

NEWS DIGEST ON GEORGIA

July 29-31

Compiled by: **Aleksandre Davitashvili**

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❖ Occupied Regions

❖ Abkhazia Region

1. **Lasha Darsalia - If flights are operated from Russia to Sokhumi, this will be another confirmation that Russia is an occupying force**

According to Lasha Darsalia, it is impossible to talk about international flights from Sokhumi Airport, since the Airport has been closed since 1993 both under Georgian and international law. According to him, representatives of the occupation regime only express their wishes.

"Statements have been made by the occupation regimes, but they are just expressing their desires. No international flights can be operated. If flights are operated from Russia to Sokhumi, this would be another confirmation that Russia is an occupying force and it carries out occupational control," said Lasha Darsalia (1TV, July 29, 2019).

2. **De facto Abkhazian gov't vows to have international flights anyway**

De facto Foreign Minister of Georgia's Russian-occupied Abkhazia region Daur Kove says that Babushera Airport in Sokhumi will open for international flights anyway, despite the resistance of Tbilisi.

"Georgia is trying to isolate Abkhazia from the rest of the world. This will not happen... A barking dog never bites," Dove said.

The Georgian Foreign Ministry stated yesterday that Sokhumi airport will not be used for international flights, as this contradicts the law (*Agenda.ge*, July 30, 2019).

❖ Tskhinvali Region (*so called South Ossetia*)

3.

❖ Foreign Affairs

4. **President Zurabishvili elected member of global energy efficiency panel**

Georgian President Salome Zurabishvili has joined the Commission for Urgent Action on Energy Efficiency of the International Energy Agency (IEA) – a global platform studying how to quickly speed up energy efficiency progress through new and stronger policy action (*Agenda.ge*, July 30, 2019).

5. **Clerics say Azerbaijani border guards opened a tent in David Gareji, are doubled in number**

The cleric cites Azerbaijani border guards as saying that the tent is "a temporary measure and will be removed as the situation becomes stable."

"The number of Azerbaijani border guards have been doubled and tourists and clerics are still not allowed to enter the Udabno Monastery," Kirion says.

The Georgian Foreign Ministry reports that a special commission composed of Georgian and Azerbaijani officials is working to settle the border issue (*Agenda.ge, July 30, 2019*).

❖ Internal Affairs

6. Kibar Khalvashi offers 40% of Rustavi 2 shares to Jarji Akimidze and Davit Dvali

Kibar Khalvashi, a 100% shareholder of Rustavi 2 TV Company offered 40% of Rustavi 2 shares to Jarji Akimidze and Davit Dvali. Khalvashi made the relevant statement after the meeting with the founders of the TV Company.

"I offered them partnership, I offered them 40% of Rustavi 2 shares, but they did not seem to be happy. However, we may continue talking about it tomorrow. They had a proposal themselves too and I have to think about it," Khalvashi said.

Akimidze and Dvali will discuss this offer and make a statement over it (*1TV, July 29, 2019*).

7. State Security Service arrests person on charge of bribery

Officers of Anti-Corruption Agency of State Security Service through cooperation with the National Bureau of Enforcement detained a person on a bribery charge.

An investigation determined that the person offered a bribe to an officer of Enforcement National Agency in the amount of USD 500 and gave USD 300 in advance in return to help in speeding up vacating of a flat from lodgers.

The investigation is ongoing by the Anti-Corruption Agency of State Security Service. The detained person faces imprisonment with a term of 4 to 7 years (*1TV, July 31, 2019*).

8. Police seize 20 kg marijuana from foreign citizen's handbag at Tbilisi Airport

Customs officers of the Finance Ministry of Georgia together with the employees of the Internal Affairs Ministry have prevented the fact of illegal import of especially large quantities of narcotic drugs to Georgia. The Revenue Service of Georgia has released a statement, saying that during the search of a handbag of a citizen, traveling from South Africa, police seized 20 kg of marijuana.

An investigation has been launched under paragraph VI, Article 273 and sub-paragraph "A", paragraph IV, Article 262 of the Criminal Code of Georgia, involving the illegal import of especially large quantities of narcotic drugs to Georgia (*1TV, July 31, 2019*).

9. Court of Appeals leaves verdict to deny ex-Defence Minister Okruashvili bail intact

Tbilisi Court of Appeals has left the verdict to deny ex-Defence Minister Irakli Okruashvili bail intact.

Okruashvili was charged with incitement to group violence during the June 20 protests in Tbilisi, which is punishable by six to nine years in prison. He was denied bail on July 27 which was later appealed by Okruashvili's lawyers.

Okruashvili served as prosecutor general, interior and defence ministers under the United National Movement government.

After opposing former president and ally Mikheil Saakashvili back in 2007, he was detained on corruption charges (*Agenda.ge, July 31, 2019*).

❖ Economy and Social Affairs

10. Ministry of Infrastructure releases statement on Anaklia project

We should assume that the government and geopolitics in general will once again be blamed for the fact that despite numerous delayed deadlines, the consortium is still failing to fill its own capital of 120 million dollars, let alone to secure a 400 million dollar loan. As for the guarantees of commercial banks, apparently the Consortium is still trying to deceive the public and convince people that indemnity of commercial risks is an obligation of the government, rather than that of the private investor, as the deep sea port of Anaklia is a project of sovereign importance. Project is indeed of sovereign significance and that is why the authorities are providing the following:

- Transfer of 1000 hectares of land to the private investor and cost incurred so far for this commitment is almost 60 MLN GEL;
- Extension of the new road and railway to the port facility with a potential cost of 330 MLN GEL;
- Allocation of 100 MLN USD as an equity contribution to the Consortium;
- Creation of a Free Economic Zone (FEZ);
- Amendments to the Constitution of Georgia made by the authorities of the country manifesting in the unprecedented support for the development of a special legal framework for the creation of the Free Economic Zone (FEZ);
- Indemnity of risks arising from political disorders and force majeure;
- Indemnity of investor against risks of legislative amendments;
- Unprecedented support and assistance to the investor (*1TV, July 30, 2019*).

11. Ministry of Infrastructure – Anaklia Port will be constructed with private or state investment

Since 2016 when Anaklia Consortium was announced as the winner for construction and operation of Anaklia deepwater port, the government has always been supporting the investor in fulfillment of the taken obligations – reads the statement released by Ministry of Regional Development and Infrastructure.

According to the Ministry, the support can be confirmed with the consent of the government on taking additional financial obligations in the amount of USD 100 million. The government was also involved in negotiations with financial institutions and banks to obtain credits.

The Ministry calls on the investor for seeking finances for launch of the 1st phase of construction works instead of making populist statements. “We assure all supporters of the project that Anaklia Port will be constructed by all means either with private or state investment,” reads the statement (*1TV, July 31, 2019*).

12. Ministry of Infrastructure - It is unlikely that Anaklia Consortium obtains funding for construction of the port and to start construction in January

“The last schedule presented by the Consortium, saying that the construction of the port will be completed in June of 2022 instead of announced 2020, confirms it.

Unfortunately, despite unprecedented support from the government, the investor has so far failed to obtain approval from the international financial institutions to lend \$ 400 million to the Anaklia Development Consortium as loan and to fill own capital of \$ 120 million.

The fact remains true that the deadline for obtaining the funding has been postponed several times and the Consortium has to have met this obligation by the end of 2019.

Taking the current situation into account, it is unlikely that the consortium manages to obtain the funding for constriction of the port and to start the construction in January 2020," the statement reads (*1TV, July 31, 2019*).

13. Tbilisi Energy starts operating instead of KazTransGaz Company

Tbilisi Energy has begun operating instead of KazTransGaz Company for Tbilisi gas subscribers.

The Georgian Business Group bought 100% shares of KazTransGaz, the special management regime of which was canceled on May 3, 2019.

Starting today, Tbilisi Energy launches a rebranding process which envisages renewal of the logo and other identification signs.

The company named rehabilitation of gas supply network across Tbilisi as the main priority. In September, the company will begin a campaign for subscribers concerning the safe supply of natural gas (*1TV, July 31, 2019*).

14. National Bank head cites external shocks, less tourists as reason behind lari devaluation

Head of the National Bank of Georgia (NBG) Koba Gvenetadze says that external factors and fewer tourists have made an impact on the exchange rate of the national currency, with one US dollar costing 2.93 GEL as of today.

"We have received less tourists than we expected this year, which, of course, had an influence on the rate of the national currency," Gvenetadze said.

Gvenetadze says that NBG will get involved and will use "its levers" against the increased rate of exchange of the lari if this is necessary.

Russia banned direct flights to Georgia earlier this month and urged its citizens to leave Georgia due to the rallies in central Tbilisi (*Agenda.ge, July 31, 2019*).

15. NBG to sell USD 40 million today

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.

Based on the official exchange rates published by NBG, 1 USD costs – 2.9718 GEL, 1 EURO can be bought at 3.6170 GEL (*1TV, July 31, 2019*).

16. Georgian economy grows 5% in June 2019

The Georgian GDP has increased 5% in June 2019, show the latest data from the National Statistics Office of Georgia (Geostat). Geostat reports that GDP has grown 4.9% overall in January - June 2019.

Geostat Director Gogita Todradze said the financial sector observed a decrease in June while all the other sectors experienced growth including transport, real estate, hotel and restaurants and construction (*Agenda.ge, July 31, 2019*).

❖ Sports and Culture

17. Georgia to build a new sports complex with 15,000 seats for European Basketball Championship in Tbilisi






Georgia will have a new sports complex which will host 15,000 people for the European Championship in basketball in 2021, Georgian Prime Minister Mamuka Bakhtadze has stated. He also said that Georgia officially applied yesterday to host the Youth Winter Olympics in 2025.








"We will host the European Championship in Basketball and it is not only a huge victory for Georgian sports, but a tremendous success for our country" Bakhtadze said (*Agenda.ge, July 31, 2019*).

Additional Information

May 2, 2019
OFFICIAL EXCHANGE RATES

1 USD - 2.9296 GEL	1 GBP - 3.5463 GEL	100 RUB -4.6833 GEL
1 EUR - 3.2328 GEL	1 TRY - 0.5252 GEL	100 JPY - 2.7372 GEL

Thursday 1 August	Friday 2 August	Saturday 3 August	Sunday 4 August	Monday 5 August
				
21° 34°	18° 28°	21° 31°	19° 31°	18° 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](#)**