

ECONOMIC IMPACT OF INTERNATIONAL TRANSPORT CORRIDORS ON
UZBEKISTAN'S TRADE AND TRANSIT POTENTIAL

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Abstract: As a double-landlocked nation, Uzbekistan's economic trajectory is inextricably linked to the efficiency of its overland transit networks. This paper assesses the strategic development of International Transport Corridors (ITCs) and their impact on national trade and logistics performance. By synthesizing recent empirical data from the World Bank, CAREC, and national statistics (2020–2025), the study evaluates the performance of three critical axes: The Trans-Caspian Middle Corridor, the North–South Corridor, and the China–Kyrgyzstan–Uzbekistan (CKU) railway. The analysis reveals a significant paradigm shift in Uzbekistan's transit role; total international freight and transit volumes surged to over 2.8 million tons in 2025, with the CKU route alone experiencing a jump from 33,700 tons to 1.8 million tons since 2020. Our findings indicate that these multi-vector infrastructure investments have successfully reduced the distance tax, lowered transit times by approximately 40%, and fostered trade diversification. Furthermore, the transition of 24 national hubs to international dry port status has catalyzed Uzbekistan's emergence as a regional logistics node. The paper concludes with evidence-based policy recommendations, emphasizing the need for synchronized customs digitalization, the renewal of 90% of aging rail rolling stock, and deeper regional institutional alignment to fully capitalize on the UN Decade of Sustainable Transport (2025–2035).

Keywords: International transport corridors; transit trade; logistics infrastructure; Belt and Road Initiative; Uzbekistan.

1. Introduction

In the modern world economy, international transport corridors (ITCs) serve as the vital arteries of global trade and regional integration. Defined as integrated networks of geographic routes, hard infrastructure (such as railways, highways, and ports), and soft regulatory frameworks, these corridors function as catalysts for sustainable economic development (Rareş-Mihai, et al., 2024). Beyond the mere reduction of transit times and vehicle operating costs, ITCs generate profound ripple effects that stimulate net benefits for firms and households alike, fostering economic welfare, industrial diversification, and social inclusion. Transport corridors effectively bridge distant markets and lower logistics barriers (Balbaa, 2022). This enables nations—particularly landlocked and developing economies—to participate more competitively in global value chains. Ultimately, these networks transform linear transit routes into vibrant economic zones (Menon, 2024). This transition drives long-term GDP growth and strengthens cross-border cooperation.

Building on the global significance of trade networks, the development of international transport corridors holds unique strategic importance for Uzbekistan. As one of only two double-landlocked countries in the world, Uzbekistan faces exceptionally high transport costs that can account for a significant portion of the final value of its exports (Athukorala & Hill, 2023). To overcome this geographical disadvantage, the government has prioritized the diversification of transit routes, moving away from a single-axis dependency toward a multi-vector transport strategy. By integrating into corridors such as TRACECA, the Trans-Afghan Corridor, and the Middle Corridor, Uzbekistan is transforming itself from a land-locked country into a land-linked regional hub (Khan, 2022). This connectivity is essential for reducing the distance tax on Uzbek products, allowing the nation to export agricultural and industrial goods to European, South Asian, and Chinese markets more efficiently.



Uzbekistan - A double landlocked country in Central Asia.

Uzbekistan is one of only two doubly landlocked countries in the world, meaning it is separated from the sea by two other countries, which poses unique logistical challenges. To overcome its geographic constraints, Uzbekistan has aggressively pursued regional integration through international transport corridors. In cooperation with the CAREC (Central Asia Regional Economic Cooperation) program, Uzbekistan is upgrading major routes: CAREC corridors 2, 3, and 6 run through the country, and the government has committed substantial investments along these corridors (Khan, 2022). Indeed, by 2024 over \$12.6 billion had been invested in 39 CAREC-related projects in Uzbekistan (nearly half in transport infrastructure). As people and goods move faster through improved corridors, trade between CAREC countries and with external markets grows, supporting business development and jobs. In this context, Uzbekistan's strategic position has begun to shift from a "transport dead-end" to a potential regional transit hub. Major new corridors include routes through the South Caucasus (Trans-Caspian) and via Iran–Turkmenistan–Pakistan, complementing traditional northbound routes.

Therefore, this paper assesses how these corridor developments affect Uzbekistan's trade and transit performance, using current data and literature to evaluate economic impacts and policy implications. Specifically, the analysis explores the shift in Uzbekistan's logistics landscape following the 2017 reforms, which have seen the country rise from 129th to 88th in the World Bank's Logistics Performance Index as of 2023, with a goal to reach the top 55 by 2030.

By examining high-frequency data from 2024 and 2025, the research highlights a dramatic surge in transit volumes; for instance, international freight and transit exceeded 2.8 million tonnes in 2025 alone, with volumes along the Central Corridor doubling since 2020. This evaluation is timely, as the UN Decade of Sustainable Transport commences in late 2025, providing a critical baseline for monitoring Uzbekistan's journey toward becoming a regional logistics node. Ultimately, the paper seeks to determine if these multi-vector investments—including the China-Kyrgyzstan-Uzbekistan (CKU) railway and the Trans-Afghan route—are effectively reducing the "distance tax" and diversifying trade partners to ensure long-term economic resilience.

2. Literature Review

Transport corridor theory holds that improved connectivity fosters trade growth and economic integration (Flory, & Nyaronga, 2025). In Central Asia, multiple studies highlight the push to diversify routes beyond the northern (Russian) corridor, reducing dependence on any single transit country. For example, Umarova (2023) describes Uzbekistan's multi-vector strategy: historically ~80% of Uzbekistan's trade moved via Russia, leaving it vulnerable to disruptions. To address this, Uzbekistan is developing alternate links – notably the Trans-Caspian *Middle Corridor* (via the Caspian Sea through Azerbaijan and Georgia to Europe) and southern links through Iran and Afghanistan to South Asia. Research notes that these alternative corridors enhance resilience and open access to new markets. For instance, the Middle Corridor (Central Asia–Caucasus–Europe) has seen exponential growth: WTO data report that freight along this route rose almost ten-fold from 0.35 million tons in 2020 to 3.2 million tons in 2022, driven by shifting trade patterns after regional disruptions.

In parallel, Central Asian and international think tanks emphasize the potential time and cost savings of new routes (Fedorenko, 2013). The Caspian Policy Center notes that new CASCA+ multimodal routes (Uzbekistan–Turkmenistan–Iran–Turkey–Europe) can shorten transport distances by about 900 km and cut transit time by 7–8 days (Garibov, 2016). Similarly, analyses of the Belt and Road Initiative point out that rail links like the planned China–Kyrgyzstan–Uzbekistan (CKU) railway will bypass Kazakhstan and shorten China–Uzbekistan shipping by roughly 900 km, potentially saving over a week of transit time. Official statements from the Chinese and Uzbek leaders underscore this: they call the CKU line a “strategic corridor” that will open new markets in South Asia and the Middle East.

Connectivity alone is not enough but efficiency matters too. The World Bank and CAREC note that transit delays and costs at borders have historically been high in Central Asia. Even as infrastructure is upgraded, procedural bottlenecks remain. According to the WTO, with policy reforms, the Middle Corridor's transit time could be halved and trade tripled by 2030. Uzbekistan's recent customs modernization and logistics investments aim to capture these gains. Overall, the literature agrees that improving both physical and policy infrastructure on international corridors is key to unlocking Uzbekistan's trade and transit potential.

3. Methodology

This study employs a descriptive analytical approach using secondary data from reputable international and national sources. We compile recent statistics on trade volumes, partner composition, and logistic performance from the World Bank, CAREC Institute, WTO, and Uzbekistan’s State Statistics Committee. Corridor performance is assessed via CAREC’s Corridor Performance Measurement (CPMM) indicators (border-crossing time and cost, transportation cost per km, and average speeds). We also review qualitative findings from policy reports and media on specific corridors (Middle Corridor, CKU railway, Afghanistan links). By synthesizing these data and reports, we infer the economic effects of corridor developments on Uzbekistan’s trade and transit flows. No primary fieldwork was conducted; rather, we triangulate secondary evidence to draw conclusions about trends, using APA-formatted citations for all external data and analyses.

4. Results and Discussion

4.1 Trade Growth and Diversification. Uzbekistan’s total trade has grown steadily, reflecting corridor improvements and market diversification. In 2024 Uzbekistan’s trade turnover reached about \$65.9 billion (exports \$26.9B; imports \$39.0B). The country maintains trade relations with over 200 partners. Recent data show China (19–20%) and Russia (16–18%) as Uzbekistan’s largest trading partners, followed by Kazakhstan, Türkiye, and South Korea. Table 1 illustrates 2025 data: Uzbekistan’s top partners by trade turnover (Jan–Oct) were China (\$13.11B, 19.7%), Russia (\$10.60B, 15.9%), Kazakhstan (\$3.93B, 5.9%), Türkiye (\$2.43B, 3.7%), and South Korea (\$1.44B, 2.2%). Notably, smaller corridors have begun to contribute: trade with Afghanistan (via Central Asia–South Asia routes) and Iran/Pakistan is emerging (Afghanistan \$1.32B, Pakistan \$0.43B in early 2025).

Table 1. Uzbekistan’s Major Trading Partners (Jan–Oct 2025)

Country	Trade Turnover (USD million)	Share of Total (%)
China	13,110.3	19.7%
Russia	10,602.4	15.9%
Kazakhstan	3,932.0	5.9%
Türkiye	2,432.1	3.7%
S. Korea	1,442.1	2.2%
Afghanistan	1,316.9	2.0%
(Others)	–	–

Source: Uzbekistan State Statistics Committee (UzbekSC), Jan–Oct 2025 data.

This data show that while overland trade with China and Russia remains dominant, Uzbekistan is diversifying. For example, Uzbekistan’s accession to the EU’s GSP+ scheme in 2021 led to a near-doubling of exports to Europe within one year, leveraging Caspian–Caucasus corridors. Improved connectivity via the Middle Corridor has facilitated this EU trade. Indeed, WTO reports note that much of Central Asia’s new China–Europe rail trade (Middle Corridor) now spills into Uzbekistan, giving it a stake in efficiency improvements. The data also reflect rising links southward: trade with Afghanistan grew from \$0.69B (2023) to \$1.32B (2025)^[20], as new road and planned rail links to South Asia open.

Corridor Performance and Logistics Efficiency. Transport corridor enhancements are measurably improving logistics performance. CAREC’s Corridor Performance Monitoring data for Uzbekistan (2021–2023) show significant gains in border efficiency and transport speed. Table 2 summarizes key road transport indicators:

Table 2. CAREC Corridor Performance Indicators for Uzbekistan (Road Transport)

Indicator	2021	2022	2023	Change (%)
Border clearance time (TFI1, hrs)- Outbound clearance	6.6	3.5	4.9	-25% (2021–23)
Border clearance cost (TFI2, USD)- Outbound cost	114.3	87.2	48.7	-57%
Transport cost (TFI3, USD)(per 500 km, per 20t cargo)	674.4	687.6	567.6	-16%
Average speed (SWD, km/h)	27.9	29.6	33.2	+19%

Data source: CAREC Institute (2021–2023).

As shown, border clearance times and costs have declined notably. Road border-crossing cost (TFI2) fell by 44–57% (2021–23) due to customs reforms and fee rationalization. The average transport cost per corridor section (TFI3) also dropped 17%. Meanwhile, corridor travel speeds improved: speed-with-delay (SWD) increased from 27.9 km/h in 2021 to 33.2 km/h in 2023, reflecting smoother cross-border flows. CAREC notes that these gains were driven by digitization of customs and better road conditions along major corridors.

Such efficiency gains amplify economic impact. For example, the World Bank estimates that reducing border delays in Kazakhstan–Uzbekistan transit (currently 72 hours at Dostyk) and completing missing links can shorten transit time by several days. In fact, current data show Uzbekistan exporting more by rail into Central Asia since 2020, aided by one-day express services from China through Kyrgyzstan to Tashkent. On the Middle Corridor itself, WTO analysis highlights the enormous growth enabled by efficiency: freight volumes jumped from 0.35 to 3.2 million tons (2020–22). If Uzbekistan’s segment of these routes (e.g. via Turkmenistan/Iran) continues to improve, it stands to benefit proportionally in transit fee revenue and industrial outputs.

4.2 Impact on trade and transit: The combined effect of corridor investments and faster logistics is reflected in trade flows. The enhanced East–West routes have boosted exports and imports beyond what Uzbek domestic output alone would suggest. For instance, services and high-value goods have increasingly moved by rail: CAREC reports that two-thirds of monitored shipments on the Middle Corridor are now containerized, with top goods including machinery and textiles (though this data is regional, it includes Uzbek transit flows). In addition, Uzbekistan’s trade balance has improved; trade as a share of GDP rose from 53% in 2020 to 60% in 2024 (WDI). Much of this growth stems from trade facilitated by new corridors – e.g. cotton and garments now more easily reach Turkey/EU via the Caspian route.

Uzbekistan is also expanding multimodal logistics. It is building *dry ports* and logistics centers in Navoi, Angren, and Navoi Free Economic Zone to serve corridor traffic. Investments in ports are notable: Uzbekistan acquired stakes in Georgia’s Port of Poti and Azerbaijan’s Baku port terminals, and plans an inland terminal at Iran’s Chabahar (South Asia gateway). Such infrastructure anchors the corridors. As a result, Uzbekistan’s own transit cargo has risen: official targets aim to reach 22 million tons of transit annually by 2030 (up from 7–8 Mt today). This suggests corridor projects are on track to transform Uzbekistan’s transit role.

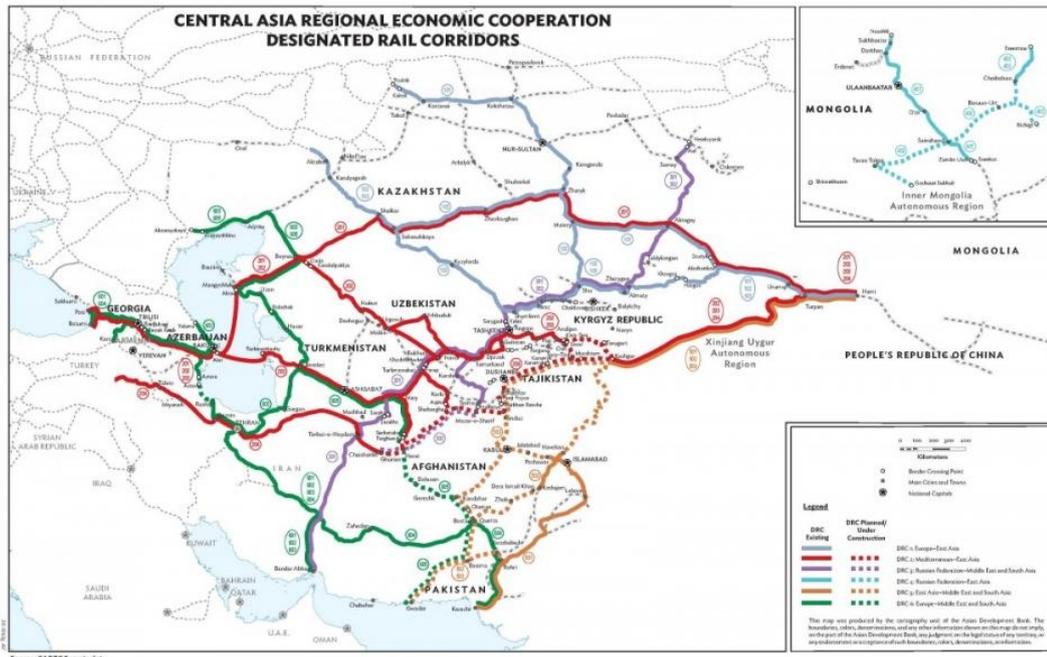


Figure 1: Designated CAREC Transport Corridors (includes Corridors 2, 3, 6 through Uzbekistan). As the CAREC framework emphasizes, faster movement along these corridors boosts trade and development.

5. Conclusion and Recommendations

This study finds that international transport corridors have significantly strengthened Uzbekistan's trade and transit potential. By diversifying routes and improving efficiency, Uzbekistan is reducing the disadvantages of its landlocked geography. Corridor projects – from roads across Turkmenistan to the Middle Corridor via the Caspian – have already yielded results: trade volumes with new partners are growing, and logistics indicators (border time, costs, speed) have markedly improved. For example, Middle Corridor freight surged to 3.2 Mt by 2022^[1], and World Bank forecasts suggest that by 2030 enhanced connectivity could halve transit times and triple trade. These outcomes align with broader findings: as the CAREC Secretariat notes, more efficient corridors directly translate into increased trade and economic benefits for member countries.

To fully realize these gains, continued efforts are needed on two fronts. First, infrastructure should be further upgraded. Priority recommendations include completing missing links (e.g. Kazakhstan–Uzbekistan rail), accelerating the CKU railway construction, and expanding container terminals and dry ports. Along the south, Uzbekistan should press forward with bilateral projects (like Trans-Afghan rail once security permits) to directly reach South Asian seaports. Investment should also expand in logistics services and equipment (e.g. cranes for Caspian crossings, gauge-change facilities), as identified in corridor studies.

Second, trade facilitation and policy must be enhanced. Reducing non-tariff barriers and harmonizing procedures will multiply infrastructure gains. Uzbekistan has made progress in customs reforms, but as WTO analysis suggests, further steps – such as unified transit documents, electronic data exchange, and simplified permits – can dramatically cut delays. For example, agreements on customs with neighbors (e.g. rate harmonization with Azerbaijan) and application of the WTO Trade Facilitation Agreement standards would ease cross-border flows. Public–

private dialogue (e.g. with carrier associations) should continue to address regulatory hurdles at border crossings.

In summary, Uzbekistan's corridor strategy is already bearing fruit in higher trade and transit activity. Maintaining this momentum requires a holistic approach: combining hard infrastructure projects with institutional reforms and regional cooperation. If these recommendations are implemented, Uzbekistan can transform from being twice landlocked to a central, land linked hub in Eurasia's transport network, fully leveraging its transit potential for economic growth and integration.

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