

# TRUMP'S MIDDLE EAST DEALS: SHIFTING ECONOMIC TIES FROM THE CAUCASUS TO THE WORLD

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## POLICY PAPER

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## America First in the Caucasus, Economics-Driven Peacemaking

Donald Trump's recent foray into South Caucasus peacemaking fits squarely within his "America First" doctrine, prioritizing economic gain and U.S. strategic advantage. In his January 21 speech at the World Economic Forum in Davos, he highlighted the U.S. role as the backbone of global security and economic stability. He defended the use of tariffs and tough bargaining as tools to secure concessions rather than raising domestic taxes.

In Washington's view, the brokered corridor between Armenia and Azerbaijan, grandly titled the Trump Route for International Peace and Prosperity (TRIPP), offers an alternative Eurasian trade route at a time when Russia's war in Ukraine has disrupted traditional Europe-Asia trade routes. By bypassing both Russia and Iran, the TRIPP initiative realigns regional transit with U.S. interests, marking a de facto economic extension of Trump's Middle East deal-making ethos. The emphasis is on commerce and connectivity as tools of statecraft, casting Trump as a broker of infrastructure-led peace rather than mere ceasefires. This approach mirrors his earlier diplomacy (e.g., the Abraham Accords), where forging trade and transport links was seen as the path to lasting accord. Under Trump's economic-centric foreign policy, peace agreements double as development deals, ideally yielding profits and influence for the United States while resolving conflicts abroad.

Crucially, the TRIPP corridor is framed not just as a regional project but as a strategic link in global supply chains. With Russia's land routes and Black Sea corridors compromised by war and sanctions, Washington seized the opportunity to promote a secure trans-Caucasian corridor that connects Europe with South Asia via the Middle East. This vision aligns with Trump's transactional style: U.S. diplomatic muscle is used to clinch a deal that boosts American partners (like Türkiye) and provides the West a new conduit for commerce, all while sidelining rival powers. In short, Trump's South Caucasus peace gambit is an economic statecraft maneuver that packages American self-interest and regional stability into one plan. It reflects a calculated effort to position the U.S. as the architect of a new Eurasian trade artery, consistent with "America First" insofar as the benefits (geopolitical and financial) accrue disproportionately to Washington and its allies.



## From Vision to Reality: Armenia's "Crossroads of Peace" vs. TRIPP

Months before TRIPP was conceived, Armenia's government had unveiled its own "Crossroads of Peace" initiative, a broad diplomatic vision with optimism to transform the Caucasus from a battleground into a hub of connectivity. Yerevan's concept called for reopening all Soviet-era transport: full respect for each country's sovereignty and territorial jurisdiction, reciprocal access for all parties, and no extraterritorial corridors. In other words, Armenia's plan sought to ensure that any new routes (whether road, rail, or energy) remain under the host country's control and serve all neighbors equally, avoiding the kind of one-sided so-called "corridor" that Azerbaijan had long demanded across Armenian land. This initiative was largely a diplomatic vision—a pledge to make Armenia a peaceful transit bridge among Azerbaijan, Türkiye, Iran, and Georgia—but lacked specifics on implementation.

**"According to a joint statement by the U.S. Department of State and the Ministry of Foreign Affairs of the Republic of Armenia, the U.S.-led company is expected to be responsible for the development of the TRIPP and to be granted the right to develop for an initial term of 49 years. Armenia intends to offer the United States a 74% share and retain a 26% share in TRIPP Development."**

**Enter TRIPP:** *the U.S.-brokered deal is essentially the physical infrastructure embodiment, and the U.S.-managed component, of Armenia's vision.*

The Trump Route for International Peace and Prosperity is a 44-kilometer transport corridor cutting through Armenia's Syunik province, connecting mainland Azerbaijan to its Nakhichevan exclave. However, unlike earlier Azerbaijani proposals for "Zangezur Corridor" under Baku's control, TRIPP is explicitly designed to uphold Armenian sovereignty even as it facilitates Azerbaijani transit. The agreement stipulates that the route will operate under Armenian law and jurisdiction, but will be developed and operated by a U.S.-led consortium.

In effect, *TRIPP marries Armenia's Crossroads of Peace principles with American oversight:* Azerbaijan gets its much-desired land link to Nakhichevan (and via Türkiye to European markets), while Armenia retains legal authority over its territory and earns transit revenues. The distinction is clear: Crossroads of Peace is the regional vision for connectivity, whereas TRIPP is the concrete U.S.-brokered project (complete with Trump's branding) that executes one key piece of that vision. Washington cast TRIPP as an alternative to the unilateral "Zangezur Corridor" idea. The result is a diplomatic one-two punch: Armenia's pluralistic ideals fused with Trump's deal-making, yielding an American-monitored infrastructure project that promises to bind the region together on more equitable terms.

**At the World Economic Forum in Davos, Switzerland, Armenian Prime Minister Nikol Pashinyan and Azerbaijani President Ilham Aliyev joined U.S. President Donald Trump and other leaders in signing the charter of the Board of Peace, formally launching this new international peace initiative.**

## 99-Year U.S. Presence – Armenia's Alliances Remapped

One of the most groundbreaking aspects of the TRIPP deal is its duration and the extent of American involvement. Under the plan, the United States (through a designated private consortium) will lease and oversee the Armenian stretch of the route for 99 years. This century-long mandate grants Washington de facto stewardship over a strategic piece of the Caucasus, a role no Western power has held in Armenia's, and by extension, the South Caucasus' modern history. Since its independence, Armenia has relied almost exclusively on Russia as its security patron and economic partner; Moscow maintains military bases and border guards in Armenia and has dominated regional diplomacy. The TRIPP agreement upends this status quo: a U.S. entity will control the transit artery along Armenia's border with Iran, ostensibly guaranteeing its neutral and continuous operation. American officials tout this arrangement as ensuring the route's security and "neutrality" even in times of tension. But symbolically, the 99-year lease is even more striking; it cements an American strategic footprint in the South Caucasus for the long haul, signaling that *Armenia's geopolitical orbit is no longer confined to Moscow's influence.*

Indeed, observers note that the TRIPP deal "cements American dominance in this key energy hub for the next 99 years". Yerevan's decision to entrust a vital infrastructure link to U.S. management marks a historic shift away from sole reliance on Russia, potentially reorienting Armenia's alliances toward the West.



The White House summit itself, brokered by Trump after previous U.S. and E.U. mediation efforts failed, pointed to waning Russian clout. As one Azerbaijani opposition figure observed, the very signing of the Washington accords "delivered another blow to Russia's influence in the South Caucasus". Not only was Moscow pointedly absent from the negotiations, but the outcome directly challenges Russia's role as regional gatekeeper. The sight of Washington assuming operational rights over a route that Russia once hoped to police is a "direct affront" to Moscow's legacy in the Caucasus. Armenians, too, recognize the realignment: for better or worse, their nation has invited in an American presence with a century-long horizon, implicitly diminishing the patronage of their erstwhile ally, Russia. In strategic terms, the Caucasus is no longer a closed Russian sphere; the U.S. has carved out a long-term position on the map via TRIPP, leveraging Armenia's quest for alternatives to Russian dependency.

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## Global Trade Corridors: Eurasian Connectivity and Supply Chain Shifts

At its core, the Armenia–Azerbaijan corridor deal is about more than bilateral peace; it carries significant implications for global trade routes. By opening Armenia’s southern frontier to through-traffic, TRIPP plugs a crucial gap in the Middle Corridor. This east-west transit route runs from China through Central Asia and the Caspian Sea, across the Caucasus to Europe. This route has gained prominence as countries seek to avoid Russia (due to sanctions and instability) and Iran (due to sanctions and geopolitical tensions) for moving goods between Asia and Europe. China, India, and the E.U. all stand to benefit from a stable passage in the South Caucasus. For China, which has invested in the Belt and Road’s Middle Corridor, the addition of TRIPP offers “shorter transit times and expanded trade capacity” across Eurasia. In fact, Beijing’s recent moves, such as China’s state railway company joining a joint venture to boost the Middle Corridor, underscore that a secure Caucasus link complements its aims by adding flexibility to east-west logistics. As one analysis notes, any new route like TRIPP “could, in principle, complement [China’s] ambitions” under the Belt and

Road Initiative, even if a U.S.-controlled corridor also introduces new strategic complications for Beijing.

From India’s perspective, the corridor contributes to a more connected Eurasia at a time when New Delhi is exploring multiple trade avenues to Europe. India has championed the International North–South Transport Corridor (linking Indian ports to Iran, the Caucasus, and Russia) and also signed onto a new India–Middle East–Europe economic corridor. A South Caucasus route dovetails with these efforts by potentially allowing Indian goods to transit west via Armenia–Azerbaijan–Türkiye, bypassing chokepoints elsewhere. It is no surprise then that Indian officials welcomed the Armenia–Azerbaijan peace breakthrough. External Affairs Minister Subrahmanyam Jaishankar personally congratulated Armenia’s foreign minister, calling the agreement “an important achievement for dialogue and diplomacy that India advocates”. Such diplomatic support hints at India’s interest in any corridor that promotes stability and opens avenues for commerce across Eurasia.

The European Union, too, has praised the deal in light of its own connectivity strategy. The E.U.’s Euronest Parliamentary Assembly lauded the Armenia–Azerbaijan accords and explicitly noted that TRIPP is “an important



step towards unlocking the full economic and connectivity potential of the South Caucasus". For Europe, a direct link from the Caspian Basin to the Black Sea and Mediterranean (via Türkiye) has appeal for energy and trade diversification. In essence, the TRIPP corridor is poised to rewire Eurasian trade flows, offering an overland bridge that connects emerging markets in Asia with European economies without transiting Russia or Iran. Türkiye's Foreign Minister Hakan Fidan captured this geoeconomic significance, hailing the corridor as one that could "link Europe with the depths of Asia via Türkiye" – a "very beneficial development" in Ankara's view. By dovetailing with the Middle Corridor through Central Asia and complementing existing routes, TRIPP is generally seen not as a rival to China's Belt and Road, but as a strengthening link in the chain of intercontinental commerce. Even Turkish analysts frame the U.S.-managed "Trump Road" as potentially "becoming a key part of the China–Europe trade route", provided Washington doesn't impose restrictive controls.

### **Complement or Competition? TRIPP and China's Belt and Road**

The question of whether TRIPP undermines China's Belt and Road Initiative (BRI) or enhances it has prompted debate and nuanced responses from experts. Superficially, an American-run corridor through the Caucasus could be viewed as a challenge to China's influence in Eurasian infrastructure. After all, Beijing has poured resources into the BRI's overland routes, and a U.S.-backed project might divert some traffic or set standards China doesn't

control. However, many analysts argue that TRIPP can complement rather than compete with the BRI's goals. The corridor essentially fills a gap in the BRI's Middle Corridor, which runs from China to Europe via Central Asia, the Caspian Sea, and Türkiye. By adding Armenia into this transit network under a framework acceptable to all regional players, TRIPP could make the overall east-west route more viable. It provides redundancy and extra capacity, qualities welcomed by shippers and investors alike.



Chinese officials have so far reacted cautiously but not negatively. Beijing publicly endorsed the idea of peace and “territorial integrity” in the Caucasus, stopping short of explicit commentary on TRIPP. Behind the scenes, China is likely calculating that a stable trade corridor is ultimately in its economic interest, even if it is U.S.-operated. Notably, right before the peace deal, President Ilham Aliyev of Azerbaijan visited Beijing and upgraded Azerbaijan-China ties to a Comprehensive Strategic Partnership. This suggests China intends to remain engaged in Caucasus transit projects and ensure Chinese freight can flow regardless of whose flag flies over a given railroad. Türkiye, a key Belt and Road participant, has been even more direct in seeing TRIPP as a boon. Turkish leaders predict the route will “boost trade between China and Europe”, effectively acting as a new artery feeding into the BRI network (via the Middle Corridor through Türkiye). In short, so long as Washington does not politicize or restrict access, TRIPP’s added connectivity is largely congruent with China’s grand infrastructure vision. It creates parallel tracks for commerce, making Eurasian trade more resilient. Far from tearing down Beijing’s strategy, Trump’s Caucasus deal might inadvertently bolster it by making the web of intercontinental trade routes denser and less dependent on any single country. Expert commentary supports this complementary view, stressing that the U.S. presence in TRIPP is a guardrail against conflict rather than a blockade against Chinese goods. The success of BRI’s vision of seamless Eurasian trade could, counterintuitively, hinge on this American-

guaranteed corridor staying open and neutral for all.

### **Shifting Regional Power Dynamics: Russia Diminished, Iran Squeezed, Türkiye Ascendant**

Trump’s Caucasus initiative is reshaping the regional power balance at a volatile moment. Russia, Iran, and Türkiye – the three traditional heavyweights around the South Caucasus – all find their roles transformed, to varying degrees, by the advent of a U.S.-brokered peace. Russia emerges as perhaps the biggest loser in influence. Preoccupied by the conflict in Ukraine and facing international isolation, Moscow was unable to block the Washington accords and now sees a key route slipping from its grasp. For decades, the Kremlin had styled itself the ultimate arbiter in Armenia-Azerbaijan affairs (deploying peacekeepers and border guards, and leveraging Armenia’s dependence on Russian security treaties). That dominance has now been decisively eroded. In Baku and Yerevan, the absence of Russia at the peace table was telling – a palpable erosion of Moscow’s clout. Even Azerbaijan’s opposition noted that lasting stability “hinges on the continual dwindling of Russian power”, a process now well underway.

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While Russia publicly did not obstruct the TRIPP plan, officials in Moscow have reacted defensively, insisting they will “study” its details and warning (rather meekly) against any arrangement that undermines Russian interests. The reality is that Russia’s leverage in the Caucasus has been badly weakened, due both to its military setbacks abroad and the entry of the U.S. as a new guarantor of regional order.

Iran’s reaction has been one of thinly veiled alarm. Tehran is “openly hostile” to any corridor through Armenia’s Syunik province that it does not control – especially one managed by the United States. From Iran’s perspective, TRIPP is a strategic pincers movement: it not only “bypasses Iran entirely,” cutting Tehran out of a transit role it once enjoyed, but also places an American-backed project right on Iran’s northern doorstep. Iranian leaders worry about both economic marginalization – losing transit fees and influence if Azerbaijan no longer needs to route goods via Iran – and geopolitical encirclement, with U.S. (and potentially Israeli) presence inching closer to Iran’s borders. In response, Iran has tried a nuanced approach. The Iranian Foreign Ministry cautiously “welcomed” the Armenia-Azerbaijan agreement as a positive step for peace, but in the same breath warned against any foreign intervention near its borders that could undermine regional security. Iran has also thrown its rhetorical support behind Armenia’s Crossroads of Peace (sovereignty-based connectivity) as opposed to an imposed corridor. Yet, with its own international position weakened by domestic economic challenges, civic unrest,

and sanctions – not to mention involvement in conflicts like a brief war with Israel – Iran’s capacity to spoil the TRIPP project is limited. Tehran finds itself squeezed: it must watch warily as a U.S.-Turkish-Azerbaijani alignment forms a transit route circumventing Iran, diminishing one of Iran’s few outlets to the Caucasus. The U.S. presence effectively tightens “the strategic arc of American influence” along Iran’s northern frontier, a scenario Iran has long feared but can only protest against for now.



In contrast, Türkiye stands to gain considerable geopolitical stature from the TRIPP deal. For Ankara, this corridor is the realization of a long-held dream: a direct connection through Nakhichevan to Azerbaijan proper, allowing unbroken road and rail links from Türkiye to the Caspian Sea and Central Asia. Turkish President Recep Tayyip Erdoğan swiftly endorsed the Washington agreement, offering support to ensure “lasting peace in the region” and hinting that Türkiye is ready to finally normalize relations with Armenia. The prospect of open borders with Armenia (closed since the 1990s) now appears within reach, contingent on the peace process holding.

Strategically, *TRIPP solidifies Türkiye's role as the preeminent transit hub bridging Europe and Asia*. It “reinforces [Türkiye’s] role as a regional transit hub” linking the Turkic world from Anatolia to the Caspian. Analysts note that the corridor “cements Ankara’s growing role as a regional hegemon, replacing Russia, which had long held that title”. In other words, where Russia’s influence is receding, Türkiye’s is expanding – and now underpinned by U.S. partnership. This dovetails with Ankara’s vision of a Turkic connectivity axis and boosts its economic clout (one forecast by Bloomberg economists projected Türkiye could add around \$4 billion in annual exports thanks to the new trade route). Of course, Türkiye must balance this opportunity with caution not to provoke Russia or Iran. But given that TRIPP aligns with Türkiye’s NATO commitments and its ties to Azerbaijan, Ankara has embraced the corridor as a win-win. The U.S. presence via TRIPP acts as a stabilizer and guarantor, which in turn gives Türkiye confidence to invest in regional projects without fear of Russian sabotage. In effect, Washington’s involvement provides cover for Türkiye’s ambitions – a counterweight that keeps Russia and Iran at bay while Türkiye extends its reach.

Thus, the emerging picture is of a new power equilibrium: Russia’s long shadow over the Caucasus is lifting; Iran is hemmed in and cautious; Türkiye is more influential than ever; and the United States has inserted itself as a Pacific-Atlantic power broker in this crossroads of Eurasia. This realignment is fraught with uncertainties – Moscow and Tehran will look for subtle ways to regain leverage, and Ankara will test the limits of its dual friendship with both

Washington and Moscow. But for now, the Trump-brokered deal has upended old dynamics, with U.S. and Turkish influence filling the void left by a distracted Russia, and potentially providing a more balanced, multi-polar stability to a region long tugged between empires.

### **Yerevan Debates, Baku Celebrates: Domestic Reactions on Each Side**



Within Armenia and Azerbaijan, the TRIPP peace initiative has been met with very different domestic responses – a reflection of their political environments. In Armenia, a pluralistic democratic society, the agreement has sparked intense debate, criticism, and cautious hope in equal measure. Prime Minister Nikol Pashinyan has defended the deal as a strategic breakthrough that secures peace and opens economic opportunities. Yet Armenian public opinion remains deeply skeptical. A post-summit poll found that 58.9% of Armenians oppose the TRIPP corridor – even if it promises Armenia access to new trade routes – and a majority doubt that the U.S.-brokered Washington Declaration will truly bring peace. The Armenian opposition and much of the media have lambasted the accord, arguing that it entails dangerous concessions.

They point to the unresolved questions about sovereignty and security: Will Armenia really control the corridor on its own soil? Could Azerbaijan (or even the U.S.) use it to erode Armenia's authority in Syunik? These fears are amplified by the nomenclature dispute – Aliyev's insistence on calling it the "Zangezur Corridor" raised alarm that Azerbaijan harbors irredentist aims, forcing Pashinyan to vehemently reject that label. Critics at home accuse Pashinyan of ceding a slice of sovereignty, or "ringing up Trump" to solve Armenia's problems at the cost of Russia ties.

That said, not all Armenian voices are negative. Some business leaders and ordinary citizens see potential benefits in becoming a transit country. "If gas and oil pipelines pass through Armenia and railway routes are opened, it would be beneficial for the country," one entrepreneur in Yerevan noted, lamenting that Armenia has long been bypassed in regional trade. Pro-government commentators likewise argue that the Washington deal was a diplomatic victory that finally brings Azerbaijan to the table and places an American security umbrella over Armenia. Armenia's vibrant press has featured both these optimistic takes and strident warnings from opposition figures (including former leaders like ex-President Robert Kocharyan) that TRIPP endangers national interests. The upshot is a heated public discourse. Pashinyan's government must navigate this divide – it has pledged to hold a referendum on constitutional changes (e.g., removing territorial claims to Karabakh) to fulfill the peace terms, and faces elections in 2026, when the fate of the TRIPP agreement could become a campaign flashpoint.

Armenia's response, in sum, is democratic cacophony: protests and editorials decrying a "99-year American corridor," alongside cautious endorsements that peace could finally unlock prosperity. This pluralism indicates both the resilience of Armenia's civil society and the depth of trauma and mistrust after decades of conflict.

In Azerbaijan, by contrast, the public narrative around the peace deal is far more celebratory and tightly controlled. President Ilham Aliyev's government has framed the Washington accords as a triumph of Azerbaijani diplomacy and a just resolution achieved on Baku's terms. State-aligned media emphasize that Azerbaijan secured its primary objective – a land corridor to Nakhichevan – without compromising its territorial integrity. The fact that the route will be managed by a U.S. partner (rather than Russian peacekeepers) is generally seen in Azerbaijan as acceptable, as it guarantees that Armenia cannot exercise undue control or shut it down unilaterally. Notably, even opposition voices in Azerbaijan have largely praised aspects of the deal. Ali Karimli, head of the Popular Front (a main opposition party), wrote that the agreement "brought Azerbaijan and Armenia significantly closer to peace" and crucially "delivered another blow to Russia's influence in the South Caucasus", which he and others view as positive. Another opposition leader, Arif Hajili of the Musavat Party, lauded Russia's absence from the process, arguing that true stability "hinges on the dwindling of Russian power" in the region. Such statements are telling – in Azerbaijan's constrained political environment, open dissent is rare, and when even opposition figures echo the government's talking points

(in this case, welcoming the U.S. role as a guarantor), it reflects a broad elite consensus in favor of the accord.

On the streets of Baku, the mood has been described as hopeful and upbeat. Azerbaijani citizens interviewed by media expressed relief that a powerful third party (the U.S.) will underwrite the peace: “We did not trust our neighbor Armenia... that’s why a strong state was needed as guarantor. Russia couldn’t do it, but the United States succeeded,” one Baku resident told the AP. Others voiced optimism that “borders will open soon, and normal relations with Armenia will be established,” now that Washington is overseeing the deal. There is an undercurrent of triumphalism as well – after Azerbaijan’s decisive military victory in 2023 over Karabakh separatists, many Azerbaijanis see the peace agreement as the capstone that will force Armenia to renounce past claims. However, the Azerbaijani public is also cautioned (by state media) that this is not yet a final peace treaty. Aliyev himself has stressed that Armenia still must amend its constitution regarding Nagorno-Karabakh before a comprehensive peace is signed. Until then, Baku maintains leverage. Overall, Azerbaijan’s domestic response has managed to project unity and satisfaction, with minimal criticism of the TRIPP’s terms. The tightly controlled media environment means few dissenting views (if any) are aired – and indeed the general populace, buoyed by a sense of victory, appears supportive of the course Aliyev has taken. In sum, where Armenians see uncertainty and debate, Azerbaijanis see vindication and closure. This asymmetry in domestic perceptions will undoubtedly color how each side approaches implementation:

Armenia warily and contentiously, Azerbaijan confidently and with top-down coordination.



### **The Peace Dividend: Economic Growth on the Horizon**

Beyond the geopolitical shifts and political debates, the promise of a “peace dividend” looms large over the Caucasus. Experts and international financial institutions alike predict that regional integration and the end of conflict could unlock significant economic growth for both Armenia and Azerbaijan. Years of closed borders and military brinkmanship came at a high cost – diverting budgets to defense, deterring investors, and stifling trade. With a normalization process underway, those costs could be reversed into gains. A joint study by Armenian and Azerbaijani economists for the Geneva Centre for Security Policy (GCSP) found that if lasting peace takes hold, reduced military spending and improved stability would boost economic performance. For instance, simply curbing the arms race would free resources for infrastructure and social needs. More strikingly, the GCSP report estimates that peace could “raise FDI inflows by at least 20%” in Armenia, “*lifting Armenia’s GDP by*

5 to 6 percent” in the medium term. Stronger public finances (thanks to lower defense burdens) and cheaper borrowing costs for governments would follow as investor risk perceptions improve. In short, a virtuous cycle of investment and growth is possible if the region can move from a fragile ceasefire to sustained cooperation.



International institutions echo this optimism. The World Bank’s latest outlook on Armenia tentatively raised growth forecasts for 2025–2027, citing prospects of improved regional trade connectivity alongside domestic reforms. Fitch Ratings noted that a durable peace framework “may support positive credit trends” (-BB last reported) for both countries, easing fiscal pressures and improving the business environment. There is also the direct economic impact of new infrastructure: building the TRIPP corridor and related projects is a stimulus in itself. Preliminary estimates suggest that TRIPP could spur up to \$45 billion in infrastructure and energy investment opportunities across the region. These would include not only the highways and railways themselves, but ancillary developments – dry ports, logistics hubs, pipelines, and power lines – that integrate the South Caucasus into global markets. Azerbaijan, as an oil and gas

exporter, would gain additional export routes westward, while Armenia, long economically isolated, could diversify its trade and attract logistics businesses servicing East-West and North-South transit. The ripple effects could be significant: more trade means higher demand for local services (like trucking, hospitality, and financial services), potentially creating jobs and uplifting border regions that were previously impoverished backwaters. Of course, these rosy projections hinge on peace holding and agreements being implemented in full. If mutual mistrust creeps back or either side drags its feet (for instance, if border openings are delayed), the economic benefits will likewise be slow or marginal. “The everyday benefits of peace” need to be felt quickly, one regional analyst urged, otherwise political will could wane. Nonetheless, the prospect of the Caucasus turning from a tense frontier into a bustling trade crossroads is no longer far-fetched. The Asian Development Bank and other multilateral lenders have already expressed interest in financing connectivity projects in the South Caucasus, seeing them as part of a broader Silk Road revival. Peace also allows for new bilateral commerce: Armenia, for example, could finally import Azerbaijani oil or gas directly (reducing its reliance on Russia) while exporting its high-quality agricultural products to Azerbaijani markets – exchanges unthinkable during the conflict years. In a tangible sign of change, Baku recently lifted its ban on the transit of cargo headed to Armenia, removing a longstanding impediment to regional trade. And already, in late 2025, Azerbaijani and Armenian civil society groups and business representatives have started to meet to

explore cooperation, something that economic opportunity likely encouraged. If these trends continue, the South Caucasus could finally shed its image as an economic dead-end and instead become, truly, a “crossroad of peace and prosperity.”

### **Global Embrace: International Reactions and the New Transit Hub**

The international reaction to Trump’s Caucasus deal has been broadly supportive, with many global actors viewing it as a win for stability and a chance to rewire important trade corridors. The European Union, which has its own vested interest in a peaceful neighborhood and diversified trade routes, welcomed the breakthrough in unequivocal terms. European lawmakers in the Euronest Assembly praised the Armenia-Azerbaijan “Agreement on the Establishment of Peace”. They highlighted that opening regional communications – under principles of territorial integrity and sovereignty – would transform the South Caucasus into a “region of stability, sustainable development, and shared prosperity.” In particular, the E.U. resolution noted that “the TRIPP connectivity project is an important step” toward realizing the full economic potential of the area. Brussels has indicated it stands ready to provide technical and financial support for the corridor, dovetailing with its broader Eastern Partnership infrastructure investments. Such backing suggests that Europe sees TRIPP not as a unilateral U.S. gambit, but as part of a collaborative effort to integrate the Caucasus with Western economies. E.U. officials have also been quick to reassure that this new route complements projects like the

Middle Corridor and does not undermine the existing Black Sea routes or the North-South plans in which European companies are involved.



India, as noted earlier, was quick to applaud the peace accord – a reflection of New Delhi’s stakes in regional stability and connectivity. Beyond the congratulatory messages from India’s foreign minister, strategists in New Delhi likely appreciate that a peaceful Caucasus creates more options for India’s trade with Europe (some Indian commentators have even floated the idea of linking the India-Iran transport corridor through Armenia to reach the Black Sea). India’s positive reaction also aligns with its support for dialogue-based conflict resolution, positioning itself as a friend to both Armenia (with whom India has grown closer in defense and tech cooperation) and, to a lesser extent, Azerbaijan. As global powers recalibrate to the prospect of a South Caucasus transit hub, India is expected to engage economically – perhaps investing in Armenian infrastructure or using Azerbaijan’s transit capacities – while diplomatically endorsing the new status quo.

Meanwhile, Türkiye – arguably the linchpin in making the corridor geopolitically feasible – is fully on board. President Erdoğan’s government not only welcomed the accord but is actively coordinating with Baku and (behind the scenes) with Washington to ensure the corridor’s rapid implementation. Turkish experts frame TRIPP as synergistic with Türkiye’s Middle Corridor initiatives and even with China’s BRI, reinforcing Türkiye’s aspiration to be a central thoroughfare for East-West trade. In diplomatic terms, Ankara has offered to facilitate broader regional cooperation – for instance, suggesting that a trilateral Türkiye-Armenia-Azerbaijan platform could manage issues like customs and security along the route. Importantly, Türkiye’s support also sends a message to other regional players: it provides cover for Georgia (which was initially nervous about being bypassed) to support the deal, and it signals to Central Asian states that the Caucasus corridor will seamlessly plug into the wider Turkic world transport network.



Other global actors have also chimed in. The United Kingdom and France issued statements endorsing the peace deal, with emphasis on its humanitarian importance (ending decades of conflict) and its economic upside.

The United Nations Secretary-General António Guterres “welcomed the agreement” and praised Trump’s mediation efforts, expressing hope that this would lead to long-term normalization. Perhaps most tellingly, Israel – a close ally of Azerbaijan – hailed the accords, seeing them as bolstering a friendly corridor (Israel has strategic partnerships with Baku and stands to benefit if Azerbaijan’s trade and oil exports expand). Russia and Iran, as discussed, offered lukewarm acknowledgment but couched it in caveats. China maintained a diplomatic reserve, but analysts note that Beijing quietly values any addition to the global transit grid – and will likely increase engagement with both Azerbaijan and Armenia to ensure Chinese interests are safeguarded. Overall, international reception frames TRIPP as a positive, peace-promoting development. It is viewed not in zero-sum terms, but as part of a broader trend of connectivity that can coexist with projects like China’s BRI or the new G20-endorsed India-Middle East-Europe Corridor. The consensus is that a stable Caucasus transit route benefits everyone by lowering transport costs and political risks in a critical geography.

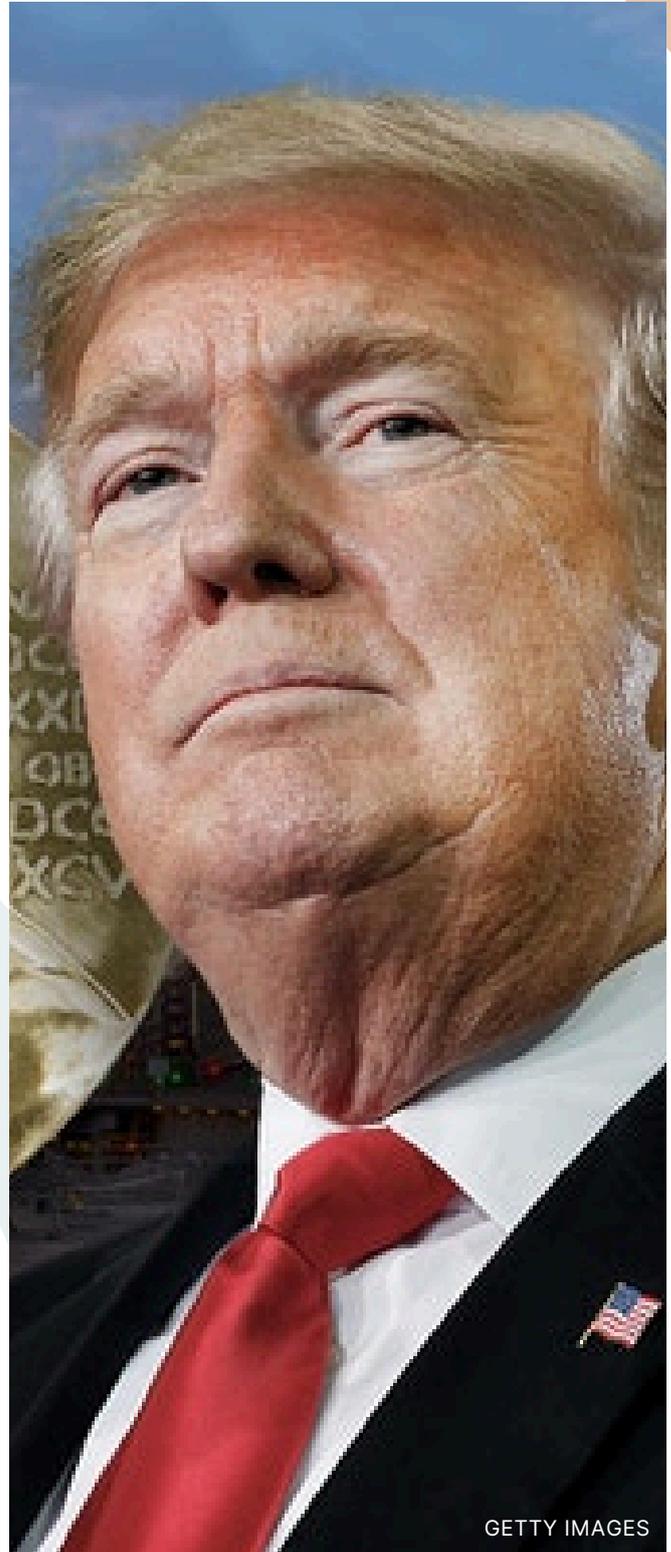
The heavy branding of “Trump’s route” initially raised eyebrows in some European capitals, given Trump’s polarizing reputation. Yet the practical merits of the deal have largely overridden those concerns in policy circles. European and Asian diplomats are content to let Trump bask in the “peacemaker-in-chief” spotlight so long as the outcome delivers peace and prosperity on the ground. Indeed, there is recognition that the U.S. commitment (99-year lease and all) signals a rare consistency and insurance for the project’s

future – something investors and governments find reassuring. Thus, globally, Trump's Caucasus gambit is seen as aligning with a common interest: creating new pathways for trade and reducing conflict. It is a reminder that in an era of fragmented geopolitics, connecting economies can still be a unifying objective.

### **Peacemaker-in-Chief: Branding, Legacy, and Strategic Gain**

Donald Trump has eagerly embraced the moniker of “peacemaker-in-chief” in the wake of the Armenia-Azerbaijan deal – a label that serves both his political brand and U.S. strategic interests. There is little doubt that part of the impetus for brokering this agreement was Trump's desire to claim a headline foreign-policy victory and burnish his legacy as a dealmaker who can achieve what others could not. Members of Trump's team privately acknowledged they were “eager to present him as a global peacemaker and Nobel Peace Prize contender”, elevating the Caucasus talks to a top priority early in his new term. The very branding of the corridor – the Trump Route for International Peace and Prosperity – enshrines his name in what could become a historically significant project. It's a move reminiscent of how leaders a century ago named grand infrastructure after themselves (think the Suez or Panama canals), and Trump has never been shy about self-promotion. By affixing “Trump” to a peace corridor, he creates an indelible association between himself and the idea of conflict resolution through economic development. Domestically, this bolsters his narrative of being a master negotiator on the world stage; it is a potent talking point for constituents and a rebuttal to critics

who often painted his foreign policy as erratic. Internationally, it signals that the U.S. – under Trump's personal leadership – is re-engaged in regions it had seemingly left to rival powers.



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However, beyond the showmanship, there is a hard strategic logic to Trump's move. By championing TRIPP, the U.S. has secured a long-term geopolitical foothold at the crossroads of Europe, Asia, and the Middle East. As one analysis succinctly noted, "for Washington, TRIPP is both a showcase of diplomatic brokerage and a tangible strategic gain" in a region that bridges key energy and transport routes. In practical terms, the U.S. now has leverage in the Caucasus unprecedented since the Cold War – it will help oversee a transit corridor vital to allies (Türkiye, Europe) and important to economic competitors (China). This aligns with a broader U.S. goal of countering Russian and Iranian influence: Trump's deal positions America as the guarantor of a new "peace belt" stretching from the Black Sea to the Persian Gulf. It's a role that not only supports stability but gives Washington say in how goods, and even oil and gas, flow across the region. In essence, Trump managed to insert the U.S. into a major Eurasian connectivity project without firing a shot – a feat of geoeconomic statecraft that previous administrations struggled to achieve in this theater.



Trump's self-congratulations as "peacemaker-in-chief" thus double as strategic messaging: the U.S. is back and invested in a part of the world where rivals had been ascending. His administration will undoubtedly leverage this in diplomatic dealings: with Europe (as proof America can deliver solutions), with Middle Eastern partners (as TRIPP links into their vicinity), and even with Moscow and Beijing (as a new card in the great power competition). The Nobel Peace Prize talk might be political theater, but the outcome on the ground is very real – a U.S.-anchored corridor that could define trade and alliances in the region for decades. Trump has effectively combined personal branding with grand strategy. The result is that his name, for now at least, is associated with a rare piece of good news in international affairs: a longstanding conflict cooling and economic ties warming. Whether this indeed earns him accolades or awards remains to be seen, but as a practical move, it clearly positions the United States at the heart of an emerging global transit hub.

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In sum, Trump's extended Middle East (and Caucasus) deals exemplify the fusion of politics and economics in modern peacemaking. The TRIPP initiative demonstrates how a deal driven by trade and transit can achieve diplomatic milestones that pure politics could not. It also highlights the new calculus of power: influence belongs to those who build roads and pipelines as much as to those who command armies. From the Caucasus to the wider world, economic ties are the new sinews of peace – and Donald Trump, ever the businessman, has made himself the broker of that bargain. The coming years will test how durable this peace-through-prosperity model is. Still, if it holds, Trump's Caucasus gambit may well be remembered as a turning point when old enmities gave way to new trade routes, and American diplomacy found a novel foothold by literally paving a road to peace.

This reconfiguration of the balance of power in the South Caucasus clearly amounts to a strategic success for the United States. By securing a lasting foothold in the region through the TRIPP, Washington consolidates an already well-established presence in Türkiye and a newly reinforced one in both Armenia and Azerbaijan, while marginalizing Russian and Iranian influence on either side. Russia remains influential only in Georgia — another major loser of this deal — and Iran, grappling with internal tensions, is forced to accept this evolution on its borders as a *fait accompli*, and even to become an actor in it despite itself, through the commercial routes originating in India that cross its territory toward its borders with Armenia and Azerbaijan.

This breakthrough is far from isolated: it prepares the ground for the projection of

American interests into Central Asia, a key arena in the global competition for control over the supply chains of rare-earth elements, in particular. By providing the United States with a secure corridor stretching from Europe to the heart of Asia, the TRIPP offers a geoeconomic platform enabling Washington to compete more directly with China and Russia in a hinterland long considered the “exclusive preserve” of these two powers.

Thus, beyond its immediate diplomatic success, this corridor marks the first stage of a grand strategy aimed at reshaping Eurasia's energy routes to Washington's benefit. Yet if the pacification of the South Caucasus that accompanies it appears, for now, unshakeable, the implementation of the TRIPP could, in the medium or long term, shift the epicenter of new conflict dynamics beyond the eastern shores of the Caspian Sea.

**Nexus Intellect Research** is an independent, nonprofit think tank based in Yerevan, dedicated to rigorous, evidence-based research that informs policy and supports sustainable development across Armenia and the South Caucasus. We focus on geoeconomic dynamics, economic resilience, governance, climate adaptation, and regional development, translating complex data into clear, actionable insights for governments, international partners, and civil society. Our work bridges research and real-world impact, helping decision-makers navigate evolving challenges in an interconnected world.

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