

NEWS DIGEST ON GEORGIA

December 5-8

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❖ Foreign Affairs

1. Georgian, European Officials Address Euronest PA in Tbilisi

On December 8-10, Georgian capital Tbilisi is hosting the 8th Ordinary Session of the Euronest Parliamentary Assembly, an annual forum for members of the European Parliament and parliaments of the Eastern Partnership nations.

At its formal opening ceremony today, Georgian Parliament Speaker Archil Talakvadze spoke of Georgia's "firm dedication to the values and principles that Europe holds dear." He said, the current constitution "solidified the strong popular support of European and Euro-Atlantic integration and now clearly states that integration into the European Union and NATO is Georgia's top foreign policy priorities."

Talakvadze mentioned ongoing electoral dispute as well, saying that a year ago "the parliament of Georgia made landmark decision to shift to the fully proportional election model from the existing one in 2024." However, "regrettably," he said, "the Parliament of Georgia recently fell short to change the date for proportional elections making it earlier in 2020." (*Civil.ge, December 9, 2019*).

2. Georgian Orthodox Church: Issue of David Gareji Monasteries "Remains Unresolved"

Two months after Georgian and Azerbaijani leaders reached an agreement, according to which the churches of David Gareji Monastery Complex located on the disputed section of the Georgian-Azerbaijani state border would reopen for Georgian clergy, the Georgian Orthodox Church expressed regret on December 9 that the issue of Udabno and Chichkhrituri churches "remains unresolved."

"We are looking forward to moving the problem to legal framework and restoration of the status quo existing prior to July 15, 2019," the statement released by the Georgian Orthodox Church reads (*Civil.ge, December 9, 2019*).

3. MIA: Georgian Citizen Injured in Incident at Georgian-Azerbaijani Border

The Georgian Interior Ministry reported on December 11 that Georgian citizen sustained injuries during the incident that occurred on the Georgian-Azerbaijani state border on December 6.

"According to the Azerbaijani side, the patient's condition is satisfactory. Investigation has been launched through active involvement of Georgian and Azerbaijani law enforcement agencies," the statement reads.

The Georgian Interior Ministry refrained from providing further details on the issue. However, according to media reports, a shepherd was injured in the incident that occurred near the David Gareji Monastery Complex.

In particular, Mtavari Arkhi TV reported that the shepherd was herding sheep and that Azerbaijani border guards shot him after he crossed into the neutral territory to return his sheep.

According to another version offered by the same TV channel, Azerbaijani border guards aimed a gun at a dog and accidentally shot the shepherd. Reporting over the same case, Rustavi 2 TV said that the shepherd is presently undergoing treatment in Ganja hospital (*Civil.ge, December 11, 2019*).

4. Putin Comments on Khangoshvili Murder case

Russian President Vladimir Putin spoke about the recent murder of Tornike Kavtarashvili known as Zelimkhan Khangoshvili in Berlin's Kleiner Tiergarten park, at a press conference in Paris on December 9, following the negotiations between the French, German, Ukrainian and Russian leaders within the so called Normandy format.

Russian President's comment comes amid diplomatic row between Berlin and Moscow over Georgian national Khangoshvili's killing by Russian national. The German authorities found the trace of Russian special services in the murder and earlier in December, expelled two Russian diplomats for failing to cooperate with the investigation into the case (*Civil.ge, December 10, 2019*).

5. ECHR Rejects to Revise Its Rustavi 2 TV Ruling

The Grand Chamber of the European Court of Human Rights (ECHR) has rejected the appeal of the former owners of Rustavi 2 TV, brothers Giorgi and Levan Karamanishvili, who owned the TV channel in 2012-2019, to revise the ECHR ruling of July 18, 2019.

According to ECHR press release, at its last meeting on December 9, the Grand Chamber panel of five judges decided to reject the request, making the judgment of July 18 final.

Justice Minister Tea Tsulukiani said at the today's news briefing that the ECHR ruling is "yet another huge victory" of the state, and Justice Ministry in particular, "against whom this appeal was addressed."

Tsulukiani said, this is also a victory of the Georgian Supreme Court, its Grand Chamber and former Chair Nino Gvenetadze, who, while making the decision over this case, had faced "numerous attacks... assaults." (*Civil.ge, December 10, 2019*)

6. Five Georgian Servicemen Slightly Injured in Afghanistan

The Georgian Defense Ministry announced on December 11 that five Georgian servicemen from Rapid Reaction Forces of the Georgian troops sustained minor injuries after terrorists attacked Bagram Air Base in Afghanistan.

According to the Ministry, the health condition of the military servicemen of the 12th Infantry Battalion of Georgian Defense Forces is stable and their hospitalization was not necessary.

The 12th Infantry Battalion of Georgian Defense Forces has been performing the Resolute Support Mission on Bagram Air Base since November (*Civil.ge, December 11, 2019*).

❖ Internal Affairs

7. Georgian Dream, Opposition Mull over Reforming Majoritarian Electoral System

The ruling Georgian Dream party and opposition held the second round of negotiations on December 8 with the participation of foreign diplomats accredited in Tbilisi to discuss the electoral system reform. It emerged following a four-hour discussion that upon the initiative of foreign diplomats, the sides discussed the issues of implementing reforms in the majoritarian electoral system, particularly, the possibility of creation of 10 multi-mandate constituencies, instead of present 73 single-mandate constituencies that is one of the components of the so called German model developed by the opposition.

8. Talakvadze on Multi mandate Majoritarian Constituencies

"It is good that we are returning to real issues which are possible to be agreed," Georgian Parliament Speaker Archil Talakvadze said after the discussion. He said that during the next meeting they will discuss possible changes to the majoritarian electoral system in frames of the current constitution, adding that the ruling party has already commenced its work based on OSCE recommendations (*Civil.ge, December 9, 2019*).

9. Tea Tsulukiani's assessment of multi mandate majoritarian system

Georgian Justice Minister and Deputy Prime Minister, Tea Tsulukiani said after the meeting with opposition that the ruling party was ready to discuss the initiative of establishing multi-mandate majoritarian constituencies, adding that the yesterday's meeting failed to reach any concrete agreement "on any essential issue." "We again explained the other side that the German model, including the model and variation registered in the Parliament, is unacceptable, as it is anti-constitutional," Tsulukiani stressed (*Civil.ge, December 9, 2019*).

10. Opposition on multi mandate majoritarian system

Grigol Vashadze, chairman of the United National Movement, said that "no agreement has been reached at the meeting." "Simply, we agreed on foreign diplomats' initiative to discuss the issue of multi-mandate constituencies," he noted, adding that he has "no positive expectations" from the next meeting. "We are getting ready for the worse," Vashadze said.

MP Giga Bokeria of European Georgia said that "one step" was taken towards an attempt of improving the electoral system with the help of international friends. He also noted that "peaceful rallies" will continue until the negotiations with the ruling party yield a specific result.

Giorgi Vashadze of New Georgia also commented on the issue, saying that foreign diplomats compelled the ruling party "to reject its recent destructive actions in the country." He called the yesterday's meeting "an important success," adding that "peaceful, non-violent protest will continue." (*Civil.ge, December 9, 2019*).

11. Foreign diplomats' assessments multi mandate majoritarian system

Elizabeth Rood, Chargé d'Affaires, a.i. at the U.S. Embassy to Tbilisi and Carl Hartzell, Ambassador of the European Union to Georgia also made comments after the meeting and stressed the importance of continued dialogue between the ruling party and the opposition.

"We had a second round of dialogue in a constructive atmosphere, and we agreed that we would meet again to continue the discussion. With the encouragement of the international participants, the next

discussions are expected to focus on how the majoritarian seats in Parliament are filled, and then other things can be discussed as well," Elizabeth Rood said.

Carl Hartzell, Ambassador of the European Union to Georgia, also hailed the readiness of the sides to continue a dialogue, saying that the positions can be brought closer gradually, through a dialogue.

The ruling party and opposition held the first round of negotiations on November 30, but failed to achieve any concrete results. The third round is expected to be held on December 15 (*Civil.ge, December 9, 2019*).

12. Georgia CSOs: Acting Supreme Court Chair Violates Law

The Coalition for an Independent and Transparent Judiciary, uniting 40 civil society organizations, released a statement on December 9, saying that Mzia Todua, acting chair of the Supreme Court, is violating the law. The Coalition claims that Todua is dragging out the process of nominating a new judge to replace former judge of the Constitutional Court, Maia Kopaleishvili.

According to the statement, "a new judge should be appointed no earlier than one month and no later than 10 days prior to expiration of a Constitutional Court member's tenure." Maia Kopaleishvili, whose tenure expired on December 5, is one of those three judges of the nine-member Constitutional Court, who were appointed through the Supreme Court's quota.

"The entire responsibility for this [violation of the law] lies on Acting Chair of the Supreme Court, Mzia Todua. It is, in the first place, her obligation to nominate a new judicial candidate to the Supreme Court's Plenum," the Coalition said (*Civil.ge, December 9, 2019*).

13. One More MP Quits Georgian Dream, Parliamentary Majority

Member of parliamentary majority Alexandre Erkvania announced on December 10 of his plans to quit the ruling Georgian Dream party, naming recent developments in politics and the Georgian Orthodox Church as the reason behind his decision.

Erkvania said today that the country is facing "serious problems and stagnation," and that "political and economic crises are deepening daily," amid "the fight for power and personal welfare." According to him, "most devastating is the ongoing fight against [the Georgian Orthodox] church."

He noted that the Georgian Dream chairperson Bidzina Ivanishvili "has demanded to break taboos from the church affairs and make criticism against the Patriarch [Ilia II] acceptable." (*Civil.ge, December 10, 2019*)

14. Georgia to Maintain Maximum Number of Troops at 37,000 in 2020

Georgia will keep a formal maximum number of its troops for 2020 at 37,000. 86 lawmakers supported the decree submitted by Deputy Defense Minister Rati Bregadze to the Parliament's plenary session on December 10.

Number of troops reached 37,000 prior to the Russo-Georgian War of August 2008, following its increase by 5,000 servicemen in July 2008 (*Civil.ge, December 10, 2019*).

15. President Zurabishvili under Fire over Army-related Remarks

Speaking with Georgian scientific community on December 10, President Zurabishvili said "this is a very serious choice. We have nothing else, neither the army, nor weapons and will not have them [in the future] either...nor [we have] big economic potential to immediately conquer even [the] region... but we have a huge, [and] very strong weapon, that is knowledge, science, culture."

While drawing scattered applause from a crowd of Georgian scientists present at the meeting, Georgian President has been harshly criticized from her political opponents, as well as Defense Minister Irakli Garibashvili.

Calling the President's army-related remarks "absolutely" and "categorically unacceptable," Garibashvili said "the Georgian army is strong and our servicemen are heroes." (*Civil.ge, December 11, 2019*).

16. Georgian Parliament Approves Dimitri Khundadze as Healthcare Committee Chair

During its plenary session on December 11, the Parliament approved Dimitri Khundadze, member of the Georgian Dream faction and majoritarian MP from Mtskheta single-mandate constituency, as a new chair of the Healthcare and Social Issues Committee. The post became vacant after Akaki Zoidze renounced his MP mandate on December 2.

Dimitri Khundadze was among the group of lawmakers, who voted against transition to the proportional polls from 2020 (*Civil.ge, December 11, 2019*).

17. Georgian CSOs Call on MPs to Refrain from Electing 'Incompetent, Dishonest' Judges

A day before the planned voting in the Georgian Parliament, where lawmakers should elect new judges of the Supreme Court of Georgia from 19 candidates, the local civil society organizations call on MPs to take into consideration the Venice Commission's [recommendations](#) and elect only the minimum number of new judges that is necessary for functioning of the Supreme Court.

The Coalition for an Independent and Transparent Judiciary, uniting 40 civil society organizations, noted that "the absolute majority" of judicial candidates fail to meet relevant requirements, among them "high level of legal thinking."

The Coalition noted that "a transparent" process of interviews with judicial candidates at the Parliament's Legal Issues Committee "made the problems persisting in the judiciary even clearer." (*Civil.ge, December 11, 2019*)

❖ Economy and Social Affairs

18. Q3'19 FDI USD 417.3 mln: Geostat

Foreign direct investment in Georgia reached USD 417.3 million in the third quarter of 2019, which is 13.7% increase compared to the same period of last year, according to the preliminary data released by the National Statistics Office, Geostat, on December 9.

The financial sector received the largest share of FDI in the third quarter of 2019 – USD 96 million, followed by manufacturing – USD 49.3 million; hotels and restaurants – USD 45.7 million; construction – USD 43.4 million; energy – USD 39.7 million; real estate – USD 30.1 million; mining – USD 17.5 million; transport – USD 11.2 million; health and social work – USD 11.2 million; communications – USD 8.1 million; agriculture, fishing – USD 5.4 million; other sectors – USD 59.8 million.

In the third quarter of 2019, highest amount of the FDI came from the United Kingdom – USD 78.4 million. The companies registered in the Netherlands and Turkey came next with USD 68.3 million and USD 43.1 million, respectively. They are followed by China – USD 30.1 million; the United States – USD 25.1 million;

Japan – USD 16.2 million; Panama – USD 15.7 million; Russia – USD 15.1 million; Denmark – USD 14.7 million; Czech republic – USD 13.1 million; USD 97.6 million was received from other countries (*Civil.ge*, December 9, 2019).

19. Georgian Parliament Approves 2020 State Budget

The Georgian Parliament approved with its final hearing the 2020 state budget with 83 votes in favor and one against at its plenary session on December 10. The draft state budget was submitted to the Parliament by Finance Minister Ivane Machavariani.

Breakdown of funding per ministry in the 2020 state budget is as follows:

- Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs – GEL 4.36 billion, up by GEL 384.6 mln compared to the 2019 state budget and by GEL 16 mln compared to the initial draft. GEL 2.23 billion will be spent on pensions. The government plans to increase pensions by GEL 20 from the 1st of January, 2020 and additional increase by GEL 30 is planned from the 1st of July for the pensioners aged 70 and above.
- Ministry of Regional Development and Infrastructure – GEL 2.07 billion, up by GEL 71.6 million compared to the 2019 state budget.
- Ministry of Education, Science, Culture and Sport – GEL 1.66 billion, up by GEL 31.9 mln compared to the 2019 state budget and by GEL 30.5 mln compared to the initial draft.
- Ministry of Environmental Protection and Agriculture – GEL 353 million, up by GEL 12.9 million compared to the previous year.
- Ministry of Economy and Sustainable Development – GEL 364 million, down by 111 million compared to 2019.
- Ministry of Finance – GEL 93 million, up by GEL 2 million compared to 2019.
- Ministry of Justice – GEL 224 million, up by GEL 32.8 million compared to 2019 and by GEL 21 million compared to the initial draft.
- Ministry of Foreign Affairs – GEL 159 million, up by GEL 15.5 million compared to 2019.
- Ministry of Defense – GEL 880 million, up by GEL 45 million compared to 2019. The draft does not specify, but notes that salaries of military staff will increase.
- Ministry of Internal Affairs – GEL 770 million, up by GEL 3.4 million compared to 2019. The government plans to increase salaries for police officers by GEL 125, on average.
- State Security Service – GEL 137.5 million, up by GEL 1.5 million compared to the 2019 state budget. It is also planned to increase salaries for security service staff by GEL 125, on average (*Civil.ge*, December 11, 2019).

20. Georgian Central Bank Increases Key Rate to 9%

The Monetary Policy Committee of the National Bank of Georgia (NBG) decided at its meeting on December 11 to increase its key refinancing rate by 0.5 percentage points to 9%.

According to NBG, in November annual inflation rate stood at 7%, and that “along with one-off factors, the inflation overshooting was caused by the nominal exchange rate depreciation.” “Despite the appreciation

observed during the last few days, the GEL nominal effective exchange rate remains undervalued, pinning inflation expectations above the target level,” it noted (*Civil.ge, December 11, 2019*).

Additional Information

December 12, 2019

OFFICIAL EXCHANGE RATES

1 USD - 2.8896 GEL	1 GBP - 3.8004 GEL	100 RUB -4.5482 GEL
1 EUR - 3.2028 GEL	1 TRY - 0.4975 GEL	100 JPY - 2.6593 GEL

Thursday 12 December	Friday 13 December	Saturday 14 December	Sunday 15 December	Monday 16 December
				
-1° 7°	1° 6°	2° 10°	3° 12°	3° 12°

-  **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](#)**