Distinguished audience,

Ladies and Gentlemen,

It is my great pleasure to address you today at Regional Meeting of Think Tanks of China and Central and Eastern European Countries. I would like to express my gratitude to the organizers of the meeting for giving me the opportunity to make presentation on Georgia’s role in *One Belt One Road Initiative.*

At the outset, allow me to highlight Georgia’s recent achievements and successful ongoing reforms.

Georgia is a country that went through a remarkable transformation in recent years and currently opens one of the best opportunities in the region for business, investment, innovations and ideas. It offers free, open, transparent and inclusive business environment, a simple tax system and customs administration, uncorrupted and business-friendly government, preferential trade regimes (FTA and GSP) with many partners, region's largest low-cost and skillful labor force, stabile banking sector, no restrictions on currency exchange and/or repatriation of the funds, double-taxation treaties with 45 countries. All these make Georgia very attractive for foreign investors to invest and have a business in there.

Today I would like to focus on Georgia’s attractiveness as a transit hub.

One of the main attractiveness of Georgia is its strategic location. The main regional transit routes from north to south and east to west crossing the country. Georgia has a growing role as a regional transit hub for cargo transportation and contribution to the development of the east-west transit corridor and in this context, it should be underlined that one of the main priorities for Georgia is development/revitalization of the Silk Road and implementation of joint projects with partner countries in this matter. Georgia and China have signed the memorandum on “New Silk Road Economic Belt” in March of 2015, which is intended for further development of bilateral trade relation between these two countries, strengthening investment cooperation, enhancing cooperation with the purpose of infrastructural development and increasing the level of financial assistance.

For the better promotion of the South Caucasus transit potential and competitiveness of the corridor, on 15-16 October 2015, Tbilisi hosted first annual Tbilisi Silk Road Forum, initiated by the Prime Minister of Georgia and jointly organized by the Governments of Georgia and China. Almost 1000 representatives from more than 30 countries participated in the Forum. It was the first event within the Silk Road Economic Belt, held outside China with co-financing from Chinese government**.** The Forum aimed at deepening the cooperation among historical “Silk Road” route countries in the fields of trade, energy, transport, tourism etc.

In the view of transit potential of Georgia, let me briefly describe the existing and ongoing infrastructural facilities and projects:

Georgia has well developed transport infrastructure, which allows transportation of goods by all kinds of carriers - Air, Land and Maritime. There are 3 international airports, modern East-West highway and railroad, as well as 4 ports (through its Black Sea ports Georgia directly connected with Ukraine (Ilyichevsk), Romania (Constantsa), Bulgaria (Varna) and Derince (Turkey)). In order to utilize the existing transit potential at its maximum extent, ensure capacity growth of cargo flow, as well as the reduction of delivery time, government of Georgia modernizing national transport infrastructure and actively participates in a number of multinational large-scale projects:

* **The Baku-Tbilisi-Kars railway corridor:**  The railway corridor will establish a direct route between Azerbaijan, Georgia and Turkey, further via Marmara tunnel to Europe. Baku-Tbilisi-Kars railway **will reduce the shipment period from 35 to 15-17 days and shorten the distance from Europe to Asia by 6800-7500 km**. At the first stage, capacity of the project is supposed to be 5 mln tons cargo per year with the perspective of increase **up to 15 mln tons and 1 million passenger per year.** On January 28, 2015, the first test-train passed Akhalkalaki-Kartsakhi Section of Baku-Tbilisi-Kars Railway Line. Completion of the project is planned in the first half of 2016.
* *Note: The project implementation started in 2008. Construction works are implemented by the “Marabda-Kartsakhi Railway” LLC, and by its general contractors: “Azeriolservice” JSC on Marabda-Akhalkalaki railway section (incl. Akhalkalaki Station) and “Azerinshaatservice” LLC on Akhalkalaki-Kartsakhi section (incl. Tunnel).*
* **Railroad corridor “Silk railway”:** The Transport Consortium is being created for the purpose of transportation of freights from China through Transcaspian corridor towards Turkey and the Europe. Founders of Consortium are Mishgeng Logistics (China); Subsidiary of the "Georgian Railway" “Trans Caucasus Terminals”; Subsidiary of the Kazakh railway "KTZH Express"; International Marine Steamship Company “Kaspia” (Azerbaijan); "Caravan logistics" (Azerbaijan). Turkish companies are considered as associated members. As the result of efforts by Trans Caspian International Transport Rout coordination committee the container shipping was carried out from China to Georgia and from China to Turkey (through Georgia) several times during the year of 2015, and in 2016 from Ukraine to China.

**The first transit train from China (port Lianyungang) to Turkey reached Georgia in 9 days on December 13, 2015. The first test train from Ukraine in the direction of China reached the destination station – “Dostyk” (Kazakhstan-China border) in 15 days on January 31, 2016.**

* **The Silk Wind Multimodal Block Train project** aims to develop container transportation through railway from China via Kazakhstan, Azerbaijan, Georgia and Turkey and further to Europe, consequently accelerating the delivery of goods from China to Europe and vice versa. An Intergovernmental Agreement on the Project between the participant states is planned to be signed. The Government of Georgia has already finalized internal procedures on the draft agreement.
* **Transport corridor “Persian Gulf, Iran – Black Sea, European countries”** - On January 12, 2016 a protocol on development of combination of different modes of transportation via the corridor was signed in Baku. The project is designed for freight transportation from India toward Georgian Ports (Poti and Batumi) through Iran and Azerbaijan for further transportation to Europe. On the proposed route the freight can reach Europe during approximately 15 days from port of Bandar-Abbas, through Azerbaijan, Georgia by Black Sea further to the ports of Ukraine, Romania and Bulgaria.
* New port “**Anaklia**” - in 2014 The Government of Georgia announced the launching of the new seaport construction project “Anaklia”. This multifunctional Port will be first deep-water port on black shore which will be able to receive large-capacity PANAMAX type vessels. The Port shall gradually reach the capacity of handling up to 100 mln tons of cargo per annum. Once operational, it will significantly increase the volume of cargo transit through Georgia and will make the cargo shipment between eastern and western markets fast and cost-efficient.
* *Note: Under the decision of the Georgian Government, the Anaklia deep sea port will be constructed by “JSC Anaklia Development Consortium”. “JSC Anaklia Development Consortium” combines “TBC Holding” and American Investment Holding “Conti International", which carries out infrastructural and construction projects.* ***Construction should start in 2016* .**
* **Construction and rehabilitation of the East-West Highway:** One of the main projects for the GOG is the East-West highway modernization project, which is of great importance for Georgia and its neighbouring countries and for the EU as a part of strategic transit route between Europe and Central Asia. Project has been financed by central budget of Georgia and the World Bank, ADB, JICA, EIB. After finalization of works, highway will have capacity to serve 50 000 vehicles per day.
* **Georgian Railway Modernization Project:** JSC “Georgian Railway” has started the implementation of the Railway Modernization Project according to the rules and regulations of The Yellow book of International Federation of Consulting Engineers (FIDIC Yellow Book) in 2011. The works for the Design and Construction of Tbilisi-Makhinjauri modernization Project are implemented under the contract signed between Georgian Railway JSC and China Railway.

The main objectives of the Project are:

* Optimization of freight and passenger traffic duration;
* Reduction of operational expenses;
* Improvement of operational safety;
* Maximization of freight through capacity.

**Project is scheduled to be completed in April 2016.**

Take into the consideration all above mentioned, it should be noted that today Georgia and South Caucasus transit corridor offers one of the most competitive transit corridor, which complies with increasing modern commerce requirements.

In order to fully employ Georgia’s potential as transit country Georgian government also actively involved in many other important regional projects, such as TRACECA, Baltic Sea-Black Sea International Transport Corridor Development, Viking and etc.