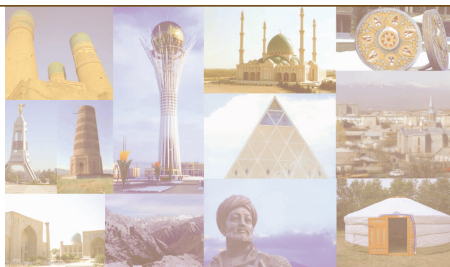




# CENTRAL ASIA OBSERVATORY

<http://www.asiacentral.es>



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



CIDOB  
Barcelona Center for International Affairs



Real  
Instituto  
Elcano

January 2011



TURKMENISTAN

NOVEMBER - DECEMBER 2010

Bimonthly article

Prof. Maral Meredova\*

## Highlights

In December, the summarized results of 2010 were presented at the meeting of the cabinet of ministers. Note was taken of positive development trends and the establishment of international relations with many countries around the world. To date, Turkmenistan has established diplomatic relations with 129 foreign countries and is a member of 42 international organizations. More than 100 international programmes covering almost all spheres of activity are being implemented in Turkmenistan. In 2010 President Gurbanguly Berdimuhamedov made fifteen official overseas visits and leaders of eight foreign countries plus the UN Secretary-General visited Turkmenistan.

## Foreign and international policy

### *Energy cooperation – TAPI project*

In November and early December, the eighth and ninth meetings of the technical working group on the TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipeline project were held in Ashgabat. Asian Development Bank representatives and experts from member states of the TAPI gas pipeline project participated in the meetings. The parties coordinated issues concerning the contract for the purchase and sale of Turkmen natural gas. The final version of the agreement on the TAPI project was worked out at a summit on 10 December attended by the Afghan president Hamid Karzai, the president of Pakistan Asif Ali Zardari, the Indian minister for petroleum and natural gas Murli Deora, and the president of the Asian Development Bank Haruhiko Kuroda. The meeting resulted in the signing of a framework agreement on gas pipeline between Turkmenistan, Afghanistan, India and Pakistan.

### *Caspian region*

In November, the third Caspian summit was held in Baku, with the participation of the leaders of Russia, Iran, Kazakhstan, Azerbaijan and Turkmenistan. They again discussed the draft agreement on the legal division of Caspian Sea natural resources. President Berdimuhamedov proposed preparing agreements on offshore biological resources and Caspian Sea security. The heads of the participant states signed an agreement on security cooperation.

### *Cooperation with international organizations*

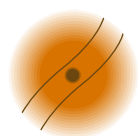
In December, in Astana (Kazakhstan), President Berdimuhamedov took part in the OSCE summit of heads of state and government. Before the summit, he met with U.S. Secretary of State Hillary Clinton. Cooperation in oil and gas industry and implementation of energy projects in Turkmenistan were emphasized at meetings with German Chancellor Angela Merkel, the president of the European Council Herman Van Rompuy, the president of Austria Heinz Fischer, the president of Hungary Pal Schmitt, and the executive secretary of the United Nations Economic Commission for Europe Jan Kubis.

A delegation of the OSCE Bureau for Democratic Institutions and Human Rights visited Ashgabat, as did Laurie Bristow, senior director of the Office for Eastern Europe and Central Asia of Britain's foreign affairs ministry. These visits reflect the growing dynamics of cooperation with major international organizations. Professor Gudmundur Alfredsson (Iceland) and the project manager of the EU-funded education project Assunta Testa visited Ashgabat as part of the project of collaboration between the government of Turkmenistan and the OSCE.

### *Turkmenistan-Asia*

The developing partnership of Turkmenistan and

\*Specialist in Central Asia and Caucasus economies.



## CENTRAL ASIA OBSERVATORY

<http://www.asiacentral.es>



Iran in the gas sphere was one of the central topics of November. At Hangeran in Iran, the presidents of Turkmenistan and Iran opened the new gas pipeline Sarahs-Sangbast. The opening of the new gas pipeline is intended to generate an increase in exports of natural gas from Turkmenistan on routes leading south and southwest. Annual natural gas exports to Iran are planned to increase up to 20 billion cubic meters.

Energy and environmental issues remain on the agenda of meetings of President Berdimuhamedov with Asian government representatives. In December, these issues were discussed during the visits of delegations of Iran headed by the deputy oil minister and chairman of the National Gas Company of Iran Javad Oudzhi, the adviser to the special representative of the Emir of Qatar and the Secretary General of the Organization of Islamic Conference, Ekmeleddin Ihsanoglu.

### *Turkmenistan-Turkey*

In November, President Berdimuhamedov met with Turkish president Abdullah Gul in Turkmenbashi on the Caspian coast. At present, Turkey is one of Turkmenistan's major trading partners, with 600 Turkish companies registered in Turkmenistan. The total value of projects carried out by Turkish companies in Turkmenistan reached \$19 billion and the scale of Turkey's investments in Turkmenistan exceeded \$1.5 billion. At present 2,260 Turkmen students are studying in Turkey.

### *Humanitarian aid to Afghanistan*

Turkmenistan is expanding the network of electrical transmission lines towards Afghanistan, constructing the necessary facilities on its territory. More specifically, Turkmenistan has used its own funds to build transmission lines to provide electricity for the northern region of Afghanistan. The 70-kilometer Andkhoy-Shebergan transmission line began operating to supply electricity for northern Afghanistan. Turkmenistan has established

preferential prices for Afghan consumers, sometimes supplying free electricity and debt relief. Along with electricity, several Afghan border settlements are able to obtain Turkmen liquefied natural gas. The construction of the TAPI gas pipeline is intended to solve a number of economic problems. According to some preliminary estimates the transport of Turkmen natural gas could earn Afghanistan several hundred million dollars annually and create an additional 12,000 jobs.

### **Internal affairs**

In November UNDP continued to assist the Central Election Commission of Turkmenistan in holding workshops to raise local awareness of voting rights. In December elections to the Halk Maslahaty (National Assembly) took place in all regions of Turkmenistan. A team of observers from the CIS stated that the elections were free.

In its twentieth anniversary (2010) edition of the development report entitled "The Real Wealth of Nations: Pathways to Human Development", UNDP declared that Turkmenistan's ranking in human development is 87 out of 169 countries.

### *International conferences*

In November, the annual international exhibition "Oil and Gas of Turkmenistan-2010" was held, as well as the international conference "Oil and gas industry of Turkmenistan: Today, the prospects for development and international cooperation." Representatives from more than 160 foreign companies attended the conference. Among the participants were the world's largest energy companies, among which China National Petroleum Corporation, 'Petronas', 'Dragon Oil', 'Wintershall', 'Bentec', 'Gazprom', 'TMK', 'Stroitransgaz', 'Tatneft', 'Integra', 'Komatsu Ltd.', 'Technip', 'RWE', 'BP', 'OMV', 'Chevron' and 'Total'. In his speech at the conference, President Berdimuhamedov said that Turkmenistan is building an East-West gas pipeline



that will connect all gas fields in the country. The OSCE secretary general Marc Perrin de Brichambaut also took part in the conference.

In December, the office opened in London two years ago by the state agency for the management and use of hydrocarbon resources was closed down. The office may be moved to a new location.

GTZ, the regional programme for German Technical Cooperation, organized a seminar entitled "Support for Legal and Judicial Reform in Central Asia." In November, the OSCE held a weeklong series of lectures on international law on human rights for students of the Institute of International Relations under the auspices of Turkmenistan's foreign affairs ministry.

### *Turkmenistan - participant in international efforts to combat drugs*

In the last two months a number of visitors came to Turkmenistan as part of international efforts to combat narcotics. They included UNODC regional representative for Central Asia Masood Karimipour, the head of the Afghan drugs and justice unit of the UK Foreign and Commonwealth Office David Slinn, a representative of the organization for combating organized crime Mark Bishop and the members of the mission of the European Training Foundation (ETF). The destruction of narcotics took place near Ashgabat in the presence of representatives of the UN, OSCE, diplomatic missions and missions accredited to Turkmenistan, and the media.

At the end of year meeting of the cabinet of ministers, President Berdimuhamedov instructed vice premiers to develop their proposals for opening a Turkmenistan permanent mission at the United Nations in Geneva in 2011. He also noted the need to focus efforts on expanding cooperation with countries of Latin America. In this regard, the Turkmen President noted that the accreditation of Turkmen ambassadors in Brazil, Mexico and

Argentina is expected to take place in the near future. President Berdimuhamedov proposed opening trade representations and introducing cultural attaches in all Turkmenistan embassies with a view to expanding trade and cultural contacts with foreign countries. The President also announced the opening of Turkmenistan's National Political Science Centre for International Regional Studies in Ashgabat in 2011.

### **Economy and business enterprise**

The socio-economic development of the country in 2010 was discussed at the regular meeting of the cabinet of ministers. The results for the period January-November show a stable growth of macroeconomic indicators. The real GDP of Turkmenistan in 2010 grew by 9.2 per cent. In the same period, there was an increase in foreign currency earnings corresponding to Turkmen electricity, oil and gas exports. An IMF delegation headed by Veronica Bacalu made a working visit to Ashgabat. According to IMF experts, Turkmenistan has established a solid foundation for accelerating economic reforms, including the improvement of public financial management and promoting the private sector. The IMF expects Turkmenistan's real GDP growth in 2011 to come to 11.5 per cent.

In November and December, bilateral commission meetings took place: the fifth meeting of the intergovernmental Turkmen-Russian commission for economic cooperation, the first meeting of the Turkmen-Chinese committee for cooperation, and the ninth joint meeting of the Turkmen-Japanese and Japanese-Turkmen economic cooperation committees. The second meeting of the intergovernmental Turkmen-Azerbaijani commission of economic cooperation was held in Baku.

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.

