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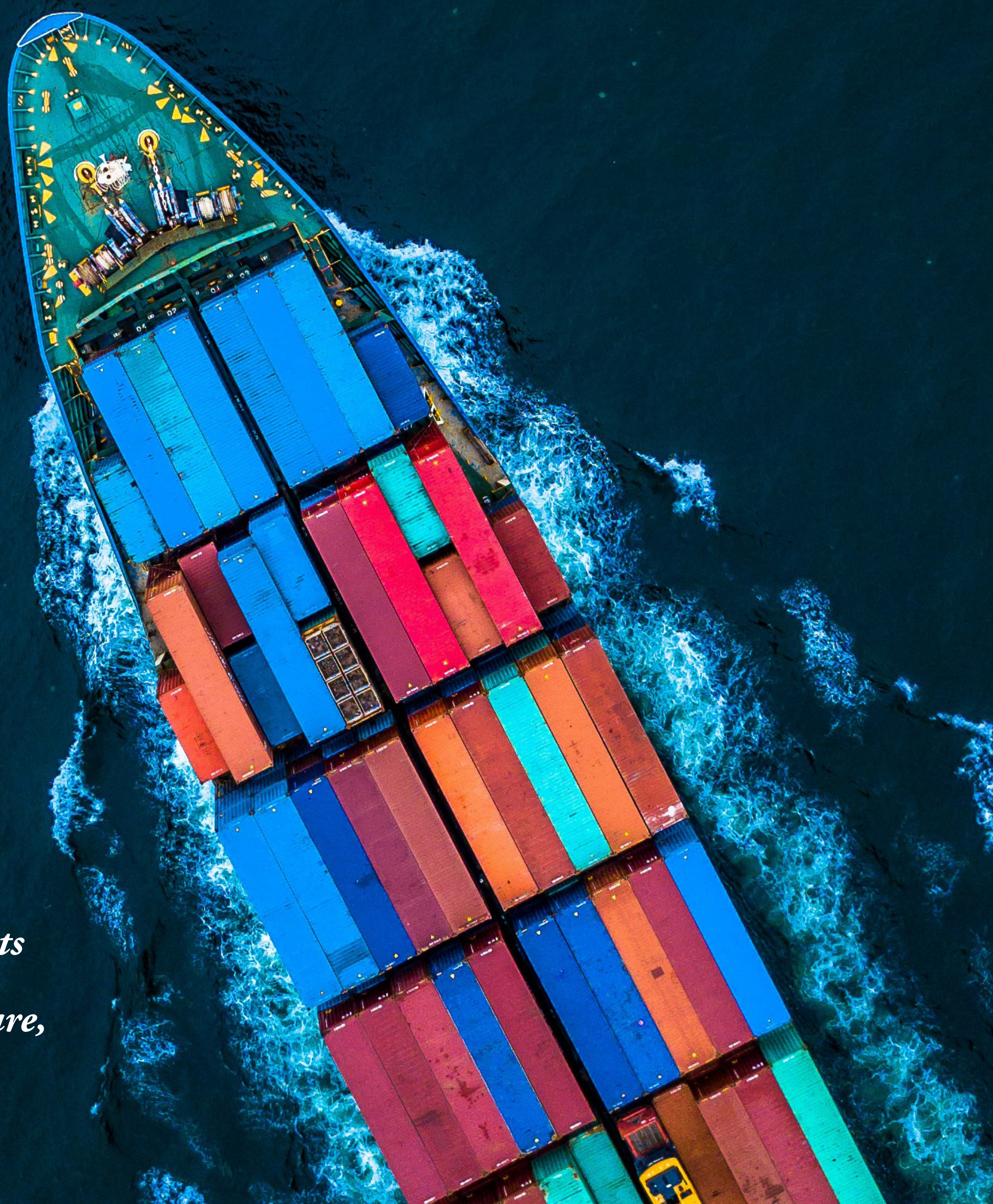
Hungary’s Indo-Mediterranean Strategy: Navigating the New Golden Road

Carlos Roa



“Look back over the past, with its changing empires that rose and fell, and you can foresee the future, too.” – Marcus Aurelius

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Image: Aerial view of a cargo ship, by Venti
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About the Author

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Abstract

This report examines how Hungary, a landlocked Central European country, can position itself to benefit from the emergence of the Indo-Mediterranean economic system anchored by the India–Middle East–Europe Economic Corridor (IMEC), herein referred to as the New Golden Road. Tracing the corridor’s civilizational lineage from Roman-Indian maritime trade to its present-day revival as a transregional infrastructure network, the report situates Hungary within the shifting geography of Eurasian commerce. It argues that Hungary’s strategy of connectivity—manifest in its investment in the Port of Trieste, its growing role as an air freight hub, and its positioning as a keystone state within Central Europe—aligns closely with the geostrategic and economic logic behind the New Golden Road.

Drawing on historical precedent, current infrastructure dynamics, and evolving geopolitical alignments, the report outlines why and how Hungary should embed itself in the New Golden Road’s development. It concludes with a set of targeted policy recommendations aimed at transforming Hungary from a peripheral observer into a relevant and resilient participant. While Hungary cannot hope to dominate the corridor, it can—through positioning, diplomacy, and logistics—secure a firm place within it.

Introduction

The Latin writer Publius Syrius once said that, "Everything is worth what its purchaser will pay for it." If that is the case, what is the price of national prosperity?

In an era defined by geostrategic realignment, the answer seems to lie in connectivity. In practice, this is manifesting in a variety of economic corridor projects, from the Middle Corridor (which crosses Central Asia, the Caspian Sea, and the South Caucasus) to the Lobito Corridor (which goes through southern Africa). The India-Middle East-Europe Economic Corridor (IMEC) is one of these ambitious initiatives, and is quietly shaping up to play a determinant role in twenty-first-century geoeconomics.

Quietly unveiled at the 2023 G20 Summit and already gathering strategic momentum, IMEC is designed to link India with Europe via the Arabian Peninsula, stitching together ports, railways, energy pipelines, and digital cables. Though still embryonic, it has the potential to reshape the economic geography of three continents, creating a new trade axis from the Indo-Pacific to the Middle East and onward to the Mediterranean and Europe's industrial heartland. In essence, it marks the rebirth of an ancient trade network that once connected the Roman Empire with the Indian subcontinent. This paper refers to it, appropriately, as the New Golden Road.[1]

Why "Golden"? Because, historically, this route was responsible for generating a great deal of wealth, paid out in generous sums of gold. But it carried more than that. More than silk, spices, and other luxury goods. It also carried the weight of civilizational exchange: science, mathematics, religion, and philosophy. Roman gold flowed eastward in exchange for Indian goods, underwriting both empire and empire-breaker alike. And just as the old Golden Road once helped fund Roman prosperity, its new incarnation may help stabilize and shape what comes after the U.S. unipolar moment. But for this to happen, countries must find their place within the corridor; particularly those that seem, at first glance, to lie outside of it.

Amongst these is Hungary.

How can a landlocked Central European country benefit from a maritime corridor linking the Arabian Sea to the Adriatic? This paper takes up that question. It begins by revisiting the historical roots of the original Golden Road, tracing its significance in Roman and Indian history. It then outlines the structure and ambition of the New Golden Road and why it has reemerged now. From there, the focus narrows to Hungary: why this country, despite lacking a coastline, is uniquely positioned to benefit from the New Golden Road's rise. Three strategic vectors stand out. The first is Trieste, a former Habsburg port at the head of the Adriatic, now reasserting its role as the maritime outlet for Central and Eastern Europe. Hungary's investment in Trieste signals its intent to make the Adriatic its gateway to the world once more. The second is air freight, where Ferenc Liszt International Airport is quietly becoming a rising hub of global cargo traffic. The third is Budapest's potential to become a commercial nerve center for the corridor and possibly beyond, hosting the institutions, investors, and enterprises that can shape both the Danube Region and (more broadly) Eurasia's economic future.

Finally, the paper concludes with policy recommendations for Hungarian leaders seeking to turn this opportunity into lasting prosperity. For Hungary, the New Golden Road is not simply a corridor; it is an invitation to return to the center of European economic life. But that return will not come automatically. It must be earned, built, and paid for. And that raises once again the question: What is the price of national prosperity?

[1] The term "New Golden Road" was originally coined by Kaush Arha and I in the December 2024 issue of the Italian geopolitical journal *Limes*, in an article titled "Trieste, Porta Europea della Nuova Via dell'Oro" ("Trieste, European Gateway to the New Golden Road"). A revised English version was later published in *The National Interest* on January 30, 2025, under the title "Trieste and the New Golden Road." As of the time of writing, the English-language Wikipedia page for IMEC has added a reference to the term.
The articles where Kaush Arha and I introduced the term can be read here:
https://www.limesonline.com/rivista/trieste-via-dell-oro-via-del-cotone-imec-trimarium-india-adriatico-18076761/.
https://nationalinterest.org/feature/trieste-and-the-new-golden-road.

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Budapest, Hungary. (Keszthelyi Timi/Unsplash)

The Old Golden Road

To understand the New Golden Road/IMEC, one must first recover the memory of its ancient predecessor, the *Old* Golden Road.

Long before container ships and fiber-optic cables stitched the world together, there was a vibrant maritime corridor linking the Roman Empire to the Indian subcontinent. This was more than just a trade route; it was a civilizational lifeline. The Golden Road carried goods, ideas, faiths, and science between East and West.

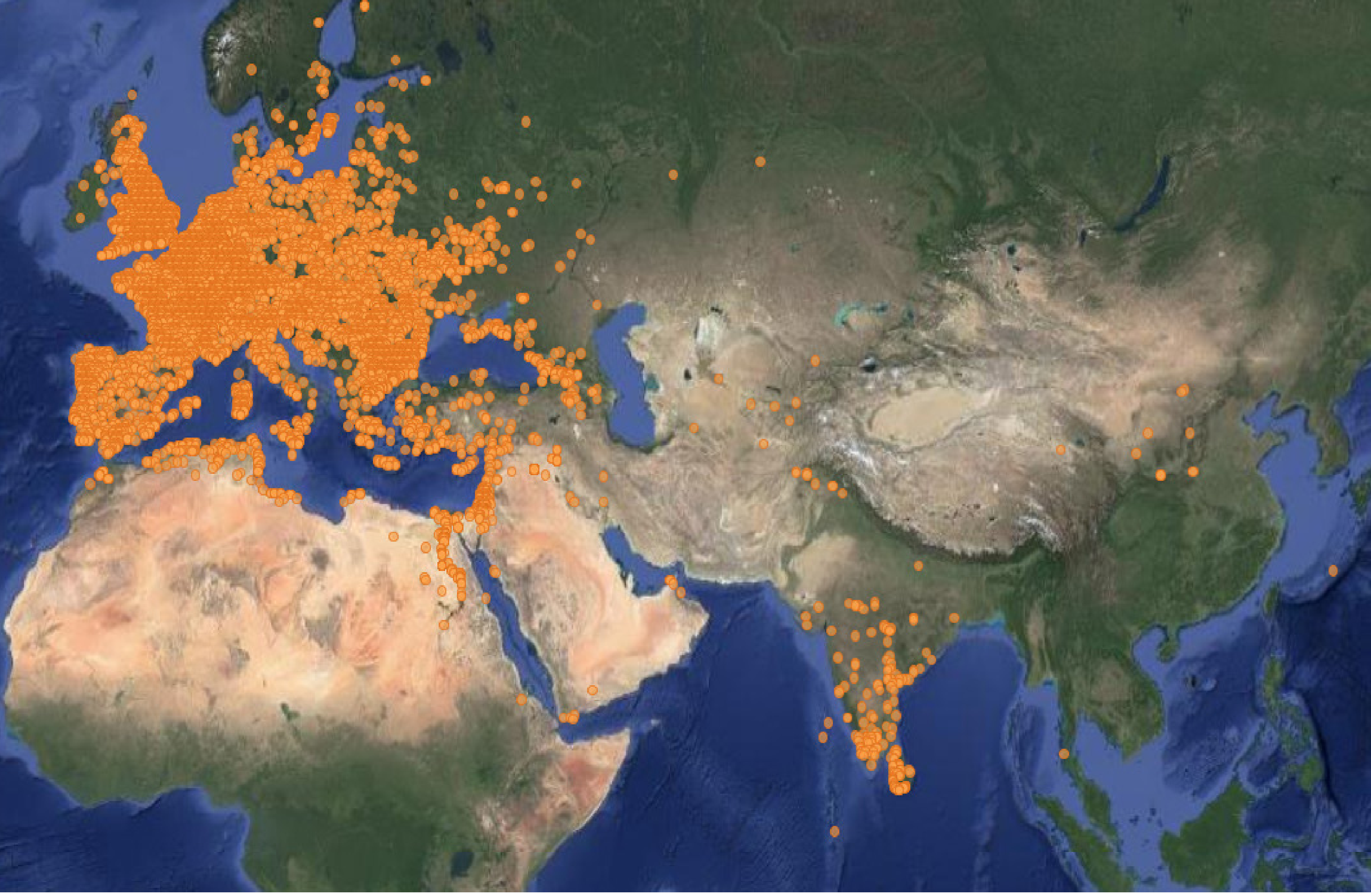
Though trade between the Mediterranean and India goes as far back as the B.C. era, it was the rise of the Roman Empire that truly enabled the Golden Road's rise. The Empire's appetite for luxury goods was insatiable. Spices, silks, pearls, and precious stones flowed from India westward, while Roman gold and silver made the return journey east. So much gold exited the empire that Pliny the Elder famously lamented in the first century A.D. that India was "the sink of the world's precious metals," and drained Rome of at least 55 million sesterces annually.[2] For context, this was at a time when a Roman soldier was paid around 800 sesterces a year, and an aspiring senator from the height of the aristocracy had to demonstrate assets worth 1 million sesterces to stand for office.[3]

And this is without mentioning taxation on this trade. Surviving documentation reveals that the import tax on a shipment valued at nearly 9 million sesterces exceeded 2 million sesterces. By extrapolating from these figures and other customs records from the era, scholars estimate that, by the first century AD, Indian imports into Egypt were valued at *over 1 billion* sesterces annually. The Roman Empire's tax authorities collected at least 270 million sesterces from this immense trade. These revenues outstripped the entire tribute paid by some subject territories. For instance, after his conquest of Gaul, Julius Caesar imposed a tribute of a mere 40 million sesterces, while the defense of the Rhineland frontier, maintained by eight legions, cost 55 million sesterces each year.[4] Overall, "according to some recent calculations," taxation on Indian trade at one point "generated as much as one-third of the entire income of the Roman exchequer."[5] Archaeological finds confirm the scale of this exchange: India holds the largest collection of Roman gold coins outside of Europe, much of it unearthed along the southwestern Malabar Coast, home to the famed port of Muziris.

The reason for this intensity of trade was geography and timing. After Caesar Augustus seized Egypt in 31 BC, Roman merchants gained direct access to the Red Sea. From ports like Myos Hormos and Berenike, ships would harness the monsoon winds to cross the Arabian Sea to India. As the Greek geographer Strabo noted, this catalyzed a sixfold increase in annual sailings compared to the Ptolemaic era.[6] What once took three years by caravan through desert and mountain could now be accomplished in mere months by sea. This maritime shortcut transformed the economics of the empire and made the Golden Road essential. It was, as I put it elsewhere, "the first proto-global economy."[7]

The term "Golden Road" may be modern, but its function was timeless: it was a conduit for value, in all senses of the word. Economic value, certainly—but also intellectual, cultural, and spiritual. India's exports were not limited to pepper and pearls. Indian mathematics, astronomy, medical science, and religious ideas flowed westward, often via Arab intermediaries. What the modern world calls "Arabic numerals" were actually Indian inventions, along with the concept of zero, first called *śūnya*, the Sanskrit word for emptiness.[8] These ideas would shape everything we know, from Islamic mathematics to the European Renaissance. Conversely, the West sent back more than bullion; Rome's organizational systems, military techniques, architectural styles, and even artistic motifs gradually made their way eastward, influencing the

[2] Dalrymple, William. *The Golden Road: How Ancient India Transformed the World* (London: Bloomsbury Publishing, 2024), p. 5.
[3] *Ibid*. p. 56.
[4] *Ibid*. p. 57.
[5] *Ibid*. p. 55.
[6] *Ibid*. p. 55.
[7] Roa, Carlos. "The Golden Road Trump Should Take." *The American Conservative*, February 2023. https://www.theamericanconservative.com/the-golden-road-trump-should-take/.
[8] Dalrymple, *The Golden Road*. pp. 241-242.



Map created by Oxford University's *The Coin Hoards of the Roman Empire* Project, detailing where Roman coins have been found.

Persian Gulf and parts of western India. This was a two-way street, albeit one often disguised by the imbalance of visible trade.

But perhaps the true genius of the Golden Road lay in its intermediation. It was a trans-civilizational circuit that spanned multiple nodes and intermediaries—Arab, Persian, Jewish, Armenian, and Greek. No single polity controlled the entirety of the route. Even during times of conflict between great empires—such as between Rome and Parthia, or Byzantium and Sassanid Persia—the flow of goods often continued. Commerce, as always, is more durable than politics.

Over time, the dominance of Rome waned, and a new set of actors took center stage. With the rise of Islam in the seventh century, Arab and Persian merchants inherited much of the maritime commercial network that Rome had sustained. Islamic caliphates, particularly under the Abbasids, came to dominate the Indian Ocean trade, linking ports from Basra and Aden to Calicut and Malacca. As William Dalrymple notes in *The Golden Road: How Ancient India Transformed the World*, this era saw the "Islamization" of Indo-Mediterranean commerce, but without its disruption. Indian ideas, especially in science and philosophy, continued to influence the Islamic world and, through it, Christian Europe.

In fact, it was via this chain that Fibonacci, in 1202, introduced the decimal system to Europe in his *Liber Abaci*, acknowledging their Indian origin.[9] By that time, the original Golden Road had become the backbone of a new Islamic maritime civilization, stretching from Andalusia to Java. It also became the battleground of rival commercial empires: Mamluk Egypt, the Republic of Venice, and the rising Ottoman power all sought control over the eastern spice trade.

Everything changed, however, in the late fifteenth century thanks to that most pioneering of peoples: the Portuguese. Vasco da Gama's voyage around the Cape of Good Hope opened a direct sea route to India, bypassing the

[9] *Ibid*. pp. 279-281.

Mediterranean intermediaries. Lisbon, not Alexandria or Venice, became the power over Indian Ocean trade. With time, other European empires followed. The Dutch in the East Indies, the French in Pondicherry, and so on. Yet by the eighteenth century, the Indian Ocean remained contested. The Omani Empire emerged as a formidable regional power, establishing a maritime realm that stretched from Muscat to Zanzibar, and included key footholds like Gwadar. For a time, Oman dominated trade routes along the Swahili coast and into the Gulf, profiting especially from the slave trade.

It was the British Empire, seeking to secure its own position, that redefined the geopolitical landscape. Initially allied with the Omanis, London signed treaties that extended British influence without formal colonization. But by the early nineteenth century, imperial priorities shifted. Britain's commitment to abolishing the slave trade clashed with Omani economic interests, and pressure from London gradually eroded Muscat's control over its maritime empire.

Its rivals either driven out or diminished, the British Empire achieved what others could only dream of: it conquered India, and then proceeded to systematize the extraction of wealth from the subcontinent. What had once been a circuit of mutual exchange was refashioned into an imperial artery. By the nineteenth century, India was no longer an equal participant in the Golden Road; it had become its captive.

Yet despite this, there were those who saw opportunity. Back in the Mediterranean, in the Adriatic city of Trieste—then the chief port of the Austro-Hungarian Empire—a novel idea took hold. Pasquale Revoltella, a Triestino and the vice president of the Suez Canal Company, saw what others could not: what if a canal were built in Egypt that could restore the Golden Road's Indo-Mediterranean origins? Through this, his beloved Trieste would serve as Central Europe's entrepôt, connecting the continent's heartland to Asia's bounty.

Thus, the construction of the Suez Canal in 1869 reshaped maritime geography once more. The canal drastically shortened the Europe-India route, bringing Bombay within weeks of London. It reestablished the east-west commercial logic and reaffirmed the importance of the Mediterranean, though under imperial terms. Britain controlled both ends of the corridor. India's role remained reduced—from civilizational anchor to imperial appendage.

Revoltella's dream, alas, was tragically shortlived. History, as always, has a habit of getting the way. The Austro-Hungarian Empire collapsed after World War I. The British Empire, for all intents and purposes, followed. World War II did even more damage, as the Iron Curtain divided Europe. This included Trieste, which was cut off from its natural hinterland. The Cold War redirected attention toward the Atlantic. The Golden Road was once again buried beneath the rubble of geopolitics. Its ultimate demise came with the Suez Crisis of 1956, when Britain, France, and Israel failed to reassert control over the canal. From then on, the Indian Ocean would be shaped by superpower rivalry, oil politics, and Cold War alignments. The idea of the Indo-Mediterranean faded from memory.

The New Golden Road

Yet now, those fragments are being put together. The Golden Road, thought buried beneath the wreckage of empire and ideology, is being reborn.

Its revival has many authors and no single architect. Yet there is a discernible pattern to the forces animating this renewed network: the unraveling of Cold War-era alignments, the rise of regional middle powers, a burst developmentalism in several key economies, and a dawning American realization that it must cultivate new regional arrangements to sustain its geopolitical position. One by one, key pillars of this new architecture have emerged.

I. The End of the Iron Curtain

The Cold War may have ended over three decades ago, but its shadows still shape our geopolitical cartography. The Iron Curtain, which split Europe in two, both constrained political freedom and, as importantly, severed historical trade routes and economic activity. But with the fall of the Berlin Wall in 1989, that began to change. The liberation of Eastern Europe—and later, its integration into the European Union—restored the geopolitical coherence of the continent's center. Countries like Poland, Hungary, Slovakia, and the Czech Republic—once obscured by Soviet dominion—began to re-emerge as vibrant economies. For instance, between 1990 and 2022, Poland's GDP expanded more than tenfold.[10] Hungary's GDP has grown sixfold.[11] Other regional countries have similar growth stories. These nations, once seen as mere buffer states, are engines of growth.

This regional resurgence has been matched by a significant wave of infrastructure investment aimed at reintegrating Central and Southeastern Europe into global trade networks. The EU's Trans-European Transport Network (TEN-T) 2015 policy outlined an estimated investment need of approximately €500 billion for the entire network by 2020, with €250 billion earmarked for the core network alone.[12] In more recent times, to support this, the Connecting Europe Facility (CEF) has allocated €25.8 billion for the 2021–2027 period.[13] Key projects include the modernization of Pan-European Corridor X, enhancing connectivity from Salzburg through Belgrade to Thessaloniki, and the development of the Rail-2Sea and Via Carpathia initiatives under the Polish-led Three Seas Initiative, creating a north-south axis from the Baltic to the Black and Aegean Seas. Collectively, these efforts, among others, reflect a strategic reorientation: Central and Southeastern Europe are no longer viewed as peripheries, but rather as transit platforms linking Europe to the Indo-Mediterranean system.

II. Israel's Pivot to Regional Integration

Another pillar has quietly emerged in the eastern Mediterranean. Long shaped by the imperatives of security and regional isolation, Israel has quietly recalibrated its geopolitical posture. In place of a purely defense-oriented framework, there is now a growing emphasis on economic interdependence and regional integration.

This shift has deep roots. Beginning in the early 2000s, Israeli economic planners initiated a fundamental overhaul of their development model away from consumption-led growth to export-led growth. Israeli economist Arie Krampf has chronicled this shift with precision.[14] In his 2023 paper, *Export-Led Growth and the Geopolitical Hypothesis: Israel's Regime Change after the Second Intifada*, Krampf argues that this transformation was not driven primarily by domestic social groups or market demands. Rather, it was a political elite seeking to insulate Israel from geopolitical vulnerability that pushed this transformation. Following the collapse of the Arab-Israeli

[10] Kubalka, Piotr. "External Funding: Not a Factor When It Comes to Successful Expansion." British Polish Chamber of Commerce, October 14, 2024. https://bpcc.org.pl/external-funding-not-a-factor-when-it-comes-to-successful-expansion/.
[11] "Hungary GDP (I:HGDPUY)." YCharts. Last modified September 19, 2024. https://ycharts.com/indicators/hungary_gdp_usd.
[12] Pape, Marketa. "An Overview of the Trans-European Transport Network." European Parliamentary Research Service, Briefing, September 17, 2015. https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568330/EPRS_BRI(2015)568330_EN.pdf.
[13] Rúa, Carles. "European Investment in Transport: The Results of the CEF 2023 Call for Proposals." PierNext. August 27, 2024. https://piernext.portdebarcelona.cat/en/governance/results-connecting-europe-facility.
[14] Krampf, Arie. *Export-Led Growth and the Geopolitical Hypothesis: Israel's Regime Change after the Second Intifada*. IPE Working Paper No. 222/2023. Institute for International Political Economy Berlin (IPE), 2023. https://www.ipe-berlin.org/fileadmin/institut-ipe/Dokumente/Working_Papers/ipe_working_paper_222.pdf.

peace process in July of 2000 and the outbreak of the Second Intifada, Israel's reliance on U.S. financial support and open markets became a strategic liability. The political elite, particularly within the Likud-led government, feared that this dependency could constrain Israel's ability to pursue its security and territorial objectives.

In this context, a younger Benjamin Netanyahu, who became finance minister in 2003, played a pivotal role. Under his stewardship, the Israeli government enacted sweeping neoliberal reforms, which were part of what Netanyahu framed as an "Economic Recovery Plan" aimed at boosting investor confidence and shifting the engine of growth toward foreign markets. In Krampf's words,

> *In April 2003, a month after his appointment as minister of finance, Netanyahu announced the Economic Recovery Plan, which included a budget cut, a lowering of government deficits, and severe reductions in social spending and allowances. He also reduced government subsidies to the private sector. For Netanyahu, private sector growth was a means to improve Israel's economic power in a globalized world. [...] Privatization and liberalization were processes designed to improve Israel's capacity to withstand external political pressure and pursue an independent foreign policy. [...] By late 2003, Israel's current account had become positive and was growing, indicating that foreign currency was pouring into the economy. This change, which went unnoticed by the Israeli public, was nothing less than a transformative moment, a revolution in Israel's economic history. [...] [Israel's founding father] Ben-Gurion's doctrine assumed dependency on foreign capital. This dependency [...] was a key element in the national vision and identity: the dependence of the state-building project on foreign assistance. By becoming a "surplus country" [...] Israel had become less vulnerable than it had been before.*[15]

This marked a paradigmatic regime change for the country: a top-down reorientation of the Israeli economy in service of geopolitical autonomy rather than purely economic optimization. And, consequently, with the emergence of an export-oriented economy came the need to develop the infrastructure connectivity necessary to anchor Israel within regional and global supply chains.

This found concrete expression in Israel's promotion of regional rail infrastructure. See, for instance, how a then-Transport Minister Israel Katz proposed in 2018 the "Tracks for Regional Peace" initiative, aiming to connect the Israeli port of Haifa with Jordan, Saudi Arabia, and the broader Gulf, framing it as a way to promote both economic growth and diplomatic normalization.[16][17] Katz himself publicly promoted the idea of turning the country into a regional transport hub by building railways, with the goal of establishing "an Asian-European cargo link as an alternative to the Suez Canal."[18] Israel's government has consistently advocated for the idea since.

This reorientation then saw *geopolitical* expression in the Abraham Accords of 2020. The normalized relations between Israel and several Arab Gulf states created the *conceptual space* for overland corridors that would bind India to Europe through Israeli territory. The subsequent acceleration of infrastructure projects—rail links, fiber optic cables, and port modernization—reflected this vision. Even amidst the chaos of the Gaza War, the underlying logic of integration has endured. If anything, the war in Gaza and the resulting Houthi rebel attacks on ships crossing the Red Sea have only accelerated this thinking. Israel has now established an overland trade route via the United Arab Emirates (UAE), Saudi Arabia, and Jordan, moving goods by truck. As Transport Minister Miri Regev notes, this route "shorten[s transport] time by 12 days and greatly reduce[s] the existing waiting time due to the Houthi problem."[19][20] The success of this workaround has only sharpened interest in a future rail link to make the corridor permanent, which may ultimately be necessary for Israel's long-term economic survival.

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[15] Krampf, Arie. "The Netanyahu Doctrine." *Jerusalem Strategic Tribune*, November, 2022. https://jstribune.com/krampf-the-netanyahu-doctrine/.
[16] ToI Staff. "Israel to Begin Promoting Railway Linking Haifa Seaport with Saudi Arabia," *The Times of Israel*, June 24, 2018, https://www.timesofisrael.com/israel-to-begin-promoting-railway-linking-haifa-seaport-with-saudi-arabia/.
[17] Lazaroff, Tovah. "U.S. Backs Plan for Rail Linking Israel with Middle East," *The Jerusalem Post*, November 6, 2018, https://www.jpost.com/israel-news/us-backs-plan-for-rail-linking-israel-with-middle-east-571149.
[18] Keinon, Herb. "Israel as a Regional Transport Hub: Could This Pipe Dream Come True?" *The Jerusalem Post*, September 10, 2023, https://www.jpost.com/israel-news/article-758409.
[19] "Israel Plans to Transport Goods from India via UAE to Bypass Houthi Attacks." *Middle East Monitor*, January 22, 2024. https://www.middleeastmonitor.com/20240122-israel-plans-to-transport-goods-from-india-via-uae-to-bypass-houthi-attacks/.
[20] "Israel Establishes Land Route for Trade Through Arab States, Bypassing Houthi Red Sea Blockade." *Middle East Monitor*, February 4, 2024. https://www.middleeastmonitor.com/20240204-israel-establishes-land-route-for-trade-through-arab-states-bypassing-houthi-red-sea-blockade/.

III. Türkiye and the Intermediation Ambition

No account of the changing strategic geography of the Indo-Mediterranean would be complete without acknowledging the rise of Türkiye as a transregional power. Long dismissed as a peripheral NATO actor or a regional middle power, over the past fifteen years Ankara has positioned itself not only as a dominant player in the Eastern Mediterranean and Levant, but also as a pivotal force shaping the wider Muslim world. Though often viewed in ideological or neo-Ottoman terms, Türkiye's strategy is, at its core, intermediation: a concerted effort to position itself as a central node in the movement of people, goods, capital, and influence across the broader Islamic world and beyond.

As scholar Mohammed Soliman notes, this transformation was made possible by America's failed interventionism and the collapse of Iraq and Syria as stabilizing sovereign actors.[21] Their disintegration removed two of the key Arab buffers that had historically constrained Turkish and Iranian ambitions. In the vacuum that followed, Turkey moved decisively. It carved out de facto zones of influence in northern Syria, less to build a stable order than to prevent the emergence of a hostile Kurdish polity.[22] It backed militant factions, pursued military basing in Qatar and Somalia, expanded its defense exports, and developed strategic ties with Pakistan and other Muslim-majority states.[23] [24] [25] [26] [27]

Ankara's growing assertiveness is not limited to hard power. Just as significant is its focus on transregional connectivity. Türkiye has positioned itself as a builder, operator, and guarantor of key routes—maritime, aerial, and digital—linking South Asia, the Gulf, North Africa, and Europe. Turkish construction firms are deeply embedded across the Gulf, Africa, and Central Asia.[28] [29] [30] [31] [32] Turkish Airlines is now a logistical behemoth.[33] [34] [35] And Türkiye's defense-industrial base, particularly in drone technology and naval platforms, allows it to offer turnkey solutions to clients seeking autonomy from traditional Western suppliers.[36]

Together, these instruments are less coherent imperial doctrine, more a distinct mode of influence—one that is more concerned with enabling, managing, and profiting from the flows that define the contemporary Islamic world and its periphery rather than pursuing traditional empire-building via territorial expansion and control. In other words, it is an attempt to control *the connective tissue* of a reordering region.

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[21] Soliman, Mohammed. "An Indo-Abrahamic Alliance on the Rise: How India, Israel, and the UAE Are Creating a New Transregional Order." Middle East Institute, July 28, 2021. https://www.mei.edu/publications/indo-abrahamic-alliance-rise-how-india-israel-and-uae-are-creating-new-transregional.

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[23] *Ibid*.

[24] "Erdogan: Turkey-Qatar Military Base Serves Regional 'Stability'," *Al Jazeera*, November 25, 2019. https://www.aljazeera.com/news/2019/11/25/erdogan-turkey-qatar-military-base-serves-regional-stability.

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[26] Waldwyn, Tom. "Türkiye's Defence Industry Charts a Course for European Growth." International Institute for Strategic Studies, January 20, 2025. https://www.iiss.org/online-analysis/military-balance/2025/01/turkiyes-defence-industry-charts-a-course-for-european-growth/.

[27] Soliman, Mohammed. "An Indo-Abrahamic Alliance on the Rise."

[28] Stay Property. "Turkish Construction Companies Are in Increasing Demand Worldwide." StayRentalAlanya.com, March 18, 2025. https://www.stayrentalalanya.com/en/news/turkish-construction-companies-are-in-increasing-demand-worldwide.

[29] Hazir, Agah. "Turkish Construction Companies in the UAE: A Driving Force in Economic Development." Diligencia, December 18, 2024. https://www.diligenciagroup.com/blogs/turkish-construction-companies-in-the-uae-a-driving-force-in-economic-development.

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[31] Gill, Darmen. "Turkish Contractors Implement New Large-Scale Projects in Turkmenistan." *Times of Central Asia*, September 6, 2024. https://timesca.com/turkish-contractors-implement-new-large-scale-projects-in-turkmenistan/.

[32] Shayakhmetova, Zhanna. "Turkish Companies to Invest $1.7 Billion in Kazakhstan's Non-Primary Sectors." *The Astana Times*, September 17, 2018. https://astanatimes.com/2018/09/turkish-companies-to-invest-1-7-billion-in-kazakhstans-non-primary-sectors/.

[33] Bolat, Ahmet. "The Airline in a Class of Its Own." World Finance, n.d. https://www.worldfinance.com/strategy/the-airline-in-a-class-of-its-own.

[34] Harper, Lewis. "Airline Strategy Awards Winning Stories: Turkish Airlines for Air-Cargo Leadership." *FlightGlobal Airline Business*, August 22, 2024. https://www.flightglobal.com/analysis/airline-strategy-awards-winning-stories-turkish-airlines-for-air-cargo-leadership/159641.article.

[35] "Turkish Cargo Named 'Cargo Airline of the Year – Global' at the 2025 World Air Cargo Awards." Turkish Airlines, June 4, 2025. https://www.turkishairlines.com/en-int/news-press-release/?p=1.

[36] Waldwyn, Tom. "Türkiye's Defence Industry Charts a Course for European Growth.

Though often viewed in ideological or neo-Ottoman terms, Türkiye's strategy is, at its core, intermediation: a concerted effort to position itself as a central node in the movement of people, goods, capital, and influence across the broader Islamic world and beyond.

Turkish flag in a crowd of people (Adobe Stock)

IV. Gulf Ascendancy: Dubai, Riyadh, and the Logistics State

If Israel is reinventing itself as a bridge and Türkiye wishes to control various aspects of the connective tissue, then the United Arab Emirates has made itself into a key node. Nowhere is this clearer than in Dubai, whose transformation over the past three decades is among the most extraordinary in economic history. From a dusty entrepôt to a glittering global hub, Dubai has bet everything on connectivity. Its free port policies, logistical infrastructure, and commercial liberalism have made it the keystone city of the Gulf. The rise of Dubai Ports World (DP World), with its sprawling network of terminals across the Indian Ocean basin, is testimony to both its ambition and its material economic interest in promoting regional growth.

This is about more than mere commerical considerations. There is geostrategic logic at play. The UAE sees itself as the logistics state *par excellence*—a country whose geopolitical relevance is anchored in its ability to move goods, capital, and information faster than anyone else. DP World, the flagship of this vision, reported a record $20 billion in revenue in 2024, up nearly 10 percent from the year before.[37] The air side tells a similar story: Dubai International Airport handled over 2.2 million tons of cargo in 2024, a jump of more than 20 percent from the previous year, underscoring the city's growing importance as a global freight hub.[38] Meanwhile, the ongoing expansion of Al Maktoum International Airport, which is designed to handle up to 12 million tons of freight annually, signals an even bolder ambition: to become the key junction through which the world's trade must pass.[39]

Similarly, Dubai's financial ascent is likewise a deliberate strategy to position the city as an indispensable node in the global financial system.[40] At the heart of this ambition lies the Dubai International Financial Centre (DIFC), which in 2024 marked its twentieth anniversary with a record-breaking performance. The DIFC now hosts 6,920 active companies, a 25 percent increase from the previous year, and recorded 1,823 new registrations—the highest annual figure to date.[41] This growth includes a surge in global hedge funds, private equity firms, and fintech startups choosing DIFC as their regional base. At this point, Dubai is the region's leading financial center, according to the Global Financial Centre Index, and is the gateway to conducting business in Africa as well.[42]

Meanwhile, to the west, the ascent of Mohammed bin Salman (often referred to by the acronym MBS) in Saudi Arabia in 2015 added further momentum to the Gulf region's geoeconomic reorientation. Saudi Vision 2030, Riyadh's modernization blueprint, seeks to rewire the kingdom's economy away from oil dependency and toward high-value logistics, manufacturing, and technology. A cornerstone of this strategy is the kingdom's investment of over $267 billion into its logistics sector, aiming to transform the nation into a global logistics hub by 2030.[43] This substantial investment has already yielded significant results, with Saudi Arabia climbing 17 places in the World Bank's Logistics Performance Index and 14 positions in the International Air Transport Association's Global Connectivity Index.[44]

Similarly, in the financial sector, Riyadh seeks to compete with Dubai by implementing policies designed to attract multinational corporations.[45] Notably, the Saudi government has mandated that companies wishing to secure government contracts must establish their regional headquarters within the Kingdom. This policy has successfully

[37] Mike Schuler. "DP World Reports Record $20 Billion Revenue Amid Global Trade Challenges, Plans Major Port Investments," *gCaptain*, March 13, 2025. https://gcaptain.com/dp-world-reports-record-20-billion-revenue-amid-global-trade-challenges-plans-major-port-investments/.
[38] "DXB Records Highest Annual Traffic in 2024, Celebrating a Decade as the World's Busiest International Airport." Dubai Airports, January 30, 2025. https://media.dubaiairports.ae/dxb-records-highest-annual-traffic-in-2024-celebrating-a-decade-as-the-worlds-busiest-international-airport/.
[39] Mair, Findlay. "How Al Maktoum International Airport Will Develop into a New Mega-Hub." *Time Out Dubai*, May 9, 2025. https://www.timeoutdubai.com/news/al-maktoum-international-airport-plans.
[40] Wintermeyer, Lawrence. "Dubai: On the Road to Becoming a Top Global Financial Services Hub." *Forbes*, June 16, 2023. https://www.forbes.com/sites/lawrencewintermeyer/2023/06/16/dubai-on-the-road-to-becoming-a-top-global-financial-services-hub/.
[41] "DIFC Marks 20th Anniversary with Record Annual Performance, Reinforcing Its Position as the Region's Leading Global Financial Centre." Government of Dubai Media Office, February 18, 2025. https://www.mediaoffice.ae/en/news/2025/february/18-02/difc-delivers-historic-performance-in-2024.
[42] *Ibid*.
[43] Hassan, Nadin, and Mohammed Al-Kinani. "Saudi Arabia to Invest $267bn in Logistics to Become Global Hub by 2030: Minister." *Arab News*, October 13, 2024. https://www.arabnews.com/node/2575114/business-economy.
[44] *Ibid*.
[45] Nair, Adveith. "The Race to Become the Middle East's Financial Hub Is Heating Up." *Bloomberg*, March 10, 2025. https://www.bloomberg.com/news/newsletters/2025-03-10/after-dubai-abu-dhabi-riyadh-doha-joins-finance-hub-race-uae-s-turkey-pledge.

enticed over 550 multinational companies, including industry giants like PepsiCo, Unilever, and Siemens, to relocate their regional bases to Riyadh.[46]

In the end, both the UAE and Saudi Arabia are chasing the same transformation: to evolve from traditional petro-states into indispensable nodes of the global economy. Their ambitions converge on becoming financial hubs for the Middle East and Africa, and logistical gateways for the world. Both countries are betting that their future relevance will be built on connectivity.

V. India's Return to the World

Then there is India, the origin and engine of the Golden Road. After two centuries of colonial exploitation and a tentative post-independence developmentalist phase, India is poised to reemerge as a global force. Since its liberalization in 1991, its GDP has ballooned from $270 billion to over $3.7 trillion by 2022, making it the world's fifth-largest economy.[47] By the end of this decade, it will likely be the third.[48] This sustained high growth, along with a burgeoning middle class and a thriving digital economy, is increasingly attracting foreign investment.

Equally important is the country's domestic reorientation of its economic geography. For decades, India's development strategy disproportionately favored its inland and northern regions, a pattern rooted in colonial-era institutional legacies and reinforced by post-independence planning.[49] Under British rule, the fertile alluvial plains of the Indo-Gangetic belt became the primary locus of revenue extraction through land taxes, leading to heavy investment in irrigation and administrative infrastructure in these areas.[50] This emphasis carried over into the postcolonial period, where the state's economic priorities remained fixated on self-sufficiency in food production and state-led industrialization, both of which naturally gravitated toward the interior.[51] Coastal regions, and their potential as maritime trade gateways, were relatively neglected as a consequence of this inward-looking model that treated external trade with suspicion and favored autarkic policies. As a result, India's long coastline and natural harbors remained underutilized assets.

That is now changing. Under Prime Minister Narendra Modi, New Delhi has placed renewed emphasis on coastal infrastructure, port modernization, and maritime trade through initiatives like the Sagarmala Programme, which aims to transform over 7,500 kilometers of coastline into engines of economic growth.[52] The program envisions the creation of new port infrastructure, enhanced connectivity via road and rail, and the development of coastal economic zones. Ports like Mundra, Visakhapatnam, and Cochin are being retooled into international trade gateways. In doing so, India seeks to reassert its place in the architecture of global trade it once dominated.

In this context, New Delhi is also taking advantage of U.S.-China economic decoupling efforts to position itself as a key player in supply chain diversification. To that end, Indian policymakers are increasingly looking westward and have been actively strengthening commercial and diplomatic relationships. In the West, India pursued deeper economic and defense ties with the United States, France, and the European Union.[53] Notably, France emerged as a significant defense partner, supplying Rafale jets and Scorpène submarines, and engaging in joint naval exercises to enhance maritime interoperability.[54] Simultaneously, India expanded its engagement with the Gulf Cooperation Council (GCC) countries, particularly the United Arab Emirates and Saudi Arabia, focusing on energy cooperation, trade, and infrastructure investments.

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[46] Cornish, Chloe and Andrew England. "Big Companies Heed Saudi Arabia's Demand to Set Up Regional HQs." *Financial Times*, January 30, 2024. https://www.ft.com/content/fa7fe23b-388b-435c-afec-d1213a683055.
[47] "India Full Year GDP Growth." Trading Economics. 2025. https://tradingeconomics.com/india/full-year-gdp-growth.
[48] Sinha, Shishir. "India Set to Become 3rd Largest Economy by 2030, Says S&P Global." *The Hindu Business Line*, December 5, 2023. https://www.thehindubusinessline.com/economy/india-set-to-become-3rd-largest-economy-by-2030-says-sp-global/article67607959.ece.
[49] Singh, Nirvikar. *India's Development Strategy: Accidents, Design and Replicability*. MPRA Paper 12453. Munich: University Library of Munich (MPRA), September, 2008. https://mpra.ub.uni-muenchen.de/12453/1/MPRA_paper_12453.pdf.
[50] *Ibid*.
[51] *Ibid*.
[52] "Introduction: Overview of Sagarmala Programme." Ministry of Ports, Shipping and Waterways, Government of India, n.d. https://sagarmala.gov.in/about-sagarmala/introduction.
[53] Asia Pacific Task Force. "India and the EU: Strategic Realignment in the Era of 'America First.'" Beyond the Horizon, March 11, 2025. https://behorizon.org/india-and-the-eu-strategic-realignment-in-the-era-of-america-first/.
[54] Sharma, Ashok. 2024. "France's Macron Tours Historic Sites with India's Modi and Will Be the Chief Guest for Republic Day." *AP News*, January 25, 2024. https://apnews.com/article/india-france-president-macron-visit-7ad5e2c1829bf940fe481f22d419a5a5.

VI. America's New Doctrine

Hovering above all this is the United States. Once the enforcer of unipolar order, Washington has squietly realized that the peak of its power is likely behind it. Given the realities of great power competition in a new multipolar geopolitical context, U.S. policymakers are pivoting toward curating regional equilibria that favor American interests. This strategic adjustment is less a radical break than a recognition of structural constraints: America can no longer dominate every theater directly, and must instead guide the formation of regional systems where its influence remains decisive but not all-consuming. In practice, this has meant redefining relationships with allies, shifting from open-ended security guarantees to conditional support, and encouraging the emergence of regional partners capable of managing local crises within a framework that ultimately serves U.S. objectives. This evolving posture, which I have previously termed the *American Sphere Doctrine*, reflects a reorientation from global stewardship to the consolidation of influence within key geostrategic corridors.[55]

Building a new transregional economic and security order in the Indo-Mediterranean is an example of this, and serves myriad purposes for U.S. foreign policy. First, it reinforces India's ascent as a counterweight to China. Second, it allows Washington to reduce its military footprint in the Middle East by promoting burden-sharing across Europe, the Gulf, and South Asia, as its regional partners' newfound economic interdependence incentivizes them to be more interested in their own defense. Third, it creates a budding counternarrative to China's Belt and Road Initiative. As a result, as the United States refocuses its primary attention to the Indo-Pacific, it can create a reliable corridor that stretchs from the Mediterranean to the Indian Ocean without passing through Chinese or Russian areas of interest.

This shift is also a response to the internal limits of American state capacity. Years of costly overseas engagements have led to public exhaustion and bipartisan skepticism toward expansive military commitments. The political appetite for open-ended interventions has waned, replaced by a preference for indirect tools of influence: public diplomacy, economic connectivity, defense industrial cooperation, and strategic infrastructure investment. American strategists increasingly understand that their country's strength in the coming era will depend on constructing durable regional frameworks that, while not requiring permanent U.S. deployments, nonetheless align the choices of partners with American preferences.

Finally, the emergence of this doctrine reflects the evolution of America's role from a universalist enforcer to a selective architect of order. Where once the goal was to preserve a globalized liberal order, the emphasis now is on securing influence within defined spheres: functional, regional, and infrastructural. The United States, in other words, is recalibrating its involvement to focus on corridors and coalitions that matter most. The Indo-Mediterranean is one such arena; it is a region where strategic geography, economic potential, and alliance politics converge. Washington cannot manage every crisis within it. It can, however, promote the scaffolding that allows this transregional system to function in ways compatible with American interests.

The Signing of IMEC and Developments Since

All of these forces culminated in September 2023 with the formal unveiling of the IMEC initiative at the G20 Summit in New Delhi.[56] Backed by eight signatories—India, the UAE, Saudi Arabia, Italy, France, Germany, the EU, and the United States—IMEC was billed as nothing less than the most significant trade corridor since the Suez Canal. Its structure is ambitious: a mosaic of railways, highways, ports, fiber optic cables, and pipelines, it aims to bypass chokepoints and diversify supply chains.

At this point, a point of order is necessary: IMEC is increasingly understood to refer specifically to the corridor's proposed overland transport component: a route that begins at ports in the UAE and Saudi Arabia, traverses the kingdom's north, passes through Jordan, and terminates in Israel, primarily at the port of Haifa. This is the spine of the project; the physical segment most likely to reshape regional trade flows in the immediate term.

For clarity, then, moving forward, this paper will use "IMEC" to refer to this specific overland arc, while the term "New Golden Road" will denote the broader tran-

[55] Roa, Carlos. "Welcome to Imperial America." The Institute for Peace and Diplomacy, March 7, 2025. https://peacediplomacy.org/2025/03/07/welcome-to-imperial-america/. The rest of this subsection is largely based upon this essay.
[56] "Memorandum of Understanding on the Principles of an India – Middle East – Europe Economic Corridor." The White House, September 9, 2023. https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2023/09/09/memorandum-of-understanding-on-the-principles-of-an-india-middle-east-europe-economic-corridor/.

Announcement of India-Middle East-Europe Economic Corridor IMEC) in New Delhi at the 2023 G20 Summit. Image courtesy of the Office of the Prime Minister of India.

sregional corridor it anchors, encompassing maritime, digital, and energy linkages from South Asia to Europe.

European Commission President Ursula von der Leyen, speaking shortly after the corridor's announcement, emphasized that the New Golden Road would "make trade between India and Europe 40 [percent] faster," with the potential to reduce transportation costs by up to 30 to 40 percent.[57] She also highlighted its multimodal dimension, with an electricity cable and clean hydrogen pipeline to foster energy trade, and a high-speed data cable to link Europe, the Middle East, and South Asia's digital economies.[58] The latter is a reference to the so-called SEA-ME-WE 6 cable—a 19,200 km undersea fiber-optic system connecting Southeast Asia to Western Europe via the Middle East, which the United States actively steered toward American firm SubCom after concerns over Chinese contractor HMN Tech and espionage risks.[59]

Time and circumstance, however, has not been favorable to the New Golden Road. Progress has been mixed.[60] The tragedy of the initiative is that the IMEC announcement occured less than a month before Hamas' October 7 attack in Israel, which has seemingly brought almost all talk of Middle Eastern regional integration to a halt on the political and diplomatic level. This was followed by the still-ongoing Gaza War, tensions in the Red Sea, the collapse of the Assad government in Syria, and, of course, the election of President Donald Trump in the United States.

As a result, a mixed picture emerges. The India-Middle East segment of the initiative has made commendable strides in the past two years. Trade between India and the UAE rose to over $83 billion, with ambitious infrastructure plans well underway.[61] Saudi Arabia, likewise, has begun investing heavily in the transport backbone needed to make the corridor viable, along with pledging $20 billion into IMEC itself.[62]

[57] Rizvi, Osama. "From India to Europe: Economic Corridor to Offer New Trade Opportunities." *Euronews*, December 15, 2023. https://www.euronews.com/business/2023/12/15/from-india-to-europe-economic-corridor-to-offer-new-trade-opportunities.
[58] *Ibid*.
[59] Brock, Joe. "U.S. and China Wage War beneath the Waves – Over Internet Cables." *Reuters*, March 24, 2023. https://www.reuters.com/investigates/special-report/us-china-tech-cables/.
[60] Roa, Carlos, Francesco Talò, Giulio Terzi, Kaush Arha, and Mukesh Aghi. "IMEC at One Year: India-Middle East Leads, Europe Needs to Recommit." *The National Interest*, September 10, 2024. https://nationalinterest.org/feature/imec-one-year-india-middle-east-leads-europe-needs-recommit-212678.
[61] *Ibid*.
[62] Rizzi, Alberto. "Grand Designs: Linking Europe to India via the Gulf," European Council on Foreign Relations, September 14, 2023. https://ecfr.eu/article/grand-designs-linking-europe-to-india-via-the-gulf/.

Yet the European-to-Middle East segment lags. Italy, despite being the first European IMEC signatory, has moved cautiously.

Primarily, this is because the situation in Gaza and the Red Sea has pushed most political actors to adopt a "wait-and-see" approach. This is despite intense Israeli pressure and lobbying. See no further than September 2024, when Israeli Prime Minister Benjamin Netanyahu described the corridor as a "blessing" for the Middle East and labeled Iran and its Shia Crescent allies a "curse" during his speech at the 79th session of the United Nations General Assembly. He even brought up maps to the podium. Nonetheless, the New Golden Road, as a multilateral diplomatic initiative, appears to have stalled.

Türkiye, however, has not been idle. Almost immediately after the corridor's announcement, Ankara made clear that it regarded the initiative as a bypass that excluded it from its historical role as Eurasia's primary bridge. In the words of President Recep Tayyip Erdogan, "there is no corridor without Türkiye," and "the most convenient line for traffic from east to west has to pass through Türkiye."[63] In response, the country has begun more publicly championing its rival "Iraq Development Road" project (nicknamed, the "Dry Canal"), which spans 1,200 km from Grand Faw Port in the Persian Gulf, through Iraq, and into Türkiye before reaching Europe.[64][65] The project's proponents note that, unlike the amorphous IMEC, the Iraq Development Road is concrete, has a firm expected cost ($25 billion), and offers "the most feasible alternative among existing routes."[66] Specifically, while shipping cargo "via the Suez Canal takes around 35 days and the Cape of Good Hope route stretches to 45 days, the Iraq Development Road is projected to reduce that travel time to just 25 days."[67]

Meanwhile, more broadly, new threats have ironically *reinforced* the corridor's underlying logic. The Houthi blockade of the Red Sea, launched in response to the Gaza War, has severely disrupted global maritime flows. The Bab el-Mandeb Strait, the entrance to the Red Sea—through which 12 percent of world trade, 30 percent of containerized goods, and 8.6 million barrels of oil pass daily—has seen insurance premiums skyrocket as high as 900 percent as Western and Israeli-linked vessels come under attack.[68][69][70] Major shipping companies, such as Maersk and Mediterranean Shipping Company (MSC), have rerouted around the Cape of Good Hope, adding 10 to 14 days in transit time and increasing overall shipping costs by up to 40 percent.[71]

The United States, for its part, launched "Operation Prosperity Guardian" to secure Red Sea lanes, only to expend massive quantities of ammunition and interceptive hardware in what has become a drawn-out and inconclusive campaign. The broader issue—Washington's depleted industrial base and sluggish defense replenishment—has only underscored how brittle existing global logistics chains have become under duress and that the United States can no longer reliably serve as the sole guarantor of global sea trade.[72] Its inability to secure even a single chokepoint underscores the limits of erstwhile unipolar power given a constrained military-industrial base, new innovations in military technology, and competing demands. It also reinforces the need for regional frameworks that distribute both risk and responsibility.

The implications of this are not mere abstractions. Global trade disruptions in 2024 are estimated to have shaved off

[63] Soylu, Ragip. "Türkiye's Erdogan Opposes India–Middle East Corridor." *Middle East Eye*, September 11, 2023. https://www.middleeasteye.net/news/turkey-erdogan-opposes-india-middle-east-corridor.
[64] Duman, Bilgay, and Mehmet Alaca. "Basra–Türkiye Dry-Canal Project: Ambitious Vision or Pipe Dream?" Arab Gulf States Institute, February 22, 2023. https://agsi.org/analysis/basra-turkey-dry-canal-project-ambitious-vision-or-pipe-dream/.
[65] Elmalı, Burak. "Türkiye's Development Road: A New Era in Eurasian Trade and Inter-connectivity." TRT World Research Centre, August 27, 2024. https://researchcentre.trtworld.com/blogs/turkiyes-development-road-a-new-era-in-eurasian-trade-and-inter-connectivity/.
[66] *Ibid*.
[67] *Ibid*.
[68] Qiao, Jun; Li, Yitong; and Huang, Mingxuan. 2025. "The Geopolitical Importance of Bab el-Mandeb Strait: A Strategic Gateway to Global Trade." Middle East Policy & Economics Institute (MEPEI), n.d. https://mepei.com/the-geopolitical-importance-of-bab-el-mandeb-strait-a-strategic-gateway-to-global-trade/.
[69] "Bab el-Mandeb Strait: Tension at a Global Trade Route." Coface, May 14, 2025. https://www.coface.ch/news-publications-insights/bab-el-mandeb-strait-tension-at-a-global-trade-route.
[70] ATOS-MA. "Red Sea War-Risk Insurance Premiums Surge 900 % Due to Attacks." AtoShipping, February 28, 2024. https://atoshipping.com/red-sea-war-risk-insurance-premiums-surge-900-due-to-attacks/.
[71] Ship & Bunker News Team. "Suez Avoidance to Add 40 % to Singapore–Rotterdam Bunker and EUA Cost." *Ship & Bunker*, December 20, 2023. https://shipandbunker.com/news/world/696631-suez-avoidance-to-add-40-to-singapore-rotterdam-bunker-and-eua-cost.
[72] Fein, Jim. "The U.S. Navy Is Running Dangerously Low on Munitions." Heritage Foundation, August 15, 2024. https://www.heritage.org/defense/commentary/the-us-navy-running-dangerously-low-munitions.

nearly 7 percent of global GDP, equating to some $3.18 trillion in losses, which is roughly the size of France's entire economy.[73 74 75]

It is in this context—problems at key chokepoints, the inability United States to clear them, the stagger costs of disrupted trade—the New Golden Road begins to appear less like a visionary bet and more like a necessary redundancy. It is a fail-safe against further chokepoint instability by promoting multiple alternative trade routes to ensure broader logistics resiliency.

But perhaps most consequential development has been the collapse of the Assad regime in December 2024, which has altered the calculus of the New Golden Road entirely. This is because, with a new regime in Damascus, a new overland option has emerged: a route connecting Iraq and the Arabian Peninsula to the Mediterranean via Syria's western coastal ports of Latakia and Tartus. This prospective route—wich passes through Anbar and Deir ez-Zor and links the Gulf to Syria—offers a compelling alternative. It would bypass Iran, Türkiye, *and* Israel, giving Gulf states, particularly Saudi Arabia and the UAE, a direct route to the Mediterranean. Concurrently, it aligns with U.S.-backed reconstruction efforts in post-Assad Syria, opening new commercial possibilities while serving as a buffer against Iranian and Hezbollah influence in the Levant.

The political signal from Washington has already been sent. During his visit to Riyad in May, President Donald Trump announced the lifting of all remaining U.S. sanctions on Syria—a dramatic reversal of decades of bipartisan policy.[76] Though implementation will take time, the decision effectively cleared the way for international firms and governments to engage economically with Damascus. Trump explicitly credited Crown Prince Mohammed bin Salman and Turkish President Recep Tayyip Erdoğan for securing this shift, implicitly affirming their role as regional power-brokers, facilitators of Syria's economic reintegration, and indicated their interest in this prospective new route.[77]

Even as the sanctions were being rolled back, the outlines of Syria's new economic strategy was coming into focus. Damascus had already begun negotiating agreements with global logistics giants like France's CMA CGM and the UAE's DP World to modernize and operate the ports of Latakia and Tartus.[78 79] In parallel, the Syrian Ministry of Communications unveiled the "Silk Link" initiative, a national fiber-optic strategy designed to position Syria "as a strategic corridor for data movement between Asia and Europe," in the words of Minister of Communications Abdulsalam Haykal.[80]

On the ground, practical signs of reactivation are already visible. The long-dormant Jordanian-Syrian Joint Free Zone is being revived, offering a new commercial gateway for goods flowing north from the Arabian Peninsula.[81] Delegations from China, Japan, and South Korea have arrived in Damascus, drawn by the prospect of a postwar transit hub capable of linking East Asia's manufacturing base with European markets.[82 83 84] Simultaneously, a consortium of firms from Türkiye, Qatar, and the United States have pledged $7 billion to Syria's energy

[73] Karunska, Kateryna, and Spencer Feingold. "Economic Outlook 2024: Recession, Inflation, and a Slower World Economy." World Economic Forum, January 15, 2024. https://www.weforum.org/stories/2024/01/economic-outlook-2024-recession-inflation/.
[74] NGDP_RPCH: Real GDP Growth (Annual %), World Economic Outlook (WEO) Database, International Monetary Fund, n.d. https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD.
[75] Galan, S. Topic: Economy of France. Statista, November 15, 2024. https://www.statista.com/topics/11721/economy-of-france/#topicOverview.
[76] Mateus, Juan. "Trump Says Will Remove U.S. Sanctions on Syria." *Reuters*, May 13, 2025. https://www.reuters.com/world/trump-says-will-remove-us-sanctions-syria-2025-05-13/.
[77] *Ibid*.
[78] Gebeily, Maya, Jonathan Saul, and Gus Trompiz. "Syria Signs New 30-Year Deal with French Shipping Giant CMA CGM." *Reuters*, May 1, 2025. https://www.reuters.com/business/syria-signs-new-30-year-deal-with-french-shipping-giant-cma-cgm-2025-05-01/.
[79] "Syria Signs Tartous Deal with DP World." *The Maritime Standard*, May 20, 2025. https://www.themaritimestandard.com/syria-signs-tartous-deal-with-dp-world/.
[80] "SilkLink Project Aims to Reconnect Syria with the Digital World." *L24*, May 16, 2025. https://levant24.com/news/2025/05/silklink-project-aims-to-reconnect-syria-with-the-digital-world/.
[81] "Jordanian-Syrian Joint Free Zone Resumes Operations." *The Jordan Times*, January 27, 2025. https://jordantimes.com/news/local/jordanian-syrian-joint-free-zone-resumes-operations.
[82] "President al-Sharaa Receives a Delegation of Businessmen from the People's Republic of China." *SANA* (Syrian Arab News Agency), May 1, 2025. https://sana.sy/en/?p=354144.
[83] Lucente, Adam. "Syria Hosts Japanese Delegation as Interim Government Looks to Shore Investment." *Al-Monitor*, January 16, 2025. https://www.al-monitor.com/originals/2025/01/syria-hosts-japanese-delegation-interim-government-looks-shore-investment.
[84] Da-gyum, Ji. "South Korea Forges Ties with Syria in Secret Visit by Top Diplomat to Damascus." *The Korea Herald*, April 11, 2025. https://www.koreaherald.com/article/10462717.

sector, with plans to construct new power plants aimed at alleviating the country's chronic electricity shortages. Finally, Syria, Jordan, and Türkiye are in talks to revive the old Hejaz Railway by reconnecting Damascus and Amman—a project that could be executed relatively quickly and at low cost, offering a tangible symbol of Syria's reintegration into the region's transport grid.[85] [86] [87]

Overall, Syria is no longer merely a space of conflict or humanitarian concern; what is now taking shape is a third strategic overland trade route—alongside IMEC and the Iraq Development Road—that further fragments the region's logistical geography. As of yet, this emerging route lacks a formal name. For the purposes of this paper, it will be referred to as the *Levantine Road*. If realized, it would represent a historic reversal of Syria's isolation, granting the Gulf states a direct path to the Mediterranean and giving Damascus a chance to reposition itself as a transit hub between Asia and Europe.

This has multiple implications for regional players. For Türkiye—which currently holds disproportionate sway over Syria—it reinforces Ankara's ambition to become the central node in east-west logistics, complements its Middle Corridor strategy, and expands its economic and political influence in the region, all while sidelining regional competitors. For Saudi Arabia and the UAE, it opens a new strategic outlet to the sea and reduces dependency on Egypt and Israel. For Israel, by contrast, the implications are less favorable. The Levantine Road would function as a direct competitor to IMEC—both geographically and politically—diminishing the country's centrality within the New Golden Road framework and weakening its case as the region's default transit hub.

Much, then, will depend on whether this route can be formalized, financed, and secured. But its emergence alone is already reshaping the assumptions upon which the New Golden Road was proposed: that integration would run through Israel, that bypassing Syria was permanent, and that the future of Middle Eastern trade could be charted without accounting for the region's unfinished wars. Like the Hejaz Railway, the map of the Middle East may yet be redrawn by men who mistake the laying of track for the consolidation of order—and who forget how quickly the sands can reclaim both.

The Current State of the New Golden Road

Taken together, what began as a single corridor—IMEC—has now evolved into a wider framework. This is the New Golden Road, comprised of three distinct overland routes: the IMEC spine from the Gulf to Haifa, the Iraq Development Road to Türkiye, and the newly emerging Levantine Road through Syria.

While this proliferation of pathways introduces competition and complexity, it also signals a deeper and broadly positive shift: countries across the region are actively seeking economic integration, investing in infrastructure, and building redundancy into trade and transit networks. In an era defined by strategic volatility and the fragility of global supply chains, this turn toward diversified overland connectivity reflects an unmistakable logic. The precise outcome of the rivalry between these corridors remains to be seen. But the fundamentals—resilience, integration, and strategic hedging—are growing stronger. The New Golden Road may not follow a single path, but its overall direction is clear.

[85] Rahman, Fareed. "UAE's Al Habtoor Group Explores Investment Opportunities in Syria." *The National*, June 9, 2025. https://www.thenationalnews.com/business/economy/2025/06/09/uaes-al-habtoor-group-to-explore-investment-opportunities-in-syria/.
[86] Alpay, Esra Karataş. "How the Iconic Hejaz Railway Benefits Syria and the Wider Region." TRT World, January 25, 2025. https://www.trtworld.com/turkiye/how-the-iconic-hejaz-railway-benefits-syria-and-the-wider-region-18249376.
[87] McCarron, Leon. "The Unlikely Revival of a Great Middle Eastern Railroad." *Noema Magazine*, March 12, 2025. https://www.noemamag.com/the-unlikely-revival-of-a-great-middle-eastern-railroad/.

Like the Hejaz Railway, the map of the Middle East may yet be redrawn by men who mistake the laying of track for the consolidation of order—and who forget how quickly the sands can reclaim both.

Old obsolete rails of the Hejaz Railway in the Wadi Rum desert (Adobe Stock)

Hungary's Stake in the New Golden Road

What, then, does all this mean for Hungary?

At first glance, a landlocked country nestled in the heart of Central Europe might appear peripheral to a maritime corridor stretching from Mumbai to the Mediterranean. But this is precisely the point. To borrow from the renowned strategist Edward Luttwak, the Romans and Byzantines "thought in terms of routes from place to place rather than spaces, and relied on itineraries rather than maps."[88] The logic of the New Golden Road works similarly; it is not confined to coastlines. It is about corridors—of trade, energy, data, and influence—that tie hinterlands to global flows. And few countries stand to benefit more from this shift than Hungary, whose geography places it at the confluence of Europe's east-west and north-south axes.

Yet to grasp how the New Golden Road intersects with Hungarian interests, one must first understand Hungary's evolving foreign policy strategy. In recent years, Budapest has pursued a distinct and often misunderstood approach to diplomacy—assertive in sovereignty, flexible in alignment, and opportunistic in connectivity. This strategy, shaped by both structural constraints and deliberate design, offers important clues as to how Hungary might position itself along the emerging Indo-Mediterranean dynamic.

Hungarian Foreign Policy Strategy: A Brief Primer

Hungary does not yet possess a formal grand strategy, but the outlines of one are becoming increasingly discernible. In his 2024 speech at the Tusványos, Prime Minister Viktor Orbán described a historic global shift in which the world's strategic and economic center of gravity is tilting toward Asia. This sort of change, he argued, "has not been seen for five hundred years."[87] This transformation, being driven by rising Asian powers like China, India, and Indonesia, is occuring because they now possess—or are rapidly acquiring—the demographic, technological, financial, and military advantages once monopolized by the West. This, in Orbán's words, constitutes a "global system change."[89] And in response to this upheaval, Orbán declares that "If there is a global system change, then we need a grand strategy for Hungary."[91] While still under development, his remarks offered a candid preview of the principles likely to shape it.

At the core of this thinking is a sober reading of Hungary's geopolitical condition. Orbán describes the present moment as one in which "the boundary conditions exist for independent nationally-oriented policy towards America, Asia and Europe."[92] He emphasized that this strategic environment affords Hungary unusually wide latitude: "This space is wide – wider than it has been at any time in the last five hundred years."[93] The challenge, he argued, is to understand these conditions and then use them to Hungary's advantage.

Crucially, Orbán identified the essence of Hungary's emerging strategy with one word: "**connectivity**." As he put it, "we will not allow ourselves to be locked into only one of either of the two emerging hemispheres in the world economy."[94] Instead, Hungary must position itself "in both, in the Western and in the Eastern."[95] In other words, Hungary must not be constrained by blocs and binary alignments in the pursuit of its own national interests: "We are gathering friends and partners, not economic or ideological enemies. We are not taking the intellectually much easier path of latching on to someone, but we are going our own way."[96] Connectivity, in this context, is not just about infrastructure; it is about entrenching Hungary within the circulatory systems of multiple power centers simultaneously.

[88] Luttwak, Edward N. *The Grand Strategy of the Byzantine Empire* (Cambridge, MA: Belknap Press of Harvard University Press, 2009). p.145.
[89] Orbán, Viktor, "Lecture of Prime Minister Viktor Orbán at the 33rd Bálványos Summer Free University and Student Camp," Cabinet Office of the Prime Minister of Hungary, July 27, 2024. https://miniszterelnok.hu/en/speech-by-prime-minister-viktor-orban-at-the-33rd-balvanyos-summer-free-university-and-student-camp/.
[90] *Ibid.*
[91] *Ibid.*
[92] *Ibid.*
[93] *Ibid.*
[94] *Ibid.*
[95] *Ibid.*
[96] *Ibid.*

Hungarian Prime Minister Viktor Orbán (center) speaking at the 33rd Bálványos Summer Free University and Student Camp (also known as Tusványos). To the left is Zsolt Németh, Chairman of the Foreign Affairs Committee of the National Assembly of Hungary. Image courtesy of the Cabinet Office of the Prime Minister of Hungary.

The formal task of crafting this grand strategy of connectivity, Orbán noted, falls to the office of his political director, Balázs Orbán (no relation), whose writings and public remarks increasingly serve as a window into Hungary's emerging strategic doctrine. It is therefore necessary to turn briefly to Balázs Orbán's thinking, which places national sovereignty, connectivity, and multipolar engagement at the center of Hungarian statecraft.

Balázs' views are perhaps best explored in his more recent book, *Hussar Cut: The Hungarian Strategy for Connectivity*. It outlines Hungary's foreign policy vision amid a changing world order and serves as a strategic blueprint for the current government's approach. Its central thesis, as Prime Minister Orbán said in his Tusványos speech, is that in an era of multipolarity and great power rivalry, small and mid-size states like Hungary can and must "take their destiny into their own hands" through bold strategy.[97] This is all the more in Hungary's case, since Balázs portrays the global order as on the "brink of collapse,"marked by new bloc formations, decoupling of East and West, and the return of Cold War-style tensions.[98] Given Hungary's unique circumstances—positioned at the historical crossroads of empires and blocs, too small to dominate its region, yet too central to be ignored—the most logical path forward is to adopt a grand strategy that revolves around the principle of connectivity. Not as a technical or economic choice, but as a structural response to Hungary's limitations. In practice, this means embedding Hungary within overlapping networks of infrastructure, trade, and diplomacy to ensure resilience, autonomy, and relevance in a fragmenting world order.

At the core of this strategy is the idea of Hungary as a "keystone state"—a country that, despite its modest size, serves as a stabilizing connector between larger powers and regions.[99] As a keystone state, Hungary must thus leverage its unique position and relationships to "mitigate the effects of today's geopolitical confrontations" while

[97] Balázs Orbán, *Hussar Cut: The Hungarian Strategy for Connectivity* (Budapest: MCC Press, 2024). p.10.
[98] *Ibid*. p. 30.
[99] As an aside and disclosure, I must note that I was responsible for the introduction of keystone state theory into the Hungarian context via my essay, "Between East and West: The Prospect of Hungary as a Keystone State," published in late 2022 in Vol. 2, No. 5 of the *Hungarian Conservative*. See more at https://www.hungarianconservative.com/articles/current/between-east-and-west-the-prospect-of-hungary-as-a-keystone-state/. Balázs, however, has significant expanded upon the concept in the Hungarian context.

preserving its sovereignty and interests by becoming a hub through which flows of energy, capital, ideas, and infrastructure can pass. Connectivity, then, is not merely a matter of logistics; it is the operating logic of a small state that seeks influence without dominance and sovereignty without isolation.

Hungary and the New Golden Road

It is within this framework that Hungary's interest in the New Golden Road becomes not only comprehensible, but strategically imperative: the initiative represents the kind of transregional infrastructure project that aligns perfectly with *Hussar Cut*'s logic. It embodies the kind of multidirectional, cross-bloc linkage that Balázs Orbán advocates: connecting East and West while bypassing traditional chokepoints and creating new avenues for influence.

For Hungary, participation in the New Golden Road thus offers three major strategic advantages. First, it extends Hungary's connectivity beyond the confines of the European Union, deepening its integration into global supply chains that reach South and West Asia. Second, it strengthens Hungary's positioning as a gateway into Central Europe, with Budapest potentially serving as a logistical terminus or transfer node for goods and energy entering the continent. And third, it allows Hungary to diversify its external relationships, tapping into rising powers like India and Gulf states without compromising its formal commitments to the EU and NATO.

Engagement with the New Golden Road thus aligns with Hungary's effort to escape geopolitical dependency by becoming indispensable to multiple players. Just as Hungary has cultivated economic ties with China, energy links with Russia, and investment partnerships with the Gulf, its participation in the New Golden Road would further entrench its role as a conduit between divergent regions. This is not opportunism, but calibrated response to the "global system change" that Viktor Orbán forsees. In other words, it is a way for Hungary to maintain agency in a world of shifting power centers.

What, then, are the *practical* ways in which Hungary can plug into this emerging corridor? There are three main avenues. *First*, by linking to the New Golden Road's maritime leg through the Port of Trieste, Hungary can secure a direct line to goods entering Europe from the Gulf and South Asia, and then send back European goods. *Second*, Budapest can position itself as a regional hub for air transit, both for passengers and cargo, between Europe and the wider corridor. *Third*, it can establish itself as a business and investment center for companies operating along the route.

The next three sections take each of these in turn, beginning with the sea.

The Sea Route: The Danube-to-Adriatic Corridor

Before exploring Hungary's potential connection to the New Golden Road via the sea, it's necessary to understand the broader contest currently unfolding over which European port will anchor the corridor's maritime leg. This is more than a matter of logistics; it is a geopolitical competition, quietly intensifying, over who will benefit from (and, in some ways, influence and control) the flow of goods and influence between India, the Gulf, and the European continent.

The Hidden Battle for the European Entrepôt

In truth, beneath the headlines and press releases, there lies a high-stakes and still-unresolved competition over which European port will become the primary point for goods arriving from and departing to India and the Gulf. While it's generally agreed that there is enough trade to go around for everyone, all relevant national players have an individual incentive to promote their own port, thus securing more EU infrastructure funding and customs traffic.

The Greeks have moved assertively, pitching Piraeus, already a major container hub under Chinese management, as the New Golden Road's natural Mediterranean terminus, with Thessaloniki as a northern complement. More recently, France has entered the fray, capitalizing on President Emmanuel Macron's strategic courtship of India. The opening of a new Indian consulate in Marseille in early February 2025 was more than symbolic: France is now actively promoting Marseille as a central European gateway for the corridor.[100] Italy, meanwhile, has begun backing Trieste, a deep-water port with historic commercial ties and a strategic location at the head of the Adriatic. Though smaller than Piraeus or Marseille, Trieste holds a logistical edge in its overland connectivity to Central and Eastern Europe.

This contest is being waged in shipping terminals, government halls, and, most intensely, through the subtler machinery of strategic narrative and influence, especially within the think tank sphere. The Observer Research Foundation (ORF), one of India's most prominent foreign policy institutes, has become a key venue for such signaling. Sometimes described as something akin to a shadow foreign ministry, ORF co-hosts the Raisina Dialogue, India's annual flagship geopolitics and geoeconomics conference, with the Ministry of External Affairs.

At the February 2024 Raisina Dialogue, Greece was given pride of place: Prime Minister Kyriakos Mitsotakis delivered a keynote speech that directly promoted Greek ports ("…we are your natural doorstep to Europe and beyond.") and shipping firms ("Greek shipowners—something which is absolutely critical also for India—control the largest merchant marine fleet in the world") as central pillars of the New Golden Road's European future.[101]

Yet the Greeks are not alone in courting Indian favor. In early June 2025, ORF co-hosted the inaugural Raisina Mediterranean Dialogue—a spin-off event co-sponsored by the Indian Foreign Ministry, the French Foreign Ministry, and, tellingly, the French shipping giant CMA CGM.[102] The message is clear: France is fusing commercial muscle with diplomatic outreach in its bid to elevate Marseille.

Italy's efforts, meanwhile, have been more localized but increasingly coordinated. The Trieste Summit Association, founded by native Triestinos with close ties to logistics and public diplomacy, has begun positioning the city as the New Golden Road's ideal European terminus.[103] In March 2025, a delegation from the association—joined by Massimiliano Fedriga, the Friuli-Venezia Giulia regional president, among other officials—attended the 2025 Raisina Dialogue in New Delhi to advocate for Trieste's strategic value. This appears to have been a watershed moment, as Rome is now racing to catch up with its France and Greece. In fact, the Italian government recently appointed a Special Envoy for IMEC,

[100] "Macron Courts Modi in Quest for Geopolitical Independence." *France 24*, February 12, 2025. https://www.france24.com/en/live-news/20250212-macron-courts-modi-in-quest-for-geopolitical-independence.
[101] Mitsotakis, Kyriakos. "Prime Minister Kyriakos Mitsotakis' Speech at the Inaugural Session of the Annual Conference 'Raisina Dialogue' in India," Prime Minister of the Hellenic Republic, February 21, 2024. https://www.primeminister.gr/en/2024/02/21/33705.
[102] "Raisina Mediterranean 2025." Observer Research Foundation, n.d. https://www.orfonline.org/event/raisina-mediterranean-2025.
[103] As an aside and disclosure: I myself helped play a role in the formation of the Trieste Summit Association, and remain the Secretary-General of the Association's Board of Advisors. See more at https://triestesummit.org/.

Ambassador Francesco Talò, formerly Prime Minister Giorgia Meloni's top diplomatic advisor.[104 105]

Which Port is Optimal for Hungary?

Which port, then, best serves Hungary's interests in this emerging competition? Given the strategic stakes and geographic realities, where should Budapest place its bet?

Port	Cargo Throughput (approx.)	Container Volume (TEU)	Notes
Trieste (Italy)	62 million tons[109]	~878,000 (transshipment)[110]	Largest Italian port by tonnage, deep-water port.
Koper (Slovenia)	25 million tons[111]	>1.13 million (transshipment)[112]	Adriatic leader in container transshipment.
Rijeka (Croatia)	13–14 million tons[113]	~520,000[114]	Largest Croatian port, diverse cargo.

At first blush, one might assume that it would be the Croatian port of Rijeka (historically known as Fiume), which is only 63 kilometers away from Trieste and was once Hungary's primary port, due to political and economic decisions within the Habsburg Empire. In fact, under Hungarian administration, the city and port were, at one point before World War I, one of Europe's busiest ports, ranking tenth in cargo turnover by 1913.[106] It was vital for Hungary's exports and imports, serving as its gateway to global markets. However, Rijeka ceased to be Hungary's primary port after World War I, following the collapse of the empire. Rijeka then became part of the newly formed Kingdom of Serbs, Croats, and Slovenes (later Yugoslavia), and was eventually occupied by Italy. Although Hungary has retained some usage rights of Rijeka as a duty-free port after 2001, it no longer has sovereign access.[107]

Instead, in 2019, the Hungarian government made its intentions clear: Italian Trieste, not Croatian Rijeka, would serve as its maritime link to the wider world. As announced by the Ministry of Foreign Affairs and Trade, Hungary acquired a 32-hectare parcel within the Port of Trieste to develop its own logistics base (Adria Port), marking the first time in over a century that Hungary would possess sovereign access to a seaport.[108]

The rationale was straightforward: while Rijeka retains historical resonance as Hungary's former imperial port, Trieste offered greater logistical capacity and connectivity. Per recent data, Trieste handles over 62 million tons of cargo annually, compared to Rijeka's 13 to 14 million. The nearby Slovenian port of Koper, for its part, leads both ports in container volume with more than 1.13 million twenty-foot equivalent unit (TEUs), though its total cargo tonnage (25 million) is far lower than Trieste's. The data thus points to a clear tradeoff: Koper dominates in containers, Trieste in bulk and intermodal throughput, and Rijeka remains limited in both. Against this landscape, Hungary's move toward Trieste aligned with the goal of anchoring itself to a high-capacity, rail-integrated Adriatic gateway with deeper integration into European transport corridors and, critically, a more favorable investment and regulatory environment.

[104] "Ambassador Talò Appointed Special Envoy." *AdriaPorts*, April 3, 2025. https://www.adriaports.com/en/politics-associations/ambassador-talo-appointed-special-envoy/.
[105] A further disclosure: Amb. Talò is a member of the advisory board of the Trieste Summit Association.
[106] Fried, Ilona. "Out to Sea, Hungarians! History, Myth, Memories. Fiume 1868–1945," *Spiegelungen: Zeitschrift für deutsche Kultur und Geschichte Südosteuropas*, 15, no. 1 (2020): 99–109, https://spiegelungen.net/out-to-sea-hungarians.
[107] Rogers, David. "Hungary to End Landlock with Port on the Adriatic," *Global Construction Review*, February 24, 2025. https://www.globalconstructionreview.com/hungary-to-end-landlock-with-port-on-the-adriatic/.
[108] "Hungary to Establish Maritime Port in Trieste." Ministry of Foreign Affairs and Trade of Hungary, July 5, 2019. https://2015-2019.kormany.hu/en/ministry-of-foreign-affairs-and-trade/news/hungary-to-establish-maritime-port-in-trieste.
[109] Menon, Ajay. "Top 14 Major Ports in Italy." *Marine Insight*. March 14, 2024. https://www.marineinsight.com/know-more/top-14-major-ports-in-italy/.
[110] InTrieste Editorial Team. "Port of Trieste Sets Container Record Despite Broader Slowdown." *InTrieste*, May 8, 2025. https://www.intrieste.com/2025/05/08/port-of-trieste-sets-container-record-despite-broader-slowdown/.
[111] "Port of Koper Handled 23 Million Tons of Cargo in 2024, Up 3%." *Ports Europe*, January 13, 2025. https://www.portseurope.com/port-of-koper-handled-23-million-tons-of-cargo-in-2024-up-3/.
[112] *Ibid*.
[113] "Study on the Economic Impact of Rijeka Port Development Presented." ENNA Next, April 16, 2025. https://www.enna-next.hr/en/news/study-on-the-economic-impact-of-rijeka-port-development-presented/.
[114] Baniak, Sandra, and Konrad Popławski. "The Adriatic Ports: A Silent Expansion onto the Central European Markets." OSW Commentary, no. 541. Centre for Eastern Studies (OSW). October 2, 2023. https://www.osw.waw.pl/en/publikacje/osw-commentary/2023-10-02/adriatic-ports-a-silent-expansion-central-european-markets.

Hungary's move toward Trieste aligned with the goal of anchoring itself to a high-capacity, rail-integrated Adriatic gateway with deeper integration into European transport corridors and, critically, a more favorable investment and regulatory environment.

Trieste, Italy (Adobe Stock)

It is also, interestingly, an important energy hub: the city is the starting point of the Transalpine Pipeline, and thus the primary port for oil imports destined for good swathes of Central and Eastern Europe (in particular, Germany, Austria, and the Czech Republic).

Still, what ultimately enables, or constrains, strategic value is how efficiently goods can move beyond it. Whether shipments enter through Trieste, Koper, or Rijeka, they depend on a largely overlapping network of road and rail corridors running through Slovenia and Croatia into Hungary.

The State of the Danube-to-Adriatic Corridor

While Hungary's strategic investment in Trieste positions it to benefit directly from the maritime leg of the New Golden Road, infrastructure is only as useful as the connectivity it enables. As it stands, the corridor linking Trieste to Budapest—what I term the *Danube-to-Adriatic Corridor*—is more functional than formidable. It is a patchwork of road, rail, and terminal assets spanning five countries: Italy, Slovenia, Croatia, Austria, and Hungary. Among these, rail is the primary strategic mode, especially for freight, given its ability to move large quantities of goods inland from Trieste with speed and efficiency. Though the Corridor possesses many of the necessary components to serve as a major conduit of goods, it also suffers from infrastructural gaps, inconsistent service quality, and long-standing interoperability challenges that must be overcome if it is to fully anchor Hungary to the New Golden Road.

Begin with rail. At present, freight rail service between Trieste and Budapest is active and growing. As of 2025, Trieste handles over 10,000 trains per year, with between 6 and 8 freight trains per day linking the port to Hungarian logistics centers such as BILK in Budapest and the new terminal under construction in Zalaegerszeg (slated to be in operation by the end of 2025).[115 116 117 118]

These trains primarily carry containerized cargo, vehicles, and semi-trailers, reflecting the port's intermodal profile. Trieste boasts an unusually high rail modal share—nearly 70 percent of its containers exit by train—thanks to on-dock rail infrastructure and targeted investments. Several route options currently connect Trieste to Budapest:

Primary route via Slovenia: *Trieste -> Sežana -> Ljubljana -> Pragersko -> Hodoš -> Zalaegerszeg -> Budapest*. This is the most direct and frequently used route. It forms part of the TEN-T Mediterranean Corridor and is fully electrified, though single-track for much of its length. Traffic passes through the Hodoš border crossing, which was modernized and electrified in the mid-2010s.[119 120 121] Journey times for freight average 1 to 2 days, depending on routing and border operations.

Alternate route via Croatia: *Trieste -> Ljubljana -> Dobova -> Zagreb -> Gyékényes -> Nagykanizsa -> Budapest*.
This route adds border friction but offers strategic redundancy, particularly during maintenance or congestion. It historically suffered delays due to customs checks on the Croatia–Slovenia border, which have largely disappeared since Croatia joined Schengen in 2023.

Detour via Austria: *Trieste -> Udine -> Tarvisio -> Villach -> Vienna -> Budapest*.
Though longer, this alignment benefits from the modern, double-track Pontebbana line in northeastern Italy. It is mainly used when rail freight flows need to be rerouted through Austrian infrastructure, particularly during seasonal maintenance windows or temporary disruptions.

Operational control along these routes remains fragmented. Differences in electrification systems (3kV DC in Italy and Slovenia; 25kV AC in Hungary and Croatia; 15kV AC in Austria), as well as diverging safety and signaling standards, require either multi-system locomotives or time-consuming engine changes at border stations such as

[115] "Hungary Will Build a New Railway Terminal in the Port of Trieste." *Railway Supply*, October 11, 2022. https://www.railway.supply/en/hungary-will-build-a-new-railway-terminal-in-the-port-of-trieste/.
[116] Raimondi, Marco. "Hungarian Terminal in Trieste Is One Step Closer to Realisation." *RailFreight.com*, July 20, 2023. https://www.railfreight.com/intermodal/2023/07/20/hungarian-terminal-in-trieste-is-one-step-closer-to-realisation/.
[117] "Construction of the New METRANS Terminal in Zalaegerszeg Has Started." METRANS, September 18, 2021. https://metrans.eu/construction-of-the-new-metrans-terminal-in-zalaegerszeg-has-started/.
[118] "HUB Zalaegerszeg [HU]." METRANS, n.d. https://metrans.eu/solutions/metrans-terminal-deport-solutions/hub-zalaegarszeg-hu/.
[119] "Pragersko–Hodos Railway – 1st & 2nd Phase." European Investment Bank, March 6, 2014. https://www.eib.org/en/projects/pipelines/all/20130454.
[120] Radičová, Iveta. *5th Mediterranean TEN-T Corridor Work Plan. European Commission*, Directorate-General for Mobility and Transport, October 21, 2022. https://transport.ec.europa.eu/document/download/1a159cac-63de-41b4-baef-40d00a2405d2_en?filename=5th_workplan_med.pdf.
[121] "Pragersko–Hodoš Railway Line." DRI, n.d. https://www.dri.si/en/fields-of-work/railways/pragersko-hodos-railway-line.

Villa Opicina, Hodoš, or Dobova.[122] Although much of the corridor is now part of the EU's European Rail Traffic Management System (ERTMS) rollout plan, full interoperability remains a medium-term goal. For now, these friction points translate into marginal but compounding inefficiencies across the network.

Service levels, however, are accelerating. Rail Cargo Group (RCG), the freight subsidiary of Austrian Federal Railways, or ÖBB, currently operates three weekly round trips that connect Trieste to Budapest via its broader intermodal network, typically routed through Austria or Slovenia. These services link the port to Hungary's BILK terminal and are integrated into the company's Central and Southeastern European freight corridors.[123] In 2023, RCG's Hungarian subsidiary stated it was forwarding four weekly train pairs from Trieste and planned to triple the number starting mid-December.[124] However, as of the time of writing, this expansion has not been confirmed in 2024 public communications from RCG's central office, and no public timetable revision reflects a sustained increase, which suggests that implementation may have been delayed or scaled back. COSCO launched its own Trieste–Budapest container rail link in 2022, aiming for four weekly departures to serve Chinese and Turkish exporters seeking to bypass northern European ports.[125] The METRANS network, headquartered in Prague, also offers regular Trieste–Budapest intermodal service, positioning the route as a southeastern complement to its core Hamburg–Central Europe axis.

Budapest's BILK terminal acts as the main inland node, but Hungary is consciously decentralizing freight distribution. The Zalaegerszeg intermodal terminal, which opened phase 1 operations in 2024, has effectively shortened the route from Trieste, provides capacity for semi-trailers on pocket wagons, and is reducing congestion around Budapest. This diversification mirrors similar developments in Slovenia, where new rail links are expanding access to the Koper–Ljubljana–Pragersko route, often shared with Trieste-bound traffic.

Nevertheless, total capacity remains vulnerable. Much of the Pragersko–Hodoš and Ljubljana–Sežana segments are single-track, and some passing loops are not yet capable of accommodating 740-meter freight trains. This limits throughput and operational flexibility. The need for redundant paths—particularly via Croatia or Austria—is real, but these too face constraints from outdated infrastructure, complex border protocols, or secondary priority within national rail strategies.

In short, freight rail is functioning, expanding, and aligned with modal-shift goals, but it remains under-optimized. Without deeper interoperability, multi-country timetabling, and targeted infrastructure upgrades, it risks falling behind rising volumes.

Freight rail's situation is lovely, however, compared to the situation regarding passenger rail. Despite the historical precedent—Trieste and Budapest were once linked by the Austro-Hungarian *Südbahn*—present-day passenger rail options between the two cities are practically nonexistent. There is no direct service, and the fastest connection requires at least two transfers, usually either in Ljubljana and Maribor or Vienna, with total travel times that can exceed 10 hours.[126] The only direct Trieste–Ljubljana train is a single daily EuroCity, and onward links to Hungary are served by just one Ljubljana–Budapest train per day.[127]

The result is that long-distance coach buses offer significantly faster travel—roughly 7.5 hours direct, which factors in rest stops—making the railway effectively irrelevant for passengers. This state of affairs is a liability, particularly for conception that envisions Trieste as a destination for regional tourism and business travel. EU-funded studies have proposed re-establishing a direct Trieste–Zagreb–Budapest line via Ljubljana, with an initial target of six daily train pairs to Zagreb and onward extension to Belgrade, but the timelines as of writing remain speculative.[128]

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[122] Annual Overview for Interoperability – 2023. European Union Agency for Railways, July 12, 2023. https://www.era.europa.eu/system/files/2023-07/Annual%20overview%20for%20Interoperability%20-%202023.pdf.
[123] "More Round Trips on Continental Connections." Rail Cargo Group, July 29, 2024. https://www.railcargo.com/en/news/2024/more-round-trips-on-continental-connections.
[124] "Rail Cargo Hungaria Participates in the Container Transport Connecting the Port of Trieste and Hungary." Rail Cargo Group Hungaria, November 3, 2020. https://rch.railcargo.com/en/news/rail-cargo-hungaria-participates-in-the-container-transport-connecting-the-port-of-trieste-and-hungary.
[125] Papatolios, Nikolas. "COSCO Makes Port of Trieste Its New Rail Hub on the Way to Budapest." *RailFreight.com*, June 28, 2022. https://www.railfreight.com/railfreight/2022/06/28/cosco-makes-port-of-trieste-its-new-rail-hub-on-the-way-to-budapest/.
[126] "Budapest -> Trieste." Rome2Rio, accessed June 25, 2025. https://www.rome2rio.com/map/Budapest/Trieste.
[127] *Ibid*.

A train container terminal at night. Image courtesy of ÖBB, taken by David Payr.

Finally, there is road infrastructure. In this case, connections between Trieste and Budapest are continuous, fast, and heavily used. Two principal motorway routes—one via Ljubljana and Maribor, the other via Ljubljana and Zagreb—serve as the main arteries for truck freight. Both corridors are part of the TEN-T core road network and meet full motorway standards end-to-end. Since Croatia's accession to the Schengen Area in 2023, border delays for freight have eased considerably. However, the high share of truck traffic raises cost, environmental, and congestion concerns, particularly near Trieste's city core and in Budapest's outer ring.

Efforts to shift freight from road to rail have seen some success, particularly around port logistics. Yet last-mile infrastructure remains problematic. Trieste's city-facing terminals cause congestion, and the long-delayed "Camionale" port beltway remains incomplete.[129] [130] In Budapest, the integration of freight into a passenger-dominated rail network introduces further friction.[131] Projects to build bypasses and dedicated freight routes are under discussion but remain partially funded.[132] [133] [134]

The Future of the Danube-to-Adriatic Corridor

Looking forward, several infrastructure projects are currently reshaping the Danube-to-Adriatic Corridor, aiming to relieve long-standing constraints and future-proof the

[128] "Rehabilitation of Rail Passenger Services along the Historic Route: Trieste–Ljubljana–Zagreb–Belgrade." Central European Initiative, January 14, 2025. https://www.cei.int/news/10031/rehabilitation-of-rail-passenger-services-along-the-historic-route-trieste-ljubljana-zagreb-belgrade.

[129] "Authority Trieste, camion ai terminal: «Situazione critica, stiamo intervenendo»." *AdriaPorts*, April 19, 2025. https://www.adriaports.com/en/logistics/authority-trieste-camion-ai-terminal-situazione-critica-stiamo-intervenendo/.

[130] InTrieste Editorial Team. "Trieste Launches Major Modernization of Key Port Gate." *InTrieste*, May 2, 2025. https://intrieste.com/2025/05/02/trieste-launches-major-modernization-of-key-port-gate/.

[131] Papatolios, Nikolas. "Freight Route Bypassing Budapest Takes Slow Steps Forward." *RailFreight.com*, August 10, 2023. https://www.railfreight.com/railfreight/2023/08/10/freight-route-bypassing-budapest-takes-slow-steps-forward/.

[132] Papatolios, Nikolas. "Hungary Submits Railway Plans for EU Funding, Crucial Projects Are Missing." *RailFreight.com*, January 26, 2023. https://www.railfreight.com/railfreight/2023/01/26/hungary-submits-railway-plans-for-eu-funding-crucial-projects-are-missing/.

[133] van der Laan, Dennis. "Hungary Can't Quite Meet Its €10 Billion Rail Funding Ambitions, Laments Lack of EU Funding." *Railfreight.com*, October 8, 2024. https://www.railfreight.com/infrastructure/2024/10/08/hungary-cant-quite-meet-its-10-billion-euro-rail-funding-ambitions-laments-lack-of-eu-funding/.

[134] "Hungary's Rail Freight on the Brink: Can a 40-Point Rescue Plan Turn It Around?" *RailTarget.eu*, April 25, 2025. https://www.railtarget.eu/freight/hungary-rail-freight-crisis-hungrail-proposals-10363.html.

network. Chief among them is Italy's long-delayed modernization of the rail exit from Trieste toward the Slovenian border. The Trieste–Aurisina segment, on the steep karst terrain above the city, has long been a bottleneck, as it lacks modern signaling and train-length capacity. According to the TEN-T Mediterranean Corridor Work Plan, upgrades (including 750 m sidings, centralized traffic control, and grade-separated crossings) are currently underway and expected to complete on the Italian side by 2026, aligning with broader regional TEN-T corridor timelines.[135] As of the time of writing, this is still on track.[136] Once complete, this segment will finally match the standards of Slovenia's inland network and remove one of the last under-spec border segments on the Mediterranean Corridor.

In parallel, after a long period of environmental review and delays, Hungary has begun construction on its dedicated port terminal, Adria Port, in Trieste. The facility is designed for rail-centric operations, with 750-meter-long sidings, integrated customs zones, and direct rail links to inland Hungary. The development, secured through a bilateral agreement with Italy, is expected to be operational by 2028.[137]

Slovenia, while often preoccupied with its own port at Koper, is also delivering relevant upgrades. The most important of these is the €1.2 billion second track between Divača and Koper, now under full construction and scheduled for completion in 2026.[138] [139] Though nominally serving Koper, the line frees up shared inland capacity along the Divača–Pragersko route, indirectly supporting Trieste-bound freight by reducing competition for train slots east of Ljubljana.[140]
Further east, Hungary's investment in the Zalaegerszeg intermodal terminal—due to be fully operation by the end of 2025—is designed to decentralize freight operations away from the saturated BILK terminal in Budapest. The new hub, located near the Slovenian border, will serve as a pre-clearance and distribution node for rail freight arriving from Adriatic ports, including Trieste. Its layout accommodates containerized cargo as well as semi-trailers on pocket wagons, reinforcing Hungary's ambition to become a land-based logistics platform for the region.[141] [142]

Finally, across the entire corridor, progress is underway on the deployment of ERTMS and European Train Control System (ETCS) signaling. The Hodoš–Zalaegerszeg line in Hungary and the Pragersko–Ljubljana section in Slovenia are priority segments for system-wide European Rail Traffic Management System upgrades, with full compliance expected by 2030.[143] This will enable seamless operation of international freight services with multi-system locomotives, reduce the need for border dwell times, and increase throughput across key junctions.

Despite this, the corridor continues to suffer from persistent physical and operational limitations. The most acute among these are the single-track rail segments—particularly between Pragersko and Hodoš in Slovenia, and between Ljubljana and Sežana near the Italian border.[144] These sections reduce overall capacity, limit scheduling flexibility, and constrain freight train length, especially where loops cannot accommodate 740-meter consists. Italy's segment from Trieste to Aurisina remains outdated as well, lacking modern signaling and sufficient track geometry to support high-throughput freight traffic.

Technical interoperability remains a second-order constraint that nonetheless imposes measurable inefficiencies.[145] The corridor crosses three different electrification regimes (3kV DC in Italy and Slovenia, 25kV AC in Hungary and Croatia, 15kV AC in Austria), re-

[135] *Study on Mediterranean TEN-T Core Network Corridor: Final Report, 3rd Phase*. European Commission, November 2023. https://transport.ec.europa.eu/document/download/cd5fa64a-55ed-4754-b67e-f7cca157f6f2_en.
[136] "Expansion of the Venice – Trieste Line." Ferrovie dello Stato Italiane, n.d. https://www.fsitaliane.it/en/strategic-projects/expansion-of-the-venice-trieste-line-.html.
[137] Raimondi, Marco. "Hungary's Terminal in Trieste to Be Ready in 2028." *RailFreight.com*, February 24, 2025. https://www.railfreight.com/intermodal/2025/02/24/hungarys-terminal-in-trieste-to-be-ready-in-2028/.
[138] "Divača–Koper Railway Line Track Doubling." *Railway Technology*, May 22, 2019. https://www.railway-technology.com/projects/divaca-koper-railway-line-track-doubling/.
[139] Raimondi, Marco. "Divača–Koper Project Costs Rise €23 Million; Completion Postponed." *RailFreight.com*, February 11, 2025. https://www.railfreight.com/infrastructure/2025/02/11/divaca-koper-project-costs-rise-23-by-million-euros-completion-postponed/.
[140] "Building the Second Track." 2TDK, n.d. https://drugitir.si/en.
[141] "Construction of the New METRANS Terminal in Zalaegerszeg Has Started."
[142] "HUB Zalaegerszeg [HU]."
[143] Ruete, Mathias. *ERTMS Second Work Plan of the European Coordinator*. European Commission, Directorate-General for Mobility and Transport. Brussels, July 2022. https://transport.ec.europa.eu/system/files/2023-09/ERTMS_work_plan-second_edition.pdf.
[144] Radičová, Iveta. *5th Mediterranean TEN-T Corridor Work Plan*.
[145] "HUB Zalaegerszeg [HU]."

quiring either multi-system locomotives or time-consuming engine changes at border points like Villa Opicina, Dobova, and Hodoš. Though ERTMS is gradually being deployed, national signaling systems and driver certification rules still differ, creating administrative burdens and reducing operational fluidity.

Strategic coordination is also uneven. While Slovenia and Croatia have prioritized infrastructure upgrades to their own ports—Koper and Rijeka, respectively—Italy has historically focused its rail investment east-west, from Turin to Venice, rather than along the north–south Adriatic–Danube corridor. Meanwhile, Hungary's growing logistical assertiveness risks advancing national interests ahead of corridor-wide integration. Without synchronized planning and funding alignment, progress risks becoming piecemeal and asymmetric. Local environmental opposition, particularly in karst regions, has also delayed or complicated rail expansions in both Italy and Slovenia.[146]

These structural various imbalances—disjointed planning, mismatched investment priorities, and environmental constraints—underscore the limitations of any connectivity strategy that relies solely on overland access, including and especially to the Adriatic. Though it can exert influence via a variety of means, Hungary ultimately cannot *dictate* the infrastructure policies of its neighbors, nor can it insulate itself from the operational frictions that come with multistate corridors.

Recognizing this, Budapest has pursued a parallel axis of connectivity—one less vulnerable to terrain, cross-border dependencies, or political misalignment. It is in the skies, rather than along the tracks, that Hungary has found greater freedom to shape its own logistical posture.

[146] *Intermodal Freight Transport: EU Still Far from Getting Freight Off the Road*. Special Report No. 08/2023. European Court of Auditors, March 27, 2023. https://www.eca.europa.eu/lists/ecadocuments/sr-2023-08/sr-2023-08_en.pdf.

The Air Route: Ferenc Liszt as a Hub for Trans-Eurasian Air Freight

If Trieste is the vector by which Hungary can benefit from the New Golden Road's maritime and energy flows, then Budapest Ferenc Liszt International Airport (BUD) is its aerial counterpart.

Hungary's strategic location—its centrality at the intersection of Europe's most consequential emerging trade routes—is of considerable advantage. From the east, the Middle Corridor links Central Asia and the Caucasus to Europe through the Caspian Sea and the Black Sea basin. To the south, there's the New Golden Road, stretching from India through the Gulf to the Mediterranean. And from the north, the old Amber Road—increasingly reimagined via the Three Seas Initiative as a logistical artery between the Baltic and the Adriatic—runs through Central Europe. Whether as terminus, junction, or redistribution point, Hungary lies along the natural flow lines of these emerging routes.

To take advantage of this context, BUD has become a centerpiece of Hungary's connectivity strategy. Once a minor airport, it is now being rapidly transformed into a noteworthy air cargo and logistics hub. With heavy investment from both the Hungarian state and new stakeholders—most notably its integration into the VINCI Airports network in 2023—the airport has expanded its capacity through upgraded terminals, logistics centers, and runway infrastructure.[147] Annual cargo volume has surged upward, driven primarily by Chinese e-commerce flows, positioning Budapest as the primary airfreight distribution center for much of Central Europe.[148 149] This physical transformation has been matched by a diplomatic one: Hungary's flexible, multi-vectoral foreign policy has enabled it to court airlines and investors from across Eurasia, embedding the airport within a broader multipolar architecture of trade.

Budapest's aerial ambition must be understood in relation to other regional centers—Vienna, Warsaw, Frankfurt, and Istanbul—which each represent different models of growth, connectivity, and specialization. While Budapest lags in absolute terms, it offers distinct advantages: accelerating cargo volumes, an emerging role in east-west trade, and a foreign policy that allows it to operate across competing blocs. Its aviation strategy is thus part of a broader effort to position Hungary at the intersection of a reconfigured geoeconomic order.

Benchmarking Budapest Against Europe's Regional Air Hubs

To assess Budapest's properly potential as a strategic air hub, it is instructive to compare BUD with several key peer hubs in Europe: Vienna (VIE), Warsaw Chopin (WAW), Frankfurt (FRA) and Istanbul (IST). These airports vary in scale and role—from medium-sized Central European gateways (Vienna, Warsaw, Budapest) to continental mega-hubs (Frankfurt, Istanbul)—yet all compete to attract airlines and cargo in the broader region.

The table on the next page notes several relevant metrics.

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[147] "2023 One of the Most Successful Years in Budapest Airport's History." Budapest Airport, January 19, 2024. https://www.bud.hu/en/budapest_airport/media/news/actual_press_releases/2023_one_of_the_most_successful_years_in_budapest_airport_history.html.
[148] Ibid.
[149] Woods, John. "What Will Trump Say? Budapest Airport: China's E-commerce Gateway to Central Europe." *Daily News Hungary*, November 16, 2024. https://dailynewshungary.com/budapest-airport-has-become-centre-for-china/.
[150] "Budapest Airport." VINCI Airports, n.d. https://vinci-airports.com/en/our-airports/hungary/budapest-airport/.
[151] *Ibid*.
[152] "2023 One of the Most Successful Years in Budapest Airport's History."
[153] "Budapest Airport."
[154] "Cargo Development." Budapest Airport, n.d. https://www.bud.hu/en/business_and_partners/cargo/cargo_development.html.
[155] Hetzmann, Mercédesz. "Budapest Airport's Terminal 3 to Break Ground This Year Amid Ambitious Plans." *Daily News Hungary*, May 1, 2025. https://dailynewshungary.com/budapest-airport-terminal-3-ambitious-plans/.
[156] Weiler, Vilmos. "Plans for High-Speed Rail Link and New Cargo Terminal for Budapest Airport Announced." Translated by Andrea Horváth Kávai. *Telex*, June 3, 2025. https://telex.hu/english/2025/06/03/plans-for-high-speed-rail-link-and-new-cargo-terminal-for-budapest-airport-announced/.
[157] "Major Modernization Project to Upgrade Budapest Airport's Runway." *Hungary Today*, January 6, 2025. https://hungarytoday.hu/major-modernization-project-to-upgrade-budapest-airports-runway/.

Airport	Annual Passengers (2024)	Cargo Volume (2024)	Direct Destinations (2024)	Primary Hub Carrier / Alliance	Recent Infrastructure Investments
Budapest (BUD)	17.5 million[150]	~300,000 tons[151] (201,000 tons in 2023)[152]	141 destinations[153]	No dominant carrier; Wizz Air base; growing East Asian & Gulf presence.	New Cargo City (2020); terminal upgrades, cargo terminal and runway expansion planned.[154-157]
Vienna (VIE)	31.7 million[158]	297,945 tons[159]	195 destinations[160]	Austrian Airlines (Star Alliance / Lufthansa Group)	Cargo/pharma handling center expansion; third runway in pipleline.[161 162]
Warsaw (WAW)	21.3 million[163]	117,000 tons[164]	155+ destinations[165]	LOT Polish Airlines (Star Alliance)	Solitary Transport Hub (new airport under construction).[166]
Frankfurt (FRA)	61.6 million[167]	2.1 million tons[168]	311 destinations[169]	Lufthansa (Star Alliance)	Terminal 3 under construction; advanced cargo zone. [170 171]
Istanbul (IST)	80.1 million[172]	1.97 million tons [173]	~315 destinations[174]	Turkish Airlines (Star Alliance)	Opened 2018; expansion toward 150M passengers and 5.5M tons.[175]

As the comparison illustrates, BUD remains smaller in absolute terms than its major rivals, especially giants like IST and FRA. In 2024, BUD handled about 17.5 million passengers, roughly half the traffic of VIE and barely a quarter of FRA's throughput. In cargo, the gap is even wider: BUD's ~0.2–0.3 million tons in recent years is an order of magnitude below FRA and IST (each around 2 million tons). IST's mega-airport in particular has seen explosive growth, owing to Turkish Airlines. Its handling of 1.97 million tons in cargo is a 39.6 percent jump from 2023.[176] For further comparison, Paris CDG and London Heathrow each handled well over 1.5 million (1.87 and 1.53, respectively).[177]

[158] "2024 Brings New Records for Vienna Airport: Strong Passenger Growth to 31.72 Million." Flughafen Wien AG, January 17, 2025. https://www.viennaairport.com/unternehmen/presse__news/presseaussendungen__news_2?news_beitrag_id=1736935400650.
[159] *Ibid*.
[160] "Vienna Airport." Routes Online, circa March 19, 2025. https://www.routesonline.com/airports/2527/vienna-airport/.
[161] "Pharma Handling Center." Vienna Airport, n.d. https://www.viennaairport.com/en/business__partner/aviation__handling/ground_handling/pharma_handling_center.
[162] "Construction Project 3rd Runway." Vienna Airport, n.d. https://www.viennaairport.com/en/company/flughafen_wien_ag/3rd_runway/construction_project_3rd_runway.
[163] "Warsaw WAW Passed 20 Million Passengers in 2024; LOT Polish Has Over Half of Seats, 155 Destinations." *Air Service One*, February 19, 2025. https://airserviceone.com/warsaw-waw-passed-20-million-passengers-in-2024-lot-polish-has-over-half-of-seats-155-destinations/.
[164] "Warsaw Chopin Airport Sets Record with 21.3 Million Passengers in 2024." *CIJ Europe*, January 14, 2025. https://cijeurope.com/en/warsaw-chopin-airport-sets-record-with-21-3-million-passengers-in-2024/post.html.
[165] "Warsaw WAW Passed 20 Million Passengers in 2024; LOT Polish Has Over Half of Seats, 155 Destinations."
[166] "Solidarity Transport Hub Airport, Warsaw, Poland." *Airport Technology*, September 20, 2024. https://www.airport-technology.com/projects/solidarity-transport-hub-airport-warsaw-poland/.
[167] "Fraport Traffic Figures 2024: Frankfurt Remains the Leading Airport." Fraport AG, January 16, 2025. https://www.fraport.com/en/newsroom/press-releases/2025/traffic-figures/fraport-traffic-figures-2024--frankfurt-remains-the-leading-airp.html.
[168] *Ibid*.
[169] *Ibid*.
[170] "Terminal 3." Fraport AG, n.d. https://www.fraport.com/en/business-areas/constructions/terminal-3.html.
[171] STAT Times. "Developing the Future of Frankfurt Airport's Cargo Hub: Space Optimisation, Space Development, and Digital and Process Innovation." *STAT Trade Times*, January 17, 2025. https://www.stattimes.com/cargo-airports/developing-the-future-of-frankfurt-airports-cargo-hub-space-optimisation-space-development-and-digital-and-process-innovation-1354262/.

However, Budapest is not really competing with the majors. Its real competition is the within the second tier of agile regional hubs such as Vienna, Warsaw, Prague, and so forth. And it is where the *growth* story comes into play.

Here, the data shows that Budapest is one of Europe's fastest-growing airports in both passenger and freight segments. In 2024, BUD handled 17.5 million passengers and approximately 300,000 tons of cargo, both all-time highs. This marks a significant leap from its 2023 performance (14.7 million passengers and 201,306 tons of cargo), and represents a nearly 50 percent increase in freight volumes over 2019. This surge far outpaced the global air cargo market, which saw zero growth over the same period.[178] Preliminary quarterly data had already pointed in this direction: in the first quarter (Q1) of 2024, BUD handled ~61,940 tons of freight, almost 40 percent more than Q1 of the prior year. By the first quarter of 2025, quarterly cargo throughput had ballooned to 94,600 tons, placing Budapest among the fastest-growing air cargo terminals in Central Europe.[179] Passenger traffic is also growing sharply: over 4 million travelers passed through BUD in Q1 2025, representing the highest growth rate in Central/Eastern Europe.[180] While absolute passenger numbers remain below Vienna or Warsaw, Budapest is on track to fully recover and exceed its pre-COVID-19 traffic in 2025, closing the gap with regional peers.

In terms of connectivity, major hubs like FRA offers around over 300 nonstop destinations across five continents, placing it among the world's most connected airports. IST does similarly, leveraging Turkish Airlines' globe-spanning network to connect to a similar amount in more than 120 countries, making it the de facto aerial passanger crossroads of Europe, Asia, and Africa. VIE and WAW offer smaller networks focused on Europe with select long-haul routes, reflecting their roles as regional gateways for Austrian Airlines and LOT, respectively. BUD, by contrast, currently offers 141 destinations served by 43 airlines, which is a robust portfolio for its size, though smaller than VIA or WAW. While it includes multiple points in China, it still lacks a direct transatlantic link—a significant gap given its ambitions. Notably, however, BUD is a multi-aligned station: it is not dominated by a single alliance hub carrier, but instead hosts airlines from all three major alliances—Lufthansa/Star, Air France-KLM/SkyTeam, British Airways/oneworld—alongside a strong low-cost presence via Wizz Air. This diversity allows Budapest to tap into multiple code-share and interline networks, reinforcing its role as a flexible and politically neutral transfer point.

In the cargo arena, BUD's partnerships have grown to include leading logistics players: integrator couriers (DHL, FedEx, UPS), specialized cargo airlines (Cargolux, Qatar Airways Cargo, Turkish Cargo) and Chinese e-commerce logistics firms (SF Airlines, YTO, and Alibaba's logistics arm Cainiao).[181] [182] This has turned Budapest into a regional distribution center for parcel traffic, so much so that it is being dubbed "the primary distribution hub for e-commerce products in Central Europe," with a staggering 95 percent of inbound e-commerce parcels at BUD originating from China.[183] In fact, by late 2024 Budapest had become the largest distribution center in CEE for packages from Alibaba's platforms and fast-fashion retailers like Shein and Temu.[184]

When it comes to infrastructure and investment,

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[172] Daily Sabba Team. "Istanbul Airport Titled Europe's Busiest Air Cargo Hub in 2024." *Daily Sabah*, February 26, 2025. https://www.dailysabah.com/business/transportation/istanbul-airport-titled-europes-busiest-air-cargo-hub-in-2024.
[173] *Ibid*.
[174] "FlightsFrom: IST." FlightsFrom.com, n.d. https://www.flightsfrom.com/IST.
[175] Gurtas, Muhammed Ali, and Tuba Sahin. "Istanbul Airport, 'World's New Hub,' Officially Opened." *Anadolu Agency*, October 29, 2018. https://www.aa.com.tr/en/economy/istanbul-airport-worlds-new-hub-officially-opened/1296955.
[176] "Istanbul Airport Titled Europe's Busiest Air Cargo Hub in 2024."
[177] *Ibid*.
[178] Woods, John. "What Will Trump Say? Budapest Airport: China's E-commerce Gateway to Central Europe."
[179] AIRportal.hu Team. "Több mint 4 millió utas és közel 95 ezer tonna áru Ferihegyen az első negyedévben." *AIRportal.hu*, April 16, 2025. https://airportal.hu/tobb-mint-4-millio-utas-es-kozel-95-ezer-tonna-aru-ferihegyen-az-elso-negyedevben/.
[180] AIRportal.hu Team. "Budapesten nőtt a legnagyobb mértékben az utasok száma a régióban." *AIRportal.hu*, January 16, 2025. https://airportal.hu/tizenhet-es-fel-millio-utast-kezelt-a-budapest-airport-tavaly/.
[181] Zhang, Ganyi. "Hungary, a Promising Logistics Hub for the China-Europe Connection." Upply, June 22, 2021. https://market-insights.upply.com/en/hungary-a-promising-logistics-hub-for-the-china-europe-connection.
[182] Brands Factory. "S.F. Holding Dual-Lists on China A-Shares and Hong Kong H-Shares; China Eases Cross-Border E-Commerce Export Regulations Starting December 2024." *ChineseSellers* (Substack), November 28, 2024. https://chinesellers.substack.com/p/sf-holding-dual-lists-on-china-a.
[183] Woods, John. "What Will Trump Say? Budapest Airport: China's E-commerce Gateway to Central Europe."
[184] *Ibid*.

If Trieste is the vector by which Hungary can benefit from the New Golden Road's maritime and energy flows, then Budapest Ferenc Liszt International Airport (BUD) is its aerial counterpart.

Budapest Airport, Hungary (Adobe Stock)

BUD is playing catch-up with long-established hubs. IST is a brand-new airport (opened 2018), and was a game-changer: built with an initial capacity of 90 million passengers and 4 million tons cargo, it is expanding toward an ultimate 150 million passengers, 5.5 million ton capacity in future phases. FRA, while more constrained, is investing over €4 billion in a new Terminal 3 (set to open by 2026) to boost capacity and improve passenger experience, and has one of Europe's most advanced cargo zones (Frankfurt's CargoCity). However, night noise curfews and slot saturation limit FRA's growth. VIE has steadily upgraded its terminals and opened a state-of-the-art pharmaceutical cargo handling center, and it continues to seek approval for a third runway to accommodate future growth (currently delayed by environmental challenges). WAW is embarking on the most ambitious project: constructing the Solidarity Transport Hub (CPK) about 40 km from the city, envisioned as a new super-hub by 2028 that could handle 40+ million passengers, effectively replacing the capacity-constrained Chopin Airport. This reflects Poland's intent to create a regional gateway on par with Vienna, or even Frankfurt, in the long term.

By contrast, Budapest's infrastructure drive has been more recent but very targeted. The flagship development is BUD Cargo City, a dedicated freight facility opened in late 2019 that instantly doubled the airport's cargo handling capacity to 300,000 tons a year (which was met last year). This capacity was more recently expanded, and is now at 420,000 tons.[185] On the passenger side, BUDP has revamped its terminals and added new boarding gates and baggage systems, and it has plans on the drawing board for a new Terminal 3 in coming years. Between 2019 and 2023, over HUF 100 billion (around €270 million) was invested in various upgrades at the airport—an impressive sum for a mid-sized airport. Most importantly, the Hungarian government signaled interest in the airport's ownership to ensure strategic control: after years of foreign ownership, a consortium led by VINCI Airports and a Hungarian state fund agreed in late 2023 to purchase BUD from its private equity owners, aiming to bring both capital and strategic alignment for its expansion. In other words, BUD's development is a national priority and will be backed by both government and global investor resources.

In summary, Budapest faces stiff competition from nearby hubs like Vienna (which still handles more traffic and offers long-haul connectivity via Austrian Airlines) and from mega-hubs like Istanbul and Frankfurt, which dominate European air logistics. But Budapest is quickly narrowing the gap in key niches, namely cargo and east-west connectivity. Its growth rates, new facilities, and central location indicate an ability to punch above its current weight, particularly if it continues to integrate itself into emerging trade routes and invest smartly in capacity.

The Case for Budapest: Strategic Advantages of a Central Hub

Thus, despite its smaller size, Budapest holds several intrinsic advantages that support its bid to become an important Eurasian air hub. These include...

1. Geographic Crossroads in the Heart of Europe

Budapest's location at the intersection of multiple regions makes it an ideal location for gathering and distributing flows. It is closer than Western European hubs to growing markets in Southeast Europe (Balkans) and serves as a convenient gateway to countries along both the New Golden Road and those those along the Middle Corridor via Türkiye, with the potential to grow into direct access. Unlike airports in Western Europe, Budapest can channel goods directly into neighboring Central/Eastern European countries without backtracking or long overland hauls. This is a logistical advantage: for freight coming from Asia or the Middle East, flying into Budapest can save both time and cost compared to landing in, say, Frankfurt or Amsterdam, and then trucking the goods hundreds of kilometers eastward. Similarly, for passengers, Budapest is a convenient mid-point. For example, travelers from Central Asia or the Middle East headed to Europe can connect in Budapest rather than backtrack through London or Paris.

2. Explosive Growth in Air Cargo

As noted previously, Budapest Airport has experienced a dramatic rise in air cargo traffic, with nearly 300,000 tons handled in 2024—a record figure that places it in the top tier of Central European freight hubs. This surge reflects more than just favorable positioning; it is the result of a deliberate strategy by both airport authorities and the Hungarian state to turn Budapest into a primary entry point for east-west air commerce. Quarterly cargo growth in 2025 confirms the trend, with Q1 throughput reaching 94,600 tons, up from ~61,000 the year prior.

[185] STAT Times. "Budapest Airport: Air Freight Gateway for Central, Eastern Europe." *STAT Trade Times*, June 3, 2025. https://www.stattimes.com/air-cargo/budapest-airport-air-freight-gateway-for-central-eastern-europe-1355468.

What sets Budapest apart is more than just volume; its the nature of its freight flows. As the preferred EU landing point for Chinese e-commerce firms and a node for Gulf and Central Asian cargo carriers, BUD has effectively carved out a niche as the fastest, most customs-efficient route into Eastern and Southeastern Europe. Rather than replicating Western Europe's integrator-dominated model, Hungary has cultivated a multi-actor cargo ecosystem, which notably aligns with its broader foreign policy of connectivity across geopolitical lines.

3. Strategic Posture and Regional Positioning

As detailed earlier in this report, Hungary's foreign policy is defined by a deliberate balance: maintaining its anchorage within the EU and NATO while sustaining active economic and diplomatic ties with non-Western actors. This posture has produced tangible effects in aviation. BUD has emerged as one of the few European hubs capable of attracting a wide spectrum of air partners—from Gulf and Chinese cargo carriers to Western integrators and full-service European airlines. At a time when geopolitical headwinds have constrained access in many Western markets, Hungary's openness has functioned as a commercial asset, drawing in freight and capital that might have faced regulatory resistance elsewhere.

This positioning enables Budapest to function not merely as a regional airport, but as a neutral entry point into the EU for actors operating along Eurasian trade corridors. It also supports Hungary's broader strategy of acting as a keystone state by making itself indispensable to trade flows. In the aviation context, that means providing a commercially open, politically stable, and operationally reliable alternative to both saturated Western hubs and more politically volatile Eastern gateways. Hungary's connectivity strategy, when applied to air infrastructure, has thus yielded a platform that is attractive precisely because it does not force its partners to choose sides. That dynamic is likely to become more, not less, valuable as global economic blocs continue to harden.

The Missing Piece

Budapest's Ferenc Liszt International Airport has strengthened Hungary's role in regional cargo flows, offering speed, flexibility, and strategic insulation from overland friction. But positioning within a transregional system requires more than throughput. Also of importance is whether Hungary can attract the firms, investors, and institutions that can help organize and direct those flows. While infrastructure may establish relevance, it is business presence that consolidates it.

The Business Route: Budapest as Platform for East-West Commerce

What makes a country without a coastline, global banks, or imperial legacy a candidate for strategic commercial relevance?

In Hungary's case, it is the convergence of three factors: geographic embeddedness within Europe's emerging trade corridors, political stability in an increasingly unpredictable region, and a government strategy aimed at hosting diplomatic and commercial interests. Budapest is not trying to compete with Frankfurt, Istanbul, or the larger financial/commercial metropoles of Europe. Instead, it offers a more modest but vital proposition: serving as a base of operations for those managing east-west flows. As commerce becomes increasingly dependent on regulatory navigation, cross-border coordination, and proximity to both EU and non-EU markets, Budapest's role is defined by its ability to convene.

Within its home region, Vienna, Bratislava, Belgrade, Bucharest, Zagreb, and Ljubljana are all within short reach. Companies seeking to operate across the new east-west trade corridors increasingly require footholds in cities that are both logistically connected and politically proximate. Budapest fits this profile. Its position at the center of Central Europe gives it a dual function: as a base from which to manage upstream activity in Southeastern Europe and the Balkans, and as a staging ground for engaging further east, from the Black Sea to the Gulf.

Yet geography alone does not guarantee relevance. It must coincide with a broader reallocation of global capital and enterprise.

In recent years, several macroeconomic shifts have begun to converge in a way that are, and will, redirecting financial and human capital away from traditional Western centers and toward more flexible, affordable, and politically sovereign jurisdictions. One driver is de-dollarization—slow, uneven, but politically significant—which is pushing some actors to hedge their exposure to Western financial systems.[186-190] Another is the quiet capital flight from high-tax jurisdictions, particularly in Western Europe and North America, where wealthier individuals and corporations increasingly view the fiscal climate as hostile and unstable.[191-195] In parallel, the productivity decline and higher energy prices in much of the West has led governments to pursue revenue through more aggressive taxation and regulatory expansion, prompting firms to consider alternative bases of operation.[196 197 198]

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186 Shagina, Maria. *Western Financial Warfare and Russia's De-Dollarization Strategy*. FIIA Briefing Paper 339. Helsinki: Finnish Institute of International Affairs (FIIA), May 2022. https://www.fiia.fi/en/publication/western-financial-warfare-and-russias-de-dollarization-strategy.
187 De Mott, Filip. "De-Dollarization: Yellen Says to Expect Decline in USD's Global Reserve Share." *Business Insider*, June 13, 2023. https://markets.businessinsider.com/news/currencies/dedollarization-dollar-dominance-janet-yellen-usd-global-reserve-share-decline-2023-6.
188 Lagarde, Christine. "This Is Europe's 'Global Euro' Moment." *Financial Times*, June 17, 2025. https://www.ft.com/content/4d5dea18-bc4b-4ccf-94d3-1973fd1467cc.
189 Giggz, Bobby. "The Silent Gold Rush: How De-Dollarized Trade Is Repricing the Yellow Metal." *Medium*, March 31, 2025. https://medium.com/@BobbyGiggz/the-silent-gold-rush-how-de-dollarized-trade-is-repricing-the-yellow-metal-43869df64262.
190 Mühleisen, Martin, and Valbona Zeneli. *A Strategy for Dollar Dominance*. Atlantic Council Strategy Paper Series. Washington, DC: Atlantic Council, May 20, 2025. https://www.atlanticcouncil.org/content-series/atlantic-council-strategy-paper-series/why-the-us-cannot-afford-to-lose-dollar-dominance/.
191 Lin, Linly, and Tom Maloney. "New York and California Each Lost $1 Trillion When Financial Firms Moved South." *Bloomberg*, August 21, 2023. https://www.bloomberg.com/graphics/2023-asset-management-relocation-wall-street-south/.
192 Campanile, Carl. "NY's Grip as US Finance Capital Imperiled by High Taxes, Poor Business Climate: Study." *New York Post*, October 29, 2023. https://nypost.com/2023/10/29/metro/nys-losing-its-grip-as-us-finance-capital-study/.
193 Hussain, Majid. "Non-Dom Regime: Govt Unresponsive as Capital Flight Accelerates." *FTAdviser*, March 10, 2025. https://www.ftadviser.com/uk-economy/2025/3/10/non-dom-regime-govt-unresponsive-as-capital-flight-accelerates/.
194 ter Haseborg, Volker. "Millionäre verlassen Deutschland: Migrationsexperten schlagen Alarm." *WirtschaftsWoche*, June 24, 2025. https://www.wiwo.de/unternehmen/migration-de-luxe-immer-mehr-millionaere-verlassen-deutschland/100136869.html.
195 Dolan, Mike. "Transatlantic Capital Flight May Land in Euro Periphery." *Reuters*, February 21, 2025. https://www.reuters.com/markets/europe/transatlantic-capital-flight-may-land-euro-periphery-mike-dolan-2025-02-21/.
196 Lind, Michael. "The German Question Returns." *Commonplace*. February 20, 2025. https://commonplace.org/2025/02/20/the-german-question-returns/.

Add to this the deteriorating quality of life in several major Western capitals. London, in particular, once seen as the uncontested commercial and cultural capital of Europe, is now viewed by many as increasingly unlivable: overcrowded, overtaxed, and poorly governed. In this environment, alternative cities—less expensive, more stable, culturally vibrant, and better connected—are gaining appeal. Budapest ranks highly across all these dimensions. Its cost of living remains low relative to Western Europe; its infrastructure is modernizing; its tax regime is favorable to business and high earners; and its government, for all the criticism it receives, offers policy continuity and a relatively stable macroeconomic environment.[199 200 201]

Taken together, these trends point to a deconcentration of capital away from major global cities and toward emerging secondary hubs. In this context, Budapest is unlikely to become a financial center on par with Frankfurt or Zurich, but it does not need to be. What it *can* become is a convening point: a platform for engaging the firms, intermediaries, and investors operating across the east-west corridors of trade and infrastructure. It can be the place where deals are discussed, relationships are built, and partnerships are managed. As companies seek bases from which to engage with India, the Gulf, Central Asia, and the wider periphery of Europe, Budapest can offer itself as a coordination node.

One way to formalize this role would be the establishment of a *Trans-Eurasian Trade Council* (TETC), headquartered in Budapest. Structured as a business-driven association rather than a diplomatic or state-led forum, the TETC would offer a neutral and pragmatic platform for companies active along the key strategic routes linking Europe to Asia. Membership would span sectors—logistics, energy, transport, technology, agribusiness—and cut across geographies. The Council would facilitate business-to-business engagement, provide market intelligence, and host thematic working groups on practical issues such as customs harmonization, digital documentation, risk mitigation, and corridor interoperability.

The logic behind the Council is about practical commercial necessity. While infrastructure investment is accelerating along all three main corridors—through the Caucasus, the Arabian Peninsula, and Eastern Europe—the business architecture that makes this infrastructure operationally coherent is lagging. Firms are operating across jurisdictions face wildly different standards, regulatory environments, and institutional cultures. The TETC can help reduce this friction. More importantly, it would offer a mechanism for trust-building and relationship management. These are critical ingredients in a part of the world where formal mechanisms often fail, and where informal networks still drive much of the commercial activity.

If launched, the TETC would likely begin modestly: a core of member companies, a professional secretariat, a calendar of working groups and investor briefings, and one major annual forum. But its presence alone would be catalytic. It would signal that Budapest is serious about becoming a business hub for the wider space stretching from the Rhine to the Hindukush. And once such an institution is in place, others tend to follow.

Indeed, institutional presence tends to attract further layers of engagement. Over time, Budapest could play host to a broader ecosystem of trade and investment forums focused on regional corridors. One particularly promising idea is the creation of a *Danube Corridor Investment Forum*, organized annually in Budapest, aimed at connecting global capital with infrastructure projects along the Danube River and its tributaries. Such a forum would focus on financing ports, inland terminals, industrial parks, and energy transmission nodes from Bavaria to the Black Sea. Given Hungary's central location within the Danube region and its logistics ties to both the Adriatic and the Black Sea basins, the Forum would be well placed to act as a matchmaking platform between Western investors and Eastern operators.

Similarly, the city could serve as a European base for proposed or emerging corridor financial institutions. The proposed *Trans-Caspian Development Bank*, which would be headquartered in a Caspian capital such as Astana or Baku, may eventually require a Western-facing branch

[197] Andrews, Dan, Balázs Égert, and Cyril de la Maisonneuve. *From Decline to Revival: Policies to Unlock Human Capital and Productivity*. OECD Economics Department Working Papers, No. 1827. Paris: OECD Publishing, 2024. https://doi.org/10.1787/8d0d232c-en.
[198] Bijnens, Gert, John Hutchinson, and Arthur Saint Guilhem. "How Enduring High Energy Prices Could Affect Jobs." ECB Blog, May 5, 2025.
[199] Hetzmann, Mercédesz. "Cost of Living in Hungary 2025: Prices, Salaries, and Daily Life." *Daily News Hungary*, May 14, 2025. https://dailynewshungary.com/cost-of-living-in-hungary-2025/.
[200] *Budapest in Hungary*. Cities report. London: Euromonitor International, July 2024. https://www.euromonitor.com/budapest-in-hungary/report.
[201] "Advantages of Hungary for IT." Finevolution, February 9, 2025. https://finevolution.pl/en/post/advantages-of-hungary-for-it/.

office.[202] [203] Budapest would be a logical location: inside the EU but outside the core, cost-effective, and geographically positioned to link Central Asian capital with Central European opportunities. The presence of such an office would also help deepen financial ties between Hungary and the broader Caspian region, strengthening the city's profile as a second-tier financial node.

Yet another area of opportunity lies in Ukrainian reconstruction. As foreign firms prepare to participate in the rebuilding of Ukraine, many will seek to base themselves in stable neighboring countries that offer good logistics, rule-of-law protections, and proximity to Ukraine's major cities. Budapest—more affordable than Vienna, more internationally oriented than Bratislava, and less politically volatile than Bucharest—is well placed to fulfill this role. Should Hungary position itself proactively, it could become a strategic base of operations for investors, engineering firms, logistics providers, and consulting outfits seeking to manage reconstruction portfolios from a nearby and neutral location. While Western embassies, NGOs, and some major firms will likely continue to use Warsaw as their primary hub, certain commercial actors—especially those from outside the transatlantic space—may find Budapest more congenial.

Finally, there is the matter of diplomacy as practiced by firms and financiers. As trade corridors become increasingly complex and contested, there will be a rising demand for neutral venues where commercial actors can quietly align interests and negotiate terms. Türkiye already plays this role to some extent, especially in mediating between the United States and other powers. But the country's growing assertiveness and its ambition to build a sphere of influence make it a less neutral player in many eyes. Hungary, by contrast, has no such ambitions. It is not trying, or aspiring, to be a great power. This gives Budapest a different kind of advantage: it can offer itself as a low-profile site for commercial dialogue.

Budapest, it ought to be noted, is not the only city with all of the aforementioned aspirations. It faces competition from Vienna, Warsaw, Belgrade, and to a lesser extent, Bucharest. Each of these cities offers its own advantages: Vienna has the international institutions, Warsaw the scale, Belgrade the informality and geopolitical neutrality, and Bucharest the access to the Black Sea. Hungary's political reputation, particularly within the EU, may also complicate efforts to brand the city as a neutral hub. And Budapest must navigate the fine line between attracting capital and becoming overly dependent on external interests. Success will require careful positioning, continued infrastructure investment, and sustained outreach to corridor actors, particularly in Central and South Asia and the Gulf.

Even so, the fundamentals remain sound. The combination of geographic centrality, fiscal attractiveness, relative affordability, and political stability makes Budapest an ideal candidate for companies looking to engage with the increasingly active economic corridors linking Europe to Asia. Its future will be defined by its ability to offer value—logistical, financial, and diplomatic—to actors operating across these routes.

In the years to come, those cities that succeed in making themselves indispensable to the flow of goods, capital, and decision-making will quietly rise in importance. Budapest, if it stays the course, can be one of them.

[202] Roa, Carlos, Charles Yockey, and Ibrahim Mammadov. "Building the Middle Corridor's Future: A Proposal for a Trans-Caspian Development Bank." *Baku Dialogues*, vol. 8, no. 3 (Spring 2025). https://bakudialogues.idd.az/articles/a-proposal-for-a-trans-caspian-development-bank-17-05-2025.

[203] As a disclosure: I am the main conceptualizer of the Trans-Caspian Development Bank.

Policy Recommendations for Hungary's Indo-Mediterranean Strategy

Hungary may be landlocked, but it is not locked out. The emerging Indo-Mediterranean system offers a rare opportunity for a Central European state to insert itself into a new order of global trade, finance, and influence.

But the logic of the New Golden Road rewards positioning. Geography must be activated, infrastructure must be integrated, and strategy must be sharpened. What follows is a set of policy recommendations designed to help Hungarian decision-makers move from aspiration to execution, which will ensure that Hungary is embedded within the New Golden Road.

1. Adopt "New Golden Road" as Hungary's Official Terminology

Hungary should formally embrace the term "New Golden Road" in its diplomatic and policy vocabulary to describe the broader Indo-Mediterranean corridor framework currently anchored by IMEC. This would serve three purposes. First, it distinguishes the larger transregional vision from the narrower overland arc between the Gulf and Haifa, avoiding confusion while emphasizing Hungary's interest in the full system. Second, the phrase carries civilizational weight and historical resonance, recalling a legacy of east-west exchange that transcends the dry technocracy of acronym-driven projects. Third, and perhaps most practically, it is a name with branding power. "New Golden Road" sounds like something that could stick in a G20 communiqué *and* a Trump speech. By adopting this language early, Hungary positions itself as a narrative-shaper within the emerging order.

It's also a matter of rhetorical realism. Almost no refers to the Middle Corridor by its formal name (the Trans-Caspian International Transport Route) or acronym (TITR). Bureaucratic acronyms do not drive interest or investment. "New Golden Road," by contrast, offers Hungary a conceptual frame that is both strategic and sticky. It has public resonance, diplomatic utility, and historical depth; precisely the kind of language that can give a small state a larger voice. It also avoids the pitfalls of competing terminology, such as the "Cotton Road," a phrase used almost exclusively by a handful of Italian commentators.

2. Appoint a Special Envoy for the New Golden Road

Hungary should designate a Special Envoy to coordinate its engagement with the New Golden Road framework (currently referred to in most international forums as IMEC). This would signal diplomatic seriousness, ensure policy continuity across ministries, and give Budapest a consistent voice in the evolving architecture of the corridor. Other states—including France and Italy—have already moved in this direction. There is no reason Hungary should lag behind, particularly given its existing investments in Trieste, its central position in the Danube-Adriatic corridor, and its emerging role as a regional connectivity strategist.

Until the broader branding shift from "IMEC" to "New Golden Road" gains formal traction, the envoy can operate under the former name for recognition's sake. But the strategic function is clear: to represent Hungarian interests at the corridor's diplomatic, commercial, and technical interfaces, and to ensure that Hungary's priorities are embedded in every phase of its development.

3. Promote the Formation of a New Golden Road Partnership Forum

Hungary should take the lead in proposing the creation of a multilateral coordination body—tentatively called the *New Golden Road Partnership Forum*—modeled on existing structures like the Trans-Caspian International Transport Route's International Association. While trade policy in Europe is the competence of the European Union, there is ample space for member states to spearhead the creation of infrastructure and logistics platforms that support strategic connectivity. This Forum would provide a standing institutional mechanism to coordinate investment, develop integrated logistics offerings, harmonize transport standards, and reduce administrative and technical barriers across the corridor. Crucially, it would offer a platform for shaping the operational and commercial foundations of the New Golden Road, even in the absence of a formal treaty regime.

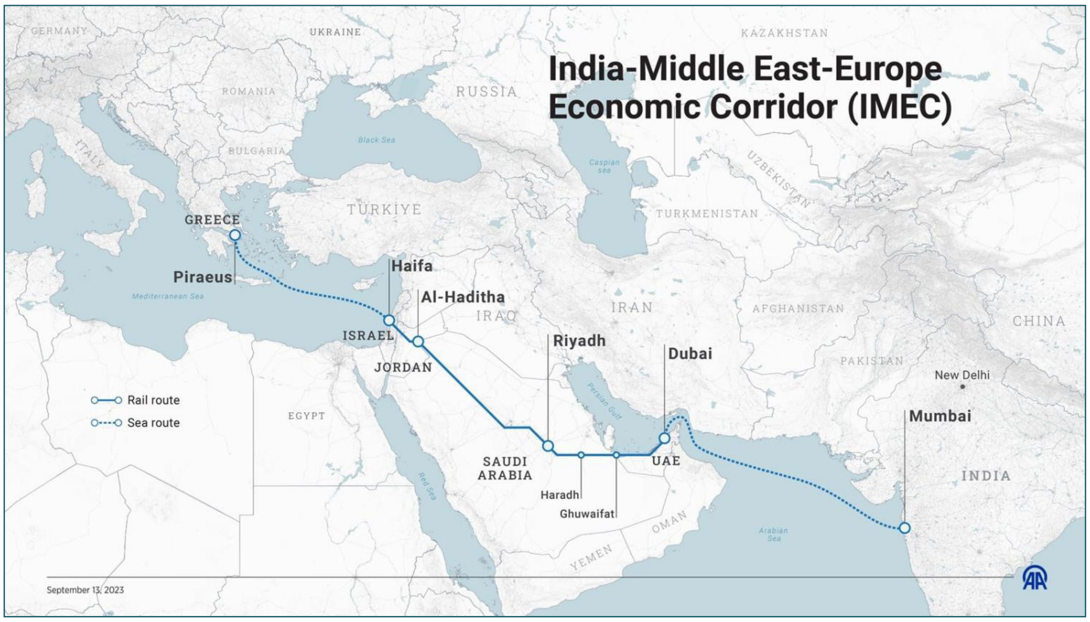
Hungary is unlikely to be a key power within the New Golden Road system. But it *can* still play a catalytic role in helping to establish durable frameworks for cooperation. By promoting the idea early, perhaps through informal consultations or joint workshops, Budapest can demonstrate constructive engagement and ensure its interests are reflected in the corridor's eventual governance structures. Influence in this context is less about weight than about initiative.

4. Produce a High-Quality Strategic Map of the New Golden Road

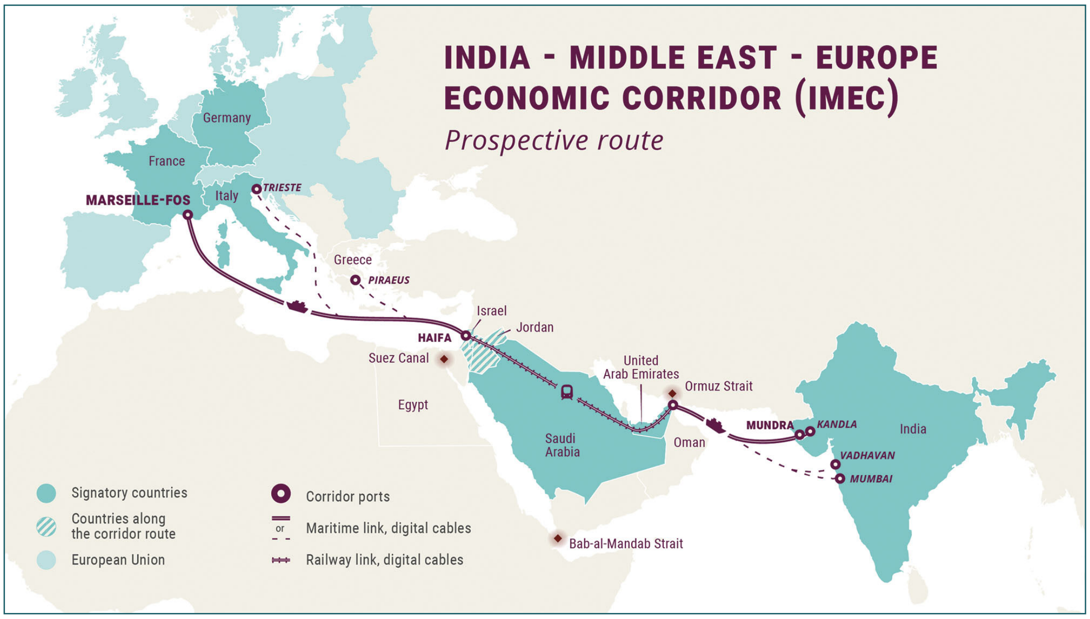
Narratives are a source of power because they set constraints on what is imaginable and considered feasible. The same applies to maps. Thus, whoever draws the map frames the corridor.

Most visualizations of the New Golden Road, especially those produced in the wake of the original IMEC announcement, show the corridor terminating in Piraeus. This reflects not geography, but diplomacy. France has more recently entered the fray with a polished map that ends in Marseille. Italy, for its part, remains behind the curve. While the Trieste Summit Association has produced its own map highlighting Trieste's role, it falls short of the quality required to shift international perception.

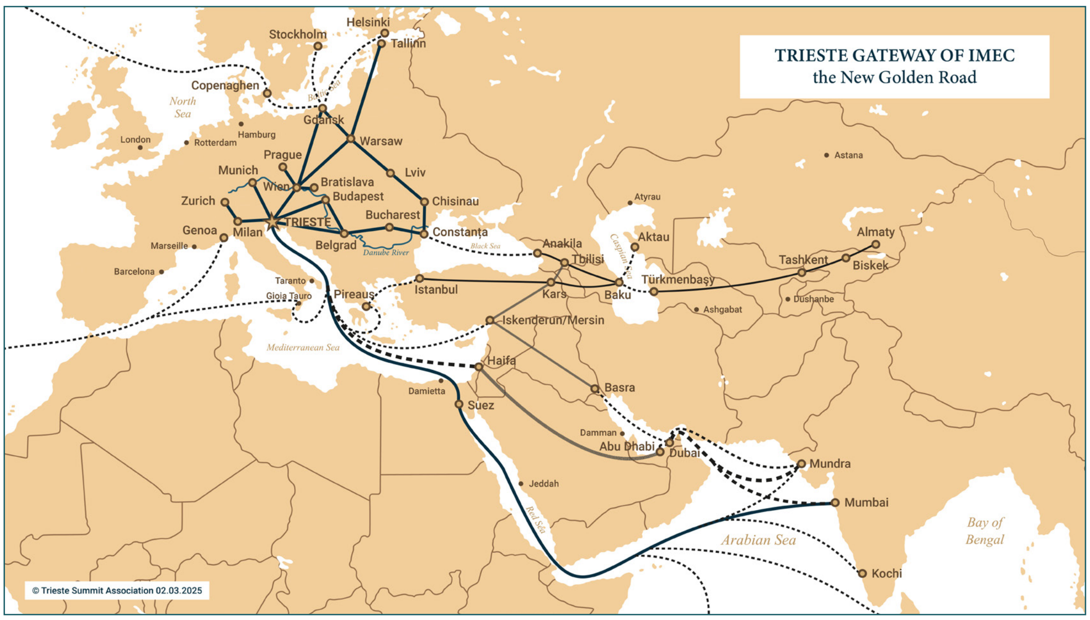
Hungary cannot afford to be absent from the cartographic imagination. The Hungarian government, through its affiliated foreign policy institutions, should commission a high-quality, publication-ready map of the New Golden Road—one that clearly places Trieste at the corridor's European terminus and integrates the Danube-to-Adriatic Corridor as its natural hinterland. This map should be designed for use in reports, briefings, and international



A typical map of IMEC. This one was produced by the Turkish Anadolu Agency.



A map of IMEC by *La Jaune et la Rouge*. Note the pro-French/Marseille framing.



A map of the New Golden Road/IMEC by the Trieste Summit Association.

forums, and calibrated to highlight Hungary's logistical and geoeconomic centrality within the emerging system.

The effort is minimal. The return, substantial. In a region where every actor is vying to define the narrative and fix the endpoints, a professional-grade map is a significant advantage.

5. Reorient Middle East Policy Around the New Golden Road

Hungary should recalibrate its Middle East strategy to align with the rise of the New Golden Road as the region's central geoeconomic framework. This means moving beyond energy-centric or purely diplomatic engagement and adopting a corridor-oriented approach focused on long-term connectivity. Priority should be given to cultivating deeper ties with the key trade and logistics powers shaping the system: India, the United Arab Emirates, Saudi Arabia, Israel, and Türkiye. These states are more than regional players; they are the operational backbone of the corridor, and Hungary's future relevance in terms of Indo-Mediterranean engagement depends on embedding itself within their logistical and commercial networks.

The UAE and Türkiye, in particular, should be prioritized. The former, with its unmatched infrastructure footprint, financial clout, and deliberately flexible foreign policy, is fast becoming the informal hub, and likely future convener, of the New Golden Road. The latter, meanwhile, is reasserting itself as a transregional power, combining economic scale with growing military reach and infrastructural ambition. Ankara's strategy of intermediation—positioning itself as a necessary conduit for trade, energy, and influence—mirrors Hungary's own emphasis on connectivity, albeit at a different scale. Engaging seriously with both countries offers Hungary a way to plug into the corridor's operational core and ensure that its interests are represented as institutional frameworks begin to take shape.

6. Establish a Strategic Presence in Mumbai

Hungary should move beyond the conventional diplomatic patterns that prioritize New Delhi and instead cultivate a strategic presence in Mumbai, India's financial and commercial capital. While New Delhi remains the seat of political power, the engine of India's economic dynamism lies the west coast, in port cities like Mundra, Cochin and, above all, Mumbai. It is here that trade routes converge, investment decisions are made, and the future of the Indian economy is being built.

While many countries maintain commercial consulates and trade missions in Mumbai, few have pursued deeper institutional engagement with the city's policy and academic community. Unlike New Delhi, which hosts the bulk of India's foreign-facing think tank ecosystem, Mumbai remains underutilized as a platform for long-term geoeconomic and strategic dialogue. Hungary could stand out by forging ties with the city's applied economics centers, business schools, and industry-linked think tanks. This would not only create direct access to India's corporate elite, but also embed Hungary within the geography driving the Indian leg of the New Golden Road.

To this end, Hungary should pursue the creation of a joint Indo-Hungarian research platform in Mumbai, focused on geoeconomics, connectivity, and corridor development. Co-located with a local partner—such as the Gateway House, the Shailesh J. Mehta School of Management, the N. L. Dalmia Institute of Management Studies and Research, or another major west coast university—this initiative would provide a foundation for sustained engagement with India's business and policy class and serve as a long-term anchor for Hungarian strategic interests along the New Golden Road.

7. Designate Trieste as a Strategic National Asset

Hungary should formally declare its stake in Trieste—specifically, the Adria Port terminal—a strategic national asset, integrating it into the country's core infrastructure and foreign policy frameworks. This would place it on par with other critical assets such as Budapest Ferenc Liszt International Airport and the Paks nuclear power plant, signaling that maritime access is no longer peripheral to Hungarian statecraft but central to it. As the report has shown, Trieste is Hungary's maritime lifeline to the New Golden Road and beyond. Treating it as a or purely commercial venture undercuts its strategic potential.

This designation should be accompanied by institutional integration: regular cabinet-level oversight, inclusion in national logistics planning, and diplomatic coordination with Italian counterparts. Adria Port will be more than just a container yard; it is Hungary's de facto coastline. Recognizing it as such is a necessary step if Hungary is serious about embedding itself in the Indo-Mediterranean system.

8. Ensure High-Level Participation at the 2025 Trieste Summit

The Hungarian government should ensure visible and senior-level participation at the international summit being organized this autumn in Trieste by Italian Foreign Minister Antonio Tajani. The event, intended to involve all foreign ministers involved in the initiative, is a timely opportunity for Hungary to reinforce its strategic presence at the Adriatic. Attendance by Prime Minister Viktor Orbán, Foreign Minister Péter Szijjártó, the Prime Minister's Political Director Balázs Orbán, and/or top-ranking officials would send a clear signal of commitment.

In parallel, relevant senior officials from the Ministry of Foreign Affairs and Trade, as well as the Ministry of Construction and Transportation, should be directly involved in preparatory coordination and onsite engagement. As Hungary deepens its infrastructural and diplomatic footprint in Trieste, events such as this are no longer optional photo-ops; they are strategic theaters.

9. Prioritize Completion of Critical Rail Infrastructure Along the Danube-to-Adriatic Corridor

Hungarian interests are directly constrained by the incomplete modernization of the rail segment between Trieste and the Slovenian border. The Trieste–Aurisina stretch, long characterized by steep gradients, outdated signaling, and insufficient capacity, remains the single most important bottleneck on the western end of the corridor. Although Italy has committed to completing this upgrade by 2026, delays remain routine, and pressure from stakeholders, including Hungary, will be critical to ensuring that works proceed on time and to TEN-T standards.

Simultaneously, Hungary should advocate for the phased double-tracking or loop extension of the Pragersko–Hodoš and Ljubljana–Sežana lines in Slovenia. These segments are vital for sustaining and scaling freight flows to Zalaegerszeg and Budapest. At present, much of the infrastructure along this alignment remains single-track with inadequate 740-meter train accommodation. Partnering with Slovenian counterparts to fast-track EU co-financing for capacity upgrades under the Connecting Europe Facility would serve both countries' interests.

10. Streamline Danube-to-Adriatic Corridor Cross-Border Rail Operations

Infrastructure alone is insufficient without operational fluidity. The Danube-to-Adriatic Corridor still suffers from technical fragmentation across three different electrification systems (Italy and Slovenia's 3kV DC, Hungary's 25kV AC, and Austria's 15kV AC), requiring either costly multi-system locomotives or manual engine changes at border stations like Hodoš and Dobova. Furthermore, national differences in signaling systems, driver certifications, and track access regimes continue to produce delays and administrative frictions.[204]

Hungary should take the lead in supporting full ERTMS/ETCS deployment on the Hodoš–Zalaegerszeg segment and advocate for similar fast-tracking along the Pragersko–Ljubljana corridor. Additionally, the government could explore expanded use of "customs corridors" modeled on the Trieste–Villach bond-clearing arrangement, allowing cargo to move from the Adriatic to Hungary with deferred customs processing.[205] [206]

11. Re-establish Direct Passenger Rail Service Between Budapest and Trieste

The absence of a direct passenger rail connection between Budapest and Trieste remains a glaring gap. Rail travel between the two cities currently takes upwards of 10 hours with multiple transfers, while bus connections are significantly faster and cheaper. For Central European connectivity, this is diplomatically and symbolically untenable.

Hungary should take the initiative to propose, co-finance, and schedule a daily direct passenger service—potentially under the EuroCity or Railjet brand—in cooperation with Slovenian Railways and Trenitalia. The CEI–Transport Community's 2024 study already outlines an operational model, including schedules, rolling stock options, and target passenger volumes.[207] This would serve as a diplomatic win for Hungary while also aligning with EU goals for modal shift and low-emission travel. More broadly, it would reinforce Budapest's role as both an economic and cultural gateway to the Adriatic.

12. Institutionalize Danube-to-Adriatic Corridor Governance Within a Regional Framework

[204] Ruete, Mathias. *ERTMS Second Work Plan of the European Coordinator*.
[205] "Customs Corridor Trieste–Villach." Rail Cargo Group, n.d. https://www.railcargo.com/en/services/intermodal-logistics/terminals/customs-corridor-trieste-villach.
[206] "Port of Trieste Starts First European Customs Corridor." *Ports Europe*, December 14, 2023. https://www.portseurope.com/port-of-trieste-starts-first-european-customs-corridor/.

Fragmented planning remains one of the Danube-to-Adriatic corridor's most serious structural weaknesses. While Italy, Slovenia, Croatia, and Hungary have overlapping interests, coordination mechanisms remain informal or ad hoc. Hungary should push for the constitution of a minilateral grouping of transport ministries or advocate for the corridor's formal inclusion within the Three Seas Initiative's infrastructure portfolio. This would create the institutional spine necessary to coordinate funding applications, maintenance planning, and project sequencing.

Given Hungary's investment in Trieste and its centrality to both the Adriatic port and the Danube hinterland, Budapest is in a position to propose and lead such a format. Coordinated governance would also improve engagement with the EU's Rail Freight Corridors (RFCs 5 and 6), which already provide the soft infrastructure needed to harmonize operations along cross-border rail corridors. By spearheading such a structure, Hungary secures its own economic interests and positions itself as the corridor's convening power.

13. Secure Direct Passenger Air Links with the United States

The Hungarian government should make it a strategic priority to restore direct passenger air connections between Budapest and the United States, beginning with New York and Washington, D.C. These routes existed in the past: both American Airlines and Delta operated flights to New York, while LOT briefly offered service to Chicago and New York from Budapest. All were discontinued by 2020, due to the COVID-19 pandemic, and no replacement has since materialized. Unlike Vienna, Warsaw, or even Prague, Budapest now stands as a major Central European capital with no direct transatlantic link. This must be remedied if Hungary intends to present itself as a credible intercontinental hub.
Restoring U.S. service would do more than close a gap in the route map. It would reinforce Hungary's role as a logistical and commercial platform in Central Europe, anchoring it more firmly within transatlantic networks at a time when global supply chains are undergoing reorientation. The move would also complement Hungary's broader strategy of balancing Eastern and Western ties: while Chinese and Gulf carriers already use Budapest as a key entry point, the absence of a U.S. carrier creates an unnecessary asymmetry. A direct flight to the United States would diversify Budapest's long-haul portfolio, signal openness to North American business and investment, and provide a new layer of resilience to Hungary's aviation sector.

The government should be prepared to actively facilitate this outcome. That includes offering financial incentives or risk-sharing guarantees to attract a U.S. or partner carrier, engaging in bilateral diplomatic efforts to encourage airline interest, and ensuring the necessary regulatory frameworks are in place. Fifth-freedom options—such as Gulf carriers operating onward service to the United States—should also be considered if direct bilateral routes prove commercially difficult in the short term. A transatlantic air link is not a secondary issue; it is a vital enabler of Hungary's strategic posture as a bridge between continents. Leaving that link broken cedes ground, both symbolically and commercially, to competitors.

14. Re-establish a Hungarian National Carrier

Hungary should prioritize the revival of its own airline presence—either by reinstating the Malév brand or by securing a majority stake in Hungary Airlines—to ensure strategic control over air services and national connectivity. Malév, Hungary's flag carrier until its 2012 collapse, provided vital long-haul connections and significantly contributed to airport and tourism revenues; its absence has left Budapest reliant on foreign carriers for critical routes. Re-establishing a national carrier would restore autonomy over long-haul route development, marketing, and network strategy.

If choosing to leverage Hungary Airlines, which currently operates as a China-facing cargo airline majority-owned by businessman Wu Jiang, Hungary must swiftly acquire a controlling share.[208] The government should accelerate negotiations to ensure predominant Hungarian influence over strategic decisions and alleviate any potential concerns from Western political and business stakeholders. Securing a national stake would also align the carrier's longer-term growth—especially any future passenger operations—with European Union standards, transparent governance, and balanced international partnerships.

A re-established Hungarian airline would serve multiple strategic objectives: (1) restore a home-base long-haul operator capable of launching direct U.S. routes; (2)

[207] "Rehabilitation of Rail Passenger Services along the Historic Route: Trieste–Ljubljana–Zagreb–Belgrade."
[208] "Hungary Airlines Is Already Planning on Chinese Expansion." *Hungary Today*, April 11, 2025. https://hungarytoday.hu/hungary-airlines-is-already-planning-on-chinese-expansion/.

inject national branding into Budapest's air connectivity ambitions; (3) build domestic aviation capacity and skilled employment; and (4) provide a geopolitical asset that can engage globally without overreliance on foreign carriers. The government should initiate an urgent feasibility review to assess two parallel options: reviving the Malév brand from scratch, or acquiring and restructuring Hungary Airlines to bring it under majority Hungarian ownership, with clear governance standards and strategic alignment.

15. Support the Launch of a Trans-Eurasian Trade Council

Hungary should provide initial startup funding and political backing for the creation of a Trans-Eurasian Trade Council—the proposed private-sector-led initiative designed to convene businesses, logistics firms, investors, and policymakers operating along the New Golden Road and adjacent corridors. While states build infrastructure, it is firms that move goods, manage risk, and define commercial feasibility. A trade council that spans Central Asia/the Caucasus, South Asia, the Gulf, the Levant, and Central Europe could help bridge the persistent gap between diplomatic ambition and operational reality.

Budapest is well-positioned to act as the initial supporter of the Council and host its early institutional infrastructure. As outlined earlier in this report, the institution would serve as a pan-regional industry forum focused on corridor-scale commerce. Its remit would not be abstract advocacy but practical deal-making: identifying bottlenecks, standardizing practices, and unlocking private investment. Hungary's role is to midwife the Council, offering seed funding, convening power, and political neutrality at a moment when the corridor economy still lacks a dedicated commercial anchor.

Conclusion

Publius Syrius was right, of course. “Everything is worth what its purchaser will pay for it.”

If national prosperity is to be bought, then Hungary now faces a moment of decision; of what to pay, and what to become, in a world that will be increasing defined by geo-economic corridors and infrastructural competition. The return of the Indo-Mediterranean system is reinvigorating historical pathways and inviting new contenders. For Hungary, a landlocked state long relegated to the margins of maritime trade, this moment offers a rare chance to re-enter the circuits of global commerce through strategic foresight and infrastructural commitment. Its investments in Trieste, its rise as an air cargo hub, and its ambition to serve as a commercial nerve center position it as relevant player.

Yet opportunity is not the same as inevitability. The world is fragmenting into overlapping blocs and redundant routes. In such an environment, relevance must be earned and maintained. Hungary’s challenge will be to embed itself deeply and flexibly into the connective tissue of the New Golden Road without becoming beholden to any single route or sponsor. That requires physical infrastructure, diplomatic clarity, institutional reliability, and strategic patience.

History rarely offers second chances. But the return of the Indo-Mediterranean system may be one of them.

Hungary would do well not to miss it.