

## Highlights

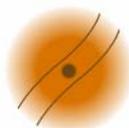
On the Tajik-Kyrgyz border near the Tajik village Vorukh, a conflict broke out on 27 April between Tajiks and Kyrgyz, later developing into an open conflict complete with hostage taking and beatings of law enforcement agents on both sides. Vorukh is a Tajik enclave in the Batken region of Kyrgyzstan with a population of more than 31,000 people, 40 km away from the city of Isfara, to which it is connected by a single road. The river Isfara crosses the territory of Vorukh, the region's main water source.

The conflict was initially sparked by the fact that the Kyrgyz side began to build a road from Aksay to Tamdyk on a disputed section of the border without any coordination with the Tajik authorities. On 4 April Kyrgyz road builders started work on the territory which Vorukh residents claim belongs to Tajikistan. Worried about trespassing, local residents appealed to authorities and Tajik border guards.

Representatives of Tajik local authorities met with their Kyrgyz colleagues to discuss the situation, after which both sides recognized that the road construction was illegal because it violated a protocol banning any construction on the disputed territories. However, on 27 April Kyrgyz builders commenced work again. Locals rebelled and began to throw stones at their bulldozers. In response, the builders called in the

Kyrgyz military. Hundreds of people gathered at the site of the incident and clashes broke out. Policemen who tried to separate the warring sides were beaten up. In the evening of 27 April, residents of Aksay barricaded the road leading to Vorukh, stopping all cars with Tajik number plates and beating up their passengers. They took 17 hostages and seized five vehicles. In addition, they beat up the deputy mayor of Isfara and five Tajik law enforcement officers who arrived at the scene, smashing their cars in the process. In response to these actions residents of another Tajik village Khojai Alo blocked traffic on the Kyrgyz section of the road. Outraged residents of neighbouring Tajik villages gathered for a spontaneous meeting and asked the authorities to find and punish the instigators of the violence.

Tajik and Kyrgyz authorities subsequently met again to negotiate a solution. On 28 April, a meeting of representatives of the border services of Tajikistan and Kyrgyzstan took place. The parties agreed on joint measures to prevent the situation from deteriorating further and interaction between local residents and law enforcement agencies of the two countries. All Tajik hostages were released, four of the wounded policemen were given medical help and two other wounded policemen were hospitalized with serious injuries. Unlike the Kyrgyz side, the Tajik side took down the



barricades from the road. The Kyrgyz authorities asked to be reimbursed for damages and for road construction to remain unhindered. In response, the Tajik authorities agreed to repair the damaged equipment but blocked all Kyrgyz roads leading to Isfara. In addition, more than 100 members of the Tajik police force were sent to maintain order in Vorukh. On 29 April, the Kyrgyz authorities lifted the blockade of Vorukh. The next day, the administration of the Batken region of Kyrgyzstan banned citizens of Tajikistan from trading in the region. In response, the Tajik authorities banned Kyrgyz citizens from trading in the markets of Tajik villages Vorukh and Chorku.

The situation in Vorukh is one of many conflicts in the Tajik-Kyrgyz border zone caused primarily by water and land scarcity. There were numerous victims in the Tajik-Kyrgyz conflict over water in Isfara in 1989. In 2012 alone, Kyrgyz citizens blocked the road between Isfara and Vorukh on at least ten occasions. In March this year, Isfara held a meeting of leaders of the border services of Tajikistan and Kyrgyzstan. They signed a working meeting protocol providing for the creation of a joint border commission to investigate conflict situations, and also developed proposals for solutions on water of land disputes. It was decided not to use weapons on border violators in the absence of a threat to border guards and ordinary citizens. The parties attempted to reduce tensions on the borders but continue to defend their territorial claims. According to the Tajik side, Kyrgyz authorities were trying to annex Vorukh because it would give them the ability to control distribution of water from the Isfara river.

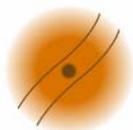
According to documents that have survived since these lands were inhabited by Tajiks, they did not protest against appearance of Kyrgyz herders. Maps of 1927 claim that these territories were in

Tajikistan. Later, outlines of areas of collective farms and field maps were changed. After World War II, the Kyrgyz authorities unilaterally added to their maps more than 106,000 hectares of land from Isfara region. These actions were not supported by Moscow or recognized by the government of Tajikistan. In the Soviet period, a bilateral commission was created on 18 occasions to determine the disputed territories, but the parties failed to come to an agreement. To define the boundaries, Tajikistan uses maps from 1927 whereas Kyrgyzstan uses its own maps, dating back to 1958 and not recognized by Tajikistan. The territorial conflict between the two Soviet republics was not critical, but it became a gunpowder charge in the interstate relations of sovereign Tajikistan and Kyrgyzstan.

A special parity commission is presently working on the delimitation and demarcation of the Tajik-Kyrgyz border. It has to define the boundary line not only in the Vorukh area but also on other disputed territories. However, there is no hope for a quick and peaceful solution to border and territorial disputes between Tajikistan and Kyrgyzstan. As the population grows, competition for water and land control is becoming increasingly fierce and border conflicts are getting more heated.

### Internal affairs

On 26 April, President Emomali Rahmon made his annual address to parliament, noting the country's achievements in the past few years, especially in the field of poverty reduction. He emphasized that the poverty rate fell from 81% in 1999 to 38% in 2012, and would drop to 30% by early next year according to government forecasts. He also noted that despite a new wave in the global financial and economic crisis,



Tajikistan managed to maintain GDP growth at over 7%. In his address, the President emphasized social policy, pointing out that salaries and stipends would be increased by 20% as of 1 September. He also outlined the prospects for the country's development until 2020, assuring parliamentarians that Tajikistan's GDP growth in 2020 compared to the current year would exceed 80%, and that wages, pensions, allowances and scholarships in 2020 would grow 2.5-3 times against this year's figure. The President also pointed to the need for introducing an e-government and private sector support.

Major political events of the two spring months were marked by preparations for the elections. On 6 April, a group of prominent businessmen and community leaders announced the creation of a new political party "New Tajikistan", headed by the boss of the Coordination Council of Business Associations of Tajikistan Zaid Saidov, a businessman and former industry minister. Economic development is the stated goal of this new political party.

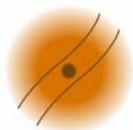
As the elections draw closer, pressure on opposition parties and politicians is increasing. Wiretapping affects all people more or less connected with politics. On 15 March, the chairman of the Society of Uzbeks in Khatlon, Salim Shamsiddinov, disappeared in mysterious circumstances. He is known for accusing the Tajik authorities of discriminating against ethnic Uzbeks. Leaders of the National Social-Democratic Party (NSDPT) have received phone threats. Law enforcement agencies require that relatives and friends of the Social Democrats write testimonies about contacts with them. The Islamic Renaissance Party (IRP) was even more exposed to pressure. On 19 April unknown persons attacked and severely beat up the

deputy chairman of the Islamic Renaissance Party Mahmudali Hait. The IRP's twentieth anniversary Jubilee Conference on 27 April was beset by great difficulties. Around 200 of the guests invited to the conference were not allowed in the country. Some of them managed to arrive in Dushanbe through third countries.

At the request of the Tajik authorities, Abdumalik Abdullajanov was detained in Ukraine on 5 February and the Group of 24 opposition leader Umarali Kuvvatov arrested in Dubai. The Tajik government asked Ukraine and Dubai to extradite the two men. On 10 March a Dubai Court rejected the request for Kuvvatov to be extradited to Tajikistan, only to reverse this decision five days later.

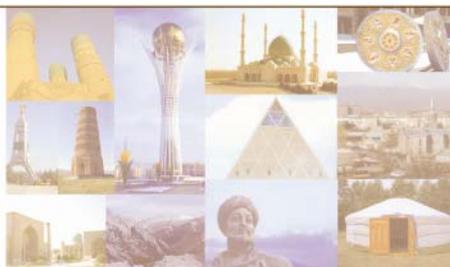
Meanwhile, former Prime Minister Abdullajanov (1992-1993) was released by the Ukrainian authorities on 4 April, following their refusal to extradite him. Tajikistan had accused him of organizing a criminal group and trying to seize power, terrorism, sabotage, theft of state property, attempting to assassinate President Rahmon in 1996 and belonging to the armed rebellion in 1998. Abdullajanov and his defence believe that the charges were politically motivated. In recent years Abdullajanov has lived in the United States as a political refugee. Human rights organization Amnesty International and the UNHCR have spoken out in defence of Abdullodzhanov. A rally took place at the U.S. embassy in Dushanbe in response to his release on 5 April, with protesters accusing America of supporting Abdullajanov.

On the eve of Navruz on 20 March, the new building housing the National Museum of Tajikistan was opened in Dushanbe. A four-story building that retains its original



## CENTRAL ASIA OBSERVATORY

<http://www.asiacentral.es>



The Central Asia Observatory (CAO) was established in 2007 by three institutions that are interested in the area: Casa Asia, CIDOB Foundation and Royal Institute Elcano



CASA ASIA



CIDOB  
Foundation Center for International Dialogue



Real  
Instituto  
Elcano

architecture now houses not only the old collection, but also the collections of the Museum of Geology and Mineralogy, the Numismatic Cabinet of the Institute of History of the Academy of Sciences of Tajikistan, a large number of artefacts collected in the course of archaeological expeditions and parts of collections from regional museums in the country. The museum has unique historical monuments of antiquity and the Middle Ages, a collection of manuscripts and an art gallery of twentieth century Tajikistan.

### Foreign and international policy

Foreign policy activity in March and April mainly centred on continued exhaustive bargaining with Russia regarding the 201st Russian military base and intensified contacts with the West, associated with the withdrawal of NATO troops from Afghanistan.

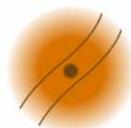
On 13 March, Austrian president Hans Fischer made an official visit to Tajikistan, during which three documents were signed, on changes in the protocol to the convention on double taxation, the agreement on cooperation between the chambers of commerce of the two countries, a memorandum of understanding between the agency for the supervision of standards and trade and the Austrian standards Institute. President Fischer also took part in the Tajik-Austrian business forum.

On 9 and 10 April, President Rahmon, flew to Belgium for a two-day official visit accompanied by a group of senior officials. He held a number of meetings in Brussels, where he met Catherine Ashton, High Representative of the Union for Foreign Affairs and Security Policy for the European Union, and NATO Secretary-General Anders Rasmussen. The main topics of discussion

were issues of regional security in connection with Afghanistan and regional issues such as water and energy. Development Commissioner Piebalgs noted the European Commission's willingness and commitment to support Tajikistan, given its strategic location and its important role in Central Asia. The NATO chief also proposed helping in the fight against drug trafficking from Afghanistan. Generally speaking, EU offers of help to Tajikistan are contingent on the development of democracy.

A few days after returning from Brussels, President Rahmon received the vice President of India Mohammad Hamid Ansori, who arrived on 14 April for a three-day visit to Tajikistan. At their meeting, the sides discussed issues of cooperation between Tajikistan and India, including the implementation of agreements reached during Rahmon's state visit to India in September 2012. However, the most important topic of the meeting was the development of cooperation in the field of prevention of global threats, including terrorism and extremism. A constructive conversation was held on the current and future status of Afghanistan, cooperation in promoting peace and stable socio-economic development in the country.

On 18 April, foreign minister Zarifi Khamrokhon and the British Ambassador in Tajikistan Robin Ord-Smith signed an intergovernmental agreement on the transit of British property through Tajik territory from Afghanistan. According to the British ambassador, the property in transit would only consist of British machinery and other equipment, including office equipment. Britain was the only member state of the anti-terrorist operation in Afghanistan with which Tajikistan made specific arrangements regarding transit of goods exported from Afghanistan.



## Economy and business enterprise

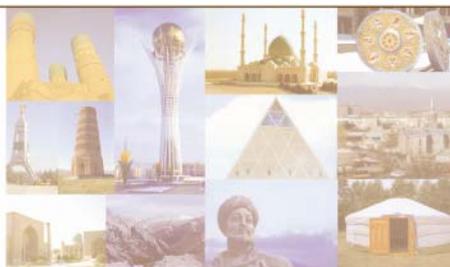
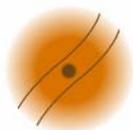
Tajikistan's economy continues to grow at a rapid pace. GDP in the first quarter this year amounted to over \$1.4 billion, 7.3% up on the same period last year. It is worth noting that GDP in 2012 was 7.5% higher than in 2011 standing at over \$7.5 billion. At the same time, GDP per capita in 2012 was the lowest in the region, about \$1,000.

According to the State statistical agency, Tajikistan's GDP structure is as follows: production of goods 46.1%, production of services 42.3%, taxes 11.6%. The main engine of the economy continues to be retail, construction and services. Consumption is driven by remittances from labour migrants and the growth of real wages (by 18%). With a large proportion of consumption, Tajikistan's economic development model is characterized by very low volumes of private investment (about 1% of GDP), preventing the development of the production sector. Industry's share of the GDP is just over 20%. However, good agriculture yields in 2012 due to favourable weather conditions stimulated growth in some sectors of food and textile industries. In terms of total industrial output, the share of the mining industry was 12.5%, processing industry 62.7%, production and distribution of electricity, gas and water 24.8%.

In the first quarter of this year, a number of large industrial enterprises, in particular Talco ("Tajik Aluminium Company") were unable to work to full capacity due to a shortage of natural gas. Tajikcement and Azot stopped operating due to cuts in Uzbek gas earlier this year. More than half the enterprises in the cotton industry were unable to work to full capacity due to shortages of raw materials.

On 2 March, Tajikistan became a full member of the World Trade Organization, although it is difficult to predict how this will contribute to development of the import oriented Tajik economy. With a negative balance in foreign trade, remittances are a major source of funding for domestic demand. They stimulate domestic consumption and imports, and at the same time help to finance a portion of the trade deficit. However, Tajikistan understands that opportunities for further growth in an export-oriented labour economy are limited, and the country is facing the need for structural reforms to improve the investment climate and thus stimulate domestic investment. Tajik exporters should find more niches in international markets. However, major obstacles are high prices for petroleum products and transportation difficulties caused by strained relations with Uzbekistan.

High oil prices were caused by a reduction in oil imports to Tajikistan. The agreement on duty-free supplies of oil products from Russia to Tajikistan, signed on 6 February this year in Moscow, has not yet been ratified by either country. Uncertainty concerning this situation caused imports of fuel from Russia to virtually stop. Fuel imports from Kazakhstan and Turkmenistan were also reduced. Instead, petroleum imports rose sharply from Kyrgyzstan, which provides re-export of Russian fuel at discounted prices. If the average price of Russian oil at the beginning of this year was \$1,266 per ton, Kyrgyzstan is delivering oil at \$ 903 per ton. In 2010 Kyrgyzstan managed to reach an agreement on the abolition of export duties and now imports Russian fuel at domestic prices. As for retail prices of petroleum products in the country, they were



down 4% since January. In the capital, the average price of AI-95 gasoline is \$1.4 per litre.

Problems caused by a lack of hydrocarbons have led to geological exploration with a view to finding oil or gas. On 15 April, during a course of exploration being overseen by Gazprom International in a promising area Sarikamysh, drilling well "Shahrinav-1p" reached 6,130 metres. This is an absolute record in the history of drilling for oil and gas in Central Asia. Projected reserves of gas in Sarikamysh area are tentatively estimated at 18 billion cubic metres, oil 17 million tons, and dissolved gas 2 billion cubic metres.

As before, infrastructure projects are the focus of attention. Reconstruction of a road on the Ayni-Panjakent-Uzbek border began this year. Its total length is 113 km, running along the river Zarafshan through the Zarafshan Valley (Ayni and Panjakent), and extending to the border with Uzbekistan. Completion of the project is projected at the end of 2016. It is estimated that the complete renovation will cost about \$140 million. The project has received a \$100 million grant from the Asian Development Bank. The OPEC Fund is co-financing and providing \$14 million, whereas the Tajik government's share in the project is \$22 million.

In early April construction of a railway between Tajikistan, Afghanistan and Turkmenistan was approved. Leaders of the three countries signed a memorandum on construction of the railroad in Ashgabat. However, this is not a new project. In 2011 it was decided to build a regional railway from Turkmenistan to Afghanistan. Tajikistan was planning to join a project railway line "China-Afghanistan-Iran." In early February this year, however, it became known that this project included Kyrgyzstan and Uzbekistan, and Tajikistan was excluded from the list of

participants. Dushanbe therefore shifted its focus on promoting the Tajikistan-Afghanistan-Turkmenistan link. If this project were implemented, Tajikistan could connect to the "China-Iran" railway in Mazar-e-Sharif in northern Afghanistan. In this project, the Tajik section of the road would only cover a 50 km stretch, passing through Jamoliddini Rumi - Lower Panj districts on the border with Afghanistan. Experts are suspicious about the idea of building a railway from Tajikistan to the south for technical reasons and the lack of security in Afghanistan.

---

The opinions expressed here are those of the authors and do not necessarily reflect the positions of the Central Asia Observatory (CAO). The institutions that constitute the CAO are not responsible for the use of these contents.

© Central Asia Observatory