

NEWS DIGEST ON GEORGIA

November 5-7

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❖ Occupied Regions

❖ Tskhinvali Region (*so called South Ossetia*)

1. Creeping occupation: New barbed-wire fences erected

Russia-controlled border guards and the leadership of Georgian eastern occupied Tskhinvali (South Ossetia) region are erecting barbed wire fences at the village of Balta, in the Kareli district of Georgia. The de-facto leadership of Tskhinvali says that a one-kilometer-long barrier has already been made.

“The majority of people living in the occupied territories and who are hindered by the barbed wire fences built by the occupation regime are ethnic Ossetians that are not allowed to move about freely. This is another revelation as to how insignificant humans and their rights are to the occupation forces – how they do not care about their ethnicity be it Georgian, Abkhaz or Ossetian. The regime has one interest – military – and they believe it is in their strategic interest to increase tensions in the pre-election period to put more pressure on the population. Russia is not going to achieve any results with these provocations and we have reacted properly to this case”, State Minister for Reconciliation and Civil Equality of Georgia, Ketevan Tsikhelashvili said (*Agenda.ge, November 6, 2018*).

2. Georgian Foreign Ministry condemns erection of new barbed wire fences by occupants

The Georgian Foreign Ministry has condemned the erection of new illegal barbed wire fences at the villages of Atotsi and Balta of the Kareli municipality, near the country’s occupied Tskhinvali (South Ossetia) region in the eastern part of Georgia.

The ministry says that the issue will be raised during all local and international formats dedicated to Georgian conflict issues.

“With such steps Russia blatantly violates the fundamental principles of the international law and undermines the international system which is based on rules,” the Georgian Foreign Ministry says.

“The Russian actions aim at further destabilisation on the ground, restriction of free movement of locals and their isolation from the rest of Georgia,” the ministry says (*Agenda.ge, November 7, 2018*).

3. Reconciliation minister on new barbed wire fences: Russians are isolating occupied Tskhinvali

“Georgian Minister of Reconciliation and Civil Equality Ketevan Tsikhelashvili has come to the Atotsi village of Kareli municipality today, where occupants are erecting new barbed wire fences and stated that through this step, Russia is isolating the Tskhinvali region from the outside world and is creating “unbearable” conditions for ethnic Ossetians.

80-90 per cent of the population who face serious problems due to the barbed wire fences live in the occupied Tskhinvali region, mainly they are ethnic Ossetians, who need to move freely and are deprived of the right. The barbed wire fences are one piece of evidence showing how insignificant human rights and interests are to the occupants.

Georgians, the Abkhaz or Ossetians carry no interest for them, they just act based on their strategic and political interests,” Tsikhelashvili said, responding to the erection of new barbed wire fences by occupants at the village of Atsotsi, near breakaway Tskhinvali (*Agenda.ge, November 7, 2018*).

❖ Abkhazia Region

4. Abkhazia halts issuing of residence permits because ‘printer ran out of ink’

Abkhazia has temporarily suspended the issuing of residence permits, an essential document needed by Gali residents in order to travel to Georgia proper.

Breakaway authorities in Gali claim the reason is a technical problem with a printing machine, locals DFWatch spoke to explained. They were told that the printer had run out of ink (*DFWatch.net, November 6, 2018*).

❖ Foreign Affairs

5. Georgian-Polish parliament speakers sign cooperation deal

Chairman of the parliament of Georgia Irakli Kobakhidze and the Marshal of the Sejm of the Republic of Poland, Marek Kuchcinski have signed a Statute of the Georgia-Poland Parliamentary Assembly, which is a cooperation deal between the two countries’ legislative bodies. Kuchcinski and the Polish parliamentary delegation came to Georgia today.

Kuchcinski is scheduled to come to the national library of the parliament of Georgia later today to open the Henryk Hryniewski Art and Polish Literature Hall.

Henryk Hryniewski was a Georgian-born Polish painter whose life is closely connected with Georgia. Hryniewski will lay a wreath at the memorial of Georgian fallen heroes in Tbilisi and visit the occupation line in the Odzisi village in eastern Georgia (*Agenda.ge, November 5, 2018*).

6. Parliamentary committee confirms changes for residency permits for foreigners

The Legal Affairs Committee of the Parliament of Georgia has confirmed changes to the law on foreigners and the legal status of individuals without citizenship.

The changes read that:

- To receive a one-year residency permit on the basis of property, a foreign national must purchase real estate worth 100,000 USD. The mandatory amount currently is 35,000 USD.
- A foreign citizen will be allowed to apply for a labor residence permit if he/she will be employed by a company which reports turnovers of no less than 50,000 GEL per foreigner employed.
- The changes will also mandate a minimum salary for each employed foreigner and the company hiring foreigners will be obliged to immediately inform the Ministry of Justice of Georgia if the labor agreement is suspended.
- The investment residency permit will be issued if a foreign citizen invests no less than 300,000 USD in Georgia, instead of the current 300,000 GEL.
- Foreigners who wish to receive permanent residence permit in Georgia will receive a five-year permit initially only if they present documents proving they have a turnover of 120,000 USD or more annually.
- Foreigners holding investment residency permits for five years [those who manage to present documents attesting to 120,000 USD in annual turnover over the course of five years] and who

invest at least 300,000 USD in Georgia, will be able to receive permanent residency permits (*Agenda.ge, November 6, 2018*).

❖ Internal Affairs

7. Ruling party founder Ivanishvili addresses public ahead of election runoff

I understand that you are dissatisfied because your lives have not improved drastically. I understand that you are dissatisfied because you believe that some officials care more for their own welfare than of the wellbeing of the people. You are dissatisfied because you believe that the current authorities have failed to restore justice,” Ivanishvili said (*Agenda.ge, November 5, 2018*).

8. Former PM Kvirikashvili makes special statement ahead of election runoff

I decided to remain silent during the whole period [after resignation] and I am not going to be active in politics. However, I want to say that I support the values which were protected by the Georgian people in 2012 [when the current ruling force defeated the nine-year-rule of the United National Movement leadership],” Kvirikashvili said.

He stated that the values which are supported and protected by the current state leadership have always been of the highest importance for him (*Agenda.ge, November 7, 2018*).

9. Driving under the influence of drugs will be criminal offence starting April 2019

The law states that an individual must not be impaired (through alcohol, drugs or any combination of both) while driving or in charge of a vehicle.

The parliament’s legal issues committee went through the third reading of the bill on marijuana consumption introduced by the chair of the committee, Eka Beselia.

During the meeting, Beselia stated that “members of the committee asked if law-enforcement organs were prepared and ready for the relevant procedures. By April 2019, the staff will be trained and provided with equipment, while public awareness will be raised” (*Agenda.ge, November 6, 2018*).

10. Georgian government developing vocational education system

The Government of Switzerland has allocated \$6 million dollars to Georgia, which will be invested in vocational education and training in agriculture and introduce and an extension system for farmers.

The four year programs will be implemented by the UNDP and supported by the ministries of Education, Science, Culture and Sport and Environment Protection and Agriculture of Georgia. The document was signed yesterday (*Agenda.ge, November 6, 2018*).

❖ Economy and Social Affairs

11. Jan-Oct 2018: Georgia earns \$162 mln by exporting 68 mln bottles of wine

Georgia exported about 68.3 million bottles of wine to 53 countries in the first 10 months of 2018, announces the Georgian National Wine Agency.

In January-October of 2018 Georgia generated \$162 million from the sale of wine abroad.

Revenue increased by 20% from January-October 2017, while the volume of exports increased by 12%, said the Georgian National Wine Agency.

Export growth was notable in the following countries:

- Japan – 50% percent increase (199,997 bottles)
- Poland – 30% increase (2,788,029 bottles)

- Great Britain – 50% increase (103,724 bottles)

The top five countries that imported the most bottles of Georgia wine in January-October 2018 were:

- Russia – 42,344,328 bottles
- Ukraine – 8,346,700 bottles
- China – 5,410,667 bottles
- Kazakhstan – 3,112,202 bottles
- Poland – 2,788,029 bottles (*Agenda.ge, November 5, 2018*).

12. Japanese wine master visiting Georgia, looking for ways to increase Georgian wine imports to Japan

Japanese wine master Kenichi Ohashi is visiting Georgia with wine importers, sommeliers and a group of journalists in order to explore ways of increasing Georgian wine imports to Japan.

The Japanese guests will visit over 20 wine enterprises and cellars in Georgia's Kakheti, Kartli and Imereti regions.

On the first day of his visit in Georgia, Ohashi attended a speed tasting event held in Tbilisi, where about 30 Georgian wine companies presented their wines.

Japan in particular is a growing export market for Georgian wine – in the first 10 months of 2018, about 200,000 bottles of Georgian wine were exported to Japan, which made for a 50% year-over-year increase (*Agenda.ge, November 7, 2018*).

13. China International Import Expo hosts over 53 Georgian companies

More than 53 Georgian companies are showcased at the China International Import Expo, a large import fair that began in Shanghai today and aims to send the message that China wants to buy more goods from abroad.

Besides private companies the Georgian pavilion also features the stands of Enterprise Georgia, Innovation and Technology Agency, Georgian National Tourism Administration, Mountain Development Company, the National Wine Agency and Georgian Railway (*Agenda.ge, November 5, 2018*).

14. China to invest \$5 mln in opening a jacket-making factory in Georgia

A new jacket-making factory will be opened in western Georgia, in the town of Tkibuli to make top quality jackets for local as well as international markets.

The total cost of the project is \$5 million and the new factory will employ about 300 people at the first stage. As announced, the factory will produce jackets for world famous brands.

The signing ceremony of the outline agreement on the jacket factory project was held today in Shanghai, where Georgia's Partnership Fund and China's Jiangxi Huazhao Enterprise management have signed a deal (*Agenda.ge, November 5, 2018*).

15. Georgian producers to have free access to China's Anhui logistics center

The logistics center located in Anhui province of China will become accessible to Georgian producers for the next three years and it will be free of charge.

A memorandum cementing the agreement has been signed between Georgia and Anhui ANZ Food Limited in Shanghai.

The agreement allows Georgian producers to become part of the exhibition halls as well as use the logistics, warehouse and marketing services offered by the center (*Agenda.ge, November 5, 2018*).

16. UNICEF welcomes gov't decision to increase allowances for vulnerable children

UNICEF has welcomed the recent decision of the government of Georgia to increase fivefold the support for socially vulnerable children under 16.

We respect the Georgian Government's decision, and we are excited about it, because there was a study done on the children that are most vulnerable.

There is evidence that really established the importance of changing the policy, and the government was bold enough to change the policy. We are really looking forward to seeing the positive impact this will have on the most vulnerable children in Georgia,” UNICEF Deputy Executive Director Shanelle Hall told the Georgian PM late yesterday (*Agenda.ge, November 6, 2018*).

17. Number of tourists visiting Georgia increases 15% in October 2018

Georgia hosted 719,140 international travellers in October 2018, showing an increase of nine per cent year-on-year (y/y) announces the Georgian National Tourism Administration (GNTA).

Of these 719,140 travellers, 407,221 were tourists, which is 15.1% more compared to the same month in 2017 (*Agenda.ge, November 6, 2018*).

18. IMF report: ‘Georgia a notable exception for business entry rates in CCA region’

Business entry rates in the Caucasus and Central Asia region are much lower than in other regions, including sub-Saharan Africa, but Georgia is a notable exception, says the report of the International Monetary Fund (IMF).

IMF says that the success of structural reforms, including those implemented in the early 2000s and in recent years, have resulted in continuously higher rates of new business entries in Georgia (*Agenda.ge, November 6, 2018*).

19. Georgia’s central bank: presidential election period negatively affecting exchange rate of GEL

Recent exchange rate fluctuations are unrelated to economic fundamentals; the current exchange rate dynamic is negatively affected by the environment surrounding the presidential elections, which is reflected in the foreign exchange market”, read the NBG statement.

The NBG said that there is a floating exchange rate regime in Georgia and this is characterised by short-term fluctuations on the foreign exchange market (*Agenda.ge, November 7, 2018*).

20. Natural Gas price to be increased

Allegedly, price of the natural gas in Georgia will be increased by 5 tetri and it turns back to the position which was fixed 6 years ago, before GD won elections and decreased the price. Commission does not rule out increased price for the gas and the reason for this is exchange rate of GEL (*Rezonansi, November 7, 2018*).

21. Beef price increased by 2-4 GEL

According to meet producers the main reason for the increased price is export of the cattle from the country. Plus it costs much for the farmers to produce beef and maintain cattle. Hence, number of cattle in Georgia decreased (*Akhali Taoba, November 8, 2018*).

22. Prices will be increased sharply – Businessman Iva Chkonia

“I’m founder of the distribution company and prices are increasing steadily on the imported products. Distribution companies are forced to increase values as well. If national currency does not stabilizes we prices on all products will be increased sharply.” – says Chkonia (*Rezonansi, November 8, 2018*).

23. 1 USD costs 2.8 GEL in commercial banks

In exchange booths and commercial banks, exchange rate for 1 USD is 2.8 GEL. Based on the information released by Bloomberg 1 USD costs 2.76 GEL by November 7 (*Akhali Taoba, November 8, 2018*).

❖ Sports and Culture

24. Tbilisi among candidate cities to host UEFA Europa League final

Tbilisi will be competing with two European cities for a right to host the final of the 2021 UEFA Europa League competition, the European football body revealed today.

The Georgian capital's Dinamo Arena stadium could be selected as the destination of the final fixture of the club tournament, with the final decision to be made in May or June next year.

Tbilisi has been picked as a candidate for the final along with Vienna, with its Ernst Happel Stadium, and a yet to be confirmed venue in Seville (*Agenda.ge, November 6, 2018*).

Additional Information

November 8, 2018
OFFICIAL EXCHANGE RATES

1 USD - 2.7656 GEL	1 GBP - 3.6390 GEL	100 RUB - 4.1953 GEL
1 EUR - 3.1766 GEL	1 TRY - 0.5178 GEL	100 JPY - 2.4464 GEL

Thursday 8 November	Friday 9 November	Saturday 10 November	Sunday 11 November	Monday 12 November
				
2° 13°	3° 15°	3° 16°	4° 14°	3° 10°

- **Movie Events - English Sessions - [Tickets](#)**
- **Friends of Museum (Membership to access Georgian National Museums For free of charge after one payment) - [Membership](#)**
- **Marjanishvili Theatre – [Events and Tickets](#)**
- **Rustaveli Theatre - [Events and Tickets](#)**
- **Opera and Ballet – [Events and Tickets](#)**
- **Concerts – [Events and Tickets](#)**
- **Sports – [Events and Tickets](#)**