

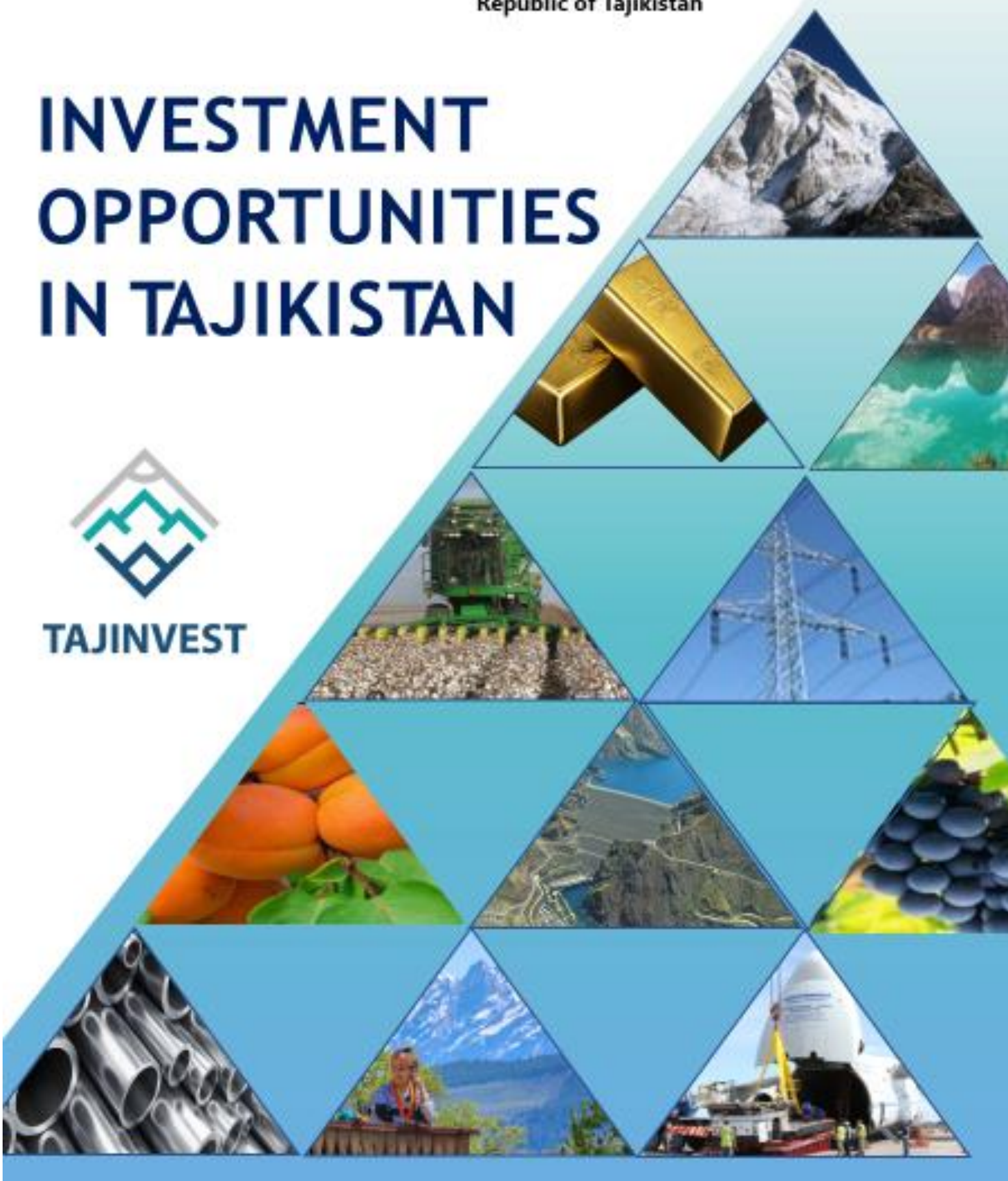


State Committee on Investment and
State Property Management of the
Republic of Tajikistan

INVESTMENT OPPORTUNITIES IN TAJIKISTAN



TAJINVEST





Contents:

<i>Tajikistan is waiting for you!</i>	6	<i>Agriculture</i>	40
<i>History of Tajikistan</i>	8	-fruits and vegetables	41
<i>General information about Tajikistan</i>	10	- cotton	42
<i>Political structure</i>	12	- textile	43
<i>Foreign policy</i>	14	- beekeeping	44
<i>Water resources - the inner wealth of Tajikistan</i>	16	- animal breeding	46
<i>Economic development</i>	18	- fish farming	47
<i>Tajikistan in the world rankings</i>	20	<i>Mining industry</i>	48
<i>Investment activity in Tajikistan</i>	22	- aluminum	50
- Legislation in the sphere of investments	24	- gold and silver	51
- Doing Business in Tajikistan	26	- coal	52
- Tax and customs preferences and privileges	28	- other resources	53
<i>Free economic zones</i>	33	<i>Transport</i>	56
<i>Priority sectors for investment</i>	34	<i>Financial sector</i>	58
<i>Hydropower industry</i>	36	<i>Tourism</i>	60





«For the purpose of improving the investment environment, attracting investments and support of the private sector, and strengthening the guarantees and obligations of investors, we need, taking into account the observance of international standards, to implement appropriate measures to improve the legislative system and international mechanisms of investment guarantees and agreements. In this process, in order to attract investments and develop industrial entrepreneurship, the priority should be given to the implementation of investment projects using modern technologies and to export-oriented and environmentally friendly production».

Founder of peace and national unity - Leader of the nation,
President of the Republic of Tajikistan,
His Excellency **EMOMALI RAHMON**

DEAR LADIES AND GENTLEMEN

WE SINCERELY THANK YOU FOR YOUR INTEREST AND DESIRE FOR MUTUALLY BENEFICIAL COOPERATION.

The Republic of Tajikistan is a steadily developing, competitive country that provides a decent level of life for the population and living standards, providing equal opportunities for the realization of human potential based on equality, justice and respect for human dignity. Since obtaining its independence, the Republic of Tajikistan has been pursuing an active policy aimed at ensuring economic growth and integration into the world economy. The political and investment climate, the adopted legislative and regulatory acts contribute to the solution of many priority tasks related to the growth and modernization of the economy, investment attraction and development of the private sector.

The Republic of Tajikistan, as a full-fledged member of the world community, is actively continuing the process of institutional and socio-economic reforms aimed at strengthening the legal framework, developing contract performance and corporate governance systems, enforcement of property rights, eliminating unnecessary administrative barriers, and increasing investment potential and reducing investment risks.

As a result of implemented reforms during the years of independence, the income of the population has increased almost 30 times, savings have increased more than 90 times, and the poverty level has decreased from 83% to 30%, and in recent years, the country's economic growth has reached an average of 7%. During the last 16 years, the dynamics of investment attraction has increased more than 110 times and hundreds of large and small enterprises were built and one hundred thousands of jobs were created.

As a result of admission of significant progress of reforms, Republic of Tajikistan joined the ranks of the countries of the top reformers in 2010, 2011, 2015 and 2020, in the World Bank's Doing Business report.

These achievements have become possible due to the political will of the country's management, the fruitful work of government structures, the active participation of development partners and the private sector.



This collection provides more detailed information on investment Opportunities and priority sectors, the country's business environment, and also preferences and privileges provided by the country's legislation.

We invite you to open new markets, to mutually beneficial cooperation and the implementation of new business ideas in the Republic of Tajikistan.

We wish you success in your creative endeavors in the implementation of investment projects.

**State Committee on Investment and State
Property Management of the Republic of Tajikistan**



HISTORY OF TAJIKISTAN

Tajikistan - is a country with ancient history, culture and traditions. In 874-1005 the Tajik nation was formed in the Samanid state with a common language, territory and culture. From the roots of this state, the civilization and statehood of subsequent generations of Tajiks were grown.



Al-Khorazmi, Al-Forob and Aburaihon Beruni scholars, such stars of the first magnitude on the horizon of world poetry, like Khayyam, Rumi, Saadi, Hafiz, Jami, masters of art work Borbad, Mani, Behzod were known far beyond ancient Sughd, Khurasan and Movarounnahr - the main territory of modern Central Asia.



The culture of the Tajiks is unique and requires the multiplication and preservation of national values.

Tajiks made a significant contribution to the spiritual treasury of civilization; they gave to the world outstanding and remarkable scientists, philosophers, writers, poets and architects, whose works became an integral part of the scientific and cultural baggage accumulated by the world civilization. Examples of this are the lyrics of the founder of Persian-Tajik literature Abuabduullo Rudaki, the immortal national-epic poem 'Shahname' of Abulkosim Firdausi, which absorbed the legendary history of the Persians and Tajiks, and the 'Canon of Medical Science' of Abuali Ibn Sina (Avicenna), a treatise that served as the main guide to medical schools in Europe, for many centuries.





GENERAL INFORMATION ABOUT THE REPUBLIC OF TAJIKISTAN

Today the Republic of Tajikistan is a mountainous country with absolute altitudes from 300 to 7495 meters. 93% of the country's territory are mountain ranges related to the Pamir, Gissar-Alai and Tien-Shan mountain systems. These ridges are divided by rich and fertile lands of Fergana, Zerafshan, Vakhsh and Gissar valleys. The complexity of the terrain and the large amplitude of the altitudes of mountain systems cause an exceptional diversity of flora and fauna.



Location: south-east of Central Asia. It borders in the east with China, in the west and north - with Uzbekistan, in the north - with Kyrgyzstan, in the south - with Afghanistan.

Territory: 142.6 thousand square kilometers

Climate: distinctly continental - in January the temperature is from -20°C to 0°C ; and in June from 0°C to $+30^{\circ}\text{C}$, depending on the altitude.

Population: 9.1 million people (as of January 1st, 2019)

Capital: Dushanbe city

Administrative division: Gorno-Badakhshan Autonomous Oblast, Sughd Region, Khatlon Region, Regions of Republican Subordination.

Language: Tajik (state), Russian (the language of interethnic communication)

Currency: Tajik Somoni (TJS)

POLITICAL STRUCTURE



The Republic of Tajikistan is a sovereign, democratic, law-based, secular, and unitary state.

According to the Constitution, the form of the government of the Republic of Tajikistan is presidential.

State power in the republic is based on the principle of separation into legislative, executive and judicial authorities.

PRESIDENT OF THE REPUBLIC OF TAJIKISTAN

The President of the Republic of Tajikistan is the executive head of the state authority and of the Government.

The President is elected by citizens of Tajikistan based on universal, equal and direct suffrage by secret ballot for a period of 7 years. Every citizen of the country at the age of 30 who speaks the state language and resides in Tajikistan for at least the last 10 years can be nominated as a candidate for the post of the President of the Republic.

LEGISLATIVE AUTHORITY

The highest representative and legislative body of the Republic of Tajikistan is the Majlisi Oli, the parliament of the Republic of Tajikistan. The Majlisi Oli consists of two chambers - the Majlisi Milli (upper chamber) and the Majlisi Namoyandagon (lower chamber) and is elected for a term of five years. Members of the Parliament of the Majlisi Namoyandagon are elected based on universal, equal and direct suffrage by secret ballot.

EXECUTIVE AUTHORITY

The Government of the Republic of Tajikistan is a body of executive state authority. The Government of the Republic of Tajikistan carries out its activities on the basis of the Constitution of the Republic of Tajikistan, the Constitutional Law of the Republic of Tajikistan and other regulatory acts. The Chairman of the Government of the Republic of Tajikistan is the President.

JUDICIAL AUTHORITY

The judicial authority in the Republic of Tajikistan is carried out by the Constitutional Court, the Supreme Court, the Superior Economic Court, the Military Court, and by the courts of the Gorno-Badakhshan Autonomous Oblast, by the regional, city and district courts. The judicial authority is independent, it protects individual rights and freedoms, interests of the state, organizations, institutions, legality and justice. Judges are independent in their activities, they only obey the Constitution and the Law.



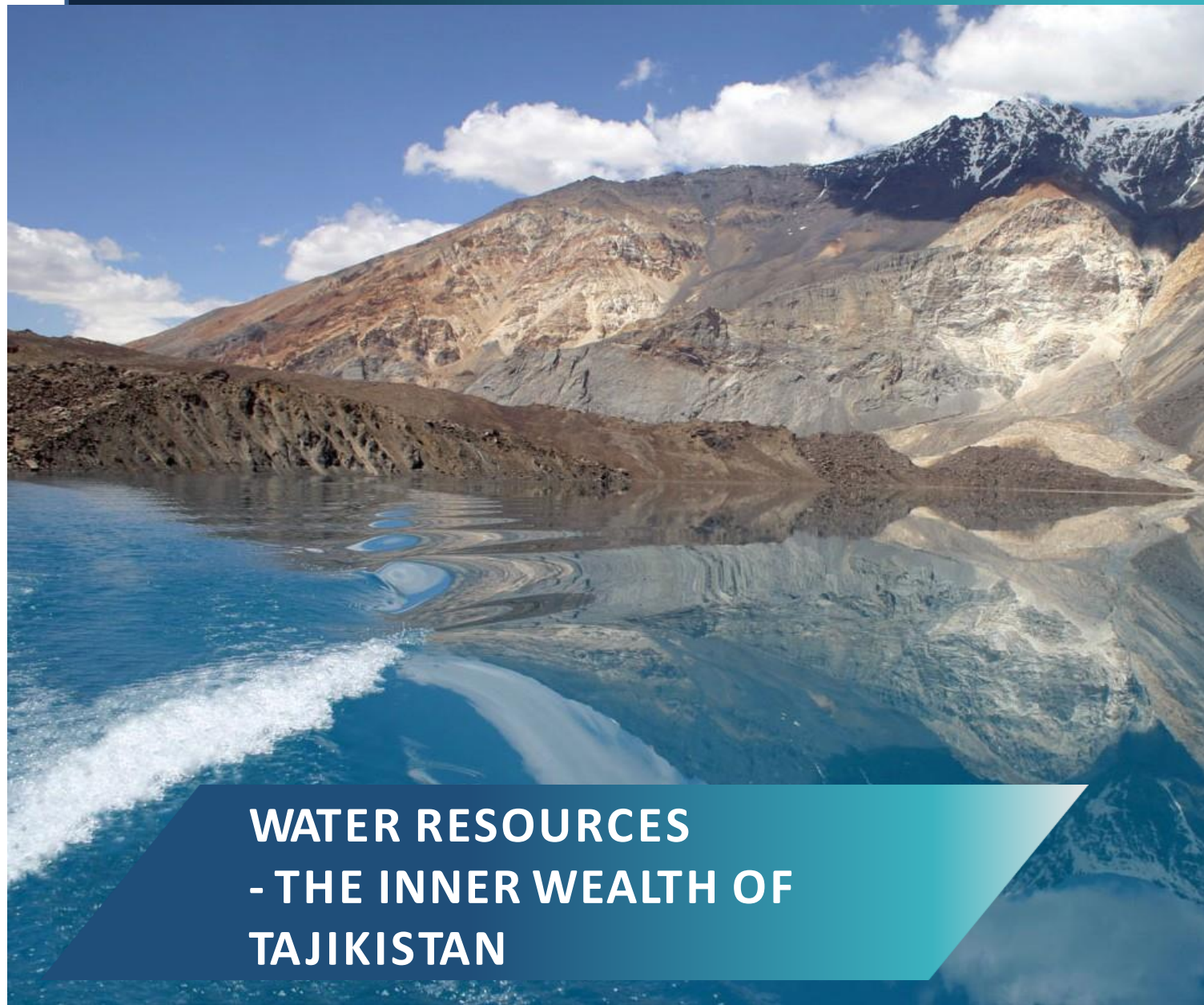
FOREIGN POLICY

Implementing a peaceful policy Tajikistan respects the sovereignty and independence of other states of the world and determines its foreign policy on the basis of international norms.

The basis of the foreign policy of the Republic of Tajikistan is the principle of Open Doors. By implementation of this principle Tajikistan develops friendly relations based on mutual respect, equality and mutually beneficial cooperation with all countries of the world.

Due to this policy, our country has strengthened its position in the international arena. Today, 151 countries officially recognized Tajikistan, and the diplomatic relations are established with 126 of them. The Republic of Tajikistan is an active member of more than 50 international and regional organizations such as the UN, the World Bank, the International Monetary Fund, the Asian Development Bank, the Islamic Development Bank, the OSCE, the Organization of Islamic Cooperation, the SCO, the WTO and others.





WATER RESOURCES - THE INNER WEALTH OF TAJIKISTAN

The Republic of Tajikistan is rich in water resources. Annually 115 billion cubic meters of water is formed within the country, mainly within the Amudarya and Syrdarya river systems. About 70% of all drinking water resources of Central Asia are located in Tajikistan.

There are more than 1300 lakes in Tajikistan, in which 46.3 km³ of water are concentrated, including more than 20 km³ of fresh water. The water surface of the lakes occupies 1005 km², which is about 1% of the country's territory. Among them, the most high-mountainous lakes are Chapdara (4529 m), Karakul (3914 m), Zorkul (4126 m), Turumtaykul (4213 m) and others. Kulikalon Lakes, Hazor-Chashma and Iskanderkul have glacial origin.

The Sarez Lake is the youngest one, which is located in the valley of the Murgab River. It was formed in February 1911 as a result of the Usoy earthquake. The volume of accumulated water in this lake is about 17.5 billion cubic meters.

Tajikistan is the country where the largest rivers of Central Asia originate. The total length of rivers with length of more than 10 km exceeds 28500 km. The rivers of Tajikistan belong to the basins of the Amudarya (including the Zeravshan River), the Syr Darya, Markans and the drainless basins of Pamir.



There are more than thousand glaciers with a length of more than 1.5 kilometers and a total volume of about 550 km³ of water located in the republic. Glaciers in Tajikistan cover an area of more than 9000 km², which is almost 6% of the total area of the republic. The largest of them are the Fedchenko, Grumm-Grzhimailo, Garmo and Zeravshansky glaciers. To date, Tajikistan uses only 20% of the available water potential.





ECONOMIC DEVELOPMENT

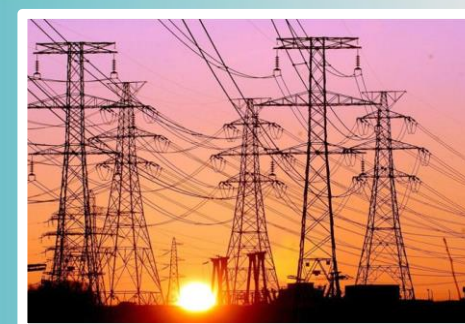
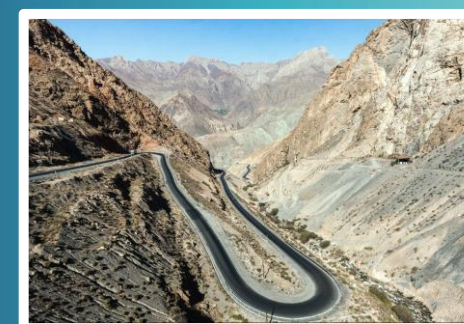
During the years of independence of the Republic of Tajikistan, the provision of sustainable economic growth of the country was defined by the Government as the main source of increasing the welfare of the population. In this regard, the process of implementing institutional, economic and social reforms was initiated.

To increase the effectiveness of the results of reforms, Tajikistan was the first of 82 countries to develop and implement the National Development Strategy for the period until 2015.

Effective implementation of the measures provided for in the National Strategy contributed to the achievement of significant success in the following strategic objectives:

- Assurance of energy independence;
- Overcoming of the country's communication isolation;
- Assurance of food security.

The dynamics of the most important macroeconomic indicators in recent years shows a significant rate of development of the main sectors of the economy. Over the years of implementation of the National Strategy, a stable average annual GDP growth rate at a level of 7% was achieved, the poverty level and welfare of the country's population were decreased by fifty percent. Although growth in 2020 fell to 4.5% due to the pandemic, renewed growth to over 7% p.a. is expected in the next few years.



Further growth of the national economy was facilitated by the support of the private sector and the development of entrepreneurship. And it should be noted that in recent years the private sector has been actively involved in improving the rate of development of the main sectors of the economy. Due to the complex process of reforms over the past ten years, the number of business entities has increased by 85% and currently amounts to more than 300 thousand.

Taking into account the effective results of the previous Strategy, the Government of the country in 2016 adopted a new National Development Strategy for the period until 2030.

In this Strategy, a special priority for achieving the set goals is given to the private sector and attraction of private investments, and this is the evidence of the importance of involving the private sector in ensuring sustainable development of the national economy in the long term period.

Basic indicators	2014	2015	2016	2017	2018	2019	2020
GDP growth (%)	106,7	106,0	106,9	107,1	107,3	107,5	104,5
Inflation rate (%)	6,1	5,8	6,1	6,7	5,4	8,0	9,4
Foreign trade turnover (in millions USD)	5274,8	4325,5	3929,9	3972,9	4224,3	4523,7	4557,8



TAJIKISTAN IN INTERNATIONAL RATINGS

Reforms and effective economic policy of the Government of the Republic of Tajikistan were recognized in the international arena. Tajikistan has joined the ranks of the top-ten reformer countries in the World Bank Doing Business Report in 2010, 2011, 2015, 2020.

The most important achievement of the reforms is that in the period from 2000 to 2020, the poverty rate decreased from 83% to 26,5%. On the rate of poverty reduction over the past 20 years, Tajikistan is among the top 10 best performing countries in the world.

In 2014 according to the Globe Spots international rating our country was awarded the second place in the list of the most attractive countries in the sphere of tourism.

In 2017, the British Magazine Wanderlust Travel published a rating of countries in which it is easiest to obtain touristic visa.

Tajikistan ranks fourth among countries with a simplified visa procedure. In 2016 an online visa issuing system was introduced.

In 2015, Tajikistan ranked fourth in the rating of the American public opinion institute of Gallup in the category of the safest countries in the world.

During the period from 2011 to 2015, Tajikistan took the 6th place in the world in terms of electricity consumption from renewable sources.

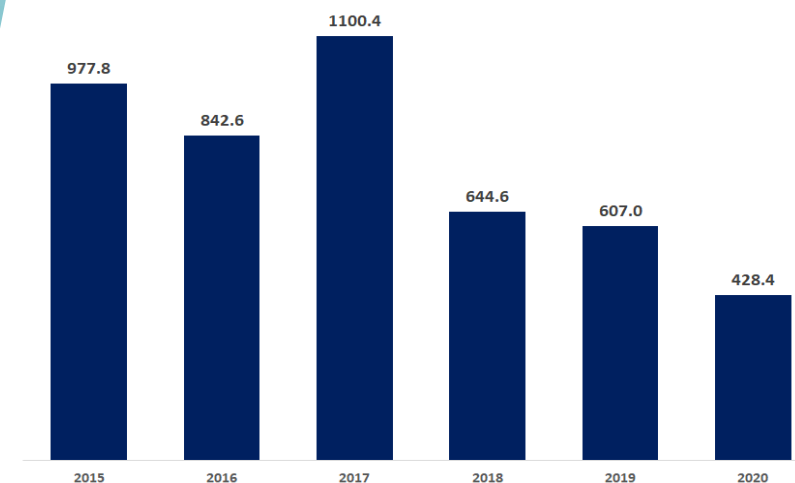


INVESTMENT ACTIVITY IN TAJIKISTAN

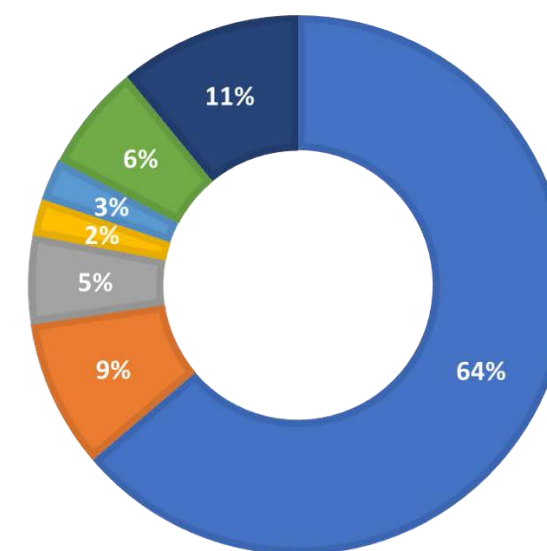
Due to the measures taken by the Government of Tajikistan, the dynamics of the inflow of investments, including foreign direct investment, into the economy of the country has positive trends. Tajikistan has implemented more than 70 public investment projects totaling more than 3 billion USD. The Republic of Tajikistan today is a country with significant investment advantages, such as:

- Strategic geographical location
- Political and economic stability
- All-round support of private business and entrepreneurship
- Abundance of natural resources
- Rapidly developing Infrastructure

DYNAMICS OF FOREIGN INVESTMENTS INFLOW IN 2015-2020 (MILLION USD)



FDI inflows by SECTORS in 2020



■ Mining ■ Transport ■ Industry ■ Finances ■ Constructions ■ Tourism ■ Other



INVESTMENT LEGISLATION

For the purpose of forming a favorable investment and business environment, as well as attraction of foreign investments over the period of independence, more than 100 normative and legal acts, regulating this sphere have been adopted, including the laws:

- On State Support of Entrepreneurship,
- On Investments,
- On Foreign Economic Activity,
- On Financial Rent (leasing),
- On Investment Agreements,
- On Concessions,
- On Free Economic Zones,
- On Public-Private Partnership and other regulatory acts.

These laws are aimed at legal protection of investments, providing investors with fiscal and non-fiscal incentives, ensuring their participation in the privatization process and infrastructure development.

Legislation of the Republic of Tajikistan guarantees equal rights to both domestic and foreign investors, and protects their property from nationalization and requisition.

Investors have open access to the real sectors of the economy, and also have the right to carry out exploration, processing and exploitation of the natural resources of the Republic of Tajikistan.

Moreover, investors are guaranteed the right to freely transfer abroad income and salaries in foreign currency, obtained legally from investment and production activities.

In case if the subsequent legislation of the Republic of Tajikistan will lead to an increase of the aggregate tax burden to the investor's activity, then within ten years they are given a guarantee of applying the legislation that was in effect at the time of registration of the enterprise.

When carrying out reinvesting, the investors fully make use of legal protection, guarantees and privileges established by the legislation of the Republic of Tajikistan.

The investment agreement may specify a special regime of implementation of the investment project and provide the investor with certain privileges, not stipulated by the legislation of the Republic of Tajikistan. The Government of the Republic of Tajikistan guarantees compliance with and implementation of the provisions of the investment agreement by all government bodies responsible for implementing the investment agreement.

In December 2007, in order to improve the investment environment and private sector development, the Consultative Council on Improving the Investment Environment was established under the President of the Republic of Tajikistan, which is a platform for an open dialogue between the government bodies and the private sector.





DOING BUSINESS IN TAJIKISTAN

Due to the timely support of the Government of Tajikistan and the ongoing reforms, amount of small and medium-sized business entities is constantly growing and today the portion of the private sector in the GDP structure is about 70%, and almost 80% of tax revenues in the state budget fall on this sector. In addition, 67% of the economically active population are involved in the private sector.

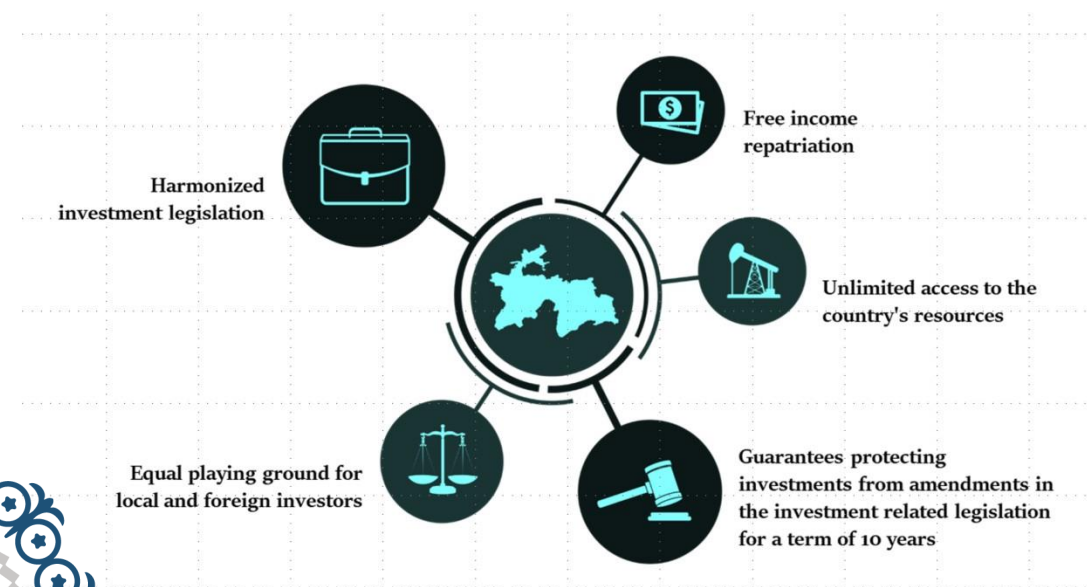


Due to the reforms, the list of taxes was reduced to 10 types. In addition, the system of 'Single Window' operates in the country, for the registration of legal entities and individual entrepreneurs, with the introduction of which the amount of registration authorities was reduced to one, the time of registration was reduced to 3 days.

Amount of permit documents for conducting business activity was reduced from 605 to 74. There is an electronic system for issuing permit documents. A Single Window was created to obtain a permit for the construction. Because of the above-mentioned reforms and initiatives, the Republic of Tajikistan improved its positions in the World Bank's rating of Doing Business by 60 positions during the past 5 years.

In 2020, *Doing Business* acknowledges the 10 economies that improved the most on the ease of doing business after implementing regulatory reforms. In *Doing Business 2020*, the 10 top improvers are Saudi Arabia, Jordan, Togo, Bahrain, Tajikistan, Pakistan, Kuwait, China, India, and Nigeria. These

economies implemented a total of 59 regulatory reforms in 2018/19—accounting for one-fifth of all the reforms recorded worldwide. Their efforts focused primarily on the areas of starting a business, dealing with construction permits, and trading across borders.





TAX AND CUSTOMS PREFERENCES AND PRIVILEGES FOR INVESTORS

In the Republic of Tajikistan, about 100 investment incentives are provided for the creation of a favorable investment environment, as well as attracting investments in the country by legislative and regulatory acts. Investment incentives are divided into fiscal (such as tax rebates) and non-fiscal incentives (such as grants, soft credits, measures to improve the business environment).

Depending on the amount of the investment, companies are exempt from profit tax up to a period of 5 years.

In addition to privileges by law, specific preferences can be agreed upon by signing an investment agreement with the government of the republic.

PROFIT TAX EXEMPTION

FOR
2
YEARS

with an investment of up to
\$500 thousand

FOR
3
YEARS

with an investment from
\$500 thousand to \$2 million

FOR
4
YEARS

with an investment from
\$2 million to \$5 million

FOR
5
YEARS

with an investment,
exceeding \$5 million

PRIVILEGES AND PREFERENCES IN BUSINESS

AGRICULTURE

Import of agricultural equipment is exempted from VAT and customs duties.

Activities related to the delivery or export of cotton fiber, cotton yarn and raw cotton are exempted from VAT.

Import of goods for own needs by newly created enterprises engaged in the full cycle of processing cotton-fiber into final products is exempted from such taxes as:

- value-added tax at zero rate;
- from payment of income tax;
- from payment of real estate tax up to 12 years.

Value added tax is established at a rate of 10 percent for the import of wheat, the delivery of wheat and the final result of its processing (flour or bran).

The poultry products and enterprises engaged in the production of combined fodder for birds and animals and operating with the involvement of foreign capital in the amount of not less than 16 million US dollars are exempted for up to 12 years from payment of:

- value added tax;
- profit tax;
- road tax;
- real estate tax;
- customs duties for the import of goods for the needs of enterprises.

INDUSTRY

Import of goods directly for own needs by newly created enterprises involved in the industrial processing of leather, wool, raw silk and other agricultural raw materials into final products is exempted for a period of up to 5 years from payment of:

- customs duties;
- value added tax;
- profit tax.

The enterprises engaged in the full cycle of processing cotton fiber into the final product are exempted for up to 12 years from payment of:

- profit tax;
- real estate tax;
- customs duties for the import of goods for own needs of the enterprise.

Delivery, including for export, of the following goods is exempted from value added tax:

- precious metals and stones;
- jewelry from precious metals and stones;
- primary aluminum;
- metal concentrates;
- commercial ore;
- ferrous and non-ferrous scrap metals;
- other metals produced in the Republic of Tajikistan.

POWER ENERGY

For the construction of a hydroelectric power plant, the investor and the general contractor are fully or partially exempted from payment of:

- value added tax;
- road tax;
- profit tax (tax payable on a simplified system);
- vehicle tax;
- real estate tax;
- social tax in respect of foreign citizens directly engaged in the construction of HPP.

Import of goods for the construction of hydroelectric power plants, which are especially important objects, is exempted from customs duties.

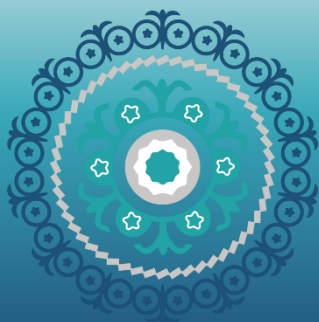
When constructing a hydroelectric power plant, the investor and the general contractor are fully or partially exempted from paying the state duty for the registration of prospectuses of non-state securities carried out in connection with the construction of a hydroelectric power plant.

PROCESSING EQUIPMENT

Import of production and manufacturing equipment and components for the creation of a full production cycle are exempted from payment of: customs duty; -value added tax.

The zero rate of import customs duty for the import of goods originating from the member states of the Eurasian Economic Community and Ukraine.

The lowered rate of the import customs duty at a rate of fifty percent of the approved rates is valid for the import of goods originating from the least developed countries.



TOURISM

Newly established enterprises operating in the field of tourism are exempted from payment of profit tax for a period of 5 years.

Import of equipment and building materials for tourist facilities is exempted from the payment of value added tax and customs duties.

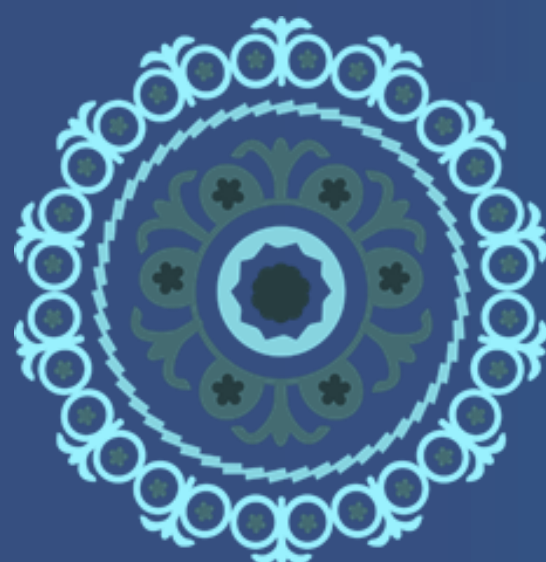
SECURITIES MARKET

The activities of securities market entities in Tajikistan are exempt from payment of profit tax and value added tax for a period of 5 years.

Investors receiving income from circulation of securities on the stock exchange of Tajikistan are exempted from income tax and tax on dividends for a period of 5 years.

MEDICINE

Import of medicines, medical, pharmaceutical equipment and medical instruments is exempted from VAT and customs duties.



FREE ECONOMIC ZONES



One of the effective incentives for the attraction of investments is the creation and operation of free economic zones.

For the purpose of provision of favorable conditions for attracting foreign investments and support of the private sector, four free economic zones were created in Tajikistan:

- Dangara FEZ, with a total area of 521 hectares (Khatlon region);
- Sughd FEZ, with a total area of 320 hectares (Sughd region);
- Pyanj FEZ, with a total area of 401 hectares (Khatlon region);
- Ishkoshim FEZ, with a total area of 200 hectares (GBAO);
- Kulob FEZ, with a total area of 309 hectares (Khatlon region);

Currently more than 70 entities operate in free economic zones, which are exempted from all types of taxation, except for income and social taxes. During the activity of free economic zones, 160 million dollars of investments were attracted to the economy of Tajikistan.

Preferences

In accordance with the legislation of the republic, the import of production and construction equipment into the territory of free economic zones is carried out without levying customs duties and taxes.

Taxes and customs duties are not levied and economic prohibitions and restrictions are not applied, when exporting goods from the territory of the free economic zone outside the Republic of Tajikistan.

Import of domestic and foreign goods are exempted from excise duty.

Rent

The annual rent for one square meter of the land plot is 1 USD.



PRIORITY SECTORS FOR INVESTMENT

Prospective sectors of Tajikistan's economy for attracting investments:

- Hydropower industry;
- Agriculture and processing of agricultural products;
- Mining and chemical industry;
- Light industry;
- Transport;
- Financial sector;
- Tourism.

HYDROPOWER INDUSTRY

The Republic of Tajikistan has inexhaustible reserves of hydroelectric resources, occupying the 8th place in the world in terms of their specific reserves (per capita and area unit). Tajikistan has the potential to produce 527 billion kW/hr. of electricity per year, but today only 6% of this potential is being used.

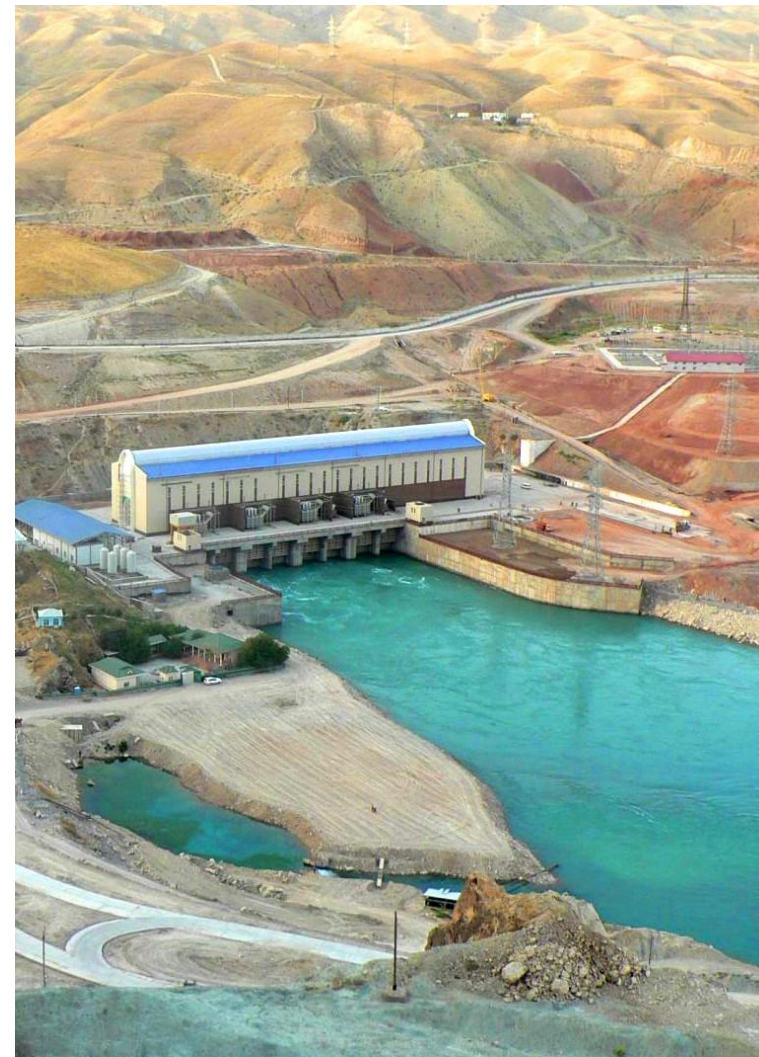
Over the years of independence, the Government of the Republic of Tajikistan has been implementing raft of measures on the way to achieving one of the strategic goals, which is energy independence. So, for example, the following facilities were built and put into operation:

- the Sangtuda-1 hydroelectric power plant with a capacity of 670 MW;
- the Sangtuda-2 hydroelectric power station with a capacity of 220 MW;
- 283 small hydroelectric power plants with a capacity of 30 thousand kW;
- Dushanbe-2 CHP plant, with a capacity of 400 mW;
- North-South PTL - 500 kW.

In November 2018, the first power turbine of Rogun HPP was launched, marking another important milestone for the energy sector of Tajikistan. The Rogun hydropower plant (HPP), being embedded into broader reforms and a sound macro-fiscal framework, will create greater prosperity for the people of Tajikistan. The final project capacity will be 3 600 MW, thus being the biggest HPP in the region.

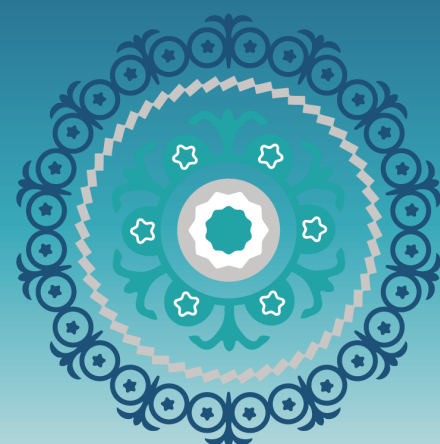
In addition, projects on modernization and reconstruction of existing facilities in the electric power industry have been continued.

At present, by the financial support of the Asian Development Bank and the European Bank for Reconstruction and Development, a project feasibility study has been conducted on the rehabilitation and modernization projects for the Head HPP (240 MW) and Kairakkum HPP (126 MW). The Government of the Republic of Tajikistan signed an agreement with the Asian Development Bank to allocate a grant of 136 million USD for the modernization of the Head HPP. Projects for the modernization of hydroelectric power plants also envisage an increase in the capacity of hydroelectric generators up to 10%, which will ensure an increase in their installed capacity.





THE HIGH VOLTAGE PTL CASA - 1000 PROJECT



The opening ceremony of the CASA-1000 (Central Asia South Asia Electricity Transmission and Trade Project) regional project for the construction of a transnational PTL was held in Tajikistan on May 12th, 2016. It was attended by the government executives of the four participating countries of the project - Tajikistan, Afghanistan, Pakistan and Kyrgyzstan. The CASA-1000 project for construction of high voltage power transmission line, by which the export of electricity will be transported from Tajikistan and Kyrgyzstan to Afghanistan and Pakistan, is planned to be realized within two years. The project costs exceed 1 billion USD.

The realization of the project will connect the electrical networks of Central and South Asia, and facilitate the creation of a common electricity market in the region.





AGRICULTURE

One of the main sectors in the economy of the Republic of Tajikistan is agriculture, due to which currently the country provides about 23.3% of GDP, more than 70% of jobs, 25% of exports and 35% of tax revenues to the state budget.

Despite the fact that the climatic conditions of the republic are ideally suited for the cultivation of virtually all varieties of grain crops, the mountainous terrain yet still slightly narrows down the possibilities of the population in agricultural production.

The total area suitable for agricultural activities is 7.2 million hectares, however most of it is used as pastureland for livestock. The cultivated land for agricultural crops is total of 675 thousand hectares, of which only 470 thousand hectares are irrigated. Another 180 thousand hectares of these areas are cultivated under gardens and vineyards.

Every year, more than 1.4 million tons of grain, 900 thousand tons of potatoes, 1.6 million tons of vegetables, 595 thousand tons of melons and 300 thousand tons of fruits are produced on irrigated and rainfed lands of sunny Tajikistan. It should be noted that in 2017 the volume of export of Tajik vegetables and fruits exceeded 200 thousand tons.



FRUIT PROCESSING

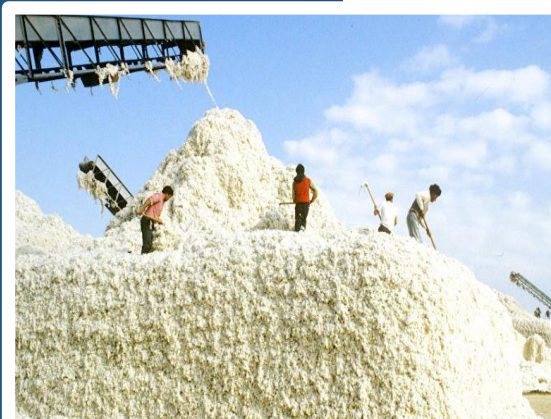
Tajik fruits are highly valued in many countries of the world not only because of their ecological compatibility, but also excellent taste qualities. Unique climatic conditions of the republic allow to grow here apricots, peaches, grapes, apples, pears, persimmons, pomegranate and citrus fruits. Vegetables and fruits occupy the second place in the republic, after cotton, by volume of export.

Today, there are more and more enterprises working on fruit processing in Tajikistan. One of the important factors in this case is that dried fruits are easily transported, stored and sold at higher prices. Over the past few years, this industry in Tajikistan has demonstrated stable growth rates, mainly due to exports of manufactured products.



COTTON

Cotton up to the present day continues to form the basis of Tajik export. That is why this agricultural crop occupies 1/3 of the entire ploughed area of the republic. Due to suitable agro-ecological conditions, in which 10 months of sunny days a year play an important role, and due to abundant water resources, one can annually produce in the country up to 400 thousand tons of high-quality cotton.



TEXTILE INDUSTRY

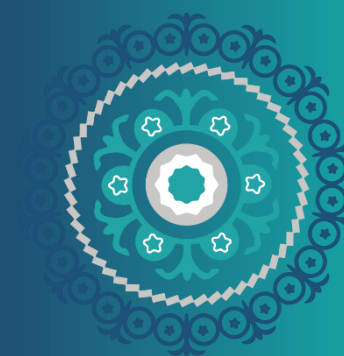
The volume of foreign investment in the textile industry of the Republic of Tajikistan has significantly increased in recent years. A remarkable example of this is the construction of the first stage of the Textile Complex of Juntai Dangara Sin Silu Textiles CJSC in Dangara city. The capacity of this enterprise allows annually to process 52000 tons of cotton fiber and producing up to 150 million square meters of cotton fabric. The enterprises for the production of cotton-fiber Olim-Textiles and Khujand-Invest-Cotton were also no less successful.

It should be noted that currently cotton fiber, fabric and cotton yarn, clothes and clothing with additional textile improvements are produced in the republic. Currently, 107 cotton ginning factories operates on the country's territory, which produce more than 120 thousand tons of high-quality cotton fiber, of which only 12 000 tons per year is processed by textile enterprises of Tajikistan. Even though the capacity of spinning factories allows processing more than 70 000 tons of cotton fiber per year.





ANIMAL BREEDING



Animal breeding is one of the component parts of the agrarian sector of the economy of the Republic of Tajikistan, which, from the point of view of the total production of agricultural products in the country, ranks second after the crop production.

In the mountain regions of the republic, animal breeding is the main source of income for the population. Comfortable natural and climatic conditions, soil quality and abundance of various wild plants in the republic form favourable conditions for raising various breeds of farm animals. That is why the number of livestock inventory and poultry stock in Tajikistan annually increases on average by 8-10%. The portion of farm units among the population in the production of all livestock products, except for eggs and poultry meat, has been steadily increasing in recent years, exceeding 85-90%.





BEEKEEPING

In Tajikistan, beekeeping is part of the national culture and has its own ancient history. Even the famous scientist Abuali ibn Sina (Avicenna), in his work The Canon of Medicine told about the benefits of honey and bee venom for human health.

The abundance of nectariferous plants in the republic allows to breed from 500 to 600 thousand honey-bee colonies, which could bring from 10 to 12 thousand tons of honey per year, as well as a large number of other related products such as wax, propolis, pollen, royal jelly and bee venom.

In the conditions of Tajikistan, a huge bee forage for the development of beekeeping is available. To date, honey-bearing farmland is about 5 million hectares, which allows raising the production of honey to more than 4 thousand tons per year.



FISH FARMING

Taking into consideration the geographic features of the republic and the large number of mountain rivers and lakes, fishing in Tajikistan is considered one of the most profitable areas of activity.

To date, the demand of the republic's population in fish is 14 thousand tons. Taking into account the available volumes of water resources, the country plans to increase the production of fish products to 20 thousand tons. It should be noted that as of January 1st, 2021, the volume of fish production in the Republic of Tajikistan was 3570 tons.

MINING INDUSTRY

Today, on the territory of the Republic of Tajikistan, about 40 kinds of minerals are mined. About 100 deposits are being exploited. More than 600 deposits of polychrome, rare and precious metals have been identified and explored, and are partially prepared for industrial development.

The country's soil is rich in zinc, lead, bismuth, molybdenum, tungsten, copper, gold, silver, antimony, mercury, fluorspar, tin, uranium, iron, manganese, table salt, magnesium and many other mineral resources with a high export potential.





ALUMINUM

The Tajik Aluminum Company (TALCO) is the main aluminum producer in the Republic of Tajikistan, an estimated capacity of which amounts to 517 000 tons of primary aluminum per year. Undoubtedly, the fall in world prices for aluminum has adversely affected the Tajikistan production, as a result of which in 2016 only 156 tons of primary aluminum was drawn.

Since 2009, the Tajik Aluminum Company has also been working on the production of 40 types of cable products within the framework of the TALCO Cable project, which meets all international quality standards and has been exported to CIS and European countries.

Another achievement of Talco Management Ltd is the launch of an enterprise for the production of electrical cable in 2011. Currently, 10000 tons of electrical cables are produced per year.

The year of 2015 for TALCO was no less significant, when the company opened in Tajikistan the first cable plant based on the use of domestic copper.

The high quality of the products and its undeniable competitiveness were marked out with international awards. In 2008 the Tajik aluminum Company became the winner of the international award The Best Enterprises of Europe, and the products produced by this company were marked with the European quality label.



GOLD, SILVER AND PRECIOUS STONES

The volume of the gold reserve of the Republic of Tajikistan amounts to 250-300 tons. Annually, more than 10 tons of gold is extracted in the country, but currently the prospect of a possible increase in production up to 20 tons per year is being considered.

Tajikistan is famous for one of the world's largest silver deposits. Bolshoi Konimansur (Big Konimasur) is the pride of the northern region of the republic, where more than 60 000 tons of silver are concentrated.

Another wealth of the republic are numerous deposits of precious stones. Only in 2020 the total amount from the export of precious, semiprecious stones and metals amounted to about 690 million US dollars, and the amount from the export of non-precious metals and their articles made therefrom amounted to 187 million US dollars.



COAL

The bowels of Tajikistan abound with almost all types of coal, from brown coal of Shurab to unique ultra-pure anthracites of Nazar-Aylok. Currently coal reserves of the country are estimated at 4,3 billion tons.

At the moment, 40 coal deposits have been identified and partially studied in the republic. The extraction is carried out by 18 enterprises, the largest of which is the Shakhta Fon Yagnob UE, with the potential of 600 thousand tons per year. Due to effective state support and attraction of investments into the domestic coal industry, the level of productivity of enterprises in the republic has significantly increased in recent years. Therefore, in 2020, coal production in the country amounted more than 2 million tons. This is 100 times higher than it was mined in 2000. Huge coal reserves in Tajikistan are a good opportunity to increase the volume of its extraction and processing for the purpose of improving the production of fuel, chemical and technological materials on an industrial scale. In this case, the rational use of coal can promote the development of the chemical industry and non-ferrous metallurgy in the country.



OTHER MINERAL RESOURCES

Republic of Tajikistan is among the richest countries in antimony reserves, ranking second in Asia, after China. In the bowels of the deposit Skalnol, 50% of all the reserves of antimony are hidden at the area of the CIS.

On the territory of Sughd region there are more than 214 richest deposits of natural resources. The value of the hidden volume of metal ores in these bowels according to preliminary estimates is estimated at 10 billion USD.

26 deposits of lead and zinc in this region of the republic, 3 deposits of copper and bismuth, 1 molybdenum and wolfram, 3 iron, 15 gold, 7 silver, 1 stannum, 11 hard coal, 11 oil and gas, 5 fluorspar deposits, and 1 rock salt deposit fall on this area of the republic.



Central Tajikistan is famous for its wolfram deposit Maihura, which is unique also because only 95 kilometers away from the city of Dushanbe it is possible to build a mining enterprise with a capacity of up to 150 thousand tons of ore per year.

It is noteworthy that oil and gas reserves were discovered in the days of existence of the Soviet Union. Currently, more than 7.9 million tons of oil and 5.6 billion cubic meters of gas are hidden in the bowels of Tajikistan.



Khatlon region of Tajikistan is a perspective region for the construction of an enterprise for the extraction of ores containing strontium. The total reserves of the Chaltash, Daudyr and Chilkutan deposits located here, allow extracting more than 180 thousand tons of ore annually.

Besides that, several gas fields are currently being developed in the territories of the Baljuvan and Jaloliddini Rumi districts of the Khatlon region.

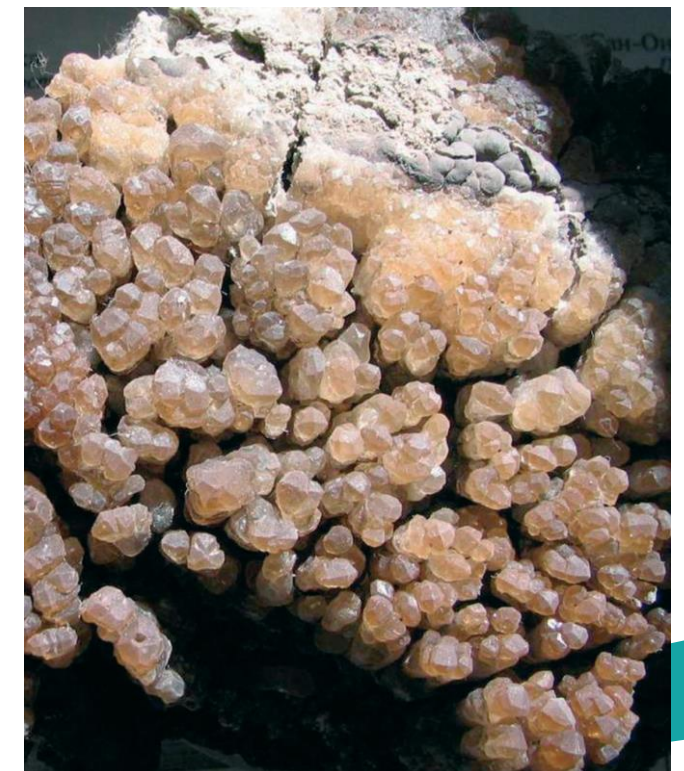
Kabodiyon and Shaartuz districts are also rich in large reserves of raw materials for the production of cement in this area, amounting to 200 million tons.

In the south of the Republic of Tajikistan, huge reserves of rock salt are concentrated. Tens of billions of tons are hidden in the bowels of the richest deposits of Khodja-Mumin, Khoja-Sartez, Tanobchi and Samanchi.

Gorno-Badakhshan is as much as rich in minerals, where the only deposit of boric raw materials is located there in Tajikistan named Ak-arkharskoe. The Earth's depths of Pamir store in themselves the reserves

of gold, silver, copper, wolfram, mica and gemstones.

The mining industry in the Republic of Tajikistan is one of the most promising areas in terms of attracting foreign investment. Joint ventures such as Zarafshon, Anzob, Adrasman, Pakrut, Aprelevka, operating in the country for the extraction of precious and semiprecious metals, have already become successful examples of fruitful cooperation with foreign companies.



TRANSPORT

The development of the transport industry is of great importance for the Republic of Tajikistan, and the withdrawal from the communication impasse is undoubtedly one of the strategic targets of the state.

Tajikistan has no direct access to the seaports. That is why roads and railway system of Tajikistan are of crucial significance for the economic development of the country. More than 90% of the passenger turnover and about 70% of cargo transportation falls on the road transport.

The Republic of Tajikistan is a member of 10 international programs in the field of transport, including ESCAP, UNO, TRACECA, SCO, SPECA, and ECO.



The most successful of these projects are the following:

- Construction of the Dushanbe-Dangara highway together with EximBank of the PRC for the amount of 256.27 million US dollars;
- Construction of the Dushanbe-Uzbekistan Border highway in cooperation with the Asian Development Bank in the amount of 131.2 million US dollars;
- Construction of the Dushanbe-Kyrgyzstan Border highway in cooperation with the Asian Development Bank in the amount of 76.5 million USD;
- Construction of the Kulyab-Kalai-Khumb highway, the Shurabad-Shohon area, together with the Saudi Fund for Development, the OPEC Fund, the Islamic Development Bank, the Kuwait Fund for Development and the Abu Dhabi Fund for a total of 92.9 million USD.
- Construction of the Dushanbe-Khujand-Chanak highway and the Shahrstan tunnel, together with the China Road and Bridge Corporation, totaling to 310 million US dollars.

The length of railways in Tajikistan is 935 km. Tajikistan is a party to the agreement of the Trans-Asian Railway (TAR), which connects the railway system with 28 countries in Asia and Europe. This agreement entered into force on June 11th, 2009. It is aimed at easing the cargo and passenger transportation within Asia and between Asia and Europe.

The Government of the Republic of Tajikistan, together with the Governments of Turkmenistan and Afghanistan, implements a project for the construction of the Turkmenistan-Afghanistan-Tajikistan railway. It is assumed that this railway will create favorable conditions for increasing the rate of social and economic development of the region.

Air transportation is carried out by both local and international airlines. Tajikistan has 4 international airports in the cities of Dushanbe, Khujand, Bokhtar and Kulyab. During the period of state independence, agreements on aviation communications were signed with 21 states of the far and near abroad. In addition, domestic companies «Tajik Air» and «Somon Air» provide services to citizens on 33 air routes to 9 countries of the far and near abroad.

On September 3, 2014, a modern passenger terminal with a capacity of 500 passengers per hour was put into service in Dushanbe International Airport, which was constructed out of the funds of Tajikistan and France.

FINANCIAL SECTOR

Today financial system of the Republic of Tajikistan is characterized by such properties as transparency, accountability and efficiency, as due to obtaining independence, the country's legislative framework began to be formed in accordance with the requirements of international standards. There are 69 credit financial institutions that are functioning in the Republic of Tajikistan as of December 31, 2020, including 18 traditional banks, 1 Islamic bank, 18 microcredit deposit organizations, 5 microcredit organizations and 27 microcredit funds.

There is a noticeable development in the sphere of banking services in the republic. According to official statistics, the number of users of payment cards over the past years has significantly increased and today there are about 3 million cards. The number of electronic terminals for cash withdrawals has also increased. If in 2006, only 73 terminals were operating in the country, then their number had already reached more than 800 units.

In order to reduce the level of risks of bank credits, to increase the transparency of the credit system, to increase the access of the population to credit resources and increase the level of responsibility of borrowers, a Credit Information Bureau was established in Tajikistan. This served as a positive impetus for the development of the financial infrastructure of the country.

It is important to stress out that to date the banking system of the Republic of Tajikistan is in the process of reforming. The National Bank of RT makes every effort to increase its financial stability.



International rating companies «Standart and Poors» and «Moody's Investros Service» rated Tajikistan's independent credit rating to «B3, Outlook Stable».

Currently, Tajikistan is actively developing the securities and bonds market, which is clearly demonstrated by the creation of the Central Asian Stock Exchange, which is currently successfully operating. The legislative framework of the republic cater to the needs of our times, based on which, the relevant amendments were made to the Law of the Republic of Tajikistan On Securities and Stock Markets.

In 2017, due to the issue of government securities (Eurobonds) of Tajikistan and their conversion in the world market, the economy of Tajikistan attracted 500 million USD of foreign investment from major international and multinational companies.



TOURISM

Tajikistan is a territory of the highest mountain peaks, giant glaciers, rapid rivers and unique in its beauty lakes, unique vegetation and rare animals. It is the mountain landscape that determines the originality of the unique nature of Tajikistan, the richness of its forms, honed by the diversity of climatic zones. In just an hour and a half flight one can find himself from the hot heat of the Vakhsh Valley in the Arctic colds of the permanent snows of Pamir. That is why the Government of the Republic of Tajikistan defined tourism as one of the priority directions of the country's economic policy.

The rich cultural and historical heritage of the Tajik people, the advantageous geographical location, the identity of the local culture, the diversity of natural landscapes and unique natural monuments suggest the development of both domestic and international inbound tourism. Based on this, a separate Committee for the Development of Tourism was created in 2017, on the initiative of the Founder of Peace and National Unity, the Leader of the Nation, the President of the Republic of Tajikistan Mr. Emomali Rahmon.



The tourist market of the Republic of Tajikistan is currently represented more than 100 tour companies. The Government of the country promotes the development of international tourism in every way and constantly works on simplifying the visa regime. Currently, citizens of 81 countries have the opportunity to obtain visa directly upon arrival at the international airport. In 2016, an electronic visa was introduced, which can be obtained on the Internet simply from any part of the world.

65% of Tajik sanatorium resorts have been restored in the country, over 300 private tourist recreation zones and more than 74 sanatoriums been constructed, which undoubtedly forms a favourable environment for the development of international tourism, attracting foreign investment and providing employment for the population. The most promising trends of tourism in Tajikistan are the following:

- historical and ethnographic tourism;
- health resort treatment and rest;
- ecological tourism;
- rafting, paragliding, mountain skiing; and a lot more.



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GOVERNMENT AUTHORITIES (OFFICIAL WEBSITES)

President of the Republic of Tajikistan

www.president.tj

Parliament of the Republic of Tajikistan

www.parlament.tj

State Committee on Investment and State Property

Management of the Republic of Tajikistan

www.investcom.tj

SUE «Tajinvest»

www.tajinvest.tj

Ministry of Justice of the Republic of Tajikistan

www.minjust.tj

National Bank of Tajikistan

www.nbt.tj

Ministry of Foreign Affairs of the Republic of Tajikistan

www.mfa.tj

National Patent and Information Center of the Republic of Tajikistan

www.tjpat.org

State Statistics Committee of the Republic of Tajikistan

www.stat.tj

Ministry of Economic Development and Trade of the Republic of Tajikistan

www.medt.tj

Tax Committee under the Government of RT

www.andoz.tj

Customs Service under the Government of the Republic of Tajikistan

www.customs.tj

USEFUL LINKS:

Businessportal of Tajikistan

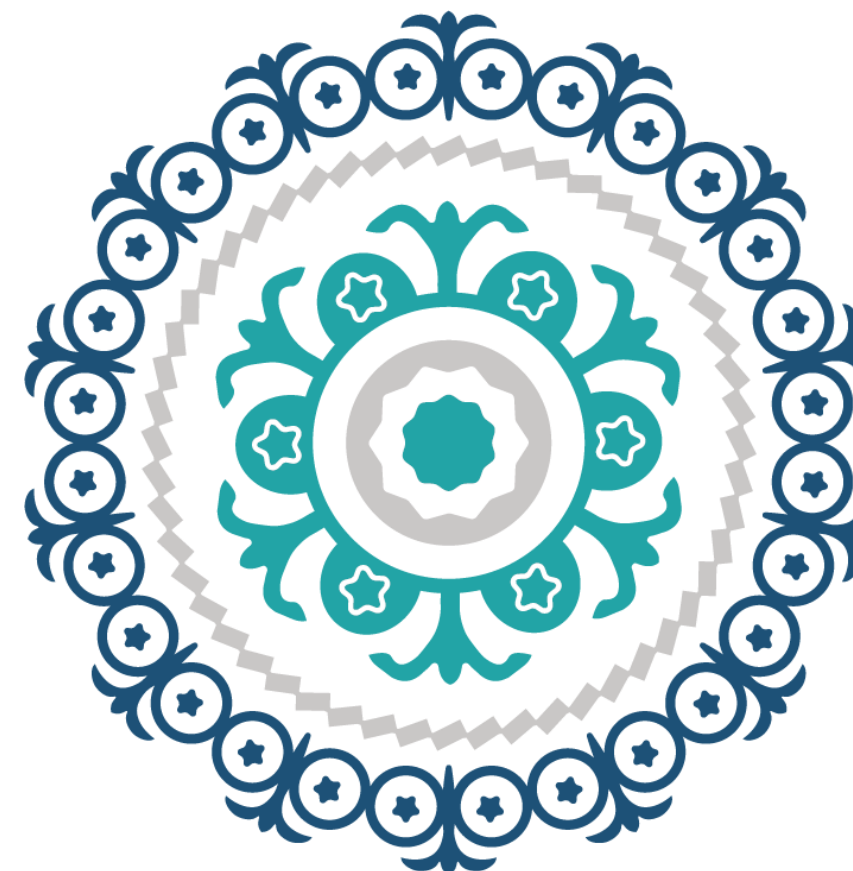
www.b2b.tj

Trade Portal of Tajikistan

www.tajtrade.tj

Chamber of Commerce and Industry of Tajikistan

www.tpp.tj



STATE COMMITTEE ON INVESTMENT
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