

China's Activities in the South Caucasus

Issue 38, 28.02.2022 – 6.03.2022

The digest covers China's political, diplomatic, economic and other activities in the South Caucasus region and relations between China and the South Caucasus countries. It relies on a wide variety of sources, including the Chinese media. It is worth noting that the Chinese media is controlled by the Chinese Communist Party (according to the World Press Freedom [Index](#) China is nearly at the bottom of the list and ranks 177th out of 180 countries)

- Propaganda against NATO expansion, democratic revolutions continues in Chinese media
- Sanctioned VTB Bank Georgia offloaded its consumer loans and deposits portfolio to China-linked BasisBank
- “China under the International Relations System” conference was held in Azerbaijan

Omitted news from February 2022

Chinese propagandist discusses NATO expansion and Russia



Hu Xijin during an interview. Source: [China News/Screenshot](#)

In an interview [published](#) by China News on February 26, Hu Xijin, Chinese propagandist and former editor-in-chief of Chinese state media outlet Global Times said that Georgia and Ukraine joining the NATO was unacceptable to Russia.

“[NATO] now wants to take Ukraine, and then possibly Georgia in the future, this thing is equivalent to bringing NATO's military boots to Russia's border, which is unacceptable to Russia. The general trend of NATO's eastward expansion has not changed, and the entire strategic press on Russia has not changed. If NATO's eastward expansion does not stop, then this war happens sooner or later”.

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Sanctioned VTB Bank Georgia offloaded its consumer loans and deposits portfolio to China-linked BasisBank

On February 28, Civil.ge [reported](#) that Russian state-owned VTB Bank Georgia offloaded its consumer loans and deposits portfolio to China-linked BasisBank after being sanctioned by the West over Russia's invasion of Ukraine.

According to the National Bank of Georgia's February 27 statement, the transition process had begun, and from February 28, BasisBank would gradually begin to serve the individual customers in VTB Bank Georgia branches.

Reportedly, the National Bank reaffirmed its compliance with sanctions imposed on Russia, stressing it had instructed the financial institutions to adhere to the rules.

Georgian-based BasisBank has operated since 1993. In 2012, the Chinese Hualing Group purchased 90% of shares of the bank, which was later increased to 92.30%.

Chinese state media quotes Azerbaijan state media about the BRI

On March 3, Chinese state-controlled media Xinhua [published](#) a commentary about "China's 'two sessions under global gaze for solutions to world challenges'".

It included a part of an article by Azerbaijan State News Agency: "The BRI has become "the engine of growth and modernization of the economic and developmental infrastructure of many member countries," said the article by Azerbaijan State News Agency in November, stressing it inspired the majority of the world's people to work for "a better, more balanced and equitable future".

"China under the International Relations System" conference was held in Azerbaijan

On the occasion of the 30th anniversary of the establishment of diplomatic relations between Azerbaijan and China, the Institute of Oriental Studies of the National Academy of Sciences of Azerbaijan and the Confucius Institute at the Azerbaijan University of Languages held a conference "China under the International Relations System", Azertac [reported](#) on March 4.

Chinese state-controlled media discusses color revolutions

On March 2, Chinese state-controlled CGTN [reported](#) an interview with Alfred de Zayas, UN's former Independent Expert on the Promotion of a Democratic and Equitable International Order. The interviewer, Wang Guan, asked him the following question: "Let's talk about 'color revolutions', which is

viewed by China and Russia and others as a Western strategy to undermine their national security. We remember the Rose Revolution in Georgia in 2003, the Orange Revolution in Ukraine 2004, and of course the Tulip Revolution in Kyrgyzstan in 2005, and the list goes on... How legal or legitimate were those 'color revolutions'?" Alfred de Zayas answered that they were "all illegal", and "all violated" the United Nations Charter and customary international law.