

Regional Resilience and Economic Opportunity in a Multipolar World

Focus: Central Asia & the South Caucasus — case study of Turkmenistan

Post-event note from the JCC conference “Trade and Investment in Central Asia and the South Caucasus: Business Opportunities in a Realigning World,” held on 11 September 2025 at Everllence Schweiz AG, Zurich.

Why this conversation matters now

As supply chains are rewired, energy routes repriced, and trade preferences re-sorted, the resilience of Central Asia and the South Caucasus increasingly rests on three levers: connectivity, rules, and resources. During our JCC discussion in Zurich, one conclusion stood out: economies that build optionality across these three levers will capture a significant share of new investment and trade. This article distills those insights with a case study of Turkmenistan.

Turkmenistan: neutrality as an operating model

Turkmenistan’s UN-recognized permanent neutrality—marking its 30th anniversary in 2025—has enabled pragmatic engagement with diverse partners while avoiding entangling political blocs. In a multipolar era, neutrality is not mere branding; it is a risk-management strategy. For investors, it signals a government priority to maintain workable ties across East–West and North–South vectors—an important backdrop for cross-border logistics, energy offtake, and project finance.

Connectivity: corridor pluralism creates resilience

Turkmenistan anchors a set of corridors that matter to the broader region. Westward, the Turkmenbashi International Sea Port (2018) links to Azerbaijan’s Alat/Baku hub and on to Georgia and Türkiye, offering redundancy to the “Middle Corridor” (Trans-Caspian route) at a time when Europe is diversifying away from northern transit. Southward, the Kazakhstan–Turkmenistan–Iran railway forms the eastern branch of the International North–South Transport Corridor, improving access to Persian Gulf and Indian markets. Complementing these, modest but persistent rail spurs into northern Afghanistan (Aqina–Andkhoy; Serhetabat–Torghundi) and the multimodal Lapis Lazuli route connect Central Asia to the South Caucasus and beyond. Each node may appear incremental in isolation; together they form an option-rich, shock-tolerant network.

Rules: legal certainty is the quiet catalyst

Capital follows clarity. Turkmenistan’s participation in ICSID (since 1992) and accession to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards effective 2 August 2022 have strengthened the enforceability of arbitral awards—crucial for bankable contracts in transport, power, and petrochemicals. A PPP Law (2021) is opening space for concessions in logistics and utilities, and a WTO Working Party (established 2022) signals a trajectory toward more predictable trade disciplines. At the same time, investors must structure prudently around known restrictive conditions — foreign-exchange convertibility, state dominance in key sectors, and localization rules — using robust seats of arbitration, escrow/offshore payment structures, and clear repatriation mechanisms.

Resources & climate: monetizing endowment with integrity

Turkmenistan sits atop world-scale gas (including the Galkynysh complex - among the largest gas fields globally) and already ships significant volumes east via the Central Asia–China pipeline system. The long-planned TAPI (Turkmenistan – Afghanistan – India – Pakistan) pipeline remains the marquee bet on Afghan transit; alongside hydrocarbons, the Kerki–Sheberghan 500 kV line highlights the role of power exports to Afghanistan as a stabilizer and revenue stream. Two issues will shape the investment narrative in 2025–2028: methane abatement—where Turkmenistan’s roadmap can underpin credible ESG improvements—and water security, with the Amu Darya basin under pressure and the Qosh Tepa Canal in Afghanistan altering flow dynamics. Serious progress on methane and basin cooperation would materially de-risk European and multilateral engagement.

What this means for international investors:

Move where reforms meet corridors. Prioritize projects at the intersection of policy progress and trade routes—where deal risk is lowest and throughput is rising.

Energy & petrochemicals (near-term, bankable): Brownfield gas-processing upgrades; methane leak detection and reduction linked to offtake contracts; petrochemical value-add (polymers/fertilizers) oriented to both eastern and western demand.

Logistics & trade facilitation: Dry ports, customs digitalization, and terminal upgrades in and around Turkmenbashi to improve the reliability and speed of Middle Corridor flows.

Power & interconnects: Credit-enhanced, cross-border grid links that monetize generation while stabilizing demand centers in northern Afghanistan.

Deal structuring essentials: Build in FX convertibility safeguards, rigorous ESG measurement/verification, and arbitration-ready contracts as standard terms.

Investor checklist (actionable next steps)

- Structure for FX realism: price in stable currencies; use offshore escrows and receivables security.
- Lock in dispute resolution: select reputable arbitration seats and embed award-enforcement pathways.
- Tie ESG to economics: link financing margins or offtake volumes to documented methane reductions.
- Prioritize corridor-adjacent assets: dry ports/ICDs, port services, and grid interconnects with multilateral wraps.

Looking ahead

In a realigning world, neutrality plus connectivity can be a resilience strategy. For Turkmenistan—and for the wider Central Asia–South Caucasus system—the opportunity in 2025 is to convert diplomatic and legal assets into bankable infrastructure and energy projects delivered with climate integrity. JCC will continue to convene partners across Switzerland, the EU, Central Asia, and the South Caucasus to translate this agenda into transactions that create durable, region-wide value.

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