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Tajikistan SME Policy Project

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IT IS EASIER TO PREVENT A FIRE THAN EXTINGUISH IT

Narodnaya newspaper, January 17, 2007. On January 10, The State Fire Fighting Service of the Ministry of Internal Affairs of the RT conducted a seminar on fire safety issues to be followed by enterprises and organizations of the RT in the Republican Clinical Hospital in the name of Dyakov. The representatives of khukumats (local authorities), responsible officials from the Ministries and Departments of the country and medical personnel participated in the seminar. Opening a seminar, general-mayor N.Djangiev, the Head of Central Directorate of the State Fire Fighting service, presented the following data: in 2005 there was fixed 1223 fires, that brought 1 847 530 TJS in losses. In 2006 there was fixed 1239 fires, amounted to 2 287 110 TJS in losses. The speaker also noted

that as a result of these tragedies not only state property is damaged but personal things and even people's lives. During the last year by the reasons of fire 56 people died, among them 32 children, 49 citizens were injured, among them 21 children...

...To prevent such tragedies it is important for each man, each head of organization to come up to the fire preventing measures very seriously, conduct fire preventing events. Besides, the inspectors of the State Firefighting Service permanently visit industry objects, state bodies and private companies where conduct explanatory sessions and pay the managers' attention to deficiencies in fire preventing measures.

At the end of the seminar the Directorate of the State Fire Fighting Service with the 'actors' from the hospital demonstrated the fire extinguishing and fire victims evacuation methods.

Please, find attached the full article in Russian and the same material in the **newspaper "Events in Tajikistan and the world" from January 18, 2007.**

WORLD: MAKING THE 2007 INDEX OF ECONOMIC FREEDOM

Radio Free Europe/Radio Liberty, January 17, 2007 (RFE/RL). The Heritage Foundation -- a conservative U.S. think tank -- and "The Wall Street Journal" newspaper have released their "2007 Index of Economic Freedom." The index ranks 157 countries on 10 types of economic freedom -- among them tax rates and property rights.

Tajikistan's economy is 56.9 percent free, according to our 2007 assessment, which makes it the world's 98th freest economy. Its overall score is 1.1 percentage points higher than last year, partially reflecting new methodological detail. Tajikistan is ranked 17th out of 30 countries in the Asia-Pacific region, and its overall score is lower than the regional average.

Tajikistan scores well in fiscal freedom, freedom from government, and labor freedom. The government imposes low tax rates, including a 13 percent personal income rate. Total government expenditures in Tajikistan are equal to about 20 percent of national GDP, and state-owned businesses constitute a relatively minor source of overall tax revenue. Tajikistan's labor market is flexible, and both dismissing redundant employees and changing the number of workweek hours are easy.

As a nation still recovering from a civil war, Tajikistan faces significant challenges. Business freedom, monetary freedom, investment freedom, financial freedom, property rights, and freedom from corruption all score poorly. The regulatory environment is not protective of business, and laws are both restrictive and inconsistent. Foreign investment in Tajikistan faces many regulatory hurdles as well as outright corruption. Tajikistan is rated one of the world's 20 most corrupt nations, and corruption seeps into most aspects of official life, from the courts to customs.

Please, [find the detailed information on the report here.](#)

TAJIKISTAN, CHINA SIGN SIX COOPERATION DOCUMENTS

January 16, Asia-Plus. **On Monday January 15, China and Tajikistan signed a friendship and cooperation treaty in Beijing.**

Tajik President Emomali Rahmonov and his Chinese counterpart, President Hu Jintao, inked the document after talks in the Chinese capital. The two heads of state also presided over the signing of other cooperation agreements in economic and technological spheres. Both parties pledged to develop a long-term neighborly relations aimed at supporting economic ties and strengthening their respective positions on international arena.

President Rahmonov arrived in Beijing Sunday evening on a six-day visit to discuss economic cooperation between the two countries.

Abdulfattoh Sharipov, a spokesman for the Tajik president, reported from Beijing that on January 15, President Rahmonov met with his Chinese counterpart, President Hu Jintao. In the course of the talks the two discussed a state and prospects of further expansion of bilateral cooperation between Tajikistan and China. Rahmonov and Hu, in particular, exchanged views on cooperation between the two nations in the fields of commerce, transportation, communications, energy, industry, agriculture, culture, and education. "During the talks it was noted that over the past five years, a trade between the two countries has increased more than twenty times and the presidents vowed to develop mutually beneficial economic ties," Sharipov said.

The Chinese side supported Rahmonov's proposal to project a program for an economic cooperation for the period until 2015, according to the spokesman.

According to Sharipov, Rahmonov noted that China is close neighbor and reliable partner of Tajikistan. "Strengthening of friendly ties with China has been and remains one of priorities and main directions of Tajikistan's foreign policy," Rahmonov said.

For his part, Hu hailed a high economic growth rate in Tajikistan and noted that his country is ready to support the present socioeconomic policy of Tajikistan in future as well. President Hu ordered the Chinese Government to allot 70 million yuan (equivalent to nearly \$9 million) in no-strings aid to Tajikistan, according to Sharipov.

In the course of the talks the two also exchanged views on addressing modern challenges and threats and issues on providing regional security.

After the official meeting, Rahmonov and Hu signed the friendship and cooperation treaty. According to the new accord, Tajikistan reaffirmed its support for Beijing's "One China" policy. Under the treaty, China supports Tajikistan's policy aimed at strengthening national sovereignty, independence and territorial integrity, and ensuring sustainable economic development in the country.

Rahmonov and Hu also presided over the signing of other cooperation documents: an agreement between the governments of Tajikistan and China on technical-economic cooperation; an agreement on handover of mobile X-ray equipment; an agreement on aerial communication between Tajikistan and China; a supplementary protocol to an agreement between the education ministries and a supplementary principle agreement between central banks of the two countries.

The same day, Rahmonov held meetings with top managers of a number of large banks and companies of China to discuss cooperation issues.

Please, [find the article here](#).

CHINA, TAJIKISTAN VOW TO STRENGTHEN BUSINESS COOPERATION

DUSHANBE, January 17, Asia-Plus. Members of a Tajik official delegation and a large number entrepreneurs from the two countries attended a business and investment forum between Tajikistan and China that was held in Beijing on January 16, Abdulfattoh Sharipov, a spokesman for the Tajik president, reported from Beijing.

President Rahmonov addressing the forum outlined priorities and main directions of bilateral mutually beneficial cooperation between Tajikistan and China. The president noted that over the past five years alone, China has provided assistance to Tajikistan in a total amount of \$630 million, including \$30 million in grants, according to the spokesman.

It is noted that at present some 50 joint projects are being implemented in Tajikistan with participation of capitals, technologies and experts from more than 40 Chinese companies and enterprises. The largest of these projects is the reconstruction of the highway from Dushanbe via Khujand to Uzbek border. The project includes the construction of the Shahrison tunnel, 37 large and small bridges. China is also investing in the construction of the Shar-Shar tunnel, electric main South-North, as well as power-transmission line Lolazor-Obimazor in Khatlon.

Rahmonov also noted that three free economic zones will be created in Tajikistan soon.

China will strengthen business cooperation with Tajikistan through expanding trade and investment, Chinese Vice Premier Wu Yi remarked, addressing the forum.

Wu said the two sides should strengthen cooperation in resources development and increase trade in high-technology and high value-added goods.

She also called on the two countries to create open, transparent and secure conditions for bilateral investment.

During the forum, entrepreneurs from the two countries established new contacts. The Chinese were interested in hydropower, international tourism, and mining spheres, as well as aluminum production.

OUTLAWED? THE NEW MIGRATION LEGISLATION OF RUSSIA

Asia-Plus, January 11, 2007. The new migration legislation of Russia can put in outlaw hundreds thousands of Tajik migrants.

Starting from 15th January 2007 two new Russian laws to be empowered about amendments into the Federal law "On a legal status of foreign citizens in RF (Russian Federation)" and "On migration register of foreign citizens and stateless persons in RF". The first law will spread authorities of the state in the field of migration policy. The innovation concerns quotation of permissions for temporary residence and labor in RF for foreign citizens.

According to the quotation Tajikistan is allowed to send no more than 600 thousand people. Asia Plus was stated by the State Migration Service of the Ministry of Labor and Social Protection of RF.

Additionally according with the Law on migration register which provides that starting from 15th January the potential employee would be obliged to inform the state about the sign of the contract with the labor migrant during 10 days after the contract is signed. "People will be reaching Russia already the concrete/exact place, they will meet all requirements which are needed for the employee and the real estate will promote this process. We will have more legal migrants than illegal those whom Russia Federation needs" stated in his interview to Vesti.ru the Director of Federal Migrant Service Andrey Romodanovskiy.

From 15th January 2007 the labor acceptance process will be simplified for the residents of foreign countries which have agreement of entering Russian Federation without visa (actually this is all CIS countries besides Turkmenistan and Georgia).

As per the Director of FMS (Federal Migration Service) K.Romodanovskiy according with the new legislation employees who use the labor work of illegal migrants would be put a fine of up to 800.000 roubles and it will also lead to the stop of their activity. At the same time "the punishments would be demanded per each illegal migrant worker".

Following the lawyer the director of information-resource center for migrants of IOM mission to Tajikistan Muzaffar Sharipov "the new migration legislation of RF in general is called for to regulate present relationship of RT and RF in migration policy". He considers that "It is led towards improvement of situation with the labor migration". However the situation can appear that when employees themselves will not follow the law. It is not profitable for them as they have to pay taxes for each of their legal worker as taxes are also considerable sum. On the other hand migrants also will be forced to hide themselves e.g. go underground from authorities in order not to lose their work from employees.

Just to remind that according with the law beginning from 1st April 2007 foreigners are prohibited to work in the trade sphere in RF. The "Cherkiz" market will stop its functioning in Moscow from 1st July 2007. "Tajik citizens hold the third place in Moscow and Moscow oblast in trade sphere after Chinese and Azerbaijani citizens for today". In these regions more than 25.000 Tajiks (in total in the capital of RF and the oblast there are 160.000 people) workers are in trade sphere – was told the Asia Plus correspondent

K.Sharipov. The rest workers have to pass qualification for the other specialties immediately and be employed as constructors.

As K.Sharipov says part of Tajik migrants will be forced consciously to break the laws using fake documents in order to stay in Russia by all means as this is the only way to feed their families in Tajikistan.

Note for the migrant.

“Law violation level between the migrants from Tajikistan is not so high. Some of them transport drugs. But crime statistics show that the most of violations are made against the Tajiks. In general 3% of the crimes are made by foreigners. They come to Russia to work! But when they are robbed – documents, money (this happens), - then they are forced “to come away to the big road” (this expression is applied for gangsters robbing on the way). If the new migrant legislation will work successfully think that the crimes level and tax avoidance will decrease” – Konstantin Romodanovskiy, Head of FMS of Russia.

TAJIK CORRUPTION WILL BE CONQUERED BY... CORRUPT INTERNATIONAL ORGANIZATIONS?

Facts and Comments, January 11, 2006. International agencies criticize Tajik authorities for their ineffective fight against corruption; meanwhile, they are oblivious to the corruption of their own employees.

Recently, local newspapers published an interview with the Deputy Resident Representative of UNDP Tajikistan, Mr. Igor Bosc, on the structure and implementation of the newly established anti-corruption governmental committee in Tajikistan.

Mr. Bosc expressed interesting ideas, which could be implemented in practice but which may not be required. Furthermore, how useful could recommendations on anti-corruption be from a UNDP official who is himself suspected of corruption, along with other officials of his agency?

UNDP Tajikistan is one of the major donor agencies in the country, allocating considerable financial resources amongst international agencies and NGOs working in a variety of sectors. In turn, UNDP also receives large donations from various governments and governmental agencies to implement a wide range of projects.

It has been demonstrated many times that control over finances can spoil the best of intentions, especially if the actions of the controller are left unmonitored. At the moment there is no direct evidence that UNDP Tajikistan senior management is corrupt, and it is likely such evidence would be hard to obtain. Circumstantial evidence, however, exists, based upon what former employees as well as people who have dealt with the UN system in Tajikistan have to say. The UN System is surprisingly similar to Tajik governmental agencies: everyone talks about corrupt officials, but no one dares point a finger.

On condition of anonymity, some sources have told Fact and Commentaries that indeed there have been either violations of UN regulations and procedures or serious conflicts of interest in UNDP Tajikistan which could be considered corruption. As a result one of the major international donors and humanitarian agencies in the country which frequently puts forward initiatives and projects on transparency and anti-corruption could itself become a potential target for a corruption investigation.

A majority of interviewees believe that the main reason behind the corruption in UNDP Tajikistan is the professional incompetence of the current UN Resident Representative, Mr. William Paton. He is particularly blamed for the utter collapse of the office, a breach in subordination and creating conditions favorable for establishing cliques amongst employees.

“I am aware,” says an ex-employee of UNDP Tajikistan, “that even the UN Committee on Internal Audit has found the results of the work of UNDP Tajikistan under the management of Mr. William Paton unsatisfactory. It is sufficient to look at the reports of the auditors from UNDP headquarters who visited our office. At the same time, there are some significant errors which were not recorded at all.”

Please, [find the full article here](#).

PATENT FEE

Information Agency Charkhi Gardun, January, 18, 2007. Every year The Tax inspection raises the patent fee by 30-35%, though everybody knows that the period from January till July is low season for trade. But anyway they require from us higher rates. We would like to know what the ground for these changes is.

Retail traders of Korvon Market

According to Ismatullo Nazarov, the Chief Inspector of Tax service of Firdafcy rayon of the city of Dushanbe, the Tax inspection is really have to raise the patent fee. It depends on US dollar course changes, salary increase and their turnover. Patent fee is taken by Tax inspectors in the amount of 3% from the turnover of retail trade. If entrepreneurs do not agree with the prices and inspectors requirements, they may apply to district inspector, who in his turn is obliged to conduct time-study (inspection during selected period of time, when the real sales operations are being registered) of your shop, and define based on that data the amount of your patent fee.

Please, [find the Russian version of the article here.](#)

EIGHT KILLED, FOUR INJURED IN ACCIDENTS IN TAJIKISTAN LAST YEAR

DUSHANBE, January 18, Asia-Plus. Eight persons were killed and at least four others were injured in 11 accidents that took place at industrial enterprises and construction sites in Tajikistan in 2006, Murod Jumayev, head of Tajikistan's Main Directorate for State Control of Safety of Works Conducted in Industry and Mining, announced at a news conference in Dushanbe on January 17.

According to him, two fatal accidents reportedly occurred during the construction of the Anzob tunnel. Two persons were killed and one other was injured in those accidents.

"In 2006, the directorate conducted 1,138 inspections that recorded numerous instance of not fulfilling safety devices requirements," said Jumayev, "67 officials were reprimanded and fined a total of 1,500 somonis (\$437)."

He noted that inspections by the directorate of Dushanbe municipal waterworks (Dushnabevodokanal of DVK), TajikAzot (Sarband-based plant producing mineral fertilizers) and Tajkhimprom (chemical plant in Yovon) revealed that these facilities do not have special rescue teams and do not conduct exercises on safety devices.

Jumayev added that the directorate plans to project a concept of introduction of the single control over safety of work in industry and mining in the country. He also proposed to toughen measures for not satisfying the safety devices requirements.

The directorate head also pointed to the necessity increasing the directorate's staff. "At present the directorate has a staff of only 47, including sevens staffers working with the agency's headquarters in Dushanbe" Jumayev said.

TOJKSTANDART PREPARES BROCHURES ON PROTECTION OF CONSUMER RIGHTS

DUSHANBE, January 18, Asia-Plus. In 2006, Tajikistan's Agency for Standardization, Metrology, Certification and Trade Control, Tojikstandart, conducted 4,259 inspections, Tojikstandart director Davlatali Hotamov announced at a news conference in Dushanbe on January 17.

According to him, as a result of the inspections 889 facilities were suspended from selling their products for not meeting the standardization requirements. "Violators of the country's standardization legislation were fined a total of 134,600 somonis, which is 79 percent more than in 2005," Tojikstandart director said.

“One of the main tasks of our agency is certification of good and food products and control of their quality,” said Hotamov, “Inspections by the agency revealed that many unauthorized workshops on producing sausages are located in unsanitary areas such as sheds and lofts of private houses.”

Last year, the Agency received 50 complaints from citizens about violation of their consumer rights. “In this connection, we are preparing for publication three brochures on issues related to protection of consumer rights,” Tojikstandart director said.

According to him, at present the Agency's stock include more than 19,000 standards and more than 30 percent of them comply with international standards.

MANY ENTERPRISES IN THE PROVINCE CONCEAL THEIR REVENUES

QURGHON TEPPA, January 18, Asia-Plus /Sayrahmon Nazriyev/ -- “Many enterprises in the province are concealing their revenues,” the Khatlon governor Ghaybullo Avzalov announced at a meeting of the Khatlon government in Qurghon Teppa on January 17.

According to him, based in the territory of the province, these enterprises open their bank accounts outside it and evading paying taxes to the local budget. “First of all, it concerns the foreign currency accounts of the cotton-ginning factories,” Avzalov stated.

The governor also noted that three enterprises on developing and processing gas fields in the province had opened bank accounts in Dushanbe.

Avzalov charged head of the Khatlon branch of Tajik central bank and chief of local tax service to probe into the mentioned cases.