construction, with official bulletins reporting strong tourism inflows and sustained construction activity throughout the first nine months of 2025. While statistical coverage is not fully harmonized internationally, available indicators confirm services-led expansion (TRNC State Planning Organization, 2025).

Overall, sectoral outcomes during January–September 2025 confirm resilient, investment-led, and services-supported growth across the OTS, with logistics, construction, and non-oil activities playing an increasingly prominent role. These dynamics are consistent with the region's continued outperformance of global growth trends and support momentum into the remainder of 2025 (International Monetary Fund, 2025).

2. Inflation Trends

Global inflation continued to moderate during January–September 2025, reflecting the ongoing disinflation process that began in 2023. The International Monetary Fund (IMF) projects global consumer price inflation at 4.5% in 2025, down from 6.8% in 2023, with the most pronounced deceleration observed in advanced economies (IMF, *World Economic Outlook Update*, July 2025). Easing energy prices, normalization of global supply chains, and tight monetary conditions contributed to lower headline inflation, while core inflation declined more gradually, remaining above pre-pandemic levels in several emerging markets due to persistent services and food price pressures (World Bank, *Global Economic Prospects*, June 2025).

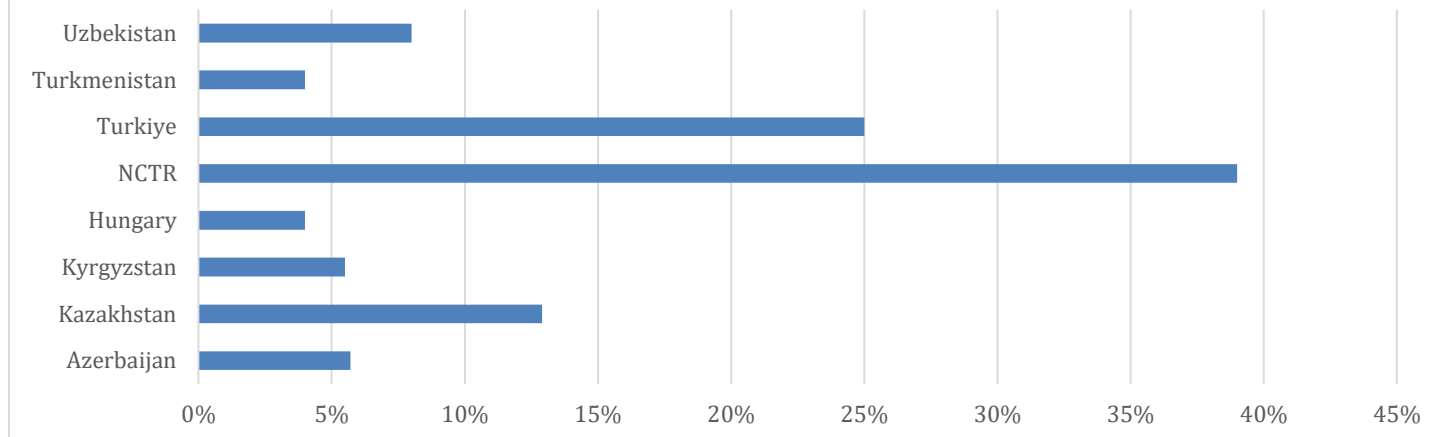
Against this backdrop, inflation trends across the Organization of Turkic States (OTS) showed broad-based moderation, though levels and momentum differed across member economies. In Azerbaijan, average consumer price inflation reached 5.7% year-on-year during January–September 2025, reflecting higher food prices earlier in the year and subsequent stabilization in the third quarter (State Statistical Committee of Azerbaijan, 2025). Inflation remained within manageable bounds, supported by exchange-rate stability, improving agricultural supply, and coordinated fiscal and monetary policy.

Beyond these country-specific trends, inflation dynamics in the OTS region during 2025 were also shaped by global food and energy markets, which remained more stable compared to the volatility of 2022–2023. The FAO Food Price Index continued to decline gradually through mid-2025, helping lower domestic food-price pass-through in most member states. At the same time, freight costs normalized as shipping bottlenecks eased, reducing transportation-related price pressures. These external developments provided an important buffer against domestic inflation drivers, particularly in smaller and more import-dependent economies such as the Kyrgyz Republic. However, the degree of pass-through varied by country depending on exchange-rate flexibility, administered pricing frameworks, and the structure of household consumption baskets.

A broader look at global price developments also helps contextualize inflation outcomes across OTS economies. According to the IMF's *World Economic Outlook Update* (July 2025), the global disinflation process strengthened during the first three quarters of the year, driven by softer energy prices, easing supply-chain pressures, and tighter monetary policy across both advanced and emerging economies. The World Bank's *Global Economic Prospects* (June 2025) also noted a notable decline in core inflation across most regions, although services inflation remained relatively persistent due to firm labor-market conditions.

These global trends helped reduce imported inflation across the OTS by lowering the cost of key traded goods—including fuel, wheat, and fertilizers—while also contributing to greater exchange-rate stability. Nonetheless, the impact varied across countries depending on external-sector openness and the strength of domestic policy frameworks, reinforcing the importance of prudent monetary management in anchoring inflation expectations.

Graph 2. Headline inflation, OTS member states, January–September 2025 (% y/y)



In Kazakhstan, inflationary pressures remained elevated. Annual CPI inflation accelerated to 12.9% year-on-year in September 2025, while monthly inflation reached 1.1% in September, indicating renewed short-term price momentum (Bureau of National Statistics of Kazakhstan, September 2025). Price pressures were driven primarily by food, services, and regulated tariffs, prompting the continuation of a restrictive monetary stance. The Kyrgyz Republic recorded average inflation of 6.7% during January–September 2025, supported by lower imported fuel costs, stable domestic food supply, and relative exchange-rate stability (National Statistical Committee of the Kyrgyz Republic, 2025). Inflation expectations remained broadly anchored within single-digit territory.

In Türkiye, the disinflation process progressed but inflation remained high in level terms. Headline inflation declined to around 4.8% year-on-year by mid-2025, from over 65% in late 2024, reflecting tight monetary policy, base effects, and easing domestic demand (Turkish Statistical Institute; IMF, *WEO Update*, July 2025). Sequential monthly inflation slowed, indicating improving price-setting behavior, although inflation remained well above regional peers. For Northern Cyprus (TRNC), official CPI statistics are not compiled under a harmonized international framework. Nevertheless, annual inflation reached approximately 39.2% year-on-year in September 2025, with monthly inflation of about 5.4%, reflecting strong pass-through from exchange-rate movements and imported inflation (Statistical Institute of Northern Cyprus, September 2025).

In Uzbekistan, inflation continued its downward trajectory. Annual consumer price inflation stood at around 8.0% year-on-year in September 2025, while monthly inflation was approximately 0.6%, supported by tighter monetary conditions, increased agricultural output, and exchange-rate stability (Statistics Agency under the President of the Republic of Uzbekistan, September 2025). In Turkmenistan, inflation remained relatively stable under the administered price regime. The IMF estimates average consumer inflation at around 6.2% in 2025, broadly unchanged from the previous year, anchored by regulated prices for energy and essential goods (IMF, *World Economic Outlook*, April 2025).

Overall, inflation across OTS economies showed divergent levels but a common trend toward moderation, with most members converging toward single-digit inflation or remaining on a clear disinflation path. Tight monetary policies, improved harvest conditions, and easing global cost pressures helped anchor inflation expectations in much of the region.

Looking ahead, inflation is expected to continue moderating into 2026, provided that monetary discipline is maintained and external price shocks remain contained (IMF, *World Economic Outlook Update*, July 2025). Authorities across the OTS reaffirmed their commitment to preserving price stability while supporting sustainable growth and investment.

3. Monetary Policy

Global monetary conditions in 2025 remained restrictive but increasingly differentiated across major economies, as disinflation progressed unevenly and growth held up better than expected. The IMF projects world real GDP growth at 3.0% in 2025 and a continued decline in global inflation, supporting a gradual shift from outright tightening toward *data-dependent normalization* in several jurisdictions (IMF, *World Economic Outlook Update*, July 2025).

Monetary policy stance in OTS: still restrictive, but with early easing in some markets

Across the OTS member states, monetary policy through January–September 2025 focused on (i) maintaining disinflation momentum, (ii) anchoring expectations, and (iii) safeguarding financial stability amid volatile external conditions. Most central banks kept positive real-rate intentions (ex ante) and emphasized corridor/liquidity management and exchange-rate stability as complementary tools.

Key policy-rate signals in OTS countries:

Azerbaijan: After holding the corridor unchanged in H1, the Central Bank cut the refinancing rate by 25 bps to 7.0% (effective late July), signaling easing consistent with a benign inflation environment and stable money-market conditions (Central Bank of Azerbaijan press release, 23 July 2025).

Kazakhstan: The National Bank raised the base rate to 16.5% in early March and subsequently maintained 16.5% (corridor ± 1 pp) as inflation risks remained elevated and broad-based (National Bank of Kazakhstan press release, 7 March 2025; subsequent “maintain” decisions).

Kyrgyzstan: The National Bank increased the policy rate to 9.25% in late July and confirmed it shortly after, reflecting renewed emphasis on inflation-risk containment and expectation management (NBKR communications, July–August 2025).

Türkiye: The CBRT’s stance shifted notably during the period—after earlier tightening, the MPC reduced the one-week repo rate from 46% to 43% (24 July 2025) and then to 40.5% (11 September 2025), while also lowering the interest-rate corridor, indicating a transition to calibrated easing as the disinflation process gained traction (CBRT MPC decisions).

Uzbekistan: The Central Bank kept the policy rate at 14% in September, maintaining relatively tight conditions to guide inflation onto a sustained downward path while monitoring demand and administered-price effects (CBU press release, 11 September 2025).

Hungary: Monetary policy remained focused on consolidating disinflation with a still-restrictive stance relative to inflation dynamics, with the policy framework communicated via the central bank’s official releases and rate-setting decisions (Magyar Nemzeti Bank).

Turkmenistan / NCTR: Comparable, high-frequency monetary-policy signaling is more limited under differing institutional/statistical frameworks; where cross-country comparability is constrained, this Outlook relies on central bank/government communications and internationally comparable macro frameworks only when necessary (see References).

Transmission and operating frameworks: corridors, liquidity, and FX stability

Operationally, OTS central banks continued to rely on interest-rate corridors and liquidity operations to steer short-term market rates and maintain orderly conditions. Azerbaijan’s corridor adjustments (July cut) explicitly included the refinancing rate, floor, and ceiling, underscoring active corridor-based transmission (CBA, 23 July 2025). Kazakhstan maintained a wide restrictive stance via the base rate and corridor, consistent with inflation-risk management (NBK press releases). Türkiye’s MPC decisions explicitly adjusted both the policy rate and the overnight corridor, signaling tighter control over the short end of the curve during the easing phase (CBRT MPC decisions).

Implications for the outlook

By end-September 2025, the OTS monetary-policy landscape showed two simultaneous tendencies:

A) Cautious easing where disinflation and financial conditions permitted (notably Azerbaijan and Türkiye).

B) Sustained restrictiveness where inflation risks and second-round effects required continued tight settings (notably Kazakhstan and Uzbekistan, with Kyrgyzstan tightening mid-year).

For the second half of 2025, the near-term policy priority across OTS remains to lock in disinflation without undermining investment and credit to productive sectors, while preserving confidence in domestic currencies and financial stability—especially as global conditions remain uncertain and supply shocks can re-emerge (IMF, July 2025 WEO Update).

4. External trade

Global trade remained resilient into the third quarter of 2025 despite elevated policy uncertainty. UNCTAD's October 2025 Global Trade Update notes that global trade continued expanding through Q2 and its nowcast pointed to continued growth in Q3, with trade performance increasingly shaped by manufacturing (notably electronics) and shifting trade policies. [UN Trade and Development \(UNCTAD\)+1](#) Against this backdrop, the OTS economies continued to “over-trade” relative to their GDP weight, reflecting high openness and the region's growing corridor function.

OTS trade scale and global positioning

In January–September 2025, total trade turnover for the Turkic States in this Outlook dataset reached USD 958.5 billion (CAERC/OTS national focal points compilation; Outlook database). To benchmark globally, UNCTAD projects 2025 global trade (goods+services) to exceed USD 35 trillion; applying a proportional nine-month approximation implies a global Jan–Sep trade value around USD 26–27 trillion (estimate), placing the OTS share at roughly 3½–4% (estimate based on UNCTAD projection). The implied trade share remains above the region's GDP share in the same period, consistent with the OTS's role as an energy, manufacturing, and transit-linked trading bloc.

Country trade performance indicators:

Azerbaijan. Foreign trade turnover totaled USD 35.4 bn, with exports USD 18.6 bn, imports USD 16.8 bn, and a surplus USD 1.86 bn; non-oil-gas exports reached USD 2.65 bn. ([Statistical Committee of Azerbaijan](#), 2025) The profile remains energy-led, but the non-oil export line is increasingly important for resilience.

Kazakhstan. Trade turnover amounted to USD 103.4 bn (-1.1% y/y in nominal terms), with exports USD 57.5 bn (-5.1%) and imports USD 45.9 bn (+4.5%). ([National Statistics Bureau of Kazakhstan](#), 2025) The widening import bill is consistent with strong domestic investment demand, while export softness reflects commodity price/volume dynamics.

Türkiye. According to TurkStat's September 2025 foreign trade bulletin (cumulative Jan–Sep), Türkiye recorded exports of USD 189.4 bn and imports of USD 260.1 bn, implying a sizable goods trade deficit over the period. ([TÜİK Data Portal](#), 2025). Türkiye's trade turnover is reported as USD 468.2 bn.

Uzbekistan. Foreign trade turnover reached USD 59.8 bn in Jan–Sep 2025; exports USD 26.7 bn (+33.3%) and imports USD 33.1 bn (+15.6%). ([Stat+1](#)) The export acceleration is consistent with diversification momentum (manufacturing and processed goods alongside traditional items).

Kyrgyzstan's trade turnover is USD 11.3 bn with a large deficit; Hungary's trade turnover is USD 257.2 bn; TRNC is USD 3.4 bn. Turkmenistan reports USD 19.8 bn turnover.

Overall, openness remains a structural advantage: trade turnover is large relative to GDP, reinforcing the role of exports, imports of capital goods, and transit services as primary growth channels. Two-speed external sector: energy exporters (Azerbaijan, Kazakhstan, Turkmenistan) sustain surpluses, while import-intensive, manufacturing/service hubs (Türkiye) and fast-industrializers (Uzbekistan) show larger deficits or narrower balances, reflecting investment cycles and domestic demand.

Corridor effect is increasingly visible: UNCTAD's Q3 nowcast and continued growth in goods trade provide a supportive external backdrop, while OTS logistics investments and customs/digital facilitation strengthen the trade-connectivity loop.

5. Fixed Capital and bank assets

Investment and financial conditions: supportive but differentiated

During January–September 2025, global financial conditions remained relatively tight but more predictable than in previous years, supporting selective recovery in investment. According to UNCTAD, global foreign direct investment stabilized in 2025 following earlier declines, with infrastructure, renewable energy, and manufacturing attracting a rising share of new projects, particularly in emerging markets (UNCTAD, *World Investment Report, 2025*). Within this environment, the OTS countries recorded continued—though uneven—expansion in fixed capital formation and bank balance sheets, reflecting differences in macroeconomic conditions, fiscal space, and investment pipelines.

Fixed capital formation: infrastructure-led momentum

Across the OTS, fixed capital investment expanded in nominal terms during the period, supported by public infrastructure programs, energy projects, and private-sector investment in manufacturing and logistics. Investment dynamics were closely linked to transport, energy, and urban development, consistent with regional connectivity priorities.

Azerbaijan recorded fixed capital investment of USD 7.7 billion, with growth concentrated in non-oil sectors, particularly transport, construction, and utilities, reflecting continued diversification away from hydrocarbons (State Statistical Committee of Azerbaijan, 2025). Kazakhstan reported fixed capital investment of USD 25.7 billion, underpinned by large-scale projects in energy, mining, transport infrastructure, and housing, supported by public–private partnerships (Bureau of National Statistics of Kazakhstan, 2025).

Uzbekistan saw fixed capital investment reach USD 34.4 billion, reflecting sustained capital deepening in manufacturing, agriculture, and infrastructure, aligned with its industrialization strategy (Statistics Agency of Uzbekistan, 2025). Türkiye posted fixed capital investment of USD 356.1 billion in nominal terms, supported by construction, manufacturing capacity expansion, and transport infrastructure, despite tight financial conditions (Turkish Statistical Institute, 2025).

Hungary recorded fixed capital investment of USD 37.9 billion, with a gradual recovery in construction and industrial investment during the second half of the reporting period (Hungarian Central Statistical Office, 2025). Turkmenistan continued to prioritize energy and transport infrastructure, reporting investment volumes of approximately USD 27.0 billion, largely driven by state-led projects (official government releases, 2025).

Kyrgyz Republic and Northern Cyprus (TRNC) maintained smaller but positive investment volumes, with spending focused on housing, tourism, agriculture, and public infrastructure (national statistical agencies). Overall, capital formation across the OTS remained investment-led and infrastructure-heavy, reinforcing medium-term growth potential but also increasing the importance of efficient project selection and financing sustainability.

Banking sector assets: expanding intermediation amid tight policy

Banking systems across OTS countries continued to expand balance sheets during January–September 2025, reflecting credit growth, valuation effects, and increased public-sector deposits, albeit under restrictive monetary policy stances in several economies. Türkiye’s banking sector assets exceeded USD 1.05 trillion, reflecting nominal growth driven by credit expansion, public-sector financing, and inflation-related balance-sheet effects (Central Bank of the Republic of Türkiye, 2025). Kazakhstan’s bank assets reached USD 125.1 billion, supported by corporate lending and government-linked financing, while prudential regulation remained tight (National Bank of Kazakhstan, 2025).

Uzbekistan’s banking assets rose to USD 68.3 billion, reflecting continued financial deepening and credit growth to industry and agriculture (Central Bank of Uzbekistan, 2025). Azerbaijan’s bank assets totaled USD 33.0 billion, supported by stable deposits and cautious credit growth amid moderate inflation (Central Bank of Azerbaijan, 2025).

Hungary’s banking assets reached USD 245.5 billion, reflecting recovery in lending activity alongside improving macroeconomic stability (Hungarian National Bank, 2025). In Kyrgyzstan, Turkmenistan, and TRNC, banking sector expansion remained more moderate, constrained by smaller market size and structural factors, but liquidity conditions were broadly stable.

The joint evolution of fixed capital investment and bank assets during the period 2025 highlights a capital-formation–financial-intermediation nexus across the OTS. Infrastructure-driven investment increased demand for long-term financing, while expanding bank balance sheets supported credit to construction, manufacturing, and services. At the same time, the persistence of tight monetary conditions in several economies underscores the importance of maintaining asset quality and macro-financial stability as investment cycles mature.

Looking ahead, investment and banking activity in the OTS is expected to remain supportive of growth, provided that disinflation continues and financial conditions gradually normalize. Continued emphasis on infrastructure efficiency, private-sector participation, and financial sector resilience will be critical to sustaining capital accumulation and avoiding pro-cyclical risks as regional integration deepens.

6. Investments and FDI Trends

Global investment conditions in 2025 remained shaped by tight financial conditions, geopolitical uncertainty, and selective capital reallocation toward energy security, infrastructure, and digitalization. According to UN Trade and Development, global foreign direct investment (FDI) flows showed limited recovery in 2025, with capital increasingly concentrated in green energy, transport infrastructure, and digital services, while traditional manufacturing FDI remained subdued (*World Investment Report 2025*).

Against this backdrop, the OTS region continued to attract investment on the back of relatively strong growth performance, large infrastructure pipelines, and its strategic location along Eurasian trade corridors. Investment dynamics during January–September 2025 were driven primarily by public and quasi-public capital formation, complemented by targeted FDI inflows in energy, logistics, and manufacturing.

Available national statistics indicate that fixed capital investment expanded in nominal terms across most OTS economies during January–September 2025, supported by transport infrastructure, energy projects, and industrial modernization. Kazakhstan recorded strong growth in fixed capital investment, reflecting continued spending on transport, logistics, mining, and energy infrastructure, including corridor-related rail and port projects (Bureau of National Statistics of Kazakhstan, 2025).

Azerbaijan maintained stable investment activity, with a rising share directed toward non-oil sectors, including transport, renewable energy, and reconstruction projects in the liberated territories (State Statistical Committee of Azerbaijan, 2025). Türkiye sustained a high level of capital formation, underpinned by large-scale infrastructure, housing, and industrial projects, as reflected in cumulative investment execution during Q1–Q3 2025 (Turkish Statistical Institute, 2025).

Uzbekistan continued to prioritize capital investment in manufacturing, energy, and logistics; however, fully consolidated fixed capital investment execution data for January–September 2025 have not yet been officially released (Statistics Agency under the President of the Republic of Uzbekistan, 2025). Hungary showed a gradual stabilization in investment activity by mid-2025, with construction and selected industrial projects supporting capital formation, although overall investment remained sensitive to financing conditions (Hungarian Central Statistical Office, 2025).

In Kyrgyzstan and Turkmenistan, investment activity remained closely linked to public infrastructure programs and energy-related projects, though detailed disaggregation remains limited in official releases. Overall, investment across the OTS region continued to play a countercyclical and structural role, supporting growth despite external headwinds. FDI trends across OTS economies in January–September 2025 were uneven but strategically oriented. Capital inflows were concentrated in energy, transport, logistics, and selected manufacturing segments, often linked to long-term strategic projects rather than short-term portfolio considerations.

Foreign direct investment developments:

Türkiye remained the largest FDI recipient in absolute terms among OTS members, with cumulative inflows since 2002 exceeding USD 279 billion, and continued inflows during 2025 directed toward manufacturing, services, and energy transition projects (Central Bank of the Republic of Türkiye, 2025).

Kazakhstan continued to attract FDI primarily in hydrocarbons and mining, alongside growing interest in renewable energy and transport logistics, consistent with its role in the Middle Corridor (National Bank of Kazakhstan, 2025). Azerbaijan recorded sustained FDI interest in energy and infrastructure, while policy emphasis increasingly shifted toward renewables, transport, and digital infrastructure, though quarterly FDI breakdowns remain limited in public disclosure (Central Bank of Azerbaijan, 2025).

Uzbekistan maintained a reform-driven investment narrative, with official communications highlighting strong investor interest; however, comprehensive FDI flow data for January–September 2025 are not yet fully published (Central Bank of Uzbekistan, 2025). Smaller economies, including Kyrgyzstan and Northern Cyprus, continued to rely more heavily on public investment and concessional financing, with FDI playing a supplementary role.

Strategic assessment

From a regional perspective, investment and FDI patterns increasingly align with corridor-led integration and structural transformation objectives. Capital formation is concentrated in sectors that support trade connectivity, energy security, and digitalization, reinforcing medium-term growth potential. At the same time, the investment landscape remains heterogeneous, reflecting differences in market size, institutional capacity, and financing access.

7. Fiscal Sector Developments

Global context and fiscal stance

Global fiscal conditions in 2025 remained constrained by elevated public debt and rising structural spending pressures. The International Monetary Fund notes in its *Fiscal Monitor* (April 2025) that public debt trajectories have been revised upward in many economies, reflecting higher defense and social expenditures, tighter financing conditions, and persistent geopolitical uncertainty. At the same time, the Organisation for Economic Co-operation and Development (*Economic Outlook*, June 2025) projects mild fiscal tightening across several advanced economies over 2025–2026, as governments seek to rebuild buffers and stabilize debt dynamics.

Within this global environment, fiscal outcomes across the Organization of Turkic States (OTS) during the period were heterogeneous, reflecting differences in revenue bases, exposure to commodity cycles, and fiscal policy priorities. Overall, fiscal policy remained growth-supportive in nominal terms, with revenues strengthening alongside economic activity and expenditures continuing to prioritize infrastructure, social protection, and strategic transformation.

Public revenues and expenditures

Public revenues expanded across all reporting OTS economies in nominal terms, supported by economic growth, inflation effects, and improved tax administration, while expenditure levels remained elevated, reflecting ongoing investment and social commitments. Kazakhstan recorded public budget revenues of USD 55.2 billion during January–September 2025, underpinned by hydrocarbon revenues and improved tax compliance. Public expenditures reached USD 63.7 billion, reflecting continued spending on infrastructure, social programs, and regional development (Ministry of Finance of Kazakhstan; National Bank of Kazakhstan, 2025).

Azerbaijan recorded public revenues of USD 17.1 billion, supported by non-oil tax receipts and transfers, while public expenditures totaled USD 14.5 billion, indicating a more cautious fiscal stance compared with regional peers during the reporting period (Ministry of Finance of Azerbaijan; State Statistical Committee, 2025). Türkiye posted public budget revenues of USD 228.3 billion and expenditures of USD 261.9 billion in January–September 2025. Fiscal operations remained expansionary in nominal terms, reflecting the scale of the economy, infrastructure spending, and social transfers, while fiscal policy continued to balance disinflation objectives with growth considerations (Ministry of Treasury and Finance of Türkiye, 2025).

Hungary recorded public revenues of USD 87.8 billion and expenditures of USD 97.8 billion, reflecting a broadly balanced but still accommodative fiscal position amid ongoing economic stabilization (Hungarian Central Statistical Office; Ministry of Finance of Hungary, 2025). In the Kyrgyz Republic, public revenues reached USD 5.3 billion and expenditures USD 4.9 billion, reflecting improved revenue mobilization alongside continued social and infrastructure spending (Ministry of Finance of the Kyrgyz Republic, 2025). Northern Cyprus (TRNC) reported public revenues of USD 1.82 billion and expenditures of USD 1.94 billion, highlighting ongoing fiscal pressures associated with a narrow revenue base and high import dependence (TRNC Ministry of Finance; Statistical Institute, 2025).

Fiscal balances and policy orientation

Fiscal balances across the OTS diverged notably during the reporting period. Energy-exporting economies with access to hydrocarbon revenues—such as Azerbaijan and Kazakhstan—retained greater fiscal space, while more import-dependent and structurally open economies recorded persistent deficits. In several cases, fiscal policy continued to play a countercyclical role, supporting domestic demand and investment amid global uncertainty.

At the same time, fiscal authorities increasingly emphasized expenditure efficiency and medium-term sustainability, particularly where debt dynamics and external imbalances required careful management. The coexistence of elevated nominal spending and gradual consolidation signals underscores the balancing act between supporting growth and preserving fiscal buffers.

Fiscal reforms and outlook

Across the OTS, fiscal reform agendas during January–September 2025 focused on three common pillars:

- Revenue mobilization and tax administration, including digitalization of tax systems and measures to broaden the tax base;
- Expenditure efficiency, through medium-term budgeting frameworks, prioritization of capital spending, and performance-based approaches;
- Debt and risk management, aimed at strengthening fiscal resilience amid volatile external conditions.

Looking ahead, the fiscal outlook for the OTS region remains cautiously optimistic. Continued economic growth and commodity revenues provide near-term support, but sustaining fiscal sustainability will depend on disciplined expenditure management, diversification of revenue sources, and improved public investment efficiency. In line with IMF and OECD assessments, gradual recalibration toward more sustainable fiscal positions is expected as macroeconomic conditions stabilize.

8. Green and Digital Transformation Trends

The global transition toward greener and more digital economic models continued to advance in 2025, despite tighter financial conditions and geopolitical uncertainty. The United Nations Environment Programme underscores that clean energy investment remains resilient, driven by energy security concerns, climate commitments, and declining costs of renewable technologies (*Global Trends in Renewable Energy Investment, 2025*). In parallel, the International Monetary Fund highlights that digitalization is increasingly complementing green transformation by improving energy efficiency, public-sector governance, and resource allocation (*World Economic Outlook, 2025*).

The Organisation for Economic Co-operation and Development estimates that the digital economy already accounts for a significant and rising share of global value added, with digital infrastructure and data-driven services acting as key productivity multipliers, particularly in emerging markets (*OECD Digital Economy Outlook, 2025*).

Green transformation in OTS economies

During 3Q 2025, OTS countries continued to integrate green priorities into national development strategies, with a strong focus on renewable energy deployment, energy efficiency, and climate-resilient infrastructure. Progress varied across countries, reflecting differences in energy endowments and financing capacity, but the overall policy direction remained aligned with decarbonization and diversification objectives.

Azerbaijan advanced renewable energy development in the Garabakh and Eastern Zangazur economic regions, where solar and wind projects form part of a broader strategy to transform the area into a green energy zone. Official plans emphasize future electricity exports and integration with regional power networks (Ministry of Energy of Azerbaijan, 2025). Kazakhstan continued to expand renewable generation capacity and grid infrastructure, while reaffirming medium-term emission reduction commitments under its national climate strategy (Ministry of Energy of Kazakhstan, 2025).

Uzbekistan prioritized energy diversification and sustainable agriculture, with public policy focusing on water efficiency, modernization of irrigation systems, and renewable energy auctions. (Ministry of Energy; Ministry of Agriculture of Uzbekistan, 2025). Turkmenistan reported ongoing development of renewable energy potential and efficiency measures, alongside continued dominance of natural gas in the energy mix. Public disclosures remain largely qualitative, with limited disaggregated statistics (Government of Turkmenistan, 2025).

Hungary, within the EU framework, continued to benefit from approved green investment schemes and funding instruments aimed at accelerating renewable deployment and energy transition (European Commission; Hungarian authorities, 2025). Northern Cyprus promoted small-scale renewable projects and energy efficiency measures.

Overall, green transformation across the OTS region in 2025 was investment-led and policy-driven, with progress most visible where projects are embedded in broader infrastructure and regional connectivity strategies.

Digital transformation and economic impact

Digitalization continued to deepen across OTS economies in 2025, supporting public-sector efficiency, financial inclusion, and trade facilitation. Governments increasingly relied on digital platforms to improve tax administration, public services, and cross-border coordination. Kazakhstan continued to expand digital public services and fintech infrastructure, supporting broader financial intermediation and administrative efficiency (Government of Kazakhstan; national digital strategy documents, 2025). Türkiye further scaled e-government services and smart city applications, particularly in metropolitan areas, with digital platforms increasingly integrated into public service delivery and urban management (TurkStat; Ministry of Transport and Infrastructure, 2025).

Azerbaijan progressed with its *Digital Azerbaijan* agenda, emphasizing cloud services, cybersecurity, and digital public administration to support economic diversification and governance efficiency (Ministry of Economy of Azerbaijan, 2025). Uzbekistan, Kyrgyzstan, and Turkmenistan continued to expand digital connectivity and e-government platforms, though implementation remains uneven and data disclosure varies across sectors (official government communications, 2025). Across the region, digital transformation reinforced fiscal capacity, service delivery, and trade efficiency, indirectly supporting macroeconomic stability and growth.

Regional cooperation and connectivity

Green and digital transformation efforts increasingly intersect with regional cooperation within the OTS framework. Commitments to improve digital connectivity, harmonize standards, and promote sustainable infrastructure along the Middle Corridor have strengthened the link between transformation agendas and trade integration. By lowering transaction costs and improving logistics efficiency, these initiatives enhance the competitiveness of OTS economies within Eurasian supply chains.

The OTS region had made measurable institutional and investment progress in both green and digital transformation, although outcomes remain uneven and data gaps persist in several economies. The strategic alignment of renewable energy development, digital governance, and regional connectivity positions OTS countries to raise medium-term productivity, support diversification, and strengthen resilience. Sustained progress will depend on continued investment execution, transparent data reporting, and deeper cross-border coordination.

Measurable progress is also evident in connectivity-related green infrastructure, including rail electrification, port modernization, and logistics upgrades along the Middle Corridor, which reduce transport emissions per unit of trade and align climate objectives with trade facilitation. Multilateral assessments show that such investments yield quantifiable reductions in transit time and fuel use per shipment, even before full decarbonization of energy systems is achieved (World Bank, 2023; OECD, 2023).

On the digital transformation front, progress is more consistently quantifiable. All OTS economies report expanded use of e-government platforms, digital tax administration, and electronic customs systems, with measurable effects on revenue administration, service delivery, and trade processing. In several member states, digital public services now cover business registration, tax filing, customs declarations, and social services, reducing transaction costs and administrative delays. Financial-sector data further indicate expanding digital financial services and payment systems, reflected in rising banking assets, broader financial inclusion indicators, and increased use of electronic transactions during January–September 2025. These developments provide tangible evidence that digitalization is contributing to institutional efficiency and economic formalization, even where comprehensive digital-economy value-added estimates are not yet available.

Despite this progress, outcomes remain uneven and measurement limitations are significant. Comparable data on renewable energy output, emissions intensity, and digital economy value added are not uniformly published across OTS economies, while reporting lags persist in some countries. As a result, current assessment relies more heavily on investment execution, institutional reforms, and infrastructure deployment than on final outcome indicators. Closing these data gaps—through harmonized statistics on energy, emissions, and digital activity—will be critical to evaluating the full macroeconomic impact of green and digital transformation in the OTS region over the medium term.

9. The Middle Corridor as a Driver of OTS Connectivity and Trade Integration

The Middle Corridor (Trans-Caspian International Transport Route—TITR) is becoming a structural driver of the OTS growth model, linking Central Asia–Caspian–South Caucasus–Türkiye–Europe and providing an increasingly relevant alternative routing option as global supply chains diversify. The channel’s macroeconomic importance for OTS members stems from three measurable transmission mechanisms: (i) higher transit and logistics services output; (ii) faster and more reliable access to external markets for exporters (especially landlocked economies); and (iii) corridor-enabled investment in ports, rail, rolling stock, and border-processing systems that raises medium-term capacity.

A corridor-led integration is underway. In 2025, the corridor’s strategic value is reinforced by institutional commitments to reduce transaction costs (customs cooperation, transport coordination, and facilitation measures). In particular, OTS leaders’ Gabala Declaration explicitly re-emphasizes *trade facilitation* and work to ensure *freedom of transit* through intensified cooperation under the OTS Trade Facilitation Committee. ([Organizations of Turkic States](#), 2025)

What this means for OTS macro performance. With OTS economies already showing high external integration, corridor throughput matters because it raises the share of “tradables-adjacent” services (transport, storage, auxiliary trade services) and strengthens the investment pipeline in connectivity assets (ports/terminals, rail modernization, and digital border systems). In practice, this reduces time and cost frictions—improving competitiveness for non-commodity exports and helping diversify growth away from narrow demand sources.

Policy priorities consistent with IMF-style risk framing. The corridor’s near-term upside is conditional on reducing operational frictions rather than only building capacity. The most binding constraints typically sit at multimodal interfaces (port-rail handoffs), Caspian shipping capacity/regularity, and border-crossing procedures/data exchange. The Gabala Summit commitments provide an institutional anchor to address these frictions via harmonized procedures, customs/transport coordination, and facilitation reforms—key for sustaining corridor-led momentum into 2026. ([Organizations of Turkic States](#), 2025)

The Middle Corridor has become a key adjustment channel in Eurasian logistics as shippers diversify routes amid higher geopolitical and supply-chain risks. Institutional assessments emphasize that the corridor’s competitiveness depends less on “new route creation” and more on end-to-end reliability: port/rail interface capacity, predictable border procedures, digital documentation, and coordinated tariff/slot management (World Bank, 2023; OECD, 2023).

Recent performance and measurable scaling

Official corridor monitoring for January–September 2025 points to higher containerized movement and stronger block-train activity, alongside mixed dynamics in total transit.

- Azerbaijan (system-wide transit, all corridors): total transit freight reached 10.4 million tons in Jan–Sep 2025 (-6% y/y), while transit truck traffic reached ~252,000 vehicles (+23% y/y). (*Transit Portal of Azerbaijan*, 2025).

- Block trains (Middle Corridor–relevant metric): 296 block trains moved via Azerbaijan in Jan–Sep 2025 (+39% y/y), carrying ~32,000 TEU. (*Transit Portal of Azerbaijan, 2025*). [T](#)
- TITR operational throughput (reported for Azerbaijan leg): 2.651 million tons transported via the TITR route in Jan–Sep 2025. (*AZCON Holding / Azerbaijan Railways–linked corporate release, 2025*).

The corridor is scaling fastest where capacity is easiest to standardize—block trains and container flows—while total transit tonnage remains sensitive to commodity mix, rerouting volatility, and Caspian/port interface constraints. (World Bank, 2023; OECD, 2023).

Medium-term demand outlook institutional forecasts

The most widely cited institutional baseline is the World Bank’s corridor demand and capacity diagnostic:

- With coordinated reforms and targeted investments, flows via the Caspian Sea along the Middle Corridor are projected to triple by 2030 (vs 2021) to ~11 million tonnes (World Bank, 2023).
- Within that, the World Bank indicates ~4 million tonnes of projected demand could be container transportation (World Bank, 2023).
- The same assessment frames the objective as tripling freight volumes and halving travel time by 2030, conditional on coordinated policy and investment actions (World Bank, 2023).

Why this matters for OTS?

The World Bank diagnostic focuses on the corridor’s core countries (Kazakhstan–Azerbaijan–Georgia), but the commercial upside extends across the OTS space via (i) feeder links from Central Asia, (ii) Türkiye/EU connectivity, and (iii) customs and transit harmonization (World Bank, 2023; OECD, 2023). The corridor’s next efficiency gains are most likely to come from non-infrastructure reforms—end-to-end digitalization, interoperable transit documentation, synchronized border processing, predictable tariffs/slots—where marginal returns can be high even before major capex fully materializes (OECD, 2023; World Bank, 2023)

Globally, corridor competition is increasingly defined by reliability, end-to-end digitalization (pre-arrival processing, e-permits, electronic seals, interoperability of data), and predictable tariffs/charges—not only nominal distance. In this context, the Middle Corridor’s comparative advantage for OTS is its ability to convert geography into *services exports* (logistics) and *investment attraction* (industrial projects aligned to transit nodes), provided that governance and operational coordination keep pace with demand shifts.

10. Strategic Outlook

Data for January–September 2025 confirm that the Organization of Turkic States (OTS) remains among the fastest-growing regional groupings globally. Average real GDP growth across member economies reached 6.9 percent, more than double the estimated global growth rate of around 3.2 percent for the same period. In nominal terms, the combined GDP of OTS economies amounted to approximately USD 1.8 trillion, equivalent to about 2 percent of estimated global output, while trade turnover reached USD 958.5 billion, corresponding to 3.6 percent of global trade. This gap between GDP and trade shares underscores the region’s structurally high degree of external integration.

Looking ahead, growth momentum is expected to remain above the global average, supported by ongoing investment in infrastructure, energy, and logistics, as well as resilient domestic demand in several economies. However, the pace of expansion is likely to moderate slightly as global financial conditions remain tight and external demand growth stays subdued.

Medium-term growth prospects depend increasingly on economic diversification and productivity-enhancing reforms. Data for 2025 indicate that non-commodity sectors—manufacturing, transport, services, and agriculture—are contributing a growing share of output growth across the region, particularly in economies with active industrial and logistics investment pipelines. The continued expansion of fixed capital formation and banking sector assets in several OTS members points to sustained capacity-building, although efficiency and project selection will be critical to avoid diminishing returns.

The strategic emphasis on green and digital transformation strengthens the outlook by improving energy security, reducing exposure to commodity price cycles, and enhancing public-sector efficiency. Investments in renewable energy, digital public services, and smart infrastructure are expected to raise medium-term potential output, provided that regulatory frameworks and skills development keep pace.

Regional integration remains a key upside factor for the outlook. The Middle Corridor) has emerged as a structural anchor for trade, logistics, and investment, with institutional analyses projecting substantial increases in transit volumes by 2030 under coordinated reform and investment scenarios. For OTS economies located along the corridor, improved connectivity supports export diversification, strengthens services trade, and amplifies the returns on infrastructure spending.

Commitments reaffirmed at the Gabala Summit—including trade facilitation, customs cooperation, and freedom of transit—are closely aligned with international best practices for corridor performance. If effectively implemented, these measures could materially reduce transaction costs and improve reliability, supporting higher trade intensity and investment inflows across the region. From a policy perspective, sustaining growth will require balancing growth-supportive fiscal frameworks with the need to preserve buffers. January–September 2025 data show rising nominal revenues across most OTS economies alongside elevated expenditure levels, reflecting infrastructure and social priorities.

Over the medium term, fiscal sustainability will depend on improved expenditure efficiency, strengthened medium-term budgeting frameworks, and continued diversification of revenue sources. Financial sector trends suggest expanding intermediation capacity, but also call for vigilant supervision as credit growth and investment activity remain strong in parts of the region. Macroprudential discipline and effective risk management will be important to mitigate vulnerabilities arising from external shocks and capital flow volatility.

The outlook is subject to several downside risks. Geopolitical tensions along key trade routes could disrupt logistics and investment sentiment. Energy price volatility remains a material risk for hydrocarbon-exporting economies, although diversification and renewable energy investments provide partial buffers. Climate-related shocks pose longer-term challenges, particularly for agriculture and infrastructure, underscoring the importance of adaptation and resilience planning.

Overall, the strategic outlook for the OTS region in late 2025 remains favorable, with growth expected to stay robust relative to global trends. The combination of high trade integration, corridor-led connectivity, and ongoing green and digital transformation provides a strong foundation for medium-term expansion. Realizing this potential will depend on effective policy coordination, disciplined fiscal and financial management, and sustained implementation of structural reforms that convert investment and connectivity into lasting productivity gains.

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Annex 1. Country Snapshots



Organization of Turkic States



Center for Analysis of Economic Reforms and Communication

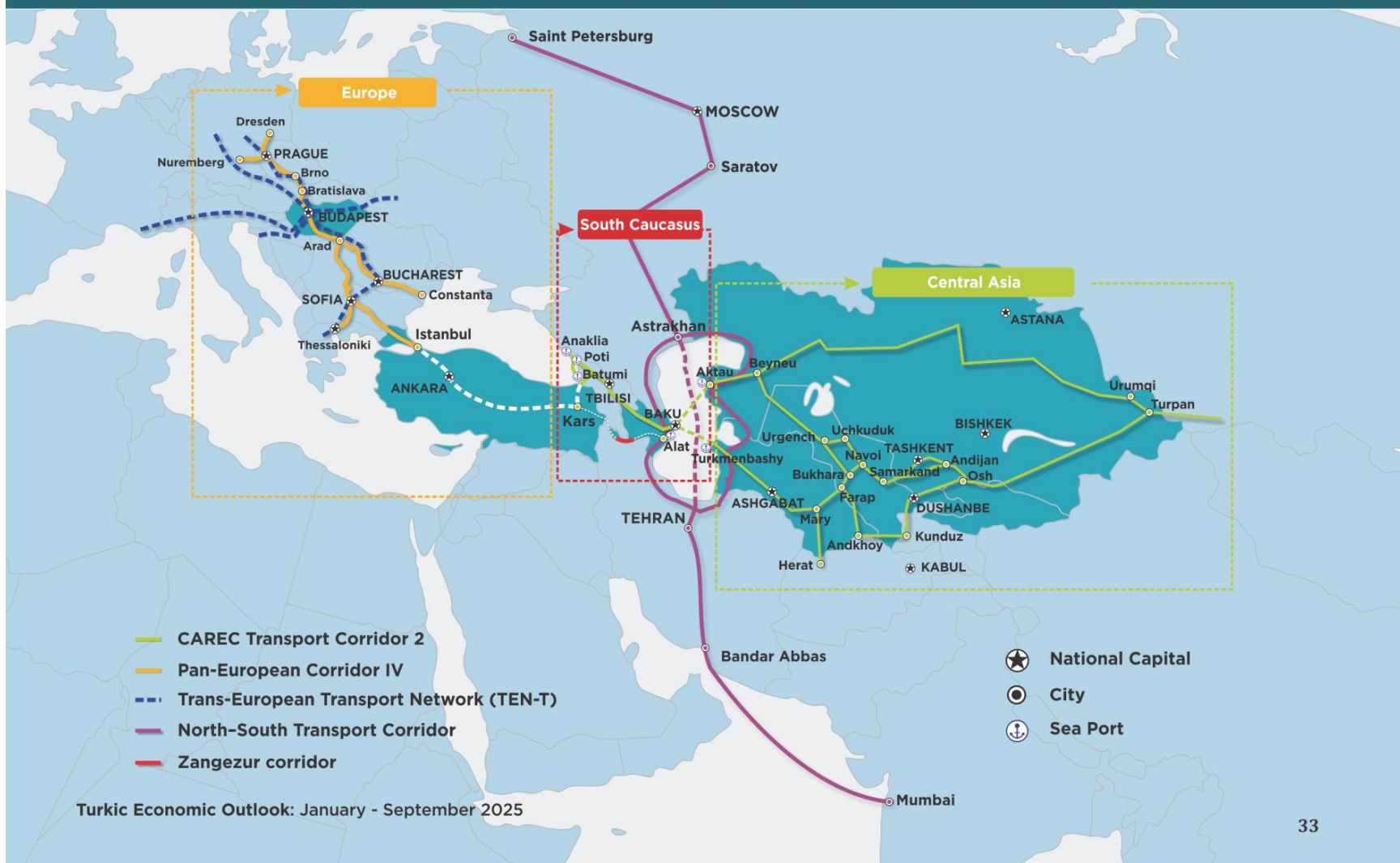


COUNTRY SNAPSHOTS

CONDITIONAL SCHEMATIC TRANSPORT CORRIDORS



Center for Analysis of Economic Reforms and Communication



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



Center for Analysis of Economic Reforms and Communication

Turkic Economic Outlook: January - September 2025



AREA
(thousand km²)
4 823.5



GDP
(million USD)
1 793 298.7



POPULATION
(million people)
178.8



TRADE TURNOVER
(million USD)
958 452.0

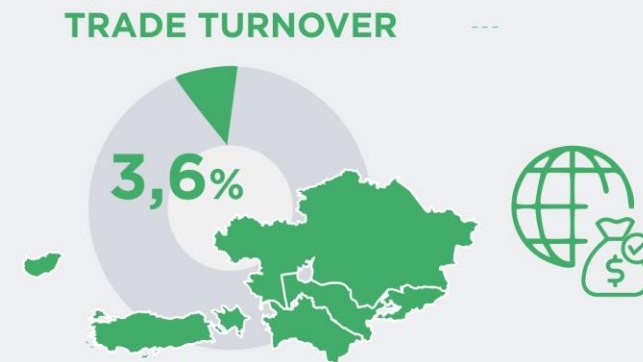
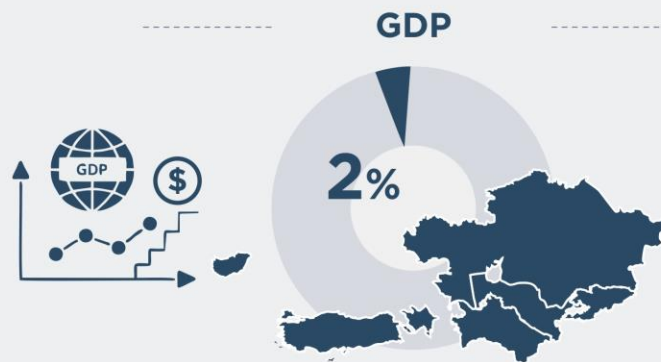
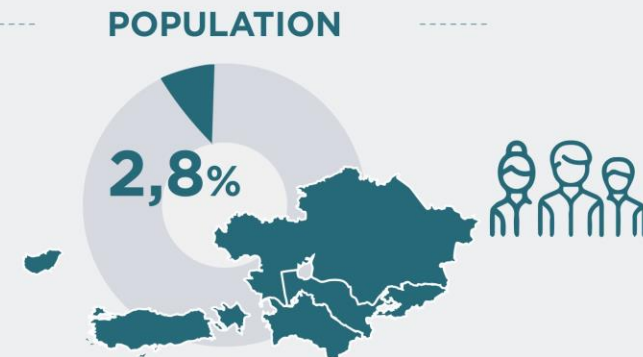
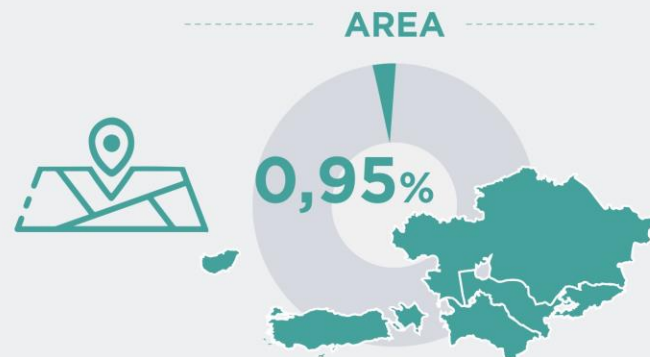
"*CAERC staff estimate"

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



Center for Analysis of Economic Reforms and Communication

Turkic Economic Outlook: January - September 2025

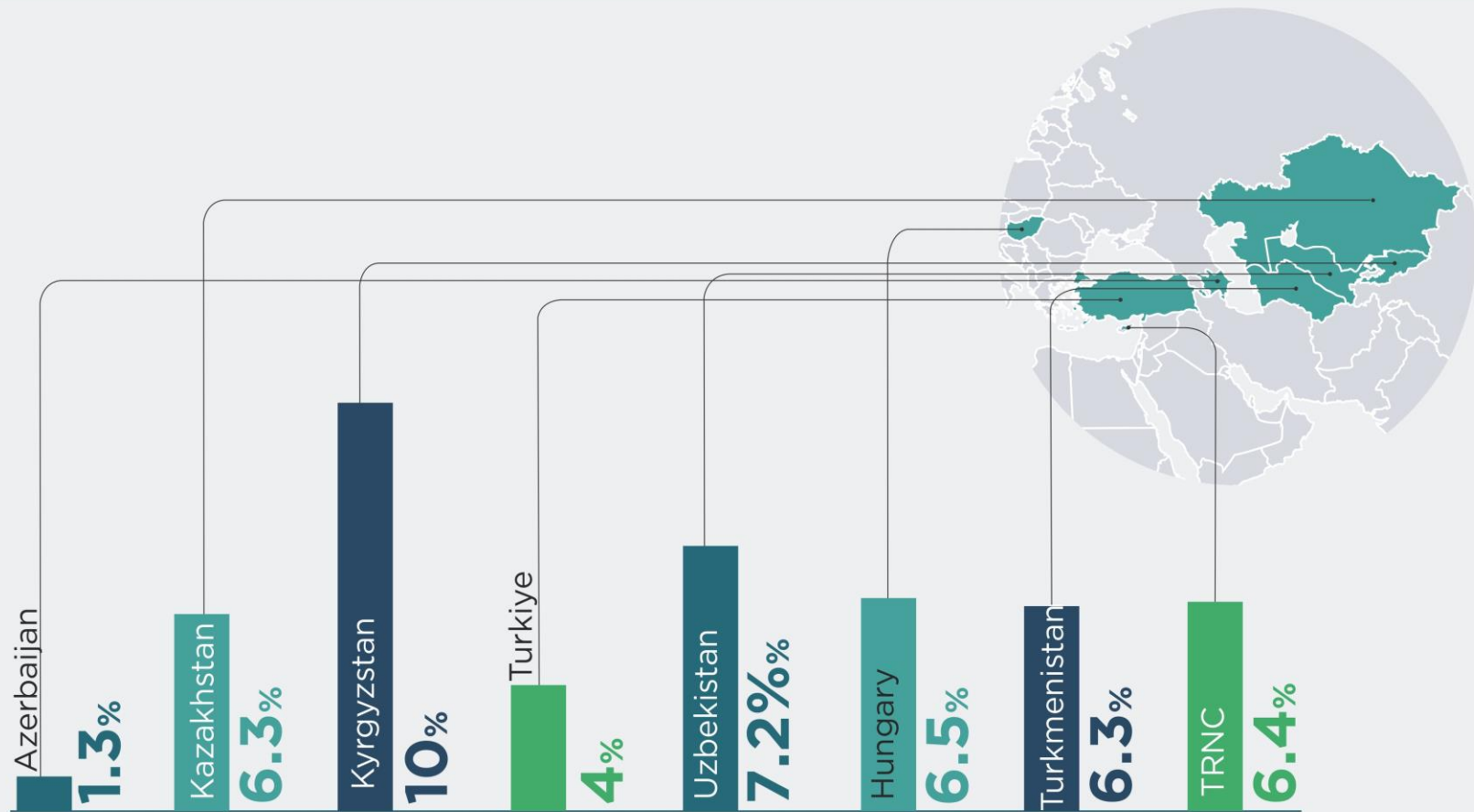


"*CAERC staff estimate"

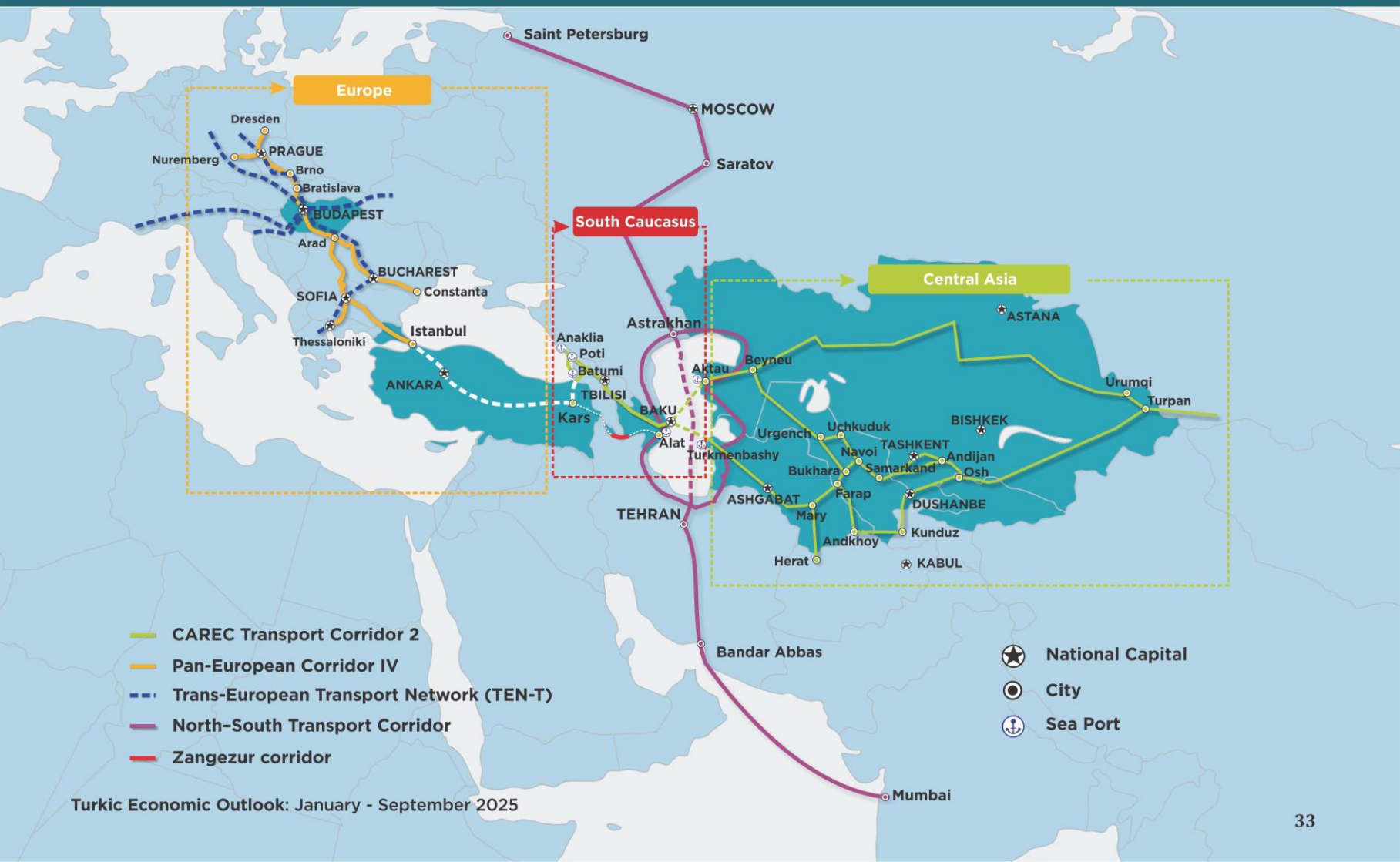
COMPARISON OF GDP GROWTH FOR THE MEMBERS AND OBSERVERS OF THE ORGANIZATION OF TURKIC STATES (January-September 2025)



Center for Analysis of Economic Reforms and Communication



CONDITIONAL SCHEMATIC TRANSPORT CORRIDORS



AZERBAIJAN: MAIN MACROECONOMIC INDICATORS (January-September 2025)



Center for Analysis of Economic Reforms and Communication

Exchange rate: 1 USD = 1.70000 AZN



ECONOMIC GROWTH



GDP*
(56 017.2 mln \$)
↑ 1.3%



INDUSTRIAL PRODUCTION*
(27 827.5 mln \$)
↓ 0.1%



AGRICULTURAL PRODUCTS*
(6 682.2 mln \$)
↑ 0.1%

FOREIGN TRADE



EXPORTS
(18 633.7 mln \$)
↓ 4.5%



IMPORTS
(16 769 mln \$)
↑ 14.5%

TRADE BALANCE
+1 864.7 mln \$

FINANCE



INVESTMENTS DIRECTED TO FIXED CAPITAL*
(7 675.4 mln \$)
↑ 1%



BANK ASSETS*
(33 022.4 mln \$)
↑ 6%

STATE BUDGET



INCOME OF STATE BUDGET*
(17 142.6 mln \$)
↑ 5%



EXPENDITURE OF STATE BUDGET*
(14 510.7 mln \$)
↓ 2%

The figures in percent show a change in the January-September of 2025 compared to the same period last year.

The figures in dollar terms cover the actual figures for the January-September of 2025.

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

KAZAKHSTAN: MAIN MACROECONOMIC INDICATORS (January-September 2025)



Center for Analysis of Economic Reforms and Communication

Exchange rate: 1 USD = 510.17 KZT



ECONOMIC GROWTH



GDP
(185 733 mln \$)
↑ 6.3%



INDUSTRIAL PRODUCTION
(50 010 mln \$)
↑ 7.3%



AGRICULTURAL PRODUCTS
(6 731 mln \$)
↑ 4.4%

FOREIGN TRADE



EXPORTS
(57 500 mln \$)
↓ 5.1%



IMPORTS
(45 907 mln \$)
↑ 4.5%

TRADE BALANCE
+11 594 mln \$

FINANCE



INVESTMENTS DIRECTED TO FIXED CAPITAL
(25 736 mln \$)
↑ 13.5%



BANK ASSETS
(125 065 mln \$)
↑ 15.4%

STATE BUDGET



INCOME OF STATE BUDGET
(55 218 mln \$)
↑ 13.3%



EXPENDITURE OF STATE BUDGET
(63 695 mln \$)
↑ 10.4%

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

KYRGYZSTAN: MAIN MACROECONOMIC INDICATORS (January-September 2025)



Center for Analysis of Economic Reforms and Communication

Exchange rate: 1 USD = 87.47 KGS



ECONOMIC GROWTH



GDP*
(14 193.6 mln \$)
↑ 10%



INDUSTRIAL PRODUCTION*
(2 484.9 mln \$)
↑ 10.3%



AGRICULTURAL PRODUCTS*
(1 322.3 mln \$)
↑ 0.9%

FOREIGN TRADE



EXPORTS
(2 134.2 mln \$)
↓ 25%



IMPORTS
(9 135.6 mln \$)
↓ 3%

TRADE BALANCE
-7 001.4 mln \$

FINANCE



INVESTMENTS DIRECTED TO FIXED CAPITAL*
(3 400 mln \$)
↑ 16%



BANK ASSETS*
(10 087 mln \$)
↑ 7%

STATE BUDGET



INCOME OF STATE BUDGET*
(5.4 mln \$)
↑ 41.3%



EXPENDITURE OF STATE BUDGET*
(4.3 mln \$)
↑ 32.3%

The figures in percent show a change in the January-September of 2025 compared to the same period last year.

The figures in dollar terms cover the actual figures for the January-September of 2025.

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HUNGARY: MAIN MACROECONOMIC INDICATORS (January-September 2025)



Center for Analysis of Economic Reforms and Communication

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



ECONOMIC GROWTH



GDP*
(187 128 mln \$)
↑ 6.5%



INDUSTRIAL PRODUCTION*
(32 422 mln \$)
↑ 1.5%



AGRICULTURAL PRODUCTS*
(4 867 mln \$)
↑ 7.7%

FOREIGN TRADE



EXPORTS*
(133 321 mln \$)
↑ 4.3%



IMPORTS*
(123 878 mln \$)
↑ 3.7%

TRADE BALANCE
+9 442 mln \$

FINANCE



INVESTMENTS DIRECTED
TO FIXED CAPITAL*
(37 854 mln \$)
↓ 3.3%



BANK
ASSETS*
(245 466 mln \$)
↑ 3.5%

STATE BUDGET



INCOME OF
STATE BUDGET*
(87 821 mln \$)
↑ 6%



EXPENDITURE OF
STATE BUDGET*
(97 826 mln \$)
↑ 7.8%

The figures in percent show a change in the January-September of 2025 compared to the same period last year.

The figures in dollar terms cover the actual figures for the January-September of 2025.

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



Center for Analysis of Economic Reforms and Communication

Exchange rate: 1 USD = 18.6887 TRY



ECONOMIC GROWTH



GDP*
(7 162.8 mln \$)
↑ 6.4%



INDUSTRIAL PRODUCTION*
(558.7 mln \$)
↑ 9.3%



AGRICULTURAL PRODUCTS*
(494.2 mln \$)
↑ 8%

FOREIGN TRADE



EXPORTS*
(196.2 mln \$)
↑ 6%



IMPORTS*
(3 223.2 mln \$)
↑ 6.4%

TRADE BALANCE*
-3 027.0 mln \$

FINANCE



LOCAL INVESTMENT
(40.3 mln \$)
↑ 3.6%



BANK ASSETS
(10 258.8 mln \$)
↑ 12.3%

STATE BUDGET



INCOME OF STATE BUDGET
(1 818.3 mln \$)
↑ 21.8%



EXPENDITURE OF STATE BUDGET
(1 942.9 mln \$)
↑ 19.6%

TÜRKİYE: MAIN MACROECONOMIC INDICATORS (January-September 2025)



Center for Analysis of Economic Reforms and Communication

Exchange rate: 1 USD = 29.4899 TRY



ECONOMIC GROWTH



GDP*
(1 157 220 mln \$)
↑ 4%



INDUSTRIAL PRODUCTION*
(210 195 mln \$)

↑ 3.4%



AGRICULTURAL PRODUCTS*
(60 515 mln \$)

↓ 6.4%

FOREIGN TRADE



EXPORTS
(200 528 mln \$)
↑ 4.1%



IMPORTS
(267 631 mln \$)
↑ 5.9%

TRADE BALANCE
-67 103,1 mln \$

FINANCE



INVESTMENTS DIRECTED TO FIXED CAPITAL*
(356 113 mln \$)
↑ 7.5%

Gross Fixed Capital



BANK ASSETS*
(1 051 974 mln \$)
↑ 42.8%

STATE BUDGET



INCOME OF STATE BUDGET*
(228 334 mln \$)
↑ 47.9%



EXPENDITURE OF STATE BUDGET*
(261 863 mln \$)
↑ 43.1%

The figures in percent show a change in the January-September of 2025 compared to the same period last year.

The figures in dollar terms cover the actual figures for the January-September of 2025.

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TURKMENISTAN: MAIN MACROECONOMIC INDICATORS (January-September 2025)



Center for Analysis of Economic Reforms and Communication

Exchange rate: 1 USD = 3.50 TMT



ECONOMIC GROWTH



GDP
(72 100 mln \$)*
↑ 6.3%



INDUSTRIAL PRODUCTION**
(N/A mln \$)*
↑ 1.8%



AGRICULTURAL PRODUCTS**
(N/A mln \$)*
↑ 12.9%

FOREIGN TRADE



EXPORTS***
(12 400 mln \$)
↑ 8.5%



IMPORTS***
(7.7 mln \$)
N/A

TRADE BALANCE***
+4 400 mln \$

FINANCE



INVESTMENTS DIRECTED TO FIXED CAPITAL
(27 000 mln \$)
↑ 8.7%



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

STATE BUDGET



INCOME OF STATE BUDGET**
(N/A mln \$)
↑ 0.2%



EXPENDITURE OF STATE BUDGET**
(N/A)
↓ 3.7%

Turkic Economic Outlook: January - September 2025

* IMF estimate

** 2023 Annual, Source: WB

*** 2024 Annual, Source: WB

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UZBEKISTAN: MAIN MACROECONOMIC INDICATORS (January-September 2025)



Center for Analysis of Economic Reforms and Communication

Exchange rate: 1 USD = 12 654.13 UZS



ECONOMIC GROWTH



GDP
(101 114 mln \$)
↑ 7.2%



INDUSTRIAL PRODUCTION
(60 014 mln \$)
↑ 6.6%



AGRICULTURAL PRODUCTS
(2 840 mln \$)
↑ 4%

FOREIGN TRADE



EXPORTS
(26 684 mln \$)
↑ 33.3%



IMPORTS
(33 111 mln \$)
↑ 15.6%

TRADE BALANCE
-6 427 mln \$

FINANCE



INVESTMENTS DIRECTED TO FIXED CAPITAL
(34 406 mln \$)
↑ 15.2%



BANK ASSETS
(68 281 mln \$)
↑ 17.3%

STATE BUDGET



INCOME OF STATE BUDGET*
(3.5 mln \$)
↑ 138.6%*



EXPENDITURE OF STATE BUDGET*
(2.8 mln \$)
↑ 135%*

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

* January-June 2025 period