## **Investment Project**

## "Creation of Tursunzade logistics center "

Tajikistan due to its geographical position is at the crossroads of transit corridors linking Europe and Central Asia, Afghanistan and China. In this regard, one of the main problems in the development of Tajikistan's economy is the development of road transport, the improvement of transport infrastructure and the quality of transport and transit services.

Thus facilitating international road transport for Tajikistan, which has no outlet to the sea, is one of the major problems on which decision depends competitiveness of Tajik exporters to foreign markets and the cost of imported goods for its citizens.

President of the Republic of Tajikistan Emomali Rahmon has repeatedly noted that one of the strategic objectives of the government of the country is the construction and rehabilitation of roads and bridges that have national and international importance, with the aim to output of Tajikistan from communication deadlock.

Is extremely important also the creation of in Tajik territories logistics centers of international importance, which are will consolidate cargo flows from the EU countries, Asia, the EurAsEC member states, CIS, Uzbekistan, Afghanistan and China.

Project "Creation of Logistics Center Tursunzade" is a part of: the National Development Strategy of the Republic of Tajikistan, the State target program of development of transport complex of the Republic of Tajikistan until 2025; The Public Investment Program for 2016-2018; Programs of export development and import substitution and many other programs contribute to the development of the economy as a whole.

The project is supported by the Council for Public-Private Partnership of the Government of the Republic of Tajikistan.

A preliminary feasibility study of the project " Creation of Logistics Center Tursunzade" was prepared by the Asian Development Bank as part of the project on the rehabilitation of the road Dushanbe-Uzbekistan border (№ 7080-TA TAJABR: draft CAREC preparation of a regional transport corridor, Phase III).

The main objective of the project is to increase the efficiency of transit transport in Tajikistan and Central Asia for the development of regional and Eurasian economic cooperation as well as strengthening security and stability, fulfillment of international obligations arising from international legal acts recognized by the Republic of Tajikistan, regulation of the movement of transit of foreign vehicles on the territory of the Republic of Tajikistan

Due to stabilization situation in Afghanistan and other countries is increased attention to the economic development of this country, and therefore increase the level of freight traffic through Tajikistan to Afghanistan. Taking into account the strategy for revival of the Great Silk Road, the development of existing and new transport corridor runs through the territory of the Republic of Tajikistan to China, joining of the Republic of Tajikistan to the number of transit agreements makes the project socially and economically significant.

Freight turnover of Tajikistan as an integral component of the transport complex grows, rail and road transport are becoming more and more popular. The increasing demands on the quality of transport services are giving rise the need to systematize and optimize costs time and money for transporting goods. Introduction of methods of logistics can significantly reduce the production costs and the costs associated with the movement of goods from producer to consumer, provide the most comprehensive customer satisfaction in the quality of goods and services. One possible solution to this problem - to create a terminal of international level in transport sector of the Republic of Tajikistan.

Transport accessibility of the project determined by the proximity to the international road corridors. Railway track provides the ability acceptance and consolidation of cargo by rail. The favorable geographical position created "Creation of Logistics Center Tursunzade", transport and storage infrastructure allows it to become a party to intermodal transport. By introducing a new service delivery system, ie providing full complex of freight forwarding services for both the international and domestic cargo delivery, including selection of the most efficient and profitable variants of cargo transportation using the provision of

information of interest, will promote timely, guaranted deliveries of goods by various modes of transport.

One of the important tasks of modernization of the transport system of the Republic of Tajikistan is the problem of ensuring the coordinated work of all types of transport. Tasks of complex development of all modes of transport, warehousing (creating the conditions for giving commodity-packaging and marking-type of cargo, storage of perishable goods), terminal infrastructure, customs, quarantine and veterinary services, insurance of goods and information support and alignment of these components for coordinated work can be most effectively addressed only through multimodal transport and logistics centers, ie on the terminals. Automobile terminal are able to provide work of transport with the relevant international standards, which in turn will create the conditions to attract additional cargo, and increase revenues.

Indicators of the project:

. Total Project Cost: 10,093,689 (ten million ninety-three thousand six hundred eighty-nine) U.S. dollars;

. Implementation period: 1-2 years;

. Payback period: 10 years.

- The object is located along a third Transport Corridor of CAREC, at a distance of 5.4 kilometers from the Tajik-Uzbek border and 59 km from Dushanbe.

- Existing a plot of land 7.12 (requires additional land - 14.28 ha). The total project area of the land - 21.4 hectares

- Near runs railway branch line (for the implementation of multimodal transportation).

In socio-economic terms, the project will create in Tajikistan the new center and the dissemination of knowledge and experience to help improve the professional level of services of employees related to foreign trade and transit operations. This will help ensure surrounding areas with new jobs improve living standards, increase budget revenues, simplifying the export of agricultural products, as well as enhance the image of the Republic of Tajikistan, as the country providing services that meet international standards, within the framework of WTO rules and disciplines.

The project implementation was supported during the ninth session of the intergovernmental Tajik-Turkish Joint Economic Commission, where in the Protocol in paragraph 9. "Cooperation in the field of transport" noted: Taking into account the Turkish experience in the implementation of projects for the creation and management of logistics centers, Tajik side proposed to consider the possibility of a joint project "Creation of Tursunzade logistics center" on the basis of public-private partnership mechanism.

Partner from the Republic of Tajikistan, will be Association of International Road Carriers of the Republic of Tajikistan "ABBAT" (information about Association is attached).

We hope for cooperation within the framework of the Intergovernmental Commission and the Tajik-Turkish Business Council, as well as finding potential partners in the face of TOBB and other interested business entities.