

CAREC Advanced Transit System (CATS)

CORRIDOR SELECTION AND TRADE/TRANSIT ANALYSIS
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Presentation

- a) Project Background
- b) Justification of Pilot Corridor 2a
- c) Trade/Transit Analysis

Project Background

Facilitation of Regional Transit Trade in CAREC (2014-2017)

- Research Report on Transit Flows
 - Report on Single Transit Guarantee Mechanism
 - Report on Legal and Regulatory Framework
 - ICT Solutions for Transit
 - Report on Georgia
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- ◆ CAREC Advanced Transit Mechanism (CATS)
 - ◆ Agreement on Pilot Corridor at Final Workshop, Baku (December 2016)
 - ◆ Azerbaijan, Georgia and Kazakhstan

TA Rationale and TTFS Strategic Framework

CAREC Transport and Trade Facilitation Strategy (TTFS) 2020 signed in October 2013 highlighted 2 strategic objectives:

- **Trade Expansion:**
 - Through transport connectivity, the facilitation of the cross-border movement of goods and people, trade liberalisation and energy trade.
- **Improved Competitiveness:**
 - Through transport connectivity, improved transport infrastructure, the development of competitive corridors across the CAREC region and energy sector cooperation.

CAREC Corridors

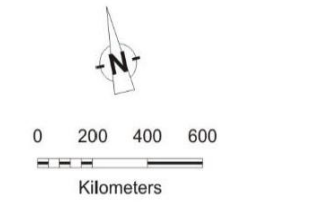


Justification of Pilot Corridor 2a

CAREC Corridor 2: Mediterranean –East Asia



- ★ National Capital
 - Provincial Capital
 - City/Town
 - Proposed CAREC Logistics Centres
 - CAREC Corridor 2
 - Corridor Extension
 - ++++ Railway
- Boundaries are not necessarily authoritative.



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Rationale

Traffic density:

- Large trade flows along Corridor 2 with a high Average Annual Daily Traffic (AADT) moving towards Georgia and Europe

Port Developments on Caspian and Black Sea

- **Azerbaijan:** New Baku International Seaport port of Baku/Alyat. Capacity to increase from 10 million tons of cargo and 50,000 TEU to 25 million tons of cargo and 1 million TEU
- **Kazakhstan:** Aktau undergoing significant expansion and part of TRACECA Silk Wind Project to develop RO-RO network linking the PRC with Europe using multi-modal container block trains.
- **Georgia:** Anaklia Deep Sea Port to be built with deep water facility at cost of USD 2.5 billion and 100 million tonne capacity. Completion by 2020.

Rationale (continued)

- **Road and Rail Infrastructure Development**
 - Georgia: East-West Highway (E-60) funded by ADB, EIB, JICA and World Bank.
 - Baku-Tbilisi-Kars Railway provides link between Georgia, Azerbaijan, Turkey and European rail networks.
- **Links to European Union.** Georgia has Association Agreement and Deep and Comprehensive Free Trade Agreement with EU and free trade agreement with China. Links to National Computerised Transit System (NCTS network).
- **Silk Road developments** and One Belt One Road through the 3 Pilot countries. Shortest route between China and Europe and focal point for USD40 billion of Chinese infrastructure development.
- **IT Systems** with well developed systems in place in all 3 countries
- **Agreement** of 3 countries to participate in Pilot (Baku, December 2016). Already cooperate on Silk Wind Project.

Road traffic density (AADT) for road transport along the CAREC Corridors









Trade/Transit Analysis

Azerbaijan

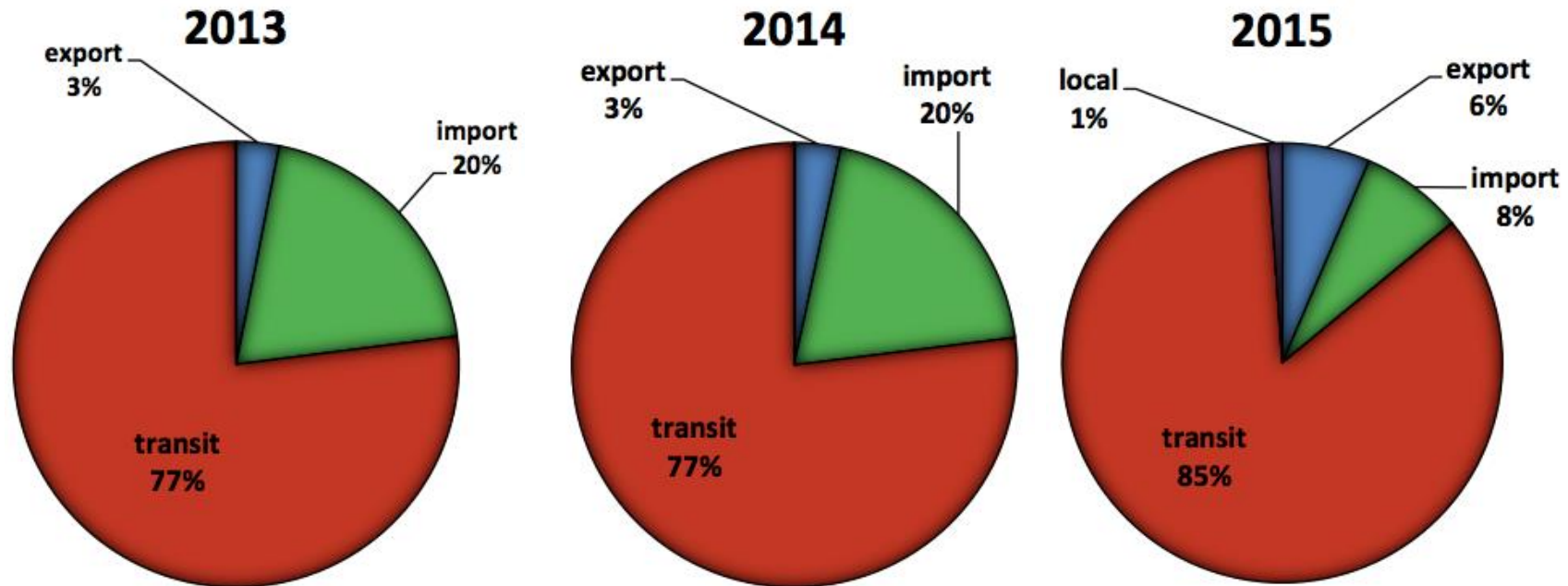
Transit Data for Azerbaijan

2016 Annual: 8.68 million tons

2017: First Quarter: 2.94 million tons

Source: State Customs Committee 2017

Azerbaijan: Export, Import, Transit and Local Cargo at Baku International Sea Trade Port 2013 to 2015 (tons)



Country of Origin of Transit Flows by Road in Azerbaijan 2011 to 2014 (tons)

Country of Origin	2011	2012	2013	2014
	(tons)	(tons)	(tons)	(tons)
Afghanistan		169,358	9,453	10,531
Kazakhstan	3,882	7,415	2,010	1,279
Kyrgyz Republic	1,609	5,859	1,197	1,354
Mongolia		38	50	
Pakistan	93	30		100
PRC	2,095	1,803	1,043	911
Tajikistan	65	789		202
Turkmenistan	3,345	2,217	4,275	9,307
Uzbekistan	668	810	1,315	1,833
CAREC Total	11,757(3%)	188,319 (37%)	19,343 (4%)	25,517(4%)
Country Total	448,882	504,113	543,952	577,160

Country of destination for Transit Flows by Road via AZE in tons

**CAREC Country Destination of Transit Flows via Azerbaijan by Road
2011-2014 (tons)**

Country of Destination	2011	2012	2013	2014
	(tons)	(tons)	(tons)	(tons)
Afghanistan	8,866	15,016	10,162	14,647
Kazakhstan	12,225	17,847	16,623	17,170
Kyrgyz Republic	15,095	18,976	1,548	2,387
Mongolia		29	13	
Pakistan	421	35	48	
PRC	52	67	5	23
Tajikistan	1668	2684	452	1,082
Turkmenistan	17,736	62,366	43,508	57,376
Uzbekistan	1,017	1,160	2,049	2,742
CAREC Total	57,080 (13%)	118,180 (23%)	74,408(14%)	95,427(17%)
Country Total	448,882	504,113	543,953	577,160

Azerbaijan Transit Data: Commodity Composition by Road 2011-2014 (tons)

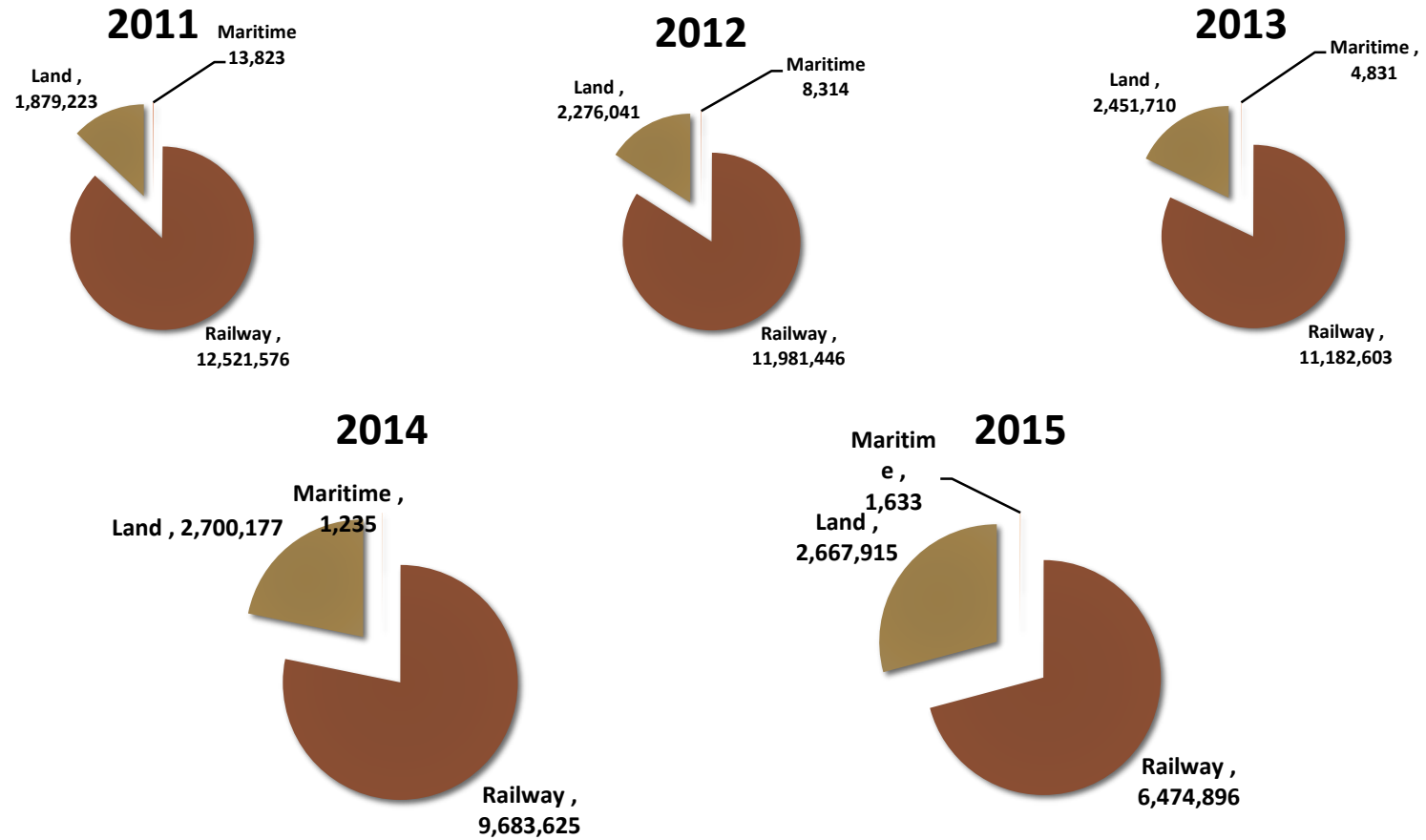
Table 14: Azerbaijan Transit Data 2011–2014 : Commodity Composition by Road (tons)

HTC code		2011 (tons)	2012 (tons)	2013 (tons)	2014 (tons)
07	Edible Veg.	126,999	125,483	134,857	137,503
08	Edible fruits and nuts	26,577	40,190	75,050	57,767
44	Wood and articles of wood	120,344	105,298	167,477	198,961
72	Iron and Steel	11,582	9,588		
73	Articles of iron and steel	17,674	23,020	6,702	14,042
84	Nuclear Reactors, boilers, machinery	10,528	22,553	18,624	23,572
87	Vehicles other than tramway or rolling stock	13,268	20,241	28,722	23,138
Key Products Total		326,972	346,373	431,432	454,983
		(73%)	(69%)	(79%)	(79%)
Global Total		448,882	504,111	543,953	577,160

Source: Customs Administration, Azerbaijan

Georgia

Volume of Transit Trade for Georgia 2011-2015 (tons)



Origin	Destination	2011	2012	2013	2014	2015
AFG	AZE	2	22		3	22
	UZB	19	18			
	TKM				23	
AZE	GEO	323		140	214	24445
	AZE				52180	38876
	AFG		70	4	6	67
	TKM		20	114	45	
	KAZ	184		506	198	
	PRC			95035	105026	51697
PRC	AZE	86480				
	GEO	610		974		
	KAZ	499		383	385	
	TKM	67	1148	849	569	
	UZB			291	4152	
GEO	AFG				5203	
	AZE	1869	122	519	532	146
	KAZ	1440	1160	506	63	
	KGZ	435	59			
	TAJ		280	226		
	TKM	15		114	223	119
	UZB	8				
KAZ	AFG				2081	
	AZE	23		241	146	
	GEO	19			8	99
KGZ	AZE	504			69	
	GEO	23	66	44	40	
	TKM		41			
	KAZ	5				
MON	AZE	8				
PAK	AZE	504		2436		3229
	TAJ		6			
	TKM		24			
TAJ	AZE	93				22
	PRC	196				
	GEO	6				
	TKM			316		
TKM	AZE	1602		97		296
	GEO	719			74	
	AFG					31
	TKM				61	
	KGZ	427				
UZB	GEO	79	677			22
	AZE					22
	KAZ				16	99
	PRC		19		39044	23242
	CAREC		96189	3702	102795	210361
WORLD		14,402,182	14,265,801	13,639,145	12,385,037	10,775,790

Origin and Destination of Goods transited via Georgia from CAREC countries 2011-2015 (Tons)

Origin	Destination	2011	2012	2013	2014	2015
AZE	GEO	323		140	214	24445
	AZE				52180	38876
	AFG		70	4	6	67
	TKM		20	114	45	
	KAZ	184		506	198	
	PRC			95035	105026	51697

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GEO	AFG				5203	
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Origin	Destination	2011	2012	2013	2014	2015
KAZ	AFG				2081	
	AZE	23		241	146	
	GEO	19			8	99

Kazakhstan

Country of Origin	Country of Destination	2012 (tons)	2013 (tons)	2014 (tons)
AZB	AFG			123
	KAZ	521	92	586
	KGZ	19		
	UZB			1589
AFG	KAZ	213	178	266
KAZ	AZB	41	1	110
	AFG	217		
	KAZ	143	29	42
	KYZ	17		14
	PRC	70	29	
	TAJ	219	27	54
	TKM	1262	103	15
	UZB	270	7	
KGZ	AZB	343	51	148
	AFG	47	19	
	KAZ	26410	23759	21234
	MON			121
	PRC	245		21
	TAJ	120	130	99
	TUR	122	60	616
	UZB	1440		861
PAK	KAZ	2636	3747	1308
	KYZ	106	141	1234
PRC	AZB	42509	259	22406
	AFG	97544	5223	655
	KAZ	728876	828445	766368
	KGZ	2737	1549	
	TAJ	13467	8814	23464
	TKM	104518	74787	4904
	UZB	120138	77824	
TAJ	KAZ	2662	5016	3413
	PRC		82	75
TKM	KAZ	7103	8293	6174
	PRC			107
UZB	AZB	254	314	1300
	KAZ	17994	13082	15367

THANK YOU

