A BRIDGE BETWEEN EAST AND WEST: TURKEY’S ENERGY POLICY

Azime Telli

ABSTRACT

Turkey with a strategic importance for oil and natural gas producers is also a candidate to be an energy market for the future. This paper deals with energy policy of Turkey as a bridge for energy to connect Europe to Asia and Middle East. The main variable that will influence the future of Turkey is about the decision on the energy transfer pipelines that will transfer the energy between the Asian and the European countries. Because of its geographical and strategic location, Turkey is in an important position to vary European countries supply. This article identifies the differences between being an energy corridor, hub or center. Turkey implements energy as a strategic foreign policy tool. This strategy, which is aimed at creating an energy transit corridor, can become proactive, making Turkey a hub or a center.

Key Words: Energy policy, energy security, Turkey, pipeline, energy corridor, geopolitical.

DOĞU VE BATI ARASINDA BİR KÖPRÜ: TÜRKİYE’NİN ENERJİ POLİTİKASI

Petrol ve doğal gaz üreticileri için stratejik bir öneme sahip olan Türkiye, gelecekte enerji pazarı olmaya da aday bir ülkedir. Bu çalışmada, enerji kaynaklarının Orta Doğu’dan Avrupa ülkelerine transferinde köprü konumunda olan Türkiye’nin enerji politikası ele alınacaktır. Türkiye’nin geleceğini etkileyecek olan temel değişken enerjinin Asya’dan Avrupa ülkelerine transferinde kullanılacak boru hatları konusundaki tercihidir. Türkiye, coğrafi ve stratejik konumu nedeni ile Avrupa

* PhD Student of Kocaeli University in International Relations, Lecturer at Ondokuz Mayis University.
Türkiye, Türkiye'nin stratejik dış politika araçları arasında yer almaktadır. Enerji transit koridoru haline getirmeyi hedefleyen bu stratejinin proaktifleştirmesisi Türkiye'yi enerji üssü ya da merkezi haline getirebilir.

**Anahtar Kavramlar:** Enerji politikası, enerji güvendiği, Türkiye, boru hattı, enerji koridoru, jeopolitik.

**Introduction**

Turkey with a strategic importance for oil and natural gas producers is also a candidate to be an energy market for the future. Turkey can be regarded as an energy corridor mainly because it is a natural bridge between Western Europe, the Southern Mediterranean and hydrocarbon rich regions in North and North-East Eurasia, the North-East Caspian and the East and South-East Middle East.

The main variable that will influence the future of Turkey is about the decision on the energy transfer pipelines that will transfer the energy between the Asian and the European countries. In fact, 73% of world’s proven oil and 72% of the world’s proven gas reserves are located in Turkey’s neighborhood, which includes the Russian Federation, the Caspian and the Middle Eastern countries as suppliers.1

As a result, Turkey has emerged as an energy transit country, yet with further aspirations to become an energy hub, and even an energy center. Because of its geographical and strategic location, Turkey is in an important position to vary European countries supply.2

**Turkey’s energy profile**

Turkey is at the crossroads of several volatile, strategically positions and has economically important regions, including the triangle of the Middle East, Central Asia and Caucasus. At present Turkey is the world’s 17th largest country in terms of

---


Turkey’s economy and approximately its population are 73 million people in 2010, so Turkey’s energy needs are increasing rapidly.\(^3\)

Total final energy consumption of Turkey has grown rapidly in the last decade. The energy demand of Turkey is growing by 8% annually, one of the highest rates in the world.\(^4\) Despite being encircled by the world’s largest energy-wealthy regions, Turkey can be called as an energy poor country.

As a net importer, and itself a major market for producers Turkey’s importance lies in its ability and willingness to develop a major transit system for gas as well as oil, enabling hydrocarbon resources to access European markets by pipeline routes from such diverse regions around Turkey, such as the Middle East, the Caspian Region and Central Asia.\(^5\)

**Turkey’s energy policy as a transit country**

Turkey’s economy requires growing new raw materials, however; limited domestic natural resources oblige her to meet its demand by buying from external resources. Therefore, energy policy of Turkey has direct links with her foreign policy.\(^6\)

The density of Turkey’s demand from outside, which means that 74% of the total primary energy consumption needs a supply of energy from surrounding regions and countries, has been increasing year by year. Therefore, Turkey’s relation with the countries which imports its energy is a critical issue in terms of foreign policy. In addition, Turkey’s geopolitical location is one of a crossing state for the countries with energy resources to export.\(^7\)

Thus, the issues of energy security, energy diplomacy and a national energy strategy in Turkey’s foreign policy are a concern not just for Ankara, but also for many related countries and Europe. Turkey’s national energy policy consists of three components.\(^8\)

---


The second one is to ensure a sustainable, high quality and cheap energy supply. The third is to function as a bridge of energy by maintaining the country’s geopolitical opportunities.

In this geographical position, Turkey directly or indirectly borders the oil and gas rich areas of the world. Surrounding regions, Middle East, North Africa, Caspian Basin and Russian Federation are all rich in oil and gas reserves. Among them, the latest reserves have been discovered in Caspian Sea. In the Caspian region, Kazakhstan, Turkmenistan and Azerbaijan are the countries that have substantial gas and oil reserves.

It is possible to say that, energy and sources of energy are directly related with the countries and region’s destiny. Turkey’s role as a gateway through which oil and gas enter the EU is becoming increasingly important as the EU deals with the interrelated problems of ensuring energy security and the provisions of energy supplies from multiple sources at competitive prices.\(^9\)

**Turkey’s energy strategy**

*Turkey as an energy transit corridor implies a variety of oil and gas pipelines, and other sorts of transportation, originating from Russia, the Caspian and the Middle East, not only for the Turkish market, but also for Europe and other markets via the Mediterranean.*\(^10\)

Turkey, in this scenario, receives certain transit fees; however, it fails to prioritise domestic needs, is satisfied with average transit terms and conditions, and can not re-export a considerable amount of the oil and gas passing through its lands.

*Turkey as an energy hub stresses Turkey’s extensive influence on a web of oil and gas pipelines as well as Liquefied Natural Gas (LNG) trade, not only in terms of its ability to influence transit terms and conditions, but also in re-exporting some of the hydrocarbons passing through this system.*\(^11\)

---


Compatibility between international agreements and the domestic energy mix is of utmost significance in avoiding a negative impact of one on the other and describes the level of success if Turkey becomes an energy hub.

*Turkey as an energy center depicts a situation in which Turkey’s energy hub features have been supported by massive investment, such as in nuclear power plants, a renewable energy program and a comprehensive infrastructure composed of additional refineries, natural gas storage facilities, LNG trains, vessels, marine terminals and ports. Turkey as an energy center also requires the achievement of sufficient energy intensity and a sustainable energy mix.*

According to this approach Turkey as a corridor refers to East-West pipelines. Turkey as an energy hub implies East-West and North-South pipelines. Turkey as an energy center defines multidimensional pipelines with extensive capacities as well as storage facilities to balance and regulate the flow of oil and gas from suppliers to markets. This categorization, which is extensively based on pipelines, skips the significant relationship between energy geopolitics, foreign policy initiatives and industry.

It is therefore useful to point out that Turkey’s interest in becoming an energy transit corridor, hub or center passed through four phases:

4. East-West and North-South energy transit hub originating from Russia, the Caspian Sea and the Middle East: 2009 and onwards.

Consequently, Turkey’s energy discourse turned into a “retroactive energy strategy” arising from the interaction of Turkey with concerned countries:

1. with the US, especially with oil and gas pipelines from the Caspian Sea, which led to the BTC oil and BTE gas pipelines;
2. with the EU as well as Greece and Italy with natural gas pipelines as in the cases of Turkey-Greece-Italy interconnections and the Nabucco project;

---

12 Gökhan Bacık, “Turkey and Pipeline Politics”, *Turkish Studies*, 7:2, 2006, p. 300.
14 Bilgin, ibid, p. 111.
3-with Russia with the Russia West and Blue Stream gas pipelines as well as the proposed Samsun-Ceyhan oil pipeline project;
4-with Azerbaijan and Georgia, with oil and gas transportation from the Caspian Sea to Turkey;
5-with Iran with the Tabriz-Erzurum-Ankara gas pipeline on the one hand and further extension projects from Turkmenistan to Turkey via Iran on the other;
6-with Iraq not only with the Kirkuk-Yumurtalik oil pipeline but also with the possibility of including Iraqi gas within the Nabucco pipeline;
7-with Iraq, Syria and Egypt with the extension of the Arab Gas pipeline to Turkey, and possibly to Europe via Nabucco;
8-with Qatar, with the possibility of a gas pipeline extension to Turkey and more LNG trade via Turkey;
9-with Israel with the possibility of extending pipelines from Ceyhan to Haifa.

Conclusions

Fossil energy (oil, coal and natural gas) is the most important energy sources for modern human life. Energy demand, especially electricity and natural gas, of Turkey is projected to grow by 8% annually. It should be noted that approximately 74% of Turkey’s energy demand is met by imports from other countries.

Turkey has several projects about natural gas’s usage in country and its transport to Europe. Also, this trend is likely to continue in the near future. In order to realize the aim of becoming the energy bridge between the West and East, Turkey should have an energy policy compatible with that of EU.

Europe and Turkey are rapidly growing importers and consumers of natural gas, due to the fact that Turkey is surrounded by major gas exporting countries in the Middle East and the Middle Asia. It is expected that significant amounts of crude oil and natural gas will be transported via Turkey to the European countries in the near future.

Turkey, under these conditions, emerges as an energy corridor with certain geopolitical advantages. Can Turkey move on from being an energy transit country to an energy hub, or even a center, with strategic advantages? This may be possible, yet it is constrained by certain discrepancies and it is highly related to several contingencies.

First of all, Turkey will need, and in fact is in search of, the construction of additional oil and gas pipelines under good contractual terms from suppliers such as
Turkmenistan and Iran. Secondly, Turkey suffers not only from “take or pay” and “no re-export” obligations in its international gas agreements, but also from inconsistency in its domestic energy structures.16

Bibliography

Emre İşeri and Oguz Dilek, “The limitations of Turkey’s new foreign policy activism in the Caucasian regional security complexity”, *Turkish Studies*, Volume 12, No 1, 2011, p. 41–54.


Tuncay Babali, “Turkey at the Energy Crossroads”, Middle East Quarterly, 16 (2), Spring 2009, p. 25-33.
