Tajikistan is Heading East

Most people are ignorant of the fact that Tajikistan is among the top ten richest states in terms of natural minerals. However, the country itself is anything but rich, in spite of massive deposits of coal, precious stones, gold, and of the biggest silver deposits on the planet, along with the huge reserves of uranium. It's clear Tajikistan is unable to take advantage of its natural wealth due to insufficient funds and poor infrastructure, since it has been primarily exporting aluminum and cotton. Therefore, it's hardly a surprise that the ruling elites are constantly hunting for foreign investors.

According to the official data, Tajikistan has more than 70 investment projects the total worth of which barely reaches 3 billion dollars. The amount of foreign investments for the first quarter of the year amounted to the petty 220 million dollars. Out of this sum, more than a half was invested by the powerful neighbor and main trading partner of Tajikistan – China. However, the sum doesn't look breathtaking, especially for China that is usually bringing billions along with it to assist the development of its trading partners. Perhaps the reason behind Beijing's cautious approach is the low returns on investments or its reluctance to make this bordering state too strong and powerful.

It would be a viable option for Tajikistan to strengthen the cooperation with its Central Asian neighbors and with the countries of the Middle East, since it shares a set of common cultural and religious traditions with those. Tajikistan has developed close ties with Iran, since the national languages of those states share linguistic similarities and Tajikistan has a common border with Afghanistan, which means that those two share a common interest in establishing peace in this troubled state. Moreover, the mutual trade turnover between Tajikistan and Iran has recently reached the level of 300 million dollars.

It should be noted that Tajikistan share a common religious tradition with a great many of Middle Eastern states, since the absolute majority of the population adheres the Sunni branch of Islam that is pretty widespread in the Muslim states. However, none of the prosperous Sunni states are to be found on the list of major investors, even though Tajik authorities have made some progress in addressing this situation. The greatest success has been reached so far in establishing bilateral relations with the United Arab Emirates. The Republic of Tajikistan and the UAE established diplomatic relations back in 1995, when President Emomali Rahmon made his first visit to the UAE. Since then, the volume of Arab investments in the Tajik economy has been growing steadily. There's been a growing number of international companies being established and the mutual trade turnover exceeded 43 million dollars back in 2015.

At the beginning of 2016 a delegation of the Chamber of Commerce and Industry of Abu Dhabi arrived to Tajikistan to open its office in Dushanbe.

In March 2016, Tajik President Emomali Rahmon visited the UAE for the third time. Among other things, he discussed investments in agriculture and mining, construction of hydroelectric power plants, and infrastructural projects with local authorities. He has also discussed joint efforts to fight terrorism with the members of the UAE political elite, which resulted in the signing of an agreement on security cooperation. Before leaving Abu Dhabi, Emomali Rahmon announced that further development of bilateral relations with the United Arab Emirates is among the main foreign policy goals for Tajikistan.
Tajikistan's relations with the United Arab Emirates, Iran and other Central Asian and Middle Eastern states should be regarded as a series of individual interactions between certain regional states. In fact, what we're witnessing is the process of Tajikistan's integration into a huge and complex oriental world with its own rules, its economic and political traditions. The interaction between the two countries professing Islam, the preservation of peace and stability in the Middle East and Central Asian regions, is a matter of great importance in those troubled times. It is no secret that the Middle Eastern region is riddled with a network of extremist and terrorist organizations that remain pretty active, while local authorities are often slow in cooperating against such threats. For instance, according to official figures, about 400 Tajik citizens are fighting in the ranks of ISIS.

However, despite the clear shift of Tajik foreign policy to the East, local political elites recognize the need to mend its well-established ties with its European and Asian neighbors. In particular, to reduce China's influence, the Eurasian stabilization and development fund allocated 40 million dollars in credits for Tajikistan back in June 2016. At the same time Tajikistan still has strong ties with Russia. Thus, Russia's Gazprom will continue extracting oil and gas resources on the territory of Tajikistan, while the authorities of the two states discuss migration policy.

It is also important to mention Tajik cooperation with European states. For example, in July 2016 the Tajik government signed a deal with the Italian company Salini Impregilo S.p.A on the construction of the Rogun dam. And as recently as June 2016, the well-known French international group Auchan opened its first hypermarket in the Central Asia in Dushanbe. According to the local media, “the arrival of well-known foreign companies to the Tajik market shows that they have a lot of confidence in the steps that are being taken by the government to improve the investment climate of the country.” And it seems that Tajik journalists have nailed it this time.

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