



Strategic Geographic Location

Located at the crossroads of Europe and Central Asia, Georgia is a bridge connecting several important economic regions with a total of 827 million people, including the EU (495 million), CIS (243 million), Turkey (73 million) and the Caucasus Region (16 million). It is a key link in the shortest transit route between Western Europe and Central Asia for transportation of oil and gas as well as dry cargo. Georgia's oil and gas pipelines, Black Sea ports, well-developed railway system, together with its airports are playing an increasingly important role in linking East and West.

- **Free Industrial Zones & International Warehouse Regime:** The Investment Authority of Ras Al Khaimah (RAKIA) won in a tender to develop a 400 hectare free economic zone on the territory of Poti Port and to leverage the surrounding area to Georgia's strategic location and competitive trade regimes. Changes are going to be made to the tax and customs codes, allowing for the operation of "international warehouses" for export and re-export purposes under a favorable low-tax regime.
- **Oil and Gas Pipelines:** Georgia plays an important role as a strategic crossroad for hydrocarbon transit in the Caspian region. During the past ten years, \$5 billion was invested by British Petroleum (BP) and its partners to develop the three major oil and gas pipelines that cross Georgia.
- **The Baku-Tbilisi-Ceyhan (BTC) pipeline,** completed in 2005 at a total construction cost of nearly \$4 billion and fully operational in 2006, can transport up to a million barrels of oil a day from the Sangachal terminal in Azerbaijan to a newly constructed marine terminal in Ceyhan on the Turkish Mediterranean coast. One of the longest pipelines in the world at a length of 1,768km (of this 249km through Georgia), the BTC pipeline transported the total of 212,163,359.5 barrels of oil in 2007.
- **The South Caucasus gas Pipeline (SCP),** completed in 2006 in the same corridor of land as the BTC pipeline, carries natural gas from the Shah Deniz field in the Caspian Sea to customers in Georgia, Turkey and Azerbaijan. At full capacity, the 692km South Caucasus Pipeline will export up to 20 billion cubic meters of gas a year. The gas supplied through SCP represents a source of future energy security and supply diversity for Georgia. SCP brings benefits of gas 'in kind' in lieu of tariff.
- **The Western Route Export Pipeline (WREP),** also known as the Baku-Supsa pipeline, transports oil from the Chirag field in the Caspian Sea via the Sangachal terminal in Azerbaijan to the Supsa terminal in western Georgia with just under half of the pipeline located in Georgia. At a length of 830km, WREP, which became fully operational in 1999, is capable of transporting up to 155,000 barrels of oil a day.
- **Georgian Railway** is one of the crucial links in Eurasian transit corridor. It serves as a short-cut between Europe and Central Asia, and carried 3.9 million passengers and 22.6 million tons of cargo in 2006. Georgian Railway now directly links to the railway systems of Armenia, Azerbaijan and Russia. In 21 November 2007 the presidents of Georgia, Turkey and Azerbaijan have officially announced a beginning of construction works of Baku-Tbilisi-Kars railroad. The new 104,803 km railway will carry up to 15 tons annually by 2010-12.
- **The Black Sea ports** of Poti and Batumi are key links in the TRACECA (Transportation Corridor – Europe, Caucasus, and Asia) trade route.



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- **Poti Sea Port** (PSP) is one of the largest ports on the Black Sea Coast, competing principally with Trabzon, Novorossiisk and Batumi, Today Poti Port is the largest dry cargo handler in Caucasus region. In the year 2007 total throughput was increased by 16% compared to previous year 7.7 million tons container handling was excelled – increase of 46% compared to previous year. Last two years total throughput was increased by 26% and container handling by 74% As one of the best-equipped and modernized ports on the Easter Black Sea Coast it has been awarded by ISO 9001-2000.
- **Batumi Sea Port** is equipped to accommodate clients with almost all types of cargos, general vessels and passengers. Services include: loading and unloading operations, ship’s agency, ship handler services, minor repair works and water supply. Batumi Sea port has active 5 terminals: Oil terminal, Container terminal, Railway ferry, dry cargo terminal and Passenger Terminal. Batumi Sea port is equipped with necessary facilities of berths and its securing devices, loading mechanisms, warehouses, auxiliary services vessels, railway and automobile ways, vehicle repairs shops, system of water pipe, communication and the Sea Station. Batumi Sea Port Limited’s turnover essentially has increase for past ten years: 80% to 90% of complete turnover are crude oil and oil products, about 70% of total turnover of dry cargo is general cargo.
- **Road Transport:** Georgia allocated 181.3 million GEL from its 2006 state budget and another 459 million GEL in 2007 to improve the quality of its 20,229 km of public roads, which include 1,474 km of international, 3,326 km of state and 15,439 km of local roads.
- **Civil Aviation** in Georgia took a big leap forward in 2007 by opening of 2 new international airports in Tbilisi and Batumi, hailed among the world’s most comfortable and efficient terminals. The opening of the new terminals has increased air traffic to Georgia, which is now served by four national and 14 foreign airlines, including Austrian Airlines, British Airways, Lufthansa, Germania Express, Air Baltic and Turkish Airlines. Direct air connections are available from Tbilisi to Istanbul, London, Munich, Odessa, Cologne, Riga, Tel Aviv, Kiev, Athens, Frankfurt, Paris, Amsterdam, Dubai and Vienna.