

GEORGIA UPDATE

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As he wrapped up an intensive round of meetings in New York City last week, President Saakashvili spent time with Secretary of State Clinton discussing how to strengthen the US-Georgia relationship. Next week, PM Gilauri leads a large ministerial delegation to Washington for meetings with American counterparts on implementing the US-Georgia Charter on Strategic Partnership. Meanwhile, in his address to the UN General Assembly, the president spoke of Georgia's "mental revolution." He said: "This is our great victory: we helped to create something that goes far beyond the leaders and parties that led the Rose Revolution. We helped to create a revolution of the heart and the mind."

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"With impressive progress toward greater economic freedom, Georgia for the first time has achieved 'mostly free' status. This is particularly justified by high ratings in business freedom, trade freedom, fiscal freedom, and labor freedom. With its strong commitment to economic reform, Georgia has revitalized its historic tradition of entrepreneurship."

— The Heritage Foundation on Georgia's rise up the index of 2010 Economic Freedom Index

"The Georgian people have tasted freedom, the absence of corruption, the fruits of economic development, the emergence of a true meritocracy. They have changed their behavior, their vision of the world, their dreams even, and they will mightily resist any attempts to reverse these changes—no matter if those attempts come from inside or from abroad."

—President Saakashvili addressing the UN General Assembly on Sep. 23

UPCOMING MILESTONES

Sep. 30: NATO Secretary General Anders Fogh Rasmussen visits Georgia

Oct. 4-7: PM Gilauri leads ministerial delegation to Washington for talks on the US-Georgia Charter on Strategic Partnership

Oct. 5-6: Armenian FM visits Georgia

Oct. 8: Swiss FM visits Georgia

Oct. 11-12: Turkish FM visits Georgia

Oct. 14: Next round of Geneva talks

Nov. 3-4: Iranian FM visits Georgia

Nov. 8-13: UN permanent representatives from South/Central America visit Georgia

Nov. 19-20: NATO summit in Lisbon

Dec. 1-2: OSCE summit in Astana

TOP STORIES

In United Nations Address, President Saakashvili Highlights Path to Peace in the Caucasus

President Saakashvili last week told the UN General Assembly of his vision for a free and peaceful Caucasus. "Peace is not an easy way—peace is the only way," he said on Thursday. "As the president of a young democracy that recently suffered from war and invasion and is still under partial occupation by a nuclear superpower—I can say this: peace is our most precious common goal and, at the same time, our only path towards the other goals we share." He said the Caucasus is at a crossroads and peace is within reach: "For too long, the region has suffered from division, injustice, conflict, colonization, and violence. Today, however, change is possible. I strongly believe that a common market, shared interests, and political and economic interdependence will one day give birth to a united Caucasus." The President also elaborated on the goal of reuniting all Georgians. "Walls like the one dividing Georgia will not be brought down by bombs, but by the commitment of citizens to build a free, united country—and by the commitment of the world community to enforce international law and the principles of the UN Charter," he said. "I dream about the day when an Abkhaz or Ossetian citizen of Georgia—as has happened several times in our common history—will become President of a reunited, democratic and European Georgia. And this dream will become possible in a reunited and free Georgia, a Georgia that would build positive relations and even intense cooperation with the Russian Federation.

[FULL TEXT: President Saakashvili's UN Address](#)

Alarms Grow Over Environmental Damage Caused by Construction for Sochi Olympic Games

Moscow is inflicting irreversible environmental damage in Georgia's Russian-occupied territory of Abkhazia through its preparations for the 2014 Winter Olympics in nearby Sochi, Georgia's environmental ministry said last week. According to the ministry, Russia is extracting large quantities of rock and sand from coastal riverbeds and exporting them to Russia to construct facilities for the Games. Russia's exploitation of the wealth of natural and raw materials indigenous to the area has strengthened river flows into Black Sea coastal areas, and has caused mass environmental degradation along the coastline, the ministry said. "The Olympic Games should facilitate peace and friendship among nations without causing irreversible environmental damage," the ministry emphasized in a statement. Many other international groups have also sounded the alarm on Russia's Olympic construction practices and their impact on the environment. Russia's own Audit Chamber earlier this month raised environmental concerns about the Olympic preparations, saying Sochi is facing an apparently insurmountable problem of how to dispose of millions of tons of construction waste.

[AFP: Olympic Works Damaging Environment in Rebel Region](#)

Parliament Begins Debate on Constitutional Amendments

Parliament last week launched debate on proposed changes to the constitution, passing the draft amendments by a vote of 123-4 during a first reading. Justice Minister Adeishvili presented the draft to lawmakers, leading the three-hour long debate. After summarizing key points of the draft, Adeishvili responded to lawmakers' questions and said ruling party legislators would seriously consider during the second reading recommendations to further reduce presidential powers. Also, under the draft proposal, the president will remain the supreme representative of Georgia in conducting foreign relations—a notion that drew some concern from the Council of Europe's legal advisory body, the Venice Commission. According to the Commission, this provision could be a source of conflict with the government. Said Adeishvili in response to the Commission's comments: "We are ready to discuss in detail if there is any concrete proposal on how to avoid conflict between the President and the government over foreign policy issues during the second reading."

[CIVIL GEORGIA: Constitution Second Reading Debate This Week](#)

Georgia Continues Impressive Rise Up the Economic Freedom Index

A ranking of economic freedom developed by the Wall Street Journal and the Heritage Foundation places Georgia at 26th in the world, an extraordinary one-year rise from 43rd in 2009—and just two notches behind Germany. "With impressive progress toward greater economic freedom, Georgia for the first time has achieved 'mostly free' status. This is particularly justified by high ratings in business freedom, trade freedom, fiscal freedom, and labor freedom. With its strong commitment to economic reform, Georgia has revitalized its historic tradition of entrepreneurship," said the report, noting the government's advances in improving trade freedom, property rights, and freedom from corruption.

[THE HERITAGE FOUNDATION: 2010 Index of Economic Freedom](#)

Legislation to Simplify Tax, Regulatory Systems, Cap Deficits Set for Debate in Parliament

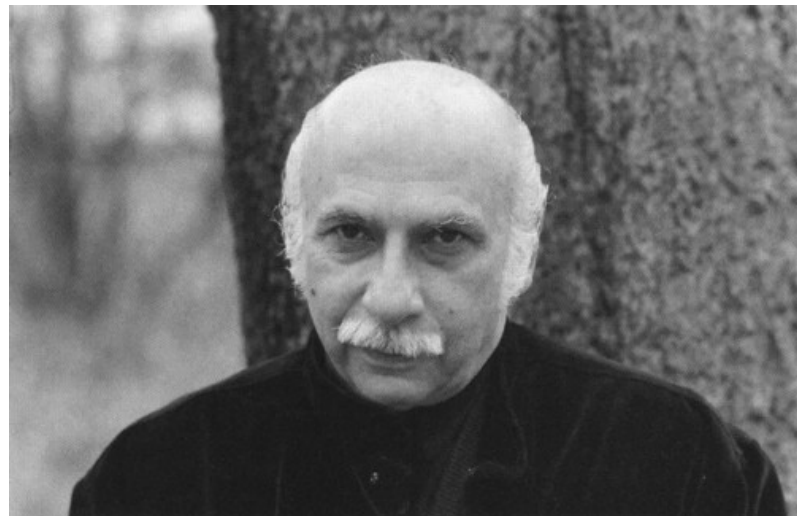
Georgia's Act of Economic Liberty, which will simplify Georgia's tax and regulatory systems, is set for debate in Parliament this autumn. The Liberty Act, as it is known, would require a referendum to increase taxes, ban the establishment of new regulatory agencies, and prohibit the introduction new licenses and permits. Budget expenditures would be capped at 30% and budget deficit spending could not exceed 3% of GDP. President Saakashvili last week said Georgia would negotiate with the EU on to ensure the Liberty Act is compatible with the EU-Georgia Association Agreement being negotiated.

[CIVIL GEORGIA: Act of Economic Liberty Planned in Autumn](#)

Donald Trump Plans to Build Tower in Georgia

Donald Trump finalized plans to launch a multi-million dollar investment project in Georgia during a meeting with President Saakashvili in New York last week. The Trump Corporation, together with the Silk Road Group, will finance and build an analogue of the world-renowned Trump Tower in Georgia. It will be located either in Tbilisi or in the booming Black Sea resort town of Batumi. Trump executives have called Batumi a "real phenomenon" due to its fast growth and extraordinary potential.

[RUSTAVI: Trump Tower Analogue to be Constructed in Georgia](#)

**Ensemble du Monde to Premiere Giya Kancheli's Night Prayer in NYC**

Ensemble du Monde, one of the world's most dynamic and innovative chamber orchestras, opens the season this Saturday at Merkin Concert Hall in New York City with the American premiere of Georgian composer Giya Kancheli's sublime new work "Night Prayers for Clarinet, Strings, and Tape." Kancheli, one of Georgia's most distinguished composers, is a leading figure in the world of contemporary music. His music, deeply spiritual in nature, draws inspiration from Georgian folklore and sings with a heartfelt, yet refined emotion; it is conceived dramatically with a strong linear flow and an expansive sense of musical time.

www.broadwayworld.com

INTERNATIONAL MEDIA ON GEORGIA

FOX NEWS: President Saakashvili interview

“The pattern of Russian policy has been to keep problems going in order to capitalize on them,” President Saakashvili said last week in an interview with Fox. “So if Iran is solved, if the whole issue goes away, then what’s the leverage for the Russians with the US?” he asked, drawing parallels with Russia’s aggressive policy towards Georgia. “So they are playing it pretty smartly—promising things to the West, but also delivering things to the Iranians.” Saakashvili also underscored Georgia’s steadfast commitment to preserving peace in Afghanistan, highlighting the country’s troop contribution to NATO’s mission: “We cannot leave Afghanistan without solving this. There is no way we should give up that struggle.”

video.foxnews.com

THE GUARDIAN: This dangerous new world of self-interested nations

Even where the international community has stepped in, lack of leadership, selfish calculation, and a craven reluctance to make a stand increasingly characterise much of what is happening now. Georgia’s South Ossetia and Abkhazia regions remain under Russian occupation, despite the French-brokered 2008 deal for a troop withdrawal. This reluctance of individual states to risk new international entanglements or enforce existing rules is the product of a new, narrow, self-serving national self-interestedness—a sort of Tea Party philosophy writ large in which charity begins at home, the weak go to the wall, and the devil take the hindmost. Whatever the reason, it’s all very shortsighted, and dangerous, too.

www.guardian.co.uk

THE INDEPENDENT: They forced me out for telling the truth about Georgia

“My reports on the plight of Georgians displaced from Georgia’s Russian-occupied region of Abkhazia never made it on air,” says William Dunbar, a former *Russia Today* journalist. “When I quoted a diplomat as saying that Georgia’s 2008 parliamentary election marked significant progress, I almost got the sack,” he added. Dunbar also described his experience covering Russia’s bombing campaign of Georgia, which led to his resignation: “As the day progressed, there was more bombing, and more civilian deaths. That evening, RT wanted another phone interview. This time I was to deny an inaccurate CNN report about an air strike on Tbilisi, but not mention the very real bombing of other parts of the country. I declined, and tendered my resignation.”

www.independent.co.uk

FOREIGN POLICY: How Obama’s team convinced Russia not to sell arms to Iran

Russia’s decision not to sell arms to Iran, which is seen by as being driven by Medvedev himself, is being touted by the White House as a new dawn in the US-Russia relationship and a significant move in further isolating the embattled regime in Tehran. Yet, Russia’s rejection of international appeals during the Georgia war in 2008 showed how little Moscow felt it had to lose by crossing the West. “They didn’t care what Washington thought because they had nothing at stake,” said Samuel Charap of the Center for American Progress.

thecable.foreignpolicy.com

AGENCE FRANCE PRESSE: US calls for reviving conventional forces in Europe treaty

Secretary of State Clinton called last week for reviving a Cold War-era treaty setting limits on troops and weapons which Russia froze nearly three years ago. “All participating states, including Georgia and Moldova, must have the right to agree to the stationing of foreign forces on their sovereign territory,” she said. The 1990 CFE places limits on troops and heavy weapons from the Atlantic coast to the Urals—a major agreement that helped resolve the Cold War standoff.

rawstory.com

**THE INDEPENDENT: Georgia’s mountain wilderness opens up to the world**

A wild landscape of glacier-capped peaks, forested valleys and villages huddled around medieval stone towers have been locked away for centuries. But Georgia’s Upper Svaneti region (above)—one of the highest and most remote settlements in Europe—is finally opening up to the outside world. In a bid to attract tourists and develop the region’s economy, Georgia’s government has launched a major program to improve transport links to Svaneti, spending millions to refurbish roads and announcing plans for a new airport in Mestia, the regional capital.

www.independent.co.uk

EURASIA DAILY MONITOR: US policy on defense assistance to Georgia—neither yes nor no, perhaps sometimes

While US assistance for Georgia’s defense remains frozen, Moscow is ignoring objections to its own arms deliveries to Russia’s friends. Thus, Moscow compelled one close US ally, Israel, to desist from aiding another close US ally, Georgia. The US seemed unable to protect one ally from Russian blackmail and the other ally from Russian invasion. In combination, those developments could be seen as harbingers of unraveling in the US-led alliance system. Georgia handles the issue of assistance carefully, avoiding any move that would put the US on the spot.

www.jamestown.org

FRANKFURTER ALLGEMEINE ZEITUNG: Prussia goes to Tbilisi

The Georgian National Museum has launched a new EU-funded twinning project with Germany’s Prussian Cultural Heritage Foundation. The project aims to support the institutional development of Georgia’s museum by establishing a knowledge-sharing system in the field of common museum standards, preventive-conservation practices, and construction planning. The exchange programs will bring the experience and expertise of both Georgian and German scientists together. The German-Georgian collaboration is the EU’s first twinning project in the cultural field.

www.staatliche-museen.de

THE ECONOMIST: Georgian wine—What doesn’t kill us makes us stronger

Four-and-a-half years after Russia imposed an import ban on Georgian wine, forcing vintners to up their game in a bid to attract new customers, President Saakashvili thanked Putin for helping to make Georgian wine even better. He had a point. In 2004, 80 percent of Georgian wine exports went to Russia; now the stuff is sold in over 30 different countries. And to compete internationally, the quality of the best wines has increased: at the beginning of this month, for instance, Badagoni’s 2007 Alaverdi Tradition collected prestigious Decanter award in London.

www.economist.com