

GEORGIA UPDATE

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www.georgiaupdate.gov.ge

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Two high-profile delegations from Germany's Bundestag visited Georgia this week as part of a week-long tour to boost bilateral relations, focusing on the political and economic fronts. MPs from the "Parliamentary Friendship Group for Relations with South Caucasus States" and from the "Parliamentary Committee on Economic Cooperation and Development" met with President Saakashvili, Speaker Bakradze, and several members of Georgia's civil society to discuss the country's significant progress toward democratic and economic reform, as well as human rights issues.

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QUOTES OF THE WEEK

"We discussed the need to ensure security and confidence for Georgia and Russia in implementing the 2008 ceasefire in full.... Of course it's no secret that there are difficult issues where we differ. We can't pretend these don't exist; we must continue to have frank discussions about them as we've had today."

♦ British PM David Cameron after meeting with Russian President Medvedev in Moscow

"Having in mind what Georgia did in performing military reforms, in performing democratic reforms, and keeping in mind Georgia's exceptionally strong participation in ISAF operations in Afghanistan, it leaves no doubt for me what we should do everything to prove to all NATO member states that Georgia deserves a very strong and substantial signal at the NATO summit in Chicago.... We do not want an empty declaration; we want a very concrete declaration from the summit."

♦ Lithuanian FM Audronius Azubalis in Tbilisi

UPCOMING MILESTONES

Sep. 13-23: Vice PM Baramidze visits Washington DC, Chicago, Missouri, Florida

Sep. 15-16: Speaker Bakradze visits Slovenia

Sep. 23: President Saakashvili addresses UN General Assembly

Sep. 29-30: President Saakashvili attends EU Eastern Partnership Summit in Poland

Oct. 4: Next round of Geneva peace talks

Oct.: French President Sarkozy visits Georgia

Nov. 9-10: NATO Secretary General Anders Fogh Rasmussen and North Atlantic Council delegation visit Georgia

May 15-22: NATO summit in Chicago

TOP STORIES

Georgia, Moldova Forge Common Cause in Pursuit of Integration Into European Union

President Saakashvili, together with Moldovan PM Vlad Filat, announced plans last week to unite efforts in their mutual pursuit of EU integration. On the sidelines of an economic forum in Krynica Zdroj, Poland, Saakashvili and Filat "agreed on developing a joint, effective action plan" to accelerate integration with the EU, according to a statement released by President Saakashvili.

Speaking in Krynica, Polish PM Donald Tusk, whose country holds the rotating EU presidency, applauded the progress both countries had made on the path toward European integration: "A few years ago, no one thought that the path of Georgia and Moldova towards Europe would be so fast," he said, adding that their determination "shortens the path" toward EU membership. Tusk also encouraged Brussels to send "a very powerful" message to Georgia and Moldova to further boost their efforts. Meanwhile, Saakashvili said he was expecting "a very serious breakthrough" this fall in Georgia's EU integration efforts. Georgia and Moldova aim to advance their EU relations at the upcoming Eastern Partnership Summit in Warsaw in late September.

Georgian officials also said that they aim to launch negotiations soon on a deep and comprehensive free trade agreement with the EU. "This will be a very important step and we think that the major achievement this year will be the launch of talks on a free trade agreement," said Georgia's Ambassador to the EU, Salomé Samadashvili. Launching talks on visa-free travel with the EU will be a main priority for next year, she added. Georgia and the EU finalized a visa facilitation agreement in March, simplifying procedures for obtaining visas for certain categories of Georgian citizens.

[DEUTSCHE PRESSE AGENTUR: Georgia and Moldova closer to EU membership says Poland's Tusk](#)

[CIVIL GEORGIA: Saakashvili, Moldovan PM Discuss Joint Plan](#)

[CIVIL GEORGIA: Georgia to Launch Free Trade Talks with EU](#)

In WTO Talks, Georgia Underscores Need for International Monitors

Georgian and Russian negotiators met in Switzerland Monday for the fifth round of WTO talks; however, the meeting ended with "no result" and will be continued, according to FM Vashadze. Russia hasn't accepted the "concrete demands and compromises" offered by Georgia, Vashadze said, declining to disclose further details of the negotiations.

Georgian officials last week underscored the importance of stationing international monitors along the Russian-Georgian border, saying their presence must be a prerequisite to Russia's WTO membership. "We are asking for something very simple," said Deputy FM Gordadze. "WTO membership demands customs transparency, and that's what we want to see," he said, adding that Russia has violated these principles. International monitors must be stationed at the borders to ensure customs transparency and compliance, he said.

Gordadze also emphasized that Georgia wants to support Russia's 18-year-old bid to become a WTO member, pending Moscow's adherence to international customs laws. "We want Russia to join the WTO. That would mean it had to keep to rules it's currently ignoring, such as the illegal goods embargo it imposed on Georgia," he said, referring to Russia's 2006 ban on Georgian food products, such as wine and mineral water, and on transportation services.

[BLOOMBERG: Georgia Fails to Reach WTO Accord With Russia](#)

[BLOOMBERG: Georgia Wants Any Russia WTO Deal to Have International Monitors](#)

After Russian Airspace Violations, Georgian Urges Vigilance by International Community

Georgian officials last week briefed foreign diplomats on Russia's recent violation of Georgian airspace. In a meeting attended by EU, American, British, German, Italian, Dutch, and French diplomats, Deputy FM Kapanadze said the sustained foray by three Russian Mi-8 helicopters into Georgian airspace was "yet another breach" of the 2008 ceasefire agreement, and a blatant "escalation of the situation." The MFA urged Western diplomats to continue pressing Russia to respect the ceasefire agreement. The Russian military helicopters flew 3 kilometers into Georgia last Wednesday and circled for 15 minutes over a Georgian border guard post near Shatili village.

[CIVIL GEORGIA: Tbilisi Calls on Western Diplomats to React on Reported Violation of Georgia Airspace](#)

Members of Armed Opposition Group Sentenced to Prison

Fifteen opposition supporters in Georgia last week received prison terms of up to six years last week for forming an illegal armed group to bring a fugitive politician back to the country. The accused "created an illegal armed formation with the aim of ensuring the security of Irakli Okruashvili after his arrival in Georgia and carrying out activities against the interests of the state and the Georgian authorities," a statement from the Tbilisi City Court said. The men were given sentences of between six months and six years after pleading guilty and striking a plea bargain.

[AGENCE FRANCE PRESSE: Georgia Jails Armed Opposition Group](#)

Foreign Visitors to Georgia Soar 42% in 2011

Tourism to Georgia soared 42.6% year-on-year in the first eight months of 2011, as the country attracted over 1.79 million foreign visitors. According to the Interior Ministry, 355,924 foreign citizens traveled to Georgia in August, a 42% hike compared to last August. Azerbaijani citizens have made the most visits during this stretch, with 456,282 entries. State statistics also show that the frequency of visits by Russian nationals doubled to 44,854 since last August, with over 10 percent of Russians originating from the North Caucasus republics. Parliament last October passed a 90-day visa free travel law for Russian citizens from North Caucasus states and later relaxed in July visa restrictions for all Russian citizens, contributing to the influx in visits from Georgia's northern neighbors.

[CIVIL GEORGIA: Georgia Reports 1.79 mln Visits by Foreign Citizens](#)

Norwegian Firm to Invest \$660M in Georgian HP Project

Norway's Clean Energy Invest is aiming to double its multi-million dollar investment in a hydropower plant in Georgia, seeing greater profit potential in the energy project. The energy giant seeks to expand the cascade capacity of its plant from 175 MW to 300 MW, which will boost annual production from 863.6 million kWh to 1.2 billion kWh. "While earlier it was expected to be \$325 million, in the revised version it will increase to \$660 million," said a Georgian official. The cascades will be built on the Acharistskali River in Georgia's Adjara region. The project will be completed in late 2014. Construction on five other privately-funded hydro power plants with an installed capacity of more than 1,000 MW is expected to start in the coming months.

[INTERFAX: Norway's Clean Energy to up Investment in Georgian hydro project to \\$660 mln](#)

New Low-Cost Flights to Dubai to Launch in November

Dubai-based flydubai announced plans this week to launch a new route to Tbilisi, expanding low-cost travel opportunities for Georgian citizens. In an agreement signed by Deputy Economy Minister Karbelashvili and flydubai CEO Ghaith, the discount air carrier will offer bi-weekly flights starting in November. A roundtrip ticket will cost \$270. Established in 2008, flydubai operates in over 40 destinations. Qatar Airways, one of the Arab world's largest air carriers, also plans to offer a new Qatar-Georgia flight route in February.

[GULF NEWS: Flydubai to Launch Flights to Tbilisi in November](#)

INTERNATIONAL MEDIA ON GEORGIA

EUROPEAN VOICE: Cameron goes to Moscow—finally, forlornly

In London, there is frustration at endless Russian foot-dragging at the UN. Britain would like Russia to help unfreeze conflicts such as Transdniestria and S. Ossetia, a tiny region of Georgia occupied by Russian soldiers. Europe's inability to forge a united policy toward Russia will again be on display during Britain's PM David Cameron's visit to Moscow this week. The EU's reset button with Russia is as badly stuck as the UK's.

www.europeanvoice.com

CONSERVATIVE HOME: UK must continue to focus on Georgia

I warned in 2008 that we in the West should not neglect Georgia. That concern remains as true then as it does now. David Cameron told the Commons recently that he intends to raise Georgia when he visits Moscow. Other leaders must do the same. In 2008 we were caught off guard. We must not make that mistake twice.

conservativehome.blogs.com

WASHINGTON TIMES: Too much patience risks renewed violence in Georgia

Why should the US be concerned with Russia's illegal occupation of Georgia? Georgia is a friend and ally. The United States provided more than \$1 billion in foreign aid after Russia's 2008 invasion. The 2009 US-Georgia Charter on Strategic Partnership enshrines cooperation. Georgia's location makes it a vital trans-Eurasian energy-transit country, enhancing energy supplies to the West. Left unchecked, Russia's neo-imperialist tendencies could destabilize the South Caucasus, swallow Georgia, and undermine energy security for the West.

www.washingtontimes.com

PHILADELPHIA INQUIRER: US enlists Georgia in thwarting dirty-bomb threat

Although nuclear smuggling has been reported from Ethiopia to Myanmar to Portugal, the US government has focused on Georgia, Singapore, and Dubai because they are transit hubs with long reputations for smuggling. Since 9/11, Georgian police have seized radioactive material at least 11 times. The nerve center of Georgia's nuclear anti-smuggling effort is in Lilo. Georgians have used US funds to set up in Lilo a training center for radiation detection, a pilot project American officials hope to replicate in other former Soviet states.

articles.philly.com

BLOOMBERG: Russia counts on neutral Swiss to win Georgia's blessing

Russia is counting on Switzerland's status as the world's second-oldest neutral nation after Sweden to help end its unprecedented 18-year wait to join the WTO. To be sure, acting as a mediator also fosters ties with Russia, the 11th-largest economy in the world in 2010. Russia holds the G-20 presidency in 2013 and Swiss Economics Minister Johann Schneider-Ammann has asked Russia to include Switzerland in the deliberations of the world's most powerful nations.

www.bloomberg.com

THE COMMENTATOR: The Abkhazian presidential election—an irrelevant sideshow

The "election" in Abkhazia does nothing to strengthen the case for the independence of Georgia's Russian-occupied territory. Indeed, the basic mathematics associated with last week's poll merely serve to highlight the farcical nature of the Abkhaz independence movement and highlight the true extent of ethnic cleansing which has been perpetrated in the region. As long as Moscow continues its policy of annexing the province by stealth and sponsoring policies designed to prevent the return of ethnic Georgians, Abkhazia will remain the pariah of modern-day Europe.

www.thecommentator.com

**LE MONDE: Discovering Georgia**

One must arrive at night into Tbilisi. The magnificent illumination of the capital surprises even the most blasé of travelers. The Narikala fortress and the TV tower perched on hillsides, the balconies of houses, the churches, the bridges over the Kura River: Everything glows. And to think that before 2004, the nights were dark, because electricity was lacking. A trip to the past, all the more captivating because it is spared mass tourism. And that is because Georgia enjoys a quality that is rare nowadays: Tourists remain few. That could not last long.

www.lemonde.fr

FREITAG: Bringing development to the Pankisi Gorge

The Georgian government has made substantial efforts to stabilize the situation in the Pankisi Gorge, which is said to have once served as a retreat for Islamist terrorists. Local policemen use new and improved equipment and receive regular pay, causing police corruption in this area to decrease significantly. Meanwhile, the Georgian government, in cooperation with the UN, has implemented programs to improve the living conditions of Chechen refugees in the region. The UN has built houses for the North Caucasus refugees on land provided by the government.

www.freitag.de

COLUMBUS LEDGER-ENQUIRER: John Shalikashvili—remarkable life of the ex-refugee soldier with the unpronounceable name

General John Shalikashvili was born in Warsaw, Poland, to a refugee from Georgia, Prince Dmitri Shalikashvili, who descended from the Georgian noble house of Shalikashvili and served in the Imperial Russian army. In the course of John's long, distinguished military career abroad, Shalikashvili among other jobs commanded an Army division, was commanding general of NATO and US Army/Europe, and then, finally, chairman of the Joint Chiefs of Staff—the highest military position in US.

www.ledger-enquirer.com

FINANCIAL TIMES: Bank of Georgia—a punt worth taking

The Bank of Georgia has much going for it. It was one of the best performing stock among shares of banks from the former Soviet republics last year. Despite the interruptions of the 2008 Russian invasion and the financial crisis, the bank has ridden the stronger economic growth and improving business climate thanks to liberal economic reforms since Georgia's "Rose" revolution of 2003. In seven years, its market value has grown from \$20 million to \$454 million today.

blogs.ft.com

SCOTLAND ON SUNDAY: Rugby World Cup—Georgia on their minds

"Georgia for me was a fantastic experience," said Michael Bradley, the coach of Edinburgh's team who once served as advisor to Georgia's squad. "I was there, on and off, for about seven months and in that time we played seven internationals and we won all seven of them.... They are not wealthy in financial terms but they are certainly wealthy in terms of the values in their life."

scotlandonsunday.scotsman.com