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Logistics Processes and Motorways of the Sea II

Country Profile

TAJKISTAN

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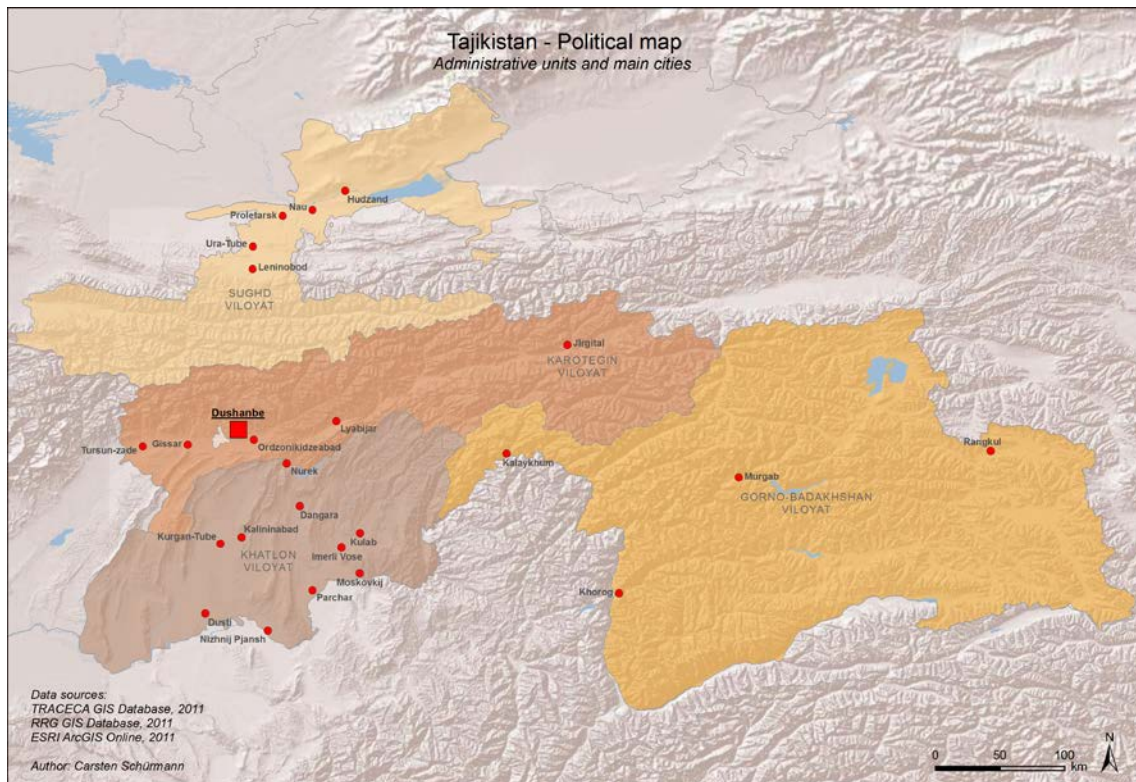
LIST OF ABBREVIATIONS

ADR	European Agreement on the International Carriage of Dangerous Goods by Road
AETR	European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport
ATP	Agreement on International Carriage of Perishable Foodstuffs
CAREC	Central Asia Regional Economic Cooperation
CBTA	Cross Border Transport Agreement
CIS	Commonwealth of Independent States
CMR	Convention on the Contract for the International Carriage of Goods by Road
ECO	Economic Cooperation Organisation
EDI	Electronic Data Interchange
EU	European Union
EurAsEC	Eurasian Economic Community
ICT	Information and Communications Technology
IFI	International Financing Institution
ILC	International Logistics Center
MOS	Motorways of the Sea
LOGMOS	Logistics Processes and Motorways of the Sea
OPEC	Organization of the Petroleum Exporting Countries
OSJD	Organisation for Cooperation of Railway
SAD	Single Administrative Document
SCO	Shanghai Cooperation Organisation
SWS	Single Window System
TRACECA	Transport Corridor Europe Caucasus Asia
UN	United Nations
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
USD	United States Dollar
USSR	Union of Soviet and Socialist Republics
WTO	World Trade Organisation





Figure 1: General Map of Tajikistan



Source: TRACECA (2011)



1 INTRODUCTION

The Republic of Tajikistan is a mountainous country situated on the South-Eastern part of Central Asia, bordering Kyrgyzstan to the North, Uzbekistan to the West, Afghanistan to the South and the People's Republic of China to the East.

As a landlocked a country, Tajikistan does not possess any maritime façade and relies on international road and rail routes to access the World market. Tajikistan is also located in the heart of major transport corridors between CIS countries, China, Pakistan, Afghanistan and India.

The transport sector is composed of rail, road and air transportation. As 93 % of territory of the Republic of Tajikistan is mountainous, road transport is vital for the national economy and its development. Tajikistan's transport network dates back from the 60's – 80's. It was developed as part of the soviet transport regional plan. Since the fall of USSR, the network suffered from poor maintenance and lacked sufficient investment.

TRACECA Framework

Tajikistan has also been an active member of TRACECA since the Brussels Conference in May 1993 which gave birth to the TRACECA program

The ten direct beneficiary countries under review by LOGMOS Project share a globally common legal and regulatory background for the transport sector, but also have different laws and rules resulting from different contexts and policies.

International Conventions and regional or bilateral agreements are completing the framework, and there are expected moves at both national and regional (TRACECA and other groups) levels.

The approach of legal issues related to the LOGMOS Project is focusing on the transport laws and regulations as well as on the afore-mentioned national, international, regional and bilateral conventions and agreements which have a direct or indirect impact on surface transport modes with a priority for maritime and intermodal transport¹.

The TRACECA program started in 1993 as one of the components of the intergovernmental TACIS program. The active participation of Tajikistan started in September 1998, when it signed without any restriction the Multilateral Agreement (MLA) on the development of the transport corridor Europe – Caucasus – Asia which was also signed by Azerbaijan, Armenia, Bulgaria, Georgia, Kyrgyzstan, Kazakhstan, Moldova, Romania, Turkey, Ukraine and Uzbekistan.

After the Intergovernmental Committee and Permanent Secretariat of TRACECA were established in 2000, Tajikistan set up a TRACECA National Commission headed by a National Secretary.

Tajik representatives take an active part in all conferences and Working group's meetings organized by IGC TRACECA.

¹ The Annex 3, Introduction to Legal Case Study of the Progress Report 2, analyzed by the LOGMOS project, can be downloaded here: [Progress Report 2, Annex 3 - Introduction to Legal Case Study](#).





2 NATIONAL TRANSPORT POLICY

A National transport sector master plan to 2025 was adopted on April, 1st 2011.

First document of the kind in Tajikistan, it aims at inserting the transport sector into the National Development Strategy up to 2015. There are no specific road maps for each mode. To establish the long-term vision for transport development, the document takes into account two Central Asia regional transport development strategies:

- CAREC transport corridors described in the Transport and Trade facilitation Strategy 2010-2018 of the CAREC Program
- UNESCAP projects: Trans Asian Railway and Asian Highway Network.

As far as LOGMOS is concerned, goals of National Transport Master Plan 2025 are:

- To develop the infrastructure of each mode
- To strengthen Tajikistan as a transit country between Central Asia, China and the Indian Sub-Continent.
- To provide adequate conditions to enable free competition between actors for international and national transport services.

The strategy developed in the National Transport sector Master Plan provides priority measures for both road transport and rail transport. Tajikistan's topography (93% of mountains) grants road transport a crucial role in order to ensure connections between all the regions of the country. This is why the major parts of investments are allocated to road transport. These investments include:

- The acquisition of new rolling stock for road transport;
- The construction and rehabilitation of roads;
- The construction and rehabilitation of bridges and tunnels;
- The construction of international logistics centers in Vahdat, Khodjent and Nizhny Pyanj.

According to the master plan, railways will also benefit from significant investment. The long-term objectives are to unify the three independent sections of the current network so as to enhance the capacities for railways international transit.

To accompany the development of transport sector, Tajikistan is a member of many international and regional organizations:

- Central Asia Regional Economic Cooperation Program (CAREC)
- Community of Independent States (CIS)
- Economic Cooperation Organisation (ECO)
- Eurasian Economic Community (EuAsEC)
- Shanghai Cooperation Organization (SCO)
- Organization for Cooperation of Railways (OSJD)
- United Nations Economic Commission for Europe (UNECE)
- United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).



3 LEGAL ENVIRONMENT IN THE FIELD OF TRANSPORT

The Ministry of Transport is the executive governmental body in charge of transport sector regulation. The legal environment in Tajikistan in the field of transport still is under development and some improvements are yet to be made to reach international standards.

The Law on transport adopted in 1997 and amended in 2000 is the main legislative text that regulates and organizes transport activities in Tajikistan. There are no specific laws on road or rail transport.

In 2012, the Republic of Tajikistan ratified the following UNECE conventions:

- Convention on Road transport, 8 November 1968;
- Convention on Road Signs and Signals, 8 November 1968;
- Agreement concerning the establishing of Global Technical Regulations for Wheeled Vehicles, Equipment and Parts which can be fitted and/or be used on Wheeled Vehicles, 1998;
- Convention on the Contract for the International Carriage of Goods by Road, 19 May 1956;
- Convention on International Transport of Goods Under Cover of TIR Carnets (TIR Convention); 14 November 1975;
- International Convention on the Harmonization of Frontier Controls of Goods, 21 October 1982;
- European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR), 1970;
- Convention on Harmonization of Frontier Controls of Goods, 1982;
- European Agreement on the International Carriage of Dangerous Goods by Road (ADR), 1957;
- Agreement on International Carriage of Perishable Foodstuffs (ATP), 1970.

Tajikistan, which is a WCO member, also ratified the International Convention on the simplification and Harmonization of customs procedures (Kyoto Convention, 1999).

Early in 2011, the Republic of Tajikistan ratified a Cross-border-transport-agreement (CBTA) signed with the Republic of Kyrgyzstan under the framework of CAREC program. It enables faster border-crossing for people, vehicle and goods thanks to streamlined customs inspections and reduced requirements to transfer shipments between vehicles. This CBTA was joined by Afghanistan in August 2011.

Tajikistan signed bilateral agreements with TRACECA countries. They are listed in the following table:

Table 1: Bilateral Agreements with LOGMOS Beneficiary Countries

Countries	Transport issues				Customs
	Maritime	Road	Railway	General	
Armenia					On cooperation and mutual assistance in





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					customs issues 08.06.1995
Azerbaijan		О международных автомобильных перевозках 15.03.2007			
Bulgaria					
Georgia					
Kazakhstan		On international road transport 04.05.2006			Agreement on collaboration and recognition of customs documents and customs duties 13.06.2000
Kyrgyzstan		On international road transport 12.07.1996 On transit of goods by road 22.07.2005			
Moldova					
Romania					
Turkey		On international road transport 06.05.1996			
Turkmenistan					
Ukraine		On international road transport of passengers and goods 06.12.2005		On cooperation in the field of energy, industry, transport and construction 25.04.2002	On cooperation on customs issues 06.07.2001
Uzbekistan					

Bilateral agreements were also signed with non TRACECA neighbours China and Afghanistan.



Table 2: Bilateral Agreements with Non TRACECA Neighbouring Countries

Countries	Transport issues			Customs
	Road	Railway	General	
Afghanistan			On transport and transit of goods and passengers 28.04.2005	
China	On international road communication 2008			On cooperation and mutual assistance in customs issues 2003

In addition to all bilateral agreements, Tajikistan signed the following multilateral agreements with LOGMOS countries:

Table 3: Multilateral Agreements with LOGMOS Beneficiary Countries

Signatory countries	Title of the agreement	Place and date of signature
Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	On Principles of Cooperation and Terms of Relations in Transport Area	Bishkek, 23.04.1992
Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	On Coordination of the Activity of Railway Transport	Bishkek, 23.04.1992





4 NATIONAL POLICY AND LEGISLATION IN TRADE AND TRANSIT

Tajikistan national legislation in trade and transit is undergoing a deep development in order to facilitate trade with neighboring countries and to meet international standards.

The main regulation body is the Customs Service under the Government of the Republic of Tajikistan. It ensures the application of the customs legislations and the realization of customs objectives set by the Republic of Tajikistan.

The key document is the Custom Code of Tajikistan, enacted on January 1st 2007. Amendments and additions to the customs code as well as its interpretation are done by the Parliament.

According to article 347 i.1, customs fees include:

- customs fees for customs clearance;
- customs fees for customs escort;
- customs fees for storage of goods in customs warehouses;
- customs fees for issue of a qualification certificate of a customs clearance specialist.

The rates of customs duties for the goods imported to the Republic are established by the Resolution of the Government "On customs tariff of the Republic of Tajikistan" dated October 25, 2003, № 450 and range in accordance with the type of goods at rates of 0%, 2,5%, 5%, 7%, 10%, 15%.

In accordance with Article 345 item 3.6 of Customs Code certain cargoes are exempted from custom duties. Customs duties shall not be levied when importing:

- goods as humanitarian aid and goods transferred free of charge to state bodies of the Republic of Tajikistan
- goods intended for implementation of target projects approved by the Government of the Republic of Tajikistan on the expenses (within) of grants and (or) credits (lending) provided by legal or natural persons, foreign states, governments of foreign states or by international organizations.

The Republic of Tajikistan approved the Customs Development Concept aimed at modernizing customs regulation and meeting international standards. The five-year development program comprises:

- Phase I (2009-2012) which includes further harmonization of national legislation with generally accepted customs standards, laying the base for the development of a full-fledged customs infrastructure, and implementation of the Unified Automated Information System of the Tajikistan customs.
- Phase II (2012-2014) which envisages completion of construction and improvement of inland and border customs facilities, and establishing a full-fledged customs infrastructure, meeting international standards.

Starting from January 1, 2010, a new format of the cargo customs declaration and transit declaration was introduced in Tajikistan, in line with the EU Single Administrative Document (SAD); this new main customs document is used as a single set of the cargo customs declaration/transit declaration forms instead of the previously used separate CCD and transit declaration forms. The Republic of Tajikistan possesses 25 border crossing points (17 with



Uzbekistan, 5 with Kyrgyzstan, 2 with Afghanistan, 1 with China). Only 12 border crossing points are available for transit freight transport.

Development of customs regulation is also carried out at the international level. In addition to several bilateral agreements concluded with neighboring countries (see table 1 above), the Republic of Tajikistan is part of several regional organizations or development programs pursuing the objective of enhancing trade by improving customs rules and infrastructures.

The Republic of Tajikistan is a state-member of the Eurasian Economic Association (EurAsEc) for which a regime of free trade has been set up and the zero rate is applied for imported customs tariffs. Other state-members are the Russian Federation, the Republic of Kazakhstan, the Republic of Belarus, the Kyrgyz Republic and the Republic of Uzbekistan.

It also belongs to the CAREC regional trade facilitation program (ADB), under which a Common Action Plan regarding harmonization and simplification of customs procedures and documentation is being conducted. Other areas covered under the Plan include:

- developing border posts and facilities
- developing simplified transit systems
- data consolidation, information sharing, and ICT development for customs operations
- developing risk management and post-entry audit
- developing a regional intelligence system
- capacity building for regional customs organizations.

Within the Economic Cooperation Organization (ECO) which gathers Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, Turkey and Uzbekistan, a Transit Framework Agreement was signed in May 1998 in Almaty. Its main purposes are:

- to facilitate the movement of goods, luggage and passengers through the respective territories of the Contracting Parties and provide all necessary facilities for transit transport under the provisions of this Agreement;
- to ensure the safety of goods, luggage and passengers and avoidance of unnecessary delays during the transit traffic through territories of Contracting Parties;
- to cooperate and coordinate the efforts of the Contracting Parties to avoid the incidence of customs frauds and tax evasion and harmonizing necessary administrative affairs dealing with transit traffic.

The Republic of Tajikistan has also ratified several UNECE conventions in the field of customs issues:

- Customs Convention on the International Transport of Goods under cover of TIR carnets (accession on September 11, 1996).
- Convention of the contract for the international carriage of goods by road (CMR, 1956).

Over the past recent years, the Republic of Tajikistan has shown interest in joining the Customs Union which comprises the Russian Federation, the Republic of Belarus and the Republic of Kazakhstan. The long-term objectives of this union are:

- the creation of a single customs area;
- the elimination of customs barriers and customs duties;



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- the introduction of a common currency between the member states;
- a joint accession of the customs union members to the WTO.

The Republic of Tajikistan is currently working on the preparation for accession but this step depends on the accession of the Republic of Kyrgyzstan as the customs union impose common land borders between its member states.



5 INVESTMENTS IN TRANSPORT AND LOGISTICS SECTOR IN TAJIKISTAN

Investments in the transport sector in Tajikistan come mainly from the Republic of Tajikistan, Asian IFIs such as the Asian Development Bank (ADB), the Islamic Development Bank or the Japan International Cooperation Agency (JICA).

Table 4: IFI Supported Projects in Tajikistan

Title of project	Year of approval	Sub-sector	Total project cost	IFI funding
CAREC corridor III (Dushanbe – Uzbekistan border) Improvement Project	2011	Road	166 M \$	120 M \$ (ADB) 35 M \$ (EBRD) 11.2 M \$ (RoT)
Dushanbe – Kyrgyz Border Road Rehabilitation Project, Phase I, II	2009	Road	91.6 M \$	65 M \$ (ADB) 17.1 M \$ (RoT) 9.5 M \$ (OPEC)
CAREC Regional Road Corridor Improvement project (Tajikistan component)	2007	Road	76.5 M \$	53.4 M \$ (ADB)
Road maintenance development project	2007	Road	6 M \$	4 M \$ (EBRD) 2.675 M \$ (RoT)
Project for the improvement of Dusty-Nizhniy Pyandzh Road	2006	Road	4.5 M \$	4.5 M \$ (JICA)
Construction of Murgab – Kulma pass highway	2000	Road	13.98 M \$	9.725 M \$ (IsDB) 4.255 M \$ (RoT)



6 STRATEGIC CHALLENGES

6.1 Market Challenges

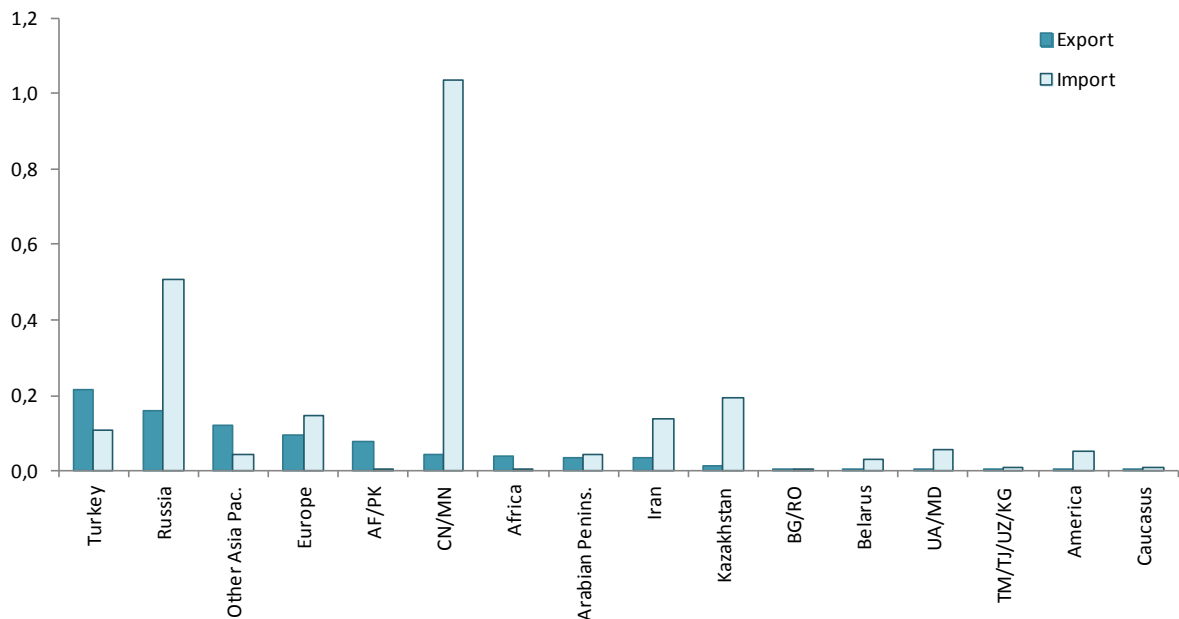
6.1.1 National Trade: Exports and Imports

World Trade Partners

Tajikistan is one of key countries located in South East of TRACECA region. The country is landlocked; therefore, the establishment of sustainable trade relations with neighboring countries is important for promoting the trade between Tajikistan and the rest of the world.

Based on mirror data obtained from trade partners of Tajikistan, which are reporting to UN Comtrade and Eurostat, in 2010 the value of total imports to Tajikistan exceeded that for total exports by an equivalent of 1.54 bn euro. Among key trade partners of Tajikistan are China and Mongolia (33% of trade exchange), Russia (21%), Turkey (10%), Europe (8%) and Kazakhstan (6%). Almost all these countries trade with Tajikistan in non-bulk goods (see Figure 2 below); only 40% of trade between Tajikistan and Russia are in bulk goods.

Figure 2: Tajikistan Trade Partners, 2010, bn euros



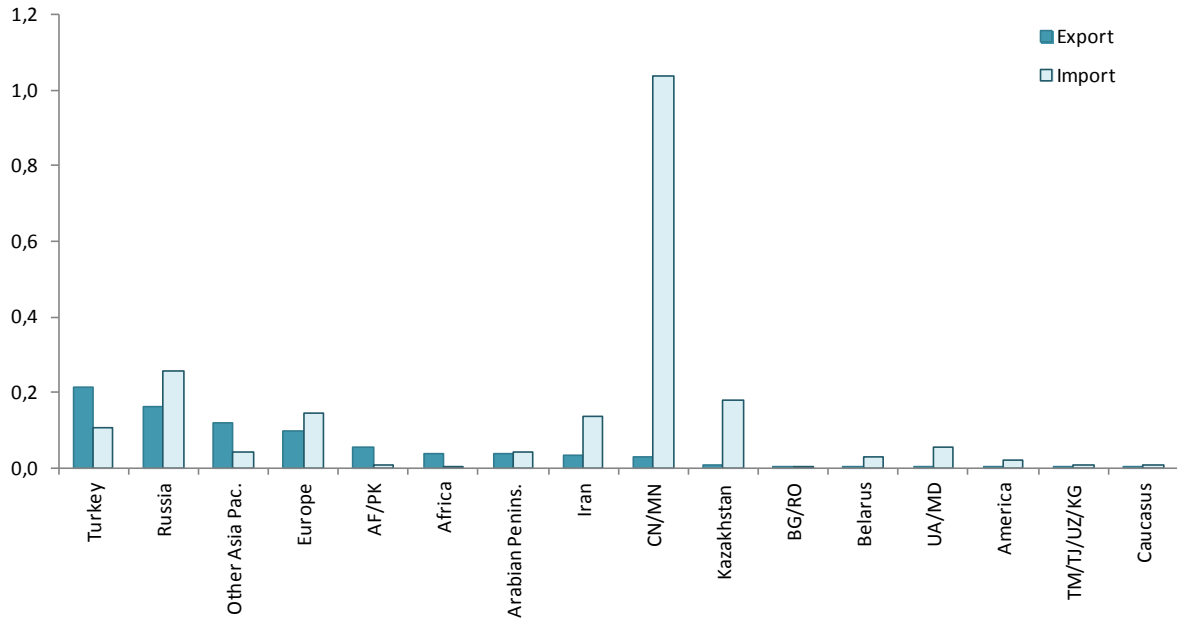
Source: Computation based on Eurostat and UN Comtrade databases

Therefore, as for the perspectives for LOGMOS development in Tajikistan, it is important to stress that:

- the trade consists mostly in goods which are either completely or partially containerizable;
- this trade focuses on mainly the neighboring (close neighbor) countries, e.g., China-Mongolia, Russia and Kazakhstan;
- trade with Europe contributes up to 8% of trade in potentially containerizable goods. The remaining TRACECA countries contribute collectively to 14% of potential trade.



Figure 3: Tajikistan Trade Partners, Potential Trade, 2010, bn euros



Source: Computation based on Eurostat and UN Comtrade databases

Table 5: Distribution of Tajikistan Potential Trade Partners, 2010, % in trade value

Zones	All products		Total all products	No min. fuel & ores		Total no min. fuel & ores
	Import	Export		Import	Export	
Afghanistan-Pakistan	9%	0%	3%	7%	0%	2%
Africa	5%	0%	1%	5%	0%	1%
America	0%	2%	2%	0%	1%	1%
Arabian Peninsula	4%	2%	2%	4%	2%	3%
Area Nes						
Belarus	0%	1%	1%	1%	1%	1%
Bulgaria-Romania	1%	0%	0%	1%	0%	0%
Caucasus	0%	0%	0%	0%	0%	0%
China-Mongolia	5%	43%	33%	3%	50%	37%
Europe	11%	6%	8%	12%	7%	8%
Iran	4%	6%	5%	4%	6%	6%
Kazakhstan	1%	8%	6%	1%	9%	6%
KY-TM-UZ	0%	0%	0%	0%	0%	0%
Other Asia Pacific	14%	2%	5%	15%	2%	6%
Russia	19%	21%	21%	20%	12%	15%
Syria-Iraq						
Turkey	25%	5%	10%	27%	5%	11%
Ukraine-Moldova	0%	2%	2%	0%	3%	2%
Total	100%	100%	100%	100%	100%	100%

Source: Computation based on Eurostat and UN Comtrade databases





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The trade between Tajikistan and TRACECA countries is quite unbalanced (see Table 6 below). In 2010 the estimated volumes of potential exports from Tajikistan constituted up to 12% of potential imports. About 60% of non-bulk goods imported to Tajikistan from TRACECA countries originated in Kazakhstan. Since the trade between Kazakhstan and Tajikistan, most probably, happens along the North-South land corridor, it might be outside of potential interest for TRACECA. However, the trade with Europe and Turkey, which is the most significant in terms of Tajik exports, while added to trade exchange with Bulgaria/Romania and Caucasus, could potentially form a core service area along TRACECA. Based on figures for 2010, the trade of Tajikistan with these countries was quite balanced: 133.8 and 171.5 th tones in exports and imports respectively.

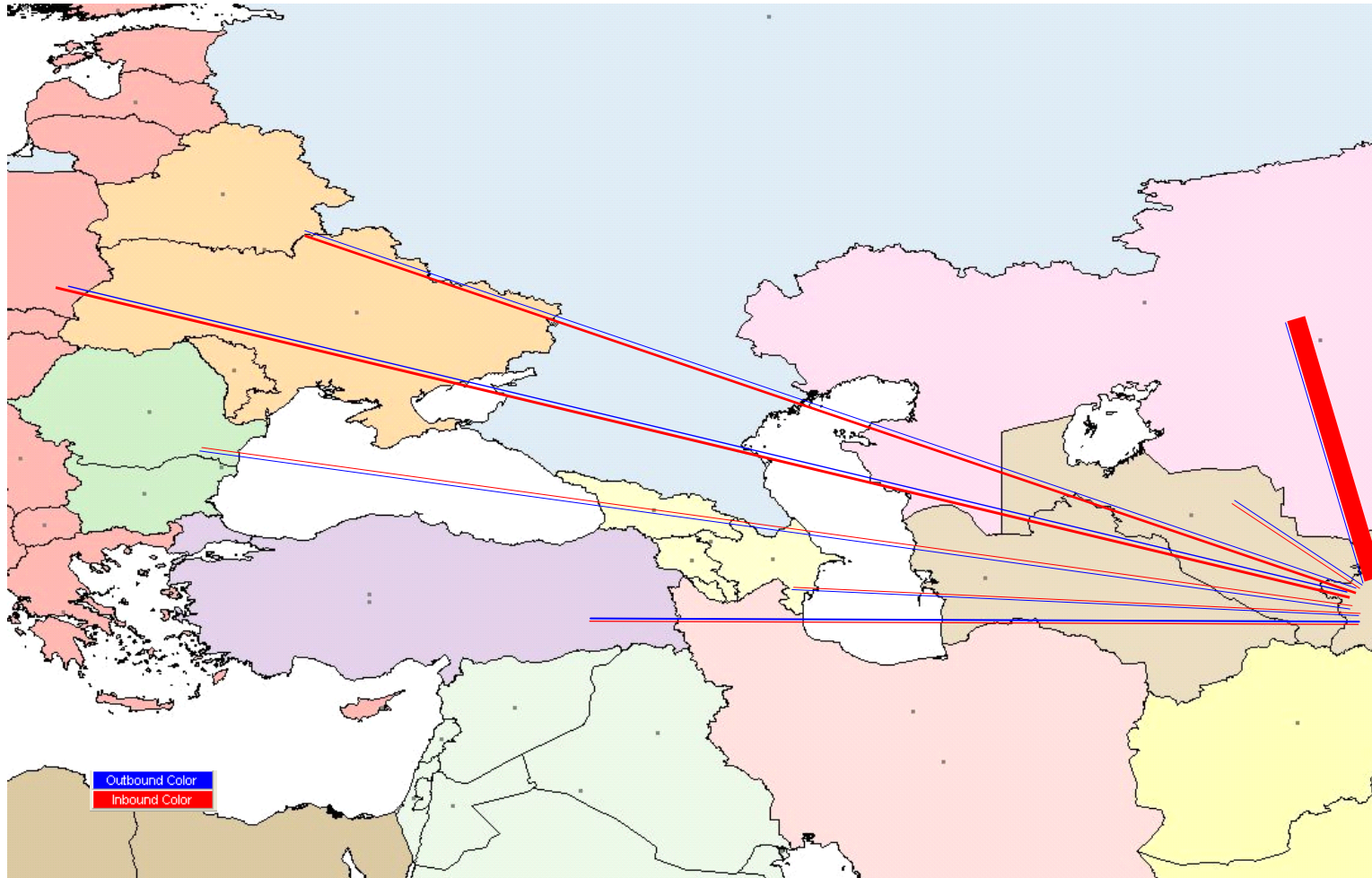
Table 6: Tajikistan Potential Trade with TRACECA Countries and Europe, 2010, in tons and %

Zones	Tonnage		Share in trade with TRACECA countries and Europe	
	Export	Import	Export	Import
Bulgaria-Romania	2 608.7	199.4	0.6%	0.77%
Caucasus	817.0	9 771.0	0.52%	0.75%
Europe	51 621.9	112 639.5	32.88%	8.69%
Kazakhstan	6 056.8	778 472.0	3.86%	60.07%
KY-TM-UZ	934.3	9 961.2	50.19%	3.77%
Turkey	78 792.5	48 888.5	1.01%	4.82%
Ukraine-Moldova	1 580.7	62 479.1	1.66%	0.02%
Total	156 992.5	1 295 992.5	100%	100%

Source: Computation based on Eurostat and UN Comtrade databases



Figure 4: Tajikistan Potential Trade with TRACECA Countries and Europe, 2010, in tons



Source: Computation based on Eurostat and UN Comtrade databases





6.1.2 Regional TRACECA Trade

As mentioned above, the potential trade of Tajikistan with Europe and other TRACECA countries is considerably unbalanced. The imports from TRACECA and Europe to Tajikistan are much more significant in volume – according to project estimates in 2010 the amount of potential imports should exceed 1.3 M tons, – but also more diverse both in terms of commodity structure and countries concerned (see Figure 5 and Table 6 below):

- vegetable products (41%), namely cereals and milling products, are coming from Kazakhstan;
- mineral products (26%), including salt, sulphur, etc., which are mainly imported from Kazakhstan and other Central Asia countries;
- Foodstuff, beverages, tobacco (11%) consist of sugar and confectionary products imported from Europe, Ukraine/Moldova and Caucasus.

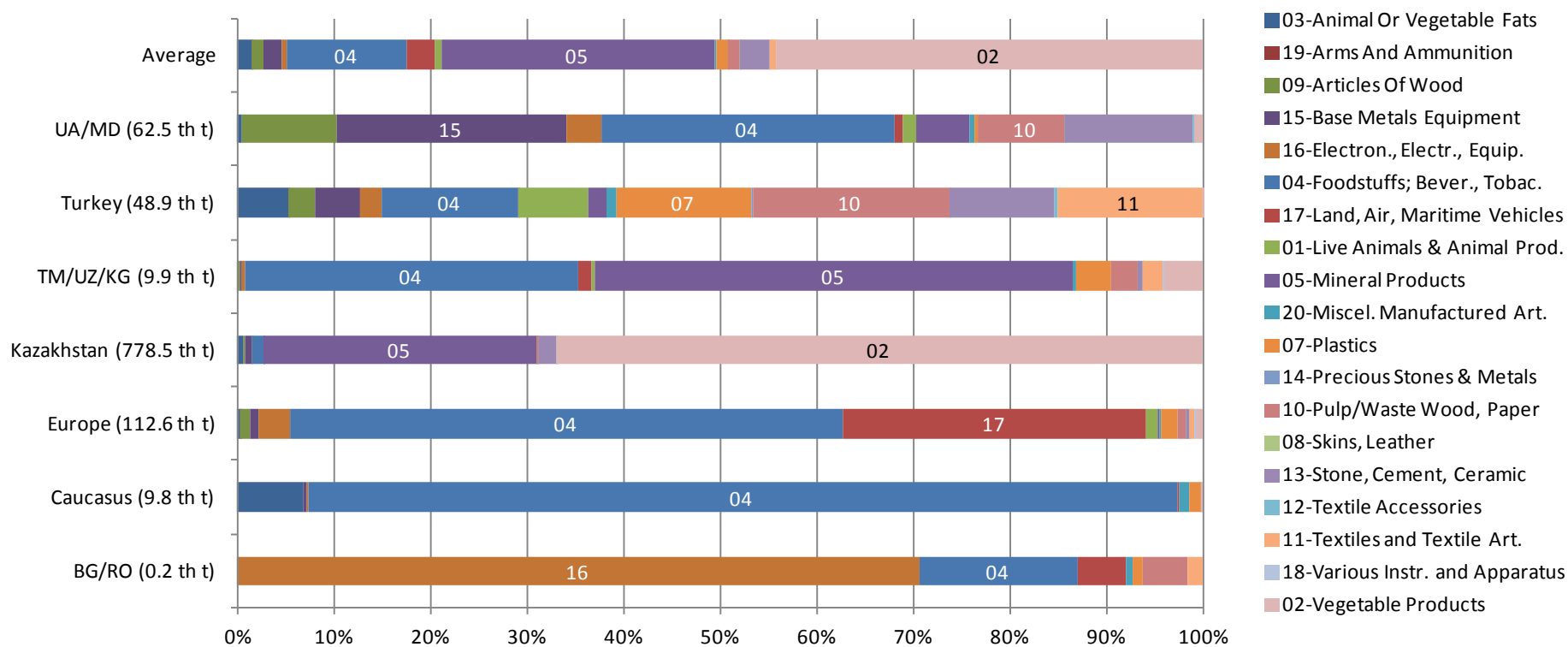
According to project estimates, in 2010 Tajikistan exported about 0.16 M tons to TRACECA region and Europe. Its exports included two key categories of potentially containerizable goods (see Figure 6 and Table 7 below):

- Base metals and equipment (77%). This group included mainly aluminum and articles that were destined to Europe, Bulgaria/Romania and Turkey, but also iron and steel transported to Caucasus; and
- Textiles (16%), namely cotton, meant for Europe, Turkey, Ukraine-Moldova.



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Figure 5: Potential Trade with TRACECA Region – Commodity Structure of Imports to Tajikistan, 2010, in tons and %



Source: Computation based on Eurostat and UN Comtrade databases





Table 7: Potential Trade with TRACECA Region – Commodity Structure of Imports to Tajikistan, 2010, in tons

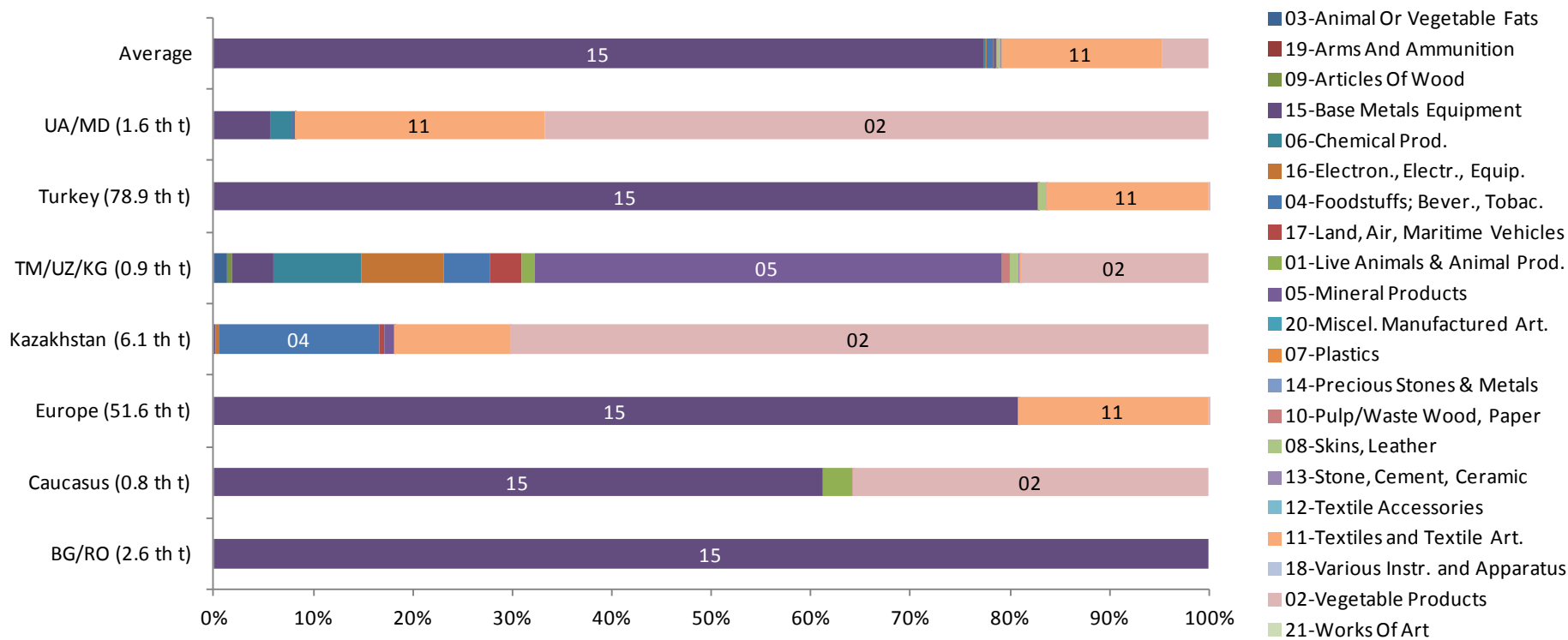
Commodity Groups	Bulgaria-Romania	Caucasus	Europe	Kazakhstan	KY-TM-UZ	Turkey	Ukraine-Moldova
Animal Or Vegetable Fats	n/a	669.4	272.1	5 533.9	n/a	2 249.0	111.5
Arms And Ammunition	n/a	n/a	3.5	n/a	n/a	0.3	n/a
Articles Of Wood	n/a	n/a	1 156.0	31.7	22.3	1 184.2	2 074.0
Base Metals Equipment	0.0	32.9	894.9	5 505.1	17.8	1 976.7	5 124.4
Chemical Prod.	63.0	20.4	5 222.0	3 839.2	105.1	6 404.7	41 067.5
Electron., Electr., Equip.	96.4	9.9	3 502.1	395.7	36.2	948.7	770.9
Foodstuffs; Bever., Tobac.	22.3	8 775.3	61 617.0	9 535.7	3 407.4	6 017.3	6 489.3
Land, Air, Maritime Vehicles	6.9	19.0	33 701.7	37.5	137.4	11.3	195.3
Live Animals & Animal Prod.	n/a	n/a	1 217.7	215.8	31.6	3 017.4	288.9
Mineral Products	n/a	n/a	178.0	218 704.5	4 881.8	852.4	1 172.8
Miscel. Manufactured Art.	0.9	98.4	268.2	10.8	26.8	414.1	100.7
Plastics	1.3	130.2	1 828.9	487.9	356.1	5 956.8	109.5
Precious Stones & Metals	n/a	n/a	0.0	n/a	n/a	26.3	n/a
Pulp/Waste Wood, Paper	6.4	0.0	923.5	745.3	275.3	8 655.2	1 896.5
Skins, Leather	n/a	n/a	1.0	0.3	0.1	2.5	0.0
Stone, Cement, Ceramic	n/a	n/a	274.1	14 728.3	44.8	4 627.6	2 867.0
Textile Accessories	n/a	n/a	3.0	8.4	4.4	139.3	16.7
Textiles and Textile Art.	2.2	n/a	682.9	20.3	209.9	6 365.5	15.2
Various Instr. and Apparatus	n/a	2.6	73.0	0.6	5.3	5.2	2.6
Vegetable Products	n/a	13.0	819.9	518 671.1	398.9	33.9	176.1
Works Of Art	n/a	n/a	0.0	n/a	n/a	n/a	n/a
Total imports	199.4	9 771.0	112 639.5	778 472.0	9 961.2	48 888.5	62 479.1

Source: Computation based on Eurostat and UN Comtrade databases



Logistics Processes and Motorways of the Sea II

Figure 6: Potential Trade with TRACECA Region – Commodity Structure of Exports from Tajikistan, 2010, in tons and %



Source: Computation based on Eurostat and UN Comtrade databases





Logistics Processes and Motorways of the Sea II

Table 8: Potential Trade with TRACECA Region – Commodity Structure of Exports from Tajikistan, 2010, in tons

Commodity Groups	Bulgaria-Romania	Caucasus	Europe	Kazakhstan	KY-TM-UZ	Turkey	Ukraine-Moldova
Animal Or Vegetable Fats	n/a	n/a	n/a	n/a	13.0	n/a	n/a
Arms And Ammunition	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Articles Of Wood	n/a	n/a	n/a	n/a	4.1	n/a	n/a
Base Metals Equipment	2 608.7	499.8	41 702.9	11.5	39.0	65 277.7	90.3
Chemical Prod.	n/a	n/a	15.0	n/a	81.6	n/a	34.1
Electron., Electr., Equip.	n/a	0.0	16.9	24.0	77.7	3.0	0.1
Foodstuffs; Bever., Tobac.	n/a	n/a	n/a	975.4	43.8	1.1	4.0
Land, Air, Maritime Vehicles	n/a	n/a	7.0	31.9	29.5	n/a	0.1
Live Animals & Animal Prod.	n/a	25.2	0.0	n/a	12.1	n/a	n/a
Mineral Products	n/a	n/a	n/a	53.4	438.2	n/a	n/a
Miscel. Manufactured Art.	n/a	0.0	0.2	0.3	0.0	n/a	0.6
Plastics	n/a	n/a	0.6	0.9	n/a	1.0	0.0
Precious Stones & Metals	n/a	n/a	0.3	n/a	n/a	n/a	0.0
Pulp/Waste Wood, Paper	n/a	0.0	0.0	n/a	8.1	n/a	0.6
Skins, Leather	n/a	0.0	0.0	n/a	7.6	589.1	n/a
Stone, Cement, Ceramic	n/a	0.0	0.2	n/a	1.2	0.3	0.5
Textile Accessories	n/a	n/a	0.0	n/a	0.0	n/a	n/a
Textiles and Textile Art.	n/a	0.1	9 832.3	703.9	1.8	12 881.3	394.9
Various Instr. and Apparatus	n/a	n/a	0.2	0.1	0.2	0.0	0.0
Vegetable Products	n/a	291.9	46.4	4 255.4	176.2	38.9	1 055.6
Works Of Art	n/a	n/a	0.0	n/a	n/a	n/a	n/a
Total exports	2 608.7	817.0	51 621.9	6 056.8	934.3	78 792.5	1 580.7

Source: Computation based on Eurostat and UN Comtrade databases



Based on above observations, it can be concluded that:

- Tajikistan is an important value attractor in Central Asia. It has well established trade relations with the neighboring countries, e.g. China and Mongolia, Kazakhstan, Russia;
- Tajikistan actively trades in non-bulk commodities (about 90% of total trade exchange) and therefore has considerable potential for developing LOGMOS services. However, provided that the trade volumes in eastbound direction dominate that in the westbound, it is important to attract additional transit trade to make this service sustainable in the longer term;
- the trade of Tajikistan with Europe and TRACECA countries contribute to 21% in the potential trade exchange. The trade flows are close to balance (133.8 and 171.5 th tons for exports and imports, respectively) and include a considerable share of potentially containerizable goods.

6.2 Intermodal Maritime Based Transport Challenges

LOGMOS aiming at developing seamless door-to-door intermodal services, all components of the transport chain may be considered as possible segments of LOGMOS projects, depending on their relevance for potential LOGMOS trade flows.

Port interfaces for operations, services, procedures etc. between land and sea are among the most critical points.

6.2.1 Port System and Maritime Links

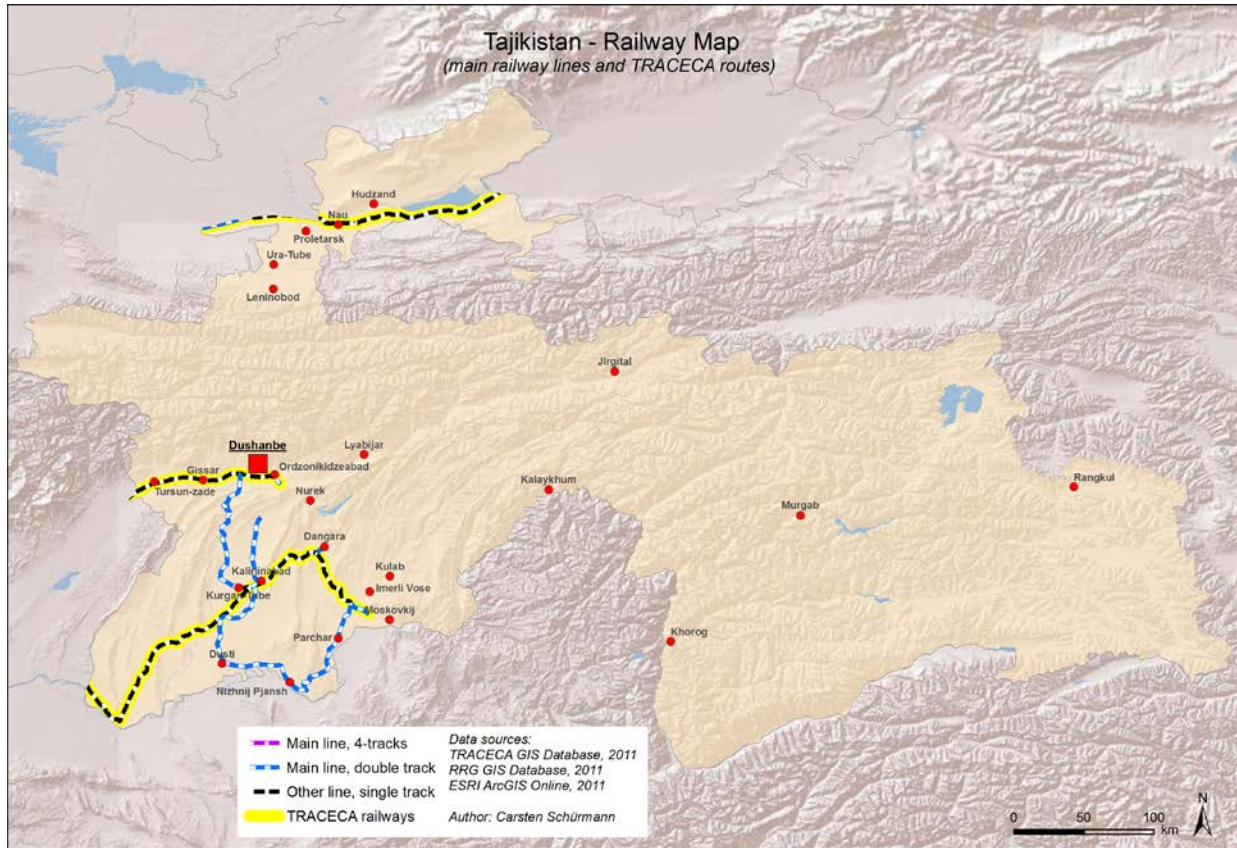
Tajikistan is a landlocked country. The development of the multimodal and intermodal transportation in the country is weak. The transportation potential of Tajikistan and adjacent countries, especially as transit markets, is among key factors that will determine the region's success in increasing its importance and prominence. The region is ideally located on the crossroads of the European and Asian trunk railways with the access to the Persian Gulf via Iran, to the Indian Ocean via Afghanistan and Pakistan, and the rest of the Asia and Pacific Region via China. Tajikistan can expect real benefits from the international transit potential, but the utilisation of this potential would require joint co-ordinated and long-term effort on the part of all countries in terms of expanding the existing networks of motor and rail roads, the construction of new logistics and transportation centres in key locations, and, afterwards, the development of efficient and improved transportation corridors.

There are plans of the establishment of a logistics centre in Nizhny Pyanj. Nizhny Pyanj, is on the Tajik/Afghan border, the single most important road border crossing for Tajikistan. The Nizhniy Pyanj Logistics Centre will provide a modern logistics terminal, initially for single-modal truck delivery, but eventually allowing multi-modal shipment by truck and rail, and multi-functions such as trans-shipment, storage and processing goods for general container cargo. The logistics centre will be a gateway for international export, import and transit container cargo, and will also store and process consumer goods needed by local people in the Khatlon region.

The objective of the project is to support international trade and foster the traffic of goods within the TRACECA corridor on the basis of the expansion of logistical opportunities, the interaction of networks and multimodal transportation facilities.

6.2.2 Inland Transport Mode: Railways

Figure 7: Tajikistan Railway Map



Source: TRACECA (2011)

The railways network of Tajikistan comprises 960.6 km of tracks, out of which 684.8 km of main tracks, 75.6 km of access tracks and 200.2 km of station tracks . Only 61.5 km are double tracks.

Table 9: Features of Tajikistan Railway Network

Total route length (km)	Gauge (mm)
960.6	1,520
Electrified lines (km)	Electrification system

As shown in the above map: the network is not unified. It is composed of three distinct sections which were formerly part of the Soviet Central Asian railway network. The track gauges applied are 1520 mm. The three sections are:

- Northern section: the 109 km line links the provinces of Ferghana and Andijan to the provinces of Jizzakh and Samarkand in Uzbekistan. 66.7 % of the total railway cargo volume and 100% of the railway transit volume use the northern section.
- The 89 km central section links Vahdat and Dushanbe to Pakhtaabad and the Sourkhan-Daria province in Uzbekistan.



- Southern section: In 1999 was built the railway line Khoshchadi – Kulab of a total length of 296 km.

Today, all three sections are connected together in Uzbekistan.

The 960 km railways network consists of three independent lines which are connected to each other only through Uzbekistan Railways play a crucial role regarding international transport and transit for Uzbekistan national market. From 1991 to 1996, freight turnover was divided by 3,7 times, goods transport by all means of transport by 2,7 times. From 2000 to 2008, thanks to a boom in the construction and industrial production sectors, the demand for freight transport service increased by 2,5% / 3%.

The state owned company, the Tajik Railways which were created in 1994 after the division of Central Asian railways, is the only company operating into the network. They have ownership of 2 100 freight wagons. The Tajik railways are under a process of self-restructuring. The policy of the state is to liberalize the market and create the conditions for the emergence of private operators.

In 2010, 10 439 900 tons of goods were transported throughout the network. 47.2% of the volume were destined to transit (4 927 100 tons). 95.9% of international cargo transport is ensured by rail.

The national transport plan forecasts an ambitious development of the railway sector in Tajikistan. The major investments programmed concern:

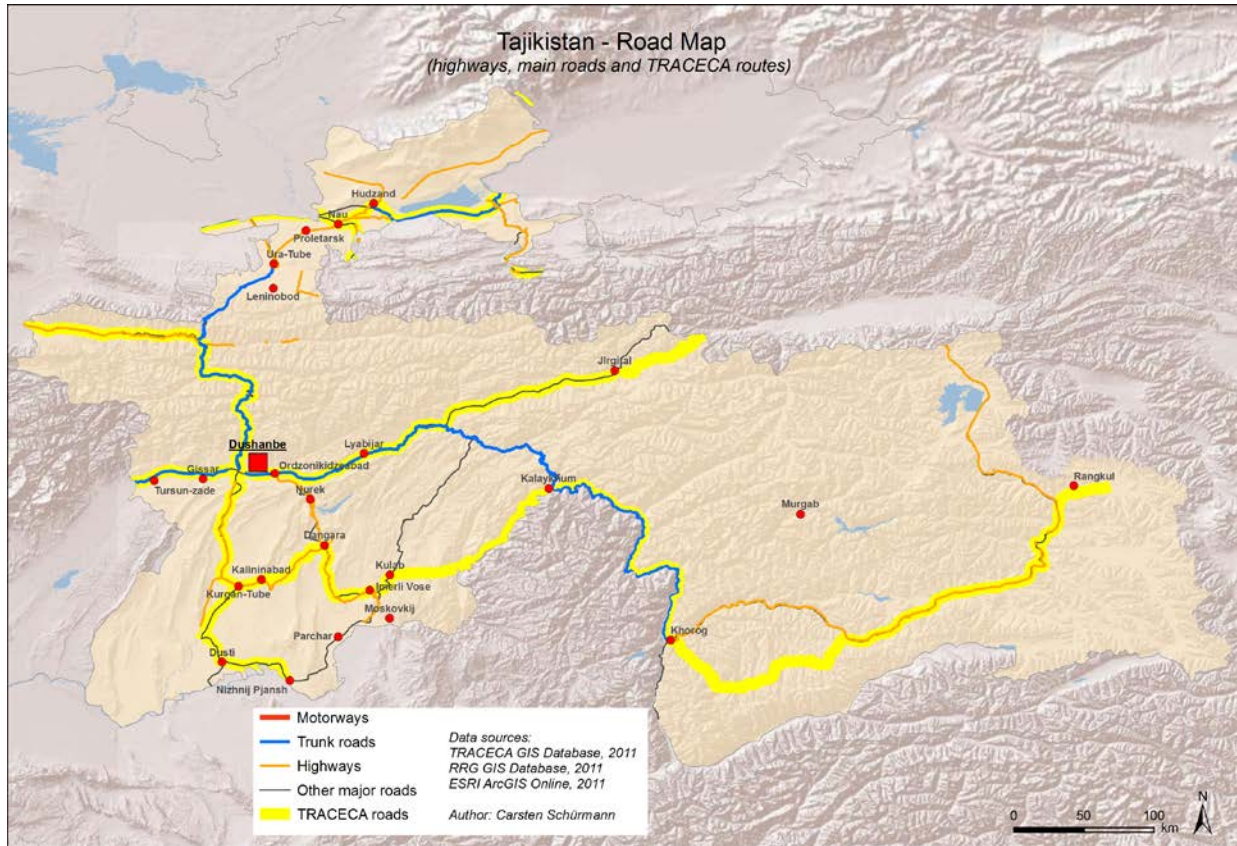
- Renewal of old tracks and shunts of the whole network;
- Improvement of the heads of the rail tracks on three sections (142 km);
- Reconstruction and maintenance of railway bridges (sections on rivers Khonako, Vahdat and Kafernigan);
- acquisition of modern rolling stock as 50 to 70% of rolling stock are declared in poor state;
- completion of feasibility studies for new routes:
 - Kolkhozabad – Nizhny Pyanj – Border with Afghanistan
 - Vahdat – Karamyk (border with Kyrgyzstan): 296 km
 - Dushanbe – Kurgantube, on the section Vahdat – Yavan
- Construction of a railway, connecting the Republic of Tajikistan with Turkmenistan via the Islamic Republic of Afghanistan (Ayvadj – Khulm section);
- Construction of a regional railway, connecting the Islamic Republic of Iran, the Islamic Republic of Afghanistan, the Republic of Tajikistan, the Kyrgyz Republic and the People's Republic of China.

The central and the southern part will be connected when the railway line Vahdat – Kurgan-Tube will be completed. The works started in 2009 and should last 10 years. The distance for traffic between Vahdat and Yavan becomes 469.7 km shorter as compared with the existing route via the territory of Uzbekistan, thus reducing transportation costs.

The long term railway development perspective as presented in the national transport strategy foresee to link the independent sections, creating thus a unified and coherent railway network for Tajikistan.

6.2.3 Inland Transport Mode: Roads

Figure 8: Tajikistan Road Map



Source: TRACECA (2011)

Due to predominance of mountains, road transport plays a major role for Tajikistan’s economy. About 95 % of cargo and 97 % of passengers are transported by road transport.

The network consists in 14 074 km of public roads (2012) which are divided between:

- 5 351 km of republican roads (38 %)
- 8 723 km of local roads (62v%).

There are another 12 791 km of non public roads (industrial, private... financed by other means than the budget of the Ministry of transport). 28% of roads are covered with asphalt, 45% are covered with gravel bitumen, 27% - gravel.

Tajikistan possesses 19 international roads and 91 republican roads. 1 907 km of routes crossing the territory of the Republic of Tajikistan are part of the Asian Highways network, a project created by UN ESCAP (see table 10 below).

Table 10: Asian Highway Routes in Tajikistan

AH No.	Route	Kilometer
AH 7	Nizhniy Panj – Chanok	550
AH 65	Karamyk – Tursunzade	414.3
AH 66	Kulma Pass – Dushanbe	1023.1

Source: UNESCAP, 2003, Asian Highway Handbook



According to national statistics, 70% of freight transport bound to national economy arrives by road. From 2008 to 2010, road freight transport increased by 21.7%.

The main problem related to road transport in Tajikistan is the insufficient level of infrastructure maintenance due to hard climatic conditions in winter. The global state of roads is unsatisfactory. Up to 2008, 75% of republican roads lost entirely or partially their asphalt cover. As a result, the average speed for 48% of all roads in Tajikistan is not higher than 35 km/h. Regarding the rolling stocks, in 2010, 50% to 70% of Tajikistan 42 000 trucks is in poor state and 80% is 10 years old and more.

Over the past 20 years, 24 road projects were completed, bringing the overall network to 1643 km of republican importance roads. Major road projects included reconstruction of following roads:

- Dushanbe – Khodjent – Chanak (border with Uzbekistan)
- Vahdat – Rasht – Djirgital (border with Kyrgyztan)
- Dushanbe – Kulab – Khorog – Kul'ma (border with China)
- Dushanbe – Kurgan – Tube – Nyzhny Pyanj (border with Afghanistan)

Future investments in road transport detailed in the National Transport Strategy include rehabilitation of international roads, bridges and tunnels. In total, 4 165 km of roads (2 423 km of international roads) are to be constructed until 2025, which represents a total investment of 898 M USD.

Most notable projects concerning international roads (IR) are listed below:

- Short term (2011-2015):
 - IR2: Dushanbe – Hisor – Border with Uzbekistan: 56 km
 - IR4: Vahat – Nourek – Dangara – Gulistan – Kulob – Kalai-Khum: 299 km
 - IR9: Kizil – Kala – Kabadyan: 47 km
 - IR11: Kurgan-Tube – Nizhny Pyanj: 94 km
 - IR12: Ayni – Pendjikent – Border with Uzbekistan: 113 km
- Mid term (2015-2020):
 - IR3: Labi-Djar – Kamai-Khum: 135 km
 - IR4: Kalay-Khum – Rushan: 240 km
 - IR8: Gulistan – Dusti: 132 km
 - IR9: Kabadyan: Aiwanj: 85 km
 - IR10: Aiwanj – Border with Uzbekistan: 33 km
 - IR 13: Kanibadam – Spitamen: 70 km
 - IR 16: Isfara – Border with Kyrgyztan: 44 km
- Long term (2020-2025):
 - IR4: Khorog – Tuzkul' – Murgab – Kul'ma: 401 km
 - IR6: Khorog – Ishkashim – Tuzkul': 315 km
 - IR9: Dushanbe – Obi- Kiik – Kizil – Kala: 78 km



- IR13: Spitamen – Border with Uzbekistan: 65 km
- IR15: Isfara – border with Kyrgyztan: 10 km
- IR17: Isfara – border with Uzbekistan: 24 km

6.3 Trade and Transit Facilitation

6.3.1 General Presentation

- **Procedures and formalities** are among the **main barriers** that are hampering the development of Motorways of the Sea:
 - several **border points** must be crossed, mostly in ports but also on land routes f.i. along the central land corridors: minimum 2 points in a single / one sea service, up to 5 points in inter-seas services linking western Black Sea Countries and Eastern Caspian Sea Countries, and possibly more in the case of longer multicountry transit and transshipments trades;
 - several physical mode transfers, handling movements and intermediate storage are taking place along the sea based transport chains: commonly 3 transfers and minimum 6 handling plus 2 storage in the case of a single sea leg, and several more handling operations in the inter-seas services
 - previous and ongoing experiences of Motorways of the Sea in other regions as well as the global worldwide transport system of containers have demonstrated that the resolution of difficulties in this field is an essential success factor.
- The procedural process in ports and at other border crossing point are **dominantly related to Trade Laws and Regulations**, but actors of the transport and transit chain are responsible for their fulfillment. A significant part of their activities is to deal with these complex issues and they are drawing the corresponding revenues out of their capacities.

Relationships between institutions on one side, - Customs first, but also other Ministries and inspection bodies - operators and users on the other side, are affected by these functions which are mixing with the physical transit and transport operations.
- The **impacts of administrative and regulatory barriers** are generally more important when there is a sea leg since:
 - maritime transport and port transits require more formalities than land transport modes, including specific exchange of information, paper documentation etc. which are rightly perceived as a factor of complexity
 - this adds to the weakness of intermodal sea based transport, particularly when compared to the most simple unimodal road transport
 - transit times are increased if and when formalities and operations are mismatching, f.i. when the transport means of one mode is not coordinated with those of the next mode, which is a frequent situation between the maritime and railways legs in the TRACECA Region
 - costs are not only direct but also indirect, and not only formal but also informal, and unofficial transit levies and other transaction costs are adding to the sum of official tariffs, taxes and dues.



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- **Common Weaknesses / barriers** have been identified in all LOGMOS project Countries to various extents and at different degrees. This diagnosis has been shared under the key word "Facilitation" by Country stakeholders and at bilateral and regional levels. Barriers in this field are referred to in the "W" (Weaknesses) list of the various SWOT analyses summarized in the following project documents:
 - Country profiles, as synthesized hereafter
 - Presentations for workshops and meetings
- Among the **solutions** discussed in the diagnosis phase, the following is a series of common **recommendations and targets** that are partly implemented, planned, or contemplated for the future LOGMOS projects and more generally for the development of intermodal transport including port / border crossing points:
 - I.T. systems and solutions electronic solutions / EDI for:
 - information (for users and operators)
 - declarations
 - pre-alert (for Customs and other)
 - duties, taxes and fees
 - One stop stop scheme and extension to Single Window System (SWS)
 - Risk management system and methods
 - IT interchange solutions between MoS port / communities
 - Tracking and Tracing (in coordination with operators)
 - Upgrading / redesigning border points layouts
 - Training (management, IT organization...)

6.3.2 SWOT Analysis

The following table summarizes key-finding for national SWOT analysis in trade and transit facilitation procedures that have been adopted in Tajikistan.

Table 11: SWOT Analysis in Trade and Transit Facilitation Procedures

STRENGTHS	<ul style="list-style-type: none"> • Member of several international organisations (CIS, ECO, OSJD, UNECE, UNESCAP, EurAsEC, SCO) • Adoption of Law on Modification and Amendments of the Customs Code of the Republic of Tajikistan • Comprehensive reform process (second wave under implementation) • Adoption of SAD (2010) • Bilateral agreements with China, Kyrgyzstan, Uzbekistan, and Afghanistan on border crossing points • Accession of the Republic of Tajikistan to the World Trade Organization (11.12.2012)
WEAKNESSES (BARRIERS)	<ul style="list-style-type: none"> • Few bilateral agreements signed on transport and customs issues with LOGMOS beneficiary countries





Logistics Processes and Motorways of the Sea II

	<ul style="list-style-type: none">• Slow Identification of follow up TA project to the completed ADB project• Slow implementation of recommendations of the ADB project
OPPORTUNITIES	<ul style="list-style-type: none">• New Customs code provides sound legal basis for modern customs concepts (single window, etc)• Recommendations from ADB project and LOGMOS provide basis for new TA projects
THREATS	<ul style="list-style-type: none">• Slow mobilisation of TA, for example SUE Single Window Centre needs support• Administrative culture in Tajikistan (resistance to change)



7 PILOT PROJECTS SELECTED FOR MOS I AND ILC PROJECTS

To answer the existing challenges for MOS and ILC promotion, two TRACECA projects made a pre-screening for potential pilot projects. The pre-screening was based on the multi criteria analysis of proposed pilot, which helped to narrow down the pilot projects list.

The list of retained pilot included the following projects:

Table 12: Selected Pilot Projects in Tajikistan

Pilot project	Service proposed	Countries involved directly	Concerned TRACECA project
Nizhniy Pyanj ILC	Cargo facilities, warehousing and other logistics related investment	Tajikistan	ILC project

As a result of the first phase of MOS I and ILC implementation, for the above mentioned pilot project, a feasibility study was elaborated. Short summary of this project can be found here: LOGMOS pilot projectsTAJ.doc

