

The European Union's TRACECA programme

for Azerbaijan, Georgia, Kazakhstan, Turkmenistan and Ukraine

Motorways of the Sea for the Black Sea and the Caspian Sea

Ports and Maritime Links

July 2010



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PORTS AND MARITIME LINKS

This report is a consolidation of the Port synthesis contained in the "Country profile" Reports of the four project Countries under review - Azerbaijan, Georgia, Kazakhstan and Ukraine -.

1. AZERBAIJAN

Note: More information and data concerning the national port system (including port maps and technical description as well as the regular maritime services operated are found in separate specific reports. The following is a brief summary of these information.

- **The International Sea Trade Port of Baku** is the only major non oil and gas commercial sea port in Azerbaijan.

It has two Railferry terminals, one Ro-Ro terminal and facilities for handling containers to and from vessels.

- Other ports in the Baku area are exclusively oil and gas terminals such as Sangachal and Dubendi. The cargo traffic handled by the State owned port of Baku is for the operation rail ferries/ Ro-Ro ferries and for containers.

The Ro-Ro loading/ discharging facility is a **dedicated berth** with a stern quarter ramp.

The two **rail ferry terminals** are **directly connected** to the Republic of Azerbaijan State Railway system.

Container handling is performed with specialized container handling equipment such as reach stackers and the volume of containers handled does not currently warrant other equipment.

- There are plans to build a new port at Alyat 70km to the south of the current port. The first phase had originally been scheduled to be completed in 2012/13. It is understood that the global financial crisis has put Alyat port building plans on hold.

In 2 previous investment projects, TRACECA provided cargo handling equipment and navigation equipment for the port of Baku. In a further TRACECA project investment was provided for container services between Baku and Turkmenbashi (€2.5m).

Rail ferry and Ro-Ro ferry services operate between Baku/ Aktau and Baku/ Turkmenbashi. A very large proportion of these ferry services operate to and from Turkmenbashi.

- **Intermodal facilities, operations and services**

- Port connections**

- Baku port is connected with the local rail and road networks. There are rail connections into Baku port and the separately located rail ferry terminals, so the rail connection between Baku port and the Republic of Azerbaijan State rail network is direct.
 - In a 2-km distance from the port of Baku there is a railway freight station which serves 5-9 pairs of trains per day (the design capacity was for 17-18 pairs of trains a day) or about 400 railcars per day. At present the daily rail traffic at the port is about 150 railcars which is well below the capacity of the port railway station.
 - The road access to Baku port is in a good shape. The only difficulty for the road transport in Baku now is a restriction on the exit/entrance of trucks from/to the port during the daylight over the working week, and a complete ban over the weekend.

- **Regular liner services**

- CASPAR the Azerbaijan State Shipping Co (Based in Baku) is the only ferry operator serving Baku. The NATO containers (bound for Afghanistan) are transported from Baku to Aktau in regular cargo vessels (102 TEUs).**

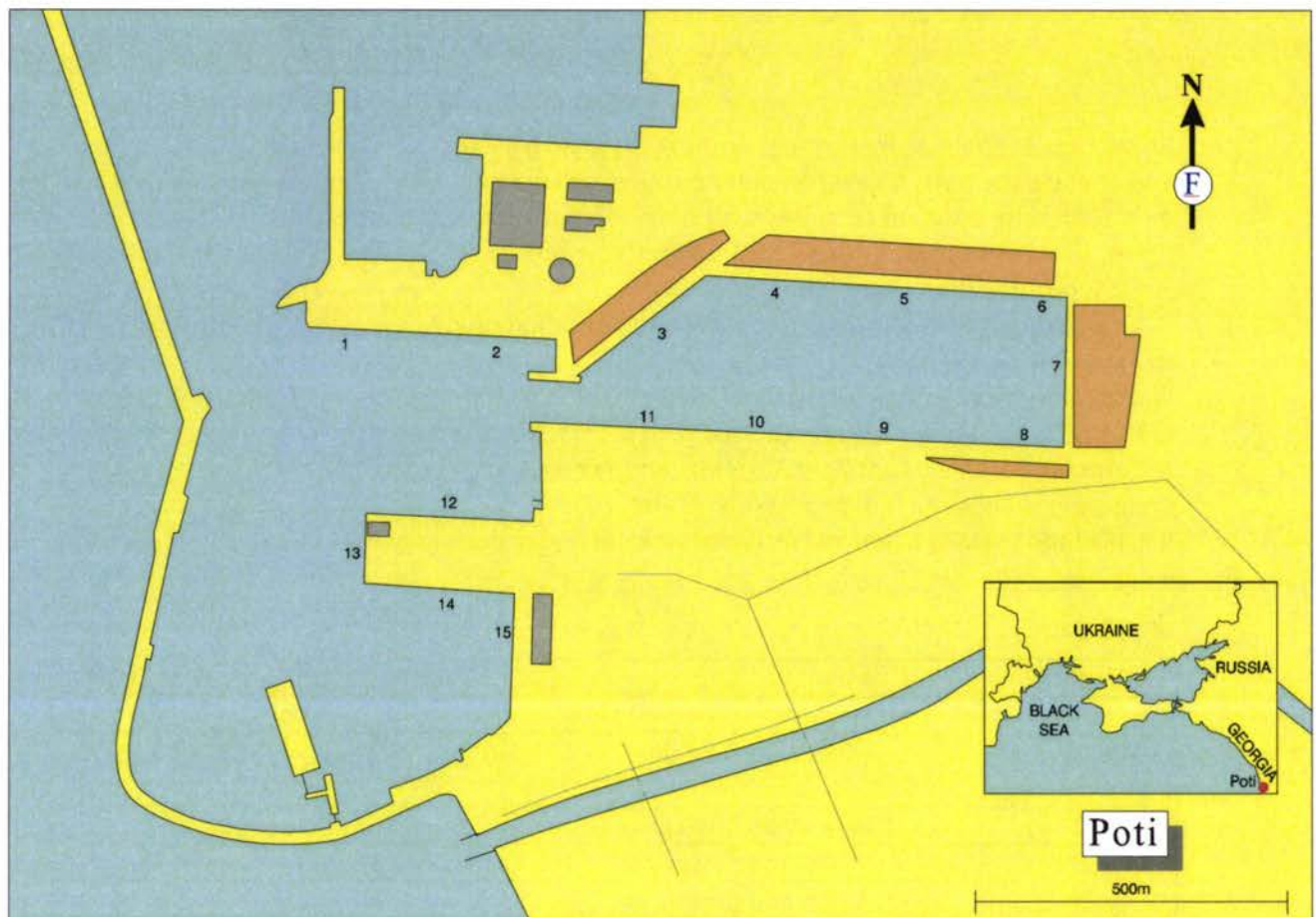
2. GEORGIA

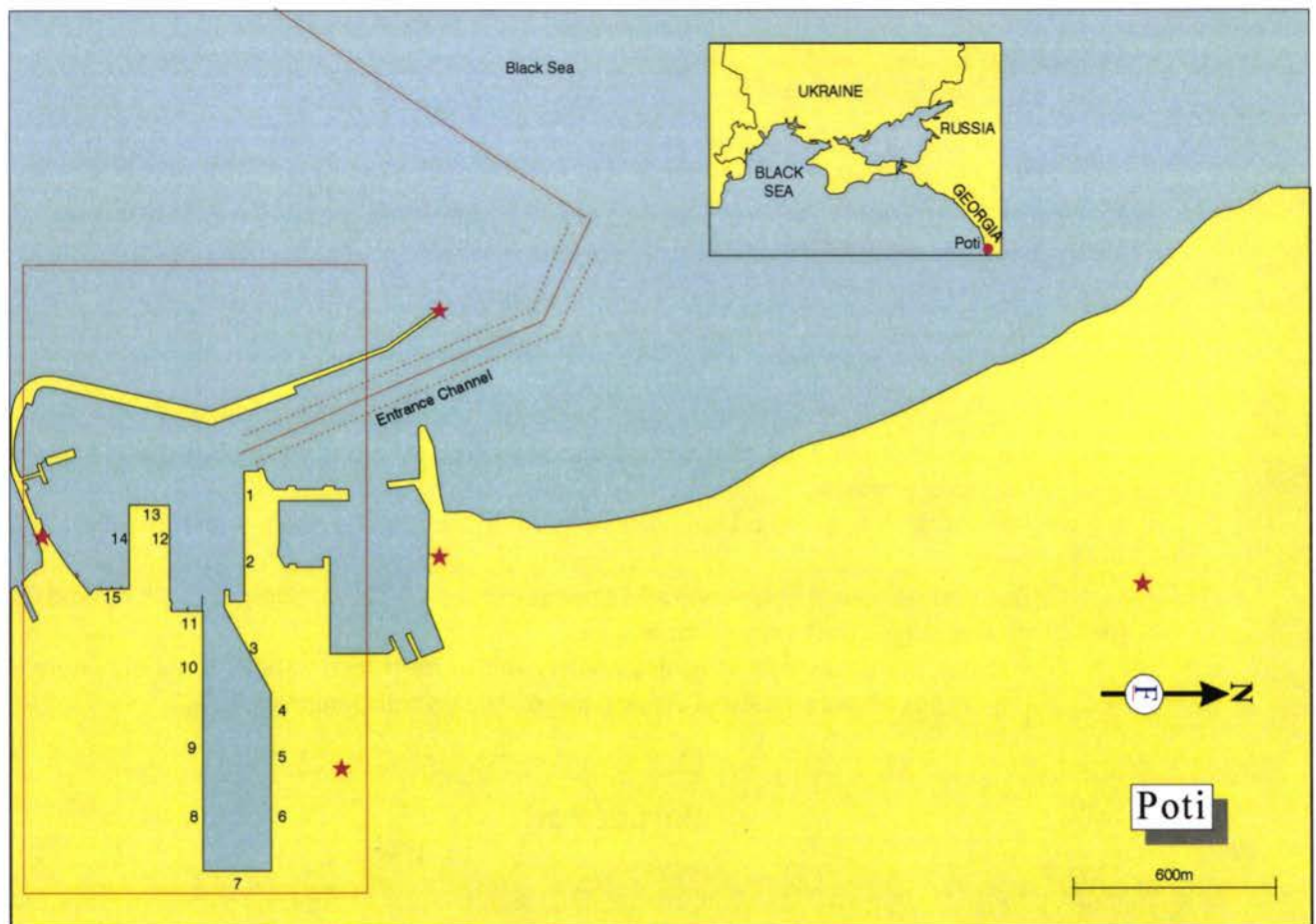
Note: More information and data concerning the national port system (including port maps and technical descriptions as well as the regular maritime services operated are found in separate specific reports. The following is a brief summary of these information.

Ports of Poti and Batumi

- The Georgian ports of Poti and Batumi are the eastern Black Sea intermodal Terminals / hubs / westbound to Black Sea, Turkey and Europe and eastbound to the Caucasus and Asia.
- Both ports are served by rail ferries and RoRo lines linking them with most Black Sea ports.
- The two ports are geographically close and used by competing maritime operators, making them "port system" of Georgia.
- Poti has the advantage of having shorter rail route through Tbilisi to Baku, whereas the rail link between Batumi via Poti has restricted train lengths.

Port of Poti



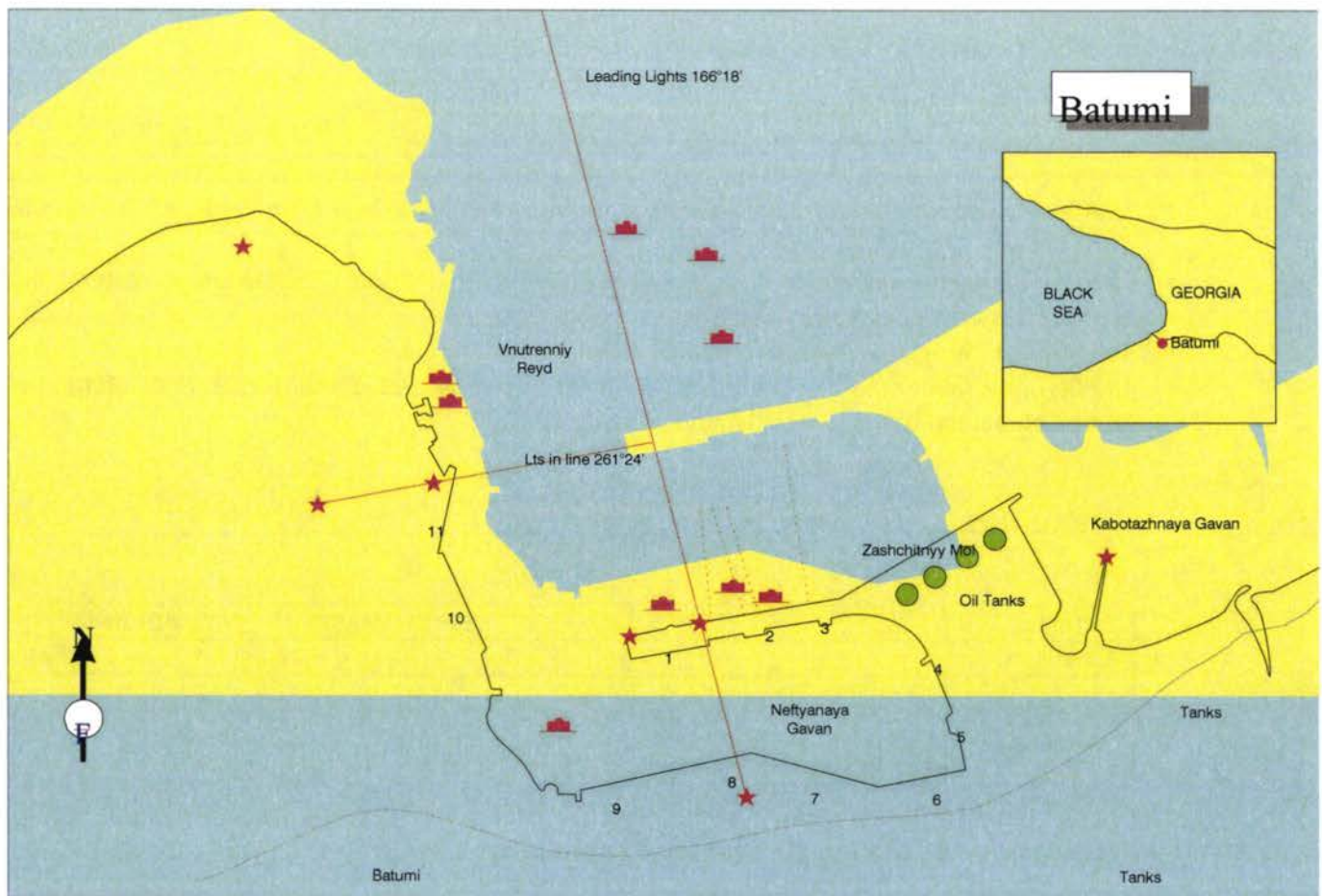


- RAKIA (Ras Al Khaimah Investment Authority) signed a 49 year concession in 2008 to upgrade and operate the port. A new container terminal will be built in instalments over the next 5 years on a 100ha site adjacent to the existing port. The project will comprise also:
 - "Free Industrial Zone" (FIZ) project covering at least 10ha, with tax exemptions from profit and property tax as well as VAT.
 - Exemption of customs duties for exports or national sales.
- Railways connections
 - In 1998 a new rail ferry in CIS gauge (1520mm) was built in the port of Poti (a TRACECA project), rail ferry connections were reorganized with several Black Sea ports.
 - A German /Polish JV Container Terminal and railways are reported to have started a Container Train service between Poti and Baku in March 2009.
 - It is planned to build a new rail ferry terminal.

Berth data

Terminal		Berth Length	Max Draft
Berth			
7	Container Terminal	211	8.2
2	Rail ferry (Russian gauge)	183	12.5
12	RoRo and passenger	250	8.0
13	RoRo and passenger	97	6.5

Port of Batumi



- The port of Batumi is predominantly a liquid bulk terminal, now owned by the Kazakh Company KazMunaiGas.
- The Container Terminal and all other Terminals such as Rail/ RoRo (with the exception of the Liquid Bulk Terminal) were purchased by International Container Services (ICS) in September 2007.
- ICS plans to develop the Container terminal to a capacity of 300,000TEU. This is the lower level of projected throughput in 2020, which varies between 350,000TEU and 500,000TEU.

- Container throughput started in 2006, and the.
- the level of future traffic will depend on the Batumi market share with the new Poti Terminal and Poti FIZ, and on the railways Container Train service between Poti and Baku.

Rail ferry / RoRo/ Container services

- UKRferry operates Combi ferries (Rail/ RoRo and some Containers) from Ilyichevsk /Odessa to Poti/ Batumi, Istanbul/ Derince and Varna.
- UKRferry opened a new rail ferry Combi ferries (Rail/ RoRo and some Containers) from Kerch but the facilities in Ilyichevsk will continue to be used.
- The nominal throughput is reported to be about 700,000 tonnes.
- UKRFerries commenced in March 2009 a bi-weekly service of Combi ferries (Rail/ RoRo and some Containers) between Kerch and Batumi/ Poti.

Berth data

Terminal		Berth Length	Max Draft
Berth			
4	Container Terminal	284	11.5
5	Rail ferry (Russian gauge)	183	12.5

Poti and Batumi are a two containers and rail/Ro-Ro ferry port system on the east Black sea coast with a central position for the TRACECA corridor connecting the inland rail and roadnetwork.

Port of Poti

- The port of Poti is the largest commercial (predominantly non oil and gas) port on the Black Sea of Georgia.
 - Berth 14 of Poti port has recently been rehabbed to provide a longer, deeper berth to accommodate 1,000TEU feeder vessels with a somewhat larger container terminal yard and good intermodal connection to rail. EBRD are currently considering funding for this rehabilitation work.
- There is a dedicated Ro-Ro ramp.
 - SOMAT ply a roro line from/to (Novorossyisk/Russia) and Burgas/Bulgaria. A number of the trucks carried on this service proceed from/to Western Europe by a 49-trailer, 3-time a week barge-ro-ro service sailing on the Danube between Passau (South Germany) and Vidin (Bulgaria) with a transit-time of 5-6 days.

There is an efficient rail-ferry terminal (constructed with a €3.4 million funding by TRACECA).

- UKRFerry have services from/to Varna, Ilychevsk and Kerch.
- Other rail-ferries linking Poti to Port Kavkaz (Russia) also call at this terminal
- The rail ferry terminal is directly linked with Georgian, Azerbaijan and Armenian railways.

New port of Poti and Free Trade Industrial Zone

- A 49 year concession was awarded to RAKIA (Ras Al Khaimah Investment Authority) in 2008 to upgrade and develop a new port of (100ha) north of the existing port and a 300ha FIZ (with tax exemptions from profit, property tax, and VAT including exemption from customs duty for exports and national sales). FIZ to be built over four years.
- Phase 1 of the new port is scheduled to be constructed 2010 through 2012, operational in 2013. (This time schedule is reported to be negatively impacted due to the global financial crisis).
 - Berth length 600 metres total length for 2 medium to large container vessels or 3 smaller vessels.
 - 17 metres water depth suitable for container vessels up to 5,000TEU.

Port of Batumi

- 90% of the port of Batumi is an oil and gas terminal owned by KazTransOil of Kazakhstan.
- The remaining 10% of Batumi Port has been operated since 2008 by Batumi International Container Terminal. (A 48 year lease was signed in 2007) to develop the container terminal, rail ferry bridge and dry bulk general cargo facilities.
- Regular container services

3. KAZAKHSTAN

Note: More information and data concerning the national port system (including port maps and technical descriptions as well as the regular maritime services operated are found in separate specific reports. The following is a brief summary of these information.

- Aktau International Sea Commercial Port "AISCP" is the only commercial sea port in Kazakhstan. Bautino (north of Aktau) is the NE Caspian oil fields supply base.

- The majority of the cargo handled by the State owned port of Aktau is the export of crude oil by tanker and rail tank cars on rail ferries predominantly to Baku in Azerbaijan. Export of grain, steel and steel products (Government to Government contracts) to Iran, Russia and Baku make up much of the remaining cargo traffic.

Rail ferry and Ro-Ro ferry services operate between Aktau/ Baku and Aktau/ Makhachkala (Dagestan, Russian Federation).

- The Aktau port railferry terminal was rehabbed under a previous TRACECA project (€2m). This terminal technically operates efficiently.

The port in general is currently operating close to full capacity. The Ro-Ro berth is shared with the grain loading berth, which is itself also operating virtually at full capacity. This causes an ongoing conflict with the generally unscheduled Ro-Ro ferries.

Container handling is performed without specialized container handling equipment. The volume of containers handled is low and does not currently warrant other equipment.

- There are plans to build an extension to the north of the current port in Aktau. This had originally been scheduled to be completed in 2012/13. It is understood that the global financial crisis has put these north port building plans currently on hold.
- Aktau port has an integrated management system incorporating compliance with ISO 9001:2000 and ecological management system compliant with ISO 14001:2004.

- **Regular liner services**

CASPAR the Azerbaijan State Shipping Company (Based in Baku) is the only ferry and roro operator in and out of Aktau. The NATO containers (bound for Afghanistan) are transported from Baku to Aktau in regular cargo vessels (102 TEUs).

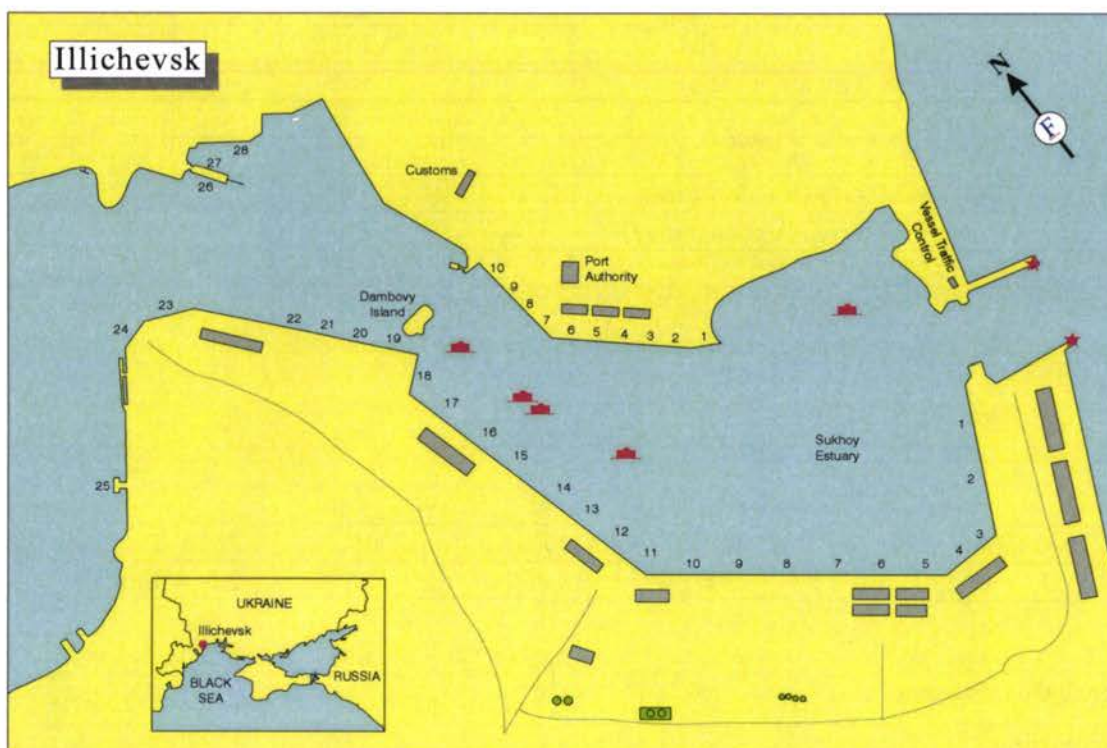
- Kazakhstan does have a shipping Company (Kazmortransflot) which currently operates crude oil tankers and plans to purchase bulkers for grain transportation only.
- Khazar Shipping Company, a subsidiary of IRISL, the national Iranian shipping company, operates breakbulk and semi-containerized services between Aktau and the Iranian ports of Anzali, Amirabad and Nowshahr.
- There are no purpose built Container vessels operating in the Caspian.

4. UKRAINE

The ports of Ilyichevsk, Odessa, Yuzhny and Kerch account for the large majority of the total relevant volume handled by the 18 seaports of Ukraine, with:.

- Container flows steadily growing from (8%) thru 2007 (22%) of total port tonnage: 51% import laden, 8% export laden, 40% export empty, until the trend was interrupted for 2 years
- Ro/Ro tonnage amounting to 10 to 11%
- Yuzhny market share growing and possibly included in the list of potential MoS ports in view of the planned developments
- Trans-shipment Regulations hampering the competitive position vis-à-vis Constanza
- Rail being the preferred mode of inland transportation with several rail ferry connections in the Black Sea

Port of Ilyichevsk



- A Black Sea terminus of the TEN-T Corridor IX and a Europe-Caucasus hub for the TRACECA corridor
- Combined rail ferry and Ro/Ro yearly capacity: 4.5 million tons and 150,000 trucks
- Large area available for port activities and development
- Operational limitations for feeder vessel operations (cranes/height)
- UKRtranscontainer working with the commercial port on expanding capacity
- Current capacity 150TEU and new Container berths in the planning stage for 850,000 TEU:
 - 3 container berths N° 1/2, 3 and 4, with a capacity up to 5,000TEUs.
 - 2 container berths N° 5 and 6 for feeder vessels.

Berth data

Terminal 1		Berth Length	Max Draft
Berth	Vessel types		
1	Containers (up to 5,000TEU)	306	13.0
3	Containers (up to 5,000TEU)	200	13.5
4	Containers (up to 5,000TEU)	120	13.5
5	Containers (Feeder vessels)	155	13.0
6	Containers (Feeder vessels)	181	13.0
Terminal 3			
Berth			
26	Rail Combi ferry (Russian gauge)	210	9.6
27	Rail Combi ferry (Russian gauge)	210	9.6
28	Ro-Ro	270	9.6

Throughput

Throughput	2006	2007	2008	2015* (Port est.)
TEU	291,127	532,766	670,556	2.5- 4.5 mio

Services (MoS relevant)

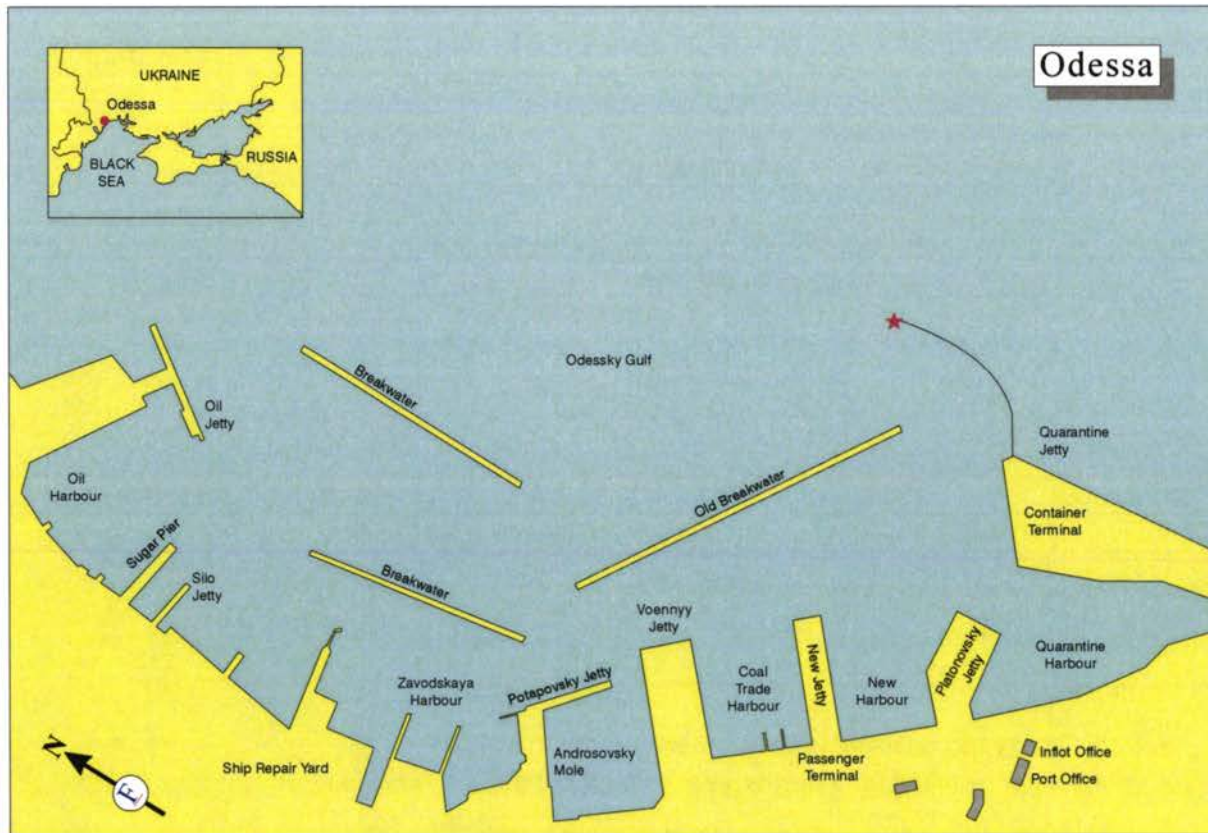
Ro/Ro

- UKRferry services with Combi ferries (Ro/Ro and Rail) - 2007: 118,000 ; 2008: 230,000 (est.)
- Passenger/cars
- Automotive sector terminal

RailFerry

- UKRferry services with Combi ferries (Rail and Ro/Ro accepting Containers)
- New rail ferry services in Kerch

Port of Odessa



Containers

- Progressive extension in order to remedy to the lack of capacity: 850,000 TEU below theoretical maximum, with 38.5 hours waiting time
- Several recent and future plans:
 - HPC terminal increased up to 1 million TEU
 - CMAC-CGM terminal: 250,000 TEU
 - Next development: 2 million TEU (on hold)
- Other indicators:
 - storage 13,500 TEU, 10-13 days average
 - 60% physical inspection by Customs

Berth data

Container Terminal		Berth Length	Max Draft
Berth			
2	Containers Storage 74,150m ² (open)	310	12.0
3	Containers Storage 8,100m ²	220	11.5
29	Containers Brooklyn Kiev		

Throughput

Throughput	2006	2007	2008	Jan-Feb 2009	2015* (Port est.)
Containers TEU	395,562	523,881	572,140	41,354	

Services (relevant)

Ro/Ro:

- Small ferry terminal and Ro-Pax line wit Istanbul
- Passenger terminal for 5 berths: year throughput approx. 4 million Pax
- No rail ferry facilities

UKRAINE PORT SYSTEM

- **The Ukrainian multi port system of Illichevsk, Odessa, Yuzhny and Kerch** accounts for the large majority of total relevant trade volumes handled by all Ukrainian seaports.
 - The ports of Illichevsk and Odessa are located relatively close together, compete with each other for market shares although being state owned and run.
 - The port of Yuzhny port (State/ privately owned – TransInvestservice) is growing in market share and could be included as a potential port in the MoS project.
 - The port of Kerch (at the mouth of the Sea of Azov) is now connected to the ports of Poti/ Batumi in Georgia. As such could be included as a potential port in the MoS project.
 - With the gross movements of containers in the two first ones, and Ro-Ro and railferry tonnage amounting to 10% to 11% of the total of all four ports.
- **Port of Illichevsk**
 - The Ukrainian Black sea terminus of the TEN-T corridor IX and a Europe – Caucasus hub for the TRACECA central corridor has large areas available for port activities and development, unlike Odessa port which is landlocked in the city of Odessa.

- The Port of Illichevsk operates the following berths relevant to the MoS project:
 - **Rail/ combi ferries:** 2 number rail/ combi ferry (berths N° 26 and 27)
 - **Ro-Ro ferries:** 1 number Ro-Ro (berth N° 28).

- **Port of Odessa**

- The port of Odessa is effectively landlocked within the city. An expansion of the port itself with land reclamation and a new breakwater would require important investments.
- The EuroTerminal dry port (7km from the port) has provided more land for port activities, such as cargo handling, storage and customs facilities.
- The Port of Odessa operates the following berths relevant to the MoS project:

Rail ferries: none

Pax ferries: Terminal for 5 ferries, for an annual throughput of approx 4 million.

Ro-Pax ferries: Terminal for UKRFerries service with Istanbul.

REGULAR LINER SERVICES

- **From / to Port of Illychevsk**

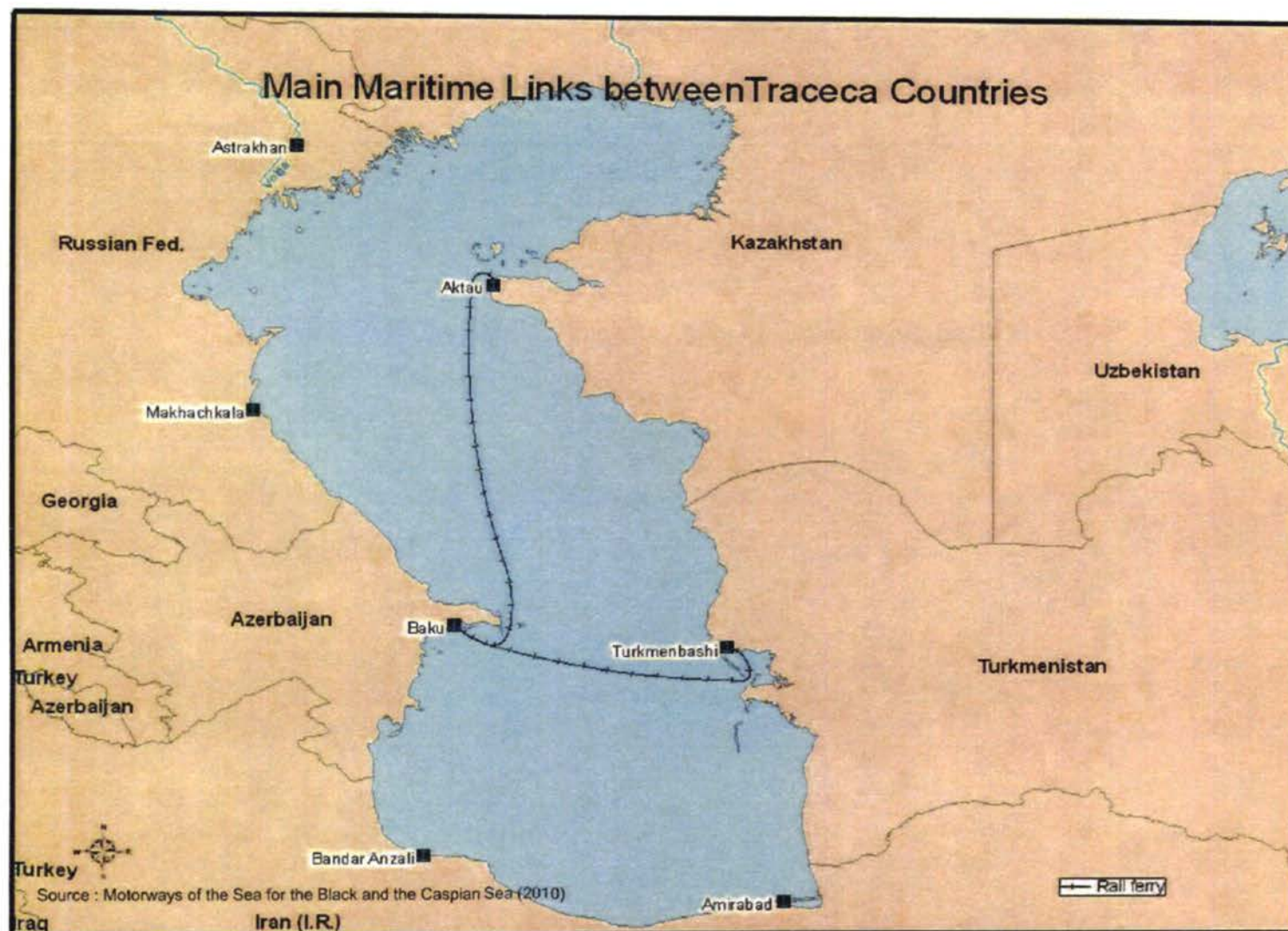
- The 3 major container ocean carriers calling at Illichevsk MSC, Maersk and CMA/ CGM are not currently developing transshipment operations and feeder services with only 2% of the container throughput in this transit category.
- All three companies reported that transit tariffs are not competitive as they are at least 2 times higher than in Constanza Romania, which operated by DPW and Maersk has gained advantage as a regional container hub (operated by DPW and Maersk).
- A legislation to fix this uncompetitive situation and to gain transit movements and revenue to Ukraine is still in draft.
- UKRFerry as a National Carrier of the Ukraine operates the Varna/ Illychevsk – Poti/Batumi- Illychevsk/Varna. This world's largest passenger/ Ro-Ro / railferry operates on the Illychevsk – Poti - Illychevsk route with a vessel 190m LOA and two cargo decks which can simultaneously accommodate 50 rail wagons and 50 TIR.
- Trucking companies, who are potential users, have however indicated that these ferries are not sufficiently frequent and regular, with fixed-day schedule and that the tariffs are uncompetitive. In January 2010, political and commercial considerations in the current economic crisis brought an end a 30-year old cooperation with the Bulgarian counterpart company. This generated a merciless competition between the former partners and of greater concern in the current circumstances possibly weakened the strongest maritime operation along the TRACECA Corridor.

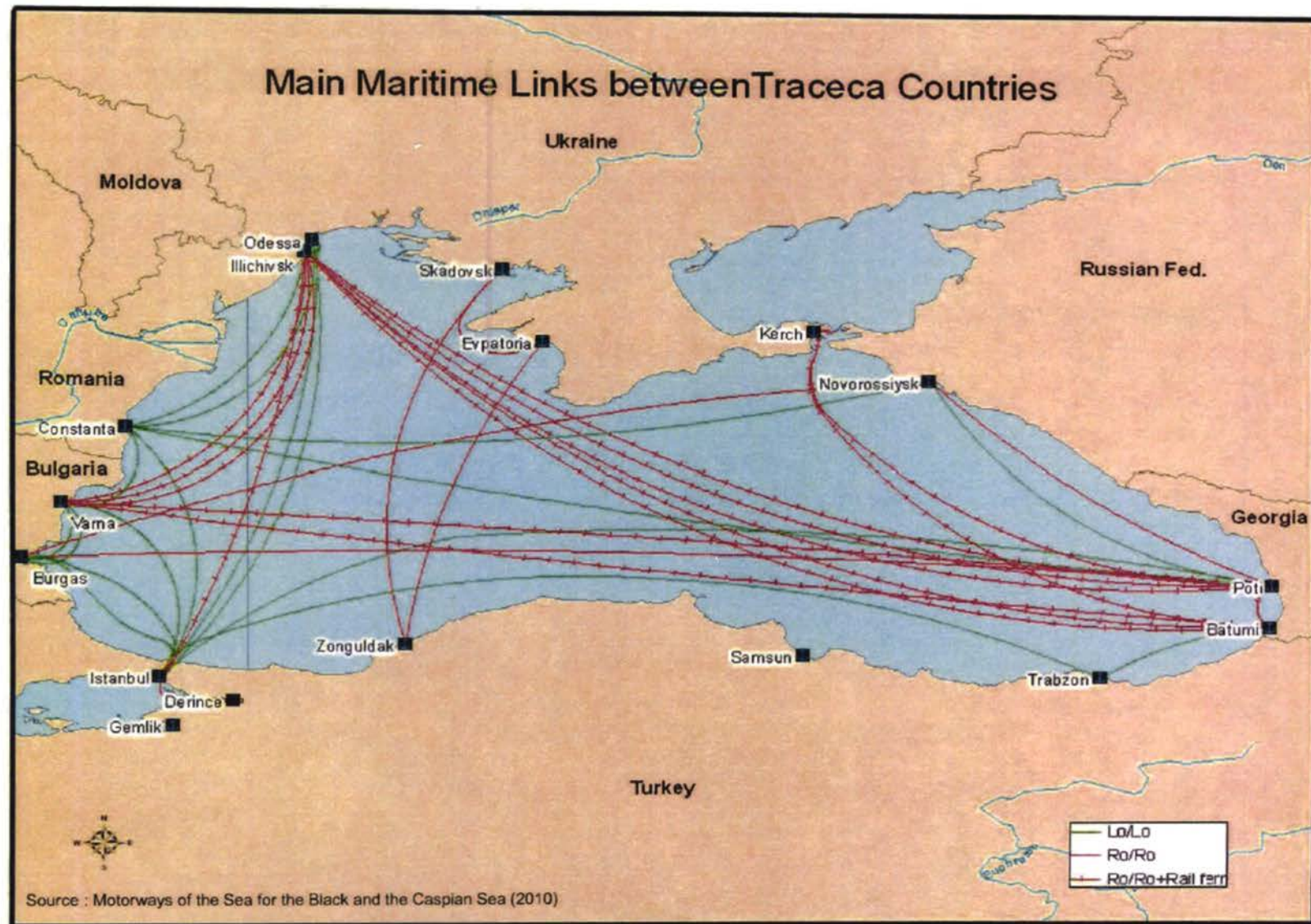
- **From / to Port of Odessa**

- The major container ocean carriers calling at Odessa are MSC, Maersk, CMA/ CGM, K line and ZIM
- There are no Rail ferry lines calling at the port
- The Ro-Pax ferry lines operating at Odessa are UKRFerries with MV "Caledonia" on the Odessa-Derince route.

ANNEX







POTENTIAL MoS PILOT PROJECTS

CASPIAN SEA

AXIS / TECHNIQUE	OBJECTIVE	MARKET TYPE	KEY PARTNERS (Operators)	MAIN DRIVING FACTORS (Market and operations)
AKTAU - BAKU TWO SERVICES <ul style="list-style-type: none"> • Rail ferry 	⇒ Improve existing service	<ul style="list-style-type: none"> • Rail wagons / all use • Targeting more containers 	<ul style="list-style-type: none"> • Port Authorities • National Maritime Company 	<ul style="list-style-type: none"> • Rationalised service / Regular schedule • New planned port facilities
<ul style="list-style-type: none"> • Ro-Ro / pax 	⇒ New dedicated service	<ul style="list-style-type: none"> • TIR trucks / trailers • + drivers 	<ul style="list-style-type: none"> • Turkish Road Transport Association • New partnering maritime company? 	<ul style="list-style-type: none"> • Actual demand from Turkish road companies

BAKU - TURKMENBASHI TWO SERVICES				
<ul style="list-style-type: none"> • Rail ferry 	⇒ Improve existing service	<ul style="list-style-type: none"> • Rail wagons all use • Targeting more containers 	<ul style="list-style-type: none"> • Port Authorities • National Maritime Company 	<ul style="list-style-type: none"> • Time fixed schedule • New planned port facilities
<ul style="list-style-type: none"> • Ro/pax ferry 	⇒ New dedicated service	<ul style="list-style-type: none"> • TIR trucks / Trailers • + drivers 	<ul style="list-style-type: none"> • Turkish Road Transport Association • New partnering maritime Company? 	<ul style="list-style-type: none"> • Actual demand from Turkish road companies

POTENTIAL MoS PILOT PROJECTS

INTERSEAS

AXIS / TECHNIQUE	OBJECTIVE	MARKET TYPE	KEY PARTNERS (Operators)	MAIN DRIVING FACTORS (Market and operations)
<p>BAKU – POTI</p> <ul style="list-style-type: none"> Block train 	<p>⇒ Interconnection between Black and Caspian Seas</p>	<ul style="list-style-type: none"> Rail wagons Targeting containers 	<ul style="list-style-type: none"> Port Authorities / operators National RW Companies Specialist RW Forwarding Agent 	<ul style="list-style-type: none"> Fixed day / every other day / both way Actual demand from Container Lines Reduced transit time

POTENTIAL MoS PILOT PROJECTS

BLACK SEA

AXIS / TECHNIQUE	OBJECTIVE	MARKET TYPE	KEY PARTNERS (Operators)	MAIN DRIVING FACTORS (Market and operations)
VARNA – ILLYCHEVESK / [KERCH]N / POTI / BATUMI Rail ferry / Ro-Ro	⇒ Improve existing service	<ul style="list-style-type: none"> • Rail wagons all types • Containers • TIR trucks / trailers • + drivers 	<ul style="list-style-type: none"> • Maritime Companies • Port / Terminal operators • Railways operator • Railways forwarding company 	<ul style="list-style-type: none"> • Actual demand • Upgrade equipments / wagons • Change of technique for container transport / handling
[PIRAEUS] / BURGAS – ODESSA / [YALTA – POTI] Passenger / Ro-Ro ferry	⇒ New mixed service	<ul style="list-style-type: none"> • TIR trucks / trailers • + drivers • Passengers 	<ul style="list-style-type: none"> • Port / Terminal operators • Forwarding company 	<ul style="list-style-type: none"> • Bi-weekly fixed schedule • Agreement signed between key partners • Possible special port conditions • Existing Ro-Ro Line (competition?)

POTENTIAL MoS PILOT PROJECTS

BLACK SEA (ctnd)

AXIS / TECHNIQUE	OBJECTIVE	MARKET TYPE	KEY PARTNERS (Operators)	MAIN DRIVING FACTORS (Market and operations)
POTI – CONSTANTA Rail ferry	⇒ New service	<ul style="list-style-type: none"> • Rail wagons all types • Accepting <ul style="list-style-type: none"> - containers - trailers 	<ul style="list-style-type: none"> • Port Terminal operators • Maritime company • Railways operator • Freight forwarding and other Associations 	<ul style="list-style-type: none"> • Opportunity of new service launched in parallel to gas trade • Fixed day schedule
DERINCE – BATUMI / POTI Ro-Ro	⇒ New service	<ul style="list-style-type: none"> • TIR trucks / trailers • + drivers • Possibly containers 	<ul style="list-style-type: none"> • Port / Terminal operators • Maritime company • Road Transport Associations 	<ul style="list-style-type: none"> • Modal shift from road to maritime mode

<p>HAYDARPASA – ODESSA</p> <p>Ro-Ro</p>	<p>⇒ New service</p>	<ul style="list-style-type: none"> • TIR trucks / trailers + drivers 	<ul style="list-style-type: none"> • Port / Terminal operator <p>Maritime Company</p> <p>Road transport Associations</p>	<ul style="list-style-type: none"> • Fixed day / bi-weekly schedule
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