

STRENGTHENING EXPORT COMPETITIVENESS OF SMES IN THE TEXTILE AND CLOTHING SECTOR AND ENHANCING TRADE SUPPORT INSTITUTIONAL CAPACITIES IN TAJIKISTAN

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ITC STUDIES TAJIK TEXTILE AND CLOTHING COMPANIES' ACCESS TO FINANCE

A group of International Trade Centre (ITC) experts visited Tajikistan to assess the Tajik textile and clothing sector's access to finance.

This mission is the first step in launching a feasibility study to assess the situation and recommend various options to increase the provision of finance in Tajikistan's textile and clothing sector. The feasibility study will be conducted under the ITC project funded by the Government of Switzerland within its Trade Cooperation Program (TCP) in Tajikistan.

The feasibility study will be conducted by a team of international experts including Mr. Christophe Cordonnier, Mr. Torek Farhadi, and Mr. Gilles Walter with the assistance of local ITC consultants. The team of international experts visited Tajikistan from 28 April to 4 May 2014 to meet with the heads and representatives of the Ministry of Economic Development and Trade, the Ministry of Industry and New Technologies, the National Bank, several commercial banks and microfinance organizations, international financial organizations, and the textile and clothing sector.

Mr. Saidmumin Kamolov, ITC national programme manager, to summarise the opinions of the Tajikistan textile and clothing sector says that access to finance has been identified as one of the most challenging constraints faced by enterprises in Tajikistan's textile and clothing sector. He says: *"We are launching this feasibility study in order to understand and assess what financial services/ instruments are available to the SMEs, the needs of textile and clothing companies' in terms of financial services /instruments, the challenges faced by them to access finance, the challenges faced by banks and other financial institutions to provide finance, etc. We will review and assess the regulatory environment supporting access to finance, identify the main bottlenecks and evaluate the potential of the financial institutions of Tajikistan to improve SME's access to finance"*.

The findings and recommendations of the study are expected to highlight the type of technical assistance and/or financing schemes needed (e.g. credit-lines, guarantees), and to develop and introduce the new financial products that would be needed to address the identified challenges in financing the T&C sector in Tajikistan.

The present project is component FOUR of the Trade Cooperation Program (TCP) in Tajikistan and aims to increase the export competitiveness of the textile and clothing (T&C) sector, by providing sector specific support to SMEs and relevant trade support institutions (TSIs), as well as supporting respective stakeholders in taking a strategic approach to the sector's development. It will also explore the challenges and development potential of the tourism and handicraft sectors in Tajikistan, outlining relevant trade related technical assistance priorities.

Swiss support: Within its Cooperation Strategy for 2012-2015, Switzerland focuses on four sectors in Tajikistan; Health, Rule of Law, Drinking Water Supply and Sanitation, and Private Sector Development. The overall goal of Swiss Cooperation in Tajikistan is to support the transition process in the country through contributing to economic development and by helping build institutions and systems which are responsive to the population's needs. www.swisscoop.tj, www.deza.admin.ch, www.seco-cooperation.admin.ch

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