

# From Schools to State: China's Quiet Takeover

## Illusions of Partnership, Risks of Dependence

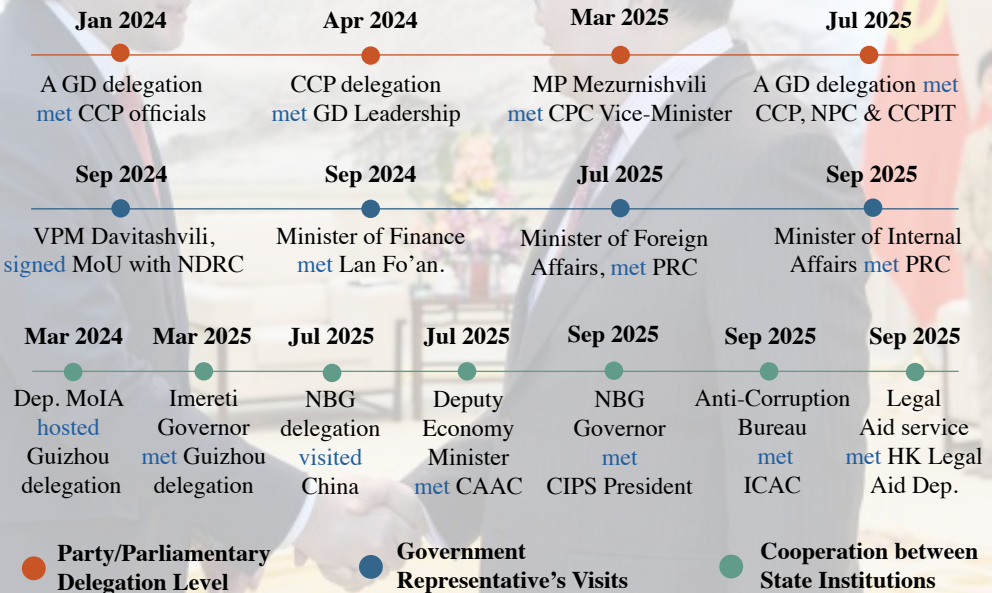
In July 2023, Georgia and China [announced](#) a Strategic Partnership, a milestone celebrated in Tbilisi and Beijing even as Georgia's ties with the West have eroded. It elevates the relationship to a declared foreign policy priority. Ruling party leaders now present China as a key "Exemplary partner for all civilized nations." See GD-designated PM Kobakhidze's [speech](#) on September 29, 2025, on the occasion of the 76th anniversary of the PRC.

This brief asks what lies behind that rhetoric. Has Georgia gained tangible benefits, or is it trading sovereignty for dependence on Beijing? Drawing on Civic IDEA's years of research into the CCP's activities in Georgia, we highlight the political, economic, and strategic risks of deepening the relationship, risks with direct consequences for U.S. and European interests.

### Political and Diplomatic Relations

The announcement of the strategic partnership was quickly followed by a series of official visits and statements, highlighting its intensive development.

#### Georgia-China engagements timeline (2024-2025)



Regardless intensive exchange of visits and welcoming statements, **China has never supported Georgia's sovereignty or territorial integrity in international forums.**

Consistently, including in 2023–2025, Beijing **abstains** from supporting the annual UN resolution on displaced persons from Georgia’s occupied territories—just as it has in every previous year. Interesting fact: after Russia’s brutal invasion of Ukraine in 2022, China voted even against the Georgia resolution.



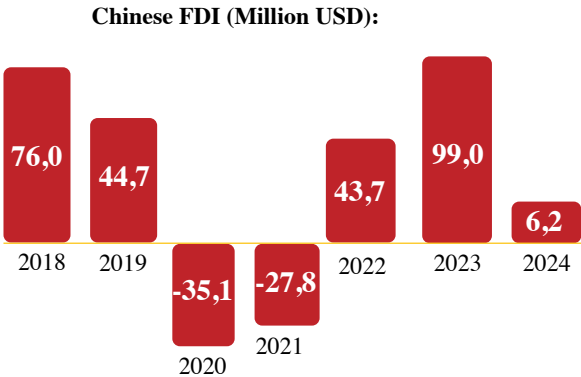
Economic Cooperation

Regardless of Georgian Dream’s claims that China is a major trade partner and investor capable of delivering prosperity—and despite Beijing’s own rhetoric about “positive dynamics”—the data tells another story. Figures from Georgia’s National Statistics Office show that tangible economic gains have been negligible since the Strategic Partnership was announced, underscoring the gap between propaganda and reality.

- **Trade share remains modest** - China is not among Georgia’s top markets, and the EU dwarfs its role. The increase in trade numbers is primarily due to a surge in imports from China.
- **Investment is insignificant** - Chinese investment is minimal compared to Western countries.
- **Promises never materialize** - Repeated announcements of major Chinese projects have failed.
- **The infrastructure sector is dominated by China** - Chinese companies have dominated in infrastructure projects, securing billions of dollars through state contracts, not FDI.

“ China regards Georgia as a promising investment destination and has always been one of its largest investors, with total investments exceeding 800 million USD. - [says](#) the Chinese Ambassador to Georgia, H.E. Zhou Qian.

**FAKE NEWS**

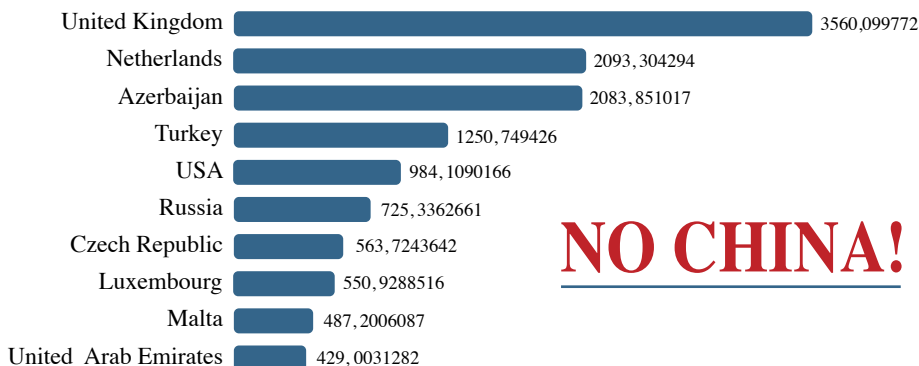


Facts tell a different story:

Since launching the Strategic Partnership, **Chinese FDI** has collapsed. In 2024 alone, investment **dropped 93%** — down to just \$6.2M.

**China does not rank among Georgia’s top 10 investors.** It is lagging behind the UK, USA, Turkey, and other big states, as well as countries like Malta and Luxembourg.

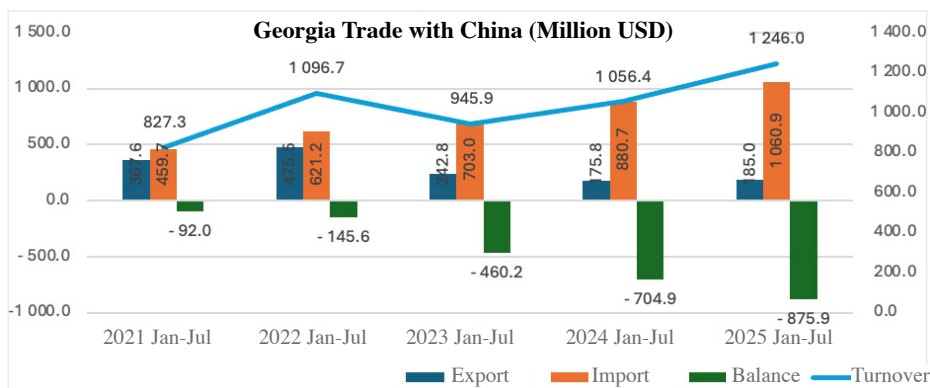
## Top 10 Investors 2015 - I Quarter 2025 (Million USD)



**NO CHINA!**

### Bilateral Trade:

It is true that since 2023, Georgia-China trade turnover has grown, reaching USD 1.9 billion in 2024. Yet it is deeply imbalanced, and it is not surprising that Chinese exports vastly outweigh Georgian ones. January-July 2024, the negative trade balance nearly doubled, rising by 53.2%. In the same period in 2025, imports from China were 5.7 times higher than Georgia's exports to China.



## Chinese Companies in Georgia

Long before the Strategic Partnership was signed, one of the most evident signs of Beijing's influence was the flood of state contracts awarded to Chinese firms. Since 2010, Chinese firms scooped up billions in state contracts. On the E60 East-West Highway alone, PRC companies took eight projects worth 4.5B GEL — more than all Chinese FDI combined.

### US and EU pay in Georgia, Beijing profits:

This isn't Chinese investment into Georgia - it's Western and Georgian money out to the CCP. Donor-funded projects enrich Beijing, but do not contribute to real Georgian prosperity. Washington and Brussels must face it: U.S. and EU taxpayers are unintentionally bankrolling China's grip, not Georgia's development. Taxpayers in the US and the EU are funding CCP firms, deepening corruption, and pulling the country away from its Euro-Atlantic path.

2025



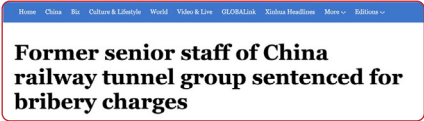
Chinese Companies Operating in Georgia:

A Troubled Track Record

- **China Energy Int Group Co., Ltd (CEFC)**  
Investor in Poti, Ex-head **charged** in US with bribery
- **Sinohydro Corp. Lt**  
6+ Georgian projects. **Sanctioned** by EIB & WB
- **China Railway 23rd Bureau Group Co.**  
**Sanctioned** by the WB
- **China Road and Bridge Corporation (CRBC)**  
**Blacklisted** by the WB
- **TBEA Shenyang Transformer Group**  
Tied to **corruption** abroad; contractor for JSC GSE
- **Nuctech Co. Ltd.**  
**Blacklisted** by the U.S. and EU probe
- **China State Construction Eng. Co., LTF (CSCEC)**  
**Blacklisted** by the WB & Philippines.
- **China Nuclear Industry 23 Construction .**  
Co-investor **blacklisted** by the U.S
- **Guizhou Provincial Highway Eng. Group Co.**  
Labor safety **violations** in Georgia;
- **China National Tech. Imp&Exp Co. (CNTIC)**  
**Corruption** and **illegal** activities abroad
- **China Railway Tunnel Group (CRTG)**  
Sanctioned by WB for **fraud** and **labor rights abuses**
- **Hunan Road and Bridge Construction Group**  
**Bribery & organized crime** in Georgia and abroad

Civic IDEA’s research shows how Chinese deals corrode Georgia’s governance: state bodies hand contracts to firms with corruption records, fueling a pattern of abuse, opacity, and capture.

- **Lack of due diligence by state agencies,**
- **bidding terms were manipulated to favor Chinese firms,**
- **chronic delays and failed obligations by Chinese contractors,**
- **violations of labor rights and environmental standards.**
- **Corrupt, nepotistic practices, weakening the institutions meant to safeguard public trust,**



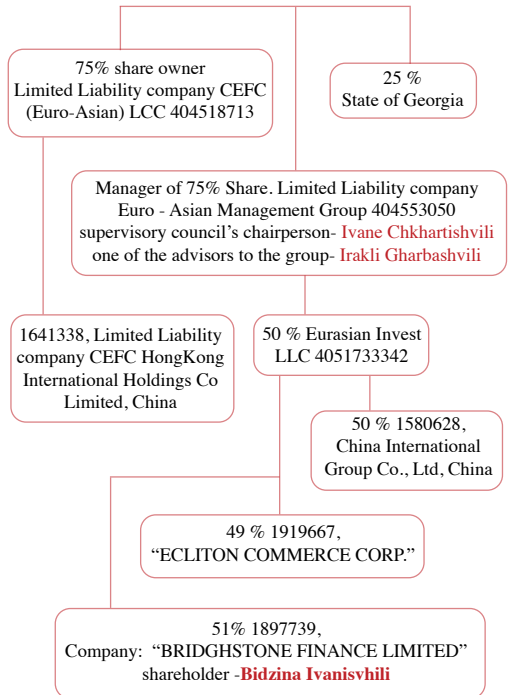
Chinese ventures in Georgia often serve the ruling elite rather than the public interest. The clearest case is oligarch Bidzina Ivanishvili and the Poti Free Industrial Zone (FIZ).

In 2017, the government handed 75% of Poti FIZ to CEFC's Georgian arm for a promised \$150 million investment and management rights by 2019 - later quietly extended. A year later, CEFC appointed Burasian Management Group Ltd., long tied to Ivanishvili, to run its stake, notably, even employing ex-PM Gharibashvili.

When CEFC finally collapsed in scandal (2020), Georgian courts handed control to Ivanishvili's network - turning a Chinese deal into oligarch capture.

The result is stark: a strategic national asset was first handed to a Chinese company, then captured by Ivanishvili's circle through corrupt maneuvering. This case shows how Sino-Georgian deals advance both Beijing's influence and the entrenched power of Georgia's pro-Russian oligarchy.

## Poti Free Industrial Zone 215147990



## Anaklia Deep Sea Port on the Line

After Poti FIZ, Georgian Dream set its sights on Anaklia, Georgia's only deep-sea port. On May 29, 2024, then-Vice PM Davitashvili announced a Chinese Singaporean consortium as the "preferred bidder", promising confirmation within days. Over a year later, no contract is signed. Deadlines keep shifting, and the government continues to promote the deal, most recently at the UNGA in September 2025.

The choice of partner reveals its intent: China Communications Construction Corporation (CCCC) is one of Beijing's most notorious state-owned giants, black-listed for fraud by the World Bank, sanctioned in multiple countries, and designated by the US DoD as a military company for militarizing the South China Sea.

Anaklia is a once-in-a-generation project for Georgia, a Middle Corridor hub, and a lifeline to our sovereignty. Losing it means dependency; saving it secures our future, and it is not yet lost. As long as nothing is signed, it can and must be saved.

**SANCTIONED**



**Bloomberg**

Businessweek | Feature

### A Chinese Company Reshaping the World Leaves a Troubled Trail

CCCC, Belt and Road's biggest builder, is besieged by allegations of fraud, corruption, and environmental damage.

## China's eye on Georgia: Cameras of Control •

China's footprint in Georgia's security sector is expanding fast, embedding CCP-linked surveillance and border control systems. **Nuctech**, a state-owned enterprise tied to China's military industry, has won more than \$14 million in non-competitive tenders. Banned in the U.S and much of Europe for corruption and defective equipment, it thrives in Georgia.

Chinese technology now dominates Georgia's monitoring system: **nearly 80% of cameras are Chinese-made**, with imports skyrocketing from 1,000 in 2020 to over 10,000 by 2023 spiking during the 2024 protests. Installed at protest sites, including directly outside Parliament, these cameras were used to track **dissent**. Footage has already been used during court hearings against demonstrators, turning Beijing's systems into instruments of political repression.

Meanwhile, Nuctech scanners and **Hikvision/Dahua** networks have been embedded into Georgia's critical security architecture - even at the Ministry of Defense. It has reaped unprecedented exposure of national defense infrastructure to Chinese military-linked technology. This is not only the erosion of civil liberties, it is a strategic vulnerability at NATO's frontier.

## • Chinese Soft Power at NATO's Doorstep

China's influence in Georgia's education system has become a strategic soft-power tool. Confucius Institutes operate in four universities, while Georgian schools partner with PLA-linked universities. Since 2023, the China International Education Group has owned Georgian International University. At the government's urging, Chinese is promoted as a second language in schools, while scholarships for study in China are rising. These are snapshots of a broader campaign embedding China's agenda in Georgia's academia and youth, eroding democracy and the Western path.

Beyond education, soft power is fused with business interests. In 2016, former Vice PM Vano Chkhartishvili - Ivanishvili's ally and CEFC beneficiary - set up the Georgia-China Economic and Cultural Development Center. Soon after, with the Chamber of Commerce, he launched the Georgia-China Friendship Association, naming a CEFC executive as honorary president to push Chinese projects in Georgia. This elite-driven fusion of business, academia, and politics shows how Beijing builds influence by capturing Georgia's ruling networks.

**WHAT DEMOCRACIES MUST REMEMBER:** Most troubling, Georgian Dream is openly pushing Beijing's line. Leaders glorify China as an "exemplary" state, and lawmakers push pro-China narratives through films and public messaging. This is not mere image-building; it masks the government's anti-Western drift by presenting China as a legitimate alternative to Euro-Atlantic integration. In practice, it accelerates Georgia's slide into authoritarian orbit, undermines democratic resilience, and turns the country into a convenient outpost for Beijing and Moscow's shared agenda.

By championing Beijing, Georgian Dream is not only undermining Georgia's democracy but also directly threatening U.S. and European interests. It openly promotes China as a counterweight to Washington and flaunts defiance of the West. Georgia now stands at a dangerous crossroads and for the transatlantic alliance, this red flag demands urgent action before the country slips entirely into authoritarianism.

For decades, Georgia was proof that Western support could grow democracy on Russia's doorstep. Failure to act now would not just abandon Georgia, it would send a devastating message worldwide that democracy never had a chance, democratic activism cannot prevail, and that authoritarian giants write the future.