

NEWS DIGEST ON GEORGIA

May 30-June 2

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Date: **June 3, 2019**

❖ Internal Affairs

1. Batumi ex-Mayor, Officials Arrested on Embezzlement Charges

The prosecutor's office of Adjara Autonomous Republic arrested seven former and incumbent officials on charges of embezzlement.

- The prosecutor's office said that the detainees are:
- Former Mayor of Batumi, Giorgi Ermakov, 2014-2017
- Deputy Minister of Education, Culture and Sport of Adjara, Bagrat Manvelidze;
- Deputy Minister of Finance and Economy of Adjara, Archil Vanadze;
- Deputy Mayor of Batumi, Tengiz Petridze;

as well as three senior officials from the Batumi City Hall – Egarslan Lomadze, Vladimir Khintibidze and Beka Khalvashi.

According to the prosecutor's office, the investigation uncovered a corrupt scheme in Batumi Municipality's tendering procedures for the so called so called "Cheap House" project in October 2015. All of the detained were members of the tendering commission at the time.

The detained are charged with rigging the procurement tender for social housing in favor of a single company – "Convent Georgia" – which did not meet the legal and financial requirements.

"Instead of protecting legal interests of the state, terminating the tender and not concluding the agreement on state procurement with Convent Georgia, the tender commission signed the contract on state procurement worth GEL 4.2 million," the prosecutor's office said. According to the prosecution, the company has failed to complete the required works, inflicting the damage of over one million GEL to the state coffers (*Civil.ge, May 30, 2019*).

2. Participation in street disputes becomes criminal offence in Georgia

The Georgia Parliament has approved a bill proposed by the Interior Ministry which makes both passive and active participation in street disputes a criminal offence, punishable by up to two years in prison.

The ministry states that "street disputes are part of the criminal mentality", when various controversies are "settled with the involvement of people with a criminal mentality or criminal bosses, through illegal methods, leading to more serious offences." (*Agenda.ge, May 31, 2019*).

3. One of opposition leaders released after admitting attack on police

Former state official, now a member of the United National Movement opposition David Kirkitadze has admitted an attack on police on the President's inauguration day in December 2018 and was released in plea bargain earlier today. The judge said that Kirkitadze was only sentenced to two year home-arrest.

The plea bargain is an agreement in a criminal case between the defendant and the plaintiff when the defendant agrees to plead guilty to a charge in return of some concessions from the plaintiff.

The Ministry of Internal Affairs of Georgia Kirkitadze detained Kirkitadze for verbally and physically insulting the police and damage of property during the clash between law enforcers and the opposition activists in the Kakheti region of Georgia on the inauguration day of the president, on December 16, 2018 (*Agenda.ge, May 31, 2019*).

4. Georgian PM answers MPs' questions in parliament, 4 major topics discussed

Georgian Prime Minister Mamuka Bakhtadze has answered the questions of opposition MPs at today's plenary session of the parliament of Georgia, where the main topics of discussion were the accumulative pension system, financial sector regulations, the TBC Bank issue, funding of State Legal Entity of Public Law and non-commercial legal entities.

This was the second time the PM met with members of parliament for interpellation, where the opposition MPs have the right to summon top officials to parliament and ask them questions on specific issues.

Accumulative pension system

Bakhtadze said that the government wants to create a "decent pension system for our citizens" and none of the successful countries in the world have achieved this result without establishing pension funds.

NBG regulations

Another major topic of discussion was the National Bank of Georgia (NBG) regulations on responsible lending practices, which mean that commercial banks in Georgia are restricted in issuing loans without meaningful analysis of consumers' solvency.

Bakhtadze explained that these are the financial sector regulations and not the banking regulations.

"Our intention was to set a ceiling on interest rates to drop them way down from 700 and 800 per cent per month. Georgia should no longer have unfair rules of the game that you left as a legacy. My second point is that a cap should exist on the sanctions and interest for overdue payments to make sure that people no longer lose their houses to meet their liabilities towards creditors. We introduced a bank exposure limit at 200,000 GEL, to promote lending in the national currency", said Bakhtadze.

TBC Bank issue

"The central bank of the country applied sanctions as a result. Measures taken by the NBG were legitimate, including those that will follow. [An agreement reached by TBC Bank and NBG] has been shared by all institutional investors and international financial institutions. If you agree with an agreement of the NBG and TBC Bank, you should agree with everything that follows this case", Bakhtadze said.

Funding of State Legal Entity of Public Law and non-entrepreneurial (non-commercial) legal entities

Bakhtadze recalled the Open Budget index, released last year which ranked Georgia 5th in the world out of 82 scores, based on an analysis of 115 nations' budget transparency, participation and oversight.

This was the historic achievement...At the same time, we took the obligation reduce the budgetary expenditure of government agencies as much as possible. I took political commitment and said that it would be 3.9 per cent”, said Bakhtadze.

He said that today about 225,000 citizens are employed including State Legal Entity of Public Law and non-entrepreneurial (non-commercial) legal entities and among them are firefighters, rescuers, doctors, people employed at cultural and sport organisations (*Agenda.ge, Civil.ge, May 31, 2019*).

5. Georgia marks Police Day

Addressing police employees Georgian Interior Minister Giorgi Gakharia said that it is the “biggest honour for me to serve the country with you.”

Gakharia paid homage to police employees killed on duty and stated that the current goal is the creation of an effective police,” which will always preserve political neutrality” (*Agenda.ge, May 31, 2019*).

6. Police Can’t Guarantee Pride Safety Outdoors – Ministry

The Interior Ministry released a statement on May 31, saying that a Pride Parade, an outdoor event with the participation of LGBTQI people, cannot be held at planned places and in its present format, citing the risks that persons involved in the event may face. Tbilisi Pride, a non-governmental organization, which organizes the event, said that they would protect their fundamental right – freedom of assembly.

The Interior Ministry also noted that it offered the group alternative places of gathering, which “will be safer for the participants.” According to the Tbilisi Pride, the police offered to hold events indoors – at a stadium or in a nightclub.

Tbilisi Pride, uniting LGBTQ and human rights activists, plans to hold the Pride Week on June 18-23, involving various social, cultural and political events, including the Pride Parade (Civil.ge, June 1, 2019).

7. Tourist from Philippines dies in fatal incident

A tourist from Philippines died in a fatal incident in Gudauri ski resort of Georgia. The tourist, accompanied by an instructor, flew from Gudauri by a paraplane. They lost control in Ghuda Gorge and fell into the Aragvi River.

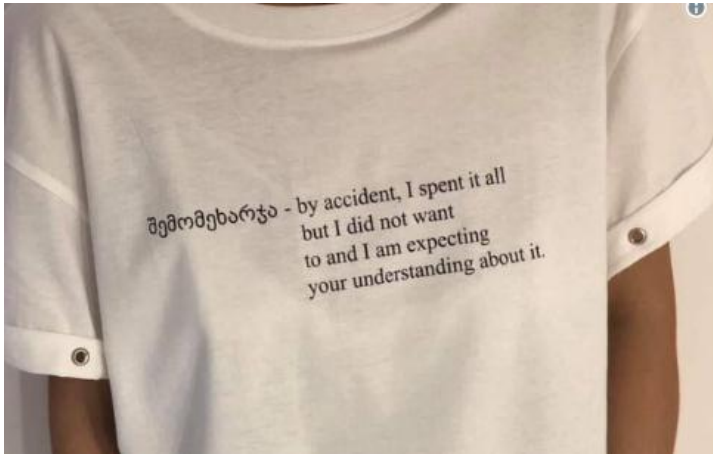
The foreign tourist died. The health condition of the Georgian national is stable. The Ministry of Internal Affairs (MIA) opened an investigation into the fact (*1TV.ge, June 1, 2019*).

8. Georgian Prime Minister Mamuka Bakhtadze hold a meeting with the Population of Zudali Village, Oni District

Prime minister of Georgia Mamuka Bakhtadze learned about the needs of the local population and informed them about relevant ongoing and planned projects.

The Prime Minister spoke about the growing number of tourists and the need to put in place relevant infrastructure. According to Mamuka Bakhtadze, the new Local History Museum in Oni, to be built on the decision of the Government of Georgia, will boost the flow of tourists (*1tv.ge, June 1, 2019*).

9. British Ambassador’s Georgian language meme goes viral, printed on t-shirt



The British Embassy in Georgia posted a photo of a t-shirt yesterday, which was inspired by British Ambassador Justin McKenzie Smith's earlier Georgian language meme.

"Remember #learninggeorgian post by the Ambassador? Thrilled to see it was so popular that people decided to imprint it on t-shirts. Any ideas on where we can buy it?" the Embassy wrote.

10. Court determines who killed David Saralidze in high-profile Khorava street murder case

Tbilisi Court of Appeals ruled earlier today that a 16-year-old David Saralidze, in a high-profile Khorava street murder case of two minors in 2017, was killed by another minor, G.J., with other unidentified individuals in central Tbilisi.

The City Court verdict last year on the murder case of David Saralidze and Levan Dadunashvili caused controversy as the court verdict failed to say who killed Saralidze.

One of the detainees G.B. was found guilty for the premeditated murder of Dadunashvili, while another detainee G.J. was found guilty for attempted murder of David Saralidze (*Agenda.ge, June 3, 2019*).

11. Austrian Ambassador: "There are lack of decision makers in Georgia and it hinders business."

"I think that there is a conflict of generations. We always face the same problem in Georgia that is called decision making and decision makers. This is the main factor that hinders doing business in Georgia. I would emphasize the problem of state procurement. Because here we often meet lack of transparency during the decision making process. Most likely the best way for Georgia is the development democracy and democratic values based on the rule of law. Wherever country goes it will go to the correct direction as it will be based on the democratic principles." - said Ambassador of Austria during the interview with BMG (*BMG.ge, June 3, 2019*).

❖ Economy and Social Affairs

12. Georgia's economy grows 5.1% in April 2019

Georgia's economy is growing steadily, show the latest data from the National Statistics Office of Georgia (Geostat).

The estimated real gross domestic product (GDP) growth rate in March 2019 equalled 5.1%, while the estimated average real GDP growth for the first four months of 2019 equalled 4.8% year-on-year (*Agenda.ge, May 31, 2019*).

13. Inflation in May: price for food, non-alcoholic beverages increases by 1.2%

Prices of vegetables, meat, fruit and grapes have increased in Georgia, while of milk, cheese and eggs decreased in May 2019, show the latest inflation data from the National Statistics Office of Georgia (*Geostat.ge, May 31, 2019*).

14. Jan-May 2019: Georgia earns \$87 mln by exporting 33 mln bottles of wine

Georgia exported about 33.6 million bottles of wine to 39 countries in January-May of 2019, which is a 6% increase compared to the same period of 2018, announces the Georgian National Wine Agency.

In the reporting period Georgia generated over \$87 million from the sale of wine abroad – 16% increase year-on-year.

The top five countries that imported the most bottles of Georgian wine in January-May 2019 were:

Russia – 21,372,581 bottles

Ukraine – 3,080,562 bottles

China – 2,972,733 bottles

Poland – 1,540,182 bottles






Kazakhstan – 1,223,256 bottles (*Agenda.ge, May 3, 2019*)









 **Additional Information**

June 3, 2019

OFFICIAL EXCHANGE RATES

1 USD - 2.7793 GEL	1 GBP - 3.5150 GEL	100 RUB -4.2516 GEL
1 EUR - 3.1081 GEL	1 TRY - 0.4734 GEL	100 JPY - 2.5663 GEL

Tuesday 4 June	Wednesday 5 June	Thursday 6 June	Friday 7 June	Saturday 8 June
				
19° 33°	19° 34°	19° 33°	19° 33°	18° 32°

-  **Movie Events - English Sessions - [Tickets](#)**
-  **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](#)**