**Rising Strategic Role of Azerbaijan and Turkey in Euro-Asian economic relations**

Currently, energy and trade routes security is one of the major consideration in global level. In the shade of the recent global events, the importance of energy resources is more likely to become a dominant matter which the global economy requires the tremendous needs of these resources.

Energy supply to Europe, particularly to South and Southeast Europe depends on only one source. However, the European Commission is accelerating the economic diversification processes beginning with the gas routes in order to reduce the economic dependency. Hence, the EU has already held various talks with energy players such as Egypt, Qatar, the United States, South Korea, Nigeria, and Azerbaijan to increase natural gas supplies in the case of unexpected gas crisis.[[1]](#footnote-1)

**Role of Azerbaijan and Turkey in EU Energy Policies**

Recently, Azerbaijan supplies gas via Turkey to some of the EU countries such as Italy, Greece and Bulgaria through the Southern Gas Corridor. One of the main advantages of utilizing this route is the minimum possibility or the absence of gas crisis and price challenges. These show that the role of Azerbaijan as a gas provider and Turkey as a credible transit hub in European energy security will considerably increase in a short period of time.

It is officially accepted that Azerbaijan is a strategic energy partner for the EU and plays a pivotal role in bringing Caspian energy resources to the EU market. As an important energy partner for the EU, Azerbaijan is currently supplying around 5% of the EU’s gas demand.[[2]](#footnote-2) Thus, collaboration between Azerbaijan and the European Union, especially in the field of energy, is of a strategic nature.

**Realized well-prepared policies and colossal projects by Azerbaijan and Turkey**

Certainly, the existing geoeconomic realities are the results of pursued long-term purposeful policies and implemented mega projects. Despite of the challenges, Azerbaijan and Turkey have demonstrated their leadership roles and solid commitments during many cases in regional development projects, which aimed at the diversification and improvement of energy and logistics routes between Asia and Europe. For instance, the construction of the South Caucasus Pipeline (SCP) was aimed at exporting the gas from Shah Deniz to European continent through Georgia and Turkey. This energy corridor is undeniably unique project which natural gas of the Caspian Sea meets its consumers in European markets. Baku-Tbilisi-Ceyhan oil pipeline, Baku Tbilisi Kars railways, Baku-Tbilisi-Erzurum gas pipeline, Western Route Export Pipeline (oil), and other projects can be mentioned in this regard, too. Successful implementation of these projects and solid commitments aim generally at reestablishing the ancient Silk Road and developing the cooperation of the region countries.[[3]](#footnote-3)

It is a visible fact that these projects have considerable impacts on region's energy and trade maps and new players, such as Azerbaijan and Turkey, acting as a more active initiators and key implementers in the new geo-economic realities. Therefore, it is not coincidence that Turkey has become one of the power centers not just in regional, but in global levels recently.

**New Geoeconomic Realities and Perspectives**

On March 8, European Commission announced its plans that in 2022, the reduction of the EU's dependence on Russian gas by two-thirds.[[4]](#footnote-4) Additionally, the EU and the United States struck an agreement on March 25 to increase US LNG shipments to Europe by 15 billion cubic meters before the end of this year. Additional rises up to 50 bcm per annum, are expected in the years after that.[[5]](#footnote-5) At the same time, utilization of renewable energy resources is highly expected trends.[[6]](#footnote-6) However, it is obvious fact that these resources will not meet with the full needs of European consumers in a short time period. Thus, the rising role of new energy routes will be one of the main trends in European markets in near period.[[7]](#footnote-7)

In addition to abovementioned projects, Azerbaijan, Iran and Turkmenistan signed an agreement on swap of Turkmen gas on 28 November 2021. The size of gas swap deal is up to 2 billion cubic meters per year.[[8]](#footnote-8) Diversification of gas routes and availability of such agreements signed by Azerbaijan, Iran and Turkmenistan opens a new era for the export possibilities of Caspian Sea energy resources to European markets through these channels. Therefore, using its untouched gas reserve potential in the Caspian Sea as well as accessing to natural gas sources of other Caspian Sea region countries such as Turkmenistan and Iran, Azerbaijan and Turkey have tremendous perspectives to increase the gas resources to Europe.

The importance of the alternative trade and energy routes between the Europe and Asia became more visible after the Evergreen ship crisis, Poland-Belarus border tension, and the imposing of brand-new sanctions on Russia. Currently, approximately 50 percent of the EU-related rail freight passes through Russia and Belarus[[9]](#footnote-9). Considering the sanctions over Russia, the shift of trade routes to the Middle Corridor through Azerbaijan and Turkey is more likely to occur because it is the only viable alternative route connecting the West and East in current situation[[10]](#footnote-10). Additionally, the implementation of the Zangezur Corridor will enhance the potential of energy and trade routes passes through Azerbaijan and Turkey. Obviously, the concept of Zangezur Corridor creates opportunities not only for the opening of the railway routes between Europe and Asia, but also for the operation of energy, roads, trade routes, airlines, electricity and etc. along this transport artery.

Consequently, the current processes show that the importance of energy and trade hubs in the Eurasian region will be even greater in the near future. Thus, the role of Azerbaijan and Turkey as the key players, which has managed to establish effective and reliable relations with all economic partners and became economic hubs using geographical opportunities, will be further expanded. This type of rising role of Turkey and Azerbaijan in regional economic processes will urge all stakeholders and global players to be interested in the stable development of geoeconomic and geopolitical conditions around Azerbaijan and Turkey.

1. <https://www.reuters.com/world/europe/eu-says-it-is-prepared-partial-disruption-russian-gas-flows-2022-02-15/> [↑](#footnote-ref-1)
2. <https://ec.europa.eu/neighbourhood-enlargement/european-neighbourhood-policy/countries-region/azerbaijan_en> [↑](#footnote-ref-2)
3. <https://www.dailysabah.com/opinion/2019/12/31/the-energy-silk-road-launched-the-ball-is-now-in-europe>

   <https://www.bp.com/en_az/azerbaijan/home/who-we-are/operationsprojects/pipelines/btc.html>

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   <https://www.eurasian-research.org/publication/recent-developments-in-the-baku-tbilisi-kars-railway-project/> [↑](#footnote-ref-3)
4. <https://www.euractiv.pl/section/instytucje-ue/news/komisja-europejska-gaz-unia-europejska-ropa-rosja-ukraina-wojna-sankcje/> [↑](#footnote-ref-4)
5. <https://www.theguardian.com/us-news/2022/mar/25/biden-and-eu-agree-landmark-gas-deal-to-break-kremlin-hold> [↑](#footnote-ref-5)
6. <https://jamestown.org/program/rhetoric-versus-reality-the-european-union-and-imports-of-russian-natural-gas/> [↑](#footnote-ref-6)
7. <https://jamestown.org/program/rhetoric-versus-reality-the-european-union-and-imports-of-russian-natural-gas/> [↑](#footnote-ref-7)
8. <https://www.aa.com.tr/en/world/iran-azerbaijan-turkmenistan-sign-gas-swap-deal/2433201> [↑](#footnote-ref-8)
9. <https://theloadstar.com/ukraine-invasion-will-impact-china-europe-rail-freight-and-push-up-rates/> [↑](#footnote-ref-9)
10. <https://top-center.org/en/analytics/3348/with-russia-and-iran-sanctioned-middle-corridor-has-a-chance-to-establish-itself-as-a-viable-route-in-the-east-west-trade>

    <https://www.railfreight.com/beltandroad/2022/03/08/a-bypass-route-to-duisburg-is-this-the-new-normal/?gdpr=accept> [↑](#footnote-ref-10)