

## **20. FEASIBILITY STUDY OF NEW TERMINAL FACILITIES IN THE GEORGIAN PORTS OF POTI AND BATUMI, AND THEIR LINKS TO THE TRANS EUROPEAN NETWORKS**

<b>Geographic Focus:</b>	Georgia and the hinterland economic centres
<b>Project Budget:</b>	<b>EURO 1,500,000</b>
<b>Contractor:</b>	HPTI
<b>Implementation timetable:</b>	August 97 to August 1998

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### **Background**

Three corridors of the Trans European Networks (TEN or the “Crete Corridors”) have outlets at the Black Sea ports of Odessa, Varna and Constanza. The increasing amount of traffic flows from Europe through these corridors to the Caucasus and beyond are overloading facilities at the ports of Poti and Batumi.

There is an urgent need for investment but firstly a feasibility study is needed that will point out the kind of terminals that should be installed in both ports and which kind of product related general cargo facilities are required.

### **Objectives**

- To examine existing and potential traffic flows between Poti/Batumi and, in particular the TEN Black Sea port terminals, the Rhine-Main-Danube corridor and the ports on the Russian Black Sea, the Mediterranean and the North Sea.
- To provide recommendations for the cargo facilities of both Georgian ports and an overview of the traffic potential and in particular to carry out a feasibility study for a rail ferry service between Odessa and Poti, which could be an extension of the existing service between Varna and Ilyichevsk.
- To verify and adapt existing FSU designs for terminal developments and to prepare the documentation for justification of investment and the tender documents for the works eventually to be carried out.

### **Key Issues**

During the opening phase of the project, it became apparent that there is traffic demand for the reopening of the Ilyichevsk-Poti rail and road Ro-Ro link. Consequently TRACECA made EURO 13,500,000 available to carry out the essential work and equipment procurement necessary to re-establish this link with the minimum of delay.

There still remains great need to attract more external investment to the ports, so output of the project will be phased, to correspond with typical IFI requirements for project development, decision and review milestones. It will culminate with preparation of tender documents and assistance with works tender evaluation, for the recommended and approved developments so that support from financing institutions can be swiftly mobilised.

### **Achievements**

The EBRD are now using the output from this project to consider:

- The feasibility of a new grain terminal at Poti that for a cost of USD 15 million and to be developed and operated in conjunction with EU private sector investors
- The development of the cotton storage facility in Poti
- The development of a new container handling facility

The privatisation concept for the port of Poti, developed in the project, is serving as the basis for discussions between the Georgian government, the port authority and potential investors.