
Azerbaijan Threatens Turkey to Cut Gas Supplies

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/PanARMENIAN.Net/ Concerned that the Turkish government might open its border with Armenia before reconciliation is reached, the Azerbaijani government has signaled it might stop selling natural gas to Turkey.

Azerbaijani President Ilham Aliyev said that Baku would cut gas supplies to Turkey if Ankara reaches an agreement with Yerevan before substantial progress is underway on the Nagorno Karabakh issue, the Hurriyet Daily News reports.

As a sign of how serious it is, Azerbaijan signed a memorandum of understanding with Russia last week for long-term supply of gas at market prices.

Ankara and Baku have been trying to reach an agreement over the price of natural gas Turkey buys from Azerbaijan through the Baku-Tbilisi-Erzurum pipeline. The agreement to buy natural gas for \$120 per 1,000 cubic meters for the duration of the first year following the opening of the pipeline has long ended and the two failed to reach an agreement as Azerbaijan wants to sell its gas at international market prices, which is around \$350 per 1,000 cubic meters.

Russia, on the other hand, has been courting Azerbaijan to buy its gas at international market prices in order to undermine the Nabucco project, which aims to bring Central Asian gas to Europe via Turkey. Gazprom and the State Oil Company of Azerbaijan last week signed a memorandum of understanding for long-term supplies of Central Asian gas to Russia at market prices, Web site Euractiv.com reported yesterday. According to Gazprom's press release, the parties committed to massive long-term cooperation after an agreement was reached March 27 to settle the terms of Azerbaijan's gas sales to Russia.

Pavel K. Baev, a senior researcher from the Oslo International Research Institute, said the project could make Nabucco irrelevant as Azerbaijan is seen as the most likely gas supplier for Nabucco. The Turkish government is under pressure from the Obama administration to finalize and announce the agreement with Yerevan. Turkey and Armenia have agreed on most of the wording of a protocol for normalization but there are still some points where the two need to agree. The Turkish side wants to insert the issue of Nagorno Karabakh in the protocol, but the Armenian side has not been compromising on the issue, the report says.
