Towards Efficient Railway Connectivity

Ministry of Economy and Sustainable Development of Georgia

October 2019
Georgia in a Regional Context

- Strategically located at the crossroad of Europe and Asia
- Free Trade Agreements with 2.3 bln market - China, (including Hong Kong), Turkey, Ukraine, EU, CIS & EFTA
- Well integrated into regional road and rail network
- Fast and streamlined border-crossing procedures
Transport Network of Georgia

Sea Ports & Terminals

Poti Sea Port (APM Terminals)
• Berths - 15
• Depth: 8-11 m
• Annual Capacity: 4 mn tons of dry cargo, 1 mn tons of oil products, 1.0 mn. Ferry cargo, 500 000 TEU

Batumi Sea Port (BIH)
• Berths - 11
• Depth: 9-12 m
• Annual Capacity: 15 mn tons of oil products, 2 mn tons of dry cargo, 0.7 mn. Ferry cargo, 180 000-200 000 TEU, 180 000 passengers

Kulevi Sea Terminal (Socar)
• Berths - 2
• Depth: 17.10 m and 13.60 m
• Annual Capacity: 6 mn tons of oil products

Supsa Sea Terminal (BP)
• Annual Capacity: 8 mn tons of oil

Airports

Tbilisi International Airport (TAV)
• Capacity: ≈3 000 passengers per hour

Kutaisi International Airport (UAG)
• Capacity: ≈800 passengers per hour

Batumi International Airport (TAV)
• Capacity: ≈600 passengers per hour

Ambrolauri Domestic Airport (UAG)
• Capacity: ≈100 passengers per hour

Mestia Domestic Airport (UAG)
• Flight training

Natakhtari Domestic Airport (UAG)
• Capacity: ≈50 passengers per hour

Telavi Domestic Airport (UAG)

Pipelines

Baku–Tbilisi–Ceyhan (BTC) pipeline (BP 30.1 %)
• Total Length: 1768 km
• Annual Capacity: 60 mn tons

Baku–Supsa Pipeline (BP)
• Total Length: 830 km, Diameter - 530 mm
• Annual Capacity: 8 mn tons
- Baku – Tbilisi – Kars new railway connection line was officially opened in October 2017
- Railway Modernization is underway increasing capacity and operational safety of Georgia’s main railway line
- Rail link to new Anaklia Deep Sea Port is to be constructed
Indicative TEN-T Investment Action Plan was published in January 2019

The Investment Plan identifies priority investments of around 12.8 billion Euros for the EaP countries

According to the Investment Plan, 18 priority projects with the total cost of around 3.4 bln Euros have been identified in Georgia

Completion of the priority projects listed in the Investment Action Plan is envisaged by 2030
Implementation of Large-scale Transport Infrastructure Projects

Donors and Partners

WB – World Bank
EU – European Union
Kuwait Fund

EIB – European Investment Bank
ADB – Asian Development Bank

JICA – Japan International Cooperation Agency
AIIB – Asian Infrastructure Investment Bank
Regional Connectivity Initiatives

- TRACECA
- Black Sea - Caspian Sea Transport Corridor
- Middle Corridor
- CAREC
- Persian Gulf-Black Sea Corridor
- Lapis Lazuli
Railway-Based Multimodal Transportation between Europe and Asia

**Middle Corridor**

**North Sea – Baltic Corridor** (The Netherlands, Belgium, Germany, Poland, Lithuania, Latvia, Estonia, Finland)

**Rhine Danube Corridor** (Bulgaria, Czech Republic, Germany, France, Hungary, Austria, Romania and Slovakia)

- **Khorgos-Georgia**
  - Lead time: 9-10 days
- **Lianyungang - Khorgos**
  - Lead time: 5 days

<table>
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<tr>
<th>Total Trade Volumes between Europe and Central, East Asia</th>
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<td>Annual in Tons</td>
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Railway-Based Multimodal Transportation between Europe and Asia

Middle Corridor

- Duisburg
- Constanta/Chernomorsk
- Poti
- Tbilisi
- Baku
- Aktau
- Khorgos
- Lianyungang

8,600 KM

% GROWTH
Total containers transported on the Middle Corridor

123% 2017
177% 2018

% GROWTH
Containers transported from China to Europe

573% 2017
50% 2018
China-Europe Projections

**Total TEU**

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<tr>
<td></td>
<td>220</td>
<td>132</td>
<td>198</td>
<td>1,332</td>
<td>2,915</td>
<td>21,250</td>
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**Factors:**
- Increased tendency in transportation of tomato pasta to Italy
- Block trains from Lianyungang to Istanbul
- Local export and transit from Turkey
- Rhine-Danube direction development
Apart from physical barriers, administrative obstacles need to be addressed to ensure efficient railway connectivity in the region and beyond.

United Railway Law (URL) is a step forward for the corridor development in terms of smoothening border crossing procedures across countries which are members of different international railway organizations.

Digitalization is also key to enhancing international transport corridors. Railways and connection nods along the middle corridor need efficient digital corridor management systems. This also includes URL e-document exchange systems.
Transport Statistics

Number of Containers (TEU) Handled by Georgia’s Sea Ports in 2013-2019

- 403,447 (2013)
- 446,972 (2014)
- 379,816 (2015)
- 329,805 (2016)
- 394,787 (2017)
- 453,938 (2018)
- +15.0% growth
- 291,215 (2017/8)
- 248,207 (2018/8)
- 399,795 (2019/8)

37.2% growth in container business in 2018 compared to 2017

Freight Transportation by Georgian Railway

2018
- Transit 41.6%
- Local 18.1%
- Export 11.6%
- Import 28.7%

2019/8
- Transit 49.3%
- Local 15.4%
- Export 11.1%
- Import 24.2%

33.4% growth in container business in 2019/8 compared to 2018/8

37.2% growth in container business in 2018 compared to 2017
Thank you for your attention