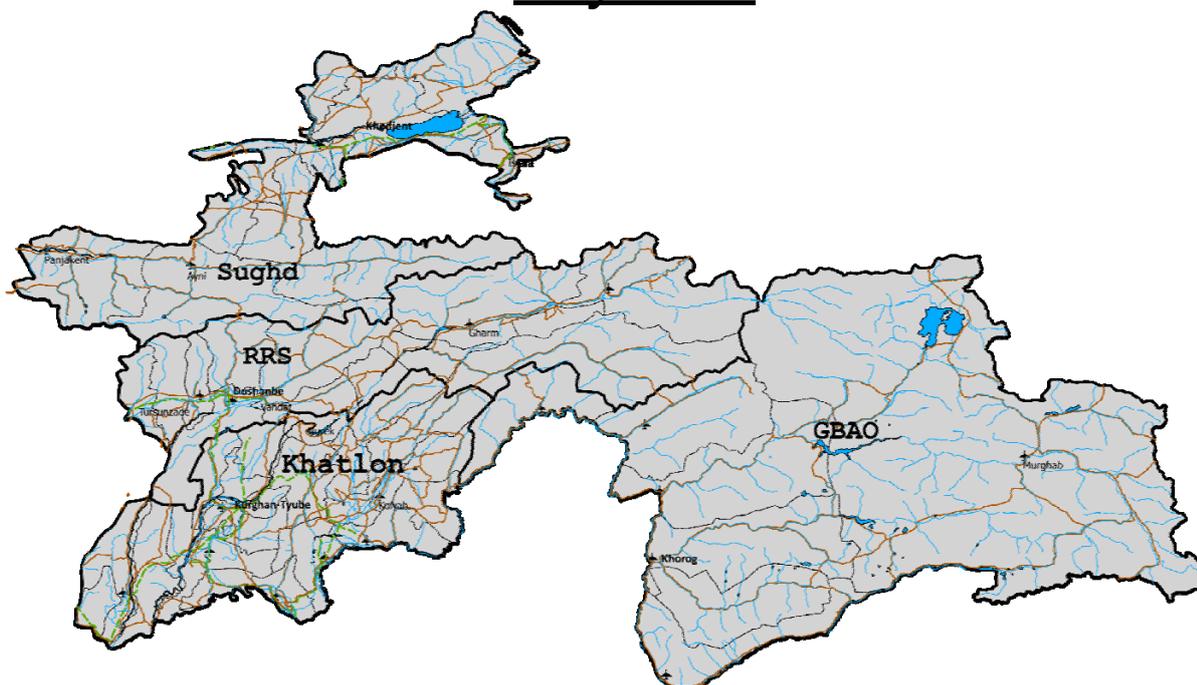


Tajikistan Monthly Risk Monitoring & Warning Report

May 2010



Polio Outbreak

Efforts continue to address the polio outbreak in Tajikistan. Although children under 6 years are considered most at risk and the major source of disease transmission, a decision has been made to vaccinate individuals up to 15 years during a third round of vaccinations planned for beginning of June 2010. A fourth round of vaccinations for individuals from 6 to 15 years will occur from 15 to 19 June 2010. For more details see <http://www.euro.who.int/en/home/sections/news/2010/05/latest-polio-update-from-tajikistan-and-central-asia>.

RISK TRENDS

NATURAL HAZARDS

Severe flooding, mud slides and debris flow risks remain significant to the end of June while below average precipitation forecast for June should lower the likelihood of these types of events.

ENERGY SECURITY

Energy security remains relatively good, with national generating capacity meeting most of the electrical needs in the country.

FOOD SECURITY

No significant change in overall food security is expected, while local food insecurity may be associated with flooding and mudflows.

MACROECONOMIC TRENDS

Remittances have been running at amounts above 2009 which is likely supporting consumption in the face of other indicators of stagnant economic activity.

REGIONAL RISKS

Tensions continue in Kyrgyz Republic but are not expected to directly affect Tajikistan. The closure of the border with Uzbekistan and continued delays in rail deliveries are expected to result in a continued tension between Uzbekistan and Tajikistan.

1. WEATHER-RELATED RISKS¹

1.1 Weather-Related Events

Locally heavy rainfall led to flooding in various parts of Tajikistan in May, with a flash flood on 7 May 2010 resulting in at least 30 deaths in the city of Kulob. Additional details on the flooding and humanitarian impact can be found at <http://www.untj.org/?c=7&id=318>.

Note that the main season for floods, mudflow and debris flows is from March to June, coinciding with the Spring snow melt and the period when most of the precipitation falls in Tajikistan. However, many flash floods and mud flows are triggered by locally intense precipitation (often thunderstorms), which can occur anytime in the year.

1.2 Forecast for June 2010

Temperatures during June are forecast to be above average and reach 44 degrees Celsius in southern Khatlon Province. Precipitation is forecast to be below average for June, with locally intense storms during the first ten days of the month, although the mountainous Districts of Direct Rule and western GBAO may see more intense precipitation during the second half of the month. Note that weather advisories issued by the State Hydro-meteorological Agency are also disseminated by the Risk Monitoring and Warning System.

1.3 Precipitation Summary

As indicated below, precipitation was variable during April, with locations both above and below the norm. Overall, most rainfall fell during the second dekad² of April, coinciding with a period of floods and mudflows in Tajikistan.

Precipitation, January to April 2010
Total Precipitation in mm and % of mean

City	January		February		March		April	
	Precipitation	% of mean						
Dushanbe	64.6	85	146.3	174	114.6	82	54.2	44
Kurgan-Tyube	17.4	42	86.7	188	43.3	67	47.1	108
Khorog	23.3	69	116.6	333	56.1	128	42.9	210
Garm	78.4	115	239.4	281	93.7	70	117.5	82
Khujand	20.9	133	38.3	255	20	80	44	164

¹ The information in Sections 1.2 and 1.3 and Annexes A and B is based on reports from State Hydro-meteorological Agency.

² A "dekad" is a 10 day period within a month. The second dekad of April is from 11 to 20 April.

2. ENERGY

2.1 Electricity Supply

Overall power generation was 1.3 gigawatts in April 2010. As indicated in the table below, overall power generation has been relatively stable in Tajikistan for past six months, with a small increase of generation during the winter period.

Average Electricity Generation - Tajikistan November 2009 - March 2010 (Gigawatts)			
Year	Month	Nurek	Total for Tajikistan
2009	November	858	1303
	December	866	1414
2010	January	849	1429
	February	825	1382
	March	809	1383
	April	824	1267

Tajikistan is close to meeting its electrical power needs from domestic production and has reduced imports significantly, as is normally the case this time of year. With the spring and summer melting of snows, Tajikistan can produce more electrical power than needed for domestic needs. In past years, this surplus production was bartered or sold, primarily to Uzbekistan, with a later reimbursement or purchase of

electricity during winter months.

However, with the break-up of the Central Asia power grid, reported increased electrical production capacity in Uzbekistan and few other export markets, Tajikistan may be in the situation of being able to produce electricity that no one can take, or may need. Although there are plans to increase export capacity to Afghanistan from the current 20 Gigawatts to 200 Gigawatts, Uzbekistan and Turkmenistan are also in a position to supply electricity to Afghanistan, creating a buyer's market.

One possible consequence of the current situation is that Tajikistan may not be able to secure income (or barter credits) from providing electricity this summer to use to importing electricity next winter. This situation may contribute to additional financial burdens on Barki Tojik (the national electrical company) and the government.

2.2 Electricity Availability

All reports indicate that electricity was available around the country during April.

Average Daily Electricity Consumption - Tajikistan (Gigawatts) (Not including GBAO)			
South	North	Talco	Dushanbe
35	7	18	6

2.3 Natural Gas

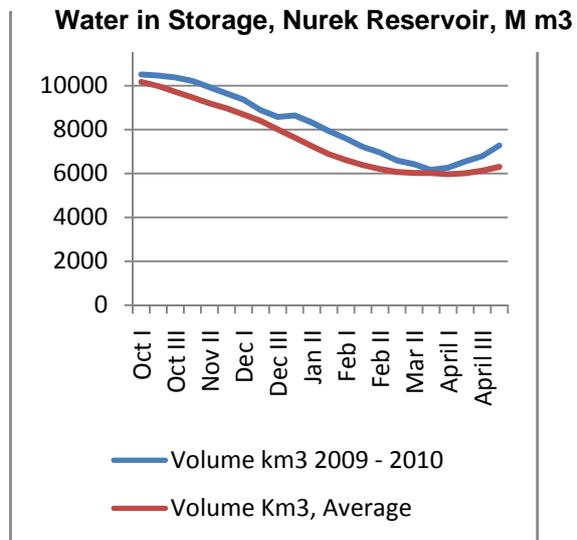
Natural gas imports in April were in the range of 18 million m³, slightly higher than the 15 million m³ imported in March. As in past

Natural Gas: Imports and Costs: 2004-2009						
	2004	2005	2006	2007	2008	2009
Million m ³	622.5	629	635	644.7	512.7	216.7
USD per thousand m ³	45	42	55	100	145	240

months, imports of gas depend on pre-payments. Any increase in imports suggests a greater capacity to pay, likely by the prime industrial users.

2.4 Reservoir Levels³

Water levels in Nurek Reservoir (the main source of hydro-electric power in Tajikistan) continue to be above average. An estimated 5% of the usable volume of the reservoir remained in storage at the time the reservoir began increasing water storage at the beginning of the spring melt. Normally the reservoir has no remaining water available for use by the time of the spring inflows begin. The reservoir, which also supplies water for the other hydro-electric facilities on the Vasht river, has entered the seasonal period when inflows increase significantly and the reservoir level begins to increase.



3. FOOD SECURITY

3.1 Food Security Assessments

No new assessment information is available on food security conditions in Tajikistan during April. The seasonal harvesting and market availability of fruits and vegetables should be improving micro-nutrient availability, while local floods, landslides and mudflows will locally increase food insecurity. Impacts of these events on local food security can be found in disaster assessment reports available at <http://www.untj.org/?c=7&id=318>.

3.2 Food and Fuel Prices⁴

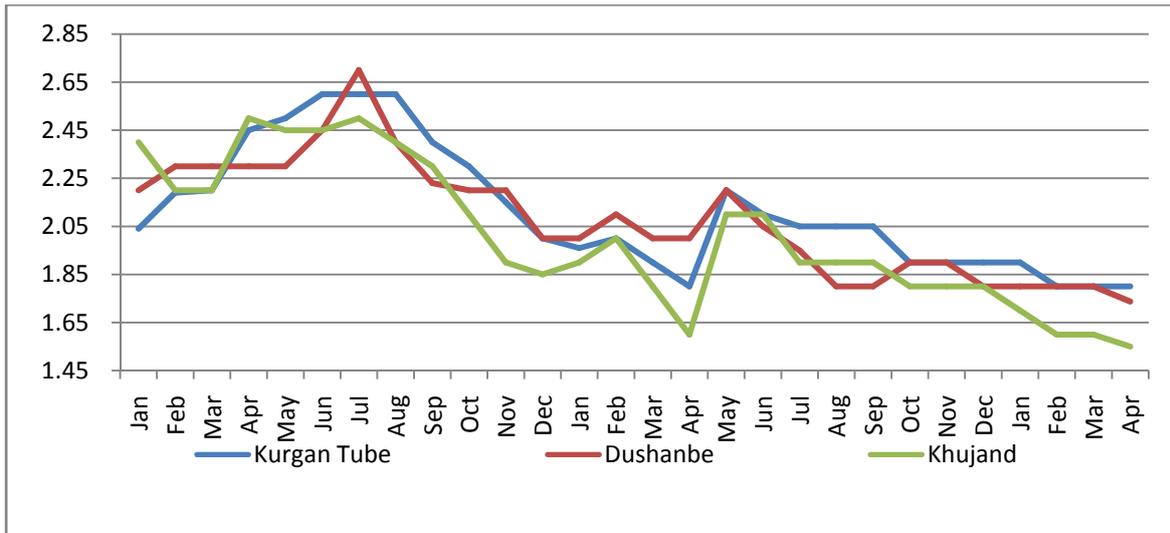
Price series for key indicator commodities and markets are presented below. Wheat flour prices indicate a continuing slow decrease from highs in mid-2008, with the greatest decrease reported for Khujand. Vegetable oil prices remain unusually stable in Khujand and K. Tube, with very minor variability in Dushanbe.

The down-ward trend in gasoline prices for K. Tube and Khujand has stopped (data for Dushanbe was not available). The increase in gasoline prices for K. Tube could be indicating the impact of the delay in rail deliveries, and needs further monitoring.

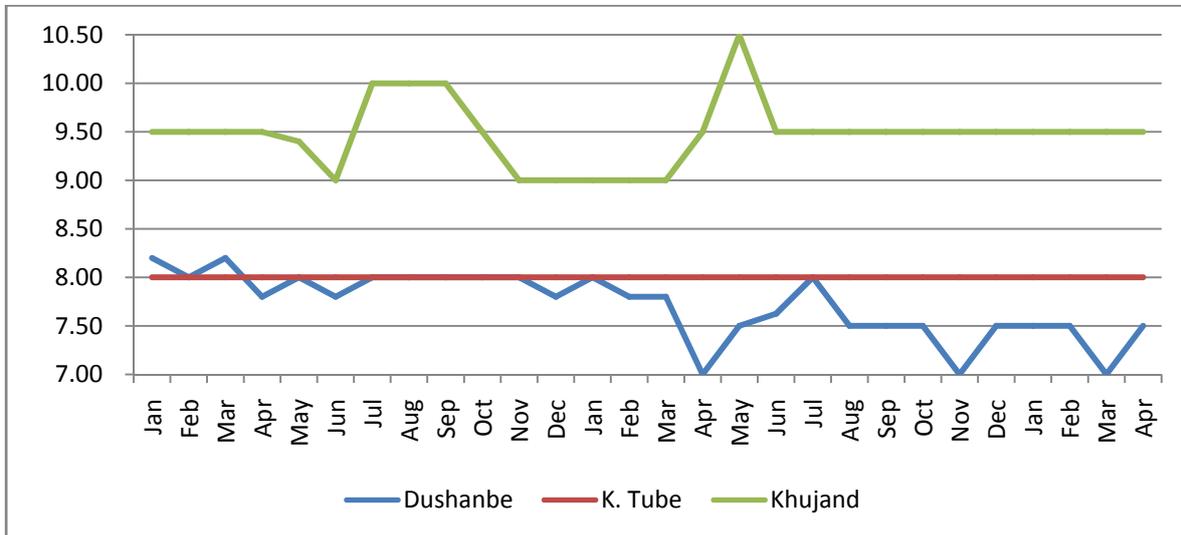
³ Data from CAWaterInfo, http://www.cawater-info.net/analysis/water/nurek_e.htm#

⁴ Food and fuel prices are from WFP Food Security Weekly Market Monitoring, Tajikistan May RMWS Report

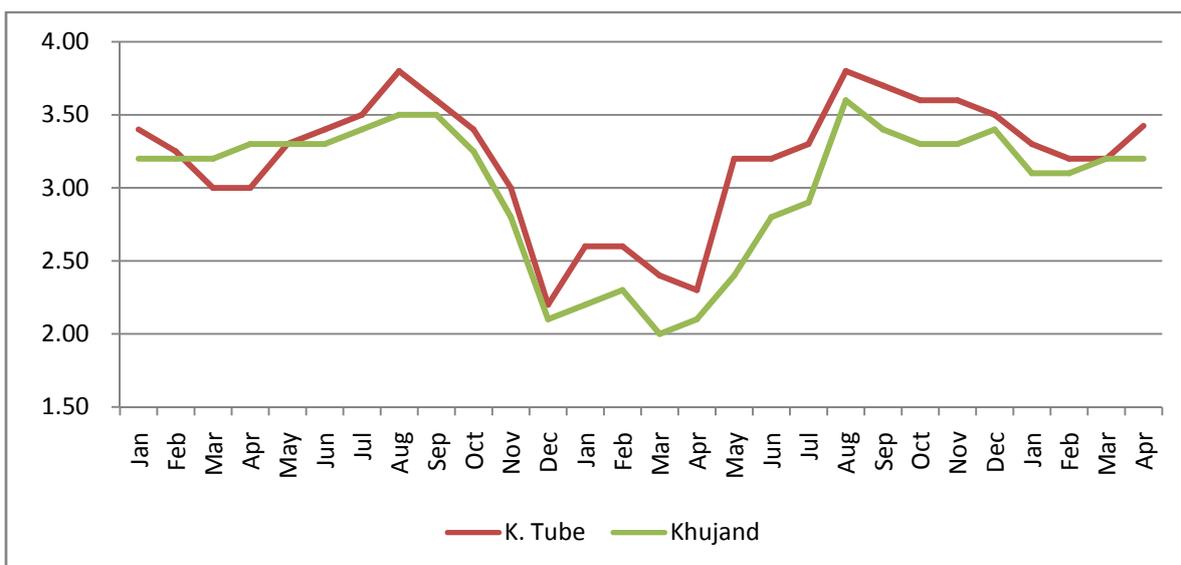
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Wheat Flour (1st Grade) Prices, Key Markets, January 2008 to April 2010 (Somoni per kg)



Vegetable Oil Prices, Key Markets, January 2008 to April 2010 (Somoni per liter)



Gasoline Prices, Key Markets, January 2008 to April 2010 (Somoni per liter)

4. HEALTH

Details on the evolution of the polio in Tajikistan can be found at <http://www.euro.who.int/en/home/sections/news/2010/05/latest-polio-update-from-tajikistan-andcentral-asia>. Note that funding for the vaccination campaign is only 27%. The funding gap may have an impact on the vaccination campaign and monitoring efforts.

Apart from the polio outbreak, seasonal weather changes create conditions in which an upsurge in a number of endemic diseases is possible. The diseases of immediate concern include malaria and typhoid, as well as Crimean-Congo Hemorrhagic Fever. The latter disease can be transmitted from livestock to humans during herd culling activities which are more common during the summer months.

Delayed Rail Freight Deliveries to Tajikistan

As reported in the **Risk Monitoring and Warning Report** for April there is continuing concern about the delay of rail freight transiting Uzbekistan. The following table compares the number of rail cars considered to be delayed in Uzbekistan as of 14 April 2010 and 12 May 2010.

Contents	Rail Cars Reported Delayed	
	14 April 2010	12 May 2010
Bauxite	270	None reported
Fuel and Lubricants	645	705
Equipment (unspecified)	25	None reported
Earthmoving Equipment	12	None reported
Cement	44	215
Asphalt	30	81
Flour and Grain	121	50
Gas	None Reported	83
Others Commodities	1,000	627
Total	2,147	1,761

Data: 14 April 2010: Ministry of Foreign Affairs
12 May 2010: Ministry of Economy

The overall number of rail cars reported to be delayed in transit has dropped by 20% based on the available data. However, as of 18 May, media reports indicate that Uzbekistan has closed the border with Tajikistan, resulting in an increase in the number of rail cars delayed to 2,198. (See <http://www.eurasianet.org/node/61144>). Earlier in the month, it is reported that the number of rail cars arriving in southern Tajikistan via Kurgan Tyube has increased following the flooding in early May, with a positive impact on local fuel prices and food supplies.

The delays are having economical impacts in Tajikistan. For instance, a 30 to 40 Tajik Diram increase in fuel costs in May has been attributed to delays in the delivery of fuel. The overall loss suffered by Tajikistan due to the delays is reported as in excess of 100 million US Dollars.¹

Monitoring of rail deliveries will focus on the:

1. Changes in the number of rail cars considered to be delayed in Uzbekistan, and
2. Prices of basic communities to assess the impact of the delays in food insecurity and economic activity in Tajikistan.

5. ECONOMIC TRENDS

5.1 General Trends

Gross domestic product (GDP) in January-April 2010 amounted to 5.4 billion TJS, 7.2% higher than that for the same period in 2009. In April, GDP amounted to 1.4 billion TJS. In April, the share of goods production in GDP was 30%, as in March. However, the share of services in the GDP structure decreased slightly (57.0%, compared to 57.9% in March) and the share of taxes increased from 12.1% in March to 13.0%. This situation demonstrates the country's continuing relative stagnation of the real sector of the economy.

This stagnation is the result of at least three major factors:

1. Close to 40% of 827 industrial enterprises are not currently operating.
2. Delays of goods movement from Uzbekistan, resulting in delays in planting.
3. Weak investments by domestic enterprises in April.

The excess of the aggregate expenditures over the aggregate revenues in the economy (GDP) of the country continues. In March the excess of the aggregate expenditures over the produced GDP was 38.5%. In April, the excess decreased slightly to 28.4%, linked to a sharp 82% increase in exports.

This situation indicates that the economy is highly vulnerable to the external shocks, as well as the reduced significance of the domestic sources for economic growth. In the short-term, economic growth will be supported mainly by remittances and governmental expenditures, and weak investment activity in the real economy will not generate domestic demand and export of commodities.

In April, economy had significant unsatisfied demand (i.e. the difference between the volume of produced and shipped products) amounted to 292.7 million TJS. In March this volume was 296.2 million TJS.⁵ This situation is related to the redistribution of financial flows through the sales of Rogun shares. In March, the sale of Rogun shares totaled 182 million US dollars. By the end of April this figure had risen to over 186 million USD.

The trade deficit from January to April increased from 288.3 million USD in March to 378.8 million USD in April. Exports in April, compared to March, increased by 82% and amounted to 124.2 million USD. Imports in April, compared to March, increased by 2.5%, totaling 214.6 million USD.

The level of import coverage from export revenues was only 57.8% in April. This is a serious cause for concern as the gold and currency reserves of the National Bank (385.8 million US dollars) is 1.7 times lower than the quarterly import volume, while the amount of external national debt for Tajikistan is 34.9% of GDP (1.712 billion USD).

⁵ Socio-economic situation in Tajikistan, January-April 2010, Dushanbe, Tajikistan.

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In general, foreign economic activities of the country continue to remain challenging. Foreign trade turnover of Tajikistan in the last four months totaled 1,133 million US dollars. This is 2.5% less than for the same period last year.

The main trading partner countries for Tajikistan are Russia (32.7% volume of imported goods), China - 17.7%, Turkey – 12.7% and Kazakhstan – 11.1%. As for exports, China occupies the first place with 38.4%, Turkey - 34%, and Russia – 9.5%. The trade deficit with CIS countries for this period amounted to 378.4 million US dollars, and 0.4 million US dollars with other foreign countries.

In April, inflation in consumer sector amounted to 0.2%. According to the data from the Statistics Agency, food prices in April declined by 0.1%, while prices for nonfood items and tariffs for paid services increased by 0.3% and 1.4%, respectively.

Since the beginning of 2010, the inflation rate in consumer sector has reached 1.8%, prices for foodstuffs increased by 1.0%, nonfood items – by 1.7% and paid services - by 5.4%. In general, the average monthly inflation rate for the first four months of 2010 was 0.5% (the inflation rate for the same period in 2009 was 0.3%). The monthly cost of food basket included into the consumer basket per family member in April 2010 amounted to 102.90 TJS, whereas the rational nutrition rate would have amounted to 203.81 TJS.

5.2 Population Movements To/From Tajikistan

The first four months of 2010 was a net outflow of 193,153 migrants from Tajikistan. The increase in out-migration (29,290 labour migrants in January, 63,055 in February, 66,000 in March and 34,808 in April) is in line with expectations that out-migration to Russia will increase with warm weather. However, the drop in out-migration in April is linked to

Migration Departures and Returns January-April 2010				
<i>Province</i>	<i>Departed</i>	<i>Returned</i>	<i>Departed (%)</i>	<i>Returned (%)</i>
Dushanbe, Districts of Direct Rule, GBAO	114,595	47,740	59.3	65.1
Sughd	55,080	18,406	28.5	25.1
Khatlon	23,478	7,188	12.2	9.8
Total	193,153	73,334		

changes in migration legislation of the Russian Federation. May migration levels will indicate whether these changes will have a longer term impact.

Data indicates that migrants are largely males (178,716 male and 14,437 female out-migrants; 63,888 male and 9,446 female returnees).

5.3 Employment and Wages

In April, official unemployment equals to 2.2% of the economically active population, with a total of 46,700 persons officially registered as unemployed, 2.0 % more compared to March 2010, and 4.2% higher than the same period in 2009. Official numbers of unemployment persons by region are GBAO – 3,900, Sughd- 15,000, Khatlon- 15,700, Districts of Direct Rule- 9,600, and Dushanbe – 2,500. Females made up 52.9% (24,700), and individuals from 15 to 29 years made up 56.1% (26,200) of the officially unemployed. The number of officially registered job seekers in April was 64,500, 10.3% higher than for the same period 2009, and by 0.9% higher compared to March 2010.

In early April 2010 the number of officially recorded vacancies dropped by 34.3%, to 11,445 compared to early March 2010 and to the same period in 2009. The number of worker vacancies increased by 66.8%, (5,658 jobs) or 49.4% of total number of vacancies. Compared to March 2010, the number of announced vacancies increased by 17.5%. The number of job applications per vacancy announced was 5.6 persons against 3.4 persons as of early April, 2009.

The average nominal wage in Tajikistan for April 2010 was 368.16 TJS (83.67 USD), 3.8% more than in March and 12.0% higher compared to same period in 2009. Taking into account changes in the consumer price index (increased by 4% compared to the previous month), the average real wage rose by 2.3% compared to March 2010, by 12% compared to February 2010 and by 16.4% compared to the same period in 2009.

5.4 Payments Arrears

A total of TJS 45.87 million (USD 10.47 million) was owed in public sector wage and pension arrears in April. Overall arrears dropped compared to March 2010, when it equalled 52.82 million TJS (USD 12.10 million) in wages and 30.72 million TJS (USD 7.01 million in pensions). The arrears are the most severe in Khatlon Region, and may impact disaster recovery and food security given the disasters which have affected Khatlon in May.

Government Arrears in Pensions and Wages, April, 2010 (in Millions of TJS)						
	Khatlon	Sughd	GBAO	DDR	Dushanbe	Total
Wages	7.09	6.02	0.09	9.89	0.04	23.13
Pensions	10.86	7.61	0.79	3.48	0.00	22.74
Total	17.95	13.63	0.88	13.37	0.04	45.87

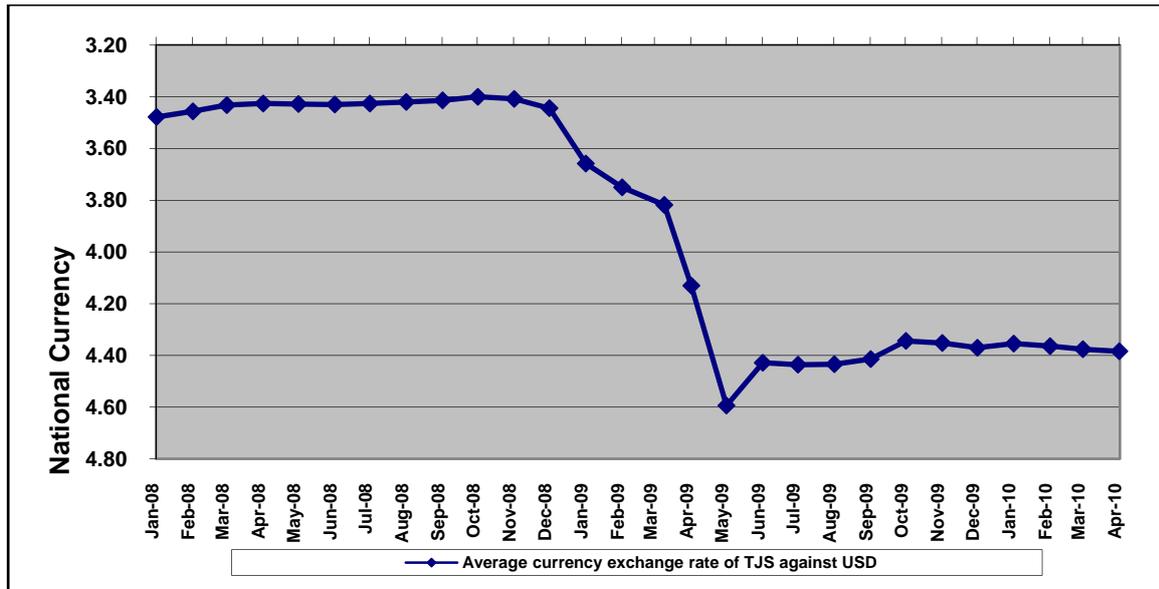
5.5 Exchange Rate⁶

The variability in the Somoni-US Dollar exchange rate from January to early May 2010 is provided below.

As noted previously, Somoni exchange rates do not correlate with foreign currency earnings from exports but depend on the level of remittances. Recently, the National Bank took steps to peg national currency to export earnings, which inevitably led to the drop of the TJS exchange rate against US dollar from 4.37 to 4.39 TJS per 1 U.S. Dollar (as of early May 2010.)

⁶ Source: National Bank of Tajikistan
May RMWS Report

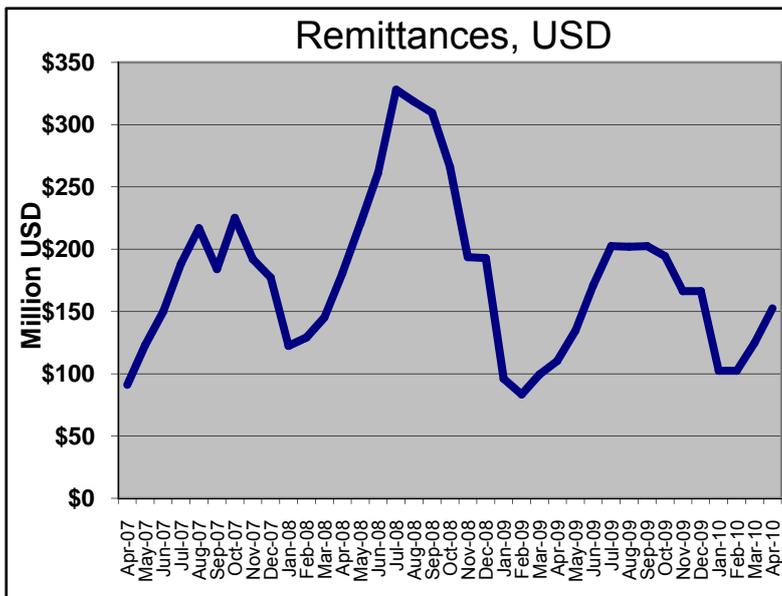
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Somoni - US Dollar Exchange Rate - January to 10 May 2010

5.6 Remittances

Data on remittances from the National Bank is provided below for the period of April 2007 to 2010. Remittances for January to April 2010 total, 24% (93 million USD) more than for the same period in 2009. Given the importance of remittances to food security and overall economic activity in Tajikistan, a growth in this source of income is quite important. Note that the restrictions on labor migrants moving to Russia (see section 4.2) does not seem to have affected remittances in April, which were 38% higher than a year ago.



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The aim of the Tajikistan Monthly Risk Monitoring Reports is to provide regular information and succinct analysis on the evolution of natural, economic, food-related, energy-related etc. risk factors in Tajikistan. Data and information in this report are provided by different sources and compiled by the RMWS Group of Experts and UN Agencies in Tajikistan. The United Nations in Tajikistan are not responsible for the quality of the data provided by external sources.

Annex A: Localized Meteorological Forecast for June 2010 from State Hydro-meteorological Agency

(All temperatures in Celsius.)

Khatlon region and Districts of Republican Subordination (valley areas)

The average monthly temperature is expected to be 3 to 5° above the climatic norm and will be: 28 to 30° in valleys and 25 to 26°C in the foothills.

A high temperature regime will dominate the entire month with daytime temperatures 35 to 40° in valleys, up to 44° in the south, and between 30 and 35°C in the foothills. Nighttime temperatures are expected to be 18 to 23° in valleys and 15 to 20°C at the foothills.

Monthly precipitation is expected to be below the norm, in the valleys of DRS (normally 10 to 20mm), Khatlon region (normally 1 to 12 mm), and foothills (normally 12 to 23 mm).

Showers and thunderstorms are most likely in the first ten days of the month. Winds from the west (up to 12-17 m/sec) with dust storms and haze are expected during thunderstorms.

Sugd Region

Average monthly temperatures in the valleys are expected to be 2 to 3° above the norm: 27 to 29° in the valleys, and 15 to 18° in the mountainous areas.

In valley areas, temperatures will be: 19 to 24° at night, and 32 to 37° during the day and reaching 3 to 41°. In mountains, temperatures will be 10 to 15° at night, and 20 to 25° during the day, at times reaching 27 to 32°C.

Monthly precipitation is expected to be below the norm, normally 5-13 mm in the valleys and 22-51 mm in mountainous areas.

Thunder showers are most likely in the first ten days of the month. Strong wind (15-20 m/sec) are expected during strong storms.

Mountainous Districts of Republican Subordination (DRS) and Western districts of GBAO

Average monthly temperatures are expected to be 3 to 4° above the climatic norm. High temperatures will dominate May, reaching 28 to 33° during the day, and from 11 to 20° at night.

Monthly precipitation is expected to be below the norm, mountainous districts of DRS (normally 35-55 mm), and western GBAO (normally 8-20mm).

Showers are most likely to in the second half of the month. Strong wind (15-20 m/sec) are expected during strong storms.

Eastern districts of GBAO

Average monthly temperatures are expected to be 1 to 2° above the norm. Expected temperatures at night will be -2 to 7°, and 12 to 23° during the day.

Monthly rainfall is expected to be below the norm: 6-15 mm and 70 mm around Fedchenko glacier. It is forecast that precipitation will fall in the second and third decades of the month

Annex B: Weather review of in the Republic of Tajikistan for April 2010 from State Hydro-meteorological Agency

April 2010 was characterized by warm weather. The average monthly air temperature throughout the country was to 1 to 2° degrees above the norm with 15 to 20° degrees in valleys, 5 to 10° degrees in mountains, 16° in Darwaz and -1 to 3° in high mountain areas.

The peak temperature of the most of the month in valleys was + 21 to 26°C.

The hottest periods were recorded from 8th to 10th, 14th to 16th and 24th to 30th of April, when daily temperature rose to 29 to 34° in valleys, 18 to 23° in the mountains, 28° in Darwaz and 10 to 15° in high mountain areas.

The coolest periods were from 3rd, 7th, 18th, and 20th to 22nd of April, when daily temperatures in most lowland areas did not exceed 18 to 23°.

On April 10th the so-called frontal zone extended from the east of Mediterranean Sea to Central Asia. The high temperature contrasts provided the formation of southern cyclones. These cyclones brought exceptionally warm weather to Central Asia on April 8-12, with a temperature of +28-31°C. This temperature was higher than normal at 6-7°C for the lowland areas of Tajikistan.

During nights from 11th to 12th of April, a southern cyclone moved to the east of Central Asia. With the frontal passage, Tajikistan experienced rains, thunderstorms, with partial hails and snowfalls above 3000 m. The abundant precipitation occurs in Khatlon and Rasht and the foothills of Sughd Region. In Darwaz, precipitation ranged from 20 to 50mm (Khovaling 50 mm in 12 hours). There were mudflows in the valley and foothill districts of Khatlon Region.

Monthly amount of precipitations made up: 30-87 mm (56-108% of normal) in the valleys of Khatlon Region, 80-141 mm (50-80% of normal) in the foothills of Khatlon Region, 23-129 mm (42-195% of normal) in Sughd region, 54-77mm (44 -158% of normal) in the valleys of DDR, 55-90 mm (132-210% of normal) in the west of GBAO.

The most abundant precipitation was observed on 3rd, 11th to 12th, and 21st of April, when precipitation was 15 to 51 mm per day.