



DEVELOPING TRANSPORT CORRIDOR KEY ROUTE FOR CENTRAL ASIA

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ABSTRACT	KEY WORDS
<p>This article discusses the creation of a new transport corridor through the Caspian Sea of Turkmenistan and Azerbaijan with Russia, Georgia and Turkey, Uzbekistan and Kyrgyzstan opening up alternative routes for export and import flows. The economic and political objectives of each participating country, the risks and challenges of the project, such as the need for coordination, political and environmental risks, as well as financial and technical difficulties, are analyzed. A conclusion is drawn about the long-term importance of the corridor for the regional economy and geopolitics, prospects for attracting investment, developing infrastructure and strengthening economic stability in Central Asia are outlined.</p>	<p>International transport corridor, logistics, railway, international transport route, cargo transportation.</p>

Introduction

The Central Asian region has historically been strategically important in trade and transport relations. In modern, this importance has increased even more, and the development of transport infrastructure and the creation of new communication routes in the region has become a major task. These transport corridors play a key role not only in uniting countries but also in opening up new opportunities for regional trade, tourism, and investment. Through transport routes, economic cooperation between countries is deepened, expanded opportunities for access to global markets, and stimulated economic growth.

Developing transport corridors for Central Asia is expected to serve as an important foundation for the region's economic development, improved living standards, and international integration in the near future.

In 2023, a historical agreement to create a transport corridor by passing Kazakhstan was signed in Tashkent. This initiative aims to provide an alternative route for transporting goods from Kyrgyzstan and other Central Asian countries that face difficulties in transporting goods through Kazakhstan. Russia, Turkmenistan, Uzbekistan, Kyrgyzstan, Azerbaijan, Georgia, and Turkey are participating in the project.

The new corridor involves transporting cargo across the Caspian Sea, connecting the port of Turkmenbashi in Turkmenistan with the ports of Baku in Azerbaijan, as well as the Russian ports of

Makhachkala and Astrakhan. After crossing the Caspian Sea, the cargo will be distributed by rail and road, heading to Europe and Asia. To effectively implement the project, Russia has begun dredging the bottom of the Caspian Sea, and Kyrgyzstan is already looking for additional ferries.

The corridor is designed for a wide range of cargo, which will help diversify trade flows and increase trade volumes between participating countries:

Oil and oil products - will be transported from Russia, Azerbaijan, and Turkmenistan to Europe and Asia.

Food and industrial goods - bread, water and sodium sulfate from Russia will be supplied to Turkmenistan, Uzbekistan, and Kyrgyzstan.

Export of goods from Central Asia - from Kyrgyzstan, Uzbekistan, and Turkmenistan to Russia, Azerbaijan, Georgia, and Turkey.

This transport corridor will become an important element in the development of the economies of Central Asia, creating new opportunities for export and import and reducing dependence on Kazakhstan as a transit country. Moreover, it will improve the region's transport infrastructure, reduce logistics costs, and strengthen economic ties with neighboring states and international partners.

The new transport corridor across the Caspian Sea pursues several strategic and economic goals for each of the participating countries. The project is aimed at strengthening economic interaction, improving transport accessibility, and creating new logistics opportunities, which will increase the sustainability of the regional economy and its competitiveness in the international arena. Let's consider the project's goals for each of the countries:



Russia project represents an opportunity to expand its export capabilities and improve access to markets in Europe and Asia. The corridor allows Russia to bypass some sanctions restrictions by exporting oil and oil products via alternative routes through the Caspian Sea. It also strengthens

Russia's position as a leading logistics partner for the countries of Central Asia and the Caucasus, allowing it to expand its influence and diversify resource transportation routes.

Kyrgyzstan experiencing difficulties with transit through Kazakhstan seeks to diversify export routes and create independent logistics chains. The new corridor allows Kyrgyzstan to directly send goods to the Caucasus countries and Turkey, improving access to international markets and reducing dependence on transit restrictions. The development of the new corridor also opens up prospects for improving export logistics and supporting economic growth by reducing transportation costs.

Uzbekistan is a landlocked country, Uzbekistan is interested in creating reliable and efficient transport routes to expand its trade ties. The new corridor will allow it to increase its export and import capabilities, developing trade with the Caucasus, Turkey, and Europe. In addition, Uzbekistan's participation in the project helps strengthen its position as a transport hub for Central Asia, which also supports its ambitions to integrate into the international economy.

Turkmenistan plays a key role in the project thanks to the port of Turkmenbashi, which will become the starting point for the transportation of goods across the Caspian Sea. Turkmenistan sees this corridor as an opportunity to strengthen its position as a transit state, receiving additional income from port and transport services. It will also help Turkmenistan diversify its foreign economic relations and expand the export of gas, oil, and oil products.

Azerbaijan with its developed port in Baku, Azerbaijan also benefits from the creation of a new route. The corridor through the Caspian Sea strengthens Azerbaijan's position as a link between Central Asia and Europe. The project helps attract investment in the country's port and transport infrastructure, improving its logistics potential and increasing transit revenues.

Georgia Situated at the crossroads between Europe and Asia, Georgia is keen to take advantage of opportunities to develop its transit potential. Participation in the project strengthens its role as an important link in the supply chain through the Caucasus and opens up prospects for attracting investment in rail and port infrastructure. Georgia can expand export opportunities for local producers, as well as boost trade with Central Asia and Turkey.

Turkey plays a strategic role in the project as the end point of a corridor linking Central Asia and Europe. For Turkey, this is an opportunity to strengthen its economic and political ties with the states of Central Asia and the Caucasus, as well as to strengthen its status as a regional logistics hub. The corridor provides Turkey with additional sources of oil and oil products, helping to diversify energy supplies and strengthen cooperation with Asia.

Thus, the creation of a transport corridor across the Caspian Sea meets the strategic interests of each participating country, allowing for the strengthening of economic ties, improvement of transport accessibility, and enhancement of the sustainability of logistics chains.

In this context, the economic importance of the main categories of cargo comes to the fore, as they directly affect the success and profitability of this international project.

Oil and oil products transportation of oil and oil products accounts for a significant portion of cargo turnover in the region. Russia, Azerbaijan, and Turkmenistan have large reserves of oil and natural gas, and the export of these products is an important source of income for their budgets. The new corridor will provide these countries with the opportunity to expand export flows to Europe and Asia, bypassing existing sanctions restrictions for Russia.

According to the IEA, the volumes of oil supplies from the region could reach 30-40 million tons per year in the next 5-10 years. Increasing oil exports through the Caspian Sea will increase the income of participating countries and ensure a stable flow of foreign exchange earnings, especially with favorable energy prices.



Food products, including grain crops, sugar, water, and sodium sulfate, also have a high priority in cargo transportation through the Caspian Corridor. Food products exported by Russia will be in demand in the markets of Turkmenistan, Uzbekistan, and Kyrgyzstan, which will help ensure food security and stabilize prices in these countries.

Food products account for about 10-15% of Russia's total exports to Central Asian countries. Expanding supplies will stimulate the agricultural sector and processing industry, especially in the Russian regions focused on exports to Central Asia. It is expected that the volume of food supplies will reach 2-3 million tons per year, which will significantly strengthen bilateral economic relations.

Industrial goods such as equipment, construction materials, and light and heavy industry products also occupy a significant place in cargo transportation along the new corridor. Kyrgyzstan, Uzbekistan, and Turkmenistan plan to expand exports of processing and textile products, while Turkey and Georgia may send industrial products to Central Asian countries through the corridor.

Increased supplies of industrial goods from Central Asia to Turkey and the Caucasus market could reach 1-1.5 million tons per year, which would contribute to the development of production capacity and employment in these countries. In the long term, this would create new jobs, increase productivity, and support the modernization of national economies.

The Caspian Sea transport corridor project opens up new horizons for the countries of Central Asia and the Caucasus, providing them with an opportunity to diversify trade routes and reduce their dependence on transit through Kazakhstan. This significant geopolitical and economic undertaking could become a catalyst for the development of the regional economy, contributing to the strengthening of economic stability and independence of the participating countries. In the long term, the project promises to become an important element of the strategic infrastructure of Eurasia, linking its western and eastern markets.

Long-term prospects and development scenarios

Strengthening the logistics independence of Central Asia - by creating a new transport corridor, Central Asian countries gain alternative access to international markets, which reduces their dependence on neighboring transit states and increases the stability of national economies. This, in turn, strengthens their political and economic independence, which is especially important in the context of a rapidly changing global situation and growing instability in certain regions.

Attracting foreign investors - The Caspian Sea corridor could become an attractive target for international investors, especially in the infrastructure and logistics sectors. The project provides an opportunity to attract capital for the modernization of ports, construction of transport terminals, and creation of a modern logistics network. The development of investment potential could also stimulate the growth of small and medium-sized businesses in the transport services sector and related industries.

Development of transport infrastructure and technologies - the creation of a new route requires significant improvements in infrastructure and logistics, such as modernization of ports and expansion of the capacity of railways and roads. These measures will also require the introduction of modern technologies to manage transport flows and improve the efficiency of the logistics chain. The introduction of innovations and digital solutions, such as automation of customs procedures and electronic cargo tracking systems, will make the corridor more attractive and competitive on the global stage.

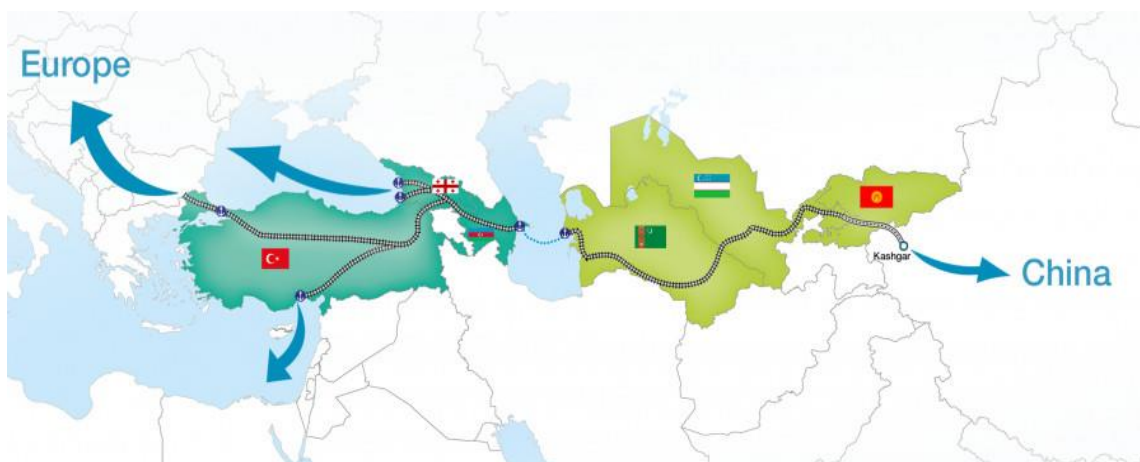
Geopolitical significance and international cooperation - the new corridor across the Caspian Sea could become an important link in expanding economic cooperation between Central Asian countries and Europe, China, and the Middle East. This project creates a basis for further development of trade and political ties and also contributes to the integration of the region into the global economy. The successful implementation of the corridor could become an example for other initiatives aimed at strengthening regional infrastructure and economic cooperation.

Forecasts for the volume and cost of cargo for participating countries

Russia Oil and oil products are expected to export up to 20-25 million tons of oil and oil products annually, which will allow Russia to additionally receive about \$12-15 billion in revenue.

Food, the volume of food and water supplies to the countries of Central Asia can reach 2 million tons annually with a total value of about \$500–700 million.

Azerbaijan oil and oil products, export from Azerbaijan within the new corridor could amount to about 5-7 million tons per year, which will bring the country an additional \$3-4 billion.



Industrial goods, the volume of industrial product deliveries, including equipment and building materials, could amount to about 500 thousand tons per year, estimated at \$200-300 million.

Kyrgyzstan industrial goods and agricultural products, the volume of exports of processed goods may amount to 300 thousand tons per year with an estimated value of \$150 million.

Import of food and water, an increase in food imports from Russia and other participating countries is expected to reach 1 million tons per year, worth \$200 million.

Uzbekistan export of industrial products, with an export potential of 500-700 thousand tons annually, which could bring in about \$250 million.

Uzbekistan Energy imports: will be able to import up to 1–1.5 million tons of oil and oil products per year, worth about \$600 million.

Turkmenistan export of oil and oil products, the country is expected to supply about 3-5 million tons of oil and oil products annually, which can generate income of up to \$2 billion.

Export of sodium sulfate, the main sales markets are Russia and Central Asian countries, total export volume is estimated at 100-200 thousand tons.

Turkey import and export of industrial goods, with a volume of up to 1 million tons, the total value of which can reach \$500 million annually. This will strengthen trade relations with Central Asia and support Turkey's industrial sector.

Conclusion

The Caspian Sea Transport Corridor project is a significant development that could change the structure of trade flows in Eurasia. If successfully implemented, it will provide participating countries with new opportunities for sustainable economic growth and improved living standards. This project will not only improve the region's transport infrastructure but also strengthen its position on the world stage, promoting stability and prosperity.

The Caspian Sea transport corridor project is an example of effective cooperation between the countries of Central Asia, the South Caucasus, and Russia. This route will not only facilitate the transportation of goods but will also create conditions for the formation of a new logistics network capable of ensuring stable and sustainable trade relations in the region.