

**IMF Resident Representative Answers to Questions from *Asia Plus* Newspaper
Regarding the International Financial Crisis**

Question 1. How do you assess Tajikistan's preparedness for the world financial crisis considering the fact that the country already has serious problems caused by the decline of tax revenues and the price fall of basic export goods, etc.?

Answer 1. I believe the government is working actively analyzing the impact of the global financial crisis, and developing measures to soften this impact. We estimate tax revenues to have grown by more than 40 percent in 2008, but you are right that export growth has slowed recently. However, the main impact of the global financial crisis in Tajikistan will be through a decline in Tajik workers' remittances, whose growth already slowed towards the end of last year (even though it was still positive compared to the same months in 2007). This only reinforces the need for a reform agenda that stimulates private sector investment and job creation within Tajikistan, for example through development of small and medium enterprises, and agricultural sector reform, including true freedom for farmers to grow what they want, and resolution of the cotton sector debt. The reform agenda thus has not changed much, but its implementation has become even more urgent.

Question 2. Some countries like Serbia, Armenia, and Belarus as it is expected, forecasting heavy crisis effects, have shaped an anti-crisis measures plan and were supported by the international financial institutions including the IMF. Has the Government of Tajikistan approached your Representative Office with its anti-crisis measures project?

Question 3. If not, what anti-crisis measures package could be supported by the IMF?

Answer 2/3. Some countries have indeed already received IMF assistance to deal with the impact of the global financial crisis, among which Serbia and Belarus. As you know, Tajikistan was under an IMF Staff Monitored Program (SMP) in the second half of 2008, without our financial assistance (the relevant documents are on the website of my office: www.imf.org/external/country/tjk/rr/rus). Progress under the SMP was good, but the final formal assessment of the SMP is yet to be made, for which an IMF mission will be here February 5-18. If that assessment will also be positive, we could start discussing with the government about a new (longer-term) program with financial assistance, as we had already indicated at the start of the SMP. A new IMF program would obviously be shaped in the context of the global financial crisis including proposals by the government. However, we first need to discuss during the upcoming mission.