



2 NATIONAL TRANSPORT POLICY

Institutional reforms were implemented in 2011 to increase the efficiency of the transport sector. One of the biggest achievements was accomplished through the structural reforms which separated the policy making body from the regulatory one. The policy making function was allocated to the Transport Policy Department of the Ministry of Economy and Sustainable Development of Georgia and regulatory to the three separate and independent agencies established after the division of the United Transport Administration of the Ministry. Each agency is responsible for its own sphere, operating with its own budget – the Legal Entities of Public Law – Civil Aviation, Maritime Transport and Land Transport agencies.

The Transport Policy Department of the Ministry of Economy and Sustainable Development of Georgia is responsible for devising the national transport policy. The Department includes four Divisions:

- Transport Corridor Development Division
- Civil Aviation Division
- Maritime Transport Division
- Land Transport Division

Basic Functions of the Department

- Developing the national transport policy;
- Facilitating transit potential;
- Improving legislative framework and harmonizing the Georgian legislation with international standards;
- Concluding international agreements;
- Cooperating with the international organizations and agencies;
- Devising common safety policy in transport sector;
- Participating in the intergovernmental commissions on economic cooperation and monitoring its performance;
- Supporting infrastructural projects.

Basic Functions of the Agencies

- Developing technical regulations on transport safety and security;
- Monitoring performance of the technical regulations;
- Development safe, seamless, and environmentally friendly transport network;
- Conducting registration of airports, aircrafts and sea vessels;
- Issuing certificates for improving aviation and maritime capacity of the respective agencies;
- Issuing permits in accordance with the Georgian legislation;
- Simplifying administrative procedures and establishing attractive environment for investors;
- Ensuring passenger's rights and their interests.



The policy of Georgia targets integration into the world economy attracting international business and establishing a favourable investment environment, including legal provisions for the policy of economic liberalization.

The World Bank 2012 "Doing Business Report" upgraded the Country rank from 45th in 2009 to 16th in 2012.

The main objectives of Georgian Transport Policy include:

- Facilitation of competition

Georgia follows the European Union's policy in facilitating competition with the aim of creating incentives for the operator to be more efficient. Another objective is to improve technical and safety control in order to establish confidence with regard to safety and reliability for Georgian as well as international operators and customers.

- Facilitation of transit

Georgia has been characterized as a "geopolitical bridge" connecting several important economic regions. Georgia's transport policy is therefore mainly aimed at reaping all possible benefits from its role as transit country. This will contribute to the economic efficiency of the country while harmonisation with regulations of the EU will facilitate operation of European transport companies within Georgia and the whole Caucasus region. The participation in the TRACECA Programme serves to achieve this goal.

- Implementation

The whole transport policy is based on the Partnership and Cooperation Agreement with the European Union (PCA) signed in 1996 for 10 years and now automatically renewed every year. Transport law is considered one of the ten priority sectors of economic cooperation between the EU and Georgia. Following recommendations made for harmonizing Georgian Transport Law with that of the EU under the National Programme for Harmonisation of the Georgian legislation with that of the EU (NPLH), the Georgian Parliament passed several laws. The level of harmonisation differs from one sector to another.

More specifically, the following is worth noting in relation to the fields of the present survey. Georgia:

- is a member of the International Maritime Organization (IMO) since 1993
- joined 15 international IMO and UNECE conventions in 1994
- joined 10 other transport conventions in 1994
- adopted a Maritime Code with the assistance of IMO and EU experts (1997)
- issued the 'Law on Maritime Areas' regulating the status of maritime areas (1998)
- adopted Vessels Registration Regulations, Maritime Incidents Investigation Regulations, Maritime Mortgage Registration Regulations, Harbor Master Regulations, and Pilot Service Regulations (1999)
- set up an Agency in charge of Maritime Transport which obtained Quality Standards Certificate of ISO-9002 (1994) and is certified with ISO 2000 standard.
- issued Port regulations for navigation port customs, and port safety rules (2002)
- was confirmed by IMO MSC in the IMO STCW "White List" operated first in 2001.

The Maritime Transport Agency cooperates with a number of international organizations:

- IMO since 1993



Logistics Processes and Motorways of the Sea II

- BS MoU since 2000
- NATO PBOS (Civil Shipping-Experts Group)
- BSPA
- Istanbul Commission (Advisory Group)
- International Hydrographic Organization - (not member, communication only)
- ITU (Communication with Maritime Communication Division)
- BIMCO (Communication only)
- INMARSAT (Communication)
- IACS (Communication)
- COSPAS-SARSAT (Communication)
- National Maritime Authority's (Communication and cooperation).

Port Public Private partnerships were concluded in 2007 – 2008 as follows:

- Early 2008 51% stake of Poti Port area were sold to the Investment Authority of UAE's Ras Al Khaimah Emirate (RAKIA) to develop a Free Economic Zone (FEZ) in a 49-year management concession, and to manage a new Port Terminal. Later in 2008 RAKIA bought the remaining 49% shares for 65 M \$. In April 2011 80% stake of Poti Port was sold by RAKIA to Danish APM Group (Maersk), a subsidiary of APM Terminals
- The Batumi Port is managed, under a 49-year concession contract, by Batumi Industrial Holdings Ltd, a subsidiary of KazTransOil. The Batumi International Container Terminal (BICT) is operated, under a 49-year concession signed with Batumi Industrial Holdings, by Manilla based International Container Terminal Services (ICTS).