



# “Role of the Middle Corridor in Trade, Resilient Economic Development, and Global Connectivity for the Black and Caspian Sea Region”

Dr. Khudayar Hasanli,  
Head of the Department for strategic planning and development,  
the Port of Baku

*Your hub in Eurasia!*



# Middle Corridor



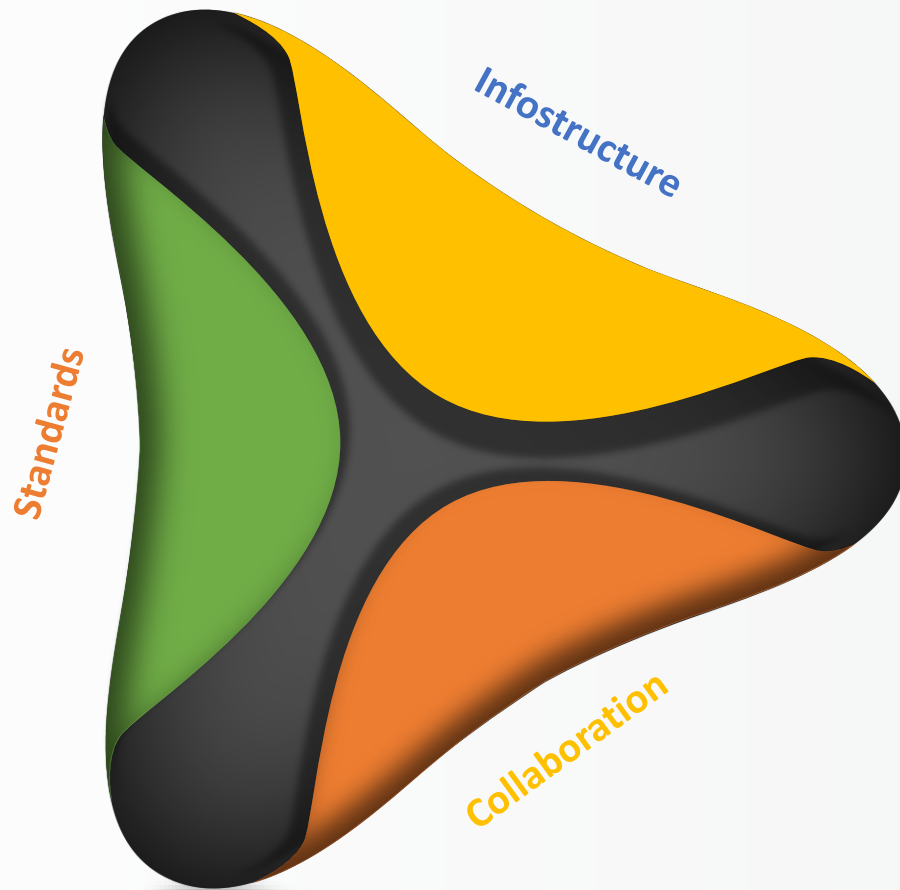
Middle Corridor spans over **4,250 km of rail lines** and **500 km of seaway**, connecting Asia to Europe through various countries, including **Kazakhstan, Uzbekistan, Turkmenistan, Azerbaijan, Türkiye, the Black Sea, and the Caspian Sea**

# Expansion of the Middle Corridor by 2030



- ✓ Improvements to the corridor could boost trade, create jobs, and spur entrepreneurship.
- ✓ Investments and efficiency measures could reduce travel times along the corridor by half and triple trade flows by 2030.
- ✓ The Port of Baku is partnering with governments and multilateral organizations to unlock the corridor's potential.

# Three dimensions of the global connectivity



01

## Infrastructure:

- **Physical Infrastructure:** roads, railways, and ports that facilitate the movement of goods and people.
- **Non-Physical Infrastructure:** digital connectivity and communication systems, and streamlined border controls to ensure smooth and rapid transit of goods.

02

## Standards:

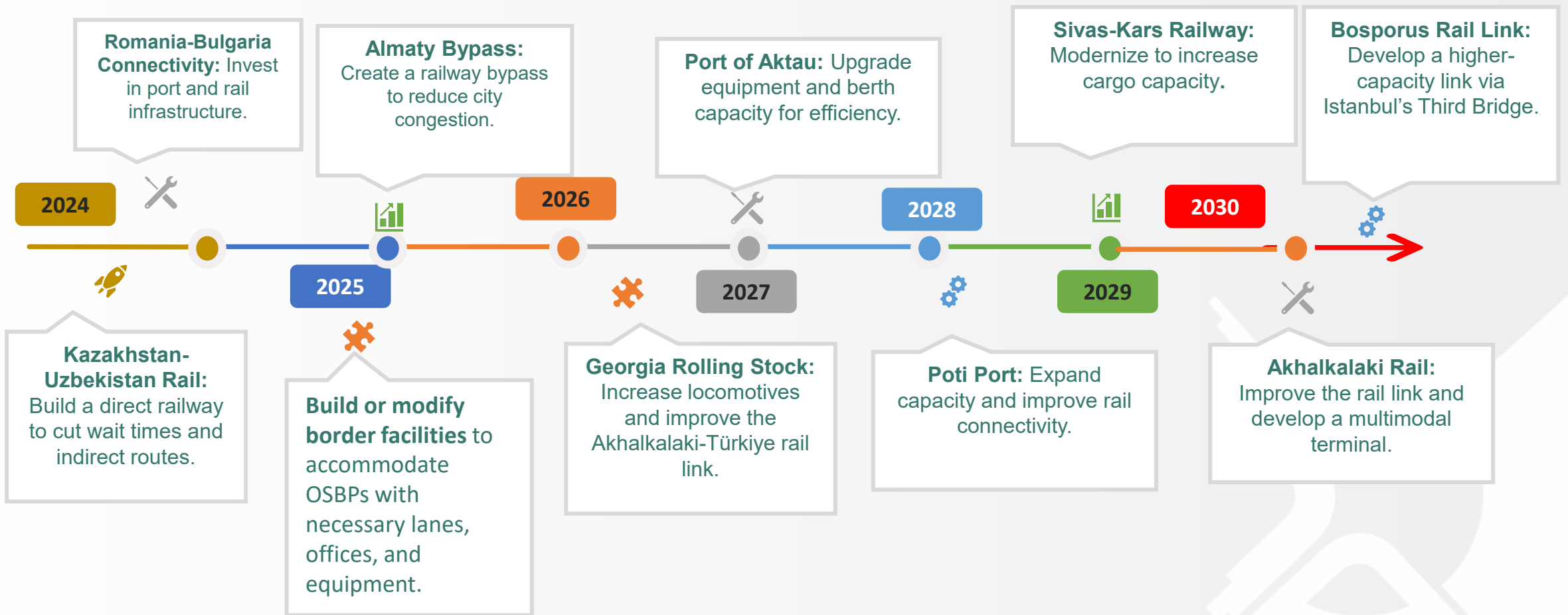
- **Technical Standards:** Adoption of international technical standards for transportation and communication systems
- **Regulatory Standards:** Harmonization of regulations related to trade, safety, and environmental impact is crucial.

03

## Collaboration:

- **Bilateral and Multilateral Agreements:** tariff reductions, customs cooperation, and joint infrastructure projects.
- **Institutional Frameworks:** Establishing frameworks like joint committees and working groups fosters regular dialogue and cooperation between countries.
- **Capacity Building and Knowledge Sharing:** capacity building and knowledge sharing programs for officials and staff involved in managing connectivity projects.

# Priority Actions to improve “hard connectivity” along the Middle Corridor by 2030



(Source: Publication: The Middle Trade and Transport Corridor: Policies and Investments to Triple Freight Volumes and Halve Travel Time by 2030)

## The Port of Baku's location



### Alat

#### LOCATION IDEAL

To and From

- the West (Turkey & EU);
- the East (Central Asia, China, Japan);
- the South (Iran & India);
- the North (Russia & Northern Europe).

#### TERMINALS AND BERTHS

- 2 Ferry berths: 6.2 mln. tons;
- 2 Ro-Ro berths: 1.8 mln. tons;
- 7 General cargo berths: 7 mln. tons;
- 1 Fertilizer terminal: 3 mln. tons;
- 1 Service berth.

#### BONDED SERVICES

- 40 ha of total bonded area;
- 10,000 sqm of closed warehousing space;
- Full bonded warehouse;
- Import and export via the Bonded warehouse.

**Total throughput: 15 mln. tons,  
including 100,000 TEU**

## “Hard connectivity” along the Middle Corridor Port development: Phase 1 of the Port of Baku

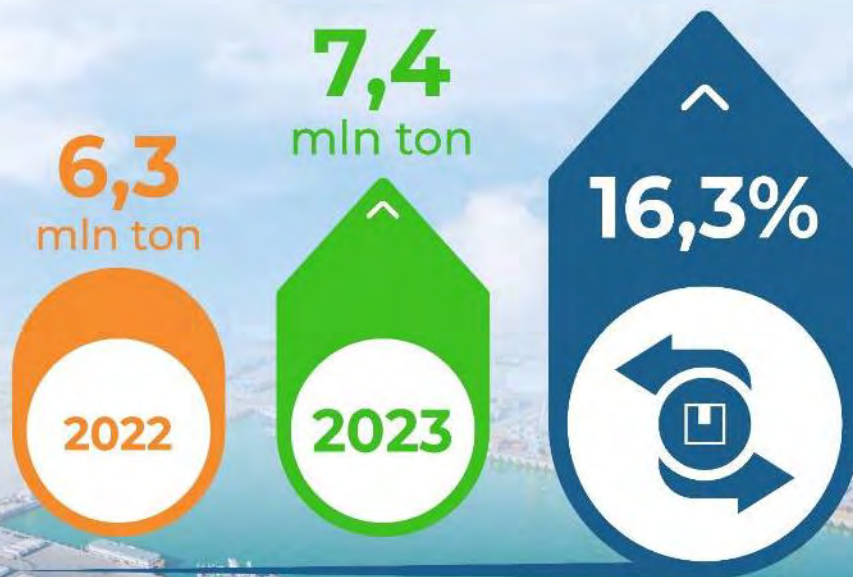


# TOTAL HANDLING VOLUME OF THE PORT OF BAKU



Your hub in Eurasia!

# TOTAL HANDLING VOLUME OF THE PORT OF BAKU



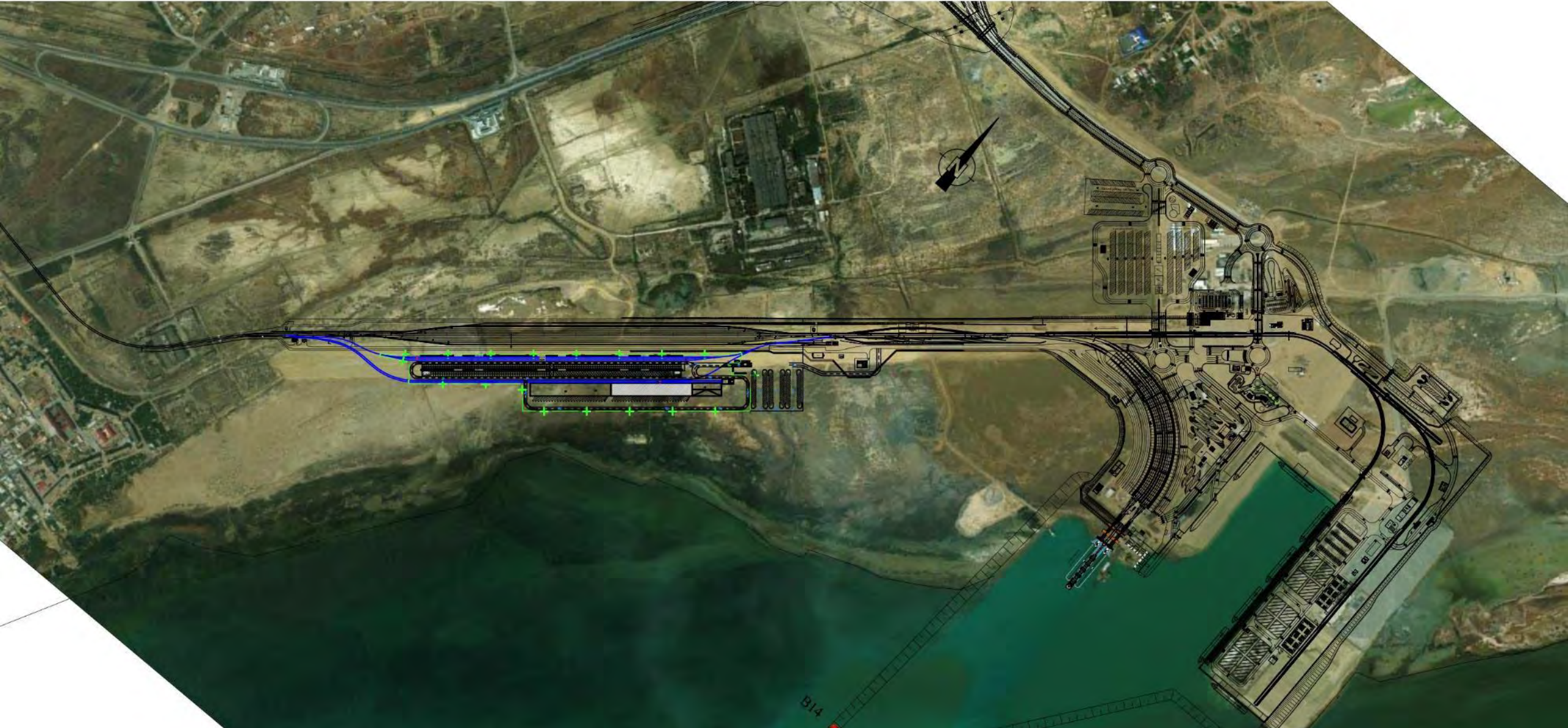
Your hub in Eurasia!





- **The Fertilizer Terminal in the Port of Baku** is to act as a major transshipment hub in the Black Sea and Caspian Sea regions for Central Asian fertilizer products.
- The terminal is located on the South side of the Eastern Quay with an annual handling capacity of 2.5-3 million tons .
- Investments done by the Government of Azerbaijan/Port of Baku and "Albayrak Group" of companies (the joint venture agreements between the Port of Baku and Albayrak were signed on July 15, 2022).
- The terminal will have two storage warehouses (60,000 tons), two cargo (un)loading cranes (32 ton), two quay conveyor system (600 tons/hour) along the whole length of the berth, so that each of the warehouses have a dedicated intake system and a **dedicated train loading station**.
- The following estimations have been made on the measures of the fertilizer terminal based on the masterplan drawings:
  - ✓ **Total area: 34,000 sq. m**
  - ✓ **Annual Throughput Capacity: 2.5-3 million tons**
  - ✓ **Two conveyor belt system (600 t/h)**
  - ✓ **Bulk storage capacity: 60,000 tons**
  - ✓ **The train loading station with the outtake capacity of 600 tons/hour**
  - ✓ **Quay cranes – Two 32 t Ardel (Sokol) cranes**
  - ✓ **Two railway tracks (for loading of 50 hopper wagons)**

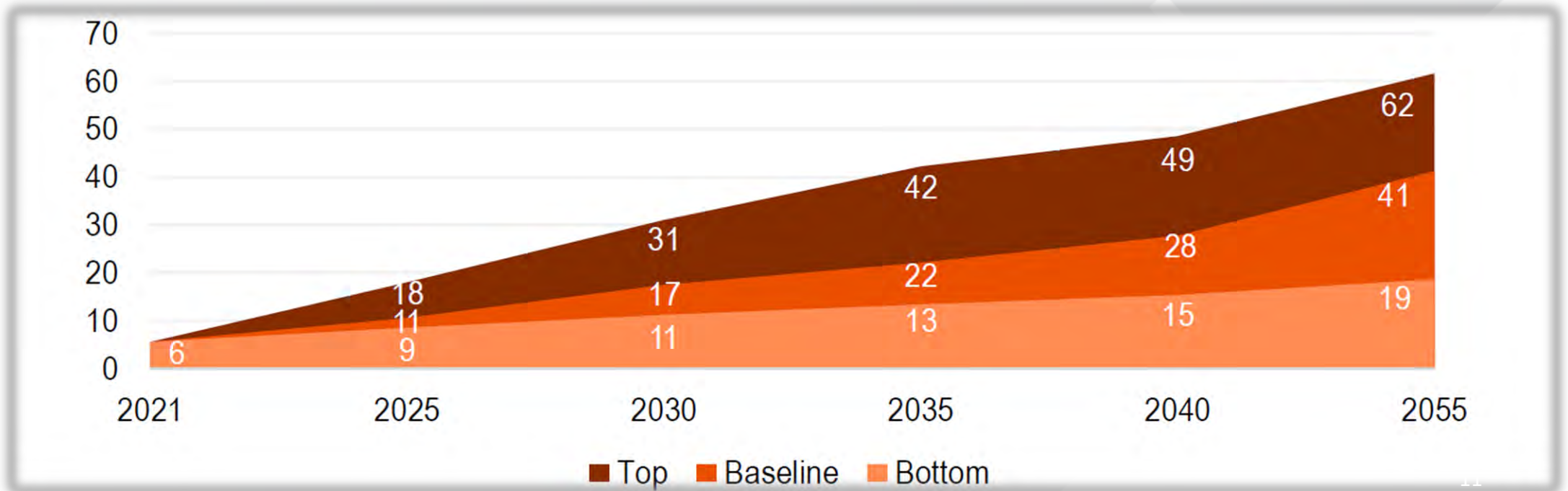
# Enhancing Phase 1 at the Port of Baku, Proposed shunting yard/intermodal facility



# Economic Forecasts for the Port of Baku

- **Geopolitical changes** result in additional opportunities for the Port of Baku against the background of worsening economic conditions. Port of Baku has a historical chance to double cargo flow in 3-4 years and to triple it until 2030.
- **Containers and oil will see the fastest growth** of transportation demand (10 and 5 times even in the bottom scenario) from 2021 till 2030. In case of debottlenecking, this growth can be even more rapid.
- **Grain, fertilizers, and metals exhibit significant promise**, particularly when considering the positive impacts of robust economic policies and the ongoing development of transportation infrastructure in both South Caucasus and Central Asia.
- **Container, fertilizer and grain terminals** may be fully loaded before 2025. Oil terminal capacities need to be expanded no later than by 2030. General cargo – by 2035. If the Middle Corridor is debottlenecked before 2035, the capacity of container terminal should be tripled.

*Total flows, m tones*



# “Hard connectivity” along the Middle Corridor

The Port of Baku's expansion will increase its capacity to 25 million tons, including 500,000 TEU

## Phase 2

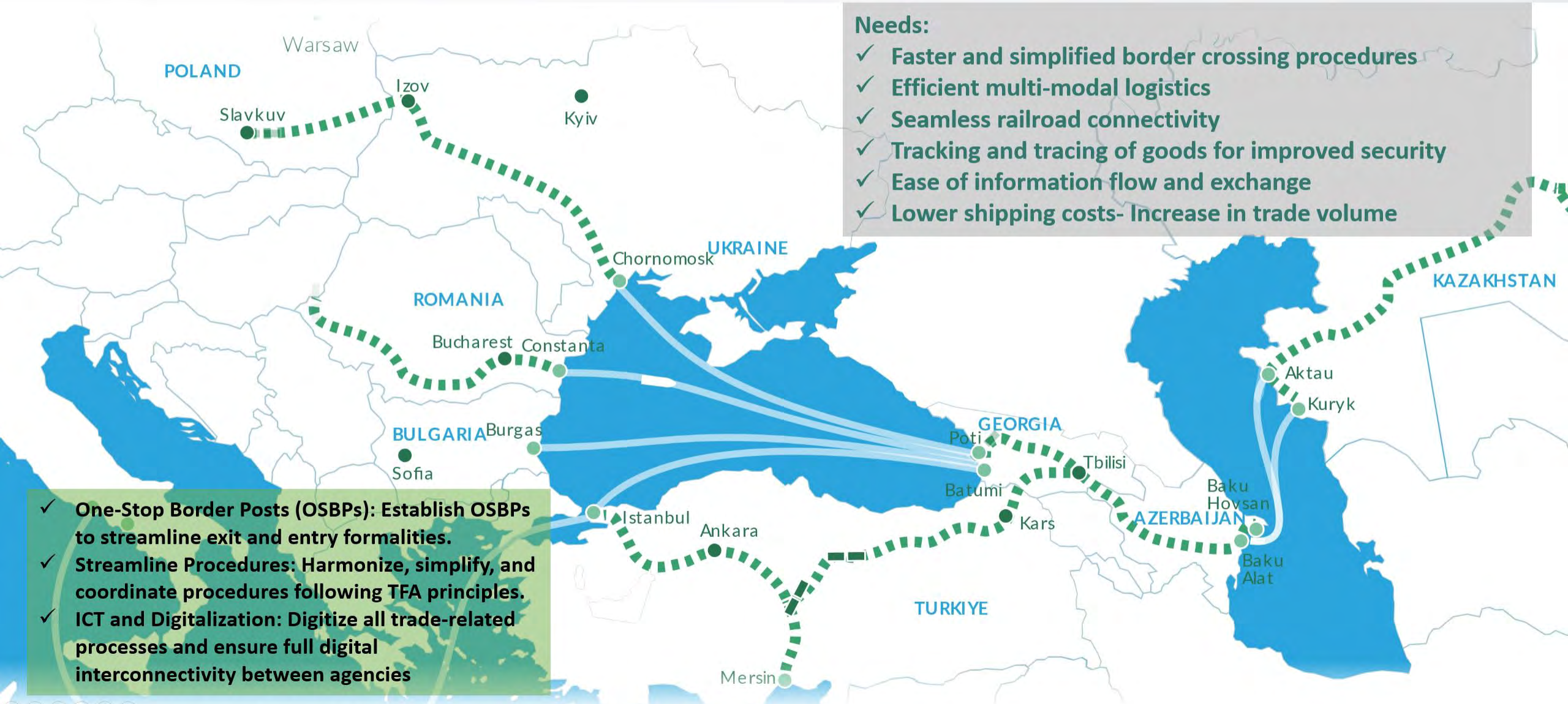
Berth	Existing	2040 base case	2030 high case
Ferry (rail)	2	2*	2
Ro Ro	2	2	2
Fertiliser	7	3	3
Grain		3	3
Container		4	4
General cargo		4	4

### New key facilities will include:

- An Intermodal terminal with a Logistics Centre
- Additional berths and back up area
- A second rail jetty if required
- An offshore supply base to serve the oil industry in the Caspian Sea
- A bulk liquid facility to the west
- The area to the south west of the port is indicated as a possible recreational waterfront development area serving the expanded town of Alat



# “Soft connectivity” in the Middle Corridor



## Needs:

- ✓ Faster and simplified border crossing procedures
- ✓ Efficient multi-modal logistics
- ✓ Seamless railroad connectivity
- ✓ Tracking and tracing of goods for improved security
- ✓ Ease of information flow and exchange
- ✓ Lower shipping costs- Increase in trade volume

- ✓ **One-Stop Border Posts (OSBPs):** Establish OSBPs to streamline exit and entry formalities.
- ✓ **Streamline Procedures:** Harmonize, simplify, and coordinate procedures following TFA principles.
- ✓ **ICT and Digitalization:** Digitize all trade-related processes and ensure full digital interconnectivity between agencies

# Emerging Business and Trade Opportunities for the Region

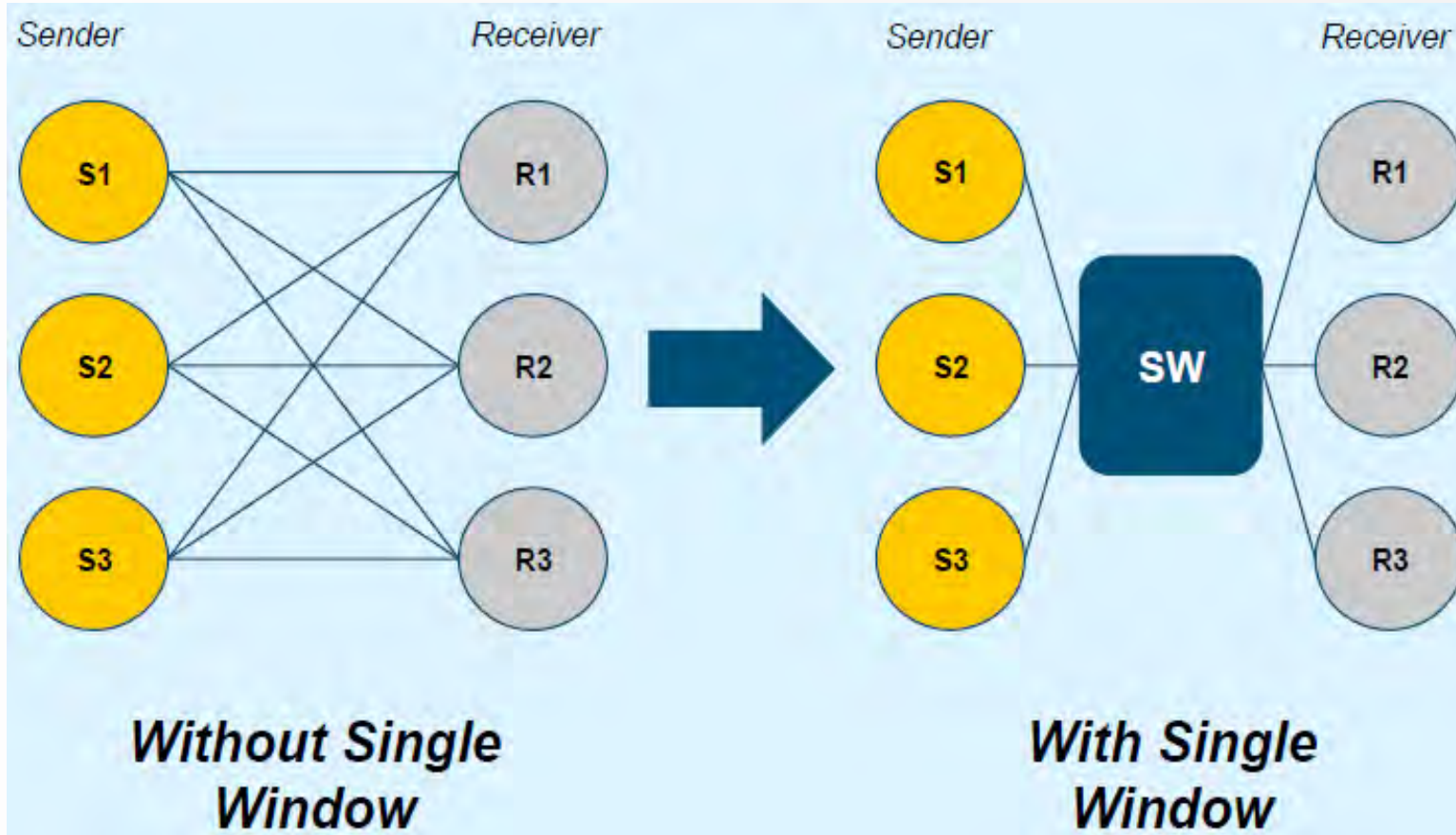
## Zangazur corridor in the context of international initiatives



## Zangazur corridor

- ✓ **Zangazur Corridor** has clear potential to become a **faster and shorter transit passage for Europe and Asian countries**. It can create additional opportunities for increasing the potential of the Middle Corridor **in the East-West direction along with the Middle Corridor**
- ✓ **Green Energy Zone Project**: focuses on establishing a "green energy" zone in the liberated territories of Azerbaijan
- ✓ **Railway Sector Development Program**: includes the rehabilitation of the Sumgayit-Yalama rail line, a key link in the North-South Railway Corridor within the CAREC network
- ✓ **Raise Container Shipping Capacity on Baku-Aktau Route**: Increasing the container shipping capacity on the Baku-Aktau route is crucial for enhancing maritime trade between Azerbaijan and Kazakhstan.
- ✓ **Rasht-Astara Railway Project**: involves developing an 82.5-meter-long bridge over the Astarachay River, establishing the second rail connection between Iran and Azerbaijan.
- ✓ **Ensure Availability of Rolling Stock**: Ensuring the availability of rolling stock, particularly on the Georgia/Azerbaijan border crossing points (BCP), is essential for improving road and port transshipment
- ✓ **Hajigabul-Georgian Border Motorway Expansion Project**: The Hajigabul-Georgian Border Motorway Expansion Project involves expanding the existing dual-lane highway into a four-lane road over 184 km between Hajigabul and the Georgian border in Azerbaijan.

## Soft connectivity” in the Middle Corridor: Benefits of Digital Solutions/Single Window



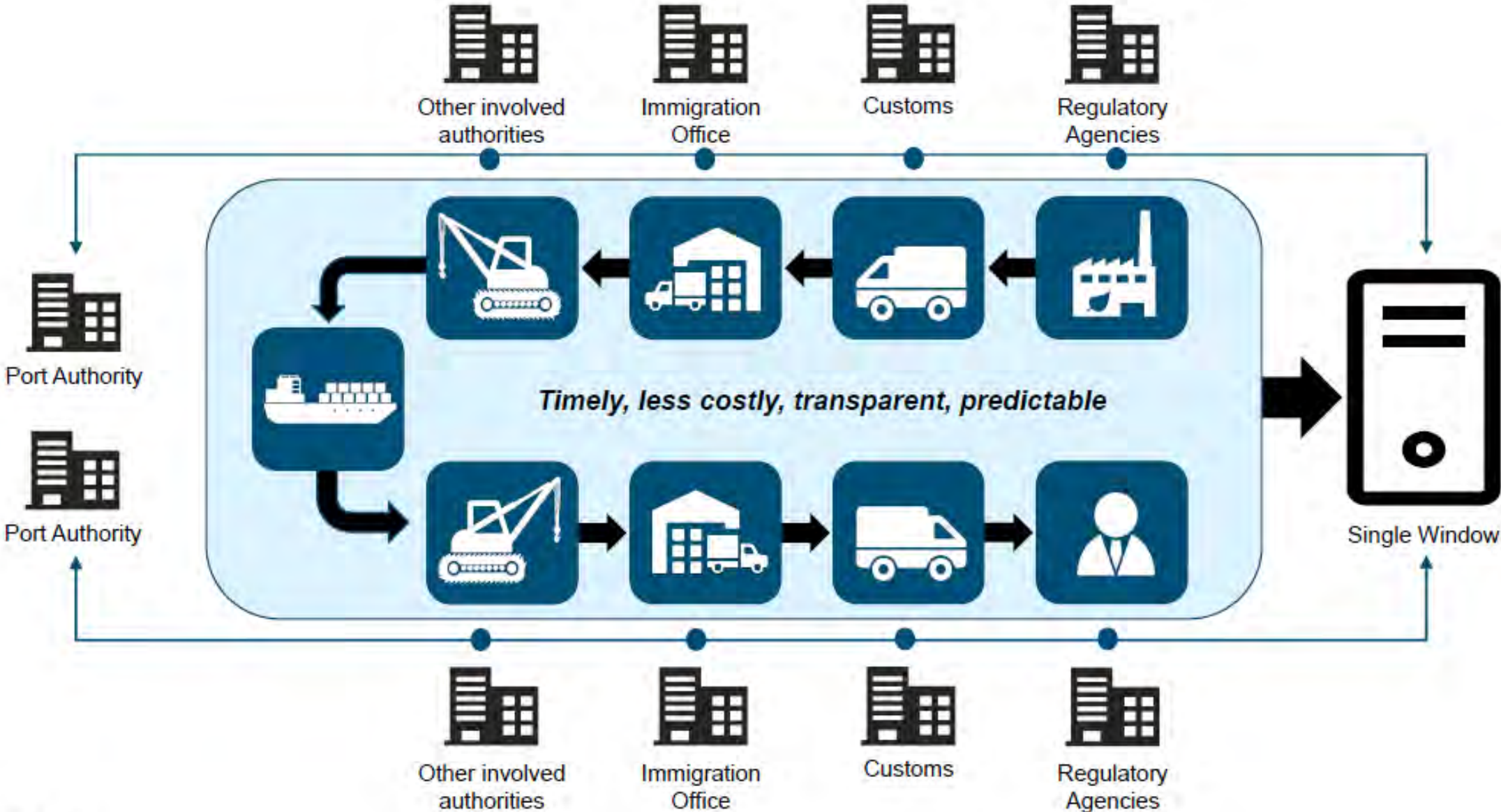
### Benefits for government

- Correct revenue yields
- Improved compliance
- Enables more sophisticated risk management techniques
- More effective and efficient deployment
- deployment of resources

### Benefits for trade

- Lower costs through reduced delays
- Faster clearance and release
- Predictable application and explanation of rules
- More effective and efficient deployment
- deployment of resources

# Information exchange between Ports and between ports and respective stakeholders : Single window



Source: BTO

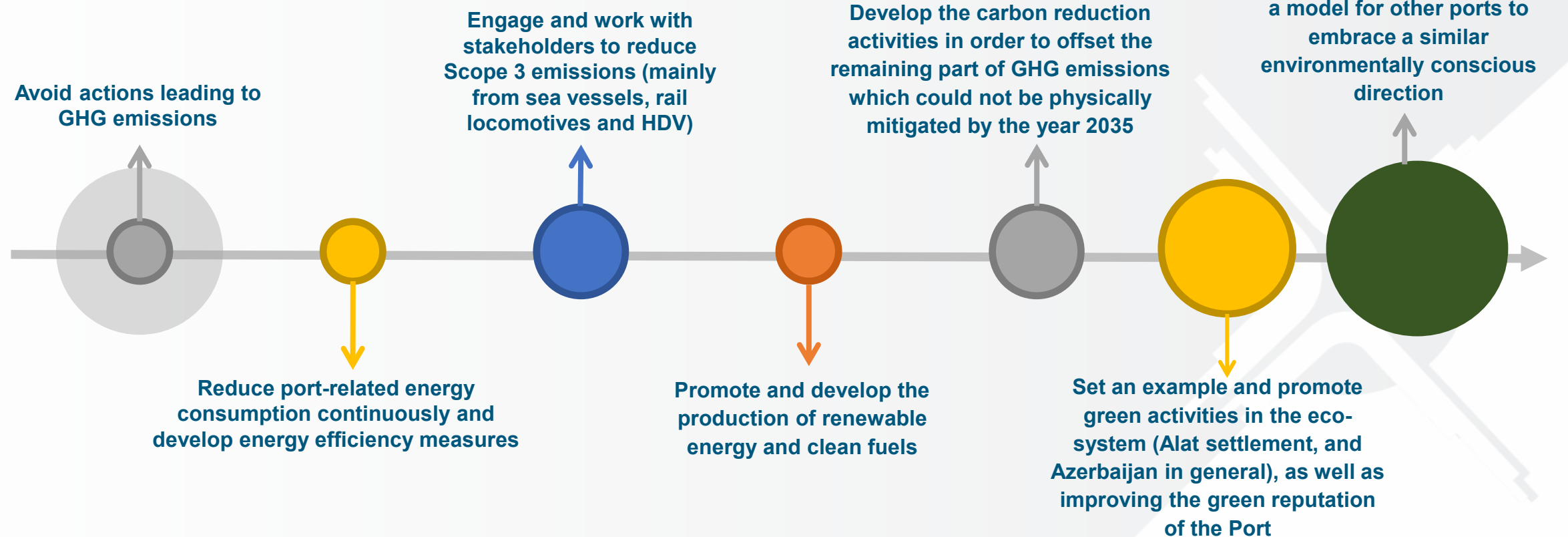


# Climate Strategy (Net Zero Emission) 2035



Port of Baku has set an ambitious goal to reach carbon neutrality by the year 2035. This goal is well ahead of the IMO's target of reducing shipping's carbon emissions by at least 50% by mid-century and of the climate goals of many other ports.

The strategy to achieve carbon neutrality can be followed by setting the following strategic goals:



# Port of Baku's Strategy for Achieving Net Zero Emission by 2035 and Ensuring Sustainable Business

**NET ZERO** BY  
**2035**  
**NET-ZERO EMISSIONS BY 2035**

**NEXT MILESTONES -**  
Port of Baku's Strategy is to Become a Pioneering ESG Company in the Region and Achieve Net Zero Emission

## Milestone 1 - Established EU Partnership:

PoB has become the **EU Flagship Project** and successfully Implemented **9 TAIEX and Technical Assistant Projects**, Enhancing Green Port Operations and Middle Corridor



2016

## Milestone 2 – NZE Plan for 2035

First **Climate Action Plan** in the region targeting **Net Zero Emission until 2035**.



2018

## Milestone 3 – ESPO Certification

Recognized for environmentally conscious practices, earning the prestigious **EcoPort (Green Port) certificate from ESPO (European Sea Ports Association) in 2019**.



2019



2022

## Milestone 4 – UN Global Compact membership

First public organization in Azerbaijan joined **the United Nations Global Compact**, reaffirming commitment to responsible and sustainable business practices in August 2022. PoB owned an active member status

Throughout the years the PoB attained significant international certifications, including **ISO 14001:2015, ISO 45001:2018, ISO 5001:2018, and ISO 9001:2015** to ensure eco-friendly practices, adherence to HSE regulations, and the enhancement of service quality. PoB has targeted to get **ISO 26000:2018 (Social Responsibility) in 2024-2025**

# Joint-Solutions for Reducing Carbon Emissions:

## SOLUTIONS:

- **Cold ironing:** To address emissions while vessels are berthed, in accordance with international best practices, vessels are required to shut down diesel engines and connect to shore-based electricity (known as "cold ironing")
- **Alternative Fuels:** Transitioning to cleaner fuels like LNG, hydrogen, or biofuels can significantly decrease emissions during vessel maneuvering.
- **Hybrid or Electric Propulsion:** Adoption of hybrid or fully electric propulsion systems reduces emissions during low-speed maneuvers and idle periods.
- **Optimized Engine Performance:** Upgrading engines for enhanced fuel efficiency and emissions control that can mitigate emissions throughout all operational phases.
- **Electric Vessels:** These vessels use electric propulsion systems powered by batteries or fuel cells, replacing traditional fossil fuel-powered engines.
- **Renewable Energy Projects:** Investing in and implementing renewable energy projects such as solar, wind, and hydroelectric power generation can significantly reduce the carbon footprint of port operations.



# Green Port initiatives and COP29

## 2024 Green World Solidarity Year in Azerbaijan

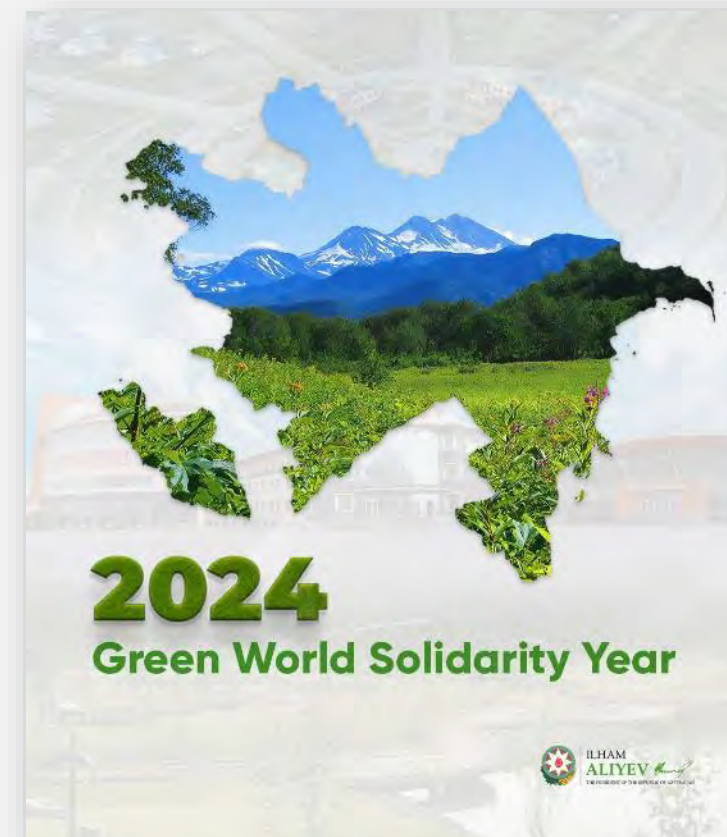
"Year of Solidarity for the Green World." This decree, issued on December 25, 2023, emphasizes Azerbaijan's dedication to environmental stewardship and aligns seamlessly with the goals of Green Port initiatives and 2035 Net Zero Emission strategy of the Port of Baku that was launched in 2018.

## Strategic Alignment with COP29 Goals:

Azerbaijan is hosting the 29th Conference of the Parties to the UN Framework Convention on Climate Change (COP29) in Baku in November 11-22, 2024. The Port plans to collaborate with regional and global efforts by establishing synergy to showcase support for the prevention of climate change and to expand global projects.

## ESG Strategy of the Port:

The Environment, Social, and Governance (ESG) is at the forefront of the Port's new development strategy. The Port has established a Green Team to facilitate the establishment of mechanisms to measure Sustainable Development Goal (SDG) achievements, assist in ESG strategy implementation, prepare reports, support ESG assessment preparation, design and integrate SDGs and ESG practices, and raise public awareness and funding for synergy projects.



# Private Sector Engagement in COP Outcomes

The private sector must align with COP outcomes and actively participate in relevant work programs, groups, committees, and funds emerging from governmental discussions.

This includes:

- Prioritizing public-private partnerships.
- Leveraging existing solutions and resources from the private sector in discussions and programs.
- Enabling the private sector to contribute to leveraging climate
- Implementing pledge projects to strengthen companies' climate change resilience.
- Providing tax exemptions for renewable energy projects and green initiatives.
- Encouraging green investments, such as green bonds, for ESG projects.



**COP28UAE**  
UNITE. ACT. DELIVER.







**THANKS FOR ATTENTION!**