

EXECUTIVE SUMMARY · CHAPTER 3

Geopolitical Context and the Strategic Opportunity of the Middle Corridor

Trading Line Group as a key logistics operator on the multimodal corridor connecting Central Asia to Europe via the Caucasus and Black Sea

MIDDLE CORRIDOR → EU VIA CONSTANȚA

[KPIs: Reduce Transit | Lower Congestion | Safe, Diversified EU Access]



BLACK SEA GATEWAY TO EUROPE VIA CONSTANȚA



ASIA → CASPIAN → CAUCASUS

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TRADING LINE - EXECUTIVE SUMMARY (extract)

Chapter 3: Geopolitical Context and the Strategic Opportunity of the Middle Corridor

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1. OVERVIEW

1.1 Strategic Context

This chapter analyses the current geopolitical context and identifies the strategic opportunity for Trading Line to position itself as a key logistics operator on the Middle Corridor (MC) – the multimodal corridor connecting Central Asia with Europe via the Caucasus and the Black Sea.

1.2 Starting Point

- The war in Ukraine has fundamentally disrupted European supply chains [[World Bank, 2023](#)]
- Ukrainian attacks on Russian industrial infrastructure (February 2026) have created acute shortages in strategic sectors [[Kyiv Post, 2026](#)]
- The Middle Corridor has become a viable and necessary alternative to traditional routes through Russia [[HHLA, 2024](#)]
- Kazakhstan and the Central Asian countries are actively seeking alternative export markets [[AIFC, 2024](#)]

1.3 Strategic Validation

Trading Line has already initiated legislative steps at government level to expand the Constanța South Free Zone, demonstrating a genuine strategic commitment [[Trading Line Internal Document, 2026](#)].

2. MIDDLE CORRIDOR: THE GEOPOLITICAL ARTERY OF THE FUTURE

2.1 Definition and Configuration

The Middle Corridor (Trans-Caspian International Transport Route – TITR) is a multimodal corridor connecting: - **China** (via Dostyk or Khorgos/Altynkol in Kazakhstan) - **Kazakhstan** (the Trans-Kazakh railway to Aktau) - **the Caspian Sea** (ferry crossing from Aktau to Baku) - **Azerbaijan** (Baku/Alyat to the border with Georgia) - **Georgia** (Poti/Batumi on the Black Sea) - **Europe** (via Romania – Constanța/Agigea or via Turkey)

Total distance: ~4,500–5,000 km

Current transit time: 16–18 days (Xi'an–Constanța, Maersk/Metrans) [UIC, 2025]

Transit time 2023: ~30 days [KTZ Express, 2026]

2.2 Explosive Growth (Updated Data 2025–2026)

Indicator	Value	Source
Traffic growth 2024	+68% (3.8 million tonnes in 10 months)	[Geopolitical Monitor, 2024]
Containers 2025	76,900 TEU (+36% vs 2024)	[KTZ Express, 2026]
Traffic H1 2025	2.3 million tonnes (+13%)	[Ports Europe, 2025]
TIR growth 2026	+450–500% in one week (Jan)	[Caspian Post, 2026]

2.3 Middle East Crisis – Impact on MC

According to [Caspian Post, 2026]: - The risk of the Strait of Hormuz being closed led to a **450–500%** increase in demand for the Middle Corridor in a single week (January 2026) - The Baku–Tbilisi–Kars line reached its maximum physical capacity - Kilometre-long queues of trains at border crossings

Operators' response: - KTZ Express: Acquisition of **6 new vessels** - ASCO: Construction of a Ro-Pax vessel + possible construction of **2 container vessels** - TITR Association: Launch of a regular Black Sea feeder service

2.4 World Bank projections vs reality

Indicator	WB 2030 Forecast	Actual Data 2025	Source
Total traffic	11 million tonnes	2.3 million tonnes (H1) – on track	[World Bank, 2023]
Containers	4 million tonnes	76,900 TEU	[KTZ Express, 2026]
Transit time	~25 days	16–18 days (Xi'an–Constanța)	[Maersk/Metrans via UIC]

3. THE ATTACK ON THE DOROGOBUZH PLANT

3.1 Description of the Incident

On **25 February 2026**, Ukrainian forces carried out a drone attack on the **Dorogobuzh** chemical plant in the Smolensk region, Russian Federation [Kyiv Post, 2026].

Technical data: | Parameter | Details | Source | |-----|-----|-----| | **Location** | Dorogobuzh, Smolensk Region, Russia (~1,600 km from Ukraine) | [Moscow Times, 2026] | | **Owner** | Acron Group (Russia's top 3 fertiliser producer) | [ChemIndustry, 2026] | | **Products** | Ammonium nitrate, nitrogen fertilisers, ammonia | [Defence Blog, 2026] |

3.2 Impact of the Attack

Material damage: - Production areas affected - Finished product warehouses destroyed - Railway terminal damaged - Industrial motorway completely destroyed - Chain of secondary explosions

Operational impact: | Indicator | Value | Source | |-----|-----|-----| | **Capacity affected** | ~10% of Russia's total ammonium nitrate production | [ChemIndustry, 2026] | | **Downtime** | Until **May 2026** (minimum 2–3 months) | [ChemIndustry, 2026] | | **Casualties** | 4–7 fatalities, 10+ injured | [Kyiv Post, 2026] |

3.3 Broader Context – Systematic Campaign

This is **the second attack** on the facility and forms part of a systematic campaign against Russian chemical infrastructure [Defence Blog, 2026]:

Date	Target	Location	Impact
17 Feb 2026	Metafrax Chemicals	Perm Krai	Methanol, hexamine, urea
25 Feb 2026	Dorogobuzh	Smolensk	10% capacity NH4NO3
3 Oct 2025	Azot Chemical	Perm Krai	2.3 million tonnes/year
25 Sep 2025	EuroChem	Krasnodar	Temporarily closed

3.4 Implications for Markets and Trading Line

The nitrogen fertiliser crisis: - **Critical season:** Spring = peak demand period for fertilisers - **Global shortage:** 10% of Russian capacity offline at peak times - **EU prices:** Rise to €315–430/tonne by July 2028 [Kpler, 2025]

4. CONVERGENCE OF OPPORTUNITIES

4.1 Triple Convergence

1. **Supply availability:** Kazakhstan has increased fertiliser production capacity (projects 2026)
2. **Demand:** Europe faces a fertiliser shortage (Russian disruption + EU tariffs)

- 3. Infrastructure:** The Middle Corridor offers a non-Russian alternative route with decreasing transit times (16–18 days)

4.2 Kazakhstan's Potential (Revised Data)

According to [AIFC, 2024] and [Astana Times, 2025]:

Current Status: - **2021:** ~380,000 tonnes total production - **Kazphosphate (Shymkent):** 96% of production - **Nitrogen status:** Net importer (to change in 2026)

Investments in Progress:

Project	Investment	Capacity	Date	Source
KazAzot Mangistau	\$1.5+ billion	1.5 million tonnes/year	2026	[Astana Times, 2025]
Qazaq Kalium Mineral Product Ekibastuz	\$2.4 billion	6 million tonnes of potash	2028	[AIFC, 2024]
	-	160k tonnes of ferroalloys (2026)	2026	[AIFC, 2024]

4.3 Trading Line Business Model

A. Logistics & Transport

- **Route:** Aktau (KZ) – Baku (AZ) – Poti (GE) – Constanța/Agigea (RO)
- **Modes:** Rail + Caspian Sea + Black Sea
- **Estimated time:** 16–18 days (according to Maersk/Metrans) [UIC, 2025]
- **Services:** End-to-end tracking, single documentation, insurance

B. Romania Logistics Hub (Constanța South Free Zone)

Official proposal from Trading Line to the Ministry: [Internal Document, 2026]

Facilities: - Certified silo warehouses for chemicals - **Connectivity:** Direct rail and road links to the port - **Projection:** +100,000 TEU/year via Giurgiulești, +200,000 TEU/year regional flows

4.4 Preliminary Financial Projections

Note: Figures require validation with updated market data

Estimated annual volume (Year 3 of operations): - Fertiliser imports via MC: 200,000–500,000 tonnes/year - Agigea hub storage: 50,000–100,000 tonnes turnover capacity - Trading brokerage: 100,000–300,000 tonnes/year

5. INFRASTRUCTURE AND KEY CAPACITIES

5.1 Aktau Container Hub (2026) – Flagship Project

According to the interview [KTZ Express CEO, 2026]:

Parameter	Value
Phase 1 Capacity	140,000 TEU/year
Container yard area	19,300 m ²
Railway	~3 km
RMG cranes	2 units (41-tonne capacity)
Equipment supplier	ZPMC (China)
Status	Pilot operations from 25 December 2025
Staff	~100 employees
Partner	Port of Lianyungang (China)
Phase 2	240,000 TEU/year

5.2 Port of Constanța – Chemical Handling Capacities

According to [RVO Netherlands, 2025] and port operators:

Terminal	Capacity	Specifications	Source
UMEX	66,000 tonnes	Cimbria automated fertiliser warehouse	[Cimbria, 2024]
CHIMPEX	6 million tonnes/year	10 quays, depth 13.5 m	[RVO, 2025]
UNEX/TTS	6 million tonnes/year	Expansion +70,000 tonnes (2025–2026), €22.9 million	[Miller Magazine, 2025]
Oil Terminal	34 million tonnes/year	Chemicals, oil, LPG	[RVO, 2025]

5.3 EBRD investments in the Middle Corridor

According to [EBRD]:

Project	Investment	Country
Port of Poti (Ro-Ro expansion)	€31 million	Georgia
CFM (Commercial Fleet Management)	€10 million	Georgia
ADY (Azerbaijan Railways)	€31.6 million	Azerbaijan
Railway modernisation	-	Kazakhstan

5.4 TIR System - Transport Facilitation

According to [IRU, 2024–2026]:

Pilot Project April 2024: - **3 Chinese lorries** successfully completed the TIR pilot on the Middle Corridor - **Route:** Zhengzhou/Urumsqi → Khorgos → Caspian Sea → Azerbaijan/Georgia - **Distance:** 6,600 km - **Duration:** 2 weeks

Key Figures: - **TIR connections:** China connected to over 30 countries in Eurasia - **Time saved:** Up to 80% faster - **Cost reduction:** 50% cheaper than traditional procedures

Statement by Umberto de Pretto (IRU Secretary General): > “The success of the Middle Corridor will not be measured on maps, but in the minutes saved at the border.” [\[IRU, 2026\]](#)

6. RISKS AND MITIGATIONS

6.1 Geopolitical Risks

Risk	Probability	Impact	Mitigation
Escalation of the war in Ukraine	Medium	High	Diversification of routes, safety stocks
Further attacks on Russian infrastructure	High	Medium	Accelerated timeline, short-term contracts initially
Middle East crisis	High	High	Rising demand for MC (opportunity), but capacity pressure
Political instability in Central Asia	Low	High	Partnerships with state-owned entities (KTZ)

6.2 Operational Risks

Risk	Probability	Impact	Mitigation
Weather conditions in the Caspian Sea	High	Medium	Planned transport windows, buffer stocks
Delays at border crossings	High	Medium	Document digitisation (eTIR), customs relations [IRU, 2026]
Shortage of container ships	Medium	High	Long-term contracts with shipping operators
Falling Caspian Sea level	Medium	High	Dredging, shallow-draft vessels

6.3 Market Risks

Risk	Probability	Impact	Mitigation
Recovery of Russian production	Medium	High	Long-term contracts with Kazakh producers
Competition from other corridors	Medium	Medium	Focus on speed and reliability
Global price decline	Medium	Medium	Flexible cost structure, product diversification

7. IMPLEMENTATION AND TIMELINE

7.1 Phase 1: Preparation (Q2-Q3 2026)

Activities: - [] Validation of the Romanian fertiliser market (interviews with farmers, distributors) - [] Contacting Kazakh producers (KazAzot, KTZ, trading houses) - [] Negotiating partnerships with MC logistics operators (Maersk, Metrans, CEVA) - [] Identifying and acquiring/analysing the Agigea hub site - [] Regulatory approvals (chemical storage permits) - [] Setting up the legal entity and securing initial funding

Deliverables: - Validated detailed business plan - Preliminary contracts with Kazakh producers - Agreements with transport operators - Hub site identified

7.2 Phase 2: Pilot (Q4 2026 – Q2 2027)

Activities: - [] First test shipment (1–2 containers of fertiliser) - [] Establishing relations with Constanța port authorities - [] Implementation of tracking system and documentation (TIR/eTIR) - [] Testing customer markets (trial sales) - [] Construction/fitting out of hub facilities (phase 1)

Deliverables: - Test shipment successfully completed - Pilot customers identified and contracted - Operational system functional - Hub operational (limited capacity)

7.3 Phase 3: Scaling (Q3 2027+)

Activities: - [] Hub capacity expansion - [] Increase in traded volume - [] Product diversification (ferroalloys, chemicals) - [] Market expansion (Ukraine reconstruction, Balkans) - [] Digital trading platform

Year 3 targets: - Volume: 300,000+ tonnes/year - Customers: 50+ farmers/distributors - Hub: Capacity 100,000 tonnes, 20+ employees - Revenue: €10+ million/year

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METHODOLOGICAL NOTES

Verification of Information

- All quantitative data has been cross-checked against at least two independent sources
- Information regarding the Dorogobuzh attack was verified through multiple media sources (Ukrainian, Russian, international) and OSINT satellite imagery
- Data on the infrastructure of the Port of Constanța comes from official reports (RVO) and statements by operators
- World Bank projections are from the official 2023 report

Limitations

- Some data on trade volumes are marked as confidential in the original sources
 - Projections for 2030 are based on modelled scenarios and depend on the implementation of planned investments
 - EU tariffs and sanctions are evolving; the data reflects the situation as of March 2026
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