



Reforms of the Government of the Republic of Tajikistan on Improvement of Investment Climate and Attraction of Capital

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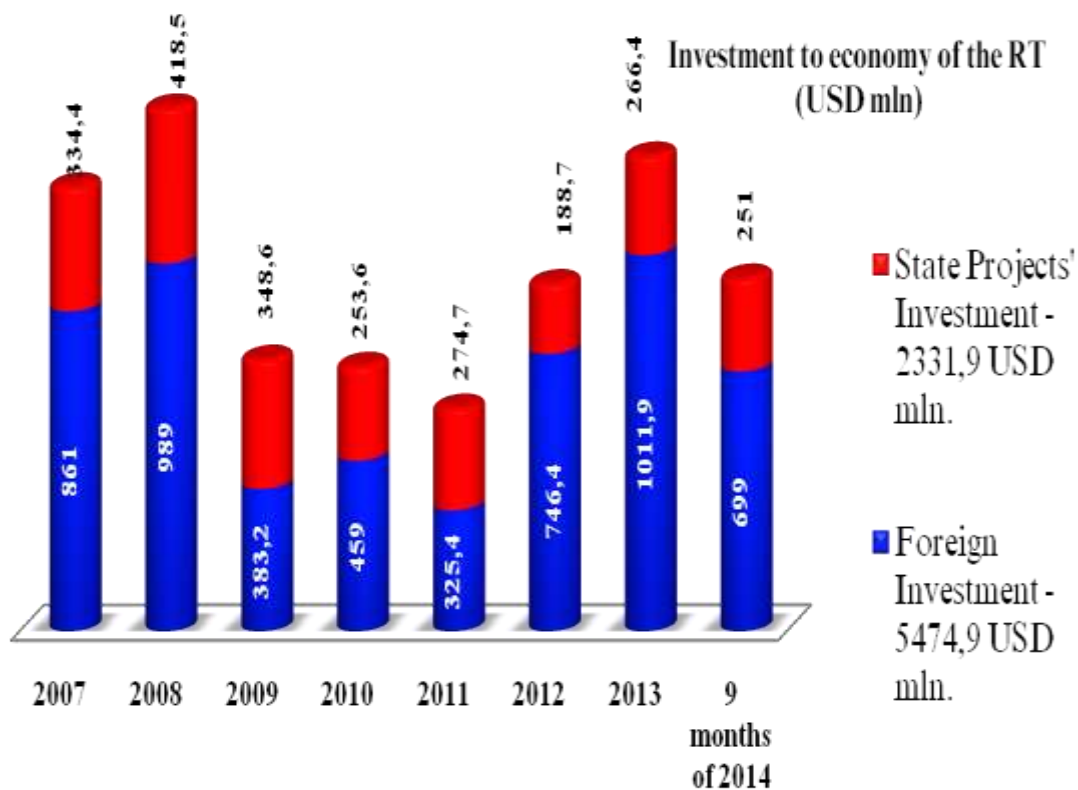
Goals of Concept of State Policy on Attraction and Protection of Investment

Goals:

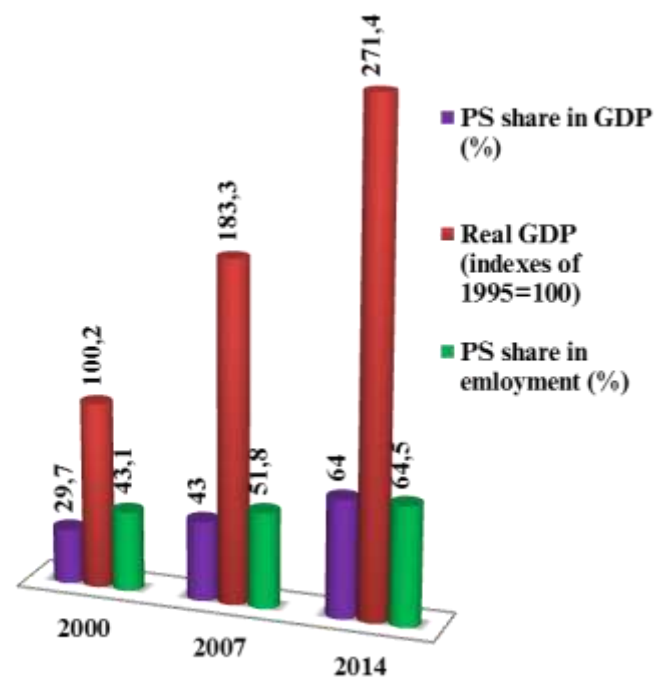
Creating favorable investment climate

Increasing the competitiveness of the economy

Ensuring development of export capacity



Change in Concept's Indicators





Measures on Improvement of Investment Climate, Business Development and Ensuring Export Capacity

Making Easy and Transparent State Regulation of the Economy



Putting in place a stable and efficient investment climate for private investment attraction and business development



Facilitate export of domestic products

- ▶ **Improvement of Legislation on Investment and International Trade**
- ▶ **Development of Infrastructure**
- ▶ **Development of Public-Private Dialogue at a National and Regional Level**
- ▶ **Establishment of the Entrepreneurship Support Fund**
- ▶ **Establishment of Council and Center on Implementation of PPP Projects**
- ▶ **Development and Implementation of Programs, Concepts and Strategies on Business, Investment and Export Development**
- ▶ **Simplification of Foreign Trade Procedures and Introduction of Products Quality and Safety International Standards**



Measures on Improvement of Investment Climate, Business Development and Ensuring Export Capacity

Кафолату имтиёзҳои сармоягузори

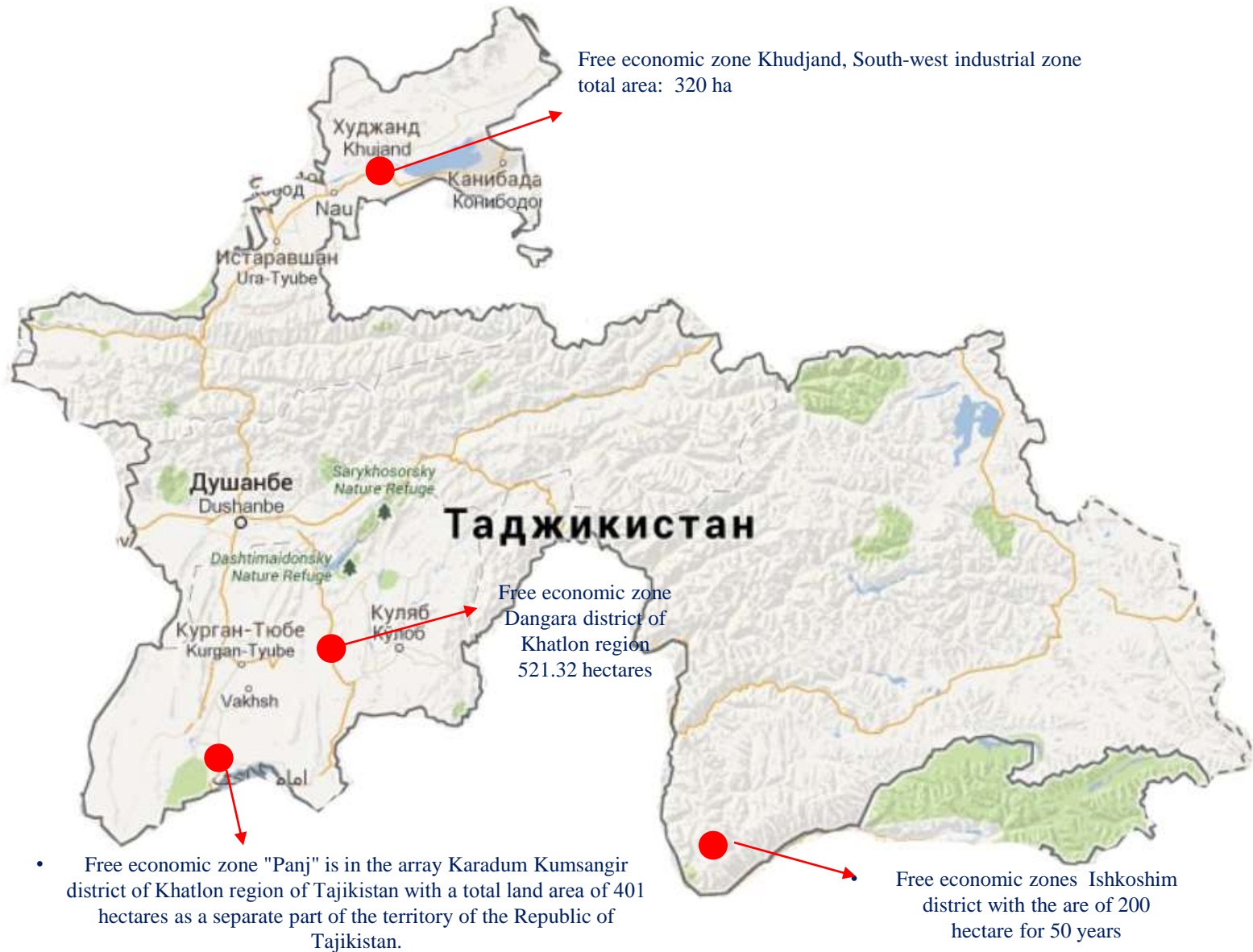
- ▶ Equal rights of domestic and foreign investors;
- ▶ Legal protection of investors. Guarantee of noninterference of Government in business; Right of using and transferring abroad revenues and incomes (no exchange problem)
- ▶ Intellectual property rights and right to use natural resources
- ▶ Submitting investors visa
- ▶ Income tax exemption for production enterprises investing amount of \$500 th. - over \$5 mln. during 2-5 years
- ▶ Totally more than 60 types of incentives, including in regard with taxation and customs transactions



VAT and customs duties exemption:

- ❖ Technical equipment and components;
- ❖ Goods for projects endorsed by the Government of Tajikistan;
- ❖ Goods for construction of Hydro-power stations and very important objects for Tajikistan;
- ❖ Goods for start ups doing full-cycle processing of cotton.

Free Economic Zones





Progress Achived



Integration into the global economy: WTO Accession, Ratification of NY Convention and Apostille Convention, Progress on regional projects like CASA1000, Railway of Turkmenistan-Uzbekistan –Tajikistan, Gas Pipeline of Turkmenistan – Uzbekistan – Tajikistan – Kyrgyzstan - China, network of regional automobile highways



Increasing knowledge on Tajikistan investment opportunities among investors: establishment of agency on investment promotion and cooperation with investors, arrangement of a number of regular business –forums of the business circles of Tajikistan and foreign countries



Signing the Memorandums of Understanding and strengthening cooperation between national and foreign investors and entrepreneurs



Натиљањои бадастомада (давом)



Cutting red tape: Reforms to laws on permits, permits system, inspections, taxation and tax administration, activity of the “Single Window” on registration of business, import and export transactions, visa, registration of property, etc.



Financial market development: establishment of private credit bureau, initiation of a sovereign credit rating, development of secondary market for securities and stock exchanges, liberalization and diversification of the insurance sector



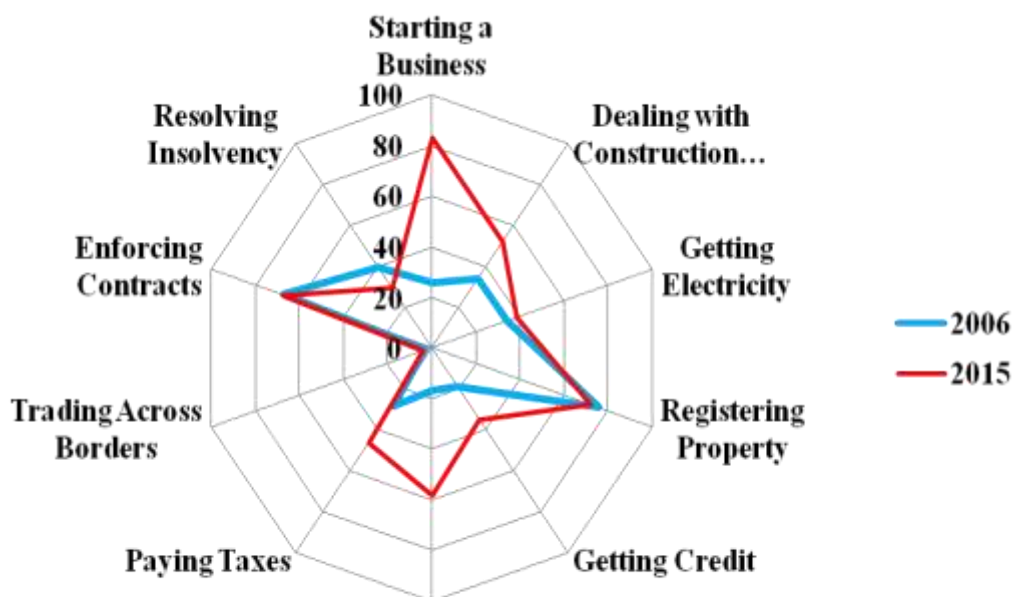
Simplification of state regulation of economy: Liberalization of most sectors for attraction of investment



Recognition of Tajikistan as a top reformer country

Adoption of a Number of Action Plans on Improvement of the Country Indicators in International Ratings, including the Doing Business Report of the World Bank

Tajikistan is a top reformer country in **2010, 2011 and 2015**





Analyze Challenges

Lack of domestic market and weakness of international economic and trade integration;

Distance from big world consumption market and main trade and transport highways ;

Insufficient development of real infrastructure and seasonal deficits of electricity;

Shortcomings of investment legislation and mechanisms ensuring the property rights, appropriate compliance of laws and contract relations

Lack of competitiveness on investment attraction (tax, customs and visa systems);

Lack of investment infrastructure development (banks, information and analytical consulting and others);

High level of bureaucracy of public administration .



Next Steps

- 1 • Additional measures on resolving the issues of development of production entrepreneurship, implementation of investment projects through using modern technologies and expanding export capacity of the country;
- 2 • Development and implementation of comprehensive Action Plan on declaring 2014-2020 years as a period of supporting the production entrepreneurship and development of industry on procession of domestic raw material;
- 3 • Strengthening reforms on private sector development and ensuring implementation of adopted documents on improvement of investment and business climate;
- 4 • Improvement of legislation system and international mechanism of guaranties on capital and investment agreements and based on this enhancing guaranties and obligations of investors;



Next Steps

- 5 • Implementation of the Law of the RT “On State Protection and Support of Entrepreneurship” in a new Edition dated July 26, 2014, #1107, including development of sub law regulatory legal documents;
- 6 • Providing favorable conditions regarding development of cross-border trade, including facilitating the establishment of logistic centers through the PPP mechanism;
- 7 • Implementation of the Action Plan of the Government of the Republic of Tajikistan on Improvement of the Tajikistan’s indicators in the Doing Business Report of the World Bank Group dated May 3, 2014, #300
- 8 • Facilitating establishment of business-incubators in rural area for SME development



Thanks for Attention!