



KEY INDICATORS

Indicators	2018	2019	2020
Annual Inflation	5.4%	8.0%	9.4%
GDP (US\$ Bn)	7.8	8.3	8.2
GDP per capita growth (annual)	5.0%	4.9%	2.1%
Population (million of people)	9.1	9.3	9.5
End of Period Official Exchange Rate / US\$	9.4	9.7	11.3
Deposit Rate	3.8%	5.2%	n/a
Proportion of Population Living below the National Poverty Line	27.4%	26.3%	n/a

Sources: International Finance Statistics, Asian Development Bank, World Bank.

Tajikistan's GDP per capita growth recorded a slight decrease in 2020 due to the COVID-19 pandemic but remains positive. Trade and transportation challenges have been significant and led to negative impact on industrial production, construction and services. The migrant worker mobility and remittances have been severely affected as well and led to decline in remittances, which constitute a considerable portion of the GDP. The remittances' reduction was due to the close of the borders and air traffic with Russia which is the country where the labor migrants work. However, forecasts expect the economic growth to recover in 2021 and 2022. In the meantime, inflation is expected to decrease in 2021 with more stable global food prices.

In 2020, Tajikistan received grants of US\$11.3 million from the World Bank and US\$52.5 million from the Asian Development Bank, among others to strengthen the healthcare capacity of the country by supporting and delivering emergency medical supplies to respond to the COVID-19 pandemic. Those funds helped the country to mitigate the impact of the pandemic on its economy. In March 2021, the country started the vaccination campaign and expect to vaccinate the population as much as possible.

In addition to foreign support, the government of Tajikistan took several measures to counteract the effect of the pandemic on the country's economy. These measures include providing preferential loans to food and medical supply companies through the Fund for State Support to Entrepreneurship and exemption from tax calculation and payment for individual entrepreneurs that are authorized to work in markets, shopping centers and consumer services. The National Bank of Tajikistan (NBT) also took several measures such as lowering the value of the reserve requirement for local currency and foreign exchange deposits in order to boost liquidity in the system. Besides, the target was also to recommend banks to consider loans restructuring to help borrowers that face temporary hardship.

On the financial sector level, the number of borrowers fell during the first months of the pandemic. Once the gradual easing of lockdown measures was set up by the authorities, the Commercial Banks facilitated new lending by reducing the average interest rate from about 24% per year to 18% in July 2020. On the deposits side, the depositors composed by households and companies lowered their deposits during the second quarter of 2020 when the country was under lockdown. However, this was a temporary situation because the deposits recovered to the pre-pandemic levels and continued to increase through September 2020.