

Turkmenistan is independently constructing an East-West gas pipeline

On 21 May, Turkmenistan's president Gurbanguly Berdymuhammedov unexpectedly signed a decree stating that companies from Turkmenistan will build an internal East-West gas pipeline allowing the transfer of gas from the biggest deposits in Turkmenistan (Dowlatabad and Yolotan) to the Caspian coast. This decision means that Ashgabat is trying to expand its room for manoeuvre in taking decisions on the export of its raw material.

The East-West pipeline is planned to be around 1000 km long and have a carrying capacity of 30 bn m³ annually, at a cost of between one and one and a half billion US dollars. Construction of the pipeline is to be financed by the Turkmengaz company; it will begin this June and last five years. Construction work is to be carried out by the local company Turkmennebitgazgurlushik. In March last year, Turkmenistan invited tenders to construct the pipeline; however the president's decision means that Ashgabat has withdrawn from these tenders, and thus given up the idea of entrusting the construction work to any foreign consortium. Ashgabat's decision is probably motivated by its desire to maintain its influence on which direction its gas is exported from the Caspian coast; gas can flow from there to Europe (for example, along the projected trans-Caspian route), to Russia (along the planned Caspian route), or to Iran (along the already existing Korpheje-Kurt Kuy route). By not taking a final decision on which way to export its gas from this new pipeline, Ashgabat can extend and heat up the rivalry between Russia and the West for Turkmenistan's gas. The decision to construct the pipeline also means that Ashgabat is determined to continue its policy of diversifying export routes for its raw materials; at the beginning of this year, new routes to China and Iran were inaugurated. <ola>