Multi-modal logistic systems, logistic centres and better links between shipping and inland transport

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Project for development of international logistics centres/nodes network in Central Asia

Why Central Asia?
Telecommunications gap corresponds to the regions that have not been interconnected to global trade

Source: Centre for Strategic International Studies (CSIS), Washington, DC
Typical investment structure

- Mix of financing sources will be required for attractive financial rate of return for private sector.
- Typical proposed structure:
  - 20% private equity
  - 10%-20% from government
  - the rest in the form of debt from local banks and IFIs.
- Financing structure varies between the centres.
Aktau, Kazakhstan

- Centre to be located near Aktau port.
- Government developing a Special Economic Zone.
- Forecast traffic growth through logistic centre:
  - 2012 – 740,000 tons
  - 2020 – 1.3 m tons
  - 2030 – 1.8 m tons
- Development cost $33.4 m
- RoI for 20% investment 21%

Osh, Kyrgyz Republic

- Centre for agricultural production in Fergana valley
- International transport links to Uzbekistan and China.
- Cargo projection 400,000 tons in 2013 growing to 1.0 m tons in 2030.
- Development cost $ 8.7 m
- RoI for 20% investment 19%
Nizhniy Pyanj, Tajikistan

- Associated with Special Economic Zone.
- Traffic volume rising from 314,000 tons in 2013 to 1.7 m tons in 2030.
- Important for developing cross-border trade with northern Afghanistan.
- Development cost $ 8.5 m
- RoI for 20% investment 24%

Navoi, Uzbekistan

- Korean Air cargo has major investment with air cargo rising to 0.5 m tons / year.
- Free Economic Zone being developed.
- Forecast traffic:
  - 2011 – 160,000 tons
  - 2020 – 980,000 tons
  - 2030 – 1.46 m tons
- Development cost $ 10.4 m
- RoI for 20% investment 21%
Turkmenbashi, Turkmenistan

- Forecast traffic of logistic centre:
  - 2014 – 1.2 m tons
  - 2020 – 2.2 m tons
  - 2030 – 2.7 m tons
- Major port upgrading with World Bank help.
- Development cost $44.4 m
- RoI for 20% investment 20%

Potential investors

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<th>Centre</th>
<th>Potential investor</th>
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<td>Aktau</td>
<td>Major regional logistics operator</td>
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<td>Navoi</td>
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<td>Nizhniy Pyanj</td>
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Financing lessons

- If governments want to develop PPPs in central Asia work needs to be done on the enabling environment, particularly legal framework.
- IFIs should be involved at an early stage – more particularly IFIs’ PPP advisory services
- Better dialogue should be developed between governments and investors.

Coordination
Thank you for your attention
Благодарю вас за внимание

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