

1million bpd Azeri-Turkey oil pipelines at risk of militia attacks as Nagorno-Karabakh escalates

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Armenia and Azerbaijan's escalating conflict may soon see militia attacks on the 1million bpd Azeri-Turkey oil pipelines. The escalating conflicts could engulf areas adjacent to the pipelines which lie just 30km from the disputes area. With appeals for a ceasefire currently falling on deaf ears, evidence now points towards an escalation of conflict. Fighting is now well beyond the Nagorno-Karabakh border. This indicates a growing threat to oil and gas pipelines. Despite Russian President Vladimir Putin's calls for the violence to end, it must be noted that Russia does have defense commitments to Armenia as part of the CSTO. Speaking to Govirit Moskva radio last week, the Armenian Ambassador to Moscow, Vargan Toghanian, suggested that Armenia is prepared to request Russia's military assistance "should the need arise." In the absence of a halt in violence over the coming days, there are likely to be considerable civilian losses of life. This may also be used as an opportunity for political point-scoring. In the opening week of the 2020 US presidential debates, Former Vice President Joseph Biden has already called for Trump to ensure that "Armenia and Azerbaijan immediately de-escalate tension" and for Turkey to "stay out of this conflict." In this way, we may expect to see a kind of ripple effect, whereby the conflict between Armenia and Azerbaijan amounts to a battle between Erdogan and Putin and becomes politicized in the war of words between Biden and Trump. What is increasingly clear from this particular outbreak, however, is that deep-seated feuds between nations with a history of violence do not lend themselves to peaceful negotiations in times of conflict.

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Whilst the escalating clashes between Armenia and Azerbaijan are borne out of the same struggle that sparked violent hostilities in 2016, the Nagorno-Karabakh region has been in territorial dispute for more than century.

Crucial to our understanding of the Nagorno-Karabakh struggle is the fact that its genesis predates the existence of the Soviet Union. Following the demise of the Russian Empire in 1917, South Caucasia was temporarily subsumed under the Transcaucasian Democratic Federative Republic. This was the catalyst for a period of conflict between Armenia and Azerbaijan over numerous mountain territories, including that of modern-day Nagorno-Karabakh. After the formation of the USSR in 1922, Stalin's decision to assign this ethnically Armenian region to Soviet Azerbaijan was plainly an attempt to curry favor with Turkey, then an object of his world-communist vision. The ensuing thaw over Nagorno-Karabakh during the following decades was less a reflection of any real détente between Armenia and Azerbaijan than of the reality that it lay firmly under the grip of Soviet command. It was therefore inevitable that tensions would resurface in the lead up to the disintegration of the USSR. Indeed, a legacy of hatred towards Azeris was heightened by the violent massacre of ethnic Armenians in the pogroms of Sumgait, Baku and Maraga between 1988 and 1992. Conversely, Armenia's seizure of multiple Azeri territories that neighbor Nagorno-Karabakh created even broader points of dispute. An unofficial declaration of territorial sovereignty by Armenia in 1990 came with the result that, to this day, Nagorno-Karabakh is *de facto* Armenian but *de jure* the property of Azerbaijan. Despite a Russian-brokered ceasefire agreed in 1994, hostilities have returned in recent years. The military clashes of 2016 were the most violent in two decades and resulted in dozens of civilian deaths on both sides. With a resumption of fighting in recent days and a mutual refusal to resolve the dispute by peaceful means, we are witnessing a problem that is unlikely simply to disappear.

Central to the importance of Nagorno-Karabakh in the territorial clashes is its location in the South Caucasus. It represents a vital route for the transit of European oil and gas. Not only does Europe receive 5% of its oil from the region but two of Azerbaijan's western pipelines run just a few miles from the Nagorno-Karabakh border. This is significant in that any widening of the conflict could pose a serious strategic threat to Europe's access to the Caspian. For Europe to reroute its imports along the northwest pipeline via Russia would undermine a collective desire to reduce its reliance on Moscow. Oil-rich Azerbaijan would be particularly vulnerable, not least to short-term disruptions but to any impact on future projects, such as BP's plans to expand its Shah Deniz gas field to develop the Southern Gas Corridor, a key initiative sponsored by the European Commission. However, analysts at Russia's National Energy Security Fund have stated that, as long as clashes remain within Nagorno-Karabakh, "gas and oil pipelines are unlikely to be affected". This cautionary line has been backed by SOCAR (State Oil Company for Azerbaijan Republic) and representatives of BP. As it stands, short-term fluctuations in oil prices seem most likely to reflect the turbulence of global equities, international spikes in the Coronavirus infection rate and uncertainties over the 2020 US presidential election.

The widespread consensus across the international community has been that Armenia and Azerbaijan must desist from violence and endeavor to resolve their dispute by diplomatic means. This line has been adopted not only by the United Nations, whose Secretary General Antonio Guterres has called for "maximum restraint", but also crucially by France, Russia and the US, who are co-chairs of the OSCE Minsk Group. This was created in 1992 with the single objective of resolving the conflict over Nagorno-Karabakh. From an international security perspective, calls for peaceful discussions between Armenia and Azerbaijan are likely to be fruitless. Since the

1994 ceasefire, the Minsk Group has not been alone in its efforts to resolve this issue. In 2005, the European Council adopted a non-binding resolution that opposed Armenia's occupation of Nagorno-Karabakh. In 2008, 39 UN countries called for the "unconditional withdrawal" of Armenian forces from territories legally belonging to Azerbaijan. Crucial to Armenia's resilience in the struggle is the backing it receives from Russia, which holds a major military base in Gyumri. Both nations are members of the Collective Security Treaty Organization, a military alliance among Commonwealth Independent States, and of the Eurasian Economic Union. Azerbaijan, by contrast, belongs to neither of these organizations. Although Putin is no stranger to foreign intervention, the CSTO has mirrored the stance that a solution to the conflict is reachable "only by political and diplomatic means". Russia's reluctance to intervene at a military level may be explained by the fact that it holds strong bilateral relations with Azerbaijan too. Since the collapse of the Soviet Union, they have developed important energy partnerships and even bonded at a cultural level, despite a major disagreement over Nagorno-Karabakh. Against this background, the facts point towards Russia maintaining a non-violent position towards the region and committing itself to peace-making activities.

The most decisive role in the Nagorno-Karabakh clashes is likely to be played by Turkey. An historic ally of Azerbaijan, Turkey was the first UN member to recognize its independence in 1991 and supported its blockade on Armenia in 1993. Speaking recently in Istanbul, President Erdogan declared that Turkey "will continue to stand with Azerbaijan with all its resources and heart". Indeed, there are confirmed reports that Turkey has transported hundreds of Syrian rebel fighters to be deployed in Azerbaijan. In an era of disinformation, it is particularly challenging to gauge the scale of involvement not only by Turkey but by Armenia and Azerbaijan themselves. When clashes erupted last weekend, Baku alleged that Armenia had shelled on Azeri territory, whilst Yerevan reported that Azerbaijan's Armed Forces had already launched an attack on Nagorno-Karabakh. Further disagreements have been centered on whether Turkey was responsible for the downing of an Armenian fighter jet. Erdogan's explicit commitment to support Azerbaijan by any means possible begs the question of why Ankara is so adamantly denying its military involvement in the clashes. This may be connected to the fact that Erdogan and Putin hold an important, albeit uneasy alliance. Russia is Turkey's largest energy provider and has lucrative business operations in Turkish cities. Nevertheless, their repeated commitments to resolve the Nagorno-Karabakh problem by way of mediation and compromise have not been honored. The light diplomacy between Erdogan and Putin is overshadowed by the fact that they are, in fact, opponents. Recent evidence for this can be seen in their support for separate factions in the Syrian civil war and their inability to honor a ceasefire agreement in the Libyan proxy war earlier this year.

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