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

In July the CA-TPU index fell sharply to 95.16 (down 35.4% month-on-month), and the three-month average dropped to 143.32, breaking below the 150 high-pressure line — the four-consecutive-month high-pressure stretch, the longest on record in 17 years, formally ended this month. The index also fell back below 100, the base-period average, its lowest reading since January 2025. Media discourse turned in step: “agreement” words plunged 75%, while “law,” “tax” and “tariff” words surged against the trend. The noise of negotiation has exited, and the four countries have begun writing the outcomes into their own domestic rules.

1. What actually happened in July

In July 2026 the CA-TPU index (Central Asia Trade Policy Uncertainty Index) registered 95.16, a sharp 35.4% pullback from June’s 147.33. This is not only the largest single-month drop of the current tariff-war episode; the index has also fallen back below 100 — and 100 is the average level of 2015–2019. In other words, this month’s discourse pressure is already below the pre-pandemic normal benchmark.

Measured by the three-month average (a treatment that removes single-month swings and reveals the trend), July reads 143.32, breaking below the 150 high-pressure line. That means the four consecutive months of high pressure that began in March — the longest such stretch since the index began in 2009 — formally ended this month.

One point still deserves attention: despite the steep single-month fall, the three-month average remains 27% higher than in July last year. In other words, pressure has come down quickly from a high level; it has not yet returned to where it stood a year ago.

2. What changed this month: negotiation discourse exits, domestic rules take over

The project team tallied, after case-form lemmatisation, the keywords in all "high-value news" in July (articles that simultaneously hit the trade, policy and uncertainty categories) and compared them with June. This month's shift is the sharpest of recent months.

What collapsed were all of June's protagonists: "agreement/treaty" plunged 75.4% — the largest drop for any single lemma family since this project began tracking; "sanctions" fell 52.1%, "policy" fell 33.0%, "risk" fell 30.1% and "trade" fell 28.9%.

Rising against the trend was a different group of words, and they point in a highly consistent direction: "law" surged 82.6%, "tax" rose 64.0%, "tariffs" rose 45.1% and "imports" rose 24.7%.

The picture assembled by this rise and fall is quite clear: the cross-border noise of "how to negotiate, where talks stall, how large the risk is" has exited, and in its place come concrete domestic actions in each country — "writing the rules into law, adjusting tax rates and tariffs." The negotiation phase has drawn to a close; the implementation phase has begun.

Implications for Business Practice

What this shift means for firms matters far more than the bare fact of "a falling index." The risk of the negotiation phase is "not knowing what will happen"; the risk of the implementation phase is "the rules have already changed and you do not know it yet." It is advisable to move the focus of attention away from negotiation news and toward the laws, regulations and tariff-schedule announcements issued through the four countries' official channels — above all the specific amendments to customs duty rates, import-stage taxes, and licensing and filing requirements. Contracts signed earlier under the old rules should be re-checked for pricing, allocation of tax burden and delivery terms.

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

The CA-TPU index composites the four countries' discourse pressure by trade weight. This month the configuration among the four changed materially: the earlier dominance of a single country has loosened, and the centre of gravity of the discourse has moved.

3.1 Kazakhstan: still the lowest index, yet now the centre of the discourse

Kazakhstan's July sub-index was 45.51, edging up 7.7% from June (42.26) and still the lowest of the four. But the real change lies in the structure of the discourse: this month the word "law" appeared 210 times across the region, of which Kazakhstan alone accounted for 160 (76.2%); of the 255 mentions of "risk" it held 130 (51.0%), of the 228 mentions of "decisions" 110 (48.2%), and of the

246 mentions of “trade” 112 (45.5%). As Central Asia’s largest economy, carrying a trade weight of around 60%, Kazakhstan has displaced Uzbekistan as the centre of regional discourse, and its attention is plainly concentrated on domestic regulation and tariff-schedule adjustment. The implication for the Kazakh market: this is the market to watch most closely this month — not because risk is high, but because the rules are being rewritten there.

3.2 Uzbekistan: exiting the lead role, with the index nearly halved

Uzbekistan’s July sub-index was 180.52, a steep 47.4% fall from June (343.52) and the entire source of this month’s decline in the composite. More telling still is the “agreement” discourse: in June, of 381 mentions across the region, Uzbekistan alone held 283 (74.3%); this month there were only 98 mentions region-wide and Uzbekistan held just 17 of them (17.3%) — the signs of intensive negotiation have all but disappeared. The implication for the Uzbek market: the frequent framework reshuffling and term changes of recent months may have drawn to a close, and this is precisely the window in which to review the outcomes of those earlier changes and confirm the final version of the terms, rather than to keep waiting for another round of revision. It should be noted that the absolute height of Uzbekistan’s index is partly a matter of statistical methodology; its “direction” (a sharp pullback this month) is more reliable than its “exact value.”

3.3 Kyrgyzstan: the index rebounded, and it remains where “sanctions” talk concentrates

Kyrgyzstan’s July sub-index was 91.14, a 38.1% rebound from June (65.98) and the largest gain among the four this month. In its media discourse the absolute count of “sanctions” remains the highest of the four — of the 81 mentions across the region, Kyrgyzstan alone held 50 (61.7%), a concentration higher still than in June. The background has not changed: 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: against a backdrop of general cooling, Kyrgyzstan’s sanctions risk has in fact become more prominent; if goods transit through Kyrgyzstan, or Kyrgyz partners have dealings with Russia, secondary-sanction compliance checks must not be relaxed simply because the overall reading has cooled.

3.4 Tajikistan: the index pulled back, but small sample and limited reference value

Tajikistan’s July sub-index was 120.94, down 36.9% from June (191.55). 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 outsized swing in the index 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 “receding pressure” does not mean “you can relax”

The point most easily misread in this month’s data: with the index down sharply and the high-pressure stretch over, does that mean the risk has been lifted? The answer is that the risk has not disappeared — it has changed form.

CA-TPU measures “discourse pressure” — how intensely the media discuss trade, policy and uncertainty at once. A receding discourse usually means the contested phase is over, but a dispute can end in two ways: it can fizzle out inconclusively, or it can produce a result. This month’s surge in “law,” “tax” and “tariff” words against the trend points clearly to the latter — the results are being written into each country’s laws and tariff schedules.

One further detail is worth noting: although the total volume of the word “risk” fell 30%, its concentration within the uncertainty category actually rose. In other words, vague worry has receded, while the remaining discussion of risk has become more focused and more specific. That is usually not a signal that risk has disappeared, but a signal that risk has been clearly identified.

Implications for Business Practice

Do not read “a falling index” as “time to wait and see.” What is really worth tracking are three concrete things: (1) whether the four countries’ customs duty rates, import-stage taxes and tax-law amendments have taken effect or are about to; (2) whether the secondary-sanction lists targeting Central Asian firms have changed — the Kyrgyz direction in particular deserves watching; (3) whether the final terms of the frameworks agreed earlier with Uzbek partners have now been settled. The uncertainty of the negotiation phase is converting into the compliance cost of the implementation phase, and that cost can be calculated in advance.

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

First, whether the pullback marks an established trend or an overshoot. This month’s 35.4% drop is quite steep, and the index has already fallen below the base-period average of 100. If August stabilises around 100, the current discourse shock can be judged largely spent; if it keeps falling deeply, watch for whether media attention has shifted wholesale to other topics.

Second, whether the heating of “law / tax / tariffs” can be sustained. If it continues to rise in August and September, rule implementation is still advancing, and what firms face will be concrete, actionable compliance changes — the kind of change more deserving of resources than negotiation rumours.

Third, whether Uzbekistan’s index can keep pulling back. This month it fell from 344 to 181; if August takes it further into the 100–150 range, that would confirm May’s extreme reading as a “single pulse,” and the earlier “narrow but deep” configuration would come to a definitive end.

Fourth, whether Kazakhstan takes the baton and moves up. Its index is still the lowest of the four, yet it is already the centre of the discourse and carries a trade weight of around 60%. Once Kazakhstan’s index rises clearly, its pull on the composite index will be far greater than Uzbekistan’s earlier drive, and the breadth of the impact will be much wider.

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, which makes it a leading signal. The judgement this signal delivers this month is that the discourse shock set off by the tariff war has begun to recede after four consecutive months of high pressure.

But the manner of the retreat rewards a second look: what was noisy was negotiation, and what has exited is negotiation; what takes over are law, taxes and tariffs — quieter things, and more binding ones. For firms, the main work of the period ahead is probably no longer to read the direction of the wind but to check the rules line by line — to see what the bargaining of recent months has finally left behind in the four countries’ regulations and tariff schedules. The greatest cost usually comes not from “risk you cannot see clearly” but from “rules already in force that no one has read.”

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