



# ENC ANALYSIS



## Russia's War in Ukraine Shifts Central Asia's Connectivity

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## About the author



**Bruce Pannier** studied Central Asia at Columbia University under the legendary Central Asian scholar Edward Allworth. Pannier went to Tashkent State University in the summer of 1990, and in 1992-1993 led a sociological research project in villages in Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan, and has been a frequent visitor to the region since then. He worked for the Prague-based Open Media Research Institute in 1995-1997 before joining Radio Free Europe/Radio Liberty, where he worked until 2022. Pannier has written for Jane's Intelligence, Freedom House, The Economist Intelligence Unit, the Cairo Review, the FSU Oil & Gas Monitor, The Diplomat, Foreign Policy Research Institute, and Eurasianet.

## Summary

The Central Asian states are reinvigorating efforts to develop trade routes that avoid Russia after the Kremlin's decision to launch a war in Ukraine prompted the European and other countries to impose sanctions on Russia. Those sanctions and Russia's growing pariah status in the international community have disrupted traditional trade routes out of Central Asia that were developed after the region was conquered and incorporated into the Tsarist Empire in the late 19<sup>th</sup> century and later as part of the Soviet Union.

Since late 1991 when Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan became independent after the collapse of the Soviet Union, the governments of the five countries have advertised the region as a crossroads between east and west, and north and south. Many people have spoken about the region regaining the importance in trade that it had in the days of the Silk Road. Some, but not enough progress was made toward this goal in the last 30 years.

Now Russia's debacle in Ukraine has forced the Central Asians to devote more time and energy into developing non-Russian trade routes. The foundations for better connectivity with countries outside the borders of the former Soviet Union were already laid and now these new networks connecting Central Asia to the east, the west, and the south are undergoing rapid expansion.

## Introduction

Since the mid-19<sup>th</sup> century, Central Asia was either part of the Tsarist Russian Empire or the Soviet Union, and even after the USSR disintegrated in late 1991, Russia exerted great influence over the region. But Russia's war in Ukraine has complicated Central Asia's ties with its former colonizer. Western sanctions on Russia have disrupted trade links for Central Asia with and through Russia to the West and compelled the five Central Asian states – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan – to put more effort into developing alternative import and export routes that bypass Russia.

Some of the infrastructures for this diversion of trade away from Russian territory already exist, but so long as the longstanding and familiar import and export connections with Russia were relatively easy, the Central Asian states had not had reason to put great energy into diversification of links with the wider world. Now this connectivity, which had been largely a secondary consideration for the five Central Asian states for some 30 years, is of primary importance.

## Tied to Russia

In 2021, Russia was the leading trade partner of Kazakhstan<sup>1</sup>, Kyrgyzstan, Tajikistan, and Uzbekistan, and was one of Turkmenistan's top trade partners. Most of the goods shipped between Central Asia and Europe have been transiting Russian territory. When European countries imposed sanctions on Russia after Moscow launched its invasion of Ukraine on February 24, it disrupted Central Asia's main trade routes connecting westward.

The economic fallout was followed by a political fallout with Russia. Statements after the war on Ukraine started from Russian officials, including President Vladimir Putin, about “historic Russian lands” unnerved many people in Central Asia. Kazakhstan in particular had already been the target of remarks from Russian officials such as Russian Duma deputy Vyacheslav Nikonov who said late 2020, that when the Soviet Union was created in 1917, “Kazakhstan simply did not exist as a country, its northern territories were basically uninhabited”<sup>2</sup>, or head of Russia's Communist Party Gennady Zyuganov who was seen in a video from January 2022 saying northern Kazakhstan was historically Russian territory and Russia needed to “protect the Russian-speaking population against the “national arbitrariness that is happening in Kazakhstan”. Zyuganov also said Russia should take control of the Baikonur cosmodrome, military testing grounds in Kazakhstan, and Kazakhstan's uranium industry.<sup>3</sup> At the St. Petersburg International Economic Forum in June 2022, Putin, with Kazakh President

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<sup>1</sup> European Commission, “The European Union as a bloc remains Kazakhstan's largest trading partner” [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/kazakhstan\\_en](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/kazakhstan_en)

<sup>2</sup> Pannier, Bruce, “An Old Refrain: Russian Lawmakers Question Kazakhstan's Territorial Integrity, Statehood,” Radio Free Europe/Radio Liberty, 1 December 2020, <https://www.rferl.org/a/russia-lawmakers-question-kazakhstan-territorial-integrity-statehood/31003732.html>

<sup>3</sup> Clip from Zyuganov video posted on Twitter 9 March 2022, <https://twitter.com/zharnama/status/1501545834910990338>

Kasym-Zhomart Tokayev sitting next to him, said he considered all the territory of the former Soviet Union to be Russian land.<sup>4</sup>

Such remarks from Russian officials echo throughout Central Asia. Since the mid-19<sup>th</sup> century, Russia has been imposing its will on Central Asia and even more than 30 years since the Soviet Union collapsed and the Central Asian states became independent, the fear that one day Russia might try to reclaim some or all of its former colony in Central Asia remains. Therefore, Central Asia is faced with the immediate problem of reduced trade with and through Russia, and fresh concerns about Russia's future intentions towards Central Asia. The immediate impact these sanctions had on trade forced the Central Asian governments to quickly review their options for alternative connections.

## Routes with China and Europe

When Central Asian states became independent all the roads and railways led to Russia. In 1997, the Asian Development Bank established the Central Asia Regional Economic Cooperation (CAREC) program<sup>5</sup> which aims to develop road, rail, and maritime connections between the 11 countries involved in the project. CAREC's six corridors run east and west, connecting China, Central Asia, and the Caucasus, and north and south, from northern Kazakhstan to the Persian Gulf (with planned routes to Pakistani ports on the Arabian Sea).<sup>6</sup> Many of the trade routes now gaining increased importance in Central Asia and the Caucasus are using infrastructure that is part of the CAREC network.

The Trans-Caspian International Transport Route (TITR), also called the "Middle Corridor" has become a priority for China and Europe, as well as the Caucasus and Central Asian states since Russia launched its war in Ukraine. The TITR runs from China, through Kazakhstan, across the Caspian Sea to Azerbaijan and on to the Georgian Black Sea port at Batumi or, using roads and the Baku-Tbilisi-Kars railway that started operation in 2017, to Turkey.

On March 29, Kazakh Prime Minister Alikhan Smailov said, "[Work is underway to redirect cargo traffic through the Trans-Caspian international trans-border route (TITR) and Transport Corridor Europe-Caucasus-Asia (TRACECA), which runs through Azerbaijan and Georgia,"<sup>7</sup> and on March 31 Azerbaijan, Georgia, Kazakhstan, and Turkey signed a declaration on expanding a Trans-Caspian East-West corridor.<sup>8</sup> Uzbekistan will also have access to that route.

<sup>4</sup> Tyshchenko, Kateryna, "Putin considers entire Soviet Union to be historical Russian territory," 17 June 2022, <https://www.pravda.com.ua/eng/news/2022/06/17/7353151/>

<sup>5</sup> Asian Development Bank. *CAREC Program*, [https://www.carecprogram.org/?page\\_id=31](https://www.carecprogram.org/?page_id=31)

<sup>6</sup> Asian Development Bank. (2022). *CAREC Corridors*. Accessed 14 November 2022, [https://www.carecprogram.org/?page\\_id=20](https://www.carecprogram.org/?page_id=20)

<sup>7</sup> Official Information Source of the Prime Minister of the Republic of Kazakhstan. (2022, March). "Prime Minister of Kazakhstan instructs to take measures to increase transit and transport potential of Kazakhstan", 29 March 2022, <https://primeminister.kz/en/news/kr-premer-ministri-kazakstannyn-tranzittik-kolik-aleuetin-arttyru-boyynsha-sharalar-kabyldaudy-tapsyrdy-2922643>

<sup>8</sup> Ahmedova M. (2022, March). "Грузия, Азербайджан, Турция и Казахстан подписали декларацию о Транскаспийском коридоре Восток-Запад (Georgia, Azerbaijan, Turkey

There is also China's Belt and Road Initiative (BRI) network in which Central Asia plays a key role in routes leading to Europe and to the Middle East. Additionally, NATO developed the Northern Distribution Network – a network of ground, maritime, and air routes that connected Europe to Afghanistan through the Caucasus and Central Asia from 2008 until the final withdrawal of foreign forces from Afghanistan in August 2021. More work on infrastructure is still required, but there has been substantial progress that is already helping to reroute East-West trade through Central Asia and the Caucasus.

In early August 2022, a train carrying green petroleum coke, used for the conversion of crude oil into fuels, left Azerbaijan headed across the Caspian Sea, and then through Kazakhstan to China.<sup>9</sup> In mid-August, a railway route from eastern China's Jiangsu Province through Kazakhstan to Uzbekistan started operation.<sup>10</sup>

Two railways connecting Kazakhstan to China are already operating with crossings at Alashankou and Khorgos, and a third crossing will open when Kazakhstan completes its Bakhty-Ayagoz railway line<sup>11</sup> to the east of Lake Balkhash.

During the summit of the Turkic States Organization (OTS) in Samarkand, Uzbekistan on November 11, 2022, Kazakh President Kasym-Zhomart Tokayev called for expanding routes connecting the member states, which besides Kazakhstan include Turkey, Azerbaijan, Kyrgyzstan, and Uzbekistan. Turkey and Azerbaijan have been pushing for an expansion of the TITR. Turkish President Recep Tayyip Erdogan visited Uzbekistan on March 29-30 and Kazakh President Tokayev visited Turkey on May 10-11, with transportation links high on the agenda during both those visits. Azerbaijani President Ilham Aliyev also visited Uzbekistan on June 22, and again when he and Turkish President Erdogan were guests at the SCO summit in Samarkand in mid-September, and again when Aliyev and Erdogan were in Samarkand in November for the OTS summit.

Aliyev visited Kyrgyzstan in October to discuss Kyrgyzstan's connections to the TITR.<sup>12</sup> Kazakh President Tokayev visited Azerbaijan at the end of August, and he and Aliyev

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and Kazakhstan signed a declaration on the Trans-Caspian East-West Corridor)", Trend News Agency, 31 March 2022, <https://www.trend.az/business/transport/3575709.html>

<sup>9</sup> AZE.az (2022, August). "Азербайджан отправил по Транскаспийскому маршруту в Китай нефтяной кокс ("Azerbaijan sends petroleum coke to China via Trans-Caspian route"), 8 August 2022, <https://aze.az/azerbajdzhan-otpravil-po-transkaspiskomu-marshrutu-v-kitaj-neftjanoj-koks.html>

<sup>10</sup> Kazinform (2022, August). "Начал работу новый грузовой железнодорожный маршрут из Китая в Центральную Азию". ("New freight rail route from China to Central Asia launched"), 15 August 2022, [https://www.inform.kz/ru/nachal-rabotu-novyy-gruzovoy-zheleznodorozhnyy-marshrut-iz-kitaya-v-central-nuyu-aziyu\\_a3966675/amp](https://www.inform.kz/ru/nachal-rabotu-novyy-gruzovoy-zheleznodorozhnyy-marshrut-iz-kitaya-v-central-nuyu-aziyu_a3966675/amp)

<sup>11</sup> Ahmedova, M. (2022, November). "Пропускная способность Среднего коридора значительно увеличится – министр" (*The capacity of the Middle Corridor will increase significantly – minister*), Trend.az, 25 November 2022, <https://www.trend.az/casia/kazakhstan/3673643.html>

<sup>12</sup> Mammadli, N. (2022, October). "Azerbaijan to Help Kyrgyzstan Access European Markets through New Railway Connecting the Caspian Region", Caspian News, 14 October 2022, <https://caspiannews.com/news-detail/azerbaijan-to-help-kyrgyzstan-access-european-markets-through-new-railway-connecting-the-caspian-region-2022-10-14-52/>

signed agreements that aimed to expand the trade corridors between the two countries.<sup>13</sup>

Routes to Turkey that do not involve crossing the Caspian Sea are also being developed. Kazakh President Tokayev visited Iran on June 19. His visit was timed with the arrival in Tehran of a freight train that had left northeastern Kazakhstan the previous week passing through Turkmenistan on its way to Turkey, a 6,336-kilometre, 12-day journey.<sup>14</sup> In October, the first train bound for Turkey left the newly opened cargo center in Tajikistan's southern city of Kulob.<sup>15</sup> The railway line passes through Uzbekistan, Turkmenistan, and Iran and is part of a multimodal network that connects by road eastward to China.

A long-proposed railway line connecting China, Kyrgyzstan, and Uzbekistan (CKU railway) has received new impetus since Russia launched the war. The project dates back to the mid-1990s, but representatives of the three countries signed a Memorandum of Cooperation for the railway on the sidelines of the Shanghai Cooperation Organization summit in Samarkand, Uzbekistan in mid-September 2022.<sup>16</sup> If the line is completed it would connect to the Angren-Pap railway line in Uzbekistan, built with Chinese help, that connects Uzbekistan section of the Ferghana Valley with the capital, Tashkent. From there cargo could continue through Uzbekistan's railway network with lines running to Iran, and also to Kazakhstan's Caspian ports,<sup>17</sup> as well as to Turkmenistan's Caspian port at Turkmenbashi City. The CKU railway line is especially good news for Kyrgyzstan since until very recently, no new railway lines had been built there since 1991.<sup>18</sup>

Construction or expansion and modernisation of key ports on the east Caspian coast have been completed in recent years. Kazakhstan's port at Aktau can now handle

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<sup>13</sup> Vlast.kz (2022, August). "Главы Казахстана и Азербайджана подписали декларацию об укреплении отношений" ("The heads of Kazakhstan and Azerbaijan signed a declaration on strengthening relations"), 24 August 2022, <https://vlast.kz/novosti/51316-glavy-kazahstana-i-azerbajdzana-podpisali-deklaraciju-ob-ukreplenii-otnosenij.html>

<sup>14</sup> Kaztag.kz (2022, June). "Токаев и Раиси приняли участие в церемонии запуска поезда из Казахстана через Иран в Турцию" ("Tokayev and Raisi took part in the ceremony of launching a train from Kazakhstan through Iran to Turkey"), 16 June 2022, <https://kaztag.kz/ru/news/tokaev-i-raisi-prinyali-uchastie-v-tseremonii-zapuska-poezda-iz-kazahstana-cherez-iran-v-turtsiyu>

<sup>15</sup> Karaev, S. (2022, October). "В Душанбе представили маршрут «Китай-Турция» через территорию Таджикистана" ("The China-Turkey route through the territory of Tajikistan demonstrated in Dushanbe"), asiaplustj.info, 20 October 2022, <https://asiaplustj.info/ru/news/tajikistan/economic/20221020/v-dushanbe-predstavili-marshrut-kitai-turtsiya-cherez-territoriyu-tadzhikistana>

<sup>16</sup> Nurmatov, E. (2022, September). "Положено начало реализации проекта ж/д «Китай-Кыргызстан-Узбекистан»" ("The start of the implementation of the railway project 'China-Kyrgyzstan-Uzbekistan'", RFERL Kyrgyz Service Azattyk, 17 September 2022, <https://rus.azattyk.org/a/32036778.html>

<sup>17</sup> Ten, A. (2021, October). "Uzbekistan Plans to Intensify Cooperation with Sea Ports", Kursiv.kz, 18 October 2021, <https://kz.kursiv.media/en/2021-10-18/uzbekistan-plans-intensify-cooperation-sea-ports/>

<sup>18</sup> Ulukbek uulu, Y. (2021, May). "Ни километра за все годы независимости... Как умирают кыргызские железные дороги" ("Not a kilometer in all the years of independence... How the Kyrgyz railways are dying"), RFERL Kyrgyz Service, 24 May 2021 <https://rus.azattyk.org/a/31270268.html>

some 19 million tonnes of cargo annually and can ship grain, dry goods, or oil. The port 60 kilometers south at Kuryk was built to ship oil from Kazakhstan's offshore Kashagan oil and gas field. Kuryk opened in 2018 with a capacity of 7 million tonnes.

Neither Kazakh port has yet approached its capacity, but both Kazakh ports reported doubling the amount of cargo they loaded in the first five months of 2022.<sup>19</sup> And Kazakhstan has expanded the number of cargo ships equipped for roll-on/roll-off (Ro-Ro) train wagons to speed up loading and unloading time. The port facilities at Turkmenbashi city in Turkmenistan underwent reconstruction and expansion that cost some \$1.5 billion. The port reopened in May 2018 and has the capacity to handle some 25 million tonnes of cargo annually, which brings the total capacity of the two Kazakh ports and the Turkmen port at Turkmenbashi to some 51 million tonnes.

The main destination for goods from the ports in Kazakhstan and Turkmenistan is the new Azerbaijani port at Alat. The Alat port was opened in 2018 and is a major hub for cargo traveling between Europe and China, and also, potentially, for freight between Iran and Russia. Though Alat is equipped with modern facilities, its maximum cargo capacity when completed will be some 25 million tonnes of cargo and 1 million containers.<sup>20</sup> Should the ports in Kazakhstan and Turkmenistan reach their full capacity, Alat would not be able to handle all the cargo, and in addition, goods to and from Iranian and Russian Caspian ports also pass through Alat.

## North-South Routes

There has been conflict in Afghanistan the entire time the Central Asian states have been independent. The unstable security situation in Afghanistan has proven a major obstacle to trade routes leading south from Central Asia to the Arabian Sea, India, and the Middle East.

The CAREC corridors include routes through Afghanistan, but many sections remain incomplete. There has been progress in opening routes between Central Asia and India, albeit very small progress. An Indian company sent a preliminary shipment of 140 tonnes of cargo, mainly sugar to Uzbekistan in March<sup>21</sup> and Uzbekistan shipped cargo to India in late spring by road through Afghanistan and Pakistan, and by ship between Pakistan and India.<sup>22</sup>

Iran has been negotiating with Uzbekistan to ship goods through Iran's Chabahar port on the Persian Gulf to India.<sup>23</sup> During Iranian President Raisi's visit to Samarkand for

<sup>19</sup> Assaniyaz, A. (2022, June). "Kazakhstan Doubles Traffic Volume Through Caspian Sea", The Astana Times, 3 June 2022, <https://astanatimes.com/2022/06/kazakhstan-doubles-traffic-volume-through-caspian-sea/>

<sup>20</sup> Mammadova, L. (2019, April). "Cargo transportation via Baku Port grows", AZERNEWS, 16 April 2019, <https://www.azernews.az/business/149017.html>

<sup>21</sup> Gul, A. (2022, March). "For First Time, Indian Cargo Travels Via Pakistan, Afghanistan to Uzbekistan", Voice of America, 16 March 2022, <https://www.voanews.com/a/for-first-time-indian-cargo-travels-via-pakistan-afghanistan-to-uzbekistan/6488459.html>

<sup>22</sup> Hellenic Shipping News. (2022, May). "ICTSI Pakistan handles first Uzbek export", 31 May 2022, <https://www.hellenicshippingnews.com/ictsi-pakistan-handles-first-uzbek-export/>

<sup>23</sup> Laskar, . H. (2021, December). "India, Iran and Uzbekistan hold discussion on Chabahar port", Hindustan Times, 15 December 2021, <https://www.hindustantimes.com/india-news/india-iran-and-uzbekistan-to-develop-transport-corridor-centred-round-chabahar-port-101639500807544.html>

the SCO summit in September, Iranian and Uzbek officials signed agreements, including the use of the Chabahar port.<sup>24</sup>

Uzbekistan and Pakistan have been in talks frequently since 2020 about constructing a railway that would connect the two countries via Afghanistan. The two countries are enthusiastic about the project, as is the Taliban, but aside from the formidable logistics challenges in constructing the railway, the security situation in Afghanistan remains unstable. But the loss of Russian trade routes has helped prod Uzbekistan towards searching for ways to realize the railway to Pakistan.

On July 13, the director of Iran's Khorasan Railways Company, Mostafa Nasiri said the first train of the Russia-India railway had passed through Iranian territory after crossing through Kazakhstan and Turkmenistan.<sup>25</sup> The train was headed for the Iranian Persian Gulf port at Bandar-Abbas, where the cargo of Russian construction materials would be loaded onto a ship to India.

Turkmenistan's Foreign Minister Rashid Meredov said at the August 15-16 Ministerial Transport Conference of Landlocked Developing Countries that Turkmenistan would join the North-South corridor with India, Iran, and Russia.<sup>26</sup>

Russia's debacle in Ukraine has in many ways freed Central Asia from some of the colonial-era shackles that kept the region bound to Moscow. The trade network map of Central Asia has started changing and will redirect to course of events in Central Asia for decades to come.

## Conclusion

This is a watershed period for Central Asia. Russian influence will likely remain strong in Central Asia even after the war in Ukraine ends. But the new opportunities presented by the new connectivity currently being developed will leave Central Asia less dependent on Russia than at any time in the last 150 years and countries that have previously been on the margins of Central Asian policies will acquire a new importance. This greater connectivity with the world outside the territory of the former Soviet Union will go far in helping Central Asia regain the role it had as a major international trade hub during the days of the Great Silk Road.

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<sup>24</sup> Tasnim News agency. (2022, September). "Iran, Uzbekistan Sign 17 MoUs", 15 September 2022, <https://www.tasnimnews.com/en/news/2022/09/15/2774658/iran-uzbekistan-sign-17-mous>

<sup>25</sup> Islamic Republic News Agency (2022, July). *India-Russia railway activated through Sarakhs, Khorasan Razavi*, 13 July 2022, <https://en.irna.ir/news/84819596/India-Russia-railway-activated-through-Sarakhs-Khorasan-Razavi>

<sup>26</sup> Raimondi, M. (2022, August). "A new stop on the Russia-Iran corridor: port of Turkmenbashi", RailFreight.com, 22 August 2022, <https://www.railfreight.com/corridors/2022/08/22/a-new-stop-on-the-russia-iran-corridor-port-of-turkmenbashi/>