

Economy

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Economy

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1. Economic reform and private sector development

Implementation of the initiatives of the
Founder of Peace and National Unity, the Leader of the Nation,
President of the Republic of Tajikistan, H.E. Emomali Rahmon on national

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economic reforms, particularly on improvement of investment climate, support to the private sector and the implementation of the necessary activities on development of priority sectors had a positive impact on the development of Tajikistan and created a favourable environment for sustainable economic development.

Since its early independence, Tajikistan has implemented a series of national economic reforms by transferring from a planned economy to a market based economy and has undertaken various important steps in this direction, including adoption of a number of laws and regulations defining and regulating economic relations.

The emergence of different forms of ownership, creation of various economic activities, privatization of public property, introduction of national currency, liberalization of pricing, establishment of joint ventures, ensuring free foreign trade and addressing priority social issues are among the serious steps in strengthening Tajikistan's economy.

More comprehensive and targeted economic reforms started in the mid 90s, which made it possible to avoid decline in production and ensure sustainable economic development.

Consistent implementation of institutional reforms in important public sectors, particularly in governance, finance, banking, real sectors of the economy, as well as in education, health, and social security by drafting and implementing a number of socio-economic development programs and undertaking effective measures contributed to the overall development of the country's economy. The GDP per capita increased by 19.6 times during the last 15 years alone (2000-2015) (see the chart below please).

GDP per capita in 2000-2015 (TJS)

Tajikistan also enjoyed substantive growth of GDP during the last 25 years of its independence thanks to the Tajik Government's successful economic reforms. In this context, the public budget revenue increased by 55.3 times compared to 2000. (Please see Tajikistan's overall macroeconomic indicators in Table 1).

Table 1

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Macroeconomic Indicators of the Republic of Tajikistan

	2009	2010	2011	2012	2013	2014	2015	2016
GDP in nominal price, billion TJS	20,6	24,7	30,1	36,2	40,5	45,6	48,4	54,5
Gro with rate %	103,9	106,5	107,4	107,5	107,4	106,7	106,0	106,9
Industrial output, billion TJS	6,5	8,2	7,9	9,5	9,9	10,5	12,2	15,1
Gro with rate (%)	93,6	109,2	105,7	110,8	103,8	105,0	111,3	116,0
Agricultural output, billion TJS	8,8	9,4	14,9	16,5	16,8	21,0	21,6	22,2
Gro with rate, %	110,5	106,8	107,9	110,4	107,6	104,5	103,2	105,2
Fixed Capital Investment, billion TJS	3,9	4,7	5,0	4,5	5,8	7,5	9,7	11,1
Inflation Rate, periodic, %	5,0	9,8	9,3	6,4	3,7	7,4	5,1	6,1
Unemployment rate, %	2,2	2,1	2,3	2,4	2,3	2,4	2,3	2,4
Public Budget Expenditures, billion TJS	5,7	6,7	8,5	9,1	11,6	13,2	15,7	18,4

Note: 2016 indicators are based on preliminary summary

Development of various sectors of the economy and improved living standards of the population made it possible to increase average monetary income of the population by 25.4 times in 2000-2015.

Monetary income of population in 2000-2015 (billion TJS)

The foreign trade as another important indicator of the national economy development accounted for USD 131.1m only in 1991 and it increased by 33 times during the last 25 years.

Foreign Trade in 2000-2015 years (billion USD)

Effective measures have been undertaken during the independence period with a view to monitoring the process of economic reforms and developing economic objectives to meet the current demands. Thus, the National Development Council under the Office of the President of the Republic of Tajikistan was established, which is directly lead by the Founder of Peace and National Unity, the Leader of the Nation, President of the Republic of Tajikistan, H.E. Emomali Rahmon. The Council determines the areas of operation and priorities for

further development of the national economy.

To ensure further economic development of the country, the Government defined its important strategic objectives, including energy security, food security and the country's connectivity. A lot of activities have been undertaken to achieve these objectives.

With a view to ensuring energy security and turning Tajikistan into an exporter of affordable and clean electricity, a number of economic and structural reforms have been implemented in the framework of strategic documents, including the Republic of Tajikistan Energy Development Concept to 2015 through establishment of a number of industrial and fuel and energy complexes as well as construction of small and large hydropower plants.

The agriculture plays a crucial role in Tajikistan's economy, especially in ensuring its food security. Having taken into account this fact, a number of measures such as granting farmers the freedom of crop choice, supply of population and enterprises with raw materials, and creating jobs in the agricultural sector have been undertaken, which gave a new impetus to improve the country's export potential.

With a view to ensuring the country's connectivity and turning it into a transit area, construction of a number of roads, bridges and tunnels of national and international importance is completed in this period and construction and rehabilitation of several important highways of Dushanbe - Chanok, Dushanbe - Tursunzoda (to Uzbekistan border), Dushanbe - Kulma (to Chinese border), Dushanbe-Saritosh (to the Kyrgyz border) and bridges across the Panj River to connect Tajikistan with Afghanistan are ongoing.

The Government of Tajikistan conducted institutional reforms by moving to public administration based on new market relations in various sectors with a view to running effective public policy and ensuring effective operation of public entities.

This system of public administration, given liberalization of economic relations, made it possible for all branches of the real sector of economy to formulate and develop in the context of emergence of private property and free operation of the private sector and thereby facilitated the creation of new enterprises and new jobs.

Creation of conducive environment for formulation and development of various forms of ownership and in this context increased number of new types of services, during 25 years of independence enabled better conditions for entrepreneurship and investment activities.

The main idea of the economic reforms starts with the privatization of public property and the formation of various forms of ownership. The most important stage in the transition to market economy is the emergence of private property and its protection.

The Government of of Tajikistan started

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implementing its single policy on public property privatization in early independence period. The Law of the Republic of Tajikistan "On Public Property Privatization in the Republic of Tajikistan" was adopted in 1997. This law laid the foundation for formation of a new structure of economy and opened horizons to free market-based economy. Public property privatization also created favorable environment to attract domestic and foreign investments.

The public property privatization was conducted in two stages based on its goals and objectives. The first stage covered privatization of small enterprises such as trade, public food, consumer services enterprises and vehicles, and the second stage was implemented after renovation of major and medium industrial, transport, communications and construction enterprises. During 1991-2015 some 11,410 small facilities and 1,367 medium and large enterprises were privatized in Tajikistan.

Tajikistan's public economic policy focus on comprehensive support of the private sector and entrepreneurs' initiatives. The Government has undertaken significant activities aimed at eliminating artificial administrative barriers to ensure transparency of legal regulations for business entities.

With a view to attracting more investments, the legislation on investment and entrepreneurship provides customs and tax privileges, especially in the priority sectors such as agriculture, extraction of minerals, final processing, energy and so on.

The new Tax Code of the Republic of Tajikistan is adopted within the taxation system reform, which reduced the number of taxes from 21 to 10 types. This number was even further reduced to nine types on January 1, 2017.

The Government of Tajikistan reformed the permit system and reduced the number of permits from 650 to 74 during the independence period. The Unified Public Electronic Register of Permits is introduced within these reforms.

With a view to ensuring economic development of the country through improvement of the investment climate and business environment Consultative Council on Improvement of Investment Climate under the Office of the President of the Republic of Tajikistan was established in 2007. The Council is comprised of representatives from governmental agencies, the private sector and development partners.

The Government of Tajikistan has pursued 'Open Doors' policy since the beginning of Tajikistan's independence and has established direct economic and trade relations with more than 120 countries of the world.

The reforms made it possible to improve Tajikistan's image at the global level and within the international rating, in particular within the World Bank's 'Doing Business' Report. The country's rank has improved by tens of points from 2009 to 2016, and Tajikistan was included into the list of top ten reformers three times in this period.

2. Financial and Banking System Stabilization

The country's financial system, including its legislation, was brought in line with international standards and a new financing system based on the principles of transparency, accountability and effectiveness was introduced during the independence period.

Electronic treasury management system meeting international standards was also introduced in the financial system of the country, which provides transparent payment system and quality services to customers.

Tajikistan's current monetary policy mainly focus on strengthening of the economic and financial sectors, improvement of public welfare and macroeconomic indicators.

Adoption of the Law of the Republic of Tajikistan "On Microfinance Institutions" promoted the development of microfinance services and entrepreneurship development in the country. While in 1995 the credits invested into the economy amounted TJS 9.1m, only in 2015 they accounted for TJS 12.5bn with 42 % of microloans.

Introduction and effective operation of electronic payment systems, bank cards, and ATMs is also one of the achievements of the banking system during the independence period. Circulation of the national currency, creation of domestic foreign exchange market and international transactions system, accession to reputable international financial institutions, as well as ensuring regulatory and legal framework and sovereign guarantees for national currency exchange are among significant achievements of Tajikistan's financial policy during 25 years of its independence.

3. Industrial Development

Currently the Tajik industry is equipped with a comprehensive developed framework and technical infrastructure and covers various sectors. The sector is represented by more than 90 types of production and more than 140 varieties of products covering mineral extraction and processing, coal mining, light and chemical industry, engineering, metal processing, construction materials and food industry.

The Government of Tajikistan constantly attaches a particular importance to acceleration of industrial development and ensuring its sustainability, comprehensive institutional reforms, establishment of private enterprises with attraction of domestic and foreign investment to improve economic efficiency, introduction of technical and technological innovations in industrial production.

Dozens of agreements on cooperation between the Government and local as well as international companies on establishment of new enterprises of metallurgy, cement production and other construction materials, extraction and refining of coal, oil and gas, chemical products, engineering and metal processing are signed and successfully implemented to achieve this objective.

Strategic papers, local development and sectorial programs define the country's industrial priorities in terms

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of establishment of new production capacities in the regions based on availability of raw materials and agricultural products.

Hundreds of small and large production enterprises and jobs have been restored with mobilization of domestic and foreign investment during 25 years of independence. Now 2068 production enterprises are operative, which employ more than 86 400 residents of the country with permanent jobs.

Investments amounting 3.3 billion U.S. dollars in total were made in the country's industry during 2005-2015, including 2.8 billion U.S. dollars of direct investments and 474.8 million U.S. dollars of other investments. The industrial output reached 12.2 billion Tajik Somoni in 2015.

Industrial Output in 1991-2015 (billion TJS)

Tajikistan's food industry and agrarian sector play an important role in achieving one of its strategic objectives - food security and also in addressing a series of issues like employment of population particularly in rural areas, contributing to the country's GDP and improving its export capacity. The number of enterprises in this sector increased from 300 in 1990 to 700 small and medium enterprises in 2015, which employ more than 7,500 working-age

population.

Light industry as one of the key priority areas of industry, not only solves the challenges of employment and production of high-quality domestic products, but also contributes to the development of other sectors, particularly agriculture.

Tajikistan has abundant resources of non-mineral raw materials for production of construction materials and is ranked as one of the leading countries for these resources in the world. More than 400 deposits containing 30 different types of raw materials (limestone, granite, granodiorite, marble, marble limestone, alebaster, soil, quartz sand and so on) have been discovered and studied in the country.

The construction materials industry is developing through implementation of programs and concepts aimed at doubling production, creating new jobs and thereby reducing poverty rate. While there were only 30 industrial enterprises in this sector in the 90s of the last century, in 2015 their total number reached 450 enterprises employing 8431 people, which is almost three times more than in 1991.

Establishment of scrap metal and ferrous and non-ferrous metal waste processing enterprises within the engineering enterprises started in 2005 and now 33 such enterprises are operative. These enterprises mainly produce building bars, angle beams, metal wires, aluminum pulleys, and other products from metal waste, and market their products in the markets inside and outside the country.

Tajikistan is a mountainous country with huge subsoil resources, development of which is one of the main priorities for the national economy development.

In 2016, the industrial products output accounted for TJS 2.3b and the production of metal No 1 and metal No 2 made 112.5% and 143.5% accordingly. Production of plumbum dust made 60,000 tons, zinc dust - 108,000 tons, copper dust - 20,000 tons and antimony 33 500 tons accordingly.

There were only 10 chemical and petrochemical enterprises in 1991, while their number reached 45 in 2015, and these companies produced products for TJS 86m.

The coal mining is the most important sector in fuel and energy complex and can play a decisive role in reducing energy constraints and ensuring the country's energy security in cooperation with domestic and foreign investors. The coal production reached 1.4m tons in 2015 due to the increased demand in coal in various areas.

4. Pathway Towards the Energy Security

The Government of Tajikistan has undertaken specific measures during the independence period to achieve one of its strategic objectives - energy security.

Tajikistan generated 398.7bn kW/h of electricity and 20.9 Gcal of thermal power, exported 20.5 bn kW/h and

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imported 23.1 bn kW/h of power during the 25 years of its independence. During this period a number of investment energy projects was implemented funded by foreign investors, and USD 1,861.8 bn in total were channeled to this sector from all sources of financing.

With a view to ensuring sustainable development of the energy sector, a number of small and large hydropower plants, , high-voltage power transmission lines and substations were constructed and launched within implementation of strategic objectives during the independence period. The regional power transmission line project of CASA-1000 and the restoration and finalization of the Roghun HPP has started recently.

The following major facilities were constructed and launched during this period:

- HPP Sangtuda-1 (670 MW);
- HPP Sangtuda-2 (220 MW);
- Thermal power plant of Dushanbe-2 (400 MW);
- South-North 500 kV power transmission line;
- Kanibadam-Batken 220 kV power transmission line;
- Lolazor-Khatlon 220 kV power transmission line;
- Tajikistan-Afghanistan 220 kV power transmission line.

These measures made it possible to increase the country's generation and export capacity to some extent, and the expanded power transmission infrastructure created new opportunities for socio-economic development and improved the people's welfare and their access to electricity.

The energy sector's achievements during the independence period will be more significant through implementation of the CASA-1000 power transmission line project and construction of the Roghun HPP. This will make it possible for the energy sector to develop substantively in the nearest future and fully achieve one of the country's strategic objectives – energy security.

5. Country's Connectivity

Development of the transport sector is crucial for Tajikistan in ensuring the country's connectivity, which is indeed one of its strategic objectives. The actual development of the transport sector in the period of independence began in 1997. At that time only 42 % of national and only 20% of local roads were paved, of which 73% was in poor condition, 26 % of moderate condition and only one percent was in good technical condition.

One of the objectives of the transport sector during the indepenence was to establish transport infrastructure to ensure the country's connectivity. With a view to achieving this objective 45 public investment projects amounting more than TJS 12bn were implemented, within which more than 2 000 km of roads, 31 km of tunnels, 200 bridges and 173.2 km of railways were constructed and

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rehabilitated. There are 16 ongoing investment projects in the country.

The Government has been increasing public budget funding for road maintenance every year. While in 2000 TJS 3.8m was allocated for this purpose, in 2015 the funding accounted for TJS 60.9m, which increased by more than 16 times compared to 2000.

During 2008 - 2016 38 investment projects on construction and reconstruction of highways funded by foreign investments were implemented. Construction and reconstruction of the roads of "Murghob-Kulma", "Shohon-Zighar, (phases 1, 2 and 3)", "Shkev-Zighar", "Dushanbe-Kurghonteppa-Danghara-Kulob", "Dusti-Panji Poyon, (phases 1 and 2)", "Dushanbe-Kyrgyz border (phases 1, 2 and 3)", "Dushanbe-Chanoq-Uzbekistan border", "Kurghonteppa-Dusti,(phase 1)", "Dushanbe-Tursunzode-Uzbekistan border", "Aini-Panjakent-Uzbekistan border, as well as the tunnels of "Istiqlol", "Shahriston", "Dusti", "Ozodi" and "Khatlon" were completed during this period.

Tajikistan signed bilateral agreements on transportation with 21 far abroad and 13 near abroad countries in this period. The country also acceded to 9 international conventions and agreements with a view to improving Tajikistan's international cooperation on transport, which facilitated international transportation.

Nine international freight terminals and five passenger terminals were constructed and launched during the independence period. The number of transport companies also increased and currently 220 transport companies, 57 passenger terminals, 18 freight terminals, 836 passenger delivery routes and 41 international transportation companies operate in the country.

The air transport sector also gradually developed during this period. The relevant authorities signed air transport agreements with 21 countries, including seven CIS countries: Russia, Belarus, Ukraine, Azerbaijan, Turkmenistan, Kazakhstan, Kyrgyzstan, 10 Asian countries: Turkey, Iran, Afghanistan, India, Pakistan, China, Thailand, Saudi Arabia, Bahrain, South Korea and four European countries: Luxembourg, Germany, Austria and Latvia.

Currently domestic air companies carry out flights in 33 destinations to nine far and near abroad countries and the local aviation authorities provide aeronautical services to 200 domestic and foreign air companies.

New modern terminals were constructed in Dushanbe and Khujand international airports and Kulob airport was renovated according to international standards in this period.

Qurghonteppa-Kulob railway with the length of 132km was launched in 1999. The construction of Vahdat-Yovon section in Dushanbe-Khatlon railway with the total length of 40.7 km was completed and launched on the eve of the 25th Anniversary of the State Independence of the Republic of Tajikistan. The construction and reconstruction of 33 railway stops and two railway stations also completed.

Also the first enterprise on railroad car repair was launched in Konibodom district in 1995 and the first

ferroconcrete sleeper plant in Sarband town started operating in 2003. During this period, SUE "Rohi ohani Tojikiston (Tajik Railway Company)" strengthened its capacity having procured 937 new carriages and nine locomotives.

The communications sector has also developed significantly during the independence period and contributed to the development of other social and economic sectors of the country. Several private operators started providing various communications services in the market and the amount of provided services accounted for TJS 5.5m in 2000, TJS 436.3m in 2005, TJS 1,778.4bn in 2010, TJS 2,716.0bn in 2015. Analysis of this data shows that the services increased by 494 times in 2015 compared to 2000.

National radio and tv companies and communications agencies fully switched to digital broadcasting and ensured adequate access to the latest information services by population in all regions of the country.

Telecommunication network expanded, the volume of services, the number of users and the income of this sector increased between 2005-2015 in Tajikistan. The number of internet subscribers made 67,134 people in 2005, 1.3 million people in 2010, and currently it makes 2.9 million people.

6. Food Security

Agriculture is one of the important sectors of the national economy. One of Tajikistan's strategic objectives is to ensure food security, which particularly depends on the development of this area. Currently this sector comprises 20-23.5% of GDP, and contributes to stable and adequate supply of population with food products by increasing agricultural production in a consistent and sustainable manner, improving profitability and ensuring employment, as well as protecting natural resources, which are essential for the expansion of rotated production. The agricultural output accounted for TJS 21.6bn in 2015, which increased by 68.8% compared to 1991. The crop and livestock sectors increased to TJS 14.6bn and TJS 7.0bn accordingly.

With a view to ensuring food security given the population growth and the increasing demand in agricultural products 9,600 hectares of new lands were developed in the agriculture during the independence period. Implementation of agricultural reforms made it possible to increase cereal production by more than 2.5 times, potatoes by 6.9 times, vegetables by almost 4.8 times, melons by almost 9.2 times, fruits by 2.6 times, meat production by almost three times, milk by 3.8 times, and eggs by 52 times in 2015 compared to 1997.

The gross agricultural output increased by 3.7 times in 2015 compared to 1997. The grain producers increased grain production to 1.39 million tons during the 25 years of independence, which indicates that it will be possible to supply the country's population with food products through the effective use of arable land, introduction of secondary production with the use of quality seeds and adequate compliance with the methods of crop production. The average grain yield increased from 1.28 tons in 1991 to 2.86 tons in 2015.

With a view to developing horticulture

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and gradually increasing the production of fruits and grapes, 11,700 ha of new orchards and 1.2 ha of new vineyards were developed 1.7 ha of existing orchards and 360.6 ha of vineyards were rehabilitated in 2011.

While there were eight poultry farms until 2007, now 118 of them operate in the country. As of January 1, 2016 all of the poultry farms raised 5 143 000 birds and produced 3 572 000 eggs. In 2015 217.700 tons of meat and 889.000 tons of dairy products were produced, which increased by 67.000 and 301.800 tons respectively compared to 1991.

While in 1991 there were 1,390,700 cattle (including 585.900 female cows), 3,355,000 ruminants, and 52,600 horses, in 2015 their number increased significantly, including 2,209.200 cattle, which increased by 58.8% (including 1,131.900 female cows or increased by 93.1%), 5,279.300 ruminants and 78,300 horses, which increased by 48.8%.

As of January 1, 2016 bee keepers developed 2,103,000 honey bee colonies and produced 3,852.8 tons of honey across the country. Implementation of a program on apiculture made it possible to increase the number of bee colonies by 29.700 and honey production to 2652.8 tons compared to 2011.

Aquaculture also developed during the independence period. In 2008 there were eight fish farms, which produced 225 tons of fish. During the last seven years the number of fish farms reached 220 and the total amount of fish products reached 2023.3 tons. Thus, the number of farms increased by 213 units and fish production increased by 1518.8 tons compared to 2008. The total area used by fisheries also reached 5961.01 ha and their aquaculture area increased to 2720.19 ha, which is more by 222.6% and 173.4% respectively compared to 2008.

7. Investment in Economic and Social Areas

The Government of Tajikistan has attached a particular attention to investment in various sectors of the country's economy during the independence period and has been undertaking necessary measures to ensure favorable environment for investment and attract more foreign investments, which made it possible to increase both domestic and foreign investments into the country's economy every year.

More than 90 public investment projects amounting TJS 12bn were implemented in the country only during the last ten years. Currently 63 projects with the total amount of more than TJS 19bn are under implementation.

During 2006 - 2015 TJS 28.3bn of financing with real price, including TJS 9.3bn of fixed assets from public fund was absorbed, and the investments amounted to TJS 48.6bn, including TJS 18.3bn of public investments.

Within the absorption of the above-mentioned funds 8,970,000m² of housing was constructed, 7,574.500m² of which was financed by population funds and 291,000 m² was financed by public (state) funds.

Construction of general secondary

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educational institutions for 184,719 seats, preschool facilities for 2,373 seats, hospitals for 2,953 beds, and out-patient facilities with the capacity of 8,389 patient coverage in one shift was completed with the use of funds from all sources.

During 1991 – 2015 foreign investments amounting USD 8,112.1bn in total, including USD 3,562.4bn of foreign direct investment, which makes 44% of the total foreign investments, were channelled into various sectors of the country's economy.

8. Transformations in Trade and Services

During the independence period the country's consumer market developed and it went through substantive structural changes due to the process of privatization, trade liberalization and the transition from a planned economy to a market economy.

The initial years of independence was the most difficult period for the economy of Tajikistan, because the decline in main economic indicators, unemployment, decrease in population's real income and high inflation rate negatively impacted on the country's consumer market.

The State defined the supply of the consumer market, improvement of the quality of goods and services, and ensuring healthy competition in the consumer market as one of its main objectives during the independence period.

The statistics analysis shows that the favourable economic environment, development of entrepreneurship and increased real income of population promoted increase in retail trade and fee-based services in 2006-2015.

The retail trade turnover of Tajikistan reached TJS 14,676.7bn in 2015, which played a significant role in formation of the country's GDP in recent years. While in 2006 the retail trade per capita made TJS 392.3, in 2015 this indicator reached TJS 1738.2.

The share of food products declined and the share of long-term use products increased in the structure of retail trade, which proves the improvement of population's living standards. While in 2006 the share of food products was 52.7 %, and the share of non-food items was 47.3% in the retail trade, thanks to the increased real income of the population in 2015 the share of food products decreased to 48.7 %, and the share of non-food items increased by 51.3% in the retail trade in 2015. The share of construction materials, vehicles and automotives increased in the total trade of non-food items. While in 2006 there were 24 motorcars per 1000 people, in 2014 their number reached 43 units per 1000 people.

Also the state of food security improved, and the public supply with nutritional products improved during the independence period. For example, in 2014 the consumption of meat products almost doubled, sugar and confectionery products increased by 15.7%, and vegetable oil increased by 25.1% compared to 2006.

The gradual upgrade of the Tajik economy

contributed to the development of service sector and creation of new types and expansion of audit, consulting, design, communications and internet services.

Analyses show significant changes in the paid services sector and the majority of the enterprises providing paid services are privatized. While at the initial years of independence the service sector accounted for 76.3% of the public sector and 23.7% of the private sector, in 2015 its share decreased to 15.5% in the public sector and increased by 84.5% in the private sector.

Improvement of business environment and attraction of investment into the service sector ensured rapid development of this sector. While in 2006 the volume of paid services per capita was TJS 30.1, in 2015 this indicator reached TJS 1137.8. The share of expenditures for personal services within the total family expenditures increased significantly. In 2000 personal services payment amounted to only three percent of the total family expenditures, while in 2014 it increased to 12%.

9. Foreign Trade and Economic Activities

The Government's policy focusing on economic integration with the international community made it possible to expand Tajikistan's economic and trade relations based on the principles of mutually beneficial cooperation, and the international community acknowledged Tajikistan as a country with open economy. Accession to the World Trade Organization Tajikistan's trade and economic cooperation have been expanding, its foreign trade has been becoming more transparent and administrative and technical barriers have gradually been overcome.

Tajikistan enjoys trade and economic cooperation with 120 countries of the world currently. Expansion of its cooperation made it possible to significantly improve foreign trade during 25 years of national independence. Thus, while in 1991 the foreign trade turnover amounted to USD 131.1m, it reached USD 1,459,3bn in 2000, which increased by 11.1 times. This trend was maintained during 2007 - 2015 and the gross foreign trade turnover increased from USD 4,015,3bn to USD 4,325,5 bn.

Effective trade reforms, improved legal and regulatory framework, reduced administrative and technical barriers to trade made it possible to increase the Tajik foreign trade by 33 times during the independence period. The process of diversification of export-oriented production and implementation of production development programs in various spheres of the national economy made it possible to significantly change the commodity and geographical coverage of the country's exports. The share of finished industrial products, agricultural products, energy, minerals, and precious stones gradually increased in the export structure.

Currently, as a result of political and economic crises competition has become more intense in the international markets. In this regards, the Government decided within its midterm export strategy to focus on improvement of the competitiveness of products in domestic and foreign markets and improvement of quality in accordance with the rules and standards of WTO, Eurasian Economic Union and other potential markets, improvement of

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packaging and labeling, introduction of innovations in export-oriented production and import substitution, arrangement of logistic services, transport infrastructure and the quality assurance.

To achieve these objectives based on the country's production capacity and natural resources, the Government adopted Public Program for Promotion of Export and Import Substitution of the Republic of Tajikistan (2016-2020).

This Program focuses on identification of specific promising areas and target markets, creation of institutional and legal environment for export development and import substitution, improvement of domestic products competitiveness, creation of adequate export infrastructure, elimination of non-tariff barriers, financial support of export companies, creation of modern public services and enforcement of 'Single Window' based on modern information and communication technologies as strategic priorities for export development and import substitution.

Rapid development of the country's economy, implementation of vitally important programs on energy, road and infrastructure, social and industrial sectors, as well as improved purchasing power of the population made it possible to increase import of production equipment and technologies and public consumption goods. The country usually imports fuel, wood, ferrous metal, light industry products, engineering products, vehicles, agricultural machinery, energy equipment, transport, food and other materials.

Establishment and effective operation of intergovernmental commissions on trade, economic, research and technical cooperation play an important role in expanding foreign economic relations. Tajikistan has intergovernmental commissions on trade, economic, research and technical cooperation with 42 countries of the world up to date, which regulate the economic activities of our country within the bilateral relations. Tajikistan presents its investment climate, business opportunities and natural resources through these intergovernmental commissions, which has been increasing direct and indirect investments into energy, industry, transport and communications, science, education, social protection and healthcare sectors.

10. Strategic Plans of Tajikistan

The National Development Strategy of the Republic of Tajikistan (to 2030) is adopted to specify Tajikistan's strategic plans. Medium and long-term socio-economic development plans are harmonized and, national objectives are specified and targets and action plans are identified within this Strategy. This important paper specifies the ultimate objective of the country's transition from agrarian to an industrial country

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