

Middle Corridor Momentum

The Future of East-West Trade

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Over the past three years, geopolitical shifts in Europe and the Silk Road region have significantly impacted global supply chains, triggering heated debates on the liability of various transport routes. One of the few whose standing has increased in the past few years is the Middle Corridor multimodal transport route (Trans-Caspian International Route), coming to be seen as one of the most viable options for unhindered cargo flow in the East-West direction. As a geopolitical project, the Middle Corridor is a unique route as it is solely controlled by the participating countries themselves, without the explicit influence of major outside powers.

One of the most significant advantages of the Middle Corridor is its [length](#), which is approximately 3,000 km shorter than the Northern Corridor going through Russia. The route not only [decreases transit duration](#) but also tackles concerns related to Western sanctions compliance by bypassing Russia, making it an appealing choice for businesses exploring new trade routes and markets.

Nevertheless, as a multimodal route, the Middle Corridor has its own shortcomings, namely in terms of cargo capacity. For example, the Middle Corridor has an estimated annual [capacity of approximately 5.8 million tons](#), significantly lower than the Northern Corridor, which has historically handled much larger freight volumes.

In light of the rising importance of the Middle Corridor, the geostrategic importance of the South Caucasus is rising, developing into a progressively attractive transport node between Europe and Asia, bypassing Russia and paving the way for Western influence dissemination toward Central Asia.

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Economic Benefits

While many analysts highlight the strategic benefits of the Middle Corridor amid the shifting geopolitical landscape, the corridor continues to expand, with trade volumes skyrocketing in recent years. This speaks to the economic benefits of the route. In 2024, 4.8 million tons of cargo moved through the corridor, [representing a 63 percent year-over-year](#) increase while the total volume of freight transported via the Middle Corridor in 2024 surpassed the 2023 figure by more than 25 times.

Growing trade along the corridor stimulates industrial growth, job creation, and infrastructure development in the countries working together on the project, thereby strengthening regional economies, reinforcing positions along the global supply chain, and contributing to the formation of a community of shared destiny.

For Central Asian countries, cargo transportation alongside the route fostered bilateral and multilateral formats of trade. For example, in 2024, Kazakhstan and Uzbekistan [signed agreements](#) totaling \$4.4 billion in projects and \$2.6 billion in trade contracts, aiming for an annual trade turnover of \$10 billion within the Middle Corridor framework. As such, in the last few years, Uzbekistan's GDP [grew by 6.4 percent](#) in the first half of 2024, with foreign trade turnover increasing by 8.5 percent to \$31.8 billion.

Indeed, the economic perspective of the Middle Corridor requires some additional infrastructure works along the route, including technology innovation ensuring smooth cargo flow from East to West whilst monitoring environmental issues like carbon emissions. Therefore, Azerbaijan Railways Company (ADY), as one of the region's leading operating companies, has been actively [pursuing digitalization](#) to enhance the efficiency and reliability of cargo transportation, aiming to streamline logistics, reduce delays, and optimize operational processes. Thus, in 2024 the Asian Development Bank (ADB) [allocated \\$47 million in funds to ADY's](#) digitalization process to improve its operational and financial performance through streamlined data management, optimized asset management, and overall rail operations, reduced cost, enhanced rail safety, and better workforce efficiency.

One [of the core components of ADY's](#) digitalization strategy is its ADY Smart Platform, an integrated system developed by Global DTC, a multi-modal trade-facilitation platform based in Singapore, which provides real-time tracking and monitoring of cargo movements. Its software enables shippers to register cargo, track shipments, and manage operations digitally, eliminating paper-based processes and improving overall efficiency. Undoubtedly, the launch of such platforms complements the enormous efforts [to modernize the region's railway infrastructure](#), such as the Baku-Tbilisi-Kars Railway, were completed in May 2024 and resulted in increased capacity of up to 5 million tons annually.

In addition to infrastructure and digitalization work, Azerbaijan has sought new means of efficiently boosting cargo flow via the route and handling them in time. In this

vein, Azerbaijani President Ilham Aliyev earlier this year [decreed the merger](#) of the Baku International Sea Trade Port at Alat with ADY in a strategic move to enhance operational efficiency and strengthen Azerbaijan's position as a key transportation hub in the region. This decree is enabling ADY under unified management to optimize resource utilization, reduce operational redundancies, and enhance transportation competitiveness on the global stage.

The two new developments (infrastructure upgrade and optimization) have made the Middle Corridor much more attractive for international partners like China and Kazakhstan, which [revealed plans to increase](#) the volume of cargo transportation along the Middle Corridor to 600 container trains per year in 2025 and 2026, thus reaching a record number of 2,000 by 2029. This growth has been positively impacted [by a 65 percent increase](#) in the volume of transit transportation between China and Europe through Kazakhstan, which amounted to 2.76 million tons last year, compared to 1.7 million tons in 2022.

(I note here that the significant growth of cargo flow between Kazakhstan and China was made [possible after the launch](#) of the Kazakhstan-China cargo terminal in Xi'an in 2024. I also note that Kazakhstan plans to [enhance rail connectivity](#) around Almaty, and that by 2030 the country plans to modernize 11,000 kilometers of highways and construct over 5,000 kilometers of new railways. Among these ambitious projects are constructing second tracks on the Dostyk-Moyinty railway section, a bypass railway line around Almaty, and two new lines: Darbaza-Maktaaral and Bakhty-Ayagoz.)

New Perspectives for the Middle Corridor

Indeed, the positive development dynamics of the Middle Corridor emboldened partner countries and companies to foster partnerships to maximize results and yield more benefits. As such, on 4 March 2025, during the most recent meeting of the Trans-Caspian International Transport Route International Association (TITR IA) Legal Entities Union, which took place in Baku, all parties [highlighted goals for 2025](#) by increasing cargo volume up to 2.5 million tons, including 96,000 TEU containers. However, all parties still need to address certain concerns alongside the route, including delays, tariffs, logistics, and infrastructure-related issues. In this vein, at the aforementioned meeting, Global DTC Deputy Director Alua Satibaldiyeva announced [that the company launched](#) its new digital platform for railway companies to enable cargo owners and companies to easily track and trace their goods and detect problems on time, create a collaborative ecosystem, integrate the Alat and Aktau ports in order to be able to watch container transportation in realtime and detect any occurred problems, and ease custom regulations. The company also announced that it will oversee the level of carbon emissions along the Middle Corridor route, within the commitment it signed on the sidelines of COP29, held last November in Baku.

Another important reason for the less-than-optimal duration of the cargo transportation process is the [insufficient number](#) of roll-on/roll-off and container ships operating between the Aktau/Kuryk and Alat ports, rising demand for more container wagons, and the deepening problem of water decrease in the Caspian Sea. As for container wagons, during the Baku meeting, [a TITR IA representative](#) mentioned that Kazakhstan would provide wagon support for the Azerbaijani and Georgian railways to enable additional cargo flows within the Middle Corridor and avoid further delays.

Undoubtedly, all parties acknowledge that the Middle Corridor's expansion presents a crucial opportunity for the region's countries to shift from the periphery to the center in the evolving landscape of East-West connectivity. Considering that traditional and well-established transport, shipping, and trade routes via the Red Sea and the Suez Canal will gradually lose their attraction due to the latter's capacity limitations, security reasons, and regional turmoil, the Middle Corridor emerges as a crucial link and a mitigating element in geopolitical and geo-economic risk management.

Conclusion

As this IDD Analytical Policy Paper has outlined, the Middle Corridor route is emerging as a vital trade artery for the East-West route by offering geopolitical stability, reduced transit times, and economic opportunities for transit countries. Although the project experienced some setbacks since its inception, the strong commitment of participating countries in overcoming technical and logistical difficulties boosted the optimism of all parties, including international partners and donors like the EU, the ADB, and the World Bank.

With increasing cargo volumes and commitments from key players like Georgia, Azerbaijan, Kazakhstan, and China, the corridor is set to play an even greater role in global supply chains. As traditional routes face geopolitical risks, the Middle Corridor presents a resilient and strategically significant alternative for international trade, on the cusp of being ready for primetime.