

Twelfth Meeting of the Intergovernmental Commission TRACECA
Speech of the Deputy Minister of Economy and Sustainable Development of Georgia
TRACECA National Secretary in Georgia
Mr. David Khutsishvili
Odessa, Ukraine, June 1, 2016

Excellences,

Dear Colleagues,

Ladies and Gentlemen,

- It is a great privilege and honour for me to address you today on the occasion of the 12th Annual Meeting of the Intergovernmental Commission TRACECA.
- First of all, I would like to take this opportunity and congratulate Mr. Volodymyr Omelyan on his appointment as the Minister of Infrastructure of Ukraine and wish him success in his future endeavors. Herewith let me express my sincere gratitude to the Government of Ukraine for hosting this high-level meeting in the beautiful city Odessa.
- Georgia, has been an active participant of the EU TRACECA Programme from its commencement. We are actively supporting and participating in all projects within TRACECA with the aim to develop the Europe-the Caucasus-Asia Transport Corridor (TRACECA) and to enhance its competitiveness and attractiveness.
- I would like to take this opportunity and highlight key activities and priorities of the Government of Georgia in the transport sector.
- Georgia is a small but very attractive country for international investments with open market and liberal economy, strategically located between Europe, Asia, and the Middle East. We are a key platform for the revitalizing the Silk Road and a bridge between East and West. Being a strategic Partner of USA and Associated member of EU, Georgia has free trade with EU, CIS countries and Turkey. We have also concluded negotiations with EFTA (European Free Trade Association) and started negotiations for Free Trade Agreement with China. Georgia's business-friendly policies, strong regional and overseas trade relations, strategic location at the crossroads between Europe and Asia have transformed the country into the new regional frontier for investment opportunities.

- One of the biggest challenges for the Government of Georgia is strengthening the transit function of the country and formation of economic and logistics hub in the region. Therefore, it is of utmost importance to conduct transportation of additional cargo flows from China to Europe through Georgia. Accordingly, our future policies and strategies are targeted at strengthening of the Europe-the Caucasus-Asia Transport Corridor and development of the New Silk Road together with TRACECA member countries. As of today, trade between China and EU exceeds 600 bln USD and there is a huge potential for New Silk Road Corridor to capture significant volumes from various alternative routes. The current situation in the region with various Silk Road initiatives aiming to promote trade, economic cooperation and development and exploring new opportunities are very promising. The Government of Georgia is an active member of TRACECA Corridor, which contributes to the revival of one of the most famous historical Silk Road. Notably, the Government of Georgia and the People's Republic of China having friendly relations, agreed to cooperate on the Silk Road Economic Belt development initiative. I would like to note with satisfaction that during 2015-2016 railway freight transportations from China in the direction of Georgia were carried out in several occasions. As a result of fruitful cooperation among Georgian and other TRACECA member countries' and Chinese rail administrations and logistics companies, through tariffs were introduced for the whole corridor, that created an opportunity for the freight to move from China to the Black Sea ports of Georgia without delay in the shortest possible time. As a result, the transit time has been reduced from 40-45 to 7-9 days compared to the carriage by sea. Transit networks running through Georgia can bring goods from China to Europe much faster than sea routes. Another successful example of regional cooperation for development of the New Silk Road corridor is the Baku-Tbilisi-Kars New Railway Line project, which shall connect Azerbaijan, Georgian and Turkish railways and will open a window onto Europe. The implementation of the project will allow 45% faster delivery of containers, freight and passenger traffic from Asia to Europe. Initially, this railway line will be able to handle 5 million tons of cargo and one million passengers. Its capacity will triple in subsequent years. Major construction works are finished at prioritized sites of the railway section on the Georgian territory, thus allowing and facilitating cargo transportation at the first stage.

- Government of Georgia is also carrying out large-scale infrastructural projects such as Anaklia New Deep Water Black Sea Port, Railway Modernization Project and East-West Highway Construction and Development of Modern Logistics Centres.
 - Moreover, to facilitate increased participation of private sector, Government of Georgia with the technical assistance of EBRD has developed Policy Document on Public Private Partnership (PPP). Furthermore, we plan to adopt the PPP Law in 2016, which shall create effective and transparent cooperation framework and business models between state and the private sector, as well as more investment opportunities.
 - One of the main priority for the Government of Georgia nowadays is improvement of road safety standards in the country. In this regards by technical assistance of the World Bank we have developed Road Safety Strategy and Action Plan, which will be approved by the Government in the nearest future. Adoption of the Strategy and implementation of the Action Plan will improve coordination mechanisms, which is a key element for ensuring progress in road safety.
 - We strongly believe that all abovementioned planned and ongoing activities shall strengthen the role of Georgia in the development of TRACECA Corridor.
 - Finally, I would like to express my gratitude to the organizers of this high-level event and wish you all a successful meeting.
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- Thank you for your attention!