Asia-Pacific Trade Briefs

Turkmenistan

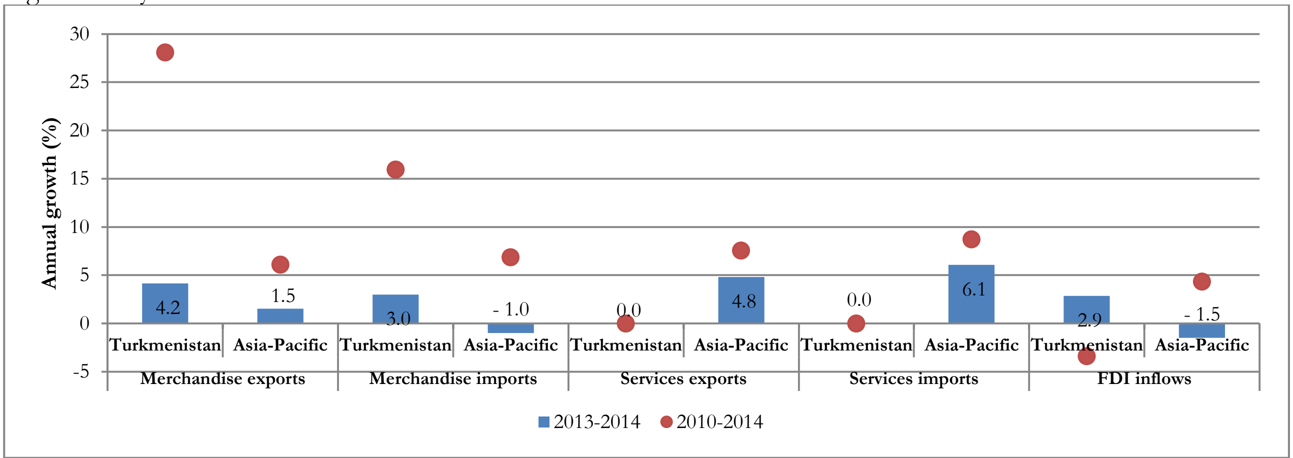
Merchandise trade: With a low level of product diversification and heavy reliance upon natural resources, Turkmenistan's economy is especially susceptible to volatile energy prices. Merchandise exports in 2014 increased by 4.2%, compared with the 5-year annual average of 28.1%, but are expected to fall in 2015. Exports are diversified across only 81 products and 31 markets – compared to the Asia-Pacific average of 2,107 products and 95 partners. Mineral fuels such as petroleum gas and oil are major export products and account for 90% of total exports. The leading export partners are China, Turkey, and Italy, which together account for more than three-quarters of Turkmenistan's exports (80%). Merchandise imports grew by 3.0% in 2014 – much lower than the 2010-2014 annual average of 15.9%. Imported products consisted mainly of nuclear reactors and boilers, articles of iron and steels, and electrical machinery and equipment. Major import partners are Turkey, the Russian Federation, and China.

Global value chains (GVCs): The share of intermediate goods in trade – a proxy for participation in GVCs – in Turkmenistan (22%) is about the same as the Asia-Pacific overall (22%) for imports, and much lower in Turkmenistan (4%) than the Asia-Pacific (18%) for exports. Turkmenistan's low level of participation in GVCs results from its status as a primary energy-exporting economy. One of Turkmenistan's gas fields, the Galkynysh gas field, has the second largest volume of gas in the world.

Foreign direct investment (FDI): FDI inflows increased by 2.9% in 2014 to reach $3,164 million. The level of foreign investment in Turkmenistan is still relatively low, especially when compared to its neighbour Kazakhstan. Restrictions in the currency exchange system, excessive and inconsistent regulations, and perceptions of corruption have contributed to dampening investor sentiment.

Trade agreements: Turkmenistan has 7 trade agreements in force, slightly higher than the Asia-Pacific average of 7 agreements. Twelve per cent of exports are to PTA partners, compared to 35% for the Asia-Pacific. Fifty-three per cent of imports are from PTA partners, compared to 45% for the Asia-Pacific.

Figure 1. Key trade and investment indicators



*Country notes summarising results of the UNRC Survey 2015 are available at: http://unnext.unescap.org/UNTFSurvey2015.asp

Figure 2. Top merchandise markets

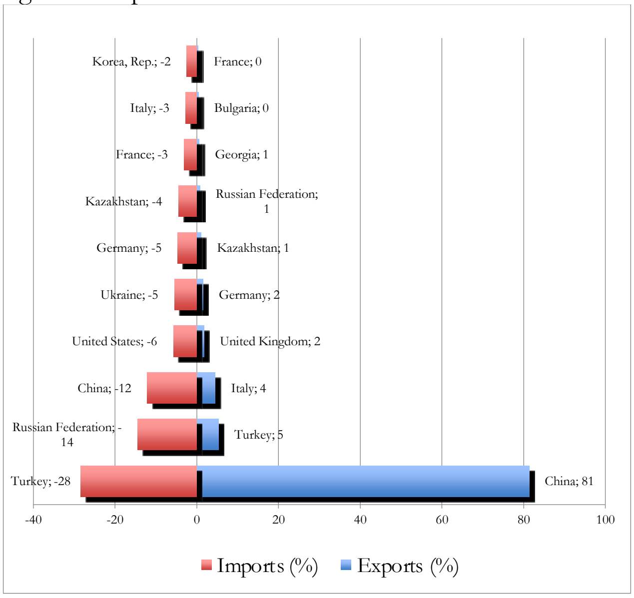


Figure 3. Top merchandise products

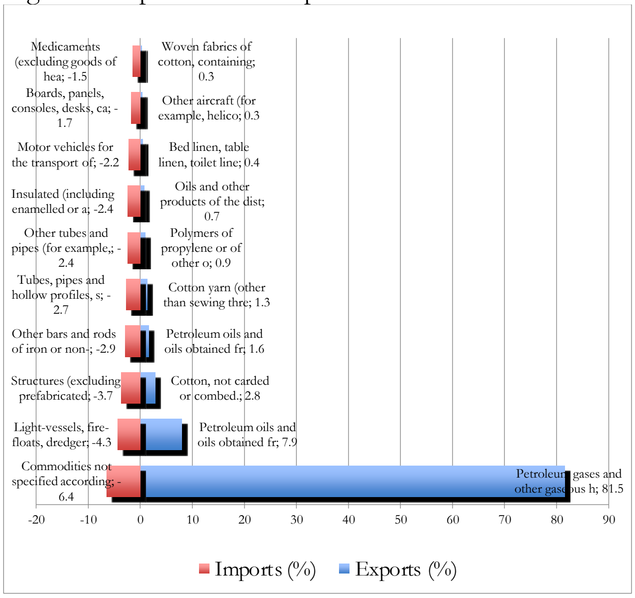


Figure 4. Trade in goods by their use

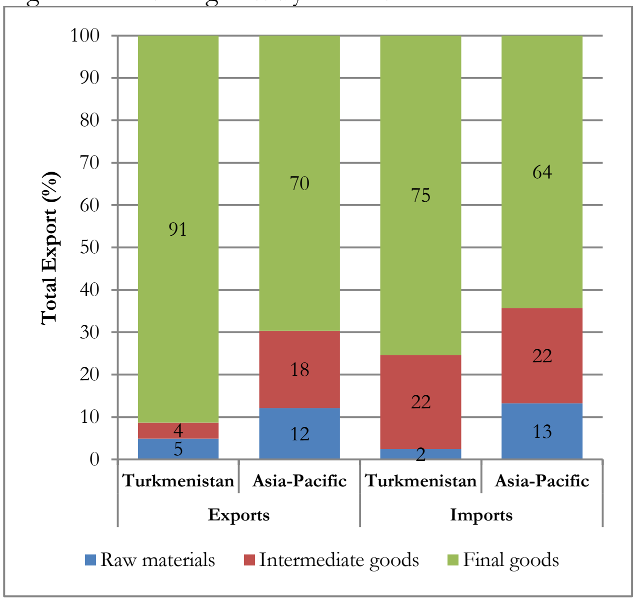
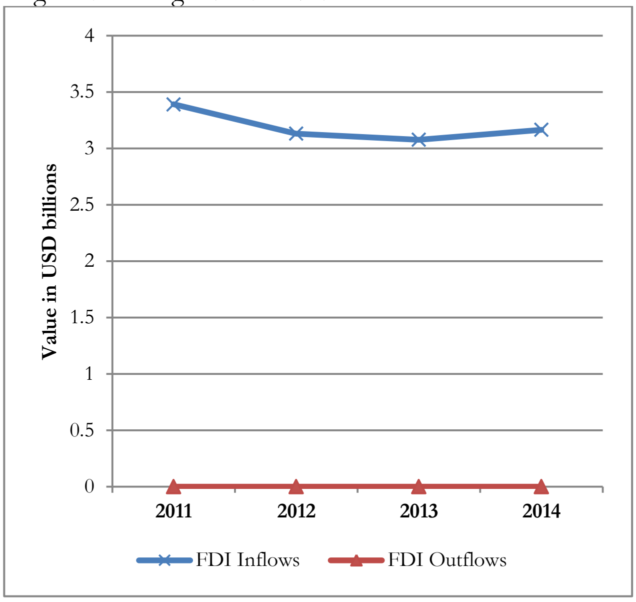


Figure 5. Foreign direct investment



Sources: Trade and tariff data were accessed through WITS. FDI data was accessed through UNCTADstat.
Notes: Trade data follows the HS2007 classification. Mirror data is used. Products are defined at the 6-digit level.
Definitions: Primary, intermediate, consumer, and capital goods are defined using UNCTAD System of Accounts. Final goods are defined as the sum of consumer and capital goods. Bound tariff is the maximum most favoured nation (MFN) tariff permitted under WTO obligations. MFN applied tariff is the tariff applied on imports among WTO members. Effectively applied rate is the lowest tariff available, i.e. preferential rates where available.
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