

# GEORGIA UPDATE

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

## TOP STORIES

- **President's Annual Address: "Georgia Is a Window to Europe"; Stresses Free-and-Fair Elections**
- **European Union Launches Free Trade Negotiations With Georgia**
- **US Assistant Secretary of Defense Visits Georgia to Deepen Security Relations**
- **Georgia Introduces First Domestically Produced Fighting Vehicle**
- **Trade With EU Hits \$193 Million in January; Foreign Investment Reaches \$1 billion in 2011**



President Saakashvili delivered his annual address to Parliament on Tuesday, emphasizing the importance of free-and-fair elections in October and measures to ensure that more Georgians benefit from the fast-growing economy. He also made a peace gesture to Russians by offering them visa-free travel to Georgia. "The fact that our country is advancing is our common achievement," he said. "But the chief challenge for us is to turn this success into a success of every individual citizen." He detailed the government's plans for major investments in education, health care, and agriculture. "Education is the key to our future success," he said. "The evolution of our society and the education of future generations will be crucial in determining whether our country can build its economy based on high technology, and whether we will be able to attract high-skilled jobs to Georgia from around the world." The President also noted that Georgia will have 130 new health centers by year's end. "We have been able to expand not only the geography of healthcare but create a powerful mechanism of social equality."

## INTERNATIONAL MEDIA ON GEORGIA

**REUTERS:** Georgian leader calls on opponents to declare stand on Russia

**TRANSITIONS ONLINE:** Saakashvili, the corruption slayer

**THE INDEPENDENT:** Nauru and Abkhazia—Why are they friends?

**REUTERS:** Three Georgian soldiers killed in Afghan south

**BBC:** Iran nuclear tensions put Caucasus on alert

**WALL STREET JOURNAL:** Putin—inside the enigma

**DIE WELT:** South Ossetian journalist seeks asylum in Germany

**EURASIA DAILY MONITOR:** Frozen conflicts seen as Russia's door into "Euro-Atlantic security community," part 2

**HUFFINGTON POST:** Tata Naka at London Fashion Week

**WASHINGTON POST:** Food memory—soup in the Caucasus

## QUOTES OF THE WEEK

"The success of a country is not measured by numbers, ratings, percentages, and articles published in foreign newspapers, but on the prosperity of the entire society and of each one of its members. The economy is not only numbers—it is how a person feels, how stable their income is, how protected that person is, and how much hope that person has for tomorrow."

"Our democracy is open to every voice and group that acts within the framework of the Georgian constitution and legal system. Our political system welcomes the existence of any opinion in the political discussion."

"Not only is Georgia a locomotive for the Caucasus into the future, but we are also a window to Europe for the Caucasus—because a modern, non-corrupt, fast-developing state has emerged in the Caucasus."

♦ President Saakashvili in his annual address

"Only those who are truly brave and free and who have strong allies, not masters, can get security guarantees."

♦ President Saakashvili speaking on Saturday

"Today is a watershed in relations between Georgia and the EU, which must undergo a qualitative change."

♦ European Commissioner for Trade Karel De Gucht

## UPCOMING MILESTONES

**Mar 5:** FM Vashadze visits Czech Republic

**Mar 8:** FM Vashadze visits Egypt

**Mar. 26-30:** First round of free trade negotiations between EU and Georgia

**Mar 28-29:** Next round of Geneva peace talks

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

**May 26:** Parliament relocates to Kutaisi

**Oct:** Parliamentary elections

## TOP STORIES

**President's Annual Address: "Georgia Is a Window to Europe"; Stresses Free-and-Fair Elections**

In his annual address to Parliament, President Saakashvili on Tuesday stressed the importance of free-and-fair elections this October, while offering visa-free travel to Russians as a gesture to improve relations with Moscow. He also set out an ambitious agenda to create jobs, spread the wealth being created in Georgia, and further boost economic growth.

"We are ready to give peace an even greater chance and are taking the initiative to unilaterally cancel the visa regime with Russia," he said. But he emphasized that he would continue to fight for the withdrawal of Russian forces that have occupied two Georgian regions since their 2008 invasion. Genuine peace, he said, would only be possible with "a Russia that recognizes and complies with all internationally accepted norms of relations between sovereign states."

Saakashvili underscored the importance of the upcoming elections. "This is a very important test for us and it is a matter of principle to make these elections the freest, the most transparent, and the most democratic ever held in Georgia," he said. "We invite all international observers to monitor the campaign and election day, because it is in our interest—it is a matter of national security."

The President, meanwhile, pledged to become a regional model of development and lead the Caucasus into the European sphere, "Not only is Georgia a locomotive for the Caucasus into the future, but we are also a window to Europe for the Caucasus—because a modern, non-corrupt, fast-developing state has emerged in the Caucasus," he said. "Georgia's historic choice is the West. But the Caucasus is also our region. There is no long-term security for Georgia without security in the Caucasus."

Saakashvili outlined a domestic development strategy based on five pillars: employment, agriculture, healthcare, democratic reforms, and security. The government will: boost tourism to Georgia and launch infrastructure projects to create additional jobs; launch five new vocational training centers; open 40 new medical centers this year, supplementing a network of 90 recently opened hospitals. Access to health insurance also will expand. "In 2012, every second citizen of Georgia will have insurance," Saakashvili said.

[AFP: Georgia's Saakashvili offers visa gesture to Russia](#)

**European Union Launches Free Trade Negotiations With Georgia**

European Commissioner for Trade Karel De Gucht traveled Tuesday to Tbilisi to launch negotiations that will lead to a comprehensive free trade agreement between the EU and Georgia. "Today is a watershed in relations between Georgia and the EU, which must undergo a qualitative change," Gucht said in congratulating PM Gilauri at the formal commencement ceremony. "Georgia got a chance and has to use it." He added: "I met with President Saakashvili earlier and noted that it is a big success for Georgia, and much has already been done." Gucht said Georgia has introduced an "ambitious schedule" for negotiations. The first round of talks will take place March 26-30, with three more rounds this year; in total, the talks are expected to last 18-24 months.

Gilauri underscored that the negotiations mark a critical milestone in Georgia's democratic progress and its road to Euro-Atlantic integration. "This path was not easy for Georgia, but we were able to make progress," he said, thanking the EU for its assistance in carrying out the reforms that have made the Georgian market much more competitive. The Deep and Comprehensive Free Trade Agreement will replace the Partnership and Cooperation Agreement, which has regulated trade until now. The DCFTA will make legislation in Georgia more compatible with EU legislation in trade-related areas and will update laws on procurement and intellectual property rights.

[RADIO FREE EUROPE: EU Launches Free Trade Negotiations With Georgia, Moldova](#)

**Georgia Introduces First Domestically Produced Fighting Vehicle**

Georgia has debuted the first-ever Georgian-manufactured combat vehicle. President Saakashvili said the 14-ton infantry-fighting vehicle, nicknamed "Lazika," set a new bar in the development of Georgia's military industry. "Very few countries are capable of producing tracked fighting vehicles," he said at an unveiling ceremony held at the Vaziani military base, adding that Lazika has strong export potential. Equipped with night-vision and thermal-imaging sights, Lazika's armament consists of a 23-mm autocannon and a 7.62-mm machine gun mounted on a remote-controlled weapon platform. "Lazika has thick armor; it is quite a mobile and strong combat weapon," said Defense Minister Akhalaia. Lazika was developed by the MOD's Delta research center.

[UPI: Georgia Produces Infantry Fighting Vehicle](#)

**US Assistant Secretary of Defense Visits Georgia to Deepen Security Relations**

US Assistant Secretary of Defense Celeste Wallander last week visited Tbilisi to discuss plans to expand security relations with Georgia into "new areas" in light of Georgia's military reform progress. Wallander highlighted Georgia's defense reform achievements in a speech delivered at Georgia's National Defense Academy. "Our own assessments, as well as NATO's, indicate that your reform efforts have begun to build a military that is not only more interoperable with the US and NATO, but also one that is beginning to meet Western and Euro-Atlantic standards of conduct," she said, adding that Georgia's military transformation is "vitaly important." Wallander underscored that the United States will continue to focus on the fundamentals of defense as it advances its relationship into new security areas of cooperation with Georgia. The bilateral defense relationship has recently focused on preparing troops to support NATO operations in Afghanistan, as well as on defense institution building—including the development of a defense doctrine, organizational structures, and a program of military education.

[CIVIL GEORGIA: Defense Officials Discuss Deepening Cooperation](#)

**Trade With EU Hits \$193 Million in January; Foreign Investment Reaches \$1 billion in 2011**

Georgia's foreign trade turnover with EU countries reached \$193 million in January, marking a 23% year-on-year hike; EU countries now account for 30% of Georgia's international trade. According to state statistics office Geostat, exports to the EU soared 20% from 2011 to \$37 million, while Georgian imports climbed 24% to \$155 million. Meanwhile, Georgia brought in more than \$1 billion in foreign investment in 2011, meeting earlier forecasts by government officials. While authorities are still doing final calculations, FDI in Georgia will likely amount to \$1.1 billion, PM Gilauri said. "This is a good indicator of economic growth," he underscored. "Taking into account global decreases and the situation in neighboring countries, it is quite a good result." The government forecasts 6.5% growth in 2012.

[TREND: Foreign investments to Georgia reach \\$1 billion](#)

[TREND: Georgia's trade with EU hits \\$193 million](#)

## INTERNATIONAL MEDIA ON GEORGIA

**REUTERS: Georgian leader calls on opponents to declare stand on Russia**

President Saakashvili said on Saturday Georgia would not give up its sovereignty for the sake of good relations with Russia and called on his opponents to declare their foreign policy openly before October elections. "If you like Putin, if you trust him, or his vision of Russian-Georgian relationship is acceptable for you, say it loudly," Saakashvili said. He said Western countries, unlike Russia, looked at Georgia as a partner and not as a "slave." Said Saakashvili: "Only those who are truly brave and free and who have strong allies, not masters, can get security guarantees," he said.

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

**TRANSITIONS ONLINE: Saakashvili, the corruption slayer**

"Georgia's transformation since 2003 has been remarkable," the World Bank says. "The lights are on, the streets are safe, and public services are corruption free." The World Bank credits the boldness of Saakashvili and the relatively small group of young, often western-educated technocrats he recruited to the executive branch. Rather than trying to fight corruption piecemeal, the World Bank says, Team Saakashvili launched a "blitzkrieg," capitalizing on the president's popularity and a cooperative legislature.

[eastofcenter.tol.org](http://eastofcenter.tol.org)

**THE INDEPENDENT: Nauru and Abkhazia—Why keen friends?**

Australia has reacted warily to the Russians coming into its backyard, and voiced concern about Russia's battle for influence undermining development efforts in the region. There are fears of a new round of cheque-book diplomacy. "This is a mutual thing, not a one-way street," one expert says. "The big countries are targeting them, hoping to make use of them, and get their support. They're doing it in the Pacific because the island states are very easy to dangle a carrot in front of, because of their size and the state of their economies, but they still have a vote in the UN." This could certainly contribute to a culture of political corruption already endemic in the Pacific.

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

**REUTERS: Three Georgian soldiers killed in Afghan south**

Three Georgian soldiers were killed in the southern Afghan province of Helmand on Wednesday, taking the non-NATO country's death toll to 15. "The sacrifice of Georgian servicemen is appreciated by the Georgian people... future generations will live in a united, much stronger, and more successful country," President Saakashvili said. Georgia has over 900 troops supporting NATO in Afghanistan. Another deployment of 600-700 will be sent this year, making Georgia the largest non-NATO contributors in the war.

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

**BBC: Iran nuclear tensions put Caucasus on alert**

Tensions between Iran and the West have spread to the Caucasus, where a bomb was found attached to an Israeli diplomatic car last week. "Georgia would be the nearest target for an Iranian counter-strike," said analyst Arastun Orujlu. "Azerbaijan would try to avoid any cooperation with the West. But Georgia would co-operate with great pleasure." Meanwhile some Georgians are worried that Moscow would use a conflict with Iran as a pretext to re-establish the Russian presence in the region.

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

**WALL STREET JOURNAL: Putin—inside the enigma**

Over time, Putin became more truculent. Feeling injured by the West, he behaved more rudely with Russia's immediate neighbors, thrashing Georgia in a brief conflict in 2008 over S. Ossetia; and he became ever more bullying at home. British author Angus Roxburgh has no illusions about Putin's nature, recounting how the Russian leader, having heard that Germany's Merkel was "terrified of dogs," once "brought out his dog, Koni, and allowed her to sniff around the chancellor's legs."

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

**HUFFINGTON POST: Tata Naka at London Fashion Week**

One amazing collection that caught our eye during London Fashion Week was Tata Naka, which is designed by Tbilisi-born identical twin sisters Tamara and Natasha Surguladze. Gorgeous curly-top models showcased the duo's dynamic fall 2012 collection, which was inspired by "Motown, Malawian tribes, and the photography of Seydou Keita and Malick Sidibe." In keeping with the bold colors and prints we saw during New York Fashion Week, Tata Naka advances the trend with its unique form of whimsy and cultural cues. Sixties silhouettes juxtaposed with African beaded jewelry work beautifully, and dresses printed with portraits are especially groovy. Taka Naka is celebrating its 10th anniversary this year and counts Sarah Jessica Parker and Cameron Diaz as huge fans.

<http://www.huffingtonpost.com>

**DIE WELT: South Ossetian journalist seeks asylum in Germany**

Fearing for her life, S. Ossetian journalist Maria Plieva is seeking asylum in Germany. Plieva, who is also a prominent human rights activist, has reported extensively on the political situation in the Caucasus and Russia's occupation, and has frequently been arrested by the de facto government in S. Ossetia. "She lived in a constant state of fear and has often been threatened with rape and murder," said one source.

[www.welt.de](http://www.welt.de)

**EURASIA DAILY MONITOR: Frozen conflicts seen as Russia's door into "Euro-Atlantic security community," part 2**

The Euro-Atlantic Security Initiative seems to adopt an instrumental approach to the post-Soviet conflicts. A few members of the group probably feel otherwise, but the final product sees those conflicts as impediments to seating Russia at the table of Euro-Atlantic decisions. In this respect EASI's study resembles the German-Russian initiative ("Meseberg Memorandum"), which envisages an eventual Russian role in EU decision-making, in return for Russian cooperation on Transnistria conflict-settlement. In both cases, exploring a new security order with Russia is the primary factor, whereas concern with the "frozen" conflicts is a secondary, derivative factor—a means to a larger end.

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

**WASHINGTON POST: Food memory—soup in the Caucasus**

Georgia lies over the jagged peaks of the Caucasus Mountains at Russia's southwestern border. The nation's cuisine has been heavily influenced by the Persian and Turkic peoples to its south who have been invading it, migrating through it, and marrying into it for centuries. During the Soviet period, Russians adopted many Georgian foods as their own, such as cilantro-laced beef and tomato soup, fried eggplant slices rolled around garlic-walnut paste, and flaky pies stuffed with salty melted cheese. Neither of us knew it then, but that first bowl of *lobio* and the succession of Georgian dishes that followed it planted the seeds of what would become a passionate quest to taste these dishes in their native land. Five years later I found myself on a plane bound for Tbilisi, ostensibly to teach English—but, in reality, to eat.

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