
WHAT CAN AZERBAIJAN EXPECT FROM ITS NEW PARTNERSHIP WITH CHINA?

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15.08.2024

Carneige (13 August 2024)

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Azerbaijan has become China's second strategic partner in the South Caucasus 11 years after Georgia 2013 the two countries signing a joint declaration on July 3 spelling out wide-ranging areas of cooperation.

China had long seemed a promising partner for Azerbaijan, but political and economic cooperation only got going in 2015, when the Azerbaijani manat was devalued amid falling oil prices, prompting Baku to seek fresh investment. Key agreements were signed, including ones to boost trade and to jointly promote China's Belt and Road Initiative (BRI). Trade turnover almost quadrupled from \$561 million in 2015 to \$2.1 billion by 2019.

Since Azerbaijan's success in its 2020 war with Armenia, China's interest in the South Caucasus has grown. It hopes Baku and Yerevan will make peace and open up a second trading route to Europe via Azerbaijan, southern Armenia, the Azerbaijani exclave of Nakhchivan, and Türkiye. That would complement an existing route via Azerbaijan and Georgia which is part of the Middle Corridor, a land route from China to Europe that bypasses Russia. This has gained momentum as sanctions over the Ukraine war have made Russia's vast rail network, previously the main east-west land route, more problematic. China, Central Asia, and Azerbaijan are now working more closely to enhance the Middle Corridor's role in the BRI, a drive to develop more efficient trade routes. For Azerbaijan, this is a boost for its broader regional ambitions, especially in Central Asia.

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