

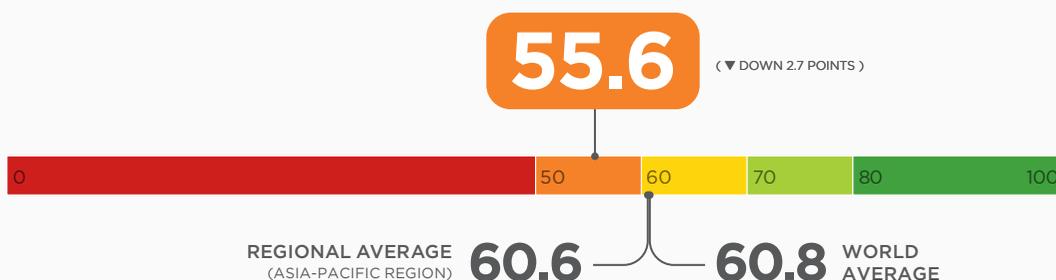
# TAJIKISTAN

Tajikistan's economic freedom score is 55.6, making its economy the 122nd freest in the 2019 *Index*. Its overall score has decreased by 2.7 points, with a steep drop in **fiscal health** overwhelming improvements in **business freedom** and **trade freedom**. Tajikistan is ranked 28th among 43 countries in the Asia-Pacific region, and its overall score is below the regional and world averages.

The government's main priorities are to support the banking sector, still on the verge of collapse, and secure external financing for large infrastructure projects. Tajikistan's poor business climate, burdensome bureaucratic regulations, and inconsistent administration remain impediments to foreign investment. Central bank expenditures to support the weak currency leave little space for additional fiscal or monetary measures. Despite some progress in privatizing small and medium-size public enterprises, private-sector development has been slow. The rule of law is exceptionally weak, and Tajikistan remains one of the world's most corrupt nations.

WORLD RANK: **122** REGIONAL RANK: **28**  
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

## ECONOMIC FREEDOM SCORE

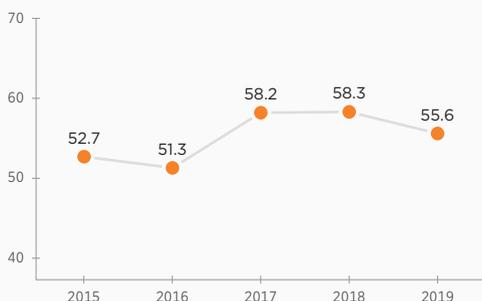


**RELATIVE STRENGTHS:**  
Tax Burden and Trade Freedom

**HISTORICAL INDEX SCORE CHANGE (SINCE 1998):**  
+14.5

**CONCERNS:**  
Investment Freedom and Financial Freedom

## FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
8.8 million

**GDP (PPP):**  
\$28.4 billion  
7.1% growth in 2017  
5-year compound annual growth 6.8%  
\$3,212 per capita

**UNEMPLOYMENT:**  
10.3%

**INFLATION (CPI):**  
7.3%

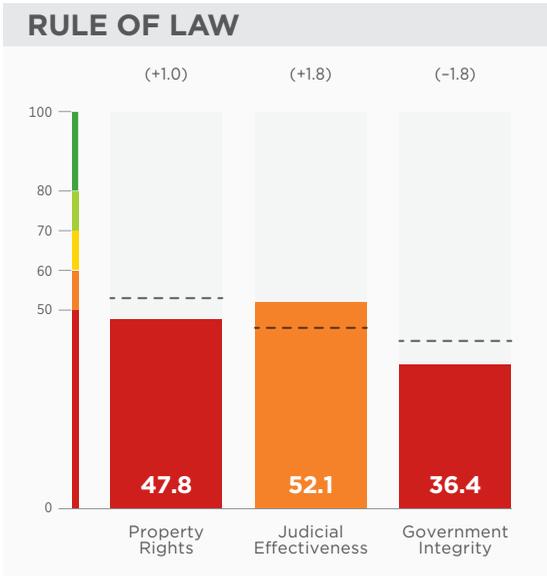
**FDI INFLOW:**  
\$141.3 million

**PUBLIC DEBT:**  
47.8% of GDP

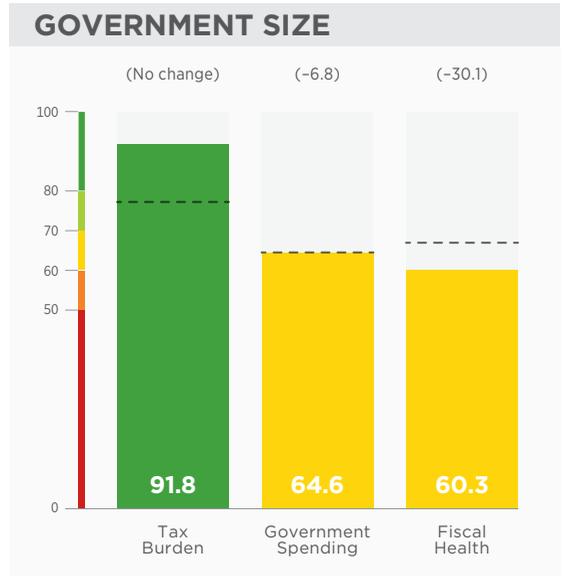
2017 data unless otherwise noted. Data compiled as of September 2018

**BACKGROUND:** The land of the Tajiks, a mountainous landlocked region north of Afghanistan in Central Asia, was buffeted and absorbed within ancient empires and, in the 20th century, by the Soviet Union. Modern Tajikistan gained full sovereign independence in 1991. Autocratic President Emomali Rahmon has been in power since 1994, and abuse of human rights is widespread. His ruling party's parliamentary election victory in 2015 was criticized by international monitors. Tajikistan relies heavily on revenues from exports of aluminum, gold, and cotton. It is estimated that the illegal drug trade and remittances from migrant workers, primarily in Russia, together account for over 65 percent of GDP. The economy is growing but remains one of the poorest in Asia.

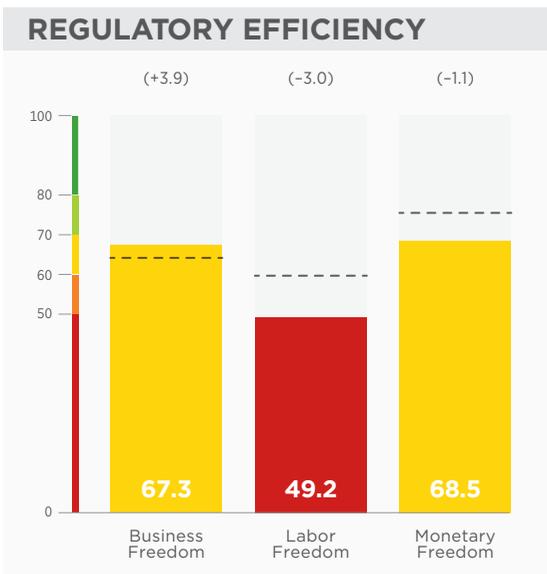
# 12 ECONOMIC FREEDOMS | TAJIKISTAN



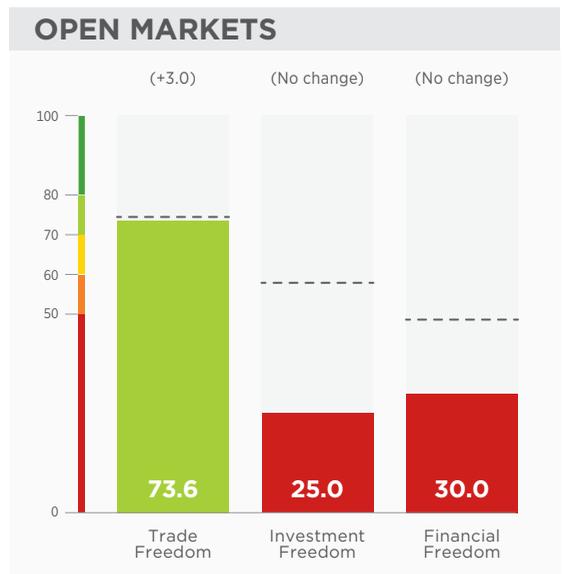
Under Tajik law, all land belongs to the state. The speed of property registration was increased in 2018, but fees were also increased. The executive branch controls the nominally independent judiciary. Many judges are poorly trained and inexperienced, and bribery is reportedly widespread. Corruption is pervasive and rarely punished. Nepotism, hiring bias, patronage networks, and regional affiliations are central to political life.



The top individual income tax rate is 13 percent. The statutory corporate tax rate is 15 percent. Other taxes include a value-added tax. The overall tax burden equals 20.6 percent of total domestic income. Over the past three years, government spending has amounted to 34.3 percent of the country's output (GDP), and budget deficits have averaged 4.7 percent of GDP. Public debt is equivalent to 47.8 percent of GDP.



Entrepreneurial activity is hampered by state interference that increases regulatory costs and uncertainty through various bureaucratic impediments. Labor regulations are not flexible enough to facilitate dynamic employment growth. The government influences prices through regulation and large subsidies to numerous money-losing state-owned and state-trading enterprises.



The combined value of exports and imports is equal to 56.6 percent of GDP. The average applied tariff rate is 5.7 percent. As of June 30, 2018, according to the WTO, Tajikistan had one nontariff measure in force, but other barriers to trade persist. The government screens foreign investment, and state-owned enterprises distort the economy. Only about half of adult Tajikistanis use formal banking services.