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HIGHLIGHT OF THE FOREIGN POLICY OF REPUBLIC OF AZERBAIJAN

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I. **Azerbaijan and China upgrade ties to Comprehensive Strategic Partnership**

In April 2025, President Ilham Aliyev's state visit to Beijing culminated in the formal elevation of Azerbaijan–China relations to a Comprehensive Strategic Partnership. This upgrade reflects Beijing's recognition of Azerbaijan as a reliable, priority partner in a strategically vital region. After more than three decades of steady cooperation, the two countries have pledged to deepen political trust and support each other's core interests. Baku's affirmation of China's territorial integrity was met with Beijing's firm endorsement of Azerbaijan's sovereignty and post-conflict peace agenda. The joint statement issued in Beijing signals a long-term commitment to align development strategies and pool resources to advance high-quality growth, regional connectivity, and stability. The upgrade to a "Comprehensive Strategic Partnership" – a diplomatic classification China applies only to a select group of states – signifies that Azerbaijan is now viewed in Beijing as a central and reliable partner in a volatile but pivotal region.

A central theme of the partnership is connectivity. By signing the International Multimodal Transportation Agreement, Azerbaijan and China have committed to building safe, stable, and efficient China-Europe-China Trans-Caspian routes. These new corridors traverse Azerbaijan, the Caspian Sea, and onward to Europe, positioning the country as the linchpin of the China-Europe Middle Corridor. With traditional northern routes through Russia disrupted by geopolitical tensions and southern routes through Iran seen as unpredictable, the Middle Corridor is emerging as a reliable alternative. Azerbaijan's modern highways, railways, and ports now form the backbone of this trans-Eurasian link. Chinese and Azerbaijani authorities have agreed to streamline customs procedures and improve logistics, which will reduce bottlenecks and lower transit times. In practical terms, this means that goods traveling between Chinese factories and European markets can move faster and more

predictably via Baku. This corridor functionality reflects Azerbaijan's own strategic vision. Baku has invested heavily in upgrading its transport infrastructure – from deepening ports like Alat to expanding rail and highway networks westward. By aligning China's Belt and Road Initiative with Azerbaijan's development plan and its 2030 socio-economic strategy, both sides are opening new avenues for resilient, high-quality growth. The agreement underscores Azerbaijan's role as a stable transit hub. In an era of shifting global supply chains, Azerbaijan's corridor provides China with diversified access to markets. Beijing's willingness to prioritize the Middle Corridor highlights Azerbaijan's importance as a vital logistical and political partner in implementing the Belt and Road vision.

At the heart of this upgraded relationship lies a pronounced emphasis on energy and transport. A cluster of landmark renewable energy agreements was finalized during the visit, positioning Azerbaijan as a regional green energy hub and China as its important supporter. Among the major projects are a 2 GW offshore wind farm in the Caspian Sea, a floating solar plant on Lake Boyukshor, and multiple solar and battery installations across the country. These ventures are supported by Chinese companies and bring not just capital but also technical and institutional support. They align with Azerbaijan's broader "Azerbaijan 2030" strategy to diversify its economy, reduce hydrocarbon dependence, and modernize national infrastructure.

New agreements signed during the visit unlock major investments in wind, solar and energy storage projects. For example, Chinese partners will develop large-scale offshore wind farms in the Caspian Sea and build solar power plants with advanced battery systems. These projects, totaling over 2 GW of capacity, directly support Azerbaijan's "Green Energy Hub" ambition. Chinese expertise and financing will also advance grid modernization and smart energy management in Azerbaijan. Upgrading the transmission network, integrating renewable sources, and

deploying smart meters will enhance the resilience of Azerbaijan's power system. This green agenda is fully in line with Azerbaijan's national development priorities. The Azerbaijan 2030 National Priorities for Socio-Economic Development emphasize sustainability, economic diversification and innovation. Chinese involvement accelerates progress toward those goals, reducing Azerbaijan's reliance on hydrocarbons and opening new export opportunities. Moreover, the partnership explores avenues like carbon trading or green finance that could generate revenue from emissions reductions. In sum, the energy agreements mean that Azerbaijan not only secures additional investment and technology for today's needs, but also cements its long-term shift toward a low-carbon economy.

Importantly, the scope of the partnership is not limited to energy and logistics. A raft of cooperation documents – twenty in total – covered fields such as digital economy, space exploration, justice, education, intellectual property, and cultural exchanges. Notably, a mutual visa exemption agreement for ordinary passport holders was signed, which is expected to significantly increase tourism and business interaction. The visit also reaffirmed cooperation in combating transnational threats, such as terrorism and extremism, pointing to an evolving security dialogue between the two nations. In this sense, the partnership is no longer project-based or episodic – it is institutional, systematic, and multi-sectoral.

The two sides agreed to form working groups on investment in digital sectors, laying the groundwork for collaboration on e-governance, 5G networks, artificial intelligence and satellite systems. Notably, discussions included satellite technology and peaceful space exploration, reflecting Azerbaijan's interest in expanding its space program and digital communications. These agreements will help modernize Azerbaijan's public services: for example, digital platforms for government services, e-commerce marketplaces, and improved broadband could further empower

businesses and citizens. This digital push is especially timely as Azerbaijan enters a post-conflict rebuilding phase in recently liberated territories. The government plans to develop new smart cities and industrial parks in these areas, and Chinese technology offers tested models. Chinese firms' experience in building smart districts can accelerate projects like urban traffic management, smart grids, and high-tech industrial clusters. Investments in fiber-optic infrastructure, data centers and cybersecurity are also anticipated. By integrating Chinese know-how in 5G connectivity, AI-driven services and digital public administration, Azerbaijan aims to leapfrog into the next generation of economic growth. In sum, the digital cooperation reflects a mutual vision: China brings advanced technology and scale, while Azerbaijan provides a stable environment and clear demand. The result will be a more efficient, interconnected economy. Azerbaijani policymakers see this as a way to boost the digital literacy of the workforce and create new high-tech jobs at home. Over time, these innovations can increase productivity across sectors from finance to agriculture.

Beyond bilateral projects, the partnership underscores growing alignment in regional diplomacy and global initiatives. In particular, China expressed strong support for Azerbaijan's chairmanship of the Conference on Interaction and Confidence-Building Measures in Asia (CICA). Azerbaijan's chairmanship of CICA will be carried out under the theme "Connectivity, Digitalization and Sustainable Growth in Asia," which closely resonates with China's own regional vision. Beijing's backing of Azerbaijan's leadership in CICA highlights their shared goals of inclusive development and multi-track diplomacy. The cooperation also extends to multilateral issues. China welcomed Azerbaijan's active role in international climate dialogue, including its recent leadership of COP29 on Climate Change. Both countries emphasized full implementation of the Paris Agreement and pledged support for developing nations in green transition. China even praised Azerbaijan's "Resilient and Healthy Cities" initiative launched at COP29 and signaled

readiness to work with Baku on the upcoming World Urban Forum in 2026.

The new China partnership should be seen as a strategic extension of Azerbaijan's existing diplomatic posture. Baku's approach has always been based on pursuing robust relations with all major powers and neighboring states. The China Comprehensive Strategic Partnership adds to this mosaic without upending it. Azerbaijan remains an active member of European energy markets, deepens cooperation within the Organization of Turkic States, and welcomes investment from the West. The China relationship, meanwhile, amplifies Baku's role in Eurasian connectivity. In the bigger picture, this alignment places Azerbaijan at the heart of emerging transcontinental networks. By integrating into China's Belt and Road infrastructure and global value chains, Azerbaijan boosts its economic resilience. It gains access to Chinese technology, capital and markets, which complements its existing trade and investment ties. Simultaneously, China benefits from a stable partner that controls a crucial corridor and energy exports. Looking ahead, the partnership will likely manifest in concrete projects that transform the regional landscape. Already, agreements on transportation links and energy projects are being implemented. Over the longer term, cooperation on green energy, digital infrastructure and trade facilitation will help establish Azerbaijan as a model of sustainable development in the South Caucasus. In short, the Azerbaijan-China comprehensive strategic partnership enhances Baku's global agency, reinforces its foreign policy strategy, and solidifies its reputation as a dependable hub of Eurasian connectivity and growth.

II. Azerbaijan gains strategic importance in German foreign policy

Recent geopolitical shifts in Europe have spurred Germany to recalibrate its foreign and security policies. Analysts describe Germany's response as a "second *Zeitenwende*" – a paradigm-shifting reorientation driven by the belief that Europe can

no longer unconditionally rely on the United States. In practical terms, the new German government boosted defense spending to meet NATO's 2% of GDP target in 2024. This assertive posture extends to foreign relations, including a marked deepening of ties with Azerbaijan. Against the backdrop of US-EU tensions during the Trump era and the war in Ukraine, Germany has pursued closer partnerships in the South Caucasus as part of a broader strategy to safeguard its economic and energy interests.

German President Frank-Walter Steinmeier's visit to Baku in April 2024 symbolized the growing partnership between Berlin and Baku. In meetings with President Ilham Aliyev, Steinmeier discussed energy cooperation, trade, transport and green technologies, highlighting a mutual commitment to deepen engagement. Germany has institutionalized this economic outreach: its only regional Chamber of Commerce Abroad is in Baku. These efforts are paying off in trade and investment: bilateral trade turnover nearly tripled in 2024, reaching about \$1.4 billion (with a roughly even balance of imports and exports). German foreign direct investment into Azerbaijan also surged, reaching \$75.3 million in 2024: almost three times the previous year's level. By late 2024, Germany had become Azerbaijan's sixth-largest trade partner. German exports to Azerbaijan are dominated by machinery, vehicles and industrial equipment, while Germany sources significant crude oil from Azerbaijan. Indeed, Baku is one of Germany's top ten suppliers of oil. Beyond commerce, strong cultural and academic ties reinforce the relationship. Azerbaijan hosts a Goethe-Institut branch and a German Archaeological Institute office, German is widely taught in Azerbaijani schools, and city partnerships link Baku with Mainz and other German cities. These connections complement the primarily economic agenda. Importantly, Germany has underlined its political support for Azerbaijan's stability: during Steinmeier's visit he explicitly reaffirmed Germany's recognition of Azerbaijan's territorial integrity.

Germany's interest in Azerbaijan is driven in large part by energy security. Azerbaijan is already a significant energy supplier to Europe, and Germany is one of its major customers. In the first months of 2024, for example, Azerbaijan exported over 500,000 tons of oil (worth \$276 million) to Germany, making Germany the country's second-largest oil buyer. More importantly, Baku is a key natural gas supplier. Through the Southern Gas Corridor – notably the Trans-Adriatic Pipeline (TAP) – Azerbaijani gas now flows across Turkey, Greece and the Adriatic into Southern Europe. This pipeline infrastructure allows Azerbaijan to contribute to EU diversification efforts away from Russian gas. Germany has praised Azerbaijan's role during the 2022 energy crunch. President Steinmeier noted that “when the gas supply we received from Russia had stopped, Azerbaijan took on a great responsibility” for Germany and Europe. In 2024 Azerbaijan delivered about 12.9 billion cubic meters (bcm) of gas to Europe (a 9.3% increase over 2023), and Baku aims to raise exports to roughly 20 bcm by 2027. This growing supply makes Azerbaijan the EU's fourth-largest piped gas supplier (roughly 7% of EU piped imports) and about 3% of all EU gas imports. For a country of Azerbaijan's size, such volumes are strategically significant: they diversify Germany's energy sources while reinforcing EU energy security as a whole. Germany – Europe's largest economy and one of its biggest gas consumers – is eager to solidify this energy partnership. German interest is not just in receiving Azeri gas, but in helping to develop the South Caucasus energy infrastructure. Germany's involvement in the Southern Gas Corridor, and continued engagement with TAP and the South Caucasus Pipeline, reflect a shared interest in keeping Caspian gas flowing to Europe. These ties also send a political message of Western support for Azerbaijan as a stable energy partner in a volatile region.

Germany's leadership in renewable energy adds a new dimension to cooperation. The German government has set very ambitious targets. For example, Germany plans to source at least 80% of its electricity from renewables by 2030. Already by

2024, renewables (wind, solar, hydro, biomass) accounted for well over half of Germany's electricity generation. This experience is being shared with Azerbaijan. German companies and experts are exploring opportunities in Azerbaijan's emerging green-energy sector. In early 2024 a German business delegation led by the East Business Association visited Baku to discuss Azerbaijan's clean-energy projects, focusing on wind, solar and even green hydrogen, reflecting a strong interest in applying German technical know-how to Azerbaijan's needs.

A flagship example is the proposed Black Sea Submarine Cable, a €2.3 billion EU-backed project to carry renewable power from the Caucasus into Southeastern Europe. Azerbaijan has signed an agreement (together with Georgia, Romania, Hungary and others) to build this high-voltage link by 2029. German support for such projects would leverage its expertise in power grids and offshore wind. Germany is also advancing hydrogen technology: under its national strategy, it aims for multiple gigawatts of green hydrogen by 2030, and has begun dialogues with Azerbaijan on hydrogen exports. In short, the Germany-Azerbaijan energy partnership is expanding from hydrocarbons into renewables and hydrogen, helping to integrate Azerbaijan into Europe's clean-energy transition. These green initiatives serve both countries' interests and further cement the relationship beyond fossil fuels.

Beyond bilateral trade and energy, Azerbaijan's geographic position makes it a strategic gateway for Germany (and the EU) to broader markets. Baku sits at the crossroads of Europe and Asia: it is already a transit hub for Caspian oil and gas, and it is developing land routes northward through the Caucasus into Central Asia, and beyond. Steinmeier's visit highlighted that Azerbaijan can serve as a springboard to Central Asia, Southwest Asia, and even into China. Germany's renewed interest in the South Caucasus (and outreach to Central Asian republics) reflects a broader ambition to shape these emerging trade corridors. For example, Azerbaijan's initiatives such as the

Trans-Caspian transport and energy corridors could link Europe to the booming markets of Central Asia, areas of long-term interest for German exports and investment. By deepening ties with Baku, Germany gains influence in the region and a partner for regional infrastructure projects, from pipelines to power lines.

Germany's expanding cooperation with Azerbaijan is rooted in clear strategic rationale. Economically, Germany gains a fast-growing trade and investment partner and diversifies its supply chains. On energy, the partnership directly contributes to European energy security by adding reliable non-Russian oil and gas flows and by developing new renewable-energy channels. Germany's support for Azerbaijan's green-energy projects aligns with Europe's climate goals and helps prepare the region for a post-fossil-fuel future. In turn, Azerbaijan values Germany as one of its top investors and a gateway to the EU. As a result, Berlin-Baku ties are likely to deepen further. For Europe, this means an enlarged network of secure energy suppliers and a partner that can help integrate the Caucasus and Central Asia into the European market space. The economic and energy dimensions of the Germany-Azerbaijan partnership thus serve both national interests and broader EU strategic objectives.

III. Strategic implications of the Azerbaijan-Georgia partnership in the emerging East-West corridor

The European Union's engagement with Azerbaijan has expanded significantly in recent years. The 2022 Memorandum of Understanding on a Strategic Partnership in the Field of Energy between the EU and Azerbaijan reflects this trend. The agreement includes a commitment to double the capacity of the Southern Gas Corridor (SGC) by 2027, targeting an annual delivery of at least 20 billion cubic meters of natural gas to Europe. This objective is already being advanced in practice: Azerbaijan exported 12.9 bcm of gas to European countries via the Trans-Adriatic Pipeline (TAP) in

the previous year. SOCAR, Azerbaijan's national oil company, currently supplies gas to twelve countries, encompassing not only Türkiye, Georgia, and Italy, but also Central and Southeastern European states such as Slovakia, Hungary, Romania, and North Macedonia. The backbone of this regional supply architecture remains the strategic energy partnership among Azerbaijan, Georgia, and Türkiye.

Parallel to this, the EU has expanded its outreach to Central Asia. On April 4, 2025, the first-ever summit between EU leaders and the five Central Asian republics was convened in Samarkand. This meeting marked a formal step toward institutionalizing cooperation in energy, climate policy, and connectivity. It follows the growing convergence of interest between Brussels and Central Asian capitals in reducing dependence on Russian infrastructure and fostering long-term interregional linkages.

One of the most ambitious components of this evolving cooperation is the Black Sea Submarine Cable (BSSC) project. Signed in 2022 by Azerbaijan, Georgia, Romania, and Hungary, with Bulgaria expressing intent to join, the project aims to create a renewable electricity transmission route from the South Caucasus to Southeast Europe. The cable is supported under the EU's Global Gateway initiative and is backed by a €2.3 billion investment from the European Commission alongside a \$35 million loan from the World Bank. According to European Commission President Ursula von der Leyen, the BSSC not only strengthens energy interdependence between Europe and the South Caucasus but also represents a crucial step in both regions' energy transition. In strategic terms, the project is envisioned as the foundational pillar of a broader "Green Energy Corridor" that could eventually encompass exports of green hydrogen and its derivatives from both the South Caucasus and Central Asia.

This corridor concept is also materializing on the other side of the Caspian. In 2024, Azerbaijan, Kazakhstan, and Uzbekistan signed a memorandum of understanding with the Asian

Development Bank and the Asian Infrastructure Investment Bank to secure financing for a renewable energy export route to Europe. Under this plan – announced as part of the Trans-Caspian Green Energy Corridor – Central Asian electricity, largely generated from wind and solar sources, would be transmitted westward to Azerbaijan, then onward to the European grid via projects such as the BSSC. This framework represents a significant milestone in the regionalization of the energy transition, bridging Central Asia, the South Caucasus, and the EU through a multiphased infrastructure system.

Beyond energy, connectivity infrastructure remains a core priority. The shifting geopolitical balance has elevated the strategic importance of the Middle Corridor, a trade and transport route linking China to Europe via Central Asia, the Caspian Sea, the South Caucasus, and Türkiye. Azerbaijan’s centrality to this route continues to grow, especially in light of disruptions to traditional transit channels via Russia. The Baku-Tbilisi-Kars (BTK) railway, a critical component of the corridor, recently completed a major capacity upgrade. In late 2024, modernization of the Georgian segment was finalized, increasing throughput from 1 million tons to 5 million tons annually.

Complementing this, a new regional logistics initiative – Middle Corridor Multimodal Ltd. – has been established by Georgian and Kazakh railways. This joint venture employs a single-window model and harmonized tariffs to improve transport efficiency. Notably, the inclusion of China Railway Container Transport Corporation (CRCT), a subsidiary of China Railways, in the venture adds further technological capacity and institutional backing, strengthening the operational credibility of the corridor.

Taken together, these energy and infrastructure initiatives underscore the geostrategic importance of the South Caucasus. Azerbaijan and Georgia function not just as transit countries, but as regional enablers in Europe’s quest for energy diversification, alternative trade routes, and deeper engagement with Central Asia. This role has

been emphasized at the highest political level. Speaking at an international forum in Baku on April 9, 2025, President Ilham Aliyev highlighted that “all the transit – whether it’s oil, gas, or cargo – from Azerbaijan goes through Georgia.” One week later, during his meeting with Georgian President Mikheil Kavelashvili, President Ilham Aliyev reiterated the joint significance of Baku-Tbilisi cooperation, noting that the two countries have implemented projects “of tremendous significance not only for our countries and peoples but also for a wider geography.”

What emerges is a complex but coherent regional framework linking fossil fuels, renewable energy, and physical infrastructure across a broad Eurasian arc. These projects provide substantial economic opportunities for South Caucasus and Central Asian states, but they also embed the region more deeply into the strategic fabric of the EU’s energy and trade policy. In the context of a “new world order” shaped by geopolitical fragmentation and the search for resilience, these links offer mutual benefit: Europe gains energy security and connectivity alternatives, while countries like Azerbaijan and Georgia secure investment, relevance, and strategic partnerships.

Sustained and structured cooperation between the EU and its eastern partners will be critical for building a stable, multipolar energy and connectivity landscape in Eurasia. As the Middle Corridor develops, and as green energy projects mature into long-term infrastructure, Azerbaijan and Georgia will remain essential actors in shaping the emerging contours of transregional cooperation.

IV. The Antalya Forum and the future of South Caucasus dialogue

The Antalya Diplomacy Forum, held from April 11 to 13, 2025, marked a noteworthy moment in South Caucasus diplomacy. For the first time in many years, the foreign ministers of Armenia, Azerbaijan, and Georgia – Ararat Mirzoyan, Jeyhun Bayramov, and Maka Bochorishvili – came

together in a trilateral setting facilitated by Türkiye. While the meeting did not result in any concrete agreements, it offered a rare space for direct engagement among the region's key actors. All three officials acknowledged the need to overcome entrenched divisions and expressed interest in opening a new chapter for intraregional cooperation.

This diplomatic gesture came against the backdrop of a stalled peace process between Armenia and Azerbaijan. Despite several rounds of bilateral negotiations and the finalization of a draft peace treaty, significant political and legal obstacles remain. A signed treaty by the end of 2025 appears increasingly unlikely.

One of the central challenges is the unresolved issue of Armenia's constitutional reference to "Nagorno-Karabakh". As reiterated by Foreign Minister Bayramov during the Antalya forum, Azerbaijan has made it clear that it cannot proceed with the peace treaty until Armenia formally removes territorial claims to the Karabakh region from its constitution. This presents a procedural and political dilemma for Yerevan, which would need to organize a constitutional referendum and, more importantly, secure public support for such a change. While the Armenian government has signaled some openness to this demand, there has been limited domestic discussion or political preparation to make it feasible. The lack of public engagement on this matter continues to hinder progress.

Another unresolved point is the future of the OSCE Minsk Group. Baku views the group as obsolete and seeks its formal dissolution to eliminate any residual ambiguity that could be exploited to reopen territorial disputes. In Baku's view, maintaining the Minsk Group structure – however symbolic – is a tactic to retain international leverage on the issue.

Despite these difficulties, the situation between Armenia and Azerbaijan has remained largely stable since September 2023, when Azerbaijan completed the restoration of its territorial

integrity. While a formal treaty remains out of reach, a de-facto peace has taken hold. The absence of major clashes or military escalation over the past year is a significant achievement and provides a foundation upon which further reconciliation can be built.

This interim phase, while fragile, offers untapped potential. There have already been promising developments. In 2024, Armenia and Azerbaijan reached a bilateral agreement on border delimitation and demarcation, and Armenia supported Azerbaijan's successful bid to host the COP29 climate summit in Baku. These pragmatic decisions show that the two governments can cooperate on shared interests, even while larger political disagreements persist. They also suggest that the infrastructure for peacebuilding is not only possible but already partially in place.

Another constructive development is the emerging trilateral dialogue framework involving Georgia. In addition to the foreign ministers' exchange in Antalya, a follow-up meeting of deputy foreign ministers from Armenia, Azerbaijan, and Georgia was announced for April 17 in Tbilisi. While still in its early stages, this format holds potential to serve as a stable mechanism for regional consultation on security, trade, and humanitarian issues. Trilateral cooperation remains constrained without a formal peace agreement between Baku and Yerevan, but it can still facilitate low-risk, incremental steps toward normalization.

The formal peace treaty between Armenia and Azerbaijan remains subject to unresolved legal and political barriers. However, the current state of relative calm should not be dismissed as passive or temporary. It is a valuable period that can and should be used to advance reconciliation, strengthen societal dialogue, and build the practical infrastructure for durable peace. Continued diplomatic engagement, complemented by bilateral and trilateral cooperation at various levels, can create momentum toward the eventual transition from de-facto to de-jure peace.

V. Iran's President Masoud Pezeshkian visits Azerbaijan for bilateral talks

Iran's President Masoud Pezeshkian paid an official visit to Azerbaijan on April 28, 2025. Accompanied by a large delegation, Pezeshkian's trip was framed as a deepening of "friendly and fraternal" ties between the two neighbors. The talks covered a wide agenda: from infrastructure projects (road, rail and bridges) and energy cooperation to expanding trade, investment, culture, tourism and security links. Both sides underscored the visit's historic significance for their relations. In the Azerbaijan-Iran business forum and joint press statements, President Pezeshkian reiterated Tehran's desire to build a "suitable model of cooperation in the region." President Ilham Aliyev noted that "our peoples have lived in a friendly and fraternal atmosphere for centuries," adding that this visit "will make a valuable contribution to the development of Azerbaijani-Iranian friendly and fraternal relations." Pezeshkian expressed hope that agreements signed during the visit will "mark the beginning of broader progress in our relations with the dear, friendly, brotherly, and almost kin Azerbaijani people, and will lead to the formation of a suitable model of cooperation in the region." Pezeshkian explicitly declared that "Karabakh is an integral part of Azerbaijan, and we respect this." President Ilham Aliyev, for his part, reiterated the core principles that should be prioritized and shared such as "the sovereignty [and] territorial integrity of countries" and "non-interference in the internal affairs."

Economically, Pezeshkian's visit was billed as a push to unlock the sizable yet underdeveloped potential of Iran-Azerbaijan trade and investment. Official figures show trade between the two countries was roughly \$580 million in 2024, up 20% from the previous year. According to Iran's Minister of Roads and Urban Development Farzaneh Sadat, both governments have set an ambitious goal to reach \$10 billion in annual trade within five years. Achieving that jump requires new deals and private-sector involvement, which is why Tehran dispatched over 120 Iranian business

representatives alongside the president. At the Iran-Azerbaijan business forum on April 28, President Ilham Aliyev noted that Azerbaijani-Iranian trade "does not reach a single billion dollars, and of course, we can't be pleased with that." President Ilham Aliyev said the visit's agreements would help close this gap: "I am sure that after this visit and based on the results of the business forum, we will see serious progress in trade, economy, investment, and other such areas in the coming years."

In his address to business leaders, President Ilham Aliyev noted that "this official visit has very good political results" and that agreements signed "confirm the Azerbaijani-Iranian friendship and brotherhood," adding that "among the signed documents, I would like to specifically mention the Joint Declaration signed by the presidents. It is a very serious document, a document that guides us towards future cooperation." Leaders signed the **Joint Declaration** expressing broad intent to expand cooperation, and ministers exchanged multiple memoranda covering areas like comprehensive transport cooperation (2025–2026) and cultural and media exchanges.

The attendance of over 120 Iranian business representatives and more than 400 total forum participants testified to the high level of mutual interest and untapped opportunity. President Ilham Aliyev extended an open invitation to Iranian companies to participate in key projects already underway, including railways, highways, and power lines. Notably, President Ilham Aliyev stressed that the vast reconstruction efforts in Azerbaijan's recently liberated territories offered an expansive field of commercial opportunity. Entire villages and cities are being rebuilt from the ground up, and the president encouraged Iranian firms to contribute to this historic effort.

The energy sector emerged as a critical area of potential. President Ilham Aliyev identified not just the joint development of electric power plants and transmission lines but also future energy exchange systems that could operate bilaterally or in broader regional arrangements. With Azerbaijan poised to

unlock 6,500 megawatts of green energy in the next five years – primarily for export – President Ilham Aliyev made it clear that early coordination with Iran could yield significant mutual benefits. President Ilham Aliyev encouraged Iranian businesses with experience in renewable energy to begin engaging with Azerbaijani partners now, while planning frameworks are still taking shape.

Perhaps the most strategic aspect of the speech centered on connectivity, particularly the Araz corridor. President Ilham Aliyev clarified misconceptions about the project, stressing that it is not a geopolitical instrument but a practical transport link between Azerbaijan proper and the Nakhchivan Autonomous Republic via Iranian territory. The corridor is part of a larger transcontinental vision, connecting Asia to Europe, the Mediterranean to the Persian Gulf. With Azerbaijan's segment of the project near completion – including a bridge over the Araz River and a border checkpoint – President Ilham Aliyev signaled that the initiative is both technically feasible and politically supported. Completion of the railway segment on the Iranian side would turn this into a fully operational international corridor.

President Ilham Aliyev concluded by emphasizing the importance of small and medium-sized enterprises (SMEs) as the backbone of durable bilateral trade, noting that the positive signals from political leadership should be translated into real progress at the commercial level.

VI. Kallas' visit highlights Azerbaijan's expanding role in EU policy

The visit of the European Union's High Representative for Foreign Affairs and Security Policy, Kaja Kallas, to Baku on April 25 marks a notable recalibration in the evolving trajectory of EU-Azerbaijan relations. In a series of high-level meetings with President Ilham Aliyev and Foreign Minister Jeyhun Bayramov, Kallas underscored the European Union's growing recognition of Azerbaijan's strategic importance across political, energy, and connectivity spheres. Both sides used

the occasion to signal a shared intent to deepen collaboration, with the visit interpreted as a significant step toward stabilizing and reenergizing ties that had previously encountered periods of tension.

The substance of Kallas's visit lay in its timing and broader political context. After a slowdown in momentum – due to European Parliament resolutions critical of Azerbaijan, contentious statements by former EU officials, and the allocation of EU military assistance to Armenia – the engagement signaled a shift in tone. Of particular sensitivity was the EU's deployment of a civilian monitoring mission along Armenia's border, a move incompatible with ongoing peace talks and the principle, already embedded in draft texts, that no third-party military presence should be positioned along the provisional Armenia-Azerbaijan frontier. Against this background, the visit can be interpreted as an effort to realign perspectives and explore a more constructive path forward.

At the joint press conference following the talks, Kallas acknowledged Azerbaijan's importance as a regional partner and a critical energy supplier to the European Union. Kallas specifically highlighted Azerbaijan's role in helping the EU diversify its energy sources at a time when the war in Ukraine has placed exceptional pressure on European energy security. Since the launch of the Trans-Adriatic Pipeline in 2020, Azerbaijani gas has reached ten European countries, including eight EU members, bolstering Baku's credentials as a stable and dependable energy provider. The broader geopolitical backdrop – particularly the EU's search for affordable pipeline alternatives to costly U.S. LNG and the need to reduce dependency on Russian energy – has only increased Azerbaijan's relevance.

Energy cooperation is not confined to hydrocarbons. Azerbaijan is actively positioning itself as a future-oriented green energy partner. In September 2024, Baku joined Georgia, Romania, and Hungary in signing a shareholders' agreement to launch the Green Energy Corridor Power

Company, tasked with executing a major trans-Black Sea HVDC interconnection project. This infrastructure, once operational, will link Azerbaijan to Europe's grid via Georgia and Romania. Bulgaria has also shown interest in participating. Complementing this effort is a parallel sub-Caspian cable project, developed jointly with Kazakhstan and Uzbekistan, which aims to transmit clean energy under the Caspian Sea and eventually connect with the Black Sea network.

Connectivity featured prominently in the discussions, particularly the strategic Middle Corridor, a multimodal route that bridges East and West through the South Caucasus and Central Asia. High Representative Kallas underlined the importance of this corridor in strengthening Europe's economic links with Central Asia and beyond. The EU's growing interest in the region was demonstrated recently by European Commission President Ursula von der Leyen's agreement with Central Asian states on enhanced trade, energy, and infrastructure cooperation.

The EU is Azerbaijan's largest trading partner, with bilateral trade volumes surpassing 20 billion dollars last year. While hydrocarbons dominate, the trade portfolio is gradually diversifying to include agricultural and manufactured goods. The visit by Kaja Kallas represents more than a symbolic gesture. It points toward a shift in EU policy thinking, one that recognizes Azerbaijan not merely as an energy supplier but as a linchpin in a broader regional strategy encompassing infrastructure, trade, and political dialogue. If followed through, this renewed momentum could anchor a more balanced and mutually beneficial relationship capable of contributing to broader regional stability and integration across Eurasia.

VII. Azerbaijan reaffirms support for Ukraine's territorial integrity

President Ilham Aliyev criticized proposals that would force Kyiv to surrender land in exchange for a temporary cessation of hostilities not only on moral grounds but also as a matter of political

logic. President Ilham Aliyev questioned how any country could be expected to abandon its internationally recognized territories. "No country, at least in my understanding, will agree to compromise on territorial integrity," President Ilham Aliyev said, dismissing the idea that Ukraine could or should accept the loss of its sovereign land in pursuit of peace.

President Ilham Aliyev went further to express disbelief at the possibility of such an outcome. With Russia having declared certain occupied Ukrainian territories as part of its own territory, and with Ukraine – and the broader international community – continuing to view these regions as Ukrainian, President Ilham Aliyev openly wondered how any legitimate agreement could be reached by redefining these boundaries. "If that happens," President Ilham Aliyev said, "then it means that I do not understand anything about international politics."

President Ilham Aliyev's stance is not new. Since the beginning of Russia's full-scale invasion of Ukraine in February 2022, Azerbaijan has consistently supported Ukraine's sovereignty and offered material aid to bolster its resilience. Over the past three years, Baku has delivered more than \$40 million in humanitarian and reconstruction assistance, including large quantities of critical infrastructure components such as generators, transformers, and electrical cables. This support has continued into 2025, underscoring Azerbaijan's long-term commitment to Ukraine's recovery and stability.

This alignment is not merely a product of diplomatic calculation. Azerbaijan's own recent history – marked by its decades-long effort to liberate the Karabakh region from Armenian occupation – has shaped its unyielding stance on issues of territorial integrity. With Azerbaijan successfully restoring full sovereignty over Karabakh in 2023, the principle of inviolable borders is not a theoretical commitment for Baku. It is a lived and hard-earned reality. As such, President Ilham Aliyev's opposition to any suggestion that Ukraine should yield its land is

grounded in national experience and strategic clarity.

For Azerbaijan, this is not just about Ukraine. The stakes are broader. In the post-Soviet space and beyond, territorial disputes remain a source of instability, and any weakening of the territorial integrity norm risks emboldening revanchist actors. The Armenian political discourse still harbors voices calling for the re-militarization and potential reoccupation of Azerbaijani territory, even after Baku's restoration of sovereignty in Karabakh. Meanwhile, various fringe efforts to revive Soviet-era borders only add to the atmosphere of uncertainty. In such a context, President Ilham Aliyev's message serves as a reminder that weakening the principle of territorial integrity is not a path to peace, but to enduring conflict.

President Ilham Aliyev also took the opportunity to point out glaring double standards in the policies of some Western powers. President Ilham Aliyev criticized France for its contradictory posture – defending Ukraine's territorial integrity while at the same time supporting Armenia's unlawful claims over Azerbaijani lands. In 2020, both chambers of the French parliament voted to recognize the so-called "Republic of Artsakh," a separatist entity in Karabakh that even Armenia

itself had never formally acknowledged. To Baku, this episode illustrates how great powers sometimes use the language of international law selectively, depending on geopolitical interests.

This inconsistency is dangerous. For smaller states like Azerbaijan and Ukraine, whose survival depends on the predictability and impartiality of international law, selective enforcement undermines the entire global order. If territorial integrity can be negotiated away when convenient for great powers, then it ceases to function as a universal principle. Instead, it becomes a privilege enjoyed only by the strong.

President Ilham Aliyev's remarks at the Baku conference was not a neutral diplomatic gesture—it was a pointed reaffirmation of Azerbaijan's core foreign policy values and a clear warning against the normalization of land-for-peace deals. In a world increasingly shaped by power politics and shifting alliances, President Ilham Aliyev called for consistency, legality, and restraint. The defense of Ukraine's territorial integrity is ultimately a defense of a rules-based order, without which smaller nations will always remain vulnerable to coercion.