

Coronavirus response in 2021: building back better

Update on Tajikistan (16 June 2021)



Covid-19 policy response

- **The government's anti-crisis response is focused on food security, vulnerable groups and tax benefits for SMEs.** Vulnerable households receive cash transfers equivalent to the minimum wage (around US\$ 12 a week). Free medical care is provided to citizens diagnosed with Covid-19, along with sick leave and compensation benefits. Firms have benefited from tax holidays, free rent of state property, property tax exemptions and postponements of non-tax audits.
- **The policy response to Covid-19 is being supported by international financial assistance.** Among other things, Tajikistan has received US\$ 189.5 million in emergency finance for budgetary support from the International Monetary Fund, a US\$ 52.5 million grant from the Asian Development Bank, a US\$ 11.3 million grant from the World Bank and support from other development partners.

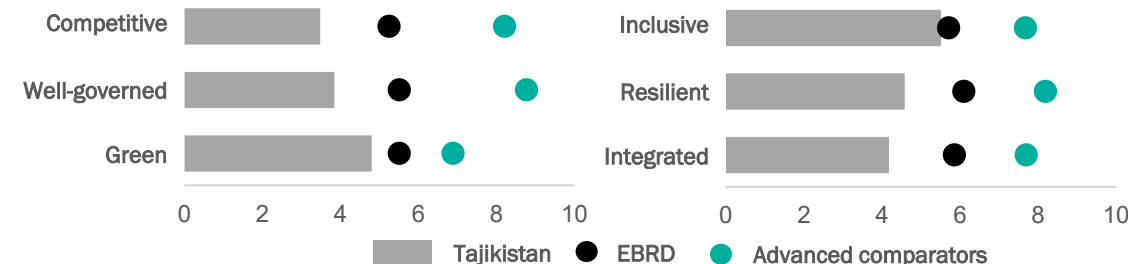
Macroeconomic indicators (%)

	2018	2019	2020	Short-term indicators
GDP growth	7.3	7.5	4.5	EBRD GDP growth forecast (June 2021) 2021: 6.5%; 2022: 6.0%
Annual inflation (end-year)	3.8	7.8	9.5	Quarterly GDP growth: 7.5% (Q1 2021, y/y)
Government balance/GDP	-2.8	-2.1	-4.4	Retail trade: +9.2% y/y (Q1 2021)
Current-account balance/GDP	-5.0	-2.3	-2.3	Industrial production: +18.4% y/y (Jan-Apr 2021)
Net FDI/GDP	-2.9	-2.6	0	Exports: +53.6% y/y (Jan-Apr 2021)
Public debt/GDP (end-year)	47.8	43.1	48.1	Inflation: 8.3% (Apr 2021)
Unemployment rate	11.13	11.02	10.99	Sovereign bond yield: 9.09% (2 June 2021)

Key short-term priorities

- Develop a strategy to attract investment in labour-intensive sectors to create employment opportunities for youth and returning migrants.
- Accelerate investment in essential public infrastructure, bearing in mind fiscal consolidation and debt sustainability needs.
- Streamline access to foreign currency for households and the private sector.

EBRD assessment of transition qualities (ATQs), 2020¹



Building back better: key ongoing initiatives

Competitive

- The draft Tax Code has been published for public consultation and is expected to be finalised in the coming months.

Green

- A commission to review electricity tariffs was created under the Antimonopoly Committee.

Resilient

- The licences of two troubled banks, Agroinvestbank and Tojiksodirotbank, were revoked in April 2021, with a positive effect on banking-sector stability indicators.

Integrated

- Discussions on border demarcation with Uzbekistan and the Kyrgyz Republic are advancing, setting the scene for cross-border cooperation projects.

Digital

- There are plans to set up a new agency of innovation and digital technologies to facilitate digital transformation.

To learn more about EBRD's support to Tajikistan visit: <https://www.ebrd.com/tajikistan.html>.

¹ For more details on ATQs, see EBRD (2020), [Transition Report 2020/21: The State Strikes Back](#), London.