

NEWS DIGEST ON GEORGIA

June 27-July 1

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❖ Occupied Regions

❖ Abkhazia Region

1. Abkhazia's closing of Enguri Bridge crossing-point with rest of Georgia to be raised at Geneva Int'l Discussions

Georgian Foreign Minister David Zalkaliani said the issue of closing the occupation line between the Russian occupied region of Abkhazia and the rest of the country will be raised at the next round of the Geneva International Discussions on July 2-3.

"We find this situation as unacceptable to us, the right to free movement is being restricted", Minister Zalkaliani said while commenting on the recent restrictions imposed by the de facto leadership on the Enguri Bridge crossing-point amid recent protest rallies throughout Georgia.

De facto Abkhazian leadership announced that the "entry of foreign citizens from the territory of Georgia, as well as the departure of citizens of the Republic of Abkhazia to the territory of Georgia" will be restricted for an undefined period of time (*Agenda.ge, June 28, 2019*).

2. Students from occupied Abkhazia unable to sit exams during closure of Enguri Bridge crossing-point

A number of university entrants from Georgia's Russian occupied region of Abkhazia were unable to sit today's Unified National Examinations in Georgian language and literature as the de facto leadership of Abkhazia closed the Enguri Bridge crossing-point connecting the region with the rest of Georgia.

Deputy Education Minister Irina Abuladze said the ministry is closely following the developments and will spare no efforts to ensure that all of the entrants from occupied Abkhazia have access to education in Georgia (*Agenda.ge, June 30, 2019*).

❖ Foreign Affairs

3. Georgia, 6 others leave PACE assembly in protest as Russia regains voting right

The delegations of Georgia, Ukraine, Estonia, Latvia, Lithuania, Poland and Slovakia said that the PACE decision is unacceptable as Russia has not changed its attitudes and policy and continues to occupy the territories of sovereign countries (*1TV, June 27, 2019*).

4. Defence Minister Izoria, NATO Sec-Gen Stoltenberg discuss increased NATO role in Black Sea security

Subjects of ongoing NATO-Georgia partnership and future plans of the cooperation were on the agenda as the Minister of Defence of Georgia Levan Izoria sat down with the alliance's Secretary General Jens Stoltenberg in Brussels earlier today.

The Georgian official met the leadership of the alliance to talk challenges of Black Sea regional security and increased involvement of NATO in the region, while also holding meetings with his counterparts from the Netherlands, Sweden and Romania.

The Ministry of Defence of Georgia reported the "exemplary progress" within the NATO-Georgia Substantial Package and defence reforms held in Izoria's institution as some of the subjects reviewed by the meeting sides (*MOD.GOV.GE, June 27, 2019*).

5. Georgian PM's special envoy to Russia and Russian Deputy FM hold phone conversation

Georgian PM's special representative for relations with Russia Zurab Abashidze said both Georgia and Russia are willing to preserve the positive dynamic of trade relations. Abashidze held a phone conversation with the Russian Deputy Foreign Minister Gregory Karasin yesterday.

Zurab Abashidze said on June 28 that it is important for emotions not to add tension and affect the economic interests of the Georgian people [who sell goods in Russia].

Zurab Abashidze said that during the conversation with Karasin he also condemned closing of Enguri Bridge crossing-point connecting the occupied Abkhazia with the rest of Georgia as "unacceptable" (*Agenda.ge, June 29, 2019*).

6. Ex-FM of Sweden: Russia is putting serious pressure on Georgia

The former Foreign Minister of Sweden Carl Bildt calls on the European Union to react on Russia's "pressure on Georgia".

Bildt, who is the co-chair of a pan-European think-tank European Council on Foreign Relations, responded to the Russia's recent calls for boycotting tourism and trade goods with Georgia, as well as the closing of Enguri Bridge crossing-point connecting the occupied Abkhazia with the rest of the country, amid protest rallies in Tbilisi (*Agenda.ge, June 29, 2019*).

❖ Internal Affairs

7. Opposition MP, charged with incitement to violence at Tbilisi rallies, released on bail

The United National Movement MP Nika Melia, who stands charged with incitement to violence during the June 20 rally in Tbilisi, has been released on 30,000 GEL [\$10,000] bail.

The Georgian parliament suspended his MP immunity yesterday, allowing his detention if necessary. Melia and the opposition say that the charge has political grounds.

"Ivanishvili [founder of the Georgian Dream ruling party] is in a very complicated situation now. If I am detained, this will cause further unrest in the country, if I am released this will be more proof of the illegality committed by parliament yesterday [against me]," Melia said before the trial (*ITV, June 27, 2019*).

8. Prosecutor's Office to appeal release of opposition MP on bail for Tbilisi unrest

The Georgian Chief Prosecutor's Office says it will appeal the decision of Tbilisi City Court yesterday to release opposition MP Nika Melia on 30,000 GEL [\$10,000] bail, after being charged with incitement to violence on June 20 rally in Tbilisi (*Agenda.ge, June 27, 2019*).

9. Interior Minister gives televised explanation of June 20 developments

Minister Gakharia said he takes political responsibility for the June 20 developments as the minister but will remain in his position until an investigation clarifies who is liable for what transpired.

"I think police used their legitimate right to use force that night. There are some question marks in terms of proportionality in certain cases which also need to be investigated in details", Gakharia said.

"Today's goal of the country is to avoid even the attempt to change the power through the violent attacks, storms and the occupation of the parliamentary hall. This should end in this country because otherwise we will always stay inside of this bewitched circle", he added (*TV Pirveli, June 27, 2019*).

10. EU, UK ambassadors urge transparent investigation of response to rallies in Tbilisi

Ambassadors of the European Union, Lithuania, the United Kingdom and the Netherlands to Georgia are urging for a transparent investigation into the police response to the June 20 rallies in Tbilisi.

Carl Hartzell, Giedrius Puodziunas, Justin McKenzieSmith and Jos Douma posted the same message on their official Twitter accounts today, calling on "all sides" to prioritise dialogue (*Agenda.ge, June 28, 2019*).

11. Parliament spring session closes amid Tbilisi protests

The 2019 spring session of the Parliament of Georgia has ended today. The new speaker Archil Talakvadze stated that Georgia will never be 'a hostage of aggression.' He said political controversy is absolutely acceptable but it should not affect the country.

"We do not compromise at the expense of our national interests, especially when it comes to the occupation of the Georgian regions," Talakvadze said (*Agenda.ge, June 28, 2019*).

12. Opposition refuses to attend the ruling party presentation on changes to election system

The European Georgia and the United National Movement opposition parties have refused to attend the presentation at 2 p.m., when the Georgian Dream ruling party will propose the changes in the constitution for Georgia to have fully proportional voting in the 2020 parliamentary elections, the electoral system have demanded by the opposition for years.

Both parties says that the reason for the refusal is ongoing rallies in Tbilisi and the denial of the ruling party to fulfill the final demand of demonstrators - to dismiss Interior Minister Giorgi Gakharia for the rally dispersal on June 20.

"Our attending the presentation might create an illusion that everything is settled. Gakharia must be dismissed," a member of the United National Movement Roman Gotsiridze said (*Agenda.ge, July 1, 2019*).

13. Ruling party unanimous on proportional voting, opposition needed to approve changes

All 100 legislators of the Georgian Dream ruling party are ready to support proportional voting system in the 2020 parliamentary elections.

However, the change, which has been long demanded by the opposition, requires at least 113 votes in the 150-member parliament, General Secretary of the Georgian Dream ruling party Kakha Kaladze said earlier today.

Former Parliament Speaker of Georgia Irakli Kobakhidze says that a zero threshold in the elections, which was offered by the ruling party to calm rallies in Tbilisi, equals 0.67 per cent of votes (*Agenda.ge, July 1, 2019*).

❖ **Economy and Social Affairs**

14. Economy Minister: Georgia to replace vehicle fleet with electric cars in 10 years

Georgian industrial holding Aigroup will construct a production factory in Kutaisi and supply local as well as EU markets with electric cars starting in 2020.

"We are building a green economy. Green economy means the development of environmentally clean technologies. The electric car producing factory in Kutaisi is exactly the project [that contributes to the development of green economy]. Kutaisi is famous for its industrial traditions. By implementing this project Kutaisi will regain the status of a machine-building capital", Turnava said (*Agenda.ge, June 27, 2019*).

15. NBG: anticipated drop in tourists from Russia affecting Georgian lari

The anticipated drop in tourists from Russia, following Russian President Vladimir Putin's ban on flights to Georgia this summer, "is reflected on the currency market", announces the National Bank of Georgia (NBG).

"There is a floating exchange rate in Georgia. Different internal or external factors affect the currency rate, including expectations. Accordingly, information about the estimated drop of tourism inflows from Russia is reflected in the currency market of Georgia", reads the statement published by the NBG today.

The Georgian national currency, the lari, has depreciated in value against the US dollar and the euro in recent days by about 5 tetri, with 1 USD costing 2.8470 GEL (2.8333 as of yesterday), while 1 EUR costs 3.2356 GEL (3.2260 as of yesterday) today.

"At this stage, it is difficult to make accurate predictions, but according to the initial calculations, the reduction of tourist flows from Russia will affect the Georgian economy by \$200-300 million during the rest of the year. This foreign shock is reflected on the balance of payment of Georgia and, therefore, on the currency exchange rate", said NBG (*Agenda.ge, June 27, 2019*).

16. Russia Raises Pressure on Georgia, Blames U.S. for Protests

Amid the tensions, Georgia's lari currency weakened 1.2% to 2.81 against the dollar at 3:56 p.m. in Tbilisi, close to its all-time low of 2.8150 in December 2016.

Protests in Tbilisi extended into a fourth straight day, with demonstrators demanding the resignation of Georgian Interior Minister Giorgi Gakharia over the violence. Drivers of hundreds of cars also joined a protest near the city's police headquarters.

The ban on flights will be reviewed once the anti-Russian mood in Georgia subsides, Kremlin spokesman Dmitry Peskov told reporters on a conference call Monday. "So far, we see that the situation, on the contrary, is getting worse," he said.

The punitive measures are likely to persist because Russia wants to teach Georgia a lesson after Georgian President Salome Zourabichvili described Moscow as an occupier last week, said Fyodor Lukyanov, head of the Council on Foreign and Defense Policy, a research group that advises the Kremlin. "Even if the Georgian government wanted to apologize to Moscow, the domestic situation is such that this would provoke its collapse," he said (*Bloomberg, June 27, 2019*).

17. Georgian PM: 'Recent developments brought dissonance to economy, but macroeconomic factors are quite healthy'

Recent developments have brought dissonance to the Georgian economy, however the macroeconomic factors are quite healthy, said Georgian Prime Minister Mamuka Bakhtadze while commenting on the devaluation of the Georgian national currency, the lari, today.

Bakhtadze was referring to Russian President Vladimir Putin's ban on flights to Georgia this summer. Bakhtadze said that Georgia will deal with the short-term and temporary fluctuations of the lari (*Agenda.ge, June 28, 2019*).

18. Georgia's external debt totals \$17.8 bln in first quarter of 2019

Georgia currently owes \$17.8 billion in external debt, and this amount is increasing, says the National Bank of Georgia (NBG). During the first quarter (Q1) of 2019, the gross external debt of Georgia increased by \$10.2 million.

"Out of that \$5.6 million increase was due to transactions, \$50.2 million increase due to price changes and \$23.6 million - due to other changes. Meanwhile exchange rate changes lead to a decrease by \$69.1 million", said NBG (*NBG.GOV.GE, June 28, 2019*).

19. Georgia's economy grows 4.7% in May 2019

The estimated real gross domestic product (GDP) growth rate in May 2019 equalled 4.7%, while the estimated average real GDP growth for the first five months of 2019 equalled 4.9% year-on-year, says the National Statistics Office of Georgia (*Geostat.ge, June 28, 2019*).

20. Georgian PM discusses prospects of increased export to China while in Dalian

Georgian Prime Minister Mamuka Bakhtadze has discussed prospects for exporting more products from Georgia to China during his meeting with the Premier of the State Council of the People's Republic of China Li Keqiang in the city of Dalian earlier today.

Prospects for Georgia's becoming regional centre have also been discussed," the press office of the Georgian PM reports.

Bakhtadze and Keqiang said that it is important the China-Georgia free trade deal be maximally used, especially in fields which have high export potential.

Bakhtadze sent kind wishes for the 70th anniversary of the People's Republic of China and thanked the Chinese government for supporting Georgia (*Agenda.ge, July 1, 2019*).

❖ Sports and Culture

21. Georgia wins 30 medals in total at European Games

In total, Georgia took 61 sportsmen on European Games, held in Minsk Belarus and has won 30 medals: six gold, 10 silver and 14 bronze. With this result Georgia gets 7th position in the European Games overall medals table among 50 countries (*POPSPORT.GE, June 30, 2019*).

Additional Information

May 2, 2019
OFFICIAL EXCHANGE RATES

1 USD - 2.8225 GEL	1 GBP - 3.5668 GEL	100 RUB -4.4733 GEL
1 EUR - 3.1979 GEL	1 TRY - 0.4965 GEL	100 JPY - 2.6069 GEL

Tuesday 2 July	Wednesday 3 July	Thursday 4 July	Friday 5 July	Saturday 6 July
				
14° 28°	18° 32°	20° 34°	20° 34°	19° 31°

-  **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](#)**