

THE METHODOLOGICAL FOUNDATIONS FOR CREATING THE SMALL-CAPACITY PORTS ON THE BLACK SEA COAST OF GEORGIA

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Abstract: *As of today, establishment of small port network has an important place in the development of small and medium businesses in maritime countries. They are among the most important tools having a positive impact on sustainable and equal development of small and medium businesses in the country. Small ports appear to us as the centers of regional economic activities. Export technology from a small port is carried out much faster and easier compared to the large deep-water port hubs.*

A small port equipped with appropriate infrastructural facilities may also combine functions of harbor required for small fishing vessels and yachts. A small port can easily develop the yacht and cruise tourism.

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1. Introduction

Georgia has been and remains the main land-sea transit hub in the whole South Caucasus. That is why the improvement of transport infrastructure is essential to the country's economic and social development.

The ports and harbors being subject to the border control, are the places for implementing cargo transfer, administrative service and trade procedures, as well as connecting link of land and maritime transport routes and are one of the most important parts of the transport and logistics chain. Within the TRACECA transport corridor, they accord special significance, since this transport corridor crosses the Black and Caspian seas, and its effective functioning as an international transport corridor largely depends on the successful operation of the port and the maritime transport sector.

Navigation in the the Black Sea dates back to the Antique time, thus the Black Sea region countries and peoples have ancient maritime traditions and history, including in terms of international traffic. These historical circumstances still play an important role in the processes of reflection of the current situations and objectives that have arisen in the development of maritime affairs in our country.

The multi-modal transport corridor crossing the Black Sea through Eurasia competes mostly with road and railway routes crossing Russia, and to a lesser extent, with other land routes passing through the territories of Iran and Turkey. However, transit traffic flows, which these corridors are trying to apply, are mostly transported by sea between the Asian and European ports of the Caspian, Black and Mediterranean seas. According to expert estimates, this tendency will be maintained in the long run, and it is therefore important to correctly determine the strong and weak points of the transportation of cargoes through the Black Sea, and how the existing system can be developed to make maritime transport more effective in the near future. This will allow us for determining where and how the land transport corridors will find their functioning area in the common intercontinental transport-logistics networks to increase their share in the transport service market and eventually become an indispensable additive for marine transportation.

The Black Sea ports experience intensive development due to continuous growth of imports and exports, as well as owing to rapid modernization and investments. There are being constructed new powerful terminals in Ukraine and Russia, and the process of

privatization of ports in Turkey and the concession process in Bulgaria are still ongoing. The structure of cargo flows is changing, containerization process is moving fast.

2. Preconditions and means for resolving the problem

Around 80% of international trade is carried out by maritime transport, which in most cases form the so-called "major stakeholder" of shipping. Key elements of the marine-river transport network are harbors and ports, which, at the same time, represent the territories of certain size equipped with the appropriate infrastructure. These territories are used for business activities and often have a special status. Modern trends in the development of international maritime traffic have dictated the need for creating logistics hubs, which play the role of the largest regional distribution centers, effectively carry out consolidation of bulk cargo and shipping operations.

It should be noted that the operation of large-capacity vessels is accompanied by a reduction in the number of their direct entries into ports (since from the technical and technological standpoint, not all ports can serve these types of ships), due to which it is necessary to use the shipment system on the principle of the "hub and spoke", which lowers the quality of process flexibility, and presumably, we obtain the lower effectiveness of the frequency of the voyages.

Cargo carriers believe that all this results in failures in the supply chain, delays, creation of large stock overhangs, and therefore, an increasing need for working capital, which often becomes a main problem for powerful port-hub.

To increase the effectiveness of the frequency of the voyages of large-capacity vessels, carriers sometimes use slow movements, which is regarded by them as the principal response to to excess transportation capacity of ship and the increased fuel prices, which ultimately forces consignors to search for even greater volume of capital investment with objective of storing increased stock. Today, consignors have questioned savings that they would reap as a result of slow movements of large-capacity ships.

In most of the deep-water ports, goods are delivered by railway transport, for which the cargo owner must order wagons at least a month in advance, in besides, the acquisition of a quota in the deep-water terminal is relatively more difficult. Finally, shipping requires more time, documents and efforts. Export of some

types of goods (such as cereal), from a deep-water large port-hub requires up to three months, while the same process from a small port may be completed within a few weeks.

Thus, today, the establishment of small ports network is an important matter in the development of small and medium business in maritime countries. For example, in addition to large port-hubs (Liepaja, Ventspils, Riga, etc.), Latvia has also seven small ports in the Baltic Sea (Pavilosta, Roja, Mersrags, etc.). They represent one of the most important instruments that contribute positively to sustainable and equal development of small and medium businesses in the country. Smaller ports appear to us as the centers of regional economic activity [1].

The establishment of small ports network on the Black Sea coast of Georgia can be considered to be one of the directions of the implementation of the plan of the effective spatial arrangement of business enterprises and transport infrastructure facilities declared by the government of our country.

Export technology from a small port is implemented much faster and easier, compared to large deep-water port-hubs, because in small ports, it is possible to deliver goods to the terminal directly by road transport, and this is very cost-effective, since the preliminary reload and transportation from the cargo yard or from the warehouse to the terminal is excluded. In case of transportation with such technology, in a small port, it is possible to load several ships with capacity of 3-5 thousand tons per day quickly and directly from vehicles.

The main direction of Georgia's small ports activities should be provision of fast and effective processes of transportation of goods produced in the region, as well as small transit cargo (including perishable agricultural products, which require special packaging and transportation conditions), to European countries and in the reverse direction. A small port equipped with appropriate infrastructural facilities may also combine functions of small fishing vessels and yachts [2].

Today, the the volume transported by small ports is relatively small, compared to large port-hubs, but in terms of small and medium business development in the country, small ports are an integral part of the development of the country's coastal regions. Smaller harbors create favorable preconditions in coastal areas for developing such sectors as fishing and fish processing, primary processing of fruits and vegetables, tourism, marine and land transport [3].

State or private investments in the establishment of small ports and their infrastructure will be positively reflected on the reduction of maritime traffic risks and increasing their safety, minimizing environmental pollution risks and facilitating the improvement of the functioning of small ports and harbors.

Small harbors are an important actors in small and medium logistics businesses that perform not only export-import, but also industrial and cargo processing operations. The priority directions of the work of the Black Sea small ports should be as follows:

- transportation of local and transit small cargo between the ports of the Black and Mediterranean seas and their tributaries;
- receiving, dispatching and locating small fishing vessels;
- yacht and cruise tourism development.

An important place in activities the small Black Sea port can be taken by transportation of agricultural goods produced in the South Caucasus region within the effective logistics chain "Field-motor transport - small port-marine transport- destination marine or river port". The high effectiveness determiners of the shipment process from a small port are: the use of motor transport distinguished for

high maneuverability and velocity directly in the process of loading and unloading; small amount of time for transportation and an intensive turnover of marine vehicles between the small ports. For example, forecasts show that in the nearest years, the small seaports' cargo turnover will be increased considerably. A small port should have the petroleum storage reservoirs and warehouses, the border sanitary control point, the distribution and logistics center, and also, it is possible to implement the industrial fleets and wind generators projects. The works should be performed to attract private investments in construction and reconstruction of the petroleum storage reservoirs; with the support of the EU, it is possible to develop the cruise traffic projects.

With a view to increasing brand strength of Georgia, as a seaside resort country and improving the living condition standards of the local population in the country, a significant aspect of activities of ports should be the yacht tourism. With the support of private investments, it is possible to establish a small yacht-building enterprise, as well as to create infrastructure for yacht tourism. At present, there is every reason for creating in our coastal zone small harbors with modern and developed yacht-tourism infrastructure, which will not only promote the development of yacht tourism in the South Caucasus region, but also in the perspective, it will become an important attribute of attracting tourists wanting to "travel around the Black Sea" by yachts. **3. Conclusion**

The following complex objectives should be solved to achieve the set goal:

1. To analyze and activities of small ports and harbors existing in the Black Sea area and their development prospects;
2. Determining the role and place of a small port important, as an important historical and economic factor of ensuring the intensive international business links;
2. To systematize the theoretical approaches to determining the small ports' parameters;
3. To identify the role of a small port's transport complex in the economic development of the region, based on the theoretical analysis of the experience of other maritime countries;
4. To define the principles of mutually beneficial cooperation between large ports and promising small harbors existing in the region;
5. To provide a feasibility study to establish small ports network on the Black Sea coast of Georgia.

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