

REGIONAL ECONOMIC OUTLOOK PRESENTATION HELD ON DECEMBER 7, 2012

Today December 7, 2012 the Government of Tajikistan and IMF Representative Office in Tajikistan jointly organized a round table in the conference hall of Hyatt Regency hotel in Dushanbe.

The round table was devoted to the regional economic outlook (REO) of the countries in Caucasus and Central Asia. This REO prepared annually by the IMF's Middle East and Central Asia Department (MCD) contains economic analysis and projections, which are primarily based on the information gathered by MCD staff through consultations with member countries in the region.

The keynote speakers at the event were Messrs. Ari Aisen, IMF Resident Representative in Tajikistan, Farrukh Khamraliev, State Economic Advisor to the President of Tajikistan and Abdujabbor Shirinov, Chairman of the National Bank of Tajikistan.

The meeting was attended by representatives of the World Bank, ADB, international organizations and diplomatic missions working in Tajikistan as well as by employees of the Ministry of Finance, Ministry of Economic Development and Trade, National Bank of Tajikistan. The representatives of the largest commercial banks, private companies, non-government organizations and mass media were also present at the meeting.

During discussions participants noted that despite of the global economic slowdown and uncertainty, the Caucasus and Central Asian economies grew in average at 5-6 percent in 2012. IMF projects that the countries of this region will continue to grow at the same pace in 2013, while average inflation will moderate and in some countries even will go down.

The keynote speakers at the meeting noted that all countries in the region, including Tajikistan, should continue to build fiscal buffers and increase their international reserves to be able to resist any potential external economic shock.

In addition, the participants stressed out that the share of informal sector in the Central Asian economies is large and therefore the countries in the region, including Tajikistan, need to reduce the size of their informal sectors. The speakers emphasized that the informal sector typically calculated as a share of officially measured GDP, is widespread across the region with sizes ranging in 2008 from about 15 percent in Uzbekistan to 30 percent in Tajikistan and Kazakhstan.

To reduce informality and foster inclusive growth, policymakers need to improve the business environment, relax labor market rigidities, reduce tax burden, provide informal workers with access to skill upgrading, and create an environment that fosters a level playing field for all workers and firms.

Finally, it was noted that like other growing economies in the region, in 2012 the gross domestic product (GDP) in the Republic of Tajikistan grew at 7.5 percent and the IMF projects Tajikistan's real GDP to grow 7 percent in 2013. As for the inflation, in the consumer sector it was 6.4 percent in 2012 and is projected to be 7.5 percent in 2013.