

# Zangezur Corridor: Economic Potential and Political Constraints

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## **Abstract**

For many centuries, the South Caucasus has played an important role in the economic and political processes both in the East and in the West. In fact, it has been a crossroads of civilizations and a geo-economic hub of the Eurasian continent. In the near future, transportation routes connecting Europe and Asia are to include the North-South and East-West-Middle Corridors, Lazurite Transit, and some other projects. In recent years, the so called Zangezur Corridor—a hypothetical transport link in the South Caucasus—has been gaining relevance. According to the authors of this initiative, the corridor will run across the 40-kilometer zone of Armenia's Syunik region bordering Iran. The new road corridor is expected to be part of a longer route from Central Asia or China to Turkey and from there to Europe. The new overland route in the South Caucasus may be connected to the Trans-Caspian International Transport Corridor. Such logistics promises

obvious economic dividends for some countries in the region, while at the same time bearing political constraints that may impede the project's implementation.

**Keywords:** transportation corridor, South Caucasus, Azerbaijan, Armenia, Iran, Zangezur.

The Ukraine crisis and the West's aggressive sanctions policy against Russia have seriously hampered cargo traffic from Russia to Europe. Naturally, there has been soaring interest in alternative transportation routes. The Zangezur Corridor is one of them. It promises economic benefits, such as revitalization of trade routes linking Central Asia, the South Caucasus, and Central Asia, the expansion of the railway network connecting Russia, Armenia, Azerbaijan, and Turkey, a surge in regional and international trade, and the strengthening of the trans-Caspian transportation system, including the East-West-Middle (Middle Corridor) and North-South routes. Alongside the economic component, another circumstance behind the mounting interest in the matter under review is the strengthening of Turkey's position in the South Caucasus after the end of the 44-day war between Azerbaijan and Armenia in 2020. The launch of a new road corridor in Armenia's Syunik region may further strengthen Ankara's influence in the region, which Armenia, Iran, and Russia will undoubtedly regard as a challenge.

According to the plan's architects, the Zangezur Corridor should run along the border between Armenia and Iran. This hypothetical transportation artery derives its proposed name from the historical region in the South Caucasus. As Azerbaijan's President Ilham Aliyev has repeatedly noted, the Zangezur Corridor may become a logistic link that will connect Azerbaijan with its exclave—the Nakhchivan Autonomous Republic. In Armenia, this route is more often referred to as the Meghri (after the name of a city in the south of the country) or Syunik Corridor, and in Iran, as NATO's Turani Corridor.

Fig 1.

The hypothetical Zangezur Corridor route



Source: <https://www.aa.com.tr/en/economy/zangezur-corridor-to-provide-new-link-between-turkey-azerbaijan/2260088>

In recent years, various aspects of the Zangezur Corridor project have been reflected in both the domestic and foreign academic literature, with Russian researchers barely scratching the surface, as they preferred to pay far more attention to the development of transport infrastructure in the South Caucasus and Central Asia and Turkey's role in this process (Avatkov and Sbitneva, 2022; Fedorovskaya, 2022). Alongside

academic publications, analytical reviews in the media should also be mentioned (Ananiev, 2021; Huseinov, 2022).

The foreign academic literature on the matter under consideration can be roughly divided into Armenian, Azerbaijani, Iranian, Turkish, and European. Armenian academic and public discourse reveals a generally negative attitude towards the project to build a new transport corridor in the southern part of the country. Armenia's researchers agree that this route may create problems for Yerevan (Markarov and Davtyan, 2022). Azerbaijani experts, on the contrary, are optimistic about the Zangezur Corridor's prospects. They argue that as an alternative route it could contribute to the economic development of Azerbaijan and its reunification with its exclave, the Nakhchivan Autonomous Republic (Aliyev, 2022; Agayev, 2023; Hasanov, 2023). Iranian researchers see the idea of a transportation route along the border with Armenia as a serious challenge to national security (Monshipouri and Heiran-Nia, 2021; Shokri, 2022). In the Turkish academic literature, the opening of the Zangezur Corridor is described, on the one hand, as part of Ankara's policy in the South Caucasus after the Second Karabakh War and, on the other hand, in the context of exploring alternative logistic routes (Akinci and Gül Kaba, 2023; Hasanoğlu and Memmedov, 2023). European researchers prefer to underscore the place of the South Caucasus in international transportation operations as well as the role of transport corridors in resolving regional conflicts (De Waal, 2021; Gawliczek and Iskandarov, 2023).

### **EXPECTED ECONOMIC BENEFITS**

The implementation of the transport corridor project became possible thanks to the trilateral statement on ceasefire in the Nagorno-Karabakh conflict zone signed by Azerbaijani President Ilham Aliyev, Armenian Prime Minister Nikol Pashinyan, and Russian President Vladimir Putin on November 10, 2020. Paragraph 9 of this document declared the unblocking of all economic and transportation links in the region (Kremlin, 2020). In 2021, following the January talks between the leaders of the three states, a trilateral working group composed of deputy prime ministers was set up to unblock transport

communications in the region. The group's functions include the rehabilitation and construction of transport infrastructure facilities required for the organization of international transportation.

Although the proposed corridor is short (approximately 44 kilometers), this overland artery in the Syunik region of Armenia is of great geopolitical significance and can have a major impact on the region's transportation and communication infrastructure that has emerged over the past decades. Even before the escalation of the Armenian-Azerbaijani conflict in 2020, international experts stressed the importance of the Zangezur Corridor. The U.S. strategic intelligence publishing company Stratfor, on June 27, 2012, released a report stating the following: "Whoever controls the Zangezur Corridor can project power into the Turkish sphere of influence in Anatolia, the Russian sphere of influence in the intra-Caucasus and directly into the Persian core territories" (Stratfor, 2012).

The importance of overland arteries such as the Zangezur Corridor also stems from the fact that "traditional maritime transportation of goods in general around the world, and especially from the Pacific to the Atlantic, has been getting more costly in recent years due to a variety of factors, such as the Suez Canal accident, rising fuel prices, the upgrading of the sea lines' fleet, and so on" (Migunov, 2021).

The emergence of a new overland route may affect the interests of several South Caucasus states, Iran, and Turkey. When this article was in the making, the Zangezur Corridor project was largely declarative, and highly debatable as well. For this reason, making quantitative assessments of its economic and other prospects is a risky task. The prospects of the new corridor can be considered in regional and international terms.

### **The importance of the Zangezur Corridor for some parts of Azerbaijan, Armenia, and Turkey**

At the regional level, the opening of a new transport corridor could have great economic significance for all countries.

Some southwestern districts of Azerbaijan—Fizuli, Jabrayil, Qubadli, Zangilan, and Lachin—that the new transport corridor is to cross were

only partly controlled by Baku from the 1990s until the Second Karabakh War in 2020. As a result, their economic development seriously slowed down. Since the end of the 44-day hostilities, Azerbaijani officials have repeatedly stated the need for the fast economic recovery of the southwestern part of the country. The Zangezur Corridor should certainly give these areas a powerful boost (Aliyev, 2022, p. 23).

All these territories became part of the East Zangezur and Karabakh economic regions in July 2021. In October 2021, Azerbaijan's President Ilham Aliyev and Turkish President Recep Tayyip Erdogan laid the foundation stone of the Horadiz-Jabrayil-Zangilan-Aghbend road. This was one of the first moves towards implementing the new transport initiative. According to the plan, the road will be built towards the Armenian-Azerbaijani border to serve as the eastern part of the Zangezur Corridor. A parallel railroad is under construction.

Azerbaijan's leadership assigns special importance to Zangilan, which is to become a transportation hub (Karimov et al, 2023, p. 38) when an international airport is built in addition to the abovementioned highways. Two other districts adjacent to the Zangezur Corridor—Fizuli and Lachin—will have airports of their own.

A direct overland link between Azerbaijan's western regions and the exclave—the Nakhchivan Autonomous Republic—is one of the project's main features. When the Armenian-Azerbaijani conflict erupted in the 1990s, transportation links went dead, and Baku lost direct overland connection with Nakhchivan. Azerbaijan's leadership was forced to establish a transport link with the exclave through the territories of Georgia, Iran, and Turkey.

Azerbaijan's pro-government Center for Economic Reforms Analysis and Communication expects the unblocking of transport links in the region to reduce subsidies for Baku-Nakhchivan flights by \$10 million. According to the Center's estimates, the launch of direct transport links in the region will increase Azerbaijan's exports by 1.2 billion manats (over \$700 million), and boost non-oil GDP by 2%, the manufacturing industries by 3%, and mining by 2.7% (Tren.Az, 2021).

Since most of the new route will lie in the territories of Azerbaijan and Turkey, the Zangezur Corridor can contribute considerably to the

economic relations between these states. Also, it may encourage the development of the eastern territories of Turkey bordering Azerbaijan. As is well known, Turkey has long experienced territorial and economic disproportions, with the western regions of the country accounting for more than 60% of the population and up to 80% of GDP. In the meantime, the rest of the territory—the eastern part of Turkey—produces slightly more than 20% of GDP and its per capita income is 60% of the country's average (Kuznetsova, 2010, pp. 3-22). For this reason, since the first half of the 2000s, Turkey has been implementing projects to develop its eastern regions, such as Eastern Anatolia, Regional Development, Transportation Infrastructure Development, and some others. The construction of the Turkish part of the Baku-Tbilisi-Kars (BTK) railway was exactly in line with the logic of the above programs. This project is a driving force that sustains the transportation system and services in the region. For example, a transportation and logistics hub in Kars is being built for handling cargoes coming along the BTK (Aydın, 2018). Turkish researchers say the BTK and other transportation lines will significantly increase the size and share of the logistics sector and create more than 50,000 jobs (Gülpinar, 2018, p. 109).

Long before the November 2020 trilateral statement on ceasefire in the Nagorno-Karabakh conflict zone was signed and the possibility of implementing the Zangezur Corridor began to be discussed, the Turkish leadership had decided to build a branch railway line from Kars towards the Azerbaijani-Turkish border. In 2012, Erdoğan, who was prime minister at that time, unveiled plans for a railway line from Iğdır to Nakhchivan. Kamil Arslan, the president of the Iğdır Chamber of Commerce and Industry, hopes that the Iğdır-Nakhchivan corridor will triple Turkey's trade with Azerbaijan and at the same time add to the strategic importance of the city of Iğdır and the surrounding area as a whole (Nehri, 2020). The mentioned route is a branch of the Baku-Tbilisi-Kars railway. According to Eastern Anatolia's businesses, the Nakhchivan section of the Zangezur Corridor will be a major supplement to and support for the BTK route as well as an important resource for breathing a new life into the historical Silk Road (Haber7, 2020). In a word, the implementation of the Zangezur Corridor

project may come in handy for the further development of transport infrastructure and, consequently, services in Turkey's eastern regions adjacent to the Azerbaijani-Turkish border.

In contrast to the previously discussed regions, the Syunik region of Armenia, seen as part of the Zangezur Corridor, is important for the country's economy. This border area connects Armenia and Iran. The two neighboring countries share a 44-kilometer-long border.

Mining is the region's staple industry, with the Zangezur Copper-Molybdenum Combine as its backbone. The Iran-Armenia pipeline laid through the region brings Iran's natural gas to Armenia. In 2017, the Meghri Free Economic Zone was established in the border town of Meghri, Syunik region. It is also planned that Armenia will be exporting \$250 million worth of its products to this FEZ, which might account for about 12% of its overall exports (EEC, n.d.). In May 2022, the leaders of Iran's Aras Free Trade Zone and the Meghri FEZ signed a memorandum on expanding cooperation. The implementation of this agreement is likely to further strengthen the North-South Transport Corridor and the development of the Caspian and Mediterranean Sea ports (IA Regnum, 2022).

On top of it all, the opening of the transportation corridor in the south may end Yerevan's partial economic isolation. Closed borders with both Turkey and Azerbaijan prevent Armenia from gaining full access to a safe and sustainable overland route to Russia. During the Soviet and even earlier pre-revolutionary periods, the Trans-Caucasus Railway connected Armenia, Azerbaijan, and Georgia with Russia. But rail traffic between Armenia and Russia has been suspended since the beginning of the Armenian-Azerbaijani conflict. The only overland route still available is a 300-kilometer road through Georgia from the Upper Lars checkpoint.

Armenia has no railroad links with Iran, either. After the beginning of the Karabakh conflict, the railway that in Soviet times linked Armenia with Iran through Nakhchivan was blocked. The Armenian leadership had plans for laying an alternative rail line through the Meghri district to Iran, but the high construction costs (\$3.5 billion) made this project unfeasible (Gasimli, 2021).

The Zangezur Corridor is to run along the Armenian-Iranian border and the Aras River. For this reason, the economic benefits of



its construction for Iran have to be borne in mind. Iranian officials express their generally negative attitude towards a new highway along their border with Armenia (Agayev, 2023. p. 15), but they also add that even if the new corridor materializes, Iran will remain the most convenient option for Turkey and European countries to deliver goods to the countries on the eastern shores of the Caspian Sea. Iran's low-price fuel is an indisputable competitive edge, and the necessary infrastructure for cargo transportation is already in place (Farsnews, 2020). Also, additional transportation lines connecting Nakhchivan and Baku through Iran explain why Iran shows little interest in the Zangezur Corridor. However, the unblocking of the railway traffic in the region, which is one of the fundamental clauses of the trilateral statement of November 10, 2020, may become an important factor for the restoration of rail transportation between the two countries. During the Armenian-Azerbaijani conflict, the motor roads were the sole means of transportation between Armenia and Iran.

The opening of the Zangezur Corridor may also play an important role for Iran in the context of its leadership's plans to build an additional route as part of the North-South Transport Corridor. In recent years, Iran has been actively promoting the establishment of a Persian Gulf-Black Sea transportation corridor. Iran seeks to access the Black Sea through Armenia and Georgia, bypassing the core territories of Azerbaijan and Turkey. Consequently, attempts to create a new corridor in Armenia's border region may have certain economic benefits but, at the same time, some limitations for Iran.

## **GEO-ECONOMIC PROSPECTS**

### **The importance of the new transport infrastructure for Turkey and Central Asian countries**

Turkey, along with Azerbaijan, is one of the most obvious "beneficiaries" (both in the economic and political sense) and a lobbyist of the hypothetical corridor. In recent years, the Turkish leadership has been considering the possibility of turning the country into a hub for international cargo transportation from East to West and the

other way round. The corridor ideology and rhetoric have become the “weapons of choice.” The Turkish leadership has repeatedly declared the importance of a “Syrian security corridor” (Avatkov and Sbitneva, 2022, pp. 8-10). A new transport and logistic line in the South Caucasus fits in well with the “hub” concept, as Turkey is set to become an important link connecting Europe with Central Asia and China.

If the Zangezur Corridor is opened, Turkey will have a direct overland route to Azerbaijan, which will most likely strengthen its influence in the region. Due to the Armenian-Azerbaijani conflict, transportation links with Azerbaijan had to be established through the territories of Georgia and Iran, which increased the hauling distance. The organization of a new corridor will create opportunities for the further expansion of economic relations between Azerbaijan and Turkey.

The Zangezur Corridor will give Turkey a shorter route to the Turkic states of Central Asia and to China via the Caspian Sea. By and large, the opening of the Zangezur Corridor can let Turkey gain a significantly firmer foothold in the region.

Table 1.

**Some parameters of Turkey's foreign trade with Central Asian  
and South Caucasian countries in 2019**

	Export, thou USD	Import, thou USD	Share in Turkey's total import, %	Share in Turkey's total export, %	Trade balance (export – import)	Foreign trade turnover (export + import)
Azerbaijan	1,788,397	411,022	0.2	0.99	1,377,375	2,199,418
Armenia	19	2,665	0	0	-2,646	2,684
Georgia	1,578,014	272,350	0.13	0.87	1,305,664	1,850,364
Kazakhstan	900,144	1,403,956	0.67	0.5	-503,813	2,304,100
Kyrgyzstan	442,043	77,244	0.04	0.24	364,799	519,286
Tajikistan	156,570	198,072	0.09	0.09	-41,502	354,643
Turkmenistan	744,691	344,774	0.16	0.41	399,917	1,089,465
Uzbekistan	1,232,077	1,140,193	0.54	0.68	91,884	2,372,270

Source: Compiled and calculated on the basis of data from the World Integrated Trade Solution database, <https://wits.worldbank.org>

To understand the importance of Central Asia and the South Caucasus for Turkey, the economic indicators of their interaction should be examined in greater detail. Table 1 summarizes the absolute and relative volumes of Turkey's foreign trade with the South Caucasus and Central Asian states in 2019. The choice of the year for analysis is primarily due to the fact that 2020 (with the advent of the COVID-19 pandemic) for most countries of the world was characterized by a significant decline in economic and, especially, foreign trade activities. The year 2019 was chosen as the last roughly "typical" ("normal") year for which data are available.

As follows from Table 1, Turkey's export was the largest to Azerbaijan, Georgia, and Uzbekistan: about \$1.8 billion, \$1.6 billion, and \$1.2 billion, respectively. In relative terms, this amounted to about \$1.8 billion, \$1.6 billion, and \$1.2 billion in current prices. In relative terms, this represented a tiny fraction of Turkey's total export: Azerbaijan accounted for only 1%, Georgia for 0.9%, and Uzbekistan for about 0.7%. Exports to Kazakhstan, Turkmenistan, Kyrgyzstan, and Tajikistan were even smaller. Export to Armenia was the tiniest of all—just \$19,000. However, such indicators, insignificant at first glance, do not look so small next to the statistics of the leading buyers of Turkish goods and services. For instance, such major European countries as Germany, Britain, Italy, Spain, and France accounted for 9.2%, 6.24%, 5.4%, 4.5%, and 4.4% of the Turkish export, respectively. Russia's share in the total value of Turkey's export was 2.3%.

A look at the indicators of Central Asia and the South Caucasus prompts the conclusion that the values of at least some of them are comparable to those of Turkey's leading partners. Among almost two hundred countries for which data were available in 2019, Azerbaijan ranked 27th; Georgia, 29th; Uzbekistan, 35th; Kazakhstan, 47th; and Turkmenistan, 51st. The position of Central Asian and South Caucasus countries in a similar ranking of exports to Turkey is markedly different. The largest exporters to Turkey in 2019 were Kazakhstan, Uzbekistan, and Azerbaijan, followed by Turkmenistan, Georgia, Tajikistan, and Kyrgyzstan. The smallest amount of goods

was imported from Armenia, but it is essential to remember that the value of this indicator surpassed the value of export by about 13,900 percent. In the world ranking, Turkey's imports from Central Asia and the South Caucasus are far more moderate. The frontrunner in this group of states—Kazakhstan—is 34th; Uzbekistan, 40th; Azerbaijan, 56th; Turkmenistan, 58th; Georgia, 64th; Tajikistan, 74th; and Kyrgyzstan, 88th.

The creation of a transportation artery similar in scale to the existing one, which is also expected to connect Kars and Baku, will entail important consequences. The emergence of an acceptable alternative to the existing route may affect the current transit tariffs on the Georgian section of the Baku-Tbilisi-Kars railroad. Their fall, or at least not too rapid growth, so typical in market economies, may push down the prices of products being brought to Azerbaijan and Turkey, which in turn may significantly increase trade between the two countries. The same is true not only of Azerbaijan, but also of the Central Asian countries. It should be noted that the total population of the Central Asian region as of 2023 stood at about 75 million and continues to grow fast. The opportunity to sell consumer goods in such a vast market could be an important factor for Turkey's economic growth for decades. The opening of the Zangezur Corridor will let Turkey enjoy the benefits of an even shorter route to Central Asia, crossing mostly the territories of Turkic states. The latter factor is being widely discussed in Azerbaijan's public discourse, but more cautiously in Turkey itself.

For the Central Asian countries, the construction of one more route in the South Caucasus will make it possible, in addition to obtaining goods from Turkey in large amounts and at lower prices, to expand the opportunities for exporting their products to Western Europe. This task becomes even more relevant in light of the Ukraine crisis and economic sanctions imposed on Russia, as countries of the region have to find alternative routes to Europe bypassing Russia. In mid-December 2022, the first container train was dispatched from Uzbekistan to Bulgaria's Burgas via the Trans-Caspian Transport Corridor.

### **Potential economic benefits for Russia**

Under the trilateral ceasefire declaration of November 10, 2020, the border service agencies of Russia's Federal Security Service (FSB) were entitled to control the transport links between the western regions of Azerbaijan and the Nakhchivan Autonomous Republic, but the creation of a new transport route de facto implies a revision of Russia's role and position in the South Caucasus.

Amid anti-Russian economic sanctions Russian suppliers need new reliable routes. According to Russia's Deputy Transport Minister Vitaly Saveliev, the International North-South Transport Corridor (INSTC) that is to connect Russia, Azerbaijan, Iran, and India should be considered one of the alternative overland routes (Komrakov, 2022). In this regard, the importance of the Zangezur Corridor stands out, because the western branch of this route goes through Azerbaijan.

Importantly, the corridor through Armenia will also provide a railway and other transport links to Turkey and the Middle East. The existing transportation corridor from Russia to Armenia has some constraints, such as problems with operating the Georgian Military Road in wintertime as well as difficulties in Russia's relations with Georgia, through which the main transportation route to Armenia goes.

In addition, it is quite likely that for reasons of transportation and logistics expediency, a certain share of the commodity flow from East Asia, currently transited through Russia, will be redirected via the Trans-Caucasus route and, specifically, the Zangezur Corridor. Given the steadily growing role of China in the world economy, participation in its international initiatives aimed at expanding economic ties with Europe may be extremely important for the economic development of all countries involved. In this regard, the conclusion readily offers itself: Russia should show interest in the development of the Zangezur Corridor. Otherwise, the existing Baku-Tbilisi-Kars link, in the operation of which Russia is practically not involved, will be used anyway. The development of the Zangezur Corridor could strengthen Russia's economic influence in the South Caucasus.

## **POLITICAL CONSTRAINTS AND POTENTIAL THREATS TO COUNTRIES IN THE REGION**

### **Strategic interests and possible threats to Russia**

The declaration that ended the 44-day war in the South Caucasus allows Russia to control transport links running through the territory of Armenia. Armenia hosts Russia's 102nd military base. Russia has sought to establish a strong overland link, but the Black Sea railway route from Armenia to Russia via Georgia and Abkhazia has not materialized. As noted above, there are difficulties in operating the road from Russia through Verkhny Lars. The Zangezur Corridor can provide Russia with additional access to Iran as part of the International North-South Transport Corridor. Russia will not only control one of the important corridors in the region, but it will also strengthen its own positions. However, should Turkey, a member of NATO, gain stronger influence in the South Caucasus after the opening of the Zangezur Corridor, Russia will have to brace for certain risks.

### **Restrictions for Georgia**

The opening of a new corridor in the South Caucasus may have both favorable and adverse effects on Georgia's economy (De Waal, 2021, p. 7). On the one hand, the new transport artery may weaken its status of a transit country. Due to the conflict with Armenia, Azerbaijan used the territory of Georgia to maintain links with Turkey. This allowed Tbilisi to derive economic benefits and become one of the key players in international freight traffic in the South Caucasus.

The BTK international transport corridor's 246-kilometer section (with a branch to the city of Akhalkalaki) runs through Georgia. Its relevance may be challenged, if the Zangezur Corridor turns out to be a worthy competitor. However, the emergence of a new route will not necessarily downgrade the value of transit roads through Georgia. Both Azerbaijan and Turkey have invested heavily enough into the development of the BTK to remain interested in this transportation line, even if the Zangezur Corridor becomes operational. Azerbaijan has given Georgia \$220 million and \$550 million in loans for the

construction of the Georgian railway route (Ibrahimov, 2016, p. 106). In December 2022, President Aliyev, at a meeting with Turkmenistan's President Berdimuhamedov in Turkmenbashi, also stated that Azerbaijan would invest an additional \$100 million in the BTK project (Day.Az, 2022). It should also be noted that the BTK's design capacity is 6.5 million tons per year, which is comparable with the throughput of the Astara-Rasht railway, part of the North-South Transport Corridor also crossing Azerbaijan and Iran.

The construction of the Zangezur Corridor may foment Georgia's fears that this will increase Russia's role in the region's new geopolitical reality. The unblocking of transport links in the South Caucasus jointly with the FSB border service agencies may reduce the value of the Georgian route, especially if a Russia-Armenia railway link through Azerbaijan becomes a reality.

### **Potential risks for Armenia**

Armenia is strongly skeptical about the Zangezur Corridor project. Many Armenian experts agree that the new corridor will breed geopolitical risks and may result in the loss of the country's sovereignty (7times, 2022). One of the arguments in favor of this theory is regular Azerbaijani and Turkish media reports about plans to create a so-called Gokcha (Goyche) Zengezur Republic within Armenia's Syunik Province and some other regions, too. The initiative to create a Goyche-Zengezur Republic comes from ethnic Azerbaijanis who lived in Armenia before the collapse of the Soviet Union (Oğuz, 2022). Turkish media add the word türk (Turkish) to the name of the proposed state entity: Goyche-Zengezur Türk Cumhuriyeti (TGRT, 2022). These reports are not official though and may be considered provocative. It is also noted that this project can play a role in exerting diplomatic pressure on Armenia for opening the Zangezur Corridor (Nersesyan, 2023).

The corridor's location is another argument. As mentioned above, Armenia's 40-kilometer border with Iran runs along the territory of a hypothetical corridor. If implemented, the new route may make it more difficult for Armenia to control its border with

Iran and the Iran-Armenia gas pipeline. The Armenian leadership fears that the Zangezur Corridor may turn out to be extraterritorial, i.e., outside the jurisdiction of the state (Nersesyan, 2023). Yerevan also finds it worrisome that the operation of the corridor in the Syunik region may lead to further confrontation after President Aliyev's statement that Azerbaijan is going to implement the Zangezur Corridor project regardless of Armenia's attitude: the Armenian leadership is adamant that the very logic of the corridor does not meet the interests of the country.

At the same time, Yerevan does not refuse to unblock transport links in the region and suggests building the Horadiz (Azerbaijan)—Meghri (Armenia)—Ordubad (Nakhchivan Autonomous Republic)—Yeraskh (Armenia) railway line through its territory. Azerbaijan would be responsible for the project on its own territory. Part of this line would be laid along the hypothetical Zangezur Corridor.

Another argument against the opening of the Zangezur route is that the goods from Armenia to Russia via the new corridor would travel a longer way, while it would be most efficient to use the traditional Ijevan-Gazakh route, which needs upgrading (Mejlumian, 2021).

### **The Iranian Factor**

Iranian officials have been saying that the Zangezur Corridor project is aimed at weakening Iran's position in the South Caucasus. Tehran often refers to it as "Turanian" or "NATO's," because it sees the project as a threat of the spread of pan-Turkism in the region from NATO member Turkey (Tasnim, 2021). In the Iranian academic discourse, many authors argue that the Zangezur Corridor project is an Azerbaijani-Turkish initiative supported by the United States and the European Union. The main purpose is to provide Turkey with unimpeded access to the Caspian Sea and, consequently, to Central Asia. Moreover, the corridor could become the fastest route from Turkey to China and is intended to weaken Iran's influence in the region (Khabar, 2021). The suspicion that Turkish and Azerbaijani troops are planning to occupy Armenia's Syunik region is also very strong (Mashregnews, 2021). Moreover, at a meeting with the Turkish president, Iranian



leader Ayatollah Khamenei stated that Iran would not allow the border between Iran and Armenia, which has a history of many thousands of years, to be blocked (Tasnim, 2022).

The Turkish leadership hopes to complete the construction of the İğdir-Nakhchivan gas pipeline, one of the partnership projects of the Turkish gas company Botas and the Azerbaijani oil and gas company SOCAR (Haridy, 2022). This may halt Iranian gas supplies to Nakhchivan and, consequently, result in economic losses. Moreover, a corridor along the Armenian-Iranian border could be a “violation of Iran’s communication sovereignty” because Armenian and Iranian citizens would have to use a corridor controlled by third countries to cross the border, should it eventually become extraterritorial (Ananiev, 2021).

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The opening of the Zangezur Corridor obviously bears both economic prospects and serious geopolitical risks for the countries in the region.

Undoubtedly, the Zangezur Corridor’s main beneficiaries are Azerbaijan and Turkey.

Azerbaijan can establish a direct link with its exclave, the Nakhchivan Autonomous Republic, as well as with its most important partner Turkey. Further socio-economic development of the southwestern regions of the country, which have suffered from two wars, is also high on the agenda.

Turkey can get the shortest and most beneficial route to Central Asia, which, among other things, can strengthen its positions in a densely populated region, where the share of the Turkic-speaking population is about 70%.

A new corridor may challenge the importance of Georgia as a transit country.

The unblocking of links between Armenia and Azerbaijan could have a positive impact on Iran’s economy, which suffered to some extent after the collapse of the Soviet Union and the Karabakh conflict in the 1990s. At the same time, the Zangezur Corridor could reduce Iran’s role in transit transportation to the South Caucasus.

Armenia may get out of partial economic isolation, but it will face geopolitical risks if the Zangezur Corridor along its border with Iran turns extraterritorial. In addition, Armenia, just like Iran, fears Turkey's influence in the region may grow, if the new transportation and logistics initiative proves successful.

Russia may derive certain benefits from an additional route to Turkey and the Middle East, as well as a railway link with Armenia.

If and when the Zangezur Corridor is built, the external control of transport links in the region, according to Paragraph 9 of the trilateral statement of November 10, 2020, will be exercised by the border service agencies of Russia's Federal Security Service. This may become a beneficial form of Russia's participation in the new economic and geopolitical processes in the South Caucasus.

Control over a hypothetical transportation and logistics route in the region is also important against the backdrop of the Ukraine crisis and economic sanctions against Russia, as some Central Asian countries and China may take advantage of additional cargo transportation routes to Europe bypassing Russian territory.

In general, in developing a long-term government strategy one should bear in mind that the Zangezur Corridor will be, in fact, another route (in addition to the BTK) in the strategically important South Caucasus bypassing Russia.

For all other international players, the Zangezur Corridor may become just one more route in addition to all those already in operation or still in the drafting phase in the South Caucasus (the Middle Corridor, the International North-South Transport Corridor, the Lazurite Corridor, the BTK, etc.).

**P.S.** On October 6, 2023, Azerbaijan and Iran signed protocols of intent for the construction of a new railway line designed to connect the East Zangezur Economic Region with the Nakhchivan Autonomous Republic through the territory of Iran (News.Am, 2023). Commenting on this news, Azerbaijani President Ilham Aliyev's chief foreign policy advisor Hikmet Hajiyev stated that the Zangezur Corridor project had lost its attraction for the country

because of Armenia's position (Politico, 2023). This announcement, at first glance, is at odds with Aliyev's statement on the Zangezur Corridor, which he made during a meeting with residents of Fizuli District on October 17, 2023: "I said that we would return there not in tanks, but in cars" (Azertag.Az, 2023). It is important to note that on the same day the Armenian prime minister said that Yerevan was ready to restore the Meghri railway line (crossing the Zangezur Corridor) that must connect Azerbaijan with Nakhchivan (Eurasia Daily, 2023).

It seems that the Azerbaijani presidential advisor's statement on his country's dwindling interest in the Zangezur Corridor project is probably an attempt to influence Armenia, which is also interested, at least partly, in unlocking transport communications in the region after the events of September 2023. This is borne out, in particular, by his remark made during an interview: "If this is the case, yes, but if not then OK. It's still on the table but it will require that the Armenian side shows that it's really interested in that" (Politico, 2023).

While not excluding alternative transport routes between Azerbaijan and its Nakhchivan exclave (specifically, through the territory of Iran), it is worth emphasizing that both Azerbaijan and Turkey have already invested heavily in the Zangezur Corridor project. If the project is successful, Ankara will get the shortest transport route—bypassing Iran and Russia—to the Turkic-speaking countries in Central Asia, and thus strengthen its influence in the region.

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