

Deep Sea Port &  
Special Economic Zone

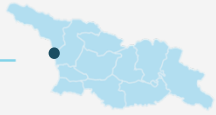
The logo for Anaklia, featuring a stylized red wave above the word "Anaklia" in a bold, black, sans-serif font.

**Anaklia**



# HIGHLIGHTS

## Why Georgia:



- A free trade access to markets of **over 2 billion population**
- **One of the fastest growing economies in the region** and renowned reform leader
- **The 9<sup>th</sup> easiest destination** for doing business by the World Bank Group
- **The 8<sup>th</sup> least tax burden country** by the World Economic Forum
- **The 16<sup>th</sup> in Economic Freedom Index** by the Heritage Foundation
- **The 5<sup>th</sup> safest country** in the world



EU28



China



CIS



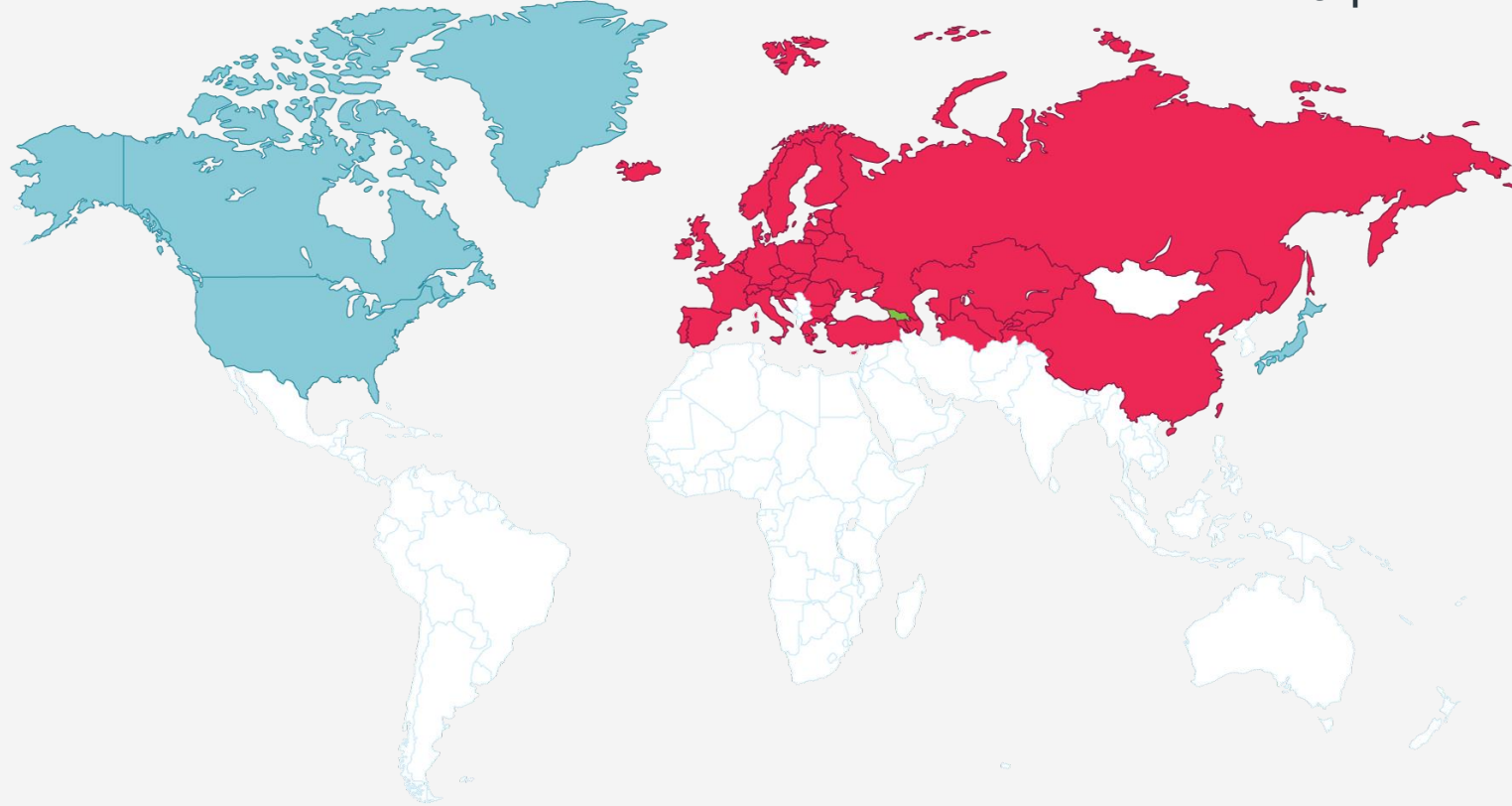
EFTA

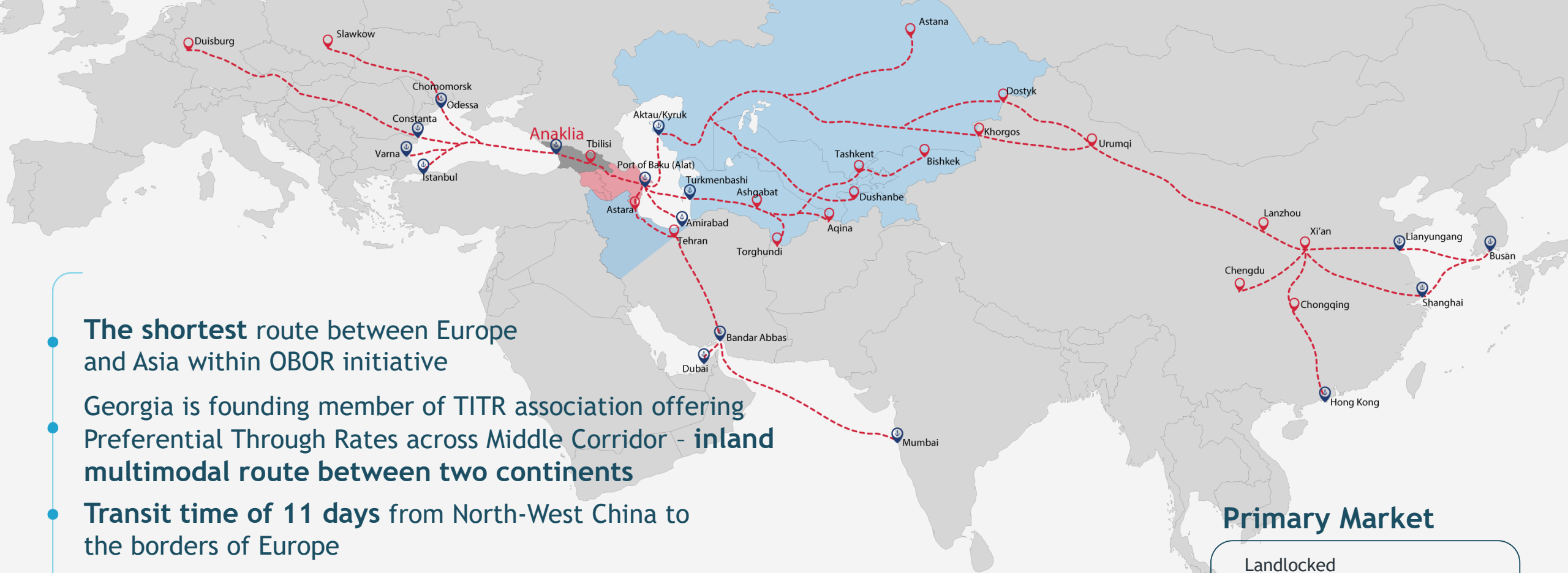


Turkey



The USA  
Canada  
Japan





- **The shortest route between Europe and Asia within OBOR initiative**
- Georgia is founding member of TITR association offering Preferential Through Rates across Middle Corridor - **inland multimodal route between two continents**
- **Transit time of 11 days** from North-West China to the borders of Europe
- By 2020 estimated at least **200,000 TEUs of additional transit volumes** for the Middle Corridor as an effect of OBOR initiative
- Integral part of the international **South-West Transport Corridor**
- Special tariff policy for the development of **Persian Gulf-Black Sea Corridor**

**Primary Market**

- Landlocked
- 17m population
- US\$ 102 bln. Total GDP
- +4% average GDP growth outlook

**Secondary Market**

- Landlocked
- 146m population
- US\$ 759 bln. Total GDP
- +5% average GDP growth outlook

# OPPORTUNITIES

Tariff free access to the markets with ~ 900 million population and USD 23.3 trillion cumulative GDP



## Anaklia Special Economic Zone:

- Frontier Industrial and Logistics parks with tariff free access to the EU28, EFTA countries (incl. Switzerland and Norway), Turkey and CIS region
- Primary logistics and distribution center for the Caucasus and Central Asia states
- Opportunities for development of brand new city with residential, commercial, wholesale/trade, financial and other business clusters
- Up to **2,000 ha** territory for development

	<b>European Union</b> <ul style="list-style-type: none"><li>- USD 18.4 trillion GDP</li><li>- 511 million population</li></ul>		<b>CIS countries</b> <ul style="list-style-type: none"><li>- USD 2.9 trillion GDP</li><li>- 248 million population</li></ul>
	<b>EFTA Countries</b> <ul style="list-style-type: none"><li>- USD 1.1 trillion GDP</li><li>- 16 million population</li></ul>		<b>Turkey</b> <ul style="list-style-type: none"><li>- USD 0.9 trillion GDP</li><li>- 81 million population</li></ul>

# REACH AREA



## 5 hours air flight coverage

- Key urban areas of CIS region
- Majority part of the European region
- Gulf Region
- Central Asia states and North-West of China (Urumqi)
- North West part of India



## 24 hours road coverage

- Caucasus region
- North-West of Iran (main urban areas)
- Turkey
- South of Russia
- Part of Central Asia region



## 8 days railway/coverage

- European region
- North-West of China (Urumqi)
- Central Asia states
- Caucasus and Turkey
- Iran

## Status Quo:

Only smallest Feeders call  
Georgian Ports - up to 1,500  
TEUs

-----  
Downtime in Major port 33%

Draft depth 8.4m  
Lack of container yard  
Outdated equipment

-----  
Container Traffic Growth  
2017 - 19.8%

Ports expected to reach  
Capacity by 2021





# ANAKLIA

## Deep Sea port:



First Deep Sea Port in Georgia with 16m depth CD



9 development phases with up to 100 million ton annual capacity



52 year "BOT" concession with the Government of Georgia



Rail and Road connections to be arranged by the Government



340 ha development area and total development cost - USD 2.5 billion



First vessels to be received by the end of 2020 year



# ANAKLIA

## Special Economic Zone/City



Special Economic status defined in the Constitution of Georgia



Up to 2,000 ha territory of mixed use development as brand new city



Fully integrated with Deep Sea port and national infrastructure



First 400 ha dedicated to logistics and industrial parks



To be operational by the end of 2020 year

# ANAKLIA

Deep Sea Port:

## STATE OF THE ART PORT INFRASTRUCTURE



### PHASE ONE

Leading terminal operator SSA Marine with modern TOS System

Up to 900 ths. TEUs annual capacity

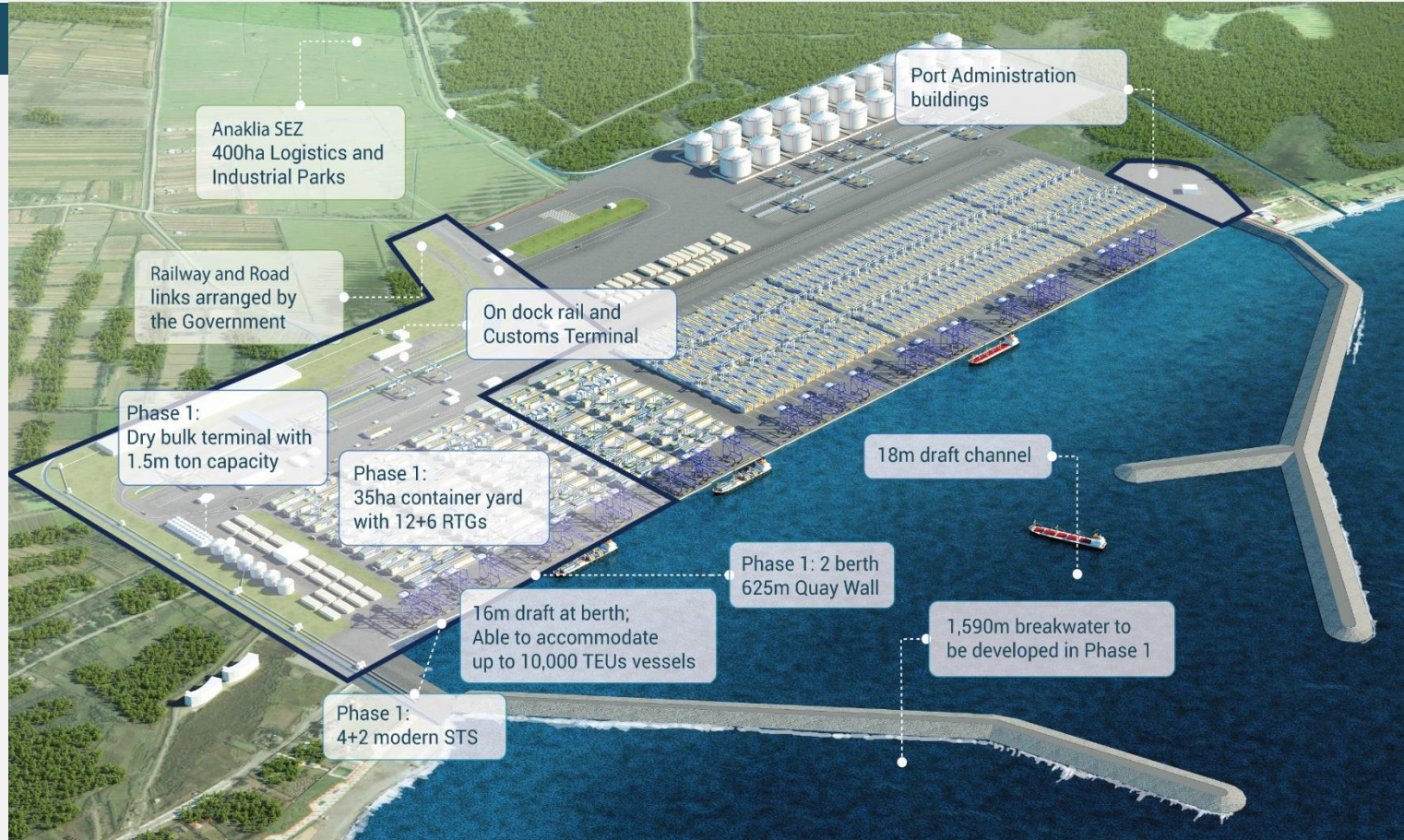
Up to 1.5 million ton of dry bulk annual capacity

Able to accommodate post-panamax types vessels (up to 10,000 TEUs)

Up to US\$ 160 cost advantage per TEU

+ 95% uptime of the port operations

c.USD 550 million- construction CAPEX\* - 65/35 Debt to equity



### STATUS

Technical Studies, Preliminary Design, Master Plan completed

ESIA Completed

Early Construction works started

Detailed Design tender ongoing

Expecting engagement from key IFIs in May

Dredging to start in Summer 2018

Expected Financial close by end of 2018

*\*Does not include financial costs*



# CITY/SEZ

## FAVORABLE ECONOMIC ENVIRONMENT

- The special status of Anaklia is outlined in the Constitution of Georgia, allowing a special regulatory environment (e.g Common law, International arbitration, IP law etc.) as new Organic Law
- Business Incentives beyond the fiscal reliefs
- High-quality and low bureaucracy public services offered on site

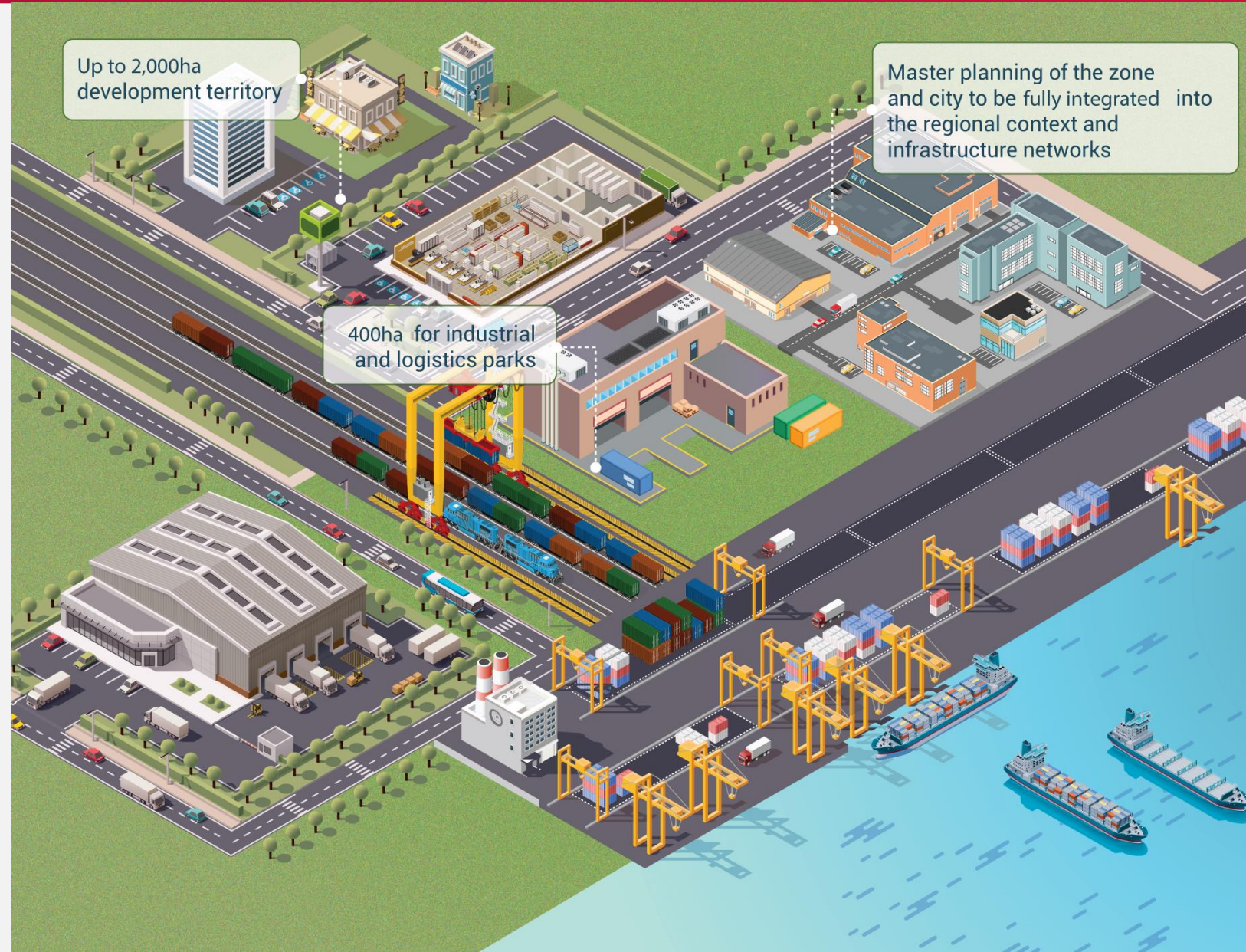
## FOCUS AND STRATEGY

- Focusing on light manufacturing, logistics, warehousing, assembly, distribution and other
- Logistics and distribution activities serving the regional markets (Caucasus, Central Asia and beyond)
- Financial, retail and wholesale, tourism and entertainment and other service industries acting as a driver for regional business
- Long-term development strategy as new large-scale multifunctional city

**BUROHAPPOLD**  
**ENGINEERING**



Developing Concept Master Plan  
and Business Model for the SEZ



# TIMELINE

## KEY FACTS



FEBRUARY  
2016



Government of Georgia announces Anaklia Development Consortium LLC (ADC) as a tender winner to construct, operate and transfer Anaklia Deep Sea port.



OCTOBER  
2016



ADC and Government of Georgia sign investment agreement  
ADC and Van Oord sign the agreement on the pre-construction works



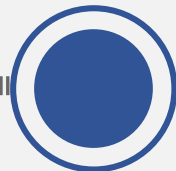
JANUARY  
2017



ADC develops master plan



MAY  
2017



Special Economic Zone and City project launch



JUNE  
2017



ADC completes major feasibility studies



AUGUST  
2017



ADC selects leading US operator SSA Marine as Terminal Operator

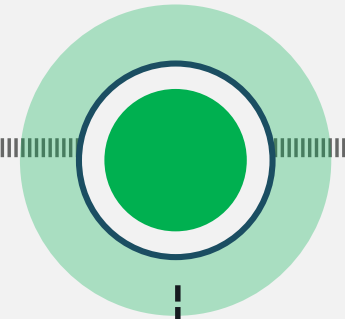


DECEMBER  
2017



ADC starts construction of Anaklia Deep Sea port

2020



**ANAKLIA DEEP SEA PORT AND SEZ COMMENCE OPERATIONS**

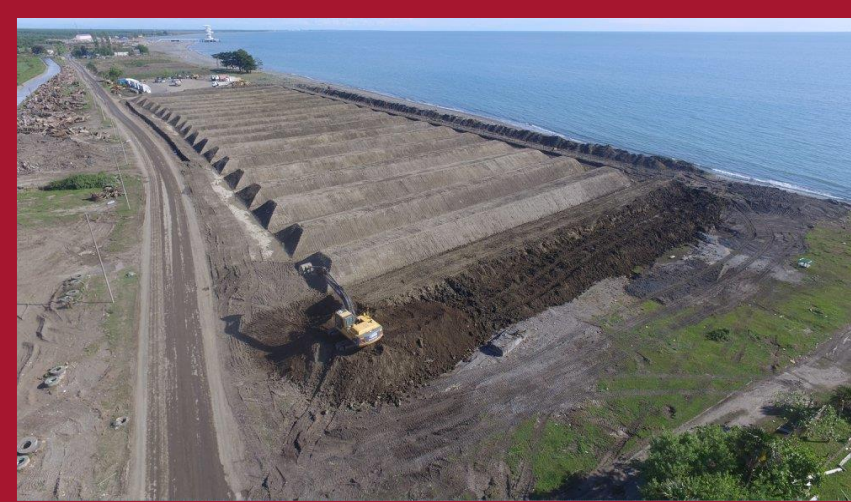
**FIRST VESSELS SET TO DOCK**

# ANAKLIA DEEP SEA PORT CONSTRUCTION

As part of Construction Commencement early preparatory works started in December 2017 and are on pace to be finalized by end of June 2018. These works include:

- ✓ Construction of New Amelioration Channel
- ✓ Topsoil Removal and Storage (over phase 1 120 Hectares)
- ✓ Clearing and Grubbing of Phase 1 area

The next stage marine construction works scheduled for summer 2018 involve dredging and reclamation to which end a dredging vessel and etc. machinery are going to arrive in Anaklia in order to excavate 5M m3 soil for reclamation.



# PROJECT PARTICIPANTS

## TBCHOLDING

- Established in 2014 by Mamuka Khazaradze and his partners, a highly reputable Georgia entrepreneur and developer, for the purpose of developing the Anaklia Port project.
- Mr. Khazaradze has previously built the Georgia's largest bank, a successful real estate company and numerous other businesses in Georgia.
- Through Mr. Khazaradze and his partners, TBC Holding is an affiliate of a number of high profile companies operating in various sectors of the Georgia market including financial services, real estate and fast moving consumer goods.
- TBC Holding strives to invest in long-term sustainable projects that yield high returns to stakeholders and provide economic growth and social prosperity.
- Mamuka Khazaradze was named EY Entrepreneur of the Year in 2014.
- Key Industries: banking, real estate, tourism, food & beverages



- Seattle-based global port and terminal operator, founded in 1949.
- One of the world's largest privately-held international marine terminal operators.
- Operating in 250 strategic locations on five continents and a vast network of interconnected transportation solutions.
- Handling over 113.1 million tons of conventional cargo and 27.2 million TEUs and a 6.8 million cruise passengers each year.
- SSAs adopted a progressive attitude towards technical innovations, and strives for RFID technologies that eliminate paperwork, expedite gate transactions and yard moves that accelerate vessel turn times, to optimize productivity and efficiency at every handling point.

## Conti

- New Jersey-based 110-years, 5th generation, privately owned family firm.
- Global developer, constructor and program manager of capital asset projects.
- 100% EPC completion record earning Conti a 1.3 billion bonding capacity.
- 20-fold growth since 1995 resulting from strategic project locations and global operations.
- Operates in civil infrastructure, energy, environmental and industrial verticals.
- Performs classified U.S. Army Corps of Engineers projects globally.
- Earned numerous awards including ENR Top 250 US Contractor, Top 50 Design/Build Firm, Top 100 Environmental Firm, Top 15 Hazardous Waste Firm, NJ Excellence Award in 2015 and NJ Governor's Safety Citation of Merit Award in 2015.



- Wondernet Express was founded and registered in the UK in 2008.
- The company has offices in Georgia, Russia, Kazakhstan and Uzbekistan.
- Wondernet's main activities are the transportation and complex forwarding service of export-import and transit cargo by rail and other modes of transport on the territory of CIS countries and the Baltic states.
- Annually transports more than two million tons of cargo.
- Products - oil and gas, bulk (timber, oil, fertilizer, flour, wheat, etc.), containerized cargo.
- Transportation of heavy and oversized cargo, as well as non-military NATO cargo to / from Afghanistan.



# Anaklia

Anaklia Development Consortium / JSC Anaklia City



6, Marjanishvili Street, Tbilisi 0102, Georgia



+995 322 95 99 10



info@anakliadevelopment.ge



www.ankliacity.com / www.anakliadevelopment.com