



NEWSLETTER

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Azerbaijan and US Sign Energy Security Memorandum

On March 22 U.S. Secretary of State Condoleezza Rice and Azerbaijani Foreign Minister Elmar Mammadyarov signed a U.S.-Azerbaijan Memorandum of Understanding on Energy Security Cooperation in the Caspian Region in Washington. The agreement expresses the intention of the Governments of the United States and Azerbaijan to convene a high-level dialogue on energy security in the Caspian region co-chaired by the U.S. Department of State and the Ministry of Foreign Affairs of Azerbaijan. The high-level dialogue will aim to deepen and broaden already strong cooperation among governments and companies to expand oil and gas production in Azerbaijan for export to global markets. Of particular focus will be realization of the Turkey-Greece-Italy gas pipeline, and potentially the Nabucco and other pipelines, with Azerbaijani gas, to help Europe bolster its energy security by diversifying its natural gas supplies. This Memorandum of Understanding forms an important element in the growing partnership between Azerbaijan and US, which includes cooperation on energy, democratic and market economic reform, and security.

Azerbaijan-EU Talks about Armenia-Azerbaijan Conflict and Energy Security

On March 20 Azerbaijan's Deputy Foreign Minister Araz Azimov visited Brussels to talk with EU representatives about the Armenia-Azerbaijani conflict. Mr. Azimov addressed to the European Parliament's South Caucasus delegation explaining Azerbaijan's stance about the future settlement of Nagorno-Karabakh region. Mr. Azimov reaffirmed that territorial solutions should be based on the international law.

He pointed out that Kosovo should not serve as a precedent for the resolution of any other conflict, and Armenia-Azerbaijan one in particular. "The Kosovo issue is different from the Azerbaijani-Armenian conflict," Mr. Azimov said. "In this conflict, we have an open territorial claim by Armenia on Azerbaijan. We have an open war that erupted in 1992; even earlier we had these military hostilities." He said Armenia must allow Azeri refugees to return to the disputed enclave and the outlying occupied territories before talks on a resolution can hope to progress.

The Azerbaijani official also addressed an issue of growing significance of energy security for the EU. Mr. Azimov promised that Azerbaijan would help the EU diversify its energy partners but the latter should also play more active role in promoting new links from central Asia and Caucasus to Europe. "We signed last year a memorandum on energy partnership with the EU," he said. "But I'm talking now about the further extension of this. It is not only between Azerbaijan and the EU. It is between Azerbaijan, the European consuming nations, the European transit nations, and Turkmenistan and Kazakhstan -- the trans-Caspian link."

Azerbaijan Invests \$500 million to Development of Highways in 2007

Musa Panahov, the deputy minister of transport of Azerbaijan informed that the government of Azerbaijan plans to invest \$500 million in 2007 into development of highways in Azerbaijan. "Those funds will generally be directed to construction of new roads and reconstruction of existing ones", Mr. Panahov said. Financing of the projects is generally carried out together with the international financial institutions.