INTERNATIONAL JOURNAL OF TECHNOLOGY AND ACADEMIC RESEARCH

ISSN: 2224-6878 | Pakistan Volume 6, No. 10.

IF: 14.91 | 2026 http://waerasia.org/index.php/ijtar

THE IRANIAN TRANSPORT ROUTE: OPPORTUNITIES AND RISKS IN UZBEKISTAN'S STRATEGY OF ACCESS TO THE SEA (AN ANALYSIS BASED ON THE THEORY OF CORRIDOR HEDGING)

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The Republic of Uzbekistan is one of only two doubly landlocked countries in the world: its foreign-trade cargo must cross at least two sovereign borders before reaching the open sea, which makes every stage of the journey dependent on the political and security conditions of neighboring states.[1] The southern transit route through Turkmenistan and Iran constitutes Uzbekistan's only currently operating rail connection to the Indian Ocean basin. At the same time, since February 2026 Iran has been the site of an interstate armed conflict, the object of a naval blockade, and the target of an expanding United States secondary-sanctions regime. The central thesis of this study is as follows: Uzbekistan neither abandons this route entirely nor relies on it unconditionally; rather, it manages the associated risk through a mechanism that, it is argued here, merits recognition as a distinct theoretical category.

The subject lies at the intersection of two relatively independent strands of scholarship. The first, the economics of landlocked developing countries, analyzes the transit problem primarily through logistical and tariff factors,[2] but does not adequately treat the transit state's own propensity for geopolitical instability as an independent variable. The second, the concept of hedging in international relations theory, explains how small states achieve diplomatic equilibrium amid great-power rivalry,[3] but does not treat the choice of physical infrastructure as an object of analysis in its own right. Existing policy commentary on the subject is, for the most part, descriptive in character and lacks a unifying theoretical framework. The gap between these two traditions — the possibility that a physical transit corridor may itself constitute the object of hedging behavior — motivates the concept proposed below.

The concept of "corridor hedging" proposed in this study is defined as a distinct subtype of classical hedging, in which a state selects not a diplomatic alliance but the speed and scale of its reliance on a given physical transit route, a choice that is recalibrated incrementally in response to observable risk indicators — the duration of a sanctions waiver, the percentage completion of infrastructure construction, or the geographic proximity of military strikes. This distinction is methodologically significant, since physical infrastructure, unlike a diplomatic position, entails sunk costs: an agreement may be revoked with relative ease, whereas a railway already built, or a port already funded, cannot be undone. This factor accounts for Uzbekistan's consistent preference for the option offering the highest degree of reversibility — private-sector

[1] Arvis, J.-F., Raballand, G., & Marteau, J.-F. (2010). The cost of being landlocked: Logistics costs and supply chain reliability. World Bank.

[2] Faye, M. L., McArthur, J. W., Sachs, J. D., & Snow, T. (2004). The challenges facing landlocked developing countries. Journal of Human Development, 5(1), 31-68.; Arvis et al. (2010).; Pomfret, R. (2019). The Central Asian economies in the twenty-first century. Princeton University Press.

[3] Keohane, R. O., & Nye, J. S. (1977). Power and interdependence. Little, Brown.; Kuik, C.-C. (2008). The essence of hedging. Contemporary Southeast Asia, 30(2), 159-185.; Cooley, A. (2012). Great games, local rules. Oxford University Press.

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participation, for example, rather than state-to-state commitment — over the lowest-cost option as such.

Empirical analysis: formation of the corridor. The physical foundation of the route was laid in 1996 with the opening of the Mashhad–Sarakhs–Tejen railway,[4] while its legal foundation is the 2011 Ashgabat Agreement, to which Uzbekistan acceded as a founding member alongside Turkmenistan, Iran, and Oman.[5] This differs from Uzbekistan's relationship to the International North–South Transport Corridor (INSTC), to which the country is not yet a formal member, having submitted an application only in March 2025.[6] The most developed segment of the route is the Bandar Abbas corridor: forty percent of Uzbek transit cargo passes through this port,[7] and following the abolition of the reciprocal cargo-transit fee in 2025, truck traffic increased by 117 percent.[8] The alternative option, the port of Chabahar, has remained unrealized since 2023, for three identifiable reasons: the sanctions waiver granted to India expired in April 2026 and has not since been renewed;[9] the Chabahar–Zahedan railway remained at 80–90 percent completion as of mid-2026 and is not yet operational;[10] and, because Bandar Abbas continues to function reliably, there is no economic urgency to accelerate investment in Chabahar. These three factors together provide empirical confirmation of the corridor-hedging concept: because a reliable and reversible alternative already exists, the higher-risk, irreversible investment continues to be deferred.

A further prediction of the theory is that a state will continuously seek to expand its portfolio of transit routes, since each additional option reduces the overall vulnerability of the system. This pattern is evident in the uniform tariff regime agreed in August 2025 by six states — China, Kazakhstan, Iran, Uzbekistan, Turkmenistan, and Turkey — following which the number of Chinese freight trains bound for Iran rose from seven to forty within a single year. Uzbekistan, linked to this system via the China–Kyrgyzstan–Uzbekistan railway, now draws on the Iranian segment through two functional channels — direct bilateral trade and as a component of China–Iran transit — which raises the corridor's strategic value while simultaneously complicating it politically, since the interests of a third great power are now also engaged.

Trade data indicate that Iran functions for Uzbekistan not as a trading partner but as a logistics-service provider: direct bilateral trade turnover amounts to only $578 million, whereas transit volume is nearly nine times greater — imports of $3.9 billion (9 percent of total imports, of which technological equipment accounts for 14.8 percent) and exports of $1.4 billion (10 percent).[11] This comparatively modest percentage understates the corridor's true strategic sensitivity, since it is precisely the import of technological equipment and the diversification of exports that depend on this route.

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[4] United Press International. Iran-Turkmenistan railway launched, 13 May 1996.

[5] Vivekananda International Foundation. India joins Ashgabat Agreement, 19 February 2018.

[6] Gulf Research Center. The International North-South Transport Corridor, 2025.

[7] Young Journalists Club (Iran). Investment by Uzbek companies in Shahid Rajaee port, 2025.

[8] Tehran Times. Iran says Uzbek truck traffic surges 117% in 2025, 13 February 2026.

[9] The Times of Central Asia. Why Central Asia cannot afford to abandon the Iranian route, 27 August 2026.

[10] Ministry of Roads and Urban Development of Iran, press service, February 2026.

[11] Trend. Uzbekistan-Iran ties deepen as trade, investment and transit links expand, 2026.

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On 28 February 2026, following strikes by the United States and Israel, shipping traffic through the Strait of Hormuz fell by 70 percent.[12] Given that approximately a quarter of the world's seaborne oil trade passes through this strait,[13] the episode constituted a crisis of global, rather than merely regional, proportions. The blockade closed both Bandar Abbas and Chabahar simultaneously, since its object was not the geography of the strait but Iranian sovereign territory as such. According to an analysis by Iran's Institute for Strategic Studies of the East, the war eroded Iran's comparative advantage as a transit provider to Central Asia.[14] The potential loss to Uzbekistan was estimated at $1–1.5 billion (0.7–1 percent of GDP),[15] yet this did not compel the country to abandon the route: trade grew by 37.5 percent in the first half of 2026, since the cost of returning to the route at a later date would have exceeded the cost of the present disruption.

On 24 August 2026, the United States launched "Operation Economic Outcast," targeting the technology and shipping sectors in particular[16] — a composition that corresponds closely to Uzbekistan's own transit profile. Tashkent's caution is nonetheless readily explicable: in February, President Mirziyoyev signed a $35 billion cooperation framework in Washington,[17] a sum that substantially exceeds Uzbekistan's half-billion-dollar trade turnover with Iran. Uzbekistan accordingly refrains from state-level agreements with Iran, preferring private-sector arrangements instead.

This analysis permits a direct challenge to two assumptions widely held in existing commentary. The first holds that Chabahar's location outside the Strait of Hormuz automatically insulates it from crises in the Persian Gulf. The events of 2026 refute this empirically: geographic distance offers no protection against political and legal vulnerability of the kind posed by a sanctions regime or pressure on sovereignty. The second assumption holds that formal membership in regional institutions such as the INSTC automatically yields additional economic benefit. This, too, is not confirmed: Uzbekistan makes full use of the corridor without formal membership, whereas formal accession might have imposed additional political obligations. Uzbekistan's transit policy is accordingly better understood not in terms of geographic or institutional form, but as a strategy of "selective integration," governed by the specific political and legal cost of each individual step.

On this basis, the following recommendations may be formulated: first, the Iranian route should be maintained as a bounded reserve corridor, carrying roughly one-tenth of Uzbekistan's trade; second, an agreement with Kazakhstan on Caspian port capacity should be concluded before, rather than during, a crisis; third, state investment in Chabahar should be deferred until the railway is completed and the port's sanctions status is clarified; and fourth, Tashkent should leverage Iran's own economic need for Uzbekistan in order to secure long-term tariff guarantees. Three future scenarios may be envisaged: a negotiated settlement restoring the route; a protracted and unpredictable conflict in which the route remains open but costly; and an escalation of

[12] Encyclopaedia Britannica. 2026 Iran war, 2026.

[13] International Energy Agency. Strait of Hormuz, 2026.

[14] Institute for Strategic Studies of the East (IESS, Iran). Naval blockade and the challenges of geoeconomic interconnection with Central Asia, 2026.

[15] Kun.uz. Middle East tensions could cost Uzbekistan up to $1.5bn, 17 August 2026.

[16] CBS News. Bessent announces "economic onslaught" against Iran, 24 August 2026.

[17] The National Interest. How the latest Iran sanctions could impact Central Asia, 2026.

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sanctions forcing a choice between Washington and Tehran. While preserving the possibility of the first scenario, Uzbekistan would be well advised to prepare for the second and third. In sum, Uzbekistan's transport security lies not in identifying a single ideal route, but in maintaining several imperfect corridors in parallel, in accordance with the logic of corridor hedging.

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