

Trade corridor wars

Escalating competition between China, Russia and West



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OPINION

Contemporary conflicts are increasingly orchestrated across multiple nations and domains, manifesting in many ways, from conventional ground engagements to strategic influence operations. The informal coalition of China, Iran, Russia, and most recently North Korea (CIRN) represents a counter-influence regional network, challenging the geopolitical and economic sway of the United States and the broader West. While North Korea has joined Russian forces in Ukraine and is mostly visible for its political and military posturings, China, Iran, and Russia are closely working together on building a new trade and investment platform to support their political agenda.

Although we are not yet living a full-scale global war, a global economic confrontation is underway, which could be a prelude to overt military hostilities. This paradigm shift arguably began in 2022, when Russia blocked Ukraine's access to Black Sea trade routes, obstructing its critical export channels to the global market, a move that was met with Western sanctions. Over the past two years, the CIRN coalition (also referred to as CRINK, to include the full acronym for North Korea) has grown increasingly prominent, while trade and investment corridors have been strategically realigned by both Western and anti-Western blocs: reflecting a recalibration of global economic dependencies and a restructuring of the world's economy.

I prefer the acronym CIRN to describe the informal alliance among China, Iran, Russia, and North Korea, as it captures the partnership's essential dynamics. North Korea's involvement in support of Russia's actions in Ukraine likely depended on China's tacit approval — if nothing else, its troops would have relied on Chinese transport routes to reach Russia. Thus, this partnership is best understood as a China-Iran-Russia network, a strategic yet informal partnership focused on advancing each country's interests while steadily countering Western influence, particularly across Eurasia.

This informal coalition became especially evident in 2022 when Russia initiated the global economic confrontation by disrupting established trade routes. Since then, CIRN has actively explored alternative pathways for influence and trade, leveraging its position to challenge the West's diminishing dominance on the global stage.

The wars in Ukraine and the Middle East have had two major consequences. The first is the increased strain and detrimental impact on marine transportation and logistics. Not only has the cost of international shipping and insurance risen, causing inflationary pressures, but there is also a potential that conflict would threaten the open and free sea lines, generating challenges and modifications to UN regulations. The second main impact of the two interconnected conflicts, considering their effects on the global economy, is the redefining of land trade routes since freight flows over old Eurasian routes have decreased dramatically since 2022.

The Northern Corridor, or New Eurasian Land Bridge, has long functioned as the principal freight artery connecting Asia and Europe. This transcontinental railway system stretches from China through Kazakhstan, Russia, and Belarus, offering a cohesive infrastructure due to a unified track gauge and regulatory alignment under the auspices of the Organization for Cooperation of Railways. These harmonized technical standards and coordinated governance mechanisms have historically reinforced the corridor's strategic dominance in Eurasian trade flows. But the Ukraine war resulted in sanctions and uncertainty, and transportation along the route decreased. In 2023, westbound shipping volumes along this route decreased by 51 percent compared to the previous year, and eastbound volumes to China were 44 percent below 2022 levels.

As a result, both the Southern Corridor (which begins in China and crosses Central Asia, Iran, and Turkey to reach the Mediterranean and Europe) and the Middle Corridor (which starts in China, crosses Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, Turkey, and the Black Sea) have emerged as critical trade routes between Europe and China, reshaping the global dynamics of transport and trade. While China has reallocated much of its commercial traffic, Russia has, since 2022, accelerated its investment into operationalizing the International North-South Transport Corridor (INSTC), linking the Northern ports of Russia to the ports of Iran through the Caucasus and the Caspian Sea. The INSTC is also a shorter and more cost-effective alternative to traditional routes like the Suez Canal.

When considering the geography of these corridors, various observations may be made. First, Turkey seems to be

a common denominator for the Middle Corridor and the Southern Corridor. Second, while one of the variants of the Middle Corridor does not include Turkey, instead relying on an open and free Black Sea, both the Middle and Southern Corridor are part of China's Belt and Road Initiative. Third, Iran is at the crossroads of the Southern Corridor and the INSTC.

Furthermore, given the rising coordination between CIRN's members, Tehran sees a chance to collaborate with both Russia and China in constructing the North-South Corridor and expanding its participation in what China refers to as the Silk Belt and Road Initiative. After all, Iran has been looking to establish parallel trade networks and systems for years before 2022 because of its own economic problems coming from being sanctioned by the United States and some other Western states due to its nuclear program.

In the summer of 2024, Moscow and Tehran were set to invest about \$25 billion into developing internal waterways and railways to link Saint Petersburg to the ports of Chabahar and Bandar Abbas. Also that summer, Iran inaugurated its first freight train to China, as part of what it referred to as the China-Iran-Europe rail corridor. On its way to China, the Iranian train will pass via Kazakhstan and Turkmenistan, being part of the Southern Corridor project.

In this sense, Iran becomes a natural link in the CIRN informal alliance, providing a logistical foundation for informal coordination and allowing the counter-influence regional network to more effectively push back against the West. While this may be seen as a

Russian reaction to Western sanctions and a means for China to continue co-operating with Russia for economic reasons, their investment in new trade and investment corridors has a long-term strategic goal. Making these pathways operational and successful means not only (literally) creating new methods to collaborate, but also making their own decoupling from the West simpler and, in the process, laying the groundwork for more formal multidimensional collaboration, which will encourage more actors to join them.

The development of new trade corridors can be seen as a strategic step in advancing a broader global movement to counterbalance Western dominance. These discussions revolve around debates calling for non-alignment, a greater role for south-south cooperation and BRICS. Although BRICS has yet to deliver significant economic results, it has functioned effectively as a political magnet, attracting countries eager to explore potential economic benefits beyond the group's political summits.

Turkey, notably, has shown interest in joining BRICS since 2018, in a move that was meant to showcase the country's growing regional power along with its multidimensional foreign policy approach. Most recently, in September 2024, reports emerged that Turkey had formally applied to join BRICS, with Russian officials confirming the application. However, Turkish officials have been ambiguous, stating that the process is ongoing without confirming a formal application. Turkey's non-alignment with the West in sanctioning Russia and its posturing in the Black Sea as a key negotiator between Russia and

the West on Ukraine has challenged its alliance with the West, even if it is a NATO member.

At the same time, Turkey and China have grown closer as bilateral commerce and investment have developed and high-level visits have become more frequent in recent years. Moreover, the Chinese consortium comprising COSCO Pacific, China Merchants Holdings International, and CIC Capital acquired a 65 percent stake in Kumport in 2015, marking the most important Chinese investment in a Turkish Black Sea port — back then part of the Belt and Road Initiative and now effectively part of the Middle Corridor.

Turkey's strategic balancing act between Russia, China, and the West, along with its position along vital East-West trade routes, has significant implications for alternative corridors. Turkey's role could strengthen these routes' capacity to facilitate non-Western trade flows, aligning with CIRN's broader objectives. Given its complex relationship with the United States, Turkey has long leveraged its ties with Russia — and now its expanding relationship with China — to bolster its strategic influence with Washington. Observing the US pivot away from Eurasia and the Middle East, which Ankara interprets as a weakening American presence in the region, Turkey sees the opportunity to use its ties with China and Russia not only for economic interests but also to ensure it remains aligned with the region's strongest emerging powers.

Turkey is not alone in the Black Sea region in welcoming Chinese investments aimed at enhancing trade corridors. In recent years, China has deepened its

Alternative routes from China to Europe

