



The Hague Centre
for Strategic Studies

Reweaving Silk Roads

The Middle Corridor's Role in EU Economic Security

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March 2026





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March 2026

The research for and production of this report has been conducted within the PROGRESS research framework agreement. Responsibility for the contents and for the opinions expressed, rests solely with the authors and does not constitute, nor should be construed as, an endorsement by the Netherlands Ministries of Foreign Affairs and Defence.

The research for this report was completed in December 2025. Events or developments that occurred between completion and publication did not influence the findings.

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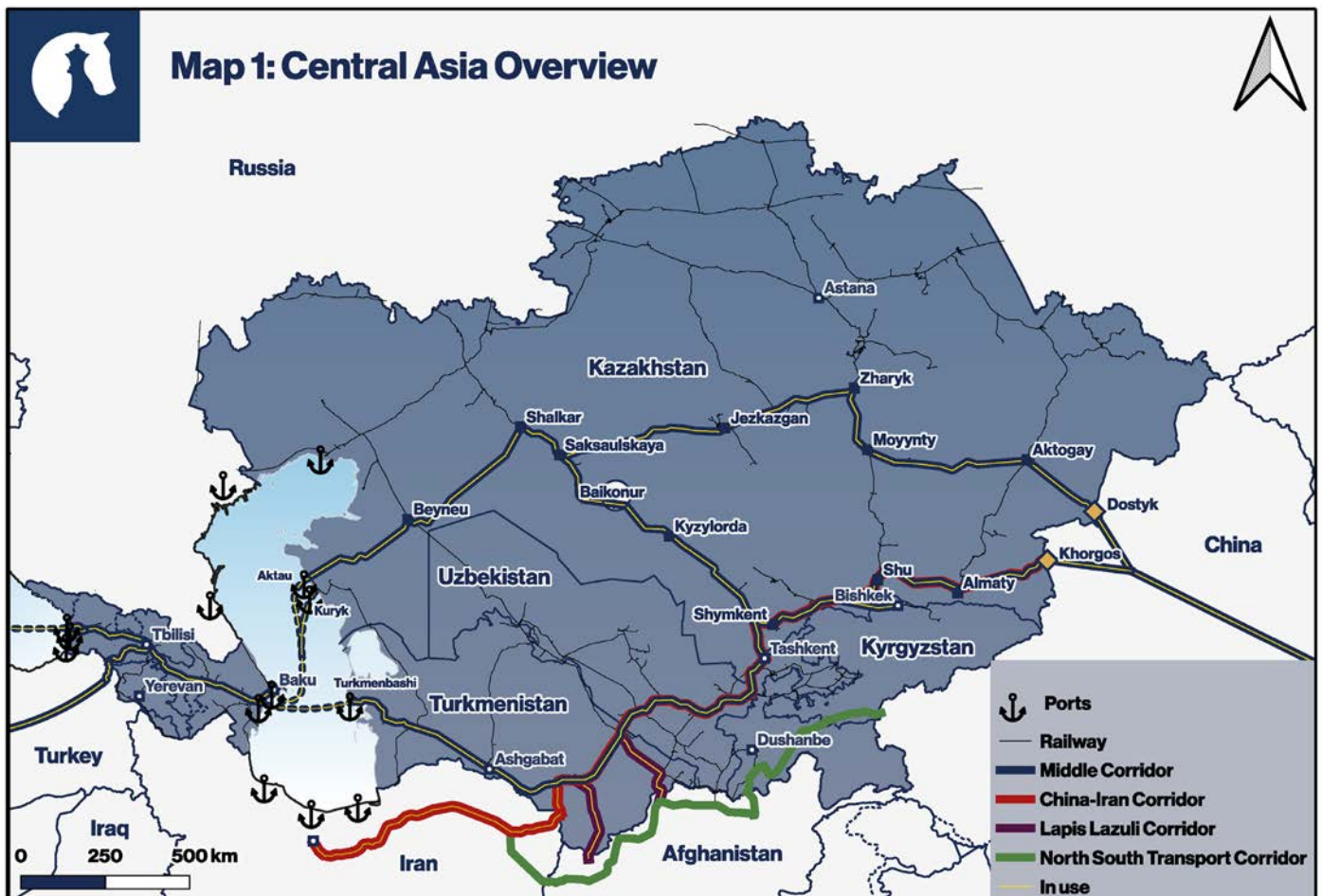
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Executive Summary

Globalisation in the 21st century has produced deeply interconnected supply chains, but it has also transformed trade corridors from neutral economic arteries into strategic assets. Disruptions to these corridors carry systemic consequences, exposing vulnerabilities that extend beyond logistics and affect security and strategic autonomy.

This report focuses on one such vital artery: the Middle Corridor, formally known as the Trans-Caspian International Transport Route (TITR). This land corridor, stretching from China across Central Asia and the Caspian Sea to Europe, offers a crucial alternative for Eurasian commerce. The report examines how the European Union (EU) can move from fragmented engagement to a coherent strategic approach towards the Middle Corridor.

Understanding the corridor's physical infrastructure is necessary but not sufficient. Effective engagement depends on how economic, political, and security dimensions interact, and on how the EU positions itself vis-à-vis regional actors and competing powers. The Middle Corridor must therefore be analysed not simply as a transport route, but as a strategic space shaped by geopolitical competition, regional instability, and governance choices.



Why the Middle Corridor Matters for the EU

A succession of shocks has revealed the risks of Europe’s reliance on a narrow set of trade routes. Prior to 2022, the Northern Corridor, transiting through Russia, carried the bulk of China–Europe rail freight. Russia’s full-scale invasion of Ukraine and the ensuing sanctions regimes fundamentally altered this trade calculus, accelerating the search for alternative pathways aligned with the EU’s objectives of sanctions credibility, supply chain resilience, and long-term economic security.

The Middle Corridor responds directly to these needs. While it cannot replace maritime shipping in scale or cost-efficiency, it offers a complementary overland route that reduces dependence on Russia-dominated infrastructure and mitigates exposure to vulnerable maritime chokepoints. Its value lies not in completely substituting existing routes but in diversifying them, particularly for time-sensitive and higher-value cargo. In doing so, the Corridor can strengthen Europe’s overall supply chain resilience and crisis preparedness.

Beyond transit diversification, the Corridor intersects with the EU’s strategic priorities regarding critical raw materials (CRMs), the energy transition, and de-risking from excessive dependence on single suppliers. The regions that the Middle Corridor traverses, Central Asia and the South Caucasus, are resource-rich areas increasingly relevant to European industrial objectives. Enhanced Trans-Caspian connectivity strengthens the practical basis for deeper trade ties, investment partnerships, and more stable access to strategically important commodities and intermediate goods. As such, the Corridor contributes not only to logistics diversification but also to broader geopolitical and economic engagement with the EU’s wider neighbourhood.

Table 1: Why the Middle Corridor Matters for the EU & What Value the EU Can Bring



Factors	Strategic relevance for the EU	Added value the EU can bring
Geopolitical diversification	<ul style="list-style-type: none"> Reduces reliance on Russia-linked transit routes. Strengthens sanctions credibility. Builds redundancy into EU east-west trade architecture. 	<ul style="list-style-type: none"> Scale and investment coordination. Mobilise corridor-wide financing (Global Gateway, EIB, EBRD). Align cross-border investments to eliminate the weakest links. Reduce fragmentation between national segments.
Supply chain resilience and risk mitigation	<ul style="list-style-type: none"> Mitigate exposure to maritime chokepoint disruptions (e.g. Red Sea). Offers complementary land route for time-sensitive cargo. Enhances crisis preparedness in trade logistics. 	<ul style="list-style-type: none"> Regulatory and technical expertise. Customs harmonisation and trade facilitation. Digitalisation and interoperability standards. Multimodal coordination and best practices in corridor governance.
Strategic access to CRMs and regional partnerships	<ul style="list-style-type: none"> Enables diversification away from excessive China dependency. Supports Critical Raw Materials Act (CRMA) and REPowerEU objectives. Deepens structured partnerships with Central Asia & South Caucasus. 	<ul style="list-style-type: none"> Governance and resilience support. Strengthens corridor-wide coordination mechanisms. Capacity-building for regulatory institutions. Border security, cargo protection, and cybersecurity standards.

A four-dimensional framework for assessing viability

The analysis is structured around four interrelated dimensions that together determine the viability and strategic value of the Middle Corridor:

- (1) **Physical infrastructure:** Corridors rely on robust transport, energy, and digital systems that evolve from basic hard infrastructure to multi-modal networks supported by soft infrastructure like regulatory and data systems.
- (2) **Economic value:** Once infrastructure and governance are established, corridors generate value by integrating supply chains and facilitating trade, but their viability hinges on high volumes, reliable transit times, and cost efficiency.
- (3) **Political and institutional frameworks:** Cross-border corridors depend on stable political agreements, harmonised regulations, and coordinated governance to prevent friction and ensure smooth transit.
- (4) **Security factors:** Corridors must manage growing risks by protecting critical infrastructure, ensuring resilient information systems, and building institutional trust and contingency plans.

The Middle Corridor's overall effectiveness is determined not by the strength of any single segment, but by the weakest link within the broader multimodal chain, as well as by the efficiency of transfers between rail, maritime, and road infrastructure. As such, the Corridor's current limitations constrain its ability to emerge as a fully competitive alternative to established Eurasian routes.

Infrastructurally, the Corridor continues to suffer from limited Caspian port throughput, an ageing and insufficient ferry fleet, multimodal bottlenecks, and rail gauge breaks that add costly delays. These constraints are amplified by environmental pressures such as declining Caspian water levels, as well as by persistent funding gaps that exceed current investment levels.

Economically, the Corridor has not yet achieved the scale or reliability required to become a fully competitive alternative to established Eurasian routes. High transport costs, fragmented tariff regimes, monopolistic practices in key segments such as ferry services, and unpredictable transit times undermine its commercial viability. Low cargo volumes further prevent economies of scale, reinforcing a vicious cycle of underinvestment and limited demand.

Politically, governance remains fragmented and coordination among Corridor states is incomplete. The absence of a formalised multilateral framework leaves the Corridor vulnerable to regulatory divergence, competing national priorities, and uneven institutional capacity. Meanwhile, growing involvement of external powers creates an increasingly contested geopolitical environment in which connectivity is closely tied to influence.

Finally, **security** challenges persist across both regional and domestic levels. Latent tensions in the South Caucasus, risks of instability within Corridor countries, and vulnerabilities of critical infrastructure to sabotage or organised crime all raise concerns about long-term corridor resilience.

Despite these challenges, the Middle Corridor represents a strategic opportunity of growing relevance for the EU. It offers the potential to diversify trade routes between Europe and Asia, strengthen economic connectivity with the South Caucasus and Central Asia, and reduce exposure to geopolitical disruptions stemming from Russia's war in Ukraine or instability along maritime chokepoints. Yet the Corridor's future success is far from guaranteed. Persistent infrastructure gaps, inconsistent regulatory alignment, limited freight volumes, and unresolved political risks continue to undermine reliability, cost efficiency, and investor confidence.

Scaling up EU action

Taken together, the analysis underscores that the Middle Corridor's challenges are multidimensional and mutually reinforcing. Infrastructure gaps, economic fragility, governance fragmentation, and security risks cannot be addressed in isolation but require a comprehensive and EU approach.

1. Infrastructure: Build a Corridor-wide EU investment and capacity plan

- 1.1. Prioritise Caspian bottlenecks by funding large-scale port expansion in Aktau, Kuryk, and Alat, alongside fleet renewal through blended finance mechanisms. This aligns with the EU Global Gateway's transport and connectivity investments.
- 1.2. Support advanced transshipment and gauge-change infrastructure at key border nodes to reduce delays and improve interoperability. Such interventions reflect a key priority identified in the EU's study on sustainable transport connectivity with Central Asia, which maps specific hard infrastructure needs to improve multimodal linkages.¹
- 1.3. Develop an EU-led Middle Corridor Infrastructure plan under the Global Gateway to ensure investments are ordered strategically across connected segments rather than nationally fragmented. The EU's Investment Hub² and Team Europe approach under the Global Gateway strategy are explicitly designed to sequence and de-risk cross-border transport investments.

2. Economics: Improve the Corridor's commercial competitiveness and scalability

- 2.1. Support the creation of a Corridor-wide tariff and fee harmonisation framework to reduce overlapping national mark-ups and improve predictability for shippers. This would build on EU-led connectivity dialogues that aim to harmonise trade and transit procedures with partner countries, such as the Trans-Caspian Transport Corridor and Connectivity Investors Forum under the Global Gateway.
- 2.2. Leverage throughput-linked incentives to encourage private logistics operators to expand capacity and introduce competition in ferry and rail services. This recommendation is consistent with the EU's 'Team Europe' incentives structure under Global Gateway, which leverages private capital alongside public funds to scale up transport and logistics operations.
- 2.3. Tie connectivity investments to deeper EU-Central Asia economic agreements that strengthen supply chain integration and support transport of CRMs into EU markets. The EU-Central Asia Strategic Partnership launched at the 2025 summit in Samarkand reinforced mutual commitments on transport, CRMs, and economic linkages, creating a political anchor.

¹ European Bank for Reconstruction and Development, *Sustainable Transport Connections between Europe and Central Asia* (European Bank for Reconstruction and Development, n.d.).

² Although the Investment Hub is currently only geared towards projects in Sub-Saharan Africa, Asian and the Pacific, or Latin America and the Caribbean, this initiative could be expanded towards projects in Central Asia and the South Caucasus.

3. Politics: Institutionalise a rule-based corridor framework

- 3.1. Support the creation of an inclusive multilateral governance body with complete Corridor participation with the authority to coordinate customs, transit regimes and dispute resolution across the Corridor. This directly responds to calls made at recent EU-led connectivity forums for institutionalised coordination mechanisms covering customs, transit and regulatory alignment across Eurasian partners.
- 3.2. Expand EU technical assistance and regulatory capacity-building programmes to ensure Corridor commitments translate into domestic reforms. The EU is already advancing technical assistance under the Global Gateway and related transport programmes, including an EU-funded Regional Transport Programme planned for adoption.
- 3.3. Anchor the Middle Corridor more firmly within the EU-Central Asia strategic partnership. The 2025 EU-Central Asia summit adopted a strategic partnership framework that embeds transport connectivity, offering an existing institutional basis for deeper policy alignment.

4. Security: Protect Corridor stability and critical infrastructure

- 4.1. Increase EU support for regional confidence-building and conflict-mitigation initiatives, especially in the South Caucasus, to reduce spillover risks. The EU's cross-regional connectivity agenda under the Global Gateway emphasises addressing political and security constraints alongside transport investments, recognising the strategic importance of stability for connectivity.
- 4.2. Develop Corridor-wide border security, anti-smuggling, and cargo protection programmes modelled on successful EU law enforcement cooperation frameworks. This could link to ongoing EU efforts to enhance border procedures and regulatory cooperation with partner countries, which are part of broader connectivity dialogues.
- 4.3. Invest in cybersecurity and resilience systems for digital logistics platforms, ensuring that Corridor infrastructure remains protected against disruptions. While not specific to the Middle Corridor, this is consistent with the Global Gateway's emphasis on secure digital infrastructure and resilient connectivity.

Ultimately, the Middle Corridor's emergence as a viable Eurasian trade artery depends on whether it can evolve from a fragmented collection of national infrastructure links into a coherent, efficient, and resilient connectivity system. The Corridor's challenges are multidimensional and mutually reinforcing, and addressing these obstacles requires a comprehensive and strategic approach anchored in long-term partnerships, regulatory alignment, and sustained financial engagement.

The EU has both the capacity and strategic interest to act as the decisive external partner shaping the Corridor's future. By scaling up its role through the Global Gateway, institutional leadership, and targeted investments in resilience and competitiveness, the EU can ensure that the Corridor develops in line with European standards and priorities. If pursued effectively, this would not only strengthen Europe's trade diversification and supply chain security but also deepen the Union's geopolitical presence in Central Asia and the South Caucasus, positioning the Middle Corridor as a cornerstone of a more connected, stable, and strategically autonomous Europe.

1. Introduction

Globalisation in the 21st century has produced deeply interconnected supply chains, but it has also transformed trade corridors from neutral economic arteries into strategic assets. Disruptions to these corridors carry systemic consequences, exposing vulnerabilities that extend beyond logistics and affect security and strategic autonomy.

This report focuses on one such vital artery: the Middle Corridor, formally known as the Trans-Caspian International Transport Route (TITR). This land corridor, stretching from China across Central Asia and the Caspian Sea to Europe, offers a crucial alternative for Eurasian commerce. The report examines how the European Union (EU) can move from fragmented engagement to a coherent strategic approach towards the Middle Corridor. The central premise is that understanding the corridor's physical infrastructure is necessary but not sufficient. Effective engagement depends on how economic, political, and security dimensions interact, and on how the EU positions itself vis-à-vis regional actors and competing powers. The Middle Corridor must therefore be analysed not simply as a transport route, but as a strategic space shaped by geopolitical competition, regional instability, and governance choices.

Ad-hoc engagement with strategic connectivity projects is unlikely to be effective in the long term. The EU faces a structural asymmetry vis-à-vis external actors, most notably China, that are able to mobilise resources, align political objectives, and act strategically across multiple domains. Without a coherent EU-level approach, investments risk reinforcing dependencies, regulatory fragmentation, or geopolitical exposure rather than mitigating them. Conversely, a coordinated EU strategy could help align economic interests, pool investment capacity, and ensure that the development of the Middle Corridor supports European standards, values, and security interests.

The EU is acutely confronted with this reality. A succession of shocks, including the COVID-19 pandemic, Russia's full-scale invasion of Ukraine, rising instability in key maritime chokepoints such as the Red Sea, and the growing use of economic coercion, has revealed the risks inherent in Europe's reliance on a narrow set of trade routes. For instance, the 2022 Russian invasion of Ukraine triggered strong European economic sanctions on Russia, disrupting the traditional Northern Corridor trade route through which approximately 86% of overland EU-China trade would previously transit.³ These developments underscored that Europe's vulnerabilities are not limited to energy dependence but extends deeply into the realm of trade and connectivity.

Against this backdrop, the Middle Corridor has emerged as a relevant alternative to address the recent geopolitical shifts, supply chain disruptions, and risks along key maritime chokepoints and traditional overland routes. To limit dependencies, the EU's economic security agenda increasingly requires redundancy in east-west logistics. The Middle Corridor thus offers an alternative pathway that reduces reliance on Russia-dominated transit infrastructure and helps sustain the credibility of the EU's sanctions and risk-reduction posture over time. While the Middle Corridor cannot substitute maritime trade in terms of scale, it can serve

³ 'The Middle Trade and Transport Corridor: Policies and Investments to Triple Freight Volumes and Halve Travel Time by 2030', World Bank, 2023, 16, <https://www.worldbank.org/en/region/eca/publication/middle-trade-and-transport-corridor>.

The central premise is that understanding the corridor's physical infrastructure is necessary but not sufficient.

as a complementary route for diversification, particularly for higher-value cargo, thereby improving overall supply chain resilience. Moreover, Central Asia and the South Caucasus are resource-rich regions that are increasingly relevant to the EU's objectives under the Critical Raw Materials (CRMs) agenda and broader de-risking efforts. More reliable Trans-Caspian connectivity therefore strengthens the practical basis for deeper trade ties, investment partnerships, and more stable access to strategically important commodities and intermediate goods.

However, individual EU Member States lack the geopolitical leverage and investment capacity required to effectively engage with a transport corridor spanning multiple continents and subject to complex geopolitical dynamics. A comprehensive EU strategy is therefore essential to complement national efforts by creating unified market demand, giving weight to European interests, and providing the foundational infrastructure investment that national budgets cannot sustain. The EU can mobilise blended finance, guarantees, and project pipelines through Global Gateway and partner banks, while steering investments towards corridor-wide impact rather than fragmented national upgrades. Moreover, the EU can provide technical assistance to harmonise procedures, improve border efficiency, support trusted transit systems, and promote predictable tariff and data standards – thereby drawing on its own experience aligning complex multi-state transport and market rules. Building on this experience, the EU can also help strengthen corridor governance, while supporting resilience in security-domains and thereby improving reliability for commercial users and investors.

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Strategic access to CRMs and regional partnerships	<ul style="list-style-type: none"> Enables diversification away from excessive China dependency. Supports Critical Raw Materials Act (CRMA) and REPowerEU objectives. Deepens structured partnerships with Central Asia & South Caucasus. 	<ul style="list-style-type: none"> Governance and resilience support. Strengthens corridor-wide coordination mechanisms. Capacity-building for regulatory institutions. Border security, cargo protection, and cybersecurity standards.

While many opportunities exist, engagement with the Middle Corridor is neither straightforward nor risk-free. The corridor traverses regions characterised by political fragility, unresolved conflicts, and intensifying great-power competition. Since 2013, China has expanded its influence in Central Asia through its Belt and Road Initiative (BRI), leveraging substantial resources to secure key infrastructure investments. Meanwhile, longstanding tensions between Armenia and Azerbaijan and the unpredictable Trump administration in the United States (US) have further underscored the need for a comprehensive EU strategy that safeguards European interests and ensures the alignment of regional infrastructure development with European standards and values.

The analysis is structured around four interrelated dimensions that together determine the viability and strategic value of the Middle Corridor:

- (1) **Physical infrastructure:** Corridors rely on robust transport, energy, and digital systems that evolve from basic hard infrastructure to multi-modal networks supported by soft infrastructure like regulatory and data systems.
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- (4) **Security factors:** Corridors must manage growing risks by protecting critical infrastructure, ensuring resilient information systems, and building institutional trust and contingency plans.

The report proceeds as follows. Section 1 clarifies the concept of trade corridors and traces their evolution from economic infrastructure to geopolitical instruments. Section 2 provides an in-depth overview of the Middle Corridor, situating it within its regional and geopolitical environment. Section 3 evaluates the corridor across the four analytical dimensions, identifying key challenges and potential avenues for EU engagement. Section 4 examines how regional instability and great-power competition shape the corridor's prospects and risks. The report concludes with policy-relevant recommendations outlining how the EU can pursue a more coherent and strategically grounded approach to the Middle Corridor in an increasingly contested international order.

2. Corridors of commerce

To properly assess the opportunities and risks associated with the expansion of the Middle Corridor, it is necessary to clarify what the notion of a corridor encompasses. In policy debates, corridors are often reduced to questions of infrastructure and transit capacity, yet in practice, they are more accurately understood as complex systems that connect transport networks with trade governance, investment frameworks, security conditions, and political relationships.

Historically, trade routes have shaped patterns of global exchange and the early dynamics of globalisation. Alongside commodities such as spices, metals, incense, and textiles, merchants transmitted religious ideas, cultural practices, and technological knowledge. Trade routes also influenced state-building: rulers consolidated control over strategic passages, levied taxes, and developed monetary and administrative systems to manage and benefit from growing exchange.⁴ This historical backdrop underlines a central point that remains relevant today: corridors are not neutral lines on a map, but strategically governed spaces whose development redistributes economic opportunity and political leverage.

Trade routes also influenced state-building.

2.1. Conceptualising corridors

Evolving from a notion focused on infrastructure, the concept of corridors refers to a multidimensional framework connecting transport, trade, and development. Definitions vary based on corridor usage, the variety of modes and routes, and their physical and functional dimensions.⁵ Corridors can generally be understood as integrated physical routes connecting economic hubs or transit points such as ports or inland loading docks, facilitating cross-border movements.⁶ In addition to streamlining logistics, corridors enhance development and are considered catalysts of regional integration, investment, and industrial growth.⁷

⁴ Claire Cock-Starkey, '8 Trade Routes That Shaped World History', Mental Floss, 11 December 2023, <https://www.mentalfloss.com/article/86338/8-trade-routes-shaped-world-history>.

⁵ Amakiri Bruno Onyekachi and Chukwuemeka Nwosu, 'Understanding the Concept of Trade Corridor and Regional Integration: A Key Factor towards the Development of Sub-Saharan Africa', *Icheke Journal of the Faculty of Humanities* 19, no. 3 (2021): 46, <https://ichekejournal.com/wp-content/uploads/2022/03/4.-Understanding-the-Concept-of-Trade-Corridor-and-Regional-Integration.pdf>.

⁶ Hassan Noorali and Seyyed Abbas Ahmadi, 'Iran's New Geopolitics: Heartland of the World's Corridors', *GeoJournal* 88, no. 2 (2023): 1889, <https://doi.org/10.1007/s10708-022-10727-z>.

⁷ *Transnational Economic Corridors: Strengthening Trade Flows and Development* (PwC, 2024), 4, <https://www.pwc.in/assets/pdfs/transnational-economic-corridors-strengthening-trade-flows-and-development.pdf>.

Corridors have been categorised in many ways. One typology distinguishes corridors by the number of state actors involved: national, bilateral, and multilateral trade corridors.⁸ According to this typology, a national trade corridor encompasses a designated route within a country's transport network for imported or exported goods. A bilateral corridor, in turn, links two countries and allows for mutual access. Lastly, a multilateral corridor spans three or more countries, with at least one acting as a transit country. Another distinction can also be made by assessing the integration of transport modes, where multimodal refers to the use of multiple transport modes, and intermodal involves the seamless transfer of units across modes of transportation.⁹

Beyond these typologies, corridors can be classified into four main types: land, rail, maritime, and air – with each serving distinct logistical, strategic, and economic purposes. Land corridors, encompassing road and rail infrastructure, enable overland connectivity between inland regions and coastal hubs. Road corridors are typically more flexible in volume and routes, allowing for trade on a smaller scale.¹⁰ Globally, over 80% of land trade is conducted by road, and almost all freight is bound to transit by road at some point along the route.¹¹ This explains why corridor development investments initially focus primarily on road infrastructure.¹² Despite the scalability and adaptability of road corridors, they are vulnerable to physical disruption, maintenance issues, and congestion.

Rail corridors, in turn, are less flexible but facilitate the transit of high-volume heavy freight. They can also offer additional strategic advantages through state or consortium ownership, but they depend heavily on stable port access and cross-border interoperability. Meanwhile, air corridors are crucial for high-value and time-sensitive goods but can carry the least volume. Lastly, maritime corridors form the backbone of global trade, carrying the highest volumes of goods across vast distances, connecting coastal economies and ports via cost-efficient sea routes that benefit from economies of scale.¹³ However, these corridors are exposed to chokepoints such as the Strait of Malacca or the Suez Canal, where disruptions can easily affect global trade flows (see *Figure 1*).¹⁴

⁸ John Arnold, *Best Practices in Corridor Management*, no. 45128 (World Bank, 2005), xviii-xiv, <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/591711468314986040>.

⁹ Arnold, *Best Practices in Corridor Management*.

¹⁰ *Learning Materials on Transport Corridors* (ESCAP, 2020), 13, <https://repository.unescap.org/items/4fd0f046-4942-4b8d-9eb4-a329f3d1d576>.

¹¹ Charles Kunaka and Robin Carruthers, *Trade and Transport Corridor Management Toolkit* (World Bank, 2014), 199, <https://openknowledge.worldbank.org/entities/publication/9b6ca009-ff12-5191-b7ce-bb98e7c45565>.

¹² Kunaka and Carruthers, *Trade and Transport Corridor Management Toolkit*, 199.

¹³ Kunaka and Carruthers, *Trade and Transport Corridor Management Toolkit*, 261.

¹⁴ Carmen Ang, 'Mapping the World's Key Maritime Choke Points', *Geography Bulletin* 53, no. 3 (2021): 17–19, <https://www.gtansw.org.au/wp-content/uploads/2021/09/Mapping-the-Worlds-Key-Maritime-Choke-Points.pdf>.

Figure 1: Global Maritime Chokepoints



Overland routes can present strategic alternatives to sea lines of communication that are vulnerable to disruption, such as the Red Sea and the Gulf of Aden. Nevertheless, they cannot fully replace sea routes in terms of scale or cost efficiency. Instead, land corridors can complement maritime routes and offer diversification, while providing regional inclusion for landlocked economies and enhancing multimodal integration.

Beyond means of transportation, corridors can also be differentiated based on their functional maturity.¹⁵ A transport corridor, for instance, represents the foundational phase by focusing solely on physical connectivity through rail, road or maritime infrastructure. Over time, these corridors attract logistics services and induce measures to facilitate cross-border trade facilitation, turning them into trade corridors. With enough policy alignment, industrial clustering, and investment, these corridors can subsequently develop into economic corridors involving regions of intensified production, services, and innovation.¹⁶ Overall, corridors are thus dynamic systems linking economy, geography, and governance.

¹⁵ Albie Hope and John Cox, *Development Corridors* (EPS Peaks, 2015), 1.

¹⁶ Hope and Cox, *Development Corridors*, 1.

2.1.1. Role of states, transnational institutions, and private companies

Nation-states have historically been the predominant drivers in the establishment and maintenance of trade corridors. Empires and governments alike built roads, railways, and ports to expand commerce and facilitate economic growth. The Silk Road, for instance, was a result of the Chinese Han Dynasty's westward territorial expansion, and the creation of the US Transcontinental Railroad was heavily supported by federal land grants and funding.¹⁷

State actors traditionally asserted control over corridors by financing infrastructure, securing pathways, and recouping costs through levies. States also established the legal and regulatory frameworks that govern activities along trade routes, such as customs regulations and tariffs, as well as the maintenance of peaceful trade relations.¹⁸ Nowadays, states remain central to the creation and governance of economic corridors. However, the development of transnational institutions and initiatives has significantly shaped corridor projects. International organisations and coalitions of states began coordinating cross-border infrastructure. In Europe, for instance, the EU has taken an active role in the development of transport networks, funding and harmonising infrastructure across its member states.¹⁹

Another initiative is the Belt and Road Initiative (BRI). The BRI, considered as a revival of the ancient Silk Road, consists of a vast network of (planned) corridors spanning Asia, Europe, and Africa.²⁰ The project is led by the Chinese state but involves dozens of participating countries and various financing partners. Chinese policy banks, such as the Export-Import Bank of China (China Exim Bank), and newer multilateral institutions like the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (established by the BRICS countries) provide loans, while host governments sign agreements to host projects.²¹ The BRI thus showcases the evolving role of transnational frameworks: the initiative of a single country can result in a multi-country infrastructure roll-out with involvement of international organisations and banks.

Corridor management organisations, while discussed in more depth later, are also relevant to mention as some of them can be considered transnational institutions. Such entities, including the Northern Corridor Transit and Transport Coordination Authority, the Central Corridor Transit Transport Facilitation Agency and the Permanent Secretariat governing the Europe-Caucasus-Asia Transport Corridor (TRACECA), span multiple jurisdictions. Their mandates generally include the harmonisation of cross-border legal frameworks, the coordination of infrastructure planning, and the facilitation of stakeholder collaboration.²²

¹⁷ James Bride et al., 'China's Massive Belt and Road Initiative', Council on Foreign Relations, 2 February 2023, <https://www.cfr.org/background/chinas-massive-belt-and-road-initiative>; 'The Transcontinental Railroad: The Beginning of America's Industrial Might', American Battlefield Trust, 22 February 2022, <https://www.battlefields.org/learn/articles/transcontinental-railroad>.

¹⁸ Milena Mottola, 'Economic Corridors', *Max Planck Encyclopedia of Public International Law*, April 2024, <https://opil.ouplaw.com/display/10.1093/law-epil/9780199231690/law-9780199231690-e2279>.

¹⁹ 'International Transport Corridor Europe-The Caucasus-Asia', TRACECA, May 2020, https://www.carecprogram.org/uploads/TRACECA_CAREC-Development-Partner_May-2020.pdf.

²⁰ Dini Sejko, *Financing the Belt and Road Initiative: MDBs, SWFs, SOEs and the Long Wait for Private Investors*, 1 November 2017, 1, <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/industry/apec/apec-currents-dini-sejko-financing-belt-and-road-initiative.pdf>.

²¹ Sejko, *Financing the Belt and Road Initiative*, 2.

²² Tesfamichael Nahusenay Mituku et al., 'Institutional Arrangements for Transport Corridor Management in Sub-Saharan Africa', SSRN Scholarly Paper no. 1393864 (Social Science Research Network, 23 October 2007), <https://doi.org/10.2139/ssrn.1393864>.

Alongside states and international bodies, private companies have become important stakeholders in corridor development. Historically, private involvement often came about under state charters – like colonial-era trading companies building railways.²³ However, in the late 20th and early 21st centuries, there has been a clear shift towards leveraging private investment for large-scale infrastructure projects. While multilateral development banks play a critical role in providing financing and expertise, they cannot meet the extensive investment needs of large-scale infrastructure projects alone.²⁴ Involving private companies to join this ecosystem can help bridge this gap as they can bring the needed capital, specialised technical expertise, operational capacity and innovation, as well as stronger incentives to control timelines and costs. In turn, corridor development offers private companies long-term and relatively stable revenue streams.

Public-private partnerships (PPPs) have become indispensable in corridor planning due to the vast financial resources that are needed for modern corridor projects. For instance, the Maputo Development Corridor successfully leveraged private sector investments of around \$5 billion, primarily obtained through PPPs.²⁵ Through these partnerships, private companies are able to take part in the design, financing, building and maintenance of corridor infrastructure, thereby improving corridor efficiency.²⁶

2.2. Zooming in on the Middle Corridor

The Middle Corridor encompasses three in-use trade routes, referred to as the Trans-Caspian Transport corridors, and various ongoing and future projects across Central Asia. The three in-use routes are referred to as the Northern Trans-Caspian Corridor (TCC), the Central TCC, and the Southern TCC.²⁷ The Middle Corridor is a multilateral and multimodal corridor. It crosses several different countries spanning two continents and involves multiple transportation modes. Regardless of the route, what makes the Middle Corridor distinct from other trade routes, is that it involves maritime transport across a land-locked sea, the Caspian Sea. This particularity is at the heart of the corridor's complexity, turning it from a simple overland corridor into a multimodal one involving an elaborated networks of road, rail, and maritime routes.

The Middle Corridor is a multilateral and multimodal corridor.

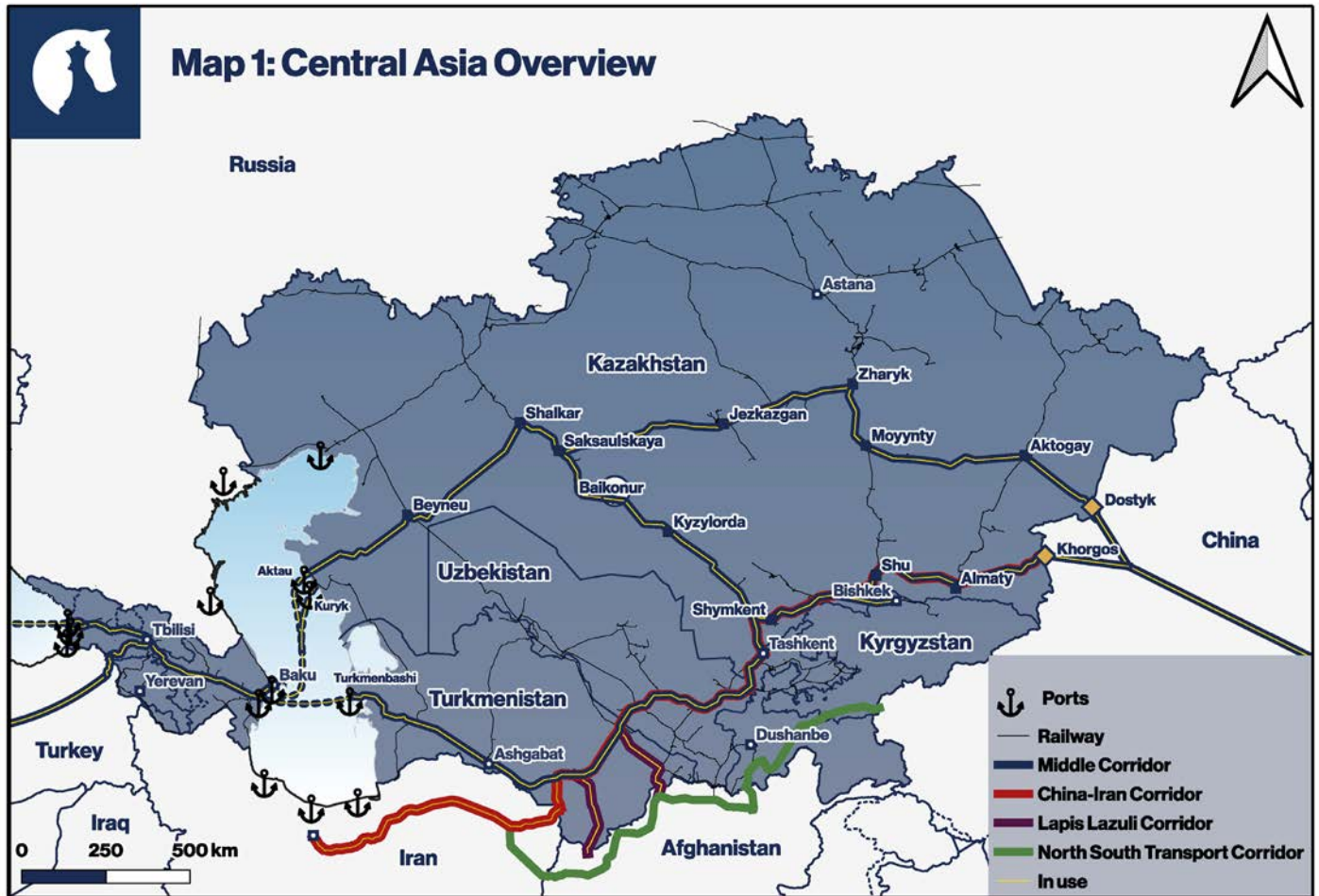
²³ Tony Webster, 'British and Dutch Chartered Companies', *Oxford Bibliographies*, n.d., <https://doi.org/10.1093/obo/9780199730414-0099>.

²⁴ Mouza Hasan Almarzooqi, 'International Corridors: Trade, Investment, and Global Integration', *Trends Research and Advisory*, 16 January 2025, <https://trendsresearch.org/insight/international-corridors-trade-investment-and-global-integration/>.

²⁵ Hope and Cox, *Development Corridors*, 22.

²⁶ 'Public-Private Partnerships in Trade and Transport Facilitation', 1 January 2005, <https://www.gov.uk/research-for-development-outputs/public-private-partnerships-in-trade-and-transport-facilitation>.

²⁷ *Sustainable Transport Connections between Europe and Central Asia* (European Bank for Reconstruction and Development, 2023), 14, https://transport.ec.europa.eu/system/files/2023-06/Sustainable_transport_connections_between_Europe_and_Central_Asia.pdf.



2.2.1. Trans-Caspian International Transport Route: Northern and Central Trans-Caspian Corridor

The Northern and Central TCC are often jointly referred to as the Trans-Caspian International Transport Route (TITR). Goods travelling via the TITR are first loaded onto trains in Chinese industrial hubs such as Xi'an, Chongqing, or Urumqi.²⁸ From there, they enter Kazakhstan via two separate border crossings: Dostyk in the north (as part of the Northern TCC), or Khorgos in the south (as part of the Central TCC).²⁹ The routes are visualised in *Map 1*.

Commodities entering via the Dostyk Station in Kazakhstan transit through northern Kazakhstan towards the ports of Aktau or Kuryk, passing cities such as Aktogay, Moyoynaty, Zharyk, Jezkazgan, Saksaulskaya, Shalkar, and Beyneu on the way.³⁰ This constitutes the Northern TCC. Regarding the Central TCC, goods travelling via the Khorgos border crossing traverse southern Kazakhstan, crossing cities such as Almaty and Shu, before heading north via Shymkent and Kyzylorda, eventually reaching Saksaulskaya and connecting with the Northern TCC.³¹

²⁸ Aguiar, 'The Middle Corridor'.

²⁹ *The Times of Central Asia*, 'Kazakhstan'.

³⁰ *Sustainable Transport Connections between Europe and Central Asia* (European Bank for Reconstruction and Development, 2023), 14, https://transport.ec.europa.eu/system/files/2023-06/Sustainable_transport_connections_between_Europe_and_Central_Asia.pdf.

³¹ *Sustainable Transport Connections between Europe and Central Asia*, 14.

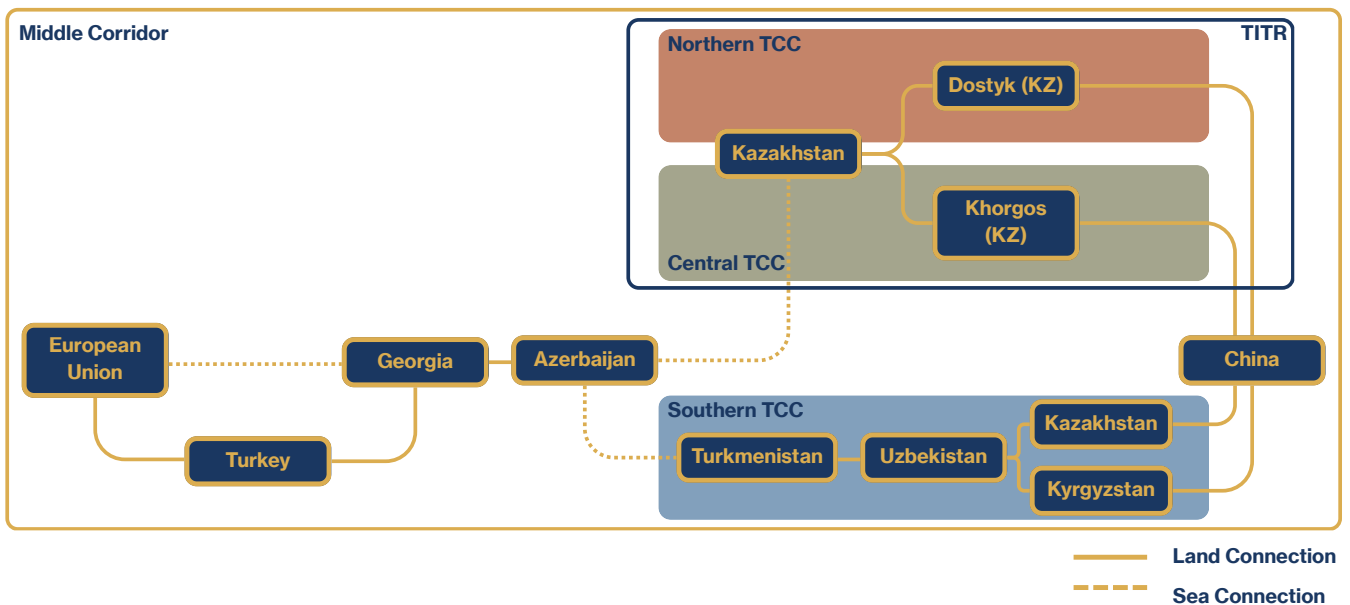
Once the freight has arrived in the Kazakh ports of Aktau or Kuryk, it is loaded onto vessels crossing the Caspian Sea to the port of Baku, in Alat, Azerbaijan. From there, they continue their route to Europe either overland through Turkey, or via the Black Sea.³² For overland transport, the goods typically transit via the Baku-Tbilisi-Kars railway, a modern rail network completed in 2017 that directly connects Azerbaijan, Georgia, and Turkey.³³ For transport via the Black Sea, commodities are diverted in Tbilisi and sent to the Georgian ports of Poti and Batumi, from where they continue their journey to Turkey or Romania and Bulgaria.³⁴

2.2.2. Southern Trans-Caspian Corridor

Alternatively, the Middle Corridor can refer to the Southern TCC. This route begins in China, where the goods are transhipped to Kazakhstan via the Khorgos border crossing. From there, the commodities travel to Tashkent in Uzbekistan, before reaching Turkmenistan.³⁵ Via the port of Turkmenbashi, the goods are subsequently transported across the Caspian Sea. From there, they follow the same route as the commodities traversing the Northern and Central TCC.³⁶

The term Southern TCC is also used to refer to another segment of the Middle Corridor linking Kyrgyzstan, Uzbekistan, Turkmenistan, the Caspian Sea and the Caucasus.³⁷ As of October 2025, this section is now also linked with China.³⁸

Figure 2: Middle Corridor Sub-Routes



³² Aguiar, 'The Middle Corridor'.

³³ 'Baku-Tbilisi-Kars Railway (BTK)', geraadpleegd 3 november 2025, <https://corp.ady.az/en/ady-2/projects/baku-tbilisi-kars>.

³⁴ Dolidze, 'The Future of the Middle Corridor'; *Realising the Potential of the Middle Corridor*, 90.

³⁵ Dayar en Bernard-Pearl, 'Middle Corridor Live Map'.

³⁶ Dolidze, 'The Future of the Middle Corridor'.

³⁷ *Sustainable Transport Connections between Europe and Central Asia*, 14.

³⁸ Umarova, 'CPC | How Will Central Asia Benefit from the Extension of Trans-Caspian Transport Routes?'

2.2.3. New regional developments

Some additional infrastructure projects are currently underway along the Middle Corridor, such as the construction of a third border crossing between China and Kazakhstan, Bathy-Chuguchak, as well as the expansion of the Baku International Sea Port.³⁹ Moreover, some new routes connecting the Middle Corridor to other countries are also under development. The Iran-China Corridor has been operational since May 2025 and allows cargoes to transit from China, through Kazakhstan, Uzbekistan, and Turkmenistan, to Iran in just 14 days. In doing so, it follows a large segment of the Middle Corridor.⁴⁰ This Iran-China Corridor is now being extended to create a fully overland corridor to Turkey.⁴¹

Meanwhile, Afghanistan is seeking to strengthen its trade relations with neighbouring countries. It is currently developing the Five Nations Rail Route to link the country to China, Kyrgyzstan, Tajikistan, and Iran.⁴² A large segment of the Rail Route linking the Iranian city of Khaf to Herat in Afghanistan is already completed. In addition, Afghanistan is looking to reopen the ancient Lapis Lazuli Corridor, linking Afghanistan to Europe via Turkmenistan, Azerbaijan, Georgia, and Turkey. Although a transit agreement was signed in 2017, there has not been any significant progress in its development.⁴³

Azerbaijan and Turkey are also hoping to reopen a trade corridor linking the two countries via the Syunik province of Armenia and the Nakhichevan Autonomous Republic. After the US-backed peace deal between Armenia and Azerbaijan in August 2025, Turkey and Azerbaijan both accelerated their efforts to develop the missing segments of the railway.⁴⁴ This is discussed in more detail in section 3.5.1.

2.2.4. Relevance for the EU

For the EU, the Middle Corridor can contribute to a more resilient and diversified east-west connectivity architecture at a moment of heightened geopolitical disruption. Strengthening this route would reduce European exposure to the transit dependencies associated with the Northern Corridor through Russia and the risks affecting key maritime chokepoints, including instability in the Red Sea.⁴⁵ In this sense, the Corridor is not simply a regional development project but a potential strategic complement to existing supply chain pathways, with implications for European economic security and long-term competitiveness.

A central driver of the EU's interest is access to resources and supply chain diversification. The EU is particularly worried about its overdependence on China, which now procures about 90% of the EU's total mineral imports. The overreaching position of China over European supply chains is a key vulnerability to European industries as the Chinese government can

³⁹ 'Bakhty–Ayagoz Railway Line', QazProjects, april 2025, <https://www.qazprojects.com/post/bakhty-ayagoz-railway-line>; Port of Baku, 'About the Port'.

⁴⁰ *South China Morning Post*, 'Belt and Road Initiative'.

⁴¹ 'China, Kazakhstan, Uzbekistan, Turkmenistan, Iran, and Türkiye Form Transport Corridor'.

⁴² Seetao, 'New Progress in the Construction of Railway Corridors in Five Countries'.

⁴³ Traceca, 'Lapis Lazuli Corridor Becomes Economically Attractive'.

⁴⁴ Paul Goble, 'Turkey's Progress on Railway to Nakhchivan Alarms Moscow', *Logistics-Transport, Aze.Media*, 26 January 2026, <https://aze.media/turkeys-progress-on-railway-to-nakhchivan-alarms-moscow/>.

⁴⁵ Luca Urciuolo, *Streamlining Trade: Harmonising Customs along the Trans-Caspian Corridor* (EIAS, 2025), 2, <https://eias.org/wp-content/uploads/2025/12/Policy-Brief-Streamlining-Trade-Customs-Harmonisation-1.pdf>.

The Corridor is not simply a regional development project but a potential strategic complement.

leverage it in times of geopolitical tension.⁴⁶ For example, in April and October 2025, in response to the new trade tariffs imposed by the U.S. administration, the Chinese government imposed several export restrictions on rare earth elements and magnets. This decision directly impacted end-users in Europe.⁴⁷

To address its vulnerabilities, the EU launched the Critical Raw Materials Act (CRMA) in 2024, an action plan that emphasises the need for economic diversification and resilient minerals supply chains, including avoiding excessive dependency on any singly third country for key inputs.⁴⁸ Central Asia and the South Caucasus are resource-rich regions that can support the EU's efforts to reduce strategic dependencies in energy and critical raw materials (CRM).⁴⁹ Enhanced connectivity through the Middle Corridor can therefore serve as an enabling condition for deeper trade partnerships and more stable access to commodities that are vital to several European industrial sectors.

Political considerations reinforce this economic rationale. The EU's renewed engagement with the Middle Corridor is closely linked to the strategic imperative to bypass Russia-dominated transit infrastructure following Russia's full-scale invasion of Ukraine and the ensuing sanctions regime.⁵⁰ Diversifying routes supports the Union's objective of limiting Russia's ability to derive leverage from Eurasian connectivity, while strengthening the credibility of European efforts to sustain pressure on Moscow over time. In this context, the Middle Corridor becomes part of a broader European approach to resilience: reducing vulnerabilities created by concentrated transit dependencies and building redundancy into critical supply lines.

Finally, the Middle Corridor intersects with the EU's broader external priorities in the wider neighbourhood, including support for stability, good governance, and predictable partnerships.⁵¹ As trade corridors depend on institutional reliability and a secure operating environment, the EU's engagement in connectivity is closely linked to its interest in promoting resilient institutions, peaceful regional relations, and cooperation frameworks that reduce the risk of disruption. In this way, investing in the Middle Corridor can serve as a platform for deeper political and economic engagement with Central Asia and the South Caucasus, consistent with the Union's long-term objective of fostering stability and prosperity beyond its borders.

The Middle Corridor becomes part of a broader European approach to resilience.

⁴⁶ Marta Pacheco, 'EU's Climate Goals at Risk without China's Raw Materials, Auditors Say', My-Europe_europe-News, *Euronews*, 2 February 2026, <https://www.euronews.com/my-europe/2026/02/02/eus-climate-goals-at-risk-without-chinas-critical-raw-materials-eu-auditors-warn>.

⁴⁷ Marcin Szczepanski, *China's Rare-Earth Export Restrictions* (European Parliament Think Tank, 2025), [https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA\(2025\)779220](https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA(2025)779220).

⁴⁸ 'Critical Raw Materials Act - Internal Market, Industry, Entrepreneurship and SMEs', European Commission, accessed 30 January 2026, https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act_en.

⁴⁹ 'Critical Mineral Resources in Central Asia and Caucasus Region', Central Asia & Caucasus Geoportal, 28 May 2024, <https://www.cacgeoportal.com/datasets/cacgeoportal-hub::critical-mineral-resources-in-central-asia-and-caucasus-region/about>.

⁵⁰ 'EU Sanctions against Russia', European Council, accessed 13 November 2025, <https://www.consilium.europa.eu/en/policies/sanctions-against-russia/>.

⁵¹ 'European Neighbourhood Policy', EEAS, 29 July 2021, https://www.eeas.europa.eu/eeas/european-neighbourhood-policy_en.

3. Measuring Viability: A Four-Dimensional Assessment of the Middle Corridor

Beyond its regional relevance, the Middle Corridor's infrastructural and strategic limitations have direct implications for the EU. As geopolitical volatility continues to reshape Eurasian connectivity, the EU has a growing interest in supporting resilient transport routes that reduce dependence on traditional corridors dominated by Russia or vulnerable maritime choke-points. In this context, the Middle Corridor represents both a challenge and an opportunity for European trade and connectivity ambitions.

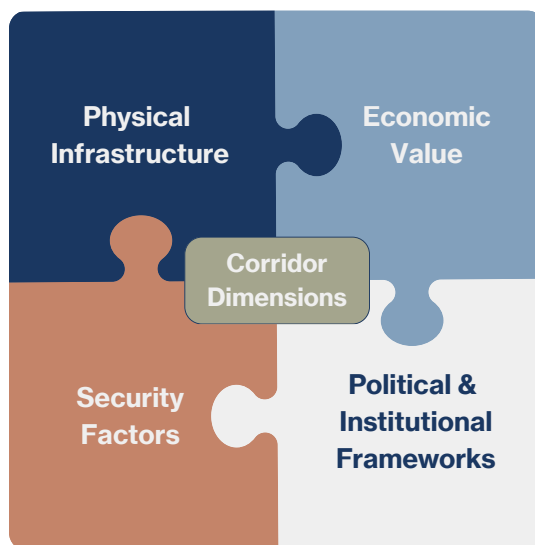
For the EU, the Corridor is increasingly viewed as a strategic complement to existing maritime and rail routes. While the Northern Corridor through Russia once carried the bulk of China-Europe overland freight, Russia's full-scale invasion of Ukraine in 2022 has accelerated the Union's search for alternative pathways that align with broader objectives of supply chain diversification, sanctions enforcement, and long-term resilience. Overland connectivity through the South Caucasus and Central Asia is therefore not merely a regional infrastructure issue but a component of Europe's evolving economic security agenda.

A thorough evaluation of the Middle Corridor therefore provides the EU with potential entry points for targeted and expanded engagement. This requires an assessment of not only its regional infrastructure gaps, but also its wider relevance for the EU's strategic autonomy, economic competitiveness, and connectivity objectives. The framework therefore focuses on four interconnected dimensions: 1) infrastructure, 2) economics, 3) politics, and 4) security.

3.1. Dimensions of corridors

A successful corridor is not merely one that relies on good transport infrastructure. Instead, it requires a combination of infrastructure connectivity, enabling economic conditions, good governance, and a safe and stable environment. Combined, these characteristics create the conditions for the reliable and secure transit of goods across borders and lay the foundations for sustainable trade partnerships. These four key components constitute the core dimensions of a corridor (see *Figure 3*). Evaluating the Middle Corridor against these characteristics allows for a comprehensive assessment of the associated risks and opportunities.

A successful corridor is not merely one that relies on good transport infrastructure.

Figure 3: Corridor Dimensions

At the heart of any functioning trade corridor lies robust **physical infrastructure**.⁵² In the early phases of corridor development, the bulk of investment typically flows towards hard infrastructure such as roads, railways, bridges, and ports. As a corridor matures, it often becomes multi-modal, and requires energy grids, pipelines, and telecommunication. Rail networks, ports, and airports need reliable access to electricity or fuel. This also increases the need for soft infrastructure, such as trade facilitation systems, regulatory frameworks, and data platforms.⁵³

Once physical infrastructure is in place, the **economic value** of corridors concerns turning connectivity into commercial value through supply-chain integration and increasing trade volumes. More specifically, as corridors mature, they evolve from transport corridors that focus on increasing connectivity, to logistics corridors concerned with trade facilitation, to economic corridors that contribute to industrial clustering and growth. The economic viability of a corridor depends on the volume of goods passing through, the predictability and reliability of transit times, and cost efficiency.⁵⁴

Since corridors often cross national boundaries, the **political and institutional frameworks** governing the corridor are of fundamental importance. Corridor governance requires several high-level agreements, bi- or multilateral treaties, customs harmonisation, transit regimes, and institutional coordination. Effective corridor management often features cross-border management committees or inter-governmental councils tasked with aligning policies, regulatory systems, logistics coordination, and tariff regimes.⁵⁵

On top of these core dimensions, corridors operate in a global environment where risks of disruption are real and growing, for instance through geopolitical instability, political violence, or cyber and data threats. **Security factors** thus include the need for protection against piracy or armed conflict, safeguarding of critical infrastructure, and ensuring resilient information systems.⁵⁶ In regions where transit routes pass through unstable zones, alternative

⁵² Arnold, *Best Practices in Corridor Management*, 32.

⁵³ Hope and Cox, *Development Corridors*, viii.

⁵⁴ Hope and Cox, *Development Corridors*, 3.

⁵⁵ Arnold, *Best Practices in Corridor Management*, 33.

⁵⁶ Morton E. O'Kelly, 'Transportation Security at Hubs: Addressing Key Challenges across Modes of Transport', *Journal of Transportation Security* 18, no. 1 (2025): 1–3, <https://doi.org/10.1007/s12198-025-00294-y>.

Corridors operate in a global environment where risks of disruption are real and growing.

routing, contingency planning, and institutional trust become essential. Cybersecurity is also increasingly relevant: inventory tracking systems, digital logistics platforms, and the exchange of data create vulnerabilities.⁵⁷ Investments in institutional trust, inclusive governance structures, and layered security thus become part of corridor management.

To ensure analytical clarity, these four dimensions are operationalised through a set of indicators (see *Table 2* below). This framework translates the four conceptual dimensions into observable variables, thereby enabling a systematic evaluation of performance and risk exposure. The Physical Infrastructure dimension captures the physical and technical capacity of the route, including modal integration, asset quality, compatibility, and energy and digital connectivity. Economic Value, in turn, assesses whether connectivity translates into commercial viability, focusing on cost-efficiency, transit-time reliability, trade volumes, and the emergence of corridor-based industrial activity. The Political and Institutional Framework dimension, then evaluates the degree of cross-border regulatory coherence, customs harmonisation, and the presence of effective coordination mechanisms that reduce friction along the route. Finally, the Security Factors dimension examines the Corridor's exposure to geopolitical and physical risks, as well as the availability of redundancy and contingency options. Together, these indicators and the related guiding evaluation questions provide a structured foundation for assessing both the performance and the structural resilience of the Middle Corridor.

Table 2: Operationalisation of Corridor Dimensions



Dimension	Operational indicators	Guiding evaluation questions
Physical Infrastructure	Rail, road and port capacity	<ul style="list-style-type: none"> • Are physical bottlenecks limiting corridor capacity? • How efficient are modal transfers? • Is infrastructure resilient to environmental stress? • Are digital systems interoperable across borders?
	Multimodal integration and transfer times	
	Quality and condition of assets	
	Gauge compatibility and break-of-gauge frequency	
	Energy and digital connectivity	
Economic Value	Transit time predictability (variance)	<ul style="list-style-type: none"> • Is the Corridor commercially competitive compared to alternatives? • Are sufficient volumes generated to achieve economies of scale? • Do corridor regions attract logistics or industrial investment? • Are tariff regimes coherent and transparent?
	Transport cost per container/ton	
	Trade volume growth	
	Level of industrial clustering along corridor	
Political and Institutional Frameworks	Number and scope of bilateral/multilateral transit agreements	<ul style="list-style-type: none"> • Are customs and transit procedures harmonised? • Is there a functioning cross-border coordination body? • Are tariff structures predictable and non-discriminatory? • Are disputes resolved through institutionalised mechanisms?
	Customs harmonisation level	
	Border clearance time	
	Presence of corridor management institutions	
	Transparency of tariff regimes	
Security Factors	Political stability indicators	<ul style="list-style-type: none"> • Does the corridor traverse conflict-prone areas? • Are contingency plans in place for disruptions? • How vulnerable are digital logistics systems to cyber threats? • Are alternative routes operationally viable?
	Incidence of conflict or violence along route	
	Critical infrastructure protection mechanisms	
	Cybersecurity standards in logistics systems	
	Redundancy and alternative routing capacity	

⁵⁷ Ostonya Thomas et al., *Cybersecurity in Transportation Systems: Policies and Technology Directions*, 9 January 2025, 3–5, <https://doi.org/10.48550/arXiv.2501.05356>.

3.2. Physical infrastructure

3.2.1. Challenges

The infrastructure of the Middle Corridor faces a number of challenges affecting its efficiency and capacity, spanning elements of both hard infrastructure (ports, railways, roads) and soft infrastructure (standards and operational systems). These issues have been further exposed and exacerbated by the increased volume of good transiting through the route following Russia's 2022 invasion of Ukraine. Key issues include limited transport capacity on crucial links, inefficient multimodal connections, and significant investment gaps (see *Table 3*).

Table 3: Overview Infrastructure Challenges



Main challenge	Related issues
Limited capacity	Ageing and insufficient fleet
	Quasi-monopoly situation
	Declining sea level
	Retracting coastline
Multimodal integration and inefficient border crossing	Limited interface infrastructure
	Transshipment needs
	Breaks in rail gauge
Funding gaps and investment needs	Decline in funding
	Capacity intensity
	Delayed profitability
	Transnational geography

The first major challenge concerns the **limited capacity of Caspian Sea ports and ferry services**, which form the backbone of the Middle Corridor's intermodal route. The main Caspian ports (Aktau and Kuryk in Kazakhstan and Alat (Baku) in Azerbaijan) are currently operating far below the scale needed to handle rising freight volumes. Current estimates suggest that these ports can currently handle only up to 6 million tonnes of cargo from diverted Northern Corridor traffic, including up to 4 million tonnes of bulk and up to 100,000 Twenty-Foot Equivalent Unit (TEU), which is far below future demand projections.⁵⁸

This situation is further exacerbated by the ageing and insufficient ferry fleet servicing the Caspian Sea. Currently, there are only two state-run companies operating cross-Caspian vessels, Azerbaijan's ASCO and Kazakhstan's KMTF, with a combined fleet of about 13 ferries, two RoRo⁵⁹ vessels, three container ships, and two dry cargo ships, all with an average age of 25 to 30 years.⁶⁰ Due to the limited number of transport providers, prices for crossing the Caspian remain high, which further undercuts its competitiveness.⁶¹

⁵⁸ *Realising the Potential of the Middle Corridor* (OECD, 2023), 99, https://www.oecd.org/en/publications/realising-the-potential-of-the-middle-corridor_635ad854-en.html.

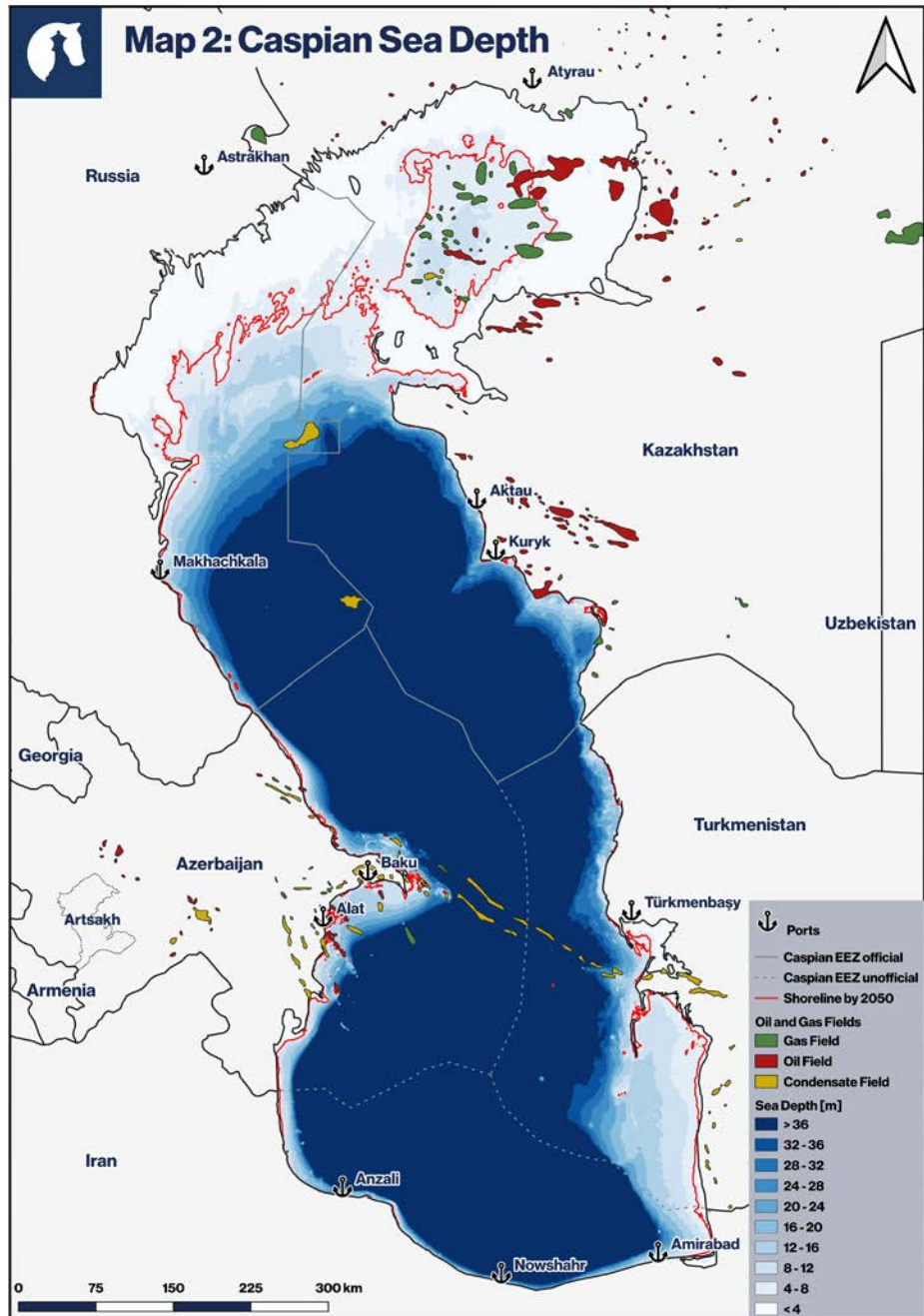
⁵⁹ RoRo stands for 'roll-on/roll-off', it refers to vessels specialised in the transport of wheeled cargoes and vehicles.

⁶⁰ UIC, 'Eurasian Rail Traffic Development: Southern and Middle Corridor', 22 April 2021, 19, https://uic.org/events/IMG/pdf/presentations_210422_uic_corridor_study_2021_1.pdf.

⁶¹ *Realising the Potential of the Middle Corridor*, 99.

Compounding these problems are broader environmental changes: water levels in the Caspian Sea have been steadily declining, dropping by two meters between 2006 and 2024.⁶² The effects have been felt the most by Kazakhstan, at the northern end of the Sea, whose coastline has retreated by 50 kilometres.⁶³ This has rendered the ports of Aktau and Kuryk less accessible and necessitates vessels to stop loading at 75% of their deadweight capacity due to insufficient water depth.⁶⁴ As the Caspian dries up, new oil and gas fields are becoming exposed as well, which could impact current operations and infrastructure development.

As the Caspian dries up, new oil and gas fields are becoming exposed.



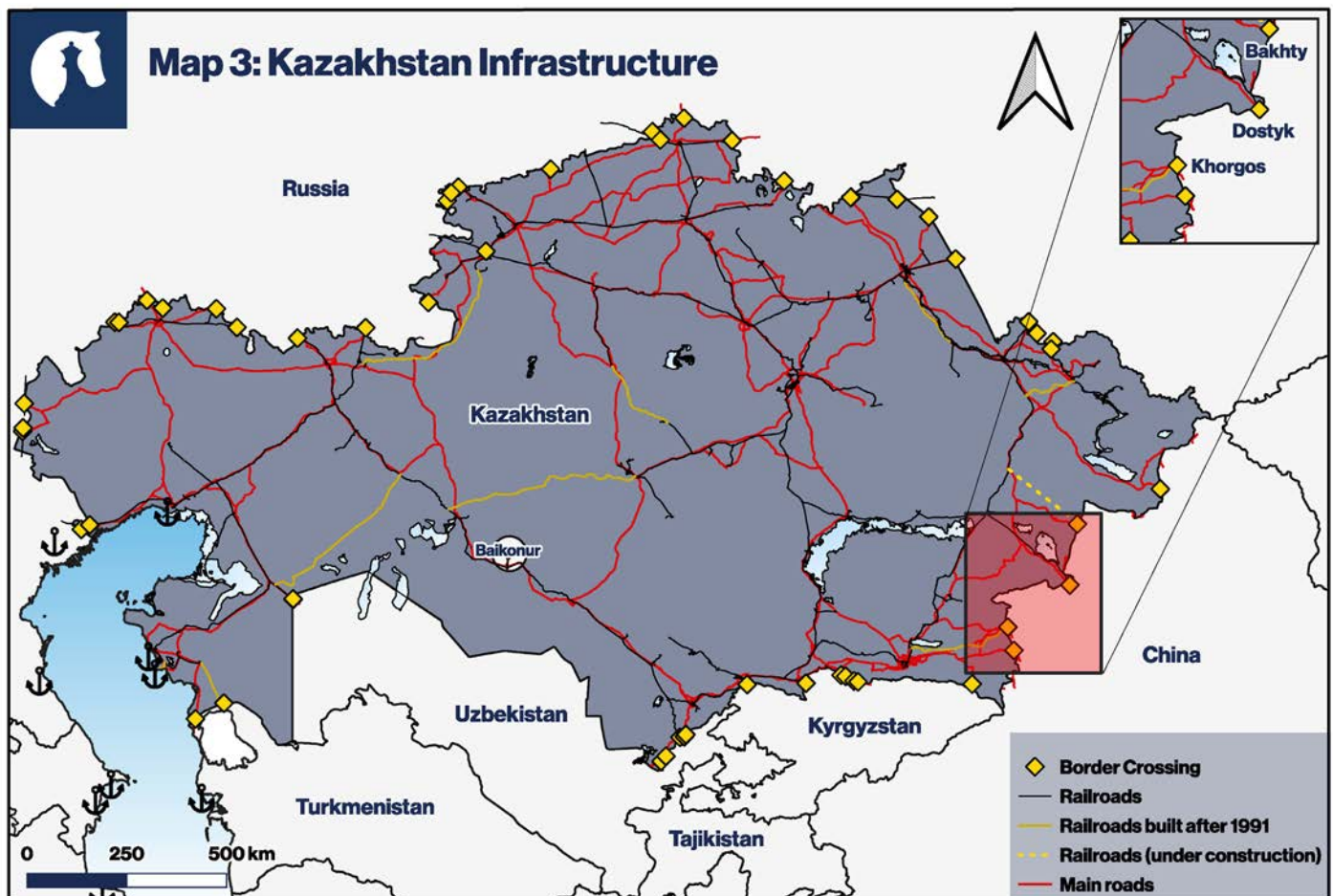
⁶² Aida Amangeldina, 'Aral Sea Syndrome: Why Is the Caspian Sea Shrinking?', Carnegie Endowment for International Peace, 4 March 2025, <https://carnegieendowment.org/russia-eurasia/politika/2025/03/caspian-environment-crisis?lang=en>.

⁶³ 'Ecological Disaster: Caspian Coastline Has Already Retreated by 50 Km – CACIP Central Asia Climate Information Portal', Carec, 21 April 2025, <https://centralasiacclimateportal.org/ecological-disaster-caspian-coastline-has-already-retreated-by-50-km/>.

⁶⁴ Douwe van der Meer, 'Europe's Quest for Critical Raw Materials across the Caspian Sea: A Stranded Flagship?', THRI, July 2025, <https://hagueresearch.org/europes-quest-for-critical-raw-materials-across-the-caspian-sea-a-stranded-flagship/>.

The Middle Corridor's **multimodal integration and border crossing inefficiencies** present a second major challenge. While multimodality is essential due to the Corridor's geographical nature, it also introduces significant logistical complexity. Each modal transfer – from rail to sea at the Caspian ports and then back to rail on the western shore – adds time, costs, and potential friction to the journey. As a result, bottlenecks at key seaports and border crossings can increase transit times by up to 15 days, or even 20 to 30 days in extreme cases.⁶⁵ Due to limited interface infrastructure, cargoes often need to wait in queues. In stark contrast to the World Bank's theoretical estimate of two hours, waiting times at Kazakhstan's Aktau port can extend up to 10 days during peak periods.⁶⁶ Similar delays can occur on the other side in Azerbaijan, when ferries arrive, which increases the unpredictability of the journey.⁶⁷

Rail gauge breaks between different railway systems adds to this challenge. Where China and Europe use standard gauge, former Soviet states (incl. Kazakhstan, Azerbaijan, and Georgia) use broad gauge.⁶⁸ This necessitates either container transshipment or bogie exchanges (when the wheel axis of the train is replaced by a new axis to fit the other gauge) at the China-Kazakhstan border and again at the Georgia-Turkey border. The duration of such operations can take between 24 and 36 hours depending on freight volume, adding significant journey time and costs due to the need for specialised equipment.⁶⁹



⁶⁵ *Realising the Potential of the Middle Corridor*, 23.

⁶⁶ Sadig Aliyev e.a., 'Improving Freight Transit and Logistics Performance of the Trans-Caucasus Transit Corridor : Strategy and Action Plan', World Bank, 1 January 2020, 22, <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/701831585898113781>.

⁶⁷ UIC, 'Rail Freight in Central Asia and Middle East', July 2022, n.d., 23, accessed 30 January 2026, https://uic.org/IMG/pdf/uic_rail_freight_ca_and_rame_vpublic.pdf.

⁶⁸ George Raymond, *Rail Freight from Europe to China and Back: Brakes and Potential* (Railweb Reports, 2021), 2, https://www.railweb.ch/2021-10_Rail_freight_from_Europe_to_China_and_back_brakes_and_potential.pdf.

⁶⁹ 'Report: China and Central Asia Railway Connections', *News Central Asia (nCa)*, 9 October 2025, <https://www.newscentralasia.net/2025/10/09/report-china-and-central-asia-railway-connections/>.

The third key challenge concerns the **funding gaps and infrastructure investment needs** associated with upgrading the Middle Corridor's hard and soft infrastructure. Investment in transport infrastructure across Central Asia and the Caucasus has historically fallen below what is needed to sustain competitive, modern logistics networks. A 2020 estimate placed the region's financing need at about 7.8% of annual GDP for infrastructure across Central Asia and the Caucasus (corresponding to about USD 1.7 trillion between 2016-2030), which is far above current spending levels.⁷⁰ In fact, transport infrastructure commitments in these countries have been declining since the 2010s, resulting in outdated facilities and missing links.⁷¹

The capital-intensive nature of infrastructure projects, combined with long timelines for profitability and the transnational geography of the Corridor makes attracting large-scale private investment difficult. Cross-governmental coordination is needed to ensure that investments in one segment are adequately matched in connecting segments. Moreover, without proper guarantees for long-term volume, investors remain cautious.⁷² This effectively presents a dual issue: upgrades are needed for volume to increase, but raising large amounts of money to upgrade investments is tricky without guaranteed volume. While this funding gap started closing somewhat with the growing demand for diversified trade routes following the 2022 invasion of Ukraine, 2023 estimates revealed that a €6.5 billion financing gap remained in priority projects for the corridor.⁷³

3.2.2. Role and opportunities for the EU

The EU already brings significant capabilities to help address the Middle Corridor's infrastructure deficiencies through its financial resources, technical expertise, and long-standing development partnerships in Central Asia and the Caucasus.

Through the Global Gateway investment framework, Brussels has mobilised substantial funding aimed at closing gaps in hard and soft infrastructure, including in the areas of transport, logistics, digital networks, and standards harmonisation. Two major funding packages have been announced so far: €10 billion for initial transport connectivity in January 2024, followed by another €12 billion package, of which €3 billion is earmarked for transport infrastructure, announced at the first EU-Central Asia Summit in April 2025.⁷⁴ Other funding and engagements were announced in November 2025, during the Trans-Caspian Transport Corridor and Connectivity Investors Forum, also supported by the EU's Global Gateway.⁷⁵

⁷⁰ *Realising the Potential of the Middle Corridor*, 97.

⁷¹ Naoyuki Yoshino et al., *Developing Infrastructure in Central Asia: Impacts and Financing Mechanisms* (Asian Development Bank Institute, 2021), <https://www.adb.org/sites/default/files/publication/688061/adb-book-developing-infrastructure-central-asia.pdf>.

⁷² Alistair King, 'The Middle Corridor: The Future of Central Asian Growth and Cooperation', Asia House, 20 July 2025, <https://www.asiahouse.org/2025/07/20/the-middle-corridor-the-future-of-central-asian-growth-and-cooperation/>.

⁷³ King, 'The Middle Corridor: The Future of Central Asian Growth and Cooperation'.

⁷⁴ Shyngys Zipatolla, *The Middle Corridor Test: Can the EU Turn Strategy into Substance?* (2025), <https://capsunlock.org/the-middle-corridor-test-can-the-eu-turn-strategy-into-substance/>.

⁷⁵ Sergey Kwan, 'EU Supports Connectivity Improvements in Kazakhstan, Kyrgyzstan, and Uzbekistan as Part of Trans-Caspian Transport Corridor', Central Asia, *The Times Of Central Asia*, 28 November 2025, <https://timesca.com/eu-supports-connectivity-improvements-in-kazakhstan-kyrgyzstan-and-uzbekistan-as-part-of-trans-caspian-transport-corridor/>.

Upgrades are needed for volume to increase, but raising large amounts of money to upgrade investments is tricky without guaranteed volume.

During the Forum, the EU, represented by the Commissioners for Enlargement and International Partnerships, demonstrated its resolve to move “from vision to delivery”.⁷⁶ The European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) announced a number of concrete infrastructure projects they will finance through loans. For these loans, the EU has either provided or guaranteed part of the funding.⁷⁷ Projects include port modernisation in Aktau (Kazakhstan), road and rail upgrades across Kazakhstan, Kyrgyzstan, and Uzbekistan, and regulatory cooperation efforts with regional partners.⁷⁸ The EU is also planning to partner with the World Bank and EBRD respectively to conduct feasibility studies, identify priority infrastructure projects for the Middle Corridor, and support technical and pre-investment studies to accelerate modernisation of transport corridors.⁷⁹

However, the complexity and scale of the Corridor's infrastructure challenges require more EU engagement. The magnitude of investment needed to eliminate bottlenecks, especially at Caspian Sea ports, ferry services, and gauge breaks, far exceeds current commitments. In October 2025, the EU announced its aims to raise Global Gateway investments from €300 billion to €400 billion by 2027.⁸⁰ This will be supported by the new Global Gateway Investment Hub, allowing companies to propose investments on a single-entry platform, and new partnerships with the World Bank.⁸¹ Part of this expected growth in funding should go towards the creation of a Middle Corridor-wide investment plan to help prioritise capital deployment where it will most reduce transit times and logistical friction.

A high-impact entry point would be to provide direct support to Caspian Sea port capacity and ferry modernisation. The existing capacity of the Caspian ports and ferry fleets present core constraints on current Corridor throughput. The EU could condition portions of existing Global Gateway funding on fleet renewal and adequate port modernisation projects. New funding could combine grants with blended finance structures to attract private maritime operators and modern vessels. This would contribute to the reduction of current bottlenecks and help lower costs that arise from limited provider competition. Recent EU dialogues held at the Trans-Caspian Transport Corridor and Connectivity Investor's Forum in November 2025 have already highlighted the need for coordinated investments to remove such logistical constraints.⁸²

⁷⁶ European External Action Service, 'Global Gateway: Trans-Caspian Transport Corridor and Connectivity Investors Forum - Key Deliverables', European External Action Service, 27 November 2025, https://www.eeas.europa.eu/delegations/uzbekistan/global-gateway-trans-caspian-transport-corridor-and-connectivity-investors-forum-key-deliverables_en?s=233.

⁷⁷ Sergey Kwan, 'EU Supports Connectivity Improvements in Kazakhstan, Kyrgyzstan, and Uzbekistan as Part of Trans-Caspian Transport Corridor', Central Asia, *The Times of Central Asia*, 28 November 2025, <https://timesca.com/eu-supports-connectivity-improvements-in-kazakhstan-kyrgyzstan-and-uzbekistan-as-part-of-trans-caspian-transport-corridor/>.

⁷⁸ 'Trans-Caspian Transport Corridor and Connectivity Investors Forum: The EU Advances Cross-Regional Connectivity in Tashkent - Enlargement and Eastern Neighbourhood', European Commission, 27 November 2025, https://enlargement.ec.europa.eu/news/trans-caspian-transport-corridor-and-connectivity-investors-forum-eu-advances-cross-regional-2025-11-27_en.

⁷⁹ 'Global Gateway: Trans-Caspian Transport Corridor and Connectivity Investors Forum - Key Deliverables', Delegation of the EU to Uzbekistan, 27 November 2025, https://www.eeas.europa.eu/delegations/uzbekistan/global-gateway-trans-caspian-transport-corridor-and-connectivity-investors-forum-key-deliverables_en?s=233.

⁸⁰ 'EU Aims for 400 Billion Euros in Global Gateway Investments, von Der Leyen Says', Business, *Reuters*, 9 October 2025, <https://www.reuters.com/business/eu-aims-400-billion-euros-global-gateway-investments-von-der-leyen-says-2025-10-09/>.

⁸¹ 'President von Der Leyen Announces Global Gateway Has Reached Its €300 Billion Investment Target', Text, European Commission, 10 October 2025, https://ec.europa.eu/commission/presscorner/detail/en/ac_25_2346.

⁸² Eur. Comm., 'Trans-Caspian Transport Corridor and Connectivity Investors Forum'.

A high-impact entry point would be to provide direct support to Caspian Sea port capacity and ferry modernisation.

Similarly, rail gauge breaks present a structural hurdle that the EU could help mitigate by targeted funding and the provision of technical expertise for transshipment infrastructure and gauge-change technologies. Supporting investment in advanced transshipment terminals and interoperable cargo handling equipment at key (border) nodes would help limit gauge exchange delays and reduce associated costs. Additional financial instruments under the Global Gateway could subsidise specialised equipment like automated lifting systems or variable gauge axles. The EU's strong experience in connecting rail standards across its own member states and partners puts it in a strong position to help broker technical harmonisation and best practices for rolling stock interoperability.

Aside from investing in hard infrastructure, the EU can smooth the implementation of soft infrastructure projects such as the International Road Transport (TIR) initiative. This framework facilitates border controls by providing a mutual recognition of transport procedures and guarantee of payments for sealed cargoes travelling with a TIR carnet. This procedure reduces bottlenecks at border crossings by removing the need for physical inspections and different country-specific documentation.⁸³ The TIR is already implemented across all countries along the Middle Corridor route, effectively reducing cost and transit time between China and Europe by 50% and 80% respectively.⁸⁴ Now the EU can push for TIR Green Lanes that gives priority to trucks at border crossing that are complying with TIR regulations, thereby incentivising companies to do so.⁸⁵

To address persistent infrastructure funding gaps, the EU should build on and expand its strategic partnerships with multilateral financing bodies as well as hosting governments to provide additional long-term loans for Corridor projects. Structured co-financing frameworks help spread risks and draw in private capital for currently underfunded infrastructure investments. Foreign investors such as the United Arab Emirates have also shown a growing interest in contributing to the development of the route and have offered substantial investments.⁸⁶ By liaising with foreign investors, the EU could help direct financing and pool resources to address the most pressing challenges.

Through such measures, the EU has the ability to position itself as a core actor in the Middle Corridor's development, helping to transform the route from a fragmented set of links into a coherent, scalable trade route. Looking ahead, prioritising targeted support for capacity expansion in Caspian ports and ferry services, advanced intermodal technologies, and blended financing mechanisms do not only have the potential to help bridge persistent funding gaps but also align the Corridor more closely with European trade, climate, and connectivity objectives.

⁸³ 'TIR (Transports Internationaux Routiers, International Road Transport) - Taxation and Customs Union', European Commission, accessed 3 February 2026, https://taxation-customs.ec.europa.eu/customs/customs-procedures-import-and-export/what-customs-transit/tir-transports-internationaux-routiers-international-road-transport_en.

⁸⁴ 'Minutes, Not Maps: Making Borders Work for the Middle Corridor', IRU, 14 October 2025, <https://www.iru.org/news-resources/newsroom/minutes-not-maps-making-borders-work-middle-corridor>.

⁸⁵ IRU, 'Minutes, Not Maps'.

⁸⁶ Haley Nelson, 'The Middle Corridor Infrastructure Deals and Developments: 2023 in Review', CPC, 21 December 2023, <https://www.caspianpolicy.org/research/economy/the-middle-corridor-infrastructure-deals-and-developments-2023-in-review>.

Table 4: Summary Table - EU Entry Points



Constraint	Relevant EU instruments, mechanisms or capabilities	Proposed contributions	Expected effects
Limited Caspian port throughput and ageing ferry fleet	<ul style="list-style-type: none"> Global Gateway grants Blended finance EIB and EBRD loans 	<ul style="list-style-type: none"> Port modernisation (Aktau, Kuryk, etc.) Fleet renewal support Help attract private maritime operators 	<ul style="list-style-type: none"> Increased throughput capacity Reduced transit delays Lower transport costs through competition
Rail gauge breaks and transshipment delays	<ul style="list-style-type: none"> Targeted infrastructure funding Technical expertise on interoperability 	<ul style="list-style-type: none"> Investment in advanced transshipment terminals Gauge-change technologies Automated cargo handling systems 	<ul style="list-style-type: none"> Reduced border delays Improved cost efficiency Greater rail interoperability
Fragmented regulatory frameworks and border friction	<ul style="list-style-type: none"> Regulatory cooperation under Global Gateway TIR facilitation 	<ul style="list-style-type: none"> Support for TIR implementation and expansion Promotion of TIR Green Lanes Customs harmonisation efforts 	<ul style="list-style-type: none"> Faster border crossings Lower administrative costs Increased predictability
Insufficient project preparation and coordination	<ul style="list-style-type: none"> EU-World Bank/EBRD cooperation Feasibility and pre-investment studies 	<ul style="list-style-type: none"> Identification of priority projects Corridor-wide investment planning Technical assistance 	<ul style="list-style-type: none"> More strategic capital allocation Reduced duplication Faster implementation
Persistent funding gaps	<ul style="list-style-type: none"> Blended finance structures Global Gateway Investment Hub Co-financing with multilateral and foreign investors 	<ul style="list-style-type: none"> Risk-sharing mechanisms Mobilisation of private capital Structured long-term loans 	<ul style="list-style-type: none"> Increased investment scale Improved financial sustainability Reduced fiscal pressure on host states
Corridor fragmentation	<ul style="list-style-type: none"> EU diplomatic engagement High-level forums and summits 	<ul style="list-style-type: none"> Corridor-wide coordination platforms Alignment with EU trade, climate, and connectivity standards 	<ul style="list-style-type: none"> Transformation from fragmented links to coherent trade route Stronger EU strategic positioning

3.3. Economic value

3.3.1. Challenges

From an economic standpoint, the Middle Corridor needs to prove itself as a viable and competitive route for trade between East Asia and Europe. The Corridor's value proposition thereby rests on a balance of cost, speed, and reliability, each of which have presented challenges. Transport costs along the Middle Corridor have traditionally been higher than alternative routes, transit times remain variable, and unpredictable delays have undermined the route's reliability. Moreover, the current scale of the Corridor is relatively limited, resulting in a lack of economies of scale and vulnerabilities to geopolitical or market conditions (see *Table 5*).

Table 5: Overview Economic Challenges



Main challenge	Related issues
High transport costs and limited competitiveness	Infrastructural limitations
	Multimodal nature
	Current low volumes
	Monopolistic practices
Unpredictability and reliability issues	Multimodal bottlenecks
	Coordination problems
Limited scale and intense competition	Geopolitical volatility
	Development/competition of other routes

The first major economic challenge concerns the Corridor's high transport costs and limited competitiveness relative to other routes.

The first major economic challenge concerns the Corridor's **high transport costs and limited competitiveness** relative to other routes. Transporting goods via the Middle Corridor is currently more expensive than via alternative routes: moving a standard 40-foot container from China to Europe along the Middle Corridor costs roughly USD 3,500 to 4,500, whereas the same container shipped via the Northern Corridor costs about USD 2,800 to 3,200.⁸⁷ Maritime shipping presents an even cheaper, albeit slower, alternative, with an average cost of USD 1,500 to 2,000 per container.⁸⁸ These high costs are a result of several factors. For instance, infrastructural limitations and the Corridor's multimodal character incur additional costs: each transshipping operation comes with handling fees and potential idle-time costs. The need to cross one or two seas (the Black Sea is optional), requires specialised vessels and the payment of port dues on both sides.

Scale volumes have yet to materialise due to the Corridor's current low volumes. In 2022, it moved only about 33,000 TEU, and even at its full potential, it could only transport about 80,000 TEU.⁸⁹ As a result of this limited throughput, the corridor cannot benefit from volume discounts or operational optimisation on the scale that competing routes can. Fixed costs are spread over fewer units, which keeps the per-unit prices high. Certain monopolistic or non-competitive practices further contribute to these elevated costs. Ferry services on the Caspian, for instance, are dominated by two main providers, which can maintain higher tariffs in the absence of competition.⁹⁰ Historically, each country along the route also imposed its own transit fees, like railway tariffs, which were not always coordinated. Without a unified tariff, shippers thus face accumulated mark-ups.⁹¹

Unpredictable transit times and reliability issues present the second core challenge. Reliability, or the confidence that goods will arrive in time, is almost equally important as theoretical speed or cost.⁹² Although theoretical transit times along the Middle Corridor have dropped in recent years, actual journey times often fluctuate significantly. Bottlenecks and coordination problems frequently lead to unplanned delays, undermining the Corridor's reliability. As a result, businesses are quick to resort back to more traditional trade routes. Between 2022 and 2023, following an initial surge in cargo resulting from Russia's war in Ukraine, trade along the Middle Corridor dropped by 37%.⁹³

The third economic challenge involves the Corridor's **limited scale and intense competition** from other, more established trade routes. Despite its recent growth, the Middle Corridor still handles only a fraction of Eurasian land trade. Before Russia's full-scale invasion of Ukraine, the Northern Corridor handled over 86% of China-Europe rail freight, whereas the Middle Corridor accounted for less than 1%.⁹⁴ Even in the post-2022 landscape, the Corridor's volume represented only about 5% of the Northern Corridor trade volume in 2024, indicating

⁸⁷ King, 'The Middle Corridor: The Future of Central Asian Growth and Cooperation'.

⁸⁸ Amangeldy Mussayev, 'Trans-Caspian International Transport Route', EY, 15 April 2024, https://www.ey.com/en_kz/insights/strategy-transactions/trans-caspian-international-transport-route.

⁸⁹ Mussayev, 'Trans-Caspian International Transport Route'.

⁹⁰ Qabil Ashirov, 'Contract with EBRD on Purchase of Cargo Ships May Give Azerbaijan Upper Hand in Middle Corridor', Business, *Azernews*, 21 December 2023, <https://www.azernews.az/business/219148.html>.

⁹¹ Qabil Ashirov, 'Unified Tariffs to Boosts Middle Corridor Trade', Analysis, *Azernews*, 2 October 2025, <https://www.azernews.az/analysis/248268.html>.

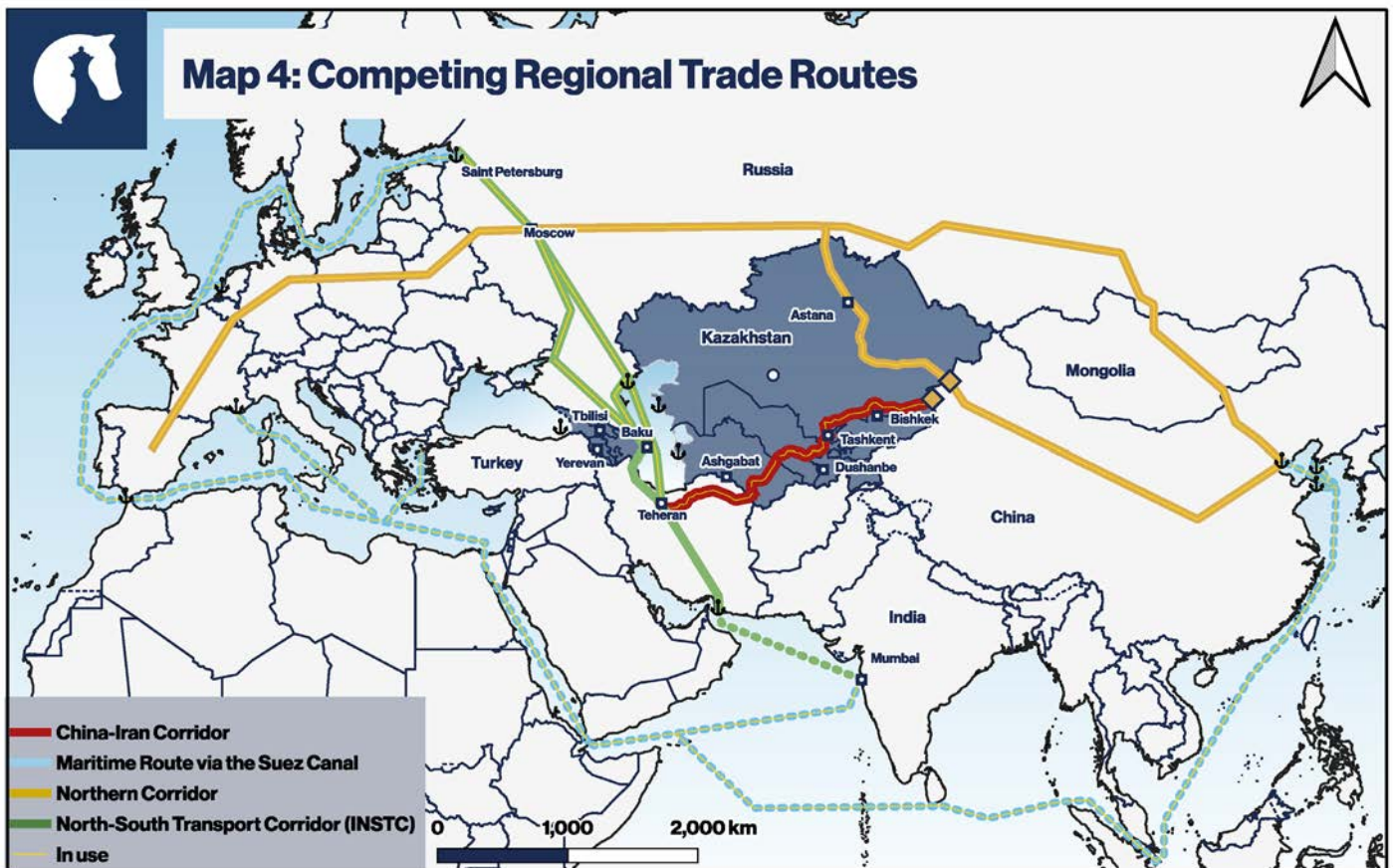
⁹² Dennis van der Laan, 'A New Role for the Middle Corridor? "Reliability Is the New Currency of Logistics"', RailFreight.Com, 10 November 2025, <https://www.railfreight.com/beltandroad/2025/11/10/a-new-role-for-the-middle-corridor-reliability-is-the-new-currency-of-logistics/>.

⁹³ World Bank, 'The Middle Trade and Transport Corridor', 13.

⁹⁴ World Bank, 'The Middle Trade and Transport Corridor', 16; Karel Valansi, *Why the Middle Corridor Matters amid a Geopolitical Resorting* (2025), <https://www.atlanticcouncil.org/content-series/ac-turkey-defense-journal/why-the-middle-corridor-matters-amid-a-geopolitical-resorting/>.

that the Middle Corridor remains in a nascent stage in terms of scale.⁹⁵ The low baseline volume limits revenue available for maintenance and further investment, creating a vicious cycle: constrained resources may slow improvements, which undermines attracting additional users.

The Corridor also faces competitive pressures from other trade routes. If geopolitical conditions change – for example, if tensions with Russia ease or new routes become viable – the Middle Corridor is likely to face steep competition. Other corridors are already being actively developed to capture similar Asia-Europe trade flows, notably the International North-South Transport Corridor (INSTC) via Iran. The INSTC, a multimodal route linking India and the Persian Gulf through Iran to Russia and Europe, has been gaining traction, backed by Russia and Iran as a potentially more cost-effective option for certain markets. By avoiding multiple sea crossings like those required in the Middle Corridor, the INSTC might offer cheaper transport for South Asia and Middle East-Europe trade, whereby it could pose a competitive threat if fully realised.⁹⁶ At the same time, if Russia finds ways to mitigate sanctions or if companies once again deem the Northern Corridor politically acceptable, a significant share of cargo might revert to that route, given its massive capacity and substantial infrastructure.⁹⁷



⁹⁵ Paulo Aguiar, 'The Middle Corridor: A Route Born of the New Eurasian Geopolitics', *Geopolitical Monitor*, 23 January 2025, <https://www.geopoliticalmonitor.com/the-middle-corridor-a-route-born-of-the-new-eurasian-geopolitics/>.

⁹⁶ Dr Sanchita Chatterjee, 'Transit Rivalry Or Partnership? INSTC Vs. Middle Corridor In Central Asia', *IOSR Journal of Humanities and Social Science* 29, no. 12 (2024): 24–25, <https://doi.org/10.9790/0837-2912042127>.

⁹⁷ Tornike Sharashenidze and George Cherkezishvili, *The Perspectives of the Middle Corridor in an Age of Global Confrontation and Uncertainty* (Friedrich-Ebert-Stiftung, 2025), <http://collections.fes.de/publikationen/1886084>.

3.3.2. Role and opportunities for the EU

The Middle Corridor's cost structure, reliability, and scale prospects directly shape its attractiveness for European shippers that depend on predictable, cost-competitive logistics. Supporting a more competitive economic model for the Corridor has thus become a core consideration for the EU's involvement, with an eye on realising the Corridor's potential to triple trade flows by 2030 if bottlenecks are addressed and connectivity improved.⁹⁸

Recognising this potential and the need to map priority areas, the EU conducted a study on "Sustainable Transport Connections Between Europe and Central Asia" in 2023. This report identified a number of coordinated actions to be taken in trade facilitation, digitalisation, customs alignment, and tariff harmonisation as essential complements to physical upgrades.⁹⁹ Building on these findings, the Union already adopted a number of instruments to help lower costs and increase the competitiveness of the Corridor. Through the Global Gateway framework, the EU has contributed to both trade facilitation and enhanced transport connectivity across the Corridor regions.¹⁰⁰

Nevertheless, current EU measures only partially address the systemic issues undermining the economic competitiveness of the Corridor. To address these challenges more effectively, the EU should significantly expand its support for harmonised economic governance along the Corridor.¹⁰¹ This could involve advocating for and facilitating a Corridor-wide framework to standardise tariffs and reduce overlapping fees across national rail and ferry segments. Here the EU can draw on its extensive experience with enhancing transport connectivity under its Trans-European Transport Network (TEN-T) policy. Such economic coordination could improve predictability for shippers and lower the costs of transport operations, rendering the Middle Corridor a more commercially viable option relative to alternative routes.

To address the low-volume burden and ensuing high per-unit costs of the Corridor, the EU can create stronger incentive structures tied to cargo volume commitments. Such measures could include offering partial risk guarantees or blended finance facilities for logistics operators if they achieve agreed throughput thresholds. This, in turn, would render operations more economically viable and encourage private players to invest in capacity expansion. As a result, competition would be encouraged and monopolistic pricing reduced.

To promote value-chain linkages between EU markets and the economies of Corridor states, the EU could negotiate deeper economic agreements combining connectivity support with improved market access for goods and services, and increased participation in European value chains. Such agreements would create more predictable demand for the Corridor and strengthen its economic base. In support of such measures, high-level dialogues and forums have already indicated shared interest in integrating soft and economic infrastructure reforms. Moreover, this offers the EU greater access to the landlocked markets of Central Asia, rich in CRMs that the EU has deemed crucial for stabilising its imports and ending its dependence on Chinese minerals and Russian fossil fuels.¹⁰²

⁹⁸ 'Sustainable Transport Connectivity in Central Asia - International Partnerships', accessed 30 January 2026, https://international-partnerships.ec.europa.eu/policies/global-gateway/sustainable-transport-connectivity-central-asia_en; 'The Middle Corridor: A World of Opportunities', IRU, 14 November 2025, <https://www.iru.org/news-resources/newsroom/middle-corridor-world-opportunities>.

⁹⁹ 'Study on Sustainable Transport Connections with Central Asia', European Commission, June 2023, https://transport.ec.europa.eu/transport-themes/international-relations/study-sustainable-transport-connections-central-asia_en.

¹⁰⁰ 'Global Gateway in Central Asia: Commissioners Advance Economic Partnerships and Cross-Regional Connectivity during Mission to Uzbekistan - International Partnerships', 12 August 2025, https://international-partnerships.ec.europa.eu/news-and-events/news/global-gateway-central-asia-commissioners-advance-economic-partnerships-and-cross-regional-2025-12-08_en.

¹⁰¹ Emil Avdalani, 'Europe's Big Bet on the Trans-Caspian Transport Corridor', *Diplomatic Courier*, 22 May 2025, <https://www.diplomaticcourier.com/posts/europes-big-bet-on-the-trans-caspian-transport-corridor---emil-avdalani>.

¹⁰² Roman Vakulchuk en Indra Overland, 'Central Asia is a missing link in analyses of critical materials for the global clean energy transition', *One Earth* 4, nr. 12 (2021): 1680, <https://doi.org/10.1016/j.oneear.2021.11.012>; Lirong Dou e.a., 'Distribution of Oil and Gas Resources in Central Asia', in *Global Oil and Gas Resources: Potential and Distribution*, onder redactie van Lirong Dou e.a. (Springer Nature, 2024), 171; 'REPowerEU', European Commission, geraadpleegd 20 november 2025, https://commission.europa.eu/topics/energy/repowerereu_en; Frank Umbach, *China's Critical Raw Materials Dominance* (GIS, 2024), <https://www.gisreportsonline.com/r/critical-raw-materials-2/>.

Expanding trade partnerships and cooperation on CRMs is key. In recent years, the EU has already signed memoranda of understanding with Azerbaijan, Kazakhstan, and Uzbekistan under the REPowerEU and CRMA frameworks. It has also established Enhanced Partnership and Cooperation Agreements (EPCA) with Kazakhstan (2020), Kyrgyzstan (2024), and Uzbekistan (2025).¹⁰³ As climate change lays bare previously hidden resources, such as the minerals and fossil fuels embedded in the Caspian coastline, countries like China and the U.S. are quick to get involved. China is opening several mining concessions, for instance, and the U.S. has announced the first international campus of the Colorado School of Mines in Kazakhstan.¹⁰⁴ There is thus room for the EU to contribute to the development of sustainable exploitation practices from the onset. As these minerals get mined, the Middle Corridor could be used for their transportation, effectively increasing its throughput.



¹⁰³ 'Diversification of Gas Supply Sources and Routes', geraadpleegd 20 november 2025, https://energy.ec.europa.eu/topics/energy-security/diversification-gas-supply-sources-and-routes_en; 'Raw Materials Diplomacy - Internal Market, Industry, Entrepreneurship and SMEs', European Commission, geraadpleegd 20 november 2025, https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/raw-materials-diplomacy_en; 'The EU and Kazakhstan | EEAS', Delegation of the EU to the Republic of Kazakhstan, 19 oktober 2023, https://www.eeas.europa.eu/kazakhstan/european-union-and-kazakhstan_en?s=222; 'Kyrgyz Republic: Signing of Enhanced Partnership and Cooperation Agreement (EPCA) with the EU | EEAS', EU External Action, 25 juni 2024, https://www.eeas.europa.eu/eeas/kyrgyz-republic-signing-enhanced-partnership-and-cooperation-agreement-epca-european-union_en; 'Joint Statement on the Occasion of the Signing of the EU-Uzbekistan Enhanced Partnership and Cooperation Agreement (EPCA) between the EU and Its Member States and the Republic of Uzbekistan', European Council, 24 oktober 2025, <https://www.consilium.europa.eu/en/press/press-releases/2025/10/24/joint-statement-on-the-occasion-of-the-signing-of-the-eu-uzbekistan-enhanced-partnership-and-cooperation-agreement-epca-between-the-european-union-and-its-member-states-and-the-republic-of-uzbekistan/>.

¹⁰⁴ Yunis Sharifli, *Differentiated Engagement: China's Adaptive Strategy for Critical Minerals in Central Asia* (Trends, 2025), <https://trendsresearch.org/insight/differentiated-engagement-chinas-adaptive-strategy-for-critical-minerals-in-central-asia/>.

By advancing coordinated tariff frameworks, expanding blended finance, and deepening economic agreements that tie connectivity with market access, the EU can help shift the Corridor from a nascent trade route into a commercially viable alternative to traditional corridors. These efforts align with the EU's broader goals of diversification, resilience, and sustainable development, while also leveraging the Corridor to enhance links with the region's growing markets and CRM supplies.

Table 6: Summary Table – EU Entry Points



Constraint	Relevant EU instruments, mechanisms or capabilities	Proposed contributions	Expected effects
High transport costs and tariff fragmentation	<ul style="list-style-type: none"> Global Gateway Regulatory dialogue Experience from TEN-T 	<ul style="list-style-type: none"> Advocate Corridor-wide tariff harmonisation framework Reduce overlapping rail and ferry fees Standardise pricing transparency 	<ul style="list-style-type: none"> Lower per-unit transport costs Improved price predictability Increased competitiveness vis-à-vis alternative routes
Transit-time unpredictability and procedural inefficiencies	<ul style="list-style-type: none"> Trade facilitation support Digitalisation programmes Customs alignment initiatives 	<ul style="list-style-type: none"> Expand customs harmonisation Support interoperable digital logistics systems Promote coordinated border procedures 	<ul style="list-style-type: none"> Reduced delays and variance in transit times Greater reliability for European shippers
Low cargo volumes and lack of economies of scale	<ul style="list-style-type: none"> Blended finance facilities Risk guarantees under Global Gateway 	<ul style="list-style-type: none"> Introduce volume-based incentive schemes Offer partial risk guarantees tied to throughput commitments 	<ul style="list-style-type: none"> Higher cargo volumes Improved economies of scale Attraction of private logistics operators
Limited private-sector investment and competition	<ul style="list-style-type: none"> Blended finance Investment Hub platform 	<ul style="list-style-type: none"> De-risk logistics investments Encourage new market entrants in rail and ferry services 	<ul style="list-style-type: none"> Increased competition Reduced monopolistic pricing Expanded service capacity
Weak value-chain integration	<ul style="list-style-type: none"> Enhanced Partnership and Cooperation Agreements (EPCA) Trade and investment dialogues 	<ul style="list-style-type: none"> Negotiate deeper economic agreements linking connectivity to market access Integrate Corridor states into EU value chains 	<ul style="list-style-type: none"> More predictable trade flows Stronger economic interdependence Sustainable demand base
Under-developed CRM linkages	<ul style="list-style-type: none"> REPowerEU Critical Raw Materials Act (CRMA) partnerships Bilateral MoUs 	<ul style="list-style-type: none"> Expand sustainable CRM extraction partnerships Align environmental and governance standards Channel CRM exports via Corridor 	<ul style="list-style-type: none"> Diversified EU supply chains Increased Corridor throughput Reduced dependence on China and Russia
Strategic competition over regional resources	<ul style="list-style-type: none"> High-level forums and strategic diplomacy 	<ul style="list-style-type: none"> Promote EU standards for sustainable mining and transport Align connectivity with climate and governance principles 	<ul style="list-style-type: none"> Norm-setting role for the EU Long-term sustainable trade integration

3.4. Political and institutional frameworks

3.4.1. Challenges

The political dimension of the Middle Corridor involves complex challenges, especially since the project sits at the crossroads of regional cooperation, great power dynamics, and national interests. Major trade routes rely not only on physical infrastructure but also require political alignment and stable governance frameworks. In the case of the Middle Corridor, multiple sovereign countries need to cooperate and the political institutions governing the route are still maturing. Key political challenges include coordinating among the corridor states, managing competing national interests, and navigating the influence of external powers (see *Table 7*).

Table 7: Overview Political Challenges



Main challenge	Related issues
Governance and coordination among Corridor states	Bureaucratic hurdles
	Shifting priorities
	Regulatory fragmentation
	Who does what?
Competing national interests	Irregular tariff regimes
	Unstandardised border procedures
	Profit maximising behaviour
External involvement	Plethora of actors
	Sanctions evasion
	Diverging interests
	External partners

The first important challenge concerns **governance and coordination among Corridor states**. More specifically, the absence of a formalised governance structure with authoritative oversight over the entire route. Unlike some multinational connectivity projects, the Middle Corridor does not have a single supranational agency or treaty-based institution directing its development.¹⁰⁵ Each segment is managed by national authorities and cooperation has been largely carried out through memoranda of understanding, working groups, and associations. This creates a number of vulnerabilities: one country's slower bureaucracy, shifting priorities, or regulatory changes can generate bottlenecks that affect all others. Disputes can arise over who sets rules, how revenues and investments are shared, and how competition among Corridor states can be managed.¹⁰⁶

Until recently, many Middle Corridor initiatives remained bilateral rather than genuinely multi-lateral. This fragmented governance created uneven development. Indeed, the Corridor's progress has been primarily driven by individual projects rather than a unified strategic plan. Cooperative frameworks do exist, such as the TITR Association, founded in 2017. However, this is not an intergovernmental organisation but rather a multi-stakeholder non-profit initiative. Its members are not Corridor states but eight organisations from five Corridor countries.¹⁰⁷ In 2024, the railway administrations of Uzbekistan, Kyrgyzstan, Tajikistan, China, Azerbaijan, Türkiye, and Austria jointly decided to form the International Association Eurasian Transport Route to solidify the Middle Corridor, increase its competitiveness, and establish a tariff policy.¹⁰⁸ Constituting an important step forward, this initiative does not include all Corridor countries, including major player like Kazakhstan, and only concerns railway administrations. In August 2025, Kazakhstan announced that it aims to develop an "Intergovernmental Agreement for Further Development of the Trans-Caspian International Transport Route", but details on content and states involved remain unclear at the time of writing.¹⁰⁹

¹⁰⁵ *Realising the Potential of the Middle Corridor*, 3.
¹⁰⁶ Rushanabonu Aliakbarova, 'New Investments Push Trans-Caspian Corridor into Its next Phase', *Euronews*, 12 January 2025, <https://www.euronews.com/business/2025/12/01/new-investments-push-trans-caspian-corridor-into-its-next-phase>.
¹⁰⁷ *The Trans-Caspian International Transport Route and Other Promising Corridors in Central Asia* (ERAJ, 2025), 5, https://index1520.com/upload/medialibrary/c1a/h914jj1bcbwxh7n7a9iix89eilcb8ta/en310125_TITR.pdf.
¹⁰⁸ 'Seven Countries Form Association for Trans-Caspian International Transport Route Development', *Interfax*, 20 September 2024, <https://interfax.com/newsroom/top-stories/105981/>.
¹⁰⁹ 'Kazakhstan to Fast-Track Trans-Caspian Transport Route Agreement', *The Caspian Post*, 19 August 2025, <https://caspianpost.com/kazakhstan/kazakhstan-to-fast-track-trans-caspian-transport-route-agreement>.

The second political challenge involves the **competing national interests** among Corridor countries. Each of these countries seek to maximise their own economic and strategic gains, which can prioritise competition over regional cooperation.¹¹⁰ At times, this can undermine collective decision-making: divergent priorities can slow alignment on tariffs, border procedures, and investment strategies along the Middle Corridor, complicating efforts towards a unified framework.

External involvement constitutes the third political challenge. The Middle Corridor spans a geopolitical arena where major powers, including China, Turkey, the EU, the U.S., and Russia, as well as regional actors such as Iran and India, seek influence. China's role is pivotal, as the Corridor begins or terminates in China. Initially, Beijing primarily focused on the Northern Corridor and maritime routes, but since the 2022 invasion of Ukraine, China began considering the Trans-Caspian route as a hedge against overreliance on Russian networks.¹¹¹ Since then, China has incorporated the Middle Corridor more explicitly in its BRI discourse and signed a number of new agreements with Kazakhstan, Georgia, and others to support its development.¹¹² In 2024, during the 8th International Silk Road Expo, China announced its official involvement in the Middle Corridor through its China Railway Container Transport Corporation (CRTC).¹¹³

Türkiye, in turn, considers the Middle Corridor as a core element of its aspiration of becoming a Eurasian transport hub and of expanding influence across the Turkic world.¹¹⁴ As such, the Middle Corridor aligns with Turkey's "Asia Anew" initiative, launched in 2019 to deepen Türkiye's cultural, political, and economic ties with Asian states.¹¹⁵ Moreover, the country has invested heavily in essential corridor infrastructure, including the Baku-Tbilisi-Kars railway, major highways, and the Marmaray undersea tunnel linking Europe and Asia. In doing so, Turkey seeks transit revenues, secure greater trade volume, and stronger ties with Central Asian states.

While not a direct participant in the Corridor, Russia remains a looming political actor. Historically dominant in Eurasian transit, Moscow could consider a bypass as an erosion of influence. However, the Corridor could also prove an accessible way for Russia to evade restrictions.¹¹⁶ In response to Western sanctions, Russia has sought alternative routing options that can mitigate the disruption of its trade flows, including the exploitation of enhanced connectivity through the Caspian Sea and Central Asia.

By redirecting goods around sanctioned territories, Moscow can sustain certain export and import channels, potentially weakening the leverage of sanctions. As the Middle Corridor grows in prominence, Moscow could seek to influence decisions by leveraging existing ties, such as energy dependencies or security arrangements, to dissuade deeper integration with

¹¹⁰ Emma Collet, 'EU Keeps Pushing for Trans-Caspian Corridor despite Mounting Disillusionment', *Euractiv*, 28 November 2025, <https://www.euractiv.com/news/eu-keeps-pushing-for-trans-caspian-corridor-despite-mounting-disillusionment/>.

¹¹¹ Owen Au and Tin-Ching Leung, 'China's Growing Interest in the Middle Corridor Presents a Dilemma for Europe', *Articles, China Observers*, 10 December 2025, <https://chinaobservers.eu/chinas-growing-interest-in-the-middle-corridor-presents-a-dilemma-for-europe/>.

¹¹² Au and Leung, 'China's Growing Interest in the Middle Corridor Presents a Dilemma for Europe'.

¹¹³ Robert M. Cutler, 'China Officially Joins the Middle Corridor', *Home, The Times of Central Asia*, 2 October 2024, <https://timesca.com/china-officially-joins-the-middle-corridor/>.

¹¹⁴ Aguiar, 'The Middle Corridor'.

¹¹⁵ Aguiar, 'The Middle Corridor'.

¹¹⁶ Meray Ozat and Haley Nelson, *The Middle Corridor: The Beginning of the End for Russia's Northern Corridor?* (CPC, 2023), <https://www.caspianpolicy.org/research/energy-and-economy-program-eeep/the-middle-corridor-the-beginning-of-the-end-for-russias-northern-corridor>.

By redirecting goods around sanctioned territories, Moscow can sustain certain export and import channels, potentially weakening the leverage of sanctions.

Western-oriented initiatives. For instance, Russia and Kazakhstan announced they will work closer together to develop the Middle Corridor and other transport corridors like the North-South route.¹¹⁷

3.4.2. Role and opportunities for the EU

Strengthening political coordination and institutional governance along the Middle Corridor does not only improve the facilitation of trade flows, but it can also enhance regional stability, deepen strategic partnerships, and strengthen the EU's geopolitical influence in the region. As the Corridor gains traction as an alternative to traditional routes, it offers the Union opportunities to anchor a rules-based, cooperative framework balancing national sovereign interests with collective action.

Going beyond existing memoranda of understanding and voluntary mechanisms, the EU can support the establishment of a more formalised governance framework for the Corridor. Building on existing platforms like TRACECA, the TITR Association, and recent high-level dialogues hosted under the Global Gateway umbrella, the EU could facilitate the creation of a multilateral and inclusive Corridor coordination body with a clear mandate, defined dispute-resolution mechanisms, and the authority to harmonise policies across member states. In its creation, the EU could draw on its technical experience with multi-state regulatory coordination. Such an overarching entity could be backed by political and technical support from EU delegations and institutions. This could address the current lack of authoritative oversight mechanisms capable of managing regulatory differences and ensuring continuity in the implementation of Corridor policies, regardless of the internal political cycles and priorities of individual Corridor states.

Alternatively, the EU could institutionalise regular political dialogues between the Union and Corridor states, convening relevant representatives and senior officials to build consensus on strategic priorities and agreements, such as customs harmonisation, crisis response coordination, and transit facilitation protocols. These dialogues could be a continuation of or modelled on existing EU regional dialogues while including focused workstreams on Corridor-relevant issues. To strengthen Corridor governance at its core and ensure that cross-border commitments are effectively translated into domestic reforms, the EU could expand its capacity-building initiatives to national regulatory bodies of Corridor states.

Overall, such measures could anchor the Corridor more firmly within the EU's broader geopolitical initiatives in the region, such as the EU-Central Asia Strategic Partnership launched at the inaugural EU-Central Asia Summit in Samarkand, Uzbekistan in April 2025.¹¹⁸ This, in turn, can help balance against the growing presence of other great powers in the region.

¹¹⁷ Madina Usmanova, 'Russia, Kazakhstan Agree to Progressively Increase TITR's Capabilities', *Kazakhstan, Trend News Agency*, 11 December 2025, <https://www.trend.az/casia/kazakhstan/4116609.html>.

¹¹⁸ 'First EU-Central Asia Summit', Council of the EU, April 2025, <https://www.consilium.europa.eu/en/meetings/international-summit/2025/04/04/>.

Table 8: Summary Table – EU Entry Points


Constraint	Relevant EU instruments, mechanisms or capabilities	Proposed contributions	Expected effects
Fragmented and informal coordination structures	<ul style="list-style-type: none"> Global Gateway high-level dialogues EU technical expertise in multi-state governance 	<ul style="list-style-type: none"> Facilitate creation of a formalised, multilateral Corridor coordination body with defined mandate and dispute-resolution mechanisms 	<ul style="list-style-type: none"> Greater regulatory coherence Continuity of policy implementation Reduced inter-state friction
Lack of authoritative oversight and enforcement mechanisms	<ul style="list-style-type: none"> EU institutional backing Political and technical support via EU delegations 	<ul style="list-style-type: none"> Provide advisory support to establish binding oversight frameworks and structured monitoring mechanisms 	<ul style="list-style-type: none"> Improved compliance with agreements Reduced regulatory divergence Increased predictability for investors
Regulatory divergence across Corridor states	<ul style="list-style-type: none"> EU experience with regulatory harmonisation (e.g. Internal market governance) 	<ul style="list-style-type: none"> Support harmonisation of customs, transit regimes, and logistics standards through coordinated workstreams 	<ul style="list-style-type: none"> Lower administrative barriers More seamless cross-border trade
Weak crisis-response coordination	<ul style="list-style-type: none"> Structured political dialogues EU regional dialogue formats 	<ul style="list-style-type: none"> Institutionalise regular EU-Corridor political dialogues focused on crisis coordination and transit continuity planning 	<ul style="list-style-type: none"> Greater resilience to geopolitical shocks Faster collective response to disruptions
Limited domestic implementation capacity	<ul style="list-style-type: none"> Capacity-building programmes Technical assistance instruments 	<ul style="list-style-type: none"> Expand support to national regulatory authorities and customs administrations 	<ul style="list-style-type: none"> Stronger domestic reform implementation Improved translation of cross-border commitments into practice
Exposure to external influence	<ul style="list-style-type: none"> EU-Central Asia Strategic Partnership Diplomatic engagement 	<ul style="list-style-type: none"> Anchor Corridor governance within broader EU regional partnerships and rules-based frameworks 	<ul style="list-style-type: none"> Enhanced EU geopolitical presence Balanced regional power dynamics Promotion of rules-based cooperation

3.5. Security factors

3.5.1. Challenges

Beyond the political realm, the Middle Corridor faces concrete security challenges that span the need to ensure regional stability in the face of conflicts or rivalries, safeguarding internal stability in Corridor countries, and the physical protection of infrastructure and transit safety. A trade route traversing thousands of kilometres of land and sea invariably faces risks like sabotage, terrorism, organised crime, and natural disasters – all of which can disrupt supply chains. As the corridor becomes a significant conduit for global commerce, critical infrastructure security is crucial (see *Table 9*).

Table 9: Overview Security Challenges



Main challenge	Related issues
Spillover effects of regional conflicts	Armenia and Azerbaijan
	War in Ukraine - Black Sea
Internal stability of Corridor countries	Civil unrest
	Changes in government
	Impact on services and infrastructure
Infrastructure protection and transit safety	Long stretches of infrastructure
	Diverse terrains
	Many multimodal nodes
	Organised crime

The viability of the Middle Corridor is also heavily dependent on **regional peace and stability**, which constitutes the first major security challenge. Political disputes or insecurity in any corridor country or neighbouring area can pose a threat to the continuity of route operations. A key compounding challenge in this regard is the need to manage and mitigate risks, including ongoing conflicts and latent tensions, so the Corridor can remain open and safe. Two conflict dynamics stand out in particular: 1) Russia's war in Ukraine, and 2) the long-standing tensions between Armenia and Azerbaijan.

The war in Ukraine has drastically shifted the strategic calculus for the Middle Corridor. The popularity of the route surged as Europe and others sought to diversify from Russian routes, but this also introduced wider security concerns. Indeed, Russia's aggression demonstrated that even major, longstanding and well-developed trade routes could be disrupted. Although the Middle Corridor does not traverse Ukraine, one of its potential branches goes through the Black Sea. Russian threats in the Black Sea, such as naval blockades, raises thus concerns for commercial shipping.

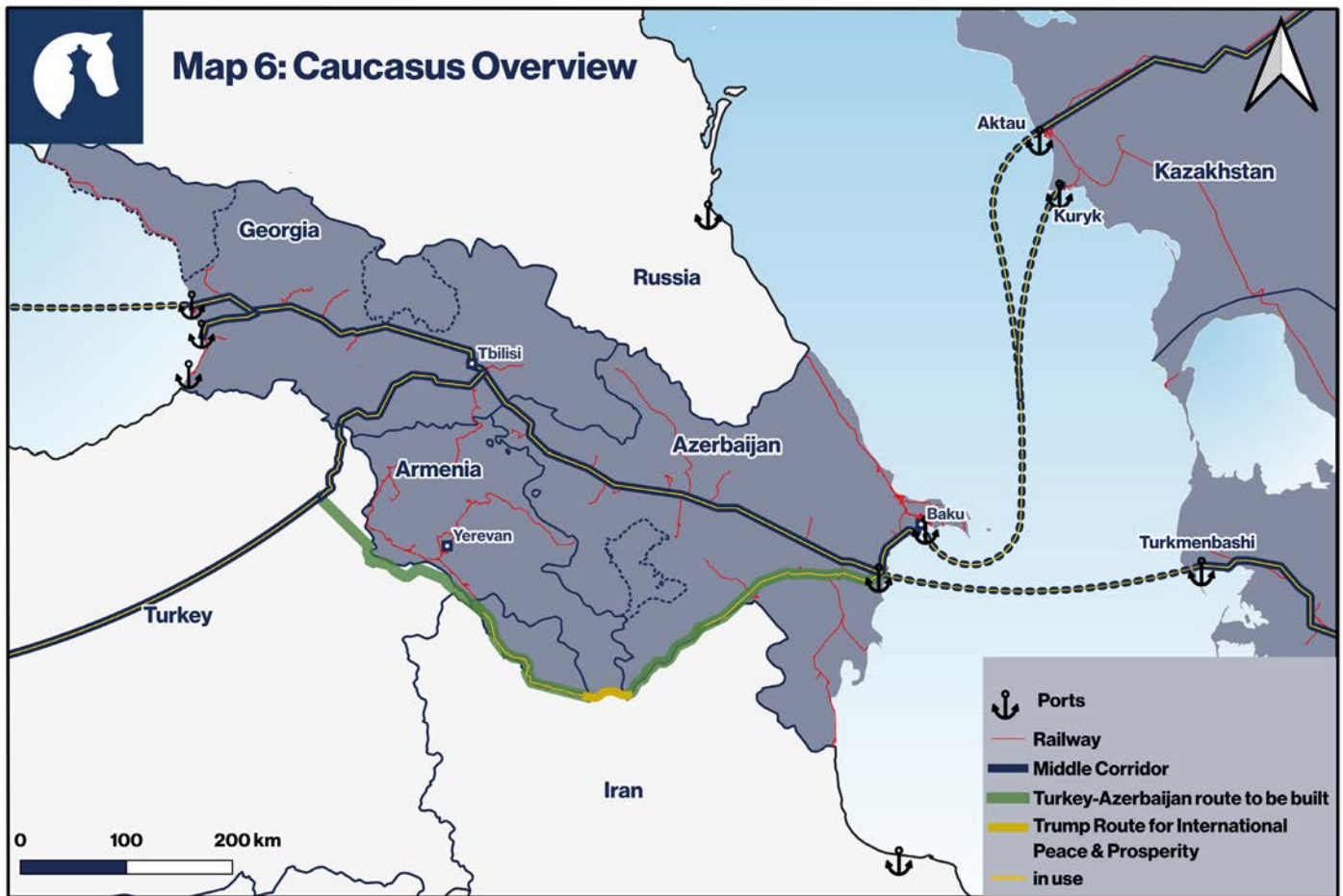
In the South Caucasus, the Corridor traverses through or near areas of recent conflict. Azerbaijan and Armenia fought a war in 2020 and skirmishes persisted for years. By late 2023, Azerbaijan had regained full control of Nagorno-Karabakh, removing a major source of armed conflict on the route's periphery.¹¹⁹ However, peace remains fragile. Now Azerbaijan and Turkey are pushing to open a new trade route connecting the two countries via Armenia's Syunik province and Nakhchivan.¹²⁰ While the project was included as part of the peace deal signed between Armenia and Azerbaijan with U.S. support, it appears Azerbaijan and Turkey are acting at a much faster pace than Armenia is. Regional great powers, especially Iran, have also directly opposed the construction of a new corridor segment passing through Armenia, viewing the project as an opportunity for greater NATO presence in the region.¹²¹ If tensions escalate over this issue, it could lead to conflict that might disrupt existing routes, as Armenia is located between Azerbaijan and Turkey, it could indirectly affect Georgia or Turkey's security environment as well. The Middle Corridor currently runs north of Armenia via Georgia, but a flare-up of tensions could close borders or at least create enough instability to deter commercial operations. Spillover risks from conflicts near the Corridor or involving Corridor countries thus present a top security concern.

¹¹⁹ 'Azerbaijan claims full control over the Nagorno-Karabakh region after separatists surrender', World, Nagorno-Karabakh Conflict, *Le Monde*, 20 September 2023, https://www.lemonde.fr/en/international/article/2023/09/20/azerbaijan-halts-karabakh-operation-as-separatists-lay-down-arms_6138089_4.html.

¹²⁰ Goble, 'Turkey's Progress on Railway to Nakhchivan Alarms Moscow'.

¹²¹ Asbarez Staff, 'Iran Opposes Trump Route', *Asbarez*, 16 December 2025, <https://asbarez.com/iran-opposes-trump-route/>.

Spillover risks from conflicts near the Corridor or involving Corridor countries thus present a top security concern.



Beyond external security threats, **internal stability** in each country is of crucial importance. In 2022, Kazakhstan experienced major societal unrest, culminating in mass protests and thousands of arrests. Authorities shut down the internet and external peacekeepers (from the Collective Security Treaty Organisation) eventually helped restore order.¹²² From the perspective of trade corridors, any such unrest can halt transport flows and scare investors.

Georgia has been another flashpoint, with political turbulence and civil unrest over the growing rapprochement between the government and Russia, and rule of law concerns.¹²³ If Georgia were to destabilise or abandon its pro-Western stance entirely, this might affect its enthusiasm for hosting a corridor championed by the West and Turkey that directly competes with Russia's Northern Corridor. Nevertheless, the Georgian government currently still supports the Corridor for its economic benefits, but internal politics bear watching.¹²⁴ Similarly, a radical change in government in any corridor country towards more Russia-aligned leadership could realign priorities. The risk of political volatility, whether from leadership transitions, public unrest, or external interference remains a key challenge for sustaining the political will needed to maintain corridor cooperation.

Related to this, **protecting the Corridor's infrastructure and ensuring the safety of cargo and personnel along the route** presents a third security challenge. In addition to potential for nation-wide civil unrest in Corridor countries, the route traverses remote deserts, high mountains, busy urban centres, and maritime zones, rendering comprehensive security

¹²² Stefan Meister, 'Kazakhstan After the Unrest', German Council on Foreign Relations, 12 January 2022, <https://dgap.org/en/research/publications/kazakhstan-after-unrest>.

¹²³ '50 Days of Protests in Georgia amid Internal Repression', Georgia, *The New Union Post*, 17 January 2025, <https://newunionpost.eu/2025/01/17/fifty-days-protests-georgia-repression/>.

¹²⁴ 'Economy Ministry Officials Meet with USTDA Regional Head to Discuss Middle Corridor Prospects', *Civil Georgia*, 13 January 2026, <https://civil.ge/archives/717219>.

coverage a complex task. Critical nodes such as rail bridges, tunnels, ports, and depots could become targets for sabotage, cyber-attacks, or terroristic operations. In addition, organised crime such as smuggling and theft can exploit long supply routes if security proves lax. For instance, container theft or tampering is a concern along any freight corridor.¹²⁵ Ensuring that containers are not broken into or illicit goods inserted are important for both border security and commercial trust. A related aspect is the safety of the people working on or along the Corridor. Truck drivers, train staff, port crew, and other workers could be exposed to dangers like banditry or hijacking if law enforcement is weak in certain stretches. Natural disasters pose an additional risk to infrastructure, such as earthquakes, landslides in mountainous sections, or extreme weather on roads.

3.5.2. Role and opportunities for the EU

The security challenges facing the Middle Corridor have direct implications for the EU's objectives of securing trade connectivity and resilient supply chains. Ensuring security along the Corridor thus becomes essential to protect its physical infrastructure and withstand broader regional instabilities such as latent tensions in the South Caucasus or the ongoing aggression in Ukraine.

In response to regional security dynamics, the EU has been strengthening cross-regional cooperation with Black Sea countries, the South Caucasus, and Central Asia with an explicit focus on enhancing security, stability, and resilience alongside connectivity and trade diversification. In the South Caucasus specifically, the EU has deployed civilian missions such as the EU Mission in Armenia, which builds on earlier monitoring capacities, to contribute to stability, conflict management, and border security through confidence building measures.¹²⁶ Beyond on-the-ground missions, the Union is investing in strategic dialogues and partnerships with Central Asian states, with an eye on establishing broader frameworks for cooperation on trade, counter-terrorism, and shared security interests which directly affect the safe operation of transit routes like the Middle Corridor.¹²⁷

To ensure regional stability along the Corridor, the EU could invest in broader regional confidence-building and conflict-reduction initiatives. Supporting cooperative security arrangements, Track II dialogues, and mediation efforts can reinforce political stability along the Corridor and reduce the potential for external pressure disrupting cooperation. This could be done by building on existing initiatives such as the recently signed EU-Central Asia Strategic Partnership. Within this framework, the EU could include mechanisms geared towards joint risk assessment, crisis response planning, and broader security cooperation. More concretely, measures could include regular intergovernmental security dialogues, joint exercises focused on the protection of key Corridor nodes, and early-warning information sharing.

Another specific opportunity lies in strengthening regional law enforcement and border security cooperation to counter threats like theft, smuggling, and potential acts of terrorism. To do this, the EU could invest in Corridor-wide training and capacity building initiatives with national police, border guards, and customs agencies. These could be modelled on existing successful EU law enforcement cooperation frameworks in the Western Balkans through CEPOL.¹²⁸

¹²⁵ Alena Radziukevich, 'Cargo Theft: Risks, Targets & TAPA TSR for High-Value Goods', Girtoka, 28 August 2025, <https://www.girtoka.eu/cargo-theft-and-tapa-tsr-role-for-high-value-goods/>.

¹²⁶ 'About EU Mission in Armenia', EEAS, 7 January 2026, https://www.eeas.europa.eu/euma/about-european-union-mission-armenia_en?s=410283.

¹²⁷ 'The EU and Central Asia Establish a Strategic Partnership', European Commission, 4 April 2025, https://ec.europa.eu/commission/presscorner/detail/en/ac_25_990.

¹²⁸ 'WB PaCT', CEPOL, accessed 29 January 2026, <https://www.cepola.europa.eu/international-cooperation/wb-pact>.

Organised crime such as smuggling and theft can exploit long supply routes if security proves lax.

Table 10: Summary Table – EU Entry Points



Constraint	Relevant EU instruments, mechanisms or capabilities	Proposed contributions	Expected effects
Regional instability	<ul style="list-style-type: none"> • EU civilian missions • Strategic regional partnerships • EU-Central Asia Strategic Partnership 	<ul style="list-style-type: none"> • Expand confidence-building measures • Support mediation and conflict-reduction initiatives • Institutionalise security-focused dialogues 	<ul style="list-style-type: none"> • Reduced risk of conflict spillovers • Greater political stability along the Corridor • Protection of transit continuity
Lack of structured crisis-response coordination	<ul style="list-style-type: none"> • Intergovernmental security dialogues • Joint planning frameworks 	<ul style="list-style-type: none"> • Establish joint risk assessment mechanisms • Develop Corridor-wide crisis response planning • Early-warning information sharing systems 	<ul style="list-style-type: none"> • Faster collective reaction to disruptions • Enhanced resilience of transport flows
Vulnerability of critical infrastructure	<ul style="list-style-type: none"> • EU technical assistance • Security cooperation frameworks 	<ul style="list-style-type: none"> • Conduct joint exercises on protection of key Corridor nodes • Support infrastructure risk audits and protection strategies 	<ul style="list-style-type: none"> • Improved safeguarding of strategic assets • Reduced disruption risks
Cross-border organised crime	<ul style="list-style-type: none"> • Law enforcement cooperation • Capacity-building programmes • CEPOL-style training models 	<ul style="list-style-type: none"> • Provide Corridor-wide training for police, border guards, and customs agencies • Strengthen cross-border intelligence sharing 	<ul style="list-style-type: none"> • Enhanced operational security • Lower transit losses • Increased trust among Corridor states
Limited institutional trust and cooperative security culture	<ul style="list-style-type: none"> • Track II diplomacy • Confidence-building initiatives 	<ul style="list-style-type: none"> • Facilitate expert-level dialogues and informal security cooperation platforms 	<ul style="list-style-type: none"> • Strengthened mutual trust • Reduced external pressure vulnerabilities
Strategic competition and external coercion risks	<ul style="list-style-type: none"> • EU geopolitical engagement • Integrated connectivity-security approach 	<ul style="list-style-type: none"> • Anchor Corridor security cooperation within broader EU regional partnerships and resilience strategies 	<ul style="list-style-type: none"> • Greater EU strategic presence • More autonomous and resilient trade connectivity

3.6. Reflection

Taken together, this evaluation highlights that the Middle Corridor is no longer merely a regional infrastructure project, but an increasingly strategic component of Europe's broader connectivity and economic security landscape. While substantial progress has been made in recent years, the Corridor remains at an intermediary stage of development: its potential as a reliable Eurasian trade artery is clear, yet its performance is still constrained by structural bottlenecks, fragmented governance arrangements, and an evolving security environment.

For the EU, this creates both urgency and opportunity. The Middle Corridor offers a tangible pathway to deepen engagement with Central Asia and the South Caucasus, strengthen diversification away from politically sensitive routes, and project sustainable connectivity standards beyond the Union's borders. Its future trajectory will depend on whether regional actors and external partners can move beyond incremental upgrades towards coordinated and long-term corridor-building efforts – an agenda in which the EU is positioned to play a central enabling role.

4. Conclusions and Recommendations

The Middle Corridor consists of a complex network of interdependent transport components spanning railways, ports, ferry services, border crossings, and regulatory systems across multiple sovereign states. Its overall effectiveness is determined not by the strength of any single segment, but by the weakest link within the broader multimodal chain, as well as by the efficiency of transfers between rail, maritime, and road infrastructure. As such, the Corridor's current limitations constrain its ability to emerge as a fully competitive alternative to established Eurasian routes.

Infrastructurally, the Corridor continues to suffer from limited Caspian port throughput, an ageing and insufficient ferry fleet, multimodal bottlenecks, and rail gauge breaks that add costly delays. These constraints are amplified by environmental pressures such as declining Caspian water levels, as well as by persistent funding gaps that exceed current investment levels.

Economically, the Corridor has not yet achieved the scale or reliability required to become a fully competitive alternative to established Eurasian routes. High transport costs, fragmented tariff regimes, monopolistic practices in key segments such as ferry services, and unpredictable transit times undermine its commercial viability. Low cargo volumes further prevent economies of scale, reinforcing a vicious cycle of underinvestment and limited demand.

Politically, governance remains fragmented and coordination among Corridor states is incomplete. The absence of a formalised multilateral framework leaves the Corridor vulnerable to regulatory divergence, competing national priorities, and uneven institutional capacity. Meanwhile, growing involvement of external powers creates an increasingly contested geopolitical environment in which connectivity is closely tied to influence.

Finally, **security** challenges persist across both regional and domestic levels. Latent tensions in the South Caucasus, risks of instability within Corridor countries, and vulnerabilities of critical infrastructure to sabotage or organised crime all raise concerns about long-term corridor resilience.

Despite these challenges, the Middle Corridor represents a strategic opportunity of growing relevance for the EU. It offers the potential to diversify trade routes between Europe and Asia, strengthen economic connectivity with the South Caucasus and Central Asia, and reduce exposure to geopolitical disruptions stemming from Russia's war in Ukraine or instability along maritime chokepoints. Yet the Corridor's future success is far from guaranteed. Persistent infrastructure gaps, inconsistent regulatory alignment, limited freight volumes, and unresolved political risks continue to undermine reliability, cost efficiency, and investor confidence.

Yet the Corridor's future success is far from guaranteed.

Table 11: Summary Table – Challenges Across the Four Domains



Domain	Main challenge	Related issues
Physical Infrastructure	Limited capacity	Ageing and insufficient fleet
		Quasi-monopoly situation
		Declining sea level
		Retracting coastline
	Multimodal integration and inefficient border crossing	Limited interface infrastructure
		Transshipment needs
		Breaks in rail gauge
	Funding gaps and investment needs	Decline in funding
		Capacity intensity
		Delayed profitability
Transnational geography		
Economic Value	High transport costs and limited competitiveness	Infrastructural limitations
		Multimodal nature
		Current low volumes
		Monopolistic practices
	Unpredictability and reliability issues	Multimodal bottlenecks
		Coordination problems
	Limited scale and intense competition	Geopolitical volatility
		Development/competition of other routes
Political & Institutional Frameworks	Governance and coordination among Corridor states	Bureaucratic hurdles
		Shifting priorities
		Regulatory fragmentation
		Who does what?
	Competing national interests	Irregular tariff regimes
		Unstandardised border procedures
		Profit maximising behaviour
	External involvement	Plethora of actors
		Sanctions evasion
		Diverging interests
		External partners
	Security Factors	Spillover effects of regional conflicts
War in Ukraine - Black Sea		
Internal stability of Corridor countries		Civil unrest
		Changes in government
		Impact on services and infrastructure
Infrastructure protection and transit safety		Long stretches of infrastructure
		Diverse terrains
		Many multimodal nodes
		Organised crime

4.1. Scaling up EU action across the four dimensions

1. Infrastructure: Build a Corridor-wide EU investment and capacity plan

- 1.1. Prioritise Caspian bottlenecks by funding large-scale port expansion in Aktau, Kuryk, and Alat, alongside fleet renewal through blended finance mechanisms. This aligns with the EU Global Gateway's transport and connectivity investments.
- 1.2. Support advanced transshipment and gauge-change infrastructure at key border nodes to reduce delays and improve interoperability. Such interventions reflect a key priority identified in the EU's study on sustainable transport connectivity with Central Asia, which maps specific hard infrastructure needs to improve multimodal linkages.¹²⁹
- 1.3. Develop an EU-led Middle Corridor Infrastructure plan under the Global Gateway to ensure investments are ordered strategically across connected segments rather than nationally fragmented. The EU's Investment Hub¹³⁰ and Team Europe approach under the Global Gateway strategy are explicitly designed to sequence and de-risk cross-border transport investments.

2. Economics: Improve the Corridor's commercial competitiveness and scalability

- 2.1. Support the creation of a Corridor-wide tariff and fee harmonisation framework to reduce overlapping national mark-ups and improve predictability for shippers. This would build on EU-led connectivity dialogues that aim to harmonise trade and transit procedures with partner countries, such as the Trans-Caspian Transport Corridor and Connectivity Investors Forum under the Global Gateway.
- 2.2. Leverage throughput-linked incentives to encourage private logistics operators to expand capacity and introduce competition in ferry and rail services. This recommendation is consistent with the EU's 'Team Europe' incentives structure under Global Gateway, which leverages private capital alongside public funds to scale up transport and logistics operations.
- 2.3. Tie connectivity investments to deeper EU-Central Asia economic agreements that strengthen supply chain integration and support transport of CRMs into EU markets. The EU-Central Asia Strategic Partnership launched at the 2025 summit in Samarkand reinforced mutual commitments on transport, CRMs, and economic linkages, creating a political anchor.

¹²⁹ European Bank for Reconstruction and Development, *Sustainable Transport Connections between Europe and Central Asia* (European Bank for Reconstruction and Development, n.d.).

¹³⁰ Although the Investment Hub is currently only geared towards projects in Sub-Saharan Africa, Asian and the Pacific, or Latin America and the Caribbean, this initiative could be expanded towards projects in Central Asia and the South Caucasus.

3. Politics: Institutionalise a rule-based corridor framework

- 3.1. Support the creation of an inclusive multilateral governance body with complete Corridor participation with the authority to coordinate customs, transit regimes and dispute resolution across the Corridor. This directly responds to calls made at recent EU-led connectivity forums for institutionalised coordination mechanisms covering customs, transit and regulatory alignment across Eurasian partners.
- 3.2. Expand EU technical assistance and regulatory capacity-building programmes to ensure Corridor commitments translate into domestic reforms. The EU is already advancing technical assistance under the Global Gateway and related transport programmes, including an EU-funded Regional Transport Programme planned for adoption.
- 3.3. Anchor the Middle Corridor more firmly within the EU-Central Asia strategic partnership. The 2025 EU-Central Asia summit adopted a strategic partnership framework that embeds transport connectivity, offering an existing institutional basis for deeper policy alignment.

4. Security: Protect Corridor stability and critical infrastructure

- 4.1. Increase EU support for regional confidence-building and conflict-mitigation initiatives, especially in the South Caucasus, to reduce spillover risks. The EU's cross-regional connectivity agenda under the Global Gateway emphasises addressing political and security constraints alongside transport investments, recognising the strategic importance of stability for connectivity.
- 4.2. Develop Corridor-wide border security, anti-smuggling, and cargo protection programmes modelled on successful EU law enforcement cooperation frameworks. This could link to ongoing EU efforts to enhance border procedures and regulatory cooperation with partner countries, which are part of broader connectivity dialogues.
- 4.3. Invest in cybersecurity and resilience systems for digital logistics platforms, ensuring that Corridor infrastructure remains protected against disruptions. While not specific to the Middle Corridor, this is consistent with the Global Gateway's emphasis on secure digital infrastructure and resilient connectivity.

Ultimately, the Middle Corridor's emergence as a viable Eurasian trade artery depends on whether it can evolve from a fragmented collection of national infrastructure links into a coherent, efficient, and resilient connectivity system. The Corridor's challenges are multidimensional and mutually reinforcing, and addressing these obstacles requires a comprehensive and strategic approach anchored in long-term partnerships, regulatory alignment, and sustained financial engagement.

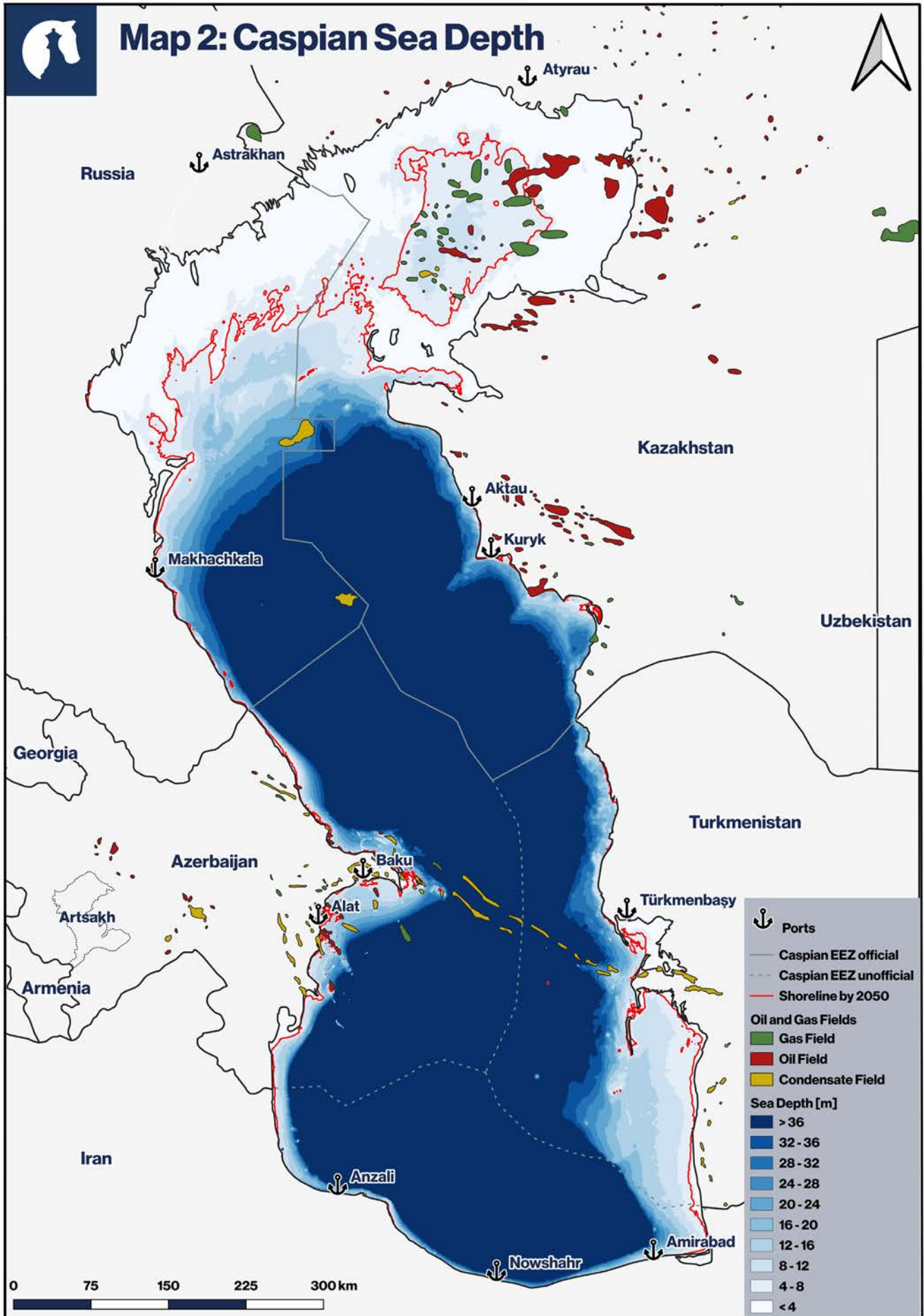
The EU has both the capacity and strategic interest to act as the decisive external partner shaping the Corridor's future. By scaling up its role through the Global Gateway, institutional leadership, and targeted investments in resilience and competitiveness, the EU can ensure that the Corridor develops in line with European standards and priorities. If pursued effectively, this would not only strengthen Europe's trade diversification and supply chain security but also deepen the Union's geopolitical presence in Central Asia and the South Caucasus, positioning the Middle Corridor as a cornerstone of a more connected, stable, and strategically autonomous Europe.

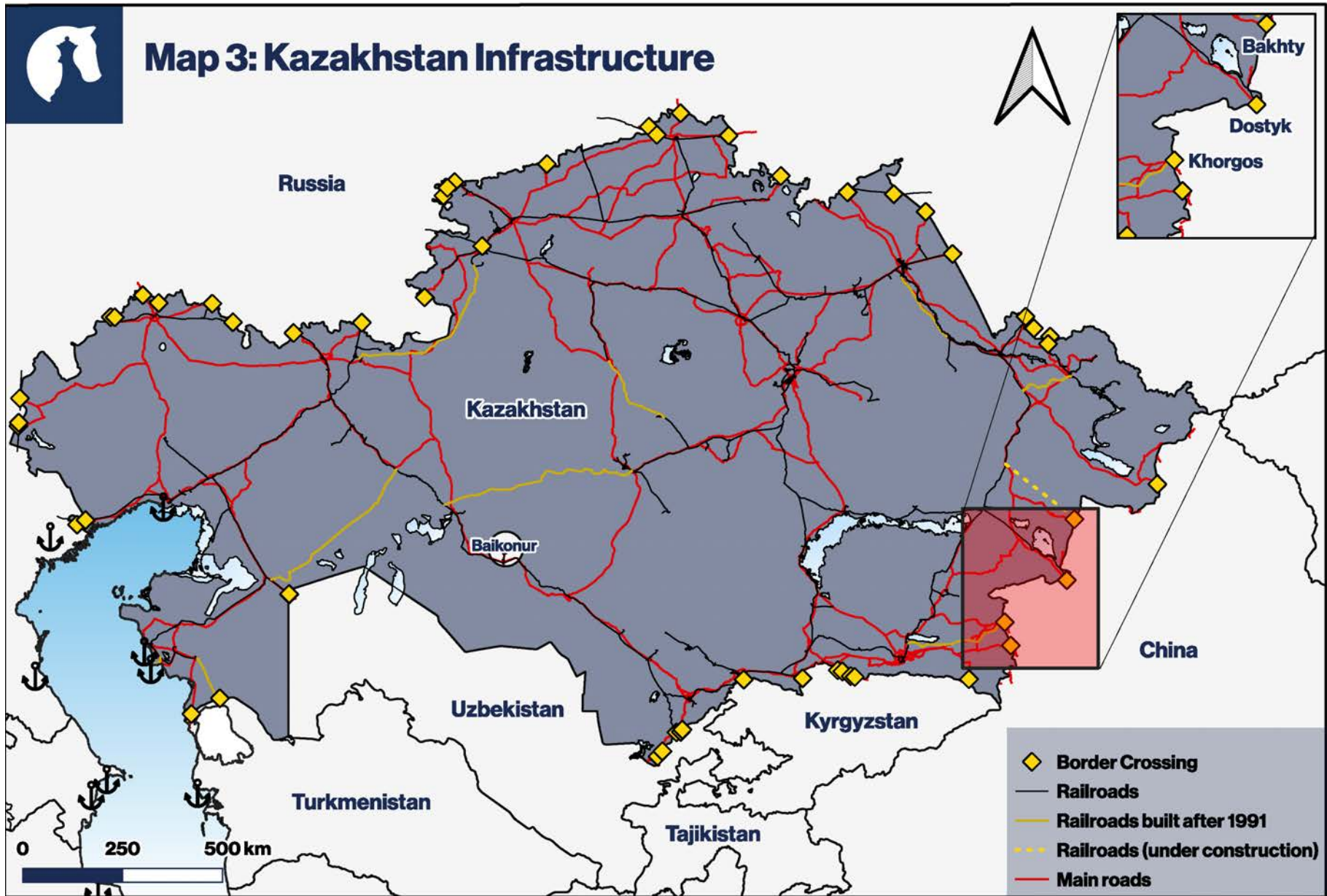
The Corridor's challenges are multidimensional and mutually reinforcing.

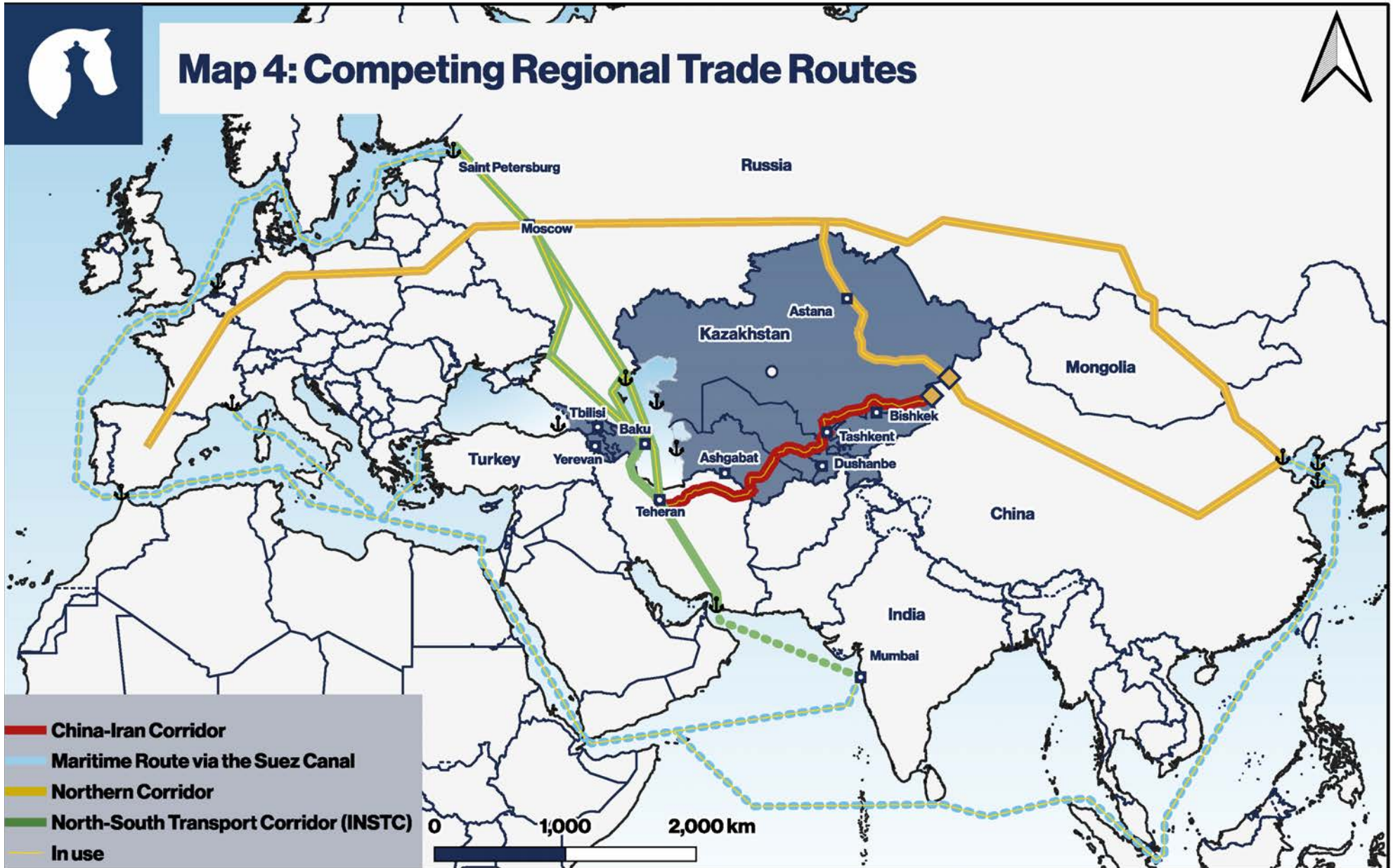
Annexes

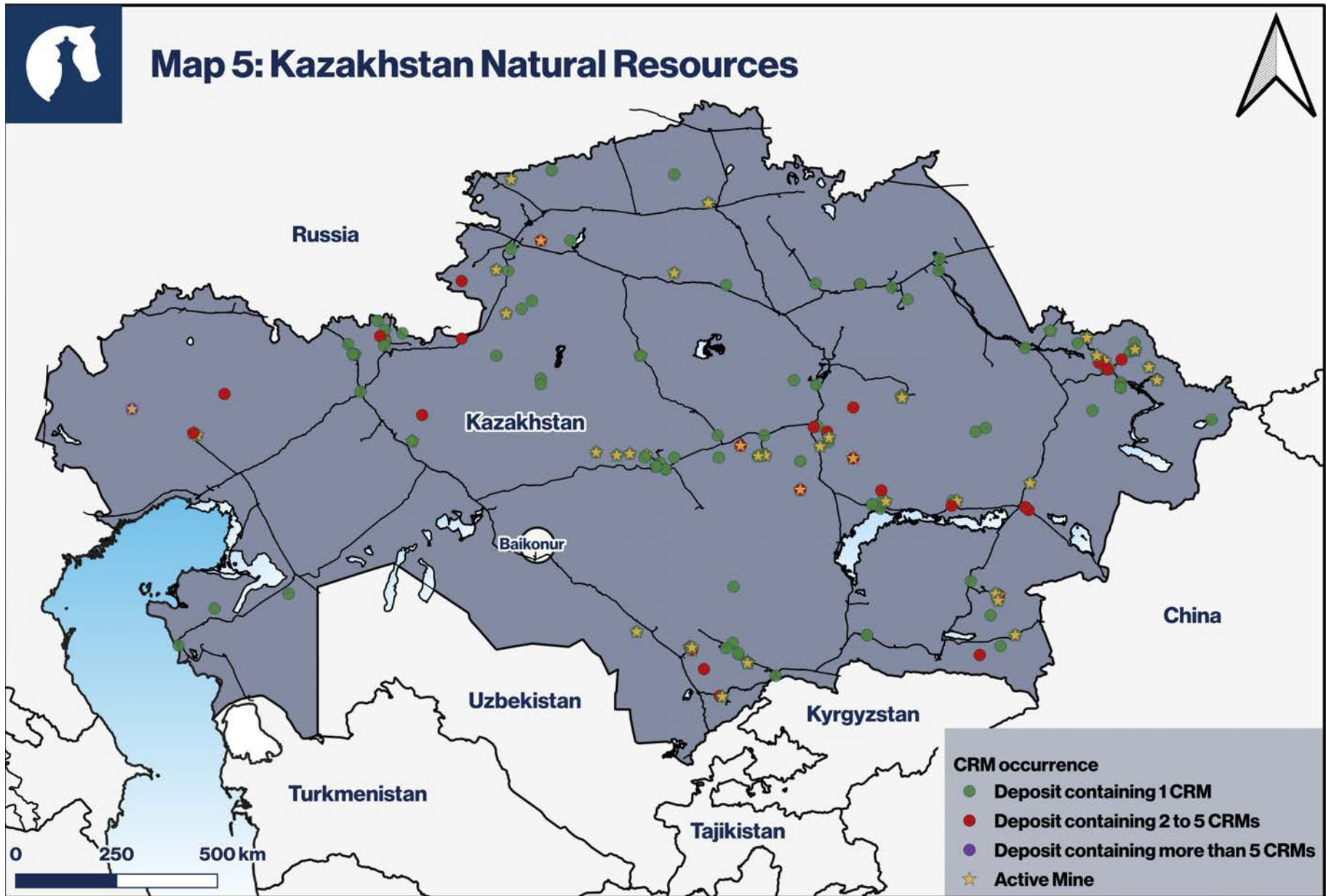
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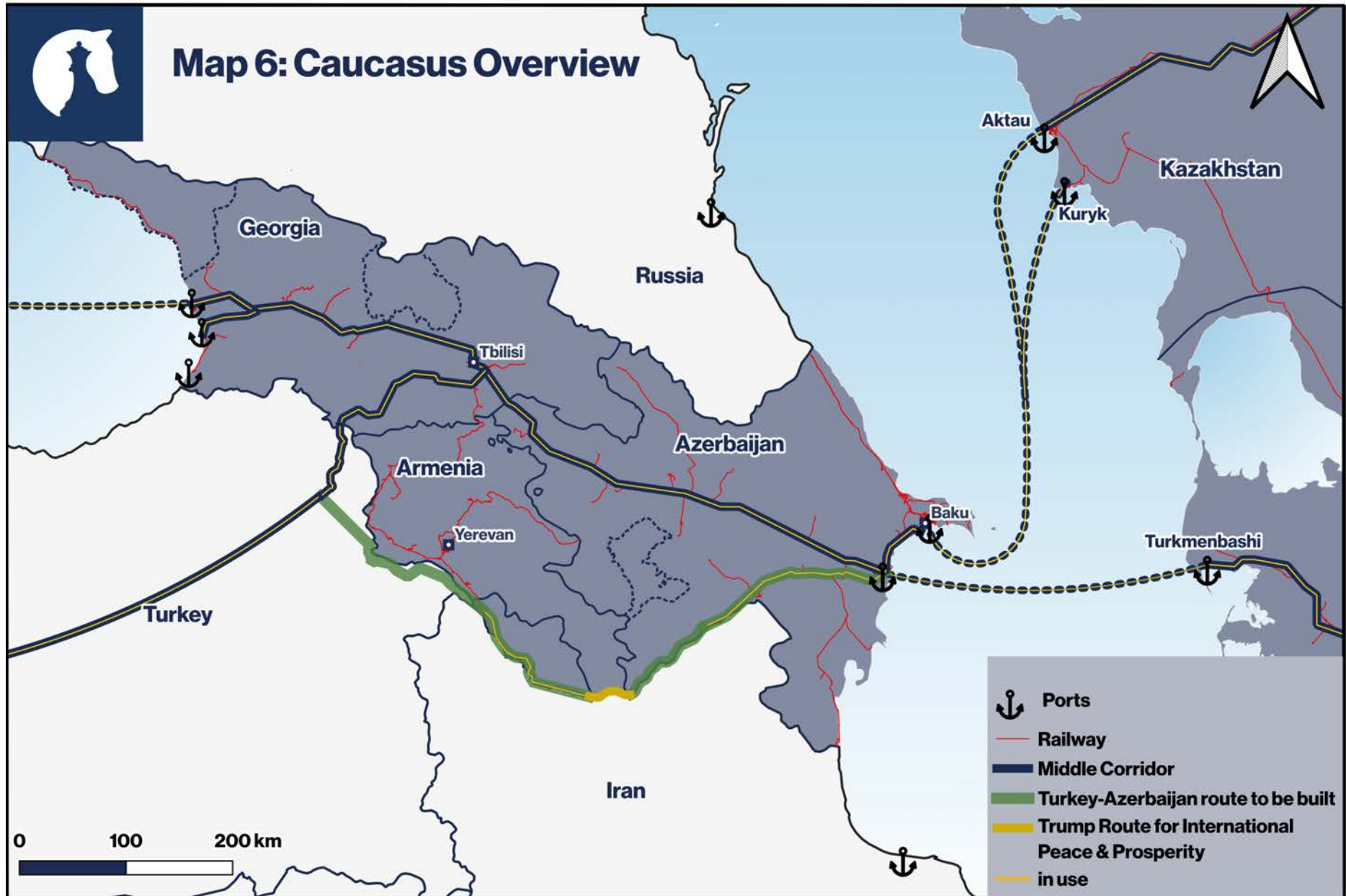














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