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The Financial Viability of The Trans-Caspian International Transport Route (TITR): A Risk-Adjusted Analysis of Infrastructure Synergy and Azerbaijan's Strategic Role

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ABSTRACT

The Trans-Caspian International Transport Route (TITR), commonly referred to as the Middle Corridor, has emerged as a strategically significant multimodal freight corridor linking China, Central Asia, the Caspian basin, Azerbaijan, Georgia, Türkiye, and European markets. While its geopolitical relevance has been widely analysed, the financial viability of the corridor remains insufficiently theorised within a risk-adjusted framework. This paper addresses that gap through a qualitative-analytical assessment that integrates New Economic Geography and Transaction Cost Economics perspectives. Drawing on peer-reviewed scholarship, institutional reports, and empirical transport data, the study evaluates TITR's competitiveness relative to the Northern Corridor and maritime alternatives, with particular emphasis on Azerbaijan's role as the pivotal logistics node. The analysis demonstrates that TITR's corridor competitiveness is determined not only by physical distance reduction — approximately 3,000 km shorter than the Northern Corridor — but by the institutional quality of soft infrastructure including customs harmonisation, digital cargo tracking, and tariff coordination. The paper further examines how the Port of Alat, the Baku-Tbilisi-Kars (BTK) railway, and the prospective Zangezur Corridor collectively generate infrastructure synergies capable of reducing operating expenditure, improving capital rotation, and lowering the risk premium perceived by logistics operators. The findings suggest that TITR's long-term financial viability depends on the consolidation of a platform-based governance model that integrates physical assets with institutional interoperability across participating states.

1. Introduction

The reorganisation of Eurasian trade networks in the post-2022 geopolitical environment has transformed the Trans-Caspian International Transport Route from a secondary policy aspiration into a commercially significant logistics corridor. Russia's invasion of Ukraine in February 2022 disrupted established transcontinental freight routes, while repeated disruptions to Red Sea maritime shipping reinforced shipper incentives to diversify overland alternatives. Within this context, TITR — running from China through Kazakhstan, across the Caspian Sea, through Azerbaijan and Georgia, and westward through Türkiye to European destinations — has recorded cargo volumes of 2.76 million tons in 2023, representing a 65 percent increase from the preceding year (Gafarli, 2024).

Yet the corridor's rapid rise in utilisation has not been accompanied by proportionate analytical attention to its financial logic. Existing scholarship is heavily weighted toward geopolitical and strategic framing, with economic and institutional dimensions remaining underdeveloped. This paper contends that evaluating TITR through a risk-adjusted economic lens is essential for understanding both its current limitations and its long-term potential. The central analytical claim is that corridor competitiveness is a function not only of physical distance and modal speed, but of the total transaction cost environment — encompassing customs delays, documentation burdens, tariff inconsistencies, and governance fragmentation — within which freight operators make routing decisions (Nandy et al., 2026).

Azerbaijan occupies a decisive position within this analysis. Strategically situated between the Caspian crossing and the South Caucasus land bridge, the country has invested substantially in the Port of Alat, the Baku-Tbilisi-Kars railway, and associated logistics infrastructure. The proposed Zangezur Corridor, which would provide a direct overland link between mainland Azerbaijan, Nakhchivan, and Türkiye through Armenian

territory, introduces a further strategic variable with significant implications for route geometry, operating cost, and redundancy.

This paper addresses three interrelated research questions. First, how does TITR compare with competing Eurasian routes when assessed through transport time, transaction cost, and risk-adjusted efficiency criteria? Second, in what ways do Azerbaijan's infrastructure investments generate synergies that improve the commercial viability of the corridor? Third, how might the Zangezur Corridor alter the economic calculus of regional transit and Azerbaijan's broader non-oil development strategy?

2. Literature Review and Theoretical Framework

2.1 Existing Scholarship on TITR

Academic engagement with the Middle Corridor has grown substantially since 2022, yet remains unevenly distributed across thematic domains. A geopolitically oriented strand of literature examines TITR primarily as an instrument of strategic realignment, focusing on its role in reducing post-Soviet countries' dependence on Russian-controlled transit infrastructure (Garibov, 2016; Miholjcic, 2018). These studies establish the political rationale for corridor investment but leave financial sustainability largely untheorised.

A second, transport-focused strand examines operational realities including transit duration, intermodal handling, infrastructure bottlenecks, and route elasticity. Zhumanov et al. (2024) construct an agent-based simulation model of Kazakhstan's TITR railway segment, demonstrating that single-track infrastructure constraints add between 10 and 12 hours to container train journey times, representing 16 percent of net movement time. Palu and Hilmola (2023) document the corridor's container volume growth from 42 TEUs in 2015 to 9,023 TEUs in 2021 on the Georgian railway section, while noting that actual throughput may be four times higher than officially recorded figures due to route fragmentation in reporting.

A third strand engages with development economics and non-oil diversification, particularly in the Azerbaijani and Kazakhstani contexts. Miholjcic (2018) argues that TITR participation offers Central Asian and South Caucasian economies a structural mechanism for export diversification and reduced dependence on hydrocarbon cycles. Kenderdine and Bucsky (2021) conclude that corridor growth on the demand side is contingent on European market drivers rather than China's supply-side subsidies, pointing to an underlying fragility in the corridor's business model. None of these contributions, however, integrates a systematic risk-adjusted financial framework.

2.2 Theoretical Framework: New Economic Geography and Transaction Cost Economics

This study draws on two complementary analytical traditions. New Economic Geography, associated principally with Krugman (1991), holds that reductions in transport cost generate agglomeration effects by increasing market access, concentrating economic activity, and improving the viability of regional production networks. Applied to TITR, this perspective suggests that the corridor's value lies not merely in linear distance reduction but in its capacity to reorganise spatial economic relationships across Eurasia. If transport becomes faster, more reliable, and institutionally less burdensome, the corridor can attract trade flows that reinforce its own development through positive feedback.

Transaction Cost Economics complements this perspective by directing attention to the governance dimensions of exchange. From this standpoint, a corridor is commercially viable only when the total cost of exchange — including administrative delay, documentation burden, inconsistent tariffs, legal uncertainty, and coordination failure — is sufficiently low to justify route selection over alternatives. This is especially important for multimodal, multi-jurisdictional corridors such as TITR, where cargo must traverse multiple rail systems, maritime segments, customs jurisdictions, and regulatory regimes. The conjunction of these frameworks suggests that Azerbaijan's role in TITR should be evaluated simultaneously as a territorial bridge, an infrastructure investor, and an institutional coordinator.

3. Methodological Approach

This study employs a qualitative-analytical methodology informed by comparative cost assessment and risk-adjusted corridor evaluation. The approach synthesises peer-reviewed academic literature, institutional reports from the World Bank (2023), OECD (2023), and Asian Development Bank Institute, alongside primary transport data on freight volumes, transit times, and infrastructure specifications. A purely econometric approach is not adopted given the corridor's evolving operational conditions and the significant variance in publicly available data; instead, the paper constructs a structured interpretive model capable of identifying the conditions under which TITR infrastructure investments generate disproportionate economic value.

Risk-Adjusted Cost (RAC) Equation: To quantify the economic competitiveness of the corridor, the following model is proposed:

$$RAC = TC + IC(TVM) + RC$$

Where TC denotes direct transport costs, IC(TVM) represents inventory carrying costs adjusted for the time value of money, and RC is the risk premium associated with geopolitical and institutional factors.

Risk-Adjusted Connectivity Index (RACI): The operational efficiency of infrastructure nodes is evaluated using the following index:

$$RACI = (Ec \times Sy) / (R(gp) + If)$$

Where Ec is economic competitiveness, Sy is infrastructural synergy, R(gp) is geopolitical risk, and If is institutional friction.

The analytical framework organises variables into three categories: (1) physical efficiency metrics including transit distance, modal integration, throughput capacity, and cargo handling time; (2) financial performance

indicators encompassing capital expenditure, operating expenditure, inventory carrying costs, turnaround time, and expected logistics return; and (3) institutional risk variables including customs harmonisation, legal predictability, tariff coordination, and governance fragmentation. Azerbaijan's infrastructure portfolio — the Port of Alat, the BTK railway, and the prospective Zangezur Corridor — is evaluated as a synergistic system rather than a collection of discrete projects.

4. Comparative Route Assessment: TITR versus Competing Corridors

The operational and financial competitiveness of the Middle Corridor is best illustrated through a comparative assessment with alternative routes. Table 1 synthesises the key performance indicators (KPIs) based on current institutional data and infrastructure projections.

Table 1. Comparative Route Performance Metrics — TITR, Northern Corridor, and Maritime Routes

Route	Distance (km)	Transit Time (days)	Current Annual Capacity	Key Advantage
TITR (Middle Corridor)	~6,500	14–18	5.8 million tons/year	Bypasses Russia; shorter distance
Northern Corridor (Trans-Siberian)	~10,900	18–22	~1.46 million TEU (2021)	High volume; established operations
Maritime (Suez)	~20,000+	40–60	Dominant share (95%)	Low unit cost; high volume
Zangezur-enhanced TITR (projected)	~3,500	10–14	Up to 10 million tons by 2027	Maximum distance reduction

Source: Gafarli (2024); Palu & Hilmola (2023); World Bank (2023); Zhumanov et al. (2024)

4.1 Distance and Transit Time

A fundamental competitive advantage of TITR relative to the Northern Corridor is route length. The Middle Corridor is approximately 3,000 kilometres shorter than its Russian counterpart, a metric that translates directly into reduced fuel consumption, lower labour costs, and diminished inventory carrying charges for time-sensitive cargo (Gafarli, 2024). Transit times on TITR currently range between 14 and 18 days, compared to approximately 20 days via the Trans-Siberian route and 40 to 60 days by maritime options. This time advantage has particular significance for high-value goods including electronics, automotive components, and pharmaceutical products, where delivery windows directly affect working capital requirements.

4.2 Financial Efficiency: Capital Rotation and Operating Cost

Beyond raw distance, the financial attractiveness of a corridor depends on its capacity to accelerate capital rotation for logistics operators and the firms they serve. Shorter transit cycles reduce the period during which goods are immobilised, lowering inventory financing costs. For a manufacturer shipping goods worth USD 1 million with an annual cost of capital of 8 percent, reducing transit time by 25 days releases approximately USD 5,500 in financing cost per shipment — a figure that compounds significantly across repeat shipments.

The Zangezur Corridor, if operationalised, is projected to reduce total travel distance by approximately 25 percent relative to the BTK-only routing, with estimated fuel savings per truck of approximately 33 litres per journey (Gafarli, 2024). These operational savings directly improve the internal rate of return for logistics operators and strengthen the commercial case for route commitment. Current TITR capacity stands at approximately 5.8 million tons annually, with projections from the World Bank (2023) indicating that tripling freight volumes to 11 million tons and halving transit times are achievable by 2030, subject to coordinated infrastructure investment and institutional reform. The OECD (2023) independently identifies the corridor's potential while emphasising that realisation depends critically on policy coordination among Türkiye, Azerbaijan, Georgia, and Kazakhstan.

4.3 The Corridor Risk Premium

A conceptually important dimension of TITR's financial evaluation is the corridor risk premium — the additional cost implicitly borne by shippers who perceive uncertainty regarding documentation reliability, border handling consistency, and route continuity. Unpredictable delays ranging from 14 to 60 days, as reported by Gafarli (2024), generate substantial contingency costs and reduce route confidence among potential new users. The Northern Corridor, despite its association with sanctioned Russian territory, historically benefits from lower perceived risk due to centralised customs administration under a single sovereign. TITR's fragmented governance across five to seven jurisdictions constitutes a structural risk multiplier that infrastructure investment alone cannot resolve.

5. Azerbaijan's Infrastructure Portfolio: Synergy and Financial Logic

5.1 Port of Alat

The Port of Alat, located 65 kilometres south of Baku on the Azerbaijani Caspian coast, is the principal maritime-rail interface point within Azerbaijan's logistics architecture. Its current operational capacity stands at 15 million tons of cargo and 100,000 TEUs annually, with planned expansion to 25 million tons and 500,000 TEUs upon completion of all construction phases (Chankov, 2023; Garibov, 2016). The port's strategic importance derives not merely from its handling capacity but from its function as a coordination node where cargo is transferred between ferry and rail modes. Efficient port operations reduce idle time, improve scheduling reliability, and lower the hidden costs associated with delayed cargo movement. In corridor economics, these time savings matter because they influence both the time value of inventory and the predictability of delivery commitments upon which commercial relationships depend.

5.2 Baku-Tbilisi-Kars Railway

The Baku-Tbilisi-Kars railway, opened in 2017, provides the 849-kilometre overland continuation of Azerbaijan's logistics system, connecting westward through Georgia to the Turkish standard-gauge network and onward to European destinations. Its current line capacity is approximately 5 million tons annually, with projections for expansion (Chankov, 2023). The BTK railway's strategic value is amplified when understood as part of an integrated multimodal corridor rather than a standalone rail asset. It enables the consolidation of Caspian-bound cargo into a coherent westward freight flow that bypasses more politically constrained alternatives, contributing to network resilience and creating a transport option whose attractiveness increases as throughput rises and coordination improves.

In financial terms, Azerbaijan's role through BTK can be understood as the conversion of sovereign infrastructure spending into a platform for recurring transit revenue and indirect economic gain. Such gains include customs receipts, railway usage charges, port fees, logistics services, warehousing, and the development of industrial activities associated with free economic zones. Azerbaijan Railways was projected to receive transit traffic revenues of USD 600–700 million annually by 2020 (Miholjcic, 2018), though realisation has been contingent on corridor-wide volume growth.

5.3 The Zangezur Corridor: Strategic Economics

The proposed Zangezur Corridor introduces a qualitatively different dimension to TITR's financial calculus. The corridor would establish a highway and railway link connecting Azerbaijan's western regions with the Nakhchivan Autonomous Republic through Armenian territory, comprising a new 166 km railway from Horadiz to Ordubad alongside related highway infrastructure. When extended via a Kars-Nakhchivan railway link, the corridor would establish for the first time a direct railway connection between Türkiye and Russia through Azerbaijan, while simultaneously positioning TITR as the shortest land transport route between the Pacific and Atlantic Oceans (Gafarli, 2024).

The economic logic of the Zangezur Corridor rests on three mechanisms. First, it reduces total route distance by approximately 25 percent relative to the BTK-only option, lowering fuel use, labour costs, maintenance expenditure, and scheduling uncertainty. Second, it provides route redundancy, reducing the probability that disruption at any single node will suspend the corridor's commercial viability — functioning, in financial terms, as embedded infrastructure insurance. Third, it creates optionality value by opening new market connections between Türkiye, Central Asia, and European destinations that are currently accessible only through more circuitous routing.

The Zangezur Corridor is projected to boost Azerbaijan's trade with Türkiye and Europe by up to 15 percent, reduce transport costs by up to 30 percent, and cut travel time by up to 50 percent (Gafarli, 2024). Additionally, estimates project more than USD 710 million in increased exports and a 2 percent rise in non-oil GDP for Azerbaijan following corridor operationalisation.

Table 2. Azerbaijan's Infrastructure Assets — Financial and Strategic Parameters

Infrastructure Asset	Current Capacity	Planned Capacity	Key Financial Contribution	Status
Port of Alat	15 mt / 100,000 TEU	25 mt / 500,000 TEU	Modal transfer efficiency; transit fee revenue	Operational (Phase 1)
BTK Railway	~5 million tons/year	17 million tons (peak)	Westbound rail continuity; transit receipts	Operational since 2017
Horadiz–Aghbend Railway	Under construction	Part of Zangezur link	Southern connectivity; route geometry improvement	45% complete (2024)
Zangezur Corridor (full)	Proposed	~10 million tons projection	25% distance reduction; 30% cost reduction	Pending Armenia agreement
Alat Free Economic Zone	Operational	Expanding	Value-added services; FDI attraction	Active

Source: Gafarli (2024); Garibov (2016); Chankov (2023); Miholjcic (2018)

6. Soft Infrastructure and Institutional Friction

6.1 Customs and Documentation Challenges

The most consequential constraints on TITR's commercial viability may arise not from physical infrastructure but from institutional governance. Cargo traversing the Middle Corridor encounters varying customs regulations across Türkiye, Georgia, Azerbaijan, and Kazakhstan, creating a fragmented administrative landscape that the Northern Corridor — benefiting from centralised Russian control — does not face (Gafarli, 2024). These institutional frictions aggregate across transfer points to produce substantial total transaction costs. Delays ranging from 14 to 60 days — a variability range that makes precise inventory planning impossible — are attributable primarily to customs processing inconsistencies and documentation burden rather than physical infrastructure limitations.

From a Transaction Cost Economics perspective, this institutional fragmentation represents the primary

constraint on corridor competitiveness. A corridor with moderate physical limitations but low institutional friction may systematically outperform a theoretically shorter route burdened by fragmented administration, particularly for just-in-time supply chains and time-sensitive cargo categories. The World Bank (2023) and OECD (2023) both identify customs harmonisation and digitisation as prerequisites for realising the corridor's projected potential, with the World Bank projecting that the combination of halved travel times and tripled freight volumes is achievable by 2030 only under coordinated reform conditions.

6.2 Digitisation as Core Infrastructure

Real-time cargo visibility, interoperable documentation systems, and coordinated scheduling platforms constitute a category of 'digital infrastructure' whose economic value is equivalent to physical investment. The reduction of uncertainty through digital systems directly lowers the corridor risk premium that deters potential shippers. Azerbaijan's potential role as a convening actor for digitisation and procedural coordination — given its central position in the Caspian–South Caucasus interface — represents a competitive advantage that extends beyond its physical asset base. The Alat Free Economic Zone's integration into corridor logistics systems is particularly relevant in this regard, offering a platform for customs modernisation and multimodal scheduling that can help transform TITR from a corridor with episodic attractiveness into one with routine commercial credibility.

7. Risk-Adjusted Financial Assessment

7.1 Return Dimensions

TITR's potential return profile encompasses several interconnected channels. Faster cargo movement reduces the time value of inventory for manufacturers and traders, with delivery compression from maritime to overland cycles improving capital rotation. For high-value or time-sensitive cargo, reduced transit times may justify route selection even where direct transport cost differentials are modest, because lower working capital pressure improves the balance-sheet efficiency of the shipper.

Reductions in operating expenditure through shorter distance and improved vehicle utilisation directly enhance logistics profitability for carriers, improving the corridor's bankability from the standpoint of private operators. Transit revenue for Azerbaijan represents a further return channel. Port fees, railway usage charges, customs receipts, and ancillary logistics services collectively constitute a diversification stream from the corridor's throughput. The multiplier effects of corridor activity — including warehousing, brokerage, insurance, and light industrial processing within the Alat Free Economic Zone — extend this return profile into domestic economic transformation that goes beyond pass-through transit accounting.

7.2 Risk Dimensions and Mitigation

The risk side of TITR's financial equation encompasses geopolitical uncertainty, route fragmentation, limited current scale relative to the Northern Corridor, bottlenecks at transfer points, and the possibility that institutional coordination will lag behind infrastructure expansion. The corridor currently holds approximately 10 percent of the capacity of the Russian route, reflecting its status as a growth corridor whose commercial maturity remains prospective rather than realised (Gafarli, 2024).

Kazakhstan's USD 35 billion transport sector investment over the past five years, including 2,500 kilometres of new railways and expanded Caspian port capacities, signals a sustained commitment to corridor development that reduces infrastructure-related risk (Gafarli, 2024). However, geopolitical risk associated with the Zangezur Corridor — dependent on finalisation of the Azerbaijan–Armenia peace agreement — remains a material contingency. The corridor's long-term risk profile improves as route redundancy increases: the BTK route through Georgia provides an established operational fallback even if the Zangezur link is delayed.

Table 3. TITR Middle Corridor — Cargo Volume Growth (Georgian Railway Section, China-Europe)

Year	Volume (TEU)	Year-on-Year Change	Notes
2015	42	—	Corridor initial phase
2016	132	+214%	BRI policy activation
2017	190	+44%	BTK railway opens
2018	1,320	+595%	Corridor coordination agreements
2019	2,764	+109%	Pre-pandemic peak
2020	3,029	+10%	Pandemic resilience
2021	9,023	+198%	Post-pandemic surge; Ukraine war early effect
2022 (est.)	~33,600 *	n/a	*Full corridor estimate (4× Georgian data)
2023	2.76 million tons	+65%	New annual record; all cargo types

*Source: Palu & Hilmola (2023) for TEU data (Georgian Railways via UN Economic and Social Council, 2022); Gafarli (2024) for 2023 tonnage. *Sector professional estimate cited in Palu & Hilmola (2023).*

8. Implications for Azerbaijan's Non-Oil Development Strategy

The significance of TITR for Azerbaijan extends beyond transit accounting into a structural question about the

country's longer-term development model. Azerbaijan's economy remains heavily dependent on hydrocarbon exports, which accounted for approximately 89 percent of export value in the period examined by Miholjcic (2018). The corridor's development offers a partial structural hedge against commodity price volatility by creating alternative income channels tied to trade flows rather than extraction cycles. If TITR deepens and stabilises, Azerbaijan stands to benefit from both direct transport revenues and broader spillovers in employment, services, and export capacity.

Several channels are particularly relevant. Transit-linked logistics services — including warehousing, brokerage, customs support, freight forwarding, and insurance — represent a service-sector deepening that is directly conditioned on corridor throughput volume. Light industrial activity and assembly functions in zones linked to transport nodes offer a further domestic value-capture mechanism. The Alat Free Economic Zone is especially important in this context: if effectively linked to corridor infrastructure, the zone can serve as a bridge between transit and production by encouraging firms to perform packaging, processing, redistribution, and related services near the transport hub. The projected 2 percent rise in non-oil GDP and growth in manufacturing and mining sectors following Zangezur Corridor operationalisation (Gafarli, 2024) quantifies the scale of potential domestic economic impact.

9. Policy Implications

The analysis yields several policy priorities for states and institutions involved in the Middle Corridor. Participating countries should accelerate the standardisation of customs procedures, tariff disclosure, digital documentation, and border-management protocols. A corridor cannot function as an integrated economic platform while its governance remains segmented across jurisdictions. This is not merely an administrative reform priority; it is a precondition for reducing the corridor risk premium that currently deters committed commercial utilisation.

Digitisation should be treated as core infrastructure rather than an administrative add-on. Real-time cargo visibility, interoperable documentation systems, and coordinated scheduling platforms reduce uncertainty and build route trust among potential shippers. Future growth will likely require blended financing models combining public investment, sovereign support, and instruments capable of attracting long-term institutional capital — particularly for rolling stock modernisation, green logistics initiatives, and terminal efficiency upgrades. Free economic zones and logistics parks should be designed to support processing, assembly, and re-export activity, maximising domestic value capture from corridor flows. From a resilience perspective, investments that reduce single-point corridor dependency — including the Zangezur Corridor if politically feasible — should be understood as productivity-enhancing rather than merely precautionary.

10. Limitations and Directions for Future Research

This paper has several limitations. The analysis draws on currently available institutional and secondary-source material rather than proprietary shipment-level data, making it an analytical assessment rather than a definitive quantitative forecast. The corridor remains politically and operationally dynamic, and some projected gains — particularly those associated with the Zangezur Corridor — depend on implementation conditions that are not yet fully settled. The Azerbaijan–Armenia peace process introduces material uncertainty into the Zangezur timeline that cannot be resolved through economic analysis alone. Freight competitiveness also varies significantly by cargo type, seasonality, and firm-specific logistics strategy, dimensions that deserve more granular study.

Future research could extend this analysis in at least three directions. A formal econometric study of tariff elasticity and route substitution across Eurasian corridors would provide quantitative grounding for the comparative arguments advanced here. The development of shipment-level comparative models incorporating inventory cost, insurance premiums, and customs delay distributions would produce more precise estimates of route-specific financial performance. Third, examination of whether TITR can evolve beyond freight transit into a broader energy and green-industry corridor — particularly in relation to renewable electricity, hydrogen derivatives, and low-carbon industrial supply chains — represents a prospectively significant research frontier.

11. Strategic Recommendations for TITR Enhancement

A risk-adjusted assessment of the Trans-Caspian International Transport Route (TITR) indicates that Azerbaijan can further strengthen its strategic position within the Middle Corridor through several complementary policy measures. First, the implementation of a unified digital customs and transit platform among all TITR member states would significantly reduce institutional friction, streamline border-crossing procedures, and improve the efficiency of cargo movements. Second, the establishment of transparent and predictable tariff structures would lower uncertainty for international logistics operators and freight forwarders, thereby reducing the risk premium associated with corridor utilization. Third, continued investment in the multimodal infrastructure of the Port of Alat would enhance connectivity between maritime and rail transport segments, increasing operational efficiency and improving the overall competitiveness of the corridor. Finally, expanding the use of public-private partnerships (PPPs) would facilitate the development of logistics hubs and supporting infrastructure while reducing the fiscal burden on the public sector. Collectively, these measures would improve corridor reliability, attract additional transit flows, and reinforce Azerbaijan's role as a key logistics and transport hub linking Europe and Asia.

12. Conclusion

The Trans-Caspian International Transport Route has emerged as one of the most consequential connectivity projects in the current reorganisation of Eurasian trade. When examined through a risk-adjusted financial and institutional lens, TITR appears as an increasingly credible attempt to combine supply-chain resilience, transit speed, and regional economic integration. The corridor recorded 2.76 million tons of cargo in 2023, a 65 percent increase on the prior year, and both the World Bank and OECD project further tripling of freight volumes by 2030 under coordinated reform conditions.

This paper has argued that Azerbaijan occupies the corridor's principal strategic and financial node. Through the Port of Alat, the BTK railway, and associated logistics infrastructure, the country has sought to convert geographic position into recurring economic advantage. The prospective Zangezur Corridor further sharpens this strategy by offering the possibility of lower operating costs, shorter land routes, 25 percent distance reduction, and greater redundancy in the South Caucasus transport system.

These physical advantages are, however, contingent on the evolution of soft infrastructure: harmonised customs systems, digital interoperability, legal predictability, and coordinated corridor governance. Where these elements converge, TITR has the potential to evolve from a supplementary transit option into a robust commercial artery linking East Asia, Central Asia, the South Caucasus, Türkiye, and Europe. The financial viability of the Middle Corridor should ultimately be understood as a problem of integration. The corridor becomes economically powerful when ports, railways, institutions, and policy frameworks operate as components of a single coordinated system. Azerbaijan's strategic role within this architecture is not only that of a transit state but that of a system-builder — and the quality of that system-building will determine whether TITR's considerable geographic and logistical advantages are translated into durable commercial performance.

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