

## Can a Cut NATO Supply Route Through Russia Benefit Georgia and Azerbaijan?

The 20th anniversary of the dissolution of the Soviet Union is upon us, and US-Russian tensions have risen as Russia contemplates terminating the NATO supply route through Russia. International news reports such as [The New York Times](#) detail the threat as a “death blow” to the U.S.-led NATO mission in Afghanistan and indicate that this could be a blessing in disguise for NATO hopeful Georgia, as well as for Azerbaijan.

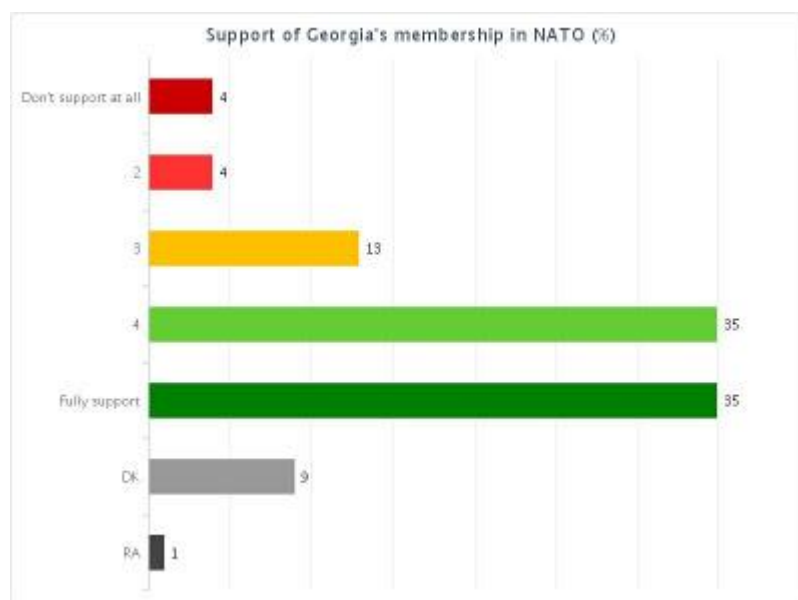
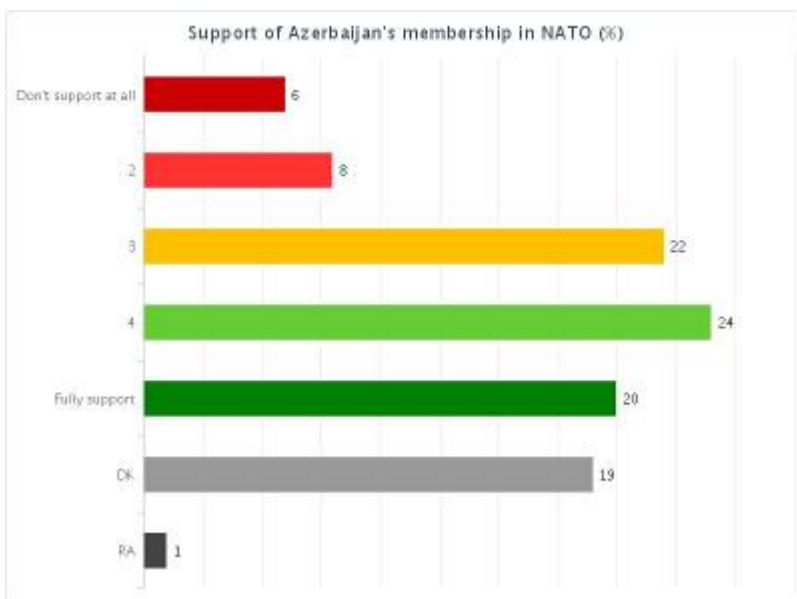
NATO has two main transportation routes via the Northern Distribution Network (NDN), which connects Baltic and Caspian ports with Afghanistan via Russia, Central Asia and the Caucasus: the NDN North and NDN South. The NDN North transit route initiates in Latvia, crosses through Russian territory and enters Afghanistan via the Afghan-Uzbek border. The potential blessing for Georgia and Azerbaijan lies in NATO’s NDN South transit route that spans from the port of Poti in Georgia to the Afghan-Uzbek border. The potential termination of the NDN North route leaves the NDN South route as a viable alternative. The NDN South route currently facilitates the transportation of [30% of the U.S.-NATO supplies](#) to Afghanistan, as reported by the Center for Strategic and International Studies (CSIS). Should Russia close its borders to NATO, and the NDN North route cease to function, this could provide an opportunity for economic diversification in the way of transit fees for Georgia and Azerbaijan. This move could also open trade possibilities between Georgia, Azerbaijan and Afghanistan, as well as add leverage for future NATO membership.



Map from Google Earth. Courtesy of CSIS

Therefore, the issues at hand are two-fold. Are Georgia and Azerbaijan willing or prepared for further commitments to the NDN South transit route? What implications does this have for both the future of Georgian and Azerbaijani NATO membership as well as commercial trade?

First, CRRC's 2010 Caucasus Barometer (CB), shows that NATO membership is supported (fully and somewhat) by 70% of the Georgian population. Support for NATO membership is less in Azerbaijan where 44% of the population is supportive (fully and somewhat) (See [the previous post](#) by Nikola for more details). Thus, increased use of the NDN South route could generate an opportunity to demonstrate further interests in NATO membership. Based on public support for NATO membership, more use of the NDN South route could be welcomed.



Second, more traffic through the NDN South route could economically benefit Georgia and Azerbaijan. Data from the World Trade Organization (WTO) shows that trade in [commercial services](#) (including transport) is a growing industry in Georgia. As indicated below, Georgia has seen an increase from 2009 to 2010 in import and export transportation (excluding government services). Azerbaijan has seen a slight decline in export transportation, but an increase in import transportation.

Subject: Trade in commercial services				Unit: US dollar at current prices (Millions)		
Reporter	Flow	Indicator	Partner	2008	2009	2010
Georgia	Exports	Transportation	World	614	622	696
Georgia	Imports	Transportation	World	642	491	554

Reporter	Flow	Indicator	Partner	2008	2009	2010
Azerbaijan	Exports	Transportation	World	794	662	644
Azerbaijan	Imports	Transportation	World	683	801	801

Data retrieved from WTO [website](#)

Thus, Georgia and Azerbaijan could benefit at least economically if Russia decides to cut off the NDN North transit route.