



Infrastructure Connectivity from Transit Country Perspective

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Geographic location of Georgia



Population	3.7 mln
GDP	USD 13.9 bln (2015) USD 10.44 bln (2016* Q1 – Q3)
GDP growth:	2.6% (2016 Q1 – Q3) 5.2% (January 2017) Forecast by IMF: 2017 - 4%
FDI	USD 1.6 (2016)
External Trade:	USD 12 bln (2016) USD 650 (January 2017 – 22% increase y/y)
Unemployment rate	12.0% (2015)

Georgia has Bilateral Treaties (BIT's) with the 30 countries and is member of ICSID Convention (since 1992)

Source: www.geostat.ge

*-preliminary data

Ministry of Foreign Affairs of Georgia

Compelling Reforms Agenda





Transport Network in Georgia



GEORGIA'S EXISTING TRANSPORT ECONOMY IS ALREADY TRANSIT BASED – CROSS-BORDER SHIPMENTS ROAD/RAIL AND PIPELINES HAVE TRANSIT RATIOS OF ~65% AND ~95% (2014)

THE VISION – A DEEP-SEA PORT

**USD
1-1.5 bln**



- **Adds capacity to existing ports**

REQUIRED INFRASTRUCTURE - FIRST PHASE

DEEP SEA PORT OF ANAKLIA

- berths for PanaMax and larger sizes
- 18-20 m natural draft

BOT PROJECT FOR 49 YEARS

- * I phase - in 3 years 7 million tons annual turnover
- * II phase - in 7 years 20 million tons annual turnover
- * III phase - in 12 year 40 million tons annual turnover
- * IV phase 12 years and more, 100 million tons annual turnover
- * The GOG will provide 1000 ha of land with necessary infrastructure Railway connection

THE PORT TO BE ABLE TO RECEIVE VESSELS WITH CAPACITY AT LEAST 6,500 CONTAINERS

Baku-Tbilisi-Kars Railway Corridor

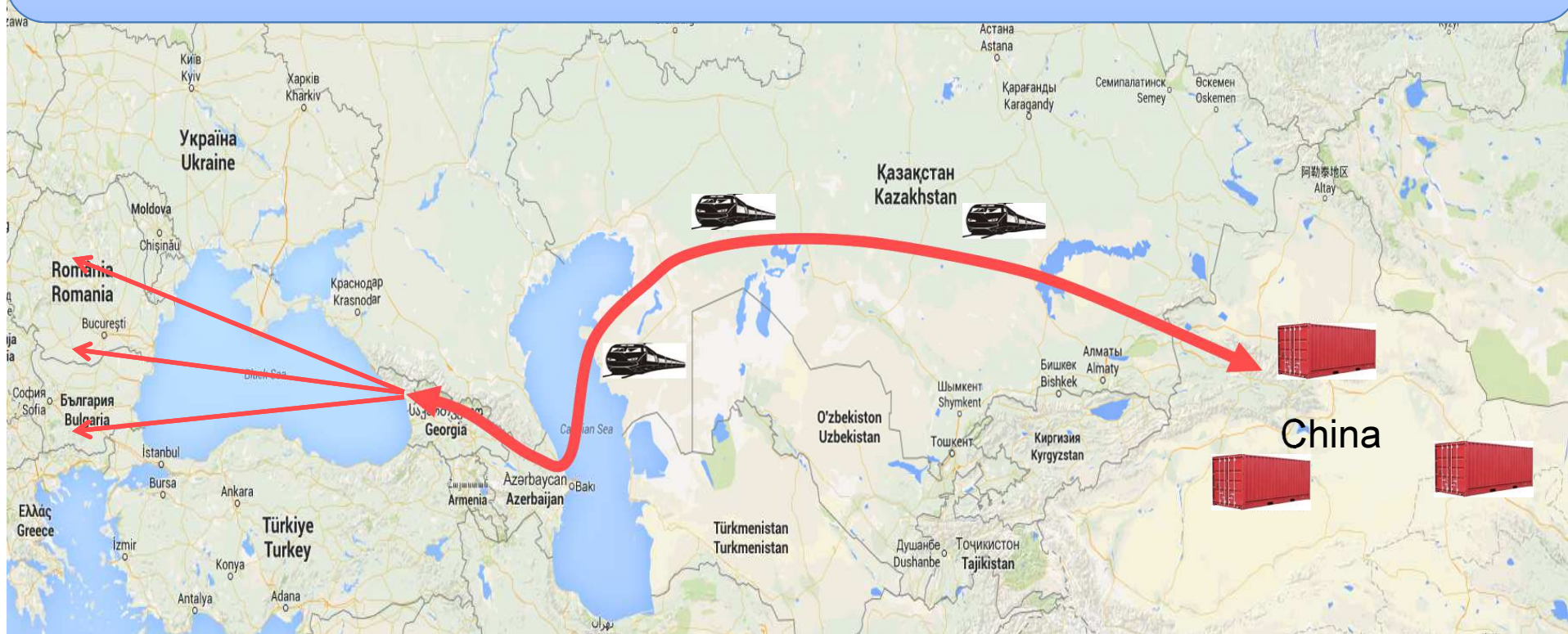
- The new corridor will connect Azerbaijan, Georgian and Turkish railways. The project foresees construction of Kars-Akhalkalaki railway with the length of 98 km, 68 km of which will pass through Turkey and 30 km through Georgia, as well as the reconstruction of a 183-km of Akhalkalaki-Tbilisi section.
- New corridor from the Caspian Sea to Europe via Turkey to be completed by the end of 2017
- The cost of the project is USD 775m
- Will transport both goods and passengers between Central Asia and Europe
 - Increases cargo transportation **capacity by 5mtn to 15mtn**
 - GR owns and operates the link from Gardabani to Marabda, with the remainder of the route expected to be owned 50% by GR and 50% by Azerbaijan Railway
- GR expects this line to **attract cargo transportation business** which may currently use the alternative routes offered through Iran





The Silk Wind Multimodal Block

- Shortest route from China to Georgia
- 9 days are need for cargo transportation by railway route from China;
- 45 days are needed for cargo transportation by alternative maritime route;



On January 15, 2016 the first test train started from Ukraine in the direction of China and reached the destination station – “Dostyk” (Kazakhstan-China border) on January 31

Development of Transport Corridors

Multilateral Agreements

Transit Trade and Transport Cooperation (Lapis Lazuli

Route Agreement)
Participating countries:

Afghanistan, Turkmenistan, Azerbaijan, Georgia, Turkey



Persian Gulf-Black Sea corridor

Participating countries:
Iran, Azerbaijan, Armenia, Georgia, Bulgaria,
Greece



Development of Transport Corridors

Transport Corridor Europe-Caucasus-Asia -

TRACECA

The program aims at:

- Developing regional cooperation;
- Strengthening the connection between the Transport Corridor

Europe- Caucasus-Asia and the Trans-European Networks

- Promoting TRACECA projects as means to attract loans from IFIs and private investors

Member states:

- Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Turkey, Ukraine, Uzbekistan, Tajikistan, Iran; 13 countries in total



Central Asia Regional Economic Cooperation

(CAREC)

The program aims at:

- Developing international freight transport
- Simplifying customs and border procedures
- Modernizing transport infrastructure
- Infrastructural projects, study programs, research and technical assistance activities are carried out
- Georgia became the eleventh member state of the CAREC in 2016
- Member states: Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan and Georgia.



Transit Routes-Contribution to the EU Energy Security

Oil Pipeline of Western Route:

Baku – Supsa ;

Baku – Tbilisi – Ceyhan

Natural Gas Route:

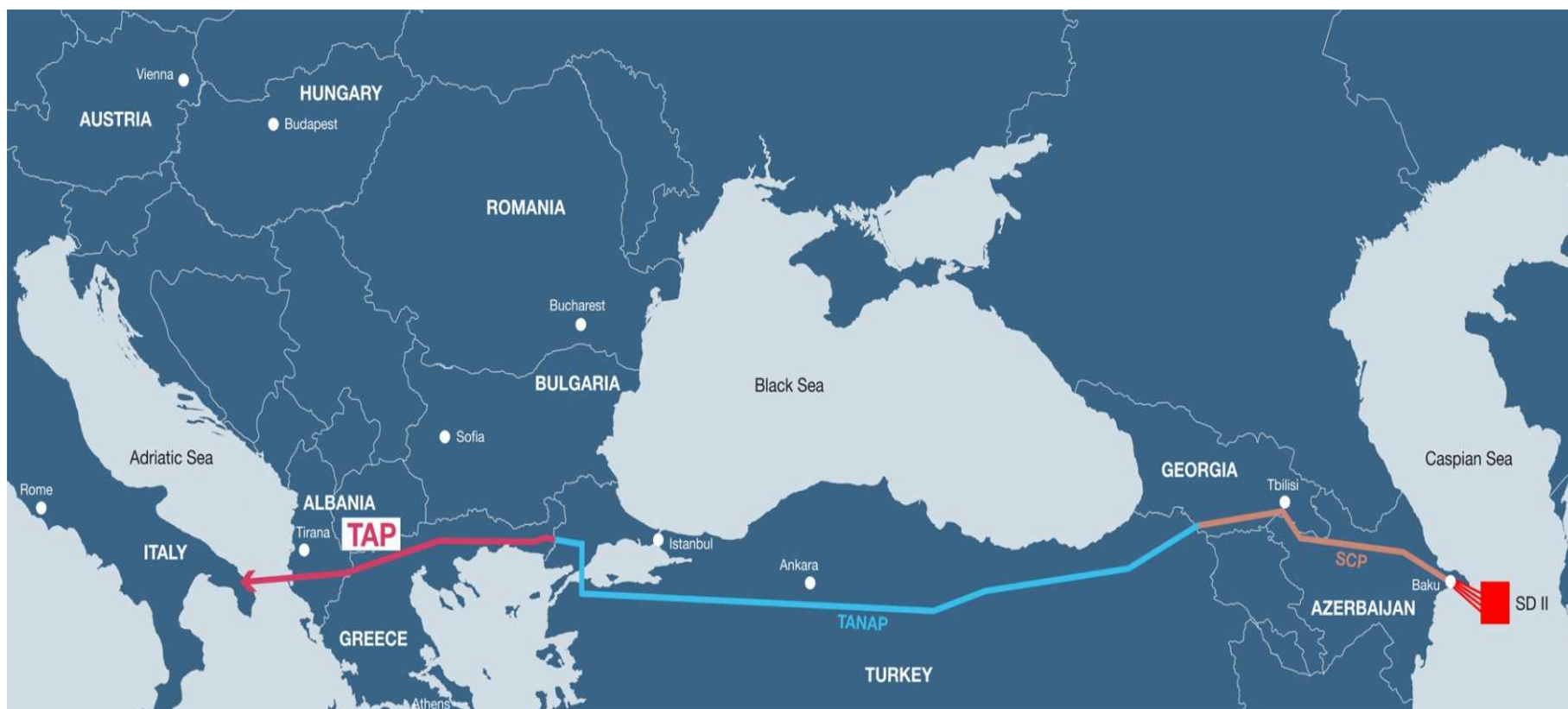
Baku – Tbilisi – Erzurum;

North-south trunk pipeline



Expansion of Transit Potential –Shah Deniz (stage 2)

Pipeline will be connected to TANAP pipeline on the border of Georgia – Turkey and to TAP pipeline on the border of Turkey – Greece



Expansion of Transit Potential

Azerbaijan – Georgia – Romania Interconnector (AGRI)



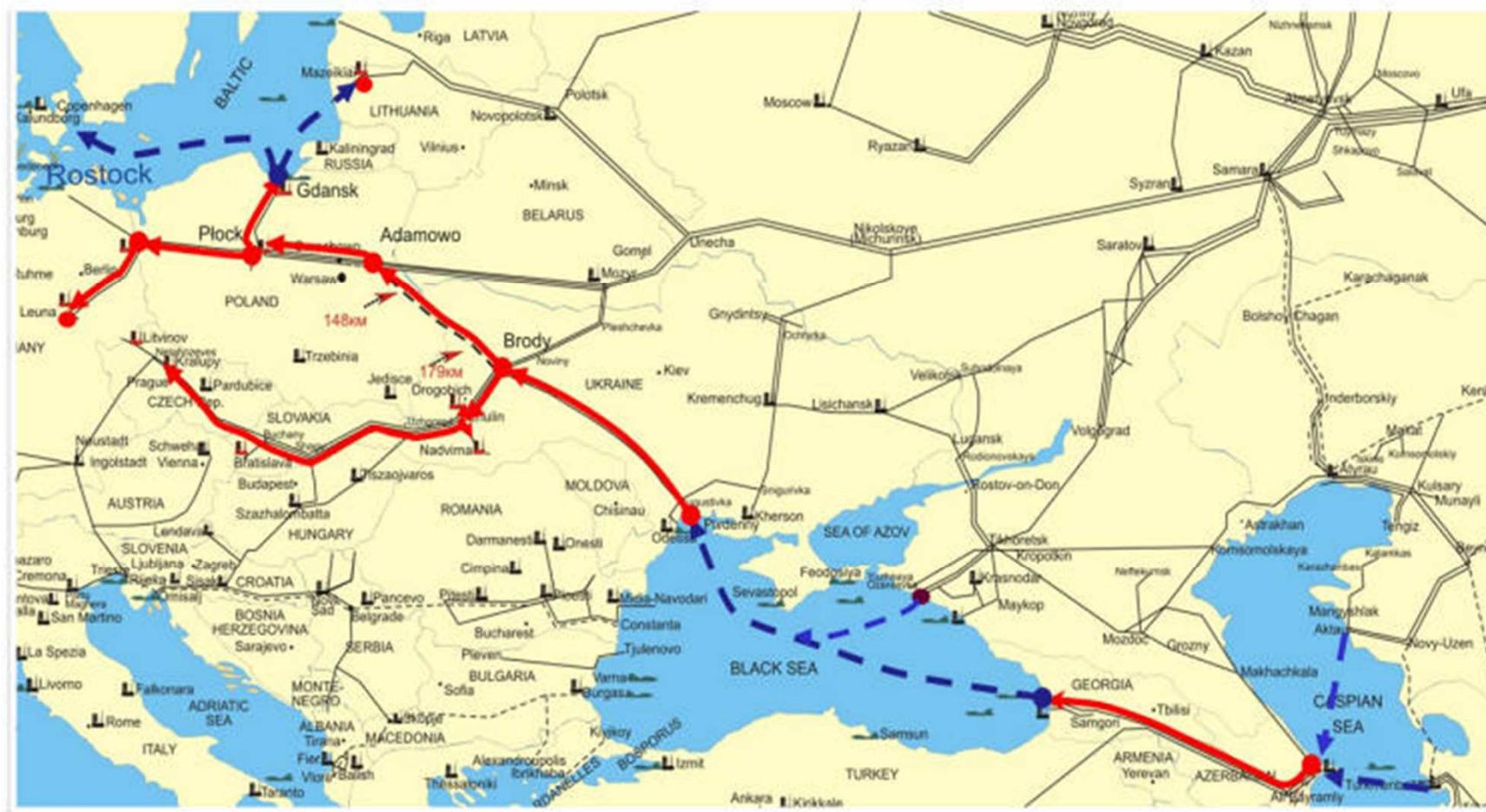
Expansion of Transit Potential

White Stream- in combination with the trans-Caspian gas pipeline



Expansion of Transit Potential

Euro-Asian Oil Transport Corridor (EAOTC)



Business Friendly Environment

Doing Business

#16

Up from #112 in
2005

Georgia is one of the leading countries in the world in terms of starting a business, dealing with bureaucracy and the number of procedures required to launch and operate an enterprise



Economic Freedom

#13

Up from #99 in
2005

Majority of Georgia's reforms are oriented on the development of free, open and transparent, private-sector driven market economy



Corruption Perception

#44

Up from #130 in
2005

Alongside recognitions as the top reformer in the world, Georgia is the leader in the wider region in terms of fighting with corruption



Crime Index

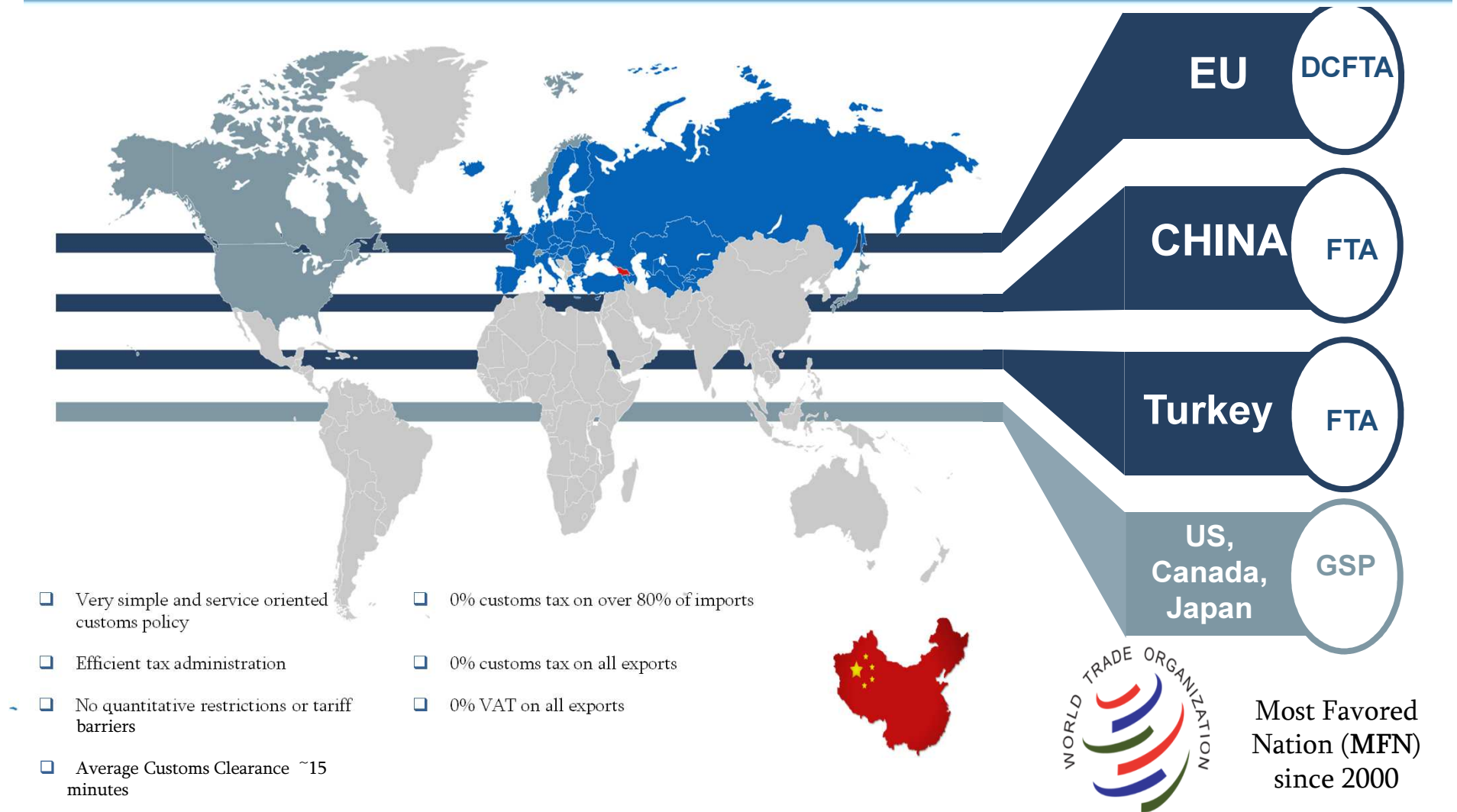
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World

In the last ranking of countries by crime index, Georgia was named as one of the safest place in the world



Regional Hub for Doing Business



Tbilisi Silk Road Forum/Belt and Road Forum



Tbilisi Belt and Road Forum on 28-29, 2017



ICT Development



ICT Development Index 2016

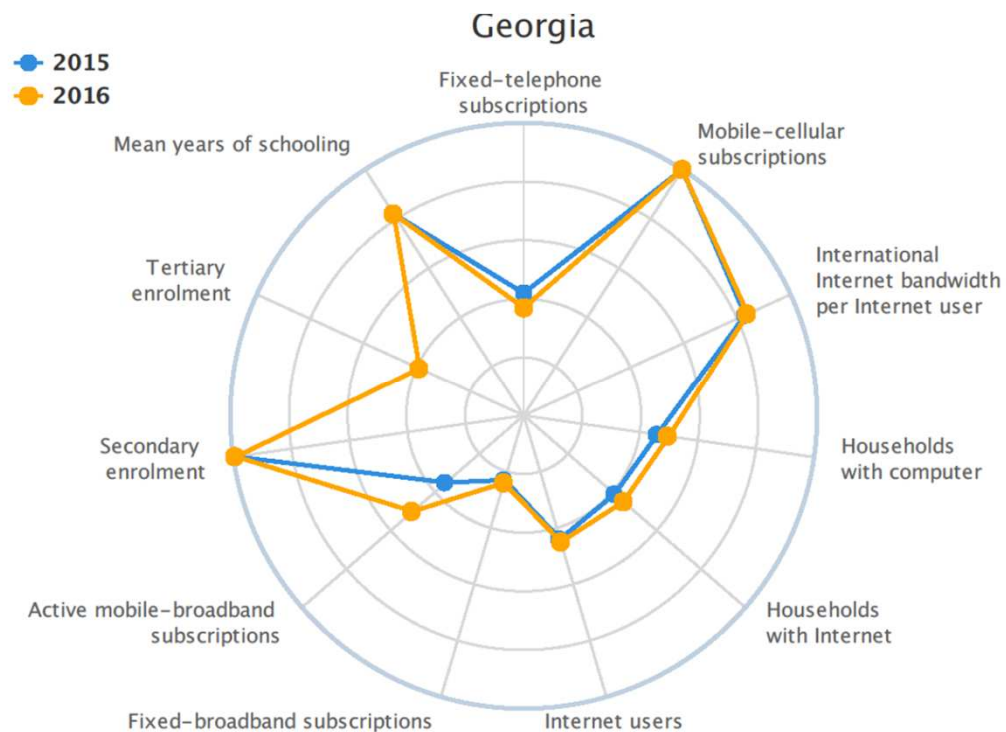
#ITUdata

IDI 2016 Rank - 72

Regional IDI Rank - 7

Percentage of households with computer - 49.52

Percentage of households with Internet access - 44.81





Thank You!