

NEWS DIGEST ON GEORGIA

April 1-3

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Date: **April 4, 2019**

❖ **Occupied Regions**

❖ **Tskhinvali Region**

1. Residents of occupied Akhgori forced to get special passes to enter rest of Georgia

Inhabitants of the Akhgori district in eastern Georgia, which is now occupied by Russia, will have to get special passes in order to be able to visit the rest of Georgia.

The de facto administration of the occupied region has already launched the application process for locals to decide whether or not to issue the cards.

Civic activist Tamara Mearakishvili living in Akhgori says that the step aims to further hamper and complicate the free movement of locals. Until now the so-called passport of the de facto republic was sufficient to leave the area (*Agenda.ge, April 3, 2019*).

❖ **Abkhazia Region**

2. Russian FM, de facto Abkhaz FM meet to 'discuss security issues' in S. Caucasus

Russian Foreign Minister Sergey Lavrov has met with de facto Foreign Minister Daur Kove of Georgia's occupied region of Abkhazia to discuss security issues in the South Caucasus, the Russian Foreign Ministry reports. The ministry claims that security cooperation is important as the region is challenging.

The Russian MFA claims that Russian troops "help" Abkhaz so-called border guards control "borders" with Georgia effectively.

Only Russia, Venezuela, Nicaragua, Nauru and Syria have recognised the two occupied regions of Georgia Abkhazia and Tskhinvali (South Ossetia) as independent republics since the Russia-Georgia war in 2008. The rest of the international community says that the historic Georgian regions are occupied by Russia (*Agenda.ge, April 1, 2019*).

3. Deputy FM: no results at Geneva Int'l Discussions, as Russia remains 'destructive'

Due to the Russian Federation's "destructive attitude" the 47th round of Geneva International Discussions of April 2-3, have again ended without tangible results, Georgian Deputy Foreign Minister Lasha Darsalia said after the two-day meetings.

Darsalia, who spoke on behalf of the central Government of Georgian at the discussions, said Russia prefers the language of pressure and threats.

He also stressed that Russia “politicises” all the issues, including humanitarian ones and thus hinders making the lives of people living in the occupied regions of Abkhazia and Tskhinvali (South Ossetia) easier (*Agenda.ge*, April 3, 2019).

❖ Foreign Affairs

4. Czech Republic puts Georgia on safe country list

The resolution has already taken effect. Therefore, Georgian asylum-seekers’ applications will be examined in an accelerated mode. The Czech Republic is the 12th country in the EU/Schengen zone to put Georgia on the safe country list.

The other countries to list Georgia as a safe country are Bulgaria, France, Lichtenstein, Austria, Belgium, The Netherlands, Iceland, Luxembourg, Ireland, Estonia and Denmark.

Putting Georgia on the safe country list is a demonstration of the country’s political stability, economic development and positive environment for human rights protection and safety (*Agenda.ge*, April 1, 2019).

5. NATO Sec-Gen speaks on close cooperation in Black Sea region on the eve of the alliance’s 70th anniversary

NATO Foreign Ministers will meet to mark the seventieth anniversary of the Alliance and focus on Black Sea security issues on Wednesday evening, NATO Secretary General Jens Stoltenberg said at a press conference today.

The ministers will mark ‘seven decades of peace and prosperity’ in the historic neoclassical Mellon Auditorium in Washington, where the original twelve members signed the North Atlantic Treaty in 1949. Jens Stoltenberg also announced that NATO – Russia relations will be discussed on Thursday (*Agenda.ge*, April 1, 2019).

6. NATO vessels visit Georgia’s Black Sea port of Poti

Georgia’s Black Sea port of Poti is hosting a group of military vessels of NATO member states, as the Standing NATO Maritime Group 2 is set to hold sea manoeuvres with their Georgian counterparts this week.

Involving four ships of member countries, the SNMG2 arrived in Poti on Monday and were received by Temur Kekelidze, Head of the Border Police of Georgia flanked by other local dignitaries (*Agenda.ge*, April 1, 2019).

7. Georgia, Azerbaijan still have to agree on 34 per cent of state border

Since 1995 Georgia and Azerbaijan have agreed on 66 per cent of the state border between the two countries, while a special commission composed of state officials from both nations continues work to achieve an agreement on the remaining 34 per cent. Georgia has its border demarcated only with Turkey.

While in Azerbaijan, Georgian President Salome Zurbishvili stated that the issue of the state border between Georgia and Azerbaijan should be resolved. Negotiations are in progress to settle the problem of the 34 per cent,” the Georgian Foreign Ministry says (*Agenda.ge*, April 2, 2019).

8. Georgia ranks 9th in Europe for cyber security

Georgia has been ranked ninth in Europe in the Global Cybersecurity Index (GCI) 2018, which is a composite index produced, analysed and published by the International Telecommunication Union (ITU) to measure the commitment of its 194 member states to cybersecurity in order to raise cybersecurity awareness. The 2018 survey included 178 member states, with Georgia ranked 18th in the world for cyber security.

The GCI is rooted in the ITU Global Cybersecurity Agenda (GCA) that was launched in 2007, and reflects its five pillars: legal, technical, organisational, capacity building, and cooperation (*Agenda.ge, April 2, 2019*).

❖ Internal Affairs

9. Violation of safety rules named as possible reason behind death of two workers in Tbilisi

A violation of safety standards has been named as a possible reason behind the death of two workers in central Tbilisi late yesterday by the employees of the Georgian Health Ministry Work Inspection Department.

No evaluation of risks or possible threats have had place which is likely to have caused the fatality, preliminary studies show this," Maia Mikadze from the Health Ministry stated. She said details will be available after the department completes its study.

The Transmsheh Company, which is constructing a hospital on Chavchavadze 5 where the workers died after a sinkhole opened up, claims that it had hired a company which was responsible for safety issues.

The construction company says that the workers were also hired by the contractor company. Transmsheh says that it is ready to cooperate with law enforcers.

Two workers died after a sinkhole opened up during construction on a hospital on Chavchavadze Avenue, central Tbilisi late yesterday (*Agenda.ge, April 1, 2019*).

10. Six detained at rally demanding protection of workers' rights released

Six activists who were detained yesterday at a rally demanding the protection of workers' rights following the death of two workers on Sunday have been released.

Constitutionalist Vakhushti Menabde, an activist of the White Noise Movement David Subeliani and four others were detained for petty hooliganism and disobedience to police on Chavchavadze Avenue, in central Tbilisi.

The incident took place late yesterday when the protestors blocked the street and police were trying to push them to the sidewalks. They were demanding Tbilisi Mayor Kakha Kaladze to come to the scene and speak with them (*Agenda.ge, April 2, 2019*).

11. Driving under the influence of drugs criminal offence as of today

Driving under the influence of drugs has become a criminal offence in Georgia starting today. Those found under the influence of drugs, psychotropic and new psychoactive drugs or substances will be fined or sent to prison for up to one year, and their licenses will be revoked for three years.

The Ministry of Internal Affairs says that patrol police have already been re-trained and equipped with modern, German-made drug tests, which work with the use of saliva.

If a patrol police officer suspects that an individual might be under the influence of drugs, he/she has the right to check the driver (*Agenda.ge, April 1, 2019*).

12. Public Defender publishes annual report

The report reads that 10 years since the Russia-Georgia 2008 war, the human rights situation in the two occupied regions of Georgia Abkhazia and Tskhinvali (South Ossetia) remains severe.

"The most terrible incident taking place last year was the murder of Archil Tatunashvili in the occupied Tskhinvali region, which pushed the government of Georgia to file a third lawsuit against Russia in the European Court of Human Rights," the report reads (*Agenda.ge, April 1, 2019*).

The report says that the Public Inspector's Office, which will be tasked to investigate possible crimes committed by law enforcers should be created in a timely manner. The report says that the Public Defender's office studied 158 possible facts of discrimination last year.

Women, people with disabilities and the LGBT community face discrimination more than other groups," reads the report. The report says that women's role in the Georgian parliament should see a rise.

Currently Georgia is 119 among 149 world nations per the number of women in parliament," reads the report. The report says that ineffective labour regulations are one of the key challenges for the Georgian state. The report is 447 pages long and can be read [here](#) [available only in Georgian for now] (*Agenda.ge, April 1, 2019*).

13. Social workers end strike, announce creation of professional union

The social workers stated that they reached an agreement with the Health Ministry on several issues though most of their demands have still not been granted.

One of the demands for better transport facilities will be partially met as 12 vehicles will be allocated to social service centres across the country to help social workers travel to meet individuals for whom they are responsible for within the system (*Agenda.ge, April 2, 2019*).

14. CoE research: Georgian prison population decreased, country still has high incarceration rate

Between 2008 and 2018 the prison population in Georgia has decreased by 43 per cent. However, Georgia is the second in Europe by its high incarceration rate, the Council of Europe Annual Penal Statistics for 2018 (SPACE) reads.

The statistics of 2008 read 445 inmates per 100,000 inhabitants in Georgia, while the figure was 252 per 100,000 in 2018.

CoE says that the number of inmates in the Georgian prisons was increasing until 2012 [under the United National Movement], with 516 inmates per 1000,000 in 2012. The report says that the decrease kicked off from 2013 [under the Georgian Dream leadership], with 219 inmates per 100,000 that year (*Agenda.ge, April 3, 2019*).

15. Rezo Charkviani to work as PM's consultant for youth affairs

Rezo Charkviani has been appointed as Georgian Prime Minister Mamuka Bakhtadze's consultant for youth affairs.

The newly appointed consultant will work in youth economy, education, sports and cultural issues. He said he aims to support millennials as it is an important part of the government vision.

Rezo Charkviani is an associated professor at Free University and a lecturer at the ESM Business School. He is the strategic branding director at Millenial Hub Agency and senior consultant. Rezo Charkviani has founded two start-ups – Zhuzhuna Ghvino and John Wrap (*Agenda.ge, April 3, 2019*).

❖ Economy and Social Affairs

16. Is the gov't planning to back out of agreement with Anaklia Development Consortium?

Anaklia Deep Sea Port project has once again become the topic of discussion, the main question now being whether the Georgian government is considering backing out of an agreement signed with the Anaklia Development Consortium in 2016.

The government of Georgia signed an agreement with White & Case on March 15, 2019 for legal advisory services in relation to amendments to the investment agreement executed between the government of Georgia and the Anaklia Development Consortium on October 3, 2016.

The firm will provide an analysis of the possible results of the government's decision to terminate the investment agreement with the Anaklia Development Consortium. The cost of the agreement is \$47,000 (*Agenda.ge, April 1, 2019*).

17. Double taxation deal between Georgia and Saudi Arabia comes into play

A double taxation avoidance deal signed between Georgia and Saudi Arabia in March 2018 is coming into play today.

This means that people or businesses working abroad in either country will not have to pay taxes in both countries, and will instead pay income and capital taxes in only one. The deal was signed in Saudi Arabia last year.

Double taxation is the levying of tax by two or more jurisdictions on the same declared income (income taxes), assets (capital taxes), or financial transaction (sales taxes). This double liability is often mitigated by tax treaties between countries (*Agenda.ge, April 1, 2019*).

18. Georgia and Saudi Arabia sign agreement on air traffic

The agreement was signed on April 1 in Saudi Arabia during the official visit of Deputy Economy Minister Akaki Saghirashvili, who also participated in the Global Aviation Summit following the invitation by the Transport Minister of Saudi Arabia.

Saghirashvili explained that the air traffic agreement provides ground for legislative framework for launching direct regular flights between the two countries. It will also facilitate strengthening of the trade and economic relations and development of the tourism (*Agenda.ge, April 2, 2019*).

19. Asian Development Bank forecasts 5% economic growth in Georgia in 2019

The Georgian economy will grow by 5% in 2019 and by 4.9% in 2020 with higher investment spending, says Asian Development Bank's flagship economic publication.

Georgia has proven attractive for foreign direct investments (FDIs) in the region with its business-friendly environment and increasing integration into global value chains. Georgia can reap significant economic dividends by leveraging its fast-developing facilitative infrastructure for economic connectivity within the

country and in the region by further diversifying its economy and export base, while addressing skills mismatch in the labour market”, said ADB Country Director for Georgia Yesim Elhan-Kayalar (*Agenda.ge*, April 3, 2019).

20. Caucasus Nature Fund to allocate €870,000 to three Georgian parks

The Caucasus Nature Fund will allocate €870,000 for the development of three national parks in Georgia: Borjom-Kharagauli, Mtirala and Pshav-Khevsureti. The development period will span between 2019 and 2021. The sum will be spent for the development of small infrastructure and surveillance and monitoring in protected areas (*Agenda.ge*, April 3, 2019).

21. GDP Growth in 2018 Exceeded Initial Forecast

According to preliminary indicators, real growth in GDP in 2018, as compared to 2017, made up 4.7%, while the deflator changed by 3.6%. 2018 GDP volume in current prices constituted 41,077.5 million GEL, up 8.5% year on year.

As for specific fields in the total GDP structure, trading and industry sectors rank first with 17% each. Transport and communications come second, with 10.2%. The housing sector ranks third, with 9.3%, state governance is fourth at 8.2%, agriculture and fishing sectors rank fifth with a 7.7% ratio, the real estate sector and leasing ranks sixth with 7.4%, healthcare and social assistance sector rank 7th with 5.8% (*CBW.GE*, April 2, 2019).

22. Mamuka Khazaradze and Badri Japaridze Quit Board of TBC Bank

Mamuka Khazaradze and Badri Japaridze quit Supervisory Board of JSC TBC Bank.

Khazaradze and Japaridze officially submitted resignation letters but will continue to serve as Chairman and Deputy-Chairman of the Board, respectively.

“The process of recruiting and selecting two new members of the Supervisory Board of TBC Bank is underway and appointments will be made in due course,”- reads the statement released by TBC Group (*CBW.GE*, April 3, 2019).

23. PWC: National Bank has Duly Imposed 1 million GEL Fine on TBC Bank

PWC (Price Waterhouse Coopers) explains that the National Bank of Georgia (NBG) has duly imposed a fine on TBC Bank.

Today TBC Bank published reports on management and audit details for the 2018 performance. According to the report, TBC Bank has paid 1 million GEL fine imposed by National Bank of Georgia (NBG).

The TBC Bank audit report was prepared by PWC. Independent auditor Jeremy Foster concludes that NBG has correctly imposed the fine.

According to Jeremy Foster, PWC has explored the NBG report on TBC Bank passed on November 19, 2018 covering transactions through 2018.

TBC Bank founders Mamuka Khazaradze and Badri Japaridze were interrogated regarding the issue, as well as members of the Bank’s supervisory board. They also examined all letters with the NBG, requested and explored the NBG-preserved materials, conducted working meetings with the Bank’s audit committee and received information on the methodology that independent directors of TBC Bank carried out in relation to the mentioned issue. PWC explains that TBC Bank paid the fine on March 12, 2019.

On April 2 TBC Bank released another statement, under which the bank founders Mamuka Khazaradze and Badri Japaridze left the supervisory board (*CBW.GE, April 3, 2019*).

❖ Sports and Culture






















24. Georgian wine seminar in Japan: British wine writer Andrew Jefford on why Georgian wine is important

amous British journalist and wine writer Andrew Jefford held a Georgian wine seminar “Why is Georgian Wine Important” at an exhibition called ‘Georgia – Homeland of Wine’ being held in the Japanese capital of Tokyo between March 10 - May 7.

At the seminar Jefford talked about the importance of Georgian wine, the diversity of Georgian vines, and the specific wine varieties that are grown in different regions of Georgia.

Jefford noted that Georgia brought a new category of wines to the world - qvevri-made wines. Qvevri is a traditional Georgian vessel used for making, ageing and storing wine (*Agenda.ge, April 3, 2019*).

Additional Information

April 4, 2019						
OFFICIAL EXCHANGE RATES						
1 USD - 2.6904 GEL		1 GBP - 3.5454 GEL		100 RUB -4.1231 GEL		
1 EUR - 3.0256 GEL		1 TRY - 0.4781 GEL		100 JPY - 2.4131 GEL		
Friday 5 April 12-18	Saturday 6 April 12-18	Sunday 7 April 10-16	Monday 8 April 10-16	Tuesday 9 April 10-16	Wednesday 10 April 10-16	Thursday 11 April 10-16
						
14°	12°	13°	11°	13°	13°	14°
0 mm	6.0 mm	0 mm	0 mm	0 mm	1.3 mm	0 mm
						
 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						