

Azerbaijan and Central Asia

Mutually Beneficial Cooperation... More Than Just Trade

Ruslan Suleymanov

Recently, Baku has been actively increasing interaction with the countries of Central Asia. Frequent state visits of the leaders of the countries of this region to Azerbaijan and reciprocal visits of its president, Ilham Aliyev, are but the most evident pieces of evidence of this increasingly important geopolitical and geoeconomic trend.

In addition to economic aspects, Central Asia is becoming of great importance for Azerbaijan from a diplomatic point of view. Thus, Kazakhstan, being one of the closest partners for Baku in the region, today acts as a mediator in the Armenia-Azerbaijan peace process.

Azerbaijan, in turn, is an important geopolitical and geoeconomic bridge between Central Asia and the West, being at the crossroads of flagship connectivity projects like the Middle Corridor, the Belt and Road Initiative, and the International North-South Transport Corridor.

Azerbaijan as a Key Transit Country

“Indeed, high-level contacts have become more frequent lately, and this is a very positive development. This year is no exception either,” President Kassym-Jomart Tokayev of Kazakhstan [noted](#) on 11 March 2024 during a joint press conference with his Azerbaijani counterpart in Baku.

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This is roughly how one can characterize Azerbaijan's relations with all five Central Asian states. If we look at the volume of trade turnover in 2023, most of them saw significant growth, namely Kyrgyzstan (by 600%), Turkmenistan (by 44%), and Tajikistan (by 3%).

Perhaps the most striking evidence of the development of bilateral contacts is also the constant reciprocal state and official visits of the leaders of the countries concerned. In the past year alone, such visits to Azerbaijan were made by President Sadyr Japarov of Kyrgyzstan (April 2024), President Tokayev (March 2023), and President Shavkat Mirziyoyev of Uzbekistan (August 2023). A visit to Azerbaijan by Tajik President Emomali Rahmon is also planned for this year. Of course, this list does not include regular work visits for participating in multilateral summits and forums in Baku such as the Summit of the UN Special Program for the Economies of Central Asia, or SPECA (November 2023) and the Summit of the NAM Contact Group on the Fight Against COVID-19 (March 2023).

In turn, Aliyev recently made state visits to Tajikistan (April 2023), Kyrgyzstan (October 2022), and Uzbekistan (June 2022), as well as an official visit to Kazakhstan (April 2023), and working visits to Uzbekistan (November 2023), Tajikistan (September 2023), and Turkmenistan (December 2022).

It is very significant that, in September 2023, Aliyev was invited for the first time to the Summit of the Heads of Central Asian States in Dushanbe, as an 'honored guest.' "For over 30 years, as independent states, we have actively engaged both in bilateral and multilateral formats. We support each other's independence, sovereignty, and territorial integrity and actively develop economic ties," he [noted](#) in his speech there.

Azerbaijan is critically important to the advancement of the strategic connectivity ambitions of all the major powers that encircle the [Silk Road region](#) (made up of the South Caucasus and Central Asia). This has become especially evident after the outbreak of the war in Ukraine in February 2022, since the West, Türkiye, Russia, and its neighboring countries were forced to quickly rebuild trade and economic chains.

Thus, at the end of 2023, the seaports of Azerbaijan [increased](#) cargo transshipment to 13.3 million tons—this is 13.8 percent more than in 2022 and 51 percent more than in 2021.

One of the most illustrative examples of Azerbaijan's role as a transit country is the swap supplies of Turkmen gas. As a matter of fact, by the end of 2023, Azerbaijan purchased more than 1.5 bcm of natural gas from Turkmenistan, which was subsequently supplied to European markets.

According to a tripartite agreement reached between Azerbaijan, Iran, and Turkmenistan in November 2021, Ashgabat has supplied 4.5 mcm of gas per day through Iranian soil

since January 2022. That came out to 3.2 bcm between January 2022 and January 2024, when the agreement was temporarily [suspended](#) at the initiative of the Turkmen side. Nowadays, a new deal is being discussed between Baku and Ashgabat.

Along with this, in March 2024, Türkiye and Turkmenistan [signed](#) a protocol of mutual understanding, according to which up to 2 bcm of Turkmen gas will be supplied to Ankara annually. “Azerbaijan is considered as one of the options for the gas supplying to Turkish territory,” [said](#) Alparslan Bayraktar, Minister of Energy and Natural Resources of Türkiye.

Finally, on 14 May 2024, the energy ministers of Türkiye and Azerbaijan (Alparslan Bayraktar and Mikayil Jabbarov, respectively) [signed](#) a cooperation agreement in Istanbul, according to which about 2 bcm of gas from Turkmenistan will transit to Türkiye through Azerbaijan and Georgia. In the future, the idea is for this gas to be transported to the European continent. Thus, in addition to the existing energy routes, a fourth one will be built: the Iğdir-Nakhchivan gas pipeline. It is expected that gas from Nakhchivan will be delivered to Türkiye via this route next winter.

In addition to gas, Azerbaijan remains the largest transit country in the region for oil. Thus, in November 2022, an agreement was signed between KazMunayGas (KMG) and SOCAR on the transit of oil along the Aktau-Baku-Tbilisi-Ceyhan route. In March 2023, the implementation of this agreement began.

According to the Ministry of Energy of Kazakhstan, at the end of 2023, oil shipments from the port of Aktau [amounted](#) to more than 1 million tons in the direction of Baku-Tbilisi-Ceyhan (BTC). For 2024, the supply of Kazakh oil through the BTC in the amount of 1.5 million tons is planned.

Other countries in Central Asia also point out at every opportunity the important role of Baku as a key transit point for goods to Türkiye, the Western Balkans, and Western countries. For instance, in February 2023, an Uzbek transport ministry delegation, during a visit to Baku, [emphasized](#) that it “counts on organizing continuous transportation of goods through the territory of Azerbaijan to the countries of Europe and America.”

All in all, the cooperation between Baku and Central Asia—both politically and economically—has a very solid ground. “Azerbaijan and the countries of Central Asia are bound by centuries-long historical and cultural ties. Azerbaijan and Central Asia represent a single historical, cultural, and geopolitical space, with increasing strategic significance,” Aliyev [pointed out](#) in his speech at the SPECA Summit in Baku on 24 November 2023.

Strengthening International Contacts

Actually, close political and economic contacts with the countries of Central Asia have helped Azerbaijan defend its interests in the international arena, especially during a

period when about 20 percent of its territory was under occupation. Suffice it to say that Kazakhstan, Kyrgyzstan, and Tajikistan, being within the same military bloc with Armenia—the Collective Security Treaty Organization (CSTO)—have never even implicitly called into question the territorial integrity of Azerbaijan.

It is also quite significant that, in March 2024, the presidents of Azerbaijan and Kazakhstan [opened](#) the Kurmangazy children’s creativity center, built by the Kazakh company BI Group in the liberated city of Fizuli. The same goes for what took place in August 2023—namely, the leaders of Azerbaijan and Uzbekistan [opened](#) the Mirza Ulugbek School in Fizuli for 960 pupils, which was built with the support of the Uzbek government.

Along with this, Baku’s non-participation in any military bloc has always emphasized its cautious and equidistant position, especially today in the context of the intensified confrontation between Russia and the West. This is largely why Baku is in no hurry to join any major political and economic blocs, in particular the Shanghai Cooperation Organization (SCO), led by Russia and China. Having the status of a dialogue partner, Azerbaijan enjoys close relations with almost all SCO countries individually.

As a matter of fact, the trade turnover of Azerbaijan with the SCO member states in 2022 [increased](#) by 45.8 percent and amounted to over \$9 billion. In the same year, the share of these countries in Azerbaijan’s foreign trade was 17 percent. SCO member states invested more than \$12 billion in the economy of Azerbaijan. Azerbaijan, in turn, invested \$3.2 billion in the economies of SCO member states.

Moreover, Azerbaijan “received the first congratulations from the member countries of the Organization on the occasion of his victory in the presidential elections,” as Aliyev [pointed out](#) during his meeting with Secretary-General of the SCO Zhang Ming in February 2024. Zhang Ming, in turn, highlighted that cooperation between Azerbaijan and the SCO is developing, as well as within the framework of COP29 which will be hosted by Baku in November 2024.

Kazakhstan as a Mediator between Azerbaijan and Armenia

Nowadays, Kazakhstan, being the largest economy in Central Asia, among all the countries in the region has the closest contact with Azerbaijan, which, in turn, is thought to be the leader of the South Caucasus.

Thus, since 2020, trade turnover between Baku and Astana [has increased](#) more than 5 times, already exceeding \$500 million. Although in 2023 there was a decrease in indicators—both in exports and imports—Kazakhstan [remained](#) one of Azerbaijan’s key trading partners in the region, second only to Turkmenistan in terms of trade turnover.

In parallel with this, the legal and regulatory framework for bilateral cooperation between Baku and Astana is expanding. Over the last year and a half alone, about 40 important bilateral documents [have been signed](#). Following Tokayev's visit in March 2024, 14 new documents [were signed](#) between the states.

As noted above, Astana has always been and remains on the side of Baku in all conflict issues with Armenia. "Azerbaijan has achieved a historic victory under your authoritative leadership. This is the restoration of state sovereignty. The people of Kazakhstan were very happy about that," Tokayev [told](#) Aliyev in March 2024 in Baku. It may not be a coincidence that both leaders are graduates of MGIMO (although Aliyev stayed on, receiving two doctoral degrees)—the Harvard Kennedy School of Russia.

It is also very significant that recently it was Astana that has moved to the forefront as a mediator between Baku and Yerevan. This became possible, among other things, after the visit of the President of Kazakhstan to Armenia in April 2024. Interestingly, since 2001 this is the second official Kazakh leader in Yerevan.

As a result, on May 10-11, negotiations between the Foreign Ministers of Azerbaijan and Armenia (Jeyhun Bayramov and Ararat Mirzoyan, respectively) took place in Almaty.

"The Ministers and their delegations continued discussions on the provisions of the draft bilateral Agreement on the Establishment of Peace and Interstate Relations between Azerbaijan and Armenia. The parties agreed to continue negotiations on the open issues where differences still exist," [emphasized](#) the statement of the Azerbaijani foreign ministry (this formulation was [repeated verbatim](#) by the Armenian foreign ministry).

If the negotiation process develops, Baku and Yerevan will really be able to complete the border delimitation process. A positive step in this direction was the transfer by Armenia of four villages in the Tavush region, which previously belonged to Azerbaijan, in April 2024.

Although Kazakhstan supports Azerbaijan on fundamental issues, it is truly a neutral mediator—it limits its role to providing a platform for negotiations. Astana's mediation, therefore, has helped Baku and Yerevan reinforce their shared decision to pursue peace without the direct meddling of major powers.

One of the more interesting questions is where and when Azerbaijan and Armenia will agree and sign the long-awaited peace treaty.

And Central Asia, represented by Kazakhstan, is one of the most optimal options in this regard.