

Tajikistan Business Enabling Environment/ SME Policy Project Press Review - Issue #37

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IFC PRESS REVIEW

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GRAM LOTEN: "YOUR PEOPLE DESERVE MORE"

Arguments and Facts, May 2007 - In the connection with 15-th anniversary of diplomatic relationship between Great Britain and Tajikistan, Ambassador of Your Britain Majesty in Tajikistan Gram Loten gave exclusive interview to 'A&F' Dushanbe.

- Mr.Embassador, what is personally for you these 15 years of diplomatic and trade and economic cooperation between our countries?

- These 15 years were significant for the development of mutually beneficial partnership between Great Britain and Tajikistan....Great Britain became the leader on investments to Tajikistan and now trade relations between our countries are very important.

- To what extent investment climate is attractive for Britain investments?

- ...Many Britain companies have an interest in close cooperation with Tajikistan, in spite of current barriers. The situation can be improved by reducing of bureaucracy and corruption, to make the investment process more transparent and legally executed. ...Britain can propose many things to Tajikistan. The country needs the further entrance to foreign markets and access to capital to implement capacity of its people. The investment climate is changed in the country and I have a great interest to start Britain companies working and Tajik economy will be normal, integrated member of world trade and economic system.

- What is your evaluation of economic situation in Tajikistan?

- The country can achieve the economic development only under the lasting peace, stability and safety. ...At the present time, the economic development requires the involvement of all citizens of the country: not only large entrepreneurs, it is required to involve rural population seeking a job at other countries, to reduce poverty and unemployment.

- At what stage is the consideration of Draft Agreement on mutual protection and Britain investments?

- We are ready to consider the opportunity to sign with Tajikistan an Agreement on mutual investments protection, however at the present time, we have not seen even its draft.

TALCO TO PROVIDE IRANIAN ALUMINUM COMPANIES WITH ANODES IN EXCHANGE FOR ALUMINA

DUSHANBE, May 11, Asia-Plus - "Tajikistan's Aluminum Company (TALCO; formerly Tajik Aluminum Plant or TadAZ), which is among world's ten largest aluminum smelters, intends to invest in technical re-equipment of ports in Iran for accepting raw aluminum and aluminum products," press release issued by TALCO said.

Sayohat Qodirova, a spokeswoman for TALCO, says that it is already the third route for export/import operations. According to her, an agreement on this subject was reached during President Rahmon's visit to Iran.

Qodirova said that TALCO top managers had accompanied President Rahmon on that visit and during their stay in Tehran, they had concluded agreements with Iran's Al-Mehdi and IRALCO (Iran aluminum company) on delivery of alumina to the Tajik aluminum smelter. "This will allow our plant to increase the production of anodes by 50 percent," she said.

For its part, TALCO will provide these companies with anodes, according to her.

The rated capacity of TALCO is 520,000 tons of aluminum per year. Last year, the company's trade turnover amounted to \$1.7725 billion.

ORYONBANK CUTS PLASTIC CARD SERVICE RATES

DUSHANBE, May 11, Asia-Plus - Open joint stock company OryonBank, Tajikistan's largest commercial bank, has cut the plastic card service rates on average by 33 percent, Asia-Plus has learned from Bakhtiyor Nourmatov, the head of the OryonBank assets and liabilities department.

According to him, the bank board reviewed rates of some banking transactions, including rates of the plastic card service, in April already. "A decision to cut the rates has been made for the purpose of attracting clients and developing payment system as well as introducing new technologies in Tajikistan," the OryonBank official said.

"Thus, the cost the debit card VISA Classic (a plastic card, which provides an alternative payment method to cash when making purchases) of the Standard type has been reduced from \$25 to \$20, and the cost the debit card VISA Classic of the Luxury type has been reduced from \$30 to \$20," Nourmatov said, noting that their bank has to date installed 11 automated teller machines (ATM or bank machines) in various regions of the country.

"Nine bank machines currently work in Dushanbe, one in Tursunzoda (at Tajik aluminum plant) and another one in Danghara," Nourmatov said. Besides, 29 POS-terminals currently function at the bank's head office in Dushanbe and its branches across the country, according to him.

EU SUPPORTS IMPROVEMENT OF BUSINESS ENVIRONMENT IN TAJIKISTAN

DUSHANBE, May 7, Asia-Plus - The European Union (EU) intends to provide 5 million euros to support the enhancement of the business sphere in Tajikistan.

Ms Barbara Plinkert, Charge D'Affaires, the European Commission's Delegation to Tajikistan, remarked this at a meeting with Sharif Saidov, the head of Tajikistan's Chamber of Commerce and Industry (CCI), in Dushanbe on May 3. According to her, these funds will go to supporting the implementation of two projects in the country – improvement of the business environment and food security.

The source at a CCI said that representatives from the Asian Development Bank (ADB), the World Bank and the UK Department for International Development (DFID) also attended the meeting.

According to him, the sides discussed plans of mission, which includes the mentioned organizations. During the meeting it was noted that DFID, in particular, intends to work in the field of stimulating economic growth in the private sector and plans to focus its work on strengthening the banking sector and raising loan awareness among the population, the source said.

The legal framework for EU-Tajikistan bilateral relations is the Trade and Cooperation Agreement (TCA) in 1989 between the EU and the former Soviet Union, which was endorsed by Tajikistan by exchange of letter in 1994. A Partnership and Cooperation Agreement (PCA) between the EU and Tajikistan was signed in Luxemburg in October 2004, replacing the TCA. The PCA brings EU relations with Tajikistan into line with relations with the other Central Asian countries.

The main assistance instruments used by the European Commission in Tajikistan are: Technical Assistance for the Commonwealth of Independent States (TACIS), the Food Security Program (FSP), the Exceptional Financial Assistance (EFA), the European Initiative for Democracy and Human Rights (EIDHR) and humanitarian assistance (ECHO).

GBAO ENTREPRENEURS GATHER IN KHOROG TO DISCUSS WAYS TO DEVELOP SMES IN THE REGION

DUSHANBE, May 7, Asia-Plus – Pamir Media – The GBAO entrepreneurs have gathered in Khorog to discuss ways to support development of small and medium-sized enterprises (SMEs) in the region.

The second regional business forum that was held in Khorog on May 4 brought together entrepreneurs practically from all district of the region.

According to Boymamad Alibakhshev, the head of the GBAO directorate for investments and state-owned property, the meeting focused on development of entrepreneurship in Gorno Badakhshan and contribution of local entrepreneurs to the implementation of the GBAO socioeconomic development support program projected for the period until 2015.

The GBAO governor Qodir Qosimov addressing the forum noted that over four years after the first forum, Internet and cellular communications have appeared in the region, the road Murgab-Kulma-Karakarum Highway has been opened and bridges linking the region with Afghanistan have been built in Gorno Badakhshan.

“However, entrepreneurship development paces are considerably behind requirements and local entrepreneurs have failed to use existing opportunities and make shift from purchase/sale to development of production,” the governor said.

According to Alibakhshev, many GBAO entrepreneurs noted that forum that one of the main factors impeding development of entrepreneurship in the region is heavy burden of taxes and customs duties that have been set without taking into account difficult conditions of running business in mountain areas.

They, in particular, noted that goods are delivered to Gorno Badakhshan from a distance, entailing considerable financial expenses. “Despite this, the same taxes have been set for mountain regions and plains,” said the entrepreneurs. “Such tax and customs policy leads to increase in prices of goods on local markets.”

During the meeting it was also noted that the GBAO entrepreneurs do not have access to foreign investments and preferential loans coming to Tajikistan to support development of entrepreneurship.

Participants at the meeting also adopted recommendations for local authorities and international organizations and business associations active in the region.

IGOR BOSK: “TAJIK VILLAGE NEEDS SMALL ENTERPRISE”

Jumhuriat, 3 May 2007 -During the interview, Igor said that several years UNDP implements its activity in rural areas where poverty level is high. Before completion of any activity, we are asking rural population on their conditions.... We ask advice of local governments. Mainly, at the settlements with more than 150,000 population we cover some type of infrastructure.

..... UNDP conducted rehabilitation of number of schools, kinder-gardens, health facilities, bridges and roads, agriculture and etc. at Khatlon and Sogd regions and Rasht district. Micro-credits were allocated to more than 100,000 poor population.

The interviewer mentioned that the increasing the crop capacity, agricultural productivity and equal land parcellation to rural population are very important issues. In addition, the income for agriculture is very low and their life is very poor. Based on researches it is appeared that rural population needs small enterprises on processing of fruits and vegetables. In this connection, we have intention to create such small enterprises under the Program for the purposes that farmers can propose their production to foreign market.

... In accordance with Igor Bosk's data, in 2006 UNDP allocated \$16 mln. US dollars for the above activities. This year this amount makes up \$24 mln. US dollars...



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With best wishes,
Tajikistan SME Public Relations/Communication Department