

TANAP: INFLUENCER WELL BEYOND ENERGY

The enduring importance of the Turkey-Azerbaijan relationship is anchored in a shared history, as well as economic, cultural, and political ties. In particular, joint energy projects have played a large role in deepening relations and consolidating mutual interdependence between Ankara and Baku. The launching of the Trans-Anatolian Natural Gas Pipeline (TANAP) in summer 2018 represents a milestone in that regard. In this article, the author argues that TANAP's influence goes well beyond the energy sphere; it will contribute to strengthening Turkey's geostrategic position, boosting trade, shoring up regional security, and generating positive momentum for the international community.

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** TANAP in the title of the article is a reflection of all the global transportation and energy infrastructure projects between Azerbaijan and Turkey in the last two decades.



ome 10 years ago, when I wrote for TPQ on the energy security of Europe, the salient argument at the time was that the rapidly growing European market was in serious need of Caspian energy resources.

Today, this claim still rings true, but there is a lot of add-ons beyond energy. Europe's energy demands are high, but so are its needs to deal with the migration crisis and navigate the uncharted waters of emerging, multipolar, global economic, financial, and security systems. If between 2008 and 2014, the number of asylum seekers in the European Union countries averaged around 200,000 per year, that number averages now around one million.¹ Europe comfortably sailed within the free trade system led by the United States over the last half-century. However, it is now having to adjust to a contrary US policy which favors more protectionism and external sanctions. US President Donald Trump "has shaken the foundations of global trade, slapping steep tariffs on billions of dollars' worth of goods from the EU, Canada, Mexico, and China."² Turkey was among the victims too.

Definitely, given the above-described complicated economic and political backdrop, TANAP constitutes a breather for the European energy market. As part of the Southern Gas Corridor, together with the Trans-Adriatic Pipeline (TAP), 72 percent of which is completed, TANAP will supply 31 billion cubic meters of natural gas to Europe annually.³ But even the United States hinted to the broader importance of the project. TANAP will contribute to the energy security of Europe and Turkey, Deputy Assistant Secretary of State Sandra Oudkirk told reporters in Ankara adding that "the US has not invested in TANAP and will not get commercial benefits from the project, but Washington supports the project because it promotes diversification of energy supplies and energy security."⁴

Meanwhile, the very presence of leaders from other countries at TANAP's June 2018 inauguration and their strong statements⁵ is an indication that the project's importance extends beyond the energy sphere. Other notable areas include trade, security, and predictability. For trade, TANAP will straddle geography from Beijing

¹ "Asylum applications (non-EU) in the EU-28 Member States, 2006–2017," Eurostat Statistics Explained, https://ec.europa.eu/eurostat/statistics-explained/index.php/Asylum_statistics

² "Trade wars, Trump tariffs and protectionism explained," *BBC*, 26 July 2018, <https://www.bbc.com/news/world-43512098>

³ Luke Coffey, "Turkey Strengthens Energy Security of Europe," *TRT World*, 5 June 2018, <https://www.trtworld.com/opinion/turkey-strengthens-energy-security-of-europe-17993>

⁴ Arye Gut, "Trans-Anatolian Gas Pipeline (TANAP) Will Bring Azerbaijan Gas Resources To Europe," *The Jerusalem Post*, 21 June 2018, <https://m.jpost.com/Blogs/News-from-Arye-Gut/Trans-Anatolian-gas-pipeline-TANAP-will-bring-Azerbaijan-gas-resources-to-Europe-560036>

⁵ Socar Midstream, "Official opening ceremony of TANAP," 12 June 2018, <http://www.socarmidstream.az/news/tanap-opening-ceremony/>

to London and will make it an all-inclusive (contrary to “zero-sum” mentality) zone. For security, the pipeline will range from Syria to Afghanistan and tackle all-threatening (WMD, migration, crime, etc.) phenomena. For predictability, it will further forge the regional bonds for the global benefits.

“TANAP’s importance extends beyond the energy sphere.”

Trade

In late 2017, the Baku-Tbilisi-Kars (BTK) railroad was inaugurated in Azerbaijan. It initiated a missing link for the revival of the shortest Modern Silk Road connecting Europe and the Far East. As the European Commission puts it “the European Union and China are two of the biggest traders in the world: China is the EU’s second-biggest trading partner while the EU is China’s biggest trading partner.”⁶ Since most of China’s exports to Europe are in telecommunications, BTK can facilitate better trade in this field using a newly constructed Alyat seaport in Azerbaijan. Located 65 kilometers south of Azerbaijan’s capital city of Baku, “the new port is emerging as a full-fledged intermodal transportation hub and free trade zone that’s primed to become a major station along the New Silk Road...spanning the Eurasian landmass, from China to Europe.”⁷

Security

10 years ago, the prospects for a stable Afghanistan were judged with relative optimism. Today, there are different realities. There are “huge achievements in just 8 years,” said NATO Secretary General Rasmussen in 2008, “but the reality is that this mission cannot continue forever, and it should not continue forever.”⁸ Fast forward 10 years and the Secretary General Stoltenberg holds that “there are many problems in Afghanistan, and that it is extremely important to be aware that there is no easy way out of those problems. We see violence. We see the Taliban. We see ISIS... There are many problems.”⁹

Former Aghan President Hamid Karzai said “...Once we are on our feet with our own

⁶“China,” The European Commission, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>

⁷ Wade Shepard, “An Inside Look At The New Crossroads Of Eurasia: Azerbaijan’s New Port Of Baku,” Forbes, 3 November 2016, <https://www.forbes.com/sites/wadeshepard/2016/11/03/an-inside-look-at-the-new-crossroads-of-eurasia-azerbajians-new-port-of-baku/#1dec07b53a49>

⁸ “Transcript: NATO Secretary General Rasmussen - First Major U.S. Speech,” Atlantic Council, 2 September 2009, <http://www.atlanticcouncil.org/news/transcripts/transcript-nato-secretary-general-rasmussen-first-major-u-s-speech>

⁹ “Speech by NATO Secretary General Jens Stoltenberg,” NATO, 21 June 2018, https://www.nato.int/cps/en/natohq/opinions_156142.htm

economy, with our mineral resources, with our businesses, with Afghanistan becoming a hub for transportation in Central Asia and South and West Asia...Afghanistan will remain a strong and good and economically viable partner with the United States and our other allies.”

Starr and Kuchins argue that one of the most promising ways forward for the US and NATO in Afghanistan is to focus on removing the impediments to continental transport and trade across Afghanistan’s territory.¹⁰ Since TANAP’s source of energy is Azerbaijan’s Shah Deniz from the Caspian sea, TANAP will subsequently contribute to regional prosperity and security in the Caspian region, including Central Asia and Afghanistan.

A decade ago, Syria was among the more developed countries of the Middle East. Today, it is a failing state on the verge of collapse with widespread atrocities and use of weapons of mass destruction against civilians. Turkey is directly affected and fully engages the challenge. The country hosts millions of refugees and conducts military operations in Syria, while no other country has a large number of troops on the ground or borders the country.

Speaking at the inauguration of TANAP, President Erdoğan said: “With TANAP, Turkey has assumed a critical role in every link of the value chain extending from producer to final consumer and is no longer a transit country. Our country is now one step closer to its vision of becoming a hub of regional energy lines thanks to TANAP.”¹¹ The project is an important step for Turkey to become a regional energy hub if Turkey can fully liberalize its gas market. Aside from the project, other energy infrastructure projects, such as liquefied natural gas facilities and storage facilities can help Turkey to become an energy hub.¹²

Not only will TANAP make Turkey an energy hub, but it will also seriously contribute to the country’s general development. A more prosperous Turkey also means a better life for the roughly three million Syrian refugees in Turkey. It will definitely influence the life in neighboring Syrian provinces; thus, contributing to a more stable future of the region.

¹⁰ S. Frederick Starr and Andrew C. Kuchins, “The Key to Success in Afghanistan A Modern Silk Road Strategy,” Central Asia-Caucasus Institute, May 2010, https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2010_05_SRP_StarrKuchins_Success-Afghanistan.pdf

¹¹ “Our country is now one step closer to its vision to become a hub of regional energy lines thanks to TANAP,” Presidency of the Republic of Turkey, 16 August 2018, <https://www.tccb.gov.tr/en/news/542/94485/-our-country-is-now-one-step-closer-to-its-vision-to-become-a-hub-of-regional-energy-lines-thanks-to-tanap->

¹² “Poised to boost Europe’s supply security, TANAP to start first gas delivery June 12,” *Daily Sabah*, 11 May 2018, <https://www.dailysabah.com/energy/2018/05/11/poised-to-boost-europes-supply-security-tanap-to-start-first-gas-delivery-june-12>

Predictability

The Azerbaijan-Turkey axis has been building positivity for the region over the last two decades. Together, the Baku-Tbilisi-Ceyhan (oil pipeline), Baku-Tbilisi-Erzurum (gas pipeline), BTK (railway), and TANAP gas pipeline convey a positive and strong message to the outside world that despite obstacles, here we will only create opportunities.

“The Azerbaijan-Turkey axis has been building positivity for the region over the last two decades.”

Despite abundant threats to disrupt the BTC, it was completed and runs well. When the US Congress declined to financially support the Baku-Tbilisi-Kars railroad—on the grounds that it circumvented Armenia—and Georgia lacked the resources for its part of the railroad, Azerbaijan stepped up and Turkey supported its completion. As Shephard explains, the Baku-Tbilisi-Kars railroad was completely financed by Azerbaijan and Turkey because “the World Bank, the Asian Development Bank, and the European Bank for Reconstruction and Development declined to support the project and instead preferred rebuilding the old route through Armenia.”¹³ To illustrate, the 178-kilometer section of the railroad was funded with loans from Azerbaijan’s State Oil Fund.¹⁴

It has been almost seven years since TANAP was announced at the 3rd Black Sea Energy and Economic Forum in November 2011. “While European leaders inevitably claimed some of the credit for putting the pipeline firmly on the regional agenda, most of the praise was deservedly taken by the leaders of Azerbaijan and Turkey, who co-invested in the project.”¹⁵ The cordial relations between two Presidents, their strategic vision, and political will is a time-tested formula for the predictable success of globally significant regional projects.

I personally and very proudly witnessed the military parade on September 15th in Azerbaijan’s capital Baku to mark the 100th anniversary of its liberation, with the participation of Turkish President Recep Tayyip Erdoğan as well as President of the Republic of Azerbaijan Ilham Aliyev. This was yet another message to the world of

¹³ Wade Shephard, “How Azerbaijan, Georgia, And Turkey Subverted Russia And Isolated Armenia With New Railway,” *Forbes*, 30 October 2017, <https://www.forbes.com/sites/wadeshepard/2017/10/30/new-silk-road-azerbaijan-georgia-and-turkey-unite-over-new-rail-line-armenia-further-isolated/#39a01c313aff>

¹⁴ Wade Shephard, 2017.

¹⁵ Joseph Philips, “Trans-Anatolian Gas Pipeline (TANAP): No Longer A Pipe Dream,” *Business Excellence*, <https://www.bus-ex.com/article/trans-anatolian-gas-pipeline-tanap-no-longer-pipe-dream>

two brotherly nations standing strong and promoting peace in the region.

This year, four joint military exercises took place between Azerbaijan and Turkey with each country's military jets flying in another's airspace.

The number of Azerbaijani students in Turkey reached 17,000 and there are 4,000 Turkish students studying Azerbaijan. The growing cooperation between our two countries in educational endeavors strengthens the bonds between our young people. Many former students are in key government, business, or academic positions with the ability to impact and shape decision making.

In the uncharted waters of modern global affairs, there indeed seems to be a stable line connecting some of the most important parts of the world. Regionally, Turkey and Azerbaijan are at the core of most multilateral formats: Georgia, Iran, Pakistan, Ukraine etc. Furthermore, the Azerbaijan-Turkey coalition facilitates infrastructure, energy, and political projects that are paving the way for a more stable and prosperous region, hence, a better and more predictable world. Much will depend on how much this historic momentum of positivity is harnessed by the international community for its own gains.