

BULLETIN

HIGHLIGHT OF THE FOREIGN POLICY OF REPUBLIC OF AZERBAIJAN

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I. Shusha Global Media Forum outlines Azerbaijan's middle power position in a changing global order

The fourth Shusha Global Media Forum, held on July 13 under the theme “The Mission of the Media in Promoting Peace: Restoring Truth and Rebuilding Trust,” provided one of the most comprehensive statements of Azerbaijan’s current foreign-policy outlook. Bringing together 160 participants from 53 countries, including representatives of more than 90 media organizations and 10 international organizations, the forum enabled President Ilham Aliyev to address questions covering Azerbaijan’s relations with the United States, the European Union, Russia, Türkiye, China, Central Asia, and the Islamic world, as well as the conflicts in Ukraine and the Middle East. Taken together, President Ilham Aliyev’s answers reflect Azerbaijan’s position in the international arena as an increasingly self-confident middle power seeking to combine strategic autonomy, diversified partnerships, regional connectivity, energy diplomacy, and a growing role in international mediation.

The choice of Shusha as the venue formed an important part of this message. President Ilham Aliyev described the annual forum as both a platform for international discussion and an opportunity for foreign media representatives to observe the reconstruction of Karabakh. By bringing journalists and policy experts to Shusha, Azerbaijan seeks to shape international understanding of the post-conflict period while demonstrating the scale of reconstruction and the return of displaced communities.

A central theme of the discussion was Azerbaijan’s changing position within the international system. President Ilham Aliyev addressed the increasingly common description of Azerbaijan as a middle power, defining the concept primarily through political agency rather than population or economic size. In President Ilham Aliyev’s formulation, a middle power must be capable of defending its national interests independently of the preferences of larger states, resisting political

and military pressure, influencing developments beyond its borders, and accepting a measure of responsibility for regional stability. President Ilham Aliyev later added the ability to defend national interests simultaneously across several political and security domains. This interpretation reflects Azerbaijan’s broader effort to present itself as a state whose international significance derives from strategic capacity and diplomatic reach rather than conventional measures of size.

Relations with the United States occupied a prominent place in the discussion. President Ilham Aliyev described Azerbaijan’s relationship with the Trump administration as having reached an unprecedented level, referring to the elevation of bilateral relations to a strategic partnership, the establishment of working groups on trade and investment, artificial intelligence and digital transformation, energy security, connectivity, and defense cooperation. President Ilham Aliyev also highlighted the removal of restrictions on defense supplies to Azerbaijan and the country’s participation as a founding member of the U.S.-initiated Board of Peace.

At the same time, the President reiterated Azerbaijan’s call for the complete repeal of Section 907 of the Freedom Support Act. Although the amendment is currently waived and no longer imposes an immediate practical constraint on bilateral relations, its continued existence retains political and symbolic significance for Baku. President Ilham Aliyev pointed out that the provision had become particularly anachronistic following the initialling of the peace agreement between Azerbaijan and Armenia, Azerbaijan’s removal of transit restrictions affecting Armenia, and the beginning of Azerbaijani petroleum-product supplies to the Armenian market. Its repeal would therefore remove one of the remaining institutional legacies of the difficult relationship between Azerbaijan and the United States during the post-Soviet period.

The President also credited the current U.S. administration with facilitating the final stage of the Azerbaijan-Armenia peace process. In contrast

to the OSCE Minsk Group, which sought to preserve rather than resolve the conflict, President Ilham Aliyev noted that the Trump administration established a framework within which the parties could move toward peace. Particular emphasis was placed on the Trump Route for International Peace and Prosperity, which is intended to connect mainland Azerbaijan with Nakhchivan through Armenian territory. According to the President, the beginning of practical work on the route would alter the regional connectivity map while creating new incentives for stability and economic cooperation across the South Caucasus.

The discussion of European institutions revealed a more nuanced approach. President Ilham Aliyev described Azerbaijan's relations with the European Commission as undergoing a substantial reset. President Ilham Aliyev pointed to the visits to Baku during 2026 by European Council President António Costa, EU High Representative Kaja Kallas, and European Commission President Ursula von der Leyen as evidence of renewed political engagement. Cooperation now encompasses not only energy but also connectivity, trade, investment, and broader international issues.

Energy nevertheless remains one of the principal foundations of Azerbaijan-EU relations. Azerbaijan currently supplies pipeline gas to 16 countries, including 14 European states, and began deliveries to Germany and Austria during 2026. President Ilham Aliyev emphasized that gas exports to the European Union have increased by 65 percent since 2022 and are expected to continue growing as production expands from ACG Deep Gas and other fields. The planned development of approximately eight gigawatts of renewable-energy capacity by 2032 would also release additional natural gas currently used for domestic electricity generation, allowing further increases in exports.

The President nevertheless identified two constraints on future expansion: insufficient transport capacity and the reluctance of European financial institutions to finance fossil-fuel infrastructure under the European Green Deal.

Azerbaijan is seeking longer-term purchase contracts before committing the substantial investment required to expand production and pipeline capacity. From Baku's perspective, European requests for additional gas must therefore be supported by contractual commitments and financing arrangements capable of distributing the commercial risks between producer and consumer.

Addressing the issue of relations with the Parliamentary Assembly of the Council of Europe, President Ilham Aliyev pointed out that the suspension of the Azerbaijani delegation's voting rights constituted political punishment for the restoration of sovereignty over Karabakh in September 2023 rather than a response to human-rights concerns. President Ilham Aliyev disclosed that the government had considered withdrawing from the Council of Europe altogether but had placed the decision on hold following an appeal from Secretary General Alain Berset. Azerbaijan's position remains that PACE must restore the delegation's voting rights before Azerbaijani representatives return to the Assembly.

Azerbaijan's relations with Russia were addressed against the background of the serious difficulties that had affected bilateral ties during the preceding period. President Ilham Aliyev stated that these difficulties were now in the past and described relations as fully normalized, with contacts continuing between the two governments, foreign ministries, presidential administrations, and intergovernmental commissions. Transport, trade, and humanitarian cooperation remain the principal components of the bilateral agenda.

President Ilham Aliyev also pointed out that the region had changed fundamentally since the Second Karabakh War and that many of the assumptions underpinning earlier Russian and international approaches had become outdated. Azerbaijan's restoration of sovereignty, Armenia's growing European orientation, and the emergence of new centers of influence have created a regional environment substantially different from that

which existed five years earlier. Russia and other external actors must therefore develop new approaches based on direct engagement with the region's present political realities.

This reassessment also extends to the "3+3" regional cooperation format. President Ilham Aliyev pointed out that the initiative had largely become inactive but left open the possibility of reviving it as a five- or six-party platform involving Azerbaijan, Armenia, Türkiye, Russia, Iran, and, if it chooses to participate, Georgia. Any renewed format, however, would require a clearly defined regional agenda and equal participation. It should address transport, economic cooperation, security, and other questions affecting the South Caucasus as a whole rather than becoming another mechanism focused exclusively on Azerbaijan-Armenia relations.

The war in Ukraine provided another indication of Azerbaijan's effort to combine stable relations with Russia with a consistent position on sovereignty and territorial integrity. President Ilham Aliyev repeated his earlier message that Ukraine should not accept occupation and reaffirmed Azerbaijan's support for Ukraine's territorial integrity, sovereignty, and internationally recognized borders. President Ilham Aliyev underscored that borders should not be changed through force without the consent of the affected state and called for an immediate end to the hostilities. These remarks preserve Azerbaijan's established position: Baku is not interested joining the geopolitical confrontation surrounding the war but rejects the forcible alteration of internationally recognized borders.

Developments in the Middle East were presented as an immediate security concern. President Ilham Aliyev observed that Azerbaijan now finds itself between wars to its north and south, making the conflicts involving Russia and Ukraine and the United States and Iran direct sources of regional uncertainty. Azerbaijan's preferred outcome is a negotiated settlement based on international law rather than the strategic ambitions of individual states. Although Baku is not positioning itself as a

principal mediator in the U.S.-Iran confrontation, the President expressed support for the mediation undertaken by Pakistan and emphasized Azerbaijan's interest in peace along all its borders.

The Forum also demonstrated the growing importance of China in Azerbaijan's diversified foreign relations. Following the establishment of a comprehensive strategic partnership in 2025, cooperation has expanded across politics, investment, transport, renewable energy, manufacturing, and defense. President Ilham Aliyev confirmed that Azerbaijan had procured military products from China and expressed interest in broadening military-technical cooperation. Chinese companies are also participating in solar-energy projects, the planned manufacture of solar panels in Azerbaijan, electric-bus production with BYD, and infrastructure development associated with the Middle Corridor.

Connectivity remained one of the principal threads connecting Azerbaijan's relations with China, Central Asia, Türkiye, and Europe. President Ilham Aliyev emphasized that Azerbaijan had already completed much of the physical infrastructure necessary to serve as an international transport hub and was now expanding capacity in response to rapidly growing demand. The Port of Baku is expected to increase its annual capacity from 15 million to 25 million tons, while 10 additional vessels are being constructed to strengthen Caspian shipping. Disruptions affecting maritime routes through the Red Sea and the Gulf have increased the attractiveness of overland transport, giving Azerbaijan's position at the center of the Middle Corridor additional strategic value.

President Ilham Aliyev also emphasized cooperation with Kazakhstan as indispensable to this connectivity architecture. The two countries are expanding port and transport infrastructure on opposite shores of the Caspian while coordinating with Georgia and Türkiye on tariff policy, customs simplification, and digitalization. They are also developing a Trans-Caspian fiber-optic cable, while Azerbaijan, Kazakhstan, and Uzbekistan are preparing a feasibility study for an electricity cable

across the Caspian Sea. These projects demonstrate that the Middle Corridor is developing beyond conventional freight transport into an integrated network encompassing energy transmission, digital connectivity, artificial intelligence, and data infrastructure.

Relations with Uzbekistan were similarly described as a foreign-policy priority. President Ilham Aliyev linked the strength of the bilateral partnership to close political relations between the two leaderships, substantial Uzbek participation in the reconstruction of Karabakh, the establishment of a \$500 million joint investment fund, and SOCAR's investment in hydrocarbon exploration in Uzbekistan. Azerbaijan's inclusion in the Consultative Meetings of Central Asian Heads of State has added a wider institutional dimension to this cooperation, bringing Central Asia and the South Caucasus into an increasingly interconnected geopolitical and economic space.

Relations with Türkiye remain the most developed component of Azerbaijan's alliance policy. President Ilham Aliyev described the two countries as not only friends and brotherly states but also formal allies under the Shusha Declaration. President Ilham Aliyev emphasized that the alliance includes mutual support in the event of a security threat and presented Azerbaijani-Turkish relations as an important source of regional stability. The partnership extends across defense, energy, transport, trade, and people-to-people relations, providing the western anchor of Azerbaijan's broader connectivity strategy.

The Forum also highlighted Azerbaijan's ambition to contribute to wider multilateral diplomacy. Ahead of its hosting of the Organization of Islamic Cooperation summit in 2027, Azerbaijan intends to use the experience accumulated during its chairmanship of the Non-Aligned Movement and COP29 to encourage greater coordination among Muslim-majority states. President Ilham Aliyev acknowledged that divisions within the Islamic world currently limit meaningful solidarity but argued that Azerbaijan and other states committed

to stability could help reduce tensions and facilitate dialogue.

A similar emphasis on inclusion informed Azerbaijan's proposed reform of the United Nations Security Council. The President reiterated Baku's support for rotating permanent seats with veto rights for the Non-Aligned Movement, the Organization of Islamic Cooperation, and the African Union. The proposal reflects Azerbaijan's longstanding criticism of the unequal representation of developing countries and Muslim-majority states within the principal institutions of global governance.

Taken together, President Ilham Aliyev's remarks at the Shusha Global Media Forum offered a consolidated account of Azerbaijan's foreign-policy strategy after the restoration of its territorial integrity. Security and defense remain the immediate priorities, but they are supported by a wider network of strategic partnerships, energy relationships, transport corridors, and diplomatic initiatives. Azerbaijan is seeking stronger relations with the United States and the European Commission while normalizing ties with Russia, maintaining its alliance with Türkiye, expanding cooperation with China and Central Asia, and preserving an independent position on conflicts in Ukraine and the Middle East.

The Forum cemented Azerbaijan's position as a state looking to convert the political and military gains of recent years into a durable regional role. The underlying principle was strategic autonomy: cooperation with multiple centers of power without exclusive dependence on any of them. Combined with growing transport, energy, and diplomatic capacity, this approach shows that Azerbaijan has moved beyond the traditional category of a small post-Soviet state and toward the role of an increasingly consequential middle power.

II. European Commission President Ursula von der Leyen's Baku visit accelerates the reset in Azerbaijan-EU relations

European Commission President Ursula von der Leyen's visit to Baku on July 1 marked a further step in the gradual recalibration of relations between Azerbaijan and the European Union. Her first visit to Azerbaijan since 2022 formed part of a two-day South Caucasus tour that continued in Yerevan the following morning. Accompanied by Commissioner for Enlargement Marta Kos, von der Leyen arrived with an agenda encompassing the Armenia-Azerbaijan peace process, European access to Central Asia through the South Caucasus, energy security, regional investment, and negotiations over a new bilateral framework.

The visit took place in a different regional environment from that of von der Leyen's previous trip. Azerbaijan and Armenia had initialed a Washington-mediated peace agreement in 2025, the Middle Corridor had acquired greater importance amid continuing disruption to established trade routes, and Europe's effort to eliminate Russian gas imports had increased the value of alternative suppliers. These developments have encouraged the European Commission to approach Azerbaijan less through the political conditionality that characterized earlier periods and more as a partner in regional peace, energy diversification, and Eurasian connectivity.

Peace between Azerbaijan and Armenia occupied the first place in von der Leyen's public remarks following her expanded-format talks with President Ilham Aliyev. The President of the European Commission described the initialing of the peace agreement as the most important development in the South Caucasus in decades and pledged European assistance in translating the agreement into practical cooperation. The emphasis reflected a wider change in the European Union's role. Whereas earlier European engagement concentrated largely on mediation and crisis management, Brussels is now seeking to support the economic, transport, and institutional

arrangements required to sustain the post-conflict settlement.

This approach links peace to material cooperation. The European Commission announced a separate €20 million program supporting demining, healthcare, rural development, and small and medium-sized enterprises connected with the peace process. Although modest compared with the broader investment requirements of the region, the package reflects the European Union's effort to produce visible benefits from normalization.

Renewable energy forms another element of this peace-through-connectivity agenda. Von der Leyen welcomed Azerbaijan's proposed Green Energy Corridor connecting Caspian renewable generation with European markets. She also endorsed plans for an electricity interconnection with Armenia, presenting regional energy integration as a means of reinforcing both energy security and political normalization. If implemented, these projects could give Azerbaijan, Armenia, Georgia, and their European partners a shared interest in preserving regional stability.

The President of the European Commission placed particular emphasis on Azerbaijan's contribution to European energy security. She described the country as a reliable and trustworthy partner. The Southern Gas Corridor has consequently acquired importance beyond its original commercial rationale, becoming a central component of the European Union's attempt to diversify suppliers and routes. Azerbaijan currently delivers just under 13 billion cubic meters of pipeline gas annually to Europe. Under the memorandum signed in 2022, Azerbaijan and the European Union set the objective of increasing the Southern Gas Corridor's annual capacity to at least 20 billion cubic meters by 2027. European demand has continued to grow, and Azerbaijan now supplies approximately half of its exported gas to EU markets. According to President Ilham Aliyev, EU member states also account for more than 40 percent of Azerbaijan's total foreign trade, demonstrating that the

relationship extends well beyond the energy sector.

Von der Leyen's visit coincided with renewed concern about European gas supplies ahead of the winter season. Wood Mackenzie projected that EU storage facilities could conclude the April-October injection period at approximately 76 percent of capacity, their lowest seasonal peak since at least 2011. Average storage in early July stood near 48 percent, compared with a five-year average of approximately 61 percent. The shortfall followed the U.S.-Israel-Iran conflict, which disrupted Gulf liquefied natural gas production and shipping through the Strait of Hormuz. As Qatar and the United Arab Emirates reduced LNG production, European consumers faced the possibility of renewed price pressures during the winter.

The European Union's decision permanently to phase out Russian gas has added to these concerns. Under the REPowerEU Gas Regulation, long-term Russian LNG contracts must end by January 1, 2027, while most long-term pipeline contracts must terminate by September 30 of the same year and no later than November 1. This timetable increases pressure on the European Union to secure alternative supplies before the next stage of the phase-out takes effect.

Azerbaijan cannot fully compensate for the disappearance of Russian gas, and its capacity to increase exports rapidly remains constrained by production levels and the limits of existing transport infrastructure. Nevertheless, the country can provide reliable incremental volumes from a geographically proximate source. Its importance therefore lies not only in the quantity supplied but also in the diversification of routes and reduction of dependence on individual producers.

This supply gap has also renewed European interest in extending the Southern Gas Corridor eastward across the Caspian Sea. Turkmenistan possesses the resource base to provide additional volumes, but the proposed Trans-Caspian Gas Pipeline continues to face financial and commercial obstacles. If these difficulties can be overcome,

Azerbaijan would become the principal transit state connecting Turkmen gas with European markets. Von der Leyen's emphasis on a broader Trans-Caspian connectivity architecture suggests that Brussels increasingly views energy, transport, electricity, and digital infrastructure as interconnected components of the same east-west corridor.

Renewable energy is likewise becoming more prominent within bilateral cooperation. Von der Leyen highlighted Azerbaijan's offshore wind potential and its ambition to develop into a regional hub for clean electricity. Azerbaijan's strategy is to use Caspian wind and other renewable resources both to satisfy rising domestic demand and to create a new export sector. For the European Union, importing renewable electricity from the South Caucasus would support the transition away from both Russian gas and carbon-intensive domestic generation.

This agenda complements rather than displaces conventional energy cooperation. In the near term, Europe requires additional natural gas to maintain energy security. Over a longer period, Azerbaijan's renewable potential could allow the partnership to evolve toward electricity exports and green industrial development. The combination gives the bilateral energy relationship a broader foundation than the gas-centered arrangement established in 2022.

Connectivity represented the second major pillar of the visit. Both leaders described Azerbaijan as a strategic junction connecting Europe with the Caspian basin and Central Asia. President Ilham Aliyev emphasized the expansion of the country's east-west and north-south transport corridors, while von der Leyen presented the South Caucasus as an increasingly important link within the wider Middle Corridor. Disruption to maritime routes and continued uncertainty surrounding transit through Russia have increased the commercial and geopolitical importance of this route.

Von der Leyen proposed formalizing this cooperation through an EU-Azerbaijan Connectivity Partnership encompassing transport, energy, and digital infrastructure. The initiative would be accompanied by a High-Level Connectivity Dialogue intended to coordinate political priorities and identify projects requiring international financing. This represents an attempt to move the relationship from general support for connectivity toward a more structured institutional framework.

The most significant practical proposal was a Regional Connectivity Investment Conference to be held in Baku by the end of 2026. The conference is expected to bring together Azerbaijan, other South Caucasus and Central Asian governments, international financial institutions, and private investors. Locating the conference in Baku confirms Azerbaijan's position to serve as the principal organizing hub for the western section of the Trans-Caspian route.

Under the Global Gateway initiative, von der Leyen announced up to €200 million in EU grants for regional connectivity. The Commission estimates that these grants could mobilize approximately €2 billion in combined public and private financing. Potential beneficiaries include the planned railway connection to Nakhchivan and the further expansion of the Port of Baku. In January, the European Union, Azerbaijan, and the European Bank for Reconstruction and Development had already launched a feasibility study for the Nakhchivan railway project.

The proposed financing is significant because the Middle Corridor's continued expansion requires investment beyond the resources of individual transit states. Railways, ports, ferry capacity, border facilities, digital customs systems, and energy infrastructure must develop in parallel if the route is to compete with established alternatives. EU grants can reduce the risks of these investments and encourage participation by international financial institutions and private companies.

For Azerbaijan, the initiative also creates an opportunity to connect several national projects to a single international framework. Expansion of the Port of Baku, development of the railway network, the Nakhchivan connection, the Green Energy Corridor, the Trans-Caspian electricity cable, and regional digital infrastructure could all become components of a wider EU-supported connectivity architecture. This would strengthen Azerbaijan's position as a transit, energy, and digital hub between Central Asia and Europe.

The visit also gave political support to the resumption of negotiations over the institutional basis of Azerbaijan-EU relations. The current relationship remains formally governed by the Partnership and Cooperation Agreement signed in 1999, which no longer reflects the breadth of bilateral cooperation. Since the spring of 2026, the two sides have resumed substantive discussions on a new Comprehensive Agreement. The latest negotiating round, held in Baku on June 2–3, provisionally agreed Partnership Priorities for 2026–2030. These cover political dialogue, energy, connectivity, trade, investment, and digital cooperation, while negotiations on the Comprehensive Agreement continue. Von der Leyen personally endorsed this process and described the European Union as Azerbaijan's largest trading partner and principal foreign investor. A new agreement would consolidate cooperation that has already expanded beyond the framework established in 1999. It could also improve the conditions for bilateral trade and investment by providing clearer rules and more predictable mechanisms for dialogue.

This change in tone is particularly notable against the background of Azerbaijan's deteriorating relationship with the European Parliament. Since the Second Karabakh War, the Parliament has adopted more than a dozen resolutions critical of Azerbaijan. Following another set of hostile resolutions, the Milli Majlis voted in May to suspend cooperation with the European Parliament and begin withdrawing from the Euronest Parliamentary Assembly. The European

Commission has increasingly separated its own engagement from this parliamentary confrontation. Its approach is more pragmatic and reflects the importance of Azerbaijan to several immediate European objectives. These include replacing Russian energy, developing the Middle Corridor, reaching Central Asian markets, supporting the Armenia-Azerbaijan settlement, and expanding renewable-energy connections across the Black Sea and the South Caucasus.

President Ilham Aliyev characterized the relationship as having entered an unprecedented period of activity. That assessment reflects the frequency of high-level contacts as well as the expanding substance of cooperation. Von der Leyen's visit followed earlier trips to Baku by European Council President António Costa and EU High Representative Kaja Kallas, indicating that engagement now extends across the principal institutions responsible for the European Union's external policy. The Baku visit therefore illustrated a relationship being rebuilt around areas of practical interdependence. The European Union needs secure energy supplies, diversified transport corridors, and reliable access to Central Asia. Azerbaijan seeks investment, additional markets, international support for regional reconstruction amid its growing role in Eurasian connectivity. Von der Leyen's visit represented more than another declaration of partnership. It connected the political reset to specific financing commitments, institutional initiatives, and infrastructure projects.

III. Azerbaijan and Germany establish a strategic agenda for bilateral partnership

President Ilham Aliyev's working visit to Berlin on July 20-21 marked the most substantial institutional development in Azerbaijani-German relations since the two countries established diplomatic ties. Meetings with German President Frank-Walter Steinmeier, Chancellor Friedrich Merz, and representatives of German business culminated in the adoption of a Joint Declaration

on a Strategic Agenda for Bilateral Partnership and an agreement to establish a Germany-Azerbaijan Economic Council. Together, these measures broaden the relationship beyond its traditional concentration on hydrocarbons and establish a framework encompassing energy security, transport connectivity, trade, investment, renewable energy, and regional stability.

The visit began with President Ilham Aliyev's meeting with Michael Harms, Chairman of the Eastern Committee of the German Economy. Discussions covered opportunities for expanding cooperation in energy, transport, agriculture, tourism, and other sectors. The meeting placed economic engagement at the center of the visit and demonstrated the importance both governments attach to increasing direct contact between Azerbaijani institutions and German companies.

Political discussions continued on July 21 through separate meetings with President Steinmeier and Chancellor Merz. At the joint press conference following the talks, Chancellor Merz described the South Caucasus as an increasingly important connectivity hub between Europe and Asia. His remarks reflected the wider strategic context in which Germany now approaches Azerbaijan. Baku is no longer viewed primarily as an energy supplier on Europe's eastern periphery but increasingly as a partner connecting European markets with the Caspian basin and Central Asia.

The Berlin visit formed part of a broader intensification of European engagement with Azerbaijan during 2026. It followed visits to Baku by European Council President António Costa in March, EU High Representative Kaja Kallas in May, and European Commission President Ursula von der Leyen on July 1. Italian Prime Minister Giorgia Meloni and Slovak President Peter Pellegrini also visited Azerbaijan during this period. President Ilham Aliyev has described Azerbaijan's relationship with the European Union as having entered an unprecedented period of activity, with EU member states now accounting for more than 40 percent of the country's foreign trade.

Germany's adoption of a strategic bilateral agenda adds Europe's largest economy to this wider process of recalibration.

Azerbaijani-German relations rest on a foundation extending back to the beginning of Azerbaijan's independence. Germany recognized Azerbaijan in January 1992, and diplomatic relations were established the following month. Azerbaijan's embassy in Berlin became its first diplomatic mission in Western Europe. For much of the subsequent period, however, the relationship developed gradually and remained concentrated on trade and energy.

Political contacts have intensified considerably since 2023. President Ilham Aliyev has visited Germany five times during this period, including two visits to Berlin at the invitation of former chancellor Olaf Scholz. President Steinmeier's visit to Baku in April 2025 was the first by a German head of state. The frequency of these exchanges indicates that bilateral relations have acquired greater political weight alongside their established commercial importance.

The relationship also possesses a historical and cultural dimension. German Swabian settlers established Helenendorf, now Goygol, and Annenfeld, now Shamkir, in Azerbaijan in 1818–1819. Azerbaijan commemorated the bicentenary of these settlements through a presidential decree in 2017. Today, institutions including the German Academic Exchange Service and the Goethe Center in Baku sustain academic, linguistic, and cultural cooperation, giving the bilateral partnership a societal foundation beyond government and business contacts.

Energy nevertheless remains the structural core of the relationship. The basis for direct commercial cooperation had been established before the present energy crisis. In 2013, Germany's Uniper concluded a contract with the State Oil Company of Azerbaijan for the annual purchase of up to 1.5 billion cubic meters of natural gas through 2045. This arrangement was supplemented in 2025 by a ten-year contract with Securing Energy for Europe,

increasing potential Germany-bound volumes to approximately three billion cubic meters annually.

Azerbaijani gas began flowing directly to Germany and Austria through the Trans Adriatic Pipeline in January 2026. President Ilham Aliyev highlighted this development during his press conference with Chancellor Merz, describing the beginning of supplies as an important stage in bilateral energy relations. Azerbaijan exported approximately 25 billion cubic meters of gas valued at around \$8.8 billion in 2025, reaching 16 markets. Germany's Foreign Ministry also lists Azerbaijan among the country's ten most important suppliers of crude oil.

The immediate energy partnership is therefore based on both oil and natural gas. Its importance to Germany derives not only from the volumes involved but also from Azerbaijan's contribution to the diversification of suppliers and transport routes. As Berlin continues to restructure its energy system, reliable access to Caspian resources reduces its exposure to disruption affecting any single source.

There remains potential to expand gas deliveries, but this depends on additional investment. President Ilham Aliyev stated in Berlin that Azerbaijan could increase supplies to Germany but identified financing as the principal constraint. Higher production and export volumes require investment in upstream development and transport capacity. European financial institutions, however, have become increasingly reluctant to support hydrocarbon projects because of climate-policy commitments. Germany and other EU member states continue to require additional gas from alternative suppliers, yet the financing needed to bring these volumes to market has become more difficult to secure. From Azerbaijan's perspective, European demand must be accompanied by long-term contracts and a willingness to finance the infrastructure required to satisfy it. Without these commitments, the political objective of expanding supplies may not translate into greater production.

The relationship is nevertheless developing beyond conventional energy. More than 250 German companies now operate in Azerbaijan across manufacturing, construction, logistics, technology, and energy. The proposed Germany-Azerbaijan Economic Council is intended to give this activity a more permanent institutional framework by facilitating contact between businesses, identifying investment opportunities, and addressing practical barriers to commercial cooperation.

Bilateral trade reached approximately €1.7 billion in 2025. Although modest relative to Germany's commerce with larger partners, the composition of trade demonstrates a degree of complementarity. German exports consist principally of machinery, industrial equipment, electronics, and vehicles, while Azerbaijani exports remain dominated by energy resources but increasingly include agricultural and processed products such as wine, fruit juices, hazelnuts, tea, and fresh produce. The only German Chamber of Commerce operating in the wider region is located in Baku, reflecting Azerbaijan's role as a base for German commercial activity in the South Caucasus.

Transport connectivity is becoming a further pillar of cooperation. Germany's export-oriented economy depends heavily on reliable access to international markets and resilient supply chains. The Middle Corridor, extending from China and Central Asia across the Caspian Sea, Azerbaijan, Georgia, and Türkiye, offers an increasingly important alternative to routes passing through Russia or vulnerable maritime passages.

Azerbaijan occupies the central position in the western section of this corridor. Its investments in the Port of Baku, the Baku-Tbilisi-Kars railway, Caspian shipping, and the Alat Free Economic Zone connect Central Asian producers with Türkiye and European markets. These assets also provide German companies with improved access to the growing economies and resource markets of Central Asia, including Kazakhstan's critical minerals and Uzbekistan's developing industrial sector.

This connectivity agenda complements the European Union's wider regional strategy. Since 2024, Brussels has committed approximately €13 billion to projects involving Central Asia and the Middle Corridor through the Global Gateway initiative. European Commission President von der Leyen's July visit to Baku added proposals for an EU-Azerbaijan Connectivity Partnership, a High-Level Connectivity Dialogue, and a Regional Connectivity Investment Conference. Germany's bilateral strategic agenda reinforces these European initiatives while creating opportunities for German engineering, logistics, construction, and technology companies to participate in the corridor's development.

Renewable energy represents another area in which the two economies possess complementary interests. Germany aims to generate 80 percent of its electricity from renewable sources by 2030 and requires substantial investment in transmission networks, storage, hydrogen production, and related technologies. Azerbaijan is simultaneously expanding solar and wind generation while seeking to become an exporter of clean electricity.

President Ilham Aliyev reiterated in Berlin that Azerbaijan intends to supply green energy to European markets. The proposed Black Sea Submarine Cable would allow renewable electricity produced in Azerbaijan and other South Caucasus countries to reach Southeastern Europe. Azerbaijan is also developing a high-voltage transmission line extending through southern Armenia toward Türkiye. If implemented, these projects could gradually integrate the electricity systems of the Caspian region, the South Caucasus, Türkiye, and continental Europe.

Germany can contribute capital, engineering expertise, grid technology, and industrial equipment to these projects. Azerbaijan, in turn, offers renewable resources, available land, access to the Caspian Sea, and a location connecting several regional electricity markets. Green energy therefore provides a basis for extending the bilateral partnership beyond the period in which

natural gas remains the dominant component of energy trade.

Regional stability formed the political counterpart to this economic agenda. Chancellor Merz welcomed progress in the peace process between Azerbaijan and Armenia and emphasized its importance for the stability of the South Caucasus. A lasting settlement would reduce political risk around the transport and energy infrastructure that Germany and the European Union increasingly regard as strategically important.

The regional security environment has changed substantially since Azerbaijan restored full sovereignty over Garabagh in 2023. Russia withdrew its peacekeeping contingent from Azerbaijan in April 2024, approximately 18 months before the expiry of its original mandate. Azerbaijan consequently became the only post-Soviet state in the South Caucasus and Eastern Europe without a Russian military presence on its internationally recognized territory.

The peace agreement between Azerbaijan and Armenia has nevertheless remained at the initialing stage. Azerbaijan cannot sign the treaty while Armenia's constitution retains language containing a territorial claim against Azerbaijan. President Ilham Aliyev has stated that the treaty could be signed immediately after Armenia removes this obstacle. Its formal conclusion therefore depends primarily on Armenia's constitutional and referendum process rather than on unresolved negotiations over the text of the agreement itself.

The European Union has played an important role in establishing the principles underpinning the peace process. At the first European Political Community summit in Prague in October 2022, Azerbaijan and Armenia reaffirmed their adherence to the 1991 Alma-Ata Declaration, recognizing each other's territorial integrity and sovereignty within the former Soviet administrative borders. This formula subsequently became the basis for border delimitation and negotiations on the peace agreement.

Von der Leyen reinforced this position during her July 1 visit to Baku, describing the initialing of the treaty as the most important regional development in decades. The European Commission also announced up to €200 million in Global Gateway grants for South Caucasus connectivity projects. German support for the peace process thus operates within a broader European strategy that connects regional normalization with transport, energy, and investment.

The Joint Declaration signed in Berlin also reflects a wider adjustment in German foreign economic policy. Since 2022, Germany has sought to build closer relations with a broader group of energy producers, transit countries, and emerging markets. This process responds simultaneously to the loss of Russian energy supplies, disruption to established trade routes, and prolonged weakness within the German economy.

Germany experienced economic contraction in both 2023 and 2024, its longest period of stagnation in decades. With exports accounting for approximately 43 percent of gross domestic product, the country requires new markets and more resilient supply chains as much as it requires alternative sources of energy. Azerbaijan offers both: an energy supplier and transit state with growing domestic investment needs and access to the wider Caspian and Central Asian regions. For Azerbaijan, closer relations with Germany provide access to capital, industrial technology, engineering expertise, and one of Europe's largest consumer markets. The partnership also gives Baku another important bilateral channel within the European Union.

President Ilham Aliyev's Berlin visit therefore formalized a relationship that has expanded considerably since 2022. Energy diversification created the initial momentum, but cooperation now encompasses the Middle Corridor, renewable electricity, industrial investment, agriculture, tourism, and regional security. The establishment of an Economic Council and the adoption of a

Strategic Agenda provide institutional mechanisms through which these interests can be developed.

IV. Azerbaijan-Kyrgyzstan relations enter a new phase

President Ilham Aliyev's state visit to Kyrgyzstan, which began on July 30, substantially strengthened the political and institutional foundations of relations between Baku and Bishkek. During talks in Cholpon-Ata on July 31, President Ilham Aliyev and Kyrgyz President Sadyr Zhaparov signed a Treaty on Allied Relations and adopted the decision of the third meeting of the Azerbaijan-Kyrgyzstan Interstate Council. A broader package of agreements covered transport, logistics, energy, investment, digitalization, financial regulation, education, and interregional cooperation. The visit therefore provided both a political framework and a practical economic agenda for a relationship that has expanded considerably since 2022. The Treaty on Allied Relations was the principal outcome. Azerbaijan and Kyrgyzstan had established a strategic partnership in April 2022, when the two presidents also created the Interstate Council as the principal mechanism for coordinating bilateral relations. Four years later, the Treaty on Allied Relations places relations at their highest formal level and commits the two countries to closer cooperation in foreign policy, security, trade, and international organizations.

President Ilham Aliyev emphasized that allied relations involve greater responsibilities than conventional diplomatic partnership. The President stated that Azerbaijan and Kyrgyzstan would continue supporting each other on international platforms, expanding economic relations, and cooperating on security. President Zhaparov similarly described the treaty as the beginning of a new stage and presented Azerbaijan as a reliable political partner for Kyrgyzstan.

The Treaty on Allied Relations with Kyrgyzstan fits a wider pattern in Azerbaijan's relations with Central Asia. Baku has progressively elevated its ties with the region from cultural and diplomatic

affinity to institutionalized political and economic partnerships. Azerbaijan and Uzbekistan signed a Treaty on Allied Relations in 2024, while relations with Kazakhstan have also developed into a close strategic partnership supported by extensive transport, energy, and investment cooperation. The new treaty with Kyrgyzstan extends this network and reinforces Azerbaijan's position as the South Caucasus state most closely integrated with Central Asia. Both countries participate actively in the Organization of Turkic States, where they support closer coordination in trade, transport, energy, digitalization, education, and foreign policy. The third meeting of the Interstate Council demonstrated the extent to which the relationship has become institutionalized. Chaired by the two presidents, the Council brings together the principal ministries and agencies responsible for implementing agreements. Its regular meetings provide a mechanism for reviewing earlier commitments, assigning new tasks, and maintaining political oversight over economic projects.

The new package of documents signed between the two countries covered international road transport, freight transportation, vessel traffic, shipbuilding, petroleum supplies, digital cooperation, finance, cybersecurity, education, and cultural relations. Azerbaijan and Kyrgyzstan also adopted an energy cooperation roadmap for 2026–2027. Investment cooperation has emerged as one of the most important elements of this agenda. The Azerbaijan-Kyrgyzstan Development Fund was established in 2022 with initial capital of \$25 million to finance projects undertaken by businesses registered in Kyrgyzstan. Its capital was subsequently increased to \$100 million in response to growing demand and the number of proposed projects. During the Cholpon-Ata visit, the two presidents agreed to double the Fund's capital again to \$200 million. President Ilham Aliyev indicated that even this amount might not represent its eventual limit, pointing to the number of investment proposals and the Fund's transition toward concrete implementation.

Three joint projects financed through the Fund were inaugurated during the visit, while implementation began on eight additional initiatives. This represents an important transition from establishing the financial mechanism to producing identifiable commercial projects. The Fund allows Azerbaijan to support selected sectors of the Kyrgyz economy while giving Azerbaijani companies an institutional channel through which to enter the Central Asian market. Tourism provides one of the most visible examples of Azerbaijani investment in Kyrgyzstan. During the visit, the two presidents inaugurated a five-star hotel on the shore of Lake Issyk-Kul constructed with Azerbaijani participation. President Zhaparov described the project as both a contribution to Kyrgyzstan's tourism sector and a symbol of the friendship between the two countries. The investment gives Azerbaijan a substantial commercial presence in one of Central Asia's principal tourist destinations while encouraging greater movement of people between the two states. Tourism cooperation has wider economic potential. Direct air links, joint promotion, investment in hospitality infrastructure, and simplified travel arrangements can increase visitor numbers in both directions.

Transport connectivity formed another central component of the talks. The parties signed an agreement on international automobile transport and a memorandum covering freight traffic, vessel operations, and shipbuilding. These documents are particularly important because Azerbaijan and Kyrgyzstan do not share a border. Their bilateral commerce depends on transit through Kazakhstan or Uzbekistan and across the Caspian Sea. President Zhaparov described Azerbaijan as one of the principal links in the Middle Corridor connecting Central Asia with Europe. Kyrgyzstan's interest in the route is expected to increase as construction proceeds on the China-Kyrgyzstan-Uzbekistan railway. Once completed, that line will give Kyrgyzstan a more direct connection with western China and Uzbekistan while creating additional possibilities for cargo to continue toward the Caspian Sea.

For westbound Kyrgyz cargo, Azerbaijan provides the connection between Central Asian transport networks and Georgia, Türkiye, and European markets. Goods can reach Caspian ports through Kazakhstan or Uzbekistan and Turkmenistan, cross to the Port of Baku, and proceed by rail through the South Caucasus. The Baku-Tbilisi-Kars railway offers onward access to Türkiye, while Georgian Black Sea ports provide an alternative maritime outlet.

The agreement on freight traffic and vessel operations suggests that Baku and Bishkek are beginning to address the full multimodal chain rather than treating road, rail, and Caspian shipping as separate sectors. Efficient Kyrgyz participation in the Middle Corridor will require coordination of tariffs, customs procedures, digital documentation, port schedules, and shipping capacity across several countries. Azerbaijan's relations with all the principal transit states place it in a favorable position to facilitate this process. Shipbuilding cooperation provides another possible dimension. Azerbaijan operates the largest shipyard in the Caspian region and is expanding its merchant fleet to meet rising demand along the Middle Corridor. Kyrgyzstan is landlocked and has no direct maritime industry, but its cargo depends on Caspian shipping when moving westward. Cooperation in vessel traffic and shipbuilding therefore concerns the transport capacity available to Kyrgyz exporters rather than the development of a Kyrgyz maritime sector in isolation.

The Middle Corridor also gives the bilateral relationship a broader geopolitical significance. Kyrgyzstan remains economically integrated with Russia through the Eurasian Economic Union and maintains close economic ties with China. Participation in trans-Caspian transport does not require abandoning these relationships. It instead gives Bishkek an additional route and reduces the risks associated with excessive dependence on any single direction.

Energy cooperation also gained greater practical content. The two governments adopted a roadmap

for 2026–2027 and signed a memorandum concerning Azerbaijani supplies of oil and petroleum products. Kyrgyzstan is heavily dependent on imported fuels and has periodically experienced supply pressures. Azerbaijan can provide an additional source of petroleum products.

Digitalization and cybersecurity were also included in the agreements. These areas have become increasingly important to both bilateral administration and the Middle Corridor. Electronic customs documents, digital freight permits, cargo-tracking systems, and interoperable government platforms are necessary for reducing transit delays. Azerbaijan's experience with the ASAN service model and digital public administration has already become an area of cooperation with several Central Asian states, including Kyrgyzstan.

Cultural and educational relations continued to support the political partnership. Azerbaijan has financed the construction of a school named after the Manas epic in Kyrgyzstan, while Kyrgyzstan has contributed to the reconstruction of Karabakh. President Ilham Aliyev thanked President Zhaparov for this assistance, presenting it as an expression of solidarity with Azerbaijan after the restoration of its territorial integrity. The visit also expanded cooperation between individual cities. Shusha and Cholpon-Ata, Gabala and Karakol, and Ganja and Osh established sister-city relationships. These pairings connect cities with comparable cultural, tourism, or regional functions and create channels for local-government, educational, and cultural exchanges.

The pairing of Shusha and Cholpon-Ata carries particular symbolism. Shusha occupies a central place in Azerbaijan's cultural identity and post-conflict reconstruction, while Cholpon-Ata is an important cultural and tourism center on Lake Issyk-Kul. Their cooperation links the bilateral cultural agenda with tourism development and the wider political significance attached to Shusha.

The exchange of state honors further demonstrated the importance both governments

placed on the visit. President Zhaparov awarded President Ilham Aliyev the First Class Order of Manas, Kyrgyzstan's highest state distinction. President Ilham Aliyev conferred the Heydar Aliyev Order on President Zhaparov. The timing and location of the visit added a wider regional dimension. President Ilham Aliyev's arrival coincided with meetings in Cholpon-Ata involving the leaders of Kyrgyzstan, Uzbekistan, Tajikistan, and other Central Asian states. Azerbaijan's participation reflected its admission as a full participant in the Consultative Meetings of Central Asian Heads of State in 2025.

During the informal meeting on July 31, President Ilham Aliyev described relations with Central Asia as one of Azerbaijan's leading foreign-policy priorities and stated that Baku intended to participate actively in the consultative format. This emerging format complements the Organization of Turkic States without duplicating it. The consultative format brings Azerbaijan together with all five Central Asian republics, including Tajikistan, and is structured around geographic proximity, transport connectivity, economic coordination, and shared regional interests. Kyrgyzstan's importance to Azerbaijan therefore extends beyond the volume of bilateral trade. As an active member of the Organization of Turkic States and a participant in Central Asian consultative mechanisms, Bishkek supports Azerbaijan's effort to connect the South Caucasus institutionally with Central Asia.

President Ilham Aliyev's visit thus consolidated Kyrgyzstan's place within Azerbaijan's expanding Central Asian policy. For Kyrgyzstan, Azerbaijan offers investment, energy cooperation, and access to the trans-Caspian route toward Türkiye and Europe. For Azerbaijan, Kyrgyzstan provides another allied partner within Central Asia and the Organization of Turkic States while contributing additional cargo, investment opportunities, and political support for Baku's regional initiatives. The visit's broader significance lies in the gradual emergence of a more integrated political and economic space between Central Asia and the

South Caucasus. Azerbaijan's allied relationships with Uzbekistan and Kyrgyzstan, close strategic partnership with Kazakhstan, and participation in the Central Asian consultative format are reinforcing its position as the western extension of the region. The agreements signed in Cholpon-Ata demonstrate that this integration is increasingly supported not only by shared identity and political declarations but also by investment funds, transport arrangements, energy cooperation, and permanent interstate institutions.