

Turkmenistan: Market Profile

Major Economic Indicators

	2015	2016	2017**
Population (000)	5,388#	5,463#	5,540
GDP (US\$ bn)	36.047	36.180#	42.355
Real growth (%)	6.5	6.2#	6.5
GDP per capita (US\$)	6,690#	6,622#	7,646
Inflation - CPI index	7.4%	3.5%#	6.0%
Exports (US\$ bn)	14.000#	11.000#	N.A.
YoY growth (%)	-20.0#	-21.4#	N.A.
Imports (US\$ bn)	8.000#	7.000#	N.A.
YoY growth (%)	-20.0#	-12.5#	N.A.
Average exchange rate (Manat per US\$)	N.A.	N.A.	3.5##

Note: # estimate, ## as at 31 Jul 2017, ** forecast
Source: IMF, WTO, Central Bank of Turkmenistan

- Situated in the southwest of Central Asia and bordering Kazakhstan to the northwest and Uzbekistan to the north and east, Turkmenistan is blessed by budget surpluses stemming from the exploitation of energy sources and commodities such as oil, natural gas and cotton.
- The abundant gas deposits underneath the Karakum Desert (which occupies 70% of the land area of Turkmenistan) remain the backbone of Turkmenistan's economy. These include the Galkynysh gas field, which has the second-largest volume of gas in the world after the South Pars field in the Persian Gulf.
- In addition to various production sharing agreements (PSAs) with mainland China, Russia and Germany, gas-rich Turkmenistan has announced plans to boost its gas output to 230 billion cubic metres and annual gas exports to 180 billion cubic metres by 2030.
- Unlike other Central Asian countries which have rapidly reoriented their economies in a more market-friendly direction, Turkmenistan remains anchored to a "national way of development" and has made little effort to modernise its economy. It has accordingly been found to have the worst record of economic and trade liberalisation among the former republics of the Soviet Union. With a low level of participation in the world economy, Turkmenistan is the only Central Asian country that has not presented its candidature to the World Trade Organisation (WTO).
- Despite the lack of established rule of law, regulatory consistency and reliable statistics for investment assessment, the establishment of the Awaza National Tourist Zone to promote tourism and the amendments to the tax code to provide VAT exemption for construction of tourism-related facilities and tourist services are efforts to enhance the country's attractiveness to foreign investors. More information



can be found at the [Ministry of Foreign Affairs of Turkmenistan](#).

- The inflows of foreign direct investment (FDI) to Turkmenistan amounted to US\$4.4 billion in 2015. As of the end of 2015, China's total stock of FDI to Turkmenistan exceeded US\$133 million, up from US\$0.2 million in 2006. Investment from Hong Kong, however, is far from significant.

Hong Kong's Trade with Turkmenistan

(US\$ million)	2015		2016		Jan-Jun 2017	
	Value	Growth	Value	Growth	Value	Growth
Total Exports	12.197	-33.1	7.348	-39.8	2.477	+56.5
Domestic exports	0.003	+646.8	Nil	-100.0	Nil	Nil
Re-exports	12.194	-33.1	7.348	-39.7	2.477	+56.5
Imports	0.616	+17.6	0.297	-51.8	0.064	-62.1
Total Trade	12.813	-31.7	7.644	-40.3	2.540	+45.1

Source: Hong Kong Trade Statistics, Census & Statistics Department

More Information

More information on the Belt and Road countries' economic and investment environment, tax and other subjects that are important in considering investment and doing business are available in [The Belt and Road Initiative: Country Business Guides](#).

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