

The Unrealized Anaklia Port Project – Strategic Importance and Challenges



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The development of the Anaklia deep-water port is one of Georgia's most crucial strategic objectives. It would positively transform the country's role on both regional and international levels. This project would not only facilitate Georgia's emergence as a transport and logistics hub but would also provide a significant boost to the diversification of the national economy and enhance the country's integration into global trade. The idea of constructing the Anaklia Port has a long history. The project concept first emerged in the 20th century, but various factors have continuously hindered its realization. These include political instability, lack of political will, economic difficulties, and geopolitical challenges.

This document provides a detailed overview of the development stages of the Anaklia Port project and the current situation. It also analyzes the economic and geopolitical significance of the project, the positions and interests of the stakeholders, as well as the existing obstacles and challenges that have hindered the construction and development of the port to this day. The paper focuses on the key question of *why the Anaklia deep-sea port project has not been realized in Georgia since 2016, despite the private sector's expressed readiness, large-scale international support at the initial stage, and, at a later stage, transfer of 51% of the project to government management.*

Opinions expressed in this document are based on the analysis of public records, official statements from authorities and politicians, details related to the investment process, and media reports. This analysis outlines the logic behind decisions and actions that, initially, clearly disrupted collaboration between the state and private investors, and at the second stage, delayed signing of official documents with the eventual winner of the investment competition, leading to the indefinite postponement of the project's implementation.

The History of the Anaklia Deep-Sea Port Project

Ideas Regarding the Construction of the Port

The idea of constructing the Anaklia Port dates back to the 20th century. The first practical step was taken in the 1960s with the construction of a pier,¹ but the work was soon halted for several years. In 1976, oceanographer and geomorphologist Vsevolod Zenkovich studied the potential impact of future construction activities on the coastal zone in Anaklia. Following this research, in the 1980s, geographer Archil Kiknadze and architect Giorgi Metreveli were tasked with developing a plan for the Anaklia deep-sea port. However, after the collapse of the Soviet Union, the initiative was abandoned.² Work on the port resumed in independent Georgia - between 1993 and 1995, the government attempted to build an oil

¹ Structure extending into the sea for ships to approach from both sides

² Tekla Aslanishvili and Orit Halpern. "Scenes from a Reclamation." *E-flux*, February 2020. Accessed via <https://www.e-flux.com/architecture/new-silk-roads/313102/scenes-from-a-reclamation/>

terminal in Anaklia, but without success.³ Port projects were introduced in 1997 by an Israeli entrepreneurial group, and in 1998-1999 by the Georgian-Ukrainian consortium "Egris." Two international tenders were held from 2000 to 2001, with up to twelve international companies participating.⁴ During the same period, Spartak Eragia, an engineer and director of the "Mshenproekt Ltd," developed an alternative project for the deep-sea port in Anaklia, which proposed a port capacity of 100-120 million tons.⁵ Despite numerous plans and initiatives, the port's construction remained merely an idea due to the government's limited capabilities at that time.

In December 2011, Mikheil Saakashvili, Georgia's third president, announced the construction of Lazika - a new port city near Anaklia.⁶ According to the plan, Lazika, intended for one of the deepest areas on the Black Sea coast, was poised to grant Georgia a significant trade and economic role.⁷ In June 2012, an amendment to the Constitution of Georgia granted Lazika special city status and powers.⁸ The construction of this new port city was sharply criticized by the opposition at the time. Before the 2012 parliamentary elections, the leader of the coalition Georgian Dream, Bidzina Ivanishvili, dismissed the Lazika initiative as Saakashvili's whim and a joke.⁹

After the 2012 parliamentary elections, Giorgi Kvirikashvili, then candidate for the Ministry of Economics and later Prime Minister, stated that he would not rule out the construction of the port in Anaklia if the project proved profitable. However, Bidzina Ivanishvili still deemed the idea of building Lazika near Anaklia absurd. Yet, he considered the construction of the port itself realistic.¹⁰ In 2013, during the presentation of the Co-investment Fund, Prime Minister Bidzina Ivanishvili announced that the construction of the Anaklia port would be the most expensive project financed by the fund. He projected the port would become the largest in Georgia, capable of handling 110 million tons of cargo annually. In response, the United National Movement stated that the Anaklia port announced by Ivanishvili was precisely where the Lazika port had been planned.¹¹ In 2014, the fact-checking platform "Fact-Check Georgia" attempted to

³ Teo Absandze. "Our political team is the initiator of the Anaklia Deep-Water Port idea." *Fact-Check*, March 5, 2019. Accessed via <https://factcheck.ge/ka/story/38008>

⁴ Tekla Aslanishvili and Orit Halpern. "Scenes from a Reclamation." *E-flux*, February 2020. Accessed via <https://www.e-flux.com/architecture/new-silk-roads/313102/scenes-from-a-reclamation/>

⁵ Giorgi Nasrashvili. "Whatever we call it, Lazika or Anaklia, today this project is stopped." *Fact-Check*, July 11, 2014. Accessed via <https://factcheck.ge/ka/story/13633>

⁶ Netgazeti. "At the initiative of the President of Georgia, a new city will be built in Samegrelo." *Netgazeti*, December 4, 2011. Accessed via <https://netgazeti.ge/news/11773/>

⁷ InterPressNews. "Mikheil Saakashvili - The creation of the Black Sea industrial zone is not a project that belongs to any one government and team." *InterPressNews*, September 18, 2012. Accessed via <https://www.interpressnews.ge/ka/article/213912>

⁸ Legislative Herald of Georgia. "Constitutional Law of Georgia on Amendments to the Constitution of Georgia." *Matsne.gov.ge*, June 29, 2012. Accessed via <https://matsne.gov.ge/ka/document/view/1696093?publication=0>

In 2017, this entry was removed from the Constitution, and instead an entry appeared: "By organic law, a special economic zone is created in Anaklia, where a special legal regime extends. By organic law, other special economic zones with a special legal regime may also be created."

⁹ Giorgi Nasrashvili. "Whatever we call it, Lazika or Anaklia, today this project is stopped." *Fact-Check*, July 11, 2014. Accessed via <https://factcheck.ge/ka/story/13633>

¹⁰ Ibid

¹¹ Tabula. "Co-Investment Fund Presentation." *YouTube*, September 30, 2013. Accessed via <https://www.youtube.com/watch?v=NRftj48Xz2c>

identify differences between the two projects. According to their conclusion, since no specific design decisions had been made regarding the Lazika port, it was not feasible to discuss differences between the Lazika and Anaklia ports. Furthermore, "Fact-Check Georgia" noted that the fundamental similarity between both port concepts lay in their proposed use of the Enguri Canyon near Anaklia.¹²

The First Tender - "Anaklia Development Consortium"

At the beginning of 2014, at the request of the "Partnership Fund,"¹³ the Japanese engineering and consulting consortium, Oriental Consultants Company Limited, conducted a study to select a site for a new port in the Black Sea aquatory. The study concluded that Anaklia was the most suitable location, as it would accommodate large vessels.¹⁴ In August of the same year, a government decree established a commission to review applications submitted for the construction and operation of the deep-sea port in Anaklia.¹⁵ During the initial selection phase, twelve companies expressed interest, and the commission subsequently shortlisted seven. In May 2015, the commission granted two of these seven candidates the opportunity to submit final proposals.¹⁶

1. The consortium, founded by Georgian businessman Temur Karchava, which included: Anaklia Port and Industrial Eco Park (Georgia); Power China – Hubei Hongyuan Power Engineering Co., LTD (China); British Eco Power LTD (UK); Spartak Eragia - Individual.
2. The "Anaklia Development Consortium," founded by Mamuka Khazaradze, Chairman of the Supervisory Board of TBC Bank, which included Conti International LLC (USA) and TBC Holding (Georgia).

In February 2016, the tender commission declared Mamuka Khazaradze's "Anaklia Development Consortium" the winner. As a result of signing the investment agreement, the consortium was granted construction rights for the port for a period of 52 years.¹⁷ In October 2017, the consortium received official permission to begin the first phase of construction. The commencement of port construction was then marked in December with a ceremony attended by then-Prime Minister Giorgi Kvirikashvili and Cabinet members: Dimitri Kumsishvili, Zurab Alavidze, and Mikheil Janelidze.

¹² Giorgi Nasrashvili. "Whatever we call it, Lazika or Anaklia, today this project is stopped." *Fact-Check*, July 11, 2014. Accessed via <https://factcheck.ge/ka/story/13633>

¹³ Since 2023, the "Georgian Development Fund" (DFG), which is the only state investment fund.

¹⁴ Giorgi Nasrashvili. "Whatever we call it, Lazika or Anaklia, today this project is stopped." *Fact-Check*, July 11, 2014. Accessed via <https://factcheck.ge/ka/story/13633>

¹⁵ Legislative Herald of Georgia. "Decree of the Government of Georgia No. 1375, August 5, 2014." *Matsne.gov.ge*, August 5, 2014. Accessed via <https://matsne.gov.ge/ka/document/view/2450973?publication=0>

¹⁶ Transparency International - Georgia. "Who will receive permission to build Anaklia Port?" *Transparency.ge*, July 16, 2015. Accessed via <https://www.transparency.ge/ge/content/stub-581>

¹⁷ Transfer of a land plot for temporary use, with the right to erect any structure on or under it.

Six months later, on June 13, 2018, Giorgi Kvirikashvili resigned from his position. On August 2, the General Prosecutor's Office of Georgia launched an investigation into the alleged legalization of illegal income by TBC Bank founders, Mamuka Khazaradze and Badri Japaridze, related to a case from 11 years earlier. Notably, prior to this, Bidzina Ivanishvili had stated that he frequently reminded former Prime Minister Giorgi Kvirikashvili that "two banks (TBC Bank and Bank of Georgia) had eaten up the entire country... the balance between state interests and business interests was being violated, and Kvirikashvili was disrupting this balance with his actions."¹⁸ In June 2019, Mamuka Khazaradze and Badri Japaridze were officially charged. A few days after this event, both resigned from their positions as Chairman and Deputy Chairman of the Consortium's Supervisory Board, stating that the ongoing court proceedings could potentially become an obstacle to the development of the Anaklia Port.¹⁹

In addition to TBC Holding and Conti International, western companies such as SSA Marine, Wondernet Express, and G-Star Ltd joined the "Anaklia Development Consortium." Besides the consortium, the port's creditors were to include international financial institutions such as the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), the U.S. Overseas Private Investment Corporation (OPIC), the Dutch company Van Oord, and private investor Bob Meijer from the Netherlands. It was also known that the European Union would finance the second phase of the port construction with 233 million euros.

In the second half of 2018, financial institutions required the government to provide guarantees for the financing of the Anaklia deep-sea port project, as outlined in an 8-point plan. One of these points, concerning the hedging of commercial risks, was fundamentally rejected by the government even before negotiations began.²⁰ According to the Minister of Regional Development and Infrastructure, the government's firmest stance on this issue was its inability to ensure the investor's commercial risks.²¹ It is also noteworthy that the government, at the consortium's request, extended the deadline for the project's financial closing three times.²² According to the consortium, this was due to a disagreement between financial institutions and the government regarding the 8th point. However, the consortium also stated that the necessary funds for the project had been fully secured and would be officially announced once the government and international financial institutions agreed on commercial risk insurance for cargo turnover.

¹⁸Nino Chichua. "Anaklia Port – Chronology of Important Events." *Netgazeti*, October 15, 2019. Accessed via <https://netgazeti.ge/news/398506/>

¹⁹ Nino Bidzinashvili. "Khazaradze and Japaridze will transfer their shares in the Consortium to a trust fund." *Netgazeti*, August 5, 2019. Accessed via <https://netgazeti.ge/news/385547/>

²⁰ The state has reinsured commercial risks for the "Namakhvani HPP" and "Nenskra HPP" construction projects, which coincided with the Anaklia project.

²¹ Public Broadcaster. "Maia Tskitishvili - The state cannot insure the commercial risks of an investor." *1tv.ge*, May 21, 2019. Accessed via <https://1tv.ge/news/maia-cqitishvili-sakhelmwifos-ar-sheudzlia-investoris-kommerciuli-riskebis-dazghveva/>

²² Zurab Maisashvili and Valeri Kvaratskhelia. "The main reason for the failure of Anaklia Port was a low-quality investor who failed to fulfill his obligations." *Fact-Check*, June 10, 2021. Accessed via <https://factcheck.ge/ka/story/39603>

According to the consortium, it had fully met its obligations within the specified deadlines, completed all international tenders, selected the winning construction companies, and was ready to move to the next stage of the port's construction. As for the construction timeline, the consortium stated that if the government and banks reached an agreement on the 8th point within the following month, the Anaklia port would be able to receive the first vessel by the established deadline, at the beginning of 2021.²³

However, as anticipated, the government and the investors reached an agreement on seven out of eight points during their negotiations - the government once again refused to provide insurance for commercial risk. Therefore, the consortium was tasked with finding new investors by December 31, 2019. According to the consortium, they presented two potential investors to the government within the specified timeframe. Nevertheless, the authorities rejected: (1) A Kazakh-Hong Kong group (Meridian Capital Limited) due to the investors' origin, as they were not Western, specifically, not American; (2) Potential investors from the American investment fund (Cerberus Capital Management, L.P.), to whom the government, despite its promise, never sent written confirmation of the investor's acceptability.²⁴

On January 9, 2020, the Government of Georgia decided to terminate its contract with the "Anaklia Development Consortium." According to the government, the consortium failed to fulfill obligations outlined in seven clauses of the investment agreement. Specifically, it was unable to raise USD 120 million for its equity contribution and failed to present signed agreements with the phase one terminal operator, the contractor for phase one construction works, and international banks regarding the allocation of a USD 400 million loan.²⁵

The consortium, having already spent USD 75 million on preparatory work, filed a claim against Georgia with the International Court of Arbitration of the International Chamber of Commerce (ICC), seeking compensation for damages. However, in July 2024, the arbitral tribunal ruled that the government had lawfully terminated the contract with the consortium.²⁶ The arbitration court's decision is confidential and can only be publicized if all parties involved in the dispute fully agree to its disclosure. In this case, the parties only presented the outcome of the decision and their respective positions on it.

According to the authorities, the arbitral tribunal fully accepted the legal arguments and evidence presented by the Ministry of Justice of Georgia. It concluded that, despite the government's repeated

²³ Public Broadcaster. "'Anaklia Development Consortium' welcomes the Prime Minister's decision to extend the deadline for fundraising." *1tv.ge*, June 12, 2019. Accessed via <https://1tv.ge/news/anakliis-ganvitarebis-konsorciumi-finansebis-mosazidad-vadis-gakhangrdzlivebis-shesakheb-premier-ministris-gadawyvetilebas-miesalmeba/>

²⁴ Zurab Maisashvili and Valeri Kvaratskhelia. "The main reason for the failure of Anaklia Port was a low-quality investor who failed to fulfill his obligations." *Fact-Check*, June 10, 2021. Accessed via <https://factcheck.ge/ka/story/39603>

²⁵ Ministry of Infrastructure. "Contract with 'Anaklia Development Consortium' officially terminated." January 9, 2020. Accessed via <https://shorturl.at/fA063>

²⁶ Civil.ge. "Arbitration Court Rejected Anaklia Development Consortium's Lawsuit Against Georgian Government." *Civil.ge*, July 30, 2024. Accessed via <https://civil.ge/ka/archives/618179>

extensions of deadlines for securing the necessary construction funding, the investor failed to fulfill its obligations, entirely due to its own fault.²⁷

In response, the consortium stated its disappointment with the court's decision, but also mentioned that representatives of the Georgian government had misrepresented the ruling. Specifically, the consortium noted that the dispute was contentious (decided by a 2-1 vote) and that the claims it raised regarding the government's actions brought up important issues and legitimate questions. Moreover, according to the consortium, the arbitral tribunal unanimously rejected all of the government's counterclaims against the consortium (though it did not specify what those claims were). Furthermore, the consortium acknowledged that although it was ordered to cover the tribunal and arbitration costs, the court had denied the Georgian government's request for the consortium to reimburse the significant legal and other expenses incurred by the state. To conclude, according to the consortium's interpretation, the tribunal's decision did not refute the fact that the government had taken actions that were "unfavorable" to the project's implementation.²⁸

Given that the full content, circumstances, and reasoning behind the arbitral tribunal's decision remain unknown to the public, it is difficult to say with certainty what specifically led the state to terminate its contract with the consortium. Nevertheless, the developments surrounding the Anaklia Development Consortium appear suspicious: (1) the government firmly refused to provide risk insurance, even though large-scale energy projects, some of which were being carried out simultaneously with the Anaklia port development, had frequently received such insurance in the past; (2) the state failed three times to successfully carry out a tender for the development of infrastructure leading to the port;²⁹ (3) the Prosecutor's Office launched a criminal case against the consortium's founders with an 11-year delay, which led Khazaradze and Japaridze to withdraw from the consortium; (4) as the consortium stated, despite prior promises, the government did not send a letter of acceptance to potential investors within the required timeframe.³⁰

This well-founded suspicion was further reinforced on January 9, 2020, when Roman Kakulia, a member of the ruling Georgian Dream party and Chairman of the Parliamentary Committee on Sectoral Economy and Economic Policy, spoke on TV channel Pirveli about the threat posed by Russia and its possible connection to the suspension of the Anaklia project. Specifically, the journalist asked Kakulia a clarifying question:

²⁷ InterPressNews. "Rati Bregadze - International arbitration confirmed that the government legally terminated the contract with 'Anaklia Development Consortium' - Congratulations on Georgia's next great victory!" *InterPressNews*, July 30, 2024. Accessed via <https://www.interpressnews.ge/ka/article/807578>

²⁸ Anaklia Port. Facebook post, July 30, 2024.

Accessed via https://www.facebook.com/story.php?story_fbid=511816478181484&id=100080594074862

²⁹ Paata Gaprindashvili and Mariam Tsitsikashvili. *Fact-Check*, August 8, 2019. Accessed via <https://factcheck.ge/ka/story/38172>

³⁰ Zurab Maisashvili and Valeri Kvaratskhelia. "The main reason for the failure of Anaklia Port was a low-quality investor who failed to fulfill his obligations." *Fact-Check*, June 10, 2021. Accessed via <https://factcheck.ge/ka/story/39603>

"Ivanishvili saw a threat to relations with Russia in the implementation of this project, something that could create certain problems, so with the other hand, he started discrediting the main players, creating artificial obstacles for the project, and preferred that this be framed as: he got politically jealous, is persecuting Khazaradze, etc., rather than openly stating that the decision was made in consideration of certain threats? Did I understand that correctly?"

Kakulia responded to the question as follows:

"Yes, of course. My conclusions are based on statements made by Mr. Mamuka Khazaradze, my own knowledge and emotions, and how I interpret the ongoing processes... For me, the leading principle is the country's security vision, and the use of these instruments stems from the absence of other tools, not because the country's institutions are enthusiastic about using them."

Kakulia also stated that the main issue in foreign policy is having the right orientation; and anyone who does not consider what it will cost the country to underestimate threats coming from Russia is not a proper politician.³¹ Following this statement, Kakulia clarified that his comments had been misinterpreted and that he had not explicitly said that concerns related to Russian threats were the reason for terminating the contract with the consortium. According to him, the reason for the termination was the consortium's failure to fulfill its obligations.³²

The Second Tender – Chinese-Singaporean Consortium

On December 12, 2022, Prime Minister Irakli Garibashvili announced that the Anaklia deep-sea port would be constructed with government participation, holding a 51% share, and that an international competition would be announced to select partners and companies involved in the project.³³ In September 2023, Economy Minister Levan Davitashvili stated that four companies participated in the competition, of which two advanced to the final stage:³⁴

1. The Chinese-Singaporean consortium: China Communications Construction Company Limited (CCCC) and China Harbor Investment Pte. Ltd;
2. The Swiss-Luxembourg company – Terminal Investment Limited Holding S.A (TIL).

³¹ Tazo Kupreishvili. "According to Kakulia, the government hindered Anaklia Port considering the Russian threat." *Netgazeti*, January 9, 2020. Accessed via <https://netgazeti.ge/news/419162/>

³² Luka Pertaia. "How Russia wins by sabotaging Anaklia Port." *Netgazeti*, February 3, 2020. Accessed via <https://netgazeti.ge/news/424050/>

³³ Civil.ge. "Gharibashvili: State will own 51% of Anaklia Port." *Civil.ge*, December 12, 2022. Accessed via <https://civil.ge/ka/archives/518383>

³⁴ Radio Free Europe/Radio Liberty. "Chinese Consortium to be declared winner in Anaklia Port project." *Radiotavisupleba.ge*, May 29, 2024. Accessed via <https://www.radiotavisupleba.ge/a/32970548.html>

In May 2024, Davitashvili said there was a "high chance" that the Chinese-Singaporean CCCC would be chosen as the winner of the selection competition within a few days, since the Swiss-Luxembourg company did not submit a final tender proposal, while CCCC submitted a complete application. Notably, the 2025 state budget plans to allocate 150 million GEL for the construction of the Anaklia port, which will be used for maritime infrastructure development. For this service, the government hired the Belgian company, Jan De Nul.³⁵

As of today, the Chinese-Singaporean consortium has not yet been officially declared as a winner, and no contract has been signed between the Georgian state and the consortium.³⁶ The official reason for this delay remains undisclosed to the public. However, several interpretations of the situation prevail. According to Civic Idea, an organization researching China's activities in Georgia, one possible reason for the delay may stem from flaws in the selection process itself. Specifically, one of the consortium members, China Communications Construction Company (CCCC), is majority-owned by a state-controlled group. Yet, one of the tender's eligibility criteria explicitly states that "entities founded by the state and/or a municipality, in which the state and/or municipality directly or indirectly owns more than 30% of shares, are not eligible to participate in the selection process."³⁷ If this assumption is accurate, it raises the question of why the consortium was allowed to participate in the competition in the first place. Another possible reason mentioned is that the British bank HSBC may have declined to provide financial guarantees for the project.³⁸

In addition to the previously mentioned assumptions, another possible reason for the delay in signing the contract could be the ruling Georgian Dream party's deteriorating relationship with the West and the anticipation of potential sanctions, which may lead to a diminished perception of the Anaklia port as a viable business project. Specifically, the Anaklia port would only be economically profitable if it served as a major transit hub for cargo shipments between Central Asia and a wide range of countries, including European and American markets. However, if Georgia faces large-scale sanctions from the United States and Europe, or if Western partners simply choose not to route their cargo through Georgia, the port would lose its economic attractiveness. Additionally, since the Chinese company in the consortium is state-owned, it is highly likely that any participation in a large-scale international infrastructure project such as Anaklia would require approval from the Chinese government. Therefore, another potential reason for the delay might be hesitation or slow decision-making on the Chinese side.

³⁵ Ibid

³⁶ Viktoria Mgebishvili. "Apparently, the Georgian-Chinese project is not working out... - Khidasheli." *Business Media*, April 14, 2025. Accessed via <https://bm.ge/news/rogorts-chans-qartul-chinuri-proeqti-ar-gamodis-khidasheli>

³⁷ Civic Idea. "What is the stage of the Anaklia Deep-Water Port project?" *Civiciidea.ge*, January 24, 2025. Accessed via <https://civiciidea.ge/%e1%83%a0%e1%83%90-%e1%83%94%e1%83%a2%e1%83%90%e1%83%9e%e1%83%96%e1%83%94%e1%83%90-%e1%83%90%e1%83%9c%e1%83%90%e1%83%99%e1%83%9a%e1%83%98%e1%83%98%e1%83%a1-%e1%83%a6%e1%83%a0%e1%83%9b%e1%83%90/>

³⁸ Ibid

Problems Related to the Chinese-Singaporean Consortium

There are several problematic issues associated with the Chinese-Singaporean consortium, which is, technically, but not yet officially, the winner of the Anaklia deep-sea port tender. One of the key concerns involves China Communications Construction Company (CCCC), a state-owned enterprise and one of the consortium members that has been sanctioned by the U.S. Office of Foreign Assets Control (OFAC) since June 2021.³⁹ The reason for the sanctions is the company's involvement in China's military-industrial complex, an area subject to increasing regulatory restrictions by the U.S. government. OFAC further tightened these restrictions on June 3, 2021.⁴⁰



The image shows the OFAC Sanctions List Search interface. At the top, there is a logo for the U.S. Department of the Treasury, Office of Foreign Assets Control, and the text "OFAC Sanctions List Search". Below this, a paragraph explains the tool's purpose: to search for entities on the SDN List and other sanctions lists. It mentions that the tool uses approximate string matching and has a slider-bar for setting a confidence threshold. A disclaimer states that OFAC does not provide recommendations with regard to the appropriateness of any specific confidence rating. Below the paragraph, there are four links: "Download the SDN List", "Sanctions List Search: Rules for use", "Visit The OFAC Website", and "Download the Consolidated Non-SDN List". At the bottom, there is a "Details:" section with a table showing the search results for CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED.

Download the SDN List Sanctions List Search: Rules for use Visit The OFAC Website
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Details:

| | | | |
|---------------------|---|-----------------|--------------|
| Type: | Entity | List: | Non-SDN |
| Entity Name: | CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED | Program: | CMIC-EO13959 |
| | | Remarks: | |

Source: OFAC⁴¹

Previously, in 2020, the U.S. Department of Commerce placed several subsidiaries of CCCC on its Entity List (this list restricts companies from purchasing U.S.-produced components without prior government approval). The stated reason for this designation was CCCC's involvement in large-scale dredging and the construction of artificial islands and disputed outposts in the South China Sea to support China's military expansion. Additionally, according to the U.S. Department of State, CCCC plays a key role in implementing

³⁹ U.S. Department of the Treasury, Office of Foreign Assets Control. "Sanctions List Search." June 3, 2021. Accessed via <https://sanctionssearch.ofac.treas.gov/Details.aspx?id=30930>

⁴⁰ Federal Register. "Chinese Military-Industrial Complex Sanctions Regulations." February 16, 2022. Accessed via <https://www.federalregister.gov/documents/2022/02/16/2022-03378/chinese-military-industrial-complex-sanctions-regulations>

⁴¹ U.S. Department of the Treasury, Office of Foreign Assets Control. "Sanctions List Search." June 3, 2021. Accessed via <https://sanctionssearch.ofac.treas.gov/Details.aspx?id=30930>

Beijing's Belt and Road Initiative (BRI), a global infrastructure strategy criticized for delivering poor-quality construction, exploitative labor practices, and environmental harm in developing countries.⁴² While the sanctions do not impose a full financial transaction ban on CCCC, they do subject the company to specific restrictions. Namely, U.S. companies must obtain government approval before exporting goods or transferring technology involving CCCC. This means that Georgia is not violating U.S. sanctions by engaging with CCCC, but the Chinese company cannot acquire American components without prior authorization.⁴³

CCCC is involved in large-scale infrastructure projects worldwide, including ports, airports, and highways, but the company has faced numerous corruption allegations.⁴⁴ In 2009, the World Bank banned China Road and Bridge Corporation (CRBC), a CCCC predecessor, for eight years due to corruption in a Philippine tender. In 2011, CCCC inherited this ban and was similarly sanctioned for its association with CRBC.⁴⁵ The company has also faced allegations in Equatorial Guinea related to bribery and in Ecuador regarding structural failures in a major infrastructure project. In 2018, CCCC's subsidiaries were suspended from operating in Bangladesh and Malaysia due to corruption allegations. In Georgia, CCCC has been active since 2018, working on a section of the Ubisa–Shorapani road, funded by the European Investment Bank (EIB), and the Tsnori bypass road, supported by the Asian Development Bank (ADB).⁴⁶

Although CCCC, a member of the consortium, does indeed appear on the U.S. Department of the Treasury's Office of Foreign Assets Control's (OFAC) list of sanctioned entities, the Ministry of Economy stated that neither international nor U.S. sanctions apply to the China-Singaporean consortium. According to the Ministry, the statements made against CCCC are part of a politicized campaign that "aims to deliberately obstruct the implementation of the Anaklia Port project."⁴⁷ Specifically regarding CCCC, the Ministry clarified that the company, along with several of its subsidiaries, was included in the so-called Entity List by the U.S. Department of Commerce in 2020. According to the Ministry, this "only implies restrictions on specific transactions and not sanctions against the companies themselves – the restrictions do not constitute asset-blocking sanctions and do not limit any financial transactions with CCCC or its companies, unless the transaction involves export, re-export, or the above-mentioned transfers. Likewise, it does not prevent other parties from purchasing any kind of services or goods from CCCC and its subsidiaries."

⁴² U.S. Embassy in Georgia. "China's construction companies sow chaos worldwide." September 10, 2020. Accessed via <https://ge.usembassy.gov/chinas-construction-companies-sow-chaos-worldwide/>

⁴³ Sergi Kapanadze. "Georgia's Anti-Western Drift, Anaklia Port, and Lessons for the West." *GeoPolitics*, Issue 9, August 4, 2024. Accessed via <https://politicsgeo.com/article/80>

⁴⁴ Ibid

⁴⁵ World Bank Group. "World Bank Applies 2009 Debarment to China Communications Construction Company Limited for Fraud in Philippines Roads Project." July 29, 2011. Accessed via <https://www.worldbank.org/en/news/press-release/2011/07/29/world-bank-applies-2009-debarment-to-china-communications-construction-company-limited-for-fraud-in-philippines-roads-project#:~:text=CCCC%20is%20the%20designated%20successor,Project%20by%20the%20World%20Bank's>

⁴⁶ Transparency International – Georgia. "Anaklia Port will be built by a Chinese company with a suspicious reputation." *Transparency.ge*, June 5, 2024. Accessed via <https://transparency.ge/ge/post/anakliis-ports-saechvo-reputaciis-chinuri-kompania-aashenebs>

⁴⁷ Nino Chichua. "Anaklia Port's Chinese company sanctioned in the US, Ministry manipulates." *Netgazeti*, May 30, 2024. Accessed via <https://netgazeti.ge/life/724635/>

In addition to the fact that the Ministry of Economy's statement does not mention the OFAC sanctions list, and does not equate the restrictions imposed by the U.S. Department of Commerce on CCCC with sanctions, it also omits the reason (involvement in China's military-industrial complex) for which the company was subjected to these measures.

The second company in the China-Singaporean consortium is China Harbor Investment, which represents the overseas investment arm of China Harbor Engineering Corp., a subsidiary of CCCC. Like CCCC, China Harbor Engineering Corp. also has a negative reputation. In the aforementioned case involving the revocation of operating rights from a CCCC subsidiary in Bangladesh due to corruption allegations, it was specifically China Harbor Engineering Corp. that was implicated. The company faced similar allegations in the Sri Lankan Hambantota Port project as well.⁴⁸

Characteristics of the Anaklia Deep-Sea Port and Its Importance for Georgia

Currently, there are four ports operating in Georgia: (1) Batumi Port, which focuses on liquid cargo but also handles dry cargo and containers; (2) Supsa Port, which is an oil terminal; (3) Poti Port, which mainly handles dry cargo and containers; and (4) Kulevi Port, which primarily processes liquid cargo. However, none of these ports have the depth required to accommodate large vessels such as Panamax or VLC, which would significantly increase cargo turnover. In this regard, the Anaklia Deep-Sea Port would be unparalleled in Georgia. According to the plan, the first phase of the port's construction is expected to reach a capacity sufficient to handle at least 600,000 TEU (a unit equivalent to a 20-foot standard container) of cargo annually⁴⁹ and to accommodate ships with a capacity of 10,000 containers. By comparison, Poti, Georgia's main port, currently receives ships with a capacity of only 1,500 containers.⁵⁰

In addition to providing more jobs, increased cargo turnover, and consequently higher tax revenues and income in Georgia, the development of the Anaklia Port is also geopolitically significant.

Until now, there have been two traditional routes connecting Asia and Europe: The Northern Corridor and the Maritime Route. Via the Northern rail corridor, cargo from China is first transported to Kazakhstan, then to Russia, and from Russia, through Belarus, reaches the European Union. Some shipments also pass through Mongolia. Georgia is not part of this transport corridor. The second traditional route, the

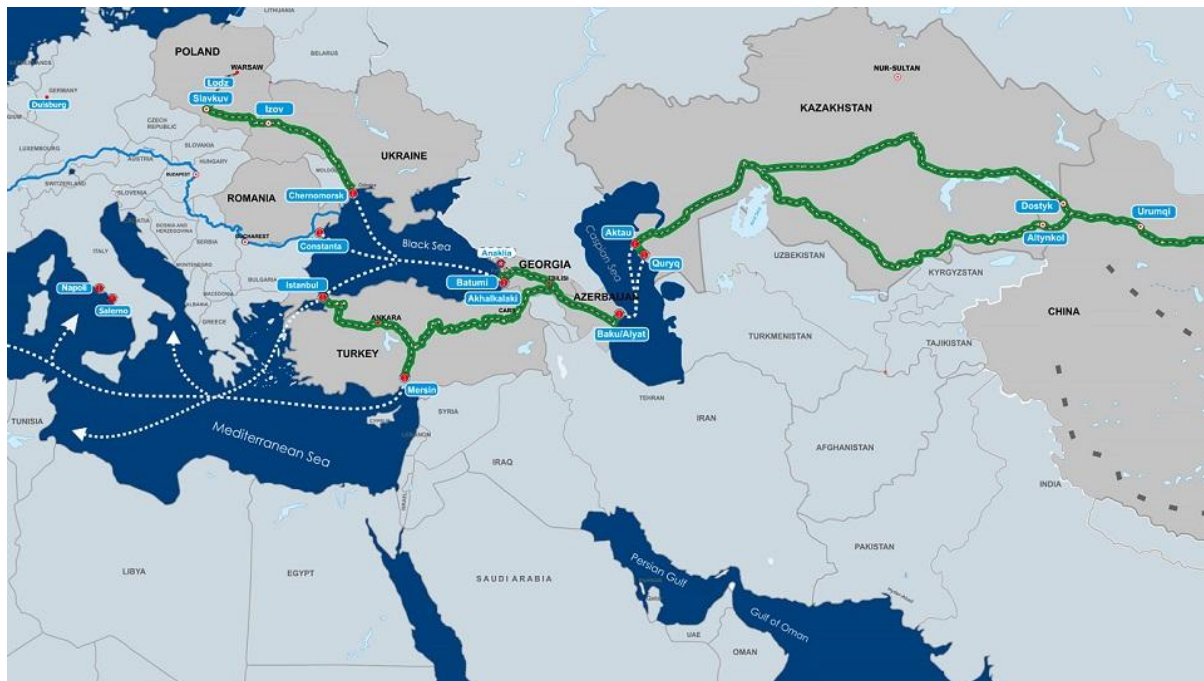
⁴⁸ Civic Idea. "Anaklia Port – Another step in changing foreign policy course." *Civiciidea.ge*, May 31, 2024. Accessed via <https://civiciidea.ge/%e1%83%90%e1%83%9c%e1%83%90%e1%83%99%e1%83%9a%e1%83%98%e1%83%98%e1%83%A1-%e1%83%9e%e1%83%9d%e1%83%a0%e1%83%a2%e1%83%98-%e1%83%a1%e1%83%90%e1%83%92%e1%83%90%e1%83%a0%e1%83%94%e1%83%9d-%e1%83%9e/>

⁴⁹ Public-Private Partnership Agency. "Expression of interest announced for the construction of Anaklia new deep-sea port." *Ppp.gov.ge*, February 21, 2023. Accessed via <https://ppp.gov.ge/anakliis-ghrmawylovani-navsadguris-asasheneblad-interesta-gamokhatva-gamockhadda/>

⁵⁰ Jam News. "Anaklia - A future sunk in a political swamp." *Jam-news.net*, September 17, 2024. Accessed via <https://jam-news.net/ge/anakliis-portis-mshenebloba/>

Maritime Route, is longer but the cheapest and is most frequently used for cargo transportation between China and the EU. This ocean route begins at ports along the Yellow Sea and the East China Sea, passes through the Strait of Malacca, continues through the Indian Ocean, enters the Red Sea, then passes through the Suez Canal into the Mediterranean Sea, and finally reaches the southern and western coasts of Europe. Georgia is not included in this route either.⁵¹

The "Trans-Caspian International Transport Route" (TITR), also known as the Middle Corridor, is an alternative to the two aforementioned routes and is particularly supported by China, Turkey, and most Central Asian and Caucasus countries. The Middle Corridor is a combination of land and maritime transportation, and it is within this route that the Anaklia Port gains significant importance. There are numerous skeptical views regarding the competitiveness and logistical challenges of the Middle Corridor. However, even assuming that the Middle Corridor may not fully replace the alternative routes, it is expected to play a crucial role in diversifying the trade routes of Kazakhstan, Azerbaijan, and Georgia.⁵²



Source: Middle Corridor (2020)⁵³

⁵¹Luka Pertaia. "Georgia in the 'Middle Corridor' - Between China and Europe." *Radio Tavisupleba*, April 20, 2023. Accessed via <https://shorturl.at/YoEBU>

⁵² Luka Pertaia. "Anaklia Port: Investor clarification postponed, construction tender still announced." *Radio Tavisupleba*, March 13, 2024. Accessed via <https://shorturl.at/kIHsU>

⁵³ Middle Corridor. *middlecorridor.com*, 2020. Accessed at <https://middlecorridor.com/en/route>

At present, large vessels can enter the Black Sea from the Mediterranean Sea via the Bosphorus Strait. However, if cargo is headed eastward, there is no port on the eastern coast of the Black Sea capable of accommodating such large ships. A similar problem exists for cargo coming from Asia, most of which is transported by rail first to Turkey and then on to the European Union. The development of the Anaklia deep-sea port would make cargo transportation between Europe and Asia significantly more flexible.

The West's Position on the Anaklia Port Project

The construction of the Anaklia Port was clearly aligned with the European Union's interests, as evidenced by the EU's previous readiness to finance the port's second phase with EUR 233 million, and to contribute EUR 100 million for the construction of a railway connecting to the port.⁵⁴ Notably, on April 4, 2025, the first EU-Central Asia summit took place. During this event, European Commission President Ursula von der Leyen emphasized the importance of the Middle Corridor and unhindered movement between Central Asia and South Caucasus countries. However, she specifically focused on the opening of Armenia's borders with its neighbors, highlighting its strategic role in linking Europe and Central Asia.⁵⁵ This may indicate that the EU no longer sees the construction of Anaklia Port as realistic, to the point where it is no longer actively promoting or referencing the project at international forums.

The construction of the Anaklia Deep Sea Port is also actively supported by the United States. In 2016, Donald Rumsfeld, former U.S. Secretary of Defense, stated that America should be more engaged in the development of the East-West transport corridor, emphasizing the involvement of the American company Conti International in the Anaklia port project. According to him, Georgia unquestionably deserved NATO membership, and due to its strategic location, it would play a significant role in NATO's strategy to enhance Black Sea security and contain Russian aggression.⁵⁶ In 2019, a statement in support of Anaklia was made at the U.S. Department of State level. Then-Secretary of State Mike Pompeo, during a meeting with Georgian Prime Minister Mamuka Bakhtadze, expressed hope that Georgia would complete the Anaklia project. He said: "This and other projects will strengthen Georgia's ties with countries that have free-market economies and will help avoid the risk of falling under the economic influence of Russia and China. These so-called friends have no interest in Georgia's well-being."⁵⁷

In 2020, four U.S. Congressmen (Adam Kinzinger, Gerald Connolly, Eliot Engel, and Michael McCaul) wrote a letter to then-Prime Minister Giorgi Gakharia, expressing concern over the "political targeting of the

⁵⁴ World Bank Group. "Indicative TEN-T Investment Action Plan (English)."

Accessed at <http://documents.worldbank.org/curated/en/577371561465720393>

⁵⁵ European Commission. "Speech by President von der Leyen at the plenary session of the first EU-Central Asia Summit." April 4, 2025. Accessed via https://ec.europa.eu/commission/presscorner/detail/en/speech_25_976

⁵⁶ *Wall Street Journal*. "America's Vital Interests Are at Stake in Georgia." November 22, 2016. Accessed via <https://archive.ph/gwlzZ#selection-141.5-144.0>

⁵⁷ *Civil.ge*. "Mike Pompeo and Mamuka Bakhtadze met in Washington." *Civil.ge*, June 12, 2019. Accessed via <https://civil.ge/ka/archives/308192>

U.S.-backed Anaklia Development Consortium," which, was "discouraging and hindering American companies from investing in this important project."⁵⁸

After it became clear that the company CCCC had effectively won the tender to build the Anaklia Port, the U.S. Helsinki Commission issued a statement expressing alarm that the ruling party, Georgian Dream, had supported a company sanctioned by the United States. According to the statement, the consortium's developers were known to exploit and destabilize host countries through their infrastructure projects, and transferring port assets to a company controlled by China posed a risk to Georgia's long-term security and increased foreign influence in the country.⁵⁹

It is noteworthy that U.S. and EU support in the development of the Anaklia Deep Sea Port is fundamentally important for Georgia (however, with the current foreign policy course of the ruling Georgian Dream party, such support is practically unattainable) for several reasons:

- (1) **Geopolitical support and security** - Anaklia Port, as part of the Middle Corridor, is viewed as a strategic tool for reducing Russian influence and developing an alternative transport route between Europe and Asia. U.S. and EU interest in the project is rooted in their strategic objective to strengthen security in the Black Sea region and curb the influence of Russia and China.
- (2) **Financial and technological reliability** - Western investors such as the European Bank for Reconstruction and Development (EBRD) and the U.S. International Development Finance Corporation (DFC), formerly OPIC, are known for making transparent investments that meet high international standards. Their involvement would ensure that the port is developed in accordance with international financial, environmental, and governance standards, minimizing risks related to corruption and construction quality. In contrast, the Chinese-Singaporean consortium includes companies repeatedly involved in international corruption scandals and regulatory violations.
- (3) **The risk of China's "debt trap" diplomacy** - Projects under China's Belt and Road Initiative (BRI) are frequently linked to the "debt trap" phenomenon, where developing countries become financially dependent on China due to unsustainable borrowing. A prime example is the Hambantota Port project in Sri Lanka, in which CCCC's subsidiary China Harbor Engineering Corp. was involved. The country was forced to lease the port to China for 99 years after failing to meet debt obligations.⁶⁰ If China becomes involved in the Anaklia Port, Georgia may face similar risks, jeopardizing its sovereignty and economic independence in the long term.

⁵⁸ Nino Chichua. "Georgian government published Congressmen's letter." *Netgazeti*, January 22, 2020. Accessed via <https://netgazeti.ge/news/421641/>

⁵⁹ Jam News. "Helsinki Commission: We are concerned by Georgian Dream's decision to hand over Anaklia Port to China." *Jam-news.net*, April 2, 2025. Accessed via <https://jam-news.net/ge/helsinkis-komisiis-ganckhadeba-anakliaze/>

⁶⁰ Civic Idea. "China's credit policy traps." *Civideia.ge*, May 16, 2024. Accessed via <https://civideia.ge/%E1%83%A9%E1%83%98%E1%83%9C%E1%83%94%E1%83%97%E1%83%98%E1%83%A1-%E1%83%A1%E1%83%90%E1%83%99%E1%83%A0%E1%83%94%E1%83%93%E1%83%98%E1%83%A2%E1%83%9D-%E1%83%9E%E1%83%9D%E1%83%9B%E1%83%98%E1%83%98/>

- (4) **Strategic Risks and Implications** - China's interest in the Anaklia Port is part of its **Belt and Road Initiative**, which aims to **expand its control over global transport networks**. If the port comes under the control of a **Chinese company**, there is an increased risk that **China could use it for its own strategic, and potentially military-logistical, purposes**. Chinese companies have a history of using **infrastructure projects to exploit and destabilize host countries**. This is particularly **alarming for Georgia**, whose **geopolitical location** places it at the **intersection of Chinese and Russian interests**.

Russia's Position on the Anaklia Port Project

Russia is an open opponent of the construction of the Anaklia port. Since 2016, Kremlin-controlled media have spread information portraying the port as a secret U.S. naval base that would secure American hegemony in the Black Sea.⁶¹ Russia's hostility toward this project mirrors its opposition to any initiative that supports Georgia's economy and security. The Kremlin views the construction of the U.S.-backed port near the administrative border of occupied Abkhazia as a geopolitical threat, fearing that the U.S. could deploy its military ships there if necessary.⁶² In 2018, Russian Foreign Minister Sergey Lavrov even agreed with a journalist's statement claiming that the Americans intend to build a deep-water port in Anaklia designed to house their nuclear submarines.⁶³

Anaklia Port is economically undesirable for Russia, as it is considered a competitor to Russia's Black Sea port, Novorossiysk. According to the Atlantic Council, the majority of Russia's cargo passes through the Novorossiysk port - about 20% of Russia's import and export cargo. In terms of cargo transportation, it ranks fifth in Europe.⁶⁴ In 2019, Russia's then-Deputy Foreign Minister Grigory Karasin commented on a statement by Mike Pompeo, noting that it is up to Georgia to decide what to do with the Anaklia port; however, Russia dislikes the tone of the U.S. Secretary of State's statements regarding the Anaklia deep-water port.⁶⁵

Russia's position on a port built with Western investment is not surprising. However, it is interesting to consider what stance Russia takes regarding Chinese investment. First, it should be noted that Russia has not officially expressed a position on this matter. Nevertheless, several logical assumptions can be made about how Russia might perceive the construction of a port in Anaklia funded by Chinese investment.

⁶¹ Eto Buziashvili. "Pro-Kremlin Outlets Fail in Anti-West Sentiment Push around Anaklia Port." *DFRLab*, April 18, 2019. Accessed at <https://medium.com/dfrlab/pro-kremlin-outlets-fail-in-anti-west-sentiment-push-around-anaklia-port-b2729b424fe5>

⁶² Jam News. "Struggle with opposition and Russia's influence? Scandal in Georgia around the new port project" *Jam-news.net*, January 9, 2020.

Accessed at <https://jam-news.net/ru/%D0%B3%D1%80%D1%83%D0%B7%D0%B8%D0%BD%D1%81%D0%BA%D0%B8%D0%B5-%D0%B2%D0%BB%D0%B0%D1%81%D1%82%D0%B8-%D1%80%D0%B0%D0%B7%D0%BE%D1%80%D0%B2%D0%B0%D0%BB%D0%B8-%D0%BA%D0%BE%D0%BD%D1%82%D1%80%D0%B0%D0%BA/>

⁶³ The Ministry of Foreign Affairs of the Russian Federation. "Foreign Minister Sergey Lavrov's interview with Radio Komsomolskaya Pravda, Moscow, December 17, 2018." December 17, 2018. Accessed at https://mid.ru/en/foreign_policy/news/1580376/

⁶⁴ Luka Pertaia. "How Russia wins by sabotaging Anaklia Port." *Netgazeti*, February 3, 2020. Accessed via <https://netgazeti.ge/news/424050/>

⁶⁵ Radio Free Europe/Radio Liberty. "Karasin: It's up to Georgia what to do with Anaklia port, US tone doesn't suit us." *Radiotavisupleba.ge*, June 13, 2019. Accessed via <https://shorturl.at/EWNtQ>

From an economic perspective, both options are undesirable for Russia, whether the Anaklia port is built with Western or Chinese investment. However, this is not the case from a geopolitical standpoint. Traditionally, the South Caucasus has been an arena of competition between the West and Russia, but the emergence of a third power in the region, China, presents a new challenge for Moscow. Despite the "no limits" partnership between Russia and China, China's presence in the Black Sea could become a limiting factor for Russia in terms of pursuing its military interests toward Georgia. However, considering that Russia sees relations with China as easier to manage than those with the West, Russia may not perceive Beijing, or the potential presence of Chinese ships at the Anaklia port, as a fundamental threat to the same degree as it does the West.⁶⁶ It is also noteworthy that China's entry into the Black Sea is likely to further reduce Western influence in the region, which would automatically benefit Russian interests by weakening a rival power. Moreover, given the asymmetric nature of Russia-China relations, in which China holds more influence than Russia, it is unlikely that Russia would openly oppose China's interests.

China's Interests in the Anaklia Port Project

Relations between Georgia and China significantly intensified in February 2022, after Russia's invasion of Ukraine. During this period, Georgia shifted its rhetoric and alignment sharply away from the West, presenting China as an alternative strategic partner. In July 2023, Georgian Prime Minister Irakli Garibashvili visited China, after which the two countries issued a joint statement announcing the establishment of a strategic partnership. According to the Prime Minister's administration, the statement comprises four dimensions: political, economic, people-to-people and cultural relations, and international cooperation.⁶⁷ In February 2024, China implemented a visa-free regime for Georgian citizens. Chinese citizens have enjoyed visa-free access to Georgia since September 2023.⁶⁸ In May, it was announced that the effective winner of the Anaklia port tender was a Chinese-Singaporean consortium. Georgia's Foreign Affairs Minister Ilia Darchiashvili stated that forming a strategic partnership with China does not change the country's foreign policy aspirations, emphasizing that Georgia's interests in this regard are strictly economic. Meanwhile, the chairman of the parliamentary Foreign Relations Committee, Nikoloz Samkharadze, said that Georgia has its own interest in the relationship with China, which centers on the Middle Corridor and the Anaklia Port.⁶⁹

Regardless of how genuine the Georgian Dream government's statements on cooperation with China may be, the more important question is: What interests does China have towards Georgia?

⁶⁶ Emil Avdaliani. "China, the Black Sea, and the Idea of the Middle Corridor." *Caucasus Watch*, July 1, 2024. Accessed at <https://caucasuswatch.de/en/insights/china-the-black-sea-and-the-idea-of-the-middle-corridor.html>

⁶⁷ Civil.ge. "Georgia and China issued a joint statement on strategic partnership." *Civil.ge*, July 31, 2023. Accessed via <https://civil.ge/ka/archives/553828>

⁶⁸ Civil.ge. "China introduced visa-free regime for Georgian citizens." *Civil.ge*, February 26, 2024. Accessed via <https://civil.ge/ka/archives/584294>

⁶⁹ Luka Pertaia. "'Interest in rapprochement with China goes through the Middle Corridor and Anaklia Port' - Hearing in Parliament." *Radio Tavisupleba*, October 20, 2023. Accessed via <https://shorturl.at/kc4oT>

For China, whose 95% of international trade depends on maritime transportation, investing in ports is economically advantageous. In 2013, Chinese President Xi Jinping announced the BRI **initiative**, along with the vision for a **21st-century Maritime Silk Road**. Within this framework, as of 2024, China has invested in **129 port projects across every continent except Antarctica**. Of these, 14 projects are currently inactive due to concerns related to environmental safety, deteriorating political relations, financial issues, or domestic and international security concerns. Western countries are particularly concerned about China's potential to develop maritime military bases on multiple continents. However, even more alarming is China's ownership or control over highly connected and high-traffic ports, which play a vital role in global trade flows.⁷⁰

Between 2010 and 2019, Chinese companies spent approximately **USD 11 billion** on port construction. As a result, **27% of the world's container trade** now passes through terminals in which Chinese companies hold stakes. China has gained significant influence in Latin America, becoming the region's leading trade partner. In Africa, Chinese investment grew from **two ports in 2000 to 61 facilities in 30 African countries by 2022**. In Europe, Chinese companies have full or partial control over two strategic ports, in **Belgium and Greece**, the latter being the famous **Port of Piraeus**, referred to by Xi Jinping as the "head of the dragon" due to its strategic importance in the BRI network.⁷¹

China's economic interest in bringing the Middle Corridor's transport networks under its influence is evidenced by the recent surge in Chinese business activity in Georgia. According to Transparency International - Georgia, a record number of 291 new Chinese companies were registered in Georgia in 2024. Beyond the Anaklia port project, several Chinese companies have also expressed interest in building a new airport in Vaziani, an area that hosts NATO military exercises. In March 2025, a memorandum of understanding was signed between the National Bank of Georgia and the People's Bank of China to deepen bilateral cooperation. According to the memorandum, the two central banks will collaborate on monetary policy and exchange information and expertise in areas such as financial technologies, payment systems, and the development of the securities market. China's ambassador to Georgia stated that enhanced financial cooperation between the two countries will positively impact trade, investment, and the construction of large-scale projects.⁷²

Conclusion

After an in-depth review of the limited publicly available sources on developments surrounding the Anaklia Port project, it remains difficult to definitively determine why the Georgian government terminated its contract with the Anaklia Development Consortium. However, the research indicates that

⁷⁰ Zongyuan Zoe Liu. "Tracking China's Control of Overseas Ports." *Council on Foreign Relations*, August 26, 2024. Accessed at <https://www.cfr.org/tracker/china-overseas-ports#chapter-title-0-2>

⁷¹ Claudio Bozzi. "China has invested billions in ports around the world. This is why the West is so concerned." *The Conversation*, January 24, 2025. Accessed at <https://theconversation.com/china-has-invested-billions-in-ports-around-the-world-this-is-why-the-west-is-so-concerned-244733#:~:text=China%20has%20invested%20in%20129,port%20development%20from%202010%E2%80%939319.>

⁷² Transparency International - Georgia. "How China's influence is growing in Georgia." *Transparency.ge*, May 22, 2025. Accessed via <https://transparency.ge/ge/post/rogor-izrdeba-chinetis-gavlena-sakartveloshi>

the events surrounding the consortium evolved under suspicious circumstances. Despite the government's rhetorical support for the port project, there is substantial reason to believe that the authorities deliberately obstructed the consortium's efforts to build the port. This suspicion was further reinforced when a member of the ruling Georgian Dream party cited the state's response to potential threats from Russia as a reason for halting the project. The subsequent attempt to develop the port under a model in which the state would hold a 51% share has also proven unsuccessful so far. The de facto winner of the latest tender, a Chinese-Singaporean consortium involved in multiple international scandals, has not yet been officially declared as the winner, and the government has not explained why a contract with this consortium has not been signed.

Once again, it should be emphasized that the construction of the Anaklia deep-sea port remains a project of irreplaceable strategic importance for significantly strengthening Georgia's economic and geopolitical position.

Georgia should prioritize the construction of the Anaklia port through Western investment. However, if concerns regarding the credibility of a Chinese company are absent, meaning the company is not subject to sanctions for violating security measures, facing corruption allegations, or creating a "debt trap", and if the Georgian state retains control over port operations, then the benefits of constructing the port would outweigh the potential risks associated with partnering with a Chinese entity.

The development of the Anaklia deep-sea port will bring extensive and multidimensional benefits to the country. Most notably, the new port will be capable of accommodating Panamax and larger vessels, significantly increasing Georgia's cargo throughput and making it a more attractive hub for international transport companies. This will, in turn, stimulate the creation of new logistics centers, generate additional employment, and significantly boost state revenues through customs duties and other taxes. Furthermore, the port's construction, along with the establishment of a special economic zone as outlined in the Constitution,⁷³ will contribute to the economic development of the broader region. The port will serve as a transportation hub not only for Georgia but also for neighboring countries, thereby enhancing trade relationships and fostering regional integration.

Beyond economic benefits, the Anaklia port will substantially increase Georgia's geopolitical significance. The country will become a key link in the transport corridor connecting Europe and Asia, elevating its role in international trade and strengthening its position on the global stage. The port will also contribute to energy security by offering alternative transport routes for the import of energy resources. Moreover, the successful implementation of the project will require significant investment in transport infrastructure, such as railways and highways, providing an additional stimulus for the development of Georgia's economy and infrastructure.

⁷³ Constitution of Georgia. Accessed at https://www.gov.ge/index.php?lang_id=geo&sec_id=65