

GEORGIA UPDATE

WEEKLY EDITION • 5 February 2009

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

TOP STORIES

- Saakashvili Appoints Nika Gilauri as Prime Minister, Replacing Ailing Mgaloblishvili
- Biography: New Prime Minister Nika Gilauri
- NATO Alarmed by Russian Plans to Build Bases in S. Ossetia, Abkhazia
- Council of Europe Reaffirms Call to Revoke Recognition of Occupied Territories
- Despite Global Recession, Georgian Central Bank Forecasts Economy Will Grow in 2009
- New Ministers Named to Address Penitentiary, Regional Development Issues



Newly appointed Prime Minister **Nika Gilauri**, in his first remarks, said jobs would be his top priority: "We don't have two, three, or ten priorities. We have only one. It's to provide the population with jobs."

INTERNATIONAL MEDIA ON GEORGIA

BBC:NATO wary of Russian treaty plan

EURASIA DAILY MONITOR:Moscow sends the West friendly signs while relations with Georgia worsen

FINANCIAL TIMES:Russia's plans in Abkhazia worry NATO

AP:Pole sees link between gas dispute and Georgia war

BBC:Georgian refugees seek brighter future

AGENCE FRANCE PRESSE:EU to Launch "Eastern Partnership" in May

QUOTES OF THE WEEK

"We should be working like a military headquarters. We should be working day and night to create new jobs and to save our economy."

—President Saakashvili (Feb. 2)

"It seems that Russia is building up a case and capabilities for a possible new armed conflict to finally overrun Georgia. At the same time, Moscow is seeking a tacit understanding from Washington to allow it a free hand in the Caucasus in exchange for detente on other contentious issues."

—Eurasia Daily Monitor (Jan. 29)

UPCOMING MILESTONES

Feb 9:Heidi Tagliavini, head of EU inquiry into Russia's invasion, visits Georgia

Feb.10-12: OSCE PA President visits Georgia

Feb.11:FM of Greece (and current OSCE chair) visits Tbilisi

Feb. 11:FM of Netherlands in Georgia

Feb. 15: UN monitoring mandate expire

Feb: 16: NATO Special Representative Simmons visits Georgi

Feb. 17-18: FM Vashadze Visit Poland

Feb. 20-21:FM Vashadze visits Armenia

Mar. 31: EU monitoring mandate expires

TOP STORIES

Saakashvili Appoints Nika Gilauri as Prime Minister, Replacing Ailing Mgaloblishvili

President Saakashvili selected Finance Minister Nika Gilauri to replace ailing PM Mgaloblishvili, who resigned to contend with serious health issues. In his first comments after being nominated, Gilauri said reducing unemployment would be his primary focus: "We don't have two, three, or ten priorities. We have only one. It's to provide the population with jobs. We'll do our utmost." Gilauri's candidacy needs to be approved by Parliament.

CIVIL GEORGIA (Jan. 30): Gilauri named as new PM <http://www.civil.ge>

Biography: New Prime Minister Nika Gilauri

Newly appointed PM Gilauri is one of Georgia's longest-serving politicians. He earned degrees in advanced finance and business from Ireland's Limerick University and from Temple University in the US. After a brief stint in the private sector, Gilauri devoted his career to public service, serving as Georgia's energy minister from 2004-2007, then holding concurrent positions as minister of finance and first-deputy PM—and ultimately assuming his new role as PM.

CIVIL GEORGIA (Jan. 30): Biography: New Prime Minister Nika Gilauri <http://www.civil.ge>

NATO Alarmed by Russian Plans to Build Bases in S. Ossetia, Abkhazia

NATO is increasingly alarmed by Russia's plans to disregard Georgia's sovereignty and build military bases in S. Ossetia and Abkhazia. "NATO allies have made their position clear on Georgia's territorial integrity and that includes all of Georgia's recognized borders," said a NATO spokesman. Stationing warplanes and Russia's Black Sea Fleet in Georgia's occupied territories would be a blatant violation of international law and of the Sarkozy-Medvedev ceasefire.

REUTERS (Jan. 28): NATO Irked by Reported Plans of Russian Military Base in Georgia <http://uk.reuters.com>

Council of Europe Reaffirms Call to Revoke Recognition of Occupied Territories

In a new rebuke for Moscow, the Council of Europe's Parliamentary Assembly passed a resolution last week that "condemns the recognition by Russia of the independence of South Ossetia and Abkhazia," as well as its plans to build military bases on Georgian territory. The resolution, which calls on Moscow to revoke its recognition of the occupied territories, denounces Russia's ethnic cleansing, while applauding Georgia's compliance with previous CoE demands. The Assembly will review the implementation of its recommendations in April.

CIVIL GEORGIA (Jan. 29): PACE reaffirms its call to Russia to revoke Abkhazia, S. Ossetia Recognition <http://www.civil.ge>

Despite Global Recession, Georgian Central Bank Forecasts Economy Will Grow in 2009

Amidst a global financial crisis, the Georgian economy is proving relatively resilient and is expected to grow 2 percent this year. Said the country's Central Bank in a new forecast: "We expect the Georgian economy to start growing in the second half of this year. We forecast GDP growth by the end of this year at 2 percent." The Bank's chief pledged to keep monetary policy "flexible and soft" to manage the decline in foreign investment following Russia's invasion and to keep inflation low.

REUTERS (Jan. 29): Georgia cbank sees '09 growth at 2 pct <http://www.guardian.co.uk>

New Ministers Named to Address Penitentiary, Regional Development Issues

A pair of seasoned politicians will lead two newly established ministries. Dimitri Shashkin, until now the director of the International Republican Institute in Georgia, will head the Ministry of Penitentiary and Probation, while Davit Tkeshelashvili, the current state minister for regional issues, will head the Ministry of Regional Development and Infrastructure. The new ministries were designed as part of Georgia's democratic reform package. Shashkin also has been tasked with coordinating the government's new wave of democratization initiatives.

CIVIL GEORGIA (Feb. 2): Heads of two new ministries named <http://www.civil.ge>



INTERNATIONAL MEDIA ON GEORGIA

BBC: NATO wary of Russian treaty plan

Russia is pushing for a new "treaty on European security" to govern East-West relations, arguing that NATO is a Cold War relic. But NATO officials say such a treaty would weaken the alliance and reward Russian aggression. Behind the scenes the Russians' tactics have provoked high diplomatic tensions. An official present at December's OSCE ministerial meeting in Helsinki, where Russian Foreign Minister Lavrov unveiled the treaty plan, said he witnessed angry exchanges of a kind rarely seen since the Cold War.

<http://news.bbc.co.uk>

EURASIA DAILY MONITOR: Moscow sends the West friendly signs while relations with Georgia worsen

It seems that Russia is building up a case and capabilities for a possible new armed conflict to finally overrun Georgia. At the same time, Moscow is seeking a tacit understanding from Washington to allow it a free hand in the Caucasus in exchange for detente on other contentious issues. Russian officials have recently been sending signals that a positive shift in relations is possible with the new Barack Obama administration in the United States.

www.jamestown.org

FINANCIAL TIMES: Russia's plans in Abkhazia worry NATO

NATO member states are concerned by Russia's decision to build a naval base in the breakaway territory of Abkhazia, a move which the alliance believes would further underline Moscow's violation of Georgia's sovereignty. Said one Alliance official: "The Russians need a warm water port. They see the realistic possibility that they are going to lose the Crimea and that may be motivating what they are doing in Abkhazia."

www.ft.com

AP: Polish president sees link between gas dispute and Georgia war

Poland's president has drawn a parallel between Russia's actions in the recent natural gas dispute with Ukraine and in last year's war with Georgia. Lech Kaczynski says "they were elements of the same policy of regaining influence, or even domination" on Russia's part. The Russian-Ukrainian dispute over pricing led to a two-week cutoff of Russian gas supplies to Europe this month.

<http://www.google.com>

AGENCE FRANCE PRESSE: EU to Launch 'Eastern Partnership' at May Summit

The EU will launch its "Eastern Partnership"—a renewed and robust European neighborhood policy—at the Prague Summit in May. Says one Union official: "The Eastern Partnership is aimed at increasing financial support from and cooperation with the European Union in those countries where Russia still casts a long shadow." Energy security and gas pipeline projects will be primary topics discussed between the six former Soviet republics and EU leaders.

www.eubusiness.com

BBC: Georgian refugees seek brighter future

The Georgian government has taken extraordinarily swift action to build 6,000 homes and provide critical supplies and compensation to the country's estimated 18,000 war IDPs and refugees. Yet many still long for a brighter future. "It is better than living under a plastic sheet, but then it's not like home," laments one IDP forced to flee by Russia's invasion. Says Refugee Minister KobaSubeliani: "It's far from an ideal situation now, but we plan to create one in the future."

news.bbc.co.uk

THINK TANKS & NGOS

International Red Cross: Georgia Red Cross delivers warm clothes to displaced people

Georgia's Red Cross has delivered warm winter clothes and critical supplies to 1,000 Georgian families displaced by Russia's five-day war. "If I look back at the terrible, traumatic days of August 2008, all I remember is that we had no clothes, no food, no money, no future, and not even an idea of what to do," said Ketevan, a war refugee. While appreciative of the Georgian Red Cross' efforts, many refugees share Ketevan's wishes for self-sufficiency and the right to return home. <http://www.reliefweb.int>

WEBSITES @ GEORGIA

Civil Georgia: Leading independent English-language news website on Georgia: <http://www.civil.ge>

Georgia Update: Official government information service: <http://www.georgiaupdate.gov.ge>

Georgian Foundation for Strategic and International Studies: Leading non-governmental organization that focuses on Georgian domestic and foreign policy: <http://www.gfsis.org>

Georgian Mission to NATO: <http://embassy.mfa.gov.ge>

Georgian Parliament: <http://www.parliament.ge/>

Government of Georgia: <http://www.government.gov.ge/eng/>

Local Government: Official website of Georgia's capital, Tbilisi: http://www.tbilisi.gov.ge/index.php?lang_id=ENG&sec_id=1

Ministry of Foreign Affairs: <http://www.mfa.gov.ge>

National Investment Agency: <http://www.investgeorgia.org>

President Saakashvili's official website:

<http://www.president.gov.ge/?l=E&m=0&sm=0>