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By NATALIA KOCHIASHVILI

The governments of Eastern Europe and Central Asia are responding to the COVID-19 pandemic with repressive and violent measures that do not meet their human rights obligations. This is stated in a report published on 29th of April, by the human rights organization Amnesty International.

## Eastern Europe and Central Asia confronted with COVID-19

# AMNESTY INTERNATIONAL



► The report also says that during the state of emergency, utility bills from citizens who consume less than 200 kWh of electricity and less than 200 cubic meters of gas per month will be covered by the state budget.

According to the organization, the authorities of some countries consider the pandemic to be a carte blanche for human rights violations.

Amnesty International's researchers cite the example of Kazakhstan where the apartment entrances were locked; in Chechnya where the police beat the people who didn't wear masks; in Russia where the administrative impact methods were used against the doctors who complain about the lack of medicines and other means; the case when Ukrainian army locked down the only road of village that is controlled by the separatists, therefore eliminating the possibility of purchasing of food and

medicines for the 150 village inhabitants, etc. According to Amnesty International, in many countries in Eastern Europe and Central Asia, the government has resorted to repression and criticized social media users, journalists and medical staff.

The human rights organization believes that a number of governments are using the measures used to justify misinformation to hide the real scale of the epidemic and prevent the spread of information about the problems.

The section of the report, which deals with Georgia, discusses the restrictions imposed on March 21 as part of the state of emergency, which was "dictated by the

necessary, proportionate and legitimate goals of public health."

According to the report, the President's decree on the state of emergency included a 'comprehensive' list of suspended rights and specific circumstances where such suspension was possible. The document said the measures taken included restrictions on the response to COVID-19, including quarantine regulations, restrictions on international and domestic travel, visits to prisons, and access to public services. According to the report, the decree allowed the use of private property for public health needs and the regulation of prices for basic products.

Amnesty International has expressed concern over the fact that certain measures have been taken in a 'discriminatory manner.'

"Despite the medical advice, the law did not restrict religious gatherings so that the Georgian Orthodox Church could hold a liturgy on Easter. On April 12th and 19th, during the Easter and Easter holidays, several Orthodox churches in Georgia hosted dozens of parishioners," the document reads.

The human rights group says all other religious groups have voluntarily agreed to close the chapels. The report said that on April 15, Muslim cleric Mirtag Asadov said that at the start of Ramadan, they would open mosques and hope that the authorities would treat them with the same understanding as the Orthodox Church. However, according to the document, two days after the announcement, Asadov was summoned for questioning by the security service in connection with an alleged sabotage attempt against the state.

The watchdog highlighted Government's measures aimed at protecting 'the most vulnerable' groups of the population. It mentioned that the government intends to compensate those who lost their jobs due to the pandemic and restrictions.



► Despite the doctors' recommendations, religious gatherings were not restricted in large part because the Georgian Orthodox Church had the opportunity to hold an Easter liturgy with the participation of the parishioners.



# The state terminates the contract with Frontera Resources

საქართველოს ნავთობისა და გაზის კორპორაცია



GEORGIAN OIL & GAS CORPORATION

► The Oil and Gas corporation speaks up about the arbitral award

By ANASTASIA SOKHADZE

In 2017, the State and the Georgian Oil and Gas Corporation launched an international arbitration dispute against Frontera, which significantly hampered the Company's operations and inflow of the planned investments in Georgia.

A week ago, on April 21st, the Oil and Gas Agency and the corporation announced that the arbitral tribunal had supported their interpretation of the norms of the contract and had met the vast majority of their claims. They said the tribunal had found

that Frontera had substantially violated the contract, which was reflected in the refusal to return the search area (99% of the entire licensed area) to the state.

According to them, Frontera was instructed to reimburse the amount of fee for the use of natural resources paid by the Oil and Gas Corporation, as well as the costs incurred by the plaintiffs in connection with the arbitration proceedings.

The company Frontera responded to this statement on April 29th. They said in their statement that the Georgian government and its lawyers had deliberately made incorrect public statements that would distort the results of the arbitration and the image of the company. According to them, the fake news spread these days and the public statements made by some members of the Georgian government contain an inappropriate attempt to insult the US government and discredit both them and other supporters of American business like Frontera.

Hours after the Frontera announcement, the State Oil and Gas Company issued a response statement calling them 'false, in-



► Zaza Mamulaishvili refused to admit to not paying specific fees

accurate.' At the same time, they noted that they are terminating the contract with Frontera. According to them, the arbitral award gives them the right to do

so. But Frontera denied these accusations and claimed that they could continue working together. According to the President of Frontera Zaza Mamulaishvili,

the arbitration did not meet the main requirements of the agency and the corporation which concerned the financial part and the payment of \$100 million.

"The most part of their demands was about how allegedly we didn't pay the government specific fees, how we did not give our share of the oil and natural gas, so they demanded compensation for that money. But because these claims were made based on evidence, they did not have a leg to stand on and therefore, the court didn't satisfy their needs," stated Mamulaishvili.

Nevertheless, the Oil and Gas Company has stated that Frontera has already been notified and the contract will be automatically terminated on July 27th, 2020.

It is impossible to paint the full picture since only the positions of both parties are known, not the full information. The details of the arbitral award will be known only if both parties agree to make it public.

Frontera Resources is an American-based company that aims to extract oil and gas. The company Frontera Research Georgia started working in Georgia in 1997.

## EBRD to invest €75 million in modernisation of Tbilisi metro

Residents of Georgia's capital Tbilisi will benefit from a €75 million sovereign loan, with €65 million provided by the EBRD and €10 million by the Green Climate Fund (GCF), for the modernisation of the metro network, its main form of public transport, and the provision of new rolling stock. Supporting vital infrastructure is a key element of the EBRD's response to the coronavirus pandemic, while the Bank also continues to prioritise green and sustainable investment.

The funds, extended to Georgia and on-lent to the city of Tbilisi for the benefit of the Tbilisi Transport Company, will finance the acquisition of 40 modern metro cars as well as the modernisation of a depot and a tunnel.

The investment is part of EBRD Green Cities and a follow-on investment under Tbilisi's Green City Action Plan (GCAP), which identifies areas for urgent action addressing the city's main environmental challenges, one of which is air quality. It is also the first project to be co-financed by the GCF under EBRD Green Cities.

The metro upgrade and new rolling stock will improve the reliability, safety and efficiency of public transport and provide commuters with a comfortable and environmentally friendly means of transport. Tbilisi has almost 1.2 million inhabitants and becomes very congested during peak hours. The updated metro will encourage residents to shift from private to public transport, reducing air pollution.

The project also aims to promote gender equality and improve health and safety standards. It will include on-the-job

training opportunities promoting the employment of women and addressing equal opportunities in the urban transport sector.

The EBRD has launched a Vital Infrastructure Support Programme as part of its response to the coronavirus pandemic to guarantee the operation and development of crucial infrastructure supplies and services. Infrastructure investments are vital for the local economy and create or secure jobs.

"The European Bank for Reconstruction and Development is one of the leading institutions providing financial assistance to Georgia in the fight against Covid-19. The new financial resources allocated by our partners will be used for one of the most important priorities – municipal transport, including the rehabilitation of the Tbilisi subway, as well as the purchase of a new type of modern carriages,

necessary steps to ensure the safe movement of our citizens. I would like to thank the management of the Bank and the head of its regional office, Ms. Catarina Bjorlin Hansen, for the close cooperation and the assistance provided to Georgia. In the context of the Covid-19 pandemic this support is of great importance for the development of our country", said Ivane Matchavariani, Minister of Finance of Georgia.

"The EBRD has been supporting Tbilisi's municipal transport infrastructure for several years now. We are grateful that despite the difficult economic conditions caused by the Covid-19 pandemic, the Bank's support for Georgia's economy and its citizens remains strong. We are much obliged to the EBRD team in Georgia and stand ready to continue our future cooperation", added Kakha Kaladze, the Mayor of Tbilisi. Catarina Bjorlin Hansen,

EBRD Director for the Caucasus, said: "In this time of unprecedented challenges the EBRD is standing by its countries of operations and by its clients and is ready to offer vital support. Infrastructure plays a critical role in providing the services we need for our daily lives and for the functioning of the economy. The modernisation of the Tbilisi metro will be a milestone in addressing the city's key environmental challenges. The demand for quality public transport is high and such projects have an excellent environmental and social impact."

The EBRD is a leading institutional investor in Georgia. Since the start of its operations in the country, the Bank has invested over €3.7 billion in 249 projects in the financial, corporate, infrastructure and energy sectors, with 87 per cent of these investments in the private sector.

FRIDAY		MAY 1	
Day		Party cloudy	High: 24°C
Night		Rain	Low: 14°C
SATURDAY		MAY 2	
Day		Thunderstorms	High: 21°C
Night		Thundershowers	Low: 13°C

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US DOLLAR - 3.2032 | EURO - 3.4748 | GBP - 3.9768 | 100 RUSSIAN RUBLE - 4.3469 | SWISS FRANC - 3.2870 |

# In March 2020, Georgian economy shrank by 2.7%

BY NATALIA KOCHIASHVILI

The Georgian Statistics Office (Geostat) publishes a preliminary assessment of economic growth. According to the document, the economy shrank by 2.7% in March 2020 compared to the previous year, while the average growth in the first quarter was 1.5%.

It is noteworthy that the economic decline in Georgia has been recorded for the first time in several years. This is likely due to the impact of the Coronavirus global pandemic on Georgia's economy and the country's severe economic constraints. In March, imports fell by 13.4% and exports by 22% due to reduced foreign demand because of the influence of Coronavirus.

Compared to March of the previous year, the number of newly registered enterprises has sharply decreased. In March 2020, only 2,426 enterprises were registered, which is almost 50% less than in 2019. According to Geostat, the turnover of VAT-paying enterprises amounted to ₾6.3 billion, which is only 0.7% more than in 2019.

The decline was observed in almost all sectors of the economy. Particularly noteworthy are the reduction in the sectors of hotels and restaurants, transport, art, entertainment and leisure, trade and manufacturing. The financial and insurance sector has also declined, mainly due to declining revenues from interest rates by banks.

However, as an exception, an increase compared to the previous year is observed in the construction, information and communication sectors. Accord-



► The increase in construction was mainly due to infrastructure projects (roads, highways, bridges), which are mainly funded by the state. Photo: AP Terminals

ing to the director of Geostat, Gogita Todradze, the increase in construction was mainly due to infrastructure projects (roads, highways, bridges), which are mainly funded by the state. The increase in the information and communication sector was due to the increase in the demand for digital technologies. In the first quarter of this year, exports fell 5.9% to \$ 778.1 million.

In January-March 2020, exports from Georgia to China increased by 185.9% to \$ 99.9 million, or 12.8% of total exports.

According to Geostat, despite the decline in export figures, the dynamics of exports in some countries is positive. These countries are Azerbaijan, China, Bulgaria, Switzerland and Spain.

In the first quarter of 2020, the total volume of real estate

put into operation in Georgia decreased by 32.8%. During the first quarter of the year, the construction of 484 facilities was completed, which is 21.8% less, and the total area of these facilities is 419,700 square meters, which is 32.8% less than the previous year.

According to Geostat, the average area of one facility put into operation in January-February is 867 square meters. As for the area of projects built by regions, 29% of it is concentrated in Tbilisi, followed by Kakheti with 12.6%.

As for the area of issued permits, 2285 construction permits were issued by municipalities in the first quarter of 2020, which is 11.4% more than in the previous year. If the projects are really implemented with these permits, then an additional 1,537,800 square meters of real estate will be created in the country.

According to Geostat, in the first quarter of 2020, \$28 million 993 thousand were spent on electricity imports to Georgia, which is 25.7% more than in the same period last year. As for March data, this expenditure amounted to \$8 million 171.8 thousand, which is 7.5% more than in March last year.

For reference, according to the Electricity Market Operator (ESCO), in March, compared to the same period last year, electricity imports increased by 4.3% and reached 217.9 million kWh. Imports were made from Russia and Azerbaijan.

According to Mariam Chakhvashvili, senior analyst and Galt & Taggart, this led to an almost

26% increase in the value of electricity imports in the first month of spring.

"Electricity imports increased both in March and in the first quarter of the year. Specifically in March, we can say that the share of Abkhazian consumption is quite significant, but in the first quarter is a significant effect of declining hydropower," she said, adding that imports increased by about 40% in the first quarter and Engur-Vardnili total generation is reduced by 10%, which means that the consumption required for Abkhazia is largely imported.

According to Chakhvashvili, consumption in Abkhazia has increased by 8% and the fact that imports were a significant portion for Abkhazia is also confirmed by the fact that the average price of imports has decreased.

"If the average price of imports in January was 5 cents, in February and March the average price was 3.2 and 3.75 cents, which, despite the dollar exchange rate, is largely due to the fact that electricity was supplied from Salkhino," Chakhvashvili explained.

Due to the fact that some economic activity was still observed at the beginning of March, and after the declaration of the state of emergency in the second half, the activity decreased almost completely, in April the Georgian economy is expected to decrease even more.

The International Monetary Fund, as well as the National Bank of Georgia, predicts a 4% decline in Georgia's economy in 2020.



► Compared to the same period of the last year, in the first quarter of 2020, 25.7% more was spent on electricity imports to Georgia.



## Mikheil Eristavi – Country of Liquid Sun

Mikheil (Misha) Eristavi was born in the village of Karaleti in 1862 at the Eristavi family palace. His father, Revaz Eristavi, was the grandson of the King Erekle II's daughter, Anastasia Batonishvili. Eristavi wrote poems and translated the works of Pushkin, Lermontov and Zhukovsky into Georgian. In the 1850-1860s, he collaborated with the periodical magazine *Tsiskari*. After Ili Chavchavadze had criticised Eristavi's translation of Kozlov's *Insane*, this gave rise to the literary-ideological resistance between younger and older generations in Georgia called the 'struggle between fathers and sons.'

Mikheil Eristavi obtained his primary education in a private boarding school and then continued his studies in Ukraine, at the Uman School, quite famous by that time, where he graduated in 1884 with and received a certificate of excellence. Upon returning to his homeland, he began to work at his family's estate in Karaleti where he soon introduced a water-operated threshing machine. He experimented with importing new grain varieties most of which are grown throughout the country.

Eristavi was the first to introduce an American vine variety and established a nursery farm in the province of Gori. He planted Georgian and foreign table vine varieties in Karaleti and created a diverse collection of vine varieties.

Eristavi was the first to establish a large pomological gar-

den in Georgia where he planted new species and varieties of fruits upon a 14 desiatina land plot. He exported seedlings and grafting materials from various seedling farms in Europe and, thereby, facilitated the enrichment of the fruit crops growing in Georgia by means of this new collection. Fruit crops were represented by many varieties of apples: Calville White, Autumn Red Calville, Easter Calville, Rennet Grey French, Rennet Champagne, Rennet Pineapple, Winter Golden Parmen, Sari-Sinap, Caldille-Sinap, Belflore, Rosemary White. Pear Duchesse Angulemme, varieties included: Burre-Bosk, Mikado, Winter Dehan, Berre-Hard. Reslet, Muscat-like, Georgian Gulabi. Sweet cherry varieties included: Drogan Yellow, Napoleon, Georgian Black. Plum varieties included: Reine-claude Green, Altan's Reine-Claude, Italian Hungarian, Common Hungarian, Chanchuri, etc. The pomological garden was also known for its flowers, many of which were rare for that time, including roses, lilacs, chrysanthemums, dahlias and many others.

Eristavi was also involved in beekeeping and had hives in two villages, Karaleti and Ghvarebi, with high quality species of bees. His consultant in beekeeping was Tikhomirov who was well-known in the field. Eristavi participated in a number of agricultural exhibitions and received highest awards for his work.

Literary evenings often used to be held at the Eristavi home



► Mikheil Eristavi and his wife Elene Saginashvili.

in Karaleti and Gori initiated and hosted by Mikheil's wife, Elene, who was the daughter of Ivane Saginashvili, Prominent poets, writers, artists and singers arrived from Tbilisi and met at their house. Elene herself was a good musician and played Bach, Mozart, Beethoven and others. The family had a rich library with Elene permanently supplementing it with literature ordered from Europe. Upon her permission, everyone-any villager who was fond of reading and who was interested in literature-could come and use the library.

Misfortune came to the Eristavi family suddenly. On one occasion, Mikheil and Elene Eristavi's children, Revaz, Ekaterine, Nino and Rusudan, were visiting Mikheil's brother, Shalva, in Odzisi. Shalva's wife, Elisabed, was also there with her children and some close relatives celebrating the wedding

of Mikheil Eristavi's daughter, Nino, to Ivane MakashviliMakhashvili. Suddenly, Georgian rebels arrived in Odzisi from Karaleti.

They took Mikheil and his son, Revaz, a student, out the house and shot them near the village of Chala.

Elene, who had always been full of life, resisted the sudden misfortune with astonishing strength, showing not even a tear in her eyes after the tragic death of her husband and son. After their eviction from Kartli, Elene's sister, Barbare Saginashvili-MakashviliMakhashvili, gave shelter to the Eristavi family who were left without any means.

The new and extremely difficult financial situation made Elene decide to use her musical talent and she found work in the cinema where she provided musical accompaniment for silent films and, in this way, earned

a bit of money which she used for her family. Left in misery, she often went to church to seek solace. Elene Saginashvili-Eristavi's difficult life, full of suffering, ended in 1938.

The story of the hill, where the Eristavi palace stands, is a rather interesting one. The origin of this artificially-created hill is in the distant past at the time when Nacharmagevi became the summer residence of the Georgian Kings and, consequently, a strategic location. According to one of the versions, they found a location which offered very good communication possibilities from where even the Gori Castle was in site and which also offered signals of information or warning. The Eristavis constructed a hill upon which they built the palace and which was a unique undertaking for that time. It is not known exactly by whom and when the hill was built.



► Mikheil Eristavi and his son Revaz Eristavi.



► Mikheil Eristavi with his family.