



## Alakol Port

### Production

Within the framework of the project, services will be provided for the transportation and transshipment of bulk and bulk cargoes for exported Kazakh products to China. When reaching full capacity in 2030, annual exports to China through Alakol Port will amount to 5.3 million tons of cargo per year, including transshipment of agricultural products (1.6 million tons per year), transshipment of other dry cargo (0.37 million tons per year), transshipment of solid minerals (3.3 million tons per year).

### Project

As part of this investment project (the “Project”), it is planned to build a logistics center Alakol Port (hereinafter referred to as the “Center”, “Hub”) with a capacity of 4.3 million tons per year in the Abay region. Alakol Port will provide full control and coordination of all stages of bulk cargo transshipment from the moment of their arrival to shipment to the Alashankou station in China.

There is a need to reduce the queues at the stations of the Republic of Kazakhstan and China, which are formed due to the difference in the width of the railway track of the Republic of Kazakhstan and China.

At the moment, negotiations are underway with Chinese equipment suppliers, and active efforts are being made to process the land plot and obtain construction permits for the facility.

### Company

SG Solutions LLP was created in 13 February 2023 to implement the project to build the Alakol Port Logistics Centre.

Main activity: rail cargo handling (CCEA 4920)

### Market

- Kazakhstani exports to China increased by 35% in 2022 compared to the previous year, reaching \$13 billion. In 2022, the export of bulk and bulk cargo from Kazakhstan to China increased by 31% and reached 6.7 million tons. At the same time, the share of iron ore in the export of bulk and bulk cargo to China was 82.7% (5.6 million tons). Kazakhstan is also actively exporting flax, sunflower and other oilseeds, the export of which in 2022 reached 405 thousand tons.
- In 2022, rail freight turnover in Kazakhstan increased by 4%, amounting to 308 billion t-km.

### Investment attractiveness of the project:

The amount of investment is 120,807 thousand USD

NPV – 60,275 thousand USD

IRR – 22.8%

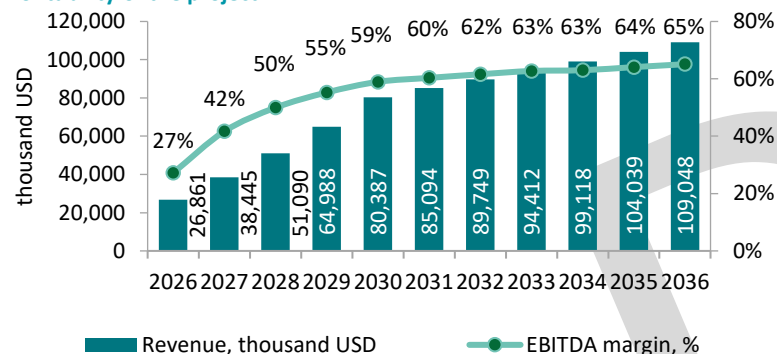
The payback period is 7.37 years

Discounted payback period is 11.46 years

### What is the project's attractiveness?

- Advantageous location.** Abai Oblast is in the east of Kazakhstan and simultaneously borders Russia and China, as well as Karaganda and Pavlodar Oblasts, which are home to Pavlodar and Saryarka SEZ. Abai and East-Kazakhstan Oblasts are also home to potential hub users – large metallurgical concerns such as Kazzinc LLP, JSC Ust-Kamenogorsk Titanium and Magnesium Plant and JSC Ulba Metallurgical Plant. The distance to the Alashankou border cargo station is only 40 km.
- Multimodal haulage.** The logistics hub allows different types of transport to be used simultaneously, significantly increasing capacity and traffic. Exporters are given the choice of the best form of transport for each type of cargo, distance and required delivery dates. The variety of transport solutions optimises logistics processes and improves international haulage performance.

### Profitability of the project



### Construction site

