

Introduction

Turkmenistan is a country located in Central Asia bordering the Caspian Sea. Neighboring countries include Afghanistan, Iran, Kazakhstan, and Uzbekistan. The geography of Turkmenistan largely consists of the Karakum Desert and mountains in the southern region. Turkmenistan defines the government system as a secular democracy and a presidential republic, but in actuality the country displays authoritarian presidential rule, with power concentrated within the presidential administration. The chief of state and head of government is the president. Turkmenistan has a planned economy due to government control of most of the economy, although there is limited private sector development.



Location: Central Asia

Capital City: Ashgabat (+5 GMT)

Chief of State: President Serdar Berdimuhamedow

Head of Govt.: President Serdar Berdimuhamedow

Currency: Turkmen Manat (TMT)

Major Languages: <p>Turkmen (official) 72%, Russian 12%, Uzbek 9%, other 7%</p>

Primary Religions: <p>Muslim 89%, Eastern Orthodox 9%, unknown 2%</p>

Calling Code: 993

Voltage: 220

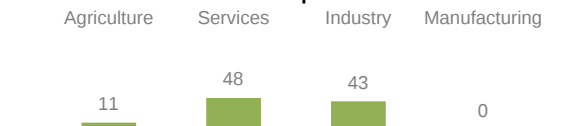
Key Websites

Main Government Page: turkmenistan.gov.tm

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	In Transition
GDP, PPP (current international \$):	\$96.25 billion (2019)
GDP growth (annual %):	-3.40% (2020)
GDP per capita, PPP (current international \$):	\$15,628.46 (2019)
External debt stocks, total (DOD, current US\$):	\$4,850,980,367.00 (2021)
Manufacturing, value added (% of GDP):	43.48% (2012)
Current account balance (BoP, current US\$):	-\$0.58 billion (1997)
Labor force, total:	2,047,906 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	5.02% (2022)
Imports of goods and services (current US\$):	\$8.30 billion (2020)
Exports of goods and services (current US\$):	\$8.16 billion (2020)

GDP Composition %



*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings

Index	Rank
Corruption Perceptions Index	166 / 178
Index of Economic Freedom	161 / 176
International Logistics Performance Index (LPI)	126 / 160
KOF Index of Globalization	174 / 185

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Business Climate rating: E - The highest possible risk in terms of business climate. Due to a lack of available financial information and an unpredictable legal system, doing business in this country is extremely difficult.

Strengths

- Fourth-largest proven natural gas reserves in the world (almost 7% of the total), but world's 13th producer
- Strategic position in Central Asia between China and Russia, and between Europe via the Caspian Sea
- Sound public and external accounts and a low level of debt
- Fiscal stabilisation fund (11% of GDP) and sovereign wealth fund (56% of GDP)
- Prospects for completion of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline and the fourth leg of the pipeline to China
- Observer status at the World Trade Organisation (WTO)

Weaknesses

- Heavy dependence on hydrocarbons (89% of exports), especially gas (66% of exports) and China (85% of gas exports at the start of 2024)
- Low private sector share, anti-competitive market structures, overbearing state control, no access to external finance, underdeveloped banking sector, directed credit, overvaluation of the official exchange rate
- Strict exchange controls and parallel exchange
- Poor infrastructure, inefficient public spending and mismanagement of public enterprises
- Weak governance (corruption, authoritarianism, repression, politicisation of the judicial system, absence of fair and free elections, opacity of economic policy, the public sector and the statistical system)
- Food shortages and high exposure to global warming

- Porous border with Afghanistan and limited military resources

U.S. Embassy

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