

Speech of
Mr. Nematullo Hikmatullozoda, Minister of Economic Development and Trade
of the Republic of Tajikistan
International Trade and Investment Conference and 3rd China Round Table,
Dushanbe, Tajikistan 1-4 June, 2015

Dear Mr. Director of ADB,

Dear Colleagues,

Distinguished guests,

Ladies and Gentlemen!

First of all, on behalf of the Government of the Republic of Tajikistan and Ministry of Economic Development and Trade I would like to welcome you in sunny Tajikistan and express gratitude to the participants for attendance of the International Trade and Investment Conference and 3rd China Round Table.

It is appropriate to note that the economic development of the Republic of Tajikistan takes place in slowed down global development, instability at the global commodity and financial markets, and price increase on many food items. To some extent, these factors influence on the macroeconomic situation in the country, its level of inflation, which, in turn requires adequate measures.

Economic development of the country is ensured through the consistent economic reforms, economic diversification, increase of competitiveness, improvement of the quality of economic management, institutional and structural reforms, and improvement of the financial and banking systems.

Currently, Economic Development Strategy of the Republic of Tajikistan is based on the fundamental documents such as the National Development Strategy of the Republic of Tajikistan until 2015 and the Living Standards Improvement Strategy of Tajikistan for 2013-2015 (Stage 3), which should contribute to the systematization of the long-term development process in line with the Millennium Development Goals.

In order to achieve the strategic objectives of these documents, following national priorities are identified:

- Public administration reform is aimed at the formation of the country's national development system, and its main features are transparency, accountability and anticorruption efforts.

- Private sector development and attraction of investments based on the expansion of economic freedoms, strengthening of property rights and rule of law, and development of public-private partnerships.

- Development of human potential to increase the volume and quality of social services to the poor population and achievement of the Millennium Development Goals, active participation of the population in the development process and strengthening of the social partnership.

Consistent implementation of strategic tasks spelled out in these documents contributed to the consolidation of the sustainable economic growth for the past eleven years. During this period, gross domestic product has increased more than 2 times, and the average annual growth rate is 7%. The inflation rate is maintained within the programmatic parameters, i.e., single digits.

The stable country's economic growth contributes to the gradual poverty reduction and improvement of the quality of people's lives. The poverty rate declined from 72.4% in 2003 to 32% in 2014. Thus, living standards are gradually improving and middle class is increasing.

Sustainable economic growth in recent years was achieved largely due to the improvement of the investment climate to attract foreign and domestic investments, as well as the improvement of the environment for business development. To this end, country is constantly improving legislation and procedures that regulate private sector activities. Following measure were implemented during this period: reforming of the licensing system, strengthening of cooperation between the state and private sector, increased lending, simplification of customs clearance of export and import operations through the implementation of the "Single Window" concept as well as the adoption of the

State Support Entrepreneurship Programme for 2012-2020 years, and accession of Tajikistan to the New York Convention, gave a serious impulse to the development of business and inflow of investments.

As you know, Tajikistan became 159th full member of the WTO on March 2, 2013.

With the accession to WTO, country's economic relations are moving to the new, wider, global level. Tajikistan's membership in this organization gives an opportunity to establish transparent and predictable system that meets international trade requirements. This will help with finding markets and increasing of product competitiveness.

At present, a significant amount of workload was done to bring national legislation in line with WTO rules.

It is important to note that accession to WTO does not stop the process of reforms. Government considers necessary to approve National Economy Adoption Program of the Republic of Tajikistan in connection with WTO membership. This program contains a number of measures aimed at the implementation of important reforms in the country.

In addition, this program includes measures to improve country's rank in the World Bank Doing Business 2015.

According to the results of "Doing Business 2015", Tajikistan ranks 166 out of 189 countries in the world. In terms of protection of investors, Tajikistan ranks 56, contract enforcement - 40, property registration - 70, business registration - 105 and resolution of insolvency (bankruptcy) - 149.

New edition of the Tax Code is effective since 2013. It was adopted in order to improve tax area relations and to stimulate the development of the real sector of economy, including private sector.

The total number of taxes was reduced from to 10 (starting from 1 January 2017 – to 9), including national taxes from 17 to 8, local tax from 4 to 2. In addition, it is anticipated that until 2017 profit tax for producers will be reduced from 15 to 13% and for other activities from 25% to 23%.

The special and preferential tax system is also anticipated. In particular, there is complete exemption from value added tax and customs duties on the import of technological equipment and its components.

National Entrepreneurship Support Fund is established in the country. It contributes to further sustainable development, creation of new jobs, and increase of export potential and implementation of the national goals.

Government intends to continue support of small and medium enterprises by minimizing state interference.

All these measures promote the improvement of the business climate to attract foreign investment into the country.

It should also be mentioned that Tajikistan pays special attention to trade facilitation at the national and regional level.

As you know, business registration is conducted through the “Single Window” system in Tajikistan. It takes 3 to 5 days to register own business.

Similar activities are carried out with regard to the trade facilitation procedures in the export-import and transit operations.

Tajikistan has adopted “Single Window” concept for export-import and transit operations. SUE “Single Window” was established and currently working on the launch of the system. We hope that by the end of this year, “Single Window” system for the export-import and transit operations will be fully operational.

Ladies and Gentlemen,

Our country closely interacts with international partners with regard to trade facilitation.

I would like to mention that Republic of Tajikistan has ratified Trade Facilitation Agreement, taking into account the batch of documents on trade facilitation accepted at the 9th WTO Ministerial Conference.

Dear participants,

We hope that this event will be of a great help in eliminating of regulatory and procedural barriers to trade and fulfilling Tajikistan's obligations after the accession to WTO, as well as creating favorable investment and business climate in our country.

Thank you for attention!