Central Asian Countries Are Expanding Strategic Relations with Azerbaijan

By Ayaz MUSEYIBOV, Adjunct lecturer at Azerbaijan Technical University,

PHD candidate at Azerbaijan State University of Economics

In the wake of the recent global geopolitical challenges including the war in Europe, instability in Afghanistan, and many other rapid global changes, Central Asian countries diversify and expand their economic, strategic, and political relations. As Azerbaijan is emerging as a new energy and logistic hub in Euro-Asian value chains, economic relations with Azerbaijan are crucial in regional logistics and energy spheres. Therefore, on April 20th and June 21st, 2022, Kyrgyzstan and Uzbekistan signed the declarations of strategic partnerships with Azerbaijan, respectively. Thereafter, Kazakhstan and Turkmenistan signed cooperation documents with Azerbaijan covering various directions. Especially, the recent intensive high-level mutual visits, regular interactions, newly signed documents in the fields of economy including transport, logistics, energy, humanitarian aid and other fields have substantially expanded the cooperation (president.az, 20 April president.az, 21 June). On the other hand, Azerbaijan's desire to join the Consultative Meeting of Central Asian leaders as a honorary guest was sounded by the Kyrgyz leader Sadir Japarov recently (apa.az, 22 July). The main reasons for this tendency are Azerbaijan's logistics and energy infrastructure links with the EU, realized and potential mega energy and transport infrastructure projects, and the EU's strengthened economic interests in Central Asia and South Caucasus regions. It is not a coincidence that the President of the European Commission Ursula von der Leyens's statement in Baku has considered cooperation with Azerbaijan on building connections with Central Asia and beyond as one of the main points that the European Union is willing to pursue (president.az, 18 July). This can be restated as former U.S. national security advisor Zbigniew Brzezinski described it: Azerbaijan can be imagined as a vital "cork" to access the "bottle" that is the Caspian Sea basin and Central Asia.

Azerbaijan's newly established Baku port is considered one of the main elements of alternative logistic routes towards Europe. Currently, the works are underway to increase the capacity of the largest port of the Caspian Sea and it is planned that the capacity of the Port will be increased from 15 million tons of cargo per year to 25 million tons (azertag.az, March 10, report.az, July 30). Akramjon Nematov, the deputy head of the Institute for Strategic and Regional Research under the President of Uzbekistan, during his visit to Baku Port, stated that this port is a crucial locomotive of interregional logistics relations (report.az, July 5). Previously, the President of Uzbekistan stated that the current realities require the formation of alternative corridors (president.az, June 21).

Azerbaijan has officially stated that its port infrastructure capacity has created conditions for being used by Kyrgyzstan as well (apa.az, April 20). During his visit to Turkmenistan on June 29, 2022, President Ilham Aliyev said that the increase in the flow of cargo between Turkmenistan and Azerbaijan through the Caspian Sea meets the interests of both countries and their neighbors. Thus, the transport route passing through the Caspian Sea is of particular importance now. Turkmenistan and Azerbaijan have implemented big investments in the

railway infrastructure and the construction of modern seaports (<u>azertag.az</u>, June 29). Nevertheless, there is still potential for the development of cooperation between Azerbaijan, Turkmenistan, and other Central Asian countries, especially in the field of transportation (<u>azertag.az</u>, June 10).

On the other hand, the projects are being implemented by Azerbaijan with neighboring countries to connect the rail system of Europe and Azerbaijan and the growing volume of cargo will be passing through Azerbaijan. Besides, it was said that the work is still at its initial stage, and there are potential opportunities for the future. Thus, in just five months of 2022, the transit through Azerbaijan has increased by more than 30 percent (report.az, July 21). This can be shown as a clear example of how the ongoing war in Europe has affected the policy of diversifying the transport and logistic routes. It should be noted that on March 31, 2022, Kazakhstan, Azerbaijan, and Georgia signed a declaration for future cooperation in this direction. On the other hand, Aset Irgaliyev, Chairman of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, stated at the "European Development Days" forum held in Brussels, that they are ready to connect the transit routes with the Trans-European Transport Network for the integration of land trade between the East and the West. Additionally, Irgaliyev proposed to the European Commission to start discussions on potential transit hubs in Kazakhstan, which could be part of increased connectivity in this region (vergiler.az, 29 June).

The second most important factor in the relations between Azerbaijan and Central Asia is the issue of production and transportation of hydrocarbon resources, in particular their export to international markets. In general, Azerbaijan, Kazakhstan, Turkmenistan, as well as other Caspian littoral countries have a common interest in providing these resources to other continents on more favorable terms. (report.az, June 29). Thus, in July 2022, a "Road Map" was signed between SOCAR and "Uzbekneftegaz" Joint-Stock Company for the expansion of cooperation. The document covers the implementation of joint projects in the oil and gas sector and cooperation in trade, oil refining, petro-chemistry, exchange of experience, and other important directions (socar.az, July 5).

To sum up, Azerbaijan is an important country through which the main trade and hydrocarbon energy routes to the European continent (rail and road) should be further expanded, especially considering the emergence of a new stage in the development of the European-Asian economic corridors. On the other hand, the Caspian, Central Asia and South Caucasus regions need peace and stability nowadays. The basis of this, of course, is the political will of the leaders, as well as appropriate socio-economic grounds. The recent agreements and integrative developments related to increasing the turnover of goods, investment projects, transport-logistics routes would create great opportunities for increasing further cooperation not just amongst these countries, and it will also enhance the Euro-Asian economic relations, especially in the field of transport, trade and energy.