

# GEORGIA UPDATE

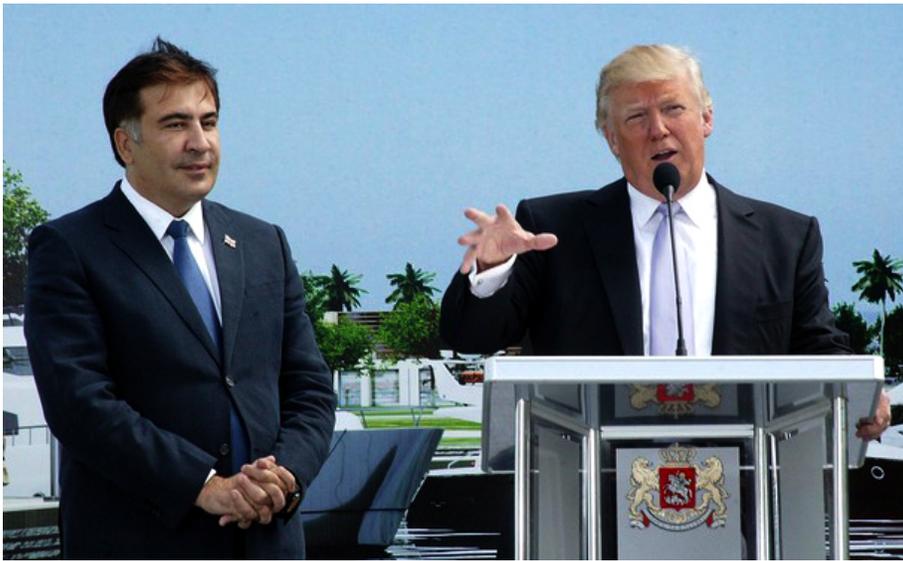
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[www.georgiaupdate.gov.ge](http://www.georgiaupdate.gov.ge)

## TOP STORIES

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- **IFC Study: Majority of Georgian Entrepreneurs Find Business Environment Attractive**
- **Georgian Railway Plans IPO on London Stock Exchange in May**



President Saakashvili and American real estate investor Donald Trump unveiled plans on Saturday to build a new luxury residential property in Batumi, the bustling resort city along Georgia's Black Sea coast. The American billionaire hailed Georgia's development progress and President Saakashvili's leadership. "Outside of this area, everybody in the world, they speak of Georgia and the great miracle that is taking place and that is led by the President," said Trump at the unveiling ceremony, adding: Georgia "is one of the really amazing places in the world right now, with a lot of investment opportunities." Saakashvili hailed Trump as the "greatest builder and developer in the world" and awarded him with the Presidential Order of Excellence for his contributions to Georgia's development. Construction on the Trump Tower Batumi will start within a year, and will boast an impressive 47 stories once completed late next year.

## INTERNATIONAL MEDIA ON GEORGIA

**XINHUA:** Georgia invites international observers to monitor elections

**AFP:** Rebel South Ossetia inaugurates ex-KGB boss as leader

**EURASIA DAILY MONITOR:** The US & political power in Georgia

**NATIONAL INTEREST:** The new Russian empire

**TODAY'S ZAMAN:** Turkey, Georgia have outstanding cooperation

**EURASIANET:** For IDPs, Orthodox Easter reinforces pain of separation

**BLOOMBERG:** China to construct \$630 million hydropower plant

**DER TAGESSPIEGEL:** Georgia overthrows Stalin

**AFP:** Georgia unveils bust of Poland's Kaczynski

**THE ATLANTIC:** The next big foodie city? Tbilisi

**THE GUARDIAN:** The new face of Batumi

## QUOTES OF THE WEEK

**"Our hotels are full of Russian tourists. The more Lavrov advises Russians not to travel to Georgia, the more they come. Maybe we should recruit Lavrov as a travel agent."**

◆ President Saakashvili joking about Russian Foreign Minister Lavrov's recent warning to his citizens about traveling to Georgia

**"The Georgian economy is moving in the right direction. My meeting with Georgian Prime Minister confirmed this. Our cooperation has turned into a partnership."**

◆ IMF Director Christine Lagarde after meeting PM Gilauri last week in Washington

**"I think you have a lot of investment opportunities in Georgia. It's amazing what's going on. It's one of the really amazing places in the world right now. You have a lot of opportunities beyond real estate in Georgia, too."**

◆ Donald Trump in a Reuters interview following the unveiling of the Trump Tower Batumi project

**"This study clearly demonstrates the significant progress of Georgia in overcoming corruption and improving the business environment."**

◆ International Finance Corporation regional manager Thomas Lubeck after the IFC released a favorable report on Georgia's business environment

## UPCOMING MILESTONES

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

**May 26:** Parliament relocates to Kutaisi

**May:** Georgian Railway IPO on London Stock Exchange

**Jun. 7-8:** 20th round of Geneva peace talks

**Oct:** Parliamentary election

## TOP STORIES

**Opposition-led Commission Launches Door-to-Door Campaign to Verify Accuracy of Voter Lists**

The state-funded commission charged with verifying the accuracy of Georgia's voters lists ahead of October's parliamentary elections launched a door-to-door campaign on Tuesday. The massive effort—overseen by the Voters' List Verification Commission (VLVC)—is integral to the government's commitment to ensuring a transparent, free, and fair electoral environment. It involves 11,100 field observers tasked with visiting every household in Georgia to make sure all eligible voters are accurately registered and that the voter lists do not include ineligible names. The VLVC is chaired by Mamuka Katsitadze, a member of the opposition New Rights Party, and includes representatives of the governing and opposition parties, and from civil society groups. The deadline for the effort is Aug. 1, at which point the updated lists will be transferred to the Central Election Commission.

[CIVIL GEORGIA: Commission Launches Checking of Voters List](#)

**Georgia Announces Creation of New Agency to Spread Reform Efforts, as PM Addresses Open Government Summit**

Prime Minister Gilauri, speaking at the Open Government Summit in Brazil last week, announced the launch of the Georgian Reform and Partnership Enterprise (GRAPE), a new government agency to promote and spread the country's reforms. The PM—who, together with US Secretary State Clinton and Brazilian President Dilma Rousseff, opened the Summit—also told the assembled world leaders of Georgia's continuing efforts to ensure that citizens access state services as efficiently as possible. "Citizens want service," he said in describing Georgia's new Public Service Halls. "They don't care whether it comes from the federal or the municipal government. Going from one to the other is tiring and confusing." Upon approval by Parliament, the new agency will help spread the "Georgian brand" of successful reforms to countries around the world, he said. The government plans to create a GRAPE website to serve as an open platform for virtual sharing and worldwide collaboration.

While at the summit, Gilauri also worked with civil society members to draw up an action plan for increasing transparency, accountability, and access to information and public services for 2012-2013. The Open Government Partnership (OPG) was holding its first, annual high-level meeting and brought together over 1,200 representatives from over 70 countries and 200 civil society organizations. OPG aims to bring together a global community of government reformers and civil society leaders and business innovators to advance good governance standards in the 21<sup>st</sup> century.

[THE GUARDIAN: Georgia to launch innovative 'drive-thru' services](#)

[CIVIL GEORGIA: State Agency to "Export Georgian Reforms"](#)

[OPEN GOVERNMENT PARTNERSHIP: Georgia Action Plan](#)

**As Chicago Summit Approaches, NATO Reaffirms Backing for Georgia; FM Meets Clinton**

NATO Secretary General Anders Fogh Rasmussen reiterated the Alliance's support for Georgia just weeks before the Chicago summit. Rasmussen said the Alliance's "special partnership" with Georgia would be reflected in the upcoming NATO summit in three ways: "Firstly, reflect that Georgia is one of the major contributors to our operation in Afghanistan. Secondly, reflect that Georgia in general is a major contributor to trans-Atlantic cooperation within the special NATO-Georgia Commission, and thirdly that Georgia is also considered an aspirant country, a country that aspires to become a future member of NATO," Rasmussen said. In Brussels, FM Vashadze met last week with US Secretary of State Clinton at NATO headquarters to discuss next month's summit. The leaders discussed Georgia's candidacy for NATO membership on the sidelines of the Alliance's ministerial-level meeting in Brussels. Meanwhile Parliamentary Chairman Bakradze expressed his hope that NATO would issue an official declaration to the effect that "Georgia is closer to NATO membership."

[CIVIL GEORGIA: Georgian FM Meets Clinton in NATO HQ](#)

**In Brazil, PM Lays Foundations for Stronger South American Ties**

PM Gilauri concluded a series of high-level meetings with Brazilian government officials last week, laying the foundation for stronger ties with the South American economic powerhouse. "It is very important to develop a political partnership with Brazil as the country becomes a leader not only in Latin America, but a major player in global politics," said Gilauri after meeting with Brazilian VP Michael Temer, adding that his political and economic goals in Sao Paulo were "fully achieved." Said Gilauri: "This was expressed in the support for our territorial integrity and sovereignty, and Brazil's support for our initiatives in international organizations." Gilauri also expressed satisfaction on the economic front, saying many Brazilian companies showed interest in launching start-ups in Georgia because of its favorable investment environment. "Georgia will become a hub of Brazilian business in the former USSR and in Turkey," he added. Meanwhile, Temer highlighted the significance of Gilauri's visit, which marked the first official visit to Brazil by a Georgian leader: "Our country is interested in boosting relations with Georgia in the political and economic plane," he said.

[TREND DAILY NEWS: Georgian PM satisfied with visit to Brazil](#)

**IFC Study: Majority of Georgian Entrepreneurs Find Business Environment Attractive**

The majority of Georgian entrepreneurs find Georgia's business environment attractive and favorable to investment. According to a new study by the International Finance Corporation (IFC), 75 percent of businessmen surveyed believe the business environment in Georgia is "attractive" and felt their business rights were "protected." The study also found that businessmen experience little government corruption and have greater faith in regulatory institutions—only 6% listed bureaucracy as an impediment to business. "This study clearly demonstrates the significant progress of Georgia in overcoming corruption and improving the business environment," said IFC regional manager Thomas Lubeck. "We are ready to continue working with the Georgian government to further improve the environment for private businesses and entrepreneurs to take advantage of the results of the reforms," he added. Among other survey results: Between 95-100% of importers and exporters believe Georgian customs clearance procedures are "quite simple" or "very simple." Conducted in January, the IFC held face-to-face interviews with over 1,000 owners and managers of small, medium, and large Georgian firms.

[INTERNATIONAL FINANCE CORPORATION: Majority of Georgian Businessmen Find Business Environment Attractive](#)

**Georgian Railway Plans IPO on LSE in May**

Georgian Railway announced plans last week for an initial public offering on the London Stock Exchange in May, as it aims to attract investors. "Our IPO will mark another stage in Georgian Railway's evolution, bring greater profile and visibility to the value we are creating to support our long term expansion plans in the region," said the railway's CEO, Irakli Ezugbaia. The state-owned company plans to sell up to 25 percent of its shares in the form of global depository receipts. It had \$88.3 million in profit last year, up 43% from 2010.

[FINANCIAL TIMES: Georgian Railway to list in London](#)

## INTERNATIONAL MEDIA ON GEORGIA

**XINHUA: Georgia invites international observers to monitor parliamentary elections**

Georgia's foreign ministry has invited the OSCE's Office for Democratic Institutions and Human Rights, the OSCE Parliamentary Assembly, the Council of Europe's Parliamentary Assembly, the NATO Parliamentary Assembly, the European Parliament, and other EU institutions to monitor the parliamentary elections. As instructed by President Saakashvili, the MFA said it hopes to welcome an unlimited number of observers as soon as possible so that they can monitor the developments during the pre-parliamentary elections period as well as during the elections proper.

[news.xinhuanet.com](http://news.xinhuanet.com)

**AFP: Rebel S. Ossetia inaugurates ex-KGB boss as leader**

Georgia's Russian-occupied region of S. Ossetia inaugurated a former KGB boss as its leader last week after months of political turmoil. In his address, former local KGB chief Leonid Tibilov promised to be faithful to the region's Russian benefactors. Georgia dismissed the legitimacy of the so-called elections. "These territories are under occupation, ethnic cleansing was committed there, the borders were violated, contradicting all international principles," said MP Akaki Minashvili.

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

**EURASIA DAILY MONITOR: The US & political power in Georgia**

The goals of Ivanishvili's high-cost lobbying seem to be fourfold. First: to inspire comments sympathetic to the Georgian billionaire and critical of the Georgian government, for playback to Georgia during the campaign. Second: to impress voters that Ivanishvili qualifies for US political acceptance—an indispensable legitimating factor to any contender in Georgia. Third: using this unprecedentedly vast lobbying apparatus to overwhelm the debates with misinformation, hoping to alienate the US from Georgia. And fourth (the uppermost goal): to induce US official equidistance, not only toward Georgian political forces, but also toward any strategic outcomes of Georgia's elections.

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

**NATIONAL INTEREST: The new Russian empire**

Speaking before the Duma last Wednesday, Putin said: "The creation of a common economic space is the most important event in post-Soviet space since the collapse of the Soviet Union." Putin would like to see more of the old Soviet linkages restored, with trade, resources, and labor flowing between Russia and its neighbors. This would keep Moscow as the economic center, rather than seeing a Central Asia more tightly connected to South Asia and the western parts of the old Soviet Union pulled even more into the European orbit.

[nationalinterest.org](http://nationalinterest.org)

**TODAY'S ZAMAN: Turkey, Georgia have outstanding cooperation**

Turkey and Georgia have very strong economic and political ties, cooperating extensively in energy, transportation, and tourism. Georgia's ambassador to Turkey, Taniel Lebanidze, notes the success of their passport-free travel initiative: "On some days, almost 8,000 Turkish tourists enter Georgia," he said. Meanwhile, the trade volume between Turkey and Georgia reached \$1.5 billion in 2011. Turkey is currently Georgia's biggest trading partner.

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

**EURASIANET: For IDPs, Easter reinforces pain of separation**

The restriction on visits by Georgian passport holders, imposed by S. Ossetia's de-facto government, has been in place since the end of Russia's 2008 invasion. It has hampered not only graveyard visits, but trips to see relatives, engage in trade or, even, to tend crops. There are no official figures on how many families have been separated from family members by the conflict. An International Crisis Group report noted that the "tough regulations limiting freedom of movement" are proving as large an obstacle as "post-war trauma and perceptions of wrongdoing" for restoring communication between the two sides.

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



*Georgian violinist Lisa Batiashvili will perform this week with the New York Philharmonic. Dubbed by the New York Times as an "immensely gifted and accomplished young violinist, Batiashvili will play Mozart's Concerto No. 3 during her three-day stint. At just 23-years old, the soloist has already graced the halls of many of the world's greatest orchestras including the the Boston Symphony, the Berliner Philharmoniker, and the Orchestre de Paris, and has played at several international music festivals including Salzburg and Edinburgh International.*

**BLOOMBERG: China to construct \$630 million hydropower plant**

China will start construction of the \$630 million Neskra hydropower plant in Georgia this week, as Tbilisi seeks to cut dependence on fossil-fuel imports from neighboring Russia. The 210 MW plant will begin operations in 2017. Georgia expects as much \$2.5 billion to be invested in hydropower projects in the next few years.

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

**DER TAGESSPIEGEL: Georgia overthrows Stalin**

Georgia is transforming a museum celebrating Stalin into one that highlights atrocities committed during his rule. "We cannot build a democratic state and see ourselves as a part of the free world when we keep on glorifying the greatest tyrant of the 20th century," said Georgian Culture Minister Rurua. Younger Georgians are particularly interested in emphasizing the crimes committed by Stalin.

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

**AFP: Georgia unveils bust of Poland's Kaczynski**

Georgia unveiled a bust of the late Polish president Kaczynski on the second anniversary of the plane crash in Russia that killed him and other top officials. "It will be a place where elders will tell their grandchildren how President Kaczynski stood by Georgia during the most difficult time for our country," said Tbilisi City Council head Zaal Samadashvili.

[www.expatica.ru](http://www.expatica.ru)

**THE ATLANTIC: The next big foodie city? Tbilisi**

Quirky grottoes full of young artists, high-end establishments catering to foreign businesspeople and the local nouveaux riche, and kitschy family-style restaurants now rub shoulders along Tbilisi's lopsided streets and alleys. Hours-long meals function not only as sources of gastronomic pleasure and spectacle: they are also—even primarily—opportunities to solidify business connections, meet potential love interests, and showcase the generosity and prosperity of the host.

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

**THE GUARDIAN: The new face of Batumi**

Set on the sub-tropical Black Sea coast, in the shadow of the lush Caucasus mountains, Georgia's popular, seaside summer capital of Batumi has undergone a four-year, radical \$564 million facelift aimed at turning it into a hip resort. "The old town, the park—beautiful," said one US tourist charmed both by Batumi's history and its modern amenities. The drive up the steep winding road into the park is breathtaking: orchards of apple, mandarin, peach, and lemon give way to thick forests of fir, maple, and eucalyptus. Ravines pierced by waterfalls plunge into deep valleys. Batumi's wealth is the stuff of legends: back when it was known as Colchis, Jason and his Argonauts supposedly sailed here to steal the golden fleece. The vast Roman fortress at Gonio, ornate Gothic cathedral, and Ottoman mosque also stand in testament to a rich history.

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