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IFC PRESS REVIEW

1. News directly connected to SME Project

EFFORTS TO IMPROVE BUSINESS CLIMATE DISCUSSED IN TAJIK CAPITAL

DUSHANBE, December 6, Asia-Plus - On December 4, IFC, the World Bank, and the Tajik State Committee for Investments and Management of State-owned Property, held a joint presentation and discussions with key decision makers of the recently released World Bank Group Doing Business 2008 report. The report, updated annually, ranks 178 economies on the ease of doing business based on 10 indicators of business regulation. Asia-Plus has learned from Ms. Dilya Zoirova, communications analyst, World Bank Tajikistan Country Office,

Tajikistan ranks 153 in the overall global standing on the ease of doing business in this year's report. It had reforms in one of the 10 areas studied by the report—starting a business became easier due to recent business licensing reforms. Tajikistan ranks 161 in starting a business, up 10 places from the previous year.

Press release issued by the World Bank said that according to the report's lead author Simeon Djankov, results show that as governments ease regulations for doing business, more entrepreneurs go into business. This has been especially evident in Eastern Europe and Central Asia.

There is however, room for improvement. Compared to other economies in the region, Tajikistan continues to rank low on most of the Doing Business indicators. Tajikistan's ranking slipped in several categories this year, including dealing with construction licenses, getting credit, registering property, paying taxes, protecting investors, and trading across borders.

According to Andrea Dall'Olio, IFC Project Manager for the Tajikistan Business Enabling Environment Project, several factors contributed to this lower ranking. They include poor performance on some indicators such as tax administration, the faster pace of regulatory reform in other countries, and the addition of three new countries to the Doing Business 2008 report list.

"Several key issues continue to hinder progress for small and medium enterprises. For example, Tajikistan has no credit bureaus, which makes lending risky. Also, conditions for cross-border trade and the legislation that protects investors are in serious need of improvement," said Dall'Olio.

In the meantime, Nematjon Buriyev, Senior Advisor to the President of Tajikistan for Economic Policy, said that the Tajik government was taking and would continue to take steps towards creation of favorable business environment in Tajikistan. Over the last few years, some improvements have been made in the legislation which made it easier to do business in Tajikistan, he said. "We realize that these measures might not be sufficient and therefore, the government plans to coordinate efforts of all state authorities to remove barriers on the way of private sector development in the country", - he added.

Participants also discussed the Tajikistan Private Sector Development Strategy, which was developed jointly by the Tajikistan government and the World Bank. According to this document, despite Tajikistan's significant economic growth in recent years and its progress in various areas of economic reform, private sector investments still account for only about 50 percent of GDP compared to 65 percent in Kyrgyz Republic, 65 percent in Kazakhstan, and 70 percent in Armenia.

The Doing Business project is based on the efforts of more than 5,000 local experts – business consultants, lawyers, accountants, government officials, and leading academics around the world, who provided methodological support and review.

2. News interesting for Business Environment

TAJIK, AFGHAN ENTREPRENEURS DISCUSS COOPERATION ISSUES

QURGHON TEPPA, December 7, Asia-Plus - A two-day Tajik-Afghan business forum is concluding in Qurghon Teppa, the capital of the Khatlon province, today.

The conference, staged by local NGO Sapeda under support of the OSCE Center in Dushanbe, has brought together entrepreneurs from Khatlon's districts and 18 entrepreneurs from Afghanistan's Kunduz province.

Addressing the meeting, the Khatlon governor Ghaibullo Afzalov noted that the business forum was dedicated to pave the way for further expansion of economic cooperation between the neighboring regions of the two countries.

The governor suggested that the next Tajik-Afghan business forum should be held in Khatlon's Qumsangir district with participation of entrepreneurs from all provinces of Afghanistan.

"This forum is part of the Center's work to strengthen business contacts between Afghanistan and Tajikistan and it is in line with the decision taken by the OSCE participating States in Madrid at the end of November to expand the OSCE's engagement in Afghanistan," said Ambassador Vladimir Pryakhin, Head of the OSCE Centre in his opening statement. "We also hope that the event will contribute to the international community's peace-building efforts in Afghanistan."

Ambassador Vladimir Pryakhin noted that holding of such conference promoted development of cross-border trade. "Both countries have good potentials for cooperation – peoples of Tajikistan and Afghanistan share common culture, language and traditions that is not the least of factors for business," Pryakhin said.

Afghan Ambassador to Tajikistan Said Muhammad Khairkhoh noted that his country was always ready for holding such conferences. "We pin high hopes on the bridge built across the Panj River as well as projects aimed at construction of hydropower plants in Tajikistan because Afghanistan has needs in electrical power," Afghan Ambassador said.

Afghan diplomat proposed to open Tajik consulates in administrative centers of Afghanistan's provinces of Kunduz and Takhor, through which Afghan entrepreneurs could get visas to enter Tajikistan.

The forum has set up a special joint working commission for resolving problems facing entrepreneurs. The commission is co-chaired by the deputy Khatlon governor, Odlijon Jabborov and the Kunduz governor Vohid Aziz.

TAJIK PRESIDENT CALLS ON JAPANESE ENTREPRENEURS TO COOPERATE WITH TAJIKISTAN

DUSHANBE, December 5, Asia-Plus - On Tuesday December 5, Tajik President Emomali Rahmon met with a group of Japanese businessmen in Tokyo.

Presidential press service said that establishment of contacts and cooperation between Tajik and Japanese entrepreneurs had been focus of the meeting.

In the course of the talks the Tajik head of state informed those present about the economic situation in Tajikistan and macroeconomic indices. He noted that favorable conditions had been created in Tajikistan for attracting foreign investments and called on the Japanese entrepreneurs to actively cooperate with their Tajik counterparts.

Rahmon, in particular, noted that over the past five years, Tajikistan's gross domestic product (GDP) has increased by 50 percent, and the budget's revenue part has increased five times.

In 2006, Tajikistan's external debt amounted to 31 percent of the country's GDP, while in 2001, it amounted to 108 percent of GDP, the president said.

According to him, Tajikistan's rich natural resources and labor potentials together with Japan's investments and technologies are a good opportunity for taking a worthy place on the market of the region.

Speaking at the meeting, Sharif Rahim, Chairman of the State Committee for Investments and Management of State-owned Property, acquainted Japanese entrepreneurs with Tajik investment projects.

PROSPECTS OF EXPORT OF FRUIT AND VEGETABLES GOODS TO BE DISCUSSED IN TAJIK CAPITAL TOMORROW

DUSHANBE, December 4, Asia-Plus - The second meeting of the Supervisory Board for the Trade Promotion Project in Tajikistan will be held in Dushanbe on December 5.

The supervisory board members include representatives from Tajikistan's ministries of economic development and trade, agriculture and environmental protection, energy and industries, agency for standardization, metrology, certification and trade inspection, as well as the Swiss Agency for Development and Cooperation (SDC), International Trade Center (ITC) and private sector.

Abdulfattoh Shafiyev, the national consultant for public relations, International Trade Center (ITC), told Asia-Plus that the meeting would consider a progress of implementation of the project and problems and obstacles facing sector dealing with processing fruits and vegetables and exporting fruit-and-vegetable goods, as well as plans for next year.

Deputy Economic Development and Trade Minister Larisa Kislyakova and Armen Zargaryan, Adviser to ITC for Promoting Regional Trade, and Saidmoumin Kamolov, National Project Manager, are expected to deliver statements at the meeting.

According to Shafiyev, the project has been implemented successfully this year: Tajik enterprises dealing with processing vegetables and fruits have participated at international fairs, concluded new contracts and found new partners. Besides, a new directory of Tajikistan's exporters has been prepared and published, as well as specialists in security and quality of food products have been trained.

Tajikistan's trade system is particularly vulnerable to external shocks because of its reliance on a few commodities export (cotton, aluminum) but also geographical concentration of its trade. Both for internal as for external reasons a diversification of production is therefore of major importance. As the domestic market is too small to allow the development of sectors based only on national demand, a diversification of exports is crucial for a balanced economic development. The Trade Promotion Project in Tajikistan is funded by the Swiss State Secretariat for Economic Affairs (SECO). At present the second phase of the project is being implemented. Tajik partner to the project is the Ministry of Economic Development and Trade (MoEDT). One of objectives of the project is development of processing of vegetables and fruits as one of priorities of agricultural sphere in Tajikistan's export potentials.

The International Trade Centre (ITC) is the joint technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO). ITC enables small business export success in developing countries by providing, with partners, trade development solutions to the private sector, trade support institutions and policy-makers.



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

With best wishes,
Tajikistan SME Public Relations/Communication Department