

The Emergence of The East-West Energy Corridor in the Interests of Global Powers and Regional States

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ABSTRACT

This study examines the historical conditions that necessitated the creation of the East-West energy corridors in 1993-2003, the place and position of the Republic of Azerbaijan in the formation of this corridor. The main purpose of the article is to analyze the geopolitical situation in the South Caucasus region in the 90s of the 20th century, the geo-economic interests of global powers and regional states, the reconstruction and development of the Caspian energy resources transportation system, the determination of the route of multi-faceted pipelines, the choice of the western route for the transportation of Caspian Sea resources to world markets. As one of the factors determining the relevance of the problem is the implementation of major projects in the field of oil, economic and transport-communication within the framework of East-West energy, political-economic integration into the Western space for the Republic of Azerbaijan and, on the other hand, new perspectives for the development of mutual relations between Turkey and the Turkic states.

Keywords: East-West energy corridor, Caspian Sea, export pipeline, energy, oil.

INTRODUCTION

One of the important components of contemporary world politics is the development strategy of energy transportation corridors. The fact that energy resources and transportation have such a large place in the world economic system and geopolitics is primarily due to the dependence of the world's energy on oil and natural gas. The annexation of the South Caucasus by the Soviet state in 1920 left Azerbaijan out of the geopolitical struggle in the world till 1991.

With the collapse of the USSR in the early 90s of the 20th century, the South Caucasus region attracted the attention of major power centers. During these years, a real geopolitical revolution took place in the Caspian Sea region. As a result, Azerbaijan has become the most "hot" line

where the interests of Russia and the West collide(Алиев2003). Also, with Azerbaijan, Turkmenistan and Kazakhstan joining the politics of this region, which belonged to Russia and Iran for decades, a new picture was created in the region's international relations. The only interest of the West in this region is the presence of huge energy carriers in the Caspian basin... These energy resources will be of great importance for Western Europe in the next century.

(Гарашова,2014). The energy carriers of the Caspian basin play a key role in supporting independence and prosperity of the Caucasus states(Чернаявский,1999).

It is not accidentally that Azerbaijan is referred to as the "threeG" country (geography, geology, geopolitics). This is a factor that reflects the political and economic reality of this country and plays an important role in choosing its strategic orientation (Paşayev, 2007). Transporting rich energy resources to the world market, choosing East-West energy and transport corridors, using the opportunities of operating the "Great Silk Road" passing through the territory of Azerbaijan along these corridors are among the priority issues of the policy of the Republic of Azerbaijan. Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan are all important to the United States' Eurasian approach in the 21st century.

(Чумалов,2000). However, Azerbaijan's geographical position, sovereignty and independent policy implementation are of great importance not only for South Caucasus but also for the Eastern littoral countries of the Caspian basin.

THE STRATEGY OF THE US IN THE CASPIAN REGION

For nearly two centuries, the Caspian countries have been in contact with the West only through Russia. For this reason, the US strategy in the Caspian region was to strengthen energy projects which are by-passing Russia. The US administration has been supporting the East-West corridor, including BTC (Baku-Tbilisi-Ceyhan Natural Gas Pipeline)(Жильцов,2000). The US established a special working group in 1994 to manage its interests in the Caspian and to encourage the transportation of Caspian energy through alternative routes other than Russia and Iran. This working group, created to provide technical, diplomatic and commercial support, has been an important instrument in guiding US policy in the region (Ceferov, 2023).

Washington played a decisive role in the export of Caspian oil to European markets. During this period, the interests of the United States in the region included the following: To distance independent states from Russia by developing them through economic reforms; Creating stability in this strategic region, which is on the roads to Türkiye, Iran, Afghanistan, China, and at the same time economically developing India and Pakistan; Opening of the trade and transport corridor between Europe and Asia in the form of the "Great Silk Road"; Providing access to oil and gas resources to the US and Western countries.

The United States' engagement in the Caspian Sea and its corresponding strategy are primarily rooted in geopolitics. Beyond viewing the region solely as an energy source, the U.S. is actively working to counterbalance Russia, identified as a significant post-Cold War threat. In addition to addressing Russian concerns, a key focus for the U.S. in the region remains the prevention of Iran from establishing influence.

THE INTERESTS OF THE EUROPEAN UNION IN THE

REGION

In contrast to the United States, the European Union (EU) initially grappled with a somewhat ambiguous policy in the region. The EU's increasing focus on energy has prompted a deliberate effort to foster stronger collaboration with the Caucasus. Moreover, given the Caucasus strategic position at the crossroads of East and West, intersecting key transportation routes, the region holds allure in terms of military, political, and economic considerations. (Cohen, 2007). One of the aspects highlighting the significance of Azerbaijan in the EU's priorities for collaboration, as outlined in the 10 priority areas identified by Mammadov (2013), is the enhanced focus on deepening energy and transport cooperation. This underscores the EU's recognition of Azerbaijan's pivotal role in the development of the East-West energy and transport corridor.

A seminal initiative within the framework of the East-West transport routes is the EU-sponsored TRACECA project (Transport Corridor Europe Caucasus Asia). Originating from Eastern European states situated along the Black Sea littorals, including Bulgaria, Romania, and Ukraine, this corridor traverses Turkey, spans the Black Sea, and extends to the Georgian ports

of Poti and Batumi. Its trajectory encompasses the transport networks of the South Caucasus, forging a terrestrial connection between this region and Turkey. (Lianlei, 2016). The transport networks of these countries go from Uzbekistan, Kyrgyzstan and Tajikistan to the borders of China and Afghanistan. The growth in cargo transportation originating in the Asia-Pacific region and ending in Central Asia, the Caucasus and Europe is due to the development of a new transport corridor (TRACECA 1993-2003).

The ratification of the "Contract of the Century" in Azerbaijan in 1994, coupled with antecedent agreements with Kazakhstan, facilitated the ingress of American and European energy enterprises into the region. The appointment of a new special envoy for Eurasian energy issues at the US State Department once again demonstrated the high level of this support (Starr). During this period, strong tectonic forces that could fundamentally change the configuration of the geopolitical landscape were set in motion in the Caspian region, which is part of the "Eurasian Balkans". (Бжезинский, 1999).

From a geopolitical standpoint, Ukraine stands as a pivotal concern for the European Union. Its critical role in West-Russia relations is underscored not only by Brzezinski but also by contemporary geopolitical analyses. Since attaining independence, Ukraine has found itself in a precarious position between Western and Russian influences, leading to internal political fragility and notable events such as the Euromaidan and the Orange Revolution. The 2014 Russian invasion and annexation of Crimea not only compromised Ukraine's territorial integrity but also constituted a significant geopolitical rupture for the EU. This event marked the first instance, post-Second World War, wherein European borders were altered through occupation. The situation further escalated in 2022 with the onset of the Russia-Ukraine War, introducing additional complexities to the geopolitical landscape.

The commencement of the Russia-Ukraine War in February 2022 has directly impacted the European Union's energy supply security. The conflict has triggered an energy crisis for the EU, stemming from disruptions in pipelines conveying energy from Russia to Europe and the accompanying political tensions between the involved parties. This scenario has underscored the significance of the East-West energy corridor as a critical component in ensuring the EU's security of energy supply.

In response to the aftermath of the war, Kazakhstan, a key global oil producer heavily reliant on exporting its oil through Russia, has redirected its oil transportation to Europe via the

Baku-Tbilisi-Ceyhan (BTC) pipeline. This strategic shift represents a noteworthy development in mitigating the EU's energy challenges. Furthermore, the notable increase in the volume of natural gas transported to Europe through the Trans Anatolian Natural Gas Pipeline (TANAP), a pivotal segment of the Southern Gas Corridor (SCG) designed to convey Azerbaijani natural gas to Europe, holds considerable importance for the future trajectory of the East-West energy corridor.

THE NEW POLITICAL DOCTRINE OF THE RUSSIAN FEDERATION IN THE REGION

Another influential actor with vested interests and territorial assertions in the South Caucasus, and notably more assertive in its pursuits, is the Russian Federation. The Russian government, as delineated in the "new foreign policy doctrine" articulated in the early 2000s (Lo, 2002), designates the "near circle" to encompass the post-Soviet space, particularly focusing on the southern directions of the Russian Federation, including Central Asia and the Caucasus. This strategic framework explicitly asserts Russia's intention to wield a predominant influence over the policies enacted within this region (Safire, 1994).

In 1994, Russia faced economic challenges that hindered its capacity to invest in foreign projects. Despite this, the country endeavored to divert oil companies from engaging in collaborative ventures with Azerbaijan. Russia pursued this objective by introducing discussions on the partitioning of the Caspian Sea into legal sectors and disseminating statements asserting the absence of a legal foundation for previously signed contracts. Furthermore, Russia compelled Azerbaijan and Kazakhstan, two major hydrocarbon producers in the Caspian region, to utilize their own pipelines. These newly independent states exhibited hesitancy in challenging Russia, not only in matters related to transportation but across various other domains, necessitating their deference to Russia for approval on strategic decisions. Against this backdrop, both Azerbaijan and Kazakhstan allocated shares in diverse oil fields and projects to Russian entities, including Lukoil, Rosneft, and Gazprom, throughout the 1990s (Kelkitli, 2019). In 2000, following Putin's assumption of power, Russia witnessed a resurgence of its former strength, marked by the prioritization of geopolitical interests in its foreign policy approach. This shift gained prominence, particularly with regard to the Caspian region, which was designated as the "backyard" or "near abroad". Shortly after assuming office, in May 2000, the appointment of former Energy Minister Viktor Kalyuzhny as a special envoy to the Caspian region underscored Russia's heightened focus on this area. Subsequently, in July 2000, the Caspian Oil Company was established by Russian conglomerates Lukoil, Yukos, and Gazprom, aiming to develop oil and natural gas fields in the region (Kelkitli, 2019).

Broadly construed, Russia's strategic objectives in the Caspian region revolve around establishing a friendly buffer zone to safeguard its security and interests, fostering regional stability by averting ethnic tensions, optimizing the economic utilization of energy resources from nations such as Azerbaijan, Kazakhstan, and Turkmenistan, preempting the intervention of external actors, and countering the expansion of U.S. influence in the region (Özdemir, 2022).

THE ROLE OF AZERBAIJAN-TURKEY-GEORGIA IN

THE CREATION OF ENERGY PROJECTS

Following the reclamation of independence, Azerbaijan established extensive political, diplomatic, and economic ties with the Republic of Turkey, driven by the historical and cultural affinities between these two fraternal states. The strategic significance of this region in the foreign policy of the Republic of Turkey is elucidated by the substantial presence of abundant oil and gas resources in the area. (Tareq, 2003). Turkey considered the process of exploiting Azerbaijani oil and transporting it to the West as an important part of its energy security (İnan, 1997).

Azerbaijan, aligning itself with Western interests, strategically harnessed the abundant hydrocarbon resources of the Caspian Sea, exporting them to global markets. This strategic orientation materialized through the implementation of significant infrastructure projects, including the construction and operation of the BTC (Baku-Tbilisi-Ceyhan) oil pipeline and the BTE (Baku-Tbilisi-Erzurum) gas pipeline. Furthermore, Azerbaijan played a pivotal role in the restoration and activation of the Europe-Caucasus-Asia transport corridor, commonly referred to as the "Great Silk Road." Despite encountering numerous challenges and impediments, Azerbaijan successfully facilitated extensive energy exchanges in the region and collaborated with Turkey on various large-scale projects that came to fruition through its active participation.

(İlçiyev 2009).

The implemented transport and energy projects policy led to the formation of the interests of not only the big "powers", but also the states of the region. The roads of both transport and energy projects of the Republic of Azerbaijan were implemented through the territory of the Republic of Georgia. A circle consisting of Azerbaijan, Georgia and Turkey began to form in the region. These republics also signed a protocol on security issues in the East-West energy corridor (Azərbaycan, 2003).

The possibility of the alternative pipeline, which provides for the transportation of the energy resources of the Central Asian countries to the Western markets, will pass through the territory of Türkiye and Georgia with the Azerbaijan connection, is the result of the energy security of both countries and the policy of these countries becoming an energy network. The "Ankara Declaration" jointly signed by the leaders of Türkiye, Azerbaijan, Georgia, Kazakhstan and Uzbekistan with the US Secretary of Energy envisaged the realization of the Main Export Pipeline of the Caspian-Mediterranean (BTC) line to transport the hydrocarbon resources of the Caspian Sea to the world markets. This declaration is considered a very important legal document on the way to the realization of the Main Export Pipeline. (Ankara Beyannamesi). Likewise, the Trans Anatolian Natural Gas Pipeline (TANAP) constitutes a pivotal initiative involving Azerbaijan, Georgia, and Turkey in facilitating the transportation of energy resources from both the Caspian and Central Asian regions to Western markets. Currently, TANAP serves as a conduit for Azerbaijani natural gas, initially directed towards Turkey and subsequently reaching European markets. This pipeline assumes significance as a critical infrastructure project for the conveyance of resources from areas extending beyond the Caspian Sea to Western markets. The prospect of integrating Trans-Caspian initiatives with TANAP, a notion recently advanced by source countries such as Kazakhstan and Turkmenistan, and endorsed by Western nations, bears substantial importance for shaping the trajectory of the East-West energy corridor.

THE POSITION OF CHINA AND CENTRAL ASIAN

STATES

The evolving economic and political dynamics within the Caucasus region have sparked increased attention from China, a Far Eastern nation. (Mansimli, 2007). Officially, the EU, Beijing's main trade partner, supported the passage of the newly created or restored road, the modern version of the Great Silk Road, through Azerbaijan (New company). China, Turkey, Russia, the EU and the United States are interested in the South Caucasus, mainly in the Caspian Basin, as part of their hydrocarbon interests and the transport artery extending to Europe. (Kanbolat, 2000).

Central Asia holds a prominent position within the framework of formulating policies for the development of East-West energy and transport corridors. Notwithstanding Kazakhstan's heightened interest in fostering relations with China, a prominent global economic power, the country has actively pursued a diversification policy encompassing both the transportation of oil and gas, as well as participation in transport and communication projects. Similarly, Uzbekistan perceives the implementation of such projects as mutually advantageous, particularly in enhancing trade relations with European countries. (Özbekistan, 1996).

Being the world's largest energy importer, China relies significantly on Central Asian nations, including Turkmenistan, Kazakhstan, and Uzbekistan, as key suppliers. These countries facilitate the export of oil and natural gas to China through established pipelines. This dynamic intricately influences China's strategic policies in both Central Asia and the Caspian Region, integral components of the East-West energy corridor. As an emerging global power, China, akin to influential actors such as Russia, the United States, and the European Union, actively endeavors to exert influence in this region. Collaborative efforts between China and regional countries, particularly in the realm of energy, not only diminish the sway of other global actors but also position China competitively on the global stage within the region. Furthermore, China's diversification of energy imports through various pipelines serves to undermine Russia's historical monopoly in the region. Geopolitical and geostrategic factors, notably pertaining to energy and transportation corridors, constitute significant considerations underpinning China's vested interests in the region. Kazakhstan and Russia, proximate neighbors to China, both share Caspian littoral status. Consequently, China pursues a dual objective: firstly, mitigating the influence exerted by global powers such as the United States and Russia in the region; and secondly, securing unimpeded access to the region's abundant energy resources.

THE SHIFT IN THE TRADITIONAL CAUCASUS POLICY OF THE ISLAMIC REPUBLIC OF IRAN

Amidst the evolving "new geopolitical reality" within the region, the keen interest exhibited by both regional and global powers in the region's natural resources, the establishment of novel international transport routes, their trajectories, and initiatives realized along the northern border have captured the attention of the Islamic Republic of Iran (IRI). As the exploitation of hydrocarbon resources in the Caspian Sea initiates, Iran displays a palpable unease, underscored by apprehension towards the region's developmental strides and its integration into the global arena through consequential international projects. This sentiment is prominently manifested through Iran's assertive stance on the ongoing processes within the region.

Iran has consistently voiced opposition to East-West-oriented initiatives in the Caspian Sea region since their inception. In the post-USSR era, Iran found itself excluded from projects centered around the Caspian due to international embargoes orchestrated by the United States. Despite being a Caspian littoral state, Iran has encountered obstacles in realizing pipeline projects aimed at transporting its hydrocarbon resources to global markets. Additionally, the collaborative efforts of Azerbaijan and Turkmenistan with entities such as the United States, the European Union, China, and Turkey -excluding Russia and Iran- have intensified Iran's reservations. The diverse presence of external actors in the region, particularly the European Union, contributes to Iran's heightened security concerns. Consequently, the combination of Iran's exclusion from pivotal pipeline projects and its security apprehensions has sustained the prominence of the status issue in its diplomatic discussions with Russia since the conclusion of the Cold War.

PREDICTIONS ABOUT HYDROCARBON RESERVES OF THE CASPIAN SEA

According to the most optimal estimate of the Caspian oil by Western geologists, the hydrocarbon reserves of the Caspian are 3-4.5 billion tons. Most of it is located on the shelf of Kazakhstan and Azerbaijan. The projected reserves are 22-29 billion tons, 12.5 billion tons of which belong to Kazakhstan, 4.5 billion tons to Azerbaijan (shelf), 4-12 billion tons to Turkmenistan and 1.5-2 billion tons to Russia.(Шафраник,2002). According to the US Energy Information Agency (EIA), the potential of the Caspian basin is estimated as 203-257 billion barrels of oil and 560 trillion cubic meters of gas. Additionally, roughly the equivalent of a quarter of the Middle East's energy reserves, 186 billion barrels of oil and 232-328 trillion cubic meters of gas, have yet to be discovered. [Babali, 2006]. Azerbaijan has proven oil reserves of approximately 7 billion barrels, and probable reserves are estimated at 32 billion barrels. [Bayulgen, 2010].

While international oil companies, global and regional powers are trying to get a share of this wealth in the Caspian Sea, regional states, which are the main owners of the wealth, have accepted oil as a tool for economic transformation. [Mardanov,2012].

One of the most fundamental problems in the effective use of energy resources is the creation of transmission lines that ensure their delivery to world markets. If we take into account the financial costs of organizing the transportation problem, we can say that the transportation lines are therefore important from a financial point of view. [Aras, 2008].

On September 20, 1994, Azerbaijan with a consortium of Western companies including "British Petroleum", "Amoko", "Unocal", "Penzoil", "Ramco", "McDermott", "Turkish Petroleum" and "LUKoyl" of Russia signed oil agreement in 8 billion dollars called the "Contract of the Century". [Султанов,2008]. With this agreement, the Republic of Azerbaijan opened the Caspian Sea and its energy resources to the world. He laid the foundation for the creation of the East-West energy corridor.

CREATION OF OIL PIPELINE ROUTES

Azerbaijan did not have access to the markets of Eastern Europe. The only transportation

highway was the Baku-Novorossiysk oil pipeline, a legacy of the former USSR. An alternative line for delivery of Caspian oil to foreign markets was Baku-Supsa.

This oil pipeline passing through the territory of Georgia reaches the Black Sea, Samsun and Thrace (Turkey), Burgas (Bulgaria), Odessa (Ukraine). Its throughput is 10 million tons per year (Mammadli, 1999). A tripartite agreement signed on March 8, 1996 in Tbilisi with the participation of the governments of Azerbaijan and Georgia provided for the transportation of primary oil through this pipeline. [Azərbaycan]. With the start of operation of this oil-pipeline (Oil transportation), which lays the foundation of the Southern Energy Corridor, Azerbaijan has achieved diversification in the transportation of crude oil. The advantage of this line is that it is shorter than the Novorossiysk pipeline and, unlike it, does not require oil heating [Xalilova, 2003].

The commissioning of the Baku-Supsa pipeline in April 1999 became the first wing of the East-West energy corridor. Although the ways of transporting Caspian resources to the world markets were seen differently, the western way seemed more rational. Therefore, the BTC project, which was considered as a bypassing Russia project, was more relevant.

Azerbaijan in September 1997, Georgia in November, and Türkiye in April 1998 established the Main Export Pipeline Groups. [Western Export Pipeline]. At the end of 1997, two agreements from a series of regulatory and legal documents on the construction of the BTC oil pipeline and transportation of Azerbaijani oil to the West were signed in Baku. The first document is between the government of Azerbaijan and 7 foreign oil companies that are part of the Azerbaijan International Operating Company (AIOC) on the realization of the legal and financial issues of the project, and the second document is on the creation of a group of sponsors signed between the SOCAR (State Oil Company of the Republic of Azerbaijan) and foreign companies within the AIOC (Жильцов, 2000).

On April 26, 1998, at the Trabzon meeting attended by the presidents of Azerbaijan, Georgia, and Turkey, it was decided for the first time that this line would be the Main Export Pipeline (MEP). (Əliyev 2004). A Declaration on political support for the BTC project was signed in Samsun, Turkey. On October 28, 1998, the Ankara Declaration was signed to make it a reality. On November 18-19, 1999, at the OSCE (Organization for Security and Cooperation in Europe) Istanbul Summit, the United States, Türkiye, Azerbaijan, Georgia, Kazakhstan, Turkmenistan, and Uzbekistan signed the Declaration approving the BTC project. On November 18, 1999, in accordance with the "Ankara Declaration", the signing of the intergovernmental agreement on the transportation of crude oil through BTC MEP by the Presidents of the Republic of

Azerbaijan, Georgia and the Republic of Turkey at the Istanbul Summit of the OSCE made the realization of this project possible (Heydər Əliyev, 1999).

The sponsoring group of the Baku-Ceyhan project of the MEP is SOCAR (50%), BP (25.41%), United States' Unocal (7.65%) and Devon Energy (0.6%), Norway's Statoil "(6.37%), Turkey's TPAO (5.02%), Japan's "Itochu" (2.92%) and Saudi-American "Delta-Hess" (2.03%).

The construction of the pipeline started in April 2003. On May 25, 2005, the part of the pipeline passing through Azerbaijan was commissioned, the first oil was pumped into the pipeline from the Sangachal terminal, and in October of the same year, the work on the Georgian part of the pipeline was completed. [Мамедов, 2005]. On June 4, 2006, the first tanker left Ceyhan for Europe. The opening of the pipeline took place on July 13. In 2007, BTE gas pipelines were put into operation, and gas production from the "Shahdeniz" field began [ARDNŞ, 2006].

The length of the BTC pipeline passing through the territory of three countries is 1768 km [Baku-Tbilisi-Ceyhan]. The annual transmission capacity of the pipeline passing through Azerbaijan (443km), Georgia (249km) and Turkey (1076km) is 50 million tons.

We can divide the crediting organizations into 4 groups:

1. International financial organizations (EBRD and IFC) - 500 million dollars;
2. Export Operations Credit Agencies and Political Risk Insurance Companies from 7 countries -1 billion 166 million;
3. Syndicate consisting of 15 commercial banks - \$936 million;
4. First-tier Sponsor creditors: BP, Statoil, Total and Conoco Philirs - \$923 million.

The BTC probably had significant geoeconomic and geostrategic consequences for the Newly Independent States (NIS) of the region as well. It is known that nearly all of these countries are dependent on their energy resources for their economic reconstruction which is a vital ingredient of their attempts for real political and economic independence from the Russian Federation. (Musayeva G, 129)

In fact, BTC is not only a communication system, but a strategic policy in the globalization of the South Caucasus. "BTC" oil pipeline is geopolitical in nature and will affect world processes [Алиев, 2006]. In the future, this pipeline is expected to be one of the main trunk lines for the Turkish states.

Currently, the BTC pipeline has an important role in the world oil pipeline system as the world "artery".

CREATION OF NATURAL GAS PIPELINE ROUTES

One of the important pipelines realized within the scope of the East-West energy corridor is the BTE. The Baku-Tbilisi-Erzurum Natural Gas Pipeline, which aims to supply Turkey with the natural gas to be produced in the Shahdeniz field located in the Southern Caspian Sea region of Azerbaijan, was realized within the framework of the Turkey-Azerbaijan Intergovernmental Agreement signed on March 12, 2001. As of July 4, 2007, gas flow started from the BTE line, which uses the same route as BTC in the territories of Azerbaijan and Georgia and is designed to be approximately 980 km long. This line, also known as the South Caucasus Natural Gas Pipeline, started to flow gas to TANAP as of 2018, thereby supplying gas to European markets in addition to Turkey. (Republic of Türkiye Ministry of Energy and Natural Resources).

One of the important pipelines of the East-West energy corridor is the SCG, which transports Caspian gas resources to international markets.

SCG consists of the South Caucasus Pipeline, TANAP and the (TAP) Trans-Adriatic Pipeline. In 2018, TANAP was commissioned and gas flowed first to Turkey and then to Europe with the commissioning of TAP in late 2020. The SCG came to the agenda with the joint declaration signed between the EU and Azerbaijan in 2011. Then, on June 27, 2012, Turkey and Azerbaijan signed an agreement to implement TANAP (The Ministry of Energy of the Republic of Azerbaijan).

SCG is an important project for the interests of global powers, especially the EU, in the region, as well as providing various benefits to Azerbaijan, Georgia and Turkey on the transit route. In addition to providing an alternative to energy dependence on Russia, the EU's support for the SCG is directly related to the EU's interests in the region.

In addition, some developments in the Caspian region in the last few years have directly affected the future of the East-West energy corridor. One of them is that the long-standing Caspian status issue has been largely resolved. The status issue was complicated by the opposing positions of Russia and Iran in the global reaction in the region. Adopted on August 12, 2018, the Convention on the Legal Status of the Caspian Sea eliminated the uncertainty of the status issue and paved the way for the riparian states to build international pipelines in their

own areas (Sarıkaya, 2018).

Another important development was Azerbaijan's victory in the Second Karabakh War. This victory is as important for the future of the energy corridor in the region as it is for Azerbaijan to regain most of its territories that have been under occupation for years. As a result of the positive atmosphere created after the victory, Azerbaijan and Turkmenistan, two important resource countries of the region, reached an agreement on the hydrocarbon field, which has been a problem for years. More than a solution to a problem, this agreement paved the way for the inclusion of the region's resources in the East-West energy corridor. Kazakhstan's energy deliveries to Europe via a line other than Russia should also be considered as a result of this positive atmosphere.

CONCLUSION

This study observed the establishment of an East-West energy corridor in 1993-2003 with the aim of transporting the hydrocarbon resources of the Caspian Sea to world markets. It has been determined that energy resources and their transportation are one of the leading areas of the world economy, so they play a major role in the internal and foreign policy of modern states. Any change in this direction has a significant impact not only on the world economy, but also on modern geopolitics. Along with the countries that have energy resources, the countries that

carry out the transportation of these resources are also trying to get a leading role in that geopolitics. This, in turn, strengthens the position of energy policy and energy diplomacy in international relations.

It is known that even countries with very rich natural resources cannot develop their economy and join the world trade system without pipeline and transport-communication system in accordance with contemporary standards.

In the course of the research, the main important points of the creation and development of the East-West energy corridor, including the historical and geopolitical conditions, were reviewed, and the importance of the transportation of energy resources for an individual country, as well as for regional and international communities, was shown.

Today, the road from Central Asia to Europe, which means the revival of the "Great Silk Road", passes through the Caspian Sea and Azerbaijan. In this way, the exchange of goods between the East and the West, interstate cargo transportation is carried out. Azerbaijan's pipeline system also plays a major role in the development of the corridor. Currently, the Baku-Supsa and BTC oil, as well as BTE gas pipelines make up the South Caucasus Pipeline system and ensure the transportation of energy resources of the Caspian Sea to world markets. The creation of this system laid the foundation for the future development of the East-West transport corridor for hydrocarbon resources and other cargoes.

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