

## China's Activities in the South Caucasus

Issue 2, 27.07.2020 – 23.08.2020

*The digest covers China's political, diplomatic, economic and other activities in the South Caucasus region and relations between China and the South Caucasus countries. It relies on a wide variety of sources, including the Chinese media. It is worth noting that the Chinese media is controlled by the Communist Party of China (according to the World Press Freedom [Index](#) China is nearly at the bottom of the list and ranks 177th out of 180 countries).*

27.07.2020 – 2.08.2020

### Georgian Prime Minister attends the opening ceremony of a Chinese company-contracted road



Source: [POWERCHINA](#)

The SG18 project of the E60 Highway in Georgia, contracted by Chinese company Sinohydro Bureau 16 LTD, that is a subsidiary of Power Construction Corporation of China (POWERCHINA), opened to traffic on July 18, Chinese media outlet Sina News [reported](#) on July 29.

This is the new Japana-Lanchkhuti 14 km road of Samtredia-Grigoleti section of the East-West E60 highway. As the Ministry of Regional Development and Infrastructure of Georgia [reports](#), in the Western Georgian region of Guria, a new section of highway connects Lanchkhuti city and villages of Lanchkhuti's municipality - Japana, Qviani, Nigoti, Qvemo Shikhuti.

According to the Chinese media, the project started in March 2016 and the SG18 section will replace the previous [road](#) in Georgia connecting Samtredia, Lanchkhuti and Grigoleti. Sina News says that the travel time will be shortened by 20%-30%.

POWERCHINA [reports](#) that Georgian Prime Minister Giorgi Gakharia, First Deputy Prime Minister and Minister of Regional Development and Infrastructure Maya Tskitishvili, First Deputy Minister of Regional Development and Infrastructure of Georgia, Chairman of the Roads Department of Georgia, Irakli Karseladze were attending the opening ceremony.

Prime Minister Gakharia said in his speech that the construction of the highway has important significance in promoting transportation efficiency and driving the economic development of Georgia.

POWERCHINA writes that Prime Minister Giorgi Gakharia thanked POWERCHINA for its high quality and highly efficient completion of the construction project, and highly praised the wisdom and professionalism of the employees of China and Georgia during the devastating period of the Covid-19.

On April 30, 2018, the Roads Department of Georgia [reported](#) that Construction work on the 2nd section of Samtredia-Grigoleti Highway was lagging significantly behind. It also said that in case of non-fulfillment of the obligations, Sinohydro would be sanctioned.

According to a [FactCheck.ge](#) report in 2018, at that time Sinohydro was constructing three sections of the highway and the total cost of these projects were 597 362 447 GEL.

In January 2020, Bm.ge [reported](#) that Sinohydro was actively engaged in the state procurement and according to the company's 2018 financial statements, its revenue was 87,404,870 GEL.

In June 2020, the Roads Department of Georgia hired international law firm Hogan Lovells in a legal dispute with Sinohydro, [Newspost](#) reported.

### **China-Azerbaijan online business forum held**

An Azerbaijan-China online business forum organized by Azerbaijan's Trade Representative Office in China and the Investment Promotion Agency of the Chinese Ministry of Commerce (CIPA) has been held. The forum involved about 100 entrepreneurs and officials from both sides, Azerbaijan state news agency AZERTAC [reported](#) on July 31.

Azerbaijan's Deputy Minister of Economy, Rovshan Najaf, said that Azerbaijan-China relations were based on the principles of mutual respect and friendship, stressing great potential for developing bilateral cooperation in various areas, including trade, investment, transport and tourism, ICT, agriculture, finance and etc.

AZERTAC writes that the head of the Eurasia Department of the Ministry of Commerce of China and co-chair of the Azerbaijan-China Intergovernmental Trade and Economic Cooperation Commission, Wang Kaixuan, highlighted bilateral trade relations, proposing to expand cooperation in trade, logistics, transport, tourism and other fields.

Acting President of the Azerbaijan Export and Investment Promotion Foundation (AZPROMO) Yusif Abdullayev spoke about the country's export, investment potential, transport and tourism opportunities. He also pointed out the favourable business and investment climate in Azerbaijan.

According to AZERTAC, the expansion of business contacts and the possibility of implementing joint projects were also discussed at the online forum.

### **China among Top-5 destinations of Georgian wine exports in 2019**

According to the American Association of Wine Economists (AAWE), China is among Top-5 countries where Georgia sold the largest volume of wine in 2019, [bpn.ge reported](#) on July 29:

Russia - \$ 133,225 million

Ukraine - \$ 23,052 million

China - \$ 18,863 million

Poland - \$ 9,040 million

Kazakhstan - \$ 8,489 million

8.4% of wine exported from Georgia was sent to China.

*03.08.2020 – 9.08.2020*

### **Georgian representative at a Chinese online conference says politicizing the epidemic is unacceptable**

The third event of the global anti-epidemic cooperation think tank forum was held in Beijing. The subject of the forum was “An overall plan of anti-epidemic and economic and social development: China's perspective”, Chinese Academy of Social Sciences (CASS) [reported](#) on August 7. 19 foreign experts and scholars from 17 countries participated in the online conference and exchanged views with Chinese representatives.

As CASS reports, during the online forum, Jemal Putkaradze, an adviser to the Georgian Minister of Agriculture, said that Georgia welcomes Chinese investment and makes great efforts to create a good business environment and promote the mutual benefit of two countries.

Speaking of the current pandemic, Putkaradze said that politicizing the epidemic was unacceptable.

According to CASS, participants discussed the positive effect of the Belt and Road international cooperation in promoting the recovery of the global economy.

### **Chinese and Armenian sides discussed bilateral cooperation**

On August 5, Ambassador of China to Armenia Tian Erlong had a telephone conversation with the Minister of Territorial Administration and Infrastructures of Armenia Suren Papikyan and Minister of High-Tech Industry Hakob Arshakyan, Chinese embassy in Armenia [reported](#) on August 6.

“China is willing to focus on post-epidemic recovery and development, and within the framework of the “Belt and Road” cooperate, further strengthen the infrastructure of both sides, mutually beneficial cooperation in the fields of infrastructure and communications, help the two countries' pragmatic cooperation to step on a higher level,” - writes the embassy.

Papikyan and Arshakyan thanked the Chinese side for providing assistance and support to the Armenian side in the fight against Covid-19 and emphasized that Armenia highly values developing friendly relations with China and mutually beneficial cooperation areas. Papikyan said that he is willing to work with China to promote the implementation of the North-South Highway and two countries' infrastructure cooperation projects in Armenia. Arshakyan expressed willingness to strengthen exchanges with the Chinese side and further deepen information communications and information superhighways (internet telecommunication network) and high-tech cooperation between two countries.

### **Chinese construction company wins another tender in Georgia**

The Chinese company Sinohydro, a subsidiary of Power Construction Corporation of China (POWERCHINA), won an international tender announced by the Ministry of Regional Development and Infrastructure of Georgia, [bm.ge](#) reported on August 4. The company will carry out reconstruction work on the 42-kilometre Khulo-Zarzma section of the Batumi -Akhaltzikhe highway. At this stage, the company and the Ministry are concluding the agreement procedure. The new Khulo-Zarzma road will connect Samtskhe-Javakheti and Adjara regions.

### **China sends medical team to Azerbaijan**

China has sent a team of medical experts to Azerbaijan to help the country fight the COVID-19, Chinese Foreign Ministry speaker Wang Wenbin announced, [Xinhua](#) reported on August 4.

On August 4, a team of 10 experts from the Sichuan Province arrived in Baku, Azerbaijan. According to Xinhua, the team also delivered a batch of protective equipment donated to Azerbaijan by the Chinese government.

### **Armenia among the countries that choose Chinese 5G**

On August 5, Chinese [Guocheng.com](#) published a list of countries that choose Huawei's 5G network.

Countries that support Huawei include Armenia. According to the website, Huawei has obtained 92 5G contracts.

### **China plans to build Smart City in Armenia**

China will invest \$10-15 billion to build Smart City in Armenia over the course of 15 years, Artsakhpress [reports](#). On August 6, an agreement was signed between the representatives of Armenia and China. The planning of Smart City will begin in 2021.

According to Artsakhpress, joint companies will be established in this Armenian-Chinese joint Smart City with a population of about 15 000. The companies will be engaged in scientific innovations, the development of the latest technologies - in particular, artificial intelligence, "smart" agriculture, medicine, tourism and banking.

### **Former President of Armenia shares his opinion about China**

The second president of Armenia, Robert Kocharyan expressed his opinion on "China's important role", Panorama.am [reported](#) on August 4.

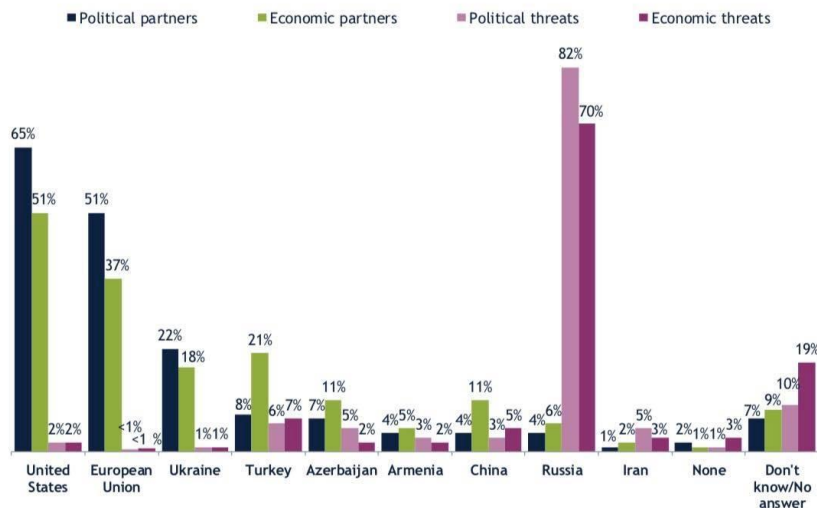
"Robert Kocharyan said that globalization was coming to an end, and the new world trend would be led by China and Russia. China has an ancient civilization and a rich cultural heritage. It will play an important role in further geopolitical developments," - Kocharyan's Facebook page quoted the platform.

Former President said that today there is a trend in the world focused on fighting for national values and "the leaders in this process are Russia and China, which have a great civilization potential, a very powerful culture and in whose identity their culture and history play a major role".

10.08.2020 – 16.08.2020

### Georgia-China relations – a public survey

Which of these countries do you consider the greatest political/economic partners to Georgia? Which of these countries pose the greatest political/economic threat?  
(Multiple responses accepted)



Source: [International Republican Institute/Screenshot](#)

In Georgia, a public opinion [survey](#) was conducted by the International Republican Institute, from June 4 to July 2, 2020. Survey included several questions about Georgia-China relations.

On the question how would they evaluate the current state of the relationship between Georgia and China, 64% think that the current state of the relationship between Georgia and China is good, 17% evaluate that this relationship is neither good or bad, 10% consider that this relationship is bad and another 10% didn't answer the question.

After the USA (47%), most respondents, 6%, consider China to have been the most helpful to Georgia's dealing with COVID-19.

To the question which countries a respondent considers the greatest political/economic partners to Georgia and which pose the greatest political/economic threat, the answers are following - 11% thinks that China is among greatest economic partners; 4% considers China among greatest political partners; for 3% China is among greatest political threats to Georgia and 5% believes that China is among greatest economic threats (on this question, multiple responses were accepted).

1 500 adult permanent residents of Georgia took part in the survey. The survey was published on August 11.

### **Speech of China's Ambassador to Georgia on a Chinese competition**

On August 10, The Chinese Bridge Proficiency Competition for middle-age students was held online, the Ministry of Foreign Affairs of China [writes](#). China's Ambassador to Georgia Li Yan attended the online competition and delivered a speech.

Ambassador said that China-Georgia relations have developed positively in recent years. She pointed out that the two countries have a long history of friendship. Li Yan emphasized that cooperation in various fields is getting closer and mutual understanding between two countries' people is deepening. Ambassador encouraged contestants to continue their life paths with learning Chinese and contribute to the cause of friendly cooperation between the two countries.

The Chinese Bridge Proficiency Competition was organized by the Confucius Institute.

### **Azerbaijani products at a Chinese exhibition**

"Made in Azerbaijan" products were exhibited at the 4th China (Qingdao) International high-end wine and strong alcoholic drinks exhibition, [Azertag](#) reported on August 12.

This is the first time an Azerbaijani product has appeared at an international exhibition this year. Due to the Covid-19 pandemic in the first half of this year, a series of exhibitions planned to be held in China was postponed.

Azerbaijan's commercial representative in China said that despite the reduction in global economic exchange cooperation due to Covid-19, the trade relations between Azerbaijan and China still appear to be in a good state.

Azertag writes that according to statistics from the China trade ministry, Azerbaijan's exports of agricultural products and food to China in the first five months of this year have increased by 49% compared with last year.

### **China-Armenia business forum held in Beijing**



Source: [Chinadaily](#)

On August 6, the China-Armenian business forum wine reception hosted by the Armenian Embassy in China was held, [CHINADAILY](#) reported on August 12. The event aimed to promote economic and trade cooperation between China and Armenia, promote Armenian industries and investment environment and investigate the prospects for economic and trade cooperation between China and Armenia during the current Covid-19 crisis.

Armenia's Ambassador to China, Sergey Manassarian, emphasized that the good political relations between China and Armenia have strongly promoted the development of bilateral economic and trade cooperation. As he said, "under the framework of the Belt and Road Initiative the two countries have broad prospects for cooperation in many fields".

### **Assistant to the President of Azerbaijan met Chinese medical group**

Assistant to the President of Azerbaijan and executive director of the Heydar Aliyev Foundation, Anar Alakbarov met with representatives of the Chinese anti-epidemic medical expert group delegation in Azerbaijan, Ministry of Foreign Affairs of the People's Republic of China [reported](#) on August 14. China's Ambassador to Azerbaijan Guo Min also attended the meeting.

Alakbarov said that in recent years relations and cooperation between the two countries have developed considerably and are at their highest level in history.

Ambassador Guo Min said that the Chinese Embassy in Azerbaijan will work closely with the Heydar Aliyev Foundation to ensure the smooth work of the Chinese medical expert team in Azerbaijan, further



deepening the cooperation in the medical field between the two countries and to promote China-Azerbaijan friendship and cooperation to a new level.

17.08.2020 – 23.08.2020

### **Chinese Ambassador held a meeting with Azerbaijan's Foreign Minister**



Source: [Menafn](#)

On August 19, Azerbaijani Foreign Minister Jeyhun Bayramov held a meeting with China's Ambassador to Azerbaijan Guo Min at the Foreign Ministry.

According to [Menafn](#), the minister said that Azerbaijan is China's largest trade partner in the South Caucasus region and the two countries have been developing ties in the political sphere as well.

During the meeting, the sides exchanged views on further expansion of cooperation in bilateral and multilateral formats, as well as within international organizations.

Bayramov expressed satisfaction with the development of relations between Azerbaijan and China in the political, economic, trade, humanitarian and healthcare fields. Media writes that the principled position of the sides on respect for the sovereignty and territorial integrity of the states was also underlined.

Bayramov informed the Chinese envoy about the recent Armenia-Azerbaijan conflict in Tovuz. The Chinese ambassador expressed China's firm position on respect for the sovereignty and territorial integrity of Azerbaijan.

According to Menafn, Guo Min said that China highly appreciates Azerbaijan's activities during its chairmanship of the Non-Aligned Movement, especially a number of global initiatives put forward by the President of Azerbaijan over Covid-19.

### **China says it is willing to continue providing assistance to Azerbaijan in its fight against the Covid-19**

On August 18, China's Foreign Ministry spokesperson Zhao Lijian [said](#) that China is willing to continue to provide assistance to Azerbaijan, within its powers, in its fight against the Covid-19, and will continue to strengthen cooperation with the international community in the fight against the virus.

He noted that a medical expert team arrived in the capital of Azerbaijan, Baku. Zhao Lijian said that China and Azerbaijan are friendly cooperative partners.

### **Confucius Institute in Azerbaijan holds an online competition about Chinese military**

On August 1, China's Army Day, the anniversary of the founding of the Chinese People's Liberation Army, the Confucius Institute at Azerbaijan University of Languages held an online Chinese military knowledge contest, [Azertag](#) reported on August 14.

Zhang Zunguo, the military attache of the Chinese Embassy in Azerbaijan, attended the contest and delivered a speech. Rafiq Abbasov, the director of the Confucius Institute's Azerbaijan branch at Azerbaijan University of Languages and Li Jihua, the director from the Chinese side, also attended the online event.

Zhang Zunguo said that due to Covid-19 crisis this year the embassy in Azerbaijan couldn't hold a meeting and it was very important that the Confucius institute held this contest.

Rafiq Abbasov introduced the history of the development of the military-political and military-technical relations between Azerbaijan and China. He expressed hope that students would understand more about Chinese military affairs, broaden their general knowledge and with this activity deepen their understanding of the Chinese culture.

### **Workers from China arrive in Georgia to participate in the construction of a highway**

On August 21, [china.org.cn](#) reported that an aircraft carrying 142 workers had taken off from Changsha, central China's Hunan Province, to participate in the construction of a highway in Georgia.

As the website reported, it is the first international chartered flight from China to Georgia since the resumption of work following the Covid-19 pandemic, and also the first international chartered flight from Hunan for the purpose of work and production resumption.

Chairman of the group, Yang Hongwei, said the flight is of great significance for enterprises in Hunan to promote the resumption of work and production, strengthen their confidence in overseas development and deepen cooperation along the Belt and Road.

Georgian Interpressnews agency [reported](#) arrival of specialists from China for the construction of 23 kilometers of the Kvesheti-Kobi road in the mountainous part of Eastern Georgia.

### **Chinese journal writes about Georgia**

On 21 July, the embassy of Georgia to China [reported](#) that a big part of the August edition of one of China's most popular journals, *The World and China*, was devoted to Georgia's history, culture, tourism opportunities and cuisine.

### **Confucius Institute in Azerbaijan holds an online photo exhibition**

To celebrate the World Photography Day, on August 10, the Confucius Institute at Azerbaijan University of Languages held an online exhibition of the winners of the "China in My Eyes" photography competition, Azertag [reported](#) on August 17. It exhibited the works taken by Chinese language students during their study trip to China.