

NEWS DIGEST ON GEORGIA

August 1-4, 2019

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

1. South Ossetian Foreign Ministry has reacted to Agile Spirit 2019 exercises in Georgia

"On July 27, Georgia began one of the largest multinational exercises of the 14 member countries and partners of NATO Agile Spirit 2019, which is attended by more than 3 thousand military personnel. The next demonstration of the rattling of NATO weapons in Georgia on the eve of the eleventh anniversary of the military aggression of this state against South Ossetia can be perceived as a continuation of NATO's provocative course towards absolute support for Tbilisi's revanchist ambitions towards South Ossetia, and this causes the most serious concern, " - the statement says (*Cominf.org, August 2, 2019*)).

2. Russian Duma to consider recognizing 1918-1920 Georgian-Ossetian conflict as a genocide

"The State Duma has paid due attention to the statement by the South Ossetian parliament on the recognition of the genocide of South Ossetians in 1920 by Georgia. At the next meeting of the State Duma Council, which includes the leadership of the Duma, the heads of all political factions and the chairmen of the committees, we will discuss this appeal," State Duma Speaker Vyacheslav Volodin told journalists on Thursday.

The uprising of Ossetians in Tskhinvali region started in 1918 and culminated in 1920, when Georgian troops quelled the resistance. The uprising was incited and supported by Bolsheviks from Russia while the Georgian government at the time was dominated by their bitter political foes, the Mensheviks.

Altogether, thousands were killed on both sides. The exact number varies widely from two to six thousand. Several Ossetian villages were burnt down by troops under the command of Georgian general Valiko Jugeli.

Although acknowledging the brutality by both sides, Georgia denies the notion of this being a genocide, and points to the destructive and destabilizing role played by Russian Bolsheviks in the conflict (*DFWatch.net, August 3, 2019*).

❖ **Foreign Affairs**

3. Archil Talakvadze met newly appointed Ambassador of People's Republic of China

The Speaker of the Parliament Archil Talakvadze held the introductory meeting with the newly appointed Ambassador of China to discuss the bilateral relations and the cooperation agenda.

As noted, political, trade-economic, cultural and people-to-people relations are the directions Georgia and China are to adhere to in further cooperation.

The parties dwelt on the Silk Road Project "One Belt One Road", which is of the strategic importance for Georgia and Georgia, in terms of security, economic integration and infrastructural update is committed for this mission (*1TV, August 2, 2019*).

4. Foreign Ministry – Five Georgians detained in Ukraine released after paying fine

There were five Georgian citizens among the 119 illegal migrants detained in Ukraine – Georgian Ministry of Foreign Affairs said. The five Georgians were released after having paid the fine and will not be deported. They were given the term to leave Ukraine' territory.

The Ukrainian media released the information about the detention of illegal migrants. They worked at the so-called Troeshchina market. The detainees were Georgian, Azerbaijani, and Uzbekistani and Tajikistani citizens (*1TV, August 3, 2019*).

❖ Internal Affairs

5. Kakhaber Kemoklidze appointed as the Head of the Office of National Security Council

Kakhaber Kemoklidze, Director of the Information-Analytical Department of the Ministry of Internal Affairs, has been appointed as the Head of the Office of the National Security Council.

According to the Prime Minister's press office, the relevant order was recently signed by the Prime Minister of Georgia, Mamuka Bakhtadze (*1TV, August 1, 2019*).

6. Davit Kezerashvili: I decided to establish new television platform, negotiations with our US and European friends started

"Western choice of the Georgian people needs to be protected, that is why I've decided to establish a new television platform together with our friends in order to ensure this protection," – the former Defense Minister Davit Kezerashvili writes on his Facebook page.

As Kezerashvili notes, the new television platform will uphold the highest standards of free and impartial journalism (*1TV, August 1, 2019*).

7. Nika Gvaramia: Rustavi 2 case was considered by wealthy Azeri and post-Soviet judges

The case of Rustavi 2 was considered by wealthy Azeri and post-Soviet judges at the Strasbourg court, – Former Director-General of Rustavi 2, Nika Gvaramia told reporters at the Tbilisi City Court. Former Director-General of Rustavi 2 has arrived at the court for questioning.

As he notes, Zviad Kuprava will win the case in Strasbourg if his case not be discussed by the same section that ruled on Rustavi 2 case.

"Kuprava will definitely win and this case will be truly case-law throughout Europe. He will win if the case not be considered by the same section that ruled on Rustavi 2 case, by wealthy Azeri and other post-Soviet judges", – Nika Gvaramia said.

On July 18, the European Court of Human Rights published a judgment into the case of Rustavi 2. Chamber of the European Court of Human Rights (ECHR) declared there has been no breach in fair trial guarantees in Rustavi 2 ownership dispute (*1TV, August 2, 2019*).

8. Questioning of Nika Gvaramia ended at Tbilisi City Court

Former Director-General of Rustavi 2 Nika Gvaramia has been questioned in the presence of a magistrate judge at Tbilisi City Court Today.

After the interrogation, Former Director-General of Rustavi 2 noted that the questions were mainly referred to entrepreneurial activity, which was beyond his competence. The interrogation lasted for three hours at Tbilisi City Court.

The investigation launched by the General Prosecutor's Office refers to the abuse of power against the legitimate interests of Rustavi 2 and misappropriation of its large amount of funds and property. According to the statement of the Prosecutor's Office, documents and electronic information required for the investigation to be seized from the contractors of the Rustavi 2 TV Company (*1TV, August 2, 2019*).

9. Former Financial Director of Rustavi 2 being questioned at Prosecutor's Office

Former Financial Director of Rustavi 2 TV Company Kakha Damenia is being questioned at the General Prosecutor's Office.

Damenia is sure that the investigators will not find any violations committed in the period when he was the Chief Financial Director of the company.

"I was the Financial Director of Rustavi 2 in 2015. They have not specified, but they will probably ask questions about the financial issues of this period. I will answer any question because everything was in order and there was nothing to hide," Damenia told journalists (*1TV, August 3, 2019*).

❖ Economy and Social Affairs

10. NBG sells USD 40 million

The NBG said in a statement that despite internal and foreign microeconomic dynamics, the tourism-related shock and negative expectations, the exchange rates hit the figures, which may cause risks to the stability of prices.

The bank said it would use the available mechanisms and apply to interventions not to admit materialization of the risk. The NBG also said it would make the monetary policy stricter (*1TV, August 1, 2019*).

11. Mamuka Bakhtadze: National Bank has all tools to keep healthy parameters of GEL

"The national currency has been trending towards appreciation during the last two days and I think this trend will continue. The National Bank has all the tools to keep healthy parameters of GEL", – Mamuka Bakhtadze said (*1TV, August 3, 2019*).

12. ADB Approves \$415 Million Loan to Improve Georgia's North-South Road Corridor

The Asian Development Bank (ADB) has approved a \$415 million loan to Georgia to build a new highway as part of a wider government program to improve the country's transport network and enhance Georgia as a regional trade and tourism hub.

"The Kvesheti-Kobi Road Project is the first in a series of upgrades planned for the North-South Corridor, which is a vital transit route for Georgia, Armenia, and regional trading partners. The corridor also

intersects with the East–West Highway to the north of Tbilisi, the capital, providing access to the shortest link connecting Central Asia with Europe and East Asia.

The 23-kilometer (km) bypass will be built between the towns of Kvasheti and Kobi and pass through the spectacular Caucasus Mountains in the country's northeast. It will provide a safer and faster travel alternative for residents, tourists, and freight trucks who face worsening delays on the current road, especially on the Jvari Pass section, which is highly exposed to avalanches in winter", – reads the statement released by ADB (*ITV, August 1, 2019*).

13. Geostat starts dissemination of an additional indicator of inflation

According to Geostat, in recent years, the increase of excise tax on tobacco products in Georgia has led to a sharp increase of the tobacco products prices, that resulted in substantial changes in tobacco consumption pattern and had a certain impact on the inflation rate.

As explained by Geostat, in this regard, in order to separate the effect caused by the increase in the excise tax rate from the inflation rate, the Geostat starts calculating and publishing a new indicator of inflation without tobacco alongside the existing headline inflation rate (*ITV, August 2, 2019*).

14. Geostat: In July 2019 the prices increased by 3.9 percent compared to the same month of previous year

According to National Statistics Office of Georgia, in July 2019 the Consumer Price Index decreased by 0.02 percent compared to the previous month, while the annual inflation rate amounted to 4.6 percent.

In the same period the monthly inflation rate without tobacco amounted to 0.4 percent, while the prices increased by 3.9 percent compared to the same month of previous year.

According to Geostat, with regard to the annual core inflation, the prices increased by 3.4 percent, while the rate of annual core inflation without tobacco amounted to 1.9 percent. The following table shows percentage changes in prices for the commodity groups of the consumer basket as well as the relevant contributions to the overall monthly inflation rate (*ITV, July 2, 2019*).

15. Rule of granting monetary reward to teachers of retirement age has been approved

As part of the education reform, the rule of granting monetary reward to teachers of retirement age has been approved.

According to the Ministry of Education, the appropriate changes have been made to the "teacher professional development and career development scheme". Teachers who have reached retirement age, who will make a voluntary choice to leave the profession, will receive a one-time monetary reward from the state in 2019 – in the amount of salary for two years of work.

In such form, the state wants to express its gratitude to teachers who have reached retirement age, who created the history of secondary school and raised more than one generation.

According to the Ministry, it is very important that young qualified personnel to join the educational system in order to ensure quality education (*ITV, August 2, 2019*).

16. Natia Turnava: National currency has been trending towards appreciation, our analysis was absolutely correct

The national currency has been trending towards appreciation. This once again proved that our analysis was absolutely correct, – Natia Turnava, Minister of Economy and Sustainable Development told the journalists after the Government Meeting today.

According to her, this was excessive and artificial depreciation of GEL and there were no root causes for it in the long term.

The Minister predicts the trend towards appreciation of the national currency. At the same time, explains the main causes of the recent devaluation. She said that negative developments related to June 20 events and negative expectations were the main reasons for GEL devaluation (*ITV, August 2, 2019*).

17. Georgian Railway workers plan to go on strike

Employees of the Georgian Railway plan to hold large-scale rallies and strikes. They demand an increase in salaries.

The exact date of the strike will be announced on August 10. Members of the new trade union for railway workers demand increase in salaries by 50%. According to them, the railway administration refused to negotiate with them.

At the moment, 4,800 people have signed the petition. According to the new trade union when the protests start, it will automatically lead to the suspension of internal and external traffic.

Ilia Lezhava, Deputy Chairman of the new trade union, claims that the salaries for railway workers have not been increased since 2012 (*ITV, August 4, 2019*).

18. Georgian Railway: There is no precondition for a strike at this stage

“Georgian Railway” reiterates that the company’s management is constantly listening and trying to meet the needs and requirements of its employees. The salaries of those employees, whose wage does not exceed 1,500 GEL, will be increased by 10 percent from March of 2020, which is about 18-20 million GEL annually, and this is the maximum amount of financial resources available at this stage. In addition, all railway workers will receive a fixed amount twice a year as a gift.

Demanding or discussing the issue about the increase in salaries by 50% is unrealistic since every railway worker is thoroughly aware of the company’s financial condition. The statement that 4,800 employees are preparing to go on strike is not true”, – reads the statement (*ITV, August 4, 2019*).

❖ Sports and Culture

19. Dutch reality show episodes will be filmed in Georgia

The Georgian National Tourism Administration is hosting one of the top-rated Dutch reality show.

The three 45-minute episodes of another 12th season of “Holland’s Next Top Model” will be filmed in Georgia.

The 50-member film crew arrived in Georgia with the support of the National Tourism Administration and Tbilisi City Hall (*ITV, August 1, 2019*).

20. Milan Football Academy to be opened in Georgia

Milan Football Academy will be opened in Georgia, – Ana Tsereteli, representative of “Milan” in Georgia provided the Georgian First Channel with this exclusive information.

Ana Tsereteli, daughter of the former football player of “Tbilisi Dinamo” Zurab Tsereteli, has worked at Georgian Football Federation for years.

“We wanted to open Milan Football Academy in Georgia this year, but addressing legal issues takes time, therefore will plan to open it for the fall of 2020. We have already arranged “Milan” one-week camp in Batumi City by the support of Archil Beridze, founder H Group, company sponsoring Batumi “Dinamo”. During the negotiation process, representatives of Milan Football Academy were in Georgia.

The contract has been ready prepared. Milan Academy will be built on the base of the Olympic Academy by the support of David Kereselidze, the rector of New Vision University and will have the outstanding infrastructure in Georgia”, – Ana Tsereteli said (ITV, August 1, 2019).

21. Basketball legend Dirk Nowitzki visiting Georgia

German basketball legend Dirk Nowitzki is visiting Georgia. The veteran forward-center of American professional basketball team Dallas Mavericks held a meeting with the students of Zaza Pachulia Basketball Academy and shared his experience. The meeting was held in question-and-answer format and lasted for an hour.

Dirk Nowitzki played 21 years in National Basketball Association (NBA). In the NBA, he won the league Most Valuable Player (MVP) award in 2007, was an NBA champion in 2011, and was a 14-time All-Star.

Dirk Nowitzki arrived in Georgia along with his family. He has viewed Kazbegi and other sights of our country (ITV, August 3, 2019).

Additional Information

August 5, 2019

OFFICIAL EXCHANGE RATES

1 USD - 2.8870 GEL	1 GBP - 3.4941 GEL	100 RUB -4.4431 GEL
1 EUR - 3.2037 GEL	1 TRY - 0.5161 GEL	100 JPY - 2.7019 GEL

Monday 5 August	Tuesday 6 August	Wednesday 7 August	Thursday 8 August	Friday 9 August
				
16° 28°	18° 27°	18° 28°	19° 30°	20° 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](#)**