
Akhalkalaki or Gyumri?

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Armenia is irked by a proposal for a new cross-Caucasus railroad that would bypass the landlocked and blockaded country. From EurasiaNet.

Plans for the construction of a major railway linking Turkey to Azerbaijan via Georgia are prompting mounting concern in Armenia. Officials in Yerevan, fearing the completion of the railway would further isolate Armenia, have pressured Georgia to pull out of the multimillion-dollar project. The railway also is facing objections from the United States and the European Union.

Azerbaijan, Georgia, and Turkey revealed their intention to pursue the railway project in May 2005 during the ceremonial opening of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline. The presidents of the three nations said the rail link, estimated to cost roughly \$400 million, would promote regional economic integration and create a new transport corridor between Europe and Central Asia.

The project essentially boils down to laying an almost 100-kilometer-long rail track between the eastern Turkish city of Kars and the southern Georgian town of Akhalkalaki. Armenian officials insist that the project makes no economic sense, pointing to the existing railroad running from Kars to the northern Armenian city of Gyumri and on to the two other South Caucasus countries. The Kars-Gyumri link has stood idle for over a decade due to the continuing Turkish economic blockade of Armenia.

The Armenian government argues that that Turkey, Georgia, and Azerbaijan should make use of this Gyumri hub instead of spending hundreds of millions of dollars on building a new one. As an incentive, Yerevan has indicated that it would make the Gyumri hub available without insisting that Turkey lift its economic blockade. "Armenia is ready to let Turkey, Georgia, and Azerbaijan use the existing railway line on Armenian territory without Armenia's participation," Armenian Foreign Minister Vartan Oskanian reiterated during an official visit to Tbilisi on 27 June.

The issue was high on the agenda of Oskanian's talks with Georgia's President Mikheil Saakashvili and Foreign Minister Gela Bezhushvili. A statement issued by the Armenian Foreign Ministry said Oskanian "stressed the economic and political importance of the operation of the Kars-Gyumri-Tbilisi rail line." Armenian officials took little comfort in Bezhushvili's public assurances that the Turkish-Georgian-Azeri project is "purely commercial." They fear that the new railway would deepen Armenia's economic isolation. Aggressive statements made recently by Azeri officials, including President Ilham Aliiev, have helped fuel worries in Armenia.

The landlocked country has already been left out of regional energy projects such as the BTC pipeline, due to the unresolved Nagorno-Karabakh conflict.

Influential Armenian lobbying groups in the United States have joined Yerevan in trying to thwart the project. They were instrumental in securing a U.S. congressional committee's 15 June vote to endorse an amendment that would prohibit the U.S. Export-Import Bank from funding

the railway's construction. "With this amendment, we are sending a message to the governments of Turkey and Azerbaijan that continually excluding Armenia in regional projects fosters instability," said U.S. Representative Joseph Crowley, a member of the Democratic Party from New York who is the measure's main sponsor.

The amendment is expected to be considered by the full House of Representatives later this year. Similar legislation is pending in the U.S. Senate, and the Bush administration has not voiced objections to either bill. The ambassador-designates to Armenia and Azerbaijan assured pro-Armenian U.S. legislators during recent congressional hearings that Washington is against the construction of the Kars-Akhalkalaki-Tbilisi railroad. Without Export-Import Bank backing, U.S. companies would likely be reluctant to invest in the project.

The European Union seems to take a similar view. "A railway project that is not including Armenia will not get our financial support," the EU's external relations commissioner, Benita Ferrero-Waldner, said in Yerevan last February.

Turkey and Azerbaijan appear undaunted by U.S. and EU expressions of displeasure. Turkish Foreign Minister Abdullah Gul discussed the issue with Aliev during a late June visit to Baku. The Turkish Daily News newspaper quoted Gul as telling the Azeri leader on 20 June that "Armenia can also join these projects if it wants." However, the Turkish Foreign Ministry spokesman, Namik Tan, clarified the next day that this could happen only after a resolution of the Karabakh dispute. The Karabakh peace process is currently stalemated.

Tan also downplayed the significance of likely U.S. funding restrictions. "I think the three countries have enough funds. We can finance [the railway's construction] in one way or another," he said.

Baku had hoped to begin work on the railway later this year and have it completed by 2008. But with Turkey, Georgia, and Azerbaijan having yet to agree on the sources of funding, this time frame seems unrealistic. Furthermore, the Georgian government is having what Gul reportedly described as "serious hesitations." This might explain why a planned meeting of the transport ministers of the three states, which had been planned for late June, has been postponed until late July.

The director general of Georgia's state-run rail network, Irakli Ezugbaya, publicly questioned earlier in June a feasibility study that was conducted and released by a Turkish company recently. The Caucasus Press news agency quoted him as saying that the study failed to predict the anticipated volume of cargo traffic along the would-be railway.
