



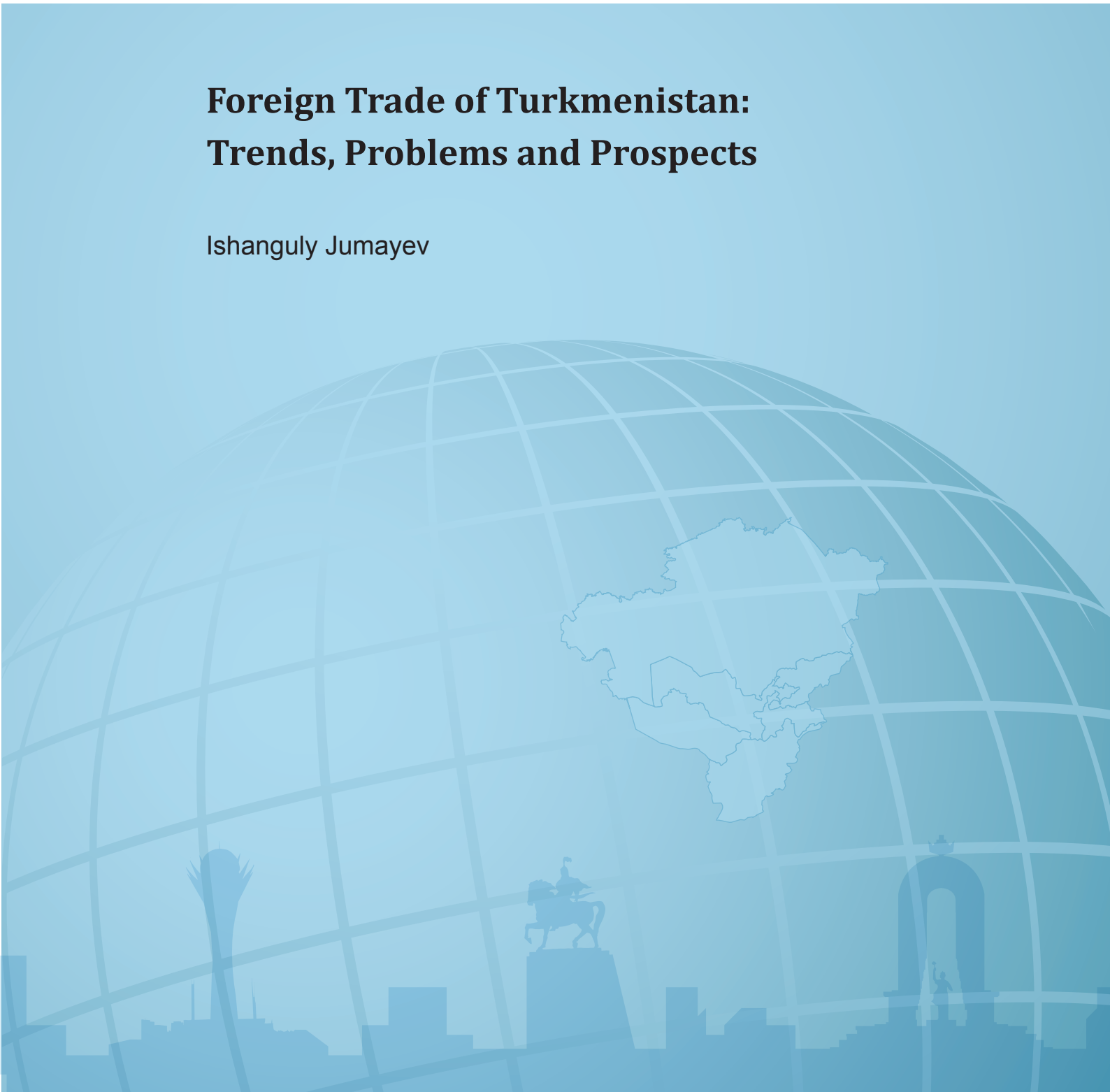
UNIVERSITY
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GRADUATE SCHOOL OF DEVELOPMENT

Institute of Public Policy and Administration

Foreign Trade of Turkmenistan: Trends, Problems and Prospects

Ishanguly Jumayev



WORKING PAPER NO.11, 2012



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Abstract

This paper analyzes trends in foreign trade of Turkmenistan. It examines the structure of exports and imports of goods and trade relations with Central Asian countries. The paper is primarily focused on exports of natural gas and petroleum.

Keywords

Turkmenistan, foreign trade, natural gas, petroleum

JEL Codes: F10, O53

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This paper is part of research being conducted for the “Regional Cooperation and Confidence Building in Central Asia and Afghanistan” (RCCB) project supported by the Government of Canada, Department of Foreign Affairs and International Trade.

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Abbreviations

ADB	Asian Development Bank
CA	Central Asian
CNPC	China National Petroleum Corporation
CPI	Consumer Price Index
EU	European Union
FEA	Foreign Economic Activity
FER	Foreign Economic Relations
GDP	Gross Domestic Product
m ³	Cubic metres
PRC	People's Republic of China
PRP	Petroleum Refining Plant
TAPI	Turkmenistan–Afghanistan–Pakistan–India
TMT	Turkmen Manat
UAE	United Arab Emirates
UN	United Nations
USA	United States of America
US\$	United States Dollar
USSR	Union of Soviet Socialist Republics
VAT	Value Added Tax

1. Macroeconomic trends

State sovereignty and economic independence facilitated Turkmenistan's entry into the world market. In the process of economic reforms in Turkmenistan, the state's foreign economic policy aimed to effectively include the national economy into the system of global economic relations and ensure the realization of related economic benefits and advantages. An important tool in achieving this goal is the development and further improvement of foreign economic activity (FEA) aiming at the optimal combination of openness of the Turkmen economy and economic security of the state.

The global financial crisis did not have a significant impact on the Turkmen economy, as confirmed by the annual missions of the International Monetary Fund in its press releases and reports. One observed a certain reduction in revenues associated with a material decrease in the procurement of natural gas by Russia, but that was significantly offset by the increase in sales of natural gas to Iran and China as well as the so-called "financial safety net" accumulated by the country over the pre-crisis years.

Turkmenistan maintains a relatively high level of investments in the socioeconomic development of the country, resulting in high gross domestic product (GDP) growth rates and improvements in quality of life, including monetary incomes. (See Table 1) Over the last few years, because of almost annual administratively-ordered increases in salaries, pensions, benefits, and stipends, the rate of growth of nominal monetary incomes has somewhat outpaced inflation which ensures the growth of real incomes of the Turkmen population.

Table 1. Primary economic indicators of Turkmenistan

Indicator	2007	2008	2009	2010	2011
Gross Domestic Products in current prices, TMT million	27 000	49 470	57 611	59 000	79 976
Rate of growth of production in comparable prices, %					
GDP	11.0	14.7	6.1	9.2	14.7
Industry	10.1	7.1	-20.8	8.1	24.2
Agriculture, fishery and forestry	6.1	4.0	8.6	7.8	0.1
Construction	36.2	129.3	114.4	15.9	12.6
Transportation and communications	17.1	8.7	14.7	12.2	8.1
Trade and catering	15.4	9.9	27.0	11.3	9.0
GDP industry structure, %					
Industry	36.7	50.5	42.7	39.7	49.3
Agriculture, fishery and forestry	17.8	10.8	10.5	12.8	10.0
Construction	6.4	10.1	18.2	16.1	13.6
Transportation and communications	5.7	4.1	5.0	5.9	4.5
Trade and catering	9.2	5.3	6.1	7.1	5.9
Other services	24.2	19.2	17.5	18.4	16.7
Investments in fixed assets, % GDP	17.0	31.4	47.5	4.9	43.9
Rate of inflation under the Consumer Price Index (annual), %	6.3	14.6	-2.7	4.4	5.3

Indicator	2007	2008	2009	2010	2011
Exchange rate (annualized), TMT/USD	1.04	2.32	2.85	2.85	2.85
Average monthly salary, TMT	507.1	604.4	677.6	742.8	795.9
Revenues of the state budget (current prices), TMT million	4 684	10 080	11 768	10 170	15 079
Expenditures of the state budget (current prices), TMT million	3 629	5 375	10 124	8 878	12 180

Sources: Website of the State Committee of Turkmenistan on Statistics, www.stat.gov.tm; State Committee of Turkmenistan on Statistics. *Statistical Yearbook of Turkmenistan*. (Ashgabat: State Committee of Turkmenistan on Statistics, 2011).

The transition to the market economy in Turkmenistan was accompanied by significant changes in the structure of public employment. Economic reforms and active investment policies of the state positively affected the increase in employment in various sectors and were accompanied by consistent redistribution of the labor force from state enterprises and organisations to the non-state sector. Between 1991 and 2010, the number of employees in the non-state sector of the economy (including the mixed form) increased by 2.7 times, while their share in the number of those employed grew from 44% to 75 %. The increase in employment in the non-state sector of the economy was facilitated by the development of joint ventures and entrepreneurship. In March 2011, the State Program for the Support of Small and Medium Enterprise in Turkmenistan for 2011–2015 was adopted.

The outbreak of inflation in Turkmenistan in 2008 was not related to the global economic crisis as much as it was to domestic financial and economic factors. In particular, due to the unification of the national currency exchange rate and the 11 February 2008 rise of prices for automobile gasoline and diesel fuel for owners of private automobile transportation vehicles inflation, as per the Consumer Price Index (CPI), that year totaled 14.6 %. However, the implementation of a Presidential Resolution¹ on import and export customs duties decreased the market value of certain goods within the country and facilitated the satiation, to a certain extent, of the consumer market with foodstuffs and necessary industrial goods.

2. Trade partners of Turkmenistan

In 2010, 108 countries, primarily in Asia and Europe, were trade partners of Turkmenistan². The largest shares in the foreign trade turnover of the country belong to Iran (21.7 %), Russia (18 %), Turkey (16.4 %) and China (10.8 %). (See Annexes).

¹ Government of Turkmenistan, “On Approval of the List of Goods Imported into Turkmenistan and Exported out of Its Boundaries That Are Subject to No or Set Customs Duties as well as of Their Rates” Resolution of President of Turkmenistan № 9925 (Ashgabat: Government of Turkmenistan, 27 July 2008).

² State Committee of Turkmenistan on Statistics, *Foreign Trade of Turkmenistan with Countries of the World in 2010* (Ashgabat: State Committee of Turkmenistan on Statistics, 2011).

In 2010, the share of Asia in Turkmen exports totalled 64 %, and the European share was 35.5 %. Asian countries became destinations for 54.9 % of total exports of natural gas, 99.7 % of liquefied gas, 82.2 % of petroleum products, 74.2 % of petroleum, 58.3 % of polypropylene, 100 % of electrical energy, 80.8 % of iodine, 47.3 % of cotton fibre, and 48.8 % of textile products. Turkmenistan exported 45.1 % of natural gas, 17.7 % of petroleum products, 25.8 % of petroleum, 58.3 % of polypropylene, 16.1 % of iodine, 52.3 % of cotton fibre, and 32.7 % of textile products to European countries (natural gas goes to Europe via Russia). However, in 2011-2012, about 40 % of natural gas is exported to the People's Republic of China (PRC) and 30 % of natural gas is exported to both Iran and Russia.³

In 2010, Asian countries accounted for 67.2 % of Turkmen imports, and European countries accounted for 30 %. Asian countries were sources of imports of 55.2 % of technological equipment, 57.6 % of foodstuffs, 78.6 % of items made of ferrous metals, 53.6 % of ground transportation vehicles, and 50.3 % of pharmaceutical products.

Import criteria of the efficiency of foreign economic relations (FER) of the country include foreign trade indices, particularly the Trade Conditions Index which is defined as the ratio of the Mean Exports Prices Index to the Mean Imports Prices Index. Since 1997, the Trade Conditions Index of Turkmenistan has been above the value of one 1, which implies the excess of rates of growth of exports prices relative to imports prices. The value of exports prices indices is determined by goods such as natural gas, crude oil, petroleum products and other primary exports goods. In the meantime, imports prices indices are formed based on imports goods regularly supplied to Turkmenistan.

3. Primary exports capacity of Turkmenistan

The availability of the rich fuel and energy capacity of the country shapes the structure of Turkmen exports have consistently been dominated by natural gas, petroleum, petroleum products and electrical energy. In 2000, they comprised 81%, and in 2010, 85%, of Turkmenistan's exports.

3.1. Natural gas

One of the primary exports items of Turkmenistan has traditionally been natural gas. The dynamic of exports of natural gas since Turkmen independence in 1991 can be broken down into several stages.

The first stage (1992–1996) was characterized by relatively stable production and exportation of natural gas in a conventional direction predetermined by the framework of the unified, state-driven commercial complex of the former USSR when supplies were transported via the unified Central Asia-Center pipeline system to Russia. (See Figure1)

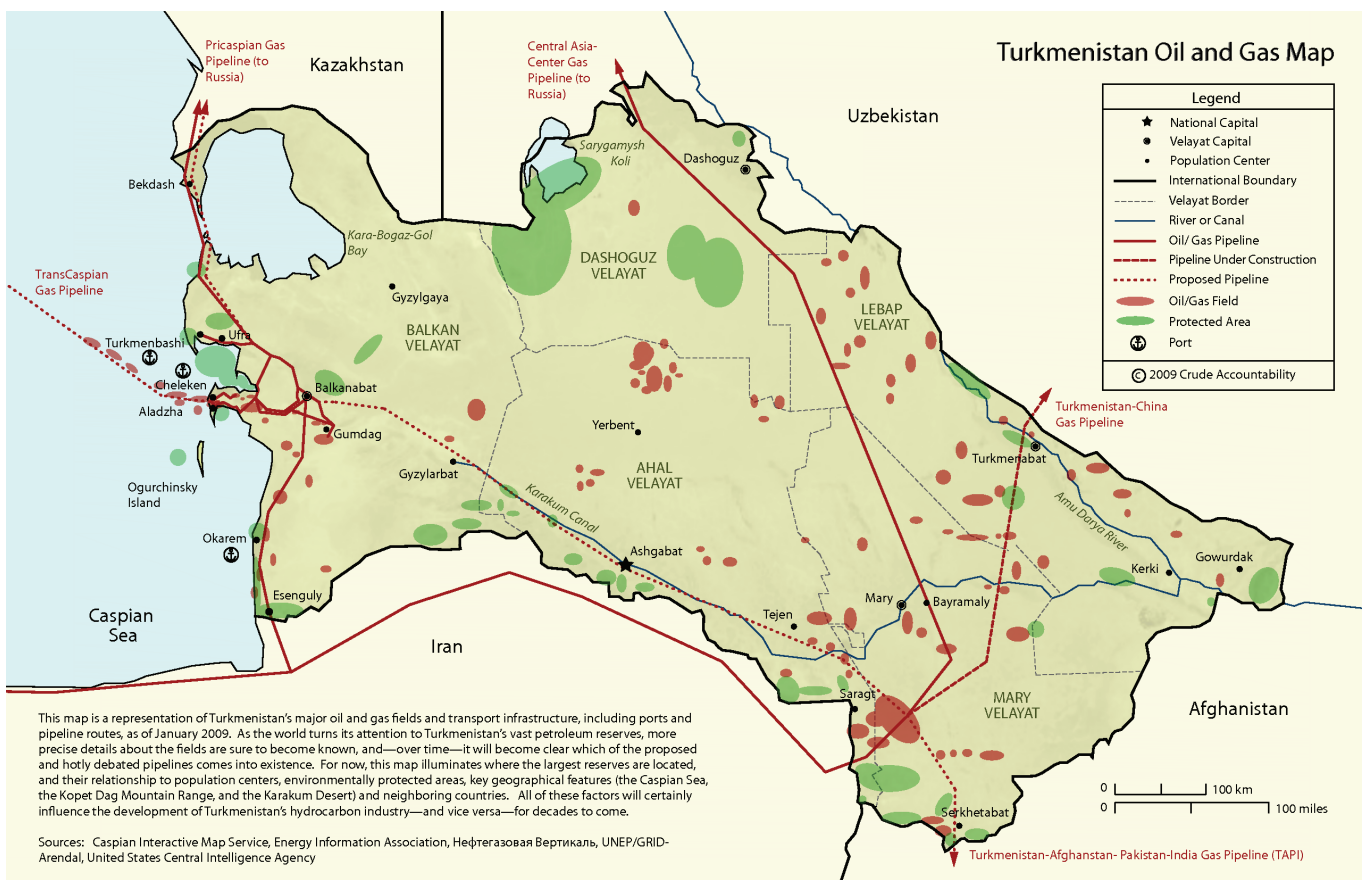
³ Estimates by informed experts given that official data are not available.

The second stage (1997–1998) was characterised by a significant decline in both exports and production of natural gas due to the insolvency of traditional buyers such as Russia. In 1998, the production of natural gas in Turkmenistan totaled only 13.3 billion cubic metres (m³), which corresponded to the level of its domestic consumption, while exports totalled a mere 1.8 billion m³, 73 % less than in 1997 (See Figure 2).

The third stage (1998–2008) was shaped by the construction, in late 1997, of the new natural gas Korpeje–Kurtkui pipeline, which enabled the country to export natural gas in a new direction; to Iran. This was a major first step towards Turkmen independence from the former Soviet unified natural gas transport system.

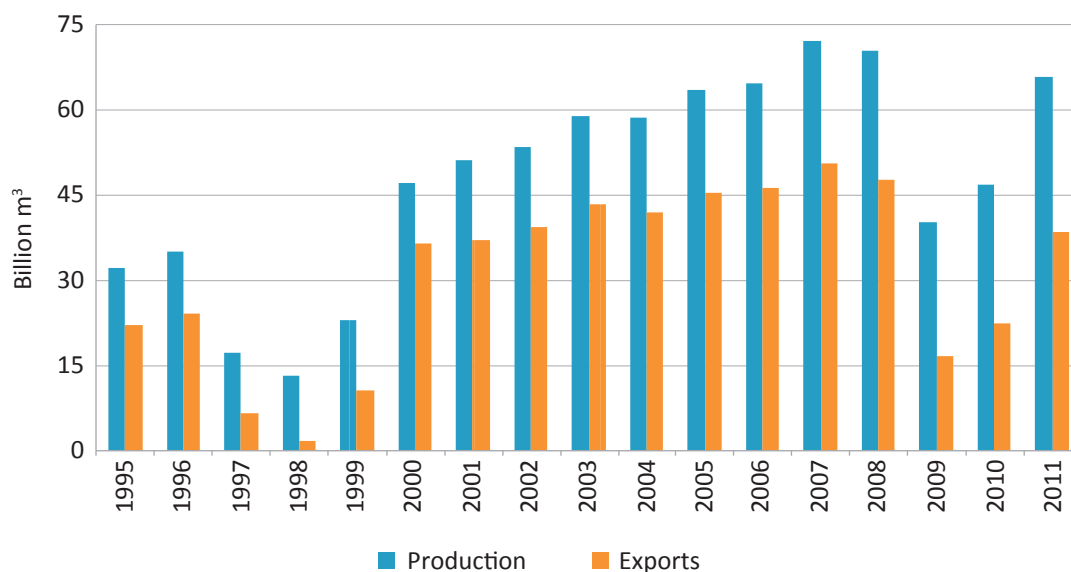
In April 2003, Russia and Turkmenistan signed a 25-year cooperative agreement on natural gas and a long-term contract on supplies of natural gas for the period under the agreement. Following an accident at the Central Asia-Center-4 natural gas pipeline in April 2009, supplies of Turkmen natural gas were frozen for almost a year since there was an overall decline in demand and prices for natural gas in the EU, and procurement of the commodity became unprofitable for Russia.

Figure 1. Map of Turkmenistan's petroleum and natural gas industry.



Source: www.neftegaz.ru

Figure 2. Production and exports of natural gas.



Source: State Committee of Turkmenistan on Statistics

A new milestone in the deepening mutually beneficial energy dialogue between Iran and Turkmenistan was the 6 January 2010 unveiling of the new natural gas Dovletabat–Serakhs–Khangeran pipeline to Iran.⁴ The project was first publicly mentioned by the President of Turkmenistan in July 2009, when Turkmenistan and Iran reached an agreement to increase exports of Turkmen natural gas to Iran from 8 billion m³ to 14 billion m³ by 2010, and progressively increase exports up to 20 billion m³ of fuel a year. To achieve this goal, the country's fuel and energy complex divisions promptly built the 30.5 kilometre (km) long Dovletabat-Serakhs-Khangeran pipeline in south-east Turkmenistan with a capacity of 12.5 billion m³ of natural gas a year.

In November 2010, in response to the agreements between Turkmenistan and Iran on the growing volumes of exports of the Turkmen natural gas, Turkmenistan commissioned the Khangeran-Sangbast natural gas pipeline, an important link in the trans-Iranian natural gas main and a continuation of the Turkmen-Iranian Dovletabat-Serakhs-Khangeran pipeline. The new branch of the main Khangeran-Sangbast pipeline is 190 km long with pipes 1220mm (millimetre) diameter, and is designed for a capacity of 12 billion m³ of natural gas a year.

Supplies of natural gas via the Dovletabat-Serakhs-Khangeran pipeline are ensured due to the resource capacity of the Dovletabat natural gas deposit, one of the largest in Turkmenistan. Additionally, exports to Iran are also made via the Korpeje-Kurtkui natural gas pipeline, which has operated since 1997, which has considerable resource bases including large petroleum and natural gas deposits in western Turkmenistan, such as Korpeje. The pipeline infrastructure created in the territories of Turkmenistan and Iran will ensure the transportation of 20 billion m³, and if necessary, even larger quantities of Turkmen natural gas through the Iranian pipeline mains that also have direct entry to international energy markets.

The fourth stage (since 2009) is characterized by the diversification of natural gas exports and increase in the types and quantities of products supplied to foreign markets. The Trans-Asian Pipe-

⁴ "Year 2010 in the Annals of the Epoch of New Renaissance: Fuel and Energy Complex," *Neutral Turkmenistan Newspaper*, Ashgabat, 13 January 2011.

line was commissioned mid-December 2009, and goes from Turkmenistan to China via Uzbekistan and Turkmenistan, with a total length of about 7 thousand km. In the next three decades, the pipeline will ensure supplies to PRC of up to 40 billion m³ of Turkmen natural gas a year.

In recent years, China has consistently pursued opportunities in the petroleum and natural gas sectors of Central Asia. Turkmenistan, having the region's richest reserves of natural gas, has a special role in this strategy. The interests of the two countries have overlapped since Turkmenistan needs vast investments to develop new natural gas deposits, and China has surplus cash to invest. In 2007, Turkmenistan extended a license to explore and extract natural gas in the pre-agreed territory of Bagtyarlyk, located on the right bank of the River Amudarya to the Chinese petroleum and natural gas deposit operator, China National Petroleum Corporation (CNPC). The development of the deposit and construction of natural gas pipelines was financed by loans issued to Turkmenistan by China.⁵

In September 2010, Turkmenistan commissioned a natural gas compression station in Bagtyarlyk which is considered an important part of the Turkmen-Sino natural gas transportation system. With a capacity of 70.5 MW (megawatts), it is capable of annually sending 60 million m³ of natural gas to the pipeline, which will enable the country to significantly increase supplies of natural gas to the Trans-Asian Natural Gas Pipeline. In January 2011, Turkmenistan began re-pumping natural gas to the Jingbang compression station in China which supplies natural gas to Beijing and the adjacent provinces. This action enabled the commissioning of the western part of the West-East Natural Gas Pipeline connected to the transnational Turkmen-Sino natural gas pipeline. Given the rate of Chinese economic growth, Chinese demand for natural gas is expected to consistently grow.

Since 2010, Turkmenistan has been constructing the nation's largest East-West natural gas pipeline, which will connect the eastern part of the country, which has the largest natural gas reserves, with the dynamically developing central and Trans-Caspian areas of Turkmenistan. The pipeline will be almost 1000 km long, with a pipe diameter of 1420 mm and a capacity of 30 billion m³ a year. It will stretch from the natural gas compression station Shatlyk-1 located in the Mary velayat or province to the compressor station Belek-1 in Balkan velayat. Construction is being done by state companies TurkmenGas and Turkmennebitgasgurlushik (Turkmen Petroleum and Gas Construction) with funding from TurkmenGas, at an estimated cost of US\$2 billion. The pipeline and the required ground infrastructure are expected to be ready by mid-2015. Part of the Turkmen energy strategy, the pipeline will serve as an extra guarantee of uninterrupted supplies to existing and planned international pipelines, and will also serve growing domestic demand.

In 2010, Turkmenistan made significant progress promoting another large-scale infrastructure project which will play an important international role in establishing reliable energy supplies in Asia; the construction of the Turkmenistan-Afghanistan-Pakistan-India Natural Gas Pipeline (TAPI) that has been under discussion for over ten years. The TAPI is projected to run for 1735 km from Turkmenistan, through the territories of Afghanistan and Pakistan, to the border town of Fazilka in India, with a capacity for 33 billion m³ of natural gas a year.

⁵ Website "Country Fellows," <http://www.russedina.ru>

In 2010, meetings between the TAPI Technical Working Group and Steering Committee, and the Asian Development Bank (ADB) resulted in an agreement of concrete technical parameters of the pipeline and terms of supplies of natural gas. Final documents were prepared at the 12th Meeting of the Project Steering Committee on 10 December 2010, attended by the heads of line ministries and representatives of all project member states, and ADB representatives. The next day, at the Ashgabat Summit of Turkmenistan-Afghanistan-Pakistan-India dedicated to the TAPI Project, the line ministers of the four countries signed two documents paving the way for the practical implementation of the project: the Intergovernmental Agreement on the Implementation of the TAPI Natural Gas Pipeline Project, and the Framework Agreement on Natural Gas Pipeline between Governments of Turkmenistan, Afghanistan, Pakistan and India.

Earlier, the large Dovletabat natural gas deposit was considered the resource base for the pipeline. However, Dovletabat natural gas is currently supplying Russia and ensures a growing volume of exports to neighbouring Iran, so in 2011, Turkmenistan identified the South Yoloten-Osman deposit as the resource base for TAPI.

In May 2011, the Parliament of Afghanistan approved the decision to build the TAPI, with construction to begin in 2012. Turkmenistan has already started preparing for construction, including equipping the construction base and the construction of the Atamurt-Akina-Andk-hoi railroad. The implementation of the TAPI will markedly enhance the Turkmen position in the prospective and ever-growing natural gas market of the Asia. Taking into consideration existing natural gas pipelines leading to China and Iran, supplies of Turkmen natural gas under the TAPI will overall ensure the possibility of exports to Asia of over 90 billion m³ of natural gas a year.

Pursuant to the Programme for the Development of the Petroleum and Natural Gas Industry of Turkmenistan until 2030, the annual volume of extraction of natural gas will be brought to 230 billion m³. By 2015, the country expects to bring its exports supplies of natural gas to 125 billion m³ a year (barring a global economic crisis).

3.2. Petroleum and petroleum products

The Turkmen petroleum industry has experienced major developments and expansion over the past few years. Recently, Turkmenistan created a state-of-the-art natural gas and petroleum extraction infrastructure in the western part of the country, using innovative engineering solutions and best Western experiences and practices. The Government of Turkmenistan is attracting large investments into modernizing the national petroleum industry. Enterprises of the state-run company Turkmennebit are being equipped with advanced plants and equipment manufactured by leading heavy equipment manufacturers from the United States, Germany, China and Russia. This state-of-the-art equipment and technology is enabling the country to discover new deep deposits of petroleum in previously inaccessible sediment, significantly expanding the volumes of accessible reserves of hydrocarbon fuel.

Recently commissioned deposits include Chekishler, South Kamyshlyja, and Nebitlije in the western part of the country. In February 2010, the country started developing the Northern Gotur-depe deposit that is partially located on the Caspian shore. In April 2010, new prospective oil

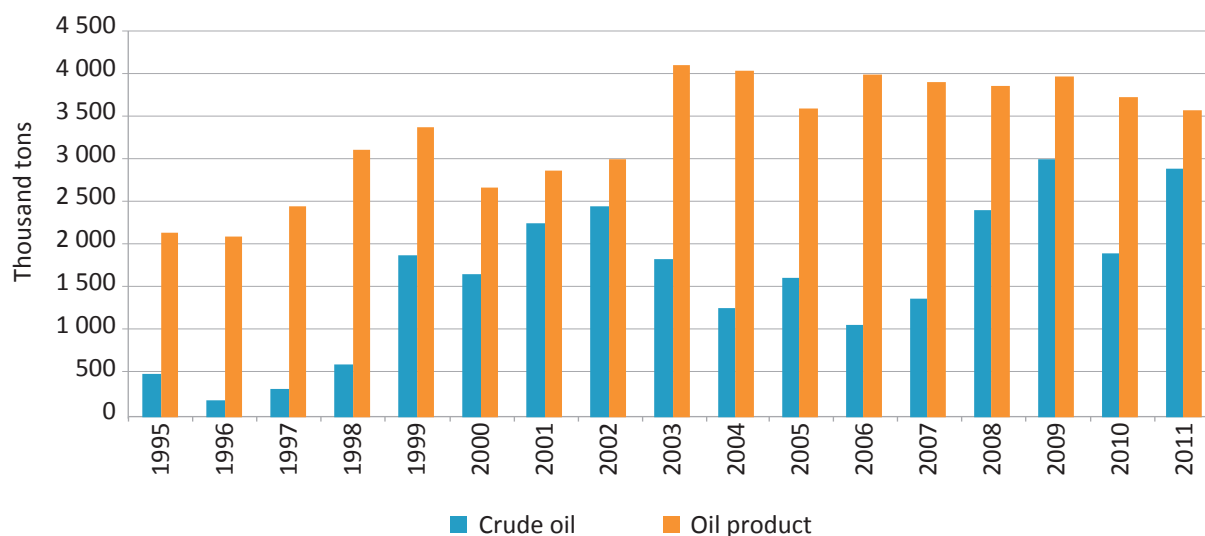
reserves were discovered in this area, in the Altyguyi deposit which until then had only been considered a natural gas deposit. In 2010, Turkmenistan also began extracting petroleum in the Central Karakum desert where newly identified Yilakly and Mydar deposits are being developed.

Other efforts to increase the volume of petroleum production include the development of the South Yoloten deposit where, in addition to vast natural gas reserves, highly lucrative oil reserves are expected. Petroleum is also being extracted at the Yashyldepe deposit on the right bank of the River Amudarya. Petroleum from these deposits account for a significant share of all volumes of commodities delivered to the Seyidi Petroleum Refining Plant (PRP). Other deposits supply Turkmenistan's second refinery, the Turkmenbashy PRP.

Comprehensive efforts to stabilize and increase volumes of extracted commodities at deposits in the western part of Turkmenistan such as Goturdepe, Nebitdag, Kumdag, Barsagelmes, Ekerem, and Cheleken, are paying off, with booster pumping and natural gas compression stations erected, multiple new drill holes prepared, and hundreds of kilometers of pipeline and petroleum collection points constructed. All this coupled with the application of state-of-the-art technologies and equipment has led to improvements in petroleum recovery rate in petroleum beds and the intensification of petroleum extraction. Under the Programme for the Development of the Petroleum and Natural Gas Industry of Turkmenistan until 2030, the country plans to bring the petroleum production rate to 67 million tons.

Some major prospects for the further development of the vast potential of Turkmenistan's petroleum and natural gas industries are associated with the expansion of mutually beneficial international cooperation in the energy sector. Priorities include projects aimed at the development of deposits in the Turkmen sector of the Caspian Sea, the implementation of new transportation routes for energy supplies, and the implementation of advanced technologies in surface-based hydrocarbon extraction and in processing hydrocarbons and the petroleum chemistry industry.

Figure 3. Exports of petroleum and petroleum products



Source: State Committee of Turkmenistan on Statistics, *Foreign Trade of Turkmenistan (statistical compilation, 1995-2011)*.

While quantities and direction of exports supplies of petroleum products are sensitive to fluctuations in the global market and the degree of solvency of trade partners, investments in state-of-the-art technologies in the petroleum processing industry facilitates the production of high-quality, environmentally-sound petroleum products that remain in high demand in the global market.

3.3. Cotton, textiles and other goods

The share of other goods in Turkmenistan's exports remains relatively small and is decreasing. The share of cotton fibre in the structure of exports decreased from 19.7 % in 1996 to 4.6 % in 2010, due to the development of the domestic production of interim finished goods, primarily cloth. The primary importer of Turkmen textiles is Turkey.

Table 2. Production and exports of textile products

Product		Unit of measure	2000	2007	2008	2009	2010
Cotton fibre	Production	Thousand tons	235.1	273.5	297.5	297.5	335.7
	Exports	Thousand tons	213.2	181.4	147.5	100.7	240.0
		US\$ millions	2223.5	208.7	212.9	122.1	447.1
Production Exports	US\$ millions	thousand tons	49.1	85.6	88.7	72.2	92.4
	million metres (m) ²	thousand tons	23.6	37.1	39.5	33.6	53.3
		1,000,000 m ²		54.5	162.7	100.6	52.3	116.5
Production	US\$ millions		55.1	177.1	173.9	154.5	145.0
	million items		19.6	90.3	76.7	78.0	109.1
				29.5	136.2	59.0	36.8	53.9
Knitted goods			19.4	18.7	20.7	17.3	14.8
	Exports	million items	15.7	13.4	16.1	14.8	11.1
		US\$ millions	27.3	25.4	13.3	8.9	7.2
Knitted fabric	Production	thousand tons	7.0	7.7	7.1	5.6	4.3
	Exports	thousand tons	3.2	1.6	1.2	1.5	2.9
		US\$ millions	14.9	5.6	3.3	3.2	6.7
Textile apparel	Exports	thousand items	1.9	2.7	2.3	3.2	2.5
		US\$ millions	12.1	45.8	16.0	20.6	16.8

Sources: State Committee of Turkmenistan on Statistics, *Statistical Yearbook, 2011*, and *Foreign Trade of Turkmenistan (statistical compilation, 2000-2010)*.

Other products exported include technical iodine, sodium sulphate, technical carbon, raw (grege) silk, washed (scoured) wool, and carpets and carpet goods.

Additional information about Turkmen exports is provided in the Annex, in Tables A2, A3 and A6.

4. Imports of goods

Prior to 1991, Turkmenistan's imports were dominated by consumer and food products. However, between 2005 and 2010, imports became dominated by investment products (78 % of total imports), including industrial plant and other equipment (27–30 %) and raw materials and commodities (25–35 %), creating the preconditions for an increase in exports of finished goods.

Today, consumer goods account for about a third of total imports. While food accounts for a small fraction of total imports, Turkmenistan continues to import staple food items such as flour, meat, fruit and sugar. The country also imports huge quantities of consumer-purpose industrial goods, and domestic demand for household appliances and consumer electronics is almost fully satisfied by imports, accounting for 8–11 % of total imports. Turkmenistan also depends on imports for pharmaceuticals. The chemical industry maintains a vast intra-industry trade and the volume of its imports exceeds that of its exports by 6–8 %.

Exports of light consumer industry goods exceed imports of this industry by 1.8 times, and this ratio is growing, due to increased domestic processing of raw materials such as cotton fiber, wool and raw hides.

According to Turkmen customs statistical data, in 2010, the share of imports of goods by individuals (or 'shuttle trade') accounted for less than 2 % of total imports (in 2000, about 6 %), while value of these imports grew in absolute terms. The largest share or 70 % of 'shuttle trade' is transported by passenger cars (in 2000, over 30 %).

Recently, large volumes of imports come from the following countries (in descending order of volume): Turkey, China (including Taiwan and Xianggang or Hong Kong), Russia, UAE and Iran. Production and technical products are mainly imported from Turkey, China and Russia. In both exports and imports, Asian countries account for the largest share (over 60 %).

Detailed information about the geographical and goods structure of imports is provided in Tables A4, A5 and A7 in the Annex.

5. Customs regulation of foreign economic activity

Imposition of customs duties and taxation is one of the most effective administrative methods for regulating foreign economic activity (FEA). Customs regulation of Turkmenistan is based on the Customs Code (2010, revised). The Customs Code identifies overarching objectives and principles of customs taxation; the structure, status and functions of customs bodies; the procedure for setting, approving and paying customs duties; sanctions for infringement of the customs treatment mode; and the appeal and review procedures.

Criteria for assessing the macroeconomic effect of FEA may include customs revenues from foreign trade that encompass customs payments. Customs payments include customs duty (import and export), value added tax (VAT), excise taxes and customs charges. The procedure

for paying VAT and excise taxes is provided for in the Tax Code of Turkmenistan,⁶ and the list of goods impacted by custom duties regulations was established through a Presidential Resolution⁷ which went into effect on 1 August 2008⁸.

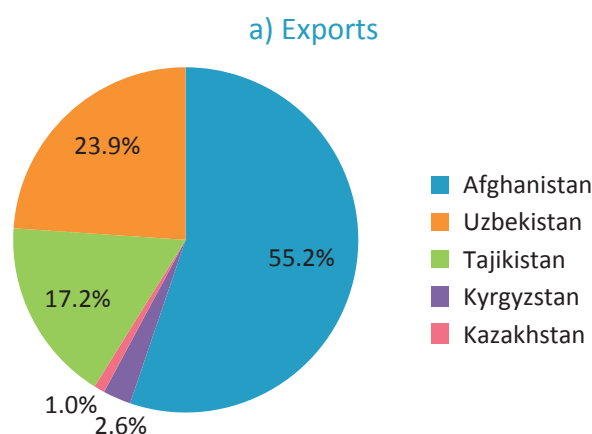
The Presidential Resolution resulted in the repeal of the old list of taxable imported goods, including fresh and refrigerated vegetables, cheeses of all types, fresh potatoes, semolina farina, vegetable oil, canned fish, confectioneries, laundry soap and bath soap. Yet, 48 items remain taxable. However, Turkmenistan has significantly reduced many customs duties and eliminated certain major customs barriers to the export and import of many types of goods. All types of garments and clothing accessories are now subject to a minimum fixed charge of 30 %, rather than varying rates from 30-100 % of their customs value; a 25 % reduction in taxes was implemented on footwear; and rates of charges imposed on goods that were not on the initial list of taxable imported goods were decreased from 5 to 2 %.

6. Trade relations with Central Asian countries

The proximity of Turkmenistan to other Central Asian (CA) countries has resulted in close economic ties with them. Over the past 10 years, Turkmen foreign trade turnover with other CA countries grew by 3.8 times; exports by 2.4 and imports by 5.1. Volumes of imports from other CA countries by Turkmenistan exceed those of exports to them more than twofold.

The primary CA trade partners of Turkmenistan include Afghanistan, Kazakhstan and Uzbekistan (Figure 4). Afghanistan imports Turkmen petroleum products, liquefied gas and other products. Turkmenistan imports grain, flour, meat and meat products, mechanical engineering and metal working products from Kazakhstan, and exports petroleum products, natural gas and chemical industry products to Kazakhstan. Turkmenistan imports agricultural machinery and replacement parts, technological equipment for light (consumer) industry, and fruit and vegetable products from Uzbekistan, and exports petroleum refinery products, glass and light (consumer) industry products and construction industry products to Uzbekistan.

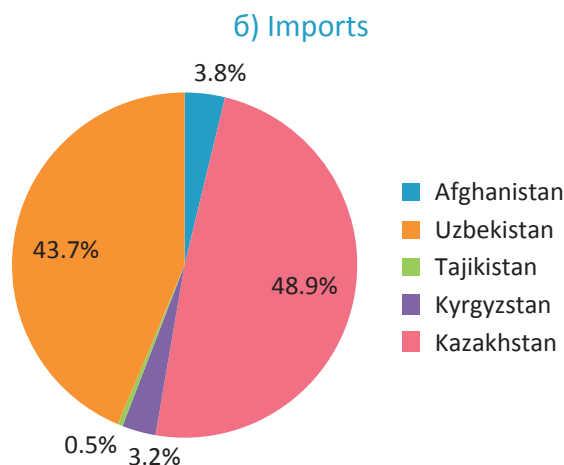
Figure 4. Structure of trade of Turkmenistan with Central Asian countries, 2010.



⁶ Government of Turkmenistan, *Tax Code of Turkmenistan* (Ashgabat: Government of Turkmenistan, 2004).

⁷ Government of Turkmenistan, 27 July 2008.

⁸ Website of the State Customs Service of Turkmenistan: www.customs.gov.tm.



Source: State Committee of Turkmenistan on Statistics. *Foreign Trade of Turkmenistan with Countries of the World in 2010*, (Ashgabat: State Committee of Turkmenistan on Statistics, 2011)..

However, CA countries only account for a small share of Turkmen imports and exports. For example, in 2010, Kazakhstan's share totaled 0.18 % of total exports and 1.53 % of total imports. This is likely due to the fact that Turkmenistan's neighbours possess similar export commodities such as petroleum, natural gas and cotton, or have limited solvency.

Detailed volumes and structure of trade with CA countries including Afghanistan (2009-2010) are provided in Table A8 in the Annex.

7. Problems and consequences of national dependence on commodities and raw materials

Petroleum and natural gas from Turkmenistan account for the largest share of exports proceeds – natural gas – 53 %, crude oil – 11 %. (2010). Thus, petroleum and natural gas sectors will remain the national economy's primary elements and priority exports commodities for many years to come.

However, the operations of these two sectors have an adverse impact on the environment at all stages of the production cycle, from exploratory and surveying activities to processing and storage.

The Government passed a series of legislative acts aimed to combat environmental pollution by the petroleum and natural gas sectors on the ground and in the Turkmen aquatic area of the Caspian Sea. The country annually allocates about US\$ 200 million for environmental protection activities. The State Committee for Statistics of Turkmenistan indicates that due to these measures, the share of contaminant-free emissions into the atmosphere increased from 26 % in 2003 to 34 % in 2008. Nonetheless, the issue of environmental protection remains critical.

Other important problems include the dependence on revenues from exports by the petroleum and natural gas sector, as well as their rational use for the development of other in-

dustries of the economy and the enhancement of the public living standards in the long run. Today, the majority of exports revenues (over 60 %) are allocated to the social sector and, the reduction of sales of, and prices for, raw materials and commodity resources in these sectors would adversely affect the quality of life of the population.

Since independence, the Government of Turkmenistan has tried to diversify the economy. Today, the structure of the Turkmen economy is significantly different from that of the Soviet period: new industries in the consumer, textile and food industries have emerged and been expanded, and the level and quality of processing of petroleum products and cotton, petroleum chemistry products and other resources have improved. However, the risks of and dependence on further development of the economy based on the petroleum and natural gas sectors remain high.⁹

⁹ The issues related to Turkmenistan's commodity dependence require separate and detailed study.

Annex

Table A1. Dynamic of indicators of foreign trade of Turkmenistan, US\$ million

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Export	2 505.5	2 620.2	2 855.6	3 632.0	3 870.0	4 939.0	6 724.1	8 932.1	11 944.7	9 322.9	9 679.2
Import	1 785.5	2 349.0	2 119.4	2 512.0	3 320.0	3 638.4	3 290.0	4 442.0	5 707.2	8 992.4	8 203.6
Foreign trade turnover	4 291.0	4 969.0	4 975.0	6 144.0	7 190.0	8 577.4	10 014.1	13 374.1	17 651.9	18 315.3	17 882.8
Balance of trade	720.0	271.4	736.2	1 120.0	550.0	1 300.6	3 434.1	4 490.1	6 237.5	330.5	1 475.6

Source: State Committee of Turkmenistan on Statistics. Statistical Yearbook of Turkmenistan. (Ashgabat: State Committee of Turkmenistan on Statistics, 2004, 2006--2009, and 2011).

Table A2. Exports of Turkmenistan by partner country, US\$ million

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	2506	2620.2	2855.5	3632	3870	4939	6724	8932.1	11944.7	9322.9	9679.2
Azerbaijan	37.1	7.1	8.1	8.7	76.4	199.3	94.5	80.9	474.1	22.8	12.3
Armenia	1.5	2.3	2.1	1.2	1.5	18.8	4.5	2.8	9.3	3.8	29.5
Belarus	0.3	1.1	0.1	0.1	0.1	0.5	0.6	3.5	4	2.9	4
Georgia	14.8	3	10.6	15.1	23.4	21.2	60.8	94.8	53.4	461.7	651.8
Kazakhstan	5.3	13.2	1.9	3.1	3.4	6.4	14.6	21.3	39.2	16.2	17
Kyrgyzstan	23.2	6.9	1.1	0.7	7.3	10.2	1.6	6.6	4.8	1	6.5
Russia	1029.3	153.5	72.3	27	254.9	247.7	3161.9	4361.3	6018.5	4353	2454
Tajikistan	29.1	43.8	33.6	25.9	27.8	...	...	...	...	59.9	111.6
Uzbekistan	5.9	13.8	11.5	10.8	9.4	10.3	11	10.9	16.2	63.1	155.1
Ukraine	164.9	1198	1346.1	1353	1299.8	1664.5	23.7	64.3	117.7	27.8	47.4
Austria	5.7	1.9	0	0.1	0	1.8	0	0	0	0	0

¹⁰ Here and below “...” means lacking data in publications.

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
USA	13.4	31.7	49	56.5	51.3	43.2	29.9	160	9.3	6.3	5.7
Belgium	0	0	0.3	0.4	2.3	0.8	2.7	2.9	1.7	0.9	2
Iceland	19.4	15.3	17.4	42.1	29.2	112.3	0	0	0	0	0
United Kingdom	54.1	19.4	2.7	7.3	7.5	6.6	22.7	43.2	21.2	38.6	76.1
United Arab Emirates	7.3	10.1	18.8	72.9	29	19.9	15.2	7.6	9.3	10.8	17.8
Iran	242	301.6	355.6	507.9	799.9	886.4	1190.6	1703	2738.5	2952.7	3184.3
France	0.2	3.6	3.5	1.1	1	0.6	0.1	1.7	1.6	0.4	92.1
Gibraltar	0	0	0	0	3.1	6.9	31.2	45.3	14.6	27.2	28.7
Germany	3.5	5.1	4	11.6	18.1	12.5	3.5	12.9	24.5	0.1	12.8
India	0.4	1.9	1.3	0.6	2.5	3.7	19.6	16.2	2.5	2.8	0.4
China (including Hong Kong and Taiwan)	8	4.5	3.7	3.2	4.2	5.3	10.9	21	27.7	14.6	979.5
Italy	401.3	473	486.8	624.8	499.6	702.2	994.6	994.6	1414.1	400.7	517.6
Cyprus	48.5	26.4	90.7	5	0	0	0	0	8.5	0	0
The Republic of Korea	0	0.1	0	0.1	0.5	0.1	0.4	0	0	0.1	11.5
Latvia	4.8	2.9	0	0.1	0.5	4.5	6.7	52.3	67.6	14.6	33.3
Luxembourg	0	0	20	20.9	5.6	0	0	0	0	0	0
Netherlands	0.2	1.1	1.6	0.4	0.1	32.8	15.7	0	1.7	8.6	2.8
Afghanistan	38	21.9	28.6	73.8	125.7	143.2	172.4	214.1	199.1	277.2	357.9
Pakistan	0.5	0	0.7	3	5.9	1.1	8.6	6	2.6	3.3	7.4
Poland	0.8	0.2	0	0.6	0.9	0.4	0.6	0.1	0	0.7	2.6
Romania	11.1	0	0	0.1	0	0	0	5.2	63.6	3	0
Singapore	2	3.6	0	5.8	13.9	13	15.1	17.6	15.1	30.2	109.5
Slovakia	2	0.5	0.6	1.5	1.5	0.1	0.1	0	0	0	0
Switzerland	91.8	47.3	3.8	18.2	25.1	33.9	63.5	87.8	54.9	48.7	110.4
Sweden	0.2	0	0.1	0.6	2.5	0.7	0.1	1.6	0	0.1	0
Iraq	0	0	0	0	38.5	165.5	191.3	244.3	129	189.8	83.3
Turkey	186	126.8	168.1	224.7	337.4	346.5	472.7	501	222.5	224.1	452.1

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hungary	0.4	0	0	0.2	0	0	0	0.7	0.2	0	0
Virgin islands	0	1.9	7.6	7.3	17.4	2.6	0.1	14	51.8	41.9	43.5
Israel	0.3	0	2.1	0.1	0	0	0	0.6	0.5	0.6	0.3
Japan	0	0	0.1	0.2	0	0	0	0	0.1	0	0
Other countries	52.7	76.7	101	495.3	142.8	213.5	82.6	132	125.3	12.7	58.4

Source: State Committee of Turkmenistan on Statistics. Statistical Yearbook of Turkmenistan, 2004, 2006--2009, and 2011.

Table A3. Structure of exports of Turkmenistan by partner country, %

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	100	100	100	100	100	100	100	100	100	100	100
Azerbaijan	1.48	0.27	0.28	0.24	1.97	4.04	1.41	0.91	3.97	0.24	0.13
Armenia	0.06	0.09	0.07	0.03	0.04	0.38	0.07	0.03	0.08	0.04	0.3
Belarus	0.01	0.04	0	0	0	0.01	0.01	0.04	0.03	0.03	0.04
Georgia	0.59	0.11	0.37	0.42	0.6	0.43	0.9	1.06	0.45	4.95	6.73
Kazakhstan	0.21	0.5	0.07	0.09	0.09	0.13	0.22	0.24	0.33	0.17	0.18
Kyrgyzstan	0.93	0.26	0.04	0.02	0.19	0.21	0.02	0.07	0.04	0.01	0.07
Russian Federation	41.07	5.86	2.53	0.74	6.59	5.02	47.02	48.83	50.39	46.69	25.35
Tajikistan	1.16	1.67	1.18	0.71	0.72	...	...	...	...	0.64	1.15
Uzbekistan	0.24	0.53	0.4	0.3	0.24	0.21	0.16	0.12	0.14	0.68	1.6
Ukraine	6.58	45.72	47.14	37.25	33.59	33.7	0.35	0.72	0.99	0.3	0.49
Austria	0.23	0.07	0	0	0	0.04	0	0	0	0	0
USA	0.53	1.21	1.72	1.56	1.33	0.87	0.44	1.79	0.08	0.07	0.06
Belgium	0	0	0.01	0.01	0.06	0.02	0.04	0.03	0.01	0.01	0.02
Iceland	0.77	0.58	0.61	1.16	0.75	2.27	0	0	0	0	0
United Kingdom	2.16	0.74	0.09	0.2	0.19	0.13	0.34	0.48	0.18	0.41	0.79
United Arab Emirates	0.29	0.39	0.66	2.01	0.75	0.4	0.23	0.09	0.08	0.12	0.18
Iran	9.66	11.51	12.45	13.98	20.67	17.95	17.71	19.07	22.93	31.67	32.9

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
France	0.01	0.14	0.12	0.03	0.03	0.01	0	0.02	0.01	0	0.95
Gibraltar	0	0	0	0	0.08	0.14	0.46	0.51	0.12	0.29	0.3
Germany	0.14	0.19	0.14	0.32	0.47	0.25	0.05	0.14	0.21	0	0.13
India	0.02	0.07	0.05	0.02	0.06	0.07	0.29	0.18	0.02	0.03	0
China (including Hong Kong and Taiwan)	0.32	0.17	0.13	0.09	0.11	0.11	0.16	0.24	0.23	0.16	10.12
Italy	16.01	18.05	17.05	17.2	12.91	14.22	14.79	11.14	11.84	4.3	5.35
Cyprus	1.94	1.01	3.18	0.14	0	0	0	0	0.07	0	0
The Republic of Korea	0	0	0	0	0.01	0	0.01	0	0	0	0.12
Latvia	0.19	0.11	0	0	0.01	0.09	0.1	0.59	0.57	0.16	0.34
Luxembourg	0	0	0.7	0.58	0.14	0	0	0	0	0	0
Netherlands	0.01	0.04	0.06	0.01	0	0.66	0.23	0	0.01	0.09	0.03
Afghanistan	1.52	0.84	1	2.03	3.25	2.9	2.56	2.4	1.67	2.97	3.7
Pakistan	0.02	0	0.02	0.08	0.15	0.02	0.13	0.07	0.02	0.04	0.08
Poland	0.03	0.01	0	0.02	0.02	0.01	0.01	0	0	0.01	0.03
Romania	0.44	0	0	0	0	0	0	0.06	0.53	0.03	0
Singapore	0.08	0.14	0	0.16	0.36	0.26	0.22	0.2	0.13	0.32	1.13
Slovakia	0.08	0.02	0.02	0.04	0.04	0	0	0	0	0	0
Switzerland	3.66	1.81	0.13	0.5	0.65	0.69	0.94	0.98	0.46	0.52	1.14
Sweden	0.01	0	0	0.02	0.06	0.01	0	0.02	0	0	0
Iraq	0	0	0	0	0.99	3.35	2.85	2.74	1.08	2.04	0.86
Turkey	7.42	4.84	5.89	6.19	8.72	7.02	7.03	5.61	1.86	2.4	4.67
Hungary	0.02	0	0	0.01	0	0	0	0.01	0	0	0
Virgin islands	0	0.07	0.27	0.2	0.45	0.05	0	0.16	0.43	0.45	0.45
Israel	0.01	0	0.07	0	0	0	0	0.01	0	0.01	0
Japan	0	0	0	0.01	0	0	0	0	0	0	0
Other countries	2.1	2.9	3.5	13.6	3.7	4.3	1.2	1.5	1	0.1	0.6

Source: Table A2, and author's estimates and calculations

Table A4. Imports of Turkmenistan by partner country, US\$ million

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	1785	2349	2119.4	2512	3320	3638.4	3290	4442	5707.2	8992.4	8203.6
Azerbaijan	36.6	61.6	28.2	46.9	33	31.3	48	17.2	27.5	37.7	31.9
Armenia	19.8	18.1	4.5	17.2	6.2	8.9	0.9	2	2.4	1.5	3
Belarus	53.5	12.1	26.6	45.7	22.6	71	21.4	86.7	61.8	71.3	75.4
Georgia	10.2	3.8	28.5	53.5	99.5	27.3	15.6	12.4	8.5	21.5	42.5
Kazakhstan	19.7	15.1	26.5	76.7	42.1	26.4	23.8	49.5	254.9	168.2	125.7
Kyrgyzstan	4.6	4	4.9	7.1	13.6	14.7	4.1	5.7	6.2	7	8.1
Russia	254.5	396.7	360.9	538.9	494.6	402.7	313.8	491.7	891.3	1196.2	766.4
Tajikistan	6.6	15.3	14.7	3.8	8.2	...	...	...	...	1	1.2
Uzbekistan	35.3	52.6	37.6	45.9	51.3	36.6	30.3	58	76.5	108.3	112.2
Ukraine	214.3	264.9	213.3	382.7	343.9	386.7	302.2	264.1	352.4	448	274.5
Austria	9.7	15.8	4.9	16.5	34.5	28	14.4	40.1	41.2	19.6	22.1
USA	62.8	208.8	137.3	47.1	134.8	288.7	109.2	317.2	130.9	339.8	51.7
Belgium	1.6	7.3	8.1	8.1	10.1	80.5	9.6	76.3	39.5	24.4	22.3
Iceland	0	0	0	0	0	0.1	0	0	0	0	0
United Kingdom	12.1	22.6	21.1	17.3	28.4	27.4	32.5	31.6	46.2	67.7	157.5
United Arab Emirates	146.6	138.1	181.9	190.7	235.7	261.8	251.5	446.9	577.8	665.3	735.3
Iran	90.9	121.4	80.9	93.3	105	137.4	135.9	192.3	237	472.4	696.1
France	75.6	11	32.6	82.6	165.9	233.7	118.7	97	153.8	182.3	342.8
Gibraltar	0	0	6.2	27.6	118	96.7	22.5	74.6	34	32.2	15.5
Germany	52.6	197.9	103.7	106.3	506.3	269.3	105.2	180.2	201.2	225.7	326.6
India	9.2	7.2	15.3	18.6	31.7	41.4	53.7	76.2	70	85.9	53.3
China (including Hong Kong and Taiwan)	16.7	59.8	109.7	104.9	117.6	174.5	225.8	439.5	794.9	1637.6	943.4
Italy	7.3	2.3	7.2	3.8	25.8	25.6	27.3	10.7	110.6	76	78.7
Cyprus	0.4	1.1	1	0.3	0.8	0.2	3.5	0	7.7	11	33.6
The Republic of Korea	3	1.8	1.3	4.9	6.7	3.1	9.7	52.4	22.6	65.7	45.8

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Latvia	16.3	3.9	2.1	4.6	6.2	3.2	2.2	7.6	29.1	105.4	45.9
Luxembourg	0	0	6.8	13.2	15.3	5	2.4	0.4	0.3	0.4	5.1
Netherlands	37	9.3	8.5	8	27.5	45.5	39.5	27.6	47.6	66.5	56.6
Afghanistan	1.1	1.2	0	0.2	0.5	2.6	1.1	3.1	5.5	1.7	9.7
Pakistan	2.2	1.9	2.5	3.4	4.3	6.4	5.3	11.4	11.2	11	25.8
Poland	12	10.1	5	4.7	7.4	23.9	20.1	28.6	15.3	18.4	21.8
Romania	1.7	23.1	20	0.8	2.8	2.3	7	15.5	15	16.8	6.4
Singapore	0.4	1.6	2.1	1.8	2.7	4.9	6.1	17.3	10.7	12.7	5.6
Slovakia	1.1	0.2	0.4	0.4	0.8	4.1	1.2	1.4	1.7	2.8	1.4
Switzerland	5.8	20.1	13.4	49	57.6	29.8	23.7	38.2	85.5	41.7	46.7
Sweden	0.4	1.2	0.6	4	5.9	0.8	0.8	5.9	8.8	6.8	7
Iraq	0	0	0	0	0	0	0	0	0	0	0
Turkey	253.2	163.6	233.5	236.5	309	363.9	645.9	795.5	632.7	2053.5	2469.1
Hungary	6.1	8.1	1.8	1.9	4.4	9.1	6.7	15.9	9.2	55	58.3
Virgin islands	5.8	9.9	7.1	6.3	5.7	5.9	1.5	3.3	12.6	25.8	20
Israel	1.4	67.2	2.5	6.2	5.9	8	2.6	0.8	3.4	3.1	13
Japan	144.3	161.2	8.3	3.4	50.2	27.6	48.6	94.7	103.2	29.5	16.5
Other countries	152.6	227.1	347.9	227.1	177.5	421.4	595.7	352.5	566.5	575	429.1

Source: State Committee of Turkmenistan on Statistics, 2004, 2006--2009, and 2011.

Table A5. Structure of imports of Turkmenistan by partner country, %

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	100	100	100	100	100	100	100	100	100	100	100
Azerbaijan	2.05	2.62	1.33	1.87	0.99	0.86	1.46	0.39	0.48	0.42	0.39
Armenia	1.11	0.77	0.21	0.68	0.19	0.24	0.03	0.05	0.04	0.02	0.04
Belarus	3	0.52	1.26	1.82	0.68	1.95	0.65	1.95	1.08	0.79	0.92

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Georgia	0.57	0.16	1.34	2.13	3	0.75	0.47	0.28	0.15	0.24	0.52
Kazakhstan	1.1	0.64	1.25	3.05	1.27	0.73	0.72	1.11	4.47	1.87	1.53
Kyrgyzstan	0.26	0.17	0.23	0.28	0.41	0.4	0.12	0.13	0.11	0.08	0.1
Russian Federation	14.26	16.89	17.03	21.45	14.9	11.07	9.54	11.07	15.62	13.3	9.34
Tajikistan	0.37	0.65	0.69	0.15	0.25	...	...	...	...	0.01	0.01
Uzbekistan	1.98	2.24	1.77	1.83	1.55	1.01	0.92	1.31	1.34	1.2	1.37
Ukraine	12.01	11.28	10.06	15.23	10.36	10.63	9.19	5.95	6.17	4.98	3.35
Austria	0.54	0.67	0.23	0.66	1.04	0.77	0.44	0.9	0.72	0.22	0.27
USA	3.52	8.89	6.48	1.88	4.06	7.93	3.32	7.14	2.29	3.78	0.63
Belgium	0.09	0.31	0.38	0.32	0.3	2.21	0.29	1.72	0.69	0.27	0.27
Iceland	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	0.68	0.96	1	0.69	0.86	0.75	0.99	0.71	0.81	0.75	1.92
United Arab Emirates	8.21	5.88	8.58	7.59	7.1	7.2	7.64	10.06	10.12	7.4	8.96
Iran	5.09	5.17	3.82	3.71	3.16	3.78	4.13	4.33	4.15	5.25	8.49
France	4.24	0.47	1.54	3.29	5	6.42	3.61	2.18	2.69	2.03	4.18
Gibraltar	0	0	0.29	1.1	3.55	2.66	0.68	1.68	0.6	0.36	0.19
Germany	2.95	8.42	4.89	4.23	15.25	7.4	3.2	4.06	3.53	2.51	3.98
India	0.52	0.31	0.72	0.74	0.95	1.14	1.63	1.72	1.23	0.96	0.65
China (including Hong Kong and Taiwan)	0.94	2.55	5.18	4.18	3.54	4.8	6.86	9.89	13.93	18.21	11.5
Italy	0.41	0.1	0.34	0.15	0.78	0.7	0.83	0.24	1.94	0.85	0.96
Cyprus	0.02	0.05	0.05	0.01	0.02	0.01	0.11	0	0.13	0.12	0.41
The Republic of Korea	0.17	0.08	0.06	0.2	0.2	0.09	0.29	1.18	0.4	0.73	0.56
Latvia	0.91	0.17	0.1	0.18	0.19	0.09	0.07	0.17	0.51	1.17	0.56
Luxembourg	0	0	0.32	0.53	0.46	0.14	0.07	0.01	0.01	0	0.06
Netherlands	2.07	0.4	0.4	0.32	0.83	1.25	1.2	0.62	0.83	0.74	0.69
Afghanistan	0.06	0.05	0	0.01	0.02	0.07	0.03	0.07	0.1	0.02	0.12

Countries	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Pakistan	0.12	0.08	0.12	0.14	0.13	0.18	0.16	0.26	0.2	0.12	0.31
Poland	0.67	0.43	0.24	0.19	0.22	0.66	0.61	0.64	0.27	0.2	0.27
Romania	0.1	0.98	0.94	0.03	0.08	0.06	0.21	0.35	0.26	0.19	0.08
Singapore	0.02	0.07	0.1	0.07	0.08	0.13	0.19	0.39	0.19	0.14	0.07
Slovakia	0.06	0.01	0.02	0.02	0.02	0.11	0.04	0.03	0.03	0.03	0.02
Switzerland	0.32	0.86	0.63	1.95	1.73	0.82	0.72	0.86	1.5	0.46	0.57
Sweden	0.02	0.05	0.03	0.16	0.18	0.02	0.02	0.13	0.15	0.08	0.09
Iraq	0	0	0	0	0	0	0	0	0	0	0
Turkey	14.18	6.96	11.02	9.41	9.31	10	19.63	17.91	11.09	22.84	30.1
Hungary	0.34	0.34	0.08	0.08	0.13	0.25	0.2	0.36	0.16	0.61	0.71
Virgin islands	0.32	0.42	0.34	0.25	0.17	0.16	0.05	0.07	0.22	0.29	0.24
Israel	0.08	2.86	0.12	0.25	0.18	0.22	0.08	0.02	0.06	0.03	0.16
Japan	8.08	6.86	0.39	0.14	1.51	0.76	1.48	2.13	1.81	0.33	0.2
Other countries	8.5	9.7	16.4	9	5.3	11.6	18.1	7.9	9.9	6.4	5.2

Source: Table A4 and author's estimates and calculations

Table A6. Goods structure of exports of Turkmenistan, %

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	100	100	100	100	100	100	100	100	100	100	100
Natural gas	49.7	57.3	57.5	51.8	47.2	44.7	50.6	54.6	55.9	59.1	52.9
Crude oil	9.7	11.7	11.9	8.2	6.8	10.8	6.4	6.6	12.8	15	10.8
Petroleum products	20.5	14	14.2	18.7	24.7	26.7	26.1	21.4	22.4	17.8	20.5
Electric power	0.7	0.8	0.5	0.3	0.8	0.7	0.6	0.6	0.5	0.8	0.6
Cotton fibre	8.9	3.4	1.7	3.8	4	1.9	2.1	2.3	1.8	1.3	4.6
Cotton cloth	1.2	1.5	1.5	0.8	1.7	1.3	1.3	1.5	0.5	0.4	0.6
Carpets and other floor coverings	0.1	...	0.1	0.2	0.3	0.2	0.1	0.1	0	0	0
Other products	9.2	...	12.6	16.2	14.5	13.7	12.8	12.9	6.1	5.6	10

Source: State Committee of Turkmenistan on Statistics of 2004, 2006--2009, and 2011.

Table A7. Goods structure of imports of Turkmenistan, %

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	100	100	100	100	100	100	100	100	100	100	100
Animal products	3.9	1.4	1.5	1.7	1.7	0.9	0.8	0.6	1.3	0.6	1.1
Vegetable products	1.6	1.1	1.3	1.1	0.8	1.2	1.5	1.7	4.5	2.3	2.6
Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	0.5	0.4	0.7	0.5	0.4	0.4	0.5	0.4	0.5	0.3	0.5
Prepared foodstuffs; beverages. spirits and vinegar; tobacco and manufactured tobacco substitutes	6.3	5.9	6.5	6.1	4.5	4	3.7	3.3	2.9	2.1	3.1
Mineral products	1.9	2.5	2.5	2.1	2.2	1.4	1.3	1.2	1.8	2.8	3.4
Products of the chemical or allied industries	8.2	6.4	8.7	8.3	8.5	7.4	7.6	7.8	6.7	5.5	6.6
Plastics and articles thereof; rubber and articles thereof	3.8	3.1	3.4	4.9	3.3	3.5	3.3	3.7	3.9	3.7	5.2
Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw. of esparto or of other plaiting materials; basketware and wickerwork	0.6	0.4	0.6	0.5	0.6	1	0.7	1	1.4	1.5	2.3
Textiles and textile articles	2.7	1.3	2.2	1.8	1.7	2.1	2.7	2.1	2	1.5	1.7
Articles of stone; plaster; cement; asbestos; mica or similar materials; ceramic products; glass and glassware	1.3	1.4	1.7	1.4	2.2	3.1	2.7	2.6	3.3	3.7	5.9
Base metals and articles of base metal	12.3	13.9	11.4	14.2	13	15.1	13.7	17.5	21.9	26	20.2
Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers; television image and sound recorders and reproducers; and parts and accessories of such articles	34.7	41.7	26.4	33.3	43.1	30.9	26.5	29.9	27.8	32.4	29.1
Vehicles; Aircraft; vessels and associated transport equipment	9.1	9.5	14	12.2	9.6	13.9	13.2	18.8	10.4	10.4	8.3

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other products	13.1	11	19.1	11.9	8.4	15.1	21.8	9.4	11.6	7.2	10

Source: State Committee of Turkmenistan on Statistics, 2004, 2006--2009, and 2011.

Table A8. Trade of Turkmenistan with Central Asian nations, US\$ thousand

Commodity code	Name of Product	2009		2010	
		Exports	Imports	Exports	Imports
Afghanistan					
Total		277 237.9	1 686.2	357 941.5	9 707.3
05	Animal products	83.1	0	0	0
07	Vegetables	8.4	209.1	0	5 461.3
08	Fruit and nuts	5.8	183.8	0	912.2
10	Grain crops	0	56.6	0	0
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	1 894.6	18.6	1 652.1	43.2
17	Sugar and sugar confectionery	794.1	0	4 181.1	0
19	Pastry	333.3	0	1 113.6	0
20	Refined products of fruit and vegetables	184.4	0	272.0	0
25	Salt, sulphur, cement	21.8	374.3	54.0	18.6
27	Mineral fuels	272 545.4	0	349 519.4	0
	Out of which:				
2710	Petroleum products	215 777.5	0	272 873.4	0
271112	Liquefied gas	50 473.6	0	69 404.2	0
2716	Electric power	6 294.3	0	7 241.8	0
34	Soap detergents	40.3	0	107.9	0
39	Plastics and articles thereof	108.1	0	17.8	0
41	Raw hides and leather	477.5	0	290.1	0

Commodity code	Name of Product	2009		2010	
		Exports	Imports	Exports	Imports
51	Wool	0	0	57.7	0
52	Cotton fibre, fabric and yarn	6.5	0	0	0
56	Wadding, felt	102.8	0	0	0
63	Other ready textile articles	349.9	0	47.6	0
68	Articles of stone, plaster, cement	0	86.6	0	0
84	Manufacturing equipment	21.0	0	2.6	0
87	Vehicles	1.6	530.8	0	3 017.1
	Other products	259.3	226.4	625.6	248.6
Kazakhstan					
Total		16 181.3	168 218.9	16 986.6	125 657.7
07	Vegetables	4 234.6	88.6	4 995.4	437.6
08	Fruit and nuts	1 057.6	0	1 389.2	7.2
10	Grain crops	107.5	78 727.8	0	13 591.4
11	Products of milling industry	0	6 993.5	0	18 203.2
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	0	43.8	0	0
17	Sugar and sugar confectionery	0	488.8	0	3 158.5
18	Cocoa and products thereof	0	638.0	0	844.5
19	Pastry	0	1 397.0	0	5 432.2
20	Refined products of fruit and vegetables	0	28.2	0	72.1
21	Other miscellaneous foods	0	118.6	0	1 203.6
22	Alcoholic and non-alcoholic beverages and vinegar	0	81.6	0	1 616.0
24	Tobacco and manufactured tobacco substitutes	0	4 858.2	0	6 149.0
25	Salt, sulphur, cement	104.0	25 791.1	0	14 849.9
2710	Petroleum products	6 254.9	42.6	5 985.5	47.7
28	Products of inorganic chemistry	0	265.2	0	357.9

Commodity code	Name of Product	2009		2010	
		Exports	Imports	Exports	Imports
30	Pharmaceutical products	0	338.2	0	690.3
32	Paints and varnishes	0	16.8	0	503.6
33	Perfumes, cosmetics	0	49.2	0	3 255.9
34	Soap detergents	0	6.8	0	577.5
38	Other chemical products	433.6	0.4	92.0	224.7
39	Plastics and articles thereof	3 032.0	546.3	2 401.8	1 671.0
40	Rubber and articles thereof	0	121.3	0	147.0
52	Cotton fibre, fabric and yarn	0	0	1.5	0
55	Chemical staple fibres	0	3.8	0	12.0
56	Wadding, felt	0	0	0	13.6
61	Knitted clothing	397.1	15.0	94.6	27.1
62	Textile clothing	14.8	12.3	0	296.1
63	Other ready textile articles	0	1.9	244.2	74.9
68	Articles of stone, plaster, cement	0	2 316.4	0	2 807.7
72	Ferrous metals	0	8 386.9	0	6 290.3
73	Articles of ferrous metals	19.3	3 677.1	0	10 209.6
84	Machinery equipment	248.2	8 311.4	640.1	9 999.7
85	Electrical machinery and equipment	19.7	3 741.9	244.1	17 170.5
87	Vehicles	0	13 680.9	0	2 227.5
88	Aircraft and parts thereof	0	664.8	0	0
90	Optical, photographic instruments and apparatus	258.0	932.5	860.3	888.4
	Other products	0	5 832.0	37.9	2 599.5
Kyrgyzstan					
Total		969.1	7 041.2	6 516.1	8 054.9
07	Vegetables	0	0	0	1 009.0

Commodity code	Name of Product	2009		2010	
		Exports	Imports	Exports	Imports
10	Grain crops	0	48.3	0	0
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	46.2	0	788.2	0
2710	Petroleum products	0	0	4 027.5	3.2
30	Pharmaceutical products	0	0	0	35.6
39	Plastics and articles thereof	776.8	545.2	1 032.4	660.3
41	Raw stock and leather	0	0	43.3	0
52	Cotton fibre, fabric and yarn	17.5	0	572.2	0
62	Textile clothing	0	24.2	0	9.2
68	Articles of stone, plaster, cement	0	27.1	0	0
84	Machinery equipment	0	48.3	0	959.5
85	Electrical machinery and equipment	0	2 646.3	0	3 956.6
87	Vehicles	0	1 665.7	0	76.1
	Other products	128.6	2 036.1	52.5	1 345.4
Tajikistan					
Total		59 917.7	1 026.3	111 586.2	1 217.7
07	Vegetables	0	0	0	684.7
08	Fruit and nuts	0	554.5	0	189.9
12	Oil seeds and harvest	0	9.6	0	6.0
14	Plant materials	460.2	0	0	0
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	16 261.5	0	35 036.1	0
25	Salt, sulphur, cement	383.9	0	228.4	0
27	Mineral fuel	42 757.4	0	75 570.0	0
	Out of which:				
2710	Petroleum products	12 037.5	0	62 280.5	0

Commodity code	Name of Product	2009		2010	
		Exports	Imports	Exports	Imports
271112	Liquefied gas	104.8	0	0	0
2713	Petroleum coke	10 582.3	0	13 289.5	0
2716	Electric power	20 032.8	0	0	0
31	Fertilizers	0	0	564.5	0
34	Soap detergents	0	0	187.2	0
39	Plastics and articles thereof	54.7	0	0	0
70	Glass and glassware	0	332.3	0	0
76	Aluminum and articles thereof	0	48.0	0	331.3
	Other products	0	81.9	0	5.8
Uzbekistan					
Total		63 112.9	108 347.5	155 090.0	112 177.8
06	Live trees and other plants	0	38.6	0	62.8
07	Vegetables	12,4	130.3	11.6	146.1
08	Fruit and nuts	0	4 261.1	0	5 836.6
12	Oil seeds and harvest	0	4 252.6	0	3 463.9
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	8 461.8	0	11 911.9	49.0
20	Refined products of fruit and vegetables	0	197.3	0	676.1
22	Alcoholic and non-alcoholic beverages and vinegar	0	10.3	0	124.6
24	Tobacco and manufactured tobacco substitutes	0	5 795.3	0	16 667.4
25	Salt, sulphur, cement	0	36768.4	4.6	35004.7
2710	Petroleum products	46 218.1	442.6	130 790.9	0
28	Products of inorganic chemistry	0	0	24.2	383.5
29	Organic chemicals	0	55.7	0	90.6
30	Pharmaceutical products	0	75.0	0	0
31	Fertilizers	0	40 335.7	0	25 968.4

Commodity code	Name of Product	2009		2010	
		Exports	Imports	Exports	Imports
32	Paints and varnishes	0	2.1	0	36.1
35	Proteins, starches, glues	0	18.4	10.0	11.9
38	Other chemical products	0	1 427.6	578.4	1 527.8
39	Plastics and articles thereof	7 688.7	453.3	9 470.6	1 922.8
40	Rubber and articles thereof	0	19.8	2.6	27.2
48	Paper and cardboard	0	105.5	0	0
49	Printed books, newspapers	0	322.9	0	280.5
52	Cotton fibre, fabric and yarn	146.4	0.1	0	0
56	Wadding, felt	241.2	2.7	4.6	1.6
57	Carpets and other textile floor coverings	0	29.8	0	0
68	Articles of stone, plaster, cement	0	12.7	0.9	429.3
69	Ceramics	0	1.2	0	0
70	Glass and glassware	0	1 627.8	0	1 967.0
72	Ferrous metals	0	431.9	0	429.1
73	Articles of ferrous metals	5.5	264.8	53.5	67.9
76	Aluminum and articles thereof	0	1 548.0	0	3 083.6
82	Knives, spoons, forks	0	611.3	23.7	155.4
83	Other articles of base metals	0	220.3	0	344.1
84	Machinery equipment	74.4	1 911.6	415.8	5 430.2
85	Electrical machinery and equipment	73.5	2 255.8	232.6	2 235.4
87	Vehicles	0	783.4	94.0	1 380.5
90	Optical, photographic instruments and apparatus	122.4	1 858.1	1 322.1	2 185.5
94	Furniture, bedding	0	43.9	55.4	1 196.9
95	Toys, games, sports equipment and parts thereof	0	1 420.3	0	4.6
	Other products	0	239.9	82.6	986.7

Source: State Committee of Turkmenistan on Statistics, 2004, 2006-2009 and 2011.

Produced by UCA Communications Department
Copy edited by Sia Nowrojee
Printed by VRS, Bishkek, Kyrgyz Republic

