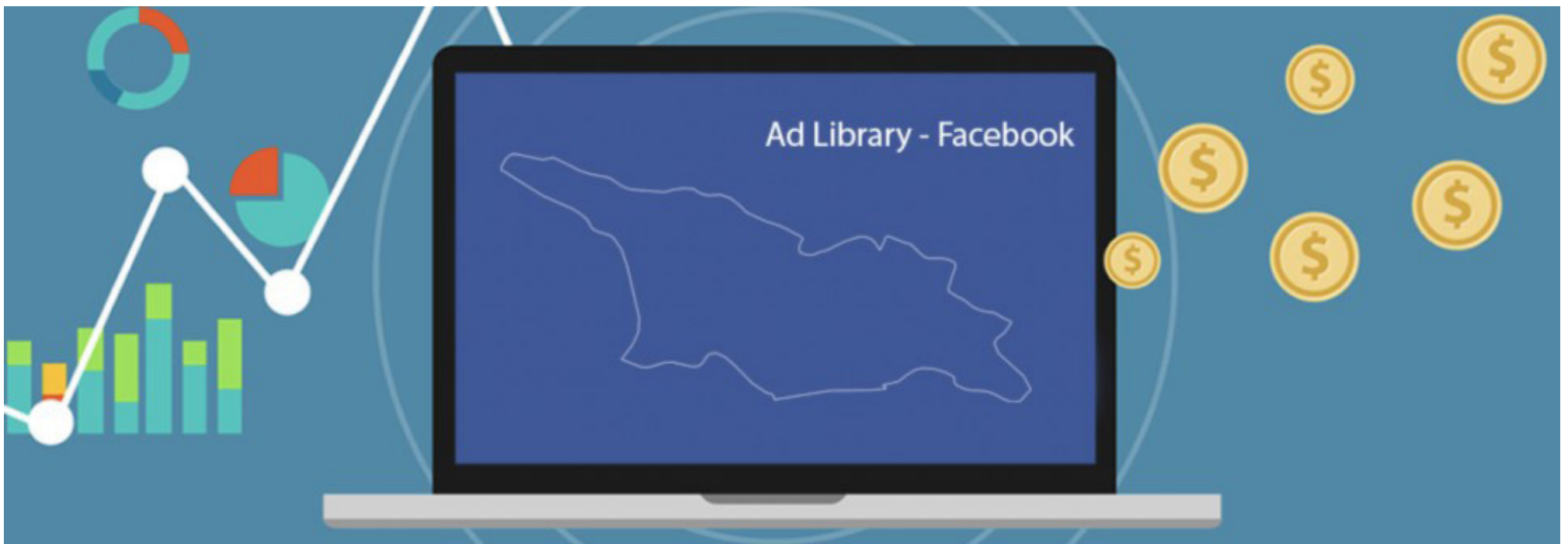


Facebook political ad spending in Georgia



Facebook political advertising library was launched in Georgia on August 7.

BY NATALIA KOCHIASHVILI

Facebook Ad Library became available in Georgia on 7th of August, introducing a new set of requirements for political actors. The advertiser has to undergo an authorization process, declaring their identity and providing a "Paid for by" disclaimer.

A local watchdog, International Society for Fair Elections and Democracy (ISFED) reported on key political advertising trends on Facebook ahead of Octo-

ber parliamentary elections. According to the report most political parties, leaders and majoritarian candidates have sufficiently met the newly imposed criteria for political ads. ISFED says that there are certain parties that have yet to adequately declare their information and smear campaigns by anonymous Facebook pages are still common.

Political ads are not advertised by anonymous Facebook pages, which sponsor posts mainly to discredit opposition parties and their leaders. Despite Facebook's mandatory authorization, anonymous discrediting sites continue to try to circumvent binding rules and publish political ads that bypass the transparency standard.

Based on a recent Facebook report, covering the period from August 4 to September 6, ISFED stated that approximately \$193,465 was spent on a total of 4,607 political ads in Georgia in that timeframe.

The 'Strategy Builder and Giorgi Vashadze' spent \$47 800, topping the list

of political parties that advertise on Facebook. It was followed by European Georgia – \$30,782 of which about 52% came from ads on the party's Facebook page and the rest from the party leaders' official websites; Lelo – \$21,747; Ruling Georgian Dream – \$20,421; United National Movement – \$6,678 and Alliance of Patriots – \$4,663.

ISFED named parties that posted undeclared ads, thus violating Facebook ad policy: Free Georgia; Georgian March – National movement; Euro-Atlantic Vector; United Georgia – Democratic Movement of ex-Speaker Nino Burjanadze; For Justice of MP Eka Beselia.

The Civil Society Organization also found that some parties, that mostly adequately declare their information, have in some cases posted undeclared ads: European Georgia, the United National movement and Aleko Elisashvili – Citizens.

According to the watchdog, even though the Georgian Dream usually follows the requirements, supporters' pages

do not provide the required information, even though the administrator of the pages may be connected to the party members. For example, Davit Dugladze, who posts on 'Support Zaza Dugladze' and '41 is my choice' is the brother of a GD majoritarian candidate Zaza Dugladze.

The watchdog also identified 11 anonymous pages that sponsor posts aimed mostly at discrediting opposition parties. Thus, the issue of anonymous and fake media pages is still prevalent, with these pages continuing to advertise without any declarations about funding and mostly targeting opposition parties.

The watchdog notes that advertisements with political content on anonymous and false media pages operating for the purpose of political discredit continue to be published without declaration. Most of them sponsor posts to discredit opposition parties and their leaders. On the pages run by Bakur Svanidze, which discredits almost all other parties and

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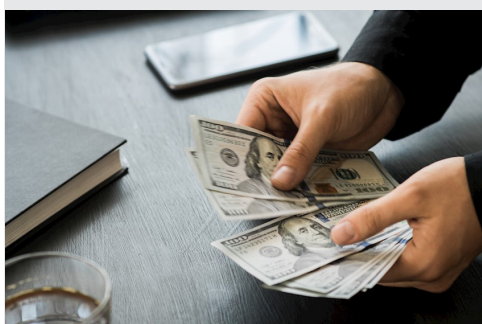
Opinion & Analysis

Covid-19, Saakashvili and elections

FULL STORY ON Page 2

Economics

Foreign trade turnover down by 16.7% in Jan-August 2020



ADB Maintains Georgia's Growth Outlook for 2021 at 4.5%

FULL STORY ON Page 3



ISFED

INTERNATIONAL SOCIETY FOR
FAIR ELECTIONS AND DEMOCRACY

The largest amount of money was spent on Facebook in favour of Giorgi Vashadze, the prime ministerial candidate for the 'Strategy Builder' political advertisement - a total of \$ 47,800 for 289 advertisements.

Covid-19, Saakashvili and elections

By MALKHAZ MATSABERIDZE

With the October 31st parliamentary elections approaching, the sharp rise in Covid's cases is a sign that the elections will end in the wake of the second wave of the epidemic. The main event of the election campaign so far, judging by the number of comments and the degree of emotion of politicians, is the nomination of Saakashvili as a candidate for Prime Minister by the "National Movement".

In recent days, the number of cases of Covid-19 in the country has reached record levels for Georgia and exceeds 40 cases per day. The situation is especially difficult in the Adjara region, and due to the lack of places in hospitals, the decision was made to place the mildly ill in hotels.

Three hotels in Tbilisi, Batumi and Kutaisi have already been selected. The government has been talking for a long time about the prospect of a 'second wave' of the epidemic, and now that this wave may become a reality, many feel that the government is not sufficiently prepared to meet. The opposition and experts in the field spoke directly about this.

The opposition has long claimed that the government is serving the purposes of the election campaign to fight the epidemic. On March 30th, 12 cases of coronavirus were reported, and on March 31st-7. The authorities then declared a state of emergency, introduced a general quarantine and activated the curfew.

Now that the number of new cases of the virus exceeds 40 per day, the government says that the educational process in schools can be resumed. According to



Mikheil Saakashvili

Levan Ioseliani, one of the leaders of the Citizens party, the decisions of the Georgian Dream then and now serve the purposes of the pre-election campaign. "In the spring they adopted the image of a caring government, but now that they know the negative attitude of the people, they can no longer dare to impose the same restrictions."

The government is not going to postpone the elections and the existing election schedule will not change. According to Davit Matikashvili, a representative of the Georgian Dream, "we do not have the luxury of discussing the postponement of elections despite the pandemic." The government imposes some restrictions on the epidemic, but it is clarified that this does not apply to campaign events; for example,

the ban on gathering more than 200 people does not apply to the election campaign.

In general, the opposition believed that the coronavirus pandemic was "working" in favor of the government, and a successful response to the epidemic boosted the government's rating. If the government finds it difficult to control the 'second wave' now, it will cause dissatisfaction in the society before the elections.

The CEC registered 66 parties running in the October 31st parliamentary elections, but most of these parties are unknown to the public and will not be able to campaign actively. Interested voters may even find it difficult to find some of these party pre-election programs. These less known parties are counting on

the 1% threshold in proportional elections, which seems relatively easy to overcome.

Mikheil Saakashvili, who was nominated by the United National Movement as his candidate for the post of Prime Minister, remains in the media spotlight. It has already become known about the election plans of the third president of Georgia. Saakashvili said he intends to arrive in Georgia after the elections, after the change of government, but categorically ruled out destabilization of the situation and stressed that he handed over power to the Georgian Dream peacefully in 2012. According to Saakashvili, he is going to be the Prime Minister for a maximum of two years, which will be enough to bring the country out of the crisis. Saakashvili

presented a concrete plan for governing the country, which he called '9 steps towards justice.' It envisages the depoliticization of the police and penitentiary system and the achievement of the independence of the judiciary. Saakashvili's pre-election activity has alarmed not only the government but also a large part of the opposition, which does not consider itself a 'Saakashvili camp' and some of them have ambitions to become a 'third force.' According to them, Saakashvili's appearance in Georgian politics is an attempt to restore 'bipolarity,' when voters will have to choose between Saakashvili and Ivanishvili again. Whatever the attitude towards Saakashvili, the fact is that he remains an influential figure in Georgian politics, with the higher international recognition and authority.

By engaging Saakashvili in the election campaign, the United National Movement will fully mobilize its constituency, while other opposition forces will have to approve their ratings in the upcoming elections. Especially those that were created shortly before the elections, such as Lelo or Citizen.

European Georgia, which seceded from the United National Movement after the 2016 parliamentary elections and has not yet run in the elections, is in a similar situation. They have to explain to voters how they differ from the National Movement, apart from the fact that Saakashvili and his leadership style are unacceptable to them.

The 66 parties running in the elections have until September 24th to form electoral blocs and then submit their party lists and majoritarian candidates to the CEC by October 1st.

(Translated from Georgian by Mariam Mchedlidze)

Facebook political ad spending in Georgia

CONTINUED FROM Page 1

political leaders in favor of the Patriots Alliance, political advertisements are also published without declaration.

Similarly, false media pages that pretend to be media outlets, but in fact engage in political PR and propaganda against opposition parties anonymously, try to circumvent Facebook's demands. ISFED has filed a number of undeclared advertisements

on these pages. Some of them have been suspended by Facebook, while many of them are no longer searched in the advertising library due to the undeclared political advertisements.

In case of identification of political advertisement by Facebook, which is not accompanied by mandatory information, the advertisement will be activated. In addition, a report function has been activated, through which any user can indicate that the advertisement is about elections or political issues and does not have the necessary remarks, and if confirmed, Facebook will deactivate the advertisement.

Facebook recognizes advertisements in social, electoral or political cases if: The advertisement refers to or is published by / on behalf of a public official, candidate, political person or political party; Advertising refers to elections, referendums, voting initiatives, calls such as 'go to the polls' or the election campaign; Deals with social issues in the region in which advertising is shared; It is regulated by the state as political advertising.

Another issue the CSO identified is one political actor advertising on various different pages, with different disclaimers 'which complicates identifying the total cost.'

The watchdog also outlined

key takeaways regarding targeted audiences and demographics. ISFED said the parties and majoritarian candidates usually select their targeted audience according to geographic locations. The CSO said the Lelo party addressed this method the most.

The age audiences of European Georgia leaders often differ from one another. The audience of advertisers on the Facebook page of Giga Bokeria, the majoritarian MP candidate in the Poti, Khobi and Senaki constituencies, is mostly in the 18- to 35-year-old category. Political advertisements posted on the page of the party chairman - Davit Bakradze are viewed more

often by the representatives of the older age groups.

The watchdog found that the Kremlin-friendly Alliance of Patriots party targets most advertisements in Tbilisi and Adjara, with its anti-Turkish ads being viewed mostly by males. Another party, that targets its ads at males, is the ultranationalist Georgian March - National Movement, averaging a 86% male viewership.

On the other hand, the watchdog notes that New Political Center - Girchi, targets its ads at people of the 18-35 age group, rarely targeting people more than 44 years old.

Weather

Wednesday, September 16

Day Showers

High: 28°C

Night Partly Cloudy

Low: 18°C

Thursday, September 17

Day Showers

High: 21°C

Night Cloudy

Low: 18°C

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The Messenger preserves the style of a source written in English where possible.

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Foreign trade turnover down by 16.7% in Jan-August 2020



\$23.1 million was transferred from Georgia to foreign countries in August 2020, which is a 21.5 per cent increase year-on-year.

statistics, most of the money was still transferred from Russia, amounting to \$ 34.94 million (increase of 1.48% over the previous year). The full statistics by countries are as follows:

- 2) Italy \$ 27.95 million, an increase of 35.92%;
- 3) US \$ 22.05 million, an increase of 45.80%;
- 4) Greece \$ 20.64 million, an increase of 40.12%;
- 5) Israel \$ 14.30 million, an increase of 187.06%;
- 6) Turkey \$ 9.65 million, an increase of 21.73%;
- 7) Azerbaijan \$ 6.96 million, an increase of 269.82%;
- 8) Germany \$ 6.86 million, an increase of 62.43%;

9) Spain \$ 5.11 million, an increase of 20.76%;

10) France \$ 2.81 million, an increase of 9.86%;

11) Poland \$ 2.67 million, a decrease from the previous year -14.80%;

12) Canada \$ 1.83 million, an increase of 41.97%;

13) UK \$ 1.79 million, an increase of 37.52%;

14) Kazakhstan \$ 1.63 million, a decrease -36.35%;

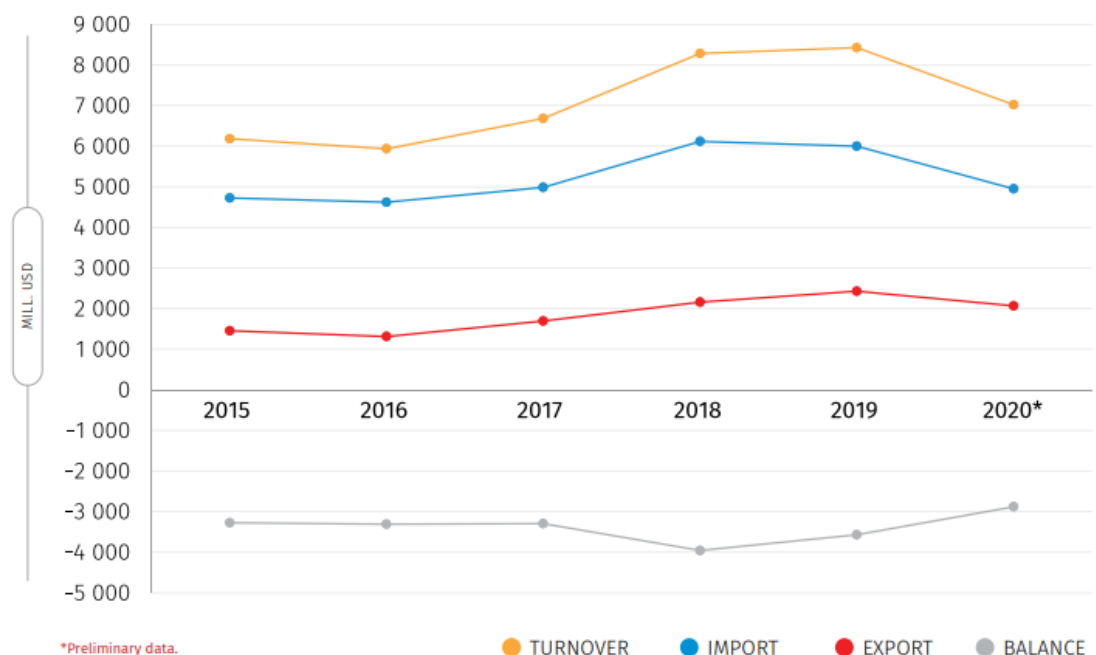
15) Ireland \$ 1.41 million, an increase of 89.80%.

In August 2020, \$23.1 million (€ 71.1 million) was sent abroad from Georgia, which is 21.5% more than in the same period of August 2019 (\$19 million).

Remittances, along with foreign direct investment and exports, are an important part of foreign exchange inflows to Georgia. In the first 8 months of 2020, a total of \$ 1.14 billion was transferred to Georgia in remittances, which is \$ 34.9 million (3.1%) more than in 2019.

According to the World Bank, Georgia ranks 24th in the world in terms of remittances. 11.6% of the country's economy is generated by remittances sent by Georgian citizens working abroad. Without these funds, the size of the country's local demand would have been much smaller.

EXTERNAL MERCHANDISE TRADE TENDENCIES OF GEORGIA
IN JANUARY-AUGUST 2015-2020



External Merchandise Trade of Georgia amounted to \$7 022.8 million in January-August 2020.

BY NATALIA KOCHIASHVILI

The National Statistics Office (Geostat) has published a report on foreign trade. According to the document, the value of goods exported from Georgia abroad in August amounted to \$ 292.4 million, which is €900 million. Due to the economic crisis of COVID-19, the volume of Georgian exports has decreased by \$ 23.7 million, or 7.5%, in annual terms.

A report released on 14th of September shows that the decline in exports was due to a larger drop in imports. Compared to 2019, imports are down by 19.3% or \$ 153.8 million, to \$ 643.3 million. A report released by Geostat shows that, like imports, exports have declined.

Georgia's foreign trade turnover in the first 8 months of 2020 decreased by 16.7%, compared to the same period last year,

amounting to \$7.02 billion, according to the preliminary figures.

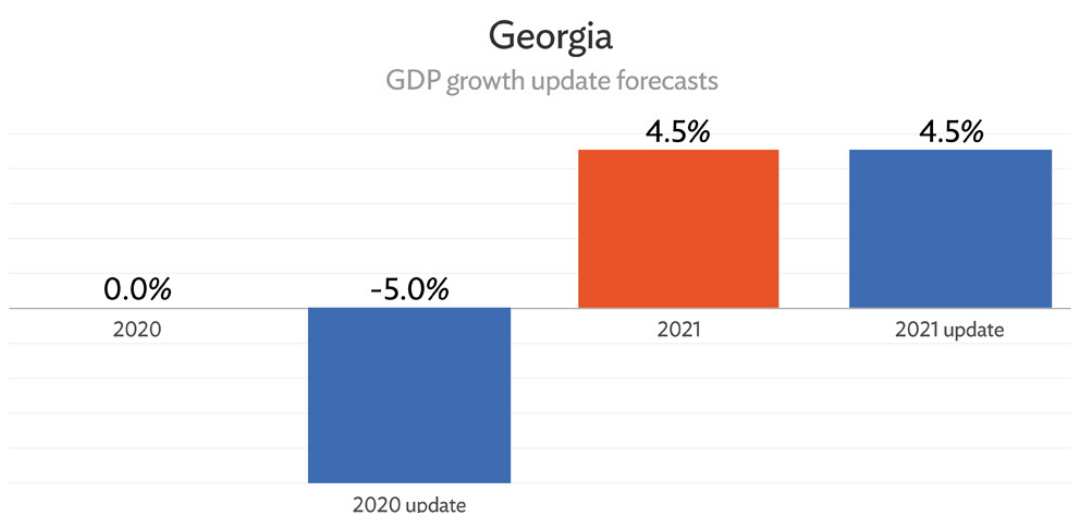
In January-August, exports were \$ 2.07 billion (down 14.7%) and imports were \$ 4.95 billion (down 17.5%). The negative trade balance in January-August 2020 was \$ 2.88 billion and accounted for 41 % of foreign trade turnover.

The decline in export and import of which goods has led to the decline in foreign trade will be published by Geostat on September 21.

The volume of remittances in the country in August 2020 amounted to \$ 184.2 million (€ 566.2 million), which is 25.8% (\$ 37.8 million) more than the same period in August 2019. It is one of the largest remittances in Georgia. The larger remittances were in July only - \$ 188.7 million.

According to National Bank

ADB Maintains Georgia's Growth Outlook for 2021 at 4.5%



Source: Asian Development Bank. Asian Development Outlook 2020 Update (September 2020)

#ADOU2020



TBILISI, GEORGIA (15 September 2020) — Georgia is forecast to return to economic growth of 4.5% in 2021 from expected recoveries in tourism, private consumption, investment, and net exports, following a contraction this year from the coronavirus disease (COVID-19) pandemic, according to a new Asian Development Bank (ADB) report.

In ADB's flagship annual publication, *Asian Development Outlook*

(ADO) 2020 Update, the bank forecasts a 5.0% contraction in economic growth in 2020 in view of the adverse effects of COVID-19 on the economy and investment climate, but a rebound in 2021. Real gross domestic product (GDP) declined by an estimated 5.8% in the first half of this year against 4.8% growth in the same period of 2019.

"Georgia has adopted several measures to mitigate the impact of COVID-19 on

the economy including easing bank regulations and tax collection, broadening social packages, a cautious reopening of businesses and the promotion of internal tourism," said ADB Country Director for Georgia Shane Rosenthal. "The recovery can be maintained by prolonging certain tax and credit concessions, stimulating private sector development, and strengthening health institutions in preparation for a possible second wave. ADB remains fully committed to helping Georgia overcome the pandemic and we'll be there to help the country realize a new era of diversified and inclusive growth."

The report forecasts inflation in Georgia to reach 6.0% and 4.5% in 2020 and 2021, respectively, higher than the bank's previous estimates in its *Asian Development Outlook*, released in April. In the first half of 2020, inflation was 6.4%, up from 3.6% last year, reflecting price increases of 13.6% for food, 4.3% for other goods, and 2.2% for services. Core inflation reached 6.6% and the producer price index rose by 10.1%. The Georgian lari depreciated by 4.4% year on year in real terms as in-

bound tourism and foreign direct investment plunged, though the National Bank of Georgia, the central bank, intervened to smooth the decline.

Restrictions to contain COVID-19 cut private investment by 1.9%. Public consumption recorded a small decline of 0.9%, and public investment of 0.8%, but both are expected to strengthen in the remainder of 2020 and support private consumption and investment following the announcement of fiscal stimulus equal to 7.5% of GDP. The report sharply raises projections for Georgia's current account deficit in 2020 and 2021 to 11% and 8%, respectively, following a near-doubling of the deficit in the first quarter of this year as a 29.8% decline in receipts from tourism cut exports of services by 15.6%.

The possibility of a prolonged disruption of tourism and external demand and supply chains continues to weigh on the growth forecast, as does the prospect of a slowdown in government processes following parliamentary elections in October.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region.