

# Almaty-Issyk-Kul Alternative Road Economic Impact Assessment



## Client

Asian Development Bank

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## Facts

Period

2019 - 2020

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Project Country

Kazakhstan  
Kyrgyzstan

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EBP prepared an Economic Impact Assessment (EIA) for a new pass road linking Kazakhstan and Kyrgyzstan. ADB and both countries wanted to know to which extent the regional economy would benefit from the road and increased tourism.

Today, anyone traveling from Almaty to the Issyk-Kul tourist region must drive around the mountains to the east or west. The journey takes about seven hours, and the border crossing can cause unpredictable delays. For decades, there have been plans for a new road that would traverse the mountains and cut travel time to as little as 1 hour and 40 minutes. It would also make the trip attractive for weekend trips.

### Regional economic impacts from increased tourism

EBP US in Boston, together with EBP Switzerland and local partners in Central Asia, undertook a rough review of possible alignments and derived travel demand scenarios. To determine the regional economic impacts, EBP created a "Multi-Regional Input Output Model". This also made it possible to determine the consequential impacts of increased tourism demand on both sides of the border, such as employment and value-added.

In addition to literature and calculations, numerous interviews were conducted to estimate the behavioral change brought about by shorter travel times and lower travel costs. It was found that roads are an important, but not the only, prerequisite for strong economic growth. The regulatory environment and tourism infrastructure must keep pace with the demands of the additional travelers.

### Positive effects on both sides of the border

If the measures proposed in the regional tourism master plan are largely implemented, the new road will enable strong regional growth. This will make a relevant contribution to the GDP, especially on the Kyrgyz side of the border. But the Kazakh side and Almaty in particular would also benefit from more attractive tourism offers.

Both governments are now willing to make further steps, for example to explore the financial feasibility of the road via tolling.

## Contact Persons



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