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Strategic Opportunity for the Middle Corridor?

Selçuk Çolakoğlu

Connectivity initiatives across the Eurasian landmass have been on global and regional agendas since the dissolution of the Soviet Union, with the newly independent countries of the Silk Road region prioritizing efforts to reach international markets so as to strengthen their strategic independence from Moscow. Amongst the numerous Silk Road connectivity initiatives, the Middle Corridor has the aim of building an efficient East-West corridor involving countries located between the European Union and China (except for Russia).

This essay analyses the pros and cons of the Middle Corridor project from the perspective of some of the countries most concerned, starting with Türkiye. It also examines how the COVID-19 pandemic and the 2022 Russia-Ukraine war have af-

ected the implementation of this initiative.

Ankara's Middle Corridor

Starting from its eastern end point, the Middle Corridor crosses from China into Kazakhstan before reaching the Caspian port of Aktau or Turkmenistan's port of Turkmenbashi. Using a sea connection, the Middle Corridor reaches the Azerbaijani multimodal port of Alat. It then passes through the Southern Caucasus before reaching Türkiye and then Europe.

The Middle Corridor has several advantages. It brings a complementary route to the Northern (Russian) and Southern (Iranian) corridors with significant market potential, due to the sizeable population around it. It provides a connection between the North-

South Corridor and East-West Corridor and will provide a feasible connection to Europe through the Aktau/Turkmenbashi-Baku/Alat-Tbilisi-Kars-Marmaray (Istanbul) link. In addition, there is a plan for a line that will cross from Türkiye to Azerbaijan's Nakhichevan exclave.

There are also four main existing routes for highway transportation between Asia and Europe through Türkiye: the Türkiye-Iran-Turkmenistan-Uzbekistan-Tajikistan-Kyrgyzstan route; the Türkiye-Georgia-Azerbaijan-Caspian Sea-Turkmenistan/Kazakhstan route; the Türkiye-Georgia-Russia-Kazakhstan route; and the Türkiye-Iran-Pakistan route.

This strategic project, formally known as the Trans-Caspian East-West-Middle Corridor Initiative, reflects Ankara's Silk Road perspective. Ankara's main objective in launching this initiative in the 2010s was to create a belt of prosperity in the region, to encourage people-to-people contacts, to re-

A prerequisite for the realization of the entire Middle Corridor Initiative is the Baku-Tbilisi-Kars railway and the subsequent modernization of all the railway systems in Türkiye to allow for high-speed freight transit.

inforce a sense of regional ownership, and to connect Europe to Asia, notably regions we call the South Caucasus, Central Asia, East Asia, and South Asia. The country's secondary objectives include expanding mar-

kets, creating economies of scale, and providing a significant contribution to the development of regional cooperation in Eurasia, or, as the editors of this journal prefer, the Silk Road region.

While representing Ankara's own version of a Silk Road initiative, the Middle Corridor is essentially based on the idea of establishing a region-wide railroad network. Its core aim is to extend the railway line that originates from Türkiye to Central Asia (Kazakhstan, Turkmenistan, and others) via the South Caucasus (Georgia and Azerbaijan). The Baku-Tbilisi-Kars railway (BTK), which became operational in October 2017, and the subsequent modernization of all the railway systems in Türkiye to allow for high-speed freight transit, is a prerequisite for the realization of the entire initiative.

Complementary Initiatives

China's Belt Road Initiative (BRI), introduced by Chinese President Xi Jinping in 2013, has resonated with both the overland and the maritime Silk Roads. BRI encompasses two major geographical expanses: the first follows the historical overland Silk Road through Central Asia, then onto Russia and eventually into Europe. The other passes through Iran and Türkiye to the south. China's overland Silk Road is called the Silk Road Economic Belt (SREB). BRI also includes the Twenty-first Century Maritime Silk Road (MSR), covering Southeast Asia, South Asia, East Africa, and Europe.

The BTK railway also has a connection to the Lapis Lazuli Corridor to increase connectivity between Afghanistan, Turkmenistan, Azerbaijan, Georgia, and Türkiye. The Lapis Lazuli Agreement was signed on the margins of the Ministerial Conference of the Regional Economic Cooperation Conference on Afghanistan (RECCA) in November 2017 in Ashgabat. The corridor's opening ceremony took place in Herat, Afghanistan on 13 December 2018 and a test run involving nine heavy vehicles reached Türkiye in 15

days. China had been rather low key in this routing, as it upgrades routes built by the United States, with Turkish and other regional government assistance, to act as a supply chain for U.S. military actions in Afghanistan. However, the Taliban's takeover of the Afghan government in August 2021 has delayed Afghanistan's involvement in regional connectivity projects, including the Middle Corridor.

The International North South Transportation Corridor (INSTC) is a Russian-Iranian-Indian initiative, which covers the Caspian Sea region since 2000. Stretching 7,200 kilometers from St. Petersburg, Russia, through Eastern Europe to Iran's Chabahar Port and thence to India, the INSTC has grown to include India, Iran, Russia, Azerbaijan, Kazakhstan, Armenia, Belarus, Tajikistan, Kyrgyzstan, Oman, Syria, Türkiye, and Ukraine. Bulgaria recently joined as an observer. Additional corridors have been designed along the INSTC that move through landlocked Turkmenistan, Uzbekistan, Tajikistan, and Afghanistan. One particularly interesting INSTC rail link can be constructed into Kabul, which links easily to the Trans-Afghanistan Railway stretching from Uzbekistan to Pakistan, and which saw a major agreement signed in February 2021. Although

the INSTC has some overlap with the Middle Corridor, there now is an ambiguity for the further realization of the initiative because of two main reasons: the Taliban's takeover of Afghanistan and the Russia-Ukraine War.

Integrating Two Initiatives

The Middle Corridor and BRI are the two most promising initiatives covering the East-West corridor from China to Europe across the Silk Road region's landmass. Looking at the various initiatives that have been fleshed out to date as part of BRI and the Middle Corridor, three routes appear to be the most promising in terms of facilitating the trans-continental integration of railway networks.

The first route envisions connecting China to the Trans-Siberian Railway through Russia. However, this route would need to cover a huge distance (around 2,000 kilometers) to reach Türkiye, hence rendering it rather unattractive and reducing its status to that of a peripheral, time-consuming alternative. Moreover,

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harsh winter conditions and political problems between Russia and Georgia undermine the Northern Corridor's feasibility for Ankara as an alternative route to reach Central Asia, China, and East Asia. And then there is conflict over Ukraine and the West-led sanctions regime against Russia, which is a further argument against this route.

A second alternative would be using the Southern Corridor to establish a link between the Turkish and Chinese Silk Road initiatives. This route would connect the Trans-China Railway (TCR) to Kazakhstan. Under this scenario, the route would go through Kyrgyzstan, Uzbekistan, Turkmenistan, and Iran, before reaching Türkiye. China's initial BRI vision tends to use the Southern Corridor for main transportation and logistics links rather than the Southern Caucasus. If BRI uses the Southern Corridor, it means bypassing the

Middle Corridor. However, the reinstatement of U.S. sanctions on Iran in November 2018 under the Trump Administration has become an obstacle for China to use the Southern Corridor to realize

its regional integration vision. It remains unclear whether the Biden Administration will be able to restore the 2015 Iranian nuclear deal—the odds appear increasingly unlikely. If the nuclear deal is reinstated or at least there is a possible U.S.-Iran normalization, the Southern corridor may become attractive again for Chinese BRI investments to reach through West Asia or the Middle East.

However, Ankara does not want to completely rely on Moscow or Tehran when it comes to strategic transport corridors that would serve as its gateway to the entire Asian continent. As a matter of fact, both Iran and Russia have played inhibiting rather than facilitating roles as far as Ankara’s opening to Central Asia in the post-Cold War period is concerned. For instance, in 2014, Iran and Türkiye were embroiled in a transit fee dispute. In 2015, after the downing of a Russian jet by the Turkish Armed Forces near the Syrian border, Turkish trucks faced additional hurdles due to intensified Russian customs checks.

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Yet a third alternative would be connecting BRI with the Middle Corridor through the Caspian Sea. The TCR can be integrated into Kazakhstan’s railway network and from there extend to Azerbaijan through a trans-Caspian roll-on/roll-off (ro-ro) link. The BTK railway then connects this route to Türkiye. A link between BRI and the Middle Corridor would be shorter and less costly for Ankara than any alternative involving the Northern and Southern corridors. The Middle Corridor’s connectivity to BRI helps Beijing’s ambitions pertaining to the reinvigoration of the ancient Silk Road via an integrated railroad link between China and Middle Eastern and European markets through Central Asia and the South Caucasus.

Within this framework, an agreement on the establishment of the Trans-Caspian International Transport Route (TITR) was signed in April 2016 in Baku by the railway authorities of Azerbaijan, Georgia, and Kazakhstan. TITR is a project initiated to improve the transit potential and economic development

of the countries of the Caspian Sea region. This route runs from China through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, Turkey, and further to Europe. The Turkish railway authority (TCDD) and Ukraine’s Ukrzaliznytsia joined TITR after 2018. China’s Lianyungang and Poland’s UTK are associate members of the TITR.

With Eastern Europe, the Caucasus and now Türkiye on board, Beijing is aiming for China-Europe trade to reach 300,000 shipping containers annually via the Trans-Caspian Route. A minimum of 15,000 shipping containers per year is the agreed target for China-Türkiye container traffic, with the cost of one container from Lianyungang to Istanbul by block train set at \$6,300.

In 2018, new freight services were launched, such as the lines linking Venlo in the Netherlands to Istanbul; Łódź in Poland to Istanbul; and Istanbul to Lianyungang. In April 2019, a regular feeder service from Lianyungang to Aktau in Kazakhstan, and from there to Baku, was established.

While the Middle Corridor is one of six official corridors of the BRI, neither Chinese finance nor Chinese companies have, so far, been involved sufficiently.

The first China Railway Express freight train traveled from China to Europe in November 2019 within 12 days through the BTK railway. The 820-meter-long train, containing 40 carriages, departed from the central Chinese city of Xian and traveled 11,500 km to Prague as part of BRI via Kazakhstan, Azerbaijan, Georgia, Türkiye, Bulgaria, Serbia, Hungary, and Slovakia. This was the symbolic realization of connectivity between BRI and the Middle Corridor—Beijing’s gesture to Ankara. Another cargo train consisting of 43 cars from China headed to Istanbul in June 2020, passing through Kazakhstan, the Caspian Sea, Azerbaijan, and Georgia.

Constraints

While the Middle Corridor is one of six official corridors of the BRI, neither Chinese finance nor Chinese companies have, so far, been involved sufficiently. Beijing has also been largely absent from port developments around the Caspian Sea. A lack of infrastructure and multiple border crossings mean that the Middle Corridor cannot compete

with the Northern Corridor, which may be the shortest route between Europe and China—recent geopolitical constraints notwithstanding. Furthermore, the Middle Corridor involves crossing five borders and transiting one or two seas, depending on where the cargo is heading.

The Middle Corridor's bottleneck is the lack of an entire transport-oriented business ecosystem appearing in the Caspian and Black Sea countries, with major logistics and manufacturing parks popping up in places like Baku, Batumi, Anaklia, and Kars. The Middle Corridor so far remains a firmly regional initiative and faces serious obstacles to becoming the central China-Europe route. Furthermore, in terms of China's geopolitical and economic aims, the Black Sea and Caspian region is far less significant than Southeast Asia, South Asia, and the Middle East.

The main destination of the China-Europe Railway Express is Germany and its neighboring countries, if you start from the central and western cities of China; it has obvious advantages to take the New Eurasia Land Bridge (NELB) via the Northern Corridor. For example, from the central Chinese city Xian to Prague, there are two options. One takes the

Middle Corridor for a total distance of 12,251 kilometers, and the other takes the NELB via the Northern Corridor for a total distance of 9,623 km. The Northern Corridor is shorter than the Middle Corridor by around 2,628 km from Xian to Prague. In terms of transportation costs, the countries along the Northern Corridor have signed intergovernmental agreements with mature operations for years, thus their transportation costs are relatively fixed. These sorts of argument predate the onset of the conflict over Ukraine and the West-led sanctions regime against Russia. In the event that the sanctions remain in place (officially or unofficially), the Northern Corridor will not be able to be used—its economic advantages notwithstanding.

That being said, the Middle Corridor's freight is not so transparent, especially the cost of its extended section in Europe. The freight for the very section requires negotiation with various parties. Not only is timeliness affected, but also preferential transportation rates cannot be obtained in the negotiation because of the failure to achieve economies of scale, which directly affects the competitiveness of the Middle Corridor. The transportation time also reflects more the quality of various services and the suboptimal condition of infra-

structure in the entire transportation process, which includes all aspects of railway operation and inspection, quarantine, customs clearance, and so on.

The Northern Corridor is more advantageous in actual operation than the Middle Corridor, as it has more mature business activities, better technical conditions, and fewer countries involved. Taking the example of the China-Europe Railway Express running from Xian to Prague, it normally takes 12 days for the Northern Corridor, while 18 days for the Middle Corridor is the usual timeframe. But again, geopolitical conditions suggest strongly that the Middle Corridor will see more—perhaps much more—use than the Northern Corridor alternative.

The Pandemic and the Russia-Ukraine War

Two dramatic developments in the past three years have increased the desirability of the Middle Corridor route. First, the COVID-19 pandemic has increased the importance of local/close

supply chains since early 2020. The pandemic has revealed that personal protective equipment, medicines, and agricultural products are strategic and must be produced in-country (or as close as possible) to combat natural and health disasters properly.

Many developed countries transferred labor-intensive production to the countries in the Global South, including China, to maximize profits, but they may call some operations back. This seemingly applies particularly to pharmaceutical and health equipment production.

Western countries may consider more regional and diversified supply chains to mitigate China's dominance over the global supply chain. The countries of the Black Sea and Caspian Sea regions are now seen as potential production bases for the EU market instead of China.

As of 2021, when the international supply chain was not running smoothly, the main route of the Northern Corridor was severely congested. The freight volume of the China-Europe Railway Express grew rapidly in recent years and

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the lines of the Northern Corridor experienced significant drops in transportation efficiency. The expansion of existing infrastructure in Germany, Poland, Russia, and others not only failed to solve current problems, but also aggravated the congestion of the lines.

The situation weakened the competitiveness of the Northern Corridor and created huge opportunities for the Middle Corridor. Although the transportation volume along the Middle Corridor increased significantly, it was used under-capacity because of serious transportation delays from China to Türkiye in 2021. The Middle Corridor has more potential roles to play as an East-West transit corridor in the post-pandemic period. And this brings us to the next development.

Second, the start of the Russia-Ukraine War is moving the Northern Corridor from its position as the main overland East-West corridor. This has been briefly discussed above and can now be fleshed out here. The West-led sanctions regime against Russia, coupled with Russian counter sanctions, have affected everything from energy resources and logistic supply to banking transactions and customs procedures. The closure of national airspaces

to each other's aircrafts is the extreme example of these dramatic sanctions.

After the war began, Western countries realized what should have been obvious: Moscow, too, can weaponize its geopolitical position and logistic networks. Strategic over-dependence on Russian energy, market, and logistics have created significant challenges to neighboring countries due to skyrocketing political tensions between the West and Russia. For example, in the first half of 2022 Moscow has twice temporarily shut down the Caspian Pipeline, which carries roughly 80 percent of Kazakhstan's oil exports by means of Russia to the Black Sea port of Novorossiysk.

After the imposition of the West-led sanctions regime, Kazakhstan's commerce route with Europe via the Northern Corridor became virtually inoperable, with insurers and importers cautious of cargo passing by means of Russia. That prompted Kazakhstan and other Central Asian countries to seek ways to diversify their commerce. The Iranian Southern Corridor was seen as an alternative, but ongoing U.S.-led sanctions against Iran keep Western countries away from involving themselves in any projects having to do with the

Southern Corridor. Moreover, the Southern Corridor lost one important ankle due to the Taliban's takeover of Afghanistan.

Even prior to the pandemic and the war, the countries of the Caspian Sea and Black Sea regions needed to develop their connectivity's with each other to reach international market. The opportunities now on offer should drive them to accelerate their efforts to build westward connectivity. This has now become even more vital for Azerbaijan, Georgia, and Central Asian countries, since many of the former Soviet republics belonging to the Silk Road region fear, to one extent or another, that they could be next.

Russia is feared, Türkiye is not. The latter has a favorable image in almost all former Soviet republics except Armenia. Ankara has the trust of Baku, Tbilisi, Kyiv, and Chişinău, delivering unconditional support to those countries' territorial integrity. For example, Türkiye did not give support to regional leader Aslan Abashidze during the 2004 Adjara crisis while the Adjara Autonomous Republic, historically dominated by the "Muslim Georgians" on the Turkish border, was seeking Ankara's support against Tbilisi. However, Russia declared a war on Georgia during

the 2008 South Ossetia crisis and then recognized self-declared independence of Abkhazia and South Ossetia.

Russia's unexpected (relatively) neutral stance during the Second Karabakh War reflects that Moscow wants to keep good relations with Baku, even at the expense of a rise in resentment of Yerevan. Thus, playing a fair peacemaker role in the wake of the 2020 war has now become particularly important for Russia, so as not to lose Azerbaijan to the West, like it has Georgia and Ukraine. Russia has deployed a peacekeeping force in a part of Karabakh and controls the Lachin corridor linking its peacekeeping zone with Armenia. More importantly, Armenia and Azerbaijan have agreed to enable the Border Guard Service of the FSB to exercise control over the transport of people, vehicles, and goods along a strip of American territory that lies between mainland Azerbaijan and its Nakhchivan exclave—this according to Article 9 of the 10 November 2020 document that ended the Second Karabakh War. Azerbaijan calls this the Zangezur Corridor.

Since the war came to an end, one thread of Baku's foreign policy has involved the intensification of relations with Moscow,

in large part to ensure the implementation of the 10 November 2020 agreement, including the operationalization of the Zangezur Corridor. Although this intensification has been somewhat relativized in recent months, Baku still sees Russia as respecting Azerbaijan's demands and restricting Armenia's maximalist claims.

It is not yet clear whether a comprehensive peace between Armenia and Azerbaijan will be agreed, which one way or another will deal with the connectivity issue. In the event this happens, peace between Ankara and Yerevan should follow quickly. And this would almost certainly result in the end of a three decade-old land blockade of Armenia by its two Turkic neighbors and, in turn, Armenia's integration into regional integration projects under the framework of the Middle Corridor.

The Middle Corridor is currently facing its best opportunity ever to take and hold a dominant position in connecting Europe and Asia. As a positive development, countries along the Middle Corridor, especially Azerbaijan and Türkiye, have

continued to promote the construction of transportation infrastructure and actively coordinate with other countries along the route to simplify transit procedures. For instance, the facilitation of the BTK railway among regional countries was on the agenda at the Extraordinary Virtual Summit of the Turkic Council on 10 April 2020 hosted by Azerbaijani President Ilham Aliyev. The leaders of Azerbaijan, Kazakhstan, Kyrgyzstan, Turkey, and Uzbekistan discussed the preservation of economic ties amid border closures in the beginning of the pandemic, especially the implementation of cargo transportation through transit lines for providing food and other products. The Organization of Turkic States (then called Turkic Council) has prioritized the improvement of transportation capacity and efficiency as well as the market competitiveness of the Middle Corridor.

After the start of Russia's invasion of Ukraine on 24 February 2022, South Caucasus and Central Asian countries increased their efforts to achieve further connectivity through the Middle Corridor project. For example, on

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implementation of cargo transportation through transit lines for providing food and other products. The Organization of Turkic States (then called Turkic Council) has pri-

7 July 2022, Kazakhstan instructed Kazakh oil firms to develop new delivery routes apart from the existing Russian one. Kazakhstan also plays an important connecting role between Europe and Asia, and more than one million containers are transported through Azerbaijan and Georgia every year. Georgia has intensified its work with Azerbaijan, Kazakhstan, and Turkey to ensure the competitiveness and maximum utilization of the Middle Corridor. Furthermore, the EU's strategic energy cooperation with Azerbaijan has been enhanced in recent months with the signing of a historic document to double the amount of gas exported to the EU by 2027. This, too, should have a positive impact on the desirability of the Middle Corridor as well as on the EU's support for it. A similar argument could be made in the context of NATO.

As part of its global strategy to limit the spread of Chinese influence, the United States could see strategic advantage in encouraging the construction of a more integrated market involving the European Union and the countries

of the Black Sea and Caspian Sea regions, rather than such integration reaching all the way to China. This is another argument for further supporting the Middle Corridor.

The European Union has already made a similar determination, albeit for perhaps different reasons. The EU plans to invest as much as €2 billion as part of its plan to further extend its Trans-European

Both geopolitically and geo-economically, the Middle Corridor's main appeal is that it bypasses Russia. This is seen by both the West and China as a strategic advantage, given present circumstances.

Transport Network (TEN-T) to the Eastern Partnership countries, which include Azerbaijan and Georgia.

Both geopolitically and geo-economically, the Middle Corridor's main appeal is that it bypasses Russia.

This is seen by both the West and China as a strategic advantage, given present circumstances. Despite friendly and perhaps deepening Sino-Russian relations, Beijing has plans to build alternative connections into global trade networks. For years, Moscow and Beijing had a tacit division of labor in Central Asia, with Russia taking the lead in security matters while China took the lead in economic matters.

That is now changing in the aftermath of the onset of the conflict over Ukraine.

The Way Forward

Until recently, it would have been hard to argue convincingly that the Middle Corridor would be able to become a true alternative to the Northern Corridor. But, as discussed above, the COVID-19 pandemic and the Russia-Ukraine War drastically changed the situation in favor of the Middle Corridor. Overdependence on Russia—not just for hydrocarbon supplies but also for its role as a transport, connectivity, and logistics gateway—is now seen as a strategic vulnerability by the European Union and its member states. This is unlikely to change in the time ahead. Even though the Middle Corridor is both a less efficient and more costly alternative to the Northern Corridor, it is now the preferred route.

Beyond the EU and its member states, other external Western

actors like the United States, the UK, and NATO are likely to provide additional political and perhaps financial support to the Middle Corridor in the coming months, years, and perhaps decades. For its own reasons, China, too, will probably do the same, within the overall framework of BRI.

Russia, for its part, is likely to keep its primary focus on Ukraine. At least until the war ends and perhaps much longer, the Kremlin is unlikely to prioritize attempting to prevent Middle Corridor-related projects.

All this is excellent news for Ankara, which is the originator of the Middle Corridor, but also for the core states of the Silk Road region in the South Caucasus and Central Asia. A window of opportunity has opened wide for the Middle Corridor to become the main viable East-West transit hub. Nevertheless, there is still much road left to travel before its strategic potential can be fully realized. **BD**

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