

Turkmenistan Gets Serious About Nabucco

By [The Moscow Times](#)

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ASHGABAT — Turkmenistan, courted by Europe as an alternative natural gas supplier able to cut its dependence on Russia, announced late last week that it was getting down to business on building the Nabucco pipeline backed by the European Union.

Turkmen President Gurbanguly Berdymukhammedov, meeting his counterpart from Austria, the future hub from where gas from the Caspian region will flow deeper into Europe, was in an upbeat mood.

"Today we get down to work on the contractual and legal basis for supplying Turkmen energy to Europe," he said.

Berdymukhammedov enjoys virtually unlimited powers in his desert country, where there is no opposition or independent media, and his word is final.

"We are inclined to hold a constructive energy dialogue with Europe, and we invite Austria to participate in it in the most active and effective way," he said after talks with Austria's Heinz Fischer.

A reclusive Central Asian nation of 5.4 million, Turkmenistan holds the world's fourth-largest natural gas reserves and itself is seeking to diversify exports from its Soviet-era master Russia to China, Iran and Europe.

Ashgabat plans to more than treble annual gas output to 230 billion cubic meters by 2030, of which it would export 180 bcm. Gas from the South Iolotan field — now estimated to be the world's second largest — will provide much of this increase.

The Nabucco pipeline project, strongly backed by the European Union, plans to bring up to 31 bcm of gas annually from the Caspian Sea region to an Austrian hub, bypassing Russia and altering the balance of regional power supplies.

"Turkmenistan had luck to discover new rich gas deposits, while there is fast-rising demand in Europe," Fischer said after holding talks with Berdymukhammedov.

British auditor Gaffney, Cline & Associates, or GCA, last week ranked the South Iolotan gas field as the world's second largest and raised its reserve estimate, underpinning Ashgabat's hopes to rival Moscow as a key energy supplier.

"Turkmenistan is an important supplier of natural gas, while Europe is a reliable consumer. We must put this together on mutually beneficial terms," Fischer said.

In recent years, Europe has experienced cuts in Russian gas supplies during the winter due to Moscow's pricing rows with transit nation Ukraine.

Nabucco's Austrian shareholder OMV said last week that the pipeline might only deliver its first gas in 2018, a year later than expected, because supply talks with potential suppliers — Azerbaijan and Turkmenistan — drag on.

"The Nabucco project is of priority significance for Austria," Fischer said, adding that top OMV managers were part of his delegation. "As far as I understood, you are optimistic about it," he said to Berdymukhammedov.

Turkmenistan has started building a \$2 billion, 1,000-kilometer East-West pipeline from South Iolotan to the Caspian Sea to be able to feed the Nabucco project, Berdymukhammedov said, adding that "construction works are proceeding at a quick pace."

Britain's GCA said the South Iolotan field, which should allow the Central Asian nation to become a major gas supplier to Europe and China, contained between 13.1 and 21.2 trillion cubic meters of natural gas.

Berdymukhammedov said to the rapturous applause of the two delegations that South Iolotan's reserves, combined with those of two other fields, Yashlar and Minara, totaled 26.2 tcm.

Nabucco's other shareholders include Germany's RWE, Hungary's MOL, Turkey's Botas, BEH

of Bulgaria and Romania's Transgaz. Germany's Bayerngas is in talks to join.

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