

Turkmen President Shakes Up Gas and Banking Sectors

By [The Moscow Times](#)

January 12, 2014



People relaxing in front of screens showing the president and national symbols in Ashgabat in December.

ASHGABAT — Turkmen President Gurbanguly Berdimukhamedov has fired the head of state gas company Turkmenengaz for doing too little to diversify the vital gas industry that underpins the Central Asian state's economy.

Turkmenistan, a mainly Muslim nation of 5.5 million with the world's fourth-largest natural gas reserves, has been ramping up gas exports to China via a pipeline built in 2009, while exports to Russia have dwindled in the last few years.

Berdimukhamedov, who enjoys a personality cult and is titled "Arkadag" (The Patron), was shown Saturday on state television saying that the gas sector was underperforming despite billions of dollars invested there in recent years.

"For example, we could have raised production and exports of liquefied gas and other products which are in great demand on world markets," he told a government meeting.

He then sacked Turkmengaz head Kakageldy Abdullayev, who had held the job for just one year. His predecessor was also fired in January 2013 after the autocratic ruler cited faults in his work.

Little-known Charymuhammed Hommadov, described by state media as "a person with great experience of work in the gas sector," was appointed as the new head of Turkmengaz.

While criticizing the mainstay state company, however, Berdymukhamedov said that fast economic growth continued in 2013. Gross domestic product expanded by 10.2 percent last year, he said. GDP rose by 11.1 percent in 2012.

Turkmenistan's growth is largely in line with projections made by the International Monetary Fund, which in November forecast Turkmen GDP to grow by 10.1 percent in 2013 and by 10.7 percent in 2014, owing mainly to rising gas exports to China.

Berdymukhamedov and Chinese President Xi Jinping inaugurated Galkynysh, the world's second-largest natural gas field, in September.

Turkmenistan has won the support of the U.S. and the European Union for alternative pipeline routes to sell its gas to Europe, Pakistan and India. But to date, these projects exist only on paper.

Turkmenistan had planned to produce 76.9 billion cubic meters of natural gas last year and export 43 bcm. Output data for 2013 are not yet available. The desert nation aims to more than triple gas output in the next two decades.

Turkmen President Gurbanguly Berdymukhamedov has, in a major shake-up of the Central Asian nation's banking industry, fired a spate of top officials at several lenders, RIA Novosti reported.

The dismissal of the heads of the central bank, state-run commercial bank Prezidentbank and Daikhanbank, which serves the agricultural sector, were announced in a government meeting chaired by Berdymukhamedov on Friday.

Gochmurad Muradov, who headed the state-run commercial lender Turkmenistan, will replace Tuvakmammet Dzhaparov at the helm of the central bank.

Dzhaparov had been in charge of the central bank since 2011.

In December, Berdymukhamedov rebuked the heads of ten banks in Turkmenistan over what he said were overly generous holiday bonuses.

Almost all banks in the energy-rich former Soviet nation are state-owned. The only private bank is Rysgal, Turkmen for "luck," and was established in 2011 under the auspices of the

Union of Industrialists and Entrepreneurs of Turkmenistan.

Turkmenistan has adopted legislation to nominally bring its banking industry in line with international standards, but lack of transparency in the profoundly secretive state leaves the government-dominated financial sector open to corruption.

The country ranked 168th out of 177 nations in Transparency International's Corruption Perception Index in 2013.

Original url:

<https://www.themoscowtimes.com/2014/01/12/turkmen-president-shakes-up-gas-and-banking-sectors-a30998>