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Logistics Processes and Motorways of the Sea II

LOGMOS Master Plan – Annex 9.2

Project Fact Sheets

KAZAKHSTAN

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1 IMPROVING EXISTING TRANS-CASPIAN SHIPPING LINKS BAKU-AKTAU

Region:	Caspian Sea
Countries:	Azerbaijan, Kazakhstan
Sea Ports:	Baku (AZ), Aktau (KAZ)
Mode:	Maritime-based multimodal (rail waggons, trucks/trailers, liner and merchant containers)
Investment Volume:	To be defined
Project Status:	Under development

Main Stakeholders

Caspian Shipping Company (CASPAR)
National Railway Company of Azerbaijan (ADDY)
National Railway Company of Kazakhstan (KTZ)
Baku international commercial sea port (BICSP)
Aktau international commercial sea port (AICSP)

Secondary Stakeholders

Turkish road hauliers association and trucking companies
KazMorTransFlot (KMTF)

Geographical Description

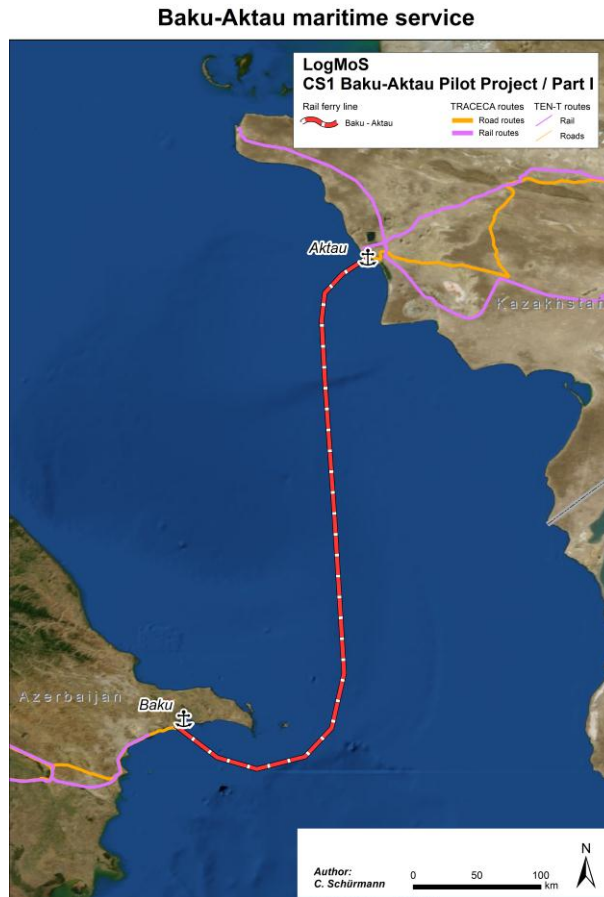
The existing maritime link connects two important transport nodes on Caspian Sea – sea ports of Baku and Aktau, – but also serves as a segment for

- TRACECA corridor connecting Europe, Caucasus and Central Asia
- CAREC 2b corridor providing the access for the landlocked Central Asian countries to Caspian Sea and Caucasians countries.

At present the only other alternative for moving the railborne bulk and break bulk cargo to/from TRACECA Central Asian countries via the Caucasus is around the Northern shore of the Caspian Sea through Russia and Dagestan. However, the situation may change as construction of the Uzen (Kazakhstan) – Kazanjik (Turkmenistan) – Gorgan (Iran) railroad is close to completion and further North-South tracks between Russia and the Persian Gulf are built.

With the started construction of a new railway line Zhezkazgan – Beyneu and the rehabilitation of crucial road sections new opportunities for maritime connections across the Caspian Sea will be opened.

Figure 1: Trans-Caspian Shipping Links Baku-Aktau



Technical Description

The project is based on the existing rail-ferry services, which have been operating in Caspian region for over 30 years. Yet, however, the service:

- suffers from irregular service schedule;
- is hampered by the high berth occupancy rate at Aktau port;
- prioritises the transportation of railed cargo;
- has a very limited dedicated capacity (or almost none) for handling container and Ro-Ro (TIR trucks and trailers) transport;
- is operated close to full capacity.

To tackle these problems the project should restore and establish the regularity of shipping service. In more detail, the project should bring support to the following actions:

(1) in the short run (years 1 to 2)

- restore and establish the regularity of Baku-Aktau rail-ferry service based on fixed sailing schedule and corresponding fixed berthing windows which will enable to improve the frequency and increase the number of voyages and alleviate the congestion of the port rail tracks;
- simplify border-crossing procedures and implement the Free Practice procedure at both Baku and Aktau for cargo and vessels enabling to shorten the time needed for clearances and reduce berth occupancy (mainly at Aktau);



- improve coordination and advanced exchange of information between Customs and other border-crossing state agencies, ports, railways and shipping companies at national and bilateral levels in order to speed up port and vessel operations as per port of Aktau already ongoing plan of action;
- ensure the availability of sufficient suitable and dedicated Ro-Ro tonnage and its operation on a regular/fixed schedule between Baku and Aktau;
- upgrade Aktau port providing for a 2nd rail ramp next to the existing one;
- support maintenance of existing container handling equipment (supply / finance spare parts) at Baku sea port pending the transfer of its activities to Alyat;
- reshuffle the container handling procedure at Aktau port to speed up vessels' operations.

(2) **in the medium run** (years 3 to 5)

- allocate a dedicated Ro-Ro berth and storage area at Aktau port;
- allocate a dedicated container handling area at Aktau port.
- based on the improvement of the rail ferry operations and operation of new Ro-Ro and Ro-Pax service, foster the implementation of a liner container service deploying adequate specialized tonnage under a regular schedule between Baku and Aktau.

Related Investments

Most of the short-term steps contemplated in the project do not require any specific investment as, except for the maintenance of container handling equipment at Baku sea port (assessed at the level of EUR 250,000) and completion of works necessary for the installation of a second rail ramp near the existing one at Aktau, they are not related to infrastructure and/or equipment and consist in soft measures.

Dredging and other civil engineering works are going on rapidly at Alyat, the location retained for the new port of Baku.

Investment in ferry vessels is an ongoing regular process with CASPAR while Turkmenistan has officially declared its intention to acquire Ro-Pax tonnage.

Expected Benefits and Source of Repayment

The improved regularity, reliability of existing service; better coordination of transport operations between port, railways and trade facilitation authorities, will result in a better deployment of the existing and future rail ferry fleet while the implementation of pure Ro-Ro and/or Ro-Pax services will immediately cause a diversion of existing large cargo-flows from other – purely road – corridors.

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2 AKTAU INTERNATIONAL LOGISTICS CENTRE

Region:	Central Asia
Country:	Kazakhstan
Location:	Aktau
Area:	8 ha
Mode	Multimodal (road, rail, sea)
Investment Volume:	USD 33.4 M
Project Status:	Under development

Applicant, Sponsor, Beneficiary, Promoter

The Kazakhstan Ministry of Transport and Communications, Ministry of Trade and Industry

Geographical Description

The Aktau ILC with a size of 8ha is positioned within the Aktau SEZ, close to the port, which holds a very strategic location on the North of the Caspian Sea. Aktau is also particularly important for the TRACECA corridor as it constitutes the gateway to Kazakhstan and Central Asia and the main transit centre for a variety of products.

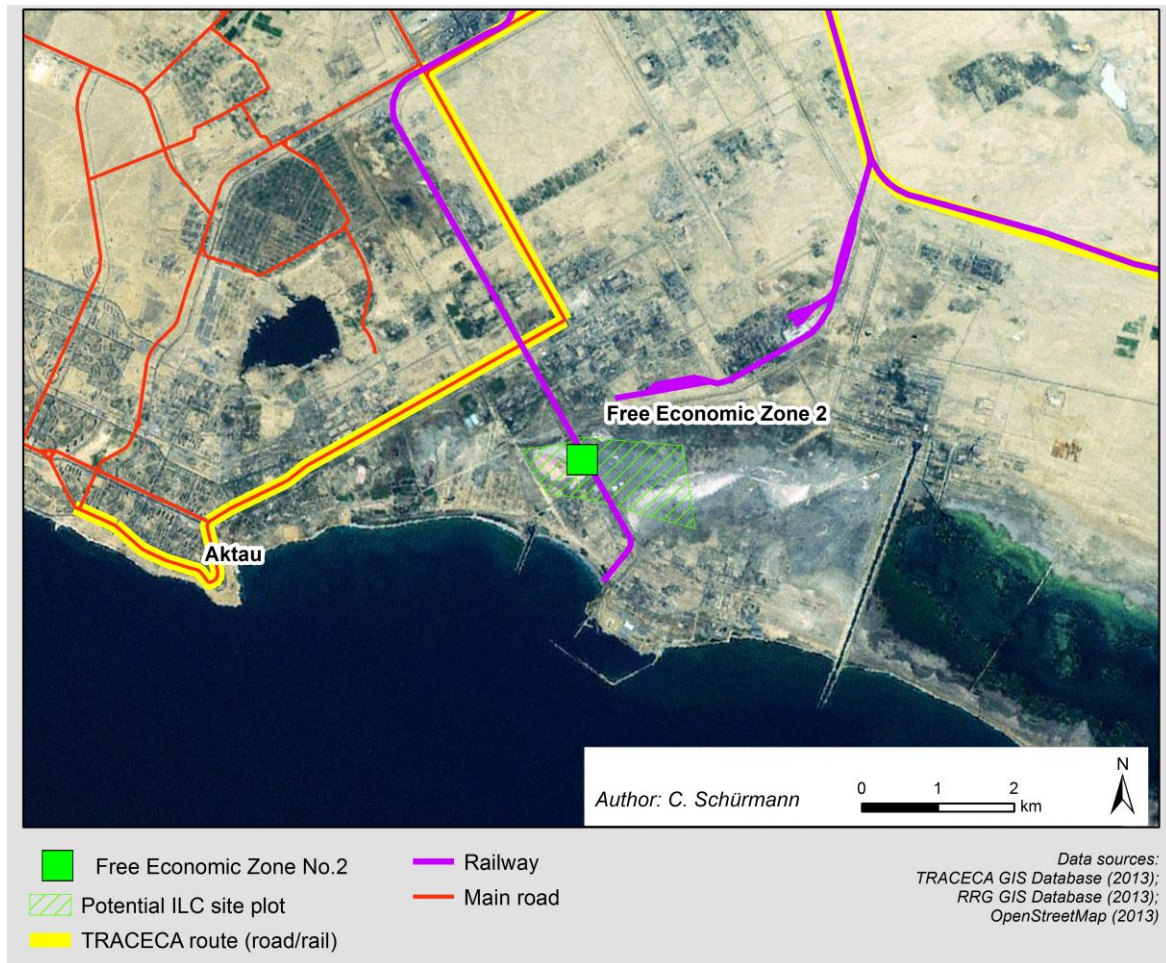
The Aktau ILC will have direct access to road, rail and seaport infrastructure:

- Road: the AH70 East-West branch Aktau – Zhetybai and the North-South branch Zhanaozhen – BCP with Turkmenistan.
- Rail: Aktau is connected to the Kazakh national railway network which goes up to the Chinese border.
- Seaport: shipments of cargoes from Aktau port are carried out towards Baku (Azerbaijan), Turkmenbashi (Turkmenistan), Iranian and Russian ports.



Figure 2: Aktau ILC Location

Location of Aktau ILC



Technical Description

The Aktau ILC will provide modern modal facility and logistics terminal enabling multi-functions and a turnkey customer service through transshipment, storage, processing of goods and a fast efficient throughput of cargo.

Benefits will include:

- savings in transport costs and waiting time, as well as an improvement in time spent at the port and customs clearance,
- improved containerization along TRACECA corridor, development of the new type of transport and logistics services to increase attractiveness of the TRACECA route in terms of liability of transportation and the supply chain,
- development of the new businesses in freight transport and logistics sector in Aktau, contribution to the port attractiveness as a central hub on the Caspian region, thus creating a shift of cargo flows onto the TRACECA corridor,
- facilitation of intermodality and development of container/Ro-Ro transportation on Caspian Sea,



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- linking node in the network of the Logistics Centres in Caucasus, Central Asia and logistics terminals in Iran and Russia, thus contribution to the continuity of the transportation along TRACECA.

Source of Repayment

Budget + Concession to a private sector organisation for operating and managing the Logistics Centre.

Related Investments

Overhaul works and construction of roads are planned for the 50 km-long Zhanaozhen – Fetisovo – Turkmenistan road and the 35 km-long Beyneu – Akzhigit – Uzbekistan road. Overhaul works are also planned for the 589 km-long Dossor – Kulsary – Beyneu – Sai – Utes – Shetpe – Zhetybay – Aktau road that connects with Atyrau oblast.

Construction of a new railway line Zhezkazgan – Beyneu has started, shortening the distance from Aktau to the Chinese border and the Eastern part of Kazakhstan.

The extension plans of the port of Aktau are under review, currently, after the port has been transferred to KTZ (Kazakhstan railways).

Implementation

In the basic documents for activities allowed within the Free Economic Zone, warehousing and logistics activities have been added. Several companies have shown initial interest in investing into these spheres of business in the Free Economic Zone.

However, this did not result in investment as rail transport access to the port of Aktau and rest of Kazakhstan depends on Kaskortransservice, which owns the main railways facilities allowing access to both the port of Aktau and the Free Economic Zone.

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