

Summarized presentation by Mr.A.S.Rahmatov, Deputy Director, Customs Department, Ministry of Public Revenues and Taxes, Republic of Tadjikistan, at the 3rd Conference of the Customs Cooperation Committee under the Regional Trade Development and Customs Cooperation Program (RTDCC), December 1-3, 2004, Baku, Azerbaijan.

Dear ladies and gentlemen!

First of all, allow me to convey my gratitude to the persons who have organized this conference, the Asian Development Bank and the State Customs Committee of the Azerbaijan Republic. We are pleased to meet once again our friends from the ADB, as well as our colleagues and partners from the Customs Cooperation Committee.

A decade of reform experience in Tadjikistan's economy apparently leads us to believe that the opposition of the state and the market as tools to guarantee a balanced economic growth which had prevailed in the earlier stages of reform, both in theory and practice, now needs to be adjusted substantially. An overview of development paths in market economies where self-regulating mechanisms have long existed and been implemented in the economic processes, indicates that at the current stage of international labor division, the role of the state, as a serious regulator of public reproduction, has grown substantially stronger.

In circumstances where the market and market-based relations, interactions of the global market and national markets are stepping onto a completely new phase, brand new concepts are required to determine the role and place of the customs function within the system of regulatory mechanisms applied to foreign economic activities and therefore, management and organization principles of building a customs service should be introduced.

In the context of global economic changes, the customs service is becoming a part of the global economy's infrastructure, an element of interstate and cross-regional regulation. In this view, the primary area of its function is economic and legal, administrative and informational operation both within the frame of national and cross-border regulation. Hence, the lack of clearly defined methodologies of regulation applicable to foreign economic activities (FEA) should adversely affect the solution of tasks which will inevitably confront any given state in the short run.

On the other hand, the place and role of customs service vary among different states wherefore complete duplication should be avoided. This issue requires an in-depth and comprehensive analysis for application in Tadjikistan's specific realities.

Stressing that the need of state intervention is defined by the internal characteristics of the market mechanism itself, we believe that the state should not refrain from market regulation functions. This may definitely lead to negative socio-economic consequences and even to a degraded economic potential of a country in a worst-case scenario.

The success of the state in terms of forming up and regulating FEA depends on introduction of generally accepted methods and levels of influencing this activity at the very early stage. For Republic of Tadjikistan, this process was not as smooth and unambiguous as in other countries similar in the sense of building mechanisms of the same kind.

Gladly, the conference of senior officials held on September 13-14, 2004 in Almaty appraised quite highly the sector's activities aimed at supporting regional trade and customs cooperation.

A convincing evidence should be the fact that in October, 2004 a Loan Agreement to modernize the customs service of the Republic of Tajikistan was negotiated in Manila (the Philippines).

As you are aware, the Plan of Actions of the Customs Cooperation Committee adopted in August, 2002, sets seven new components of interaction:

- simplification and harmonization of customs procedures;
- development of border customs infrastructure (border posts and services);
- development of a simplified transit system;
- information exchange and development of communications and information transfer technology for automation of customs services and data exchange among customs agencies of neighboring countries;
- development of risk management and post-customs control;
- development of a customs investigation system;
- development of professional potential;

It should be state that Tajikistan has made certain progress in all above stated areas.

The newly revised Customs Code of the Republic of Tajikistan has been enacted which had been reviewed and approved by the Parliament of the Republic of Tajikistan on November 3, 2004;

The newly revised Customs Code of the Republic of Tajikistan aims at simplifying the mechanism of customs control in respect of imports and exports of goods and transportation facilities, increasing the effectiveness of customs duty payments, eliminating excessive bureaucratic barriers, performing international commitments assumed by the Republic of Tajikistan as a member state of the EAEC and CIS, and conforms to the principles and standards of the World Trade Organization and the Kioto Convention of 1999. The Customs Code of the Republic of Tajikistan provides a more reliable protection of vested interests and lawful rights of the foreign economic activity participants. The effectiveness of customs authorities is expected to increase through simplification of customs procedures, temporary reductions in commodity clearance and broad-scale application of information technologies. Introduction of preliminary and electronic declaration is expected in the near-term future, with an appropriate legal support in the Code.

We also take necessary efforts to build and reconstruct border customs posts. It is understood that equipping customs posts with the means of technical customs control and information and communications hardware will require substantial financial resources.

Another priority area is the development of transport and communication corridors which should facilitate mitigation of the country's transit dependence.

The Republic of Tajikistan is currently negotiating with the Republic of Kyrgyzstan an Agreement on transit of goods by automobile transport, which should meet the economic interests of these two neighbor countries.

The Republic of Tajikistan also wants to discuss transit of goods by automobile transport with the Republic of Uzbekistan based on the following considerations:

- development of transport and communication, banking and customs infrastructure, as well as the financial standing of Tajikistani residents;

- mitigation of the transit dependency of the Republic of Tajikistan and promotion of favorable opportunities for multi-lateral trade in the region;
- facilitating the growth of production of competitive goods.

The proposed solution to this transit problem is to address it within the Customs Cooperation Committee, including the possible transit through third country territories.

Recently the Customs Department established a unit for post-customs control and audit. This unit has obtained specific results and certain experience of a short period of time of its operation.

Given all this, we support the proposal made at the above mentioned conference of senior officials regarding arrangement of a country seminar for risk management and post-customs control in 2005.

It's no secret that Tajikistan today is crossed by drug traffic routes from the neighbor Afghanistan where the production of the most dangerous drug, heroin, tends to grow despite the terrorism-combating operations.

International institutions have been increasingly rendering their support in fighting drug smuggling and transit.

Yet, the task of preventing drug traffic and transit has been getting more and more difficult.

In this view, we believe appropriate to engage representatives of Afghanistan's relevant authorities as observers in our common work of combating illegal drug traffic.

We hope that this proposal will be supported by the Customs Cooperation Committee and will become an additional proposal of regional and bilateral initiatives designed by the Almaty conference of senior officials.

Development of professional potential also should be reckoned with as an important area of our cooperation.

A lot has been accomplished during the period of the Customs Cooperation Committee's operation. Hence, we welcome the ADB's practical steps in this direction.

Please let me assure you that the Republic of Tajikistan will continue to cooperate actively with the fellow member states of the Customs Cooperation Committee.

Thank you for attention.