

Anaklia Deep Sea Port

Construction and Development of Anaklia Deep Sea Port

Anaklia Development Consortium (ADC) will develop, construct and manage a deep sea port in Anaklia on the black sea coast of Georgia. In total port will be comprised of 9 phases. Construction of Phase 1 will be completed in 2020. Total investment of all 9 phases is estimated to be USD 2.5 billion.

The phase 1, which comprises of two berths and multiple ship to shore cranes along with freight station and container terminal, will cost 600 mn USD. The main purpose of the project is to construct state-of-art port which will facilitate regional trade, serving south Caucasus (Georgia, Azerbaijan, Armenia) along with Central Asian countries. The first phase of Port of Anaklia will predominantly be a container port, however at its future phases, Liquid and dry bulk cargos will also be able to be handled within Anaklia port's premises.

Phase 1 implementation period is scheduled to take 3 years. ADC anticipates to make port's operations active in 2020. Anaklia port has multiple partners that are involved in developing this project. Van Oord is a marine contractor which will be responsible for marine engineering (building breakwater, dredging, and quay wall construction). MTBS (Maritime Transport and Business Solutions) is ADC's business advisor in the transaction of selecting Container Terminal Operator. In addition ADC is serviced by an international law firm Baker & Mackenzie. ADC's engineering advisor is Moffat & Nichols, an internationally renowned marine engineer.

Project will be financed by a mixture of equity and Debt. Type of investors who have expressed interest and already committed funds comprises of International investors, pension funds, development banks and IFIs. Project is financed by its founding shareholders and other investors holding shares of ADC. ADC anticipates to deliver 17% IRR to its investors.

Anaklia Deep Sea Port and Free Industrial Zone

The Anaklia project envisages the development of a Free Industrial Zone (FIZ) adjacent to the port. ADC has proposed the additional concession of a Free Industrial Zone, which would be administered with a tax free regime, providing added incentive for shipping companies. Free Industrial Zone will be a significant component of the entire Anaklia project, which will create additional economies for local and international businesses. Businesses operating at Anaklia's FIZ will benefit from special legislative framework, that proposes tax free regime and immediate accessibility to import-export markets. The port provides benefit to occupiers of the industrial zone, who will be attracted to the location due to availability of port functions. Simultaneously, the industrial zone enhances the attractiveness of the port and provides additional throughput.

As a further catalyst and economic driver, ADC will develop 600 hectares of land adjacent to the port for the creation of a Free Industrial Zone (FIZ).

Anaklia Development Consortium is inviting investors as well as FIZ operators and potential FIZ tenants to join the project.

About Anaklia Development Consortium(ADC)

Year of company establishment: 2014;

Number of Employees-23.

The Anaklia Development Consortium is developing the Anaklia Deep Sea Port and the Anaklia Free Industrial Zone in the Black Sea Region. Both developments are granted through an investment agreement provided by the Ministry of Economy and Sustainable Development of Georgia for the rights to develop, finance, design, construct, operate, market, manage, and grow the Anaklia region. Anaklia port will facilitate regional trade and provide huge economies of scale for the shipping lines. The only deep sea port on Georgia's Black Sea coast will be able to accept Panamax and Post Panamax type vessels with the capacity of 10,000 TEU.