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The Perspectives of the Middle Corridor in an Age of Global Confrontation and Uncertainty



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The Perspectives of the Middle Corridor

In an Age of Global Confrontation and Uncertainty

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Introduction

This study focuses on the challenges and prospects of the Middle Corridor. Although this trade route has been under development for some time, its full potential remains largely untapped. Even the onset of the war in Ukraine, which effectively blocked the Northern Corridor (the Russian transit route linking Asia to Europe), did not lead to a significant breakthrough in the corridor's development, despite underscoring the urgent need for a viable alternative.

The advancement of the Middle Corridor continues to face several obstacles. Among the most pressing are the lack of effective coordination among the key participating countries (Kazakhstan, Azerbaijan and Georgia) as well as the broader competition among great powers for economic and, consequently, geopolitical influence in the region.

The study is divided into two parts. The first focuses on the economic dimensions of the project, including its potential benefits and its implications for regional cooperation. The second part examines the geopolitical aspects, analyzing the interests of key stakeholders - ranging from great powers to regional actors. It also explores and evaluates possible future scenarios that could emerge following the end of the war in Ukraine. Ultimately, the study aims to identify the most favorable conditions for the successful development of the Middle Corridor.

While this study addresses the Middle Corridor as a whole, it places particular emphasis on Georgia. The primary reason for this focus is Georgia's unique vulnerability among the stakeholder countries. Two of its regions remain under Russian military control, making it a potential weak link in the corridor. At the same time, however, Georgia's strategic geographic position gives it a crucial role in enhancing the corridor's overall capacity, - most notably through the development of the Anaklia sea port, a major infrastructure project on the country's Black Sea coast.

1.

The Middle Corridor – the Economic Perspectives

1.1 Trade and Transit Impact

Increase in Cargo Volumes

While public data on traffic volumes along the Middle Corridor can be inconsistent, one thing is clear: the route is becoming an increasingly important alternative to traditional corridors. This shift is largely a response to the impact of major geopolitical events (namely, Russia's invasion of Ukraine) which have disrupted logistics and raised concerns about the reliability of the Northern Corridor (Organisation for Economic Co-operation and Development [OECD], 2023).

Before recent geopolitical shifts, between 2019 and 2021, the Northern land route through Russia and Belarus handled around 86% of China–Europe land trade, while the Middle Corridor accounted for less than 1% of total traffic. During the same period, maritime transport dominated China–Europe trade, carrying 91% of the volume, whereas railway made up only 3.3% (World Bank, 2023).

As was already mentioned, the war in the region gave a significant boost to the use of the Middle Corridor in 2022. Compared to the year before, trade along the route increased by 10% in volume. Sanctions tied to the conflict played a big role in this shift, especially driving the flow of energy and technology goods. According to the World Bank (2023), in just

one year, Georgia, Kazakhstan and Azerbaijan managed to increase their trade by around 45%, 45%, and 72% respectively compared to the 2019–2021 average.

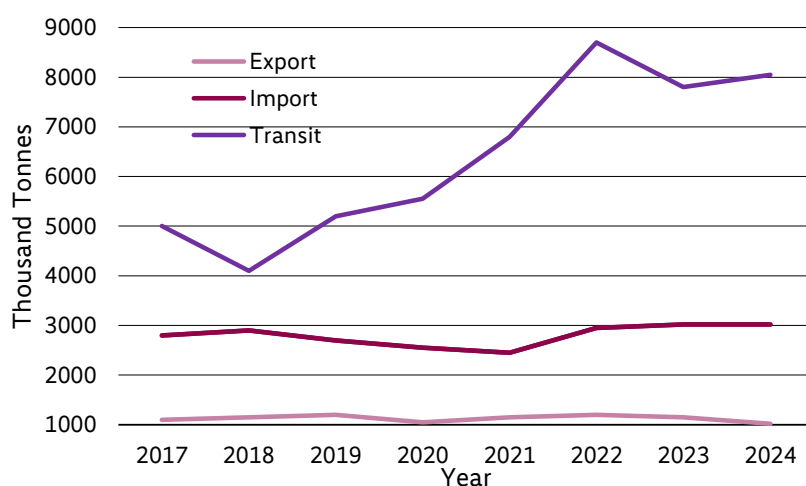
But at the same time these figures can be misleading. While the importance of the Middle Corridor has significantly increased, due to its limited capacity it still failed to replace the Northern Corridor. In fact, it was maritime shipping that proved its dominance as a viable alternative to the Northern Corridor. According to 2022 statistical data, sea freight remained the leading mode of China–EU trade and recorded the largest absolute increase, with volume surging by over 100% and trade value rising by approximately 115% compared to 2021 (ibid).

Of course, despite the failure to make a global impact the Middle Corridor is making difference on a regional level. It isn't just stimulating domestic trade of the countries along the route (Kazakhstan, Azerbaijan, Georgia), but it's also supporting diversification by unlocking their potential as transit hubs. That opens the door to additional economic and fiscal benefits. The growing volume of goods crossing the Caspian Sea from Central Asia and China highlights how trade flows shifted away from the Northern Corridor in 2022. This shift has created real momentum for the Middle Corridor to prove its commercial value and stay competitive - even after the war ends and sanctions (at some point) are lifted.

International Freight (Railway)

Fig. 1

Railway - International Freight (Thousand Tonnes)



Source: National Statistics Office of Georgia

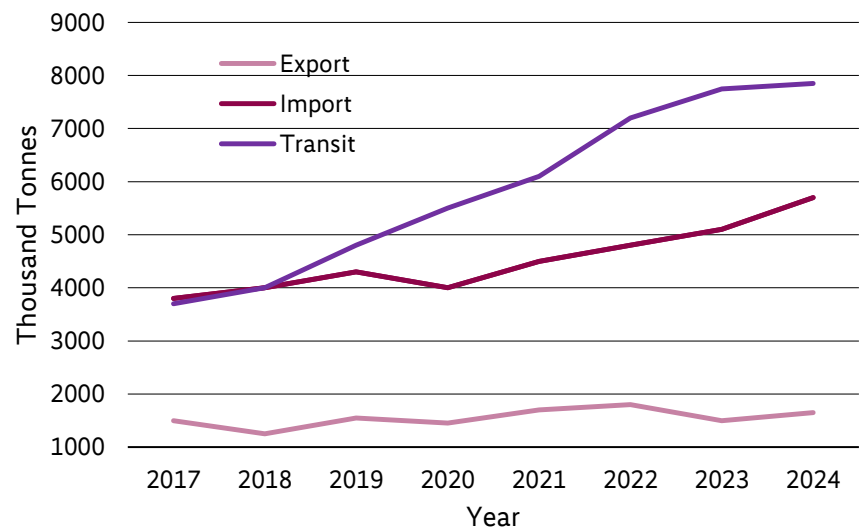
According to the statistics, transit freight via railway saw the most dramatic growth, more than doubling from 4,000 thousand tons to over 8,000 in the period from 2018 to 2022. Transit freight clearly dominates over domestic trade, highlighting the crucial role of the Middle Corridor in increasing cargo flows through Georgia.

On the other hand, Figure 2 illustrates trends in road transport, where all freight categories (export, import, and transit) show a clear and consistent upward trajectory. Transit freight by road experienced a dramatic increase between 2017 and 2024, significantly surpassing railway freight in volume. Compared to rail, road transport plays a more balanced role in facilitating both transit and domestic trade.

International Freight (Road Transport)

Fig. 2

Road Transport - International Freight (Thousand Tonnes)



Source: National Statistics Office of Georgia

Customs Revenues and Tariffs

The Middle Corridor has potential to generate substantial economic and fiscal benefits for the countries along its path. The corridor's growth is expected to boost customs revenue collection through increased volumes of both regional and transit trade. In Kazakhstan, where 39% of imports currently come from Russia, the shift toward the Middle Corridor will diversify trade and reduce this dependency, potentially broadening the customs revenue base.

As more goods pass through national customs checkpoints and transshipment centers, governments are also expected to see increases in tariff collections and logistics-related tax receipts. Logistics service providers, port operators, and railway companies are scaling up operations, leading to growth in business turnover and employment, which in turn raises corporate income tax, VAT, and payroll tax contributions. According to World Bank estimates, improved logistics and infrastructure could unlock a 44% increase in the cargo base for Azerbaijan, Georgia, and Kazakhstan by 2030, translating to direct gains in fiscal revenue.

1.2 Infrastructure and Investments

Improving vital infrastructure is one of the main forces behind the Middle Corridor's growth, and it requires the active participation of both the public and private sectors. At the same time, significant funding is needed to advance the corridor.

Infrastructure includes not only roads, railway, and port facilities, but also the development of border crossing points

and the adoption of supporting systems aimed at improving the overall efficiency of the corridor.

According to the World Bank study from 2023 in terms of cost and transit time, the Middle Corridor is still less competitive than the Northern route. For instance, it costs between USD 2,500 and USD 3,250 to move a forty-foot equivalent unit (FEU) container from China to Europe via the Middle Corridor, while the time required for transportation can reach up to 50 days. These factors evidently illustrate that the Middle Corridor cannot be developed further (or its cargo capacity boosted) without increased efficiency.

Port infrastructure plays a central role in the development of the Middle Corridor. According to multiple studies, Georgian ports on the Black Sea offer some of the most expensive port services in the region. This is further combined with the technical inefficiencies related to the access of port terminals with railways and highways, which significantly hinders service effectiveness. On the other hand, ports in the Caspian Sea also face major challenges related to including outdated infrastructure, limited operational efficiency, and the declining water levels of the sea itself.

In case of Kazakhstan, there are two major ports engaged in the Middle Corridor: Aktau and Kuryk. While their combined annual capacity reaches 24 million tons, only 4.7 million tons were transported through them in 2022. 52% of which was crude oil, 14% containers, and 20% grain (World Bank. 2023).

In Azerbaijan, port infrastructure is mainly concentrated around Baku. In 2024, the Port of Baku handled 7.6 million tons of cargo - an increase of 3.2% compared to 2023. The port's current capacity exceeds 15 million tons per year,

Middle Corridor



with ongoing expansions including terminals for bulk cargo and fertilizers.

Georgia on the other hand, operates two major ports on the Black Sea in cities of Poti and Batumi. Both have a combined annual capacity of 33 million tons.

In 2024, 15.5 million tons of cargo were shipped by Georgian ports (including Kulevi and Supsa terminals), which is 6% more than the previous year, as for container transportation of Poti and Batumi, it amounted to 636,000 TEU in 2024 and decreased by 8% compared to the previous year. In addition, the upcoming Anaklia sea port project offers promising opportunities. During the first phase of its implementation, the port will have a capacity of 8 million tons of cargo per year and will be able to accommodate vessels of up to 10,000 TEU. An added benefit is the potential to reduce shipping times by up to 60%.

Development of proper infrastructure requires substantial investments both from private and public actors. Thus, the Public-Private Partnership (PPP) projects can be considered as a possible solution for attracting investments into the development of the port infrastructure. As of today, in case of Georgia, both ports are operated by the private sector, while the government plays a limited role, restricted to regulation and safety oversight - without the ability to influence pricing.

In contrast, Kazakhstan follows a mixed-ownership model, where the state collaborates with the private sector through joint ventures and retains shares in port-related assets. The government also owns specialized container vessels that support maritime transport.

Meanwhile, in Azerbaijan, port infrastructure remains under full state control. Through its subsidiary company ASCO, the government owns and operates oil tankers, dry

cargo vessels, rail ferries, and freight ships, ensuring a vertically integrated state-owned logistics network.

One of the important roles in the effectiveness of transportation and the reduction of transportation time, is the development of rail transportation and relevant infrastructure. The countries participating in the Middle Corridor Railway connect with China by rail through the Kazakhstan Railway Line. Since the railways are fully state-owned, investments are limited and the process of modernization of old Soviet railways is going at a slow pace. For example, the throughput of the railway through Georgia to the Black Sea ports is 30 trains, and the load is up to 70%. In 2024, the volume of cargo transported by the Georgian Railway amounted to 13.6 million tons, which is a slight increase compared to the data of 2023 and 1.1 million tons less compared to 2022. It should also be noted that the full launch of the new Baku-Tbilisi-Kars railway and the modernization project of the Georgian Railway, which began in 2011 and should be completed in 2025, will significantly improve Georgia's transit role in the middle corridor.

Challenges and Barriers

A comprehensive analysis is required for the identification of factors primarily hindering investments in development of vital infrastructure. Multiple reports identified a set of various factors such as lack of unified governance and coordination mechanism between the Middle Corridor countries. In addition, investor's confidence is affected by limited financing capacity of Kazakhstan, Georgia, and Azerbaijan - especially among the state-owned railway and port operators that due to their debts heavily depend on public funding or any other assistance from international sources.

However, one of the primary challenges associated with the Middle Corridor remains to be issues related to the absence of the electronic data exchange and inefficiency among railway operators, that can cause significant delays in cargo delivery along the Middle Corridor. A key issue is the lack of integration between digital systems used at ports and those used at ports and those used for railway scheduling and operations. This problem prevents effective coordination between arriving cargo and outbound trains.

Concerns regarding the fragmenting flow of digital data also persist. Addressing this issue requires the implementation of a unified, interoperable framework to digitally transform processes and activities across the corridor. Another critical need is leveraging real-time data streams to enhance visibility of shipments in transit. Establishing electronic data interchange between rail operators, customs authorities, and border control agencies. This would significantly reduce inefficient paperwork and minimize common documentation errors.

Digitalization challenges are particularly evident in customs procedures. Customs and border control agencies often operate on separate platforms and follow different data standards, requiring manual verification and duplicative documentation. These inconsistencies not only prolong border clearance times but also contribute to the overall unpredictability of the transit process.

Investments

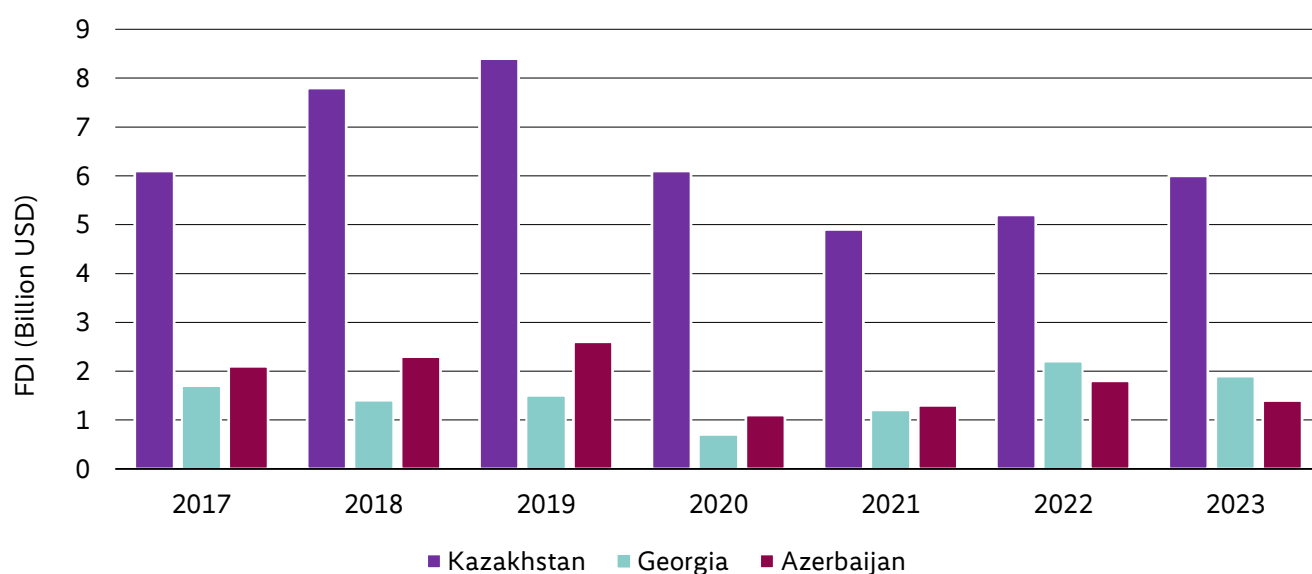
As was already mentioned, the Middle Corridor has gradually transformed as a solid alternative to other transport routes. Thus, three countries across the route have also garnered attention in terms of strategic positioning. Gradually increasing popularity of the Middle Corridor had its impact on reshaping investment climate of the countries as well. Kazakhstan is leading in rail freight volume, accounting for more than 80% of Central Asia's traffic. The country has committed up to USD 40 billion in infrastructure under the 2030 plan, focusing on upgrading of rail, ports (Aktau and Kuryk), logistic hubs (OECD, 2023). However, as the analysis of FDI inflows into country show, the most Chinese investments to Kazakhstan (more than USD 60 billion from 2000 to 2021) has been directed into sectors like Energy, with limited allocation to Transport (Paterson, 2024). Kazakhstan has also witnessed significant growth in FDI in the period of 2017-2023, increasing from USD 20.96 billion in 2017 to USD 23.99 billion in 2023. However, there was a slight decline in 2023 compared to the previous year when the FDI volumes peaked and reached USD 28.17 billion.

The transportation and storage sector saw FDI inflows, investment in this sector started at USD 791.4 million in 2017, rising to over \$1 billion annually between 2019 and 2022. Even during the pandemic year, the sector still attracted \$897.3 million. This consistent investment trajectory can be considered as an indicator of international confidence in Kazakhstan's role as a regional logistics and transit hub, particularly as part of the Middle Corridor.

FDI Net Inflow for Azerbaijan, Georgia, Kazakhstan

Fig. 3

FDI Net Inflows (BoP, Current US\$): 2017 - 2023



Source: World Bank, 2025

According to the statistics in the period from 2017-2023 the FDI inflow in Georgia's has reached its peak in 2022 with the USD 2.25 billion, while the lowest amount was in 2020, when due to COVID-19 pandemic the value decreased to USD 0.5 billion. A closer look at the transportation and storage sector shows a more dramatic trajectory. In 2017, this sector attracted a substantial USD 468 million, accounting for nearly a quarter of Georgia's total FDI. However, investment in this sector sharply declined in subsequent years, plummeting to just USD 3.2 million in 2021. Although there was a modest rebound between 2022 and 2023, with inflows rising to USD 87.6 million and USD 165.4 million respectively, it remains well below the 2017 peak.

Fluctuations in terms of FDI have also been common for Azerbaijan's FDI in the same period. The country has witnessed a gradual increase in the period from 2017-2019, which was followed by collapse in 2020 due to pandemic. However, the country managed to rebound in 2022 with USD 1.7 billion, followed by a dip in 2023. The trends of Azerbaijan's FDI show its close ties with oil market dynamics. Unfortunately, the existing data does not provide specific information on the role of the transport sector in Azerbaijan's FDI.

1.3 Economic Growth and Employment

Trade routes have long been recognized as key drivers of economic growth for the regions they pass through. They stimulate the development of a wide range of activities - some areas evolve into major hubs, while others function as strategic gateways. Moreover, the growth of trans-

port-related services, due to their transactional and service-oriented nature, highlights the complex interplay between physical infrastructure and human capital - requiring not only robust logistics networks but also strong managerial and operational expertise. For instance, the upcoming Anaklia sea port alone is expected to create at least 1,000 new jobs in the sector, which is a clear demonstration how infrastructure projects along key trade corridors can generate significant employment and economic opportunities.

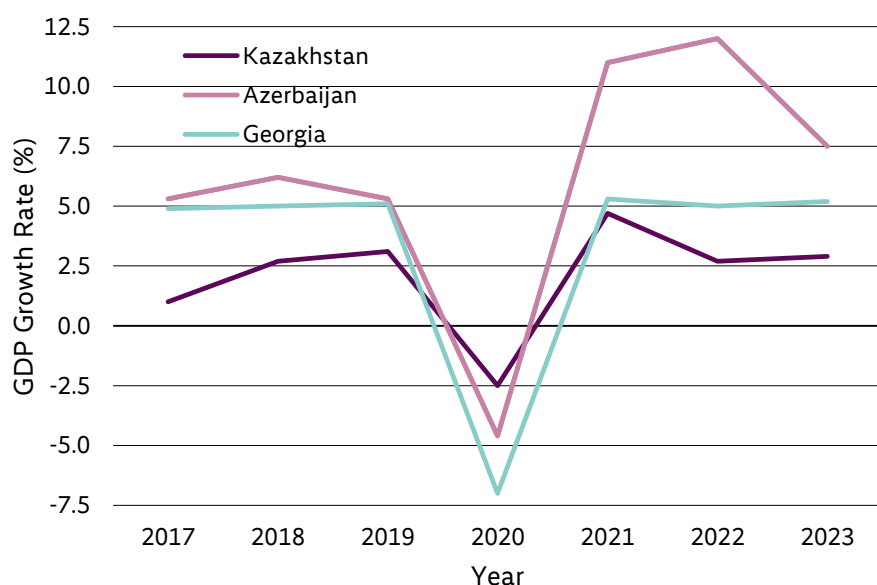
The Middle Corridor is no exception. It holds significant potential to generate meaningful economic benefits for the primary countries along its path (Georgia, Azerbaijan, and Kazakhstan) through both direct and indirect contributions to GDP and employment. As regional and global trade patterns continue to shift, the Middle Corridor is gaining importance not just as a transit route, but as a strategic vehicle for economic diversification and job creation.

Contribution to GDP

The Middle Corridor's contribution to economic growth is analyzed in this report from two main perspectives: direct effects, which come from trade and logistical services, and indirect effects, which come from increased investment, regional integration, and industrial agglomeration. The World Bank projects that freight volumes along the Middle Corridor will triple by 2030, from 3.7 million tons in 2022 to 11 million tons, mostly due to improvements in infrastructure and policy coordination, as described in the previous section.

GDP Growth (2017-2023)

Fig. 4



Crucially, this expanding trade activity is already having positive effects on a number of industries, with transportation infrastructure and logistics becoming new engines of economic expansion. The scale of this change is much more evident when compared with established sectors. Though agriculture and tourism represent important sectors of the economies of the corridor countries, their performance has been more susceptible to risks associated with climate change and geopolitical unpredictability. By encouraging regional economic diversification and greater integration into global value chains, the Middle Corridor, on the other hand, offers a long-term strategic potential. For example, as recent data shows, all major sectors of economy of Georgia

Source: National Statistics Offices of Georgia, Azerbaijan, Kazakhstan

including tourism were hit hard, due to the COVID-19 pandemic, in the first half of 2020, revenues from foreign tourism dropped by \$1.1 billion, and the number of international travelers decreased by 95.6% in July 2020 compared to July 2019. However, freight and logistics rebounded quickly due to increased geopolitical demand following Russia's invasion of Ukraine (Tokmazishvili, 2020).

The analysis of the Transport and Storage Sector Contribution to GDP in the period from 2017 to 2023 shows that the sector witnessed different degrees of investment efficacy and strategic orientation in three main Middle Corridor countries. Kazakhstan's percentage dropped steadily from its peak of 8.69% in 2017 to 6.07% in 2023, suggesting underutilized infrastructure, or increased competition in the sector of transport and logistics.

Azerbaijan, on the other hand, showed instability but ended the period with a recovery to 7.00%. Despite starting with the lowest share in 2017, Georgia's share increased steadily, reaching a peak of 6.48% in 2022 and then slowing to 6.13% in 2023. This development can be related to the country's effective positioning as a dependable Black Sea transit center, trade facilitation reforms, and continuous investment. Nevertheless, given trends show Georgia's increasing strategic importance in regional logistics thanks to its business-friendly environment, liberal trade regimes and effective use of its Black Sea gateway.

Employment Opportunities and the Skills Gap

The economic boost driven by the development of the Middle Corridor is generating new job opportunities, particularly in transport, logistics, and related infrastructure sectors. This trend is especially promising for countries along the corridor (Kazakhstan, Azerbaijan, and Georgia) which are expected to experience shifts in employment as multimodal transport networks expand and trade volumes grow (OECD, 2023).

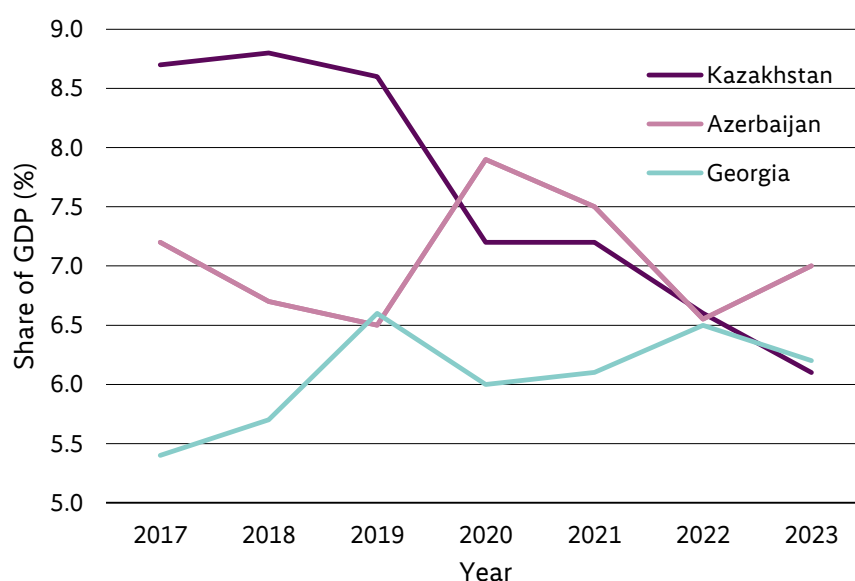
According to the OECD, the creation of new logistics hubs, the expansion of ports and rail infrastructure, and the development of digital customs services offer direct employment prospects in areas such as freight handling, port operations, railway management, and intermodal logistics coordination (ibid).

As shown in Figure 6, the transportation and logistics sector has been a significant source of employment in the three major Middle Corridor countries: Kazakhstan,

Transport and Logistics Contribution to GDP

Fig. 5

Transport and Storage Sector Contribution to GDP (2017-2023)



Source: National Statistics Offices of Georgia, Azerbaijan, Kazakhstan

Azerbaijan, and Georgia. Between 2017 and 2023, employment in the sector followed an upward trend in all three countries, although with different scales and dynamics. For instance, In Georgia, employment grew steadily from 70.1 thousand in 2017 to 85.7 thousand in 2023 - an increase of around 22% - with a temporary drop in 2020–2021, likely due to the impact of the COVID-19 pandemic. Azerbaijan maintained relatively stable employment levels during this period, fluctuating around 200 thousand, with a modest recover following a slight decline in 2019–2020. Kazakhstan, which had the highest employment figures among the three, experienced consistent growth from 608.0 thousand in 2017 to 647.7 thousand in 2023, despite a brief decline during the pandemic years. The post-2022 increase in employment volumes is likely linked to the rising strategic importance of the Middle Corridor, as trade and transit have increasingly shifted away from the Northern Corridor due to the Russia-Ukraine war.

Despite the promising trends in job creation within the transportation and logistics sector, and optimistic forecasts driven by increased investments in railways, ports, and digital systems (expected to generate new employment in both construction and long-term operations) the skills gap remains a significant bottleneck across all three corridor countries. The development of logistics hubs and the diversification of exports into higher value-added goods such as chemicals, metals, and agri-food products are also anticipated to stimulate job growth in production and support services. However, existing studies consistently highlight that workforce readiness continues to lag behind infrastructure expansion. There is a shortage of professionals with expertise in digital logistics tools, multimodal operations, and customs procedures, - a challenge exacerbated by weak vocational education systems. Furthermore, the

limited involvement of the private sector in shaping curricula has resulted in a discrepancy between labor market needs and educational programs. Digital literacy, language proficiency, documentation handling, and core soft skills such as communication and problem-solving are also in short supply. Addressing these gaps through targeted vocational training, digital upskilling, and public-private partnerships is essential to ensure that the corridor's economic potential translates into sustainable and inclusive employment growth (World Bank, 2023).

1.4 Competitiveness and Business Environment

When discussing the development of the Middle Corridor, it is important to consider its long-term benefits. These advantages extend beyond physical infrastructure improvements and increased transit efficiency; they also include the corridor's potential to stimulate broader corporate activity.

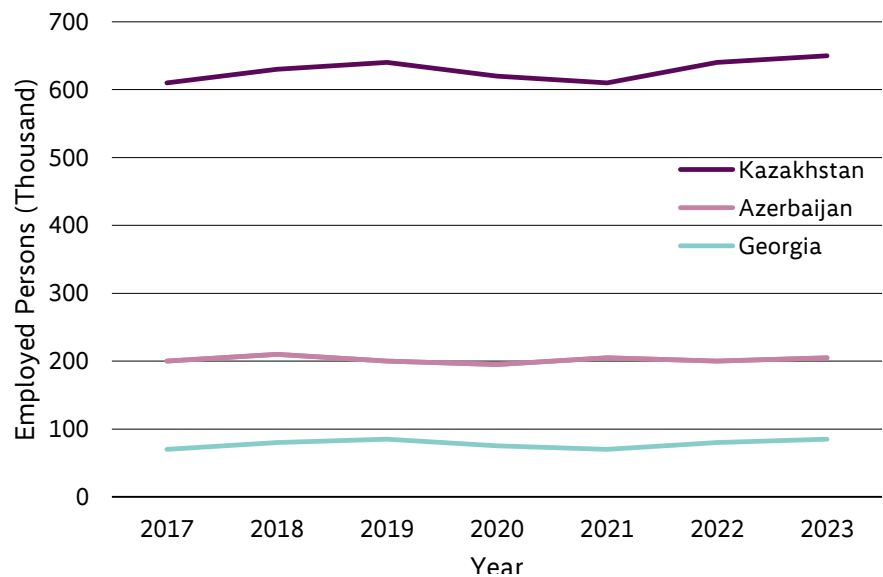
the lifting of sanctions and the potential restoration of traditional trade routes could diminish its current significance. To ensure the corridor's continued relevance, sustained commitment from the countries along its path is essential. These nations must go beyond preserving their existing role and proactively invest in generating new value: positioning the Middle Corridor as a truly competitive and lasting alternative to conventional trade routes.

In addition to infrastructure upgrades, fostering a competitive and business-friendly environment across the corridor countries will be essential. This will support the route's long-term financial and economic viability and help unlock its untapped potential.

It is very important, to examine the institutional, regulatory, and economic factors that shape the ease of doing business and competitiveness in the corridor countries, with particular attention to the roles of policy reform, governance quality, and market access.

Employment in the Sector

Employment in Transportation and Storage Sector (Georgia, Azerbaijan and Kazakhstan)



Source: National Statistics Offices of Georgia, Azerbaijan, Kazakhstan

However, it is essential to recognize that the Middle Corridor has been on the strategic agenda for some time. What significantly elevated its relevance was the disruption of traditional trade routes caused by the conflict between Russia and Ukraine. In response, the corridor gained renewed attention as an alternative trade route between Europe and Asia.

Despite the growing interest, the Middle Corridor remains exposed to geopolitical uncertainties. Its long-term future is particularly uncertain in a post-conflict scenario, where

It is crucial that policy harmonization covers licensing processes, data-sharing protocols, and logistical service laws in addition to customs (OECD, 2023). A number of relevant studies also emphasize the necessity of enhancing contract enforcement procedures and lowering non-tariff barriers to improve the general business climate (Paterson, 2024).

Competitive Advantages

It is widely recognized that a business-friendly environment plays a crucial role in attracting private investment and supporting overall private sector development, thereby boosting a country's global competitiveness.

Certain structural issues still exist even though all three of the nations along the road have prioritized the development of the private sector by enacting relevant reforms, with Georgia setting the standard for several decades before both Kazakhstan and Azerbaijan. Low levels of digitalization, a lack of standardized customs procedures, the limited participation of the private sector in strategic discussions, and the relatively small percentage of public-private partnership (PPP) projects in the transportation and logistics sector are considered to be the main obstacles to luring private capital for the route's development, according to the studies (OECD, 2023).

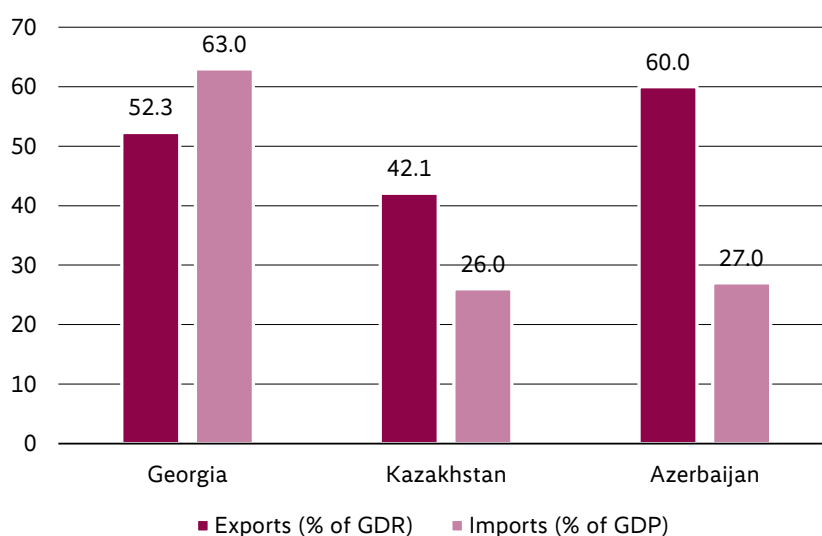
Georgia's 2014 signing of the Deep and Comprehensive Free Trade Agreement (DCFTA) with the European Union, and the Free Trade Agreement with China is one of its main advantages over other nations along the Middle Corridor route, giving the country access to a combined consumer market of around 2 billion people. Thus, turning Georgia into a unique spot along the Middle Corridor. Having access to markets, coupled with the Middle Corridor's potential might stimulate the attraction of value-added processing, packaging, and/or re-export activities, utilizing Corridor's potential not just for transit, but for economic development in general.

According to the recent statistics (World Bank, 2023), the EU accounted for up to 21% of Georgia's foreign trade (that makes the EU Georgia's biggest trade partner). Georgia still has a trade deficit even though it has access to a number of foreign markets. 52.8% of the nation's GDP comes from exports, compared to 63% of imports. On the other hand, Kazakhstan and Azerbaijan both continue to have export-focused trade systems. While Kazakhstan reports exports at 42.1% of GDP and imports at 26%, Azerbaijan reports exports at 60% of GDP and imports at only 27%. Compared to Kazakhstan and Azerbaijan, Georgian economy is more diversified and yet heavily reliant on imports, but thanks to its free trade agreements Georgia can position itself as a logistics hub along the route.

Composition

Chart 7

Trade Composition by Country (Exports vs Imports as % of GDP)



Source: OECD, 2023

2.

The Middle Corridor – Geopolitical Perspectives

2.1 The Stakeholder Analysis

China

Among all the international stakeholders involved in the development of the Middle Corridor, China stands out as the most actively interested and strategically invested party. As the world's largest economic powerhouse, China has consistently sought to diversify and expand its global trade routes in every direction, with particular attention to those extending westward toward Europe. This ambition is central to its broader geopolitical and economic strategy, most notably embodied in the Belt and Road Initiative (BRI).

Within the framework of the BRI, China has already funneled significant investments into the transport and logistics infrastructure of key transit countries along the Middle Corridor, - namely Kazakhstan, Azerbaijan, and Georgia. These investments include upgrades to rail networks, roadways, and border facilities, aimed at facilitating faster, more reliable trade flow across the region.

One of the most telling indicators of China's long-term commitment to the Middle Corridor is its strong support for the construction of the Anaklia sea port on the Black Sea coast of Georgia. This port is envisioned as a critical gateway linking Asia with European markets and would significantly enhance the corridor's capacity and strategic relevance. China's involvement in this project signals not only its commercial interest but also its intent to shape the logistical and political architecture of trans-Eurasian trade.

As the world may be entering the age of bipolar confrontation China has to make sure that the trade routes remain functional. The war in Ukraine has demonstrated that Beijing cannot depend completely on the Russian transit route and that the diversification of the routes is the only possible solution. The Middle Corridor obviously can serve as an alternative and therefore China supposedly is going to continue supporting its development. The war in Ukraine is nearing the end and therefore the Russian transit route may reopen gradually, but the relations between Russia and the EU most probably will remain tense (at least for time being) which means that the alternative routes have to be developed.

China definitely can afford to further invest heavily in the Middle Corridor. However, the investments alone may not

be enough. The rise of China is viewed as a threat in the West and consequently the Middle Corridor can be viewed with suspicion. Especially if the world tilts further towards tighter bipolar order with the West (the US and the EU) firmly aligned against the Russo-Chinese bloc.

Taking into consideration China's strategic culture it should be safe to say that Beijing is not going to aggressively push the development of the Middle Corridor. It is just one of the objectives pursued in the medium term. It is one of the many international projects that China is interested in.

The EU

Theoretically the EU is another big beneficiary of the Middle Corridor. However, as we know, this project has not only purely economic but also political dimensions. That means that European attitude towards the Middle Corridor may very much depend on the development of relations among the major global players (the EU, Russia, China, the US).

The war in Ukraine has caused a certain estrangement between Brussels and Beijing. At the same time, China remains a very important trade partner for the EU even though many European corporations (such as carmakers) feel increasing pressure from their Chinese competitors. Exports from China to the EU have increased over the last five years (Trading Economics, 2025).

Not as heavily as China but the EU still has invested in the Middle Corridor (mostly under the Global Gateway initiative). But it is not clear how much the EU can commit itself to the project in the future as its biggest economies (first of all, Germany) suffer from stagnation, as it will have to contribute to the task of rebuilding Ukraine, as it plans to increase military spending in order to counter a potential threat from Russia.

Furthermore, it is not quite clear what kind of political impact the EU is going to experience from the end of the war in Ukraine. There are chances that the expected outcome of the war may threaten the unity of the EU putting under doubt its ability to deal with both external and internal challenges.

We also should not exclude the possibility that after the end of the war in Ukraine the EU may reopen for Russia

again thus putting the Middle Corridor further on hold. If it so happens that relations between Brussels and Moscow remain tense then the Russian transit route probably will remain blocked. But such a tension means that the EU is going to invest more heavily in its security rather than in projects like the Middle Corridor.

Russia

This is the party least interested in the development of the Middle Corridor. Russia has always tried to take advantage of its vast territory in order to monopolize trade or energy routes. In late 90s it openly and fiercely opposed the construction of the Baku-Tbilisi-Ceyhan pipeline but, being at that moment still weak and dependent on Western financial assistance, Moscow failed to undermine the project.

It goes without saying that nowadays Russia is both stronger and more aggressive. But it still looks that Moscow is hardly in a position to create any serious obstacles for the development of the project. It lacks necessary leverage against Azerbaijan. It may have some leverage against Kazakhstan but it can't afford to go against China's interests in this country. Georgia is much more vulnerable given the presence of Russian military bases on its soil. Anaklia is situated literally next to the administrative border with Abkhazia which is under Russian control.

But even in the case of Georgia Russia has abstained from open efforts to undermine the development of the Middle Corridor. Once again, it can be explained by the involvement of China. While Moscow views any US-led activities in the post-Soviet countries with suspicion, it clearly tolerates the presence of China (its senior partner) both in Central Asia and the South Caucasus. Especially that in the South Caucasus Beijing's interests are purely economic (at least so far), while Russia has a military presence there and, in the case of Armenia, enjoys an overwhelming economic influence too. Consequently, China so far is no match to Russia in the South Caucasus.

Overall, while Moscow is more than ready to compete with alternative routes it does not look to confront (at least openly) the development of the Middle Corridor.

The US

Unlike China and the EU the US so far has not committed itself financially to the development of the Middle Corridor. It even looks like Washington has no vested interest in this project. The development of a route bypassing Russia strategically makes sense, but at the same time the same route will help China expand its global trade network. Despite the confrontation with Russia caused by the war in Ukraine there is a bipartisan agreement in the US that

China (not Russia) is the main threat for Washington. Even the Biden administration, committed to the war against Russia, did not lift sanctions against China imposed during the first term of Trump. So, it is safe to say that Washington has no strong incentives to invest in the development of the Middle Corridor.

During the first term of Trump the US looked to be interested in the Anaklia sea port. Namely, in 2019 state secretary Pompeo expressed hope that Tbilisi would complete the project (Anaklia) which would "prevent Georgia from falling prey to Russian or Chinese economic influence" (Civil Georgia, 2019). This statement caused a backlash from Moscow fueling rumors that Russia was doing its best to undermine the construction of the Anaklia sea port (Tass, 2019).

By that time (2019) the Anaklia Development Consortium had already been created that included Conti Group (from the US). But the development process struggled and in 2020 the Georgian government terminated the contract with the consortium. Since then official Washington publicly hardly ever touched upon the topic of the Anaklia sea port. Most probably at some point the US regarded the project as means to strengthen Georgia (its only ally in the South Caucasus). Moreover, if the port were to be constructed by the US-led consortium, it would primarily serve American interests rather than those of China.

But at the same time the US involvement faced quite a few obvious difficulties and concerns. First of all, it was unclear how profitable would the port be if it did not serve as a part of the China-Europe trade route (and thus serve the Chinese interests). The proximity of Anaklia to Abkhazia (which hosts Russian military bases) also should have raised uneasy questions. It's also important to remember that there are no state-owned enterprises in the United States. While China can pursue international infrastructure projects with relative ease (thanks to political decisions in Beijing being rapidly executed by state-owned enterprises) the same process is significantly more complex for Washington. Of course, when Washington deems a project vital to its strategic interests, it typically finds a way to support and advance it. A notable example is the Baku-Tbilisi-Ceyhan pipeline, which broke Russia's monopoly on exporting Caspian oil. The US strongly backed the project and played a key role in involving British Petroleum in its execution. In the case of the Anaklia sea port, however, the above-mentioned challenges and concerns surrounding its implementation likely discouraged Washington from offering the same level of support as it did for the Baku-Tbilisi-Ceyhan pipeline.

Still, if the US decides to commit itself to the construction of the Anaklia sea port then it can be considered a done deal (because Georgia hardly will reject such an opportunity). It can happen if Washington decides that through Anaklia it can partially control the China-Europe trade route and thus gain a serious leverage in the future geopo-

litical standoff. With time demand for the Anaklia sea port may increase further and in such a case the US will gain a lot if it constructs the port on its own.

The Regional Countries

Kazakhstan, Azerbaijan and Georgia are direct beneficiaries of the Middle Corridor initiative. The successful development of this corridor holds significant economic and geopolitical implications for each of these countries. Should the project secure substantial foreign and domestic investment, it is expected to serve as a catalyst for deeper regional cooperation. These nations would likely intensify their collaborative efforts to enhance infrastructure, streamline customs procedures, and ensure the reliable, secure, and efficient flow of goods and services across their borders.

The Middle Corridor could receive a significant boost through the construction of the Anaklia sea port. However, the construction has been stalled. When the Anaklia Development Consortium lost the contract (2020) it sued the Georgian government. At the same time the Georgian representatives of the consortium (who also happen to be leaders of one of the opposition parties) claimed that Russia was behind the decision of the government. However the consortium lost the case against the Georgian government in the International Court of Arbitration and the claims about the Russian intervention still remain largely unsubstantiated (Civil Georgia, 2024). It looks like the consortium failed to attract necessary investments for a simple reason: by that time the war in Ukraine was not in sight and so the Russian transit route functioned smoothly. Consequently, the Anaklia sea port did not look lucrative enough.

In 2024 the Anaklia port was awarded to a consortium led by China Communications Construction Company. But it has not been followed by construction works. The reason for this suspension can hardly be purely economic. Georgia definitely cannot ignore the American interests in the region and a final go-ahead for a Chinese construction giant may seriously harm Georgian-American relations that have already suffered since 2024. Especially that the second Trump term looks to be dedicated mostly to the containment of China. As we already mentioned, if the US finally decides to construct the port by itself then Georgia is supposed to go along. The project, among other things, will rekindle the US-Georgian partnership that has suffered under the Biden administration.

2.2 The Impact of the Ukrainian War and the Possible outcomes

As previously mentioned, it was the war in Ukraine that first underscored the urgent need for an alternative trade and transit route that bypasses Russian territory. However, conflicts of this magnitude rarely have a single dimension or limited impact. They tend to reverberate far beyond their immediate theaters, often producing consequences that reshape not only regional dynamics but also the whole international order. The war in Ukraine, which stands as the largest military conflict on European soil since the end of the Second World War, is already proving to be a transformative event in global geopolitics.

Its ramifications are numerous and profound. Most notably, the conflict has marked the definitive return of Russia as a revisionist great power, - one that is no longer content with the post-Cold War status quo and is willing to use force to alter it. This reassertion itself as a great power has pushed Moscow into an even closer strategic alignment with Beijing, which itself is widely regarded as the primary challenger to the US-led international system. The strengthening of ties between these two authoritarian powers represents a significant shift in great power dynamics.

Moreover, the war has served as a wake-up call for the EU. For years, Brussels operated under the assumption that it could largely insulate itself from global military and geopolitical rivalries, focusing instead on economic development, integration, and soft power. The invasion of Ukraine shattered that illusion. Europe now finds itself unable to ignore the realities of global confrontation, and it has begun to adjust its strategic posture accordingly: militarily, economically, and diplomatically.

Consequently, the war in Ukraine is not just a regional crisis; it is a watershed moment with far-reaching implications. It has exposed vulnerabilities in international order, realigned alliances, and compelled major actors to rethink their roles in a rapidly evolving global landscape.

The Cold War, marked by a prolonged bipolar confrontation between the US-led West and the Soviet bloc, came to an end with the dissolution of the latter. This historic shift ushered in a unipolar world order dominated by the US, where American political, economic, and military influence reigned largely uncontested. However, since around 2016, this unipolar structure has begun to show signs of fragmentation, challenged most notably by China's rapid ascent on the global stage and Russia's reassertion of its status as a great power. The war in Ukraine has further accelerated this unraveling, exposing fractures in the international system and reshuffling global alliances. As the world stands at a geopolitical crossroads, it remains uncertain whether the evolving order will solidify into a new bipolar rivalry (dominated by two opposing blocs) or transit into a more fluid, multipolar system characterized by several competing great powers.

Each of these potential outcomes carries distinct implications for the Middle Corridor, influencing not only the flow of trade and energy but also the strategic calculations of the countries along this vital route.

Speaking in more specific terms the bipolar confrontation means nothing else but a confrontation between the West and China-Russia bloc. In a multipolar system Russia is less dependent on China and acts as one of the major players in global politics. Multipolar system may have another variation: the EU less dependent on the US, acting on its own.

Therefore, we have three basic scenarios: a bipolar system, a multipolar system with the US and the EU closely allied, and a multipolar system with the EU acting on its own. The latter looks less probable than the other two. As for the other two, a multipolar system with the US and the EU closely allied looks more realistic at the moment.

Those three basic scenarios can be divided into sub-scenarios. As we already mentioned each one of them has its own consequences for the Middle Corridor. At the same, the Middle Corridor is going to be affected not only by global, but also regional developments (in the South Caucasus and Central Asia). For instance, in case of a multipolar system (where the US and the EU stay closely aligned) things in the South Caucasus may develop in different ways: it may become more dominated by Russia, or maintains the current status quo.

Therefore, we are going to analyze five future scenarios. In the first one the US and Russia come to an understanding while the situation in the South Caucasus and Central Asia does not change dramatically. In the second one the US-Russian reconciliation ends up in Russia's growing influence in the South Caucasus. In the third one the world drifts toward a bipolar confrontation and the Russian Influence in the South Caucasus grows. In the fourth scenario we have a bipolar confrontation again but in this case Russia and China agree to some condominium in the South Caucasus. In the last scenario we analyze the implications of the EU's bid for so-called strategic autonomy.

The Future Scenarios: the US-Russian Reconciliation

The process of rapprochement between Moscow and Washington has already started. It raised fears not only in Ukraine but also in European capitals. The US looks like it is shifting itself (at least partially) from Europe and focusing on Asia. Consequently, Europe is supposed to take care of itself. Under such circumstances the EU has two choices left: rearm or come to some kind of modus vivendi with Russia.

The second case is rather simple and its implications are more than clear. First, the Russian transit will be reopened. Second, with fewer constraints on one front, Washington is

going to have greater latitude and resources to exert pressure on Beijing through diplomatic, economic, and possibly even military means. As a result, any international initiatives, infrastructure projects, or trade routes perceived to enhance China's strategic reach (regardless of their commercial viability) will be subjected to heightened scrutiny and skepticism. Under such circumstances the Middle Corridor looks almost doomed. At least until the relations among great powers change again.

The first case is much more complicated. The EU may rearm while remaining a loyal ally to the US within NATO or it will deviate from the US and bid for so-called strategic autonomy. As we already mentioned, the so-called strategic autonomy scenario is less probable. But at the same time, it is a true game changer (and also probably the most complicated scenario) and therefore it will be discussed in a separate section.

Rearming while staying still closely tied to the US means some kind of division of labor between Washington and Brussels. The US while focused mainly on China will still remain committed to NATO and thus help the EU prevent further Russian expansion. This is the best possible scenario for advancing the US interests. At the same time this scenario is quite complicated as it resembles a classical balance of power model. Russia will gain more room for maneuver between Washington and Beijing and consequently its influence (at least in its neighborhood) is going to increase. At the same time EU-Russia relations will remain quite tense thus giving a certain boost to the development of the Middle Corridor.

In this context it is extremely important how deeply engaged the US will remain in the South Caucasus. Theoretically the US pivot to Asia might mean that it is withdrawing from the wider Europe (which includes the South Caucasus). But the South Caucasus is not just a part of wider Europe. It is also a crucial nexus, an important playground for great power competition. Containment of China will take place not only in Asia but in many other parts of the world, with the South Caucasus one of them. Therefore, the development of the Middle Corridor, once again, could be viewed with suspicion by the US.

We should not also forget that by reconciling with the US Russia becomes less dependent on China. Consequently, it may not tolerate Beijing's economic expansion anymore (especially that the Middle Corridor competes with the Russian transit route). Russia's political influence in the South Caucasus can be neutralized by the US only. If the latter withdraws from the region the EU hardly will match the Russian influence in the South Caucasus.

Therefore, under this scenario the development of the Middle Corridor will take close cooperation between the EU and the US. Washington somehow will have to be convinced that the Middle Corridor will make the EU (the crucial ally to the US) stronger and thus will serve Western rather than

Chinese interests. Especially if the EU invests in the Middle Corridor too and it doesn't become a purely Chinese project.

The development of the Middle Corridor will also take an improvement of relations between Tbilisi and the EU. Georgia is the weakest among the regional beneficiaries of the project. It depends on the development of transit routes more than the other three. Having been at odds with the current Georgian authorities, the EU may not be so enthusiastic about the prospects of boosting Georgia's position (by helping develop the Middle Corridor) and thus making the Georgian government stronger too.

The improvement of relations between Tbilisi and the EU matters for another reason too. It will highlight Georgia once again as an ally to the West. Consequently, by development of the Middle Corridor the West will make its regional ally stronger.

Finally, as we already mentioned, there is a chance that the US may commit itself to the Anaklia sea port in order to gain some control over the China-Europe trade route. If Washington makes such a decision then the construction of the port will be free of security risks (stemming from Russia's military presence in Abkhazia) in this very scenario, - the US-Russian reconciliation.

The Future Scenarios: The Growth of the Russian Influence in the South Caucasus

In the previous section we touched upon the possibility that the US-Russian reconciliation may make Moscow's position in the South Caucasus even stronger than it is nowadays. Arguably this is the least favorable scenario for the development of the Middle Corridor.

Russia can hardly exert any pressure on Azerbaijan. But Georgia is going to be rather vulnerable. While Russia most probably will stay partners with China it can claim the South Caucasus as its sphere of influence, vital for protecting national interests. Having finished with the war in Ukraine Moscow will be able to switch its attention to the South Caucasus. If by that time Tbilisi's relations with the EU don't improve then Brussels hardly will find any motivation to push with the development of the Middle Corridor.

Under this scenario the only positive outcome for the Middle Corridor would be turning Georgia into some regional version of Switzerland. Under such a role Georgia would attract investments from all interested parties (the US, the EU, China...) and serve as a transit hub for all routes (East-West, North-South). The Middle Corridor would be just one of such routes.

However, such a development hardly looks realistic at this point. It will take a major deal among great powers (the US, China, Russia) and also regional powers (Turkey, Iran)

to make such a change in a region like the South Caucasus. Georgian society itself, torn by bitter polarization may find difficult to accept such a solution. Especially if such a deal doesn't address the issues of Georgia's territorial integrity.

This rather improbable development (turning Georgia into a regional version of Switzerland) theoretically could be discussed under other scenarios too. We decided to bring it up under the scenario of growing Russian Influence for a simple reason: as we already mentioned, this scenario is the least favorable for the Middle Corridor and "the Swiss case" is its only loophole for making the Middle Corridor real.

The Future Scenarios: The Bipolar Confrontation

This is another scenario less favorable for the development of the Middle Corridor. This means the US is closely aligned with the EU against the China-Russia bloc. Figuratively, the West vs. the East.

The scenario of the renewed bipolar confrontation (characterized by heightened tensions and rivalry between Western powers and Eastern blocs) could significantly undermine global trade dynamics. As trust and cooperation between the two sides diminish, trade flows are likely to decrease, with countries prioritizing national security and self-sufficiency over economic interdependence. This decline in trade would, in turn, deter investments in the development of new trade routes, such as infrastructure projects connecting markets across continents.

With the geopolitical climate dominated by strategic competition rather than economic collaboration, financial resources are expected to be redirected away from commercial ventures toward military expenditures. Governments would likely prioritize defense budgets, expanding and modernizing their armed forces to prepare for potential conflict or to deter adversaries. In this environment, the military-industrial complex would become a central recipient of public and private investment, further reinforcing the cycle of militarization at the expense of global economic integration.

The Bipolar system usually restricts room for maneuver of small states. Especially if those states are in the immediate neighborhood of great powers (like the South Caucasus states are). These states are to make a choice between adversarial blocs. Azerbaijan, being closely allied with Turkey, will definitely retain some autonomy. Kazakhstan most probably will become a part of the Eastern bloc. Georgia, once again, being the most vulnerable among the regional countries, will suffer from immense pressure. While being committed politically to EU integration it is devoid of any security guarantees from the West. So, there is a risk Georgia is going to be swallowed by the Eastern bloc too.

“The Swiss case” could become a shortcut under this scenario too. But since its implementation takes a major agreement among great powers it could be even less probable in a bipolar confrontation. Not to mention once again difficulties stemming from Georgia’s domestic political situation.

The Future Scenarios: the Russo-Chinese Condominium in the South Caucasus

The Russo-Chinese condominium in the South Caucasus presents an intriguing variation of the bipolar confrontation scenario. In this context, the South Caucasus finds itself under the sway of the Eastern bloc, where it becomes a focal point of influence not solely for Russia, but also for China, which has made significant inroads in the region. This dual influence complicates the geopolitical landscape; while the South Caucasus may lean towards the Eastern bloc, it does not exclusively fall within Russia’s sphere of influence. Instead, China has established a considerable presence and is likely to advocate strongly for the development of the Middle Corridor.

With China’s growing involvement, it is anticipated that Beijing will extend its influence into Central Asia as well, fostering economic links and enhancing regional connectivity. So, at the first glance, this scenario appears advantageous for promoting the Middle Corridor’s development, potentially leading to increased trade and economic cooperation both in the South Caucasus and Central Asia.

However, it is essential to consider the implications of a bipolar system that ostensibly restricts interaction between the West and the East. The complexity of this geopolitical scenario means that, while it sets the stage for potential cooperation on projects like the Middle Corridor, it also risks reinforcing divisions that could limit engagement between Western countries and those aligned with Russia and China.

It’s also important to recognize that this scenario, despite its appealing elements, is considered less probable than previous configurations. The reality of a bipolar confrontation most probably will lead to an increased Russian influence in the South Caucasus (discussed in the previous section), particularly given its established military presence in the area.

The dynamic could shift dramatically if the US chooses to intervene, potentially countering Russia’s military dominance through the deployment of its forces in the South Caucasus. However, current indicators suggest that such a response is not imminent, leading to a situation where Russia’s influence remains largely unchallenged.

The Future Scenarios: Europe’s Bid for so-called Strategic Autonomy

This is the last and the most complicated scenario. If the current alienation between the US and the EU grows further, then Europe may become less dependent on Washington by investing in its security and consequently conducting a foreign policy completely on its own.

A more independent Europe will deal both with Russia and China on its own terms. Even if the Russian transit reopens the Europeans hardly will regard this route as reliable anymore. Therefore, the development of the Middle Corridor will receive a certain boost. Especially that the EU, dealing with Beijing on its own, is less likely to join the US in the policy of containing China.

China in its turn, fighting against the policy of containment, is supposed to commit itself further to the development of trade routes. Therefore, once again, the development of the Middle Corridor looks quite probable under this scenario.

However, as we already mentioned, this scenario is complicated. After the end of the war in Ukraine the relations between Brussels and Moscow supposedly will remain tense (at least for time being). The EU will invest in armaments and will spend a great deal of money rebuilding Ukraine too. Therefore, it is possible that Brussels will hardly be able to invest in the Middle Corridor. Consequently, the project will have to be developed mainly by China. This will raise the alarm in Washington. The latter, already pivoting to Asia, probably will be more comfortable with reopening the Russian transit rather than developing another trade route for China. Since the EU will be acting on its own it may not find enough arguments to convince Washington that the Middle Corridor serves the Western interests.

As we already mentioned, the US pivot to Asia probably does not mean that it is abandoning an important region like the South Caucasus. It goes without saying that the South Caucasus will remain the crucial point for the development of the Middle Corridor. And the US will have enough means at its disposal to not allow the economic expansion of China in this region. Especially that in this regard the US interests align with those of Russia; the latter is also less enthusiastic about the growth of China’s influence in the South Caucasus. On its own Moscow will hardly go against Beijing, but it can simply sit on the fence and allow Washington to do the job of containing China in the South Caucasus.

Of course, there is a possibility that the US pivot to Asia will end up in withdrawing from the South Caucasus. But this is the scenario that we have already analyzed - the scenario of growth of Russia’s influence in the South Caucasus.

3.

Conclusions

The Middle Corridor has emerged as an alternative to other trade routes connecting Asia and Europe. This shift in focus toward the corridor was largely driven by major geopolitical developments following the outbreak of the war in Ukraine. Since 2022, the corridor has not only increased cargo volumes and customs revenues in Georgia, Kazakhstan, and Azerbaijan, but has also contributed significantly to reshaping and enhancing the economic profiles of the countries along its path.

However, despite the growing attention it has received, the Middle Corridor's continued viability and appeal depend on the timely resolution of key challenges - including outdated infrastructure, inefficient port connectivity, fragmented digital systems, and limited investment capacity. Due to these problems the Middle Corridor failed to emerge as a viable alternative to the Northern Corridor (the Russian transit connecting Asia to Europe) that has been disrupted since the start of the war in Ukraine.

It is worth noting that the potential of the Middle Corridor for major countries along the route goes way beyond physical trade flows and offers broader economic development opportunities, including job creation, industrial diversification, and improved access to global markets. However, as was revealed after analysis of available studies, unlocking corridor's full potential depends on workforce development, adoption of educational reforms, and stimulation of private sector engagement. Moreover, for increased private sector engagement the countries along the route must foster a competitive and business-friendly environment.

The prospects for the development of the Middle Corridor largely depend on investments from major global players (the US, China, the EU). However, ongoing geopolitical rivalries among these powers (with Russia added) mean that the corridor's future will remain closely tied to broader international political dynamics. The war in Ukraine has already triggered significant shifts in the global order, and the post-war landscape may either intensify or ease these confrontations - both of which will have direct implications for the Middle Corridor's trajectory.

The perspectives of the Middle Corridor appear increasingly dim in the context of a confrontational global environment. As geopolitical tensions among great powers intensify, and as instability continues to simmer in the South Caucasus region, the likelihood of the Middle Corridor project advancing diminishes significantly. Infrastructure

and trade initiatives of such scale require a foundation of political stability, mutual trust among participating states, and a relatively cooperative international climate, - all of which are already in short supply.

One potential pathway to overcoming these challenges could involve transforming Georgia into a neutral, stable, and secure hub for regional cooperation, - essentially a regional version of Switzerland. In theory, such a transformation could allow Georgia to serve as a reliable transit state, insulated from broader geopolitical rivalries and capable of anchoring the Middle Corridor in a context of economic pragmatism.

However, while this vision looks strategically attractive, it remains far from attainable under present circumstances. Deep-rooted regional disputes, persistent external influence, and Georgia's own internal political dynamics render such a less realistic at the given moment. Without a dramatic shift in both regional and global power relations, or a concerted effort to depoliticize infrastructure cooperation, the Middle Corridor is likely to remain stalled, caught in the crossfire of great power competition.

The possible resurgence of Russian influence in the region represents another serious obstacle to the implementation of the Middle Corridor project. Russia has always regarded routes bypassing its territory with suspicion and hostility. However, at this stage, Moscow has avoided taking overt action to block or sabotage initiatives linked to the corridor's development. This relative restraint is largely due to the fact that many of these projects are being led or strongly supported by China (Russia's key strategic partner and, increasingly, its senior counterpart in their evolving alliance). Direct interference could risk tensions within this partnership, something Moscow appears keen to avoid for now.

At the same time, China's growing economic presence in the South Caucasus is met with increasing skepticism from the US. While Washington remains the only global power capable of effectively counterbalancing Russia in regions like the South Caucasus, it is also capable of containing developments that might enhance Beijing's influence. If the Middle Corridor is seen primarily as a vehicle for advancing Chinese strategic interests, the U.S. may well distance itself from the project or even take steps to limit its progress, - further complicating the already delicate geopolitical landscape surrounding it.

One potential avenue to advance the Middle Corridor project could involve the direct engagement of the US, - particularly through its participation in the construction and development of strategic infrastructure, such as the Anaklia sea port on Georgia's Black Sea coast. American involvement in this critical node would not only provide a substantial boost to the project's credibility but would also offer Washington a degree of strategic leverage over a key segment of the emerging transit corridor. Control or even partial oversight of this gateway would allow the U.S. to shape the corridor's operational and geopolitical orientation.

This scenario becomes more plausible in the event of a partial reconciliation or normalization of relations between the US and Russia. Such a shift could help alleviate one of the most immediate security concerns associated with Anaklia's location (its proximity to Abkhazia, where Russian military forces remain stationed). A thaw in US-Russia tensions might reduce the risk of confrontation and create a more permissive environment for large-scale infrastructure investment in the region.

Another, perhaps more immediately achievable, path forward would involve a strategic understanding between the US and the EU regarding the Middle Corridor's long-term significance. If the EU were to step in with serious investment (whether in logistics, digital infrastructure, or transport corridors) it would change the perception of the project. Rather than being seen primarily as an extension of China's Belt and Road ambitions, the corridor could instead be framed as a shared transatlantic initiative aimed at enhancing Western connectivity and resilience.

This approach would be more likely to succeed if Brussels can convincingly argue that the corridor strengthens the EU itself, thereby contributing to the broader strength of the West. In such a case, Washington might be more inclined to accept, or at least tolerate, a degree of Chinese involvement (particularly in financing or construction) if it believes that Western interests remain firmly embedded in the project's core.

That said, a key complication remains the current strain in EU-Georgia relations. Brussels has grown increasingly hesitant to engage with initiatives that might be seen as strengthening the position of the current Georgian government, which it views with growing concern. For the Middle Corridor to gain real momentum under a transatlantic framework, this diplomatic rift will need to be addressed. Unless ties between Tbilisi and Brussels are repaired, EU-led involvement in the corridor will likely remain limited, thus narrowing the project's overall strategic appeal and viability.

Of course, the future of the Middle Corridor is closely tied to the broader geopolitical context, - particularly to how the post-war peace process unfolds in the wake of the conflict in Ukraine. The corridor's viability will depend not only

on physical infrastructure or investment, but also on the political climate that emerges across Eurasia.

It is highly likely that even after the formal cessation of hostilities in Ukraine, relations between Moscow and Brussels will remain deeply strained. The erosion of trust, coupled with diverging strategic interests, suggests that a full normalization is unlikely in the near term. As a result, the Northern Corridor may not be quickly or easily reopened. Sanctions, legal disputes, and logistical realignments could delay or complicate any attempt to revive the corridor's role as the dominant East-West trade pathway.

However, should an unexpected shift occur (whereby, despite continued political friction, Russia and the EU reach a pragmatic understanding that allows the Northern Corridor to resume operation) this would significantly impact the Middle Corridor's trajectory. In such a scenario, the strategic and economic rationale for developing an alternative route through the South Caucasus and Central Asia could weaken, at least temporarily. Investors and governments might deprioritize the Middle Corridor in favor of the more established, and potentially more cost-effective, Russian transit route.

In that case, the Middle Corridor could once again be sidelined, relegated to a secondary option awaiting more favorable conditions. Its future would hinge not just on regional cooperation or Western support, but on how long the Northern Corridor remains constrained and how committed stakeholders remain to pursuing diversification in the face of renewed, though uneasy, reliance on Russian infrastructure.

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The Perspectives of the Middle Corridor in an Age of Global Confrontation and Uncertainty



The sanctions imposed on Russia in response to invading Ukraine have resulted in suspending the trade through the Northern Corridor (the route connecting China to Europe through Russia). Consequently, the importance of the Middle Corridor has increased but at the same time it has failed to become a viable alternative to the Northern Corridor. Kazakhstan, Azerbaijan and Georgia (the countries along the Middle Corridor) still need to address challenges like outdated infrastructure, poor connectivity, fragmented digital infrastructure. Making the Middle Corridor truly competitive will take these countries not only intensifying cooperation and speeding up modernization but also attracting substantial investments. The Northern Corridor will resume functioning sooner or later (after the end of the war in Ukraine) and by that time the capacity of the Middle Corridor must be enhanced significantly.



The future of the Middle Corridor depends very much on shifts in global politics. The consequences of the war in Ukraine are supposed to bring changes far beyond the regional scales. The global order may become more confrontational with the West aligned against the Russo-Chinese bloc. The global order may as well shift toward a multipolar model with the US (allied with the EU), China and Russia as major players. The Middle Corridor has better chances in a less confrontational environment as it strongly depends on investments from China. The bigger tension between China and the West the bigger are the chances that further development of the project stalls. While China is a beneficiary of the Middle Corridor, Russia is the party hardly interested in the development of the project. Therefore, the Middle Corridor will come under a threat if Russia's influence in the South Caucasus grows further. Such a scenario may take place if the US while pivoting to Asia (in order to contain China) abandons the region.



The EU is another beneficiary of the project, but it is unclear whether it will be able to invest in the Middle Corridor as it suffers from economic stagnation and plans to spend substantially more for armed forces. Currently strained relations between Georgia and the EU also hardly help the Middle Corridor. The US has not participated in the development of the project. The construction of a strategically important Anaklia sea port has been stalled as it has become clear that only China is ready to commit itself to this project (and the US is not ready to do so). By allowing China to build Anaklia Georgia will strengthen its positions as a regional hub but at the same time it may put its relationship with the US under a risk. The example of Anaklia vividly demonstrates that the Middle Corridor is hostage to geopolitics. Consequently, the project has chances of further development if the US is persuaded that the project serves not only Chinese but also the Western (first of all, European) interests. Especially, if the EU stays at odds with Russia for time being and therefore needs a viable alternative to the Northern Corridor.

Further information on this topic can be found here:

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