O'ZBEKISTON RESPUBLIKASI
TRANSPORT VAZIRLIGI

ЦЕНТР
ИЗУЧЕНИЯ ПРОБЛЕМ ТРАНСПОРТА

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POLICY RESEARCH CENTER

PeaceNexus Foundation

ROADS FOR PEACE:

CONNECTIVITY IN CENTRAL ASIA IN THE INTERESTS OF ALL

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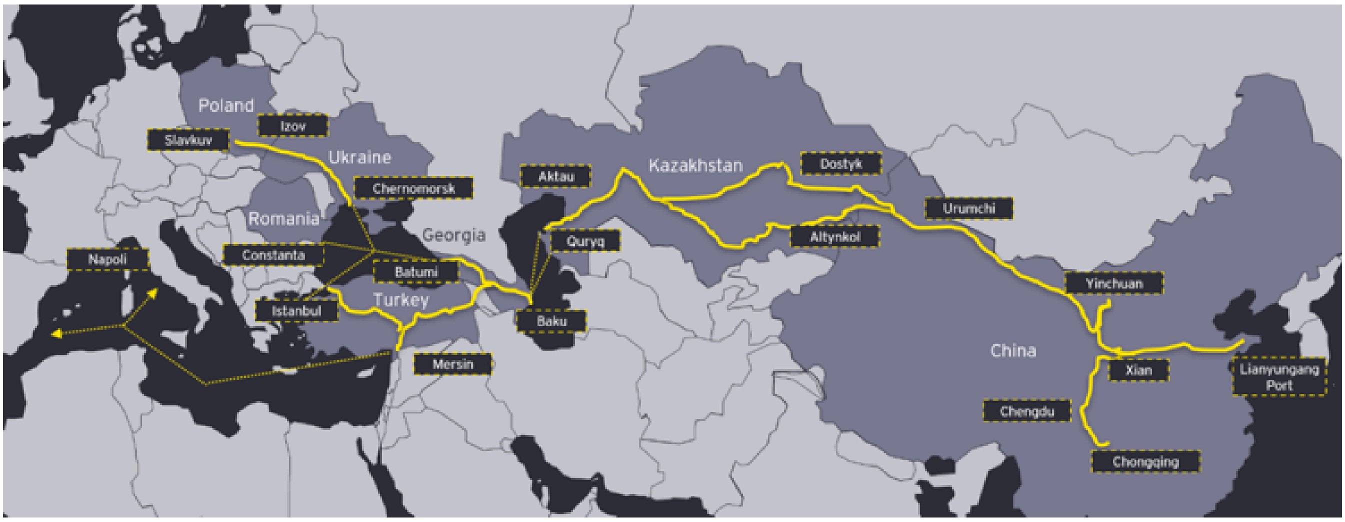
INDTRODUCTION

Following the beginning of military confrontation in Ukraine in February 2022, the international spotlight shifted to Russia's neighbouring countries in Central Asia and the South Caucasus. The imposition of sanctions on Russia prompted Western actors to seek alternative commercial routes that did not involve either Russia or Iran, another sanctioned nation. Concurrently, China became actively engaged in regional connectivity.

Plans to enhance East-West connectivity are not novel and are underpinned by the EU-supported TRACECA project, which involves 13 countries.[1] Since 2022, efforts have been directed towards fortifying this route, commonly referred to as the Middle Corridor or, more formally, **the Trans-Caspian International Transport Route (TITR).** The TITR is a multimodal rail, freight, and ferry system designed for cargo transit, connecting China with Europe through Central Asia and the Caspian Sea, circumventing Russia. However, the success of the Middle Corridor hinges on the determination and cooperation of countries that share a history of bureaucratic impediments, lack a unified regional regulatory framework, and have a past marked by tensions. These challenges do not have straightforward technical solutions. While experts universally concur that regional cooperation would enhance the region's strength, such cooperation has been slow to materialise.



Source: https://middlecorridor.com/en/route

In the last few years, studies and technical assessments of the Middle Corridor were conducted by the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), and the United States Agency for International Development (USAID) to explore the route's potential. While these studies are valuable, they reflect the perspectives of external powers and international institutions, which are, in turn, influenced by geopolitical considerations. This study stands out as a locally-led research initiative, owned and managed by the Central Asian countries themselves. Its objective is to foster a common position in Central Asia and across the Caspian Sea, transcending national interests and enabling countries to recognise the advantages and disadvantages from a regional standpoint. This assessment serves as a tool to promote region-wide policy formulation, accommodating national interests in a manner that benefits all parties, and empowering the region to assert its agency and a unified voice.

The primary objective of this project is to foster peace through the enhancement of regional cooperation in Central Asia and the Caspian Basin. This is achieved through a locally-led

[1] https://traceca-org.org/en/about-traceca/

collaborative research initiative that establishes partnerships between state and civil society entities. To this end, PeaceNexus Central Asia (PNCA) has engaged in productive cooperation with the Ministry of Transport of Uzbekistan since 2022 on the Regional Transport Hub for Central Asia. The initiative involved the Ministry of Transport of Uzbekistan, the Uzbekistan-based Mano Research Centre, and a Working Group comprising representatives from the Ministries of Transport of Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, as well as independent experts. On 25 October 2023, a Tri-partite MoU was signed between the Transport and Logistics Research Centre of the Ministry of Transport of Uzbekistan, PNCA, and the Ma'no Research Centre. In 2024, representatives from Azerbaijan joined the Working Group. These collaborative efforts have laid the groundwork for the partnership.

FINDINGS

1. Corridors rise on the horizon

Central Asia has historically served as a crucial *transit hub*, facilitating trade and connectivity between regions. Despite its landlocked status and no access to the open seas, it strategically borders three global economic powers: China, India and Russia. This geographical positioning makes Central Asia a pivotal land bridge between East Asia and Europe. An overwhelming majority of trade (***80***%) is transported by rail, while the remaining ***20***% uses road transportation.

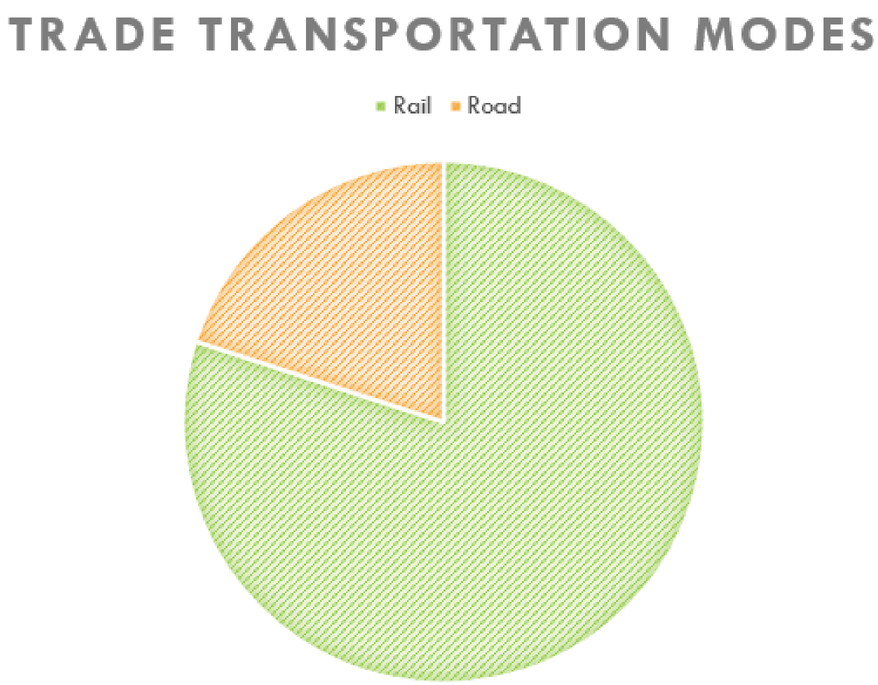
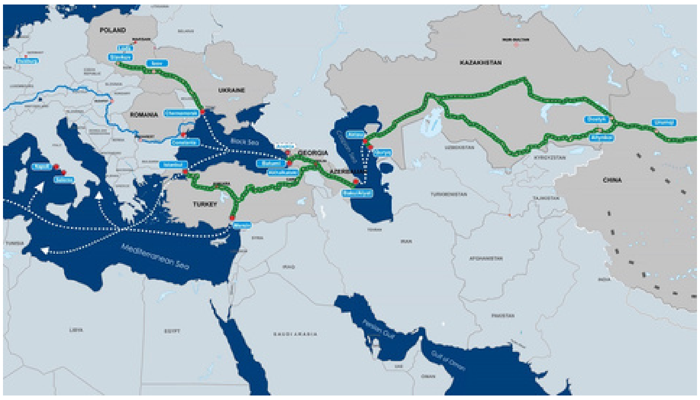


Figure 1. Transport Modes in Central Asia. Source: Own compilation.

- **The Northern Corridor**[2] connects Europe with China and Mongolia via the *Trans-Siberian Railway (Transsib)*, which traverses Russian territory. It is projected to extend to North Korea soon. This fully electrified 10,000 km route offers a stable transit time of 14 days from China to the EU border in Poland at competitive rates. In addition, rail and road links from China to Russia via Kazakhstan connect with the main line to Belarus, providing an alternative route.

Trans-Siberian Railroad. Source: Britanicca.com

- **The Middle Corridor**, spanning from China to the Black Sea, bypasses Russia and offers a shorter route of 7,000 km. However, it necessitates traversing the Caspian Sea and multiple border crossings. East of the Caspian, the corridor comprises two routes: the existing one through Kazakhstan and Azerbaijan, and the prospective railway through Kyrgyzstan and Uzbekistan, which will subsequently connect with Turkmenistan. West of the Caspian, two alternatives exist to reach the EU border in Bulgaria or Romania: a land-based route via Türkiye or a maritime route via the Black Sea. The transit time is contingent upon the duration of crossing the Caspian Sea, which is weather-dependent, and transportation costs are approximately 40% higher compared to the Northern Corridor



- **Southern corridor** is a developing route through Tajikistan, Uzbekistan and Turkmenistan to Iran and Türkiye, which avoids the Caspian crossing and enters the EU via Bulgaria or Greece. It is constrained by poor infrastructure, the need to cross the Van Lake in Türkiye and Western sanctions on Iran. China intends to invest in the Iranian transportation system, and this route has notable potential.

Still, the majority of cargo from China is transported to Europe via the maritime route, which dominates the global trade landscape. Recent security concerns in the Red Sea have adversely impacted navigation through the Suez Canal, prompting vessels to reroute via the Horn of Africa, resulting in increased operational costs.

Concurrently, longitude **North-South routes** continue to expand, propelled by Russia's aspiration to reach warm-water ports in Iran, India, and Pakistan. These routes traverse through Central Asia and Azerbaijan, and inter alia, facilitate Russia to connect with Iran by land rather than resort to the unreliable Caspian Sea crossing. Central Asian states and Azerbaijan collaborate with Russia to establish a network of corridors, among which are initiatives aimed at connecting India with Baltic Sea ports via Iran and the Caspian Sea.

[2] In general use, the 'Northern route' term is applied to the High North sea route via the Russian Arctic, where global climate change may make commercial navigation viable. The term 'Northern corridor' is applied in the current study to the land railway route via Russia.

India has emerged as a pivotal partner for Russia, with bilateral trade surging fivefold since 2020 and surpassing $64 billion in 2024. The states of the region are keen to capitalise on these connections to enhance trade with countries to the south, which offer lucrative markets for their goods. China has invested in various routes as a part of its BRI, and already utilises the Middle Corridor to transport cargo from Sian, Urumchi, and Jinhua to Europe. Consequently, Central Asia and Azerbaijan find themselves in high demand, surrounded by a multitude of opportunities to develop transport links in multiple directions.

2.Accelerated Regional Development

The region has experienced growth in power and self-assurance. The evolving global climate, consistent economic growth (projected by the EBRD at 5.1% GDP in 2024),[3] the strengthening position of Central Asian states and Azerbaijan in the international arena, and the lessons learned from the previous absence of regional cooperation have all contributed to the region's consolidation. Since 2022, Central Asian leaders have increasingly presented a united front in negotiations with external partners, conducting joint visits to global capitals, and proactively utilising '5+1' regional formats with the EU, US, China, and Russia to articulate their interests. The emerging cooperation between Central Asia and Azerbaijan represents a notable new trend in this direction. Several bilateral partnerships have been established between Central Asian states, and in August 2024, five Central Asian states signed the **'Central Asia – 2040' Concept of Development of Regional Cooperation.**

Connectivity is one of the goals of growing cooperation. For this purpose, the countries established various institutional mechanisms. The most recent is the **Trans-Caspian Transport Corridor Coordination Platform** set up in 2024, which aims to improve cross-border collaboration, create a seamless customs process and reduce delays for freight operators. The Central Asian Centre for Transport under the UN aegis functions in Dushanbe, Tajikistan, and in autumn 2024, Azerbaijan, Türkiye, Uzbekistan, Kyrgyzstan, Tajikistan, China and Austria agreed to establish **the Eurasian Association of Transport Routes** to coordinate transport policy. These structures build upon previous efforts. In 2013, a Coordinating Committee for the development of the Middle corridor between Kazakhstan, Azerbaijan and Georgia was created, and in 2017 the *International Association* was set up to facilitate the process.

[3]Согласно прогнозу Европейского банка реконструкции и развития, региональный рост достигнет 5,1 процента в 2024 году и ускорится до 5,9 процента в 2025 году благодаря росту доходов от сырьевых товаров, инвестициям в инфраструктуру и рыночным реформам, 'Regional Economic Prospects,' сентябрь 2024, https://www.ebrd.com/news/2024/ebrd-forecasts-robust-economic-growth-in-central-asia.html#:~:text=Regional%20growth%20is%20set%20to,investment%20and%20market%2Doriented%20reforms.

3. Middle corridor: strengths and weaknesses

The Middle Corridor continues to experience substantial growth. The volume of cargo transported through the Corridor rose by *63%* in the 11 months of 2024, reaching **4.1 million tonnes**. Container traffic increased *2.6* times, totalling 50,500 twenty-foot equivalent units (TEUs). Its throughput capacity is now six million tonnes annually, including 100,000 TEUs of container shipments.[4] For Central Asia, the Middle Corridor serves as a predominantly transit route for goods from China and Asian countries destined for European markets. Own exports are modest. Kazakhstan leads in trade turnover with the EU with a 93.3% share, followed by Turkmenistan (3%), Uzbekistan (2.3%), Kyrgyzstan (1.1%), and Tajikistan (0.5%).[5] There are hopes that the development of export-oriented industries will enable the sale of domestic products in Europe.

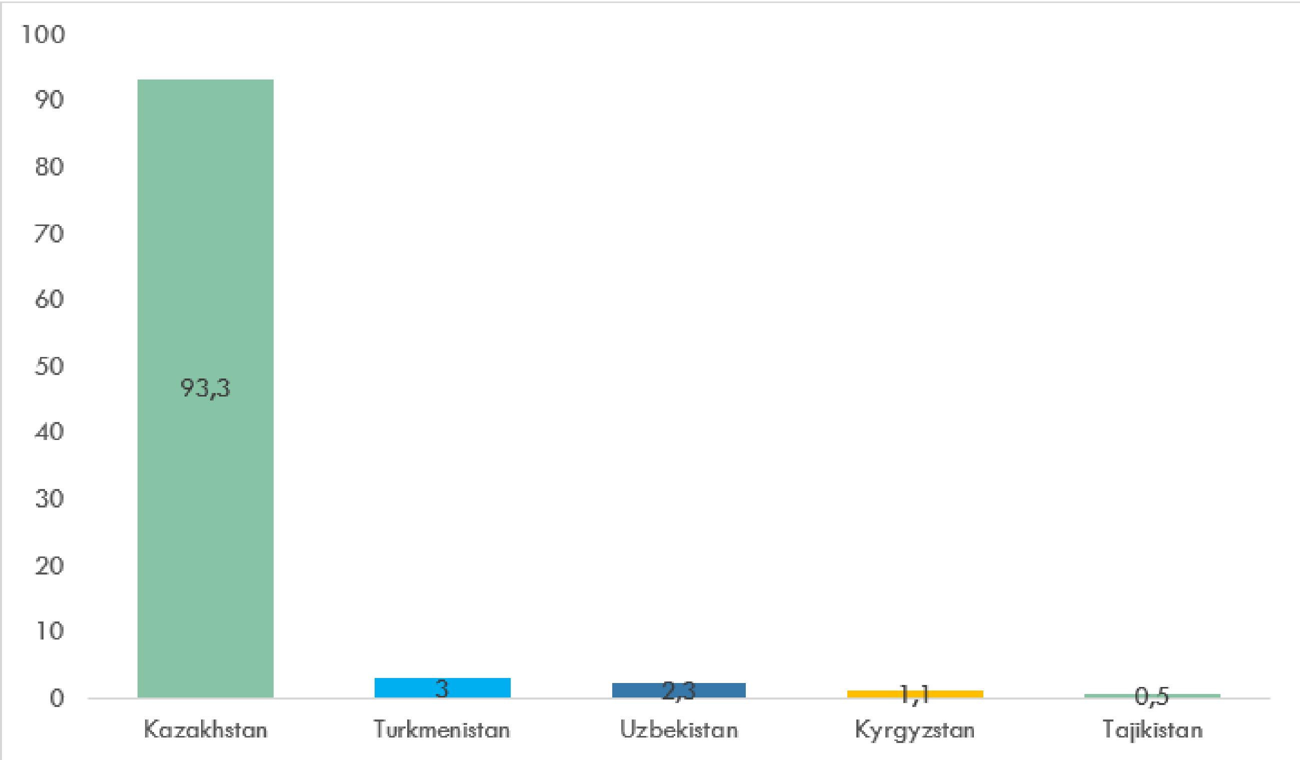


Figure 2. Share of trade with the EU by Central Asian countries. Source: Own compilation.

All project experts emphasise the aspiration for the region to transform into a prominent transcontinental transit hub. The more immediate objective is enhanced intraregional connectivity between Central Asia and Azerbaijan, which the Middle Corridor can facilitate. Currently, transportation services account for half of the total income generated from exporting services in Central Asia. The study investigates transit cargo volumes, the export of transport services, and the economic impact of the transit sector in Central Asian economies.

[4] Saniya Sakenova, "Cargo Transport via Middle Corridor Surges to 4.1 Million Tons in 11 Months," Astana Times, 18 December 2024, https://astanatimes.com/2024/12/cargo-transport-via-middle-corridor-surges-to-4-1-million-tons-in-11-months/#:~:text=ASTANA%20-%20The%20volume%20of%20cargo,17%2C%20summarizing%20this%20year's%20results.
[5] Data provided by the Centre for the Study of Problems of Transport and Logistics under the Ministry of Transport of Uzbekistan.

The 2022 data reveal that Kazakhstan (59%) and Uzbekistan (44%) dominate in transport service revenues, while such services in Kyrgyzstan and Tajikistan contribute relatively modestly to their total income from services. Economic modelling underscores the direct correlation between trade volumes and transport service revenues; consequently, increased trade volumes between Eurasian countries would positively influence regional transport revenue.

The recent geopolitical and geoeconomic turbulence underscored the vulnerability of Central Asian economies to disruptions in transportation. Recognising this vulnerability, the states have adopted a policy of diversifying their transport corridors to enhance economic resilience. Diversification fosters greater investment opportunities, promotes innovation, and mitigates the impact of external shocks. This policy has motivated regional actors to collaborate on the European direction while simultaneously participating in the development of *North-South corridors.* Furthermore, they maintain interest in a route through Afghanistan and Pakistan, which can significantly enhance Central Asian exports to Pakistan and India.

Overall, the Middle Corridor plays the role of a contingency route in times of geopolitical turbulence rather than replacing the Northern route via Russia. The latter offers significant advantages: all countries until the EU border are connected by a unified railway network with a 1,520 mm gauge. Goods are transported via land, and the countries along the corridor are fully integrated in legal and technological frameworks. Additionally, transportation requires only a single document valid until the destination. The Northern route continues to attract the majority of international cargo transported by land.

The countries of the region do not anticipate this situation to fundamentally change. Their interest in the Middle Corridor stems from their desire to enhance regional connectivity and strengthen ties with the broader neighbourhood. The Soviet system developed Central Asian transport infrastructure in a manner that all routes to foreign trade seaports traversed through Russian territory leading to the Baltic Sea and the Pacific Ocean. Since gaining independence, the states have made efforts to re-balance the situation and opened new routes to China, Iran, and Türkiye, which have enabled them to diversify their foreign trade and offer their transit services to interested parties.

The cornerstone of foreign policy of the regional states is the principle of equidistance from global power centres, while maintaining good relations with all. Central Asians and Azerbaijan do not adhere to the Western security paradigm and do not perceive Iran, Russia, and China as potential adversaries. Instead, they recognise these nations as significant partners in regional development. Iran, for instance, has the potential to participate in the Middle Corridor in its southern direction. In November 2023, representatives from Iran, Kazakhstan, Türkiye, Turkmenistan, and Uzbekistan engaged in discussions to expedite the development of the second route of the Middle Corridor, connecting Turkmenistan and Uzbekistan. Furthermore, the anticipated decline in water levels in the eastern Caspian Sea may prompt the diversion of the Middle Corridor towards the construction of a more extensive **Turkmenistan–Iran–Türkiye–Balkans railway line.**

Consequently, Central Asian '*actorness*' is emerging with great caution. Its actors are apprehensive of becoming instrumentalised by powerful external players, who might seek to pursue their own interests and restrict foreign economic choices of the states of the region. The region is more of a recipient of projects undertaken by others who are willing to commit the necessary funds than an initiator. Azerbaijan pursues a more assertive stance in promoting regional connectivity, supported by public investment and the post-oil development strategy, which aims to prepare the country for the eventual decline of energy exports. Turkiye is Azerbaijan's closest partner, and the international institutionalisation of the Middle Corridor was facilitated by Türkiye's active role as part of strategy to enhance its regional influence. This role is welcome, but Central Asian actors are cognizant of potential tensions between Türkiye and Iran, which have historically complicated transit and may resurface in the future.

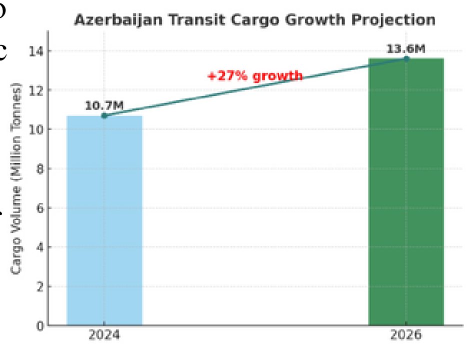
The Middle Corridor has its weaknesses. Its stable operation of the necessitates the overcoming of numerous physical and non-physical barriers due to its multimodal nature, inclusion of various countries with their own legal frameworks and administrative requirements, and the insufficient level of digitalisation. Persistent challenges stem from the high transportation costs relative to the Northern Corridor and the requirement for substantial infrastructural upgrades. Furthermore, the absence of integrated transport policies hinders the elimination of administrative and regulatory barriers.

Hence, the emergence of Central Asia as a major transit hub hinges on the modernisation of its infrastructure, the harmonisation of its regulatory framework, and strategic investments. By addressing current challenges and capitalising on the growing trade demands, the region can substantially enhance its role in global trade and transportation networks.

4. Opportunities from National Perspectives

The countries' positions relative to the Corridor are determined by their geographical location, physical characteristics, level of economic development, and the extent to which their leaders actively promote the Corridor. However, all see the existing opportunities exist in enhancing throughput capacity at Caspian Sea ports, developing new roads, and improving digital and regulatory frameworks for seamless transit.

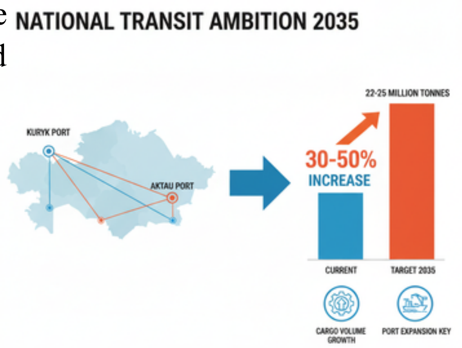
Azerbaijan emerges as a pivotal hub, aiming to diversify its economy and capitalise on its strategic location at the crossroads of East-West and North-South routes. In addition to investing public funds, the government employs political and cultural diplomacy to foster rapprochement among Turkic states through the Organisation of Turkic States and extend its outreach to Tajikistan. By 2026, Azerbaijan envisions a **27%** increase in transit cargo volume through its territory, reaching **13.6** million tonnes.



The **South Caucasus rail route (Baku-Tbilisi-Kars)** connects Azerbaijan with Türkiye via a lengthy detour through Georgia. The anticipated opening of the 43-km '***Zangezur***' passage would reduce transit time by a day and alleviate congestion on the existing road, but Armenia's deciding voice on this matter has hindered progress, and negotiations have yet to yield a resolution.

Azerbaijan has the option of constructing a bypass through Iran, although this option carries some risks. Even if the bypass is built, its stability remains uncertain.

Kazakhstan is another key actor. Its priorities include geopolitical stability, independent decision-making and balance of interests vis-à-vis external actors. Kazakhstan has a central part in the BRI, and two partnerships are key for the country: *Kazakhstan – Russia – China and Kazakhstan – Azerbaijan – Türkiye.* The country has an ambition to become a major transit hub by 2035 and increase the cargo volumes by **30** – **50**% to reach 22 – 25 million tonnes annually. Expansion of Kuryk and Aktau ports on the Caspian eastern shore will work towards that goal.



Kyrgyzstan's geographical features consist of 90% of its territory situated at elevations exceeding 1,500 meters above sea level. Mountains pose significant challenges in constructing transport corridors and impact domestic connectivity. The primary 250-kilometre railway line in the north traverses Bishkek to Balykchy on the shores of Issyk-Kul. In 2022, construction commenced on an extension of this northern line to Karakeche, spanning 186 kilometres. Currently, road transportation accounts for 95% of cargo movement, and the absence of railways hinders the development of mining and construction industries. The government is actively pursuing the establishment of an internal railway network, guided by the "**Concept for the Development of Road Transport in the Kyrgyz Republic for 2020 - 2024."**

The construction of the **China-Kyrgyzstan-Uzbekistan (CKU) road** commenced in December 2024. China has pledged to finance over half of the total project costs of **$8 billion**, and the parties have agreed to establish a joint venture. The road is anticipated to be operational by 2030. Kyrgyzstan sought to enhance internal connections and favoured a route that served domestic needs. However, its project partners advocated for a more direct and cost-ffective route, which was ultimately selected.

The road will traverse from Kashgar in China to Torugart, Arpa, Kosh-Dobo, Makmal, Jalal-Abad, and culminate in Andijan in Uzbekistan. Approximately 260 kilometres of the new line will be located within Kyrgyzstan.

In **Tajikistan**, geographical challenges are exacerbated by the mountains occupying 93% of the territory. Overcoming communication isolation is one of the country's four strategic goals until 2035. Tajikistan prioritised road transportation and made good progress in establishing connections with China and Afghanistan. It is anticipated that the overall volume of transit cargo will reach **6 million** tonnes annually, and the share of income generated from transport services as a percentage of GDP will double. In 2022, Tajikistan initiated the Southern Corridor route from China to Türkiye, connecting through Uzbekistan, Turkmenistan and Iran. This corridor, known as the **TUTIT route**, offers a reduction in transit time, given that the distance from the Tajik-Chinese border to Türkiye is 5,471 km over land, and eliminates the need for maritime crossings.

In addition to the Middle Corridor, **Uzbekistan** is also interested in developing the route to Pakistan via Afghanistan and further to India. Although this may seem like a distant perspective due to the need to construct a railroad through the Afghan territory and the ongoing tensions between India and Pakistan, Uzbekistan remains committed to this idea. The Southern Corridor to Iran and Türkiye is another strategic priority for the country. Uzbekistan's **"Transport Development Strategy"** outlines ambitious goals, including doubling exports of transport and logistics services, increasing the annual volume of transit cargo by 18.2 million tons, reducing the average time for vehicles to pass through border crossings to 10 minutes, and increasing the share of container traffic by 1.5 times.

Membership in regional organisations can facilitate cooperation, although its impact on the Middle Corridor has been limited to date. Kazakhstan and Kyrgyzstan are members of the Eurasian Economic Union (EEU), and the potential impact may be more significant if Uzbekistan, which currently serves as an observer, joins in the future. Central Asian states are also members of the Shanghai Cooperation Organisation (SCO), at whose summit the agreement on the **CKU railway** was signed in 2022. Given strategic partnership between Russia and China, the EEU and the SCO are unlikely to pose challenges to each other but rather create a conducive environment for the implementation of geo-economic projects involving Central Asian countries.

Funding remains a constraint of the Middle Corridor. Kazakhstan, as the key transit country, has been a pioneer of public investment in Central Asia, but the requirements are substantial. An expert from Kazakhstan estimates the necessary further investment in projects within the country to be approximately $11.3 billion. External investment has been modest. One source of the loans is the EU, planning to commit 10 million euros to the region. In January 2024, the European Investment Bank (EIB) signed memoranda of understanding (MoUs) totalling 1.47 billion euros with the governments of Kazakhstan, Kyrgyzstan, and Uzbekistan, as well as the Development Bank of Kazakhstan. The EBRD also signed an MoU with Kazakhstan, covering an investment pipeline worth **1.5 billion** euros in projects already in preparation.[6] Other major investors include China, Türkiye, and the Asian Development Bank, particularly active in Tajikistan.

[6] Key Outcomes of the Global Gateway Investors Forum for EU-Central Asia Transport Connectivity, 29-30 January 2024, European Commission press release, https://international-partnerships.ec.europa.eu/news-and-events/investors-forum-eu-central-asia-transport-connectivity_en

5. Risks

The Middle Corridor presents several risks. The most evident risk is financial. Foreign loans must be repaid, whereas public funding competes with domestic priorities, which may divert resources elsewhere. Sufficient revenues must be generated from trade and transit volumes to ensure comfortable loan repayments. For Tajikistan, whose trade with the EU is limited, borrowing against uncertain future profits poses significant challenges. Given these considerations, Tajikistan abstained from signing the **MoU** with the EIB at the EU-Central Asia Global Gateway Investment Forum in 2024, requesting additional time to assess the advantages and disadvantages of the offer.

Potential opposition from Russia may pose a risk. All states recognise Russia as a significant ally and acknowledge its strategic interests in the region. Trade and investment, as well as labour markets, benefit from ties with Russia; therefore, efforts are made to avoid alienating it for the sake of the uncertain prospects of European cooperation. This stance is common among all states, but they pursue it differently based on their positions. Russian expert discourse, in turn, attributes low value to the Middle Corridor due to its numerous challenges and views its competitiveness with scepticism, not considering it a serious challenger to the Northern route.

While there exists an apprehension that Russia's current neutral position might change to hostility, no indication of that is apparent. For Russia, it is far more important that Central Asia and Azerbaijan continue to cooperate in the Russia-led **North-South routes,** to which they have committed, rather than act as a hindrance to the region's projects with other partners. Developments point in that direction: for instance, in 2023, Kazakhstan signed an MoU with Russia on the expansion of the North-South route. Furthermore, Russia can also benefit from the sections of the Middle Corridor, such as the route through Azerbaijan and Armenia to Türkiye, or rail and road lines through Kazakhstan from Russia's regions to China. In all, if the Middle Corridor is presented as an attempt to disrupt the region's traditional ties with Russia, then the project has little merit and instead causes apprehension. However, if it is proposed as a complementary to the existing routes and advantageous for the neighbourhood trade, including Russia, the reception is more favourable.

The EU's continued interest in the Middle Corridor cannot be taken for granted, as the primary motivation for its development stems from geopolitical considerations rather than economic demand. The ongoing conflict in Ukraine has shifted the EU's stance towards confrontation with Russia, granting it a previously uncharacteristic military-security dimension and a rigorous pursuit of sanctions against Russia. Consequently, Central Asian countries and Azerbaijan have experienced economic losses and the adverse effects of secondary sanctions. Furthermore, Europe and the countries of the region operate under distinct security paradigms. Russia and China are viewed as strategic partners rather than adversaries. The countries are cognizant of the potential impact of deepening dependence on the EU on their national security, particularly if it leads to strained relations with neighbouring countries.

At present, all interests are at stake. If the US redefines its relations with Russia and they improve, the EU may encounter challenges in maintaining its current confrontational stance, particularly given the desire of some European businesses to resume cooperation with Russia. A thaw in East-West relations is likely to enhance the Northern Corridor's advantages, as a more convenient, predictable, and cost-effective route. Consequently, the international focus on the Middle Corridor may diminish, resulting in a reduction in available investment funds.

Regional wars also pose security risks, particularly for safe passage through the Caspian Sea due to the ongoing conflict between Russia and Ukraine. The Middle East war has contributed to the proliferation of international terrorist recruitment, and a threat of terrorist attacks on public infrastructure has increased. Furthermore, the absence of a peace treaty between Armenia and Azerbaijan presents an opportunity for renewed hostilities between the two nations.

Finally, environmental risks in the Caspian Sea Basin can be substantial. Climate change is causing sea levels to decline, and the region's unique wildlife is under threat. The accelerated development of the Middle Corridor necessitates the use of larger ships, heavier equipment, and increased frequency of sea crossings, which can pose long-term environmental challenges for short-term gains and increase the likelihood of industrial accidents. The environment may become contested ground. The Caspian littoral states, such as Iran and Russia, may seek introducing restrictions if they conclude that the maritime life of the Caspian is threatened.

CONCLUSIONS

The Middle Corridor presents several advantages, including:

- *Diversification of transport and trade links, thereby reducing the dependency of Central Asian countries on a single route;*
- *Enhanced transport connectivity within the region, as the Middle Corridor traverses all Central Asian countries. This will also strengthen administrative and communication ties with the neighbouring countries, such as Azerbaijan, Türkiye, and China;*
- *Geopolitical balance and the pursuit of a multi-vector foreign policy;*
- *Potential for the establishment of business and logistics hubs along the route;*
- *Creation of new job opportunities, which is crucial in addressing underemployment in Central Asia.*

The Central Asian countries and Azerbaijan adopt distinct approaches to the development of the Middle Corridor, influenced by economic and geopolitical considerations. For Kazakhstan and Azerbaijan, this project holds strategic significance due to their pivotal geographical position on the route, making them the most enthusiastic participants. For Uzbekistan, this project presents one of the options for diversifying transport routes, although its priority may diminish in the future, contingent upon a de-escalation of the conflict between Russia and Ukraine and the thawing of Russia-West relations. Tajikistan does not prioritise the Middle Corridor. The country cautiously approaches its implementation while simultaneously pursuing entry for its goods into European markets, which the Middle Corridor can offer in future. Turkmenistan, as a key country on the eastern coast of the Caspian Sea, adopts an extremely cautious stance, guided by the principle of neutrality.

The Middle Corridor possesses potential, but faces challenges of institutional, technological, communication, infrastructural, and environmental nature. These obstacles diminish its competitiveness compared to alternative routes, particularly the Northern Corridor. To address these challenges, a comprehensive approach is necessary that considers the interests of the participating countries and fosters a multistakeholder dialogue among them and neighbouring countries.

Recommendations

1. Promote the establishment of the ***Transport and Connectivity Regional Centre*** under the auspices of the United Nations, as proposed by the President of Uzbekistan and supported by other Heads of State of the five Central Asian countries. The Centre can assume a policy coordination role.
2. ***Campaign*** for a reduction in transportation costs. Approach, as a group, major international shipping companies operating along the Middle Corridor and request them to reduce the costs of their services by offering them guaranteed large volumes of cargo. Advocate for discounts and lower tariffs levied by the states along the route.
3. Develop a single ***digital platform***. The introduction of an electronic platform may reduce the turnaround time of one vessel by 1 - 3 hours.
4. ***Address*** environmental concerns and risks.
5. Develop ***transport infrastructure*** (hardware) in a phased manner.
6. Support the launch of the ***Zangezur Corridor***, a priority for Azerbaijan. The Zangezur Corridor will benefit all countries in the region, including Armenia. In addition to providing a direct connection between Armenia and Azerbaijan, the corridor will establish a link between Armenia, Azerbaijan, and Iran through the Julfa Crossing in Nakhichevan. Furthermore, the Kars-Gyumri-Nakhichevan-Meghri-Baku route will create a direct connection between Türkiye and the countries of the region.

Another proposal concerns the development of the scientific and analytical capabilities of the younger generation of experts in transport economics and logistics from Central Asia and Azerbaijan through *collaborative training programs*. This can be achieved by establishing a specialised department at a university in one of the participating countries where students can undertake dedicated training courses. Alternatively, it can be implemented based on one of the existing coordination structures. Joint training and internships will foster professional and social connections while simultaneously investing in human capital, thus enhancing cooperation within the region.