

Tajikistan Business Enabling Environment/ SME Policy Project Press Review - Issue #49

Dushanbe, 03 August 2007

1. News directly connected to SME Project

YOU CAN SEE OUR TV PUBLIC SERVICE ANNOUNCEMENTS (PSA) on SHABAQAI AVAL CHANNEL at 7.30 a.m., 8.25, 9.00 and 9.55 p.m. or OUR WEBSITE:
<http://www.ifc.org/ifcext/tajikistansme.nsf/Content/Awareness>

- IFC started the demonstration of social advertisement
- Have you already been inspected?
- IFC starts information campaign at National TV
- Video footages to the theme "On audits in economic entities in Tajikistan"

2. News interesting for Business Environment

- Virtual directory of Tajik industrial and economic sectors created
- WB approved second grant to support of investment climate
- Government endorses draft national budget for 2008
- Volume of shadow economy in Tajikistan exceeds over 60 percent of the country's GDP, local experts say.
- Central Asia: Tajiks, Uzbeks Trying to Cope With Higher Prices

IFC PRESS REVIEW

1. News directly connected to SME Project

IFC STARTED THE DEMONSTRATION OF SOCIAL ADVERTISEMENT

DUSHANBE, 2 August, Vecherny Dushanbe - The International Finance Corporation (IFC) with the support of State Investments and State Property Management started the broadcasting of its first social advertisement at national channel. The aim of campaign – increase of entrepreneurs' awareness on key provisions of Law of Tajikistan 'On inspections of business entities activities in Tajikistan'.

In IFC report 'Business environment as seen by small and medium enterprises, 2006' it is noted that in spite of the fact that the Law was adopted in 2006, most entrepreneurs still do not know on their rights and duties during the inspection.

The adoption of the Law – is only half the work toward business environment improvement, noted Andrea Dall'Olio, IFC Project Manager at the press-club. – For the purpose of positive results of the Law, its proper implementation is required. Information campaign at TV is a strong tool that can help address information to the broader part of the entrepreneurs", he said.

The project prepared 4 social advertisements (PSAs) clarifying the key provisions of new Law and situations where entrepreneurs can use it. Also PSAs draw attention to the importance of the information distribution among entre-

preneurs. First PSA was demonstrated in 1 National TV Channel on 19 July. The PSAs will be broadcasted 4 times per week before and after the News, and continue till current September.

I believe we can reach two goals by broadcasting the PSAs: first – inform that Inspection Law exists, and second, why it is so important for entrepreneurs, - noted Andrea Dall'Olio. By providing free-of-charge air time, Government demonstrated it significant support of entrepreneurship activity – concluded IFC Project Manager.

Olesya Bobovich

IFC STARTS INFORMATION CAMPAIGN AT NATIONAL TV

30 July, Varorud - IFC with the support of State Investments and State Property Management Committee started the broadcasting of first Public social advertisement at National TV channel. The aim of the campaign is to increase of entrepreneurs' awareness on key provisions of new Law 'On Inspections of business entities activities in Tajikistan».

It was stated in the press release developed by the organization.

In IFC report 'Business environment as seen by small and medium enterprises, 2006" shows that though the Law was adopted in 2006, most entrepreneurs still do not know their rights and responsibilities during inspections.

Adopting the law is only the first step in improving the business environment for Tajikistan's small and medium enterprises, noted Andrea Dall'Olio, IFC Project Manager at the press-club. – The next step in bringing about positive changes is proper implementation. The recently launched IFC television campaign is a powerful tool to expand outreach and increase awareness among entrepreneurs.

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State Investments and State Property Management Committee took an active part on all stages of the social advertisement preparation and launch.

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As it was said in the press release , the SME sector can drive growth and foster local investments with a strong impact in the overall economy of Tajikistan. Therefore, the government understands that entrepreneurs need strong support to achieve growth," said Rudoba Bakhridinova, Head of the Legal Protection of Entrepreneurship Department of the State Investment Committee of Republic of Tajikistan.

http://www.varorud.org/index.php?option=com_content&task=view&id=8810&Itemid=94%20

HAVE YOU ALREADY BEEN INSPECTED?

DUSHANBE, 2 August, Asia Plus - The presentation of four informational TV spots on Inspection Law was held on July 26 in Dushanbe

The demonstration was made with the support of International Finance Corporation (IFC) in the frameworks of the SME development project in Tajikistan. The main purpose of social advertisement is to increase public awareness on Inspection Law adopted on 28 of July last year. According to Andrea Dall'Olio, IFC Project Manager, this will be helpful in the Law implementation. Four TV spots were produced in the frameworks of the project with the support of SECO, State Investment and State property management Committee, and State TV and Radio Broadcast Committee. The TV-spots are titled: 'Law is your support', 'Before Inspection', 'During Inspection', 'After Inspection'. The TV spots have received free air time at state TV channel 'Shabaqai aval' and will be demonstrated 4 times per day as a social advertisement.

'TV spots will inform the entrepreneurs about the new Inspections Law that protects their rights.- The Law defines the frequency of the inspections, and provides 3 days notification of entrepreneurs before the inspection',- noted Rudoba Bahriddinova, Head of Entrepreneurship Legal Support Department of the State Investments Committee.

Irina Markaryan

VIDEO FOOTAGES TO THE THEME "ON AUDITS IN ECONOMIC ENTITIES IN TAJIKISTAN"

DUSHANBE, 26 July – Avesta – Elucidation of the rights of businessmen is an important step for development of small and medium business, Mr. Andrea Dall'Olio, Project Manager of IFC Small and Medium Business Policy

Project in Tajikistan, spoke during presentation of video footages to the theme "On audits in economic entities in Tajikistan".

The footages were basically dedicated to audit procedures and mechanisms.

"Audit commissions often violate the law by conducting snap inspections. Under the law, they must notify the inspected organisation of the timing of the inspection," Mr. Andrea Dall'Olio has said. "Auditors often request documents which have nothing in common with inspections. In our video clips we were trying to aware businessmen of these situations."

These footages will be aired by Shabakai Avval (The Channel One) state-controlled TV station. They will be aired four times a day within the next two months.

The attendants, however, have expressed their dissatisfaction with several scenes shown in the footages, namely dirty canteens, muddy market places. Commenting upon these scenes, Head of the Department on Legal Protection of Businessmen under Tajik State Investments and Property Management Committee, Ms Rudoba Bahriddinova, said that the majority of businessmen work in these conditions.

"The majority of businessmen work in poor conditions. We used these scenes to show real working conditions in which our businessmen work," she commented. "Our TV stations seldom demonstrate pictures from the real life basically showing concerts. This, we believe, will let us draw more attention to these problems."

2. News interesting for Business Environment

VIRTUAL DIRECTORY OF TAJIK INDUSTRIAL AND ECONOMIC SECTORS CREATED

DUSHANBE, 3 August, Asia-Plus - The www.exportdir.tj, is created as an electronic directory of economic and industrial sectors of Tajikistan.

This virtual directory incorporates several sections on different production sectors.

Trade Center under financial support of the Swiss State Secretariat for Economic Affairs (SECO). The directory is designed within the framework of the Trade Promotion Project implemented by The International Trade Center (ITC). ITC is the joint technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO).

The project is funded by The Swiss State Secretariat for Economic Affairs (SECO). SECO is the federal government's center of expertise for all core issues relating to economic policy. Its aim is to ensure sustainable economic growth by putting in place the necessary regulatory and economic policy conditions.

The website aims at facilitating economic growth through creating necessary conditions of regulating and economic policy.

The www.exportdir.tj has been designed by the Tajik consulting company Business Consulting, working in the field of management consulting and trade promotion.

The directory is expected to be issued as a brochure and CD in the near future.

WB APPROVED SECOND GRANT TO SUPPORT OF INVESTMENT CLIMATE

DUSHANBE, 2 August, Facts and Comments - WB Board of Directors approved the report of WB group on Strategy of Partnership with Tajikistan for the period of 2006 to 2009. Also the Board approved second programmatic grant for policy development for a total amount of \$10 mln. that aimed to improvement of private sector environment and general functioning of public sector.

... It is proposed that the grant will help authorities in creation of favorable conditions for private sector development at the cotton, energy and aviation fields, and also it is aimed to health services and education quality increasing.

Approved grant is the second grant among WB three grants for supporting of Government by WB in management methods improvement, transparency increasing and provision of proper economical management in public and private sectors.

GOVERNMENT ENDORSES DRAFT NATIONAL BUDGET FOR 2008

DUSHANBE, July 31, Asia-Plus - Government considered more than 30 issues at a July 31 session presided over by President Emomali Rahmon, presidential press service said.

President Rahmon noted that Tajikistan's gross domestic product (GDP) rose more than 7 percent in the year to July 1, 2007, reaching 4.79 billion somonis.

"According to prognosis, GDP is expected to have reached 12.2 billion somonis by the end of the year," the head of state said, noting that to provide sustainable economic development it is necessary to provide not less than a 7 percent increase of GDP per year, curb inflation at the level of 7%-8% and secure a minimal depreciation of national currency.

"These measures will allow increasing GDP's volume up to 14.8 billion somonis in 2008," Rahmon said.

According to presidential press service, a draft national budget for 2008 was one major topics of the meeting. The president said that it is supposed to stand at 4.312 billion somonis, which 845 million somonis or 24.4 percent more than the budget for this year.

According to him, the revenue part of the budget for 2008 will include 470 million somonis in centralized investments, which almost doubles the 2007 level.

The session also considered and endorsed bills requiring amendments to a number of the present laws.

The government also approved bilateral government-to-government agreements signed with Syria, Azerbaijan, Belarus, and Georgia.

Besides, the session considered and endorsed a national program on publishing textbooks designed for 2007-2010, a cotton processing program for 2007-2015, and rules of registration and keeping of precious metals and precious stones.

Participants at the session also discuss a medium-term strategy of development of Tajikistan's banking system for the period till 2009, and President Rahmon ordered to review it.

The president stressed that had taken construction of new cotton-ginning factories under his personal control and demanded at the meeting that he should have quarterly report on a progress of construction of them.

The session also considered issues related to taking adequate measures to ensure the regular work of the country's economy during autumn-winter 2007-2008 and mitigating effects natural disasters in Asht and Rasht districts.

The president also set the task to reintroduce the Yovon heat and power plant into operation by November 1 and take measures to stock up enough coal, liquefied gas and fuel oil for the winter.

He also urged to intensify fights against monopolization of consumer market and regulate prices of consumer goods.

Prime Minister Oqil Oqilov is to submit report on a progress of mitigation of effects of the natural disasters in Asht and Rasht districts every ten days.

VOLUME OF SHADOW ECONOMY IN TAJIKISTAN EXCEEDS OVER 60 PERCENT OF THE COUNTRY'S GDP, LOCAL EXPERTS SAY

DUSHANBE, July 30, Asia-Plus - National Human Development Report for 2007, authored by experts from the Research Center Sharq was presented in Dushanbe on July 27.

Mainly based on survey of shadow economy in the country, the report, in particular, says that a volume of shadow economy is equal to more than 60 percent of the country's gross domestic product (GDP).

Economist Jaffar Olimov, who is one of authors of the report, said that the main reasons for existence of dual accounting at enterprises are inefficiency of state institutions, burdensome official procedures, as well as poor professionalism of civil servants.

According to him, the survey is based on an opinion poll conducted among physical entities and enterprises on unofficial economic activity. Jaffar Olimov said they had surveyed top managers of 500 firms and representatives from 1,000 households.

"The shadow economy is based on three key factors: enterprises pay taxes 33 percent less than their due; goods produced by enterprises make on average 15 percent of their incomes; and more than 13 percent of wage is paid by goods or services," Olimov said.

The authors consider that to stabilize the shadow economy situation it is necessary to improve, financial and tax systems.

“It is to be noted that decrease in tax rate is not the main task,” said Olimov, “Those surveyed said they cannot pay even less burdensome taxes under the present knotty system of taxation. It is necessary to set up institutions of financial mediators (consultants), take measures to decrease interest rates on loans and make shift to more modern methods of statistical count.”

The survey was conducted under financial support of the UNDP CO in Tajikistan.

CENTRAL ASIA: TAJIKS, UZBEKS TRYING TO COPE WITH HIGHER PRICES

29 July, Factiva - The rising cost of basic goods in Tajikistan and Uzbekistan is raising concern in those two countries.

Imagine working all month only to find out after receiving your paycheck that the money your earned is barely enough to buy flour to make bread...For many in Tajikistan and Uzbekistan that is the harsh reality of their lives...



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

With best wishes,
Tajikistan SME Public Relations/Communication Department