



**Embassy of India  
Ashgabat, Turkmenistan**



**सत्यमेव जयते**  
Economic Diplomacy & States Division  
Ministry of External Affairs

## **Market Survey Report**

**“Analysis of Logistical Issues  
impacting India-Turkmenistan trade  
and possible solutions”**

**Ashgabat, Turkmenistan  
March, 2022**

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## **I. Information reference, Source-Links, Ownership rights**

Information provided in this report was gathered from open sources, with the indication of the links and sources, where it is possible.

Expert opinion indicated in this report is based on current business practices, personal experience and the experience of the partner companies which were interviewed during the preparation process of the report, by indicating the contact details of interviewed.

The information provided in this report is actual for the date when the Report was prepared. The facts and the instructions to follow may change depending on the decisions taken by the Government, national and international situation. Therefore, it is strongly recommended, to check the current status before taking any business decisions and the actions, depending on this report.

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## A. COUNTRY OVERVIEW AND INDUSTRY REGULATIONS OF TURKMENISTAN

### 1. Overview of the country and its economy

Turkmenistan is a country in Central Asia, bordered by Kazakhstan to the northwest, Uzbekistan to the north, Afghanistan to the southeast, Iran to the south and the Caspian Sea to the west.

Ashgabat is the capital city of the country.

The area of the country is around 488 000 km<sup>2</sup>. Population of the country is about 6 million (Density 12 people / km<sup>2</sup>). Around 80% of the area is occupied with Karakum Desert. [1]

Turkmenistan is a former Soviet country, which became independent in 1991, and immediately declared democratic polity.

In 1995, Turkmenistan declared its Neutrality status, which was supported by UN General Assembly. Referring to the Neutral status, Turkmenistan doesn't join any political and/or military unions. However, Turkmenistan is part of regional groupings focused on trade, development etc. such as ECO (Economic cooperation organization) etc. [2]

Turkmenistan is an active member of the UN, with strong initiatives in humanitarian, economical, environment protection fields in global and regional level.

During the Soviet period, the economy of Turkmenistan was functioning as a socialistic and communistic planned model economy, mostly based on agriculture (raw cotton production), oil and gas exploration and refining.

After obtaining its independence in 1990's, Turkmenistan took actions to establish market economics, and started to develop private sector business.

Nowadays, Turkmenistan is following a strategy to build a strong, modern and balanced economic model, based on innovative and industrial technologies. For reaching this, the Government of Turkmenistan is working on improvement of the existing legislative norms, administrative procedures, and doing significant investments in almost all sectors of the national economy, particularly in infrastructure. [3]

National currency of Turkmenistan – Turkmen manat

Official exchange rate is fixed at - 3.5 manat/USD

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<sup>1</sup> Çaryýew, B.; Ilamanow, Ýa. (2010). Türkmenistanyň Geografiýasy (in Turkmen). Ashgabat: Bilim Ministrliги.

<sup>2</sup> Сведения о ратификации документов, принятых в рамках СНГ в 1991 – 2014 годах". Commonwealth of Independent States. Archived from the original on 2 November 2012. Retrieved 10 October 2014.

<sup>3</sup> "World Economic Outlook Database, October 2020". IMF.org. International Monetary Fund. Retrieved 14 March 2021.

GDP - \$ 47.986 billion (nominal, 2020 est.)  
 \$ 99.323 billion (PPP, 2020 est.)

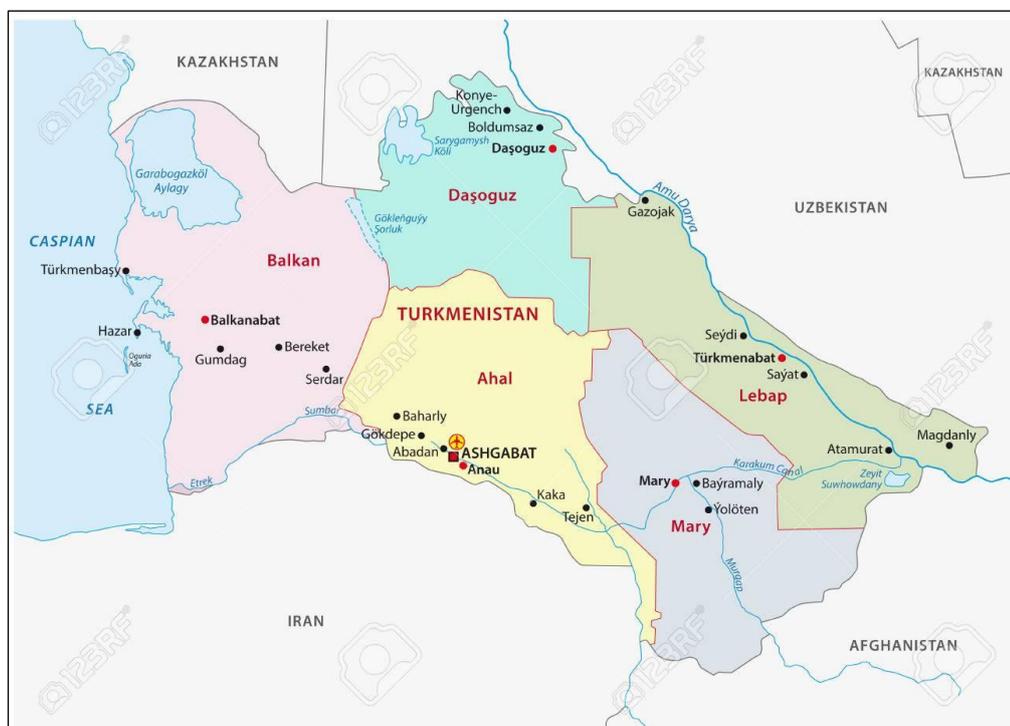
GDP rank - 84th (PPP, 2016)

GDP per Capita – \$8,073 (nominal, 2020 est.)

### Administrative Division of Turkmenistan

The administrative division of the country includes 5 regions and a capital city Ashgabat [4]. Ashgabat is the largest city as well as the most active and well developed in the economic aspects.

Major industrial, administrative, trade and business operations are concentrated in Ashgabat and its' suburbs.



Economical structure of the other regions may be generally described as following:

1. Ahal welayat – The most developed and the most populated region, around the capital city Ashgabat, bordering Iran in the South. Economic structure shows diversity and is based on agriculture, textile production, logistics and transportation, retail and wholesale trade, services, diversified private manufactures, construction, etc. Several full-cycle textile factories, gas-to-petrol refinery plant, glass factory, metal production factory and more than 500 economically significant private manufactures in almost all sectors of economy are based in this region.

<sup>4</sup> Statistical Yearbook of Turkmenistan 2000–2004, National Institute of State Statistics and Information of Turkmenistan, Ashgabat, 2005.



2. Mary welayat – The second most developed and populated region, bordering Afghanistan. Economy is based on agriculture, petrochemical and fertilizer production plant, oil and gas mining fields, energy production, food production, private manufactures and retail trade. Cultural and touristic importance of this region is based on the ancient Merv settlement, which attracts domestic and international tourists.
  
3. Dashoguz welayat – The northern region, bordering Uzbekistan. Economy of this region is generally based on agriculture, animal husbandry, and trade. The ancient Kone Urgench city and its historical monuments are important for development of the touristic sector in this region.
  
4. Lebap welayat – This region is located at the northeast of the country, bordering Uzbekistan and Afghanistan. The biggest river of the region - Amudarya is passing within the borders of this region, so the economy of this region was mostly based on the agriculture. But, in the last few years with the discovery and development of oil and gas fields in this region, oil and gas exploration, production, petrochemical and potassium fertilizer production industry are showing significant progress.
  
5. Balkan welayat – This is a big region located at the west of the country, bordering Iran and Kazakhstan, and having a long coast on the Caspian Sea. This region is the lowest by the population density per km square, but rich in oil and gas fields. The country's biggest oil refinery, petrochemical polymer production plant and fertilizer production plant are located in this region. Most international oil and gas companies working in Turkmenistan are concentrated in this region, while the regional head offices of these companies are located in the capital city. This region is also important for logistics, transportation and machinery, because of the newly built modern international sea port and a shipyard. Fishery and sea food production is an important income for the population of this region. A national touristic zone Awaza on the Caspian coast, attracts many local tourists to the region during summer, and hosts many international events.

## Population of Turkmenistan by regions [5]

Division	Administrative center	Area	Population (2005)
<b>Ashgabat City</b>	Ashgabat	470 km <sup>2</sup> (180 sq mi)	871,500
<b>Ahal Province</b>	Änew	97,160 km <sup>2</sup> (37,510 sq mi)	939,700
<b>Balkan Province</b>	Balkanabat	139,270 km <sup>2</sup> (53,770 sq mi)	553,500
<b>Daşoguz Province</b>	Daşoguz	73,430 km <sup>2</sup> (28,350 sq mi)	1,370,400
<b>Lebap Province</b>	Türkmenabat	93,730 km <sup>2</sup> (36,190 sq mi)	1,334,500
<b>Mary Province</b>	Mary	87,150 km <sup>2</sup> (33,650 sq mi)	1,480,400

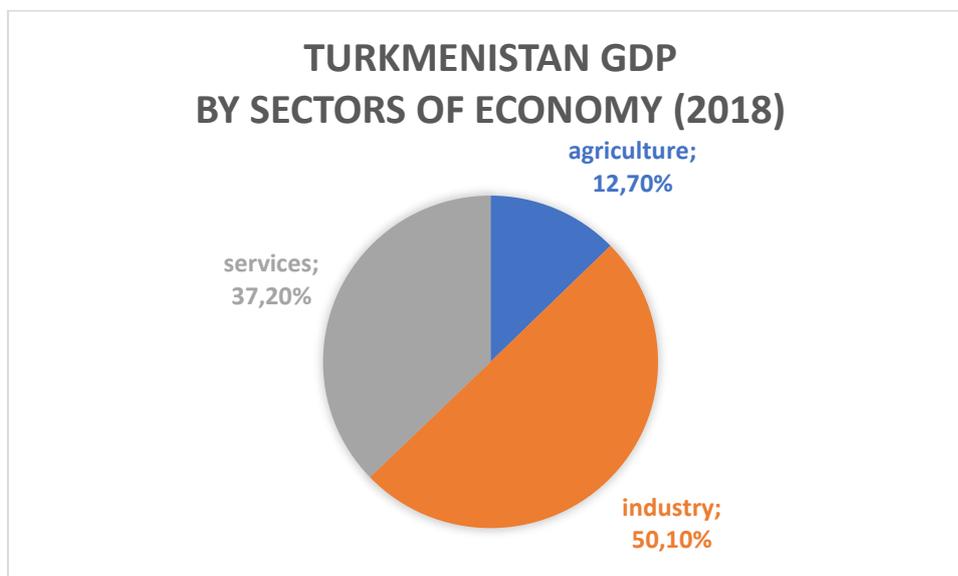
## 2. Overview of the major economic sectors of Turkmenistan

Turkmenistan government is implementing a program, aimed at the development of diversified, modern and innovative national economy. So, almost all sectors of Turkmen economy show rapid and stable growth, with an average GDP growth between 4-6%.

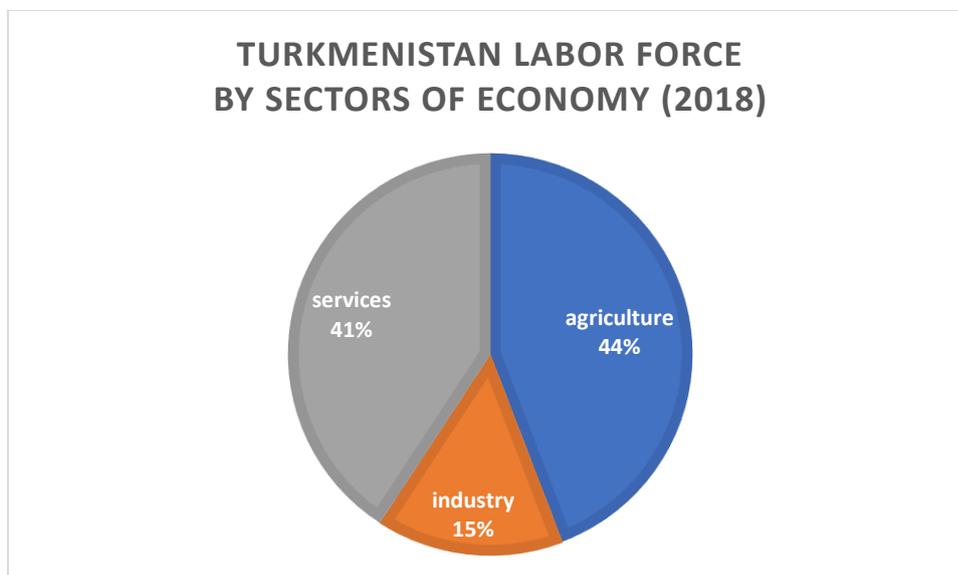


<sup>5</sup> Statistical Yearbook of Turkmenistan 2000–2004, National Institute of State Statistics and Information of Turkmenistan, Ashgabat, 2005.

## GDP by sector - (2018) [ <sup>6</sup> ]



## LABOR FORCE OCCUPATION by sector - (2018 est.)



<sup>6</sup> "World Economic Outlook Database, October 2020". IMF.org. International Monetary Fund. Retrieved 14 March 2021.

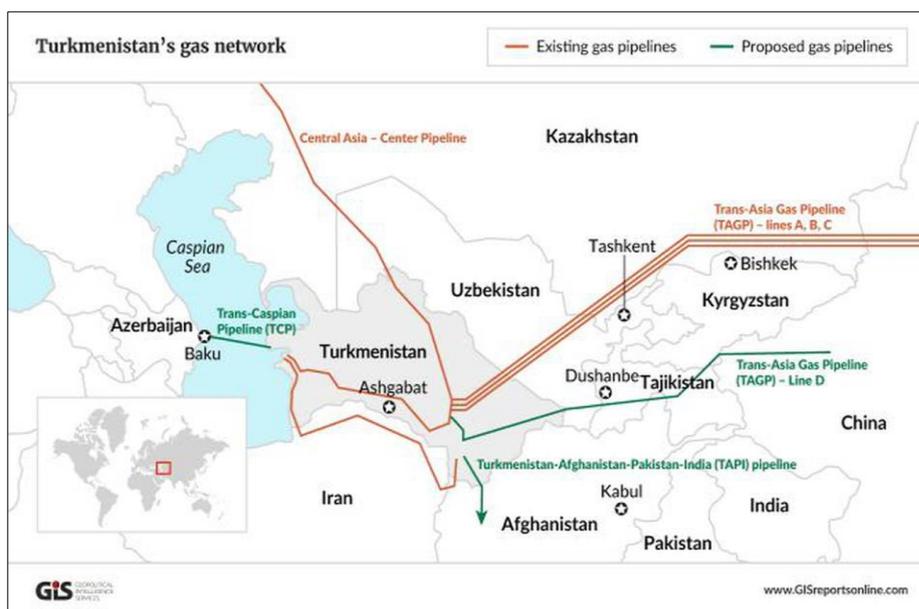
## Natural Oil and Gas field exploration and production

As of 2021, Turkmenistan is ranked 4-th in the world in terms of discovered natural gas reserves. Geological investigations and researches are still going on on-shore and off-shore, and new oil and gas fields are discovered regularly<sup>[7]</sup>. Many international oil and gas service companies are working in Turkmenistan, which has given rise to large demand for modern machinery and special equipment.



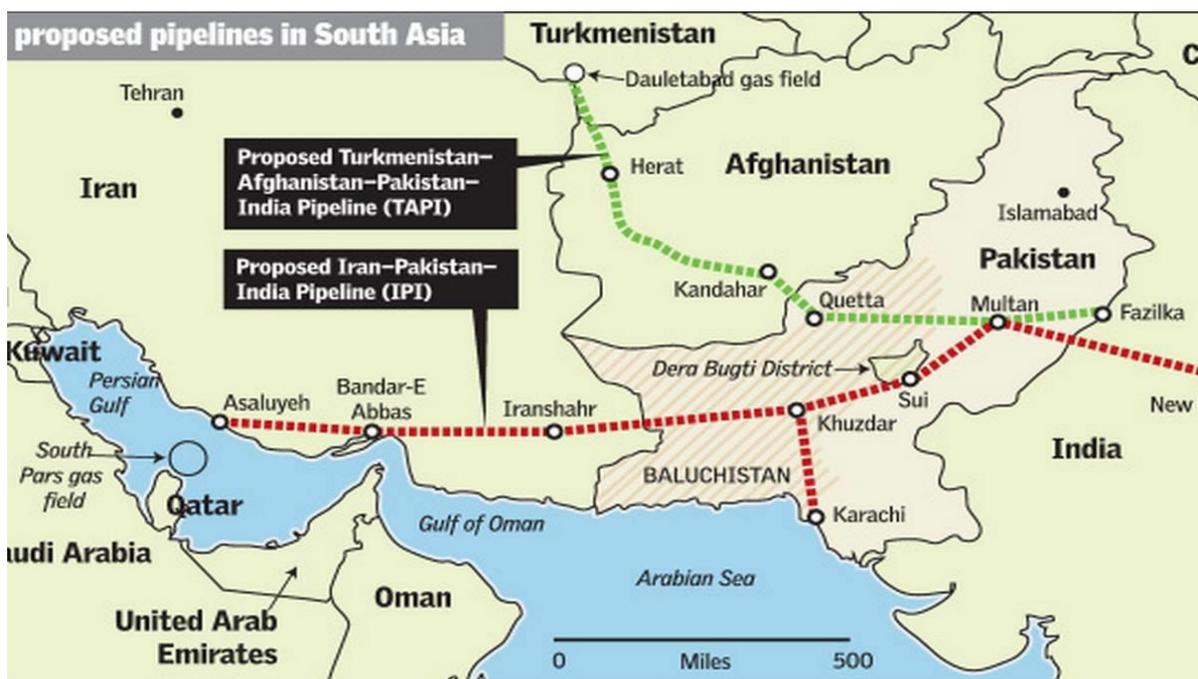
## Natural Oil and Gas Export

Export of natural gas and oil carry critical importance for the economy of Turkmenistan, as source of foreign currency. Turkmenistan played an important role in gas supplies to USSR countries and later to CIS states, as the legacy of the Soviet centrally commanded planned economy system. After obtaining independence, financial and economic affairs between these countries changed to the market system and trade policies changed. Some traditional clients could not pay for the purchased products on time, and the structure of raw materials export went through significant changes.



<sup>7</sup> "Statistical Review of World Energy" (PDF). BP. 2020.

For a long time, Turkmenistan suffered from lack of adequate export routes and pipelines. [8] Russia was the only importer of the natural gas from Turkmenistan bound with long term contracts, and this fact pushed Turkmenistan to develop alternative export routes and develop new international pipelines. Currently, Turkmenistan is exporting natural gas through pipelines to China and Iran, and the construction of TAPI project (Turkmenistan-Afghanistan-Pakistan-India) is under progress. Turkmenistan, Azerbaijan, Turkey and EU are regularly discussing the Trans Caspian pipeline project, for exporting natural gas to the EU countries.



Turkmen State-owned corporations have exclusive rights for exploration, producing, refining, selling and exporting the natural gas and raw oil products. But private companies can purchase it for their own local manufacturing and processing purposes. International clients can buy these products at the State Commodities and Raw material Stock Exchange, by participating in the auctions and biddings. Some international companies are working under Production Sharing Agreements also.

**According to the Official Data, Turkmenistan's natural gas exports in 2021, by destination, in billion cubic meters were:**

China	34
Russia	10
Kazakhstan	0.1
Other CIS	0.5
Total	45.8

<sup>8</sup> "Turkmenistan. Diversifying export routes". Europarussia.com. 3 February 2010. Retrieved 25 November 2013.

In 2021, Turkmenistan produced approximately 84 billion cubic meters of natural gas, and exported around 46 billion. Currently, the main Client purchasing natural gas from Turkmenistan is China.

**Turkmenistan Production, Consumption, and Exports of Natural Gas**  
billion cubic meters per annum (bcm)  
Source: BP Statistical Review

Year	Production	Consumption	Exports	Exports to Russia	Exports to China	Exports to Iran
2005	57.0	16.1	40.9	35.1	0	5.8
2008	66.1	20.5	45.6	39.1	0	6.5
2009	36.4	19.9	16.7	10.7	0	5.8
2010	42.4	22.6	19.7	9.7	3.5	6.5
2011	59.5	25.0	34.5	10.1	14.3	10.2
2012	62.3	23.3	41.1	9.9	21.3	9.0
2013	62.3	22.3	40.1	9.9	24.4	4.7
2014	63.5	20.0	n/a	n/a	n/a	n/a
2015	65.9	25.4	n/a	n/a	n/a	n/a
2016	63.2	25.1	n/a	n/a	n/a	n/a
2017	58.7	24.8	n/a	n/a	n/a	n/a
2018	61.5	28.4	n/a	n/a	n/a	n/a
2019	63.2	31.5	n/a	n/a	n/a	n/a
2021	83.7		45.8	10	34	1.8

Commercial oil production in Turkmenistan started in early 1900s, and modern oil drilling operations started in the 1930s. According to open statistics data, during 2020 Turkmenistan produced 8.7 million tons of oil and condensate.

**Turkmenistan Production and Consumption of Oil**  
Source: BP Statistical Review

Year	Production (1000 bbl/day)	Production (million tonnes/year)	Consumption (million tonnes/year)
2002	183	9.0	3.9
2005	193	9.5	4.3
2008	208	10.3	5.1
2009	211	10.4	4.6
2010	217	10.7	4.5
2011	217	10.7	4.7
2012	222	11.0	4.8

2013	231	11.4	4.8
2014	263	12.9	6.5
2015	271	13.2	6.5
2016	270	13.2	6.5
2017	271	13.1	6.5
2018	261	12.6	6.7
2019	264	12.5	7.1

## Oil and Gas refinery

The biggest oil refineries in Turkmenistan are Turkmenbashi oil refinery (located in Balkan Region) with a production capacity around 10 million tons, and the Seydi oil refinery (located in Lebap region) with a production capacity 0,5 million tons. [9]

These refineries produce a wide range of products obtained from natural oil – jet and auto fuels, greases, polypropylene, Sulphur, unleaded petrol, petroleum coke, asphalt, hydro-treated diesel, liquid petroleum gas, lubricating oil, laundry detergent etc.

Another innovative plant launched into operation in 2019 is a gas-to-petrol production plant, which has a design capacity of 600,000 tons of petrol, 12,000 tons of diesel and 115,000 tons of liquefied petroleum gas per year, produced from 1.7 billion cubic meters of natural gas. [10]

The important trend in the economy of Turkmenistan during the latest years is increasing the local refining of the natural gas and oil, and conversion into the products with higher added value.



<sup>9</sup> В Туркменистане перевыполнен план по экспорту СПГ" (in Russian). Turkmenportal. 26 June 2020.

<sup>10</sup> Uesaka, Yoshifumi (November 6, 2014). "Kawasaki Heavy to build world's 1st gas-to-gasoline plant in Turkmenistan". Nikkei Asia.

## Chemical and Petrochemical industry

Chemical Industry is another rapidly growing sector of Turkmenistan. During the last decade, several new modern plants added to the chain, producing nitrogen and phosphorus fertilizers, ammonia, urea, sulfuric and nitric acids, iodine, bromine, and mineral salts. In 2019, the country was the world's 3rd largest producer of iodine. [11]

Three main fertilizer plants produce more than 2 million tons of urea and ammonia per year, and the primarily used raw material for its production is local natural gas. [12] Kiyarly polymer plant launched into operation in 2018, has a design capacity to produce 0.38 million tons of polyethylene and 81,000 tons of polypropylene per year.

Besides these, a non-hydrocarbon chemical fertilizer plant produces potassium-based fertilizers.

## Energy generation

Energy generation is an important sector in the rapidly growing economy of Turkmenistan. According to official statistics, in 2019 total electrical energy generation in Turkmenistan reached 26.6 terawatt-hours. Around 15% of the energy generated is being exported to the neighbor countries, mainly Afghanistan, Uzbekistan and Iran. Turkmenistan plans to increase its electricity generation in coming years.

State-owned corporations have exclusive rights for energy generation, distribution and export, while private companies can purchase electricity for their own local manufacturing and processing purposes.



<sup>11</sup> USGS Iodine Production Statistics

<sup>12</sup> "Завод «Гарабогазкарбамид» экспортировал с начала года более 261 тысяч тонн удобрений" (in Russian). Turkmenportal. November 13, 2019.

## Minerals

Mining is another important sector of Turkmen economy. Turkmenistan has significant ore and non-metallic mineral reserves, which are being researched and discovered by the Ministry of Industry of Turkmenistan, Turkmen geology institute, and some other State-owned organizations.

Some government owned organizations and private companies are studying the effective usage of local minerals and have started marketing researches on the economic output of the potential.

**The following table from Mineral Industry of Turkmenistan was published by the United States Geological Survey, an agency of the U.S. government. [13]**

TURKMENISTAN: PRODUCTION OF MINERAL COMMODITIES <sup>1</sup>						
(Metric tons, gross weight, unless otherwise specified)						
Commodity <sup>2</sup>		2014	2015	2016	2017	2018
<b>METALS</b>						
Iron and steel, products, rolled e		135,000	140,000	140,000	144,000	144,000
<b>INDUSTRIAL MINERALS</b>						
Bromine e		500	500	500	NA	NA
Cement, hydraulic e	thousand metric tons	2,900	3,300	3,500	3,600	3,800
Clay, bentonite:						
Powder e		400	400	400	420	450
Other, unspecified		7,387 r	8,000 e	8,000 e	8,400 e	9,000 e
Gypsum, mine e		107,000	110,000	110,000	110,000	110,000
Iodine e		500	500	500	510	400
Lime e		19,400	20,000	21,000	22,000	23,000
Nitrogen, content: N						
Ammonia		293,000	309,000 e	309,000 e	320,000 e	340,000 e
Urea		344,000	360,000 e	360,000 e	380,000 e	400,000 e
Potash, content K <sub>2</sub> O		--	--	--	25,000 e	24,000

<sup>13</sup> Renaud, Karine M. (March 2020). "The Mineral Industry of Turkmenistan" (PDF). United States Geological Survey.

Salt e		91,700	100,000	100,000	100,000	100,000
Sodium, compounds, sodium sulfate e		68,000	70,000	52,000 r	26,000	26,000
Sulfur, content e	S	506,000	600,000	400,000 r	200,000	200,000
<b>MINERAL FUELS AND RELATED MATERIALS</b>						
Natural gas	million cubic meters	67,000	69,600	66,800	62,000	62,000 e
Petroleum:						
Crude, including condensate	thousand 42-gallon barrels	87,200	91,400	96,960	90,000	85,000
Refinery	do.	57,100	55,000	53,600	44,000	44,000 e
e Estimated. r Revised. do. Ditto. NA Not available. -- Zero.						
<sup>1</sup> Table includes data available through May 20, 2019. All data are reported unless otherwise noted. Estimated data are rounded to no more than three significant digits; may not add to totals shown.						
<sup>2</sup> In addition to the commodities listed, barite, bench gravel, coal, dolomite, epsomite, and kaolin may have been produced, but available information was inadequate to make reliable estimates of output.						
Source: U.S. Geological Survey.						

## Construction

Construction sector in Turkmenistan is very active, because of huge investment of government in public infrastructure projects, as well as the private sector is investing in the construction of commercial projects, factories and apartments.

As of January 2021, the government reported that 2,500 large-scale projects are under construction at a total cost around US \$ 37 billion. [14] In 2020, about two million square meters of new residential housing was built at government expense, including 45 projects in the category of "Objects of government importance".

High activity in construction sector leads to demand for construction materials, equipment and machinery. While basic construction materials are produced locally, electric, mechanical, interior finishing, decoration materials, sanitary and hygiene tools, equipment and special machinery are mostly imported. The origin of suppliers and manufacturer brands show a big diversity.

<sup>14</sup> "В Туркменистане строится более 2,5 тыс. масштабных объектов на сумму \$37 млрд" (in Russian). Arzuw. January 3, 2021.

Until 2010, construction companies in Turkmenistan were mostly Turkish in origin, besides French Bouygues. As of 2021, only some international companies remain on the market, and they are mostly involved in the development of “government importance” and complex industrial projects. Most of the foreign companies have been replaced by domestic ones, but the material supply chains consolidated and procurement operations are processed through foreign countries, especially in Turkey, and then shipped to Turkmenistan. Nevertheless, specialized foreign companies are regularly involved as subcontractors, for implementing specific parts of the complex projects, particularly in industrial and technological fields.

### **Automotive and Spare parts**

Turkmenistan is self-sufficient in producing automotive fuel and the fuel prices stay at considerably low level. Therefore, personal and commercial automobiles are popular in Turkmenistan. Japanese Toyota and South Korean Hyundai and Kia brands are dominant in personal auto vehicles segment. Commercial and public vehicles segments show a big diversity. European automobile brands are not dominant in the market due to their high cost and strict import restrictions by the government. [15]

Global automotive brands don't have direct branches and subsidiaries in Turkmenistan and there are no dominant distributor companies in the market. Import of vehicles is mostly carried out by private entrepreneurs, who operate through partner companies in UAE.

There is no local automotive industry, nor domestic automotive spare parts production. The huge demand for auto spare parts is met by imports. Private companies dominate in this field.

Tyres, batteries, oil and lubricants, engine and transmission parts, electric and electronic components, chassis elements, dumpers and silencers, automotive paint, etc. are mostly imported from China, India, Thailand, Malaysia, Taiwan. Specific, expensive and rare parts are mostly ordered from UAE partners.



## Agriculture

Traditionally, agriculture of Turkmenistan has been based on production of cotton, wheat, vegetables and fruits in State-owned land. After the series of reforms which started when Turkmenistan obtained independence, private farmers started farming based on long term land rental agreements with the Government. They are obliged to grow specific crops depending on the agreements, and then sell part of the harvest to State-owned corporations.

The largest agricultural crop of Turkmenistan is cotton, most of which is exported raw, or as textiles. Turkmenistan is among the top ten producers of cotton in the world. During the 2020 season, Turkmenistan reported production of around 1.5 million tons of raw cotton. [16 ]

Another important crop is wheat, which is mostly domestically consumed.



In 2019, Turkmenistan produced:

- 1.5 million tons of wheat;
- 582 thousand tons of cotton;
- 356 thousand tons of tomato;
- 315 thousand tons of potato;
- 263 thousand tons of watermelon;
- 246 thousand tons of grape;
- 245 thousand tons of sugar beet;
- 130 thousand tons of rice;
- 74 thousand tons of onion;
- 71 thousand tons of carrot;
- 66 thousand tons of apple;
- 34 thousand tons of apricot;

However, agricultural lands in the country are of poor quality and does not have enough irrigation. They are completely dependent on Karakum Canal, which carries

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<sup>16</sup> Turkmenistan production in 2019, by FAO

water across Turkmenistan from Amu Darya river. Turkmenistan is working on improvement of irrigation infrastructure and water-use policy, through dams, revitalization of used irrigation water, droplet irrigation technologies, etc.

Government subsidizes the farmers for buying agricultural machines such as tractors, harvesters, cultivators, seeders, and other machines of American, German, Dutch, Russian, Belarussian and Uzbekistan brands. In 2021, Government announced plans to establish a factory for producing agriculture machinery in Turkmenistan.

## **Food industry**

Turkmen government is keen on food self-sufficiency. Most of the local food manufacturers are privately owned companies. Domestically produced alcoholic, non-alcoholic and fizzy drinks, meat, chicken, fish, egg, milk products, dry products, sweets and chocolate, snacks, flour and bakery products are dominant on the local market. However, premium segment food products are still imported from Turkey, Russia and Europe.



## **Machinery and processing industries**

General development of the national economy, infrastructure and the launch of the big projects initiated by Government, made basic industrial materials available for the smaller and mid-range manufacturers, which are using them in further processing and production of consumer goods, food industry, textile, furniture, construction material and other sectors of economy.

In the last 10 years, more than 500 hundred new private manufacturing companies were established in various regions of the country. Significant projects are concentrated in Special Industrial Zones.

Machinery imported to Turkmenistan for private business purposes, is mostly from Chinese, Indian or Iranian brands, during the early stages, when they are producing

goods for local market. But, with the development of business, they tend to replace the machinery with European, Japanese or American brands.



## Textile industry

During the Soviet period, Turkmenistan mainly exported raw cotton to other USSR countries for spinning and production of fabrics. Since independence, Turkmenistan has invested in establishment of plants and factories for production of cotton yarn, fabrics, textiles, and finished garments. [17] Recently, more than 13 State owned cotton processing plants were launched into operation, which produce a wide range of the products for internal market and export. Private companies have also established 3 big shoe factories. However, premium segment textile and fashion garments, are mostly imported from Turkey and UAE.



## Consumer goods

Turkmen local manufacturers have been investing in consumer goods production. Most of the household plastics, are produced domestically. Local production of polyethylene and polypropylene allows to fill the local market with plastic products, as well as export it to the neighboring countries. [18]

Smaller and cheaper consumer electronics are traditionally imported from China and UAE, while position of the global electronic manufacturer brands of South Korea, Japan and Europe is still strong in the market. Such international brands are used to working in the local market through local distributor companies. Some furniture

<sup>17</sup> "Turkmen Textile Industry: High Dynamics of Growth". Business Turkmenistan. December 12, 2020.

<sup>18</sup> <https://www.tstb.gov.tm/Industry/Detail/2>

manufacturing brands were established in Turkmenistan during the last 5 years. But, still most of the components for furniture industry, high quality furniture, office furniture, special purpose furniture categories are imported, mostly from Turkish brands.

Carpets popular in Turkmen houses are produced by local manufacturers from wool or synthetic materials. Locally produced carpets are successfully exported. Metallic, electrotechnical and mechanical product, are generally imported from Russia, Iran, Turkey and China. Recently, a local company established an assembly of the LED TV and some other electronic equipment. In future it is expected that the number of such manufacturers will increase with the support of a relevant government program launched in 2021.



## **Retail**

The most active sector of private business is retail. Retail business models and forms include stand-alone shops, specialized shops, shopping malls, supermarkets, bazaars, business centers, e-commerce etc.

Government is implementing tobacco-free policy, so the import and the sales of tobacco products are under State control, with high taxes, and consequently are sold at high price in retail.

Some product categories such as military purpose products, guns, psychotropic chemical compounds etc. are under full State control, and cannot be sold on free market.

## **Medical industry**

This sector is under complete State control. The Ministry of health and Medical Industry is the supervisor of all medical facilities and factories producing medical and pharmaceutical products. Currently, the healthcare system of Turkmenistan includes more than 200 medical facilities of various types (specialized hospitals, multi profile hospitals, polyclinics). [19]

<sup>19</sup> <https://www.saglykhm.gov.tm/saglykgor/2>

However, some complex diagnostic, treatment and surgery methods are not available in Turkmenistan. To avail these services, patients travel to India, Turkey, Russia and EU.

Turkmenistan has 9 factories which produce licorice, iodine, herbal tea, disinfection solutions, infusions, cosmetic, sanitary and hygiene products, of which joint Turkmen-Indian Ajanta Pharma company is also one. However, active chemical formula, compounds, medical disposables, consumables and medical equipment are still imported from other countries.

APIs are imported from India, China, EU, CIS countries, etc. Medical disposables, consumables are mostly imported from China and India, and to a less extent from Turkey and EU. Medical equipment is preferred from Germany, EU and Japanese brands.

For the import of international medical and pharmaceutical products to Turkmenistan, a company needs a special medical license, which is very difficult to obtain. Therefore, international and global suppliers prefer to work through Turkmen local companies, which already hold the required license.



## Financial sector

The financial system of Turkmenistan is under full State control. The banking system, which is supervised by Central Bank and Ministry of Economy and Finance, includes 9 local banks. These include a private bank owned by the Union of Industrialists and Entrepreneurs (Rysgal Bank), and a Turkmen-Turkish Bank (a joint venture between Dayhan Bank and Turkish state-owned Ziraat Bankası). [20]

<sup>20</sup> <https://fineconomic.gov.tm/>



The branch of National Bank of Pakistan stopped operation in 2021, and Iran Saderat Bank shows low economic activity, and doesn't play a significant role in national economy.

Asian Development Bank, World bank, Islamic Development Bank, and some European banks provide institutional services through offices in Ashgabat. European Bank for Reconstruction and Development (EBRD) provides loans to the local private manufacturers.

State-owned insurance company, and 4 other private insurance companies provide services, but their role in national economy is not significant.

All economic entities are subject to regular financial audit. Audit, consulting, and legal companies are mostly local firms. Some international audit firms are providing service on contract basis, for clients who are interested in doing international business and interacting with international banking and finance organizations.

Limited access to foreign currency operations for business entities and physical clients through the local banks cause significant difficulties for international money transfers and business operations. This pushes cash operations up, and creates a high demand for foreign currency. This, in turn leads to the accumulation of foreign currency deposits in foreign banks, that is available for using in international money transfers. All together, these factors push international trade to low-tax and ex-territorial tax regulation zones.

## **Transport and Logistics**

Turkmenistan geographically serves as a transit point for land logistics routes between Iran and Russia in South-North direction, and between the Central Asian States and Europe in West-East direction.

**The Turkmenbashi International Seaport** on the Caspian Sea is the major port of Turkmenistan. After a total renovation and expansion in 2018, it boasts an annual capacity to handle 25 million tons of dry cargo, 300 thousand passengers, 75 thousand freight trucks, 400 000 containers and operates 3 oil terminals.



During its normal operation, the port delivers ferry services between the ports of Russia, Azerbaijan, Kazakhstan and Iran on Caspian coast.

Furthermore, by using the Russian internal aquatic routes, marine-river vessels can connect Turkmenbashi port with Russian inner-city ports, Baltic sea ports and Black sea ports. [21]



<sup>21</sup> <https://port.com.tm/en/history/>

**Air cargo is handled through five major airports of Turkmenistan**, and some regional smaller airports. Another airport is under construction. Only Ashgabat International Airport offers regular international passenger service. Other airports can handle international cargo and transit air carriers. The only domestic air carrier is State-owned Turkmenistan Airlines, which performs regular and charter flights for passengers and cargo. [22]



Before the pandemic, Turkmen airlines operated regular international flights to 17 cities – Delhi, Amritsar, London, Birmingham, Moscow, Istanbul, Ankara, Abu-Dhabi, Dubai, Almaty, Kazan, Saint Petersburg, Beijing, Bangkok, Frankfurt-am-Main, Minsk and Paris.



<sup>22</sup> <https://turkmenistanairlines.tm/services/airline-contacts>

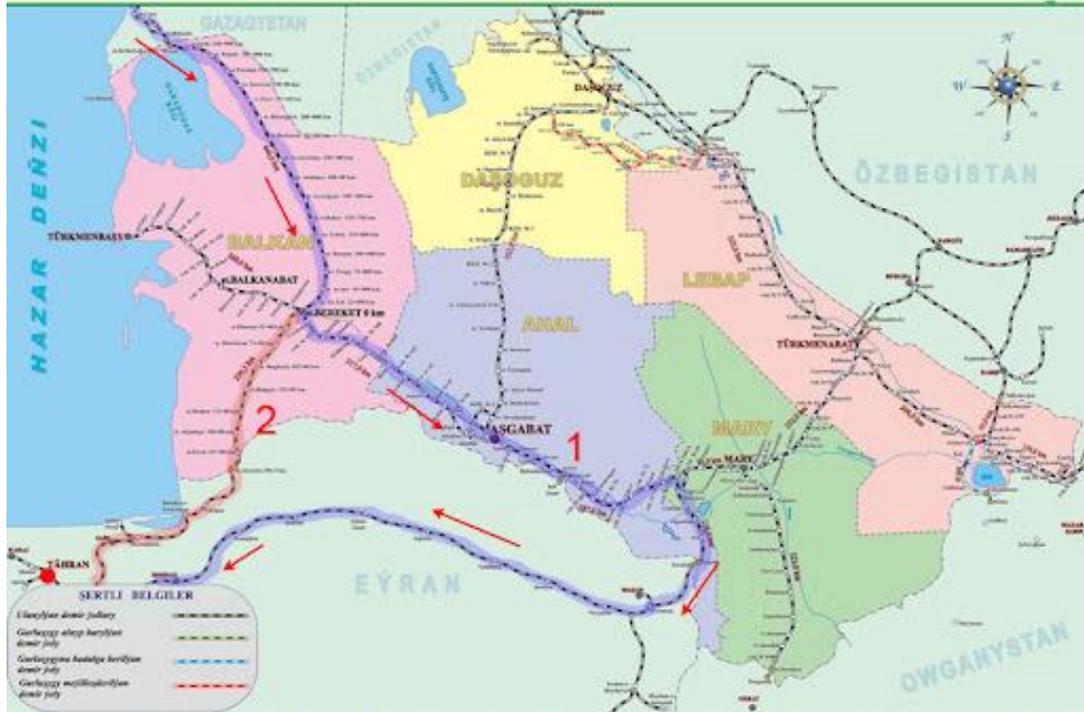
As of 01.04.2022 it operates only charter passenger flights and some cargo flights to Abu-Dhabi, Frankfurt, Dubai, Istanbul, Beijing and Moscow. Other airlines which used to operate flights to Turkmenistan were Cargolux, Turkish airlines, Belavia, China Southeastern and S7.

**Railway network** is a legacy of the former USSR railroads, currently operated by the State-owned Turkmen Railways company. Scheduled international passenger transport does not exist, but domestic passenger service connects major Turkmen cities.



Freight operates both in domestic and international sectors. Turkmen Railways is investing to enlarge its capacity for the transit of freight in North-South direction and East-West directions. In 2014, the North-South railway corridor was launched which connected Russia, Kazakhstan and Iran through Turkmenistan. A railway to Afghanistan with a potential transit to Tajikistan was also built in 2018 <sup>[23]</sup>. In 2021, Turkmen Railways became a part of the freight corridor between Turkey and China.

<sup>23</sup> <https://www.railway.gov.tm/logistics>



**Land transit of trucks** through Turkmenistan has some geographic limitations. Around 80% of the area in Turkmenistan is occupied by Karakum desert. Major cities are located at the periphery of Karakum desert, and connected by the roads. Highway M37 connects the seaport in Turkmenbashi city to the Farap transit point at the border with Uzbekistan in East-West direction. The Ashgabat-Dashoguz highway connects Ashgabat and Dashoguz cities in North-South direction, through Karakum desert. Construction of modern highway between Ashgabat-Turkmenabad and Ashgabat-Turkmenbashi is in progress.

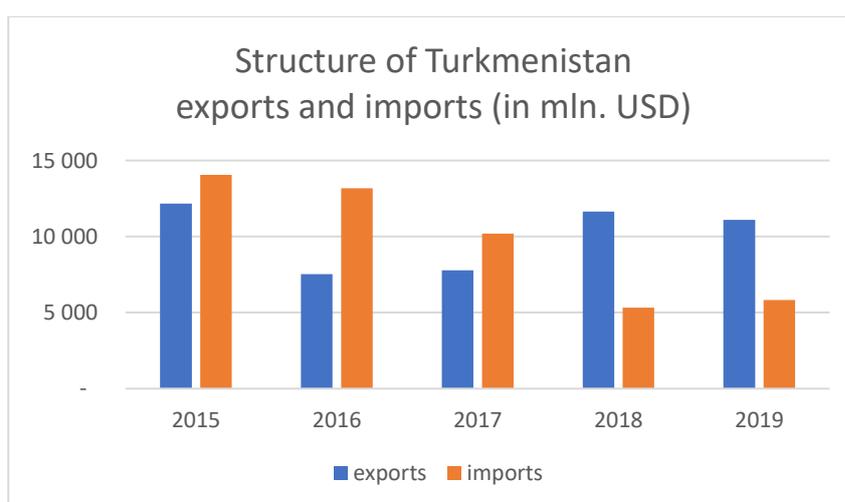


Private logistic and transportation companies are represented by operators who organize international multimodal cargo freight, private land-truck owners who are aggregated by the logistic operators, who collect and delegate the shipment orders among them. International logistic companies work through the above mentioned local logistic operators.



### 3. Major import and export partners and goods

The following table shows the value of Turkmenistan's exports and imports in million U.S. dollars, by year, from 2015 through 2019. We can see that the exports are growing each year. [24]



Turkmenistan's most important export commodity is natural gas, delivered by pipelines to China and in lesser quantities to Russia. The amount of other goods exported is considerably less, but the volume and range grow every year. In future, with the

<sup>24</sup> Türkmenistanyň Ýyllyk Statistik Neşiri 2019 Ýyl (in Turkmen, Russian, and English). Ashgabat: State Committee of Statistics of Turkmenistan. 2020. pp. 120–125.

increasing number of local private manufacturers, the volume of exported goods is expected to increase in considerable amounts, while imports would not change so quickly. The development of local manufacturing industry, would require the import of technologies, machinery, raw material and components, which are not available in domestic market.

## **EXPORT STRUCTURE**

According to Chinese Customs data, the value of Chinese imports of natural gas from Turkmenistan fell from \$8.6 billion in 2019 to \$6 billion in 2020 due to a combination of factors like reduced Chinese import volumes and falling hydrocarbon prices. [25]. It again increased to US \$ 6.8 billion in 2021.

Crude oil and refined petroleum products accounted for US \$3 billion of exports in 2019, followed by \$123.6 million for cotton textiles.

Major export product categories:

- natural gas
- crude oil
- polymers
- fertilizers
- petrochemical
- chemical
- cotton
- textile yarn
- textile fabrics
- wool
- tomatoes



<sup>25</sup> "Export partners of Turkmenistan". The Observatory of Economic Complexity. Retrieved 19 June 2021.

## **IMPORT STRUCTURE**

Among imports, major categories in 2019 were [26]

- machinery - (\$1.5 billion)
- base metals - (\$968.3 million)
- chemicals - (\$682.3 million)
- vehicles and spare parts - (\$453.5 million)
- polymer products (\$342.9 million)
- medical and pharmaceutical – equipment, ready to use pharmacies, disposals, consumables
- food – sweets and chocolates, exotic fruits, conserved products, coffee, tea.
- textiles - fashion clothes, garments, components in bulk
- electronics – household, electronics, digital, IT
- construction materials – finishing, decorating, electric, mechanical
- raw materials and chemical components for local manufacturing companies



### **Market sectors of Turkmenistan which have big potential for the manufacturers from India**

This would mimic the general structure of Import. India could offer ready to use consumer products for prices close to the Chinese manufacturers, but with considerably higher quality.

Also, businessmen from India could concentrate on the existing market segments, where products from India are already represented and have a good reputation – e.g. pharmaceuticals, medical consumables and disposables, meat, fruits, coffee, tea, high quality textiles.

<sup>26</sup> "Import Partners of Turkmenistan". The Observatory of Economic Complexity. 2019. Retrieved 2021-06-19.

Other potential sectors worth exploring are: machinery, electronics, automotive spare parts, electric and mechanical construction materials, chemical and raw materials for local manufactures.

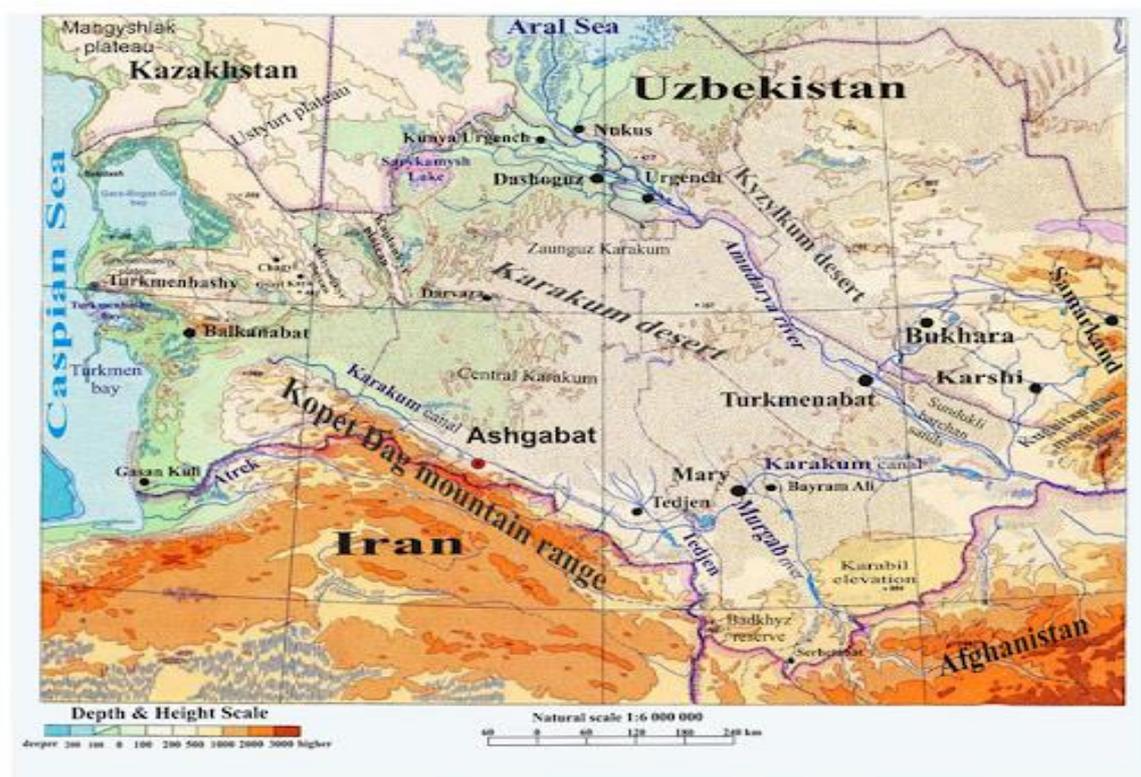
### **Products manufactured in Turkmenistan which may be interesting for businessmen from India**

India may be interested in petrochemical products, which may be used for further processing (e.g. polypropylene, polyethylene), fertilizers, minerals, glass, etc. Businessmen interested in purchasing such products from Turkmenistan should know, that manufacturers in these sectors are mostly State-owned corporations. Purchasing procedure of these goods is different than free-trade market deals.

## **2. CURRENT LOGISTIC SCENARIO BETWEEN INDIA AND TURKMENISTAN TRADE**

### **1. Turkmenistan border logistics entry points**

Turkmenistan's logistic routes are pre-determined by the natural geographic and geopolitical conditions. 80 % of the area is occupied with Karakum desert, located in the center of the country. Caspian Sea on the West has no direct connections with other seas and oceans. Kopetdag mountain chain lies on the South and Southeast of the country. [27]



<sup>27</sup> <https://customs.gov.tm/ru/eksport-import/spisok-eksportnykh-tamozhennykh-punktov>

Turkmenistan has common borders with Afghanistan in the southeast, Iran in the south, Uzbekistan in the north and northeast, Kazakhstan in the southwest. In logistic aspects, the most important routes pass through Iran, Kazakhstan, Uzbekistan and the Caspian Sea. Currently, Afghanistan is not preferred for transit transportation and freight due to the unstable internal political and international situation.

Turkmenistan has 6 land entry points, 1 international sea port, and 5 airports with the international status, but under normal operations, only 1 airport - Ashgabat International airport, handles regular cargo flights.

**Main entry points for the international logistics and shipments are as following:**  
[<sup>28</sup>]

**Kazakhstan border:**

Serhetyaka transit point  
Garabogaz transit point

**Uzbekistan border:**

Kone Urgench transit point  
Farap transit point

**Afghanistan border:**

Kelif transit point  
Serhetabad transit point  
Tagtabazar transit point  
Imamnazar transit point

**Iran border:**

Artyk transit point  
Sarakhs transit point  
Bajgiran transit point  
Etrek transit point

**International airports:**

International airport of Ashgabat city  
International airport of Turkmenbashi city  
International airport of Turkmenabad city  
International airport of Mary city

**International sea port:**

International Sea port of Turkmenbashi – Caspian Sea

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<sup>28</sup> <https://customs.gov.tm/ru/eksport-import/spisok-eksportnykh-tamozhennykh-punktov>



The global pandemic of COVID-19, affected international logistics and transportation sector in Turkmenistan. Particularly, entry and exit points operation rules are not stable and could be changed depending on the current regional epidemic situation. Foreign trucks and drivers are not allowed into Turkmenistan; and only local engine vehicles and drivers can enter the country. Trucks cannot travel within the country freely, as before. Air cargo and international flight schedule is unstable. Long queues are normal at the functioning entry points.

### **Custom clearance offices and points [29]**

A company which is planning a logistic route for deliveries to Turkmenistan, has to carefully consider the favorable Custom clearance point. The documentation requirements are the same everywhere, but the operation hours, location, delivery services, availability of parking area, storage terminals, dormitories and hotels, as well as the distance from the cities, companies' main operation offices, client's office, broker offices, warehouse destination points, may vary in each case.

Main Custom clearance offices in each region are as follows:

#### **Ashgabat city**

1.

Aşgabat şäher gümrükhanasy

«Aşgabat demiryollary» gümrük nokady

Ahal welaýatynyň Ak bugdaý etraby Garagum derýasyndan 3000 m. demirgazykda,

Änew-Đaşoguz aýlaw ýolunyň gündogar tarapy

8-12-57-49-47

## **Ahal welayat**

2.

«Tejen» gümrük nokady

Ahal welaýatynyň Tejen etrabynyň Azatlyk köçesiniň 1-nji jaýy.

8-135-7-20-71,

8-135-7-20-72

3.

«Änew demirýollary» gümrük nokady

Ahal welaýatynyň Ak bugdaý etrabynyň Änew şäheriniň Industrial köçesiniň 4-nji jaýy.

57-46-40,

57-46-41

## **Balkan welayat**

4.

«Balkanabat» gümrük nokady

Balkan welaýatynyň Balkanabat şäheriniň G.Annaýew köçesiniň

136-njy ýaşayyş jaý toplumynyň 1/1-nji jaýy

8-222-6-05-47,

8-222-6-05-95

5.

«Hazar» gümrük nokady

Balkan welaýatynyň Hazar şäheriniň Geldiýewa köçesiniň 56-njy ýaşayyş jaý toplumu

8-240-2-25-26,

8-240-2-20-00

6.

«Serdar» gümrük nokady

Balkan welaýatynyň Serdar şäheriniň Slesarný geçelgesiniň 52-nji jaýy

8-246-5-35-94

7.

«Beýik Türkmenbaşy» gümrük nokady

Türkmenbaşy halkara deňiz portunyň ýolagçy terminaly

8-243-4-90-98,

8-243-4-90-92

## **Dashoguz welayat**

8.

«Diýarbakir» gümrük nokady

Daşoguz welaýatynyň S.A.Nyýazow adyndaky etrabynyň

A.Nowaýy adyndaky geňeşligi

8-322-7-10-26

9.

«Köneürgenç» gümrük nokady

Daşoguz welaýatynyň Köneürgenç etrabynyň Täzeýap geňeşligi

-

### **Lebap welayat**

10.

«Kerki» gümrük nokady

Lebap welaýatynyň Kerki etrabyň Azatlyk daýhan birleşiginiň Çekir-2 obasynyň S.Nyýazow adyndaky köçesiniň 4-nji jaýy

8-444-3-80-05

11.

«Farap demirýollary» gümrük nokady

Lebap welaýatynyň Farap etrabyň Farap şäherinde ýerleşýän demir-ýol menziliň çägi

8-448-2-14-09

12.

«Akdere» gümrük nokady

Lebap welaýatynyň Köýtendag etrabyň Kelif şäherçesiniň Dostluk köçesiniň 7-nji jaýy

8-440-2-51-56

13.

«Türkmenabat» gümrük nokady

Lebap welaýatynyň Türkmenabat şäheriniň I Senagat pudagy, Türkmenabat söwda bazasy

8-422-4-14-28,

8-422-4-16-44

### **Mary welayat**

14.

«Mary» gümrük nokady

Mary welaýatynyň Mary şäheriniň Şamyadow köçesiniň 24-nji jaýy.

8-522-5-63-80,

8-522-5-63-86

15.

«Tagtabazar» gümrük nokady

Mary welaýatynyň Ýolöten şäheriniň Gurt Gaýyp köçesiniň 70-nji jaýy

8-560-6-27-11,

8-560-6-27-56

## **2. Existing routes for logistics and trade with Turkmenistan**

While planning a logistic route for a particular batch, involved parties (shipping company, operator, shipper, recipient), should consider following factors: [ <sup>30</sup>] [ <sup>31</sup>] [ <sup>32</sup>]

- a- Type of the goods, price and special conditions required during transportation and storage
- b- Type of the Client – Government or Private company
- c- Currency of contract and payment type – USD, EURO, etc.
- d- Requirement for third country services – collection of goods, document correction etc.
- e- Transit route analysis

### **a- Type of the goods, price and special conditions required during transportation and storage**

Expensive, fragile, lightweight and temperature sensitive goods are generally transported to Turkmenistan by Air Cargo. For example – medical and laboratory equipment, pharmaceuticals, small electronic items, etc.

Production machinery, auto, household, general consumer goods are generally carried by trucks, railway or in containers. Railway and truck shipments are entering through one of the border entry points listed above. Bulky construction material, raw materials, polymer granules, fertilizers, Sulphur, cement etc. are carried generally by the railway in special containers and coaches or by TIR. Potentially hazardous goods require MSDS documents accompanying the transported goods.

Goods arriving to the border entry points must be accompanied by the set of following documents:

- Commercial invoice
- Packing list
- Certificate of Origin
- Certificate of Quality Analysis for the Batch

Consignee must have prepared the following documents, when goods arrive to Turkmenistan:

- Agreement approved by the State Commodities and Raw material Stock Exchange
- Import Permission (Import License)
- Certificate of Conformity from “Turkmen Standard” agency

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<sup>30</sup> “Bir Kuwwat” transportation and logistic company – interview, December 2021

<sup>31</sup> “EKA Shipping” transportation and logistic company – interview, December 2021

<sup>32</sup> “RGF Begench” transportation company – interview, December 2021

Additional requirements for the goods may be:

- Fumigation certificate
- MSDS
- Records in the ASYCUDA system

All information and details mentioned in these documents should match exactly with each other.

Beginning from January 1, 2020 all arriving goods are checked through ASYCUDA system.

Additionally, imported goods must have fumigation certificates, especially wooden products. After the inspection of goods at border entry point and the necessary records done, goods are forwarded to the Custom clearance points within country, indicated in the Shipping forwarder's documents.

### **b- Type of the involved parties – Government or Private company**

International organizations, government ministries, State-owned corporations, and international private companies, generally require transparent logistic operations, with the minimal possible risks. Generally, transportation of the goods between such clients cost higher, compared to the service provided for local private companies, which can accept some level of risks.

For example, Government organizations, state-owned corporations, international institutional organizations are strictly against using Iran as a transit country, while small private companies may consider it under certain conditions.

Additionally, private companies may use third countries for documentation correction, transfer pricing and consolidation purposes, while Government organizations and international companies don't allow such operations.

### **c- Currency of contract and payment type – USD, EURO, etc.**

Currency used in contracts doesn't affect the logistic and shipments directly, but international trade which uses US Dollars for payment, is a subject of strict control by the US authorities. Considering Iran as a neighbor country and logistically attractive for Central Asian region, money transfer operations using US Dollars, may be suspended by correspondent banks in US, and taken under investigation by US, UN and other international agencies.

Such investigations may require all documents which accompany the Shipment, records, and stamps of all transit countries used for the shipment, and compared through the ASYCUDA Global.

To reduce the risks, trading parties may use other currencies which are not monitored and controlled so strictly as the US Dollar. Sometimes, to avoid a potential risk, the

Seller or the Buyer may use third companies and use third countries for money transfer and organizing logistic operations.

**d- Requirement for the third country services – consolidation, document correction, etc.**

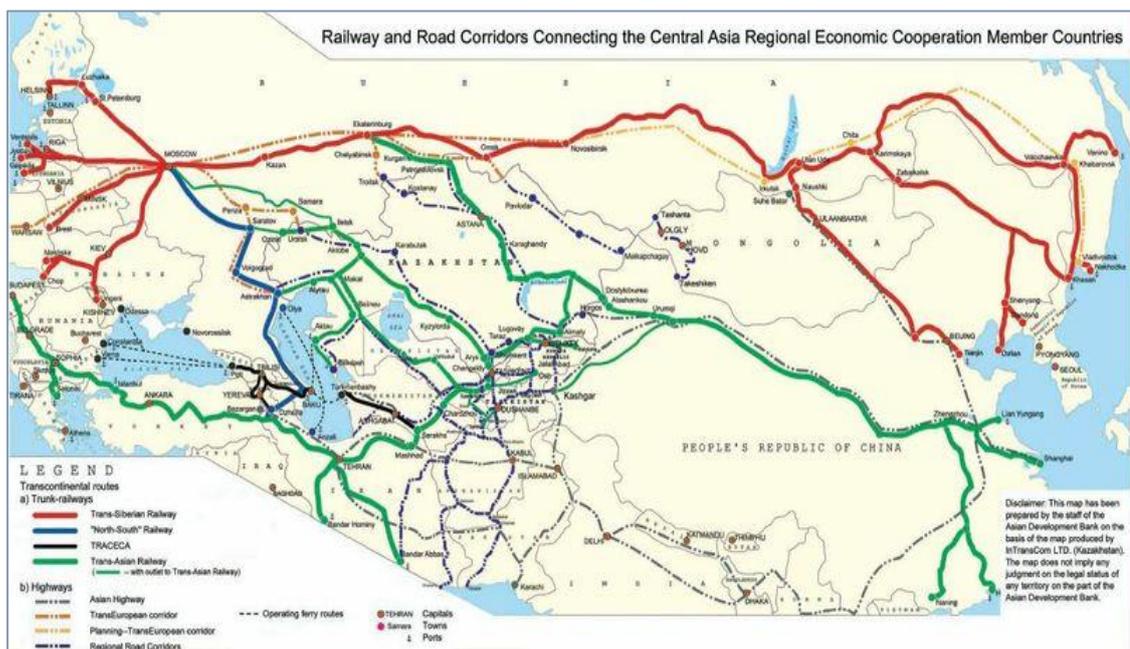
Parties involved in trade with Turkmenistan may use third countries for the following purposes:

- Collection of the goods in logistic hubs, for further transport to Turkmenistan
- Correction of the Country of Origin
- Resolving documentation and permission issues
- Resolving pricing issues
- Timely payment installments to the foreign suppliers

Third countries may be involved only in a documental way or in organizing physical transit.

Countries mostly used in physical and documental way are - Turkey, UAE, Georgia, Azerbaijan, Baltic states. These countries are geographically placed on transit logistic routes to Turkmenistan.

Countries mostly used in documental way are – UK, Cyprus, Singapore, UAE, Canada, Kyrgyzstan. These countries apply ex-territorial tax policy and are used for transfer pricing and international money transfer purposes.



## e- Transit route analysis

### **Air freight**

During normal times, cargo flights of Turkmenistan airlines, Turkish airlines and other operated regular flights to Moscow, Abu-Dhabi, Dubai, Istanbul, Beijing and Frankfurt. Most of the regular cargo flights arrive to Ashgabat International airport cargo terminal. Currently, regular flight schedules are not reliable due to COVID-19 restrictions. Arriving goods are kept under quarantine for 2 weeks. After quarantine period, goods are forwarded to the Custom clearance points, where custom brokers are handling the services. [33]



Turkish airlines with the main hub in Istanbul International airport, delivers cargo services worldwide, including Ashgabat -Turkmenistan. The cost would depend on the type of products, route, size, volume and extra services required.

Another option of airfreight, may be organized with the delivery of the goods to neighboring countries – Azerbaijan, Kazakhstan, Uzbekistan, and further transit to Turkmenistan by land.

As of February 2022:

Turkmenistan airlines cargo cost: 2.5 USD / kg

Turkish airlines cargo: 5 USD / kg

Cargolux airline cargo cost: 5 USD / kg

Private shipping companies consolidated air-freight cost: 10 USD / kg

Cost of truck FTL between Tashkent-Ashgabat: 2 500 USD

## Europe-Russia-Kazakhstan-Turkmenistan route [34]

Goods which are collected from European manufactures, were generally consolidated in Baltic states or Poland, where the warehouse operations, labor and documentation services cost are lower. Additionally, most of the TIR owners working in Europe-Central Asia route are generally aggregated by the operators and forwarders in Belarus, Ukraine, Poland and Russia. In this route, most of the trucks are owned by Belarussian, Russian, Ukrainian, Kazakh companies. Another option is railway shipment, as the railway standards and coaches are similar within the CIS states. Railway and truck shipments following this route generally start journey in one of the Baltic states or Western Europe, and then transit through Belarus, Russia and Kazakhstan to arrive at Serhetyaka or Garabogaz border transit points.

Due to the political instability and two sanctions announced by EU and Russia, because of Russian-Ukrainian conflict, land travel on this route does not function as of March 2022.

As of February 2022, cost of transportation by using this route was as follows:

By FTL freight: 7000-8000 USD / truck

Transit time: 14 days

By railway: 12000-14000 USD / coach

Transit time: 21 days



34 Beyik Yupek Yoli – transport company – information, December 2021

## Eastern region and Pacific – Iran – Turkmenistan route [35]

Goods which are shipped or collected from Eastern countries – such as China, India, Japan, South Korea, Pacific and Southeast Asian regions generally follow two routes. First route is over Iran, and the second is over Turkey or Georgia. Both routes have some variations, depending on some important factors, which would be described further.

Goods may be discharged directly to the Iranian port – Bender-Abbas, and then follow land-route directly to Turkmenistan. This is the economically best option for carrying goods to Turkmenistan.

However, Iran transit corridor availability is volatile due to the US and western countries geopolitical relations, which regularly affect international logistics and the business of the parties using this route. Direct discharge to Iranian Bender-Abbas is possible if the shipped goods are of general consumer goods category, involved parties are private companies, payments don't use US Dollars, and none of the involved parties are afraid of the sanctions from US or other countries.

If a client or recipient, doesn't want to show Iran in its documents, goods are routed to Azerbaijan, where after changing the owner and relevant documentation work, goods are shipped by sea to Turkmenbashi International sea port of Turkmenistan, and then follow route to destination point.

As of February, 2022:

Cost of freight on the route Shanghai-Iran-Turkmenistan: 12000-14000 USD / 40 Ft container

Transit time: 30-40 days

## UAE – Iran – Turkmenistan route [36]

UAE ports could be used as transit points for the shipments to reduce or avoid the risks of the seller or the shipper, who doesn't want to interact with Iran directly. Also, UAE ports could be used for shipments between Atlantic region, Africa, America, and Turkmenistan.

Most of the automobiles from USA, Japan, Korea and Europe, as well as automobile spare parts are shipped to Turkmenistan following the transit route through UAE and Iran.

As of February, 2022:

Cost of freight on the route UAE-Iran-Turkmenistan: 8000 USD / 40 Ft container

Transit time: 14-21 days

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<sup>35</sup> "RGF Begench" transport company – Interview, December 2021

<sup>36</sup> "Bir Kuwwat" transport company – Interview, December 2021

In the listed below cases, Parties should not use Iran route in any conditions, and should prefer the Turkey-Georgia-Azerbaijan-Turkmenistan route:

- Involved parties don't want the risk of sanctions;
- Use US dollar for payments;
- Deliver goods for State-owned entities or other international organizations;
- Parties are global and well-known international companies doing business worldwide;
- Shipped goods are specific, expensive, technologic.

### **Turkey-Georgia-Azerbaijan-Turkmenistan route [37]**

Since regular Ocean class container carriers don't enter Black Sea, goods may be discharged at the Istanbul International sea port, then reloaded to the smaller marine vessels and brought to the Poti International sea port in Georgia. Thereafter, goods are carried by trucks or by railway to Baku Sea port in Azerbaijan, and reloaded into ships to reach Turkmenbashi international sea port of Turkmenistan.

Alternatively, the shipped goods may be discharged at Istanbul Sea port or at Mersin International sea port of Turkey, and then brought by trucks to Baku port.

Since, business between Turkey and Turkmenistan is very active, there are many available trucking options, various containers, and other cost-effective shipment options, which could be used for transit of goods to Turkmenistan from Turkey.

Some factors which distinguish Turkey as a popular and preferred transit point for shipments to Turkmenistan are:

- cultural and language similarity,
- regular flights between Istanbul and Ashgabat,
- visa-free travel for Turkmen citizens to Turkey,
- Turkey is functioning like a shipment hub for consolidated shipments,
- Many Turkmen companies have established branches in Turkey,
- Documentation, finance, pricing works are easier

As of February, 2022:

Cost of freight (Shanghai-Poti): 17000-19000 USD / 40 Ft container

Transit time: 50 days

Cost of freight (Poti-Baku-Ashgabat): 5000-7000 USD / 40 Ft container

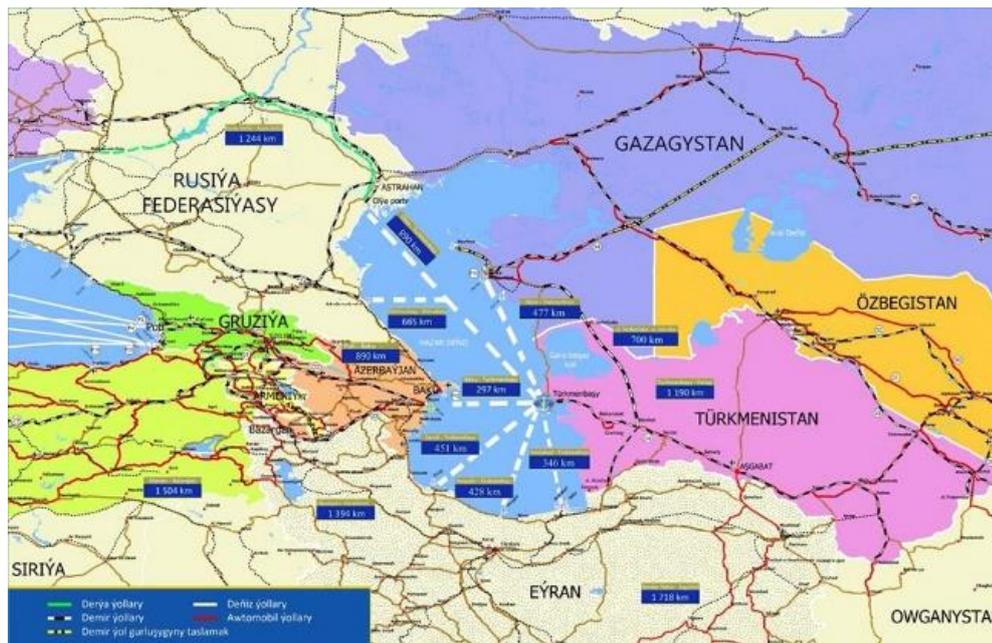
Transit time: 14 days

Cost of Istanbul-Ashgabat FTL truck: 7000-10000 USD

Transit time: 14 days

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<sup>37</sup> "EKA Shipping" transportation company – Interview, December 2021



### China – Russia – Kazakhstan – Uzbekistan -Turkmenistan route <sup>[38]</sup>

Logistic routes between China and Turkmenistan have some extra options, besides the route over Iran or Turkey, which were described above. Depending on the cost and delivery time, involved parties may prefer land transit by trucks or railway, by using the route as below:  
China - Russia-Kazakhstan-Uzbekistan-Turkmenistan route.

Transit time of this route is almost twice shorter, while the cost of transportation is almost twice higher. So, this route is optimal for high cost goods, requiring quick delivery.

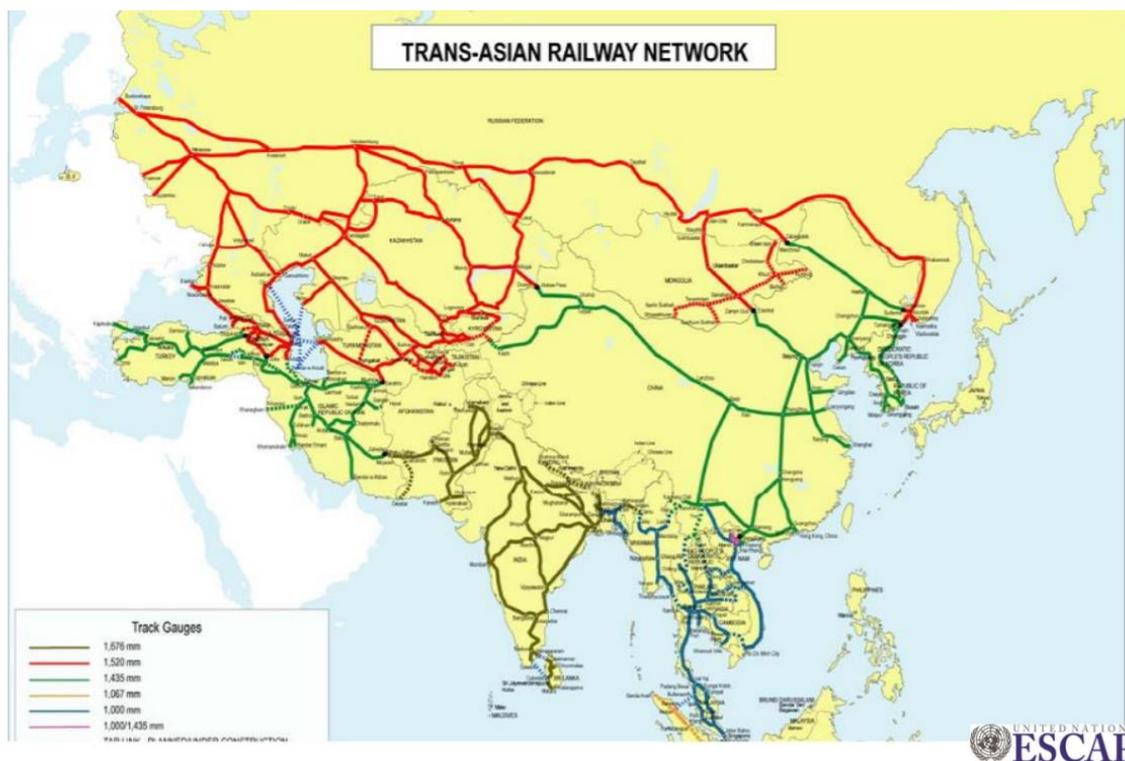
Transit on this route is possible by land transit or railway.

As of February, 2022:

Cost of freight (Shanghai-Ashgabat): 17000-19000 USD / 40 Ft container

Transit time: 21 days

<sup>38</sup> "Beyik Yupek Yoli" Transportation and logistic company, Interview – December 2021



**Black sea ports – Russian internal rivers – Caspian Sea – Turkmenistan route**  
[<sup>39</sup>]

This route is based on Volga-Don deep water channel, and connecting aquatics of the Caspian Sea to the Black Sea. This route is used for carrying big volumes of goods, which are collected from Black Sea ports.



<sup>39</sup> "EKA Shipping" transportation company, Interview – December 2021

Another route is Volga-Baltic route, which is connecting aquatics of the Caspian Sea to the Baltic Sea.

Only Russian operated river-sea class vessels can enter Russian internal water bodies. Currently, some construction companies are using this route for transportation of bulky goods, gas pipes, metals, and oversize machinery.

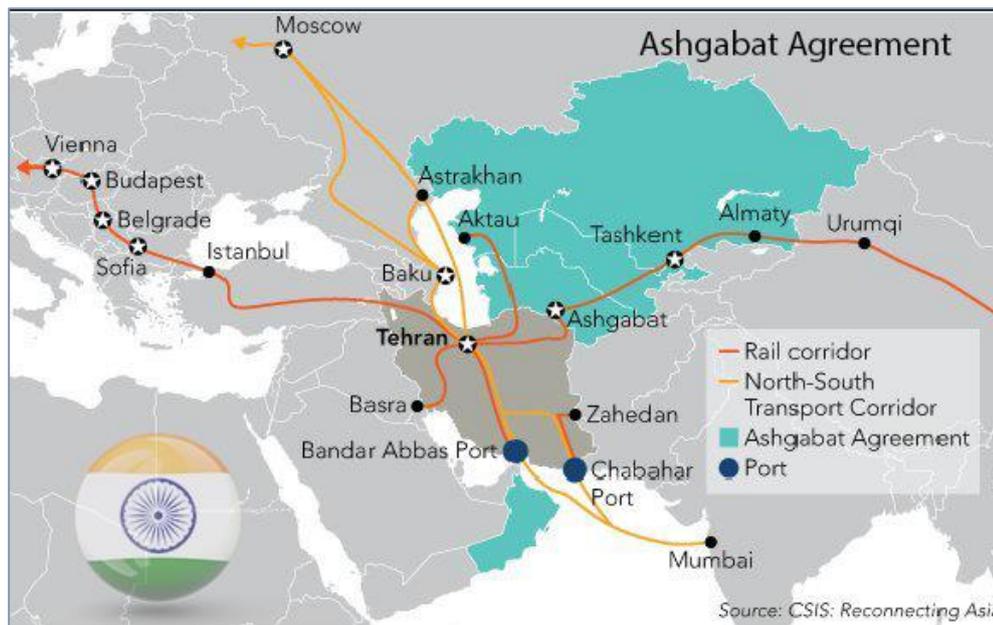
As of February, 2022:

Freight cost by using a Sea-River class vessel – dead weight 3000 tons - on route Istanbul-Turkmenbashi is around 65 USD / metric ton, and includes only freight, without cost of the port operations and services.

Transit time: 14 days

### **Possible routes for Turkmenistan-India logistics**

Transportation of goods between India and Turkmenistan could be organized depending on the facts described in the previous chapter.



### **Air freight**

For quick delivery of high cost, lightweight, temperature and special conditions sensitive, fragile goods, air freight is the optimum solution.

- Air freight could be organized by using the direct flights between Delhi-Ashgabat and Amritsar-Ashgabat.
- Another option for Air freight is using the Turkish airlines cargo with the air cargo-hub in Istanbul International airport. Any other airport and airline – Istanbul - Ashgabat

- Other airlines with other air-hub cities.  
Any other airline – any other air hub (Dubai, Moscow, Frankfurt-am-Main) – Ashgabat
- Air-Multimodal option  
Any airline, any air-hub – neighbor country (Kazakhstan, Azerbaijan, Uzbekistan) – truck transit to Turkmenistan.
- Chartered cargo flight, by using any cargo fleet, from any airport to Turkmenistan.  
For expensive, sensitive, urgent and VIP shipments.

### **Multimodal transportation between India and Turkmenistan**

Available multimodal routes for between India and Turkmenistan, for private companies are:

- India – Iran - Turkmenistan
- India – UAE – Iran - Turkmenistan
- India – UAE – Iran – Azerbaijan -Turkmenistan
- India – Turkey – Georgia – Azerbaijan - Turkmenistan
- India - Transit airport - Ashgabat airport

State-owned corporations, Government and international organizations, international companies are recommended to avoid Iran transit routes, and prefer less risky routes, such as:

- India-Turkey-Georgia-Azerbaijan-Turkmenistan
- India - Transit airport - Ashgabat airport

### **Other possible routes**

Some other theoretically possible routes, but not frequently used in practical logistics:

- **India – China – Russia – Kazakhstan – Uzbekistan - Turkmenistan land route**
  - Possible, but depends on the relations between India and China.
  - Transit time and cost should be calculated for each specific case.
- **India – Pakistan – Afghanistan - Turkmenistan land route**
  - This route is considered for the natural gas export from Turkmenistan to India.
  - Land transit of shipment should be checked by logistic company
- **India – Pakistan – Tajikistan – Uzbekistan – Turkmenistan land route**
  - This route is theoretically possible, but not used in practice
  - Land transit for the shipments should be checked by the logistic company

- **India - Black Sea - Russia internal aquatics - Caspian Sea - Turkmenistan route**
  - Possible, but difficult in organization route for transit.
  - Ocean vessels cannot enter Black sea, and will require discharge of goods in the Istanbul port and further reload to river-sea class vessels
  - Only Russian operated River-Sea class vessels can operate on Russian internal rivers.

#### **4. Present status of Turkmen logistics sector**

Turkmenistan announced a program for development of its international transportation and logistics potential, and is undertaking significant investments to hit the target. Main activities done in this direction could be grouped as following: [40]

- Improvement of political, legislative and executive regulations
- Integration and cooperation with transport organizations and neighbor countries
- Development of the internal and international transit routes
- Construction of new asphalt roads, meeting international standards (Ashgabat - Turkmenabad)
- Sea port infrastructure is being developed (Turkmenbashi international sea port)
- Airport infrastructure is being developed (4 new airport construction completed within 5 years)
- Railway infrastructure being developed and new routes explored (Afghanistan, Tajikistan, North-South corridor)

#### **5. Task delegation during the logistics and transportation**

Due to specific regulations and conditions of local market, major international logistic and transportation companies don't have regional offices and subsidiaries in Turkmenistan. Such global and international shipping forwarders work in cooperation with the local operators, who act as their local partners.

Local operators are in charge of consolidation and transportation of the shipments within country, while international freight and logistics is organized by global or international shipping forwarders. Local shipping companies are also, aggregating private truck and vehicle owners and distributing shipment orders among them.

Local shipping operators concentrate only on freight operations. Custom clearance and brokerage functions are done by specialized companies or logistic specialists of the client. Companies which have intense international logistic operations, have their own specialists for custom clearance, while companies with less international logistic operations, hire specialists with payment per task.

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<sup>40</sup> "Turkmen business starts construction of Ashgabat-Turkmenabat Autobahn with the cost of \$2.3 billion". Orient. January 25, 2019.

## **6. Major players in Turkmen logistics arena**

Turkmenistan local companies active in logistics and transportation sector show some variety, and could be described as following:

- a- Private truck owners
- b- Private owned specialized transportation companies
- c- Private owned multimodal and multifunctional shipping companies
- d- Government owned specialized corporations
- e- Government owned shipping forwarders
- f- Partners of global shipping forwarders in Turkmenistan
- g- Domestic courier companies (e.g. Turkmenpost, Chapar)
- h- International courier companies (e.g. DHL, EMS, ASE Courier)

Among this approximate division of the local transportation companies, each of them may be specialized in delivering service for specific clients, or particular routes.

- a- Specialized in transportation of textiles, polypropylene, food, general consumer goods
- b- Specialized in transportation of goods between Russia, Turkey, Iran, China, Europe
- c- Specialized in multimodal freight on Poti route, Bander-Abbas route, Uzbekistan route
- d- Specialized in railway transportation, road transportation and marine transportation of goods

## **Some Turkmenistan logistic and transportation companies and their description**

### **Turkmenistan Airlines Cargo fleet**

Turkmenistan Airlines is the only airline carrier of Turkmenistan, with 100% Government ownership. Cargo fleet is represented by Russian manufactured IL-76, Boeing 777, Airbus 330 carriers. Before the pandemic, it used to operate regular flights to several airports. Currently, regular cargo flights are available only to Istanbul, Moscow, Dubai, Beijing, and Frankfurt.

Contact details:

Phone: +993 12 37-84-32 / 37-84-52 / +993 12 23-45-51 / 23-03-18

e-mail: [info@turkmenistanairlines.tm](mailto:info@turkmenistanairlines.tm)

[www.turkmenistanairlines.tm](http://www.turkmenistanairlines.tm)

### **Turkmen Demiryollary**

The only railway corporation of Turkmenistan, with 100% Government ownership. It performs railway shipment forwarding within Asian countries. Railway system is based on former Soviet standards. Two chassis change stations established at Iranian border. Turkmen railways performs civil and cargo operations within country and only

cargo on international routes. Major activity is on “North-South” and “Silk-road” international logistic corridors. The longest journey for shipped goods was performed in 2021, between Istanbul and Beijing. Turkmen manufacturers use this option to export Polypropylene products to Chinese clients.

Local private transportation companies are acting as the agents of Turkmenistan railway shipping forwarding services.

Contact details:

744000, Turkmenistan, Ashgabat ş., Türkmenbaşy şaýoly, jaý 7

Tel: +993 (12) 383275

e-mail: [tde@online.tm](mailto:tde@online.tm)

[www.railway.gov.tm](http://www.railway.gov.tm)

### **TULM**

State owned shipping forwarder corporation, aimed to provide multimodal deliveries for regional and international clients.

Contact details:

No 7, Beyik Saparmyrat Türkmenbashi, st, Ashgabat city, Turkmenistan

phone: +99312 38 39 78

e-mail: [tulm@online.tm](mailto:tulm@online.tm)

[www.tulm.tm](http://www.tulm.tm)

### **EKA Shipping**

Private shipping company, which has experience in transportation and logistics operations between India and Turkmenistan, by using Poti-Baku-Turkmenistan route. In 2020-2021, operation year it coordinated the shipment of 2500 containers from India to Turkmenistan, for a big infrastructure project of Energy Ministry of Turkmenistan. This company provides high quality and reliable multimodal consolidation and freight services on the route Poti-Baku-Turkmenistan, for Government organizations and international companies doing business in Turkmenistan.

Contact details:

Ashgabat, Turkmenistan, Archabil avenue, Archabil hotel & business center.

Tel: +993 (12) 400065/67

Mob: +993 (65) 818690

E-Mail: [karen.petrosov@eka-shipping.com](mailto:karen.petrosov@eka-shipping.com)

Skype: karen.petrosov.khb

### **RGF Begench Logistics**

A private transportation company with a wide network of agents and trucks in Iran, Azerbaijan and Turkmenistan, which has experience in delivering goods from Eastern countries, with transit through Iran. Many small private companies are working with this company for delivering medical products, pharmaceuticals, machinery, textile, consumer goods from India, China, UAE and other countries.

Contact details:

Turkmenistan, Ahal vilayet, Anew district, Magytmguly str. 74

Tel: +99361052169 / +99362052169

e-mail: [rgf.begench@gmail.com](mailto:rgf.begench@gmail.com)

Hallyyev Begenchmyrat

### **Bir Kuwwat**

A private logistics and trade company, delivering multimodal international logistic services, as well export trade operations with foreign partners.

Contact details:

174, "UOIAE", A.Niyazov, Ashgabat, Turkmenistan

Phone : 99365678555 / 99312210364 / 99312210365 /

Email: [info@birkuwwat.com](mailto:info@birkuwwat.com) / [v.iolanta@birkuwwat.com](mailto:v.iolanta@birkuwwat.com)

<https://birkuwwat.com>

### **Bir Dunya**

A multimodal logistic company, providing wide range of international transportation and logistics services. Company has its own factory of "big bag" production, which are used in transportation of bulky materials.

Contact details:

174 A.Niyazov avenue, 10th level, Ashgabat 744001, Turkmenistan.

Tel: +993 12 210 725

e-mail: [info@birdunya.com](mailto:info@birdunya.com)

[www.birdunya.com](http://www.birdunya.com)

### **Beyik Yupek Yollari**

One of the biggest shipping companies of Turkmenistan, providing multimodal transportation and logistics services on various routes.

Contact details:

Address: 46, 2127 (G.Kuliyev), Ashgabat, Turkmenistan

Tel: +(993 12) 754444 / 754000 / 754949

e-mail: [info@greatsilkroad.tm](mailto:info@greatsilkroad.tm)

<https://greatsilkroad.tm/>

### **Meno Logistics**

International transport and logistics company, which deliver multimodal services to the customers, who require tailor-made and unique products.

Contact details:

Building 1, Gorogly street, Ashgabat, Turkmenistan

Tel: +993 12 271522/3782/3784

e-mail: [contact@menologistics.com](mailto:contact@menologistics.com)

[www.menologistics.com](http://www.menologistics.com)

## **Turkmen Ak yol**

Multimodal transport and logistics company, which offers a full package of logistics services, including air, sea, rail and road transportation of goods, customs services and project cargo warehousing, as well as sea agency services for dry-cargo vessels and oil-carriers. Company has a wide network of the international logistic partners and clients.

Contact details:

"Berkarar" Business Center, 82, Ataturk (1972) Str., Office No. Z-7, Ashgabat, Turkmenistan, 744000

Phone: +99312 468293

Fax : +99312 468294

e-mail: [info@tay.tm](mailto:info@tay.tm)

[www.tay.com.tm](http://www.tay.com.tm)

## **Altyn Yoda**

Multimodal transport and shipping company, providing turn-key logistic and project management services. Experienced in heavy and oversized cargo, towage, salvage, vessel chartering, ship brokerage, stevedoring and bulky material transportation.

Contact details:

Business Center "Paytagt", 7th floor, 10 yyl Abadanchylyk st. 60, Ashgabat, Turkmenistan

Tel: +99312 477872

Tel: +99312 477423

E-mail: [office@altynyoda.com](mailto:office@altynyoda.com)

[www.altynyoda.com](http://www.altynyoda.com)

## **Alem Dostlugy**

Offers solutions in the field of logistics, agro-industrial complex, supply of high-tech equipment for the oil and gas industry, export-import, as well as, production of construction and decorative materials.

Contact details:

73, 2127 (g.kuliyev) str., ashgabat, turkmenistan

Phone: +993 12 754367

e-mail: [contact@alemdo.com](mailto:contact@alemdo.com)

<https://alemdo.com/>

## **Hazar Logistik**

A private company, providing wide range of services in multimodal transportation and logistics sector.

Turkmenistan, Mary, Bitaraplyk st. 18/7  
Phone: +993 63162934  
fax: +993522 74717/18  
e-mail: info@hazarlogistik.com  
http://www.hazarlogistik.com/contact

## Tylla Nal

A company specialized in export of the oil and gas, textile products, liquefied gas, gasoline, diesel, heating oil, aviation kerosene, fuel oil, bitumen, polypropylene, urea, technical sulfur, cotton fiber, fabric rolls, yarn, etc.

Contact details:

Turkmenistan, Ashgabat city, Gaudan "B", 23b  
Phone/Fax: +99312 426880/490158 e-mail: contact@tylla-nal.com

## The List of the Custom broker companies accredited at Turkmenistan Custom Service [41]

S.No.	Name of the Company	Contact details
1	Türkmenistanyň Döwlet gümrük gullugynyň ýanyndaky Hojalyk dolandyryş direksiýasy	745205, Ahal welaýaty, Ak bugdaý etraby, Garagum derýasyndan 3000 metr demirgazykda, Änew-Daşoguz aýlaw ýolunyň gündogar tarapy, telefon: +993 12 57-49-50, faks: +993 12 57-49-56, e-mail: info@terminal.gov.tm, saýt: www.terminal.gov.tm
2	«Hak ýol» hojalyk jemgyýeti	744000, Aşgabat şäheri, Bagtyýarlyk etraby, Türkmenistanyň Gahrymany Atamyrat Nyýazow şaýoly, 174-nji jaý telefon: +993 12 21-13-31, faks: +993 12 21-13-31, e-mail: info@hakyol.net, saýt: www.hakyol.com.tm
3	«Wepaly ýol» hususy kärhanasy	745100, Balkan welaýaty, Balkanabat şäheri, 6-njy ýaşayyş jaýlar toplумы, 9-njy jaý telefon: +993 222 2-07-37, faks: +993 222 2-07-37, e-mail: wepalyyollogistik@gmail.com, saýt: www.wepalyyollogistik.com.tm
4	«Kerri Projekt Logistiks Türkmenistan» hojalyk jemgyýeti	744000, Aşgabat şäheri, Bagtyýarlyk etraby, Magtymguly şaýoly, 141/1-nji jaý telefon: +993 12 36-44-56, faks: +993 12 36-35-07, e-mail: akmurad.ilyasow@kerrylogistiks.com, saýt: www.kerryprojectlogistiks.com.tm

<sup>41</sup> <https://customs.gov.tm/ru/eksport-import/spisok-tamozhennykh-brokerov>





12	Türkmenistanyň Söwda-senagat edarasynyň «Türkmenbaşyeksportiza» kärhanasy	745000, Balkan welaýaty, Türkmenbaşy şäheri, Azady köçesi, 49-njy jaý telefon: +993 243 2-45-25, faks: +993 243 2-43-60, e-mail: turkmenbashieksportiza@mail.ru, saýt: www.cci.gov.tm
13	Türkmenistanyň Söwda-senagat edarasynyň Lebap welaýatynyň Söwda-senagat kärhanasy	746100, Lebap welaýaty, Türkmenabat şäheri, Altyn kok köçesi, 12-nji jaý telefon: +993 422 3-38-59, faks: +993 422 3-18-53, e-mail: tpplb@mail.ru, saýt: www.cci.gov.tm
14	Türkmenistanyň Söwda-senagat edarasynyň Balkan welaýat Söwda-senagat kärhanasy	741000, Balkan welaýaty, Balkanabat şäheri, 115-nji ýaşayyş jaýlar toplumu, 3-nji jaý telefon: +993 222 6-75-48, faks: +993 222 6-75-48, e-mail: bwssk.jennet@gmail.com, saýt: www.cci.gov.tm
15	«Türkmen ak ýol» hojalyk jemgyýeti	744000, Aşgabat şäheri, Köpetdag etraby, Atatürk köçesi, 82-nji jaý telefon: +993 12 46-82-93, faks: +993 12 46-82-94, e-mail: info@tay.tm, saýt: www.tay.tm
16	«Gül ölkäm» hususy kärhanasy	744000, Ahal welaýaty, Bäherden etraby, Ýarajy obasy, M.Gurbanow köçesi, 7-nji jaý telefon: +993 12 96-51-80, faks: +993 12 96-51-80, e-mail: gululkam9@gmail.com, saýt: www.gululkam.com.tm
17	«Hazar tolkuny» hususy kärhanasy	744028, Aşgabat şäheri, Köpetdag etraby, Atatürk köçesi, 82-nji jaý telefon: +993 12 46-83-34, faks: +993 12 46-83-37, e-mail: info@hazartolkuny.com, saýt: www.hazartolkuny.com
18	«Altyn ýoda» hususy kärhanasy	744000, Aşgabat şäheri, Köpetdag etraby, 10 ýyl Abadançylyk köçesi, 60-njy jaý telefon: +993 12 47-78-72, faks: +993 12 47-74-23, e-mail: office@altynyoda.com, saýt: www.altynyoda.com
19	«Güneşli ýol» hususy kärhanasy	744008, Aşgabat şäheri, Berkararlyk etraby, 10-njy etrapça, 3-nji Oguzhan geçelgesi, 4/2-nji jaý, 34-nji öý telefon: +993 12 36-94-78, faks: +993 12 36-80-19, saýt: www.guneshli yol.com
20	Ahal welaýatynyň we Aşgabat şäher «Türkmenstandartlary» döwlet gullugy	744025, Aşgabat şäheri, Berkararlyk etraby, 1995 köçesi, 12-nji jaý telefon: +993 12 49-48-80, faks: +993 12 49-48-80, saýt: www.turkmenstandartlary.gov.tm

21	«Takyk ugur» hususy kärhanasy	744000, Aşgabat şäheri, Berkararlyk etraby, 11-nji kiçi etrapça, Gündogar köçesi, 46-njy jaý, 1-nji öý telefon: +993 12 43-58-35, faks: +993 12 43-58-35, 993 65 63-24-39 e-mail: takyk.ugur.custom.20@mail.com, saýt: www.takykugur.com
22	«Ak ulag» hususy kärhanasy	744000, Aşgabat şäheri, Köpetdag etraby, Parahat 4/2, 42-nji jaý, 167-nji öý telefon: +993 62 34-60-80, 62 30-69-69 faks: +993 12 47-81-15, e-mail: akulag.tm@gmail.com, saýt: www.akulag.com
23	«Keremli ýollar» hojalyk jemgyýeti	745000, Balkan welaýaty, Türkmenbaşy şäheri, Şagadam köçesi, 8-nji jaý telefon: +993 65 84-29-50, e-mail: ky.broker@mail.ru, saýt: www.keremliyollar.com.tm
24	«Ruhybelent diýar» hususy kärhanasy	744000, Aşgabat şäheri, Köpetdag etraby, Howdan «W» kiçi etrapça, 9-njy jaý, 43-nji öý telefon: +993 12 75-44-59, faks: +993 12 75-44-59, 993 65 53-18-15 e-mail: ruhybelentdiyar@mail.ru, saýt: www.ruhybelentdiyar.com
25	«Turan Merkez» hususy kärhanasy	744000, Ahal welaýaty, Ak bugdaý etraby, Garagum derýasynyň 3000 metr demirgazykda, Änew-Daşoguz ýolunyň gündogar tarapy, Halkara gümrük terminalynyň 3 gatly administratiw jaýy, 1-nji gatyndaky otag telefon: +993 63 11-11-18, e-mail: kurbanow1972@gmail.com, saýt: www.turanmerkez.com.tm
26	«Şaýlan» hojalyk jemgyýeti	744000, Aşgabat şäheri, Berkararlyk etraby, 8-nji kiçi etrapça, Gündogar köçesi, 6/2-nji jaý telefon: +993 12 28-14-80, faks: +993 12 28-14-26, saýt: www.shaylan.biz
27	«Gadamly» hojalyk jemgyýeti	744000, Aşgabat şäheriniň Köpetdag etrabyňyň Arçabil şaýolynyň 80-nji jaý telefon: +993 12 98-22-69, faks: +993 12 98-22-69, e-mail: gadamly.hj@gmail.com, saýt: www.gadamly.com
28	«Ýeke ada» hojalyk jemgyýeti	744005, Aşgabat şäheri, Berkararlyk etraby, Andalyp köçesi, 334-nji jaý telefon: +993 12 76-91-61, faks: +993 12 57-49-86, e-mail: yekeadagumruk@gmail.com, saýt: www.yekeadagumruk.com.tm

29	«Goşa tolkun» hojalyk jemgyýeti	745360, Ahal welaýaty, Ak bugdaý etraby, Änew şäherçesi, Halklaryň dostlugy köçesi, 22-nji jaý telefon: +993 12 41-59-19, 993 65 67-90-63 faks: +993 12 41-59-19, saýt: www.goshatolkun.biz
30	«Paýhasly ýigit» hususy kärhanasy	745000, Balkan welaýaty, Türkmenbaşy şäheri, Kenar etraby, Balkan köçesi, 10-njy jaý telefon: +993 64 38-23-21, e-mail: yigit@gmail.com, saýt: www.payhasly.com
31	«Täze Ýörelge» hojalyk jemgyýeti	746100, Lebap welaýaty, Türkmenabat şäheri, LWAJB-niň Awtoulaglar kärhanasynyň administratiw jaýy, 2-nji gat telefon: +993 65 20-86-33, e-mail: Nurmarat1978@mail.ru, saýt: www.tazeyorelge.com.tm
32	«Ýükli kerwen» hususy kärhanasy	745360, Ahal welaýaty, Ak bugdaý etrabyň TS we TB, Türkmenistanyň telekeçiler tarapyndan öndürilýän we daşary ýurtlaryndan getirilýän harytlar saklanylýan toplumynyň № 01-01 edara binasy, ammar № 142-143, ofis otagy telefon: +993 12 53-12-57, faks: +993 12 53-12-57, e-mail: info@kervanlogistics.com saýt: www.kervanlogistics.com
33	«Bereket şuglasy» hususy kärhanasy	745360, Ahal welaýaty, Ak bugdaý etraby, Gämi obasy, B. Seýtäkow köçesi, 8-nji jaý telefon: +993 12 52-07-41, faks: +993 12 52-07-41, e-mail: dowranjan@gmail.com,
34	«Dag-deňiz» hususy kärhanasy	745100, Balkan welaýaty, Balkanabat şäheri, 144-nji ýaşayyş jaýlar toplumu, 8-nji jaý, 7-nji öý telefon: +993 222 6-73-14, faks: +993 222 6-74-39, e-mail: dagdeniz.hk@gmail.com, saýt: <a href="http://www.dag-deniz.com">www.dag-deniz.com</a>
35	«Amatly Arkalaşyk» hojalyk jemgyýeti	744001, Aşgabat şäheri, Bagtyýarlyk etraby, Ruhabat ýaşayyş toplumu, Bitaraplyk köçesi 1-nji jaý telefon: +993 12 21-07-33, faks: +993 12 21-07-25, saýt: www.A2-tm.com
36	«Türkmenistanyň Ulag-Logistika Merkezi» açyk görnüşli paýdarlar jemgyýeti	744000, Aşgabat şäheri, Berkararlyk etraby, Beýik Saparmyrat Türkmenbaşy şaýoly, 7-nji jaý telefon: +993 12 94-22-33, faks: +993 12 94-22-33, e-mail: tulm@online.tm,
37	«Durmushummany» hojalyk jemgyýeti	745400, Mary welaýaty, Mary şäheri, Soltan Sanjar köçesi, 6-njy jaý telefon: +993 522 6-74-79, faks: +993 522 6-74-78, e-mail: durmushummany@gmail.com,

38	«Rowaç-AB» hususy kärhanasy	744005, Aşgabat şäheri, Berkararlyk etraby, T. Berdiýew köçesi, 9-njy jaý telefon: +993 12 94-22-70, faks: +993 12 94-18-47, e-mail: rovach@mail.com, saýt: www.rovach.com
39	«Kuwwatly Watan» hususy kärhanasy	745400, Mary welaýaty, Mary şäheri, Türkmenabat köçesi, 14-nji jaý, 20-nji öý telefon: +993 522 4-90-91, faks: +993 522 4-90-95, saýt: www.kuwwatlywatan.com
40	«Rysgally ýaşlar» hususy kärhanasy	745360, Ahal welaýaty, Ak bugdaý etraby, Gämi obasy, Medeniýet köçesi, 5-nji jaý telefon: +993 64 42-69-69, e-mail: rysgallyyashlar@gmail.com, saýt: www.rusgallyyashlar.com
41	«Meno Logistiks Türkmen» hojalyk jemgyýeti	744000, Aşgabat şäheri, Köpetdag etraby, Atatürk köçesi, 82-nji jaý telefon: +993 12 27-37-82, 27-37-84 faks: +993 12 27-09-06, e-mail: contact@menologistics.com, saýt: www.menologistics.com
42	«Goşa hyzmat» hususy kärhanasy	745360, Ahal welaýaty, Tejen şäheri, Lebap köçesi, 43-nji jaý telefon: +993 64 49-09-99, saýt: www.gh-hk.com

## C. STRATEGY FOR INDIAN BUSINESSMEN TO DEAL WITH THE LOGISTICAL ISSUES IN RELATION WITH TURKMENISTAN

### 1. Issues encountered with the available/common routes and possible resolution [42]

Main issues in international logistics between Turkmenistan and India, as well the other countries were analyzed in detail in previous chapters, and could be categorized in following groups:

- Difficulties in collection and pick-up of small batches
- Issues with the Country of Origin
- Mistakes in documentation and formal procedures
- Obtaining import permission for specific products
- Transfer pricing issues
- Transit country sanction risks
- Issues in international money transfer and payments

A company which is planning to do business with Turkmenistan is advised to make agreements based on EXW or FOB delivery terms, and delegate the logistics and transportation tasks to a client in Turkmenistan. This avoids most of the risks listed above.

<sup>42</sup> "Turkmen Trade" Marketing and Sales company – Interview, December 2021

A company which would like to deliver the Door-to-Door services, or, organize regular importation of the goods to Turkmenistan based on DDP terms, should follow instructions below:

- Find a Shipping forwarder in India who has partnership agreement with a company in Turkmenistan
- Establish a business unit to handle documentation work for the goods shipped to Turkmenistan
- Establish a business unit in third country for Free-zone operations and services
- Open a non-resident bank account in a third country, or in a Free-zone
- Develop permanent business relations with trade and marketing companies in Turkmenistan
- Establish a marketing company in Turkmenistan
- Use marketplaces and internet trade-platforms working in Turkmenistan, such as:
  - \* [www.turkmentrade.biz](http://www.turkmentrade.biz),
  - \* [www.sanlybazar.com](http://www.sanlybazar.com),
  - \* [www.tradeportal.biz](http://www.tradeportal.biz).

## 2. Alternate routes and their feasibility [43]

The shortest and the cheapest route for transportation of goods between India and Turkmenistan, is by using Iran as transit country, which poses considerable risks for normal operation of the parties.

Therefore, parties who are doing business with the international companies, delivering goods and services for the state-owned corporations and international organizations, using US dollars in payments, are strongly recommended to avoid Iran, and consider alternative routes such as:

- India -Turkey – Georgia – Azerbaijan – Turkmenistan
- India - Black sea ports – Russia internal rivers – Caspian Sea – Turkmenistan
- India - UAE - Iran – Azerbaijan – Turkmenistan
- India - China – Russia – Kazakhstan – Uzbekistan – Turkmenistan

For the lightweight, high cost, temperature sensitive, fragile goods, it is better to use Air cargo options, with transit through main air-hubs, which have connections with Turkmenistan, or airports of the neighbor countries, with further land-freight to Turkmenistan.

## 3. Cost benefit analysis of various routes [44] [45] [46]

Cost benefit analysis of the routes, is based on the prices and status of the operations on the routes, actual as of February-2022, is as follows:

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<sup>43</sup> “EKA Shipping” transportation and logistics company – Interview, December 2021

<sup>44</sup> “Bir Kuwwat” Logistics and Trade company – Interview, December 2021

<sup>45</sup> “EKA Shipping” transportation and logistics company – Interview, December 2021

<sup>46</sup> “RGF Begench” transportation company – Interview, December 2021

### **India - UAE - Iran – Azerbaijan – Turkmenistan**

Transit time: 30-40 days Cost: 12000 USD / 40 ft Container

### **India -Turkey – Georgia – Azerbaijan – Turkmenistan**

Transit time: 60-80 days Cost: 25000 USD / 40 ft Container

### **India - Black sea ports – Russia internal rivers – Caspian Sea – Turkmenistan**

India-Istanbul Transit time: 40-45 days Cost: 19000 USD / 40 ft Container

Istanbul – Russia rivers – Turkmenistan: 21 days Cost: 65 USD/ton (Sea-river vessel, dw 3000 tons)

### **India – China – Russia – Kazakhstan – Uzbekistan – Turkmenistan**

Transit time: 80-90 days Cost: 27000 USD / 40 ft Container

## **II. SUMMARY**

Considering the growing economic and political relations between India and Turkmenistan, it is expected that business and trade relations between these two countries also have a big potential to grow, in almost all sectors of economy.

Development of trade and economic relations between India Turkmenistan would require the development of comprehensive multimodal logistic and transportation services as well as the development of logistics infrastructure, which meets the increasing demands of business.

India could offer Turkmenistan market and business community high quality consumer products for a relatively lower cost, high quality machinery and spare parts, affordable pharmaceutical and modern medical products as well as modern technologies for Turkmenistan manufacturers in growing economic sectors and processing industry.

In turn, Turkmenistan could be a good source of petrochemical and chemical materials for India. Turkmenistan is also open for private investments in almost all civilian sectors of economy, such as agriculture, food industry, polymer processing, production of construction materials and consumer goods.

Turkmenistan is successfully trading with many foreign countries from all over the world. Global logistics and transportation infrastructure allow trading parties to deliver goods to any destination point, despite the temporary difficulties related with the current pandemic, geopolitical relations, sanctions, etc.

Success of business between India and Turkmenistan, would be based on general ideas, such as common understanding of the mutual requirements and interests, exploring available opportunities, timely detection of treats and risks, quick response to the changing conditions, task delivery and cooperation, supported by farsightedly precise marketing and legal work.