

# The Middle Corridor's Perspectives and Opportunities for Europe and Central Asia

*Aybaniz Ismayilova*

The shifting global geopolitical landscape in the last few years has prompted “[middle powers](#)” or “[keystone states](#)” to form regional cooperation formats and alliances, constantly adapt through reforms, and increase their mobility in general. The world economy has also experienced changes under the influence of globalization, which has shaped global trade. The onset of the present stage of the conflict over Ukraine in February 2022 has led to a growing emphasis on the strategic importance of alternative trade routes and infrastructure projects aiming to enhance interregional connectivity. In that sense, the Middle Corridor quickly became an even more viable option for connecting countries like China and landlocked Central Asia (via the South Caucasus) to the European continent and fostering international trade.

## *State Investments in Logistics and Transport Infrastructure*

The rapid development of the Middle Corridor coincided with the recent strengthening and re-emergence of the Organization of Turkic States (OTS) as a new powerful non-state actor spanning the Eurasian continent. In this vein, the Central Asian OTS member states adopted a new economic strategy for diversifying their economic portfolios by emphasizing the importance of Azerbaijan, an “[indispensable](#)” transit country within the Middle Corridor.

Since 2020, Azerbaijan has actively worked to deepen all-around relations with each of the Central Asian states and China. The series of bilateral and multilateral partnerships gained greater impetus in 2022 when [Azerbaijan decided to modernize](#) the Baku-Tbilisi-Kars railway connection as part of the Middle Corridor to increase its

*Aybaniz Ismayilova is the Head of the Communications Department at the Azerbaijan Railways (ADY). The views and opinions expressed herein are solely those of the author.*

technical capacity and enable higher volumes of goods to be transported from Central Asia to Europe and vice versa. The modernized and [expanded Georgian segment](#) of the Baku-Tbilisi-Kars (BTK) railway commenced in May 2024.

Under [the five-phase modernization project](#), a total of 61 km of railway tracks, 98 km of contact network lines, 172 km of 10 kV cables, and 338 km of fiber-optic cables have been installed. The modernization of the Georgian segment of the BTK aimed to increase [transportation capacity](#) to five million tons per year, which is a fivefold increase from its previous capacity. Reportedly, shortly after the modernization of the BTK, Azerbaijan's cargo [transportation by rail grew](#) by 11 percent in volume, during the first five months of 2024, compared to the same period last year.

Given the increased technical capacity and modernized infrastructure, additional foreign companies expressed their willingness to use the BTK to make inroads into Asian markets. For example, on 3 June 2024, the CEO of Azerbaijani Railways, [Rovshan Rustamov, met](#) with the head of Austrian Rail Cargo, Andreas Matthe, in Vienna. The Austrian company expressed its interest in joining the Middle Corridor route via the BTK railway during the meeting.

Indeed, unlike the countries belonging to the European continent, the landlocked Central Asian states desperately need an alternative trade route to diversify their economy and walk away from predominant Russian and Chinese influence. As such, on 25 June 2024, [Rustamov arrived](#) in Turkmenistan to meet his counterpart with a view to exploring additional opportunities to increase trade volume between the two countries and double multimodal cargo transportation via the Central Asia-Europe-Central Asia and China-Europe-China directions.

Indeed, the successful implementation of infrastructure projects within the Middle Corridor and fruitful communication between Azerbaijan and Central Asian states became possible through Baku's multivector diplomacy that opened new horizons for all involved parties. For example, Azerbaijan's recent deep engagement with Kazakhstan in the transport and energy fields is of particular importance to both Baku and Astana.

In line with this, Kazakhstan started using Azerbaijan's Baku-Tbilisi-Ceyhan oil pipeline to pump its oil into the markets of Europe following the 2023 agreement. In June 2024, the two [countries negotiated](#) terms to increase Kazakh oil transfers via the BTC pipeline. Moreover, Kazakhstan's interest in deepening partnership ties with Azerbaijan is not limited to energy. In recent years, Kazakhstan [has put enormous efforts](#) into decreasing its dependence on Russia as a transit country. This is vitally important for Astana to be able to enhance the transportation of goods from China and further to Europe without any major technical obstacles. According to [Kazakh authorities](#), the volume of cargo transportation between Kazakhstan and China has surged to a historic high, surpassing 28 million tons.

Recent statistics suggest that the growing traffic volumes along the Middle Corridor are attracting interest from global players. According [to the TITR International Associations](#), the transportation volume of the Middle Corridor reached 771 million tons in the first quarter of 2024, up from just 1.7 million tons in 2022. Thus, the Middle Corridor is poised to have a [significant](#) impact on global trade, potentially reshaping the world's geopolitical and economic landscape.

Moreover, the significant rise of transportation volumes alongside the Middle Corridor has paved the way for deeper business ties among the participating countries. Given the importance of this nuance, in 2022, [Azerbaijan and Türkiye initiated](#) the establishment of the Turkic Investment Fund, encompassing all OTS member states. The fund officially began functioning in May 2024 as [the first joint financial institution](#) for economic integration of the Turkic world, with an initial capital injection of \$500 million. In addition to that, in May 2024, [OTS states ratified](#) an agreement on the establishment of a simplified customs corridor, which provides for the integration of the information systems of Azerbaijan, Kazakhstan, Kyrgyzstan, Türkiye, and Uzbekistan. Simply put, the agreement on a simplified customs corridor is intended to facilitate trade activities along the Middle Corridor.

Indeed, the new project will enable the [Turkic states](#) to occupy an important place in the world economy, reaching an economic volume of \$1.9 trillion and a population of 178 million people.

### *Azerbaijan's Bilateral Partnership Formats with Central Asia*

In his 14 February 2024 inaugural address, Azerbaijani President Ilham Aliyev [declared](#), “We do not have another family. Our family is the Turkic world.” Aliyev’s message outlined Azerbaijan’s foreign policy priorities and highlighted [Baku’s plans](#) to continue strengthening ties with Türkiye and the four Turkic Central Asian states of Kazakhstan, Kyrgyzstan, Uzbekistan, and Turkmenistan.

Baku’s present strategic vision regarding transport logistics-related projects demonstrated its individual approach toward economically vulnerable Central Asian states like Kyrgyzstan by establishing joint development funds for future economic and business projects. As such, on 22 April 2024, [Kyrgyz President Sadyr Zhaparov](#) signed a law ratifying the agreement on the Azerbaijani-Kyrgyz Development Fund. Moreover, similar funds were established [with Uzbekistan, Kazakhstan, and Tajikistan](#), respectively.

The five Central Asian countries see [Azerbaijan as a way to access](#) Western markets without going through Russia—in fact, it’s the only viable option. For them, this relationship is of fundamental strategic importance, and they are ready to welcome Azerbaijan into their midst with wide open arms. As for Azerbaijan, the intensive

diplomatic traffic with Central Asian states is a valuable leverage in terms of political support in the context of the post-Second Karabakh War strategic reality and the unhindered access to Chinese markets that beckons. Indeed, such leverage gives Azerbaijan an additional and effective diplomatic tool.

## Conclusion

The current geopolitical turmoil and rivalry for transit routes and natural resources among global powers highlight the importance of the Silk Road region, whose core is made up of the countries of the South Caucasus and Central Asia. While [the race for influence](#) in this region ramps up, it attracts additional foreign investments in various infrastructure projects, including the Middle Corridor. Therefore, Azerbaijan and Türkiye skillfully use the heating geopolitical rivalry to promote the viability of the Middle Corridor route and attract more international investments and partners.

It has now become a truism to say that the onset of the Russo-Ukraine war revealed the consequences for the West of its vulnerability to an over-dependence on Russia for the transit of fossil fuels and goods. Hence the desperate search for [alternative trade and energy routes](#). This has, in turn, led to an understanding of the Middle Corridor as the most viable trade route linking Europe to Asia, with all necessary strategic infrastructure. This has yet to be fully translated into practical policies, including the necessary capital injections. A failure to capitalize on this once-in-a-generation strategic opportunity, which requires seeing the countries of the Silk Road region (including Azerbaijan) as subjects of international order and not as objects of great power rivalry, would amount to an ‘own goal’ late in a championship match where the score had been a tie.