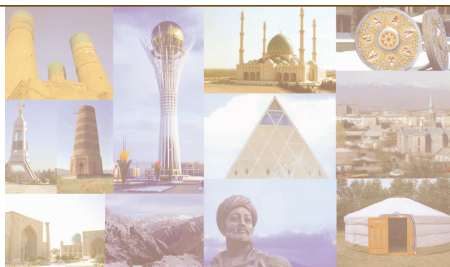


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CASA ASIA



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TURKMENISTAN

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Highlights

Turkmenistan has hosted the Second International Gas Congress. The international forum and exhibition were attended by representatives from 160 organizations and companies, energy ministries and departments of EU, US, Japan, China, Korea, UAE, CIS, India, Indonesia, Iran, Afghanistan, Pakistan and Turkey. The main focus of the presentations was natural gas onshore and offshore exploration equipment and technologies, natural gas pipelines of regional and export importance, trading in natural and gas processing products, new technologies for extracting, refining, transporting and processing gas and gas condensate, and investments in the natural gas sector of Turkmenistan. A special topic of the forum was involving foreign investment and high technology in the gas sector of Turkmenistan to implement the major projects on exporting Turkmen gas to Europe and Asia.

International affairs

The diversification of economic cooperation is an important direction in Turkmenistan's foreign policy. In May, several business delegations visited the Turkmen capital and had fruitful negotiations with local authorities.

Executives of "Etisalat", a company from the United Arab Emirates, negotiated the issue of establishing a mutually beneficial partnership in the telecommunications sector.

Richard L. Morningstar, the special envoy of Secretary of State Hillary Clinton on Eurasian Energy, arrived in Ashgabat in June and held a meeting with President Gurbanguly Berdimuhamedov. The two sides reaffirmed their interest in

global energy security and broader cooperation was sought from U.S. companies in their capacity as important partners of Turkmenistan

At a meeting with President Berdimuhamedov, the chairman of Russia's oil and gas producers union Yuri Shafrannik discussed the possibility of extending cooperation in the fuel and energy sector and processing raw materials.

A Ukrainian delegation headed by deputy foreign minister Viktor Maiko visited Ashgabat. The key topics of discussion were cooperation in energy, transport and communications, and urban engineering.

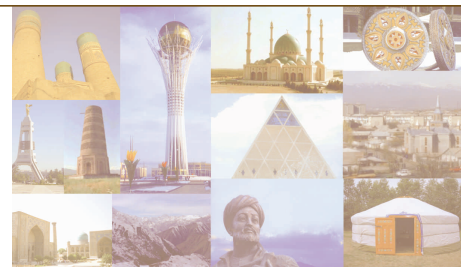
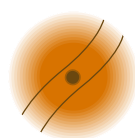
Two delegations from China visited Turkmenistan in June. The city of Turkmenbashi hosted a delegation of Chinese businessmen headed by Li Fenlinem, director of the Euro-Asian Social Development Research Institute under the state council of China. Chinese businessmen may assist in building tourist resorts on Turkmenistan's Caspian Sea coast.

The delegation, headed by the governor of Gansu province, attended a round of meetings in various ministries and agencies, among which the ministry of petroleum and mineral resources. The delegation expressed its willingness to make a significant contribution to developing friendly relations and cooperation between the two countries.

Towards Europe

A Lithuanian delegation led by Kestutis Kudzmanas, ambassador extraordinary and plenipotentiary of the Republic of Lithuania, attended meetings in various ministries to discuss the prospects of intensifying bilateral cooperation in trade, energy and transport and strengthening bilateral ties.

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The OSCE chairperson-in-office and Lithuanian foreign minister Audronius Azbulis recently visited Turkmenistan and said that the OSCE is willing to help Turkmenistan consolidate its security. An important aspect of strengthening cooperation on issues of border management and security is the innovative training programmes for Turkmen and Afghan border staff, which kicked off in 2009. The parties discussed the situation in Afghanistan and possible areas for future cooperation. Audronius Azbulis greatly appreciated the dialogue between Afghanistan and Turkmenistan on matters of providing security and developing the international legal basis in the field of energy security. He also supported Turkmenistan's initiative to host the ministerial conference on energy security in Ashgabat in 2011. He also noted that a lot had been achieved in terms of facilitating the Aarhus Convention on access to information, public participation in decision-making and access to justice in matters relating to the environment. He said he hoped the Aarhus Centre would be opened in Ashgabat this year.

President Berdimuhamedov recently paid an official visit to Romania. This is the third official meeting of the leaders of two friendly countries. Romanian president Traian Basescu supported Turkmenistan's position in the issue of constructing the Trans-Caspian gas pipeline. President Berdimuhamedov emphasized that Turkmenistan considers Romania as a "gateway" to Europe, and said that this visit is one step towards developing the dialogue with the European Union. Both sides expressed their willingness to give new impetus to the process of deepening and further expanding the comprehensive partnership between the two countries on a long-term and mutually beneficial basis. One of the cooperation protocols signed within the framework of the visit was the agreement between the administration of the Turkmenbashi port and the National Company "Sea Ports Administration" to modernize the Turkmenbashi international seaport.

President Berdimuhamedov also attended the second meeting of the joint Turkmen-Romanian intergovernmental commission on economic and scientific-technical cooperation.

Turkmen-Afghan relations

Afghan President Hamid Karzai visited Turkmenistan in May. As of 1 May 2011, 27 interstate, intergovernmental, and other documents constitute the foundation for bilateral relations. As of 1 April 2011, twenty joint projects with Afghanistan for a total cost of US \$ 11.83 million have been registered in Turkmenistan. The January–March assessment stated that Afghanistan ranked eighth in the list of Turkmenistan's foreign trade partners.

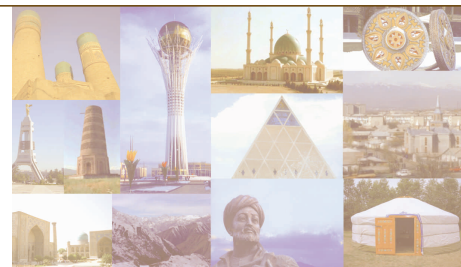
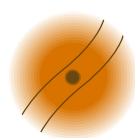
The key topics of the summit were fuel and energy issues with special focus on the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project, electricity supply to Afghanistan, transport infrastructure, and trade and economy.

The two Presidents signed the Memorandum of Understanding on the development of further cooperation in the energy sector, and an agreement between their respective chambers of commerce. The agreement also involved other important issues such as the construction of the railway linking Atamurat-Imamnazar (Turkmenistan) and Akin-Andkhoy (Afghanistan), cooperation in the sphere of culture, mass media and tourism.

Asian and Central Asian countries

President Berdimuhamedov also held talks with the President of Turkey, the focus being mainly on extending cooperation in joint projects to promote peace in the region and the activities of Turkish companies in Turkmenistan.

During a meeting with Mohammad Reza Rauf Sheibani, deputy foreign affairs minister of Iran, President Berdimuhamedov expressed his great



satisfaction with relations between the two countries and spoke about extending mutual cooperation. The meeting reaffirmed the commitment of both countries to closer cooperation, enhancing future trade relations and joint efforts in economic and humanitarian spheres. The implementation of their joint North-South railway project is presently in progress.

The credit agreement signed by Turkmenistan Iran is worth \$125 million, to be invested in the construction of Gyzylgaya-Bereket-Etrek railway. Among the other issues discussed were the creation of the transit corridor linking Turkmenistan, Iran, Uzbekistan, Oman and Qatar, and the fuel and energy sector. The Istisna agreement on the water supply project in the Balkan district will be financed by the Islamic Development Bank.

In May President Berdimuhamedov paid an official visit to Uzbekistan. Cooperation between the two neighbours has improved in recent years. Trade turnover has increased threefold in 2010 as opposed to 2009, reaching \$270 million. The two leaders expressed particular interest in the stabilization of the region, particularly Afghanistan.

International organizations

A fundamental criterion of Turkmenistan's foreign policy doctrine is cooperation with major international organizations and structures, with their invaluable experience of interaction. President Berdimuhamedov received the UN deputy secretary-general, the UNDP administrator and UNDP's deputy regional director in Eastern Europe and the CIS.

Turkmenistan's peacekeeping role, its assistance in rebuilding Afghan infrastructure and its initiative in terms of the construction of the TAPI pipeline were noted at President Berdimuhamedov's meeting with NATO secretary-general's special representative for Central Asia and the Caucasus.

Turkmenistan, as the Chair of the UN Special Programme for the Economies of Central Asia (SPECA), hosted the international meeting of the governing council and the economic forum on "Enhancing Regional Cooperation in Central Asia: a contribution to the long-term stability and sustainable development of Afghanistan". The agenda included a discussion of economic cooperation between Central Asia and Afghanistan in infrastructure development, transport, trade and joint management of natural resources.

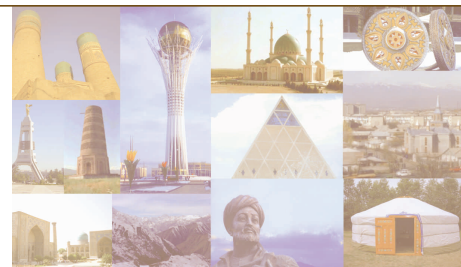
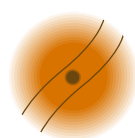
The UN deputy secretary-general and the executive secretary of the Economic Commission for Europe (UNECE), Jan Kubis, both participated in the forum.

At the UN Regional Centre for Preventive Diplomacy for Central Asia, deputy foreign ministers of Central Asian countries discussed issues of security and stability in the region. They also talked about the development of appropriate and mutually acceptable approaches to solving common problems of Central Asian countries, including environment and energy issues, rational and efficient use of water resources, and reducing the influence of external factors on regional stability.

A delegation of the International Atomic Energy Agency (IAEA) paid an official visit to Ashgabat where it attended a number of meetings in national ministries and organizations. The meetings focused on issues concerning Turkmenistan's participation in collaboration with the IAEA.

Internal affairs

As a world leader in terms of natural gas deposits, Turkmenistan views the diversification of its gas exports to world markets as a strategic priority. The administration of the Turkmen gas industry stated that the largest Southern Yoloten-Osman deposit rose from 14 to 16 trillion cubic meters of gas. The resource estimate produced by British Gaffney Cline



& Associates two years ago was upgraded due to the drilling of new wells with high gas flow rates. This year the same company prepared a new audit in Southern Yoloten-Osman. The final borders of the deposit have not been delineated yet.

The 39th session of the Interstate Council for Standardization, Metrology and Certification was held in Turkmenistan. Over a three-day period, leading specialists, experts and heads of the national agencies on technical regulation, standardization, metrology and accreditation and their partners from more than 20 countries discussed important issues related to the work of their institutions and prospective trends for further cooperation.

The Turkish magazine *Suyaset* (Policy) has decided to confer its annual democracy honour award on President Berdimuhamedov. The award is given to outstanding government officials, politicians, artists, businessmen and media representatives for their contribution to the development of their countries.

The newly appointed Russian ambassador to Turkmenistan, Alexander Blokhin, presented his credentials to President Berdimuhamedov. At the meeting the President said that Turkmenistan pays great importance to building up the Turkmen-Russian partnership.

Economy and business enterprise

Russia and Turkmenistan demonstrated their economic and intellectual resources at the first Turkmen-Russian scientific and innovative forum "Innovation, new technologies and energy efficiency issues" held in Ashgabat. About twenty bilateral scientific and technological projects in a number of priority areas are presently being implemented by Turkmen and Russian academic and educational institutions. The forum serves to facilitate the expansion of the range of interaction and define new areas of cooperation between two states.

About fifty representatives of German organizations, financial institutions and private companies took part in the Turkmen-German business forum. Both sides are ready to expand fruitful cooperation in the fields of energy, construction, construction materials, transport and communications.

A delegation led by the U.S. State Department's Principal Deputy Assistant Secretary for South and Central Asian Affairs Geoffrey R. Pyatt and Executive Director of Turkmen-American Business Council Eric Stewart arrived in the Turkmen capital to participate in the exhibition of U.S. companies and the Turkmen-American Business Forum. About sixty major U.S. manufacturers, including Boeing, General Electric, Case, ConocoPhillips, Exxon-Mobil and Chevron displayed their technologies and products at the exposition. Among the issues discussed at the Turkmen-American forum were cooperation in the energy sector, transport, communications and information technologies, science and education.

An IMF mission led by the Deputy Head of the Department of Middle East and Central Asia Veronica Bacalu visited Turkmenistan. On presenting the results of the visit to the press, Bacalu noted that the favourable forecasts for economic growth are associated with an increase in gas exports and continued growth in government spending. The IMF intends to continue cooperation with Turkmenistan.

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