

HOW TO MAXIMIZE THE MIDDLE CORRIDOR

A Guide to Infrastructure Priorities, Barriers, and Investments



A Letter from the Caspian Policy Center

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President
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May 21, 2024



The major developments in the Caspian region over past twelve months have been nothing short of phenomenal. We at the Caspian Policy Center (CPC) are trying to stay on top of issues and meet the demand for quality research and analysis, while also engaging on issues of the day. Advances in the development of the Middle Corridor, a reconciliation process between Armenia and Azerbaijan, record levels of engagement and investment in the region by a global set of donors, the continued impact of Russia's war in Ukraine, climate crises, Black Sea security, the energy transition, and critical minerals, are just some of the issues that we have been covering as we enter our eighth year.

CPC has sought to support policymakers in understanding and navigating these historic times through our research and publications, but also through our high-level conferences and back-channel briefings. In New York, Washington, London, Brussels and Berlin this year, CPC has shared insights and expertise on the complexities of issues across the region, the strategic implications, and the long-term opportunities and liabilities.

I am proud that CPC's experts have sought to advance policy solutions to some of the region's most obstinate problems, while highlighting inclusive and cooperative prospects resulting from the region's accelerated rate of change. The Caspian's changing geopolitical landscape has opened up connectivity in what was the most disconnected area in the world. We look forward to the coming year and see an urgency for increased engagement to address the Caspian region's many prospects while the window of opportunity is so open.

Efgan Nifti
CPC President



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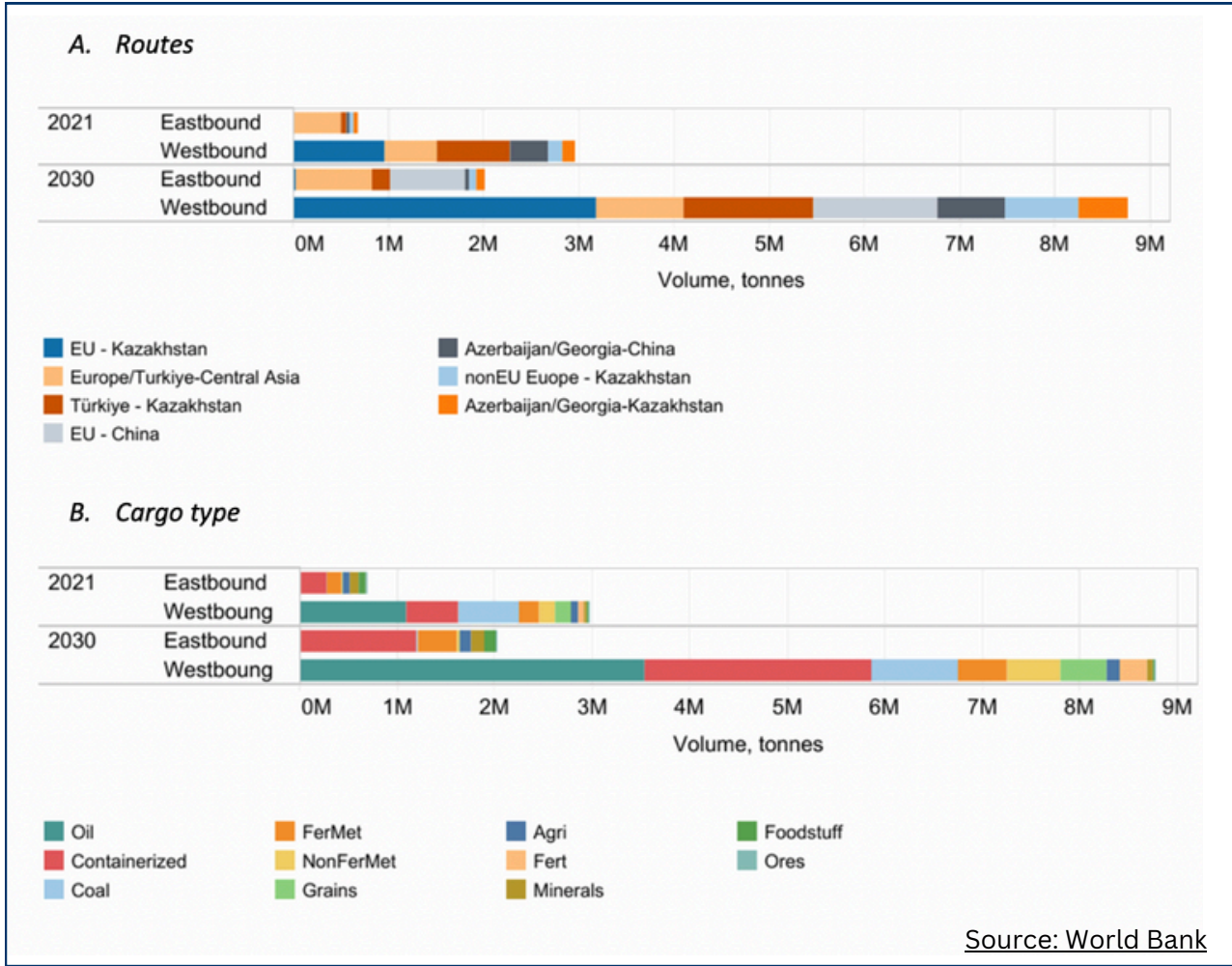
What is the Middle Corridor



The Middle Corridor, also known as the Trans-Caspian International Transport Route, is a multimodal land and sea transport corridor, helping products move from as far as China to Europe through Kazakhstan, Uzbekistan, Turkmenistan, Azerbaijan, Türkiye, the Black Sea, and the Caspian Sea. The route consists of over 4,250 km (about 2640.83 mi) of rail lines and 500 km (about 310.69 mi) of seaway. With its total length 2,000km shorter than Russia's Northern Corridor, the Middle Corridor offers a resolution to sanction-compliance issues, access to new markets, and new opportunities for business-to-business (B2B) and business-to-government (B2G) engagements in logistics, transportation, and infrastructure construction.

Three proposed rail projects promise significant connectivity enhancements for the Middle Corridor. The China-Kyrgyz Republic-Uzbekistan rail project will provide both connectivity to China's markets and even sea linkages for Central Asian goods, but also greater access to China exports and connectivity within Central Asia. Uzbekistan and Kazakhstan's efforts to develop a rail project that traverses Afghanistan and then connects to Pakistan and international waterways promises access to the sea lanes, and would provide a significant alternative for shipment of Central Asian export products. Finally, rehabilitation of the rail line between Azerbaijan, Armenia and Turkey could more than double the capacity of trans-Caspian rail connectivity through Georgia to the Black Sea, by accessing routes through Turkey to the Mediterranean Sea.

Middle Corridor Export Forecast



The World Bank’s forecast for 2030 MC transport. Westbound flows remain significantly higher due to Kazakhstan’s energy exports.

Plans for the Middle Corridor began in the early 2000s as a means of connecting Central Asia, the Caspian Sea, and the Caucasus to Europe and China. Significant progress in the Middle Corridor didn't occur until 2014 when the Trans-Kazakhstan railway was inaugurated. Following this was the inauguration of the Baku-Tbilisi-Kars railway in 2017, marking the first rail passage through the Caucasus mountains since the 1990s. However, it wasn't until 2020 that the first train utilizing the Middle Corridor trade route reached China from Türkiye.

The volume of goods transported along the corridor has since increased from around 350,000 tons to 530,000 tons between 2020 and 2021. However, what truly bolstered the corridor's utilization was Russia's invasion of Ukraine in 2022 and the subsequent economic sanctions imposed by the West on Moscow.

Infrastructure and Soft Barriers

The corridor consists of roads, railways, maritime transport including ports, and border facilities. The total capacity of the corridor depends on the component with the lowest capacity and how efficiently goods can be transferred between different parts of the system.

Key Takeaways

- **Transport capacity needs improvement**
- **Transport prices are high and unstable**
- **Transport times can be twice as long as alternative routes due to long wait times**
- **Railways have more consistent transport times**
- **Maritime routes are the main source of delays due to vessel shortages and documentation problems**
- **Container capacity is limited by shipping capacity through the Caspian Sea**
- **Insufficient digitalization remains a bottleneck at ports and rail border crossings**

Port of Poti- One of Georgia's Black Sea ports, owned by the Dutch AP Moller Terminals. In 2022, it processed 357,019 TEU shipping containers (76% of Georgia's containers), 481,869 tonnes of oil and oil products, 3,255,171 tonnes of dry bulk and 4,021,458 tonnes of gal cargo and break-bulk. The Port at Poti is crucial as a last leg of the Middle Corridor bringing goods into Europe. In June 2023, it was announced that PTC Holding, a transport and logistics investment group from Kazakhstan, and its Georgian partners, established the 'JSC Poti Trans-terminal joint venture' with the responsibility to build the terminal, stretching an area of 8 hectares. The partners share an even split in the joint venture, with the terminal expected to handle 80,000 containers (TEU) per year.

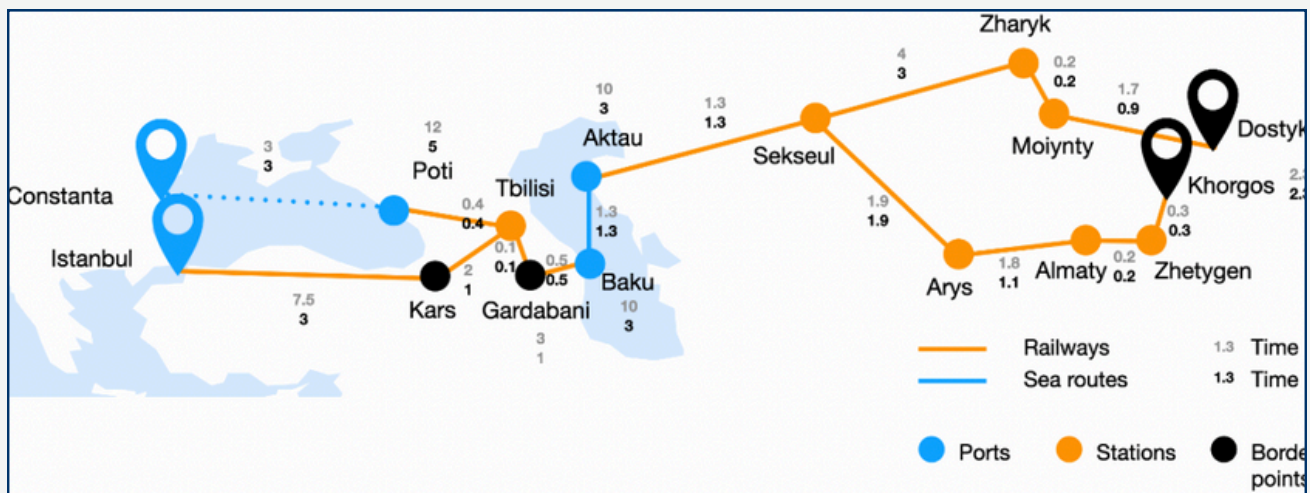
Port of Batumi- Georgia's second Black Sea port, while the port of Batumi processes few TEU contains (109,482 in 2022), it handles more oil and oil products – 1,699,757 tonnes in 2022. In that year it also processed 92,685 of other liquid bulk, 1,448,945 tones of dry bulk, and 240,863 tonnes of gal cargo and break-bulk. The port of Batumi has yet to reach capacity, operating at 22 percent overall and 54 percent on the container segment as of November 2023.

Port of Kuryk- A new port on Kazakhstan’s Caspian shoreline, located 70km south of Aktau. The Port shipped its first cargo in 2017 and opened a ferry terminal in 2018. It remains under construction, with operations ongoing to build a container terminal, a grain terminal, an oil terminal, a transport and logistics center, and a production yard. Semurg Invest, the firm in charge of the port’s development, indicated that it could move 10 million tons of goods annually by 2030.

Port of Aktau- Kazakhstan's older Caspian Sea port, Aktau is also owned by National Railway Company KTZ with private capital participation. With three dry terminals and three oil terminals, the port has a throughput capacity of nearly 12 million tons. In the first half of 2023, transshipment at the Aktau port grew 23% to reach two million tons. There is huge further potential at Aktau, with the World Bank estimating the current rate of use is only 26 percent in November of 2023.

Port of Baku- The port of Baku is a pivotal point of entry for goods from Central Asia into the South Caucasus. In 2023, the total volume handled by the port increased 16.3%, to reach 7 million 343 thousand tons. In 2022, the port handled 38,692 wagon units and 52,276 TEU containers. With a ferry terminal and a general cargo terminal, the port of Baku has a total reported capacity of 15 million tons/year, meaning that it has a great deal of untapped potential.

China-Kyrgyzstan-Uzbekistan Railway- This longstanding planned project would connect Kyrgyzstan, Uzbekistan, and China by a 454 kilometer rail line. Interest in this railway goes back several years, and while it appears that plans for the project are prepared, several stumbling blocks, including a lack of investment and disagreement between partners about investment responsibilities and potential pathways, have prevented construction.



Source: World Bank, 2023

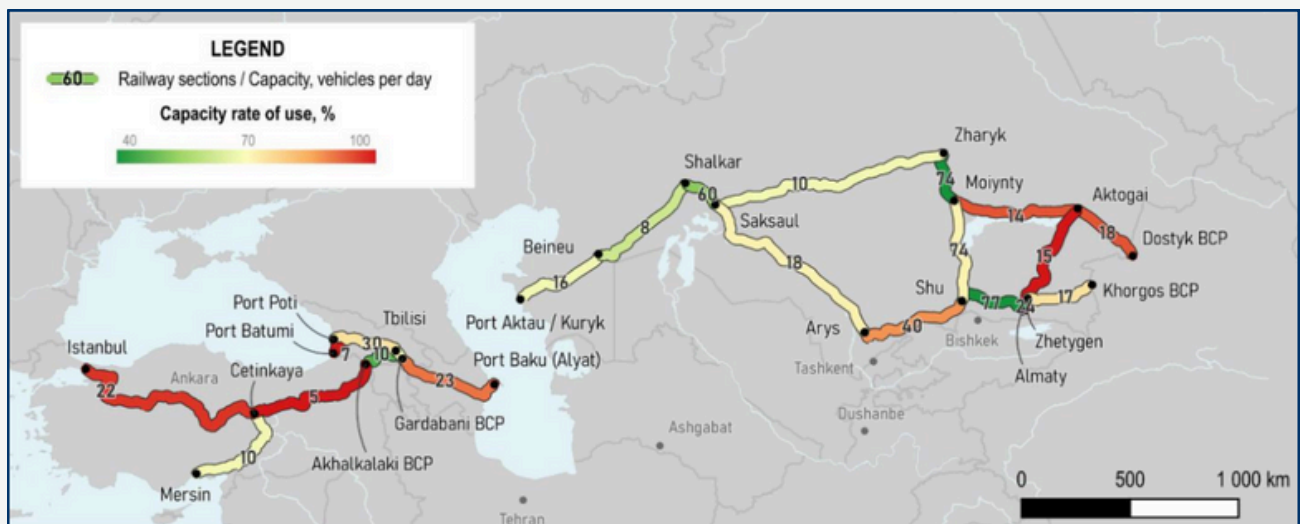
Boyuk-Kasik-Gardabani Railway - This railway is responsible for the shipment of goods across the South Caucasus, from Azerbaijan over the border into Georgia. At present, this border crossing suffers from disparities between stations, weak sorting capacities, and a lack of an exhibition track layout. Furthermore, the fact that the border crossers are located in populated areas hinders further development potential.

Khorgos-Altynkol Railway - One of two Kazakh border crossings from China, the Khorgos-Altynkol railway is most significant as a point from which Chinese goods are brought into Kazakhstan before eventually being sent Westward along the rest of the Middle Corridor. The border crossing has a daily throughput capacity of 17-18 trains, but it is limited by the fact that the Chinese portion of the crossing is made up of only two tracks as well as other infrastructural limitations.

Dostyk-Alashankou Railway - The second crossing point between China and Kazakhstan, the Dostyk -Alashankou has a similar daily capacity, around 18 trains a day, which the World Bank notes is in serious need of expansion. At the moment, this crossing suffers from long wait times of around 60 hours. Reasons for this include a lack of sorting tracks, the absence of a unified automated arrival system and ineffective management of locomotives.

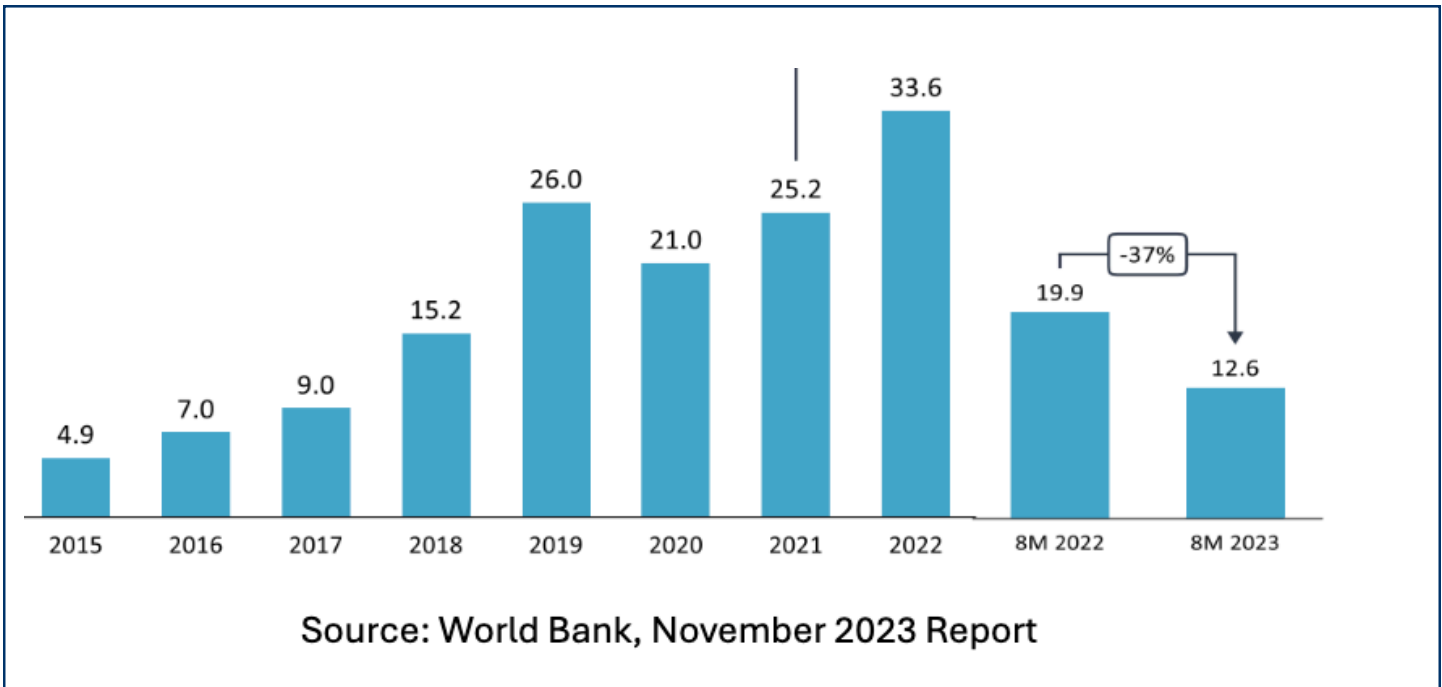
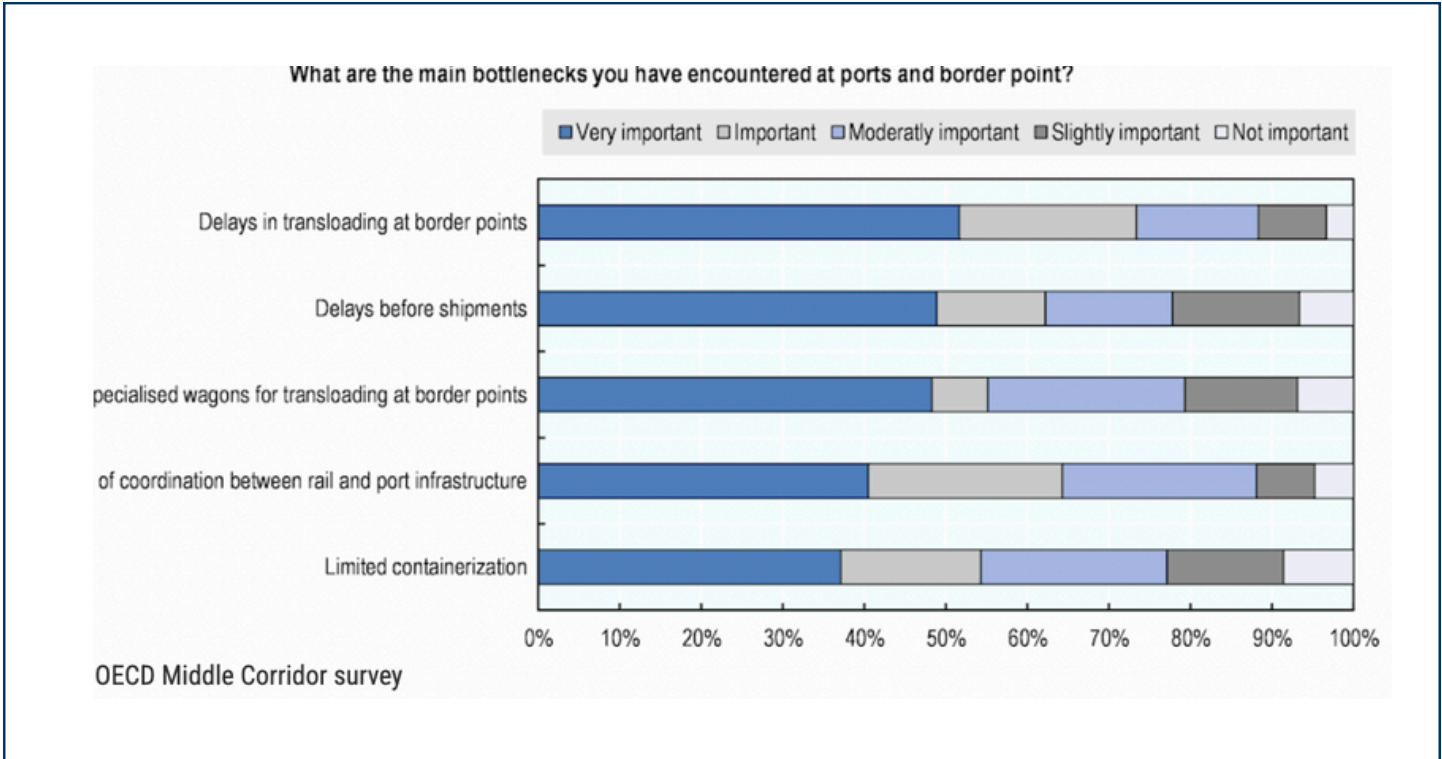
Port of Istanbul - Also often called the Port of Haydarpaşa, for much cargo transported along the Middle Corridor, this is the final point of exit before arriving in Europe. Overseen by the General Directorate of Turkish State Railways, this port’s annual cargo exceeds 60 million tons, making it the third largest port in Türkiye.

Kartsakhi-Cildir Railway - This is the border crossing connected Georgia to Türkiye along the Baku-Tbilisi-Kars railway that allows for shipments of goods from the across the Caspian, through the Caucasus, and into Türkiye.

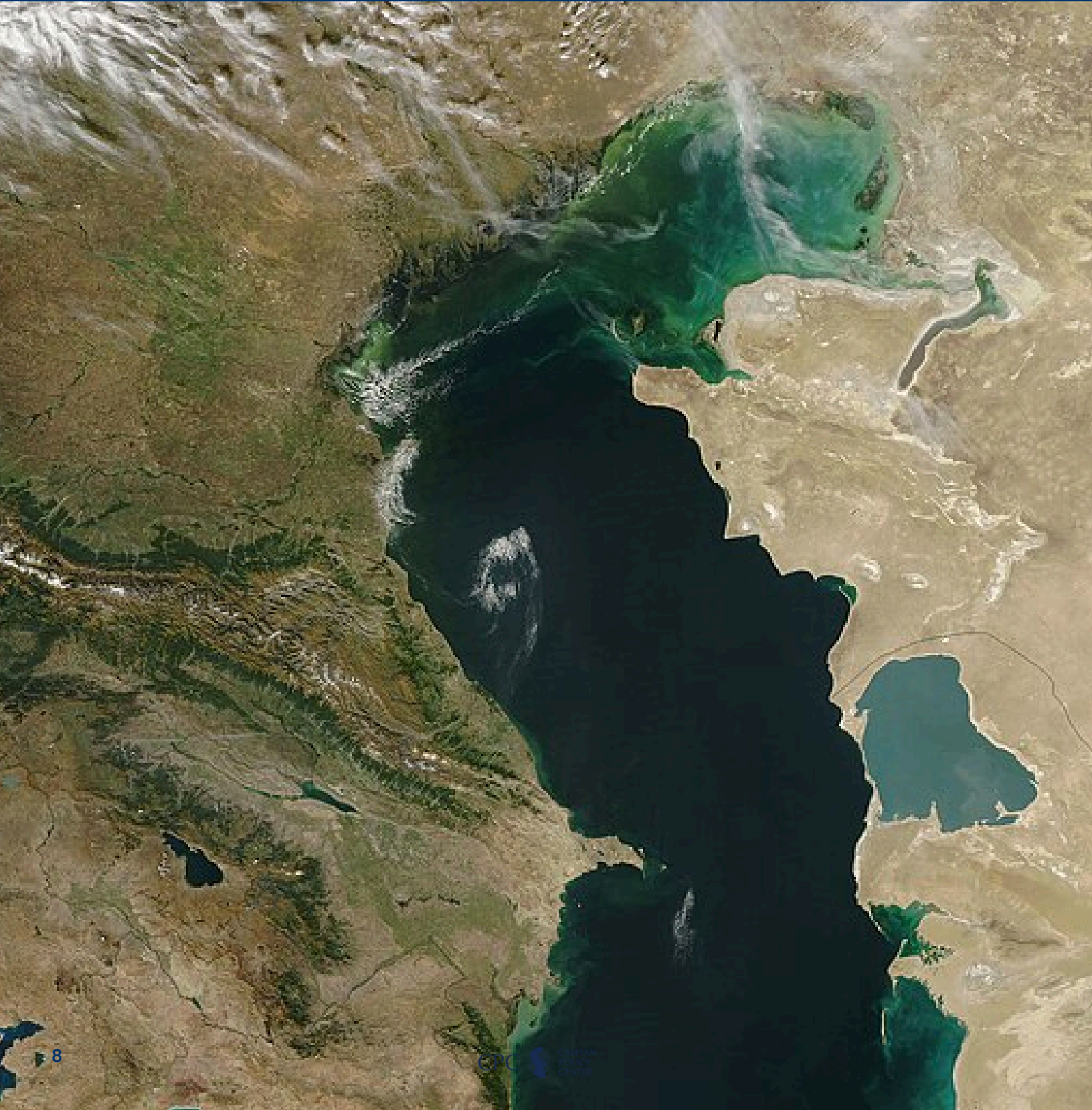


Source: World Bank, 2023

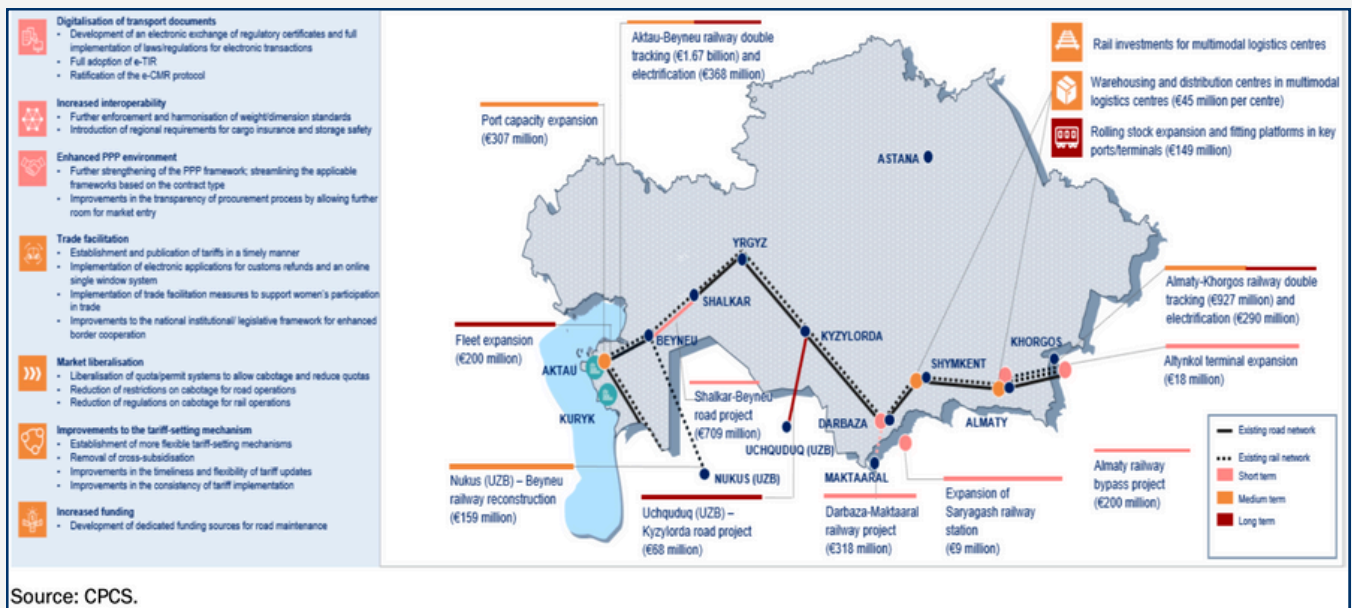
Transport Delays and Unstable Transport Costs
led to decreased container shipments via the MC after
a surge in shipments following Russia's invasion



Infrastructure Priorities By Country



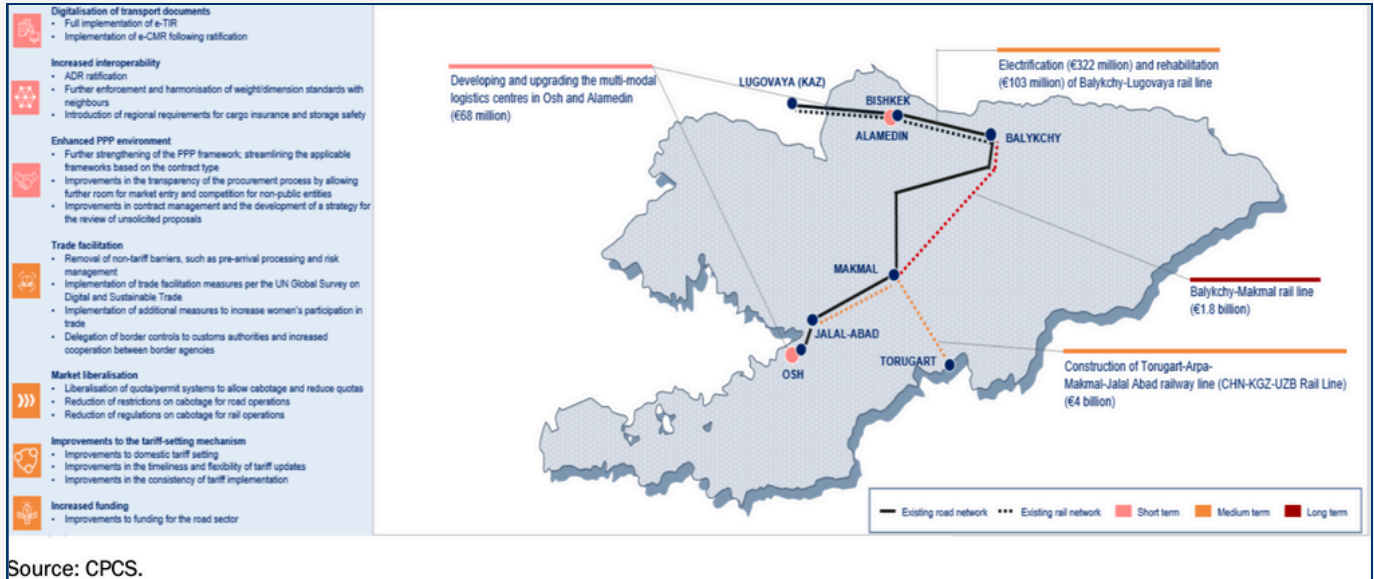
Infrastructure Priorities in Kazakhstan



Source: CPCS.

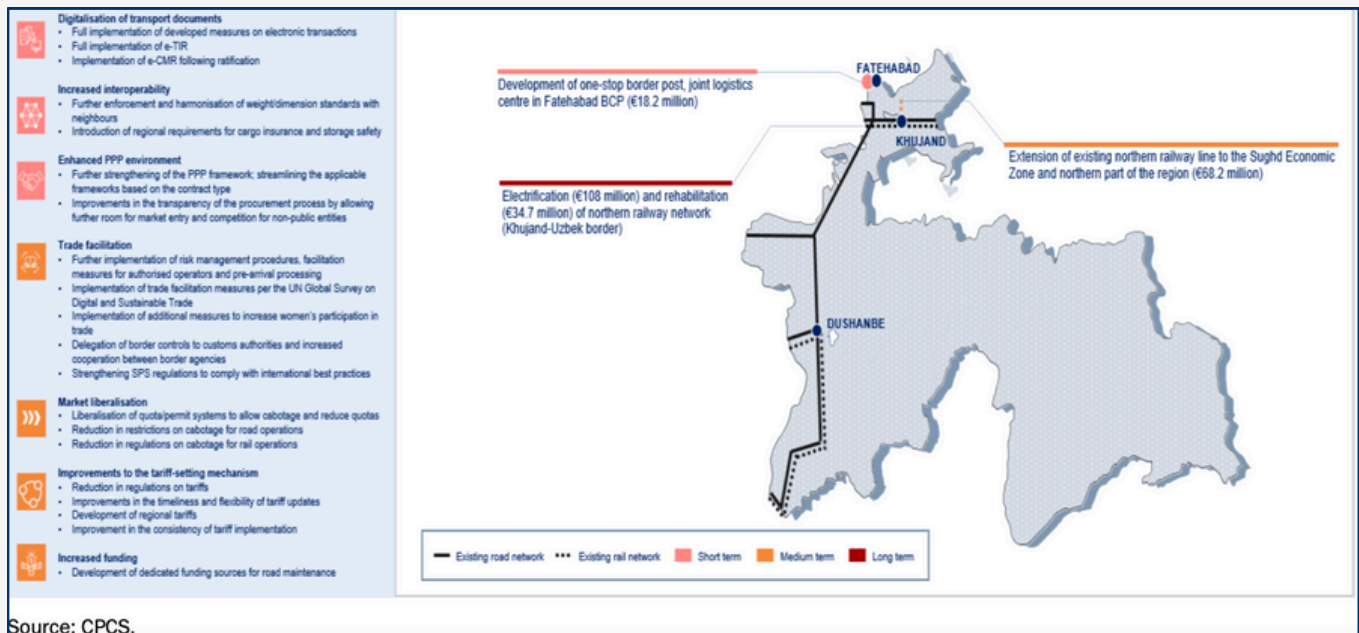
- **Expansion of the Sea Fleet:** Kazakhstan's current sea fleet, deployed on the Caspian Sea, will not be adequate to handle projected increases in cargo traffic.
- **Rolling stock expansion** and the installation of fitting platforms in key ports and terminals: To handle the expected growth in cargo traffic, it is important to supply locomotives, passenger cars and wagons to replenish the rolling stock
- **Kyzylorda (Kazakhstan)-Uchquduq (Uzbekistan) road project,** Kazakh section: There is currently no direct route between these cities and the travel time is over 16 hours by road.
- **Warehousing and distribution centers in multimodal logistics centers:** The construction of these centers will increase the efficiency of goods distribution, processing and storage, both for transit and regional trade.
- **Rail investments for multimodal logistics centers:** The construction and reconstruction of rail networks in and between key trade and logistics hubs will support economic development and contribute to the development of multimodal logistics in the country.
- **Almaty-Khorgos railway double tracking and electrification project:** The rail line between Almaty and Khorgos, approximately 290 km in length, is currently not electrified.
- **Darbaza-Maktaaral Railway Project:** No rail link currently exists between Darbaza and Maktaaral.
- **Almaty Railway Station Bypass Project:** The project will reduce travel time for shipments, relieve Almaty station of cargo traffic by 40 per cent and provide job opportunities for around 2,000 people.
- **Shalkar-Beyneu Road Project:** There is currently no road directly connecting Kyzylorda with Aktau.

Infrastructure Priorities in Kyrgyzstan



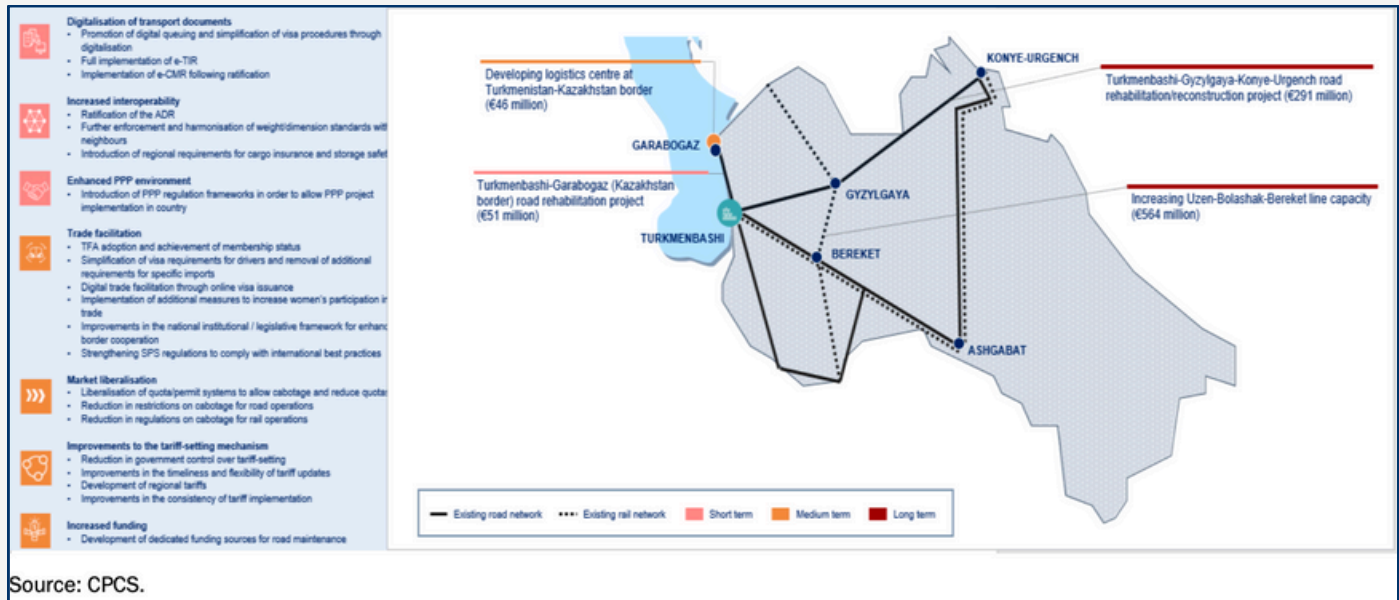
- The development and upgrade of the **multi-modal logistics centers in Osh and Alamedin** is identified as a priority infrastructure investment need. Further development of the Alamedin station in Bishkek and the development of a new facility at Osh will allow more frequent operations and increase throughput capacity for container operations. These investments will also enable more efficient multi-modal operations and encourage greater containerization in transport operations.
- **Electrification and rehabilitation of the Balykchy-Lugovaya rail line project:** The project will increase train speeds on the sections in question.
- **Construction of the Torugart-Arpa-Makmal-Jalal-Abad railway line project:** The new line will support the country's transition to becoming a transit country, potentially increasing the railway's revenue from transit operations.
- **Construction of the Balykchy-Makmal rail line** has been identified as the priority infrastructure investment need. This project would connect the country's two existing lines.
- **China-Kyrgyzstan-Uzbekistan rail line project-** Financial terms remain a contentious issue. Kyrgyzstan and Uzbekistan lack the financial capacities to support the project and ongoing delays have obscured project completion.

Infrastructure Priorities in Tajikistan



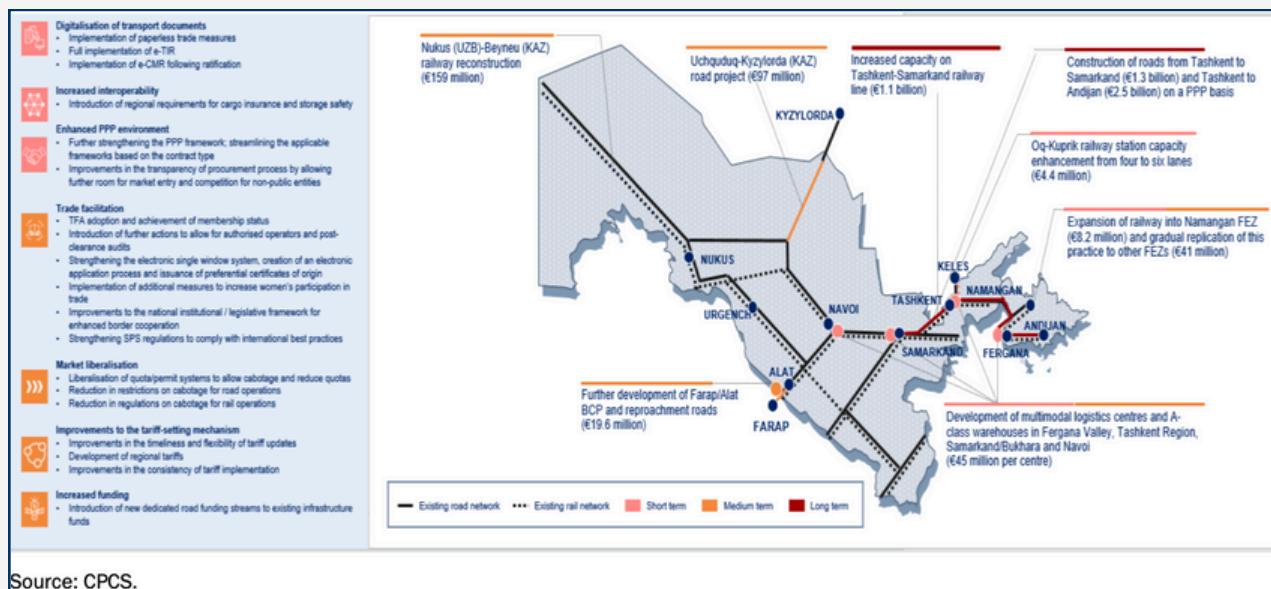
- **The development of an OSBP and a joint logistics centre in Fatehabad.** The project would include the implementation of an integrated border management system and the harmonization of digital systems. In addition to physical infrastructure development, the project would include the implementation of an integrated border management system and the harmonisation of digital systems. Equipment upgrades needs relate to the installation of X-ray devices and other smart inspection hardware to utilise more lanes and expedite service provision. The implementation of the project will reduce border-crossing delays and facilitate trade between Tajikistan and Uzbekistan, as well as transit trade.
- **The expansion of the existing northern railway line to the Sughd Economic Zone and northern parts of the region.** Expansion of the existing network towards the region will open up opportunities for producers in the region and increase agribusiness and other exports from the Sughd FEZ.
- The priority infrastructure investment need relates to the **electrification of the northern railway section.**

Infrastructure Priorities in Turkmenistan



- The priority infrastructure investment need relates to the **rehabilitation of the Turkmenbashi- Garabogaz road**. This is a significant transit cargo route following the Caspian Sea basin.
- The development of a **logistics center at the Turkmenistan-Kazakhstan border**. Development of the first logistics centre at the Turkmenistan- Kazakhstan border would support more efficient operations at the border, reduce congestion, and lower transaction costs of the operators and service users.
- **Turkmenbashi-Gyzylgaya-Konye-Urgench road rehabilitation/reconstruction project**: This project represents a missing link that could save time and cost for carriers travelling to Nukus in Uzbekistan.
- **Expansion of the Uzen-Bolashak-Bereket line project**: This project would increase the capacity of the railway line between Bereket in Turkmenistan and Serkhetyaka in Kazakhstan.

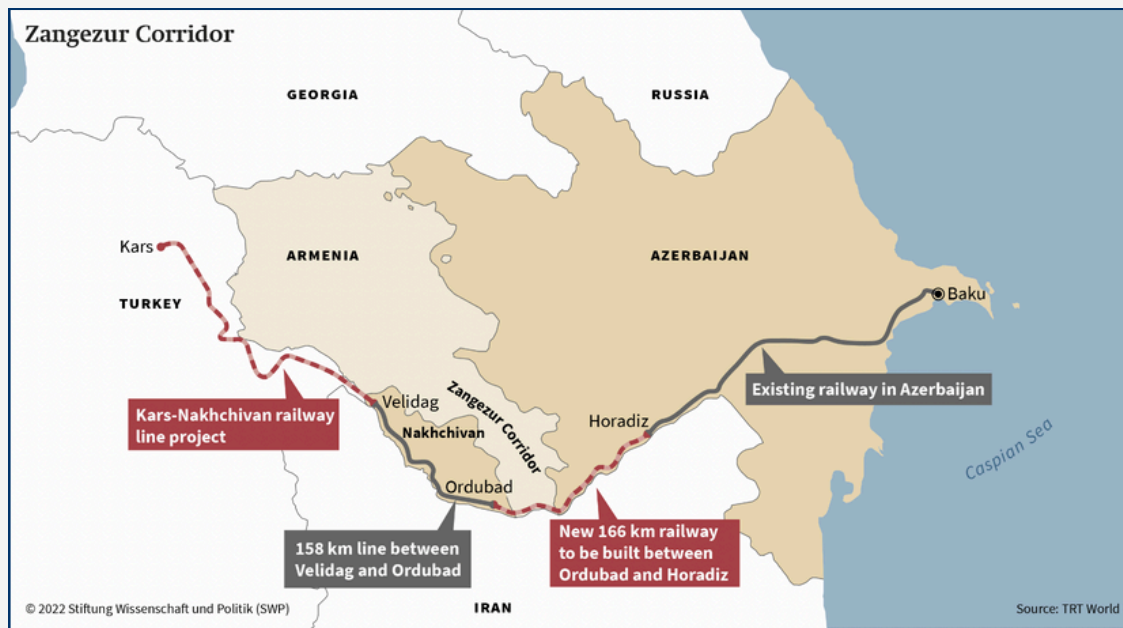
Infrastructure Priorities in Uzbekistan



Source: CPCS.

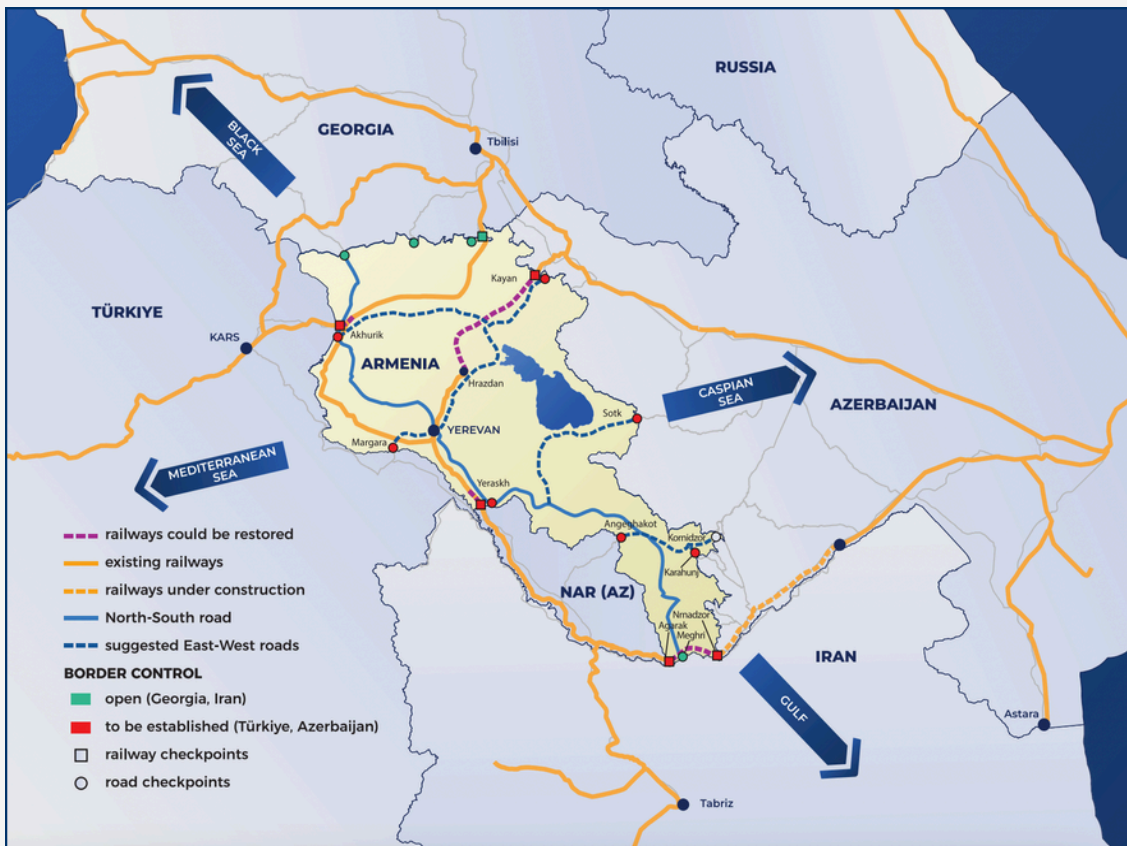
- **The Oq-Kuprik Railway station capacity enhancement project:** There are currently four lanes in the station.
- **Expansion of the railway line into Namangan FEZ:** As the distance between the railway line and the Namangan FEZ area is very short (approximately 1 km), the new rail connection through the urbanised area would provide direct access to FEZ for shippers and would avoid urban congestion.
- **Development of multimodal logistics centers and A-class warehouses in Fergana Valley,** Tashkent Region, Samarkand/Bukhara and Navoi: These trade centres and logistic hubs have adequate road and rail connectivity, but lack the logistics facilities required for multimodal transport operations
- **Uchquduq (Uzbekistan)-Kyzylorda (Kazakhstan) Road Project – Uzbekistan section:** There is currently no direct route between these cities and the travel time is more than 16 hours by road.
- **Nukus (Uzbekistan)-Beyneu (Kazakhstan) railway reconstruction project:** This project is to rehabilitate the rail line from Nukus to the Uzbekistan-Kazakhstan border (approximately 400 km) in order to improve transit times, and reliability.
- **Further development of the Farap/Alat BCP and reconstruction of BCP approach roads:** Farap/Alat is the main BCP between Uzbekistan and Turkmenistan.
- **Capacity enhancement project on the Tashkent-Samarkand railway line:** The construction of the Tashkent- Samarkand high-speed and electrified freight railway line will increase speeds by 30 per cent, enhance the capacity for goods movement and provide environmental benefits.

Infrastructure Priorities in Azerbaijan



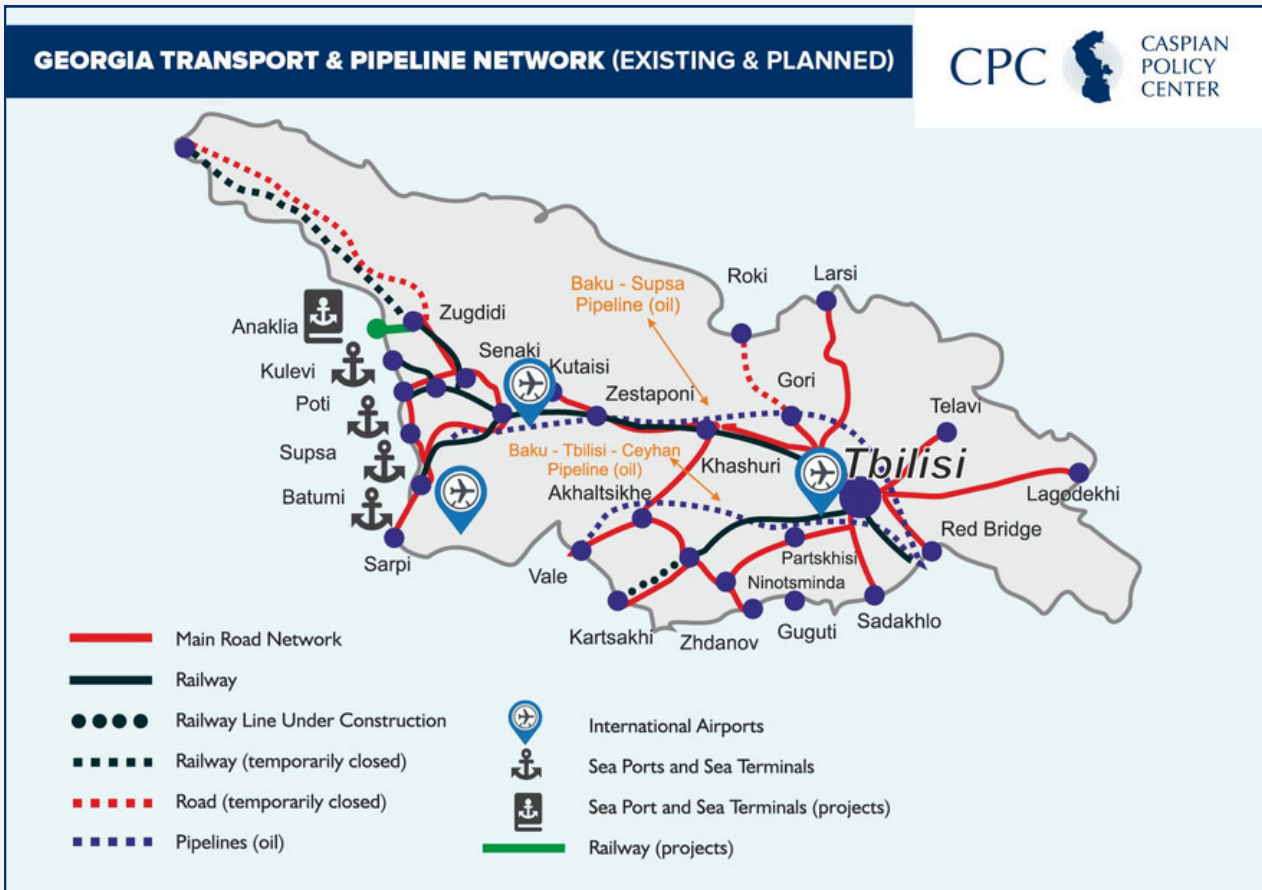
- **Green Energy Zone Project:** Establish a "green energy" zone in the liberated territories of the Republic of Azerbaijan. Provide the region with green energy by using the existing high renewable energy potential in the liberated territories and formulate proposals by studying the prospects for energy efficient green technologies.
- **Railway Sector Development Program-** The project involves the rehabilitation of the track and structure of the **Sumgayit -Yalama rail line**. This rail line is considered as a key link in the North-South Railway Corridor within the CAREC network.
- Raise container shipping capacity on **Baku-Aktau route**.
- **Rasht-Astara Railway project:** The project includes the development of a 82.5 meter long bridge over the Astarachay River, and is expected to become the second rail connection between Iran and Azerbaijan.
- Ensure availability of rolling stock, in particular on **Georgia/Azerbaijan BCP**, improve road and port transshipment.
- **The Lapis Lazuli Corridor project:** The project will connect Torgundi (Afghanistan) with the port of Turkmenbashi (Turkmenistan) and, via the Caspian Sea, to Baku.
- **Hajigabul-Georgian Border Motorway Expansion Project:** The project involves the expansion into a four-lane road of 184 km of dual-lane highway between Hajigabul and the Georgian Border in Azerbaijan.
- **Azerbaijan-Georgia-Romania-Interconnection (AGRI) LNG project:** The project involves the construction of a LNG pipeline to supply LNG from Azerbaijan over the Black Sea to Romania and a regasification terminal at the Romanian port of Constanta.

Infrastructure Priorities in Armenia



- Under the 'Crossroads of Peace' principle, Armenia will
 - Establish 7 new road infrastructure checkpoints on the Armenia-Azerbaijan border at Kayan, Sotk, Karahunj, Yeraskh, near Angeghakot and along the Armenia-Türkiye border at Akhurik and Margara.
 - Restore four railway sections: Nradzor-Agarak (43 km), Hrazdan-Kayan (80 km), Yeraskh border of the NAR (1 km), Gyumri-Turkey (6km)
 - Establish 5 new checkpoints for railway infrastructure, four on the Armenia-Azerbaijan border and one of the Armenia- Türkiye border
- A single large-scale rail project, **the Iran-Armenia Rail Link**: The railway will provide the shortest route from Georgia's Black Sea ports to the Persian Gulf by connecting Armenia's rail network with Iran's.
- The **North-South Corridor investment Program**: The project aims to modernize 93 km of road between Agarak and Bavra via Yerevan as well as customs infrastructure and related facilities. This will link the country's two open international borders with Georgia and Iran.
- The development of renewable energy: Armenia aims to derive 21% of its power generation from renewable energy sources by 2020 and 26% by 2025.

Infrastructure Priorities in Georgia



- **Baku-Tbilisi-Kars Railway Project:** Georgia's only rail link with Turkey, opening up overland travel from Tbilisi to Istanbul via Kars and Ankara. The modernization, which is costing an estimated \$100 million, is set to boost the railway's capacity five-fold, to 5 million tons annually. The project is nearing completion.
- **Anaklia Deep Sea Port:** Anaklia Port's depth will be 16 meters which enables to berth vessels up to 10,000 TEUs in capacity. It will act as a main gateway between European and Asian trade.
- The **Kvesheti-Kobi Road Tunnel Project** is a vital part of the North-South Corridor in Georgia, which can eradicate winter traffic interruptions of Georgia's northern mountainous regions after completion. It consists of 23 km of climate-resilient two-lane highways and an additional 5- km of all-weather access roads.
- **Tbilisi Bypass:** Construction of a 55 km stretch of four lane-roads. The project is part of Georgia's master plan for transport. The project was originally planned for implementation between 2018-2020 but has been delayed.

Major Investments into the Middle Corridor

Source of Investment	Size of Investment	Significance
<u>Eurasian Development Bank (2024)</u>	\$3.5 billion	This investment will target diverse sectors but includes funds for transportation infrastructure.
<u>European Commission (2022)</u>	€2.3 billion	An agreement to fund a subsea electricity cable to transport electricity from Azerbaijan to several European countries.
<u>European Bank for Reconstruction and Development (2024)</u>	€1.5 billion	Part of January's EU Global Gateway Forum, this investment will fund overall transport connectivity in Central Asia.
<u>European Investment Bank (2024)</u>	€1.47 billion	Also under the umbrella of the Global Gateway Forum, this investment will launch and continue sustainable transport projects across Central Asia.
<u>CRRC Corporation (2023)</u>	\$1.3 billion	Improve rail-transport by purchasing 200 locomotives and establish engineering and service centers in Kazakhstan.
<u>AD Ports and Kazakhstan National Oil Company (2022)</u>	\$780 million	Joint venture to provide shipping services for energy companies and the format for investment around Caspian region and, expand the capacity to carry 8-10 million tons of crude annually.
<u>Semurg Invest (2023)</u>	\$100 million	As part of the Kuryk Port Development project, this investment will increase the port's export transport capacity to 15mn-20mn tones per year

Source of Investment	Size of Investment	Significance
<u>Azerbaijan (2023)</u>	\$100 million	Build-out of the Baku-Tbilisi-Kars railway which connects goods coming into Baku to Türkiye and on to Europe
<u>Belt and Road Initiative</u>	\$3.8 billion	China will invest \$3.8 billion into a variety of projects, including freight-rail and energy resource transit through the middle corridor.
<u>Azerbaijan Railways CJSC (2023)</u>	\$20.58 million	16 km of rails were replaced, 22 km of tracks were overhauled at the stations of Keshla, Bilajari, Yeni Surakhany-Surakhany, Yeni Surakhany-Hovsan, and the port of Zira was connected to the railway network for the first time.
<u>Wondernet Express</u>	\$20 million	The project aimed to construct a fertilizer terminal at Georgia's Batumi Port, allowing Central Asian fertilizers easier access to European markets. The terminal opened in 2021.
<u>Azerbaijan (2022)</u>	\$100 million	Upgrades to the Baku-Tbilisi-Kars rail line, which according to Azerbaijani officials is nearly complete, is set to increase the capacity of the rail line five-fold to 5 million tons annually.
<u>Turkish Albayrak Group (2022)</u>	\$20 million	In July 2022, Albayrak acquired the operating rights to develop the Port of Baku, following which, Albayrak took over Ro-Ro container and fertilizer terminal operations.
<u>Kazakhstan's Transport Ministry</u>	\$618 million	Investments into Kazakhstan's port of Aktau and Port of Kuryk will include dredging, the construction of a new fleet of transport ships, a new container hub, and improving port capacity.

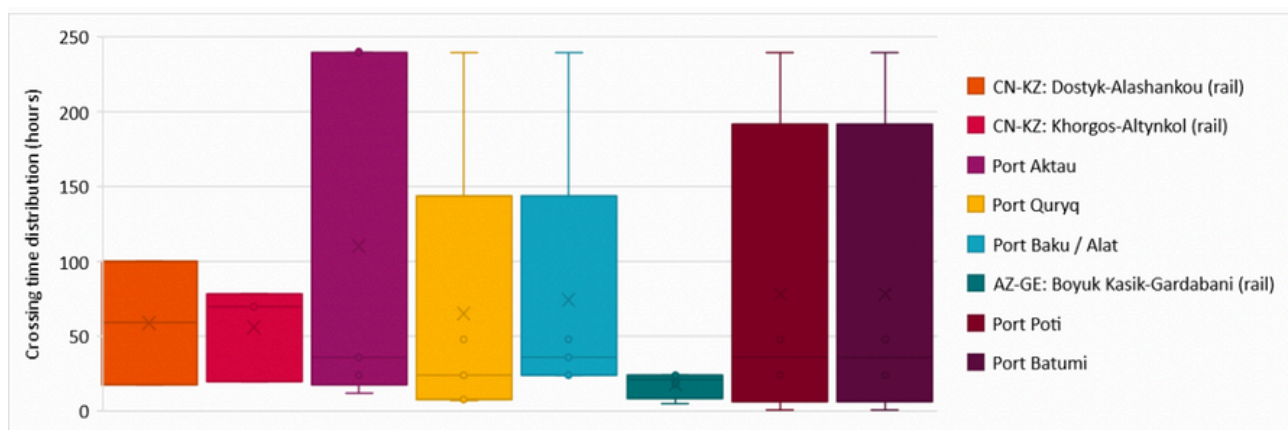
Investment Priorities

Enhancing the capacity and operational efficiency of the MC requires a significant focus on improving transport infrastructure and regional cooperation.

Customs harmonization: Burdensome transit and trade procedures reduce the MC's efficiency and attractiveness to the private sector. When the CPC spoke with representatives from the U.S. Department of Commerce, they highlighted the "nebulous" and unharmonized license and permitting system for transporting goods via the MC as a major impediment to U.S. private sector participation. A regional approach is necessary to simplify the processing of goods, streamline customs inspections, and coordinate tariffs.

Infrastructure capacity: While Central Asian states, foreign governments, and multilateral development banks have invested in the MC's transport infrastructure, the OECD reports that the "current level of transport infrastructure investment remains below projected needs" (OECD, 2023). The surge in traffic along the MC after Russia's invasion of Ukraine exposed several bottlenecks, particularly at Azerbaijan and Kazakhstan's Caspian ports and border crossing points. Congestion in these areas highlights the need for more investment, particularly in transshipment infrastructure, containerization, and loading equipment at ports.

Crossing Times at MC Border Points Remain Long and Unpredictable.
Wait Time Survey Results - May, 2023



Source: World Bank, 2023

Border crossing	Reasons for delays (+ - noted by respondents in open questions, ++ - noted several times by respondents in open questions)					
	Shortage of vessels or rolling stock	Congestion or infrastructure insufficiency, long handover of rolling stock	Control procedures, incl. customs	Problems with documents (insufficient digitalization)	Governance (corruption, monopolism)	Capacity shortage in China
CN-KZ: Dostyk-Alashankou (rail)		+	+			+
CN-KZ: Khorgos-Altynkol (rail)				+		+
Port Aktau	++	+	+		+	
Port Quryq	++			++	++	
Port Baku / Alat	++	+			+	
AZ-GE: Boyuk Kasik-Gardabani (rail)		+	+	+		
Port Poti	+	+		+		
Port Batumi	+	+		+		
GE-TR: Kartsakhi-Cildir/Aktas (rail)		+	+			
Port Istanbul	+	+		+		

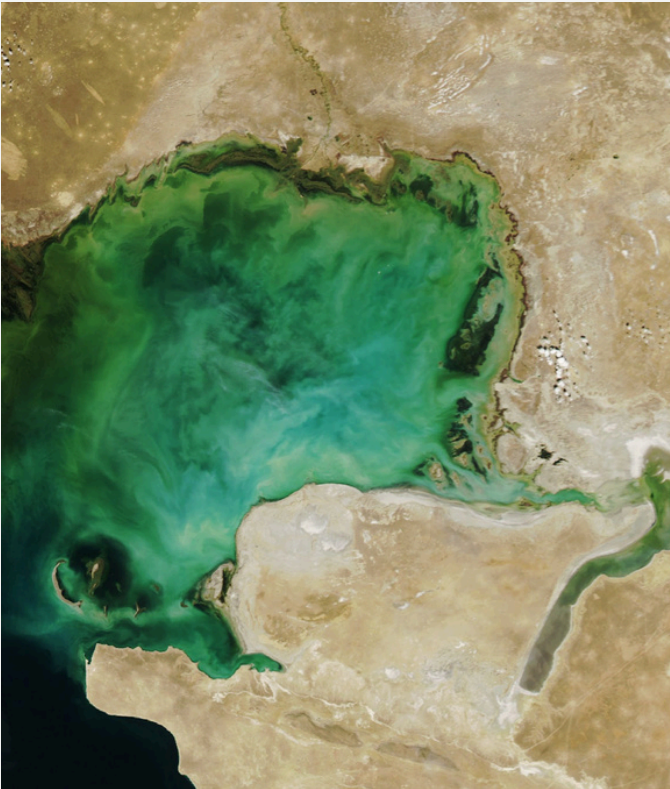
“Railways provide relatively more consistent transportation times but have a large potential to reduce time via the Middle Corridor if bottlenecks are eliminated.” — *World Bank, 2023*

Ongoing conflicts: conflicts between Caspian region states have been one source of blockage around the Middle Corridor. In recent years, Uzbekistan, Tajikistan, and Kyrgyzstan have all made major strides in demarcating their borders and resolving competing claims. If Armenia and Azerbaijan are able to normalize relations and sign a peace agreement, and eventually open the border between Armenia and Türkiye, it could allow new opportunities. Already, Armenian Prime Minister Nikol Pashinyan has proposed a major infrastructure plan that would interconnect the region by rail and road.

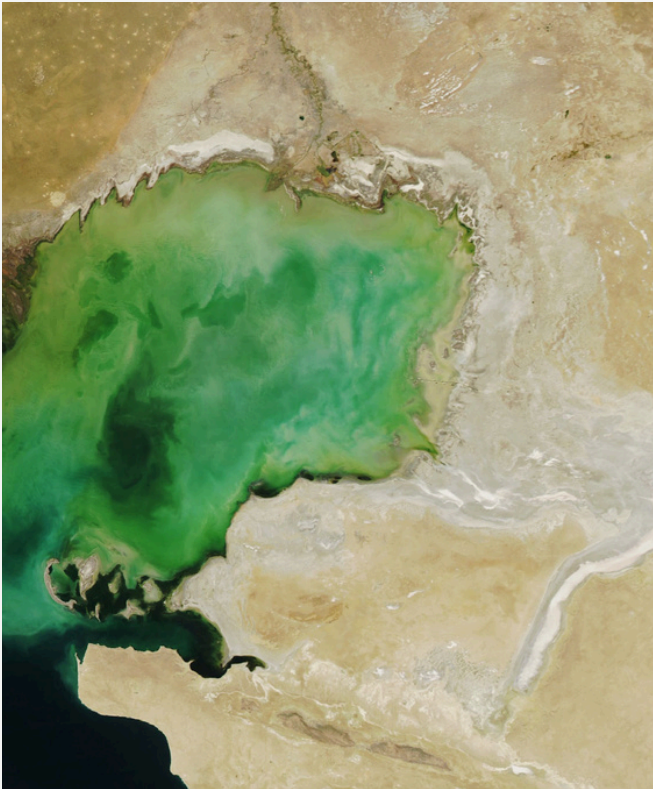
Value addition: Central Asia’s long-term economic prospects depend on whether the region can upgrade to higher value-added sectors of the global economy. Central Asian policymakers should look beyond the MC’s potential to facilitate primary commodity exports, the income from which is not widely shared. Industrial and service sector activities, which various C5 states have made efforts at expanding, lead to greater increases in broad-based economic prosperity. Central Asian states should seek to boost the export competitiveness of their higher value-added sectors, perhaps using industrial development and export promotion strategies, to maximize the gains from the MC. Specifically along the MC, building modern logistics centers would create high-wage jobs and increase the efficiency and reliability of the MC.

Climate Change: The Caspian Sea, one of the world’s largest inland water bodies and crucial to the economies of five states, is itself experiencing an indisputable and accelerating decline in water levels, which will imperil local economies, quality of life, and regional commerce. If left unchecked, these desalination projects have the potential to exacerbate and accelerate the depletion of the Caspian Sea. Kazakhstan’s Garysh Sapary National Space Agency revealed that Kazakhstan’s portion of the Caspian Sea decreased by 7.1% from 2008 to 2023. Similarly, on May 29, 2023, RFE/RL’s Turkmen service reported a 35-40 cm drop in water level along Turkmenistan’s Caspian coast. A decline in Caspian Sea water levels will restrict the size of vessels that can sail in the Caspian Sea, thus aggravating congestion in the ports and the economic viability of trans-Caspian cargo services.

2006



2022



On September 19, 2022, the Moderate Resolution Imaging Spectroradiometer (MODIS) on NASA’s Aqua satellite acquired this natural-color image (right) of the northern Caspian Sea. For comparison, the left image was acquired by Terra MODIS on September 20, 2006.

The Caspian Sea level is the result of a certain balance between river inflows and evaporation, mainly; human actions also play a role, as well as possible tectonic movements. Some scientist project that by 2100, water levels in the Caspian Sea could drop by another 8 to 30 meters (26 to 98 feet).

A decline in Caspian Sea water levels will, in turn, restrict the size of vessels that can sail in the Caspian Sea, thus aggravating congestion in the ports and the economic viability of trans-Caspian cargo services. In short, the invasion of Ukraine and the resultant reorientation of supply chains has highlighted the Caspian Sea’s importance at the time of its most vital challenge.

Read More From CPC on the Middle Corridor...

The Middle Corridor is Opening

By Bruce Pannier
January 22, 2024

On January 11, a train from Xian, China, arrived in Azerbaijan, having made an approximately 3,200-mile journey across Kazakhstan and the Caspian Sea in the short time of 11 days.

Just a few years ago, such a trip could have taken up to 50 days or more, but the train from Xian was passing through the Middle Corridor, a trade and transportation network that has been expanding rapidly to become an alternative to shipping goods through Russian territory.

Now, add in the current problems shipping cargo through the Suez Canal due to Houthi militia in Yemen attacking vessels in the Red Sea area, and the importance of the Middle Corridor is even higher.

The Middle Corridor is a network of roads, railways, and ships that connect Europe to Asia through the Caucasus and Central Asia and across the Caspian and Black seas.



[Read more at Caspianship.org](https://caspianship.org)



European and International Financial Institutions to Invest \$10 Billion in the Middle Corridor

By Toghrol Ali
February 4, 2024

The Global Gateway Investors Forum for EU-Central Asia Transport Connectivity convened January 29-30 in Brussels, uniting high-level representatives, financial institutions, and the private sector from the European Union Member States, Central Asia, South Caucasus, and Türkiye. On the first day of the event, European Commission (EC) Executive Vice President Valdis Dombrovskis announced that European and international financial institutions have pledged to invest €10 billion (approximately \$10.8 billion) to develop sustainable transport connectivity in Central Asia.

The Middle Corridor: The Beginning of the End for Russia's Northern Corridor?

By Meray Ozat and Haley Nelson
June 30, 2023

The Middle Corridor is looking to make drastic improvements as Kazakhstan, Georgia, and Azerbaijan inked an agreement on June 22, 2023, aimed to reduce operational delays, eliminate bottlenecks, and streamline the tariff process. As the West continues to uphold its economic offensive against Russia, improvements to this transport route are poised to impart a palpable blow to the financial shield safeguarding the Kremlin's war efforts.

Read more at [Caspianpolicy.org](https://caspianpolicy.org)

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