

TURKEY AND TURKMENISTAN: SIGNIFICANT PARTNERSHIPS – 11 November 2008

CHALIK'S TRANSLATION OF THE RUHNAMA

Ahmet Chalik was effectively Niyazov's vizier and, in the former dictator's time, holder of the positions of Minister of Textile Industry, and Adviser to President on Economic Issues and Turkmen Energy Resources International Marketing. This businessman, to all extents and purposes, pioneered the practice of translating the Ruhnama in order to ingratiate himself with the Turkmen dictatorship. The earliest Ruhnama translation was the Turkish version of volume one. Chalik initiated the translation. He then sponsored the English version, with both volumes available by 2005. He also sponsored the French edition of volume one—an act that would be critical in his rivalry with the French company Bouygues—employing a French-language professor from Istanbul.

Whenever possible, Chalik injected the Ruhnama into his public meetings with Niyazov and, for the assemblies of Turkmen media representatives, waxed lyrical on its cultural value and warm reception abroad.

http://www.turkmenistan.ru/?page_id=3&lang_id=en&elem_id=6306&type=event&sort=date_desc

THE CHALIK GROUP – BACKGROUND

The Chalik Group is comprised of Chalik Holding and its subsidiaries. These businesses operate in a wide range of sectors: energy and telecommunications, construction and investment, textiles, financial services and international trade. In 2006, the Chalik Group had 34 companies employing 14,000 people. Its total annual business volume was around 1 billion dollars, and its consolidated assets were worth over 2.3 billion dollars. In foreign trade volume, the Chalik Group was one of Turkey's top exporters, particularly in the textiles field.

<http://www.calik.com/?p=investor&sid=0mps4g452vgvfp45w0jaspmk&n=514&q=79&prn=76&lvl=1&name=Annual%20Reports#>

CONSTRUCTION OF AN EGO

In terms of construction, Chalik was the contractor for many of Niyazov's most elaborate and most expensive projects, such as the Ruhnama statue – almost all the projects were designed to bolster the Turkmenbashi's personality cult. The National Library, with a giant Ruhnama poster on the side, was a long white cube dedicated largely to Niyazov's books. The National Center for Culture was a vast collection of stylized colonnades, gold domes and banks of tall, mirrored-gold windows. The Center was used for such activities as the "international scientific conference" on the Ruhnama held in October 2005, and for reinforcing the Ruhnama's view of Turkmen history. One of Chalik's assignments, The World of Turkmen Fairy Tales, is a 330,000-square-meter children's park built at a cost of 50 million dollars. The park promotes Niyazov's nationalist mythology and showcases talking robots based on characters from Turkmen children's stories. Berdymuhammedov met with Chalik in February 2007 where the pair discussed future plans, demonstrating that Chalik's relationship with Turkmenistan remains fruitful despite Niyazov's death.

<http://www.gapinsaat.com/en/NewsDetails.aspx?NewsID=47>

CHALIK'S TEXTILE BUSINESSES

Chalik's first large-scale projects with the Turkmen government were a series of textile plants and complexes. The ventures cost hundreds of millions of US dollars, and included substantial financing from the European Bank for Reconstruction and Development.

His Turkmen textile factories relied on the country's oppressive cotton industry and on the government's general corruption. Along with encouraging the use of child labor in the cotton fields, Niyazov forced farmers to meet impossible and largely unprofitable state cotton quotas and used the police and military to force citizens to work on the cotton harvest. While cotton fiber and its products made up 25 percent of GDP and were responsible for 50 percent or more of national employment, cotton laborers were unable to earn a living wage. For Chalik, however, the government's control of the industry guaranteed cheap and profitable cotton supplies for use in his factories. His position as Minister of Textiles also directly involved him with Niyazov's cotton practices.

<http://www.ebrd.com/new/pressrel/1996/02jan05.htm>

http://www.crisisgroup.org/library/documents/asia/central_asia/093_curse_of_cotton_central_asia_destructive_monoculture.pdf

CHALIK AND THE ENERGY INDUSTRY

While establishing the Turkmen textile plants, Chalik started to win numerous construction contracts from the Turkmenbashi. The contracts belonged mainly to the business line of GAP Insaat, the Chalik Group's construction subsidiary. In addition to the projects designed for Niyazov's personality cult, Chalik built a paper factory, a 160 million dollar cement factory, and a 240 million dollar set of ammonia and fertilizer plants. In December 2004, Chalik became part of a 109 million dollar agreement with General Electric and the Turkmen government to create a gas turbine power plant in Ashgabat.

In 2003, the Turkish government selected Chalik Energy to build the Samsun-Ceyhan pipeline. The main goal of the project was to bring Turkmenistan's oil to Western markets via Turkey, helping to break Russia's effective monopoly on these markets. Chalik relied heavily on his Turkish political connections to obtain the Samsun-Ceyhan deal. The deal was, in a sense, constructed via personal pacts involving Chalik and Erdogan, as well as Chalik and Niyazov. This year another major contract has been granted, under similar circumstances, for the construction of the Medstream pipelines extending from Turkey to Israel.

<http://www.guardian.co.uk/business/2005/may/26/businessqandas.oilandpetrol>

THE TURKISH MEDIA AND ERDOGAN'S AKP PARTY

In December 2007, Turkey accepted a \$1.1 billion bid for the country's second-largest media firm, ATV-Sabah, from the unlisted Calik Group, taking the minimum price for the seized assets after other bidders dropped out. The firm encompasses one of Turkey's leading TV channels, **ATV**, the radio channel **Radio City**, and newspapers **Sabah** (which has one of the largest circulations in Turkey), **Takvim**, **Günaydın**, **Yeni Asır** and **Pas Fotomaç**, and the magazines **Bebeğim ve Biz**, **Sinema**, **Sofra**, **Home Art**, **Şamdan Plus**, **Yeni Aktüel**, **Para**, **Global Enerji**, **Transport** and **Hukuki Perspektif**. The sale of what analysts had said were some of Turkey's most attractive media brands had been expected to attract strong foreign and local interest. The sale caused much controversy as it was supported with loans from two Turkish state-run banks and appears to have received significant assistance from Turkish Prime Minister Recep Tayyip Erdoğan, whose son-in law took the company's helm. In September 2008, Erdoğan caused a media scandal by calling for a boycott on opposition media. Chalik is also reputedly close to Turkish President Abdullah Gül, who in December 2007 opened a Chalik-built power station in Turkmenistan along with Berdymuhammedov. Both Gül and Erdoğan attended Niyazov's funeral in 2006, where the latter said: "*We are experiencing the sadness of losing the founder of Turkmenistan, the outstanding statesman of the Turkic world...*"

<http://uk.reuters.com/article/partiesNews/idUKIST00141020071205>
<http://www.hurriyet.com.tr/english/turkey/8769903.asp?gid=231&sz=93519>
<http://in.reuters.com/article/asiaCompanyAndMarkets/idINLK18587520080920>

The Chalik Group was also one of the **Zaman** newspaper's financiers. The *Zaman* editorial line varied from columnist to columnist, but generally professed liberal Islamic social and political viewpoints. It also supported the spreading of Islamic education and Islamic business principles to Turkmenistan and other parts of Central Asia. As one of the best-known dailies in Turkey, *Zaman* was an influential advocate of the AKP, and of the new breed of Islamic capitalists like Chalik.

<http://www.asharq-e.com/news.asp?section=3&id=11066>
<http://web.ceu.hu/nation/theses/Mamedov.pdf>

CHALIK AND CHINA

China is the only one of Turkmenistan's international partners to have a production sharing agreement concerning Turkmen gas reserves, covering field exploration and development. The China National Petroleum Corp. (CNPC) has invested in production in the town of Iolotan in collaboration with Chalik Energy. The two organisations shared the \$292 million investment required for the drilling of 12 oil wells in the region's newly-discovered oil and gas fields.

http://www.iht.com/articles/ap/2006/12/10/asia/AS_FIN_COM_Turkmenistan_Energy.php

CHALIK AND THE U.S.A.

Ahmet Chalik was extremely active in dealing with American corporations on Niyazov's behalf. In 2004, Chalik Energy had sponsored a large-scale conference organized by RPI, Los Angeles-based company, in Ashgabat. The topic for the conference was "Oil and Gas of Turkmenistan." The RPI event showed Chalik clearing the path for American and international energy companies to increase their business with Niyazov. This was another step forward for Chalik, into the center of Turkmenistan's economic power. Chalik presided over a strong array of American and foreign energy corporations at the conference, and further established his credibility in the broader international business arena that he was now determined to conquer.

http://web.archive.org/web/*/http://www.rpi-inc.com/TOGC2004/index.html
<http://www.eng.rpi-inc.ru/conferences/items/conf/?c=4>

In time, as Chalik guided Niyazov into expanding international partnerships, American companies such as Parker Drilling and Schlumberger, Houston's famous oilfield services provider, became collaborators with Chalik on multi-million dollar contracts.

<http://www.parkerdrilling.com/newsroom/newsrelease.aspx?id=556786>
<http://www.calikenerji.com/news.php?ID=11>
<http://www.allbusiness.com/mining/oil-gas-extraction-crude-petroleum-natural/629705-1.html>

POLIMEKS AND THE TURKMENBASHI STAR

Polimeks (<http://www.polimeksinsaat.com/>) has something of an odd profile for a Turkish company as it does most of its business in Turkmenistan. The company specialized in making many of Niyazov's statues and monuments, and was responsible for the Arch of Neutrality, which featured a rotating gold Niyazov on top. Polimeks also sponsored a version of the Ruhnama for the blind. Most ridiculously, it bought the rights to name a star after Niyazov – a star called Turkmenbashi.

OTHER TURKISH CAPITAL IN TURKMENISTAN

Turkey holds a stable 4th place in Turkmenistan's exports and 1st place in Turkmenistan's imports. Trade turnover between the two states exceeded US \$ 1.1 billion in the first ten months of 2007. 428 enterprises with Turkish capital were registered in Turkmenistan. This is 33% of all foreign companies registered in Turkmenistan. Companies involved include the **Engin Group**, **Cotam Enterprises**, **Ichkale**, **Sehil**, **Gerkem**, **Lotus Proje**, **Som Petrol**, and **Erdemir** (Turkey's largest steelmaker).

http://www.turkmenistan.ru/?page_id=3&lang_id=en&elem_id=11761&type=event&highlight_words=abdullah&sort=date_desc