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Logistics Processes and Motorways of the Sea II

LOGMOS Master Plan – Annex 9.2

Project Fact Sheets

TURKMENISTAN

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1 TURKMENBASHI PORT INTERNATIONAL LOGISTICS CENTRE

Region:	Central Asia
Country:	Turkmenistan
Location:	Turkmenbashi
Area:	12 ha
Mode	Multimodal (Road/Rail/Sea Port)
Investment Volume:	USD 44.4 M
Project Status:	Under development within the port expansion plans

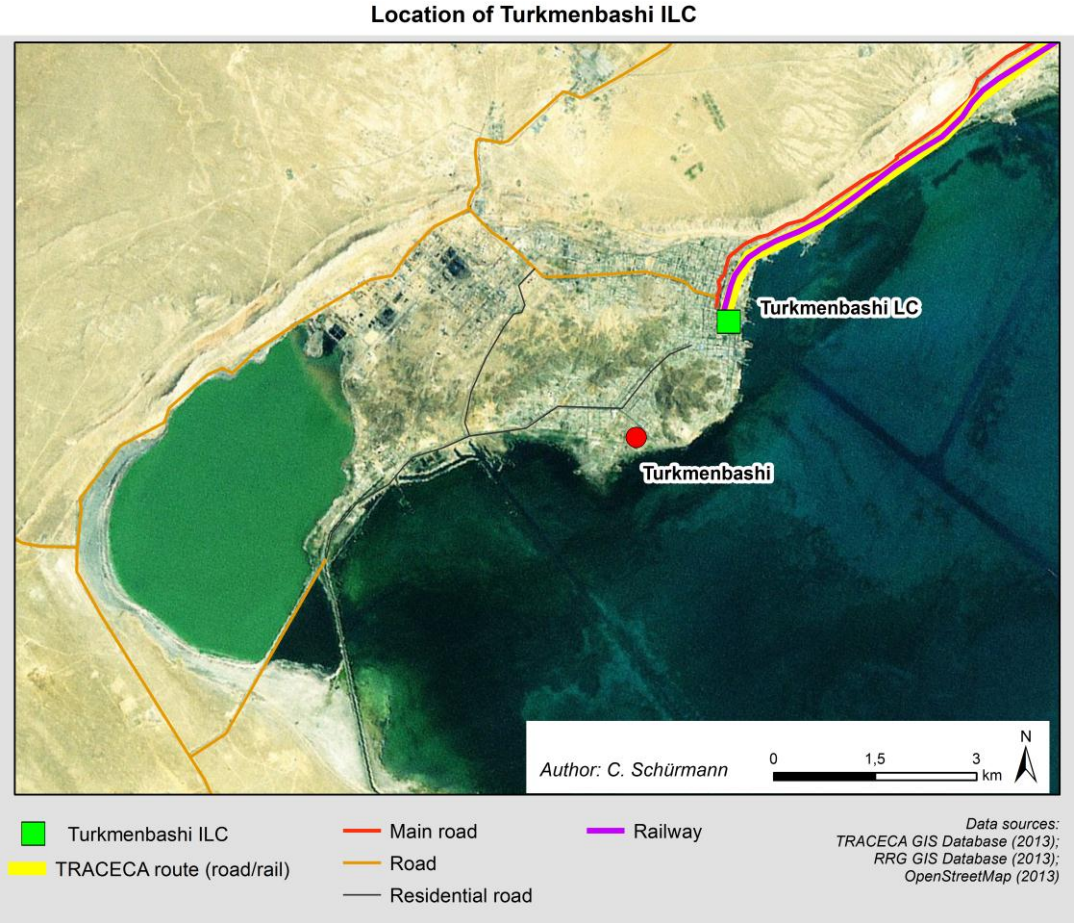
Promoter

Cabinet of Ministries of Turkmenistan, State Service of Maritime and River Transportation of Turkmenistan

Geographical Description

The Port of Turkmenbashi enjoys a very important and strategic location on the Caspian Sea. Turkmenbashi is an important gateway to Central Asia and an import and export centre for a variety of products. The ILC will be located within the extended Port of Turkmenbashi, on 12ha of newly acquired land. The main railway line and highway connect the port to Djanga and further to Ashgabat.

Figure 1: Turkmenbashi Port ILC Location



Technical Description

The Turkmenbashi ILC will provide a 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. Economic benefits will include savings in transport costs and waiting time, as well as an improvement in time spent at the port and customs clearance.

The development plan of the International Logistics Centre within the extended Port includes two phases. For the project of Phase 1, the following buildings to be built as a part of the LC:

- Two single storey Class A1 warehouses, max 10m high each of 5,000sqm; for storage of general or hazardous cargo, total area of 10,000sqm.
- Two single storey Class A chilled warehouses, max 10m high each of 5,000sqm; for storage of perishable cargo, total area of 10,000sqm.
- Road/Rail container terminal and depot with capacity for 2,500 TEU containers (15 or 30sqm per container), total area of 45,000sqm.
- Two storey office (1,250sqm per floor) building with canteen facilities, with allocated parking, total area of 3,000sqm.

Other areas and installations to be built include:

- An area for lifting equipment (container stacker etc.) and road to rail cargo, total area of 2,500sqm.
- Secure truck (car) parking area with capacity of 500 cars/trucks, total area of 20,000sqm.
- Area zoned for other warehousing and storage for leasing and for concession, total area of 34,000sqm.
- Cargo docking area providing 9 berths with associated lifting equipment and/or gantry cranes, total area of 12,500sqm.
- Depuration Plant, total area of 8,000sqm.
- Future development\expansion area of 30,000sqm.

Source of Repayment

Budget + Revenue

Related Investments

Expansion project of Turkmenbashi port. A construction contract of USD 1.5 bn was awarded to Gap Insaat, part of Calik Holding, a Turkish corporation on 20th August 2013.

Implementation

During the TRACECA project “International Logistics Centres/Nodes Network in Central Asia in the Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Republic of Uzbekistan and the Republic of Turkmenistan”, a Feasibility Study had been prepared for an International Logistics Centre in Turkmenbashi in 2010. However, no plot of land had been defined for the implementation of the project. The proposed plot of land will be available from newly acquired land in the course of the extension of the new port.

Whether the land preparation for the ILC territory is included in the construction contract, mentioned above, or not is still unknown at present.

2 PROJECT FACT SHEET: IMPROVING EXISTING TRANS-CASPIAN SHIPPING LINKS BAKU-TURKMENBASHI

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

Main Stakeholders

State Service for Maritime and River Transportation of Turkmenistan (SSMRT)

Caspian Shipping Company (CASPAR)

National Railway Company of Azerbaijan (ADDY)

Ministry of Railway Transport of Turkmenistan

Turkmenbashi international commercial sea port (TICSP)

Baku international commercial sea port (BICSP)

Secondary Stakeholders

Turkish road hauliers association and trucking companies

Geographical Description

The existing maritime link connects two important transport nodes on Caspian Sea – sea ports of Baku and Turkmenbashi, – 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.

Figure 2: Trans-Caspian Shipping Links Baku-Turkmenbashi

Technical Description

The project is based on the existing rail-ferry services, which have been operated in the Caspian Sea for over 30 years. The existing transport link is essential for accessing the landlocked Central Asian countries by rail and providing them the access to Caspian Sea. Yet, however, the service:

- suffers from irregular service schedule;
- has a very limited dedicated capacity (or almost none) for handling container and Ro-Ro (TIR truck and trailers) transport;
- is restricted due to the limited infrastructure and equipment available at Turkmenbashi (e.g., no dedicated Ro-Ro terminal, scarce port and handling equipment for 40` containers at marshalling yard, insufficient number of locomotives for handling the rail-ferry traffic etc.).

To tackle these problems the project should address the irregularity of shipping service and its limited capacity in handling Ro-Ro and container traffic. 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-Turkmenbashi 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;
- simplify border-crossing procedures and implement the Free Practice procedure at both Baku and Turkmenbashi for cargo and vessels enabling to shorten the time needed for clearances and reduce berth occupancy;
- 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;
- ensure the availability of sufficient suitable and dedicated Ro-Ro tonnage and its operation on a regular/fixed schedule between Baku and Turkmenbashi;

- enlarge and modernize Turkmenbashi port according to development plans approved by the Government of Turkmenistan in 2011; rehabilitate the 2nd rail-ferry ramp at Turkmenbashi port;
- support maintenance of existing container handling equipment (supply / finance spare parts) at Baku sea port pending the transfer of its activities to Alyat.

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

- assist the SSMRT and CASPAR in implementing an efficient, coordinated and customer-oriented operation of their existing / future fleet based on the experience and best practices existing in other countries and especially Turkey;
- explore possibility of cooperation (such as J.V.) between CASPAR, the SSMRT and Turkish enterprises for new Ro-Ro operation in the Caspian
- 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 Turkmenbashi.

Related Investments

Most of the short-term steps contemplated in the project do not require any specific investment as, except for dredging of the access channel to the port and enlargement works and ramp rehabilitation at Turkmenbashi sea port, as well as for the maintenance of container handling equipment at Baku sea port (assessed at the level of EUR 250,000) as 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.