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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



TURKMENISTAN MARCH-APRIL REPORT

May 2013

Bimonthly Article

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Highlights

At the fifth meeting of the 65th session of United Nations Economic Commission for Europe (UNECE), Turkmenistan was elected vice-chairman. Turkmenistan celebrated Novruz Bayrami, the new day holiday. The presidents of Iran, Afghanistan, Pakistan, Tajikistan and official representatives from other countries arrived in Turkmenistan to take part in the festivities.

Foreign and international policy

Delegations from France, Latvia, Finland, Great Britain and Belgium came to Turkmenistan to discuss prospects of further development of interstate cooperation between EU countries and Turkmenistan. Negotiations between the Turkmen state oil and gas institute and Total of France resulted in the signing of a memorandum of understanding stipulating areas of joint research and project development plus staff training and education. French foreign minister Laurent Fabius attended the second meeting of the Turkmen-French working group on energy cooperation.

The Latvian delegation of industrialists headed by Vasily Melniks, the manager of the Riga shipbuilding plant and director of Eiroholdings, discussed the possibilities of a mutually beneficial bilateral partnership with Turkmenistan in the fields of energy and sea and river transport.

Experts from Finland made presentations covering the principles of the judicial system and

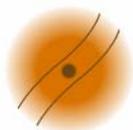
access to justice. The meeting was attended by Finland's ambassador in Turkmenistan, Tuula Yurel, who came to Ashgabat with a working group.

The strengthening of business connections between public and private companies of Turkmenistan and Belgium were among other important issues discussed to further Turkmen-Belgian cooperation.

The government authorities identified broad perspectives for developing effective partnerships with EU countries in many priority areas such as trade and economy, financing and investment, industry and technologies, science and education.

The EU ambassador to Turkmenistan Aurelia Bouchez paid an official visit to Ashgabat at the head of the EU delegation. At a meeting with government officials, the parties emphasized the high level of political dialogue between Turkmenistan and EU countries, underlining broad perspectives for cooperation in political, economic, energy and humanitarian spheres.

A group of professors of medicine visited Ashgabat in the context of the partnership project between Turkmenistan's health ministry and medical industry and the German organization "Senior Experten Service" to discuss the professional development of Turkmen medical staff, the introduction of modern diagnostic techniques, clinical and surgical interventions and postoperative rehabilitation.



The Turkmen delegation studied the Hungarian experience in the field of education within joint programmes with European partners. As part of the Tempus programme, the Tuning Centre for the sphere of higher education was opened at the Turkmen Institute of Economics and Management.

Ashgabat hosted a seminar on energy diplomacy, initiated by the OSCE Centre in Ashgabat in cooperation with the Bureau of the coordinator for economic and environmental activities. The target of the seminar was to increase potential for developing strategies to deal with energy problems.

International organizations

Within the scope of a project implemented by the U.S. Agency for International Development, a group of Turkmen officials attended a course of intentional learning at the International school of protocol and diplomacy in Brussels.

Martin Krause, UNDP's regional practice leader for climate, environment and energy in Bratislava (Slovakia) for Europe and CIS countries, was informed about the practical work being carried out in the field of environmental protection and global energy security in Turkmenistan.

The execution of the joint Country Programme of Cooperation for 2010-2015, initiated by UNICEF and the Turkmen government was the key topic of the meeting with the regional director for Asia, Eastern Europe and the CIS, Marie-Pierre Poirier.

Ashgabat hosted a meeting on the annual review of the UN Framework Programme for assisting the development of Turkmenistan for the period of 2010-2015.

The training seminar "Responding to Climate Changes - Related Risks Impacting the Farming Systems of Turkmenistan at National and Local Levels» focused on water resource management at community level.

Joseph Melillo, executive producer of the Brooklyn Academy of music, and Michael Blanco, director of the Dance Motion project, participated in the Days of the American movies in Ashgabat.

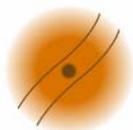
Issues of bilateral cooperation in the field of sport were discussed at a meeting with US Olympic champions Robi Powers and Dan Beery.

Negotiations with Paul Taylor, director of History of Asian Culture at the Smithsonian Institute, and Nancy Butler Songer, director of the Michigan University Centre for basic sciences, covered issues of expanding bilateral relations in art and education spheres.

The Turkmen-American business forum held in Ashgabat was attended by more than 30 European and American companies, firms and organizations; representatives of Turkmen and U.S. universities; officials and scientists specializing in oil and gas, energy and agriculture sectors.

CIS countries

The Turkmen president Gurbanguly Berdimuhamedov received Russian foreign minister Sergey Lavrov. The parties discussed priority issues concerning bilateral relations and prospects for deepening and widening Turkmen-Russian cooperation in trade and economics. Negotiations between Lavrov and his Turkmen counterpart Rashid Meredov resulted in the signing of the cooperation



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programme for 2013 between the foreign economic agencies of Turkmenistan and Russia.

Presideny Berdimuhamedov received deputy foreign minister of Ukraine Viktor Mayko, who arrived in Ashgabat to discuss issues of interstate cooperation. Ukrainian partners are contributing to the realization of important projects in the energy, transport and urban planning sectors.

Cooperation with Asian countries

Turkmen agencies organized the international conference "Oil and Gas of Turkmenistan – 2013" in the United Arab Emirates. During numerous meetings, Turkmen officials representing the country's fuel and energy sector and internationally renowned foreign companies from UAE, USA, China, France, Japan, Malaysia, South Korea and other countries negotiated the significant problems

of launching and implementing joint projects in the priority branches of oil and gas industry of Turkmenistan.

The memorandum of understanding on the construction of the Turkmenistan - Afghanistan-Tajikistan railway was signed in Ashgabat on 20 March. The first meeting of the joint coordination working group on the implementation of the memorandum was held in Ashgabat. Participants in the meeting discussed a number of specific issues relating to prospects of project execution.

Turkmenistan's foreign ministry and the Turkish agency for cooperation and coordination (TICA), under the prime minister of Turkey, organized in Ashgabat the international scientific conference "Diplomacy of the Silk Road: from its History to the Future".

Turkmen-Japanese consultations at the level of the deputy foreign affairs ministers of Turkmenistan and Japan took place in Tokyo. The participants discussed the importance of further strengthening diplomatic links between the two foreign ministries to enhance the cooperation of their respective countries in political and trade spheres. The importance of opening the embassy of Turkmenistan in Japan in the near future was another focus of discussion.

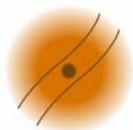
During the Novruz Bayrami holiday, Turkmenistan's government sent humanitarian aid to Afghanistan for orphans and students of Afghan schools, attesting to its staunch desire to support and develop friendly relations with this neighbouring country.

Economy and business enterprises

Turkmenistan has set up a National Body to oversee Clean Development Mechanism (CDM) projects. The new institution has the right to control the activities of industries whose technological processes involve emissions of harmful substances into the atmosphere, and compel them to search for ways of reducing their carbon footprint and developing their production capacity with minimal damage to soil, water and air.

The development of the national economy in the first quarter of the current year showed that GDP grew 9.2% in comparison with the same period last year.

The volume of the foreign trade was \$5421.3 million. Total investments rose 4.8%. Industry share in total GDP continues to increase and its growth rate reached 6.9%. During this period 314.8 km of water pipes were laid, 460.9 km of



gas pipelines, 181.2 km of roads and 351.4 km of transmission lines.

The concept of the power sector development for 2013-2020 was approved. Over \$5 billion will have been invested into this sector by 2020. This concept will be implemented in two phases: the first phase (2013 - 2016) maps out the construction of eight gas turbine power plants, the renovation of three power plants and the building of high-voltage power lines. The second phase (2017 - 2020) provides for the construction of six more power plants, and the transition into complex control of gas turbine power plants that will lead to the increase of power capacities without any additional natural gas production. The construction of power lines will be continued.

The EBRD delegation, headed by the director for Central Asia Masaru Honma paid a visit to Ashgabat to discuss cooperation between Turkmenistan and the EBRD in banking, transport and non-governmental sectors of the economy.

The conference "Turkmenistan and its entry into the WTO: Substantive Issues and the Negotiation Process" covered a wide range of issues regarding Turkmenistan's preparations for joining the WTO, including important details relative to holding negotiations and the completion of entrance procedures.

Representatives of Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan discussed the draft agreement on the conservation and sustainable use of Caspian Sea biological resources. Attention mainly focused on the restoration of sea fish resources and the regulation of fishing activities in the sea water area. Authorized representatives of the Caspian states also discussed the draft agreement on the prevention of emergency

situations in the Caspian Sea and the mitigation of their consequences. The seminar "The Caspian Sea – Sustainable Development and Management" and the international conference "Ecology of the Aral Sea - Sustainable Development and International Cooperation", which was held in Turkmenistan with the participation of Caspian state representatives, both became visible high-level international events.

Another important event in March was the international investment forum of Turkmenistan held in Istanbul, aimed at attracting more foreign investments to the national economy.

In order to establish new business contacts, Turkmenistan took part in a number of international events: ITB Berlin 2013 tourism fair, the world fair of equestrian sport Equitana 2013 in Essen (Germany), the international exhibition Flanders Horse Expo-2013 in Ghent (Belgium), the international workshop - conference "Tourism at World Heritage Sites: Challenges and Opportunities" in Cesme (Turkey).