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Highlights

On 13 July the heads of states of Turkey, Austria, Hungary, Bulgaria and Romania signed an intergovernmental agreement on the Nabucco pipeline. These countries are due to participate in the implementation of the project. Diversification of energy resources has remained one of the priority thrusts of the government of Turkmenistan. In July Romania's President Trajan Basescu made an official visit to Turkmenistan. In August the Turkmen President Gurbanguly Berdimuhamedov made an official visit to Bulgaria and then proceeded to make a working visit to Turkey.

Internal affairs

Leading experts of Turkmenistan's fuel and energy sector went to Germany for training at the main office and factories of RWE Dea AG. Agreements on long-term cooperation between the government of Turkmenistan and RWE were concluded in April. An agreement on the sharing of production was signed in the framework of cooperation. The German company was awarded the license for oil and gas exploration for six years on a contract basis in sea block 23 of the Turkmen sector of Caspian Sea. If hydrocarbon reserves are found in the block, a license for their industrial extraction for 25 years will be awarded.

In cooperation with specialists from Ukraine, construction was completed of the largest railway bridge in the region across the Amu Darya River, Atamurat – Kerkichi. This is located in eastern Turkmenistan. Never before have facilities of this scale and complexity been built in Turkmenistan. The opening of the bridge will mark the beginning of intensive development of the right bank of the

Amu Darya, which has significant hydrocarbon resources. Ukraine is carrying out other investment projects in Turkmenistan. Since January 2009, some projects had been frozen, following critical remarks by Turkmenistan's President about the work of Ukrainian building companies in Turkmenistan. Now work under the contract with Ukrainian experts has been resumed; moreover, Ukrainian specialists have begun active work in the extraction industry.

The OSCE Centre conducted several seminars for officials of state organizations, including judges, lawyers and workers of the National Institute of Democracy and Human Rights. The OSCE Centre also held a seminar financed by the government of Norway for employees of the State customs service of Turkmenistan and Afghanistan. The seminar provided employees of the customs services of the two neighbouring states with an opportunity to exchange experiences and promoted the strengthening of cross-border cooperation.

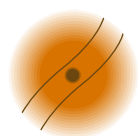
The OSCE Centre, in cooperation with the Ministry of Foreign Affairs of Turkmenistan conducted a one-day seminar devoted to human trafficking. Special attention focused on the role of various state departments and civil society in the prevention of human trafficking and in rendering assistance to victims.

Foreign and international policy

Turkmenistan continues to develop cooperation with countries of the EU

In July the President of Turkmenistan received the current chairman of the OSCE, head of the Spanish Foreign Ministry Miguel Angel Moratinos. During their talks the parties spoke about the expansion of cooperation in such branches of economy as trade, the fuel and energy complex, and construction. A

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delegation of Spanish representatives is expected to visit Turkmenistan in the near future for more detailed discussions of cooperation. In the sphere of interaction in the humanitarian sphere, Spanish representatives have suggested organizing a series of lectures and beginning work on popularizing the Spanish language.

On 10 July the accreditation procedure ceremony place for Turkmenistan's ambassador in Sofia. Development of interstate dialogue began in December 2008 after the official visit of Bulgaria's President George Pырvanov to Turkmenistan. According to data compiled by Turkmenistan's Ministry of Economics and Development, nine enterprises funded partially by Bulgarian capital had been registered in Turkmenistan, and Bulgarian companies were executing twenty projects in Turkmenistan. Turkmenistan considers Bulgaria as a key partner in terms of shaping Eurasia's future energy configuration. Among the most promising sectors of future development are the energy sector, trade, tourism, transport and communications, industry, and agriculture. In the framework of the energy partnership, President Gurbanguly Berdimuhamedov has stated that Turkmenistan is prepared to deliver at least 2 billion cubic meters of natural gas to Bulgaria as soon as transport routes are determined. The two countries have signed an agreement mutually cancelling the need for visas for holders of diplomatic and service passports. Turkmenistan is also interested in carrying out joint investment projects. The president of Turkmenistan has called for the acceleration of practical work of the Turkmen-Bulgarian Intergovernmental commission on economic cooperation. In the field of humanitarian cooperation, fifteen Turkmen students will be sent to study at one of Bulgaria's largest universities in 2009.

The United Kingdom's Special Representative for International Trade and Investment, Prince Andrew, Duke of York, visited Turkmenistan. Great Britain

supports Turkmenistan's initiative to diversity its energy exports to world markets, as well as the initiatives of the Turkmen leader in terms of implementing the country's energy diversification policy and guaranteeing the security of the transnational pipeline infrastructure.

Prince Andrew expressed Great Britain's readiness to offer substantial support to the large-scale projects promoted by Turkmenistan. Reaffirming Turkmenistan's interest in consistent expansion of its partnership with the UK, Gurbanguly Berdimuhamedov gave high marks to the experience to date in cooperation with such British companies as the well-known consulting firm Gaffney, Cline & Associates. This firm conducted the international audit of gas reserves of the Southern Yoloten-Osman deposits, confirming Turkmenistan as one of the world's major natural gas producers.

Diplomatic relations between Turkmenistan and Romania were established on 21 July 1992. In July 2009, Romania's President Trajan Basescu made an official visit to Turkmenistan. At present eight projects are being conducted with participation of Romanian capital. During the Romanian president's visit, there was discussion of granting Romanian companies rights to conduct explorations for Turkmen gas deposits. President Berdimuhamedov emphasized the importance of the intergovernmental Turkmen-Romanian commission on economic cooperation in the future development partnership of the two countries.

A delegation from Turkmenistan travelled to Vienna for the second session of the Turkmen-Austrian joint commission. Negotiations focused on cooperation in the sphere of energy. The Turkmen side invited Austrian companies to participate in developing mutually advantageous projects on service of oil-and-gas enterprises, as well as exploring and extracting natural gas through a production sharing agreement in the Turkmen sector of the Caspian Sea. Proposals were made to create a joint Turkmen-



Austrian group of specialists, to organize exhibitions and fairs, and to jointly organize a Turkmen-Austrian business-forum in Ashgabat in 2010. Particular attention was paid to the economic conditions of the two countries and prognoses for their development.

A European Union delegation with representatives of the Czech Republic, Sweden and Spain visited Ashgabat. Economic cooperation, trade, investment, environmental protection and education were among the sectors identified as priority areas for joint activities. In addition, partnership in the fuel and energy sectors was also discussed.

The EU's special envoy for Central Asian countries Pierre Morel and the chief of the Department for Eastern Europe and Central Asian countries at Sweden's Ministry of Foreign Affairs arrived in Ashgabat on 27 July for negotiations on energy cooperation. The same day in Brussels, EU ministers of foreign affairs approved the temporary trade agreement with Turkmenistan.

U.S. activity in Turkmenistan

In August a delegation led by U.S. Central Command chief General David Petraeus arrived in Ashgabat as part of his tour of Central Asia. General Petraeus had first come to Turkmenistan in January this year. Among other issues, discussions focused on ongoing and future military cooperation between U.S. Central Command and Turkmenistan, the need for Turkmenistan to support NATO efforts aimed at bringing the tense situation in Afghanistan under control, and logistical issues related to Turkmenistan authorizing the transit of non-military shipments across its territory.

Foreign and international policy

The regular working meeting of the Turkmen-Russian and Russian-Turkmen Business Councils was held in Ashgabat. The Russian delegation to Ashgabat included representatives of several major

companies. The Russian companies confirmed their aspirations to actively participate in the oil-and-gas sector, as well as in the manufacture of potash fertilizers, and in the spheres of communications, telecommunications and high technology. The Russian-Turkmen Business Council was established in 2007, and the Turkmen-Russian Business Council soon after.

A ceremony was held in the Karakum Desert on 15 July to mark the first stage of construction of the unique man-made sea, Lake Altyn Asyr. This project will result in a fundamental improvement of irrigation and create new opportunities and prospects for developing the national agricultural sector, as well as contributing to conservation and efficient use of water resources, and improving Turkmenistan's environment.

Turkmenistan has announced the construction of a new gas pipeline between Turkmenistan and Iran, which will make it possible to increase the volume of gas deliveries to 14 billion cubic meters. Construction will be completed by the end of 2009. The present volume of export is about 8 billion cubic meters. The two countries also have agreed to increase exports of Turkmen gas to 20 billion cubic meters.

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