

Central Asia Trade Policy Risk — Quick Read

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Source: CA-TPU Central Asia Trade Policy Uncertainty Index (catpu.caiees.cn)

At a Glance

The CA-TPU index rebounded sharply to 187.46 in May, and its three-month average rose to the 2nd highest on record, nearing the 2020 pandemic peak. But almost the entire surge came from Uzbekistan alone, while media terms such as “risk” and “sanctions” actually cooled — pressure is rising, but its source is narrowing.

1. What actually happened in May

In May 2026 the CA-TPU index (Central Asia Trade Policy Uncertainty Index) registered 187.46, a sharp 26.1% rebound from April’s 148.68. It is the highest single-month reading since the COVID outbreak of April 2020.

Measured by the three-month average (which smooths single-month swings and reveals trends), May reads 173.21 — 2nd among all 209 months since 2009, less than one point below the June 2020 record. The discourse pressure from the current tariff war is, in scale, already near the peak of the early pandemic.

But contrary to the headline number, this surge is not “broad.” It was driven almost entirely by Uzbekistan, while the other three countries — including Kazakhstan, Central Asia’s largest economy — actually saw their indices fall this month.

2. What the pressure really is: “trade instruments” rose, “risk sentiment” fell

The project team tallied, after case-form lemmatisation, the keywords in all “high-value news” in May (articles that simultaneously hit the trade, policy and uncertainty categories) and compared them with April. The result was unexpected.

What genuinely heated up were “concrete trade-instrument” topics — “contracts/treaties” up 32.9%, “tariffs” up 25.8%, “trade” up 16.8%.

What clearly cooled were precisely the “risk-sentiment” topics — “uncertainty” down 57.5%, “sanctions” down 39.3%, “policy” down 35.7%, “risk” down 30.7%, “crisis” down 28.4%.

This rise-and-fall contrast is key: the “sanctions bargaining and risk framing” that filled April clearly gave way in May to more concrete content — “tariff lists, contract terms, trade arrangements.” The discourse moved from “worrying something will happen” to “starting to negotiate and sign.”

In other words, the market’s attention is descending from the “sentiment level” to the “operational level.” This usually means the relevant arrangements are entering substantive progress, and their direct impact on business is drawing closer.

Implications for Business Practice

When “tariffs,” “contracts” and “agreements” replace “risk” and “sanctions” as the high-frequency words, it usually means negotiations and rule changes are moving from rumour to reality. Contract pricing, tariff arrangements and delivery terms involving Central Asia are best reviewed proactively in June–July, rather than waiting it out.

3. Discourse differences across the four countries (the key for practice)

The CA-TPU index composites the four countries’ discourse pressure by trade weight. But broken down by country, the “temperature” gap among the four reached its widest in recent months in May — especially important for firms with business in different countries.

3.1 Kazakhstan: lowest index and still falling, yet “risk” everywhere

Kazakhstan’s May sub-index was only 40.21, the lowest of the four and still falling from April (49.84) — a recent low. This suggests that, viewed through the lens of trade, policy and uncertainty appearing together, the Kazakh market is on the surface the “calmest.” Yet Kazakh media used the word “risk” repeatedly — of the 305 mentions of the “risk” family in May, Kazakhstan alone accounted for 135, nearly twice its share of news volume; the “exports” topic was also highly concentrated there (103 of 221). This is a textbook “passive-defensive narrative”: risk is discussed repeatedly, but concrete policy responses have yet to follow. The implication: transactions can still proceed normally, but watch how this high-density “risk discourse” erodes the expectations of clients and partners.

3.2 Uzbekistan: index soaring, discourse centred on “agreement, decisions, trade”

Uzbekistan's May sub-index reached 472.18, up another 42.8% from April (330.72); this one country contributed about 81% of the entire CA-TPU composite. Uzbek media's hottest keywords in May were "agreement," "decisions" and "trade" — of the 267 mentions of the "agreement" family, 169 (63.3%) came from Uzbekistan — a textbook "active-response narrative," meaning government, industry and firms are intensively negotiating, deciding and adjusting frameworks. The implication: May–June may be the window of most frequent contract changes. Long-term agreements, payment methods, pricing currencies and tariff arrangements signed earlier are best reviewed proactively and soon, as counterparties may be rearranging their whole cooperation framework. (Note: the absolute height of Uzbekistan's index is partly a matter of statistical methodology; its "direction" is more reliable than its "exact value.")

3.3 Kyrgyzstan: steady index, but "sanctions" and "tariffs" highly concentrated

Kyrgyzstan's May sub-index was 93.35, near the baseline and slightly down from April. But in its media discourse the relative concentration of "sanctions" (41) and "tariffs" (30) is the highest of the four — Kyrgyzstan's total news volume is only about half Uzbekistan's, yet it carries comparable attention to "sanctions." The background is clear: Kyrgyzstan handles substantial Russian re-export trade and is highly sensitive to U.S. "secondary sanctions" (sanctions on third-country firms and banks that help circumvent sanctions). The implication: if goods transit through Kyrgyzstan, or Kyrgyz partners deal with Russia, secondary-sanction compliance checks should remain the top priority.

3.4 Tajikistan: mid-range index, but small sample and limited reference value

Tajikistan's May sub-index was 146.34, down from April (171.31). But the country's total news volume is the lowest of the four, and the absolute frequencies of all keyword categories are low; part of the elevated reading stems from statistical amplification due to the small sample base. When making decisions in the Tajik market, it is advisable to also reference the discourse intensity of Kazakhstan and Uzbekistan as a supplement, rather than relying on the Tajik index alone.

4. Why "a surging index with cooling risk-words" is a subtle signal

An easily misread phenomenon: the index clearly surged in May, yet media terms such as "risk," "crisis" and "uncertainty" fell sharply. This seems contradictory, but it is not.

CA-TPU measures not the popularity of the single word “risk,” but the density with which the three topics — trade + policy + uncertainty — appear together. In May, articles where all three appear together rose markedly in Uzbekistan — where there is intensive “policy decision-making on trade matters” — so the index surged; meanwhile, vague “risk framing” receded, and discourse focused more on concrete arrangements.

A surging index with cooling risk-words therefore signals that uncertainty is moving from “emotional venting” to “substantive bargaining.” Sentiment can swing back and forth, but once it enters the signing, pricing and listing stages, the transmission of outcomes (good or bad) to firms becomes more direct and faster.

Implications for Business Practice

Do not relax just because the word “risk” cooled. What is really worth tracking are three concrete things: (1) whether tariffs and lists involving Central Asia are updated; (2) whether secondary-sanction lists expand to Central Asian firms; (3) whether Uzbekistan’s intensive “agreements” turn into concrete terms. Any change will transmit quickly to payment timing, transport routes and pricing currencies.

5. Key things to watch in the next 1–2 months

First, whether Uzbekistan’s index can hold its high. May’s 472.18 is a historically extreme reading — it may be genuine policy intensity, or carry statistical amplification. A clear pullback in June would make the month look more like a “single pulse”; if it holds, business exposure to Uzbekistan warrants a more systematic reassessment.

Second, whether concrete families such as “tariffs” and “contracts” can sustain their rise. Continued gains would mean negotiations are moving from rumour to reality, with concrete outcomes possibly arriving in June–July (positive or negative).

Third, whether Kazakhstan’s index stops falling and rebounds. The current 40.21 is a recent low, diverging from the regional surge. A sudden upturn there is often a broader-based, high-level risk warning.

Fourth, whether the three-month average can break the June 2020 record. At 173.21 it is one step away; if discourse intensity stays high in June, this average will set an all-time high, confirming the severity of the current pressure.

Conclusion

The CA-TPU index measures not “actual losses” but “discourse pressure” — how intensely the four countries’ major media discuss trade, policy and uncertainty at once. Discourse pressure usually appears before actual losses, making it a leading signal. With the three-month average at the 2nd highest on record and the high-pressure state already lasting three months, pressure has built to considerable depth.

What deserves particular attention this month: pressure is rising while its source narrows — it rests almost entirely on Uzbekistan, and the discourse has moved from “risk” toward “concrete trade instruments.” This “narrow but deep” configuration means that once a few specific things (Uzbekistan’s agreements, tariff lists, secondary-sanction lists) make progress, the market reaction will be sharper and faster than before. The greatest cost often comes not from “known risk” but from “assuming there is still time to wait and see.” A proactive business review in June is advisable, focusing on Uzbekistan-related contract terms, Kyrgyzstan-related compliance risk, and the stability of cross-border settlement routes.

This brief is based on CA-TPU index data for May 2026. The CA-TPU index was developed by the team of Professor Zhang Lijie at the School of Economics and Management, Xinjiang University, covering the policy-uncertainty discourse intensity of the main media in Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan. The full academic report and historical data are available at catpu.caiees.cn.

This brief is for reference only and does not constitute investment advice or a basis for business decisions.