

Coronavirus response in 2021: building back better

Update on Tajikistan (20 December 2021)



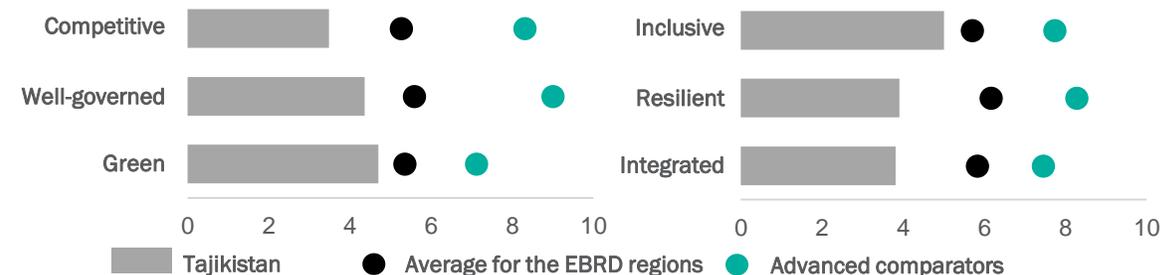
Covid-19: policy response

- The government's anti-crisis response focuses on food security, vulnerable groups and tax benefits for SMEs. In August 2021, the government announced that 165,000 vulnerable families would receive TJS 500 (US\$ 44) in emergency cash assistance.
- Tajikistan received further financial assistance from international financial institutions in 2021. The World Bank provided US\$ 8.63 million to finance the purchase of vaccines and US\$ 12.57 million in grant financing in February 2021 as part of the Tajikistan Emergency Covid-19 Project, to further strengthen the country's healthcare capacity and protect vulnerable population groups. The Asian Development Bank approved a US\$ 25 million grant in June 2021 to help the country procure vaccines and improve its capacity to implement its vaccination programme.

Macroeconomic indicators (per cent)

	2018	2019	2020	Short-term indicators
GDP growth	7.3	7.5	4.5	EBRD GDP growth forecast (Nov 2021) 2021: 6.5%; 2022: 6.2% GDP growth: 8.9% (Jan-Sep 2021) Retail trade: +12,8% (Jan-Oct, y/y) Industrial production: +22,9% (Jan-Oct, y/y) Exports: +33.6% (Jan-Oct 2021, y/y) Inflation: 8.7% (Oct 2021, y/y) Sovereign bond yield: 9.95% (Dec 3, 2021)
Annual inflation (year end)	3.8	7.8	8.6	
Government balance/GDP	-2.8	-2.1	-4.4	
Current account balance/GDP	-5.0	-2.3	-2.3	
Net FDI/GDP	-2.9	-2.6	-1.3	
Public debt/GDP (year end)	47.8	43.1	48.1	
Unemployment rate (year end)	11.13	11.02	10.99	

EBRD assessment of transition qualities (ATQs), 2021¹



Building back better: key ongoing initiatives

Competitive

- The government is diversifying agricultural production and facilitating the deeper processing of food products through increased cooperation between farms, aggregators, processing enterprises, research institutions and other upstream and downstream actors.

Well-governed

- The government approved a programme to promote the introduction of international food-security standards.

Green

- Tajikistan joined the Green Bridge Initiative, a partnership programme that serves as a platform for developing collective approaches to addressing the climate challenges of the region.

Inclusive

- Sixty grants were allocated to artisans and craftswomen to support and develop the entrepreneurial activities of women and ensure the employment of women and girls in the Sughd region.

Resilient

- Two troubled banks, Agroinvestbank and Tojiksodirotbank, were finally liquidated, though risks remain with regard to dollarisation, concentration and credit quality.

Integrated

- A single window was launched for the registration of export, import and transit procedures.

Key short-term priorities

- Create new opportunities for young workers and returning migrants.
- Advance the digitalisation agenda to improve businesses' access to information and finance, while enabling more Tajik workers to learn and work remotely.
- Maintain fiscal discipline by cutting off ineffective tax exemptions and ensuring sustainable and transparent financing.

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

¹ For more details on ATQs, see EBRD (2021), *Transition Report 2021-22: System Upgrade: Delivering the Digital Dividend*, London.