

Development Forum of Tajikistan

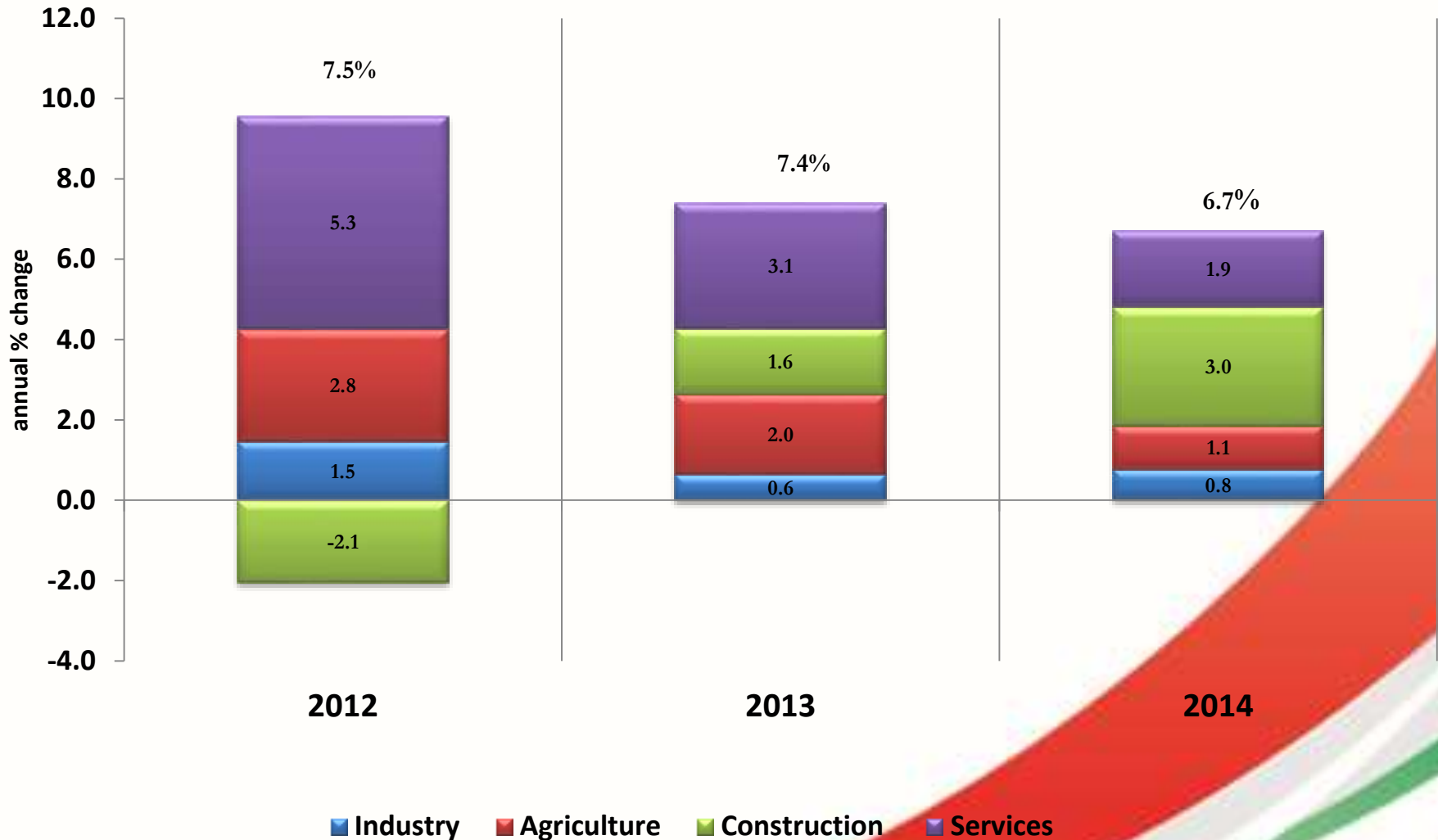
**On macroeconomic stability and
efficiency improvement of the
financial system**

**Minister of Finance of the
Republic of Tajikistan
Qurbonov A.**



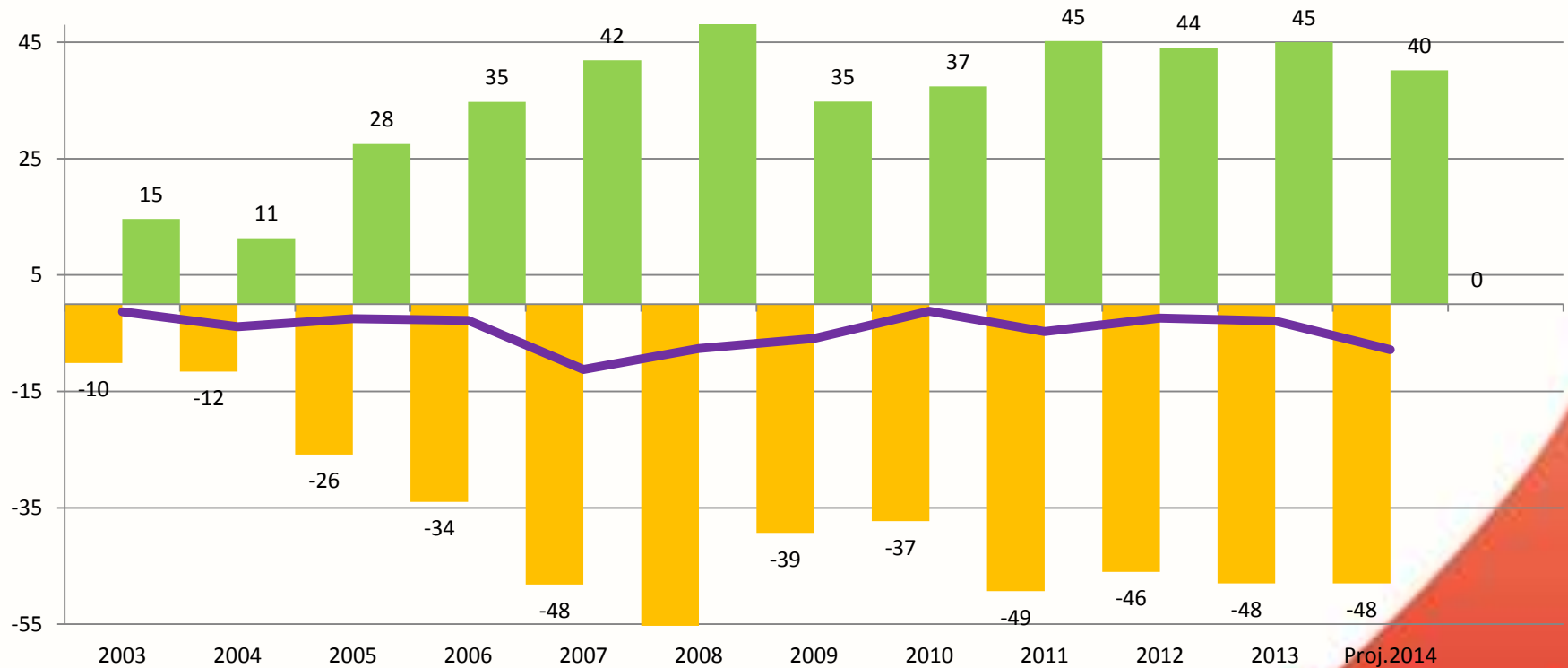
The growth pattern of Tajikistan has changed, switching from services to construction driven growth

Sector Contributions to GDP growth



External accounts have deteriorated

Main drivers of the Current Account Balance

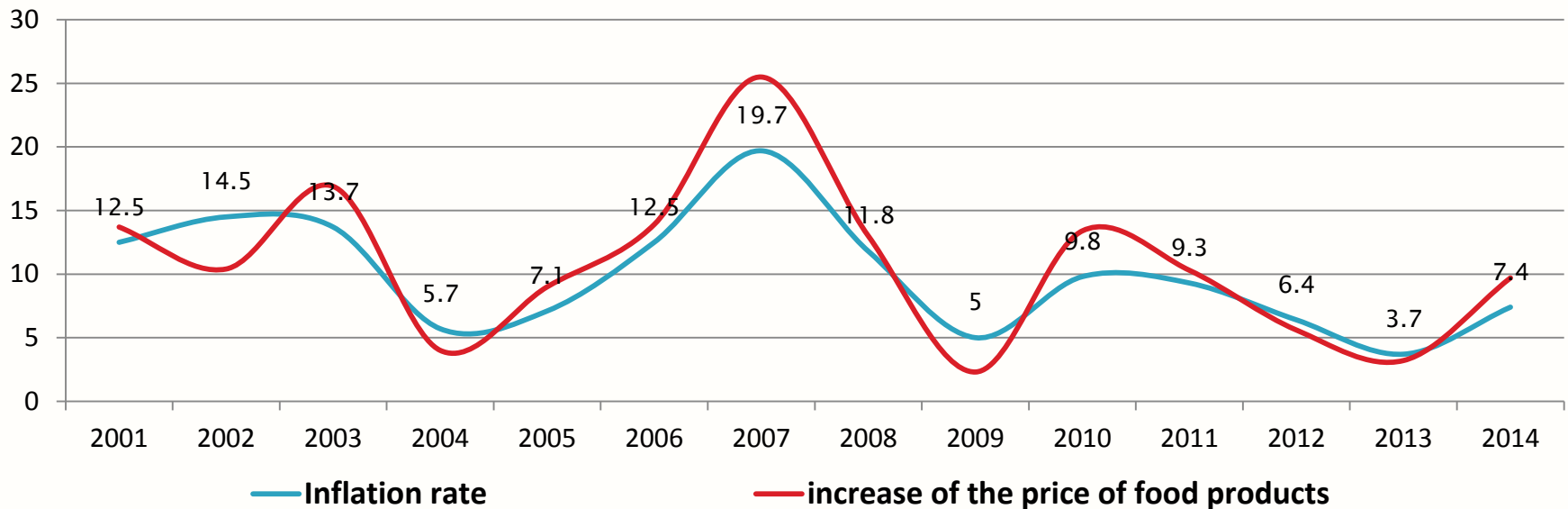


Balance of trade & services (% of GDP)

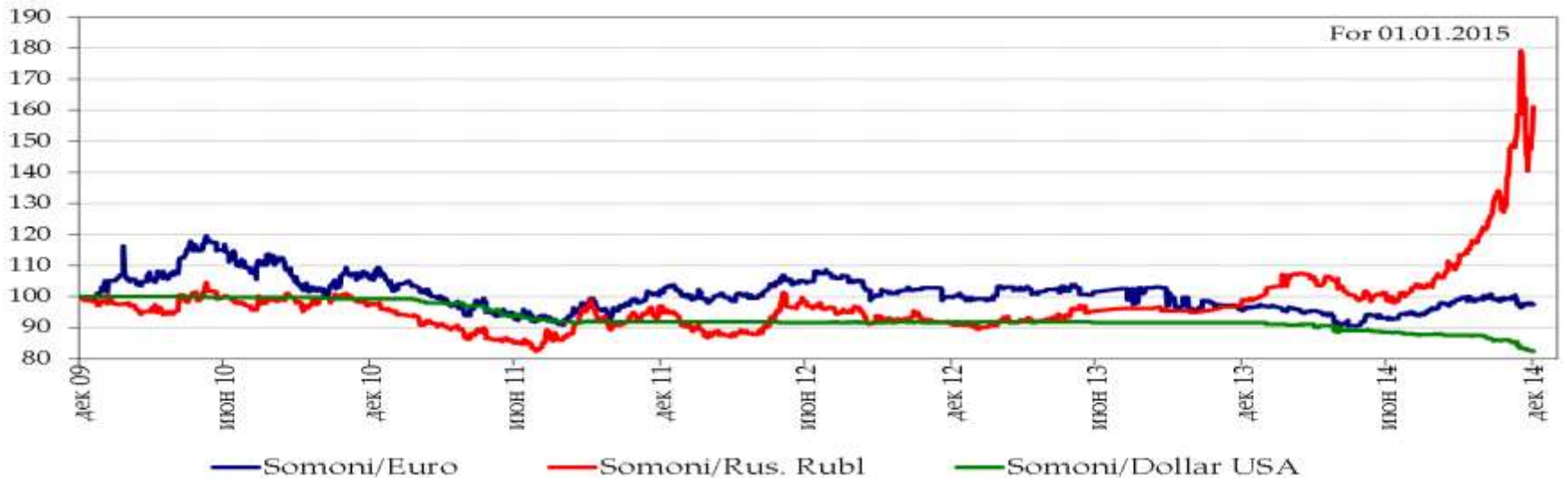
Net current transfers (% of GDP)

Current Account Balance (% of GDP)

Inflation dynamic has stable fluctuation



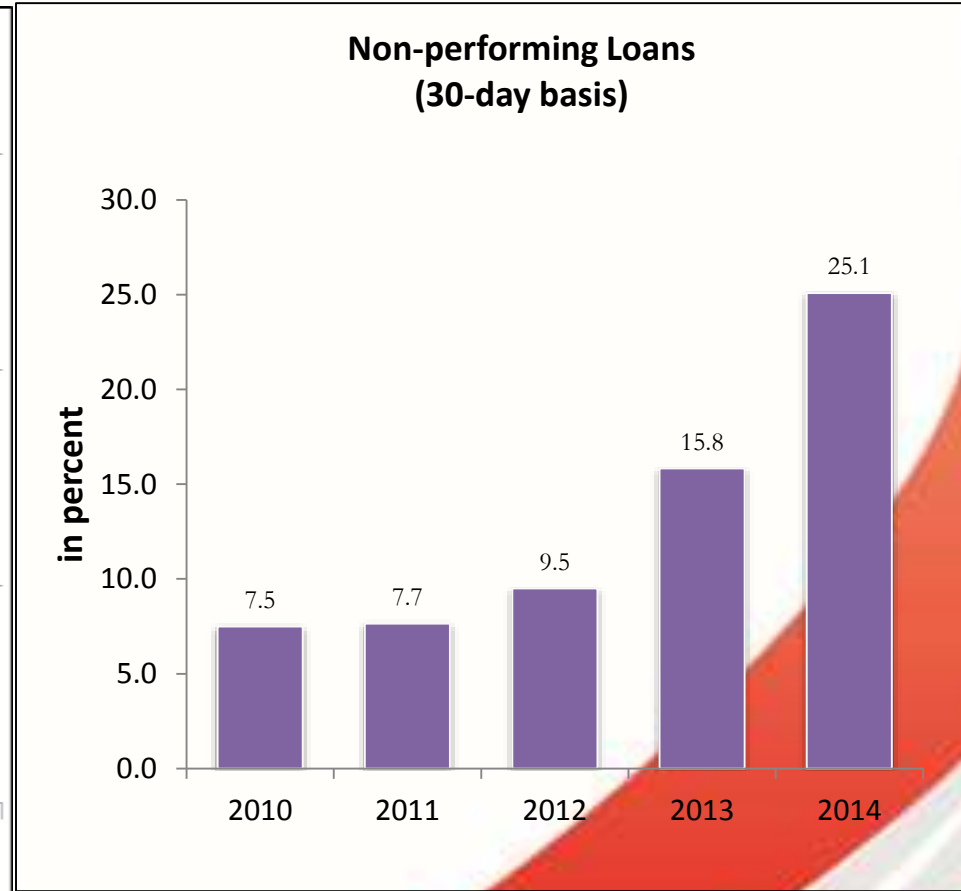
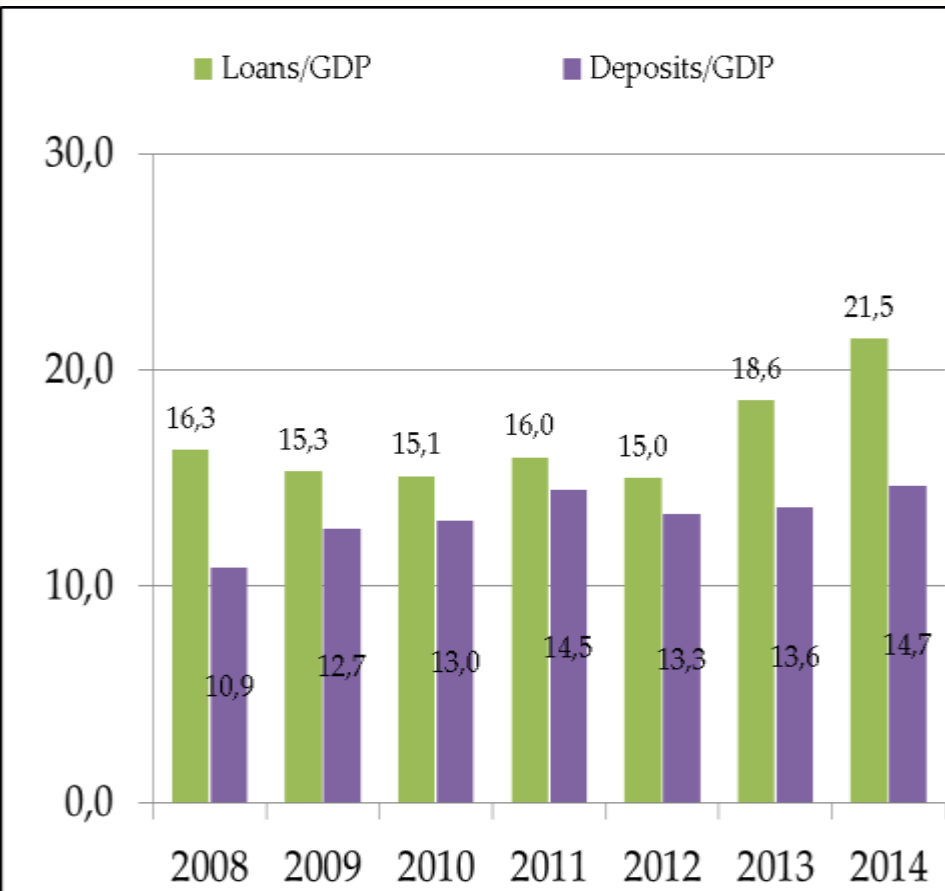
Relatively stable changes of Somoni to other currencies



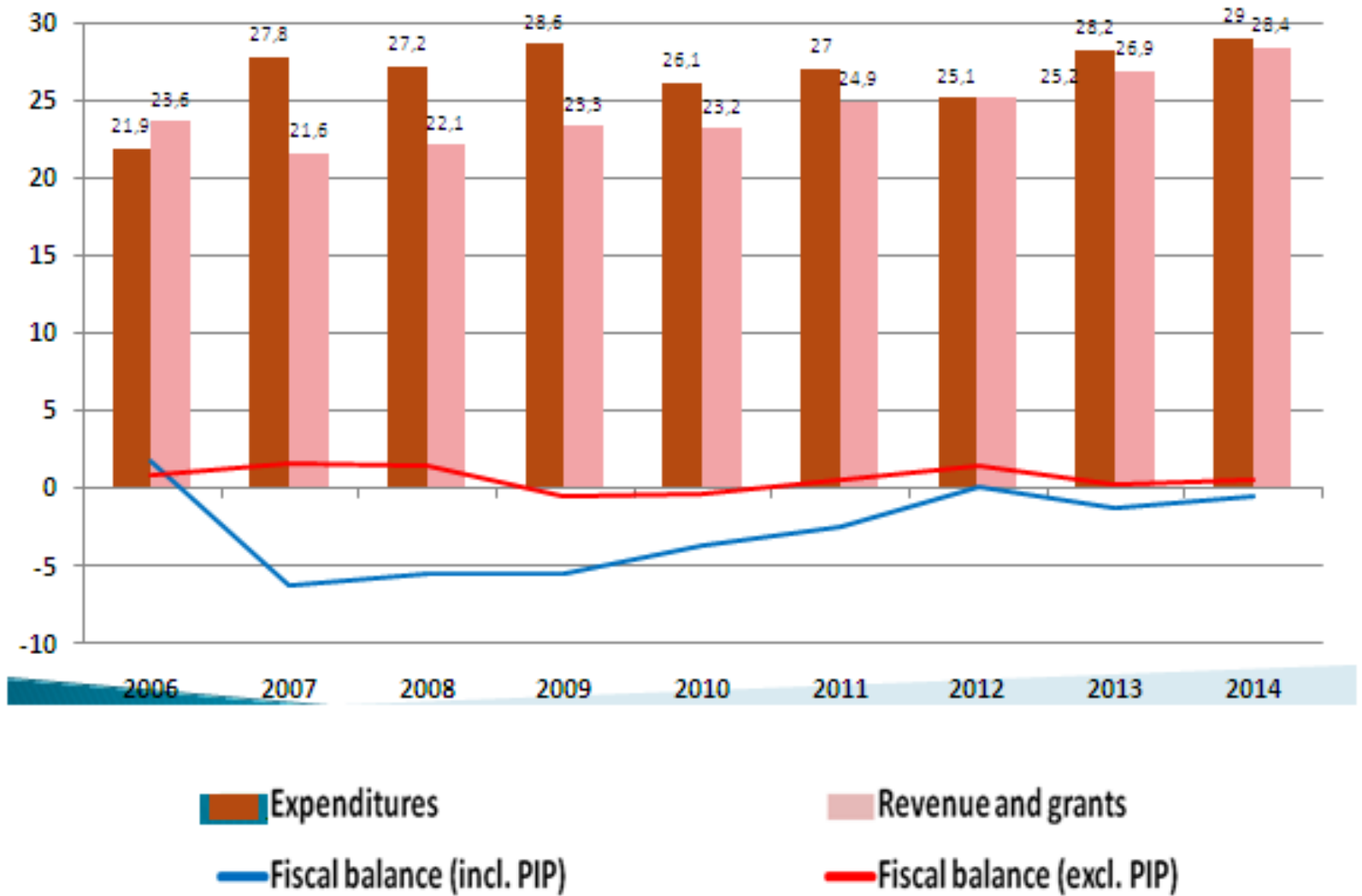
Loans, Deposits, and Non-Performing Loans

(end of period, in percent)

(in percent of total loans)



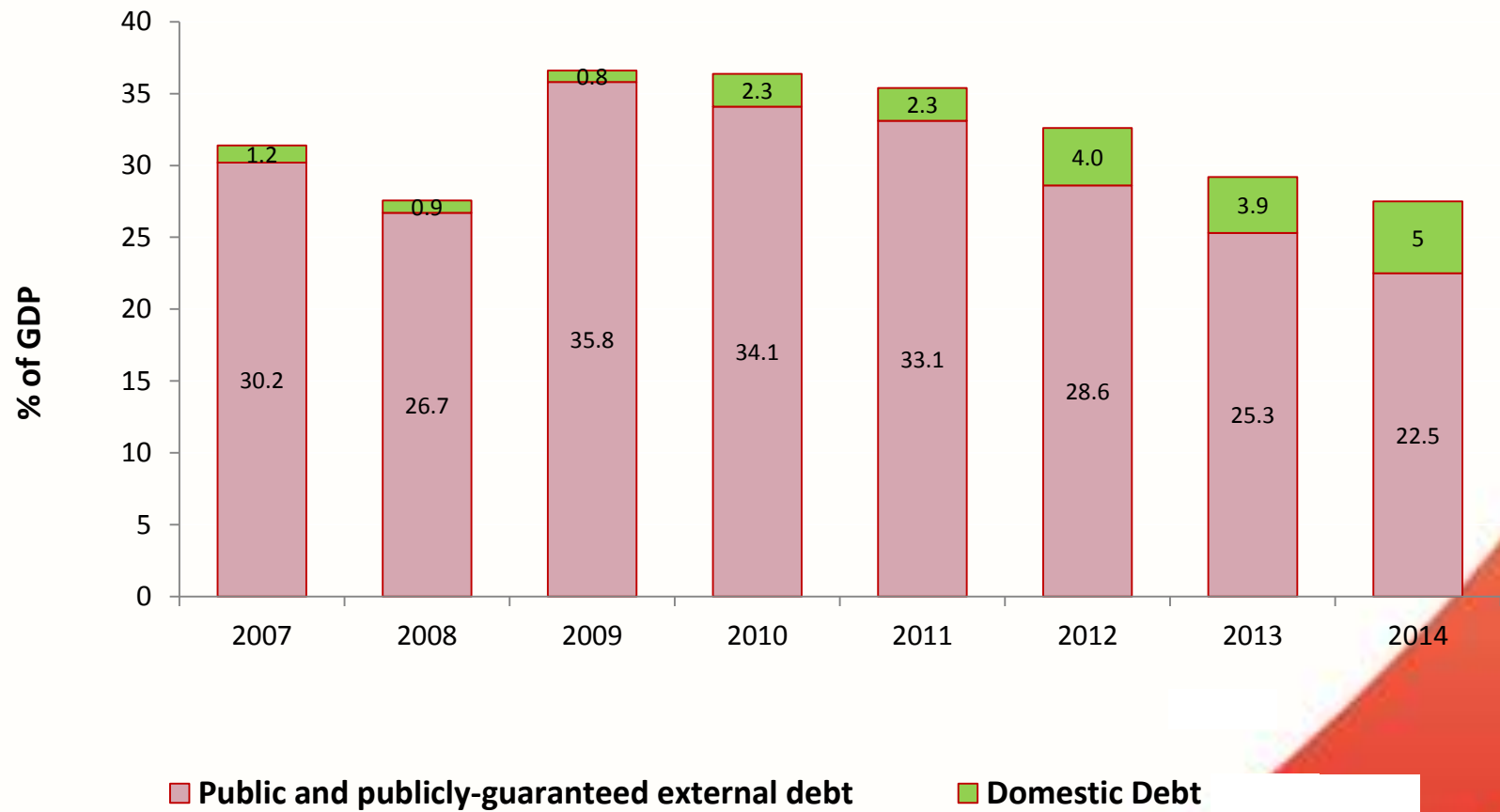
There were improvements in the fiscal balance over the last years (as a % of GDP)



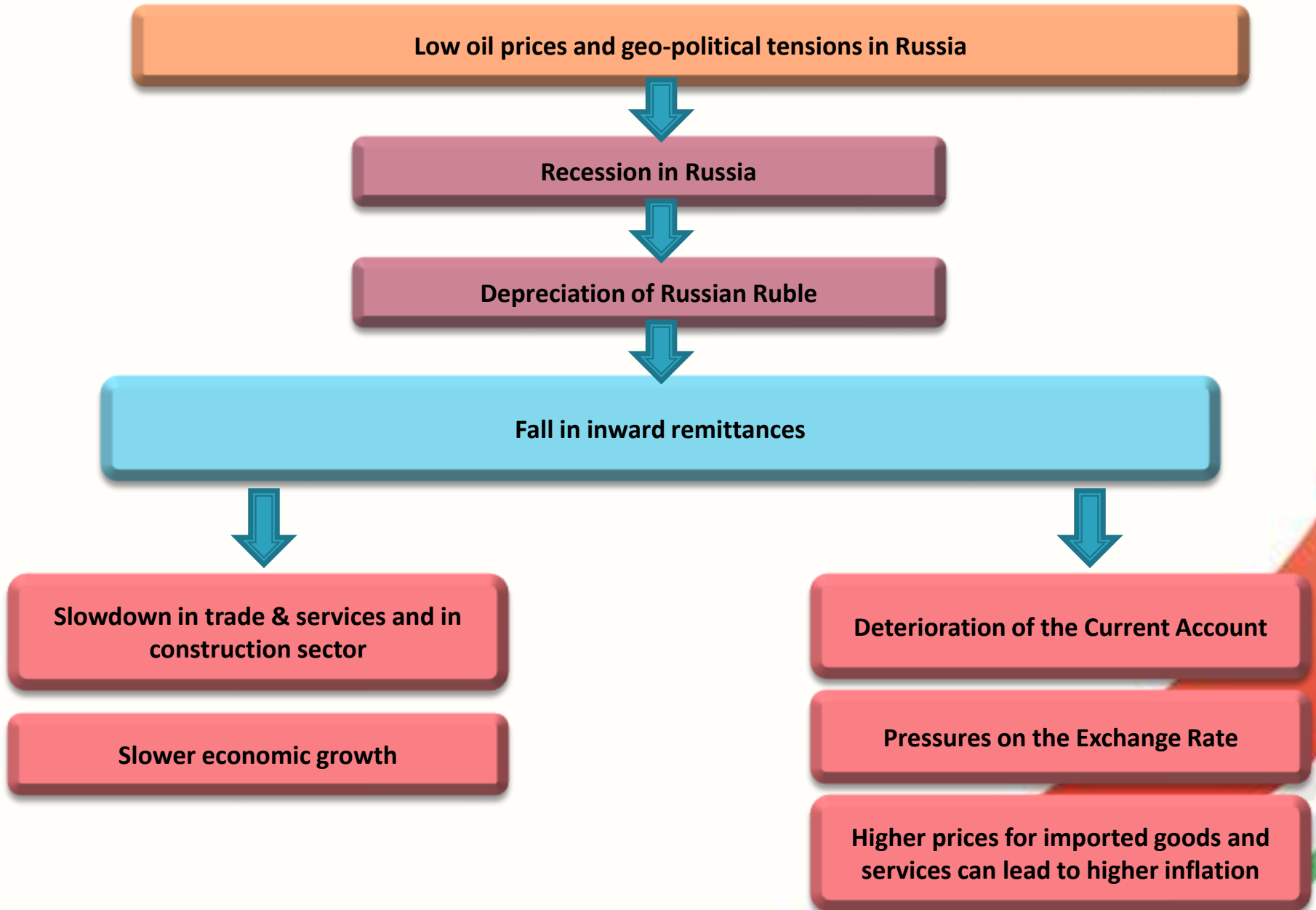
Tax arrears decrease, but not always for good reasons




External debt ratio improved thanks to GDP growth and debt-service payments to the largest creditors



Impact of external factors on Tajikistan's economy



Policy Recommendations

- ▶ The recent global uncertainties only highlight further the need for a new economic model, less dependent on remittances, more integrated and diversified;
 - ▶ To increase resilience against shocks, the country needs to build-up additional external and fiscal buffers while introducing more exchange rate flexibility;
 - ▶ To mitigate potential quasi-fiscal risks to the budget, SOE monitoring and governance should be improved;
 - ▶ Banks need to operate on commercial basis, strengthen their governance and risk management. Supervisors need to be given powers to promptly intervene in trouble banks;
 - ▶ In the medium term, structural reforms in the area of business environment, diversification of the economy and strengthening of regional cooperation can further help growth and job creation
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Thank You!

