Industrial Park And Processing Zone For Market Of 100 Millions

PORT AND LOGISTICS/ INDUSTRIAL PARK DEVELOPMENT PROSPECTS

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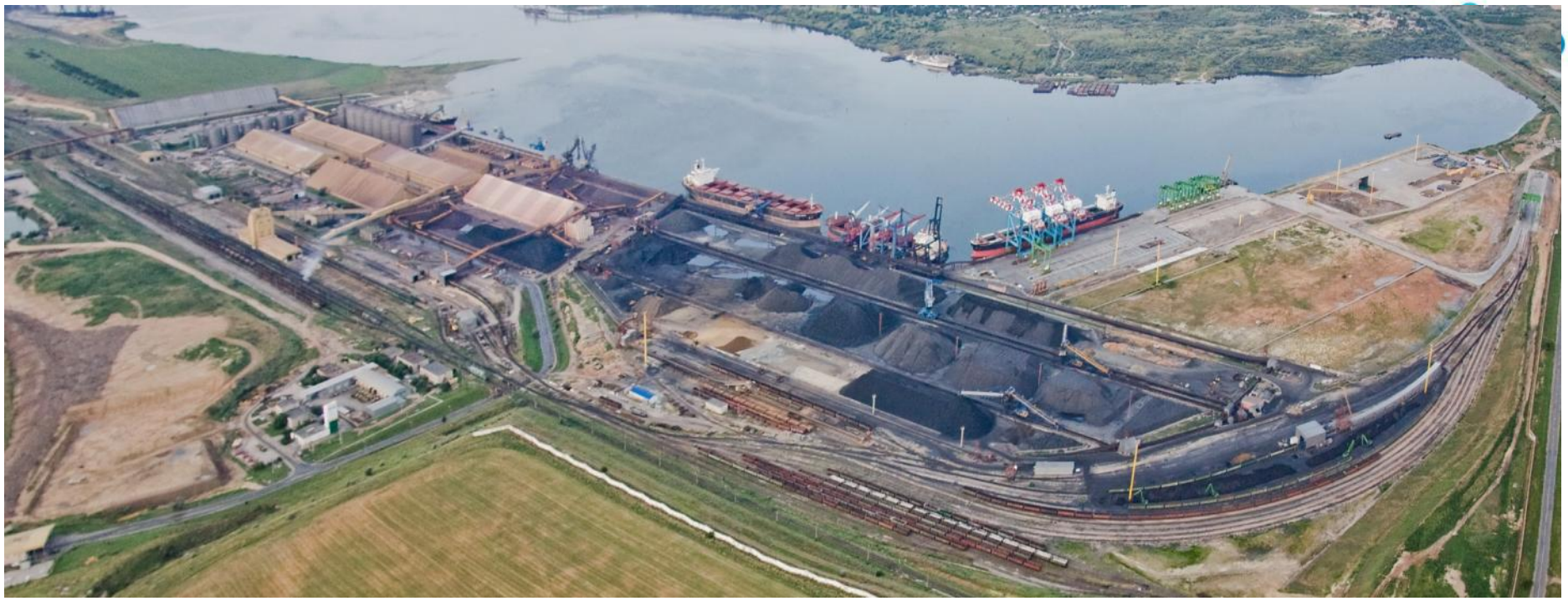


What is TIS:

– largest private terminal in Ukraine,
– #5 port in Ukraine and #9 in Black Sea,
– 12,2 million tons handled in 2010,
– USD 350 mio invested into marine infrastructure,
– largest grain terminal of Black Sea (9 mio mts cap),
– largest coal terminal of ex-USSR (12 mio mts cap).

Est. 1994 r.
Berth length – 1900 ms
Depth at quay - 15 ms
Cap. - 1000 railcars daily
Main commodities: grain, ore, fertilizers, coal
Since 2010:
- containers, cars, metals, equipment, OOG

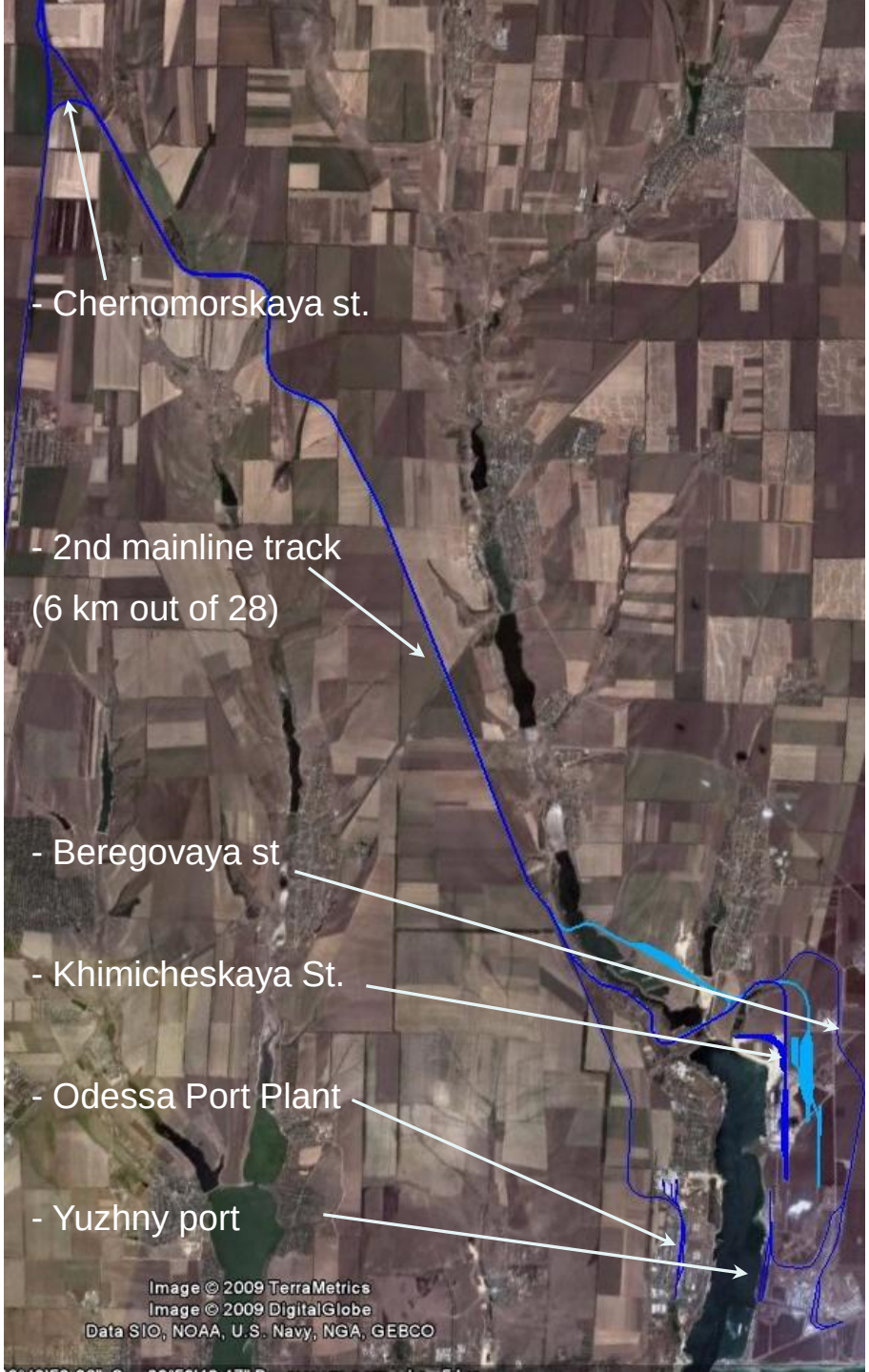
TIS-Ore – export facility in partnership with Ferrexpo PLC (Poltava Mining)

TIS-Fertilizers – premiere Ukraine's fertilizers handling terminal

TIS-Grain – Black Sea largest grain terminal

TIS-Coal – CIS largest bulk terminal with export and import capability

TIS-Container – terminal, designed and built for world's largest container vessels which can not fit in any other Ukrainian port



FOCUS ON RAIL

Current capacity - 22 pairs of trains daily

Present demand – up to 40 pairs daily

Future demand – up to 80 pairs daily

TIS railway projects:

- second mainline rail track of Chernomorskaya-Beregovaya section (+20 pair daily)
- Yuzhnaya station (+40 pair daily)
- railway container terminal
- rail park «B»

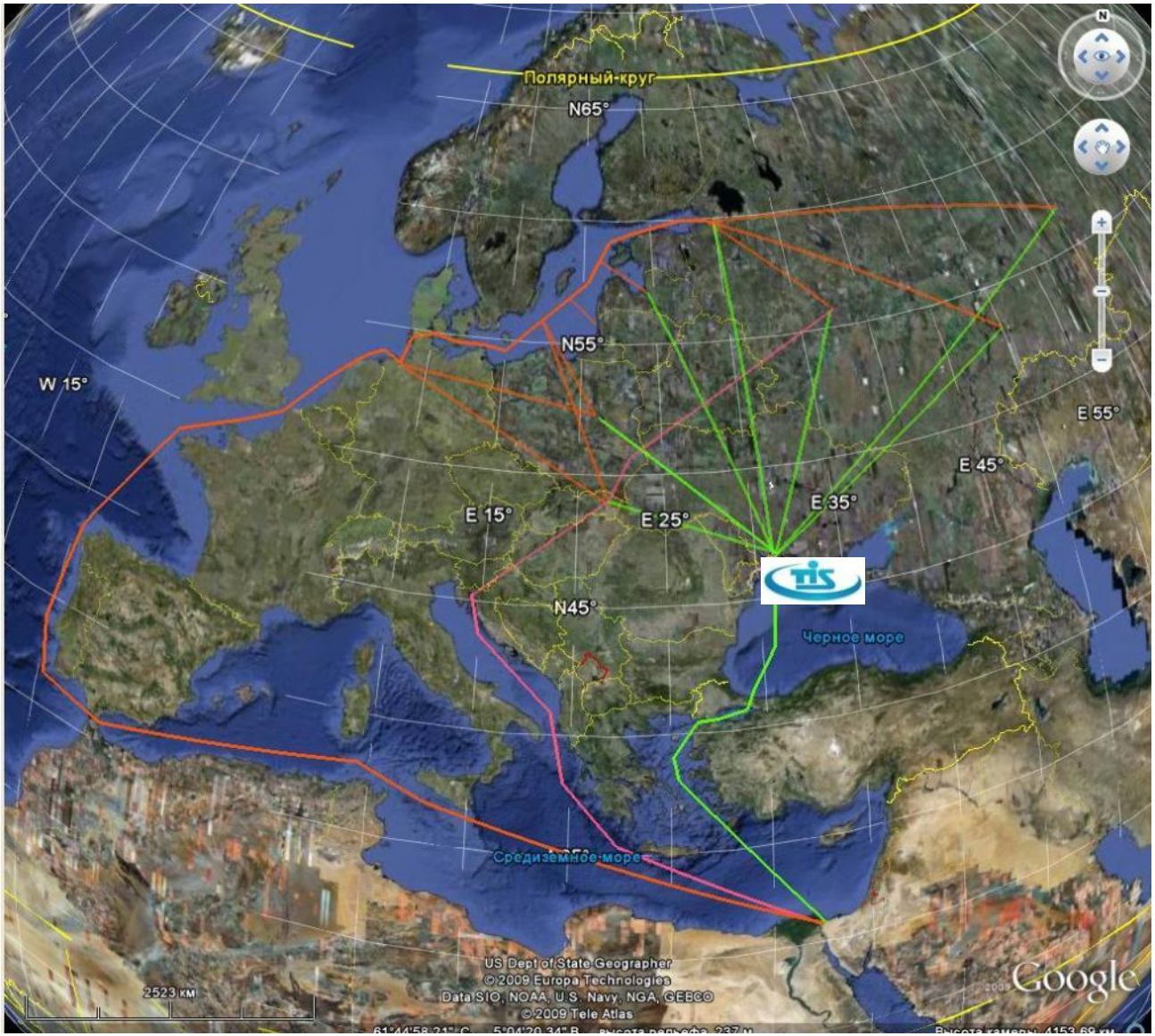
TIS contribution:

– 6 km of second mainline track out of 28 already built and continues construction

– 60 km of internal railtracks already built

- plans to construct Yuzhnaya station, rail park «B» and railway container terminal

TIS Container Terminal: prospects of railway routes



Existing route to delivery of the goods to Eastern Europe and Russia
(round-the-Europe via continental ports and Baltics)

Transcontainer's route:
Via Koper and Slovakia by rail

Best route:
Via Ukraine's Black Sea port most
suited for blocktrains handling:
via TIS Container Terminal

Whatever the option, TIS route is 2000-6000 kms shorter and 7-14 days faster

Prospected volumes – up to 500 000 TEU annually

TIS Container Terminal: Ukraine's largest port project ever

6,5 mio cu.ms of dredging

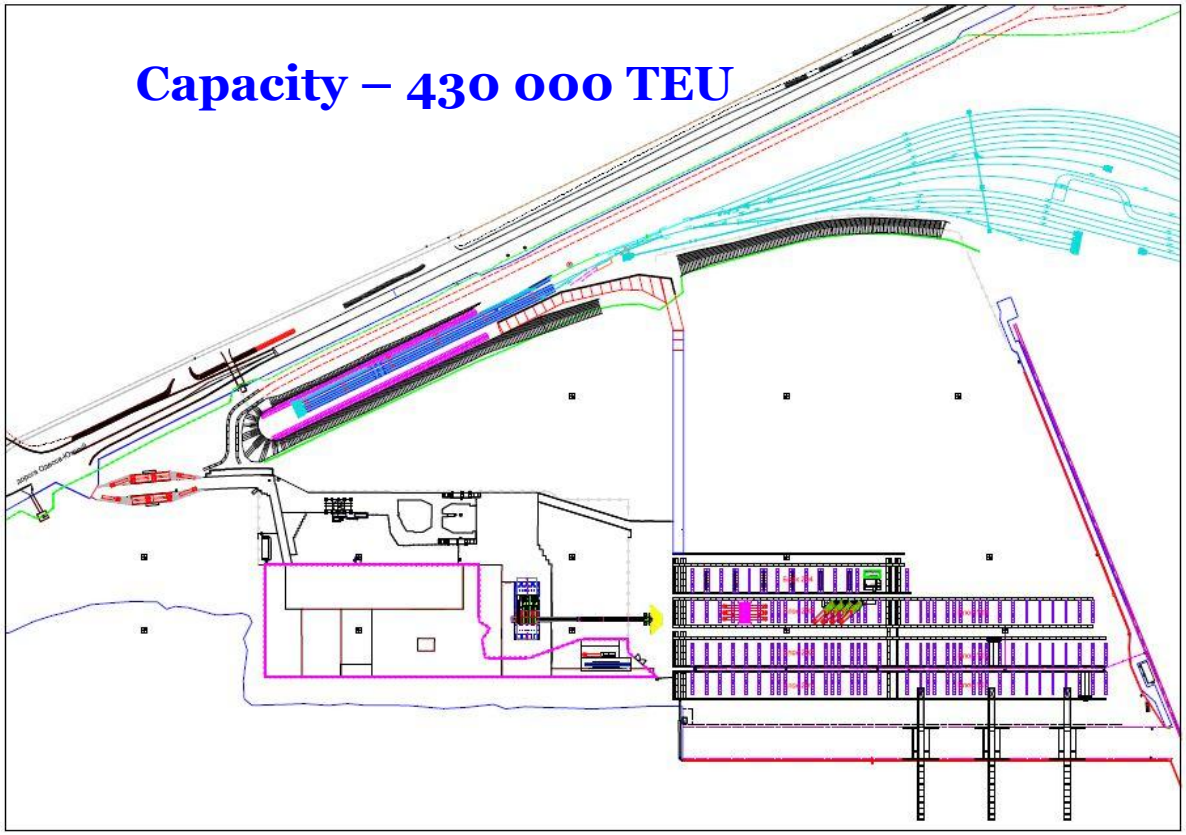
7 mio cu.ms of excavation

EUR26,5 mio contract with ZPMC Shanghai

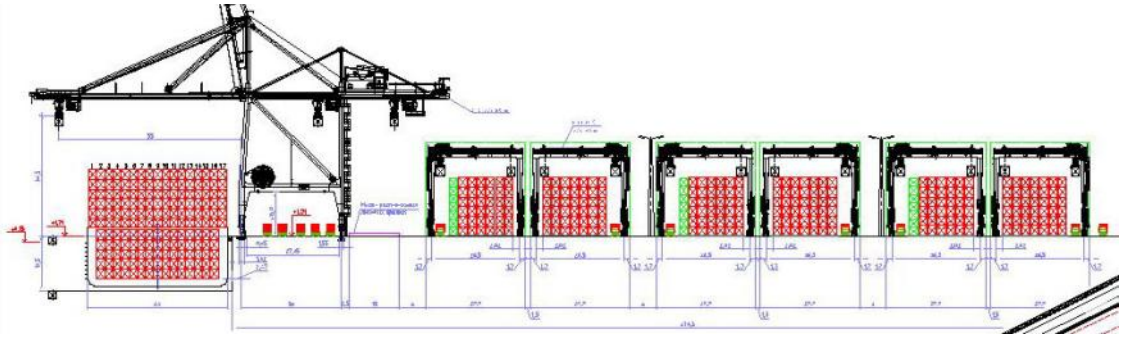
Coal (inbound), grain, pig iron and metals are handled currently

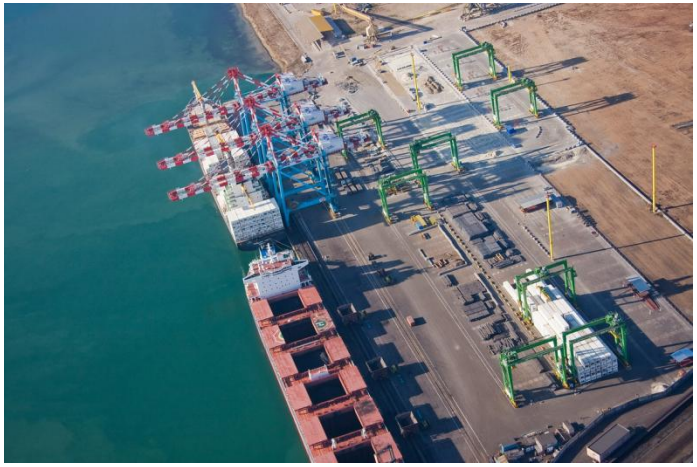
Good Thursday – 3rd of November 2011 – arrival of Maersk Nottingham

TIS Container Terminal: phase 1 as of mid 2011



- Berth: 480 ms
- Square: 15 ha
- Earth works and dredging: 13 mio cu.ms.
- 3 STS (20 rows wide)
- 10 RTG at yard (14 000 TEU storage)
- 6 lanes gate
- Ro-ro yard 63 500 sq.ms (2500 cars)
- IMDG yard
- Grain loading capacity – 15 000 mts daily
- Grain stuffing facility



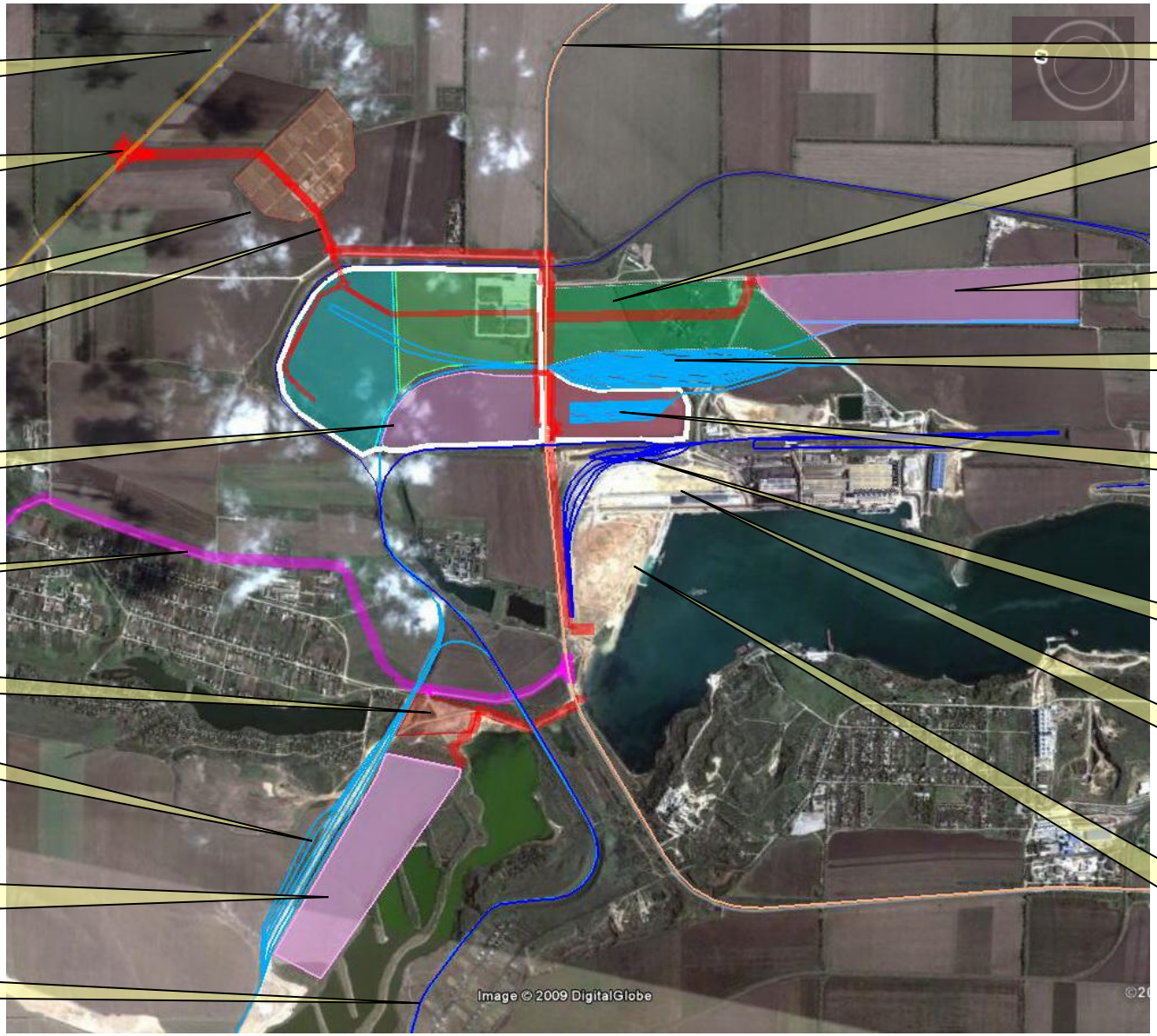


TIS Container Terminal: full development as of 1st September 2015

Capacity - 2 mio TEU

- Berth:1120 ms
- Square: 91 ha
- 9 STS
- RTG yard of 60,000 TEU
- Ro-Ro yard of 200000 sq.ms.
- Modern logistical facilities
- 2 separate gate facilities
- Railway container terminal of 500 000 TEU capacity
- 5 blocktrains daily
- Direct access to roadways
- Export CFS (grain)

TIS Industrial Park: general master plan



Odessa-Mykolaiv national road

Multilevel highway exit

Advanced gate facility

Internal roadways

Processing Zone

Existing road

Present gate facility

Future Yuzhnaya station

Processing zone and next Ro-Ro yard

Existing railway

Existing road

Processing (logistics) zone

Logistics area

Park "B" rail yard

Railhead container terminal

Coal terminal rail yard

Coal terminal

Container terminal

TIS Industrial Park: why?

Crisis of 2008 had uncovered built-in problems of existing global supply chain:

- Shipping lines are vulnerable to external drastic changes (oil price, piracy, financial fluctuations),
- Excessive reliance on stability of global shipping may be uncomfortable for local customers,
- Local governments will tend to protect own markets, creating obstacles for imported goods.

<u>Conclusion:</u>
manufacturers are at risk of losing their overseas customer base due to SCM problems.

<u>Solution:</u>
moving/expanding production/assembly centers closer to the end consumers.

Any examples?

In 2010 COSCO have obtained operation of Piraeus port and also confirmed intention to set up a major “distribution center” for Chinese goods in Europe.

TIS Industrial Park: where?

Industrial park – territory with developed logistic, industrial and warehousing infrastructure, which provides services by handling, full or partial assembly, repacking, marking and storage of goods in customs transit regime.

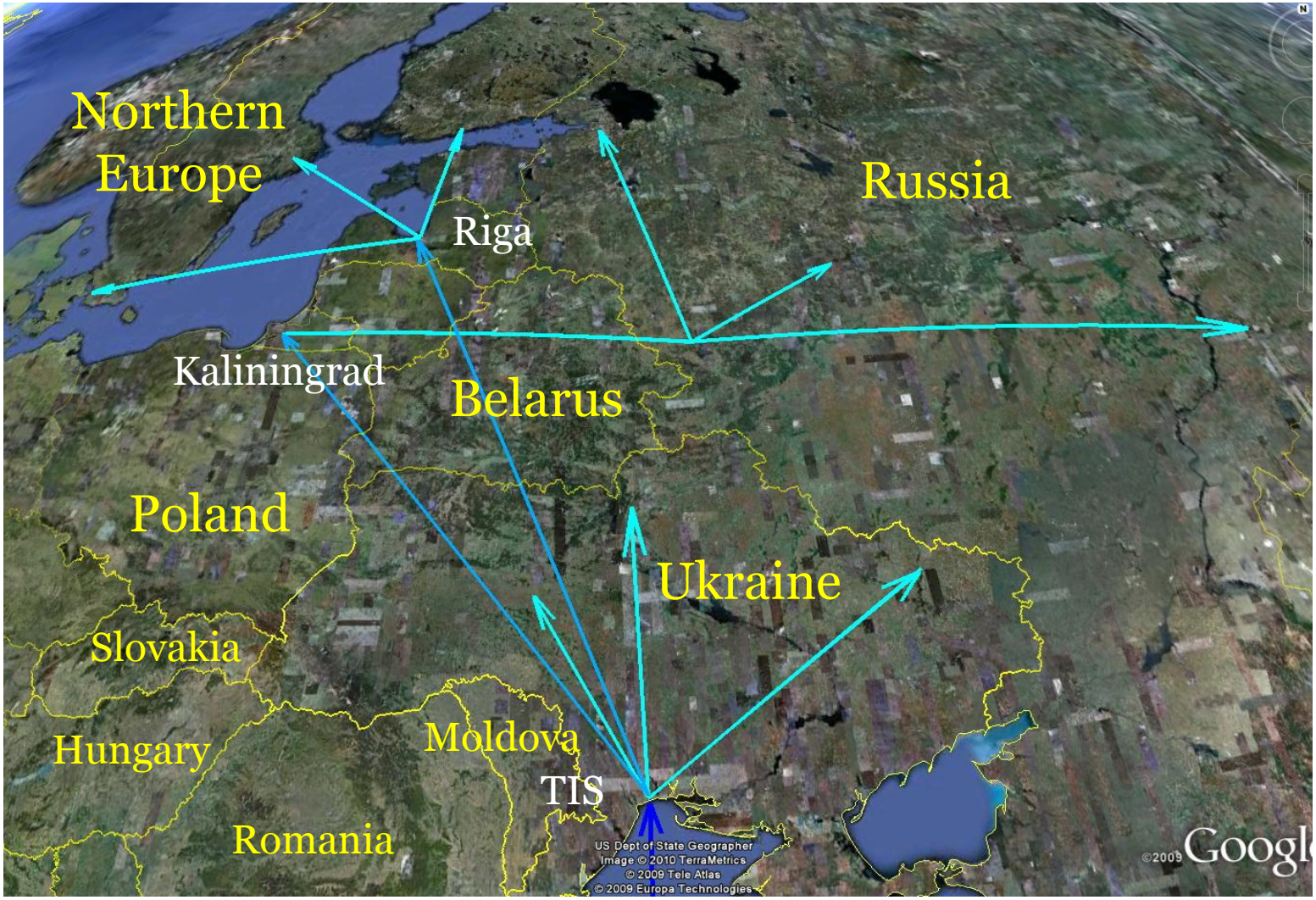
TIS Industrial Park checklist:

- Location immediately next to the modern container terminal at the main international transport intermodal corridors
- Direct access to main rail and road routes
- Well-educated, low-cost labor, outside of EU employment legislation
- Favorable customs tax and investment regimes (technology park/industrial park/special economic zone)
- Availability of territory for further expansion – 400 ha

Examples:

- Singapore, PRC, Dubai, Hong Kong

TIS Industrial Park: cluster of processing zones



- arriving of components from South-East Asia

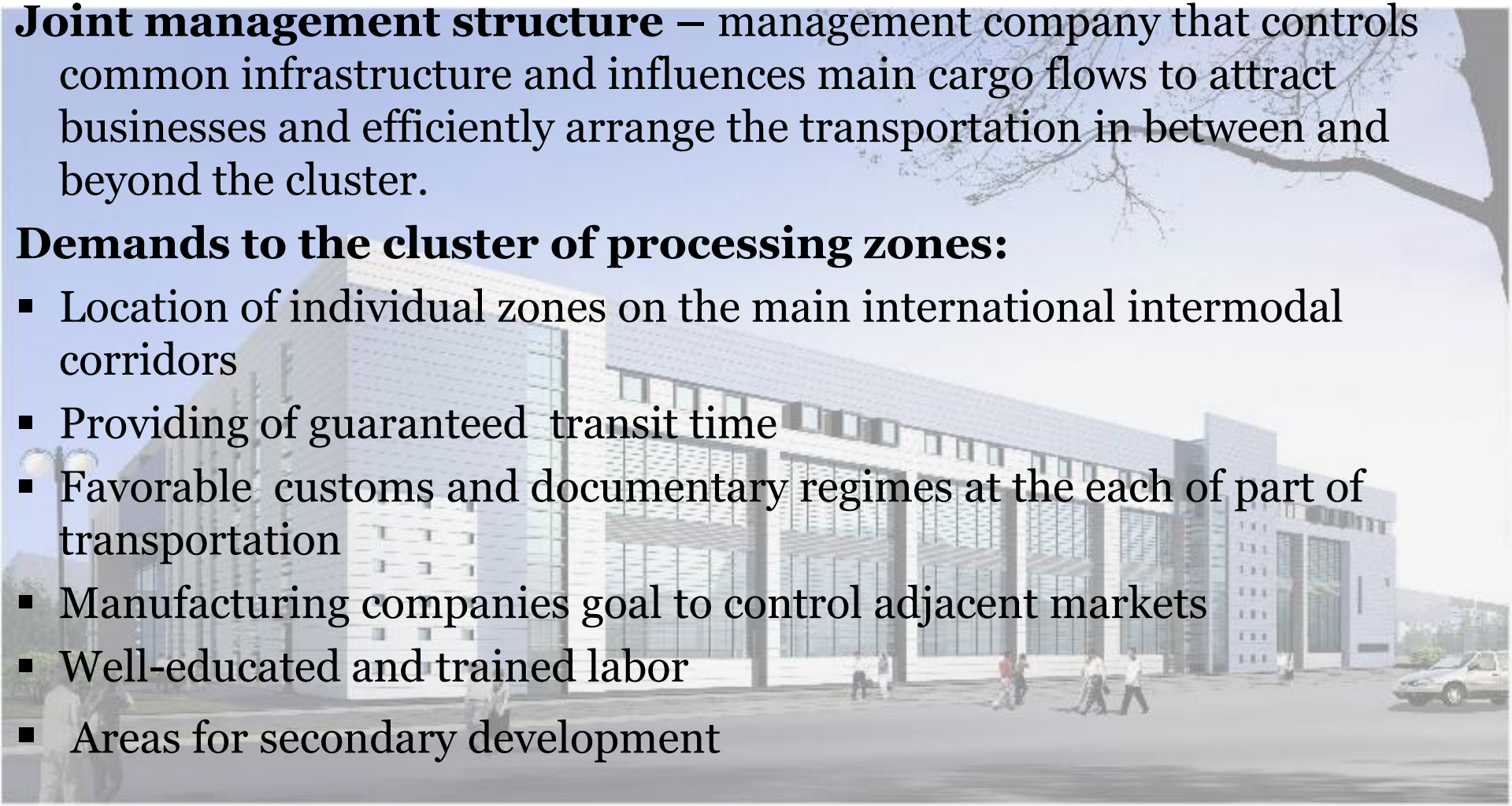
- delivery of components within the cluster

- delivery of finished goods outside the cluster

Cluster of processing zones

Several processing zones connected by international transport routes serving the adjacent area which complement and coordinate the services of each other.

TIS Industrial Park: cluster of processing zones



Joint management structure – management company that controls common infrastructure and influences main cargo flows to attract businesses and efficiently arrange the transportation in between and beyond the cluster.

Demands to the cluster of processing zones:

- Location of individual zones on the main international intermodal corridors
- Providing of guaranteed transit time
- Favorable customs and documentary regimes at the each of part of transportation
- Manufacturing companies goal to control adjacent markets
- Well-educated and trained labor
- Areas for secondary development

TIS Industrial Park: development phases

Yuzhny, Ukraine

- Area, available immediately - 400 hectares. Further expansion possible.
- The first stage of 150 hectares.
- First stage: about 700 000 sq.m. of warehouses, 400 000 sq.m. of the industrial real estate, 20 000 sq.m. of office areas, 10 000 sq.m. of apartments.
- The second stage of 250 hectares to follow within 3 years after successful start of the first stage.

Riga, Latvia

- Area, available immediately – 120 ha
- The first stage of 60 hectares
- First stage: about 200 000 sq.m. of warehouses, 100 000 sq.m. of the industrial real estate, 3 000 sq.m. of office areas, 3 000 sq.m. of apartments.
- The second stage of 60 hectares to follow within 2 years after successful start of the first stage.

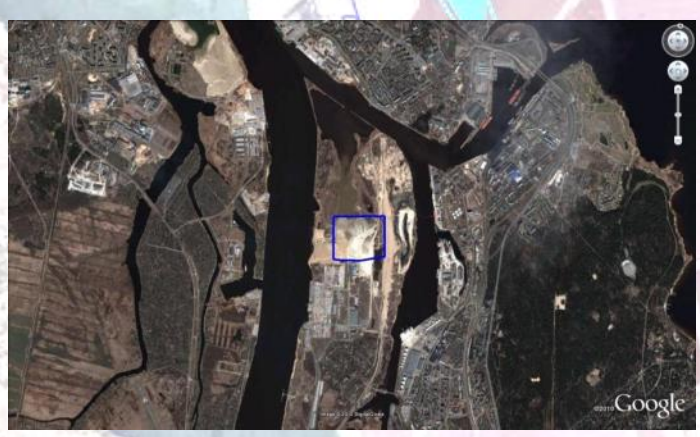
TIS Industrial Park: potential partners

TIS Industrial Parks: exchange certified warehouses

Creation of system allowing to supervise pricing on wide range of Ukrainian and Russian commodities:

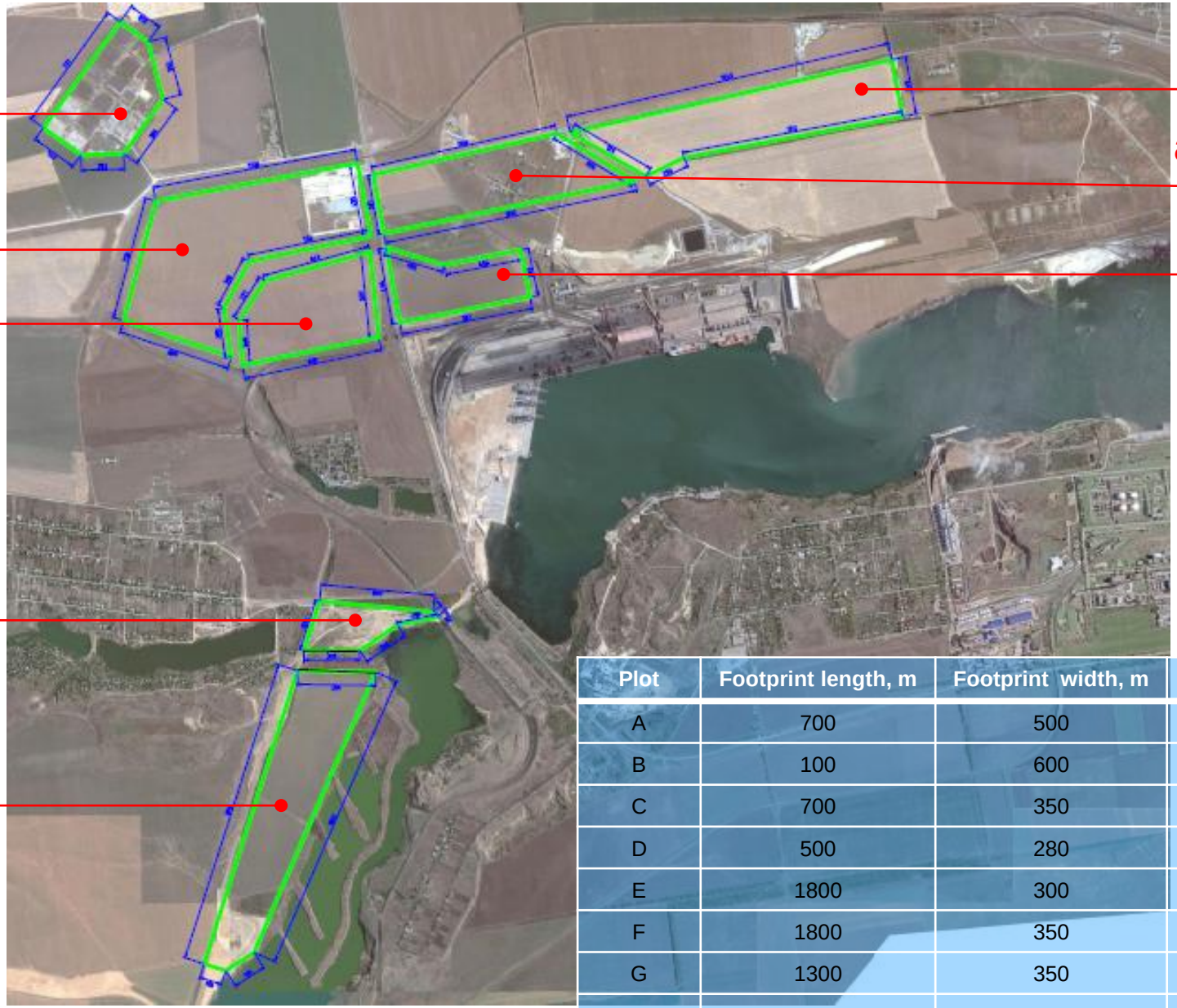
- Crude and fuel oil
- Coal, iron ore, steel, ferroalloys
- Grain, fertilizers
- Aluminum, copper, nickel, zinc

Yuzhny, Ukraine - 30 000 sq.ms



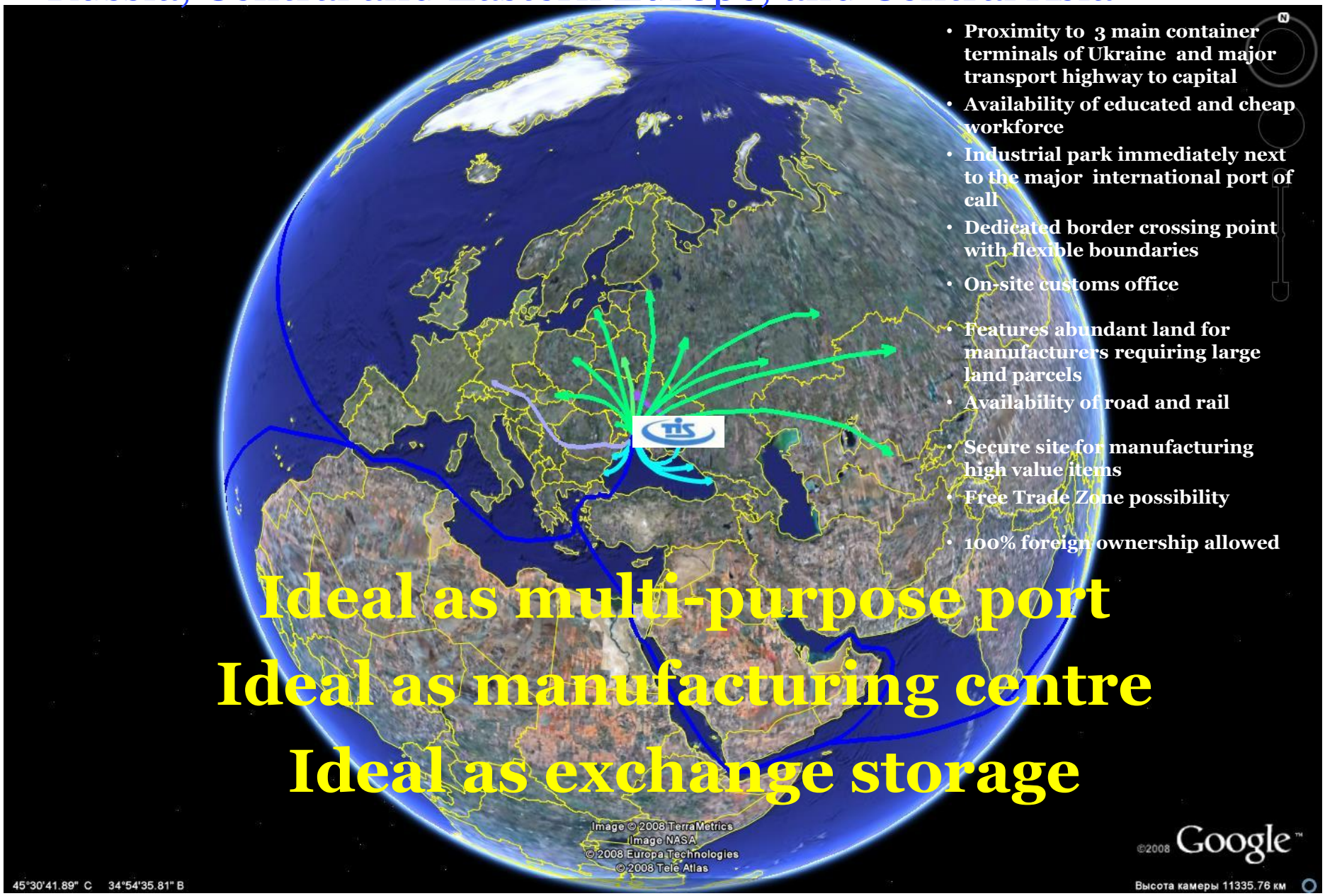
Riga, Latvia - 50 000 sq.ms

TIS Industrial Parks: abundant land supply



Plot	Footprint length, m	Footprint width, m	Square, ha
A	700	500	32
B	100	600	81
C	700	350	38
D	500	280	14
E	1800	300	63
F	1800	350	56
G	1300	350	47
H	320	780	26

TIS industrial park –Black Sea key to markets of Ukraine, Russia, Central and Eastern Europe, and Central Asia



- Proximity to 3 main container terminals of Ukraine and major transport highway to capital
- Availability of educated and cheap workforce
- Industrial park immediately next to the major international port of call
- Dedicated border crossing point with flexible boundaries
- On-site customs office
- Features abundant land for manufacturers requiring large land parcels
- Availability of road and rail
- Secure site for manufacturing high value items
- Free Trade Zone possibility
- 100% foreign ownership allowed

Ideal as multi-purpose port

Ideal as manufacturing centre

Ideal as exchange storage