

KEY PROBLEMS IN THE DEVELOPMENT OF TRANSPORT CORRIDORS IN CENTRAL ASIA AND WAYS TO SOLVE THEM

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Abstract:

The article is devoted to the analysis of the key problems of the development of international transport corridors in Central Asia and possible ways to solve them. Systemic obstacles, including high logistics costs, lack of direct access to seaports, inefficiency of customs administration and fragmentation of tariff policy, are considered. Special attention is paid to the prospects of digitalization of transport processes, the introduction of the "single window" system, the unification of tariffs and development of multimodal routes. The article examines the main transport corridors affecting the region, including the Trans-Caspian International Route, the North-South Corridor and the China-Kyrgyzstan-Uzbekistan Railway. It is concluded that comprehensive modernization of infrastructure, coordination of regional policy and integration into international logistics networks contribute to increasing the competitiveness of the Central Asian countries and strengthening their transit potential.

Keywords: Transport corridors, Central Asia, logistics, multimodal transportation, digitalization, customs procedures, tariff policy, Trans-Caspian route, North-South, China-Kyrgyzstan-Uzbekistan.

Introduction

In recent years, Central Asia has seen a dynamic development of regional cooperation, including in the field of transport corridors. One of the key mechanisms for coordinating interaction is consultative meetings at regional and international platforms, where promising infrastructure projects, financing mechanisms and unification of customs procedures are discussed. Central Asia actively interacts with international financial institutions and global economic partners, including the European Union, China, Turkey, the countries of the Middle East and international organizations such as TRACECA, EAEU, SCO and ECO. A particularly significant step was the proposal of Uzbekistan to create a Regional Council for Transport Communications of Central Asian Countries, which involves the formation of a permanent dialogue between the countries of the region, the coordination of priority areas of transport development and the coordination of

international infrastructure initiatives. This mechanism will increase the transparency of transit policy, minimize barriers to cargo transportation and attract additional investment. Another important area is the development of multimodal transportation, including rail, road and sea routes. Uzbekistan actively uses Kazakh, Turkmen and Azerbaijani ports on the Caspian Sea, and also develops cooperation with Turkey and Iran to enter international markets. These initiatives are aimed at diversifying logistics routes, reducing dependence on certain destinations and increasing the competitiveness of Uzbek goods.

Despite these positive steps, a number of systemic problems remain in the region that impede the effective development of transport corridors.

Today, the Central Asian countries face significant logistics costs associated with the lack of direct access to seaports, which significantly limits their competitive advantages in the international market. The high cost of transportation and the complexity of transit procedures have a direct impact on the pricing of export products, reducing their attractiveness for foreign partners. According to expert estimates, transport costs account for 70 to 80% of the total value of exports, which makes the products of the states of the region less competitive in comparison with countries with access to the sea. For comparison, in countries with a developed logistics infrastructure, this figure does not exceed 10-15% of the cost of goods.¹

An additional factor that increases the time and cost of transportation is the inefficiency of customs procedures, which is especially important for Uzbekistan, which is actively developing an export-oriented economy. According to the International Bank for Reconstruction and Development (IBRD), up to 40% of the time spent transporting goods is lost due to administrative barriers, complex bureaucratic procedures and the lack of digitalization of customs clearance. For comparison, in the countries of the European Union, this figure averages 5-7%. Delays at borders lead to increased warehousing costs, fines for transport downtime and loss of contractual advantages, which is especially critical for perishable goods and high value-added products. An analysis of current logistics processes shows that physical and administrative barriers remain in the region, significantly complicating the integration of Central Asian countries into global trade chains. For example, in the World Bank's Logistics Performance Index (LPI) for 2023, Uzbekistan ranks 82nd among 160 countries around the world, behind regional partners such as Kazakhstan (71st) and Turkey (38th). A critical component of the index is customs efficiency, where Central Asian countries perform poorly due to complex certification procedures, redundant paperwork, and a lack of automated processes at most border crossings.

The problem is exacerbated by the fragmentation of the tariff policies of the countries of the region. Differences in the taxation of transit goods, customs fees and railway tariffs lead

¹ Uzbekistan proposed to create a transport strategy for Central Asia. September 20, 2018.
<https://www.gazeta.uz/ru/2018/09/20/transport/>

to significant fluctuations in the cost of transportation. For example, the average rail tariff for transporting a 20-foot container through Kazakhstan is \$2,500-3,000, while a similar route through Russia can be 15-20% cheaper due to subsidized transit traffic. This leads to the need to develop a unified tariff policy to ensure a more predictable and competitive environment for exporters in the region.

One of the possible solutions is the large-scale digitalization of transport processes, including the introduction of a "single window" system at customs, automated cargo flow management and electronic permits for transit traffic. According to research by the Asian Development Bank (ADB), the introduction of electronic transit control systems can reduce customs clearance time by 35-40% and reduce logistics costs by 15-20%, which will lead to a significant increase in the competitiveness of the countries of the region.

The development of international transport corridors in Eurasia is accompanied by a change in logistics flows, which in some cases leads to bypassing the territory of Uzbekistan. This creates risks of loss of transit revenues, weakening of positions in regional trade and slowdown in integration into global supply chains. Let's consider the main routes that can reduce the strategic role of Uzbekistan in the transport system of Central Asia and Eurasia.

1. Trans-Caspian International Transport Route (TITR, or Middle Corridor). The Trans-Caspian route, passing through China, Kazakhstan, the Caspian Sea, Azerbaijan, Georgia and further to Turkey and Europe, is one of the key alternative corridors, partially bypassing Uzbekistan. In 2022, against the backdrop of geopolitical changes, many cargo carriers began to redirect container traffic from Russian routes to TITR, which led to a significant increase in cargo traffic through Kazakhstan and the Caspian Sea.

In the long term, the expansion of this route can reduce the dependence of China and Europe on traditional land routes through Uzbekistan, as the trans-Caspian direction offers multimodal transportation (rail + sea transport) and reduces the geopolitical risks associated with transit through Afghanistan and Russia. In response to this challenge, Uzbekistan needs to actively integrate into this corridor through the development of its railway network and access to Kazakh and Turkmen ports in the Caspian Sea.

2. Pakistan corridor (China – Pakistan – Gwadar). The China-Pakistan Economic Corridor (CPEC), which connects China's western regions to the Pakistani port of Gwadar, is a strategic project aimed at reducing China's dependence on maritime routes through the South China Sea and the Strait of Malacca. This route allows China to directly export and import goods through Pakistan, bypassing Central Asia, which reduces the strategic importance of Uzbek transit for China.

Although this route has infrastructural limitations, including the need to modernize Pakistan's railways and increase their capacity, in the long term it may partially divert Chinese cargo flows from routes through Central Asia to southern corridors. In response, Uzbekistan is actively developing the Trans-Afghan corridor (Termez – Mazar-i-Sharif –

Kabul – Peshawar), which will create a competitive route to Pakistan and will make it possible to use Pakistani ports for Uzbek exports.

An analysis of the main transport corridors that partially bypass Uzbekistan shows that the country may face the risks of a decrease in transit flows if it does not take timely measures to integrate into alternative routes. It is important to note that the development of new transport corridors bypassing the country is due not only to geopolitical factors, but also to technological and infrastructure challenges.

The Concept for the Development of the Transport and Logistics System of the Republic of Uzbekistan until 2030, approved by the Decree of the President of the Republic of Uzbekistan "On measures for the further development of the transport and logistics system of the Republic of Uzbekistan" in January 2025, is a fundamental strategic document that defines the key priorities and directions of the country's transport policy for the next decade. The main goal of the Concept is to continue reforms that ensure full satisfaction of the needs of the economy and business in high-quality freight transportation services, the effective use of the country's transit potential, reducing the share of transport costs in export-import operations and the formation of new promising transport corridors.

Central Asia has a strategically important geographical location, providing key links between Europe, the Middle East and Asia. However, to date, transport infrastructure and logistics processes in the region remain fragmented, resulting in significant delays in the delivery of goods, high transport costs and limited competitiveness of regional economies in the global market. The creation of a single mechanism for coordinating the efforts of the Central Asian states will make it possible not only to eliminate the existing disagreements in the sphere of tariff policy, customs administration and legal regulation, but also to strengthen integration processes aimed at more effective use of the transit potential of the region.

The Regional Agreement on the Joint Development of the Transport and Logistics System of Central Asia should become the legal basis for comprehensive cooperation of states in this area. Its adoption will unify the basic principles of cargo transportation regulation, develop uniform standards for the digitalization of logistics, as well as introduce a mechanism for mutual recognition of customs and transport control. This is particularly relevant in the context of deepening economic integration, where the reduction of bureaucratic procedures and the harmonization of transport policies can lead to a significant increase in transit traffic.

As part of the implementation of this initiative, it is advisable to create a regional Center that will coordinate the processes of integration of Central Asian countries into international transport and logistics networks. The functions of the Center may include monitoring and analyzing global logistics trends, developing joint strategic initiatives, assisting in attracting investment in transport infrastructure, as well as the formation of mechanisms for interaction with international logistics operators and financial institutions. In addition, the Center can act as a platform for the exchange of advanced

technologies that contribute to the digitalization of transport corridors, the introduction of intelligent cargo flow management systems and improving the efficiency of logistics processes. The creation of such an institution is important not only from the point of view of ensuring the sustainable development of the transport sector, but also from the point of view of deepening regional cooperation. The presence of a coordinating body will make it possible to quickly respond to changes in the external economic situation, adapt the logistics strategies of the states of the region to new challenges and develop joint solutions aimed at increasing the competitiveness of the transport and logistics system of Central Asia. Moreover, the functioning of the Center will ensure the effective integration of the countries of the region into the initiatives implemented within the framework of international transport programs, such as "One Belt, One Road", the Trans-Caspian International Transport Route, the TRACECA Program and others.

One of the key priorities of the Concept is active participation in international transport corridors linking Europe, Asia and the Middle East. In this context, the East-West and North-South routes, as well as participation in the global Belt and Road Initiative, are of particular importance. These projects are of strategic value for Uzbekistan, since their implementation will significantly strengthen the country's position as the largest logistics hub in Central Asia, increase the volume of transit traffic and integrate the transport system of the republic into the global network of cargo flows. To date, the East-West and North-South transport corridors are actively developing with the support of the world's leading economic centers. In particular, the Trans-Caspian International Transport Route project, which is part of the East-West corridor, is gaining strategic importance in the context of diversifying trade routes between Europe and Asia. This route passes through China, Kazakhstan, the Caspian Sea, Azerbaijan, Georgia and Turkey, providing an alternative route for cargo flows bypassing the traditional northern routes. For Uzbekistan, connecting to this corridor represents great opportunities, since it allows expanding the geography of foreign trade, reducing the delivery time of goods and reducing dependence on traditional routes through the territory of Russia.

Within the framework of the North-South corridor connecting Russia, Central Asia, Iran and India, projects to modernize railway and road infrastructure are being actively implemented. This route allows for the export of national goods to the countries of the Persian Gulf, South Asia and the Middle East, and also opens up prospects for increasing the volume of transit traffic between Russia and India through the territory of Uzbekistan. An additional factor contributing to the strengthening of Uzbekistan's position on the map of international transport routes is the country's participation in the "One Belt, One Road" initiative proposed by China. Within the framework of this project, major infrastructure projects are being implemented aimed at creating modern transport hubs, modernizing the railway network and improving logistics hubs. Uzbekistan is already actively cooperating with China in this direction, implementing projects to modernize railway lines and build multimodal logistics centers.

Strengthening of Uzbekistan's geopolitical influence. The implementation of these projects will strengthen the country's position as a key transit hub in Central Asia and increase its role in international trade.

One of the priority areas of the Concept for the Development of the Transport and Logistics System of the Republic of Uzbekistan until 2030 is a significant reduction in the time of rail transportation of goods in the northern direction. The implementation of this goal will be possible through the full establishment of the block train system, the introduction of preliminary electronic data exchange, the creation of "green corridors" at border checkpoints and ensuring the free movement of cars of domestic operators in foreign countries. These measures will optimize logistics processes, minimize downtime at borders and increase the competitiveness of Uzbek goods in the markets of the CIS, Europe and Russia. Northbound rail links have traditionally played an important role in Uzbekistan's economy, linking the country with Kazakhstan, Russia and the European Union. At present, the terms of railway transportation of goods in the northern direction remain relatively high, which is due to the need to go through several stages of customs control, reloading wagons, coordinating tariffs and issuing permits. On average, the delivery of goods from Uzbekistan to Russia by rail takes 10-12 days, and to Europe - up to 25 days. The introduction of a system of accelerated block trains, eliminating the need for frequent stops and overloads, will reduce these times by at least 40%.

To speed up the passage of customs procedures and reduce bureaucratic barriers, it is necessary to actively introduce preliminary electronic data exchange between the customs services of Uzbekistan and partner countries. This will allow you to transmit information about the cargo, sender, recipient and other details in advance, providing automated data verification and reducing processing time at the border.

In a broader geopolitical context, this initiative also strengthens regional cooperation in Central Asia, as the countries of the region are interested in optimizing transport corridors and harmonizing logistics procedures. The introduction of accelerated rail routes opens up new opportunities for Kazakhstan and Turkmenistan, allowing them to integrate into the modernized logistics network and develop multimodal transportation.

Another important element of the strategy is the full digitalization of railway logistics, which will eliminate bureaucratic barriers and minimize the time spent on administrative procedures. According to the European Commission for Transport, the introduction of electronic document management in international freight transport can reduce the time of cargo handling at borders by 60%

Findings

Uzbekistan considers the development of transport corridors as one of the key tools of economic policy. The expansion of international transport links contributes to strengthening the country's transit potential, diversifying foreign economic routes and integrating into global logistics chains. An integrated approach, including the

modernization of infrastructure, digitalization of logistics and unification of customs procedures, makes it possible to reduce transportation costs and increase the competitiveness of Uzbek goods in foreign markets.

Effective development of the transport system serves as an important element of Uzbekistan's national interests, including ensuring sustainable economic growth, improving logistics infrastructure and strengthening trade ties. As part of its geopolitical strategy, the country is actively diversifying routes, reducing dependence on traditional transit destinations. Participation in international transport projects, such as the Trans-Caspian route, the North-South corridor and the China-Kyrgyzstan-Uzbekistan railway, contributes to expanding opportunities for international trade.

To improve the efficiency of international cargo transportation, an important area is the unification of customs procedures, the digitalization of logistics and the coordination of tariff policy with partner countries. In this context, Uzbekistan is promoting an initiative to conclude a regional agreement on the development of the transport and logistics system of Central Asia. The creation of a unified regulatory mechanism will minimize transaction costs, speed up the transit of goods and increase the competitiveness of the region's routes. The development of international transport corridors in Central Asia faces systemic challenges, including high transport costs, lack of access to seaports and inefficient customs administration. The share of logistics costs in the cost of goods in the region reaches 20-25%, which significantly reduces the competitiveness of export products. To reduce costs and speed up transit, it is necessary to introduce digital solutions, such as a "single window" at customs, unification of tariff policy and improvement of multimodal supply chains.

Sentences

1. Introduction of digital "single window" systems and automated data exchange to speed up customs procedures.
2. Harmonization of tariff policy and simplification of administrative procedures to reduce logistics costs.
3. Active participation in multimodal routes and international initiatives (East-West, North-South, One Belt, One Road, Trans-Caspian and Trans-Afghan corridors).
4. Creation of a regional coordination center to monitor logistics flows, attract investments and exchange technologies.
5. Modernization of transport infrastructure: railway and road networks, logistics hubs and ports.

The implementation of these measures will increase the efficiency of the transport system, strengthen the transit position of Central Asia and increase the competitiveness of regional exports.

Conclusion

The development of international transport corridors in Central Asia plays a strategic role in strengthening the region's transit potential and integration into global trade chains. The main obstacles – high logistics costs, limited access to seaports, complex customs procedures and fragmented tariff policies – reduce the competitiveness of export products. At the same time, key transport routes, including the Trans-Caspian International Route, the North-South Corridor and the China-Kyrgyzstan-Uzbekistan railway, create opportunities to diversify logistics, reduce transportation times and strengthen the position of Central Asian countries in the international arena.

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