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RELATIONS BETWEEN KAZAKHSTAN AND AZERBAIJAN IN THE CURRENT GEOPOLITICAL ENVIRONMENT: ANALYSIS AND PERSPECTIVES FOR DEVELOPMENT

Kazakhstan and Azerbaijan are located in the region of Central Asia and the Caucasus, which gives them significant strategic importance. Given changes in the global political environment, such as energy security, regional stability and integration initiatives, the relationship between the two states takes on a new dynamic. Both states are producers and exporters of energy resources, including oil and gas, which creates opportunities for cooperation in this field. One important aspect of interaction between the two states is the development of the Central Corridor, which is a transport route connecting Kazakhstan and Azerbaijan across the Caspian Sea. However, today, despite the fact that Kazakhstan is one of the largest producers and exporters of energy resources such as oil and gas, it still maintains a certain dependence on Russia in the energy sphere. Kazakhstan seeks to diversify its energy resources and export routes in order to reduce its dependence on Russia. Thus, the purpose of this study is to analyze and understand the relationship between Kazakhstan and Azerbaijan in the new geopolitical environment, and to consider the challenges associated with the development of the Central Corridor. To achieve this purpose, the following objectives are set: to analyze diplomatic relations, economic cooperation and common interests, goals and priorities in the context of the new geopolitical environment; to examine changes in the global political environment, such as energy security, regional stability and integration initiatives; and to explore measures and initiatives taken by Kazakhstan and Azerbaijan to develop a mutually beneficial partnership in the new geopolitical environment and develop the Central Corridor.

Key words: Kazakhstan, Azerbaijan, Central Corridor, geopolitics, oil and gas products.

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Қазіргі геосаяси жағдайда Қазақстан мен Әзірбайжан байланыстары: талдау және даму болашағы

Қазақстан мен Әзірбайжан маңызды стратегиялық мәні бар Орталық Азия мен Кавказ аймағында орналасқан. Энергетикалық қауіпсіздік, аймақтық тұрақтылық және интеграциялық бастамалар сияқты жаһандық саяси ортадағы өзгерістерді ескере отырып, екі мемлекеттің қарым-қатынасы жаңа қарқын алып келеді. Екі мемлекет те энергетикалық ресурстарды, соның ішінде мұнай мен газды өндіруші және экспорттаушы, бұл осы саладағы ынтымақтастық үшін мүмкіндіктер тудырады. Екі мемлекеттің өзара іс-қимылының маңызды аспектілерінің бірі – Қазақстан мен Әзірбайжанды Каспий теңізі арқылы байланыстыратын көлік желісі Орталық дәлізді дамыту. Дегенмен бүгінгі таңда Қазақстан мұнай мен газ сияқты энергетикалық ресурстарды ең ірі өндіруші және экспорттаушы елдердің бірі болғанына қарамастан, энергетика саласында Ресейге белгілі бір тәуелділікті сақтап отыр. Қазақстан Ресейге тәуелділігін азайту үшін энергетикалық ресурстары мен экспорттық бағыттарын әртараптандыруға ұмтылуда. Осылайша, бұл зерттеудің мақсаты – жаңа геосаяси жағдайларда Қазақстан мен Әзірбайжанның қарым-қатынасын талдау және түсіну, сондай-ақ Орталық дәлізді дамытуға байланысты проблемаларды қарастыру. Осы мақсатқа жету үшін мынадай міндеттер қойылады: жаңа геосаяси жағдайлар жағдайында дипломатиялық қатынастарды, экономикалық ынтымақтастықты және ортақ мүдделерді, мақсаттар мен басымдықтарды талдау; энергетикалық қауіпсіздік, аймақтық тұрақтылық және интеграциялық бастамалар сияқты жаһандық саяси ортадағы өзгерістерді зерделеу; жаңа геосаяси жағдайларда өзара тиімді серіктестікті және Орталық дәлізді дамыту бойынша Қазақстан мен Әзірбайжанның қабылдаған шаралары мен бастамаларын зерделеу.

Түйін сөздер: Қазақстан, Әзірбайжан, Орталық дәліз, геосаясат, мұнай және газ өнімдері.

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Взаимоотношения Казахстана и Азербайджана в современных геополитических условиях: анализ и перспективы развития

Казахстан и Азербайджан расположены в регионе Центральной Азии и Кавказа, что придает им существенное стратегическое значение. С учетом изменений в глобальной политической обстановке, таких как энергетическая безопасность, региональная стабильность и интеграционные инициативы, взаимоотношения между двумя государствами приобретают новую динамику. Оба государства являются производителями и экспортёрами энергетических ресурсов, в том числе нефти и газа, что создает возможности для сотрудничества в этой сфере. Одним из важных аспектов взаимодействия между двумя государствами является развитие Центрального коридора, который представляет собой транспортный маршрут, соединяющий Казахстан и Азербайджан через Каспийское море. Однако сегодня, не смотря на то, что Казахстан является одним из крупнейших производителей и экспортёров энергетических ресурсов, таких как нефть и газ, до сих пор сохраняет определенную зависимость от России в энергетической сфере. Казахстан стремится диверсифицировать свои энергетические ресурсы и маршруты экспорта, чтобы уменьшить свою зависимость от России. Таким образом, целью данного исследования является анализ и понимание взаимоотношений между Казахстаном и Азербайджаном в новых геополитических условиях, а также рассмотрение проблем, связанных с развитием Центрального коридора. Для достижения этой цели ставятся следующие задачи: анализ дипломатических отношений, экономического сотрудничества и общих интересов, целей и приоритетов в контексте новых геополитических условий; изучение изменений в глобальной политической обстановке, таких как энергетическая безопасность, региональная стабильность и интеграционные инициативы; исследование мер и инициатив, предпринимаемых Казахстаном и Азербайджаном для развития взаимовыгодного партнерства в новых геополитических условиях и развития Центрального коридора.

Ключевые слова: Казахстан, Азербайджан, Центральный коридор, геополитика, нефтегазовые продукты.

Introduction

Russia's global isolation due to the war with Ukraine has greatly affected the problems of transporting Kazakhstan's oil and gas products to world markets. Today, Kazakhstan is a country that has to export most of its oil through Russia. Kazakh oil is pumped through the Caspian Pipeline (CPC) to the Russian port of Novorossiysk. This line is operated by a consortium where Russia has a 36,5% share, i.e. 24% of «Transneft» and 12,5% of «Lukoil». Kazakhstan, on the other hand, has a smaller share, only 20,75%. The remaining share belongs to several transnational companies. As for today, 80% of Kazakhstan oil is exported through this line, which once again proves how dependent the republic is on Russia (Raimondi, 2019). After K-Zh.K.Tokayev's official refusal and criticism at the St. Petersburg Economic Forum to support Russian President V. Putin's intrusion, the pipeline began to experience some problems, where the Russian side attributed them to technical faults which caused the Kazakh side's inability to export its oil (Plenarnoe zasedanie Peterburgskogo

mezhdunarodnogo ekonomicheskogo foruma). As a chain effect, oil production in Kazakhstan came to a halt, leading to a devaluation of the national currency and higher prices.

Oil and gas revenues are the lifeblood of Kazakhstan's economy. According to the data from 2020, 44% of Kazakhstan's state budget comes from oil and gas revenues (Pomfret, 2005: 859-876). In order to solve this problem and reduce energy dependence on Russia, as well as to diversify oil exports, Kazakhstan has announced plans to export oil through the Baku-Tbilisi-Ceyhan pipeline from 2023 and to increase oil transit across the Caspian Sea to Azerbaijan, Georgia and Turkey. Of course, the implementation of this plan requires the expansion of the country's tanker fleet and the port of Aktau. In this regard, one of the priority Turkic states is Azerbaijan. Azerbaijan represents for Kazakhstan a reliable ally, one of the major players in the Turkic world, a partner in the strategically important South Caucasus region. Through Azerbaijan, Kazakhstan has direct access to the Mediterranean Sea in Turkey and further on to the European Union and the Middle East (Egorov, Chigarkina, 2014: 104-107).

As a result, K-Zh.K. Tokayev paid an official visit to Azerbaijan on 24 August 2022, where 10 important strategic partnership documents were signed, among which the most important are: «Memorandum of Understanding between the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan and the Ministry of Digital Development and Transport of the Republic of Azerbaijan on cooperation in the field of transport» and «Memorandum of Understanding between the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan and the Ministry of Digital Development and Transport of the Republic of Azerbaijan on cooperation in the field of transit freight transport». (Ryad dokumentov podpisali Kazakhstan i Azerbaidjan v ramkah vstrechi Tokaeva i Alieva).

The importance of integration relations between Kazakhstan and Azerbaijan was pointed out by the Director of the Kazakhstan Institute for Strategic Studies under the President of Kazakhstan, E. Tukumov whilst also analysing current conditions: «In 2022 a new expert council was created between Kazakhstan and Azerbaijan. It is symbolic that its first meeting is taking place on the eve of the Kazakh president's visit to Azerbaijan. The main purpose of this authority is to contribute to the strengthening of a closer partnership. It is also worth noting that this year the countries celebrate the 30th anniversary of establishment of diplomatic relations. Over the years of independence, cooperation between the two countries has reached a new level of strategic alliance». (Vzaimootnosheniya mezhdu Kazakhstanom i Azerbaidjanom eshe ne realizovali ves svoi potentsial – KISI).

Thus, in examining Kazakhstan's oil and gas potential and ways to reduce dependence on Russia, this article aims to provide a comprehensive analysis of the establishment of diplomatic relations between Kazakhstan and Azerbaijan, as well as the development of bilateral cooperation in the field of oil and gas product transportation. In order to achieve this purpose, the following objectives need to be pursued: first, to analyse the perspective and content of the relationship between Kazakhstan and Azerbaijan; second, to assess the realities of cooperation between the two states in contemporary geopolitical aspects; third, to reveal the potential for solving problems of oil and gas product transportation to European markets independently from Russian interference.

Research methods

In order to identify the main directions and strategic development of relations between Kazakhstan and Azerbaijan in the current geopolitical environment, following methods were used:

Comprehensive Literature Analysis: Conducting a review of academic and scientific articles, books, reports and other sources related to Kazakhstan-Azerbaijan relations, Russian influence and the mainstreaming of the Central Corridor. This provided an overview of existing knowledge and perspectives on the topic. Interviews and expert opinions of government representatives dealing with regional policy and economic issues were explored. This assisted in gaining insights and expert opinion on the relationship between Kazakhstan and Azerbaijan, the role of Russia and the relevance of the Central Corridor.

The analysis of political documents – examining official documents such as agreements, declarations and protocols between Kazakhstan, Azerbaijan and Russia related to cooperation, security and transport – was conducted. The analysis of such documents revealed the official positions and strategies of states and organisations with regard to the relationship and the Central Corridor. A further method that was used is a survey of data and statistics related to the economic and trade links between Kazakhstan and Azerbaijan, the level of dependence on Russia and the development of transport infrastructure, including the Central Corridor. This allowed assessment of specific trends and dynamics in the relationship.

A case study and comparative analysis was used as a means of engaging in a more open discourse. Experiences and examples from other regional corridors and relationships between countries were examined for conducting a comparative analysis. This helped to identify success factors or obstacles in the development of the Central Corridor and the relationship between Kazakhstan and Azerbaijan.

The importance of cooperation and partnership between Azerbaijan and Kazakhstan

Diplomatic relations between the Republic of Azerbaijan and the Republic of Kazakhstan were established on 30 August 1992. One of the first meetings between President of Azerbaijan H. Aliyev and President of Kazakhstan N.A. Nazarbayev took place on 19 October 1994. Having met within the framework of the II Summit of Heads of Turkic States, the presidents discussed the prospects of

development of relations between the two countries. During the meeting it was decided to build Azerbaijani-Kazakhstan relations, both within the framework of relations between the Turkic states and in a bilateral format (**Sotrudnichestvo Respubliki Kazakhstan s Azerbaidjanskoi Respublikoi**).

On 16 September 1996 N.A. Nazarbayev made an official visit to Azerbaijan. Within the framework of the visit, negotiations were held between the Azerbaijani and Kazakh delegations, where new areas of political and economic co-operation between the two countries were the main subject of negotiations. Also, negotiations between the heads of both countries were held at the IV Summit of the Heads of Turkic Speaking States, which was held in October 1996. On 10-11 June 1997, H.Aliyev arrived in Kazakhstan with an official visit. During the visit, the prospects for Azerbaijani-Kazakhstani relations were discussed. By results of the visit the Declaration on even greater development and deepening of cooperation between the Azerbaijan Republic and the Republic of Kazakhstan, the Memorandum on cooperation in oil transportation to international markets between the Azerbaijan Republic and the Republic of Kazakhstan, the Agreement between the Government of the Azerbaijan Republic and the Government of the Republic of Kazakhstan on mutual visa-free visits of citizens of the Azerbaijan Republic and the Republic of Kazakhstan, the Agreement on free trade were signed (*K ofitsialnomu vizitu Prezidenta RK N.Nazarbayeva v Azerbaidjanskuyu Respubliku – MID RK*).

To date, relations between Kazakhstan and Azerbaijan have been established both in bilateral format and in the format of cooperation within the framework of various international organisations. The next meetings were held on 7 August 2007 in the person of I. Aliyev, as a result of which a Joint Declaration on cooperation between the two countries in the spheres of trade and television was signed.

More in-depth relations have already begun to build during the presidency of K-Zh.K. Tokayev. However, Putin's Russia in every possible way hinders the interaction between the two states precisely in the field of transporting oil and gas products and activation of the Baku-Tbilisi-Ceyhan pipeline. In August 2022, one of the most important events was the first official visit of the President of Kazakhstan K-Zh.K. Tokayev to Baku, where a multifaceted prospect for the development of Azerbaijan-Kazakhstan relations in the spheres of economy, trade, transport and cultural ties, as well

as further strengthening of allied ties was outlined.

Important documents signed by the leaders of the countries indicate the positive results of this visit. In particular, the Declaration on Strengthening Strategic Relations and Deepening Allied Cooperation between Kazakhstan and Azerbaijan and the Comprehensive Cooperation Development Programme for 2022-2026 are of great importance for future relations. In addition, other documents were signed that set out the guiding principles of co-operation between the two states. Therefore, it can be said that relations, strategic partnership and allied co-operation between Azerbaijan and Kazakhstan have reached a new, higher quality level due to the agreements concluded between the parties (Presidents of Azerbaijan and Kazakhstan made press statements).

At this stage, it should be emphasised that there is great potential in the context of bilateral economic cooperation. For example, there has been a steady growth in trade volumes over the past few years. In the first half of 2022, trade between the two countries increased more than six-fold compared to the same period in 2021, reaching USD 326,6 million. Another event with a great importance in the trade and economic relations between the two countries was the Trade and Economic Mission of Kazakhstan held in Baku in June 2022. As a result of the talks, Kazakh exporters signed contracts with Azerbaijani partners worth over USD 38 million (Kazakhstan exporters sign contracts for \$38 million in Baku). Strong expectations are also placed on the Kazakh-Azerbaijani Business Council, which was established as a platform for dialogue between the business communities of the two countries.

In addition to the abovementioned points, agro-industries are very important because of the need to strengthen countries' food security. For example, Azerbaijan, which depends on wheat imports, is considering diversifying its supplies. For its part, Kazakhstan, with its advantageous geographical location and well-established transport infrastructure, has become a major source of grain supplies for Azerbaijan. According to statistics, between January and May 2022, Azerbaijan increased its grain imports from Kazakhstan almost fivefold compared to the same period of the previous year, to \$50,7 million (Svanidze, Götz). These are all modest indicators of the relations between Kazakhstan and Azerbaijan. However, new challenges emerging today are pushing the two Caspian littoral states to act together and establish close cooperation. The difficult situation

in neighbouring regions and the economic crisis have left their mark on the development of relations between Azerbaijan and Kazakhstan. But there are also new issues that need to be discussed and resolved. High level contacts are necessary, as they will allow solving the most urgent problems within a common framework. In this context, both Azerbaijan and Kazakhstan share common interests, such as the development of the non-primary sector of the economy and the expansion of transport and communication potential, which creates good opportunities for cooperation.

Another vital component of bilateral cooperation is the Central Corridor, a joint project between Azerbaijan and Kazakhstan that crosses the Caspian Sea and connects China and Europe. This route represents an alternative to the Northern Corridor, which has become isolated and destabilised due to the Russian-Ukrainian war. Therefore, the parties are working on active use of the Central Corridor (Azerbaijan, Kazakhstan Agree to Leverage Full Capacity of Middle Corridor). Moreover, the Central Corridor between Kazakhstan and Azerbaijan is valuable not only in terms of diversifying transport routes, but also in terms of removing economic and political barriers to Kazakhstan's energy exports. As we know, Russia is playing a difficult game by putting pressure on the European oil market to increase the impact of sanctions on unfriendly countries. The announcement of the suspension of the Caspian Pipeline Consortium (CPC), through which 80% of Kazakhstan's oil is exported, on the eve of K-Zh.K. Tokayev's visit to Baku also demonstrates Russia's approach in this matter.

Kazakhstan apparently wants to diversify the routes it uses to export oil to world markets. In particular, Kazakhstan considers delivery via the Central Corridor as an alternative infrastructure for crude exports. Notably, during the visit a memorandum of understanding was signed on the implementation of joint gas projects between Kazakh and Azerbaijani state oil companies QazaqGaz and SOCAR. The signed document provides for the following: exploration and development of hydrocarbon fields in Kazakhstan; development of the gas and chemical industry, modernisation of gas transportation; introduction of innovative technologies in the sector and exploration of opportunities for cooperation in other important areas (QazaqGaz podpisal memorandum s neftyanoi kompaniei Azerbaidjana). The memorandum can serve to develop close energy relations between the two countries and ease the pressure on Kazakhstan.

In addition, coal exports from Kazakhstan to the European Union (EU) are anticipated to increase in the near future due to sanctions on Russian coal supplies. Kazakhstan is looking for ways to develop the Caspian port of Aktau and increase imports to the EU by rail and sea via Azerbaijan and Georgia. It can also be said that Kazakhstan is interested in supplying some energy resources, especially coal. Noting the importance of making full use of the opportunities of the Trans-Caspian International Transport Route «Central Corridor» with neighbouring Azerbaijan across the Caspian Sea, K-Zh.K. Tokayev said on this occasion: «The effective implementation of the Central Corridor Roadmap for the period 2022-2027 is also of great importance. We agreed that it is important to take full advantage of the growing interest in this corridor and to involve third countries in infrastructure development». (Tokayev: Nash tovarooborot s Azerbaidjanom priblizilsya k polumilliardnoi otmetke).

On the flip side, Kazakhstan considers it necessary and obligatory to somehow cooperate with Russia on gas, as Russia is exerting significant political pressure in one way or another. In January 2023, Russia and Kazakhstan agreed on a «gas roadmap». It was decided that Kazakh gas would be processed at Russia's Orenburg gas plant, if necessary. If necessary, Kazakhstan will import Russian gas. In February, Russia's «Lukoil» signed a contract with «KazMunayGas», under which the two companies will produce oil from the Kalamkas, Caspiy and Azov fields in Kazakhstan's part of the Caspian Sea (Lukoil And Kazmunaygaz Sign Agreements On Kalamkas-Sea, Khazar, Auezov Caspian Offshore Project). This will naturally bind Kazakhstan even more to Russia.

Prior to that, back in November 2022, Putin proposed that Kazakhstan and Uzbekistan create a «trilateral gas union». The Uzbek side, represented by Energy Minister J. Mirzamaxmudova, responded as follows: «We will never compromise our national interests, our economy, our independence. If we import gas from another country, we will cooperate only within the framework of a commercial agreement and sales contract. We will never accept political conditions in exchange for gas. We will accept a gas deal offered to us only if we are satisfied with its terms, otherwise it will be a refusal». (Uzbekistan poka ne hochet idti na chrezmernoe sblizhenie s Rossiei). Russia wants to use the Kazakh and Uzbek gas transport infrastructure to penetrate Asian gas markets and compensate for losses in the rapidly shrinking European market. Another aim

might be to put pressure on Central Asian countries, which might find it necessary to exert gas leverage. According to Russian officials, the sole purpose of the proposed gas union is to ensure that the gas needed by Kazakhstan and Uzbekistan comes from Russia (Sostoyalsya ofitsialnyi vizit prezidenta Azerbaidjana Ilhama Aliyeva v Kazahstan). However, this rhetoric is not very convincing. The main factor is believed to be «Gazprom's» willingness to buy the gas pipelines and associated systems of Uzbekistan and Kazakhstan. If this is done, in exchange for providing Kazakhstan and Uzbekistan with the gas they need, the entire gas infrastructure of these two countries would be under Russian control. Thus, Russia will have full control over the gas that will be supplied to China. In this regard, the transportation of oil and gas products through Azerbaijan needs to be strengthened and intensified.

Recognising these possibilities from the outset, the Kazakh government was initially cautious about the idea of a gas union. The experiences of Belarus and Armenia were quite instructive for the Kazakh government, as they showed that switching to «Gazprom's» infrastructure system would significantly increase energy dependence on Russia. Despite these considerations, the Kazakh energy company QazaqGaz has proposed to «Gazprom» «to consider the construction of a new gas transit pipeline along the route from Russia to China». The capacity of the discussed new pipeline would be 40 billion cubic metres per year (QazaqGaz i «Gazprom» soglasovali plan gazifikatsii Kazahstana).

President I. Aliyev's official visit to the Republic of Kazakhstan was fruitful and well-received in terms of the new agreements signed and items mentioned in his speech. In general, Azerbaijan attaches great importance to relations with the countries of Central Asia, including the Turkic states of the region. I. Aliyev's visits to Central Asian states in recent years confirm this. In turn, the regular visits of the region's heads of state to Azerbaijan testify to their growing interest.

President Ilham Aliyev's visit to Kazakhstan on 13-14 October 2022 was realised within the framework of the VI Summit of the Council for Co-operation and Confidence-Building Measures in Asia. After which, on 10 April, I. Aliyev arrived in Astana with an official visit. A number of documents were signed as part of this, one of the most important being the «Protocol on the Establishment of the Supreme Interstate Council of the Republic of Kazakhstan and the Republic

of Azerbaijan». (Perspektivy dialoga Azerbaidjan-Kazahstan v svete itogov vizita Ilhama Alieva v Astanu). The reciprocal visits of heads of state are a real indicator of the importance the two countries attach to each other. K-Zh.K. Tokayev noted that the visit of President Ilham Aliyev is of great importance for strengthening cooperation between the two countries: «Azerbaijan is not just an important and reliable partner for us, but a brotherly and close state. Based upon unshakable bonds of centuries-old friendship and mutual support, we have built an effective interstate cooperation, which today is developing in a spirit of a true strategic partnership and alliance. An active and trusting political dialogue has been established between our two countries. There is coordinated work at the governmental level and constructive interaction within the framework of multilateral platforms». (Tokaev: vizit Alieva imeet bolshoe znachenie dlya ukrepleniya sotrudnichestva dvuh stran).

Within the new realities emerging in the region, the construction of transport and communication lines through the Zangezur corridor, which is a post-conflict reality, creates new opportunities for the Central Asian region, including Kazakhstan. Kazakhstan and Azerbaijan are very important within the framework of China's «One Belt, One Road» project, the essence of which is to restore the historic Silk Road. In particular, the Zangezur corridor is considered to be the main artery of this project. The opening of the corridor means a significant gain in energy transportation from east to west and in transport and logistics. It is not incidental that I. Aliyev and K-Zh.K. Tokayev stated that decisions taken in Baku are being implemented today. The matter is about connecting transport-logistics infrastructure of the two countries to fully mobilize the capacity of the Central Corridor and start transit of Kazakhstani oil through Azerbaijan. Naturally, the Azerbaijani side is well aware of the energy needs of the West against the background of the Russian-Ukrainian war. It also understands that it cannot meet these needs alone. Azerbaijan wants to increase the amount of energy transported by connecting Kazakh oil and gas to the European market through existing pipelines, this is also in Kazakhstan's interest (Kazakhstan, Azerbaijan Reiterate Commitment to Strengthen Ties).

Cooperation between Kazakhstan and Azerbaijan within the framework of the Organisation of Turkic States (OTS) and the Central Corridor

The Istanbul Summit 2021 was instrumental in the transformation of the OTS, where the document «Vision for a Turkic World 2040» was adopted as a strategic guideline for the new organisation. Thus, the summit of the Heads of State of the Turkic Republics, which started in Ankara in 1992, evolved into the Turkic Council at the Nakhichevan Summit in 2009 and finally into the Organisation of Turkic States, attracting attention as a new strategic force rising to the heart of Eurasia (Vosmoi sammit soveta sotrudnichestva tiyrkoiazychnyh gosudarstv, 2021).

For Kazakhstan, as a state at the heart of Eurasia, regional cooperation is also important, which raises the level of its views on the problems of opening a new corridor beyond the interference and political pressure of Russia. In this regard, it would be wrong to assess the signed protocols and decisions adopted at the first summit of the heads of state of Turkey-Azerbaijan-Turkmenistan by the three important members of the OTS. Although the summit is very important in itself, the main significance of the summit is that it has set a concrete example of the implementation of the Concept Paper «Turkic world 2040», Samarkand Declaration and the GTS Strategy for 2022-2026. The concrete steps taken at the summit on cooperation between the three countries on the western end of the Caspian Trans-Caspian International East-West Central Corridor, connecting Asia with Europe, will pave the way towards realising the objectives outlined in these documents (Ekonomicheskaya integratsiya i transportnaya svyazuemost v tsentre vnimaniya sammita Organizatsii Tiyrkskih Gosudarstv v Samarkande).

As it is known, the Samarkand Declaration highlighted the issue of strengthening regional ties, developing trade relations, enhancing existing cooperation on regional and international issues through the potential of the Trans-Caspian International East-West Central Corridor and welcomed achievements in this regard at the First Trilateral Meeting of Ministers of Foreign Affairs and Transport of Azerbaijan, Kazakhstan and Turkey held in Baku on 27 June 2022 and the meeting of Ministers of Foreign Affairs, Trade and Economy of Azerbaijan and Georgia. Subsequent to the Samarkand summit, the Ministers of Foreign Affairs and Transport of Kazakhstan, Turkey, Azerbaijan and Georgia met in Aktau and prepared a Road Map for 2022-2027 with concrete elements of cooperation to strengthen the Central Corridor infrastructure and signed an agreement on the steps to be taken to improve the capacity of the Trans-

Caspian International Transport Corridor (V Aktau podpisana «Dorojnaya karta na 2022-2027 gody» po razvitiyu i ekspluatatsii marshruta Srednego koridora).

The meeting was attended by Minister of Foreign Affairs M. Cavusoglu, Minister of Transport and Infrastructure A. Karaismayloglu from Turkey, Minister of Foreign Affairs M. Tileuberdi, Minister of Industry and Infrastructure Development K. Uskenbayev from Kazakhstan, Foreign Minister D. Bayramov, Minister of Digital Development and Transport R. Nabiyev from Azerbaijan, Minister of Economy and Sustainable Development L. Davitashvili, Deputy Foreign Minister A. Khvtisiashvili from Georgia. In his speech here, Kazakh Foreign Minister M. Tileuberdi noted that today's meeting was important not only for the development of international transport corridors in the East-West direction across the Caspian Sea, but also for taking practical steps to strengthen cooperation in the Caspian and Black Sea regions. He also noted that this has been an active year in Kazakhstan's relations with Azerbaijan, Turkey and Georgia, stressing that Kazakhstan has been intensively cooperating with these countries in political dialogue, trade and economic, cultural and humanitarian fields (Kazakhstan i Azerbaidjan planiruiyt dovesti tovarooborot do \$1 mlrd. Glavy dvuh gosudarstv proveli peregovory v rasshirennom sostave).

M. Tileuberdi reminded that in the context of current geopolitical reality the sphere of international transport corridors was added to this cooperation and at the trilateral meeting held in Baku in June the importance of implementation of joint projects on facilitation of customs procedures on the Trans-Caspian international transport route was emphasised. Thus, the signing of the Road Map is an important step in the development of the Trans-Caspian International Transport Route and this document aims not only at coordination work, but also at implementation of clear projects. Expressing his pleasure to see Georgia among them, M. Tileuberdi said: «Most of the major transport projects pass through the territory of Georgia, and we are optimistic about the development of Baku-Tbilisi-Ceyhan and Baku-Supsa oil pipeline capacities, as well as the Baku-Tbilisi-Kars railway». (Tileuberdi, 2020).

Since Turkey first started designing the corridor in the late 2000s, building the necessary ferry, port, rail and road infrastructure across Central Asia, the Caspian Sea and the Caucasus has been a long

and complex process. At first, the countries along the trade route tried to interconnect their existing transport networks. However, this was not enough to make the route competitive. The first major step of the Central Corridor was taken in 2014, when the Trans-Kazakhstan Railway was inaugurated. The next major step was the completion of the Baku-Tbilisi-Kars railway in 2017, providing a rail link across the Caucasus Mountains for the first time since the 1990s. And in 2020, the first cargo reached China from Turkey via the Central Corridor, using this route (*Pervyi tovarnyi poezd poshel iz Turtsii v Kitai po «Zheleznomu Shelkovomu puti»*).

Since then, the volume of traffic along the Central Corridor has increased rapidly, albeit from a very low level. The volume of cargo transported along the corridor has increased from around 350,000 tonnes to 530,000 tonnes. However, it was Russia's invasion of Ukraine in 2022 and subsequent Western economic sanctions against Moscow that really boosted corridor usage. Although Central Asian countries have remained neutral in the conflict, they saw an advantage in having an alternative to the Central Corridor. As a result, freight traffic along the Central Corridor has increased to 3,2 million tonnes in 2022. With Turkey completing the construction of the Marmaray railway under the Bosphorus, which allows rail freight traffic along the Middle Corridor, the capacity of the Central Corridor is expected to increase to 10 million tonnes in the near future. With this corridor, Asia will be able to go straight into the heart of Europe. Indeed, this has also attracted the attention of European transport companies. Austria's Railway Cargo Group, Denmark's Maersk, Finland's Nurminen Logistics and the Netherlands' Rail Bridge Cargo have already started using the Middle Corridor (Felix).

Given the geopolitical uncertainty caused by Russia's incursion into Ukraine back in 2014, it makes sense for Central Asian and Caucasian countries to seek an alternative overland trade route to world markets that is independent of Russia. Azerbaijan, Georgia and Kazakhstan, in particular, are actively cooperating to make the Central Corridor a reality.

China is very interested in the Central Corridor. This is because China sees all the new trade routes in Eurasia as generally beneficial. They will give Chinese industry greater access to international markets and give the Chinese government more influence in Central Asia, a region where China and Moscow have long competed for spheres of influence. To a large extent, it is this rivalry that

has driven China's enthusiasm for the Shanghai Cooperation Organisation. While China currently shares an «unlimited» partnership with Russia, it understands that the longevity of this partnership is not guaranteed. Whatever its intentions, China has invested in the logistics infrastructure that supports the Central Corridor, built the Khorgos Pass and financed the «Khorgos-Eastern Gateway» special economic zone, which together form a huge railway transfer point across the Sino-Kazakh border. It is of paramount strategic importance to China to have a trade route that is not dominated by Russia (as in the case of the Northern Corridor) and that the US cannot directly block (as in the case of the traditional sea route).

At the European edge of the Central Corridor there is Turkey, a country whose interest in the corridor matches or even exceeds that of China. Turkey sees the corridor not only as a way to build stronger economic ties with Central Asia, but also to improve its strategic position. Turkey hopes to achieve this by leveraging its common linguistic roots with Turkic-speaking countries in the region and offering them a trade route that is an attractive alternative to trade with Turkey's longstanding rivals, Iran and Russia. In fact, Turkey has placed the Central Corridor at the centre of its foreign policy in Central Asia.

In the period between 2013 and 2015, it signed agreements with Azerbaijan, China, Georgia and Kazakhstan to improve the corridor's connectivity with Europe. True to its word, Turkey built the Eurasia Tunnel and the Yavuz Sultan Selim Bridge in Istanbul in 2016, and is currently completing the construction of the Edirne-Kars high-speed railway and the Northern Marmara Highway. Diplomatically, Turkey has even tried to bring Armenia and Azerbaijan closer to facilitate the construction of the new Central Corridor Railway through the Zanguzur region of Armenia. With Russia's invasion of Ukraine in 2022, tremendous new opportunities have opened up for countries investing in the Central Corridor. And with the construction of the main components of the Central Corridor now complete, trade along the corridor looks set to pick up.

In early 2023, The OECD Eurasia Competitiveness Programme and the «OECD Istanbul Centre – OECD Global Relations» initiated an analytical study on the potential of a Trans-Caspian international transport route, the so-called «Central Corridor», as an alternative to the main trade route between China and Europe to

the Northern Corridor via Russia. Recent studies show that the Middle Corridor through Central Asia, the Caspian Sea and the Caucasus is on average 2,500 kilometres shorter than the Northern Corridor, potentially reducing travel times to several days and at the same time increasing trade between transit countries (Bireysel Şirketler için OECD Araştırması: Orta Koridor Kullanımı ve Potansiyeli). Nevertheless, for the trade potential to be fully realised, the existing problems of the route, both physical and non-physical infrastructure, need to be addressed. A project involving the four main countries of the route – Kazakhstan, Georgia, Azerbaijan and Turkey – will identify the potential and challenges for the corridor to become a central trade route linking China to Europe.

Conclusion

The relationship between Kazakhstan and Azerbaijan in the new geopolitical environment plays an important role in regional development and cooperation. One of the major aspects of the relationship is the development of the Central Corridor, which creates opportunities for strengthening transport links and trade cooperation between the two countries independently of Russia. However, the development of this corridor faces a number of challenges, including transport and logistical complexities, as well as political and geopolitical challenges.

In the context of the new geopolitical environment, Kazakhstan and Azerbaijan are facing changes in the global political environment, such as energy security and regional stability. Both states are actively working to overcome challenges and develop mutually beneficial partnerships. The development of diplomatic relations, the exchange of experience and resources, and joint infrastructure development initiatives contribute to the development of cooperation between Kazakhstan and Azerbaijan. The diversification of energy resources and the development of alternative transport routes are also important steps to reduce energy dependence and ensure sustainable development.

The relationship between Kazakhstan and Azerbaijan is important for Russia in the context of its interests in Central Asia and the Caucasus. Russia is an important player in the region and seeks to strengthen its presence and influence in the political and economic sphere. With regard to Kazakhstan and Azerbaijan, Russia is interested in several aspects: energy dependence – Russia is

an important energy partner for Kazakhstan and Azerbaijan. It has considerable influence over the transportation and export of energy resources from these countries. Russian companies play an important role in developing and exporting oil and gas from the region; geopolitical stability – Russia seeks to maintain stability and security in Central Asia and the Caucasus, including Kazakhstan and Azerbaijan. The region is an important source of security for Russia and also enables it to pursue its interests in global politics; transport and logistics routes – Russia is interested in using transport and logistics routes through Kazakhstan and Azerbaijan for its export and import flows. The development of the Central Corridor and other transport projects could provide Russia with better access to markets in the region and its own trading partners, bypassing global sanctions.

Nowadays, Turkey is also an influential actor in the Central Corridor region, which encompasses Kazakhstan and Azerbaijan. Turkey has a range of interests related to the development and use of the Central Corridor, which is an important transport route connecting Asia and Europe via the Caspian Sea and the Black Sea.

Some of Turkey's interests in the Central Corridor are as follows: economic advantages – the development of the Central Corridor creates new opportunities for increased trade and economic cooperation between Turkey, Kazakhstan and Azerbaijan. Turkey seeks to increase its export-import activity in the region and use the corridor to deliver its goods and cargoes to Asia and Europe; regional influence – the success of the Central Corridor could strengthen Turkey's geopolitical and economic influence in the region. It seeks to become a key player in transport infrastructure and logistics, and to attract investment and develop cooperation with other countries within the corridor; energy security – Kazakhstan and Azerbaijan have significant energy resources, and Turkey is interested in using them. It seeks to diversify its sources of energy supply and develop energy projects involving Kazakhstan and Azerbaijan, including transportation and export of oil and gas through the Central Corridor.

Overall, the relationship between Kazakhstan and Azerbaijan in the new geopolitical environment is an important aspect in the development of the Central Corridor. China is also interested in it. With the participation of China and Turkey in this project, Russian pressure on Kazakhstan and Azerbaijan will be more moderate.

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