

GEORGIA UPDATE

WEEKLY EDITION • 8 March 2012

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

TOP STORIES

- **As Georgia Lifts Visa Requirements for Russians, Moscow Feigns Diplomatic Moves**
- **US Senators, NATO Commander Urge Greater Defense Cooperation With Georgia**
- **Citing Georgian Reform Progress, EU Commits €18 Million to Improve Justice System**
- **New Multiple Launcher Vehicle Debuts as Georgia's Military Production Capacity Expands**
- **Bank of Georgia Gains Premium Listing on London Stock Exchange**
- **Primitive and Eyeless, World's Deepest Land Animal Discovered in Georgia**



"I came here to underline how vital the strategic partnership between our two nations is," President Saakashvili said yesterday in an address to the Parliament of Azerbaijan. "In fact, we are much more than strategic partners. We are united by the tragic and the glorious memories of a shared past and by the same longing for a common peaceful and free future." He invoked the two countries' common fight for freedom in the early 20th century. "Our republics were absolute sisters, undertaking unprecedented efforts to build modern, democratic, Western-oriented states and societies in the Caucasus. The death of one would logically mean the collapse of the other and when Azerbaijan fell [to the Bolshevik Red Army in 1920], Georgia could not survive more than a year." In Baku, Saakashvili and his Azeri counterpart, Ilham Aliyev, signed a series of agreements on energy, sport, and data sharing.

INTERNATIONAL MEDIA ON GEORGIA

NEW YORK TIMES: Georgia—A gesture to Russia

ASSOCIATED PRESS: Georgian president—drop visas for Russians

TRANSITIONS ONLINE: Georgia's transformation

AGENCE FRANCE PRESSE: Russian TV takes off gloves in election battle

EURASIA DAILY MONITOR: "Georgian Dream" attack Georgia's NATO mission

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

BLOOMBERG: Crowd-free Caucasus, ancient towers are lure in Tusheti

XINHUA: OSCE Economic Forum in Batumi

FINANCIAL TIMES: Bank of Georgia—London calling

TELESCHAU: Interview with Katie Melua

XINHUA: Georgia to use computer assistance in driving tests

BBC: Georgia entrepreneurs compete for loans on reality show

QUOTES OF THE WEEK

"Our diplomatic relations with Russia were broken automatically once it stopped recognizing our sovereignty. And they will be automatically restored once Russia again recognizes Georgia and its sovereign borders."

♦ President Mikheil Saakashvili commenting on Russia's suggestion to restore diplomatic relations

"Of the 50 countries that are operating with us in Afghanistan, Georgia today is the second largest troop-contributing nation on a per-capita basis. As they contribute a second battalion, they'll become the highest on a troop-contributing basis. And it's very real. They're in the fight. I was visiting with a Georgian lieutenant colonel, a triple amputee, at Landstuhl. This is a brave, brave nation."

♦ US Navy Admiral James Stavridis, Supreme Allied Commander-Europe testifying in the US Senate last Thursday

"Georgia has made significant progress in reforming its criminal justice system in recent years. We are pleased with the current level of relations with Georgia, and the efforts that Georgia is making for European integration. This is a new phase of our relations, which are successfully developing."

♦ EU Enlargement Commission Stephan Füle

UPCOMING MILESTONES

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

As Georgia Lifts Visa Requirements for Russians, Moscow Feigns Diplomatic Moves

"Our diplomatic relations with Russia were broken automatically once it stopped recognizing our sovereignty—and they will be automatically restored once Russia again recognizes Georgia and its sovereignty," President Saakashvili said this weekend in response to a statement from Moscow that it would consider restoring diplomatic relations with Georgia. Russia's move came after Georgia's decision last week to unilaterally lift visa requirements for Russian citizens. That initiative aimed to strengthen relations by fostering people-to-people contacts and promoting cultural, economic, and humanitarian interaction.

"They want to have diplomatic relations with Georgia while occupying 20% of its territory and basically not respecting the very fact of the independence of the country—this is very confusing," said Georgian National Security Advisor Giga Bokeria. President Saakashvili and the Georgian government have offered repeatedly to enter into an unconditional dialogue with Russia, at any level, in order to earnestly address the issues dividing them. These include Russia's occupation of 20% of Georgia's territory, its ethnic cleansing campaign that has made IDPs of over 400,000 Georgians, and its refusal to recognize Georgia's sovereignty and territorial integrity.

"A substantive dialogue that addresses these grave concerns is a necessary precursor to the full restoration of diplomatic relations," said the foreign ministry in a statement. "A full dialogue between Georgia and Russia must lead not only to the restoration of diplomatic relations, but also to the withdrawal of Russian troops illegally occupying Georgian territory, the full implementation of the August 12, 2008, ceasefire agreement, and the recognition of the internationally recognized borders of both nations."

[ASSOCIATED PRESS: Georgian president—drop visas for Russians](#)

US Senators, European Commander Urge Greater Defense Cooperation With Georgia, NATO Progress

US senators and the country's top American military leader in Europe praised Georgia's contributions to international security during hearings on Thursday in the US Senate, and urged NATO to advance Georgia's membership in the Alliance. "I hope we can find a way to make clear at Chicago that the door to NATO has not been closed to other nations. Particularly I'm thinking of Georgia," Sen. Joseph Lieberman said. The senators also called for greater defense cooperation with Georgia. "A bipartisan report led by two members of this committee, Senators Jeanne Shaheen and Lindsey Graham, concluded last year the United States needs to build a 'more normal defense relationship' with Georgia, including defensive arms sales in coordination with our NATO allies," Sen. John McCain said. Underscored Navy Admiral James Stavridis, NATO's Supreme Allied Commander in Europe: "As they contribute a second battalion, they'll become the highest on a troop-contributing basis. And it's very real. They're in the fight. I was visiting with a Georgian lieutenant colonel, a triple amputee, at Landstuhl. This is a brave, brave nation."

[US DEFENSE DEPARTMENT: Summary of Senate Testimony](#)

Citing Georgian Reform Progress, EU Commits €18 Million

The EU has committed €18 million to fund a three-year program aimed at reforming Georgia's criminal code and strengthening rule of law. "Georgia has made significant progress in reforming its criminal justice system in recent years," said EU Enlargement Commissioner Štefan Füle. "This new program aims to build on what Georgia has achieved so far with our support, helping to reduce the prison population and further increase human rights," he said. Deputy PM Baramidze pledged to continue implementing criminal code reforms. "The Georgian government has shown itself as a reliable partner in the way of reforms," he said. Füle underscored that Georgia has become a model of justice reforms in the region. "We are pleased with the current level of relations with Georgia, and the efforts that Georgia is making for European integration."

[CIVIL GEORGIA: EU-Funded Assistance to Justice Reform](#)

**Bank of Georgia Gains Premium Listing on London Exchange**

Bank of Georgia's global depository receipts quoted on the LSE switched last week to a full premium listing, making the bank's shares accessible to more investors and eligible for inclusion in the FTSE indices. Amid a global financial downturn, the bank has proven resilient due to Georgia's transparent and well-regulated banking environment. Said CEO Irakli Gilauri: "We offer investors an opportunity to diversify their holdings and benefit from an emerging market with a proven record of sustainable growth." Bank of Georgia is the dominant financial institution in the country, with 36% of total bank loans and 34% of customer deposits. As such, it is a proxy for investing in the Georgian economy, which is growing at over 6% per year. The bank has recently completed its move to its renovated 1975 building that previously was home to the Soviet Ministry of Roads. It is one of the best examples of post-constructivism style and a landmark in Tbilisi, complete with new translucent concrete (pictured above).

[FINANCIAL TIMES: Bank of Georgia Takes Premium LSE Listing](#)

New Multiple Launcher Vehicle Debuts as Georgia's Military Production Capacity Expands

Georgia debuted its first domestically manufactured multiple-rocket launcher vehicle on Saturday, as the country's military production capabilities expand. The announcement comes just days after the defense ministry launched its first-ever Georgian-manufactured combat vehicle, the Lazika. President Saakashvili said the 14-ton infantry-fighting vehicle set a new bar in the development of Georgia's military industry. "This is a new level of development because very few countries are capable of producing tracked fighting vehicles," he said, adding that Lazika had strong export potential. The heavily armored tank features crawler tracks, remote fire control system, a machinegun and a thermal camera for night vision. Plans to produce defensive "aerial vehicles" are also underway, the President said.

[XINHUA: Georgia unveils self-made multiple rocket launcher](#)

Primitive and Eyeless, World's Deepest Land Animal Discovered in Georgia

Researchers have discovered a new species in the deep, dark caves of Georgia's Russian-occupied territory of Abkhazia. Called *Plutomurus ortobalaganensis*, the primitive eyeless insect is one of four newly discovered species of wingless insects called springtails. Researchers are calling it the deepest land animal ever found. "The discovery of such organisms in the total absence of light and with little food available changes our views of the life deep underground on Earth," said Portuguese researcher Sofia Reboleira. "It seems to be richer than we thought." *P. ortobalaganensis* was discovered at a depth of about 1,980 meters below the surface, and was trapped using cheese as a lure. Until now, the deepest known terrestrial creatures were a scorpion and an insect known as a silverfish, found about 920 meters below Earth's surface in a cave in Mexico.

[www.livescience.com](#)

INTERNATIONAL MEDIA ON GEORGIA

NEW YORK TIMES: Georgia—A gesture to Russia

Georgia will no longer require visas for Russian visitors, President Saakashvili said last week in a gesture of good will towards its neighbor. Russia has refused to have any contact with Saakashvili. Saakashvili said Tbilisi now wanted to abolish visas to send a signal to Georgian business executives and tourists that Georgia would welcome them. "We want to give peace a chance," he said in Parliament.

www.nytimes.com

AP: Georgian president—drop visas for Russians

Georgia's president says he wants to drop visa requirements for Russians, aiming for an improvement in relations that disintegrated after Russia's 2008 invasion of Georgia. In his annual address to parliament, President Saakashvili proposed unilaterally dropping the visa requirement. "It's necessary that every Russian businessman know that he can come to Georgia, spend money, take money out, do business," Saakashvili said. "A more convenient regime for this will be created."

www.foxnews.com

TRANSITIONS ONLINE: Georgia's transformation

It's hard to argue with these findings and the complementary anecdotal and scientific data cited by the World Bank in its new report on corruption reform in Georgia. Georgia's progress is remarkable given the depths of government dysfunction before 2003, when Georgians enjoyed only a few hours of power a day because leaders were selling the nation's electricity to Turkey and Armenia. But it's especially so in a region still scrubbing the stain from decades of communism—a period when corruption, not rule of law, "worked," as a former adviser to Vaclav Havel once put it to me.

eastofcenter.tol.org

AFP: Russian TV takes off gloves in election battle

Denouncing opposition figures as agents of the West and portraying Russia as a country under siege, pro-Kremlin television has had no scruples about wading into the Russian election campaign. REN-TV, a channel owned by a Putin ally, broadcast a popular video that shows the country as occupied by NATO forces in its West, by China in Siberia, and the Japanese in the Far East. Meanwhile, Georgia is organizing the 2014 Sochi Winter Olympic Games after gaining control of the entire Russian Caucasus.

www.google.com

EURASIA DAILY MONITOR: "Georgian Dream" attacks Georgia's NATO mission in Afghanistan

The opposition's recent statements indicate that it is prepared to exploit Georgian sacrifices in Afghanistan as part of the electoral campaign against the president and government. But Ivanishvili's "Georgia Dream" would undermine the country's NATO aspirations—and raise more questions about his position—if it endorses NATO membership in words only, but opposes the necessary measures toward that goal, and blames the government for taking those measures.

www.jamestown.org

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."

www.chicagotribune.com

**BLOOMBERG: Crowd-free Caucasus, ancient towers in Tusheti**

Among Europe's highest peaks lies a region wedged between Chechnya and Dagestan that tourism has not yet discovered. Horses run wild through fields of irises in Tusheti, Georgia. Stars have an intensity unknown to city eyes, and the jingle of a sheep bell competes only with the rush of distant streams. Tusheti's isolation makes it a wonder for the adventurous traveler. My husband and I took a two-week trip through Georgia last June that included a 700-year-old monastery, a vicious sheepdog, and some surprisingly good wine. After our plans to hike the better-known Caucasus region of Svaneti were derailed, we tried Tusheti on the advice of some Israeli travelers. It turned out to be the highlight of the trip. Tusheti's Shenako village is a fairy-land cluster of 20 slate homes in a valley so dense with buttercups that the yellow still stains my hiking boots. The air is thick with butterflies, and there's not a power line or Soviet relic in sight. The homes, made with jigsaw slate stones and scale-like roofs, all have hand-carved wooden balconies.

www.bloomberg.com

XINHUA: OSCE economic forum in Batumi finalized

The next OSCE Economic Forum will be held Georgia's Black Sea resort of Batumi. "I am impressed by the city development project," OSCE President Petros Efthymios said. The 2012 OSCE Economic Forum will be held May 11-14 and will attract participants from around 50 countries and regions. It will be Georgia's first time hosting an OSCE conference.

news.xinhuanet.com

TELESCHAU: Interview with Katie Melua

"Georgians are proud of their enchanting folk songs. They inspire me every time again," says pop star Katie Melua on her Georgian roots and musical influences. "I love the country and its nature and I enjoy being in Georgia every time," she added. "The majority of my family lives there and it is important for me to constantly see my relatives."

www.ln-online.de

XINHUA: Georgia to use computer assistance in driving tests

Georgia has become the second country in the world to use computers to assess driving license applicants. As of March 1, sensors and cameras record license applicants and the results are available for review by both test monitors and drivers. Test takers are able to see online how they fared. The country is also using onboard computers in police patrol cars to save drivers from having to take their driving licenses with them.

georgiandaily.com

BBC: Georgia entrepreneurs compete for loans on reality show

A reality show for entrepreneurs that hands winner low-interest loans has become Georgia's latest TV hit, with a goal of helping create a more entrepreneurial culture in a country that until 1991 was communist. "It's only 20 years since we adopted a free-market economy," says the show's producer. "So for many people it's informative to actually understand how business should be done. If we had more TV shows like this I think it would really educate people who have a post-Soviet mentality."

www.bbc.co.uk