25 CAREC
Central Asia Regional
Economic Cooperation

10th Railway Working Group Meeting

3-5 June 2026 |Ulaanbaatar, Mongolia

10-е заседание Рабочей группы по железнодорожному транспорту

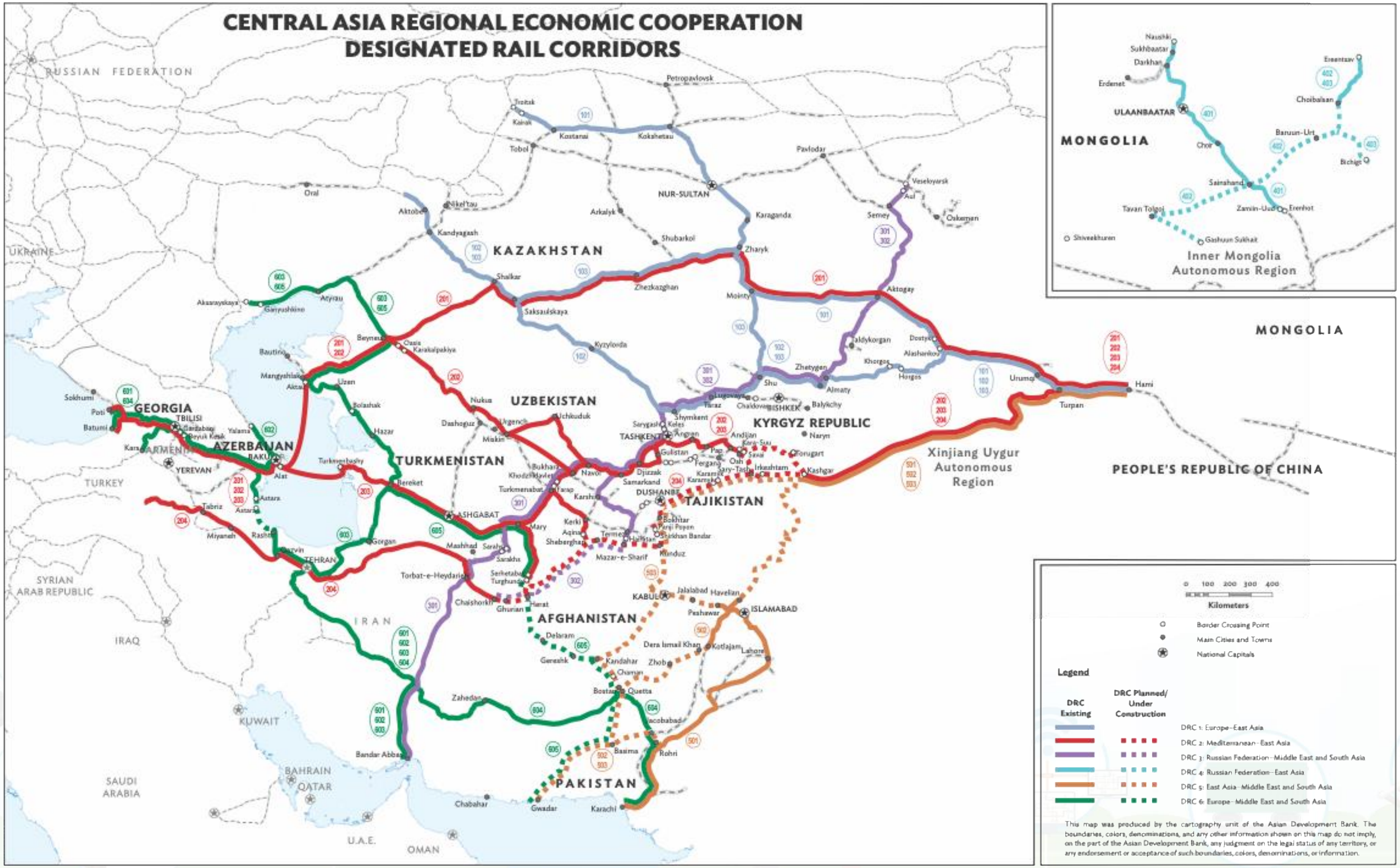
3-5 июня 2026 года | Улан-Батор, Монголия

INTRODUCTION

Rail Freight Development in Central and West Asia

Key trends and Challenges

Jurgen Sluijter
Principal Transport Specialist
SD1-TRA



Source: CAREC Secretariat

Sector developments

- Massive infrastructure investment
- Strong growth in rail freight volumes
- Global logistics disruptions reshape routes (Ukraine, Suez/Red Sea, Iran)
- Shift to multi-corridor system
- Intermodal services
- Scheduled freight services increasing reliability and competitiveness
- Major improvement transit times
- Diversified cargo mix with more balanced flows

Eurasian Rail Corridors

Connecting Asia to Europe and Beyond

NORTHERN CORRIDOR
China – Kazakhstan – Russia – Europe
(via Trans-Siberian Route)

MIDDLE CORRIDOR
China – Kazakhstan – Caspian Sea –
Caucasus – Türkiye – Europe

SOUTH CORRIDOR (NORTH–SOUTH)
Russia – Azerbaijan – Iran –
Persian Gulf – India

NORTHERN CORRIDOR

- Fastest route
- Highest capacity
- Established infrastructure

MIDDLE CORRIDOR

- Shorter distance
- Avoids Russia
- Rapidly growing

SOUTH CORRIDOR (NORTH–SOUTH)

- Connects to South Asia
- Access to Persian Gulf
- Emerging route

N

Strategic change for CWA

Shift from transit region to integrated hub

- Development of industrial zones along corridors
- Increased domestic rail freight demand
- Growth in regional trade

Multimodal logistics chains

- Rail + Caspian shipping
- Container/block train services (scheduled services)
- Digitalization and customs coordination

Institutional context

- Government support for investment and hub development

- Improved institutional and regional coordination (tariffs, customs)

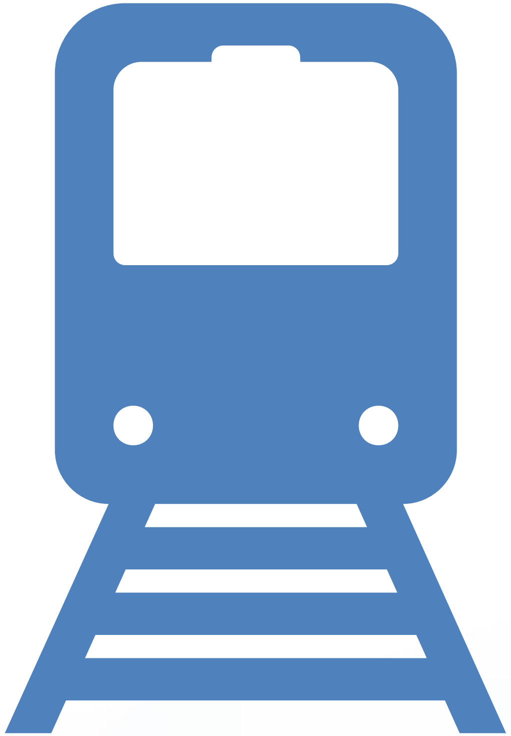
- Focus on digitalization, standardization and service reliability

Conclusions

Rail has become resilient in global supply chains	Fast-growing freight markets	Modernization and integration of networks	CWA as core extension of PRC's rail system, but no longer just a transit zone
Local value creation along corridors	Shift from a single dominant route (via Russia) to multi-corridor system	Rail moves to reliable, service-based product	More balanced flows

Bottlenecks and structural challenges

Capacity constraints in rail infrastructure	Capacity limits at borders and ports
Competition with sea freight	Political dependence major players (PRC, Russia)
Break-of-gauge PRC, ex-Soviet networks, Europe)	Fragmented regulation and digitalization



⚖️ Comparison of Corridors

	Northern Corridor	Middle Corridor	North–South Corridor
Main axis	China–Europe	China–Europe (via Caucasus)	Russia–India/Gulf
Transit time	⭐ Fastest (14–18 days)	Medium (19–25 days)	Medium (20–30 days)
Reliability	⚠️ **Political risk**	**Improving**	Variable
Capacity	⭐ **High**	**Growing**	**Limited**
Modal changes	Minimal	Rail + sea	Rail + sea
Growth trend	↘ **Stagnating**	📈 **Rapid growth**	📈 **Emerging**
Key driver	**Efficiency**	Geopolitics + diversification	Sanctions + South trade (new markets)