



TAJIKISTAN

Improving INVESTMENT CLIMATE

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



Background

- Regulatory framework fostering establishment of market mechanisms;
- Providing measures for macroeconomic stabilization;
- National Development Strategy till 2015 (NDS);
- Private sector development and investment attraction – national development priority.

State Investment Program

- In the past 10 years, a number of State projects were implemented for the total of US \$2,2 billion;
- Presently, over 55 joint projects are being implemented;
- High-priority areas are: energy (with projects for over US \$472 mln) and transport infrastructure (with project for over US \$502 mln).

Legislative reforms in business and investment activities

- Simplified registration procedures of business (under “One stop shop” registration principle) – law «On state registration of legal entities and individual entrepreneurs»
- Banned checks of SME activity by state bodies within 2 years – law «Moratorium of checks»
- Considerably simplified procedures of bankruptcy – law «On bankruptcy»
- Streamlined process of transactions and strengthened the rights of minor shareholders – law «On joint-stock companies»
- Reduced list of activities where licenses and permits documents are necessary – Government Decree «On reforming of permitting system»

Country's rating

- As a result of reforms country indicators in the World Bank "Doing business" report considerably improved by the total of + 12 points.
- The most considerable improvements on indicators:
 - “Protecting Investors” +78 points
 - “Starting a Business ” + 26 points
- Tajikistan included in the list of ten top reformers.

Business Registration – “One stop shop” principle

- Number of procedures – was reduced from 13 to 3
- Registration time was reduced from 40-50 days to 3-5
- List of documents was reduced from 30 to 7 (max.)
- Number of points of registration has increased from 4 to 70

Legislative Guarantees and Preferences Envisaged for Investors and Investments

“Investment law” ensures:

- Equal right of domestic and foreign investor
- Legal protection of investors
- Guarantee of noninterference of Government in business
- Right of using and transferring abroad revenues and incomes
- Right to move out property and information
- Intellectual Property Rights
- Right to use natural resources

Exemption from Income Tax

- 2 years for investments up to US\$ 500 thous.;
- 3 years for investments from US\$ 500 thous. up to 2 million;
- 4 years for investments from US\$ 2 up to 5 million;
- 5 years for investments from US\$ 5 million;

Free Economic Zones

Two complex Free Economic Zones
launched operations in 2008:
“Panji Poyon” – 400 hectares,
“Sugd” – 320 hectares

Country's resource endowment

- Availability and accessibility of mineral resources
- Fertile soil and favorable climate conditions
- Availability of non expensive and qualified man-power
- Renewable hydropower resources

Priority Investment Areas

- Hydropower
- Mining sector and manufacture of construction materials
- Deep processing of cotton fibers and primary aluminum
- Agriculture development
- SME Development in processing of Agricultural products
- Tourism and service industry

Hydropower

- Tajikistan occupies the 8th place in the world for its hydropower resources, but level of their exploitation makes up less than 6% of the available capacity.
- Tajikistan - the only CIS country, which during the years of independence has built and launched a large-scale HPP: Sangtuda-1
- Priority list of projects in energy sector include 11 projects of construction of HPP and CHP with total investment of more than 5 bln. USD
- Programme of small HPP development

Mineral Resources of Tajikistan

Explored and prepared for development over 400 sites of metallic and non-metallic natural resources:

- Gold and Silver
- Iron-bismuth
- Antimony and Wolfram
- Marble, granite, volcanic tuff
- Strontium
- Semi-precious stones
- Legal guarantees of concession agreement's duration and guarantee of ownership of products, incomes and profits from concession activity.
- Competitive selection mechanism for licenses.
For the first time, an international tender procedure was used for the right of the integrated development of polymetallic deposits "Konimansuri Kalon".

Industry

The priority for development are:

- Mining;
- Manufacturing of construction materials;
- Light industry including deep processing of cotton fibers;
- Processing of primary aluminum.

Agriculture

- Cotton growing
- Gardening and vegetable production (ecologically pure products)
- Cattle breeding
- Beekeeping
- Silk production
- Processing of agricultural product
- Wool and hides processing

Tourism

Tajikistan has great capability of developing:

- Eco-tourism.
- Health
- Hunting and mountain tourism (hiking, rafting)

Summary

The Republic of Tajikistan possesses unique natural and economic resources necessary for international cooperation. Its Government makes every effort to create proper conditions for participation of all investors

THANK YOU FOR ATTENTION

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