**Turkmenistan** 

The country has been characterized by a conservative and isolated regime since the independence 1991. The former president, Saparmurat Niyazov, ruled the country very firmly and cultivated a cult around his person. After his death 2006, the present president Kurmanguly Berdymukhamedov took over, and there have been some small and gradual steps towards market economy since, but still the state is dominating the economy.

Most of the territory consists of unproductive desserts but the country has enormous proven natural gas deposits under the surface – both at land and out in the Caspian Sea. Recently also new pipelines to China and Iran for export of gas have been commissioned, which further increases the export possibilities and potential revenues. Gas exports account for a hefty 92 % of total export! Accordingly the macro economy shows very positive figures, albeit the gas prices now are falling, and just recently Russian Gazprom stopped purchases. Now China accounts for almost all export. But while the state coffers are swelling up, less is distributed to the population. A large part of the population is still poor.

January 1, 2009, a currency reform was implemented when 5.000 old “manats” were converted into 1 new Turkmen Manat (TMT). The exchange rate was hold steady at 2,85 TMT/USD from then until last year. A further devaluation can be expected this year, since all neighboring countries have depreciated currencies and the revenues from the gas export are decreasing. The country has very large foreign reserves and a very low foreign debt.

Key facts (Sources: IMF, World Bank, CIA, EBRD, ADB, The Economist, Business Monitor Int´l)

 2014 2015e 2016f 2017f

Population (mn) 5,3 5,4 5,4 5,5

GDP (nom.; USD, bn) 46,4 43,3 46 52

GDP-growth, real (%, y-o-y) +10,8 +9,0 +9,1 +8

GDP/capita (USD) 8.739 8.061 8.600 9.300

Budget balance (% of GDP) +1,1 +1,0 +1,3 +1,3

Inflation (CPI; e-o-p, %) 5,0 6,0 7,6 7,5

Export (USD, bn) 17,1 16,2 16,0 17

Import (USD, bn) 12,5 12,1 13,3 14

Balance of trade (USD, bn) +4,6 +4,1 +3,7 +3

Current account (USD, bn) +0,1 -0,2 -0,3 -0,4

Current account (% of GDP) +0,2 -0,4 -0,6 -0,8

Foreign reserves (USD, bn) 24,6 27,0 29,5 32

Total external debt (USD, bn) 0,5 0,6 0,6 0,6

Total external debt (% of GDP) 1,1 1,2 1,3 1,1

Exchange rate (TMT/USD) 2,85 3,50 3,80 4,00