



2014

# THE FIRST NATIONAL REPORT

ON THE IMPLEMENTATION OF THE EXTRACTIVE INDUSTRIES  
TRANSPARENCY INITIATIVE (EITI) IN TAJIKISTAN

(VISUAL REPORT)

# EITI IN TAJIKISTAN



## 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.



2011

### 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.

2012

### THE 22<sup>nd</sup> 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.

2013



### 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.

2015



# LEGAL BASIS

## ACTIVITIES OF THE EXTRACTIVE SECTOR IN TAJIKISTAN



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)



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.



# EXTRACTIVE INDUSTRIES OVERVIEW

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.



# MINING SECTOR



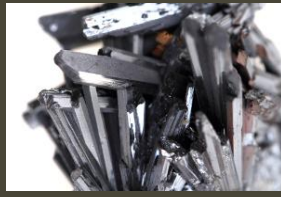
## Lead and Zinc

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.



## 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.



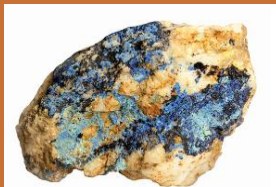
## Wolframium (Tungsten)

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



## Copper

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



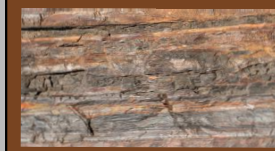
## Gold

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.



# MINING SECTOR

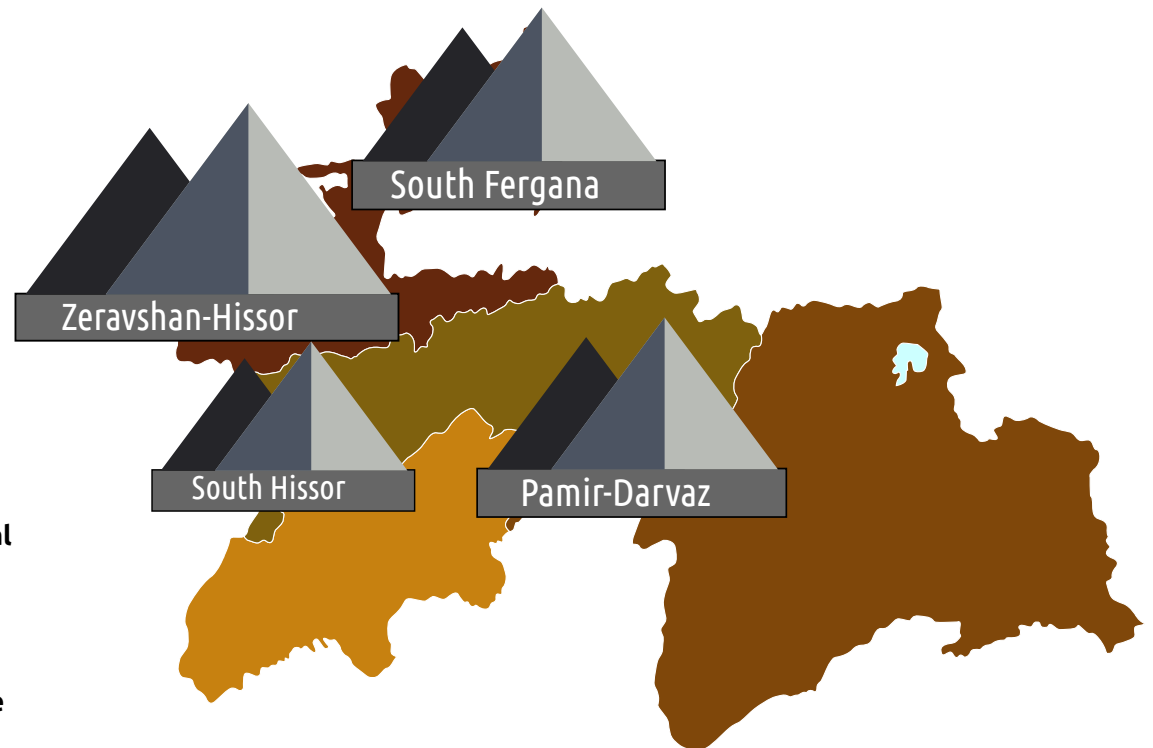
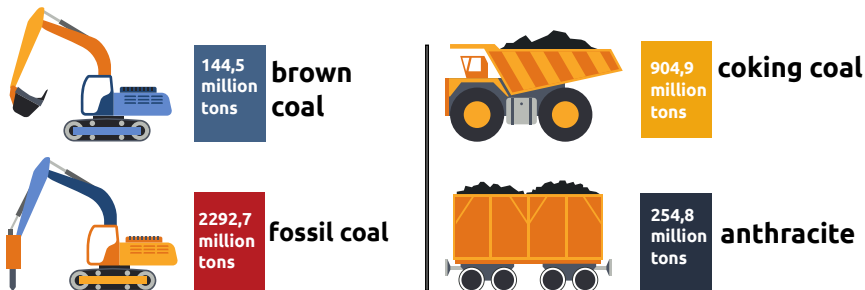
## COAL



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

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:**



# OIL AND GAS SECTOR

Raw hydrocarbon deposits are estimated at 1033.76 million tons



As of 1 January 2015, the total amount of extracted resources in the country were: Oil - 7.29 million tons, Gas - 8.16 billion m<sup>3</sup>, Condensate - 0.49 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 m<sup>3</sup> and Condensate - 7.5 million tons.

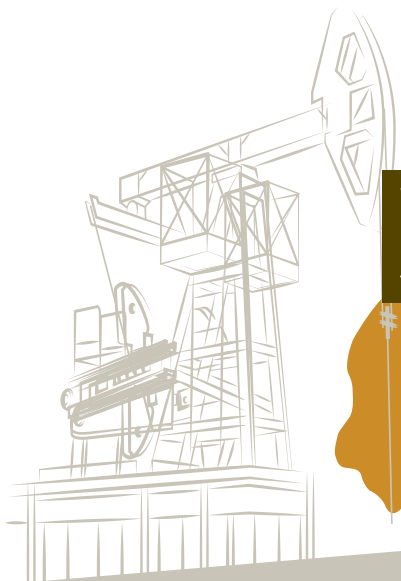
## South-western Tajikistan

**Dushanbe zone**  
Projected recoverable reserves are estimated at: Oil - 7.0 million tons – and, Gas - 37.0 billion m<sup>3</sup>.

**Kafirnigan Zone**  
Projected recoverable reserves are estimated at: Oil - 17.057 million tons – and, Gas - 227.4 billion m<sup>3</sup>.

**Vakhsh Zone**  
Projected recoverable reserves are estimated at: Oil - 22.9 million tons – and, Gas – 151,9 billion m<sup>3</sup>.

**Kulyab Zone**  
Projected recoverable reserves amount to a total of: Oil - 20,275 million tons – and, Gas - 187.0 billion m<sup>3</sup>.



# PRODUCTION OUTPUT

## COAL



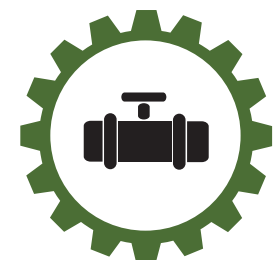
875 000 tons

## OIL



7 290 000 tons

## GAS



8 160 000 000 m3



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

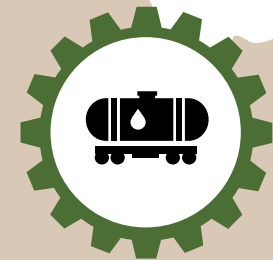
Fossil coal increased 4.97 times

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.

## CONDENSATE



490 000 tons





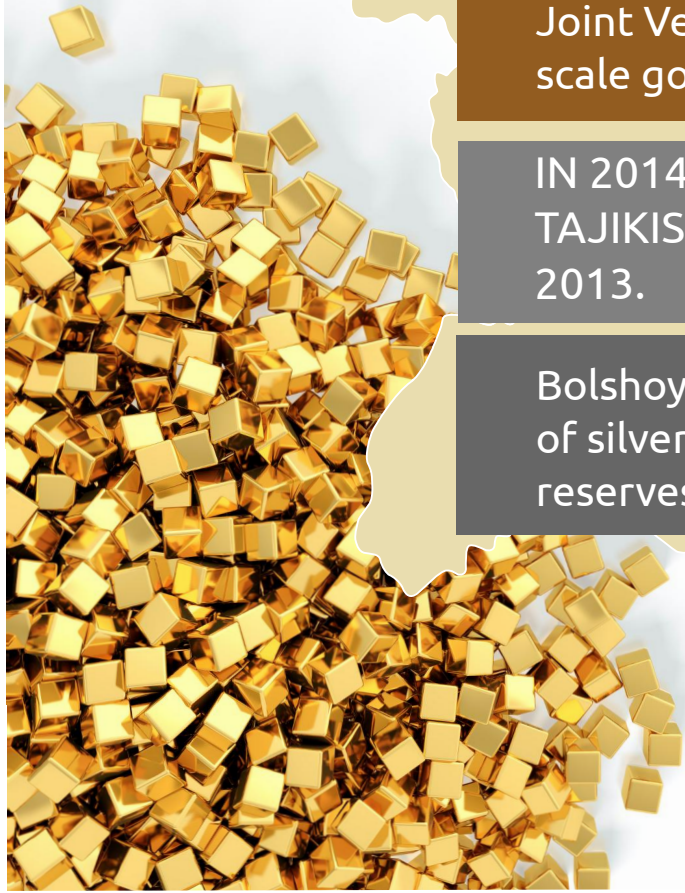
# GOLD AND SILVER PRODUCTION

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.

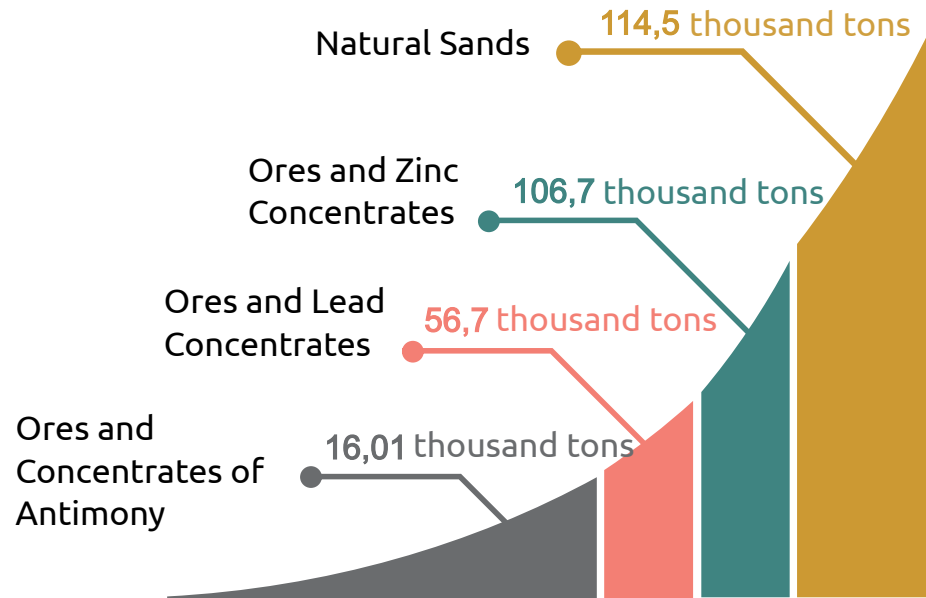
IN 2014, THE TOTAL AMOUNT OF SILVER PRODUCED IN TAJIKISTAN WAS 1870.0 KG, WHICH IS 70 KG MORE THAN 2013.

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



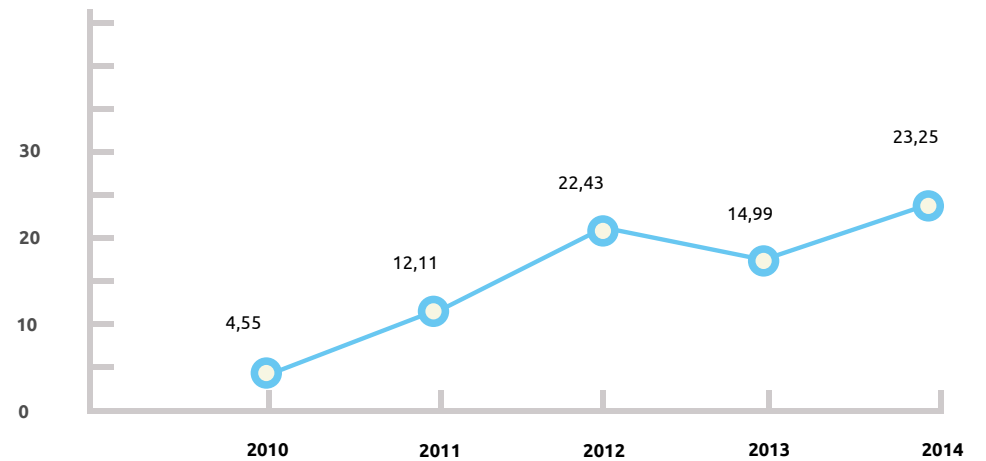
# EXPORTS OF MINERAL PRODUCTS

EXPORTS OF MINERAL PRODUCTS IN 2014

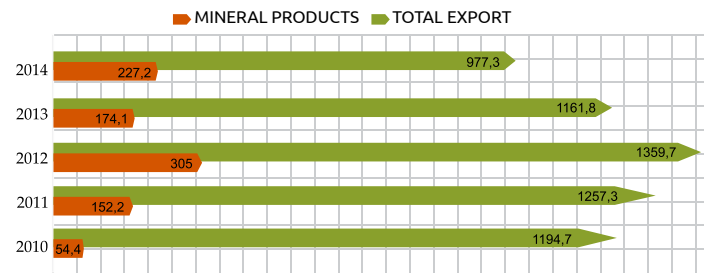


The total volume of exports from the extractive sector – 23.25%

THE SHARE OF MINERAL PRODUCTS IN THE COUNTRY'S EXPORTS, %

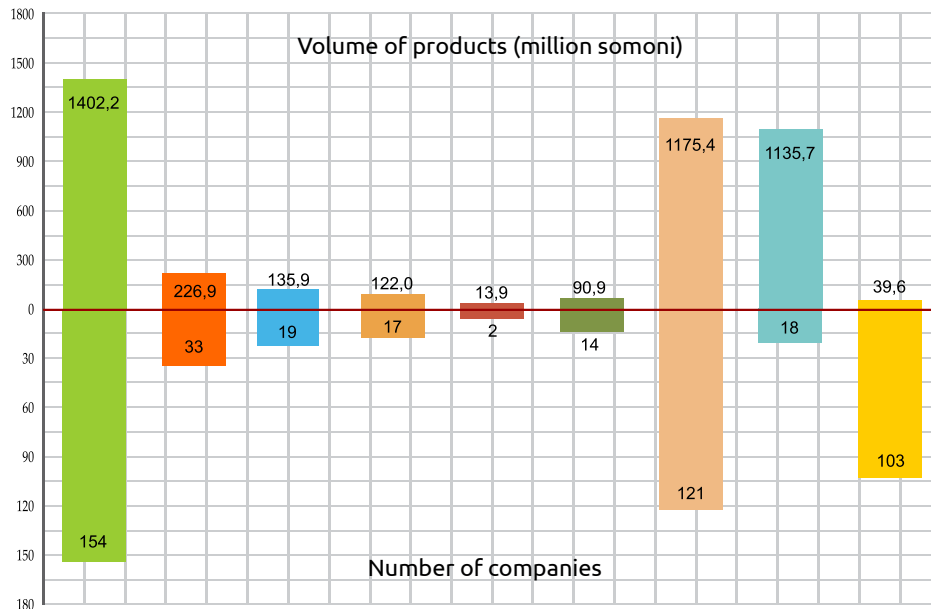


DYNAMICS OF EXPORTS OF MINERAL PRODUCTS, THOUSAND USD



# MACROECONOMIC OVERVIEW

The main indicators of extractive industries in the Republic of Tajikistan



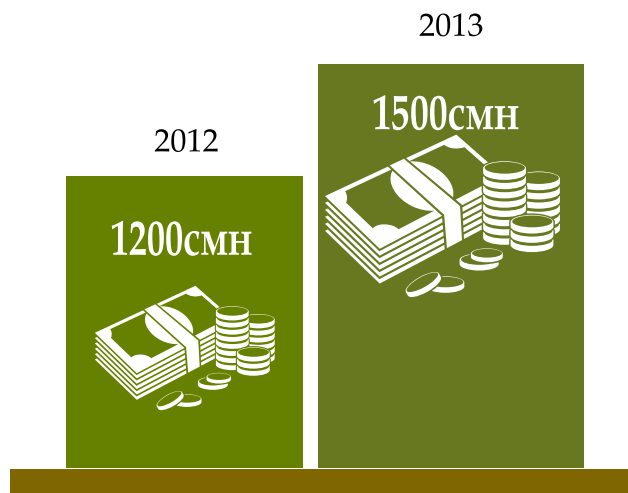
- Mining industry
- Development of energy materials
- Mining of coal and lignite
- Mining and agglomeration of coal
- Mining and agglomeration of lignite (brown coal)
- Extraction of crude oil and natural gas;
- Extraction of non-energy raw materials
- Mining of metal ores
- Other sectors of the mining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

The role of extractive industries in the country's economy

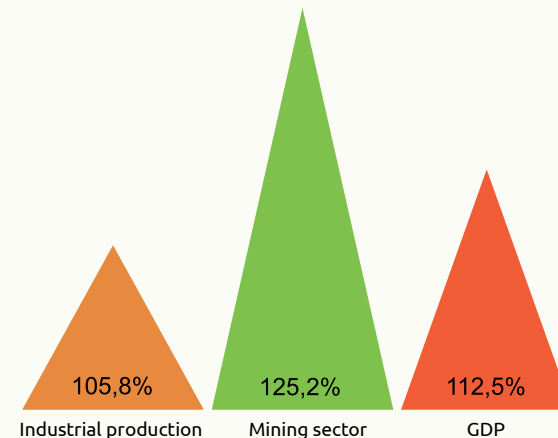


# EMPLOYMENT

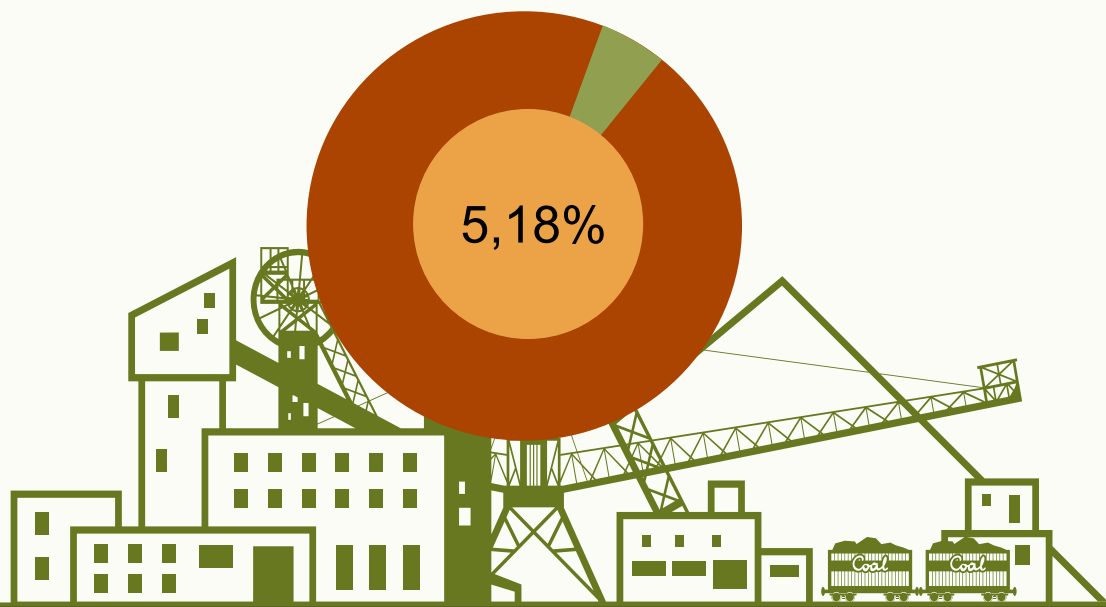
The average salary in the sector



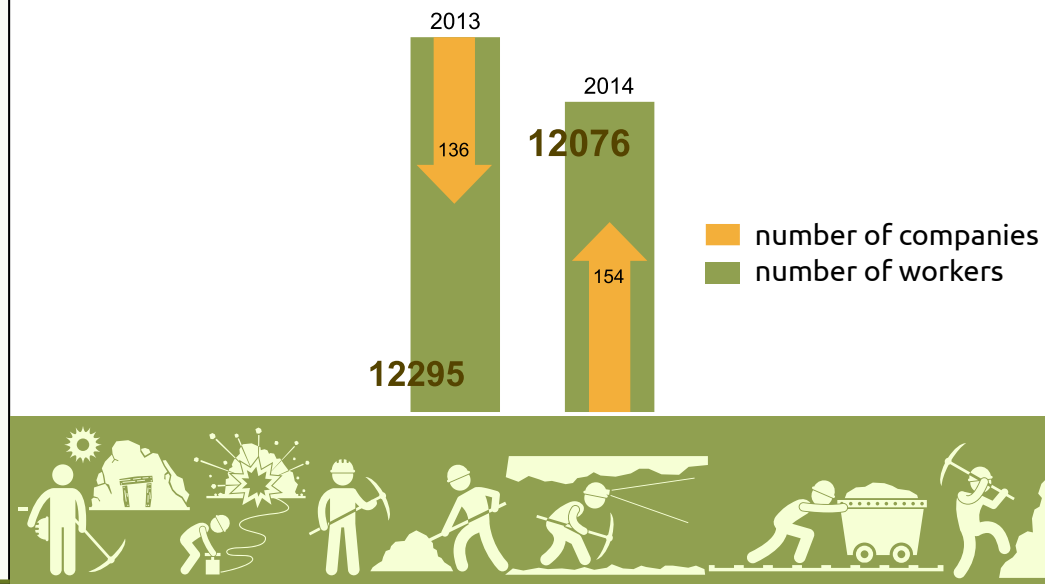
The growth rate of the sectors in 2014 as compared to 2013



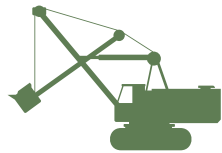
The share of employment in the mining industry



The average number of workers employed in the mining industry

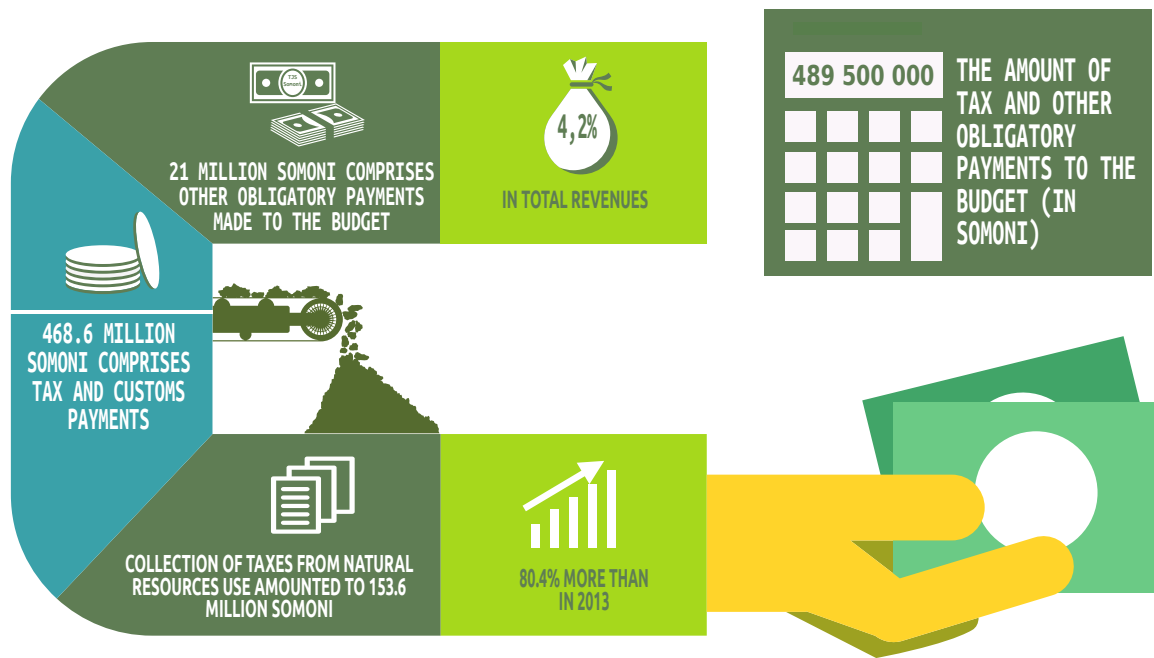


# TAX REVENUES

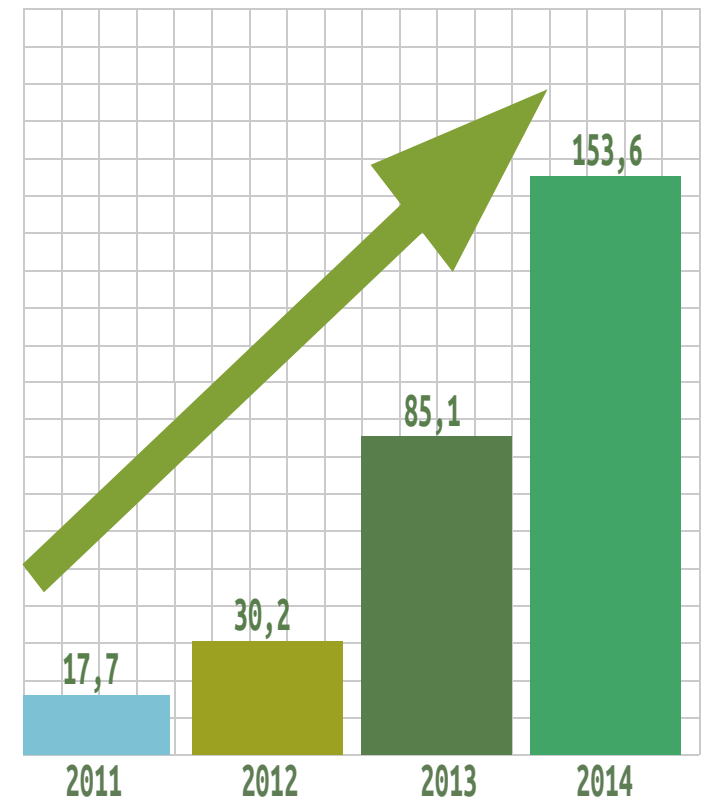


## TAXES

FROM EXTRACTIVE INDUSTRIES IN 2014



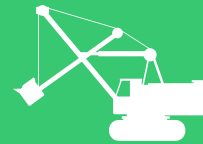
DYNAMICS OF TAX COLLECTION FROM SUBSOIL USERS (MLN. SOMONI)



# THE AMOUNT OF REVENUES



Total budget revenue  
**489 500 000**  
somon



State and local budget revenues  
in 2014 from the extractive  
industries

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  
somon

The total amount of revenues paid to the  
state budget from the total amount of  
budget revenues

334 149 901  
somon

The total amount of payments  
to the local budgets from the  
total revenues paid to the  
state budget

173 021 723.3  
somon

The amount of payments to the state  
budget from total revenues paid to the  
state budget

161 128 177.7  
somon



# SOCIAL EXPENDITURE OF COMPANIES

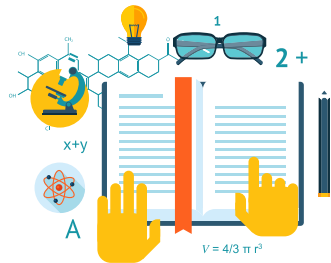


4 126 997  
SOMONI

0.91%  
(FROM TOTAL  
EXPENDITURE OF  
COMPANIES)

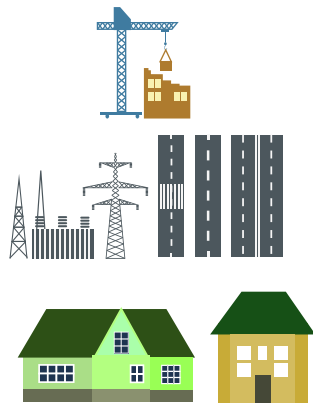
The amount of payments for 2014 by 14 companies undergoing reconciliation is 452,869,282 somoni. Of these, 8 companies have additional (social) costs, including: support for education and support of social infrastructure.

## TO SUPPORT EDUCATION



305 796  
SOMONI

## TO SUPPORT SOCIAL INFRASTRUCTURE

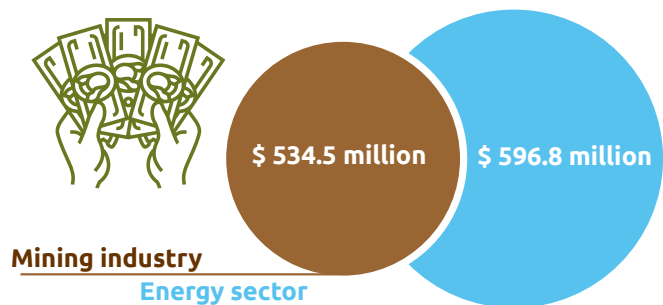


3 821 201  
SOMONI

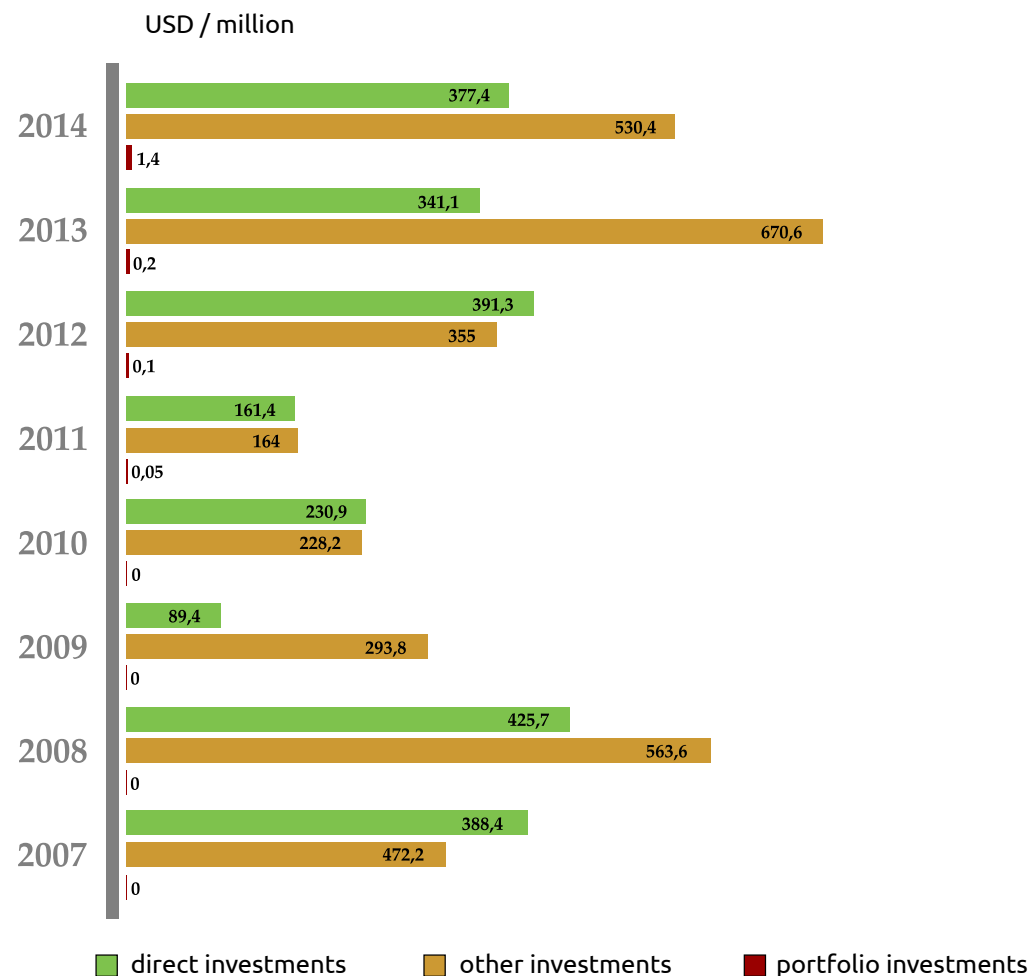
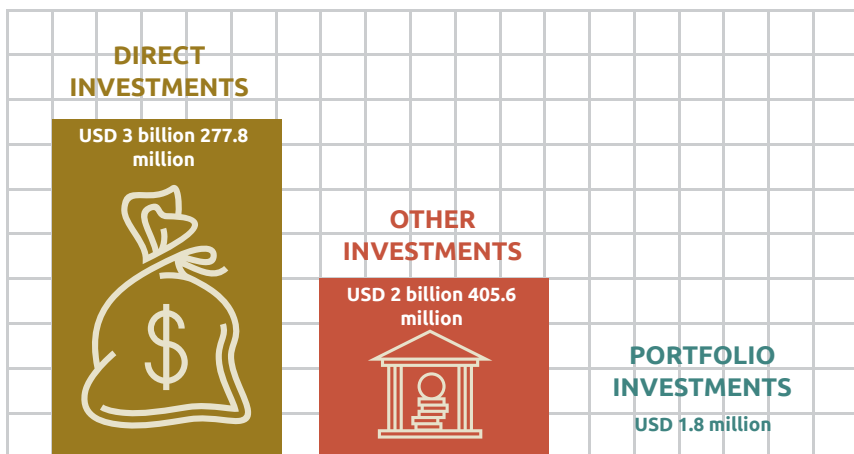
● 26332	Aprelevka, LLC
● -	B. Gafurov, Asht, Matcha
● 70280	Zeravshan, LLC
● 3092613	Panjakent
● 6310	Somon Oil, LLC
● -	Kayrakkum, Asht
● 86000	Tajik-Chinese Extractive Company, LLC, Matcha
● 354629	
● 70877	Petroleum Sughd, JLLC
● 265267	Kanibadam, Isfara
● 4048	Bokhtar Operating Company BV
● 29274	Bokhtar
● 41949	Anzob, LLC
● 79418	Aini

# INVESTMENTS

Allocation of Foreign Direct Investments (2007-2014)

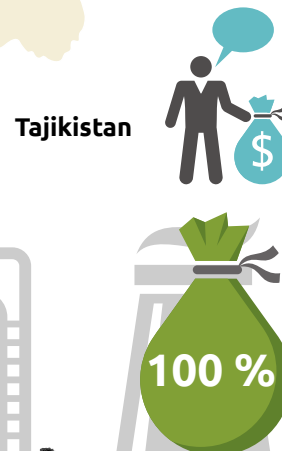
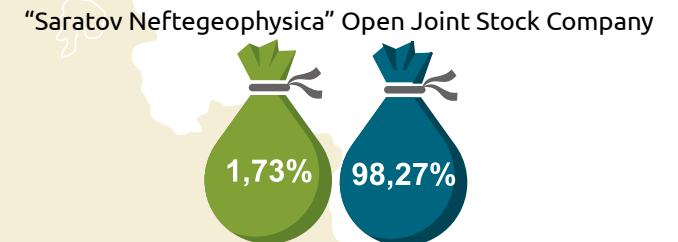
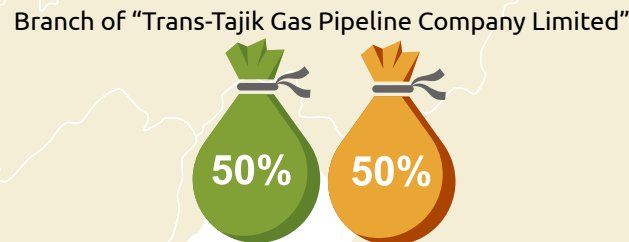
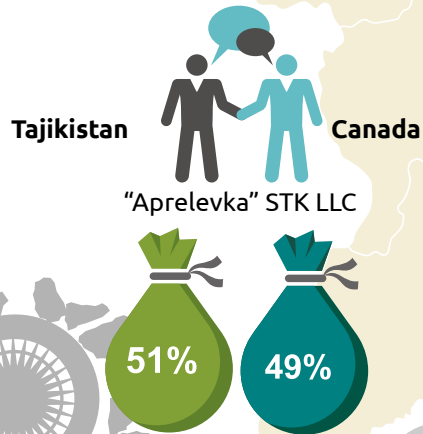
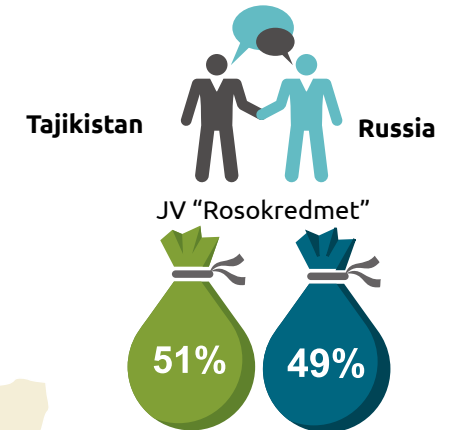
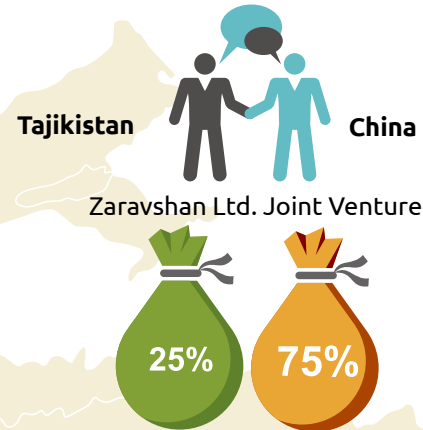
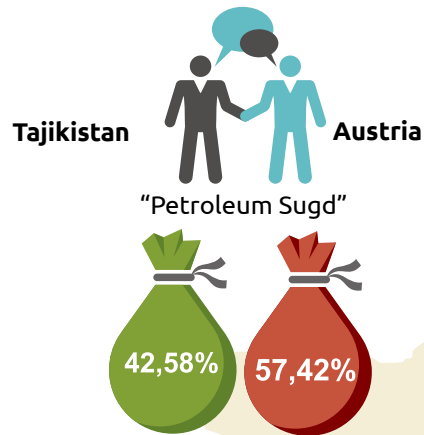


FDI inflow to the economy of Tajikistan (2007-2014)

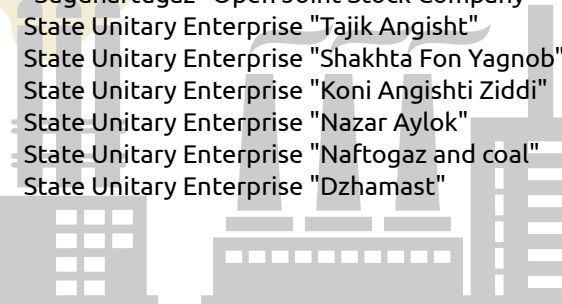
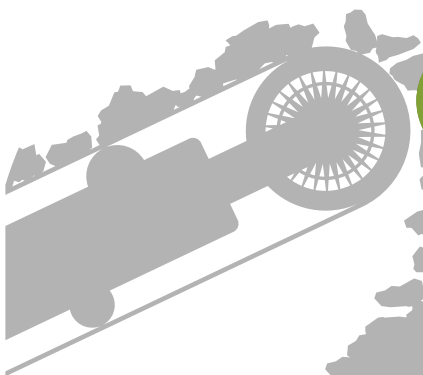




# GOVERNMENT PARTICIPATION IN EXTRACTIVE INDUSTRIES



- "Angisht" Open Joint Stock Company
- "Naftu Gaz" Open Joint Stock Company
- "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"





**EITI** Extractive Industries Transparency Initiative



MINISTRY OF FINANCE OF RT



Branch Office of the International Organization of Open Society Institute - Assistance Foundation in Tajikistan



**UKaid**  
from the British people



The World Bank