

# Ministry of Economic Development and Trade Republic of Tajikistan



## Measures to improve cross-border trade in Tajikistan

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# TAJIKISTAN

# MAP OF TAJIKISTAN



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# 1. History of cross-border trade in Tajikistan

- in **1990-s**: was introduced, several times, in various decisions by Government of Tajikistan; mentioned in speeches by President Emomali Rahmon.

- in **middle of 1990-s**: several attempts were made to organize the cross-border trade in Gorno-Badakhshan Autonomous Region.

- since **1995**: cross-border trade was organized in Ishkashim district in the border area between Tajikistan and Afghanistan.

- increase of entrepreneurial activity and mountain farming, regular study of the situation in this sphere in Gorno Badakhshan and in the region, including Afghanistan's Badakhshan, Kyrgyzstan's Osh region and China's Kashgar district.

# 1. History of cross-border trade in Tajikistan

- in **August 2004**: visit to the administrative center of Badakhshan province, Afghanistan; meeting with governor of the province, entrepreneurs; visit to the border areas; preparation of a proposal on creation of cross-border markets.
  - in **December 2004**: entrepreneurs of Afghan Badakhshan visited Khorog for the first time.
  - signing of agreements between local authorities of border areas of both countries. These agreements determined the procedures and working time for the cross-border markets, as well as other issues related to cooperation in neighboring areas.
- **13 July 2005**: Practical Conference on "Regional Cooperation and Prospects for Sustainable Development of Tajikistan's Gorno Badakhshan and Afghanistan's Badakhshan province," attended by 26 representatives of government, business and farmers of Afghanistan's Badakhshan province and representatives of the Tajikistan's Gorno Badakhshan authorities, entrepreneurs, academics and representatives of international organizations.



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

## **Number of attendees from both sides in cross-border markets:**

<b>Tem (Khorog town)</b>	<b>- from 600 to 800 people</b>
<b>Ishkashim (Ishkashim district)</b>	<b>- from 800 to 1000 people</b>
<b>Ruzvai (Darvaz district)</b>	<b>- over 500 человек</b>
<b>Dusti (Isfara town)</b>	<b>- over 500 человек</b>

## **Approximate amount of commodity turnover in these markets:**

<b>Tem (Khorog town)</b>	<b>- up to 100.000 somoni in summer period</b>
<b>Ishkashim (Ishkashim district)</b>	<b>- 150.000 somoni</b>
<b>Ruzvai (Darvaz district)</b>	<b>- over 30.000 somoni</b>
<b>Dusti (Isfara town)</b>	<b>- over 50.000 somoni</b>

## 2. Normative legal acts of creation and functioning of cross-border trade

- Decision of the **Government of Tajikistan dated 20 October 1995, №638** «On organizing the cross-border trade with Islamic State of Afghanistan» determines the opening of the cross-border trade points in Khatlon region with Islamic State of Afghanistan.
- Decision of the **Government of Tajikistan dated 21 February 1996, №68** «On organizing the cross-border trade with Islamic State of Afghanistan» determines the opening of the cross-border trade points in Gorno-Badakhshan Autonomous Region with Islamic State of Afghanistan.
- Decision of the **Government of Tajikistan dated 26 September 2003, №429** «On organizing the cross-border trade with Kyrgyzstan and Uzbekistan» determines the opening of the cross-border trade points in Soghd region, Tursunzade district and Dzhirgatal district with Kyrgyzstan and Uzbekistan.
- Decision of the **Government of Tajikistan dated 8 October 2003, №436** «On making amendments into Decision of the Government of Tajikistan as of 20 October 1995, №638 «On organizing the cross-border trade in Kumsangir district, Khatlon region, with the Islamic Republic of Afghanistan.»
- Decision of the **Government of Tajikistan dated 12 February 1997, №94** «On organizing the cross-border trade and acceleration of development of the project on construction of a highway with China» determines the opening of the cross-border trade points in Murgab district with Chinese People's Republic.
- By Decision of the **Government of Tajikistan dated 02 October 2002, №397** «On measures to improve cross-border trade in Tajikistan» there has been developed and approved the Provision on «Procedure of Cross-Border Trade in the Republic of Tajikistan», which covers all aspects of regulation of activity of the cross-border trade points in the country.

Decision of the Government of Tajikistan  
as of 02 October 2002, №397

«On measures to improve cross-border trade in Tajikistan»

- For the purpose to create necessary conditions for expansion of trade and economic relations on mutually beneficial basis, further development and strengthening of good-neighborly and friendly relations between Tajikistan and neighboring countries, there has been approved «the Provision on Procedure of Cross-Border Trade in Tajikistan», which covers all aspects of regulation of activity of cross-border trade points in the country.

## Decision of the Government of Tajikistan as of 02 October 2002, №397 «On measures to improve cross-border trade in Tajikistan»

According to the approved Provision, the Ministry of economic development and trade of the Republic of Tajikistan is assigned as the coordinating body in organizing and functioning of the cross-border trade points in the Republic of Tajikistan.

At the same time, the direct function on organizing the controls in the cross-border trade points is assigned to the following agencies:

- State National Security Committee of the Republic of Tajikistan: border security;
- Customs Service under the Government of Tajikistan: customs control;
- Ministry of public health and social welfare of the Republic of Tajikistan: sanitary and epidemiological control; control over imported medicines, preventive and cosmetic goods;
- Ministry of agriculture of the Republic of Tajikistan: veterinary, phyto-sanitary and quarantine control *опросам ветеринарного, фитосанитарного и карантинного – на;*
- Ministry of economic development and trade of the Republic of Tajikistan and the Republican Union of Consumer Societies “Todzhikmatlubot”: control over trade and organizing the catering;
- Agency on standardization, metrology, certification and trade inspection under the Government of Tajikistan: control over quality and security of the imported consumer goods;
- Architecture and Construction Committee under Government of Tajikistan: control over construction and architecture.

Decision of the Government of Tajikistan as of 02 October 2002, №397  
«On measures to improve cross-border trade in Tajikistan»

- In the cross-border trade points, the total amount of the purchased/sold goods, works and services, transported by physical persons through customs border of the Republic of Tajikistan, shall not exceed the amount, equivalent to 1.000 US dollars per each day of trade, per each participant.

### **3. Objectives of the cross-border trade**

- To promote of mutual understanding between various communities;
- Maintaining friendly relations between neighbors;
- Cross-border trade makes a favorable impact on lives and incomes of the traders;
- To strengthen the capacity of local manufacturers and facilitating the improvement of the sector of services (e.g. warehousing, transportation, and auxiliary services in local marketplaces);
- To facilitate the increase of incomes of all people whose jobs and activities are related to trade and market;
- To facilitate the employment in remote areas, where there are very few job vacancies and low salaries;
- To simplify the conditions for cross-border trade and create a source of income for all households, making it more profitable in comparison with many other kinds of economic activities;
- To reduce the prices for the imported goods for the consumers in the border areas.

## **4. Inter-Agency Commission on organizing the cross-border trade**

In order to organize the cross-border trade, there has been established the Inter-Agency Commission under the Ministry of Economic Development and Trade of the Republic of Tajikistan. The Inter-Agency Commission is compiled of members who represent the following ministries and agencies:

- - Ministry of Economic Development and Trade;
- - Ministry of Foreign Affairs;
- - Ministry of Public Health and Social Welfare;
- - Ministry of Agriculture;
- - State National Security Committee;
- - State Committee on Land Management and Geodesy;
- - Committee on Architecture and Construction
- - Customs Service
- - Todzhikmatlubot

## 5. Progress

- **Trips of the Inter-Agency Commission:**
  - Kumsangir district, Khatlon region
  - Vanch district, Ishkashim district, Murgab district  
Gorno-Badakhshan Autonomous Region
  - Dzhirgatal district
- **The documents developed and submitted:**
  - draft Decision of the Government of Tajikistan «On organizing the cross-border trade point “Kumsangir” in Kumsangir district, Khatlon region»
  - draft Decision of the Government of Tajikistan «On organizing the cross-border trade point “Khumrogi” in Vanch district, «Langar» in Ishkashim district, «Guldzhiboy» and «Kulma-Karasu» in Murgab district, GBAO»
  - draft Decision of the Government of Tajikistan «On organizing the cross-border trade point “Sargoi” in Dzhirgatal district»

## 6. Next steps for creation and functioning of the – cross-border markets

### Creation of new cross-border markets

- in **Dzhirgatal district**
  - in Kanibadam town
  - in Pandzhakent town
  - in Mastcho district
  - in Spitamen town
  - in Tursunzade town
  - in Mir Sayeed Ali Hamadani dstr
  - in “Kokul”, Farkhor district
  - in Shuraabad district
- with Kyrgyzstan
  - with Kyrgyzstan
  - with Uzbekistan
  - with Uzbekistan
  - with Uzbekistan
  - with Uzbekistan
  - with Afghanistan
  - with Afghanistan
  - with Afghanistan

## **7. Financial aspects of creation of cross-border trade**

**International organizations make considerable contribution in development of cross-border trade. However, they could accelerate the process by creation of favorable conditions in the newly-created cross-border markets, e.g. in Langar, Nizhny Piandzh, Gundzhibai, etc.**

**Yet the initial agreements between the Tajikistan's GBAO authorities and the Afghanistan's Badakhshan authorities provided the creation of markets on Afghan side and organizing the trade on both river banks. However, this issue still remains unsettled.**

**Currently, the most active initiator is the German Technical Cooperation Organization (GIZ) as represented by MILAL-INTER Association.**

**On the whole, development of cross-border trade and increase of its level requires more focus and efforts from all stakeholders. It would be relevant to create a coordinating center on development of regional cross-border trade by the interested government authorities and international organizations.**

## **8. Problems in development of cross-border trade**

**Of 14 towns and districts, where the opening of cross-border trade points have been stipulated and adequate Decisions have been adopted, the cross-border trade points are functioning only in 4 districts, such as Ishkashim, Darvaz, Khorog and Isfara.**

**The main reasons of slow development of cross-border trade in Tajikistan are as follows:**

- lack or shortage of funds to complete the construction works in the cross-border trade points.**
- lack of a simplified entry/exit procedure for foreign citizens into/from territory of Tajikistan, a simplified procedure of border and customs control in BCPs, and a simplified procedure for transportation of goods and movement of vehicles for cross-border trade for residents of the border areas.**
- closure of cross-border trade points on unilateral manner by Uzbekistan.**
- restrictions on list and quantity of goods designated for cross-border trade.**

## 9. Future prospects

1. Accelerating the creation of cross-border markets in other districts could also relieve the tension on the border with neighboring districts in Afghanistan and create favorable conditions for friendship and mutually beneficial cooperation.
2. It is important for local authorities, responsible for control over activity of these markets, to ensure a deeper study of their conditions and facilitate their creation, improvement of their work. They could more decidedly set forth and promote the issue of creation of new cross-border markets, improvement of activity of the existing ones, particularly increase of working days of these markets.

**Ташаккур!**  
**Спасибо за внимание !**  
**Thanks!**