

Allegations of sizeable Russian arms deliveries to Armenia have sparked fury in Azerbaijan, dealing a blow to Moscow's ambitions in the Great Game for influence in the Caspian Sea region, analysts said.

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The allegations, denied by Russia but widely believed in Azerbaijan, are stirring suspicions of Moscow in Baku, giving the West an edge in the centuries-old struggle for control in the energy-rich region.

Analysts said the scandal could boost Western efforts to get Azerbaijan on board with the European-backed Nabucco gas pipeline, an ambitious project to ship Caspian Sea gas to the western Europe, bypassing Russia.

The reported arms supplies have caused "a sense of treason among the political leadership of Azerbaijan," analyst Fariz Ismailzade said in a recent issue of Central Asia-Caucasus Analyst.

"Such disappointment could result in grave geopolitical shifts in the region and changes in Azerbaijan's foreign policy."

The controversy erupted last month with the publication by Azerbaijani media of a leaked Russian military report outlining deliveries to Armenia last year of tanks, armored personnel carriers, missiles, automatic weapons and mines worth about 800 million dollars (623 million euros).

Armenia and Azerbaijan remain bitter enemies following a war in the early 1990s over

Azerbaijans Nagorny Karabakh region. Backed by Yerevan, ethnic Armenian separatists took control of Karabakh and have declared it an independent state.

ISSUE AFFECTS BILATERAL TIES

Azerbaijan's foreign ministry issued a note of "strong protest" over the deliveries and accused Russia of violating UN resolutions.

Russia's defense and foreign ministries dismissed the allegations as false, but the denials have done little to assuage Baku.

"Moscow doesn't seem capable of banishing Azerbaijan's suspicions concerning arms supplies to Armenia," political analyst Rasim Musabekov said. "This issue has already affected bilateral relations and will continue to do so."

The scandal could not have struck at a worse time for Moscow, which recently had been gaining diplomatic ground in Azerbaijan, analysts said.

Rich in oil and gas and strategically located between Russia and Iran, Azerbaijan has been courted by both Moscow and the West since gaining its independence with the 1991 collapse of the Soviet Union.

Backed by Western governments, companies such as Britain's BP have pumped millions of dollars into the country's energy sector, building a corridor of energy pipelines from Azerbaijan through Georgia and Turkey to Europe.

With strong support from close ally Turkey, Azerbaijan has also boosted ties with the NATO military alliance.

Russia launched a diplomatic counter-attack last year, with newly elected President Dmitry Medvedev making Baku one of his first foreign stops and energy firm Gazprom offering major

purchases of Azerbaijani gas.

AZERIS WARM TO NABUCCO

Russia has also sought to play a stronger role in resolving the conflict over Karabakh and in November hosted the Armenian and Azerbaijani presidents for peace talks.

"Relations have been improving in the last several years, with (Azerbaijani) President Ilham Aliyev reaching out to Moscow and downplaying his NATO aspirations in favor of accommodating Russian interests and building pragmatic relations with the Kremlin," Ismailzade said.

But analysts said the arms scandal was already having an effect.

Despite Russian opposition to the Nabucco project, Aliyev made a strong show of support for the pipeline at a summit in Budapest last week.

Azerbaijan is a crucial potential gas provider for Nabucco, a 3,300-kilometre (2,050-mile) pipeline between Turkey and Austria scheduled to be completed by 2013.

"Following the reports on Russian arms supplies to Armenia, President Aliyev ... said clearly that he plans to actively participate in the project," Musabekov said.

"In the past Azerbaijan was more restrained concerning the Nabucco project. I don't think this is going to go down well in Russia."

Independent political expert Ilgar Mamedov said that the reaction in Baku so far was not as strong as during a similar scandal in 1997 when Russia was accused of supplying more than a billion dollars worth of arms to Armenia.

"It will be clearly visible if Azerbaijan decides to worsen relations (with Russia.) There will be a massive anti-Russian campaign in Azerbaijan's media, on television and in the pro-governmental press. Currently we are not seeing that," Mamedov said.

But Ismailzade said widespread expressions of outrage, including from Aliyev's allies in parliament, were telling signs of deep anger over the incident.

"Baku's flirt with Moscow seems resolutely over, which could rejuvenate ties with the West," he said.