

Unlocking Middle Corridor's Potential for Georgia: A Study Based on Stakeholders' Interviews

Tamar Gugushvili (CDCS) – Georgian Technical University (PhD Student)
Email: Tamunag@gmail.com

Abstract:

The Trans-Caspian International Transport Route (TTIR; Middle Corridor (MC)) presents significant potential, as it may evolve into a reliable and competitive route compared to traditional routes and contribute to substantial economic development and trade facilitation.

The present research aims to realize the tangible benefits of MC to Georgia from the perspective of Georgian stakeholders, identify gaps and areas for improvement, and transcend the mere transit economy status.

This research was conducted through consultations with stakeholders, including logistics companies, ports, rail, and state entities, all of which possess extensive experience in MC.

Research shows that Georgia's strategic location, a key transit point between Asia and Europe, plays a crucial role in the MC and can further strengthen its geopolitical position. MC offers Georgia unique economic growth opportunities, benefiting from increased trade flows and potential investments in infrastructure.

This research identifies the challenges facing MC, which extend beyond Georgia's control, necessitating active participation from all countries along the route to uniformly develop infrastructure. Success depends on comprehensive coordination among parties, complete digitalization of the corridor, and a transparent pricing structure.

This research describes the various initiatives taken by Georgia. Such initiatives include active engagement in digital projects led by the World Bank, UN, TRACECA, CAREC, and the construction of a deep-sea port in Anaklia, among others.

Keywords: Middle Corridor (MC); Trans-Caspian International Transport Route (TTIR); Digitalization; Trade Facilitation, Transit; Logistics; International Trade, Georgia.

Abbreviations and Acronyms: [1].

BCP	Border Crossing Point
CATS	CAREC Advance Transit System
CAREC	Central Asia Regional Co-operation Programme
CCZ	Customs Clearance Zones
CIM/SGMS	Agreement on International Goods Transport by Rail
ESIA	Environmental and Social Impact Assessments
GAREC	Central Asia Regional Co-operation Programme
LPI	Logistic Performance Index
MC	Middle Corridor
NC	Northern Corridor
NCTS	New Computerised Transit System
NMSW	National Maritime Single Window
OSS	One-Stop Shop
PCS	Port community system
TRACERA	Transport Corridor Europe-Caucasus-Asia
UN	United Nations

I. Introduction

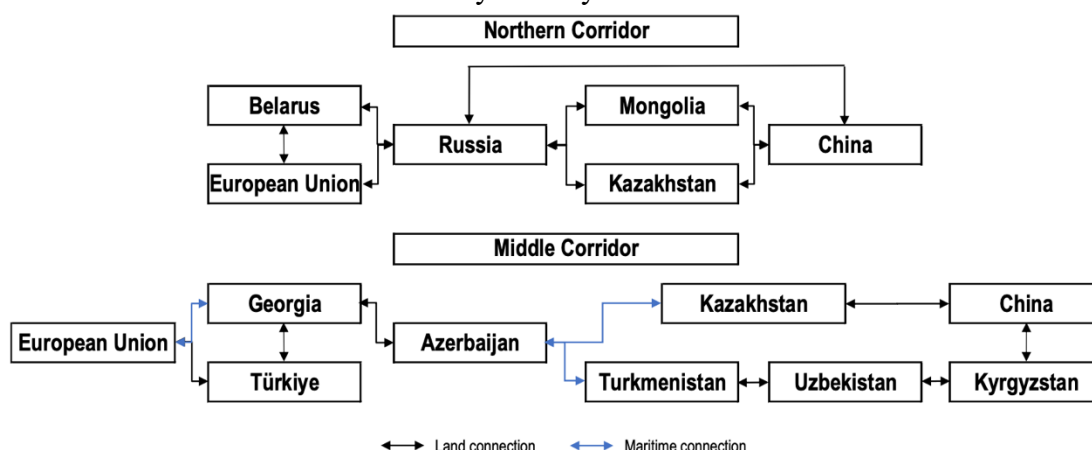
The Middle Corridor (MC), also referred to as the Trans-Caspian International Transport Route (TITR), is a multimodal transport corridor connecting China to Europe, which has recently gained particular relevance and attention. Prior to February 2022, the primary land freight route connecting China and Europe was the Eurasian Land Bridge Economic Corridor, commonly referred to as the "Northern Route" (NC). [1]. Following recent global supply chain disruptions, Russia's war in Ukraine, imposed sanctions on Russia, and other developments, including the recent Suez Canal (Red Sea) crisis, MC has received renewed attention as an alternative transport corridor.

Below, we show the MC among other trade corridors connecting Europe and Asia. (Illustration 1) .



Illustration 1. The MC among other trade corridors connecting Europe and Asia [2]

The schematic routes of MC and NC by country are shown in Illustration 2.



Source: OECD analysis (2023)

Illustration 2. MC and NC routes by country. [1].

This study, based on stakeholder interviews, seeks to investigate the following research objectives:

1. Describe the key advantages of MC in Georgia.
2. Identifying developmental strategies employed by Georgia and the obstacles encountered in this process.
3. Assess the potential of digitalization in fostering MC growth in Georgia and explore the significance of environmentally conscious initiatives in this context.

The findings of this study can be applied to subsequent research on various thematic intersections in other countries in the MC region.

This study employed a qualitative research methodology utilizing a two-stage analysis: the examination of local and international articles and reports. The Primary focus of this research is structured interviews. The research predominantly centers on the information received from the respondents.

The selection of respondents was based on the multimodal nature of the MC, which incorporates roads, containerized rail freight, and ferry routes. The interviewees were selected from logistics, port, rail, and state sectors, comprising a total of five respondents. Some interviews were conducted online and recorded, whereas others were conducted in writing. A portion of the interviews were conducted in Georgian, and the remaining in English. The interview process took place between November and December 2024.

A limitation of the study could be the absence of interviews with Georgian Customs, which are implementing numerous digital initiatives in Georgia. Georgia has implemented one-stop shops (OSS) for customs to simplify procedures for businesses and enhance data sharing between agencies through integrated border management systems. These systems involve organizations responsible for issuing transit and trade licenses and permits. Furthermore, Georgia has upgraded its OSS into a customs Single Window, establishing its customs service as one of the most efficient and technologically advanced within the CAREC region. [1]

This study did not address exporters and importers separately. However, Customs and exporter-importers are reserved by the author for potential future research as primary respondents on the topic of digitalization in Georgia.

Each of the selected respondents was presented with the same questions in the following sequence.

Q1. What are the primary factors contributing to the importance of the "Middle Corridor"?

Q2. Are there any challenges or obstacles to overcome for the proper functioning of the "corridor"?

Q3. How significant is the level of digitalization and automation of processes in overcoming these challenges?

Q4. Do you perceive green initiatives as an important factor in the "Middle Corridor"?

Q5. How can Georgia benefit from the "Middle Corridor"?

II. Literature review:

Corridor Between Europe and Asia

Studies describe the Middle Corridor as a transcontinental trade route connecting Europe and Asia. They highlight that MC gained strategic importance, especially after Russia's

invasion of Ukraine and after the war started. MC's geopolitical role and purpose of this corridor as an alternative to the Northern Corridor (through Russia) and the Southern Corridor (sea route) is widely discussed. [3], [4].

The existing researches are conducted in diverse styles. For instance, V. Modebadze provides a more historical overview and emphasizes the geopolitical significance of the MC. The key points of the article include increased Western investment in developing the MC, the need for infrastructure improvements, and the importance of collaboration among countries along the route. This study suggests that with proper investments, the Middle Corridor could become a crucial trade link between Europe and Asia.[3].

In the article "Future Potential of Trans-Caspian Corridor: Review", authors, Palu, R.; Hilmola, O.-P., note that The studies "have been stuck for the last few decades in the prevailing Asian narrative which places China as its center, instead of widening the scope to other emerging markets, especially India." [5].

Port of Anaklia (Georgia)

In terms of infrastructure development, the construction of the Anaklia port is of great importance. Revaz Javakhishvili, in his article "Georgia – a strategic transit and transport hub of the Middle Corridor"–considers that accelerating the construction of the Anaklia deep-sea port is essential for optimizing cargo transportation and fully benefiting from MC potential. The port's container terminal, equipped with cutting-edge technology, plays a vital role in this regard by offering rapid container processing capabilities. These advancements will improve the operational efficiency of the ports. Consequently, this will result in a favorable impact on cargo processing and transportation costs, which are currently the highest in Georgia among the ports in the region. [4]

Logistics Performance Index (LPI) in the context of Georgia

In his article "Main Determinants of Georgia's Transit Function Development", I. Danelia, [6] provides a comprehensive analysis of the main determinants influencing the development of Georgia's transit function into the following factors:

- International political factors
- Common economic factors. Both of them are discussed in detail.

An interesting aspect highlighted by Danliea is Logistic Performance Index (LPI) developed by the World Bank to assess a country's logistics performance. The LPI evaluates several components that are crucial to a country's transport capabilities.

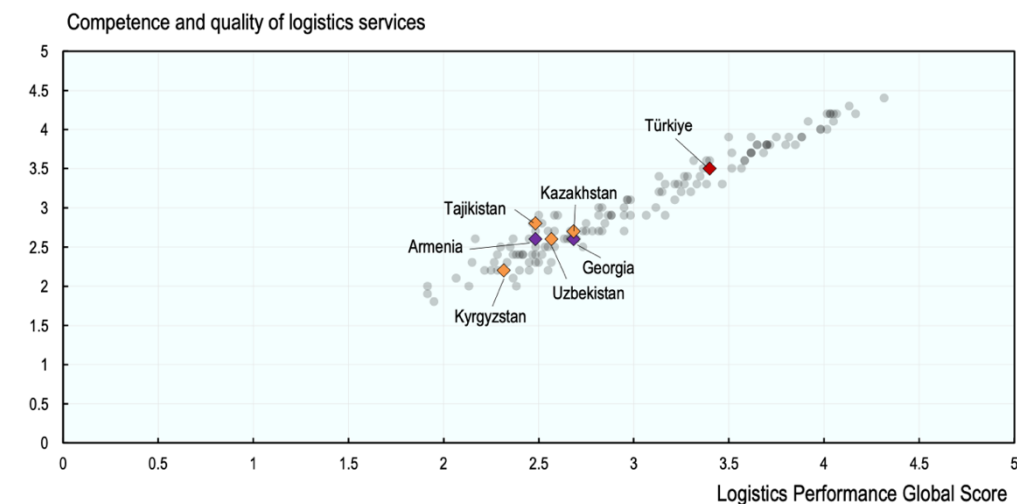
- "Effectiveness of Customs Services and Border Management Operations;
- Quality of trade and transport infrastructure
- Simplicity of organizing shipment
- Quality and competence of logistical service in motor transport, forwarding, and customs-brokerage service;
- Monitoring and control mechanisms of cargo transportation
- Traffic timing and frequency of misconduct." [6]

However, Danelia notes that while LPI provides valuable insights into a country's logistics environment, it does not cover all aspects of the industry. The paper suggests that beyond the LPI, it's necessary to consider material-technical capabilities of main transportation modes, development needs, institutional basis issues and others. [6]

In the 2023 LPI, which facilitates comparisons among 139 countries, Georgia advanced from 119th to 79th place, demonstrating an improvement of 40 positions. This index has not

been published since 2018 due to pandemic; according to the 2023 Logistics Index, Georgia has a score of 2.7 [8]. [9].

Below is given a chart for logistics and services trade performance of Central Asia, South Caucasus, and Turkey, which is based on World Bank Data (illustration 3):



Source: (World Bank, 2023_[26])

(illustration 3): Logistics and services trade performance of Central Asia, South Caucasus, and Turkey. [1]
[7]

The data indicate that, in 2023, Turkey had the highest score of 3.4. Georgia and Kazakhstan had identical scores of 2.7. Uzbekistan scored 2.6, while Tajikistan and Armenia both scored 2.5. Kyrgyzstan demonstrates a score of 2.3. [1] [8].

MC by 2030

International and comprehensive research was conducted by World Bank. [2] The report presents a detailed trade flow assessment and projections for MC up to 2030 to better understand the potential demand for MC.

According to report [2] The Middle Corridor (MC) positions itself not only as an alternative to the Northern Corridor (NC) but also as a means for MC countries to diversify their trade. The unique insight from this research is the recognition that the MC's primary role should be to serve as a catalyst for economic development in countries along the corridor, rather than solely as a transit route between China and Europe. By adopting a holistic, place-based approach to corridor development, the MC can unlock new trade and investment opportunities, foster economic diversification, and promote regional integration in Central Asia and South Caucasus.

While the MC is not anticipated to completely supplement the NC for land connectivity (except if crossing Russia and Belarus becomes increasingly challenging), it is already handling a portion of the transcontinental land trade to some extent. The MC has the potential to attract more traffic, but only if it enhances its operational efficiency. [2]

The research provides a summary of immediate operational issues related to Georgia, which is given in Table 1 below:

Across the transport chain	Ensure transparency and predictability of final transport prices. Provide traceability of cargo movement. Ensure a feasible transition to electronic documents applicable to both railway and Caspian Sea. Foster cargo consolidation, shift to rail and improve east-west traffic balance through creation of logistics hubs.
Ports and maritime	Improve port-rail/road operations, improve navigation channel. Reduce port tariffs for containers (currently the highest tariffs in the whole Black Sea).
Railways and BCPs (Border Crossing Point)	Ensure availability of rolling stock, in particular on Georgia/Azerbaijan BCP, improve road and port transshipment.

Table1: Summary of operational issues for immediate attention in Georgia [2] [9]

According to the research, Georgia has opportunities to increase its exports and move into higher value-added production through the development of MC. This includes potential growth in exports of prepared foodstuffs, especially beverages, mineral waters, and wines, as well as construction materials and non-ferrous ores. [2].

Need for Digitalization

Digitalization plays a crucial role in improving trade facilitation and customs procedures in the Middle Corridor. The OECD in its comprehensive research - The “Realizing the Potential of the Middle Corridor [1]” highlights that: “reforms should focus on advancing digitalisation and harmonisation of border procedures and permit requirements”. It also notices: Cumbersome transit and trade procedures add to border point congestion and result in inconsistent and unpredictable transit and crossing times, further reducing the route’s attractiveness. Despite trade facilitation reforms in Azerbaijan, Georgia, Kazakhstan, and Türkiye, a regional approach to the route’s development is missing. In particular, the Middle Corridor’s attractiveness to the private sector suffers from an overlay of multiple and unharmonised license and permit requirements, increasing transit time and cost. Deficient border customs capacity and lack of cooperation among customs agencies along the route also lead to repetitive inspections and delays, creating congestion when traffic increases. [1]

Although Azerbaijan, Georgia, Kazakhstan, and Türkiye have implemented trade facilitation reforms, a coordinated regional strategy for developing the route is lacking. This study emphasizes the importance of standardizing and digitizing transit and border procedures to enhance the corridor's appeal and performance. [1].

I. DISCUSSIONS AND RESULTS

During the interviews, several key determinants were identified that led to the importance of MC. Respondents concur on the increasing significance of the corridor within the context of the recently emerging geopolitical situation, the necessity for diversification of trade routes, and recent initiatives along the corridor focused on the development of transport and logistics, digitalization, and modern infrastructure.

These major factors can be categorized as follows (Q1):

- Geopolitical situation: Recent global supply chain disruptions, originating from Covid-19, the current global context, the Russia-Ukraine War, and imposed sanctions against Russia, have all contributed to the necessity for route diversification and the implementation of an essential risk management strategy.
- Geo-economic positioning: The strategic link between Europe and Asia, a route connecting key markets, an alternative to the Northern route, faster transit time compared to maritime options, and increased trade volumes between China and Europe have collectively elevated its significance.
- Recent initiatives have focused on transport and logistics, digitalization, and modern infrastructure development across the MC.
- Trade agreements, international and regional cooperation.

Regarding the relevance of MC, the Ministry of Economy and Sustainable Development of Georgia ("Ministry") noted:

"In recent years, the Middle Corridor has gained traction as a viable route to connect Europe and Asia. According to the Trans-Caspian International Transport Route Association, traffic flows along the Middle Corridor almost doubled in 2022 and grew by an additional 86% in 2023.

This growing momentum can be attributed to several factors. Amid recent global supply chain disruptions brought on by the COVID-19, Russia-Ukraine war and other events, route diversification has become an essential risk management strategy. In this context, the Middle Corridor serves as one of the alternative ways for freight transportation between Europe and Asia. Another factor to underscore here is the growing competitiveness of the Middle Corridor itself that is a result of various measures undertaken over past years to boost the performance of the corridor. Namely, the establishment of through rates and integrated services along with the continuous efforts to improve transport infrastructure, service reliability and delivery times greatly contribute to the attractiveness of the corridor. Moreover, a 5-year roadmap on the Middle Corridor development was signed in Aktau at the quadrilateral ministerial meeting of Georgia, Kazakhstan, Azerbaijan, and Türkiye in November 2022. It lists concrete measures relating to the development of transport and logistics infrastructure, operational optimization, implementation of unified tariff policy, corridor digitalization, and improvement of the regulatory framework. The roadmap ensures coordinated policy for the further operationalization of the Middle Corridor in light of its raising role".

For a small nation such as Georgia to excel in global logistics, numerous interconnected factors must be developed. Having a strategic geographic position for transit does not guarantee the ability to become a logistics hub- notes I. Danelia in his article "Georgia – logistics hub".[10]

Based on the analysis of interview data derived from the responses to Q2, the primary obstacles impeding the development of the corridor can be summarized as follows:

- The lack of coordination and management of MC, which is clearly seen as a corridor, has multiple operators, connections, and border crossings. Complexity was added, based on its multimodal nature. No single operator is responsible for transportation from the origin to the destination, ensuring the interaction and shipment of goods without time loss.
- Infrastructure at the ends of the railway, local constraints in connecting port infrastructure and port lines, and inadequate first/last-mile rail connections.

- Low efficiency of both Caspian and Black Sea ports and maritime transport in the Caspian Sea. Ports operate below their capacity, lack appropriate equipment, experience weather conditions resulting in extended waiting times and additional costs, insufficient conditions for ships in the Caspian Sea; Freight rates.
- Different legal frameworks.
- Digitalization, inefficient data flow between service providers and regulators, and limited visibility of transported goods.

Based on these interviews, several activities could address and mitigate obstacles. For instance, the acquisition of specialized equipment can enhance communication between ports and railways. Equipment can also mitigate weather conditions that impede port operations and the operational risks caused by high winds in the Caspian Sea. However, for declining sea levels, engineering solutions, such as deepening ports or introducing a new generation of surface vessels, may be required. Investments in modern navigation and ship traffic control facilities at ports should also be considered.

The opinions expressed were correlated with the World Bank and OECD reports. [1] [2] The respondents emphasize that the enhancement of both soft and hard infrastructure is crucial to fully exploit the MC's potential. Ongoing investments in digitalization will contribute significantly to overcoming these obstacles.

Owing to the importance of digitalization in the development of MC, this question was addressed separately. Q3 raised the importance of digitalization and automation of processes in overcoming challenges, and responses received were unanimous, and all respondents considered digitalization vital and critical. The level of digitalization and data flow was identified as a weakness of the MC. These deficiencies manifest through various observable indicators, such as bottlenecks in cargo transfer between different service providers, whether in ship-to-rail transitions or vice versa, as well as during railway changes and border crossings, inadequate monitoring, and management of goods in transit, which causes price fragmentation, increased expenses, and time delays. Although individual transportation systems might potentially exhibit high levels of digitalization, they often lack integration with one another. This can result in redundant paperworks. Furthermore, the middle corridor represents a junction where two distinct rail transport legal frameworks intersect: the OTIF, which utilizes CIM rail waybills, and OSJD, which employs SMGS waybills.

In OECD report creation of operational challenges by the simultaneous existence of different legal frameworks for rail freight (SMGS and CIM) is discussed in details: [1]

The presence of both the CIM Uniform Rules and the SMGS Agreement results in varied language requirements and documentation for freight transport between China and Europe, including the need for two separate consignment notes. Rail freight in Turkey and Western and Central Europe follows CIM rules, while SMGS law governs China, Russia, and Central Asia. Both systems are effective in Georgia, Azerbaijan, Ukraine, and other Eastern European nations. These dual notes present language barriers, as SMGS consignment notes are only issued in Russian or Chinese, whereas CIM notes are produced in the dispatch country's language, with translations in French, German, or English. Consequently, businesses surveyed by the OECD report frequent document duplications, as cargo must be registered under both systems. [1]

According to feedback from stakeholders in operations, particularly in logistics and supply chain systems, time directly correlates with financial implications. Each hour of delay for the containerized freight represents a substantial cost. The implementation of digital

processes facilitates advanced customs declaration. This enables efficient and proactive operational planning in both warehousing and transportation. It provides insights into the cargo arrival times, storage locations, and potential delays. Document flow should adhere to the single window principle, and various documents such as invoices, bills of lading, packing lists, and railway waybills need to be uploaded to a unified system. This system should be accessible to all parties involved, including ports, railways, and other logistics entities, adhering to the single-window concept. This is of significant importance. Based on the interviews, it is estimated that approximately 20% of transit time is inefficiently utilized owing to the current low level of digitalization.

Regarding the recent initiatives and plans towards digitalization conducted in Georgia, the following information was received by the Ministry: “Embracing digital technologies is essential for improving communication between multiple stakeholders, streamlining operations, and ensuring smooth cross-border transportation along the MC. In this regard, Georgia has been actively engaged in various digitalization initiatives led by the World Bank, UN, TRACECA, CAREC, and others, focusing on the digitization of transport documents and the electronic exchange of information (e.g., CAREC Advanced Transit System (CATS); pilot project for use of e-CIM/SMGs consignment note along selected TRACECA routes, etc.).

A notable development was the introduction of the National Maritime Single Window (NMSW) in Georgia in October 2024. The system effectively streamlines administrative procedures related to ship clearance in Georgian ports, enhancing efficiency and timeliness. Simultaneously, the development of a port community system (PCS) is in progress.

Furthermore, there is a strong emphasis on the implementation of systems like real-time for further advancing the digitalization of the Middle Corridor.”

If we also read the OECD Report in detail, [1] we can see that customs formalities are quite advanced in Georgia. For cargo clearance and shipment/collection, customers only need to go to a centralized location, which results in double the time savings. The Customs Clearance Zones (CCZs) offer several advantages. Firstly, they provide a centralized location for obtaining government-issued permits and approvals for importing, exporting, or transiting goods. Additionally, these zones house various external service providers, including logistics firms, customs brokers, and financial institutions, facilitating easy access to quotes and services. Furthermore, Georgia has streamlined its border operations by reducing the number of involved ministries and agencies. Previously, multiple entities such as the Customs Department (Finance Ministry), Border Police (Internal Affairs Ministry), Sanitary and Phytosanitary entity (Agriculture Ministry), and Transport Administration (Transport Ministry) were involved. Now, only the Georgia Revenue Services and Patrol Police handle these responsibilities. [1]

Georgia works with Azerbaijan to create a joint border control point at the 'Red Bridge' crossing. Georgia and Türkiye have signed a data exchange agreement on the joint use of land customs crossing points to accelerate border crossing times, with Azerbaijan and Türkiye having established a preliminary electronic information exchange system, as well. Türkiye and Azerbaijan and Türkiye and Georgia have signed separate simplified customs corridor agreements to facilitate faster customs procedures by enabling data exchange. Azerbaijan, Georgia, and Uzbekistan have connected their national customs to the e-TIR international system. [1].

Considering the activities outlined above, it is crucial to undertake autonomous research in collaboration with Georgian Customs, focusing on the realm of digitalization. However, we will continue our research with environmentally oriented initiatives.

In the case of Georgia, the context of EU membership aspirations makes transport decarbonation goals important. [1]. Georgia's Port of Poti [11] has systematically conducted environmental and social impact assessments (ESIA) since 2010 and has been compliant with IFC standards. [1]. It is noteworthy that Batumi Sea Port (BSP) became the first port in Georgia to receive a certificate of compliance with the environmental management system according to the requirements of the international standard EcoPorts. [1]. [12].

Q4 emphasized the significance of green initiatives for corridors. The respondents asserted that green initiatives are important, as sustainability has become an increasing priority in international trade, particularly among European partners. The region already benefits from significant electrified rail networks, and green initiatives such as port electrification and renewable energy use will support its sustainability in the future. An interesting insight was provided by one of the respondents that although green initiatives are important, Georgia is at a much earlier stage of implementation. It is essential to consider green components, but costs should not burden MC in the short term.

Additional information regarding green projects in Georgia was received from the Ministry, which delineated various initiatives undertaken in this direction: “As the Middle Corridor continues to grow, enhancing modal shift and improving transport efficiency remain central to achieving a green transition.

With the support of the EBRD, a feasibility study is underway for the Introduction of Contrailer (Ro-La) Services in Azerbaijan and Georgia, which envisages the carriage of trucks and trailers by rail. Apart from reducing carbon footprint from transport and increasing road safety, the project shall greatly contribute to strengthening rail transport and boosting the Middle Corridor.

Importantly, the Government of Georgia is advancing the Anaklia Deep Sea Port project, a transformative initiative for the country's maritime sector. The port will be equipped with state-of-the-art technologies ensuring greater efficiency and sustainability.

Strengthening Black Sea connectivity is another key priority to foster the Middle Corridor. As of now, Georgia has direct ferry services with both Romania and Bulgaria, and efforts continue to increase the current frequencies as well as add new services. Apart from reducing travel time and distance with the EU, so-called short sea shipping provides a greener alternative to road freight transport.”

Discussions with stakeholders culminated in summarizing the benefits to Georgia, with **Q5** addressing the conclusion of advantages to the country. The significance of MC has been extensively examined, particularly its potential to establish a connection between Europe and Asia, and its advantages for Georgia. Based on the collected responses, the benefits and steps to be taken can be categorized as follows.

- The MC will strengthen Georgia's strategic position as a key transit hub between Europe and Asia, which will maximize Georgia's transport and logistics potential.
- MC will foster growth opportunities. The development of MC attracts new investments and improves infrastructure.
- Creation of value-added services to maximize benefits. Transit fees alone were not substantial. Logistic hubs and distribution centers should be established where, for instance, the deconsolidation of cargo shipped from one country and redirection to its destination can occur. Creating added value is critical. This service generates wealth in Georgia. This could be achieved through the establishment of warehouses and dry refrigeration facilities, where cargo consolidation, deconsolidation operations, packaging,

and labeling can be offered to consider more significant benefits. The development of new logistics centers and industrial zones will create additional economic opportunities. This will encourage the development of value-added services, generate new jobs, and provide additional benefits.

According to stakeholders, a number of initiatives need to be implemented to ensure that MC remains competitive, particularly in comparison to the Northern Corridor (NC). Otherwise, there was an expressed opinion that there is a risk that cargo flows may return to historical corridors after the conclusion of the war. However, an alternative perspective from Chkikvishvili suggests that the restoration of Ukraine's economy will necessitate the transportation of substantial volumes of cargo, including construction materials and other products, a significant portion of which will be carried out through the Middle Corridor [4].

II. Conclusion.

The increasing importance of the MC has been largely driven by ongoing global geopolitical developments, Russia's invasion of Ukraine, and other recent developments. The sanctions imposed on Russia necessitated the existence of alternative transportation routes and an effective risk management strategy. As seen from research, the countries of the MC, including Georgia, were unprepared for this increase in importance in several areas, primarily infrastructural, legal, and other barriers; the absence of a unified tariff policy; lack of digitalization for cargo traceability and advance planning; and many others.

Georgia plays a significant role in the Middle Corridor (MC) as a transit country, with its Black Sea ports serving as crucial links in the transportation chain between Europe and Asia. However, its strategic location at the crossroads between Asia and Europe does not guarantee its position as the most favorable transit route among other alternatives. If not proper measure and developments implemented, there is a risk that cargo flows may return to historical corridors after the end of the war.

Georgia is actively engaged in numerous activities essential for the comprehensive functioning of the corridor, including the development of port infrastructure, ease of customs clearance processes, involvement in different international projects led by the World Bank, UN, TRACECA, CAREC, and so on, “focusing on the digitization of transport documents and the electronic exchange of information (e.g., CAREC Advanced Transit System (CATS); pilot project for use of e-CIM/SMGs consignment note along selected TRACECA routes, etc.)”. All the Respondents believed that digitalization measures could solve many problems by reducing time and increasing shipper confidence.

Georgia has the opportunity to increase its exports and transition to higher value-added production through the development of MC. This includes potential growth in the exports of prepared foodstuffs, particularly beverages, mineral waters, and wines, as well as construction materials and non-ferrous ores.

The establishment of logistics hubs and distribution centers is essential where, for instance, the deconsolidation of cargo shipped from one country and redirection to its destination can occur. Creating added value is critical. The development of a new deep-water port in Anaklia, Georgia is of paramount importance. Georgia has two main commercial ports in the Black Sea, which are critical for MC. Georgia's railway infrastructure is significant, with the rail lines being electrified. However, Georgia's ability to maintain and increase the flow of cargo from the Northern Corridor does not depend solely on Georgia. Countries located along the MC should develop their infrastructure equally and there should be full coordination

between the parties. Success depends on comprehensive coordination among parties, complete digitalization of the corridor, and a transparent pricing structure.

Sources:

- [1]. OECD (2023), Realising the Potential of the Middle Corridor, OECD Publishing, Paris, <https://doi.org/10.1787/635ad854-en>
- [2]. World Bank (2023). “Middle Trade and Transport Corridor: Policies and Investments to Triple Freight Volumes and Halve Travel Time by 2030”. Washington, DC: World Bank.
- [3]. Valeri Modebadze - Geopolitical Function and Purpose of the Middle Corridor: Transcontinental Trade-economic Corridor Between Europe and Asia - 2024 - UDC 328 uak SCOPUS CODE 3320 <https://doi.org/10.36073/1512-0996-2024-3-295-307>
- [4]. რევამ ჯავახიშვილი - „საქართველო შუა დერეფნის სტრატეგიული სატრანსპორტო-სატრანსპორტო კვანძი - 2024 – Revaz Javakhishvili – “Georgia – a strategic transit and transport hub of the Middle Corridor” – 2024 – retrieved from: <https://eas.tsu.ge/%E1%83%94%E1%83%99%E1%83%9D%E1%83%9C%E1%83%9D%E1%83%9B%E1%83%98%E1%83%99%E1%83%90%E1%83%A1%E1%83%90%E1%83%A5%E1%83%90%E1%83%A0%E1%83%97%E1%83%95%E1%83%94%E1%83%9A%E1%83%9D%E1%83%A8%E1%83%A3%E1%83%90%E1%83%93%E1%83%94%E1%83%A0%E1%83%94%E1%83%A4%E1%83%9C%E1%83%98%E1%83%A1/13284/>
- [5]. Palu, R.; Hilmola, O.-P. Future Potential of Trans-Caspian Corridor: Review. *Logistics* **2023**, *7*, 39. <https://doi.org/10.3390/logistics7030039>
- [6]. Irakli Danelia - Main Determinants of Georgia's Transit Function Development - European Scientific Journal November 2017 edition Vol.13, No.31 ISSN: 1857 – 7881 (Print) e - ISSN 1857- 7431 - Doi: 10.19044/esj.2017.v13n31p79 URL:<http://dx.doi.org/10.19044/esj.2017.v13n31p79>
- [7]. <https://lpi.worldbank.org>
- [8]. <https://www.gbc.ge/news/economics/msofli-bankis-2023-tslis-logistikis-indeqsshi-saqarthvelo-40-safekhurit-datsinaurda>
- [9]. <https://www.worldbank.org/en/region/eca/brief/10-priority-actions-that-can-triple-trade-in-the-middle-corridor-by-2030>
- [10]. ირაკლი დანელია - „საქართველო - ლოგისტიკური ჰაბი“ – 2022. Irakli Danelia – “Georgia – logistics hub”-2022 - retrieved from: <https://forbes.ge/saqarthvelo-logistikuri-habi/>
- [11]. <https://www.apmterminals.com/en/poti>
- [12]. <https://batumiport.com/>