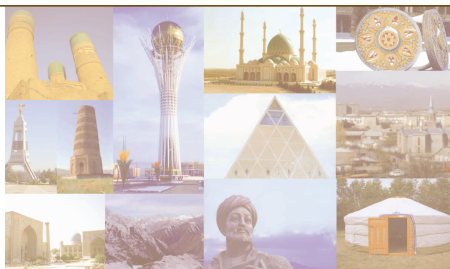


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CASA ASIA



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TURKMENISTAN

JULY - AUGUST 2011

Bimonthly article

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Highlights

Tajikistan is handing over the CIS chairmanship to Turkmenistan. The CIS summit will be held in Dushanbe in September 2011. Tajikistan's foreign affairs minister arrived in Ashgabat to discuss various issues in the framework of international agreements.

Foreign and international policy

Energy cooperation with Europe

The President of Turkmenistan Gurbanguly Berdimuhamedov met with Gerhard Roiss, director-general and chairman of the supervisory board of Austrian oil and gas company OMV and Michael-Dieter Ulbrich, head of the international pipeline projects department OMV Gas & Power GmbH, and with the chairman of the supervisory board of the French company Schneider Electric. At this meeting President Berdimuhamedov confirmed Turkmenistan's willingness to extend productive and mutually beneficial cooperation with major European companies. The heads of the companies noted the growing interest among European countries in Turkmen gas supplies and expressed their expectations to establish close long-term cooperation. The companies are ready to offer their experience and most advanced technologies to Turkmen specialists. Schneider Electric intends to open a representative office in Turkmenistan and a centre for advanced training of specialists.

Pierre Morel, the EU special representative for Central Asia and Georgia, visited Ashgabat and held a meeting with President Berdimuhamedov. The sides noted the full-scale cooperation between Turkmenistan and the EU, the fruitful dialogue over many years with the European countries and discussed issues relating to partnership in the gas and oil sector.

The director-general of the European Business Assembly John Netting and Zsuzsanna Jakab, director of WHO's regional office for Europe participated in celebrations dedicated to the sixteenth anniversary of the state program "Saglyk" (Health). The World Health Organization is fully interested in building fruitful cooperation with Turkmenistan.

President Berdimuhamedov received the well-known cardiac surgeons from Germany, Professor Johann Engelbert Meisner and Dr. Sang Yoon Park. German doctors are frequent guests in Ashgabat. During their recent stay, Dr. Meisner and Dr. Sang Yoon Park conducted operations in the new cardiology centre. The President awarded Dr. Sang Yoon Park the order "For Love of Independent Turkmenistan."

USA, UN in Turkmenistan

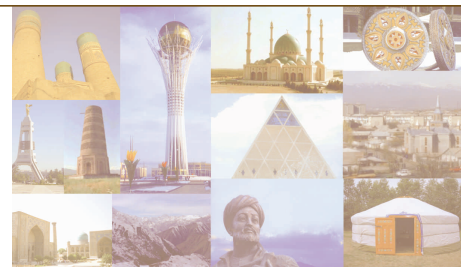
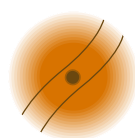
Issues of cooperation in the interests of regional security and joint opposition to threats and challenges in the interests of world peace were discussed at a meeting at the foreign ministry with the U.S. delegation. Visiting Ashgabat was the delegation headed by America's special representative for Afghanistan and Pakistan, Ambassador Marc Grossman, who approved Turkmenistan's position in providing political space for the UN-sponsored peace talks to resolve the situation in Afghanistan.

Collaboration with Russia

On the initiative of the Russian Federation, President Berdimuhamedov had a telephone conversation with Dmitry Medvedev, during which the two leaders discussed current issues and noted the good prospects and productive nature of cooperation between their countries.

Expansion of cooperation in all spheres, especially science and education, was also noted at the meeting

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with Russian first deputy prime minister Viktor Zubkov, who arrived heading a delegation to participate in the intergovernmental Turkmen-Russian commission for economic cooperation. The sides discussed the results of work done to promote the agreements reached during the summit last November. Among the most important steps noted were the establishment of business councils and the signing of bilateral documents that significantly strengthen the legal base of cooperation across the spectrum of interactions.

Partnership with Russian regions is a stimulus for the development of Russian-Turkmen cooperation. St. Petersburg holds a special place among business partners thanks to its powerful industrial and intellectual potential. St. Petersburg governor Valentina Matvienko arrived in Ashgabat to attend the opening of the freeway in Turkmenbashi city, built with the help of a company from St. Petersburg.

At a meeting in Ashgabat President Berdimuhamedov and Matvienko exchanged opinions on the status and prospects of cooperation in trade, economic and investment fields, electricity and transport. They also discussed issues of participation of companies from St. Petersburg in implementing national programmes. It was stressed that Turkmenistan is interested in establishing mutually beneficial partnership in the fields of shipbuilding and engineering. Turkmenistan also plans to increase the number of youths sent to study at universities in St. Petersburg. As of today 245 Turkmen students are studying at St. Petersburg Agrarian University alone. After the meeting, agreements were signed on economic, scientific and cultural cooperation between the governments of Turkmenistan and St. Petersburg.

During the meeting Matvienko announced the St. Petersburg government's decision to award the President of Turkmenistan the Medal "For Services to St. Petersburg", an honour which is awarded for significant contribution to the development of

mutually beneficial cooperation with the Russian Federation.

Turkmen-Armenian relations

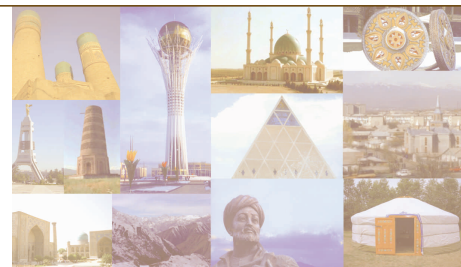
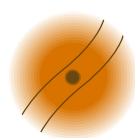
A delegation of the Republic of Armenia headed by energy minister Armen Movsisyan arrived in Ashgabat to attend the regular meeting of the intergovernmental Turkmen-Armenian commission on economic cooperation. At the meeting, President Berdimuhamedov and Movsisyan exchanged views on a wide range of issues of interstate cooperation and discussed the possibility of building long-term partnership in trade, energy and humanitarian spheres.

Malaysian companies in Turkmenistan

The prime minister of Malaysia Najib Tun Razak paid an official visit to Ashgabat to attend the opening ceremony of a new gas-processing complex that was built by Malaysian company Petronas in the village of Kiyarly in Balkan province. This is the Malaysian prime minister's first visit to Turkmenistan. Turkmenistan and Malaysia have been fruitfully cooperating within the UN, the Organization of Islamic Cooperation, and the Non-Aligned Movement. The Malaysian company Petronas has been operating in Turkmenistan since 1996 and is engaged in the exploration and production of hydrocarbons in the Caspian Sea. The investment of this company to date totals more than \$4.5 billion. Just recently Petronas completed construction of a gas terminal. The capacity of the power plant will make it possible to produce up to 10 billion cubic meters of marketable natural gas per year.

During their talks the two leaders exchanged views on topical issues of regional and international mutual interest. The Malaysian premier announced that his country has decided to open an embassy in Ashgabat.

Following the meeting, a number of documents were signed, among which an agreement on the purchase of natural gas between Petronas and the state agency for the management and use of hydrocarbon resources



and the State concern Turkmengaz, and a memorandum of cooperation between the chamber of commerce of Turkmenistan and the national chamber of commerce and industry of Malaysia. Also signed was a memorandum of understanding between the two governments on cooperation in the oil and gas industry and a memorandum of understanding on cooperation in international affairs.

China

The Chinese foreign minister headed a delegation to participate in Turkmen-Chinese consultations on economic collaboration. The sides exchanged opinions on further expansion of cooperation which not only serves the interests of the peoples of the two friendly countries, but also acts as an essential factor in strengthening peace and stability on a global scale. China attaches particular importance to President Berdimuhamedov's upcoming visit to China.

Turkmen-Iranian cooperation

In July Iran's interior minister Mostafa Mohammad Najjar arrived in Ashgabat on a working visit. During the meeting, Najjar noted that Iran attaches great importance to the development of full cooperation with fraternal Turkmenistan, cooperation which in recent years has acquired a new quality and content. Favourable conditions for the mutual development of border trade have been created. The sides also stressed the importance of coordinating joint efforts to promote global peace, security and stability, and combat the threats and challenges of our time.

As a sign of the high level of interstate relations, a small single-engine plane made ??in Iran and given to President Berdimuhamedov by the President of Iran landed at the international airport in Ashgabat.

Internal affairs of the country

Education

President Berdimuhamedov announced the decision to purchase computers worth about \$26 million.

Netbooks firm Lenovo will be given to all of the country's first grade schoolchildren.

The education ministry selected students for training in Russia, Belarus, Ukraine, Romania and China. In Romania higher education students will be sent for training in the following specialties: construction, oil and gas, architecture, logistics, light industry, economics, electrical-electronics and computer technology. At the invitation of President Berdimuhamedov, a group of Romanian children spent their holidays at the children's camp on the Caspian coast.

Government

Some personnel changes have been made in the government. The head of administration of the Dashoguz region was appointed to the position of deputy chairman of the cabinet of ministries in charge of the agricultural sector. The minister of finance was appointed to the position of deputy chairman of the cabinet of ministries in charge of the economic sphere.

Economy and business enterprises

According to the results for the first seven months of 2011, the dynamic growth of fuel production far outstripped that of last year. Condensed gas and oil production increased by 6.5%, natural gas extraction increased by 40.4% and oil processing by 2.7%. President Berdimuhamedov set the task of increasing natural gas and oil extraction, broadening the potential for energy exports, the production of high-quality petroleum products and the modernization of infrastructure in mining, processing and chemical industries.

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