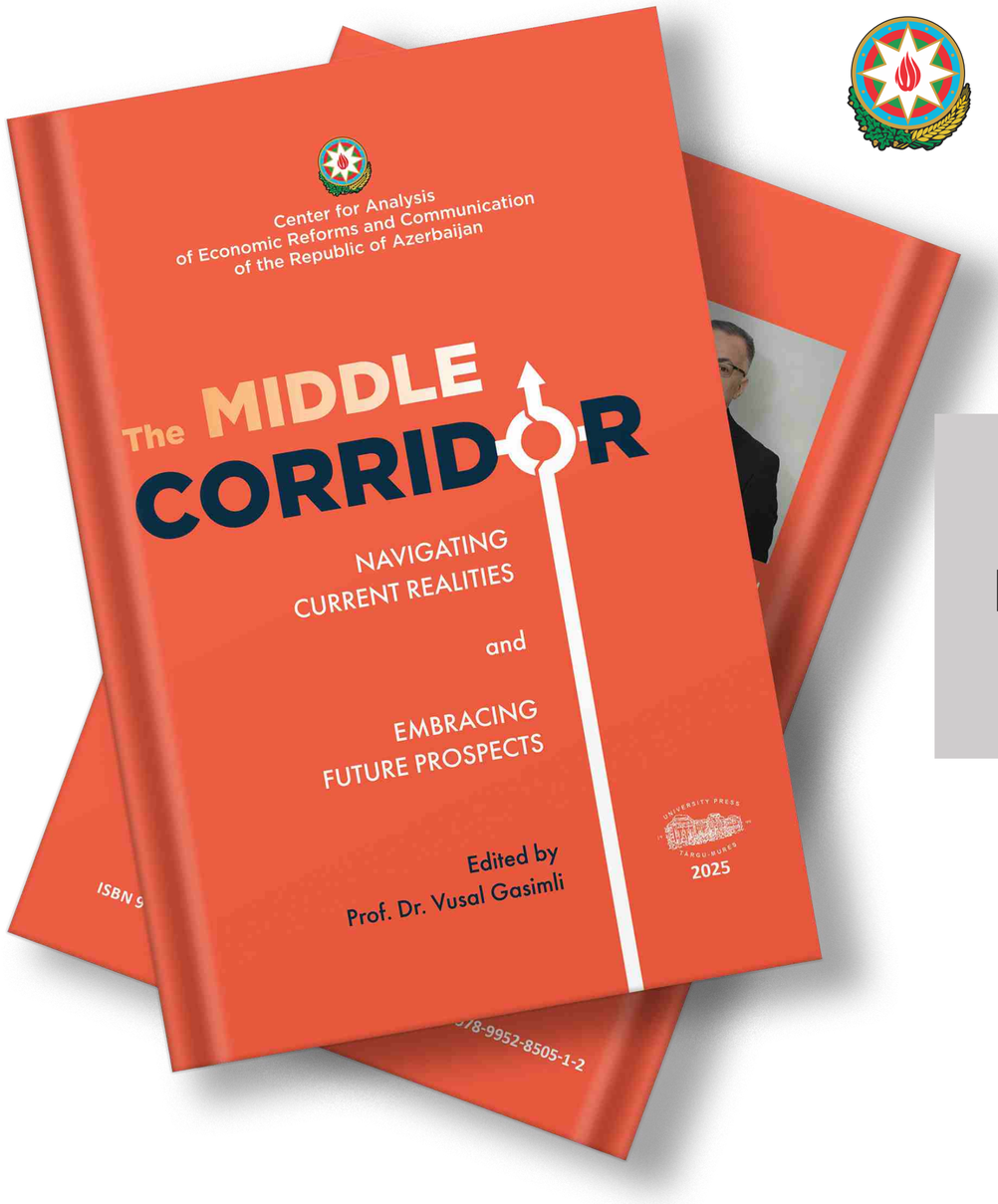

Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan

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Book presentation

THE MIDDLE CORRIDOR: NAVIGATING CURRENT REALITIES AND EMBRACING FUTURE PROSPECTS

Prof.Dr. VUSAL GASIMLI,
Head of the Center for Analyses of Economic Reforms and Communication of Azerbaijan

34th Economic Forum,
2-4 September 2025, Karpacz

Intoduction

THE MIDDLE CORRIDOR: NAVIGATING CURRENT REALITIES AND EMBRACING FUTURE PROSPECTS

AUTHOR

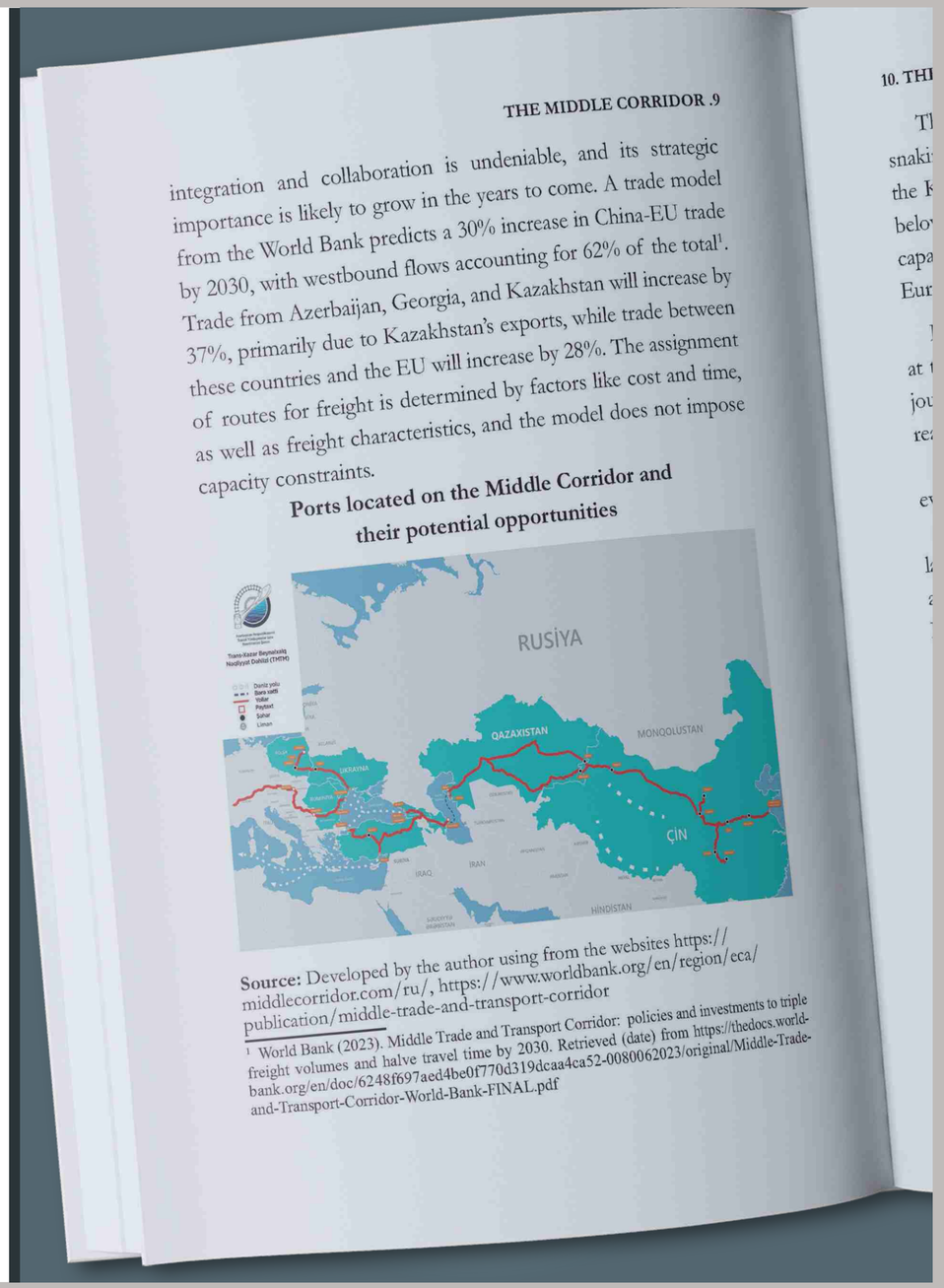
Prof. Dr. VUSAL GASİMLİ
Center for Analyses of Economic Reforms and Communication of the Republic of Azerbaijan

THESES

1. The **idea for this book** was born in Karpacz at the Polish Economic Forum, in September 2023.

2. According to the World Bank's estimates, by 2030, **trade turnover between China and the European Union** will increase by 30%, and trade turnover between the EU and Azerbaijan, Georgia, and Kazakhstan will rise by 28%, which necessitates the flexible handling and dispatch of cargo flows.

3. **The Middle Corridor has extensive capabilities for carrying** out transportation between China and the European Union and enables multimodal transport.



THE MIDDLE CORRIDOR .9

integration and collaboration is undeniable, and its strategic importance is likely to grow in the years to come. A trade model from the World Bank predicts a 30% increase in China-EU trade by 2030, with westbound flows accounting for 62% of the total[1]. Trade from Azerbaijan, Georgia, and Kazakhstan will increase by 37%, primarily due to Kazakhstan's exports, while trade between these countries and the EU will increase by 28%. The assignment of routes for freight is determined by factors like cost and time, as well as freight characteristics, and the model does not impose capacity constraints.

Ports located on the Middle Corridor and their potential opportunities

Source: Developed by the author using from the websites https://middlecorridor.com/ru/, https://www.worldbank.org/en/region/eca/publication/middle-trade-and-transport-corridor

[1] World Bank (2023). Middle Trade and Transport Corridor: policies and investments to triple freight volumes and halve travel time by 2030. Retrieved (date) from https://thedocs.worldbank.org/en/doc/6248f697aed4be0f770d319dcaa4ca52-0080062023/original/Middle-Trade-and-Transport-Corridor-World-Bank-FINAL.pdf

Chapter 1.

THE MIDDLE CORRIDOR OVERVIEW: TRADE AND TRANSIT INFRASTRUCTURE

AUTHORS

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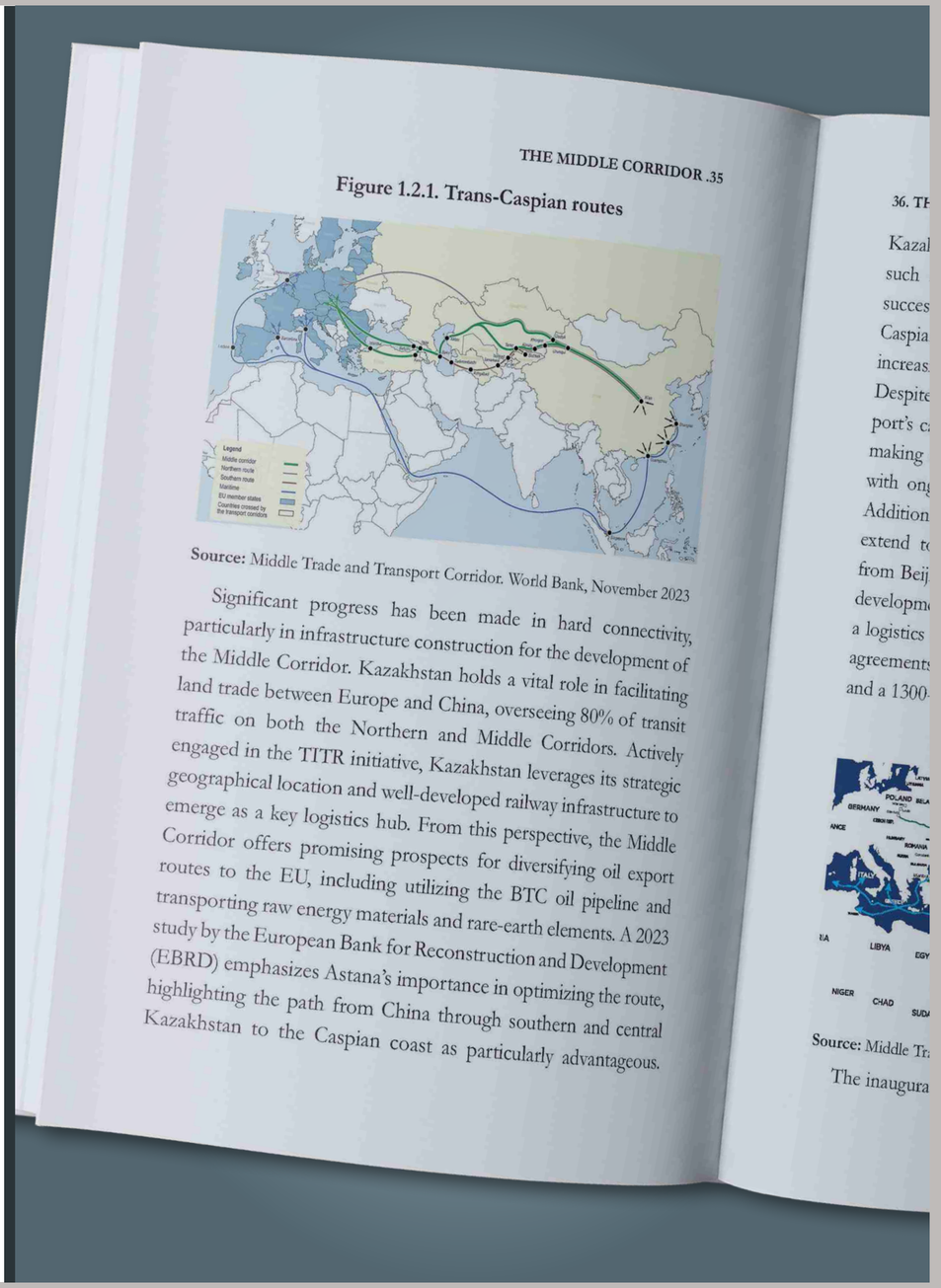
THESES

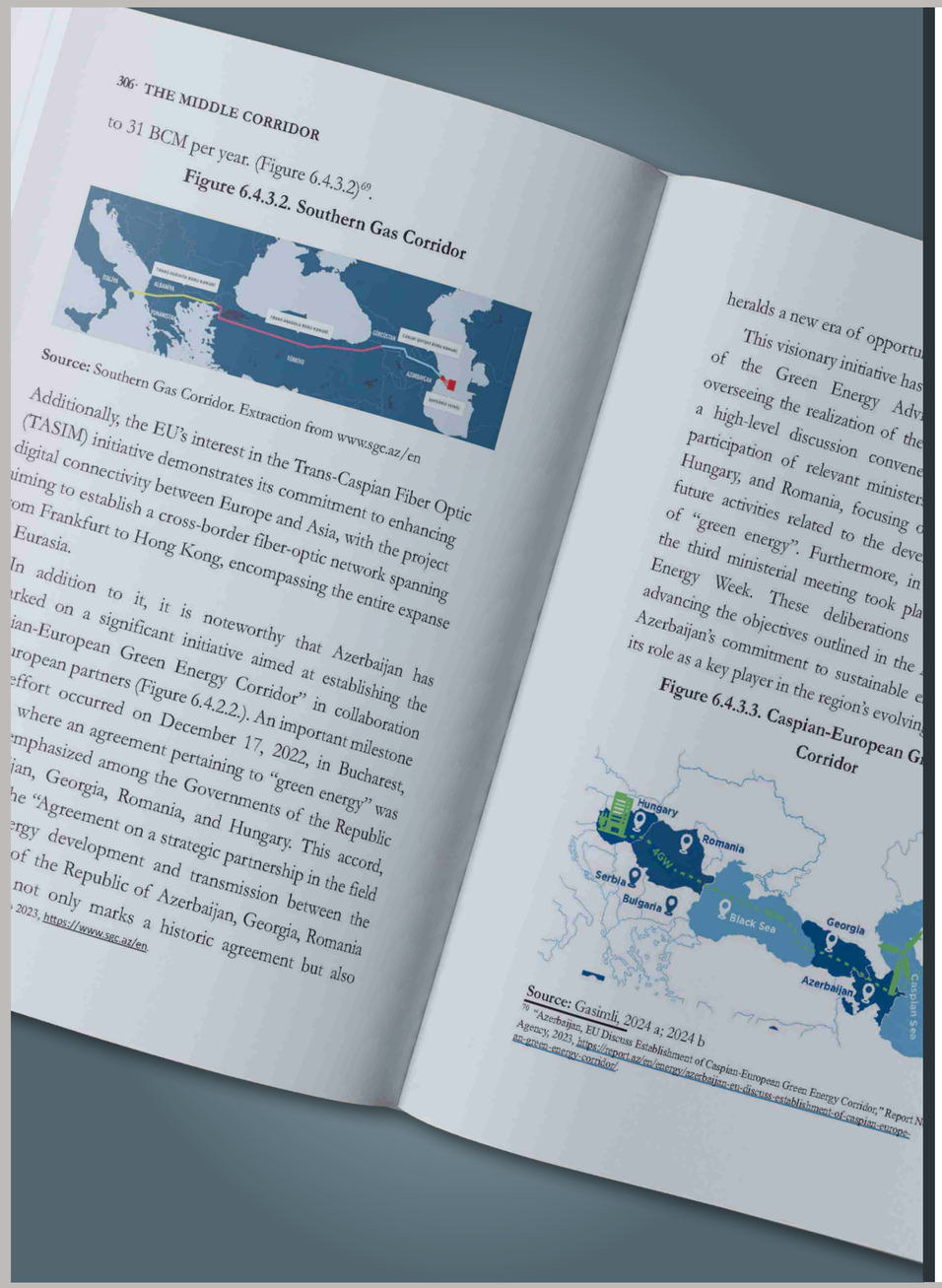
1. The Middle Corridor is regarded as a **pathway for developing intercontinental connectivity** and as an innovative route that strengthens economic integration.

2. The **historical formation of the Silk Road as an ancient trade route** and modern trade routes are analyzed, and the Middle Corridor is seen as a result of the Silk Road's evolution.

3. The Middle Corridor serves as an **economic development bridge** that facilitates multimodal transportation.

4. Ports, border crossing points, roads, and other trade and **infrastructure opportunities along the Middle Corridor are analyzed**; prospects are explained, and proposals for improvement are presented.

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to 31 BCM per year. (Figure 6.4.3.2)[69].

Figure 6.4.3.2. Southern Gas Corridor

Source: Southern Gas Corridor. Extraction from www.sgc.az/en

Additionally, the EU's interest in the Trans-Caspian Fiber Optic (TASIM) initiative demonstrates its commitment to enhancing digital connectivity between Europe and Asia, with the project aiming to establish a cross-border fiber-optic network spanning from Frankfurt to Hong Kong, encompassing the entire expanse Eurasia.

In addition to it, it is noteworthy that Azerbaijan has worked on a significant initiative aimed at establishing the Asian-European Green Energy Corridor" in collaboration European partners (Figure 6.4.2.2.). An important milestone effort occurred on December 17, 2022, in Bucharest, where an agreement pertaining to "green energy" was emphasized among the Governments of the Republic Azerbaijan, Georgia, Romania, and Hungary. This accord, the "Agreement on a strategic partnership in the field energy development and transmission between the of the Republic of Azerbaijan, Georgia, Romania not only marks a historic agreement but also 2023, https://www.sgc.az/en.

heralds a new era of opportu

This visionary initiative has

of the Green Energy Advi

overseeing the realization of the

a high-level discussion convene

participation of relevant minister

Hungary, and Romania, focusing o

future activities related to the deve

of "green energy". Furthermore, in

the third ministerial meeting took pla

Energy Week. These deliberations

advancing the objectives ourlined in the

Azerbaijan's commitment to sustainable e

its role as a key player in the region's evolving

Figure 6.4.3.3. Caspian-European G

Corridor

Source: Gasimli, 2024 a; 2024 b

76 "Azerbaijan, EU Discuss Establishment of Caspian-European Green Energy Corridor," Report N Agency, 2023, https://report.az/en/energy/azerbaijan-eu-discuss-establishment-of-caspian-europe an-green-energy-corridor/

Chapter 2.

THE GEOPOLITICS OF ENERGY IN THE SILK ROAD REGION AND ITS IMPLICATIONS FOR THE MAJOR POWERS

AUTHORS

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

JOHN ROBERTS
Atlantic Council's Global Energy Center

THESES

1. The **geopolitics of energy in the Silk Road region** and its impact on major powers are analyzed, and a comprehensive approach is taken toward projects such as TRACECA, the "Belt and Road Initiative," the Middle Corridor, Zangezur, and others.

2. The **impact of international transport connections on sustainable development** is examined, with transportation, environmental, and economic development issues studied in an interconnected manner.

3. **Green transport corridors** are discussed, and their importance for a sustainable environment is substantiated.

4. The Middle Corridor is considered not only as a transport route but also as a **vital energy system**, with an analysis of key oil and gas pipelines and energy projects implemented in the region.

Chapter 3.

THE MIDDLE CORRIDOR AS AN ENERGY CORRIDOR: PROSPECTS AND CHALLENGES FOR THE EUROPEAN UNION

AUTHOR

ERİC VALDİVİA VİLLANUEVA
M.A Graduate at the College of Europe and International Trade Advisor at TABS Inc.

THESES

1. The Middle Corridor is viewed as an **energy corridor**, and future prospects for the European Union are explored.

2. The **relationships between energy-exporting countries** such as Azerbaijan, Kazakhstan, Uzbekistan, and Turkmenistan and the European Union are explained, and future outlooks are presented.

3. The **European Union's strategy for the South Caucasus and Central Asia** is reviewed, with the strengthening of energy ties considered a core component of this strategy.

4. **Challenges and prospects for the European Union's energy ambitions** in the Middle Corridor region are presented.

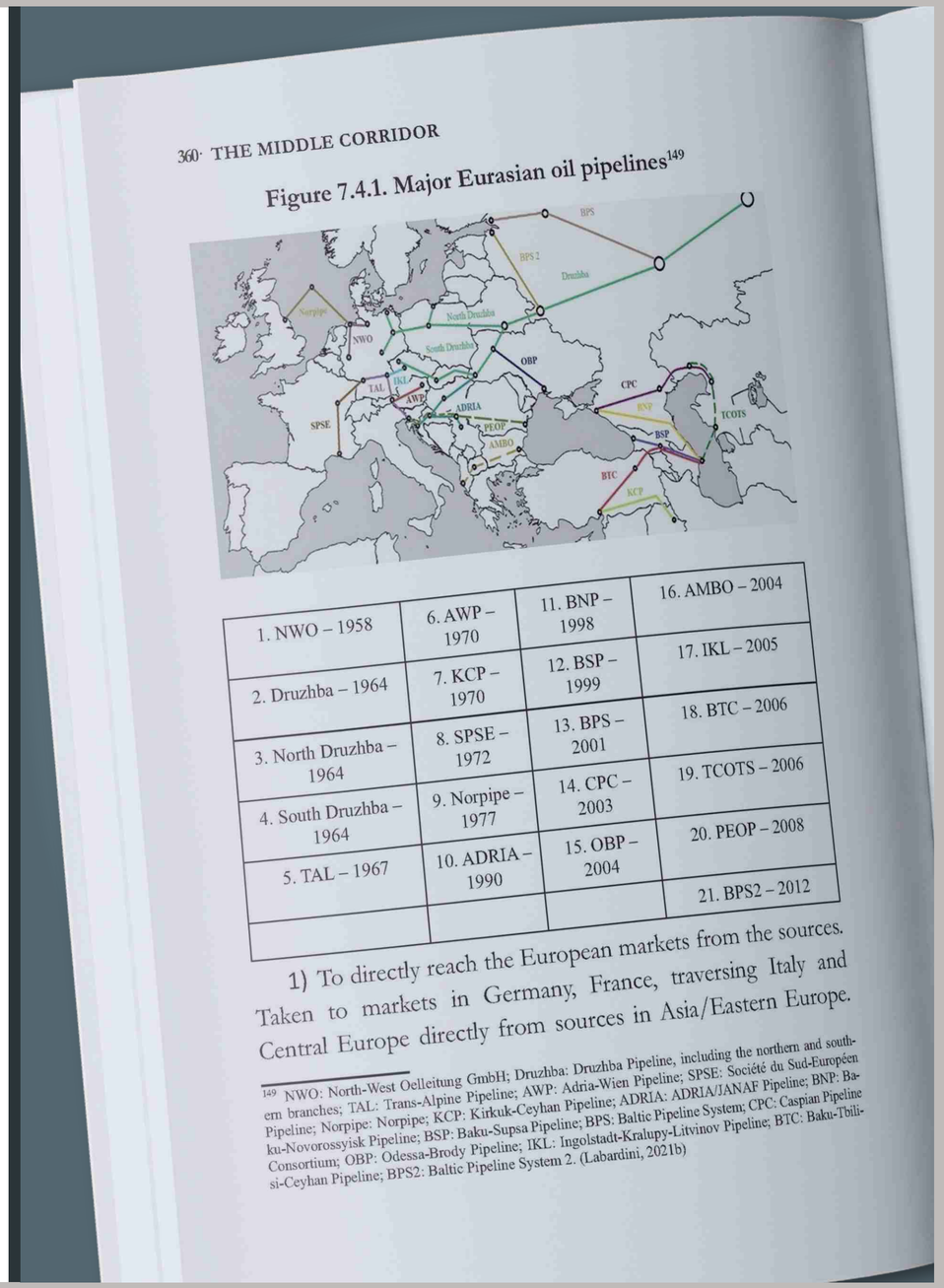

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Figure 7.4.1. Major Eurasian oil pipelines[149]

1. NWO – 1958	6. AWP – 1970	11. BNP – 1998	16. AMBO – 2004
2. Druzhba – 1964	7. KCP – 1970	12. BSP – 1999	17. IKL – 2005
3. North Druzhba – 1964	8. SPSE – 1972	13. BPS – 2001	18. BTC – 2006
4. South Druzhba – 1964	9. Norpipe – 1977	14. CPC – 2003	19. TCOTS – 2006
5. TAL – 1967	10. ADRIA – 1990	15. OBP – 2004	20. PEOP – 2008
			21. BPS2 – 2012

1) To directly reach the European markets from the sources. Taken to markets in Germany, France, traversing Italy and Central Europe directly from sources in Asia/Eastern Europe.

[149] NWO: North-West Oelleitung GmbH; Druzhba: Druzhba Pipeline, including the northern and southern branches; TAL: Trans-Alpine Pipeline; AWP: Adria-Wien Pipeline; SPSE: Société du Sud-Européen Pipeline; Norpipe: Norpipe; KCP: Kirkuk-Ceyhan Pipeline; ADRIA: ADRIA/JANAF Pipeline; BNP: Baku-Novorossyisk Pipeline; BSP: Baku-Supsa Pipeline; BPS: Baltic Pipeline System; CPC: Caspian Pipeline Consortium; OBP: Odessa-Brody Pipeline; IKL: Ingolstadt-Kralupy-Litvinov Pipeline; BTC: Baku-Tbilisi-Ceyhan Pipeline; BPS2: Baltic Pipeline System 2. (Labardini, 2021b)

Chapter 4.

REALIZING THE POTENTIAL OF THE MIDDLE CORRIDOR

AUTHOR

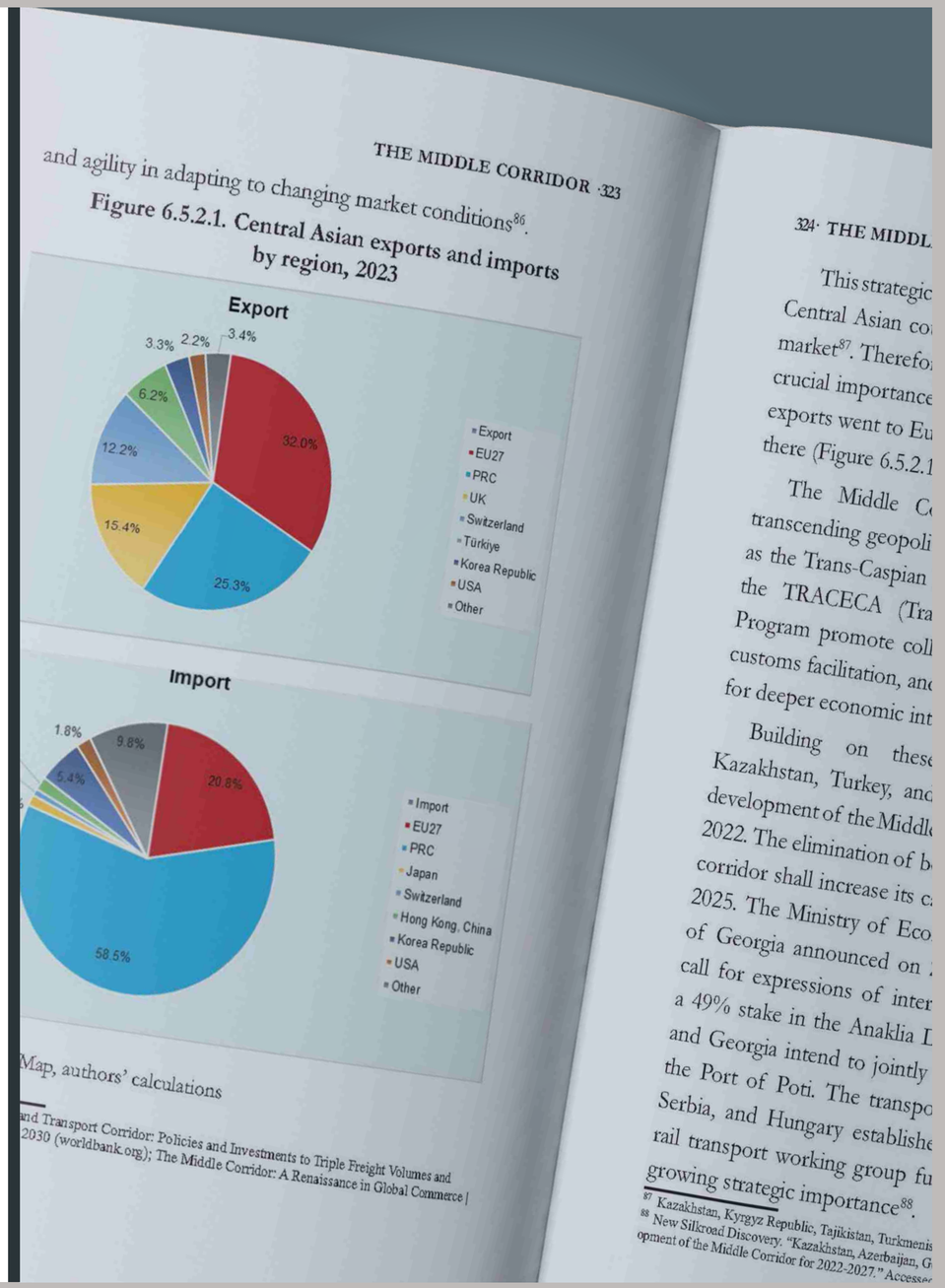
PİERRE DE TRÉMİOLLES
based on a report led by Grégory Lecomte and Amélie Schurich-Rey, with contributions from the OEGD Istanbul Gentre

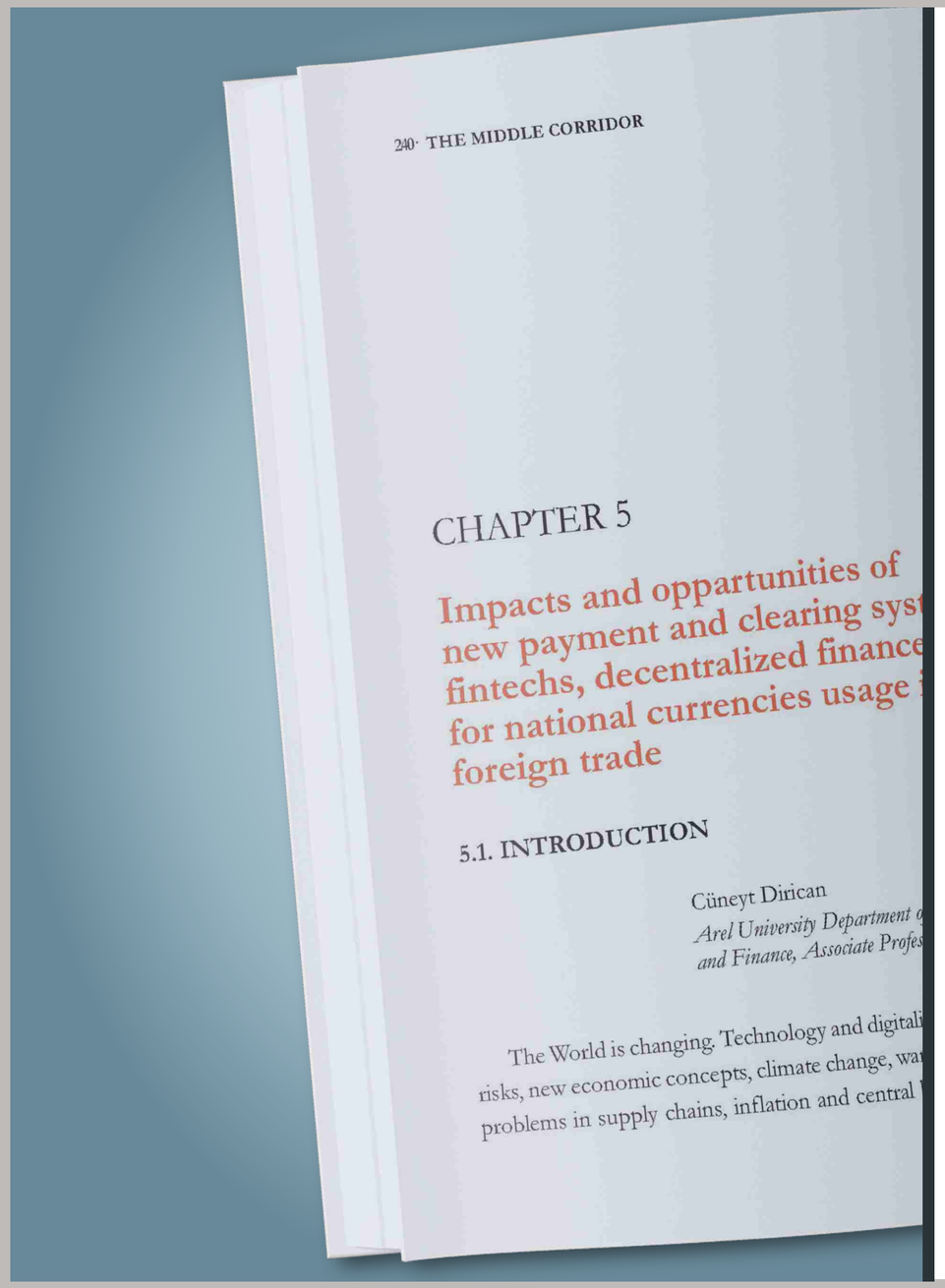
THESES

1. The potential opportunities along the Middle Corridor are analyzed in the context of **multimodal transport routes**, ports, and similar infrastructure.

2. To realize these opportunities, the promotion of regional trade and the **active involvement of the private sector in the processes** are recommended.

3. In terms of integrating regional markets into the global economy, it is proposed to **develop all infrastructure areas** (railways, truck lanes, ports, border crossings, etc.) synchronously.





Chapter 5.

IMPACTS AND OPPORTUNITIES OF NEW PAYMENT AND CLEARING SYSTEMS, FINTECHS, DECENTRALIZED FINANCE FOR NATIONAL CURRENCIES USAG IN FOREIGN TRADE

AUTHOR

CÜNEYT DİRİCAN
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Accounting and Finance,
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THESES

1. Against the backdrop of developments such as technology and digitalization, emerging markets, cryptocurrencies closely related to payment and exchange systems, etc., it is recommended to approach the Middle Corridor as a **bridge not only in terms of trade and energy routes, but also in terms of finance**.

2. **Opportunities for enhancing foreign trade** are explored through the development of new payment and clearing systems, including international payment systems, banking services, fintech, the use of national currencies, decentralized finance, cryptocurrencies, digital banking, and related topics.

Chapter 6.

TRADE, INVESTMENT, FREE ECONOMIC ZONES AND FACILITATING EQUAL ACCESS FOR LOCAL SMES ALONG THE MIDDLE CORRIDOR: A GOVERNANCE PERSPECTIVE

AUTHORS

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GULSHAT RAİSSOVA
ADB

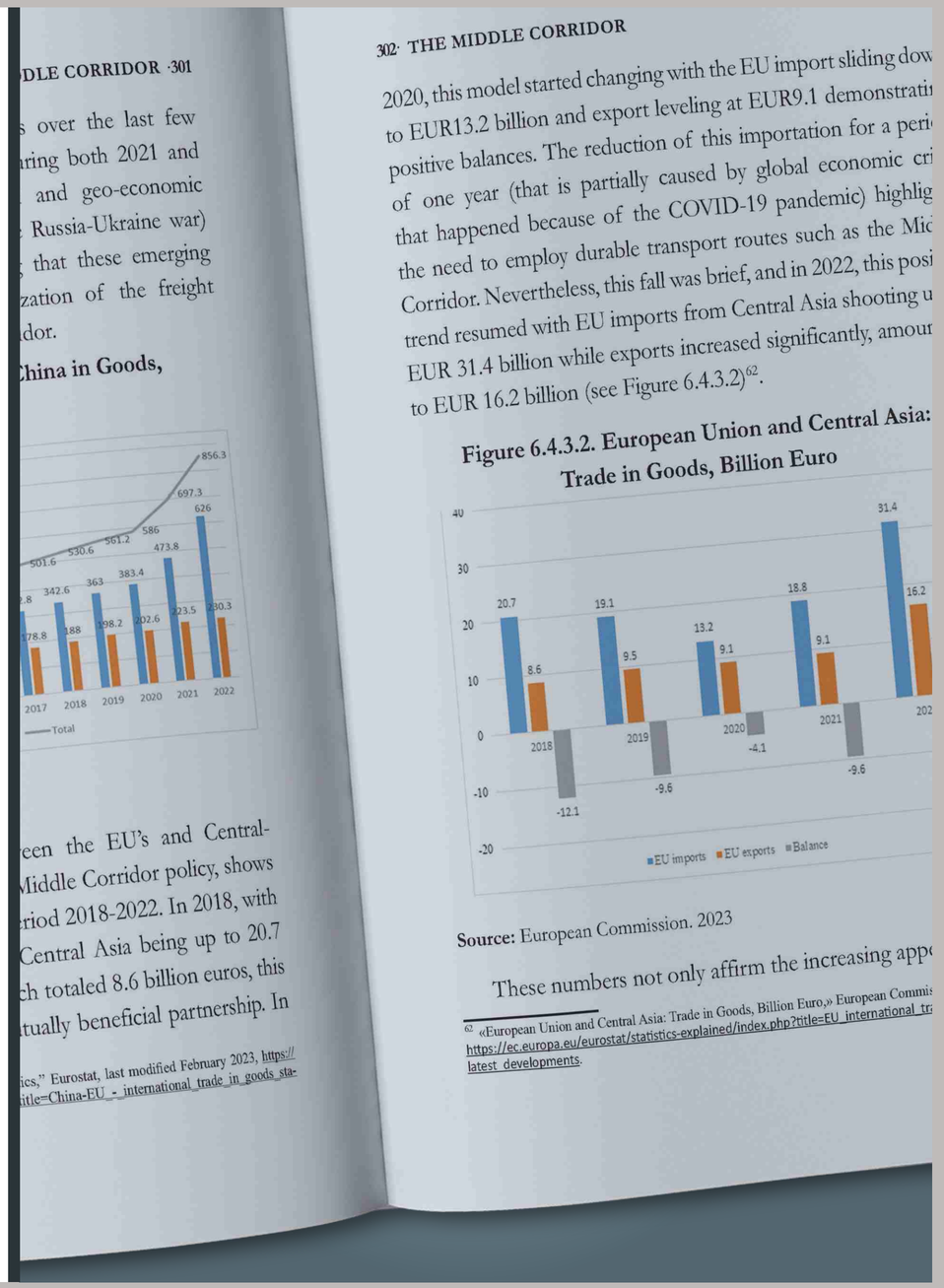
HANS HOLZHACKER
CAREC Institute

THESES

1. **A comprehensive study is conducted on trade, investments, and free economic zones**, covering topics such as the impact of bilateral trade agreements on the Middle Corridor, the significance of cross-border trade zones and special economic zones, and investment opportunities in infrastructure development along the corridor.

2. **The geographical importance of the Middle Corridor**, trade relations along the route, and its impact on VISEGRAD group countries are analyzed.

3. The active **involvement of local SMEs in logistics processes** along the Middle Corridor and the creation of equal opportunities for all SMEs are considered from a governance perspective, with an explanation of the challenges and opportunities facing SMEs.



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ring both 2021 and
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Russia-Ukraine war)
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China in Goods,

een the EU's and Central-
Middle Corridor policy, shows
riod 2018-2022. In 2018, with
Central Asia being up to 20.7
ch totaled 8.6 billion euros, this
tually beneficial partnership. In

ics," Eurostat, last modified February 2023, https://
itle=China-EU_-_international_trade_in_goods_sta-

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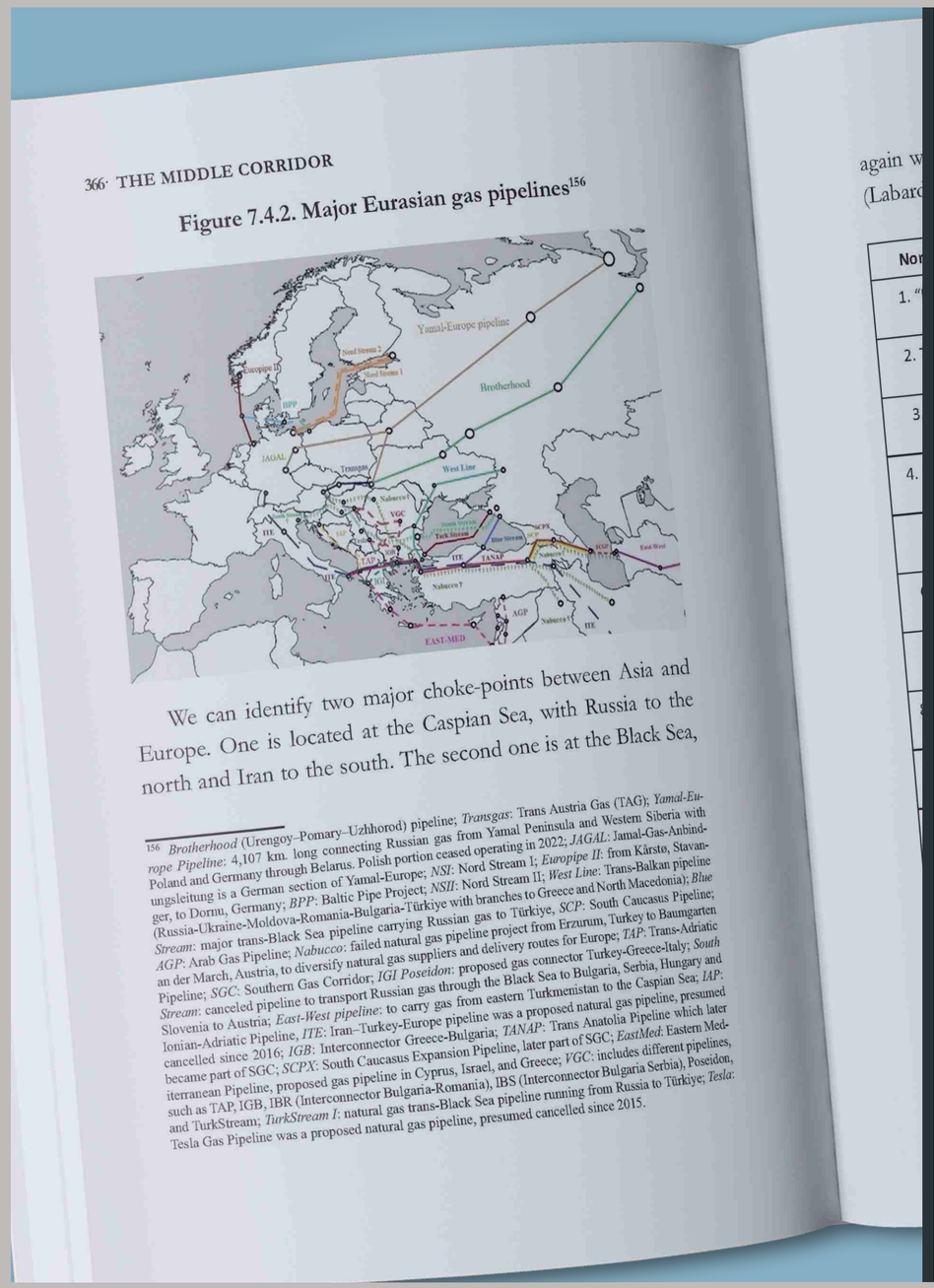
2020, this model started changing with the EU import sliding dow
to EUR13.2 billion and export leveling at EUR9.1 demonstrati
positive balances. The reduction of this importation for a peri
of one year (that is partially caused by global economic cri
that happened because of the COVID-19 pandemic) highlig
the need to employ durable transport routes such as the Mi
Corridor. Nevertheless, this fall was brief, and in 2022, this posi
trend resumed with EU imports from Central Asia shooting u
EUR 31.4 billion while exports increased significantly, amou
to EUR 16.2 billion (see Figure 6.4.3.2)[62].

Figure 6.4.3.2. European Union and Central Asia: Trade in Goods, Billion Euro

Source: European Commission. 2023

These numbers not only affirm the increasing appe

[62] «European Union and Central Asia: Trade in Goods, Billion Euro,» European Commis
https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU_international_tra
latest_developments.



Chapter 7.

A HINGE IN EURASIA: REGIONAL INFRASTRUCTURE AND GEOPOLITICAL CHANGES

AUTHOR

RODRİGO LABARDİNİ
ADA University

THESES

1. In the context of regional infrastructure and geopolitical changes in Eurasia, issues covered include the **infrastructure provision of the Caspian region, oil and gas transportation capacities**, the establishment of a common (harmonized) legal framework, and the necessity for all participants to ratify the adopted conventions.

Chapter 8.

THE ROLE OF THE MIDDLE CORRIDOR IN HIGHER EDUCATION COOPERATION AND R&D PROJECTS: PAST ACHIEVEMENTS AND STRATEGIC ROADMAP FOR THE FUTURE

AUTHORS

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MUHAMMED ÇELİK
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CENNET BADAS
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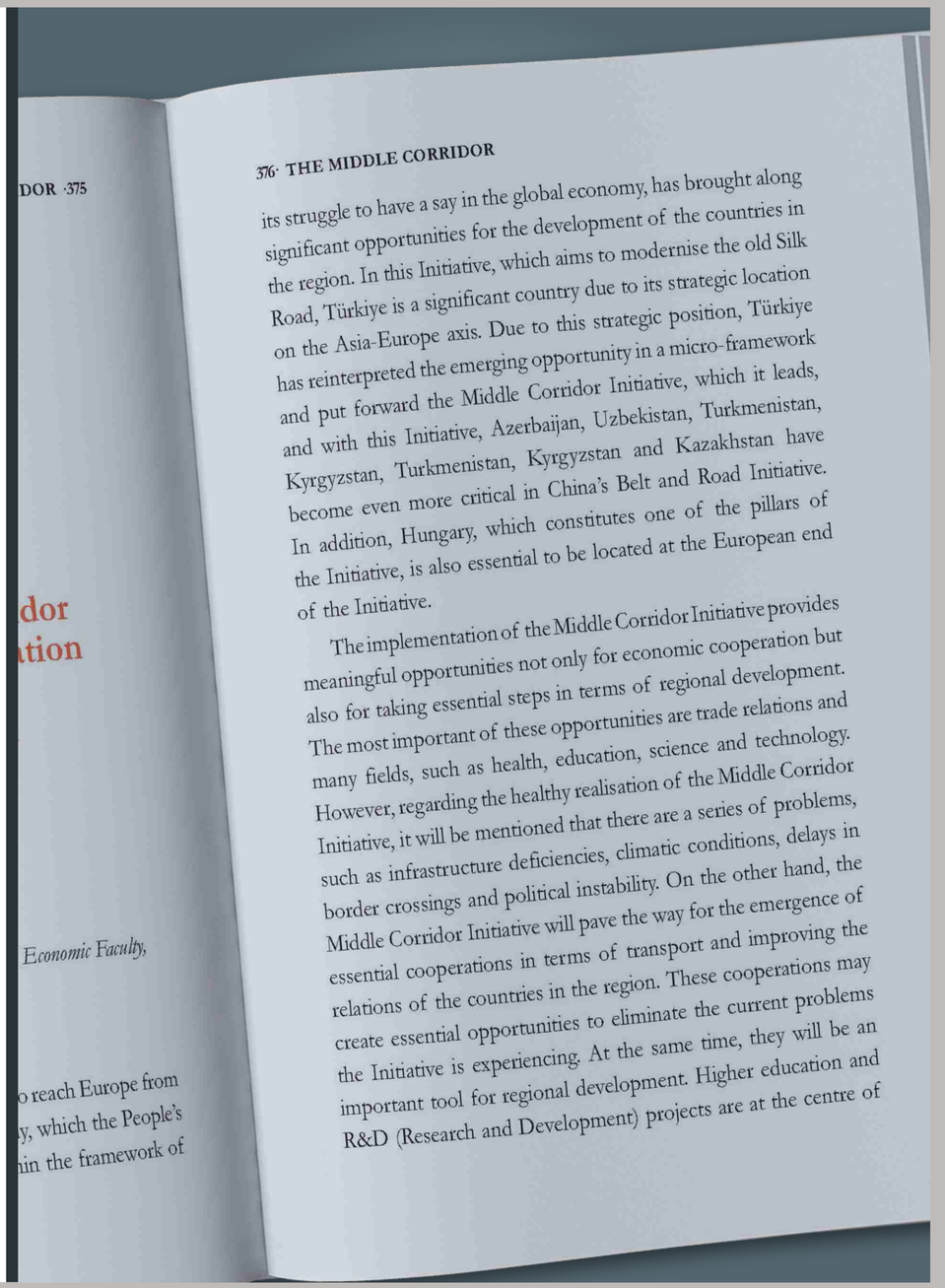
THESES

1. The **impact of the Middle Corridor on the development of global trade policy and economic relations** is analyzed, the role of the Middle Corridor in strengthening economic cooperation within the framework of the Turkic States Organization (TSO) is justified.

2. The Middle Corridor initiative is evaluated in the context of Turkey, its impacts and **Turkey's main role**, economic and geopolitical opportunities are explained, and the challenges and risks facing Turkey are clarified.

3. In order to accelerate integration processes along the Middle Corridor, **cooperation in the field of higher education**, implementation of joint research and development projects of member countries are covered, joint education projects and university associations are discussed.



THANK YOU FOR YOUR ATTENTION!