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Assessment of the Trans-Caspian Corridor

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Alternative Routes

Route 1: Trans-Caspian via Aktau/Kuryk to Baku



There are three main ways for cargoes to move across the Caspian.

Route 2: Trans-Caspian via Turkmenbashi Baku



Route 3: Overland Route



The Site Visits and the Seaports in the Middle Corridor

TRACEA and USAID organized a study tour from May 16 to 23, with site visits covering:

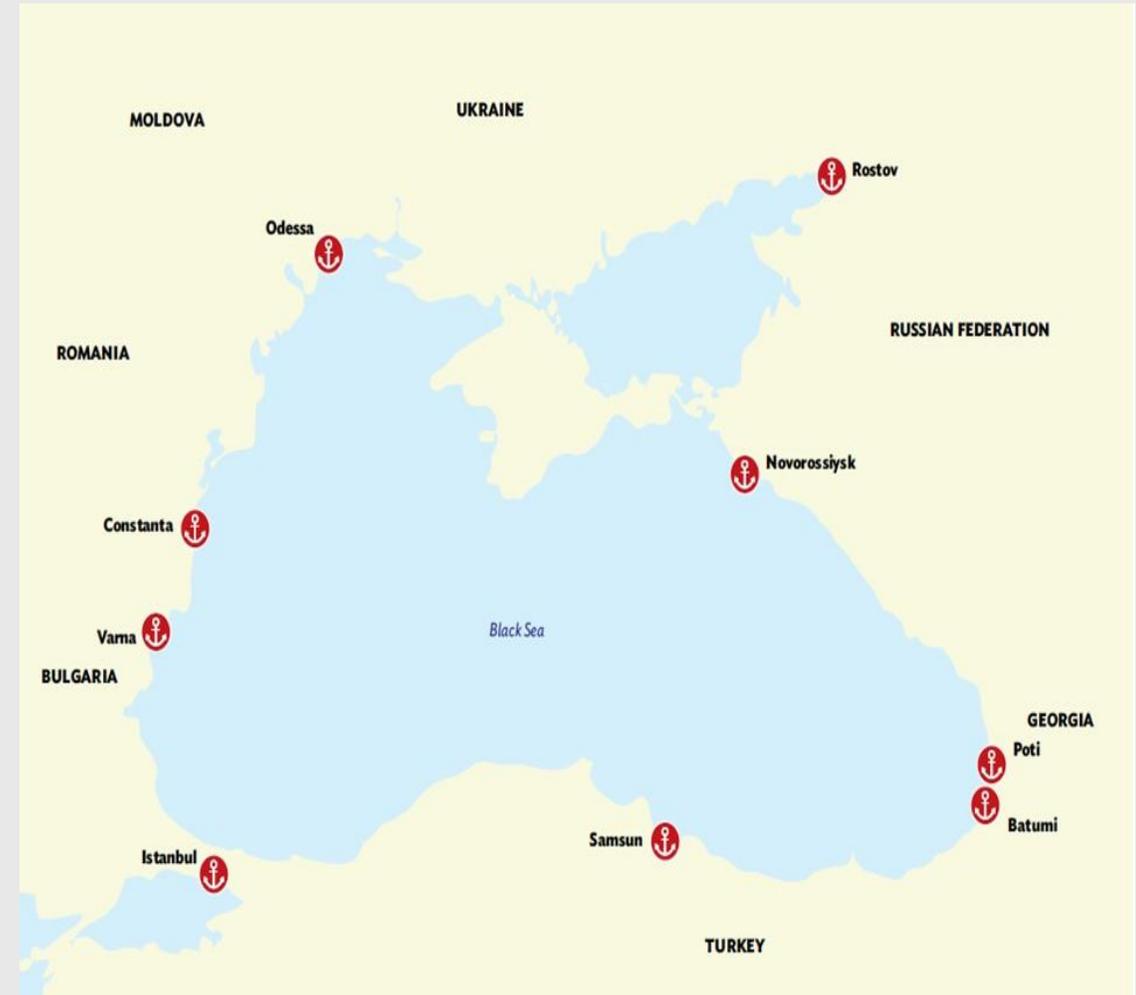
1. Aktau
2. Kuryk
3. Alyat (Baku)
4. Batumi

Consultations and panel discussions were held including officials from port authorities, customs and ministries in Kazakhstan, Azerbaijan and Georgia.

Caspian Sea



Black Sea



Estimated Capacity

Seaports	Overall Capacity (million tons)	Container Capacity (TEUs)
Aktau	17.7	100,000
Kuryk	6	30,000
Baku	15	100,000
Poti	15	550,000
Batumi	18	200,000
AZE Railways	25	N/A
Geo Railways	27	N/A

Observations

1. The estimated utilization at the Caspian seaports is 20% to 35%
2. The estimated utilization at the Black Sea seaports is 30% to 50%.
3. Container throughput is the highest at Poti and Batumi.

Hypotheses

1. The conflict in Ukraine caused diversion of cargo traffic to Caspian.
2. Long delays due to limited critical resource happened.
3. Time and cost could play a part in affecting routing decisions.

Empirical Findings (60 samples)

1. Trans-Caspian crossings were slower in 2022 compared to 2021.
2. Overland route was faster than the Trans-Caspian crossing in 2022.
3. Overland route was half the cost of using the Trans-Caspian crossing in 2022.
4. Caucasus to Central Asia shipments via Caspian was 1.5 times costlier than the reverse direction.
5. Road shipments were faster than rail shipments, but cost five times more.



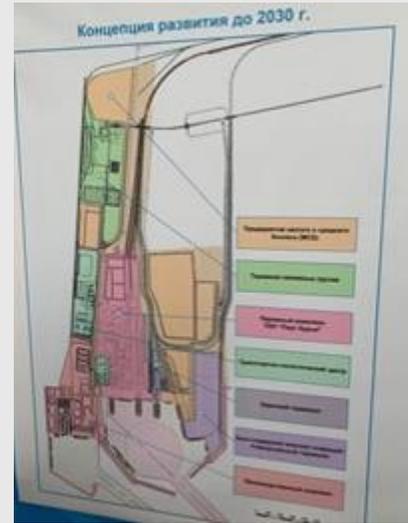
Key Challenges



1. Limitations in vessel fleet capacity



2. Limitations in port capacity



3. Limitations in ship building, repair and servicing



4. Shallow water draft limits carriage capacity



5. Access to capital leads to investment constraints



6. Transit challenges in Turkmenistan*



7. Complex fare structure



8. Data exchange can be better automated and integrated



9. Road transit permits are required.

Recommendations



National priority to develop steel industry for servicing the building, maintenance and repair of ships.

Kazakhstan has rich resources in ferrous metals. These are exported as iron ores. The country can cultivate a value chain to increase the iron and steel output that will support the industry eco-system that includes ship-building and rail transport (e.g. rail cars).



Attract overseas and local financing to support infrastructure investment.

The recent geopolitical crisis in the region has created significant international interest in the Caspian Sea. This is an opportune time to promote Aktau and Kuryk. This could also be timely to examine the feasibility of a Port Trust Fund or Real Estate Investment Fund.



Implement port information system to automate transactions and electronic data interchange.

This could be the development of a port community system to connect all the domestic and overseas stakeholders.



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