

Turkmenistan getting closer to China

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During President Gurbanguly Berdimuhamedov of Turkmenistan's visit to China (23-25 November) a contract was signed to supply 25 billion m³ of gas to China, which together with previously concluded contracts represents a total of 65 billion m³ of natural gas. According to unofficial information, this increase in gas exports to China should take place in four to five years, depending on how fast the transmission infrastructure is developed. The volume of gas which Turkmenistan exported to China in 2011 is estimated at 17 billion m³.

Furthermore, during the visit thirteen agreements on cooperation were signed, on matters including public security, combating terrorism and countering money laundering, as well as a credit agreement for purchases of drilling equipment in Turkmenistan. The parties also declared their willingness to cooperate on Central Asian stability and the reconstruction of Afghanistan.

Commentary

- Berdimuhamedov's visit is part of a trend, visible since 2009, to consolidate China as his country's main economic (and consequently political) partner. Given the high degree of tension in Turkmenistan's relations with Russia (as demonstrated by Russia putting economic pressure on Turkmenistan by reducing its gas exports to Russia, and a media campaign suggesting a possible 'Libyan scenario' in Turkmenistan), and the lack of results from cooperation with the EU, Turkmenistan has not – as it assumed – so much played the 'Chinese card', as it has become increasingly dependent on China.
- For China, cooperation with Turkmenistan is part of its expansion in the energy and economic sectors in Central Asia. At the same time, Turkmenistan is growing into a key supplier of gas to China, and the potential for growth in gas consumption in China and in production in Turkmenistan suggest that the level of mutual dependence will continue to grow. With this increase in economic dependence, we may expect Beijing to play a greater role in shaping Turkmenistan's energy policy, and over time, greater Chinese efforts to acquire more influence in the security sphere, in order to protect its ongoing interests in that country.
- Such close cooperation between Turkmenistan and China hits at the interests of the EU, which for about a year has been actively seeking to include Turkmen gas in the strategic

concept of the Southern Gas Corridor (as was reflected by the Commission's mandate to negotiate with Turkmenistan and Azerbaijan on the trans-Caspian pipeline in September). (LINK) China, as Russia is doing now, will work to counteract the emergence of a trans-Caspian gas pipeline, because its implementation would be an argument for raising the price of the gas it receives. In this context, we can expect informal action in the near future from both China and Russia aimed at preventing the emergence of a trans-Caspian route.