

TAJIKISTAN

**INVESTMENT CLIMATE AND
POSSIBILITIES OF THE COUNTRY**



State support for the investor and the investments

Main purpose:

- Creation of favorable investment climate for development of priority industries of economy and stimulation of investments on creation new and updating of operating productions with application of modern technologies and the equipment, to formation of new workplaces and granting privileges for support of invested industries.



Investment Climate

In the Republic of Tajikistan favorable conditions for attraction of foreign investments, supports of market structures and development of a commercial, financial and banking system.

Made a huge step towards;

- deepening of economic reforms,
- reconstruction of the national economy,
- strengthening and development of international relations,
- deeper integration into the world economy.

- ▶ reduced VAT rate from 20 to 18%;
- ▶ reduced income tax rate from 25 to 15%;
- ▶ introduced the principle of «Single window» registration of legal entities and business entities;
- ▶ Government adopted the program "Improving the business environment - 200 Days of Reform"
- ▶ The government commission created to simplify licensing (license) procedures.



Investment Climate

- ▶ A Consultative board was created on improvement of investment climate under the President of RT;
 - ▶ Created State Unitary Enterprise "Tajinvest";
 - ▶ Accepted concept of public policy to attract and protect investments in the Republic of Tajikistan;
 - ▶ Annually by the "State program of investment grants and capital construction" as well as other sectoral programs to improve the investment climate and support entrepreneurship in Tajikistan.
- ▶ Tajikistan was officially adopted as the 159th member of the WTO, March 2, 2013;



Laws

- «about investment»,
- «About the investment agreement»,
- «About Joint Stock Companies»,
- «About Concessions»
- «About free economic zones»

These laws;

- provide protection of the rights, interests of property of foreign investors,
- create a strong legal basis for implementation of commercial activity,
- stimulate participation of foreign investors in privatization of objects of national economy on equal terms with citizens of Tajikistan.



Customs and tax preferences

a) Release from the customs duty and VAT

- import of production processing equipment and components;
- import of personal property by foreign employees of the enterprises with foreign investments for own needs;
- import of goods for implementation of the target projects approved by the Government of ;
- импорт товаров для строительства гидроэлектростанций, являющихся особо важными объектами для Республики Таджикистан Tajikistan;



Customs and tax preferences

- **b) Release from the VAT**
 - ▶ rendering financial services;
 - ▶ percent of financial leasing;
 - ▶ export of goods, except the recycled cotton raw, cotton-fiber, a cotton yarn and aluminum primary, precious metals and jewels, jewelry from precious metals and jewels.



Spetsilny tax modes

a) Taxation of construction of hydroelectric power stations

The customer of construction and a general contractor are exempted from payment of the following taxes:

- value added tax;
- land taxes;
- taxes on owners of vehicles;
- tax on real estate;
- social tax;
- tax on users of highways;
- profit tax of legal entities;
- minimum tax on the income;
- state taxes..

b) The taxation of again created enterprises occupied with a full cycle of processing of cotton-fiber in end products

1) the export of goods, made by again created enterprises are exempted from a value added tax.

2) again created enterprises are released from:

- profit tax of legal entities;
- minimum tax on the income of the enterprises;
- tax on real estate;
- land taxes.



Resource potential

- existence and availability of mineral raw material resources
- favorable soil climatic conditions
- existence of the cheap and qualified labor
- renewable hydroenergy resources



Branches which are most attractive to investors

- energetics
- mining industry
- chemical industry
- construction materials
- light and food industry
- agriculture
- transport and communications
- tourism
- health care and pharmaceuticals
- education



Hydropower

- Potential: on gidro-energy resources Tajikistan takes the 8th place in the world, but extent of development no more than 6%;
- Sales markets: infrastructure creation for export of the electric power to neighboring countries;
- State support: release from the VAT and customs duties and number of state programs;
- Partnership examples: Sangtuda-1, Sangtuda-2, the high voltage line "South-North" and the high voltage line "Lolazor - Hatlon", etc..



Mining industry and production of building materials

- Potential: More than 400 mineral deposits are revealed, reconnoitered and prepared for development;
- Sales markets: China, Russia, Japan, countries of Europe, etc.;
- State support: Law RT "About Concessions", carrying out open international tenders ("Kanimansuri Kalon");
- Partnership examples: Zijin Mining – gold mining, Gazprom, Tethys Petroleum - development, oil production and natural gas, etc.



Processing of primary aluminum

- Potential: more than 400 thousand tons per year of primary aluminum are made;
- Sales markets: China, Turkey, Iran, CIS country and Europe;
- State support: release from the VAT and duties of imported processing equipment.



Agricultural products processing

- Potential: to 20% of agricultural products - loss due to the lack of capacities for processing and storage;
- Sales markets: CIS country and Europe;
- State support: The program of development of export of the Republic of Tajikistan for the period till 2015.
- There are also considerable possibilities of processing of cotton raw and other agricultural products (a tomato, an apricot, skin, wool, etc.)



Tourism



Tajikistan develops tourism infrastructure and tourist services, has potential for further development:

- the ecological
- the improving
- mountain and hunting tourism

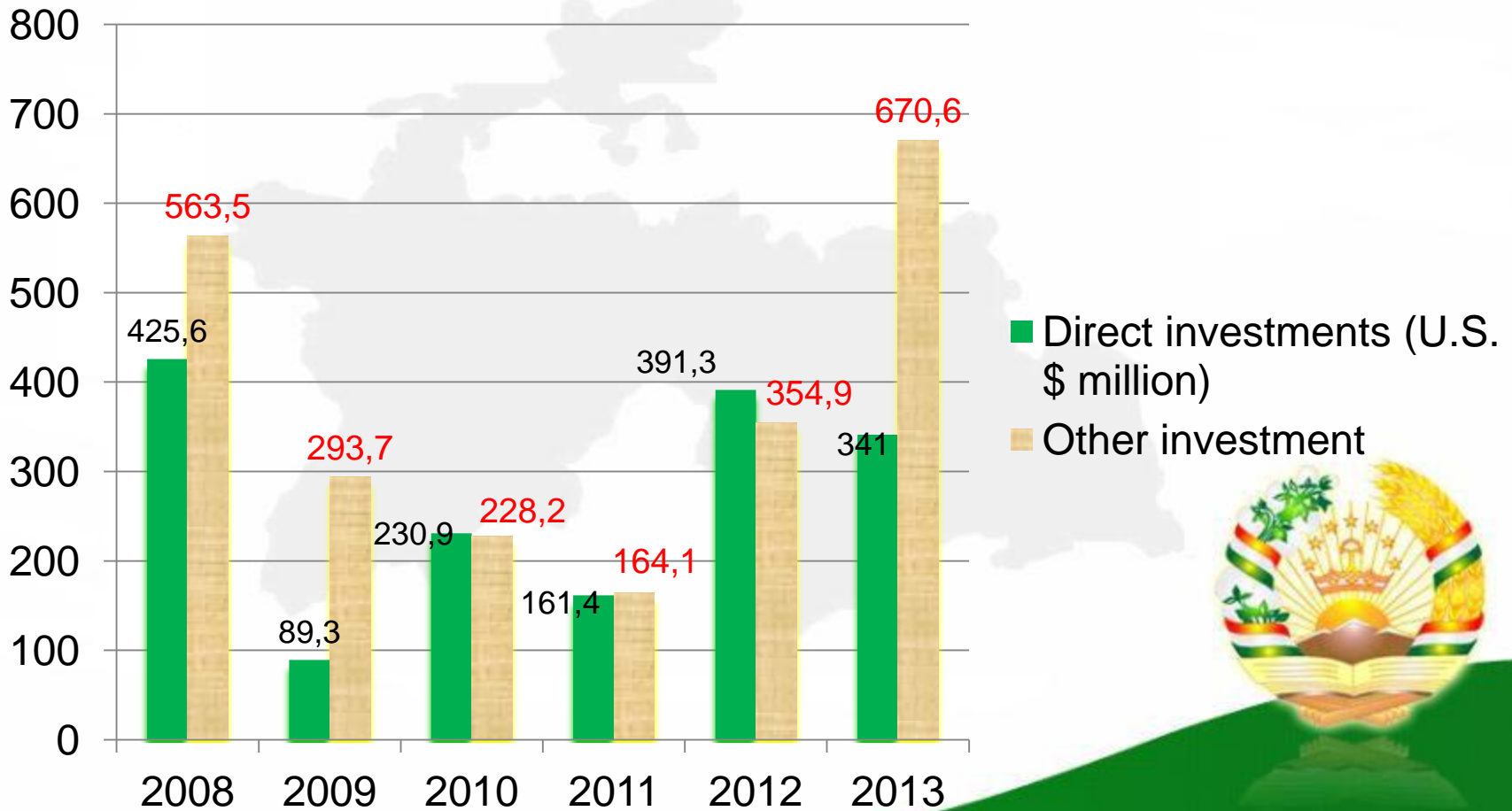


Free economic zones of Tajikistan

- Sugd (320 hectares)
- Panj (400 hectares)
- Dangara (520 hectares)
- Ishkoshim (200 hectares)



Stream direct and others foreign investments into the Republic of Tajikistan



Investment projects

In the Republic of Tajikistan more than 50 investment projects for total amount of 2 billion US dollars are realized.

No	sector	Number of projects	total amount million US dollars	Development US dollar
1	Transport	11	1200	867,3
2	Energetics	9	419,2	181,7
3	Water providing	7	110,9	57,8
4	Irrigation	3	103,4	45,1
5	Agriculture	4	74,4	30,9
6	Education	6	68,4	38,2
7	Health services	3	65,2	65,1
8	Ecology	2	41,5	28,4
9	Infrastructure	1	29,8	22,8
10	Other	4	21,3	12,8

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Thank you for attention!

