



# **Doing Business in Tajikistan: A 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 growing economy continues to provide opportunities for exporters and investors. This report is prepared as a guide for new-to-market U.S. companies interested in finding partners in Tajikistan; it provides practical information on obtaining preliminary market information, strategizing market entry, approaching potential partners and practical tips on establishing communication. Due diligence is critical to take advantage of the rewarding, but high risk market of Tajikistan.

U.S. exports to Tajikistan in 2006 totaled \$41.2 million, up from \$28.8 million in 2005. Major U.S. exports in 2006 were construction materials, telecommunications equipment, pharmaceutical products and miscellaneous consumer goods.

Tajikistan's economy continues its rapid growth; U.S. companies can explore opportunities for their goods and services in the following sectors, described in greater detail in Chapter 4 of this year's CCG:

- Hydropower generation, distribution, services;
- Construction equipment, machinery, materials and services;
- Agribusiness machinery, farming equipment and services;
- Telecommunications equipment and services;
- Mining equipment and services; and
- Food processing and packaging equipment and services.

### Market Challenges

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- Excessive standardization and certification regulations;
- Difficult and corrupt customs clearance process;
- Poor consumer and business purchasing power;
- Excessive and confusing licensing requirements, and;
- An undeveloped banking and insurance sector.

## Market Opportunities

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In 2006, Tajikistan's economy continued its steady growth:

- Average GDP growth is 7% per annum.
- Inflation rate is 11.7 % in 2006; up from 7.1% in 2005.
- Opportunities exist in the following sectors: Construction and engineering services, equipment and materials; fruit and vegetable processing management, equipment, and technology; telecommunications equipment and services.

## Market Entry Strategy

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- Contact the U.S. Embassy to receive information on market opportunities.
- Visiting and establishing contacts with potential buyers and partners are very important. Most Tajik businesses and officials do not use email and expect face-to-face negotiations.
- Promotion materials should be in Russian or Tajik language.
- Local agents and distributors are commonly used.

The proximity of European and Asian markets enabled their exporters to establish a presence and explore opportunities for expansion in Central Asia. Consumer goods imports, including capital goods, constitute about 50% of all imports to Tajikistan. U.S. companies should be aware of some disadvantages: Tajikistan has one of the largest economic distances to foreign markets in the world, despite the country's low formal tariff barriers. Importing goods is expensive because of high transportation costs. The cost of doing business domestically is high due to corrupt customs, tax, and licensing authorities.

The majority of local businesses and consumers have limited awareness of U.S. goods. Imports of consumer goods are mainly from Russia, Turkey, China, Kazakhstan, and Uzbekistan. A common understanding among the local business community is that U.S. goods are expensive due to the remoteness of the market. The situation is complicated by other important factors such as time difference, language barriers, and lack of common business practices and values.

The decision on market entry strategy should take into account several factors, such as:

- Level of personal and company involvement in product sales/promotion;
- Level of market potential for U.S. companies goods;
- Understanding local business environment; and
- Classification of product line and potential import/transportation channels.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on 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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## Chapter 3: Selling U.S. Products and Services

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### Using an Agent or Distributor

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Granting official distributor status to one Tajik company responsible for a specific region and/or expansion to other regions may be a good market entry strategy; however, because of the fragmented domestic market this may not work well with all commodities, and a detailed analysis would be necessary in advance. Very few Tajik companies have official distributor status of U.S. goods and services. Due to limited English use in Tajikistan, 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, or even Moscow.

Some products require finding a distributor (as opposed to selling directly), including: pharmaceuticals, beauty and hygiene products, auto accessories, household goods, furniture, electric appliances, construction materials, etc.

Advantages:

- Official distributor will report to U.S. company;

Disadvantages:

- Local companies need training in Western business practices such as reporting, accounting, sales, marketing, customer care;
- Local companies may not have the skills and resources required to manage a nationwide distribution and sales network;

Each situation requires individual attention; however, the following general comments can be made:

- 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 must 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.
- Promotion and product materials must be available in Russian or Tajik language.

U.S. companies interested in looking at opportunities in Tajikistan are encouraged to contact the U.S. Commercial Service's Business Information Service for the Newly Independent States (BISNIS). The BISNIS representative at the U.S. Embassy in Dushanbe maintains a database of Tajikistan investment and trade opportunities and a network of useful contacts.

### **Establishing an Office**

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U.S. companies wishing to establish a presence in Tajikistan are encouraged to contact the U.S. Embassy in Dushanbe for consultations and guidance. The U.S. Embassy web site is located at: <http://tajikistan.usembassy.gov>.

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) branch office, 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 cannot engage in trade and commercial activities. Branch offices maintain close connection with the parent company. Branch offices may perform any function including representational functions. A representative office and a branch are not legal entities; therefore, the parent company may be held liable. All businesses must register with the Ministry of Justice.

A basic application package includes, but is not limited to: application for registration, registration of entity and parent company by-laws, and articles of incorporation. Upon registration with the Ministry of Justice, companies should then obtain a taxpayer identification number, register with the social security organization, and obtain an enterprise identification number from the statistical authorities. The U.S. Embassy recommends that businesses solicit experienced and well-established legal counsel when registering a company.

Detailed information on opening an office is available at the U.S. Department of Commerce's Business Information Service for the Newly Independent States (BISNIS) website at <http://www.bisnis.doc.gov/bisnis/country/tajikistan.cfm>

### **Franchising**

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The Government has not drafted franchising legislation or regulations. Franchising opportunities should be discussed with the U.S. Embassy.

## **Direct Marketing**

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One of the most effective marketing techniques 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.

There are several local advertising firms, all 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 done using outdoor advertising.

There are several media channels; although there are no private television stations with nationwide coverage, some small private television companies exist in smaller towns. In Dushanbe, there are three leading FM radio stations and one cable television network.

## **Joint Ventures/Licensing**

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From 1998 to 2006 more than 400 joint ventures were registered in Tajikistan, according to the Ministry of Justice and State Statistical Committee, however, only half of these ventures are in operation. The list of joint ventures is not available for the public. In January 2007, the Ministry of Economic Development and Trade noted that of 250 joint ventures operating in Tajikistan, 51 had been launched with Chinese investments. Joint ventures can be established as a limited liability company (LLC) or a joint stock company (JSC).

Many joint ventures are established in the mining, telecommunications, agribusiness, and food industries. The largest joint ventures are Obi Zulol JSC, Indigo Somoncom JSC, Indigo Tajikistan JSC, and Sangtuda-I JSC., Tacom LLC, TT-Mobile JSC, TK-Mobile JSC and others.

Once a local presence is established, the company must obtain applicable licenses or permits for operations. The Law on Licensing Certain Types of Activities (the "Licensing Law") mandates a license for a variety of activities. A license is needed for the following areas of business activity:

- 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

In order to obtain any of these licenses the applicant will usually need to file the following documents with the appropriate licensing authorities:

- An application indicating the title, corporate form and official address of the applicant, as well as the location of the licensed activity;
- Copies of the foundation and registration documents of the applicant;
- A copy of a certificate from the Tajik tax authorities confirming registration of the applicant as a taxpayer;
- A document confirming payment of the duty for the review of the application (i.e. filing fee);
- Data on the relevant qualifications of the applicant's employees; and
- Various technical documents according to the type of license requested.

The licensing authorities are generally required to decide whether to issue the license within 60 days of receiving a complete application with all supporting documentation; however delays can result in determining what constitutes "all supporting documentation." After the decision has been reached, the applicant must be notified immediately.

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The Government of Tajikistan implements a number of infrastructure projects financed by international financial institutions. Business opportunities exist in the following sectors:

- Consulting services;
- Road rehabilitation and maintenance equipment and services;
- Procurement opportunities in infrastructure sectors (energy, electricity, water, sewage, etc.)

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 current distribution channels are unstructured, non-transparent and chaotic. Major distribution



centers are Dushanbe and Khujand. The majority of goods arrive to these centers via railway and trucks. From these distribution centers goods are shipped to their final destinations by truck.

Although Tajikistan is very small, infrastructure creates a big challenge. The northern, southern, and eastern parts of the country are all separated by mountains, poor road links, and seasonal transportation availability.

According to a World Bank study, current road transport accounts for less than 5% (both weight and value) of Tajikistan's international transport. In part, this is due to the availability of relatively smooth and inexpensive rail transit through Uzbekistan that is used for bulk shipments of alumina, aluminum and cotton.

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

Non-Tajik-registered trucks traveling between Uzbekistan and Tajikistan also face high costs and many other barriers. Border crossing procedures are difficult. According to experts, many trucks leave Tajikistan empty, despite the demand for truck transport. 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.

According to an Asian Development Bank (ADB) report, the intermodal transportation system in Central Asia is slow to develop due to the following reasons:

- Lack of equipment to handle ISO containers outside of a limited number of major terminals;
- The rail tariff system sets high price on container transport;
- Limited demand patterns for regular two-way movement of full containers;
- The border crossings which interfere with the organization of fast container movement; and
- Inefficient regulations and business practices.

Additional information is available from the BISNIS representative in Dushanbe.

## **Selling Factors/Techniques**

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Although the official language is Tajik, Russian is the language of business. For promotional and advertisement campaigns, it is necessary to comply with the Law on Advertisement that requires the use of Tajik language in an advertisement's content and wording.

All promotional materials must be translated into Russian before approaching a Tajik company. Depending on the type of product, companies may wish to translate it into Tajik as well. Tajik-language content will give a company an edge over Asian and European competitors.

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 habits and behavior.

## **Electronic Commerce**

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In general, local companies have one email address, usually registered on the free .ru email domain, and email is checked by a secretary or designated person on a daily basis. U.S. companies are advised to not use email as an introductory way of communication because an email may not reach the decision maker. Most top businessmen and officials are not comfortable using email.

E-commerce is not widely used in the local market due to the low number of Internet users and insufficient telecommunications infrastructure.

## **Trade Promotion and Advertising**

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International Trade and Exhibitions company (ITE) plans to stage eight exhibits in 2007, for the telecommunications, construction, health, food processing & packaging industries. For details, please contact the ITE office in Dushanbe:

ITE Central Asia – Tajikistan Office  
66 Rudaki Avenue, Office 29  
Dushanbe, Tajikistan 734025  
Tel: +992 (37) 227-7585/221-6420  
Fax: +992 (37) 223-3486  
Email: [iteca@iteca-osiyo.tj](mailto:iteca@iteca-osiyo.tj)  
<http://www.caspianworld.com>

## **Pricing**

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To estimate pricing on the local market, estimates should take into account transportation costs, associated import duties (customs duties, fee, certification costs), and value added tax (VAT). Tajikistan's overall trade weighted import tariff is around 7-15%, however, trading with Tajikistan is challenging since the country has no direct access to seaports.

Competition from Russian, Asian and European producers is rising. Consumers in Tajikistan are very price sensitive and opt for cheap prices over quality.

## **Sales Service/Customer Support**

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In general, the level of customer support and service is very poor. Providing after-sales services will help create a dedicated consumer base. U.S. companies should be prepared to commit resources to intensive customer service training for local staff. Customer care is vital in the sectors where after-sale support is essential to the business, e.g. heavy machinery, automobiles, etc.

## 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 international property rights and there exists little real protections for patents, copyrights, trademarks and other intellectual property.

Consequently, individuals may find it challenging to protect their property rights in a manner to which westerners are accustomed.

National legislation which regulates the relations in the sphere of intellectual activity includes the following:

- General Legislation: Constitution of Tajikistan, Civil Code of Tajikistan, Criminal Code of Tajikistan and other acts;
- Special Legislation: Laws regulating property rights and private non-property relations, and use of objects of intellectual property.

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

1. National Patent Information Center (NPIC) at the Ministry of Economic Development and Trade is the basic patenting organization. One of the NPIC's main functions is to protect state interests in the field of inventions, industrial samples, trade marks, service marks and names of the origins of goods.
2. Department on Authors' Rights and Related Rights at the Ministry of Culture is responsible for the protection of authors' rights.
3. State Commission on Grade Testing and Protection of Grades at the Ministry of Agriculture and Natural Resources.
4. Customs Committee is responsible for measures undertaken at the state border.
5. Other government structures: Supreme Economic Court; Ministry of Interior - including a newly-created (2006) Department to Combat Intellectual Property Rights Violations.

Tajikistan's participation in the International Conventions on Intellectual Property Rights:

In January 1994, Tajikistan became a member of the World Intellectual Property Organization. According to the declaration of the Government, Tajikistan accepts the following international agreements in the field of industrial property:

- Convention on establishment of the World Intellectual Property Organization (WIPO)

- Paris Convention on Protection of the Industrial Property
- Madrid Agreement on International Registration of Marks
- Nice Agreement of June 15, 1957, Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks
- Locarno Agreement Establishing an International Classification for Industrial Designs
- Agreement on Patent Cooperation
- Strasbourg Agreement on International Patent Classification
- The Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure
- Nairobi agreement on protection of the Olympic Symbol

Tajikistan is a member of the World Convention on Authors Rights. Since March 2000, Tajikistan is a member of the Berne Convention for the Protection of Literary and Artistic Works. Tajikistan is a member of the International Union for the Protection of the New Variety of Plants (UPOV)

#### Civil Code of the Republic of Tajikistan

Part III of the Civil Code of Tajikistan is a new law regulating the relations of intellectual property rights, inheritance rights and private international rights. It provides state guarantees of equal protection of all types of property.

Part II consists of three sections, 8 chapters and 110 articles. Chapter 5 of Part II of Civil Code is on Intellectual Property Rights. Article 57: General issues on Intellectual Property Rights includes 13 articles.

#### Protection of Intellectual Property Rights

In Part III of the Civil Code, Article 1137, intellectual property rights are protected as follows:

- 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.

#### **Due Diligence**

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There are no companies that conduct due diligence in Tajikistan. 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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#### Legal Services

Lex Law Firm, <http://www.lex.tj>  
Legal Consulting Group, <http://www.lcg.tj>  
Akhmedov, Azizov & Abdulhamidov. Simple Partnership, <http://www.aaa.tj>

#### Logistics

Globalink Logistics, LLC <http://www.globalink-logistics.com>  
AES Cargo, [ryan.hall@moveonerelo.com](mailto:ryan.hall@moveonerelo.com), 992 918 792577

#### Market Research

Total Advertising Group, [www.tag.tj](http://www.tag.tj)  
ABG (Asian Business Group) [www.abg.tj](http://www.abg.tj), email: [jahan.abg@gmail.com](mailto:jahan.abg@gmail.com)

### **Web Resources**

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

BISNIS  
<http://www.bisnis.doc.gov/bisnis/country/tajikistan.cfm>

Asia Plus Media Group (newspaper, radio, news, analysis)  
<http://www.asiaplus.tj>

National Television  
<http://www.tvt.tj>

Safina Television  
<http://www.safina.tj>

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

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## Energy

### Overview

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	2004	2005	2006 (estimated)
Total Market Size	N/A	N/A	1,075 *
Total Local Production	91.86	97.56	97.25
Total Exports	N/A	N/A	47.46
Total Imports	N/A	N/A	63.10
Imports from the U.S.	0	0	0

(in millions USD); \*includes planned and ongoing hydropower development projects

Tajikistan's energy production is based on renewable sources (hydropower) and fossil fuel sources (coal fired power plants). Total installed capacity of power plants in Tajikistan is 4,436 MW); hydropower plants account for 94 percent (4,090 MW). On average, 15-17 billion kWh was produced on annual basis in 2003-2006. The largest hydropower plants are Nurek (3,000 MW) and Baipaza (600 MW). Electricity is produced from snowmelt in the summer period. In winter, due to low storage level of reservoirs, electricity is imported, mainly from Uzbekistan.

Domestic consumption of electricity amounts to 12-14 billion kWh. The major consumer is the state-owned Tajik Aluminum Plant (TADAZ), which accounts for over 50% of total consumption (7.1 billion kWh in 2006) (for Tajikistan, aluminum exports serve as electricity exports); agricultural consumers account for approximately 30 percent, while other consumers including residential account for approximately 20 percent. The domestic deficit of electricity during winter period is estimated at 4.5-5.0 billion kWh.

Tajikistan has enormous hydropower potential estimated at 40,000 MW, and only 10 percent of it is currently used. The Government of Tajikistan is marketing a number of small, medium and large size hydropower projects on three main rivers: Zerafshan, Vakhsh and Panj.

A number of hydropower stations and high-voltage power transmission projects are at various stage of completion. These include:

- Sangtuda-I hydropower plant (670 MW) on Vakhsh river, sponsored by Russian energy corporation RAO UES. Estimated project is \$625 million.
- Sangtuda-II hydropower plant (220 MW) on Vakhsh river, sponsored by Iranian Sangob company. Estimated project cost is \$220 million.
- Zerafshan hydropower plant (150 MW) on Zerafshan river, sponsored by Chinese Sinohydro corporation. Estimated project cost is \$200 million.
- Varzob-I hydropower plant rehabilitation (55 MW) on Varzob river, sponsored by the Government of India. Estimated project cost is \$10 million.
- 500-KV domestic power transmission project from Dushanbe through Varzob Gorge, sponsored by Chinese government. Estimated project cost is \$300 million.

- 220-KV regional power transmission project from Lolazor to the Afghan border, sponsored by the Asian Development. Estimated project cost is \$160 million.

#### A Main River: Vakhsh River Hydro Stations

The hydropower potential of the Vakhsh River is estimated at 9,195 MW with annual potential electricity generation at 36,930 million kWh. At present, only 3,835 MW are utilized. Hydropower stations with aggregated installed capacity of 4,490 MW are under construction, and hydropower stations with 850 MW installed capacity are under design.

#### Technical Information of Hydropower Stations on Vakhsh River

Pos. No	Name of Hydropower Stations	Installed capacity, MW	Power output, million kWh/year
1.	Rogun **	3,600	13,400
2.	Shurob ***	850	3,000
3.	Nurek *	3,000	11,200
4.	Baipaza *	600	3,500
5.	Sangtuda-I **	670	2,700
6.	Sangtuda-II **	220	900
7.	Golovnaya *	210	1,300
8.	Perepadnaya *	29.9	220
9.	Centralnaya *	15.1	110
	<b>Total</b>	<b>9,195</b>	<b>36,330</b>

\* - existing power stations (3,855 MW/16,330 million kWh)

\*\* - new power stations under construction (4,490 MW/17,000 million kWh)

\*\*\* - not yet under construction

#### Best Products/Services

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Investment Banking  
Consulting

Due to the nature of financing of the above mentioned projects (Russia, China, Iran, and India) procurement and tendering processes are not publicly conducted and do not present export opportunities for U.S. companies.

#### Opportunities

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

#### Resources

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Highlights on Electricity Beyond Borders – A Central Asia Power Sector Forum (Istanbul, June, 2006)

<http://www.bisnis.doc.gov/bisnis/bisdoc/0606PowerSectorForum.htm>



## Information and Communications

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	2003	2004	2005 (estimated)
Total Market Size	n/a	\$100	\$150
Total Local Production			
Total Exports	n/a	n/a	n/a
Total Imports	\$17	\$32	\$48
Imports from the U.S.	n/a	\$1.1	n/a

In US\$ million; Source: U.S. Department of Commerce/BISNIS

The telecommunications market is one of the most dynamically developing sectors of Tajikistan's economy. Although still small, its contribution to the country's gross domestic product is fast growing, as new and diverse technologies are quickly becoming the norm. In 2005, Tajikistan leapfrogged over outmoded technologies and began trial introductions of advanced wireless networks, such as 3G and Next Generation Networks. Liberal mobile licensing policy and comparatively low market entrance costs are driving the rapid growth of cellular operators and related competition between wireless standards. Other contributing factors include the low penetration rates in both fixed-line and mobile communications, and the increasing pace of economic growth, resulting in growing disposable incomes.

The mobile telecommunications market is expected to continue its rapid growth in 2006 and beyond. This will inevitably generate more demand for communications hardware and software, ranging from base stations and mobile switching equipment to network management tools and voice management systems. Current buyers in the wireless telecommunications market are private companies.

Despite the difficult geographical landscape of Tajikistan, the telephone network was upgraded from obsolete analogue equipment to digital in 2003-2005 (the current digitization level is 90%). The major vendors of digital equipment are ZTE Corporation and Parstel. Replacement of Strowger and partially crossbar switches to digital, and installation of SDH-ring transmission systems in Dushanbe and Khujand sharply improved quality of existing services and introduced new modern telecommunication services. Tajik Telecom's utilization of advanced traffic measurement and customer service activities resulted in a considerably more efficient and reliable network. In general, duty rates for telecommunications equipment do not exceed 15%. U.S. companies can invest in projects building fiber-optic networks, as well as production of fiber optic cable from local raw materials.

The most recent telecom legislation, the Law on Electrical Communication, came into effect May 10, 2002. The law sets the legal basis for regulation and development of electrical communication in Tajikistan, defines power state of regulatory authority, and rights and responsibilities of physical and legal entities involved in this area and those who are using services of electrical communication.

The main principles of the law:

- Provide equal access of all physical and legal entities to modern and effective infrastructure and electric communication services;
- Assist in effective and free competition on the market to benefit interests of the consumers;
- Create conditions to access networks for general use and inter-network connections to guarantee objectivity, transparency, lack of discrimination and equal opportunities on the market; and
- Create favorable conditions to attract investments.

The national policy on electrical communication is the responsibility of the government, including development and implementation of programs for privatization and abolishment of monopolies. According to the law, the government delegated responsibilities to the Ministry of Transportation and Communications, the national regulatory authority.

According to market players, the current legislation is quite liberal, with clear licensing procedures, and adequate transparency.

There are no known limitations on foreign ownership for operations of the ground fixed lines for long distance and international telephony services. The government plans to privatize the current fixed line operator.

## Consulting

### Overview

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Private entrepreneurs (sole proprietors), private and collectively owned companies, and farmers constitute the business sector in Tajikistan. Tajik legislation defines entrepreneurship as “an activity of accordingly registered entities aimed at gaining regular profits by using assets, production, sales, performing works and services.” The law classifies entrepreneurship as a sole proprietorship and as a legal entity. Government has recognized the development of private sector and enacted a number of legislative documents to further accelerate the growth of private sector and diversification of economy.

The number of small and medium-sized businesses in Tajikistan increases yearly. According to the State Statistics Committee, as of November 2006, there are 100,000 entrepreneurs registered as individuals, 7,000 registered limited liability enterprises, and 28,452 farms in Tajikistan. According to the State Statistics Committee, the business sector accounts for 74% of total employment and contributes up to 40% to the country’s GDP.

The majority of business is concentrated in the Sughd Region (28%); in “Regions of Republication Subordination” (25.5%); in Dushanbe (23.7%); in Qurghon-Teppa (13.8%) and 7.4% in Kulyab of Khatlon Region. Less than 2% of businesses are located in Gorno-Badakhshon Autonomous Region.

About 31% of businesses are engaged in general business activities, 19% in trade and public catering, 16% in manufacturing, 15% in construction, and 9% in other minor categories. About 65% of sole proprietors are engaged in trade and public catering, 15% in consumer services, 11% in transportation and communication and only 9% in manufacturing.

There are less than 40 consulting companies in Tajikistan. The following types of consulting firms exist: financial consulting, legal consulting, and advertising & marketing sectors. Deloitte and The Louis Berger are the only internationally recognized consulting firms that have established a permanent presence in Tajikistan. Several U.S. consulting firms implementing various U.S. government development projects are also present in the market. Based on conversations, Tajik authorities place little value on consulting services and will need to be educated about the benefits of professional advice.

## Food Processing and Packaging

### Overview

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	2004	2005	2006
Total Market Size	n/a	n/a	337.83
Total Local Production	n/a	n/a	259.94
Total Exports	n/a	7.10	6.55
Total Imports	n/a	53.20	77.89
Imports from the U.S.	n/a	0	n/a

(in millions USD)

Breakdown of the imports by product categories is provided below:

Product	HS Code	Total Imports		
		2003	2004	2005
Machinery for filling, closing, and labeling	8422	0,240	0,613	1,231
Milking and dairy machinery	8434	0,014	0,012	0,000
Machines to manufacture juice, beverages etc.	8435	0,008	0,021	0,000
Other equipment for food processing	8438	3,000	1,245	0,718
Other cutting machines	8441	0,135	0,047	0,043
<b>Total</b>		<b>3,397</b>	<b>1,938</b>	<b>1,992</b>

Source: Tajikistan State Statistic Committee, 2006 Annual Book

The food-processing sector in Tajikistan has 34 segments, including canned vegetables, canned fruits, fresh and dry fruits, meat and dairy processing, feed and confectionary production, as well as production of tobacco and alcohol. There are 300 companies in the sector, including 261 in the food sector; 33 in the milk and dairy sector, and six in the fishery sector. Once wholly owned by the government, the industry is now largely in the private sector, and has a strong demand for capital equipment. Most enterprises are very small seasonal operators, selling to local markets.

In 2005 Tajikistan's food processing industry accounted for approximately 18.6% of the total industrial output of Tajikistan. In other words, total output of the food processing industry amounted to more than \$250 million, while total industrial output was approximately \$1.3 billion.

The flourmill and feed production in 2005 amounted to approximately \$105 million, which is 8% of the total industrial output. There are 107 companies in this sector. Together with food processing industry, these two sectors account for more than 26% of the industrial output.

Following break-up of the Soviet Union in 1991, industrial output of the food processing sector sharply declined and reached an all-time low in 1999. The breakup of the centralized planning and sales system, lack of financing to run operations, coupled with political and economic instability resulted in a critical state of the sector. Tajikistan was

one of the major producers of fruits and vegetables in the former Soviet Union, with annual exports reaching 200,000 tons (100,000 tons of fruits, 60,000 tons of vegetables and 30,400-40,000 tons of canned food) prior to 1990. In 2005, Tajikistan's food processing industry exported 12,600 tons of fruits, 34,000 tons of vegetables, and about 20,000 tons of canned food.

Since 1991 only two projects have received major investment: (i) \$12.6 million water bottling plant and (ii) \$3.97 million fruit and vegetable juice packaging line. In general, all installed processing and packaging equipment is physically outdated, with some technologies dating back to 1930s.

With 24% of GDP, 66% of employment, 26% of exports, and 39% of tax revenue, agriculture represents a major component of the Tajik economy. More than sixty percent of the population depends on agriculture for their livelihoods. The sector has accounted for one-third of economic growth since 1997.

### Best Prospects/Services

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There is a demand for large, medium and small scale processing. Additional opportunities exist for U.S. investors who are willing to establish joint ventures and partnerships with existing producers to add value to products.

Best prospects for U.S. exporters and investors are:

- Machines for the preparation 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
- Fruit dehydrators.

In general the following items according to International Harmonized System Codes of Products are in demand:

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

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

## Agribusiness

### Overview

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	2004	2005	2006
Total Market Size	n/a	1,811.56	1,766.36
Total Local Production	n/a	1,172.31	1,112.24
Total Exports	n/a	168.82	159.27
Total Imports	n/a	102.75	117.61
Imports from the U.S.	n/a	n/a	n/a

(in millions USD)

Agriculture plays the most important role in Tajikistan's social, economic and political sectors. In 2004 the agricultural sector grew at 11.3%, 9.6% in 2003, and 15% in 2002. On average, agricultural production accounts for 25% of the gross domestic product; and about 20% of the population.

As a result of policy reforms in the agriculture sector, 662 collective farms were reorganized into 27,040 private farms throughout Tajikistan. Market liberalization reforms resulted in heavy 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 use as collateral to obtain loans. The majority of farms are too small to buy and use imported machinery profitably. Agricultural production no longer reaches its level of 1990's, neither by gross production, or by crop yields.

The sector faces a significant shortage of agricultural machinery. 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 25 years old. This results in delayed field works and a high cost of mechanized services. More than 50% of all available machinery has substantially overreached its useful life. For this reason in 2005, almost 10,000 tractors (44% of the national total, about 2,000 seeders (51% of the total), more than 700 cotton harvesters (82% of total), were not used in seasonal works. Agricultural machinery is imported in very minimal quantities; for every imported unit, six existing units become obsolete and idle. This situation has resulted in the prevailing use of manual labor.

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 up to USD 300 million of controversial debt to "futurist" lending companies. With most farms facing crushing debt, Tajik banks provide loans only to sustain the production cycle, not for capital investment. According to the State Statistics Committee, 19,947 tractors operate in the agricultural sector. However, these tractors average 30 years in age and many have not been used for years. Based on capital

depreciation of previously reported assets, upwards of 70 percent of these tractors are actually scrap-iron.

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 could not get through the layers of local government bribery.

Most farmers work on small parcels of land. According to industry specialists, the average land size in a farming unit is 19.2 hectares (including dry and arable land).

### **Best Prospects/Services**

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Best prospects for agricultural machinery 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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Potential World Bank credit for investments in cotton ginning operations.

### **Resources**

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#### **Tajikistan: Agricultural Machinery and Equipment – Industry Analysis**

<http://www.bisnis.doc.gov/bisnis/bisdoc/0602TajikistanAgriMachinery.htm>



## Mining

### Overview

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Tajikistan has significant reserves of a wide range of valuable minerals. Its deposits of antimony, mercury, lead, zinc, silver and rock salt are among the largest in the former Soviet Union. In spite of this wealth, however, the mining sector's contribution to GDP is low; a fact that can only be changed by acquiring today's technology, exposure to market-oriented management, human capacity, better transportation links, building initiatives and comprehensive information on the full potential of the sector.

Although the Tajik government recognizes the need to develop the entire sector, mining operations are limited to only a few gold deposits. Most of the mining surveys and research were written during the Soviet era, and therefore, much of the information is outdated and is not accurately presented in today's mining journals and markets.

The Tajik government fully supports the further expansion of the mining sector, diversification of mining practices and development of existing mines; demonstrated by their commitment to simplify procedures for obtaining exploration and mining permits.

There are 11 enterprises in the metallurgical sector (2004 Annual Book, State Statistics Committee) and, as of 2003, the metallurgical complex accounts for 45% of the total industrial sector. As of January 2007, there are 400 ore and non-ore deposits found and ready for projects in Tajikistan.

Aprelevka Joint Venture (Gulf International Minerals, Ltd) and Zerafshan Joint Venture together produce less than 100,000 ounces of gold. The Tajik government is an equity shareholder in both companies. According to press analysis, investors from Kazakhstan, China, Russia and UK have shown interest in the mining sector. In addition, Tajikistan mine operators have invited U.S. mining companies to participate in the development of both existing and new mining projects.

A lack of roads suitable for transporting equipment and metals presents a barrier.

List of mineral deposits and operating companies:

Mineral	Current Operating Company	Deposit
Aluminum	TadAZ, Tajik Aluminum Plant	Tursunzade
Antimony	Anzob Ore Mining & Processing Enterprise	Jijikurt
	Isfara Hydrometallurgy Enterprise	Isfara
Coal	Shurab Grey Coal	Shurab
	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, Hovaling
	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	Altyn-topkan village
Uranium	State Enterprise Eastern Rare Metals (Vostokredmet)	Chkalovsk
Tungsten	Maihura	Outside of Dushanbe

## Opportunities

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Investment opportunities exist with the following deposits:

### Coal

Throughout Tajikistan, there are about 35 coal deposits (cumulative geological reserves are estimated at 4.0 billion tons). Tajikistan seeks to further develop coal deposits in the hope of alleviating their energy crisis. The largest deposit is Fon-Yaghnob (between Khujand to 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 sulphate and naphthalene.

In terms of quality content, an interesting opportunity exists in the Nazarayloksk deposit in the Garm 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, Kshtut-Zauran, Shishkat, Magian and more. The climatic 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:

- Jijikurt
- Shing and Magian Groups
- Konchoch

Ores in these deposits are complex and can include mercury and antimony, however ores in Konchoch deposit 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
- Deposits in Pasrud-Yaghnob zone

Nepheline syenite

From the processing perspective, nepheline syenites in the Turli deposit (Garm zone) could be processed to produce alumina, cement and other chemical products such as potash, Natrium Metasilicate and Calcium Metasilicate. Industrial reserves are estimated at approximately 300 million tons.

Gold (Au) and Silver (Ag)

Gold deposits are located in Northern Tajikistan. A Tajik-UK joint venture in Zerafshan is extracting gold at the Taror, Jilau and Gidjarva deposits. Konimansur is the largest silver deposit in Tajikistan and one of the largest across the CIS countries.

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.

## (Construction Sector)

### Overview

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	2004	2005	2006 (estimated)
Total Market Size	n/a	910.80	1,416.45
Total Local Production	n/a	36.20	43.43
Total Exports	n/a	0.30	0.44
Total Imports	n/a	394.95	573.63
Imports from the U.S.	n/a	n/a	n/a

(in millions USD)

The following statistics and facts demonstrate the size of the sector:

- Capital investments in construction grew to \$195 million in 2004
- Completed projects in 2004 valued approx. \$100 million
- 30% growth in equipment imports from 2003-2004
- Launch of several multi-million construction projects
- Tajikistan's economy as a whole will continue to grow at an average 6-8% from 2006-2008;

The construction sector in Tajikistan is growing fast. Capital investments in this sector grew from \$49 million in 2000 to \$195 million in 2004 (data for 2005 and 2006 are not available yet.) Construction and engineering works constitute the majority of capital investments. For example, in 2004, more than \$147 million were invested into construction and engineering works and \$24 million into equipment and tools. The government remains a major investor in infrastructure projects. In 2004, distribution of capital investments by sectors varied from \$8.7 million in health and educational facilities, to \$50 million in transport and communication infrastructure. Private sector's capital investment grew from \$24 million in 2000 to \$57 million in 2004, including more than \$27 million in the residential sector.

The value of completed construction projects in all sectors grew from \$37 million in 2000 to \$100 million in 2004. Projects were completed in the following segments:

- Social infrastructure (schools, hospitals, utilities);
- Residential; and
- Industrial construction.

The value of completed projects in roads and transport sector remains steady at an average \$14 million per annum since 2000. Project completion in industrial construction dropped from \$51 million in 2001 to \$18 million 2004. The government financed approximately 52% of the total completed projects in 2004; private sector financed approximately 26%. Projects were completed in the following areas: Dushanbe (\$29 million), Khatlon region (\$31 million) and Sughd region (\$23 million).

In 2006, several commercial projects were launched in Dushanbe. Among those are construction of four 5-star luxury hotels, two large business centers, hydroelectric power

stations and transmission lines, and several renovation projects of business offices. Future projects include more than \$300 million financed projects in road rehabilitation projects by the Asian Development Bank, Japanese government, and Chinese government. According to estimates, the total cost of these projects ranges between \$500 million to \$1 billion. 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.

## Best Products/Services

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Many industry representatives said that the sector “needs almost any construction equipment, machinery and tools which are available on the market.” The strong demand comes from the fact that the existing machinery reached the end of its lifecycle many years ago; qualified technicians have not repaired it; and practically an entire park of construction machinery is physically worn out.

In general the following items according to International Harmonized System Codes of Products are in 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 tonnes
8704.22	-- g.v.w. exceeding 5 tonnes but not exceeding 20 tonnes
8704.23	-- g.v.w. exceeding 20 tonnes
8704.31	Other, with spark-ignition internal combustion piston engine : -- g.v.w. not exceeding 5 tonnes
8704.32	-- g.v.w. exceeding 5 tonnes
8705.10	Crane lorries
8705.20	Mobile drilling derricks
8705.40	Concrete-mixer lorries
9015.10-80	Surveying instruments

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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; the average tariff is around seven percent, with tariff rates ranging between zero and fifteen percent. The forty-five least developed countries are exempt from import tariffs.

### Trade Barriers

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Tariff barriers include a quantitative restriction on quotas for alcohol and tobacco imports. Non-tariff barriers include: excessive mandatory certification of goods, lack of well equipped laboratories and transparent pricing and regulations make it difficult to obtain certification easily.

Tariff barriers: Quantitative restrictions are mainly limited to quotas on the import of alcohol and tobacco products.

Non-tariff barriers: Non-tariff barriers include provisions for compliance certification for food, safety, and security reasons. However, the system of product standards is excessive for a small country like Tajikistan. The government has largely retained the comprehensive system of mandatory standards dating back to the Soviet Union. But as a poor and small country, Tajikistan is unable to properly administer the complex and demanding standards systems that require well equipped laboratories, highly qualified staff, and effective enforcement capacity.

Tajikistan has no export tariffs. The overall trade-weighted import tariff rates are approximately seven percent.

### Import Requirements and Documentation

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U.S. companies exporting into the Republic of Tajikistan are required to present the following documents for customs clearance:

- Letter of application for customs clearance
- Customs cargo declaration
- Contract of the transaction
- Certificate of Origin
- Certificate of Quality
- Quarantine Certificate
- Veterinary Certificate
- Phyto-sanitary certificate
- Certificate of Conformity
- Shipping documents
- Invoice
- Power of attorney authorizing a physical entity to do customs clearance
- Receipts for payment of customs dues and payments

#### Customs cargo declaration

The customs cargo declaration is the most important document for export and import operations. Any disputes between business and inspection authorities – the Tax or the Customs services are based on the existence or lack of the customs cargo declaration and accuracy of the data provided therein.

The customs cargo declaration must be filled out by the party moving goods across the customs border, or by the customs broker acting as a declarer. The customs cargo declaration is filled out in Russian for countries of the Eurasian Economic Union, or Tajik language on a computer or typewriter before the customs clearance is carried out.

Tajik legislation allows the following ways to declare of goods and transportation means:

- Written (described below)
- Oral

For a written form of declaration, the following documents should be submitted:

- Customs cargo declaration
- Customs declaration for natural persons
- Written letter of application
- Shipping documents (international shipping documents, railway or airway bills) as provided for by the international conventions, transportation by-laws and codices

Along with other details, a company must present the following information to customs authorities when goods are being moved across border:

- Who is shipping the goods
- Based on what documents the shipment is being made
- What type of transportation is being used
- Identification and codes of goods (classification of goods), quantity, and customs value of the goods
- Country of departure and country of origin of the goods
- Sender and consignee of the goods



- What customs regime is being stated

To obtain full information on customs clearance procedures in Tajikistan please visit:  
[http://www.bisnis.doc.gov/bisnis/bisdoc/cr\\_tajikistan.htm](http://www.bisnis.doc.gov/bisnis/bisdoc/cr_tajikistan.htm)

## **U.S. Export Controls**

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Tajikistan adheres to international export controls and works in close 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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Once arrived to a port, the goods will remain in a temporary storage under control of the customs officials, until they are released according to specified customs regime. Goods can be temporarily stored in appropriate facilities or locations for a fee. The Customs Department periodically publishes the list of temporary customs warehouses.

In general, to place goods in a warehouse, customs officials request only documentation, enabling them to identify the goods. These documents can be submitted in English.

The owner of the temporary customs warehouse is responsible for payment of customs dues for goods stored. 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 (20) days. For goods in certain categories, the Customs Authorities may have a shorter duration.

## **Labeling and Marking Requirements**

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Labeling and marking requirements for products depend on the type of product and the intended use. In general, however, labels must be in the Russian language and can be affixed to the product or on a leaflet attached to the product. Information must include the name of the product, name of 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 commodity items and transportation means may be prohibited for reasons of national security, protection of public order, morality, health, protection of animals and plants, protection of the environment, protection of art, historical and archaeological value of Tajikistan and foreign countries, protection of property including intellectual property, protection of interests of national consumers and other lawful interests of Tajikistan.

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

## **Customs Regulations and Contact Information**

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The current customs code became effective January 1, 2005. It provides a general outline of the customs procedures; for related procedures and activities, additional legal documents govern specific areas of the customs code.

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## **Standards**

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## **Overview**

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Tajikistan inherited a standardization system from the Soviet Union and the majority of standards now in place require revision. Standardization and certification are two processes of a single system both aimed at providing consumers with 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 established norms, rules and characteristics (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 cannot properly administer the complex and demanding standards system. Lack of well-equipped laboratories, highly qualified staff, and effective enforcement capacity are burning issues. Tajikistan accepts the conformity certificates of its major trading partners, however, according to some importers it only exists in theory.

The Law on Certification of Products and Services and other regulatory acts regulate certification procedures in Tajikistan. According to article 12 of the Law on State Foreign Trade Regulation all commodities imported to Tajikistan are subject to meet technical, pharmacological, sanitary, veterinary, phyto-sanitary and environmental standards and requirements set in Tajikistan. All services and processes are subject for certification; the certification procedure is the same for all types of products. Details of certification process are available at:

[http://www.bisnis.doc.gov/bisnis/bisdoc/cert\\_tajikistan.htm](http://www.bisnis.doc.gov/bisnis/bisdoc/cert_tajikistan.htm)

## Standards Organizations

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The organization which develops and maintains standards within the Republic of Tajikistan is the Agency for Standards, Metrology, Certification and Trade Inspection of the Ministry of Economy and Trade (Tajik Standard). Tajik Standard does not have a web site.

## 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 are subject for certification by appropriate certification agencies, if such do not exist then by the Tajik Standard. If goods were certified within an international system it is necessary then to re-confirm requirements of documents that are accepted in those systems.

For perishable goods (produce with up to 1 month shelf life), produced in countries that are members of the TBT Agreement, certification schemas are based on manufacturer's

certification and quality systems certification, or are based on manufacturer' application-declaration.

For imported perishable goods from countries outside of the TBT Agreement importer should submit a product safety proof (certification, identification, protocol), which should include actual values for indicators or perform a selective control for safety indicators.

## **Product Certification**

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Mandatory certification is carried out to conform mandatory requirements for standard product, as well as international and national standards of foreign countries (subject to applicants desire).

According to the law "On Certification of Products and Services" (No. 314 dated December 13, 1996 with amendments No. 24 dated May 3, 2002) Tajik Standard 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.

Goods (works and services) that have provisions, under laws or standards, for mandatory requirements for life safety, consumer health and protection of the environment and damage to consumer's property, are subject for mandatory certification according to procedures set forth in laws and guidelines of Tajikistan.

The following goods are subject to mandatory certification:

- Children's goods
- Food products, processed agricultural products and feed production
- Pharmaceuticals and herbs
- Consumer goods (products which contact skin, food products and drinking water)
- Fuel
- Consumer chemicals
- Perfumery and cosmetics
- Poisonous chemicals and mineral fertilizers
- Agricultural machinery, equipment for household purposes
- Agricultural equipment
- Individual defense products
- Electro-technical, radio-technical, electronic devices for testing on electric and magnetic compatibility and safety
- Construction materials
- Communication products
- Products with material 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 system of testing laboratories (centers) is based on Tajik Standard (TjST 5.4-94) effective January 1, 1995. The standard sets basic requirements on the certification and accreditation procedure within the Tajik National Certification System. The standard is in line with ISO-2 Guidelines and ISO 8402 standard. Accreditation of test laboratories as an official recognition of technical competence and independence of the laboratory is mandatory.

Accreditation and inspection supervision over accredited laboratories is a responsibility of Tajik Standard, involving certification bodies, consumer unions, and manufacturers' representatives. Supervision procedure is defined jointly with the decision on accreditation and is valid during the entire term of the accreditation certificate.

Below, is a list of steps involved in the accreditation of laboratories:

1. Submit an application package for accreditation
2. Review of the application package
3. Examination of testing laboratory (center)
4. Decision making process based on results of examination
5. Registration and issuance of accreditation certificate

### **Publication of Technical Regulations**

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Technical regulations are available at the Tajik Standard library, but are not published.

### **Labeling and Marking**

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

### **Contacts**

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## Trade Agreements

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Tajikistan 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). The agreements within CIS and EEC allow transit of goods through relevant territories.

An agreement on bilateral trade relations between the United States and Tajikistan was signed on July 1, 1993.

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

## Web Resources

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

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

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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Tajikistan presents selected opportunities for savvy investors who are willing to put in significant research and effort into market development activities. Tajikistan lagged behind other Soviet republics economically and remains the poorest of the former Soviet republics and one of the poorest countries in the world. The Tajik government has shown interest in attracting foreign investment but seems unsure of how to implement much needed economic reforms, including the incorporation of the country's considerable gray economy and sizeable remittances. The Tajik government has committed to addressing Tajikistan's internal and external isolation, but progress is slow. In addition, corruption and rent-seeking in Tajikistan is still high. Until Tajikistan addresses internal infrastructure impediments to investment, the system will not attract or support significant growth in FDI.

Although the Government of Tajikistan is hungry for foreign investments, through 2004 it was only able to attract on average \$27 million per annum. President Rahmonov has made numerous public and private statements, calling for foreign investment, particularly in the hydropower sector. However, his administration has yet to fully implement key reforms and regulations to create an attractive business climate. The Tajik government still burdens the private sector with unnecessary costs and creates substantial uncertainty and risk through non-transparent practices and unjustified barriers to competition.

Major opportunities for investment exist in the hydropower, food processing, construction, and consumer goods sectors.

To accelerate flow of foreign investments the Government of Tajikistan adopted a Law on Foreign Investments in 1992. Although this law establishes the general investment conditions, it has many gaps and contradicts other legislative acts.

According to existing legislation, foreign investments can be made through acquisitions, mergers, and takeovers by:

- Owning a share in existing companies, either jointly 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 in shared with other Tajik companies and citizens of Tajikistan;
- Concluding agreements with legal entities and citizens of Tajikistan providing for other forms of foreign investment activity;

The judicial system recognizes sanctity of contracts; however contract enforcement is poor, due in part to general inadequate legal awareness and a non-independent court system. While 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.

The Tajik government's Economic Development Strategy for 2005-2015 emphasizes economic and industrial growth. The Strategy has no discriminatory effects on foreign-owned investors. According to the Civil Code (Article 1) there are no legal discriminations against foreign companies and foreign entities. Practically all international agreements of Tajikistan have a provision for most favored nation regime (climate).

Foreign investors can acquire up to 50-year land-use rights, although all land belongs to the state. There are no legal limitations for foreign investors to buy shares on the local stock exchange. The law on foreign investments guarantees foreign investors' right to buy shares on the local market, according to the procedures set forth by the Ministry of Finance. Foreign investors' activity on the stock exchange is regulated by the Law on Security and Exchanges which in turn refers to the Law on Foreign Investments. The foreign investments law has no articles that regulate professional activity of foreign investors on stock exchange.

In December 2006, the Government of Tajikistan created a new Committee on Investments and State Property. Top officials claim this will be dedicated to attracting foreign investment, but as of January 2007, no decisions regarding the committee's authority have been made.

There are no established criteria to screen investment proposals. Instead of working with a designated delegated investment promotion agency, a potential investor has to go through a lengthy screening process by all concerned government agencies. In practice, a proposed statement of foreign investments forwarded to the Government of Tajikistan is circulated among the relevant government offices and ministries with instruction to review and express their formal no-objection statement. If a certain ministry of the government objects to the proposed investment activity statement it forwards an official



note to the attention of the government. The criteria for screening include a background check on the company, person(s) representing the company, and identification of a financial source to comply with anti money-laundering regulations. Much of this could change when the investments committee is up and running.

In general, privatization of small and medium enterprises (SMEs) is complete. The privatization process began during the civil war (1992-1997) which limited potential international owners' exposure and access to SMEs. Privatization of state property still continues, and although there are no limitations on foreign investor participation in privatization of state owned assets, in many circumstances the decisions are made in favor of selected interest groups through behind-the-scene arrangements. Some of the largest enterprises, belonging to Tajikistan's transportation, infrastructure and electricity distribution and maintenance sectors, are still government-owned but are planned for restructuring.

There is no discrimination against foreign investors at the time of the initial investment or after the investment is made. Current investment law and tax code provide for a number of incentives, including a waiver on taxation on initial investment, and value added tax-free importation of industrial equipment. Companies may have a difficult time actually receiving these tax breaks, however, due to poor implementation of taxation regulations. Companies with foreign investments are treated equally as domestic companies in terms of access to and procedures for obtaining licenses, approvals and procurements.

There are no laws or regulations specifically authorizing private firms to adopt articles of incorporation or association which limit or prohibit foreign investment, participation, or control. Also, there are no other practices by private firms to restrict foreign investment, participation in, or control of domestic enterprises.

The Tajik economy began its rapid growth at 8-10% per annum in 2000. Since then, regulation and taxation are still under reform. Economic indicators remain below the benchmarks of 1991, when Tajikistan gained its independence. The government has increased revenue collection for its social expenditures, although investments in health and education remain extremely low. In addition, non-transparent administration and corruption in tax agencies results in high-level informalities. The tax burden is placed on the private sector and companies who do actually comply, resulting in distorted competition.

Although bank deposits in 2006 increased by almost 60% on a year-to-year basis, the informal economy is still quite substantial. According to some estimates, it is approximately \$1 billion, one-third the size of official GDP.

## **Conversion and Transfer Policies**

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Currently Tajikistan does not actively restrict funds conversion or transfer, although the National Bank has been preparing a package of new regulations on this topic for two years. However, less developed and strictly controlled banking infrastructure with limited capital present obstacles for investors in terms of local sources of financing. Currency can be freely exchanged; however it is often difficult to conduct large currency

transactions, due to limited amount of foreign currencies available in the domestic financial market. Investors are free to import currency.

Starting in 2006, the minimum regulating capital for commercial banks was \$5 million. All banking institutions (9 commercial banks, and one branch of Iranian Tijorat bank) fulfilled this requirement.

## **Expropriation and Compensation**

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There are no recent cases of the government expropriating commercial property. The Law on Foreign Investments details the types of actions that can be taken with regard to expropriation of property. The Law states that investors are to be compensated for expropriated property, but compensation levels are likely to be minimal. The sectors most likely to face expropriation are monopolies where the state controls almost all of the market.

## **Dispute Settlement**

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In official pronouncements, the Tajik government recognizes the value of the rule of law, but has not demonstrated a clear understanding of its importance to investors. The international community has encouraged Tajikistan to improve its legal system with mixed results. Many well-written laws have been passed, but implementation and consistent interpretation lag behind. The Tajik government does not openly publish laws and regulations, and few people, especially small business owners, are aware of their rights and responsibilities. Further compounding the problem is a weak judiciary that is ill equipped to defend the interests of investors.

In 2005-2006, one American company was involved in an investment dispute with a state-owned enterprise. In all hearings and appeals, the court system has ruled against the American company in favor of the state-owned company. The case is in the final stages of the appeals process in foreign arbitration. This is the first investment dispute concerning an American company, and does not reflect a trend, but in past years, investors from The Netherlands, Switzerland, Italy and Iran among other countries have been involved in legal disputes. A Norwegian company successfully settled a suit in foreign arbitration.

Tajikistan does have well-written commercial and bankruptcy laws including rights for foreign creditors and investors and bankruptcy legislation revised in 2005. The country's contract law is modeled on European law. These laws are regulated under the country's civil code; however, they are not always enforced in the court system. Tajikistan is just starting to develop an Institute of International Arbitration. It has signed bilateral agreements with several countries on arbitration and investment disputes. However, these agreements are not always enforced or recognized. Tajikistan does not have a bilateral agreement with the United States.

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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Joint stock companies with foreign investments receive significant tax incentives that are not offered to private companies with domestic investments. The government does not formally impose performance requirements as a condition for establishing, maintaining, or expanding investment. There are few requirements for locally owned shares or reduced foreign sales over time. While there is no requirement to "buy locally," it is encouraged. Under the Law on Foreign Investment, not less than 70% of employees in foreign-owned enterprises must be local employees.

The government does not impose geographic restrictions or conditions, but the topography and poor infrastructure of the country pose their own de facto restrictions. Transportation is difficult. Roads within Dushanbe and Khujand are substandard even by regional standards, and roads outside of major population centers are generally unpaved and poorly maintained. Weather also impacts travel, making overland travel to parts of the country (e.g., GBAO and Khujand via Anzob Pass) impossible for much of the year. Overland import/export requires patience and ingenuity as customs agents at borders and at internal checkpoints frequently operate on the principle that they constitute an assumed cost of doing business.

## **Right to Private Ownership and Establishment**

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The government wants to encourage business development but faces major obstacles in doing so, including its own practices. On the one hand, 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. On the other hand, the old Soviet mentality still negatively impacts businesses. The average government inspector believes that certain activities are not permitted unless they are expressly allowed, and since laws are neither published nor uniformly applied and interpreted, businesspeople often find Tajikistan frustrating.

Tajikstandart is the government agency that handles certifications of goods and services, calibration and accreditation of testing laboratories, as well as supervises compliance with state standards requirements. Tajikstandart does not publish its fees for licenses and certificates, nor does it publish the requirements necessary to run a business. As a result, businesspeople are vulnerable to individual tax inspectors' interpretations of the requirements and the prices for them.

In addition, investors may need to work creatively to deal with unofficial barriers to success. Informal networks of clan-based, interrelated suppliers often exist, forcing would-be investors to "buy in" to the system. This hinders competition and sometimes constrains new investors from fully participating.

The government faces a daunting task to improve the operating environment. Any restructuring must be implemented at each sub-governmental level for each area of reform (communication, expectations and patronage system, and so on). The Tajik government has begun reviewing these weaknesses and is making some improvements.

## **Protection of Property Rights**

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

All land belongs to the state, and there are significant restrictions on using property titles as collateral. The World Bank has been working for several years to develop a mortgage program in Tajikistan, and it is expected that the draft of mortgage law will be completed in 2007.

Even 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, as it is often unclear who owns title, making it more difficult to effectively transfer or acquire title. A system to record, protect and facilitate acquisition and disposition of property exists but would benefit from improvement. After many banks failed or nearly failed as a result of the high default rate on mortgages, they began a policy of taking upwards of 30% off the top in service fees, with interest rates for repayment ranging from 12-18%. Finally, the legal system is not adept at quickly and efficiently settling disputes.

An erstwhile member of key international agreements on international property rights, Tajikistan affords little real protections for patents, copyrights, trademarks and other intellectual property. However, with United States government assistance, the drafting of Part III of the Civil Code that addresses intellectual property rights has been completed. In addition, Tajikistan has taken significant steps over the past year to protect intellectual property, including: an amendment to the Law on Intellectual Property to protect copyright owners from Internet theft; a new office dealing with intellectual property violations in the Ministry of Interior; and a November parliamentary agreement to join the Rome Convention for the protection of intellectual property.

## **Transparency of Regulatory System**

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Tajikistan does not yet use transparent policies or effective laws to foster competition; cronyism, nepotism and corruption all work to create a business environment that favors those with connections to the government. Tajikistan's regulatory system lacks transparency and poses a serious impediment to businesses' operational abilities. Regulators and officials often apply laws arbitrarily, and are frequently unable or unwilling to make decisions without a supervisor's permission, leading to lengthy delays. Transparent executive documents are frequently inaccessible, leaving businesses and investors in the dark as to the rules of a particular game.

Tajikistan's tax code offers a sound legal basis for the tax system; however, it is undermined by inconsistent application that impedes development of small and medium enterprises. The tax code came into effect January 2005, and is compliant with WTO standards.

Tajikistan is also working towards international accounting norms; however, these have yet to be implemented.

A new inspections law signed in 2006 could significantly reduce the hassles associated with government agencies patting down enterprises for money, if implemented properly. Structural problems aside, the Tajik government needs to convey its goals and procedures to the inspectors and other government employees who interact with businesses daily. Bureaucratic hassles are common, and as long as Tajikstandart, the agency responsible for licenses and certificates, refuses to publish requirements for specific enterprises and prices for required documents, businesses will find it challenging to adequately cost such fees, and the mysteriousness of the requirements may leave businesses vulnerable to investigations of alleged violations.

## Efficient Capital Markets and Portfolio Investment

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Tajikistan's nascent banking sector faces numerous challenges: insufficient capital, limited banking services, mistrust as a result of banking system crisis in early 1990's. The banking structure in Tajikistan is two-tiered - National Bank of Tajikistan (NBT) performs central bank functions, and commercial banks represent the second level. The national currency, the somoni, was introduced in 1995.

Total value of regulatory capital of all commercial banks in Tajikistan is approximately \$90 million. Estimated net worth of top five commercial banks is below:

- Orion Bank                    \$17.1 million
- AgroInvestBank            \$15.2 million
- TajikSodirot Bank        \$11.6 million
- Tajprom Bank              \$8.3 million
- Sohibor Bank              \$5.3 million

Five banks are public and three banks are non-public joint stock companies. All banks, except for Amonat Bank (State Savings Bank) are privately owned.

The banking sector received a boost from a capital amnesty held in 2003. According to data from the National Bank of Tajikistan (NBT) more than \$190 million (USD equivalent) was transferred to special tax-free accounts set up in several commercial banks in Tajikistan.

While over \$1 billion in foreign remittances flowed through the banking system in 2006, banks have difficulty luring consumers to deposit their funds into savings accounts that could be used for economic investment. Having lost all their savings in the Soviet Union to the Russia ruble conversion in 1993, few people trust banks and hence hold money in their homes. Intractable agricultural debts of up to \$300 million hurt the overall confidence in the banking sector. However, the increase in deposits over the past year

reflects growing confidence in the banking system. Personal deposits continue to increase and totaled approximately \$250 million in October 2006, seven times greater than in 2003. Still, a large number of Tajik migrant workers use informal money transfer channels, including traveling with cash.

The National Bank has launched a campaign to encourage more Tajiks to open accounts, and although rising, the rate of consumer savings accounts remains low. As a result, few investors secure business or personal loans through banks partly due to high interest rates, and capital remains tight. Local commercial banks issue 12-month loans worth more than \$100,000 at 24% annual percentage rate, prohibitively expensive for most local customers to develop a new business. Interest on smaller, shorter term loans reaches 36% APR. Checking accounts do exist but are not widely used due to strict requirements on cash withdrawal procedures.

The private sector has access to micro-credit, commercial credit, and factoring instruments. Some banks provide trade financing services as well. In an effort to reduce barriers to competition, the Government of Tajikistan has paved the way for non-bank financial organizations and commercial microfinance. However, there is no credit bureau; and much work is needed in strengthening creditor and shareholder rights. Performance on micro-credit loans exceeds 90%; business loans also perform well.

The securities market in Tajikistan is under-developed; no regulatory system exists to encourage and to facilitate portfolio investment.

There are no known cross-shareholding or stable shareholder arrangements. Hostile takeovers are rare, although there are no written protections against foreign takeovers. State authorities use selective application of laws and regulations to take over or completely shut down companies.

The stock market in Tajikistan was founded in 1994. Since then, it has foundered due to a lack of new financial instruments. In 2000, the Government of Tajikistan established a Central Share Registry (CSR) within the Ministry of Finance of Tajikistan. The Registry records, monitors, and facilitates share purchase and sale for more than 400 stock companies. The government issues treasury bills to cover budget deficits, using local banks to cover the loans.

## **Political Violence**

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Political violence in Tajikistan is minimal. The Civil War ended in 1997 and since then, the situation has stabilized considerably. All factions signed a peace agreement and the government incorporated members of the opposition into a multi-party system. The Tajik government is anxious to attract foreign investment and has worked to minimize the impact of political discord on foreign investors. President Rahmonov has taken measures to consolidate his power base and eliminate potential threats. With the civil war in recent memory, the people of Tajikistan are keen on maintaining peace and there have been no reported incidents of significant political violence in 2005. The November 2006 Presidential Election took place with no political violence or public demonstrations.

Tajikistan sometimes serves as a transit country for extremist terrorist groups. Many terrorists use Tajikistan's uncontrolled mountainous regions as a safe haven, but evidence suggests they are no longer politically active. Narcotics trafficking from Afghanistan is also significant.

## **Corruption**

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As in previous years, the 2006 Transparency International Corruption Perceptions Index ranked Tajikistan as the 15th most corrupt nation out of 163 surveyed. Anemic anti-corruption efforts from the Tajik government and UN have proven ineffective. Extremely low official salaries have forced many Tajiks to look for other means of making ends meet. Buying a job position is a norm, 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.

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 to the United Nations Convention against Corruption, corrupt practices are deeply embedded in every aspect of commercial dealings and calculating the actual cost is difficult. A new and untested Agency to Fight Corruption and Economic Crimes, reporting directly to the Presidential Administration, will monitor fiscal activity of individuals, banks and corporations.

## **Bilateral Investment Agreements**

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Agreements on avoiding double taxation exist between Tajikistan and Russia, Belarus, Ukraine and Turkey, but not between Tajikistan and the United States. There is an agreement between Tajikistan and the Netherlands on the "encouragement and mutual protection of investments." Tajikistan is a member of the Eurasec trade organization, which provides loose regulation of trade among Central Asian states minus Turkmenistan, Russia, and Belarus.

## **OPIC and Other Investment Insurance Programs**

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Tajikistan is open to insurance and financing programs of Overseas Private Investments Corporation (OPIC). Thus far, OPIC's involvement in investments in Tajikistan has been limited to a beverage bottling project. Macroeconomic stability and a growing economy provides for a number of opportunities for OPIC insurance and financing. Due to a large political risk insurance case involving a European buyer of aluminum, political insurers have been reluctant to engage in the Tajik market. However, this case has recently been settled by the parties.



Tajikistan generally does not qualify for programs of the Export-Import Bank of the U.S. and are considered on a case-by-case basis. Opportunities exist in infrastructure projects, aircraft export financing and agricultural machinery, and food processing.

## Labor

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Due to a crumbling and corrupt education system, Tajikistan's labor force is becoming increasingly less educated and trained, and is ill-equipped to deal with Western standards of customer service and business. International businesses and non-governmental organizations lament the small pool of qualified office staff for their organizations. Corruption in secondary schools and universities means degrees do not reflect real professional training or competency. The overall quality and availability of education have sharply declined and the younger generation will be less skilled and educated. Although education is compulsory, many students must work in order to support their families. Youth unemployment exceeds 60% in some rural areas.

The official unemployment rate in Tajikistan is under approximately two percent, but the actual rate may be as high as 40% nationwide with some areas with up to 60% unemployment. Government statistics show that the average salary per month is \$27. Nearly 60% of the population lives below the poverty line. Many well-educated Tajiks have sought employment abroad because of greater job availability and higher wages. Estimates of the number of labor migrants working outside Tajikistan (mainly in Russia) at any given time range from five hundred thousand to as high as one million. Labor emigration leads to shortages in the workforce in parts of the country. Migrant remittances account for 30-50 percent of Tajikistan's GDP.

Tajikistan's high birth rate means that 50% of the population is less than 25 years old and if the trend continues, unemployment will increase.

Nepotism and corruption play a large role in the labor market. Many of the higher prestige or more lucrative jobs require a "buy-in," leading to bribes to pay back the buy-in loan and continue to pay off supervisors and higher-ups.

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 willpower or know-how to effectively advocate for workers' rights.

Tajikistan is a party to 44 international labor conventions. In June 2005, Tajikistan signed to the Worst Forms of Child Labor Convention, 1999 to eliminate child labor and protect children and young people. The International Labor Organization notes that Tajikistan has not submitted reports due on the application of ratified Conventions in accordance with its Constitution in the past four years.

## Foreign-Trade Zones/Free Ports

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Tajikistan is a landlocked country whose neighbors demonstrate varying ability and interest in trade. Trade routes flow mainly through Uzbekistan, however, because of political reasons, Uzbekistan is not an ideal trading partner. For example, there are no regular flights between the Uzbek and Tajik capitals, despite ready markets. In some respects, however, the Tajiks have used this poor relationship as an excuse to avoid difficult but necessary improvements themselves.

Some experts have suggested that Tajikistan look to Kyrgyzstan as a model. While Kyrgyzstan's free trade agreement could be used as a model, Tajik-Kyrgyz trade is concentrated in the poorest oblast in Kyrgyzstan - not a motivating factor for the Tajiks. There continue to be untapped opportunities for cooperation and development. The government may be more willing to take the steps necessary to make Central Asia a more friendly trading ground.

A new opening along the Chinese border in Kulma, Murgab District (GBAO) will help facilitate increased trade with China. Transit times to the larger markets in Dushanbe remain long, however, and without upgrades in the transportation infrastructure, this new route will limit the potential from being realized. Several international financial institutions are planning projects to improve the road system, and China is funding and building a 360 km road from Dushanbe north to the Uzbek border. The United States Government is constructing a \$30 million bridge linking Tajikistan and Afghanistan, connected to a new road financed by the Japanese, which will increase trade and help develop the economy in the south. There is strong interest with Tajikistan's neighbors to the south to cooperate on energy trade.

Although the Law on Free Trade Zones was enacted in 2004, the government has made no progress on implementation. The law is designed to attract foreign capital, investments, and technology, and to develop Tajikistan's economic potential by setting favorable conditions for foreign investors including lower taxes, lower land leasing rates, lower duties on imports and exports, and special visa rules. The government has yet to announce the locations, but it is likely these zones will be created in Sughd and Khatlon provinces, because of the geographical advantage for free flow of trade to Uzbekistan and Kyrgyzstan.

WTO accession negotiations were launched in 2004 after intensive preparatory work conducted by the Tajik government with the assistance from the U.S. Government and other donors. In March 2004, the first round of multilateral negotiations on the accession of Tajikistan and a number of bilateral market access negotiations were conducted at the WTO Headquarters in Geneva. The Tajik government remains committed to WTO accession and implementing the necessary reforms required as accession conditions. Progress was made in 2005 on the Legislative Action Plan and Goods and Services Offers Market Access Negotiations. Working Party meetings on market access negotiations continued into 2006, moving Tajikistan closer to its integration into the world trading system.

## Foreign Direct Investment Statistics

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According to data from the State Statistical Committee, total foreign direct investment (FDI) in the first nine months of 2006 was \$233.1 million. Of this, \$162 million originated

in the former Soviet states, mostly Russia, while \$70.1 million came from outside countries. In 2005, total FDI was \$54.5 million . Between 1997 and 2006, total FDI equaled \$497.3 million. In the first six months of 2006, the FDI to GDP ratio equals 12.0. In 2005, the FDI to GDP ratio was 2.4.

The largest foreign direct investors for the first nine months in 2006 of are:

Russia – \$160.6M  
Cyprus – \$24.0M  
United States – \$18.6M  
Great Britain – \$15.7M

The top companies included in these investments (first nine months of 2006) are:

OJSC Sangtuda HPS 1 of Russia (Energy): \$160.2M  
Sozidanie Ltd. of Cyprus (Construction): \$20.4M  
JV Takom of USA (Telecom): \$9.7M  
JV Zaravshan of Great Britain (Mining): \$8.3M  
SJSC Indigo of USA (Telecom): \$4.6M  
CJSC Guliston of Great Britain (Textiles): \$3.9M  
CJSC Babilon Mobile of USA (Telecom): \$3.8M  
JV Pakrut of Great Britain (Mining): \$2.9M

Foreign Direct Investment by Sector (Jan – Sept 2006):

Energy: \$162.1M  
Industry: \$21.0M  
Other: \$20.5M  
Trade: \$10.0M  
Communication: \$8.3M  
Services: \$5.3M  
Construction: \$4.2M  
Agriculture: \$1.5M  
Health: \$0.1M

Several major foreign direct investors from Cyprus and United States are Tajik-held companies registered offshore. Major Russian investment in the Sangtuda-I dam project should continue into 2007, in addition to expected Iranian investment in Sangtuda-II.

Statements above reflect fully materialized projects. Data on contracts for foreign-investment projects are not included in statements above. Tajikistan has not made any direct investments abroad.

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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 would prefer not to use a letter of credit due to its high cost. Smaller companies are not aware of these payment methods; borrowing from personal contacts and informal channels of financing still exist.

Many Tajik companies achieve \$10,000-25,000 sales per year for consumer goods and general commodities, and many Tajik companies would experience difficulty in securing financing for sales exceeding this threshold. A U.S. firm's ability to provide or arrange financing is key 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 of leasing as a financing tool, due to the lack of leasing companies in Tajikistan.

### How Does the Banking System Operate

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There are no western banks in Tajikistan; U.S. firms will be able to choose among local banks that offer corporate checking accounts and debit cards. Most payments are made by bank transfer; procedures and regulation on using of checks are strict. Wire transfer payment between two corporate entities is obligatory.

As of January 2007, the banking system in Tajikistan consists of ten banks, includes one that is branch of a foreign bank. There are also nine credit societies, six micro-credit deposit organizations and 56 non-banking micro finance, micro loan and micro organizations. The banking structure in Tajikistan is two-tiered - National Bank of Tajikistan (NBT) performs central bank functions, and commercial banks are the second level. The national currency was introduced in 1995, and the banking sector is in an early formation stage. Major issues with the banking system are: insufficient capital, limited banking services, mistrust as a result of banking system crisis in the early 90s.

Total value of regulatory capital of all commercial banks in Tajikistan is approximately \$70M. All banks, except for Amonat Bank (State Savings Bank) are privately owned.

## **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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Citibank has corresponding relations with Orien Bank and Agroinvest Bank. In 2007, Citibank plans to establish corresponding relations with Tojiksodirot Bank.

## **Project Financing**

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Most companies and Tajikistan government agencies lack experience and knowledge of putting together a financing package for investment or acquisition. A U.S. company's ability to aid in financing is critical. A pro-active approach will help a U.S. company stay ahead of competitors from Europe and Asia. In many cases such an approach will create a market that otherwise would not exist. The majority of local companies would prefer to work with such active partners.

For large infrastructure projects financing is available from the International Financial Institutions (European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), and the International Finance Corporation (IFC)). Financing for feasibility studies is available at the U.S. Trade and Development Agency. An interested U.S. company can contact the agency to find out more details about these opportunities.

After completing the initial stage of project concept development, U.S. companies should be aware that domestic financing from private venture companies and investment banks is not available. In addition to potential financing from International Financial Institutions, potential sources of financing outside of Tajikistan should be considered.

For higher-value items, financing is tricky, yet crucial. Lease financing is an increasingly popular approach for 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 Ex-Im Bank's 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.

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

**Local commercial banks:**

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

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

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

Tojik Sodiro Bank  
<http://www.sodirobank.com>

First Microfinance Bank

TajPromBank  
<http://www.tajprombank.com/>

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

Tajik Development Bank  
<http://www.brt.tj>

**U.S. Government financing organizations:**

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

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

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

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>

**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>

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## Chapter 8: Business Travel

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- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
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- [Local Time, Business Hours and Holidays](#)
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### Business Customs

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Traveling to Tajikistan remains a major issue for international travelers. All international routes are served by the national airline on Tupolev aircrafts. Major connecting hubs to enter Dushanbe are Moscow and Almaty. There are weekly flights to Istanbul, with Turkish Air and Tajik Air.

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; most of Government officials print business cards in English and Tajik.

In general, Tajik businesses do not have qualified English skills. Local companies have one email address usually registered on free email domains in the .ru domain, and email is checked by a secretary or designated person on daily basis. Do not consider using email as an introductory way of communication because your email may not reach the decision maker.

Be patient in corresponding with potential partners. The company often 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 is not authorized to make any decisions. If your potential partner has not responded in a timely manner and a follow-up call is needed, do not expect that the person who answers the phone will know specifics of the issue. Patiently request to transfer to the director's office and explain the purpose of the call. Depending on the availability of the director, the person on the other line will transfer the call or take a message to deliver to his/her boss.

Tajik businesses express their hospitality and usually invite their partners “for a cup of tea”. Such invitations often mean a full course dinner with strong alcoholic beverages such as vodka or cognac. Offering a toast and quoting Tajik poetry classics is very common. An experienced and competent interpreter can be very important.

Although the official language is Tajik, Russian is the language of business. When it comes to promotional and advertisement campaigns, it is necessary to comply with the Law on Advertisement that requires the use of the Tajik language in the content and words of your advertisement.

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 and Islamic holidays. The work week is the standard 40 hours (Monday through Friday); some companies and government offices are 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](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 and at the Dushanbe airport. Tajik authorities require the name and contact information of the inviting individual or organization in Tajikistan and also the address at which you plan to stay in Tajikistan. Travelers need to have two passport-size photos and your passport should be valid for at least six months longer than the duration of your stay in Tajikistan. Visas issued at Dushanbe airport are normally valid for only one entry up to 45 days. Please note that Tajik visas CANNOT be obtained at any other Tajik airports and at land borders. Failure to produce a valid visa and register with the Ministry of Foreign Affairs or OVIR (Ministry of Interior Affairs) within three working days of arrival in Tajikistan may force a traveler to leave the country immediately.

Those arriving in Dushanbe by air should go to the Tajik Ministry of Foreign Affairs consular office at the airport and present a passport valid for at least six months from the date of departure from Tajikistan, two passport-size photos and the appropriate fee and fill out two visa application forms provided by the Tajik consular official at the airport.

Once the visa is issued, proceed with passport/immigration control, and pick up luggage. Please note that there may be lines and delays in getting a visa and there might be a substantial wait for the representative of the Tajik consular office.

More information is available at:  
<http://www.bisnis.doc.gov/bisnis/bisd/doc/Getting%20to%20Dushanbe.htm>



(Please look in the Visa Regulation and Visa Application Process section)

U.S. Companies that require travel of foreign businesspersons 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:

[http://tajikistan.usembassy.gov/information\\_for\\_travelers\\_to\\_tajikistan.html](http://tajikistan.usembassy.gov/information_for_travelers_to_tajikistan.html)

## **Telecommunications**

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Communications

Country code 992 + number

To U.S.: 810 + number

Tajik Telecom, JSC is the national telecommunications operator of Tajikistan. Tajik Telecom's network covers Tajikistan providing the following services: urban and rural telephone communications, international communications – long distance telephone, email and Internet access, broadcasting, telegraphy, and telex. More than 90% of public telephone switch networks are digital.

As of January 1, 2007 there are more than 750,000 subscribers to mobile phones. Types of technologies used include GSM, CDMA and 3G networks.

Internet is available at major cities either by dial-up or through DSL.

## **Transportation**

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There are no direct transatlantic routes to and from the Dushanbe airport. Major European and international carriers are not present in Tajikistan. The closest airports with transatlantic routes are the Almaty International Airport in Kazakhstan, the Istanbul Airport in Turkey, and Domodedovo International Airport in Moscow.

There are several entryways to Dushanbe from Eurasia. The most frequently used routes are through Istanbul, Almaty, and Moscow. International flights are operated either by the state owned company, Tajikistan Airlines on Tupolev, Antonov, and Yakovlev aircrafts, or on Turkish Airlines to Istanbul.

Turkish Airline tickets can be purchased online. Tajik Air tickets can only be purchased in person or through an agent. Tickets can be arranged in Almaty through a representative office of Tajikistan Airlines or through travel agencies such as Carlson Wagonlit Travel or Central Asia Tourism Corporation; both have offices in Almaty and Dushanbe.

Express mail and couriers:

DHL +992 (372) 21-02-80 <http://www.dhl.com>

UPS +992 (372) 235414 <http://www.ups.com>

## Language

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The official language is Tajik; 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.

## Health

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There are no health restrictions to travel to Dushanbe. 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, fever or liver damage (hepatitis). Make sure food and drinking water are safe.

Malaria is a fatal, but preventable infection. A traveler's risk of malaria may be high in the south, including cities. Prevent this deadly disease by seeing a health care provider for a prescription anti-malarial drug and by protecting against mosquito bites. Travelers to malaria-risk areas in Tajikistan should take the anti-malarial drug chloroquine or doxycycline to prevent malaria.

For additional information on malaria risk and prevention please visit [www.cdc.gov/travel](http://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](http://travel.state.gov/travel/abroad_health.html)

Once in Tajikistan, it is not recommended to drink the tap water. Still and mineral bottled water is available at any grocery store. Fruits and vegetables bought in local market should be washed thoroughly.

For American travelers, registering at the U.S. Embassy in Dushanbe makes your presence and whereabouts known, in case it is necessary for a consular officer to contact you in an emergency.

There are no private western clinics, which offer health services according to international standards. In case of 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](mailto:DushanbeConsular@state.gov)  
<http://tajikistan.usembassy.gov/>

#### Emergency numbers

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. Within 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 Post 1. After working hours, you may also call the duty officer at (992-917) 70-10-32.

Fire 01  
Police 02  
Ambulance 03

#### Prospekt Medical Clinic

Emergency doctor - (93) 503 99 03  
For in clinic appointments please contact reception on (93) 555 40 96 or 224 30 92/62  
Western over the counter drugs are available at the Prospekt clinic  
Web-site: [www.prospektclinic.org](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 convert to daylight savings time. Local business hours are from 8 a.m. to 5 p.m. but most of the business is usually done by noon. Lunch breaks are typically from 12 p.m. to 1 p.m.

The following is a list of national holidays observed in 2007:

January 1 – New Year  
January 2 – Eid Al-Adha (Qurbon)  
March 8 – International Women’s Day  
March 21-22 – Navruz  
May 1 – International Solidarity Day  
May 9 – Victory Day  
June 27 – National Unity Day  
September 9 – Independence Day  
October TBD - Eid Al-Fitr (Ramadan) is celebrated according to lunar calendar  
November 6 – Constitution Day

### **Temporary Entry of Materials and Personal Belongings**

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No information available.

## Web Resources

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Tajikistan Airlines  
<http://www.tajik-air.tj>

Turkish Airlines  
<http://www.thy.com/en-INT/index.aspx>

Samara Airlines  
<http://www.samara-airlines.ru/english>

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

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

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

GSM network coverage information  
[http://www.gsmworld.com/roaming/gsminfo/cou\\_tj.shtml](http://www.gsmworld.com/roaming/gsminfo/cou_tj.shtml)

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## Chapter 9: Contacts, Market Research, and Trade Events

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- [Market Research](#)
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### Contacts

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U.S. Embassy Dushanbe

<http://tajikistan.usembassy.gov>

U.S. Department of Commerce

Business Information Service for the Newly Independent States (BISNIS)

1401 Constitution Ave., NW, R – BISNIS-Ronald Reagan Building

Washington, D.C. 20230

Tel: (202) 482-4655; Fax: (202) 482-2293

E-mail: [bisnis@mail.doc.gov](mailto:bisnis@mail.doc.gov)

<http://www.bisnis.doc.gov/tajikistan>

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

E-mail: [Liza\\_Sobol@ita.doc.gov](mailto:Liza_Sobol@ita.doc.gov)

<http://www.sabitprogram.org>

Other U.S. Government Agencies

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](mailto: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>

Selected Government Ministries:

Ministry of Energy and Industry  
Mr. Sherali Gulov, Minister  
22 Rudaki Avenue  
Dushanbe, 734025  
Tel: +992 (37) 2216997  
Fax: +992 (37) 2218889

Ministry of Transport and Communications  
Mr. Abdurahim Ashurov, Minister  
14 Ayni Street  
Dushanbe, 734042  
Tel: +992 (37) 2211713

Ministry of Economic Development and Trade  
Mr. Gulomjon Babaev, Minister  
37 Bohtar Street  
Dushanbe, 734025  
Tel: +992 (37) 273434  
fax: + 992 (37) 221-51-32

Market Research and Trade Events:

Total Advertising Group – Central Asia  
Mr. Sherali Jurabaev, Chief Executive Officer  
16 Saadi Sherozi, 12<sup>th</sup> Floor  
Tel: +992 (372) 355394  
Fax: +992 (372) 274861  
Email: [sher@tag.tj](mailto:sher@tag.tj)  
<http://www.tag.tj>

ITE Central Asia – Tajikistan Office  
66 Rudaki Avenue, Office 29  
Dushanbe, Tajikistan 734025  
Tel: +992 (37) 227-7585/221-6420  
Fax: +992 (37) 223-3486  
Email: [iteca@iteca-osiyo.tj](mailto:iteca@iteca-osiyo.tj)  
<http://www.caspianworld.com>

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](mailto:chamber@tjinter.com)  
<http://www.tpp.tj>

State Statistics Committee

Mr. Mirgand Shabozovich Shabozov, Chairman  
17 Bohtar Street  
Dushanbe, Tajikistan  
Tel: +992 (372) 232553  
Fax: +992 (372)  
Email: [stat@tojikiston.com](mailto:stat@tojikiston.com)  
<http://www.stat.tj>

## Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

## Trade Events

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

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

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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 Embassy 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, in conjunction with local staff from the Department of Commerce, promoting American investment in Tajikistan (see the [BISNIS website](#) for more details).

The Business Information Service for the Newly Independent States (BISNIS), part of the U.S. Department of Commerce's Trade Promotion and U.S. Foreign Commercial Service, is the U.S. Government's primary market information center for U.S. companies exploring business opportunities in Russian and other Newly Independent States. BISNIS provides U.S. companies with the latest market reports and tips on developments, export and investment leads, and strategies for doing business in the NIS. Since opening in 1992, BISNIS has facilitated more than \$4 billion worth of U.S. exports and overseas investments.

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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.