

# GEORGIA UPDATE

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

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- Georgian Economy Grows at a Rapid 6% in First Quarter; Trade Turnover Rises 17%
- Royal Caribbean Cruises to Build New Port in Batumi



Lithuanian Prime Minister Andrius Kubilius, who started a three-day official visit to Georgia on Monday, said he hoped to demonstrate Lithuania's "full support" for Georgia's territorial integrity and its aspirations to join NATO and the EU. He added that he believed it would be possible to complete a deep and comprehensive free trade agreement between the EU and Georgia, as well as a visa liberalization agreement, during Lithuania's EU presidency next year. "That is what we are sure we can achieve," he underscored. Said President Saakashvili: "We are grateful for the support we are receiving from Lithuania, including within the EU." In the image above, the President shows PM Kubilius around a vineyard he owns in Kvareli, in the Kakheti winemaking region of Georgia.

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## QUOTES OF THE WEEK

**"We are ready to help our Russian friends with police reform."**

♦ Interior Minister Vano Merabishvili, after Russian President Medvedev in a press conference seemed to juxtapose Georgia's successful police reforms with his country's failures

**"The EU regrets that the Abkhazia IPRM meeting on 24th April was cancelled at the last minute due to certain conditions set by the Abkhaz de facto authorities.... Any challenge to established and agreed procedures of the Geneva International Discussions can have serious consequences."**

♦ An EU statement following Abkhazia's decision to declare the head of the EUMM "persona non grata"

**"Great strides have been made in Georgia since the Rose Revolution. The most notable change has been the virtual elimination of corruption from Georgian society.... It is a tribute to our shared values that support for Georgia comes from across the political spectrum and is enduring through changes of Government."**

♦ British MP Denis MacShane

**"Media monitoring enhances the links between the media and society, and helps the public make informed decisions. If media can shape a society, then credible and unbiased monitoring can shape the media."**

♦ UN Development Program representative Jamie McGoldrick

## UPCOMING MILESTONES

- May 15-22:** NATO summit in Chicago
- May 26:** Parliament relocates to Kutaisi
- May:** Georgian Railway IPO on London Stock Exchange
- May 29:** Europe Week begins in Tbilisi
- Jun. 7-8:** 20th round of Geneva peace talks
- Oct:** Parliamentary election

## TOP STORIES

**European Union Launches Media Monitoring to Help Ensure Fair Electoral Environment**

The European Union has launched a large-scale media monitoring effort in Georgia, aiming to ensure a “transparent, objective and balanced” environment as election season advances. “The EU will continue to assist the efforts of civil society in Georgia to monitor and analyze the media and inform the public about its performance,” said EU ambassador Philip Dimitrov. “Fair monitoring can create grounds for the general acceptance of both the rules and the results.”

The effort will be broader in scope as compared to the EU’s 2010 monitoring initiative, which analyzed just six national and local broadcasters during the mayoral elections. As campaign season begins ahead of October’s parliamentary elections, observers will monitor the amount of airtime that TV and radio stations, as well as print and online publications, dedicate to political candidates and parties. The results will be discussed and aired weekly by the Georgian Public Broadcaster starting in early June.

Implemented by the UN Development Program and local partners, the mission’s launch comes just a week after the Georgian government invited international observers to monitor the campaign in the lead up to the elections. Efforts to enhance electoral transparency and encourage civic engagement also made headway with Georgia’s partners on the other side of the Atlantic. Georgia’s Central Election Commission, together with the US Embassy in Georgia and the US Agency for International Development, issued a joint memorandum of cooperation, pledging to ensure an impartial, transparent, and honest electoral environment. The memo is linked to a USAID-funded grant that aims to strengthen Georgia’s election commission and other democratic institutions.

[CIVIL GEORGIA: EU-Funded Media Monitoring Launched](#)

**Sixteenth Georgian Soldier Falls While Supporting NATO in Afghanistan**

A 16<sup>th</sup> Georgian soldier has perished while supporting NATO forces in Afghanistan. Sergeant Valerian Khujadze of the 31<sup>st</sup> infantry battalion was killed by an improvised explosive device while serving in Helmand province, a notoriously volatile region. “He had been serving in the Georgian Armed Forces since 2004 and also participated in a peacekeeping mission in Iraq,” said Georgia’s defense ministry. “On behalf of the entire Embassy community, I extend my sincere and deep condolences to the family, friends, and colleagues of Sergeant Khujadze,” said US Ambassador John Bass. “The United States appreciates the sacrifices and contributions the Georgian people and military are making to the cause of bringing greater security to Afghanistan.” The news comes as Georgia’s military plans to deploy another battalion, making Georgia the largest non-NATO contributor to the Alliance’s Afghan mission.

[AFP: 16th Georgian soldier killed in Afghanistan](#)

**Amendments to Political Party Financing Legislation Clear Hurdle in Parliament**

Parliament last week passed its second reading of a proposed constitutional amendment that narrows the range of entities and individuals whose finances can be audited by the Chamber of Control, Georgia’s campaign finance monitoring agency. The original law, passed in December, enforced restrictions on any entity that was “indirectly or directly” linked to goals of political parties. The new provision allows the Chamber to monitor organizations with “declared electoral goals,” easing restrictions for NGOs that promote electoral and democratic reform. The law also bans corporate funding for political parties and sets caps on individual donations to political campaigns. Also included in the draft law is a proposal on allocating additional state funding to political parties.

[CIVIL GEORGIA: Amendments to Law on Political Parties Passed with Second Reading](#)

**Abkhazia Declares Head of EU Monitoring Mission Persona Non Grata; IPRM Meeting Fails**

Abkhazia last week declared the head of the EU Monitoring Mission in Georgia (EUMM) persona non grata, subverting a fundamental element of the ceasefire that has been in place since Russia’s 2008 invasion of Georgia. Andrzej Tyszkiewicz, appointed by EU foreign policy chief Catherine Ashton last July, was slated to attend the 36<sup>th</sup> meeting of the Incident Prevention and Response Mechanism (IPRM), meant to defuse tensions near the occupation line. But the Abkhaz declared him an “undesirable person” saying they were “bewildered” by the EU head’s effort to attend the meeting as an EU representative. Abkhaz official then refused to participate in the IPRM meeting.

The EU called the actions “unacceptable” and expressed “full confidence” in the leadership of the EUMM and disapproval of the Abkhaz actions. “The EU Monitoring Mission plays an important role in the IPRM’s within its stabilization, normalization and confidence-building mandate,” said Ashton’s spokesperson. “The EU regrets that the Abkhazia IPRM meeting on 24th April was cancelled at the last minute due to certain conditions set by the Abkhaz de facto authorities. Any challenge to established and agreed procedures of the Geneva International Discussions can have serious consequences.”

Tbilisi reacted firmly to the Abkhaz move. “Such an aggressive and outrageous attempt by Russia and its puppets is a source of concern,” said National Security Advisor Bokeria. Added the MFA: “[This] is just one component in the chain of actions aimed at diminishing the role of the international organizations acting in Georgia.”

[RFE: Abkhazia Declares EU Diplomat Persona Non Grata](#)

**Georgian Economy Grows at a Rapid 6% in Q1; Trade Rises 17%**

The economy grew at a strong 6% annual pace in the first quarter, and PM Gilauri forecast even higher growth later in the year. Meanwhile, consumer prices fell 2%, pleasing Georgian consumers and prompting the central bank to cut its key lending rate by 25 basis points to 6.25%. Geostat also released the latest trade data, which showed foreign trade turnover reaching \$2.24 billion in the quarter, a 17% jump since the same quarter in 2011. Turkey remains Georgia’s top trade partner with \$324 million, followed by Azerbaijan (\$282 million), Germany (\$163 million), Ukraine (\$161 million), and China (\$125 million).

[TREND: Georgian GDP growth Hits 6% in First Quarter](#)

**Royal Caribbean Cruises to Build New Port in Batumi**

Attracted to Batumi’s growing reputation as an international resort destination, global cruise leader Royal Caribbean will build a new port along Georgia’s Black Sea coast; construction will start in October.. The project will allow large ships and cruise liners to dock. Officials expect to see a boost in tourism once construction is finished in late 2013. Royal Caribbean is the second largest cruise company after Carnival.

[TREND: Royal Caribbean to Commission new Batumi port](#)

## INTERNATIONAL MEDIA ON GEORGIA

**FOREIGN POLICY: Georgia on my mind**

Georgians—like fellow Soviet inmates the Armenians, Azeris, Estonians, Latvians, Lithuanians, and others—chose freedom at the first opportunity. One might describe the Soviet Union as a dungeon of nations or, in the case of the unlucky ones, a graveyard. But it was not a monolith. Today, Georgia has won international acclaim for reforms in defeating corruption and organized crime, as well as in creating a world-class climate of business-friendly regulation and transparency. And the government has enjoyed a democratic mandate throughout its time in office. I am not aware of any country that has introduced profound reforms based on the consensus of the entire society.

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

**NEW YORK TIMES: Medvedev nods to Georgian reforms**

President Medvedev admitted in an interview disappointment over some of the goals of his four-year presidency, saying that his anticorruption drive was stymied “because officials are a corporation, and they do not want anyone to meddle in their affairs.” When Medvedev was discussing successes in police reform in the region, an interviewer interjected and asked if he was referring to Georgia, a question he evaded, though it seemed he was. Russian leaders rarely mention the Georgian government except as a geopolitical opponent.

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

**POLITICS HOME: Having handed Georgia to Stalin, Britain is now making amends**

Great strides have been made in Georgia since the Rose Revolution, writes Labour MP Denis Macshane. The most notable has been the virtual elimination of corruption. It is a country of great significance in terms of geopolitics, energy security, and as an example to others fighting corruption. It is a tribute to our shared values that support for Georgia comes from across the political spectrum.

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

**AP: Georgian president ready to quit if Russia leaves**

President Saakashvili last week said he would sign an agreement with Russian President Medvedev to resign “if Russia is prepared to return to Georgia control of the territory it occupies...and pull out its troops.” Meanwhile, Medvedev, in an interview broadcast live on national television last week, called Saakashvili “a nobody, a zero.”

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

**STRATFOR: Russia’s resurgence—the Caucasus states**

Russia has not been able to create or support a viable opposition movement capable of truly challenging Mikhail Saakashvili. In the coming months and years, Russia wants to increase the likelihood of the formation of a viable opposition movement in Georgia. It also wants to prevent the West, particularly the United States, from re-engaging in the country.

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

**DERNIERES NOUVELLES D'ALSACE: The ongoing occupation**

Since the short war of 2008, and in violation of international laws, Russia occupies 20% of Georgia’s territory. “The objective of the war was not the occupation of our country,” explains Georgian Defense Minister Kharshiladze. “The aim was to topple our government and to install a puppet in Tbilisi, who would have enforced Moscow’s policies. To this end they had to move very swiftly and take the international community by surprise. They thus conducted a conventional military offensive coupled with cyber warfare.”

[www.dna.fr](http://www.dna.fr)

**REUTERS: Trump flies into ex-Soviet Georgia for tower project**

Donald Trump says Georgia has become a prime destination for foreign investment. “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,” said Trump in an interview. “You have a lot of opportunities beyond real estate in Georgia (too).”

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

**METRO: Marjanishvili Theatre prepares for London Festival 2012**

The Marjanishvili Theatre will perform “As You Like It” at Shakespeare’s legendary Globe Theatre in London on May 18 and 19. The play, directed by Levan Tsuladze, was selected with 37 other multilingual Shakespeare productions to give a once-in-a-lifetime performance at the London 2012 Festival. Already, 3,000 tickets have been sold for the two days of Georgian theatre at the festival. “The performance will be an exceptional product that has never been produced before in Georgian Theatre,” said Marjanishvili producer Eka Mazmishvili. You can find parallels for everyone’s story in Shakespeare, and Tsuladze is using “As You Like It” to tell a very Georgian one. Tsuladze talks of a time when the KGB would infiltrate performances and Georgian audiences learned to attribute a double meaning to what was spoken on stage. “For a while, we were making theatre that would simply help audiences survive,” he says. “The idea of resistance is everywhere in Georgian theatre. Everything they feel in the Forest of Arden, I’ve felt. Arden is a metaphor for theatre itself.”

[www.metro.ge](http://www.metro.ge): [www.metro.ge](http://www.metro.ge) Shakespeare given international twist at Globe To Globe festival

**ACCESS: Republic of Georgia delegation to visit Cumming**

The Georgia-to-Georgia Foundation will host a delegation from the Georgia as part of the US Library of Congress’ Open World Program. “I have visited Tbilisi several times and love the people of Georgia,” said retired US Army Col. Dennis Brown, who will host the delegation. “The Georgian people are resilient and love freedom,” he added. The delegation hopes to learn more about creating accountable governance through election reform and campaign financing in preparation for Georgia’s upcoming elections. Participants include members of Georgia’s Chamber of Control, responsible for ensuring financial transparency in politics, and members of Georgian civil society.

[cumming.patch.com](http://cumming.patch.com)

**THE GUARDIAN: Georgia to launch innovative “drive-thru” services**

Georgia is to launch the world’s first drive-thru public services, enabling citizens to pick up new passports as easily as buying a burger. “Citizens want service,” said PM Gilauri. “They don’t care whether it comes from the federal or the municipal government. Going from one to the other is tiring and confusing.” He added: “We have a lot of young staff to think of new services. We are building the country from scratch. Up to now we have copied other people’s reforms but now we are thinking of different angles.”

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

**SPIEGEL: Tamta Melashvili’s debut-novel**

Georgian author Tamta Melashvili’s debut novel, “Counting,” tells the story of Russia’s 2008 invasion of Georgia from the perspective of two teenage girls. The novel depicts the lives of those who are left behind when the soldiers set out to the front. One reviewer praised the novel’s “breathless style,” saying it “simply describes the tragedy that war means for any teenager” without differentiating between good or evil. Melashvili won Georgia’s “Saba” literary prize for best debut-novel in 2011.

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