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# Analysis : energy pipeline that supplies West threatened by war Georgia conflict

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The conflict that has erupted in the Caucasus has set alarm bells ringing because of Georgia's pivotal role in the global energy market.

Georgia has no significant oil or gas reserves of its own but it is a key transit point for oil from the Caspian and central Asia destined for Europe and the US.

Crucially, it is the only practical route from this increasingly important producer region that avoids both Russia and Iran.

The 1,770km (1,100 miles) Baku-Tbilisi-Ceyhan pipeline, which entered service only last year, pumps up to 1 million barrels of oil per day from Baku in Azerbaijan to Yumurtalik, Turkey, where it is loaded on to supertankers for delivery to Europe and the US. Around 249km of the route passes through Georgia, with parts running only 55km from South Ossetia.

The security of the BTC pipeline, depicted in the James Bond film *The World is Not Enough*, has been a primary concern since before its construction.

The first major attack on the pipeline took place only last week - not in Georgia but in Turkey where part of it was destroyed by PKK separatist rebels.

Output from the pipeline, which is 30 per cent owned by BP and carries more than 1 per cent of the world's supply, is likely to be on hold for several weeks while the fire is extinguished and the damage repaired.

But the threat of another attack by separatists in Georgia itself is very real.

Only a few days before the Turkish explosion, Georgian separatists threatened to sabotage the pipeline if hostilities continued.

The latest eruption of violence could easily spur fresh attacks. The BTC pipeline, which is buried throughout most of its length to make sabotage more difficult, was a politically highly charged project. It was firmly opposed by Russia, which views the Caucasus as its own sphere of influence and wants central Asian oil to be exported via its own territory.

Russia also backs the South Ossetian and Abkhazian separatists in Georgia and relations between Moscow and Tbilisi have curdled into outright hostility in recent months.

The BTC pipeline, which cost \$3 billion to build, is a key plank of US foreign policy because it reduces Western reliance on oil from both the Middle East and Russia.

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