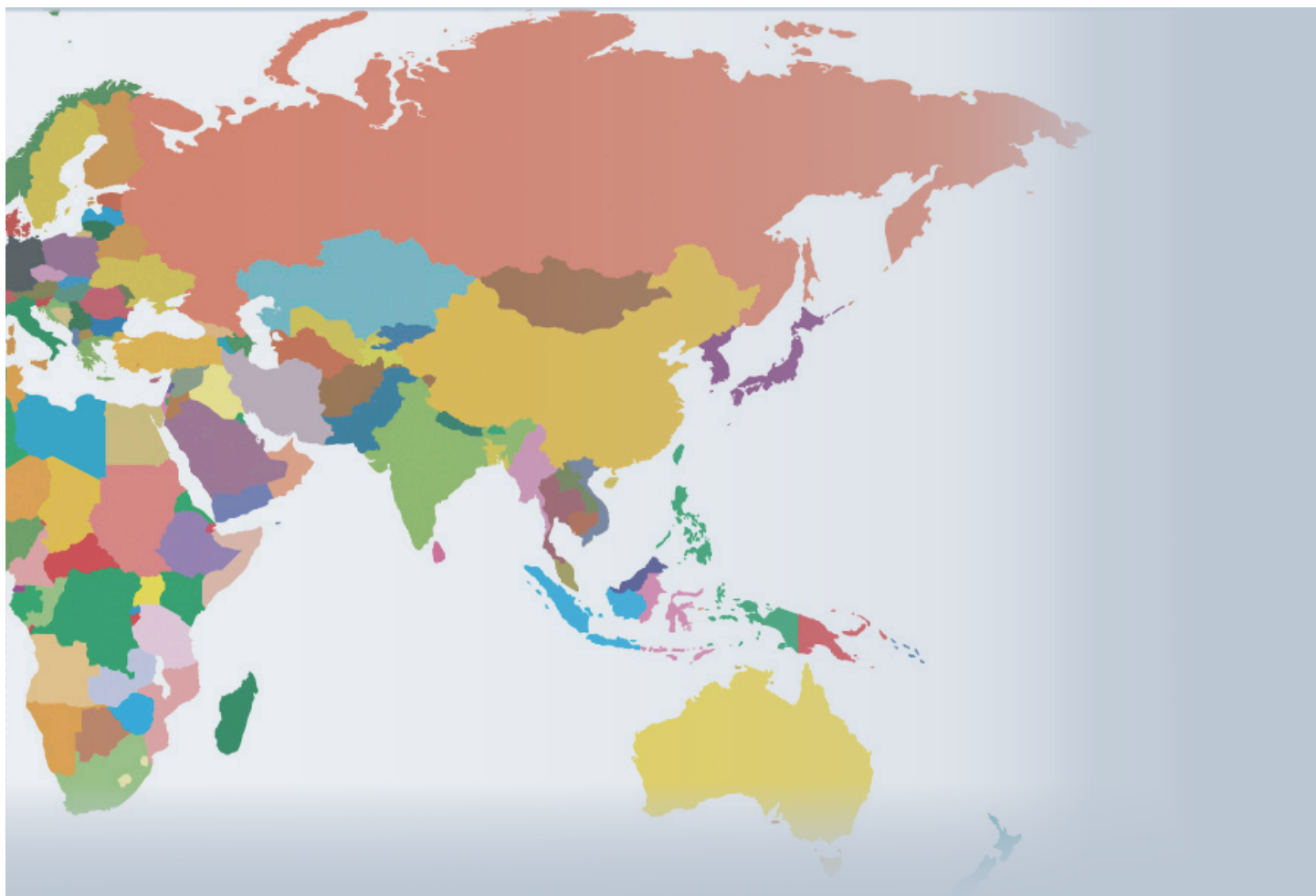


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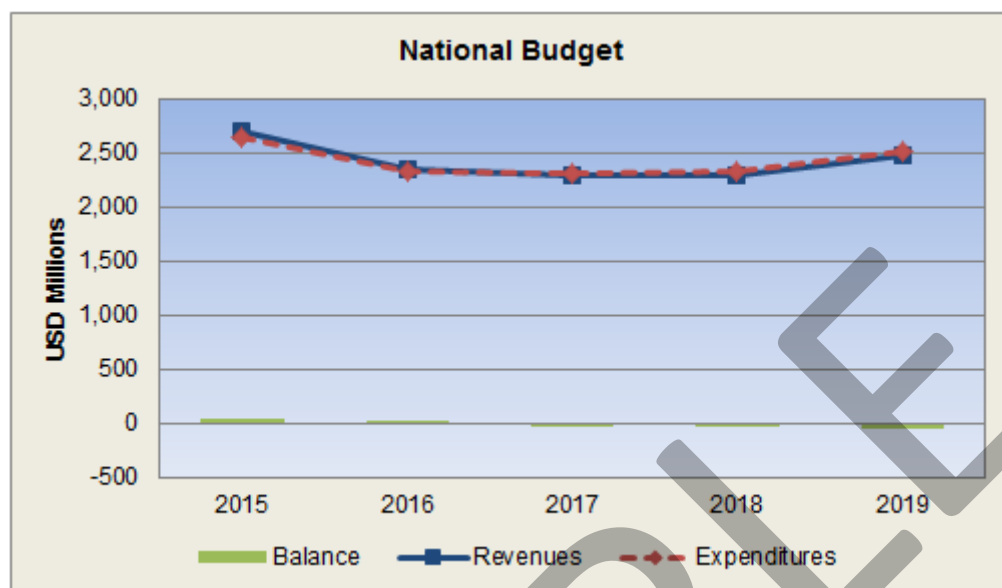
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Tajikistan: Section 1 - Data

National Budget



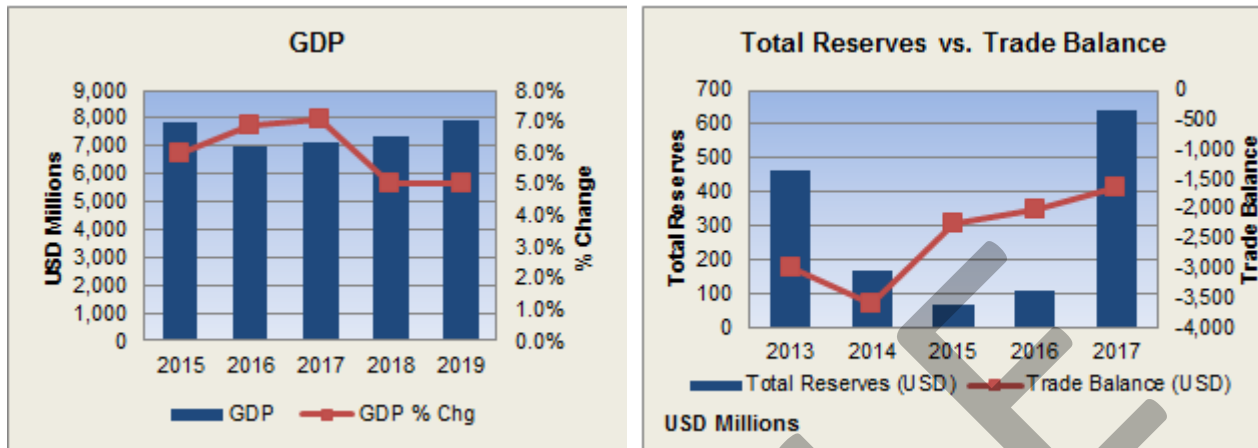
Budget. Tajikistan's fiscal year operates around the calendar year. The country's Ministry of Finance releases budget reports regularly.

National Budget and Public Debt, 2015-2019					
	2015	2016	2017	2018	2019
Gov't Revenues	16.6	18.4	19.5	21.0	23.4
Gov't Revenues (USD)	\$2,690.8	\$2,348.4	\$2,285.4	\$2,294.8	\$2,481.4
Gov't Expenditures	16.3	18.3	19.7	21.3	23.8
Gov't Expenditures (USD)	\$2,640.6	\$2,334.3	\$2,308.2	\$2,331.4	\$2,522.9
Budget Balance	0.3	0.1	-0.2	-0.3	-0.4
Budget Balance (USD)	\$50.1	\$14.1	-\$22.8	-\$36.5	-\$41.5
Gross Debt	16.6	22.9	30.8	35.5	40.5
Gross Debt (USD)	\$2,692.3	\$2,920.8	\$3,610.4	\$3,880.4	\$4,291.7
Gross Debt % of GDP	34.3%	42.0%	50.4%	52.7%	54.0%
Net Debt	N/A	N/A	N/A	N/A	N/A
Net Debt (USD)	N/A	N/A	N/A	N/A	N/A
Net Debt % of GDP	N/A	N/A	N/A	N/A	N/A

Local currency scale: billions; USD scale: millions

N/A = Not Available

Economic Synopsis



Economic Outlook. While the nation's financial sector has been relatively isolated from the recent global financial crisis, the fact that roughly one-third of the sector's revenue is derived from remittances has caused some problems. By 2010, remittances had declined, accounting for only 33 percent of the nation's GDP. Although the level of remittances gradually increased – to 47 percent of GDP in 2012 – they are once again in jeopardy due to the economic slowdown in Russia. This has lowered domestic demand in Tajikistan and slowed the rate of growth within the housing and construction industry.

The Tajik economy's dependence on remittances – and thus the economic performance of Russia and Kazakhstan, the primary work destinations for Tajik migrants – leaves the nation in an unsustainable economic position in the short term, as consumption is often tied to remittances. Unfortunately, the Tajik economy lacks the structural employment characteristics needed to absorb the return of large numbers of unemployed expat workers from abroad. The return of such workers would place enormous social and financial pressure on the nation's already stressed central government and economy.

The main risks in the short term center on governance issues in the financial sector, fiscal risks from state-owned enterprises, a slow recovery in aluminum and cotton prices, and a slowdown in activity with Tajikistan's main trading partners.

Despite the challenges it faces, the Tajik economy is expected to continue to see growth. Moving forward, the IMF expects the country's GDP to grow at an average annual rate of 4.6 percent during the 2019 to 2023 timeframe. Inflation is expected to hover around 5.9 percent during the same period.

Foreign direct investment (FDI) remains a viable means through which Tajikistan could sustain its economy and reduce its dependence on remittances. Over the next decade, the primary source of FDI in Tajikistan will transition to China. China and Tajikistan have already finalized agreements on Chinese investment in the development of Tajikistan's enormous hydroelectric energy potential. However, FDI in general remains low, at an average of around \$250 million annually in the last few years.

The changing geopolitical dynamic resulting from China's increasing economic power and Russia's institutional and infrastructure influence has the potential to shape Tajikistan into an economic battleground in Central Asia.

Tajikistan: Section 1 - Data

Economy, 2012-2019								
	2012	2013	2014	2015	2016	2017	2018	2019
GDP	36,161.0	40,525.0	45,605.0	48,402.0	54,471.0	61,093.0	67,355.0	74,966.0
GDP (USD)	\$7,593.4	\$8,505.4	\$9,252.3	\$7,852.1	\$6,950.2	\$7,160.3	\$7,359.3	\$7,951.6
GDP % Chg	7.5%	7.4%	6.7%	6.0%	6.9%	7.1%	5.0%	5.0%
Total Reserves	1,418.7	2,195.1	835.0	394.5	838.6	5,475.1	-	-
Total Reserves (USD)	\$297.9	\$460.7	\$169.4	\$64.0	\$107.0	\$641.7	-	-
Exports	6,440.0	5,540.0	5,320.0	3,515.5	5,895.8	7,990.0	-	-
Exports (USD)	\$1,352.3	\$1,162.7	\$1,079.3	\$570.3	\$752.3	\$936.5	-	-
Imports	17,900.0	19,760.0	23,040.0	17,368.3	21,791.3	21,874.2	-	-
Imports (USD)	\$3,758.8	\$4,147.2	\$4,674.3	\$2,817.6	\$2,780.5	\$2,563.7	-	-
Trade Balance	-	-	-	-	-	-	-	-
	11,460.0	14,220.0	17,720.0	13,852.9	15,895.5	13,884.2	-	-
Trade Balance (USD)	\$2,406.5	\$2,984.5	\$3,595.0	\$2,247.3	\$2,028.2	\$1,627.3	-	-
Inflation	5.8%	5.0%	6.1%	5.8%	5.9%	7.3%	5.8%	5.5%
Unemployment Rate	-	-	-	-	-	-	-	-
FX Rate (Local to USD)	4.8	4.8	4.9	6.2	7.8	8.5	9.2	9.4

Local currency scale: millions; USD scale: millions

Manufacturing Capability

Tajikistan lacks an indigenous defense-industrial base. The development of a military-technical complex in the former Tajik Soviet Socialist Republic was hindered by the country's geographic isolation from other major Soviet defense-industrial centers. While a limited component-manufacturing industrial base did operate in the northern Tajik city of Leninabad, it has most likely since closed or transitioned to commercial production.

Political and Security Environment



Source: CIA World Factbook

Background. Tajikistan declared its independence from the Soviet Union on September 9, 1991. Although a nationalist movement inspired the Tajik declaration for sovereignty, national solidarity disintegrated in the months after the country achieved its independence and became consumed by civil war.

While Tajikistan is a relatively homogenous nation composed primarily of Tajiks and Uzbeks, geographic and political divides ultimately precipitated the conflict. In May 1992, after several months of opposition demonstrations, President Rahmon Nabiyev was forced from office by armed protesters, inciting the civil war. The conflict pitted pro-government forces against an amalgamated opposition that included disenfranchised groups from the Garm region and the Gorno-Badakhshan Autonomous Region, liberal democratic reformists, former communists, and various Islamist groups.

The variety of parties involved in the civil war gave considerable external forces influence in shaping the conflict. Russian and Uzbek troops (the former based in Tajikistan) intervened on behalf of pro-government forces; Iran and other non-state actors, including radical Islamic groups that were operating in Afghanistan at the time, provided material support to opposition forces, which unified under the banner of the United Tajik Opposition (UTO). Furthermore, as the protracted conflict resulted in a breakdown in central authority throughout the country, armed groups all over Central Asia relocated to Tajikistan as the base of operations for transnational crimes, including narcotics and weapons trafficking.

In 1994, pro-government forces supported by Russian and Uzbek troops began to route opposition forces from positions in Dushanbe and the country's other major urban areas as the civil war transitioned toward a low-intensity conflict. Concurrent to this development, Emomali Rahmon, whose Kulyabi clan militants had provided substantial support to pro-government forces, was elected president. The election of Rahmon symbolized a transfer of power from the nation's northern to southern provinces that continues to affect Tajik politics.

After three years of U.N. efforts to reach a ceasefire, government and UTO forces agreed to end hostilities in 1997. According to the Russian-brokered General Agreement on the Establishment of Peace and National Accord in Tajikistan, the Tajik government would be made up of a power-sharing coalition government that required at least 30 percent of all government positions be held by opposition parties. That political structure resulted in the development of the People's Democratic Party of Tajikistan as the undisputed pro-government party and the establishment of the Islamic Revival Party (the only legal Islamist party in Central Asia), the Communist Party of

Tajikistan: Section 1 - Data

Tajikistan, and the Party of Economic and Political Renewal as the primary opposition forces. In addition, the central government forged alliances with various factions that held regional influence, creating a number of fringe political groups.

Tajikistan was reorganized into three administrative regions: two provinces directly subordinate to the central government and the autonomous region of Gorno-Badakhshan. The administrative provinces – Soghd in the northwest and Khatlon in the southwest – are organized into 26 districts; the Gorno-Badakhshan Autonomous Region is governed by a single district that reports to Dushanbe.

Despite national reorganization and the establishment of a power-sharing central government, the timing of the civil war – occurring just after the nation's independence – precluded the central government from firmly establishing control throughout the country. As a result, Dushanbe retains only loose authority over much of the nation, especially its southern and eastern border provinces.

Executive. The Tajik government is largely executive-centric, with the president serving as the nominal head of the government in addition to presiding over the Council of Ministers and the Supreme Assembly (Parliament). In accordance with the Tajik Constitution adopted in 1994, presidents are elected by popular vote for a seven-year term; however, a controversial referendum in 2003 eliminated the presidential two-term limit.

President Rahmon, who initiated support for the term-limit referendum, sought to expand executive power through a concerted effort to consolidate that power. The most evident examples of President Rahmon's increasingly authoritative role as Tajik president have occurred since 2004, at which time the 1997 peace agreement between the government and UTO expired. The share of government positions held by opposition parties has declined from 30 percent to 5 percent. Meanwhile, the Tajik legislature has become a rubber stamp for President Rahmon's policy agenda, and the position of prime minister – originally intended to balance presidential power – has been co-opted by Rahmon's promotion of Oqil Oqilov, a long-time Rahmon supporter.

The recent surge in Rahmon's effort to consolidate power follows an electoral history marked by the characteristics of an authoritarian government. Since his election in 1994, amid a civil war that prevented the presence of opposition candidates, Rahmon has never faced viable political opposition in any subsequent elections. Opposition parties were barred from the 1999 presidential election and boycotted the elections in 2006 to protest suspected government manipulation of media and interference with opposition campaigns. Further, international election observers have questioned the validity of the Tajik presidential elections in 1994, 1999, and 2006.

President Rahmon was sworn in for his fourth consecutive term in office on November 16, 2013. Thanks to a controversial referendum passed in 2003, Rahmon has constitutional authority to serve as president until 2020.

In December 2015, Tajik lawmakers voted to give Emomali Rahmon the title "Leader of the Nation." The bill also stipulates that he and his family will receive lifelong immunity from prosecution. The new title allows Rahmon to circumvent the legal restriction on running for president again in 2020, as he will permanently retain a number of executive powers, including veto power. The new law could either be an effort to extend Rahmon's rule or secure the rule of his family. Analysts have long suggested that Rahmon's son Rustam Emomali was being groomed as his successor. At 28, Rustam Emomali would not have been able to become president for another seven years; however, a January 2016 amendment to the country's constitution proposed reducing the minimum age of a presidential candidate to 30. That amendment passed in a referendum held in May 2016.

There is a degree of uncertainty over the eventual transfer of power from Rahmon – whether it be to his son or another successor. President Rahmon has led Tajikistan almost since the country's independence, meaning that transfer from his rule will be the first post-civil war transfer of executive power.

Legislative. The Tajik legislature, known as the Majlisi Oli (Supreme Assembly), is a bicameral parliamentary body divided into a lower house – Majlisi Namoyandagon (Assembly of Representatives) – and an upper house – Majlisi Milliy (National Assembly). Prior to 2000, the Supreme Assembly was a unicameral body; however, a legislative initiative brought forth by the UTO in late 1999 led to the establishment of the Supreme Assembly's bicameral structure. The 97-member Supreme Assembly is elected every five years.

Representation in the Tajik legislature varies among each house. Within the 34-seat National Assembly, provincial councils select three-quarters of the members, with the remainder directly appointed by the president. Membership in the 63-seat Assembly of Representatives is largely determined by direct popular elections: 22 seats are party-proportioned based on a 5 percent threshold, while 41 seats are chosen by single-member constituencies.

Tajikistan: Section 1 - Data

The Supreme Assembly as a whole has been characterized by the resurgence of the pro-government People's Democratic Party of Tajikistan (PDPT); the resurgence has taken the form of gradual increases in representation. Prior to the 2000 parliamentary elections, the Supreme Assembly was largely dominated by opposition forces such as the Communist Party of Tajikistan and the Party of Economic and Political Renewal, with pro-government parties collectively accounting for 10 percent of the electorate. In 2000 and again during the 2005 parliamentary elections, the PDPT asserted itself to gain a greater share of representation. It now controls 85 percent and 75 percent of seats in the National Assembly and the Assembly of Representatives, respectively. The influence of opposition parties has subsequently been marginalized; OSCE (Organization for Security and Cooperation in Europe) election monitors reported that the 2005 elections were marred by "large-scale irregularities."

The increase in electoral support experienced by the PDPT appears to be linked to President Rahmon's own consolidation of power. The correlation between the increasing influence enjoyed by the president and the pro-government party since 2000 suggests a strong relationship between the two. Furthermore, as the PDPT has strengthened its position in the Supreme Assembly, the legislative body has become more amenable to President Rahmon's agenda.

The other characteristic that was shaping the Tajik legislature until recently was the growing role of the opposition Islamic Revival Party of Tajikistan (IRPT). The growth of the IRPT, which draws considerable support from the Gorno-Badakhshan Autonomous Region, may have been a reaction to attempts by the PDPT to push through legislation designed to limit the role and influence of prominent religious groups – an act that was generally perceived as targeting the nation's growing number of Islamic institutions. Up until August 2015, the IRPT was the only Islamist political party in Central Asia legally operating in a legislature.

The successful May 2016 referendum included a provision banning political parties that were established on religious platforms.

Military Posture

Tajikistan's military primarily has a domestic focus, as the country's defense and internal security priorities are blended. Soon after its independence, Tajikistan experienced a civil war that lasted until a peace agreement was signed in 1997. During the over two decades since the agreement was signed, most armed anti-government factions have been disarmed, though some pockets of opposition exist, which was demonstrated by an Islamist militant ambush of a government convoy in 2010.

President Rahmon is primarily concerned with preventing the resurgence of anti-government violence, which is aided in part by the general public's aversion to a return to the violence that devastated the country. While President Rahmon's government has largely left many elite actors undisturbed, it has recently cracked down on the IRPT – ostensibly over government accusations that the party was involved in a spate of terror attacks in early September 2015. The IRPT has adamantly denied any links to the attacks, which were carried out by rogue general Abduhalim Nazarzoda. Throughout 2015, prior to Nazarzoda's attacks, the government attempted to diminish the IRPT, culminating in the party's ban in August and subsequent listing as a terrorist organization.

Alongside the uncertain eventual transfer of power in the country, there is concern that outlawing the IRPT could reignite armed anti-government activity, given that the party was one of the key factions fighting the government in the 1990s. The crackdown on the IRPT could upset the "elite consensus" that has helped preserve stability in Tajikistan since the end of the war. Instability in Khorog, in eastern Tajikistan, prompted President Rahmon to visit the city in September 2018 and reprimand the authorities, warning that more direct responses from the government could be in order if local officials are unable to bring criminal activity under control.

The Tajik government regularly cites the threat of spillover violence and militant activity from Afghanistan, which is the main external threat that Tajikistan faces. Insurgent operations along the country's border have prompted the Tajik military to boost its presence along the border in an effort to prevent intrusions and smuggling. In regard to the situation in Afghanistan, however, Dushanbe can rely on the Russian deployment to Tajikistan to assist with security, which deepens Tajik reliance on Russia but lessens the urgency of a force buildup geared toward Afghanistan.

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Procurement will be tied primarily to maintaining internal security. As noted earlier, Tajikistan does not spend heavily on defense, meaning that the country largely relies on donated material. Military vehicles, especially armored vehicles, are critical for Tajikistan, as are rotary-wing aircraft that can allow for troop and supply transport over the country's difficult terrain.

Infrastructure

Description. Located in eastern Central Asia, Tajikistan shares borders with Afghanistan (1,206 km), China (414 km), Kyrgyzstan (870 km), and Uzbekistan (1,161 km). Its total land area is 143,100 square kilometers.

Population. As of July 2018, Tajikistan's population was 8.6 million people, with a population growth rate of 1.62 percent; major ethnic groups include Tajik, Uzbek, Russian, and Kyrgyz

Roads. 27,767 kilometers

Railways. 680 kilometers

Airfields. 24 (17 with paved runways)

Ports. None; Tajikistan is landlocked

Pipelines. Natural gas (549 km); oil (38 km)

Telecommunications. Four state-run TV stations, 11 independent TV stations; 380,000 main telephone lines in use; 6.324 million cellular phones

Internet Service Providers. 6,258

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Analysis 1

The Military Market for Eurasia

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