

IMF Promoting Macroeconomic Stability

Ari Aisen, the IMF's Resident Representative in Tajikistan, discusses the country's economic development.

European Times: What are the IMF's priorities in Tajikistan?

Ari Aisen: Our objective is to support Tajikistan in its effort to achieve macroeconomic stability. Through our Extended Credit Facility, we have disbursed roughly €129.2 million (US\$160 million) to Tajikistan over the past three years to support the country's balance of payments and add to its stock of international reserves, thus reducing its vulnerability to external shocks. We have also been working with the Ministry of Finance to further promote fiscal sustainability. We are involved in macro-critical areas in Tajikistan's reform process, such as public-financial management, improved governance and transparency in state-owned enterprises, the National Bank and the financial sector. The cooperation with the Tajik government is very constructive, and our engagement is conducive to an atmosphere of open debate and mutual learning. Our advice has been generally very well received.

European Times: What are some crucial issues for Tajikistan's economy?

Ari Aisen: Tajikistan has a small but open transition economy which is vulnerable to global economic conditions and currently dependent on remittances, particularly from Russia. Remittances are a blessing in the short term, but could turn into a curse over the long term. The government is committed to coping with this problem through fostering private-sector growth and job creation. Tajikistan has huge potential in many sectors but it needs surrounding countries to be able to take full advantage of them. An example of such regional projects is the World Bank's energy-trading programme for Central and South Asia, CASA-1000, which we hope could be implemented soon. The IMF is highly involved in stimulating regional cooperation and trade, particularly through the Central Asia Regional Economic Cooperation Program (CAREC).



Ari Aisen, IMF's Resident Representative in Tajikistan

European Times: Why should international investors target Tajikistan?

Ari Aisen: Tajikistan's GDP has been growing at above 7% lately and inflation is currently under 5%, which points to a stable macroeconomic environment. The potential to sustain this performance is there, for example in hydropower, mining and agribusiness, yet in 2011, Tajikistan roughly attracted only €8.87 million (US\$11 million) in FDI, while receiving around €161 million (US\$200 million) in foreign aid (foreign grants) and over €2.42 billion (US\$3 billion) in remittances. I am confident that, over time, we will see a strong increase of investment in Tajikistan, as investors learn more about this country's rich prospects. Tajikistan is a remarkable country, with amazingly hospitable people and breathtaking natural beauty. I urge investors and travellers to come here and see its tremendous potential.

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