Central Asia Trade Policy Risk — Quick Read

June 2026 · A concise edition for business and trade professionals

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

At a Glance

In June the CA-TPU index pulled back from May's near-record high to 147.33 (down 21.4% month-on-month), yet the three-month average still stands at a lofty 161.16 — a fourth consecutive month in the high-pressure zone, the longest such stretch in the index's 17-year history. Contrary to the falling index, media discourse reversed sharply from May: "agreement," "sanctions" and "risk" words rebounded, while "tariffs," "trade" and "exports" words retreated. The pressure is growing shallower, but it is lasting longer.

1. What actually happened in June

In June 2026 the CA-TPU index (Central Asia Trade Policy Uncertainty Index) registered 147.33, a sharp 21.4% pullback from May's 187.46 (a near-record high). On a single-month basis, discourse intensity clearly cooled from its peak.

But measured by the three-month average (which removes single-month swings and reveals the trend), June reads 161.16 — still firmly in the high-pressure zone above 150, and now for a fourth consecutive month (March–June). This "four consecutive months of high pressure" has not occurred since 2009; the previous record was three months during the early COVID outbreak of 2020. In other words, even as the single month pulled back, the accumulated depth of pressure has surpassed the pandemic period.

One further point is worth noting: this month's pullback came almost entirely from Uzbekistan alone — its May reading was an extreme high, so June naturally fell back. The other countries rose or fell in different directions; this was not a broad-based cooling.

2. What changed this month: "agreement / sanctions / risk" rose, "trade instruments" fell

The project team tallied, after case-form lemmatisation, the keywords in all "high-value news" in June (articles that simultaneously hit the trade, policy and uncertainty categories) and compared them with May. The result was almost the exact opposite of last month.

What clearly heated up this month were the "agreement bargaining + sanctions + risk" topics — "agreement/treaty" surged 42.7%, "policy" rose 27.8%, "sanctions" rose 26.6% and "risk" rose 13.8%.

What clearly cooled were precisely May's protagonists — the "concrete trade-instrument" topics: "tariffs" down 37.2%, "exports" down 32.1%, "trade" down 24.2% and "decisions" down 17.6%.

This reversal matters: in May the discourse was still about operational content such as "tariff lists, contract terms and trade arrangements," but in June it swung back to the bargaining and sentiment level — "how to negotiate the agreement, how to guard against sanctions, how large the risk is." In a phrase: attention moved from "getting things done" back to "talking it over again."

Implications for Business Practice

When "agreement," "sanctions" and "risk" once again overshadow "tariffs" and "contracts" as the high-frequency words, it usually means negotiations are entering a more deadlocked, more adversarial phase, and the pace of rules taking effect may slow with more back-and-forth. For cooperation involving Central Asia, it is advisable to review once more the force majeure, sanctions-compliance and dispute-resolution clauses in contracts, rather than assuming that earlier arrangements will proceed smoothly.

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 remains significant — especially important for firms with business in different countries.

3.1 Kazakhstan: lowest index, yet a screen full of "risk"

Kazakhstan's June sub-index was only 42.26, the lowest of the four and stabilising at a low level. This suggests that, viewed through the lens of policy, trade and uncertainty appearing together, the Kazakh market is on the surface the "calmest." Yet Kazakh media kept using the word "risk" repeatedly — of the 347 mentions of the "risk" family in June, Kazakhstan alone accounted for 134 (38.6%), nearly twice its share of news volume. As Central Asia's largest economy, Kazakhstan is the most sensitive to tariff transmission, and this high-density "risk discourse" will keep eroding the expectations of clients and partners. The implication for the Kazakh market: transactions can still proceed normally, but watch out for the contagion of sentiment.

3.2 Uzbekistan: index pulled back, yet still the undisputed lead voice on "agreement"

Uzbekistan's June sub-index was 343.52, a 27.2% pullback from May's extreme high (472.18), yet it still accounts for about three-quarters of the entire CA-TPU composite and remains the absolute main driver. Uzbek media's hottest keyword this month was still "agreement" — of the 381 mentions of the "agreement" family, Uzbekistan alone accounted for 283 (74.3%), even more concentrated than in May. This means Uzbekistan's government, industries and firms are still intensively negotiating and adjusting frameworks. The implication for the Uzbek market: contract-term changes and framework reshuffling are still under way, and long-term agreements, payment methods and pricing currencies signed earlier are best kept under proactive review. It should be noted that the absolute height of Uzbekistan's index is partly a matter of statistical methodology; its "direction" (a pullback this month) is more reliable than its "exact value."

3.3 Kyrgyzstan: index pulled back, but the highest attention to "sanctions" among the four

Kyrgyzstan's June sub-index was 65.98, down from May (93.35). Yet in its media discourse the absolute count of "sanctions" (56 mentions) is the highest of the four — Kyrgyzstan's total news volume is only about half Uzbekistan's, yet it carries the most attention to "sanctions." The background is clear: in recent years Kyrgyzstan has handled 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 for the Kyrgyz market: if goods transit through Kyrgyzstan, or Kyrgyz partners have dealings with Russia, secondary-sanction compliance checks should remain the top priority.

3.4 Tajikistan: index rose against the trend, but small sample and limited reference value

Tajikistan's June sub-index was 191.55, rising against the trend from May (146.34) — the only country to climb clearly this month. 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; that said, its rise against the trend is still worth noting.

4. Why "a falling index with pressure that has not dispersed" is the key signal

An easily misread phenomenon: the single-month index clearly pulled back in June — does that mean the risk has passed? The answer is: not yet.

CA-TPU's real warning is hidden in the "three-month average." The single-month index fell from 187 to 147, a large drop; but the three-month average fell only from 173 to 161, a much smaller drop — because it still counts May's high point. It is precisely this average that has now stood above the 150 high-pressure line for four consecutive months, setting a 17-year record. The single-month pullback is not yet enough to reverse pressure that has been building for a full four months.

In other words, this month looks more like "consolidation at a high level" than "a release of pressure." What really needs watching is how long this high pressure can last, and whether the discourse's renewed shift toward "agreements and sanctions" will breed fresh confrontation.

Implications for Business Practice

Do not relax just because the single-month index pulled back. What is really worth tracking are three concrete things: (1) whether Uzbekistan's intensive "agreements" move toward implementation or fall into stalemate; (2) whether the secondary-sanction lists targeting Central Asian firms expand; (3) whether tariffs and lists involving Central Asia are adjusted again. We are in the longest high-pressure stretch in 17 years, and 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 the high-pressure stretch can extend into a fifth month. The three-month average has stayed above 150 for four consecutive months, the longest on record; if July continues to slide and drags this average below 150, the current high-pressure stretch will draw to a close; if it holds, the record will keep extending and the warning grows more compelling.

Second, whether the renewed heating of "agreement / sanctions / risk" is a trend or a fluctuation. If it continues in July, negotiations are entering a more adversarial phase; if the discourse shifts back to operational words such as tariffs and contracts, it is more likely a normal month-to-month swing.

Third, whether Uzbekistan’s index can keep pulling back. This month it fell from 472 to 344 but remains high; a sustained pullback would confirm that May’s extreme reading was a “single pulse,” and the earlier “narrow but deep” configuration would ease accordingly.

Fourth, whether Kazakhstan’s index stops falling and rebounds. At 42.26 it is still the lowest of the four, diverging from its highest trade weight. A sudden upturn there is often a broader-based, high-level risk warning.

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. When the three-month average sits in the high-pressure zone for four consecutive months, setting a 17-year record, it means that although pressure pulled back in the single month, its accumulated depth is still increasing.

What deserves particular attention this month: the index is growing shallower while lasting longer, and the discourse has swung back to “agreement bargaining and risk sentiment.” This configuration means that once a handful of specific things (whether Uzbekistan’s agreements land, the secondary-sanction lists, the tariff lists involving Central Asia) make progress, the market reaction will still be fairly sharp. The greatest cost often comes not from “known risk” but from “assuming the pressure has already passed.” A proactive business review in July is advisable, focusing on Uzbekistan-related contract terms, Kyrgyzstan-related compliance risk, and the stability of cross-border settlement routes.

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This brief is based on CA-TPU index data for June 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.