
Tajikistan Monthly Risk Monitoring & Warning Report

March 2010



RISK TRENDS

NATURAL HAZARDS

Heavy snowfall during February and increased precipitation in March and April are expected to increase the risk of floods, landslides and mud flows for April-June period. The Committee of Emergency Situations and State Hydro-Meteorological Agency are developing flood and landslide/mud flow impact maps.

ENERGY SECURITY

Energy security has improved with an increase in electrical supplies due to increased production from the main hydro-electric facilities, the mild winter and the onset of relatively warmer Spring weather.

FOOD SECURITY

Food security conditions do not appear to have changed significantly from January. Better road access in February contributed to a lowering of prices in Garm. A reduction in wage and pension arrears likely improved food security for some households. A 0.7% increase in the food price index may indicate increased difficulties for some families to meet basic food needs. Increased precipitation, and cooler than average temperatures, forecast for April need to be monitored for impacts on agriculture.

MACROECONOMIC TRENDS

Economic conditions remained relatively stable in February. The recent difficulties in arrival of rail cars from Uzbekistan may result in emerging economic or food security impacts later in April and in May 2010.

1. Weather-Related Risks

1.1 Weather-Related Events

On 27 March 2010 a landslide blocked the Surkhob river (near Garm in the Rasht Valley) creating a small lake. The Committee of Emergency Situation and Civil Defense evacuated some down-stream populations as a precaution, but the river is reported to have cut through the landslide and the risk of a flood surge event is reduced. Information on current weather-related events is available from the **REACT News Bulletins** (<http://www.untj.org/?c=7&id=149>), and on-going disaster responses at <http://www.untj.org/?c=7&id=136>.

1.2 Forecast for April 2010

April will generally be cooler than the norm. The State Hydro-meteorological Agency forecasts average monthly temperatures in most of the country will be 2°C to 3°C below the norm. At lower elevations in the Districts of Republican Subordination (DRS) and Khatlon Oblast, temperatures will average 13°C to 16°C. In mountainous areas temperatures will average 9°C and 10°C. In the Sughd Oblast, average temperatures are expected to be between 12°C and 13°C and at higher elevations between 2 and 6°C. Average temperatures in the mountainous areas of DRS and western Gorno-Badakhshan Autonomous Oblast (GBAO) are forecasted to be 7°C to 9°C, whereas at higher elevations, temperatures will vary from -1°C to -6°C. In Eastern GBAO, average monthly temperatures are expected to range from -1°C to -6°C. Nighttime lows will be between -3°C and -14°C and daytime highs between -2°C and 12 °C.

April precipitation totals in most of the country are expected to be significantly above the norm: In DRS and Khatlon Oblast by 112 to 129%, in mountainous areas of DRS by up to 116% and in Sughd Oblast by 170%. In GBAO, on the other hand, precipitation is expected to be 60-65% of the norm.

Localized details on expected weather in April 2010 can be found in Annex A.

1.3 Precipitation Summary

Total amount of precipitation in December 2009, and January, February and first half of March 2010 was below the multi-year norm in most of the country. In February, precipitation was 170-200 % of the norm (mostly in a form of snow) across most of the country. Snow depths in western GBAO and Rasht Valley are reported to be 110 to 170 cm and on southern slopes of Hissar Mountains deep as 190 cm.

Heavy snowfall during February and increased precipitation in March and April are expected to increase the risk of floods, landslides and mud flows during April – June months.

An assessment of snow depths, and impact on river flows and potential flooding, is currently underway.

2. ENERGY

1.4 Electricity Supply

In February 2010 Tajikistan generated a daily average of 49 million kWh. This level of electrical production resulted from increased outflows from the Nurek reservoir, which also provided more water for the six hydroelectric facilities downstream on the Vakhsh River.

Electricity imports from Uzbekistan have been low (≈ 0.6 million kWh per day) due to the availability of supplies from within the country.

1.5 Reservoir Levels

Water levels in the Nurek reservoir were higher than average in February and March. During the first week of February the water level in the Nurek reservoir was 20 meters above the February 2009 level. Toward the end of March the level was 10 meters above the 2009 level.

The higher than average levels in the reservoir indicate that sufficient water will be available for irrigation requirements in the areas served by the Vakhsh Cascade¹.

The water level Kayrakkum reservoir has also reached capacity and there is sufficient amount of water for seasonal irrigation needs in Uzbekistan and Kazakhstan.

1.6 Electricity Availability

Relatively high production of electricity, increased overall generation capacity and lower demand for heating have reduced restrictions of electrical supplies. From 12 March, Tajikistan's main cities are receiving electricity full time, and rural areas receiving electricity 14 hours per day (5am to 1pm and 5pm to 11 pm). A re-imposition of electrical supply restrictions is not anticipated before next Fall.

1.7 Natural Gas

Tajikistan imported 20 to 25 thousand meters³ of gas per day in February.² Since January, Tajikistan has imported more than 30 million cubic meters of gas. However, natural gas supply levels are one third of 2008 levels due to increased import prices (US\$ 231 per thousand cubic meters). Demand for natural gas by households

Hydro-Electricity Generation February 2010		
Hydro-electric Power Plant	Average per day (million kWh)	% of total production
Nurek*	29	59.9
Baypaza*	6.677	13.6
Sangdtuda-1*	6.620	13.5
Golovnaya*	2.847	5.8
Perepadnaya*	380	0.8
Central*	234	0.5
Kayrakkum	2.832	5.8
Varzob Cascade	103	0.2
Total	49.105	100

* Vashk Cascade

¹ The Vashk Cascade is seven reservoirs and hydro-electric stations along the Vashk River which generate most of the electricity in Tajikistan and regulate river flows for irrigation and other uses.

² Tajikistan has to make advance payments every ten days against future consumption of gas.

has decreased because of the increase in cost, poor supply reliability and improved availability of electricity.

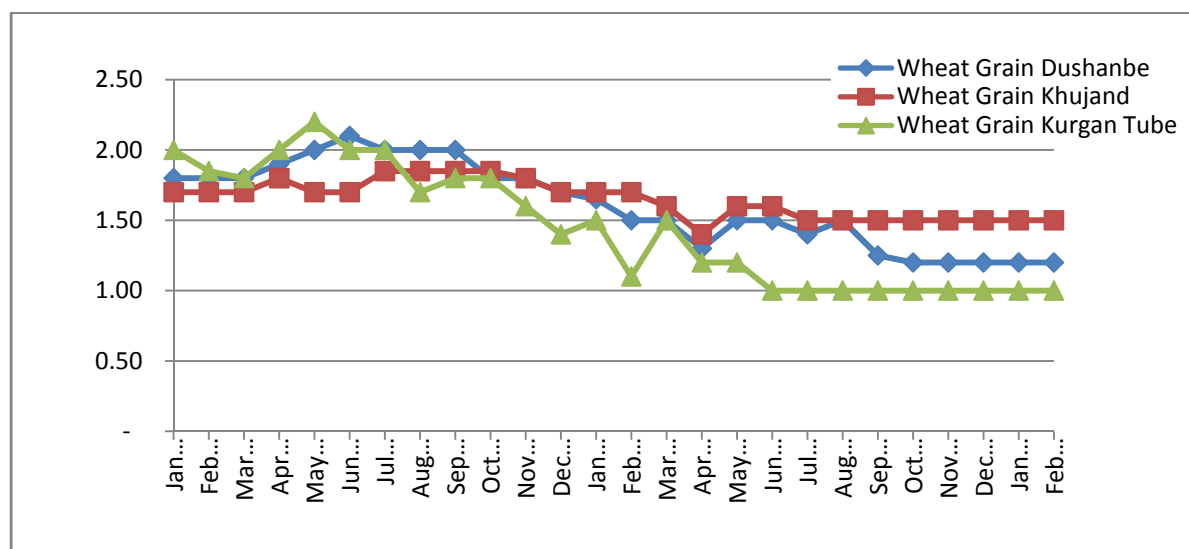
3. FOOD SECURITY

3.1 Food and Fuel Prices³

As indicated at right, the most dramatic January to February price changes have been for cotton oil in Dushanbe (30% increase) and pulses in Khujand (22% increase), while the price of petrol has dropped in Dushanbe.

Of note, Gharm markets experienced major price decreases: eggs and vegetable oil by 14%, cotton oil by 13%, rice by 9% and potatoes by 6%. The price reductions are reported to reflect higher prices in January due to road closures.

Food and Fuel Prices Month on Month Percent Change January to February 2010 (No price changes were reported for Khorog)				
Commodity	Dushanbe	Gharm	Khujand	Kurgan-Tyube
Rice	7.14	-9.33	0.00	0.00
Wheat Flour 1st grade	0.00	2.78	-5.88	-5.26
Vegetable Oil	0.00	-14.29	0.00	0.00
Cotton oil	30.00	-12.50	0.00	0.00
Beef	5.88	5.88	0.00	0.00
Potato	7.14	-5.88	6.67	6.67
Pulses	0.00	12.50	22.22	14.29
Milk	0.00	-4.00	0.00	0.00
Egg	7.14	-14.29	0.00	0.00
Petrol	-15.80	-7.90	0.00	-3.00
Diesel	14.29	0.00	14.29	14.29



Wheat Grain Prices, Somoni per Kg.: Jan 2008 – Feb 2010, Three Key Markets

As indicated in the preceding graph, wheat grain prices had been on a downward trend in Dushanbe, Khujand and Kurgan Tyube markets until August 2009, after which there has been little change on a month-to-month basis. A similar series for vegetable oil indicates almost no change in price (i.e., no downward trend) over the same period. Future research is planned to determine whether the price increases of late 2007-early 2008 have been off-set by the slow drop in prices since 2008 for some commodities.

³ Food and fuel prices are from WFP Food Security Weekly Market Monitoring, Tajikistan

3.1 Population Movements To/From Tajikistan

The number of Tajik citizens migrating out of Tajikistan in February is more than double the number in January 2010. At the same time, the number of returnees in February is 45% greater than in January. As the table below indicates, the largest

Migration to and from Tajikistan, February 2010				
Region	Emigrated	Returned	Emigration by region (%)	Return by region (%)
DRS & GBAO	42,075	28,970	66.7	68.9
Sughd	15,995	8,608	25.4	20.5
Khatlon	4,985	4,438	7.9	10.6
Total	63,055	42,016	100	100

numbers of labor migrants (67%) are registered to come from DRS and GBAO. Majority of returning migrants (69%) are reported to be registered in DRS and GBAO.

The February-March period is normally the beginning of seasonal migration for work in Russia (the largest destination of Tajik migrant workers).

Migration trends in the coming months may provide an indicator as to whether more labor opportunities exist in Russia and the impact of the global recession is diminishing.

3.2 Employment and Wages

In February 2010 the number of officially registered unemployed was 6% higher than for the same period in 2009. At the same time, the number of vacancies offered by state enterprises was 39% less than a year ago.

The average nominal wage in Tajikistan was 349 TJS (US\$ 80) in February 2010, a 10% drop compared to the previous month, but 22.5% higher year-to-year. Average real wages, taking into consideration changes in the consumer price index, dropped by 11% compared to January 2010, but were 16% higher on year-to-year basis.

3.3 Payment Arrears

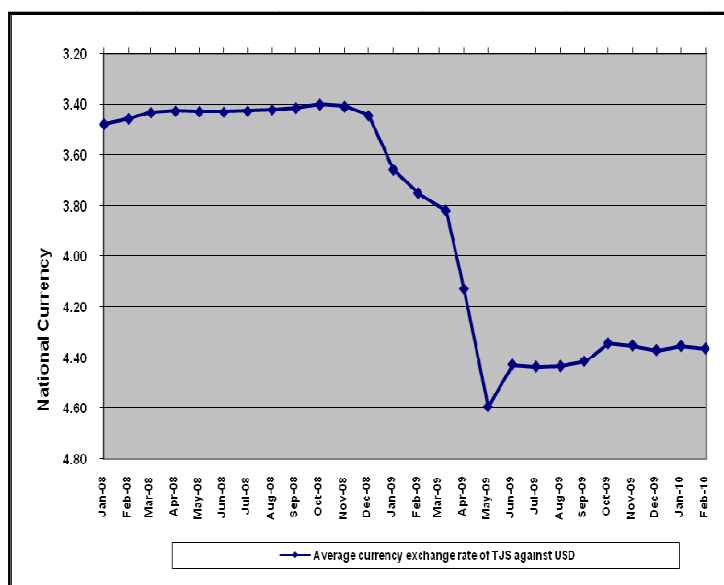
A total of 47.3 million TJS (US\$ 1.08 million) was owed as wage and pension payment by the Government at the end of February. However, arrears were higher in December 2009, totalling TJS 60.18 million (23.09 million in wages; 37.09 million in pensions).

Government arrears in pensions and wages, End February 2009 (million TJS)						
	Khatlon	Sughd	GBAO	DRS	Dushanbe	Total
Wages	6.6	5.3	0.1	10.7	0.04	22.9
Pension	10.5	8.1	1.2	4.6	0	24.4
Total	17.1	13.4	1.3	15.3	0.04	47.3

Unpaid wages and pensions are likely to exacerbate food insecurity for the affected households. This impact may be more severe in Khatlon and Sughd provinces, where unemployment rates are the highest in the country.

3.4 Exchange Rates⁴

In January 2010, the exchange rate between USD and Tajik Somoni (TJS) ranged from 4.39 to 4.40. In February the exchange rate dropped to TJS 4.37 and in March dropped further to TJS 4.36 per American dollar. The value of TJS against Russian Ruble dropped by 2.6% and against Euro by 1.3% in March compared to February owing to increasing demand for these currencies in local markets.



US Dollar Tajik Somoni Exchange Rates Jan 08-Feb 10

5. Macro-Economic Trends⁵

Media reports indicate that a large number of rail freight cars destined for Tajikistan have been delayed in Uzbekistan. The scale of the blockage (reported as over 1,000 cars at one point) may lead to economic impacts in the coming months. Importers have borrowed to fund imports, or purchased commodities on credit. These loans and credits cannot be repaid until the commodities arrive in Tajikistan and are sold or otherwise commercialized, thus constraining the funding of further imports. Reports indicate commercial goods including food stuff being held up for months, and are no longer consumable due to short expiry dates.

According to official data, rail cars containing fuel for agriculture is not making it through the borders either. Additionally, fuel allocated for southern Khatlon province for agricultural purposes is not currently allowed to pass the only rail road going from Dushanbe through Uzbekistan.

The impact of the rail car blockage will be reported on in the April Risk Monitoring and Warning Report.

5.1 General Trends

The State Statistical Committee of Tajikistan reports that for February 2010 GDP was approximately 2.4 billion US\$, a 6% increase compared to February 2009.

The general consumer price inflation in February was 0.6%, 0.3% more than February 2009. The food price index rose by 0.7%, with non-food items increasing by 0.5% and prices for services decreasing by 0.2%—mainly due to a 2% decrease in the price of plane tickets.

More than 40% of industrial companies remained idle during the first two months of 2010. Of 826 industrial companies in Tajikistan, 321 had stopped work.

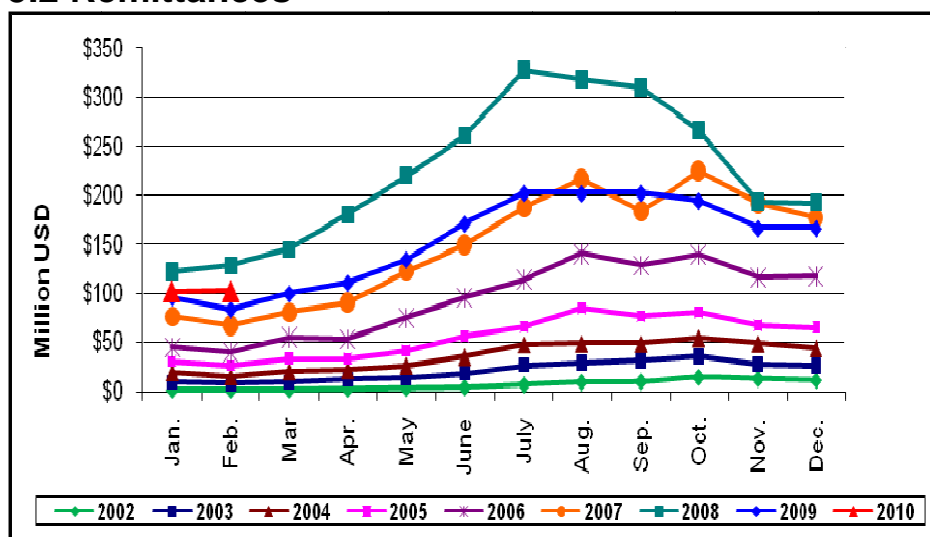
⁴ Source: National Bank of Tajikistan

⁵ Source: State Statistical Committee of Tajikistan

Tajikistan Monthly Risk Monitoring & Warning Report

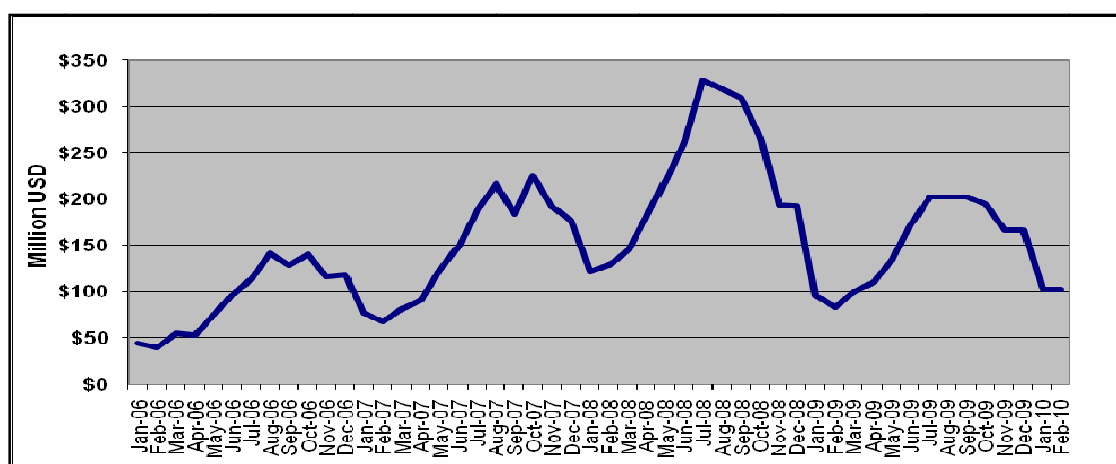
Tajikistan continues to have a negative trade balance, at total of \$US 137 million in February. As a result, February 2010 import coverage from export income was low, at around 59%. Foreign trade turnover totaled \$US 527 million (down 4.4% compared to February 2009). Under these conditions, foreign exchange rates tend not to correlate with exports but rather directly with the migrant remittances.

5.2 Remittances



Remittances to Tajikistan 2002-2010 (Million US\$) – by Month

Tajikistan in February 2010 received US\$ 102.5 million in officially recorded remittances—a 23% increase compared to February 2009. As noted above, the level of remittances is an important factor in setting exchange rates and covering the cost of imports.



Remittances to Tajikistan 2006-2010 (Million \$US) – Month to Month Trend

The aim of the Tajikistan Monthly Risk Monitoring Reports is to provide regular information and succinct analysis on the evolution of natural, economic, food-related, energy-related etc. risk factors in Tajikistan. Data and information in this report are provided by different sources and compiled by the RMWS. The United Nations in Tajikistan are not responsible for the accuracy of the data.

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Annex A: Localized Meteorological Forecast for April 2010

Khatlon Oblast and Districts of Republican Subordination (DRS) (lower elevations)

The monthly average temperature in Khatlon Oblast and DRS in April is forecasted to be 1.7 to 2.5 °C below the climatic norm (norm is 15 to 18°C). At lower elevations, temperatures are expected to be 13 to 16 °C. At higher elevations, temperatures are expected to vary between 9 to 10°C.

The second week of the month is expected to be cool with maximum temperatures in the valleys of Khatlon and DRS at 7 to 12°C, and in the south of the regions at 10 to 15°C. Night time temperatures at low elevations are expected to be -1 to 4°C, and in higher elevations -1 to -6°C.

Monthly precipitation in Dushanbe, Kurgan-Tyube, Yavan, Hissor, Farkhor and Danghara is expected to be 112 to 129% above the multi-year norm of 55 to 130mm. However, in southern Khatlon (e.g., Pyanj and Shaartuz Districts), precipitation will be 35% below the norm of 30 to 50mm.

Sughd Oblast

The monthly average temperature for April is expected to be 2 to 3 °C below the norm (12 to 13°C) at lower elevations. At higher elevations temperatures are expected to be 2 to 6°C.

During the second week of the month the average temperatures are expected to be slightly colder. The daytime temperatures at lower elevations are expected to be 6 to 11°C. Temperatures at high elevations will be -2 to 3°C. The nighttime temperatures will vary from -1 to 4 °C at low elevations, and -5 to -10°C at higher elevations.

Monthly total precipitation in Khujand, Kayrakkum, Isfara, Buston, Gulshan, Dehwaz, Iskandarkul and Madrushakt Districts is expected to be 170% above the norm of 18 to 50 27mm. In mountainous areas of Ayni and Penjikent precipitation will be 44 to 50% of the norm of 42 to 60mm.

Mountainous areas of DRS and Western Gorno-Badakhshan Autonomous Oblast (GBAO)

In the mountainous areas of DRS and Western GBAO, monthly average temperatures in April are expected to be below the climatic norm by 2 to 3 °C.

Temperatures throughout the month will vary between 0 and 10 °C at night and 13 to 25°C during the day. The first week of April is

expected to be colder, with temperatures dropping to 2 to 7 °C during the day and 0 to -5°C at night.

In western GBAO, monthly precipitation is expected to be 60 to 65% of the norm of 25 to 50mm. In the mountainous areas of DRS precipitation is to be 116% of the norm of 140 to 170mm.

Eastern GBAO

In Eastern GBAO, monthly average temperatures in April are expected to be 1 to 3 °C below the climatic norm, or in averaging -1 to -6 °C. Nighttime temperatures will vary between -3 and -14°C. Daytime temperatures will range between -2°C and 3°C and up to 7°C to 12°C.

Monthly precipitation is expected to be 75% below the climatic norm of 6 to 25mm.

Note: This forecast is preliminary. More detailed analysis is published every 10 days by the State Hydro Meteorological Agency of Tajikistan.