

# **GEOPOLITICS OF TRANSPORTATION: THE MIDDLE CORRIDOR – TRANS-CASPIAN INTERNATIONAL ROUTE BYPASSING RUSSIA**



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# Introduction to TITR

Significant shifts in the geopolitical environment in the last couple of years have kickstarted movement in the transportation sphere to find new solutions for old problems. [Recent Houthi attacks](#) and a continuous flow of international sanctions targeted at Russia have called the traditional global trade routes under revision as they seem to become increasingly unreliable. This can be seen with the [noticeable drop in shipping](#) via the routes going through the Suez or the Northern Corridor since the full-scale invasion of Ukraine. Considering the circumstances, it's evident that the renewed interest in the lesser-known Trans-Caspian International Transport Route (TITR) is understandable when we recognize it by its other name – the Middle Corridor. The resurgence of interest in finding a more optimal way for an East-West connection was caused largely by Russia's invasion of Ukraine and the subsequent sanctions and uncertainty that followed. The already pre-existing connecting routes of the European Union and the People's Republic of China face challenges due to trading routes' passage through pariah states such as Russia or Iran. Therefore, the renewed interest in revitalizing the middle corridor is a response to the increased problems in logistics for the transportation of goods that link the PRC with the EU.

However, it is essential to assess the developments and difficulties related to the initiative, as well as dissipate and properly clear out any exaggerated claims or false promises surrounding the narrative. This research aims to examine the gained traction for the TITR as a geopolitical response to circumvent traditional routes by looking at the involvement of key players across the route, piecing their interests as well as the responses that followed to the new developments being made. As we look at the geoeconomic significance of the route with its shorter distance, untapped markets and promise of growth, this paper attempts to present a wider picture by addressing the challenges, narratives and developments made in this pivotal chapter of the corridor's development.

## Origins of TITR

The general vision for establishing transport links within the wider Eurasian region, which would link two economic powerhouses – China and Europe has been around for quite some time. The concept of establishing a connecting route through Central Asia and the South Caucasus by circumventing Russia was conceptualized back in 1993 [with the establishment of the Transport Corridor Europe-Caucasus-Asia \(TRACECA\)](#), which united 14 countries across Asia, Europe, and the South Caucasus. While it essentially was an EU-led initiative, TRACECA shared objectives similar to the later TITR. However, TRACECA's international competitiveness has been questioned due to many technical, economic and bureaucratic factors which led to Türkiye becoming a vocal supporter of the conception of a necessary ferry, port, railway and road infrastructure across Central Asia, the Caspian Sea, and the Caucasus since the late 2000s. Türkiye searched for strategic partnerships in Central Asia and with the PRC in order to bring these countries along the trade route, patching together the existing and future developments in transportation networks. Türkiye sought to diversify its trade partners and use the proposed route idea for the benefit of its export-oriented economy and the significant step was made with the completion of the Baku-Tbilisi-Kars railway in 2017 that enabled rail passage through the Caucasus mountains for the first time since the 1990s. Türkiye's [Transport, Maritime and Communications Minister, Ahmet Arslan](#), was quoted saying that this railway would become an

important connector of the Middle Corridor Initiative, creating economic corridors through the regions of Central Asia, the Caucasus and China.

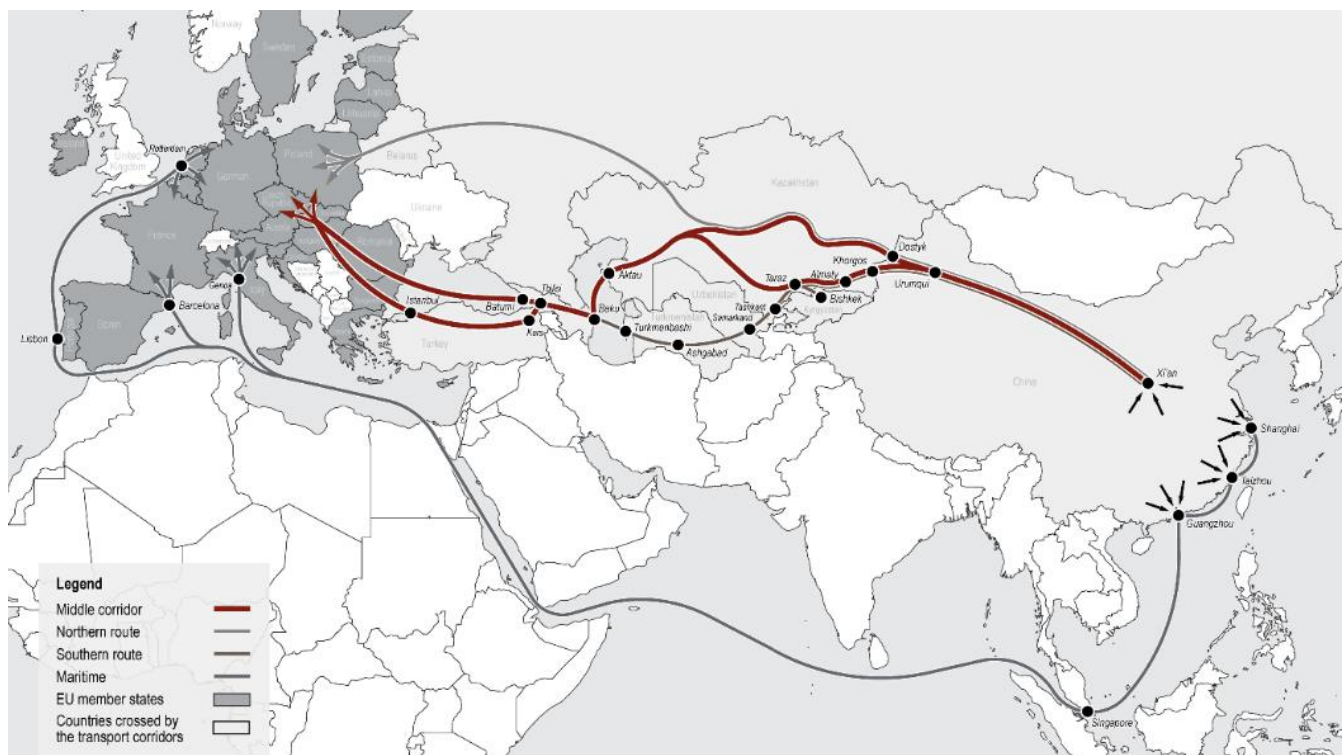
However, the institutional foundation of the Middle Corridor that we know today can be traced back to the efforts of the leaders of JSC National Company "Kazakhstan Temir Zholy", CJSC "Azerbaijan Railways", and JSC "Georgian Railway" who established the Coordination Committee of the Governments of Azerbaijan, Georgia, and Kazakhstan for the Development of the [Trans-Caspian International Transport Route](#) as part of the II International Transport and Logistics Business Forum "New Silk Road" in Astana, 2013. Later, the establishment of the international association "Trans-Caspian International Transport Route" signed by the three agreed countries has been operational since 2017 and has since been joined by the Turkish and Ukrainian railways, as well as several transport/logistics companies from countries along the route.

Before 2022, the Trans-Caspian Middle Corridor was primarily a niche regional initiative that lacked proper endorsement from international businesses and stakeholders, but the resurgence of interest in the Middle Corridor came with a significant engagement from global logistics corporations and initiatives that were attracted by the new promising environment around the route.

## Regional Landscape of TITR

The special geographical significance of this transit route has led to it being referred to by many as a competitor to the Trans-Siberian, northern corridor, the main railway link between Europe and China. Starting from the China-Kazakhstan border, this route extends through Kazakhstan, partly Uzbekistan and Turkmenistan and the Caspian Sea to Azerbaijan, Georgia, and Türkiye before arriving in Europe via the railways and seaways. The route itself was conceptualized with significant potentials in mind that would be brought about by the severe cut of the route, by at least [2000 kilometers](#) compared to the Northern Corridor passing through Russia. Coupled with other economic benefits of having shorter routes, one of the most important outcomes of the Middle Corridor would be the mitigation of risks, uncertainties, and sanctions-compliance issues associated with transit through Russia.

**Figure 1.** The Middle Corridor among trade corridors connecting Europe and Asia



The present geopolitical situation in Eastern Europe has caused an increase in the efforts being made to boost the mutual political and economic relations of the Middle Corridor countries and the establishment of shared strategic interests. This notion has been explicitly solidified by Turkmenistan and Uzbekistan, which recently started operating a connecting trade route. The primary focus of the aforementioned Central Asian republics revolves around facilitating smoother exports of oil and natural gas. According to [Turkmen officials](#), the country's special interest in the Middle Corridor is triggered by its economic development strategy, placing itself as a key point on the transit route from China to Europe.

The region, however, has a lot of overlapping developments that raise concerns for the competition for alternative trade corridors. One of the prominent examples of this is The International North-South Transport Corridor (INSTC), which connects the Indian Ocean and the Persian Gulf with the Caspian Sea, eventually leading to Europe. [The INSTC is in contrast to the Middle Corridor](#), thus India has assumed the role of the biggest proponent and advocate for a more cost-effective alternative for the participating countries and businesses included. This occasion potentially poses a risk to continued progress and future investments into the Middle Corridor, which is still under questionable commitment from the involved nations. At a [Trilateral meeting of Iran, Russia, and India](#) on INSTC, the Indian Deputy National Security Advisor Vikram Misiri stated that this connectivity project could potentially stir up economic development in the Middle East, South, and Central Asia.

Despite this, it is clear that there has been steady support for the regional developments of the Middle Corridor from major Western partners. For instance, the European Bank for Reconstruction and Development (EBRD) has announced an [investment of \\$100 million in Kazakhstan's railway infrastructure](#). In October 2023, a crucial segment of Georgia's East-West highway, the Ubisa-Shorapani section, was opened. This development is specifically important in Georgia as it enhances connectivity to key locations, including the port of Poti. [The European Investment Bank has allocated €42 million in grants and €1 billion in loans](#) for the construction of 150 kilometers of expressways in Georgia. The United States has also shown increasing interest in the development of the corridor. In early March 2023, US Secretary of State Antony Blinken announced a [commitment of \\$25 million during his visit to Kazakhstan and Uzbekistan](#).

One of the most notable decisions in support of the corridor can be seen in [the 49th Group of Seven \(G7\) Summit in May](#), where heads of diplomatic missions from Western countries, including the United Kingdom and the United States, have expressed their willingness to support the region by providing assistance in energy infrastructure development and the diversification of energy resources. As stated by the Kazakh Foreign Ministry, the development of the Middle Corridor will be prioritized with the G7 initiative – Partnership for Global Infrastructure and Investment – with a budget of \$600 billion until 2027, underscoring their commitment to its progress.

## Beijing's Interests in TITR

China has been one of the biggest proponents of the Middle Corridor, which roughly follows the route of the ancient Silk Road. It has continuously shown great interest in building transcontinental transport and logistics lines that it can directly control and influence while simultaneously avoiding dependence on Russia for land logistics in the Northern Corridor or waters and straits controlled by the United States. The avoidance of these routes can reduce the risk of disruptions caused by economic

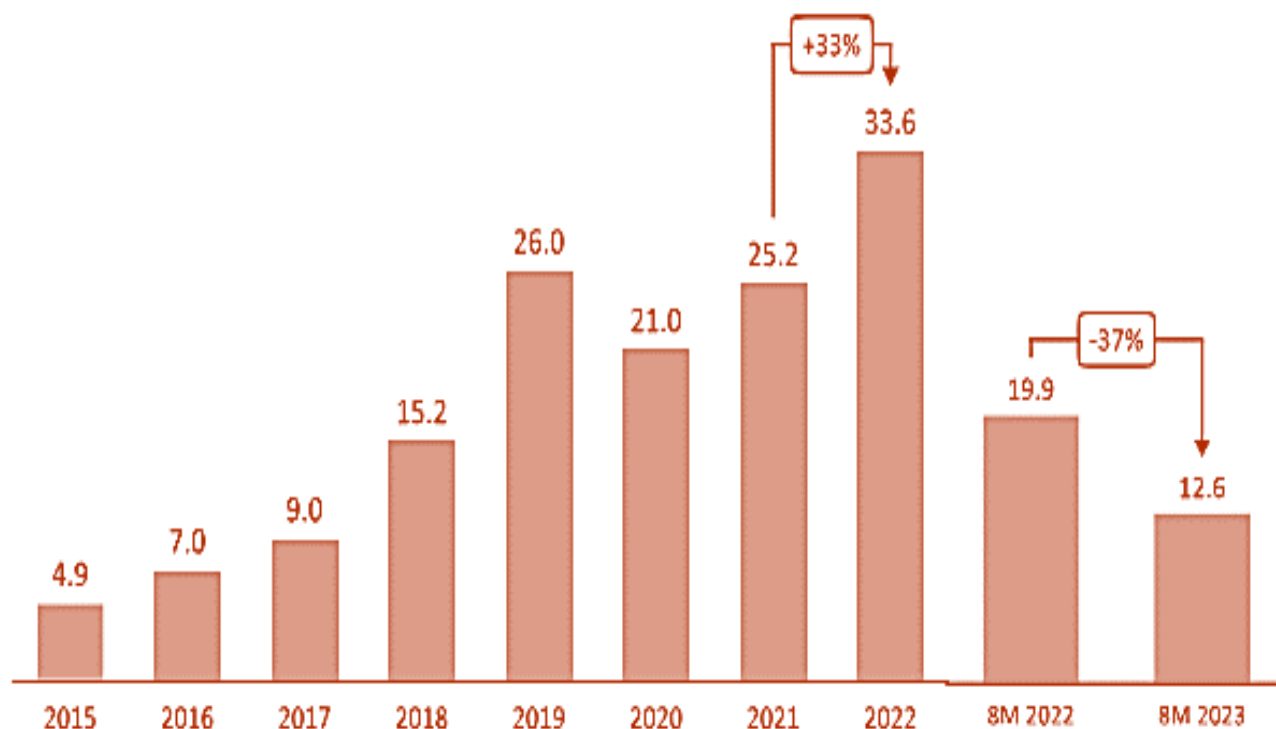
coercions or wavering trade flows, especially after the conditions of the COVID-19 pandemic and war in Ukraine.

For Beijing, all new trade routes across Eurasia are considered broadly beneficial as they give Chinese industry greater access to international markets and the Chinese government more presence in Central Asia, a region where Beijing and Moscow have long contended for influence. Although China and Russia may not be directly confronting each other and may currently share a “no limit” partnership, the longevity of that partnership is not guaranteed, considering the rising influence of the PRC in the regional affairs of Central Asia and the shift in the geopolitical environment in the last 2 years. China has increasingly invested in good relations with Kazakhstan and Azerbaijan through China’s Silk Road Economic Belt Initiative, prioritizing the infrastructure projects of the corridor’s key countries. The prominent issue that Beijing has been trying to solve is its dependence on Russia and the US for trade connectivity, whether through the Northern Corridor or the traditional maritime route through the Indian Ocean. This, in turn, would help with what former Chinese General Secretary Hu Jintao once called China’s “Malacca Dilemma” - the [vulnerability of the PRC](#) through its important trade route that passes through the Malacca Strait, a chokepoint that the United States could throttle. This, in itself, has always been on Beijing's agenda, with the increase of tensions with Washington over Taiwan and the South China Sea. The increased importance of trade routes that bypass the Malacca Strait, such as the Middle Corridor, is accentuated because of its potential to decrease American leverage over China and strengthen China’s position in its rivalry with the United States in its neighborhood. Therefore, the PRC’s investment in the logistics infrastructure that supports the Middle Corridor, such as the Khorgos Gateway with Kazakhstan, indirectly serves the interests of Beijing in diversifying its trade route possibilities and revitalizing the ancient Silk Road. During the [China-Central Asia summit in Xi’an](#) in May 2023, described as China’s top diplomatic event of 2023 by the Chinese Foreign Ministry, Chinese leader Xi Jinping met with five Central Asia leaders where they discussed the regional connectivity and projects such as the China-Kyrgyzstan-Uzbekistan railway project, along with the Kazakh-Chinese railway, and the construction of several highways that will play integral roles in the Middle Corridor. China had promised the five Central Asian nations new loans and grants totaling \$3.7 billion to build up their development capacity.

## Effectivity and Potential of the TITR

The Middle Corridor significantly shortens the route compared to the Northern Corridor, however, a significant challenge arises when looking at the amount of land/sea borders and customs controls that the cargos have to go through. Although the initiative has been characterized with much anticipation and prospects, with the World Bank report setting the corridor’s first milestone in 2030, the poor organization and coordination of the cross-country cargo carriers, the relevant agencies operating along the route and [lacking technical capabilities and equipment of seaports](#) will set the expectation back negatively affecting the economic efficiency of transportation through the Middle Corridor. The shortage of large-scale ferries in the Caspian and Black Seas, the questionable electrification of the rail network between Georgia and Türkiye, the limited capacity of the ports, and the frequent loading of trans-continental bridges and overpasses located in Istanbul are examples of obstacles that the Middle Corridor has to overcome.

**Figure 2.** Dynamics of container traffic along the Middle Corridor, thousand TEUs



Source: World Bank team based on data from the Trans-Caspian International Transport Route Association.

The Middle Corridor critically lags behind the capacity of the Northern Corridor, controlled by Russia. It would be foolish to anticipate the Middle Corridor's competition with the Northern Corridor to reach any tangible results in the near future. Therefore, the inflated optimism surrounding the project should be assessed with caution. The lack of efforts being made to address the issues of harmonization and simplification of the regulatory and customs procedures for the transit cargo cannot compete with the Northern Corridor, where the EU market importers can enjoy a single price quote and streamlined delivery managed by a single operator. In addition, major logistical problems arise with the limited railway capacity, particularly in Georgia, and a shortage of ships in the Caspian Sea.

However, the opportunity is clear for the taking, as the benefits associated with the transit route through Russia via the Northern Corridor have come under huge questions due to the long-term sanctions and uncertainty that will persist as the Ukraine War continues. The discussed challenges associated with the Middle Corridor's multi-modal nature undoubtedly limit the efficiency and could potentially hinder vast volumes of traffic; it is also true that this initiative can pose as an alternative option that can diversify supply routes, providing more secure market access for South Caucasus and Central Asian exporters. Even though the participant countries of the Middle Corridor, especially in Central Asia, have always acted more reluctantly and with caution in relations to Moscow, the global trade realignment as a result of the war in Ukraine and Western sanctions has significantly altered the situation, making the development of the Middle Corridor an inevitable choice.



# Conclusion

Despite significant developments in the region aimed at enhancing connectivity and the effectiveness of key infrastructure along the Trans-Caspian International Transport Route (TITR), several challenges remain. The revitalized importance of the route, particularly after the invasion of Ukraine and sustained attacks on merchant shipping in the Red Sea, underscores the need to address these issues. Major flaws such as poor railway infrastructure, limited capacity of Caspian ports, and inadequate border and customs control mechanisms continue to hinder progress. Continuous development is crucial for the countries along the Middle Corridor to build seamless connectivity between the Caspian and Black Seas, facilitating smooth cargo delivery to Europe.

The optimism regarding the potential of the Middle Corridor to pose as a viable alternative to the Northern Corridor should be looked at with caution. According to the estimates by the European Bank for Reconstruction and Development, the Middle Corridor requires an investment of \$19-21 billion to address the aforementioned challenges. The maintenance of a peaceful environment is crucial to ensure the smooth and uninterrupted operation of the Middle Corridor, and therefore, it is imperative to de-escalate conflicts and any other potential disruptions to the Middle Corridor. Indeed, trade along the Middle Corridor has grown, but that growth should be kept in perspective. Despite all these efforts to grow the route's capacity, it still significantly falls behind Russia's Trans-Siberian railway and the traditional maritime route.

Russia's continued sabotage of its international reputation and trade partnerships will definitely be imperative for the countries in the region to recalibrate their partnerships, diversify trade portfolios and seek viable alternatives to Russia. This cannot be achieved without further investment and commitment to the fruition of this project, considering the many obstacles presently hindering its realization.

