

Turkmenistan

Corruption – on a monumental scale

In spring of 2018, thousands of Turkmenistan residents rushed out to buy a lottery ticket. The lottery was allegedly set up by the state company Turkmen Atlary and offered players various prizes from household appliances and a car as the main prize.

The lottery is apparently a rare phenomenon in Turkmenistan, the last big lottery was played under the reign of Niyazov in the early 2000s and was organised by the Central Bank.

The tickets were sold throughout shopping centres and the winner was due to be announced on President Berdimuhamedow's birthday at the Hipodromo race track.

But on the day of the announcement the police turned people away from the Hipodromo and claimed the races were postponed until July. But when this date arrived still nothing happened.

Meanwhile phone numbers were inaccessible and the lottery website redirected people to another site requiring a login and password. Which no one had been given.

Locals, who can ill afford to shell out money for lottery tickets, now believe this was a scam. As one source said: "Nobody thought that this could be a fraud! Under the conditions in Turkmenistan the fly does not fly without permission and all actions are strictly regulated and controlled by the authorities."

So either this operation was set up by one very clever and one very brave soul or . . . the

authorities are behind it. This, in a nutshell, sums up Turkmenistan.

Formerly known as Turkmenia this country is known for its oppressive government. For years Turkmenistan was ruled by President for Life Saparmurat Niyazov from 1985 until he died in 2006 when Gurbanguly Berdimuhamedow was elected.

Niyazov retained absolute control over the country after independence and was known for his bizarre laws such as creating a new alphabet and re-naming days of the week and months after himself. He wrote a book *Ruhnama*, which also became mandatory reading in schools, and he named several schools, airports and theatres after himself and erected huge golden statues of himself, and his book, in the cities.

He ordered citizens to fly the Turkmenistan flag from their homes and renamed the word bread to the name of his deceased mother. He abolished algebra (there's always a plus side), physics, physical education, the internet, libraries and banned smoking, beards, chewing tobacco, opera, the ballet and the circus.

In 2006 Niyazov died and Berdimuhamedow took over from where he left off and has

followed in his predecessors footsteps. Berdimuhamedow is officially titled 'Arkadag' (The Patron) and he is also Prime Minister and Commander in Chief of the armed forces. He is serving his third term and there continues to be severe restrictions on religion and freedom of speech whilst he and his relatives and associates control all aspects of public life whilst he also has his own gold monument and horse insignias plastered around the cities.

Today the country is still one of the most repressive in the world whilst religious and media freedoms are subject to restrictions and there is constant fear of government reprisals.

Today Turkmenistan suffers from severe economic problems, soaring unemployment and food shortages. Despite the fact the country has large gas reserves, low prices for oil and gas, coupled with high costs for hosting last year's Asian Games has sent Turkmenistan into recession and there are cuts forecast for this year including ending social benefits and increasing fees for state provided services. Many young Turkmen citizens are leaving the country.



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TOURISM

Turkmenistan has land borders with four countries Afghanistan, Iran, Kazakhstan and Uzbekistan and sits on the edge of the Caspian Sea and is made up of five provinces – Ahal, Balkan, Dasoguz, Lebap and Mary – and one independent city (Ashgabat).

The country has long been a crossroads for civilisations and Merv was one of the great cities and an important stop on the Silk Road.

After independence in 1991 the country entered a time of isolation which has only just begun to end and today is one of the least explored of the 'Stans'. It is the lowest of the Central Asian republics and much of the country is covered by the Karakum (Black Sand) Desert.

Tourism isn't huge and arrivals rarely exceed 100,000 annually. Berdimuhamedow spent around \$2.23bn building a new airport in

Ashgabat for the Asian Indoor and Martial Games, which although has a capacity for 17 million annually rarely sees more than two million through its gates.

One issue is ease of travel. Turkmenistan was listed as one of the five hardest visas to obtain. Foreigners must obtain a tourist or transit visa. The tourist visa gives you entry up to three weeks but visitors need a Letter of Invitation first from a licensed travel agency. In 2017 a new tourism tax was introduced and all foreign visitors are also charged \$2 per day for their stay in Turkmenistan.

With a fall in oil prices last year there is a big demand now to promote tourism. The country is pushing its tourism offer with the slogan 'Turkmenistan – Heart of the Silk Road' and there has been a boom in medical tourism in the country primarily due to the creation of the Avaza tourist zone on the Caspian Sea.

This area was once a fairly barren region and stretches about 16km and has since been dubbed as the 'most ill-conceived resort ever built'.

The area has been completely transformed into a modern seaside resort. However with high prices it's clearly out of the average domestic holidaymaker's budget and geared towards foreigners.

It was originally Niyazov's idea to turn the quiet village near the port of Turkmenbashi into a world class resort and the first hotel opened in 2001 followed by further hotels a few years later and a vast resort infrastructure. All residential buildings were destroyed as construction began and workers now live elsewhere mostly in nearby Turkmenbashi.

Berdimuhamedow took over the project in 2006 and there are plans for a total of 60 large scale

Essential information and facts about Turkmenistan:

Capital	Ashgabat
Total Area	488,100 sq.km
Population	5,351,277
Median age	28.4 years
Religion	Muslim (89%), Eastern Orthodox (9%)
Ethnic Groups	Turkmen (85%), Uzbek (5%), Russian (4%)
Languages	Turkmen (official) and Russian
Currency	Turkmen Manat (TMM)
Government type	Presidential Republic
Chief of State	President Gurbanguly Berdimuhamedow (since 2007)
Head of Government	President Gurbanguly Berdimuhamedow
Elections	President elected by absolute majority vote for seven year term (no term limits). Next election is due 2024



hotels, of which 17 have been built so far, yacht club, desalination plant and man made river. The airport is just 12km away but has no international flights as yet.

INTERNET

Internet access in Turkmenistan remains limited and heavily state controlled. Citizens didn't even have the option of internet use until around 2008 and it is very expensive with a heavy censoring system in place.

Home use internet costs between TMM190 a month (€45) and TMM350 (€85) whilst the public sector can pay around TMM23,255 a month (€5,500) for 16mbps of use. Wifi is charged with a higher rate for foreign citizens of around \$20 per day compared to \$3 for Turkmen. There are limited wifi points and most are concentrated around the Ashgabat city.

High usage costs, considering the average monthly wage in Turkmenistan is around \$200-\$250, means internet penetration is around 14 per cent in Turkmenistan and most social media apps such as Facebook, Twitter, Instagram and YouTube for example are all blocked alongside several news websites.

There are no private or foreign internet providers in Turkmenistan and the only ISP in the country is Turkmen Telekom which is also the primary provider of telephone, email and internet services. It was set up in 1993 and is completely

controlled by the government so the authorities have full reign over what content is accessed, or not accessed as the case often is.

Meanwhile Turkmen Telekom daughter company Altyn Asyr is the state owned mobile operator in Turkmenistan using the TM Cell brand. Phone internet is charged at TMM350 for 10GB per month. The other main phone operator was MTS Turkmenistan, which is fully owned by Russia's MTS, but this company had its operations suspended in Turkmenistan in September last year after Turkmen Telekom stopped providing it with international and long distance communication services and access.

MTS had around 1.7 million subscribers at the time, a fair chunk of the five million Turkmenistan population. MTS had previously left Turkmenistan back in 2010 when it had its licence suspended. MTS later returned in 2012 after negotiations.

It is believed MTS were reinstated as the only alternative left in Turkmenistan at the time was "a dismal level of service" provided by the state run Altyn Asyr. Plus MTS agreed to pay 30 per cent of its profits to Turkmen Telekom to help modernise the poorly managed state monopoly.

This latest departure has left the country with a monopoly situation and MTS has since filed for compensation with the World Bank arbitration centre.

And the plot thickens. In September the Ministry of Communications announced a large scale project which will give Altyn Asyr 100 per cent coverage of the country via the Development of Telecommunications Networks project.

Some \$273m will be used to finance the project with 120 units of 4G base stations to be installed in the capital which in theory should increase the existing capacity of network by about half. There are also plans for 550 telephone stations in the country and multi service billing stations for Turkmen Telekom and Ashgabat City Telephone Network operators.

In June 2017 Berdimuhamedow had signed off a new state run domestic mobile telecommunications company called Ay Nazar even though nothing to date has materialised. It is to be created within the structure of the Ashgabat City Telephone Station and function on the technical platform of national operator Altyn Asyr.

Meanwhile there is limited website information or access. Companies who wish to post their own websites must first apply to the Cabinet of Ministers for a licence, a lengthy procedure which has restricted growth of internet usage in the country. Any references to women's rights, pornography and gambling have been systematically blocked.

Horse racing takes place at racecourses throughout the country and is seen as cultural despite the fact that no betting is allowed on race tracks. A blind eye is taken towards private trackside betting and there are betting shops operational including international operators such as Russian company IxBet.

There are as yet no licensed online casinos operating. Even though wagering online is not illegal, there are no domestic operators as there is no licensing procedure in place.

In addition media outlets, print, broadcast and online, are all state controlled and censored. The state owns seven TV stations and four radio networks plus 28 national and local newspapers and magazines. Even private outlets endorse the President's views.

GAMBLING

Although Gambling was legalised here after independence there are limited operations on offer and to be fair limited opportunity for development under the current leadership.

Land based betting shops are legal and licensed by the state which does provide sport betting options for players. Russian company IxBet has

locations listed in Turkmenabat. The company was founded in 2007 and holds a Russian gaming licence and offers products to over one million registered player accounts overall.

IxBet signed an agreement with Scout Gaming Group in May this year for the delivery of Scout Gaming's Daily Fantasy Sports platform and another agreement in September with Danish company Spigo to provide casual casino games.

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The Hippodrome in Ashgabat is located on the city's eastern outskirts and the Akhal Tekin is a

famous breed of horse with a reputation for speed and endurance. Meanwhile at one time there were two licensed casinos in the capital – Grand Casino and Hotel Ak-Altyn Casino. Locals were permitted but the majority of players came from neighbouring Uzbekistan and Kyrgyzstan.

The Ak-Altyn closed down three years ago. At the time it had 15 slots and six tables. The casino was located in the Ak-Altyn Hotel which is a three star hotel over eight floors with 119 rooms, bar and restaurants. This hotel was built in 1994 and reconstructed in 2008. It was operated by Four Points Sheraton.

Meanwhile the Grand Casino closed down a few years ago and had 150 slots and 13 tables plus hotel, bars and restaurants. It was located within the Grand Turkmen Hotel which at one time was also operated by Sheraton as a five star hotel and was the first Sheraton in Turkmenistan.

The hotel is now four stars with six floors and 120 rooms. It was built in 1995 and remodelled in 2015 and is located in the city centre. Both hotels are now owned by Best Eurasian Hotels which owns two other hotels in Turkmenistan the Hotel Nusay and Hotel Yyldyz.

Best Eurasian Hotels was set up in 1998 and consolidates Best Eastern Hotels and Best Eurasian Hotels with over 1,600 hotels in 300 cities in Russia, CIS countries and the Baltics.