

Ashgabat and Islamabad Agree Gas Price via TAPI

By [The Moscow Times](#)

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ASHGABAT, Turkmenistan — Turkmenistan has agreed with Pakistan on the price of gas it plans to send via an ambitious pipeline from its prospective natural gas fields through Afghanistan, two government sources in the Central Asian republic said Tuesday.

The Turkmen government sources declined to give details of the price and did not comment on whether volumes had also been agreed. Like most officials in the secretive former Soviet state, they spoke on condition of anonymity.

One of the sources said the two countries had yet to agree with Afghanistan on a transit price for the gas.

Turkmenistan, which sits on the world's fourth-largest natural gas reserves, aims to supply natural gas from its South Iolotan field, the world's second largest, to Pakistan and India. The idea of the pipeline, known as TAPI, was first raised in the mid-1990s, but construction

has yet to begin.

The proposed 1,700-kilometer pipeline could carry 1 trillion cubic meters of Turkmen gas over a 30-year period, Turkmen Oil and Gas Minister Bayramgeldy Nedirov said this month, which would work out at 33 billion cubic meters a year.

But the route, particularly the 735-kilometer Afghan leg, presents significant security challenges and will require Pakistan and India to agree on volumes and prices. Participants must also secure funding for the project.

State-owned newspaper Neutral Turkmenistan reported Tuesday that President Gurbanguly Berdymukhammedov had signed a joint declaration with Pakistan on the sale and purchase of gas via the TAPI pipeline.

The newspaper reported that Berdymukhammedov, whose word is final in reclusive Turkmenistan, had agreed the deal during a visit to Islamabad on Monday, where he met Pakistani President Asif Ali Zardari and Prime Minister Yusuf Razi Gilani.

Price negotiations with India, the final country on the pipeline route, are being conducted separately.

Asked about the content of the Islamabad declaration, the government source said: "We have already agreed on the price. The agreement is prepared. The contract is prepared. Only some procedural issues remain."

The second government source said that while Turkmenistan and Pakistan had in principle agreed a price, a question mark remained over the transit price via Afghanistan.

Turkmenistan's policy is to sell its gas at the border, while Pakistan planned to buy the Turkmen gas at its own border with Afghanistan, the second source said.

Pakistan and India, which would consume most of the gas supplied via the pipeline, have previously said they were close to signing a supply deal with Turkmenistan.

An intergovernmental agreement signed in the Turkmen capital Ashgabat in December contained no specific provisions for security, volumes or gas prices.

Turkmenistan envisages that gas for the pipeline would be supplied by its South Iolotan field, ranked by British auditor Gaffney, Cline & Associates last month as the second largest in the world behind Iran's South Pars deposit.

The auditor said South Iolotan contained between 13.1 tcm and 21.2 tcm of natural gas.

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