

Protocol
of the Seventh Session of the Intergovernmental Commission for Trade-Economic
Cooperation between Georgia and People's Republic of China

The 7th Session of the Intergovernmental Commission for Trade-Economic Cooperation between Georgia and the People's Republic of China was held in Beijing, the People's Republic of China on December 9-10, 2015.

The Commission was co-chaired by H.E. Mr. Dimitry Kumsishvili, Minister of Economy and Sustainable Development of Georgia and H.E. Mr. Zhong Shan, Vice Minister of Commerce of the People's Republic of China, China's International Trade Representative (Ministerial level).

The composition of the Georgian and Chinese delegations is listed in annex of this Protocol.

The 7th Session of the Intergovernmental Commission for Trade-Economic Cooperation between Georgia and the People's Republic of China was held in a warm and friendly atmosphere of cordiality and mutual understanding, reflecting the desire and determination of both countries to find feasible and efficient solutions for further development and intensification of bilateral relations in different sectors of their economies.

Both Sides welcomed deepening of bilateral trade-economic cooperation between Georgia and China, and underlined intensification of high level exchange in recent years that provided an excellent ground for further development of bilateral cooperation in various fields.

In this context, both Sides recalled a successful visit of the Prime-Minister of Georgia H.E. Mr. Irakli Garibashvili to Dalian, PRC in September 9-13, 2015 in the framework of World Economic Forum and pioneering meeting with Prime-Minister of People's Republic of China H.E. Mr. Li Keqiang.

The Georgian side expressed its gratitude to the Chinese Government for contribution in co-organizing of the first annual Tbilisi Silk Road Forum held on October 15-16, 2015 in Tbilisi and participation of the Governor of the Xinjiang Uygur Autonomous Region, Mr. Xuekerat Zakir as the representative of the Government of PRC at the Forum. Sides recalled that the active involvement of the Chinese side at the Forum contributed highly to its success and viability.

Both Sides noted that the first annual Tbilisi Silk Road Forum 2015 was the great platform to further expand economic ties between two countries and achieve the successful revival of Silk Road route. Forum provided the opportunity for policymakers, government officials, experts and business executives from 34 countries to share their opinions and visions regarding the revival of the Silk Road, which will generate new opportunities in many directions.

Also, the Commission highlighted that the Forum was a unique venue to explore opportunities, align visions and enhance partnership in four main areas of cooperation: transport, energy, trade, and business-to-business contacts.

The Sides agreed to continue close cooperation in the organization of the annual Tbilisi Silk Road Forum. The Chinese side expressed its readiness to provide to Georgian side the full support in this regard.

The Commission welcomed the successful implementation of the provisions of the Protocol of the 6th Session of the Georgia-China Joint Intergovernmental Commission on Trade-Economic Cooperation.

During the Commission's Session, both Sides exchanged information concerning the current economic situation of their respective countries, discussed various issues of mutual interest and agreed on further intensification of bilateral relations in the following fields:

Cooperation in the field of Trade

Both Sides noted with satisfaction the positive dynamic of trade turnover between Georgia and China and expressed their conviction that the bilateral trade volume does not reflect the economic potential of the two countries.

For this purpose, both Sides agreed that further efforts should be exerted in order to expand bilateral trade. Both Sides expressed their willingness to further support information exchange, organize national and international fairs, economic conferences, seminars, as well as trade promotion activities such as the exchange of business delegations.

Both Sides agreed on the basis of market orientation to support the promotion of exports of Georgian agricultural products, including wines, spirits, mineral waters, dairy products and non-alcoholic drinks, as well as industrial products to the Chinese market.

In this regard, the Commission welcomed the intention of Georgia and China to launch negotiations on Free Trade Agreement between Georgia and People's Republic of China, which will intensify, expand and diversify the trade and investment flows between two countries. In this context, both Sides underlined the importance of signed Memorandum of Understanding between the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Commerce of the People's Republic of China on this issue, which gives mandate to both countries to start negotiations on Free Trade Agreement. Both Sides agreed to start negotiations as soon as possible but no later than first quarter of 2016.

The Chinese Side expressed its readiness to coordinate relevant trade and industry associations to help Georgian Side enhance market promotion degree.

The Chinese Side expressed its readiness to provide information on national and international fairs held in China and support the participation of Georgian companies and their products at national and international fairs held in China. Additionally, the Chinese side expressed readiness to assist in organizing Chinese trade missions for the purpose of exploring Georgian market export opportunities.

Cooperation in the field of Investments

The Commission outlined that in recent years, China has always been one of the top investor countries in Georgia. In 2014, total volume of investments coming from China summed up to 218 mln. USD, which represents a 142% growth comparing to the previous year. Such significant rise emphasizes the highly increased interest from Chinese investors to invest in Georgia.

The Georgian side welcomed Chinese investments in Georgia and expressed its readiness to facilitate and promote investment opportunities of Georgia in fields, such as agriculture, energy, manufacturing, real estate, logistics and infrastructure. Sides agreed, that both Sides should make use of this opportunity in order to further expand investment cooperation.

In this regard, the Georgian National Investment Agency (GNIA) is fully committed to actively cooperate and exchange the information with Chinese side on relevant interesting investment projects.

In order to further extend the mutual support in the field of investments, the Georgian side proposes the following activities:

- Organizing business tours in Georgia for potential investors in order to intensify relations between business communities in both countries;
- Organizing investment forums in Georgia and China;
- Establishing contacts and exchanging information about investment opportunities and projects with proposed Business Associations, Chambers of Commerce and Chinese Investment Promotion Agencies.

Cooperation in the field of Energy

The Georgian side underlined the significance of direct contacts between the representatives of two countries in the energy sector and expressed its readiness for deepening bilateral cooperation.

The Georgian side expressed its readiness to cooperate for attracting more Chinese companies to participate in energy cooperation in Georgia including the development of renewables, especially hydropower projects. Chinese companies are encouraged to embrace other cooperation opportunities in the sector.

The Georgian side expressed its interest in sharing the experience of the People's Republic of China in the exploration of a shale oil and gas field and the development of large-scale infrastructure projects.

Cooperation in the field of Agriculture

Both sides recalled the visit of the Minister of the Agriculture of the People's Republic of China, held on May 10-12, 2015 and the visit of the Minister of Agriculture of Georgia on July 11-16, 2015. Both sides recognized the importance of opening of the Georgian Wine Promotion Center in Beijing and the Georgian Wine House in the center of city Yiwu, Province of Zhejiang in China for the Georgian side to expand its wine share in the Chinese market. Chinese side expressed its readiness to support Georgian side in enlargement of scope and activities of wine promotion center, as well as to support proposal of the Georgian side in developing corporate sales to the Chinese state-owned companies and governmental institutions.

In order to further develop trade relations both Sides agreed to intensify cooperation in the field of agriculture. Sides shared information on successful implementation of Greenhouse Project in Georgia. Georgian side expressed their gratitude for the Agricultural Machinery Delivering

Project for “Georgian Amelioration Company”.

Both Sides expressed their readiness for the bilateral co-operation, which will support more effective implementation of “Action Plan 2015-2016 on co-operation in the field of Agriculture between the Ministry of Agriculture of Georgia and the Ministry of the Agriculture of the People’s Republic of China”, signed on 11th May, 2015.

Both sides agreed to cooperate in the following directions:

- Rehabilitation of tea plantations;
- Introduction of new varieties and establishment of nurseries for tea production;
- Introduction of modern technologies: tea clippers, tea harvesting machinery, small and medium size tea processing lines;
- Technical assistance in organic tea production, creation of gene bank, farmer’s education/extension for the cultivation of tea, value chain development & marketing/branding of tea products;
- Exchange of experience in plants gene bank (particularly for vine, fruits and forestry), provision of trainings and joint research and development projects

Cooperation in the field of Transport

Both Sides have shown active support in processes of exploring cooperation opportunities in the international transportation and logistics, including Block Train, between China and Georgia via Kazakhstan and Azerbaijan. Both Sides express their readiness to support further development of the international transportation project which will connect Asia to Europe through Caspian-Black Sea corridor.

Both Sides agreed to strengthen the construction of trade channel along the ancient Silk Road, especially the further development of new, competitive transport corridors and trade routes. Taking into account the importance of the “One Road One Belt” Initiative, both Sides agreed, together with Kazakhstan and Azerbaijan, define common corridor support measures in order to facilitate cargo flow and to give competitive option to logistic companies transporting cargo from Asia to Europe and vice versa jointly. Further attention needs to be paid to the development of new multimodal route that will rebuilt historical Silk Road and create competitive alternative for trade and transportation.

Both sides are willing to further strengthen cooperation in the field of international road transport, promoting international road transport of goods and trade development between the two countries. The Chinese side will study the “Agreement between the Government of Georgia and the Government of the People's Republic of China on International Road Transport” sent by the Georgian side and provide the comments on draft Agreement in the first half of 2016. Georgian side expressed its readiness to hold negotiations on the text of the above-mentioned draft Agreement.

The Georgian side informed the Chinese side about the importance of the Anaklia New Deep Water Port project for reviving the ancient Silk Road. The Anaklia port shall have the following competitive advantages: Strategic location, Capacity to receive *Panamax* type of vessels, One stop shop solutions, Simple and fast procedures and all year round safe navigation. Construction of the new port is strategically important and shall result in significant increase in cargo turnover

through Georgia. The Government of Georgia announced the Invitation for the Expression of Interest ("EOI") for the construction and development of the Anaklia New Deep Sea Port.

Chinese side expressed interest in the Anaklia Port Project and highlighted that welcomes participation of any Chinese company in the Project. In this regard it will support current, as well as future involvement of Chinese companies in the Project.

Both Sides agreed to facilitate cooperation between maritime education and training institutions of both countries for preparation of joint study programmes that may include elaboration of short-term (seminar, training), long-term (one semester or Bachelor's and Master's programmes), as well as educational exchange programmes. To this end, the Georgian side proposed to the Chinese side to sign a Memorandum of Understanding between the Batumi State Maritime Academy (BSMA) and the relevant Maritime education and training institutes of the People's Republic of China.

By giving full play to the Georgia as a pivotal role in Eurasia and adding new impetus to the development of economic cooperation in the framework of the "New Silk Road Economic Belt" initiative, both Sides agreed to facilitate the establishment of the airline company in Georgia in order to gain mutual benefit from rapidly developing tourism potential of Georgia.

Both Sides agreed to strengthen further cooperation in the field of Civil Aviation. The Georgian side welcomed Chinese airline companies to open more flight routes connecting China and Georgia or connecting Georgia with other countries through China.

Cooperation in the field of Communications, Information Technologies and Innovations

The Sides underlined that the cooperation in the field of Telecommunication and Information technologies is developing positively in the framework of the signed Agreement between the relevant Ministries.

Both Sides expressed their readiness to deepen further cooperation in the field of ICT. For that regard, the relevant Ministries of both Sides, with the participation of interested institutions and other stakeholders agreed to discuss the possibility to participate in the project of Europe-Asia fiber-optic cable backbones.

Both sides expressed their willingness to further strengthen exchanges in the field of information and communication technology, encourage enterprises to carry out mutually beneficial cooperation between the two countries.

Both sides expressed their willingness to take measures to develop bilateral international postal services to meet the needs of cross-border e-commerce development, to provide international telephone, telegraph and postal services for the territory of the other side in accordance with international law and the International Telecommunication Union and the Universal Postal Union regulations.

In order to strengthen cooperation in the field of innovations and technology infrastructure, share best practices in terms of operation of innovation and fabrication labs and technology parks, both Sides agreed to establish partnership between Georgian TechPark and Chinese technology parks.

Georgian side expressed its interest to cooperate with Shenzhen High-tech Industrial Park (SHIP) and establish Georgia's representation in it.

Both Sides agreed to encourage partnership between Georgia and China in the field of biotechnological innovations, promote joint applied research projects and facilitate accesses of Georgian scientists to the technology equipment of the Chinese biotechnology centres and research institutes. In this regard, Georgian side initiates establishment of joint Georgian-Chinese Biotech Centre.

Both Sides expressed readiness to cooperate in the field of Broadband Infrastructure for traffic exchange. In this regard Sides agreed to seize Georgian transit opportunities in order to provide Chinese Internet and data traffic to Europe by using fiber-optic infrastructure.

Cooperation in the field of Customs

Georgian Side expressed its gratitude to the Government of the People's Republic of China for providing technical assistance in the field of customs.

Both Sides agreed to continue cooperation on the issues stipulated in the Protocol of the 6th Session of the Commission.

Cooperation in the field of Tourism

Both sides agreed that the tourism administrations of both countries will exchange information and experiences in the tourism sector, exchange tourism information and statistics in regular intervals so as to strengthen market research of tourism sector of both countries.

Both sides noted that the convenient visa policy has positive significance to promote bilateral personnel exchanges. The Chinese side appreciates the Georgian side embodiment electronic visa policy simplifying visa procedures for visitors entering Georgia.

Both sides agreed that Georgia has become the tourist destination for group tour of Chinese citizens and both sides officially launched related businesses, it will help deepen bilateral cooperation in tourism sector. Both sides will work together to ensure that Chinese tourist groups to visit Georgia operating smoothly.

Both sides agreed to encourage domestic tourism enterprises to participate the international tourism exhibition in the other country, and support and facilitate tourism promotion activities hosted by the tourism administration and enterprises of the other side.

In order to further strengthen the understanding of the tourists of both sides about the tourism resources both in China and Georgia, the tourism administrations of both sides will timely organize their tourism wholesalers and media correspondents to examine the tourism resources of the other country.

Georgian side welcomed employees of different unions of China to choose Georgia as a tourist

destination. Chinese side expressed its readiness to consider facilitation the mentioned process.

Cooperation in the field of Intellectual Property

Georgian side appreciated existing cooperation in the field of Intellectual Property and underlined the importance of close dialogue between the relevant institutions of the Sides in order to address all outstanding and ongoing issues in this field.

Other fields of Cooperation

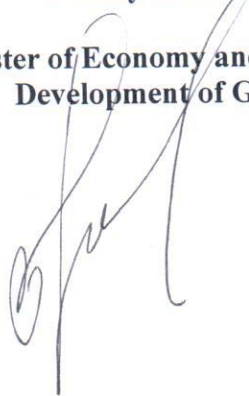
Both Sides reaffirm their position described in paragraph 2.13 of the Protocol signed in 2014 at the Sixth Session of the Intergovernmental Commission for Trade-Economic Cooperation between Georgia and the People's Republic of China. Georgian Side underlines that it is important to settle the case between the TBC Bank Georgia and ICBC China amicably as soon as practicable. Chinese side expresses its readiness to facilitate resolution of the case between the large commercial banks of the respective countries.

Both Sides agreed that 8th Session of the Intergovernmental Commission for Trade-Economic Cooperation between Georgia and the People's Republic of China will be held in Tbilisi, in 2016, on a date to be determined through diplomatic channels.

Done in Beijing, the People's Republic of China, on December 10, 2015, in two originals in Georgian, Chinese and English languages. All texts being equally authentic. In case of divergence in interpretation of this Protocol, English text prevails.

Dimitry Kumsishvili

**Minister of Economy and Sustainable
Development of Georgia**



Zhong Shan

**Vice Minister of Commerce of the People's
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China's International Trade Representative
(Ministerial level)**

