

Video conference on: Investment Opportunities of the Republic of Tajikistan

Your Excellency _____

Dear colleagues and friends,

Slide 1,

Let me express my deep appreciation and gratitude for the cooperation between the Republic of Tajikistan and the UN ESCAP member countries.

I am convinced that a constructive dialogue and negotiations within the framework of this event will actively contribute to further development of economic and business relations between our countries.

I will give you a brief information about the investment potential of Tajikistan and prospects for mutually beneficial economic cooperation between the Republic of Tajikistan and UN ESCAP member countries.

Slide 2 General information

The geographical location of Tajikistan has a great strategic importance. Being in the “heart” of Central Asia, Tajikistan has real opportunities to become a special link between the countries of the region.

Any country has features that attract interest of foreign investors. Tajikistan is a politically stable country with modern legislation aimed at development of economy, private sector and investment climate.

Slide 3 Macroeconomics

Today, Tajikistan successfully continues implementation of institutional, economic and social reforms, gradually expanding its network with many countries of the world and international organizations.

As the result of effective reforming the stable annual GDP growth is 7%.

In the structure of GDP, such sectors as industry, services and agriculture are most important.

Slide 4 Investments in Tajikistan

Over the past 10 years, we have attracted more than 8 billion US dollars of foreign investment to our economy.

In accordance with the National Development Strategy of the Republic of Tajikistan until 2030 these investments were mainly directed to energy, transport and road construction, industry and agriculture, communications, finance and banking and tourism sectors.

Such initiatives include projects for construction of large and medium-sized hydroelectric power plants, industrial, transport and communication facilities and development of tourism infrastructure. They are our priority given our internal resources.

Slide 5 Foreign Direct Investments (FDI) inflow (2015-2020)

The total inflow of foreign investment in recent years has amounted about 1 billion US dollars annually, while FDI remains at a constant level. However, it is extremely important for the republic to significantly increase the level of foreign direct investment, especially in small and medium-sized businesses.

Slide 6 FDI inflow by sector (2015-2020)

The main sectors for investment over the past five years were: Industry and mining, including processing of raw materials. There is a noticeable tendency of investment increase in the agricultural sector, and especially in tourism.

Slide 7 - 8 FDI inflow by country 2015-2019 and 2020

Direct investments are currently far from our potential. We are convinced that Tajikistan is a very attractive place for investment, and I hope this presentation will provide good arguments for this. It is necessary to support and develop investors to use potential and invest to Tajikistan.

Slide 10 Import substitution as an investment opportunity

Based on an analysis of goods import to Tajikistan in recent years there was developed a list of more than 300 types of activities for development and implementation of investment projects in the Republic of Tajikistan.

Based on this list, the government has developed more than 50 investment projects in various sectors of the economy.

Slide 12 Doing Business in Tajikistan

The Government of the Republic of Tajikistan, in order to improve the investment and business climate, has brought the legislation of Tajikistan in line with international legal acts, thereby guaranteeing the rights of investors.

The Republic of Tajikistan, as a member of the World Trade Organization, has a diversified economy. In recent years, more than 100 legal acts have been adopted in Tajikistan to meet the requirements of the Organization.

Tajikistan recognized the UN Convention on the Recognition and Enforcement of External Arbitration Award and the Hague Convention on Apostille.

The entry into force of these acts facilitated registration of entrepreneurial activity and strengthened its legal protection.

Favorable conditions were created for doing business in Tajikistan, for example:

- The legislation is constantly harmonized;
- Profit can be freely repatriated;
- Foreign companies have free access to the country's resources;
- The legal status is guaranteed for 10 years from adverse changes.

Slide 13 Free Economic Zones

Given the positive impact of the implementation of business and investment initiatives on the economy, five free economic zones were created in the republic, where more than 70 business entities successfully operate.

The subjects of free economic zones are exempt from all taxes and customs duties, with the exception of social and income taxes of employees.

The advantages of these zones, in particular:

- Exemption from all types of taxation
- Free profit repatriation
- Simplified visa regime
- Single window registration

Slide 14 General Benefits

Currently, the country's legislation provides 109 tax and customs incentives, including companies that are exempt from income tax for up to 5 years, depending on investments volume.

We will provide you with additional information on incentives and preferences in English through the Embassy of the Republic of Tajikistan in New Dehli.

Slide 15 Priority sectors for cooperation/investments

Dear Colleagues,

Following sectors are most attractive for private sector cooperation between two countries.

- 1) water resources and hydropower
- 2) agriculture
- 3) Light industry
- 4) Tourism

5) Construction

Slide 16 Hydro Energy

The total hydropower potential of Tajikistan is 527 billion kW / h, and 95% of this potential awaiting development and investment. Since independence, 283 small hydropower plants with a total capacity of more than 30,000 kW were constructed.

Tajikistan plans to build more than 7 small hydropower plants in the coming years.

Investors can get significant economic profit from the implementation of projects in our energy sector.

The Central Asia-South Asia energy project, commonly known as CASA-1000, a \$ 1.16 billion project, is currently under construction. It will allow to export of surplus hydropower from Tajikistan and Kyrgyzstan to Pakistan and Afghanistan.

Slide 17 Incentives of Hydro Energy sector

During Hydro Power Plant (HPP) construction investor and general contractor are fully or partially exempted from:

- VAT;
- tax of road users;
- income tax (tax paid under the simplified system); etc.

Slide 18 Business climate

As you can see in previous slides, Tajikistan can offer many business and investment opportunities. In order to stimulate investment and doing business in Tajikistan, the Government of the Republic adopted a large number of laws and regulations to attract foreign companies and capital to Tajikistan.

Slide 19 Tajikistan position in international rating reports

Implementing planned reforms, Tajikistan gradually improves its position in international ratings, particularly, 4 times the country was included in the top 10 reformer countries of the World Bank's Doing Business report, and other achievements of the country in world ratings are also presented on this slide

Slide 20 Business Portal Tajikistan B2B.tj

In 2018, the idea came up to create an interactive platform for entrepreneurs to create a place where all market participants would have the opportunity to

introduce themselves, their products and services, contact with each other and have access to information about all aspects of the business world.

The portal provides information and services in such areas as:

1. A single source of business framework information
2. Databases (especially for investment projects)
3. Assistance in business promotion (consulting)

The portal is designed to guide market participants in all business processes in Tajikistan.

Slide 21 International companies in Tajikistan

Favorable conditions for doing business in the country attracted international companies and organizations. On this slide you can see names of large international companies that successfully operate in Tajikistan.

Slide 22 Welcome to Tajikistan

Our countries have great potential for development of mutually beneficial cooperation. I am sure that this meeting will give a significant impetus to expansion and development of our cooperation.

Slide 23 Thank you

Taking this opportunity, at the end of my speech I invite you to constructive and mutually beneficial cooperation.

**THANK YOU FOR ATTENTION AND
WELCOME TO TAJIKISTAN!**