

УДК 341.1

## **GUAM TRANSPORT CORRIDOR: POLITICS VS. ECONOMICS IN INTERNATIONAL RELATIONS**

## **ТРАНСПОРТНИЙ КОРИДОР ГУАМ: ПОЛІТИКА VS. ЕКОНОМІКА В МІЖНАРОДНИХ ВІДНОСИНАХ**

## **ТРАНСПОРТНЫЙ КОРИДОР ГУАМ: ПОЛИТИКА VS. ЭКОНОМИКА В МЕЖДУНАРОДНЫХ ОТНОШЕНИЯХ**

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**Abstract.** *The ODED-GUAM Organization for Democracy and Economic Development (GUAM) was originated more than two decades ago as a friendly cooperative forum of a few post-Soviet countries committed to Euro-Atlanticism. In 2006 the grouping was transformed into a full-fledged international organization bringing together Georgia, Ukraine, Azerbaijan, and Moldova. Notwithstanding the geostrategic role of cooperation within GUAM in terms of energy security, protracted conflicts, trade links and other key policy areas, the organization has been recurrently failing to create a common front for its member states. It has been mostly with the recent actualization of ambitious trade and transportation projects to engage the four states that GUAM started to “return to the big game” and attract significant attention from governments and scholars. This study explores the political and economic significance of international transport routes within the framework of intergovernmental relations exemplifying the origins and evolution, strengths and weaknesses of the GUAM Transport Corridor (GUAM TC) project, and also some insights on reingovirating the transport cooperation agenda in the GUAM region.*

**Key words:** *ODED-GUAM, transport corridor, free trade area, Georgia, Ukraine, Azerbaijan, Moldova*

**Анотація.** *Організація за демократію та економічний розвиток (ОДЕР-ГУАМ) була заснована понад два десятиліття тому в якості форуму для дружньої співпраці між кількома пострадянськими країнами, прихильними до євроатлантичних прагнень. У 2006 році група держав була перетворена на повноцінну міжнародну організацію, яка об'єднала Грузію, Україну, Азербайджан та Молдову. Незважаючи на геостратегічну роль співпраці в рамках ГУАМ в частині енергетичної безпеки, затяжних конфліктів, торговельних зв'язків та інших ключових політичних напрямків, організації залишається мало успішною у створенні потужної платформи політичної координації та багатовекторної співпраці між країнами-членами. Значною мірою завдяки актуалізації останнім часом амбітних проектів у сфері торгівлі і транспорту за участі чотирьох держав з'явилися сподівання на повернення ГУАМ «до великої гри» та привернення посиленої уваги з боку урядів та наукового складу. Ця стаття досліджує політичну та економічну значимість міжнародних транспортних маршрутів у рамках міждержавних відносин на прикладі походження та еволюції, сильних та слабких сторін проекту транспортного коридору ГУАМ, а також визначає окремі шляхи актуалізації порядку денного транспортного співробітництва у регіоні ГУАМ.*

**Ключові слова:** *ОДЕР-ГУАМ, транспортний коридор, зона вільної торгівлі, Грузія, Україна, Азербайджан, Молдова*

**Аннотация.** *Организация за демократию и экономическое развитие (ОДЭР-ГУАМ) была основана более двух десятилетий назад в качестве форума для дружественного сотрудничества между несколькими постсоветскими странами, приверженных евроатлантическим стремлениям. В 2006 году группа государств была преобразована в полноценную международную организацию, которая объединила Грузию, Украину, Азербайджан и Молдову. Несмотря на геостратегическую роль сотрудничества ГУАМ в области энергетической безопасности, затянувшихся конфликтов, торговых связей и других ключевых политических направлений, организации так и не удалось стать мощной платформой политической координации и многовекторного сотрудничества между государствами-членами. В значительной степени, возрождающиеся в последнее время амбициозные проекты в области торговли и транспорта с участием четырех стран дают надежду на возвращение ГУАМ в «большую игру» и привлечение усиленного внимания со стороны правительств и научного состава. Эта статья исследует политическую и экономическую значимость международных транспортных маршрутов в рамках межгосударственных отношений на примере происхождения и эволюции, сильных и слабых сторон проекта транспортного коридора ГУАМ, а также определяет некоторые способы актуализации повестки транспортного сотрудничества в регионе ГУАМ.*

**Ключевые слова:** *ОДЭР-ГУАМ, транспортный коридор, зона свободной торговли, Грузия, Украина, Азербайджан, Молдова*

**Introduction.** The very founding document of the GUAM grouping – the Strasbourg Declaration of 10 October 1997 – adopted by heads of Georgia, Azerbaijan, Ukraine, and Moldova at the margins of the Council of Europe summit acknowledged the prospects for employing their geographical location – a West-East gateway through the Caucasus and Eastern Europe – and corresponding economic opportunities to turn into a solid drive for their rapprochement. The four republics have had a justified interest in utilizing the transport and transit potential of the GUAM region and supplementing together a “very important element of the network of international economic security” [Cornell: 2005] – transportation corridor along the New Silk Road, especially since the development of a brand new transport corridor would bypass the existing routes via Russia which are economically more expensive and politically more fragile. In effect, new opportunities opened up with inaugurating the rail-ferry service from the Georgian town of Poti to the Ukrainian Black Sea port of Illichivsk (now – Chornomorsk) [Pavliuk: 2016]. Further agreements between Ukraine, Azerbaijan, and Georgia foresaw linking Baku-Tbilisi-Poti-Odesa-Kyiv with a joint

transportation line for cargo and passengers [Czerewacz-Filipowicz: 2011]. In this way, the GUAM region (at least, partially) started coming to the “forefront” of the transport geopolitics.

The purpose of research is to analyze the main tendencies and perspectives of both economic and political integration within the ranks of GUAM, with the special focus on the recent developments in GUAM transport corridor

**Recent literature review.** Due to the recent reinvigoration of the interest towards the GUAM TC among politicians and academia, its conceptual understanding and empirical explication attempts are quite poor. Katarzyna Czerewacz-Filipowicz and Agnieszka Konopelko address the GUAM TC as part of the overview of the integration processes as well as international political cooperation in the area of the Commonwealth of Independent States (CIS) [Czerewacz-Filipowicz: 2011]. Renata Dwan refers to the role of the initiative in the development of the Central Corridor (Transport Corridor Europe-Caucasus-Asia, or TRACECA) transport corridor as an attempt to establish an alternative transport outlet to Europe to complement the existing route via Russia [Dwan: 2016]. Nataliya Vasilyeva and Maria Lagutina merely point out that the contribution of transport to the solution of economic issues and unity consolidation of the GUAM nations [Vasilyeva: 2016]. The latest mass research concentration on the GUAM TC belongs to the special issues of the “Central Asia and the Caucasus” journal of 2008 [Central Asia and the Caucasus: 2008]. Meanwhile, a number of studies addressing as such the idea for establishing a competitive multimodal transport route running along the territories of Georgia, Ukraine, Azerbaijan, and Moldova date back predominantly to 2017, when Kyiv hosted in March the “revival” GUAM meeting at the level of heads of government – the first high-level one since 2008 [Ukrinform: 2017]. Essentially, the 2019 publication of the UNECE Group of Experts on Euro-Asian Transport Links (EATL) dedicated to Euro-Asian transport linkages provides a briefing of the target areas for the GUAM TC development [UNECE Group: 2019]. Oleksandr Sharov refers to the GUAM TC as a keystone for the economization of the activities of the international organization [Sharov: 2019]. Similarly, Pavlo Horin considers the initiative as the one to provide unique opportunities for the elaboration of transport-communications ties between the four republics [Horin: 2017]. Finally, Majorie van Leijen argues that a clear development strategy (at this stage – in the form of a feasibility study) is a must-have for the GUAM TC to move forward [Majorie van Leijen: 2015]. Obviously, the existing GUAM TC concept research has been underdeveloped and somehow neglected in academia. To address this gap, the current research examines the background of the GUAM TC project along with the prospects for its implementation from the perspective of a comprehensive political and economic approach.

**Main research results.** Introduced with the 1997 Strasbourg Declaration, essentially, the transport and transit integration of the GUAM countries has been inextricably interrelated with another strategic initiative of the grouping – the GUAM Free Trade Area (FTA), which was de jure introduced with the GUAM FTA Agreement of 20 July 2002 [GUAM: 2003]. Drawing on the best foreign practices, it was supposed to introduce necessary conditions for free movement of goods and services in the GUAM region. The establishment of the full-scale FTA and accordingly reduction in transportation costs would leverage the competitive power of the GUAM TC. It was from that perspective that the GUAM grouping approached its transformation into a full-fledged international organization with the 2006 Kyiv Summit. The Kyiv Charter – a “backbone” of GUAM enumerating the main purposes of the organization – referred inter alia to the development of transport potential of the four countries. The positive momentum continued during the 2007 Baku Summit of GUAM. Its final Declaration titled symbolically “GUAM: Bringing continents together” of firsts addressed the key geographical position and strategic importance of the GUAM member states, whose territories constitute a natural corridor linking Europe and Asia.

2008 brought another impetus to the expansion of the GUAM transport and transit potential. On 29-30 April the International Conference “GUAM-Transit” was held in Baku, Azerbaijan [Azerbaijan State News Agency: 2008] to voice officially the idea of developing the GUAM Transport Corridor across the route linking Baku-Tbilisi-Poti (Batumi)-Illichivsk (now – Chornomorsk)-Kyiv-Chisinau. Similarly, the year of 2013 was landmark in terms of advancing

transport and transit cooperation within and beyond GUAM. At the sidelines of another GUAM Working Group on Transport, which was held in Tbilisi in February, the Development Concept for the GUAM Transport Corridor [GUAM: 2013] was finally adopted. A strategically important step – particularly amidst the protracted crisis in the GUAM integration process – it signaled somehow “optimistic moods” towards the idea of developing the GUAM TC, ensuring its competitiveness, improving the network of communication routes along and beyond the corridor, and increasing the international traffic flow through Azerbaijan, Georgia, Ukraine, and Moldova. Kind of collective promise, it acknowledged the GUAM route – a complex of thoroughfares, both overland and over water, with appropriate infrastructure extending across the territories of the GUAM countries.

Technically, the four republics have been engaged with ambitious transport initiatives, particularly, in restoration of the ancient Silk Road in the face of today’s New Silk Road to cross Eurasia via a number of fast and cost-effective transport routes. Three key corridors connecting Asia and Europe via Central Eurasia engage some or all of the GUAM countries. Two out of the three alternative Southern Route options involve Georgia and Azerbaijan; Ukraine and Azerbaijan share commitment to one of the options for the so-called Northern Route [Ziyadov: 2012]. In turn, the TRACECA project – the EU-led international intermodal transport initiative and a “limping leg of the New Silk Road” [Ziyadov: 2012] – covers all the four. Georgia, Ukraine, Azerbaijan, and Moldova have been among twelve original signatories to the Basic Multilateral Agreement on International Transport for Development of TRACECA which was signed back in September 1998. Saying this, the GUAM TC would stand to become TRACECA’s internal, integral and decisive component. Finally, the GUAM republics have been alongside partnering within the framework of the Trans-European Transport Network (TEN-T), addressing the implementation and development of a Europe-wide network of railway lines, roads, inland waterways, maritime shipping routes, ports, airports and railroad terminals.

Meanwhile, the four countries remain “neighborly fragmented” in their contribution into regional and global transport routes. For Georgia and Azerbaijan, this refers to the 826-kilometer Baku-Tbilisi-Kars (BTK), or Baku-Tbilisi-Akhalkalaki-Kars railway (BTAK) between Azerbaijan, Georgia, and also Turkey which complemented a major part of the TRACECA Middle Corridor upon being inaugurated in October 2017. The ambitions are abundant – the BTK capacity is to process 2-5 mln tons of cargo per year in the short term and up to 20 mln tons of cargo and 3 mln passengers annually by 2034. For Ukraine and Georgia, there is a direct ferry connection that sails from Chornomorsk (former Illichivsk), the harbour of Odesa, to Poti/Batumi in Georgia. Individual private entities keep on making pathetic “b2b” attempts to go it alone with cargo transportation in the GUAM region. For example, in October 2019, the Lucien G. A. vessel arrived at the Pivdennyi sea port in Ukraine on the TIS container terminal as part of brand new weekly Maersk Line feeder service from the Georgian port of Poti to ship containers in transit both to the Caucasus and Central Asia and the other way to Ukraine and Europe. Despite being very much welcomed, the efforts fail to contribute to the establishment of the all-way-long transport chain to run across the territories of the four.

The trade overview by country provided by the World Integrated Trade Solution (WITS) TradeStat Database [World Bank: 2020] speaks for itself. According to the latest data, neither Georgia nor Ukraine and Moldova are among Azerbaijan’s top 5 export and import partners. To the word, Russia accounts for almost 17 per cent of Azerbaijan’s export portfolio, which makes Moscow an exporter number one for Baku these days. For Georgia, Azerbaijan is its leading import partner with a share of 15 per cent of the market. Meanwhile, both Azerbaijan and Ukraine are among Tbilisi’s top export partners. On its part, Moldova has close trade ties with Ukraine only in the GUAM region – with Kyiv accounting for 10 per cent of the former’s export portfolio. Surprisingly, none of remaining GUAM republics (Azerbaijan, Georgia, and Moldova) qualifies for Ukraine’s leading traders. The sad reality is that notwithstanding all the efforts of the four governments – the development of the GUAM TC with badly needed full-fledged FTA launch have remained merely declaratory agenda items for GUAM with poor practical performance. Here are a

few political, economic and regulatory insights on what can be done for the GUAM TC to get rid of its malfunction:

**-depoliticization of economics.** The globalization of the economy and trade is leading to the continual growth of freight traffic between Europe and Asia, which, in turn, increases the importance of the transport integration of the GUAM republics. At first sight, the idea of the GUAM TC is very much regular – to promote sub-regional integration and economic cooperation between one-to-one neighboring states – Georgia, Ukraine, Azerbaijan, and Moldova. On surface, it is basically a commercial purpose to establish a trade and transit route to connect Asia and Europe via the Caucasus and the Black Sea, on which two participating countries (Georgia and Ukraine) have sea-ports – Poti/Batumi and Chornomorsk (former Illichivsk) respectively. A transit short-cut, connecting Europe with Central Asia and beyond would definitely facilitate the rapid movement of goods between the GUAM countries, diversify their national economies and further integrate them into global supply chains. A typical multilateral and multimodal corridor, meant to transport cargo through the four countries using different modes, the corridor, is, however, designated through the well-frameworked sub-regional arrangement – the one of the GUAM international organization.

Mainly, the hallmark of the GUAM TC is its “chicken or the egg” genesis. Adjoining countries do usually initiate drawing international transport routes first to build up their institutional framework afterwards. In Eurasia, this was the case of let’s say the Trans-Caspian International Transport Route (TITR) Middle Corridor running from Southeast Asia and China through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia all the way to European countries. Basically, it met the world with the signing in 2013 of the purposed agreement to establish the Coordination Committee for the Development of TITR by the leaders of state-run sectoral transport companies of Kazakhstan, Azerbaijan, and Georgia [Middle Corridor: 2020]. The Ukrainian Railways (Ukrzaliznytsia) joined the commercial initiative soon as a full member (together with the state transport administrations of China and Turkey). Same was the example of TRACECA which came into being through the mentioned Basic Multilateral Agreement of Armenia, Azerbaijan, Bulgaria, Georgia, Iran, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Ukraine, and Uzbekistan [TRACECA: 2020]. This accords even more worth to the GUAM TC, as the one to follow clear security and political interests along with the basic economic motivation.

Since inception the West-oriented foreign and security attunement of the four countries within the GUAM grouping has been paved in tandem with the one of retaining their autonomy from Russia. Although GUAM has never claimed being an anti-Russian bloc or a buffer zone between NATO and Moscow, but rather as an interest-driven group of nations, the hunches describing GUAM an “anti-Russian, even Russophobic” coalition set up under the U.S. aegis to diminish the role of Moscow, isolate it from the West and control and exploit its communications with Europe, primarily in terms of oil and gas exports, keep on persisting [Markov: 2006]. In all fairness, the economic, communication, energy, and military (in the form of weapon and ammunition supplies) dependence on Russia coupled with the unresolved territorial conflicts created an understanding in GUAM’s corridors of power that dependence on Moscow should be slackened, if not completely liquidated, with the help of new systems of relations among the new sovereign states independent of the Big Brother [Polukhov: 2008]. In this way, the caucus of Georgia, Ukraine, Azerbaijan, and Moldova has been viewed as embodiment of the efforts of a few “daredevils” to counter the influence of Russia in the former Soviet territory.

This implies the GUAM TC has not been considered as a merely means of facilitating trade among the four republics, but also conducting trade of other states through this route, which has access to Asia and Europe via the Caucasus. Theoretically, the corridor would enable the landlocked Central Asian states to bypass Russia and Iran for their international trade by accessing Azerbaijan via the Caspian Sea, through which they could reach the Black Sea passing through neighboring Georgia – the matter of the U.S. government interest in the southern CIS countries since the 1990s [Peimani: 2009]. The idea of an Europe-Caucasus-Caspian Sea- (and eventually) Central Asia transportation and energy route has been critical, as are new energy routes that could diversify transit corridors to allow Caspian and Central Asian crude oil and other hydrocarbons to

easily make their way via the GUAM sub-region further to Europe and therefore decrease these countries' dependence on Russia for energy supply and transit [Kembayev: 2009]. Such a two-faceted background of the GUAM TC – a mixture of intertwined economic and political commitments – is both inspiring and intrusive. It is obvious that the significance of the GUAM TC will inevitably decline and even fade away over time if the four countries fail to strengthen the economic thrust of their interaction to supplement the political one.

It is revealing that these days to “make a comeback” [Shiriyev: 2017] GUAM needs to embrace a more economic agenda. If one prefers kind of Maslow's hierarchy of needs, the highest rungs (most important ones) have to cover the need for enhancing the attractiveness and competitiveness of the GUAM TC through coordinated policy efforts. Ultimately, this will help GUAM achieve correct positioning of itself – as a voluntary interest-run framework for quadrilateral cooperation. Unfortunately, rhetoric of “democracy”, incorporated into the organization's name, did not ensure a rise in status of the GUAM countries in their relations with the West, but did aggravate the contradictions with the Russian leadership in parallel with the increasing doubts over the “purity of purpose” of the West. At the end of the day, the bloc has to get rid of kind of “identity misperception”, which has always been a stumbling block for GUAM – causing distrust on the part of Russia and fear on the part of the West. With that, GUAM will manage to exploit more effective and mutually advantageous patterns of sub-regional cooperation in Eurasia. These days, GUAM needs to make sure that it picks the right targets. For that reason, the accents need to be shifted to lobbying “economic development”, at least for the time being;

**-FTA revival.** The transport and transit integration of Georgia, Ukraine, Azerbaijan, and Moldova has been indivisibly related to another strategic initiative of the grouping – introduction of a free trade regime. A few years before GUAM was transformed into a full-fledged organization, the participating countries succeeded to sign on 20 July 2002 in Yalta, Ukraine, the ambitious FTA deal – Agreement on Establishment of Free Trade Area between the GUAM Participating States [GUAM: 2008]. Positioned as a tribute to the best GATT/WTO practices, it entered into force on 10 December 2003 and foresaw the free movement of goods and services throughout the GU(U)AM region – Uzbekistan was counted as part of the bloc for some time, however, never signed the Agreement. Its provisions provided for the elimination of customs duties, taxes and dues having equivalent effect, and of quantitative limitations in mutual trade, the establishment of an effective system for mutual settlement of accounts and payments in trade and other operations, and also the harmonization of corresponding legislation. The proper implementation of the FTA deal promised not only to boost the intra-regional trade, but make it easier for the GU(U)AM countries to trade in Western markets and get better integrated into the world economy [Pavliuk: 2016]. So far, however, their markets have not been opened up, although Azerbaijan, Ukraine and Georgia ratified the Agreement.

It remains still an open question whether the four countries are ready to and capable of harmonizing their trade regulations, adjusting national legal systems accordingly, and making their economies more closely integrated. In fact, the free trade regime has been long operating in the GUAM region (for Azerbaijan and Moldova – based on the CIS multilateral agreement, for Georgia and Ukraine – in the form of bilateral agreements). Saying this, one should not expect in the short run the additional liberalization of the terms of trade in comparison with the ones of the CIS FTA, which are quite liberal (at least on paper) [Panchenko: 2017]. Meanwhile, the GUAM FTA Agreement is far from fully implementing its potential. Moreover, the GUAM republics remain asymmetric in this domain. Three out of the four countries (Georgia, Ukraine, and Moldova) have WTO membership and enjoy a free trade regime with the EU [Panchenko: 2017], which is not the case for Azerbaijan. In this sense, the latter significantly lags behind in terms of the GUAM trade integration. This is how the GUAM FTA Agreement was never translated into concrete action, with its full-scale implementation being “just around the corner”.

At the same time, the year of 2017 gave a new impetus to the GUAM FTA chances to become a reality. The long-awaited high-level quadrilateral meeting of the heads of government of Georgia, Ukraine, Azerbaijan, and Moldova has put an end to almost a decade of the GUAM “silence”. On

27 March the Prime Ministers of Georgia, Ukraine, and Moldova, and also the Deputy Prime Minister of Azerbaijan, met in Kyiv, Ukraine. The group appeared to try to move away from its former politics-oriented stance and embrace a more economic agenda [Shiriyev: 2017]. The meeting witnessed the signing of the Protocol to approve the procedures for the establishment and activities of the Working Body responsible specifically for the 2002 FTA Agreement implementation [Cabinet of Ministers of Ukraine: 2017]. The first technical step to “unlock the process”, it has introduced the Working Body meant to elaborate all the supplementary documents to move forward. Alongside, the Protocol on the recognition of customs control results in the GUAM area was signed to eventually simplify customs procedures and ensure efficiency in the introduction of the GUAM free trade regime. Similarly, the ongoing dynamic negotiations over the accompanying Protocol on regulations determining the country of origin of goods (negotiations on which have started in far 2006) have given hope for real progress.

In 2019, on the sidelines of the December “package of meetings”, two more “supplementary” documents were signed – the Protocol of intent between the customs administrations on the application of blockchain technologies for verification of certificates of the origin of goods being transported across the state borders [GUAM: 2019], and also the Protocol of intent between the customs administrations on the mutual Recognition of authorized economic operators [GUAM: 2019]. Both (despite their declaratory nature) have verified the GUAM commitment to proceed with the initiative. Alongside, the 2019 Joint Statement by the heads of government signaled their aspiration to encourage specifically the “real-world” GUAM free trade regime. Looking far ahead, the heads of government committed to facilitate the completion and signing in 2020 of the Protocol on regulations determining the country of origin of goods to the FTA Agreement of 20 July 2002 [GUAM: 2019]. Absolutely “economics-oriented”, the Statement listed among the priorities the support towards the implementation of the FTA Agreement to ensure the proper functioning of the free trade regime in the GUAM area.

Alongside, during the raucous meeting in Kyiv, the heads of government of the four republics committed to encourage and support further institutional strengthening of the GUAM business dimension to ensure active involvement and participation of the private sector in the implementation of the GUAM flagship initiatives, which are the development of the GUAM TC and of the GUAM free trade regime. GUAM has a record of having already two Business Forums being held on the sidelines of the Meetings of the heads of government. The agenda of the one of 2019 was focused specifically on public and private partnerships in the implementation of the strategic GUAM projects to facilitate trade and transport in the region. In practice, for what it’s worth, the GUAM Digital Trade Hub at [www.guamtrade.net](http://www.guamtrade.net) has been recently launched in a test mode [GUAM: 2019]. A comprehensive e-platform has been designed to provide users with the basic-need information and services in customs, trade, transport and tourism by member countries. Besides, as a follow-up of the first Business Forum the GUAM Association of Business Cooperation has been established recently. This is how the badly needed efforts are being made by GUAM at the level of businesses;

**-policy coordination.** For the GUAM TC to come into reality, definitely, an agreed-upon transport and tariff policy of Georgia, Ukraine, Azerbaijan, and Moldova, the harmonization of their legislation to the extent necessary for proper and effective functioning of the free trade regime, the simplification of customs procedures on the crossing of goods (elimination of customs duties, as well as taxes and dues having equivalent effect, and of quantitative limitations in mutual trade, the establishment and development of effective system of mutual settlement of accounts and payments in trade and other operations) are among essential conditions. In practice, one would consider *inter alia* the elaboration of a single tariff policy for the terminal and maritime component of traffic between the sea ports of Chornomorsk in Ukraine and Poti/Batumi in Georgia. The application by railway companies of the four countries of a single through tariff, which would take account of sea freight rate, terminal and railway components of the route, would certainly come in handy. In this way, the potential for rapprochement and integration of the GUAM national economies and further evolution of the economic space has been enormous. The establishment of the full-scale free trade

area and accordingly reduction in transportation costs would leverage the competitive power of the GUAM TC and ultimately consolidate the unity of the GUAM countries;

**-expansion and inclusion.** Along with enhanced cooperation in conducting trade and economic policy, the GUAM TC would certainly benefit from being incorporated into or merging with operating variety of East-West road, rail and sea links in Eurasia. In order to attract new cargo flows along the GUAM TC – even on a one-to-one basis for a while – it is vital for the transport corridor to “go beyond” its geographic space. In this sense, one would address the mentioned GUAM TC Concept, which took up GUAM’s role in establishing TRACECA – mainly through the Baku-Tbilisi-Kars and Almaty-Baku-Tbilisi-Poti-Odesa-Chisinau routes. Additionally, the Concept considered the prospects for linking the GUAM TC with the “Viking” (runs along the Illichivsk/Chornomorsk (Ukraine)-Minsk (Belarus)-Klaipeda (Lithuania) route) and “Zubr” (runs along the Illichivsk/Chornomorsk (Ukraine)-Minsk (Belarus)-Riga (Latvia)-Tallinn (Estonia) route), combined transport trains, connecting the Black Sea and the Baltic Sea, with involvement of sea ports, ferries, rail and road networks in Georgia, Ukraine, Azerbaijan, and Moldova, as well as transport links to Central Asia, China and other countries – as a potential extension of the GUAM TC. In this sense, the governments should definitely consider the actual launch of the “Viking” project in the territories of Georgia and Azerbaijan and the technological combination (interaction) let’s say between the “Viking” route and the GUAM TC.

**Conclusion.** Either way, the GUAM geography and its transport and transit potential sound even more relevant these days in terms of providing competitive and efficient connectivity between Europe and Asia amidst regional and wider geopolitics. What is now required is that the decisions taken by the leaders of Georgia, Ukraine, Azerbaijan, and Moldova towards one of the two flagship GUAM initiatives – the GUAM TC to address the opportunity popping up for the GUAM region to develop into an alternative transit short-cut, connecting Europe with Central Asia and beyond – are implemented in practice. Meanwhile, there is active talk now on the implementation of block chain technologies and the digital transformation of the transport connections in the GUAM area, and also on their multimodality. Likewise, taking an advantage of the GUAM TC requires eliminating a number of barriers – mainly, the harmonization of border and customs procedures and, once again, the full implementation of the FTA Agreement. With that, at the highest political level, the four republics have to intensify efforts towards engaging transport and transit capacity of the organization and attracting international support and investments to develop and bring into life a viable transport corridor bridging their territories. The GUAM TC to pass along realistically at least three GUAM republics – Georgia, Ukraine, and Azerbaijan – and ideally – all the four – will definitely facilitate the rapid movement of goods between the GUAM countries, diversify their national economies and further integrate them into global supply chains.

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