

Annual address of the President of the Republic of Tajikistan Emomali Rahmon to Majlisi Oli of the Republic of Tajikistan

Dushanbe, April 25th, 2008

***Distinguished members of Majlisi Milli and the deputies of Majlisi Namoyandagon!
Dear compatriots!!!***

The message about the main directions of internal and foreign policy of the Republic of Tajikistan which is offered to your attention today is a logic continuation of last years' statements of the President of the country, addressed to the legislative authority.

We still are passing a way of realization of those strategic missions and purposes which we have defined for ourselves during last years.

Most of these goals and tasks have been foreseen for a long time period and every year we overview the process of the implementation in accordance with a current economic and social situation of the country and also some part of them are developed with consideration of the development of modern world and we set and determined new objectives and duties.

In this process, acceleration of economic reforms which are directed toward development of all social and manufacturing sectors of the country is considered as our important task.

In order to achieve Millennium Development Goals, the Government of the Republic of Tajikistan has adopted National Development Strategy for the period till 2015 and Poverty Reduction Strategy for 2007-2009. The purpose of adopting and realization of National Development Strategy is to increase Gross Domestic Products 2.5 times and decrease the level of poverty of population twice.

Socio-economic policy of the country is primarily directed, first of all at maintenance sustainable economic development, increasing the level and living standard of the people, improving social protection of indigent citizens and creation of necessary conditions for breeding healthy and educated generation. Regarding our complied works, it's necessary to mention that last years consistent development and sustainable growth of national economy is observing: in the result of the realization of adopted programs of socio-economic development of our country, during last seven years a volume of Gross Domestic Products has been increased to 81%, and comparatively exceeded 2006 index to 7.8 %.

Implementation of initiatives envisaged in the fields of financial and tax policies promoted increase of profitable part of the state budget and its general volume consisted 19 % of Gross Domestic Product last year.

Decreasing tendency of external debt has proceeded in 2007, for example: if in 2000 its general volume was 108 % of Gross Domestic Product, but in the begging of this year this amount has been equaled to 30 percent of GDP. However, there are some factors and obstacles still existing in this direction, including external factors that is dynamically varying condition of modern world, increasing price of Oil and Gas, foodstuffs, ecological and technogenic calamities negatively affect economic and social situation of our country, **which obliges us to take supplementary necessary actions on prompt implementation of national strategic interest - to guarantee energy independence of the country, to get country out of communication isolation and ensure food security.**

In addition to that, energy crisis which occurred due to severe frost winter, Tajikistan had never been faced such situation before, including draughty March and spreading of grain insects which indicates the hot and droughty year, has negatively influenced to the level of living standard of the people. The rise of the prices has once again showed that our food markets still primarily depend on import of main products and stability of prices depends on oil and imported grain crops cost.

According to statistics, only in 2007 our country has imported goods and production of 8.3 billion somoni which it is 26% more than in 2006. Namely, in the beginning of this year, in a view of this situation and with the purpose of protection of food security of the country, I have addressed to the people of my country concerning reasonable and effective utilization of all reserves and opportunities. As well as the ministries and agencies, organizations and institutions, banks and regional executive authorities in the cities and districts are responsible to timely provide agricultural farms and people with small loans, high quality seeds, fertilizers, equipments and other necessary means to.

Indeed, one of the important ways of protection of consumers market of the country from negative influence of external factors and prevention of price growth for foodstuffs are effective and rational use of arable lands, raising the level of crop yield and increase of its own agricultural production manufacturing. Therefore, it is necessary for the heads of the Ministries of Agriculture, Melioration and Water Recourses, Agricultural Academy, regional authorities of cities and districts to timely implement tasks given in the statement of the President of the Republic of Tajikistan on effective use of the lands and the Middle-term Economic Development Program of the Republic of Tajikistan for the period of 2015 as a main direction of activities and take necessary initiatives for the sake of ensuring food security of the country.

Severe frost winter this year caused the economic damage of more than 2 billion 900 million somoni which it certainly creates difficulties in achieving expected macro economic indicators.

In this regard, the Government of Tajikistan and heads of executive authorities of the regions, cities and districts are also responsible, to keep up the level of the previous years capability indicators and further wellbeing of socio-economic situation of the country, increasing the possibility of adaptation of national economy to the world prices and decreasing the level of its dependence from outside negative impacts and take necessary steps for their implementation.

So, under the current situation the Ministry of Economic Development and Trade is responsible to evaluate and create new macro-economic strategy of the country together with other ministries and agencies.

In order to keep sustainability of the situation in internal food market and preventing undesirable phenomena during the purchase of goods and services, the Ministry of Economic Development and Trade together with other ministries and agencies are responsible to prepare appropriate legal documents for settlement of retail trade, food and domestic services for the population and submit to the Government for further consideration.

Coordination of functioning of the state authorities and private sectors, attraction of investments, as well as foreign direct investments to economic sector will lead to the continuation the sustainable socio-economic development of the country, which in turn will gradually decrease the level of population poverty. Development of above mentioned sectors, in particular, improvement of employment status of population within the country, strengthening of export diversity, improvement of quality and promotion access of the population to public services will increase population living standards.

For the fruitful promotion of tax and budget policy and further expansion of state budget income, Ministry of Finance, Ministry of Economic Development and Trade, Tax Committee, Custom Service and other related agencies should reconsider tax efficiency again as soon as possible, have to take concrete and effective measures to receipt taxes and other social funds surpluses to state budget, intensify the fight against hidden economy, prevent and diminish the level of corruption as well as improve the situation of taxing in economy.

Furthermore, analyzing income indicators of the state budget, tax surpluses and social expenses should be considered.

Realization of abovementioned initiatives in 2008, state budget income should be increased to 21% and to 24% of the gross domestic product till 2011. Particularly budget

deficit should be kept stable and shouldn't exceed half percentage of the gross domestic products.

In the situation of increasing price for oil, food and deficit balance of foreign trade, activity of bank and financial sectors should be strengthened in order to take further steps to retain control over inflation rate.

In this connection, the Government and National Bank of Tajikistan are responsible for the implementation of arrangements on restraining the level of inflation and national currency rate.

Issues related to exchange rates of the currencies, determination of interest rates, credit policy and as well as condition of state market supply with food, depend on globalization of world economy.

Last months unprecedented and artificial growth of the prices for oil and gas in the global market, as well as strengthening of threatening tendency of unexpected food price growth, in particular grain and wheat has negatively affected the economy of many countries as well as national economy of Tajikistan. It becomes clearer that unstable process of globalization brings decline to the economy of some countries.

Especially the countries that are in a transition process and not ready for existing competition in the global market will suffer more than others. We could hope that respected International Organizations, international financial institutions and industrialized developed countries of the world will certainly respond to these transnational threats and will take necessary steps for the sake of fair economic relations in the global world.

In our opinion, this system will undoubtedly promote ensure of security and prosperity of not only individual countries, but of all the states in the world.

Necessity of the establishment of this system comes from the well known statistic reports of financial institutions - World Bank and International Monetary Fund, that now more than 33 countries have faced severe economic crisis and they caused economic loss of 1 trillion US \$ in total.

Effective monetary - credit policy and sustainable development of banking system depends on the process of institutional reform, especially on transforming the structure of National Bank.

Thereupon, all above mentioned reforms must be conducted in accordance with advanced experience by the end of this year.

Moreover, further increasing of banks capital, opening branches of foreign banks in Tajikistan, strengthening the role of national banks in extension of credits, resolving the

issues of cotton producing farms and setting a new mechanism for financing cotton producing sector, securing transparency in banking transactions must be a principal course of monetary and credit policy of our country.

Comprehensive assistance on completion of important economic, transport, communication and energy projects, protection of economic interests, penetration to new markets and new jobs creation are the topical issues of foreign economic policy of Tajikistan.

With the aim of resolving abovementioned important issues and acceleration of economic reforms we will further continue our mutually benefit cooperation with the respected international financial institutions, including International Monetary Fund, World Bank, Asian Development Bank, European Bank for Reconstruction and Development and Islamic Development Bank.

An experience of developed countries proves that free economic zones play significant role in attraction of investments. This year, government will create 2 free economic zones in the country, which they will have to give a new impulse to growth of industrial manufacturing and trade development. Spadework of these projects is in process now. Recently a volume of investment inflow to the national economy has been increased and amounted 3 billion somoni in 2007, which 1,5 billion of them are direct investment. However, still it is not enough.

Thus, for the mobilization of big investments, Ministry of Economic Development and Trade, State Committee on Investments and State Property Management as well as other appropriate agencies are liable for developing new investment projects and submit to local and foreign investors.

Alongside with that, the Government of Tajikistan has to undertake practical measures on creation more opportunities for mobilization of local investments. Today, we should provide necessary and favorable conditions to fasten the process of modernization of industrial enterprises and development of equity market, mobilize definite part of stocks of industrial companies for attraction of investments and improvement of competitive production.

In this connection, within the framework of equity market's development strategy, Ministry of Finance, Ministry of Economic Development and Trade, State Committee on Investments and State Property Management and National Bank obliged to work out legal documents for establishing new financial means of stock markets, to create advantageous climate for investment, trade development and fortification of investors' rights protection.

Dear audience!

The energy crisis of last year forces us to take efficient steps on strengthening energetic capability of the country, modernization and rehabilitation of power stations potential, to establish a pretreatment of coal and redundancy elimination of electricity and gas loss.

This year there are more than 850 million somoni from all the sources of investments will be directed for construction of power stations.

At the present time construction of 95 small power stations completed and put into operation, as well as there are 21 more power stations are being built and according to the investment projects construction of 20 small power stations is planned. **By the end of this year, there are three last aggregates of “Sangtuda - 1” hydro-power station will be put in commission and constructing works of “Sangtuda - 2” will be enhanced.**

Now, on the basis of investment projects that are in amount of 1, 5 billion somoni, construction of Electricity Transmission Lines 500 kWt «South-North», 220 kWt «Lolazor-Khatlon», reconstruction of municipal energy sector and decrease of electricity loss is planned.

Within the frames of government and direct investment project programmes a mobilization of 4,5 billion somoni is envisaged during next three years for rehabilitation, modernization and construction of hydro power stations and high-voltage electricity transmission lines.

Since 1991, within 17 years, for the first time we have an opportunity to speed up construction of Rogun hydro power station through assignment 136 million somoni of public budget and local enterprises funds.

State budget financing of this project will be twice increased next year and will consist 272 million somoni. With the objective of soon completion of construction of “Rogun” hydro power station, the World Bank supported an appeal of the Government of Tajikistan in organization of international consortium and works in this direction have already started.

I would like to remind you that the construction of “Rogun” hydro electro-station had been started during soviet times and about 40% of constructing works in this object as well as purchase of equipment in amount of more than 1 billion USD have been completed till today.

For completion of this great object construction there Open Joint-Stock Company “Rogun” has been created. Charter and its managerial structure have been approved and began to function.

In this regard, the Government is empowered using and attracting all resources and opportunities to take concrete initiatives for putting in operation first stage of “Rogun” hydro power station.

Taking this opportunity, I want to kindly appeal all the people of the country, especially the engineering staff, highly qualified constructors and specialists of energy and constructing sectors to actively participate in using all resources for the

purpose of promptly completing of construction and putting “Rogun” hydro electro-station in operation as well as contribute to securing energy independence of Tajikistan.

On the issue of restoration of existing hydro-power stations capacity, I want to notice, that because of long exploitation of “Nurek” hydro-power station from 1972 and “Kairakkum” hydro-power station from 1956 machines and equipments of these objects became obsolete.

In addition to that, bottom of water reservoir is raising and reservoir capacity has been decreasing because of the sediments.

Therefore, Ministry of energy and industry, State Committee on Investment and State Property Management, as well as Open Stock Holding Company “Barki Tojik” should necessarily undertake the concrete measures for renewing and reconstruction of these hydro-power stations with attraction of foreign preferential investments, preferably, by mobilization of grants. With the purpose to improve the level of ensuring electricity and heat to population, now “Tajik Aluminium Company”, “Barki Tojik” and municipal authority of Dushanbe are responsible to bring output capacity of thermal power plants in Dushanbe to the capacity of 180 megaWatt and 120 megaWatt in Yavan region by October.

At the same time, involving foreign investment, the Ministry of energy and industry together with “Barki Pomir” Company will be obliged to work out a project feasibility study of “Sanobod” hydro power station with the capacity 80 of MW within the Rushon region and submit to the Government. Besides, for the purpose of improvement of conditions of electricity supply of the mountain regions and reasonable utilization of water resources the Ministry of Energy and Industry will be given an order to elaborate Long-term Program of construction small hydro-power stations cascade for 2007-2020 and should submit it to the Government of Tajikistan in new edition. In a view of establishing fruitful activity of all the spheres of national economy and satisfaction of consumers’ requirements on energy and heat, the Ministry of energy and industry, the State Committee on Investment and State Property Management in a joint cooperation with other Ministries and agencies of the country are responsible to submit to the Government concrete conclusions upon wide using of power supply sources, including sun, wind and small rivers, exploration of coal, oil and gas resources. Moreover, circumstantial analyze of uranium resources existing in the country and preparation of concrete proposals on their realization have a significant importance. In addition to that, the Government, as well as the Ministries of finance, energy and industry, “Barki Tojik” and “Tajik Aluminum Company” will be given an order from 2009 to envisage the assignment of necessary financial means for preparation of project feasibility study and working out “Shurob” hydro-power station with a capacity of more than 1000 Megawatt.

Ministry of Economic Development and Trade, Ministry of Finance, Ministry of Justice, State Committee on Investment and State Property Management have to identify the process of financial participation of the citizens and local companies, as well as the organizations in spite of type of their properties in a construction of large and small hydro power stations, take into account their encouragement, stipulate the ways of its further implementation and submit concrete proposals to the Government.

At the present time, we need to pay a continuous attention to the issue of preventing improper spending and loss of electricity, heating, natural gas and water.

We adopted a law with a view of regulation of traditions and ceremonials. Therefore it is necessary to seriously control realization of this act in future as well.

We should set up works in such direction in order be able to reduce the spending and improper expenses in all spheres of life, including in utilization of heating, electricity, water and gas and this behavior should be a part and parcel of family breeding of the people.

In regard with this issue Ministries of Energy and Industry, Melioration and Water resources, “Barki Tojik” Company, State Unitary Enterprise “Tojikgas”, local executive authorities of cities, districts, regions and all the members of society, should take efficient measures on reasonable utilization of above mentioned resources and import of economically efficient electricity equipments.

In connection with the use of hydro energy resources of the country I would like to underline that the construction of water reservoir basins in upper stream of the country is not in the interests of these countries only. Water reservoirs do not reduce water resources, but on the contrary they keep its level.

Today everybody knows that 93% area of Tajikistan consists from mountains and our country uses 7% – 8% of its water resources at all.

From this point of view, we are constructing water reservoirs in Vakhsh, Panj and Zarafshon rivers not only for the irrigation benefits, but, first of all for producing electricity. At the present time it is in the favor of down-stream countries. At the Soviet time, during the planning of cotton lands irrigation project which was an only strategic agricultural crop in the region, construction of water reservoirs in the upstream countries had been planned for water supply of down-stream countries. In order to clarify some details, I will remind you some numbers: after completion of “Kayrakum” and “Norak” water reservoirs, about 1 million hectares of the lands in downstream countries were irrigated and ameliorative situation of more than 2 million hectares of lands was improved.

I underline it again, that Tajikistan will never support the initiative of implementation of water and energy projects to the prejudice of its neighbor countries.

Furthermore, in the way of realization of our state energetic policy, we – people of Tajikistan have to constantly take into account one important principle, that construction of hydropower stations and guaranteeing energy security of the country became a vital issue of the day of Tajik state.

We therefore are obliged to achieve this strategic goal by using all our opportunities and recourses in the near future.

Dear friends!

Development of agricultural crops production is the most important factor of ensuring food security of the country. Therefore, the issues of reasonable use of lands and increase of their productivity in this direction are our main duties. Adoption and proper implementation of state programmes on ensuring food security and development of fruits and vegetable export for the period till 2015 will allow improve condition of land use and take drastic measures in the cases of its misuse.

In the condition of growth of world prices for foodstuffs especially the prices for grain crops, rational and efficient utilization of every pieces of land is a moral and vital duty of the farmers.

In other words, we will be able to guarantee a food security of the country when we'll mostly increase a volume of local agricultural crops production and be less depending on imported foodstuff.

At the present time, with a purpose to facilitate an agricultural sector, normalize conditions of irrigated lands and restore the irrigation facilities there are 15 joint investment projects with a total volume of 940 million somoni has been implementing in Tajikistan.

In addition to that, there are 50 million somoni were assigned from the state budget for purchasing agricultural crops seeds, elimination of agricultural pests, gardening and viticulture development, cattle-breeding, bee keeping and other measures. Moreover, with the aim to facilitate cotton growing farms there 140 million somoni of lax credit was allocated from the state budget this year through commercial banks of the country.

Now, a micro-credit mechanism with a volume of nearly 350 million somoni has been widely implementing in order to promote agricultural field which exceeds an indicator of last year three and half times.

The realization of mentioned initiatives allows increase a volume of agricultural productions to 16% and labour productivity to 8% per year. Ministry of agriculture, other appropriate authorities and agencies, as well as executive bodies of regions, cities and districts should play an important role in implementation of agrarian policy of the country on ensuring food security and development of agrarian product processing industry.

Alongside with this, Ministry of Energy and Industry, Ministry of agriculture and Academy of agricultural sciences, executive authorities of regions, cities and districts should take urgent and necessary measures for qualitative fulfillment of adopted

programs on gardening and viticulture, cattle-breeding, poultry, fruits and vegetable processing as well as other agricultural programs. Today total acres of arable lands in Tajikistan consist 710 thousand hectares which 500 thousand of them are irrigating areas.

Cotton is sown in 250 thousand hectares of land and the rest of the lands will be assigned for planting agricultural crops, including grain, vegetable oil, potato, vegetable and forage.

Arable land that suitable for two-times sowing in a summer season consists 100 thousand hectares which it can be increased to 250 thousand hectares at the end of summer till autumn.

Additional harvest that would possible to grow in this area will consist of 350 thousand tones of grain crops, vegetables, vegetable oil, as well as 1 million and 200 thousand tones of forages.

It should not be forgotten that our people were landowner for a long time and our homeland is one of the ancient centers of farming culture. In view of favorable climate and God-gifted water and land resources which are very suitable for growing all kinds of crops, fruits and vegetables, we should not feel shortage of foodstuffs anymore.

In nowadays condition, development of industry and most of all, light industry, particularly silkworm breeding is significantly beneficial, because of its high demand in both local and external markets.

With the aim of intensification of further light industry development, especially silkworm breeding, the Ministry of Economic Development and Trade, Ministry of finance, Ministry of Energy and Industry are given an order to take necessary measures to equip industrial enterprises with new technology, in particular technology for processing silkworm and cocoon, setting up efficient mechanism of import-export operations in this field and cocoon industry development.

Improving the exporting potential of our country and further development of primary reprocessing of industrial and agricultural raw materials such as aluminum, fruits and vegetables, and leather are the issues of special importance. Thereupon, the Ministry of Economic Development and Trade, Ministry of Energy and Industry, Ministry of Agriculture, State Committee on Investment and State Property Management, Tajik Aluminum Company "Talco", "Tojikmatlubot" union and other bodies of the executive local authorities need to adopt necessary measures. It is important to take necessary measures to organize wide scale reprocessing of the above mentioned goods and its export. Another important direction in industry is mining of

deposits, reprocessing of precious stones and of steel, as well utilization of the reach deposits of “Koni Mansur”.

With this aim, responsible ministries and departments need to regard related issues on declaring international tenders on development of reach deposits of silver by establishing joint ventures.

Thereupon, today there 114 licenses were issued in Tajikistan to exploit land interiors, in order to complete exploiting works and mining of minerals. However, majority of the companies and enterprises could not organize their work in the right manner according to the requirements of the licenses. Therefore, the Government has been instructed to elaborate and introduce a special system, with the aim of eliminating existing difficulties in the process of issuing licenses, providing transparency, choose proper company through bids to be granted the permission to exploit deposits and mining of minerals. Furthermore, it is necessary to adopt measures on introduction changes into tax and civil legislation, forming a unified system of providing information on location of deposits and minerals, simplifying registration procedures, legal recommendations on using deposits and preparation of national personnel in this sphere.

Dear audience!

Our third strategic aim is to lead out the country from communication deadlock and providing further development in transport and communication sphere.

We are building the tunnels, roads and bridges with international importance that give us an opportunity to have permanent access to other countries and regions. It should be noted, that within the framework of realization of the creativeness projects in our country, the proportion of the investments for the main construction is increasing year by year.

In 2008 financing of construction projects will be increased by 39 percent.

However, with the increased volume of investments the number of unfinished objects has been increasing.

The main cause of this situation is a price growth of construction materials, major part of which is imported from abroad countries.

Therefore, it is necessary for the Ministry of Energy and Industry, Ministry of Economic Development and Trade, State Committee on Investment and State Property Management in collaboration with other ministries and departments of the country to prepare suggestions on establishing enterprises for construction materials manufacturing. **Nowadays, the development of national economy significantly depends on the level and quality of private sector activity.** To emphasize the great importance of private

sector, the Government of Tajikistan will contribute to improving market economy mechanisms, simplification of taxation, reforming finance, banking and insurance sectors that may support and develop private sector.

Today the numbers of people who are working in small and medium entrepreneurial sectors compose more than 700 000 that is 35% of work-able part of population of the country.

Now the share of private sector in GDP equals to 48%, and, it is expected that this index will amount 55% by the end of 2009.

As you know, dear members of Majlisi milli and delegates of Majlisi namoyandagon, main problems of private sector were discussed during the meeting of the President with domestic entrepreneurs in the end of last year. During this meeting main directions of the state policy and tasks of the governmental bodies in assisting development of the entrepreneurship were determined.

It is important to remove the administrative barriers in the process of development of small and medium entrepreneurship.

Simplifying state registration is the most important issue. It is proposed, that in the future the implementation of this task will be put on the taxation structures as they operate in all administrative and territorial units of the Republic of Tajikistan. Therefore, I would like to specially emphasize, that with the aim to develop small and medium entrepreneurship, create new jobs, introduce new industrial technologies and increase the volume of domestic production we have to raise bank crediting in industrial entrepreneurship sector of the economy.

The total volume of micro-crediting was 528 million somoni in 2006, last year it was increased twice and exceeded one billion somoni. Credit extension of agricultural sector has been increased in three and half times, construction – nearly four times and industry – one and half time.

Increasing of the micro-crediting will contribute to the more active participation of the population in economy, increasing number of new job places, reduction of poverty level, development of small and medium business and increasing its technological level, especially in remote mountain areas. In this connection, **National bank and commercial banks of the country should open the branches of banks in Remote Mountain districts and enlarge micro-crediting as well as increase its volume to two billion somoni this year.** In addition to that, **with the aim of promoting and further development of small and medium entrepreneurship it suggested to declare a moratorium on any kinds of their inspection within two years.**

However, impose of a ban on inspections, does not mean that entrepreneurs are allowed to commit a crime or conceal their own profits, and evade tax and other obligatory payments.

On the contrary, this initiative will contribute to raise their responsibility and our business circle can establish business activity within the legislative requirements, as well as to fully implement civic duty and obligations to the law and society. Global processes and world economic depression, unequal level of progress between the developing countries and the rest of the world, price rise for food and fuel, crisis in the banking sector, from one part, from the other internal problems caused by the impacts of the above mentioned endeavor us to direct all our efforts, knowledge, experience and facilities to achieve our strategic goals, that is to provide energy independence, release from communication deadlock and food security.

Dear friends!

The Government of Tajikistan considers the development of education sphere as one of the most priority directions of social policy and consistently undertakes efforts for training well-educated and professionally trained generation, as well as worthy successor of Tajik people.

In the framework of implementing this objective total state financing of this sphere has been increased more than 13 times during the last seven years, which consists 4.5 % of external product.

In the course of last five years more than 1 billion 600 million somoni have been spent for the development of educational sphere of the country. The financing of the educational system total composed more than 690 million somoni this year, which consists 40% more in compare to the last year. Currently, seven educational projects in a total amount of 250 million somoni are under implementation. 230 educational institutions were built and reconstructed in 2007 and first quarter of 2008 in the course of implementing these projects.

All necessary conditions are creating for the development of educational system by conducting reforms in the management and financial sectors, elaborating new educational plans and programs, publishing new training books, building new modern schools, reconstructing, renovating and providing existing educational institutions with all modern techniques and implementing other measures.

10 million somoni have been assigned last year to support low income families, whose children are studying in schools.

In the near future new methods of financing of all educational institutions of the country notably personal financing of the pupils will be introduced in order to support low income families and appeal more children to attend schools. The priorities will also be given to the development of none governmental educational organizations. The improvement of salary system is envisaged in order to develop the social security system of educational workers.

The improvement of the level of education, integrating into the international educational system, training of specialists satisfying the modern educational requirements in all educational institutions are among the main tasks of people, engaged in the sphere of education. But it must be noted, that today, despite of all measures taken, the level of education even in the famous educational institutions does not meet the modern requirements.

It's time to make a shift from quantity to quality. In this connection, the Ministry of Education is instructed to take fundamental measures in order to improve the level of primary, secondary and high education in the country, and envisage teacher's professional development.

Special fund for training of specialists abroad has been established. Currently hundred of Tajik students are studying in the educational institutions of foreign countries using the potential of this fund.

With the aim of further supporting of talented students, the Ministry of Finance has been instructed to double the financing of this fund for the next year. It's difficult to conduct economic reforms without developing the sphere of science and education. In this connection, the Government of Tajikistan in implementing its state policy and with the aim of developing science sphere is paying special attention to strengthening the scientific potential of the country as well as material and technical foundations of the educational organizations and gradually increasing financing of this sector.

But we need to remember that increasing of financing of the educational sphere and expansion of fundamental researches depends on the realization of scientific practices. That will favor the development of industry and education.

If today we will compare the level of our education and technologies with the development of modern technologies and information in the world, it will be clear that it still does not meet the requirements of today's world. That also belongs to the natural-and-technical, as well to the social sciences. The researches demonstrate that during the last years the majority of educational and research institutes of the country did not achieve any significant scientific results, furthermore, sectoral institutions of some ministries even not functioning. **It's time to envisage the financing of the academic institutions, engaged in resulted-oriented scientific works, new inventions and its implementations in the different spheres of economy.** Therefore, the Academy of Science in cooperation with the other ministries and institutions and private sector are instructed to take necessary measures in order to reach the scientific achievements.

Existing potential of wide academic circles, scientific capabilities of universities and institutes should be focused on the successful implementation of the scientific and technical spheres strategy development and most of all new directions of science.

More close scientific and industrial connections, wide and effective participation of different social-economic enterprises in strengthening the scientific bases, training of qualified specialists and reinforcing technical and technological potential are of outmost importance.

Health service sector considered to be one of the most important sectors of the social policy of the Government. Recently, during the meeting with the officials and specialists we have discussed current developments in the sphere and shortcomings; the tasks of public health sector in the realization of the social policy of the Government were also emphasized.

The Government of the Republic of Tajikistan takes all necessary measures in improving the level and quality of medical services, providing free medical services to law-income population, creating favorable conditions for medical institutions, population treatment with modern diagnostic equipments.

During the last five years the health sector financing has been increased at the expense of state budget. This year the financing is a 255 million somoni that it is for 62% more than last year index.

In addition, owing to the fact that 170 million somoni was invested, a number of medical institutions of the country could be reconstructed.

At the same time, we will continue the reforming of the health sector by providing more facilities to the new system of wage payment for the public health labors, introducing new forms of emergency medical and sanitary services, developing family medicine and private medical sector.

Therefore, for the Ministry of Health it is necessary to consider the improvement of providing medical services to the population as one of the most important directions of its activity. It is also important to give fresh impetus to the reform process of the health sphere, envisage efficient use of state financial resources and investment projects, as well as prevention of corruption cases.

Dear friends,

We reiterated that culture as a main focal point of a nation, plays a determined place in forming and developing idealistic world of society and strengthening the national identity.

The main cultural policy of the country directed at upgrading the level of self-knowledge and self-determination, national proud and patriotism, strengthening of

national unity and achievements during the independence through spread of didactic cultural and ancient past of the nation, national and universal values. During the last five years, more than 390 million somoni have been assigned and all legal bases have been provided for the development of this sector. Moreover, all necessary conditions were provided for the functioning of production unions, information, cultural, entertaining organizations and media.

As a result, 72 bookstores were established and operated all over the country. At the present time a National library with the ability to store more than 7 million books is being constructed in Dushanbe.

More than 16 millions somoni are expended in order to accomplish reparation works of the biggest in the country opera and ballet theatre named after ustod Sadriddin Aini. This Theatre will put into operations next year during the Navruz celebrations. Moreover, during the last 3 years, more than 7 million somoni were assigned for the construction of other theatres.

The elaboration of projects for the construction of a new national museum and one big state theatre is under completion. During the next few years the construction works will be started.

Our people are talented since ancient time and even today we are proud of the products of our national craftsmen.

The Ministry of Culture is instructed within 2 months to elaborate Folk Arts Development Program in order to speed up the promotion of national folk art and present to the whole world.

Recently, during my visit to Sugd region, I gave instructions to establish a College of folk and national arts in Istaravshan city.

I am confident, that this action will assist in revival, protection and promotion of national folk and the development of entrepreneurship. The issues of protection and revival of cultural and historical heritage, left by our ancestries, are very significant in nation's self-knowledge and self-determination. Recently, more than 18 million somoni were spent for it repairing and reconstruction, and it will be continued in the future too. It is necessary for the Ministry of Culture, Committee on Youth, Sport and Tourism and Academy of Sciences, to undertake measures for the protection, reparation and restoration of historical sites and use them as tourist infrastructures.

One of the main directions of the state social policy is a social protection. Level and quality of life of the population depends on its effective and reasonable realization. The average salary and minimum pension are the main points for determining the income level of the population. Although the average salary has been increased in recent 2 years almost in one and a half and social pension in 50 percent, but it is not enough yet.

In the framework of the measures undertaken according to the Conception of wages reform in the Republic of Tajikistan starting from July 1st the salaries of the employees in the sphere of science, culture, health service, social protection and the other budgetary organizations, as well as pensions will be increased.

The salaries of the employees of the educational sphere as well as students and post-graduate student's scholarships starting from new educational year will be increased too. The disproportions in the payment of supervisory personnel and pre-schools and technical colleges teachers will be eliminated, and their salaries will be equal with the salaries of the other employees of the educational institutions. The third phase of wages reform envisages from July, 1st the increase of salaries of government officials, law enforcement and military personnel. According to the reform indications the salaries will be increased up to 60 somoni or three times, the minimum pension will be increased up to 50 somoni or two and half time, which means that pension, will be increased from 180 somoni up to 300 somoni.

At the present stage, labor market demands constant state interference. In this connection, there are 14 millions somoni envisaged for the implementation of the State program on supporting the population for the years 2008-2009.

During the last 5 years more than 500 thousand new working places were established in the country. Nevertheless, the situation in the labour market is not fully stabilized. In connection with the adoption of the Conception on the creation and protection of working places for the years of 2008 - 2015 the Ministry of Labor and Social Protection of the Population, corresponding ministries and departments, as well as executive bodies of districts, cities and regions have been instructed to take under control the process of effective implementation of the present document and providing the Executive Body of the President on the every month bases with the relevant information concerning the unemployment reduction, new and constant job opportunities and support of entrepreneurship.

The analyses show, that one of the main causes of difficult conductions in the labour markets and in the sphere of social protection in general, is inconsistency between quality of labour reserves and requests of the labour market. That is why, we have to as soon as possible to resolve the issues of professional educations, retraining and advance training of labour migrants, unemployed and other persons, taking into account the demands of internal and external markets. Besides, the Ministry of Labor and Social Protection of the Population is instructed to elaborate a draft of State Strategy on Regulation of Labour Market and a new plan of creating job opportunities for the mid-term period.

The policy of the Government on the issues of social protection of poor population, as well as war veterans and labour pensioners, orphans, invalids and elders is unchanged.

During the last 5 years we increased the overall financing of social protection spheres institutions by ten times and two times in compare with the last year.

The Government will undertake the effective measures to organize the suitable level of social protection of inhabitations that are need in treatment, nursing, care and supporting. All the measures undertaken to implement the economic reforms till now, directed at social sphere.

Only this year, there are 48 % of public budget directed at the social sphere in order to resolve the problems of the sphere and its further development. **We are confident, that by providing sustainable economic development and reinforcing the financial potential and possibilities of the country we can gradually improve the social sphere and the living conditions of the population.**

Dear audience,

Sustainable political, social, economic and cultural development of the country depends on firm regulations of the legal basis. Important and significant place in it elaboration belongs to Majlisi Oli of the Republic of Tajikistan, including Majlisi Namoyandagon, which deputies work on the permanent basis.

The possibilities of Majlisi Namoyandagon are very wide, but it not comprehensively and completely using for the improvement of the legislation. Meanwhile, till now the issues of collision and contradictions are still not resolved. For the elimination of these imperfections, it is necessary to revise the Law of the Republic of Tajikistan “On legislative laws”.

As well as there appears a sufficient reason to establish a National Legislative Centre under the President of the Republic of Tajikistan for scientific and practical prove of laws, improvement and determination of the mechanism of their implementation and also monitoring of all normative-legal documents.

Independent and disinterested judicial authority has a key role in securing protection of rights and freedom of human, legitimacy and social justice. Last year a Judicial and Legal Reform Programme was adopted for consolidation of judicial power, improvement of knowledge and professional skills of judges and personnel staff of the their offices and strengthening material-technical ground of courts. In addition to that, with the aim of broadening judicial power authorities, a Criminal-Procedural Code will be submitted to Majlisi namoyandagon this year, which in according with that, a fortification of securing a guarantee of judicial protection of participants of criminal process is envisaged. On the basis of that, an authorization of issuing sanction for imprisonment of the accused before trial will be given to competence of the judicial authorities which will be put in force on 2010.

Pursuing a purpose to protect a social justice, we will further continue to take efficient measures for ensuring independency of courts and inviolability of their activities. **In its turn, judicial authorities' staffs are required perform their responsible duties with all diligence, clear conscience and good intentions.**

As, perpetration of some judges and courts personnel to corruptive actions and other law infringements blacken a reputation of judicial authority. Supreme Court, High Court of Arbitration and Council of Justice should intensify their activities on the lines of preventing law infringements by judges and courts' staff, to discharge casual officers at the legal authorities, as well as pay primary attention at choosing, assignment and training of personnel.

With the aim of further improvement of the mechanism of human rights protection, a Law of the Republic of Tajikistan «On ombudsman of the Republic of Tajikistan» was adopted which provides legal basis of establishing special authority for improvement the level of human rights protection. This authority should set up its own comprehensive cooperation first of all with the civil society institutions, law-enforcement bodies and other organizations and agencies.

It is known, that the development of democratic, constitutional and secular state significantly depends on a level of legal knowledge and literacy of population.

Taking into account this circumstance, in my opinion, it is a time that scientists and lawyers of the country have to work out and publish a scientific-popular commentary on the Constitution of the Republic of Tajikistan to the celebration of the 15th anniversary of the constitution that is till November 6, 2009.

In order to most effectively set a legal breeding of population there appears a necessity of working out and adoption of new long-term programme and its efficient implementation.

All the branches of government, including political parties and non-government organizations, mass-media, higher educational institutions, special and secondary schools, intelligentsia and in common whole society should be actively involved in practical realization of such programme and other previously adopted strategic documents.

Dear friends!

You are well aware that the progress and prosperity of all sectors of life depends on security and political stability of society as well as on guaranteeing of law supremacy.

Activity of law enforcement authority and other appropriate structures of the country are

focused at ensuring state and society's security, prevention of uncompromising struggle against crime, especially global threats of modern world – such as terrorism, extremism, human trafficking and transnational crime.

In this connection, several amounts of normative documents have been adopted which envisage concrete measures of realization and also coordination of activity of law enforcement machinery against crime and negative challenges of society. **Taking into consideration that corruption is at the same line with other threatening phenomenon of modern world weakens the fundamentals of state governance, impede the ways of society progress, we have included a struggle against this menace and reducing its level to the priority direction of state policy.**

With the objective to properly implement state undertakings in this direction – the Agency of State control on Finance and Struggle against Corruption was established and legal-normative documents of its activity were adopted. During one year of its activity it has found out a tremendous financial damage, exposed more than 700 corruption cases and economic crimes, including misappropriation and embezzlement of state and public funds, evasion of tax and customs payment, abuse of official duties, extortion and bribery.

It should be noted that tackling corruption is not only a duty of the Agency of State control on Finance and Struggle against Corruption. All the members of society should not be outside of this struggle. In fight against corruption we have first of all to pay attention at elimination of reasons, factors and preconditions of its appearance.

Alongside with that, law-enforcement agencies and military authorities should reinforce their activity through unification of joint efforts in preventing and fighting against threat and challenges of modern world.

National Army is one of the main strongholds of the state. Armed forces, including border troops who are still young are entrusted to secure state independence and reliable protection of state borders.

Taking into account this fact, **intensification of defensive potential of the country, improvement of material-technical base, combat readiness of army, breeding of high-qualified and skilled specialists in a spirit of self-knowledge and patriotism is the main direction of defensive policy of the country and there necessary steps are being realized in this area.**

During last 7 years there are more than 3700 people and more than 1300 have graduated from local military schools and oversea military institutions respectively.

Today there more than 3000 people and about 700 are studying at the military institutions of Tajikistan and abroad respectively who will join the army and specialists staff of the Armed Forces soon.

Now Prospective Plan for construction of military camp /cantonment/ and housing for 2009 – 2020 is being worked out. Thus, we will be able to eliminate existing problems with an adoption of this plan and its step-by-step implementation.

Strict discipline and order are main terms of combat readiness and capability of the Armed Forces. Therefore, ministries and military agencies of the country should take all efficient measures to control a strict observation of army orders by military servants and to train them in a spirit of patriotism and self-knowledge.

Training high-qualified military staffs with a sense of patriotism, recruitment on a competitive and examination basis, increase of military staff and army servants should be direct and paramount duty of law-enforcement and military agency's leaders. It is known that level and quality of governance depends on knowledge, experience, skills, responsibility, initiative and professionalism of state employees. **The State service as a basic factor of the state policy in the field of training personnel, first of all, is aimed at defending national interests and ensuring effective activities of the state bodies.**

To improve the State service system further in a new edition of the Law of the Republic of Tajikistan "About the State Service" was adopted last year. Taking into account the importance of comprehensive implementation of the mentioned Law and appropriate realization of the State policy on training personnel, the Department of the State service under the President of the Republic of Tajikistan should elaborate conditions of State service of the Republic of Tajikistan and draft relevant legislative acts on the issue, as well as take real measures aimed at strengthening common State service system.

In this context the top management of all State bodies have to follow the regulations of the Law of the Republic of Tajikistan "About the State Service" and provide relevant condition for hiring, evaluation, testing processes, skill improvement and social protection of State servants.

Resolution of problems relating to appointments, establishing relevant order and system of management, identifying authority and responsibilities of State bodies, increase of salaries, improvement of State servants' activities at the government and local levels should be considered as the most important measure in this direction. **Taking into account the importance of improving the level and quality of State governance activities we need to avoid State bodies expansion and increase a number of State servants, however, on the other side we should train high qualified personnel who have deep political and professional knowledge and world outlook, management abilities and skills, who is responsible and a patriot, knows several languages and well orientates in modern technology.** A specific attention should be, therefore, paid to skilled and educated youth and females and promoting them to senior positions. In this regard, the Government of the Republic of Tajikistan, the Department of State service under the President of the Republic of Tajikistan and other relevant bodies, as well as Ministries of Education, Economic Development and Trade, Finance, Labor and Social Protection are instructed to prepare a draft Concept on State policy on training

personnel and submit it to the Government of the Republic of Tajikistan for further consideration.

The management and senior officials from every State service structure and, in general, every State servant have constantly to keep in mind that the Oath of the President relates not only to the Head of State, but it to every state servant.

Dear members of Majlisi Milli and Deputies of Majlisi Namoyandagon,

The main direction of the external policy of the Republic of Tajikistan is creation of the most favorable and appropriate conditions for solving internal problems of the country. **The protection and ensuring national interests of Tajikistan in international arena is the central point of this policy.**

Successful implementation of this policy provides further strengthening of the position of the Republic of Tajikistan in the world community and acceptance of our initiatives on the international level.

It means that the Republic of Tajikistan has strengthened its position in the modern rapidly changing world and supports all kind of mutual benefit cooperation with all the countries in the region and the world.

There are trends and situations in the modern world that are subject of our support or concern.

First of all, increase of the differences between rich and poor countries becomes more evident. So, increasing global climate changes, fast melting of glaciers and icecaps in the zones of water resources formation is subject of our great concern. The mankind faces a threat of new diseases. Illegal drug trafficking rapidly extends and the organized crime, especially, its transnational forms, becomes more active. Furthermore, such threats as terrorism, extremism and separatism which existed in the past - continue adapting themselves to new global changes. Today the world community faces the problem of identifying a reasonable balance between the interests of all players on international arena. The reason to appearance of such problems is rapid and significant changes in the system and goals of international relations which are based on fast economic, scientific and technology development, as well as the demographic situation in some countries and regions of the world.

For instance, Gross Domestic Products of some developing countries, that their population is comparatively much more than developed countries, but according to their purchasing-power parity they are already in the list of most developed economy of the

world.

Indeed, globalization has transformed into the main development trend and significant condition to shape policy. Further development of this process will be a ground for revolutionary changes in the modern information technology and means of communication; it will also depend on free moving of investments, goods and labor forces.

Globalization process, especially in the economy, has the same impact on interests of every country – great or small, powerful or less influential and despite of their geographical situation. As a result, the social situation of the population in the countries, on the one hand, depends on the government efforts and, on the other hand, - on external impact, which increases daily.

Social and economic situation in some countries depends on the initiatives, decisions and measures which have been adopted far from their borders by others countries and international organizations.

Under such conditions our priorities in the foreign policy are not changed essentially. There are no any controversies at all. The Republic of Tajikistan has its principal position in its internal and foreign policy.

We, therefore, intend to further develop our political and economic cooperation on the mutual and multilateral basis with the regional countries, the nearest and far neighbors and reliable partners, such as Russian Federation, People's Republic of China, Central Asian states, Commonwealth Independent States and Eurasian Economic Union.

There is enough space for realization of mutual beneficial work in this direction. Based on its "open doors" policy Tajikistan confirms its intention to develop further its cooperation with the West, East and Islamic countries. I would like to specially emphasize a fruitful cooperation and high level of relationship with the Islamic Republic of Iran and Islamic Republic of Afghanistan. The Republic of Tajikistan is an active partner of the international coalition in fighting against terrorism, and it confirms its intention to be such partner in future as well. In this direction, we will develop our cooperation with the United States of America, the European Union and other countries of coalition not only in this important field, but we will continue pay particular attention to developing mutual beneficial economic cooperation.

At the same time, we will continue such activities in the frame of Shanghai Cooperation Organization, Organization of Collective Security Treaty and other regional and international institutions.

Thereby it is necessary to provide a reasonable and farsighted balance of external and internal policy of the country, which will facilitate successful realization of state and national interests of Tajikistan in improving the living standards of the population, sustainable development of national economy and upgrading our prestige in today's world.

**Distinguished audience,
Dear compatriots,**

At the beginning of the 21 century Tajikistan, as a sovereign country and full member of the world community, developing its internal and external policy, taking into account the national and state interests, and step by step moving to achieve its perspective political and social - economic objectives.

It should be noted, that in today's world of contradictions and harsh global competitions first of all we have to reinforce the protection of our achievements gained during the independence and national statehood, to take necessary efforts for the sake of country's stability and society's law and order and moreover always take care of national and state interests.

Today we can say with confidence, that during the seventeen years of state independence by eliminating many obstacles, we have laid down solid foundation and bases of newly independent Tajikistan and started strategic creative works. Each country relies on its devoted, patriotic, sensible and well-educated sons. **It means that present and future of the country and nation depends on our willful, vigilant and intellectual sons.**

That is why all of us are encouraged to flourish our paradise land, improve the living standards of the population and keep abreast of civilized human societies by using all of our potential and strong will.

By using all of our existing material and financial resources and opportunities we have to consider the main strategic objectives, first of all energy independence, release from communication deadlock, food security, providing structural and sustainable development of the country as the main directions of the state policy in order to improve the living standards of the population and join developed and civilized countries of the world.

I am convinced that ancient and cultural Tajik nation can accomplish many creative works for the future's prosper and development of the ancestors land, and create favorable conditions for the next generations.

This year our people will celebrate important historical dates - the 17th anniversary of state independence, Year of Tajik language and 1150th anniversary of King of poets – ustod Rudaki.

Without any exaggeration, these great national and state celebrations will assist in developing and strengthening the process of self-consciousness, self-determination, national unity, strong feelings of patriotism by each citizen of beloved Tajikistan. It will strengthen a love to ancient country and preserve poetry language of Rudaki, and old-age bounds of past and today are a mark that guide us to the way of new achievements and progress .

State independence, Language, Mother, Motherland, culture and ancient civilization are connected chains that guide us to national accord, unity and solidarity. We therefore consider it all as human and spiritual shrines. Let the beauty and originality of immortal language of poetry of classic Tajik-Persian literature ustod Rudaki bring us forward. Let our sunny land – beloved Tajikistan- joins the civilized countries of the world with its developed system of statehood and distinctive national image. Let the banner of independence, peace and unity moves us to the bright future, peaceful and deserved life.

In this difficult but glorious way, I would like to wish all of you and people of Tajikistan good spirit, fresh power and every success.

Thank you!