

CONCEPT PAPER

Trilateral Business to Business Meeting on import and export potential and investment opportunities in Tajikistan

A. Overview

Afghanistan, like Tajikistan, is a landlocked country. The border of two countries is around 1030 km. Due to geographical, geopolitical and geo-economic factors Tajikistan is one of the most important trade and economic partners of Afghanistan in Central Asia Region. Almost all goods and products that require processing in Afghanistan are imported from other countries due to the lack of production in the country. Creation of industrial enterprises will take a long time because of the limited infrastructure: the lack of domestic energy resources, the railroad in the country.

There are two bridges connecting the countries. The Tajikistan-Afghanistan bridge spanning the Panj river between Panji Poyon (or Nizhniy Pyandzh), Tajikistan and Sherkhan Bandar, Afghanistan was opened on 26 August 2007. It is an important economic artery supporting trade between two countries. Another Tajikistan-Afghanistan bridge connects the two banks of Darvaz region across the Panj River in Gorno at town Khorugh, center of Gorno-Badakhshan Autonomous Province, located in the east of Tajikistan.

The production of various goods and products in Tajikistan should support the widespread development of trade relations and increase trade turnover. In spite of these advantages, trade relations between the two countries still need improvement and expansion. Currently there are significant factors that could contribute to improving trade relations. There are three well-developed sectors in Tajikistan and could be in the interest of Afghan entrepreneurs:

- **Construction material:** Tajikistan has a significant amount of raw materials that can be used in the production of building materials, such as: gypsum plaster, cement, dried and lime-sand bricks, paint and varnish products, and roofing and filling materials. Enterprises in this sector also produce a wide assortment of new products, such as plastic windows, and doors, stained glass, mineral decorative coverings and acrylic water emulsion paints. The construction materials industry of Tajikistan is represented by enterprises with considerable export potential.
- **Textile:** The main products include fabrics, clothing, jean trousers, shorts, textiles, carpets and leather products. The sector has modern enterprises producing garments, footwear and haberdashery goods. The government is aimed at increasing the sector's export potential based on modernization and incentives for the creation of new enterprises.
- **Food stuff:** Tajikistan's food-processing industry includes canned fruits and vegetables, meat and dairy products, flour-milling, and baking. The production is sold to domestic as well as to international markets. It is obvious that companies in food processing industry have immense underdeveloped export potential. The majority of factories producing canned food are located in the northern part of the country. Tajikistan can export to Afghanistan a wide assortment of fruit concentrates, fruit and vegetable juices, jams, preserves, tomato paste and pickles.

Tajikistan is undertaking measures to create favorable conditions for internal and foreign investment, and development of the financial and banking system. Procedures for enterprise registration have been simplified. Currently, companies from Canada, the United States, the United Kingdom, Korea, Germany, Switzerland, Italy, Hungary and the Russian Federation are the biggest investors in the economy.

B. Goals and Objectives

One of the ATAR's objectives under Component 2 is to support increase of trade turnover of Central and South Asia through direct private sector engagement. This will support expand and increase of trade turnover in Central and South Asia. To implement these objectives, it is suggested to hold a business-to-business meeting in Dushanbe, where entrepreneurs of Afghanistan, Tajikistan and Pakistan will meet and learn about potential business opportunities in each country. Another objective of this event is to present the investment opportunities for businesses from Afghanistan and Pakistan in Tajikistan, particular, Sughd Free Economic Zone and Pyanj Free Economic Zone.

This B2B meeting has several objectives business relations development:

1. Introduce Tajikistan, Afghanistan and Pakistan exporters and importers;
2. Facilitate negotiations between Tajikistan, Afghanistan and Pakistan exporters and importers;
3. Present the investment opportunities in Tajikistan.
4. Organize site visits for Afghanistan and Pakistan entrepreneurs to production facilities in Dushanbe;
5. Support deal signing between Tajikistan, Afghanistan and Pakistan exporters and importers.

C. Format of meeting

The business-to-business meeting is a first initiative in Tajikistan. If meeting will be successful it is planned to conduct another meeting in the future. It is expected to hold this event on 4-5 June 2014. The meeting will be two days with official introduction and discussion of terms and conditions on the first half of the day and demonstration of samples and negotiations face-to-face on the second half of the day. The second day will be visits to production facilities.

- This B2B event will support the promotion of high-value Tajikistan products in Afghanistan and Pakistan, as well as high-value Afghanistan and Pakistan products in Tajikistan. It is expected by the end of event, the companies will signed deals.
- Tajikistan Chamber of Commerce will present the investment opportunities in Tajikistan. Tajikistan opened the Sughd Free Economic Zone, which is located in Sughd Province on the territory of the south-west industrial zone of the city of Khujand, in the most economically developed region of Tajikistan. The overall economic goal and objective of Sughd Free Economic Zone is to attract foreign and domestic investment capital. The zone offers customs and tax incentives to qualified investors that invest at least 500,000 USD and import at least 90% of the technology and equipment.
- In addition to business-to-business meeting, Afghanistan and Pakistan entrepreneurs will have an opportunity to visit production facilities in Dushanbe and to have a visual observation of production process.

D. Coordination of partners

USAID ATAR in coordination with International Trade Center Project in Tajikistan (SECO funded), Tajikistan Chamber of Commerce, Pakistan Afghanistan Joint Chamber of Commerce and Industries expressed an interest in mutual collaboration on supporting of 20 Afghan's and 10 Pakistan's entrepreneurs in exploring of potential opportunities in Tajikistan. The business-to-business meeting will be attended by 60 Tajikistan, 30 Afghanistan and Pakistan entrepreneurs will meet for signing of potential deals.

The entrepreneurs from Tajikistan, Afghanistan and Pakistan will discuss the export and import opportunities for all three countries. There is a strong interest of Tajikistan entrepreneurs in exporting of juice, textile products and construction materials to Afghanistan, cotton yarn and aluminum articles to Pakistan.

The Tajikistan entrepreneurs will be selected by ATAR/Regional Trade Advisor in Tajikistan with recommendation from International Trade Center Project, American Chamber of Commerce, Tajikistan Chamber of Commerce (all in Tajikistan). ATAR office in Tajikistan will work closely on implementation with Tajikistan Chamber of Commerce. ATAR will work closely with following partners: Tajikistan Chamber of Commerce, Ministry of Economic Development and Trade of Tajikistan, Joint Pakistan and Afghanistan Chamber of Commerce

E. Financial responsibility

It is expected ATAR will cover the following expenses: rent of space, visa processing fee, transportation for visit of production facilities, and other expenses related to actual meeting. Lodging, air transportation, meals and incidentals will be covered by entrepreneurs themselves. ATAR will subcontract local consulting company or Tajikistan Chamber of Commerce for contacting Tajik entrepreneurs, renting the premises and other administrative issues.

If any potential deals will be signed, ATAR and other USAID projects will provide with further support:

1. ATAR/USAID will coordinate efforts with Afghanistan / Pakistan and Tajikistan Custom Department for custom procedures and custom clearance and ensuring all the export related documents are in place for shipments to ensure smooth shipment once the contracts were signed.
2. Tajikistan Chamber of Commerce and Joint Pakistan and Afghanistan Chamber of Commerce will coordinate implementation process of deals signed.

F. Participants

It is expected participation of 30 Afghanistan and Pakistan entrepreneurs and 60 Tajikistan entrepreneurs.

- 30 Afghanistan entrepreneurs: 15 importers and 15 exporters
- 60 Tajikistan entrepreneurs from construction material, textile and food stuff sectors.

Persons	#
Tajik Companies	60
PAJCCI members – both Chapters	30
TCCI, associations	10
Gov official	10
Mass media	10
Donor, NGO	10
USAID	10
Total	140

G. Agenda

Agenda for Day 1

The objective of first day will be introduction of Afghanistan and Pakistan companies and providing information on Tajikistan products. The second half of the day will be aimed on panel discussion where all companies can find more information on and products business opportunities and to facilitate in face to face negotiations.

This is draft agenda and subject for discussion:

Timing	Sessions
08:30 - 09:00	Registration
09:00 - 09:10	Welcoming remarks by Ministry of Economic Development and Trade of Tajikistan
09:10 - 09:20	Welcoming remarks by USAID
09:30 - 09:40	Welcoming remarks by representative by Afghan business community
09:40 - 09:50	Welcoming remarks by representative by Pakistan business community
09:50 - 10:00	Welcoming remarks by representative by Tajikistan business community
10:00 - 10:10	Agenda and format of the meeting description
10:10 - 10:30	Introduction of Afghanistan and Pakistan companies and brief information on each company's interest by each company
10:30 - 10:45	Questions and answers session
10:45 - 11:00	Coffee break
11:00 - 11:15	Afghanistan future business development
11:15 - 11:30	Potential of Tajikistan export products at markets in Afghanistan and Pakistan.
11:30 - 12:00	Investment opportunities in Tajikistan: free economic zones in Sughd and Nizniy Pyanj
12:00 - 12:15	Transport corridors and way of export of goods from Tajikistan to Afghanistan and Pakistan
12:15 - 12:30	Questions and answers session
12:30 - 13:30	Lunch
13:30 - 14:00	Demonstration of samples by all companies
14:00 - 15:30	Panel discussion by sectors. Each Afghanistan and Pakistan entrepreneur provides with detailed information on terms of payment, terms of delivery. Tajikistan entrepreneurs provide with prices for products, packaging, and other information related to company's operation. Starting face to face negotiations.
15:30 - 15:45	Coffee break
15:45 - 17:45	Continue face to face negotiations. Each Afghanistan and Pakistan entrepreneur will have a separate desk. Tajikistan entrepreneurs should sign for face to face negotiations.
17:45 - 18:00	Closing remarks ATAR
18:30 - 21:00	Official reception

Agenda for Day 2

The second half of the day will be aimed on visiting the supermarkets and wholesale markets.

Timing	Sessions
09:00 - 09:30	Registration of Afghanistan and Pakistan entrepreneurs for site visits.
09:30 - 10:30	Site visits to production facility #1 (construction material)
10:30 - 11:30	Site visits to production facility #2 (food processing)
11:30 - 12:30	Site visits to production facility #3 (textile production)
12:30 - 13:30	Lunch
13:30 - 15:30	Visit of delegation to whole sales markets