

## US Embassy Releases Statement Regarding 'Rushed' Amendments in Georgia

### By KHATIA BZHALAVA

The US Embassy has released a state ment criticizing Georgian Dream for abolishing the State Inspector's Service. The embassy also focused on appointing yet another Supreme Court judge 'using a flawed selection process, noting that no credible reasons were provided to the public for why these actions were rushed without appropriate consultations.

According to the embassy, the lack of transparent discussion or analysis of the amendments is 'troubling'.

"Whether intended or not, the ruling party sent the message that independent oversight of the government or dissenting voices, even when prescribed by law, will be answered with retaliation, discipline, and dismissal," the statement reads.

The embassy notes that the United States supports Georgia's sovereignty and stability through long-standing security cooperation and economic development programs. According to the statement, strong democratic institutions, as well as adherence to the rule of law, are Georgia's best defenses against Russian aggression. It is also noted that the steps that weaken democratic institutions, such as the judiciary or independent oversight agen-



According to the U.S Embassy, steps that weaken democratic institutions, such as the judiciary or independent oversight agencies, damage Georgia's aspirations for NATO and European Union membership.



cies, damage Georgia's aspirations for NATO and European Union membership.

Ruling Georgian Dream Party Head Irakli Kobakhidze assessed the U.S Embassy statement as 'unfair', noting that such statements 'shake the confidence of the Georgian public in western partners.' According to Kobakhidze, they often take advice from Georgia's partners, however, "there are exceptional cases in which we hear unfair and incorrect assessments from them," claiming that this is one of the examples of it.

According to the GD head, there are several factual inaccuracies as well as technical errors in the statement Kobakhidze claims that the State Inspector's Service was not abolished as mentioned in the statement, but split into two authorities. He noted that based on the legislative amendments, the authority of the State Inspector's Service 'have been broadly expanded.' The Georgian government adopted the bill replacing the State Inspector's Service with the Special Investigation and Personal Data Protection services on December 30, despite the calls of foreign diplomats, NGOs, and the opposition to halt the process. The State Inspector's Service was mandated to investigate alleged offenses committed by state officials and law enforcement agencies.

As ruling party head Irakli Kobakhidze stated, there are factual inaccuracies and technical errors in the embassy's statement.

### P2 Politics/Economics

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Exchange Rates: US Dollar - 3.0883;

; Euro - **3.4913**;

13; GBP - 4.1726;

100 Russian Ruble - **4.1209;** Swiss Franc - **3.3671** 

### Kherkheulidze: Saakashvili Will be Questioned State Inspector Representative

BY THE MESSENGER STAFF

**E** ka Kherkheulidze, a mem ber of the United National Movement, says that a representative of the state inspector will enter the 12<sup>th</sup> establishment in Rustavi with the third president, Mikheil Saakashvili, tomorrow.

As Kherkheulidze noted, Saakashvili hopes that a temporary commission of inquiry will be set up in the parliament, where he will be able to testify.

"Mikheil Saakashvili will wait for the state inspector's representative to be tortured in Gori Military Hospital tomorrow. He has high hopes that there will be a parliamentary commission and he will testify. He believes that this commission must be set up and work," Kherkheulidze said. At the same time, Kherkheulidze says that Saakashvili, despite his weakened position, is in good political shape and he is also working on an economic program in prison.

"When we talk about his health, it is a trauma caused by torture that hurts his health, but politically he is in very good shape. At the moment he is working on an economic program aimed at overcoming misery and hardship. He has a very important job. Tomorrow awaits Roman. Gotsiridze, from whom



Eka Kherkheulidze

he expects official data in this field," Kherkheulidze said.

M tran Hos

Saakashvili was met with his

lawyers yesterday. Lawyer

Shota Tutberize said that Mikheil Saakashvili has two main demands - the possibility of resuming communication and joining a group of independent doctors with him, if these demands are not met by January 6, Saakashvili intends to resort to an extreme form of protest.

According to another lawyer, Giorgi Mshvenieradze, Mikheil Saakashvili wants to set up a temporary commission of inquiry into his treatment in prison.

Mikheil Saakashvili was transferred from Gori Military Hospital to Rustavi 12th Prison on December 29.

# Annual Inflation Rate in Georgia 13.9%



According to a report published by Geostat, prices in December increased by 0.3% compared to the previous month.

#### By NATALIA KOCHIASHVILI

In November, the economy grew by 12% compared to the same period last year. According to preliminary data from the National Statistics Office (Geostat), for the first eleven months of 2021, the average growth rate is 10.7%.

The growth in November 2021 was observed in the following sectors: manufacturing, transport, and warehousing, arts, entertainment and leisure, trade, hotels, and restaurants, financial and insurance activities. A decreasing trend

#### tion sector.

Based on this data Natia Turnava, Minister of Economy and Sustainable Development announced with certainty that Georgia will finish 2021 with double-digit economic growth. Turnava stressed that the main determinant of economic growth is the export of Georgian products, which is growing at a high rate, as well as the revival and recovery of tourism.

According to the Minister of Finance, Lasha Khutsishvili, export growth in November exceeded 40% and generally, there was a significant increase in foreign trade. The tourism sector has significantly increased, as well as remittances and tax revenues. In 2021, compared to 2019, the Georgian economy has grown by 3.2%. "This is against the background of the fact that

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we have substantially reduced the current account deficit, the budget deficit, and the volume of foreign debt to the economy," he stressed.

According to the National Bank of Georgia (NBG), the current account deficit in the third quarter of 2021 amounted to \$368.1 million - Goods and income accounts have a negative contribution to the formation of the current account, while trade in services and current transfers have a positive contribution. The current account deficit decreased by 35.5% year on year, while the ratio to GDP decreased from -13.2% to -7.2%.

According to the central bank, the largest component of the current account was still trade in goods, the negative balance of which increased by 29.7% yearon-year. At the same time, exports of goods increased by 23.1% year on year, while imports increased by 25.8%.

In the second quarter of this year, exports of passenger services were partially restored. This positive trend continued in the third quarter and amounted to \$566.0 million, which is half of the corresponding period of 2019.

The net income account for the third quarter was \$351.5 million. Positive net remuneration increased by 23.6% and negative net investment income increased by 53%. According to the National Bank, the traditionally positive component of the current account is current transfers, whose credit grew by 23% in the third quarter of 2021. Private sector net transfers increased by 25.1%.

At the same time, net transfers from the government sector fell by 22.2%. Net foreign direct investment stood at \$ 216.8 million in the third quarter or 4.2% of quarterly GDP.

According to Geostat, in December 2021, compared to the previous month, the inflation rate in Georgia was 0.3%, and the annual inflation rate was 13.9%. As for core inflation, this figure was 5.9% in December 2021 compared to the same period last year, while the annual core inflation rate without tobacco was set at 6%.

The percentage increase in prices compared to the corresponding month of the previous year are following: Food and nonalcoholic beverages - 15.6%; Alcoholic beverages, tobacco - 5.2%; Clothing and footwear - 2.8%; Housing, water, electricity, gas - 43.5%; Furniture, household items, home care - 11.8%; Health care - 7.9%; Transport - 17.3%; Recreation, entertainment and culture - 2.5%; 'Education -4.8%; Hotels, cafes and restaurants - 14%; Various goods and services - 6%.

NBG President Koba Gvenetadze announced that the increase in annual inflation in December, compared to November, didn't exceed expectations.

"As early as the spring of 2021, the NBG was highlighting the simple arithmetic effect that would result from the utility tax subsidy and its subsequent abolition. Numerous releases from the Monetary Policy Committee last year indicate that in December 2021 and January-February 2022, annual inflation would be high and then begin to decline," Gvenetadze wrote, adding that the rate of inflation, on the background of the pandemic represents a global challenge.



was observed in the construc-

Weather

Wednesday, January 5 Day Partly Cloudy High: 10°C Night Partly Cloudy Low: -1°C

Thursday, January 6 Day Clear High: 12°C Night Clear Low: 1°C



The average growth rate of the economy in the first 11 months of 2021 is 10.7%.

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