Azerbaijani and Uzbek Green Energy to Be Exported to Europe through Hungary

Hungary has been proactive in building strong economic ties and investing in energy production in Kazakhstan, Azerbaijan, and Uzbekistan. Hungarian companies, such as MVM and MOL groups, play a key role in oil production in Kazakhstan and natural gas production in Azerbaijan. Notably, Hungary recently acquired a 5 per cent share in Azerbaijan's Shah Deniz natural gas field. The successful operations of Hungarian businesses in these countries, combined with the development of economic and transit projects, have elevated Hungary's role within the EU as a bridge to these energy-rich nations, enhancing the EU's access to diversified energy resources.

Hungary's strategy to diversify its energy resources by importing natural gas from a greater number of countries, primarily focusing on the Organization of Turkic States (OTS) members and observer countries, is also yielding positive results in the field of 'green energy.'

On 22–23 August 2024, the President of the Republic of Azerbaijan, Ilham Aliyev, made an official visit to the capital of Uzbekistan, Tashkent, where he met with his counterpart, President Shavkat Mirziyoyev. The major outcome of the summit was the elevation of bilateral relations to the level of 'allied' relations, underscoring recent developments in cooperation. Alongside the meeting of the heads of state, a business forum was also held. During the press conference, Ilham Aliyev expressed anticipation of an increase in the capital provided to the joint investment company to facilitate more projects between businesses, noting that the already allocated $500 million USD is nearly fully committed. Uzbekistan has also played a significant role in the reconstruction efforts in Azerbaijan's liberated territories. In 2023, both presidents attended the opening of a school in the Fuzuli district of Azerbaijan, with a capacity for 960 pupils. During this visit, the presidents announced the construction of a new light industry enterprise in the city of Khankendi, Azerbaijan, funded by Uzbekistan. As a result, both countries agreed to designate the upcoming year as the 'Year of Economic Cooperation between Uzbekistan and Azerbaijan.'

Topics discussed included cooperation between businesses, reconstruction efforts, and transportation through the Trans-Caspian Transport Corridor. However,

> *a particularly significant point for Hungary was the decision to accelerate work on constructing a high-voltage electric cable line through the Caspian Sea.*

This project aims to export 'green' energy from Uzbekistan, Kazakhstan, and Azerbaijan to Hungary, from where it will be distributed to other European countries. Hungary's location in Central Europe, combined with it being the planned end destination of the high-voltage cable lines passing through the Caspian and Black Seas, gives it a strategic advantage.

This positioning enhances Hungary's role as a potential transit country, allowing 'green' energy from Central Asia and Azerbaijan to be distributed to other European nations, further increasing the significance of its location.

In December 2022, the leaders of Azerbaijan, Georgia, Romania, and Hungary met in Bucharest, Romania. As a result of this meeting, an agreement was signed to build a high-voltage electric cable from Azerbaijan, passing through Georgia and the Black Sea, and reaching Romania, with Hungary as the final destination. The President of the European Commission, Ursula von der Leyen, also attended the meeting and emphasized the project's importance for diversifying the European Union's (EU) energy resources. The project has been lauded as a crucial step in reducing the EU's reliance on natural gas imports from Russia.

On 29 May 2024, the energy operators of Azerbaijan (Azerenerji), Georgia (Georgian State Electric System), Romania (Transelectrica), and Hungary (MVM) further advanced the project by signing a memorandum to create a joint venture for the implementation of the Black Sea Energy Caspian-Black Sea-Europe Green Energy Corridor. The joint venture will be based in Bucharest, Romania, and will oversee the construction of the undersea cable. The Black Sea undersea electric cable is expected to be completed in 3-4 years, with an initial capacity of 1 GW. The project has already attracted significant interest, with Bulgaria announcing its participation in 2023. Additionally, the European Commission has pledged 2.3 billion euros in support of the cable's construction. This project will not only help diversify energy resources and reduce dependency on Russian gas, but it will also increase the usage of green energy across Europe.

The planned construction of the Caspian Sea undersea cable, connecting to the Black Sea undersea cable,

> *will further enhance Hungary's role as a key transit country for the EU's 'green' energy imports.*

The strategic partnership between the three energy-rich countries of Inner Eurasia—Azerbaijan, Kazakhstan, and Uzbekistan—has fostered numerous joint projects, enhancing their roles as energy exporters and transit countries. One notable initiative has been the export of 'green' energy. On 14 November 2023, the relevant ministries of these three nations signed a joint communiqué in Baku, Azerbaijan, with plans to establish a joint venture for exporting 'green' energy to Europe. This collaboration progressed further on 1 May 2024, during the Tashkent International Investment Forum, where the Ministers of Energy from these countries signed a memorandum of cooperation. This agreement aims to merge their energy systems and includes the construction of a high-voltage undersea cable from Uzbekistan and Kazakhstan, passing through the Caspian Sea and connecting to the Black Sea undersea cable, with Azerbaijan as the starting point.

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Source: Hungarian Conservative