

TURKMEN WEEKLY ENERGY REVIEW

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A meeting of the Cabinet of Ministers

President Gurbanguly Berdimuhamedov chaired a regular meeting of the Cabinet of Ministers of Turkmenistan. Abiding by the lofty traditions of humanism and mercy of our ancestors, the Turkmen leader devoted special attention to discussing and adopting the decision to render emergency humanitarian assistance to friendly neighbouring countries to who Turkmenistan had always given a helping hand in the hour of necessity. The important issues of the national policy were considered during the government meeting.

The floor was given to Vice Premier, Minister of Foreign Affairs R. Meredov, who reported on the outcomes of the second meeting of the joint Turkmen-Pakistani intergovernmental commission, which had been held on 24-25 August in the capital of the Islamic Republic of Pakistan, Islamabad. It was noted that the meeting agenda had focused on the priority issues regarding further development of interstate cooperation, including trade and economic sphere that was intensified considerably in recent years. In this context, R. Meredov reported that the prospects for holding Turkmen-Pakistan business forum had been considered in a constructive atmosphere.

The key issues put on the meeting agenda included Turkmen-Pakistani partnership in the fuel and energy sector, in particular the prospects for implementing the large-scale project for construction of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. Pakistani partners had reaffirmed their keen interest in implementing the international project of considerable political, economic and social significance initiated by Turkmenistan.

Bilateral cooperation in the energy sector was deemed quite promising. In this regard, the commission had considered the possibilities for supplies of Turkmen electric power to Pakistan through Afghanistan.

The Vice Premier noted that the aspects of cooperation in the agricultural sector, in particular seed growing, had been discussed during the meeting in Islamabad. Acting Vice Premier in charge of the oil and gas, chemical and fishing sectors Ya. Kakaev reported on the work done in these sectors, the results of the working visit to the Republic of Korea paid on the instructions of the President of Turkmenistan on 22-26 August to participate in a special meeting of the heads of national oil companies of the Asian countries.

The Vice Premier reported that the meeting participants had called for furthering close cooperation between leading energy producers and consumers taking account of the facts that the energy demand grew on world markets with every passing year and Asian countries consumed one third of the aggregated volume of energy. In this regard, during the meeting emphasis had been put on the paramount significance of President Gurbanguly Berdimuhamedov's constructive initiatives to ensure reliable and stable transit of energy to world markets.

The meeting participants had expressed belief that Turkmenistan's role in the Asian region would be increased steadily due to the Turkmen leader's pragmatic fuel and energy policy aimed at diversifying hydrocarbon exports, integrated development of the Turkmen oil and gas industry and expansion of international energy cooperation. In this regard, the leaders of many foreign companies had expressed keen interest in mutually advantageous partnership with hydrocarbon-rich Turkmenistan.

Commenting on the report, President Gurbanguly Berdimuhamedov emphasized that Turkmenistan's energy strategy was aimed at using most effectively its abundant reserves of hydrocarbon resources in the interests of many generations of the Turkmen people and for the benefit of the whole of mankind.

In this regard, the Turkmen leader focused on the need to maintain international energy cooperation and actively implement the plans for diversification of transit of Turkmen energy to the international markets, including the Asian region that consumed great quantities of oil and natural gas.

President Gurbanguly Berdimuhamedov said that Turkmenistan supplied natural gas to China and Iran noting that through implementing the large-scale project for construction of the Turkmenistan-Afghanistan-Pakistan-India gas pipeline would facilitate enhancing natural gas exports to Asian countries. The Turkmen leader emphasized that the TAPI project would bring economic benefits to both energy exporters and consumers as well as give a powerful impetus to strengthen stability and peace in the region providing vast opportunities to create thousands of new jobs and the conditions conducive to enhancing the production potential, etc.

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President of Turkmenistan receives UN high-ranking official

President of Turkmenistan Gurbanguly Berdimuhamedov receives Alexei Tikhomirov, Interregional Adviser of the Department of Economic and Social Affairs of the United Nations.

Thanking the Turkmen leader for the opportunity of a personal meeting, the UN high-ranking official said that he was glad to visit Turkmenistan again, the country known all over the world by its constructive policy consistently pursued by President Gurbanguly Berdimuhamedov and aimed at comprehensive development of the state and establishing wide international cooperation for the common benefit.

A. Tikhomirov said that implementing the strategy of fundamental changes and reforms, Turkmenistan had gained truly impressive achievements and continued to move resolutely forward along the chosen path. In this regard, the guest emphasized on the significance attached by the United Nations to enhancing long-term cooperation with the Turkmen state that the UN viewed as a strategic partner.

President Gurbanguly Berdimuhamedov stressed that the development of the multidimensional dialogue with the UN was a priority aspect of Turkmenistan's foreign policy strategy based on the principles of positive neutrality and fruitful cooperation in common interests. Today, the partnership with this large international organisation had reached a new level being filled with a concrete content to address modern realities.

During the meeting the Turkmen leader and his guest exchanged views on the key issues and prospects for Turkmenistan-UN collaboration in the context of ongoing social and economic programmes and joint projects implemented in the country. In particular, the possibilities for cooperation in such an important field as further modernization of the national economy, including reforms and enhancement of the public sector, were considered.

A focus of the talks was the 65th session of the United Nations General Assembly, which would be opened in New York this September and attended by the delegation of Turkmenistan led by President Gurbanguly Berdimuhamedov. As is known, the agenda of the global forum will focus on the achievement of the Millennium Development Goals that are socio-economic in nature. The guest said that in this regard Turkmenistan, whose economy was one of most dynamically developing in the world, had something to be proud of.

Also, A. Tikhomirov emphasized on the relevance of Turkmen leader's international initiatives, including those aimed at achieving global energy security, promoting disarmament, peaceful settlement of the situation in Afghanistan and others supported widely and recognized by the community of nations. In this regard the guest said that Turkmenistan's priorities, which would be presented at the 65th session of the UN General Assembly, had aroused keen interest today in the international arena for they dealt with such important issues as maintenance of maintaining peace, security and sustainable development in the world and search for solutions to urgent problems facing the modern world.

President Gurbanguly Berdimuhamedov noted that Turkmenistan unwaveringly committed to the peace-loving, constructive foreign policy intended to continue to give particular attention cooperation with the UN intensified in recent years and built on a long-term basis.

In conclusion the President and his guest expressed belief that Turkmenistan-UN partnership based on the positive experience accumulated by partners and mutual interest in enhancing the fruitful dialogue would be intensified in the interests of peace and wellbeing in the region and throughout the world in order to achieve the Millennium Development Goals.

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TURKMENISTAN-UN: partnership strategy for peace, security and sustainable development

The 65th session of the UN General Assembly that is a landmark event in the life of the international community will be opened in September 2010.

The high forum of the community of nations will discuss a wide spectrum of global challenges that require concrete solutions aimed at effectively concerting efforts of UN member states of the Organization, mobilizing political, diplomatic, financial, economic, institutional and technical resources of the world community in order to respond to them promptly.

Focusing on the strategic fields of close partnership between Turkmenistan and the United Nations during the government meeting, which took place on August 13, 2010, President of Turkmenistan Gurbanguly Berdimuhamedov endorsed the Turkmenistan's priority actions to be presented at the 65th session of the UN General Assembly that in a concentrated form reflected the experience of international partnership and the perspective vision of most important aspects of the activity of the community of nations. A strategic vector of Turkmenistan's foreign policy strategy as well as fruitful partnership with the UN is the active participation in maintaining peace and security, and it is no mere chance, because ensuring stability is an essential factor in addressing global political, economic and social problems. In this context, Turkmenistan will aim its efforts at further promotion of the principle of the integrity of security in the UN's decisions.

In the regional context Turkmenistan stands for building the multilateral mechanism for collaboration of states of Central Asia and the Caspian region. Our goal is to create in this part of the world a new in principle political and psychological environment conducive to strengthening a non-confrontational worldview in relationships among states.

In this context it is deemed advisable to consider the possibility for creating the framework of regular high-level political consultations between Central Asian and Caspian states under the aegis of the UN during the forthcoming session.

Wide international cooperation to ensure peace and security is impossible without tackling the issues regarding nonproliferation of weapons of mass destruction, disarmament and arms control. Therefore, our country implements the measures to effectively contribute to global efforts to tackle these issues. In this regard Turkmenistan believes it to be necessary to discuss substantially at the 65th session of the General Assembly the approaches to fostering the activity of the UN Conference on Disarmament.

Viewing Central Asia and the Caspian Sea Basin as the integral historical and geographical area, where the strategic centre of global significance including important energy, transportation and communications nodal points is being formed today it is supposed that disarmament should be a major vector of the United Nations activities.

It should be noted that Turkmenistan consistently develops and strengthens the international legal framework against international terrorism, illicit drug trafficking, organized crime and other threats and challenges that face the humanity today. Even at the dawn of independence Turkmenistan acceded to such documents as the 1961 Single Convention on Narcotic Drugs as amended by the 1972 Protocol to the 1961 Single Convention on Narcotic Drugs (New York, 30 March 1961), the 1971 UN Convention on Psychotropic Substances (Vienna, 21 February 1971), the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna, December 19, 1988), the International Convention against the Recruitment, Use, Financing and Training of Mercenaries (New York, January 31, 1990), the International Convention for the Suppression of Terrorist Bombings (New York, December 15, 1997), the International Convention on Against the Taking of Hostages (New York, December 17, 1979), the International Convention for the Suppression of the Financing of Terrorism (New York, December 9, 1999), the UN Convention against Transnational Organized Crime (New York, November 15, 2000) and other international legal acts.

A key factor in maintaining security and sustainable development not only in Central Asia but also on a wider global scale is the restoration of peace in Afghanistan. Turkmenistan that closely neighbours upon Afghanistan is interested in establishing lasting peace, stability and security in this country and has always supported and supports global efforts in this field.

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Initiatives in the name of peace

The Ministry of Foreign Affairs of Turkmenistan held a special briefing on August 16 on the upcoming 65th session of the General Assembly of the United Nations. The Foreign Ministry spokesman briefed the media representatives on the priority positions of Turkmenistan for the 65th session of the UN General Assembly that, according to him, are based on the principles and practices of the foreign policy pursued by the President of Turkmenistan, ideas and international initiatives of the Turkmen leader focused on the further development of comprehensive cooperation with countries of the world and well-respected international organizations.

"Turkmenistan views this session as a landmark event. We expect the adoption of concrete decisions to effectively consolidate the efforts of Member States of the Organization, the mobilization of political, diplomatic, financial, economic, organizational and technical resources of the international community to successfully meet the goals and objectives of the UN," the Foreign Ministry spokesman said during the briefing, conveying succinctly the basic provisions of the document to journalists.

I. Strengthening peace and security

Turkmenistan's efforts will focus on the further development in the UN decisions of the principle of integrity of security.

Forming its own approaches to the problem of global security, our country is guided by the indivisibility of this notion both in a geopolitical sense and in terms of coherence of its specific aspects.

Therefore, in order to ensure sustainable world order Turkmenistan proposes to start work within the UN on the development of a unified concept of security.

In regional terms, we support the establishment of a multilateral mechanism of interaction of Central Asian and Caspian states.

In this context, we deem it appropriate to consider establishing regular political consultations at the highest level among the Central Asian and Caspian states under the auspices of the UN.

II. Non-proliferation and disarmament Nonproliferation of weapons of mass destruction, disarmament and arms control are a priority for Turkmenistan. We see our task in helping the international community to address these issues.

We consider it necessary to specifically consider at the 65th session of the General Assembly the issue of revitalization of the UN Conference on Disarmament.

http://www.turkmenistan.ru/?page_id=4&lang_id=en&elem_id=17562&type=event&sort=date_desc

Turkmen model for economic development: success factors and worldwide recognition

Turkmenistan that has taken the path of progressive reforms made a breakthrough and established a foothold in the list of most dynamically developing states. The years of the epoch of new Revival are marked for the Turkmen state with the critical decisions aimed at strengthening and enhancing the economic strength of the country, increasing the standards of living of Turkmen citizens, building reliable guarantees for the progress of the country for many years to come. The dramatic structural transformations took place in all spheres that enabled to ensure sustainable and balanced development of all sectors in the period of transition to a market economy.

Building the original, unique, satisfying modern requirements national model for economic development is a key aspect of the strategy of progressive reforms initiated by President Gurbanguly Berdimuhamedov. The concept of comprehensive sociopolitical, economic and cultural development in the contemporary historical epoch - the epoch of new Revival was formulated in the Turkmen leader's theoretical work "Turkmenistan's economic strategy: with the people, for the people" that drew a wide response.

The major aspects of economic reforms implemented in the country under the leadership of the national leader were commented on at the Institute of Strategic Planning and Economic Development of Turkmenistan.

The Institute specialists noted that in the contemporary period Turkmenistan is at a qualitatively new stage of development. The process of building the national model for a society-oriented market economy and updating it in conformity with domestic interests and general trends of integration processes in the world community is under way over the past years

In the modern world a national economy is part of the global economic system that contributes to global development. Turkmenistan of the epoch of new Revival is a full participant in the world economy and generates multidimensional international initiatives in the economic, social and political spheres.

Diversifying and upgrading production capabilities contribute to further effective integration of our country in the world economic system, the measures are taken to bring transportation and communications arteries, market infrastructure in compliance with international standards, expand economic, legal guarantees and conditions to attract large-scale investment, ensure stability of the political and social systems.

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Abiding by centuries-old traditions of humanism and mercy

The ceremony of bidding farewell to the caravans loaded with humanitarian relief goods for neighbouring Afghanistan took place on the square in front of the Ak Bugday Museum in the administrative centre of Ahal Velayat, Anau. The convoy of 103 trucks would deliver 1,000 tons of flour to the brotherly people.

The high-ranking officials of the ministries and departments and Ahal Velayat, the representatives of the public organisations of the *Galkynysh* National Movement, journalists, the elders, students and people of the Kopetdag Valley participated in the ceremony.

The humanitarian action is initiated by President of Turkmenistan Gurbanguly Berdimuhamedov in the holy month for all Muslims Oaza, the month of spiritual purification and good deeds. This initiative is widely supported and welcomed by the Turkmen people. Abiding by the principles of peace, friendship and good neighbourliness, Turkmenistan makes a substantial contribution to developing social and economic infrastructure and restoring a peaceful life in Afghanistan.

On the same day the special aircraft with 40 tons of humanitarian goods on board departed from the Ashgabat International airport for the Islamic Republic of Pakistan in according with the Order of the President of Turkmenistan. As is known, the population of this country suffers from the devastating flooding that caused numerous deaths and injuries. Food products, drinking water and medicaments were sent from Turkmenistan to Pakistan.

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Potassium salts to be extracted in pits

The construction of the largest in Central Asia ore-dressing and processing enterprise producing potassium chloride was launched at the foothills of the Koytendag ridge in Karluk settlement famous for karst cavities.

In the 1960s the Kugitang geological expedition explored deposits of potassium salts in the Karlyuk field that is the largest and one in Central Asia (the area of this field is 100-120 square kilometres). The geological investigations conducted in this territory showed that the reserves of potassium salts are estimated at over two billion tons. These salts are used to produce potash fertilizers and can be processed into potassium chloride widely applied for agricultural purposes.

Today, the demand in potash fertilizers on the world market has significantly increased. Turkmenistan has gained an opportunity to satisfy the domestic needs in full and rank among the largest fertilizer suppliers to the foreign market.

The works of an unprecedented scale and significance on the development of the potassium salts deposits are carried out in Karlyuk field. In accordance with the Resolution of President Gurbanguly Berdimuhamedov the giant of the mining and chemical industries with the estimated capacity of 1.4 million tons of mineral fertilizers per year will be constructed in Koytendag Etrap, 25-30 km to the north of the Kelif railway station. Early this year the Turkmenhimiya State Concern has concluded the contract with the Belgorkhimprom Public Corporation, the Republic of Belarus for construction of the enterprise that is to be put into operation in early 2015. The contract amounts to US\$ 1 billion.

Gabbar Seylikhanov, Executive Director of the Directorate of the enterprise under construction informed that Belarusian builders had completed about one third of the total amount of design and survey works. The contractors conducted the feasibility study for the future enterprise and the environmental impact assessment. In collaboration with Turkmen geologists two exploratory and one hydrogeological wells were drilled in the field. Now, specialists are engaged in drilling the fourth exploratory well. These investigations are conducted to explore the geologic section and hydrological conditions conducive to making a borehole

The workshops where five lines of the units for crushing, grinding and flotation of potassium salts and other auxiliary equipment will be installed will occupy the area of more than 90 hectares. Fertilizers will be delivered from warehouses to customers by rail and motor roads.

The infrastructure including the units supplying water and electric power to workshops, motor and rail roads, cement works and other facilities that will ensure effective operation of the ore-dressing and processing enterprise will be developed. According to the project, the construction of cottages in the territory of the future industrial giant has started in the territory of the future settlement with cafeteria, first-aid post and other social infrastructure facilities designed for 1,000 workers. Turkmen companies are engaged in the construction works along with Belarusian builders.

In the future, the new facility will enable to satisfy the needs of Turkmen agricultural sector as well as export up to one million tons of potash fertilizers that will increase substantially currency earnings of the country.

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INTERNATIONAL TENDERS

| N | PROJECT's | CLIENT | DEADLINE |
|---|---|---------------|------------|
| 1 | Design and reconstruction of liquefied natural gas unit No1, Naip | Turkmengas SC | 03.09.2010 |
| 2 | On reconstruction of Naip LPG reservoir park | Turkmengas SC | 08.09.2010 |
| 3 | Reconstruction of Gazodjak LPG storage and unloading station | Turkmengas SC | 06.09.2010 |

Exchange news

37 transactions were concluded at the State Commodity and Raw Materials Exchange of Turkmenistan last week.

The businessmen from Russia, the United Arab Emirates and Afghanistan concluded the contracts in the foreign currency for liquefied gas and polypropylene produced at the Turkmenbashi oil refinery. The businessmen from the Virgin Islands bought diesel fuel produced at the Seydi oil refinery, and the businessmen from Afghanistan bought liquefied gas form the Nayip terminal. Technical iodine (Turkmenhimiya State Concern) was bought by the businessmen from the United Arab Emirates.

Also, the contracts in the foreign currency were concluded for ginned cotton, washed karakul wool, greige yarn, cotton yarn, wadding, one-coloured and jacquard towels of various colours, cotton yarn waste. The buyer countries: Russia, the United Kingdom, Switzerland, Belgium, Lichtenstein, Singapore, Kyrgyzstan. The transactions concluded in the foreign currency totalled over US\$ 31 million.

The businessmen from the United Kingdom concluded the transactions in deposit manats for polypropylene sacks; from Turkey - greige yarn waste and knitted waste of various colours; the UAE - cotton cake and washed camels' hair. The transactions concluded in deposit manats totalled over 3.904 million manats.

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Pictures of the Week

