

## **CHAPTER V**

### **CONCLUSION**

Economic development generally includes such trends as technological innovation, improvements in the standard of living and life expectancy, and increases in the amount of invested assets per capita. In addition, it also requires the role of government as a ruler and public representation to well manage all national sectors, such as people, natural resources, technology and relations to other countries. Turkmenistan government is trying to develop the economy and they are using neoliberalism because Gurbanguly Berdimuhamedov, Turkmenistan president, believes to use this system, Turkmen's economy will be more developing.

The government changed the economic system from socialism system to neoliberalism system. Turkmenistan's transition from a command economy to a free market economy was initially cushioned by its relatively low level of development, as well as by the central government's plans for a gradual reform over a 10 year period with the state continuing to play strong directive and protective roles in the economy.

The decision of Turkmenistan's government to launch a large scale privatization program marks an important watershed for Turkmenistan. It could potentially allow the country to depart from the Soviet-style command system towards a new economic model based on market principles. There is

and that the privatization of state enterprises and state owned property

is a critical part in this transition process.

The Government has passed new laws and legal reforms on foreign investments, accounting, financial reporting, and tax regulations; abolished import duties on some foodstuffs; and lowered import duties on some other products. Also, new foreign exchange regulations, which enabled the Central Bank to provide commercial banks with ready access to foreign exchange and allowed commercial banks to open correspondent bank accounts to facilitate trade finance. To protected from the global crisis, the Ministry of Finance has limited exposure to international financial markets, low external debt, and strong fiscal and external balances.

Turkmenistan makes a good relations with other countries, such as Russia, China, Europe, the United States of America, and other Central Asian. The largest shares in the foreign trade of the country is belong to Iran (21.7%), Russia (18%), Turkey (16.4%) and China (10.8%). Turkmenistan exports natural gas, liquefied gas , petroleum, petroleum products, electrical energy, iodine, polypropylene, and cotton fibre. And Turkmenistan imports pharmaceuticals and staple food items such as flour, meat, fruit and sugar. Production and technical products are mainly imported from Turkey, China and Russia. But the activities of international NGOs are extremely limited. Berdimuhamedov increased international cooperation and intensified diplomatic relations with neighboring and economically important states.

Labours need skills, such as foreign languages and computer literacy, and to support technical training has impeded the development of a work force capable of supporting high tech foreign investment projects. The

general lack of foreign language learning has hampered the ability of students to study outside Turkmenistan and work with international companies, but in 2006, English language instruction was officially enforced in school programs.

The government had changed the economic system from economic socialist to economic liberalist system can make their economy more develop and it proved by GDP growth per year. Today in Turkmenistan there has been created an economic system with the sufficiently solid investment potential, which is significantly important in conditions of the world financial crisis. Economy of the country is the surplus on its aspects which promotes to constantly grow "long term credits", accumulated both in national and foreign currencies.