General Overview of the Transport Sector
Economic Overview

Foreign Direct Investments by Economic Sectors (Thsd. USD) - 2017*

- **Transport and Communication**: 28.3%
- **Financial sector**: 16.3%
- **Construction**: 15.8%
- **Real Estate**: 8.6%
- **Energy sector**: 10.1%
- **Hotels and restaurants**: 4.8%
- **Manufacturing**: 4.0%
- **Other sectors**: 12.0%

FDI in Transport and Communication Sector (Thsd. USD) – 2017 *

*Preliminary Data

<table>
<thead>
<tr>
<th>Year</th>
<th>FDI (Thsd. USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>310,683.0</td>
</tr>
<tr>
<td>2008</td>
<td>422,970.8</td>
</tr>
<tr>
<td>2009</td>
<td>98,926.5</td>
</tr>
<tr>
<td>2010</td>
<td>215,116.2</td>
</tr>
<tr>
<td>2011</td>
<td>131,038.9</td>
</tr>
<tr>
<td>2012</td>
<td>84,130.6</td>
</tr>
<tr>
<td>2013</td>
<td>141,804.4</td>
</tr>
<tr>
<td>2014</td>
<td>433,654.7</td>
</tr>
<tr>
<td>2015</td>
<td>587,466.6</td>
</tr>
<tr>
<td>2016</td>
<td>677,486.1</td>
</tr>
<tr>
<td>2017</td>
<td>527,069.9</td>
</tr>
</tbody>
</table>
Transport in Numbers

Transport and Logistics Development Policy Department

Total Cargo Transportation

Min. tons

<table>
<thead>
<tr>
<th>I-XII’13</th>
<th>I-XII’14</th>
<th>I-XII’15</th>
<th>I-XII’16</th>
<th>I-XII’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>47.6</td>
<td>46.4</td>
<td>44.2</td>
<td>42.3</td>
<td>41.5</td>
</tr>
</tbody>
</table>

Total Passenger Transportation

Min. passengers

<table>
<thead>
<tr>
<th>I-XII’13</th>
<th>I-XII’14</th>
<th>I-XII’15</th>
<th>I-XII’16</th>
<th>I-XII’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>349.2</td>
<td>358.4</td>
<td>367.9</td>
<td>378.3</td>
<td>389.8</td>
</tr>
</tbody>
</table>

Cargo Transportation by Modes

Min. tons

<table>
<thead>
<tr>
<th>I-XII’13</th>
<th>I-XII’14</th>
<th>I-XII’15</th>
<th>I-XII’16</th>
<th>I-XII’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>29.4</td>
<td>29.8</td>
<td>30.1</td>
<td>30.4</td>
<td>30.7</td>
</tr>
<tr>
<td>18.2</td>
<td>16.7</td>
<td>14.1</td>
<td>11.9</td>
<td>10.7</td>
</tr>
</tbody>
</table>

Passenger Transportation by Modes

Min. passengers

<table>
<thead>
<tr>
<th>I-XII’13</th>
<th>I-XII’14</th>
<th>I-XII’15</th>
<th>I-XII’16</th>
<th>I-XII’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>344.4</td>
<td>353.7</td>
<td>363.2</td>
<td>373.0</td>
<td>383.1</td>
</tr>
</tbody>
</table>
Transport in Numbers

### Total Handled Cargo by Sea Ports and Sea Terminals

<table>
<thead>
<tr>
<th></th>
<th>I-XII'13</th>
<th>I-XII'14</th>
<th>I-XII'15</th>
<th>I-XII'16</th>
<th>I-XII'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mln. tons</td>
<td>21.9</td>
<td>21.3</td>
<td>19.2</td>
<td>17.6</td>
<td>16.3</td>
</tr>
</tbody>
</table>

### Total Handled Containers by Sea Ports

<table>
<thead>
<tr>
<th></th>
<th>I-XII'13</th>
<th>I-XII'14</th>
<th>I-XII'15</th>
<th>I-XII'16</th>
<th>I-XII'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEU/Unit</td>
<td>403,447</td>
<td>446,972</td>
<td>379,816</td>
<td>329,805</td>
<td>394,787</td>
</tr>
</tbody>
</table>

### Handled Cargo by Sea Ports and Sea Terminals

#### Poti Sea Port

- I-XII'13: 331,324
- I-XII'14: 384,992
- I-XII'15: 325,121
- I-XII'16: 273,690
- I-XII'17: 318,762

#### Batumi Sea Port

- I-XII'13: 72,123
- I-XII'14: 61,980
- I-XII'15: 54,695
- I-XII'16: 56,115
- I-XII'17: 76,025

### Handled Containers by Sea Ports

#### Poti Sea Port

- I-XII'13: 2.1
- I-XII'14: 2.1
- I-XII'15: 2.5
- I-XII'16: 1.6
- I-XII'17: 3.8

#### Batumi Sea Port

- I-XII'13: 3.4
- I-XII'14: 4.2
- I-XII'15: 4.2
- I-XII'16: 4.1
- I-XII'17: 4.2
14 new airlines entered the Georgian aviation market in 2017 and another one has started operating in 2018. Additionally, 3 airlines are planning to enter the market this year.

20 new flight directions were developed in 2017 and 19 new flight directions are to be performed in 2018.

The total number of passengers amounted to 4.1 mln in 2017 (43% increase).
Development Vision of the Transport Sector and Strategic Objectives

- **Vision:**
  - Full realization of Georgia’s transit potential

- **Strategic Objectives:**
  - Development of transport infrastructure
  - Enhancement of international cooperation
  - Harmonization of national legislation with European legislation
  - Development of logistics centers and value added services
  - Improvement of safety and service levels

Transport and Logistics Development Policy Department
Large-Scale Infrastructure Projects

**Anaklia Deep Sea Port**
- Anaklia Port will be constructed in 9 phases
- Construction started in December 2017
- Capacity of the first phase: 8 mln tons / Last phase: 100 mln tons
- Total project cost: USD 2.5 billion; Cost of the first phase: USD 600 mln

**Baku – Tbilisi – Kars New Railway Connection Line**
- Rehabilitation, reconstruction and construction of the 180 km-long railway line
- Capacity: 5 - 15 mln tons, 1 mln passengers
- Major construction works on the Georgian territory have been already completed by 2017
Railway Modernization

- Capacity of the Khashuri-Zestafoni railway section will increase from 28 mln tons above to 100 mln tons per year
- Project Cost – CHF 260.1 mln
- Project Completion – 2019

Batumi- Poti- Tbilisi-Red Bridge (E60-E70) Highway Construction

- Capacity of the Highway will be 30-50 thousand vehicles per day
- In total, the project envisages the construction of 574 km Highway which will be completed in 2020
- 170 km of the Highway is already constructed
Development of Logistics Centers (WB)

- Feasibility study was prepared by Dornier Consulting International
- The best 2 locations were identified for the creation of logistics centers – Kumisi (East Georgia), Kutaisi (West Georgia)
- On November 15, 2017 the MoESD announced the Expression of Interest to select an investor

Expansion of Kutaisi International Airport

- Kutaisi International Airport currently operated by the United Airports of Georgia was reconstructed in 2012
- In 2017, the United Airports of Georgia started the extension of the existing airport terminal as well as apron and car park
- Project will be finalized by the end of 2018
Transport Corridor Europe-Caucasus-Asia - TRACECA

The program aims at:
• Developing regional cooperation;
• Strengthening the connection between the Transport Corridor Europe-Caucasus-Asia and the Trans-European Networks
• Promoting TRACECA projects as means to attract loans from IFIs and private investors

Member states:
➢ Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Turkey, Ukraine, Uzbekistan, Tajikistan, Iran; 13 countries in total

Central Asia Regional Economic Cooperation (CAREC)

The program aims at:
• Developing international freight transport
• Simplifying customs and border procedures
• Modernizing transport infrastructure
➢ Infrastructural projects, study programs, research and technical assistance activities are carried out
➢ Georgia became the eleventh member state of the CAREC in 2016
➢ Member states: Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan and Georgia,
Development of Transport Corridors

South-West Route
Participating countries: Iran, Azerbaijan, Georgia, Ukraine, Poland

Trans-Caspian International Transport Route (TITR) - “Middle Corridor”
Participating countries: Kazakhstan, Azerbaijan, Georgia, Ukraine, Poland
Development of Transport Corridors

Lapis Lazuli Route
Participating countries: Afghanistan, Turkmenistan, Azerbaijan, Georgia, Turkey

Persian Gulf-Black Sea corridor
Participating countries: Iran, Azerbaijan, Armenia, Georgia, Bulgaria, Greece
Thank you for your attention