ASIAN THINK TANK NETWORK FORUM 2026

Resilient and Sustainable Supply Chains:
The Strategic Role of Foreign Direct Investment



ENHANCING TOURISM RESILIENCE IN THE CONTEXT OF FOREIGN DIRECT INVESTMENT:

STRATEGIC DEVELOPMENT OF TRANSNATIONAL TOURISM ROUTES ALONG THE MIDDLE CORRIDOR

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The Strategic Role of the Middle Corridor in Tourism Development

The Middle Corridor has evolved beyond its traditional role as a transport and trade route, emerging as an important driver of regional development and creating new opportunities for tourism. Tourism development has become strategically important not only for Türkiye but also for Azerbaijan and Kazakhstan, two resource-rich economies located along the corridor.

As both countries pursue economic diversification beyond the hydrocarbon sector, tourism has increasingly been recognized as a strategic pillar of sustainable and long-term economic growth.

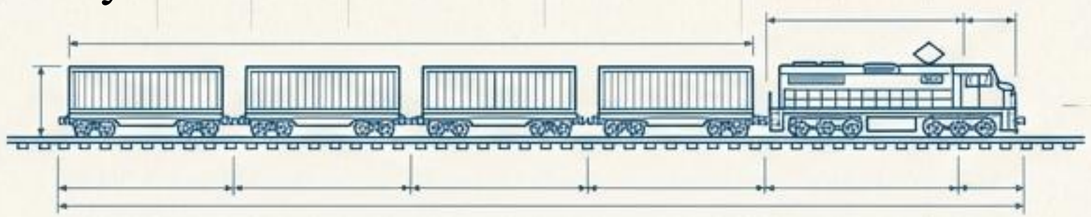
The Strategic Shift: From Freight to Ecosystem

Policy must shift from treating transport, investment, and tourism in isolation to coordinating them within an integrated regional development framework. Massive **transport FDI** is flowing into the Middle Corridor, yet its tourism potential remains vulnerable to external shocks.

Current State: Transport Corridor

Tourism Vulnerability to External Shocks

Geopolitical risks, pandemics, border restrictions and supply-chain disruptions create significant challenges for tourism resilience in Azerbaijan, Kazakhstan and Türkiye.



FDI–Tourism Disconnect

High FDI in transport, but limited investment in:

Tourism logistics

Green hospitality

Digital platforms

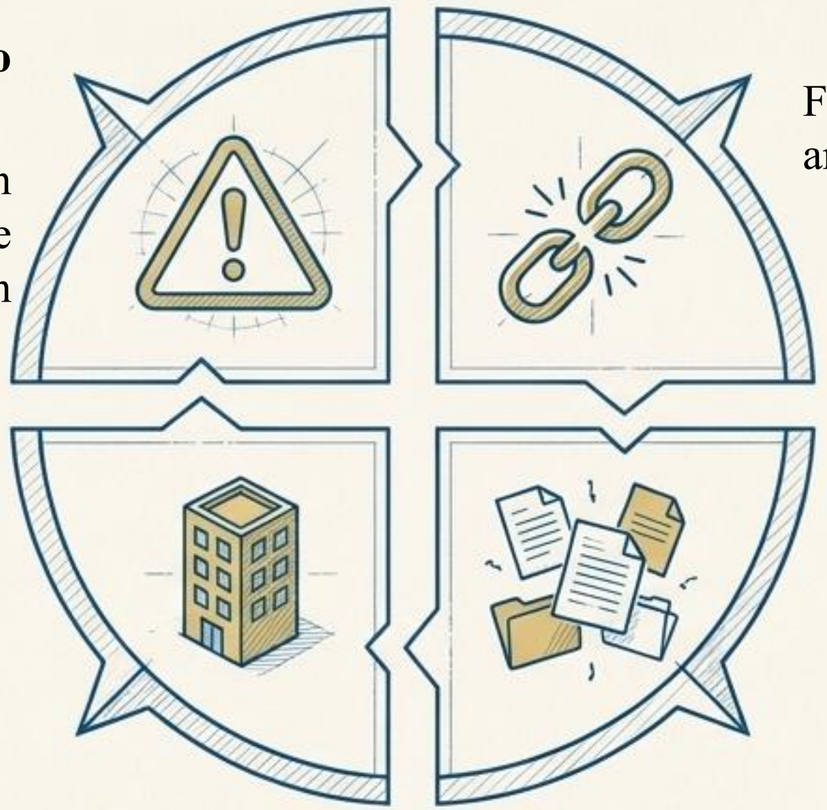
Future State: Multifunctional Tourism & Investment Platform



Strengthening Tourism Resilience and Regional Integration

1. Vulnerability of the tourism sector to external shocks

Geopolitical tensions, pandemics, supply-chain disruptions, and border restrictions create uncertainty and weaken tourism resilience in Azerbaijan, Kazakhstan, and Türkiye.



2. Despite major transport investments, FDI in tourism logistics, green hospitality, and digital platforms remains underutilized.

3. Weaknesses in cross-country institutional coordination

The Middle Corridor should evolve into a multinational tourism destination, but limited cross-border coordination hinders integrated tourism development.

4. Limited integration between tourism and transport policies constrains regional connectivity, value chains, and the resilience of the Middle Corridor.

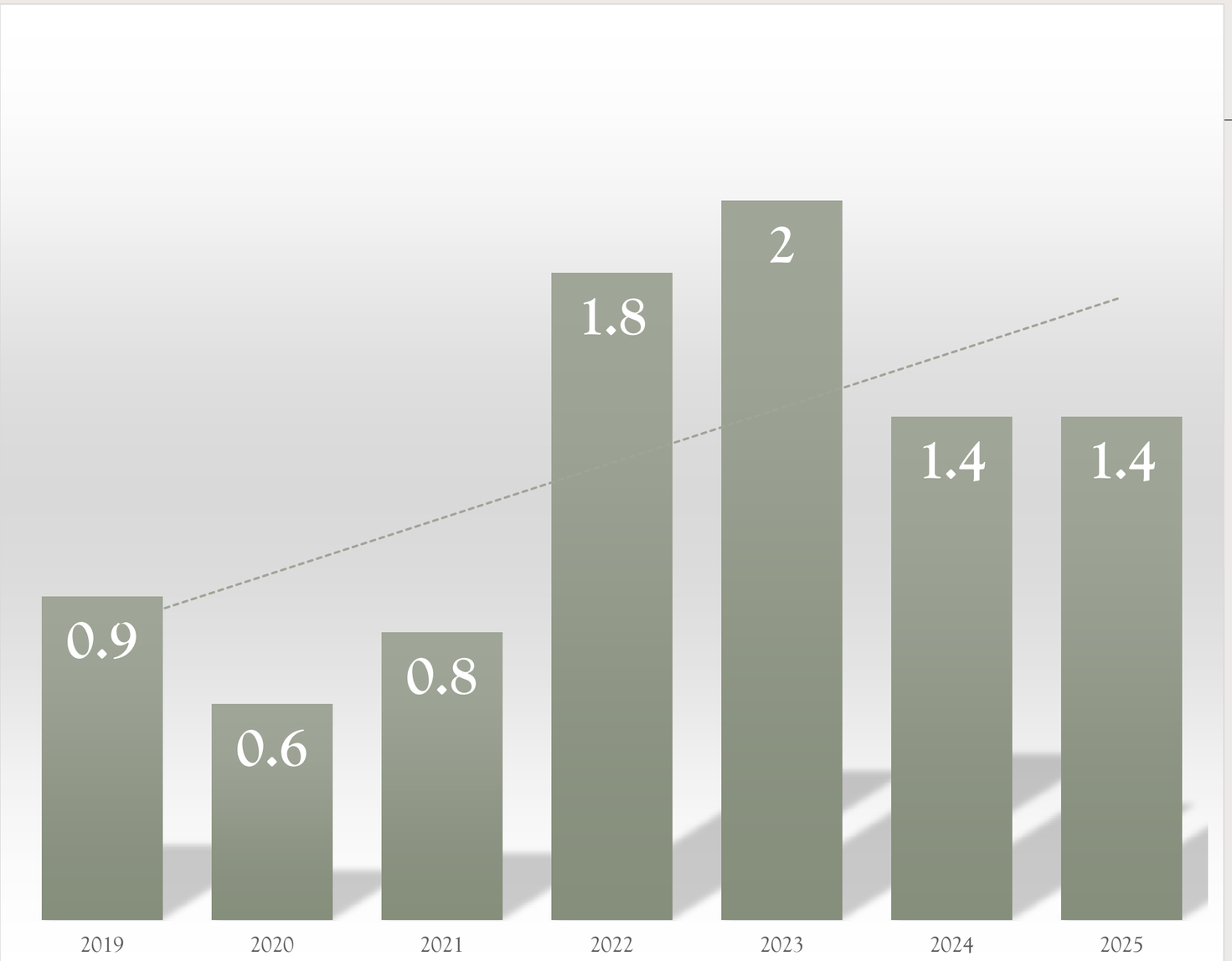
The main economic problem is the insufficient resilience and integration of tourism along the Middle Corridor, with weak links between FDI, transport, tourism, digitalization, and regional governance.

Key Tourism Performance Indicators Across the Region

Country	Tourism Contribution to GDP, %	Tourism Receipts, $, 2024	International Arrivals, 2025	Average spend per tourist, $, 2024	Employment in tourism-related enterprises	Number of registered hotel rooms
Azerbaijan	6.4	3.6 billion	2.6 million	1384	80.000	32.000
Turkiye	4.6	56 billion	57 million	982	3.3 million	1.710.560
Kazakhistan	1.8	960 million	8.4 million	114	N/A	95.210
Uzbekistan	2.1	1.4 billion	5.8 million	241	250.000	33.890
Georgia	8.6	4.8 billion	7.8 million	615	160.000	53.700

Source: UN Tourism Statistics, and National Statistics Offices

Foreign direct investment attracted to the non-oil and gas sector, billion $



Source: CBA, 2026

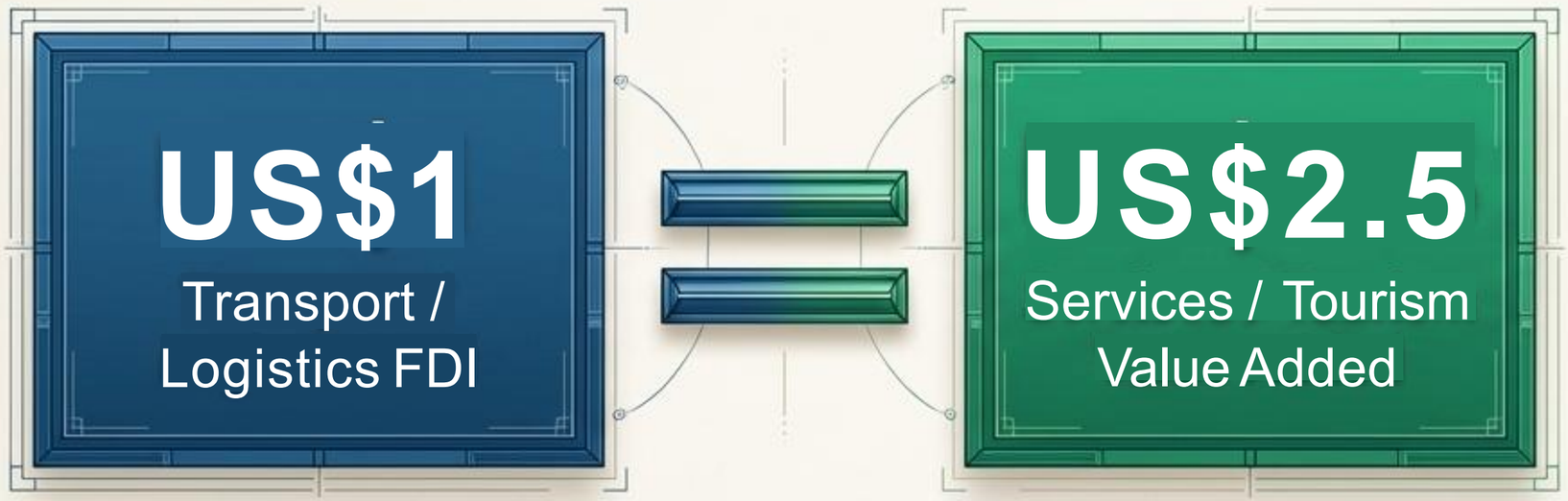
As major oil investments mature, Kazakhstan and Azerbaijan can leverage the Middle Corridor to diversify their economies, expand services, and integrate tourism into international value chains.

To realize this potential, coordinated transport and tourism policies, PPPs, green investment, and "One Trip – Multiple Countries" routes can enhance FDI efficiency and sustainable tourism development.

The Synergy Effect

The Investment Formula for the Middle Corridor

The next phase of economic growth requires
capturing the high-value multiplier by capitalizing on the existing logistics footprint.





Estimated investment required in tourism infrastructure along the Middle Corridor over the next 15 years to fully unlock this synergy.

Regional Competitiveness Matrix

Strategic Takeaway: Competitiveness requires maximizing value-added services,
Tourist expenditure, and length of stay, rather than merely targeting visitor headcount.

Turkiye	Azerbaijan	Kazakhstan
  Arrivals: ~57 Million Avg. Spend: US$982	 Arrivals: ~2.6 Million **Avg. Spend: US$1,384** (the region's highest)	 Arrivals: ~ 8.4 Million Avg. Spend: US$ 114

‘City Within a City’ mega-models systematically de-risk foreign investment

Mega-Project Diagnostic Matrix



Galataport Istanbul (Tiirkiye)

Volume: ~$1,7B Investment

Model: Public-Private Port & Heritage Integration (e.g., Peninsula Hotels).



Sea Breeze (Azerbaijan)

Volume: $10B+ Long-term Portfolio



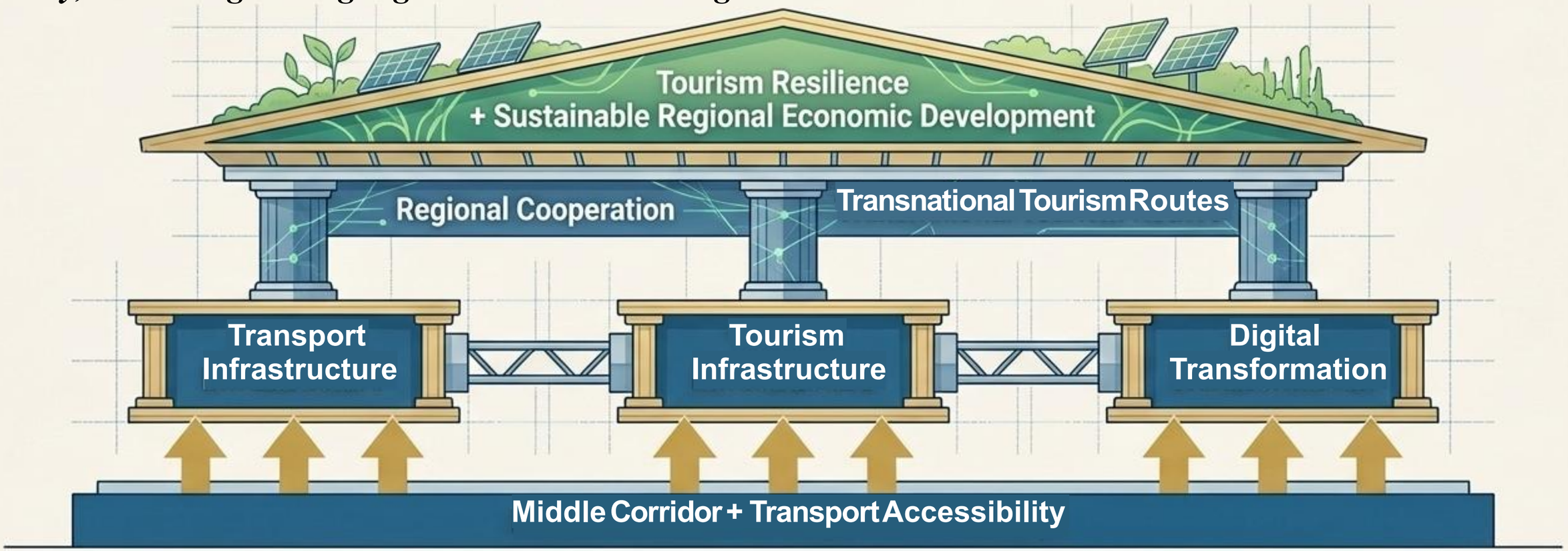
Alatau City (Kazakhstan)

Volume: Private FDI + State Infrastructure

These mixed-use urban centers minimize risks for institutional investors and accelerate the transition toward a new-generation, globally interconnected economy.

FDI and digital transformation build the capability, but cross-country institutional cooperation is the crucial mortar that turns infrastructure into integrated tourism services.

The issue is particularly important for Azerbaijan and Kazakhstan, given their ongoing efforts to diversify their economies beyond oil and gas. Tourism represents one of the potential avenues for achieving such diversification by attracting investment, creating employment opportunities, expanding non-oil economic activity, and strengthening regional economic linkages.



Findings and Discussion

Quantitative analysis: Macroeconomic, FDI, and tourism indicators from the World Bank, UNCTAD, UN Tourism, and national statistical agencies (2015–2025).

Qualitative analysis: 12 semi-structured expert interviews conducted in April–May 2026.

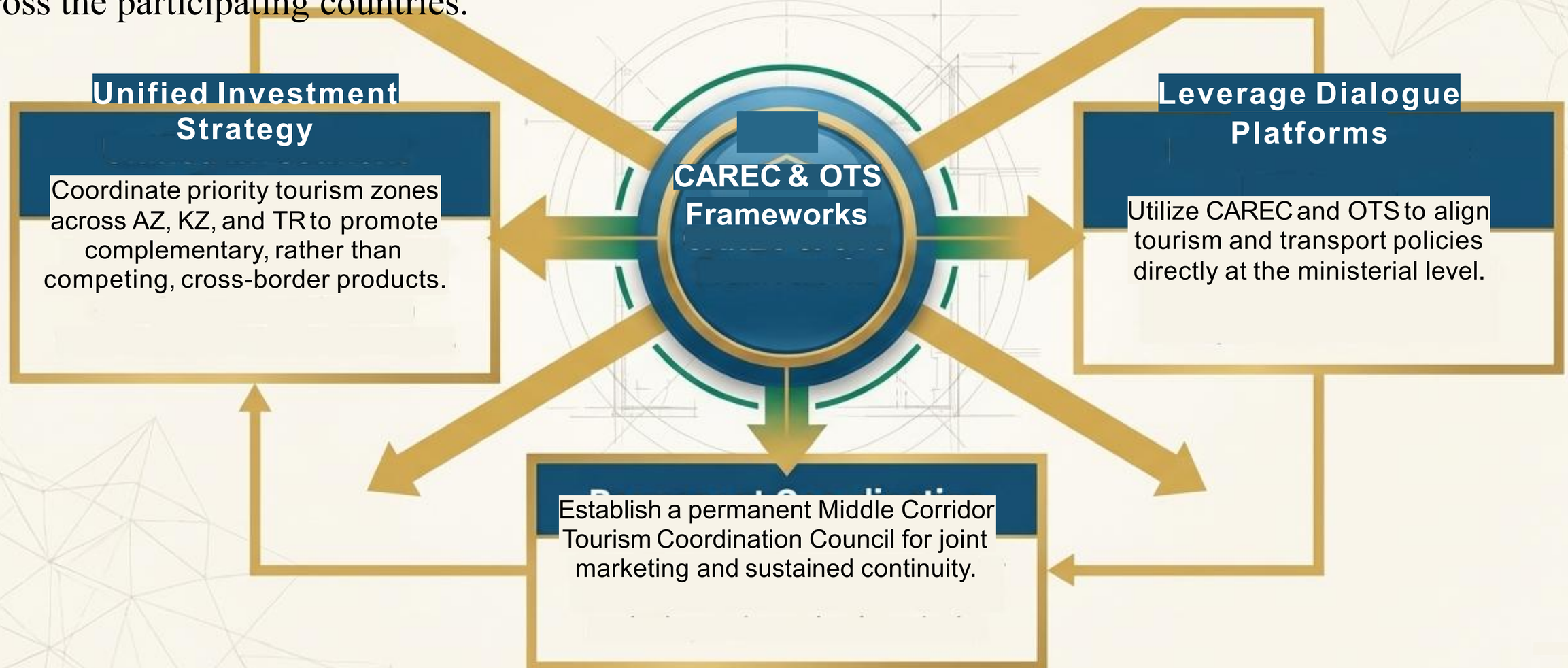
Key dimensions: FDI, economic diversification, transport connectivity, institutional coordination, digitalization, and regional cooperation.

Objective: Assessing tourism development and resilience along the Middle Corridor.



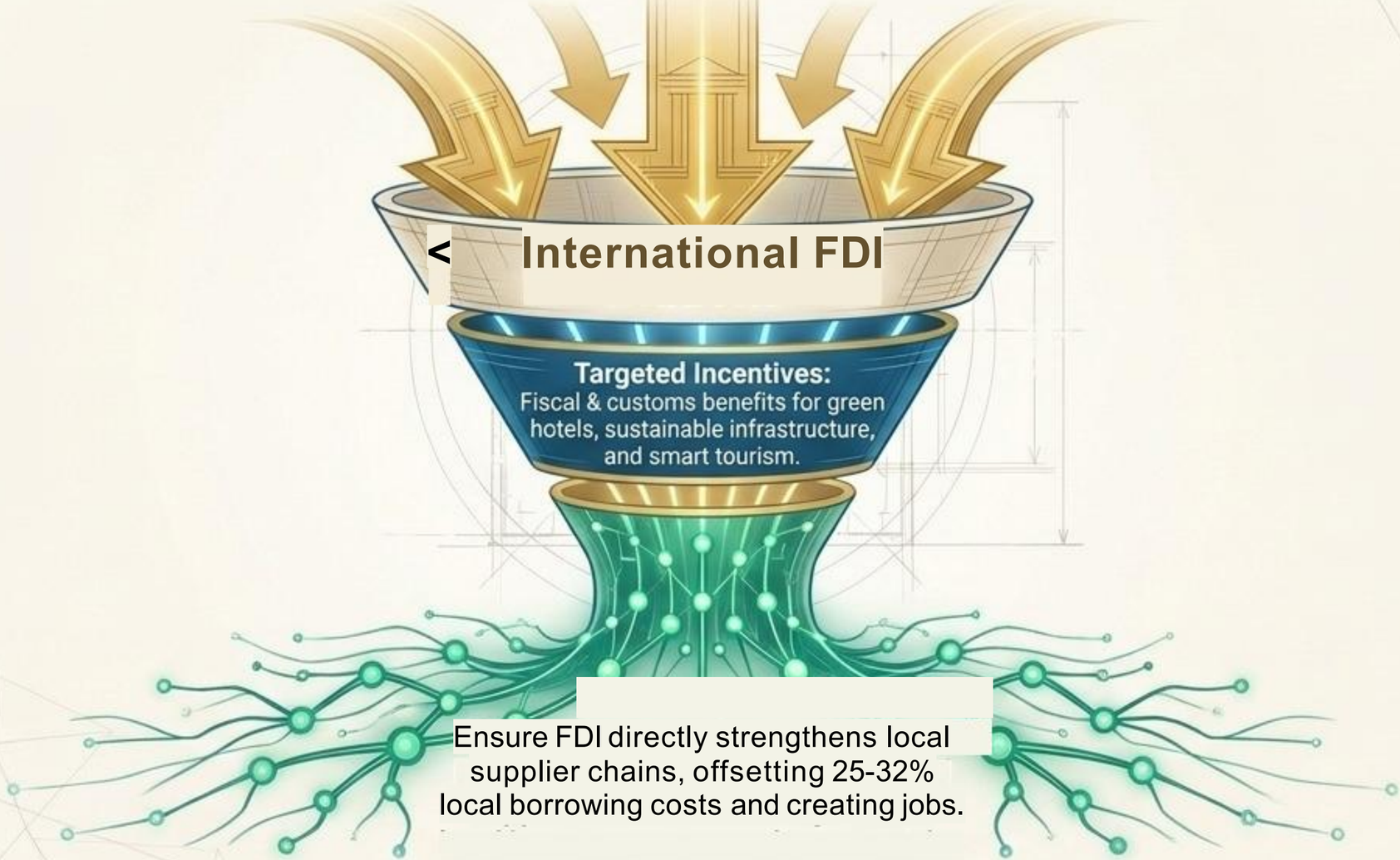
Policy 1: Establish a Unified Regional Tourism Investment Strategy

Develop a **joint regional tourism investment strategy** for the Middle Corridor countries, particularly Azerbaijan, Kazakhstan, and Türkiye. The strategy should identify priority tourism investment areas, coordinate investment priorities, and promote complementary rather than competing tourism products across the participating countries.



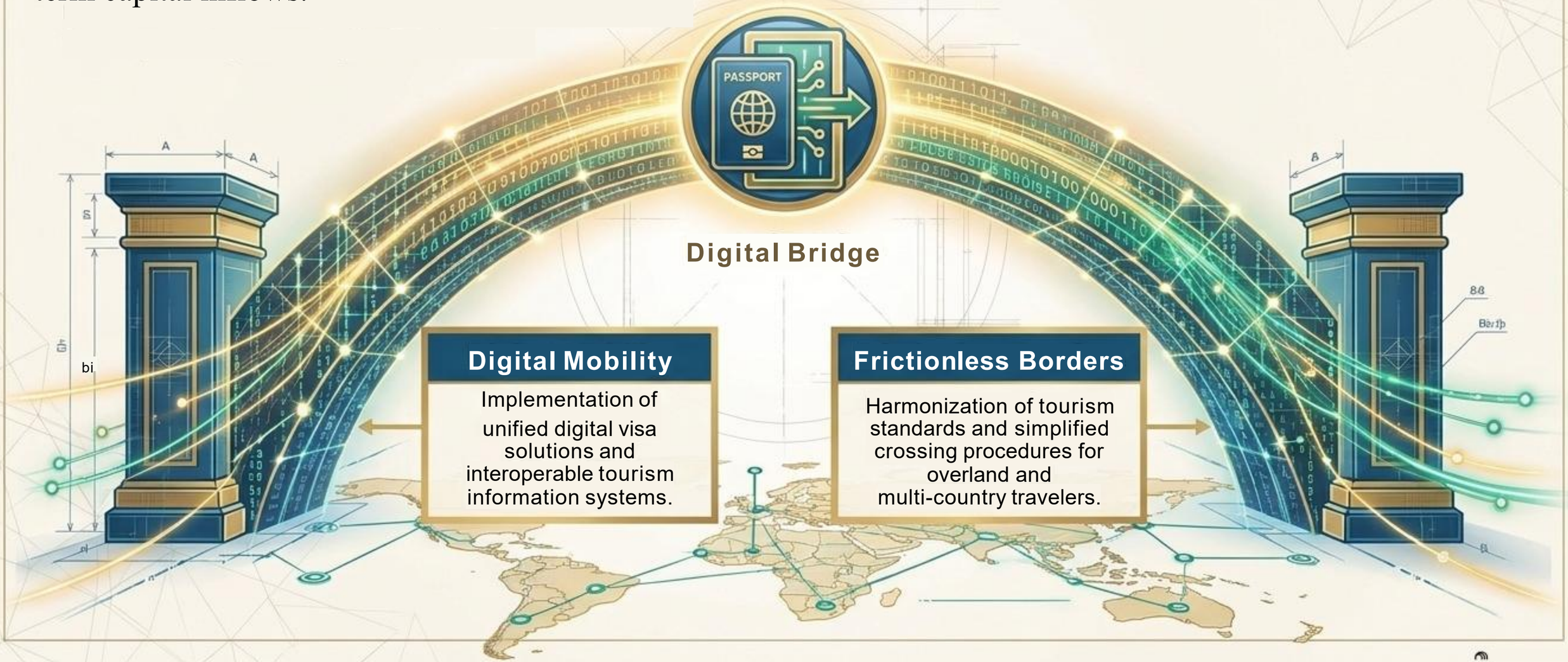
Policy 2: Strengthen Regional Policy Dialogue Platforms

Enhance the use of existing regional policy dialogue mechanisms within the framework of the CAREC Program and the Organization of Turkic States (OTS). These platforms could facilitate policy coordination, exchange of best practices, joint investment initiatives, and the alignment of tourism and transport policies.



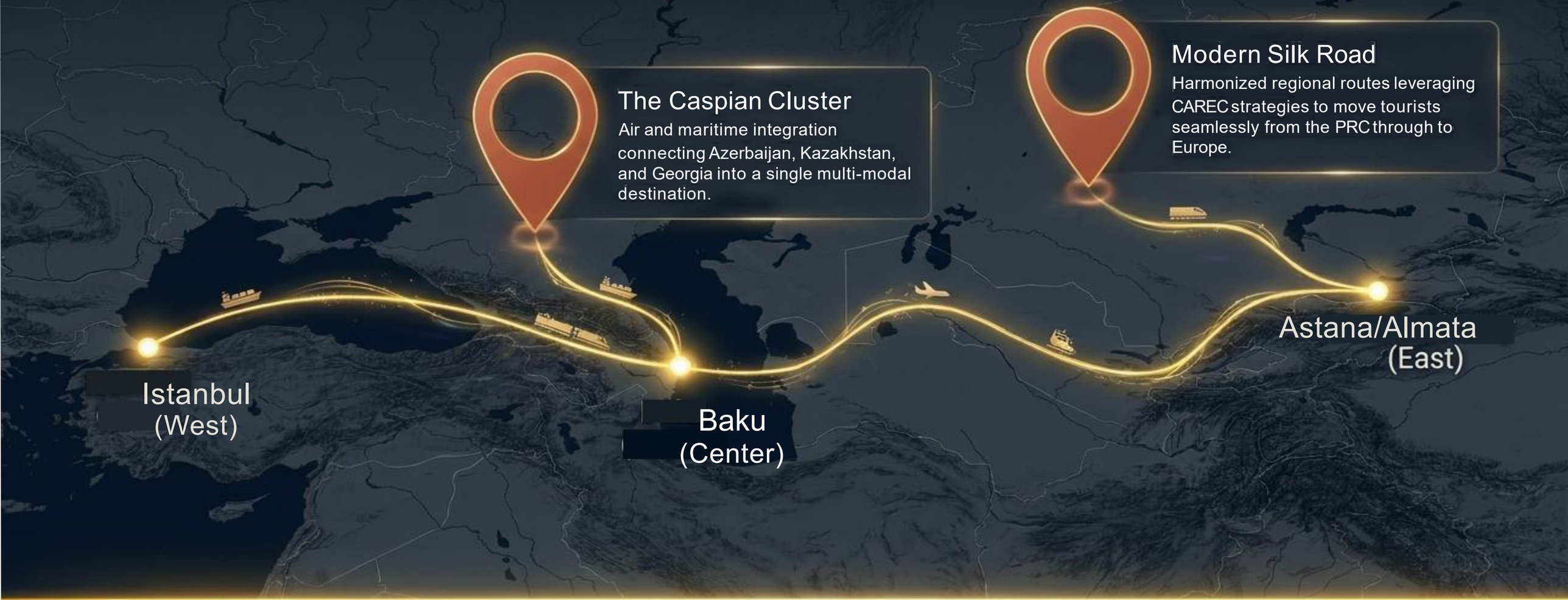
Policy 3: Introduce Targeted FDI Incentive Mechanism

Develop targeted fiscal and customs incentives to attract FDI into strategic segments of the tourism value chain, particularly green hotels, sustainable tourism infrastructure, digital tourism platforms, and smart tourism solutions. Incentives should be designed to encourage long-term and productive investment rather than short-term capital inflows.



Policy 4: Develop Transnational Tourism Routes

Create integrated cross-border tourism routes involving **Azerbaijan, Georgia, Kazakhstan, and Türkiye**, including initiatives such as a **"Modern Silk Road"** and a **"Caspian Cluster."** Such routes could transform the Middle Corridor into a multifunctional tourism destination and support the development of the **"One Trip – Multiple Countries"** model.



Success requires managing the Middle Corridor not as a series of sovereign transit routes, but as a permanent, borderless mobility system driven by unified digital infrastructure.

Gemini Notebook



Policy 5: Establish a Permanent Tourism Coordination and Governance Platform

Consider establishing a **permanent Middle Corridor Tourism Coordination Council** responsible for facilitating joint marketing, investment promotion, policy coordination, and monitoring of tourism-related initiatives. Such a mechanism could provide institutional continuity and strengthen coordination among participating countries.

From a logistical freight route to a shock- resistant, multi-billion-dollar transnational tourism ecosystem. **The foundation is built; the integration must begin**

Thank you for your attention