



REQUIREMENTS ON EFFICENCY OF MULTIMODAL TRANSPORTATION IN CAUCASUS

by

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Improving efficiency of Multimodal Transportation

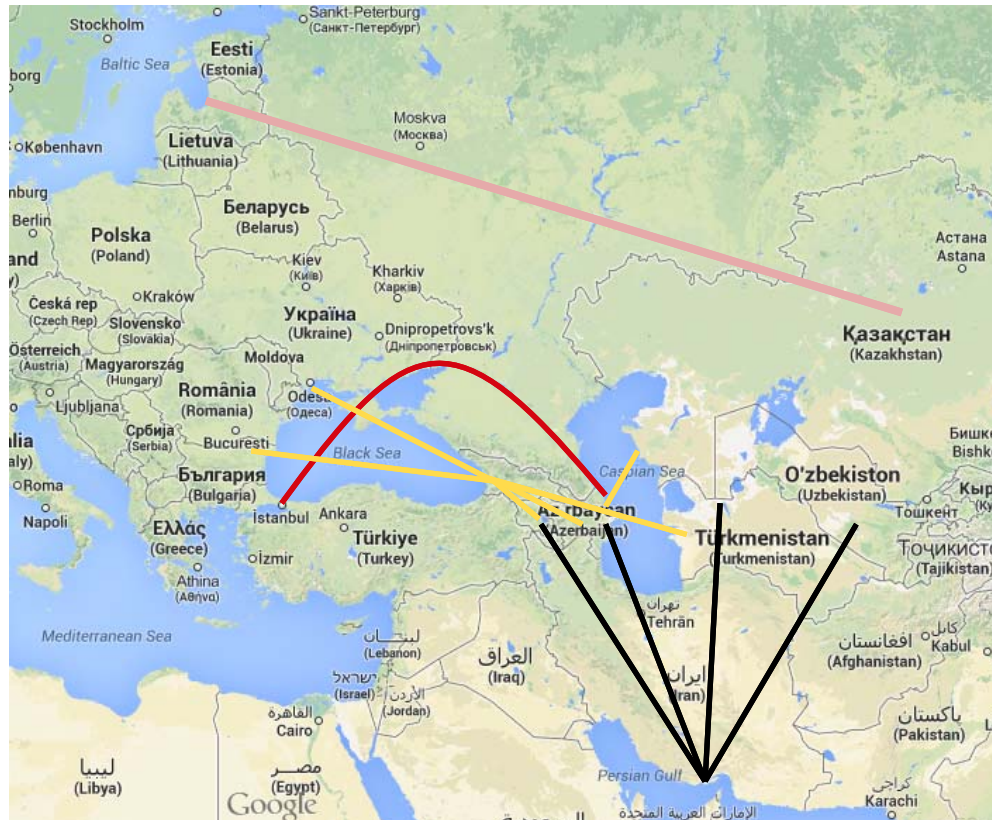
- Unification of Commercial and Legal Regimes
- Comprehensive solution of financial and economic aspects to ensure the sustainable functionality of the system;
- Implementation of Electronic data interchange (EDI) to ensure tracking of the movement of goods, transfer of information and communication;
- Unity of all links in the transport chain in the organizational and technological aspect, the common form of interaction and coordination of all parts of the transport chain;
- Cooperation of all members of the transport system;
- Integrated development of the transport infrastructure of the various modes of transport and Facilities

SITUATION IN REGION – FORWARDERS OPINION

- PRICING/TIMING/SAFETY;
- IMPORT/EXPORT RATIO;
- OVERALL VOLUMES;
- INFRASTRUCTURE;
- BUYING POWER
- PROFESSIONAL EDUCATION;
- CUSTOMS AND RELATED LEGAL ACTS IN GEORGIA
- MAIN FOCUS - OCEANFREIGHT
 - road usage fee
 - undervaluing airfreight business
 - undervaluing hub opportunity

REGIONAL COMPETITION – FORWARDERS OPINION

- ROUTING and CUSTOMIZED SOLUTIONS



Considering Project Cargo Business operated to Caucasus and middle east countries, it is by far not obvious that Poti is the optimal gateway for customized solutions in Forwarders opinion

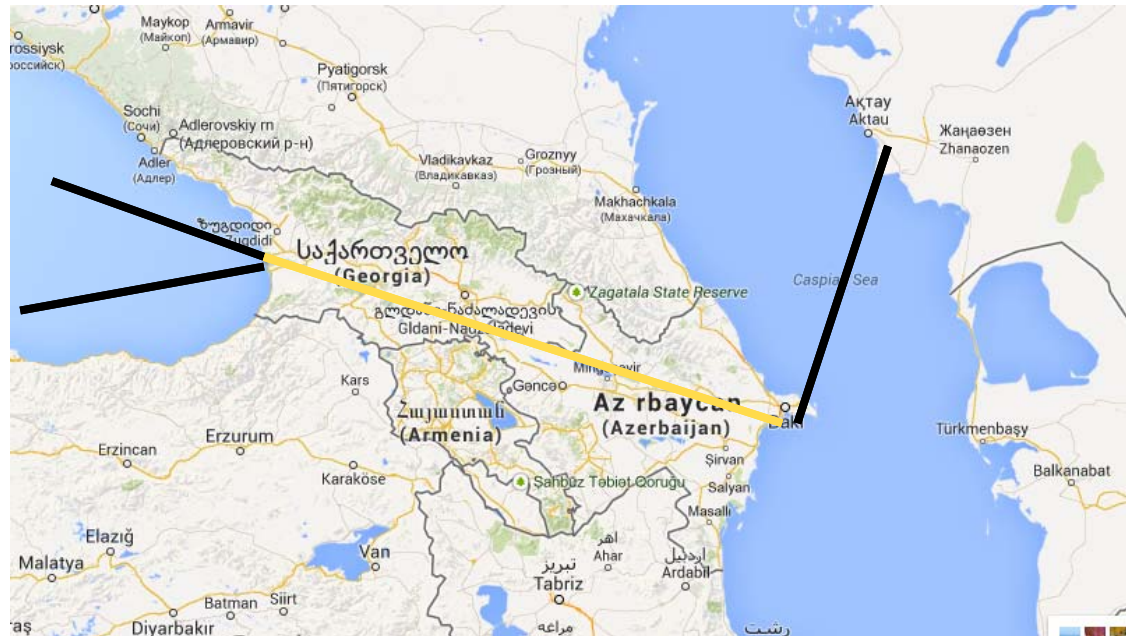
Thus, for Far East origin shipments Bandar Abbas seems to be the optimal solution to most of the countries in Caucasus/middle east. However due to political situation, Poti becomes more and more attractive.

For Europe and US origin shipments direction Caucasus and middle east (except of Armenia and Georgia being Destination), Service through Turkey via Volga/Don to Caspian Sea looks as optimal solution – but this does not relate to normal Cargo Traffic. While normal Cargo, Poti still seems to be able to get status of optimal gateway.

For Caucasus region it is highly important to correctly analyze competitor routes and try to compete as synergized consortium based on harmonized and transparent offers. Despite Georgia has improved all major aspects on legislative basis and customs services availability, Infrastructural and Cost-effective solutions are still pending.

In Forwarders Opinion, Georgia could become a natural and primary HUB and Gateway for all kind of transport modes and cargo, serving at least 700 KM Radius considering central part of country as an service providing Site

PRIVATE COMPANY SOLUTION



Due to complex problems and high Pricing, one of the companies operating Frozen Meat Logistics to Middle East, decided to build own Service and arranged following Investment:

- 10.000 SQM Temperature controlled Warehouse in Poti;
- 5.000 SQM Temperature controlled Warehouse in Tbilisi for local distribution purposes
- over 50 self owned 40' Ref Containers,
- over 50 Self owned Trucks,
- 128 TEU feeder in Caspian Sea operating from private Port near Baku to Aktau.
- Crane purchased and installed in Port in Azerbaijan

Routing:

Ocenfreight from US ports to Poti via Major Carriers - Offloading Containers to own W/H in Poti – Releasing Containers back to Carrier – Loading to Own Ref Containers - as per order Volumes – Trucking of Own Containers to Port in Azerbaijan – loading own Ref containers to own feeder that is linked to Aktau port – return of Containers via own feeder of empty or loaded with Grain to Poti.

Heavy lift Cargo from far east to Baku

Description	Qty.	Gross Weight	CBM	Density Factor
Rectifier Transformer	1	91100	48.31	0.53
Regulating Transformer	1	45000	58.10	1.29
Cooling Media Tank	1	15500	32.60	1.86
Cooling Media Tank	1	15500	32.60	1.86
Cooling Media Tank	1	15500	32.60	1.86
Cooling Media Tank	1	15500	32.60	1.86
Templates	1	7000	24.77	3.49
Templates	1	7000	24.77	3.49
	TOTAL	212100	286.37	1.30

Required Equipment for Transpiration

- 1 x 8 axle H.Trailer
- 1 x 11 axle Lowbed
- 1 x ODC
- 4 x Flat bed trailers

Pricing through Poti:

64.800 USD including Port accessorial, Customs formalities and Permits
Mode: Inland Trucking (900 KM)

82.000 USD including Port accessorial, Customs formalities and re- stuffing to Wagons
Mode: Rail

Pricing through Bandar Abbas:

53.200 USD including Port accessorial, Customs formalities and Permits
Mode: Inland Trucking (2100 KM)

Pricing through Derince:

38.600 USD including Port related and re-stuffing charges as also Transshipping formalities
Mode: Waterway through Volga/Don + Inland within 100 KG in Azerbaijan

Customer is looking for shortest Inland Rout as cargo is very sensitive

PRACTICAL EXAMPLE – FORWARDERS OPINION

OOG Cargo from Italy to Turkmenistan

Q.ty	serial nr	tag nr	ball valves	Valve Net weight Kg	Package No.	Q.TY	TYPE OF PACKAGE	Dimensions cms			Net weight Kg	Gross weight Kg	M3	
								L	W	H				
1	532365	YV710020	28	600#	8726	1	1	WOODEN CASE	285	176	352	8726	9589	17,66
1	532366	YV710021	28	600#	9219	2	1	WOODEN CASE	555	271	209	9219	10674	31,43
1	532367	YV720009	16	600#	2837	3	1	WOODEN CASE	481	195	172	2837	3678	16,13
1	532368	YV1020	16	600#	2837	4	1	WOODEN CASE	481	195	172	2837	3678	16,13
1	532369	YV73008	24	600#	6165	5	1	WOODEN CASE	266	165	297	6165	6867	13,04
1	532372	YV740011	24	600#	6165	6	1	WOODEN CASE	266	165	297	6165	6867	13,04
1	532370	YV73009	24	600#	6764	7	1	WOODEN CASE	506	255	209	6764	8088	26,97
1	532371	YV740012	24	600#	6764	8	1	WOODEN CASE	506	255	209	6764	8088	26,97
1	532376	YV910001	24	600#	6764	10	1	WOODEN CASE	506	255	209	6764	8088	26,97
1	532377	YV910002	24	600#	6764	10	1	WOODEN CASE	506	255	209	6764	8088	26,97
1	532378	YV920001	24	600#	6764	11	1	WOODEN CASE	506	255	209	6764	8088	26,97
1	532379	YV920002	24	600#	6764	12	1	WOODEN CASE	506	255	209	6764	8088	26,97
1	532373	YV890001	28	600#	9230	13	1	WOODEN CASE	555	271	209	9230	10687	31,43
1	532374	YV890002	28	600#	9230	14	1	WOODEN CASE	555	271	209	9230	10687	31,43
1	532375	YV900001	16	600#	2519	15	1	WOODEN CASE	481	195	172	2519	3344	16,13
											97512	114599	348,23	

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Pricing via BB/Ferry Semi-charter through Poti

87.000 EUR all in (EXW charges, H/H shipping, port accessorial at both ends, re-stuffing to Wagons delivery to Farab)

Pricing via Flatracks through Poti

92.800 EUR all in (EXW charges, shipping port accessorial at both ends, re-stuffing to Wagons delivery to Farab)

Pricing via Trucking to Varna / Ferry through Poti

104.000 EUR (EXW charges, Trucking to Varna, port accessorial at both ends, re-stuffing to Wagons delivery to Farab)

Cost of Rail part Poti-Farab is around 28.000 EUR.

PRACTICAL EXAMPLE – FORWARDERS OPINION

OOG Cargo from far east to Armenia

Equipment Designation	Leng. cm	Wdt. cm	Ht cm	Net W kg	Gr W kg	CBM	Packing type	HS CODE
1 Bottom half of skid	810	300	300	8,500	11,000	72.90	CASE 4C	84199899090
1 Bottom half of skid	810	300	300	8,500	11,000	72.90	CASE 4C	84199899090
1 Top half of skid	810	300	330	4,500	7,200	80.19	CASE 4C	84199899090
1 Top half of skid	810	300	330	4,500	7,000	80.19	CASE 4C	84199899090
Platforms & Ladders	550	300	245	4,000	6,000	40.43	CASE 4C	84199899090
Platforms & Ladders	550	300	230	3,500	5,000	37.95	CASE 4C	84199899090
Interconnection piping	700	300	230	5,800	8,000	48.30	CASE 4C	84199899090
Interconnection piping	700	300	230	5,800	8,000	48.30	CASE 4C	84199899090
Interconnection piping	800	300	230	7,500	9,500	55.20	CASE 4C	84199899090
Interconnection piping	800	300	230	7,500	9,500	55.20	CASE 4C	84199899090
LOOSE ITEMS: piping, valves, supports	640	300	245	4,500	6,000	47.04	CASE 4C	84199899090
LOOSE ITEMS: piping, valves, supports	640	300	245	4,500	6,000	47.04	CASE 4C	84199899090
TOTAL				69,100	94,200	685.64		

Pricing through Poti:

24.000 USD including Port accessorial, Customs formalities and Permits
Mode: Inland Trucking (650 KM)

Pricing through Bandar Abbas:

28.000 USD including Port accessorial, Customs formalities and Permits
Mode: Inland Trucking (2400 KM)

BB Carrier announced rate per W/M:

Poti: 85 USD

Bandar Abbas: 50 USD



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FORWARDERS OPINION ON REQUIREMENTS ON EFFICENCY OF MULTIMODAL TRANSPORTATION IN CAUCASUS



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