

Interview: National Bank of Tajikistan Magazine “Banking”

First of all, we congratulate you upon your appointment to this position and wish you every success in your work. We would ask you to brief our readers of the “Banking” on the IMF activities.

1. As we know, the IMF has revised its global GDP projection in 2010 towards 4.6 percent. What were the results during the first 9 months of this year?

According to the October World Economic Outlook, global GDP growth is forecast to expand by 4.8% in 2010 and 4.2% in 2011, broadly in line with earlier expectations. Downside risks to these forecasts continue to predominate.

2. Mr. Schimmelpfennig during his visit positively assessed the economy of Tajikistan, though the volume of remittances [at that time] diminished. Do you share this opinion as an expert in the economic field? If yes, what is the argument?

Despite a decline of 30% in the volume of inward remittances, GDP growth in Tajikistan reached 3.4%. This is a better performance compared to several other economies where GDP contracted in 2009.

3. Mr Todd Schneider during his visit to TJ said, “Macroeconomic indicators of Tajikistan this year show that this country is gradually overcoming the global economic-financial crisis”. What is the actual argument behind this thesis?

Real GDP grew by 7% in the first half of 2010 reflecting stronger power production, construction, and manufacturing. Inward remittances grew by 25% year-on-year through August which helped trade and services activity. Inflation remains in single digits and international reserves continue to grow. All these indicators point to an incipient recovery.

4. As far as we know, on September 14, 2010 Mr Rahimzoda, NBT Chairman, met with the IMF representatives, including Mr Todd Schneider and you. If it is not a secret, could you please tell us about the issues discussed as well as the results and level of the IMF-NBT cooperation?

The discussions centered on assessing macroeconomic developments and performance under the IMF 3-year program — a US\$ 116 million arrangement under the Extended Credit Facility (ECF) — approved by the IMF’s Executive Board on April 21, 2009. The IMF-NBT cooperation has been very productive. This cooperation is critical for the ongoing process of reform in Tajikistan.

5. IMF opened its office in Tajikistan long ago, but how many years does your organization operate here, what programs and projects were implemented and for how much?

IMF-Tajikistan cooperation started on April 27, 1993 when Tajikistan joined the IMF and our office at the NBT was opened about 15 years ago. IMF loans under our programs help boosting the stock of international reserves at the NBT, providing a cushion against external shocks to Tajikistan's balance of payments. Currently, the IMF has a US\$116 million arrangement under the ECF approved by the IMF's Executive Board on April 21, 2009 and augmented to US\$152 million on June 7, 2010.

6. What are your further plans?

Continue to strongly cooperate with the Government of Tajikistan helping address the main challenges in the process of economic reform, increase growth, create jobs, and reduce poverty.