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Turkmenistan's guarded gateway: navigating energy diplomacy Post-2022

Key words: *Turkmenistan, energy policy, Central Asia, international relations, gas sector*

Abstract: *The aim of this article is to analyse the evolution of Turkmenistan's external energy policy after 2022 in the context of the succession process. Despite greater openness to international cooperation, the political conditions in Turkmenistan that affect the functioning of the economy, including the energy sector, will be a systemic obstacle to more serious change. At the same time, Ashgabat's policy will gradually move towards greater openness to cooperation with foreign partners. The analysis is based on the theoretical assumptions of historical institutionalism and rational choice theory.*

Introduction

More than three decades after gaining independence, the countries of Central Asia are undergoing political changes that are affecting their foreign policies and, consequently, the dynamics of their relations with their neighbours and other actors active in the region. In all Central Asian countries, with the exception of Tajikistan, there has been a change at the top of the state, which has meant a noticeable change in domestic and foreign policy in countries such as Uzbekistan.

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Compared to other countries in the region, Turkmenistan is a relatively less studied case. After more than 15 years of almost totalitarian rule by the first president, Saparmurat Niyazov, Gurbanguly Berdimuhamedov took office for another 15 years, followed by his son Serdar in 2022. The research objective of this article is to attempt to answer the question of the extent to which changes at the top of the Turkmen leadership, especially after 2022, will influence the foreign policy of Ashgabat in its economic dimension. Due to its economic importance, the analysis will focus on changes in external energy policy[1]. The gas sector plays a major role in the economy of Turkmenistan, which has the fifth largest proven gas reserves in the world.

The research hypothesis of this text assumes that the changes at the top of the Turkmen government will lead to a correction and a somewhat greater openness to international cooperation on energy issues. At the same time, the nature of the political regime, which has been entrenched for almost three decades, represents a systemic stumbling block to a more decisive openness to international cooperation in this field. Given the nature of the research problem and the case study, one of the most useful theoretical approaches to this issue will be the simultaneous application of certain assumptions of historical institutionalism[2] and rational choice institutionalism[3].

Firstly, this approach allows us to grasp the importance of path dependency and institutional continuity, especially in relation to totalitarian or strongly authoritarian regimes, where decisions taken by decision-makers and implemented by institutions have long-term consequences, and any changes in the system are evolutionary, slow and rather limited. In addition, historical institutionalism is useful for studying the policies of states that, after gaining independence, are burdened by a colonial legacy or similar dependencies (the post-Soviet legacy in the case of countries that emerged after the collapse of the USSR)[4]. Without losing sight of the important role of leaders and political

1 According to the annual report published by Italian gas company Eni, proven gas reserves in 2024 amounted to almost 14 trillion cubic metres. Source: *Eni World Energy Review 2025*, p. 7.

2 For more on this theoretical approach in political science, see B. Pieliński, *Instytucjonalizm historyczny w kontekście polityki społecznej*, «Problemy Polityki Społecznej» 2023, no. 22, pp. 45–63.

3 J. Mahoney, *Path Dependence in Historical Sociology*, «Theory and Society» 2000, no. 29(4), pp. 507–548.

4 See more broadly O. Fioretos, *Historical Institutionalism in International Relations*, «International Organization» 2011, no. 65(2), pp. 367–399; K. Thelen, *How Institutions Evolve: The Political Economy of Skills in Germany, Britain, the United States, and Japan*, Cambridge University Press 2004; D. Acemoglu, J. A. Robinson, *Dlaczego narody przegrywają*, Warszawa 2024.

elites, it also allows the role of institutions, both formal and informal, to be emphasised appropriately.

Secondly, rational choice institutionalism explains why political elites in authoritarian regimes opt for limited openness and international cooperation. As researchers representing this approach note, the motivation of those in power is not a desire for liberalisation, but pragmatic goals that usually include economic benefits for members of the elite[5], strengthening or preserving the regime, and gaining geopolitical leverage[6].

Thirdly, both approaches allow for the study of the interdependence between the evolving system of power and the dynamics of economic relations with third countries. This makes it possible to take into account the limitations resulting from internal conditions and the impact of external factors, including, in particular, trends on global and regional energy markets[7].

At the same time, it is worth noting that other theoretical approaches, often used in international relations and political science, would be less useful in this case. Realist approaches focus primarily on state power and security, downplaying the importance of internal institutions or economic factors. Their weakness is their inability to explain why authoritarian states pursue a particular economic policy in their external relations without specific security policy motives. Liberal approaches are not justified given the nature of the political regime in Turkmenistan. The changes taking place in politics are not aimed at liberalising the political system or the economy. Similarly, constructivist approaches focus on the role of ideas and norms, but ignore the role of institutional constraints influencing specific economic policy decisions, including in the external dimension.

The specific nature of the political system in Turkmenistan

Turkmenistan is one of the few contemporary examples of a state with extreme authoritarian features that exhibits the characteristics of a totalitarian system. The country, located in Central Asia, about 85% of whose terri-

5 D. C. North, *Institutions, Institutional Change and Economic Performance*, Cambridge University Press 1990; J. Knight, *Institutions and Social Conflict*, Cambridge University Press 1992.

6 D. Acemoglu, J. A. Robinson, *Economic Origins of Dictatorship and Democracy*, Cambridge University Press 2006; E. Voeten, *Rational Choice Institutionalism and International Organizations*, [in:] *The Oxford Handbook of International Organizations*, Oxford University Press 2009.

7 P. A. Hall, *Historical Institutionalism in Rationalist and Sociological Perspective*, [in:] J. Mahoney, K. Thelen (eds.), *Explaining Institutional Change*, Cambridge University Press 2010, pp. 204–223.

tory is covered by desert, is considered one of the most repressive regimes in the world. The Turkmen authorities exercise almost complete control over the social, political and private lives of their citizens. The foundation stone for this system was laid by Saparmurat Niyazov, the first president of independent Turkmenistan, who during his lifetime built up an extensive apparatus of repression based on the cult of personality, censorship and the elimination of all forms of opposition[8].

After his death in 2006, power was taken over by Gurbanguly Berdimuhamedov, who initially promised moderate liberalisation. In practice, however, the political system did not undergo any significant changes, and autocratic mechanisms were maintained and strengthened. The lack of real political pluralism, the absence of internal opposition and the marginalisation of opposition circles in exile, deprived of support and influence, are a permanent feature of the country's political landscape. Elections do not meet basic democratic standards – they are neither free nor fair – and the judiciary remains completely subordinate to the executive[9]. In a 2024 analysis, Freedom House classified Turkmenistan as an extremely authoritarian state where political and civil rights are ignored in practice. Reports from human rights organisations point to systematic surveillance of the population, arbitrary detentions, repression of independent initiatives and a widespread lack of freedom of expression and assembly. The detention of prisoners in harsh conditions, the use of torture.

The situation underwent some slight changes after 2022, when Gurbanguly Berdimuhamedow formally stepped down as president and his son Serdar "won" the early elections. Although formally the president is the most important authority in the political system, in reality Gurbanguly Berdimuhamedow assumes the role of "leader of the nation" after leaving office[10] and remains the central figure of the Turkmen ruling elite and the key decision-maker, retaining the so-called control package within the system of power[11]. The transfer of

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[8] For more information on the political, social and economic situation in Turkmenistan during the rule of the first president, Saparmurat Niyazov, see *Repression and Regression in Turkmenistan: A New International Strategy*, International Crisis Group, Brussels/Osh, 4 November 2004, https://www.crisisgroup.org/europe-central-asia/central-asia/turkmenistan/repression-and-regression-turkmenistan-new-international-strategy (19.09.2025).

[9] A. Bohr, *Turkmenistan: Power, Politics and Petro-Authoritarianism*, Chatham House, March 2016, https://www.chathamhouse.org/sites/default/files/publications/research/2016-03-08-turkmenistan-bohr.pdf (19.09.2025).

[10] Additionally, he bears the title Arkadag, meaning Protector/Defender.

[11] S. Horák, *Turkmenistan: An Upcoming Dynastic Transition?*, The Central Asia – Caucasus Analyst, 15 February 2022, https://www.cacianalyst.org/publications/analytical-articles/item/13708-turkmenistan-an-upcoming-dynastic-transition?.html (19.09.2025).

power was preceded by a propaganda campaign based on slogans proclaiming the need to hand over responsibility for the fate of the country to the younger generation. As a result a system of power based on "tandemocracy" was established. The aim of this hybrid solution is to ensure continuity of government while gradually familiarising society with the idea of succession within the ruling elite. This mechanism is intended to reinforce the belief that younger leaders from the ruling dynasty will guarantee stability and further development of the state.

The example of Turkmenistan is a good case study for the application of historical institutionalism. Despite personnel changes at the top, the essence of the system remains unchanged, including the main institutions and mechanisms (especially informal ones) of state governance. At the same time, the manner in which power is transferred, based on maintaining the key role of the "leader of the nation," aims to preserve the stability of the system and maintain its key features despite personnel changes.

Pillars and principles of the Turkmen economy

Historical institutionalism is also useful for showing the lack of fundamental changes in the functioning of the Turkmen economy throughout the entire period of the independent state.

The economy of Turkmenistan is characterised by strong centralisation, the dominance of the state sector and a clear dependence on energy exports. This model derives directly from the post-Soviet economic legacy and has been consolidated by authoritarian power structures that effectively limit the development of the private sector and market competition. As a result, Turkmenistan's economy functions as a semi-closed system, largely subordinated to political interests and central authority.

The strongly authoritarian system of government, which includes state control over the economy, represents a systemic barrier to the expansion of economic cooperation with foreign entities in Turkmenistan. According to the Heritage Foundation's Index of Economic Freedom, Turkmenistan remains one of the most economically closed countries in the world. In 2024, it ranked 162nd out of 184 countries[12]. The foundation of the Turkmen economy is state control over key sectors such as energy and agriculture. The principles of competition that characterise a free market economy are basically non-

12 *Turkmenistan*, The World Heritage Foundation, February 2025, https://www.heritage.org/index/pages/country-pages/turkmenistan (19.09.2025).

existent, and the opportunities for the private sector are very limited[13], with a few exceptions (small businesses, including trade and some tourist services).

The gas industry remains the key sector of the Turkmen economy[14]. The country has the fifth largest proven natural gas reserves in the world, making it one of the most important global players in this area. Turkmenistan is also among the top ten largest exporters of this raw material. According to available data, the gas sector generates about three-quarters of export revenues[15] and accounts for almost half of the gross domestic product (GDP).

Control over the energy sector is exercised directly by the state. The central authorities decide on the extraction, distribution and export destinations of natural gas, and private investors, both domestic and foreign, have limited access to this market segment. The state's dominance in this area results in low resource management efficiency, a lack of financial transparency and limited innovation. Foreign investment is subject to strict controls. Opaque administrative procedures and the lack of an independent judiciary discourage potential investors. The legal regulations in force are ambiguous and their application is arbitrary, which exacerbates the uncertainty of the local economic climate. On the other hand, the energy sector serves as a strategic instrument for maintaining the stability of the political regime, providing the budgetary revenues necessary to finance social policy, the state apparatus and other projects important to the state.

Turkmenistan's economy remains largely isolated from global market trends. This is due, among other things, to the policy of neutrality pursued by the country since the 1990s[16]. Turkmenistan is not a member of the World

[13] M. Grzegorczyk, *Turkmenistan: Potential untapped – if it ever opens its doors*, 25 February 2025, https://emerging-europe.com/analysis/turkmenistan-potential-untapped-if-it-ever-opens-its-doors/ (19.09.2025).

[14] The second important pillar of Turkmenistan's economy is the agricultural sector, with a particular focus on cotton cultivation. Cotton, alongside gas and oil, is one of the main export commodities. Annual production fluctuates around one million tonnes, placing Turkmenistan among the world's leading producers, albeit at a considerable distance from the global leaders – China, India and the United States.

[15] D. Bochkarev, *Turkmenistan: The gas monetisation challenge*, The Oxford Institute for Energy Studies, OIES Energy Comment, September 2024, p. 7, https://www.oxfordenergy.org/publications/turkmenistan-the-gas-monetization-challenge/ (19.09.2025).

[16] Turkmenistan maintains a policy of permanent neutrality, officially recognised by the United Nations in 1995 through a General Assembly resolution. This status commits the country to non-alignment in international conflicts, refraining from joining military alliances or hosting foreign military bases, while focusing on peaceful bilateral relations and economic cooperation.

Trade Organisation (WTO), and its economic policy is based on the principles of autarky and self-sufficiency. During the first decades of independence, the authorities also pursued a "policy of neutrality" in the economic sphere, limiting regional and international integration. The lack of diversified trade partnerships limits development opportunities.

Challenges facing the Turkmen gas sector and their implications for Turkmenistan's external energy policy

Although Turkmenistan's significant energy potential, particularly in terms of proven gas reserves, offers opportunities for dynamic economic development, the country faces serious challenges. These are largely the result of political conditions that have a decisive impact on the functioning of the state's economy, including energy sector.

Firstly, Turkmenistan's gas potential remains largely untapped, which is related to low investment dynamics and the slow pace of development of deposits. This is illustrated by data on natural gas production. Although its annual output in Turkmenistan increased from 59 bcm in 2013 to 79.3 bcm in 2021, the upstream sector has been experiencing stagnation in recent years. According to the Energy Institute, production fell to 73.5 bcm in 2024. At the same time, domestic consumption is growing steadily: from 19.3 bcm in 2013 to almost 37.5 bcm in 2022. Even if there is a decline to 28.5 bcm in 2024 the long-term upward trend is quite clear[17].

Meanwhile, plans to develop Turkmenistan's most important field, Galkynysh[18], are being delayed. Although the potential of the world's second largest deposit in terms of reserves would allow for production of up to 200 bcm of gas per year (after completion of seven phases of development), according to data for 2024, production is estimated at around 30 bcm of gas per year. The launch of the second phase is delayed; according to the original plans, it was supposed to reach peak production of another 30 bcm in 2018. The third and subsequent phases are still in the planning stage.

The second major challenge is the low level of foreign involvement in the Turkmen upstream sector and the strong dependence on a single market,

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17 *Energy Institute Statistical Review of World Energy 2025*, Energy Institute, pp. 37–39.

18 It is one of the largest gas fields in the world, with an estimated potential of up to 27 trillion cubic metres. Turkmenistan plans to increase production from the field to 58.4 bcm per year by 2030. Source: *Turkmengaz launches new Galkynysh well*, Argus Eurasia Energy, 17 April 2025, p. 13.

China. In 2006 and 2009, Beijing signed contracts with Ashgabat for the supply of a total of 65 bcm of Turkmen gas per year[19]. Since the launch of the Central Asia-China gas pipeline in December 2009[20], the China's importance in Turkmenistan's gas exports has grown steadily. In 2012, China's share in Turkmenistan's gas exports exceeded 50% for the first time, and since 2015 it has never fallen below 70% (reaching 100% in 2019). Currently, there are plans to build a fourth line (D)[21] with a capacity of 25–30 bcm which, if launched, would make Turkmenistan even more dependent on the Chinese market.

Although Turkmenistan also exported gas to Iran under a contract signed in 1997[22] and to Russia and neighbouring Central Asian countries, the volume of supplies to these countries was much lower than the current level of gas exports to China. A detailed breakdown of gas exports from Turkmenistan in 2009–2024 is provided in Table 1.

Among foreign investors, China is also the most involved in upstream projects in Turkmenistan. The Chinese company CNPC is involved in the development of Turkmenistan's largest field, Galkynysh, whose production is mainly exported to China (two-thirds of the field's output is destined for this purpose). CNPC is also nominally the main company responsible for the second phase of development of the Galkynysh field, based on an agreement signed in 2013. CNPC is also involved in production at the Bagtyyarlyk field (approx. 13–15 bcm per year), based on a production sharing agreement concluded in 2007.

19 The first 30-year contract was signed on 25 June 2009 and provided for the annual export of 30 bcm of Turkmen gas to China. The second trade agreement was concluded during the visit of the then President of Turkmenistan, Gurbanguly Berdimuhmedov, to Beijing on 23–25 November 2011. The contract provided for the export of an additional 25 bcm of Turkmen gas to China per year. Source: L. Harding, *China signs deals for 30 years of Turkmen gas*, The Guardian, 25 June 2009, https://www.theguardian.com/business/2009/jun/25/china-turkmenistan-gas (19.09.2025); A. Jarosiewicz, *Turkmenistan getting closer to China*, OSW Analyses, 1 December 2011, https://www.osw.waw.pl/en/publikacje/analyses/2011-12-01/turkmenistan-getting-closer-to-china (19.09.2025).

20 The gas pipeline network consists of three lines (A, B and C) with a total capacity of 55 bcm of gas per year, of which 40 bcm is reserved for Turkmen gas exports, 10 bcm for Uzbek gas and 5 bcm for Kazakh gas.

21 According to the original plan, line D was to be launched in 2017. Currently, neither Turkmenistan nor China have provided any information on the status of the project.

22 In January 2017, supplies were interrupted due to disputes over payments. Supplies included in export statistics after 2017 refer to gas supplies from Turkmenistan to Azerbaijan via Iran, carried out on the basis of swap agreements.

Table 1. Gas export destinations from Turkmenistan in 2009–2024 (in bcm)

	China	Russia	Iran	Kazakhstan	Other former Soviet Union countries
2009	–	10.7	5.0	–	0.3
2010	3.6	9.7	6.5	–	–
2011	14.3	10.1	10.2	–	–
2012	21.3	9.9	9.0	–	0.0
2013	24.4	9.9	4.7	–	1.0
2014	25.5	9.0	6.5	0.5	–
2015	27.7	2.8	7.2	0.3	–
2016	29.4	–	6.7	1.1	–
2017	31.7	–	1.7	0.3	–
2018	33.3	–	1.9	–	–
2019	31.6	–	–	–	–
2020	27.2	3.8	–	0.1	0.0
2021	31.5	10.5	–	–	–
2022	32.9	4.7	–	0.3	2.8
2023	30.5	4.7	–	0.4	3.9
2024	32.8	4.7	–	0.6	6.0

Data source: BP Strategic Review of World Energy 2010–2022 and Energy Institute Statistical Review of World Energy 2023–2025.

Turkmenistan's dependence on a single export market[23] harbours a number of risks. China's monopoly as the main buyer weakened Turkmenistan's bargaining power, leading to below-market prices and rising debts from pipeline construction loans. Overdependence increased vulnerability to global energy fluctuations and Beijing's changing priorities, such as increased Russian imports via Power of Siberia, which could displace Turkmen volumes. This has deepened economic isolation, limited diversification into Western markets and perpetuated a crisis characterised by exchange controls, food shortages and emigration, highlighting the dangers of dependence on a single buyer in a landlocked state striving for sovereignty.

The participation of investors from other countries has been limited so far. The Malaysian company PETRONAS has been in Turkmenistan since 1996 and is currently the operator for Block 1 and the gas processing plant and gas terminal in Kiyanly. Block 1 has an annual production of 5 bcm of gas. The second offshore project involving foreign capital is the exploitation of the Cheleken

[23] Before 2010, this concerned dependence on Russia.

field (mainly oil production, which is delivered by tankers to Azerbaijan and from there via the Baku-Tbilisi-Ceyhan pipeline to foreign markets). Dragon Oil, a subsidiary of the Dubai-registered company Enoc, is involved in the project. The company, present on the Turkmen market since 1999, has invested a total of over USD 9 billion in Turkmenistan so far[24].

Investments in the extraction sector and the resulting increase in production are necessary for the implementation of all of Ashgabat's export plans, both those that are more promising and those that are at a preliminary stage. Recent years clearly indicate that certain changes are beginning to take place in Turkmenistan's external energy policy.

The evolution of Turkmenistan's external energy policy after 2022

In recent years, however, and especially after the change of president in 2022, certain changes in foreign energy policy can be observed, indicating greater openness on the part of the authorities to the development of international cooperation in the energy sector. Some call this trend 'engaged neutrality'[25].

Firstly, Turkmenistan is realistically increasing and declaring further expansion of its group of partners importing Turkmen gas in order to diversify its markets. In October 2022, the Turkmen company Turkmengaz and the Kazakh company QazaqGaz signed a contract for gas supplies from Turkmenistan to Kazakhstan. The agreement covers a small volume and provides for the import of up to 1.5 bcm of Turkmen gas by the Kazakh company[26].

In March 2025, blue fuel deliveries to Turkey were launched. Sales are carried out under swap agreements. Turkmenistan supplies its natural gas to Iran via gas pipeline infrastructure connecting the two countries. Then, adequate amounts of gas are delivered from Iranian deposits via Azerbaijan to Turkey. It is worth noting that although the first contracted supply volume is not significant, amounting to only 2 bcm by the end of 2025, the parties have declared their interest in expanding cooperation. A potential increase in gas exports from Turkmenistan to Turkey has been the subject of regular consultations between the energy ministers of both countries since 2023.

24 *Dragon Oil ready…*

25 See S. F. Starr, *Turkmenistan Lifts Its Head*, The Central Asia – Caucasus Analyst, 2 December 2022, https://www.cacianalyst.org/resources/pdf/221202-FT-Starr-b.pdf (19.09.2025).

26 *Kazakhstan to buy Turkmen gas*, Argus Eurasia Energy, 20 October 2022, p. 9.

In November 2023, Turkmenistan preliminarily agreed with Iraq on the terms of gas cooperation. The five-year agreement covers the supply of 9 bcm of gas per year under swap schemes. Turkmen natural gas will be supplied to Iran, and the corresponding volume of Iranian gas to Iraq[27].

Furthermore, Ashgabat remains interested in exporting natural gas to European markets via the Southern Gas Corridor[28], launched in 2018. The agreement concluded on 20 August 2023 between the authorities in Ashgabat and Budapest is unprecedented in this context. It provides for the import of gas from Turkmenistan to Hungary and is the first agreement of this kind concluded by the Turkmen authorities with an EU country[29].

In connection with plans to sell gas to European customers, the concept of building a Trans-Caspian gas pipeline has been relaunched in Turkmen statements. The proposal to build a gas pipeline across the Caspian Sea (from Turkmenistan's to Azerbaijan), with a capacity of approx. 30 bcm per year[30], first appeared in the 1990s[31]. In recent years, it has returned as a topic of high-level talks involving the Turkmen authorities. The issue of gas exports from Turkmenistan to the EU was, among other things, the subject of Turkmen-French talks during Gurbanguly Berdimuhamedov's visit to Paris on 5 May 2025[32]. The project is also regularly promoted by Turkmenistan at various energy conferences. Ashgabat's interest in the Trans-Caspian gas pipeline project was confirmed in June 2023, when Turkmengaz announced a tender for the construction of a compressor station that would enable gas to be exported from the Galkynysh field to the Caspian coast, where the gas pipeline across the Caspian Sea would begin[33]. In September 2024, the Turkmen authorities

27 *Turkmenistan, Iraq agree gas supply terms*, Argus Eurasia Energy, 9 November 2023, p. 15.

28 The first gas flowed to Turkey in June 2018, and deliveries to European customers began in December 2020.

29 H. Nelson, *Turkmenistan Signs its First-Ever Energy Deal with the EU*, Caspian Policy Center, 24 August 2023, https://www.caspianpolicy.org/research/energy/turkmenistan-signs-its-first-ever-energy-deal-with-the-eu (19.09.2025).

30 Industry discussions are focusing on options for building a gas pipeline with a lower capacity (10 bcm), which could reduce costs and speed up the implementation of the investment.

31 I. Gurbanov, *The Perspective of Trans-Caspian Gas Flow to Europe*, The Central Asia – Caucasus Analyst, 25 October 2018, https://www.cacianalyst.org/publications/analytical-articles/item/13538-the-perspective-of-trans-caspian-gas-flow-to-europe.html (19.09.2025).

32 J. L. Barnes, *L'Étranger: Paris Hosts the Reclusive Leader of Turkmenistan*, The Times of Central Asia, 12 May 2025, https://timesca.com/letranger-paris-hosts-the-reclusive-leader-of-turkmenistan/ (19.09.2025).

33 *Turkmengaz tender hints at trans-Caspian interest*, Argus Eurasia Energy, 29 June 2023, p. 12.

announced that the Turkish company Calik Energy would be the contractor for the project, with completion scheduled for 2026[34].

In addition, Turkmenistan maintains its commitment to continue the construction of the TAPI gas pipeline, which involves the launch of a pipeline enabling the export of Turkmen gas through Afghanistan to Pakistan and India. Although the construction of the gas pipeline, which officially began in December 2015, is progressing very slowly – only the Turkmen section of the pipeline and a fragment on Afghan territory have been completed[35] – the project remains strategic from the point of view of Ashgabat's export plans.

Secondly, Turkmenistan has begun to open up slightly more to foreign investment in the upstream sector. On 10 January 2024, Turkmengaz signed a contract with ADNOC, the most important energy company in the United Arab Emirates, on ADNOC's participation in the exploitation of the third phase of the Galkynysh field. The project is intended to enable to extract 30 bcm[36] of gas per year, with the raw material to feed the TAPI export gas pipeline currently under construction. In May 2025, the investment company XRG, owned by ADNOC, acquired a 38% stake in the project responsible for the exploitation of the Turkmen gas field in Block 1, located in the Caspian Sea. The project is operated by the Malaysian company Petronas (57% of the shares), with the remaining 5% owned by the Turkmen state-owned company Hazarnebit[37]. The Dubai-based company Dragon Oil is ready to invest another USD 8 billion in Turkmenistan by 2038[38].

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34 *Turkmenistan eyes gas supplies to Iran*, Argus Eurasia Energy, 5 September 2024, p. 14.

35 *Afghanistan Advances TAPI Pipeline Construction with Additional 3km*, 15.01.2025, Pipeline Technology Journal, https://www.pipeline-journal.net/news/afghanistan-advances-tapi-pipeline-construction-additional-3km (19.09.2025); V. Kaleji, *The First Phase of the TAPI Gas Pipeline: From Serhetabat, Turkmenistan to Herat, Afghanistan*, The Central Asia – Caucasus Analyst, 2.01.2025, https://www.cacianalyst.org/publications/analytical-articles/item/13836-the-first-phase-of-the-tapi-gas-pipeline-from-serhetabat-turkmenistan-to-herat-afghanistan.html (19.09.2025).

36 The signing of the contract was preceded by a memorandum signed by both companies in February 2023. *National leader of Turkmenistan visits UAE, 11–12 February 2023 – Joint declaration issued*, News Central Asia, 13 February 2023, https://www.newscentralasia.net/2023/02/13/national-leader-of-turkmenistan-visits-uae-11-12-february-2023-joint-declaration-issued/ (19.09.2025); *UAE companies will take part in the development of the Galkynysh field and the implementation of other projects in Turkmenistan*, NEBIT-GAZ, 14 February 2023, https://www.oilgas.gov.tm/en/posts/news/6847/uae-companies-will-take-part-in-the-development-of-the-galkynysh-field-and-the-implementation-of-other-projects-in-turkmenistan (19.09.2025); *Turkmengaz, ADNOC agree on Galkynysh*, Argus Eurasia Energy, 11 January 2024, p. 16.

37 *Petronas, XRG, Hazarnebit and Turkmennebit Partner on Strategic Gas Asset in Turkmenistan*, Petronas Press Release, 14 May 2025, https://www.petronas.com/media/media-releases/petronas-xrg-hazarnebit-and-turkmennebit-partner-strategic-gas-asset (19.09.2025).

38 *Dragon Oil ready for big Turkmen spending*, Argus Eurasia Energy, 27 April 2023, p. 5.

Turkmenistan is also interested in attracting French investors to the oil and gas sector. TotalEnergies has repeatedly expressed interest in investing in the Turkmen upstream sector, particularly in the Galkynysh field. Turkmenistan is in the spotlight of other international corporations. Large global energy companies such as BP, Chevron, and ExxonMobil[39] have declared their willingness to invest in the Turkmen upstream sector. However, the Turkmen authorities have only offered service contracts, without the possibility of obtaining shares in upstream projects.

Thirdly, Turkmenistan is becoming much more active in energy dialogue with its Central Asian partners and in supra-regional cooperation formats. One of the examples is the trilateral summit between Uzbekistan, Tajikistan and Turkmenistan held on 4 August 2023 in Ashgabat. In the adopted declaration, the parties emphasised the importance of energy cooperation, including the supply of oil, petroleum products, gas and electricity[40]. The Turkmen foreign minister offered, among other things, the possibility of gas supplies to Tajikistan and Uzbekistan from the Galkynysh field[41]. In September 2024, a preliminary agreement was concluded between Kazakhstan and Turkmenistan on the participation of Kazakh companies in the development of Turkmen gas fields[42]. The possible involvement of Kazakh companies in the development of the Galkynysh field was also discussed at the highest level between Kazakh President Kassym-Jomart Tokayev and Gurbanguly Berdimuhamedov in April 2025[43].

Turkmenistan has declared its intention to become a full member of the Organisation of Turkic States in 2022[44]. The Organisation aims to expand its membership to enhance intra-Turkic cooperation, legitimize its mission, and reduce external influences, particularly from Russia. By fostering multilateral engagement in sectors like economics, education, culture, and security, the OTS strengthens regional integration and collective resilience against

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39 *Chevron Keeps Knocking at Turkmenistan's Door*, Eurasianet.org, 20 June 2012, https://eurasianet.org/chevron-keeps-knocking-at-turkmenistans-door (19.09.2025).

40 *Three-way summit between Turkmenistan, Uzbekistan and Tajikistan – Joint statement*, News Central Asia, 4 August 2023, https://www.newscentralasia.net/2023/08/04/turkmenistan-uzbekistan-tajikistan-trilateral-summit-joint-statement-ru/ (19.09.2025).

41 *Turkmenistan proposes gas cooperation to neighbours*, Argus Eurasia Energy, 10 August 2023, p. 15.

42 *Memorandum of Intent in the Gas Industry Signed by Kazakhstan and Turkmenistan*, 11 September 2024, https://inbusiness.kz/ru/last/memorandum-o-namereniyah-v-gazovoj-otrasli-podpisali-kazahstan-i-turkmenistan?ysclid=mdoxzgcte6546147319 (19.09.2025).

43 *Ashgabat, Astana talk Galkynysh gas development*, Argus Eurasia Energy, 24 April 2025, p. 13.

44 In November 2021, it was granted observer status.

global disruptions. The organization promotes cooperation in diverse areas, including trade, energy, infrastructure, and cybersecurity, to bolster cross-border connectivity and security frameworks[45].

During COP28 in Dubai, Turkmenistan also joined the so-called methane initiative, which aims to reduce methane emissions by 30% by 2030[46]. Ashgabat's decision is an important political signal. Turkmenistan is one of the largest emitters of methane globally.

Finally, thanks to its greater openness to cooperation with foreign partners, Turkmenistan is strengthening its negotiating position vis-à-vis Russia, which is traditionally interested in maintaining its influence in the region. This is particularly important in the context of Moscow's efforts to find alternative export markets for its natural gas after drastically reducing cooperation with Europe as a consequence of Russia's invasion of Ukraine in 2022.

On the one hand, Ashgabat maintains regular dialogue with Moscow on energy issues and cultivates an image of a country friendly to Russia and a loyal partner in Central Asia[47]. The desire to maintain good political relations is reflected, for example, in the bilateral declaration on expanding the strategic partnership between the two countries, which was signed in June 2022 during Serdar Berdimuhamedov's visit to Moscow[48]. In 2019, it also signed a five-year contract for the supply of Turkmen natural gas to Russia (up to 5.5 bcm annually)[49]. In 2023 Russia agreed that Turkmenistan will join the international agreement concluded in 2000 on the creation of a North-South transport corridor[50].

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45 H. Nelson, *Turkmenistan to Join the Organisation of Turkic States*, Caspian Policy Center, 6 October 2022, https://www.caspianpolicy.org/research/central-asia/turkmenistan-to-join-the-organization-of-turkic-states (19.09.2025).

46 *STATEMENT by the President of Turkmenistan at the 28th session of the Conference of the Parties to the UN Framework Convention on Climate Change*, Dubai, United Arab Emirates, 1–2 December 2023, https://unfccc.int/sites/default/files/resource/TURKMENISTAN_cop28cmp18cma5_HLS_ENG.pdf (19.09.2025).

47 For more on the dynamics of Russian-Turkmen relations during the rule of Gurbanguly and Serdar Berdimuhamedov, see S. Horák, *Russian Influence in Turkmenistan: Rapprochement or Pragmatism?*, The Central Asia – Caucasus Analyst, 17 January 2023, https://www.cacianalyst.org/resources/240117_FT_Horak.pdf (19.09.2025).

48 A. Sarymbetova, *Turkmenistan, Russia Sign 15 Cooperation Documents*, 13.06.2022, https://caspiannews.com/news-detail/turkmenistan-russia-sign-15-cooperation-documents-2022-6-13-14/ (19.09.2025).

49 *«Газпром» заключил пятилетний контракт на закупку туркменского газа*, RBK, 3.07.2019, https://www.rbc.ru/rbcfreenews/5d1cc6df9a7947722c60d967?ysclid=mfp48y3rd772968484 (19.09.2025).

50 *Россия согласилась на присоединение Туркменистана к соглашению о международном транспортном коридоре «Север-Юг»*, Interfax, 11.07.2023, https://www.interfax-russia.ru/rossiya-i-mir/rossiya-soglasilas-na-prisoedinenie-turkmenistana-k-soglasheniyu-o-mezhdunarodnom-transportnom-koridore-sever-yug (19.09.2025).

On the other hand, Ashgabat opposes Moscow's efforts to use the Central Asia-China gas pipeline network to export Russian gas to China, thereby hindering the Kremlin's plans to build a gas alliance with Kazakhstan and Uzbekistan. The five-year gas contract that expired in July 2024 has not been extended either. Moscow and Ashgabat are also competitors not only for the markets of Central Asian countries (mainly Kazakhstan and Uzbekistan), but above all for the Chinese market. For many years, Russia has been trying to sign a new contract for gas supplies from West Siberian deposits to China, which would include the construction of a new gas pipeline, Power of Siberia 2, with a capacity of 50 bcm per year. Turkmenistan, in turn, plans to increase production at the Galkynysh field, with some of the gas extracted in the future going to China via the planned (D) branch of the Central Asia-China gas pipeline. Finally, in 2024, competition emerged between Turkmenistan and Russia over plans to export of significant quantities of gas to Iran. On 29 August 2024, during a meeting between Gurbanguly Berdimuhamedov and the President of Iran, the leader of the Turkmen nation announced his readiness to export up to 40 bcm of gas to Iran annually[51]. Russia, on the other hand, would be interested in using Iran not only as a potential export market, but also as a transit country for Russian gas exports, both in the form of pipelines and potentially through LNG terminals planned in Iran. However, the implementation of these plans would require either an agreement with Azerbaijan (which is less possible due to political tensions between two countries) or Turkmenistan, which is emerging as a competitor to Russia in this context.

Conclusions

Despite a noticeable increase in Turkmenistan's activity in international cooperation in the energy sector after 2022, these activities are still limited in scope and do not constitute a qualitative breakthrough. The application of a historical institutionalism approach points to the persistence of structural barriers resulting from an authoritarian political and economic model, centralised governance and a legacy of isolationism and neutrality. Turkmenistan does not demonstrate a sustained capacity for systemic reform or institutional openness, and its participation in international energy cooperation formats remains limited. Foreign investment, especially from Western countries, is still constrained by luck of trust and restrictive regulations and low levels of eco-

[51] *Obstacle course*, Argus Eurasia Energy, 5 September 2024, p. 2.

nomic transparency, confirming China's dominant position as the main energy partner.

From the perspective of rational choice theory, however, greater openness to energy cooperation seems inevitable in the context of the regime's need for economic and political stability. It can therefore be assumed that the coming years will see a continuation of the slow opening and cautious internationalisation of the energy sector, without any revolutionary changes.

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