

## **GEORGIA'S ANAKLIA PORT ON THE MIDDLE CORRIDOR ROUTE**

## Gülperi GÜNGÖR

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This is the English translation of a <u>Turkish language article</u> that was originally published by AVİM on 9 July 2024. The translation was prepared by AVİM Trainee Öykü Vartürk.

The Port of Anaklia, located in western Georgia on the border with Abkhazia along the Black Sea coast, represents more than just an infrastructural endeavor; it stands at the epicenter of multiple geopolitical and economic rivalries. The project is situated at the crossroads of the conflicting interests among states, international banks, and political actors within Georgia.

The initial ideas for the construction of a port in Anaklia emerged during the Soviet era, but existing ports such as Novorossiysk were considered to be sufficient. Between 2009 and 2011, the project was revived under the initiatives of former Georgian President Mikhail Saakashvili. In 2012, the leader of the Georgian Dream party, which came to power in 2012, was known to have objected the project at that time.

A tender for the construction of a new deep-sea port in Anaklia was initiated in 2016 and the Anaklia Development Consortium (ADC), an American-Georgian partnership, won the tender for the construction of the 2.5 billion Dollar port. However, the election of the president of the Asian Infrastructure Investment Bank (AIIB) at a meeting in Tbilisi a year ago and the commencement of negotiations on a free trade agreement between China and Georgia had created expectations that the Chinese consortium would win the tender. Construction began in December 2017, but China was not completely sidelined; ADC signed a 50 million Dollar deal with Chinese company ZPMC for the construction of the port.[1]

ADC was to provide a 400 million Dollar secured loan from the European Bank for Reconstruction and Development (EBRD), the US development finance institution Overseas Private Investment Corporation (OPIC), the Japan-led Asian Development Bank (ADB), and the China-led AIIB.[2] However, before lending, the banks demanded a state guarantee that the Georgian government would repay the project in case of failure and insurance for risks or delays. The government asserted that it was the consortium's responsibility to provide these guarantees.

Conflicts between the banks, the consortium, and the government, along with the formation of an opposing political party by ADC's leader Mamuka Khazaradze and his criticism of the government, have hindered the project. In 2019, accusations of money laundering against Khazaradze came to the fore, which further hampered the project. Eventually, the government terminated the contract with the ADC in 2020.

As the demand for alternative routes for cargo transport increased due to the Ukraine war, the Georgian government hoped to restart the ports construction as a transit point connecting trade routes between Europe and Asia.[3] China frequently expressed interest in Anaklia Port during this process. The China-Georgia Strategic Partnership Agreement, signed in 2023, reinforced China's role in the region. Emphasizing its opposition to separatism, China has not recognized the independence status of Abkhazia and South Ossetia, while Georgia has reaffirmed its commitment to the "One China" principle and supported Beijing's policies.

Finally, in 2024, the Georgian Dream government announced a new tender for the construction and management of the Anaklia deep-sea port, with the Chinese-Singaporean consortium winning the bid. The agreement covers the first phase of the port development, with a 600 million Dollar investment.

In this consortium, China Communication Construction Company and China Harbor Investment are the main contractors, while China Road and Bridge Corporation and Qingdao Port International are the subcontractors. The Georgian state-established Anaklia Deep Sea Port company will hold a 51% share in the project, while the consortium will participate with 49%. However, it is speculated that the China-Singapore consortium will dominate the project and the port will be constructed to meet China's cargo needs.[4]

China Road and Bridge Corporation has been operating in Georgia since 2018 and is especially involved in the building of the Ubisa-Shorapani section of the East-West motorway. The corporation is also involved in the Anaklia port project and plays a crucial role in the regions infrastructure construction. The US opposes the project, citing the Chinese corporations construction of artificial islands in the South China Sea for military purposes and alleged involvement in corruption in Africa.[5]

Anaklia Port is intended to serve as an alternative transport hub in the European Union's Trans-European Transport Network and as part of the middle corridor route of Beijing's Belt and Road Initiative. Nevertheless, given the involvement of numerous actors, the regions stability will determine the projects success. Georgia will have to navigate these multidimensional conflicts to realize the potential of the Anaklia Port.

\*Image: Österreichische Verkehrszeitung

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About the Author :

Gülperi Güngör graduated from International Relations, Faculty of Political Sciences, Ankara University in 2015, and holds MSc. in International Relations from Middle East Technical University. (2020) She joined AVİM in January 2020. Güngör is Ph.D. candidate in Ankara University International Relations Department. As of March 2025, Güngör has started working at AVİM as a Non-resident Fellow while continuing her doctoral research at the University of Sheffield.

To cite this article: GÜNGÖR, Gülperi. 2025. "GEORGIA'S ANAKLIA PORT ON THE MIDDLE CORRIDOR ROUTE." Center For Eurasian Studies (AVİM), Commentary No.2024 / 22. July 22. Accessed July 08, 2025. https://avim.org.tr/public/en/Yorum/GEORGIA-S-ANAKLIA-PORT-ON-THE-MIDDLE-CORRIDOR-ROUTE



Süleyman Nazif Sok. No: 12/B Daire 3-4 06550 Çankaya-ANKARA / TÜRKİYE Tel: +90 (312) 438 50 23-24 • Fax: +90 (312) 438 50 26 ☑ @avimorgtr ☞ https://www.facebook.com/avrasyaincelemelerimerkezi E-Mail: info@avim.org.tr http://avim.org.tr  $\ensuremath{\mathbb{C}}$  2009-2025 Center for Eurasian Studies (AVİM) All Rights Reserved