



**TRADE POLICY REVIEW**

REPORT BY

TAJIKISTAN

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Tajikistan is attached.

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## **1 INTRODUCTION**

1.1. At the initiative and with the direct support of the Founder of Peace and National Unity - Leader of the Nation, the President of the Republic of Tajikistan, His Excellency Emomali Rahmon, Tajikistan became a member of the World Trade Organization (WTO) on 2 March 2013, after more than 11 years of negotiations.

1.2. The first Trade Policy Review of the Republic of Tajikistan has been prepared after 7 years of WTO membership and would be submitted to the WTO Secretariat, WTO members and to the WTO Trade Policy Review Meeting to be held on 22-24 April 2020. The main purpose of the current report is to present the economic situation in the country, the achievements that have been made in its trade policy since 2013, as well as the strategic direction and priorities that have been identified in the field of trade over the near future.

1.3. The accession of the Republic of Tajikistan to the WTO provides favourable conditions for the country's integration into the global economy, for the expansion of mutually beneficial cooperation with its partners and for the protection of economic benefits. Another advantage of greater participation in global trading system is the potential for improvements in management structure within government and the opportunities that have emerged to train highly qualified specialists in the field of economy and international trade.

1.4. Tajikistan's membership in the WTO provides for a transparent and predictable treatment of goods and services in line with international rules and thus contributes to the improvement of the country's economic competitiveness.

1.5. The Government of the Republic of Tajikistan will continue to use the opportunities of WTO membership to achieve these goals, including the development of international trade rules that take into account the national interest to achieve better and non-discriminatory conditions for access of domestic goods and services to the global market, as well as to use the dispute settlement mechanism to secure implementation of WTO commitments, particularly in the respect of free and non-discriminatory transit of goods through the territories of other WTO members.

1.6. The subsequent sections of this report provide an overview of ongoing reforms and achievements in Tajikistan, over 7 years of WTO membership, in various areas of its economy and its trade policy, as well as its participation in multilateral and bilateral trade agreements and in the WTO itself. This report also provide an overview of the Mid-term prospects for socio-economic development of the country over the years 2020-2022 and of the National Development Strategy of the Republic of Tajikistan for the period up to 2030.

## **2 ECONOMIC SITUATION IN 2013-2019**

### **2.1 Macroeconomic Review**

2.1. After the accession of the Republic of Tajikistan to the WTO a number of significant reforms were undertaken to ensure macroeconomic stability, streamline trade procedures, increase export capacity and attract investment into the economy.

2.2. The National Development Strategy of the Republic of Tajikistan for the period up to 2030, and the Medium-Term Development Program of the Republic of Tajikistan, for the period 2016-2020, identified uplifting a standard of life for every citizen of the country as ultimate goal, and ensuring energy independence, food security, exiting from the connectivity deadlock and rapid industrialization of the country as strategic goals.

2.3. To achieve these goals, a set of measures have been implemented to ensure macroeconomic stability, institutional strengthening, and human and regional capacity building.

2.4. In recent years, the global economic and financial crises, trade conflicts and economic sanctions applied by some countries on their trading partners has affected the national economy of the Republic of Tajikistan, in particular its foreign trade & investment flows and the remittances it receives from abroad.

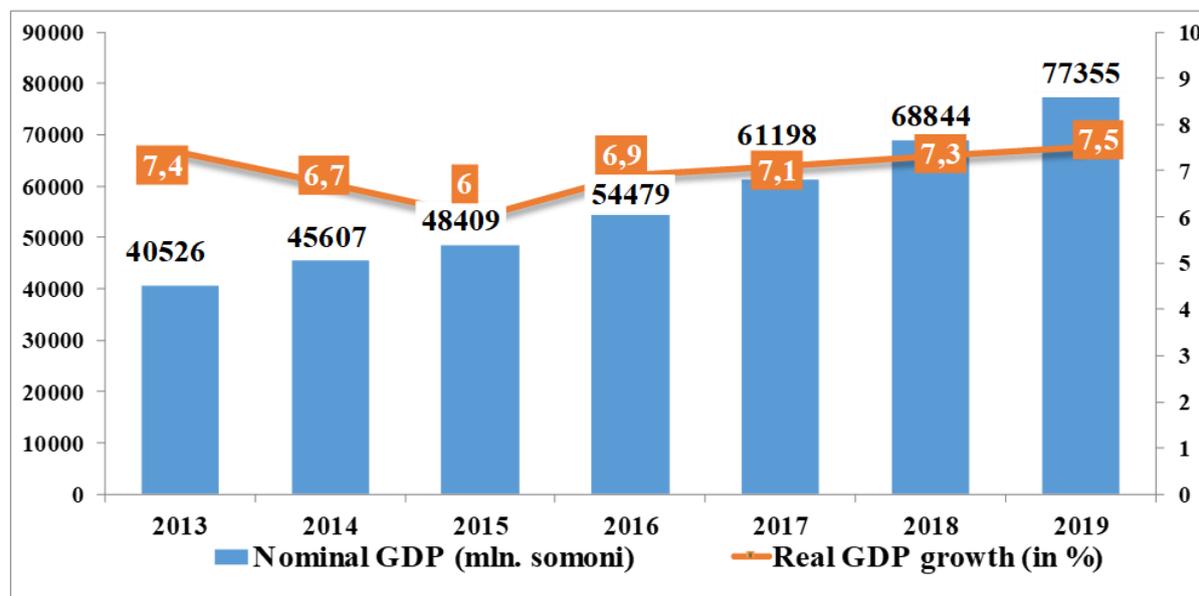
2.5. For this reason, the Government of the country adopted and implemented the following Decrees, with the aim of coordinating macroeconomic policy and preventing the impact of possible risks to the national economy:

- Decree of the Government of the Republic of Tajikistan "On Action Plan for the Prevention of Impact of Potential Risks to the National Economy";
- Decree of the Government of the Republic of Tajikistan "On Action Plan for Coordinating the Implementation of Macroeconomic Policy and the Prevention of Impact of Potential Risks to the National Economy".

2.6. Within the framework of the Action Plan, the Government of Tajikistan has pursued a number of reforms to ensure competitiveness of domestic goods, sustainable operation of state enterprises and banks, strengthening the investment climate, business development and facilitation of trade procedures.

2.7. As a result of the reforms that were introduced in 2013-2019, Tajikistan managed to ensure average economic growth of 7%. Gross Domestic Product (GDP) increased from 45.6 billion somoni to 77.4 billion somoni (USD 8.2 billion).

**Chart 2.1 Nominal and real GDP growth for 2013-2019**



Source: Ministry of Economic Development and Trade of the Republic of Tajikistan ([www.medt.tj](http://www.medt.tj))

2.8. GDP per capita increased by a factor of 1.5 during this period. The volume of industrial production increased by a factor 1.8, investments in fixed assets by a factor of 2.1, agricultural production by a factor of 1.3 and retail trade by a factor of 1.5.

2.9. The growth of the services sector was significant: its share of GDP now amounts to 43.7%, of which 15.1% is accounted for marketing and trade. The growth of marketing and trade in 2013-2019 achieved an average of 9.8% per year.

2.10. At present, the country's poverty rate is on a downward trend, from 35.6% in 2013 to 27.5% in 2019.

2.11. Total state budget revenues doubled during this period, amounting to 23.2 billion somoni in 2019. The share of total state budget revenues in relation to gross domestic product was 30%.

2.12. Inflation remained stable between 2013 and 2018. During this period, inflation remained at the single digit level of 3.7% to 5.4%.

2.13. In 2019, macroeconomic sustainability was ensured through the implementation of economic reforms, such as announcement of a rapid industrialization goal through the creation of new enterprises, commissioning of new energy capacities, prevention of potential risks to the national economy, institutional strengthening of sectors.

2.14. In 2019, the country's GDP grew 7.5%, 0.2 percentage point higher than previous year and reached 77.4 billion somoni. The GDP deflator in that year was 104.5%.

2.15. The GDP growth was achieved by increases in output of the following sectors: manufacturing (13.6%), agriculture (7.1%), passenger transportation (10.9%), domestic trade (9.0%), paid services (2.9%) and export (9.4%).

## 2.2 Monetary and Banking Policy

2.16. For the purpose of defining the main long-term direction of monetary and credit policy, the Government of Tajikistan developed the "Strategy of monetary and exchange rate policy of the Republic of Tajikistan for 2016-2020". This provides an effective mechanism for the development and implementation of monetary and exchange rate policies, the creation of modern operational and financial infrastructure, the strengthening of the financial and banking system and other relevant priorities.

2.17. This document envisages the expansion of institutional reforms, strengthening monetary policy instruments, enhancing their effectiveness and transparency and creating a favourable environment for transition to a new monetary policy regime: inflation targeting.

2.18. The Republic of Tajikistan is taking measures to eliminate the negative influence of external factors and to conduct successful reforms, first of all in the implementation of monetary policy, but also in the improvement of the banking system and the introduction of new mechanisms of regulation and management, in accordance with current economic and financial conditions.

2.19. In particular, taking into account the stable situation reflected in the main macroeconomic indicators, such as inflation in 2013-2018, the refinancing rate was gradually changed from 6.1% to 14.0% per annum. In 2019, the refinancing rate was reduced to 12.25% per annum.

2.20. The Republic of Tajikistan for the first time in the history of its independence entered the international capital market and issued Eurobonds worth 500 million dollars and successfully sold them.

**Chart 2.2 Changes in a refinancing rate (in %)**



Source: National Bank of Tajikistan ([www.nbt.tj](http://www.nbt.tj))

2.21. In the period 2013-2019, with the aim of supporting the banking system and improving the financial position of its credit institutions, the Republic of Tajikistan has consistently provided loans in national and foreign currencies to maintain liquidity, thus helping to support stability of the country's banking system.

2.22. Tajikistan launched new monetary policy instruments: namely intraday, overnight loans and credit auctions through the electronic interbank electronic platform "Thomson Reuters" to support credit institutions and enhance the money market.

2.23. In order to regulate the volume of money in circulation in 2019, overnight deposits in the amount of 123.2 billion somoni were attracted.

2.24. The volume of currency reserves, one of the operational indicators of monetary policy, reached 18.7 billion somoni by the end of 2019, which is 4 times more than in the beginning of 2013. The volume of cash in circulation has increased from 3.7 billion to 16.1 billion somoni, with average annual growth of 24%.

2.25. At the same time, for the purpose of effective management and increase of international reserves aimed at stability of the financial and economic system, the process of converting non-monetary gold into monetary gold continued and the operations of purchasing precious metals and foreign currency in the domestic and foreign markets were strengthened.

2.26. Net foreign assets (NFA) increased by a factor of 7.8 and thus the volume of foreign assets increased by 4.2 compared to the beginning of 2013, amounting to 13.1 billion somoni and 14.6 billion somoni respectively. Also during this period net domestic assets (an important monetary indicator) increased by 1.6, amounting to 5.6 billion somoni by the end of 2019.

2.27. In the context of the development of the economy the cash flow outside of banks (M0) in 2019 had increased by 3.7 times compared to the beginning of 2013, the volume of national currency (M3) and broad money (M4) had grown by 3.3 and 2.6 times, respectively.

2.28. The level of monetization of the economy increased from 21% to 28.6%.

2.29. In total, 75 financial credit institutions operate in the territory of the Republic of Tajikistan, including 17 banks, 21 microcredit deposit organizations, 6 microcredit organizations and 31 microlending funds. In 2013-2019 the number of banks increased from 16 to 17 and the number of microfinance organizations decreased due to reorganization, merger and adaptation to the modern requirements of banking supervision.

**Table 2.1 The number of financial and credit institutions**

Name	2013	2014	2015	2016	2017	2018	2019
Total (financial and credit institutions)	136	137	123	104	84	79	75
1.1 Banks	16	17	17	18	17	17	17
1.2. Microfinance organizations	120	120	106	86	67	62	58
1.2.1 Microcredit deposit organizations	39	42	39	38	27	25	22
1.2.2 Microcredit organizations	42	42	31	14	7	6	6
1.2.3 Microcredit funds	39	36	36	34	33	31	30

Source: National Bank of Tajikistan ([www.nbt.tj](http://www.nbt.tj))

2.30. A new achievement in the country's banking system was the adoption of the Law of the Republic of Tajikistan "On the Activities of the Islamic Bank" and the opening of OJSC "Tawhidbank", the first Islamic bank in the country.

2.31. In addition, for the first time in the history of Tajikistan, financial and credit institutions are introducing modern banking services such as mobile banking, Internet banking, payment via QR codes and electronic money transfer technologies, which provide great opportunities for cashless and paperless payments.

### 2.3 Fiscal Policy

2.32. A number of fiscal policy reforms were conducted in the period of 2013-2019, related to effective management of public finances, including improvement of public debt management, transparency and simplification of budgeting and taxation process, allocation of expenditures and prevention of secondary expenditures, as well as harmonization of reports with international financial standards.

2.33. The Public Finance Management Strategy of the Republic of Tajikistan for 2009-2018 and the Public Debt Management Strategy for 2018-2020 have been implemented and the new Strategy on Public Finance Management for 2020-2030 has been developed.

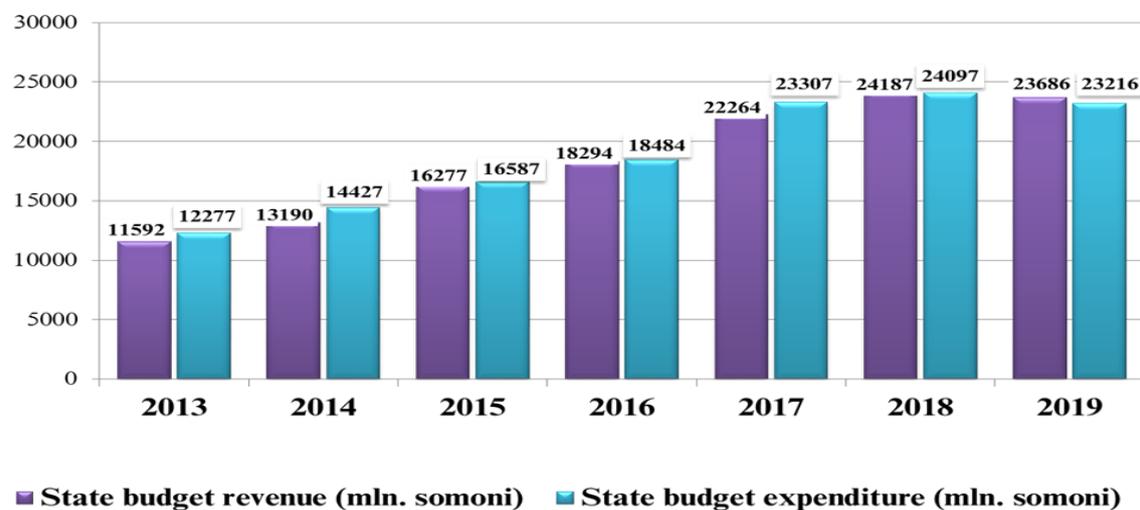
2.34. As result of measures taken to improve taxation, a new edition of the Tax Code came into force in 2013, reducing the number of taxes from 21 to 10. The Order of the President of the Republic of Tajikistan dated 20 June 2019, No. AP-1236, mandates the development of a new draft of the Tax Code of the Republic of Tajikistan by an inter-ministerial working group, to be finalized and approved by 2021, with the purpose of continuing reforms improving the tax system.

2.35. A number of industries, including poultry, fisheries and livestock, securities market entities, as well as existing enterprises engaged in a complete range of cotton fibre processing (final) are receiving tax and duties privileges.

2.36. Reform of the fiscal system by the Government of the Republic of Tajikistan over recent years has allowed for improvements in social and economic development indicators while at the same time increasing the inflow of funds to the state budget.

2.37. As a result, state budget revenues in 2013-2019 increased from 12.3 billion somoni to 23.2 billion somoni, and expenditure from 11.6 billion somoni to 23.7 billion somoni. The budget deficit remained at 0.5% of GDP.

**Chart 2.3 The volume of revenues and expenditures of the state budget 2013-2019**



Source: Ministry of Economic Development and Trade of the Republic of Tajikistan ([www.medt.tj](http://www.medt.tj))

### 2.4 Investment and Privatization Policy

2.38. The Government of the country has identified the improvement of the investment and business climate as one of its economic policy priorities. It has made significant reforms in the areas of simplification of the licensing and permits system, the registration of entrepreneurial activities, the reduction of inspections and inspection coverage, and the establishment of public-private partnerships and privatization.

2.39. The Consultative Council under the President of the Republic of Tajikistan on improvement of the investment climate, a high-level policy dialogue platform between the state and the private sector, was established with the involvement of government authorities, domestic and foreign entrepreneurs and development partners. Under this platform, effective activities for strengthening the sector's reforms are ongoing.

2.40. For the first time in the history of the Republic of Tajikistan, following appropriate reforms, the country was assigned sovereign credit ratings by international rating agencies, including Standard & Poors and Moody's.

2.41. The number of permits has been reduced from 605 to 75 and the number of licenses from 100 to 73. The number of inspections has been reduced from 23 to 19. Moratoriums were announced twice on all types of inspections of production entities. Over the last three years, the number of inspections has decreased by a factor of 6.

2.42. A new framework for public-private partnerships has been established by the Law of the Republic of Tajikistan "On Public-Private Partnership", involving the Public-Private Partnership Council and the State Enterprise "Center for Implementation of Public-Private Partnership Projects". To date, five public-private partnership investment projects totalling 55.1 million somoni have been implemented in the areas of energy, transport, health, education and drinking water supply.

2.43. According to the World Bank Doing Business Report Tajikistan was included in the list of the top ten reformers of the world four times, in 2010, 2011, 2015 and 2020. In the Doing Business Report-2020, Tajikistan improved its position by 20 ranks. Tajikistan's position improved mainly due to changes in a number of indicators, including the Starting a Business indicator (rising by 24 ranks), Getting Electricity (rising by 10 ranks), Registering Property (rising by 14 ranks), Getting Credit (rising by 113 ranks) and Trading Across Borders (rising by 7 ranks).

2.44. A new edition of the Law of the Republic of Tajikistan "On Investment" has been adopted with a view to provide equality of treatment under the law for domestic and foreign investors.

2.45. New manufacturing enterprises were also exempted from corporate tax for a period of 2-5 years, depending on the amount of investment.

2.46. At the same time, in order to attract foreign capital and develop the securities market, stock exchange operations have also been exempted from taxation.

2.47. To develop economic and social opportunities, present products, connect business partners and foreign investors, an Interactive Business to Business Portal (B2B) has been established under the State Committee on Investments and State Property Management. These business entities effectively use the services of the Interactive Business to Business Portal (B2B).

2.48. The resolutions of the Government of the Republic of Tajikistan on the "Action Plan for 300 Days of Reforms" and the "Action Plan on Improvement of Tajikistan's Indicators in the World Bank Doing Business Report" were adopted in 2018 and 2019. The measures identified in these plans, including 32 measures to improve the business climate and 70 to improve investment, are currently being implemented.

2.49. With regards to privatization, a total of 1034 facilities, including 354 of republican property and 680 of communal property were sold in the Republic of Tajikistan between 2013 and 2018. Of these, 54 entities of republican property were carried through investment tenders and individual privatization projects.

2.50. In the year 2019, 57 entities were sold, including 23 of republican property and 34 of communal property. Of these, 10 entities of republican property passed through investment tenders and individual privatization projects.

2.51. From 2013 to 1 January 2020, 48 joint-stock companies (of which the State owns a share of their authorized capital) have been established as state-owned enterprises.

2.52. On 1 January 2020, the State owned 100% of the shares of 111 joint stock companies and between 5% and 98% of the shares of 24 joint-stock companies. The State also participated in the shares of 3 limited liability companies.

2.53. As a result of above-mentioned reforms, the contribution of the private sector to GDP increased from 54% to 70%.

2.54. The contribution of the private sector to the state budget revenues was significant, amounting to 80%. More than 70% of the economically active population is working in private sector.

2.55. The total volume of foreign investment in 2013-2019 (9 months) was USD 5.9 billion, of which USD 2.5 billion were direct investment, USD 2.9 billion were attracted loans by enterprises and organizations and USD 502 million were portfolio investments (Eurobonds).

2.56. During this period 70.7 billion somoni were invested into fixed capital.

## **2.5 Industry**

2.57. In the industrial sector important measures were implemented with the aim of increasing production volumes, to improve the supply of manufacturing goods and promote the well-being of the population.

2.58. A rapid industrialization was announced as the fourth national strategic goal and a Program of Rapid Industrialization of the country for 2020-2025 was developed. An Industrial Development Strategy (covering the period until 2030), as well as sectoral development programs in the fields of metallurgy (for the period up to 2025), food (for 2020-2025) and carpeting (2014-2020) have all been developed and are being implemented.

2.59. Those programs will contribute to greater output in the volume of products, increasing competitiveness, stimulating businesses creation and employment and solving the social tasks of the country, transforming the economy from one centered around the extraction of raw materials to one which produces final products.

2.60. Necessary measures have been taken to streamline the corporate management of industrial enterprises, to provide healthy competition and to ensure transparency in reporting by industrial enterprises.

2.61. An appropriate reform to bring regulatory measures in the industrial sector into line with WTO requirements is the "Program of adjustment of the economy of the country related to the membership in the WTO", which is described in Chapter 3 of this report.

2.62. Successful implementation of the reform enforced the volume of output of industrial products in the last 7 years to increase by a factor of 3.3 (from 9.9 billion somoni in 2013 to 27.5 billion somoni in 2019), the number of enterprises to grow by 19% (from 1804 enterprises in 2013 to 2164 in 2019), and the sector's contribution to GDP to raise by 4.8 percentage points (from 12.6% in 2013 to 17.4% in 2019).

2.63. Over the past 7 years, a list of key industrial products widened by 147 items (from 102 in 2013 to 249 items in 2019).

2.64. In 2019, 219 new industrial enterprises and factories with 2942 new jobs were created and began operations in the country.

2.65. According to forecasts the share of industry in GDP will reach 30% by 2030.

## 2.6 Agriculture

2.66. Agriculture is one of the prioritized sectors of the national economy and plays a major role in achieving the strategic goal of ensuring food security, providing the population with access to quality products and creating new jobs.

2.67. In agriculture, the necessary measures have been taken to increase and diversify production through the establishment of sowing, production of competitive and profitable export-oriented products, expansion of the area under vegetable crops, and the creation of high-quality gardens and vineyards.

2.68. A number of documents that are important for the development of agriculture in the country have been adopted and are being implemented, including the Agricultural Reform Program of the Republic of Tajikistan for 2012-2020, the Program for the Development of Horticulture and Viticulture for 2016-2020, the Program for the Development of Seed Production covering the period 2016-2020, and the Program for the development of the Livestock sector in the Republic of Tajikistan for 2018-2022.

2.69. Reforms in the sector led to an increase in the volume of production of agricultural products from 20.4 to 27.7 billion somoni over the last 7 years. In 2019 the growth rate of agricultural production reached 7.1%, of which crop production 7,8% and of livestock sector 5.7%.

2.70. As of January 1, 2020, gardens and vineyards were built on a territory of 2945 hectares and out of it 2747 hectares were new gardens, 195 hectares were vineyards and 3.2 hectares were mulberry.

## 2.7 Energy

2.71. More than 60% of the water resources in Central Asia are originated in the Republic of Tajikistan, which is a great opportunity for the development of green energy. Currently, about 98% of electricity is generated by hydroelectric power stations, and according to studies by international financial institutions, Tajikistan is ranked 6<sup>th</sup> in green energy production. The country has a huge hydro-energy potential of 527 billion kWh, but only uses about 6% of it.

2.72. In order to achieve the country's strategic goal of ensuring energy independence and energy saving, the Government has made effective reforms to strengthen institutions within the energy sector, in particular through the restructuring OJSH "Barqi Tojik", the introduction of billing systems, the construction of new infrastructure, the reconstruction of existing infrastructure and the provision of financial reports in accordance with international financial reporting standards and energy saving.

2.73. In particular, separate structures for generation, transmission and distribution of electricity were established, to ensure effective management of OJSH "Barqi Tojik", the main power utility company in the country. At the same time, to improve energy supply, prevent energy losses and reduce energy consumption, and with the support of development partners, a pilot billing system has been introduced in one of the most densely populated cities in the country and work has begun to replicate this system in other large cities in the country.

2.74. To improve electricity supply to the industrial sector and the population and to export surpluses, large hydropower facilities (such as Rogun, Sangtuda-1 and Sangtuda-2), power and heating centers, small power plants, high voltage transmission lines and high voltage substations were constructed and commissioned and the reconstructions of Nurek HPP (3000 MW), Sarband HPP (245 MW) and Qairoqum HPP (126 MW) are underway.

2.75. It should be noted that Rogun HPP with a capacity of 3,600 MW, a height of 335 meters, with a rock-filled dam and underground infrastructure, is a unique project in the world. Two units of Rogun hydropower plant were officially launched on 16 November 2018 and 9 September 2019, with the participation of the Founder of Peace and National Unity - Leader of the Nation, the President of the Republic of Tajikistan, His Excellency Emomali Rahmon.

2.76. Implementation of the CASA-1000 Regional Power Transmission Project, which involves transmission of electricity from Tajikistan and Kyrgyzstan to Afghanistan and Pakistan, has started with the support of development partners.

2.77. As a result, over the past 7 years, generating capacity has increased by more than 800 MW and the output of electricity generation has grown from 16 billion kW/H to 21 billion kW/H or by 1.3 times.

2.78. The percentage of collection of payments for electricity in the city which use billing system went up from 70-100%.

## **2.8 Transport**

2.79. One of the main strategic goal of the Government of Tajikistan is to exit from the communication deadlock and develop the country's transit potential.

2.80. In order to achieve this goal, the "Program for the Development of the Transport Complex of the Republic of Tajikistan for the period up to 2025" was adopted and significant reforms were made in the areas of construction and reconstruction of transport infrastructure, including roads, transport corridors, bridges, access to modern information and communication services.

2.81. A new edition of the Transport Code of the Republic of Tajikistan was adopted, the Program on the Development of Transport Services for 2020-2021 was developed and the Supplementary protocol to the Convention on international road shipment was approved.

2.82. Within the framework of public investment projects and funds allocated for capital construction, 813 km of roads, 1 tunnel of 5 km length, 80 highways of 2978 meters length, 41 km of railroads, 3 railway tunnels of 3643 meters length and 5 railway bridges of 582 meters length totalling USD 496 million were constructed and commissioned.

2.83. At the expense of non-state funds, 1450 km of republican and local roads and 108 bridges were constructed or reconstructed.

2.84. 11 investment projects of total value of more than 8.5 billion somoni have been implemented to achieve the goals and priorities of the sector.

2.85. As result of the measures that have been taken, indicators of freight and passenger transportation improved, and in 2019 reached 82 million tons and 613 million passengers respectively. As compared to 2013, cargo transportation raised by 13.4% and passenger transportation by 12.4%.

## **2.9 Telecommunications**

2.86. Communications are one of the most important sectors of the national economy and special attention is given to its development each year.

2.87. Therefore, over the past 7 years, the Republic of Tajikistan has taken the necessary steps in the areas of construction and modernization of information and communication technology infrastructure, institutional strengthening, improvement of service quality and development of the digital economy.

2.88. The Concept of digital economy was approved by the Government of the Republic of Tajikistan and a respective Program is in the process of being developed.

2.89. A fibre-optic communication lines with high-speed connections to urban and district centers were established in the country.

2.90. A high-speed highway of fibre-optic lines has been built and commissioned using DWDM technology, which also provides back-up access channels to the Internet.

2.91. During establishment of fibre-optic communication lines, the possibility of their connection with all neighbouring countries, in the north-west with Uzbekistan, in the south with Afghanistan, in the north-east with Kyrgyzstan, and in the east with the People's Republic of China was envisaged.

2.92. Currently, businesses that operate in the field of telecommunications consist of 128 entities, including 4 mobile operators, 1 local operator and 7 Internet providers.

2.93. It should be noted that the number of subscribers of mobile network services in the republic reached 7 million or 74% of the population, of whom 4.8 million are active subscribers.

2.94. The total number of subscribers of local communication services has reached 365 thousand people, of whom 84 thousand people are active.

2.95. The number of Internet users with mobile and local internet together reached 3 million people.

## **2.10 Tourism**

2.96. The Republic of Tajikistan with its ancient history, rich culture, historical monuments, incomparable nature, high mountains with peaks of 7495m above sea level, pure waters, rare lakes such as Lake Sarez and Fedchenko Glacier, environmentally friendly climate, fresh fruits and vegetables, rare species such as the Marco Polo sheep, the snow leopard and the musk ox, has great potential for tourism. Therefore, the Founder of Peace and National Unity - Leader of the Nation, President of the Republic of Tajikistan, His Excellency Emomali Rahmon declared the years 2019-2021 as the "Years of Rural Development, Tourism and Folk Crafts".

2.97. In order to make better use of these unique opportunities in the field of tourism, the Government has implemented a number of significant reforms in the areas of institutional strengthening, construction and reconstruction of tourism infrastructure, training of tourism industry specialists, simplification of travel permits, tax and customs privileges and improvement of tourism statistics.

2.98. In particular, the Committee on Tourism Development was established as the authorized state body for the promotion of state policy in the tourism sector. The Tourism Development Strategy in the Republic of Tajikistan for the Period to 2030 and the Tourism Development Program in the Republic of Tajikistan for 2018-2020 are being implemented.

2.99. Imports of equipment, machinery and building materials for the construction of tourism infrastructure have been exempted from VAT and customs duties.

2.100. Electronic visa issuance for tourists was simplified, an e-visa system and a visa-free regime have been introduced for 57 foreign countries.

2.101. In August 2019, for the first time, the Forum of International Tourism Fair "Tajikistan - 2019" took place in Dushanbe city.

2.102. As a result of the reforms implemented in the last 7 years, the number of tourists visiting the Republic of Tajikistan increased from 207 thousand to 1.3 million per year, or 6.3 times. The number of internal tourists (citizens of the country) visiting historic and cultural sites, therapeutic areas, sanatoriums and resorts has reached 1.9 million.

2.103. The direct share of tourism in GDP had increased from 1,4% to 2,2%.

2.104. The number of tourism service providers had raised to 282 and tourism companies to 202.

2.105. In 2019, only 56 tourist facilities were constructed and construction of another 37 units is underway.

2.106. According to the World Travel and Tourism Council Tajikistan is included in the list of 10 most attractive countries for tourists, the top ten countries for tourist destinations and in 2016, the Pamir Highway of Tajikistan was recognized as one of the 10 most beautiful roads in the world. In 2015-2016, four regions of Tajikistan were ranked among the 100 best tourism regions of the world and the World Tourism Organization in 2016 considered Tajikistan as the second country in the world developing tourism.

2.107. According to the estimates of the World Tourism Organization in 2018, Tajikistan ranked number one in the world in increasing the total number of tourists. Tajikistan's e-visa system has also joined the top five global visa systems. According to the US GALLUP survey Tajikistan ranked second safest country in the world after Singapore.

2.108. According to forecasts of the development of the country's economy, the share of tourism in GDP of the country should reach 5% and bring an indirect contribution to the development of other sectors of the economy to about 15%. This year, foreign citizens who have the right to a simplified procedure for a visa will be issued multiple tourist visas which will be extended up to 60 days. For the purpose of facilitating the travel of foreign compatriots who were born in Tajikistan, a 3 year multi visa will be issued.

### **3 TRADE POLICY**

#### **3.1 Trade in Goods**

3.1. Within the framework of strategic documents and sectoral programs, the priority areas of trade are identified as stimulating exports, ensuring the diversification of export-oriented industries and simplifying trade procedures.

3.2. In order to implement the above priorities, support for domestic production, ensuring competitiveness, strengthening the export potential of the country and adjusting its legal base to modern requirements, a number of measures had been taken during the 2013-2019.

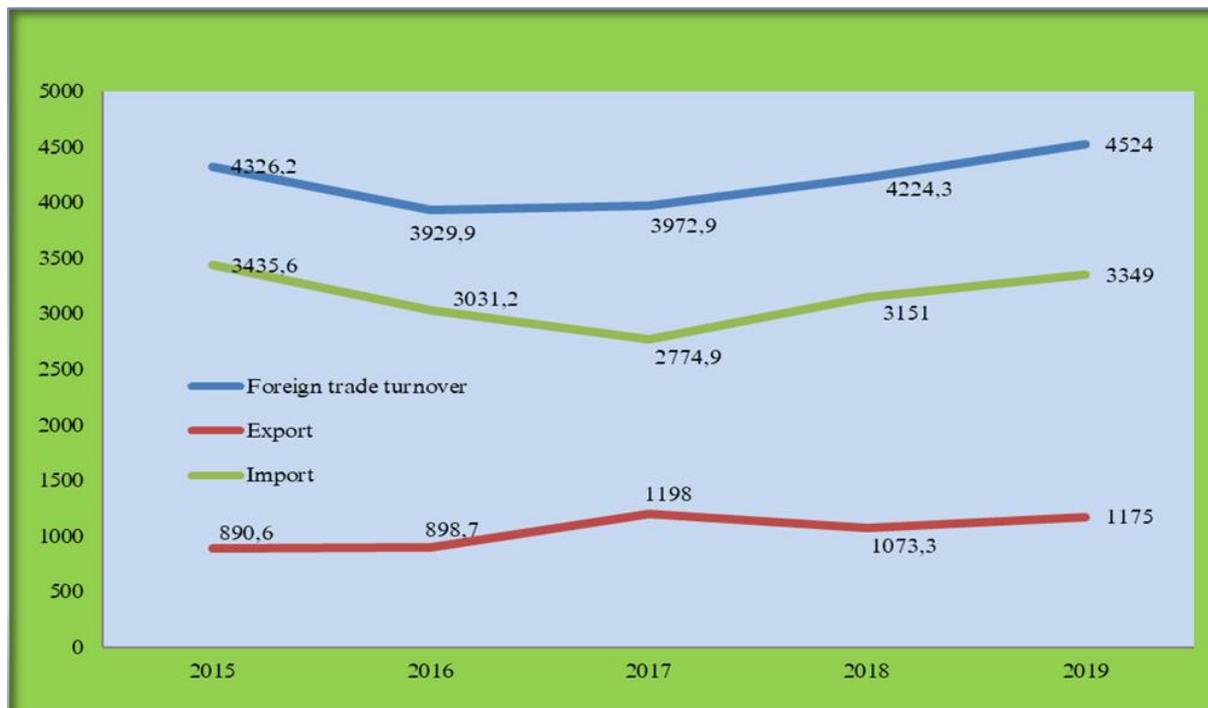
3.3. In particular, new rates of import customs duties of the Republic of Tajikistan and a new edition of the Commodity Nomenclature of Foreign Economic Activity of the Republic of Tajikistan were adopted.

3.4. Export Promotion Institutions including the Export Agency, the Coordination Committee on Facilitation of Trade Procedures, and the National Information Centers on Technical Barriers to Trade and Sanitary and Phytosanitary Measures were established.

3.5. The State Program on Export Promotion for 2016-2020 was approved and necessary measures are being taken.

3.6. As a result of measures taken in the last seven years, the share of exports in total foreign trade increased from 20% to 26%, and the share of imports decreased from 80% to 74%.

3.7. In 2019, the foreign trade turnover was USD 4524 million and has increased by 7.1% as compared with the previous year. Exports of goods amounted to USD 1175 million, an increase of USD 101 million or 9.4% compared to the previous year. Imports equalled to USD 3349 million, an increase of USD 200 million or 6.3% compared to the previous year. The trade balance was negative and amounted to USD 2175 million.

**Chart 3.1 Foreign Trade Turnover for 2015-2019**

Source: Ministry of Economic Development and Trade of the Republic of Tajikistan ([www.medt.tj](http://www.medt.tj))

3.8. The number of countries that are trade partners of the Republic of Tajikistan increased from 90 to 116.

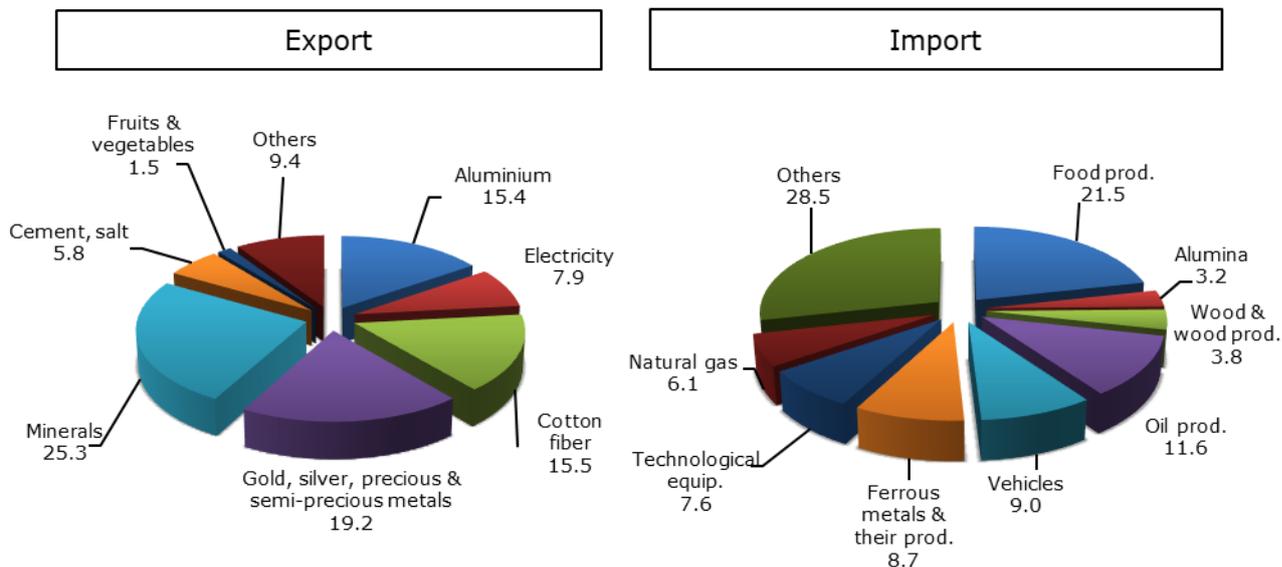
3.9. The structure of the country's exports consisted of minerals and concentrates (25.3%), precious and semi-precious metals (19.2%), primary aluminum (14.7%), cotton fibre (12%), electricity (8%), cement (5.8%) and other products.

3.10. The structure of the country's imports consisted of food products (21.5%), oil products (11.6%), vehicles (9%), technological equipment (7.6%), ferrous metals (6.7%), liquid gas (6.1%), machinery and equipment (5.1%), wood and its products (3.8%), alumina (3.2%), polymeric products, plastic (3.1%), products of ferrous metals (2%) and others.

3.11. The main trading partners of the Republic of Tajikistan are Russia (23.3%), Kazakhstan (21.2%), China (14.6%), Turkey (8.3%), Uzbekistan (8%), Switzerland, (5.2%), Germany (1.7%), Japan (1.5%), Iran (1.4%), Pakistan (1.2%), Kyrgyzstan (1.2%), Italy (1%).

**Chart 3.2 Export and Import Structure, in 2019**

Share in %



Source: Ministry of Economic Development and Trade of the Republic of Tajikistan ([www.medt.tj](http://www.medt.tj))

### 3.2 Customs Procedures

3.12. With a view to bringing the current legislation of the Republic of Tajikistan into conformity with the WTO TFA and to implement the obligations of the country notified in category "A", the Customs Code of the Republic of Tajikistan was amended.

3.13. To simplify trading procedures and reduce shipping and transit costs, an Action Plan on reducing time and cost incurred by foreign participants in economic activities such as the export, import and transit of goods was adopted by the Government. The Customs Service under the Government of the Republic of Tajikistan was identified as the national coordinating body with regard to transit operations.

3.14. In order to boost the volume of exports of agricultural products and preferential export of perishable products, an Agreement on Simplified Customs Procedures for the Shipment of Goods and Vehicles between the Republic of Tajikistan and the Russian Federation or Green Corridor was signed between the Customs Service of Tajikistan and the Federal Customs Service of the Russian Federation.

3.15. On 9 March 2018, an Agreement on the Establishment of Simplified Customs Procedures for the Shipment of Goods and Vehicles between the Republic of Tajikistan and the Republic of Uzbekistan or Green Corridor was signed between the Customs Service of Tajikistan and the State Customs Committee of Uzbekistan.

3.16. Also, a Protocol on mutual recognition of the results of customs control with respect to certain types of goods (agricultural products) was signed between the Customs Service of Tajikistan and the Federal Customs Service of the Russian Federation.

3.17. In addition, a Protocol was signed between the Republic of Tajikistan and the People's Republic of China to facilitate transfer of agricultural products through the Qulma-Qarasu Border Crossing.

#### 3.2.1 Establishment of single window mechanism

3.18. Based on the instruction of the Founder of Peace and National Unity - Leader of the Nation, the President of the Republic of Tajikistan, His Excellency Emomali Rahmon and based on the identified priority of the Government to simplify trade procedures, a pilot version of the Single

Window for simplifying export, import and transit operations in the Republic of Tajikistan was launched on 8 November 2019 in Dushanbe city.

3.19. The Single Window is being implemented with the support of the Asian Development Bank under the regional project of the Central Asian Regional Economic Cooperation on Improvement of the Border Services Activities of the Customs Service.

3.20. The main purpose for the introduction of the Single Window for simplifying export, import and transit operations is the simplification of trade procedures, the elimination of administrative barriers, enhancing transparency, reducing of the time and cost of companies engaged in foreign economic activity, the implementation of modern information technology and the increase of foreign trade turnover and development of respective spheres of the economy.

3.21. According to the plan, after the end of the pilot period, the Single Window for simplifying export, import and transit operations will be put into a full-fledged operation in 2020, involving all government entities, which are engaged in tariff and non-tariff regulations of foreign economic activity.

### **3.3 Tariffs Regulation**

3.22. In order to fulfil its commitments under the WTO, Tajikistan has made substantial reforms in tariff regulation, including the approval of the Resolution of the Government of the Republic of Tajikistan on "Rates of import customs duties" according to which the average rate of import duties is 8.1%.

3.23. In accordance with paragraph 2 of this Resolution, the free trade regime and zero import customs duty rates shall apply with respect to the imported goods which originate in countries – parties based on free trade agreements with Tajikistan.

3.24. Also, in accordance with paragraph 4 of this Resolution preferences are given to imports of goods originating from least developed countries and in such cases the established import duty amounted to only 50% from the regular level.

3.25. Export duties on goods, including processed and unprocessed leather, cocoon, silk waste, cotton fibre, waste and scrap of ferrous metals, were applied in accordance with the Resolution of the Government of the Republic of Tajikistan "On export duty".

### **3.4 Implementation of the WTO Trade Facilitation Agreement**

3.26. The Republic of Tajikistan fully complies with the WTO requirements. For this purpose, the Program of adjustment of the economy of the Republic of Tajikistan related to the membership in the WTO was adopted by the Resolution of the Government of the Republic of Tajikistan and is being successfully implemented. To date, out of 75 planned measures, 52 (68%) have been implemented and the remaining measures are in the process of implementation due to the continuation of their deadline.

3.27. On 2 July 2019, the WTO Secretariat officially accepted notification by Republic of Tajikistan on Ratification of the Protocol Amending the Marrakesh Agreement establishing the WTO.

3.28. For the purpose of implementation of point 2 of Article 23 of the WTO TFA, the Coordinating Committee on Facilitation of Trade Procedures was established by the decision of the Government of the Republic of Tajikistan as a platform for resolution of trade problems and consisting from representatives of relevant ministries and agencies, development partners and private sector.

3.29. During 2017-2019 Committee held regularly meetings and took appropriate decisions on export development, simplification of trade procedures, lower costs of export, import and transit procedures reduction of the number of documents involved and the time of clearance of export-import operations at customs checkpoints.

3.30. In relation to the implementation of decisions of the Committee 8 Inter-ministerial working groups on export support, improvement of tariff and non-tariff foreign trade instruments to support

domestic producers, simplification of transportation and transit, Single window for registration of export-import operations and increasing competitiveness, establishment of the wholesale and distribution centre for exports of goods to the Russian Federation and creation of green corridors with the aim to increase exports of manufacturing and agricultural products were established.

3.31. The Permanent Secretariat of the Coordination Committee for Trade Simplification was established and notifications on commitments of A, B and C categories were submitted to the WTO.

3.32. In addition, with the aim of timely and qualitative execution of instructions of the Founder of Peace and National Unity - Leader of the Nation, the President of the Republic of Tajikistan, His Excellency Emomali Rahmon a Trade Portal of Tajikistan was officially launched on 26 April 2019.

3.33. The portal provides information on 53 export, import and transit procedures (20 – for exported products and 30 – for imported products and 3 for transit products) equivalent to 1500 products, such as confectionery, chocolate, eggs, fertilizers, flowers, flour, furniture, cement, dried fruit, cotton thread, imported fresh fruits, vegetables, clothes, honey and other products.

3.34. It also provides information on import / export permits, charges for obtaining licenses, photos of responsible persons, and contact numbers of officers dealing with imports and exports.

3.35. It should be noted that the Trade Portal of Tajikistan is the first practical experience in foreign trade promotion in Tajikistan and among other countries of Central Asia and in 2019 the United Nations evaluated this portal as the best model in the region.

### **3.5 Technical Barriers to Trade**

3.36. In order to eliminate non-conforming and excessive technical barriers to trade, the laws of the Republic of Tajikistan "On Technical Regulation", "On Standardization" in new edition and the Law of the Republic of Tajikistan "On conformity assessment" were developed and adopted.

3.37. Law of the Republic of Tajikistan "On Conformity Assessment" regulates legal and organizational relationships in the field of conformity assessment of products with requirements of technical regulations and documents in the field of standardization and provides a unified state policy system for conformity assessment.

3.38. To ensure compliance with the Law of the Republic of Tajikistan on Conformity Assessment, State institution "National accreditation Center" was established.

3.39. In order to reduce the number of mandatory technical documents (provisional technical regulations), the Resolution of the Government of the Republic of Tajikistan "On Amendments to the Decree of the Government of the Republic of Tajikistan "On approval of the list of standard technical documents" was adopted.

3.40. In accordance with this Resolution, 110 compulsory normative technical documents (temporary technical regulations) were excluded from the list of existing normative and technical documents. In addition, by the Decree of the Government of Tajikistan issued in 2016, the list of technical regulations was reduced by one third.

3.41. For the purpose of streamlining the process of verification, registration and cancellation of adopted regulations the Resolution of the Government of Tajikistan on "Procedure for development, approval, state registration, inspection, revision, modification, repeal, use, official publication of technical regulations, including technical regulations related to defense products, notification and publication of information" was adopted.

### **3.6 Sanitary and Phytosanitary Measures**

3.42. To fulfil obligations under the WTO Coordination Council on Food Safety at the Agency "Tajikstandard" and the National Information Center for Sanitary and Phytosanitary Measures under the Ministry of Agriculture were established.

3.43. In order to improve the quality of food products a Food Safety Program for 2019-2023 was adopted to ensure implementation of epizootic-veterinary and sanitation requirements.

3.44. A National Center for Food Safety Examination of the Committee on Food Security has necessary equipment in accordance with relevant international standards.

3.45. There are 17 modern testing laboratories meeting international standards in operation.

3.46. Amendments to the Law of the Republic of Tajikistan "On Licensing System " was adopted.

3.47. The Health Code of the Republic of Tajikistan was adopted with the aim to implement the requirements of the WTO SPS Agreement.

3.48. Also, the Law of the Republic of Tajikistan "On Quarantine and Plant Protection" was developed.

### **3.7 Free Economic Zones (FEZ)**

3.49. In order to develop country's economic and social potential, to establish necessary conditions for attraction of investments, creation of new jobs, the Law of the Republic of Tajikistan "On Free Economic Zones" was developed and adopted.

3.50. Five FEZ (Panj, Sughd, Danghara, Ishkoshim and Kulob) were established in the Republic of Tajikistan.

3.51. In accordance with the legislation of the Republic of Tajikistan, entities of free economic zones, regardless of ownership, are exempted from paying all taxes, except a social tax and a personal income tax.

3.52. Currently, totally 75 domestic and foreign companies are registered in the Free Economic Zones of Tajikistan, including 29 in "Sughd", 25 in "Danghara", 16 in "Panj", and 5 in "Ishkoshim".

3.53. Of the period 2013-2019 FEZ invested 1.9 billion somoni and produced 712 million somoni.

3.54. In 2019 those zones produced goods worth 201 million somoni and invested 146 million somoni. At present, there are 1122 employees working in free economic zones.

### **3.8 Government Procurement**

3.55. In order to ensure transparency in the use of budgetary funds, create equal conditions for bidders with the support of World Bank's Institutional Development Foundation grant "Implementation and development of electronic procurement potential" a Single Portal on Government Procurement of the Republic of Tajikistan was improved and was put into operation from 2018. It should be noted that the new system on electronic procurement was developed in accordance with the modern standard - Open Contracting Data Standard.

3.56. In 2014 Republic of Tajikistan became an observer to the WTO's Government Procurement Agreement and after its initial offer submission conducts bilateral and multilateral negotiations with parties to this Agreement, taking into account national interests.

3.57. The draft Law of the Republic of Tajikistan "On Government Procurement" (new edition) was developed and is under consideration.

### **3.9 Competition and Antimonopoly Policy**

3.58. The state competition and antimonopoly policy are set up in the Republic of Tajikistan by a number of laws and other normative legal acts, which aim at protection of free competition i.a. through elimination of prohibitions on the activities of enterprises.

3.59. The Law of the Republic of Tajikistan "On Protection of Competition" was developed in order to create antimonopoly legislation, achieve it compliance with legislation and practices of developed countries, and improve implementation of the legislation taking into account the state interests and the level of social and economic development of the country.

3.60. The Anti-Monopoly Service monitors state of competition and transparency, consumer protection and takes measures in case of identification of barriers in accordance with the current legislation.

3.61. Therefore, in order to provide a legal basis for the introduction of state regulation of the prices for consumer goods and services, as well as for governments control on the increase of prices for consumer goods and services, which negatively affects the socio-economic level of the vulnerable population Anti-monopoly Service developed and approved Regulation on procedure for establishment and application of free prices and tariffs on industrial and technical products, consumer goods and services.

3.62. The Agreement on cooperation in the field of information sharing and joint promotion of antimonopoly policy in the form of Memorandum of Understanding between the Antimonopoly Services of Tajikistan, and antimonopoly bodies of the Russian Federation, Kazakhstan and Uzbekistan was signed.

### **3.10 Intellectual Property Protection**

3.63. The Republic of Tajikistan is party to 5 conventions and 3 International Treaties in the field of copyright protection.

3.64. In order to protect rights of blind people and people with the eyesight problems and with the aim to bring copyright legislation in line with international normative legal acts, Decree of the Government of the Republic of Tajikistan "On accession of the Republic of Tajikistan to the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled" was adopted and approved.

3.65. A National Intellectual Property Development Strategy of the Republic of Tajikistan for 2014-2020 was prepared and approved.

3.66. For the purpose of providing an effective implementation of the Strategy, a National Council on Coordination and Development of the Intellectual Property was established in the Republic of Tajikistan.

3.67. With respect to alignment of the industrial property legislation with the international legal acts, the Majlisi Namoyandagon of Majlisi Oli (Parliament) of the Republic of Tajikistan ratified the Singapore Treaty.

3.68. In order to promote electronic communication in the field of international registration of trademarks and servicemarks a Memorandum of Understanding between the State Institution "National Center for Patents and Information" under the Ministry of Economic Development and Trade of the Republic of Tajikistan and the International Bureau of the World Intellectual Property Organization regarding electronic correspondence under the Madrid System was signed.

3.69. Procedure for collection and placement of information in the field of innovative activity and objects of intellectual property in the Internet portal of the Innovative Development Program of the Republic of Tajikistan for 2011-2020 and Capacity Development Program for the period up to 2020 were adopted, and a National Innovation Portal of the Republic of Tajikistan ([www.innovation.tj](http://www.innovation.tj)) was established.

3.70. In 2019, three tobacco trademarks MILANO, MOND and CAVALLO were registered in the Customs Register of Intellectual Property of the Customs Service under the Government of the Republic of Tajikistan.

3.71. Currently, there are 18 trademarks registered in the Customs Register of Intellectual Property of the Customs Service, which is being updated regularly in the official website of the Customs Service ([www.customs.tj](http://www.customs.tj)) and its official magazine "Gumruk".

#### **4 BILATERAL AND MULTILATERAL TRADE AGREEMENTS**

4.1. Free trade regime is based on bilateral agreements with Uzbekistan and with Ukraine.

4.2. Agreement on Free Trade Area between CIS states was approved by the Resolution of the Majlisi Namoyandagon of Majlisi Oli (Parliament) of the Republic of Tajikistan in 2015 and is implemented.

#### **5 TAJIKISTAN'S PARTICIPATION IN THE WTO**

5.1. With a view to strengthening foreign economic relations, simplifying trade procedures, attracting foreign investments, using trade and economic dispute resolution mechanisms and protecting the country's economic interests the Republic of Tajikistan is working with WTO as a reliable partner.

5.2. Following Tajikistan's accession to the WTO, a number of commitments have been implemented and other commitments are being implemented in line with timeline.

5.3. On 2-5 June 2015, the Republic of Tajikistan hosted the "Third China Round Table" in Dushanbe.

5.4. To ensure transparency arising from various WTO agreements, the Republic of Tajikistan has so far prepared and submitted to the WTO more than 40 notifications in various areas such as intellectual property, technical barriers to trade, import licensing, rules of origin, simplification of trade procedures, subsidy and countervailing measures, agriculture, free trade areas, services, etc.

5.5. To get better business conditions for the domestic entrepreneurs abroad, the Republic of Tajikistan has joined WTO accession working parties of Uzbekistan, Iran, Azerbaijan and Belarus.

5.6. The Republic of Tajikistan is a member of Article XII group, and at its informal meetings participates in discussions on various issues such as difference between applied and bound rates of duties, support of the agricultural sector, obligations in trade in services, and others.

5.7. Also, in December 2017, at the 11<sup>th</sup> WTO Ministerial Conference in Buenos Aires, Argentina, along with the other Member States Republic of Tajikistan joined the Investment Facilitation Initiative for Development.

5.8. More than 452 representatives of ministries and agencies and private sector attended seminars, training courses, distance learning courses and other regional WTO events during 2013-2019 organized by WTO Secretariat.

#### **6 A MID-TERM FORECAST OF SOCIAL AND ECONOMIC INDICATORS OF THE COUNTRY FOR 2020-2022**

6.1. The Mid-term forecast of socio-economic indicators for 2020–2022 was developed and approved by the Government taking into account the implementation of the provisions of the National Development Strategy of the Republic of Tajikistan for the period up to 2030, the Medium-Term Development Program of the Republic of Tajikistan for 2016–2020, state, sectoral and regional programs for the socio-economic development of cities and regions, as well as instructions of the Founder of Peace and National Unity - Leader of the Nation, the President of the Republic of Tajikistan, His Excellency Emomali Rahmon.

6.2. In the approved document the gross domestic product (GDP) in 2020 is forecasted at 87.3 billion somoni with an annual growth rate of 7.8%. The forecast of further significant development of manufacturing sector depends on the efficient use of existing production facilities and newly created enterprises, as well as the improvement of the aluminum plant and other manufacturing enterprises.

6.3. It should be noted that in accordance with the provisions of the National Development Strategy of the Republic of Tajikistan for the period up to 2030, the transition from the agrarian and industrial economic development model to the industrial-agrarian economy is expected.

6.4. A volume of industrial production in the country for 2020 is forecasted at 38 billion somoni (real growth by 16.4% compared to 2019) and in 2021-2022 at 50 billion somoni (real increase by 15.9%) and 52 billion somoni (the real increase is 15.3%) respectively.

6.5. The volume of gross agricultural output in 2020 is expected to be 31.5 billion somoni with growth rate of 7%.

6.6. For the period from 2021 to 2022 this indicator is estimated at 34.3 billion somoni and 37.4 billion somoni with real growth of 6.9%.

6.7. One of the important factors for the further development of the country's economy and the implementation of strategic goals is connected with attraction of more foreign and domestic investment into the national economy. Taking into account the favourable investment climate in the country, as well as strengthening cooperation with development partners, the total volume of capital investments from all sources of financing in 2020 is forecasted to 16.7 billion somoni, including 4.2 billion somoni provided from the state budget.

6.8. In 2020, foreign trade turnover is expected to reach USD 4.8 billion and for 2021-2022, USD 5.1 and USD 5.3 billion respectively, with real growth of 6.8% in 2020, 4.8% in 2021 and 4.7% in 2022.

6.9. In 2020, exports are estimated at USD 1.3 billion (growth rate of 11.7%) and in 2021-2022 at USD 1.4 and USD 1.5 billion respectively.

6.10. The volume of imports in 2020 is forecasted at 3.6 billion USD and in 2021-2022 at USD 3.7 and USD 3.8 billion respectively.

6.11. Achievement of the forecasted macroeconomic indicators for 2020-2022 would allow ensuring sustainable development of economic sectors and improving living standards of population.

## **7 NATIONAL DEVELOPMENT STRATEGY OF THE REPUBLIC OF TAJIKISTAN FOR THE PERIOD UP TO 2030**

7.1. The ultimate goal of Tajikistan's long - term development is to raise standard of living of the country's population.

7.2. To achieve it, the following strategic goals had been identified for the next 15 years:

1. Ensuring energy security and efficient use of electricity;
2. Exit from the communication deadlock and turning the country into a transit hub;
3. Ensuring food security and access to quality nutrition;
4. Rapid industrialization of the country; and
5. Promotion of productive employment.

7.3. The economic policy within the NDS-2030 focuses on reducing the vulnerability of the country's economy from potential external risks, finding and developing effective mechanisms and internal sources of sustainable economic development, ensuring stable economic growth, productive employment, sustainable access to energy resources and favourable business environment.

7.4. In this regard, the rational use of human and natural capital, and strengthening institutional capacity development towards increased efficiency, diversification and competitiveness of the national economy, would define the future industrial development and provide a transition from agrarian-industrial to industrial-agrarian economy.

7.5. Priorities would be given to ensuring democratic governance, the rule of law, the protection of human rights and empowerment in the country. Strengthening social protection, ensuring access to safe food, improving quality of water, sanitation and nutrition, reducing social and gender inequality in all of its forms, as well as environmental sustainability issues, would be considered as important directions in the actions of legislative, executive and judicial institutions.

7.6. Huge hydropower potential, clean water, favourable land and climate, flora, significant labour resources, rich reserves of mineral resources create opportunities for the development of export-oriented industries, the creation of modern sectors of mining and manufacturing, non-ferrous and ferrous metallurgy, environmentally friendly agro-industrial complex.

7.7. The rich historical and cultural heritage of Tajikistan, its unique nature with attractive lakes, rare animals and plants, as well as high mountains are favourable conditions for the development of tourism and would increase the contribution of this industry to the GDP of the country.

7.8. Further development of hydropower capacity and implementation of regional transport and communication projects would allow Tajikistan to become a regional leader in the production and transit of cheap and clean energy, to expand the transit potential of the country.

7.9. In order to achieve these strategic goals effective measures are being implemented through approved programs and action plans.

## **8 IMPORTANCE OF THE FINANCIAL AND TECHNICAL ASSISTANCE OF INTERNATIONAL ORGANIZATIONS TO THE REPUBLIC OF TAJIKISTAN**

8.1. Tajikistan is a developing country, and foreign support programs remain important instrument of facilitation of national development. Because of that the Strategy envisages improvement of mechanisms of targeted attraction of foreign assistance to national, sectoral and regional priorities on the basis of expansion and better use of the information system of foreign support management.

8.2. As described in the current report, various assistance programs have already contributed to substantial improvement of domestic regulatory system, including customs, veterinary, sanitary measures and technical regulations.

8.3. Tajikistan is committed to effective use of support in various formats and multiplication of assistance results.

8.4. In this regard, it is proposed that the WTO Secretariat and other international organizations to provide their support to the Republic of Tajikistan in the implementation of investment projects on trade facilitation and digital trade, training of personnel engaged in regulation of foreign trade, notification procedures, trade negotiations, customs valuation, trade in services, TBT and SPS.

8.5. Tajikistan welcomes WTO Ministerial Conference to be held in Nur-Sultan in June 2020. The decision of WTO members to hold it in Central Asia is important recognition of the regions increased role in development of international trade. The Republic of Tajikistan points out that there is no alternative to the WTO as multilateral trade institution and would cooperate with other members to improve its key functions including dispute settlement and develop new areas of implementation of rules such as investments.

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