

Approval of the Strategy for the Development of Sea Ports in the Caspian Sea

The main goal of the Strategy is to consolidate the economic and geopolitical presence of Russia in the Caspian Sea, to expand and deepen economic and cultural ties with Caspian countries and create conditions for the further socio-economic development of the Caspian region by increasing international trade via the Caspian ports.

Reference

The directive is drafted by the Ministry for North Caucasus Affairs to fulfil the President's instruction following the Government meeting on 12 October, 2016 (Pr-2077 of 27 October, 2016, item 2) and in accordance with the Federal Law No.172-FZ of 28 June, 2014 "On Strategic Planning in the Russian Federation."

The signed directive has endorsed the Strategy for the Development of Sea Ports in the Caspian Sea and Rail and Road Links to Them until 2030 (from now on, referred to as the Strategy).

The draft Strategy has been elaborated taking into account the Concept for Long-term Socio-economic Development of the Russian Federation for the Period Until 2020, (approved by the Government's directive No.1662-r of 17 November, 2008), the Concept of the Demographic Policy of the Russian Federation Until 2025, (approved by the President's executive order No. 1351 of 9 October, 2007,) the Strategy of the National Security of the Russian Federation, (endorsed by the President's executive order No. 683 of 31 December, 2015), and the programme of action to ensure strategic interests of the Russian Federation in the Caspian Sea in 2016-2018.

The main goal of the Strategy is to consolidate the economic and geopolitical presence of Russia in the Caspian Sea, to expand and deepen economic and cultural ties with Caspian countries and create the conditions for further socio-economic development of the Caspian region by increasing international trade via Caspian ports.

Targets of the Strategy's implementation:

- development of the Russian Caspian transit hub and its inclusion in the international trade system;
- building a sustainable transport and logistics corridor with Iran, India and Persian Gulf countries;
- socio-economic development of the Caspian region;
- development of export-oriented business via the Russian Caspian transit

hub;

- reduction of current logistics costs;
- strengthening of the national defence capability and security on the Caspian Sea.

The Strategy provides solutions for regulatory, tariff, investment, operational and institutional tasks.

Regulatory tasks involve increasing the competitiveness of cargo and passenger traffic through Russian ports on the Caspian Sea by simplifying administrative procedures (such as acceleration of customs clearance of cargo shipments and on-the-spot coordination of projects on upgrading port infrastructure facilities). They also encompass the creation of favourable conditions for increasing domestic and international tourism in the region (in particular, by easing customs rules).

Tariff tasks involve working out and administering uniform competitive shipment tariffs for transportation via the Caspian transit hub.

Investment tasks include upgrading the existing infrastructure and building new transit and logistics facilities for developing cargo and passenger traffic, including port facilities, as well as remote and close road and railway links to sea ports.

Operational tasks include the introduction of a project planning and management system, which highlights the export potential of the Caspian region, in particular, its production and logistics facilities. This can be accomplished by creating the necessary legislative and administrative conditions and institutions.

Institutional tasks are aimed at stimulating the development of agriculture and industrial production, which together with transport infrastructure can produce a synergistic effect for the development of the region as a whole, with the help of institutions for the support of such projects.

The Strategy will be carried out in three stages: the first or preparatory stage (until 2020); the second or main stage (2020-2025), and the third or long-term stage (2026–2030).

The Strategy's targets, tasks and mechanisms are aimed at creating a sustainable transport and logistics corridor and promoting trade and tourism, primarily with Iran, India and Persian Gulf countries. During the long-term stage of implementation, experts plan to study the possibility of promoting trade with all Caspian states, taking into account the expanded capacities of the new offshore deep-water port (terminal).

Implementing the Strategy will make it possible to increase grain exports via the Caspian Sea ports to seven million tonnes, and the same amount of other dry cargo by 2030, as well as to attract up to 30,000 domestic tourists a year to the Caspian region, and create over 2,000 jobs.