

JOURNAL OF LEGAL STUDIES,
POLITICS AND ECONOMICS RESEARCH

An Internationally Indexed Peer Reviewed & Refereed Journal

www.JLPER.com

Published by iSaRa Solutions

Beyond Diplomatic Ties: Assessing the Evolution of Economic Engagement between India and Kyrgyzstan

Bhawna Punia¹, W. Themmichon Ramson²

¹ Research Scholar, Department of Political Science, Lakshmibai College, University of Delhi, Delhi, India

² Assistant Professor, Department of Political Science, Lakshmibai College, University of Delhi, Delhi, India

Abstract

This study examines the economic engagement between India and Kyrgyzstan since the establishment of diplomatic relations in 1992 following the dissolution of the Soviet Union. It explores the key dimensions shaping their bilateral economic relationship, including trade patterns, investment, sectoral cooperation and policy frameworks, within the broader context of India and Central Asia relations. The study finds that, despite strong political relations and growing cooperation in defence, security, and counter-terrorism, bilateral economic engagement has remained relatively limited. It argues that improving regional connectivity, strengthening institutional mechanisms, and diversifying trade are crucial to expanding and realising the economic potential of India–Kyrgyzstan relations. Bilateral trade and investment continue to be constrained by geographical barriers, the lack of direct connectivity, and structural impediments. The analysis also reveals that India and Kyrgyzstan economic relations remain relatively underexplored in the existing academic literature. At the same time, sectors such as pharmaceuticals, information technology, education, and agriculture offer considerable potential for strengthening bilateral cooperation. It concludes that targeted policy measures are necessary to deepen India's economic partnership with Kyrgyzstan and advance its broader engagement with the Central Asian region.

Keywords: India–Kyrgyzstan Relations, Economic Engagement, Bilateral Trade, Post-Cold War Era, Central Asia, Connectivity, Regional Cooperation

Introduction

The conclusion of the Cold War fundamentally reshaped the political and economic landscape of Eurasia, leading to the emergence of five independent Central Asian republics and creating new opportunities for regional and international cooperation. Among these states, the Kyrgyz Republic occupies a strategically significant position despite its relatively small economy. India was among the first countries to recognize Kyrgyzstan's independence in 1991 and established diplomatic relations in March 1992. Since then, bilateral relations have expanded beyond diplomatic engagement to include cooperation in trade, investment, defence, healthcare, education and regional connectivity. high-level political exchanges, bilateral agreements, and institutional mechanisms such as the India–Kyrgyz Inter-Governmental Commission (IKIGC),

together with initiatives including the Connect Central Asia Policy, the India–Central Asia Dialogue, and the Shanghai Cooperation Organisation (SCO), have strengthened the institutional foundations of the relationship. Despite these developments, economic ties remain modest, characterized by low trade volumes, limited investment flows, and inadequate sectoral diversification. As a small landlocked economy, Kyrgyzstan continues to depend heavily on external markets, with gold exports and remittances serving as its principal sources of income. Consequently, expanding trade, attracting foreign investment, and strengthening regional economic integration have become central to the country's long-term development strategy.

Although Central Asia has assumed growing importance in India's foreign policy, the existing literature has primarily focused on India's broader regional strategy, energy security, and geopolitical competition involving major powers such as China and Russia. Comparatively little scholarly attention has been devoted to the evolution of India–Kyrgyzstan economic relations as a distinct area of inquiry, with most studies examining Kyrgyzstan within the broader framework of India's engagement with Central Asia. This article addresses that gap by examining the economic engagement between India and Kyrgyzstan from 1991 to the present. It examines the evolution of bilateral trade, investment, and policy frameworks, identifies the key opportunities and constraints shaping economic cooperation, and assesses the prospects for strengthening bilateral economic relations in the context of India's expanding engagement with Central Asia.

This study adopts a multidisciplinary approach to examine the evolution of bilateral economic relations between India and Kyrgyzstan since the end of the Cold War. It employs both qualitative and quantitative research methods to analyze the nature and extent of economic engagement between the two countries. The study draws on primary sources, including government documents, reports of the Ministry of External Affairs (MEA), policy statements, official statistics, and other relevant official records. Secondary sources include books, research articles, policy reports, dissertations, and other scholarly publications.

India–Kyrgyzstan Economic Engagement, 1991–Present: Trends, Constraints, and Prospects

The economic engagement between India and the Kyrgyz Republic has evolved through three distinct phases since the dissolution of the Soviet Union in 1991. These phases reflect a gradual transition from diplomatic recognition and limited economic interaction to a more institutionalized and strategically oriented partnership. Although bilateral trade and investment remain modest, sustained political dialogue, institutional mechanisms, and sectoral cooperation have progressively strengthened the foundations of economic relations.

Early Phase (1991–2000): Diplomatic Recognition and Limited Economic Engagement

The first phase of India–Kyrgyzstan relations began with the emergence of the Kyrgyz Republic as an independent state following the collapse of the Soviet Union. India was among the first countries to recognize Kyrgyzstan's independence, and diplomatic relations were formally established on 18 March 1992. This was followed by the opening of the Kyrgyz Embassy in New Delhi in 1993 and the Indian Embassy in Bishkek in 1994, providing the institutional basis for bilateral engagement. High-level political exchanges further reinforced

these ties. President Askar Akaev visited India in 1992 and again in 1999, while Prime Minister P. V. Narasimha Rao (1995), President K. R. Narayanan (1996), and Vice President Krishan Kant (1999) visited the Kyrgyz Republic, reflecting the mutual commitment of both countries to establishing long-term diplomatic relations (Ministry of External Affairs, 2025).

Despite these political engagements, economic cooperation remained limited. India's policy towards Kyrgyzstan during this period was primarily driven by diplomatic outreach and political goodwill, while Kyrgyzstan's transition from a centrally planned to a market-oriented economy constrained its ability to expand trade and attract foreign investment. Consequently, bilateral trade and investment remained modest, making this period primarily a foundation-building phase, where political relations advanced more rapidly than economic cooperation.

Consolidation Phase (2000–2015): Institutionalization and Gradual Expansion

The period between 2000 and 2015 marked the institutionalization of bilateral economic relations through a series of agreements and cooperation mechanisms. The signing of the Bilateral Investment Promotion and Protection Agreement (BIPPA) in 2000 represented a significant step towards promoting and protecting investments between the two countries.^[1] The India–Kyrgyz Inter-Governmental Commission (IGC) on Trade, Economic, Scientific and Technological Cooperation further strengthened policy dialogue and provided a structured framework for expanding bilateral cooperation (Ministry of External Affairs, 2016).

High-level political interactions continued during this phase, including President Askar Akaev's visits to India in 2002 and 2003, which contributed to strengthening political confidence and expanding economic discussions. Bilateral cooperation also diversified beyond trade and investment to include defence, scientific research, and capacity building. India provided training to Kyrgyz defence personnel, conducted joint military exercises and exchange programmes, and collaborated through the Kyrgyz–India Mountain Biomedical Research Centre (KIMBMRC) in Bishkek. Although trade volumes remained relatively low, this period represented a transition from limited engagement to a more structured and strategic partnership, laying the institutional foundation for deeper economic cooperation (Baitha, 2015).

Renewed Engagement Phase (2015–Present): Strategic Partnership and Connectivity

Since 2015, India–Kyrgyzstan relations have entered a more dynamic phase characterized by stronger political commitment, expanding institutional cooperation, and increasing emphasis on connectivity and development partnerships. A major milestone was Prime Minister Narendra Modi's visits to the Kyrgyz Republic in 2015 and 2019, which significantly elevated bilateral relations. During the 2019 visit, the two countries adopted a Joint Statement on Strategic Partnership, signed several agreements covering healthcare, information technology, trade, investment, and defence, and adopted a Five-Year Roadmap for Trade and Economic Cooperation. These initiatives reflected a growing recognition of the need to diversify and strengthen bilateral economic engagement (Ministry of External Affairs, 2016).

Institutional mechanisms have remained central to this renewed partnership. The India–Kyrgyz Inter-Governmental Commission (IKIGC), regular Foreign Office Consultations, and the India–Kyrgyz Business Forum has expanded cooperation in sectors such as pharmaceuticals,

healthcare, agriculture, renewable energy, information technology, and digitalization. Development cooperation has also gained prominence through India's Line of Credit and technical assistance projects in connectivity, healthcare, education, and information technology. At the regional level, collaboration through the Shanghai Cooperation Organisation (SCO) and the India–Central Asia Dialogue, particularly following the First India–Central Asia Summit in 2022, has further reinforced the economic dimension of bilateral relations (Ministry of External Affairs, 2022).

Despite these positive developments, bilateral economic engagement continues to face structural constraints, including limited transport connectivity, high logistics costs, and low levels of commercial diversification. As a result, trade and investment remain below their potential. Nevertheless, the post 2015 period represents the most significant phase in the evolution of India–Kyrgyzstan economic relations, characterized by stronger institutional frameworks, sustained high-level political engagement, and expanding sectoral cooperation. The principal challenge ahead lies in translating these diplomatic and institutional achievements into substantial and sustained economic outcomes.

Phases of Economic Engagement between India and the Kyrgyz Republic

The evolution of economic engagement between India and the Kyrgyz Republic can be broadly understood through three phases, reflecting a gradual transition from diplomatic engagement to institutionalized economic cooperation and, more recently, to a strategic partnership centred on connectivity and development collaboration. Although bilateral relations initially developed within the framework of diplomatic recognition following the dissolution of the Soviet Union, they have progressively acquired a stronger economic dimension through expanding institutional mechanisms, sustained political engagement, and growing sectoral cooperation.

The first phase (1991–2000) was characterized by diplomatic recognition and limited economic engagement. India was among the first countries to recognize the Kyrgyz Republic's independence in 1991, and formal diplomatic relations were established on 18 March 1992. The opening of resident embassies in New Delhi and Bishkek, together with regular high-level political exchanges, laid the institutional foundation for bilateral cooperation.¹ However, economic relations remained modest, as India's engagement largely focused on political goodwill, while the Kyrgyz Republic was undergoing a difficult transition from a centrally planned to a market-oriented economy. Consequently, this phase primarily established the diplomatic framework for future economic cooperation rather than generating significant economic outcomes (Pomfret, R. 2019).

The period between 2000 and 2015 marked a gradual shift towards institutionalized economic cooperation. During this phase, both countries concluded several agreements on trade, investment, and sectoral collaboration, strengthening the institutional basis of bilateral relations. The Bilateral Investment Promotion and Protection Agreement (BIPPA), signed in 2000, provided an important legal framework for promoting cross-border investment. Institutional mechanisms, particularly the India–Kyrgyz Inter-Governmental Commission (IKIGC), assumed

greater importance in coordinating bilateral cooperation, while collaboration expanded to areas such as defence, science, and capacity building.¹ This phase also coincided with India's growing strategic engagement with Central Asia, driven by concerns over energy security, regional connectivity, and broader geopolitical interests^[2] Although bilateral trade remained limited, the institutional foundations established during this period paved the way for deeper economic engagement (Behera, B. K. 2023).

A more significant transformation occurred after 2015, when India and the Kyrgyz Republic strengthened their partnership through greater emphasis on economic cooperation, connectivity, and development collaboration. Prime Minister Narendra Modi's visits to the Kyrgyz Republic in 2015 and 2019 marked important milestones, culminating in the adoption of a Joint Statement on Strategic Partnership and a Five-Year Roadmap for Trade and Economic Cooperation, alongside agreements covering healthcare, information technology, trade, investment, and defence.¹ Institutional cooperation also broadened, with the IKIGC focusing on emerging sectors such as digitalization, agriculture, pharmaceuticals, healthcare, renewable energy, and investment promotion. Business initiatives, including the India–Kyrgyz Business Forum and trade exhibitions, further encouraged private-sector engagement (Ministry of External Affairs, 2023).

Development cooperation has likewise become an important component of bilateral economic relations. India's Line of Credit and technical assistance have supported projects in connectivity, healthcare, education, information technology, and agriculture. At the regional level, multilateral platforms such as the Shanghai Cooperation Organization (SCO), the India–Central Asia Dialogue, and the First India–Central Asia Summit (2022) have reinforced cooperation in trade, investment, connectivity, and sustainable development (Behera, B. K. 2023).

Despite these advances, bilateral economic engagement remains below its potential. Trade has grown gradually but continues to be constrained by limited transport connectivity, high logistics costs, inadequate infrastructure, and low levels of business awareness. Nevertheless, the trajectory of India–Kyrgyz Republic relations demonstrate a clear evolution from diplomatic engagement to institutionalized economic cooperation and, more recently, to a strategic partnership. While the political and institutional foundations of bilateral relations have strengthened considerably, translating these gains into sustained growth in trade and investment remains the principal challenge for the future.

Trade, Investment and Sectoral Dimension of Economic Engagement

Trade constitutes a key component of India–Kyrgyz Republic economic engagement. Despite the establishment of diplomatic relations in 1992 and sustained political goodwill, bilateral trade remains limited in both volume and diversification. Nevertheless, the post-2015 period has witnessed gradual growth. In 2025, India's exports to the Kyrgyz Republic were estimated at USD 49.7 million, while imports stood at USD 9.8 million, resulting in a total bilateral trade of USD 59.5 million (Ministry of Commerce and Industry, 2025). India's exports are dominated by pharmaceuticals, valued at over USD 19.25 million, alongside textiles,

machinery, chemicals, and engineering goods. In contrast, Kyrgyz exports to India primarily comprise precious metals, minerals, agricultural products, and other resource-based commodities (Ministry of Commerce and Industry, 2025).

The bilateral trade structure is characterized by a persistent trade imbalance and a narrow commodity basket. While India has established a competitive presence in pharmaceuticals and manufactured goods, the Kyrgyz Republic's limited industrial base restricts its export capacity. Consequently, trade remains concentrated in a few product categories and falls considerably short of its potential. Structural constraints- including the absence of direct transport connectivity, high logistics costs, dependence on transit routes through third countries, and limited awareness among business communities- continue to impede trade expansion. Although initiatives such as business forums, trade exhibitions, and institutional dialogue have improved commercial engagement, bilateral trade remains underdeveloped relative to the political relationship between the two countries (Stobdan, P. 2020).

Table: India- Kyrgyzstan Bilateral Trade Trends (2017- 2025)

Year	Export	Import	Total Trade	Percentage Growth	Trade Balance
2017	30.91	31.12	62.03	NA	-0.21
2018	28.43	1.71	30.14	-8.03	26.73
2019	29.12	2.05	31.17	2.42	27.07
2020	36.79	5.32	42.11	26.36	31.48
2021	31.73	1.48	33.21	-13.75	30.25
2022	47.59	3.63	51.22	49.96	43.96
2023	49.08	6	55.08	3.12	43.07
2024	46.24	9.04	55.28	-5.78	37.19
2025	49.7	9.8	59.5	7.5	39.9

Source: Ministry of Commerce and Industry, Government of India (DGFT/Export-Import Data), various years.

Investment cooperation constitutes another important, albeit underdeveloped, dimension of bilateral economic engagement. Since the 1990s, the Kyrgyz Republic has pursued market-oriented reforms, including privatization, investment liberalization, and accession to the World Trade Organization (WTO), making it one of the earliest post-Soviet economies to integrate into the global trading system (Calabrese, L. 2024). Despite these reforms, foreign direct investment

(FDI) has remained concentrated in mining and extractive industries, with relatively limited diversification into manufacturing or services.

India's investment presence in the Kyrgyz Republic has also remained modest. Compared with India's engagement in other Central Asian countries, outward foreign direct investment (OFDI) to the Kyrgyz Republic accounts for only a small share, generally amounting to a few million dollars annually (Kucharov, A., & Meshram, J. 2025). Existing investments are concentrated in relatively low-capital sectors such as information technology, healthcare, education, and small-scale private enterprises, with limited participation by large Indian corporations. Conversely, Kyrgyz investment in India remains negligible, reflecting the asymmetrical nature of bilateral investment relations.

Several factors continue to constrain investment flows between the two countries. These include the small size of the Kyrgyz market, inadequate transport connectivity, high transaction costs, regulatory uncertainty, political instability, and limited institutional capacity (Sarkar, S. 2025). Moreover, the growing presence of China through large-scale infrastructure and investment projects has intensified regional competition, further limiting India's economic footprint in the Kyrgyz Republic. Nevertheless, opportunities remain significant in sectors such as renewable energy, hydropower, mining, agriculture, digital services, and healthcare. Continued economic reforms in the Kyrgyz Republic, combined with improved connectivity and targeted policy support, could facilitate deeper investment cooperation in the coming years (Murria and Kumar, 2024).

Sectoral cooperation has emerged as one of the most dynamic dimensions of India–Kyrgyz Republic economic relations. Among these, pharmaceuticals and healthcare constitute the strongest areas of collaboration. India's globally competitive pharmaceutical industry has positioned it as an important supplier of affordable medicines to the Kyrgyz Republic. The 2019 Memorandum of Understanding on Healthcare Cooperation expanded collaboration in disease control, biomedical research, hospital management, and the training of healthcare professionals. India has also supported capacity-building initiatives through technical training, medical assistance, and the supply of pharmaceuticals, thereby strengthening the Kyrgyz Republic's healthcare infrastructure. Education has similarly become an important pillar of bilateral cooperation. Through scholarships, technical training programmes, academic exchanges, and professional capacity-building initiatives, India has contributed to human resource development in the Kyrgyz Republic. A significant number of Kyrgyz students pursue higher education in India, particularly in medicine, engineering, and information technology, reinforcing long-term people-to-people linkages and knowledge exchange (Stobdan, P. 2020).

Information technology represents another emerging area of cooperation. Drawing on India's strengths in digital innovation, both countries have explored collaboration in software development, digital infrastructure, telecommunications, and e-governance. Similarly, agriculture has gained increasing attention within bilateral cooperation. Given the sector's importance to the Kyrgyz economy, collaboration has focused on agricultural technology, agroprocessing, food security, and capacity building to improve productivity and value addition.

Although sectoral cooperation remains at an early stage, its diversification beyond traditional trade demonstrates the growing breadth of India–Kyrgyz Republic economic engagement. It provides a stronger foundation for future bilateral cooperation (Chandra, A. 2015).

Emerging Opportunities

Economic engagement between India and the Kyrgyz Republic continues to be constrained by a range of structural, geopolitical, and institutional factors that limit the expansion of bilateral trade and investment. Among these, the absence of direct connectivity remains the most significant impediment. As India does not share a common border with any Central Asian state, including the Kyrgyz Republic, bilateral trade depends on transit routes through third countries such as Iran, Russia, or the Caspian region. These indirect routes increase transportation costs, extend delivery times, and reduce the competitiveness of Indian exports. Moreover, geopolitical constraints, particularly the lack of overland access through Pakistan and the limited operationalization of alternative transport corridors, have further restricted trade and connectivity between India and Central Asia. Political instability and security concerns, especially in Afghanistan, have also delayed the implementation of regional connectivity initiatives, limiting the development of efficient transit networks (Zhansaya, (2020); Javaid, Dr. Faisal & Siraj, 2021).

Beyond connectivity, bilateral trade remains constrained by its limited scale and narrow commodity composition. India's exports are concentrated in pharmaceuticals, textiles, and manufactured goods, whereas the Kyrgyz Republic primarily exports raw materials, precious metals, and agricultural products. This limited diversification reflects the structural asymmetries between the two economies and reduces the resilience of bilateral trade. Investment cooperation has similarly remained underdeveloped. Although the Kyrgyz Republic has adopted relatively liberal investment policies, Indian foreign direct investment remains modest due to concerns over political uncertainty, regulatory risks, inadequate infrastructure, and limited market size. In addition, insufficient awareness among businesses regarding investment opportunities has further constrained commercial engagement. Collectively, these structural limitations have prevented bilateral economic relations from achieving their full potential (Ministry of External Affairs, 2023).

The bilateral relationship is also shaped by broader geopolitical challenges. The growing economic presence of China, particularly through the Belt and Road Initiative (BRI), has significantly transformed the regional investment landscape by financing large-scale infrastructure projects, including roads, railways, and energy networks. Existing studies indicate that China's investments in Central Asia substantially exceed those of India, limiting India's capacity to expand its economic influence in sectors such as infrastructure, energy, and trade.⁸ At the same time, Russia continues to maintain considerable influence through its historical ties, security partnerships, and regional economic institutions such as the Eurasian Economic Union (EAEU). The combined influence of these two powers has intensified regional competition and narrowed the space for India's economic engagement in the Kyrgyz Republic (Cooley, A. 2012).

Domestic economic and political conditions within the Kyrgyz Republic further complicate bilateral cooperation. The country's economy remains characterized by limited industrialization, dependence on natural resources, and a high reliance on remittances, restricting opportunities for diversified economic collaboration. Periodic political instability, governance challenges, and administrative uncertainty have also weakened investor confidence. Existing research identifies political instability, corruption, and weak institutional capacity as persistent barriers to foreign investment and sustained economic engagement in Central Asia. Furthermore, regional security concerns, particularly instability in neighbouring Afghanistan, continue to affect the development of regional transport corridors and cross-border trade, thereby limiting connectivity between India and the Kyrgyz Republic (Pomfret, R. 2019).

Despite these constraints, emerging opportunities offer considerable scope for strengthening bilateral economic relations. India's growing engagement with Central Asia through initiatives such as the India–Central Asia Dialogue, the Shanghai Cooperation Organisation (SCO), and the International North–South Transport Corridor (INSTC) has created new avenues for improving regional connectivity and economic cooperation. At the bilateral level, expanding collaboration in pharmaceuticals, healthcare, information technology, renewable energy, agriculture, education, and digital services presents significant potential for future growth. The Kyrgyz Republic's abundant hydropower resources, strategic location, and ongoing economic reforms provide additional opportunities for Indian investment, particularly if supported by improved connectivity, policy coordination, and stronger business-to-business linkages. Realizing these opportunities will require sustained political commitment, enhanced institutional cooperation, and targeted efforts to address the structural constraints that continue to impede bilateral economic engagement.

Policy Recommendations

Strengthening economic engagement between India and the Kyrgyz Republic requires a coordinated policy approach that addresses existing structural constraints while leveraging emerging opportunities. The foremost priority should be improving physical and institutional connectivity. Both countries should accelerate the operationalization of regional connectivity initiatives, particularly the International North–South Transport Corridor (INSTC) and the Chabahar Port route, to reduce transportation costs, improve logistics efficiency, and diversify access to Central Asian markets. Complementary measures, including customs modernization, trade facilitation, harmonization of regulatory procedures, and the digitalization of border processes, would further reduce transaction costs and enhance the competitiveness of bilateral trade. Given the continued dependence on indirect transit routes, improving multimodal connectivity should remain a central objective of bilateral economic cooperation (Uzma, 2021; Zhangabulova, Z. M. 2020).

Alongside connectivity, both countries should adopt a more targeted strategy for expanding trade and investment. Rather than pursuing broad-based trade expansion, policy efforts should prioritize sectors where complementarities already exist or where future comparative advantages are evident. Pharmaceuticals, healthcare, information technology,

agriculture, renewable energy, and digital services offer considerable scope for collaboration owing to India's technological capabilities and the Kyrgyz Republic's growing demand for diversified economic partnerships. A sector-specific approach would not only promote trade diversification but also reduce the existing concentration of bilateral trade in a limited number of commodities, thereby making bilateral trade more resilient and sustainable.

Investment cooperation likewise requires greater institutional support. Existing investment flows remain modest due to regulatory uncertainty, inadequate market information, and perceived investment risks.⁴ Establishing regular business forums, investment promotion mechanisms, and dedicated India–Kyrgyz business facilitation centres could improve information sharing and encourage greater participation by private enterprises. Expanding financial cooperation through credit facilities, export financing, and public–private partnerships would further strengthen investor confidence and facilitate long-term commercial engagement (Kucharov & Meshram, 2025).

Given the evolving geopolitical environment in Central Asia, India should continue to pursue a calibrated economic strategy that complements rather than competes directly with the large-scale infrastructure investments of other regional powers. Greater emphasis on capacity building, digital transformation, healthcare cooperation, higher education, and technical assistance would enable India to capitalize on sectors in which it possesses established comparative advantages. Such an approach would reinforce India's development partnership with the Kyrgyz Republic while contributing to sustainable and inclusive economic growth (Behera, 2023; Murria & Kumar, 2024).

Finally, greater use of digital technologies can help overcome the geographical constraints that have traditionally limited bilateral economic interaction. Promoting e-commerce platforms, digital payment systems, business-to-business networking portals, and innovation partnerships would facilitate commercial exchanges, particularly for small and medium-sized enterprises (SMEs). Simultaneously, strengthening institutional dialogue through the India–Kyrgyz Inter-Governmental Commission (IKIGC), the India–Central Asia Dialogue, and other regional mechanisms would improve policy coordination and support the implementation of bilateral initiatives (Ministry of External Affairs, 2025; Sarkar, 2025). Collectively, these measures would contribute to a more diversified, resilient, and sustainable framework for economic engagement between India and the Kyrgyz Republic (Pomfret, R. 2019).

Conclusion

The evolution of economic relations between India and the Kyrgyz Republic since the establishment of diplomatic ties in 1992 reflects a gradual transition from political goodwill to a more structured, though still limited, economic partnership. This study examined the development of bilateral economic engagement through trade, investment, sectoral cooperation, institutional frameworks, structural constraints, and emerging opportunities. The findings suggest that while diplomatic relations have strengthened through high-level exchanges, bilateral agreements, and regional cooperation mechanisms, economic outcomes have remained modest.

Trade volumes continue to be limited, investment flows remain low, and sectoral cooperation is concentrated in a few key areas.

The study highlights those structural challenges, including geographical distance, lack of direct connectivity, high logistics costs, limited trade diversification, inadequate business awareness, and geopolitical competition—continue to restrict deeper economic integration. The Kyrgyz Republic's landlocked geography and dependence on a narrow economic base further increase its vulnerability, while India's economic presence remains below its strategic ambitions in Central Asia. Despite these constraints, significant opportunities exist for expanding bilateral economic cooperation. Connectivity initiatives such as the International North–South Transport Corridor (INSTC), the Chabahar route, and regional platforms including the Shanghai Cooperation Organisation (SCO) and the India–Central Asia Dialogue provide new avenues for strengthening economic engagement. Emerging sectors such as pharmaceuticals, healthcare, information technology, digital services, renewable energy, agriculture, education, and tourism offer considerable potential for diversification.

The future of India–Kyrgyz Republic economic relations will depend on transforming political commitments into tangible economic outcomes through improved connectivity, stronger institutional coordination, greater private-sector participation, and policies promoting trade and investment diversification. By addressing existing structural barriers and leveraging emerging opportunities, both countries can move beyond a primarily diplomatic partnership towards a more dynamic, resilient, and mutually beneficial economic relationship. This study contributes to the existing literature by highlighting the economic dimension of India's Central Asian engagement and demonstrating that, despite current limitations, the India–Kyrgyz Republic partnership possesses significant potential for deeper integration within the broader regional economic framework.

References

- Baitha, Subhash Kumar (2015). India-Kyrgyzstan Relations: Future Prospects and Challenges. *Internat. J. Appl. Soc. Sci.*, 2 (7&8): 313-320.
- Behera, B. K. (2023). Central Asia in The Foreign Policy Formulation of India. *World Affairs: The Journal of International Issues*, 27(1), 62-75.
- Calabrese, L. Diversifying Away from Extractives: The Belt and Road Initiative, Chinese Capital and Industrialisation in the Kyrgyz Republic. *Eur J Dev Res* 36, 601–638 (2024). <https://doi.org/10.1057/s41287-024-00632-1>.
- Chandra, A. (2015). *India–Central Asia relations: The economic dimension*. Pentagon Press. p 201-205
- Cooley, A. (2012). *Great games, local rules: The new great power contest in Central Asia*. Oxford University Press.19-20
- Javaid, F., & Siraj, U. (2021). *Pakistan and Central Asia: A comprehensive analysis of regional connectivity drive, challenges and policy options*. ResearchGate. <https://doi.org/10.13140/RG.2.2.16644.86407>

- Kucharov, A., & Meshram, J. (2025). Comparative analysis of Indian investment in Central Asia and its relevance for Uzbekistan. *Actual Problems of Humanities and Social Sciences*, 5(8S), 23–32. <https://doi.org/10.13140/RG.2.2.16644.86407>
- Ministry of External Affairs, Government of India. (2016). *Annual report 2015–16*. Ministry of External Affairs.
- Ministry of External Affairs, Government of India, *Delhi Declaration of the 1st India-Central Asia Summit*, January 27, 2022.
- Ministry of External Affairs, Government of India, *India–Kyrgyz Bilateral Relations* (New Delhi: Ministry of External Affairs, 2023), 2–3;
- Ministry of Commerce and Industry. (2023). Export-Import Data Bank. Government of India. <https://tradedstat.commerce.gov.in/>.
- Ministry of Commerce and Industry, Government of India. (2025). *Export import data bank (annual)*. Department of Commerce. <https://www.indembbishkek.gov.in/>.
- Kucharov, A., & Meshram, J. (2025). Comparative analysis of Indian investment in Central Asia and its relevance for Uzbekistan. *Actual Problems of Humanities and Social Sciences*, 5(8S), 23–32. <https://doi.org/10.13140/RG.2.2.16644.86407>
- Murria, P., & Kumar, A. (2024). Transitions in India’s foreign policy landscape with Central Asia. *European Economic Letters*, 14(3), 116–122. <https://doi.org/10.52783/eel.v14i3.1756>.
- Pomfret, R. (2019). *The Central Asian economies in the twenty-first century: Paving a new Silk Road*. Princeton University Press.
- Murria, P., & Kumar, A. (2024). Transitions in India’s foreign policy landscape with Central Asia. *European Economic Letters*, 14(3), 116–122. <https://doi.org/10.52783/eel.v14i3.1756>.
- Sarkar, S. (2025). Growth and challenges of trade between India and Central Asian countries: An exploratory study. *International Journal of Management, Public Policy and Research*, 4(4), 91-103.
- Stobdan, P. (2020). *India and Central Asia: The strategic dimension*. New Delhi: KW Publishers.
- Zhangabulova, Z. M. (2020). Building relations between India and Central Asia. In K. H. Khan (Ed.), *Central Asia and India: Emerging extended neighbourhood* (pp. 87–103). New Century Publications.23

JOURNAL OF LEGAL STUDIES,
POLITICS AND ECONOMICS RESEARCH