

INTERNET ARTICLES  
ABOUT THE VISIT OF THE IMF MISSION TO TAJIKISTAN  
DURING SEPTEMBER 12-21, 2011

(Compiled by the IMF Tajikistan office)

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*Information Agency "Asia Plus"*

**IMF CONCERNED OVER RISE OF INFLATION RATE IN TAJIKISTAN**

Dushanbe, September 22, 2011

Author: Payrav Chorshanbiyev

<http://news.tj/en/news/imf-concerned-over-rise-inflation-rate-tajikistan>

An International Monetary Fund (IMF) mission led by Mr. Todd Schneider visited Dushanbe during September 12 - September 21 to conduct discussions for the Fifth Review of the Extended Credit Facility (ECF) arrangement.

At the conclusion of the visit, Mr. Schneider issued the following statement:

“Discussions were productive and there was progress on the set of policies and actions for the rest of 2011 and 2012. Further discussions will be conducted in Washington, DC during the Annual Meetings of the IMF and the World Bank later this week.

“Tajikistan’s economic recovery continues to take hold. Real GDP growth reached 6.9 percent through the first half of 2011. Rising remittances supported domestic trade and services, but growth is also seen in agriculture, construction, and industry. Inflation has been a significant challenge—peaking at 14.8 percent in May, but since declining moderately.

“Looking ahead, real GDP growth should reach at least 6 percent in 2011, particularly if prices for key exports remain high, and regional partners continue to grow. Nurturing the recovery is important, and in this context inflation remains a key policy challenge. Global food and fuel prices are expected to stabilize in the coming year, but the mission welcomes the authorities’ intention to carefully coordinate fiscal and monetary policies to protect macroeconomic stability. Over the medium-term, the mission advises the authorities to develop and utilize targeted social programs to provide social assistance to the poor.

“Financial sector indicators have stabilized in recent months, but the mission urged the National Bank of Tajikistan to implement the Financial Sector Stability Plan, aimed at addressing non-performing loans in the banks, and to strengthen accounting and supervisory standards. Over time, this should help to bolster public confidence in Tajikistan’s banks, create room for private sector credit, and thus help support economic growth and employment. Also, with a view to increasing transparency and strengthening prospects for inclusive economic growth, the mission urged continued focus on preparing a new tax code. IMF technical assistance is scheduled to work soon in this area.

The mission also welcomed the government’s continued commitment to transparency. Particularly welcome have been the publication of quarterly reports on the operations of the Roghun OJSC and the commitment to continue holding Roghun shareholder’s meetings in the future, after successfully holding the first meeting in May.

## **TAJIK PRESIDENT, IMF MISSION HEAD DISCUSS COOPERATION ISSUES**

DUSHANBE, September 22, 2011, Asia-Plus /Payrav Chorshanbiyev/ -- On Wednesday September 21, President Emomali Rahmon met here with Mr. Todd Schneider, the head of the International Monetary Fund (IMF) mission.

According to the presidential press service, the two discussed issues related to bilateral cooperation between Tajikistan and the Fund as well as coordination of activities of donor countries.

The sides reportedly expressed satisfaction with level of bilateral cooperation and development of the country’s economy despite the effect of the external factors, in particular rise in food and fuel prices.

They also expressed confidence that due to implementation of an efficient tax and monetary policy Tajikistan's economic growth in 2011 would stand at no less than 6 percent and inflation will be curbed at satisfactory rate, the source said.

*Information Agency "Avesta"*

**TAJIKISTAN'S PRESIDENT RECEIVES HEAD OF IMF MISSION**

Dushanbe, September 21, 2011

<http://www.avesta.tj/eng/government/570-tajikistans-president-receives-head-of-imf-mission.html>

President Rahmon received the head of the International Monetary Fund Todd Schneider. This was "Avesta" the press service of the state.

According to a source at the meeting the parties discussed current issues and prospects of cooperation of Tajikistan with this influential international financial institution. "Both sides expressed satisfaction with planned economic development of Tajikistan, regardless of external factors - the rise in prices for petroleum products and other" - said the source. According to him, the sides expressed confidence that the targeted conduct of monetary policy will ensure that the growth rate of the Tajik economy in the current year is not less than 6%. "The meeting also discussed other issues of mutual interest", - concluded the source in the presidential press service.

*National Information Agency of Tajikistan "Khovar"*

**EMOMALI RAHMON HELD TALKS WITH THE HEAD OF THE IMF MISSION**

Dushanbe, September 22, 2011

<http://www.khovar.tj/eng/president/2201-erahmon-held-talks-with-the-head-of-the-imf-mission.html>

The President of Tajikistan E. Rahmon had received the head of the IMF mission in Tajikistan, Todd Schneider, on September 21, 2011.

In the course of the meeting, the issues of bilateral cooperation and coordination among countries and organizations - donors in Tajikistan have been discussed. Satisfaction was expressed for cooperation and systems development of Tajikistan's economy, which is ensured in spite of adverse external factors, particularly the rising cost of oil prices. Moreover, it was expressed confidence that as a result of effective implementation of fiscal and monetary policy rate of development of Tajikistan's economy will be provided

at 6% and inflation will also remain satisfactory. During the meeting also were discussed other topical issues. (Translated by D.Azizov)

*Interfax*

### **MACROECONOMIC INDICATORS - IMF RECOMMENDS TAJIKISTAN FOCUS ON KEEPING INFLATION DOWN**

[http://www.steelguru.com/russian\\_news/Macroeconomic\\_indicators\\_-\\_IMF\\_recommends\\_Tajikistan\\_focus\\_on\\_keeping\\_inflation\\_down/226123.html](http://www.steelguru.com/russian_news/Macroeconomic_indicators_-_IMF_recommends_Tajikistan_focus_on_keeping_inflation_down/226123.html)

Interfax cited Mr Todd Schneider head of the IMF Mission in Tajikistan as saying that the International Monetary Fund (IMF) has confirmed its 2011 GDP growth forecast for Tajikistan at 6% and inflation at 13.9%. He said that the IMF predicts that real GDP growth will be at least 6% in 2011 especially if there continues to be high prices for key export goods and economic growth for Tajikistan's regional partners. Mr Schneider said inflation, caused by a rise in food products and light petroleum products remain the main problem for macroeconomic stability in Tajikistan. He said that a matter for serious concern is the rise in inflation, which peaked in May at 14.8% (compared to May 2010) before dropping at a moderate rate. Mr Schneider said financial sector indicators have stabilized over the past few months, but the IMF Mission calls on the National Bank of Tajikistan to implement a plan to ensure stability in the financial sector which is aimed at resolving the problem of non-performing loans and improving accounting and monitoring standards. These measures should help strengthen confidence in banks, create opportunities for private sector lending and through this encourage economic growth and employment. Consumer prices climbed 8.5% in January to August 2011 4.8% in the same period of 2010. The rise was mainly due to a hike in food and fuel prices, which Tajikistan largely imports. The IMF is also concerned with the large volume of problem loans in the portfolio of Tajikistan's commercial banks.

*Azerbaijan Information Agency*

### **IMF-TAJIKISTAN COOPERATION SATISFACTORY**

Baku, September 21, 2011

<http://en.trend.az/regions/casia/tajikistan/1934824.html>

Tajik President Emomali Rahmon met with International Monetary Fund (IMF) mission head Todd Schneider, Asia-PLUS reports with reference to Presidential press-office. The meeting focused on bilateral cooperation and activities of Tajikistan's donor countries and organizations. The sides expressed satisfaction with the level of relations between Tajikistan and IMF and the development of Tajik economy, despite the influence of external factors, such as increase in fuel and food prices. Both sides believe Tajikistan's economic growth in

2011 will be not less than 6 percent and the inflation will remain on the satisfactory level if the policy on effective taxation and monetary-credit is implemented.

*Tajikistan Newswire*

## **IMF TELLS TAJIKISTAN TO CURB WORRYING INFLATION**

*September 22, 2011*

<http://www.universalnewswires.com/centralasia/tajikistan/viewstory.aspx?id=10241>

Tajikistan needs to cut inflation to maintain stability, international lender said Wednesday, - Tajikistan needs to curb inflation if it is to maintain the pace of its economic recovery, the International Monetary Fund (IMF) said Wednesday. That advice formed part of the conclusions drawn up by an IMF team on completion of their 10-day visit to the Central Asian republic. The financial experts were making their fifth review of developments by the government in Dushanbe under the framework of an IMF extended credit facility. The review noted that the country had made progress on a range of measures and actions. But it expressed "major concern" with inflation which is currently running at 13.9 percent, after peaking at 14.8 percent in May. Price rises of foodstuffs and light petroleum products are the main causes of the rise in inflation, which threatens to stymie plans to achieve macroeconomic stability, the head of Mission Fund Todd Schneider said.

"It is important to support the restoration of economic growth, and therefore a key objective of economic policy is to curb inflation. The next year is expected to stabilize food prices and fuel," the Asia Plus news agency reported Schneider as saying in the Tajik capital Dushanbe. "In this case the mission welcomes the authorities' intention to closely coordinate fiscal and monetary policies in order to preserve macroeconomic stability," he added. Real gross domestic product (GDP) reached 6.9 percent in the first half of this year, helped by remittances, which boosted the growth of domestic trade and services. GDP will continue through this year at a level of at least 6 percent, the bank said. The economy of Tajikistan will be discussed in Washington later this week at the annual meetings of the IMF and World Bank.