

# NEWS DIGEST ON GEORGIA

August 15-18

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## ❖ Occupied Regions

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

#### **1. State Security Service: Issue of installation of barbed wire fences in Gugutiantkari village will be acutely raised in Ergneti meeting**

Representatives of the occupation forces resumed installation of barbed wire fences in the village of Gugutiantkari, Gori Municipality. The hotline has been activated and the European Union Monitoring Mission (EUMM) in Georgia has been notified about the fact, – State Security Service of Georgia told Georgian First Channel. According to the State Security Service, this is another illegal and extremely destructive act.

"This issue will be acutely raised by the central government of Georgia in Ergneti at the meeting of the Incident Prevention and Response Mechanism," – the State Security Service said (*1TV, August 15, 2019*).

#### **2. British Ambassador: Wire fences serve no purpose except to cause hardship to families and divide local communities**

"Wire fences installed by Russia serve no purpose except to cause hardship to families and divide local communities, – Justin McKenzie Smith, a British ambassador to Georgia published a statement on his official Twitter page.

"More Russia razor wire fences are going up today in Gugutiantkari, Georgia. They serve no purpose except to cause hardship to families and divide local communities. This has to stop", – writes the British diplomat (*1TV, August 15, 2019*).

#### **3. U.S. Embassy: "Borderization" is a threat to peace and stability, as it harms livelihoods and hinders the flow of people**

"The U.S. Embassy is troubled by reports that Russian-backed de-facto authorities have resumed the installation of fencing at the village of Gugutiantkari, near the Administrative Boundary Line of the Russian-occupied Georgian territory of South Ossetia. The process of "borderization" is a threat to peace and stability, as it harms livelihoods and hinders the flow of people and goods. We once again call upon Russia to withdraw its forces to pre-conflict positions and allow unfettered access for the delivery of humanitarian assistance, per its obligations under the 2008 ceasefire agreement", – reads the statement (*1TV, August 15, 2019*).

#### **4. Mamuka Bakhtadze: Most important is to assist locals of Gugutiantkari village, we do our best to support these people**

"At my request, both Ketevan Tsikhelashvili and representatives of the Ministry of Foreign Affairs were there. Today the representatives of the diplomatic corps arrived and unfortunately, everyone once again saw how Russia continues to occupy our territories, unfortunately, the so-called "borderization" process continues. The most important thing today is to provide assistance to the locals and I would like to assure the citizens of Georgia that we are doing our best to support these people. Most importantly, the occupation and the so-called "borderization" is a very painful process and the full consolidation of the international community is essential for moving forward. That is why we have been using all international formats from the very first day to consolidate the attitude of the international community for stopping this painful process.

A few days ago, an important meeting was held at the UN and Russia's occupation issue was discussed. The UN tribunal is the highest tribune where this problem can be raised. You are continuing your misinformation campaign. Our state agencies stand beside our citizens since the very first day", – Prime Minister said (*1TV, August 16, 2019*).

#### **5. Diplomatic corps arrived in Gugutiantkari**

The representatives of the diplomatic corps have arrived in the village of Gugutiantkari, Gori Municipality today.

As the journalist of Georgian First Channel reports, approximately 20 representatives of diplomatic corps accredited to Georgia, including ambassadors of Austria, Estonia, Bulgaria, Brazil and Latvia, have arrived in the village of Gugutiantkari.

Ketevan Tsikhelashvili, State Minister for Reconciliation, deputy Foreign Minister Lasha Darsalia, as well as representatives of the Information-Analytical Department of the State Security Service are on the scene. They brief the diplomats about the current situation along the occupation line and about the problems of the local population (*1TV, August 16, 2019*).

#### **6. Elizabeth Rood: Installation of barbed wire fences harms security in the region and divides population**

As Elizabeth Rood noted U.S. government is concerned by reports that Russian-backed de-facto authorities have resumed the installation of fencing at the village of Gugutiantkari, near the Administrative Boundary Line of the Russian-occupied Georgian territory of South Ossetia.

"This is a very negative development. It harms security in the region and divides the population. We once again call upon to stop so-called "borderization" process and argue Russia to withdraw its forces from the occupied territories of Georgia and comply with the obligations under the 2008 ceasefire agreement", – Elizabeth Rood said (*1TV, August 16, 2019*).

#### **7. First Secretary of Ukrainian Embassy: Russian aggressive forces continue to occupy the territory of Georgia**

"Ukrainian people stand beside with Georgia. Ukraine reiterates support for the sovereignty and territorial integrity of Georgia and demands the Russian federation to withdraw occupation troops from Georgia and Ukraine and to fully fulfill its obligations under the 2008 ceasefire agreement", – Petro Bogdan said (*1TV, August 16, 2019*).

#### **8. Kai Kaarelson: Events we are observing today are extremely troubling**

"As you know, Estonia is one of the most active supporters of international law, democratic development and territorial integrity of Georgia. Definitely, the events we are observing today are extremely disturbing not only in terms of political implications of the creeping annexation but also from the humanitarian point of view," – said Estonian Ambassador to Georgia Kai Kaarelson (1TV, August 16, 2019).

#### **9. Ambassador of Japan: Japan totally opposes to the change of Georgia's internationally recognized borders**

"I am really concerned about the current situation. Japan totally opposes to the change of Georgia's internationally recognized borders. Family division is a very serious issue for humans. So I really understand the affected families and have big sympathy to them and I hope that the situation will recover as soon as possible", - Ambassador of Japan to Georgia Tadaharu Uehara told reporters in Gugutiantkari, Gori Municipality today (1TV, August 16, 2019).

#### **10. Chris Davenport: United States will never accept the Russian occupation of Georgia's sovereign territory**

"This is the village of Gugutiantkari, filled with beautiful fruit orchards, populated by wonderful people. It was heartbreaking to see today how Russian occupation forces are taking land and homes from people who want only to live in peace in their own country. Their livelihoods have been taken from them, and their community is being cut in two, which makes it even more moving to hear their resilient messages about the unity and hope of this magnificent country. Today, I am proud to stand beside the people of Gugutiantkari to say that the United States will never accept the Russian occupation of Georgia's sovereign territory." – Chris Davenport, Information Officer of US Embassy said in Gugutiantkari, Gori Municipality today (1TV, August 16, 2019).

#### **11. Polish Ministry of Foreign Affairs calls upon the Russian Federation to immediately stop its illegal actions against Georgia**

The Polish Ministry of Foreign Affairs expresses its concern over the resumption, by Russian-backed de facto authorities in Tskhinvali, of the installation of artificial barriers at the village of Gugutiantkari, located near the Administrative Boundary Line of the Georgian territory of South Ossetia/Tskhinvali region. The statement has been published on the web page of the Ministry (1TV, August 16, 2019).

#### **12. Foreign Minister arrives in Gugutiantkari**

Georgian Foreign Minister Davit Zalkaliani visited the occupation line in the village of Gugutiantkari of Gori Municipality. The Minister met with locals behind closed doors and listened to their problems.

Zalkaliani told the media that he arrived in Gugutiantkari under the instruction of the Prime Minister. He said he would inform the Prime Minister about the concerns of the population. As Zalkaliani explained, he met with the population in the closed format because similar issues should not be used for PR purposes (1TV, August 17, 2019).

#### **13. MFA of Georgia - We appeal to the international community to take effective measures to stop the illegal actions of the occupation forces**

"We appeal to the international community to take effective measures to stop the illegal actions of the occupation forces,- Foreign Ministry spokesperson Vladimir Konstantinidi said. He noted that frequent provocations and incidents at the occupation line further worsen the security environment and the existing grave humanitarian situation in the conflict-affected villages.

"We call on the Russian Federation to immediately stop illegal activities at the occupation line, to respect its international obligations and to begin unconditional implementation of the August 12, 2008 ceasefire agreement, as the withdrawal of troops from the Georgian territory is the only way to establish sustainable peace and security on the ground – Konstantinidi said (*ITV, August 18, 2019*).

#### **14. SSSG - Georgian citizen abducted near village Akhalubani taken to Tskhinvali isolator**

Another citizen of Georgia has been illegally detained by Russian occupation forces, – the State Security Service of Georgia stated. The agency said that the abducted citizen had been taken to Tskhinvali isolator. According to the agency a hotline has been activated and the EU Monitoring Mission has been informed. On August 17, seven Georgian citizens have been detained near the occupied Tskhinvali (South Ossetia) region for "illegally crossing the border".

All of them are the locals of the village of Akhalubani, Gori Municipality. They were reportedly visiting a church, which is located near the occupation line (*ITV, August 18, 2019*).

### **❖ Internal Affairs**

#### **15. Mamuka Bakhtadze says that Tserovani Rehabilitation Complex will be unique in the region with its standards and technologies**

Georgian Prime Minister Mamuka Bakhtadze visited the site in Tserovani village where a rehabilitation complex for soldiers is being built.

PM said that the complex, which will serve the soldiers who died in struggle for the restoration of Georgia's territorial integrity or are serving in international peacekeeping missions, will have been constructed by the end of this year.

"Tserovani Rehabilitation Complex will be unique in the region with its standards and technologies," Bakhtadze said. PM also thanked American partners for supporting the project.

The rehabilitation center will have sports equipment, a swimming pool, volleyball and basketball stadiums that will help the patients in physical and psychological recovery (*ITV, August 17, 2019*).

#### **16. Shift of the Government is planned in Georgia**

Last several days TV Pirveli is disseminating information that there might be shift of the Government of Georgia. According to the journalists they have been informed by interior reliable source from Georgian Dream. Allegedly, the Prime Minister will be replaced. There are three main candidates for this post: Giorgi Gakharia, Vice Prime Minister and Minister of Interior, Maya Tskitishvili, Vice Prime Minister and Minister of Infrastructure and Regional Development and David Bakradze, Ambassador of Georgia to the USA (formerly Minister of European and Euro-Atlantic Integration). Recent rumors say that favourite in this race is Gakharia, who had been largely criticized for the abuse of power while sanctioning dismantle the rally

opposing Gavrillov's visit to Georgia on June 20-21. If this happens his post might be taken by Former Prime Minister and Former Minister of Interior, Irakli Gharibashvili, who stepped down from the post of PM in 2015 unexpectedly.

Reportedly Gakharia is having a business trip to the US. The main point for his trip should be achieving external legitimacy as he lost it domestically (*TV Pirveli, August 16-18, 2019*).

## ❖ Economy and Social Affairs

### **17. Foreign direct investments decreased by 35.5% in 2018 compared to 2017**

According to National Statistics Office of Georgia, foreign direct investments (FDI) in Georgia amounted to USD 1 265.2 million in 2018 (adjusted data) down 35.5 percent from 2017 and up 2.7 percent from the preliminary data of 2018.

Geostat names completion of a pipeline project and transferring of ownership in some companies from non-resident to resident units as the main reasons for decreasing the FDI.

According to Geostat, the major investor countries by 2018 are: Azerbaijan – \$ 246 million (19.5 percent), the Netherlands – \$ 208 million (16.5 percent) and the United Kingdom – \$ 179 million (14.1 percent) (*ITV, August 15, 2019*).

### **18. "Conti" Group left Anaklia Port Project**

The American investment company "Conti" Group has left the Anaklia Port Project. Levan Akhvlediani, CEO of the Anaklia Development Consortium confirmed the information to Georgian First Channel.

As he said, at this stage he could not make a comment on the causes of this decision Conti Group was one of the shareholders of Anaklia Project (*ITV, August 15, 2019*).

### **19. Ministry of Infrastructure: Consortium not provided information about Conti Group's withdrawal from Anakli project**

Ministry of Infrastructure has learned about the decision taken by Conti Group on leaving Anaklia Port Project from Media. David Javakhadze, Director of Ministry's LEPL Anaklia Deep Sea Port Development Agency told the Georgian First Channel about it.

"We have learned about this decision today from the media. The consortium has not yet provided any information in this regard" – David Javakhadze said (*ITV, August 15, 2019*).

### **20. Infrastructure Ministry calls on Anaklia Consortium to present a plan for replacement of Conti Group with a western investor**

Winning of the tender by Anaklia Development Consortium was preconditioned by the participation of Conti Group in the consortium – Georgian Ministry of Development and Infrastructure said in a statement.

Based on the tender announced on August 5 of 2014, the Georgian government entrusted to carry out the project to a pretender company, which would meet two main conditions: if the company had the experience of at least 5 years for building and management of a similar port and if it had necessary financial resources.

Based on the statement, Conti Group has not been involved in the implementation of the project. Despite having 42% of shares, it has not since taken part in financing of the project or feeling up its capital and has not participated in ongoing negotiations for the attraction of additional funding that generated suspicion (1TV, August 17, 2019).

## 21. US Department of State lists Georgia among countries which meet minimum requirements of fiscal transparency

The US Department of State presented the Fiscal Transparency Report, which lists the countries that meet the minimum requirements of fiscal transparency developed, updated, and strengthened by the Department in consultation with other relevant federal agencies. Georgia is listed among the 140 countries described in the report (1TV, August 17, 2019).

## 22. Fitch leaves Georgia's Sovereign credit rating at BB

The international Rating Company Fitch left Georgia's Sovereign credit rating at BB. According to the Ministry of Economy and Sustainable Development, the same rating level represents a positive and important factor under the conditions of global trading tension and the situation in the region.

The Ministry of Economy says that the rating of Georgia strengthens the trust of international institutions and investors toward Georgia and positively reflects Georgia's business environment.



In general, a credit rating is used by sovereign wealth funds, pension funds and other investors to gauge the creditworthiness of Georgia thus having a big impact on the country's borrowing costs (1TV, August 17, 2019).






## Additional Information

### August 19, 2019

#### OFFICIAL EXCHANGE RATES

1 USD - 2.9232 GEL	1 GBP - 3.5561 GEL	100 RUB -4.4227 GEL
1 EUR - 3.2395 GEL	1 TRY - 0.5265 GEL	100 JPY - 2.7489 GEL

<b>Monday</b> 19 August	<b>Tuesday</b> 20 August	<b>Wednesday</b> 21 August	<b>Thursday</b> 22 August	<b>Friday</b> 23 August
				
19° 34°	21° 35°	20° 36°	21° 36°	21° 36°

 **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](#)**