2014

THE FIRST NATIONAL REPORT
ON THE IMPLEMENTATION OF THE EXTRACTIVE INDUSTRIES
TRANSPARENCY INITIATIVE (EITI) IN TAJIKISTAN
(VISUAL REPORT)
EITI IN TAJIKISTAN

THE PROCESS OF TAJIKISTAN’S ACCESSION TO EITI
21 civil society organizations established the coalition of civil society organizations “Transparency for Development”.
A working group was established from among representatives of relevant ministries, civil society organizations and companies.

THE EITI BOARD WAS FORMED
Based on the Resolution (№449 dated on 31.08.2012), the accession of Tajikistan to the EITI was approved and the EITI Board was formed.

THE 22nd MEETING OF THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE BOARD
On February 26-27, 2013, the Republic of Tajikistan’s application for acquiring the status of candidate country of the Extractive Industries Transparency Initiative (EITI) was endorsed.

THE FIRST NATIONAL REPORT ON EITI WAS PUBLISHED
On November 25, 2015, the first regional conference was held, discussing the publication of the first report on EITI in Tajikistan and on the strengthening of regional cooperation.

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE
An international standard ensuring transparency of revenues received from extracted mineral resources.
An initiative that allows for the monitoring of extraction and exploration as well for the standardization of all the revenues in the sector with the help of a multi-stakeholder group.
The multi-stakeholder group is a coalition consisting of the government, extractive companies and civil society.
The basis of legal regulation of subsoil use in the Republic of Tajikistan is established by the following laws and regulations:
- Law «On Subsoil»
- Law «On Production Sharing Agreements»
- Law «On Precious Metals and Precious Stones»
- Law «On Investments»
- Law «On Licensing of Certain Activities»
- Law «On Concessions»
- Tax and Customs Codes, etc.

Subsoil assets are exclusive state property and the state guarantees their effective use in the interests of its people (the Constitution of the Republic of Tajikistan)
In the subsoil of Tajikistan, 800 occurrences of mineral resources and more than 600 deposits have been identified, explored and partially prepared for industrial development. These were the deposits and occurrences of coal, lead, zinc, copper and bismuth, antimony and mercury, precious metals, iron, tungsten and molybdenum, oil and gas, fluorspar, strontium, rock salt, boron, ornamental stones, semi-precious and precious stones, construction materials etc. – all together more than 50 types of mineral resources.
When it comes to the reserves of lead and zinc ores, Tajikistan is one of the leading countries in the world. The total amount of geological reserves at the 16 deposits of Tajikistan comprises more than 10 million tons of lead and almost as much zinc.

Copper
The country has a reserve of around 150 thousand tons of copper in 14 deposits.

Antimony and Mercury
Tajikistan ranks third in Asia and first in the CIS among all countries with proven reserves of antimony. One of the major areas is the Zeravshan-Hissor mercury-antimony zone with a width of 35 km and a length of 200 km.

Silver
Tajikistan has the most silver-ore deposits in Central Asia. There are over 100 thousand tons of proven and forecasted silver reserves.

Wolframium (Tungsten)
Two deposits of tungsten reserves - Djilay and Maikhura - and an ore occurrence - Ushturgardan - have been registered in the national register.

Lead and Zinc

Gold
There are three gold mining regions on the territory of Tajikistan – Karamazar, Southern Tien Shan (Central Tajikistan) and the Pamirs. A total of 1141.1 kg of gold was produced in the first half of 2014.

Iron
Iron ore deposits have been identified and explored, including Shohkadambulak in the northern part of the country - total resources are estimated at 300 million tons. In addition, Bartsch in the Pamirs - probable reserves of 300 million tons - and Buvak, located not too far from Dushanbe.
There are 40 deposits and occurrences of coal with all varieties of this type of solid fuel.

**Total expected coal reserves are estimated at 4.3 billion tons:**

- **144.5 million tons** brown coal
- **229.7 million tons** fossil coal
- **904.9 million tons** coking coal
- **254.8 million tons** anthracite

Tajikistan possesses 4 areas of coal-bearing strata exploration (deposits), with each area having a number of characteristics of geological zones:

- Zeravshan-Hissor
- South Hissor
- Pamir-Darvaz
- South Fergana
As of 1 January 2015, the total amount of extracted resources in the country were: Oil - 7.29 million tons, Gas - 8.16 billion m³, Condensate - 0.49 million tons.

Raw hydrocarbon deposits are estimated at 1033.76 million tons.

**Northern Tajikistan**

The total initial potential of recoverable reserves of hydrocarbons in the north of Tajikistan is estimated at 108 million tons of equivalent fuel, including: Oil - 47.5 million tons, Gas - 53 billion m³ and Condensate - 7.5 million tons.

**South-western Tajikistan**

- **Dushanbe zone**
  Projected recoverable reserves are estimated at: Oil - 7.0 million tons – and, Gas - 37.0 billion m³.

- **Kafirnigan Zone**
  Projected recoverable reserves are estimated at: Oil - 17.057 million tons – and, Gas - 227.4 billion m³.

- **Vakhsh Zone**
  Projected recoverable reserves are estimated at: Oil - 22.9 million tons – and, Gas - 151.9 billion m³.

- **Kulyab Zone**
  Projected recoverable reserves amount to a total of: Oil - 20,275 million tons – and, Gas - 187.0 billion m³.

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In 2014, coal production increased 4.4 times as compared to 2010:

- Fossil coal increased 4.97 times
- Brown coal increased 1.69 times

Oil and gas extraction dropped significantly in 2014.

- Oil production only reached 90.74% of the level of 2010, while natural gas production only reached 16.08% of the level of 2010.

**Coal:** 875,000 tons

**Oil:** 7,290,000 tons

**Gas:** 8,160,000,000 m³

**Condensate:** 490,000 tons
GOLD AND SILVER PRODUCTION

IN 2014, GOLD MINING COMPANIES EXTRACTED 3489 KG OF GOLD IN TAJIKISTAN, WHICH IS 814.6 KG MORE THAN 2013.

60% of the extracted gold in Tajikistan is mined by LLC JV "Zarafshan", the rest is produced by STK LLC «Aprelevka», Joint Venture "Tilloi Tojik", Artel "Odina" and other, smaller-scale gold mining enterprises.

IN 2014, THE TOTAL AMOUNT OF SILVER PRODUCED IN TAJIKISTAN WAS 1870.0 KG, WHICH IS 70 KG MORE THAN 2013.

Bolshoy Konimansur (Kanimansur Kalon) is the main deposit of silver-porphyry ore, with more than 90% of proven reserves of silver in the country.
**EXPORTS OF MINERAL PRODUCTS**

**EXPORTS OF MINERAL PRODUCTS IN 2014**

- **Natural Sands**: 114,5 thousand tons
- **Ores and Zinc Concentrates**: 106,7 thousand tons
- **Ores and Lead Concentrates**: 56,7 thousand tons
- **Ores and Concentrates of Antimony**: 16,01 thousand tons

**The total volume of exports from the extractive sector – 23.25%**

**THE SHARE OF MINERAL PRODUCTS IN THE COUNTRY’S EXPORTS, %**

**DYNAMICS OF EXPORTS OF MINERAL PRODUCTS, THOUSAND USD**

<table>
<thead>
<tr>
<th>Year</th>
<th>Mineral Products</th>
<th>Total Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>54,2</td>
<td>114,9</td>
</tr>
<tr>
<td>2011</td>
<td>146,2</td>
<td>197,3</td>
</tr>
<tr>
<td>2012</td>
<td>158,4</td>
<td>1389,7</td>
</tr>
<tr>
<td>2013</td>
<td>174,4</td>
<td>1161,6</td>
</tr>
<tr>
<td>2014</td>
<td>227,0</td>
<td>977,3</td>
</tr>
</tbody>
</table>
The main indicators of extractive industries in the Republic of Tajikistan

- **Volume of products (million somoni)**
  - Mining industry
  - Development of energy materials
  - Mining of coal and lignite
  - Mining of lignite (brown coal)
  - Extraction of crude oil and natural gas
  - Extraction of non-energy raw materials
  - Mining of metal ores
  - Other sectors of the mining industry and excavation (quarry development)

- **Number of companies**
  - Mining industry
  - Development of energy materials
  - Mining of coal and lignite
  - Mining of lignite (brown coal)
  - Extraction of crude oil and natural gas
  - Extraction of non-energy raw materials
  - Mining of metal ores
  - Other sectors of the mining industry and excavation (quarry development)

The role of extractive industries in the country’s economy

- **Extractive output’s share of GDP**
- **The share of extractive output in total industrial production**
**EMPLOYMENT**

The average salary in the sector

- **2012**: 1200cmh
- **2013**: 1500cmh

The growth rate of the sectors in 2014 as compared to 2013

- Industrial production: 105.8%
- Mining sector: 125.2%
- GDP: 112.5%

The share of employment in the mining industry: 5.18%

The average number of workers employed in the mining industry

- **2013**: 136
- **2014**: 154

- Number of companies: 12295
- Number of workers: 12076
TAX REVENUES

TAXES

FROM EXTRACTIVE INDUSTRIES IN 2014

489,500,000

THE AMOUNT OF TAX AND OTHER OBLIGATORY PAYMENTS TO THE BUDGET (IN SOMONI)

4,2%

IN TOTAL REVENUES

468.6 MILLION SOMONI COMPRISSES TAX AND CUSTOMS PAYMENTS

21 MILLION SOMONI COMPRISSES OTHER OBLIGATORY PAYMENTS MADE TO THE BUDGET

COLLECTION OF TAXES FROM NATURAL RESOURCES USE AMOUNTED TO 153.6 MILLION SOMONI

80.4% MORE THAN IN 2013

DYNAMICS OF TAX COLLECTION FROM SUBSOIL USERS (MLN. SOMONI)

17.7
30.2
85.1
153.6

2011 2012 2013 2014
THE AMOUNT OF REVENUES

Total budget revenue
489,500,000 somoni

The total amount of revenue paid to the budgets of local authorities (sub-national payments) from the total amount of budget revenues
155,350,099 somoni

The total amount of payments to the local budgets from the total revenues paid to the state budget
173,021,723.3 somoni

The total amount of revenues paid to the state budget from the total amount of budget revenues
334,149,901 somoni

The amount of payments to the state budget from total revenues paid to the state budget
161,128,177.7 somoni

State and local budget revenues in 2014 from the extractive industries
SOCIAL EXPENDITURE OF COMPANIES

The amount of payments for 2014 by 14 companies undergoing reconciliation is 452,869,282 somoni. Of these, 8 companies have additional (social) costs, including: support for education and support of social infrastructure.

- Aprelevka, LLC
- B. Gafurov, Asht, Matcha
- Zeravshan, LLC
- Panjakent
- Somon Oil, LLC
- Kayrakkum, Asht
- Tajik-Chinese Extractive Company, LLC, Matcha
- Petroleum Sughd, JLLC
- Kanibadam, Isfara
- Bokhtar Operating Company BV
- Bokhtar
- Anzob, LLC
- Aini

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- 26332
- 70280
- 6310
- 86000
- 70877
- 4048
- 41949

TO SUPPORT EDUCATION

- 305 796 somoni

TO SUPPORT SOCIAL INFRASTRUCTURE

- 3 821 201 somoni

(From total expenditure of companies)
INVESTMENTS

Allocation of Foreign Direct Investments (2007-2014)

Mining industry $534.5 million
Energy sector $596.8 million

FDI inflow to the economy of Tajikistan (2007-2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct Investments</th>
<th>Other Investments</th>
<th>Portfolio Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>377.4 million USD</td>
<td>530.4 million USD</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>341.1 million USD</td>
<td>670.6 million USD</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>351.3 million USD</td>
<td>355 million USD</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>161.4 million USD</td>
<td>164 million USD</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>230.9 million USD</td>
<td>228.2 million USD</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>89.4 million USD</td>
<td>293.8 million USD</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>425.7 million USD</td>
<td>563.6 million USD</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>472.2 million USD</td>
<td>388.4 million USD</td>
<td></td>
</tr>
</tbody>
</table>
GOVERNMENT PARTICIPATION IN EXTRACTIVE INDUSTRIES

- Tajikistan
  - “Petroleum Sugd”
    - 42.58%
    - 57.42%
  - “Aprelevka” STK LLC
    - 51%
    - 49%
  - “Angisht” Open Joint Stock Company
    - 100%
  - “Naftu Gaz” Open Joint Stock Company
    - 100%
  - “Sugdnaftugaz” Open Joint Stock Company
  - State Unitary Enterprise “Tajik Angisht”
  - State Unitary Enterprise “Shakhta Fon Yagnob”
  - State Unitary Enterprise “Koni Angishti Ziddi”
  - State Unitary Enterprise “Nazar Aylok”
  - State Unitary Enterprise “Naftogaz and coal”
  - State Unitary Enterprise “Dzhamast”

- China
  - Zaravshan Ltd. Joint Venture
    - 25%
    - 75%

- Russia
  - JV “Rosokredmet”
    - 51%
    - 49%
  - “Saratov Neftegeophysica” Open Joint Stock Company
    - 1.73%
    - 98.27%