

**2019 Ministry of Economy, Trade and Industry
“Feasibility Study for the Overseas Expansion
of Quality Infrastructure”**

- Study for the Development of Anaklia SEZ, Georgia -

Study Summary

**Study Team
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**JAPAN-GEORGIA BUSINESS FORUM IN TBILISI
Sheraton Grand Tbilisi Metechi Palace
2019年11月25日**

Contents

1. Introduction of Tomonius Co., Ltd. & Phnom Penh SEZ Plc.	3
2. Introduction of Nippon Koei	5
3. Anaklia Development Plan	7
4. Why are we here? – Sequence of Events	8
5. Study Schedule for the Development of Anaklia SEZ	14
6. Master Plan of Anaklia SEZ (Draft)	15

(Reference)

1) Current Infrastructure Conditions around Anaklia SEZ	16
2) Statistics on Export & Import Items in Georgia	17

Vision of Study Team	21
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1. Introduction of Tomonius Co., Ltd. & Phnom Penh SEZ Plc.

Phnom Penh SEZ is a leading SEZ located in the capital, Phnom Penh, of the Kingdom of Cambodia

Incorporation : 19 April, 2006

Major Shareholders :

Lim Chhiv Ho (Founder)	45.09%
Zephyr Co., Ltd. (Tokyo, Japan)*	14.17%
JWD InfoLogistics Pcl. (Bangkok, Thailand)	10.44%
Finansia Syrus Securities Pcl. (Bangkok, Thailand)	4.17%

***Tomonius Co., Ltd. is a subsidiary of Zephyr Co., Ltd.**

Chairman : Tank Kak Khun (1st son of founder)

CEO : Hiroshi UEMATSU

Total Land Size : 357ha + 116ha (for expansion)

Investors : 106 (Japanese 50)

Total Employees : 22,000

Investment Amount by Investors/Export Value : 611M USD/447M USD (20¹⁸)



Eat Well, Live Well.



Major Investors



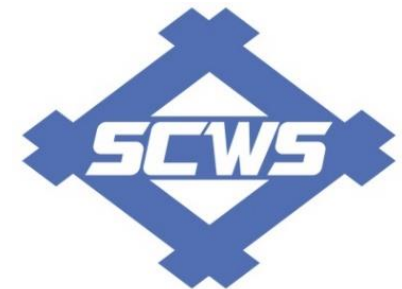
DENSO
Crafting the Core



MinebeaMitsumi
Passion to Create Value through Difference



O J I P A P E R



TOYOTA

2. Introduction of Nippon Koei Co., Ltd. ***NIPPON KOEI***

- **Nippon Koei (NK) is the oldest and leading consulting firm in Japan which has been providing consulting services for economic development projects since 1946**
- **In 72 years, NK has worked on over 5000 multi-disciplinary infrastructure projects in 160 countries all over the world**

Industrial Parks & SEZ Development

- **Over the last 25 years, NK has provided consulting services for Industrial Parks & SEZ development in more than 20 countries in Asia, Middle East, Africa and Latin America**
- **NK's past projects showcase its expertise and technical skills to address planning, design, construction supervision, maintenance, environmental and labor-related issues and formation of marketing promotion plans to attract investors, including Japanese manufactures**
- **NK has global resources and expertise that cover all the required infrastructure sectors, including earthworks, road, drainage, water supply, sewerage, electricity and communication systems**

Thilawa SEZ (Myanmar)



Thang Long Industrial Park (Vietnam)

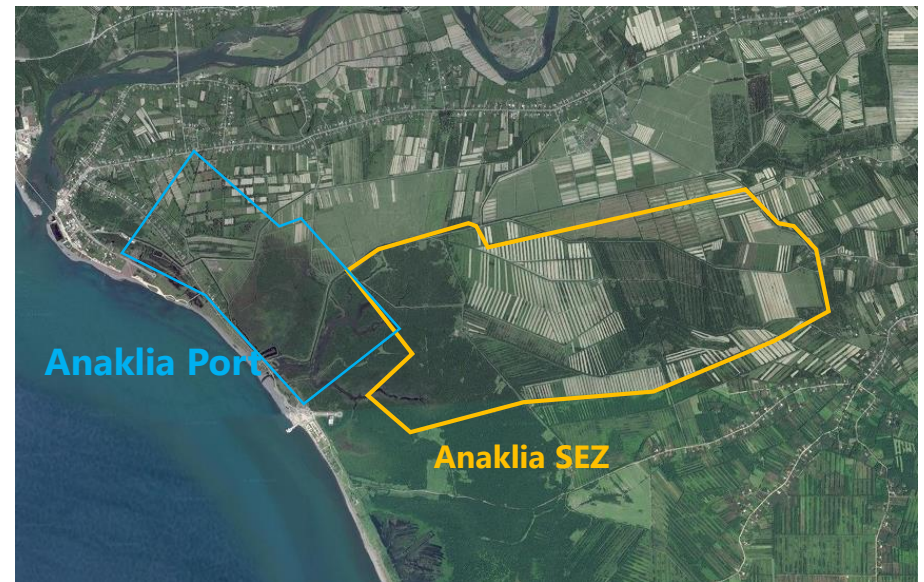


3. Anaklia Development Plan

- Deep Sea Port is now under development in Anaklia along Black Sea
- **Special Economic Zone (Anaklia SEZ) is under planning adjacent to the port, Anaklia City JSC (ACJ) obtains license from the government to develop in 2017**



Location of Anaklia



Location of Planned Anaklia Port and SEZ

4. Why are we here? – Sequence of Events

December 18, 2018	I received an email from Ms. Ketevan Bochorishvili, CEO of Anaklia City JSC (ACJ)
January 9, 2019	I listened more detail through telephone conference
February 20 – 24	5 from ACJ Shareholders and top management visited Phnom Penh SEZ in Cambodia
March 3 – 6	I and Teddy of Nippon Koei visited Georgia for the first time
April 12	Tomonius Co., Ltd. proposed Study for the Development of Anaklia SEZ, Georgia to METI's "Feasibility Study for the Overseas Expansion of Quality Infrastructure"
May 31	The feasibility study was selected
June 26 – 29	5 from ACJ Shareholders and top management visited Laem Chabang Port, Amata City Chonburi in Thailand
August 30	The agreement for feasibility study was signed
September 19 – 25	1st study visit to Georgia
November 22 - 27	2nd study visit to Georgia









Magdolna Székely
1. Széchenyi István Egyetem
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5. Study Schedule for the Development of Anaklia SEZ

- **Review and revise existing Anaklia SEZ Master Plan**
- **Examine FDI promotion strategy to Georgia**
- **Formulate the scheme of business participation to Anaklia SEZ**

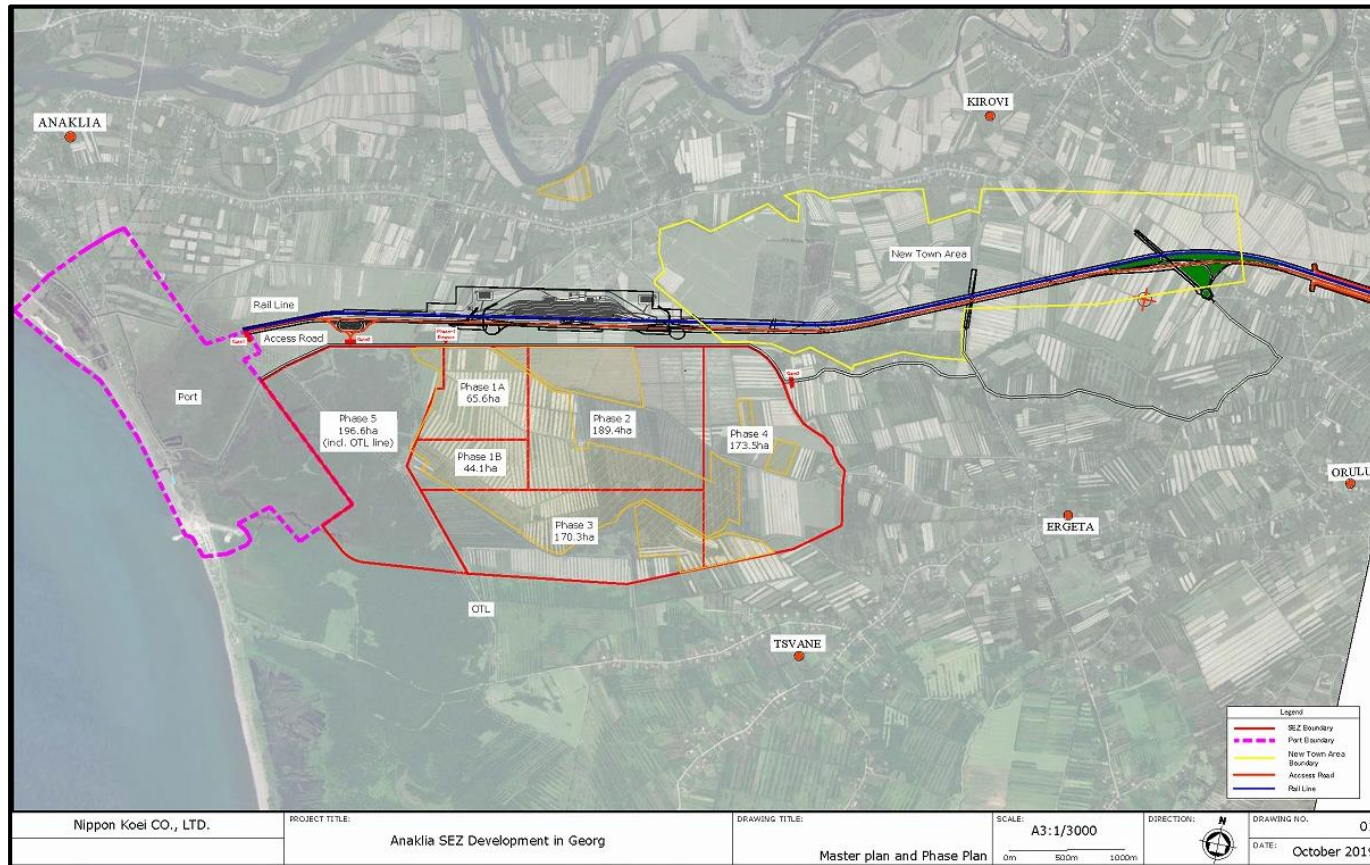
Research Schedule

Work Item		M	9				10				11				12				1				2			
		W	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
1. Examination of FDI Promotion Strategy																										
【1.1】 Confirmation of Investment Environment in Georgia																										
【1.2】 Market Analysis of Surrounding Area																										
【1.3】 Confirmation of Organizational Capacity																										
【1.4】 Examination of FDI Pormotion Strategy																										
2. Preparation of Revised Anaklia SEZ Master Plan																										
【2.1】 Review of Existing Master Plan																										
【2.2】 Review of Geographical and Spatial Conditions of Planned Site																										
【2.3】 Identification of Challenges Based on Review of Existing Master Plan																										
【2.4】 Review of Offsite Infrastructure Requirements																										
【2.5】 Preparation of Revised Master Plan																										
3. Examination of Possibility of Japanese Company Participation in Anaklia SEZ Business																										
【3.1】 Formulation of Participation Policy																										
Visit to Georgia					▲							▲							▲							
Meeting with METI											▲						▲			▲						
Report																			▲	DF/R		▲	F/R ⁴			

6. Master Plan of Anaklia SEZ (Draft)

Design Key Points

- Review development phases based ACJ owned land
- **Propose roads plan that enables integrated operation with the port**
- Consider traffic distribution with limited access points to expressway
- Develop residential areas for employees
- Allocate suitable land sizes to attract priority industries



1) Current Infrastructure Conditions around Anaklia SEZ

Item	Current Situation		Future Development Plan	
Power	×		○	<ul style="list-style-type: none"> • Transmission line (24MWx2 lines) (*can be connected to SEZ) • Substation in Port area
Water	○	<ul style="list-style-type: none"> • Capacity: about 5,000m3/day (groundwater) • Demand: 2,000m3/day 	×	
Sewage	△	<ul style="list-style-type: none"> • Treatment plant: 5,700m3/day (ADB fund) • Operation scheduled in 2020 	×	
Gas	○	<ul style="list-style-type: none"> • A 220mm-diameter gas pipe has been installed in Anaklia. • Capacity: 50,000m3/day • Same volume can be provided additionally. 	×	<ul style="list-style-type: none"> • Can be considered based on demand increase from SEZ
Solid Waste	△	<ul style="list-style-type: none"> • Existing facility is old and needs to be updated. 	○	<ul style="list-style-type: none"> • New facility to be completed in 2022 at site next to current facility • Demand: expected to be 75,000t/year
Telecommunication	○	<ul style="list-style-type: none"> • An optical fiber has been installed. 	×	

2) Statistics on Export & Import Items in Georgia

Georgia Foreign Trade

Top Growing Export Products (incl. Re-export)

Product Group	2019 9month Export Value		Value Growth to 2018 9month		% Growth
Motor Vehicles, Spare parts	\$	489,041.14	\$	187,925.88	62%
Copper, ores and processed	\$	482,033.84	\$	103,544.27	27%
Beverages	\$	249,978.84	\$	31,595.86	14%
Pharmaceuticals	\$	144,442.67	\$	40,893.44	39%
Railway products	\$	80,326.43	\$	17,402.70	28%
Apparel and Footwear	\$	79,661.07	\$	20,648.03	35%
Machinery and Mechanical Equipment	\$	62,936.62	\$	31,561.85	101%
Optical Equipment	\$	36,930.39	\$	11,496.04	45%
Electrical Machinery and Equipment	\$	17,858.88	\$	7,641.22	75%
Aircraft Components	\$	11,257.18	\$	8,884.50	374%

Source: Geostat

Top Growing Import Products (excl. Energy products)

Product Group	2019 9m Import Value		Value Growth to 2018 9m		% Growth
Motor Vehicles, Spare parts	\$	657,831.67	\$	37,100.41	6%
Copper, ores and processed	\$	416,781.47	\$	115,904.06	39%
Pharmateuticals	\$	300,864.32	\$	27,722.64	10%
Air conditioning appliances	\$	105,381.11	\$	11,905.83	13%
Cosmetics and Beauty	\$	104,978.70	\$	9,053.86	9%
Bulldozers, graders and lifting machinery	\$	88,869.20	\$	39,484.14	80%
Tyres and rubber products	\$	81,856.10	\$	8,092.58	11%
Medical Equipment and devices	\$	53,174.72	\$	6,336.01	14%
Washing and Cleaning products	\$	52,451.28	\$	3,342.61	7%
Heating, boiling home appliances	\$	37,970.17	\$	17,970.50	90%

Source: Geostat

Transit Statistics

Top Growing Origin and Destinations

Country	Tonnage Growth	Growth %
China	169,890	76%
Azerbaijan	110,889	57%
Turkmenistan	36,699	214%
USA	35,158	29%
Kazakhstan	25,731	18%
Armenia	18,089	8%

Source: Georgian Railway Containers Statistics

Top Growing Products

Product Group	2019 9m Tonnage	Tonnage Growth to 2018 9m	% Growth
Preparations of Vegetables and Fruits	168,653	7,327	5%
Metal Ores	93,469	8,495	10%
Ferro Alloys Products	56,427	36,582	184%
Aluminum products	49,212	11,909	32%
Inorganic Chemicals	47,400	8,119	21%
Plastics (primary forms)	36,183	1,138	3%
Electrical Machines and Apparatus	30,243	10,579	54%
Cereals and preparations	26,787	7,937	42%
Processed Stones (Construction)	20,970	5,837	39%
Tyres and Rubber Products	6,269	5,871	1476%

Source: Georgian Railway Containers Statistics

Vision of Study Team

- We transfer our know-how of SEZ development and management which can satisfy global companies to Anaklia SEZ by utilizing our experience especially in Southeast Asia**
- As a result, we contribute on the creation of job opportunity in Georgia and the skill-up of Georgian people by facilitating domestic and foreign investment to Anaklia SEZ**
- We try to understand well what Georgia expects to Japan and do our best effort to meet the expectation**
- We work together with our counterpart to create new value through the development of Anaklia SEZ by respecting Georgian traditional culture**

**Thank you very much
for your attention**

**Contact
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