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Tajikistan Business Enabling Environment- SME Policy Project Press Review - Issue #56

Dushanbe, 21 September 2007

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IFC PRESS REVIEW

1. News directly connected to SME Project

ENTREPRENEURS ARE GETTING ACQUANTING WITH THE FIRE RULES

DUSHANBE, September 20, Vecherny Dushanbe - International Finance Corporation (IFC) and the Central Department of Fire Service conducted presentation of fire poster and check-lists, required for inspections by the fire inspectors, on Green Market

The presentation's aim is to increase entrepreneurs' awareness about the key fire safety rules as well as about the new inspection rules according to the Law of Tajikistan 'On inspections of economic entities in RT' adopted in 2006. The similar presentations and fire poster installation is planned to conduct in all country regions.

- The check-lists represent a structured questionnaire that translates the fire safety / sanitary regulations into simple questions to be verified by the inspectors in the course of the inspection process, – noted Safo Isaeva, IFC Business Enabling Environment –SME Policy Project Training Specialist. Usage of the check-lists will increase legal consciousness of entrepreneurs and the rate of following safety rules by them during their activity, she stated.

According to the Inspection Law, inspections should be conducted only on the base of check-lists, which everybody can receive in the inspecting body.

This will help to make inspections process more transparent and fair in regards to entrepreneurs, - said Andrea Dall'Olio, IFC Project Manager in Tajikistan.

SUPER PATENT – A STEP TOWARDS BUSINESS DEVELOPMENT

DUSHANBE, September 20, Vecherny Dushanbe

Why do our entrepreneurs hide their income from taxation and how to prevent this?

In spite of the legislative requirement for the entrepreneurs to use cash-register, receiving checks for purchased goods seems to be a fantasy in Tajikistan. Even if entrepreneurs would want to use this machine, they would face the question – how to do it with no electricity during the cold “lightless” winter days? Inability to receive checks in the markets of Tajikistan, and sometimes even in the central boutiques, does not seem strange for most people. But it turns out to be a serious economical problem. That is what the participants of the press club (Improving Tax Administration in Tajikistan) organized by the IFC Business Enabling Environment Project talked about.

Taxation specialists, whether they are independent or work for the state, see this as entrepreneurs’ attempts to hide income from taxation. According to IFC data based on entrepreneurs’ evaluation, around 24% of entrepreneurs in Tajikistan in 2005 hid their income to avoid taxes.

Some see the solution of this problem in strict control, while others think that appropriate conditions for entrepreneurs should be created, according to which it would be easier for them to follow all tax requirements. Thus the root of the problem will be solved and not its cause.

“Our nation does not understand the necessity to pay taxes voluntarily – it is not fixed in the mentality of our nation. Therefore we need to conduct a large number of inspections,” says the Head of the Tax Administration Department Rustam Jabbarov.

According to IFC survey results, individual entrepreneurs faced an average of 9 tax inspections in 2005.

The IFC Business Enabling Environment Project sees the solution of this problem in implementation of the so called “Super Patent” – a document, the fixed cost of which combines three types of taxes in it and does not depend on entrepreneurs’ income.

Its difference from the current system is that beside income tax the Super-patent includes also social tax and retail trade tax.

“Recently we have conducted a small survey in one of the country’s markets. We found out that sellers of the same-line products pay 40 Somoni retail trade tax, as told by the inspector. Thus entrepreneurs pay the amount, which is not based on their real income,” said Andrea Dall’Olio, Manager of the project.

Mataluba Uljabaeva, Chairman of the National Association of Small and Medium Entrepreneurship, made an interesting suggestion saying that retail trade tax should be canceled at all. She called it “tax on tax.”

In any case, working based on Super-patent will be easier for entrepreneurs. The existing patent system limits entrepreneurs’ activities to one of 49. Thus, if a bread-seller decides to develop his business and sell also soft-drinks, under the current system he will have to get another patent. So, it is easier for the entrepreneur to sell other product-lines unofficially without receiving a patent, than to get several patents at a time.

IFC PROPOSES TAJIKISTAN TO IMPLEMENT “Super-patent” FOR INDIVIDUAL ENTREPRENEURS

20.09.2007 18:31, Fergana.ru - The International Finance Corporation (IFC) proposes Tajikistan to implement a new type of patent for individual entrepreneurs – so called “Super-patent”, which includes three types of taxes in it. “Super-patent” is a fixed payment, which includes income tax, social tax, and retail trade tax.

The system of this patent, according to specialists of the corporation, is very simple. After having paid for the patent, an entrepreneur will not have to pay additionally social tax, retail trade tax, as it is now. These taxes will be included into the price of the patent.

One of the disadvantages of the current tax system is that it is issued for realization of one type of product only and if an entrepreneur wants to enlarge his business legally, he cannot do it. "For instance a bread seller cannot sell sweets, because he does not have patent for it," explained manager of the project Andrea Dall'Olio. "The advantage of the Super-patent would be its universality: it is issued for several types of products in one patent."

The Super-patent will allow individual entrepreneurs not only decrease the sum of tax duties, but also increase tax revenue to the state budget. According to the survey conducted by International Finance Corporation, 24% of entrepreneurs hide their income from taxes, while every fourth entrepreneur, working at the market, does not have a patent.

Ferghana.Ru source informed that this proposal has been supported by the Tax Committee under the Government of the Republic of Tajikistan, which in its turn proposed amendments to the Tax Code of the country. Currently all appropriate governmental bodies are reviewing this proposal.

Currently 80 thousands of individual entrepreneurs work in Tajikistan. Entrepreneurs, working on patent system, are required to have an income of not more than 200 thousands somoni per year. If the income exceeds this sum, then they have to open a legal entity. According to IFC, 90% of individual entrepreneurs prefer patent system of taxation.

'SUPER PATENT' COULD MAKE LIFE OF TAJIK ENTREPRENEURS EASIER AND INCREASE TAX PROCEEDS TO COUNTRY'S BUDGET: IFC EXPERTS

DUSHANBE, September 19, Asia-Plus - International Finance Corporation (IFC) proposes to introduce a new type of patent for individual entrepreneurs in Tajikistan – so-called "super-patent that would accumulate three types of taxes.

Super-patent is a fixed payment that includes income tax, social tax and retail tax. According to IFC experts, the super-patent system is simple. Paying for patent entrepreneur will not have to additionally pay the income, social and retail taxes. These taxes will be included in the patent cost.

The present patent system for individual entrepreneurs does not reduce administrative burden and eliminate unnecessary inspections. One of shortcomings of the patent system in Tajikistan it is that it is granted for running only one type of activities and if entrepreneur wants to extend a range of his activities he will have to apply for new patent

Andrea Dall'Olio, the project manager of the IFC Tajikistan Business Enabling Environment Project, says that one of advantages of the super-patent is in its generality: it is granted for running several types of activities at once.

According to experts, the super-patent will not only make life of individual entrepreneurs easier but it will also increase tax proceeds to the country's budget.

The results of survey conducted by IFC Tajikistan have shown that 24 percent of local entrepreneurs conceal their incomes from taxation and practically every fourth entrepreneur working on the market does not have patent.

Tajikistan's Tax Committee has supported proposal on introduction of such type of patent and suggested that appropriate amendments should be made to the country's Tax Code. At present this issue is being discussed with relevant bodies of the country.

2. News interesting for Business Environment

ECONOMIC FREEDOM OF THE WORLD: 2007 ANNUAL REPORT

About the Report

Economic Freedom of the World measures the degree to which the policies and institutions of countries are supportive of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of privately owned property.

easy to view map...

<http://www.cato.org/pubs/efw/map/index.php>

scores best to worst performers

Hong Kong maintains the first place in economic freedom with a score of 8.9 out of 10. The other top six scores are: Singapore (8.8), New Zealand (8.5), Switzerland (8.3), Canada (8.1), United Kingdom (8.1), United States (8.1), Estonia (8.0), Australia (7.9), and Ireland (7.9).

On the opposite end of the scale, the majority of nations ranked in the bottom ten are African with the exception of Venezuela and Myanmar. These are: Zimbabwe (2.9), Myanmar (3.8), the Democratic Republic of Congo (4.0), Angola (4.2), the Republic of Congo (4.3), Central Africa Republic (4.6), Venezuela (4.9), Burundi (5.0), Chad (5.1), and Niger (5.1).

In Latin America, the countries with the highest economic freedom rankings are Chile (11 out of 141) and El Salvador (18). In continental Africa, Botswana had the highest ranking (38).

Press Release

By James Gwartney and Robert Lawson with Russel S. Sobell and Peter T. Leeson

Is capitalism contagious? If so, to what extent; and how does it spread? In new research published in this year's report, Russell S. Sobel and Peter T. Leeson examine these questions empirically. They find that economic freedom does in fact spread, although not as strongly as might be suggested by the emphasis this idea has been given in US foreign policy. In the report, Sobel and Leeson discuss the implications of these results for foreign policy and offers some predictions about the future path, and spread, of global economic freedom.

This year's report notes that economic freedom remains on the rise. The average economic freedom score rose from 5.1 (out of 10) in 1980 to 6.6 in the most recent year for which data are available. Of the 102 nations with scores in 1980 and in the most recent index, 90 recorded improvements in their economic freedom score, and just nine saw a decline. In this year's index, Hong Kong retains the highest rating for economic freedom, 8.9 out of 10, followed by Singapore, New Zealand, Switzerland, Canada, United Kingdom, and the United States.

The first Economic Freedom of the World Report, published in 1996, was the result of a decade of research by a team which included several Nobel Laureates and over 60 other leading scholars in a broad range of fields, from economics to political science, and from law to philosophy. This is the 11th edition of Economic Freedom of the World and this year's publication ranks 141 nations for 2005, the most recent year for which data are available.

MACEDONIANS DID NOT EVEN HAVE SUCH A DREAM...

DUSHANBE, September 20, Asia Plus

Response of the expert of the State Investments Management Department, Ministry of Economic Development and Trade of RT for "Make Investments in Tajikistan" article (AP, No.33).

The article leaves double impression.... Let's consider carefully the facts indicated in the article. It is not correct to compare Macedonia and Tajikistan based on the following reasons:

- geographical location...
- as for the large market in Macedonia – this is obviously an overload. Probably, the author considers the whole population of the Europe and therefore in regard with Tajikistan the number of CIS population, Iran and Afghanistan with which RT has expanded trade and economic relations should be mentioned.

...The author clearly is clearly cunning when comparing tax rates as ordinary reader as a rule has no idea on the tax legislation. For instance, the mentioned profit tax in Tajikistan is not significantly affecting foreign investments. The investor in RT has benefits for taxes, including exemption from the profit tax during 5 years starting from the moment when received profit for the first time .. Also Tajikistan has concluded agreements to avoid double taxation with many countries-partners...

During last years the volume of the investments to Tajik economy has increased significantly. So, if in 1997 a total volume of direct investments made \$3.3 mln.dollars or making calculations per capita \$1.8, in 2007 the volume indicators were 488,1 mln.dollars and \$68.3 per capite respectively.

... As for frequently changing legislation, during the last years there were several changes and amendments in the Tax and Custom Codes related to preferences for business entities.

... Laws of RT anticipate the protection of foreign investments and enterprises with foreign investments from nationalization and requisition and other violent acts.

.. However, it is not so clear the attitude of the author. And the question is to be asked: with whom you, Mr.Stranger? With the President and his team that builds new economic, trade, social and cultural relations with world community forming positive investment image of Tajikistan or with number of detractors...

As it was fairly indicated in the above 'AP' article, Tajikistan is the participant of the competitive investments market and as the practice shows, fully competitive.

... In opinion of the article's author, the investor has no chance –he should select Macedonia to invest. For us one point is unclear – what is the purpose and in whose interests the article was published? It was paid advertisement or simply failed comparison - we do not know. Based on the above, the following conclusion seems to be logical – Macedonians – well-done, a good quality advertisement for own country, including at the pages of Tajik newspaper. As for the case made by the publication's author made for Tajikistan in weekly newspaper 'Asia Plus' there is very difficult to find a name.

D. Valiev
Department of Investments Program,
Ministry of Economic Development and Trade of RT

OIL IS NOT THE MAIN REASON!

An aggressive competition for foreign investments is aroused. All developing countries are trying to attract investors. It is a "world championship", the base rate of which is "the right to a decent life of our children". So, unfortunately, Tajikistan is not one of the favorites in this sort of competition. Moreover, our main problem is not in the absence of money, but in misunderstanding of modern fundamentals.

Recently, a Tajik-Kazakh business-forum took place in Dushanbe. President Nazarbaev made a very good remark: a state is a bad manager, and the planned economy of USSR had proven that. Therefore, as Nazarbaev told, we everything is privately owned because of us and we see "the creation favorable conditions for private sector development as the main problem of the state. Tajik businessmen, who participated in the forum agreed on the fact that a recipe for success of Kazakhstan is, that is to say, in business facilitation. But in the course of the conversation one of the high officials of Tajikistan again made his usual remark: is it really possible to compare our republic with Kazakhstan. They have oil!

Yet, there are really no favourable conditions for business in Tajikistan, as for foreign investors as for Tajik ones. It has been a long time that we promise our investors to register new "one-stop-shop" enterprises, but for the meanwhile those are just words. Why? Do we need oil for that purpose? Of course not.

Also, for example, the government is planning the foremost amendments in the Tax Code, which, as Tajik businessmen think, complicates their life. I do not know whether they are right or not, but this is not the matter. The matter is that in interagency committee on project preparation four state offices were included, but there is no at least one representative of the private sector.

Umed Babakhanov,

I WOULD INVEST

Unfortunately, these days cotton sector does not work according to the rules of market economy – it is not transparent and there is lack of healthy competition in it. There sector also faces technical problems. European Commission's expert Jerar Deze (spelled as read in Russian) shared his vision of the problem solution.

...Do you know what stands on the way of foreign investors?

Your bureaucracy and corruption.

For instance, who?

Tax bodies, controlling bodies. Take the corrupt bureaucrats – the main barriers for foreign investors' work – away. A co-patriot of mine, Frenchman, works in Afghanistan. He funds Afghan farmers, who grow roses for French perfumes that are extremely popular not only in France but also in Europe. And that is happening in Afghanistan, which has been in war for so many years.

This Frenchman must be a very brave person.

Rose-growing business can and should be as well opened in Tajikistan. Because of absence of electricity in winter rural entrepreneurs do not have the opportunity to develop green-houses, where they could grow roses, asters, vegetables and then export them. This is living money, big money. Many greenhouses are deserted. Under such condition French investors are not going to come here, they have no guarantee.

Let me disagree with you. Our Government has adopted a number of important Laws, providing maximum privileges for private foreign investors and a favorable investment climate is created.

These are very good Laws, I don't argue. But unfortunately no one follows them, especially the administration. And these laws need to be improved.

How?

Organize at least normal conditions for businessmen, if you can't organize heaven. There is no need for privileges and special laws. What needs to be done is to take away the bureaucratic barriers, which stand on the way of private business development, corruption, which does not allow for businessmen to act easily. And then they will work for the good of your country, providing people of your country with jobs and high salaries, and at the same time have a benefit for themselves. I ensure you that in such case investors would definitely come to Tajikistan and work. They will contribute to finance and agrarian sectors, to transportation and industry, communication and construction industry and so on. And all of this will promote a dynamic growth of the economy. However, outside of these laws and normative acts there is such understanding as the Tajik's mentality on how to become rich. Stop working according to the old system, according to what is said from the "above". Western business works within the law frames and the violators are punished by state. Here, according to what I have heard, in order to become rich you need to enter the Tajik Administration, i.e. start to work in a ministry or state agency. Tajik business should finally understand that in order to become not just richer, but much richer, you need to work as a real businessmen, you need to work in the frameworks of legislation. Tajikistan is the only country, where the collective-administrative system of agriculture still exists. This is an old Soviet system, which is long dead and does not meet any world standards.

Another examples is: the car of a foreign businessman is stopped on every turn by Tajik police, who make money by blackmailing during the day. After such "hospitality" this investor is no more interested to work in Tajikistan.

Mr. Jerar, if you were an investor, where would you invest your money?

If favorable conditions were created I would invest in agriculture. I would organize the work of Tajik farmers so that they would have every necessary condition and profit from the agricultural business and from export to other countries. There is a great potential in hydroelectricity, sports and tourism. A successful investment could also be made in other spheres. But I still think that the best way is to invest in agriculture.

REGIONAL MICROFINANCE CONFERENCE OPENS IN TAJIK CAPITAL TODAY

DUSHANBE, September 20, Asia-Plus - The fifth annual regional conference formally titled "Microfinance in Central Asia: Road Ahead" opened at the Kokhi Vahdat State Complex in Dushanbe today morning, at 10:00 a.m. .

The two-day conference that has brought together representatives of more than 240 microfinance organizations from Central Asia's states is aiming to consider tendencies and prospects of development of microfinancing in the Central Asian countries.

The conference is organized and supported by the United States Agency for International Development's (USAID) Central Asian Microfinance Alliance (CAMFA) and the Association of Microfinance Organizations of Tajikistan (AMFOT).

The CAMFA project is one of the many assistance projects made possible by the American people through USAID. Since 1992, the American people have provided more than \$1.5 billion in programs that support Central Asia's health care sector, democratic institutions, education, and economic growth.

The AMFOT head Tolib Ghairatov said that this year, AMFOT took a lead in hosting this important event hoping that in the future other regional microfinance associations will continue the tradition.

According to him, the conference participants are familiarizing themselves with instances of transformation, social influence, capital financing, regulation of currency risks, and sharing experience in creation of mechanism of protection of borrowers.

Microfinance is about more than offering small loans to the poor. We see microfinance as a financially self-sustaining model for empowering the world's poorest people. Microloans enable poor people to leverage their skills toward their own profitable businesses and lift themselves out of poverty.

Senior representatives of microfinance organizations from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan are attending the conference.

Donors are represented by 14 organizations such as the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), Planet Finance, Oiko Credit and others. Besides, representatives from the European Union, the United States, Pakistan, Afghanistan, and the Russian Federation have been invited to take part at the conference.

In parallel, an exhibition of works by microfinance organizations has opened and a fair of investors is opening today afternoon

In parallel, a seminar on the social impact management issues for representatives from microfinance institutions will be conducted on September 21. Specialists from the Microfinance Center for Central and Eastern Europe and the CIS Countries have been invited to conduct the seminar, which is aiming to discuss mechanisms of assessments of impact of loans on living conditions of the population. .

According to Tajik central bank, 8 credit societies, 6 microfinance deposit organizations, 23 microloaning organizations and 36 microloaning funds now function in Tajikistan.

AGROINVESTBANK PAYS WAGES TO ITS COTTON FARMERS IN GOOD TIME

KULOBO, September 20, Asia-Plus - Head office of AgroInvestBank in Kulob today gave the next tranche to the farm Khatlon in the Kulob district for paying wages of cotton farmers for the last ten-day period.

Sayfiddin Qadamov, head of AgroInvestBank's head office for the Kulob region of Khatlon, said in interview with Asia-Plus that the bank intends to expand financing of the cotton-growing sector in the future, and this year, AgroInvestBank has concluded a contract with the farm Khatlon on production of cotton on the area of 500 hectares.

"Both sides are satisfied with the mutually beneficial cooperation," the banker said, noting that AgroInvestBank has provided 9.893 million somonis in "rural" loans to farmers in the Kulob region over the first eight months of this year, which is 57 percent of loan portfolio of the bank's office in Kulob.

"The Kulob district alone has received 3.4 million somonis in loans so far this year," Qadamov said.

AgroInvestBank is one of Tajikistan's largest commercial banks. Founded in 1992, AgroInvestBank, with headquarters in Dushanbe, has main branches in Khorog, Khujand, Kulob and Qurghon Teppa and 57 other branches across the republic. AgroInvestBank's declared capital includes 270,000 shares, valued at 27 million somonis. The face value of one share is 100 somonis.

ENTERPRISE FOR PRODUCING COAL BRICKS LAUNCHED IN NORTHERN TAJIKISTAN

KHUJAND, September 18, Asia-Plus - An enterprise for producing coal bricks has been launched in northern Tajikistan Nasimjon Hakimov, the deputy head of the Khujand-based limited liability company Brick, said in an interview with Asia-Plus that the rated capacity of their enterprise is 20 tons of coal bricks per shift. "However, the enterprise has still been producing 8 tons of coal bricks per eight hours," Hakimov said.

The enterprise produces 2.5-kilogram coal bricks, and the price of one kilogram of coal brick is 35 dirams, while the price of one kilogram of coal is 70 dirams, the deputy director said.

Construction of the enterprise has come to \$15,000 and it has created 12 jobs for local people. According to Hakimov, they plan to expand production and accept another six people for working with the enterprise.

OVER 3.3 BILLION SOMONIS' WORTH OF INDUSTRIAL GOODS PRODUCED IN TAJIKISTAN IN JAN-AUG 07

DUSHANBE, September 18, Asia-Plus - In January-August 2007, Tajikistan has produced a total of 3.308432 billion somonis (equivalent to more than \$960.9 million) worth of industrial goods, the State Committee for Statistics said.

Compared to January-August 2006 the index of the volume of production of industrial goods has amounted to 108.2 percent.

In the regional cross section over the report period the highest increase in industrial production by enterprises has been reported in Dushanbe -- 28 percent.

Over the same period eight-month period, enterprises of the Tajik capital have produced 246 million somonis' worth of industrial goods.

Districts subordinate to the center (RRPs) have produced industrial goods for 1.497101 billion somonis (equivalent to more than \$434.8 million) over the report period.

The Sughd province has produced 528.486 million somonis' (\$153.5 million) worth of industrial goods in January-August this year, and the Khatlon province has produced 584.32 million somonis (\$196.717 million) worth of industrial goods. Gorno Badakhshan has produced a total of 32.304 million somonis' worth of industrial goods over the report period.

In January-August 2007, there were 221 enterprises, or 30.5 percent of the overall number, that were not in operation.

KYRGYZSTAN IS ONE OF WAYS FOR TAJIKISTAN TO GET ON EURASIAN MARKET, SAYS TAJIK POLITICAL SCIENTIST

DUSHANBE, September 17, Asia-Plus - Further expansion of cooperation between Tajikistan and Kyrgyzstan in the fields of hydropower and transportation is expected to be one of key issues that will be discussed during President Rahmon's visit to Kyrgyzstan, Abdughani Mamadazimov, the head of the Association of Political Scientists of Tajikistan, said in an interview with Asia-Plus.

He supposes that discussions will focus mainly on matching of interests of Tajikistan and Kyrgyzstan with regard to creation of a regional water and energy consortium.

"There are some disagreements between countries located in the upper reaches of the Central Asian main rivers (Tajikistan and Kyrgyzstan) and countries located in the lower reaches of them (Kazakhstan, Turkmenistan and Uzbekistan) on use of local water and energy resources," Mamadazimov said, noting that in the Soviet time, this problem was being tackled by means of compensations -- "the countries located in the upper reaches had provided more water to the countries of lower reaches, and those had provided them with electricity in exchange for that."

He further added that it cannot be ruled out that the sides will also consider issues related to development of transportation infrastructure.

"Thus, the rehabilitation of the highway from Dushanbe via Jirgatal district to Kyrgyz border will reduce Tajikistan's isolation from the neighboring markets, and promote development of export industries in the country," said Mama-

dazimov, "This road is part of a network in Central Asia that directly links Kazakhstan, Kyrgyzstan, China, Tajikistan, Afghanistan, and Uzbekistan. It is also part of a larger network providing links to the ocean ports of Iran and Pakistan to the south, and to the Russian Federation into the north."

OVER 2,000 TAJIK NATIONALS EXPRESS WISH TO LEAVE FOR RUSSIA FOR PERMANENT RESIDENCE

DUSHANBE, September 17, Asia-Plus - More than 2,000 Tajik nationals have expressed wish to leave for the Russian Federation for permanent residence within the framework of the Russian national program for assistance in voluntary resettlement of fellow-countrymen to Russia, Viktor Sebelev, a chief expert with the representative office of Russia's Federal Migration Service (FMS) in Tajikistan, remarked at a briefing in Dushanbe on September 14.

According to him, practical implementation of the program has already started in Tajikistan, and the first families from Tajikistan will leave for pilot regions in Russia next year. "They will be sent to rural areas in Siberia and Far East, as well as Kaliningrad, Tambov and Kaluga regions," the chief expert said, noting that preference will be given for those "who have good command of the Russian language and have been brought up in Russian traditions."

According to the FMS local office, the program for voluntary resettlement of fellow-countrymen is funded from the Russian federal and regional budgets as well as at the expense of legal and physical entities participating in implementation of this program.

The three-staged program for voluntary resettlement of fellow-countrymen living abroad was launched last year and will be finished in 2012.

The first stage included adoption of legal documents necessary for organizing the voluntary resettlement of fellow-countrymen to Russia, creation of system to manage the program, assessment of Russia's requirements in manpower as well as preparedness of regional infrastructure (providing basis social services, housing, etc) for accepting migrants.

The second stage designed for 2007-2008 provides for direct resettlement of the program participants to the Russian Federation as well as analysis of the results of implementation of the regional resettlement programs.

The third stage that will be launched in 2009 will conclude implementation of the program and assess effectiveness of implementation of the regional resettlement programs.

TAJIKISTAN RECEIVED \$40.5 MILLION IN AID FROM 36 COUNTRIES IN JAN-AUG 07

DUSHANBE, September 14 (RIA Novosti) - Tajikistan received over \$40.5 million in humanitarian aid from 36 countries in the first eight months of 2007, the republic's statistics committee said Friday.

The humanitarian aid for disaster-hit districts and impoverished Tajik nationals amounted to 14,500 metric tons, including 5,425 tons of flour, 3,085 tons of seed oil, as well as medicines worth \$22.8 million, footwear, clothes, vehicles, fuel and lubricants, computers and components.

Among the major donor countries were the United States (73.3%), Russia (6.6%) and Kazakhstan (4.9%).

Foreign aid has been assisting the country's economy since 1997, when a devastating five-year civil war ended.

Although the ex-Soviet republic boasts a strategic location, it has few natural resources besides hydroelectric power, cotton and aluminum.



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