



THE MINISTRY OF FOREIGN AFFAIRS OF TURKMENISTAN

ECONOMY



The economic growth of Turkmenistan is carried out on the basis of the national short and long term periods.

Today, Turkmenistan has the diversified, multifunctional economy presented by industry, oil and gas production, oil-processing, chemical and petrochemical engineering and metal-processing, objects for producing building materials, light growth rate of Turkmenistan's GDP made up 10,2% in the year 2013 as compared with the volume of industrial production accounted for 7,3%. In comparison with the previous rate of investments equaled to 7,1%, the size of wages amounted to 11%. At present, under the leadership of President Gurbanguly Berdimuhamedov, grandiose work is being carried out in the framework of the national and state programs, which are aimed at the development of the national economy and at the achievement of innovative character.

In this context, traditional sectors have considerably grown over the recent years: power engineering, agriculture, construction, transport and communications. A work is being carried out for the formation of new sectors of the economy: building materials industries, telecommunications and other high-tech spheres. There have been worked out such as the "National program for socio-economic development 2012-2016." They are targeted at the further enhancement of the above named long-term prospect. Turkmenistan actively develops its foreign economic relations. Today Turkmenistan has established trade relations with 103 countries and regions. Turkmenistan has trade relations with 103 states. In 2012, the growth of the economy accounted for 102%. The total volume of hydrocarbon resources amount to

equivalent. In 2012 Turkmenistan produced more than 69 billion cubic meter million tons of oil. The Program on the development of oil and gas complex of the increase of gas production up to 250 billion cubic meters, and oil – 110 2030.

Possessing by more than 24 trillion cubic meters proven reserves of natural gas account the peculiarities of the geographical location, Turkmenistan implements diversification of its international cooperation, particularly in the energy sector, partner access to the sources of Turkmen hydrocarbons and their means of development, creation of multivariate transportation pipeline infrastructure on the conclusion of resources to international energy markets.

Following this, the country along with the traditional routes, in 2009, implements projects of exporting its energy resources to the world market: the gas pipeline and the second gas pipeline Turkmenistan-Iran. The country together with its pipeline on the route of Turkmenistan-Afghanistan-Pakistan-India.

Turkmenistan is highly interested in the projects on export of its energy to the E

Along with the geographical diversification, the structural diversification of Turkmenistan is being gradually implemented through the creation of new industries, based on hydrocarbon raw material.

Turkmenistan believes that the joint implementation of international transport and the Caspian basin are also important, taking into account the unique geographical region.

The power system of Turkmenistan is associated with the combined power system is capable of exporting large amounts of electricity to Afghanistan, Iran, Turkmen countries in the region. The potential of the energy industry in the country is connected with construction of new power plants and power lines, the reconstruction and modernization of power facilities. In accordance with the Presidential Decree as of February 25, 2009, high voltage overhead power lines and substation complex began in Lebap province, as well as the reconstruction of existing substations and spare parts for power lines. After completion of these works, Turkmenistan will be able to increase the export of electricity five times. The capacity will also allow exporting electricity to Pakistan and Iran. Turkmenistan has great opportunities for the development of different sectors of chemical industries, including the use of resources of already developed fields and in new deposits of chemical raw stock.

In 2009, the construction of ore-dressing and processing complex were launched in Garlyk settlement in Lebap province, where a range of deposits of potassium salt is located. In ore-mining region Gaurdak-Koytendag. The construction of a mining complex

potash fertilizers, per se, symbolizes the birth of new mining branch for the Turkmenistan on the vast resource base. Thus, Garlyk deposit of potassium salts is capable of processing the volume of 1-1.5 million tons annually and in the future that figure will reach 2 million tons. The cost of the first stage of the complex is about 1 billion USD.

Turkmenistan attaches great importance to the development of transport and infrastructure (railways and roads, sea and river ports, pipelines) as an essential part of the sustainable development of the country's economy. Large-scale international projects in the transport sector initiated by President Gurbanguly Berdimuhamedov are aimed to give impetus to regional and interregional economic cooperation. In this context, the construction of the railway Kazakhstan-Turkmenistan-Iran is relevant and economically viable. In 2010, the Government of Turkmenistan considered the Turkmen initiative on the creation of the transport corridor connecting the countries of the Persian Gulf. The ceremony of the commissioning of the Turkmen part of the railway Kazakhstan-Turkmenistan-Iran took place on May, 2013.

At present, the length of railways in Turkmenistan is 3,080 miles. Over the year 2013 has increased by 900 kilometers. New railway lines have been constructed: Turkmenabat-Atamurat, Dashoguz-Urgench, Ashgabat-Karakum-Dashoguz. The development of the railway potential leads to an annual increase in the volume of cargo transportation. The volume of cargo transportation made up 104% as compared to the previous year. Turkmenistan has the largest international transit centers of railway transportation by the lines of "North-South" and "Radio relays lines and Trans-Asian-European fiber-optic communication line". The line from Frankfurt were constructed; its length in the territory of Turkmenistan makes it possible to connect all settlements of Turkmenistan are provided with a stable connection.

The main objectives of the country's agricultural sector is to meet food demand, develop food processing industry with raw materials, increase production efficiency, form and consistently strengthen food security.

Today Turkmenistan is fully self-sufficient in basic foodstuffs. In 2011 Turkmenistan was one of the grain exporting countries. 217,000 tons are set for sale, including 150 tons of wheat and 67 tons of the form of flour.

During the years of independence export-oriented textile industry with modern equipment was created in Turkmenistan, 60 textile complexes and enterprises with the latest efficient equipment were built and commissioned into operation. This enabled to increase the capacity of cotton produced in the country from 3 to 55 percent. Between 2000 and 2013 production of cotton yarn and cotton fabrics increased by 8 times. During the same period the production of textile products with a label "Made in Turkmenistan" increased by 29 times. Currently, 90% of manufactured textile products are exported to the European Union, the United States, Turkey, Hungary, China, the Baltics, Ukraine and other countries.

The annual volume of products and industry output reached an average of \$30 billion.

The investment activity of the economy has led to the rapid growth of the Turkmenistan. In addition to large-scale public construction projects, industrial facilities, such as the creation of the Avaza National Tourist Zone, the large dwelling houses are being carried out within the National program for the improvement of living conditions in villages, towns, cities, districts and etrap centers for the period up to 2020 to create a high standard of living of the rural population, similar to urban, development in all settlements of the country. Residential mortgage with the state guarantee is extensively developed.

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