



CENTRE FOR AIR POWER STUDIES

In Focus

New Delhi

CAPS InFocus: 22/2024

21 May 2024

TEIF 2024: How India can engage in Turkmenistan's Energy Sector?

Dr. Ngangom Dhruba Tara Singh

Associate Fellow, Centre for Air Power Studies



Source: [Ankara Center for Crisis and Policy Studies](#)



Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS]

This work is licensed under Creative Commons Attribution – Non-Commercial – No Derivatives 4.0 International License.

Keywords: TEIF, TAPI, INSTC, Turkmenistan, India, Energy, Connectivity.

Introduction

The TEIF 2024 (Turkmen Energy Investment Forum), an international event aimed at attracting foreign investments in Turkmenistan's energy sector, concluded on April 25, 2024, and was coordinated by Turkmennebit (Turkmenoil), Turkmengaz (Türkmengaz), and Turkmengeology in collaboration with the British company GaffneyCline. The objective of this event as highlighted by Ashirguly Begliev (Advisor to the President of Turkmenistan on oil and gas issues) is "to expand opportunities to attract foreign direct investment in all segments of the energy sector of Turkmenistan related to the extraction, transportation, and processing of oil and gas, the production of renewable energy sources, construction, as well as environmental aspects of the development of hydrocarbon fields."¹ The Forum convened prominent domestic and foreign energy corporations, along with influential individuals who shape the trajectory of the oil and gas sector, not just in Turkmenistan, but also in the broader region.² The emphasis of the forum was to attract investment in offshore blocks N21 and N23, West Cheleken, optimise production at mature fields, and advance the next phase of development of the Galkynysh field.

Concerning the Turkmenistan-Afghanistan-Pakistan-India (TAPI) project, the forum highlighted it as a key project alongside discussions on other energy resources. Mukhammetmyrat Amanov, the Chairman of the Board of Directors of TAPI Pipeline Company Ltd. announced the completion of the Turkmen segment of the gas pipeline. Turkmenistan is looking for international companies to invest in the construction of the pipeline, and negotiations are in progress with the existing leadership of Afghanistan on crucial project agreements, including the host country agreement, gas transportation agreement, security arrangements, and land purchase agreement.³ He emphasised Turkmenistan's effort to expeditiously execute the TAPI project. Turkmenistan is now in contact with government agencies in Afghanistan and Pakistan to execute the construction of a 150 km gas pipeline leg that will extend from the Turkmen-Afghan border to Herat.

Along with Turkmenistan's active effort towards TAPI, its partner countries—Afghanistan and Pakistan—have also shown their readiness to start the construction of the pipeline project. Afghanistan, under the Taliban administration, has announced its enthusiasm for starting construction on the TAPI gas pipeline project. Both Turkmenistan and Afghanistan considered it as "a large and strategically important project."⁴ Further, Turkmenistan and Pakistan in 2023 signed the Joint Implementation Plan (JIP) on the project. The latter has emphasised its potential to act as a convenient entry point for accessing the former's abundant energy resources.⁵ It is evident from

these initiatives that the operationalization of TAPI is quite likely as it has received acceptance from both Afghanistan and Pakistan. Further, in 2023, Russia also showed its readiness to join the gas project as Zamir Kabulov (Russian special envoy for Afghanistan) said, “If requested by the project’s partners, ... Russia will join the project. The president of Russia has shown his readiness to cooperate in this project a few years ago, and we are interested in cooperation in the Asian economic sector...”⁶

In addition, Turkmenistan became a member of the International North-South Transport Corridor (INSTC) project in 2023. Russia, Kazakhstan, and Turkmenistan have undertaken the task of establishing a joint venture to facilitate the advancement of the corridor. The objective of the joint venture is to enhance transportation services, reduce cargo delivery times, and expedite customs procedures by implementing standardised information systems, referred to as the ‘unified window’ by the Kazakh ministry.⁷ This development coincides with Turkmenistan’s ongoing exploration and development of oil and gas reserves located on the Caspian Sea shelf. Eni, Dragon Oil, Petronas, and other businesses are involved in the extraction of oil and gas in designated regions of the Caspian Sea.⁸ The development of offshore fields in the Turkmen section of the Caspian Sea is another interesting opportunity for attracting investment in the energy industry of Turkmenistan. Based on the significant amount of geological exploration data available, including surface mapping, results from 2D and 3D surveys, seismic data, and the identification of promising sites, the database indicates substantial prospects for hydrocarbon reserves.

The recent advancements in TAPI and INSTC over the past few years showcase Turkmenistan’s fervent commitment to the diversification of energy exports. Ashgabat’s eagerness to diversify its exports, reduce dependency on China, and participate in global energy relations is the outcome of this excitement.

TAPI Project

Turkmenistan aims to establish itself as an important hub for logistics and transportation, facilitating both North-South and East-West routes. Despite various agreements as mentioned above, many studies highlighted several challenges. For instance, with regard to India, Bibhu Routray observed the following challenges: First, India is deeply concerned about the insecurity in Afghanistan. The security situation in both Afghanistan and Pakistan is precarious, and involvement in the project may include direct engagement with, recognition of, and indirect financial support to the Taliban’s Islamic Emirate. This could result in the Taliban becoming a stakeholder and beneficiary of the project. These issues operate as deterrents for India. Second, India’s concerns are also based on its

susceptibility to potential gas supply disruptions, which could occur depending on the condition of relations between India and Pakistan. The participation of China and the actuality of the Sino-Pakistan connection may exacerbate this vulnerability.⁹

On TAPI, in his earlier visit to Ashgabat, President Kovind highlighted the importance of resolving the security concerns regarding the pipeline and fundamental business principles during the Technical and Expert level discussions.¹⁰ So, in response to the concerns highlighted, India may look into following areas while making assessments on the project. The objective is to propose some ideas to address India's dilemma with the TAPI project:

(a) *An accord or treaty to ensure transit security for pipeline infrastructure:* An accord or pact is necessary to guarantee the protection and safety of pipeline infrastructure during transit. It is possible to search for joint agreements or legal instruments among TAPI member states that pertain to the security of infrastructure and the uninterrupted flow of natural gas. India has already emphasised its security concerns over the pipeline infrastructure. Any agreement on this issue can establish a comprehensive framework to handle India's specific concerns about the project.

(b) *Increasing stake holders (members) in the project:* By involving other regional countries and international institutions there is a potential for fostering a variety of viewpoints, enhancing the responsibility of its members, and establishing mechanisms for oversight and accountability. India might utilise international organisations, for instance the Shanghai Cooperation Organisation (SCO), to formulate and implement a unified transit guideline.

INSTC Project

Since the beginning of Russia's special military operation in 2022, Turkmenistan has engaged in many bilateral and trilateral agreements on connectivity. For example, Turkmenistan and Iran first inked a transit agreement in November 2023, pertaining to the building of roads infrastructure. The agreement also emphasised Turkmenistan's connection to Chabahar Port (Iran) through railways giving it direct access to international waters. Second, Turkmenistan and Kazakhstan have signed a contract regarding transport connectivity. Companies such as the Russian Railways Logistics (RZD Logistics), the Kazakhstan Railways (KTZ Express), and the Transport and Logistics Centre of Turkmenistan (TULM) entered into a MoU for international and transit freight transportation in 2023. These initiatives demonstrate that attempts are ongoing to strengthen the connectivity infrastructure on the Turkmen section of the Caspian Sea.

Hence, it is crucial not to neglect the opportunity to investigate the energy potential aspect of the INSTC. Up until now, experts have solely concentrated on the commercial and trade facets of the corridor. In the future, India should give significant attention to either supporting new infrastructure or utilising the present transportation network to enable the efficient transfer of oil and gas from Turkmenistan.

NOTES:

¹ Aman Bakiyev, "Turkmenistan boosts foreign investment prospects at energy forum in France," *Trend News Agency*, April 25, 2024, <https://en.trend.az/business/energy/3890739.html>. Accessed on May 10, 2024.

² Turkmen Energy Conference, "International Forum on Attracting Foreign Investment in the Energy Sector of Turkmenistan," April 24-25, 2024, <https://ogt-turkmenistan.com/ru/event/turkmenistan-energy-investment-forum-international-roadshow>. Accessed on May 10, 2024.

³ "Turkmenistan ready to accelerate TAPI project through closer cooperation with partners," *Interfax*, April 25, 2024, <https://interfax.com/newsroom/top-stories/101802/>. Accessed on May 10, 2024.

⁴ Daniel Onyango, "Taliban Announces Readiness to Begin Work on Afghan Portion of TAPI Gas Pipeline Project," *Pipeline Technology Journal*, February 29, 2024, <https://www.pipeline-journal.net/news/taliban-announces-readiness-begin-work-afghan-portion-tapi-gas-pipeline-project>. Accessed on May 10, 2024.

⁵ "Pakistan, Turkmenistan ink Joint Implementation Plan for TAPI gas pipeline," *Business Standard*, June 09, 2023, https://www.business-standard.com/world-news/pakistan-turkmenistan-ink-joint-implementation-plan-for-tapi-gas-pipeline-123060900063_1.html. Accessed on May 11, 2024.

⁶ Habib Rahman Qooyash, "Russia Ready to Join TAPI Project: Envoy," *Tolo News*, January 25, 2023, <https://tolonews.com/business-181698>. Accessed on May 11, 2024.

⁷ Dennis van der Laan, "Russia, Kazakhstan and Turkmenistan create INSTC joint venture," *RailFreight.com*, February 28, 2024, <https://www.railfreight.com/railfreight/2024/02/28/russia-kazakhstan-and-turkmenistan-create-instc-joint-venture/?gdpr=accept>. Accessed on May 11, 2024.

⁸ "Turkmenistan Wants to Attract Foreign Investors to the Exploration and Development of the Caspian Shelf," *ROGTEC Magazine*, March 21, 2024, <https://www.rogtecmagazine.com/turkmenistan-wants-to-attract-foreign-investors-to-the-exploration-and-development-of-the-caspian-shelf/>. Accessed on May 11, 2024.

⁹ Bibhu Prasad Routray, "Re-Reviving TAPI: Hardened Obstacles & Challenges for New Delhi," *Mantraya*, April 08, 2022, <https://mantraya.org/policy-brief-re-reviving-tapi-hardened-obstacles-challenges-for-new-delhi/>. Accessed on May 11, 2024.

¹⁰ "India, Turkmenistan sign 4 MoUs for cooperation, agree to expand bilateral trade," *The Indian Express*, April 02, 2022, <https://indianexpress.com/article/world/india-turkmenistan-mou-cooperation-bilateral-trade-7849665/>. Accessed on May 11, 2024.