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## Lari Inflation and 2016 Georgian Parliamentary Elections

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Batumi to host Eliso Bolkvadze and the 3<sup>rd</sup> BATUMI Music Fest

# Lari Inflation and 2016 Georgian Parliamentary Elections What Influences What?

By DR. VAKHTANG MAISAIA

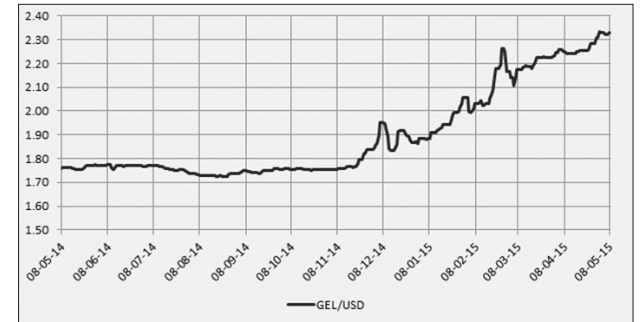
Having observed the latest tendencies in the Georgian economy, is possible to state that in Georgia the concept of "politics vs. economy", or vice versa, is absolutely irrelevant. Some days ago, when the Chinese Juan was devalued by 2%, the USA's financial and political "landscapes" were affected, and it is quite reasonable to assume that due to globalization any shifts in economic trends will consequences for both domestic and international political processes.

ister, the President's veto of the law on the Financial Surveillance Service which the government is seeking to overturn, the debates around Rustavi2 TV, etc.) but international ones (for example, the "Creeping Occupation" being undertaken by Russia, which has now become a direct "military aggression" in Shida Kartli region of Georgia, and Russian irritation at the forthcoming opening of a NATO Training Centre in Georgia). These problems are also, in themselves, indirect causes of the Lari deflation, so one will continue to feed off the other.

There are also more direct reasons for the deflation. These include the following:

**1) The Parliamentary Election Campaign:** this month several political parties launched their election campaigns, including the ruling Georgian Dream coalition, the opposition United National Movement (UNM), the Alliance of Georgian Patriots and the Democratic Movement - United Georgia. Consequently the value of the Lari fell, due to theso-called "expectation effect". Election campaigns are associated with the distribution of financial resources and the appearance of excessive quantities of money in the Georgian markets. This happens when any kind of elections are due;

**2) The Health Reform Initiative:** The spending of sever-



Unfortunately many Georgian economists and financial analysts who predicted that the Lari would remain stable for at least the summer (some forecast that the rate would not be worse than \$1=2.25Lari) have seen their hopes dashed on Georgia's economic rocks. The rate is now (13 August) the very dangerous \$1=2.32 Lari. Now local analysts are predicting further inflation in the autumn, and a fall to \$1=2.45 Lari or even less, but who knows?

The instability of the Georgian economy and financial sector will certainly have a direct impact on Georgian politics, which is turbulent enough as it is, not only due to simple domestic factors (for example, the still-strained relations between the President and Prime Min-

al million Lari on health reform- has certainly had the same effect as starting the election campaign. The reform will address the dire unemployment situation, rehabilitate hospitals and introduce compulsory medical insurance, amongst other things, putting more money into

the economy than the country's earnings justify;

**3) A Local Municipality Decision:** Tbilisi Municipality has just adopted a local budget for the capital of 1 billion Lari, at the most inopportune time. This irrelevant and stupid decision has certainly affected

Lari deflation as more than 40% of the budget will be spent on realizing imminent local projects. The distribution of yet more money will make the markets yet more turbulent.

It can therefore be said that this is as much a political as a financial problem, and that cor-

rect action needs to be taken in both areas to resolve it.

The Georgian Institute for Geostrategic and Euro-Atlantic Studies Institute, Chairman

## NEWS

### RUSSIA'S EXTENDED LIST OF SANCTIONED COUNTRIES LEAVES OUT GEORGIA

Russia said it did not add Georgia to the extended list of countries subject to a food products import ban because "measures taken by the Georgian leadership towards Russia are insignificant."

Russia has added Iceland, Liechtenstein, Albania and Montenegro to a list of countries from which it has banned imports of food, including meat, fish, dairy products, fruit and vegetables, because these countries joined EU's sanctions against Russia. Russian PM Dmitri Medvedev said on August 13 that the ban will also apply to Ukraine from January, 2016 if the free trade agreement between Kiev and the EU comes into force.

Last year, along with Albania, Montenegro, Iceland, Liechtenstein, Norway and Ukraine, Georgia aligned itself with one of EU's sanctions involving ban on imports originating from Crimea and Sevastopol. Those countries, except of Georgia, have also aligned themselves with other sets of EU sanctions, targeting major Russian state banks, energy and arms sectors, as well as blacklisting dozens of Russian officials and Russia-backed separatist commanders in Ukraine. After the EU extended prohibition of imports from Crimea until June 23, 2016, Georgia continued its alignment with this sanction.



"At the moment Russia and Georgia have no active relations and high [trade] turnover," the Russian government said in a press release, Russian news agencies reported. "Unlike other countries, measures, taken by the Georgian leadership towards Russia, are insignificant. Because of that it has been decided that there is no necessity to include this country [Georgia] in the list of countries and producers, which are banned from supply of some agriculture products [to Russia]."

Georgian Diplomat: Reinstating Trade Restriction by Russia Would Be 'Wrong'

Commenting on Russia's decision, Georgia's Finance Minister Nodar Khaduri told journalists in Tbilisi on August 14: "Georgia cannot afford itself to choose on which markets to work or not to work; Georgia should use all the markets, all the opportunities and of course Russian market, as well as markets of former Soviet republics are interesting in this regard."

Agriculture Minister Otar Danelia said that any market, including the Russian one is important for Georgia, adding that "diversification of export markets is a priority."

"Any positive decision that can benefit the country is welcomed," he added.

Georgian state minister for reconciliation and civic equality Paata Zakareishvili said: "Because of Georgia's pragmatic and prudent policy, we are able to separate issues on which resolution is possible with Russia from those on which resolution is not possible. We think that in those areas where it is possible to resolve issues, we should not take such steps, which may harm Georgia's interests. So I welcome that our policy... has yielded results and Georgia continues trade relations with [Russia], which are in [Georgia's] state interests."

After Russia lifted trade embargo, which was imposed in 2006, Georgia's exports to Russia increased four-fold in 2013, compared to previous year, to USD 190.2 million. Exports to Russia saw over 44% y/y increase in 2014, reaching USD 274.9 million, accounting for 9.6% of Georgia's total exports last year.

But after Russia's economic downturn, Georgia's exports to Russia suffered almost two-fold decline to USD 70.6 million in the first half of 2015, compared to the same period of last year.

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The Georgian Times Media Holding.

12, Kikodze str, Tbilisi, Georgia. Tel: (+995 32) 2934405,

E-mail: office@geotimes.ge; http://www.geotimes.ge

Publisher/Editor in Chief  
Nana Gagua  
Tel.: (+995) 555 293 003  
E-mail:  
gul@geotimes.ge

Executive Editor:  
Mariam Toidze  
Tel: (+995) 577 727 207  
E-mail:  
editor@geotimes.ge

Copy Editor  
Rumwold Leigh  
Tel: (+995) 599 501 452  
E-mail:  
rumwoldleigh@netscape.net

Director:  
Kakha Maskharashvili  
Tel: (+995) 551 501 313  
E-mail:  
director@geotimes.ge

Contributions to The Georgian TIMES are welcome. If you are interested in submitting an article or news item, ect. please contact; Tel/fax: (+995 32) 2934405

# Batumi to host Eliso Bolkvadze and the 3<sup>rd</sup> BATUMI Music Fest

On 10-15 September the prominent Georgian pianist and UNESCO artist for peace Eliso Bolkvadze is organizing the 3<sup>rd</sup> International Classical Music Festival BATUMI Music Fest, of which she is Artistic Director. International stars will join the Tbilisi Opera and Ballet Symphony Orchestra to perform famous classical compositions throughout the festival, which concludes on 15 September with a concert dedicated to UNESCO's 70<sup>th</sup> anniversary.

One of the main objectives of the festival is the discovery of talented young people. Consequently, master classes for talented Georgian youth will be held as part of it. The Lira charitable fund, led by Eliso Bolkvadze, will award a special prize to the most promising performer. The festival will be held with the support of the Ministry of Culture of Georgia and the government of Adjara. The Batumi International Music Festival has recently joined the European Festivals Association, and as such complies with European standards.



Eliso Bolkvadze talked to The Georgian Times about the festival.

Will there be any innovations in this year's festival and what sort of programme will there be?

First of all, this is the first time the festival has been given international status. It has joined the European Festivals Association (EFA), and in February 2016 a presentation to this effect will be held in the prestigious Beaux Arts Hall in Brussels, coordinated by the Embassy of Georgia and the EFA.

This year's programme is very diverse. The festival will open with a concert featuring the famous conductor Laurent Petitgirard, who will conduct French music and Tchaikovsky's First Piano Concerto performed by me.

Prominent Azeri pianist Farhad Badalbeyli will perform the Vagif Mustafazadeh piano concerto and violinist Michi Sugiura is coming over from Japan. He will also take part in the master classes for young Georgian violinists. Ilya Konovalov, Concertmaster of the Israel Philharmonic, and Turkish opera singer Sere Akyoldas are also taking part in the festival.

The final concert will be

<p><b>BATUMI MUSICFEST</b> THURSDAY 10 SEPTEMBER 08:00 PM   Music Center</p> <p>Eliso BOLKVADZE Laurent PETIGIRARD</p> <p>Tbilisi Opera State Symphony Orchestra</p>	<p><b>BATUMI MUSICFEST</b> SUNDAY 13 SEPTEMBER 08:00 PM   Music Center</p> <p>David KINTSURASHVILI Michi SUGIURA</p> <p>Tbilisi Opera State Symphony Orchestra</p>	<p><b>BATUMI MUSICFEST</b> MONDAY 14 SEPTEMBER 08:00 PM   Music Center</p> <p>Zaza AZMAIPARASHVILI Seren AKYOLDAS</p> <p>Tbilisi Opera State Symphony Orchestra</p>
<p><b>BATUMI MUSICFEST</b> FRIDAY 11 SEPTEMBER 08:00 PM   Musical School's Grand Hall</p> <p>Ekaterina GUMENYUK</p>	<p><b>BATUMI MUSICFEST</b> TUESDAY 15 SEPTEMBER 08:00 PM   Piazza Batumi OPEN AIR GALA CONCERT</p> <p>«MUSIC FOR PEACE»</p>	
<p><b>BATUMI MUSICFEST</b> SATURDAY 12 SEPTEMBER 08:00 PM   Music Center</p> <p>Farhad BADALBEYLI Dmitry YABLONSKY</p> <p>Tbilisi Opera State Symphony Orchestra</p>	<p><b>BATUMI MUSICFEST</b> MONDAY 14 SEPTEMBER 05:00 PM   Music Center</p> <p>BATUMI MUSIC FEST PRESENTS 'YOUNG TALENTS'</p>	<p>CELEBRATION OF UNESCO'S 70 YEARS ANNIVERSARY</p>

dedicated to the 70<sup>th</sup> anniversary of UNESCO and legendary Georgian singer Zurab Sotkilava will take part. The Georgian Voices ensemble will perform unique Georgian folk music while the Tbilisi Opera and Ballet Symphony Orchestra will perform throughout the festival.

How many talented young people will attend the master classes?

More than 25 pianists and violinists from all over Georgia will take part in them. On

14 September the best among them will give a gala concert. There will be an awards ceremony and the best of these will be awarded special prizes.

In 2012 you founded the Lira charitable fund, which discovers young, talented, Georgian pianists and contributes to their development.

How many talented young people have you discovered since the foundation of the fund, and how do you support them?

Lirabegan working in 2013;

however, numerous young pianists from Georgia travelled abroad to attend master classes and concerts with my support before then.

Since the fund was founded Barbare Tataradze and Ilya Lomtadze have travelled to various European countries and held concerts at prestigious halls. Their performances have been shown on the popular French channel MEZ-ZO.

Ilya Lomtadze has recently been awarded first prize at

the International Competition for Young Pianists in Astana. Barbare has won an international competition in Holland. Elene Chikovani was selected as a recipient after auditions in Senaki and is now attending master classes abroad.

We also work with the E. Mikeladze Musical Art College and the SOS Talents – Michel Sogny international fund, which significantly contributes to the future careers of talented young people. They study the piano methods es-

tablished by Michel Sogny alongside their regular school classes, and this rapidly develops their talent.

The Lira fund is the organizer of the Batumi International Festival; it also conducts other projects both in Georgia and abroad.

When will tickets for the Batumi International Festival be available?

Due to the current social situation in Georgia we have set ticket prices at 10 to 25 GEL to encourage the popularization of classical music.

You can purchase the tickets via the internet at [www.biletebi.ge](http://www.biletebi.ge), and at the booking offices of the Batumi Art & Musical Centre and Batumi Piazza.

You have recently been awarded the title 'Artist for Peace' by UNESCO. What obligations does this bestow on you, and what does this title mean for you?

It is a very prestigious title, and this is the first time it has been given to a Georgian artist. My priorities as an Artist for Peace will include discovering and supporting talented young pianists all over Georgia and participating in UNESCO programmes for children affected by armed conflict.

Shorena Tsivkarashvili

# Turkish Regional War and Its Consequences for Georgia

By DR. VAKHTANG MAISAIA

Turkey has already engaged in a regional war in Syria and declared it will follow the principle: *“Bellum omnium contra omnes”* (all-out war against all). It is conducting combat operations, using heavy armaments and strike aviation, against both the Islamic Caliphate in the northern provinces of Syria and the Kurdish PKK, its main target. The PKK has a strength of about 20,000, but it is assumed that Turkey will also topple the Assad regime in Syria, which has around 100,000 troops at its disposal in regular and paramilitary formations.

Hence, Turkey is waging war on three fronts. This makes Turkey very vulnerable, and could pose a new challenge to its national interests, i.e. its involvement in the Syrian combat zone could become a “dragged-out” regional war lasting a long time. According to famous Turkish political analyst Dr. Melik Alkan,

*“Official Ankara seems so relaxed in dealing with the Islamic Caliphate that it is seeking to create a “buffer zone” or safe corridor to protect it from attacks by ISIS. But this would not protect Turkey from ISIS, it would serve the interests of the USA, which wants to shut down the “open door” which ISIS has used as a gateway. It would rather help Turkey deal with the PKK, as Turkey has battled PKK insurgents or armed groups on its own territory since 1984 in a conflict that has*

*killed about 40,000 people. Surely, Turkey wants US support to clear ISIS from its border in Northern Syria but it has no intention of setting boots on the ground to intervene in the region. All Turkey wants is a secure border, and it is also the United States’ interest to remove ISIS from Northern Syria. The Kurdish Workers Party, and its extension the YDP, are both against Turkish intervention in Northern Syria because Northern Syria is controlled by the YDP, and the Syrian Kurds and United States support them in the conflict with Assad and his forces. If Turkey attacks the*

I fully agree with this assessment, as it describes very precisely what is now occurring in Syria. It makes very clear what is motivating Turkey’s politico-military leadership to conduct this campaign.

Turkey’s involvement is further deteriorating the situation in the Middle East and could instigate a global conflict which will involve both key regional powers and global powers, including Russia, Iran, Saudi Arabia, Israel and the USA. Relations between Turkey and Russia have already been strained by Turkey’s involvement in Syria. However,



*Kurdish militia in Northern Syria this will complicate the region further and I don’t think the US will allow that. The Buffer zone has not become a reality as yet”.*

Turkey has suddenly begun receiving support from Qatar, so it seems new actors are engaging in the Middle East conflict.

Turkey is being attacked by a range of forces opposed to its

intervention. Islamic Caliphate subversive groups have committed suicide-type terrorist attacks within Turkey and conducted raids against Turkish military columns and units. As for the Kurdish separatist KPP, its paramilitary groups have subverted Turkey’s most strategic asset, the regional energy pipeline network, specifically the pipelines connecting Turkey with Iran and two other pipelines, the Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Tbilisi-Erzurum gas pipeline, which have been damaged by bombs and had their functioning disrupted. They are seeking to damage Turkey’s status as an “international energy hub” and its geoeconomic potency and industrial might.

Energy is one of the most important commodities Turkey has, and the country has

not had so much need for it at any time in her history. Due to the dependence, Turkey has to secure the pipelines from Iran and Iraq, which ISIS has disrupted and profited from illegally, and they remain vulnerable to sabotage by both ISIS and the PKK in volatile and security-deprived regions. As Dr. Melike Alkan puts it,

*“Sabotaging pipelines is often used as a threat against Turkey and it has forced Turkey to obtain supplies from Russia and Azerbaijan when its own pipelines have been attacked. Turkey will need to be protected from both the PKK’s operatives and Moscow’s policies to obtain sustainable supplies and maintain pipeline security. The Russian Federation may use energy as a political weapon, and the PKK will definitely continue to sabotage the pipelines”.*

Certainly these challenges affect Georgia’s attempts to present itself as a secure energy transit country. Turkey’s involvement in the regional war could have the following consequences for Georgia’s national security:

1) *Turkey is Georgia’s closest and most strategic trade and economic partner, with bilateral trade turnover due to reach \$12 billion in 2015. Therefore Turkey’s long-term engagement in a war could hit the Georgian currency and create a negative trade balance with Turkey. Georgia’s economic fortunes are very dependent on Turkey’s political stability and security;*

2) *Georgia’s own energy security status has been affected by the attacks on the Baku-Tbilisi-Erzurum and Baku-Tbilisi-Ceyhan pipelines and by Russian troops in Shida Kartli taking control of 2km of the Baku-Tbilisi-Supsa oil pipeline near the Gori-Tbilisi central highway;*






3) *Regional war in the Middle East could provoke further Islamic Caliphate intervention in the Caucasus region. It is known that the Islamic State has set up a “Gurjistan” vilayet (a territorial-administrative entity under the Islamic Caliphate) in an attempt to take control of Georgia. This is very serious military challenge for Georgia.*

*The Georgian Institute for Geostrategic and Euro-Atlantic Studies Institute, Chairman*



ავერსი  AVERSI

## Customers' idea about ideal lottery

-  There must be a wide variety of prizes;
-  It would be good to win several times;
-  Receive the prize the moment you win;
-  The rules must be easy;
-  In case of cash prizes, decide myself what to buy.

Having taken into consideration your wishes  
**“Aversi” grand lottery has begun!**

**The prizes are**



The lottery will be held on the 20th of November 2015 in the broadcast of “Rustavi-2”,  
 after “Kurier” 18:00.

# Shanghai Cooperation Organization – New Military Alliance against the West

By DR. VAKHTANG MAISAIA

On July 8-10 two international organizations held summits in Ufa, capital of the Russian province of Bashkortostan– BRICS (Brazil, Russia, India, China and South Africa) and the Shanghai Cooperation Organisation (SCO). These summits were ignored by the Georgian media, but this was a great mistake as their decisions could drastically affect the geopolitical reality at global level.

The SCO has already done much to shift the geopolitical

damaging public and political stability in those countries”. The meaning of this statement is absolutely clear: one of the global leaders was saying that the SCO should protect it from scenarios such as the “Arab Spring” and the so-called “Color Revolutions” which took place in the post-Soviet space, most notably post-Soviet space (notably in Georgia and in Ukraine). How far the SCO members will be prepared to go to keep the Chinese Communist Party in power remains to be seen, but Xi wouldn’t make that statement unless he thought he might get a positive response

dimensions, including geo-economic ones, and change the balance of power in the international arena;

2) Belarus has been granted observer status, joining Afghanistan, Iran and Mongolia, and this increases Moscow’s influence in the SCO;

3) Several more countries have joined as “Dialogue Partners”, in addition to the existing partners, Turkey and Sri Lanka. They include Nepal, Cambodia, Armenia and Azerbaijan, the last two being particularly interesting as their accession to membership would make the SCO the dom-

modernisation of the Baikal-Amur Railway and Trans-Siberia transit route which will make Russia the dominant



- For the first time since the creation of the SCO in June 2001, the Summit Declaration came out against the deployment any type of weaponry systems in Space and directly opposed the development of anti-missile defense programmes, which is a core of US geostrategic policy at present;

- It supported peaceful resolution of the stalemate in Ukraine and welcomed without reservation the fulfillment of the



summit, “To our mind, it is important to create a common and joint transport communication system within the aegis of the SCO”;

5) The SCO members have agreed on the creation of joint financial institution, the SCO Cooperation Bank, with an initial capital of \$200 billion.

Certainly the SCO has a very anti-Western orientation, and the Ufa Summit has reinforced this. The Summit Declaration accepted by all the members, including Pakistan which is seeking to be a strategic partner of the USA, sent the very clear message that the SCO wishes to diminish the Western world (EU+USA+NATO)’s influence on global politics. It took a number of interesting positions, such as:

agreement reached by the parties on 12 February. It also opposed any other party intervening in Ukraine’s internal affairs, i.e. the US;

- It condemned the intervention of other parties in the Middle East, saying that it had destabilised the region. The Russians lobbied for the inclusion of this phrase, seeking to highlight the negative impact of the involvement of Western nations in Syria mainly.

By and large, the Ufa SCO Summit has endorsed the historic process of the development of multipolarity. How far the world goes in that direction, and how quickly, are crucial questions.

The Georgian Institute for Geostrategic and Euro-Atlantic Studies Institute, Chairman

polarity. At this summit it adopted two key documents: the Summit Declaration and the SCO Strategy for the 10-year period until 2025. As one of the participants, President of Uzbekistan Islam Karimov, correctly stated, “The SCO will soon strategically change the situation in global politics”. Karimov maintained that the organisation could be as strong as NATO even though it does not set exact military objectives and missions. However it could be argued that Karimov would say that because Uzbekistan will be the next chair of the organisation and the next summit will be held in Tashkent.

A more sinister tone was struck by Chinese leader Xi Jinping: “The SCO must elaborate all measures in order to jointly protect the internal political regimes of its member states and respond to challenges aimed at

to it, given China’s importance. Even before the Ufa Summit the then-SCO member states had a combined population of 1.597 billion and a total net GDP of \$11.6 trillion. There are also a number of other factors which make any statement made at the summit worthy of serious attention. These are:

1) Two new members have joined the SCO – India and Pakistan, two nuclear nations, which in conjunction with Russia and China could transform the organisation into the most influential collective security institution in the world. It could be an alternative to the UN Security Council structure as its four members of the “Nuclear Club” control more than 3,500 such weapons, not as many as NATO has but closing in on it. Moreover, the SCO will use these new members to extend its reach in all

inant power in the Eurasian space and further reinforce Russia’s position there;

4) Russia and China have agreed to expand their strategic ties and hasten their joint

power in reviving the so-called “Silk Road”. This is crucial for Russia in the light of the economic sanctions imposed on it by Western countries. Vladimir Putin declared at the

## NEWS

### ‘CABLE CASE’ MOD, GENERAL STAFF OFFICIALS REINSTATED

Four employees of the Ministry of Defense and general staff of the armed forces, who are on trial in so called “cable case”, have been reinstated to their jobs, the MoD said.

One former and four serving officials from MoD and general staff were arrested on October 28, 2014 and charged with mispending GEL 4.1 million in an alleged sham tender in 2013 on laying fiber-optic cable. They deny charges.

This so called “cable case” led to split within the Georgian Dream (GD) ruling coalition and the firing of Defense Minister Irakli Alasania, followed by resignations of his two allies from cabinet posts. It resulted in Alasania’s Free Democrats leaving the GD coalition in November, 2014. Alasania has been denouncing investigation against the MoD officials as “politically motivated”.

All five men spent almost eight months in pre-trial detention before being released in June after the prosecution dropped its

objection against their release.

After the court ordered pre-trial detention, four serving officials (the fifth one – former head of procurements unit – was no longer MoD employee at the time of the arrest) were suspended from office. Two of them served in MoD’s procurements unit and two others in general staff’s communications and IT department.

Defense Minister, Tina Khidasheli, wrote in a Facebook post on August 12 that after court’s decision to release MoD officials from pre-trial detention, there was no legal ground any more for keeping them suspended from office, as a result they were reinstated.

“Guilty or innocent – that’s not up to the Ministry of Defense to judge; it will be determined by the court,” she said, referring to still ongoing trial into the “cable case”.

Free Democrats opposition party and its leader Irakli Alasania welcomed MoD’s decision. Alasania said in a statement that the five men are “innocent victims of fabricated ‘cable case’.”



# GINO PARADISE TBILISI - the best place for your rest

**GINO PARADISE TBILISI**- a small resort in the capital city is the best place for your rest, entertainment and healthcare. Located on the territory of the Tbilisi Sea the biggest and unique aqua park in the whole Transcaucasia, introduced by various entertaining and health care equipment, represents an amazing opportunity for comfortable rest of the visitors. There is probably no place where entertainment and health care are so closely related to each other, as at GINO PARADISE. GINO PARADISE offers its visitors everything they need for entertainment, health care and rest any time of the year, 4 seasons a year.

There are numerous and diverse entertainment-health care opportunities; however, we'd like to pay particular attention to the swimming pools that are of significantly high demand during the summer season. GINO PARADISE diverse swimming pools provide you with the opportunity of sunbathing, taking care after your body and getting entertained.

The highest class indoor, as well as outdoor swimming pools constructed of stainless steel and functioning in compliance with the European standards will contribute to taking care after the health of your organism. A relaxing waterfall will assist you in getting rid of tiredness, while a wave pool is a unique place for resting.

For extreme lovers there functions the quickest and the biggest (31 meter) topogane (aqua slides) that includes 6 slides of various speed and color. The visitors go down from the height of 31 meters at the speed of almost 60 kl/h.

If you purchase a **standard package**, you will enjoy the following services: topogane, wave pool, 25-meter Olympic standard swimming pool, wild river, salty and freshwater whirlpools, gym and etc.

**Business package** includes: indoor and outdoor swimming pools; besides, you may also enjoy relaxing pool with various attractions and underwater arm-chairs.

**VIP package** encloses various WELLNESS&SPA procedures. The guests will be impressed by sauna massage and the diversity of other procedures. WELLNESS&SPA center presents various relaxing and healing saunas with plants' fragrances, shower with snow and thunderstorm effects, as well as milk and wine bathes of Cleopatra. There is also a 2000 liter heated and oxygen enriched beer barrel, where you may also order cold beer.

Besides, there is also a well-equipped summer beach at the Tbilisi Sea. GINO PARADISE summer beach is located in the economy zone of the aqua park and provides the guests with the opportunity of sunbathing, comfortable rest and entertainment. The beach is equipped with aqua slides, umbrellas and sunbeds. The visitors may use clean shower and fitting rooms and receive high quality service for affordable price.

You may visit GINO PARADISE either alone, or with your friends and family members. The aqua park serves the visitors of any age and takes proper care after children. Your children are awaited by water slides, entertaining attractions and other interesting services.

Upon your wish, you may use a big whirlpool with salty water (Jacuzzi) located on an original ship "PIRATE", as well as visit a bar-pool. The bar-pool is equipped with hydro massagers, where you may enjoy as non-alcoholic, as well as alcoholic cocktails.

It should also be mentioned that at GINO PARADISE particular attention is paid to the compliance of the norms for security and hygiene. With the aim of water quality and temperature control, water samples are taken each hour.

In addition to the above-mentioned advantages, GINO PARADISE beach occupies quite a big territory that in return gives the opportunity for organizing various interesting events. You may celebrate here your birthday, hold an event and spend unforgettable time with your friends.

If you spend summer in the capital city, visiting GINO PARADISE will definitely provide you with unforgettable pleasure.

*ShorenaTsvikarashvili*



Bonario Pictures  
film-video produkcia



**C.BANK INCREASES KEY RATE TO 6%**



The National Bank of Georgia raised its key refinancing rate by 50 basis points to 6% on August 12, citing "increase in the inflation expectations".

Georgia's annual inflation accelerated to 4.9% in July from 4.5% a month earlier, reaching the highest rate in almost four years. July's annual inflation was just under central bank's 5% target.

Annual inflation "may slightly exceed target level" by the end of this year, the central bank's monetary policy committee said after a meeting on August 12. It said that external and internal demand remains weak.

It also reiterated its earlier forecast of further tightening monetary policy and said that refinancing rate is expected to be within 6.5% by the end of this year "if no additional shocks emerge".

The central bank said that among internal factors, which affect negatively on expectations along with external factors, is "attempts to discredit National Bank's policy."

The central bank and its chief Giorgi Kadagidze, whose seven-year term in office will expire in February 2016, have been a frequent target of attacks from GD ruling coalition after the depreciation of national currency, lari.

Kadagidze told journalists on August 12, that "leveling completely groundless and comic allegations against the National Bank by government and Georgian Dream members has already become usual."

"This is very bad and harmful for our economy," he said.

As of August 12, lari lost 31.6% of its value against U.S. dollar since November, 2014, mostly due to the strengthening of the dollar and the decline of external earnings in the form of reduced exports and remittances.

The central bank started tightening monetary policy earlier this year, increasing refinancing rate from 4% to 4.5% in February and further raising it to 5% in May and to 5.5% in July.

Central bank's Monetary Policy Committee will hold its next meeting on September 23.

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**COE'S ANTI-CORRUPTION BODY CALLS ON GEORGIA TO BOOST PARTY FUNDING TRANSPARENCY**

Council of Europe's anti-corruption monitoring body said despite some progress since 2013, Georgia has only "partially" implemented recommendations on transparency of political party funding.

The Council of Europe's Group of States Against Corruption (GRECO) published on August 11 a report on Georgia's implementation of recommendations on anti-corruption legislation and on transparency of party funding.

In 2011 GRECO issued a set of recommendations to Georgia on criminalization of corruption and on transparency of party funding. The first assessment of the implementation of these recommendations was done in 2013 and the new report is looking at further progress achieved from July, 2013 to March, 2015.

While all five recommendations related to corruption offenses have been implemented, only three out of ten recommendations in respect of transparency of party funding have been met, according to the report.

State Audit Office (SAO) is in charge of monitoring political finances. Noting SAO's "independence and impartiality", GRECO called for further strengthening of the agency's capacity and for more proactive investigation of cases of violations of political funding rules, as well as more effective prevention of misuse of administrative resources during the election campaign.

"With respect to the transparency of political funding, the momentum generated by the compliance procedure has still not been used to launch a comprehensive legal reform aimed at aligning the Electoral Code (EC) with the Law on Political Unions of Citizens (LPUC), as was envisaged by the authorities," reads the report.

"It would appear that the amendments introduced into the LPUC have only partly addressed the various concerns underlying GRECO's recommendations. For example, although the independence and impartiality of the State Audit Office... appears to have been attained not only in law but also in practice, the full scope of the SAO's duties has not been reflected in the pertinent legal acts and its expertise and capacity in this area call for further reinforcement."

"Other persisting concerns are the need for the more effective prevention of cases of misuse of administrative resources, more proactive investigation of infringements of the political funding rules, and for effective, proportionate, dissuasive and timely sanctions that are enforceable in respect of all persons/entities on which the LPUC and the EC establish obligations," reads the report.

The Georgian authorities will have to submit GRECO with information regarding the implementation of the remaining recommendations by late March, 2016 at the latest.

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**TBILISI CONDEMNS NEW 'BORDER' SIGNPOSTS AT S.OSSETIA ADMINISTRATIVE BOUNDARY**

Georgian Foreign Ministry has condemned placement of new signposts marking breakaway South Ossetia's "state border" and said that the move left farmlands of several local residents beyond the new markers.

The new signposts, it said, were placed by the Russian occupation forces close to the villages of Tamarasheni and Tseronisi in the Kareli municipality, which are located in southwest from Tskhinvali. Some locals told journalists that about 6-7 hectares of farmland fell beyond the new signpost.

"The Georgian Foreign Ministry condemns Moscow's yet another provocative act, which poses threat to security and stability and grossly violates local residents' fundamental rights," it said. "Georgia call on the Russian Federation once again to fulfill its international commitments and to refrain from actions directed towards escalation of situation."

"The Foreign Ministry calls on the international community to assess appropriately Russia's illegal policy directed against Georgia's sovereignty and territorial integrity and to take adequate measures for maintaining security and stability on the ground."

Defense Minister: 'Russia Tests Our Patience'

Tbilisi Condemns S.Ossetia 'Border' Marking – July, 2015

EU's Tusk Hails Tbilisi's 'Responsible Reaction' to Russia's 'Provocations'

Defense Minister, Tina Khidasheli, said on August 11 that Georgia should not yield to these provocations by Russia, which, she said, would continue. Khidasheli said that she expects more such signposts to be placed by Russia at various locations along the breakaway region's boundary line as Georgia continues its Euro-Atlantic integration. "I can name six or seven other locations where Russia will continue these actions – presumably because of JTEC, because of our NATO integration and because of many other reasons," she said, using an abbreviation for planned NATO-Georgia Joint Training and Evaluation Center, which is expected to be opened this year.

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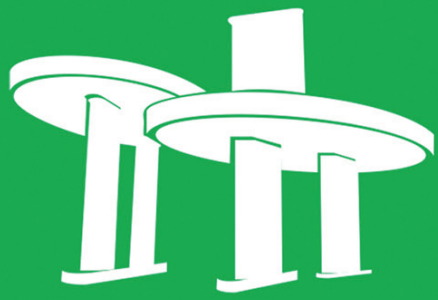
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