The Middle Corridor
- Challenges and Opportunities

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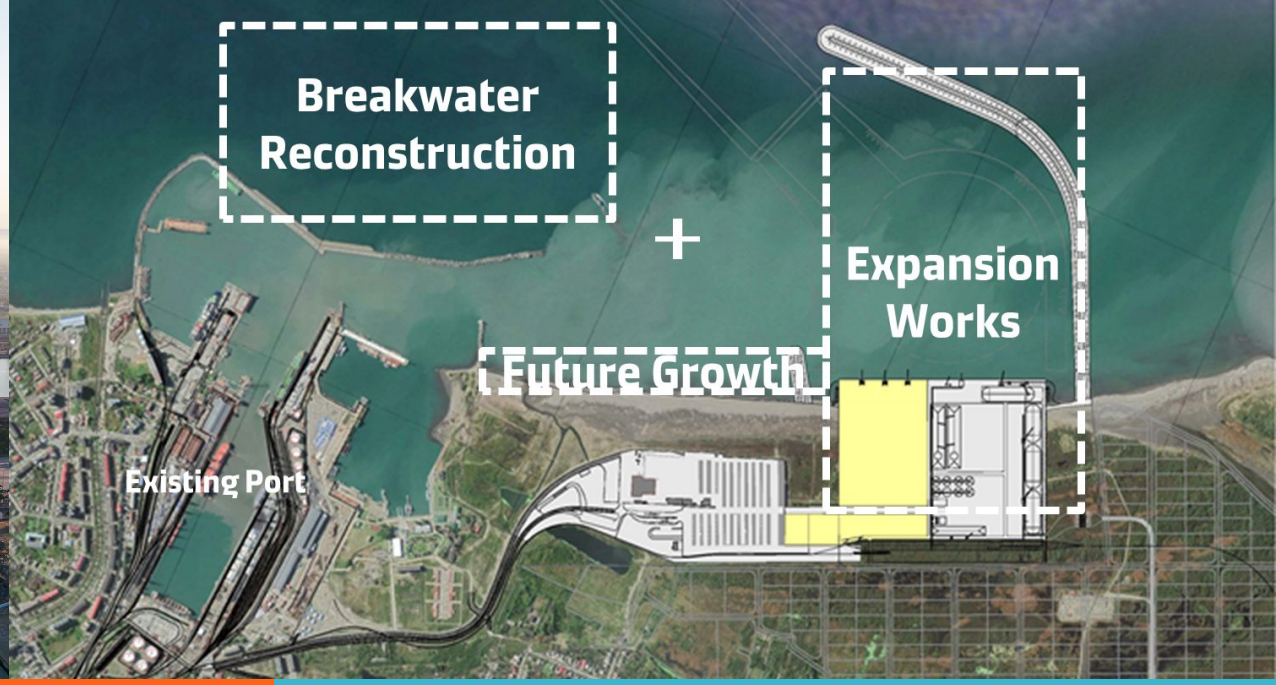

2022

- Established 1858. Owned Freehold by APMT since 2011
- 35 Ha land
- 900m Multipurpose Berths
- 8.5m depth
- 5 Quay Cranes
- 550k TEU capacity
- 4 million Tons Bulk Cargo Capacity

2025

- USD 300m Investment (all phases)
- 100 Ha land
- 1600m Multipurpose Berth
- 15m Depth
- 8 Quay Cranes
- 1.1M TEU Capacity
- 8 million Tons Bulk Cargo Capacity

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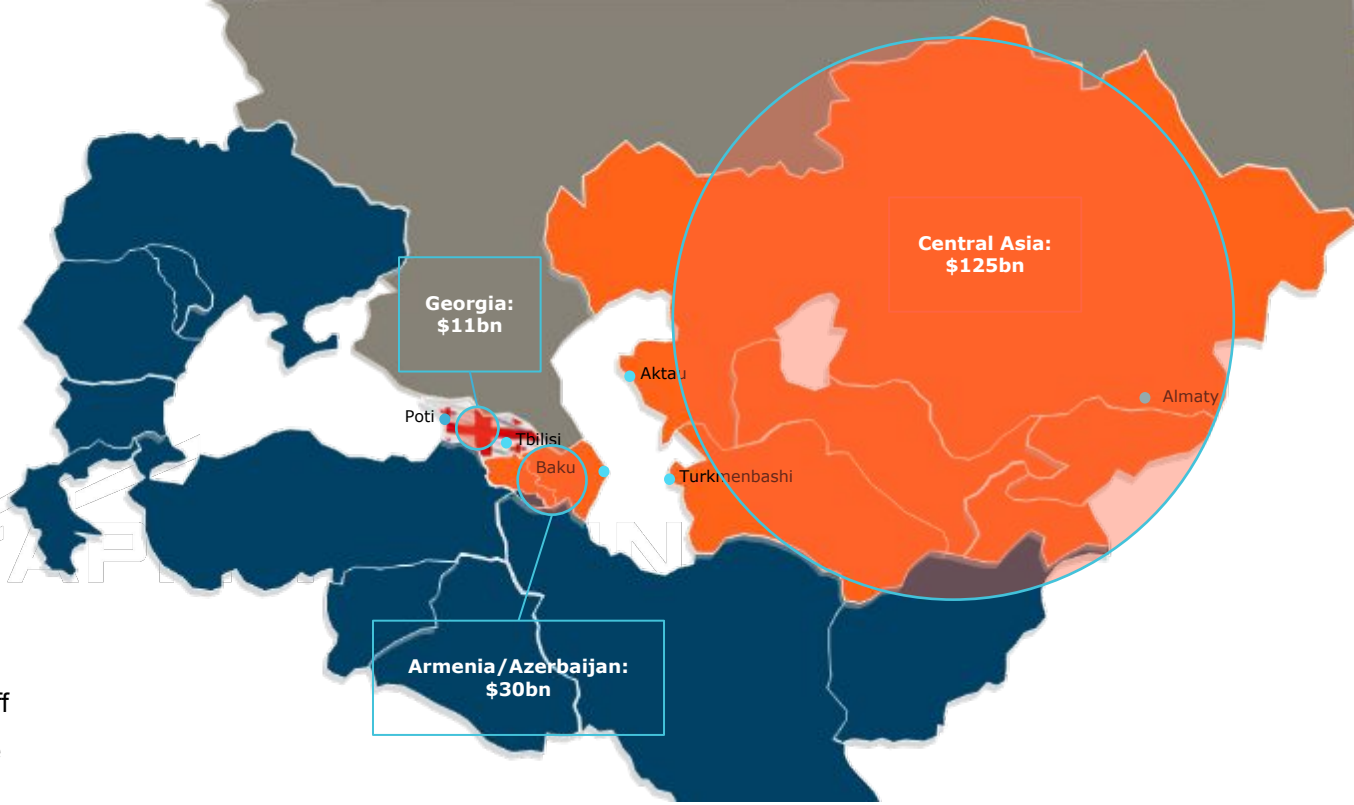
The market
in a nutshell

- **Central Asia exports**
  - Kazakhstan exports to Europe = 60 million tons/annum:
    - Fertilisers
    - Sulphur
    - Ammonium nitrate
    - Metals
    - Grains
    - Meals
  - Road or conventional rail wagons
  - 10-15% could be handled by containers
- **Central Asia imports**
  - FMCG, electronics, auto parts, foodstuff
  - Central Asia market = 90 million people
  - Current container penetration: <3%
  - Historically supported via Russian hubs
  - Opportunity to drive new trade between Central Asia and the rest of the World
  - Need for new regional Distribution Centres



USD billion	Import	Export
Georgia	7.4	3.6
Armenia/Azerbaijan	12.8	17.5
Central Asia	54.4	70.9
Total	74.6	92.0

* Source: CIA Factbook. All trade including oil

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THE MIDDLE CORRIDOR

MORE THAN A RENEWAL OF AN ANCIENT ROUTE: A NEW MARKET

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I Trade.

While the Corridor connects China to Europe…

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It offers a new market of 90 million people – the Caucasus and Central Asia – with a need to connect to Europe

Who are the regional players?

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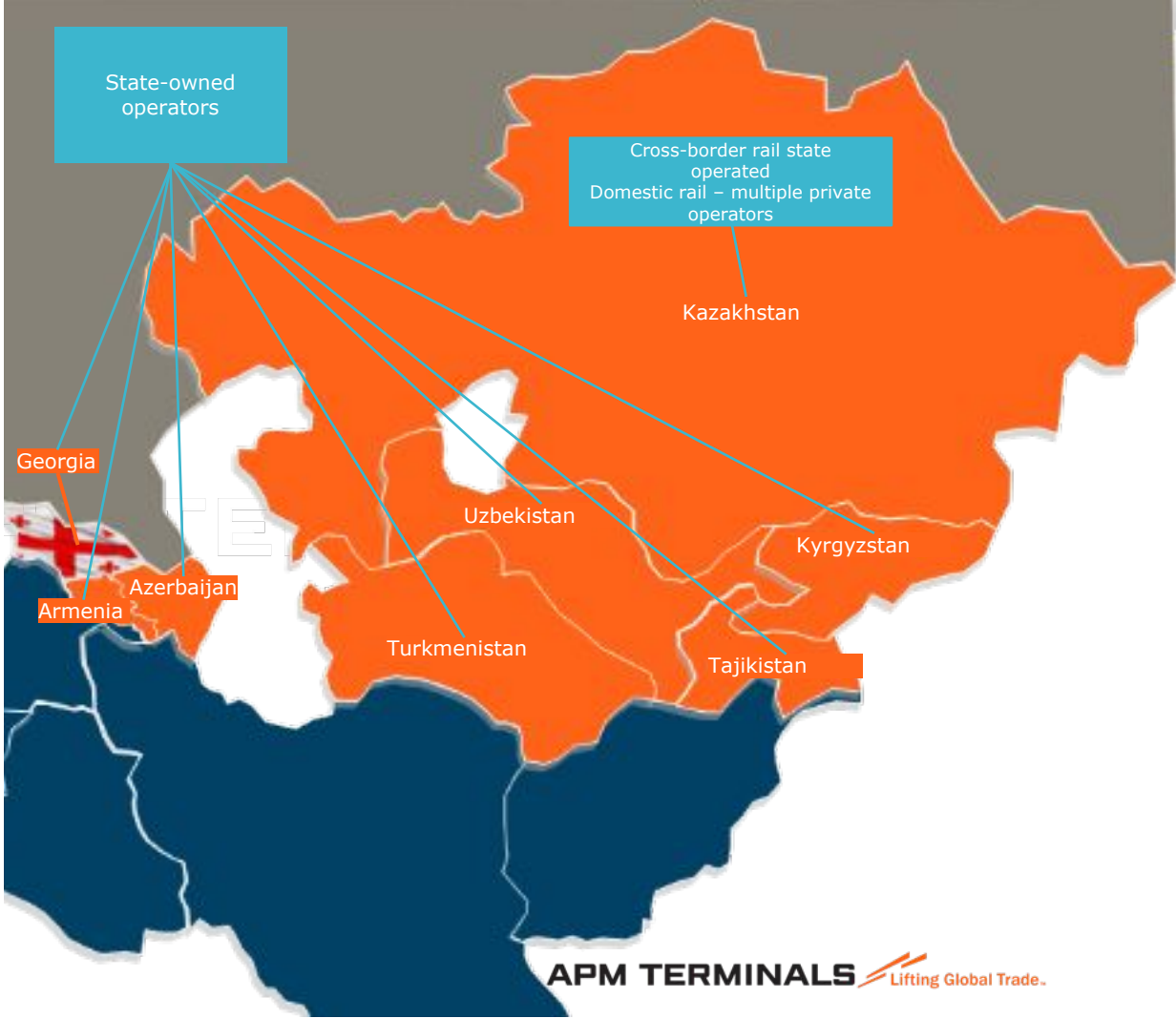
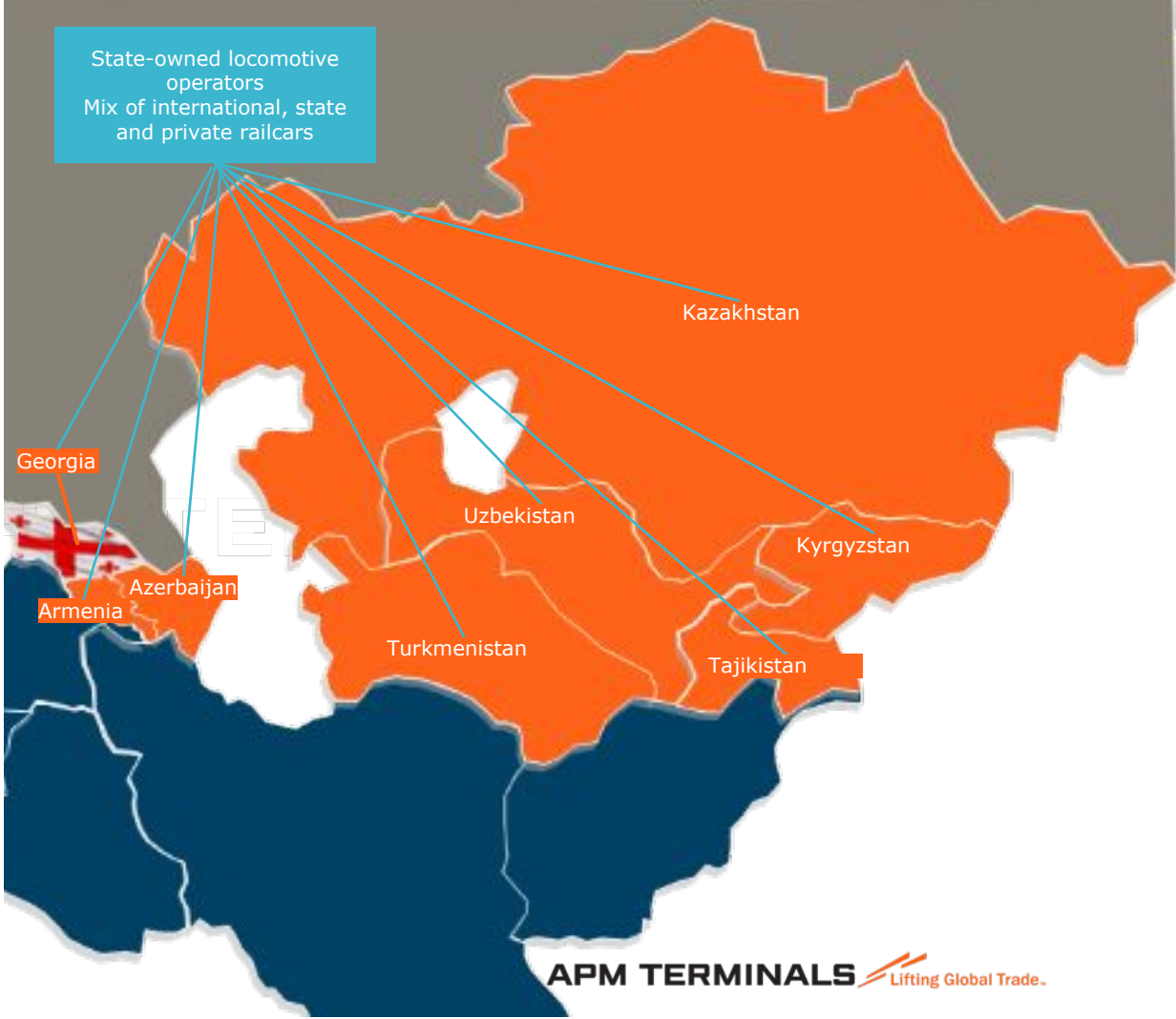
Railway Infrastructure Ownership

Rail Operators



Container Rail Operations



Historical Demand from China/East Asia

Historical containerized Central Asia volume largely served through regional distribution centres in Russia

Result is small containerized volume, considering population of over 90 million people (*)

Primary volume (60%): China – Europe – China Block Train (One Belt One Road New Silk Road)

Secondary volume: China – Central Asia Block Train

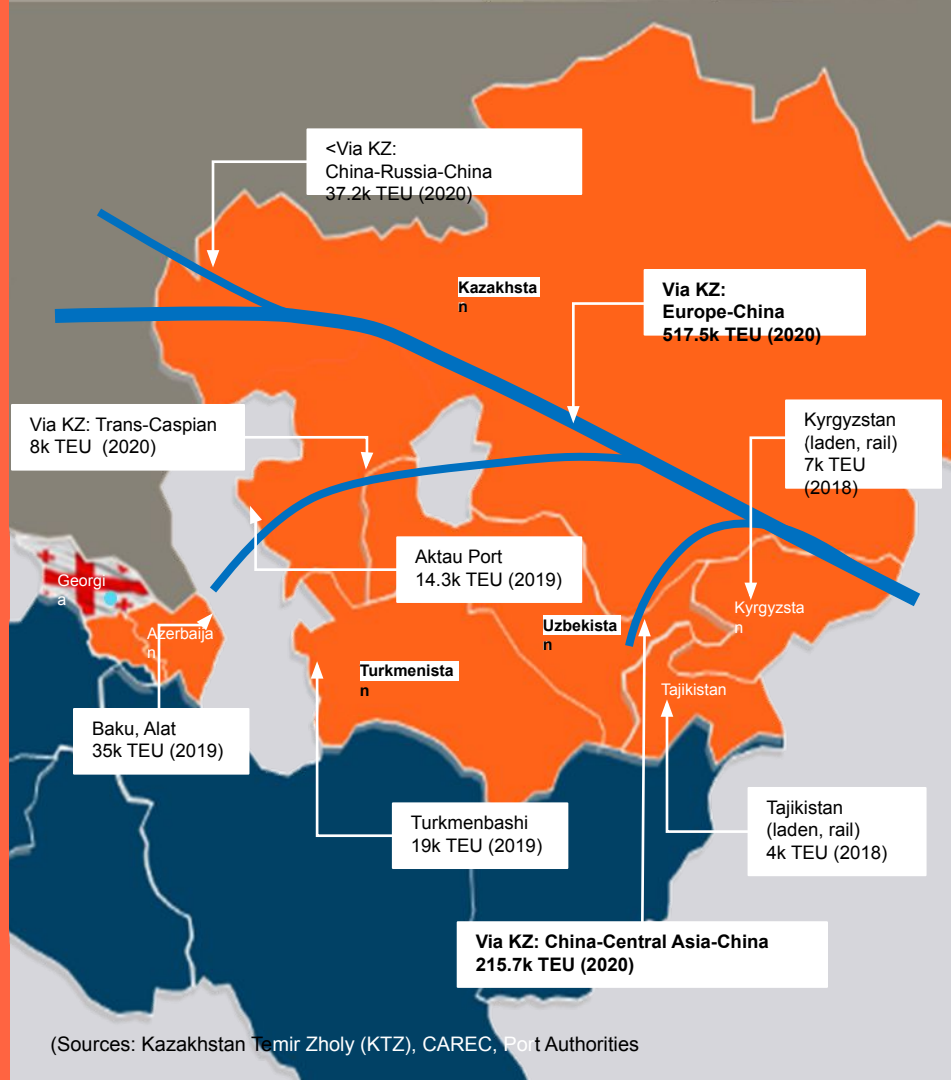
New Demand

Closure of Northern Corridor via Russia:

Need new overland product:

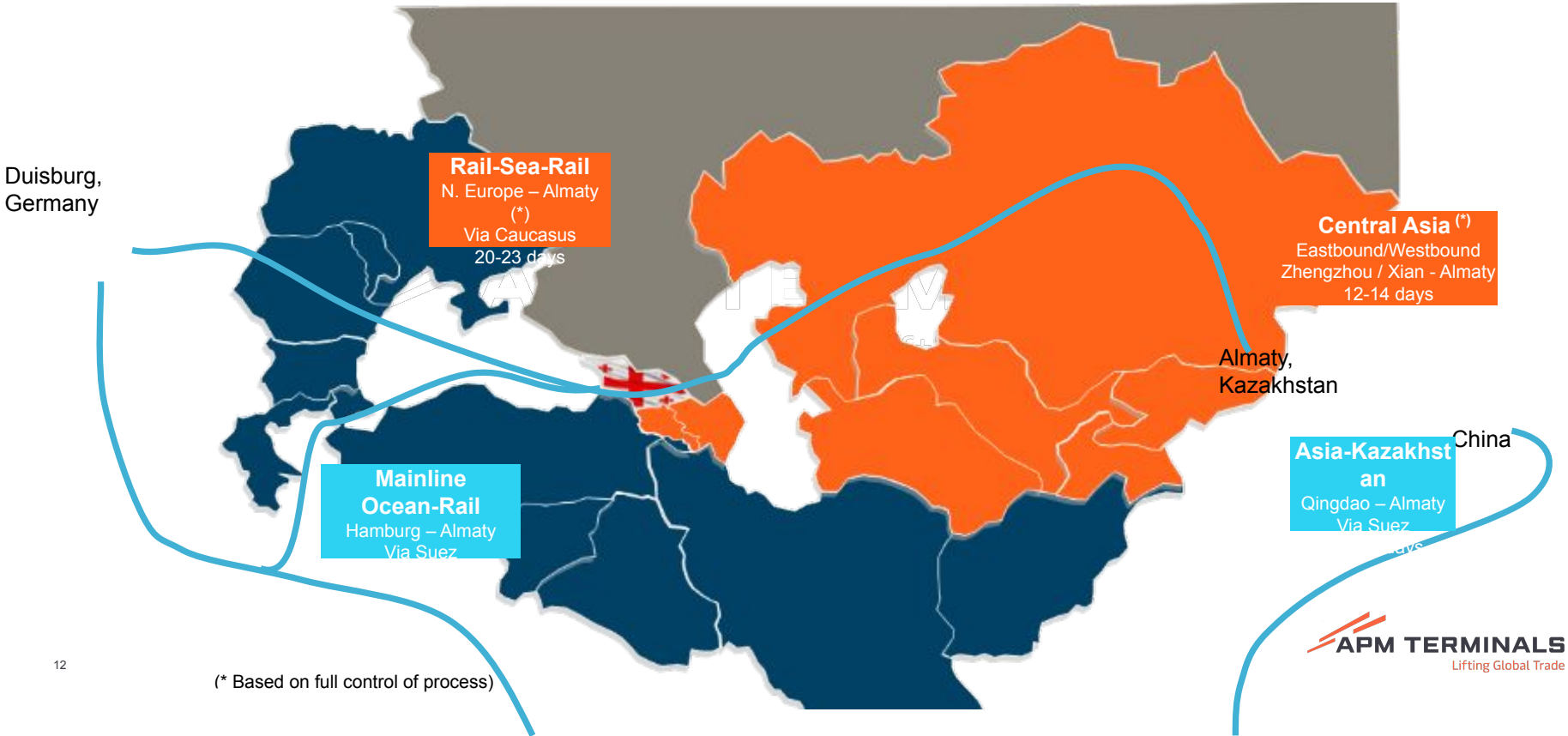
Growing demand for imports and exports to/from Kazakhstan, Uzbekistan & Turkmenistan

(*Source: United Nations Population Division 2020)



(Sources: Kazakhstan Temir Zholy (KTZ), CAREC, Port Authorities

Transit Times



(* Based on full control of process)

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Current State and Opportunities

Primary Transport Routes:

- Via Russia – sanctions prevent free movement of most commodities
  - Major European companies closing down operations
- Via Turkey
  - High carbon footprint by road
  - Congestion during change of rail gauge by rail
- Via Volga Don canal (summer months) – barge/truck
  - Passes through Russia and now sanctioned

Enormous Potential for Cargo Conversion

- Most common containerisable commodities today handled in rail wagons or trucks

Needs:

- Inland Container Depots
  - Almaty (KZ)
  - Karaganda (KZ)
  - Altynkol (KZ)
  - Tashkent (UZ)
  - Turkmenbashi (TM)
- Cargo Distribution Centres
  - Poti
  - Tbilisi
  - Baku
  - Aktau
  - Almaty

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Conclusion

- USD 160bn market
- 90 million people
- Landlocked countries
- Growing economies

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