

The Modernization of the BTK Railway and Azerbaijan's Geopolitical Ambitions

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Azerbaijan has just [announced](#) that, starting on 20 May 2024, cargo transportation through the Baku-Tbilisi-Kars (BTK) railway will be restored to full capacity following the modernization process. The renovation of BTK, a crucial part [of a greater plan](#) to expand the route amid changing geopolitical and geoeconomic paradigms throughout the [Silk Road region](#) and beyond, is a testament to a commitment by the relevant states that belong to its western core to enhance connectivity. The transformation of the global security environment [caused](#) in part by the heating up of the conflict over Ukraine in February 2022 has significantly impacted the global supply chain, pushing major actors to seek alternative transit routes. The decision to modernize BTK came about as a part of Azerbaijan's decision to turn this keystone railway line into a main artery of the Trans-Caspian Transit Route (TITR), i.e., the Middle Corridor.

On 5 March 2024, a high-level delegation from Azerbaijan, led by Rovshan Rustamov, Chairman of Azerbaijan Railways CJSC (ADY), embarked on a visit to Georgia. The purpose of the visit was to evaluate BTK's ongoing restoration and enhancement efforts, a key conduit in the Silk Road region's transit network. This initiative is part of a broader strategy aimed at expanding ADY's capacity in response to the evolving geopolitical and geoeconomic landscape. The urgency for such upgrades has been underscored by the global logistical disruptions following February 2022, which highlighted the critical need for diversified transportation corridors to maintain and enhance global supply chains.

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In this vein, the Middle Corridor has [re-emerged](#) as the most viable trade route linking Europe with Asia through the Caspian basin, which sits in the heart of the Silk Road region. This highlights the importance of critical infrastructure building, which in turn points to the imperative of ensuring regional interconnectivity.

As such, the BTK railway project has made significant strides since November 2023, when the Azerbaijani government [announced that the](#) expansion of the Georgian part of BTK would be completed in early 2024. On 19 March 2024, Azerbaijan and Georgia announced the establishment of a [new joint venture](#) to accelerate the modernization work in the Georgian section of BTK. According to the ADY, [the rebuilding work](#) on the 183 km long section through Georgia's mountainous eastern region, most of which is over 2 400 m above sea level, was 95 percent complete, a testament to the project's successful progress.

The modernization, which costs [an estimated \\$100 million](#) (this project was not funded by any Western banks or financial institutions but rather by the Azerbaijani government and ADY) is set to boost the railway's capacity five-fold, to 5 million tons annually. After the modernization process is completed, a joint Georgian and Azerbaijani company will take over the management of the rail route. The potential economic benefits of BTK and the modernization work [were repeatedly hailed](#) during the recent face-to-face meeting of the Azerbaijani President Ilham Aliyev with the new Prime Minister of Georgia, Irakli Kobakhidze, in Baku on 16 March 2024. Both leaders hailed the BTK project [as a significant bilateral achievement](#), underscoring the positive impact it could have on regional trade and development.

In a 20 April 2024 interview, Rustamov confirmed that modernization works on 95 km long (out of 184 km) section of the Georgian leg of BTK are finished. As a result of the massive work, Azerbaijan built a 61-km long railway link, a 98-km long network of overhead lines, a 338-km long fiber optic cable, and a 41-km long highway, while also laying curbs of 120 km. In addition, 13 railway links, 196 buildings and engineer facilities, and 8 substations were fully modernized. Moreover, 128 km contact lines, a 168-km long 10 Kw wire network, and a 28-km long electricity lines were modernized.

Indeed, amid the shifting geopolitical landscape in the Silk Road region, Azerbaijan aims to capitalize on strategically important infrastructure projects like BTK to become a critical transit and transport hub and attract more countries to join the route. This further reinforces the fundamental point that Azerbaijan is the "[indispensable country](#) for the advancement of the strategic energy and connectivity ambitions of all the major powers that surround the Silk Road region—Western and non-Western alike."

Therefore, to demonstrate its technical capacity and abilities, the Azerbaijani government actively [boosted the role](#) of ADY Container, which is a fully-fledged

subsidiary of Azerbaijan Railways, with a mandate to provide high-quality, reliable freight transport in the country.

The most recent milestone of ADY Container was [the arrival of the first container block train consisting of 55](#) containers sent from the Chinese city of Xi'an to the Kazakh port of Aktau and then on to the Port of Baku in just 11 days. This historical event occurred during the official visit of the President of Kazakhstan, [Kassym Jomart Tokayev](#) to Baku, as Astana established a strategic partnership with Azerbaijan in the energy, security, and transportation fields. Reportedly, electric cars, construction materials, pipes of different sizes, and other [goods were delivered](#) to Azerbaijan in containers of 40 feet each.

Undoubtedly, Azerbaijan is keen to transform itself into a transport hub of strategically important goods between Asia and Europe and, therefore, invest heavily in upgrading transit infrastructure. For example, in September 2023, [Azerbaijan and Türkiye agreed](#) to establish a direct railway link between Azerbaijan's Nakhchivan exclave and the Turkish city of Kars with a length of 224 km. This project is [significant because](#) the railway, along which trains will travel at speeds of 160 kph, will connect the countries of Central and South Asia with all of Europe. Another example is the country's north-south railroad, which connects Russia to Iran and is an integral component of the International North-South Transport Corridor.

The economic and geopolitical dividends of regional interconnectivity projects perfectly match [Azerbaijan's multivector diplomacy](#), which envisions deepening strategic partnerships with actors to its east, including China, Kazakhstan, and Uzbekistan. Such a foreign policy posture increases Azerbaijan's role within the Middle Corridor project, making it a true "[keystone state](#)." In this vein, [the BTK railway](#) is of particular importance, as it is an integral part of the Middle Corridor. Indeed, the railway and the current modernization will pave for more cargo flows through Azerbaijan in both directions. According to Rustamov, the new increased capacity of BTK will enable cargo to be delivered from Xi'an to Türkiye's borders with the EU in just 13-14 days. Moreover, BTK ensures a direct railway connection between Azerbaijan and Türkiye, thus paving the way for even more cargo transportation.

In addition, BTK's future importance and payoff of its capacity modernization will heavily depend on the trade level between the EU and China in the coming years. The outbreak of the Russo-Ukraine war in 2022 [significantly boosted cargo transportation](#) via BTK as it was the only viable option to bypass Russia and Iran—countries that are presently sanctioned by the European Union. However, in the longer term, further significant investments will be required to upgrade the BTK and boost the number of cargo freights linking the Western countries to the Asian markets and vice versa.

Despite the enormous efforts to exert pressure on Azerbaijan regarding the BTK's construction and modernization, Baku has fully capitalized on the renewed geopolitical landscape in the South Caucasus and beyond. The BTK railway will

enable Azerbaijan to boost its image as transit hub with financial and technical capabilities to fulfill hard tasks and attract foreign investments. Given the project's successful implementation, one would hope that the major powers that surround the Silk Road region will express their willingness to take part in and, indeed, help finance BTK and, more broadly, the South Caucasus segment of the Middle Corridor in an effort to improve global supply chains.