
Caucasus Railway Could Spur Regional Development

The Power and Interest News Report
Associated Content - 16/12/2007

The Power and Interest News Report (PINR), an independent organization that provides conflict analysis services in the context of international relations, has published a new report titled "The Baku-Tbilisi-Kars Railway: The First Step in a Long Process." The report, authored by Stefan Bocioaca and published December 13, is available on the PINR web site.

Construction of the Baku-Tbilisi-Kars, or BTK, railway got under way in Marabda, South Georgia late last month, marking the beginning of a rail linkage between Azerbaijan, Turkey and Georgia. The project, which consists of 18 miles of track in Georgia and 47 miles of rail in Turkey, is projected to be finished in the next 1-2 years. PINR notes that both Europe and China are interested in the railway because Chinese goods could be transported to Europe more quickly than is currently possible with along the trans-Siberian route. China is also pursuing an effort to connect with Europe through a new network utilizing multiple modes of transportation, including road, rail, air, and sea. The report also notes that the railway could be expanded to include Europe after the completion of a tunnel project under the Istanbul strait.

Armenia, PINR notes, wanted to be included in any rail project in order to prevent further isolation and dependence on Georgia.

However, two of the major players, Azerbaijan and Turkey, wanted Armenia to remove its military forces from Azerbaijan in order to participate in the railway endeavor. And as the report says, there is not much likelihood of that happening any time soon.

According to the report, Azerbaijan hopes that the new railway project will help further regional integration, along with trade and foreign direct investment. Additionally, the report says, the new project will allow the nations of Central Asia and the Caucasus to bypass Russia while still connecting themselves with Europe. Regional integration is becoming more evident, as the report notes, with Azerbaijan's State Oil Company opening a port terminal in Georgia and investing in a petrochemical company in Turkey. Additionally, the report notes, Turkey is increasing its level of investment in Azerbaijan and is Georgia's largest trading partner.

The report closes by noting that the new railway project is an essential element in a developing transcontinental passageway that could serve as an example for other states. Regional problems still exist, however, and disputes over the Caspian Sea, along with ethnic and religious conflicts, will present serious challenges, PINR notes.
