



Natural gas resources and their geopolitical competition in the Caspian Basin

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Abstract: This paper examines the geopolitical competition for control of gas assets in the Caspian Basin and the different transportation routes between the world powers: China, the United States, the European Union, and Russia. It also assesses the risks to gas pipeline projects from uncertainty in the Caspian countries. Russia's policy is also examined as a major actor in the region, emphasizing its gas assets and pipeline transportation systems. Russia uses natural gas for commercial reasons as well as for political matters to regain its international position. The study also assessed the impact of conflicts on the Caspian States' interests and their gas transportation paths to Europe.

Keywords: The Caspian Sea, assets, Pipelines, Natural gas, and rivalry.

1. Introduction:

Since the beginning of the 21st Century, energy strategy has become the essential theme of the E.U., as evidenced by a policy called New Energy Diplomacy. The energy strategy is more linked to security, and the economic challenges recently received the most attention. Changes in oil prices, uncertainty in some exporting and transit nations, geopolitical competition, the risk of terrorism, and commercial developments compete for assets and energy needs. For the E.U., the challenge is sufficient hydrocarbon resources and how securely these supplies will reach the European market. Currently, 88.1% of Europe's energy is the primary fuel, and this amount is probable to increase to 90% by 2030. European countries will consume up to 30% of their energy from primary fuels in natural gas during this period. In the future, Europe's natural gas demand may increase substantially, and natural gas production is insufficient to meet demand. This foreseen problem forced the European

Union to set its sights on the former Soviet Union, especially Russia. Germany, Italy, and the post-Soviet nations heavily depend on Russian natural gas [1]. Russia and E.U. are interdependent: Russia's economy is based on exporting gas and oil to Europe, while Europe is mainly dependent on Russia's gas. Russia's fuel is transported to E.U. via the former Soviet Union's pipeline network, 80% of which passes through Ukraine. The post-Cold War conflict between Ukraine and Russia eventually led to constant disputes between Kyiv and Moscow over natural gas supplies, debt, price issues, and cuts to Ukraine's natural gas supplies endangered European energy security. Russia has a virtual monopoly on European energy imports. The conflict between Russia and Ukraine has forced Europe to reconsider its energy security policies to avoid over-reliance on Russia. The Caspian Basin has a large number of natural gas resources. However, how to transport natural gas to the European market as the E.U. needs to change Russia's transport route. In the past decade, energy transportation has been a vital economic, national security, and political matter in Europe. In some nations, current and planned pipelines are under construction that could intersect, disturbing energy supplies. The European Union and Russia are currently planning new pipeline projects: South Stream, North Stream, and Nabucco join the existing transport paths. Overall, Russia is committed to implementing new gas pipeline routes on existing pipelines to export its energy to Europe, bypassing Ukraine. The Nabucco natural gas pipeline project has caused a divergence of interests between the United States, Russia, the E.U., China, Central Asian countries, and Turkey. The project is being implemented to modify the status quo in the region. At present, European Union nations rely on Russia for transit and energy, and Russia uses this situation to expand its influence and traditional interests in the E.U. This paper aims to analyze the geopolitics of the gas supply in the Caspian Basin and its transport routes to determine whether competition for energy supply could lead to international conflicts.

2. Research Questions

- What role does the gas supply from the Caspian Basin play in the diversification of the E.U. energy supply?
- How can Moscow use its gas supply and pipeline network to enhance its influence on the international stage and recover the lost ground in the former USSR?

3. Methodology

Comprehensive techniques were used to present the position of Caspian gas supplies in world energy. The data was mainly collected from Oxford Analytical, the U.S. Energy Information Administration Statistics, and Eastern European Gas Analysis.

4. The Caspian Sea Basin

Natural Gas is currently the core energy source for global industry (40%) and power generation (35%), and this share is expected to remain until 2030. Moreover, natural gas produces less carbon

dioxide than oil, reducing greenhouse gas emissions compared to other fossil fuels [2]. The global importance of the Caspian Basin's natural gas assets has increased considerably amidst the world's trend to promote energy efficiency and reduce emissions. Eurasia has the second-largest gas assets, with 2020 trillion cubic feet reserves, after the Middle East with 2549 trillion cubic feet. The Caspian's international interest is mainly because of its natural assets, which most nations see as an important source of diversification of their growing energy needs. Due to the Caspian Sea's geographic location, the E.U. is most interested in its natural gas assets, with strong contenders for its reserves being the United States and China. The Caspian's include Iran, Russia, and numerous Soviet nations. Five nations (Turkmenistan, Kazakhstan, Azerbaijan, Russia, and Iran) share the coast. The significance of the Caspian depends on oil and gas reserves. The Caspian Sea has six separate gas and oil basins, most of which reserves are unexplored. Over time, estimates of Caspian gas and oil assets have changed. In addition to the currently identified 18-34 billion barrels, the Caspian Sea floor's potential resources are estimated to be 200-230 billion barrels. The Caspian Sea's oil resources represent about a quarter of the proven assets in the Middle East. The gas assets are larger, accounting for two-thirds of the hydrocarbon assets in the area. Proved gas assets are assessed at 243–248 Tcf [3]. Turkmenistan, Uzbekistan, and Kazakhstan are among the 20 nations with the world's largest gas assets.

Fossil fuels remain the dominant energy mix, accounting for more than 75% of the total energy use growth between 2007 and 2030. Primary energy demand is expected to grow at a phased rate of 1.5 per cent per year to 2030, with a total increase of 40% [2]. In 2030, natural gas use will increase to 153 trillion cubic feet [4]. As a result of the economic crisis in 2009, energy investment has decreased, and current policies have set the world on an alarming path towards fossil energy. Without changes in energy policies, reliance on fossil fuels will rise, which will harm the environment and energy security. By 2030, OECD countries are expected to spend 25% of their GDP on oil and gas imports. Non-OECD nations are expected to spend even more. Trends in world energy demand by 2025 show that China's energy imports will surpass those of Americans, making China the largest energy importer. An annual growth rate of 2.5% in energy generation by 2030 implies an increase in coal and natural gas demand. More than 80 per cent of the increase occurs in non-OECD nations, with the largest increases occurring in the Asia and Middle East developing nations. However, with the emergence of new energy policies, the current climate discussions may change the energy trends. Since 2006, exceptional natural gas production in America and Canada is another adjustment to the world's natural gas demand, making these countries less dependent on LNG imports. For example, the ratio of natural gas production was 50percent in 2008, and it is estimated to grow to 60percent in the U.S. by 2030. Therefore, the demand for natural gas in North America may be lower than expected. This fact will greatly reduce the proportion of natural gas used for transportation in North America. The massive natural gas assets in Australia, China, India, and Europe remain untapped due to the absence of technical expertise and capital to develop them and the reserves gap with existing pipelines. The Asia

Pacific region and Europe are estimated to use the only 15percent of unconventional gas than the projected 60percent use of unconventional gas in the U.S. (2030). According to energy experts, because of rapid population and commercial growth, industrialization, and urbanization, energy demand in the Association of Southeast Asian Nations (ASEAN) countries will increase by approximately 76percent by 2030. ASEAN's demand for energy is growing at the rate of 2.5percent, higher than the rest of the world. With India and China's rise in the international energy sector, these trends indicate that global energy activities will focus on Asia. As southeast Asia has proven oil reserves of 1% of its needs, although it depends on coal for power generation, there could be a shortage of natural gas, which would increase its energy imports. It means that Europe's main competitors for Caspian and Russian energy supplies maybe Asia, mainly India, China, and ASEAN nations.

In the Caspian nations, both gas and petroleum regions are underdeveloped. In their nations, Kuwait and Saudi Arabia strongly reject foreign investment. The U.N. has seen multilateral trade sanctions and unilateral U.S. sanctions confronting Kuwait, Iraq, and Iran. The economy is poor in Ashgabat, Astana, and Baku. The hydrocarbon capital is the only way to address the economic downturn. Yet, there was not enough money to exploit gas and petroleum fields. As an important initiative for their economic development, their leaders contracted international inverters. The International Energy Agency plans to spend about 200 billion dollars on the Caspian Sea to promote oil and gas deposits' widespread production and utilization [5].

5. Russia and the Caspian Sea

The Russian officials claim that despite the significance of the Caspian Sea in Eurasian trade flows, the Russian Federation does not allow good use of its economic capacity. Russian experts stress that the Caspian transport system's construction is still inadequate, which essentially raises the Eurasian transit through Russia. In 2017, freight traffic volume rose more than 15%, relative to a 10% rise via Russia's Caspian zone. Russia's actual transit sales in this market were barely a third of the total. Russian seaports produced 260,8 million tons in 2018 of freight turnover, increasing 3,7% compared to 2017. But just 1.72 million tones – almost half the previous year – was indicated in the Caspian Basin. While transferring dry cargo increased by 16 per cent to approximately 1 million tons and wholesale cargo by 2.3 times, it is estimated that these statistics will decline in the coming years. Moscow, therefore, wants to increase the economic capacity of ports across the basin. In 2017, The Russian government accepted the Caspian Sea Growth Plan for linked road and rail transport by 2030. The plan aims to construct a secure logistics and transport corridor, developing tourism and trade mainly with Iran, India, and the Persian Gulf countries. There are plans to develop and build a deep seaport in Makhachkala, Olya, Astrakhan, and Kaspijsk by 2025. Also, the Russian Maritime Doctrine in 2015 mentions core initiatives to be pursued in the Caspian Basin in the coming years. In particular, the doctrine emphasizes the significance of establishing a modern gas and oil production

and exploration industry in the Russian region, including coastal transport infrastructure, in conjunction with environmental safety regulations. Furthermore, the doctrine emphasizes the need for active participation of Russian companies in geological discovery and exploration and that Russia's Caspian floor segment must be included in the underwater export pipeline scheme. Additional goals involve:

- Upgrading seaports.
- Encouraging international economic investment.
- Diversifying marine transport routes to distributing services and products to domestic and external markets.

The doctrine also contemplates the commercial fleet's modernization, especially river-sea and ferries, Caspian shipping companies, and tourist groups on beaches and eco-zones.

For the proposed plans to be efficient, massive investments will be required. Given Russia's current ties with the West and economic vulnerabilities, Moscow will find it challenging to contribute significant State funds to businesses in the Caspian region. Therefore, Russia wants to include coastal countries in joint economic plans to ensure investments in Russian Caspian regions from the Gulf countries. The former head of Dagestan, Mr Ramzan Abdulatipov, was assigned in 2010 to promote economic cooperation between Russia and other coastal countries as a special representative of the Russian President for economic and humanitarian cooperation with countries of the Caspian zone. Also, shareholders of major Russian firms are encouraged to engage in the economic activities of the country. For example, the current head of Dagestan, Vladimir Vassilyev, claimed that Sen. Suleiman Kerimov's company would be reported in Dagestan, which would help the republic's economy. The Russian government is also promoting a new initiative, the Eurasia Canal, to improve the Caspian-North Sea transport connections. The goal of the project is to counterbalance other East-West ties by promoting the growth of Russia's economic ties with nations such as Vietnam, China, Pakistan, Iran, India, and Kazakhstan, as well as to improve Russia's role in trade between the West and China, based on both economic and defense motives. More companies are listed as potentially important Russian transport ports on the Caspian Sea, also related to that channel. They are Makhachkala, Kaspijsk's expected new port in Dagestan, and Kalmykia's Lagan. Chebotarev indicated that Dagestan transport of products supplied, including by rail, involves an additional port. It will connect the Caspian Sea region to the Black Sea by road and rail and geopolitical and strategic importance. China has also indicated an interest in participating in these ventures, according to Russian officials. Kalmykia officials also said that JSC Port Lagan had reached agreements with two major Chinese construction companies. According to Port Lagan CEO, China Energy Engineering Group International and POLY Group can plan the port design and paperwork and commence construction. Russia has acquired legal power to control energy projects within the basin by formally ensuring its military domination through the Caspian Sea's 2018 Legal Status. While Article 14 of the Convention respects the Parties' right to build submarine or sea cables, coastal states coordinate their ventures according to

environmental standards. Therefore, as Russia has done, every one of the five Caspian States would pose concerns about cable ventures' environmental effects or trans-Caspian pipelines. This scenario would allow Russia to increase its economic and military deployment of influence in the Caspian basin and has many obstacles to achieve, given its plans and launches of new economic ventures. Subject to Western sanctions and competing ventures in the transport sector across Georgia, international investors remain hesitant. In Abdulatipov's opinion, there are no concrete effects so far in many compelling logistics, electricity, and transport ventures [6].

6. America and the Caspian Sea

For the United States, the Caspian region is both an obstacle and a possibility. On the one hand, the region faces many problems that the U.S. faces globally: a resurgent Russia, a bullying China, and an interfering Iran, coupled with the emergence of Islamic fundamentalism. In contrast, various economic opportunities exist in Europe and the U.S.: strong cooperation with regional countries may help solve wider problems such as the situation in Afghanistan and the war on terror, and the region's gas and oil may help increase Europe's dependence on Russia. Unlike many other players in the Caspian region, the US is a relative newcomer to the region. At present, U.S. priorities boil down largely to the contribution of its armed services to the North Atlantic European Organization's representation, the war against transnational terrorism, and attempts to balance the control of Iran, China, and Russia. In the Caspian region, policymaking has sometimes been at the executive branch's expense within the U.S. government. For example:

1. The Caspian Sea covers countries on the west coast, including Azerbaijan and Russia.
2. The Bureau of European and Eurasian Affairs covers countries on the east coast, including Kazakhstan and Turkmenistan.
3. The Middle East Office deals with Iran.

Defense Command and the National Security Council, with common administrative barriers [7]. Turkmenistan, Kazakhstan, and Azerbaijan are participants in the NATO Peace Cooperation Program, but none of these countries is part of NATO, so none are guaranteed protection. All have contributed to Afghanistan's NATO operations to varying degrees: probably Turkmenistan and Azerbaijan the least and Azerbaijan the most [8]. Kazakhstan has been a great diplomat for Afghanistan in recent years. As long as the Caspian Sea landscape and its position in the region are concerned, the U.S. limits foreign powers' role. The navy has never sailed or handed at sea. The Convention on the Legal Status of the Caspian Sea, ratified by all five coastal states in 2018, prohibits international Caspian warships. It does not prohibit the U.S. from otherwise pursuing maritime interests in the region. Kazakhstan and Azerbaijan are at the top of this map. The U.S. has given logistical and political priority to improving Turkmenistan, Kazakhstan, and Azerbaijan's maritime capabilities. Cooperation with Turkmenistan remains promising. Concerning the maritime situation, the overriding strategic priority should be for the U.S. assistance partners in the region to maintain a balance of power among

the five Caspian states to prevent one state (Russia or Iran) from becoming too powerful at sea. It is unrealistic that one Caspian country can still match Russia's firepower. That should not be the focus. Instead, U.S. lawmakers should aim to minimize, offset and contain any future malicious actions by Iran and Russia in friendly countries in the region. This strategy would ultimately bring peace to the region. The U.S. mandate would be to remain within the Caspian Sea Legal Status Convention's confines, thereby providing the region's countries with the assistance they could refuse.

7. The E.U. and Natural Gas

The E.U.'s dependence on Russian gas for heating and electricity has left Europe defenseless against Russian influence. After the collapse of the Soviet Union, the E.U.'s attention turned to Russia. As a result, Russia became the E.U.'s main energy supplier and the Russian-EU energy dialogue, which began in 2000, shows Moscow's increased role in the E.U.'s energy supply. Energy supply remains one of the main challenges for the European community. On the one hand, Europe's gas supply is insufficient and declining; on the other hand, the increase in energy demand prompts the E.U. to reconsider its energy policy. Gas production has declined in Denmark, the U.K., and the Netherlands, while Norway must improve other gas sectors in the costly Arctic to maintain current gas production [9]. It is estimated that within the next 25 years, 80% of E.U.'s gas will come from other countries, and Russia will provide 60% [10]. Some large European countries are not dependent on Russian gas as they have access to LNG stations and gas pipelines in line with other countries, such as the Czech Republic, Romania, the U.K., and Poland. The producing countries are connected to Sweden, Estonia, the Netherlands, Bulgaria, France, etc. However, Eastern and Central European (ECE) countries have fewer options and are dependent on Russia for 70 to 90 per cent of their energy need [1]. The gas disparity between Russia and Ukraine in 2009 led to the disruption of gas supplies to Ukraine, which had a huge impact on the EUE and caused a severe shortage of gas on the continent. Since 2000, the E.U. has considered adopting a mutual energy assistance policy to reduce its dependence on Russian gas and find other non-Russian energy supplies. Otherwise, Russia could use its energy weapons to control Europe in the future.

Hungary prioritized energy security after it gained the rotating presidency of the E.U. in 2011. The significance of the Ministerial Cycle project within the E.U. in terms of energy security seems to have diminished after the agreement reached between Russia and Ukraine in 2009 during the gas crisis. Hungary also held a regional energy security summit in Budapest. The summit was attended by the heads of 11 countries, including Austria, Slovakia, the Czech Republic, Poland, Hungary, Herzegovina, Bosnia, Croatia, Serbia, Slovenia, Bulgaria, and Romania. Representatives from the E.U. and the USA also participated [12]. In the conference announcement, the countries declared their enthusiasm to coordinate energy projects, advance the E.U.'s mutual energy policy, create a joint energy market, support the E.U.'s Southern Energy Corridor, and improve the willingness of LNG

import terminals. The initiative's operationalization is expected to advance the new European transmission system concept initiated by MOL (Hungarian company).

Simultaneously, the conference called for an active harmonization mechanism and greater investment in connection and storage projects. The need to establish pipeline connections between North and South, which are currently insufficient, was highlighted. These countries aim to move transmission points to the E.U. border to harmonize gas delivery. Political commentator Socor confirmed that despite the summit participants' intentions, the diplomatically unspoken fact is that Nord Stream and South Stream (South Stream) would diversify the E.U. market in many ways delivery points within the E.U. borders. One option for European countries to reduce their energy dependence on Moscow is to develop the Caspian basin's gas assets and build new pipelines bypassing Russia. Europe, however, faces stiff competition from ASEAN countries, India and China, for the same supplies. This competition has plunged the Caucasus and Central Asia into energy competition. In 2018 representatives of the five countries around the Caspian Sea signed the Convention on the Legal Status of the Caspian Sea [13], which is an important step towards ending dispute resolution. The Convention is a positive step towards resolving the conflict. In a larger sense, the signed Convention gives hope for strong cooperation between all energy-producing countries in the Caspian Basin and transit countries. The value of sales in the European energy sector and the alignment of alternative suppliers in the region with geopolitical trends enhance partnership prospects in the future.

8. China and The Caspian Sea

So far, much emphasis has been placed on China's Belt and Road project, spending on seaports in the Mediterranean and India, via Central Asia and Russia. But Beijing's leaders have long dreamed of a compromise that would bring China's land and sea market policies into greater harmony. They can find it along the road from Piraeus, to Khorgos, on the border between Kazakhstan and China. Piraeus to Khorgos contains the smallest part of all possible roads and current lands between China and the E.U., passing through only three intermediate countries - Kazakhstan, Azerbaijan, and Georgia - the smallest amount of any planned EU-China land bridge that also stops Russia. However, this route relies on ferry traffic through the Caspian Sea and improved rail links across the Caucasus. The Central European Corridor plan, published in 2016, contains Kyrgyzstan-Uzbekistan-Turkmenistan-Iran-Turkey, Mongolia-Russia-Belarus, and Manchuria-Russia-Belarus, taking place in the Chinese National Development Commission. The four conflicting routes in the land. The Belarusian and Russian routes cross the least authority but involve Russia and require the longest rail distance. These two factors conflict with Chinese policy aimed at weakening US-Russian exchanges. The roads between Russia and Mongolia and Belarus are also long and include Russia as well. The same is true of Belarus, Russia, and Kazakhstan. Five jurisdictions take the Kyrgyz route, which requires two railway gauges to be improved: from Turkmenistan to Iran and from China to Kyrgyzstan. The Piraeus route connects the Greek port where China's COSCO Shipping operates a container terminal

with the Anaklia and Batumi terminals within international law. The cost of transporting containers from China to the Caspian Sea can be higher than the purely maritime route through Azerbaijan and Georgia and much cheaper and faster than the Belarus-Russia route.

Georgia, Azerbaijan, and Kazakhstan have signed the Convention on the Trans-Sea Transport Canal' to coordinate the construction of a trans-Eurasian transport link. The itinerary will tie Khorgos to the Black Sea by enhancing the ferry from Baku and upgrading the rail links to Kazakh ports and the Caspian Sea. The Caspian and Black Seas might mean that China's Xinjiang region would be mostly connected to Europe by sea, with European products shipped into China through land crossings in the Caucasus, becoming an inland version of the Suez and Panama Canals. Chinese taxpayers will subsidize rail transport in the Caucasus and Kazakhstan, making the Caspian Sea route from Europe to China commercially viable. Georgia and China signed the first agreement with China's strategic transport corridor partners. Under this agreement, 90.9% of China's imports will be tariff-free, while China's exports to Georgia will be 96.5% tariff-free. It makes Georgia a virtually duty-free land bridge for trade transfers between China and the E.U., which for Georgia is the element of great power balance needed to offset its perennial struggle with neighboring Russia. Over the next five years, Kazakhstan intends to increase maritime and rail capacity on the Caspian Sea, with cargo volumes expected to triple. The current COSCO Logistics Centre in Khorgos can attest to the scale of container's scale line freight capacity that this corridor may have. It is the largest infrastructure scheme in Kazakhstan, surpassing the other two transport corridors that China would like to see from Khorgos to Turkmenistan and Moscow. The Baku-Tbilisi-Kar railway, linking Turkey with Georgia and Azerbaijan through the territory, will create another trade route to improve Caspian production. The port of Aktau is already being expanded, and Kazakhstan plans to develop other Caspian ports. Further policy announcements and trade regulations are expected to be issued by China in the next 12 months to improve the trans-Caspian ferry link and create major ports in Anaklia, Baku, and Aktau. China's one by one trade strategy, isolated from countries and built on its enormous negotiating power, has expanded bilateral trade arrangements globally to the detriment of multilateral regulatory structures. However, foreign exchange will profit if China's consumer markets have sufficient demand in Central Asia and the Caucasus to fuel economic and infrastructural growth [14].

9. The New Great Game of the Caspian Sea

The countries that regulate transnational networks in the region are the main targets for countries involved in the New Big Game [15]. As the Caspian Sea is landlocked, transport to foreign markets is challenging. Transnational infrastructure, i.e., terminals, roads, bridges, and pipelines, is one of the key methods for exporting products. Thus, the whole part of the modern Great Game hypothesis explains how access to infrastructure is handled - who should be responsible for its development and protection, who charges for its revenues and tolls, and who forms alliances and companies responsible for it [16]. Activities, including oil or gas pipelines, are framed as a reassessment of power between

China, Turkey, Russia, Kazakhstan, Azerbaijan, and the E.U. Proponents of classical geopolitics portray the planning and construction of transnational infrastructure projects, namely Baku-Tbilisi-Erzurum, Baku-Tbilisi-Ceyhan, the Baku-Tbilisi-Kars railway, the Southern Gas Corridor, and the Baku International Maritime Trade Port, as a new round of the Great Game in the Caspian Sea. In this latest Great Game, Iran and Russia are seen as the main opponents of pipeline growth. They are being used as a way to avoid Iranian and Russian infrastructural imperialism and their infrastructural monopoly. On the other hand, Europe, Turkey, and the U.S. are seen as the saviors of local actors in addressing Iranian and Russian colonial ambitions. Armenia, Iran, and Russia are reported to be some of the key triggers for almost all scientific, political, and economic challenges in the current Big Game scholarship [17]. These enterprises are absurdly different, but the arguments presented are the same.

There are two key groups of environmental assets: renewable energy and non-renewable capital. The states' goal in the modern Great Game is about the strategy of non-renewable energy and who manages how much of it [18]. In recent years, environmental competition has escalated due to the exponential growth of powerful countries' influence, raising the demand for non-renewable natural resources, especially diamonds, gold, coal, and oil. More precisely, the Caspian Sea is one of the main factors of competition and conflict between major external powers such as China and the United States and regional powers such as Iran, Turkey, and Russia [19]. Given the pattern of the Caspian Sea, it is extremely difficult to export hydrocarbons to international markets. With this in mind, regional authorities are scrambling to regulate the infrastructure that facilitates their exports. However, works on the new Great Game argue that a continued influx of oil from the region into Western energy markets is generative as the essence of all geopolitical competition. It will reduce Russia and Iran's monopoly over the Western powers while searching for gas and oil fields and their exploitation [20] (Kubisek, 2013). Military stability is another objective of the modern great power game, an issue that gained popularity in the early 2000s due to many factors such as the Caspian Sea's unclear legal status, the September 11 attacks, and the subsequent U.S. involvement in Afghanistan. [20] points out that the Caspian Sea's legal status and ethnic tensions are two pressing issues in the Caspian Basin. The stability of the region could be affected at any time by various sensitive issues. Haghayeghi [21] also points out that Kazakhstan, Turkmenistan, and Azerbaijan are small naval forces. Still, their numbers are increasing in light of the ongoing challenges to the Caspian Sea's legal situation. The author argues that the increase in military activity coincides with the uncertainty of the Caspian Sea region's ambiguous legal status. Scientists claim that Iran and Russia are currently the most powerful maritime forces in the region and can use their strategic power to threaten their neighbors [22].

10. Conclusion

The main energy source for industry and electricity production is natural gas, which is expected to continue until 2030. Natural gas produces less CO₂ than coal and oil. This trend increases the global

importance of natural gas assets, adding to the Caspian Sea. Thanks to Russia's resources and Central Asia countries, Eurasia has the second-largest natural gas asset after the Middle East countries. The global community's interest in the Caspian Sea is largely due to its hydrocarbon assets, which most countries see as an important source for developing diversified energy needs. Europe, the United States, and China are all involved in the Caspian Sea's gas assets due to its geographical location. The Caspian region's improvement has become more complex due to the world powers' current energy competition. By 2030, major energy demand will grow at a rate of 1.5% per year. World energy demand by 2025, with China's energy imports set to exceed those of the United States, and China set to become a major energy importer. ASEAN's 2.5% growth rate outpaces the rest of the world. It is due to its rapid population and economic growth and rapid industrialization and urbanization. On one side, Europe is experiencing a shortage and decline in gas supplies. On the other side, growing energy demand has made the E.U. one of Caspian gas supplies' main competitors. Since 2000, the E.U. has been developing a mutual energy policy to avoid its dependence on Russian gas. Both Russia and the E.U. see China as a strong rival for the Caspian basin. The realization of the Chinese and Turkmen projects could change the Caspian region's dynamics to the detriment of Russia and the benefit of Uzbekistan, Kazakhstan, Turkmenistan, and China. When the pipeline from Central Asia to China is completed, China will become a major importer of Caspian gas, standing in competition with the E.U. By siphoning off Turkmenistan's gas, China has doomed the E.U.'s Nabucco project to failure. Russia is an important player in the geopolitical game of Caspian gas supply and transportation routes. More recently, Russia has had important successes in its immediate neighboring countries - areas of vital Russian interest. Russian support for Abkhazia and South Ossetia's separatist ambitions and the Georgian war victory significantly weakened Georgia's disobedience. Simultaneously, with the world's largest gas assets, Moscow used them for economic gain and political reasons to restore its position globally. Russia's influence lies in the state's control over its exports, transport, and hydrocarbon reserves.

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