



Turkmenistan: Recent Developments and U.S. Interests

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August 17, 2012

Congressional Research Service

7-5700

www.crs.gov

97-1055

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

When Turkmenistan gained independence with the dissolution of the Soviet Union at the end of 1991, the former republic's president and head of the Turkmen Communist Party, Saparamurad Niyazov, retained power. He was reelected president in another uncontested race in 1992, and a referendum in 1994 extended his term until 2002. Before facing reelection, however, constitutional amendments approved in 1999 proclaimed him president for life. The country's May 1992 constitution granted Niyazov overwhelming powers to rule by decree as head of state and government. According to several assessments, he was among the world's most authoritarian rulers, and his regime was highly corrupt and responsible for serious human rights abuses.

Following the death of President Niyazov in December 2006, Gurbanguly Berdimuhamedow was elected president in early 2007. A new constitution approved in 2008 reaffirmed Turkmenistan as a "secular democracy" with a powerful president able to rule by decree. The constitution included an impressive list of individual rights, but emphasized that the exercise of rights must not violate public order or damage national security. An early legislative election was held in December 2008. International observers assessed the election as not free and fair. The next *Mejlis* election is scheduled for December 2013. According to some observers, the Berdimuhamedow government has retained many authoritarian features of the previous regime, and the human rights situation has deteriorated after an initial improvement at the time of the political succession.

In October 2011, the Turkmen Central Electoral Commission (CEC) announced that a presidential election would be held on February 12, 2012. During the last two weeks of December 2011, initiative groups nominated candidates for president and gathered 10,000 signatures in a majority of the country's districts in order to gain registration of their candidates. The National Revival Movement, a civic association headed by the president, nominated President Berdimuhamedow as its candidate. In January 2012, the CEC registered eight candidates. All of Berdimuhamedow's challengers were ministerial officials or state plant managers. Based on an inadequate legal and political framework to ensure a pluralistic election, the Organization for Security and Cooperation in Europe decided not to formally monitor the election. The CEC announced that Berdimuhamedow won over 97% of the vote and that turnout was over 96%.

In Congressional testimony in late July 2012, Assistant Secretary of State Robert Blake praised Turkmenistan for providing some humanitarian aid to Afghanistan and for constructing or planning rail and energy links to the country, including the prospective Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. He stated that such projects illustrate that Turkmenistan has the potential to be a leader in regional economic development. At the same time, he cautioned that to reach this potential, Turkmenistan must address its human rights problems. He reported that the United States would continue to offer assistance to help Turkmenistan democratize and respect human rights.

Cumulative U.S. assistance to Turkmenistan has amounted to \$351.55 million over the period FY1992-FY2010 (all agencies and programs). U.S. foreign assistance amounted to \$11.01 million in FY2011 and an estimated \$9.89 million in FY2012. The Administration has requested \$6.73 million for FY2013 (these latter amounts include "Function 150" foreign assistance programs and exclude Defense and Energy Department funding).

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Political Background

When Turkmenistan gained independence with the dissolution of the Soviet Union at the end of 1991, the former republic's president and head of the Turkmen Communist Party, Saparmurad Niyazov, retained power. He was reelected president in another uncontested race in 1992, and a referendum in 1994 extended his term until 2002. Before facing reelection, however, constitutional amendments approved in 1999 proclaimed him president for life. The country's May 1992 constitution granted Niyazov overwhelming powers to rule by decree as head of state and government. According to several assessments, he was among the world's most authoritarian rulers, and his regime was highly corrupt and responsible for serious human rights abuses. The regime increasingly restricted contacts by citizens with the outside world.¹

Following the death of President Niyazov in December 2006, Gurbanguly Berdimuhamedow was elected president in early 2007. Since then, Turkmenistan has "remain[ed] a mostly closed society [and] progress toward reforms has been sporadic," according to the State Department.² Freedom House, a non-governmental organization (NGO), has ranked Turkmenistan among the "worst of the worst" countries in the world in terms of political and civil liberties, among such countries as North Korea, Sudan, and Uzbekistan (see below, human rights).³

Exile groups opposed to the regime have included those formed by former officials who have fled the country. Such groups include the United Democratic Opposition, headed by former Foreign Minister Awdy Kulyyew (Kuliyev); the Watan Social-Political Movement, headed by former Deputy Chairman of the Central Bank Annadurdy Hajyyew (Khadzhiyev); the Republican Party, headed by former Ambassador to Turkey Nurmuhamet Hanamow (Khanamov); and the

Basic Facts

Area and Population: Land area is 188,457 sq. mi.; slightly larger than California. The Kara Kum desert covers about 80% of land area. Population is 5.05 million (*The World Factbook*, mid-2012 est.).

Ethnicity: 85% are Turkmen, 5% are Uzbek, 4% are Russian, and others (*The World Factbook*, 2003 est.). Turkmen clans include the Tekke, Ersary, and Yomud. About 150,000 ethnic Turkmen reside elsewhere in the former Soviet Union, approximately 1.3 million in Iran, and over 900,000 in Afghanistan.

Gross Domestic Product: \$43.91 billion; per capita GDP is about \$7,900 (*The World Factbook*, 2011 est., purchasing power parity).

Political Leaders: *President and Prime Minister:* Gurbanguly Berdimuhamedow (also spelled Berdimukhamedov); *Chairman of the Mejlis* (legislature): Akja Nurberdiyewa; *Foreign Minister (and deputy prime minister):* Rasit Meredow; *Minister of Defense:* Begenc Gundogdyew.

Biography: Berdimuhamedow was born in 1957 in the Ashgabat Region. He graduated from the Turkmen Medical Institute in 1979 and undertook graduate work in Moscow. Until 1995, he was a junior member of the dentistry department, an associate professor, and the dean of the dentistry faculty of the Turkmen Medical Institute. In 1995-1997, he was an official in the Turkmen Ministry of Health and was minister 1997-2006. In 2001-2006, he also was a deputy prime minister. He was named acting president in December 2006, and was elected president in February 2007. He was reelected on February 12, 2012.

¹ For information on other Central Asian states, see CRS Report RL33458, *Central Asia: Regional Developments and Implications for U.S. Interests*, by Jim Nichol.

² U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Annex: Regional Perspectives, FY2013*, April 3, 2012.

³ *Worst of the Worst 2012: The World's Most Repressive Societies*, Freedom House, 2012.

Fatherland movement, founded by former Prime Minister Hudayberdi Orazow (Orazov). The latter three leaders received life sentences in absentia on charges of instigating an alleged coup attempt in 2002. Another alleged coup plotter, former Foreign Minister Boris Orazowic Syhmyradow (Shikhmuradov), supposedly remains imprisoned.

The morning of Niyazov's reported death from a heart attack on December 21, 2006, the government proclaimed that Berdimuhamedow, then the deputy prime minister and health minister, would serve as acting president (the existing constitution had called for the speaker to fill this role, but he was quickly arrested and later sentenced to seven years in prison on charges viewed as dubious by many observers). A 2,500-member People's Council (*Halk Maslahaty* or HM), a constitutional body with supreme executive and legislative powers (consisting of the president, ministers, *Mejlis* legislators, and others) convened on December 26 and changed the constitution to legitimize Berdimuhamedow's position as acting president. It quickly approved an electoral law and announced that the next presidential election would be held on February 11, 2007. The HM designated six candidates for the presidential election, one from each region, all of whom were government officials. Exiled politicians were banned from participation. Reportedly, nearly 99% of 2.6 million voters turned out, and 89.23% endorsed acting President Berdimuhamedow.

A needs assessment mission from the Organization for Security and Cooperation in Europe (OSCE) visited during the campaign. It praised some provisions of a new presidential election law, such as those permitting multiple candidacies and access by electoral observers, but criticized others, including those permitting only citizens approved by the legislature and who had served as state officials to run. A small OSCE delegation on election day reportedly was not allowed to view vote-counting. According to the U.S. State Department, the election "represent[ed] a modest step toward political electoral change that could help create the conditions in the future for free, fair, open and truly competitive elections."⁴

In his inaugural address on February 14, 2007, Berdimuhamedow pledged to continue to provide free natural gas, salt, water, and electricity and subsidized bread, gasoline, and housing to the populace, and to uphold the foreign policy of the previous government. Berdimuhamedow was acclaimed head of the HM in late March 2007, thus assuming all the top posts held by the late Niyazov. Berdimuhamedow has removed some of Niyazov's statues from Ashgabat and other symbols of Niyazov's cult of personality, but Niyazov's spiritual guide, the *Ruhnama*, remains required reading in the schools. Berdimuhamedow appears to be the subject of an emerging cult of personality, which includes a monument built in part to glorify his proclamation of a "new revival era" for Turkmenistan.

A constitutional commission unveiled a draft constitution in July 2008 that after public debate was approved by the HM in September 2008. The new constitution reaffirmed Turkmenistan as a "secular democracy" with a powerful president able to rule by decree. The constitution included an impressive list of individual rights, but emphasized that the exercise of rights must not violate public order or damage national security. The constitution abolished the HM and divided its powers between the *Mejlis* and the president. It enlarged the *Mejlis* from 65 to 125 members. An early legislative election was held in December 2008. An OSCE pre-election needs assessment mission stated that "a lack of distinction between civil society organizations, the party, and the

⁴ Open Source Center. *Central Eurasia: Daily Report* (hereafter *CEDR*), February 12, 2007, Doc. No. CEP-950160. U.S. Department of State. *Daily Press Briefing*, February 15, 2007.

State,” had resulted in only government-approved candidates running for seats, so that a democratic election was not possible.⁵ At least two approved candidates ran in each district, but campaigning was muted and noncontroversial. The Turkmen Central Electoral Commission reported that almost 94% of the electorate voted, but some observers reported a light turnout. President Berdimuhamedow hailed the election as advancing Turkmen democracy.⁶ In operation, the Mejlis routinely has supported presidential decrees and has displayed little legislative initiative. The next *Mejlis* election is scheduled for December 2013.

In February 2010, Berdimuhamedow called for the creation of a multi-party system, and in April 2010 he ordered the legislature to consider a law creating such a system. In the meantime, he approved the registration of a new Farmers’ Party as an alternative to the ruling Democratic Party. This new party, however, has since appeared largely moribund.⁷ In local elections held in December 2010, only the Democratic Party and approved “civil society” groups were permitted to field candidates. In January 2011, he urged the legislature to pass a law to facilitate the formation of new political parties. In May 2012, the Union of Industrialists and Entrepreneurs announced that it intended to form a party.

A new presidential election law was adopted in May 2011 that was problematic in ensuring a free and fair election, according to the OSCE. Problems included hurdles to candidate registration, restrictions on freedom of expression that limited campaigning, and an inadequate process for complaints and appeals.⁸

In October 2011, the Turkmen Central Electoral Commission (CEC) announced that a presidential election would be held on February 12, 2012. During the last two weeks of December 2011, initiative groups nominated candidates for president and gathered 10,000 signatures in a majority of the country’s districts in order to gain registration of their candidates. The National Revival Movement, a civic association headed by the president, nominated President Berdimuhamedow as its candidate. In January 2012, the CEC registered eight candidates. All of Berdimuhamedow’s challengers were ministerial officials or state plant managers. Based on an inadequate legal and political framework to ensure a pluralistic election, the OSCE decided not to formally monitor the election. The CEC announced that Berdimuhamedow won over 97% of the vote and that turnout was over 96%.

Human Rights

The Turkmen government’s human rights record has worsened in recent years, after initial improvements following the death of former President Niyazov, according to Human Rights Watch (HRW), an NGO. It reports that in 2011, Turkmenistan continued to be “one of the world’s most repressive countries. The country remains closed to independent scrutiny, media and religious freedoms are subject to draconian restrictions, and human rights defenders face constant

⁵ OSCE, ODIHR, *Turkmenistan, Early Parliamentary Elections: OSCE/ODIHR Needs Assessment Mission Report*, October 20, 2008.

⁶ Annette Bohr, “Turkmenistan,” *Nations in Transit 2009*, Freedom House, June 30, 2009; *CEDR*, December 19, 2008, Doc. No. CEP-950107.

⁷ *CEDR*, May 14, 2010, Doc. No. CEP-37001.

⁸ OSCE, ODIHR, *Republic Of Turkmenistan Presidential Election, 12 February 2012: Needs Assessment Mission Report*, January 3, 2012.

threat of government reprisal. [There are] allegations of widespread torture and ill-treatment, and of enforced disappearances in custody.”⁹

According to the State Department’s *Country Reports on Human Rights Practices for 2011*, the most significant human rights problem areas were arbitrary arrest; torture and abuse of detainees; and restrictions on freedom of speech, press, assembly, religion, and movement. There allegedly were two individuals who disappeared after detention by security forces. Security officials trying to extract confessions tortured and beat detainees. The Independent Lawyers Association and the Turkmen Initiative for Human Rights—both are non-governmental organizations (NGOs) operating in exile—claimed that “every second person [detained] was exposed to varying types of abusive treatment and torture.” Those detained or arrested reported that family members were fired from their jobs or expelled from schools. Security personnel operated with impunity from prosecution for their actions.

In contrast with previous years, there were no known treason convictions during the year and authorities rarely exceeded legal limits for pretrial detention. The judiciary was subordinate to the president. The judiciary was widely reputed to be both corrupt and inefficient. There were credible reports that judges and prosecutors often predetermined the outcome of trials. Opposition groups and some international organizations alleged the government held an undetermined number of political prisoners.

The government did not respect freedom of speech and press. The government controlled radio and television broadcasting, but satellite dishes provided widespread access to foreign television and radio programs. The government financed and controlled almost all print media, and restricted the circulation of foreign newspapers. The government continued to censor newspapers and prohibited reporting of opposition political views or criticism of the president. In October 2011, a local reporter working for Radio Free Europe/Radio Liberty was sentenced to five years in prison on charges regarded by international observers as politically motivated. He was granted amnesty later in the month. There were several reports that the government used restrictions on travel abroad to punish journalists and others who criticized the government. Journalists and accredited foreign reporters engaged in self-censorship due to fear of government reprisal. The Internet was controlled and monitored by the government. Government was non-transparent, with most activities and data considered to be state secrets. The government curtailed academic research into areas it considered politically sensitive, such as comparative law, history, ethnic relations, and theology. An education law allowed the government to impose limits on obtaining education in certain specialties; this law also was used to prevent some students from travelling abroad to study.

The government restricted freedom of assembly and association. Authorities often refused to grant permits for public meetings and demonstrations. All NGOs were required to register with the Ministry of Justice. Only 98 NGOs had been able to register and operate legally, of which international organizations recognized only eight as being independent. There were no independent political or human rights NGOs registered. Foreign assistance to NGOs had to be reported, meetings had to be pre-notified, and government officials otherwise closely monitored their activities.¹⁰

⁹ *World Report 2012*, Human Rights Watch, January 22, 2012.

¹⁰ U.S. Department of State. *Country Reports on Human Rights Practices for 2011*, May 24, 2012. The report did not assess whether human rights abuses had increased or decreased over the previous year.

The State Department's *Trafficking in Persons Report 2012* reports that Turkmenistan is a source, and to a lesser extent, destination, country for forced labor and sex trafficking. The Turkmen government does not fully comply with the minimum standards for the elimination of trafficking, but is making significant efforts to do so. The government made some progress in convicting traffickers and registering an NGO-operated shelter, but did not demonstrate increasing efforts to identify and protect victims, so the country was raised from "Tier 3" status to the still-cautionary "Tier 2 Watch List."¹¹ The State Department's *International Religious Freedom Report for 2011* reports that the Turkmen government "demonstrated a trend toward deterioration in respect for and protection of the right to religious freedom." While the government generally respected the religious freedom of most registered religious groups, it fined, raided, and detained members of unregistered and minority religious groups. A new religion law has set onerous requirements for the re-registration of religious groups, provided for government inspection of religious literature, and banned religious ceremonies in government facilities. The *Annual Report* of the U.S. Commission on International Religious Freedom has called since 2000 for the State Department to list Turkmenistan as a "Country of Particular Concern," where severe violations of religious freedom could result in U.S. sanctions.¹²

In mid-March 2012, the U.N. Human Rights Commission issued recommendations for Turkmenistan, including ending torture, permitting international organizations to visit prisons; more effectively combating human trafficking, allowing freedom of movement, ending the persecution of religious believers, and halting the use of children in cotton harvesting.¹³ In late March 2012, a new law on migration was approved by the legislature that further increased government control over entry and exit from the country, according to many observers.

Economic Conditions

In the face of the global economic downturn, in October 2008 President Berdimuhamedow decreed the establishment of a stabilization fund. Turkmenistan introduced a re-denominated currency, the new *manat*, in January 2009. The decline of the Turkmen economy in 2009, including as a result of the fall-off in gas sales to Russia, necessitated transfers from the stabilization fund to support the budget. In May 2010, Berdimuhamedow unveiled a National Socio-Economic Development Program for 2011-2030 that aims to diversify the economy away from reliance on raw materials exports, including by developing textiles and other industries, as well as liquefied natural gas (LNG). He has launched a large-scale building program in Ashgabat and at the Avaza resort on the Caspian Sea.

The Economist Intelligence Unit (EIU) estimates that Turkmenistan's gross domestic product (GDP) grew by around 10% in 2011, boosted by gas exports to China and Iran, now

¹¹ U.S. Department of State, *Trafficking in Persons Report 2012*, June 19, 2012.

¹² U.S. Department of State, *International Religious Freedom Report for 2011*, July 30, 2012; *2012 Annual Report*, U.S. Commission on International Religious Freedom, March 2012.

¹³ U.N. General Assembly, Human Rights Committee, 104th Session, 2871st & 2872nd Meetings, *Human Rights Committee Notes Turkmenistan's 'New Willingness' to Improve Human Rights Record, but Says Gap Remains between Legal Framework, Implementation*, March 16, 2012.

Turkmenistan's main export customers (see below). However, growth still was set back by Russia's agreement to resume only a small fraction of its previous gas imports. Higher global fuel and food prices contributed to consumer price inflation of around 12% in 2011. The EIU forecasts that GDP will grow by around 7% in 2012, due to increased gas production and continuing high world prices, although economic downturns in Europe and China could slow growth. This estimate takes into account the reduced grain and cotton harvests in 2012, which have caused price rises for flour and bread that the government may match by increasing subsidies to the citizenry.¹⁴

About one-half of Turkmenistan's GDP is derived from energy production, about one-third from services, and slightly more than one-tenth from agriculture, although the latter sector employs nearly half of the country's workforce. State ownership continues in the oil and gas industry, electrical power generation, and the textile, construction, transport, and communications sectors. These sectors account for about 75% of GDP.

According to some widely varying unofficial estimates, about one-quarter to one-third of the population lives in poverty and about one-quarter to two-thirds are unemployed, leaving an employed domestic labor force of about 1-1.7 million. The *World Factbook* reports that Turkmenistan's "overall prospects in the near future are discouraging because of endemic corruption, a poor educational system, government misuse of oil and gas revenues, and Ashgabat's reluctance to adopt market-oriented reforms." The International Crisis Group, an NGO, similarly warns that in Turkmenistan, "the façade of reform and prosperity conceals a deep corrosion of human and physical infrastructure. Education is paralyzed... healthcare is ... unable to grapple with the true extent of existing problems... the [electrical] energy and transportation sectors have nothing to show but a declining level of service."¹⁵

The State Department reported in early 2012 that "U.S. firms have identified widespread government corruption, usually in the form of bribe requests, as an obstacle to investment and business throughout all economic sectors and regions." In contrast to official corruption, however, violent criminal organizations that extort money from businesses are largely nonexistent in Turkmenistan, the State Department claims.¹⁶ The United States and Turkmenistan do not have a bilateral investment treaty. U.S.-Turkmenistan trade is minimal. U.S. exports were about \$71 million in 2011, mostly machinery, and imports were about \$43 million, mostly textiles and petroleum products.¹⁷

Since 2009, President Berdimuhamedow has sponsored annual conferences to encourage more foreign direct investment (FDI) in Turkmenistan. The International Monetary Fund has estimated that cumulative FDI through 2010 was about \$11.2 billion, with the bulk invested in the energy sector. Reportedly, China and Turkey are among the largest investors in Turkmenistan. According

¹⁴ *Country Report: Turkmenistan*, Economist Intelligence Unit, July 2012. See also International Monetary Fund, *IMF Executive Board Concludes 2011 Article IV Consultation with Turkmenistan*, Public Information Notice No. 11/161, December 20, 2011; and *Statement at the Conclusion of an IMF Staff Visit to Turkmenistan*, Press Release No. 12/281, July 27, 2012.

¹⁵ U.S. Central Intelligence Agency, *The World Factbook*, at <https://www.cia.gov/library/publications/the-world-factbook/geos/tx.html>; *Central Asia: Decay And Decline*, International Crisis Group, Asia Report No. 201, February 3, 2011.

¹⁶ U.S. Department of State, *Turkmenistan: 2012 Investment Climate Statement*, February 16, 2012.

¹⁷ U.S. Department of Commerce, Census Bureau, International Trade Data, at <http://www.census.gov/foreign-trade/statistics/country/>.

to the State Department, U.S. FDI is not prominent. Nine oil and gas production sharing consortiums are managed by British, Italian, Austrian, Malaysian, Canadian, UAE, Danish, German, and Russian firms. The State Department also reports that “tight state control of the economy, the slow pace of economic reform, and a restrictive visa regime have hindered the creation of an attractive foreign investment climate.”¹⁸ The 2012 “Index of Economic Freedom,” formulated by the Heritage Foundation and the *Wall Street Journal*, ranks Turkmenistan 168th out of 179 countries, among those having “repressed” levels of investment and monetary freedoms (however, the ranking is slightly improved over those of previous years).¹⁹

Turkmenistan continues to construct a massive lake that it claims will recycle irrigation water and ameliorate the regional climate, but which critics condemn as likely to siphon water from the Amu Darya River and to become concentrated with salts and pesticides.

Energy

Turkmenistan’s proven natural gas reserves—859 trillion cubic feet—are among the highest in the world, according to British Petroleum (BP) data. Its oil reserves are significant but not among the world’s largest.²⁰

At the time it gained independence at the end of 1991, Turkmenistan largely was dependent on Russian energy export routes, and gas and oil production were held back by aging infrastructure, inadequate investment, and poor management. In 1993, Russia halted Turkmen gas exports to Western markets through its pipelines, diverting Turkmen gas to other Eurasian states that had trouble paying for the gas. In 1997, Russia cut off these shipments because of transit fee arrears and as leverage to obtain Turkmenistan’s agreement to terms offered by Russia’s state-owned gas firm Gazprom.

The late President Niyazov signed a 25-year accord with then-President Putin in 2003 on supplying Russia up to 211.9 billion cubic feet (bcf) of gas in 2004 (about 12% of production at that time), rising up to 2.83 trillion cubic feet (tcf) in 2009-2028 (perhaps amounting to the bulk of anticipated production). Turkmenistan halted gas shipments to Russia at the end of 2004 in an attempt to get a higher gas price but settled for all-cash rather than partial barter payments. Turkmenistan and Russia continued to clash in subsequent years over gas prices and finally agreed in late 2007 that gas prices based on “market principles” would be established in 2009. Turkmenistan, Kazakhstan, and Russia signed accords in May and December 2007 on building a new gas pipeline that was planned to carry 353 bcf of Turkmen and 353 bcf of Kazakh gas to Russia. However, the Turkmen government appeared to have reservations about building another pipeline to Russia, and the project reportedly is on hold.

Seeking alternatives to pipeline routes through Russia, in December 1997 Turkmenistan opened the first pipeline from Central Asia to the outside world beyond Russia, a 125-mile gas pipeline linkage to Iran. In mid-2009, Turkmenistan reportedly agreed to increase gas supplies to up to 706 bcf per year.²¹ In January 2010, a second gas pipeline to Iran was completed—from a field

¹⁸ U.S. Embassy, Ashgabat, Turkmenistan, *2012 Investment Climate Statement: Turkmenistan*, February 16, 2012.

¹⁹ “Turkmenistan Economy: Facts, Data, and Analysis,” 2012 Index of Economic Freedom, The Heritage Foundation, at <http://www.heritage.org/index/country/turkmenistan>.

²⁰ *BP Statistical Review of World Energy*, British Petroleum, June 2012.

²¹ *Iran: Daily Report*, January 21, 2008, Doc. No. IAP-11017; January 24, 2008, Doc. No. IAP-950014; April 26, 2008, (continued...)

that until April 2009 had supplied gas to Russia (see below)—to more than double Turkmenistan’s export capacity to Iran. However, Turkmen gas exports to Iran reportedly were about 290 bcf in 2010.

As another alternative to pipelines through Russia, in April 2006, Turkmenistan and China signed a framework agreement calling for Chinese investment in developing gas fields in Turkmenistan and in building a gas pipeline with a capacity of about 1.4 tcf per year through Uzbekistan and Kazakhstan to China. All three Central Asian states plan to send gas through this pipeline to China. Construction of the pipeline began in August 2007 and gas began to be delivered through the pipeline to Xinjiang and beyond in December 2009. In 2011, Turkmenistan provided about 505 bcf of gas to China. In June 2012, Turkmenistan’s Turkmengaz and China’s National Petroleum Corp (CNPC) signed accords to increase Turkmenistan’s natural gas shipments to China up to 2.3 tcf per year.

Perhaps in an additional attempt to diversify gas export routes, Berdimuhamedow first signaled in 2007 that Turkmenistan was interested in building a trans-Caspian gas pipeline. Turkmenistan signed a memorandum of understanding in April 2008 with the EU to supply 353.1 bcf of gas per year starting in 2009, presumably through a trans-Caspian pipeline that might at first link to the SCP and later to the proposed Nabucco pipeline. President Berdimuhamedow asserted in March 2011 that “Turkmenistan intends to promote cooperation in the fuel and energy sector with European countries ... through construction of Trans-Caspian gas pipelines.”²² Russia and Iran remain opposed to trans-Caspian pipelines, ostensibly on the grounds that they could pose environmental hazards to the littoral states.

Berdimuhamedow also revived Niyazov’s proposal to build a gas pipeline through Afghanistan to Pakistan and India. In December 2010, the presidents of Turkmenistan, Pakistan, and Afghanistan and the prime minister of India signed an agreement on constructing the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. On May 23, 2012, Turkmenistan signed purchase agreements with India and Pakistan to supply up to 1.2 tcf of gas per year via the prospective TAPI pipeline. U.S. State Department spokesperson Victoria Nuland hailed the signing as “a perfect example of energy diversification, energy integration, done right. We are very strong supporters of the TAPI pipeline.... We consider it a very positive step forward and sort of a key example of what we’re seeking with our New Silk Road Initiative, which aims at regional integration to lift all boats and create prosperity across the region.”²³ Financing for the project remains problematic, however, because of ongoing conflict in Afghanistan.

On the night of April 8-9, 2009, a section of a gas pipeline from Turkmenistan to Russia exploded, halting Turkmen gas shipments. Russia claimed that it had notified Turkmenistan that it was reducing its gas imports because European demand for gas had declined, but Turkmenistan denied that it had been properly informed.²⁴ After extended talks, visiting former Russian

(...continued)

Doc. No. IAP-950049; and May 6, 2008, Doc. No. IAP-950052.; *CEDR*, July 12, 2009, Doc. No. CEP-950097.

²² “President’s Welcoming Address,” *Turkmenistan: The Golden Age*, March 3, 2011, at http://www.turkmenistan.gov.tm/_en/?idr=4&id=110303a.

²³ U.S. Department of State, *Daily Press Briefing*, May 23, 2012.

²⁴ Open Source Center. *OSC Feature*, April 14, 2009, Doc. No. FEA-844966; *CEDR*, April 14, 2009, Doc. No. CEP-950339; *ITAR-TASS*, April 3, 2009; Sergey Blagov, “Turkmenistan: Ashgabat Wonders Whether Russia Still Has Deep Pockets,” *Eurasia Insight*, March 26, 2009.

President Dmitriy Medvedev and President Berdimuhamedow agreed on December 22, 2009, that Turkmen gas exports to Russia would be resumed, and that the existing supply contract would be altered to reduce Turkmen gas exports to up to 1 tcf per year and to increase the price paid for the gas. Turkmenistan announced on January 9, 2010, that some gas exports to Russia had resumed. The incident appeared to further validate Turkmenistan's policy of diversifying its gas export routes.

In 2010, Russia's Gazprom gas firm purchased only 371 bcf of Turkmen gas, a sharp drop-off from past purchases. Unfortunately, Turkmen gas exports to Iran and China were not compensatory. Overall Turkmen gas exports fell in 2010 to about 865 bcf, down from 1.7 tcf in 2008, before the Russian gas cutoff.²⁵ In 2011, according to BP, Russia purchased 356.7 bcf of Turkmen gas. Overall, Turkmen gas exports rose to 1.2 tcf in 2011, buoyed by Chinese and Iranian purchases.

In September 2011, the Council of the European Union approved opening talks with Azerbaijan and Turkmenistan to facilitate an accord on building a trans-Caspian gas pipeline. Such a link would provide added gas to ensure adequate supplies for the planned Nabucco pipeline. Hailing the decision, EU Energy Commissioner Günther Oettinger stated that "Europe is now speaking with one voice. The trans-Caspian pipeline is a major project in the Southern Corridor to bring new sources of gas to Europe. We have the intention of achieving this as soon as possible."²⁶ The Russian Foreign Ministry denounced the plans for the talks, and claimed that the Caspian Sea littoral states had agreed in a declaration issued in October 2007 that decisions regarding the Sea would be adopted by consensus among all the littoral states (Russia itself has violated this provision by agreeing with Kazakhstan and with Azerbaijan on oil and gas field development). It also claimed that the proposed pipeline was different from existing sub-sea pipelines in posing an environmental threat.

In December 2010, the presidents of Turkmenistan, Pakistan, and Afghanistan and the prime minister of India signed an agreement on constructing the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. Turkmenistan long has called for building this pipeline to diversify its export options. The Asian Development Bank has indicated that it may provide partial funding for the TAPI pipeline, but other financing for the project remains problematic because of ongoing conflict in Afghanistan. Support for TAPI is part of the Administration's "new Silk Road vision" (see below).

In June 2012, Azerbaijani border forces turned back a Turkmen ship carrying out seismic work in or near the area of the disputed and undeveloped offshore Serder/Kyapaz oil and gas field. Two other disputed fields have been developed by Azerbaijan. Each side lodged diplomatic protests against the other. The heightened tensions over the disputed field decreases the likelihood that a trans-Caspian pipeline soon will be built that could supply gas for the planned Trans-Anatolian Pipeline to Europe, according to the EIU.

²⁵ "Turkmen Gas Could Find Chinese Outlet," *Central Asia Online*, March 26, 2011.

²⁶ European Commission, *Press release: EU Starts Negotiations on Caspian Pipeline to Bring Gas to Europe*, September 12, 2011.

Foreign Policy and Defense

Turkmenistan's "neutral" foreign policy is enshrined in its constitution, and the U.N. General Assembly in 1995 recognized Turkmenistan's neutrality. Berdimuhamedow has eschewed joining political or military alliances and has pursued good relations with both East and West. Turkmenistan has pursued close ties with both Iran and Turkey. In addition to trade ties with Iran, Turkmenistan is also interested in cultural ties with the approximately 1.3 million Turkmen residing in Iran. President Mahmoud Ahmadinejad visited Turkmenistan in March 2012, and the two countries pledged closer ties, despite urging from the United States that the Central Asian states limit contacts with Iran. Turkmenistan has regarded Russia as a "key strategic partner," but has seemingly resisted Russian influence on some matters. In 1992, the two states signed a Friendship and Cooperation Treaty containing security provisions. Although Turkmenistan joined the post-Soviet Commonwealth of Independent States (CIS), it did not sign the Collective Security Treaty and refused to sign other CIS agreements viewed as violating its sovereignty and neutrality. Relations with Uzbekistan and Azerbaijan have been tense. Turkmenistan and Uzbekistan have vied for regional influence and argued over water sharing. Azerbaijan and Turkmenistan have rival claims to some Caspian Sea oil and gas fields. Turkmenistan hosts the Regional U.N. Center for Preventive Diplomacy in Central Asia (UNRCCA). In late 2011, the participants approved a joint plan for implementing the U.N. Counter Terrorism strategy.

Turkmenistan's armed forces number about 22,000, including 18,500 ground, 3,000 air, and about 500 naval/coast guard forces. The army has about 700 tanks, 2,000 vehicles, and 560 artillery pieces, the air force has about 110 aircraft and helicopters, and the naval force has six patrol boats (including a former U.S. Coast Guard vessel).²⁷ During 2011, Turkmenistan purchased four missile boats from Russia and Turkey, and the Russian boats reportedly have been delivered. Other forces include police and security troops, a presidential guard, and border troops. In late 1999, Russia's 1,000 border troops in Turkmenistan pulled out at Turkmenistan's request (some "special border troops" reportedly remain), and by 2002, Turkmenistan had replaced its officer corps with ethnic Turkmen. In 1994, Turkmenistan became the first Central Asian state to join NATO's Partnership for Peace (PFP). Turkmen officers have participated in or observed several PFP exercises. In January 2009, a new defense doctrine was released that calls for Turkmenistan to be able to provide for its own national security. Turkmenistan reportedly is actively purchasing military equipment in accordance with the new doctrine. The military remains conscript-based, and alternative service is not permitted. According to some reports, hazing, theft, corruption, drug addiction, and drug trafficking are major problems.

In August 2009, President Berdimuhamedow decreed that the navy/coast guard base of Turkmenbasy would be upgraded and coastal radars and ships would be purchased "to fight effectively against smugglers, terrorists and any other forces who try to illegally use our state sea border or create an unstable situation."²⁸ One report claims that the Turkmen navy may now be the second-largest in the Caspian Sea in terms of firepower, behind Russia's.²⁹

²⁷ International Institute of Strategic Studies. *The Military Balance*, March 7, 2012.

²⁸ Open Source Center. *Central Eurasia: Daily Report* (hereafter *CEDR*), August 31, 2009, Doc. No. CEP-950194.

²⁹ Joshua Kucera, "Turkmenistan: Ashgabat Quietly Builds Up Caspian Military Might," *Eurasianet*, July 5, 2012.

U.S. Policy

In Congressional testimony in late July 2012, Assistant Secretary of State Robert Blake praised Turkmenistan for providing some humanitarian aid to Afghanistan and for constructing or planning rail and energy links to the country, including the prospective Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. He stated that such projects illustrate that Turkmenistan has the potential to be “a leader in the economic prosperity of the region.” At the same time, he cautioned that to reach this potential, Turkmenistan must address its human rights problems. He reported that the United States would continue to offer assistance to help Turkmenistan democratize and respect human rights.³⁰

In 2010, the Obama Administration launched annual bilateral consultations (ABCs) with all the Central Asian states. The first U.S.-Turkmenistan ABC was held in Ashgabat in June 2010. Hailing the beginning of the annual meetings, Assistant Secretary of State Robert Blake stated that they “represent a new beginning to the relationship between the United States and Turkmenistan. We believe that today marks a new chapter in initiating an important dialog on all aspects of the bilateral relationship.” He stressed that “the United States is committed to working with Turkmenistan in the development of strong, prosperous ties between our two countries and to developing Turkmenistan into an independent country that is founded on the rule of law. We hope to do this within the context of a constructive relationship based on the principles of mutual respect and mutual trust.” He later reported that the talks had included

our common concerns about stability in Afghanistan and what we both can do to contribute to progress in that important country. We also talked about opportunities for further cooperation in the economic and energy sectors, including efforts to expand U.S. trade and investment and efforts to assist Turkmenistan with economic development and diversification.... we also talked about joint efforts to combat the spread of terrorism and narcotics. We talked about cooperation in humanitarian affairs, including educational and cultural matters, as well as a good discussion on human rights issues. An important dimension of our visit was the opportunity to meet with civil society leaders.³¹

The second annual ABC was held in February 2011 in Ashgabat, led on the U.S. side by Assistant Secretary Blake. The third ABC was held on March 22-23, 2012, in Washington, D.C., with the Turkmen delegation being headed by Foreign Minister Rasit Meredow. The State Department reported that the consultations focused on increasing economic and trade relations (including in the energy sector), developing social and cultural ties, ensuring the protection of human rights, and enhancing regional security (including in Afghanistan). The delegation met with Secretary Clinton, Assistant Secretary Blake, and then-Special Envoy for Eurasian Energy Richard Morningstar. They also met with Deputy National Security Advisor Denis McDonough, who reportedly stressed the increasingly important role of Turkmenistan in ensuring stability in

³⁰ U.S. House of Representatives, House Foreign Affairs Committee, Subcommittee on Europe and Eurasia, Hearing on U.S. Engagement in Central Asia, *Testimony by Robert Blake, Assistant Secretary, Bureau of Central and South Asian Affairs, U.S. Department of State*, July 24, 2012. In testimony in early 2011, Assistant Secretary Blake had stated that “Turkmenistan is a country of growing importance to the United States.” See House Foreign Affairs Committee, Subcommittee on Europe and Eurasia, Hearing on U.S. Policy toward Europe and Eurasia, *Testimony of Robert O. Blake, Jr.*, March 10, 2011.

³¹ U.S. Department of State. *Remarks at the Opening Session of Inaugural U.S.-Turkmenistan Annual Bilateral Consultations*, June 14, 2010; *Press Conference*, July 15, 2010; *Assistant Secretary Blake's Participation in the U.S.-Turkmenistan Business Council*, June 16, 2010.

Central Asia and in enhancing stabilization efforts in Afghanistan. Besides talks with these officials, the delegation met with several U.S. business representatives to urge them to invest in Turkmenistan, including Chevron, Exxon Mobil, Caterpillar, ConocoPhillips, Case New Holland, Bell Helicopter, and Boeing. The representatives of U.S. energy companies reportedly expressed their willingness to assist Turkmenistan to diversify its export routes.

Turkmenistan has been included in the Secretary of State's "New Silk Road Vision," first mentioned in mid-2011, which supports efforts to bolster economic integration and transit links in Central Asia and beyond. Turkmenistan also is a participant in the Administration's Central Asia Counter-Narcotics Initiative, launched in mid-2011.

Among recent security-related visits, in late March 2012, the Commander of the U.S. Central Command (USCENTCOM), James Mattis, traveled to Turkmenistan and met with President Berdimuhamedow. Reportedly, General Mattis told the President that the United States considered Turkmenistan a responsible and reliable partner, and they discussed joint efforts to combat drug trafficking, terrorism, and organized crime, and Turkmenistan's contributions to stabilization in Afghanistan.³² Among other security visits, U.S. Secretary of the Navy Ray Mabus visited Ashgabat on July 11-12, 2012, as part of a tour of Central and South Asia. He met with Defense Minister Begenc Gundogdyew and other officials to discuss partnership, maritime security, and regional stability.

Cumulative U.S. assistance to Turkmenistan has amounted to \$351.55 million over the period FY1992-FY2010 (all agencies and programs). U.S. foreign assistance amounted to \$11.01 million in FY2011 and an estimated \$9.89 million in FY2012. The Administration has requested \$6.73 million for FY2013 (these latter amounts include "Function 150" foreign assistance programs and exclude Defense and Energy Department funding). In FY2010, the Administration boosted aid to Turkmenistan to support it as a "frontline state" in counter-terrorism operations in Afghanistan, but since then, foreign assistance has declined.

For FY2013, most foreign assistance for Turkmenistan is focused on the objectives of peace and security, governing justly, and economic growth, with slightly more emphasis on peace and security programs. Peace and security programs include Foreign Military Financing (FMF), for which the Administration has requested \$685,000; International Military Education and Training (IMET), for which the Administration has requested \$350,000; reforming law enforcement and combating drug-trafficking and trafficking in persons, for which the Administration has requested \$550,000; and combating weapons of mass destruction, for which the Administration has requested \$500,000. The second and third objectives, for which the Administration has requested \$1.85 million for each, focus on spending to enhance civil society and private sector competitiveness. The Administration hopes to expand its support for civil society organizations and to educate officials on the importance of such organizations. In the economic realm, the Administration hopes to continue to work with private farmers to increase their productivity and access to markets.³³

³² CEDR, April 2, 2012, Doc. No. CEP-964026.

³³ U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Annex: Regional Perspectives, FY2013*, April 3, 2012.

Contributions to Counter-Terrorism

Immediately after the terrorist attacks on the United States on September 11, 2001, the Turkmen foreign ministry stated that Turkmenistan's policy of neutrality and its friendship with the Taliban precluded cooperation in a U.S.-led military campaign. After Russia's then-President Vladimir Putin acceded to an expanded U.S. military presence in Central Asia, however, former Turkmen President Saparamurad Niyazov on September 24, 2001, gave his consent for ground transport and over flights to deliver humanitarian aid to support U.S.-led anti-terrorism efforts in Afghanistan because "evil must be punished." Turkmenistan also permitted refueling privileges for humanitarian flights and reportedly sold and transported jet fuel by rail to Afghanistan. Land transport reportedly was ramped down or ended in recent years.³⁴ In February 2009, President Berdimuhamedow agreed that the country would again facilitate the land transit of humanitarian cargoes to Afghanistan.

Figure I. Map of Turkmenistan



Source: Map Resources

³⁴ Deirdre Tynan, "Turkmenistan: Ashgabat Hosts US Military Refueling, Resupply Operations," *Eurasia Insight*, July 8, 2009; Deirdre Tynan, "Pentagon Paid Airport Fees to Turkmenistan, But Can't Say How Much," *Eurasianet*, July 12, 2010.

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