

POSSIBILITIES of CREATING ATTRACTIVE ENVIRONMENT for MOTIVATION of AUTOMOBILE and MARINE TRANSPORTABLE SYSTEMS in AJARA

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ABSTRACT

Processes undergoing with globalization are discussed in this article, which shows importance of developing and refining of transportable sector. There are opportunities of coordinating functioning of transportable branches, according to international standards and harmonization of country's legislation, all above mentioned are in the group of priorities of Georgian government, which serves for increasing and developing competitiveness of the country.

There is represented strategy of social-economic developing of Georgia-“GEORGIA_2020”-according to which it is defined to use potential of transit in following main directions: imperfection of truck infrastructure and developing of logistic centres; facilitating investments in logistic and transport, strengthening of cooperation between government and private sector and so on.

Georgia provokes increasing interest on regional and international market, as the center of new geo-economical gravitation. Accordingly, it is shown in this article recourses of transportable logistic system in Georgia and particularly in the region of Ajara, create attractive and favorable environment for elevation of motivation in automobile and marine transporting.

There are also discussed some strategic infrastructural projects, such as building of deep water harbor in Anaklya; building of new Baku-Tbilisi-Yarsi Railway Highway; developing of logistic centres, and “Europe-Caucasus-Asia” transportation corridor TRACECA occupies dominant part in transportation system in the economy of region.

According to qualitative research, there is represented activity of Batumi seaport and automobile transportation, as the most important key junction of our transportation system. Also comparable statistic analysis of cargos transported by transportation branches and quantity of containers. Exactly Batumi seaport is one of harbors in Georgia in favor of which Georgia became transportation hub and strengthens this position time by time.

According to geolocation of our country, it has opportunity to perform one of prominent role in trading and international cargo transporting. Well developed transportation-logistic infrastructure helps to increase transit potential of the country and rising of competitiveness of transit corridor.

Keywords: Transport, Logistic, Marine Potential, Transporting, Transit Corridor, Strategy, Infrastructure, Seaport, Cluster, Hub.

In last decade and with globalization processes in the world, processes happening in Georgia and its integration and involvement in international processes, appropriate geographical location that means being on the oldest transport crossroad, once more emphasized that the development of the economy in the country is directly connected with stable and effective working of transportation sectors in the country.

It is determined in the science of economy that transport connect industrial enterprises and sources of raw materials, economies of the regions of the country, production, market with each other. Transport is the basis of international economical development of world agriculture and market, main condition for their development ¹.

According to its appropriate geographical location, Georgia provokes increasing interest on regional and international market, as the center of new geo-economical gravitation.

¹ Gegeshidze E., Margalitzadze I., Transport policy concepts and maritime affair, Tbilisi, 2017

Georgia is located in one of the important and difficult geopolitical region of the world, on key junction place of silkroad, which played important role in the developing of Europe and Asia and their relationships, where transportation of strategically important cargoes are carried out ².

Accordingly, in the priorities determined by Georgian government which sever developing and ripening of country's competitiveness, one of the priorities are coordinating functioning of transportation branches, modernization-building of transportation infrastructure according to international standards and harmonization of country legislation³.

In order to increase transit potential of the country, there is implemented strategy of social-economical developing of Georgia - "GEORGIA 2020", which determines main direction of politics to use transit potential maximally:

- imperfection of truck infrastructure and developing of logistic centers;
- Facilitating investments in the sphere of energy, logistic and transport, strengthening of cooperation between government and private sector;
- Forming competitive environment and developing of informational system;
- Integration between international and regional transportable systems⁴;

According to above mentioned, **the goal of research** is to show functioning of logistic system in Georgia, particularly in the region of Ajara and on the basis of assessing the potential of the region's maritime transport system, define the feasibility of creation of clusters formation which creates attractive and appropriate environment in order to increase the level of motivation of sea and traffic transport.

According to the goal of research we can set the following tasks:

- It is important to study marine-transportial system of the region, which include developing possibilities of seaport, railway, car roads.
- It is necessary to estimate the activity of seaports and sea potential of Georgia and find possible ways of its development, because the mastering of country's sea potential and its future development is tightly connected with country's social-economic development, effective utilizing of favorable transportial-geographical location and successful functioning of transportial corridor.
- It is also important to define the role of country's transportial corridor, the effectiveness of which is conditioned mainly by the volume of self-currency, their attraction and stable establishing are depended on the factors existing in the country or out of the country.

Transportation system is defined as the systematic controlling complex of artificial transportation constructions of river, traffic and sea ways. Proper infrastructure, all types of transport, pipelines, special air and underground transport and transmission lines⁵.

²Online:http://parliament.ge/ge/ajax/downloadFile/98817/%E1%83%A1%E1%83%90%E1%83%A2%E1%83%A0%E1%83%90%E1%83%9C%E1%83%A1%E1%83%9E%E1%83%9D%E1%83%A0%E1%83%A2%E1%83%9D%E2%80%93%E1%83%9A%E1%83%9D%E1%83%AF%E1%83%98%E1%83%A1%E1%83%A2%E1%83%98%E1%83%99%E1%83%A3%E1%83%A0%E1%83%98_%E1%83%93%E1%83%90%E1%83%A0%E1%83%92%E1%83%98_%E1%83%A1%E1%83%90%E1%83%A5%E1%83%90%E1%83%A0%E1%83%97%E1%83%95%E1%83%94%E1%83%9A%E1%83%9D%E1%83%A8%E1%83%98, 24.02.2020

³ Online: <http://www.economy.ge/?page=ecoreview&s=26&lang=en>, 02.03.2020

⁴Online:http://parliament.ge/ge/ajax/downloadFile/98817/%E1%83%A1%E1%83%90%E1%83%A2%E1%83%A0%E1%83%90%E1%83%9C%E1%83%A1%E1%83%9E%E1%83%9D%E1%83%A0%E1%83%A2%E1%83%9D%E2%80%93%E1%83%9A%E1%83%9D%E1%83%AF%E1%83%98%E1%83%A1%E1%83%A2%E1%83%98%E1%83%99%E1%83%A3%E1%83%A0%E1%83%98_%E1%83%93%E1%83%90%E1%83%A0%E1%83%92%E1%83%98_%E1%83%A1%E1%83%90%E1%83%A5%E1%83%90%E1%83%A0%E1%83%97%E1%83%95%E1%83%94%E1%83%9A%E1%83%9D%E1%83%A8%E1%83%98, 24.02.2020

⁵ Lipeck I., Puliarkin V., Shalikhter., The Geography of World Trade, VLADOS, 2015

Transportation-logistic sector of Georgia includes, sea, road-traffic, railway and air systems, which are charged to display the potential of Georgia as transit country. In order to strengthen function of Georgia as transit corridor, geoeconomically strategic decision was taken, when implementation of two regional large-scaled oil Pipelines-Baku-Tbilisi-Jaydan and Baku-Suphsa and also gas pipeline in South Caucasus, Baku-Tbilisi-Erzurum (Shahdeniz) was decided. All three projects are important not only for enlargement of potential of Georgia as transit country, but also for improving regional integration. The main aim of long-term strategic cooperation of Georgia, Azerbaijan, Turkey is developing of energetic corridor ⁶.

According to above mentioned, there are some important projects which are implemented in the country, such as:

- Building of deep water harbor in Anaklya;
- Building of new Baku-Tbilisi-Yaris Railway Highway;
- Developing of logistic centres, which help to develop not only the service of Georgian logistic, but also additional cost service, this will increase transit and logistic potential of the country, and encourages export;
- Implementation of national strategy of Georgian Road Safety and its action plan; Widening of Kutaisi International Airport;
- Automatized system of controlling movements in air⁷ and many other projects which will help to attract more stream of cargo to Georgia and elevates effectiveness of work in transportable systems.

All of these will help to attract additional stream of cargo to Georgia and will increase effectiveness of transportation systems in the country.

The building of deepwater seaport in Anaklya is remarkable, which will help to develop logistic centers and industrial zones nearby. Anaklya Seaport will have following advantages:

- Strategic location;
- Can afford to receive big vessels (like Panamax);
- To get service by the principle of “one stop”;
- Quick and simple procedures;
- Opportunity to sail safely through the year⁸;

The building of new seaport is the excellent chance to develop the service value-added tax(VAT), which will increase the turnover on the territory of Georgia. Above mentioned project will have a big positive social-economic influence in West Georgia, as more working places will be created. One of the important for developing economy in the country is to increase the level of employment in population, which is also supported by developing and perfection of transportation-logistic system.

As it is known, sectors of transporting/storing and information/communication provide 5.3% of whole employment and 11% of Business sector⁹.

⁶Online:http://parliament.ge/ge/ajax/downloadFile/98817/%E1%83%A1%E1%83%90%E1%83%A2%E1%83%A0%E1%83%90%E1%83%9C%E1%83%A1%E1%83%9E%E1%83%9D%E1%83%A0%E1%83%A2%E1%83%9D%E2%80%93%E1%83%9A%E1%83%9D%E1%83%AF%E1%83%98%E1%83%A1%E1%83%A2%E1%83%98%E1%83%99%E1%83%A3%E1%83%A0%E1%83%98_%E1%83%93%E1%83%90%E1%83%A0%E1%83%92%E1%83%98_%E1%83%A1%E1%83%90%E1%83%A5%E1%83%90%E1%83%A0%E1%83%97%E1%83%95%E1%83%94%E1%83%9A%E1%83%9D%E1%83%A8%E1%83%98, 24.02.2020

⁷ Online: <http://www.economy.ge/?page=projects&s=31, 26.02.2020>

⁸Online:http://parliament.ge/ge/ajax/downloadFile/98817/%E1%83%A1%E1%83%90%E1%83%A2%E1%83%A0%E1%83%90%E1%83%9C%E1%83%A1%E1%83%9E%E1%83%9D%E1%83%A0%E1%83%A2%E1%83%9D%E2%80%93%E1%83%9A%E1%83%9D%E1%83%AF%E1%83%98%E1%83%A1%E1%83%A2%E1%83%98%E1%83%99%E1%83%A3%E1%83%A0%E1%83%98_%E1%83%93%E1%83%90%E1%83%A0%E1%83%92%E1%83%98_%E1%83%A1%E1%83%90%E1%83%A5%E1%83%90%E1%83%A0%E1%83%97%E1%83%95%E1%83%94%E1%83%9A%E1%83%9D%E1%83%A8%E1%83%98, 24.02.2020

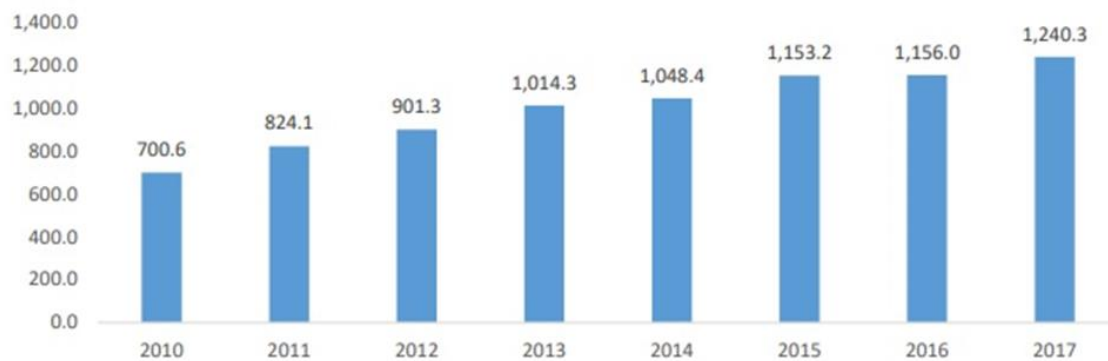
According to data's of business sector most part of employs in the sector of transportation and storing work in large-scaled companies.



Scheme 1. Employment of transportation and storing sector according to the size of enterprise (thousand).

Source: National Statistics Office of Georgia

In this sector more than half of employs employed according to the activities come to the land transport and transporting of pipelines, the least part -1% comes to air transport. The sector of transport and communication occupy the first place according to the average annual investments in 2010-2017. This portion was especially big in whole investment in 2015,2016 and 2017 years ¹⁰.



Scheme 2. Nominal salary in a month of hired employs working in transportation and storing sector (gel);

Source: National Statistics Office of Georgia

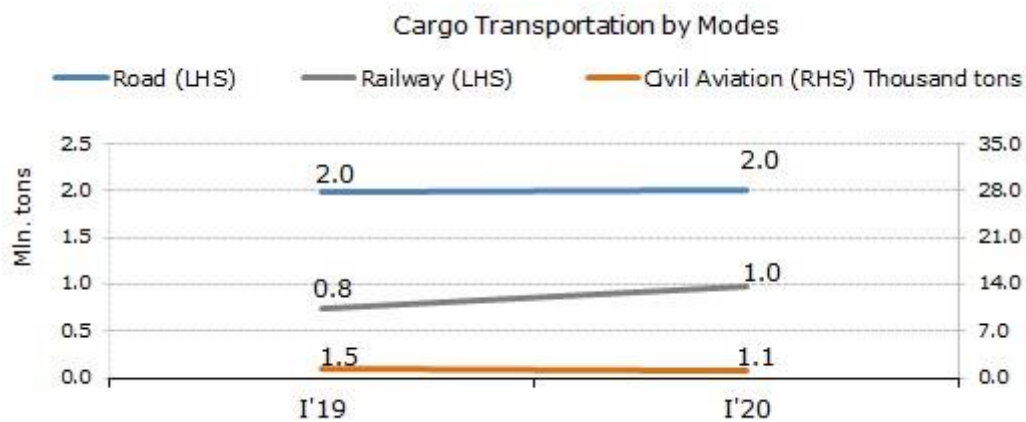
Road transport plays important role in the structure of transportation system of Georgia. During the Soviet Union, the activity of this branch was spread within the country, after the destroying of Soviet Union transportation sector appeared on international market. The scales of traffic transportation sector was increased after the opening of border with Turkey. Accordingly, volume of transported cargo and indicator of turnover on the roads of transportation were increased. Annually about 17.2 tons of cargo is transported on the traffic roads of the country. Approximately a big amount, almost 59,9% from the whole transported goods comes on traffic transporting. Traffic freeways has returned their function after 1990, but it should be mentioned that most of them are depreciated. After that Georgia has taken the status of corridor connecting Europe-Asia, the development transportation infrastructure became the priority. Increased demand on traffic transporting requested reconstruction of existed roads and building of new safe road in some cases. The length of the road which has international importance and is needed for transporting transit goods on the territory of Georgia, is 1467km and the entire length of interstate road is 3477km¹¹.

⁹ Online: <http://adjara.gov.ge/uploads/Docs/acdb5711834a4d0e86f1f4f04e46.pdf>, 22.02.2020

¹⁰ Online: <http://adjara.gov.ge/uploads/Docs/acdb5711834a4d0e86f1f4f04e46.pdf>, 22.02.2020

¹¹Online:<http://parliament.ge/ge/ajax/downloadFile/98817/%E1%83%A1%E1%83%90%E1%83%A2%E1%83%A0%E1%83%9C%E1%83%A1%E1%83%9E%E1%83%9D%E1%83%A0%E1%83%A2%E1%83%9D%E2%80%93%E1%83%9A%E1%83%9D%E1%83%AF%E1%83%98%E1%83%A1%E1%83%A2%E1%83%98%E1%83%99%E1%83%A>

According to the statistics of ministry of economy and sustainable development of Georgia, if we look carefully at the trend of entire amount of goods transported by transportation branches we will see that 2018-2019 is distinguished with growing dynamics in one of the important branches such as traffic road transporting. Above mentioned is perfectly shown in the scheme 3.



Scheme 3. The amount of goods transported by transportation branches;
 Source: Ministry of economy and sustainable development of Georgia;

According to geopolitical and geoeconomical situation of the country, its transit function changes the interest from commonwealth countries strongly, which is caused by linking role of Georgia ¹²;

Important portion of transport in the economy of region comes to Batumi seaport, which plays important role in transportation corridor “Europe-Caucasus” (TRACECA – Transport Corridor Europe-Caucasus-Asia). Above mentioned city is considered to be one of the Eurasian transportation corridor from Europe through Black ad Caspian Sea to the countries of Central Asia, which helped country to take function of international transit, which strongly increases interest from international commonwealth.

Transit function of the region and competitiveness of Traseca project is determined by following factors. There are some important among them:

- Proper infrastructure
- Personnel employed in infrastructure, which take managerial and logistic decisions on particular levels
- Common, coordinative actions and decisions of infrastructural and logistic transportation objects in the corridor, which determines competitiveness of corridor, speed, price and safety of moving goods in corridor.

The third factor has fundamental importance and its results are depended as on the politics of a particular country, as well on common cooperation of governments of countries involved in projects ¹³.

The main competitors of Batumi seaport are Ukrainian-Ilichevsk and Odessa, and Russian-Novorosysk and Tuapse. The advantage of Batumi seaport is that waters of Ukraine are frozen and there are strong winds at Russian seaports. Bandwidth of Batumi oil terminal is 15million tones in a

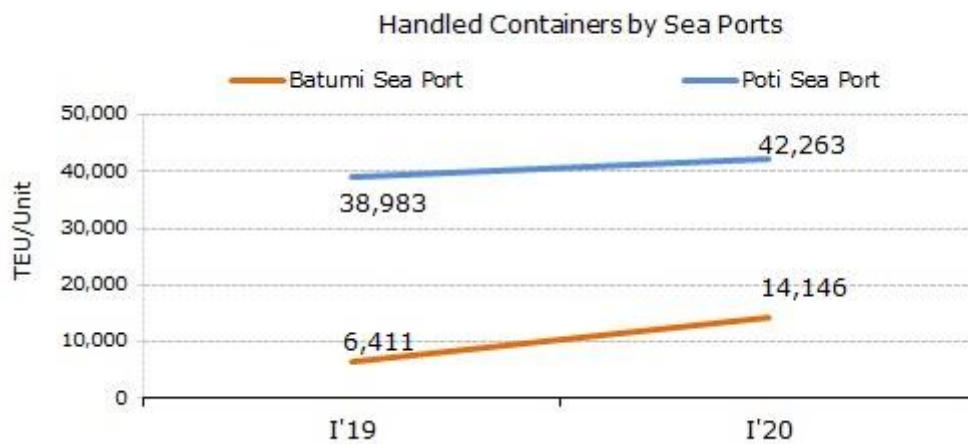
[3% E1% 83% A0% E1% 83% 98_% E1% 83% 93% E1% 83% 90% E1% 83% A0% E1% 83% 92% E1% 83% 98_% E1% 83% A1% E1% 83% 90% E1% 83% A5% E1% 83% 90% E1% 83% A0% E1% 83% 97% E1% 83% 95% E1% 83% 94% E1% 83% 9A% E1% 83% 9D% E1% 83% A8% E1% 83% 98](https://www.euroasiajournal.com/index.php/euroasia/article/view/113), 24.02.2020

¹² Japaridze S., *Maritime Potential Application Of Some Structural Issues*, Journal of Innovative Economics and Management, Batumi, N 4, 2017

¹³ Japaridze S., *Maritime Potential Application Of Some Structural Issues*, Journal of Innovative Economics and Management, Batumi, N 4, 2017

year. Terminal is specialized to process raw oil and all types of oil practically: diesel fuel, gasoline, heating oil and so on. Currently seaport can transport 22 types of oil and oil products, which is its advantage compared to the other seaports. Proportions of Kazakh oil between terminals of Batumi and Yulevi is about 30-70% ¹⁴.

According to the statistics of ministry of economy and sustainable development of Georgia the amount of processed containers in Batumi Harbor in 2019 was distinguished with increased dynamic rather than in 2018. (TEU-unit-is defined by standard 20 feet containers).



Scheme 4: The amount of containers processed in harbours.
Source: Ministry of economy and sustainable development of Georgia.

Batumi seaport is an important knot of our transportation system and also for European corridor. It is international large-scaled transportation object, which has container terminal and boat-passage service for the service of ferries, dry cargo terminal, passenger terminal and Batumi oil-terminal ¹⁵;

Dry cargo terminal at seaport is for big and small tonnage ships. It is specialized to process scrap-iron (direct and storing types), bulk, liquid, general and wholesale cargo. Maximal bandwidth of dry cargo terminal is 2mil.tone in a year. The bandwidth of container terminal is 100000 TEU in a year. Container terminal has opened storing areas and pick up equipments, which are specialised to process containers directly and by storing. Ferry is plying between Varna, Ilchevsk and Batumi seaports. Ferry system is completely automatized. The nominal bandwidth of terminal is about 700000 tones in a year. Passenger terminal is located in the centre of Batumi, along the seaside park. The bandwidth of terminal is about 180000 passenger in a year. Passenger wharves provide processing of passenger ships and passenger-truck ferries of RoRo small tonnage ¹⁶;

Batumi seaport is one of harbours of Georgia, which make country transit and strengthen this status year by year. It plays important role in life and developing of the region.

Conclusion

The development of Georgian seaports and transportal systems connected to it, is a priority and very important matter nowadays, which plays the most important role in the developing of economy of the whole country. It is necessary to pay more attention to seaports and transportal systems connected to them and also to the possibilities and perspectives of clusters formation, because of the unique geographical location of Georgia and developed seaports in the country, all of these gives the possibility for Georgia to be a logistics hub having regional and world importance that means

¹⁴ Online: <http://adjara.gov.ge/uploads/Docs/acdb5711834a4d0e86f1f4f04e46.pdf>, 22.02.2020

¹⁵ Japaridze S., *Maritime Potential Application Of Some Structural Issues*, Journal of Innovative Economics and Management, Batumi, N 4, 2017

¹⁶ Online: <http://adjara.gov.ge/uploads/Docs/acdb5711834a4d0e86f1f4f04e46.pdf>, 22.02.2020

economic increasing based on export and decreasing of unemployment. The basis of this transformation will be open economy with developed infrastructure, high-leveled administration and logistics services supporting the trade.

The research shows that Ajara, in particular, western Georgia, the geographical position of the region and the transport organizations located there create great opportunities to expand and increase the share of domestic and foreign traffic in the international trade relations, which in itself will increase the competitiveness of the transit corridor. Need to be provided relevant recommendations for some organizational and structural transformations for both business and government structures.

- To help integration into transportation systems and deepening of regional cooperation;
- To implant effective system of governing the country;
- To implement strategy of long-term government document;
- In order to overcome high competitiveness, identifying and developing of competitive advantages of state organs;
- Mutually useful taxis and custom service;
- Make perfect structural-organizational forms of specific transportation system, particularly of marine system;
- Fully use transport capabilities as a transport hub;
- It is necessary to develop organizational and structural issues of inland transport;
- The geographical and economic feasibility of the country's transport (marine, aviation, automobile, railway) system is the basis for the formation of clusters, on the basis of which the author develops specific proposals.

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