

## From the Caspian Sea to Europe: How Ankara and Baku are building an alternative energy route



Despite Azerbaijan's advantageous geographic position at the crossroads of East-West trade routes, its rise as a bridge linking Central Asia, the South Caucasus, Türkiye and Europe was not the product of geography alone, but rather the result of a sustained strategy pursued by Baku since the start of the millennium, pouring massive investments into developing port infrastructure, railways and logistics corridors. Those efforts helped transform the country from a marginal transit state into an advanced hub within emerging Eurasian connectivity networks.

This vital role accelerated with the outbreak of the Russia-Ukraine war, which reshaped Europe's approach and intensified its drive to wean itself off Russian gas, leading to a record surge in demand for Azerbaijani gas which now reaches 16 countries, including 10 EU member states, putting Baku in first place regionally in terms of distribution reach and opening a new chapter in its energy history.

This geopolitical and economic rise was clearly on display during the events of Baku Energy Week, held from June 1 to 3, 2026, which brought together the Caspian Oil and Gas Exhibition, the Clean Energy Exhibition and the Baku Energy

Forum.

The region's largest annual event brought together politicians, industry leaders, official delegations and investors representing 274 companies from 46 countries, turning Baku Energy Week into the most important platform for signing energy-sector deals in the post-Soviet era. At the opening ceremony, President Ilham Aliyev reviewed his country's pivotal contribution to regional and European energy security through existing supply corridors such as the BTC oil pipeline and the TANAP and TAP gas pipelines.

The forum concluded with Baku signing major energy and investment deals worth \$7.5 billion with government entities and companies from the United States, Türkiye, France, Serbia and San Marino, alongside the launch of the inaugural Azerbaijani-American Economic Dialogue, which saw the signing of landmark agreements with major US firms such as Chevron, JPMorgan, Oracle and Comstock Resources in vital sectors including minerals and rare earth elements.

At the close of Baku Energy Week, Albert Ozel, director general of the International Transporters Association (UND), said the geographic and logistical integration between Azerbaijan and Türkiye is opening promising horizons and unprecedented competitive opportunities for developing and securing international transport corridors.

These remarks come at a time when observers believe Türkiye's importance at this stage stems not only from the scale of its projects or its production capabilities, but from its unique geographic position, which makes it a meeting point between producers in Asia, the Middle East and the Caucasus on one side, and consumers in Europe on the other.

From ethnic ties to the backbone of Eurasian energy

Since the end of the Cold War, Turkish-Azerbaijani relations have been marked by a nationalist and cultural character expressed in the slogan "One nation in two states." As the Caspian basin grew in importance in European energy security discussions, this political and symbolic alliance evolved into a structural relationship that made each country indispensable to the other in energy policy.

Within this rapprochement, Türkiye became the main transit gateway for Azerbaijani energy exports to global markets, while Azerbaijan found in this partnership a means of strengthening its political and economic independence by integrating into energy and trade networks linked to European and Western markets, away from traditional Russian spheres of influence.

In addition, because Azerbaijan is a landlocked country with no direct access to

the oceans, it depends on its exports passing through intermediary territories and states, and Türkiye's geography offers Azerbaijan the shortest and most stable route to the Mediterranean and European markets.

In return, Ankara has benefited by securing an important share of its energy needs and cementing its position as a regional energy hub, while also enhancing its geopolitical role by turning the South Caucasus into a strategic corridor linking it directly to Turkic-speaking states in Central Asia.

Over the past two decades, that partnership has gone through several phases in which one of the world's most successful energy partnerships took shape through a network of giant oil and gas infrastructure projects, beginning with cooperation in the Shah Deniz gas field and taking practical form in the operation of the strategic Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the South Caucasus gas pipeline.



The Baku-Tbilisi-Kars railway line (Azerbaijan Ministry of Transport)

This historic trajectory was then crowned by the construction of the Trans-Anatolian Natural Gas Pipeline (TANAP), which has become the backbone of the Southern Gas Corridor and a unique model for integrating the Turkish and Azerbaijani economies.

Its role has gone beyond that of a conventional gas pipeline to become a robust

strategic linkage that has cemented Ankara's position as a regional hub and vital transit node connecting Asia and the Caspian Sea to European markets. This has had highly significant effects in strengthening EU supply and transport security and meeting the needs of Türkiye's domestic gas market.

Today these lines are gaining even greater importance as Europe continues seeking to reduce the risks associated with traditional supplies, prompting Ankara to expand its role not only as a gas corridor but also as a hub for trading and redistributing energy to regional markets.

Against a shifting landscape accompanied by fears of a global economic slowdown and a sharp rise in oil and gas prices, countries have been forced to search for alternative trade routes, diversify their sources and establish new regional partnerships. Here, President Recep Tayyip Erdogan said the recent succession of crises has reinforced Türkiye's role as an indispensable strategic "center of gravity" in discussions on global energy supply and security.

Ankara's growing role was clearly reflected in the outcomes of the 31st Baku Energy Week and in the statements made by Turkish Energy Minister Alparслан Bayraktar, which revealed the contours of a Turkish strategy aimed at strengthening links between regional energy markets and European markets, and consolidating Türkiye's position as a central axis in transcontinental energy networks.

This momentum indicates that the Turkish-Azerbaijani axis is gradually moving toward becoming the most important and influential route within the emerging network of Eurasian corridors, and the main meeting point between Central Asia's resources and the needs of the European continent.

**From gas to electricity:** The new expansion of the Turkish-Azerbaijani partnership

As part of the region's accelerating shift toward diversifying energy sources, January 2026 saw the launch of the first phase of a technical and environmental feasibility study, backed by the Asian Development Bank and led by CESI, for a project spearheaded by an alliance of Azerbaijan, Kazakhstan and Uzbekistan to lay a subsea power cable beneath the Caspian Sea, paving the way for transmitting electricity from Central Asia to Europe via the South Caucasus.

This step was complemented by intensive political activity and broad agreement on transporting Turkmen gas to Türkiye and Europe عبر Azerbaijani territory, something confirmed by Turkish officials, who said there was collective willingness and approval from all concerned parties.

These geoeconomic efforts were then practically crowned on June 1, 2026, during Baku Energy Week, when Türkiye and Azerbaijan signed a long-term

strategic agreement under which Türkiye's BOTAS, in coordination with Azerbaijan's SOCAR, committed to pumping 33 billion cubic meters of natural gas over 15 years starting in 2029.

Extending this model, President Erdogan and Energy Minister Alparslan Bayraktar announced an expansion of this partnership beyond fossil fuels toward clean-energy horizons through the signing of a quadrilateral memorandum of understanding with Georgia, Bulgaria and Azerbaijan to establish a regional corridor dedicated to transmitting and trading clean electricity.

Under this agreement, surplus green energy derived from solar and wind in the Caspian basin and the Caucasus would pass along a shared route linking the four countries and reaching European markets.

The strategic importance of this ambitious project, which Bayraktar described as "the electricity version of TANAP," lies in the fact that it replicates the same geopolitical philosophy and geographic route as the TANAP gas pipeline, but this time uses it to channel surplus green energy from upstream countries through Turkish infrastructure into the heart of Europe.

In this regard, the proposed project to transmit electricity from Azerbaijan is expected to bring about a qualitative leap in renewable energy and strengthen regional energy trade through Türkiye, as it links the Caspian region with European markets and helps focus attention on renewable sources.

Likewise, the strategic importance of this electricity corridor lies in making Türkiye a multimodal hub and connection node for a broader regional power grid extending as far as Central Asia. In his message to the Baku Energy Conference, President Erdogan said this quadrilateral electricity interconnection would strengthen regional energy security and serve the interests of the European continent.

Experts believe that amid the rapid transformation of the energy sector and intensifying geopolitical competition, the new electricity corridor initiative led by Azerbaijan and Türkiye could bring about fundamental changes in Eurasia's energy architecture.

As Bayraktar explained, this project would directly contribute to Europe's agenda of reducing its dependence on Russian energy by combining the renewable-energy potential of the Caspian basin, particularly wind and solar resources.

The Turkish government has announced its commitment to inject major investments estimated at around \$30 billion over the next decade to fully modernize and develop the domestic electricity transmission and distribution

system, with the aim of increasing the efficiency of the national grid and absorbing flows generated by nuclear plants and new renewable-energy projects, in addition to strengthening electricity interconnection capacity with its neighbors to the east and west.

These investments reflect a qualitative shift in Ankara's energy vision: It is no longer limited to transporting oil and gas, but is now preparing to become a central hub for electricity and clean-energy trade in the region.

On the implementation front, technical feasibility studies have begun to determine the routes for this electricity corridor, its carrying capacities, total cost and financing. The next step is likely to be a detailed international agreement that turns the project into an engineering and investment undertaking governed by market and implementation laws.

Bayraktar also explained that additional details about the electricity corridor project would be announced in the coming weeks and months, noting the possibility of expanding the corridor to extend into Central Asian countries.

The new electricity corridor: Geopolitical gains and complex challenges

The proposed electricity corridor offers returns for multiple parties, as it allows Azerbaijan to turn its clean-energy potential — solar, wind and hydropower — into export revenues that reduce its dependence on oil and gas. It also enhances Georgia's position as a transit state, strengthens the role of Bulgaria and Southeast Europe in regional interconnection, and consolidates Türkiye's standing as a trade hub and pivotal energy bridge linking the Caspian basin, the Black Sea and Europe.

Geopolitically, this corridor deepens the strategic cooperation between Ankara and Baku, and gives Türkiye growing weight in the international supply equation, especially as it has become in recent years a major hub for the transit of oil and gas to European markets, while helping Europe reduce its carbon emissions and diversify its sources.



Turkish Energy Minister Alparslan Bayraktar speaks during the Baku Energy Week conference (Bayraktar's account on X).

However, despite President Ilham Aliyev's assertion that it is difficult to imagine the European energy market without the South Caucasus region, Baku faces constraints, most notably its inability to access any major market without passing through Turkish territory.

But the most significant challenge lies in the complexities of the surrounding geopolitical landscape. At a time when the Kremlin senses its regional influence receding because of the Ukraine war, Russia and Iran may view this electricity corridor as further evidence that new energy routes are being built around them rather than through them.



The Jabrayil power plant (Azerbaijani presidential press office)

Likewise, Armenia represents one of the most complex links in the emerging regional interconnection equation. While Yerevan is moving to deepen its relations with the United States and the European Union, most of the region's major energy and transport projects are taking shape around the Turkish-Azerbaijani axis.

Despite the decline in military confrontation after Azerbaijan restored control over the Karabakh region, relations between Baku and Yerevan are still marked by a degree of tension tied to several unresolved issues, foremost among them border demarcation and the opening of land corridors.

The risks are not limited to security aspects, but also include economic challenges requiring massive investments in infrastructure and transport networks. On the implementation level, analysts believe that turning the proposed energy corridor into real infrastructure faces complex technical and financing challenges that go beyond merely signing agreements. Unlike gas pipelines, electricity corridors require synchronized networks, new transmission capacity and technical coordination among the participating countries.

In addition, the challenge of legislative and regulatory harmonization looms large, as the four countries will have to unify their regulations and market laws so

they fully align with European standards, while coordinating complex issues such as transit fees, licensing, land use, environmental concerns and cybersecurity.

Yet despite these challenges, recent practical indicators show the beginning of a collective institutional response to these issues. The Istanbul Declaration, issued at the close of the 10th trilateral meeting of the foreign ministers of Türkiye, Azerbaijan and Georgia in June 2026, reflected an advanced level of coordination among the three countries, particularly with regard to strengthening regional interconnection and developing cybersecurity, transport and energy projects.

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