



Center for Analysis
of Economic Reforms and Communication
of the Republic of Azerbaijan

THE MIDDLE CORRIDOR

NAVIGATING CURRENT REALITIES AND EMBRACING FUTURE PROSPECTS

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Foreword for "The Middle Corridor: Navigating Current Realities and Embracing Future Prospects"

As we stand at the intersection of Asia and Europe, the significance of the Middle Corridor—also known as the Trans-Caspian International Transport Route—cannot be overstated. This strategic link not only enhances connectivity between these two vast regions but also promises to reshape the geopolitical and economic landscapes of the countries it traverses. The collaborative efforts of prominent researchers from Europe, Asia, the CAREC Institute, and ADA University, have brought together a wealth of knowledge, expertise, and forward-looking perspectives in this comprehensive volume.

The Middle Corridor's development is a testament to the dynamic cooperation among Azerbaijan, Georgia, Kazakhstan, and Türkiye, as well as their determination to overcome logistical challenges and improve infrastructure. The roadmap for 2022-2027, signed by the foreign and transport ministers of these nations, aims to increase the corridor's capacity to 10 million tonnes per year by 2025. This ambitious plan includes unifying tariffs, simplifying transit procedures, and enhancing port capacities, demonstrating a commitment to making the Middle Corridor a competitive alternative to other trade routes.

Investment in the corridor is substantial and necessary. The European Bank for Reconstruction and Development (EBRD) estimates that approximately €18.5 billion is needed to significantly improve the Middle Corridor. This includes modernizing railway and road networks, expanding rolling stock, and enhancing border crossing points and multimodal logistics centers. Such investments are expected to alleviate current bottlenecks, reduce transit times, and increase the corridor's overall efficiency.

The economic impact of the Middle Corridor is already visible. Trade between the European Union and Central Asia has grown by nearly 39% over the past decade, with the corridor playing a crucial role in facilitating this exchange. Furthermore, the ongoing geopolitical shifts, particularly in light of the Russia-Ukraine conflict, have highlighted the corridor's importance as a strategic alternative to northern routes. This shift not only diversifies the region's economic dependencies but also strengthens resilience against external shocks.

According to research by the World Bank, travel times between China and Europe's western border are projected to halve by 2030, while freight volumes are expected to triple, reaching 11 million tons. This remarkable forecast underscores the transformative potential of the Middle Corridor in global trade dynamics.

Moreover, the corridor's development is supported by significant international investments. During the EU-Central Asia Transport Connectivity Investors Forum, the European Union, alongside international partners, committed €10 billion towards sustainable transport connectivity in Central Asia. This funding will support various infrastructure projects, enhance regional cooperation, and ensure that the Middle Corridor remains on track for future growth.

In conclusion, the Middle Corridor stands as a beacon of progress and potential, driving forward not just the economies of the nations involved but also fostering greater regional integration and cooperation. The insights and analyses provided in "The Middle Corridor: Navigating Current Realities and Embracing Future Prospects" book will undoubtedly contribute to a deeper understanding of the corridor's current realities and future prospects, guiding policymakers, investors, and stakeholders towards a more connected and prosperous Eurasian region.

