

# *THE BLACK SEA'S CAUCASUS CORRIDOR*

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***BATUMI, 18 – 19 MAY 2017***



**EXCELLENCE UNCONTAINED**

## AGENDA

### CHALLENGE

- ENSURING THAT THE BLACK SEA AND GEORGIA REMAINS A KEY CORRIDOR FOR THE CAUCASUS AND BEYOND

### COMPETITION

- Iran and China corridors

### SOLUTIONS

- Reliable and suitable port services
- Connectivity: road, rail and regulatory procedures



## International Container Terminals Services Inc. (ICTSI)

- Started in 1988 to run Manila International Container Terminal (MICT - see picture) in the Philippines.
- Has expanded globally to currently operate 30 terminals on 6 continents
- An independent terminal operator, with no shipping line or government affiliation
- Listed on the Philippines Stock Exchange with market cap of about USD 3.8 bill
- Turnover of USD 1 bill per annum, EBITDA of USD 525 mill, net-income of USD 200 mill





## Batumi International Container Terminal (BICT)

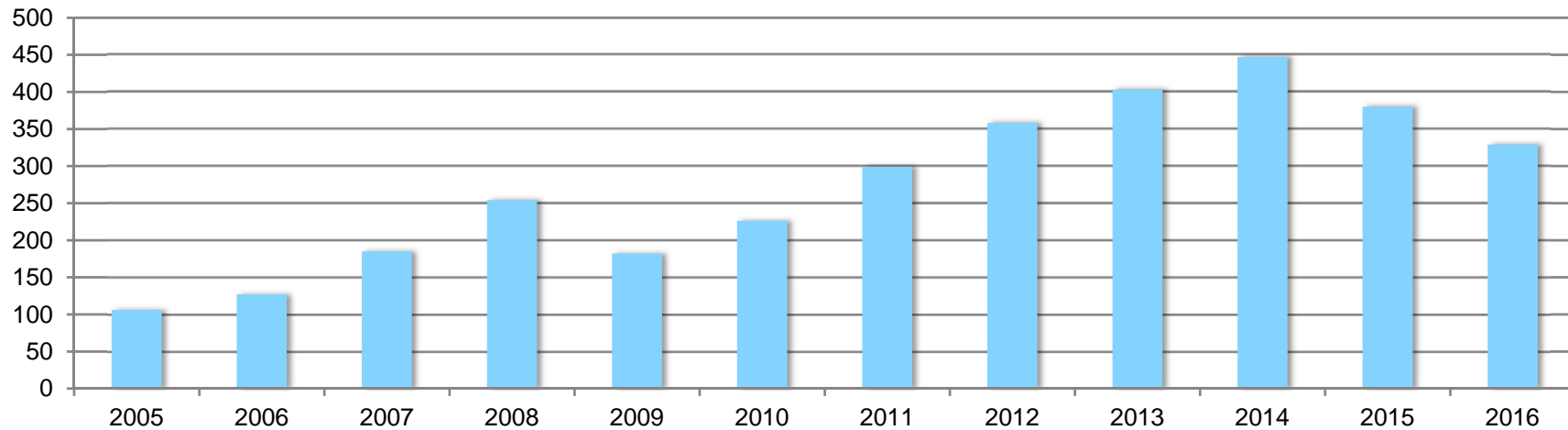
- Started operation in 2007
- Concession under Batumi Sea Port
- Multi-user and multipurpose terminal with specialization in containers



# WHAT IS THE CHALLENGE FOR GEORGIA?

Protecting and expanding its position as a transit corridor – rebuilding volume

Georgia Ports Container Throughput (TEU)



## Recent reduction in volumes

- Economic weakness
- Re-emergence of Iran

## A possible future opportunity or risk?

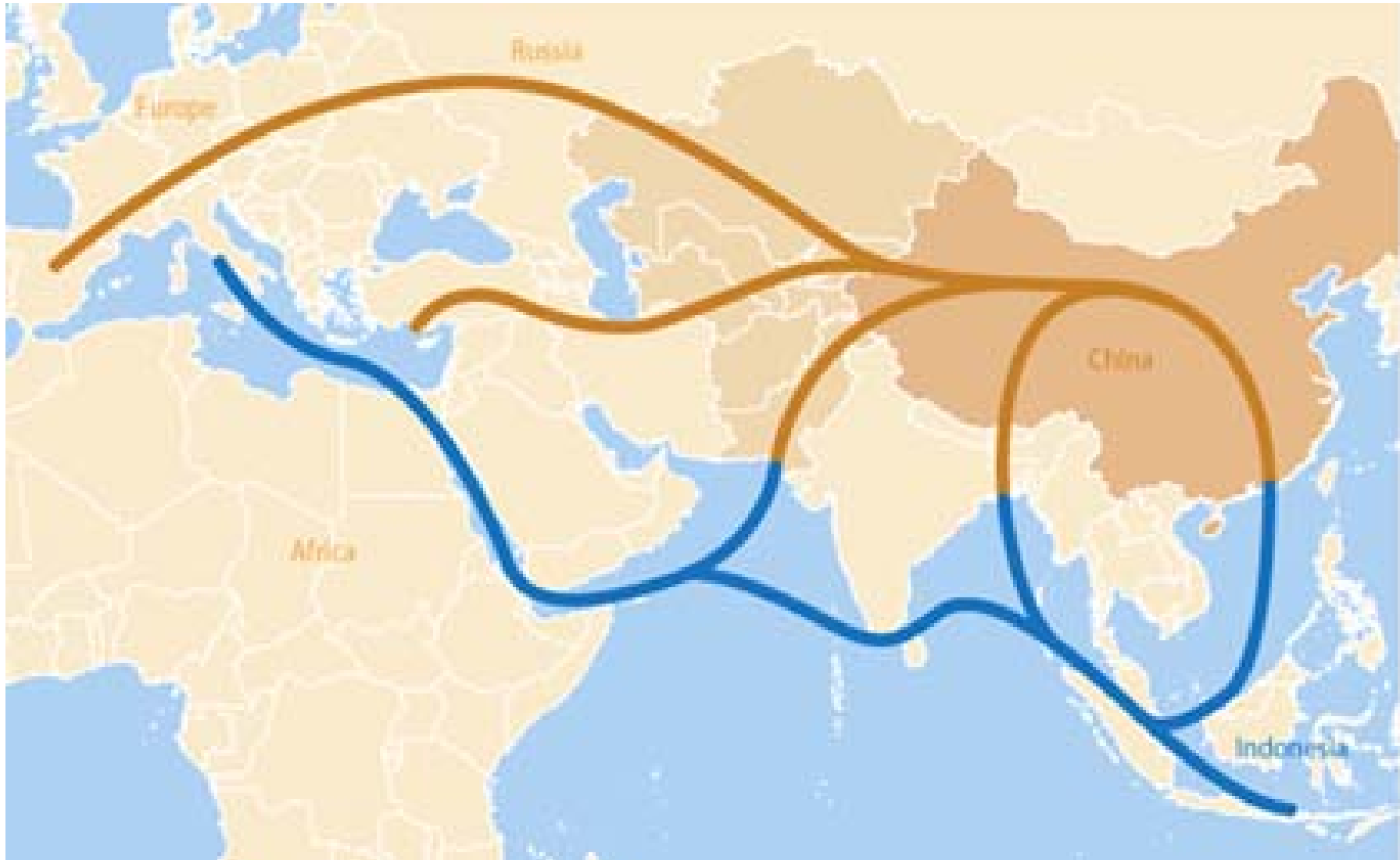
- Overland route from Asia to Central Asia and the Caucasus



# IRAN - A COMPETING CORRIDOR



## ONE BELT / ONE ROAD: RISK OR OPPORTUNITY?



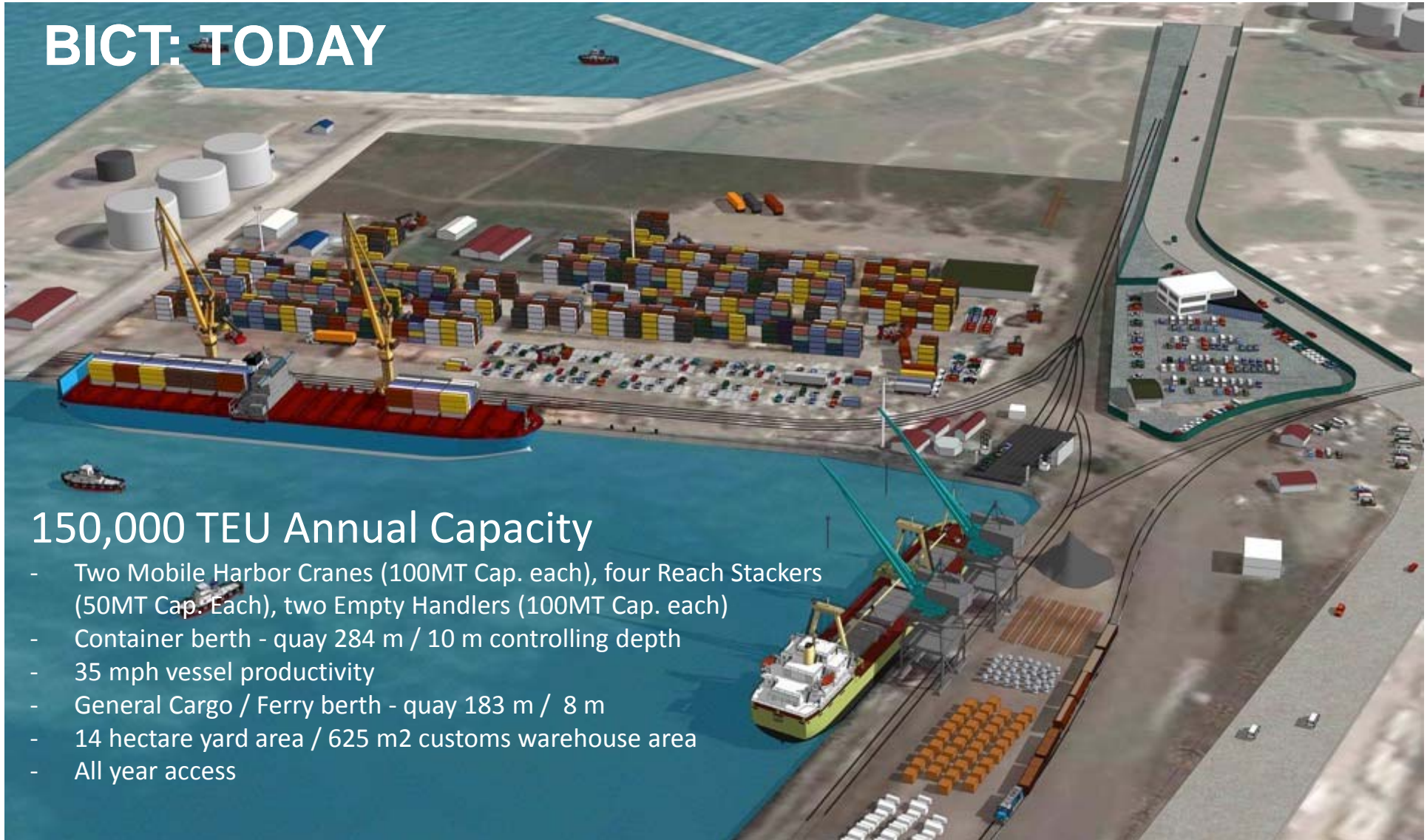


# INTEGRAL TO THE SOLUTION – GOOD PORTS

## BICT: TODAY

### 150,000 TEU Annual Capacity

- Two Mobile Harbor Cranes (100MT Cap. each), four Reach Stackers (50MT Cap. Each), two Empty Handlers (100MT Cap. each)
- Container berth - quay 284 m / 10 m controlling depth
- 35 mph vessel productivity
- General Cargo / Ferry berth - quay 183 m / 8 m
- 14 hectare yard area / 625 m<sup>2</sup> customs warehouse area
- All year access





# BICT: TOMORROW



200,000 TEU Annual Capacity

- Three Mobile Harbor Cranes (100MT Cap. each), eight Reach Stackers (50MT Cap. Each), four Empty Handlers (100MT Cap. each)
- 12 m depth

# Poti Sea Port





# SOLUTION - GOOD HINTERLAND CONNECTIVITY

## TRANS EUROPEAN ROAD NETWORK





# GEORGIA, ROAD DEVELOPMENT, 2017 – 2020

More than **800 km road** network upgrade and construction projects

Estimated **3.5 billion USD** planned capital investment



# Solution - easy regulation and cooperation

## Customs

- Progressive modernisation since 2004
- Legislative changes based on harmonising Customs regulations with Europe
- Revisions aimed at simplifying customs procedures and harmonising both customs legislation and procedures with the European Community Customs Code and the revised Kyoto Convention on the Simplification and Harmonisation of Customs procedures.
- Simplification of export and import documentation, halving the number of required documents
- Unification of Tax and Customs Codes – providing simplified reporting procedures, an electronic system of declaration etc.
- Enhanced use of modern technology at Customs' checkpoints and throughout the Customs organisation
- Diverse Free Trade regimes abolishing the need for comprehensive Customs requirements

## TIR

- Georgia is a contracting part to the TIR Convention and is fully operational
- Freedom of Transit is enshrined in Georgian legislation, free of customs duties and without surety
- Even so, economic agents involved in trade can provide a guarantee in the form of TIR carnets (although not mandatory)
- E-visa in place which enables drivers to easily obtain such documentation