

A COMPREHENSIVE ANALYSIS OF TÜRKİYE'S COLLABORATION WITH CENTRAL ASIA

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Abstract. Turkey and Central Asia's economic cooperation is a vital component of the contemporary world economy. This cooperation can help both regions, fostering stability and economic prosperity. Turkey and Central Asia have strong relations thanks to energy, trade, infrastructural development and cultural exchanges, which present several opportunities for long-term collaboration and growth.

Keywords: Turkey, Central Asia, partnerships, economics, initiatives.

TÜRKİYƏ İLƏ MƏRKƏZİ ASİYANIN ƏMƏKDAŞLIĞININ ƏTRAFLI TƏHLİLİ

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Xülasə. Türkiyə ilə Mərkəzi Asiya arasında iqtisadi əməkdaşlıq müasir qlobal iqtisadiyyatın əsas elementini təşkil edir. Hər iki region bu əməkdaşlıqdan qarşılıqlı surətdə faydalana bilər. Bu əməkdaşlıq iqtisadi artıma və sabitliyə təkan verə bilər. Enerji, ticarət, infrastruktur layihələri və mədəni mübadilələr Türkiyə ilə Mərkəzi Asiya arasında sıx əlaqələr yaradır, uzunmüddətli əməkdaşlıq və inkişaf üçün geniş perspektivlər açır.

Açar sözlər: Türkiyə, Orta Asiya, iqtisadiyyat, əməkdaşlıq, layihələr.

КОМПЛЕКСНЫЙ АНАЛИЗ СОТРУДНИЧЕСТВА ТУРЦИИ С ЦЕНТРАЛЬНОЙ АЗИЕЙ

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Резюме. Экономическое сотрудничество между Турцией и Центральной Азией представляет собой ключевой элемент современной глобальной экономики. Оба региона могут взаимно извлечь пользу из этого сотрудничества, способствуя экономическому росту и стабильности. Энергетика, торговля, инфраструктурные проекты и культурный обмен создают тесные связи между Турцией и Центральной Азией, что открывает перед ними обширные перспективы для долгосрочного сотрудничества и развития.

Ключевые слова: Турция, Центральная Азия, экономика, сотрудничество, проекты.

1. Introduction

The economic cooperation between Türkiye and Central Asia represents a significant and dynamic development in the contemporary geopolitical and economic landscape. Despite being geographically distant, these two regions possess unique resources and opportunities that can be maximized through close collaboration.

Central Asia, comprised of Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Tajikistan, is rich in energy resources, including natural gas, oil and coal, along with extensive agricultural land [3]. This region holds considerable geostrategic importance and is increasingly attractive for investment and economic development.

On the other hand, Türkiye, situated at the crossroads of Europe and Asia, serves as a key bridge between the East and West. With advanced infrastructure, a robust financial sector, and a dynamic economy, Türkiye has long played a pivotal role connecting the European Union with countries in Asia and the Middle East.

These two regions have identified numerous opportunities for mutually beneficial collaboration. One key area is energy, where Central Asia's vast natural resources can be imported by Türkiye to meet its energy needs. Projects like the Trans-Anatolian Natural Gas Pipeline (TANAP) and the Trans-Caspian International Transport Route (TRACECA) have become crucial routes for the transit of energy carriers to Türkiye and onward to Europe, enhancing energy security and supply diversity [12, p.131].

Furthermore, the exchange of goods and services contributes to the development of both regions. Türkiye exports various goods to Central Asia, including food products, construction materials, automobiles and electronics. In return, Central Asia provides Türkiye with agricultural products, raw materials and metals [10].

The role of infrastructure projects and transportation links should also be highlighted, as they strengthen connections between the regions. These infrastructure initiatives contribute to the development of transit infrastructure and facilitate the movement of goods between countries.

In this context, cultural and educational exchange is also a significant factor contributing to the understanding and strengthening of friendly relations between the peoples of the two regions. Central Asian countries, such as Kazakhstan, Uzbekistan and Turkmenistan, situated at the heart of Eurasia, are resource-rich regions. They seek to diversify their economies and find new avenues for exporting their goods.

Transport projects between Türkiye and Central Asian countries enable the creation of more efficient and rapid transport corridors connecting the East and West. This reduces the delivery time for goods and lowers transportation costs. Strategic partners, such as Europe and China, are also interested in developing transit routes through Türkiye and Central Asian countries to enhance their trade and economic ties with the region [14, pp.21-36].

Collaboration in the field of transportation and infrastructure contributes to geopolitical stability and the convergence of regional players by strengthening economic and transport connections. Overall, geographical factors, such as Türkiye's strategic location and the resource wealth of Central Asian countries, coupled with their strategic importance for global transit routes, have made this region attractive for the development and implementation of transportation projects that are mutually beneficial for all parties involved.

2. Transport Corridors

The history of cooperation in the field of transportation between Türkiye and Central Asian countries began to take shape in the 1990s after the dissolution of the Soviet Union. The

opportunities that emerged for new trade routes and economic integration led to active discussions and the initiation of various projects.

In November 2013, at the 2nd International Transport and Logistics Business Forum “New Silk Road” in Astana, an Agreement was signed between the leaders of JSC National Company “Қазақстан темір жолы” (Kazakhstan Railways), CJSC “Azerbaijan Railways” and JSC “Georgian Railway” to establish the Coordinating Committee for the development of the Trans-Caspian International Transport Route (TMTM), also known as the Middle Corridor. In 2017, the international association “Trans-Caspian International Transport Route” was founded, comprising railway companies and ports of Kazakhstan, Azerbaijan, and Georgia, as well as railway operators from Türkiye and Ukraine [15, p.127]. The multimodal transport service follows a route from China through Kuryk/Aktau, Baku/Alyat, Batumi/Poti and onwards to third countries, including the use of the Baku-Tbilisi-Kars railway line [13].

The TMTM (Trans-Caspian International Transport Route) is a multimodal route that involves both railway and maritime transport. This corridor provides a railway connection between the Caspian and Black Seas. This project serves as an example of regional cooperation and infrastructure development aimed at strengthening economic and transport links in the region.

Another crucial transportation project is the TRACECA (Transport Corridor Europe-Caucasus-Asia) Railway Transport Corridor, which also encompasses Türkiye and Central Asian countries. TRACECA offers a more direct and efficient route for transportation between Europe and Asia, spanning the Black Sea and the Caspian Sea. It also promotes infrastructure investments and trade in the region. TRACECA is an international multilateral project aimed at developing transportation infrastructure and facilitating trade and transit between Europe, the Caucasus and Asia. The project was initiated and developed by the European Union (EU) in collaboration with several countries, including those in the Caucasus and Central Asia and commenced operations in 1993.

TRACECA includes the Dostyk–Tashkent–Ashgabat–Turkmenbashi–Baku–Tbilisi–Poti route, further connecting via ferry crossings to Odessa, Varna, Constanta and Istanbul [9, p.26]. The goals and objectives of TRACECA include the development of transportation infrastructure, the strengthening of multimodal transit routes and economic cooperation and the facilitation of international trade.

The project aims to contribute to the construction, modernization, and improvement of transportation infrastructure, including roads, railways, maritime and river ports, airports, etc.

TRACECA focuses on creating multimodal transport corridors that facilitate more efficient and sustainable movement of goods between Europe and Asia, including transportation by sea, railway, road and other modes of transport. TRACECA contributes to the development of cross-border trade relations among participating countries and enhances access to global markets for participants.

The project strengthens economic ties among participants and creates conditions for attracting investments and fostering business development in the region. Currently, the TRACECA international transport corridor brings together 13 member countries (Azerbaijan, Türkiye, Kazakhstan, Georgia, Bulgaria, Romania, Kyrgyzstan, Moldova, Tajikistan, Ukraine, Uzbekistan, Iran, Armenia), forming the Basic Multilateral Agreement on International Transport for the Development of the Europe-Caucasus-Asia corridor [5].

Thus, the history of transportation projects between Türkiye and Central Asian countries is a story of strategic partnership aimed at strengthening connections, developing infrastructure, and promoting economic growth in both Türkiye and the Central Asian republics.

The transportation projects of Türkiye and Central Asian countries have a long history of collaboration, spanning decades of shared development and infrastructure efforts. These projects are driven by geographical factors and the strategic importance for both sides in ensuring efficient transportation and trade between Asia and Europe. Türkiye's unique geographical location, at the crossroads of Europe and Asia, makes it a natural bridge between the two continents and a key hub for transit shipments.

3. Energy cooperation

As these projects develop, Türkiye and Central Asian countries are also strengthening cooperation in other areas, such as energy and economics. Cooperation in energy and economics between Central Asian countries and Türkiye holds strategic significance and encompasses various aspects, including energy supply, investments, trade and infrastructure development. Central Asian countries, such as Kazakhstan and Turkmenistan, possess substantial energy resources, including natural gas and [8]. Türkiye, in turn, has a high demand for energy resources. Cooperation in the energy sector involves agreements for the supply of natural gas and oil from Central Asia to Türkiye. Joint infrastructure projects, such as the construction of gas pipelines and oil pipelines, facilitate the transportation of energy resources from Central Asia to Türkiye and further to Europe. An example is the "Trans-Anatolian Gas Pipeline" (TANAP) project, providing a pathway for the supply of Azerbaijani gas to Türkiye and Europe [6]. TANAP stretches from the Azerbaijani gas field Shah Deniz through Türkiye. It starts at the Azerbaijan-Georgia border, passes through Ankara, the capital of Türkiye and concludes at the Turkish-Greek border. The State Oil Company of Azerbaijan Republic (SOCAR) is a major participant and investor in the project. The pipeline begins at the border with Azerbaijan. The Turkish company BOTAS (Botaş Petroleum Pipeline Corporation) participates in the project as a partner and operator of TANAP on the territory of Türkiye. The British BP is also a participant in the project [2]. The EU actively supports the TANAP project as part of its strategy for diversifying sources and routes of energy supply. The gas transported through TANAP is intended for delivery to the European market. This project also contributes to the development of Turkish energy infrastructure and economic development in the region.

Construction of TANAP began in 2015 and the first gas was delivered through the pipeline in June 2018. The project was implemented in several stages. TANAP is a significant project in the field of energy and infrastructure development, contributing to the strengthening of energy security and diversification of gas supply sources in the region and Europe.

TANAP holds significant relevance to Central Asia, despite its route passing through other regions. TANAP is part of a broader gas pipeline project known as the “Southern Gas Corridor”. This corridor provides routes for gas transit from various regions, including Central Asia. Turkmenistan’s accession to the “Southern Gas Corridor” will enable the country to transport its gas to Türkiye and Europe [7]. TANAP and the Southern Gas Corridor contribute to the development of regional gas markets and the strengthening of energy security. These projects offer alternative gas supply sources for countries in Southeastern and Central Europe, including Central Asian countries. Projects associated with TANAP and the Southern Gas Corridor may provide opportunities for collaboration and partnership between Central Asian countries and transit countries such as Azerbaijan and Türkiye. This could contribute to the enhancement of economic and trade ties. The diversity of sources and routes for natural gas supply through TANAP and the Southern Gas Corridor enhances the energy security of the region. On the 10th anniversary of the Summit of the Turkic States, Turkish President Recep Tayyip Erdoğan emphasized, “Giant energy and transportation infrastructure projects have always been a fundamental and important direction of cooperation among Turkic states. Specific examples of this include the Baku-Tbilisi-Jeyhan oil pipeline, the Baku-Tbilisi-Erzurum gas pipeline, and the Trans-Anatolian Pipeline. Transporting Caspian natural gas to Türkiye and Europe will contribute to the prosperity of Turkic states and the energy security of Europe” [1; 4].

Energy cooperation plays a crucial role in the modern world, ensuring sustainable development, economic growth and security. Partnership in the energy sector allows countries to diversify their sources of supply, reduce dependence on single resources and strengthen geopolitical stability. This contributes to the creation of new jobs, attracting investments and the development of innovative technologies. Furthermore, cooperation in energy contributes to addressing climate change and transitioning to sustainable energy sources. It is essential to continue developing international energy cooperation to ensure energy security and global stability. Energy cooperation between Türkiye and Central Asia is strategically significant for both parties. Moreover, it plays a crucial role in geopolitical aspects, strengthening connections between regions. To ensure energy security and stability in the region, the continuation and deepening of this cooperation are extremely important.

4. Economic Cooperation

Türkiye and Central Asian countries are developing trade relations, including the import and export of goods and services. Central Asia, especially Kazakhstan and Turkmenistan, is rich in natural resources, including natural gas and oil. Türkiye imports these energy resources

to meet its energy needs and for further processing and transit to Europe. Türkiye can also export energy technologies, services and equipment for the development and transportation of energy resources to Central Asia. Türkiye serves as a key transit route for goods moving from Central Asia to seaports on the Mediterranean coast. This includes the transportation of goods by railway, roads and maritime routes. In turn, Central Asia can import transport services and technologies from Türkiye to improve its infrastructure and logistics. Central Asian countries can export agricultural goods such as grain, cotton and nuts to Türkiye. Türkiye can export food products, meat and dairy to Central Asia. Türkiye can provide education services, including training and consulting services, to Central Asian countries. Central Asian countries can send students to Türkiye for higher education. Cooperation in this area contributes to economic diversification and strengthens external trade for all parties.

Türkiye is one of the largest investors in the Central Asian region [11]. It actively invests in various sectors, including energy, transportation, tourism and manufacturing. These investments contribute to economic development and job creation in Central Asian countries. Collaboration in infrastructure development involves the construction of transportation routes, energy facilities and industrial parks. These infrastructure projects enhance connectivity and foster economic development in the region.

Cooperation in energy and economics between Türkiye and Central Asian countries is crucial for both the region and the global economy. It strengthens trade and economic relations, promotes infrastructure development and stimulates investments, ultimately contributing to sustainable economic growth and prosperity.

Conclusion. The economic collaboration between Türkiye and Central Asia represents a strategically important and dynamically evolving partnership, enriching both regions and contributing to their economic growth and sustainability.

A crucial aspect of this cooperation is the energy sector. Central Asian countries, such as Kazakhstan and Turkmenistan, possess abundant reserves of natural gas and oil. Türkiye, in turn, has developed infrastructure for the transit and processing of these resources. Projects like the Trans-Anatolian Gas Pipeline (TANAP) and the Trans-Caspian Mainline Railway Corridor (TRACECA) establish vital energy connections between countries, contributing to energy security and supply diversification in the region.

Trade also plays a significant role in economic cooperation. Central Asian countries export agricultural products, resources and goods to Türkiye, receiving industrial goods and services in return. This exchange promotes the development of both regions and strengthens their economies.

The importance of infrastructure projects and transportation links between Türkiye and Central Asia should also be highlighted. The construction of railways, highways and ports facilitates the easy movement of goods and enhances regional connections. It also contributes to the development of transit infrastructure, opening new paths for international trade.

Cultural and educational exchanges play a role in cooperation as well. Student exchanges and cultural programs contribute to understanding and trust between the regions, strengthening friendly relations.

While cooperation between Türkiye and Central Asia is crucial and promising, it may face several challenges. The Central Asian region remains geopolitically complex, with neighbors such as Russia and China influencing its political landscape, potentially creating tension and conflicts. To mitigate geopolitical risks, countries must continue to strengthen international agreements and engage in diplomatic efforts to resolve disputes.

Türkiye may face the risk of economic dependence on energy supplies from Central Asia, making it vulnerable to changes in the geopolitical situation in the region. To diversify energy sources, Türkiye must continue developing its own energy sources and explore alternative energy sources.

Infrastructure and transportation routes may be negatively impacted by natural disasters, political conflicts, or terrorist threats. Regional cooperation in the development and maintenance of infrastructure, along with attention to the security of transit routes, can help reduce these risks.

Regional trade barriers can hinder economic relations. International trade agreements and the harmonization of rules and norms are essential to reducing trade obstacles and encouraging the exchange of goods and services.

The development of natural resources, such as oil and gas, can create environmental problems like environmental pollution. The implementation of modern technologies and adherence to environmental standards can mitigate the negative impact on the environment.

It is important for countries to regularly consult and engage in diplomatic efforts to resolve conflicts and strengthen interregional cooperation. Openness to dialogue and addressing emerging issues will make cooperation between Türkiye and Central Asia more sustainable and mutually beneficial.

Economic cooperation between Türkiye and Central Asia demonstrates the potential for mutual benefit and joint development. Energy projects, trade, infrastructure and cultural initiatives contribute to the establishment of a sustainable foundation for long-term cooperation, promoting economic growth, contributing to global peace and fostering stability in the region. This collaboration also opens new opportunities for other countries and regions, illustrating the importance of openness and international cooperation in the modern world.

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