

Tajikistan Business Enabling Environment/ SME Policy Project Press Review - Issue #35

Dushanbe, 27 April 2007

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IFC PRESS REVIEW

1. News directly connected to SME Project

IFC AND MSDSP ARE HELPING TO ENTREPRENEURS

DUSHANBE, April 21, Jumhuriat - International Finance Corporation (IFC) signed Memorandum of Understanding with Mountain Society Development Support Program signed

Based on it, they jointly will provide training for entrepreneurs on the main provisions of Law of Tajikistan 'On business entities activity inspections'. Specialists of two organizations will provide training to entrepreneurs of Rasht valley and GBAO.

IFC project is financed by SECO (State Swiss Secretariat on Economic Affairs) and MSDSP is financed by Aga Khan Foundation in Tajikistan.

TRAINING FOR TAJIK BUSINESSMEN

April 20, 2007, News Briefing Central Asia - The emergence of a business class is being held back by a lack of awareness about economics and the law, analysts say.

According to an Avesta news agency reports from April 18, the International Finance Corporation and the Mountain Societies Development Support Programme, which is part of the Aga Khan Development Network, have agreed to work together to train businessmen about the way the law works, in particular what to do when they are inspected by official agencies.

Analysts interviewed by NBCentralAsia say ignorance about legal and economic matters is stunting private-sector development in Tajikistan, and small and medium-size businesses, SMEs, are in dire need of education programmes like this.

2. News interesting for Business Environment

FIRE CAUSES MORE 80,000 SOMONIS WORTH OF DAMAGE TO THE DUSHANBE HOTEL

DUSHANBE, April 27, Asia-Plus - Fire has completely destroyed a hayloft of the Dushanbe Hotel in the Tajik capital. The fire broke out in the hayloft of the Dushanbe Hotel yesterday afternoon.

The Tajik firefighting service chief said in an interview with Asia-Plus that they received call about the fire at 4:04 p.m. "18 fire crews were involved in extinguishing the fire, and the fire was brought under control at around 5:00 p.m.," Jangiyev said.

According to the firefighting service chief, 500 square meters of the hayloft were gutted in the blaze that is believed to have started on the roof. "The fire was caused by violation of the fire-prevention measures during welding work carried out by the limited liability company Vikomt," Jangiyev said.

He said that a damage caused to the hotel by the fire had amounted to 80,000 somonis. The hotel's rooms were not affected, but the blaze completely destroyed the hayloft, Jangiyev said. No injured was reported, according to the firefighting service chief.

TAJIKISTAN'S FOREIGN DEBT UP \$11 MILLION IN JANUARY-MARCH

DUSHANBE, April 26, Asia-Plus - Tajikistan's foreign debt has grown by \$11 million so far this year, First Deputy Finance Minister, Sherali Safarov, remarked at a meeting with journalists Wednesday, April 25.

The debt increased from \$866.4 million to \$877.4 million as of April 1, according to him. The deputy minister noted that over the first quarter of the year, \$10.67 million have been spent to serve and repay the foreign debt. "Of this amount, 7.97 million have gone to repaying the debt and \$2.27 million have gone to making interest payments on the debt," Safarov said, adding that this year's budget provides for \$45 million to serve the country's foreign debt.

The ministry of finance (MoF) attributed the debt to newly attracted loans.

According to Safarov, the World Bank (WB) and the Asian Development Bank (ADB) remain Tajikistan's largest creditors. "As of April 1, 41 investment projects for a total amount of 106.6 million somonis have been implemented in the country in cooperation with international financial institutions," said the deputy minister, "This amount includes loans for 48.6 million somonis, grants for 23.1 million somonis and the government's share of 34.9 million somonis."

Safarov told journalists that over the report period, Tajikistan has signed a number of agreements on investment projects, including the project for enhancement of the agrarian sector supported by the ADB grant of \$17.1 million, the project for reducing commercial energy losses supported by the grant in the amount of \$8 million provided by the Swiss government, and the second phase of the project for irrigation of the Danghara steppe funded by the Kuwaiti Fund for Arab Economic Development, which provided \$13.8 million for implementing this project.

UN HIGH COMMISSIONER FOR HUMAN RIGHTS VISITS TAJIKISTAN

DUSHANBE, April 25, Asia-Plus - United Nations High Commissioner for Human Rights Louise Arbour is expected to arrive in Tajikistan today for a working visit, which is part of a four-country tour to Central Asia.

According to the United Nations Tajik Office of Peace-Building (UNTOP), during her visit, the High Commissioner will meet with President Emomali Rahmon, Foreign Minister Hamrokhon Zarifi, Prosecutor General Bobojon Bobokhonov, Interior Minister Mahmadsazar Solehov and Justice Minister Bakhtiyor Khudoyorov.

She will also hold discussions with representatives from Tajik political parties, civil society groups and international organizations active in Tajikistan.

A source at the UNTOP said that Ms. Arbour will give a news conference in Dushanbe on April 27, at 5:30 p.m.

The High Commissioner's visit to Tajikistan aims at increasing her Office's engagement in the region. The visit will allow her to discuss future cooperation and issues of mutual concern with Tajik Government and other key actors in the country. She hopes that the visit will enhance dialogue and technical cooperation between her Office and the Government and people of Tajikistan.

The first leg of her tour of Central Asia was visit to Kyrgyzstan on April 24-25. The High Commissioner will also be visiting Kazakhstan and Turkmenistan.

CORRUPTION HINDERS SOCIAL AND DEMOCRATIC REPORTS IN TAJIKISTAN: US STATE DEPARTMENT'S COUNTRY REPORT FOR 2006

DUSHANBE, April 25, Asia-Plus - The Tajikistan Country Report for 2006 notes that corruption hinders social and democratic reform. It also documents incidents of torture by security forces, restrictions on freedom of speech and press, harassment of international non-government organizations, lack of access to prisons, and violence and discrimination against women among many other issues.

Restrictions on freedom of religion are an area of concern. In 2006 and in the first four months of 2007, multiple sources, including the media, have reported that university and high school administrators prohibited girls to wear hijabs. Tajik law does not restrict citizens from wearing religious headdress or clothing in public institutions. The U.S. Embassy is concerned that public officials are acting outside the scope of the law and encourages all public institutions to be tolerant of all students regardless of religious affiliation.

The U.S. Embassy is also concerned about the recent closure of several mosques, infringing on people's rights to practice their religion freely. Tajikistan's constitution and legislation guarantee the freedom of conscience and religious belief as well as the establishment of religious associations. Closing mosques contradicts these rights. The Embassy encourages the Tajik government to work with religious groups to legally register religious associations according to the law.

The 2006 Tajikistan Country Report notes Tajikistan's improvements in fighting trafficking in persons. Although the country's human rights record remains poor overall, the U.S. Embassy is working jointly with the Tajik government, international organizations and NGOs to support legislative and social reform to create improved living conditions for the people of Tajikistan.

The State Department published its annual Human Rights Country Report on Tajikistan on March 6. The State Department's annual Human Rights Reports objectively report human rights violations as well as improvements during 2006 in countries around the world, including Tajikistan. The report aims to raise awareness and provide information to the Tajik government, international organizations, and civil society, in the hopes that all parties will work together to improve conditions in Tajikistan.

The report's content comes from sources in the Tajik government, international organizations, media outlets, and non-governmental organizations.

WB INFORMED WHAT WILL BE THE WORLD AFTER 50 YEARS

DUSHANBE, April 25, Sobytiya - Aggregated GDP can be increased in 4 times during 50 nearest years – about \$140 trillions.

Number of world population can be increased from 6 billions up to 9 billions and up to 10 billions till the end of this century. Such forecasts are included to WB report.

WB experts anticipate that expected economic development jump fraught with serious damage to environment and significant social shocks. They appeal to governments of countries to make immediate agreement on actions to be taken for achievement of economic growth and poverty reduction without consequences for what the future generations would not pay high price.

For achievement of MDGs formulated by UN that include the poverty reduction till 2015, poor countries should provide annual 3.6% income per capita.

.....Developing countries should stimulate the population activeness and develop real democracy, community par-

participation and increase the transparency of their activity and at the same time creating institutes required for national natural resources management.

Rich countries should increase the assistance to poor countries, reduce their debts, open their markets for exporters from developing countries and promote to transfer technologies needed for prevention of diseases, effective usage of energy and agriculture productivity.

For helping to poor countries to increase their incomes up-tempo, WB is appealing to rich countries to spend \$1 billion per day for agricultural grants, accelerate the new technologies provision and increase a scope of aid, particularly to sub-regions of Africa, in the north of Sahara desert that are making efforts to increase agricultural productivity due to rapid population growth.

Based on WB forecast, two thirds of the world population will live in cities. Needs in power, water, housing and education services will be tremendous. However, in accordance with the report, these trends open up certain possibilities....

"After five decades, world with GDP for a amount of \$140 trillions USD simply would not exit at the sustainable basis keeping the current production and consumption schemes, -WB representatives say, -It is required large reorganizations that should be started in rich countries aimed to provision of possibilities to poor countries to participate at world development and elimination of threat to environment that can be limit their future possibilities".

DEKHKAN FARMERS ARE RECEIVING LESS SALARY

DUSHANBE, April 25, Sobytiya - The highest salary in Tajikistan as of 1 January 2007 registered at communication sphere (350,24 somoni), construction (276,18 somoni), transport (275,11 somoni) and industry (259,77 somoni) and the lowest salary – at forestry sphere (37,42 somoni) and agriculture (39,47 somoni). Shukurjon Zuhurov, Minister of Labor and population social protection informed on this at press-conference.

'The main problem of salary issues, - Minister stated, is delay in timely payment of salary that should be urgently solved'. The most higher arrears of wages is in forestry sphere that make up 17 011.9 thous.somoni or 65% from the total debts amount.

Also Minister indicated a total number of pensioners in country as of 1 January 2007 – 525,816. In general, the amount of pension is increased from 27,51 to 42,33 somoni.

FUTURES COMPANY CONCLUDES CONTRACTS WITH 60 COTTON-GROWING FARMS IN VOSE

KULOB, April 23, Asia-Plus - Over 15 days of its work, the branch of the limited liability company Credit-Invest opened in the Vose district has concluded contracts with 60 local dehqan (peasant) farms for growing cotton on 1,066 hectares, the Vose chairman Allamurod Taghoymurodov told journalists in Vose on April 20.

According to him, Credit-Invest has provided loans totaling 1,639,180 somonis to the farming units.

The Vose chairman said that 1,150 dehqan farms currently operate in the district; of them, 641 are engaged in cotton growing.

In the meantime, the Kulob cotton-ginning plant, Pakhatai Kulob (Cotton of Kulob), has concluded contracts with cotton farmers in Vose for processing of raw cotton form 1,370 hectares, which is half as much compared to last year.

"Many cotton-growing farms having sown cotton on areas from 200 hectares to 500 hectares have decided to seek financing sources by themselves," Taghoymurodov said.

He added that cotton farmers in the district now owe \$24 million to their creditors.

KHATLON ENTERPRISES NOW OWE 33 MILLION SOMONIS TO PENSION FUND

QURGHON TEPPA, April 23, Asia-Plus - Khatlon enterprises, organizations and other taxpayers now owe 33 million somonis to Fund for Social Protection of the Population (pension fund).

Qurbonali Qurbonov, deputy head of the Khatlon agency for social insurance and pensions, told a news conference in Qurghon Teppa on April 20 that now tax service is engaged in collection of deductions from enterprises and organizations to the pension fund.

According to him, 14,062 somonis have been transferred to the Agency's expenditure account over the report period, which is 589.9 somonis more than in January-March 2006.

“Over the first quarter of the year, all cities and districts of the province, except Bokhtar and Hamadoni, have fulfilled their social tax targets,” Qurbonov said.

According to him, the largest pension debts have been reported in Vakhsh (100,000 somonis), Qubodiyon (91,100 somonis). Jilikul (99,600 somonis), Bokhtar (357,900 somonis), Vose (250,000 somonis), Farkhor (117,400 somonis), Yovon (110,100 somonis), Hamadoni (340,000 somonis) and Jomi (97,600 somonis).

AMONATBONK BRANCH IN VOSE PROVIDES LOANS TO 243 LOCAL FARMERS IN JANUARY-MARCH

KULOBO, April 23, Asia-Plus - Over the first three months of the year, the branch of AmonatBonk (Tajikistan’s savings bank) in Vose has provided secured loans for total amount of 400,000 somonis, which is 250,000 somonis more than in the same period of 2006, Anvar Nodirov, the head of the AmonatBonk branch in Vose, announced at a news conference in Vose on April 20.

According to him, the loans have been provided to 269 persons. “Of them, 243 persons have applied for the loan for production of agricultural output,” Nodirov said, noting that they have received totaling 323,000 in loans.

Besides, 67,000 somonis in loans have been provided to labor migrants, beekeepers, entrepreneurs and builders, the Vose branch head said.

“The bank has also started to provide preferential loans carrying no interest,” Nodirov said, adding that they have to date received 150,000 somonis for this purpose. “Of this amount, 20,000 somonis have been given to three beekeepers and one cattle-breeder – 5,000 somonis each,” he said.

In the meantime, over the report period, labor migrants have remitted to the Vose branch of AmonatBonk \$192,241 for their relatives, which is nearly three times more than in the same period of last year.



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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