Tajikistan Trade Brief

Merchandise Trade

In 2021, Tajikistan registered a trade-to-GDP ratio of 80.3%, and merchandise trade accounted for 90.5% of Tajikistan's total trade. From 2017-2021, Tajikistan's merchandise exports grew by 27.8% and merchandise imports increased by 7.8% nominally each year on average. Merchandise exports in Tajikistan experienced faster growth than the Asia-Pacific region's 9.6% annual growth during the same period. However, merchandise imports for Tajikistan trailed behind the Asia-Pacific region's annual growth of 10.1%. In 2021, Tajikistan's merchandise exports increased by 52.8% and merchandise imports grew by 33.6% nominally.

Services Trade

The services trade share of total trade by Tajikistan amounted to 9.5% in 2021. Over the 2017-2021 period, commercial services exports for Tajikistan contracted by 7.6% annually and commercial services imports increased by an annual average of 8.4% in nominal terms, which was lower than the Asia-Pacific's 3.7% and 1.7% average growth, respectively. In 2021, Tajikistan's services exports grew by 5.6%, following a year of 43.3% decline in 2020. In comparison, exports in the Asia-Pacific region grew by 18.8% in 2021, after falling by 21.4% in 2020. Commercial services imports in Tajikistan recovered by 29.5% in 2021, compared to 15.2% growth in the Asia-Pacific region.

Sector-wise, "Transport services" comprised 84.6% of Tajikistan's total commercial services trade in 2021, followed by "Construction services" at 4.6% and "ICT services" at 2.7%. The main driver of growth in services exports for Tajikistan over the 2017-2021 period was "Travel services", which saw an average 41.6% increase annually in nominal terms. On the imports side, "Transport services" was the greatest contributor to growth in commercial services, increasing 11% annually on average over the same period.
Top Trade Partners

In 2021, the largest merchandise trade partner of Tajikistan was the Russian Federation, representing 4.9% of its exports and 30.5% of its imports. 24.4% of Tajikistan's exports and 19.4% of Tajikistan's imports by value were traded with Kazakhstan, its second largest trade partner. Other significant trade partners were China, Uzbekistan, Turkie, Switzerland, India, Iran (Islamic Rep. of), Germany, and Belgium.

Top Traded Products

The largest merchandise product category exported by Tajikistan in 2021 was "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form" (7108), with an export share of 23.8% of total exports, followed by the second most exported product category, "Cotton; not carded or combed" (5201), which accounted for 13.7% of Tajikistan's total exports. In terms of imports, "Petroleum oils and oils from bituminous minerals, not crude; preparations n.e.c, containing by weight 70% or more of petroleum oils or oils from bituminous minerals; these being the basic constituents of the preparations; waste oils" (2710) represented 9.9% of total imports, standing out the top imported product category. Meanwhile, "Wheat and meslin" (1001) had a share of 6.3%, the second largest imported product category in Tajikistan in 2021.
Tariffs

In 2021, the average MFN applied and effectively applied tariff rates faced by Tajikistan amounted to 3.5% and 1.7%, respectively, which were lower than the Asia-Pacific's average rates faced of 4% and 3%. As for tariffs imposed by Tajikistan, the MFN applied and effectively applied tariff rates averaged 5.6% and 2.3% in 2021, and the average MFN bound tariff rate amounted to 7.5%. Tajikistan's imposed tariff rates were mostly lower than the Asia-Pacific's average MFN applied, effectively applied and MFN bound rates of 4.2%, 3.4% and 11.5%, respectively. Tajikistan acceded to the WTO on 2 March 2013. Currently, 99.5% of Tajikistan's tariff lines are bound.

Foreign Direct Investment (FDI)

Tajikistan recorded an average annual FDI inflows decline of 15.1% from 2017 to 2021, which was lower than the Asia-Pacific's 3.8% average annual FDI inflows growth. In 2021, Tajikistan experienced a decline in FDI inflows by 21.1%. In terms of FDI outflows, Tajikistan had an average annual FDI outflows growth of 7.2%
in the last five years, which was higher than the Asia-Pacific's 3.2% average annual FDI outflows growth. In 2021, Tajikistan experienced a decline in FDI outflows by 32.2%.

**Trade Costs**

Tajikistan's trade costs were lowest with the East Asia-3 economies of China, Japan and the Republic of Korea. In 2019, trade costs with the East Asia-3 economies, on average, amounted to 273% of the value of goods, as compared to when the countries trade these goods within their borders. Trade costs were higher with the Large Asia-Pacific Developing-4 economies (China, India, Indonesia and the Russian Federation) and Europe-3 economies (Germany, France and the United Kingdom), amounting to 311.8% and 316.4%, respectively. As of 2018, Tajikistan ranked in the 13th percentile for logistics performance among other countries in the Asia-Pacific region.
Non-Tariff Measures (NTMs)

Non-tariff measure (NTM) incidence varies across sectors. For Tajikistan, Mineral Products, Wood and Stone & Glass had the highest percentages of imports regulated, where 100%, 100% and 99.4% of trade volume was subject to at least one NTM, respectively. The average coverage ratio for all other products was 74.2%. In Tajikistan, Animal & Animal Products were subject to 5.2 distinct NTMs, which was the highest, followed by Foodstuffs and Vegetable Products, in which the average product was subject to 5.2 and 3.6 different NTMs. All other products in other sectors were subject to 2.3 NTMs on average.

On the exports side, 69.9% of export volume to Russian Federation and 100% of export volume to Kazakhstan, Tajikistan's top two trade partners, faced at least one NTM. For all other trade partners, the average coverage ratio was around 58.1%. Exports to Russian Federation and Kazakhstan faced 5.6 and 6.8 NTMs on average, respectively. The prevalence score for all other trade partners was 3.2 NTMs on average.

Trade Agreements

Tajikistan had 7 trade agreements in force, 0 signed agreements pending ratification and 0 trade agreements under negotiation as of 2021. Of the economy's total exports for the year, 58.6% were directed to its trade agreement partners, while 36.1% of its total imports came from trade agreement partners.

<table>
<thead>
<tr>
<th>Title</th>
<th>Status</th>
<th>Year in Force</th>
<th>Share of Total Exports (%)</th>
<th>Share of Total Imports (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia-Tajikistan</td>
<td>in force</td>
<td>1994</td>
<td>0.00</td>
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<td>Tajikistan-Uzbekistan</td>
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<td>Tajikistan-Kazakhstan</td>
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<td>0.90</td>
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<td>Kyrgyzstan-Tajikistan</td>
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<td>2000</td>
<td>0.38</td>
<td>0.49</td>
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<tr>
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<td>2002</td>
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<td>Economic Cooperation Organisation Trade Agreement (ECOTA)</td>
<td>in force</td>
<td>2008</td>
<td>58.32</td>
<td>34.56</td>
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</table>
Sources: Historic merchandise trade and commercial services data were accessed from the WTO statistics website. Merchandise and services projections were obtained from the Economist Intelligence Unit. Product-level and partner-level trade data were accessed through the UN Comtrade database. Tariff data were accessed through WITS and WTO tariff database. FDI data were accessed through UNCTAD stat. Trade costs data were based on the ESCAP-World Bank trade cost database. Logistics performance data were retrieved from the World Bank LPI dataset for the latest year available. Trade-to-GDP ratio was calculating by summing commercial and merchandise exports and imports and dividing the sum by the latest GDP (current United States dollars), retrieved from the World Bank World Development indicators database. NTM data were accessed through UNCTAD TRAINS. Preferential trade agreement data were retrieved from the GPTAD database through WITS.

Note: Data are based on economies for which data available only. Merchandise trade data follow the latest HS classification. Products are defined at the 4-digit level. Tariffs are trade-weighted averages. Trade costs are simple average across country groups and exclude the cost of tariffs. NTM data may not be reported for top 10 trade partners.

Definitions: MFN bound tariff is the maximum most-favoured nation (MFN) tariff permitted under WTO obligations. MFN applied tariff is the tariff applied to imports among WTO members. The effectively applied rate is the lowest available tariff (between any preferential tariffs and MFN tariffs at the HS 6-digit level). Binding coverage refers to the share of bound tariff lines in the total number of tariff lines. For more details contact escap.tiid@un.org. For country reports on regional integration, please visit the RIA website.