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TURKMENISTAN

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Highlights

On 1 June the state-owned Turkmengaz and Turkmenneftegazstroy began the construction of a single East-West gas pipeline system with a capacity of thirty billion cubic meters a year. The project will be completed in 2015 and the pipeline will connect the rich gas fields of South Yolotan with central and coastal areas of Turkmenistan. The pipeline will cross the territory of three regions and will be equipped with seven gas compressor stations. The estimated construction cost is more than \$2 billion. The major stretch of the pipeline will cross the Karakum desert and connect the gas compressor stations Shatlyk and Belek.

Internal affairs

Combating drug trafficking

A special project "Opium Poppy - 2010" is under way in Turkmenistan with the aim of eradicating narcotic plants. The Turkmen government plans to purchase additional helicopters and an unmanned aircraft, and will set up a naval base under the auspices of the defence ministry with the aim of ensuring the reliable protection of maritime boundaries and combating smugglers and terrorists.

This marks the third occasion since September 2001 on which Turkmenistan and the U.S.A. have formalized an extension of their ongoing cooperation in the field of combating drug trafficking. The new agreement provides additional funding to support the programme for training investigators and forensic investigators. The U.S. drug enforcement administration will provide training assistance on evidence collection, crime scene investigation and forensic examination. The project will also provide basic supplies and equipment to the counternarcotics

units and forensic scientists for field-based evidence collection.

Turkmen-American Business Forum

The first political consultations between Turkmenistan and America and a joint Turkmen–American Business Forum were held in Ashgabat. Robert Blake, assistant secretary of state for south and central Asian affairs, and Michael Posner, assistant secretary of state for the bureau of democracy, human rights and labour, led the U.S. State Department delegation. The key aspects of Turkmen–U.S. relations are power engineering, global security, stabilization in Afghanistan, combating terrorism and drug trafficking. During the meeting with President Gurbanguly Berdimuhamedov, the US financial community expressed its willingness to establish productive contacts with their Turkmen colleagues in all spheres of business. Trade surplus with the U.S. presently stands at \$ 213 million.

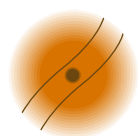
Educational programmes

The head of the European Commission on Education conducted a working visit to Turkmenistan where she was familiarized with legislation in the sphere of education and the main reforms that have taken place in this area. Expanding partnership and implementing joint projects in education were the key areas discussed in the course of this visit.

The President of China expressed his government's intention to increase the quota for students and specialists from Turkmenistan to study in Chinese universities.

President Berdimuhamedov held a meeting with Yuri Shafranik, the chairman of Russia's Union of Oil & Gas Producers. The President expressed his gratitude to the Russian government for its assistance in

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training students from Turkmenistan as highly qualified specialists in leading educational institutions of Russia.

Foreign and international policy

Chinese companies in Turkmenistan

China is currently the only country with the right to develop Turkmen hydrocarbon resources on land. Chinese companies operate in many fields: the oil and gas industry, chemical and food industries, telecommunication and transport sectors, and agriculture, textile and construction.

At the beginning of May, President Berdimuhamedov held a meeting with the Chinese President Hu Jintao who expressed his gratitude to the Turkmen leader for supplying gas to the country and granted a sum of \$ 10.7 million dollars to Turkmenistan to support social developments. Trade turnover between Turkmenistan and China has reached half a billion dollars. At present, 37 enterprises with Chinese capital investments are operating in Turkmenistan and about 60 joint investment projects worth over four billion dollars have been registered, equal to nearly two and half a billion Yuan.

During the Presidential Summit in Tashkent in the framework of Shanghai Cooperation Organization (SCO), President Berdimuhamedov met with President Hu Jintao for the second time this year. On this occasion, the two leaders discussed different aspects of joint counter-terrorism operations, transboundary crime and the development of law enforcement capacities.

In May President Berdimuhamedov received the Chinese defence minister Liang Guanglie to discuss the current challenges of global security enhancement.

In June the Turkmen-Chinese Business Forum took place in Ashgabat and was attended by well-known Chinese companies.

Turkmenistan has again demonstrated its principled position as a peacemaker country. At the SCO summit, President Berdimuhamedov said that Turkmenistan is ready to hold peace talks between the parties of the Afghan conflict under UN patronage. Turkmenistan previously offered to broker negotiations between the parties involved in the civil war in Tajikistan.

India - Turkmenistan

In recent years Turkmen-Indian relations have gained new momentum. A decision has been made to open a Turkmen-Indian Centre of Information Technology; a Hindi language department was opened at the National Institute of World Languages, and a joint Turkmen-Indian pharmaceutical enterprise "Ajanta Pharma" is now operating in Ashgabat.

In the last decade, President Berdimuhamedov paid his first official visit to India where the projected Turkmenistan-Afghanistan-Pakistan-India pipeline was one of the main topics of discussion. The total capacity of the proposed pipeline is 100 million cubic meters of gas per day and 60 per cent of the total volume will be delivered to India. Agreements on trade and economic cooperation in science and technology, and exchange programmes in science, education, culture and media for 2010-2012 were signed during the visit. India expressed its readiness to prepare a project feasibility study to build a factory in Turkmenistan for producing fertilizers based on natural gas.

Turkmenistan-EU interaction

Turkmenistan is aiming for long-term cooperation with Europe, and according to the authorities' statements Europe is one of the possible markets for gas supply through the East-West pipeline.

OSCE Secretary General participated in the international conference "Strengthening regional cooperation in Central Asia to ensure sustainable



and reliable energy in Eurasia”, and in a regional meeting of the heads of OSCE missions in Central Asia. He expressed the OSCE’s significant interest in implementing new joint projects in all major sectors. The OSCE summit has been scheduled for the second half of this year.

Another meeting was held in Ashgabat in the context of ongoing interaction between Turkmenistan and the EU with the aim of exchanging experience and improving national legislation in the field of human rights. The meeting was attended by a delegation from Spain headed by Silvia Escobar, Spanish ambassador at large for human rights, and F. Ziemere, the ambassador and commissioner for human rights of France’s Ministry of Foreign Affairs.

Turkmen-Russian relations

Relations with Russia are Turkmenistan’s main priority. In May, a telephone conversation took place between President Berdimuhamedov and Russian prime minister Vladimir Putin during which the two men discussed further perspectives of relations between their respective countries. Russia’s deputy prime minister Alexander Denisov arrived to attend the international conference on Disarmament in Central Asia and the Caspian Basin, held under UN patronage.

Turkmenistan is an Associate Member of CIS

Turkmenistan takes an active part in regular meetings of heads of CIS member countries. In May, on the invitation of the President of the Russian Federation, President Berdimuhamedov took part in the informal CIS summit and in the anniversary celebrations of the 65th victory anniversary of the Great Patriotic War. The visit itinerary included talks with the governor of the Astrakhan region and a visit to the country’s biggest shipbuilding yard, “Red Barricades”. The plant has important contracts with the Turkmen government.

South neighbour country

The state-owned Turkmengaz and the Iranian National Petroleum Company signed the additional agreement on gas supplies to Iran. Joint work is expected to take place with a view to preparing the draft contract on additional purchase of Turkmen gas with prospects of further expansion of this volume.

President Berdimuhamedov and Iran’s foreign minister discussed ways of accelerating the construction of the transcontinental Kazakhstan-Turkmenistan-Iran railway. The seventh meeting of the intergovernmental Turkmen-Iranian Commission on consular, customs and border issues took place at Turkmenistan’s foreign affairs ministry.

Economy and business enterprise

At the plenary meeting of the International Group on developing financial measures to combat money laundering held in Amsterdam, Turkmenistan was recognized a riskless financial transactions country.

In the period 2012-2013, Turkmenistan is scheduled to increase gas deliveries to China by up to 40 billion cubic meters, to Iran by up to 20 billion cubic meters and to Russia by a possible 30 cubic meters per year.

In the last four months, GDP in the construction sector has grown 2.2-fold, the growth rate in transport and communication was 158.4%, in trade 116.4%, in services 111.9%, and in agriculture 108.3%. Budget performance in terms of revenue was 104% and expenditure 93.9%. 65.6 per cent of the budget has been executed to implement the social policy. The growth rate of retail turnover reached 116.7%. Average monthly wages increased by 12.8% in comparison with the same period last year.

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