

# INDUSTRY AND AGRICULTURE OF TAJIKISTAN



# Industry of Tajikistan

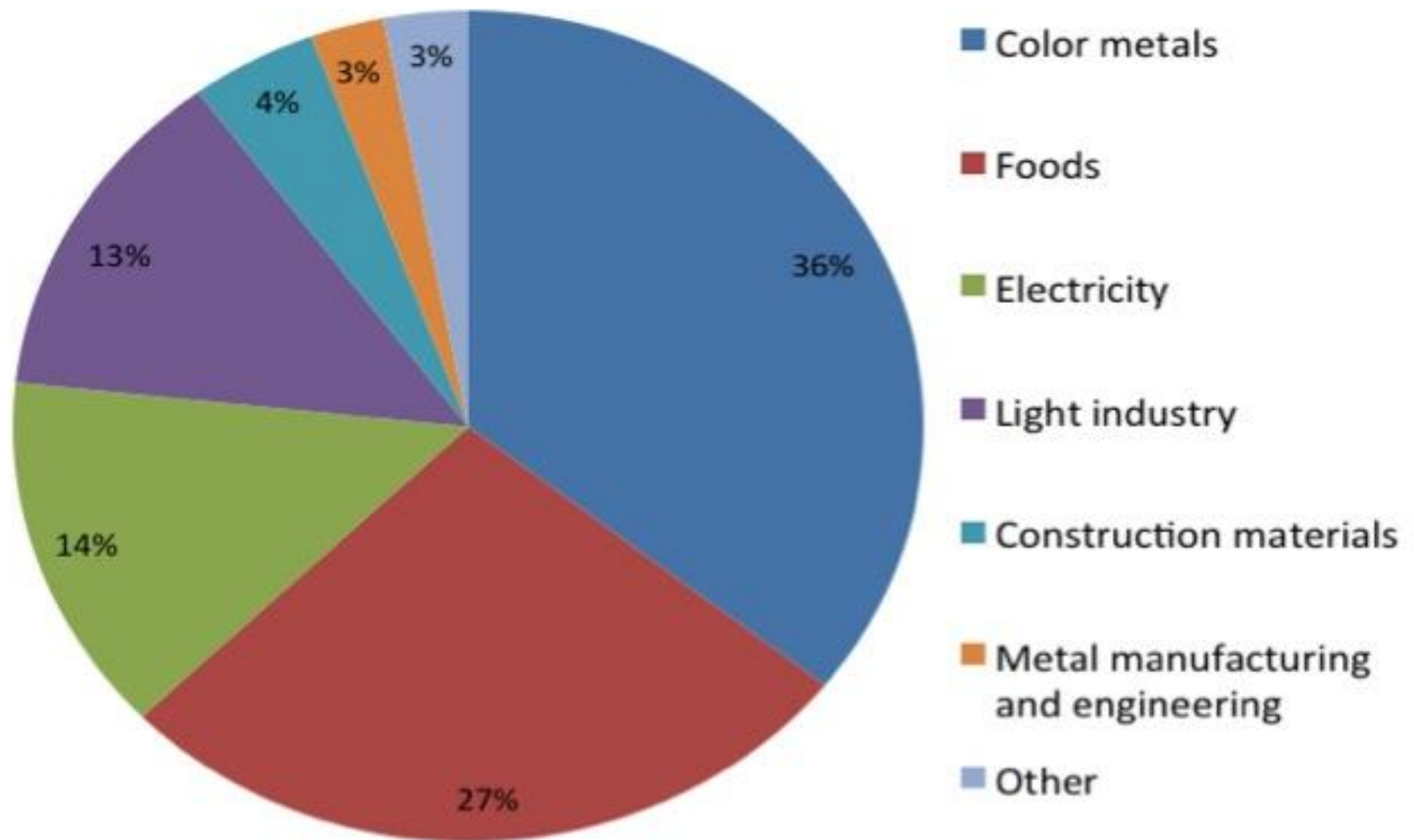
- A small number of state-owned enterprises dominate Tajikistan's industrial sector. The government's post-independence plans to extensively privatize industry have been hampered, first, by the five-year civil war 1992–1997, and then by the effects of the Russian financial crisis in mid-1998 that have put concerns about financial stability ahead of privatization. By early 1992, the state accounted for about 84% of asset ownership in the industrial sector, as compared to a high of 98% in the late 1980s. The civil war damaged an already weakly developed industrial sector, and basic security remains a concern. Industry in Tajikistan consists in sum of one large aluminum smelter, hydroelectric power installations and a number of small plants engaged in light industry and food processing. Virtually all are in need of upgrading and modernization.



- Tajikistan's aluminum plant, the [Tursunzade Aluminum Smelter](#) (TADAZ), built in 1975 and located in Tajikistan because of access to cheap electric power, is the third-largest in the world, with a capacity of 517,000 tons a year. In 2001, it was operating at 25% capacity (producing 113,000 tons), down from 86.5% capacity in 1990 (producing 450,000 tons, the closest it has come to full capacity utilization.) The \$210 million earned in export revenues constituted 53% of total export receipts for the year. In 202, TADAZ's [output](#) increased to 307,000 tons, and plans are for it to reach 346,000 tons annual output by 2005. Almost all of its output is exported, though there are small downstream cable and foil operations. The plant directly employs 12,000 to 14,000, and indirectly supports a community of 100,000. The government announced its intention to sell shares in TADAZ, retaining a majority control. However, the plant has accumulated a large external debt, probably over \$100 million, lessening its attractiveness to outside investors. In early 2003, the [IMF](#) somewhat uncharacteristically advised against privatization of either TADAZ or the country's hydroelectric facilities.

- Tajikistan is the world's third-largest producer of hydroelectric power, behind the United States and Russia. However, TADAZ uses about 40% of the country's electricity production, and Tajikistan has the lowest electricity usage rates among the former Soviet counties, enough for only a few hours a day of electricity in the winter. Furthermore, only about 5.5% of its hydroelectric power production potential has been developed. In 2001, only 16.5 billion kiloWatt hours per year (kWh/y) out of a potential 300 kWh/y were produced, 3.9 billion kW/y of which were exported. About 12 power projects are at some stage of construction but most are stalled for lack of financing. The energy shortage in turn has shut down much of the country's industry. About 85% of Tajikistan's current hydroelectric power is produced by stations along the Vakhsh River. The largest of these is at Nurik (11 billion kWh/y capacity). A larger facility (13.3 billion kWh/y) at Rogun on the Vakhsh is unfinished because of lack of financing related to concerns about both security and vulnerability to earthquake. If completed, the Rogan Dam would be the tallest in world at 335 m (1,105 ft). Even larger, although only in the planning stage, is a 14.8 billion kWh/y facility for Dashtijum on the Panj River along the Afghan border.

## The structure of industry output of Tajikistan in 2010



- The production, transportation and distribution of electricity is under the state-owned joint-stock company Barki Tojik. Light industry includes the Tokof 1997, the government was in the process of privatizing Glavkhlopkoprom, the state organization that controls the ginning and partly the selling of cotton fiber. In 2000, 18 cotton ginneries were sold at two auctions, bringing in a disappointing \$9 million. The food industry is the second-largest contributor to gross industrial output, processing domestically harvested fruit, wheat, tobacco, and other agricultural products. Aside from aluminum and other processed metals, the country's small intermediate and heavy industry subsectors produce engineering goods, hydroelectricity, power transformers, cables, and agricultural equipment.

# Agriculture of Tajikistan

- Tajikistan is primarily an agricultural country, with as much as 70 percent of its population living in rural areas and 65 percent of the workforce being employed in the agricultural sector, especially the cultivation and production of cotton. The Soviet Union had designated much of Central Asia's agriculture, including Tajikistan's, as a cotton monoculture (production of one type of crop). Before independence, production of raw cotton averaged more than 800,000 metric tons per year. In 1999, by contrast, raw cotton production was only 316,000 metric tons. Cotton still accounts for two-thirds of total agricultural output, however. Export of cotton fiber in 1999 accounted for a relatively low figure of US\$92 million or 13 percent of GDP. The main reasons for a decline of cotton production are the substantial reduction in state **subsidies** to farms, the consequent inability of farms to purchase sufficient inputs such as fertilizers and other agronomic goods, and the deterioration of the irrigation system and agricultural machinery.

- The primary food crops are wheat, barley, maize, potatoes, and rice. There are more than 800,000 hectares (2 million acres) of arable land in Tajikistan, which is equivalent to merely 6 percent of the country's land mass. The far majority of the arable land is located in the flood plains of the Kofarnihon, Vakhsh, Yakhsu, and Ghizilsu Rivers, all of which flow toward the Amudarya and Syrdarya rivers. In addition to the cropland, there are an estimated 3.5 million hectares (13,500 square miles) of permanent pastures. With its fast-growing population, Tajikistan has a comparatively and increasingly low per capita cropland. Wise use of agricultural lands, therefore, is an extremely important issue for Tajikistan. Since 1995, with the encouragement of semi-private farming and the distribution of more than 50,000 hectares (125,000 acres) of land to mostly rural households, there has been a significant increase in the production of grain, however, inclement weather since 1999 has severely affected overall agricultural production, including grain and cotton. The effects of floods have been exacerbated by the lack of proper land and water management by local governments, as in not maintaining riverbeds and allowing for the over-grazing of hills and valleys. The combined natural and human effects, have, among other things, led to a lowering of grain harvests, which had been an abundant 550,000 metric tons in 1997. This total fell by 57 percent to a low of 236,000 metric tons in 2000.



## The advantages of agriculture in Tajikistan

The agricultural sector in Tajikistan has several competitive advantages. Tajikistan produces good quality raw produce (e.g. raw cotton, fruits and vegetables) and has relatively low labour and electricity costs. The country's climatic diversity, fertile soil and favorable water conditions enable the production of a variety of fruit and vegetables known for their special flavour and vitamin. Long growing periods with long and **numerous** sunny days result in fruit with high sugar content, especially in some parts of the country (e.g. Sughd in the north or Khatlon in the west). Besides cotton and fruit (cherries, apricots, apples, peaches and lemons), the country also produces onions and nuts such as pistachios and almonds.

