

# GEORGIA UPDATE

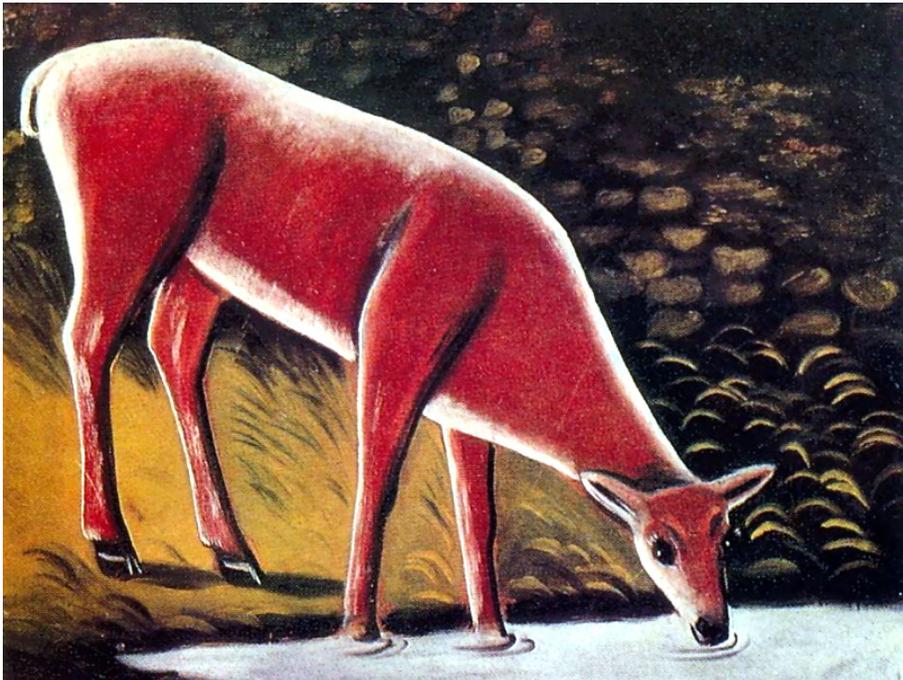
WEEKLY EDITION • 5 January, 2012

A Publication of the Government of Georgia

[www.georgiaupdate.gov.ge](http://www.georgiaupdate.gov.ge)

## TOP STORIES

- European Court of Human Rights Accepts Georgia's Case Against Russia
- Parliament Approves New Troops to Afghanistan, Making Georgia's the Largest Non-NATO Force
- New Electoral Legislation Brings Transparency, Constraints to Campaign Funding
- Georgia, Occupied South Ossetia Swap Prisoners Ahead of New Year
- GDP Grows 7.5% in 3rd Quarter, Set to Hit 6% for Year; FDI Rises
- Georgia's Tourist Arrivals Soar 40% in 2011



Global auction house Sotheby's last month sold a painting by renowned Georgian painter and self-taught artist Nikoloz Pirozmanashvili for nearly \$775,000. The oil masterpiece, "Roe Deer Drinking from a Stream," had been part of a private collection from the Gedevanishvili estate since the 1930s. The work was the second Pirozmanashvili piece sold by Sotheby's in the past two months. Pirozmanashvili's "Shepherd" sold for nearly \$1 million in November.

## INTERNATIONAL MEDIA ON GEORGIA

**POLITICO:** Senate must send signal to Russia

**WALL STREET JOURNAL:** Russian spring has begun

**EURASIANET:** US Congress demands renewal of arms sales to Georgia

**LA CROIX:** Researcher in France, minister in Georgia

**AFP:** Opposition tycoon loses Georgian citizenship appeal

**THE INDEPENDENT:** What does Russia really think about Vladimir Putin?

**NEW YORK TIMES:** Nino Machaidze rises to fame

**JERUSALEM POST:** Rivlin invites Georgian counterpart to Knesset

**AFP:** Russia and Georgia hail stability, calm in region—mediators

**BBC:** Georgians rediscover Christmas tree traditions

**NEW YORK TIMES:** Constantine Sidamon-Eristoff, environmental advocate, dies

## QUOTES OF THE WEEK

"I think the good news is that the new elections code and the amendments to the law on the political alliances of citizens have managed to take on board a number of recommendations of the Venice Commission connected with the rights to take part in elections and to be elected, the place of women, the financing of parties, as well as some issues connected with election day."

♦ Philip Dimitrov, EU ambassador to Georgia, on Parliament's electoral code reforms

"We have achieved serious progress on many fronts. Georgia's economy has been developing at a faster rate than the economies of most countries in the region. We have continued carrying out our reforms at a very quick pace. We have the most state-of-the-art customs service, the most state-of-the-art tax service, the most successful, transparent, young state apparatus focused on being in service to the people—and I am very proud of all this."

"In 2008 our enemy thought Georgia was leveled to the ground. But in recent years an opinion has been firmly established throughout the entire post-Soviet space—in Ukraine, in Central Asia, among our neighbors, and even in Russia—that Georgia is an absolute leader in terms of carrying out reforms and fighting corruption. This is a very important response to the aggression that was carried out against us."

♦ President Saakashvili in his New Year's address

## UPCOMING MILESTONES

**Jan:** EU and Georgia begin talks on a deep and comprehensive free trade agreement

**Mar:** Next round of Geneva peace talks

**May 15-22:** NATO summit in Chicago

**May 26:** Parliament relocates to Kutaisi

**Oct:** Parliamentary elections

## TOP STORIES

**European Court of Human Rights Accepts Georgia's Case Against Russia**

The European Court of Human Rights has accepted Georgia's ethnic-cleansing case against Russia, marking an important step forward in Tbilisi's efforts to bring justice to Georgian victims. The decision, announced in late December, comes three months after the Strasbourg-based court held an initial public hearing to consider the merits of Georgia's case. Georgia accused Russian troops and their proxies of carrying out "indiscriminate and disproportionate attacks" against ethnic Georgians and their property in S. Ossetia and Abkhazia during Moscow's 2008 invasion. Tens of thousands of Georgian civilians were "injured, killed, detained, or missing" and forced to flee due to Russia's ethnic cleansing campaign, violating the ECHR Convention, the Georgian delegation said during its initial oral argument. Supported by a much well-documented evidence, Georgian lawyers further argued that Moscow maintained effective control over Georgia's occupied territories through its Russian-backed forces and puppet regime even after its so-called withdrawal. The ECHR will deliver its final judgment at a later date.

[AFP: European court accepts Georgia vs Russia case](#)

**Parliament Approves New Troops to Afghanistan, Making Georgia's the Largest Non-NATO Force**

Parliament has agreed to send additional troops to support the NATO-led operation in Afghanistan, making Georgia the largest non-NATO contributor to the mission. Requested by President Saakashvili, the move authorizes the deployment of an additional infantry battalion, or 749 soldiers, to support NATO's International Security Assistance Force (ISAF). The extra battalion brings Georgia's total ISAF troop commitment to 1,685, surpassing Australia, the current largest non-NATO contributor. "The Georgian contribution to our operation in Afghanistan helps to improve interoperability between Georgian armed forces and NATO armed forces," NATO Secretary General Anders Fogh Rasmussen recently said. The announcement comes as Georgians mourn the death of the 11<sup>th</sup> Georgian soldier killed in Afghanistan. Corporal Besik Niniashvili died last week in a fatal mine explosion while serving alongside NATO-led forces in the volatile Helmand province. Georgia joined the NATO-led operation in November 2009.

[CIVIL GEORGIA: MPs Approve Sending More Troops to Afghanistan](#)  
[AFP: Eleventh Georgian Soldier Killed in Afghanistan](#)

**New Electoral Legislation Brings Transparency, Constraints to Campaign Funding**

Parliament last week endorsed new constitutional amendments that tighten regulations on campaign funding and enhance electoral transparency. Passed by an 81-8 vote during a third and final reading, the provisions prohibit corporate donations and set a threshold for individual contributions to political parties and campaigns. The new law caps political party donations by individuals at \$35,921 per year, establishes a party membership fee threshold, and authorizes the Chamber of Control to audit and ensure transparency of party funding. The provisions also ban parties from accepting funds or any other benefits for "political purposes" and cap the total amount of political party funding at 2% of GDP. Lawmakers underscored the importance of the reform in linking party funding to public support, and inhibiting wealthy sponsors from unfairly influencing domestic political processes. The EU applauded the new legislation, saying that many of the provisions reflected the recommendations of the Venice Commission, the EU's main legal advisory body. "I think the good news is that the new elections code and the amendments to the law on the political alliances of citizens have managed to take on board a number of recommendations of the Venice Commission connected with the rights to take part in elections and to be elected, the place of women, the financing of parties, as well as some issues connected with election day," said EU ambassador to Georgia Philip Dimitrov.

[CIVIL GEORGIA: New Party Funding Regulations go into Force](#)



*Radisson Blu, a new luxury hotel, opened its door last month s in Batumi, offering guests modern accommodations, world-class amenities, and new services. It is located in the heart of the city, just minutes from the Batumi International Airport and train station, and boasts rooms with stunning views of the Black Sea.*

**Georgia, Occupied South Ossetia Swap Prisoners Ahead of New Year**

Georgia and its Russian-occupied territory of S. Ossetia exchanged 26 prisoners last week, marking the largest detainee swap since Moscow's 2008 invasion. The exchange of 13 prisoners from each side was coordinated by the EU Monitoring Mission in Georgia and the OSCE. "Today's exchange of detainees is an important step towards building trust and helping to ensure freedom of movement," said OSCE Chairman and Lithuanian FM Audronius Azubalis. "I welcome the constructive and cooperative approach by the authorities that resulted in this exchange," he added. "I encourage the participants to make full use of this mechanism with the aim of addressing further challenges which affect the lives and livelihoods of people on both sides of the administrative boundary line."

[AFP: Georgia and Rebel South Ossetia Swap 26 Prisoners](#)

**GDP Grows 7.5% in 3<sup>rd</sup> Quarter, Set to Hit 6% for Year; FDI Rises**

Georgia's economy expanded to 7.5% in the third quarter of 2011, evidence of the country's robust economic health amid the global financial crisis and downturn. Economic activity jumped 2.3% from the second quarter of last year, according to Georgia's state statistics office, Geostat. Georgia's economy grew 6.2% year-on-year from 2010. Hikes in the country's industrial and trade sectors largely contributed to the growth, accounting for 18.3 percent and 17.2 percent, respectively, during August to September. Other expanding sectors included transportation and communication (11%), public spending (12.2%), agriculture (9.3%), and construction (7.3%). Officials expect annual growth to exceed 6% for all of 2011. Meanwhile, recently released figures from Geostat show that foreign direct investment rose 17.7 percent year on year to \$266 million in the third quarter of this year. Total FDI figures soared to \$643 million during the January-to-September period this year, a 7.1 % annual increase.

[CIVIL GEORGIA: Geostat: Q3: GDP Grows 7.5%](#)

**Georgia's Tourist Arrivals Soar 40% in 2011**

Tourism to Georgia soared 40% in 2011 as 2.8 million foreign visitors traveled to the country. According to Georgia's National Tourism Agency, Georgia's tourism sector was "very active and dynamic" last year due to the increased number of visitors: "About 2.8 million tourists visited Georgia this year and we are very glad about it," said tourism chief Maia Sidamonidze. She added that boosting employment in the tourism sector and improving the quality of tourism-related services would be top priorities for the agency next year. Nearly 61,000 people worked in Georgia's tourism sector last year, and employment numbers will continue to rise, added Sidamonidze.

[XINHUA: Georgia's tourist number grows 40 percent in 2011](#)

## INTERNATIONAL MEDIA ON GEORGIA

### **POLITICO: Senate must send signal to Russia**

During Michael McFaul's nomination hearing, he committed to being a strong advocate for human rights and the rule of law in Russia. The US ambassador to Russia has already been a loud voice in the Obama administration—arguing for high-level attention on Russia's deteriorating human rights record and meeting regularly with Russian opposition figures and civil society advocates. McFaul also reaffirmed Georgia's territorial integrity, and continued US support for Georgia's goals of joining the broader European community.

[www.politico.com](http://www.politico.com)

### **WALL STREET JOURNAL: Russian spring has begun**

The Putin regime's last resort is to inflate outside threats from Russia's eternal enemies—NATO, the West, and the US. Putin recently claimed that Russians demanding his resignation receive instructions directly from Secretary of State Clinton and are funded by US sponsors. Meanwhile Nikolai Makarov, a Russian armed forces chief, said that “the pro-NATO and anti-Russian policies of the Baltic States and Georgia could lead to local and regional military conflicts including using nuclear weapons.”

[online.wsj.com](http://online.wsj.com)

### **EURASIANET: US Congress demands renewal of arms sales to Georgia**

The military spending bill passed this week by Congress includes a provision calling on the US to “normalize” military relations with Georgia, including the sale of weapons. The timing of the bill is provocative, coming as US-Russia relations have been going through a rough spell and the Kremlin accused Georgia of harboring anti-Russian terrorists on its soil. Meanwhile, things seem to have been going Georgia's way; in addition to this news, the US and NATO have noted “significant progress” in Georgia's NATO accession process, and NATO officially designated Georgia as an “aspirant” country for the first time.

[www.eurasianet.org](http://www.eurasianet.org)

### **LA CROIX: Researcher in France, minister in Georgia**

Georgian-born French researcher Thornike Gordadze finally agreed to interrupt his academic career at Sciences-Po in Paris after being asked by President Saakashvili to become deputy foreign minister for European affairs. Gordadze grew up in Kutaisi under the USSR, whose decline his grandfather had foreseen. His grandmother, from one of those wealthy landowning families despised by the communist regime, spoke French with him and encouraged his pursuit of higher education in France.

[www.portraitofgeorgia.com](http://www.portraitofgeorgia.com)

### **AFP: Opposition tycoon loses Georgian citizenship appeal**

A Georgian court last week rejected an appeal from a billionaire tycoon against the annulment of his Georgian citizenship, which was revoked after he announced that he would try to oust the government. The judge said a decision had been made “not to satisfy the complaint regarding the cancellation of Bidzina Ivanishvili's citizenship.” Ivanishvili also holds a French passport, but he confirmed that he had cancelled his Russian citizenship.

[www.khaleejtimes.com](http://www.khaleejtimes.com)

### **THE INDEPENDENT: What does Russia really think about Vladimir Putin?**

Every time President Saakashvili tried to put a call in to Medvedev, he claimed, the Kremlin would put him through to Putin instead. The Georgian president described talking to Putin as “somebody standing with an axe at your head and saying ‘don't worry, everything's OK, just close your eyes and relax’.” Putin later told Nicolas Sarkozy that he wanted to hang Saakashvili “by the balls.”

[www.independent.co.uk](http://www.independent.co.uk)



### **NEW YORK TIMES: Nino Machaidze rises to fame**

The Metropolitan Opera is putting real muscle into the career of the young, rising soprano Nino Machaidze, who made her company debut this year as Gilda in Verdi's “Rigoletto.” Having finished a series of performances as Juliette at the Los Angeles Opera, the young soprano graced the stage of the New York's Met for the French opera, “La Fille du Régiment.” As Marie, Donizetti's daughter of the regiment, she was a winning, earthy presence, throwing herself gamely into the dauntingly physical production. Although Machaidze's voice was bright and flexible, there was an edge to her tone. Yet by force of personality, and with a role of irresistible charm, she convinced you to enjoy her.

[www.nytimes.com](http://www.nytimes.com)

### **JERUSALEM POST: Rivlin invites Georgian counterpart to Knesset**

Knesset Speaker Reuven Rivlin renewed an invitation to his Georgian counterpart Bakradze to visit the Knesset, signaling improved ties between Israel and Georgia following President Saakashvili's pardon of two Israeli businessmen “I am confident that your visit here will help foster the good relations already existing between our two countries and our two nations,” Rivlin wrote. Meanwhile, FM Vashadze visited Israel two weeks ago, following an invitation from Israeli FM Avigdor Lieberman.

[www.jpost.com](http://www.jpost.com)

### **AFP: Russia and Georgia hail stability, calm in region—mediators**

“The participants reviewed the security situation on the ground and welcomed the continued stable and calm environment,” said EU diplomat Philippe Lefort, a mediator in the Russia-Georgia peace talks. Georgians are waiting for a reciprocal non-use-of-force pledge from Moscow following the one made by President Saakashvili in 2010. Said Georgian Deputy FM Kapanadze: “We hope that over the next rounds Russia will be able to issue its pledge.”

[georgiandaily.com](http://georgiandaily.com)

### **BBC: Georgians rediscover Christmas tree traditions**

People who fled the civil conflicts in Abkhazia in the early 1990s brought their rural, Christmas traditions to Tbilisi—and they have caught on among urban types. “To make a *chichilaki* we only use branches pruned from the tree anyway to keep it healthy,” said one man as he chopped away at a hazelnut branch used to make Georgian-style Christmas trees. The *chichilakis*, or hazelnut branches, will then be burnt on January 19, the feast of Epiphany, to symbolize getting rid of the previous year's worries.

[www.bbc.co.uk](http://www.bbc.co.uk)

### **NEW YORK TIMES: Constantine Sidamon-Eristoff dies at 81**

A prince whose family nobility dates to the 15th century in the Eurasian kingdom of Georgia, Sidamon-Eristoff was a kind of supercitizen conservationist, performing innumerable decision-making roles in jobs dealing with the environment in and around New York City. His father, Prince Simon Sidamon-Eristoff, was an Imperial Russian Army officer during World War I who emigrated to the US after the Bolsheviks invaded Georgia in 1921. “He was one of those effective leaders who was also lovable,” said one former EPA chief about Constantine.

[www.nytimes.com](http://www.nytimes.com)