

## **AZERBAIJAN AND TURKMENISTAN PROBE RAPPROCHEMENT**

**Rovshan Ismayilov 6/18/07**

After a decade of enmity, Caspian Sea energy players Azerbaijan and Turkmenistan have announced an ambitious plan to bolster cooperation.

A June 12 announcement by Azerbaijani Energy Minister Natic Aliyev on the possible joint exploration of an offshore Caspian Sea oil field -- dubbed Kapaz by Azerbaijan, and Serdar by Turkmenistan -- could serve as the point of departure in a broad rapprochement. The question of which country controls the rights to the oilfield has been at the center of the decade-long bilateral chill.

The announcement came two days after a meeting between Azerbaijani President Ilham Aliyev and Turkmen President Gurbanguly Berdymukhamedov at a Commonwealth of Independent States summit in St. Petersburg. The two countries also agreed to the reopening of Turkmenistan's embassy in Baku, closed since 2001, and to the creation of an intergovernmental commission on bilateral cooperation.

Before the December 2006 death of longtime Turkmen ruler Saparmurad Niyazov, such overtures would have been largely unthinkable. [[For background see the Eurasia Insight archive](#)]. Now, with a new president, Turkmenistan has undertaken an energetic meet-and-greet campaign with its Caspian Sea region neighbors. A June 15-17 state visit by President Berdymukhamedov to Iran was the latest such diplomatic mission. For gas-rich Turkmenistan, broadening contacts with its Caspian neighbors means a chance to diversify export routes and expand hard-currency revenue streams. Currently, the country depends primarily on Soviet-era transit routes via Russia.

For Azerbaijan, the friendship drive is a chance to show potential foreign customers that it has the ability "to play a great role in the energy security of Europe" -- a desire voiced by Aliyev during a May energy summit in Krakow, Poland. [[For background see the Eurasia Insight archive](#)]. Recent comments by both Aliyev and US Assistant Deputy Secretary of State Matthew Bryza about Azerbaijan's oil-and-gas production potential appear designed to underscore that message.

One independent political analyst believes that Baku's overtures to Turkmenistan could help with another strategic objective -- gaining a potential advantage over Caspian Sea energy rival Iran. "It would help to weaken Iran's intractability on the dispute over the Caspian Sea's legal status, which keeps Azerbaijan's oil operations in the Sea unstable," commented Rasim Musabekov.

Both the United States and European Union have used the budding rapprochement to renew lobbying for the Trans-Caspian gas pipeline (TCP)

between Turkmenistan and Azerbaijan as a link to European markets. [[For background see the Eurasia Insight archive](#)].

Azerbaijani observers largely see the campaign as a response to a May 12 agreement between Turkmenistan, Russia and Kazakhstan for a rival Caspian Sea gas pipeline. At a June 6 speech at Baku's Oil & Gas Conference, Bryza stressed that energy research estimates forecast that shipping gas from Turkmenistan to Europe via a TCP route would be "50 percent cheaper" than via the proposed route linking Turkmenistan with Kazakhstan and Russia. [[For background see the Eurasia Insight archive](#)].

The TCP route has long been discussed. It faces technological hurdles and strong opposition from Russia, but the willingness of both Turkmenistan and Azerbaijan to explore it as an export option keeps construction plans alive.

Still, it remains uncertain whether the pipeline will ever be built. Despite Baku's willingness to challenge Russia on energy policy, Azerbaijan's is probably unwilling to proceed with TCP if doing so causes a drastic deterioration of ties with the Kremlin, noted one Baku-based energy expert. "Azerbaijan itself has enough oil and gas to export during the coming decade and even longer," said Ilham Shaban, editor of the Turan-Energy daily bulletin. "Of course, it would be good to also become a transit country for export of Turkmen gas, but Azerbaijan does not have weighty reasons to fight with Russia over the Trans-Caspian pipeline."

Shaban believes that Russia is prepared to go to great lengths to prevent Turkmenistan's participation in TCP. "Even with increased volumes of oil and gas, Azerbaijan will not be able to seriously compete with Russia in European markets," he said. "Turkmen gas and significant volumes of Kazakh oil are another story. Here, Russia will fight till the end."

**Editor's Note:** Rovshan Ismayilov is freelance journalist based in Baku.

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