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# Azerbaijan Petrol Export to Armenia Ushers in a New Normal

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## **Azerbaijan Petrol Export to Armenia Ushers in a New Normal**

On 19 December, 1,200 tons of Azerbaijani petrol in 22 wagons arrived in Armenia, the first ever shipment of fuel between the two countries since independence. Local media reported it was purchased by two companies in Armenia although only one was identified at the time of writing – that belonging to the family of Khachatur Sukiasyan, a businessman who emerged under the country's first president, Levon Ter-Petrosyan. As his influence waned with changes in administrations, Sukiasyan became an integral part of the opposition in 2008 alongside both Ter-Petrosyan and Nikol Pashinyan, the current prime minister. Since 2021, he has been a parliamentary deputy for Pashinyan's Civil Contract party.

Today, Sukiasyan is again one of the most prominent businessmen in the country, even if those concerns are ostensibly managed by his family given restrictions on deputies, reinforcing the notion that the political will to normalize relations can work in tandem with established and pragmatic business interests. Ever since the November 2020 trilateral ceasefire statement, in which the need to restore trade, transport, and transit routes was included, economic interdependency is considered necessary to achieve a lasting and sustainable peace. It should go without saying that this would also benefit consumers and the population in general.

Though the shipment is relatively small, its significance is much larger, especially following the recent transit of wheat from Kazakhstan and Russia to Armenia through Azerbaijan. "It marks the beginning of structural shifts in regional politics and economics, demonstrating that the peace process is beginning to acquire material substance," wrote Azerbaijani analyst Ilgar Velizade when commenting on the SOCAR shipment.

"If similar steps continue and become institutionally solidified, they may lay the economic groundwork for a more stable and pragmatic model of relations between Baku and Yerevan – one in which mutual benefit and regional connectivity gradually displace the logic of confrontation and isolation," the Baku-based analyst concluded.

The authorities in Yerevan are just as upbeat. "Perhaps this is the first trade and economic deal between Armenia and Azerbaijan not only after the peace established [...], but also after independence in general," the Armenian Minister of Economy, Gevorg Papoyan, wrote on Facebook. "Instead of war, we trade. War is losses. Trade is prosperity." Speaking at the Supreme Eurasian Economic Council in St. Petersburg on 21 December, Pashinyan said similarly. "This is one of the first significant achievements in establishing peace and stability in the region," he opined.

The agreement came during the meeting of the two border commissions in Gabala,

Azerbaijan, in November. Both the Armenian and Azerbaijani co-chairs, Deputy Prime Ministers Mher Grigoryan and Shahin Mustafayev, were also involved in the now inactive trilateral working group on unblocking regional transportation since 2021. Armenia and Azerbaijan now engage with each other bilaterally.

The first batch of petrol started selling at Sukiasyan's RAN Oil stations on 23 December at 440 AMD per litre (\$1.15), down from as much as 550 AMD (\$1.44). Whether that cost remains stable is unknown given that transit fees through Georgia were waived by Tbilisi for the first shipment. Georgia "has always been and remains a strategic and reliable partner for both Armenia and Azerbaijan," the Georgian Ministry of Economy stated. Even if the price increases, however, it is likely to remain lower than what Armenians paid before. Incidentally, SOCAR's Georgian subsidiary has also engaged that country's ethnic Armenians in the past.

In an interview with ANS TV in 2015, then CEO Rovnag Abdullayev confirmed that Armenian churches in Georgia had been supplied with free gas by its local subsidiary as part of an agreement with the government to heat all places of worship in the country. This philanthropy also extended to the energy giant sponsoring a local football team in an ethnic Armenian village in the Marneuli municipality, a majority ethnic Azerbaijani part of the country. As cars enter Georgia from Armenia, the local SOCAR petrol station, replete with the colours of the Azerbaijani flag, also takes pride of place on the road leading to Tbilisi.

Nonetheless, economic benefits should not be overestimated, at least for now. Some 70-80 percent of vehicles in Armenia are believed to run on Liquefied Petroleum Gas (LPG) and not petrol, a reality that has existed for decades given two closed borders, a formerly unresolved conflict, and the need to sell fuel cheaply to consumers. The market is thus smaller than in Georgia. Armenia currently imports around 230,000 tons of petrol and 175,000 tons of diesel while Georgia imports over double that. Moreover, the imported petrol from Azerbaijan – AI-95 – is unleaded, something that only 30 percent of vehicles in Armenia can use.

That will change over time, but the immediate implications of the delivery are more significant. As was the case with the recent import of wheat, it allows Armenia to diversify imports and lessen dependency on Russia for its energy and food security. If such deliveries continue and include other goods then it represents a remarkable development just five years after the 44-day war in 2020. More importantly, this can potentially facilitate a shift in the perception of both societies and the emergence of a new normal going forwards.

This is also the logic behind the recent Bridge of Peace initiative that has brought delegations of civil society and think tanks from Armenia and Azerbaijan together in

their respective capitals on a bilateral basis since October. Türkiye has also increased its outreach, with President Recep Tayyip Erdogan saying on 15 December that Ankara would soon take more symbolic steps towards normalization with Armenia. Though not directly connected to the signing of the 17-point agreement between Baku and Yerevan, it is nonetheless not expected that the border between Armenia and Türkiye will fully open until Armenia makes changes to its constitution and signs a formal deal with Azerbaijan. However, the intent is there.

On 22 December, Turkish Airlines, the national flag carrier, announced that it would launch daily direct flights between Istanbul and Yerevan on 11 March 2026. Since the mid-2000s, only charter flights have flown the route on a semi-regular basis. In January 2023, Türkiye had already announced it had lifted its own prohibition on cargo flights between the two countries. There have also been recent reports that Türkiye is making ready its infrastructure for the albeit currently inactive Alican-Margara crossing, one of two that exist between the countries. There is already an agreement to allow diplomats and third-country citizens to use it at some point.

Some speculate that the Margara crossing could first be used for cargo, but this is again most likely only in the event of an Armenia-Azerbaijan agreement. Turkish Foreign Minister Hakan Fidan has only said that this could be within the first six months of 2026 while also stressing the need for that formal agreement first.

Such uncertainty has always been a factor in resolving the increasingly distant Armenia-Azerbaijan conflict but the possibility to open a new chapter in relations has never been as close as it is now. For some, such cooperation may seem trivial – petrol sold to motorists, railway transit circumventing closed borders, and interests based on mutual benefit rather than past grievances – but that is also why they matter. Five years after the 2020 war, a tangible peace could well be more about regular exchanges and trade rather than solely on signatures on a piece of paper. The goal should be to make this routine, and something considered mundane and unremarkable. It must become the New Normal.

**Author:**

**Onnik James Krikorian is a journalist, analyst, and consultant from the United Kingdom based in Tbilisi, Georgia, since 2012. From 1998 until then he was based in Yerevan, Armenia, covering issues related to democracy, society, and conflict. He has covered the Armenia-Azerbaijan dispute since 1994 and also covered the August 2008 war between Georgia and Russia. Since 2013 he has consulted for intergovernmental organisations on countering and preventing violent extremism.**