

Prime Minister Meets NATO Gen-Sec, European Commission High Rep



BY NATALIA KOCHIASHVILI

The two-day working visit of Prime Minister of Georgia Irakli Gharibashvili to Brussels has ended, and high-level meetings were held with the President of the European Council Charles Michel, the President of the European Parliament Roberta Metsola, the High Representative of the European Commission Josep Borrell and the European Commissioner Oliver Varhej.

"After Georgia completed the European Commission's self-assessment questionnaire, it was very important to personally discuss with EU officials the progress our country has made in the reform process, the EU's association, and the implementation of the Deep and Comprehensive Free Trade Agreement," PM wrote.

The head of government noted that Europe is the choice not only of Georgia's political leadership, but also of the Georgian people, and thanked its European partners for supporting Georgia on this path.

During his meeting with Borrell, PM spoke about the importance of Georgia's application for EU membership, the process of completing the questionnaire, and future measures. The Head of Government stressed the importance of Georgia's full membership in the EU. The sides also reviewed the dynamics of intensive cooperation in recent years. The meeting noted the progress the country has made

in implementing economic, political, and democratization reforms, and focused on the implementation of the Association Agreement and successful cooperation in various fields.

The security environment in the region was discussed, as well as the situation created by the Russian military aggression in Ukraine.

"We shared with the Prime Minister of Georgia the concern over the so-called Tskhinvali region, which we do not recognize, and will continue to support Georgia's territorial integrity and sovereignty," Borrell said.

According to reports, during the talks, EU High Representative Josep Borrell noted the EU's support for strengthening Georgia's resilience in the context of Russia's unprovoked and unjustified intervention in Ukraine. He also reaffirmed the EU's strong support for Georgia's territorial integrity and sovereignty within its internationally recognized borders.

Borrell stressed the importance of inter-party cooperation and unity between internal political forces, which is key to achieving concrete and rapid progress in the priorities of important reforms to strengthen democracy in Georgia. The EU is ready to stand by Georgia in these efforts; Namely, in overcoming domestic political polarization; Establishing an inclusive and credible judicial reform agenda, and implementing agreed-upon constitutional reforms in this regard. This

is all the more important given Georgia's application for EU membership.

The Secretary-General of NATO Jens Stoltenberg hosted the Georgian PM at his residence. The meeting once again highlighted Georgia's Euro-Atlantic aspirations, which is a top priority of the country's foreign and security policy.

Gharibashvili underlined Georgia's close cooperation with the Alliance in the Euro-Atlantic integration process, as a result of which Georgia effectively uses all the practical tools on the path to membership.

The meeting underlined the strong support and close cooperation of both the Alliance and the partner countries towards Georgia's Euro-Atlantic aspirations. The reforms implemented by Georgia on the way to integration into the Alliance were positively assessed.

The role of Georgia as a strong and reliable partner of the Alliance and its important contribution to the process of ensuring global security, as well as to ensuring the security of the Black Sea region was reiterated. Parties expressed hope that Georgia's progress and aspirations will be adequately reflected in decisions in terms of both political support for the country's aspirations and strengthening of its practical capabilities.

The sides also discussed the issues and expectations for the preparation of the NATO Madrid Summit.

The conversation also touched on the security environment in the region and the war in Ukraine, on which the PM reiterated the solidarity of the Georgian people towards the Ukrainian people.

The Prime Minister of Georgia thanked the Secretary-General for his personal efforts and for playing a key role in Georgia's progress on the path to NATO integration

According to Jens Stoltenberg, NATO fully supports Georgia's sovereignty and territorial integrity as well as its Euro-Atlantic aspirations.



EXCHANGE RATES: US DOLLAR - 2.9442 | EURO - 3.0973 | GBP - 3.6538 | 100 RUSSIAN RUBLE - 4.5576 | SWISS FRANC - 2.9560 |

NBG Head Attends IMF Event Over Regional Issues

BY KHATIA BZHALAVA

The International Monetary Fund (IMF) published its Regional Economic Outlook for the Middle East and Central Asia at yesterday's hybrid event, organized by the International Monetary Fund and the National Bank of Kazakhstan. According to the National Bank of Georgia (NBG), the survey addresses the impact of the major economic challenges facing the region and reviews the key priorities that will help countries cope with them.

Koba Gvenetadze, Governor of the National Bank of Georgia, participated in the meeting and spoke with the participants about the survey. As NBG notes, Gvenetadze discussed the economic challenges facing the region and focused on inflation and the impact of the normalization of US monetary policy.

According to him, the new reality has caused an upward revision of the pre-war forecasts for inflation. He stressed that the consequences of war in Ukraine fuel infla-



► According to Koba Gvenetadze, Governor of the National Bank of Georgia, the rise in the fuel and food prices in the international commodity markets has already been reflected in rising consumer prices in Georgia.

tionary expectations and "exacerbate an already great inflationary environment" caused by the pandemic. As he noted, due to the worsened imbalances in the global supply and demand, fuel and food prices in the international commodity markets have risen sharply, which has already

been reflected in rising consumer prices in Georgia.

He also focused on increasing oil prices and stressed that the higher prices are going to impact inflation in those countries, where energy subsidies are not provided, including Georgia. According to

Gvenetadze, for that reason, Georgia saw a large increase in domestic energy prices. As for gas prices, he noted that due to the short-term bilateral agreement between Georgia and Azerbaijan, the impact on inflation will be less severe.

"Monetary policy tightening in advanced economies, in response to high inflation, is also expected to have negative consequences for capital inflows, investments, and bond yields, putting pressure on local currencies in the region, prompting hikes in interest rates and slowing the pace of recovery in these economies," Gvenetadze said.

NBG governor said that given the importance of the price stability, the NBG has decided to tighten monetary policy, even if that means tighter conditions or more expensive credit for domestic agents.

Gvenetadze also stressed that when there was pressure observed on the exchange rate or national currency after the war, the NBG recalibrated some macroprudential regulations "to make sure that we preemptively address the issue of increasing dollarization in Georgia."

IMF LIVE CHARTING A PATH FORWARD AMID A NEW ECONOMIC SHOCK IN THE CAUCASUS AND CENTRAL ASIA

THURSDAY, MAY 19 AT 6 AM ET



JIHAD AZOUR
Director of the Middle East and Central Asia Department, IMF



GALYMZHAN PIRMATOV
Governor, National Bank of Kazakhstan



KOBA GVENETADZE
Governor, National Bank of Georgia



MARTHA OLCOTT
Professor, Michigan State University





DAN MURPHY
Anchor and Correspondent, CNBC

IMF.org/live


► The International Monetary Fund (IMF) hybrid event was organized by the IMF and the National Bank of Kazakhstan.


FRIDAY MAY 20

Day  Partly cloudy
High: **16°C**

Night  Windy
Low: **10°C**

SATURDAY MAY 21

Day  Sunny
High: **20°C**

Night  Clear
Low: **9°C**

published by **The Messenger**

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IDS Borjomi Owner Ready to Transfer Part of Shares to Georgian Government Free of Charge

BY NATALIA KOCHIASHVILI

IDS Borjomi International has issued a statement stating that after negotiations with the Georgian government, its controlling company has submitted a formal proposal to the Georgian government to transfer part of the shares free of charge, which will enable the Georgian government to participate in the management of an international company.

“Due to the recent negative developments in the region, IDS BORJOMI International is experiencing business interruptions and difficulties with banking services, which has forced the company to suspend production at bottling plants in the city of Borjomi. As a result, more than a thousand people were at risk of losing their jobs. If the Government of Georgia approves the offer of the company that owns IDS BORJOMI International, IDS Borjomi Georgia will be able to resume production processes and resume economic activities in the factories,” the company said in a statement, not specifying the percentage of offered shares.

The reason was the sanctioning of the company's shareholder, Russian billionaire businessman Mikhail Friedman, due to which the accounts of Borjomi were frozen. Both Borjomi bottling plants have been suspended since April 29 due to sanctions imposed on Russia.

49 employees were fired from the factory. Up to 1000 employees are in the process of mediation with the company's management. The company offered them a change in the terms of their contracts, arguing for the crisis, which most of the employees intended to sign only if they received guarantees that they would return to the old contracts after the company resumed operations.

The Ministry of Economy and Sustainable Development confirms the offer received from the company and states that they are studying the proposal, later they will submit the terms of the proposal to the Ministry of Justice, only after that the information will be made public.

On April 29, Mamuka Khazaradze, the founder of the Lelo party and one of the former owners of the Borjomi bottling plant, appealed to the government to buy the shares of the Borjomi company from the Alpha Group, and then sell it to the Georgian Stock Exchange, arguing that only such steps can overcome the crisis and, at the same time, bring great stimulus to the formation of the capital market.

On April 30, the PM Irakli Gharibashvili



li said that the population would hear ‘good news’ about Borjomi in the near future.

The director of IDS Borjomi Georgia is the former Minister of Finance Ivane Machavariani, who has been working as the director of the company since June 2021. The company employs about 1500 people.

‘Borjomi’ had several owners after the collapse of the Soviet Union. In 1995-2002 it was Mamuka Khazaradze ‘Georgian Glass and Mineral Water Company’. The next owner of (2002-2012) was the company ‘Selford’ of businessmen Badri Patarkatsishvili and Boris Berezovsky.

The main shareholder of IDS Borjomi International is the Russian ‘Alfa Group’

(Alfa Finance), founded by the sanctioned Russian billionaire Friedman. Alfa has owned a controlling stake in Borjomi since 2013, when a Russian holding bought a 60% stake in Badri Patarkatsishvili's family for \$ 460 million.

Currently, IDS Borjomi International has a 60% stake in Alfa Group; The Patarkatsishvili family owns a 40% share. IDS Borjomi International is owned directly by the Cyprus-registered company Rissa Investments Limited (whose shareholders are Alfa Group and the Patarkatsishvili family). IDS Borjomi International's assets include companies producing mineral and fresh water not only in Georgia, but also in

other countries. The company owns water bottling plants in the Ukrainian cities of Mirgorod and Morshin, which pour mineral water Morshinsk. The company also owns one of Russia's leading freshwater brands, Святой источник.

According to a document submitted to Reportal, IDS Borjomi Georgia had revenue of \$119.7 mln in 2020 and a loss of \$ 64.3 mln. In 2019, the company generated \$140.17 mln, while its net profit was \$17.3 mln. By countries, its 2020 revenue is distributed as follows: Russian Federation (\$41.9 mln), Ukraine (\$18 mln), Latvia, Estonia and Lithuania (\$14.3 mln), Kazakhstan (\$13 mln); Georgia (\$11 mln), Other countries (\$21.1 mln).

Von Cramon: It is Time for Georgian Dream to Learn to Handle Criticism Instead of Throwing Tantrums

BY THE MESSENGER STAFF

Cramon says it is time for the Georgian Dream to acknowledge its failures, learn to accept criticism and stop arranging tantrums.

I try not to react to Georgian politicians' tasteless & baseless attacks but now I was left no choice.

I met Ms Tsulukiani when she was a young, aspiring politician & a lawyer. Sad to see how she radicalised over the years & is now spreading lies & disinformation.

Ms Tsulukiani knows best that I was &

am one of the biggest critics of Saakashvili's regime & fought for the right of people to democratically elect their government. Accusing me of colluding with UNM is a deliberate lie that no reasonably thinking person will believe.

GD's disinformation is reaching the Kremlin's level. GD is not Georgia, criticizing GD is not the same as criticizing Georgia. This is why I call myself a Friend of Georgia, not a “Friend of GD”. Stop hiding behind the country's good name. Take responsibility for YOUR failures.

It is not a “small group of politicians”

that criticize democratic backsliding but the key politicians who determine the EU policy towards Georgia in the EU. Parl & beyond. Check the signatures of the latest statements. Or wait for the next EU Parl resolution on Georgia.

These are BTW the same politicians who daily defend Georgia's interests, who fought for Visa liberalisation, who fight for Georgia's territorial integrity. Meanwhile, GD managed to deteriorate democracy & through back Georgia on media freedom from 60th to 89th place in 1 year.

I do not “interfere” in Georgian affairs. I am reminding U of the obligations U took & did not fulfil (April19). If you want to be taken seriously, stop breaking promises, stop harming Georgia's fragile democracy. Fix judiciary, stop stealing microphones, stop hate & polarisation.

I've been a friend of Georgia (NOT its governments) for many years. Back then, I was taught a Georgian wisdom “criticize your friends to their faces and your foes behind their backs”. It is time for GD to learn how to handle the criticism & truth instead of throwing tantrums.