

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

TAJIKISTAN

Eurasia

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Dushanbe	Capital and dominant administrative/financial hub	Services, retail, banking
Rogun Dam / Vakhsh cascade	Flagship hydropower project under construction, World Bank-backed, projected ~14,400 GWh/yr (~60% of current national generation)	Hydropower, energy infrastructure
TALCO / Tursunzade	State-controlled Tajik Aluminum Company smelter, a major export earner but subject to international arbitration	Aluminum smelting, metals export
Gorno-Badakhshan (GBAO)	Remote, mountainous eastern region with mineral potential; periodic security-sensitive unrest	Mining, minerals
Sughd region (Khujand)	Northern industrial and agricultural hub bordering Uzbekistan	Agro-processing, light manufacturing, trade
Free Economic Zones (Dangara, Panj, Sughd, Ishkoshim)	Established zones offering tax and customs incentives for qualifying manufacturing and export ventures	Manufacturing, assembly, agro-processing
CASA-1000 corridor	Regional power-transmission project linking Tajik and Kyrgyz hydropower surplus to Afghanistan and Pakistan	Power transmission infrastructure

INVESTOR ENTRY ROUTES

- State Committee on Investments and State Property Management provides single-window investment facilitation and incentive approval
- Free Economic Zones (Dangara, Panj, Sughd, Ishkoshim) offering tax and customs incentives for qualifying ventures
- CIS Free Trade Area membership giving preferential access to Russia, Kazakhstan and other CIS markets (Tajikistan is not an EAEU member, unlike Kazakhstan or Kyrgyzstan)
- Concessional multilateral and regional financing channels (World Bank, Asian Development Bank, Eurasian Fund for Stabilization and Development) anchoring large infrastructure co-investment, especially around Rogun
- State-guaranteed power-purchase arrangements tied to Rogun's planned electricity exports to Kazakhstan and Uzbekistan
- Remittance-linked consumer and retail-banking channels, reflecting the economy's heavy reliance on labor migration to Russia

MARKET-ENTRY OBSERVATION

Tajikistan's economy is growing strongly: GDP rose about 8.2% year-on-year in the first half of 2026 after 8.4% growth in 2025 (World Bank), fixed-capital investment climbed 18.4% in H1 2026, foreign-exchange reserves stand at \$5.6 billion (over eight months of import cover), and the share of the population below the \$4.20-a-day poverty line fell from 55% in 2010 to about 14.8% in 2025. But the growth engine is narrow: remittances from labor migrants, overwhelmingly in Russia, equaled roughly 46% of GDP in 2025, and the trade deficit widened to 35% of GDP the same year.

The centerpiece infrastructure project, the Rogun hydropower dam, received a \$300 million World Bank grant on June 30, 2026, bringing total Bank financing to \$650 million; the project is projected to add roughly 14,400 GWh of annual generation (about 60% of current output) and more than 30,000 direct and indirect jobs, but its scale exceeds what Tajikistan can fund alone, and planned export revenue to Kazakhstan and Uzbekistan depends on completion, transmission links and purchase agreements not yet finalized. The World Bank rates Tajikistan at high risk of debt distress (though default is not considered imminent), driven by heavy external repayments in 2025-27 and by an IMF stress test adding contingent state-enterprise liabilities worth 11.7% of GDP, including 8.2% of GDP in arrears at power utility Barqi Tojik and a disputed \$300 million-plus arbitral award against TALCO. Politically, President Emomali Rahmon, 71, has not announced a succession plan, though his son Rustam Emomali, 36 (Senate chairman, former Dushanbe mayor), is an increasingly prominent public figure; a long-unresolved Kyrgyz-Tajik border dispute is seen by some officials as a complicating factor for any transition timeline.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Remittance dependency	Growth and household demand hinge on roughly 46% of GDP in remittances tied to the Russian labor market	Diversify exposure toward regional trade and hydropower-export opportunities rather than consumer-demand plays
Off-budget state-enterprise debt	IMF stress test flags contingent liabilities worth 11.7% of GDP at Barqi Tojik and TALCO that could shift onto the sovereign balance sheet	Monitor SOE reform progress and IMF program conditionality closely
Rogun financing and completion risk	Project scale exceeds domestic funding capacity; export revenue is contingent on completion, transmission links and unsigned power-purchase agreements	Engage through multilateral co-financing structures (World Bank, ADB, EFSD) rather than standalone exposure
TALCO arbitration and legal exposure	Creditors are enforcing a cross-border arbitral award against TALCO worth more than \$300 million	Conduct enhanced counterparty due diligence before any TALCO-linked engagement
Succession uncertainty	President Rahmon, 71, has set no formal transition timeline despite his son's increasingly public role	Monitor political signals; no mitigation available to outside investors
Narrow export base	Trade deficit widened to 35% of GDP in 2025; exports remain concentrated in aluminum, cotton and remittance-driven imports	Longer-term diversification via hydropower exports once Rogun and transmission links are complete
Kyrgyz-Tajik border dispute	Unresolved border tension with Kyrgyzstan, with historical flare-ups; possible resolution floated around 2027	Track diplomatic process; avoid border-adjacent asset concentration in the interim

INVESTOR RISK NOTE

Tajikistan combines genuinely strong headline growth and falling poverty with a high risk-of-debt-distress rating driven by state-enterprise contingent liabilities, a flagship hydropower project whose financing and export revenue remain only partly secured, an unresolved presidential succession question, and a long-standing border dispute with Kyrgyzstan. These are structural and political risks rather than signs of acute crisis, placing Tajikistan at a moderate rather than severe risk tier within the region.

MARKET ACCESS

Tajikistan is not a member of the Eurasian Economic Union, unlike Kazakhstan, Kyrgyzstan, Armenia and Russia, but benefits from CIS Free Trade Area preferences with Russia, Kazakhstan and other CIS markets. The domestic market is small (roughly 10.3 million people) with low per-capita income, so near-term access is better understood through hydropower export potential toward South and Central Asia via the CASA-1000 corridor than through direct consumer-market scale.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
President Emomali Rahmon	Centralized executive authority held since 1992; the unresolved succession question centers on him	Not a realistic direct engagement channel; policy signals originate here

Actor	Why It Matters	Waverley Engagement Angle
Rustam Emomali, Senate Chairman	Increasingly the public face of government, widely seen as the presumptive eventual successor	Monitor his public role for succession-timeline signals
State Committee on Investments and State Property Management	Central investment-facilitation body and single window for incentive approval	Primary entry point for structuring any new investment
National Bank of Tajikistan	Monetary policy and foreign-exchange reserve management	Relevant to currency and capital-account planning
Barqi Tojik (state power utility)	Operates Tajikistan's hydropower assets including Rogun; carries substantial arrears flagged by the IMF	High-diligence counterparty for any power-sector engagement
TALCO (Tajik Aluminum Company)	State-controlled aluminum smelter and major export earner, subject to active international arbitration	High-diligence counterparty; monitor arbitration enforcement developments
World Bank / Asian Development Bank / Eurasian Fund for Stabilization and Development	Primary concessional financiers anchoring Rogun and other major infrastructure	Co-financing partner for investors seeking a multilaterally de-risked entry route

CURRENT INTERNATIONAL BUSINESS CHANNELS

Engagement channels run chiefly through the State Committee on Investments and State Property Management, bilateral relationships with Russia, China and Kazakhstan, and multilateral development-bank co-financing structures (World Bank, ADB, EFSD) that anchor the country's largest projects, including Rogun.

INVESTOR PROFILE BEST SUITED

Best suited to infrastructure and hydropower investors comfortable with long project horizons and multilateral co-financing structures, and to investors able to engage through concessional, development-finance-anchored vehicles. Less suited to investors seeking liquid capital markets or rapid-return consumer-market plays, given the small, remittance-dependent domestic market.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Engage the State Committee on Investments

Approach the State Committee on Investments and State Property Management for project screening and incentive structuring.

STEP 2: Assess Rogun-linked opportunities

Evaluate hydropower-export co-investment alongside World Bank, ADB and EFSD financing structures.

STEP 3: Conduct enhanced SOE due diligence

Scrutinize counterparties such as TALCO and Barqi Tojik given their arbitration and arrears exposure.

STEP 4: Monitor political-risk signals

Track succession developments and the Kyrgyz-Tajik border dispute for shifts in the operating environment.

STEP 5: Structure through concessional vehicles

Where possible, anchor exposure in development-finance-backed co-investment structures rather than standalone positions.

WAVERLEY'S ROLE

- Investment facilitation and introductions to the State Committee on Investments and State Property Management
- Due diligence support on state-enterprise counterparties and infrastructure co-financing structures
- Political and succession-risk monitoring
- Coordination with multilateral development-bank financing processes (World Bank, ADB, EFSD)

INVESTOR CALL TO ACTION

Investors considering Rogun-linked or hydropower-export opportunities should engage Waverley for introductions to the relevant state and multilateral financing counterparts.

All investors should commission SOE-specific due diligence on TALCO and Barqi Tojik before structuring any debt or equity exposure tied to Tajikistan's state sector.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

The most substantial near-term opportunities are Rogun-linked hydropower co-financing and export infrastructure, alongside Free Economic Zone manufacturing ventures and agro-processing tied to cotton and fruit exports. Opportunities are concentrated in state-anchored, multilaterally co-financed projects rather than open consumer or capital-markets plays.

POSITIONING

Waverley views Tajikistan as a fast-growing but narrowly based economy whose decade-long run of strong GDP growth rests heavily on remittances and a small number of large, state-anchored infrastructure projects, chief among them the Rogun hydropower dam.

For investors comfortable engaging through concessional, multilaterally co-financed structures and prepared to conduct rigorous counterparty due diligence on state enterprises, Tajikistan offers access to a genuine infrastructure growth story; for investors seeking liquid markets or rapid returns, the opportunity set remains narrow.

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