

STRATIGMA

Central Asia & Caucasus Outlook Series

Azerbaijan: Energy Corridors and Strategic Geography

How hydrocarbon resources, Caspian transit routes and regional partnerships are reinforcing Azerbaijan's role as a bridge between the Caspian and Europe

A strategic briefing on Azerbaijan's positioning as a key energy supplier and emerging multimodal transit hub in the South Caucasus.

Context

Situated at the crossroads of Europe and Asia, Azerbaijan occupies one of the most strategically significant positions in the South Caucasus. Its location along the Caspian Sea and its proximity to key regional transit routes have made the country a central actor in Eurasian energy and transport networks.

Over the past decades, Azerbaijan has leveraged its hydrocarbon resources and geographic position to become a key energy supplier and transit hub linking the Caspian region to European markets.

Today, the country's strategic relevance extends beyond energy production to include its role in emerging logistics corridors.

What's Changing?

1) Energy Exports Remain a Cornerstone of the Economy

Azerbaijan has built its international profile around oil and natural gas production and export. Energy projects have supported:

- Government revenues
- Infrastructure development
- International partnerships

Energy remains a central pillar of the country's economic and geopolitical positioning.

2) Energy Corridors Are Strengthening Regional Connectivity

Azerbaijan plays a key role in transporting Caspian energy resources to international markets. Energy infrastructure projects linking the Caspian region to Türkiye and Europe have reinforced the country's importance as a transit state.

Energy corridors are shaping regional cooperation and long-term partnerships.

3) Logistics and Transport Infrastructure Are Expanding

Beyond energy, Azerbaijan is investing in logistics and transport infrastructure aimed at strengthening its position within Eurasian trade corridors.

Ports, railways and transit facilities are being developed to support growing trade flows across the region.

The country is positioning itself as a multimodal transit hub.

4) Strategic Partnerships Are Shaping Regional Dynamics

Azerbaijan's geographic position encourages cooperation with neighboring countries and regional partners. Connectivity projects linking Central Asia, the Caucasus and Türkiye rely on cross-border

coordination and long-term partnerships.

Regional cooperation is essential for corridor development.

Why It Matters

Azerbaijan connects energy markets, transport corridors and regional trade routes.

Its strategic role influences:

- Energy security
- Transcontinental logistics
- Regional economic integration

The country serves as a bridge between the Caspian region and European markets.

Strategic Insight

Azerbaijan illustrates how energy resources and geography can combine to create long-term strategic relevance.

*As the Middle Corridor develops and Eurasian connectivity deepens,
Azerbaijan's role as both an energy supplier and transit hub
is likely to become even more significant.*