

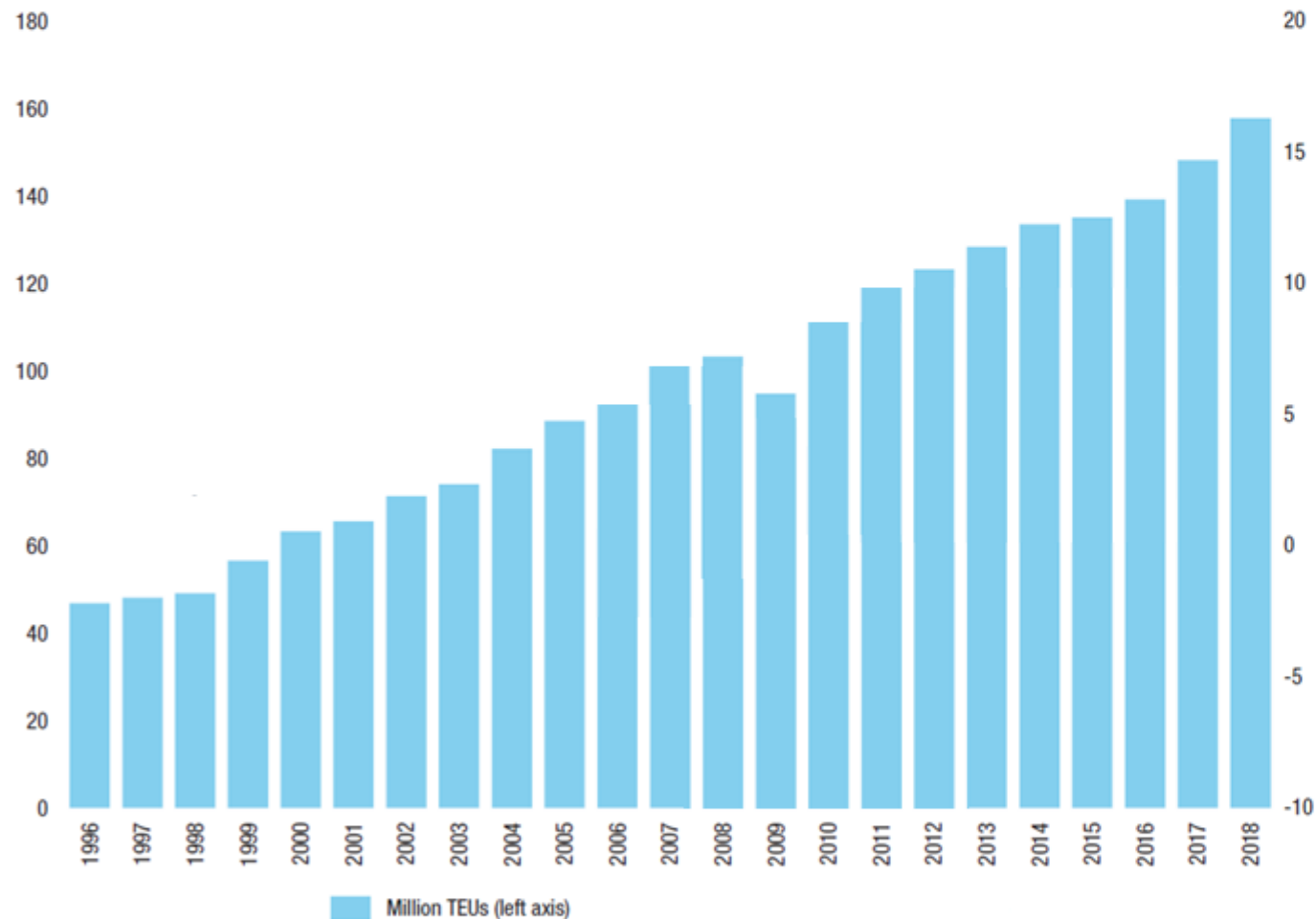
6th international black and caspian sea transport forum

**Dr. Paata Tsagareishvili - HUB Georgia expert and director of
Transport Corridor Research Center**

Container Turnover at Georgian Ports – Anaklia Prospects

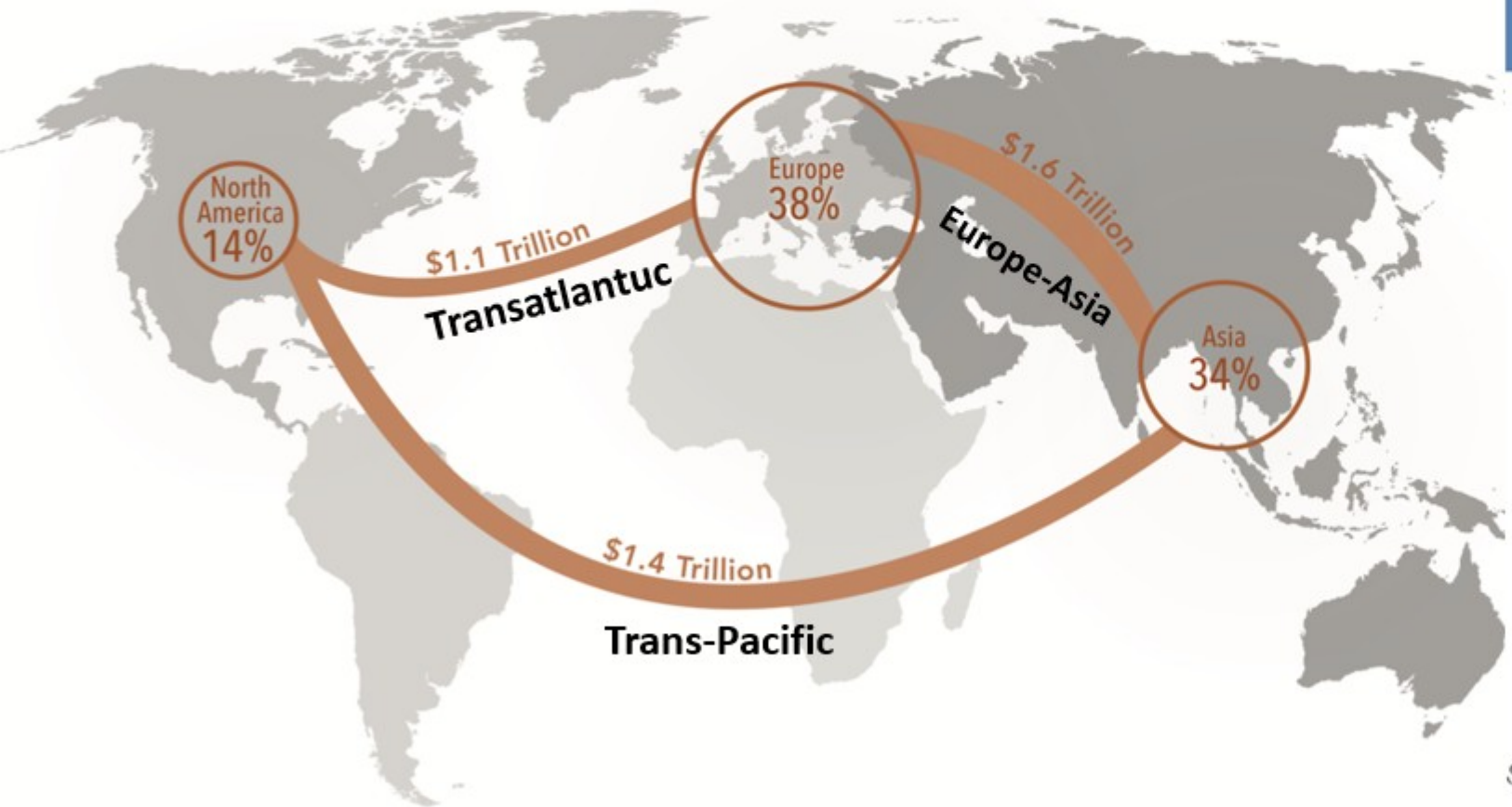
9-10 September 2019

Global Container Transportation

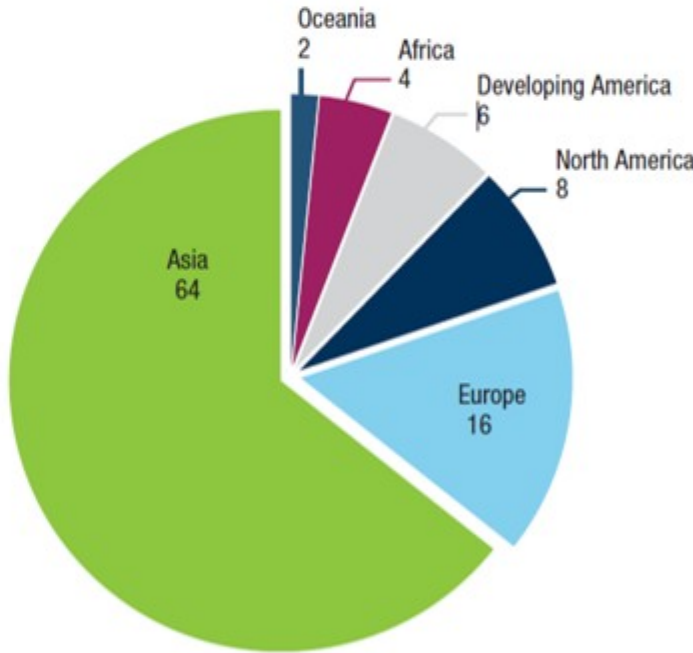


In conclusion – Maritime container transportations increased by 3.2 times.

Global Maritime Container Directions



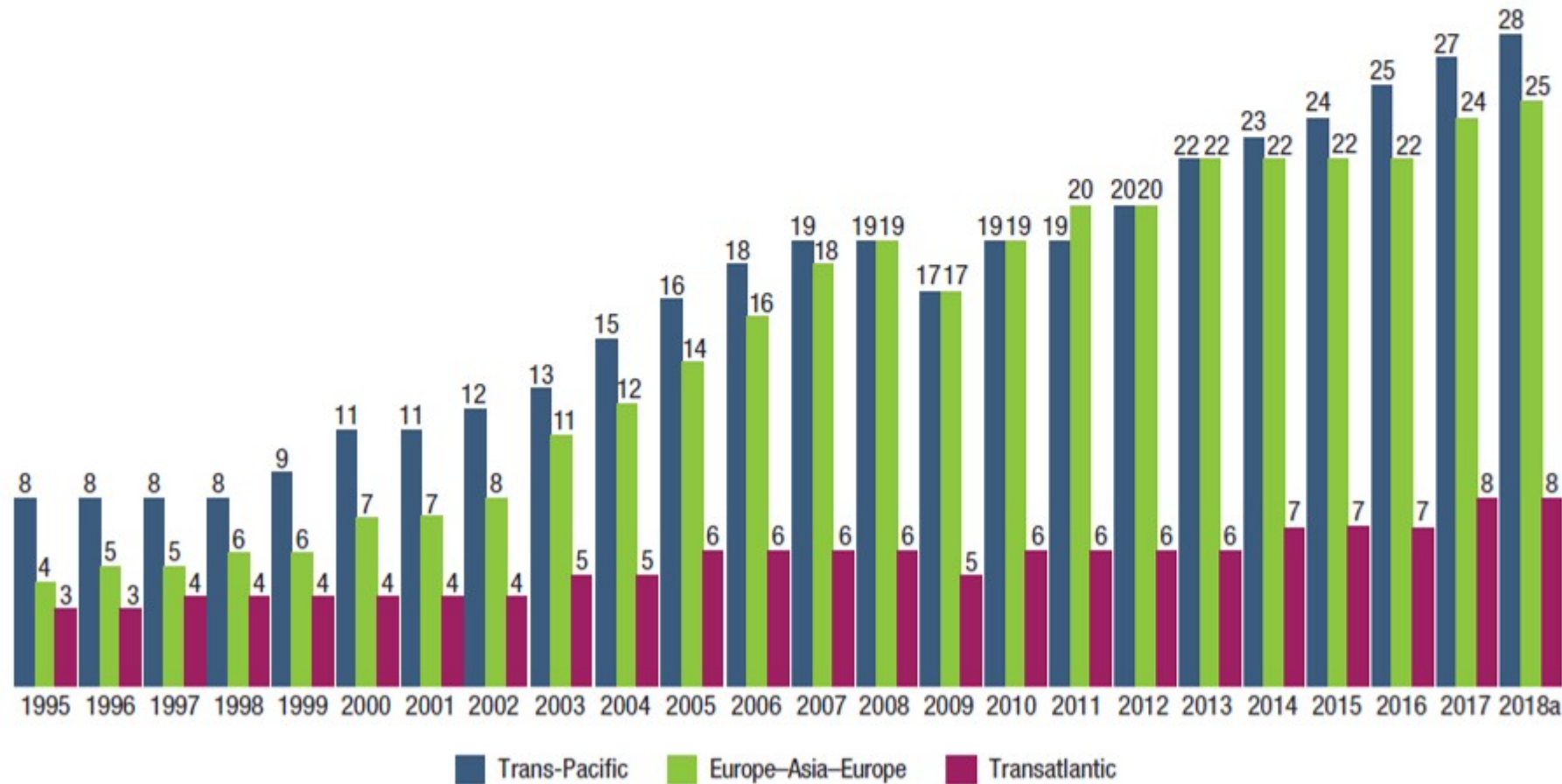
World container port throughput by region, 2017
(Percentage share in total 20-foot equivalent units)



Source: UNCTAD secretariat calculations, derived from table 4.3.

Main Maritime Container Routes

Estimated containerized cargo flows on major East–West container trade routes, 1995–2018
(Million 20-foot equivalent units)

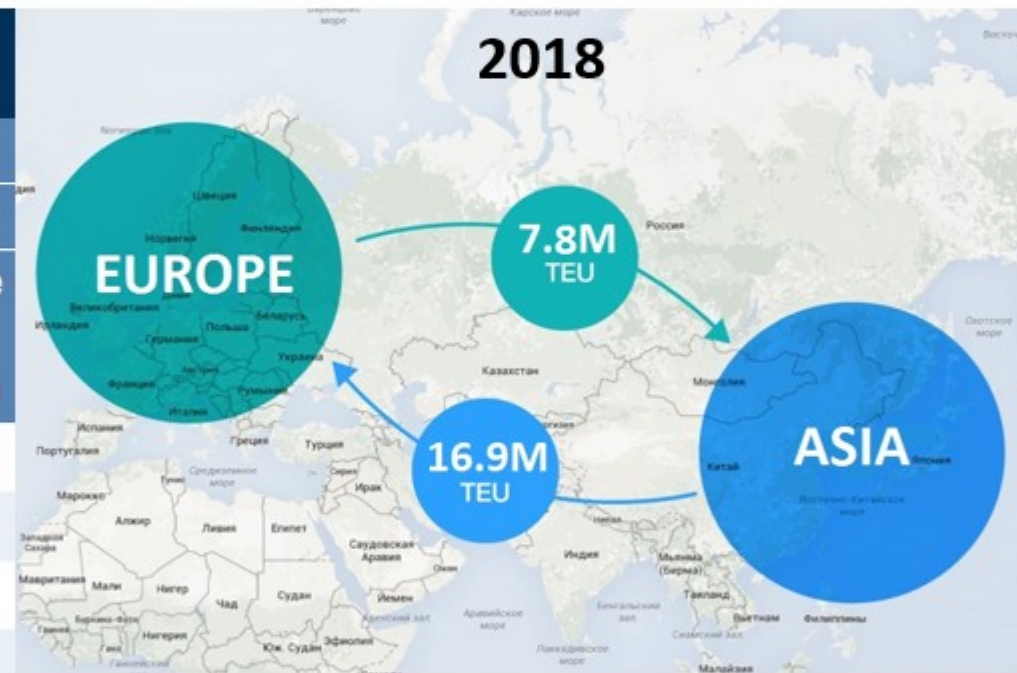


Container transportations increased by 6.25 times on the direction Europe–Asia–Europe

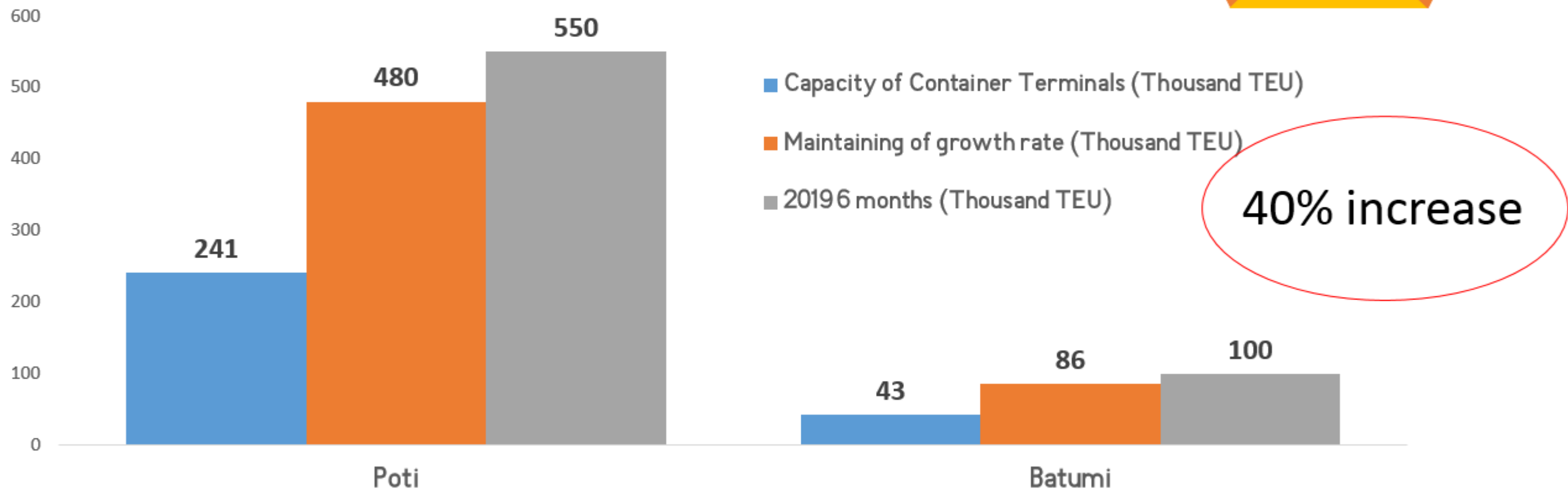
Maritime Container Transportations in figures

Containerized trade on major East–West trade routes, 2014–2018
(Million 20-foot equivalents and percentage annual change)

	Trans-Pacific		Asia–Europe		Transatlantic	
	Eastbound	Westbound	Eastbound	Westbound	Eastbound	Westbound
	East Asia–North America	North America–East Asia	Northern Europe and Mediterranean to East Asia	East Asia to Northern Europe and Mediterranean	North America to Northern Europe and Mediterranean	Northern Europe and Mediterranean to North America
2014	15.8	7.4	6.8	15.2	2.8	3.9
2015	16.8	7.2	6.8	14.9	2.7	4.1
2016	17.7	7.7	7.1	15.3	2.7	4.2
2017	18.7	7.9	7.6	16.4	3.0	4.6
2018 ^a	19.5	8.1	7.8	16.9	3.2	4.9



Container Capacity of Georgian Ports



In conclusion – Georgian ports will reach their peak figures in 2020 for container turnover;

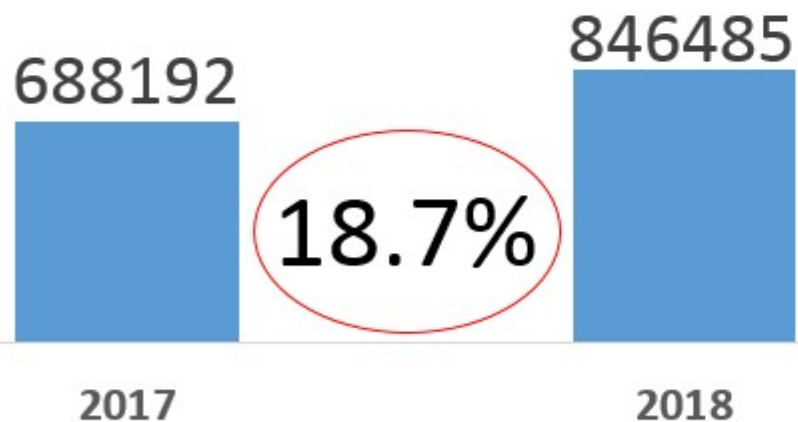
Container Capacities of Georgian Ports

- The tendency for growth of freight transit in Georgian ports will cause freight turnover infrastructure to become depleted. Currently, the freight turnover at Poti Port amounts to 550,000 containers, whereas this number in Batumi is 100,000.
- In the first 6 months of 2019, Poti port handled 241,000 containers (85%) and Batumi port handled 43,000 (15%). If we take into account the tendency for growth of container transit not only in Georgia but ports of countries along the Black Sea, it can be easily predicted that Poti and Batumi Port's turnover capacities for 2020 will be completely reached.
- **When the capacity for turnover has depleted (construction of Anaklia Port has temporarily ceased), traffic flow will be redirected to competing ports)**

Container Turnover Volume in Ukraine

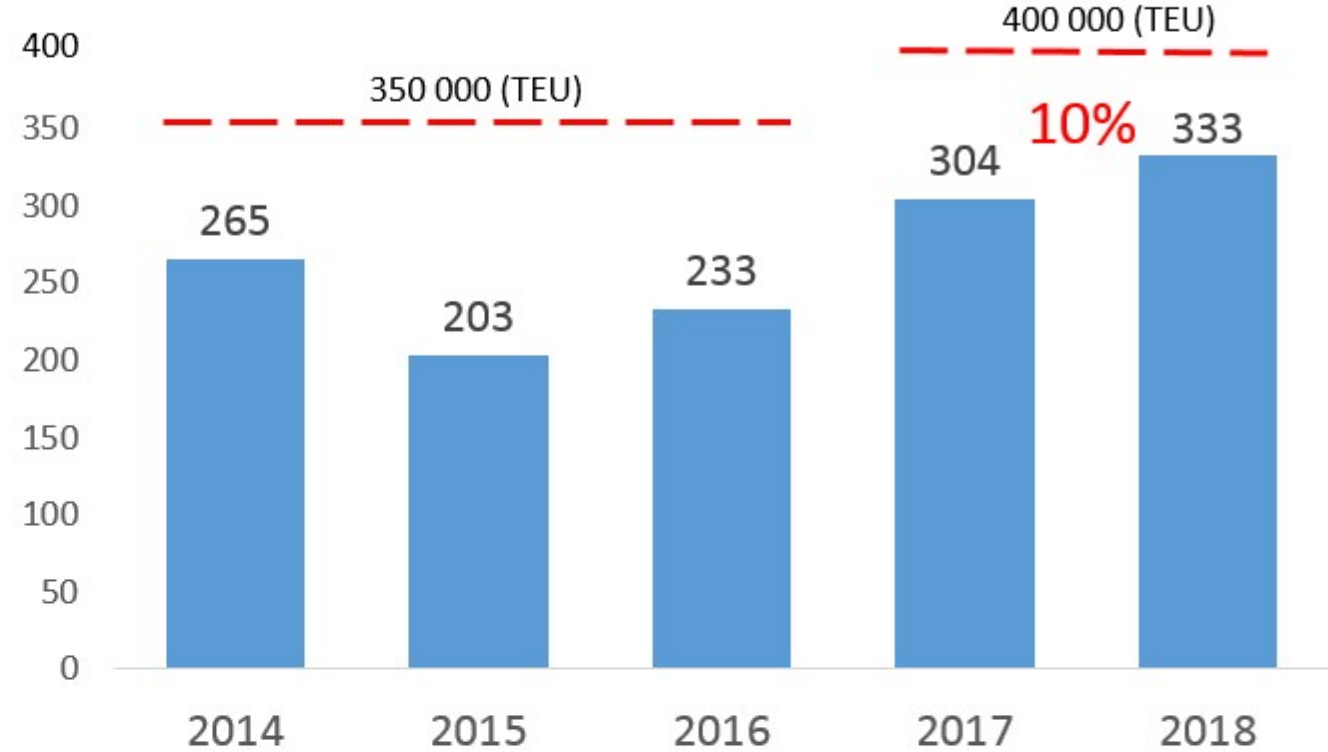
In the first 6 months of 2019, Container turnover was 463 239 TEU in Ukrainian ports. Outdoing the last years figure by 19%.

Container Turnover

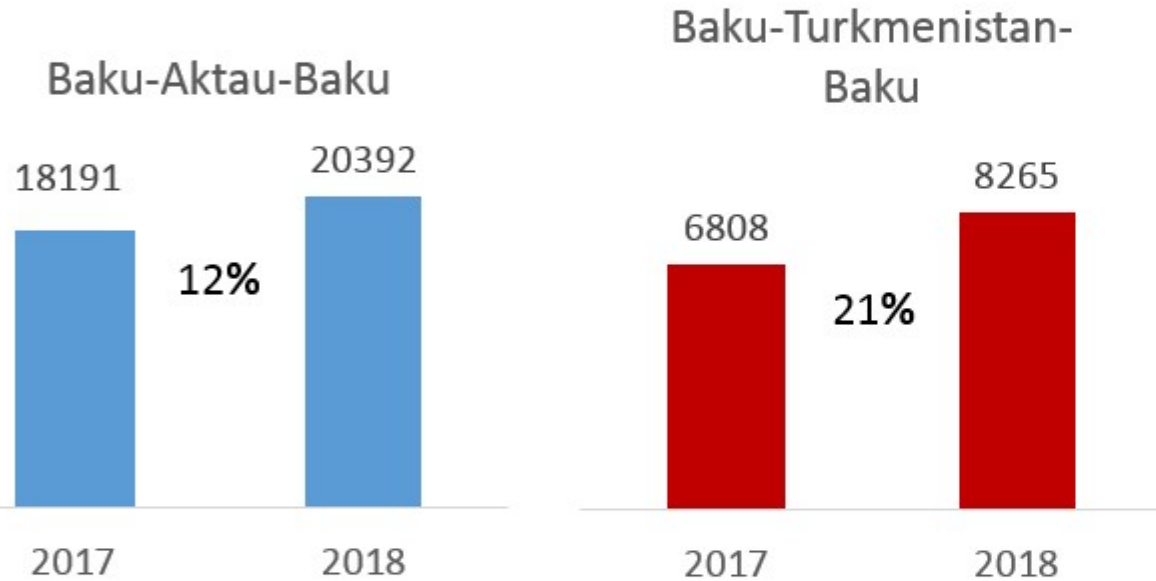


Container Turnover of Novorossiysk Port (thousand TEU)

- In the Black Sea region, Anaklia Port's main competing port is Novorossiysk. In April 2019, modern crane hardware, valued at 22.5 million USD, was acquired at Deepwater Berth N. 38. The implementation of new technology will give Novorossiysk Port the ability to increase its container capacity from 400,000 TEU to 700,000 TEU, At the same time, the simultaneous storage capacity will increase up to 15,000 TEU.
- In 2018 Novorossiysk Port handled 333,000 containers, which practically exhausted its turnover capacity. **The additional limiting factors on the Novorossiysk Port are frequent storm warnings, constant overcrowding of the previous railway node and restricted land area for further development of the port**



Container Turnover figures in Baku-Aktau-Baku and Baku-Turkmenistan-Baku



On 16 April 2019, the first Kazakhstan feeder vessel **“Turkestan”** with containers was launched from the sea port of Aktau to the port of Baku.

Feeder transport uses vessels with a capacity of 225 twenty-foot containers, which enables the loading of two full container trains into a single vessel.

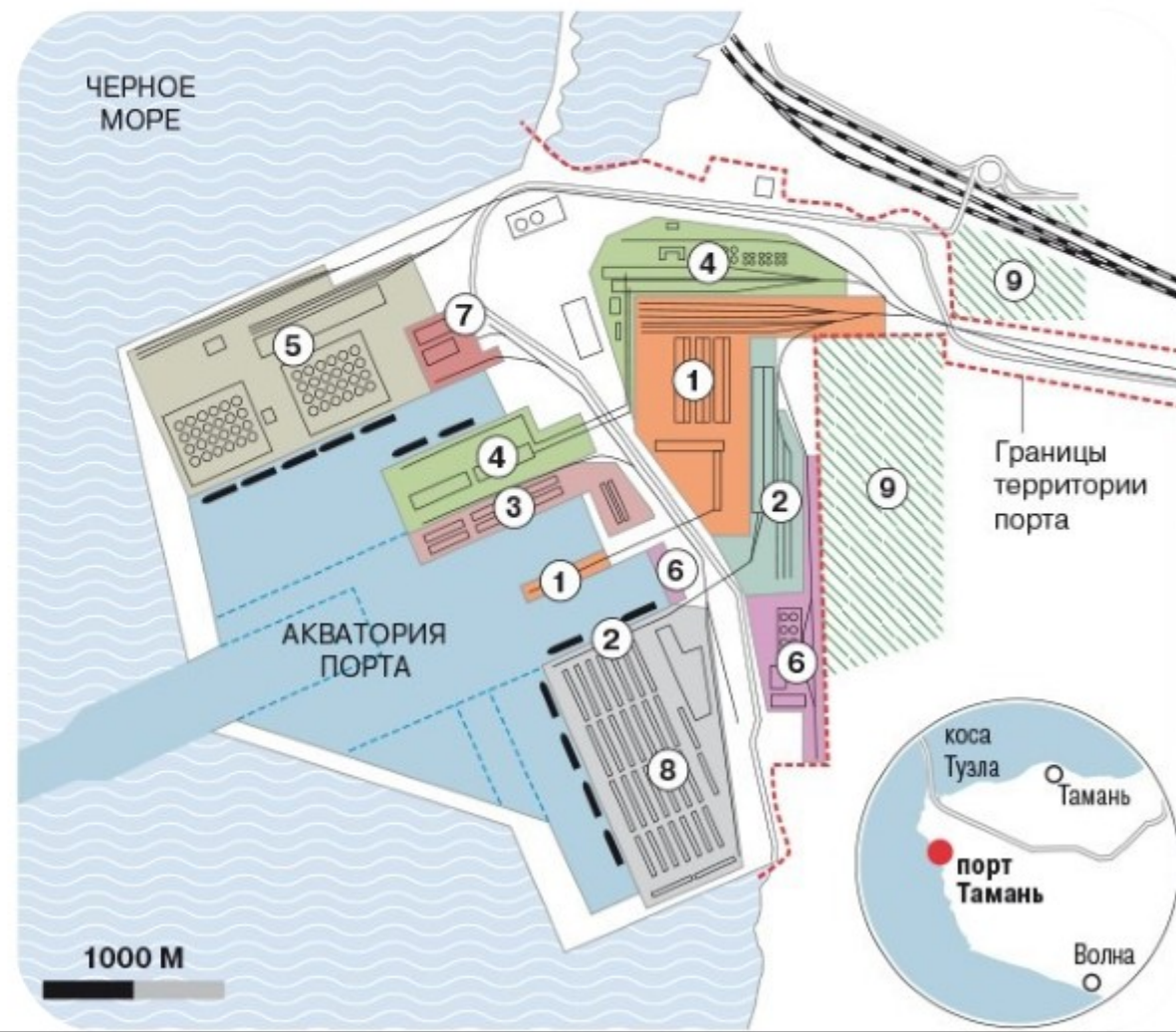
Tariff policy - decrease by 25% in the April of 2019.

From Kazakhstan/China border through Aktau/Kuryk to Batumi/Poti ports(4464Km), FEU container transportation universal tariff dropped to 1984USD



Extension of Taman Port

- The construction of Taman Port was delayed several times. First and foremost, because of investments on construction of a strategic bridge for Russia in the Kerch Strait. However, the announced Russian strategy for Taman Port is ambitious. The projected turnover of the port will be 99 million tons a year. The creation of infrastructure will be planned with 1.5 million TEU in mind.
- Taman Port, in contrast to other Russian ports, will operate throughout the entire winter without closing (it will not freeze). In addition, the projected depth of the port is estimated at 19 meters, which will give it the ability to receive 10,000 TEU ocean liners without obstruction.
- The value of the project is 2 billion dollars. An investment of 1.6 billion will be implemented by the financial giant of the Emirates, the investment corporation DP World, the largest port operator in the world. It owns 65 maritime terminals. The RDIF (Russian Direct Investment Fund) will allocate 400 million dollars for the project. All this indicates a high probability of funding financial resources in the construction of the Taman pipeline and a projected project implementation in the planned time frame



Alternative River route Eurasia



On the Caspian sea, in Lagany, 22,5 M T on cargo capacity, new unfrozen port and canal "Eurasia" will be constructed, linking Black with Caspian sea.

Anaklia Port Prospects



On the basis of analytical information, an important conclusion is reached:

- the tendency of growth of container transit in the Black Sea region will be maintained;
- Georgian ports will reach their peak figures in 2020 for container turnover;
- In the case of excessive freight turnover, in the initial stage the competitor Novorossiysk Port will be busy, while intense container influx (probably in 2025) will be redirected to Taman Port.
- This is why it is important for Georgia and for the Anaklia Deep Sea Port project to be timely implemented.

Thank you for your attention

