

Improving CAREC transport connectivity through efficient logistics
infrastructure and services

**ACHIEVEMENT AND PLANS
IN DEVELOPING
MULTIMODAL LOGISTICS FACILITIES AND
SERVICES**



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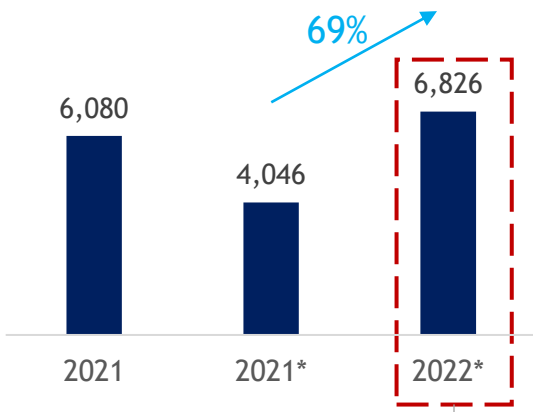
MINISTRY OF DIGITAL DEVELOPMENT
AND TRANSPORT
OF THE REPUBLIC OF AZERBAIJAN

Azerbaijan on the CAREC corridors

☆ Azerbaijan is located on the 2nd corridor of CAREC

☆ Steady growth in transit freight volume over Azerbaijan

Transit freight volume, '000 ton



By transport mode

74%
Railway

26%
Truck

By corridor

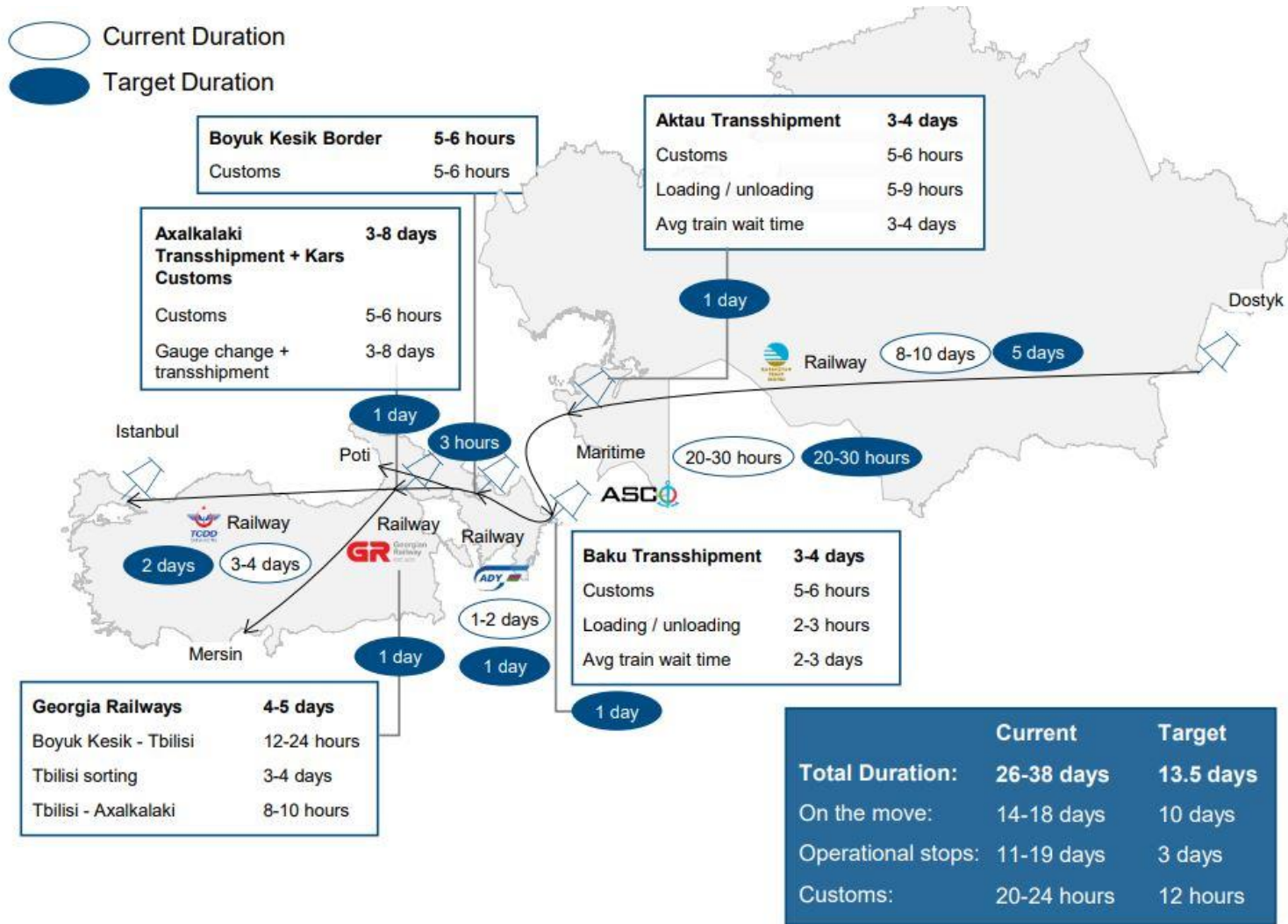
>50%
East-West Corridor



☆ Improvement for international infrastructure and efficiency is still needed through tackling bottlenecks on transit corridor and increasing its efficiency and reliability:

- operational improvement
- reduction of time

In order to capture the opportunity, competitiveness of Azerbaijan route can be increased via operational improvements and reduction of time in transit



Identified bottlenecks

- ☆ High rolling stock utilization of Kazakhstan railways, which may require further investment
- ☆ Unexpected maritime delays **due to weather conditions** in Caspian
- ☆ Longer than expected transshipment process at both Aktau and Alat ports **due to low coordination** across operators
- ☆ **Lack of scheduled block trains** increasing required transit duration Mountainous region in Georgia
- ☆ Limited capacity of BTK with slower than usual transshipment process with coordination and train supply issues
- ☆ **Limited capacity** of Poti and Batumi ports
- ☆ **Lack of coordination** between customs authorities

Ongoing/planned projects



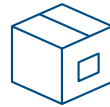
Road asset management

- 1 A new toll highway** is being built in the direction of the state border with the Russian Federation.
- 2 Existing highway** is being reconstructed to provide a fair and equal option to our citizens who do not want to use the toll highway for any reason
- 3 Highway bridge** Ahmadbayli-Horadiz-Mincivan- Aghband new highway bridges passing through the territory of the Islamic Republic of Iran will be built



Road safety

- 1 State program** "State Program on Road Traffic Safety for 2019-2023"
- 2 Twinning project** Support for strengthening road safety in Azerbaijan



Cross-border transport and Logistics

- 1 Custom point** Construction works at the "Khanoba" customs point are still underway.
- 2 Bridge** Construction of a highway bridge and a pedestrian crossing over the Astarachay river
- 3 Astara terminal** Although the construction work of the Astara terminals module continues, several modules of the terminal are already ready
- 4** Development in the Port of Baku will increase total throughput capacity to 25M T of general cargo from 10M T.
- 5** 5 Logistic centers are planned to be built in Azerbaijan



Railways

- 1 Signalling/electrification** signaling & telecom upgrade & AC electrification in Baku-Boyuk Kesik and Bilajari-Yalama
- 2 Nakhchivan-East Zangazur** modernization & construction works in Nakhchivan-Karabakh railway line
- 3 BTK railway** The construction of a tire exchange station, the rehabilitation and reconstruction of the 153.1 km long existing railway are being carried out.
- 4 Railway bridge** Ahmadbayli-Horadiz-Mincivan-Aghband new railway bridges passing through the territory of the Islamic Republic of Iran will be built



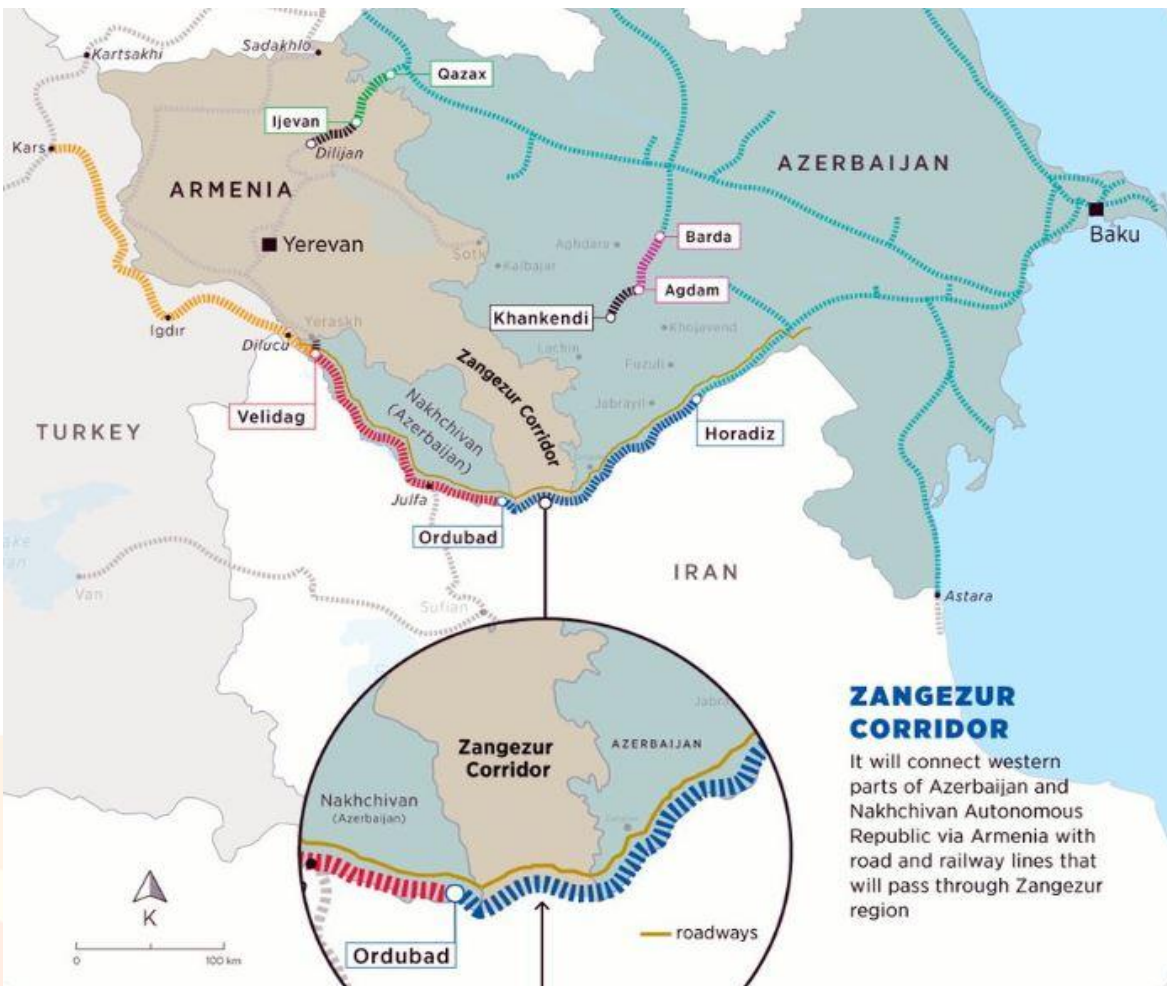
Aviation

- 1 Cargo terminal** new cargo terminal at Heydar Aliyev Airport or AFEZ (Free Zone) with new runway for cargo carriers
- 2 Airports** airports in the recently liberated areas to be built:
 - Zangilan airport (commission: 2022-end)
 - Lachin airport (commission: 2025)Opportunities around Zaqatala, Ganja, Gabala, Lankaran airports to more effectively leverage them (specifically for tourism)

After commencement of Zangazur route, the volume of transit will increase by ~5-8 million tons/year.

... in the context of international initiatives

Planned route of Zangazur as part of Middle Corridor



- ☆ has clear potential to become a **faster and shorter transit passage for Europe and Asian countries**
- ☆ can create additional opportunities for increasing the potential of the Middle Corridor in the East-West direction within the framework of **China's One Belt One Road initiative**
- ☆ may enable **the diversification of routes and trade routes**
- ☆ despite the fact that China's transportation to the West is dominated by the sea route (nearly 98%), **in terms of diversification**, it pays special attention to **transportation through Russia* and the Middle Corridor**
- ☆ will connect Azerbaijani railways with Iranian railways, which will act as a link between Russian railways and Iranian railways. As a result, a **direct railway connection** will be created along **the route of India-Iran's Persian Gulf ports-Azerbaijan-Russian Federation-Northern Europe route**