

# Armenia's transport security within the framework of ITC TRACECA and "North-South"

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**Abstract.** The issues of transport policy of Armenia in the context of integration into the international corridors (ITC) TRACECA and the "North-South" are considered. The key geopolitical factors impeding the integration process are identified. The basic threats to Armenia's transport safety as an important component of national security are determined. The potential role of Armenia in the implementation of the TRACECA transport corridor at the opening of the Armenian-Turkish border is identified. The possibility of Armenia's integration into the international transport corridor "North-South" through the implementation of the project of construction of Iran-Armenia is revealed.

## 1 Introduction

Transport security is traditionally considered to be the backbone component of national security of the state [1]. In its turn, this means that its fully provision requires an integrated approach, which consists in the application of economic, political, strategic, social and other administrative mechanisms and resources.

In the "National Strategy for the transportation security of Republic of Armenia" (hereinafter - the Strategy) the search for ways out of the blockade with further integration into international transport corridors (ITC) is considered as a priority. The last one actualized immediately after independence and continues to be, perhaps, the main threat to the present transport security of the republic. In this regard, the importance of developing new alternative routes for the provision of additional investment flows is emphasized because today projected volumes of the freight traffic carried on the territory in Armenia do not inspire hope about the potential to ensure effective utilization of highways of the country [2].

The following external threats to Armenian transportation security system are highlighted in the Strategy:

- transport blockade of Armenia by Turkey and Azerbaijan;
- unfair competition from foreign transportation companies;
- ignoring the interests of the Armenian carriers in international markets;
- the use of vehicles that don't correspond to European standards by Armenian freight forwarders on international markets;

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- total dependence on imported liquid and gaseous fuels [3].

The origin of the presented threats is largely determined by geopolitical processes taking place in the South Caucasus. In particular, in the framework of the problem, the Russian-USA confrontation for dominance in the South Caucasus region continues to play a key role, especially aggravated after 2007 and continuing to the present. This confrontation directly impacts the geopolitical and geoeconomic orientation of the three recognized states in the region - Armenia, Georgia and Azerbaijan, predetermining the logic of their relationship. Confrontation in Russian-USA relations that followed the "romantic" (1991-2001), and "transit" (2001-2006) periods, does not allow to fully develop the most effective methods to resolve regional conflict [4]. These prohibitive factors for the full transport integration contribute to the origin of new transport security threats in the region.

It is easy to note that the listed threats not only complement and cause each other but also have a common origin which amounts to the geopolitical problems of the transport blockade of the republic. Moreover, communication limitation of Armenia also affects the formation of the threats of an internal character, which, in they turn, directly affect the national security of the country, as it significantly restricts its economic development. Among these threats poor infrastructure, limited development of domestic traffic, reducing the role of the railway in transport communications, etc can be identified. Meanwhile, economic calculations show that the opening of the border may lead to an increase in gross domestic product (GDP) by 30% and significantly reduce the trade deficit in Armenia [5].

Thus, we can state that the search for ways to integrate into the international transport corridors is the most actual challenge for Armenia, as the diversification of transport communications can increase the level of safety of the transport security of the country and consequently have a positive impact on the functioning of the national security system. For more in-depth and comprehensive understanding of this problem, the specifics of major international transport and logistics projects that are in the area of integration interests of the Republic of Armenia, as well as the basic geopolitical and geoeconomic barriers for the integration into the international transport corridors are revealed.

## **2 MTC "TRACECA": an integration challenge to Armenia**

As it was already noted, due to political differences with Azerbaijan and Turkey, Armenia has a modest capacity to connect to international transport and logistics corridors. Due to the worsening of the Karabakh conflict, the border with Azerbaijan was closed in 1991, and at the initiative of Ankara in 1993, was closed border with Turkey - a country that fully supports the Azerbaijani side during this conflict. Therefore, the implementation of projects aimed at optimizing transport corridors, involving the use of the existing transport system of Armenia is a factor that can potentially increase the freight turnover of the country. In this connection, the transport project "Marmaray", initiated by Turkey in 2004, with the aim of building a railway tunnel under the Bosphorus Strait with a compound of the European and Asian parts of Istanbul, is interesting enough [6].

The attention of Armenia to this project increased significantly in 2008, at the height of the so-called "football diplomacy", when Turkish President Abdullah Gul visited Armenia. Within the framework of the official visit, among other things, it was discussed the issues of the construction of an international logistics centre (ILC) on the border railway station Akhuryan, located on the branch Gyumri (Armenia) - Kars (Turkey). According to the project, the aim of the ILC was to serve cargo flows to / from Turkey (Turkey), as well as part of the cargo delivered to Armenia and exported from it by sea through the ports of Poti and Batumi. In addition, it was expected that the ILC would attract international transit cargo to Armenia through the development of the land branch of the international transport

corridor TRACECA (Transport Corridor Europe-Caucasus-Asia, Fig. 1) which would increase the attractiveness of Armenia as a transit country. It is no coincidence that the prolonged process of ratification of Protocols on normalization of relations between Armenia and Turkey and then to their final exclusion from the international agenda led to the preservation of the project.

The project "Marmaray" is important in the context of the implementation of the TRACECA - transport corridor passing through the route of Europe-Caucasus-Asia and including infrastructure of 13 countries. In fact, the main idea set in this project is the revival of the legendary historic route - Great Silk Road. Corridor originates in Eastern Europe (Bulgaria, Romania, Ukraine) and crosses the territory of Turkey. The route goes through the Black Sea to the Georgian ports of Poti and Batumi and then connects to the transport network of the South Caucasus through the railway infrastructure of Turkey. According to the project, via the Caspian ferry Baku-Turkmenbashi and Baku-Aktau TRACECA corridor connects the railway network of Central Asia, especially Turkmenistan and Kazakhstan which transport systems are linked with neighbouring Uzbekistan, Kyrgyzstan, Tajikistan and reach China and Afghanistan [7].

Today TRACECA corridor is developing intensively. It is enough to point out that for more than 20 years of its existence, the project investment, aimed at implementing a number of infrastructure and research programs, exceeded €1 billion. Throughout the corridor new roads and railways, bridges, ports and other transportation infrastructure are in the stage of construction. In particular, the infrastructure, necessary for the development of multimodal transport, is created as well [8].

Turning to the project "Marmaray" as one of the TRACECA components, it can be noted, that its implementation has great international importance not only for Turkey but also for Europe and Asia. In addition, the hypothetical opening of the Armenian-Turkish border and restoration of railway communication between the two countries, using the tunnel "Marmaray", has the potential to form a single line of corridor that will allow transporting goods and passengers from Asia to Europe and back with the continuous scheme [9]. Obviously, the "Marmaray", as a tool of optimization of transportation between Turkey and Europe, can have a positive effect on the activation of the transportation process in the direction of Armenia, as well as to use it as a transit territory that can automatically increase the demand in relation to the ILC "Akhuryan". In its turn, Armenia, as a member of TRACECA program since 1993, is gradually adapting its legislation to the same principles, spelled out in international conventions and agreements that indicate the openness of the country to the full transport and logistics integration. However, the presence of a number of political problems does not let us talk about the immediate prospects of the integration process for Armenia in the framework of TRACECA. The following problems should be primarily distinguished:

- the conflict in Nagorno-Karabakh with the following termination of the movement of trains on the railway Yerevan-Julfa-Meghri-Baku-Mincivan;
- freezing of Armenian-Turkish relations with following termination of the movement of trains on the railway Baku-Tbilisi-Gyumri-Kars;
- Georgian-Abkhaz conflict with following termination of movement of trains on the railway Sochi-Sukhumi-Tbilisi-Yerevan;
- conflict between Georgia and South Ossetia with following termination of movement of trains on the railway Gori-Tskhinvali.

The above-mentioned conflicts and political differences have a direct impact on the full realization of the idea of revival of the Great Silk Road, paralyzing transport networks of the South Caucasus and, in particular, Armenia, blocking their maximum integration into ITC "Europe-Caucasus-Asia".

Turning to the main ways of the "blockade policy" realization towards Armenia and its exclusion from integration within TRACECA, it should be noted the construction of the railway Baku-Tbilisi-Akhalkalaki-Kars (BTAK). This railway should bypass Armenia from the north, further aggravating the communication blockade of the country. Within the project, it is planned to build a 105-kilometer branch, and it is also planned to reconstruct the railway Akhalkalaki-Marabda-Tbilisi (183 km) in order to enhance the capacity of railway to 15 million tons per year in Georgia. It is also planned to build a transition point in Akhalkalaki for the passage of trains from the Georgian gauge to the European one, which is also actual on the Turkish railways [10].

A key risk for Armenia lies primarily in the fact that if BTAK will be further connected with Nakhchivan, Armenia, thus, will be in the ring of railway, completely depriving the possibility of becoming a full-fledged participant in the corridor "Europe-Caucasus-Asia". Moreover, even in the case of opening the Armenian-Turkish border, the presence of such infrastructure would be an inhibiting factor in the construction of the ILC "Akhuryan", as it can potentially cause problems with congestion of the railway Kars-Gyumri. In its turn, this can lead to the complete elimination of important economic components of the possible opening of the Armenian-Turkish border in the future.

### **3 Opportunities to connect the ITC "North-South"**

Today ITC "North-South" is rightly regarded as one of the most promising and important transport and logistics international projects. The interest to it is primarily determined by the fact that it aims to diversify transport routes, linking North Europe to Asia, and thus comes into direct competition with TRACECA – a project, pursuing the geopolitical goal of forming transport routes, bypassing Russia. The intergovernmental agreement on the establishment of ITC "North-South" was signed by Russia, Iran and India during the second Eurasian Transport Conference on September 12, 2000 in St. Petersburg, Russia [11]. In 2001, the agreement was ratified by India and Iran, and in 2002 – by Russia. In 2002, the ministers of transport of the participating countries signed a protocol on the official opening of the corridor. Later Armenia, Azerbaijan, Belarus, Kazakhstan, Syria and Oman joined the Agreement, Turkey and Ukraine also demonstrated their interest to join it [12].

ITC "North-South" involves several freight routes using intermodal method. The most significant of these are:

- Trans-Caspian route through the ports of Astrakhan, Olya, Makhachkala: the role of rail transport in the transportation process is reduced to supply cargo in these ports and their removal;
- direct rail connection through Kazakhstan, Uzbekistan and Turkmenistan with access to the railway network of Iran on the border crossing Tejan-Sarakhs;
- use of the western branch of the corridor: the direction of Astrakhan-Makhachkala-Samur, then on the territory of Azerbaijan with access to Iran through Astara border station. In this case, the script of exiting through Azerbaijan and Armenia to Iran via the border station Julfa is also considered [13].

Armenian part of the transport corridor is expected to be paved with the intersection of the southern boundary of the country of Azerbaijan. Of course, the last one raises skepticism due to the prevailing of political realities.

According to the project, transit through the territory of Iran should be ensured by construction by Russia-Iran-Azerbaijan railway Qazvin-Rasht-Astara (CRA) - a project that can have a negative impact on Armenia's transport integration prospects. Currently, Russia, as the main initiator of the CRA, considers it as a key route of the "North-South" corridor. The project aims to connect the railway network of Iran and Azerbaijan and to connect the Iranian port of Bandar-Abbas with the railways of Russia. Consequently, it looms a

potential importance of CRA to provide sustainable communication between South and South-East Asia with Europe by direct railway with the further discharge of the Suez Canal. Currently, both Azerbaijan and Iran are equally interested in the implementation of the CRA [14]. Both countries seek to restore railway communication carried out before the collapse of the Soviet Union through Nakhijevan and Armenian SSR. Referring directly to the interests of Russia, we would only note that the establishment of railway communication along the western Caspian Sea coast is also interesting because the Baku-Derbent branch, projected in the XIX century, considered to be a key corridor that will potentially be able to provide connection between Russia and the South Caucasus [15].

As for the problems of transport integration of Armenia in the context of the project Qazvin-Rasht-Astara, the latter, in the case of its realization (it seems, there are all the economic and political conditions for), can eventually lead to the ultimate preservation of the railway project of Iran -Armenia - an alternative route considered in the context of the implementation of the corridor "North-South".

The railway Iran-Armenia is one of the most important transport projects, which aims to develop the railway infrastructure in Armenia and its further integration into the international transport corridors and, in particular, the ITC "North-South". In addition to attracting additional cargo flows and activation of the economy of Armenia, this project is also interesting as it may allow the Armenian side to ensure the country's access to the Persian Gulf.

The basic parameters of the project were finalized in early 2013, when the Ministry of Transport and Communication of RA, CJSC "South-Caucasian Railway" (a 100% subsidiary of OJSC "Russian Railways") and company "Rasia FEL" registered in Dubai (project developer) signed a memorandum on launching the program for the construction of the Southern railway (Iran-Armenia) [16]. In accordance with the baseline scenario, the project was estimated at about \$3 billion, the length of the railway would reach 316 km, and the average speed would reach up to 100 km/h. It was assumed that the railway would start in the town of Gavar, near Lake Sevan, and reach the southern borders of the republic, in particular, the border city of Meghri with the integration into the railway system of Armenia [17].

Considering the construction of Iran-Armenia railway directly in the light of the implementation of the ITC "North-South", it may be noted that the attractiveness of the project for Russia, in particular, may be determined by the possibility of forming an alternative route, by using intermodal method. This is a logistics route "Black Sea - Georgia - Armenia - Iran - Persian Gulf" by using sea and rail transport. Moreover, the opening of the Georgian-Abkhaz section of the railway and the beginning of the movement of the trains on the Trans-Caucasian Railway (Russia-Abkhazia-Georgia-Armenia) can make providing a direct railway connection between Russia and Iran possible. This model fits into the logic of the transport and logistics Russian policy in the region: it is enough to note that the railroads of Abkhazia and Armenia are in the management of the Russian state corporation - JSC "Russian Railways" which also repeatedly expressed its interest in assets of LLC "Georgian Railway" [18].

However, the unstable geopolitical situation in the region and the presence of a number of frozen conflicts, periodically defrosted and flares with new force, are an inhibiting factor, which does not allow considering the South Caucasus region as a key transport route of the "North-South" corridor. On the other hand, drawing parallels with the project of the railway Qazvin-Rasht-Astara, it should be noted that the implementation of the last one requires investment in much smaller amounts than in the case of implementation of the "Iran-Armenia". Thus, investments in the Qazvin-Rasht-Astara railway are estimated at \$200 million, while the project of Iran-Armenia – about \$3 billion. The latter is determined by the fact that the CRA project already includes some ready infrastructure (eg, the

Azerbaijani section, which is only required to be reconstructed), while the project of the Iran-Armenia railway involves the construction from scratch and in very difficult landscape conditions.

## 4 Conclusion

Search for ways to integrate into the international transport corridors is a key problem for Armenia's transport security. Communication limitations of the country have a negative impact on its integration capabilities, as well as causing direct damage to the economy and national security. Moreover, the purposeful exclusion of the country from a number of transport and logistics projects of the regional importance, initiated by Azerbaijan and Turkey, includes a number of risks of geostrategic level.

Deepening transport blockade of Armenia and the lack of opportunities for the direct participation in the ITC "TRACECA" ultimately make the country more vulnerable, because it prevents the full development of domestic infrastructure in accordance with international standards and, as a consequence, do not let to improve the level of safety in their operation. On the other hand, the search for the direct integration of Armenia in the TRACECA can provide the attraction of international capital to the country; this, in its turn, will enhance strategic importance of Armenia as an economic partner, will build it to the status of a full-fledged member of the international transport market and will create additional instruments of security in conditions of external threats.

At the same time, the presence of unresolved conflicts in the South Caucasus also prevents the full integration process. In particular, the absence of transport communication between Georgia and Abkhazia today does not allow Russia to implement the project of Trans-Caucasian Railway (Russia-Abkhazia-Georgia-Armenia) within the "North-South" corridor. This leads to gradual decasualization of Armenia's possible participation in the ITC "North-South" and demonstrates its direct dependence on the geopolitical situation in the South Caucasus. Thus, having a geographically favourable location for the ITC "North-South", Armenia is deprived of the opportunity to use its transit potential. This negatively affects the economic activity of the country and significantly narrows its integration capabilities.

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