



# CENTRAL ASIA OBSERVATORY

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The Central Asia Observatory (CAO) was established in 2007 by three institutions that are interested in the area: Casa Asia, CIDOB Foundation and Royal Institute Elcano



CASA ASIA



TURKMENISTAN

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## Highlights

At the World Summit "Rio+20" in Brazil, Turkmenistan submitted particular proposals for the country's transition to a green economy. Having developed a national strategy for climate change, Turkmenistan put forward the idea of establishing the appropriate regional or sub regional centre under UN auspices. At present, Turkmenistan has signed and ratified thirteen international conventions relating to sustainable development.

## Foreign and international policy

Participating in the UN Conference on Sustainable Development in Brazil, the President of Turkmenistan Gurbanguly Berdimuhamedov met with Sven Akalaj, the Executive Secretary of the Economic Commission for Europe. The two parties discussed the main aspects of interaction between the European economic organization and Turkmenistan.

The leader of Turkmenistan also held an official meeting with Sha Zukang, UN Under-Secretary-General for Economic and Social Affairs, who expressed the organization's readiness to provide wide-range assistance and support to Turkmenistan on the path towards progress and innovation.

At a regular meeting of cabinet of ministers of Turkmenistan, the foreign minister reported on the increasing dynamics of cooperation with foreign partners. In the period January-May, 275 foreign delegations visited Turkmenistan and 272 Turkmen delegates visited foreign countries. Sixteen ministerial political consultations took place plus five meetings of intergovernmental commissions. The agendas of all the meetings, negotiations, forums and workshops in Turkmenistan covered the

dynamics of developing fruitful and constructive cooperation with foreign countries and international organizations in different fields, the outcomes of preceding years and future plans. EU ambassador Aurelia Bouchez presented her credentials to the Turkmen president and in the ensuing talks, the parties discussed cooperation in the energy sector, with Bouchez noting that the triple agreement presently being negotiated between Europe, Azerbaijan and Turkmenistan is an important step towards the creation of a legal basis for the joint project—construction of the Trans-Caspian gas pipeline.

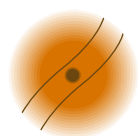
During the meeting with European Commission Programme Manager Assunta Testa at the finance ministry, prospects for further business expansion and humanitarian contacts with the EU were considered. The partners also discussed issues related to implementing the European Commission's projects in education and agriculture as well as the possibility of developing new joint programs.

## *Cooperation with European countries*

The president of the Mejlis Akja Nurberdieva received credentials from Danish Ambassador Extraordinary and Plenipotentiary Tom Risdal Jensen and Belgian Ambassador Luc Truyen. Jensen emphasized the country's interest in the Turkmen market and mentioned a number of priority spheres of partnership: the fuel and energy sector, the processing industry, the construction of water purification and desalination plants, energy-efficient technologies and alternative energy sources. Meanwhile, energy, agriculture, textile and chemical industries, finance and banking were named as the prospective directions of a Turkmen-Belgian partnership.

Prospects for further development of interstate

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cooperation between Turkmenistan and Norway were discussed at the foreign ministry with a delegation from Norway headed by the Ambassador to Turkmenistan, Doug Malmer Halvorsen. The ambassador supported the idea of strengthening cultural exchange programmes.

### *Cooperation within the framework of international organizations*

Ashgabat hosted the meeting of the Council of the Heads of CIS Governments, chaired by President Berdimuhamedov. At the meeting the participants approved a number of documents. The signed documents are aimed at broadening and deepening the partnership of CIS countries in the economic sphere and the industrial sector. At the threshold of the forum, President Berdimuhamedov held bilateral meetings with the heads of the delegations and with the prime minister of the Russian Federation Dmitry Medvedev. President Berdimuhamedov held a meeting with Medvedev in Brazil as well as participating in the UN Conference on Sustainable Development. The meeting focused on the most important aspects of cooperation in terms of ensuring global energy security and the formation of its legal basis, optimization of transport flow in the territory of Eurasia and the solution of some environmental problems.

Applying advanced technologies and harnessing the experience of Russian partners, expanding contacts in education and assisting in the training of specialists for the oil and gas industry were discussed with Yuri Shafranik, the chairman of the union of oil and gas producers of Russia.

Beijing hosted negotiations between Chinese President Hu Jintao and President Berdimuhamedov who arrived in People's Republic of China as an honoured guest to participate in the meeting of the heads of SCO member states. The partners discussed a wide range of issues relative to Turkmen-Chinese cooperation. During his visit President Berdimuhamedov received the chairman of China

National Petroleum Corporation (CNPC) Board of Directors Jiang Jemin, who reported on progress in the construction of the second gas processing plant in the contract area Bagtyyarlyk. During this working visit to China, the framework agreement for supplying additional volumes of natural gas was signed by Turkmengaz and the CNPC.

### *Turkmenistan-USA*

The Turkmen-American Business Forum and the exhibition of U.S. companies were important events in Turkmenistan. The exhibition covered promising areas of cooperation in oil and gas, geology, aerospace and mechanical engineering and some other fields. The American delegation included Eric Stewart as executive director of the Turkmen-American Business Council, the heads of Exxon Mobil and Chevron, State Department officials and the representatives of other major U.S. companies. At the meeting guests expressed their deep interest in implementing programmes for the development of the fuel-energy complex, geological exploration projects and the development of hydrocarbon deposits in oil refining area.

### *Cooperation with neighbouring countries*

At a meeting with the prime minister of Kazakhstan Karim Masimov, President Berdimuhamedov discussed ways of ensuring the safe and stable transit of energy resources to international markets.

Intensifying international cooperation in the sphere of transport and communication was the subject of discussion at the meeting in the ministry of railway transport with the Kazakh delegation headed by transport and communications minister Askar Zhumagaliyev. Meeting participants discussed the problems of the North-South railroad operation after it starts up. An agreement was signed for establishing the international railway border crossing point on the state border of Turkmenistan and Kazakhstan.



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During his working visit to China, President Berdimuhamedov met with Iranian President Mahmoud Ahmadinejad and discussed the state of North-South highway construction.

The Turkmen delegation took part in the international conference held in Kabul on Afghanistan-related issues, a forum that served to endorse Turkmenistan's position in terms of the problems of regulating the situation in Afghanistan, enhancing its socio-economic recovery, and strengthening peace and stability in the country. During the visit to Kabul, the Turkmen delegation held bilateral talks with U.S. deputy Secretary of State William J. Burns, EU Special Representative for Central Asia Pierre Morel and the Chairman of the Higher Council for Peace in Afghanistan, Salahuddin Rabbani.

### Internal affairs

At a meeting devoted to the further development of science in Turkmenistan, President Berdimuhamedov signed a decree on the establishment of Technopark near Ashgabat and allocated \$10 million to further improve the technical base of the Academy of Sciences of Turkmenistan.

### Energy sector issues

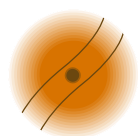
Yagshygeldi Kakaev, advisor to the President in the oil and gas sector and director of the state agency for the management and use of hydrocarbon resources under the President of Turkmenistan, was appointed deputy chairman of the cabinets of ministers of Turkmenistan. He is now responsible for monitoring the implementation of the projects carried out by foreign companies in the oil and gas sector. In accordance with the production sharing agreement, eight projects are being implemented in Turkmenistan, five in the oil and gas area, and three in the geological exploration field. Kakageldi Abdyllyaev was appointed acting minister of petroleum and mineral resources of Turkmenistan. Previously, he was deputy chairman of Turkmengaz.

Government policy in the electricity sector focuses on industrial effectiveness and on increasing its export potential. In this connection, Turkmenistan pays great attention to international economic cooperation geared to expanding energy partnership with foreign countries. International partnerships to diversify energy transit routes to world markets, direct foreign investments, the use of global experience and technology to further upgrade Turkmenistan's fuel and energy complex and the efficient development of hydrocarbon reserves were all highlighted at the III International Gas Congress, a forum attended by 150 international organizations and the world's leading oil and gas companies. In this context, a meeting of representatives and experts from the countries-participants of the Turkmenistan-Afghanistan-Pakistan-India gas pipeline project took place. The partners discussed the new agreement on accelerating the implementation of the project. The follow-up agreement on natural gas sales was signed between Turkmengaz and Pakistan's Inter State Gas System Limited. The agreement on natural gas purchases and sales between the State Concern Turkmengaz and GAIL Limited Indian company was also signed. In addition, a memorandum of understanding on further cooperation in the gas sphere was signed between the governments of Turkmenistan and Afghanistan. Just after the end of the SCO summit in China, Presidents Berdimuhamedov and Hamid Karzai met to discuss the practical implementation of the TAPI gas pipeline project.

The 41st session of the CIS Electric Power Council was another important event in the energy sector. The meeting involved discussions of the outcomes of the national power systems of the Commonwealth in autumn-winter 2011-2012 and issues of coordinating the power systems operation in Central Asia.

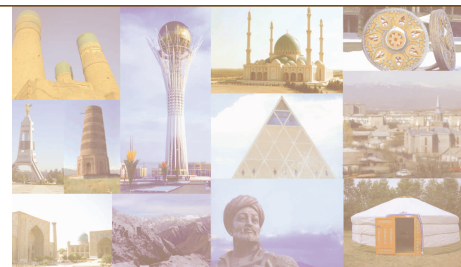
### Economy and business enterprises

In recent years, major French business companies have shown a clear interest in the Turkmen market.



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The Turkmen president received Gilles Remy, head of CIFAL, a company that participates in implementing several projects in Turkmenistan. Remy underlined the company's interest in intensifying cooperation in the fields of energy, industrial and civil engineering, communication and electronics, consulting and expert services.

President Berdimuhamedov exchanged views on cooperation in civil aviation at a meeting with the vice-president of Thalès Michel Ricard. Thalès is involved in the project to create a national satellite for Turkmenistan, whose launching was scheduled for 2014. The partners discussed details of the progress of this project.

President Berdimuhamedov received the leaders of Dresser-Rand, another French company. The parties discussed prospects of long-term cooperation in equipping the oil-gas sector plus the establishment of the appropriate maintenance and service base.

Representatives of German business circles arrived in Turkmenistan as a delegation of the Eastern Committee of German Economy. The delegation included the heads and specialists of a number of leading German companies engaged in the oil and gas industry and energy business, transport and communications, trade and financial sectors, as well as other sectors of the economy. The delegation included representatives of Bauer Comp Holding AG, Lemken GmbH, John Deere International GmbH and Thyssen Krupp AG.

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