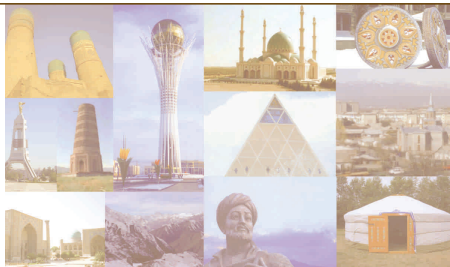




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The Central Asia Observatory (CAO) was established in 2007 by three institutions that are interested in the area: Casa Asia, CIDOB Foundation and Royal Institute Elcano



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TURKMENISTAN

NOVEMBER - DECEMBER 2011

Bimonthly article

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Highlights

The central commission of elections and referendums announced the beginning of the process to nominate candidates to the presidential elections, to be held on 12 February 2012. Public organizations nominated the Turkmen leader Gurbanguly Berdimuhamedov.

Foreign and international policy

A meeting took place in Parliament with representatives of the delegation of the office for democratic institutions and human rights, led by the head of the OSCE department of elections, Beata Martin-Rozumilovich. Issues concerning presidential elections were the main focus of discussion.

State visits

Turkmenistan continues to develop cooperation with Asia-Pacific states. President Berdimuhamedov visited Malaysia and held a meeting with the King and the prime minister Mohd Najib Tun Abdul Razak, who visited Turkmenistan last year. There are presently thirteen Malaysian companies operating in Turkmenistan. PETRONAS has been operating in Turkmenistan since 1996 and is engaged in the exploration and production of hydrocarbons in the Caspian Sea. The partners reaffirmed the importance of strengthening cooperation in the energy sector and signed a joint communiqué. The foreign affairs ministries of the two countries signed the programme of cooperation for 2012. The government of Malaysia announced its decision to open an embassy in Turkmenistan with its residence in Ashgabat, to further strengthen cooperation.

Another significant event was the official visit of President Berdimuhamedov to China. The

negotiations between the Turkmen leader and the Chinese President Hu Jintao involved a number of key topics relating to Turkmen-Chinese cooperation. The energy sector was determined as the priority area for their partnership. The two leaders signed a joint declaration and an agreement on supplying natural gas from Turkmenistan to China. Under the agreement, Turkmenistan will supply China with about 65 billion cubic meters of natural gas per year.

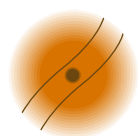
President Berdimuhamedov also paid an official visit to the Russian Federation where he negotiated a number of important issues with Russian president Dmitry Medvedev and his prime minister Vladimir Putin. The Russian government expressed its satisfaction with the dynamics of bilateral relations in energy sector. Russian business circles also expressed their deep interest in the Turkmen market. By 1 December, 188 Russian companies were registered in Turkmenistan and 180 investment projects had been launched in the country.

International cooperation

Relations with EU states

During his first official visit to Turkmenistan, Hungarian President Pal Schmitt attended the business forum that was held in Ashgabat. Hungary and Turkmenistan are both interested in developing mutually beneficial cooperation. Turkmenistan wants to attract investments in agricultural technologies and imports of modern equipment, whereas Hungary is looking for reliable partners to diversify its energy imports and provide safe energy supply. The two presidents signed a joint statement, and the foreign affairs ministry and chambers of commerce and industry signed a cooperation agreement.

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During his visit to Ashgabat, German foreign minister Guido Westerwelle held meetings with government and foreign affairs representatives. The two sides discussed issues of Turkmen-German cooperation. Westerwelle expressed his country's support for Turkmenistan's efforts to pursue its policy to diversify energy transit to world markets. Mr. Westerwelle also visited the international exhibition "Oil and Gas of Turkmenistan 2011". During her visit to Turkmenistan, European Commission project manager Assunta Testa held various meetings at several ministries where discussions focused on the prospects of developing partnership and the possibilities of implementing joint projects.

The Speaker of the Turkmen Parliament, Akja Nurberdiyeva, received credentials from the Ambassador Extraordinary and Plenipotentiary of the Republic of Estonia, Jaan Hein.

In his talks with President Berdimuhamedov, Estonian prime minister Andrus Ansip expressed his approval for Turkmenistan's peacekeeping policy and discussed the possibilities for the new business contacts on prospective directions. A particular topic of discussion was cooperation in the energy sector in view of growing demand for energy in Estonia. During this official visit the Turkmen-Estonian business forum took place in Ashgabat. Estonian business circles highlighted their interest in starting a full-scale dialogue with Turkmenistan. Cooperation in science and information and communication technologies, health and tourism, and use of alternative energy sources were mentioned as priority areas of the partnership between the two countries.

Angus Miller, the British government's advisor on Caspian Energy held meetings with local officials at Turkmenistan's petroleum and mineral resources ministry, the state agency for the management and use of hydrocarbon resources, and the state

concern Turkmengaz. According to media reports, the meetings reconfirmed the desire of European business circles to engage in productive relations with Turkmenistan, particularly in the energy sector.

The co-chair of the Turkmen-British Trade and Industry Council, Ronald Nash, attended Turkmenistan's third international investment forum. During his visit, Mr. Nash met with representatives of the government, various ministries and departments. He noted that the country's tremendous potential and rapid economic growth had opened up vast opportunities to foster interstate collaboration.

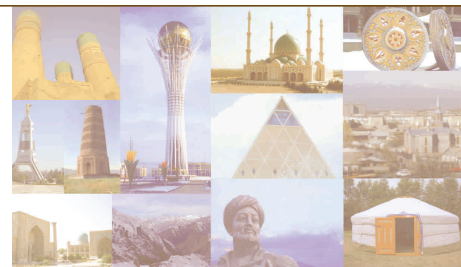
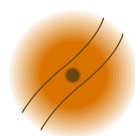
Asia

The practical implementation of a Turkmenistan-Afghanistan-Pakistan-India gas pipeline has been on the agenda of talks between President Berdimuhamedov and Afghanistan's commerce and industry minister, Anwar-ul-Haq Ahadi, who thanked the Turkmen leader for exporting electricity to Afghanistan at a reduced price, building industrial and public facilities, and providing ongoing humanitarian assistance to the border areas of Afghanistan.

A delegation of the United Arab Emirates headed by foreign minister Sheikh Abdullah Bin Zayed Al Nahyan paid a working visit to Ashgabat. Negotiations took place at the foreign affairs ministry, where the two sides emphasized the need for closer contacts between their respective foreign ministries.

President Berdimuhamedov and Turkish president Abdullah Gul held a telephone conversation and discussed a wide range of international cooperation issues.

Bilateral cooperation and the strengthening of inter-parliamentary relations were considered on the agenda of meetings with MPs from Tajikistan at the petroleum and mineral resources ministry and Turkmengaz.



Internal affairs

International forums

Ashgabat hosted several international conferences aimed at strengthening productive international partnerships in priority areas for Turkmenistan.

Ashgabat hosted the Economic Forum of the UN Special Programme for the Economies of Central Asia (SPECA), "20 years of regional economic cooperation and integration of Central Asia countries: Achievements, Challenges and Prospects". The sixth session of the Governing Board of SPECA was held at Turkmenistan's foreign affairs ministry. The governing board decided to re-elect Turkmenistan as SPECA Chairman in 2012.

In cooperation with the UN, the foreign affairs ministry hosted an international high-level meeting of Central Asian countries and other the UN member states to implement the UN Global Counterterrorism strategy in Central Asia. Participants recognized that in the fight against terrorism, enforcement strategies need to be combined with preventive strategies based on respect for human rights and on understanding the conditions that are conducive to terrorism.

International consultants and experts from state agencies on the environment of the Caspian region countries discussed the development of national plans under the Framework Convention for the Protection of the Marine Environment of the Caspian Sea (Tehran Convention).

The International conference "Permanent Neutrality Turkmenistan: Cooperation for Peace, Security and Progress" was dedicated to the 16th anniversary of Turkmenistan's neutrality.

Representatives of the world's largest oil companies, international organizations, scientists and independent experts participated in the International Conference "Global integration of energy

markets - ensuring energy security" and in Turkmenistan's 16th International Oil & Gas Conference. The South Corridor is a priority EU energy project, diversifying energy supply routes and sources and increasing EU energy security. The Trans-Caspian route would become a part of trans-national projects of the Southern gas corridor.

The communications ministry signed a contract with Thales Alenia Space (France) for the construction of a national satellite and ground-control systems. The contract provides for launching a satellite into space, putting it into operation and maintaining high-level round-the-clock operation of a satellite for 15 years as well as training highly qualified professionals. The construction work should be completed in 2014. The communications ministry signed an agreement for the lease of the orbital point with Space Systems International-Monaco SAM.

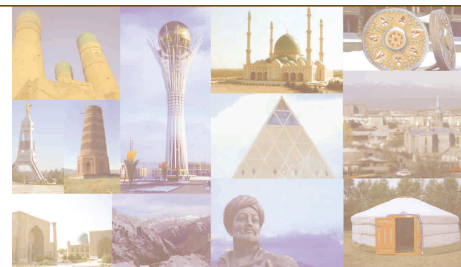
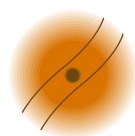
Culture days in the U.S.

The opening ceremony of Turkmenistan Culture Days was held in the U.S. Library of Congress with the participation of representatives of the U.S. State Department, the Smithsonian Institution, Chevron and the Turkmen Embassy in America. Days of Turkmen Culture were devoted to the 20th anniversary of the establishment of diplomatic relations between Turkmenistan and the United States.

Internal affairs

Turkmen specialists believe that natural gas reserves discovered in Southern Yoloten-Osman, Minara fields, as well as gas deposits in the adjacent areas make one giant oil field. In this regard, these gas reserves estimated at 26.2 trillion cubic meters of gas have been renamed Galkynysh (Revival).

The Turkmen president and the General Manager of the China National Petroleum Corporation, Zhou Jiping, took part in the opening ceremony of the CNPC office building. CNPC started construction of a



second gas processing plant in contract area Bagtyarlyk. The object will be an important part of Turkmenistan's gas transportation system to China.

The 18th anniversary of the introduction of the national currency, the manat, was celebrated in the country. The International Conference "Development of the financial system and banking activities in Turkmenistan" with the participation of international financial institutions was dedicated to this event.

The executive department of the President's Office of Turkmenistan concluded the contract with VINCI Construction Grands Projets (France) to design and construct the government building in Ashgabat.

In Ashgabat a German delegation with representatives from ninety companies took part in the German economy salon. Over sixty German companies are presently operating in Turkmenistan.

Turkmenistan adopted the state programme for the development of the securities market for 2012-2016, as well as a plan of relevant activities. The document aims at solving the task of establishing stock market infrastructure as per international norms and standards.

The seminar "Legal audiovisual media" was organized by the BBC World Service with the support of the EU. Enhancing legislation regulating media activities in Turkmenistan was considered during the round table event organized in Ashgabat within the framework of the joint Turkmenistan-OSCE project.

The opinions expressed here are those of the authors and do not necessarily reflect the positions of the Central Asia Observatory (CAO). The institutions that constitute the CAO are not responsible for the use of these contents.

