

Ladies and Gentlemen,

It is my pleasure attend this great gathering and express my gratitude to .....,  
....., for organizing . . . . ., which I believe will serve as an effective platform for  
.....

At the outset, allow me to highlight Georgia's recent achievements and successes in the transport, energy, communications and tourism fields. One of the main attractiveness of Georgia is its strategic location. The regional transit routes from north to south and east to west crossing the country also several main pipelines running through Georgia. We are positioning your country as a regional transit hub for goods transportation. Contribution to the development of the international transit corridors is a one of the priorities for Georgian Government.

Georgia has well developed transport infrastructure, which allows transportation of goods by all kinds of carriers - Air, Land, Maritime, Pipelines and Transition Lines. There are 3 international airports, modern East-West highway and railroad, as well as 4 ports. In order to utilize the existing transit potential at its maximum extent, ensure capacity growth of cargo flow, as well as the reduction of delivery time, government of Georgia modernizing national transport infrastructure and actively participates in a number of multinational large-scale projects:

According to Georgia's National Statistic Service preliminary figures, in 2016 FDI in Georgia stood at US\$ 1,645.4mn (+5.2% y/y). The transport and communication sector was the largest FDI recipient at US\$ 645.0mn (+10.3% y/y, 39.2% of total) in 2016, followed by the energy sector at US\$ 202.8mn (+63.9% y/y, 12.3% of total).

Excellent location with fast access to South Caucasus market combined with international connectivity via Black Sea ports Simplified export and import procedures makes Georgia attractive transport corridor. Construction of transport infrastructure is a part of the largest component of four-point reform plan introduced by the Government of Georgia. According to the existing plans, by 2020 around 1 000 km of highways and roads will be built and recovered - 350 km of highways and 650 km of secondary roads, 300 bridges and 50 road tunnels. The tentative total cost of the projects will be around 3.5 billion USD.

Regional approach is a cornerstone in Georgian Infrastructure Development Policy. Most of infrastructure projects have international perspective.

Here I would like to mention significant ongoing projects to support what I said just above.

- ✓ Anaklia Deep Sea Port Development
- ✓ The Railway Modernisation Project
- ✓ Baku-Tbilisi-Kars Railway Corridor

The Port of Anaklia sits on the shortest route from South East Asia to Europe, a route that has become a major focal point of Chinese investments in infrastructure. As such, the port will attract high-value cargos seeking the fastest travel between Chinese and European Markets. Objective of the Anaklia project is to create a world class port complex for our region. Port will be capable of accommodate Post-Panamax Size Ships. Flexibility for multiple vessel types (Panamax, Handymax, Aframax). Completion of the first phase and the opening of the port scheduled by 2020.

Georgian Railway has started the implementation of the Railway modernization Project, with the main goals to optimize freight and passenger traffic, station, depot and infrastructure, as well as to reduce operational expenses, improved operational and environmental safety. Modernization project will allow to increase train speeds and to increase shipment through Georgia. Estimated cost of the project is approximately 257,6 million USD funded through internally generated cash and July 2012 Eurobond. The key element of the project is the removal of the bottleneck imposed by the difficult geographical locations of the railway line. Gross Capacity of the line will be increased from existing 27,2 million tons per year, up to 48,6 million tons and with automatic blocking system the capacity of the railway line will exceed 100 million tons per year.

**The Baku-Tbilisi-Kars railway corridor** will connect Azerbaijan, Georgian and Turkish railways. This project will effectively open a new rail-only corridor from the Caspian Sea to Europe via Turkey, eventually excluding the need for sea transportation once the planned rail tunnel under the Bosphorus Strait in Istanbul is complete. At the first stage, capacity of the project is supposed to be 5 mln tons cargo per year with the perspective of increase up to 15 mln tons and 1 million passenger per year. New corridor from the Caspian Sea to Europe via Turkey will be completed by the end of 2017. Little delay is caused by the current construction progress. The total cost of the project is USD 775 million USD.

**Railroad corridor “Silk railway”:** The Transport Consortium is being created for the purpose of transportation of freights from China through Transcaspian corridor towards Turkey and the Europe. Founders of Consortium are Government and Privet owned companies from China, Georgia, Kazakhstan and Azerbaijan.

**Transport corridor “Persian Gulf, Iran – Black Sea, European countries”** - On January 12, 2016 a protocol on development of combination of different modes of transportation via the corridor was signed in Baku. The project is designed for freight transportation from India toward Georgian Ports (Poti and Batumi) through Iran and Azerbaijan for further

transportation to Europe. On the proposed route the freight can reach Europe during approximately 15 days from port of Bandar-Abbas, through Azerbaijan, Georgia by Black Sea further to the ports of Ukraine, Romania and Bulgaria.

Take in to the consideration all above mentioned, it should be noted that today Georgia and South Caucasus transit corridor offers one of the most competitive transit corridor, which complies with increasing modern commerce requirements.

One of the main Driving forces for Georgia to develop infrastructure is a Silk Road project and implementation of joint projects with partner countries in this matter. For the better promotion of the South Caucasus transit potential and competitiveness of the corridor, On October 2015, Tbilisi hosted first annual Tbilisi Silk Road Forum jointly organized by the Governments of Georgia and China. Almost 1000 representatives from more than 30 countries participated in the Forum. It was the first event within the Silk Road Economic Belt, held outside China with co-financing from Chinese government. The Forum aimed at deepening the cooperation among historical “Silk Road” route countries in the fields of trade, energy, transport, tourism etc.

Main Challenge for Countries with low and medium income to finance development, mainly Infrastructure building is how to find money for financing.

Government of Georgia actively cooperating with international financial institutions like World Bank Group, ADB, EBRD, EIB and others, also we are working with Kuwait Fund and other sources.

But Infrastructure development and maintains are very expensive borrowing money for this matter has limitations, you just can't borrow as much as you want, and IMF is opposing this approach.

In this development we adopted new ways for financing Construction of the Anaklia Port will be with public-private partnership with the Government of Georgia (“GoG”). It will be on the base of Build-own-transfer (“BOT”) with 52-year concession.

We are actively involving private investments, partner countries governments, grants and technical assistance like USAID, JICA we have strong financial support from EU.

In this regard we would like to discuss with UNESCAP its participation in development processes in your region more intensive. We need more technical assistance for capacity building we need more contacts with South-East Asia and Pacific Countries to discover new opportunities and of Cooperation.

