«The deep-water multifunctional seaport»

The project presentation
Creation of modern multifunctional deep-water seaport in the city of Belomorsk
(the project is included into the List of priority projects in the Northwest federal district, it is approved by the Russian Prime Minister at 07.02.2012 No. 47 п-П16)

Project’s Initiator - CJSC
«Belomorsk port»

Project’s main goal
Elimination of deficiency of export ports capacities in the Northwest of Russia.

In year 2014 more than 20 million tons of Russian coal were shipped through ports of Riga and Ventspils (Latvia) (Source: Argus Russian Coal)

During 11 months of 2015 more than 17 million tons of Russian coal were shipped through Latvian ports (Source: Russian Railways data)

Project’s Place of implementation
Russian Federation, Republic of Karelia, city of Belomorsk
Project’s general parameters

The First stage of port start-up, year 2018
- the specialized coal terminal – 8 million tons per year
- multi-purpose loading and unloading complex (forest and general freights) – 1 million tons per year
- service of cruise ships for tourism needs
- estimated cost – 14 011,54 million rubles (€198,3 million)

Resources base
- contracts of intent with Russian coal suppliers - 10 million tons per year
- contracts of intent with coal traders – 1,5 million tons per year
- contract of intent with sea tourism company
- the estimated volume of the signed contracts for coal shipping – €75,6 million

The Second stage of port start-up, year 2021
- specialized coal terminal – 7 million tons per year
- multi-purpose loading and unloading complex (forest and general freights) – 1 million tons per year

Financial Indicators
- Annual revenue – €83 million
- EBITDA – €19,2 million
- Payback period – 8,5–10 years
THE UNIQUE GEOGRAPHICAL POSITION

The Crossing of the main transport and cargo streams of Russian North

The Northern Sea Route

St. Petersburg – Murmansk Federal highway

Shtokman’s fields Gas pipeline

The Belomoro-Baltiysky channel

«West-East» Railway «Belkomur»

City of Belomorsk

St. Petersburg – Murmansk Railway

THE CROSSING OF THE MAIN TRANSPORT AND CARGO STREAMS OF RUSSIAN NORTH
THE UNIQUE GEOGRAPHICAL POSITION

THE NORTHERN SEA ROUTE AND ROUTE THROUGH THE SUEZ CANAL
- The optimum port arrangement, combination of internal and international overland routes and waterways in the large transport and logistic point;
- the remained infrastructure of fish port with ready berths for heavy-tonnage vessels;
- the proximity to the Russian Railways infrastructure;
- year-round navigation (ice steering during the winter period);
- high professional qualification of port’s employees and employees of city of Belomorsk;
- rather low cost of possession of the earth and natural resources in region of an arrangement of port;
- steady increase in world consumption of coal, from 3 555,0 MTOE in 2010 to 3 881,8 MTOE in 2014. (source: BP Statistical Review of World Energy, 2011-2015);
- urgent need of existence of modern deep-water port in The Arctic basin of Russia that will lower coal transfer through Baltic countries.
**PROJECT’S STAGES**

**Preparatory stage:**
design and exploration work, fund raising, signing equipment supply contracts and construction works.

**Investment stage:**
dredging works, sea-port facilities and infrastructure construction, port opening for vessels loading.

**Operational stage:**
adjustment of technical equipment, set to project capacity on transfer of freights, investments return, port development.

**Construction of the deep-water seaport in the city of Belomorsk**

- **Preparatory stage:** 2010 - 2014
- **Investment stage:** 2015 - 2018
- **Operational stage:** 2019 - 2062
Sea-port general parameters

Master plan of multifunctional seaport

Port’s first stage:
- Design capacity – 9 million tons per year
- the specialized coal terminal – 8 million tons per year
- multi-purpose loading and unloading complex (forest and general freights) – 1 million tons per year
- service of cruise ships for tourism needs

The area of the territory – 36,5 hectares
The harbor area – 43,75 hectares
Operational mode – year-round navigation (ice steering during the winter period)
Number of workers – 635 peoples

Port’s second stage:
- Freights transfer increase up to 15 million tons per year
- installation of the 96 MW gas-turbine thermal power plant
Financial parameters

Project’s estimated cost, Investments sources and financing schedule

Project’s financial volume – 38 117,25 million rubles (€539,5 million)

including:
- Project’s estimated cost on the investment stage – 14 011,54 million rubles (€198,3 million)
- Reinvestment on the project’s operational stage (2018 – 2062) for port’s designed capacity maintenance – 24 105,70 million rubles (€341,2 million)


- Investor’s private capital;
- PJSC «Russian Railways» capital (regarding financing of port’s railway infrastructure construction);
- federal budget funds for the federal property facilities construction (border services, custom, navigation and vessels movement control systems);
- within the Intergovernmental agreement on economic cooperation between Russian Federations and the Hungarian Republic, the consent from the Hungarian party to "turnkey" construction of deep-water sea trade port in the city of Belomorsk according to the scheme of export financing is received.
the detailed business plan of the Project is developed by the Legal bureau "Legas-Veks" (Moscow);

the positive decision of Management of the State Customer of Programs of Development of Sea Transport Federal State Institution on the Declaration on intentions is received;

the property of the former fish port is redeemed into property of JSC «Belomorsk port» (the coal berth, the radio station building, highway, northern protective pier, salt warehouse and even more than 10 real estate objects); lease contracts of the land plots on which the property of the former fish port, with a total area of 29,9 hectares is located are signed on long-term conditions (for 49 years); the estimated cost of a property complex – 4 009,16 million rubles (€56,7 million);

preliminary negotiations with coal suppliers on possible transfer via the terminal of the new port in the amount of approx. 10 million tons per year were held;

negotiations with the projects and construction organizations of port are conducted, tenders for design and construction of port will be organized and held;
Within the harbor area of new port (about 4 sq.km) measurements of depths are carried;

the preparatory work connected with geological researches within the White Sea harbor and in the territories adjacent to new port is conducted;

works on port’s delimitation and on assignment of the new seaport’s name are carried out;

the expert grade in logistics in Belomorsk port is prepared;

preproject works on intermediate and intra port railway infrastructure construction are performed;

perspective volumes of goods turnover of port are coordinated and specifications of an adjunction of railway infrastructure of JSC «Belomorsk port» to station Belomorsk of Oktyabrskaya Railway prepared.
Thank you for attention