

Ashgabat Opens New Gas Pipeline

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ASHGABAT, Turkmenistan — Turkmenistan inaugurated a 200-kilometer pipeline Saturday that will help boost exports of gas to Russia, shortly before President Dmitry Medvedev arrives for a two-day visit.

The route links reserves in the barren Karakum Desert to a compressor station that feeds into the Soviet-built Central-Asia-Center pipeline.

"The new pipeline in the Karakum Desert, which will increase the supply of Turkmen gas to Russia, is a vivid example of mutually beneficial cooperation between Turkmenistan and Russia," Turkmen President Gurbanguly Berdymukhammedov said at a Cabinet meeting Friday.

The route has been created despite Moscow's flagging interest in buying Turkmen gas. Although itself rich in gas, Russia has traditionally bought cheaper Central Asian supplies while selling its own reserves to European customers at much higher prices.

Medvedev is set to arrive in Turkmenistan on Wednesday, in a sign that relations may be on the mend. Next year's schedule for gas deliveries is expected to be discussed during

Medvedev's visit.

Last year, Russia abruptly suspended its imports from Turkmenistan amid mutual accusations over responsibility for a pipeline blast in April 2009. Deliveries resumed in January, but at much smaller quantities.

State-owned Turkmenengaz says Russian gas imports are expected to reach about 10 billion cubic meters this year, down from the annual 40 bcm it bought previously.

Russia, which once had a lock on the bulk of Central Asian gas supplies, has seen its dominant position undermined by the recent construction of new pipelines to China and Iran.

Turkmen gas deliveries to China through a pipeline completed in 2009 are expected to reach 6 bcm this year, with supplies increasing incrementally every year until they reach 40 bcm in 2015. Turkmen gas supplies to Iran currently stand at about 14 bcm a year.

Russia appeared to have cornered the market for Central Asian gas exports in 2007, when it closed a deal to build a new pipeline along the Caspian coast to further boost supplies. But that project has fallen by the wayside as Moscow's readiness to buy Turkmenistan's increasingly expensive gas has waned.

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