

Responding to the Coronavirus Crisis

Update on Turkmenistan (09/11/20)



EBRD Policy Comparator

Financial Sector			Direct support to firms					Payment holidays			Temporary controls		Support to individuals				Increased social benefits			Health	External Assistance
Policy rate reduced	Liquidity increased	Prudential req. loosened	Wage subsidies	Tax/ social sec. contr. deferred	Loan subsidies	Guarantees	Inspections/ audits suspended	Loans	Rent	Utilities	Prices	Exports	Universal transfers	Self-employed	Pensioners	Low income households	Enhanced sick leave	Enhanced unemp. benefits	Public works	Additional spending	(available or negotiated)
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Economic channels of disruption

Exports, services

- Turkmenistan depends on China for most of its gas exports (more than 90% of Turkmen gas exports in 2018)
- Gas supplies to China were 69 million cubic meters per day in April 2020 (down 18% from January 2020)
- Services and SME sectors are affected by restrictions and falling demand but to a lesser than other Central Asian countries
- Reduced FX inflows have already translated into tighter FX restrictions, interfering with private sector activities

Selected crisis impact indicators

EBRD GDP growth outlook (September 2020)	2020: -1% 2021: 1%
Real GDP growth (January-September 2020)	5.8%
Official exchange rate (November 2020)	3.5 manat per USD
Parallel market exchange rate (November 2020)	23-24 manat per USD (up from 21 in April)

Crisis response measures to date

Support for healthcare, workers and businesses

- In March 2020, the president approved the Preparedness and Response Plan, which is designed to prevent the emergence of Covid-19 in Turkmenistan.
- Measures include closures of borders, restrictions on internal movement, cancellations of public sport activities, closures of gyms, theatres and other public places, and extensions of school holidays.
- Passenger railway transportation has been suspended since mid-July 2020 and citizens are required to wear masks in all public places.
- Price controls and import substitution for fruits and vegetables to ensure food safety

Selected crisis response indicators

Direct support to businesses	To be proposed by the Cabinet of Ministers
Payment holidays	To be proposed by the Cabinet of Ministers
Foreign currency restrictions	Mandatory conversion of wages in foreign currency to local currency at the official exchange rate, restrictions on current international payments, requirement for state-owned enterprises to submit FX export earnings to Stabilisation Fund

Key short-term priorities

Put in place healthcare measures, reduce non-priority spending, target assistance to vulnerable businesses, households