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Tajikistan Business Enabling Environment Project Press Review - Issue #5 (75) from February 08, 2008

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IFC PRESS REVIEW

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TOUGHER ELECTRICITY RATIONING TO BE INTRODUCED IN TAJIK CAPITAL

DUSHANBE, February 7, Asia-Plus - Tajik power holding Barqi Tojik (Tajik electric systems) introduces tougher electricity rationing in Dushanbe.

Speaking in an interview with Asia-Plus, Rashid Gulov, the deputy engineer-in-chief, Barqi Tojik, said that starting from today, electricity supplies will be cut off to residential buildings and enterprises, with the only exceptions limited to strategic sites and the central part of the city, at night, from 10:00 p.m. to 5:00 a.m. He added that it cannot be ruled out that in case of necessity electricity supplies will be cut off in the daytime as well. An ongoing energy crisis and a severe shortage of sufficient electrical power have forced to introduce such rigorous measures, Gulov said.

According to him, this new power supply schedule differs from rotational power cutoffs that were effective in the Tajik capital in the second part of January. "The Barqi Tojik top manager Sharifkhon Samiyev will appear on the First Channel of Tajik national TV today evening to give details of the new power supply schedule introduced in Dushanbe," Gulov said.

He noted that the supply of daily electricity to the Tajik aluminum smelter has been reduced from 21 million kWh to 17 million kWh.

Gulov says the measures stem from a decline in the water level at the reservoir powering the Norak hydroelectric power station (HPS) and suspension of electricity supplies from Uzbekistan.

"The water levels at the reservoir have to date fallen to the critical level – 860 meters above sea level, and only three meters remain to the "dead point," said Gulov, "At present the rate of inflow of water in the reservoir is some 80 cubic meters per second, while by the end of last month it had been some 160 cubic meters per second."

"We are forced to take cardinal measures in order to avoid critical situation," the deputy engineer-in-chief said. According to him, Tajikistan has not received electricity supplies from Uzbekistan since February 4. "Uzbek energy authorities said that they have suspended electricity supplies for technical reasons; they have promised to resume electricity supplies in three days," Gulov said.

PRESIDENTIAL ADVISER REPORTS ON SERIOUS ECONOMIC DAMAGE FROM SEVER FROST

DUSHANBE, February 7, Asia-Plus - Energy crisis was focus of a meeting of Tajikistan's economic team hosted by the National Bank of Tajikistan (NBT) on February 5.

The meeting that brought together Economic Development and Trade Minister Ghulomjon Bobozod, Finance Minister Safarali Najmuddinov, NBT Chairman Sharif Rahimzoda, the head of the State Committee for Investments and Management of State-owned Property Farrukh Hamraliyev, State Adviser to the President for Economic Matters Matlubkhon Davlatov as well as representatives from Dushanbe offices of international financial institutions and special representatives from the World Bank considered issues related to power shortages caused by unusually cold weather, according to the NBT.

The NBT source noted that during the meeting it had been noted that electricity shortages have inflicted serious damage to industrial enterprises, agrarian sector and the population.

Speaking at the meeting, Matlubkhon Davlatov noted that the energy crisis could seriously damage a progress of implementation of economic reforms in the country. According to him, the country suffered an estimated 850 million somonis in economic damage from electricity shortages.

Presidential adviser added that unusually cold weather has inflicted particularly severe damage to the agrarian sector. 700 hectares under potatoes have been destroyed completely by frost and serious damage has been caused to orchards and vineyards.

Members of the economic team of Tajikistan also acquainted representatives from international financial institutions with an official appeal of the Tajik government for urgent assistance in mitigating disaster effects. The meeting participants reached an agreement that the Tajik government would provide a list of essential goods and submit it to international organizations and donor countries within the next few days.

IFC, DUSHANBE WEEKLY LAUNCH PUBLIC CAMPAIGN TO RAISE CACGP AWARENESS

DUSHANBE, February 7, Asia-Plus - IFC (International Finance Corporation) Tajikistan and the Dushanbe weekly *Biznes i Politka* (Business & Politics) have launched a public campaign to raise awareness of the Central Asia Corporate Governance Project (CACGP) among Tajikistan's population.

Vadim Negmatov, public relations officer, IFC Tajikistan, said that the campaign will cover a wide range of readers – managers, members of directors' boards, shareholders, government institutions, students, media, etc.

According to him, the monthly insert on corporate governance issues will be published in the newspaper once a month within the framework of the campaign.

The lack of adequate corporate governance in Central Asia is a serious stumbling block to economic growth. The Central Asia Corporate Governance Project helps local joint stock companies and banks strengthen their corporate governance practices with a view to improving their operations and increasing their ability to attract investment and financing. In addition, the project works with policymakers to improve the regulatory framework for corporate governance and increase the region's overall investment climate and the business-enabling environment.

The project works directly with joint stock companies and banks to improve their corporate governance practices, through individual consultations for a select group of pilot companies, and seminars and workshops targeting hun-

dreds of companies in Central Asia. The project also works closely with government officials, to provide consultations and assistance on legislative reform related to corporate governance and its enforcement. To educate future managers and policymakers, the project partners with educational institutions to help develop corporate governance-related curricula. To raise awareness among Central Asia's population and media on corporate governance issues, the project also conducts a national public education campaign.

TURKMENISTAN NEARLY DOUBLES ELECTRICITY SUPPLIES TO TAJIKISTAN

DUSHANBE, February 6, Asia-Plus - Turkmenistan has increased the volume of daily electricity it exports to Tajikistan from 3-3.5 million kWh to 6.6 million kWh, Asia-Plus has learned at Barqi Tojik (Tajik electric systems) power holding.

The source at Barqi Tojik noted that it cannot be ruled that with warmer temperatures' coming electricity supplies will be increased even more.

Central Asia has for several weeks been experiencing unusually cold weather that has increased domestic electricity consumption across the region and led to widespread power outages across Tajikistan.

We will recall that President Emomali Rahmon telephoned his Turkmen counterpart, President Gurbanguly Berdimukhamedov on January 28 to ask that Turkmenistan increase the volume of electricity it currently exports to Tajikistan. Turkmen president reportedly agreed to do so within realms of the possible.

Turkmenistan is supposed to supply totaling 1.2 billion kWh of electricity to Tajikistan in autumn-winter 2007-2008.

Barqi Tojik says Uzbekistan currently supplies electricity to Tajikistan at the rate of 2.2 million kWh per day. Uzbekistan is expected to export 600 million kWh of electricity this autumn-winter period.

Kyrgyzstan now exports electricity to northern Tajikistan at the rate of 500,000 kWh per day. Kyrgyz electricity is primarily supplied to the towns of Konibodom and Isfara. Electricity supplies from Kyrgyzstan are expected to total 11 million kWh.

In the meantime, Tajikistan's largest hydroelectric power station (HPS) Norak currently generates little more than 40 million kWh of electrical power per day.

KHOROG ENTREPRENEURS CAME OUT IN THE WASH WITH CITY HALL

KHOROG, Asia-Plus - Last Tuesday, on the 5th of February, over a large area of municipal administration lots of people have gathered.

As it turned out, the sellers of the central market of the city have gathered to demonstrate against increase in the cost of patent for purchase and sale of goods activity. At request of the demonstrators, the government executive, Nazarbegim Muborakshoeva, has listened to their complaint. Entrepreneurs were assured that the patent cost for the activity in the sphere of purchase and sale of goods would not change, and it would still make 46 somoni per month.

WHO IS THE DEPARTMENT OF JUSTICE AFRAID OF?!

From January 1st, 2008 there are new safety measures and access control brought up in the building of Ministry of Justice.

It should be mentioned that every day there are around 30 people who are willing to be accepted by this or that official in their office. It means that the operation process never stops and it is very often that personal meetings with visitors are needed.

Only several weeks ago almost everyone could enter the building of the Ministry of Justice, but now one can enter it by showing special warrant which is not so easy to get.

Those measures were brought up by the minister in the aims of safety control of the employees and visitors, and to know who enters and exists the building of the Ministry of Justice, as was noted by Abubakr Inomov, the employee of the ministry. He also mentioned that such innovation will help fighting against corruption.

-It happens very often that the employees of the ministry of justice are addressed on the questions of preparing different documents, including statutes, but all this does not come within our duties.

Now, in order the majority of workers of the Ministry of Justice are not tempting for money, all documents are examined by the employees of Access Control Department and the minister himself and only then this or that official can receive the document. So, this procedure excludes the possibility of personal contact of an official with some

entrepreneur. This procedure is quite uncomfortable and one makes much expenses. Furthermore, there is no guarantee that those who want to find their way to official's office will fail.

MAJLISI NAMOYANDAGON BOARD CONSIDERS FIRE SAFETY BILL

DUSHANBE, February 5, Asia-Plus -The board (Shuro) of Tajikistan's lower chamber (Majlisi Namoyandagon) of parliament considered a bill on fire safety at a February 4 meeting presided over by its speaker Saydullo Khairulloyev.

Muhammadato Sultonov, a spokesman for the Majlisi Namoyandagon, said that the board also considered amendments to the laws on the national budget for 2008 and the self-government institutions in settlements and villages, as well as bills on the board of treasury and state protection of victims, witnesses and other participants in criminal proceedings.

The board also discussed the UN Convention against Corruption.

Some of these issues will be considered at the regular sitting of the fourth of the Majlisi Namoyandagon on February 13, Sultonov said.

LAW ENFORCEMENT AGENCIES LAUNCH INVESTIGATION INTO KILLING OF OMON COMMANDER

DUSHANBE, February 5, Asia-Plus - The civil funeral rites were conducted in Dushanbe Monday afternoon in honor of the Tajik OMON (Special Purpose Police Squad) commander, Colonel Oleg Zakharchenko, who was killed in the Rasht district on February 2.

Several hundred people, including senior representatives from the Ministry of Interior (Mol), attended today's funeral for Colonel Zakharchenko to pay their tribute and respects to his memory.

Addressing the civil funeral rites, the Minister of Interiors Mahmadvazar Solehov, noted that Colonel Zakharchenko had participants in dozens of special operations to combat organized crime in the country and been given many government wards, including the Spitamen Order. Oleg Zakharchenko was buried in the republican cemetery in Dushanbe.

A special group comprising officers from the Mol and the State Committee for National Security (GKNB) has been set up to investigate the incident.

As it had been reported earlier, Oleg Zakharchenko was killed and four OMON servicemen were seriously injured in the settlement of Gharm, administrative center of the Rasht district, some 220 kilometers east of Dushanbe, on Saturday under uncertain circumstances.

According to an official version of the Mol, Colonel Zakharchenko heading a group of OMON servicemen arrived in Gharm to make preparations for holding a meeting of local police department to hear reports.

Mirzokhouja Ahmadov, the chief of the directorate for combating organized crime for Rasht Valley (a number of districts in eastern Tajikistan), who is one of former commanders of the United Tajik Opposition integrated into the government law enforcement agencies, thought that they had arrived to arrest him and opened fire at them. As a result, Zakharchenko was killed and four OMON servicemen were seriously injured.

In the meantime, some sources at the law enforcement agencies said that Colonel Zakharchenko heading a group of OMON servicemen on two KAMAZs (heavy truck) had arrived in Gharm to arrest Mirzokhouja Ahmadov. As a result of skirmish between OMON servicemen and Ahmadov's supporters, Zakharchenko was killed and four OMON servicemen were injured. The injured OMON servicemen were taken to a hospital in Dushanbe. Ahmadov and his supporters hid in the mountains.

THERE OUGHT NOT TO DESCRIBE THE GHARM INCIDENT AS DECLARING CIVIL WAR: IRPT SPOKESMAN

DUSHANBE, February 5, Asia-Plus - There ought not to describe the Gharm incident as declaring civil war, Hikmatullo Sayfullozoda, a spokesman for the Islamic Revival Party (IRPT), said in an interview with Asia-Plus, commenting on an article entitled "Civil War Declared to Tajikistan" posted on website of Russia's Kommersant Ё on February 4.

The report posted on the Kommersant Ё, in particular, said that that the government forces are making preparations for a large-scale operation to punish killers of the Tajik OMON ((Special Purpose Police Squad)) Colonel Oleg Zakharchenko.

Oleg Zakharchenko was killed and four OMON servicemen were seriously injured in the settlement of Gharm, administrative center of the Rasht district, some 220 kilometers east of Dushanbe, on Saturday under uncertain circumstances.

According to Kommersant Ё, the opposition assured that Colonel Zakharchenko heading a group of the OMON servicemen arrived in Gharm fro dealing shortly with former activists of the United Tajik Opposition (UTO), against whom undeclared war has started in the country. The official Dushanbe denies these allegations as unfounded. According to Kommersant Ё, the government forces are making preparations for a large-scale operation to punish killers of the colonel. In Gharm, they are making preparations for defense and people in Tajikistan have begun to speak about civil war, the report posted on the Kommersant Ё website said.

In the meantime, Sayfullozoda said that that Mirzokhouja Ahmadov, the chief of the Rasht directorate for combating organized crime, who is suspected of having killed the Tajik OMON commander, bears no relation to the IRPT.

"During the civil war of 1992-1997, Ahmadov was one of field commanders of medium level but after the 1997 General Peace Agreement all the UTO armed formations were disbanded or integrated into the government power-wielding structures," said the IRPT spokesman, "The IRPT and other opposition parties now bear no responsibility for crimes committed by the former UTO supporters after 1997." Peace reestablished in Tajikistan is stable and no political force in the country will win from such incidents (killing of the OMON commander), Sayfullozoda said.

In his opinion, there ought not to make an emphasis on the fact that Ahmadov is one of former UTO supporters as some media do.

LOSSES INCURRED BY TAJIKAIR FROM TEMPORARY BAN ON FLIGHTS TO RUSSIA AMOUNT \$30,000

DUSHANBE, February 5, Asia-Plus - Losses incurred by Tajik national air carrier TajikAir from temporary ban on flights to Russia have amounted to \$30,000, Rustam, Rustamov, the deputy head of the TajikAir resource management unit, announced at a briefing in Dushanbe on February 4.

The briefing was organized to clarify the situation connected with the ban on flights by TajikAir to Russia and compensatory fees.

According to Rustamov, they received radiogram from Russia's Federal Air Transport Agency on imposing the ban on February 2. The radiogram, in particular, said that the ban was imposed "due to repeated violations of Russian air carriers' rights by Tajik authorities."

The TajikAir administration discussed the radiogram and submitted it for consideration to the Ministry of Transport and Communications (MoTC). In radiogram sent to the Russian Federal Air Transport Agency, the Tajik side noted that it would introduce adequate measures against Russian air companies operating flights to Tajikistan, the TajikAir official said.

"As a result of long negotiations we reached a temporary agreement on lifting the ban," Rustamov said.

"However, despite this agreement, Tajik plane, which was making flight from Khujand to Moscow on Saturday night, was returned and losses incurred by Tajik national air carrier from this amounted to some \$30,000," Rustamov said, adding that two planes flying from Moscow and Orenburg to Dushanbe were accepted without any problems.

"We have received an official confirmation from the Russian side about accepting our proposals only by midnight of February 2," Rustamov said

Commenting on reports released by some Russian media that the Tajik side has allegedly violated rights of Russia's carriers, the TajikAir official noted that all companies pay compensatory fees \$10.00 on air routes, where services of Tajik state air company are not available, except Russia's air carrier Sibir. Sibir's debt for compensation payments has to date reached \$70,000, according to him.

According to him, compensation payments will be canceled if Tajik airlines are allowed to operate flights to all cities of the Russian Federation. "At present we are technically ready to operate flights to Orenburg, Krasnodar and Nizhny Novgorod and will continue negotiations with out Russian counterparts," Rustamov said.

As it was reported yesterday, Russia has lifted a temporary ban on the flights of Tajik national air carrier.

Russia suspended the flights of all Tajik airlines to Russia on February 2. The ban was imposed in response of Tajikistan's making restrictions on flights of Russian airlines.

According to Russian media, Tajik authorities, in particular, charged Russian airlines for operating flights on air routes, where services of Tajik state air company TajikAir were not available. Under a resolution adopted in September 2007, Russian airlines must pay compensatory fees for each passenger to the Tajik budget (\$10.00 per each arriving and leaving passenger). In the case of refusal to pay the compensatory fees, the Tajik side reserved the right to not let air carriers enter Tajikistan's air space, Russia's RBK Daily said, noting that Tajik government adopted such a resolution in September 2007.

In response to this measure, Russian authorities on Saturday suspended flights of Tajik national air carrier to Russia. The ban was lifted the same day as the problem was resolved by midnight.

According to Itar-Tass, Russia and Tajikistan will now have two weeks of consultations to exempt Russian airlines from the compensatory fees.

GERMAN EMBASSY CONSULAR SECTION RESUMES ITS WORK

DUSHANBE, February 5, Asia-Plus - The German Embassy Consular Section has resumed its work as electricity supplies to the German Embassy were resumed yesterday.

As it had been reported earlier, a decision of the German Embassy Consular Section to suspend its work starting from February 4 resulted from disruption of electricity supply on January 28.

The source at the German Embassy said that the Embassy did not have electricity for several days, while the embassy's generator is not capable to provide with electricity all technical equipment necessary for processing visa documents.

GERMAN EMBASSY CONSULAR SECTION TO SUSPEND ITS WORK FOR LACK OF POWER

DUSHANBE, February 4, Asia-Plus - Starting from February 4, the German Embassy Consular Section suspends its work because of lack of electrical power, according to the German Embassy in Dushanbe.

The source at the German Embassy said that the Embassy has not received electricity supplies since January 28, while the embassy's generator is not capable to provide with electricity all technical equipment necessary for processing visa documents.

It was also noted that those who want to get Schengen visa will be able to do that after resumption of the Consular Section work that depends on regular electricity supplies.

WB SUPPORTS DEVELOPMENT OF TAJIKISTAN'S TAX SYSTEM THROUGH PROVIDING A \$500,000 GRANT

DUSHANBE, February 4, Asia-Plus - The World Bank allots some \$500,000 in no-strings aid to Tajikistan for improvement of its tax system, Tajikistan's Tax Committee said.

The source at the Tax Committee said that their specialists are currently preparing documents for getting 15 million somonis in loans from various financial institutions.

According to him, the committee is taking efforts to improve the country's tax system and create a single database of tax receipts and control over activities of juridical and physical entities.

"One of the main problems facing our committee, especially its offices in remote regions, is shortage of technical equipment," the source said, noting that the committee last year purchased 200 computers and another 300 computers are supposed to be purchased this year.

RUSSIA LIFTS TEMPORARY BAN ON FLIGHTS OF TAJIK NATIONAL AIR CARRIER

DUSHANBE, February 4, Asia-Plus – Russia has lifted a temporary ban on the flights of Tajik national air carrier.

Referring to Russia's Federal Air Transport Agency, Russia's RBK Daily reported that Russia on February 2 suspended the flights of all Tajik airlines to Russia.

The ban was imposed in response of Tajikistan's making restrictions on flights of Russian airlines.

Tajik authorities, in particular, charged Russian airlines for operating flights on air routes, where services of Tajik state air company TajikAir were not available. Under a resolution adopted in September 2007, Russian airlines must pay compensatory fees for each passenger to the Tajik budget (\$10.00 per each arriving and leaving passenger). In the case of refusal to pay the compensatory fees, the Tajik side reserved the right to not let air carriers enter Tajikistan's air space, RBK Daily said, noting that Tajik government adopted such a resolution in September 2007.

In response to this measure, Russian authorities on Saturday suspended flights of Tajik national air carrier to Russia. According to RIA Novosti, the ban was imposed "due to repeated violations of Russian air carriers' rights by Tajik authorities."

The ban was lifted the same day as the problem was resolved by midnight.

According to Itar-Tass, Russia and Tajikistan will now have two weeks of consultations to exempt Russian airlines from the compensatory fees.

US SHIFTS GOALS ON SOVIET FRINGES

International Herald Tribune, February 4

After diplomats' dreams of democracy, a harsh awakening

Kiev: Late in the afternoon of Jan. 24, a US military plane landed in Tashkent, the capital of Uzbekistan, carrying Admiral William Fallon, the commander of the US Central Command.



Schweizerische Eidgenossenschaft
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Federal Department of Economic Affairs FDEA
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With best wishes,
Tajikistan BEE Public Relations/Communication Department