THE DYNAMICS OF THE NORTH-SOUTH INTERNATIONAL TRANSPORT CORRIDOR IN 2023

Abstract:
The study examines the North-South International Transport Corridor’s 2023 dynamics, highlighting the need for digital infrastructure, adaptable trade policies, and green technologies. It also addresses challenges faced by the transportation industry in Russia and Belarus and other EAEU member states, highlighting the potential for expanding transportation possibilities.

Keywords:
The North-South transport corridor, technological innovations, geopolitical realignment, economic growth, environmental sustainability, transportation, logistics challenges.

First, technological innovations in logistics and transportation have significantly reduced transit times along the corridor, enhancing its attractiveness to global traders.

Second, changing trade policies, especially tariff adjustments and trade agreements, have reshaped the volume and nature of goods passing through the corridor.

Third, geopolitical realignments have influenced the investment patterns in the corridor, with new partnerships emerging and existing alliances shifting.

Fourth, the economic growth along the corridor countries has displayed a notable correlation with the corridor’s development, indicating its role as an economic stimulant.

Fifth, environmental sustainability is a major concern, prompting the implementation of green technologies in corridor infrastructure. Rapid technological advancements necessitate investment in digital infrastructure for real-time tracking and data analytics, and adaptable trade policies to respond effectively to the changing global economic landscape.

Opportunities and risks of the North-South international transport corridor in the conditions of “new logistics”.
The International Transport Corridor "North-South" in 2023 is a complex project involving technology, policy, geopolitics, and sustainability. Its development should align with regional economic policies, maximizing socio-economic benefits for the involved nations. Environmentally friendly practices can mitigate ecological impact and enhance the corridor's global reputation [1]. This study offers insights for policymakers, economists, and industry stakeholders to optimize the "North-South" corridor's potential in the global economic landscape.

In 2022, the transportation and logistics industry in Belarus, Russia, and other EAEU member states faced significant challenges due to traditional land checkpoints and Baltic seaports, affecting foreign economic relations with Europe, North America, Latin America, and Asia. This led to the search for new delivery routes, alternative seaports, and border crossing points. Three clear outcomes of the disruption in the western logistics supply chains were:

- The decrease in the volume of imports to Russia from European countries and a significant increase in transportation and logistics costs.
- Searching for transportation and logistics opportunities to export a wide range of Russian goods to new markets, primarily India, China, South and Southeast Asian countries, and the Persian Gulf.
The main reasons for the restructuring of transport routes in the EAEU. Russia and Belarus are facing sanctions and restrictions that are affecting their trade and transportation systems. The ban includes a wide range of goods, such as machinery, equipment, and components, that cannot be supplied to these countries. There are also limitations on purchasing certain types of products, like metals and wood products, from Russian and Belarusian companies.

The EAEU members have implemented trade restrictions due to the delivery of goods produced in these countries through Baltic seaport infrastructure and western land border crossings with EU countries.

Transport operators from Belarus and Russia are prohibited from conducting international road shipments to and from EU countries, as well as in transit through their territories.

Freight vehicles registered in EU countries are not allowed to transport goods to Belarus and Russia or in transit to other countries. This means that European carriers cannot transport goods to any member country of the EAEU.

Russian-flagged ships are not permitted to enter ports in EU countries, the US, the UK, and Canada.

Major container shipping lines and feeder carriers have chosen not to work with Russian cargo and ports.

European, Canadian, and American airspace is closed for Russian and Belarusian airlines.

International express freight carriers, like DHL and FedEx, have withdrawn from the Russian market, resulting in a halt in international freight and mail transportation by Russian air freight companies.

Insurance costs for vehicles and goods transported to Russia have increased.

There is a high demand for the transportation of raw materials, especially coal, from the Eastern Polygon of the Russian Railway network to Asian markets. Additionally, there is increased traffic to the seaports of the Azov-Black Sea basin due to higher passenger flows to popular vacation destinations on the Black Sea coast of Russia during the summer [2].

The potential of the North-South ITC in the formation of "new logistics". The North-South Transport Corridor (NSTC) is a key southern logistics element in the Eurasian region [3], yet its full potential has not been fully realized until 2022, despite its numerous advantages and opportunities:

NSTC offers the most direct route for delivering goods to South Asia, East Africa, and the Middle East [4].

This corridor is versatile, enabling the utilization of road, rail, and maritime transport, including mixed navigation vessels for "river-sea" travel [5].

The potential for uninterrupted truck transportation to European nations through the South Caucasus and Turkey [6].

Container shipments between Turkey and Russia in 2021 and between Russia, Iran, China, and Kazakhstan via the Eastern route of the North-South Transport Corridor in 2022 have been successful. This expansion of transportation will broaden the scope of operations, reducing delivery time and costs while ensuring predictability throughout the transport and logistics chain [2].

The previous framework of foreign trade logistics aimed to utilize Baltic and Azov-Black Sea basin ports. In the current scenario, leveraging the infrastructure of the North-South Transport Corridor will broaden the scope of transportation, encompassing the following directions [7]:

- Toward countries traditionally aligned with the corridor, such as India, Pakistan, Persian Gulf states, and South Asia, given the altered geopolitical circumstances influencing Russia and Belarus' external trade.
- From European countries through Turkey and Azerbaijan to Russia, as NSTC integrates with TRACECA. Despite increased distances and transportation expenses, this route, both by road and rail, is fully operational and capable of maintaining a consistent flow of exports and imports.
- To/from African and Latin American countries via Turkish ports, substituting maritime routes to Baltic ports.
- To/from Asia-Pacific countries through Iranian ports in the Persian Gulf, substituting maritime routes to Baltic ports.

In the meanwhile, obstacles exist to the growth of the North-South international transportation corridor connecting (Table 1).

<table>
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<th>Type of transport</th>
<th>Remedial measures</th>
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<tr>
<td>Railways</td>
<td>The construction of the missing Resht-Astara section is nearing completion, while Iranian railways are electrified, secondary main routes developed, and train fleets renovated.</td>
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<tr>
<td>Car roads</td>
<td>Roads are being modernized with increased lanes and technical upgrades, while bypasses are being constructed to divert traffic around populated areas.</td>
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The International Transport Corridor "North-South" in 2023 is a complex project involving technology, policy, geopolitics, and sustainability. Its development is crucial for long-term stability and security, and aligning with regional economic policies maximizes socio-economic benefits. The corridor's global reputation is enhanced by adopting environmentally friendly practices. However, disruptions in western logistics supply chains have led to a decrease in imports from Europe to Russia, search for new markets for Russian goods, and trade restrictions among EAEU members. This has significantly changed logistics, with restrictions on international road shipments, Russian-flagged ships entering ports, airspace closures for airlines, and the withdrawal of international express freight carriers from the Russian market.

The North-South Transport Corridor (NSTC) is a crucial component in the development of new logistics in the Eurasian region, offering direct routes to South Asia, East Africa, and the Middle East, multiple transport modes, untapped capacity, and potential truck transportation to European nations, with successful container shipments demonstrating its potential [8].

Despite barriers and challenges, leveraging the infrastructure of the North-South Transport Corridor can broaden transportation possibilities to countries traditionally aligned with the corridor, as well as to and from European, African, Latin American, and Asia-Pacific countries through alternative routes. Overcoming these barriers and fully developing the North-South ITC requires strategic planning, collaborative efforts, and continuous adaptation to the evolving global economic landscape.

REFERENCES