

# NEWS DIGEST ON GEORGIA

June 11-12

Compiled by: **Aleksandre Davitashvili**

Date: **June 13, 2019**

## ❖ **Tskhinvali Region (so called South Ossetia)**

### **1. PACE monitors call 'elections' in occupied Tskhinvali 'neither legal nor legitimate'**

The co-rapporteurs of the Parliamentary Assembly of the Council of Europe (PACE) for the monitoring of Georgia, Titus Corlătean and Claude Kern, say that the June 9 so-called parliamentary elections in Georgia's Russian-occupied Tskhinvali (South Ossetia) region were "neither legitimate nor legal."

"We reiterate our full support for the territorial integrity and sovereignty of Georgia within its internationally-recognised borders. The so-called parliamentary elections in the Georgian region of South Ossetia that took place last Sunday are therefore neither legal nor legitimate," reads a statement (*Agenda.ge, June 12, 2019*).

### **2. EU, NATO do not recognise 'elections' in occupied Tskhinvali**

The European Union does not recognise recent "parliamentary elections" in one of Georgia's Russian occupied regions of Tskhinvali (South Ossetia).

Spokesperson Maja Kocijančič reiterated the EU's position that it supports the territorial integrity and sovereignty of Georgia as recognised by international law.

"In view of so-called elections that took place on the 9th of June in the Georgian breakaway region of South Ossetia, we recalled that the European Union does not recognise the constitutional and legal framework in which this so-called elections took place", stated.

NATO Secretary General's Special Representative for the Caucasus and Central Asia James Appathurai also stressed yesterday that "NATO does not recognise the so called elections" in Tskhinvali region.

"NATO Allies do not recognise the Abkhazia and South Ossetia regions of Georgia as independent states. NATO supports the territorial integrity and sovereignty of Georgia within its internationally recognised borders", Appathurai stated (*Agenda.ge, June 12, 2019*).

## ❖ **Foreign Affairs**

### **3. PM Bakhtadze: 'We want more investments, more trade and more of the US in Georgia'**

Georgian Prime Minister Mamuka Bakhtadze said at the 3rd annual US-Georgia strategic partnership conference in Washington DC that the American nation "has stood with Georgia" since the country's independence.

"The US-Georgia Strategic Partnership is today at an all-time high level and we have the bipartisan support. The partnership has broadened and deepened both geopolitically and economically", he stated.

PM Bakhtadze expressed his commitment to further strengthen the US-Georgia strategic and military partnership by expanding economic ties between the two nations (*Agenda.ge, June 12, 2019*).

#### **4. US Department of State publishes Joint Declaration on 10th Anniversary of U.S. – Georgia Strategic Partnership**

“Since 2009, the United States and Georgia have worked together to support Georgia’s sovereignty, independence, and territorial integrity within its internationally recognized borders. We have fought together, and our armed forces have sacrificed together in Iraq and Afghanistan. The United States has supported Georgia’s integration into the global economy to our mutual benefit. The United States continues to welcome and support Georgia’s reforms” (*Agenda.ge, June 11, 2019*).

#### **5. Mike Pompeo: I speak for President Trump, when I say that you will continue to have the support of the United States as you seek to become a NATO member**

“Georgia’s leadership role as an aspiring NATO ally is just one reason we’re so enthusiastic to work together. President Trump has called for all nations to do more to resolve global challenges, and Georgia is doing just that in the fight against terrorism in Afghanistan.

Even as we speak, 32 brave Georgian soldiers know that they have given their all while serving alongside Americans there, and 870 Georgian soldiers serve in support of NATO’s mission there.

“Beyond Afghanistan, Georgia is working to make sure its forces can integrate seamlessly with NATO’s. Further progress on that score will serve our strategic purposes as well, as the Alliance continues its cooperation with Georgia in the Black Sea region”, US Secretary of State Mike Pompeo said at a joint briefing held together with Prime Minister of Georgia Mamuka Bakhtadze in Washington (*State.gov, June 12, 2019*).

#### **6. Mike Pompeo: I hope that Georgia completes the port project**

The prime minister and I also had the chance to discuss Georgia’s parliament’s responsibility to make sure government agencies act lawfully and deliver what they promise to their citizens.

Finally, I communicated our hope that Georgia completes the port project. The project and others will enhance Georgia’s relationship with free economies and prevent Georgia from falling prey to Russian or Chinese economic influence. Those pretended friends do not have Georgia’s best interests at heart.

Georgia’s growth as a free nation after nearly a century of Soviet communism proves it’s on the right track. We’re proud to be a good partner for them.

We have to keep working together to guard against the risk that these hard-won gains will be lost, and to ensure that Georgia has a continued future anchored firmly in the West” – said Pompeo (*State.gov, June 12, 2019*).

#### **7. PM – Government will extend terms of responsibilities to Anaklia Development Consortium**

The government will extend terms of responsibilities to Anaklia Development Consortium, and the issue will be discussed at the nearest sitting of Cabinet of Ministers – Prime Minister Mamuka Bakhtadze said in an interview with “Imedi” TV Company.

According to PM, a dialog and communication will continue so that the Consortium meets its taken commitments and the project is carried out.

“Anaklia Port has a big importance. I met with the management of SSA Marine Company, which is a participant of the Consortium, in Seattle, and we are interested in having strong American companies presented in the project. This project has our full support,” Bakhtadze said (*Imedi TV, June 12, 2019*).

## **8. Tamar Chugoshvili – Attention of the US toward Georgia is great**

The attention of the US toward Georgia is great that is welcoming and helpful – Tamar Chugoshvili, First Vice Speaker of the Georgian Parliament said.

In an interview with journalists, Chugoshvili commented about the messages of the US Secretary of State and underlined that support of the US to Georgia's territorial integrity and the country's aspiration to become a NATO member were the most important ones (*ITV, June 12, 2019*).

## **9. Archil Talakvadze – Mike Pompeo underlined that US welcomes democratic progress in Georgia**

US Secretary of State Mike Pompeo underlined that the US welcomes democratic progress in Georgia and that the country is moving in the right direction – Archil Talakvadze, Leader of the Parliamentary Majority said.

According to Talakvadze, the US Secretary of State made important messages including with respect to the economic development of Georgia and namely, about the importance of implementation of Anaklia Port Project (*ITV, June 12, 2019*).

## **10. Anaklia Development Consortium releases statement on prolonging term for attracting finances**

"The Anaklia Development Consortium declares with full responsibility that it has fully mobilized the capital necessary for the project and an official announcement about this will be made after the Government of Georgia and international financial institutions reach an agreement," reads the statement (*Agenda.ge, June 12, 2019*).

## **11. Georgia on 99th place in 2019 Global Peace Index**

Georgia has ranked the 99th place in 2019 Global Peace Index among the 163 countries. Georgia moved three positions upward in comparison to the same rating of 2018.

According to the report, Georgia is the only country which became 20% more peaceful in the period from 2008 to 2019.

Iceland holds the first position in the rating; New Zealand comes the second; Portugal is on the third place. Latvia, Estonia and Lithuania have the best scores in the post-Soviet space.

Global Peace Index (GPI) measures the relative position of nations' and regions' peacefulness. The GPI ranks 163 independent states and territories (99.7 percent of the world's population) according to their levels of peacefulness. In the past decade, the GPI has presented trends of increased global violence and less peacefulness (*ITV, June 12, 2019*).

## **12. Georgia-Azerbaijani defence ministers sign bilateral military deal**

Georgian and Azerbaijani defence ministers have signed a bilateral military agreement for 2019 during the trilateral ministerial of Georgian, Azerbaijani and Turkish foreign ministers being held in the Azerbaijani city of Gabala.

Georgian Defence Minister Levan Izoria held his first meeting in Gabala with Azerbaijani Defence Minister Zakir Hasanov earlier today and thanked his country for its support for Georgia's sovereignty and territorial integrity.

"Military cooperation with Azerbaijan will continue in bilateral and trilateral formats," the Georgian Defence Ministry says (*Agenda.ge, June 12, 2019*).

## ❖ Internal Affairs

### **13. Georgian parliament approves first state inspector to study alleged crimes of law enforcers**

The Georgian parliament has approved Londa Toloraia, the former head of Human Rights Department of the Interior Ministry, as the country's first state inspector to investigate possible crimes committed by law enforcers.

Georgian Prime Minister Mamuka Bakhtadze presented two candidates in parliament earlier this week for voting, who were selected by a special commission from 48 applicants.

Toloraia received 82 votes, while her opponent Velari Lomuashvili received only seven during the final vote in parliament. She will officially take up to the post on July 3, 2019 for a term of six years.

The State Inspector's Office is an independent investigative mechanism created on the basis of the Personal Data Protection Inspector's Office of Georgia (*Agenda.ge, June 11, 2019*).

### **14. Ex-Defence Minister Okruashvili launches new political party, 'a group of angry people'**

Former Defence Minister of Georgia Irakli Okruashvili, who had to leave Georgia under the United National Movement leadership in 2007, has presented a new political party today, which is "composed of angry people."

Okruashvili said that the people in his new party, named For a Victorious Georgia, are angry with the leadership of the current Georgian Dream party and the founder of the party Bidzina Ivanishvili.

"At the end of October the party will hold its assembly which will respond to Ivanishvili's activities. We have ambitions to create a large movement of many people who are angry with the current government, and who believe that living in the country has become unbearable," Okruashvili said (*Agenda.ge, June 11, 2019*).

### **15. Upcoming changes in the government**

After the by-elections, media had been informed by GD insiders that governmental changes are planned in the GD and two main actual leaders except Ivanishvili, Kaladze and Gakharia are fighting for the influence in the party. Reportedly Gakharia is improving his positions by strengthening his representatives to the different ministries and state institutions. Based on the sources the struggle is over the 2020 Parliamentary Election list. Reportedly, Gakharia wants to formulate the list in his favour, but he is opposed by Gharibashvili former Prime-Minister who recently returned to GD and wants to increase his influence in the party. Kaladze also has own plans. Supposedly, everything will be decided after the governmental changes (*Rezonansi, June 13, 2019*).

## ❖ Economy and Social Affairs

### **16. PM Bakhtadze in Canada: "I'm delighted Canadian companies are keen to get a foothold in Georgia"**

Georgian Prime Minister Mamuka Bakhtadze stated at the International Economic Forum of the Americas (IEFA) that the main strategy of the government of Georgia is to turn the country into a regional hub of logistics, international business, tourism, education and technologies.

IEFA is taking place in Montreal, Canada, where Bakhtadze arrived yesterday to participate in the forum and deliver a keynote speech in the panel discussion 'A Global Economy in Transition' (*Agenda.ge, June 11, 2019*).

### **17. Invest in Tbilisi Deloitte research reveals potential of Georgian capital**

International audit company Deloitte has prepared a report that reveals the investment potential of the Georgian capital of Tbilisi.

Tbilisi Mayor Kakha Kaladze presented Deloitte's research 'Sectoral Research of Investment Potential of Tbilisi' today and said that the research was conducted on the request of Tbilisi City Hall.

"The research is important for sustainable economic growth and long-term development of the capital city... The city should be developed in the correct way. The approach of the previous years like - I will build where I want and how much I want – is categorically unacceptable", said Kaladze (*Agenda.ge, June 11, 2019*).

### **18. Import tax deadline reduced to 5 days instead of 30**

All companies operating in Georgia will now have to abide by the same deadline for paying import taxes – five days instead of the former 30 for certain companies.

Starting today, the new deadline will be activated for import tax on only excisable goods while for other imported goods the changes will enter into force on July 2, 2019.

The changes affect the companies of the so-called 'golden list', which enjoyed a number of preferential conditions, including the simplified customs procedures and longer deadlines for paying import taxes.

However, many members of the business society of Georgia are disappointed with the decision of Georgian Finance Minister to reduce the deadline to five days and have requested the minister to clarify the reasons for making this decision without preliminary consultations with the business.

Today 11 businesses published a statement where they claim that this change, brought about with no consultation or notice, will have a huge impact on the cash flow of importing companies, many of whom were already struggling with recent large increases in excise duties (*Agenda.ge, June 12, 2019*).

### **19. Banks to offer taxi drivers special, cheaper loans**

Taxi drivers will be provided with cheaper bank loans, Tbilisi Mayor Kakha Kaladze announced today.

Starting July 1 taxi drivers will be divided into categories A and B and banks will offer cheap loans to category A drivers. Mayor Kaladze said the government has already held consultations with the banks (*Agenda.ge, June 12, 2019*).

### **20. Hourly parking starting in Tbilisi from August 1, parking fees to vary following A,B,C zones**

Zonal hourly parking will be introduced in the central district of the Georgian capital of Tbilisi from August 1, announced Tbilisi Mayor Kakha Kaladze at today's government meeting, delaying its implementation by one month.

Kaladze said that zonal hourly parking will first be piloted on streets adjacent to Kote Abkhadzi (former Leselidze Street) and Abanotubani and later will be rolled out across Tbilisi.

Streets adjacent to Kote Abkhadzi and Abanotubani will be divided into category A, B and C and tariffs will vary accordingly:

- Category A - 1 GEL (about \$ 0.37/€ 0.32) per hour

- Category B - 2 GEL (about \$ 0.74/€ 0.65)
- Category C – 3 GEL (about \$ 1.10/€ 0.97)

Paying the parking fee will be possible through payment machines, official website parking.tbilisi.gov.ge and a mobile application Tbilisi Parking.

Parking will be free of charge for residents of Kote Abkhazi Street or adjacent streets, for persons with disabilities, A-category taxi drivers and owners of electric cars as well, said Kaladze (*Agenda.ge, June 12, 2019*).

## 21. Chinese companies, debarred from World Bank tenders, to continue construction of Georgia’s East-West Highway

The World Bank has announced the nine-month debarment of the China Railway Construction Corporation (CRCC) and its wholly-owned subsidiaries, China Railway 23rd Bureau Group (CR23) and CRCC International, in connection with misconduct under the East-West Highway Corridor Improvement Project in Georgia, however the companies will continue construction work on the East-West Highway.

The World Bank explained that the debarment is part of a settlement agreement with CRCC, CR23, and CRCC International related to misconduct during the procurement process for a highway construction contract.

Georgian Infrastructure Minister Maya Tskitishvili said that the ministry found this misconduct in the tender announced in 2017 for the construction of the Zemo Osiauri-Chumateleti section of the East-West Highway and notified the World Bank, a donor of the East-West Highway project, about it.

Accordingly, World Bank restricted the China Railway Construction Corporation (CRCC) and its wholly-owned subsidiaries from participating in all tenders that will be announced by the World Bank during the next nine months. The Chinese companies will continue development of Georgia’s East-West Highway project as was planned, said Tskitishvili. (*Agenda.ge, June 12, 2019*).

### Additional Information

**June 13, 2019**

**OFFICIAL EXCHANGE RATES**

1 USD - 2.7342 GEL	1 GBP - 3.4864 GEL	100 RUB - 4.2246 GEL
1 EUR - 3.0940 GEL	1 TRY - 0.4703 GEL	100 JPY - 2.5228 GEL

<b>Thursday</b> 13 June	<b>Friday</b> 14 June	<b>Saturday</b> 15 June	<b>Sunday</b> 16 June	<b>Monday</b> 17 June
				
17° 31°	17° 30°	17° 31°	18° 32°	19° 32°

-  **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](#)**