

GEORGIA UPDATE

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President Saakashvili, in New York this week to address the UN General Assembly, focused on the spread of democracy and the fight against extremism. “A universal call to freedom is rising even in places where some doubted it could,” he told his fellow leaders at the United Nations. “Yet it is being met by a monstrous effort to quell it.” The President also held meetings with President Obama, over a dozen other heads of state, and business and media leaders. In addition, together with former President Bush, he launched the Concordia Summit on anti-extremism.

INTERNATIONAL MEDIA ON GEORGIA

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RUE 89: 24-years-old Khatia Buniatishvili lays her life on the piano

QUOTES OF THE WEEK

“When aspiring populations are free to live their lives, practice their trades, raise their children, voice their ideas, and press their grievances, the space for terrorists to recruit, or demagogues to sow ethnic hatred, starts to evaporate.”

“To those who still see the extension of the EU and NATO as a threat, I would like to say that the Cold War ended in December 1991—that they should not be afraid of having democratic neighbors wishing to join the EU and NATO—that there is no hidden agenda or secret plot in Washington or Brussels to undermine their sovereignty.”

“September 11 serves as a stark reminder that the world remains a battlefield. A battlefield not among religions or civilizations—but a battlefield *within* every religion, every civilization, and every culture—a battlefield between those who try to build and those who seek to destroy—between those who choose freedom and those who pledge to eradicate it, a battlefield between nihilism and the very idea of civilization.”

♦ President Saakashvili addressing the UN General Assembly today

UPCOMING MILESTONES

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. 6-7: French President Sarkozy visits Georgia

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

May 15-22: NATO summit in Chicago

TOP STORIES

President Saakashvili Addresses United Nations: “A Universal Call to Freedom Is Rising”

President Saakashvili focused on the twin themes of the fall of the USSR 20 years ago and the 9/11 attacks a decade later during his address to the UN General Assembly today. “It is time to understand that the world has changed—that an army, as powerful as it might seem, cannot ultimately deny the will of the people—that a government, as strong as it might look, cannot unilaterally and freely dismember sovereign nations—that we are not in 1938 or in 1968, but in 2011,” he said. He also spoke of how the Arab Spring, triggered by the self-immolation of a Tunisian fruit seller, shattered clichés about the Middle East being unready for democracy. “This breathtaking act of despair, ladies and gentlemen, has literally turned the world upside down. Some dictators are jailed or on the run, regimes considered impregnable have collapsed, new constitutions and orders are being born.”

He then posed a challenge to his fellow leaders: “The double anniversaries we celebrate this month—the anniversary of the fall of the Soviet Empire, and the anniversary of 9/11—continue to confront us with this central question: How can we ensure that the new spaces that have opened in our world in the past 20 years—thanks to the fall of dictators; thanks to the spread of new technologies—are filled by peace rather than violence; by tolerance rather than extremism; and by freedom rather than new forms of enslavement?” Saakashvili asked. “History will judge our generation by how actively we help to answer that question, particularly in a series of pivotal arenas: in what people call abusively ‘frozen conflicts’ in and near my own region; in the many countries in our international community that remain under tyranny’s yoke; and in the places like those Arab States that have achieved a new Spring of freedom, and are starting the difficult work of reforms.”

Saakashvili Meets President Obama; Launches Anti-Extremism Summit with Former President Bush

In New York, President Saakashvili held an informal discussion with President Obama, and met with over a dozen other heads of state, as well as prominent business and media leaders. He also joined former President George Bush to launch the Concordia Summit on Tuesday, delivering a keynote address on democracy as a foil to extremism. “Freedom and democracy are the best weapons we have against extremism—which is why extremists loath them. And this is why we must stand united in defense of our freedoms and democracies,” he said. Speaking of Georgia’s experience, he added: “Only a whole-of-government and whole-of-society approach to reform can bring tangible, enduring results. Reforms of the judiciary, police, tax collection, customs, political class, electoral code, or education system should not be implemented individually, but need to be pursued quickly and simultaneously as part of a complete project of social transformation.” The President also attended the Georgian Investment Summit, the Clinton Global Initiative, and the launch of the Open Government Partnership, chaired by President Obama and Brazilian leader Rousseff; the OGP is a voluntary association of 50 nations committed to creating detailed open government plans and to sharing best practices.

NATO’s North Atlantic Council to Meet in Georgia in November

NATO’s North Atlantic Council will visit Georgia this November, offering support to Georgia’s reform efforts aimed at joining the Alliance. The visit by NATO’s senior decision-making body allows Georgia to show NATO officials “how fast our country is developing and how our macroeconomic parameters, our democratic reforms, our defense budget, and our participation in peacekeeping missions are in line with NATO standards,” FM Vashadze said. “The meeting will focus on the NATO-Georgia relationship and reforms implemented in the country for rapprochement with the alliance.” Led by NATO Secretary General Anders Fogh Rasmussen, permanent representatives from all 28-member states will participate in high-level meetings with Georgian Government. The Council last visited Georgia in September 2008.

[CIVIL GEORGIA: NATO NAC to Visit Georgia in November](#)



Prince Albert II of Monaco embarked on a three-day tour of Georgia this week, with President Saakashvili acting as his guide. The Prince visited Kvareli, where he was given a demonstration of new techniques introduced there for grape harvesting and processing. A five-time Olympic athlete, the Prince also attended a meeting of Georgia’s National Olympic Committee and traveled to the village of Bakuriani to present a medal to the parents of luger Nodar Kumartashvili—the athlete who died in a fatal crash during the 2010 Winter Games. He also explored Georgia’s mountainous region of Svaneti, the Black Sea coastal town of Batumi, and the village of Dmanisi, where he examined new archeological finds that are rewriting history—showing that Dmanisi was occupied at the same time as, if not before, the first appearance of Homo erectus in east Africa.

No Progress on Georgia-Russia Negotiations Regarding WTO Accession; Talks to Continue

Georgian and Russian negotiators failed to reach an accord at the fifth round of WTO talks this week, as Tbilisi remains firm in its demand for customs transparency along their shared border. “These are very difficult negotiations,” said FM Vashadze at the Swiss-mediated talks. “The Georgian side is permanently making compromises,” he added, underscoring that Russia has not accepted any concessions offered by Georgia. Moscow remains “stubbornly fixated” on its position. Georgia, a WTO member with veto power, has said it will approve Russia’s 18-year bid for WTO membership once Moscow agrees to station customs checkpoints and monitors along their internationally recognized borders.

[CIVIL GEORGIA: Fifth Round of WTO Talks Yields No Results](#)
[BLOOMBERG: Georgia Fails to Reach WTO Accord with Russia](#)

FDI Up in First Half of 2011; Inflation Tamed, Down to 7.2%

Foreign direct investment in Georgia rose in the first half of the years, reaching \$377.1 million, according to Georgia’s state statistics office. Cyprus-registered companies were the largest investors with \$57 million, followed by companies from the Netherlands (\$44.8), Turkey (\$35.9M), the UK (\$32.8M), Russia (\$30M), Azerbaijan (\$24.9M), India (\$22m), the US (\$18.1M), UAE (\$17.6m), Germany (\$13M), and Kazakhstan (\$11.7M). An additional \$29.2 million was invested from companies registered in the British Virgin Islands. Georgia’s industrial sector attracted the highest share of foreign investment, with \$112 million, followed by the financial, transportation, real estate, and construction sectors. Meanwhile, the inflation rate continued its steady decline, falling from 8.5 percent year-on-year in July to 7.2 percent in August. The drop marks a significant milestone in the government’s efforts to control inflation, which reached 13.9 percent in the first quarter due to widespread volatility in global food and energy prices. Geostat attributed the drop to a 4.6 percent year-on-year decrease in food costs.

[CIVIL GEORGIA: Geostat Release H1 FDI Preliminary Figures](#)
[CIVIL GEORGIA: Annual Inflation 7.2% in August](#)

INTERNATIONAL MEDIA ON GEORGIA

BLOOMBERG: Georgia wants any Russia WTO deal to have international monitors

"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," says Georgia's Deputy FM Gordadze. "We're asking for something very simple. WTO membership demands customs transparency, and that's what we want to see. But Russia has violated that principle from the very beginning." Saying that Georgia wants "at least international monitoring at the borders," Gordadze added: "At least the talks are ongoing, and they're not completely unconstructive," he said. "It's worth continuing them."

www.bloomberg.com

LA TRIBUNE: "Every country, including Russia, must respect WTO rules"—interview with Vera Kobalia

"An agreement is absolutely possible," said Economy Minister Kobalia regarding the preconditions to Russia's admission into the WTO.

"Unfortunately Russia refuses to sit at the same negotiation table and we must thus rely on Switzerland as an intermediary," she said. "It is very difficult to speak to someone who does not even recognize you as a state."

www.latribune.fr

DEUTSCHE PRESSE AGENTUR: Georgia, Moldova closer to EU membership, says Poland's Tusk

Georgia and Moldova were getting closer to becoming EU members thanks to their political leadership, said Polish PM Donald Tusk. "A few years ago, nobody would have thought that Georgia's and Moldova's road to Europe will be so quick thanks to the determination of its political leaders," he said. Tusk praised the presidents of both countries, saying their determination was "shortening the time" it would take both nations to join the bloc.

www.monstersandcritics.com

EURASIANET: Putin tweaks Tbilisi on Ossetian annexation

While some have dismissed talk of annexation as mere posturing, one senior Georgian official believes that Moscow can incorporate S. Ossetia into Russia without any particular difficulty. "We do not know if they will do it, but they definitely can do it anytime," Georgian Deputy FM Kapanadze said. "It can be motivated by many things, such as internal politics, international politics, or sending a message to someone."

www.eurasianet.org

AFP: Georgia sees unexpected jump in foreign investment

Georgia last year saw an unexpected jump in foreign direct investment, which shot up 24% despite an effective economic embargo imposed by Russia, official data showed. Total FDI for 2010 reached \$814 million, the national statistics office said, revising an earlier estimate of a 16 percent decline. The largest sources of foreign investment by country last year were the US, Turkey, and the Netherlands.

www.ipotnews.com

RADIO FREE EUROPE: The fall of Robert Sturua sets a new standard in Georgian public life

If in a western democracy a public figure who receives his salary courtesy of the taxpayer said something similar to what Georgian art director Robert Sturua said, he would not remain in office for very long. The Georgian authorities have to be extremely careful in light of repeated accusations of authoritarianism. Whether or not those accusations are justified is another matter.

www.rferl.org

**THE TELEGRAPH: This is our time says Georgia's giant forward**

"We have made huge progress in the last four years and if the support continues from the International Rugby Board, we will definitely progress more and show that we are not underdogs any longer and deserve to play the big teams," said Georgian rugby star Mamuka Gorgodze. Gorgodze would certainly hold his own against any of those so-called big teams. Playing in his second World Cup, Gorgodze feels the moment is right for Georgia to show what they have to offer.

www.telegraph.co.uk

BALTIC COURSE: Lithuania to aid Georgian health facilities

Lithuanian FM Azubalis met with health-care administrators in Georgia to discuss Vilnius' healthcare development project in the country. "This is a genuine and sincere project, which aims to help people regardless of their rank, social status, or gender," Azubalis said, adding that Lithuania will supply hospitals in Georgia's Samtshe-Dzhavaheti region with modern EKG machines. "Health is one of the most important aspects in a person's life," he said. This is the second project involving Lithuanian assistance to Georgian health institutions.

www.baltic-course.com

BLOOMBERG: Pheasant's Tears boost Georgia wine fight back on Russia embargo

John Wurdeman—the long-haired American artist, with his imaginatively named wine—is described by vintners as an unlikely savior of their industry in the Black Sea country of Georgia. He started the business after a Russian trade embargo, which threatened the existence of 35 existing wineries. Georgia makes some 90 million liters a year and previously exported 80 percent to Russia. Georgia exported in 2010 a total of 15 million bottles, up 34 percent on 2009, going to 46 countries.

www.bloomberg.com

HAMBURGER ABENDBLATT: Aid group supports Georgian villages

The Hamburg-based aid group "New Frontiers—Integrated Support for the Caucasus" held a donation campaign last week to generate support for development in Georgian villages. The organization was able to donate not only clothes but also computers for schools in small, Georgian villages. Founded by German pastor Dirk Evert, New Frontiers, in close cooperation with the village schools, is developing plans to establish an institute for computer education in the Dusheti district.

www.abendblatt.de

RUE 89: 24-years-old Khatia Buniatishvili lays her life on the piano

The Buniatishvili Comet has appeared without forewarning in the skies of the piano world: the recording of an album dedicated to Liszt, an exclusive contract signed with a recording label, and there she is bringing fire to stages all over the world: 24-year old Khatia Buniatishvili, unknown until a few months ago, is a bright ray of sunlight. "Do not sing, my beauty..." goes the melody of the "Georgian song" written by Rachmaninoff. A similar aura, imbued by a painful flame, emanates from Khatia Buniatishvili. On the piano and in life.

www.rue89.com