

A DREAM COMING TRUE? TURKEY BECOMING AN ENERGY HUB

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Abstract

Trans Anatolian Natural Gas Project (TANAP) is moving forward with an official ceremony in the eastern Turkish city of Kars attended by the presidents of Turkey, Azerbaijan and Georgia in May 2015. TANAP is a 1.850 km. pipeline project that is intended to deliver natural gas from Azerbaijan to Turkish and European markets. With many other pipeline projects abandoned, the development of TANAP offers a great chance for Turkey and the European countries to improve their energy security. With the crises already underway in Ukraine, completion of TANAP will provide the Europeans an alternative energy route that can reduce supply risks. Other than the benefits offered in the area of energy security and diversification, the project is also an opportunity for Turkey to meet its energy needs, with 98 percent of its natural gas is imported mainly from Russia and Iran. Turkey is very much at risk and heavily depended on few suppliers and yet the country has to import 72 percent of its energy from foreign countries. Construction of the TANAP will be an important step in diversifying the energy sources. Turkey is located in a region with major oil and gas resources; and lacking any of these reserves, Turkey is looking to be a major energy hub, supplying the European countries and benefitting from its unique location. The cancellation of NABUCCO project (Turkey–Austria gas pipeline) was a major setback for Turkey, but now the odds look in favor. This paper investigates the potential that the pipeline projects can offer Turkey and the EU a means to diversify their energy needs and reduce their dependency. It also analyses the feasibility of Turkish dream to be major energy transit or energy hub carrying the Caspian and the Middle Eastern oil and gas at a time the demand for energy continues to grow both in internal and external markets. The analyses presented in this paper are based on the recent developments in the energy field, expert opinions and the content analysis of statements by the Turkish authorities about the issue.

Keywords: TANAP, SGC, Trans Anatolian Natural Gas Pipeline, Energy diversification, Turkey

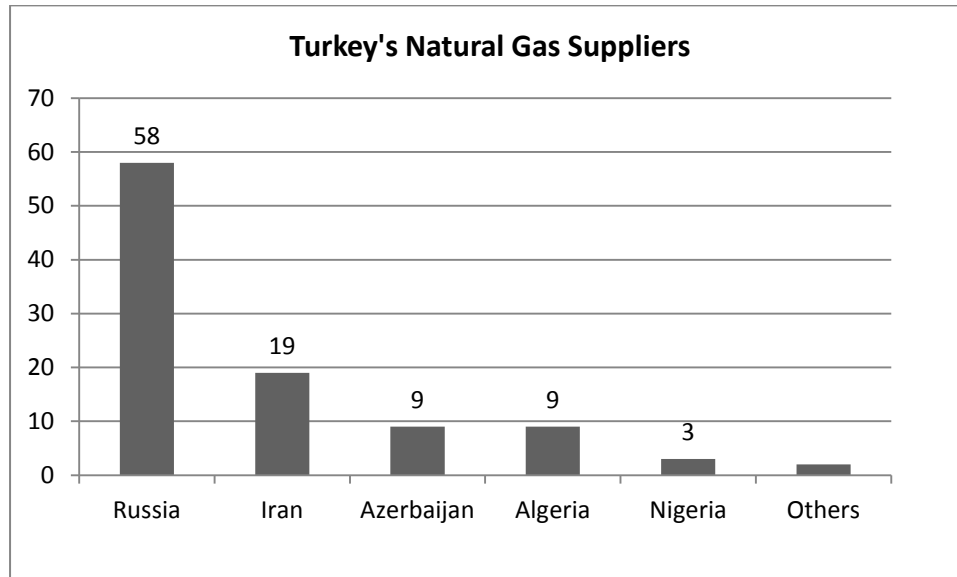
Introduction

Energy and energy security have become a key component of domestic and international politics because of the increasing demand for energy sources worldwide. With the discovery of new energy sources and the increasing number of actors in the energy field the competition has become stiffer and the issue of energy security has become a more complex issue for the governments to deal with. Providing a safe and secure energy to domestic markets is no longer a simple transaction among the buyers and the sellers. The governments now will have to work on optimized energy policies to meet their energy demands at an affordable, preferably cheaper price. A successful energy policy in today's world requires the establishment of a delicate balance between regional and international factors. Energy diplomacy is a dynamic process that makes it necessary for states and non-state actors alike to monitor the developments around them so that the supply of valuable resources is not interrupted.

Turkey is uniquely located in between one of the most energy rich regions in the world. Sharing borders with many of the oil rich countries and being in the same neighborhood with so many other gas giants, Turkey is trying to develop an energy policy customized for its needs. An important aspect of Turkish energy security is related to Turkey's dependence on a few suppliers. Turkey is importing more than 98 percent of its gas from foreign countries. Russia is providing 58 percent of the total amount of its gas, while Iran is following with 19 percent [1]. Turkish economy has been growing at about 5-7 percent on average despite experiencing declines in recent years. However, future forecasts put the Turkish economy on a steady growth (4 percent for 2016 according to OECD) that will result in an increasing demand for energy. Already consuming 1.4 percent of the global gas production, the Turkish demand for natural gas has been on the rise because of the growth in economy and population.

Turkey is using more than 40 percent of its gas stocks on electricity production. Current trends and forecasts show that Turkey will have to work on projects that will deliver steady supplies of natural gas whether it is for residential or commercial use or for electricity generation. Diversification of resources will continue to stay high on the government's agenda as the demand for energy increases. Turkish Energy Minister says the country is expected to increase its electricity production from 110.000 to 130.000 MWe by 2023 since the demand for electricity will be 140 percent of its current consumption [2].

Figure 1: Turkish Natural Gas Imports



Source: Turkish Energy Market Regulatory Board (2013).

With limited storage capacity and almost non-existent domestic production, Turkey's reliance on foreign sources on natural gas has forced Turkish governments to seek out solutions to overcome existing difficulties. The International Energy Agency (IEA) estimates that by 2020 Turkey will need more than 60 bcm of natural gas [3]. Turkey had already carved out long term deals with Russia and Iran to meet its demand for natural gas but these deals have proven to be very costly for Turkey. The terms of the deals have not been working in favor of Turkey because of the technical and financial details that had been put in place in the previous administrations. Turkey is already paying more than \$ 450 per thousand cubic meters for gas from Iran and asking to re-negotiate the price but the government of Iran has so far responded negatively to the Turkish requests. In a recent visit to Tehran, Turkish president Erdogan reiterated Turkey's request his Iranian counterpart and complained about the above average gas prices:

“We buy 95 percent of Iran's gas exports, but we get the most expensive gas when looking at its price. If this price were reduced, we would increase the amount of gas that we would buy... We are buying the most expensive gas from Iran, we don't want to be at this level. We need to take [this price to] an appropriate level” [4].

With the liberalization of the gas markets in Turkey, private companies have managed to re-negotiate discounts for Russian gas being imported through the Blue Stream Pipeline that is between Russia and Turkey. Higher prices for the natural gas from Iran and Russia and untimely interruptions are forcing Turkey to look for alternative and yet affordable gas supplies.

Diversifying the sources of natural gas will benefit Turkey in many ways, including the possibility that it will provide a geopolitical leverage to Turkey to negotiate better deals in the coming years and decades. When it comes to signing new deals with Iran and Russia, existence of other options will place Turkey in a better position to get advantageous terms in pricing and in other areas as well.

Other than the diversification of resources to meet its energy demands, Turkey is pursuing a policy to be a major energy transit country in the region. Being located in between hydrocarbon consumers and producers (these two regions hold 75 percent of the world oil and gas resources), Turkey sees itself in a position that can play an important role as an energy transit country. Turkey can be an energy hub or a transit state where the producers and consumers could meet to trade energy products. Producers in the Middle East and in the Caspian Sea region see Turkey as a venue through which they can transport their oil and natural gas to the energy hungry markets in the European Union (EU). There is however questions concerning the Turkish quest to become a major energy hub in the region. This paper analyses Turkey's potential to become an energy hub in light of the recent developments in the country and in its immediate neighborhood concerning energy issues. Considering the challenges posed by the geopolitical considerations and disagreements among major players in the region along with Turkey's limitations on the development of necessary infrastructure needed to establish a functioning energy trading terminal, this paper argues that it will be very difficult for Turkey to become the energy hub that it seeks. However, this study also argues that the conditions are ripe for Turkey to seize the moment and the odds look in its favor more than ever, provided that Turkey can convert those to its advantage and move forward with concrete policies towards achieving its goals regarding its energy policies.

Energy Transit Country vs. Energy Hub?

Before going into the details of the policies of Turkey and the neighboring states on the transportation of natural gas to European countries, we need to clarify a common misunderstanding on the concepts frequently used in the literature. The terms *energy transit state* and *energy hub* are used without a clear reference to what actually they mean. An *energy transit state* refers to a state where the energy pipelines are laid to connect an energy-producing state with an energy-consuming state. Agreements are made between the energy producer and the transit state by which the latter collects transit revenues for allowing hydrocarbons to be transported across its territory. Arrangements may also permit the transit state to make use, perhaps at a discounted rate, of a portion of the oil or gas carried across its territory to satisfy its own energy needs [5].

An *energy hub* is a country that buys energy in its borders and then re-exports them to other purchasers. In doing so, it sets the selling conditions (theoretically) independently from the original producers and final buyers. Another component of an energy hub is the bigger infrastructure that is constructed for the production of petrochemicals for export [6]. An energy hub requires a more sophisticated physical and virtual environment for the producers and consumers to meet and interact using the facilities provided by the host country. An energy hub country will have to provide extensive storage capacity, pipeline networks, refineries, technical facilities to convert natural gas to LNG etc. It is also important to have a well-developed financial and legal environment for the trade to take place in a safe and secure environment [7].

Energy corridor however describes a situation in which transit country has no control over the sale and the prices negotiated by the seller and buyer other than the transit fees it collects. Ukraine can be considered as a transit country while Turkey, within the context of Baku–Tbilisi–Ceyhan Pipeline, can be considered a corridor since Turkish Petroleum (TPAO) controls only a 6.75 percent share of all oil transaction [7].

The Southern Gas Corridor and the TANAP

The Southern Gas Corridor (SGC) is a mega pipeline project aimed at carrying natural gas from the Caspian region to the European countries. It is one of the most complex gas value chains ever developed in the world. Stretching over 3,500 kilometers, crossing seven countries and involving more than a dozen major energy companies, it is comprised of several separate energy projects representing a total investment of approximately \$ 45 billion [8].

The SGC is comprised of three different major pipelines being connected to each other. (See Figure 2)

The South Caucasus Pipeline (SCP) – Azerbaijan, Georgia

The Trans Anatolian Pipeline (TANAP) – Turkey

The Trans Adriatic Pipeline (TAP) – Greece, Albania, Italy

The SGC is initially designed to have a capacity to carry 16 bcm of natural gas from Azerbaijan's Shah Deniz field to the EU countries of which 6 bcm of the gas is slated for Turkey's consumption. The capacity of the pipelines will be increased over time to meet additional demands. The first phase of delivery is expected to start in 2018.

Europe is a continent that is heavily dependent on the importation of its energy needs from foreign countries. Its reliance on Russia for natural gas has reached dangerous levels and the EU countries are looking ways to reduce that dependency. In this regard, the SGC seems to be a great opportunity for the EU to bring additional resources from energy rich regions other than Russia.

Figure 2: Southern Gas Corridor



Source: British Petroleum Website

The role of the TANAP within the SGC and Energy Security in Turkey

Turkey's dream to become an energy hub for natural gas is very much depended upon the completion of the TANAP. The cancellation of the NABUCCO project had already diminished Turkey's hope to serve as a transit state and eventually become a central location for energy trade. The recent ceremony held in the Turkish city of Kars highlights the continuation of that dream for Turkish officials. On March 16, 2015 the presidents of Turkey, Azerbaijan and Georgia jointly kicked off the construction of the TANAP. Officially signed in 2012, the TANAP is a 1.850 km. long pipeline crossing through 20 cities in Turkey to reach to interconnector Turkey-Greece (IGT).

The pipeline is an important project for Turkey to diversify its natural gas supplies and at the same time it will allow Europe to reduce its dependency on Russia. The strong support coming from Europe is very much related to the geopolitical considerations. The crises in Ukraine and the annexation of Crimea along with the Russian policies in the region are making it necessary for the EU to eagerly support the Turkish TANAP project. Current developments in the region are turning the odds in favor of the Turkish policies. Natural gas is a major security issue for Turkey and the Turkish government has to align its energy policies to its foreign policy goals. For Turkey and for many other countries, energy policies are directly related to the Turkish geopolitics. Constructing a pipeline is usually more than the technicalities and financial resources. Finding a common ground among the actors involved in the making of energy projects has always been the focal point of energy diplomacy. In the case of the TANAP, the interests of the EU, Turkey and Azerbaijan seem to be aligned to the detriment of Russia which has long sought to dominate the energy landscape in its neighborhood, including Europe.

A successful completion of the TANAP benefits Turkey in many ways. It offers a stable and yet affordable way to diversify natural gas supplies and at the same time increases bilateral relationship between Turkey and Azerbaijan. The project also positively affects Turkey's relationship with the EU and may even become an important contributing factor in the accession talks in the long run and help opening of new chapters. The energy chapter is the 15th title of the EU acquis, and because of the political blockade on the chapter since Turkey's accession negotiations with the EU began in 2005; it has not yet been opened to negotiations. Out of 35 chapters, 14 chapters have been opened and 17 remain blocked, including chapter 17 on economic and monetary policy and chapter 26 on education and culture [9].

The European Union is the biggest supporter of the TANAP project. In a joint declaration right after the start of the construction of the pipeline on May 16, 2015 the EU reaffirmed its commitment and its support for the project:

“In order to strengthen their security of supply, Turkey and the EU are promoting as partners the development of the Southern Gas Corridor. Both Parties will continue to cooperate to implement the Trans-Anatolian Natural Gas Pipeline (TANAP) project. TANAP is of vital importance for the EU's and Turkey's security of supply and for the realization of the Southern Gas Corridor. The development of Turkey as a regional natural gas hub is of mutual interest and was taken up in the EU–Turkey Strategic High Level Energy Dialogue. A regular exchange of information on energy cooperation at the global and regional level would be to the benefit of both sides.” [10]

The reason behind the EU's support for the SGC and the TANAP is related to the energy security concerns in the EU arising out of the crises in Ukraine. The confrontation in the region has in the past resulted in the interruption of natural gas to the European countries at a critical juncture. Both crises in 2006 and 2009 between Russia and Ukraine have caused considerable pain to the EU, especially the countries in the Southeast whose reliance on Russian natural gas was almost 100 percent. Russia's biggest energy company Gazprom controls the supply of natural gas to Ukraine and Europe. A third of Europe's imports and more than half of Ukraine's natural gas needs are provided by Gazprom. Additionally, half of Europe's gas imports from Russia flows through Ukraine. Any interruption in the transportation of natural gas coming from Russia to Europe through Ukraine immediately results in major gas crises in especially Southern European countries.

Estimates in the energy field indicate that Europe's reliance on natural gas will continue to increase in the coming years and decades. As conventional reserves deplete, Europe's dependence on gas imports is expected to grow further. The EU is already dependent on imports for over 60 percent of its gas and over 80 percent of its oil needs. These numbers could reach to 85 and 90 percent respectively by 2035 [11]. Confronted with limited options at home, the EU will have to deepen its search for reliable partners from other regions. Because of the geographical distance, construction of pipelines will continue to be an integral part of the energy policies in the coming years.

The realization of the SGC therefore is an essential strategy for the EU to overcome difficulties related to resource diversification and improving energy security. Other than offering its support in the political arena, European companies are actively involved in the planning and the construction of the SGC pipeline chain, from South Caucasus Pipeline in Azerbaijan and in Georgia to the TANAP in Turkey and then to the TAP in the European continent.

Exploring the TANAP's Potential

The TANAP project can be seen as a first step in the establishment of the fourth energy corridor. Although the initial capacity of the pipeline is designed to transport a 16bcm of natural gas, the SGC can carry up to twice as much once it has become fully operational. As it lays down significant amount of infrastructure along the way, the TANAP has a potential to enable Turkey as a main transit corridor for other markets in its neighborhood other than the Caspian region. Although we have to assess the advantages and the disadvantages of including other energy exporting countries and the regions in the SGC mix, the potential to expand will always work in favor of Turkey to serve as a main conduit in the long run. (See Figure 3)

For Turkey to aspire to become an energy hub is not sufficient alone. Turkey has to implement reforms with respect to its gas markets to achieve international standards. A clear and a stable legal framework and a reliable financial system are necessary to attract foreign customers. Although Turkey has made considerable progress in these areas, achieving international standards will take time. It is also important to note here that as a country aspiring to become an energy hub, Turkey has to prove itself as a reliable partner in the long run. As it is true with any type of business, energy trade and investment also require an environment that is physically secure and the actors involved are reliable for long-term business. The EU's desire to reduce its dependency on Russia is a direct outcome of Russia's policy to use energy supplies as a weapon in other areas. Therefore, it is imperative for Turkey to take necessary steps to assure its international partners that their investment is in good hands. In this regard, Paul Stevens's description of a good and a bad transit state makes much sense:

“... ‘good’ might be defined as tending to produce a situation where conditions are predictable and accepted by all, with the result that the most economic transportation method and route are chosen, the line is built and it operates successfully with minimal disruption. ‘Bad’ might be defined as tending to produce a situation where the line does not get built or is built and then experiences problems.” [12]

Figure 3: The Trans Anatolian Pipeline (TANAP)



Source: www.enerjienstitusu.com

The debate on Turkey's desire to become an energy hub involves the discussion of the current banking system to meet the financial needs of the producers and customers in an open and transparent market. Edward Chow, senior fellow at the Centre for Strategic and International Studies (CSIS), posits a negative picture assessing Turkey's ability to deliver what is needed to become an energy hub in the region. To be an energy hub there are a number of ingredients that are necessary, none of which exist as yet in Turkey, he said citing the lack of a strong international banking system, a solid legal system to resolve normal commercial disputes and sufficient storage facilities.... Turkey has the advantage of location; it's near a lot of oil and gas producing countries. Being a hub takes time” [13]. Turkey's current storage capacity is one of the lowest among the European countries with over 2 bcm and authorities in Ankara are working on new projects to increase storage capacity to 5 bcm by 2019 [3].

Countries in the immediate neighborhood of Turkey with oil and gas resources would like to sell their oil and gas to the European countries via Turkey. Azerbaijan, Turkmenistan, Russia, Iran and the Kurdish Region of Northern Iraq and even the countries in the Eastern Mediterranean are interested in using Turkey as a transit state to reach to the European markets. It is in the best interest of the government of Turkey to have as many countries as possible willing to be a part of the SGC/TANAP which can eventually improve its standing as an energy hub.

In order to utilize the TANAP's potential Turkey also has to assure investors of the physical security of the pipeline projects. Turkey's ability to guarantee security of the pipelines and energy installations has been questioned by many because of the fragile security environment that the country is located [14]. Its proximity to unstable zones in the Middle East and the Caucasus and its long lasting domestic struggle against the PKK (Kurdistan's Workers' Party, a Kurdish terrorist group fighting against the Turkish security forces in eastern Turkey) and possibility of terror attacks are among the reasons that have been cited in relation to the implementation of the major projects through Turkey. However, Turkey's track record in that respect has been proven to be clean enough to assure international and domestic partners in taking up major energy investments on the territory of Turkey. The successful completion of the BTC and its operation without major incident and interruption should be considered as a positive contribution towards Turkey becoming a transit state or an energy hub respectively. Already experienced in the implementation of major projects, Turkey should be considered as a viable partner in the implementation of major energy projects in the region.

There is however some disagreement on the Turkish government's desire to be an energy hub. Gareth M. Winrow states that the primary concern of any government in Ankara is to satisfy Turkey's own energy needs. Ambitions to become a major energy transit state or key energy hub are secondary [5]. However there are others who disagree with that statement indicating that Turkey is pursuing an energy strategy to become a major transit and trading hub in the region [15]. Volkan Özdemir, the chairman of Turkey's Institute for Energy Markets and Policies however warns that Turkish policies related to becoming an energy hub are not compatible with the realities and the current projects that are being put in place. He indicates that Turkey will have to negotiate better deals with the actors involved in these pipeline projects and secure more favorable cuts to be able to pursue its dream of becoming an energy hub. Instead of becoming an energy hub, he warns that Turkey might just turn itself to an energy corridor leaving itself content with only collecting transit fees rather than being a major player in the field of energy transportation [16].

Turkish Energy Minister Taner Yıldız however posits a more positive picture when it comes to becoming an energy hub in the region. Speaking to an audience at a conference in Istanbul (Geopolitic Energy Arena: Shifting Dynamics) he stated that with a capacity of 50 bcm per year, the TANAP and Turkish Stream improves Turkey's chance to become a major energy hub in the region [17]. Turkish President's speech at the construction ceremony also echoed the same goal. Erdogan declared that the TANAP is a crucial step toward Turkey's goal of becoming an energy hub for the region by the republic's 100-year anniversary in 2023, adding that it will also be a project of peace and prosperity [18].

Potential Suppliers to the TANAP

The SGC and TANAP are planned to carry natural gas from Azerbaijan's Shah Deniz 2 fields to Europe and Azerbaijan is expected to be the main supplier of the project. The State Oil Company of Azerbaijan Republic (SOCAR) is leading the project with a 58 percent share followed by the Turkish BOTAS with 30 percent and the BP with 12 percent. The involvement of the Azeri oil company and its willingness to control more than 50 percent of the shares clearly show that the TANAP's main function is primarily to transport Azeri natural gas to the customers in Europe. However, the increasing demand on the European side is forcing authorities to scramble for additional supplies transported via the same route to Europe.

Turkmenistan is among the countries that can link to the TCP and then export some of its natural gas to Europe. However, the Turkmen government has so far not taken any firm step in negotiating deals with the relevant parties. There has been some talk of the possibility of connecting Turkmenistan to the TCP and TANAP but none has produced any concrete results so far. The recent meetings among the Turkish-Azeri and Turkmen authorities discussed the possibility of establishing a framework agreement on the issue but there are several problems.

First of all, Turkmenistan is not willing to take any financial responsibility when it comes to building a pipeline through the Caspian Sea. The legal problems concerning the status of Caspian Sea precludes the littoral states from engaging in any major energy project. Turkmenistan's relationship with Russia and current trade relations with China and Iran prevents the Turkmen government from getting involved in new projects that would upset the balance in the region. Last but not least, the main challenges in regard to the TCP will be the ongoing Azerbaijani-Turkmen disputes over the Caspian oil fields, where there is a long history of conflict. Notably, Turkmenistan lays claim to the Kapyaz oil field, which appears to straddle the median line between Turkmenistan and Azerbaijan. The key question here is whether the construction of a pipeline westward from Turkmenistan across the Caspian to Baku will be a sufficient reason for these two parties to reach an agreement on ownership of the fields in question [19].

Iran has the world's second largest gas reserves after Russia. Iran is also the second largest gas supplier to Turkey after Russia. The aftermath of the crises in Ukraine has seen discussions on the inclusion of Iran in the TANAP among the suppliers of natural gas to Europe. Turkish Energy Minister says Turkey is open to the idea but the future of Turkey's energy relationship with Iran depends on success/failure of the negotiations on Iran's nuclear ambition. If the normalization of diplomatic relations with Iran is successful, and provided that there is a major overhaul of Iran's domestic oil and gas-production policies that include permitting joint ventures between Iranian and foreign firms; then the ongoing developments in Iran's giant South Pars field could accelerate and Iran's gas production could be ramped up towards the second half of the decade so that the country may finally become a gas exporter [20].

There is also extensive discussion on the possibility of bringing natural gas from the Kurdish region in the Northern part of Iraq (Kurdistan Regional Government, KRG) and Eastern Mediterranean. The KRG-controlled area is rich in natural gas that can be extracted at a lower cost than most of the reserves in the world. Exportation of Iraqi gas to Europe could become possible with a new pipeline connecting the region to the TANAP and then to Europe but current problems between the Central Government of Iraq (CGI) and the KRG hampers any new pipeline project coming to life. The disagreement is over the sharing of the oil and gas reserves that the CGI demands 83 percent of the oil and gas while leaving only 17 percent to Arbil as mandated by the constitution of Iraq [21]. The case of the Eastern Mediterranean however looks bleaker than that of the Northern Iraq because of the major political tensions among the countries that will have to work together to carry Mediterranean gas to Europe through Turkey. The problems between Turkey and Israel, and Turkey and Cyprus stand out to be one of the biggest issues in terms of the realization of any project in the energy field. The difficulty in resolving the issues among them precludes any future projects that can help the EU and/or Turkey in securing additional gas supplies running through Turkey.

Conclusion

The arrival of the TANAP pipeline project to carry natural gas from the Caspian region to the European markets presents opportunities and challenges for both Turkey and Europe. Reducing dependency on Russia in meeting natural gas demands stands out as one of the most important aspects of the project from the perspective of the European Union and Turkey. Turkey, on the other hand, sees this as an opportunity to become a transit state for the transportation of natural gas. Beyond achieving a status of becoming a transit corridor, Turkey aspires to become an energy hub in the region where the producers and consumers meet.

The prize that comes with occupying such a status is big but the road to becoming an energy hub is replete with difficulties for Turkey. Russia's policy to control oil and gas markets in the region and to expand presents challenges and opportunities for Turkey. Russia can be a partner that Turkey imports natural gas from and at the same time Russian gas can travel through Turkey towards Europe. However, the initiation of projects like the South Stream and the Turkish Stream can threaten the implementation of other valuable and profitable projects. Turkey has to thread carefully if it wants to utilize its geographical location to its advantage. A balance between the North-South and East-West corridors should be established in order to maximize benefits and opportunities in the energy field.

The energy business may not be a zero-sum game but oftentimes countries will have to prioritize the ones that are most profitable in the long run. Turkey has to identify its priorities at once and continue that path with determination. It is, therefore, an utmost importance for Turkey to lay the foundation of becoming an energy hub in terms of physical infrastructure and the legal framework. International cooperation in economy and energy partnership requires building trust and Turkey has to earn it through the implementation of reforms in the liberalization of its markets according to the international standards and building a solid ground for financial transactions to take place.

The analysis of the subject matter at hand reveals that Turkey has the political will to become an energy hub in the future. In addition to the political will, the geopolitical environment is positively conducive to the Turkish aspiration to achieve that dream. The crises in Ukraine and Europe's search for an alternative corridor for energy transportation, coupled with the need/desire of the Caspian States and many other potential energy producers in the immediate neighborhood, make it a ripe moment for Turkey to play its cards carefully [3]. As indicated above, becoming an energy hub is no easy task and it involves the availability of sophisticated mechanisms and well-developed infrastructure. Without providing the physical and virtual environment for establishing an energy hub, Turkey will find it difficult to negotiate better terms when it comes to pipeline projects. As it can be seen in the ownership of the TANAP and the SOCAR is in a better position to dictate its terms on the partners in the project rendering Turkey a transit state without much influence. Turkey may not have the exact tools at this point to achieve that dream but it can get there in the future provided that the Turkish authorities are willing to take the necessary steps. Failure to do so will have to force Turkey to settle for less and end up with becoming a corridor for others to pass by.

Brief Biography

Assistant Professor Dr. Altundeğer received his Ph.D. in Graduate Programs in International Studies from Old Dominion University in Norfolk, Virginia. He received his MA from Fatih University in Istanbul and received his BA from Bilkent University in Ankara, Turkey. His research interests are energy security, energy policies in Turkey, international security and media and politics. He is currently the Head of Political Science and International Relations Department in Turgut Özal University in Ankara.

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