

The European Union's TRACECA programme
for Azerbaijan, Georgia, Kazakhstan, Turkmenistan and Ukraine

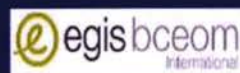
Motorways of the Sea for the Black Sea and the Caspian Sea

DRAFT PILOT PROJECTS

11 October 2010



This project is funded by
the European Union



CopeTrans



A project implemented by
Egis Bceom International in
association with Copetrans,
Italferr and Euro-Ukraine
Consulting





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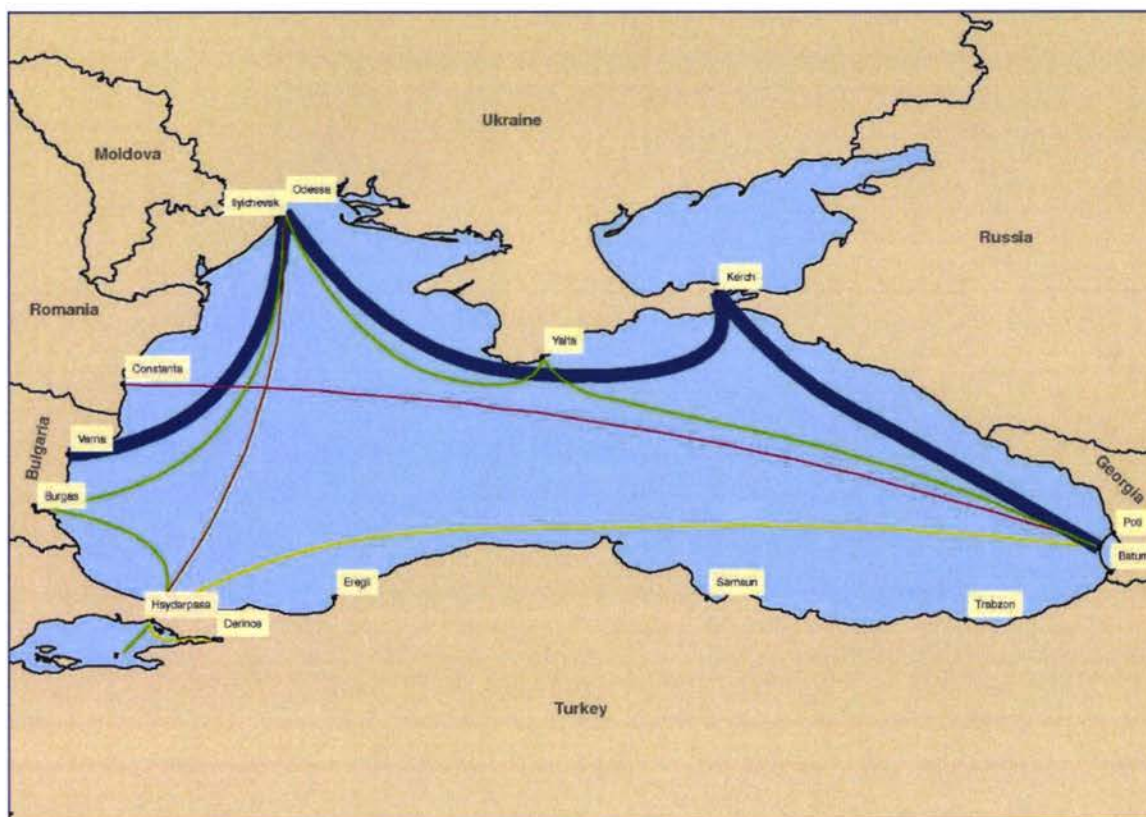


Pre-feasibility BG/UA/GE Motorways of the sea project Black Sea

KEY OBJECTIVE

Improving existing rail / roro / container intermodal maritime services by :

- Up-grading existing transport facilities and equipments
- Changing technical operating conditions to reduce voyage / port time and increase volumes



VARNA – ILLYICHEVSK – [KERCH] – GEORGIA

BLACK SEA BG/UA/GE

EXISTING Railferry services (including Ro-Ro and containers)

Bulgaria - Ukraine - Georgia

PARTNERSHIP / COOPERATION	<ul style="list-style-type: none">• Existing Inter-Governmental Tripartite Agreement• Existing operators joint-venture for maritime service• Established framework supported by MoTs and port authorities• Confirmation by National Secretaries
MARKET RELEVANCE	<ul style="list-style-type: none">• Existing for railcars, Ro-Ro and containers• Potential growth and new trades for all 3 categories
QUALITY OPERATIONS & SERVICES FACILITATION / IT	<ul style="list-style-type: none">• Planned improvements of current service: loadfactor, regularity (fixed days), frequency...(a virtuous circle)• No high barriers, improvements for feasibility phase
MATURITY	<ul style="list-style-type: none">• Detailed technical and operational solutions in project proposal• Will depend on financial resources and support assistance
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none">• Yes: corridor, with possible extension of Viking connection• Yes for existing Rail ferry fleet• Yes• Road via competing corridors and other intermodal routes



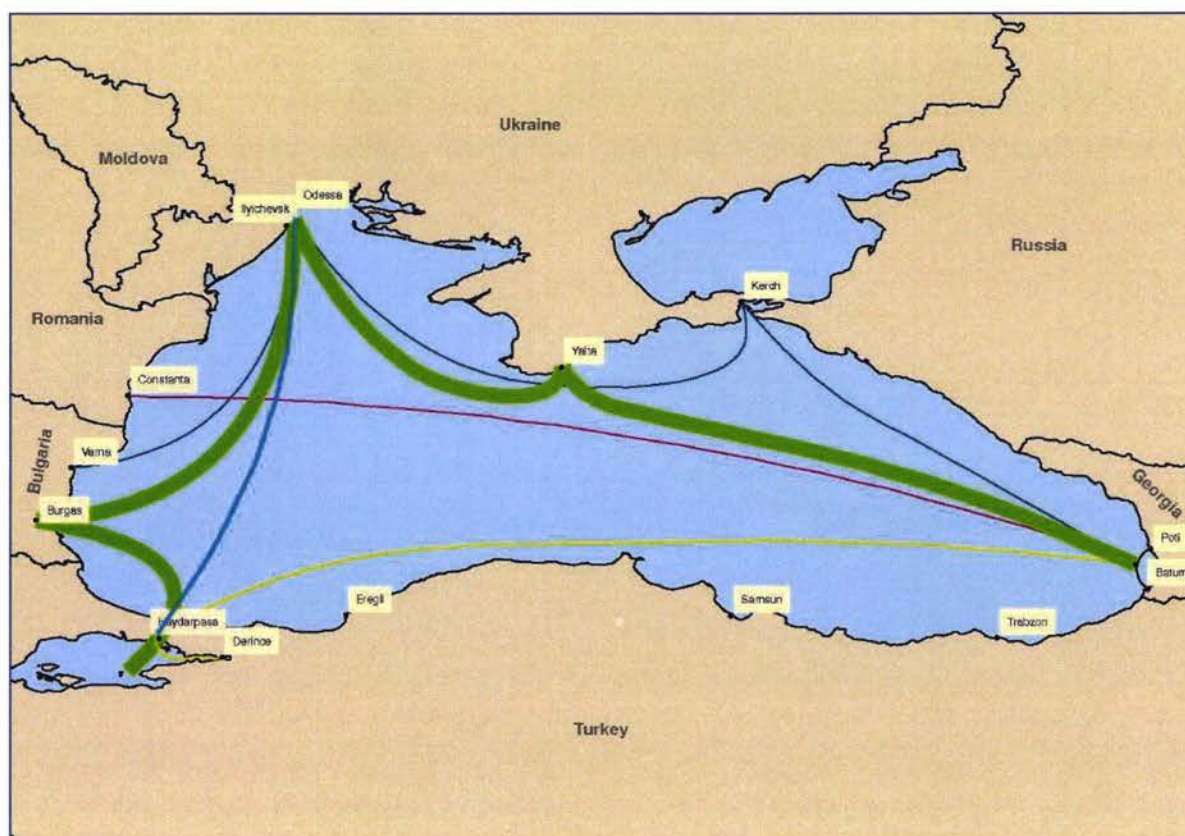
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Pre-feasibility BG/UA/GE Motorways of the sea project Black Sea

KEY OBJECTIVE

- New interport Ro-Ro/ passengers / Ro-Ro service
- Connecting Black Sea and Mediterranean Sea



[GREECE] – BURGAS – ODESSA – [YALTA] – GEORGIA Ports

BLACK SEA BG/UA/GE

NEW Passenger / Ro-Ro services

[Greece] - Bulgaria - Ukraine - Georgia

PARTNERSHIP / COOPERATION	<ul style="list-style-type: none">• Bulgaria supported project to link the Black Sea and the Mediterranean• Not priorities for other countries
MARKET RELEVANCE	<ul style="list-style-type: none">• Undefined / different Stakeholders' views for freight and passengers / markets on the service route• Frequency sensitive demand and wide port call intervals
QUALITY OPERATIONS & SERVICES FACILITATION / IT	<ul style="list-style-type: none">• Framework under preparation
MATURITY	<ul style="list-style-type: none">• Earlier part agreement, awaiting developments
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none">• (to be checked) + possibly connecting Med• Yes but outside TRACECA Region



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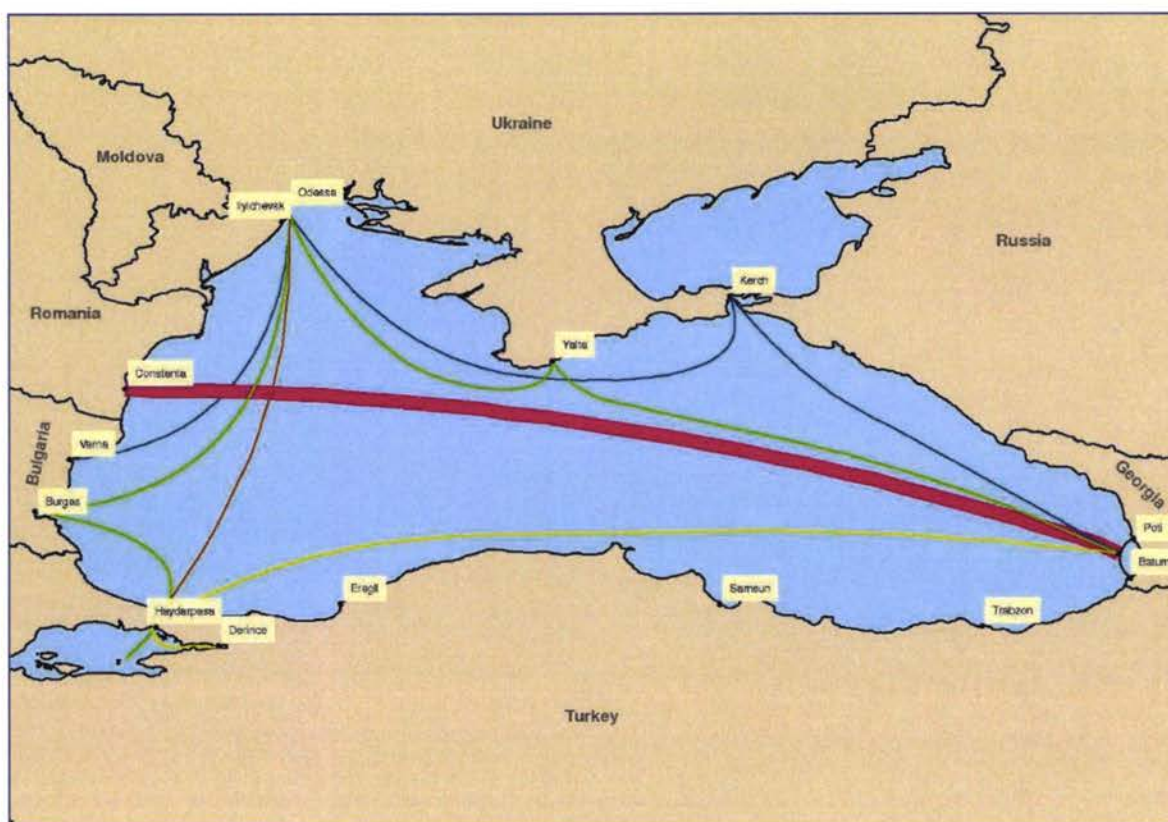


Pre-feasibility RO/GE

Motorways of the sea project Black Sea

KEY OBJECTIVE

- New rail ferry link to attract Rail and Ro-Ro trades
- Based on opportunities created by next Rail / rail ferry link and port facilities for bulk cargo (gas)



POTI – CONSTANTA

BLACK SEA RO/GE

NEW Railferry link

Romania / Constanta - Georgia / Poti

PARTNERSHIP / COOPERATION	<ul style="list-style-type: none">• Linked with potential project of major Rail ferry for liquefied gas transport• Parallel MoS pilot project supported both sides• Port, Maritime and Railways operators: premature
MARKET RELEVANCE	<ul style="list-style-type: none">• Potentials depending on project conditions
QUALITY OPERATIONS & SERVICES FACILITATION / IT	<ul style="list-style-type: none">• New technicalities identified for port terminal / RW (change of gauge)• Others: premature
MATURITY	<ul style="list-style-type: none">• Project to be prepared in parallel of main project (See above)
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none">• Yes: corridor• premature• Yes• Transport of LNG by tankers



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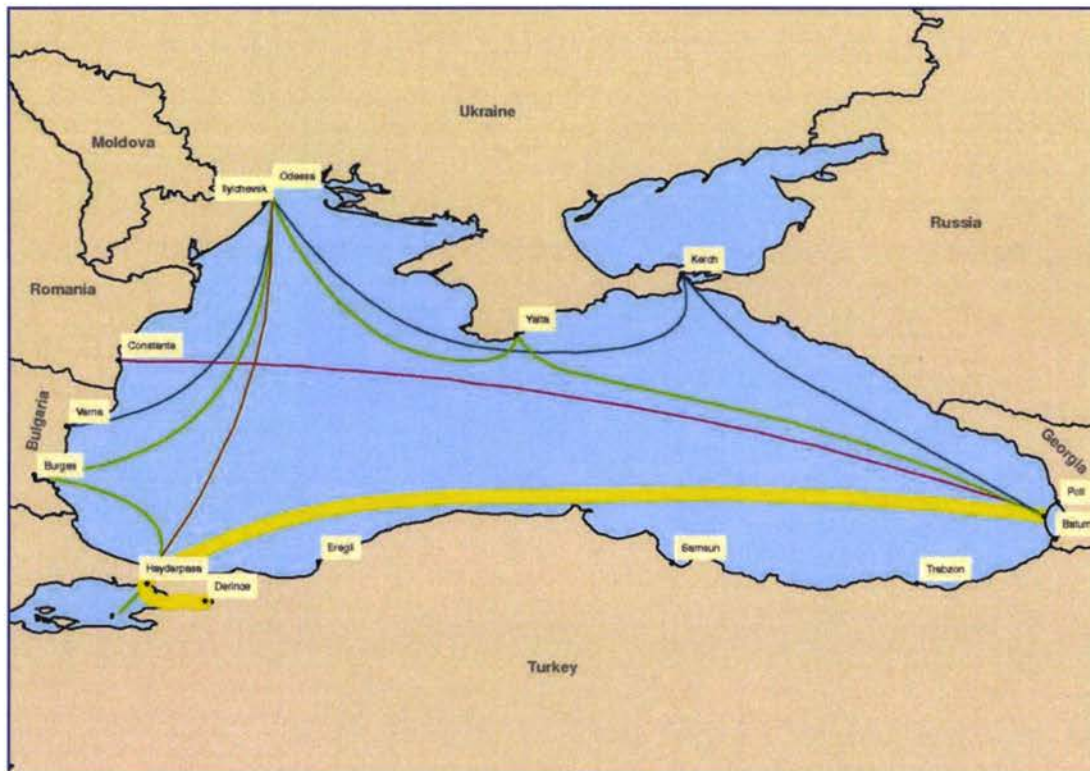


Pre-feasibility TR/GE

Motorways of the Sea Project / Black Sea

KEY OBJECTIVE

- Shifting Trucks from Road between Turkey and Caucasus



TURKISH Ports – GEORGIA

BLACK SEA TR/GE

NEW Ro-Ro service Georgia - Turkey

PARTNERSHIP / COOPERATION	To be established
MARKET RELEVANCE	<ul style="list-style-type: none">• TR Road Transport Association• Challenging parallel road route: subject to political will to shift from road to sea
QUALITY OPERATIONS & SERVICES FACILITATION / IT	<ul style="list-style-type: none">• Depending on main conditions (regularity, frequency, tariff rates...)
MATURITY	<ul style="list-style-type: none">• Subject to customers' / TR Road Transport Associations' readiness
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none">• Not directly TRACECA corridor• Yes, if model for other similar Ro-Ro services• Very high : shifting trucks from road to sea• Road only



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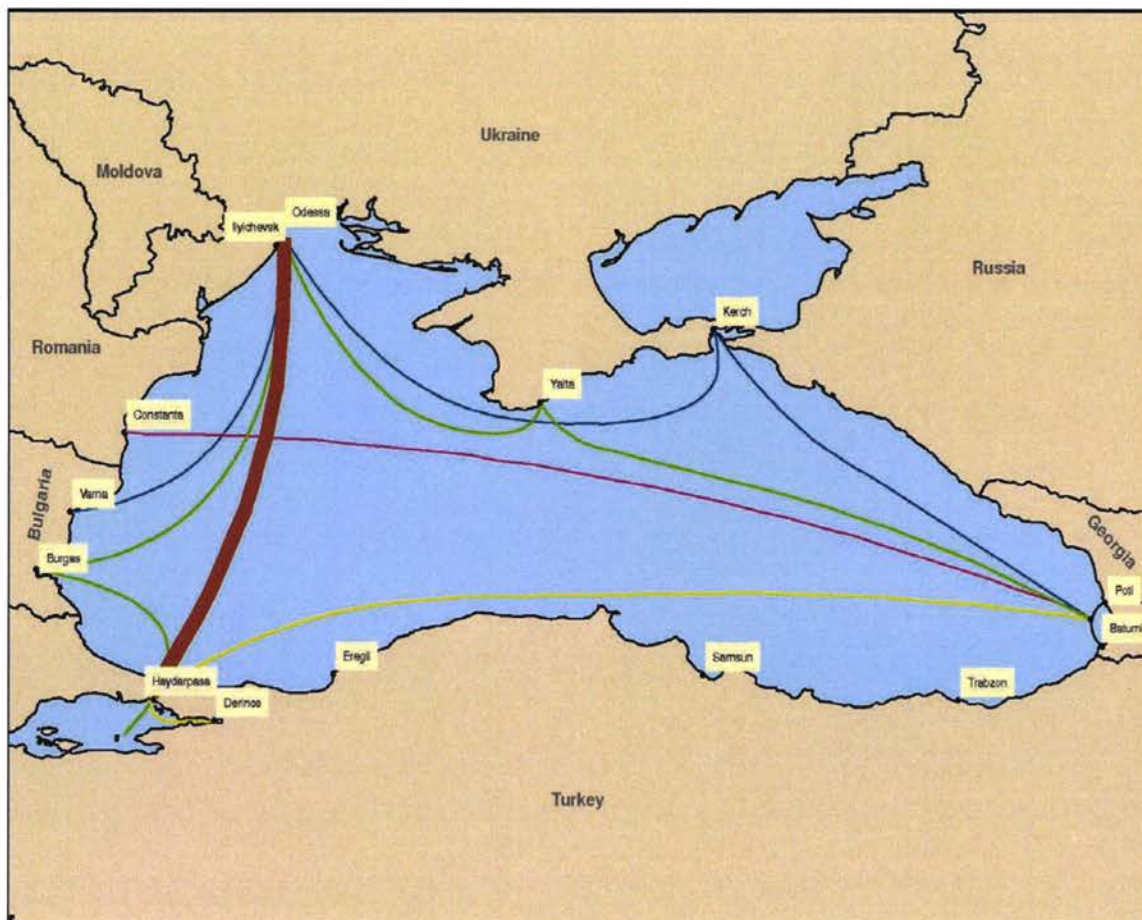


Pre-feasibility UA/TR

Motorways of the Sea Project / Black Sea

KEY OBJECTIVE

- Create a new Ro-Ro link Turkey-Ukraine



ODESSA – TURKISH Port

BLACK SEA UA/TR

NEW Ro-Ro service Ukraine - Turkish port

PARTNERSHIP / COOPERATION	<ul style="list-style-type: none">• Existing bilateral / Ministerial framework and Committee• Inter-ports: to be established• Operations - premature
MARKET RELEVANCE	<ul style="list-style-type: none">• Under assessment
QUALITY OPERATIONS & SERVICES FACILITATION / IT	<ul style="list-style-type: none">• Depending on main conditions (regularity, frequency, tariff rates...)• Premature
MATURITY	<ul style="list-style-type: none">• Subject to involvement and preparedness of customers
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none">• No, extension of Viking connection to Turkey / Middle East• Yes: other project routes• Yes/No – transfer from road to sea, increased transit via Bosphorus• Road all land and other road+sea



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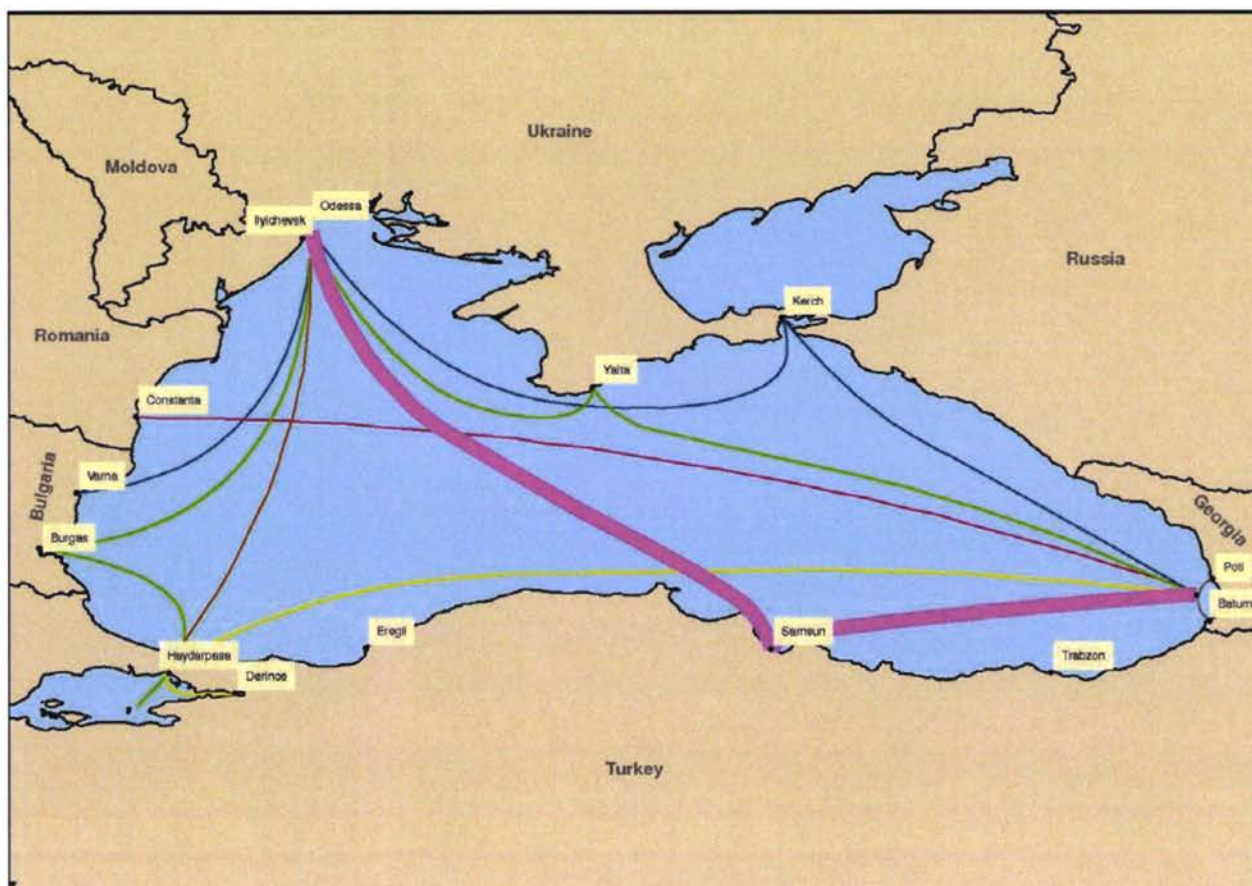


Pre-feasibility UA/TR/GE

Motorways of the Sea Project / Black Sea

PILOT-PROJECT KEY OBJECTIVE

- Shifting Trucks from Road between Europe, Turkey and Caucasus
- Connecting Black Sea and East Mediterranean Sea / Rail and road – Mersin/İskenderun-Samsun



ODESSA – SAMSUN – POTI

BLACK SEA UA/TR/GE

NEW Ro-Ro/Railferry service Ukraine - Turkey / Samsun - Georgia

PARTNERSHIP / COOPERATION	<ul style="list-style-type: none"> Existing bilateral / Ministerial frameworks (UA-TR and UA-GE) Port-to-port meetings have started / Samsun port initiative Maritime operator: existing UA+BG rail ferry lines Legal and operational framework for railway operations to be established between railway national companies
MARKET RELEVANCE	<ul style="list-style-type: none"> Existing potential from/to South/East Turkey + East Med/Middle East incl. railway link Ongoing joint market survey
QUALITY OPERATIONS & SERVICES FACILITATION / IT	<ul style="list-style-type: none"> Depending on completion of infrastructure works (Samsun) and inter-railway company agreement Main conditions (regularity, frequency, tariff rates...) depending on above Satisfactory
MATURITY	<ul style="list-style-type: none"> Depending on progresses of port-shipping lines and railway discussions Subject to involvement of potential customers Feasibility being studied by operators
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none"> Yes: Extended connections for corridor with possible extension of Viking connection to Turkey / Middle East Yes (other project routes) Yes, potential significant reduction of traffic through Bosphorus All-sea, road+sea and road all land



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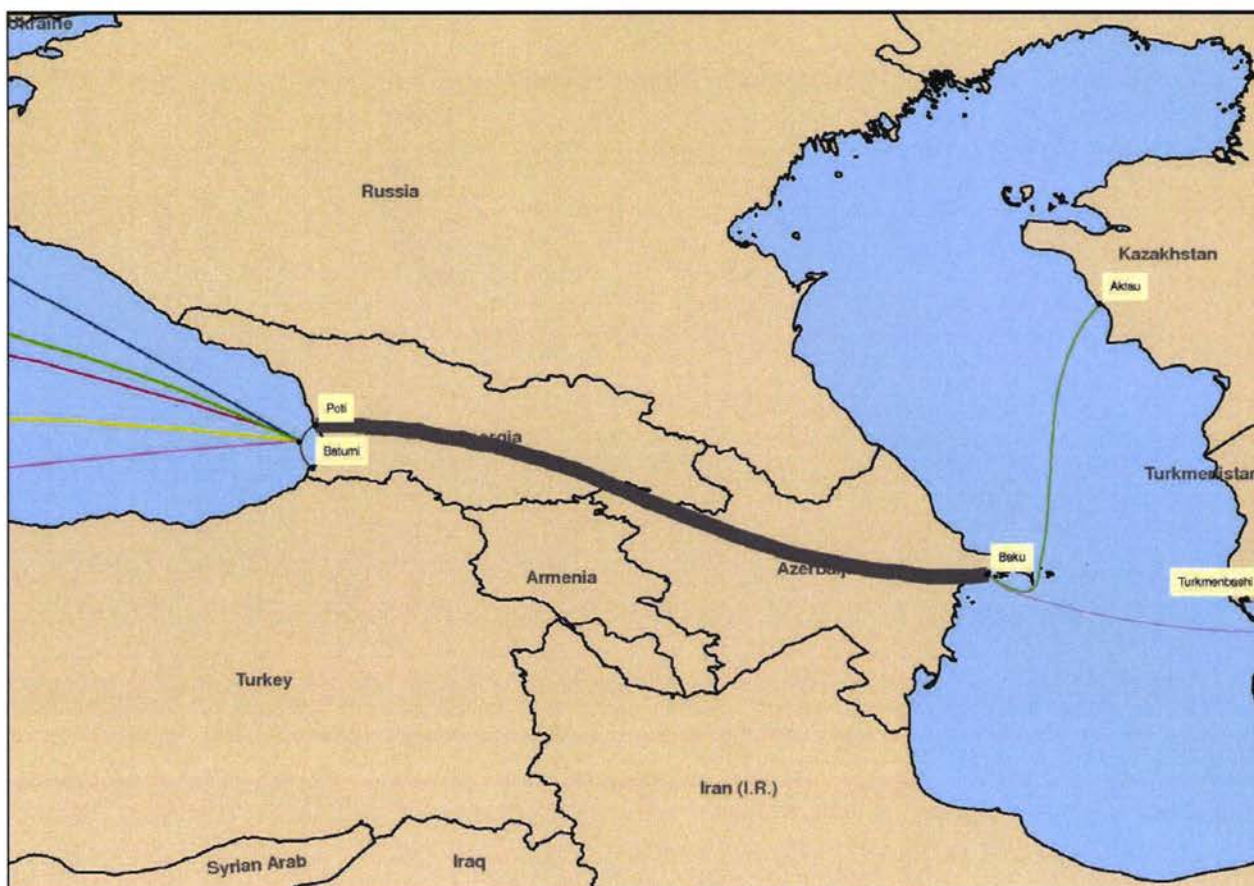


Pre-feasibility GE/AZ

Motorways of the Sea Project: Inter Seas Block Train

KEY OBJECTIVE

- Inter-connecting Black Sea and Caspian Sea maritime links with container block train
- Regular fixed day (shuttle) service to meet container operators' service demand



INTER-SEAS LINK / BAKU – POTI

INTER-SEAS GE/AZ

Azerbaijan - Georgia [Railways]

NEW Container Block train Baku - Poti

PARTNERSHIP / COOPERATION	<ul style="list-style-type: none">• Bilateral / Presidential Agreement on major investment plan including establishment of Committee to follow all bilateral transport issues• Agreement includes cooperation on operations and services• Principle of coordination between project partners to be precised with Railways and Port operators
MARKET RELEVANCE	<ul style="list-style-type: none">• Shipping container lines and other operators' potential, subject to operational conditions (regularity, frequency)• Further growing demand with increased frequency (gradual) and subject to progresses of maritime / port services in Caspian Sea / container control procedures in Central Asia
QUALITY OPERATIONS & SERVICES FACILITATION / IT	<ul style="list-style-type: none">• Depending on bilateral cooperative operations and governmental support• Satisfactory, improvable to be precised in feasibility
MATURITY	<ul style="list-style-type: none">• Subject to willingness to adapt organization and key operators' commitments• Commercial conditions to be assessed in feasibility
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none">• Yes: central corridor and multimodal door-to-door transport• Yes / gradually increased frequency. Idea of Rail-Road on same route• Yes: transfer from road• Road only



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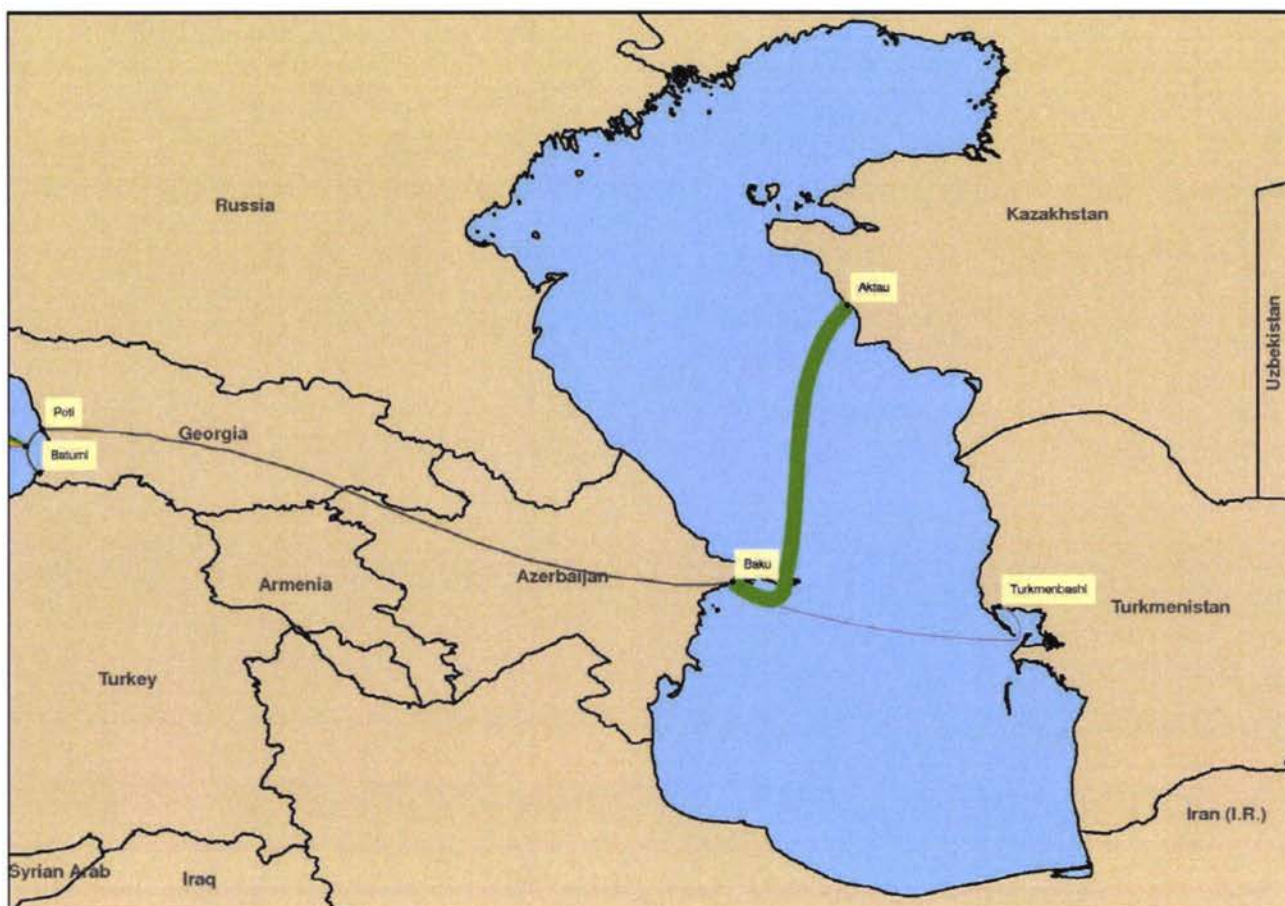


Pre-feasibility AZ/KAZ

Motorways of the Sea Project / Caspian Sea

KEY OBJECTIVE: TWO DISTINCT SERVICES

- Improving existing rail ferry link
- New Ro-Ro link to meet road transport demand



AKTAU – BAKU

CASPIAN SEA AZ/KAZ

Azerbaijan - Kazakhstan

Baku - Aktau / based on **EXISTING** Railferry service
/ **NEW** Ro-Ro link

PARTNERSHIP / COOPERATION	<ul style="list-style-type: none">• Bilateral / governmental: established, potentially strengthened if bilateral technical committee meeting regularly on port handling, maritime services and railway issues• Ministerial / all key state stakeholders' support officially confirmed by TRACECA National Secretaries• Implementation at operation level subject to agreement on reciprocal conditions for operations (below)
MARKET RELEVANCE	<ul style="list-style-type: none">• For existing services: Potential increase subject to credibility of expected improvements• For new Ro-Ro link: actual demand from main Users (TR trucks)
QUALITY OPERATIONS & SERVICES	<ul style="list-style-type: none">• Subject to organization:<ul style="list-style-type: none">- Ports- Maritime schedule regularity and frequency
FACILITATION / IT	<ul style="list-style-type: none">• [Needed improvements identified to be explored in feasibility]
MATURITY	<ul style="list-style-type: none">• Short term subject to:<ul style="list-style-type: none">- partners / stakeholders willingness- solutions to main operational barriers• Mid term developments with future port infrastructure and other facilities in both countries
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none">• Yes: corridor• Yes, plus other Ro-Ro project / Caspian Sea• Yes• None



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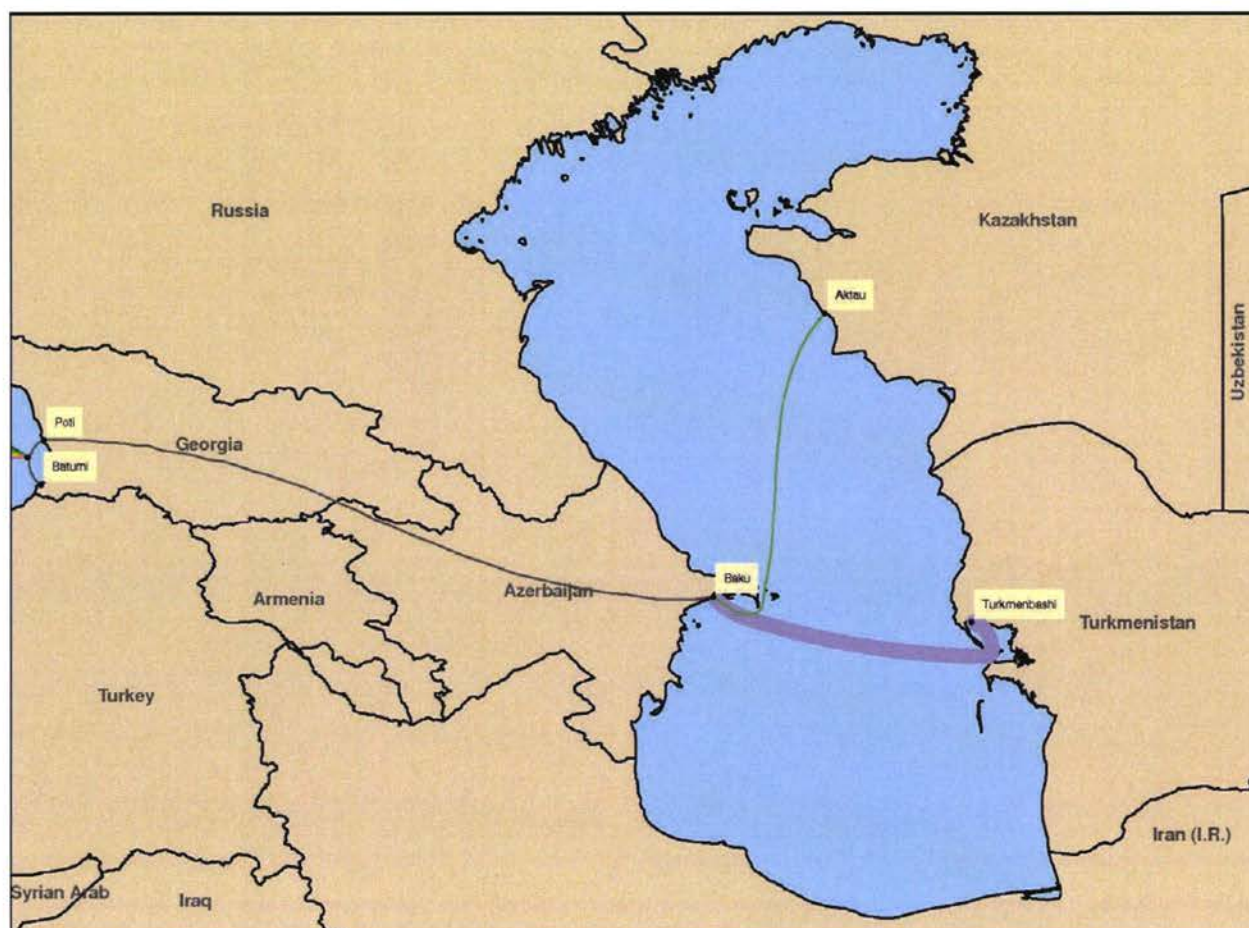


Pre-feasibility AZ/TK

Motorways of the Sea Project / Caspian Sea

KEY OBJECTIVE: TWO DISTINCT SERVICES

- Improving existing rail ferry link
- New Ro-Ro link to meet road transport demand



BAKU – TURKMENBASHI

CASPIAN SEA AZ/TK

Azerbaijan - Turkmenistan

Baku - Turkmenbashi / based on **EXISTING** Railferry service / **NEW** Ro-Ro link

PARTNERSHIP / COOPERATION	<ul style="list-style-type: none">• Official letters of support from Ministry in TK and National Secretary in AZ• Possibility of bilateral Ministerial agreement• Inter-port and Inter-railways to be established / strengthened
MARKET RELEVANCE	<ul style="list-style-type: none">• For existing service: actual demand for potential increase if regularity• For new Ro-Ro link: very significant actual demand from main Users (TR trucks)
QUALITY OPERATIONS & SERVICES	<ul style="list-style-type: none">• Subject to organization:<ul style="list-style-type: none">- Ports- Maritime schedule regularity and frequency
FACILITATION / IT	<ul style="list-style-type: none">• [Needed improvements identified, to be explored in feasibility]
MATURITY	<ul style="list-style-type: none">• Short term subject to:<ul style="list-style-type: none">- partners / stakeholders willingness coordination- port operation and maritime service• Mid term developments with future port infrastructure and other facilities in both countries
IMPACT TRACECA Replicability Environment Competition	<ul style="list-style-type: none">• Yes: Corridor• Yes, plus other Ro-Ro project / Caspian Sea• Yes: significant reduction of all land transport• None