



Doing Business in Tajikistan: 2012 Country

Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Tajikistan

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Market Overview

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Tajikistan's economy provides a number of opportunities for exporters and investors.

- With 7.7 million consumers and number of potentially sizeable infrastructure, mining, and tourism projects, Tajikistan has the potential to become a notable market for U.S. exporters.
- Tajikistan is the world's 137th economy with expected per-capita GDP of \$934 in 2012. Approximately half of Tajikistan's male working-age population labors at least part of the year in Russia or Kazakhstan, often for less than the local minimum wage and under difficult working conditions.
- Tajikistan's economy is still recovering from 1992-1997 Civil War and the 2008 world economic crisis, with GDP growing 7.4% for 2011. Experts forecast 5-6% real GDP growth and 9-10.5% inflation in 2012.
- In 2011, the United States exported \$125.3 million worth of goods to Tajikistan and imported goods worth \$12.3 million from Tajikistan. This number does not include the sale of two Boeing 737-900ER aircrafts to the private Tajik-owned Somon Air Company, registered with Aruba Aviation Authorities. Tajikistan's leading trading partners are the Russian Federation, China, Kazakhstan, Turkey, and Iran.

This report is prepared as a guide for new-to-market U.S. companies interested in finding partners in Tajikistan; it provides practical guidance on obtaining preliminary market information, strategizing market entry, approaching potential partners, and establishing communication. Due diligence is critical to take advantage of the potentially rewarding but high-risk market of Tajikistan.

U.S. exports to Tajikistan in 2011 totaled \$125.3 million, up from \$57million in 2010. Major U.S. exports, including U.S. Government-sponsored aid, were wheat, oil seeds and oils, vegetables, pharmaceutical products, meat, poultry, telecommunications equipment, measuring testing and control instruments, computers and semiconductors, laboratory testing instruments, medical equipment, and books.

Tajikistan's economy continues to grow despite the lingering effects of the world financial crisis.

Market Challenges

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- Mountainous, land-locked terrain bordering China, Afghanistan, Uzbekistan, and Kyrgyzstan. The most accessible sea ports are located in Karachi (Pakistan), Bandar Abbas (Iran), Poti (Georgia), and Riga (Latvia).
- Non-transparent and corrupt customs and tax administration.
- Underdeveloped transportation infrastructure and difficulty accessing markets.
- Conducting business may be complicated by cumbersome standardization and certification regulations, poor consumer and business purchasing power, an unpredictable investment climate, underdeveloped banking and insurance sectors, above-average inflation, potential liquidity concerns, and difficulty obtaining domestic loans.
- The Tajik Government has shown a general preference for state-led investments and lacks experience dealing with private businesses and investment.
- Economic reforms in Tajikistan are often initiated by the donor community and poorly implemented by the Tajik Government.

Market Opportunities

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The Government of Tajikistan has undertaken initiatives to simplify business registration processes and customs clearance. The Tajik business community welcomed these moves, but corruption and stifling bureaucracy remains pervasive.

Compared to neighboring countries, Tajikistan's markets are relatively less exploited and offer potential to investors willing to navigate the risks. Opportunities exist in the following sectors:

- Power generation and distribution
- Food processing and packaging
- Agribusiness machinery and farming equipment and services
- Mining equipment and services
- Construction equipment and machinery materials and services
- Cosmetics and toiletries

Market Entry Strategy

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- Business development in Tajikistan's market is resource and time-intensive.
- You may contact the U.S. Embassy to receive information on market opportunities and the business climate.

- Visiting and establishing contacts with potential buyers and partners is very important. Many Tajik businesses and officials do not use email and most expect face-to-face negotiations.
- Promotional materials should be in the Tajik and/or Russian languages.
- Local agents and distributors are commonly used.
- Although foreign companies can establish a representative office, finding a reliable local partner is very helpful. Care should be taken, however, to establish local trustworthy agents. Consumer goods imports, including capital goods, constitute the majority of all imports to Tajikistan.
- U.S. companies should be aware of some difficulties in doing business here: despite its low formal tariffs, Tajikistan's economic distance to foreign markets is among the largest in the world, due to high transportation costs, distance from seaports, and uneasy relations with Uzbekistan through which most of Tajikistan's supply routes lie. Costs increase further due to corrupt customs, tax, and licensing authorities.
- U.S. companies should explore the possibility of financing through multilateral development institutions such as the European Bank for Reconstruction and Development (EBRD), International Finance Corporation, and Aga Khan Fund for Economic Development.
- The majority of local businesses and consumers have limited awareness of U.S. goods in spite of the fact that major cosmetics and toiletry brands like Johnson & Johnson and Procter & Gamble are being sold through local distributors in shops and supermarkets in Tajikistan. The local business community often assumes U.S. goods are expensive due to the United States' great distance from Tajikistan. The situation is complicated by other factors such as the time difference, language barriers, and lack of common business practices and values.
- U.S. companies should be aware that Tajik officials at the national, regional, and local levels consider implementation of corporate social responsibility programs important for establishing sound relations with investors.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please follow the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/5775.htm>

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Using an Agent or Distributor

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Tajikistan is a mountainous country. The cities of Dushanbe, Khujand, Qurghonteppa, and Khorugh are the major population and economic centers.

Granting official distributor status to a Tajik company responsible for a specific region and/or expansion to other regions can be a good market entry strategy; however, because of the fragmented domestic market, this may not work well with all commodities.

A detailed analysis should be completed in advance. Very few Tajik companies have official distributor status for U.S. goods and services. Due to limited English use in Tajikistan and the distance from the United States, information about U.S. products is not widespread.

Competitors from Asia and Europe are closer to the market. Sales of some U.S. goods originate from neighboring hubs such as Almaty, Bishkek, Tashkent, Moscow, Dubai, and Istanbul

Advantages of using a distributor:

- A local agent may have a better sense of the market and potential consumers;
- Allows the establishment of a presence in Tajikistan with relatively little startup cost;

- Circumvents the need to navigate the often difficult and frustrating process of establishing a business entity in Tajikistan, including dealing with corrupt officials, long delays, and contradictory regulations.

Disadvantages:

- Local companies need training in Western business practices including reporting, accounting, sales, marketing, customer care, and English language.
- Local companies may lack the skills and resources required to manage a nationwide distribution and sales network.
- Cultural and business differences may lead to misunderstandings; there is also the potential for unscrupulous behavior.

While each situation is different, the following general comments apply:

- Tajikistan's domestic market is fragmented due to mountainous terrain and poor transportation infrastructure; therefore, U.S. companies may want to have separate agents in each region.
- A local distributor will need start-up support from its U.S. partner to be able to effectively reach out to clients and transfer skills and knowledge.
- The U.S. company should expect to support its Tajik partner in a nationwide campaign to promote its goods.
- Most U.S. companies are not fully aware of the market conditions and market peculiarities in Tajikistan.
- Promotion and product materials must be available in Russian or Tajik language.

Establishing an Office

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It is difficult to obtain reliable and detailed information about Tajik companies. U.S. companies wishing to establish a presence in Tajikistan are encouraged to contact the U.S. Embassy in Dushanbe for guidance. The U.S. Embassy website is located at: <http://dushanbe.usembassy.gov/>. It is strongly advised that interested U.S. companies retain legal counsel to assist with the business registration process. The U.S. Embassy economic section can provide contact information for international and Tajik consulting companies that offer professional legal advice on business registration, licensing, and business operations in Tajikistan.

The first step in setting up an office is to establish a legal presence. Tajik law provides three options for establishing a legal presence: (i) a representative office, (ii) a branch office, and/or (iii) a legal entity established under the laws of Tajikistan.

A representative office may perform informational and liaison functions of the company. It can open a bank account, rent an office, and provide visa support, but it cannot engage in trade and commercial activities.

Branch offices maintain a close connection with the parent company. Branch offices may perform any function, including representational functions. Representative and branch offices are not separate legal entities; therefore, the parent company may be held liable.

The new law, "State Registration of Legal Entities and Individual Entrepreneurs," signed by President Rahmon on March 26, 2010, establishes a relatively simplified state registration process for individual entrepreneurs and legal entities including foreign businesses.

The U.S. Embassy recommends that businesses solicit experienced and well-established legal counsel when registering a company.

Official registration of a legal entity is organized through the Tax Committee at the Government of Tajikistan. The Department of "State Registration of Legal Entities and Individual Entrepreneurs" is responsible for Single Window state registration. More information can be found on the website of the Tax Committee of the Government of Tajikistan: www.andoz.tj

Tax Code

Tajikistan's Tax Code is a combination of the former Soviet and current Russian model. Complex and overly burdensome provisions of the Tax Code keep a large number of businesses in the shadow economy. According to different estimates, 40-60% of Tajik economy operates in the black or gray market.

There are 17 national taxes and four local taxes, including:

- Value-added tax
- Personal income tax
- Social welfare tax
- Profit tax
- Sales tax
- Export duties on cotton
- Property tax
- Land tax
- Import duties
- Royalties

Major revisions of the Tajikistan's Tax Code are expected to take place in 2012 and a new version of the Tax Code is scheduled to be implemented as of January 1, 2013. Most experts are concerned that the current draft of the new Tax Code will create even more obstacles for doing legal business in Tajikistan.

Franchising

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Since 2006, the Tajik Government has regulated franchising activities through the Tajik Civil Code, part 2, article 49, "Commercial Concession Agreement." Franchising opportunities may be discussed with the U.S. Embassy.

As of 2012, no U.S. franchises have opened in Tajikistan. There have been several inquiries from local Tajik companies about opening a McDonald's and Starbucks franchise in Dushanbe but no further action has been taken.

Direct Marketing

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One of the most effective marketing techniques in Tajikistan is direct marketing, especially in Dushanbe. Popular forms of direct marketing are through major cultural or sports events and door-to-door marketing.

Marketing by mail is not widely used due to Tajikistan's unreliable postal system.

Mary Kay and Avon, Oriflame, and Faberlic distributors are active mainly in Dushanbe, and there is opportunity for development in direct marketing.

There are several local advertising firms based in Dushanbe. Television, radio, outdoor advertising, and weekly newspaper publications are the primary advertising channels.

For business services, general image promotion and brand recognition campaigns are usually conducted using outdoor advertising.

There are several media options; although there are no private television stations with nationwide coverage, some small private television companies exist in smaller towns. In Dushanbe, there are 10 leading FM radio stations and one cable television network. Much of the population uses satellite dishes to receive a variety of TV programs, mainly from Russia and Uzbekistan.

Joint Ventures/Licensing

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Between 1998 and 2012, more than 600 joint ventures were registered in Tajikistan, according to the Ministry of Justice and the State Statistical Committee; less than 200 of these ventures are currently in operation, however.

The list of joint ventures is not available to the public. There are 37 U.S.-Tajik Joint ventures that have been registered in Tajikistan since 2003. Most are run by Tajik citizens who migrated to the United States and decided to keep their business relations in Tajikistan by transforming their companies into joint ventures.

Joint ventures can be established as a limited liability company (LLC) or a joint stock company (JSC).

Joint ventures exist in banking and finance, mining, industry, energy, telecommunications, textiles, and food preparation. Most joint ventures are registered with Russian, Kazakh, Iranian, and Chinese companies.

The new Permits Law was signed in 2011 and has reduced the number of permissions and licenses required for business activities in Tajikistan from 607 permits to 87. Updated information on the legal issues and process required to obtain permits can be found at the webpage of the State Committee on Investment and Property Management of Tajikistan, Single State Electronic Registry for Business Licenses and Permits <http://www.ijozat.tj/index.php?lang=en>

The law covers the following types of permits:

- Evaluation activities
- Employment services of Tajik citizens outside of Tajikistan and foreign citizens in Tajikistan
- Audit services
- Legal services
- Expert and environmental services
- Patent agent services
- Advertisement services
- Private insurance services
- Professional stock exchange brokers
- Distribution of printed/published products
- Architectural/city planning
- Use of natural resources
- Energy services (installation, commissioning of energy communications, operation of energy facilities)
- Transportation services

Selling to the Government

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The current system of public procurement was implemented in 2004 with the adoption of the "Law On Public Procurement of Goods, Works and Services" based on a standard model of the Law on Public Procurement of United Nations Commission on International Trade Law. The Agency on Public Procurement of Goods, Works and Services under the Government of the Republic of Tajikistan is the main coordinating agency in the Tajik Government for state purchases: <http://qoszakupki.tj/>

The Government of Tajikistan has a number of infrastructure projects financed by international financial institutions and foreign governments, including China, Russia, Kazakhstan and Iran. Large-scale opportunities exist in the following sectors:

- Transport
- Energy

- Trade policy and facilitation

If a U.S. company considers entering the Tajik market and becoming a government supplier it must consider the high level of corruption within the public sector and competition from foreign companies that may use political and other types of leverage during negotiations for state investments.

To obtain more information on procurement opportunities, interested U.S. companies are encouraged to contact the U.S. Embassy in Dushanbe.

Distribution and Sales Channels

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What works in neighboring countries may not work in Tajikistan where distribution channels are often unstructured, non-transparent, and chaotic. Major distribution centers are in Dushanbe and Khujand, in the north. Most goods arrive at these centers via railway and road and are sent to their final destinations by truck.

Although Tajikistan is small, its poor infrastructure poses big challenges. The northern, southern, and eastern parts of the country are separated by high mountain ranges. The roads linking the regions are usually poor and subject to frequent winter closures.

According to Tajikistan's Ministry of Transport, trucks transport less than 3% of Tajikistan's imports and exports, but carry 86% of internal cargo. Most of the cargo arrives to Tajikistan by railways through Uzbekistan-Kazakhstan-Russia or Uzbekistan-Turkmenistan-Iran. Airline cargo is in the development process, and it occupies a small piece of market due to high costs.

The transport situation is in large part a function of the tense relations between Tajikistan and Uzbekistan, through which most of Tajikistan's transit links to the outside world pass. Bulk rail shipments of aluminum and cotton make up the majority of Tajikistan's trade.

Tajik-Uzbek visa requirements make it almost impossible for cars with Tajik license plates to enter Uzbekistan. Even after obtaining all necessary papers, vehicles are subjected to exhaustive searches at the border.

Non-Tajik-registered trucks traveling between Uzbekistan and Tajikistan also face high costs and many other barriers. On January 1, 2012, Uzbekistan increased railroad tariffs for Tajikistan by 32% and has held up bulk shipments at the border for an extended period of time on several occasions. Border crossing procedures are difficult. According to experts, many trucks leave Tajikistan empty, despite the demand for truck transport, simply because it is too difficult to transit goods into Uzbekistan. Although all Central Asian Countries have joined the TIR System (an international system designed to facilitate trade), it is poorly implemented and not respected in transit countries. There are few Tajik trucks that satisfy TIR technical requirements.

Dushanbe and Khujand remain the key destinations for a variety of consumer and industrial products coming into Tajikistan. Khorugh city is connected mainly with Osh in Kyrgyzstan due to difficult road conditions which connect central Tajikistan with Pamir.

Overall the country's transportation infrastructure in the country is underdeveloped and in need of major upgrades.

Some international freight forwarders and express couriers, including DHL, UPS, and TNT, are active in Tajikistan.

Selling Factors/Techniques

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As with any country, the marketing and selling of goods and services in Tajikistan must be adapted to its commercial climate and business practices. Market research is needed to identify opportunities and possible Tajik business partners. Selecting a business partner in Tajikistan should be done only after conducting sufficient due diligence and consulting with the U.S. Embassy Economic Section in Dushanbe.

It can be helpful for U.S. companies to network with American companies already present in the Tajik market. The American-Tajik Chamber of Commerce based in Dushanbe can also provide helpful information at www.amcham.tj.

Due to the weak banking system in Tajikistan, U.S. potential exporters should use letters of credit and other secure financing mechanism in transactions with their Tajik counterparts.

Currency fluctuations may require U.S. exporters to adjust prices abruptly and significantly.

Although the official state language of Tajikistan is Tajiki, Russian remains the language of business and according to the Constitution of Tajikistan it is the language of international communication. For promotional and advertising campaigns, it is necessary to comply with the "Law on Advertising" that requires the use of the Tajiki language in an advertisement's content and wording.

All promotional materials should be translated into Tajiki and/or Russian before approaching a Tajik company. The choice of Tajiki or Russian will depend on the type of product and the target audience. Russian is widely spoken in the capital and Khujand and the less populous east, but has been declining in use in smaller towns. There are large rural parts of the country where only Tajiki is spoken.

Finding a reliable and trustworthy local partner known in the business community will substantially ease interactions with regulators and help a U.S. company to understand local consumer customs and behavior.

Electronic Commerce

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Access to email and the internet is much less prevalent in Tajikistan than in many areas of the world. That said, many local companies do have some access. They often have just one email address, typically registered on the free .ru domain, and email is checked by a secretary or designated person on an occasional basis.

According to the report, "Tajikistan Electronic Readiness Assessment, Evaluation of Various Factors that Identify Information Readiness of Tajikistan for Participation in the Networked World," published in 2010 by Civil Internet Policy Initiative Group (CIPI) in Tajikistan <http://cipi.tj/>, more than 10 companies provide internet services in Tajikistan.

The list below reflects the situation as of February 2012

- Babilon-T - <http://www.babilon-t.tj>
- Tojiktelecom - <http://www.tajiktelecom.tj>
- Intercom - <http://www.intercom.tj>
- Telecom Technology - <http://www.tajnet.com>
- Eastera - <http://www.eastera.tj>
- TARENA - <http://www.tarena.tj>
- Saturn Online - <http://www.saturn.tj>
- GameLine - <http://www.gameline.tj>
- Compuworld - <http://www.cw.tj>
- Komsytel - <http://www.cst.tj/>
- Association "Intellect" - <http://hujand.net/>

According to a CIPI survey approximately one million households own personal computers. The official estimated number of internet users is 1.8 million. The number of internet subscribers with unique IP addresses is estimated at only 3,700. An estimated 31% of the population in Tajikistan has regular access to the internet either at home, work, school, internet cafes, or other means.

According to a survey of internet providers the total number of internet service contracts in Tajikistan is 11,600, 9,052 out of which are in Dushanbe, followed by Khatlon province – 893, Sughd province – 803, the Republican Subordination Districts – 790 and GBAO – 62, respectively.

Businessmen and officials are gradually getting more comfortable with using email.

E-commerce may be the next niche where U.S. companies can apply their expertise to develop the market in Tajikistan. .

Trade Promotion and Advertising

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The mass media market in Tajikistan offers some opportunities for trade promotion and advertising. There are no international advertising agencies in Tajikistan. All advertising is conducted by local companies and regulated by central and local authorities. Advertising on the internet is limited but has some potential for growth as the number of internet users is increasing steadily.

The following is a list of leading media outlets and print publications in Dushanbe.

TV Channels

First Tajik TV Channel <http://1tv.tj>

TV Safina <http://safina.tj>

Jahonnamo TV <http://jahonnamo.tj>

Radio Stations

Radio Asia Plus - 107.0 FM
Radio Vatan - 106.0 FM
Radio Imruz - 107.4 FM
Radio BBC - 106.5 FM
Radio Oriono - 103.0 FM
Radio Tajikistan - 102.2. FM

Press

Weekly Newspapers

Asia Plus - www.news.tj
Imruz News - www.imruznews.tj
Reklamnaya Gazeta - www.pressa.tj
Vecherka – <http://vecherka.tj>
Business and Politika – www.gazeta-bip.net
Farazh – www.farazh.tj
Millat – www.millat.tj
Minbari Halk – www.tribun.tj
Tojikiston – www.pressa.tj

Monthly Magazines

VIP Zone - www.news.tj
Elita

Advertising Agencies

Forex – www.forex.tj
TAG – www.tag.tj

The [Tajik Chamber of Commerce and Industry](http://tpp.tj/dditem/locali) is planning to stage eight exhibits over the upcoming year in Dushanbe. Consult <http://tpp.tj/dditem/locali> for information.

Their contact information is:

Tajik Chamber of Commerce and Industry
21 Valamatzade Street
Dushanbe, Tajikistan 734012
Tel: +992 (37) 221-5284 or 227-13-78
Fax: +992 (37) 221-1480
Website: www.tpp.tj
Email: mirsaidov.d@inbox.ru

To estimate pricing on the local market, companies should take into account transportation costs, associated import duties (customs duties, fees, certification costs), and value added tax (VAT). Tajikistan's overall trade-weighted import tariff averages out to some 7.5% (minimum 5% - maximum 15%), not including the 18% VAT. However, trading with Tajikistan is challenging because the country is so distant from seaports.

Competition from Russian, Asian, and European producers is significant. Most consumers in Tajikistan are very price-sensitive and usually opt for lower prices over quality.

Sales Service/Customer Support

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In general, customer support and service in Tajikistan is very poor. This may represent an opportunity for U.S. firms, since providing after-sales services may help create a dedicated consumer base. U.S. companies should be prepared to commit resources to intensive customer service training for local staff, since many of the concepts are still new in Tajikistan. In sectors where after-sale support is essential – e.g., heavy machinery sales, customer care is particularly vital. U.S. companies, to the extent they are recognized here, are generally associated with quality customer service. This may be a competitive advantage for U.S. companies entering the market.

Protecting Your Intellectual Property

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In spite of the fact that Tajikistan is a member of many international agreements and unions, Tajikistan does not adhere to key international agreements on intellectual property rights and there are few real protections for patents, copyrights, trademarks, and other intellectual property.

There are a number of provisions in the Constitution and civil and criminal codes providing for the protection of intellectual property. Part II of the civil code provides protections for all types of property. Part III regulates intellectual property rights, inheritance rights, and private international rights. According to Article 1137 of Part III, the following protections are available:

- Financial compensation by court decision;
- Withdrawal of material and equipment used in violation of the property rights and goods, or produced as a result of the violation;
- Publication in the mass media of the cases; and
- Other methods as stipulated in the law.

Despite the formal legal guarantees of intellectual property rights, actual enforcement of these provisions lags far behind.

The following organizations are responsible for the implementation of intellectual property rights policy and enforcement:

- The National Patent Information Center (NPIC) at the Ministry of Economic Development and Trade is the primary patenting organization. One of the

- NPIC's main functions is to protect state interests with respect to inventions, industrial samples, trademarks, service marks and names of origins of goods.
- The Department on Authors' Rights and Related Rights at the Ministry of Culture is responsible for the protection of authors' rights.
 - The State Commission on Grade Testing and Protection of Grades at the Ministry of Agriculture deals with licensing of agricultural products and services.
 - The Customs Committee is responsible for measures undertaken at the state border.
 - Other government structures may also have roles, including the Supreme Economic Court and the Department to Combat Intellectual Property Rights Violations under the Ministry of the Interior.

Tajikistan joined the World Intellectual Property Organization (WIPO) in 1994 and has acceded to the following agreements concerning copyright agreements:

- Convention on establishment of the WIPO (12/25/1991)
- The Universal Copyright Convention (1992)
- Berne Convention for the Protection of Literary and Artistic Works (03/09/2000)
- Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (05/19/2008)
- WIPO Copyright Treaty (04/05/2009)
- WIPO Phonograms and Performances Treaty (08/24/2011)
- Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms (under consideration)

The State Agency *National Patent and Information Center* under the Ministry of Economic Development and Trade reports that Tajikistan signed several other agreements in the area of industrial designs:

- The Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (02/14/1994)
- Locarno Agreement Establishing an International Classification for Industrial Designs
- Nairobi Treaty on Protection of the Olympic Symbol (02/14/1994)
- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (02/14/1994)
- Paris Convention on Protection of the Industrial Property (02/14/1994)
- Strasbourg Agreement on International Patent Classification (02/14/1994)
- Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (10/12/2011)

Several recent changes have brought Tajikistan closer to compliance with TRIPS and other IP norms. Tajikistan passed a law on protecting new plant varieties in December 2010 and joined the International Union for the Protection of New Varieties of Plants (UPOV) in March 2011. Though a signatory to the Berne Convention, until recently Tajikistan's copyright law did not protect sound recordings or pre-existing works as provided for by the WIPO Performances and Phonograms Treaty. On December 29, 2010, Tajikistan's parliament ratified the Convention, removing one of the major remaining legislative gaps in IPR. The Convention has been submitted to the Ministry of Foreign Affairs for formal accession.

IP Resources

For information about patent, trademark, or copyright issues, including enforcement issues in the U.S. and other countries go to www.StopFakes.gov

For more information about registering trademarks, and patents (both in the United States and foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at www.uspto.gov

Due Diligence

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There are no companies that formally conduct due diligence in Tajikistan, although potential investors may consult some of the professionals noted in the following section. The U.S. Embassy may be able to provide general or anecdotal background on a specific company or individual, but cannot conduct due diligence for interested investors.

Local Professional Services

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It is advisable to contact one of the consulting companies in Tajikistan for advice on the potential for U.S. business operations in Tajikistan. Tajikistan has one of the most unsettled commercial environments in the world. Professional counsel on taxation and legal aspects of business can save time, resources, and money. Tajikistan's economic, business, and commercial regulations are spread across hundreds of presidential, government, ministerial, and local-level decrees. It is common that these regulations overlap or conflict with one another.

Dushanbe and Khudjand are the primary location for the accounting, consulting and audit firms.

Legal and Tax Services

Deloitte
www.deloitte.tj

Baker Tilly TJ
<http://www.bakertilly.tj/>

Aiten Consulting Group
www.aitengroup.com

Legal Consulting Group
<http://www.lcg.tj>

Akhmedov, Azizov & Abdulhamidov, Simple Partnership
<http://www.aaa.tj>

Asian Business Group

<http://www.abg.tj>

Lex Law Firm

<http://www.lex.tj>

Grant Thornton LLC

www.grantthornton.tj

Nazrisho & Associates PC, NYC, USA

www.nmlaw.tj

Logistics

Globalink Logistics, LLC

<http://www.globalink-logistics.com>

DHL

www.dhl.com

UPS

www.ups.com

VAVILON Transportation Company

<http://www.vavilon.tj/>

Market Research

Aiten Group

<http://www.aitengroup.com>

Total Advertising Group

<http://www.tag.tj>

Web Resources

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The U.S. Embassy in Dushanbe: <http://dushanbe.usembassy.gov>

The American – Tajik Chamber of Commerce – AmCham: www.amcham.tj

The President of the Republic of Tajikistan: www.president.tj

Majlisi Oli (Parliament) of the Republic of Tajikistan: www.parlament.tj

Ministry of Foreign Affairs: www.mfa.tj

Ministry of Finance: www.minfin.tj

Ministry of Economic Development and Trade: www.met.tj

Ministry of Agriculture: www.vkishovarzi.info

Ministry of Justice: www.minjust.tj

The National Bank of Tajikistan: www.nbt.tj

Ministry of Health: www.health.tj

Ministry of Energy and Industry: www.minenergoprom.tj

State Tax Committee: www.andoz.tj

Agency on Hydrometeorology: www.meteo.tj

Ministry of Education: www.education.tj

State Statistics Agency: www.stat.tj

Migration Services under the Ministry of Internal Affairs: www.migratsiya.tj

Custom Services: www.customs.tj

The Tajik Chamber of Commerce and Industry: <http://tpp.tj/>

The Department of State Registration: <http://andoz.tj/en/>

Single State Electronic Registry for Business Licenses and Permits: <http://www.ijozat.tj/>

Asia Plus Media Group (newspaper, radio, news, analysis): www.news.tj

Avesta News Agency: <http://www.avesta.tj>

Khovar State Information Agency: www.khovar.tj

The State Committee on Investments and State Property Management: <http://www.gki.tj>

The State Committee on Investments and State Property Management announcements on tenders:
<http://www.gki.tj/en/state-tenders/>
http://amcu.gki.tj/eng/index.php?option=com_announcement&task=showTenders&lang=en

Investor's page on State Committee on Investments and State Property Management:
http://amcu.gki.tj/eng/index.php?option=com_content&task=view&id=94&Itemid=126

The State Unitary Enterprise "TajikInvest": <http://tajinvest-sue.tj/>

The State Statistics Agency under the President of Tajikistan: <http://www.stat.tj>

The National Bank of Tajikistan: www.nbt.tj

The Free Economic Zone “Sugd”: <http://www.fezsughd.tj>

The Free Economic Zone “Pyandj”: <http://www.fezpanj.tj/>

Business opportunities in Tajikistan: <http://tajinvest.tj/>

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Chapter 4: Leading Sectors for U.S. Export and Investment

- Power Generation and Distribution
- Food Processing and Packaging
- Mining Equipment and Services
- Construction Equipment and Services
- Agribusiness Equipment and Services
- Cosmetics/Toiletries

ENERGY AND POWER GENERATION AND DISTRIBUTION

Overview

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	2007	2008	2009	2010	2011
Total Market Size	\$ 2-3 billion	\$ 2-3 billion	\$ 2-3 billion	\$ 2-3 billion	\$ 2-3 billion
Total Local Production	17.4 billion kWh	14.8 billion kWh	16.09 billion kWh	16.4 billion kWh	16.2 billion kWh
Total Exports	4.2 billion kWh	1 billion kWh	n/a	179.8 million kWh	190.9 million kWh
Total Imports	4.3 billion kWh	3.025 billion kWh	n/a	338.9 million kWh	65 million kWh
Imports from the U.S.	n/a	n/a	n/a	n/a	n/a

(Source: State Statistics Agency 2011 and U.S. Embassy staff estimates)

Domestic demand for electricity is about 24.0 billion kWh, yet production in 2011 totaled only 16.2 billion kWh. In view of this, and past difficulties importing energy from its neighbors, energy sector development is a top priority for the government of Tajikistan. The government is implementing a two-track strategy: (i) improvement of domestic energy sector, and (ii) development of large scale projects to generate electricity for exports. Development will generate economic growth and create opportunities for diversification of export earnings.

Tajikistan's power sector is managed by the open joint stock holding company Barki Tojik, a vertically integrated utility owned by the Government of Tajikistan. The total domestic generation capacity is 5,065 including 4,800 MW of hydroelectric capacity (including 4,400 MW along the Vakhsh River cascade) and nearly 300 MW from the combined heat and power plant (CHP) in Dushanbe. Tajikistan reportedly has 4% of the world's hydro energy resources and has the potential to produce more than 300 million MWh of electricity per year, but currently produces only 16.2 million MWh. The major constraint for generation is the seasonal nature of hydroelectric power: reservoir levels run low in winter, forcing major power rationing.

The Tajikistan transmission system is part of the Central Asia Power System and consists of two voltage levels: 500 kV and 220 kV. Tajikistan's northern and southern networks were connected in 2009. A 500 kV power transmission line, financed by the Chinese government, was completed in August of 2009.

There are three distribution companies in Tajikistan: the Northern Distribution Company, the Southern Distribution Company, and the Pamir distribution company. The first two are part of Barki Tojik, while the latter is part of the independent, vertically integrated Pamir Energy Company, run with assistance from the Government of Switzerland, the Aga Khan Foundation for Economic Development (an investment fund of the Aga Khan Foundation), and the International Finance Corporation (IFC).

Billing and collection is the responsibility of Barki Tojik subsidiaries. There are approximately one million customers.

The Tajik Government, in coordination with World Bank guidelines, has been steadily increasing energy costs. The most recent increase of 25% for residential consumers went into effect in 2009. Tariffs are regulated by the Ministry of Economic Development and Trade and the government's Anti-Monopoly Agency. The current rate for residential consumers is \$0.018 per kWh and for industrial enterprises \$0.047 per kWh.

TALCO (Tajik Aluminum Company) consumes up to 50% of all electrical energy produced in Tajikistan and receives a special electricity tariff rate of \$0.017 per kWh as of January 2010. Agricultural uses account for approximately 30% of electricity consumption, while others, including residential consumers, account for approximately 20%.

A number of projects, including construction of hydro- and combined heat and power stations and high-voltage power transmission lines, are at various stages of completion. Some of them include:

Pos. No.	Name of Project	Project Sponsor	Project Cost, million USD
1	Roghun (first phase – maintenance only)	Tajik Government	800 (ongoing)
2	Sangtuda-1	Government of Russia	600 (project completed)
3	Sangtuda-2	Islamic Republic of Iran	220 (project nearly completed)
4	Varzob-I hydropower plant rehabilitation (55 MW) on Varzob river	Government of India	10 (ongoing)
5	500-KV South-North domestic power transmission line to connect Southern Grid with Northern Grid	Barki Tojik (financing from Chinese Ex-Im Bank)	282 (completed)
6	220-KV power transmission project from Tajikistan to Afghanistan	Barki Tojik (financing from the Asian Development Bank)	110 (completed)
7	220-KV Lolazor-Hatlon domestic power transmission line	Barki Tojik (financing from Chinese Ex-Im Bank)	58 (completed)
TOTAL			2,080

The most controversial hydro power project is the Roghun Hydro Power Station, designed and planned in Soviet era. If built, the dam will be the highest in the world at a height of 335 meters. The Government of Uzbekistan opposes the project, claiming it will negatively affect downstream flows that are critical for Uzbekistan's agricultural sector and poses environmental threats. Dam construction is on hold while the World Bank conducts assessments of the viability and sustainability of the project.

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HS Code	Item description
8402	Steam or other vapor generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); super-heated water boilers.
8404	Auxiliary plant for use with boiler, condensers for steam and vapor power units.
8406	Steam turbines, vapor turbines.
8410	Hydraulic turbines, water wheels, and regulators.
8411	Turbo jets, turbo propellers and other gas turbines.
8502	Electric generating sets and rotary converters.
8503	Parts suitable for use solely or principally with the machines of heading No. 85.01 or 85.02
8504	Electrical transformers, static converters and inductors
8532	Electrical capacitors, fixed, variable or adjustable (pre-set)
8535	Electrical apparatus for switching or protecting electrical circuit, or for making connections to or in electrical circuits, for a voltage exceeding 1000 volts
8536	Electrical apparatus for switching or protecting electrical circuit, or for making connections to or in electrical circuits, for a voltage not exceeding 1000 volts

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Tajikistan has enormous hydropower potential, but only a small fraction is currently harnessed. The Government of Tajikistan is marketing a number of small, medium, and large hydropower projects on three main rivers: the Zarafshon, Vakhsh and Panj. It is also looking to construct a new coal-fired plant in the north. Projects include:

Pos. No.	Generator	Status	Location (River)	Capacity
1.	Dashtijum	Planned	Panj	4,000 MW
2.	Roghun	Under construction	Vakhsh	3,600
3.	Shurob	Planned	Vakhsh	750
4.	Kaphtaguzar	Planned	Obikhingou	650
5	New Coal Plant	Planned	Sughd	1,000
TOTAL				10,000 MW

(Source: ADB: <http://www.adb.org/carec>)

Implementation of hydropower projects will generate opportunities in architectural, construction and engineering services, electrical power systems, mining industry equipment, power transmission equipment, and renewable energy equipment.

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- World Bank: <http://go.worldbank.org/R2AAB1VZA0>

- Asian Development Bank: <http://beta.adb.org/countries/tajikistan/main>
- Ministry of Energy and Industry of Tajikistan: www.minenergoprom.tj
- Open Joint Stock Energy Company: <http://www.barkitotjk.tj>

FOOD PROCESSING AND PACKAGING

Overview

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in million USD

	2006	2007	2008 (est.)	2009 (est.)	2010 (est.)	2011 (est.)
Total Market Size	337.8	340	350	450	500	661.5
Total Local Production	259.9	225	230	290	370	451
Total Exports	6.5	4.3	3.8	4	4.2	5.0
Total Imports	77.8	80.4	94.7	120	160	210.5
Imports from the U.S.	5.1	9.2	4.7	5	11	n/a

(Source: U.S. Census Bureau, Tajik Customs Agency, State Statistics Committee, 2011 and U.S. Embassy staff estimates)

In 2011 Tajikistan's food processing industry amounted to over \$451 million, approximately 25% of the total industrial output of Tajikistan of \$1.6 billion. The food industry is the second largest contributor to gross industrial output, processing domestically harvested fruit, wheat, tobacco, and other agricultural products.

Production and demand of the main food items in Tajikistan, 2011 (with 7.7. million population in Tajikistan)

	Theoretical consumption demand per year	Production in Tajikistan	Import	total imports and local production	% of supplies to meet the normal consumption demand	
	'000 tons	'000 tons	'000 tons	'000 tons	Total (production and import)	Produced in Tajikistan
Meat and products	525	75	69	144	27	14.3
Milk and milk products	2086.7	696	8	704	33.7	33.3
Eggs (<i>mln</i>)	1692.5	255	58	313	18.5	15
Wheat flour	1058.8	601.2	655.4	1256.6	118.7	56
Vegetables	1097.4	1665.2	6.3	1671.5	152.3	151.7
Fruits	602.8	417.4	14.4	431.8	71.6	69.2
Sugar	240.4	n/a	116.8	116.8	48.6	0
Vegetable oil	92.7	15.1	75.6	90.7	97.8	16.3
Potatoes	347.8	863.1	12.2	875.3	251.7	248.2

(Source: Ministry of Economic Development and Trade, Department of Trade, Tajik Customs Service, January 2012)

The food-processing sector in Tajikistan has 21 sub-sectors, including canned vegetables, canned fruits, fresh and dry fruits, meat and dairy processing, feed and confectionary production, organic (animal) oil, vegetable oil, pasta, liquor, wine, beer, non-alcoholic drinks, salt, and tobacco production. There are over 600 companies in the sector. Once wholly government-owned, the industry is now largely private, and has a strong demand for capital equipment. Most enterprises are small seasonal operators, selling to local markets.

Following the break-up of the Soviet Union in 1991, the output of the food processing sector sharply declined, reaching an all-time low in 1999 as a result of the breakup of the centralized planning and sales system and the lack of financing to run operations, coupled with political and economic instability.

Tajikistan was a major producer of fruits and vegetables in the former Soviet Union, with annual exports outside of the republic reaching 200,000 tons (100,000 tons of fruit, 60,000 tons of vegetables, and 30,000-40,000 tons of canned food) prior to 1990. Although more acreage is now in food production than during the Soviet era, lower agricultural yields have prevented overall production from increasing. In 2007, Tajikistan's food processing industry exported 23,414 tons of fruit, 103,067 tons of vegetables, 57,825 tons of dried fruit, and 14,652 tons of canned food.

Between 1991 and 2011, major investments were made in only two projects: (1) the \$12.6 million water bottling plant Obi Zulol and (2) a \$3.97 million fruit and vegetable juice packaging line in Khujand. There are other small packaging facilities in the country, mainly using Chinese equipment. In general, however, most processing and packaging equipment in the country is very outdated, with some technologies dating back to the 1930s.

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There is demand for food processing at all scales. Additional opportunities exist for U.S. investors who are willing to establish joint ventures and partnerships with existing producers to add value to products.

The best prospects for U.S. exporters and investors are:

- Machines for preparing of fruits, nuts, and vegetables;
- Machines for cleaning, sorting, grading seeds, grains, and vegetables;
- Juice extractors;
- Machines for filling, closing, and sealing bottles, cans, boxes, bags, or other containers, and food storage;
- Fruit dehydrators.

In general the following items are in demand, arranged by International Harmonized System Codes of Products:

HS Code	Item description
8418	Refrigerators, freezers and other equipment; heat pumps
8419	Dehydrating, cooking, sterilizing, and cooling machinery
8421	Filtering and purifying machinery for liquid or gases

8422	Machinery for filling, closing, and sealing bottles, cans, boxes, bags or other containers
8423	Weighing machinery
8434	Milk and dairy machines
8435	Presses and crushers for fruit juice and beverage manufacturing
8437	Cleaning, sorting, grading machinery
8438	Machinery for industrial manufacturing of foods and drinks
8441	Paper box making and paper cutting machines

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In general, opportunities exist in fresh fruits and vegetables production, processing, and related services such as cold storage facilities or transportation; there is also potential for organic production and exports to high-value markets.

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n/a

MINING EQUIPMENT AND SERVICES

Overview

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in million USD

	2006	2007	2008	2009 (est.)	2010 (est.)
Total Market Size	20	25	30	90	170

(Source: U.S. Embassy estimates. Due to restrictions on public information in the mining sector, figures for production, exports, and imports are unknown.)

Tajikistan has significant reserves of a wide range of valuable minerals. In spite of this wealth, however, the mining sector accounted for only 1% of GDP in 2011.

Development of the sector will require modern technology, exposure to market-oriented management, increase in human capacity, better transportation links, and comprehensive information on the full potential of the sector. This will require major investment.

Although the Tajik government recognizes the need to develop this entire sector, mining and research operations are currently limited to gold, coal, some precious and semi-precious stones, and a few other minerals and non-ferrous metals, as well as materials used in construction, including marble and gypsum.

Most of the mining surveys and research were conducted during the Soviet era and are outdated.

Role of Government

In theory, the Tajik government supports expansion of the mining sector, diversification of mining practices, and development of existing mines. It has pledged to simplify procedures for obtaining exploration and mining permits. In practice, however, cumbersome bureaucratic procedures and wavering political will may delay streamlining of procedures for months or years. Currently, public information about the country's mineral resources is minimal, because the government classifies much of the information.

Deposits

As of 2012, there were approximately 500 known ore and non-ore deposits ready for development in Tajikistan. The country's deposits of antimony, mercury, lead, zinc, silver, and rock salt are among the largest in the former Soviet Union.

Foreign Investors

According to press reports, investors from Kazakhstan, China, Russia, the UK, and Canada have shown interest and participate in the mining sector. Tajikistan mine operators have invited U.S. mining companies to participate in the development of both existing and new mining projects. Currently only one U.S. mining company operates in Tajikistan: Comsup.

A lack of roads suitable for transporting equipment and ores and insufficient electrical energy supplies around the country present a barrier to mining development.

Domestic Mineral Consumption

According to the State Statistics Committee, there are 10 enterprises in the metallurgical sector and, as of 2007, the latest year for which data are available, the metallurgical complex accounted for 45% of the total industrial sector. The two largest companies are TALCO (aluminum production) and Vostokredmet (different types of metal and chemical processing).

Following is a list of mineral deposits and operating companies:

Mineral	Operating Company	Deposit
Antimony	Anzob Ore Mining & Processing Enterprise	Jijikurt
	Isfara Hydrometallurgy Enterprise	Isfara
Coal	Shurab Grey Coal	Shurob
	Fan Yaghnob Deposit of Coking Coal	Ayni district
	Nazaraylak Deposit of Coking Coal	Rasht district
Gold	Zerafshan Gold Company, LLC	Taror Ore Field Chorinski Ore Field Chinarsayski Ore Field
	Darvaz Joint Venture	Yahsu, Khovaling
	Aprelevka, Joint Venture	Aprelevka, Burgunda
Ferrovandium, Ferrotitanium Ferromolybdenum	Leninabad Enterprise of Rare Metals	Choruh-Dayron
Vanadium	Eastern Rare Metals Enterprise (Vostokredmet)	Chkalovsk
Mercury	Anzob Ore Mining & Processing Enterprise	Jijikurt
Silver and Zinc	ATRU Mining Enterprise Konimansuri Kalon deposit: Tender process led by International Finance Corporation	Altyn-topkan village Sogd Oblast
Uranium	State Enterprise Eastern Rare Metals (Vostokredmet)	Chkalovsk
Tungsten	Maihura	Outside of Dushanbe

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HS Code	Item description
8428	Lifting, handling, loading and unloading machinery
8429	Self-propelled bulldozers, angle dozers, graders, levelers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers.
8430	Other moving , grading, leveling, scraping, excavating, tamping,

	compacting, extracting or boring machinery for earth, minerals or ores; pile drivers and pile extractors.
8431	Parts for use solely or principally with the machinery of headings 84.25 to 84.30.
8704	Motor vehicles for the transport of goods

Opportunities

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Silver (Ag)

Konimansuri Kalon

The International Finance Corporation (IFC), a member of the World Bank Group, has been retained by the Government of Tajikistan as the Lead Adviser in the implementation of a transparent selection of a private mining developer to undertake the exploration and subsequent development of the Konimansuri Kalon (previously known as Bolshoy Konimansur) silver deposit.

The Konimansuri Kalon silver, lead and zinc deposit is located in the Sughd administrative division and province of Tajikistan, 51 km northeast of the provincial capital of Khujand. The area is seismically active (Modified Mercalli Scale 8).

Polymetallic, silver-lead-zinc mineralization is the most economically significant in the area, with minor copper-bismuth mineralization occurring at depth. The Konimansuri Kalon deposit represents a uniform stockwork with a 2.4 km strike length, oriented in the northwest direction, with a width of 600 m to 800 m and an average thickness of 500 m.

Exploration data for the Konimansuri Kalon deposit was made available to Micon International (IFC's technical advisor) to create an electronic database and digital model for the deposit. The result of Micon's work is a database containing sample assay data from exploration drill holes and underground workings, and 3 D wireframes of the topography, the geological contacts, the GKZ approved mineral reserve blocks and the open pit designed to exploit the GKZ approved mineral reserves. The digital database was used as the basis for Micon's estimate of the mineral resources of the Konimansuri Kalon deposit, following the definitions and guidelines of the Australasian JORC Code and CIM Standards on Mineral Resource and Reserves.

Konimansuri Kalon Mineral Resources at 30th September 2009 are estimated as follows:

Category	Cut-Off Grade Ag (g/t)	Tonnage (Mt)	Grade			Contained Metal		
			Ag (g/t)	Pb (%)	Zn (%)	Ag (kt)	Pb (kt)	Zn (kt)
Indicated	15	700.0	69	0.35	0.30	48	2,474	2,117
Inferred	15	355.2	61	0.25	0.22	22	888	778
Total	15	1055.2	66	0.32	0.27	70	2262	2895

Power lines and other supply infrastructure will be required to meet the expected 120 MW to 140 MW demand of up to a 25 Mt/y operation on Konimansuri Kalon. Given existing and projected national winter power deficits, power is a significant issue. . With appropriate permitting, the significant water supplies needed could be sourced from the Kayrakum reservoir albeit over a significant distance and elevation. Upgrading of the existing road between Adrasman and Khujand is not considered to be problematic.

Coal

There are about 35 coal deposits in Tajikistan, with cumulative geological reserves estimated at 4 billion tons. The government is especially eager to develop this sector in the hope of alleviating their chronic energy crisis. The largest deposit is Fon-Yaghnob (between Khujand and Dushanbe), a reserve of approximately 800 million tons. The launch of an open pit mine will create opportunities in production of chemical products such as benzene, ammonium sulfate, and naphthalene.

An interesting opportunity exists in the Nazarayloksk deposit in the Gharm zone, located at 3000m above sea level. Geological reserves here are estimated at approximately 210 million tons, while forecast reserves are estimated at 500 million tons.

Other deposits include Miyonadu, Ziddi, Sayat, Chashmai Sang, Tashkurgan, Shurobod, Kshut-Zauran, Shishkat, and Magian. The climactic conditions (high altitude) and complex geological settings of these deposits make mining opportunities challenging, but not insurmountable.

Mercury (Hg) and Antimony (Sb)

Primary deposits of mercury and antimony are located within the Zerafshan and Gissar valleys and in the Pamirs. Industrial reserves are estimated for the following deposits:

- Jjikurt
- Shing and Magian Groups
- Konchoch

Ores in these deposits are complex and can include both mercury and antimony; ores in Konchoch, however, contain mostly antimony. The Anzob Ore Mining and Processing Enterprise is based on the Jjikurt deposit.

Other deposits with limited studies carried out include:

- Skalnoye
- Pasrud-Yaghnob

Nepheline syenite

Nepheline syenites in the Turli deposit (Gharm zone) could be processed to produce alumina, cement and other chemical products such as potash, sodium metasilicate and calcium metasilicate. Industrial reserves are estimated at approximately 300 million tons.

Gold (Au)

Gold deposits are located in northern Tajikistan. A Tajik-Chinese joint venture in Zerafshan is extracting gold at the Taror, Jilau and Gidjarva deposits. In 2011 Tajikistan produced 2.4 tons of gold, 134 kg more than in 2010.

Tin (Sn)

Mushiston deposit.

Zinc (Zn)

Altyn-topkan, Ak-tash deposit. There is an ore processing facility located at this deposit.

Tungsten (W)

Mayhura deposit.

Bismuth (Bi) and Iron (Fe)

Chokadambulak deposit.

Nickel (Ni)

Gumas in Vanj district.

Boron (B)

Akarhar, Murgab deposits in Badakhshan.

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- Ministry of Energy and Industry of Tajikistan: www.minenergoprom.tj
- Main Geology Department of Tajikistan: <http://www.gst.tj/>

CONSTRUCTION EQUIPMENT AND SERVICES

Overview

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In million USD

	2006	2007	2008 (est.)	2009 (est.)	2010 (est.)	2011 (est.)
Total Market Size	200	540	700	750	900	\$1.2 billion

(Source: State Statistics Committee 2011 and U.S. Embassy estimates. Information about imports and exports is unavailable, although trade with the United States in this sector is negligible.)

The construction sector in Tajikistan has developed rapidly in the past five years and continues to grow at an average rate of 5-10% per year. The construction sector is mostly state financed industry. Prior to 2003 the sector attracted little investment due to the unstable business environment and lingering effects of the 1992-97 civil war. Although the current global financial crisis may dampen construction, at the moment it remains one of Tajikistan's most dynamic sectors. In fact, according to some analyses, the crisis may actually help the sector, as investors put their cash into comparatively safe real estate. The sector accounted for 7.4% of GDP in 2011.

The main client is the government, which commissions the vast majority of construction in Tajikistan. Using financing from the state budget and foreign loans, it is commissioning hydro energy projects, road building, and other infrastructure construction. Government contracts make up a relatively small percentage of the housing market, however.

Despite the huge investments into hydroelectric power, roads, and tunnels over the past five years, neither the government nor the private sector has invested in the production of tangible goods. The local business environment still does not favor long-term investments into this area due to problems with credit accessibility and an unpredictable business climate.

Investment in Construction in Tajikistan

in billion USD

	2007	2008	2009	2010	2011
Domestic investment	0.2	0.4	0.52	0.62	0.96
...state investments	0.14	0.3	0.45	0.56	0.5
...private investment	0.05	0.09	0.07	0.06	0.46
Foreign investment (includes in off-shore-held but locally owned entities)	0.46	0.8	0.52	0.35	0.23
Total Investment	0.7	1.2	1.04	0.97	1.19

Source: State Statistics Committee, 2011

In 2011 the energy sector accounted for 28.4% of the country's total investment volume in the construction sector. This includes the Sangtuda-1, Sangtuda-2, and Roghun projects. The construction sector is dominated by state-led construction projects with

loans from China, Russia, and Iran. In addition to hydro, priority is given to road and tunnel construction, which is mainly funded by foreign loans, primarily from the Chinese Government.

Due to a relatively underdeveloped banking sector, many Tajiks prefer to invest in real estate, and home construction is active in the suburbs and rural parts of the country. Although most large-scale construction is done by Italian, Chinese, Turkish, and Russian companies, local construction companies are growing as well. Domestic firms are mainly involved in building housing, schools, and hospitals, and in renovation projects.

Production of Construction Materials

There are 150 companies involved in construction materials production, with total volume of \$100 million in 2011. The main products are cement, gypsum, bricks, steel/cement construction, and non-ferrous materials. Six companies are involved in cement production, producing up to 300 thousand tons, which covers only 30% of the market demand in Tajikistan. Tajikistan imported 500 thousand tons of cement from Pakistan (through Afghanistan) and Uzbekistan.

Regulatory Agencies

There are 15 regulatory and project design agencies in Tajikistan. The five key players are:

GIPROSTROY – The State Institute of Design and Construction

GIPROPROM – The State Institute of Design and Industry

CANIPOSF – The Central Asian Scientific Research Institute for Foundations and Layers

NIIGUP Construction and Architecture – The Scientific Research Institute State Unitary Enterprise of Construction and Architecture.

Construction Companies

There are an estimated 1,500 construction companies in Tajikistan, including 110 that are state-owned, 90 joint stock companies, 1,200 companies with limited liability who self-identify as construction-oriented, and 26 repair companies.

In spite of the large number of companies, just a few key players dominate 60% of the construction market: TADES, Story Invest Company, Mavorunahr, Domostroytel, Alkon, Na-Na, Monolit Stroy, SohtmonMahsus, Promstroy, and Honasoz.

Main Clients in the Construction Sector

The Directorate of Construction Sites, located in the President's Executive Office, is the key office for state contracts. It coordinates and controls the construction of all government-owned buildings and projects.

In the city of Dushanbe the key government body for construction is the Department of Capital Construction which directly reports to the Mayor.

Beyond this, key customers and clients in the construction sector are the governments of Tajikistan and other states. The World Bank, the Asian Development Bank, and the governments of China, Russia, Iran, and Kazakhstan are all involved in infrastructure development in Tajikistan.

Credit and Financing in the Construction Sector

Long-term loans are not available for most Tajik construction companies, which prefer to operate on a cash basis. The government mainly finances its infrastructure and energy projects by attracting foreign loans and credits of foreign government and International Financial Institutions.

Risks associated with the construction sector involve delayed government payments and corruption that interferes with competition and equitable regulation

Construction in Dushanbe

In 2006-2011, several commercial projects were launched in Dushanbe. Among those are construction of four 5-star luxury hotels (Hyatt, Serena, Sheraton and one with no specific affiliation yet), four large business centers (Sozidanye, Vefa, Dushanbe Plaza, and Poitakht) and several commercial office renovation projects. In 2011-2012 Asian Development Bank and EBRD plan to invest more than \$200 million in the renovation of a highway connecting Dushanbe with Uzbekistan. In 2012-2014 the Qatar construction and development company, “Qatari Diar,” plans to invest more than \$290 million in the construction of an “elite” district in Dushanbe. Private companies in cooperation with the Dushanbe mayor’s office plan to invest up to \$100 million to develop downtown Dushanbe. According to the Tajik government’s National Development Strategy for 2005-2015, more construction projects are planned in all major segments of the construction sector.

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Industry representatives contacted by the U.S. Embassy say that the sector “needs almost any construction equipment, machinery, and tools that are available on the market.” The strong demand stems from the fact that much existing machinery is well beyond its lifespan, has been poorly maintained, or is simply inoperable.

The following items (classified according to the International Harmonized System Codes of Products) are in particular demand:

HS Code	Item description
842542	Hydraulic jacks
842511	Hoist
842611	Overhead cranes
842612	Mobile lifting cranes
842620	Tower cranes
8427.10-90	Fork-lift trucks; other works trucks fitted with lifting or handling equipment
8428.10-90	Other lifting, handling, loading or unloading machinery
8429.11	Track laying bulldozers

8429.12-19	Angle dozers
8429.20	Levelers and motor graders
8429.20	Graders and levelers
8429.30	Scrapers
8429.40	Road rollers
8429.40	Tamping machines and road rollers
8429.51	Shovel loaders, front end
8429.51	Front-end shovel loaders
8429.52-59	Excavators and crawlers
8429.52	Machinery with a 360 degrees revolving superstructure
8430.00	Other moving, grading, leveling machines
8430.10	Pile-drivers and pile-extractors
8430.31	Rock cutters and tunneling machinery
8430.61	Tamping or compacting machinery
8431	Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30.
8479.10	Machinery for public works, building or the like (Pavers)
8701.10	Pedestrian controlled tractors
8701.20	Road tractors for semi-trailers
8701.30	Track-laying tractors
8701.90	Off highway tractors
8704.10	Motor vehicles for the transport of goods. Dumpers designed for off-highway use. Other, with compression-ignition internal combustion piston engine (diesel or semi-diesel) :
8704.21	-- g.v.w. not exceeding 5 tons
8704.22	-- g.v.w. exceeding 5 tons but not exceeding 20 tons
8704.23	-- g.v.w. exceeding 20 tons
8704.31	Other, with spark-ignition internal combustion piston engine : -- g.v.w. not exceeding 5 tons
8704.32	-- g.v.w. exceeding 5 tons
8705.10	Crane lorries
8705.20	Mobile drilling derricks
8705.40	Concrete-mixer lorries
9015.10-80	Surveying instruments

Opportunities

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Construction in Tajikistan is a complicated and opaque market. U.S. companies may see stiff competition from Russian, Iranian, Chinese, Turkish and Italian construction companies. There are some opportunities for construction equipment sales in Tajikistan. For example, Caterpillar, through a European partner, is active in the Tajik market.

Resources

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State Statistics Agency under the President of Tajikistan: www.stat.tj

National Bank of Tajikistan: www.nbt.tj

Agency on Land, Geodesics and Mapping under the Government of Tajikistan, address:
Republic of Tajikistan, Dushanbe, 4/1 Abaya Street, phone: +992 37 2217321; fax: +992
37 2311487

Agency on Construction and Architecture under the Government of Tajikistan, address:
Republic of Tajikistan, Dushanbe, 36 Huseinzoda, phone: +992 37 221 88 53; fax: +992
37 2213690; email: agentstroy@mail.ru

AGRIBUSINESS EQUIPMENT AND SERVICES

Overview

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As of 2011, Tajikistan's agricultural sector accounts for 23.8% of GDP, 49.2% of employment, 30% of exports, and 40% of tax revenue. Agriculture has historically played a paramount role in Tajikistan's social, economic, and political life. The volume of agricultural gross production in Tajikistan exceeded 14.8 billion somoni (\$3.1 billion) in 2011, 7.9% more than in 2010.

In 2010-2011, raw cotton prices skyrocketed and for the first time in a decade Tajik cotton farmers were able to earn sizeable profits. The 2011-2012 season brought a decline in raw cotton prices, creating some financial concerns for the coming year. The agricultural sector may also present some investment opportunities, as the government and investors seek to develop food production and processing in order to diversify agriculture.

The agricultural resource base is characterized by limited arable land (only 7% of the country's territory), heavy reliance on irrigation for crop production, and substantial areas of permanent pasture. The amount of arable land has been declining continuously since the Soviet collapse, from 4.2 million hectares (ha) in 1991 to 3.8 million ha in 2005. This decline continues due to natural and anthropogenic processes, including salinization, poor maintenance, lack of crop rotation, problems with fertilizers, and other factors.

	2007	2008	2009	2010	2011
Total Market Size (local prod. + imports + equipment)	2.9	3.1	3.7	4.1	4.4
Total Local Agricultural Production	2.1	2.2	2.7	2.9	3.1
Total Agricultural Exports	0.05	0.06	0.1	0.2	0.3
Total Agricultural Imports **	0.3	0.4	0.4	0.5	0.6
Imports from the U.S.	n/a	n/a	n/a	n/a	n/a
Potential Market for equipment (assumes average cost of \$35,000 per tractor)	0.5	0.5	0.6	0.7	0.7
Annual Demand for agricultural microfinance loans (ADB)	0.1	0.1	0.1	0.1	0.15

** In 2010 and 2011, Tajikistan imported a good deal more wood, vegetable oil, grain, and wheat flour.

(Source: State Statistical Agency, U.S. Embassy estimates)

While the agricultural sector is among Tajikistan's most promising, it presents significant challenges, as detailed in the sub-sections below.

Privatization

As a result of policy reforms in the agriculture sector, 662 collective farms were reorganized into 26,518 private farms throughout Tajikistan. The process has not been

a straightforward one, however, and market liberalization reforms have resulted in widespread losses. Some of the factors include overcoming Post-Soviet era effects, poor farm management, collapse of rural financing services, a lack of agricultural marketing, and a lack of agricultural machinery. Reorganized private farms have land-lease certificates, which cannot be used to raise capital or as collateral to obtain loans. The majority of farms are too small to buy and use imported machinery profitably. Agricultural production is currently well below Soviet levels, measured both by gross production and by crop yields. There are many complaints that distribution of farmland is being conducted inefficiently and inequitably. Most farmers work on small parcels of land. According to industry specialists, the average size of a farming unit is 19.2 hectares (including both irrigable and non-irrigable land). All land is owned by the state, and farmers are granted long-term land-use rights.

Machinery

The sector faces a significant shortage of agricultural machinery. The estimated annual market size for agricultural tractors is 40,000 units, with about 8,000 tractors reaching the end of their life cycle each year. The average age of agricultural equipment has risen dramatically since the collapse of the Soviet Union. According to industry experts, the average age of machinery is more than 30 years old, and more than 80% of all available machinery is substantially beyond its useful life. More equipment was written off in 2005-2010 as scrap. These problems result in production delays and the high cost of mechanized services. So far, minimal agricultural machinery is imported; for every imported unit, six existing units become obsolete and idle. This situation has resulted in increased use of manual labor.

Capital

Despite several international micro-lending projects to help small farmers, Tajik farmers still lack investment capital. The cotton sector suffers from old equipment, ill-defined land-use rights, and dubious financing schemes that benefit unscrupulous investors while failing to develop infrastructure. With most farms facing crushing debt, Tajik banks provide loans only to sustain the production cycle, not for capital investment.

Outside investors struggle with corruption at every level of bureaucracy. A U.S. cotton processing company attempted to enter the Tajik market in 2000 but gave up in the face of local government demands for bribes. Some U.S. companies purchase cotton through local companies.

By the Numbers

Approximately 85% of arable land is irrigated or irrigable (720,000 ha), but only 515,000 ha of this is currently in use. Low-cost, river-fed gravity systems supply approximately two-thirds of irrigation, with pump systems providing the rest. Cotton, wheat, fruit and vegetables are the main irrigated crops.

In contrast to the high pressure on arable land, the 3.3 million ha of permanent pasture are lightly used due to a fall in livestock numbers after independence.

At present there are more than 35,000 large-, medium-, and small-scale entities in the agricultural sector of Tajikistan. Most of them are small “dekhan” farms (privatized former collective farms) with limited capacity.

Total agricultural production volume was USD \$3.1 billion in 2011.

In 2011, Tajikistan produced 1,098,156 tons of grains, 415,728 tons of cotton, 863,063 tons of potatoes, 1,241,893 tons of vegetables, and 416,000 tons of fruit.

Best Prospects/Services

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The best prospects for agricultural machinery sales in Tajikistan are:

- small and medium sized tractors
- trucks
- grain harvesters
- mowing machines
- tractor rakes
- fodder harvesters
- corn harvesters
- cotton harvesters
- plows
- cultivators
- cotton scraping machines
- equipment for crop transport and handling
- dairy farming
- beef farming
- chemical spraying
- chemical fertilizing
- sowing and planting
- farmland maintenance
- vineyard machinery
- orchard and fruit farming machines

Opportunities

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There are several opportunities in agribusiness, including import substitution projects for dairy and other projects.

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Agriculture Information Service of Tajikistan: <http://www.aist.tj/>

Agro Inform: <http://www.agroinform.tj/?q=ru>

Tajik Agricultural Finance Framework: <http://www.taff.tj/>

Tajik Agricultural University: www.tajagroun.tj

COSMETICS AND TOILETRIES

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Cosmetics and Toiletries in Tajikistan

in millions USD

	2007	2008	2009	2010	2011*
Total Market Size	14.4	24.4	32.1	25.6	28
Total Local Production	n/a	n/a	n/a	n/a	n/a
Total Exports	0.5	0.4	0.5	0.5	0.5
Total Imports	14.4	24.4	32.1	25.6	28
Imports from the U.S.	n/a	n/a	n/a	n/a	n/a

*Source: State Statistics Agency under the President of Tajikistan and State Customs Agency (2011); * First nine months of 2011.*

The cosmetics and toiletries market is one of the fastest growing industry sectors in Tajikistan, with annual growth of 20-50% during the last five years. Tajikistan is a net importer of cosmetics and toiletries because local production was not developed during or since the Soviet era.

Key market segments are: soap (50% of market), hair products agents and cleaners, oral hygiene products, cosmetics, perfume, and cologne.

There is no domestic manufacturing. Major imported manufacturers and brands include Johnson & Johnson, Procter & Gamble, Colgate, Avon, Faberlic, Sanfor, Domestos, Prill, Fairy, Hugo Boss, Chanel, L'Oreal, Schwarzkopf, Unilever, and Mary Kay.

Cosmetics and toiletries are legally imported to Tajikistan from China, Russia, Turkey, Dubai, Poland, India, Iran, Israel, Belorussia, Kazakhstan and Kyrgyzstan. According to some sources, many counterfeit products are imported from China, Dubai, and Russia. The black market for such products may make up as much as 50% of the total cosmetics and toiletries market.

Retail distribution of cosmetics and toiletries occurs through approximately 700 officially registered stores, outdoor markets, and other retail outlets, mainly in Dushanbe. One of the few examples of a high-end store specializing in this sector is Dushanbe's perfume shop, "La Cite and Yves Roche."

Products from U.S. companies like Johnson & Johnson and Procter & Gamble are imported to Tajikistan through regional distributors in Kazakhstan and Kyrgyzstan. Sales opportunities for U.S. exporters include the following categories: soap, make-up, skin and hair care products in all market segments, natural cosmetics, manicure and pedicure products, and cosmetics for men and children.

Opportunities

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Tajik consumers trust U.S. and other foreign brands more than Chinese-made products, which they perceive as lower quality. Given strong competition from the black market and imports from Russia, China, Iran, and Turkey, the cost of market entrance is relatively high for Tajikistan's relatively small domestic market of 7.5 million people.

U.S. Companies success in this market will depend on substantial investments in promotion, advertisement, and marketing. Price is the most critical factor for the relatively poor population of Tajikistan.

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- American-Tajik Chamber of Commerce - AmCham: www.amcham.tj
- Tajik Customs Agency: www.customs.tj
- Tajik Chamber of Commerce: www.tpp.tj
- La Cite Shop: <https://www.facebook.com/#!/pages/La-Cit%C3%A9/271608132870433>

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Chapter 5: Trade Regulations and Standards

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Import Tariffs

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Tajikistan's official trade regime is relatively liberal; tariff rates range between zero and fifteen percent, with the overall trade-weighted import tariff averaging out to around seven percent. The world's forty-five least developed countries are exempt from import tariffs. Tajik Customs Code in general complies with WTO requirements on evaluation and rates and Agreement on Rules of Goods Transit. The main difference is in the evaluation methods of goods for customs purposes.

Trade Barriers

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Trade barriers are principally limited to quotas on the import of alcohol and tobacco products.

Non-tariff barriers include excessive requirements for certification of goods for health, safety, and security reasons. Tajikistan has largely retained the comprehensive system of mandatory standards dating from the Soviet Union, but as a small, poor country, it is unable to administer them. The lack of well-equipped laboratories, trained staff, and transparent pricing and regulations make it particularly difficult to obtain required certifications.

Tajikistan has no export tariffs.

Import Requirements and Documentation

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Importing goods into Tajikistan is complicated and time-consuming. Comprehensive information on the process is on the Tajik Customs Agency website: www.customs.tj Importers should be aware, however, that requirements may change with little notice, and that actual procedures on the border may differ substantially from official regulations.

A customs inspector will begin clearing goods by creating a file containing the following documents, which the importer should have ready:

- Copy of the importer's certificate of registration to confirm that it is a legal entity
- Copy of the taxpayer identification number (the original must be shown during each phase of the clearance process)
- Copy of the charter (usually not required, but should be ready if requested)
- Copy of incorporation documents (usually not required, but should be ready if requested; if equipment from manufacturing plants is being imported as chartered capital, a registered charter and legal statement from the Ministry of Justice should be included)
- Copy of the certificate of registration with the State Statistics Committee (customs agents may request to see the original during each clearance procedure)

The basic document of the customs clearance process is the Customs Cargo Declaration, which includes information about the shipment contents, ownership, and destination.

Below is the list of documents that must be attached to the Customs Cargo Declaration:

- Power of attorney authorizing an agent – a certified staff member or customs broker – to conduct the customs clearance
- International sales contract
- Shipping documents (bill of lading, packing list, customs declaration of the shipping or transit country, etc.);
- Invoice
- Certificate of Origin
- Bank reference confirming 100% payment of the advance payment for the listed goods
- Transit declaration, confirming arrival of goods to point of destination
- Compliance with limits and/or prohibitions
- Certificate of Quality issued by Tajikstandart, or one of the appropriate certified laboratories:
 - Quarantine Certificate for agricultural products, issued by the State Quarantine Agency of the Ministry of Agriculture and Environmental Protection
 - Veterinary Certificate issued by the Office of Veterinary Control of the Ministry of Agriculture and Environmental Protection
 - Quota and licenses for alcohol and tobacco products issued by the Ministry of Agriculture and Environmental Protection
 - Certificate for pharmaceutical goods issued by the Ministry of Health
 - Certificate for import of agricultural products, ornamental and cultivated plants (including seeds), and silkworm issued by the Ministry of Agriculture and Environmental Protection
 - Certificate for radio electronic devices and high frequency devices issued by the Ministry of Transport Communications

U.S. Export Controls

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Tajikistan adheres to international export controls and works in cooperation with the United States and other Western countries in implementing export controls on certain sensitive technologies. U.S. export controls on items exported from the United States to the Republic of Tajikistan are generally similar to those in effect on items exported to other Western destinations. The procedures for obtaining licenses differ from practices in the United States and western countries. Please contact the U.S. Embassy in Dushanbe or the U.S. Department of Commerce, Bureau of Export Administration, Washington, D.C. Tel.: (202) 482-2547, Fax: (202) 482-3617) for details on U.S. export controls.

Temporary Entry

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Having arrived at a port of entry, imported goods remain in temporary storage under the control of customs officials, until they are released according to procedures. Goods can be temporarily stored in appropriate facilities or locations for a fee. Private companies can apply to the customs department for a license to operate private temporary storage facilities. A fee must be paid for the license. The Customs Department periodically publishes a list of temporary customs warehouses.

In general, to place goods in a warehouse, customs officials request only documentation identifying the goods to be stored; these documents can be submitted in English.

The owner of the temporary customs warehouse is responsible for payment of customs dues for stored goods. If the customs authorities own the temporary customs warehouse, the owner of the goods or entity who placed the goods in the warehouse is responsible for duties.

Unless otherwise specified, goods can be stored at a temporary customs warehouse for a maximum of twenty days. For goods in certain categories, this period may be shorter.

Labeling and Marking Requirements

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Labeling and marking requirements for products depend on the type of product and the intended use. The law requires that labels must be in the Tajik language, although in practice many (if not most) labels are in Russian. Labels can be affixed to the product or on a leaflet attached to the product. Information must include the name of the product, name of the producer, country of origin, and, in some cases, instructions for use. Labels for some products, such as foods, beverages, food supplements, and textiles, must also provide content and composition.

Tajik importers and distributors are responsible for correctly labeling products that are put on the market and can typically advise the U.S. exporter of specific requirements regarding labeling and marking.

Prohibited and Restricted Imports

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According to the Customs Code, imports of some commodities may be prohibited for reasons of national security; protection of public order, morality, or health; protection of animals and plants or the environment; protection of art, historical and archaeological values of Tajikistan and foreign countries; protection of property, including intellectual property; and protection of interests of national consumers and other lawful interests of Tajikistan.

Alcohol and tobacco products are subject to license and regulations limited imports.

Customs Regulations and Contact Information

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The current customs code, which provides a general outline of customs procedures, became effective in March 2006. Additional legal documents govern specific areas of the customs-related issues and procedures.

Customs Service at the Government of Tajikistan
50 Buhoro Street
Dushanbe, Tajikistan 734025
Tel: +992 (37) 221-1872
Fax: +992 (37) 223-2723, 221-4630

Standards

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Tajikistan inherited a standardization system from the Soviet Union, and the majority of standards now in place are outdated. Standardization and certification are two processes of a single system aimed at ensuring product quality and safety. Standardization sets norms, regulations and characteristics of a product, processes, and services for multiple use and reproduction. Certification confirms compliance of products, goods, works, and services to these standards.

Tajikistan is in the process of harmonizing its standards with international norms. U.S. companies should be aware that, in theory, Tajikistan has a comprehensive system of mandatory standards but in fact cannot properly administer the complex and demanding standards system. Lack of well-equipped laboratories, qualified staff, and effective enforcement capacity are serious problems. In principal Tajikistan accepts the

conformity certificates of its major trading partners; in practice, however, some importers say this does not happen.

The Law on Certification of Products and Services and other acts regulate certification procedures in Tajikistan. According to article 12 of the Law on State Foreign Trade Regulation, all commodities imported to Tajikistan are required to meet technical, pharmacological, sanitary, veterinary, photo-sanitary and environmental standards and requirements. All services and processes are subject to certification, the procedure for which is in theory the same for all products.

Standards Organizations

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The organization responsible for developing and maintaining standards within the Republic of Tajikistan is the Agency for Standards, Metrology, Certification and Trade Inspection of the Ministry of Economy and Trade ([Tajikstandart](#)), the website for which is <http://standard.tj/> (note that while the website has some English language content, more information is available in Russian).

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. *Notify U.S.* is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at internet URL: <http://www.nist.gov/notifyus/>.

Conformity Assessment

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All imported goods must be certified by Tajikstandart or other appropriate agencies as specified by Tajikstandart. Even if goods were certified within an international system, it is still necessary to seek Tajikstandart's confirmation that the international standards are in compliance with Tajik laws.

For perishable goods (produce with up to a one-month shelf-life), produced in countries that are signatories to the World Trade Organization's Technical Barriers to Trade (TBT) Agreement, clearance is based on certification of the manufacturer/producer and its quality-control process.

For imported perishable goods from countries outside of the TBT Agreement, the importer should submit proof of product safety, which should include information on product testing, including qualitative and quantitative indicators.

Product Certification

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According to the law "On Certification of Products and Services" (No. 314, dated December 13, 1996, with amendment No. 24 dated May 3, 2002) Tajikstandart carries out mandatory certification duties. Other entities involved in mandatory certification are

authorized state certification entities, testing laboratories/centers, manufacturers (sellers and contractors) as well as central bodies of certification systems, as defined in particular cases, for coordination of activities for similar products. Tajikstandart's information on certification (in Russian) is here:

http://www.standard.tj/index.php?option=com_content&task=view&id=3&Itemid=4.

Products and services that have provisions, under laws or standards, for mandatory requirements for life, safety, consumer health, protection of the environment, and damage to consumer property, are subject to additional mandatory certification according to the certification list. These products include:

- Children's products
- Food products, processed agricultural products, and feed
- Pharmaceuticals and herbs
- Consumer goods that have contact with skin, food products, or drinking water
- Fuel
- Consumer chemicals
- Perfumery and cosmetics
- Poisonous chemicals and mineral fertilizers
- Agricultural machinery, equipment for household purposes
- Agricultural equipment
- Personal defense products
- Electronic and radio devices (for testing on electric and magnetic compatibility and safety)
- Construction materials
- Communication products
- Products with materials subject to fire and explosion
- Explosive materials and devices for explosive works, storage under pressure, and weight lifting machinery
- Oil, oil products, gas, electric energy, and heat energy

Accreditation

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The accreditation of testing laboratories (centers) is based on Tajik standard (TjST 5.4-94), effective January 1, 1995, which sets basic requirements on the procedure for certification and accreditation within the Tajik National Certification System. The standard is in line with ISO-2 guidelines and the ISO 8402 standard. Accreditation of testing laboratories is mandatory.

Accreditation and supervision of laboratories is the responsibility of Tajikstandart, but may involve other certification bodies, consumer unions, and manufacturers' representatives.

Publication of Technical Regulations

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Technical regulations are available in the Tajikstandart library upon official request, but are not generally published.

Labeling and Marking

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If, for safety purposes, goods require special handling in storage, shipment, or utilization, the manufacturer (or contractor) must indicate these rules in shipping documents and products markings, or in other ways, and the seller must make sure that consumers are aware of these rules.

Contacts

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[Tajikstandart](#) (Agency for Standardization, Metrology, Certification and Trade Inspection)
42/2 Negmat Karabaeva Street
Dushanbe, Tajikistan 734018
Tel: +992 (37) 233-6869
Fax: +992 (37) 233-1933
<http://www.standard.tj/>

National Health Certification Center, Ministry of Health
5/5 Alisher Navoi Street
Dushanbe, Tajikistan 734025
Tel: +992 (37) 221-1945
Fax: +992 (37) 221-0895

State Communications Inspectorate
Ministry of Communications
57 Rudaki Avenue, 3rd floor, Office 312
Dushanbe, Tajikistan 734025
Tel: +992 (37) 221-7183

Veterinary and Phytosanitary (Ministry of Agriculture and Environmental Protection)
Ministry of Agriculture and Environmental Protection
44 Rudaki Avenue
Dushanbe, Tajikistan 734025
Tel: +992 (37) 221-1596

Trade Agreements

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Tajikistan has signed bilateral agreements on trade and investment facilitation with the following countries: Austria, Bulgaria, Hungary, Vietnam, India, China, Korea, Kuwait, United Arab Emirates, Pakistan, Syria, Slovakia, the United States of America, Turkey, Czech Republic, Afghanistan, and Iran.

Tajikistan is a member of the Commonwealth of Independent States (CIS), the Eurasian Economic Community (EEC), and the Shanghai Cooperation Organization (SCO). CIS and EEC agreements regulate transit of goods through relevant territories.

An agreement on bilateral trade relations between the United States and Tajikistan was signed on July 1, 1993. But the status of its ratification by Tajik Parliament is not clear.

In 2004, the United States Government and the Central Asian governments signed a Regional Trade and Investment Framework Agreement.

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Tajikstandart: <http://www.standard.tj/>

Commonwealth of Independent States: <http://cis.minsk.by/>

Eurasian Economic Community: <http://www.evrazes.com>

The Shanghai Cooperation Organization: <http://www.sectsko.org/>

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Openness to Foreign Investment

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Tajikistan mostly courts state-led investment and external loans from the country's perceived geopolitical friends rather than making conditions favorable to private investors from abroad. Through non-transparent practices and barriers to competition, the government burdens the private sector with unnecessary costs and creates substantial uncertainty and risk. Accordingly, the principal investors in recent years have been governments with geopolitical interests in the region, especially China, Russia, and Iran. The United Kingdom was another active investor in 2011 with \$27.7 million in FDI (Source: State Statistical Agency of Tajikistan). As the world financial crisis eased, non-state FDI (which may also include loans and credits) from China, Russia, and Iran has declined from \$124.7 million in the first nine months of 2010 to \$41 million in the first nine months of 2011. FDI from other countries totaled \$44 million during the same period, based on State Statistics Agency of Tajikistan figures. The National Bank of Tajikistan estimates total FDI in Tajikistan for the first half of 2011 was \$11.3 million, or 0.5% of GDP.

President Rahmon has made many public and private statements calling for increased foreign investment, particularly in hydropower. At the same time, the government promised to finance its largest hydropower project, Roghun, using only domestic financing. With improvements in the investment climate, opportunities exist in energy, telecommunications, construction, food processing, textiles, consumer goods, healthcare, natural resource extraction (mining), and tourism.

According to the Civil Code (Article 1) there is no legal discrimination against foreign companies and entities. Practically all of Tajikistan's international agreements have a provision for most-favored-nation status. According to the 2007 Investment Law, foreign investments can be made by:

- Owning a share in existing companies, jointly either with other Tajik companies or Tajik citizens;
- Creating fully foreign-owned companies under the laws of Tajikistan;
- Acquiring assets, including shares and other securities;
- Acquiring the right for use of land and other mineral resources, as well as exercising other property rights either independently or shared with other Tajik companies and citizens of Tajikistan; or
- Concluding agreements with legal entities and citizens of Tajikistan providing for other forms of foreign investment activity.

In principle, the judicial system recognizes sanctity of contracts; in practice, contract enforcement is poor, due in part to inadequate legal awareness. In addition to questions of competence, the judicial system suffers from a lack of independence, and government officials have in several notable cases leaned on judges to produce "correct" outcomes in business disputes. Though Tajikistan is party to a number of arbitration agreements and conventions, it does not have its own internationally recognized arbitration system. The courts do not always respect or uphold international arbitration rulings.

Tajikistan has made a number of changes that have improved its World Bank "Doing Business" rankings from 152 in 2011 to 147 in 2012 (out of 183 countries). The most significant reform was the inauguration in July 2009 of a "single-window" business registration system, which applies to both foreign and domestic applicants, and reduces red tape associated with opening a business. Applicants now pay a fixed fee at the Tax Committee and are supposed to receive permission to begin operating within five working days. Last year a few other targeted reforms were enacted, including a law improving the rights of minority shareholders. Given Tajikistan's paucity of corporations, with or without minority shareholders, this law has limited scope in practice.

In other areas improvement has been slow or conditions have deteriorated. Beginning in December 2009, the government began forcing individuals and enterprises across the country to make "voluntary" contributions to Roghun. Those refusing to pay faced threats including loss of income or jobs. The most vulnerable were individuals who relied directly on the government for their salaries or livelihoods, including doctors, teachers, and pensioners. Many individuals were told to contribute amounts far in excess of their monthly wages to retain their jobs. Others were issued Roghun stock certificates in lieu of their salaries with no say in the matter. There is no secondary market for Roghun shares, and their value remains uncertain. Foreigners were officially barred from purchasing shares, although in practice government officials sometimes attempted to cajole foreigners or foreign-owned firms into doing so. The government backed off the Roghun campaign in 2010 as a result of pressure from the International Monetary Fund and other donor organizations, but there was a similar, albeit smaller-scale, campaign to raise money for construction of a series of buildings, parks and monuments celebrating the 20th anniversary of Tajikistan's independence. Most of the collected money was not spent on Roghun, but deposited in commercial banks following the IMF's recommendations.

Tajikistan's State Committee on Investments and State Property, created in 2006 to assist investors, has done little to fulfill its mission. There are no established criteria for screening investment proposals, and potential investors go through a lengthy review process by all (potentially) concerned government agencies, rather than working with a single investment promotion agency. The government has privatized most small and medium enterprises, but the largest concerns remain in state hands. Although there are no limits on foreign participation, in many circumstances non-transparent decisions are made that favor investors with connections to the existing power structure. Some of the largest enterprises, in Tajikistan's transportation, infrastructure, and electricity distribution and maintenance sectors, will remain government-owned for the foreseeable future.

There is no legally sanctioned discrimination against foreign investors at the time of an initial investment or after the investment is made. Current investment laws and the tax code provide for incentives, including a waiver on taxation on initial investment and VAT-free importation of some industrial equipment. Companies may have a difficult time realizing these benefits due to poor implementation of tax regulations and/or corrupt tax authorities. The onus of proving that an investment qualifies for the benefits is on the investor, and Tajik authorities are often skeptical. The government also attempts to increase revenue by taxing profitable companies more aggressively. For example, the Government introduced a 3% tax on cell phone and internet services. Not surprisingly, the communications sector is one of the few bright spots in the Tajik economy. The fact that the tax burden is placed on companies that have a greater degree of compliance with regulations results in distorted competition. To avoid predatory behavior by the ruling elite, some foreign investors find it easier – some say necessary – to establish joint ventures with well-connected officials, including the President's extended family.

According to some sources, even well-meaning companies inevitably violate some tax legislation, since internal contradictions and draconian rules make it impossible to abide by all existing requirements. This plays into the hands of corrupt regulators, who can very easily find evidence of violations for which they then demand bribes to ignore. A moratorium on business inspections ended in mid-2010, but was reinstated October 1, 2011, for a three-year period with the stated hope of increasing foreign investment.

Although the Tajik economy has grown rapidly since 2000, many economic indicators remain below the benchmarks of 1991, when Tajikistan became independent. Tajikistan's GDP grew by an estimated 6% in 2011 to \$6.54 billion (Source: IMF). The informal economy is substantial; according to some estimates, it may be as high as \$2 billion, over one-third the size of official GDP. Tajikistan's banking sector is relatively undeveloped, and businesses tend to raise capital through other means, including selling assets and borrowing from other companies or individuals.

The government does not impose geographic restrictions on business operations, but topography (93% of the country is mountainous), poor infrastructure, and a lack of reliable electricity pose their own restrictions. Roads in Dushanbe and Khujand are poor even by Central Asian standards, and roads outside of major towns are often unpaved and poorly maintained. A few major routes, such as those between Dushanbe and Khujand, Dushanbe and Gharm, and Dushanbe and the Afghan border, are being renovated with foreign financing. Weather also impacts commerce; overland travel to parts of the country (e.g., the Gorno-Badakhshan Autonomous Oblast) is difficult if not impossible in the winter and spring. Electricity production is well short of demand,

especially in the winter. For three to six months of the year, most parts of the country outside of Dushanbe receive only a few hours of power each day. Overland import/export requires patience and ingenuity as customs agents at borders and internal checkpoints frequently seek bribes to allow passage.

Tajikistan's rankings on a few selected indices are as follows:

<i>Index</i>	<i>Score (max)</i>	<i>Ranking (out of)</i>	<i>Year</i>
Transparency International Corruption Perceptions Index	2.3 (10)	152 (182)	2011
Heritage Foundation Index of Economic Freedom	53.5 (100)	128 (179)	2011
World Bank Doing Business Ranking	n/a	147 (183)	2012

Tajikistan's rankings on selected Millennium Challenge Corporation (MCC) Indices for fiscal year 2011 are as follows:

<i>MCC Index</i>	<i>Score</i>	<i>Percentile</i>
Government Effectiveness	-0.20	32%
Rule of Law	-0.29	29%
Control of Corruption	-0.34	32%
Fiscal Policy	-5.8	12%
Trade Policy	82.5	97%
Regulatory Quality	-0.39	31%
Business Start-Up	0.956	66%
Land Rights and Access	0.538	29%
Natural Resource Management	72.13	76%

Conversion and Transfer Policies

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Tajikistan does not restrict conversion or transfer of "reasonable sums" of money. There are no legal limits on the kinds of transfers – i.e., whether commercial or otherwise. However, an underdeveloped banking infrastructure, with strict government controls and limited capital, presents obstacles for investors in finding local sources of financing. Although legal, it is often difficult in practice to conduct large currency transactions due to the limited amount of foreign currency available in the domestic financial market. Investors are free to import currency. The minimum regulatory capital for existing commercial banks is \$6 million and \$10 million for newly opening banks. All banking institutions (15 commercial banks, including five branches of foreign banks, and state-owned Amonat Bank) meet this requirement. Thirteen out of 15 banks in Tajikistan have a foreign stake in their authorized capital.

Expropriation and Compensation

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The Law on Investments details the types of actions that can be taken with regard to expropriation of property. There have been no known cases where foreign commercial entities have had their property seized, but there have been several recent cases of potential or actual state expropriation of other privately owned property under dubious circumstances. Though the Law states that investors are to be reimbursed for

expropriated property, actual compensation may be minimal. Predatory behavior by officials – e.g., during the Roghun campaign described above – has bordered on a “creeping expropriation” in which business assets are taken without effective due process. Businesses in all sectors risk this kind of activity on an ad hoc basis.

Dispute Settlement

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In official pronouncements, the Tajik government values the rule of law; in practice it has not demonstrated a clear understanding of its importance to investors. The international community, including the United States, has encouraged Tajikistan to improve its legal system with mixed results. Well-written laws have been passed, but implementation and consistent interpretation lag behind. Few people, especially small business owners, are aware of their rights and responsibilities. Tajikistan’s weak judiciary is ill-equipped to defend the interests of investors. As a general rule, disputes are solved by appealing to government officials who are as highly placed as possible. The victor is frequently the party whose contact is more powerful.

Tajikistan has well-written commercial and bankruptcy laws. There are no differences between foreign and domestic investors according to Tajikistan’s bankruptcy law. The country’s contract law is modeled on European legislation. These laws are regulated under the country’s Civil Code, but they are not always enforced in the courts.

Tajikistan has no formal policy for accepting results of international arbitration, although the business community has advocated such a policy. It has signed bilateral agreements with several countries on arbitration and investment disputes, but these agreements are not always enforced or recognized. Tajikistan does not have a bilateral investment agreement with the United States. Domestic courts accept judgments of foreign courts on a case-by-case basis.

In 1993, Tajikistan became a member of the International Association on Investment Guarantees as well as the International Center for the Settlement of Investment Disputes (Washington Convention). Tajikistan is not a party to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Performance Requirements and Incentives

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Current legislation provides the same tax and customs incentives to local and foreign investors. In practice companies with close connections to the government get preferential treatment. The government does not formally impose performance requirements as a condition for establishing, maintaining, or expanding investment. Though there is no requirement to “buy locally,” it is encouraged. Operating from a Soviet-era legal code (and mentality) that views anything beneath the land’s surface as a potential state secret, the government has been reluctant to offer mining concessions to foreign companies. An effort to revise the legislation is underway, and the government has made some effort to attract foreign mining projects, but generally only on the condition that the State is given a controlling interest. The government has also established two Free Economic Zones (see Section 17 below) that provide reduced taxes and customs fees.

Right to Private Ownership and Establishment

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The government wants to encourage business development, but faces major obstacles, including its own poor management and corrupt practices. In principle, private entities may establish and own businesses and engage in almost all forms of remunerative activity. Foreign entities may establish, acquire, and dispose of interests in business enterprises. In practice the old Soviet mentality still prevails. Government inspectors often operate on the principle that activities are not permitted unless they are expressly allowed (or unless the inspector is remunerated for adopting a more flexible interpretation), and since laws are neither published nor uniformly applied and interpreted, businesspeople often find Tajikistan frustrating.

There are other unofficial barriers. In some cases, the existence of informal networks of clan-based, interrelated suppliers force would-be investors to "buy in" to the system, hindering competition and sometimes constraining new investors from fully participating.

Protection of Property Rights

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Undeveloped legal avenues for dispute resolution create a weak environment for property rights protection in Tajikistan.

According to Tajik law all land belongs to the state; individuals or entities may be granted first- or second-tier land use rights. First-tier rights allow for indefinite land use over 99-year periods and inheritance of land use rights, while second-tier rights allow for land use up to 49 years. Though there is no formal distinction between domestic and foreign entities, in practice foreigners are given second-tier land-use rights. There are no legal limitations on foreign ownership or control of other property, but there are significant restrictions on using land-use rights as collateral. Efforts have been underway for several years to develop a new land code that provides for the sale and exchange of land use rights, but the issue has not yet been resolved. The government adopted mortgage legislation in December 2007 which allows parties to use property as collateral. In practice, land use continues as before because no legal mechanisms or procedures were developed to implement these new laws.

When secured interests in property do exist, enforcement remains an issue. Investors should be aware that establishing title may be a more involved process than in western countries since ownership is often unclear. Ownership of rural land can be particularly opaque, since many nominally "privatized" former collective farms continue to operate as a single entity. Many of the new "owners" do not in fact know where their land is and do not exercise property rights as such. A system to record, protect, and facilitate acquisition and disposition of property exists but needs improvement. The legal system is not adept at quickly and efficiently settling disputes.

Tajikistan is party to a number of conventions honoring intellectual property rights, but enforcement of such rights remains a low priority for the country. Tajikistan is a signatory to the WIPO Convention, but has not signed nine out of 24 of the WIPO treaties, including the Patent Law Treaty and the Hague Agreement.

Transparency of Regulatory System

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Cronyism, nepotism, and corruption create a business environment that favors those with connections to government officials. Tajikistan's regulatory system lacks transparency and poses a serious impediment to business operations. Regulators and officials often apply laws arbitrarily and are unable or unwilling to make decisions without a supervisor's permission, leading to lengthy delays. Executive documents -- i.e., presidential decrees, laws, government orders, instructions, ministerial memos, and regulations -- are often inaccessible, leaving businesses and investors in the dark about rules. Each ministry has its own set of normative acts that are not published and may contradict law or the normative acts of other ministries.

Tajikistan's legislation provides for 18 different types of national taxes and three local taxes and numerous ways to calculate them. Not only are the regulations complicated, but the inconsistency with which they are applied impedes the development of small and medium enterprises. The President announced in April 2011 that Tajikistan needed a more simplified tax system and ordered a new tax code to be legislated by June 2012 and put into force by January 2013. It is still too early to tell if the tax code revisions will be a positive development for the private sector.

An inspections law signed in 2006 and promoted extensively by the International Finance Corporation has reduced the practice of government agencies shaking down enterprises for bribes, but reports of such incidents are still widespread. President Rahmon reinstated a three-year moratorium on business inspections on October 1, 2011, with the hope of improving this situation. Tajikistan is working towards international accounting standards, but these are not yet implemented.

Tajikstandart, the government agency responsible for certifying goods and services, calibrating and accrediting testing laboratories, and supervising compliance with state standards lacks experts and appropriate equipment. It nevertheless has the mandate to inspect and approve even the most technologically complicated imports. Tajikstandart does not publish its fees for licenses and certificates or its regulatory requirements. As a result, businesses are vulnerable to individual inspectors' whims. So far no concrete steps have been taken to create proposed "one-stop shops" for certifying businesses in various categories.

The government has made a number of efforts to promote business reforms, but such efforts generally have been more rhetorical than substantive. As long as government inspectors treat their positions as a license for rent-seeking – and as long as the government tolerates it – Tajikistan will remain a difficult place for investors.

Efficient Capital Markets and Portfolio Investment

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Tajikistan's nascent banking sector faces numerous challenges: insufficient capital, limited banking services, mistrust, and fallout from earlier banking system crises. The national currency, the somoni, was introduced in October 2000.

The total value of authorized capital of all commercial banks in Tajikistan as of September 2011 was 1,3 billion somoni (approximately \$287.6 million). Banking sector assets total 7.7 billion somoni (approximately \$1.6 billion). As of December 2011, there were 15 banks, two non-banking financial organizations and 122 microfinance organizations in Tajikistan, as well as the National Bank of Tajikistan. Nine banks are joint stock companies, one is state-owned, and five are branches of foreign banks:

Tijorat (Iran); KazCommerceBank (Kazakhstan); First Micro Finance Bank of Tajikistan, owned jointly by the Aga Khan Fund for Economic Development and the International Finance Corporation (IFC); and AccessBank Tajikistan, a development bank owned jointly by the IFC, the European Bank for Reconstruction and Development, and the German development Bank KfW and investment bank “Kont.”

The majority of Tajikistan’s cash and capital is from remittances from Tajiks working abroad. The ratio of remittances to GDP, estimated at 35% over the first nine months of 2011, is the highest in the world. During this period, up to a million Tajiks worked abroad, primarily in Russia, and sent home \$1.03 billion through the banking system. Although an ever greater share of remittances now flows through the banking system (vice being carried home in cash), banks have limited success in convincing consumers to deposit funds into savings accounts that could be used for investment.

The private sector has access to several different credit instruments, but interest rates in Tajikistan are very high – commercial banks offer loans beginning at 25%. For the most part, the few foreign companies operating in Tajikistan do not rely on local sources of credit. The government has proceeded with a plan to write off over \$500 million in agricultural debts, which will require recapitalizing the National Bank. Despite the many difficulties, Tajik banks remain relatively well capitalized with good debt-to-asset ratios. The government has taken steps to create a credit bureau, but its realization remains several years off. There is no securities market, and enabling legislation is in its infancy. The government issues treasury bills to cover budget deficits, using local banks to cover the loans.

According to experts, the banking sector’s legal framework is adequate, but laws and regulations are not always enforced or correctly implemented. On occasion, banks have been directed to lend to particular entities, sometimes at below-market rates. Partly as a result of directed and related lending, the banking sector is experiencing some liquidity difficulties and 20% of the credit portfolio is classified as non-performing. Lending to small and medium enterprises is much healthier with a non-performance rate of 12%. The country has a lively microcredit sector; performance on micro-loans exceeds 90%. Though liquidity remains adequate for smaller transactions, the market may be too shallow for large changes in position. Some work is being done to strengthen creditor and shareholder rights, but there is a long way to go.

Without a securities market, there are no hostile takeovers as such. All large-scale economic activity is tightly controlled by state authorities who sometimes ignore or apply laws selectively to achieve a desired result. In 2010, the government sold shares in the Roghun hydroelectric project directly to the population. Since by most accounts Tajiks were forced or intimidated into buying the shares and little information about shareholder rights or maintenance of funds has been released, this represented a step backward rather than forward for the country’s financial system.

More information about the National Bank of Tajikistan is available on its website: <http://www.nbt.tj>.

Competition of State-Owned enterprises

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Although the government of Tajikistan has sold many formerly state-owned small and medium enterprises, several large enterprises remain under state control. These include

the national electrical grid operator (Barqi Tojik - <http://barkitожik.tj>), the natural gas operator (Tojiktransgaz – <http://ttg.tj>), and the Talco Aluminum Company (TALCO - <http://talco.com.tj>), Tajikistan's largest enterprise. As a general rule, private companies cannot hope to compete with state-owned enterprises (SOEs) unless they have good connections in the government. This has less to do with any explicit policy favoring SOEs than with the fact that Tajikistan's ruling elite often profit directly from the SOEs.

SOEs are not run transparently. Their budgets, assets, and liabilities are rarely disclosed to the public. Some efforts are underway to make SOEs more transparent, but little tangible progress has yet been seen.

Corporate Social Responsibility

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There is little awareness of corporate social responsibility in the western sense in Tajikistan. Many, if not most, corporations have contributed to the Roghun campaign (see above, under Efficient Capital Markets), but many of these contributions were coerced. Some corporations do engage in voluntary community assistance on an ad hoc basis.

Political Violence

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Political violence in Tajikistan is minimal. The security situation has stabilized significantly since the Civil War ended in 1997. All factions signed a peace agreement, and the government incorporated members of the opposition into a multi-party system – although President Rahmon has since steadily removed opposition figures from government to consolidate his power. The Tajik government has worked to minimize the impact of political discord on foreign investors. With the civil war a recent memory, the people of Tajikistan are keen to maintain peace, a factor sometimes adduced to explain the population's acceptance of the government's egregious corruption.

Late summer 2010 saw several disturbances, including a major prison-break, the country's first-ever suicide car bombing, and militant activity in the former opposition areas of the Rasht Valley. By November 2011, all escapees had been recaptured and Rasht remained relatively peaceful. Tajikistan sometimes serves as a transit country for terrorist groups, and narcotics trafficking from Afghanistan is significant. These phenomena have little effect on most residents.

Corruption

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As in previous years, Tajikistan ranked very low on the 2011 Transparency International Corruption Perceptions Index. It scored 2.1 out of 10, placing it 154 on a list of 178 countries. Anemic anti-corruption efforts from the Tajik government have proven ineffective – indeed, some anti-corruption units are ironically known to be particularly corrupt. Extremely low official salaries do not help since they force many officials to look for alternative means to make ends meet. Buying a government position is common, and people frequently bribe superiors for promotions. Cultural expectations play a role as well: people are expected to share their good fortune with superiors and extended family, and nepotism or other favors for clan members, extended family, or superiors are commonplace.

As noted throughout this report, endemic corruption stifles business by local and international investors. Officials at any number of agencies expect payoffs for opening and running a business. Although a signatory to the OECD Convention on Combating Bribery and the United Nations Convention against Corruption, corrupt practices are deeply embedded in every aspect of commerce, and calculating the actual cost is difficult. The Agency to Fight Corruption and Economic Crimes, which reports directly to the Presidential Administration, has yet to achieve anything significant. Indeed it appears unwilling to take on major corruption cases, which are often linked to high-ranking government officials.

Bribery is endemic. Many businesses view paying off predatory regulators and other officials as a necessary cost of doing business. Legitimate prosecutions for corruption, including bribery, are rare to nonexistent. Ironically, since bribery is so widespread it proves to be a reliable charge officials can use to silence a potential critic or business rival. Officials tend to face consequences for corruption only when their activity competes with that of more powerful officials.

Bilateral Investment Agreements

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Tajikistan has agreements on avoiding double taxation with Russia, Belarus, Ukraine, Azerbaijan, Turkey, and some other countries, but not with the United States. Tajikistan signed the Trade Investment Framework Agreement between the five Central Asian states and the United States in 2004. Tajikistan is a member of the EURASEC trade organization, which provides loose regulation of trade among Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan. Tajikistan is also a member of the Shanghai Cooperation Organization.

OPIC and Other Investment Insurance Programs

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Tajikistan is open to insurance and financing programs of the Overseas Private Investments Corporation (OPIC). Thus far, however, OPIC's involvement in investments in Tajikistan has been limited to a beverage bottling project many years ago. Nevertheless, Tajikistan's relative macroeconomic stability and a growing economy may provide for opportunities for OPIC insurance and financing. Tajikistan's currency has devalued approximately 32% since the beginning of 2009, and stands at 4.8 somoni to the dollar as of December 2011.

The airline Somon Air concluded a deal with the U.S. Export-Import Bank for guarantees to help purchase two new Boeing 737 aircraft in November 2011. The Ex-Im bank is not otherwise active in Tajikistan.

Labor

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Due to its crumbling and corrupt education system, Tajikistan's labor force is becoming increasingly less skilled and is ill-equipped to provide Western standards of customer service and management. International businesses and NGOs lament the small pool of qualified staff for their organizations. Corruption in secondary schools and universities means degrees do not accurately reflect the level of professional training or competency. Although education is compulsory, many students must work to support their families. Since there few well-paid jobs available, many Tajiks with advanced skills emigrate to find better opportunities.

The official unemployment rate in Tajikistan is 2.6% (as of November 2011), but the actual rate is much higher. Approximately one million labor migrants work abroad, almost all of them in Russia. Indeed, there are areas of Tajikistan with few working-age males. According to some studies, the average level of education of labor migrants is higher than that of those who remain in Tajikistan even though the vast majority of migrants work as unskilled laborers. Remittances have a profound effect on economic stability in Tajikistan, paying for a high percentage of its growing appetite for imports, particularly foreign vehicles, construction materials, food, and consumer goods.

The average monthly salary in Tajikistan is around \$100, and inflation outstrips wage growth. According to the World Bank, over half the population lives below the poverty line. Tajikistan's high birth rate means that 50% of the population is less than 25 years old, creating a worrisome demographic bulge given limited domestic employment opportunities.

Nepotism and corruption play a large role in the labor market. Many of the higher prestige or more lucrative jobs require a "buy-in" and continuing payments to supervisors, leading the job holder to look for ways to pay back that sum by seeking bribes or other corrupt activity.

The labor market favors employers. Although technically the majority of workers are unionized, most are not aware of their rights and few unions have the will or know-how to effectively advocate for workers' rights. Unions are tightly controlled by the government.

Tajikistan is a party to 44 international labor conventions, including the Worst Forms of Child Labor Convention, dedicated to eliminating child labor and protecting children and young people. In 2010 and 2011, the government made important strides in preventing child labor in the cotton harvest.

Foreign-Trade Zones/Free Ports

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Tajikistan is a landlocked country whose neighbors demonstrate varying abilities and interest in trade. All of Tajikistan's rail links and most of its roads pass through Uzbekistan, whose relations have soured considerably with Tajikistan making transit of goods through Uzbek territory difficult. Throughout much of 2011, for example, Uzbekistan prevented or delayed a considerable amount of rail traffic into Tajikistan. In November 2011, the main rail road route that connects southern Tajikistan with southern Uzbekistan was disrupted due to an explosion and as of January 2012 has not been repaired. There are no commercial flights between Uzbekistan and Tajikistan. To overcome this dependence on Uzbekistan, Tajikistan has sought to open alternative transit routes to the north via Kyrgyzstan and Kazakhstan; the south, via Afghanistan and Pakistan; and the east, via China. The Asian Development Bank and the Governments of China and Iran have funded several projects to improve Tajikistan's road infrastructure, but these new routes remain difficult. The Kulma border crossing with China lies at an altitude of 4,600 meters, across a very rough road which is open only in Spring and Fall. Trade with and through Afghanistan has expanded markedly in recent years but remains low.

The government has established two Free Economic Zones (FEZs) that offer greatly reduced taxes and customs fees to both foreign and domestic businesses locating in the zones. The legislation for the FEZs is still being developed, but current law requires a minimum investment of \$500,000 for manufacturing companies, \$50,000 for trading companies, and \$10,000 for consulting and service companies, before being eligible for the preferential tax treatment. The most developed FEZ is in Khujand, with 14 officially registered companies. Most of them are local, but there are companies from Turkey, China, Russia, Belarus and Poland. A second FEZ was recently set up in Nizhniy Panj, on the Afghan border, but so far has only three tenants and still lacks essential infrastructure. According to Tajik Government reports, more than \$48 million in investment projects have been registered in the Free Economic Zones in Sughd and Nizhniy Panj. A third and fourth FEZ, in the President's home district of Danghara in the south of Tajikistan and along the Afghan border in Ishkoshim, are still in the planning stages.

Foreign Direct Investment Statistics

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Foreign Direct Investment statistics vary by source. There are two primary agencies monitoring foreign investments in Tajikistan: the National Bank of Tajikistan (NBT) and the State Statistical Agency under the President of Tajikistan. The NBT is more conservative in its methodology but does not break out its data by sector or country. The NBT estimated total FDI of \$11.3 million during the first half of 2011, compared with \$15.7 million during the same period in 2010. According to the State Statistical Agency, total foreign direct investment (FDI) in the first nine months of 2011 was \$85.1 million, half as much as in 2010. Of this, \$22.8 million came from former Soviet states (almost entirely Russia, with investments of \$20.7 million). Total FDI in the same period in 2010 was \$171.4 million, indicating that in 2011 foreign investors are cautious about investments to Tajikistan. Between 1997 and 2011, total FDI amounted to \$1.66 billion. In the first nine months of 2011, the FDI to GDP ratio equaled 2%, down from 8% in 2010.

According to Tajikistan's official state statistics, the largest foreign direct investors for the first nine months of 2011 were:

- Russia – \$20.7 million
- Iran – \$14.2 million
- Great Britain – \$27.7 million
- Switzerland – \$5.5 million
- Kazakhstan – \$1.6 million
- China – \$6 million

Foreign direct investment by sector over that period was as follows:

- Energy: \$17.9 million
- Communications: \$21.9 million
- Mining: \$11.3 million
- Agriculture: \$0.4 million

Note: Some of the FDI statistics above may include investment in Tajik-held companies registered offshore. Tajik government leaders or their family members control most large-scale enterprises in Tajikistan, and usually register them offshore to circumvent

local tax laws. For example, a portion of Great Britain's FDI was likely directed toward Tajik companies registered in the British Virgin Islands, but Tajikistan's State Statistical Agency does not disclose this level of detail to the public. These figures do not include state-led investment projects, including the Chinese-financed road and communications projects valued at \$1 billion and the Iranian-financed construction of the Sangtuda-2 hydropower station.

Web Resources

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State Statistical Committee of the Republic of Tajikistan: www.stat.tj (English: www.stat.tj/english/home.htm)

National Bank of Tajikistan: www.nbt.tj

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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Most Tajik firms use prepayment or partial prepayment with balance due upon delivery. Payments in cash continue to dominate sales within Tajikistan. The majority of large Tajik firms are familiar with letters of credit, documentary collections, wire transfers, and cash in advance. Most prefer not to use letters of credit due to the high cost. Smaller companies are not aware of these payment methods. Borrowing from personal contacts and informal channels of financing are still prevalent.

Average sales in Tajikistan are low by western standards, and Tajik companies often have problems finding short-term financing. A U.S. firm's ability to provide or arrange financing is important to building significant market share. Offering sales of goods on consignment, at least for initial sales, will enable a U.S. company's distributor to generate more funds for subsequent purchases.

Leasing is undeveloped in Tajikistan, and banks are only beginning to explore this method of financing. While the Law on Leasing was enacted in 2003, the majority of Tajik businesses have very little knowledge about leasing as a financing tool. The few leasing companies in Tajikistan have relatively little capital.

How Does the Banking System Operate

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German-based "Access Bank" is the only western bank with a presence in Tajikistan. The checking system is not developed in Tajikistan. Only one bank, AgroInvestBank, accepts American Express Road Checks. Most payments are made by bank transfer; payments between two corporate entities must be made through the banking system.

The banking structure in Tajikistan is two-tiered: the National Bank of Tajikistan performs central bank functions, while commercial banks represent the second level. As of January 2012, there are 15 commercial banks in Tajikistan. Five banks are public, open joint stock companies, while five are closed joint stock companies. The remaining two banks, Tejorat Bank of Iran and Amonat Bank, are state-owned. Three of the banks are foreign, including Tijorat, Kazcommercebank of Kazakhstan and First Micro Finance Bank of Tajikistan, partly owned by the Aga Khan Fund for Economic Development and the International Finance Corporation. There are also seven credit societies, twelve microfinance deposit organizations, 35 micro-lending organizations, 41 micro-lending foundations, and one non-banking financial organization.

The banking system in Tajikistan remains relatively undeveloped. The national currency, the somoni, was introduced in 2000. There are several major concerns about the banking system, including: government-directed lending, insufficient capital, limited banking services, lingering mistrust as a result of the 1998 banking system crisis, and ongoing concerns related the 2008 global financial crisis. The total value of regulatory capital of all commercial banks in Tajikistan as of January 1, 2012 is \$334.7 million. Total net assets of all commercial banks of Tajikistan - \$1.8 billion as of January 1, 2012

Foreign-Exchange Controls

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Tajikistan is subject to the International Monetary Fund's Article VIII on Foreign Exchange controls.

U.S. Banks and Local Correspondent Banks

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As of 2011, Citibank had corresponding relations with all major banks in Tajikistan. However, in January 2012 Citibank announced it planned to close correspondent accounts in 40 countries, including Tajikistan, where it views this type of business as "no longer commercially viable." As of February 2012, Citibank had not publicly announced the timing of the planned account closures. Tajik banks will likely turn to alternative correspondent accounts with European and Russian banks to access dollar-based markets.

Project Financing

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Most Tajik companies and government agencies lack the experience to put together a financing package for investment or acquisition. It is critical for U.S. companies interested in doing business in Tajikistan to assist in setting up financing. In many cases, a pro-active approach to financing may even create a market that otherwise would not exist, since local companies will prefer to work with partners with the capacity to attract financing.

Domestic financing from private venture companies and investment banks is not available. For large infrastructure projects, however, financing may be available from international financial institutions such as the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), the World Bank, and the International Finance Corporation (IFC). Financing for feasibility studies may be available from the U.S. Trade and Development Agency (see contact information below, under Web Resources). Interested U.S. companies should also consider other sources of financing outside of Tajikistan.

Lease financing has potential as a possible future approach for marketing equipment, vehicles, and other large capital items. Food exporters should consider the U.S. Department of Agriculture's Commodity Credit Corporation program (see contacts below). Non-food exporters can contact the U.S. Export-Import Bank (Ex-Im Bank) and Small Business Administration for information about their trade financing programs in

Tajikistan. The Ex-Im Bank currently has restrictions to its programs in Tajikistan. While closed for certain routine trade finance transactions, Ex-Im Bank will consider structured financing arrangements such as its project finance program, asset-based aircraft leases, and other financing arrangements that offer a reasonable assurance of repayment, including reliable access to adequate foreign exchange.

Web Resources

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U.S. Government Resources

Export-Import Bank of the United States: <http://www.exim.gov>
Country Limitation Schedule:
http://www.exim.gov/tools/country/country_limits.html

Trade and Development Agency: <http://www.tda.gov/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Overseas Private Investment Corporation: <http://www.opic.gov>

U.S. Small Business Administration: <http://www.sba.gov>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

Tajik Banks

National Bank of Tajikistan
<http://www.nbt.tj>

Agroinvest Bank
<http://www.agroinvestbank.tj>

Eskhata Bank
<http://www.eskhata.tj>

Orien Bank
<http://www.orienbank.com>

Tojik Sodiro Bank
<http://www.tsb.tj/>

The First Microfinance Bank
<http://www.fmf.com.tj>

Sohibkorbank
<http://www.sohibkorbank.com/>

Multinational Development Banks

European Bank for Reconstruction and Development: <http://www.ebrd.com>

International Finance Corporation: <http://www.ifc.org>

Asian Development Bank: <http://www.adb.org>

Multilateral Investment Guarantee Agency: <http://www.miga.org>

World Bank: www.worldbank.org

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Chapter 8: Business Travel

- [Business Customs](#)
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Business Customs

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Traveling to Tajikistan remains difficult for international travelers. Although the national carrier, Tajik Air, has recently leased several Boeings, many international routes are still served by Soviet-era aircraft. Somon Air, Tajikistan's only private airline, is based at Dushanbe Airport and began operating on February 5, 2008 with regular flights to Moscow and Dubai. Somon Air has since been gradually expanding with new routes to Frankfurt, several Russian cities, and more. The only western carrier to fly into Tajikistan is Turkish Air, which operates two weekly overnight flights between Istanbul and Dushanbe. Other carriers connect Dushanbe to Moscow (several flights daily), Almaty (four times a week), Dubai (twice a week), and Urumqi, China (twice a week).

Local telephone services are good, reliable and inexpensive. International calls can be made through VoIP or direct dial – which is quite expensive. Express mail is available through DHL and UPS.

Hiring a car and a driver is recommended to travel inside and outside of Dushanbe.

In general, business etiquette in Tajikistan is a mixture of European and Asian styles. For men and women business attire is recommended. Most businessmen print their business cards in English and Russian; government officials print business cards in either English, Tajik, or, depending on the agency, Russian.

Few Tajik businesses have competent English-speaking staff. Local companies tend to have one email address, usually through free services, such as mail.ru, on the .ru domain. It is best not to use email as an introductory means of communication because your email may not reach the decision maker.

Be patient in corresponding with potential partners. Companies may not respond to an email or fax request within 24 hours simply because the company's director may be away on a trip and other staff are not authorized to make decisions. If your potential partner has not responded in a timely manner and a follow-up call is needed, do not expect whoever answers the phone to be aware of any specifics about the issue.

Explain the purpose of your call and patiently request to be transferred to the director's office. Local phone manners may seem brusque by western standards; do not take this personally.

Tajik businesses may express their hospitality by inviting their partners "for a cup of tea." Such invitations often mean a full course dinner with alcoholic beverages such as vodka or cognac. Offering a toast and quoting Tajik poetry is very common. An experienced and competent interpreter can be very helpful.

Although the official language is Tajik, Russian remains the language of business. When it comes to promotional and advertisement campaigns, it is necessary to comply with the Law on Advertisement that requires use of the Tajik language in advertising content (many billboards in Dushanbe include two or three languages: Tajik, Russian, and English).

When scheduling meetings with government officials, it is better to avoid Monday mornings and Friday afternoons. It is harder to make business appointments and contacts in Tajikistan during major holidays like New Year's and Islamic holidays. The work week is 40 hours (Monday through Friday); some companies and government offices are also open a half-day on Saturday.

Travel Advisory

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U.S. State Department Consular Information Sheet:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1037.html

Visa Requirements

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A valid passport and visa are required to enter Tajikistan. American citizens can obtain Tajik visas at Tajik embassies and consulates abroad. It is possible, but difficult, to obtain a visa at the Dushanbe airport, provided that the traveler has a valid letter from the Tajik Ministry of Foreign Affairs. Up-to-date information about obtaining visas is listed on the State Department's website at
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1037.html.

U.S. companies that invite foreign counterparts to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Embassy Dushanbe Consular Section: <http://dushanbe.usembassy.gov/visa.html>

Telecommunications

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Tajikistan's country code is 992. In order to dial internationally from Tajikistan, dial 810 + country code + number.

The national telecommunications company is Tajik Telecom, which provides domestic and international phone communications, as well as email and internet access, broadcasting, telegraphy, and telex. More than 90% of the public telephone switch networks are digital.

Mobile phone usage in Tajikistan is very extensive. As of the beginning of 2009, there were ten private mobile phone companies and over 3.4 million registered mobile phone subscribers, equivalent to approximately one-half of the country's population. Technologies used include GSM, CDMA, and 3G networks.

Internet is available in major cities through DSL, dial-up, and, more recently, WiMAX. There are several private internet providers.

Transportation

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There are no direct transatlantic routes to Tajikistan. Other carriers connect Dushanbe to Moscow (several flights daily), Almaty (four times a week), Dubai (twice a week), and Urumqi, China (twice a week). The only western carrier to fly into Tajikistan is Turkish Air, which operates two weekly over night flights between Istanbul and Dushanbe.

Tickets for Turkish Air can be purchased online at www.thy.com.

The national carrier is Tajik Air, which in addition to several international flights operates Tajikistan's few domestic routes. Buying tickets from abroad is difficult. Tickets on Tajik Air can generally only be purchased in person or through an agent.

Tajik-owned private carrier Somon Air flies weekly between Dushanbe and Frankfurt, and is exploring additional routes to Europe. The latest information for Somon Air can be found on their website: <http://somonair.com/>.

There is currently no timetable available online for Dushanbe airport (IATA code: DYU).

Express mail and couriers:

DHL +992 (37)221-0280; <http://www.dhl.com>

UPS +992 (37) 223-5414; <http://www.ups.com>

Language

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The official language of Tajikistan is Tajik, although Russian is the international language of communication according to Chapter Two of the Tajik Constitution. Russian is widely used in major cities and as the language of business. Tajik is closely related to Farsi, although Farsi speakers should be aware that Tajik uses the Cyrillic script. Very few Tajiks can read the Arabic-origin Persian script.

There are no health restrictions on travel to Tajikistan, although travelers should be aware of the very limited health care options in the country. Food and waterborne diseases are the number one cause of illness. Viruses, bacteria, or parasites that contaminate food or water can cause [Travelers' diarrhea](#). Infections may cause diarrhea and vomiting, or fever or liver damage (hepatitis). Make sure food and drinking water are safe.

[Malaria](#) is a fatal, but preventable and treatable, infection. There is some risk of malaria in the south of the country, including cities. Travelers should consult a health care provider for advice on prophylaxis. In all cases visitors should protect against mosquito bites.

For additional information on malaria risk and prevention please visit www.cdc.gov/travel.

Be sure to check State Department's Travel page:
<http://travel.state.gov/travel/abroad.html>.

Medical information for Americans traveling abroad is located at:
http://travel.state.gov/travel/abroad_health.html.

It is not recommended to drink tap water in Tajikistan. Bottled water is available at any grocery store. Fruits and vegetables bought in local markets should be washed thoroughly.

American travelers are encouraged to registering at the U.S. Embassy in Dushanbe. This will help a consular officer contact you in case of an emergency.

There are no private western clinics in Tajikistan offering health services at international standards. In case of a serious emergency, visitors should contact the U.S. Embassy in Dushanbe.

U.S. Embassy in Dushanbe
109 A Ismoili Somoni Ave.
Dushanbe, Tajikistan 734019
Tel: +992 (37) 229-2000
Fax: +992 (37) 229-2050
Email: DushanbeConsular@state.gov
<http://tajikistan.usembassy.gov/>

In the case of a life or death emergency involving a U.S. citizen, call the consular section at +992 (37) 229-23-00 and press 9. During normal working hours, from 8:00 to 17:00, the call will go straight to the consular section. After working hours and on holidays, the call will be transferred to the Marine Guard at Post 1. For life or death emergencies involving U.S. citizens, you may also call the duty officer at (992-917) 70-10-32.

Local emergency numbers are as follows:
Fire: 01
Police: 02

Ambulance: 03

In Dushanbe the privately-run Prospect Medical Clinic has a western doctor and international over-the-counter drugs available. Prices are accordingly high.

Emergency doctor - (93) 503 99 03

For in clinic appointments please contact reception on (93) 555 40 96 or 224 30 92/62

Website: <http://www.prospektclinic.org>

Local Time, Business Hours, and Holidays

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The local time zone is five hours ahead of Greenwich Mean Time (GMT). Tajikistan does not observe daylight savings time. Local business hours are 8am to 5pm. Lunch breaks are typically from 12 p.m. to 1 p.m.

The following is a list of national holidays observed in 2012

January 1 – New Year

March 8 – International Women’s Day

March 21-22 – Navruz

May 1 – International Day of Solidarity

May 9 – Victory Day

June 27 – National Unity Day

September 9 – Independence Day

Eid Al-Fitr (Ramadan) is celebrated according to lunar calendar

November 6 – Constitution Day

Eid Qurbon is celebrated according to lunar calendar

Temporary Entry of Materials and Personal Belongings

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A foreigner can temporarily bring in audio/video equipment, transport, and other equipment by filling in a customs declaration.

Web Resources

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Consular/Visa information

U.S. State Department Consular Information Sheet:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1037.html

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Embassy Dushanbe Consular Section:

<http://dushanbe.usembassy.gov/visa.html>

Travel

Tajik Air: <http://www.tajikair.tj/>

Turkish Airlines: <http://www.thy.com>

Domodedovo International Airport, Moscow: <http://www.domodedovo.ru>

Almaty International Airport, Almaty: <http://www.almatyairport.com>

Central Asia Tourism Corporation: <http://www.centralasiatourism.com>

Medical

Centers for Disease Control (CDC) traveler information:
<http://wwwn.cdc.gov/travel/>

CDC information on Tajikistan:
<http://wwwn.cdc.gov/travel/destinationTajikistan.aspx>

CDC information on malaria:
<http://wwwn.cdc.gov/travel/contentDiseases.aspx#malaria>

CDC information on diarrhea:
<http://wwwn.cdc.gov/travel/contentDiseases.aspx#diarrhea>

State Department's Travel page: <http://travel.state.gov/travel/abroad.html>

State Department medical information for Americans traveling abroad:
http://travel.state.gov/travel/abroad_health.html.

Prospekt Medical Clinic, Dushanbe: <http://www.prospektclinic.org>

Communications

GSM network coverage information:
http://www.gsmworld.com/roaming/gsminfo/cou_tj.shtml

DHL: +992 (37)221-0280; <http://www.dhl.com>

UPS: +992 (37) 223-5414; <http://www.ups.com>

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Chapter 9: Contacts, Market Research, and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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U.S. Government

U.S. Embassy Dushanbe
<http://tajikistan.usembassy.gov>

Special American Business Internship Training Program (SABIT)
International Trade Administration
1401 Constitution Ave., NW,
Franklin Court Bldg., Suite 4100W
Washington, DC 20230
Tel: (202) 482-0073; Fax: (202) 482-2443
<http://www.sabitprogram.org>

U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, VA 22209-3901
Tel: (703) 875-4357; Fax: (703) 875-4009
Email: info@ustda.gov
<http://www.tda.gov>

Overseas Private Investment Corporation
1100 New York Avenue NW
Washington, DC 20527
Tel: (202) 336-8628; Fax: (202) 408-5145
<http://www.opic.gov>

Market Research and Trade Events

Analytical Center “Zerkalo”
Tajikistan, Dushanbe
3 Loik Sherali Street
Phone: (992) 41-100-50-05,
Fax: (992) 41-100-50-06, (992) 93-572-10-04
<http://www.zerkalo.tj/>

Total Advertising Group – Central Asia
16 Saadi Sherozi, 12th Floor
Tel: +992 (372) 355394
Fax: +992 (372) 274861

Email: sher@tag.tj
<http://www.tag.tj>

Chamber of Commerce and Industry
21 Valamat Zade Street
Dushanbe, Tajikistan 734012
Tel: +992 (372) 215284
Fax: +992 (372) 211480
E-mail: chamber@tjinter.com
<http://www.tpp.tj>

Market Research

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To view market research reports produced by the U.S. Commercial Service please refer to <http://www.export.gov>, and click on "Market Research" along the left-hand side.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

The [Tajik Chamber of Commerce and Industry](#) is also planning to stage several exhibits over the upcoming year. Consult <http://tpp.tj/ExhibitionActivity/> for information. Their contact information is:

Tajik Chamber of Commerce and Industry
21 Valamatzade Street
Dushanbe, Tajikistan 734012
Tel: +992 (37) 221-5284
Fax: +992 (37) 221-1480
<http://tpp.tj>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/home/export.html>

The Political/Economic Section of the U.S. Embassy in Dushanbe works with the Tajik government to build cooperation in those areas of mutual interest to both countries, working to broaden and deepen an ever-expanding bilateral relationship.

The four-officer section monitors and analyzes issues such as energy, human rights, religious freedom, trafficking in persons, antiterrorism, the environment, agriculture, and promotion of American investment in Tajikistan.

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.