|  |  |  |  |
| --- | --- | --- | --- |
| **NEWS DIGEST ON GEORGIA**  **September 17-24** | | | |
| *Compiled by:* | ***Aleksandre Davitashvili*** | *Date*: | September 25, 2020 |

* **Occupied Regions**
* **Abkhazia Region**

1. **61 New Cases, 30 More Recoveries in Abkhazia**

Moscow-backed authorities in Abkhazia have reported 61 cases of COVID-19, taking the tally of total confirmed cases in the region to 1177. In the meantime, 30 more persons have recovered, increasing the number of recoveries to 360. With 8 recorded fatalities since the outbreak of the pandemic, the number of active cases in the region to date stands at 809 *(Apsnypress.info, September 24, 2020)*.

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

1. **Russian Foreign Ministry Spokesperson on Tskhinvali/South Ossetia**

Occupied Tskhinvali Region/South Ossetia “has succeeded as a sovereign state and achieved important accomplishments in governmental system formation, as well as in economic and social development,” Russian Foreign Ministry Spokesperson Maria Zakharova said at a news briefing on September 17, on the occasion of “Republic Day” celebrated in Georgia’s Kremlin-backed region.

This, Spokesperson Zakharova said, is evidenced by the repeated “free expression of the will” of South Ossetians through various level ”elections with democratic voting procedures” as well as its “twofold growth of GDP over the past 6 years.” *(Civil.ge, September 18, 2020)*

1. **Russian-led Kavkaz-2020 Drills Start in Abkhazia, Tskhinvali**

Moscow-led Kavkaz-2020 drills kicked off on the territories of occupied Abkhazia and Tskhinvali Region/South Ossetia, among others, with the participation of Russian, Abkhaz, and S. Ossetian military personnel, Russian Ministry of Defense reported on September 21.

In Abkhazia, according to the Russian Defense Ministry, more than 1,500 soldiers and about 500 units of different military equipment were involved in the exercises, making 150-km marches to the Tsebelda and Nagvalou ranges.

As for Tskhinvali Region, 1,500 soldiers were alerted and marched with 300 units of military technologies to the “training ground Dzartsemi”, a former ethnic Georgian village rased to the ground after the Russo-Georgian 2008 War *(Civil.ge, September 21, 2020)*.

1. **Georgia Condemns Russia-led Drills in Abkhazia, Tskhinvali at OSCE Forum**

At the OSCE Forum for Security Co-Operation on September 23, Georgia condemned ongoing Russian-led Kavkaz-2020 drills on the territories of occupied Abkhazia and Tskhinvali/South Ossetia regions, noting that Russia’s “aggressive and provocative actions threaten security and cause destabilization in the region.”

The Georgian Delegation stated that the Moscow-led military exercises, which involve Abkhaz and S. Ossetian military personnel, as well as Russian bases in Sokhumi and Tskhinvali, represent “grave violations” of the international laws, the Helsinki Final Act and EU-mediated August 12, 2008 Ceasfire Agreement *(Civil.ge, September 23, 2020)*.

1. **97th IPRM Held in Ergneti**

On September 24, the 97th Incident Prevention and Response Mechanisms (IPRMs) Meeting was held in village Ergneti, near the occupation line with Tskhinvali Region/South Ossetia.

The EU Monitoring Mission (EUMM), which co-facilitates IPRMs, reported that the “participants stressed the value of the IPRM format, emphasized the importance of direct dialogue, and engaged in constructive discussions on the most pressing issues influencing stability and security on the ground.”

The co-facilitators – Marek Szczygieł, Head of the EU Monitoring Mission in Georgia (EUMM) and Ambassador Rudolf Michalka, Special Representative of the OSCE Chairperson-in-Office for the South Caucasus – emphasized that “timely information exchange through all available platforms for preventing incidents and reducing tensions along ABL remains crucial.” *(Civil.ge, September 24, 2020)*

* **Foreign Affairs**

1. **Russia’s Lavrov Optimistic about Recovering Ties with Georgia**

Russian Foreign Minister Sergey Lavrov said in an interview with the RTVI channel on September 17, that “we see the emergence of Georgian politicians who are in favor” of “recovering and improving” ties with Moscow. “These are so far small parties among the ruling elites,” Russian Foreign Minister highlighted.

FM Lavrov expressed his optimism that “our traditional historical closeness, the mutual attraction of our peoples, will ultimately triumph,” adding that “provocateurs who try to prevent Georgia from returning to normal relations with Russia will be put to shame.”

Russian Foreign Minister also spoke of visa policy for Georgians, noting that there are currently no limitations for Georgians to arrive to Russia with visas, and that the list of persons eligible for the visa has been expanded. Reiterating earlier remarks, Lavrov blamed the June 2020 events for hindering the almost ready introduction of a visa-free regime for Georgians *(Civil.ge, September 18, 2020)*.

1. **Georgian Politicians React to Lavrov’s Interview**

**Irakli Beraia, Georgian Dream MP**, Parliamentary Foreign Relations Committee Chairperson, stated that Lavrov’s statement is “laughable” since in order to normalize relations, Russia has first to take the steps to fulfill its obligations required by the August 12, 2008 Ceasefire Agreement. MP Beraia also accused the previous government, led by United National Movement, of carrying out the largest amount of “Russian deeds” since communists.

**MP Giga Bokeria of the opposition European Georgia** party stated that minor pro-Russian parties are not a problem since a “big group, which controls every branch of government in the country, one man – [Bidzina] Ivanishvili and his encirclement” make Georgia “vulnerable against Russia in economic, security and political domains.”

**Tamar Kekenadze, Chairperson of Free Democrats**, assessed Lavrov’s statement as cynical, noting that the Russian Foreign Minister blames Georgia while deliberately trying to avoid Russia’s responsibility for occupying Georgian territories. Kekenadze expressed confidence in Georgians’ ability to differentiate between friends and enemies *(Civil.ge, September 18, 2020)*.

1. **Multinational Noble Partner Drills Wrapped up in Georgia**

U.S. and Georgia-led fifth multinational military exercise Noble Partner 2020 with over 2,700 participant military personnel from Georgia, the U.S., the UK, Poland and France was wrapped up at the Vaziani Military Base near the Georgian capital Tbilisi on September 18. The drills took place between September 7-18 at the Vaziani Military Airfield, the Vaziani Range, and the Norio Training Base.

Georgian President Salome Zurabishvili, Parliament Speaker Archil Talakvadze, Defense Minister Irakli Garibashvili, and U.S Ambassador to Georgia Kelly Degnan, among others, attended the closing ceremony.

Addressing the military personnel, President Salome Zurabishvili declared that Georgia aims to “establish a modern, capable, NATO-compatible defense force,” which will contribute to “reinforcing stability and security in the Black Sea region.” *(Civil.ge, September 18, 2020)*

1. **PACE Monitors Urge Georgia to Consult Venice Commission on Court Reform**

On September 18, Titus Corlăţean (Romania, SOC) and Claude Kern (France, ALDE), the co-rapporteurs of the Parliamentary Assembly of the Council of Europe (PACE) urged the Georgian authorities to seek the opinion of the Venice Commission concerning the amendments to the Georgian Law on Common Courts, proposed by the Georgian Dream.

“We welcome the willingness of the [Georgian] authorities to amend the law on the Common Courts, and emphasize the importance of fully implementing Venice Commission recommendations to ensure public trust in the selection process of Supreme Court judges – and thus, in the end, in the independence and impartiality of this important institution itself,” noted the two co-rapporteurs *(Civil.ge, September 18, 2020)*.

1. **Azerbaijan’s Aliyev Praises Georgia for not Allowing Arms Transit to Armenia**

In an interview with Azerbaijani TV channels on September 19, President of Azerbaijan Ilham Aliyev stated that “Georgia acted like a very reliable partner” by “not allowing the transportation of weapons to Armenia through its territory” in the wake of renewed Azerbaijani-Armenian armed clashes in Tovuz/Tavush region in July.

President Aliyev’s statement alludes to earlier allegations by Baku-based online magazine haqqin.az, – known to be close to the Azerbaijani leadership – which claimed that Armenia was receiving arms from Serbia and Russia through Georgia. Georgian Prime Minister Giorgi Gakharia promptly denied Tbilisi’s role in the arms sale and referred to the allegations as “unverified information disseminated by the media.”

“I must say that I highly appreciate the actions of the Georgian government in these events,” Azerbaijani President went on, adding that Georgia’s refusal to allow arms transit to Armenia “is why transport planes deliver weapons to Armenia through the territories of the Caspian countries and by air.” *(Civil.ge, September 21, 2020)*

1. **Georgian PM, Trump’s National Security Advisor Hold Phone Talk**

Georgian Prime Minister Giorgi Gakharia and Robert O’Brien, National Security Advisor to U.S. President Donald Trump, held phone talk, discussing various issues, including strategic partnership, existing regional security challenges, and the October parliamentary elections in Georgia.

According to the press release delivered on September 23 by the Press Office of the Georgian Prime Minister, PM Gakharia commended U.S.-led peace accords in the Middle East, as well as highlighted Georgia’s role as a key U.S. partner in the wider Black Sea Region *(Civil.ge, September 23, 2020)*.

1. **Azerbaijani Foreign Minister Visits Tbilisi**

Newly appointed Azerbaijani Foreign Minister, Jeyhun Bayramov, is paying his first official visit to Tbilisi on September 24, where he met with his Georgian colleague David Zalkaliani.

According to the Georgian Foreign Ministry, the two ministers discussed key issues of bilateral cooperation, including political and economic ties, trade, energy and transportation projects, culture and education, as well as security challenges, peace and stability in the region. The Georgian Foreign Ministry stated that the parties stressed the importance of peaceful resolution of existing conflicts in the region and of the IDPs’ need to return to their homes in a secure and dignified manner *(Civil.ge, September 24, 2020)*.

* **Parliamentary Elections – 2020**

1. **CEC Approves Health Safety Rules for Polling Day**

On September 18, the Central Election Commission of Georgia (CEC) approved an epidemiological protocol for the polling day of the October 31 elections. The protocol defines sanitary and hygiene rules at polling stations and it is based on consultations with key stakeholders from the Election Administration, political parties, CSOs and international organizations.

Members of the Precinct Election Commission, as well as other authorized personnel present at the polling station, will be subject to stricter rules, including temperature checks, hand hygiene, and mandatory face masks. They will be supplied with safety face shields as well.

According to the CEC, disinfection barriers, hand sanitizers and information on preventive measures against the spread of the virus will be available at the entrances of polling stations. The Election Administration will ensure that frequently touched surfaces are regularly disinfected, and that the buildings are ventilated naturally as much as possible *(Civil.ge, September 18, 2020)*.

1. **CEC Assigns Numbers to Parties, Blocs**

On September 19, Georgia’s Central Election Commission (CEC) determined the list numbers for the parties and blocs participating in the October 31 Parliamentary Elections.

According to the CEC, 47 out of 58 parties and 2 election blocs registered to participate in the Parliamentary Elections of Georgia participated in the voting held today. Those who ran in previous polls and crossed the election threshold were allowed to use the numbers previously assigned to them according to the law *(Civil.ge, September 19, 2020)*.

* **Internal Affairs**

1. **U.S EUCOM Donates Ultrasound Machine to Rukhi Hospital**

The United States (U.S) European Command (EUCOM) has donated a USD 35,000 (GEL 113,750) multifunctional ultrasound machine to the Rukhi Republican Hospital. The Philip Affinity 50 ultrasound machine is recommended by the United States Food and Drug Administration due to its high quality images, sensitivity programs, modern design, and high accuracy *(Civil.ge, September 23, 2020)*.

1. **New Restrictions Announced in Adjara Region**

Starting from September 25, restaurants operating in the western Adjara region will no longer be able to serve customers past 22:00, according to Natia Mezvrishvili, head of the Government Administration.

The Interagency Coordination Council also announced that all public transportation in the region will be temporarily suspended to contain the spread of the COVID-19 virus *(Civil.ge, September 24, 2020)*.

1. **PM Gakharia Claims Systemic Restrictions not on the Agenda**

PM Gakharia underlined that the virus should be contained through “discipline”, instead of imposing restrictions and closing down the economy. According to the PM, any theoretical restriction that could be put in place would be “purposive” and “local”, not “systemic”. “We cannot afford systemic restrictions in areas of our lives such as the economy, education, and the election process,” the PM said. PM Gakharia also announced that the Interagency Coordination Council will be meeting today to discuss ways to reopen education institutions, while taking existing risks into account *(Civil.ge, September 24, 2020)*.

* **Economy and Social Affairs**

1. **Q2’20 GDP Declined by 12.3% – Preliminary Data**

Georgia’s real GDP contracted by 12.3% year-on-year during the second quarter of 2020, according to preliminary data released by the National Statistics Office (Geostat) on September 18.

In Q2’20, GDP at current prices amounted to GEL 11.2 billion (USD 3.5 billion), while the GDP deflator increased by 6.3%.

Geostat also released data on the amount of decreases in the real value-added of various activities: repair of motor vehicles and motorcycles – 13.2% decrease; construction – 24.5% decrease; accommodation and food service – 40% decrease; transportation and storage – 22.6% decrease; manufacturing – 12.1% decrease; professional, scientific, technical activities – 28.8% decrease; financial and insurance activities – 15.5% decrease; administrative and support service activities – 54.7% decrease; arts, entertainment and recreation – 24.1% decrease *(Civil.ge, September 18, 2020)*.

1. **Georgia’s Foreign Trade in January-August 2020**

Georgia’s foreign trade turnover in the first eight months of 2020 decreased by 16.7%, compared to the same period last year, amounting to USD 7.02 billion, according to the preliminary results released by the National Statistics Office, Geostat, on September 21.

Exports from Georgia decreased by 14.7% year-on-year to USD 2.07 billion, and imports were down by 17.5% y/y to USD 4.9 billion in January-August, with trade deficit standing at USD 2.88 billion.

Turkey remains Georgia’s largest trading partner with USD 970.3 million in January-August 2020, followed by Russia, China, Azerbaijan and Armenia with USD 820.6 million, USD 737.4 million, USD 593.8 million and USD 385.6 million, respectively.

China tops the list of largest trading partners by exports with USD 296.5 million, followed by Azerbaijan, Russia, Bulgaria and Turkey with USD 284.2 million, USD 266 million, USD 216.3 million and USD 129.6 million, respectively.

Turkey, Russia, China, the United States and Azerbaijan are the top trading partners of Georgia in terms of imports with USD 840.7 million, USD 554.5 million, USD 440.9 million, USD 345.4 million and USD 309.5 million, respectively *(Civil.ge, September 21, 2020)*.

1. **FinCEN Files: 193 Suspicious Transactions Involve Georgian Banks**

193 transactions to or from Georgian banks were flagged as potentially suspicious, according to the data posted online by the International Consortium of Investigative Journalists (ICIJ) on September 20.

The data are based on the newly leaked FinCEN Files – suspicious activity reports filed by banks and other financial firms with the U.S. Department of Treasury’s Financial Crimes Enforcement Network (FinCEN).

Out of 193 reported suspicious financial transactions, 167 involved the TBC Bank, one of the largest banks based in Georgia, with USD 17,884,899 in sent amounts and USD 1,012,080 received. Another outgoing transaction worth USD 2,489 was carried out by JSC [Joint-stock company] TBC-Bank. Bank of Georgia (BoG), another Georgian banking giant, was involved in 25 suspicious transactions, having sent in total USD 81,000 and received USD 8,042,752 *(Civil.ge, September 22, 2020)*.

1. **EBRD to Assist Georgian Oil Corp Refinance USD 250 Mln Eurobond**

he European Bank for Reconstruction and Development (EBRD) announced on September 22, that it will issue an unsecured loan of EUR 217 million to help the Georgian Oil and Gas Corporation (GOGC) refinance a USD 250 million corporate eurobond.

The state-owned GOGC, supplier of 20% of the country’s electricity generation, placed a USD 250 million eurobond in 2012 on the London Stock Exchange with a maturity of five years. In April 2016, the Corporation re-issued the eurobond and repaid the financial commitments made in 2012 in advance.

As stated by EBRD, the eurobond matures on April 26, 2021, however, the company is unable to repay the debt due to the economic downturn caused by the COVID-19 pandemic *(Civil.ge, September 24, 2020)*.