

## **Pakistan & Tajikistan**



### **Country Information:**

- Tajikistan's economic situation remains fragile due to the uneven implementation of structural reforms, corruption, weak governance, seasonal power shortages, and its large external debt burden. Tajikistan has one of the lowest per capita GDPs among the 15 former Soviet republics.
- The 1992-97 civil war severely damaged an already weak economic infrastructure and caused a sharp decline in industrial and agricultural production. Because of a lack of employment opportunities in Tajikistan, more than one million Tajik citizens work abroad - roughly 90% in Russia - supporting families back home through remittances that amount to nearly 50% of GDP. Less than 7% of the land area is arable and cotton is the most important crop.
- Tajikistan imports approximately 60% of its food, mostly by rail. Mineral resources include silver, gold, uranium, and tungsten. Industry consists mainly of small obsolete factories in food processing and light industry, substantial hydropower facilities, and a large aluminium plant - currently operating well below its capacity.
- Some experts estimate the value of narcotics transiting Tajikistan is equivalent to 30-50% of GDP.
- Tajikistan has sought to develop its substantial hydroelectricity potential through partnership with Russian and Iranian investors. The government is pinning its drive for energy independence on completion of the Roghun dam, which will take at least 8 to 11 years to construct, according to a World Bank feasibility study that was published in July 2014. If built according to plan, Roghun would be the tallest dam in the world and would significantly expand Tajikistan's electricity output. However, Uzbekistan opposes the project, which has damaged relations between the two countries.
- Uzbekistan closed one of the rail lines into Tajikistan in late 2011, hampering the transit of goods to and from the southern part of the country. As a result, food and fuel prices in Tajikistan have increased to the highest levels since.

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### **GDP (purchasing power parity):**

- \$22.4 billion (2014 est.)
- \$21 billion (2013 est.)
- \$19.55 billion (2012 est.)

### **GDP (official exchange rate):**

\$9.242 billion (2014 est.)

### **GDP - real growth rate:**

- 6.7% (2014 est.)
- 7.4% (2013 est.)
- 7.5% (2012 est.)

### **GDP - per capita (PPP):**

- \$2,700 (2014 est.)
- \$2,500 (2013 est.)
- \$2,400 (2012 est.)

### **GDP - composition, by end use:**

- Household consumption: 117.4%
- Government consumption: 12.1%
- Investment in fixed capital: 14%
- Investment in inventories: -0.8%
- Exports of goods and services: 15.3%
- Imports of goods and services: -58%

### **GDP - composition by sector:**

- Agriculture: 25.2%
- Industry: 17.3%
- Services: 57.5%

### **Inflation rate (consumer prices):**

- 6.1% (2014 est.)
- 5% (2013 est.)

### **Industries:**

- Aluminum, cement, vegetable oil

### **Industrial Production Growth Rate:**

- -15% (2014 est.)

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### Pakistan Export to Tajikistan by Products in US Dollars:

Product code	Product label	Pakistan's exports to Tajikistan		
		Value in 2012	Value in 2013	Value in 2014
TOTAL	All products	3,104	10,287	9,126
'17	Sugars and sugar confectionery	1,057	7,162	4,349
'04	Dairy products, eggs, honey, edible animal product nes	125	1,064	1,595
'30	Pharmaceutical products	556	625	1,109
'25	Salt, sulphur, earth, stone, plaster, lime and cement	0	812	946
'10	Cereals	105	4	456
'63	Other made textile articles, sets, worn clothing etc	0	41	211
'36	Explosives, pyrotechnics, matches, pyrophorics, etc	220	152	161
'02	Meat and edible meat offal	0	0	98
'34	Soaps, lubricants, waxes, candles, modelling pastes	0	135	35
'82	Tools, implements, cutlery, etc of base metal	0	21	31
'39	Plastics and articles thereof	0	0	25
'01	Live animals	0	0	24
'28	Inorganic chemicals, precious metal compound, isotopes	37	0	18

### Tajikistan Export Commodities:

Aluminum, electricity, cotton, fruits, vegetable oil, textiles

### Exports - partners:

Turkey 23.2%, Iran 13%, Afghanistan 10.7%, Kazakhstan 10.5%, Italy 8.5%,  
Bangladesh 7.4%, China 6.9%, Russia 5.4%

### Pakistan Imports from Tajikistan by Products in US Dollars:

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Product code	Product label	Pakistan's imports from Tajikistan		
		Value in 2012	Value in 2013	Value in 2014
TOTAL	All products	234	394	52
'73	Articles of iron or steel	2	0	21
'39	Plastics and articles thereof	117	0	9
'29	Organic chemicals	14	0	8
'96	Miscellaneous manufactured articles	0	0	6
'30	Pharmaceutical products	0	0	4
'47	Pulp of wood, fibrous cellulosic material, waste etc	0	0	3
'59	Impregnated, coated or laminated textile fabric	0	0	1

### Tajikistan Import Commodities:

Petroleum products, aluminum oxide, machinery and equipment, foodstuffs

### Imports - partners:

China 46.6%, Russia 16.8%, Kazakhstan 10.5%, Turkey 5.2%

### Opportunities for Bilateral Trade:

- There are 31 kinds of sport which develop rather successfully in Tajikistan. The most popular among them are football, taekwondo, boxing, unarmed combat, judo, chess, table tennis, volleyball, track-and-field athletics, mountaineering, alpine skiing, rowing etc. that why, this country is a potential market for Pakistan as we are famous to produce and export quality sports goods in international market.
- Tajikistan is also the importer of Textile, Sets and clothing etc. therefore; Pakistan has a large scope to enhance the trade relations with Tajikistan through the export of quality textile products.
- Pakistan offers the shortest possible route and trade & commerce corridor for Tajikistan and other Central Asian countries and can generate tremendous amount of revenues through this trade transit. Tajikistan is in dire need of access to the world through Pakistani port like Gwadar Port, and in this way Pakistan may prove helpful for smoothing the trade relation of Tajikistan with rest of the world through their ports.

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- Pakistan is also looking to import Tajik power to its northern areas, as Tajikistan has the huge hydropower potentials and cheapest electricity in the world. In this way, Tajikistan may prove a key to reduce the shortage of electricity.
- One development in this regard is CASA-1000 Project. The prime objective of inception of CASA-1000 electricity transmission and trade project for Central Asia and South Asia (CASA) is to create the conditions for sustainable electricity trade between the Central Asian countries Tajikistan and Kyrgyz Republic and the South Asian countries Afghanistan and Pakistan. The Project consists of three components. First one is the construction of 1,222 Km transmission line and grid stations. The second component, technical and financial assistance and project implementation support through Inter Governmental Council (IGC) and IGC Secretariat. The last component of the project is to develop and implement community support programs for uplifting the livelihood of the communities living along the CASA-1000 corridor. It will alleviate electricity shortages in Pakistan by the provision of additional 1,300MW of electricity. This would be a shining opportunity to make the way of economic success for Pakistan and Tajikistan.
- Pakistan and Tajikistan can also team up in the field of agriculture which is the prime sector contributing to the economy in both countries. Tajikistan can benefit from Pakistan in the field of food processing and textiles. One such example is Tajikistan exporter of cotton and Pakistan is ranked 3rd in the World for cotton production therefore Pakistan can share its expertise with Tajikistan in Agriculture sector.
- Pakistan-Afghanistan-Tajikistan Trilateral Transit Trade Agreement (PATTTTA) was held in Islamabad. In this agreement, three countries held deliberations on signing trilateral transit agreement on January 3, 2015. For creating more business opportunities with neighboring countries.

### **Recommendations:**

- With the passage of time, the trade between Tajikistan and Pakistan has witnessed an increasing trend (given in the above cited table). Both the brotherly countries should try to enhance their bilateral trade relations.
- Pakistan should increase the trade with Tajikistan in the field of Sports articles, as Pakistan is the prominent exporter of sports goods in international market.
- Pakistan and Tajikistan should make their way of bilateral trade through the agricultural products as Pakistan is considered as an agro-based country. As only seven percent of the total area of Tajikistan is cultivable and Tajikistan is heavily dependent on import of food products. Pakistan can fulfill the requirements of the population of Tajikistan.
- To build up the strong bond between both the countries, Pakistan and Tajikistan must work to generate trade & commerce corridor as the shortest possible way in Central Asian countries for trade enhancement.
- Pakistan faces the severe problem of electricity in many areas, and Tajikistan has the huge hydropower potentials and cheapest electricity in the world. Pakistan should create the business relations with Tajikistan to import the electricity for their northern

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areas. It would be an incomparable step; as it either promote the trade relation between both the countries as well as Pakistan could flourish the northern areas through proper supply of electricity.

- Pakistan and Tajikistan must focus on the past projects e.g. CASA-1000 electricity transmission and trade project for Central Asia and South Asia (CASA) and Pakistan-Afghanistan-Tajikistan Trilateral Transit Trade Agreement (PATTTTA) etc. to develop the whole region economically and boost up the trade within and outside the region.
- To promote Pak-Tajik bilateral relations, both governments during the past few years have exchanged high-level diplomatic and trade delegations, this steps must continue in future.
- There is no direct air connection between Pakistan & Tajikistan. Government should negotiate with PIA to extend its flight from Kabul to Dushanbe which will help to facilitate trade through airway.
- Cargo between Tajikistan & Pakistan takes eight days whereas this irritant can be removed through enhanced relationship between Afghanistan, Pakistan & Tajikistan. The land route is the cheapest mode for the large trade volume between Pakistan and Tajikistan through Afghanistan and there is dire need that Pakistan, Afghanistan & Tajikistan should cooperate and look into possibilities to avail this opportunity.
- Tajikistan and Pakistan should take part in settlement of regional issues and contribute to build up integration processes within the Organization of Economic Corporation, the conference for the mutual confidence of Asian countries, and the Shanghai Corporation Organization.
- Like Pakistan, Tajikistan has a rich historical and cultural inheritance as well as natural resources, and has a real potential for encouragement of more tourists to the country. Having taken into account this factor, the government of Pakistan and Tajikistan has identified tourism as a priority of its economic policy. And encourage the tourists of both the countries.