

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

TURKMENISTAN

Eurasia

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Ashgabat	Capital and centralized seat of political and commercial authority	Services, state-directed construction
Arkadag City	New flagship "smart city" showcase project near Ashgabat, a signature Gurbanguly-era development	State-directed construction, real estate
Galkynysh gas field	World's second-largest gas field; CNPC-anchored fourth-stage expansion and new gas-processing plant underway	Natural gas production and processing
Turkmenbashi (Caspian coast)	Principal port and oil-refining hub; access point for any future Trans-Caspian pipeline route	Port logistics, oil refining
Mary region	Established gas-processing and chemical-industry hub	Gas processing, chemicals
Lebap region	Chemical, potassium and cotton-processing hub	Chemicals, agro-processing
Avaza National Tourist Zone (Caspian coast)	State-promoted tourism zone offering the country's main formally liberalized access point for non-hydrocarbon investors	Tourism, hospitality

INVESTOR ENTRY ROUTES

- Direct engagement with state ministries and state enterprises; there is no independent investment-promotion intermediary
- Production-sharing agreements (PSAs) in the hydrocarbon sector, historically the main vehicle for foreign energy-company participation
- CNPC and other Chinese state-linked joint ventures anchoring gas-field development and pipeline infrastructure
- Avaza National Tourist Zone incentives for qualifying tourism and hospitality investment
- State-designated industrial-project incentives tied to specific government-approved ventures
- Barter and counter-trade or state-to-state arrangements, reflecting the non-convertibility of the manat

MARKET-ENTRY OBSERVATION

Official 2026 statistics claim strong growth - 6.3% year-on-year in the first half of 2026, per state media - but independent analysts caution these figures should be treated with skepticism; the IMF's own 2026 growth estimate is roughly 2.4%, less than half the official figure. Sectoral data show transport and communications (+10.4%) and trade (+8.5%) outpacing industry (+2.7%) and agriculture (+2%). Capital investment reached roughly \$5.3 billion (16.5% of GDP) in H1 2026, split nearly evenly between production facilities and social/cultural buildings - itself a signal of the state-directed, prestige-project-oriented character of Turkmenistan's investment spending. Hydrocarbons remain the dominant source of foreign-currency earnings, with 2026 gas output targeted at roughly 76 billion cubic meters (bcm), broadly flat with 2025.

China is overwhelmingly the dominant export market, taking more than 30 bcm of Turkmen gas annually via a pipeline system that CNPC and Turkmengaz are expanding; a planned fourth pipeline line and an agreement covering the fourth stage of the Galkynysh

field, alongside a new 10 bcm gas-processing plant, could lift China-bound volumes toward 65 bcm. Diversification efforts continue on two fronts: the TAPI pipeline to Afghanistan, Pakistan and India, where roughly 64 kilometers had been laid inside Afghanistan as of May 2026 with first gas supplies to Afghanistan targeted for 2027, and periodic Turkmen pledges to supply a Trans-Caspian route to Europe, a project discussed for decades without a construction start. The manat has been pegged at an official rate unchanged since 2015, while a persistent, independently documented black-market premium signals the currency is not meaningfully convertible in practice - a structural complication for any investor seeking to repatriate earnings.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Currency non-convertibility	The official manat rate has been fixed since 2015 and diverges sharply from an enduring black-market rate	Structure transactions in hard currency or barter terms and engage only through state-approved channels
Extreme political and regulatory opacity	Highly centralized, personalist system under President Serdar Berdimuhamedow and his father Gurbanguly, who retains the title of National Leader and chairs the Halk Maslahaty (People's Council)	Engage exclusively through recognized state counterparts; expect no independent regulatory or judicial recourse
Systemic forced labor in the cotton sector	Independent monitors report that state-set harvest quotas drive worsening forced labor, including of children	Avoid cotton-sector exposure absent verified independent labor audits
Statistical unreliability	Official GDP growth (6.3% H1 2026) diverges sharply from independent estimates (IMF ~2.4%)	Rely on independent multilateral (IMF/ADB/World Bank) estimates rather than state figures
Narrow, hydrocarbon-dependent export base	Gas exports to China dominate foreign-currency earnings with limited diversification to date	Monitor TAPI and Trans-Caspian diversification progress
Restricted information environment	Turkmenistan ranks 173rd globally on press freedom, with tightly state-controlled media and internet access	Rely on multilateral and NGO reporting rather than domestic sources for due diligence
Succession uncertainty	A father-son "co-rule" arrangement leaves the ultimate locus of power and future succession path unclear	Monitor political and state-personnel signals

INVESTOR RISK NOTE

Turkmenistan combines one of the world's most closed political systems with a non-convertible currency, opaque and unreliable official statistics, and systemic, independently documented forced labor in its cotton sector. These are structural features of the system rather than signs of acute crisis or war, but they place Turkmenistan among the more difficult operating environments in the region, compounded by a near-complete absence of independent press, judiciary or civil-society oversight.

MARKET ACCESS

Market access runs almost entirely through state-approved channels, with no meaningful independent regulatory or judicial recourse. China is the dominant export destination via pipeline; Turkmenistan is not a member of the EAEU or the WTO; and the domestic market (roughly 6-7 million people) remains small and largely state-directed. The Avaza National Tourist Zone and select state-designated industrial-project incentives are the main formally liberalized access points for non-hydrocarbon investors.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
President Serdar Berdimuhamedow	Head of state since March 2022, holding formal executive authority	Not a realistic direct engagement channel for most investors; policy signals originate at this level
Gurbanguly Berdimuhamedow ("National Leader"), Chairman of the Halk Maslahaty	Retains substantial behind-the-scenes authority despite formally ceding the presidency in 2022	Central to any assessment of real decision-making power and succession risk

Actor	Why It Matters	Waverley Engagement Angle
Ministry of Finance and Economy	Sets budget and investment policy	Relevant counterpart for state-directed project approval
Turkmengaz (state gas company)	Central counterparty for all hydrocarbon-sector engagement and anchor of the CNPC partnership	Primary entry point for any gas-sector investment or joint venture
Central Bank of Turkmenistan	Sets and maintains the fixed manat exchange-rate peg	Relevant to currency and repatriation planning
State Agency for Management and Use of Hydrocarbon Resources	Oversees production-sharing agreements and foreign energy-company licensing	Relevant counterpart for PSA-structured hydrocarbon investment
Avaza National Tourist Zone Administration	Manages the Caspian coast tourism-zone incentive regime	Entry point for tourism and hospitality investment

CURRENT INTERNATIONAL BUSINESS CHANNELS

Engagement channels are almost entirely state-to-state or state-company-to-state-company; there are no significant independent chambers of commerce or business associations operating freely in-country, and most foreign company presence is concentrated among hydrocarbon majors and Chinese state-linked firms.

INVESTOR PROFILE BEST SUITED

Suited only to large, hydrocarbon-sector investors capable of engaging directly with state entities under production-sharing or joint-venture structures, with high tolerance for currency non-convertibility, opaque governance and reputational or compliance risk. Not suited to investors seeking conventional market access, independent legal recourse, or exposure outside state-sanctioned channels.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Engage the relevant state counterpart directly

Approach the relevant state ministry or state enterprise (Turkmengaz, Ministry of Finance and Economy) - there is no independent investment-promotion intermediary.

STEP 2: Structure in hard currency or barter terms

Account for manat non-convertibility by structuring transactions in hard currency or counter-trade arrangements.

STEP 3: Commission independent labor due diligence

Particularly for any agriculture or textile-linked exposure, given documented forced-labor findings in the cotton sector.

STEP 4: Rely on multilateral data

Underwrite decisions against IMF, ADB and World Bank estimates rather than official Turkmen statistics.

STEP 5: Monitor political-succession signals

Track the Berdimuhamedow father-son leadership arrangement for shifts in the operating environment.

WAVERLEY'S ROLE

- Direct introductions to state ministries and state enterprises, the only realistic entry channel
- Currency-structuring and repatriation-risk advisory given manat non-convertibility
- Labor and supply-chain due diligence coordination, particularly for cotton-sector exposure
- Political-risk monitoring of the Berdimuhamedow father-son leadership arrangement

INVESTOR CALL TO ACTION

Investors should engage Waverley for direct introductions to the relevant state ministry or state enterprise before any Turkmenistan-linked commitment, given the absence of independent investment-promotion channels.

Any engagement touching the cotton or textile sector should be preceded by independent, verified labor due diligence given systemic forced-labor findings.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Opportunities are effectively limited to large-scale hydrocarbon-sector joint ventures and production-sharing structures anchored by state entities such as Turkmengaz and major partners including CNPC, plus select tourism-sector investment within the Avaza National Tourist Zone. Waverley does not identify a broader open investment pipeline given the state-directed and non-convertible character of the economy.

POSITIONING

Waverley views Turkmenistan as one of the world's most closed economies: vast gas reserves and a centrally directed investment program sit alongside a non-convertible currency, unreliable official statistics, and one of the most restricted political and information environments in the series.

For investors with the scale and institutional relationships to engage state entities directly on hydrocarbon-sector terms, Turkmenistan offers access to genuinely large reserves and a growing Chinese export relationship; for all other investors, the combination of currency, governance and labor-practice risk warrants significant caution.

SELECTED SOURCES

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