

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 natural gas reserves in the world (nearly 10% of the total)
- Strategic position in Central Asia and between China on the one hand, and Russia and Europe, via the Caspian Sea, on the other
- Healthy public accounts and a low level of debt
- Obtained observer status at the World Trade Organization (WTO) in July 2020, with the intention of commencing accession negotiations by 2025

Weaknesses

- High dependence on hydrocarbons (60% of exports, 33% for gas alone, in 2021)
- Strong dependence on China (which receives nearly 75% of gas exports)
- Low share of private sector, anticompetitive market structures (State monopolies dominating the economy, credit and investment management)
- Very difficult business climate, tight trade, price and foreign exchange restrictions and controls that hamper FDI
- Poor infrastructures (especially transport and health) and underdeveloped regional connectivity
- Weak governance (corruption, authoritarianism, repression, politicization of the judiciary, opacity of the statistics system)
- Porous border with Afghanistan (presence of the Taliban) and weak military resources

U.S. Embassy

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