

The bilateral and economic relations of Greece and Azerbaijan.

Konstantia Darvidou, Evangelos Siskos

After the independence of Azerbaijan from the former Soviet Union in 1991, Greece established diplomatic relations and economic cooperation between the two countries, in 1992. It is also important to note that Greece opened an Embassy for the first time in Baku in 1993, and only after that in two other states of the South Caucasus.

Greece and Azerbaijan share not only recent ties as modern states, but also long-standing ties dating back to ancient times, when the Greeks were fascinated by the Caucasus, with references to Greek mythology. Later, the presence of the Greeks on the shores of the Caspian at the time of the friendship between Alexander the Great and Atropates, the first king of Azerbaijan in 323 BC (former Satrap: Governor), was the starting point for the long historical journey of friendship between the two countries. In the period 336–323 BC there was a short rule by the king of Macedonia, Alexander.

The friendship and affection of Alexander the Great for Atropatis was great. The daughter of Atropates married Alexander's trusted general and head of his cavalry, Perdikkas, at a famous mass wedding of Greek soldiers at Susa in February 324 BC. Perdikkas became regent of Azerbaijan after the death of Alexander the Great on June 10, 323 BC. Perdikkas was the son of Orontes, a noble from Orestida in Upper Macedonia (today's Argos Orestikos in Kastoria) and was one of the Successors of Alexander the Great.

The Eastern Roman (Byzantine) Greeks, while pushing Sassanid Persia out of the region of Azerbaijan, ruled around the Absheron peninsula until 643 AD, shortly before the Arab conquest of modern Azerbaijan. (Piperigos Nikolaos, 2022).

More noticeably in the pre-modern era, the connection of the Greeks with Azerbaijan continued with Sultan Uzun Hassan of Aq Qoyunlu and his Greek wife Despina Hatun (Despina Komneni). Hassan was the last ally of the Greek Pontic Empire of Trebizond against their common rivals, the Ottomans of Asia Minor. Then the Turkish-speaking Ismail Hatay, the founding ruler of the Safavids , was proud of the Pontic Greek bloodline from his mother, daughter of Despina Hatun. (Piperigos Nikolaos , 2022).

In modern times, the Greeks who escaped persecution in Asia Minor, found refuge in the Khanate of Karabakh, from the 1820s, just before the Treaty of Turkmenjai. (Piperigos Nikolaos, 2022).

In the Karabakh Khanate (Karabakh Khan) of Azerbaijan, in the 19th century the Greeks were allowed to live in the current Azeri province of Aqdere, in Kalbajar, where they founded a unique Greek settlement, with the logical name Mehmana, which means "guests" in Azerbaijani. One can easily add here the historical legacy of the establishment of the Greek community in Azerbaijan, which had a positive effect on the ties between the two nations. Unfortunately, the Soviet purges in 1937 significantly weakened the Greek community, with executions, closings of schools, churches and even exiles to Asia Minor (Piperigos Nikolaos, 2022).

In 1994, the "Agreement between the Government of the Republic of Azerbaijan and the Government of the Hellenic Republic on economic, industrial and technological cooperation" was signed between Greece and Azerbaijan. In the last 30 years, 30 agreements have been

signed in a wide range of fields, such as economy, industry, energy, maritime transport, agriculture, mutual protection of investments, education, culture, air travel, etc.

In the period 1994-2004, many projects were signed between the two countries in the economic, industrial, technological, scientific, educational, cultural and tourism sectors.

Energy is the most developed sector in the bilateral trade relations of the two countries. Greece and Azerbaijan are strategic energy partners. Greece played a leading role in the implementation of the Southern Natural Gas Corridor, through the construction of the Trans Adriatic Pipeline (TAP), as stated by the Ambassador of the Hellenic Republic to the Republic of Azerbaijan. Greece now receives 1 bcm of Azerbaijani gas under a long-term PSA, which corresponds to about 15% of Greece's natural gas consumption and will increase to 2 bcm in 2023. This is a significant contribution to its energy security, in the period of prior geopolitical instability. In addition, with the operation of the Interconnector Greece-Bulgaria (IGB) in the year 2022, another 1 bcm of natural gas from Azerbaijan will flow from Greece to Bulgaria, which will further enhance regional energy diversification (Piperigos Nikolaos, 2022).

Today, Azerbaijan and Greece are successfully developing energy cooperation in energy projects and continue mutual investment and expansion of their trade relations.

A milestone in the relations between the two countries is considered the implementation of the Trans- Adriatic Gas Pipeline TAP project (Trans Adriatic Pipeline AG), which became a natural bridge between Azerbaijan and Greece. Thanks to this grand project, the two countries became strategic partners in the energy sector. The project also contributed to Greece's goal of becoming an energy hub in the region, as stated by the Ambassador of the Republic of Azerbaijan to the Hellenic Republic Anar Huseynov (Huseynov A., 2022).

Between the two countries the main bilateral communication tools of cooperation are:

- On December 2, 2000, the Azerbaijan-Greece Interparliamentary Friendship Group and the working and friendship groups operating in the parliaments of the two countries were established,
- The Greek - Azerbaijani Chamber of Commerce and Economy (Presidential decree 1791/23-03-2004)
- The Greece-Azerbaijan Friendship Society "Gala".
- Academic collaboration between Universities.

Greece is very strong in certain sectors, such as renewable energy sources, energy conservation, IT, pharmaceutical production, as well as modern agricultural techniques, tourism industry, consulting and shipping. The main focus for expanding relations with Azerbaijan includes IT, trade, agriculture, food industry, construction and tourism (Prevezanos, 2019).

The main goal of the economy of Azerbaijan today is to reduce its dependence on oil and gas production and refining and diversify through new industries, to achieve a reduction in its dependence on imports and to develop exports of high-tech finished products, services and communications, as well as strengthening the tourism industry. In tourism, renewable energy and agriculture, Greek companies have experience and know-how that can be successfully applied in Azerbaijan (Huseynov A., 2022).

The evolution of economic development models in the context of the current economy of Azerbaijan for the post-oil era is a significant challenge. It should be noted that the main

problem of economic development models concerns the distribution of income. An efficient distribution of income between consumption and savings creates a balanced and sustainable economic development in Azerbaijan. Human capital is the main driving force behind economic growth. Thus, investment in physical capital reduces productivity (eg Keynesian investment multiplier), while knowledge acquired through investment in human capital provides increased returns through the transfer of retained knowledge (Adalat Muradov, Yadulla Hasanli, Nazim Hajiyeve, Turaj Musayev, 2019).

Greece and Azerbaijan can cooperate to develop the tourism sector with mutual tourism flows between the two tourist markets to visit areas of outstanding natural beauty in both countries. As these countries have excellent tourist destinations for tourism organizations, Greek and Azeri airlines and tour operators have the possibility to open regular direct flights as well as charter flights.

In the field of education, the Greek Center at the Slavic University of Baku has been developed, which, apart from Athens, is the only capital in the world that has two active university programs in the Modern Greek Language – at the Slavic University of Baku and the Azerbaijan University of Languages (Nikolaos Piperigos, 2022).

At the Economic University of Azerbaijan (Azerbaijan State University of Economics, UNEC), in 2004 the former President of the Hellenic Republic, Konstantinos Stephanopoulos, was declared an honorary doctorate.

On June 15th 2015, at the University of Western Macedonia (Western Macedonia, Greece) the unique Greek - Azeri Interinstitutional / Interdepartmental M.Sc.MOGMAT, Joint Master's Program "Management and transportation of natural gas and oil" Petroleum oil and gas management and transportation – M.Sc. MOGMAT), was created between the two universities of Greece and Azerbaijan (University of Western Macedonia - UOWM and Economic State University of Azerbaijan (Azerbaijan State University of Economics - UNEC). This was to contribute to the development of friendship between the two countries, to support the bilateral academic, economic and energy cooperation of the two countries as well as the economic and investment activity of TAP- AG, as well as other related oil and natural companies gas in Greece and abroad.

In 2020 the Department of Mineral Resources Engineering of the Polytechnic School, as an accelerated Department in collaboration with the Department of "International and European Economic Studies", based in Kozani and the Department of Organization and Business Administration based in Grevena, of the School of Economic Studies of the University of Western Macedonia (PDM), in collaboration with the Azerbaijan State University of Economics (Azerbaijan State University of Economics , UNEC) re-founded and operate the International Greek - Azeri Inter-institutional - Inter- departmental joint Master 's Program M.Sc. MOGMAT. It was renamed "management and transportation of oil, natural gas and hydrogen" Greek - Azerbaijani International Inter - university – Interdepartmental common Master Program " Oil , Gas and Hydrogen management and transportation (M.Sc . MOGMAT) with Official Gazette 995 sq. B'/March 4, 2022.

The purpose of the international inter-institutional - inter-departmental joint Master's Program (MOGMAT) is to specialize higher education graduates in the fields of technology and economics of oil and gas production units. Students will receive international administrative and technical training for the preparation and development of leaders and general managers for careers in national and international transportation companies (by

pipelines and tankers of oil & LNG) and trading of oil, natural gas and hydrogen in Greece and the international market.

In addition to D.E.P. members, Greek and Azeri professors from the two cooperating institutions, guest lecturers D.E.P. members participate in the teaching of the postgraduate courses. Universities of the country or abroad, as well as renowned scientists of large oil multinationals BP and state companies, ELPE, Hellenic Hydrocarbon Management Company (EDEY), officials of the Ministry of Environment and Energy, etc.

The graduate school awards a Master's Degree with the degree "Oil, Gas and Hydrogen Management and Transport" and with the English title Master of Science Petroleum oil and gas management and transportation/Oil, Gas and Hydrogen management and transportation M.Sc. MOGMAT), with the co-signature of the rectors of the two universities.

The professional capabilities of graduates with diplomas are to be able to meet the needs of businesses and organizations of the Greek economy and the international market in matters of management, transportation of oil, natural gas and hydrogen (with pipelines and LNG tankers, LH2) and operation of natural gas production units gas, hydrogen and petroleum products. As highly qualified executives, graduates will be able to meet the practical and scientific needs of the oil and natural gas market and be used as leaders and managers in companies and organizations in the Greek, European and international market.

Table 1: Bilateral trade between Greece and Azerbaijan, 2011-2021
(current prices, in thousands of euros)

Year	Exports	Imports	Trade balance	Foreign trade volume
2011	11,262.4	162,531.7	-151,269.30	173,794.10
2012	13 . 927.6	634.841, 2	-620,913.60	648,768.80
2013	11 . 278.4	924. 288 , 0	-913,009.60	935,566.40
2014	32 . 172.3	527 . 985.0	-495,812.70	560,157.30
2015	7,669	221,351	-213,682.00	229,020.00
2016	23,754	2.403	21,351.00	26,157.00
2017	8,318	123,675	-115,357.00	131,993.00
2018	3,984	220,420	-216,436.00	224,404.00
2019	8,255	305,590	-297,335.00	313,845.00
2020	4,974	391,808	-386,834.00	396,782.00
2021	20,350	557,000	-536,650	577,350

Source: ELSTAT 2022, Office of Embassy Greece in Baku- Prevezanos P. 2021

The TAP Trans- Adriatic Natural Gas Pipeline (Trans Adriatic Pipeline AG), the company that undertook the construction of the natural gas pipeline in northern Greece and transports natural gas from Azerbaijan and the Caspian region to Europe, subsidized through the Bodosaki Foundation part of the tuition fees of the postgraduate students of the M.Sc. MOGMAT from academic years 2015 to 2020. This was included in the framework of the Social and Environmental Investment Program and the corporate social responsibility (CSR) initiatives that TAP implements in the areas crossed by the pipeline. Today the tuition fees for the M.Sc. MOGMAT is sponsored by the Azerbaijani KAPITAL BANK with the support of the Ministry of Education of Azerbaijan.

There is a great potential for the development of trade ties between the countries. The volume of foreign trade between Azerbaijan and Greece amounted to US\$577.3 million in 2021. In 2020, this figure was US\$396.7 million. The volume of foreign trade does not correspond to the potential of the two countries for the development of their trade relations. In this regard, additional cooperation opportunities in the fields of agriculture, renewable energy, construction, shipbuilding/repair and tourism should be explored (Huseynov A., 2022). It is expected that in 2022 the volume of foreign trade between Greece and Azerbaijan will exceed 2.5 billion euros. Thus, Azerbaijan is emerging as the 15th largest trading partner of Greece in the import of goods.

Bilateral trade between Greece and Azerbaijan in the decade 2011-2021 developed rapidly, and the trade balance in the last decade was negative for Greece, with the exception of 2016, when a positive balance was recorded (Table 1).

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