

The Caspian Is Ceasing to Be a Barrier Between Central Asia and Europe – Alona Lebedieva

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/EINPresswire.com/ -- On August 23, the Presidents of Uzbekistan and Azerbaijan, Shavkat Mirziyoyev and Ilham Aliyev, held the third meeting of the Supreme Interstate Council in Tashkent. Following the meeting, the two countries signed a Treaty on Eternal Friendship, approved a program to increase trade, and launched joint projects.

At first glance, this may seem like another package of bilateral agreements. However, it brings together three areas: trade, joint investment, and transport infrastructure. Together, they point to a broader process – the gradual formation of an economic space connecting Central Asia with the South Caucasus and, further on, with Türkiye and Europe.

According to Alona Lebedieva, owner of the Ukrainian industrial and investment group Aurum Group, this combination makes the current rapprochement more important than a conventional expansion of bilateral trade: it is about creating a new form of economic connectivity between the two regions.

For Uzbekistan, such connectivity is particularly important. It is one of only two countries in the world that must cross at least two other countries to reach the ocean. The lack of direct access to



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Photo: Official website of the President of the Republic of Uzbekistan

maritime routes makes foreign trade more expensive and the economy more dependent on border capacity, neighboring countries' political stability, and transit states.

That is why transport policy for Tashkent is part of economic security.

Azerbaijan is becoming a natural partner. It provides access across the Caspian Sea to the rail and port routes of the South Caucasus and, from there, to the Black Sea, Türkiye, and European markets. During the talks, the presidents emphasized joint development of the Trans-Caspian route, or Middle Corridor, more efficient logistics infrastructure, and simpler transportation procedures.

Economic relations have already intensified noticeably. According to [official data](#), bilateral trade has tripled over the past five years. The next target is \$1 billion annually, supported by a separate program of specific measures.

But cooperation goes beyond bilateral trade. Uzbekistan and Azerbaijan are seeking to create their own system for financing joint ventures. They previously established a \$500 million investment company whose funds can support projects in both countries and other markets.

During the August meeting, the parties launched projects in banking, modern building materials, fuel infrastructure, residential and tourism complexes, mineral processing, and horticulture.

This shows that cooperation is no longer simply about transporting goods across the Caspian Sea. The countries are moving toward joint production, financing, and asset creation. In this way, the transport route is forming an industrial and investment ecosystem around itself.

As Alona Lebedieva notes, this may become the defining difference of the new stage in the development of the Middle Corridor: the route is gradually transforming from a transport artery into a foundation for industrial and investment cooperation.

The development of the Middle Corridor accelerated significantly after 2022, when businesses began to seek alternative routes between China and Europe more actively. According to the relevant industry association, in 2024, 3.3 million tonnes of cargo were transported along this route through the ports of Kazakhstan and Azerbaijan – 20% more than a year earlier. Container traffic increased by 176%. In absolute terms, this amounted to 56,500 TEUs, while the number of container trains dispatched from China increased 33-fold over the year.

Uzbekistan is also becoming increasingly integrated into this flow. In 2025, the volume of Uzbek cargo handled at Kazakhstan's ports of Aktau and Kuryk increased by more than 60%. At the same time, Tashkent plans to connect the Middle Corridor with the China–Kyrgyzstan–Uzbekistan railway currently under construction. The scale of this project is indicative: the total length of the route from Kashgar to Andijan will be around 526 km, while construction costs are estimated at \$4.7 billion. The Kyrgyz section alone will be 304 km long,

with approximately 40% of the route running across bridges and through tunnels. In the longer term, this could transform the country from an endpoint for freight flows into one of the important hubs linking China, Central Asia, and the Caucasus.

Equally revealing are changes that, at first glance, may appear purely technical. On August 21, Uzbekistan and Georgia switched to [electronic permits](#) for international road transport. Paper documents for bilateral, transit, and third-country-related transportation are being replaced by digital ones.

It is precisely such decisions that often determine the real competitiveness of transport corridors. For businesses, what matters is not only new railways or ports, but also border-crossing times, transparent tariffs, the ability to track cargo, and a minimal number of administrative procedures.

The Middle Corridor is still not without weaknesses. Cargo must be transferred several times from rail to ship and back again, while carriers operate under different customs systems, tariffs, and regulations. Limitations in port infrastructure and insufficient coordination between countries can still increase delivery times and costs.

At the same time, the World Bank estimates that, provided the necessary investment and reforms are implemented, trade volumes along the route could triple by 2030, while transit times could be cut in half. The infrastructure plans of countries in the region are already consistent with this scenario: Kazakhstan estimates the current capacity of the Middle Corridor at approximately 6 million tonnes and up to 182,000 containers per year and plans to increase it to 10 million tonnes by 2030.

Therefore, the main outcome of the rapprochement between Uzbekistan and Azerbaijan lies not in the diplomatic formulas that have been announced, or even in the target of increasing trade to \$1 billion. Far more important is the fact that the two countries are gradually creating a practical infrastructure for cooperation – from joint investment capital and manufacturing enterprises to ports, digital permits, and coordinated transport procedures.

Central Asia and the South Caucasus have long been perceived as neighboring but economically separate regions. Today, the Caspian increasingly looks less like a barrier between them and more like a connecting link. As Alona Lebedieva emphasizes, if the countries manage to synchronize not only their infrastructure, but also tariffs, customs procedures, and digital systems, the Caspian could become a central link in a new economic belt between Asia and Europe.

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