



FOCUS

ON A VOTE OF CONFIDENCE FOR UKRAINE

Urban warfare expert Major John Spencer explains why he is convinced Ukraine will win this war

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Urban warfare expert Major John Spencer. Source: johncspenceronline.com

World Bank: In 2022, Georgia's Economy Grew More than Expected

According to the World Bank's new report "Global Economic Prospects", Georgia's economy grew more than expected after Russia's invasion of Ukraine.

"The recovery of domestic demand after the COVID-19 pandemic, together with the revival of tourism and the increase in remittances from Russia, have significantly contributed to economic growth, which according to the latest estimates is 10% in 2022," the World Bank wrote.

According to the report, economic growth in Georgia is expected to slow down from 10 to 4% in 2023 and "mainly reflects the base effect caused by the high growth in 2022, as well as the decrease in growth in economic partner countries (eg, EU countries) and the decrease in cash inflows." In the medium term, stabilization of growth is expected within the potential 5%.

According to the World Bank report, the inflation pressure in Georgia eased in the second half of 2022, despite remaining at a high level (at the level of 9.8% annually in December).

"A gradual decrease in inflation is expected



along with maintaining a strict monetary policy. Under this perspective, the risks are mostly balanced. On the negative side, persistent inflation coupled with tightening global financial conditions may affect the GEL and potentially macro-financial stability due to high

levels of dollarization.

Tourism and remittances in Georgia may be negatively affected by a significant economic downturn expected in Russia in 2023 as a result of protracted conflict and sanctions.

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Markets					
	Price	w/w	m/m		
BONDS				STOCKS	
GRAIL 07/28	87.86 (YTM 6.70%)	-0.0%	-0.3%	Bank of Georgia (BGEOLN)	GBP 27.05 +3.8% +2.7%
GEBGG 07/23	100.47 (YTM 5.10%)	+0.1%	-0.2%	Georgia Capital (CGEOLN)	GBP 7.18 -1.6% -5.3%
GEOCAP 03/24	95.38 (YTM 10.44%)	+0.2%	+0.2%	TBC Bank Group (TBCGLN)	GBP 21.80 -4.0% -0.5%
SILNET 01/27	96.45 (YTM 9.45%)	+1.8%	+2.1%		
TBC 06/24	98.34 (YTM 6.98%)	+0.0%	-0.0%	CURRENCIES	
				GEL / USD	2.6941 -0.0% +0.7%
				GEL / EUR	2.8915 +0.6% +2.7%
				GEL / GBP	3.2810 +1.1% +0.1%
				GEL / CHF	2.9215 +0.4% +2.0%
				GEL / RUB	0.0388 +2.0% -9.3%
				GEL / TRY	0.1435 -0.3% +0.1%
				GEL / AZN	1.5829 -0.4% +0.2%
				GEL / AMD	0.0068 -0.3% +0.8%
				GEL / UAH	0.0729 -0.1% +0.3%
				EUR / USD	0.9319 -0.6% -1.8%
				GBP / USD	0.8208 -1.1% +0.6%
				CHF / USD	0.9213 -0.5% -1.4%
				RUB / USD	69.5416 -2.7% +11.2%
				TRY / USD	18.7532 +0.2% +0.5%
				AZN / USD	1.6998 - -
				AMD / USD	394.7100 +0.2% -0.1%
COMMODITIES					
Crude Oil, Brent (US\$/bbl)	79.65	-7.3%	+4.7%		
Gold Spot (US\$/OZ)	1 871.81	+2.6%	+4.1%		
INDICES					
FTSE 100	7 724.94	+3.7%	+3.3%		
FTSE 250	19 479.39	+3.3%	+3.0%		
DAX	14 792.83	+5.1%	+2.9%		
DOW JONES	33 517.65	+1.1%	-0.1%		
NASDAQ	10 635.65	+1.6%	-3.4%		
MSCI EM	33.65	+6.9%	+2.4%		
SP 500	1 013.50	+6.0%	+3.6%		
MSCI FM	3 892.09	+1.4%	-1.1%		
	2 183.01	+4.0%	+1.1%		



Georgian National Museum among Best Life's 10 Best History Museums

The Best Life online magazine published the 10 best history museums, and included the Georgian National Museum in Tbilisi. The author of the article, Zachary Mack, says "experts say visitors may be surprised to learn just how far-reaching of an influence the former Soviet republic has had even beyond its own borders."

"The most stunning exhibits are the Archeological Treasury, which displays incredible gold and silver relics from Georgia's prehistoric kingdoms, and the Soviet Occupation Hall, which details the nation's subjugation by the Soviet Union from 1921 to 1991, the systematic murder of dissidents, and a campaign to wipe out Georgian culture."

The Best Life's 10 best history museums are:

- Topkapı Palace Museum (Istanbul, Turkey)
- The Acropolis Museum (Athens, Greece)
- Anne Frank House (Amsterdam, Netherlands)
- National World War I Museum & Memorial (Kansas City, Missouri)
- The Museum of New Zealand Te Papa Tongarewa (Wellington, New Zealand)
- Egyptian Antiquities Museum (Cairo, Egypt)
- National Baseball Hall of Fame & Museum (Cooperstown, New York)
- Judisches Museum (Berlin, Germany)
- Georgian National Museum (Tbilisi, Georgia)
- Israel Museum (Jerusalem, Israel).

Sergeenko Introduces Human Rights Improvements to OSCE PA Delegation



The OSCE PA Delegation heard information on the human rights state in Georgia, which was introduced by member of the Human Rights and Civil Integration Committee, David Sergeenko at the meeting with the Deputy Chair of the OSCE PA Committee on Democracy, Human Rights and Humanitarian Questions, Farah Karimi, and the Rapporteur Johan

Buser. Sergeenko spoke of the steps taken for the improvement of the healthcare, social policy, minorities and rights of children, and emphasized the legal state of Georgian citizens residing on the occupied territories.

"The guests were interested in the recent steps taken in the human rights direction, as well as in the healthcare, social policy spheres and rights of

minorities and children. During the consideration, we outlined negative phenomena such as violence against women. The OSCE PA representatives expressed their interest in the legal state of Georgian citizens residing in the occupied regions. Tomorrow, we scheduled a visit for the Delegation to the conflict-affected region. Their interest and commitment to cooperating is of utmost importance," Sergeenko noted.

Ukraine Latest: Putin Replaces Top General in Ukraine; Kyiv Says Russia Doesn't Control Soledar

BY ANA DUMBADZE

There are conflicting reports about whether the strategically important town of Soledar in Donetsk in eastern Ukraine has been captured by Russian forces.

On Tuesday, the head of the Russian private military company, the Wagner Group, which has been fighting in the area around Soledar and Bakhmut for months, claimed that his fighters had taken "control of the entire territory of Soledar," while urban warfare continued.

One Ukrainian official claimed that the town was only "semi-surrounded", while another said that Ukrainian forces were

holding out.

Zelensky also said fighting in Soledar is still ongoing, and mocked the Russian claims to have taken over parts of the city.

Soledar is known for its salt mines, and capturing the town would give Russian forces an advantageous location from which to launch more assaults on nearby Bakhmut, the capturing of which is seen as a key goal for Russia as it looks to seize full control of the eastern Donetsk region.

PUTIN'S NEW COMMANDER LIKELY TO BE GREETED WITH 'EXTREME DISPLEASURE' BY SOME PRO-WAR RUSSIANS

Vladimir Putin has put the Head of the Russian Armed Forces in direct com-



Photo by Mikhail Klimentyev/Sputnik/ AFP

mand of the Ukraine war, but the appointment probably will not sit well with some quarters in Russia, according to an intelligence assessment released late Wednesday.

Valery Gerasimov will take direct responsibility for executing the so-called "special operation" in Ukraine, Russia's Defense Ministry announced Wednesday.

Gerasimov had served as Chief of the General Staff. Pro-war elements in Russia widely blame Gerasimov for their military's inept performance in the war.

The move to put him in charge "is likely to be greeted with extreme displeasure by the Russian ultra-nationalist and military blogger community, who have increasingly blamed Gerasimov for the poor execution of the war," Britain's Ministry of Defense said in an intelligence update.

Ukraine its open doors, and said Kyiv needs "powerful steps" as it tries to join the military alliance. Kyiv requested fast-track NATO membership last September, seven months after Russia invaded Ukraine.

WESTERN SUPPORT

The European Union is "prepared for a long war" in Ukraine and will support Kyiv against Russia's aggression for "as long as it takes", said Sweden's foreign minister Tobias Billström, whose country holds the EU's presidency. He also said the EU would continue working on more sanctions against Moscow over the invasion of Ukraine.

NATO and the EU are launching a taskforce to bolster the protection of critical infrastructure in response to last year's attack on the Nord Stream gas pipelines and Russia's "weaponizing of energy," leaders said on Wednesday. The European Commission President, Ursula von der Leyen, said the taskforce would initially come up with proposals on transport, energy, digital and space infrastructure.

The British government is planning to provide tanks to Ukraine to help the country defend itself against the Russian invasion, the Financial Times reports. A spokesperson for Number 10 said that Prime Minister Rishi Sunak has asked Defense Secretary Ben Wallace, to "work with partners" and to provide further support to Ukraine, "including the provision of tanks".

Poland plans to send Leopard tanks to Ukraine as part of an international coalition, the Polish president has said, according to reports. Kyiv has been requesting heavy military vehicles such as the German-made Leopard 2, which would represent a significant step up in Western support to Ukraine.

World Bank: In 2022, Georgia's Economy Grew More than Expected

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A positive perspective can be considered the inflow of cash flows for a longer period than expected and Georgia receiving benefits as a result of the reconfiguration of the transport corridor as a result of the creation of a new orientation of trade", the report states.

The World Bank report is published twice a year.

According to the report, global economic growth has slowed sharply amid

rising inflation, high interest rates, reduced investment and problems stemming from Russia's invasion of Ukraine. According to the forecast, global economic growth will be 1.7% in 2023 and 2.7% in 2024.

"The sharp economic downturn is likely to be widespread, affecting 95% of advanced economies and about 70% of developing countries and markets," the World Bank said.

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Gerasimov replaces General Sergei Surovikin, who took operational command of the war only three months ago.

In contrast to Gerasimov, Surovikin has been praised by ultra-nationalists for his "more realistic" approach, the UK ministry said. He had previously led Russian forces in Syria and oversaw the brutally indiscriminate bombardment of Aleppo.

Surovikin will now report to Gerasimov.

As deputy commander in Ukraine, Surovikin's "authority and influence is almost certainly hugely reduced," the UK ministry said.

ZELENSKY: KYIV NEEDS 'POWERFUL STEPS' AS IT TRIES TO JOIN NATO

President Volodymyr Zelensky urged NATO to do more than just promise

Interview from the Front: Eastern Ukraine

EXCLUSIVE INTERVIEW BY
MICHAEL GODWIN

As Russia's invasion of Ukraine enters 2023 and a cold winter settles in, the front line has remained hot. Ukraine has entrenched itself along the eastern front, with Russia pressing hard, at high human costs. Inside this hostile front line, some have shared their experiences, which paint a grim picture of modern warfare.

Speaking on the condition of anonymity, one Western volunteer working for Ukraine's intelligence service sat down with GEORGIA TODAY. This service member, serving with the Main Directorate of Intelligence of the Ministry of Defense of Ukraine, offers an interesting and unique view into the fog of war.

WITHOUT GIVING AWAY ANY PII, HOW WOULD YOU DESCRIBE YOUR PROFESSIONAL BACKGROUND AND YOUR CURRENT OPERATIONAL CAPACITY?

I was never employed by the military until I joined the Ukrainian Army. My background is in intelligence operations and private contracting for private companies and government agencies. Currently, I'm a member of a small team working under the Main Intelligence Directorate (GUR). We undertake small unit missions such as reconnaissance, sabotage, raids, and also often attached to larger units as infantry support.

HOW WOULD YOU DESCRIBE THE STATE OF AFFAIRS RIGHT NOW?

I would say things are much better than early in the war, in all aspects. I have not seen issues with food, there is always enough for our team, sister teams, and partner units to eat. The military, along with many volunteer groups, ensures this. The cold is not fun to fight in, it makes everything harder and slower. But to be honest, we would be better off if it was a bit colder. The autumn and early winter have been extremely wet, which means everything has been extremely muddy, and mud really sucks, more than cold. It would be easier, and we would be able to be more effective if things froze and firmed up. Transportation is an ongoing issue, especially for foreign teams, as vehicles are expensive and never last very long. We seem to be in

Expansion of the war is likely in 2023, as I do not think Russia will accept defeat

a constant state of trying to get vehicles repaired or trying to procure new ones.

Leadership is like it is everywhere: There are good things and complaints, some legitimate, some not. In general, I have seen a lot of improvement in Ukrainian leadership over the course of the war, just as I have seen enormous improvement in just about all aspects of the Ukrainian side of the war, from training, to supplies, to morale.

In general, morale is very high, everyone, and I mean everyone, is committed to not just ending the war, but to winning the war. By winning, I mean to removing Russian forces from the entirety of the internationally recognized borders of Ukraine. Of course, there are times when individual morale goes down, especially in Bakhmut, or when manning trenches, as it is a very difficult battle, but this is a normal human response to such a situation.

HAS THE INTERNATIONAL SUPPORT IN EQUIPMENT AND FINANCES MADE A VISIBLE EFFECT ON THE OPERATIONS TEMPO AND PREPAREDNESS ON THE FRONT LINE?

Yes, of course. This is undeniable. Russia's standing army and military equipment was roughly 10 times the size of Ukraine's in January 2022, largely composed of the same arsenal on both sides, but Russia also had more advanced weapons and capabilities. Weapons such as Javelins, NLAWs, and now HIMARS, have done a lot to level the playing field. The sheer volume of artillery ammunition fired and required has been enormous, and foreign assistance, whether in donation of weapons/ammunition, or financing to allow Ukraine to purchase for themselves, has also been invaluable.

Large industries in Ukraine now find it difficult, if not impossible, to operate.



Zelensky visited the city of Bakhmut, on the front line with Russian troops. Source: Ukrainian Presidential Press Service

In other words, the large scale economy is in a shambles. Governments have money only by citizens and businesses paying taxes, so the Ukrainian government's income, which goes towards all the civilian and military expenses the government pays for, would be severely hampered if not for foreign financial assistance.

All this being said, it appears to me that many countries have realized that the war in Ukraine is an opportunity for them to clear out old, outdated weapons and munitions while writing them off at full value. We have seen and received weapons and weapons systems from as far back as the 1960s/70s. Kind of like how countries have programs to donate old cars for a tax write-off. Many people in the West see these as huge sums of aid provided to Ukraine and have the mistaken impression that these sums are just being transferred over to Ukraine, while in reality that is usually not the case.

MUCH OF THE WESTERN MEDIA DOWNPLAYS THE STATE OF RUSSIAN TROOPS. IS THIS WHAT YOU'RE SEEING, OR ARE THEY FAR MORE HARDENED, TRAINED, AND PROFESSIONAL THAN SOME PERCEIVE?

In my experience this varies consider-

ably. When we were in Kharkiv, prior to the autumn offensive, there were several Guards and Marine units, along with a couple of GRU Spetsnaz units, that were very good. At the same time, many frontline positions were held by LPR/DPR units which were not good at all.

Soviet military doctrine is very different from Western military doctrine: They put their worst units up front to hold frontline positions and lead attacks. Their better troops are held in the second and third lines, where it is hoped that they will be able to be more effective after the first line has softened up the enemy and identified enemy positions.

Conscripts are often very poorly equipped and trained, literally being used as cannon fodder. The same strategy can be seen with Wagner PMC. Earlier in the war, everyone had a healthy respect for Wagner troops, they were the best equipped, best trained, and usually had combat experience. Now it is a bit different. According to what we were told by some Wagner prisoners we captured, all of whom were convicts recruited from Russian prisons, prisoners who were asked to join Wagner were killed outright if they rejected the offer.

In Bakhmut, these untrained Wagner prisoner recruits have been being used for "reccy by cannon fodder", with waves of them being sent to attack, primarily in order to identify our positions, heavy weapons, and defenses when we engage them. Then they attempt to target these positions before sending in the next wave of better equipped/trained Wagner or regular forces.

PRO-RUSSIAN COMMENTATORS HAVE DESCRIBED THE FIGHTING AS A "MEAT GRINDER," PARTICULARLY IN REFERENCE TO IRREGULAR TROOPS. WHAT HAS BEEN YOUR EXPERIENCE WHEN FACING NON-RUSSIAN ARMED FORCES TROOPS?

Yes, meat grinder is a fair and accurate term to describe the fighting in some places, especially in Bakhmut. The Russians seem to favor quantity over quality in all aspects of war, from artillery, to armor, to soldiers. Their commanders and leaders seem to have much less regard for the lives of their people than the Ukrainians or Westerners do for theirs.

Wagner has gotten worse in terms of quality in the past 6 months, but they seem to have grown in numbers and seem to be in many more places than they were early on. The LPR/DPR militias were kind of a joke early on, but like us, those that survived learned and improved, so they cannot be discounted or underestimated these days.

However, this war truly is a war of artillery, and artillery will take out the best trained and equipped troops in the world just as easily as it will take out the worst. One shell can take out large

numbers of troops, so, much of the fighting is a cat-and-mouse game, with both sides trying to identify enemy positions and strike them before the enemy can identify them and strike. The Russians are pretty good at this static warfare, but not very good at dynamic warfare. When there is a breakthrough, or lines are fluid, we usually make significant gains, such as what happened with the offensives in the autumn.

HOW WOULD YOU DESCRIBE YOUR OWN EXPERIENCES TO THAT OF MANY WESTERN VETERANS WHO SERVED IN IRAQ, AFGHANISTAN, SYRIA, ETC, IN THE GLOBAL WAR ON TERROR?

I was in operations in Iraq, Syria, and Yemen, but I did not participate in conventional warfare or battles, so my experience doesn't really directly compare. That being said, I see a couple of major differences between what I saw in the Middle East and what I see in Ukraine. First, of course, is being on the receiving end of serious artillery, electronic warfare and armor. I did not face any of that in the Middle East- it was mostly small arms and IEDs, with RPGs and the occasional mortars being the biggest threat, with small arms and IEDs being my personal biggest threat.

The second thing that is different is the clear lines and enemy/friendly areas. The Middle East was more insurgent warfare than traditional war. I was always on guard, and there was always the risk of enemy action no matter where I was in theater. In Ukraine, it is simpler: For the most part, the enemy is over there and everyone over here is on my side or of little threat. I can also be at the front in the morning, then jump in my vehicle and be back in a safe/"normal" area within a couple hours or less, except for the occasional missile strike of course. Although I only have limited first-hand knowledge to compare the war in Ukraine to, the closest approximation is to the documentaries I have seen my whole life about World War II.

FINALLY, WITHOUT HOLDING YOU TO ANY FIRM PREDICTIONS, WHERE DO YOU SEE THINGS IN UKRAINE GOING FOR 2023?

Emphasis on "not holding me to this," but I think 2023 will either bring Ukrainian victory, i.e. pushing Russian forces out of Ukraine, with the possible exception of Crimea, which might take a bit longer, or a significant expansion of the war to include/involve other countries. This would be the result of Russia escalating the situation, such as using tactical nukes, chemical weapons, etc, or Russian allies, such as Belarus, entering Ukraine, both of which would be the result of Russian losses on the battlefield. I actually think the second option, expansion of the war, is more likely, as I do not think Russia will accept defeat.



Image source: unian

Urban Warfare Expert Major John Spencer: There's No Way Russia Will Defeat a Ukraine with 50+ Nations in its Corner

INTERVIEW BY VAZHA TAVBERIDZE FOR RFE

History only remembers the victors. History remembers the strong and the brave, Zelensky said during his visit to Bakhmut, - Major Spencer tells Radio Free Europe's Georgian Service. "It wasn't a prepared speech. The risk of visiting Bakhmut, of coming to the US to show us his leadership - he knows it's dangerous, but he does what's best for his country. Zelensky said: 'We won't allow Putin to be an architect of the 21st century.' And that is why we should stop supplying Ukraine with just enough for it not to lose and instead give it what it needs for victory in this war."

Urban Warfare Expert Major (ret.) John Spencer is an award-winning scholar, professor, author, combat veteran, national security and military analyst, and internationally recognized expert and advisor on urban warfare, military strategy, tactics, and other military related topics. Considered one of the world's leading experts on urban warfare, he served as an advisor to the top four-star general and other senior leaders in the US Army as part of strategic research groups from the Pentagon to the United States Military Academy. We begin our interview by asking - just how long will this war go on for?

"That's a tough one," he answers. "Months, not years. But wars are hard to predict. The science of war says that Ukraine's position on the battlefield is very strong, as are the alliances that it has. Sun Tzu teaches that to defeat the enemy, you should defeat their strategy. Putin lost this war, his strategy, his political objective, back in April, when he couldn't take Kyiv. And then he lost the war of trying to reduce Ukraine's alliances. And even this current campaign, which is a campaign of weakness to strike at Ukraine's infrastructure, to turn the country dark, to impose costs not just on Ukrainian civilians, but on Ukrainian alliances- that that has also failed and has instead shown the alliances for Ukraine to be strong and committed indefinitely to support Ukraine and whatever it needs to protect its freedom, and to continue to resist Russian occupation in Ukraine.

"It's clear that Putin is not going to give up on it, that he doesn't care about sacrificing Russian soldiers," Spencer says. "But Russia's military is desperate. Putin needs the war to slow down, he needs the thousands of people that he's trying to force into military service to have a little bit of time and training, to try to regain the momentum. I don't see any



Ukrainians are becoming the most proficient military in the world because they're learning how to kill Russians better than anyone else

way in which Russia advances forward. Russia doesn't have resupply, it doesn't have alliances; it barely has manpower, as most of its core officers and trained people are dead or dying. Putting a bunch of men with a weapon in their hands worked in World War Two, when you could do it by the millions, and that was the Soviet strategy. But that doesn't work in today's battle."

PRESIDENTIAL ADVISER PODOLYAK THINKS THAT'S EXACTLY THE STRATEGY RUSSIA IS GOING TO OPT FOR - TO SWAMP UKRAINIANS WITH BODIES, NUMBERS.

Well, Ukraine has the will to fight and also an endless supply of ammunition. Throwing more bodies at them just gives them target practice. The Ukrainians are already becoming the most proficient military in the world, because they're learning how to kill Russians better than anybody else.

Ukraine will not run out of bullets, it won't run out of soldiers. Russia doesn't have a million soldiers to put into the fight. In order to do that, you have to threaten Russia's survival, you make this a fight about Mother Russia, you make this about a fight for survival. And Russians have already shown that they don't believe that this is a war for survival. That's why more men left the country than joined the mobilization.

CAN RUSSIA SOLVE ITS LOGISTICS PROBLEM?

Not as the sanctions continue, no. They can't do it at scale. The reason they don't have a million-man army is not because they don't have the soldiers: They don't have the capability to logistically feed and supply so many. Ukraine is attacking smartly, not face to face like the Russians want. Ukraine is fighting Russia's ability to stay in Ukraine by attacking their supply points, attacking the roads behind him. And that's why some of those Western long range munitions are so important, to attack Russia's ability to supply their soldiers.

THE WEST IS HAPPY TO PROCLAIM THAT PUTIN'S MOBILIZATION HAS FAILED, BUT THE UKRAINIANS, AMONG THEM COMMANDER OF ARMED FORCES ZALUZHNY AND PODOLYAK, DON'T SEEM TO SHARE THAT OPTIMISTIC OUTLOOK.

Yes. It's hard to generalize the mobilization. Russia rushed people with three days of training into southern Ukraine, but they also sent large batches of people off to training, and those people have yet to arrive. It's hard to make people understand how big Ukraine is, how big these locations are, how hard it is for that small amount of Ukrainian soldiers, although in superior fighting formations, against the bigger Russian formations, to take back giant swaths of territory. Quantity does have its own quality, as Stalin said.

Russia is still trying to train people. Russia wanted to buy time with this mobilization by rushing some of the soldiers, knowingly with no training, to the front, handing them a weapon, and telling them to hold that ground. In some places that didn't work, but in others it probably helped the Russian formations. The Russian mobilization bought them more time.

While the West has supplied Ukraine with some great weapons, it's not been enough to end this war quicker. And the more time that Russia has, the longer they can hold onto what they have now, the fewer weapons that you give Ukraine that can reach out further, like ATACMS

or more HIMARS, the longer this goes on.

If the West wants this war to end faster, they have to give more. But Ukraine will win. There's no question. They've already won. They will achieve their goals, no question. But how long that will take depends on those supplies.

IS THERE ANY CHANCE RUSSIAN FORCES, MOBILIZED OR NOT, WILL GET BETTER AT THINGS?

That is actually a very real danger. The more time you give Russians, the more combat capability they can develop. Even new, untrained people will start to build bonds with each other; will start to figure out what works and what doesn't. Equipment doesn't do that, but people do. This is why Russia wants things to slow down, so their soldiers get better trained, better organized, form new units. If they get more time, get better, the cost to the Ukrainians trying to repel them increases, though Ukraine has tens of thousands of soldiers training in other countries and receiving new equipment.

Russia is not going to surprise Ukraine with a massive offensive anywhere along the line. Even if Russia was able to mobilize 300,000 people and give them new equipment, they're not going to be able to surprise anybody. But if they were able to mobilize and do a massive push somewhere, the Ukrainians would pay a very high price in stopping it.

YOU HAVE SAID YOU DON'T THINK A RENEWED PUSH TOWARDS KYIV IS LIKELY. COMMANDER ZALUZHNY THINKS OTHERWISE. WHAT WOULD IT TAKE TO TAKE KYIV?

I went to Kyiv in July to analyze exactly how the Ukrainians prevented the Russians from taking it in February. If Russia was to try to attack Kyiv again, they would have to use speed and firepower to get into the city center; no need to surround the capital and siege it- that's just not possible and was never their objective: They needed to figure out a way to get into the middle and take out the government and raise a Russian flag on the government building. If that had happened last year, the insurgency and resistance wouldn't have mattered as much.

Kyiv is important is because it's the center of gravity for political power in Ukraine, and if the Russians can kill Zelensky, if they can insert intelligence agency agents into the capital, then they achieve their goal.

Militarily, you'd have to do what's called a Joint Forcible Entry, as we saw them try with the airport of Hostomel; an air corridor with airpower, or through a ground invasion. The Russians tried about three or four different ways to take the city in February, but their key advantage was surprise - even if they didn't think they would encounter that much resistance, they still could have done it by sheer speed and surprise. They don't have that anymore. But if the commander of the Ukrainian military said it is still a viable concern, then I 100% agree with him.

I wrote a "mini-manual for the urban defender" and Ukraine followed that. They blocked the roads, they flooded the rivers, created ambushes, blew the bridges, made it harder for Russia to do what it wanted to do quickly. What we've seen over and over again is that Russia doesn't have the capability to adapt to failure. This is why I think it is very unlikely that Russia could take Kyiv. Even if they tried a rapid air campaign, Ukraine would see it coming. One of the reasons I'm so interested in Ukraine getting a Patriot missile battery is that it comes



with a very powerful radar, which increases their ability to see what's in the air.

NOW WE SEE THE PATRIOT ERA ABOUT TO BEGIN. HOW MUCH OF A GAME-CHANGER WILL IT BE?

Was HIMARS a game-changer on the battlefield? Absolutely. The Patriot will not be as game-changing, but it will be very significant, as a game-changer in its political significance, opening the doors for other countries to give air defense systems.

What Ukraine needs is an integrated air defense system around its cities and critical infrastructure. The Patriot is powerful because of its ability to integrate both with the radar and its mission command systems all the other systems in the city. It should have been given months ago. There are 12 countries in the world that have it. It's not exclusive United States weapons technology - it's very old technology.

The Patriot is a very reliable, very tested and true system, but it's not what you fire at Iranian drones. You also need other systems that can detect what is being fired, identify the right counter-weapon, and then shoot it down. Ukraine is getting up to 100% hits some days, destroying whatever is fired at them through an integrated system, but the longer we wait to get a Patriot into Ukraine, the longer the war drags out. Bombing is one of Russia's primary strategies, and until we take that away from them, they're going to keep doing it.

ZALUZHNY SAID: "I CAN BEAT THIS ENEMY, BUT I NEED 300 TANKS, 600-700 IFVs, 500 HOWITZERS." IS THE WEST GOING TO GIVE HIM WHAT HE WANTS?

The West combined could provide that in a week, if there was real leadership where the goal is complete Ukrainian victory as fast as possible. There is nothing on that list that is game-changing technology. Some fear the technology falling into enemy hands, which is ridiculous because these technologies were built to fight against Russia or China. Ukraine is fighting not just for itself; it is fighting for Europe, so the fact that Europe is not emptying its coffers for Ukraine to defeat the only aggressor up against Europe is ridiculous. The fact that Germany hasn't provided the Leopard 2 tanks, and more, is ridiculous too. There is a massive political conversation happening behind closed doors that shouldn't be happening: This risk calculation of could Russia escalate the conflict? Could it spill over? This isn't about a border dispute between Ukraine and Russia: This is about sovereignty, self-determination. The global rules with which the United Nations was formed should see them giving Zaluzhny everything he asks for. The ability to strike Russia? That's another ridiculous political claim. I don't think it a prevailing thought, but these people have a seat at the table.

Everybody's concerned about nuclear war, as Russia is showing itself an unstable international actor with nuclear

weapons. That concern has some people so scared they're willing to appease Putin by not providing military aid to Ukraine, while we sit back and let him break every rule, from genocide to recolonization, that we say we stand for. This ridiculous political appeasement actually causes Ukraine to suffer more. Although I'm very proud of the US in the aid they've given, I'm very disappointed at the speed and level that it's been happening.

ZALUZHNY SAYS IT'S 10 - 15 TIMES HARDER TO LIBERATE A TERRITORY THAN TO DEFEND IT. WHAT DOES THIS MEAN FOR DONBAS, LUHANSK OR MARIUPOL? HOW DOES ONE GO ABOUT LIBERATING THEM?

It's much harder to retake your own terrain when you care, because you put limitations on the use of military force: You have to take greater risks with your soldiers to reduce the risk and damage to the urban areas, the civilian population and their infrastructure. You take it with precision-guided munitions, with heavy armor- all the things that Zaluzhny is asking for. You need tanks, engineering assets, lots of precision guided artillery and rockets, so you can see the enemy and strike them wherever they are. You also need speed. I think people underestimate the true lack of vehicles that Ukraine has. You have to be able to move fast, be mobile. That's why his list is so long: Because in order to achieve their goals, they need it all.

IF YOU WERE AT THE DECISION-MAKING TABLE, TO PLAN AND CHOOSE THE NEXT TARGET FOR THE UKRAINIAN COUNTER OFFENSIVE, WHAT WOULD THAT BE?

The Zaporizhzhya oblast would have to be very high on the list of what's next. Everyone wants to know why house-to-house fighting didn't start in Kherson. Because it didn't need to. You can cut them off, surround them and it's no longer a good option for them to stay there. The Russians don't want to die. That's why it took them 80 days to take Mariupol, because the Ukrainians are willing to die to save it. There's no Russian willing to die to save any part of Ukraine or fight until they can no longer hold ground.

Ukraine has done the unthinkable in many places because of smart plays in elements of operational art. It may have to wait until certain supplies come in. Artillery is still king in the battle for many reasons. But that's why they need more MLRS rockets. They need more of everything to advance anywhere.

WHY DO YOU THINK UKRAINE WILL WIN THIS WAR?

The number one reason that Ukraine will win is because it has the will to fight until the end. Number two is the alliances that ultimately achieve even the smaller goals. Ukraine has the arsenal of democracy behind it, although it's moving much slower than it could. There's no way Russia can defeat Ukraine with 50+ nations in its corner, it's just not a reality. There's no doubt Ukraine will win, but we need the world to start saying "Ukraine MUST win - for Europe, for the world."

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Iran and Turkey Engaged in Proxy Competition in the South Caucasus

ANALYSIS BY EMIL AVDALIANI

Iran and Turkey share a history of deep rivalry spanning centuries. Where in the medieval and early modern period, they fought expansionist wars in the Middle East, nowadays their competition is more subtle, but nevertheless covers entire regions and numerous countries. Increasingly, one such area is the South Caucasus.

Officially, Iran does not name Turkey as a rival, but all moves made by Tehran in the past couple of months indicate the Islamic Republic's heightening uneasiness with Turkey's growing influence, and especially so with its alliance with Azerbaijan. Turkey has indeed substantially increased its position in the South Caucasus following the 2020 Nagorno-Karabakh War. Its drones spearheaded Azerbaijani attacks, while military intelligence proved to be as effective. Ankara also trained Azerbaijani soldiers, installed its semi-official presence in a peacekeeping monitoring mission along with Russians, and signed an official treaty of alliance, known as the "Susha Declaration".

Moreover, for Turkey, influence in Azerbaijan is regarded as a launching pad for Ankara's gaze toward the Caspian Sea and further into Central Asia, especially Turkmenistan. Another two countries are Kazakhstan and Uzbekistan, recently visited by the Turkish president and advancing national interests through new economic cooperation treaties. Some now see the prospect of an arc of powerful alliance of Turkic states emerging along the Middle East's northern borders.

This unnerves the Islamic Republic

which feels surrounded from the north by the Turkic arc of geopolitical influence. Since Turkey's growing role might also be seen as benefitting the West (it is, after all, a NATO member state), this also adds another element to Iran's discomfort. To this should be added the Turkey-Israel rapprochement and Azerbaijan opening its embassy in Israel, which creates an unofficial trilateral partnership. The effects are seen not only in diplomacy but in more practical terms too. For instance, on December 5, Turkey and Azerbaijan launched drills in several regions near Iran's border.

The problem for Iran is further exacerbated by Azerbaijan's increasingly coercive behavior toward Armenia. The latter, badly defeated in the 2020 war, is simply unable to resist Azerbaijan's military power, as seen again in September. Talks on the imminent peace treaty between the two countries are underway, and this poses a real risk for Iran. Armenia may be forced to agree to the east-west "Zangezur corridor" through its southernmost province of Syunik, which could block Iran's free movement northward. This explains Iran's stark statements that the country would not allow any changes to the borders of the South Caucasus states.

In just one recent example, Iran's Foreign Minister Hossein Amir-Abdollahian said in an interview that, "Iran will not permit the blockage of its connection route with Armenia, and in order to secure that objective, the Islamic Republic of Iran launched a wargame in that region." In another move, which concealed a veiled message, Amir-Abdollahian on October 21 opened a new consulate in Kopan, the center of Armenia's Syunik region. The geography says it all – Iran is serious about maintaining the territorial status quo in the region. More-



Turkish President Recep Tayyip Erdogan and Iranian President Ebrahim Raisi. Source: gulfif

over, the visit pointedly coincided with Turkish president Recep Tayyip Erdogan's trip to Azerbaijan's Zangilan region.

The Syunik strip is effectively Iran's only passage into the South Caucasus free of Turkic influence, thus, the geopolitical stakes are high. The loss of this connection would make Iran increasingly reliant on the goodwill of the Turkic-Azerbaijani alliance, putting the two countries in a very powerful position. Such a development would probably also put paid to Iran's hopes of building a corridor to Georgia.

Iran has upped its support for Armenia in other areas too. Both countries agreed to double the amount of natural gas the Islamic Republic provides to its northern neighbor in a deal signed during Nikol Pashinyan's trip to Tehran. Another document signed by both parties was the MoU between the countries' gas companies on expanding bilateral energy cooperation. Both countries also seek expansion of trade relations, which increased 43% in 2022 in comparison with 2021. The Iranian leadership, somewhat ambitiously, claims that bilateral trade will reach the goal of \$3 billion annually. In the first half of 2022, trade amounted to \$427 million. The two sides also discussed potential Iranian engage-

ment in the construction works in the Syunik province to facilitate transportation.

Iran is also worried about Azerbaijan's ambitions when it comes to the integrity of the Iranian state, the northern provinces of which are populated with people of Azerbaijani descent. Divided in the early nineteenth century by invading Russian forces, the issue of ethnicity was raised repeatedly during the Soviet period and especially after the end of the Soviet Union, when the first Azerbaijani president Elchibey openly called for unification with Iran's Azerbaijan.

The two countries have been engaged in a media war accusing each other of provocations. There even have been reports on Azerbaijani officials detaining alleged Iranian spies and provocateurs. This derailed negotiations opportunities after the announced visit of the Speaker of Iran's parliament, Muhammad Baqir Qalibaf, to Azerbaijan was postponed, likely due to heightened tensions.

These reasons could serve as a main driver behind Iran's massive military drills near the border with Azerbaijan. Suggestively, the Iranian army trained in how to cross the Aras River, which serves as a major dividing line between Azerbaijan and Iran. This year's exercises

follow similar drills from 2021. Both pointedly coincided with the victory date of Azerbaijan over Armenia in the Second Nagorno-Karabakh War.

Iran is thus striving to manage the emboldened Turkey-Azerbaijan axis by siding with Armenia. The geopolitical calculation is pretty straightforward from a geopolitical perspective. But Tehran is still far behind in economic and military terms when it comes to how Turkey projects its power. In this regard, Iran finds a natural partner in Russia, which likewise is worried over Turkey's expanding ambitions in the Caucasus. Ankara's push to seek rapprochement with Armenia, Russia's long-time ally, military support for Georgia and Azerbaijan and forays in Central Asia, unnerve Moscow. For the latter, Turkish power projection would serve as yet another sticking point for deeper cooperation with the Islamic Republic.

What Turkey and Iran are now engaged in is essentially a proxy competition in the South Caucasus, with Iran shifting from a relatively neutral position in the Armenia-Azerbaijan struggle over Nagorno-Karabakh to an openly pro-Armenian stance, while Ankara advances its ties with Baku. This does not mean that open confrontation between the two Middle East powers is expected. Ankara and Tehran know how to deconflict from their experience in Syria and along the common border which is beset with general instability. Yet the silent competition in the South Caucasus is expected to grow further, especially as Turkey's power grows against the still economically hobbled Islamic Regime.

Emil Avdaliani is a professor at European University and the Director of Middle East Studies at the Georgian think-tank, Geocase.

BUSINESS

Sharp, Long-lasting Slowdown to Hit Developing Countries Hard

Global growth is slowing sharply in the face of elevated inflation, higher interest rates, reduced investment, and disruptions caused by Russia's invasion of Ukraine, according to the World Bank's latest Global Economic Prospects report.

Given fragile economic conditions, any new adverse development, such as higher-than-expected inflation, abrupt rises in interest rates to contain it, a resurgence of the COVID-19 pandemic, or escalating geopolitical tensions, could push the global economy into recession. This would mark the first time in more than 80 years that two global recessions have occurred within the same decade.

The global economy is projected to grow by 1.7% in 2023 and 2.7% in 2024. The sharp downturn in growth is expected to be widespread, with forecasts in 2023 revised down for 95% of advanced economies and nearly 70% of emerging market and developing economies.

Over the next two years, per-capita income growth in emerging market and developing economies is projected to average 2.8%, a full percentage point lower than the 2010-2019 average. In Sub-Saharan Africa, which accounts for about 60% of the world's extreme poor, growth in per capita income over 2023-24 is expected to average just 1.2%, a rate that could cause poverty rates to rise, not fall.

"The crisis facing development is intensifying as the global growth outlook deteriorates," said World Bank Group President David Malpass. "Emerging and developing countries are facing a multi-year period of slow growth driven by heavy debt burdens and weak investment as global capital is absorbed by advanced

economies faced with extremely high government debt levels and rising interest rates. Weakness in growth and business investment will compound the already-devastating reversals in education, health, poverty, and infrastructure and the increasing demands from climate change."

Growth in advanced economies is projected to slow from 2.5% in 2022 to 0.5% in 2023. Over the past two decades, slowdowns of this scale have foreshadowed a global recession. In the United States, growth is forecast to fall to 0.5% in 2023, 1.9 percentage points below previous forecasts and the weakest performance outside of official recessions since 1970. In 2023, euro-area growth is expected at zero percent, a downward revision of 1.9 percentage points. In China, growth is projected at 4.3% in 2023, a 0.9 percentage point below previous forecasts.

Excluding China, growth in emerging market and developing economies is expected to decelerate from 3.8% in 2022 to 2.7% in 2023, reflecting significantly weaker external demand compounded by high inflation, currency depreciation, tighter financing conditions, and other domestic headwinds.

By the end of 2024, GDP levels in emerging and developing economies will be roughly 6% below levels expected before the pandemic. Although global inflation is expected to moderate, it will remain above pre-pandemic levels.

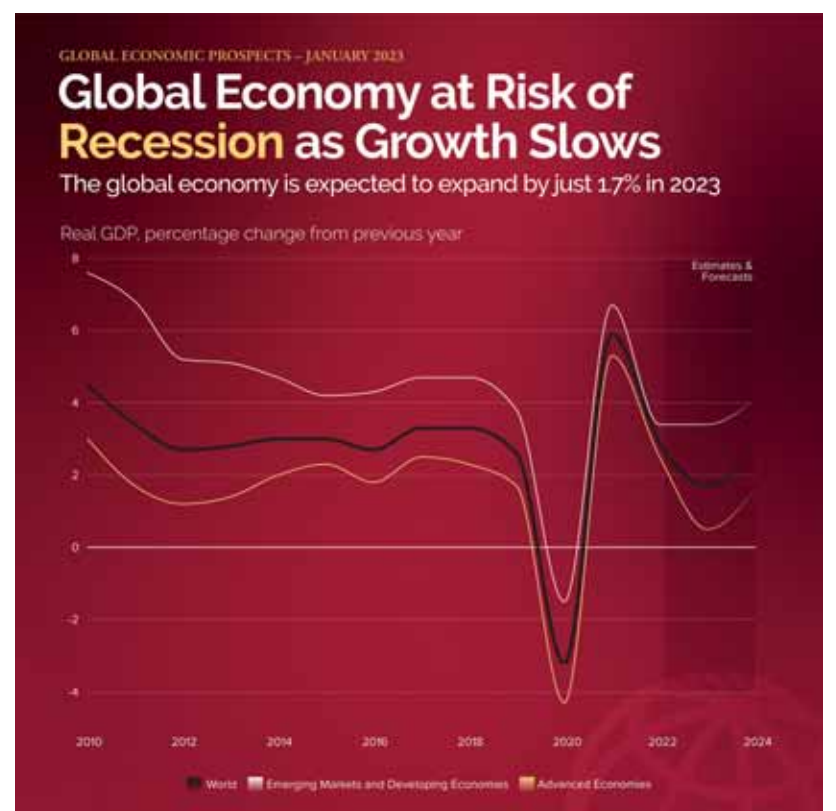
The report offers the first comprehensive assessment of the medium-term outlook for investment growth in emerging market and developing economies. Over the 2022-2024 period, gross investment in these economies is likely to grow by about 3.5% on average, less than half the rate that prevailed in the previous

two decades. The report lays out a menu of options for policy makers to accelerate investment growth.

"Subdued investment is a serious concern because it is associated with weak productivity and trade and dampens overall economic prospects. Without strong and sustained investment growth, it is simply impossible to make meaningful progress in achieving broader development and climate-related goals," said Ayhan Kose, Director of the World Bank's Prospects Group. "National policies to boost investment growth need to be tailored to country circumstances but they always start with establishing sound fiscal and monetary policy frameworks and undertaking comprehensive reforms in the investment climate."

The report also sheds light on the dilemma of 37 small states—countries with a population of 1.5 million or less. These states suffered a sharper COVID-19 recession and a much weaker rebound than other economies, partly because of prolonged disruptions to tourism. In 2020, economic output in small states fell by more than 11%—seven times the decline in other emerging and developing economies. The report finds that small states often experience disaster-related losses that average roughly 5% of GDP per year. This creates severe obstacles to economic development.

Policymakers in small states can improve long-term growth prospects by bolstering resilience to climate change, fostering effective economic diversification, and improving government efficiency. The report calls upon the global community to assist small states by maintaining the flow of official assistance to support climate-change adaptation and help restore debt sustainability.



REGIONAL OUTLOOKS

East Asia and Pacific: Growth is projected to decelerate to 4.3% in 2023 before increasing to 4.9% in 2024. For more, see regional overview.

Europe and Central Asia: Growth is expected to slow to 0.1% in 2023 before increasing to 2.8% in 2024. For more, see regional overview.

Latin America and the Caribbean: Growth is projected to slow to 1.3% in 2023 before recovering to 2.4% in 2024.

For more, see regional overview.

Middle East and North Africa: Growth is expected to slow to 3.5% in 2023 and 2.7% in 2024. For more, see regional overview.

South Asia: Growth is projected to slow to 5.5% in 2023 before picking up to 5.8% in 2024. For more, see regional overview.

Sub-Saharan Africa: Growth is expected to slow to 3.6% in 2023 and rise to 3.9% in 2024. For more, see regional overview.

How Following in Dubai's Footsteps Could Reap Dividends for Tbilisi

ANALYSIS BY SAAHIL MENON

It is high time Georgia's vibrant capital raised awareness of its livability rather than simply pitching itself as a tourist hotspot. Anyone visiting Tbilisi for the first time cannot help but marvel at how picturesque it is from virtually every angle. A harmonious mosaic of the old town's quaint houses atop one another and mountainous backdrop impeccably dovetail the modernist architecture in more upscale neighborhoods. There is seldom a dull moment in this bustling metropolis that plays host to a perceptibly youthful and outward-looking population. From peaceful demonstrations erupting at the drop of a hat to street musicians plying their trade well into the night along its ornately lit up thoroughfares, the city is constantly abuzz with effervescent natives living in the moment and taking each day as it comes. In spite of being detached from the mainland, Tbilisi could easily give most European cultural capitals a run for their money owing to its rich gastronomic scene, historical significance, artistic flair and abundant urban green spaces.

By virtue of its strategic location between East and West, Tbilisi is far more cosmopolitan than one would imagine. Admittedly, the plurality of ethnicities as well as languages spoken is largely down to Georgia being among the most sought-after destinations for leisure and recreation in the post-Soviet space. That said, foreigners are starting to relocate there lock, stock and barrel. By no means is the famous proverb "every guest is a gift from God" merely a hollow catchphrase thrown around for good measure. This attitude is deeply ingrained in the hearts and minds of most Georgians, who treat outsiders as one of their own and ensure they are fully immersed into the local way of life. Unlike parts of Western Europe where multiculturalism has fostered parallel societies and fifth columns, Georgia harnesses the crucial know-how newcomers bring, and celebrates the extent to which its demographic landscape is enriched by their presence.

Tbilisi's success story, in the realm of tourism and trade alike, is not too dis-

similar to that of Dubai. Once an impoverished backwater with very little in the way of natural resources or eye-catching attractions, the glitzy city-state quickly morphed into the Gulf's de facto financial hub, drawing millions of visitors on an annual basis thanks to lax entry requirements, extensive air connectivity, unparalleled safety and world-class amenities. However, what truly sets Dubai apart is that it is not merely a weekend getaway, but a home away from home for many overseas high-net-worth individuals (HNWIs). The UAE has capitalized full throttle on its touristic allure by going a step further and paving the way for long-term settlement via their much-vaunted Golden Visa scheme. Bolstering non-oil industries such as hospitality, financial services, real estate, as well as entertainment, is part and parcel of rendering Dubai a modern-day El Dorado for ambitious émigrés who fancy their chances of making it big in an inherently pro-business jurisdiction.

Meanwhile, the Georgian authorities appear to have contented themselves with the windfall generated from holidaymakers and have stopped short of attracting deep-pocketed second home seekers to their country. In many ways, Tbilisi is on an equally promising trajectory as Dubai in its heyday. State-of-the-art shopping malls and luxury hotels are ubiquitous nowadays, while futuristic buildings and business districts can be found in certain pockets of the capital. Banking in Georgia is highly sophisticated, while tax rules for company founders are quite relaxed so as to propel entrepreneurship. If anything, Tbilisi boasts numerous pull factors that give it an edge over Dubai for the purpose of residence - namely, a self-sufficient economy as opposed to one that is wholly expat-driven, the civil liberties its inhabitants enjoy, a comparatively favorable climate conducive to spending time outdoors all year round, and a non-draconian legal system underpinned by the presumption of innocence.

PEACE THROUGH TRADE

It is no coincidence that Dubai has come to be known as a sanctuary in a region widely dubbed the world's powder keg. Much like Georgia's adversarial relationship with Russia, bilateral tensions have

long been brewing between the UAE and Iran over occupied territories and the latter's interventionist proclivity throughout the Persian Gulf. Fortunately, however, any ongoing disagreements have been duly nipped in the bud and never escalated into all-out military confrontation. Mindful of the one-sided nature of any potential conflict, the Emiratis have chosen to pursue a pragmatic yet shrewd foreign policy outreach vis-à-vis Iran which prioritizes mercantilism above all else. Dubai, in particular, has seen to it that the heavily-sanctioned Islamic Republic is not totally cut off from the international community. Granted, the sheikhdom's soft spot for Tehran has occasionally landed it in hot water with Western allies vying for regime change therein. Nonetheless, the net benefit from positioning itself as a conduit between Iran and the outside world far outweighs any reputational costs incurred from this alleged self-serving endeavor. Monetary gains aside, guaranteeing unprecedented stability in a country where guest workers constitute the lion's share of residents is reason enough to stay the course.

Far from being a gesture of appeasement or submission towards its vastly more powerful and populous neighbor, extending a helping hand to the Iranians during the height of the maximum pressure campaign has incidentally kept them at bay all these years. Dubai remains the go-to choice for affluent businessmen from Iran who no longer wish to bear the brunt of their government's pariah status and hardline policies. Similarly, senior IRGC officials routinely funnel their ill-gotten-gains through Dubai and transact with third-country entities through household Iranian banks like Melli and Saderat that have a strong footprint there. Needless to say, stringent checks and balances are in place for Iranian professionals looking to take up full-time employment in the UAE - the majority of whom are denied work permits on suspicion of espionage. Furthermore, Emiratis of Persian descent are often demonized for speaking Farsi and barred from applying for prestigious public sector roles. Yet, the fact that Abu Dhabi is Iran's second largest trading partner means that the Ayatollahs would have much to lose from launching a Russian-



Image by Ivan Siarbolin, via Wikipedia

style incursion into the UAE amid the buildup of US troops across the GCC and their overt displeasure with the Abraham Accords.

By the same token, there are telltale signs of a Russo-Georgian reconciliation in the offing as Tbilisi slowly but surely comes to terms with which side its bread is buttered. It is no secret that Russian citizens made a beeline for Georgia when the mobilization drive was first announced back in September, and they are still flocking there en masse even though they are not necessarily met with the warmest of welcomes upon arrival. The war in Ukraine has not only conjured up painful memories of the annexed South Ossetian and Abkhazian territories, but reminded the people of Georgia that they are still not entirely out of the woods. Be that as it may, there is a growing realization that the Kremlin's undue aggression and crimes against humanity are not representative of the Russian population at large. To their credit, ordinary Georgians have stuck to their guns in extending the same degree of hospitality to incoming Russians as with any other nationality. In turn, Russia's foreign ministry has signalled its willingness to establish visa-free travel for nationals of Georgia and resume direct flights between Tbilisi and Moscow in the near future. Rather than pinning their hopes squarely on joining the so-called "European Family" and turning their backs on the rest of the world, the Caucasian country ought to emulate the "zero problems"

strategy that the UAE has embarked on as a means of performing a balancing act between partners and foes alike.

It is worth highlighting that Georgia has undergone an economic boom of late while the rest of Europe reels from energy insecurity and a cost of living crisis. Worse still, the European Union continues to keep both the Eastern Partnership (EaP) nations and the Western Balkans at arm's length under the guise of failure to tackle corruption. The prospect of accession is proving all but a mirage as more and more preconditions are set forth by Brussels over and above the already unreasonable concessions extracted from candidate countries. Attracting sizeable foreign direct investment (FDI) from other geographies, including Russia and the Middle East, could be Georgia's meal ticket to EU membership. As things stand, the main stumbling block to expansion is the bloc's apprehension of an uncontrolled brain drain from peripheral states. Should the Georgians succeed in generating enough organic capital to foster adequate job creation domestically and wean themselves off funding from the European Central Bank (ECB), they will almost certainly emerge as a frontrunner for integration. Launching a clear-cut, no-frills pathway to long-term residence for real estate investors, akin to the program championed by the UAE, is arguably the most logical starting point to bring the increasingly sceptical Eurocrats back to the negotiating table.

Gov't Meeting Discusses Funding for Feasibility Study of Submarine Black Sea Power Transmission Project

Irakli Garibashvili, Prime Minister of Georgia, held and led an Executive Government Meeting at the Government Administration.

Members of the Cabinet of Ministers discussed 5 agenda items, one of which is a Draft Government Decree on the attraction of funding for a Feasibility Study of the Submarine Black Sea Power Transmission Project.

Work has started on the project, on Georgia's initiative, which implies the interconnection of the Caucasus region and Europe through a high-voltage submarine electricity cable and namely it aims to connect the Georgian and Romanian power grids via a submarine electricity transmission line to be constructed in the basin of the Black Sea.

Due Diligence is being performed. Funding has been allocated to the volume of 2.5 million Euros, and the study is scheduled to be completed at the end of the current year.

At the same time, the Ministry of Finance of Georgia will approach the World Bank in line with a decision of the Government of Georgia on the allocation of \$75



mln for the Feasibility Study to be carried out for the Black Sea Submarine Power Transmission Project. A preliminary agreement has already been reached with the World Bank on the volume and aim of the funding.

One more agenda item discussed at the Executive Government Meeting was a Draft Government Decree on the Agreements to be concluded by and between the Government of Georgia and Adjara Energy 2007 LLC on the Imereti Wind Power Plant.

As noted in the Government Decree, the draft agreement approved by the Government intended for the comprehensive Feasibility Study on the Imereti Wind Power Plan of the Imereti region, identified as a Public-Private Partnership (PPP), complies with the applicable legislation on the country. A timeline of 24 months is envisaged from the signing of the agreement to the implementation of preparatory works.

The capacity of the power plant is 50 megawatts, with generation potential of 180.89 million kilowatts/hr. The required investment amounts to \$66 mln.

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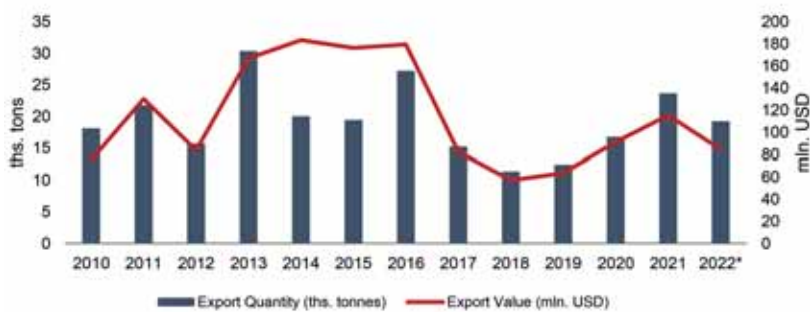
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ISET Agri Review | December 2022: The Sector at a Glance

Figure 1. Quantity and Value of Exported Hazelnuts



Source: GeoStat, 2022. Note: *January-November 2022.

Hazelnuts are one of the most important crops for Georgia in terms of export: between 2010-2021, they accounted for around 4.4% of total exports (GeoStat, 2022). In 2013, the quantity of exported hazelnuts reached its maximum level (30 ths. tons), in the following years it then decreased to 19 ths. tons alongside an increase in value, thus indicating higher prices per exported kg of Georgian hazelnut (Figure 1). However, 2017 was a very challenging year for hazelnuts, as the trees suffered various fungal diseases and an Asian Stink Bug (*Pharosana*) invasion subsequently worsened the situation. Accordingly, both the quality and quantity of hazelnut production declined. In 2019, the hazelnut sector rebounded and production as well as export increased in 2020 and 2021.

This year has again been challenging for the hazelnut sector, mainly due to unfavorable weather conditions. Farmers were unable to properly carry out crop maintenance measures and, consequently, there have been various concerns about decreased production and the quality of the nuts.

In response to these challenges, on 31 October, 2022 the Government of Georgia (GoG) launched a new program to promote the production of hazelnuts and to aid farmers. This program aims to support the primary production of hazelnuts through incentives for hazelnut orchard owners and proprietors, and by subsidizing the goods necessary for the care and production of hazelnuts. To obtain a subsidy under this program, a potential beneficiary must own, co-own, or factually co-own a hazelnut orchard(s) with a total area no less than 0.2 ha but not exceeding 3 ha. The amount of the subsidy per ha of land will be defined at 500 GEL or/and points; via the calculation per 1 ha of hazelnut orchard for each beneficiary.

To participate in the program, farmers should register in the hazelnut orchard cadastral registry. The GoG aims to create this hazelnut cadastre to collect data on production and varieties, and to take appropriate measures that support the sector based on respective data analyses.

The program is being implemented by the Rural Development Agency, under the Ministry of Environmental Protection and Agriculture, and around 20 mln. GEL is being allocated during its initial stage. This is not the first time the government has subsidized a specific sector. During the last ten years, the GoG has continuously subsidized grape, apple, and tangerine production throughout the country.

PRICE HIGHLIGHTS DOMESTIC PRICES

On a monthly basis, the country's price levels held steady between September-November 2022. The Consumer Price Index (CPI) in November stood marginally (0.47%) above its corresponding value in October 2022. While the corresponding month-over-month price changes in September and October were 0.8% and 0.49%, respectively.

Between September-November 2022, monthly prices for food and non-alcoholic beverages, measured by the Food Price Index (FPI), exhibited an upward trend. In November, food prices increased by 1.5%, compared to July 2022; while the corresponding month-over-month price changes in September and October were 1.7% and 1.4%, respectively.

From an annual perspective, the CPI continued to increase between September and November 2022. In September, annual headline inflation hovered around 11.5%, while the corresponding figures for October and November were 10.6% and 10.4%, respectively.

In November 2022, the year-over-year prices of food and non-alcoholic beverages also rose significantly, by 16.8%; contributing 5.55 percentage points to the change in total CPI. The main drivers were price increases in the following sub-groups: vegetables (+26.0%), bread and cereals (+23.8%), mineral waters, soft drinks, fruit and vegetable juices (+22.0%).

SPOTLIGHT

Over the last two years, food prices in Georgia have been rising and hovering around double digits; driven mainly by supply side factors (concerns over decreased production, increased crude oil prices, and COVID-19 pandemic restrictions). The Russian full-scale invasion of Ukraine has increased pressure on food markets, those already struggling with soaring prices. Food price surged by 22% on an annual basis in May 2022,

and then levelled out at around 17.4% in the following months. By November, the annual price increase for food was 16.8%. Prices rose most notably within the following categories:

Vegetables – In November 2022, prices increased for most products within the vegetable sub-category. The largest increases were observed for potatoes (39.2%) and onions (37.9%). According to farmers, such a sharp price rise for potatoes is driven by limited production and increased export demand from Azerbaijan, as well as amplified input and transportation costs. As for onions, reduced production is paired with a ban on the export of onions in Turkey. Notably, Turkey also banned potato export to ensure its supply security.

Bread and cereals – In this category, prices for corn and wheat flour increased the most in November 2022 – by 82.8% and 27.1%, respectively. Such a hike in the price of corn flour is related to decreased maize production due to unfavorable weather conditions. As for wheat flour, Russia is the main supplier for Georgia and thus the country's trade-restrictive measures (e.g., increased export tax) have influenced swelling prices in the bread and cereal category. Prices may also increase further as the export tax burden on Russian wheat is increasing.

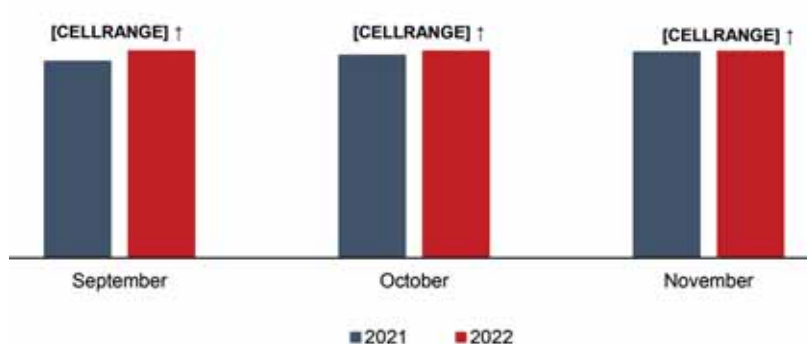
Mineral waters, soft drinks, fruit and vegetable juices – In November 2022, prices rose for all products within this sub-category. The most notable increases were observed for sparkling mineral water (25.9%) and soft drinks of Coca-Cola type (19.3%). The price of mineral waters has been rising notably since the beginning of 2022, due to increased input, and therefore production, costs.

Regarding other types of soft drink, the trade statistics highlight that the export of waters, including mineral and aerated, containing added sugar or other sweeteners or flavors increased in both quantity and value between January and November of 2022. This may be a sign of firm external demand pushing prices upwards.

INTERNATIONAL PRICES

Between September and November 2022, international prices registered their eighth consecutive monthly decline, although they remained well above the corresponding value in the previous year. In November, the Food Price Index, measured by the Food and Agriculture Organization (FAO), remained almost unchanged (up by 0.3%) compared to November 2021 (Figure 2). Whereas

Figure 2. Annual Changes in International Prices (September-November 2022)



Source: FAO, 2022.

prices jumped for the dairy (9.2%), cereal (6.3%), and meat (4.1%) sub-indices. Meanwhile, prices fell for vegetable oils (-16.2%) and sugar (-4.9%).

The extension of the Black Sea Grain Initiative and expectations of ample global supplies brought downward pressure on monthly prices of grains, cereals, and oils. Meanwhile, concerns over limited production and export availability led to rising month-over-month dairy and meat product prices.

TRADE HIGHLIGHTS

Exports have shown notable increases this year, and the trend is continuing. Total exports from January to November 2022 amounted to 5,037 mln. USD, which is 32% higher than the corresponding figure last year (3,823 mln. USD in 2021). Agricultural exports have grown as well – from 1,028 mln. USD in Jan-Nov 2021 to 1,134 mln. in 2022 (10% increase). The total share of agricultural products in all exports has fallen from 27% to 23%, as overall export is rising faster than agricultural exports alone.

Imports are also continuing on an

7% rise, and lastly there was an 8% fall in the export of primary food and beverages for household consumption (Figure 3).

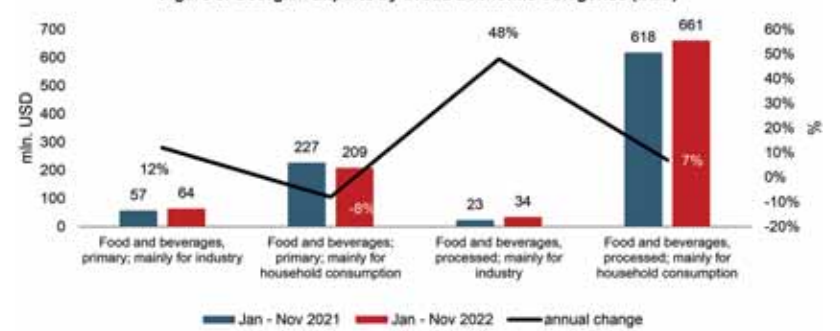
During the last decade, overall and agricultural exports in Georgia have been characterized by an increasing trend. Higher growth rates in the exports of processed goods are a positive development in the sector, however Georgian exports are still mostly intended for household consumption, while the share of exported primary and processed food and beverages for industry use is rather small.

POLICY WATCH

The Government of Georgia approves the Draft Law on Industrial Emissions, 12 December 2022.

The draft law entails imposing new obligations on the private sector in order to properly equip large enterprises and improve their technological process, starting from 2026. In the following years, several enterprises will be evaluated and selected for a pilot scheme, and with EU support the best environmentally friendly

Figure 3. Georgian Exports by Broad Economic Categories (BEC)



Source: GeoStat, 2022.

increasing trend. Total imports from January to November of 2022 amounted to 11,981 mln. USD, compared to 9,049 mln. observed in 2021 (a 32% increase). Unlike, agricultural exports experiencing moderate increase, agricultural imports grew significantly, by 35% - from 1,203 mln. USD in Jan-Nov 2022 to 1,628 mln. between Jan-Nov 2022. The share of agricultural imports in total imports has also slightly increased from 13% in 2021 to 14% 2022.

An increase in imports can be driven by appreciation of the national currency, which usually positively affects imports, but has negative impact on exports. In spite of this, Georgian exports have still managed to maintain a high growth rate, with an even higher export growth rate in Jan-Nov 2022 than in the same period of 2021.

Considering total export through the perspective of Broad Economic Categories, it appears that the net increase is derived from the rise in the absolute value of processed food and beverages exports (amounting to a 54 mln. USD rise), while for primary goods, there has been a decline in absolute value (of 11 mln. USD).

To differentiate further in terms of end user, the highest increase, 48%, was observed in the export of processed food and beverages mainly for industry use, followed by 12% growth in the export of primary food and beverages, again primarily for industrial use. The export of processed food and beverages mainly for household consumption constituted

technologies will be introduced in these select companies.

The draft law "On Industrial Emissions" envisages a new, integrated permitting system for preventing, reducing, and controlling the air, water, and soil pollution caused by industrial activities. The project also includes prevention of waste production. Furthermore, the draft law will regulate all industrial activities (up to 200 large enterprises) that affect the environment or human health.

For more information follow this link: <https://mepa.gov.ge/En/News/Details/21131/>

Project restoring and spreading unique Meskhetian vines, endemic species, and varieties of Georgian wheat will be launched in Samtskhe-Javakheti

The project aims to promote the sustainable use and protection of agrobiodiversity in the Samtskhe-Javakheti region, to improve state policy and the existing legal framework, and to promote the introduction of the local vines and wheat varieties in the region. Under the plan, guidance documents on the sustainable management of agrobiodiversity will be elaborated; the planting and seed material of local vines and wheats will be delivered to farms; appropriate agricultural and technical assistance will be provided to farmers; and training and field training programs will be offered to farmers to strengthen their skills and capabilities.

For more information follow this link: <https://mepa.gov.ge/Ge/News/Details/21068>

Independent Living Centers Change Minds and Lives across Georgia

BY JEREMY GASKILL, CEO
MAC GEORGIA, AND THE
MAC GEORGIA TEAM

Communities have become more accepting of disability, and perceive persons with disabilities as capable of changing society for the better, thanks to the impact of Independent Living Centers.

BY US; FOR US

The ability to make choices and determine our own futures is something most people take for granted. That hasn't always been true for persons with disabilities in Georgia, but times are changing. Thanks to Independent Living Centers (ILCs) that provide practical support and advocacy for change, more and more individuals are living fuller, more integrated lives across Georgia.

Since the establishment of ILCs in 2021 across six Georgian municipalities (Telavi, Lagodekhi, Ozurgeti, Kutaisi, Batumi, Zugdidi), more than 3,500 persons with disabilities and their families have received support to enhance their independence in areas encompassing peer support, information and referral, awareness raising, needs assessment, and advocacy and monitoring. Initiated by McLain Association for Children (MAC Georgia) and funded by USAID with the support of local governments and public-private partnerships, the ILCs are unique in the sense that they are run by persons with disabilities who are providing direct services for persons with disabilities and those around them. One key requirement of ILCs is that a majority of the staff must be persons with disabilities. This is a significant move for Georgia, and it showcases the capabilities of local community members who happen to have a disability.

GROWTH THROUGH OPPORTUNITY

Before taking the position of chairperson of Telavi ILC, Elene Mtchedlishvili felt that she had already reached her limits of professional growth.

"I had a high education, with degrees in tourism and foreign language teaching. I was happy to have a job as a teacher, but I always felt it wasn't 'my' job. I wanted to do something else - to help other people like me."

Ms. Mtchedlishvili remarked that many well-qualified people with disabilities are often overlooked, or are expected to be grateful for any opportunity to work.



She said that establishing the Telavi ILC was a life-changing moment for her.

"I think I finally found what I was looking for. And now I see that there are more possibilities for me to grow as a professional."

Ms. Mtchedlishvili emphasizes that everyone has a chance for continued growth if they understand their rights and what is available.

"The training that is provided for staff about disability rights in Georgia really enhanced my understanding of my own rights. Every step forward for the community is also a step forward for me."

Ramin Macharashvili, a leader at the Batumi ILC, echoed this sentiment.

"The center allowed me to apply my qualification and enhance my professional capacities as a lawyer in the field of disability rights and needs, boosted my confidence, and granted me an opportunity to work in a valuable area for society. ILC benefits not only the people who visit the center but society overall."

The same is true for family members of a person with a disability. Lali Kochlamazashvili, who works at the Lagodekhi Independent Living Center, commented, "Before, I felt like I was 'just' a mother and a caretaker, but now I am so much more."

Bringing a parental perspective to the ILCs is essential, as families often struggle to support a child with additional needs and are not even aware of their rights.

"I can help to make sure that other mothers don't have to go through the same experiences of having their child be excluded from school or other activities," Ms. Kochlamazashvili said. And she knows from personal experience how easy it is to feel overwhelmed. "I get frustrated when parents think they don't need to take their child to school

because support is not in place and 'nothing will happen'. That's when I want to jump in and show them the way." The biggest 'gift', she says, is seeing the attitudes and expectations of parents change.

COMMUNITY IMPACT

"The impact is life-changing." These words are commonly spoken by individuals with disabilities who participate in services provided by one of Georgia's six Independent Living Centers (ILCs). But a growing number of people without disabilities is also taking note of the positive effects the centers have on their communities.

Pikria Baramidze, who heads the Ozurgeti Independent Living Center, is fighting hard to change the stigma of disability. At a recent conference of leaders promoting disability rights and independent living, Ms. Baramidze spoke about the advantages of having leaders with disabilities who represent the broader community.

"There was a very interesting reaction by the community when I was hired at the ILC. They said, 'What? Pikria got a job?' Ms. Baramidze laughs as she remembers the initial response of her neighbors. "But I wanted to be an example for others. And it became motivating for everyone, for people with and without disabilities. People in the community started seeing me as more competent and more capable in general. They said, 'if she can do it, I can do it.'"

Now, two years after she began her job, neighbors are no longer surprised to see Ms. Baramidze working in the community, visiting families, sharing resources, and speaking at events. By having the courage to step up and become a leader,

she has unexpectedly become a role model for everyone in her region.

Sopo Chakhaia, the chairperson of the Zugdidi ILC, also observed that people with disabilities in her community have become more active. She said that the growth of services directly affects community inclusion and opportunities for people with disabilities to be an active part of civic engagement.

"We see a snowball effect," she said. "People who receive our services share their positive experiences with others, and then word spreads to even more people. The more people who are served, the more people we see engaging in public life."

Ms. Baramidze added, "We see changes throughout our community. They are more accepting of disability in general, and in some cases, they see persons with disabilities as more capable than persons without disabilities."

ILC staff advocate for changes within systems that have historically created barriers for persons with disabilities. Tsira Barkaia, the USAID Independent Living Program's Chief of Party at MAC Georgia, notes that sometimes the ILC staff collaborate with local social workers to help someone obtain the status of a person with a disability, an essential first step to obtaining state-funded services. But at times, the social workers are so overworked that a person seeking a disability status, requesting basic equipment such as a wheelchair, or involving young children in early education or intervention services might be significantly delayed or fall through the cracks. When that happens, ILC Leaders step in and ensure that the person is not forgotten and that their needs and rights

are addressed promptly and carefully.

According to Ms. Kochlamazashvili, "Very often, we have to accompany the individual to the health clinic and narrate to the doctor specifically what is needed for a wheelchair prescription." She adds, "The doctors are typically quite open to this, and in the process, learn how to tailor support for individuals rather than providing 'generic' services."

These systemic changes, both in attitudes and practical support, have not gone unnoticed by the disability community.

THE RIGHT TO HAVE RIGHTS

December 3rd of each year marks the International Day of Persons with Disabilities. According to Dmitri Silagaladze, chair of the Kutaisi ILC, people didn't really celebrate this day in the past because they didn't feel that it mattered. He said most people felt it was a celebration 'on paper' but not one based in reality. However, 2022 felt different.

"There is a belief that things are different now - the ILCs have fundamentally changed the tone and the plan for the future. Now people know how to position themselves for change; now, it's about rights," he says. "It's not just about asking for money or support but about asking for rights. We have the right to have rights."

Other ILC leaders also echoed these shifts in their own communities. At the same time, they acknowledge that the changes they are seeing are not reaching all corners of Georgia. According to Ms. Baramidze, "We do a good job in our own region, but how great it would be to see these services available in all regions of Georgia. We need them everywhere."

The greatest outcome of all, however, is when the support of an ILC is no longer needed. Before joining the staff at the Lagodekhi ILC, Ms. Kochlamazashvili was a family member receiving their services. After learning about her child's rights to inclusive education and working together to increase her son's independence, she saw impressive changes in not only his education but his overall ability to be more self-sufficient. He recently thanked his mother in the best way a 14-year child can: by politely refusing her support. "I don't need you to take me to school anymore," he told her. "I can do it by myself."

The USAID-supported Independent Living Centers were established under the USAID Independent Living Program (ILP), which is implemented by MAC Georgia.

Tene's First "Bottle ATMs" to be Installed throughout Tbilisi by Spring

Bottle machines will appear in Tbilisi in the next three months, a project is USB cable manufacturing company "Tene". Sandro Liluashvili, the founder of Tene, says the devices will be a kind of ATM for their plastic and tin can processing plant, from which citizens will have the opportunity to receive virtual money at the initial stage, and then real money.

"Used bottles and tin cans will be exchanged for money. The user will be identified by phone number, and with a specially assigned QR code, points will be accumulated which can be used in the form of receiving discounts on products in various partner stores of Tene," Liluashvili notes.

Shopping malls, fairs and various gathering places are considered as probable locations. At the initial

stage, Tene plans to manufacture and install three trial devices.

As Liluashvili explains, the cost per device will be around 20,000 GEL.

"Similar devices are produced all over the world, however, they have a rather high cost. In Tbilisi, on the initiative of the local municipality, it was planned to install similar devices, but the project has yet to be implemented, so we are doing it for 20,000 GEL per machine," said Liluashvili.

The "bottle machines" project was to be implemented in 2018 in Tbilisi, within the framework of "Your Idea for the City Mayor." At that time, civil activist Kukuri Baramidze was the author of the project.

Similar devices are already widespread throughout Europe.



Ghost of a Chance



BLOG BY TONY HANMER

I chose a title for this week's article which links to the photo accompanying it. The Dadeshkeliani watchtower appears like a phantom in the mist as winter descends on the village of Etseri, Upper Svaneti, where my wife and I have based ourselves (with this winter off) since 2012. I returned to Etseri following the horrific events there of the night of January 1, in which two young men were murdered by gunfire following a drink-fueled street fight. Events and details are murky owing to the darkness, confusion of people wading in to try and break it up, who shot whom when, who fell or was knocked to the ground, and so on. One of the men had a young family, the other was single. The former's father had also been mur-

dered some years earlier, in another conflict, at a feast in Kakheti province.

My wife and I know both victims, as well as both prime suspects, who are in police custody. One of these is the father of the latter victim (though not his supposed killer); that victim's mother is now in a coma in hospital from her fall to the cement road outside their house, hitting her head. Prognosis as yet uncertain. The other prime suspect we had met, along with his parents, only last summer, in Nakra (the father is now dead of cancer). So, three devastated families; rage and chaos all around.

Several police cars have stayed parked and occupied between the two houses, in hopes of averting what the Svans are historically infamous for: Revenge. The police are aware of the high feelings and phoned death threats which have been made.

The funerals were held a couple of days

apart, to give the villagers time to prepare the feasts. Women were hired from Samegrelo province to prepare and clean up after the usual vastly more than necessary food, bringing one complaint to my hearing of laziness among the village women. I could only think to myself, let them be spared such labor: they work much too hard anyway. The men handle the slaughter and butchery of animals, cauldrons on fires for the meat stews, and setting up plus dismantling of the benches, tables and a marquee if necessary).

The first funeral just squeaked in before winter proper descended: No snow aside from the sprinkling already present, no wind, no excessive cold, and thus no need of a marquee. The brother of the dead man bellowed out, "Where are you going!" in Svan, over and over again, at least giving vent to his agony instead of holding it in. The women screamed

repeatedly as the funeral procession made its way to a lonely but beautiful grave site dug under a tree overlooking most of the village; no possibility of burying him anywhere near the other man, whose family dominates the nearest proper cemetery. These are more than the usual loud and sorrowful funeral sounds: we were still all in shock over the murder, youth and confusion. It was cool enough that we did not stay long for the feast.

The second funeral was about equally loud, with the mother and widow leading the wailing, as to be expected. About 20 cm had fallen since the first funeral, with the temperature falling to -10 or so and the wind getting up, necessitating the marquee. We started without even forks, using bread to scoop up when we could, but the forks were merely late. Nonetheless, we finished this feast quickly as well, due to the cold. Hardly anyone was in much of a mood for eating in any case.

I had decided between these two events that I will not drink alcohol anymore in Svaneti, nor make liqueurs here: It is one of our curses. Given that toasts to the dead, which are practically the only toasts at a funeral feast, allow a few drops to be poured out on the ground, I poured out every glass completely, saying that this was what the occasion required of me. The irony of imbibing so much alcohol in honor of people who have died precisely from its effects on their relationships enrages me, and is one of my battles in Svaneti. I have pledged to be more radical in opposing drinking here: Any good it does is so much less than its evil that it might as well count for nothing.

I pondered much what to say to the bereaved families, and the three "friends"

of Job in the Bible were a negative example. When Job loses all his family and possessions, Satan being allowed by God to test his faith but not take his life, the three spend several days mourning with Job. Then they open their mouths... and ruin this demonstration of compassion as they proceed at length to blame him for it all, saying it must be God's punishment for his wrongdoings. God eventually shows up and blasts them into silence and repentance with his long set of rhetorical questions about where they were when He created the universe. Job's status is completely restored.

I had much anger in my own heart, too, but decided that loudly pointing out a general need to do an about-turn from drinking and grudges would serve nothing at this moment of extreme grief. Instead, I mourned with the mourners; tried to offer comfort, love and prayers; and merely urged those filled with fury to release whatever they had in their hearts, not to hold onto it. There is peace for now, but much remains to be done towards healing. IS there the ghost of a chance?

There were also a few hours here and there to take some photos as the drabness of snowless winter allowed itself to be transformed. Beauty restores my soul, and is never hard to find. More on that next week.

Tony Hanmer has lived in Georgia since 1999, in Svaneti since 2007, and been a weekly writer and photographer for GT since early 2011. He runs the "Svaneti Renaissance" Facebook group, now with nearly 2000 members, at www.facebook.com/groups/SvanetiRenaissance/. He and his wife also run their own guest house in Etseri: www.facebook.com/hanmer.house.svaneti

Can Georgia's Khachapuri Cheese Bread Become the Next Pizza?

BY HELENA BEDWELL
FOR BLOOMBERG

If there's one thing food lovers know about the Black Sea country of Georgia, it's that they are the creators of khachapuri. The fantastical melted-cheese-and-egg-filled bread, invariably served outside Georgia in a style best described as a cheese boat, has captivated international social media for years.

In Georgia, it's almost impossible to find a restaurant, café or roadside eating establishment that does not serve the national dish, beloved by locals and the first thing ordered by most tourists who visit the country.

The pastry, which comes in different forms, but which is often stuffed with cow's milk cheese and that sunny-looking fresh egg yolk, is made to order and served hot, to be eaten with a knife and fork sitting down at the table. In 2019, it was listed as "culturally intangible" by the Georgian National Agency for Cultural Heritage Preservation.

The dish is so popular that even the local International School of Economics at TSU (ISET) tracks the "Khachapuri Index" of inflation using a basket based on the dish's ingredients: flour, cheese, yeast, milk, eggs, butter. (In November, it rose an eye-opening 27.3% year-on-year; the cost of flour increased almost 20%, and cheese was up over 35%.)

Now, the Georgian centerpiece is getting a significant modern update. Gunda, a new bakery and café in Tbilisi, is changing the dish's fundamental concept by turning it into fast food. They are doing this while also working around the constraints of the Ukraine war by sourcing



Photo by Nino Kankava

non-Russian flour. Gunda, which means "ball of fluffy dough," is located in the historic section of Tbilisi, behind a pair of eye-catching mint-green ornamental doors at the top of an ancient, cobbled hill. The bakery's interior is a mix of vintage and modern European touches, with velvet benches and an antique-styled brick oven alongside a modern coffee machine and open kitchen to watch the chefs in action. The bakery serves mini desserts including dry-fruit and nut truffles. But Gunda's slogan is "we bake khachapuri" and that's their main business. They also sell khachapuri-themed memorabilia such as printed hats and cups, and souvenirs shaped like the stuffed bread. Customers can also buy the flour, pre-measured, to make the dish at home. Gunda is even collecting signatures to petition UNESCO to place khachapuri on its own list of cultural intangibles, like baguettes have been in France.

Khachapuri is a dish that has been made and served to Georgians for centuries. Though the first mention of the word came from the Italian missionary Arcangelo Lambertini on a visit to Georgia in the 17th century, the dish probably dates back to when the Roman soldiers passed through the Black Sea and brought with them their version of tomato-less pizza.

In 2017, the team behind Gunda, Lali Papashvili, Levan Qoqashvili, Nana Dolidze and Inga Kvernadze, saw an opportunity to break with tradition and modernize khachapuri for today's fast-casual life. They got the idea for the place after a visit to Naples, where lines at a local pizza place were more than an hour long. A separate trip to Vienna, where the classic Austrian dessert sacher torte was readily boxed up, further inspired the team. "I stood there with the sacher torte

and thought in my mind of the heritage and tradition in a box that I could take with me," says Dolidze.

In October 2022, the team opened Gunda, featuring khachapuri to go. They served their specialty in custom-designed boxes, and, even more radically, in single triangular slices, in paper holders. The most popular varieties like Megruli (topped with melted cheese), Imeruli (stuffed with cheese) and Meshkhuri (puff pastry based) are flat and kept warm at the counter, available for immediate take away, whole or by the slice. The more recognizable cheese-and-egg filled boats are baked to order in 15 minutes to eat in house or for delivery. The place was an instant hit. Currently, Gunda sells around 100 khachapuris a day and intend to triple output in the next few months. Prices start at \$3 per slice. The

bakery also offers larger portion sizes, geared towards groups of sightseeing tourists and locals to take home or consume outside on small benches overlooking the historic park. The bakery plans to expand to New York City, and then to globally grow its concept of khachapuri.

Unlike most commercially made khachapuri, these are not made from industrial flour or cheeses; all the ingredients are sourced from an organic farm. This bit of nationalism comes in the midst of the economic turmoil when the Georgian market had become heavily dependent on imported Russian wheat.

"Why should we use Russian wheat and not revive what Georgians farmers did best?" asks Papashvili. On the door of the bakery is a small note that says that anyone who believes that Ukraine's fight for freedom is unjust, or that Vladimir Putin is right, is not welcome inside.

In researching the dish, the Gunda team discovered 47 khachapuri varieties, with fillings ranging from meat to lentils, and as well as ones made from cheese-topped puff pastry and flat round ones with varied fillings that resemble a topping-less flatbread.

So far, Gunda offers 41 varieties of khachapuri. The best are the Imeruli and Megruli versions. I say this as something of an expert; I come from Imereti, the home of khachapuri. And here's a tip for fans of the "next day" pizza: Leftover slices of khachapuri are excellent reheated in a frying pan.



Byron Bust at Byron School

OP-ED BY NUGZAR B. RUHADZE

He was born January 22, 1788, in England, and gloriously passed away at the heart-breaking age of 36 on April 19, 1824, in Greece, where he was revered as a national hero. An eminent politician, nobleman, and the Romantic Movement's most prominent figure of all time, Lord Byron is one of the most widely read and recognized poets and well-known personalities in history. He is known for writing extraordinarily influential romantic poetry, his astonishingly attractive personality, as well as his frequent scandals and plentiful love affairs, turned into legends. In the last 200 years, his was a real household name in every single nation of the planet. Humankind has warmly and heartily embraced his poetry because, as the grand poet would have put it himself, 'there is no instinct like that of the heart'. Byron's spiritual and intellectual influence on our hearts and minds has endured centuries, remaining effective even today. The power of his majestically impressive word and rhyme has reverberated throughout centuries and reached our Georgia with an imposing resonance. Celebrating the dignified British poet's



235th birthday, The Byron Society of Georgia, based at the State University of Tbilisi, and headed by Academician Innes Merabishvili, has prominently educated this nation on every possible Byronic issue, including the famous poet's heroic life and brilliant works. Moreover, the entire Georgian people know that there is a linguistic school in Tbilisi, named after Byron, which has proved to this society that teaching a language via culture, using the language, is the best way to get our youth involved

in priceless western values, which might be one of the best preconditions for Georgia to find its long-deserved niche in the European family of nations. This is exactly what the Byron School of Tbilisi, conceived, founded and managed by professor Merabishvili, is doing on an everyday basis year in year out.

Having noticed and held up the significant contribution of the school to the complicated process of Georgia's westernization, the famous Georgian painter, sculptor and architect Zurab Tsereteli,

currently living and working in Moscow, dedicated a marvelous image of George Gordon Byron, sculpted into an impressive bust of the poet, which was recently inaugurated at the Byron School in the presence of the crème de la crème of our society. The famous words, once uttered by Lord Byron 'One certainly has a soul, but how it came to allow itself to be enclosed in a body is more than I can imagine' fits into the outstanding event, as if the poet saw the Tsereteli gift to the school in a crystal ball in his own time.

The bust is now elegantly standing on the stage of the Byron School mini-theater next to the portrait of the poet's daughter Ada Lovelace. 'Why did you come here?' - Byron would have asked with discreet curiosity, and the proudly excited kids of the School would have answered that they know exactly why they need this beautiful piece of art by the renowned sculptor exhibited in their remarkably organized school, beautifully decorated with the Byronic paraphernalia: learning English and getting closely familiar with the western culture is what makes their knowledge complete and practicable.

Innes Merabishvili, who herself is an amazing mother and grandmother, dotes over all her schoolchildren with the same familial love and care, enlightening them

with her boundless familiarity with Lord Byron's creative heritage and with his living family. Artist Zurab Tsereteli found time, energy and enthusiasm to create the sculpture only because he had felt and appreciated the organic intellectual and spiritual interaction between the Byronic world and Merabishvili's natural infatuation with that miraculous realm.

This country knows the meaning and content of the Byron-Merabishvili scholarly connection, which is so reciprocal, as if Byron is still alive and Merabishvili must live forever to keep up the greatness of the genius worldwide. Not in vain did Byron once say: 'I do detest everything which is not perfectly mutual'. I have no better words to describe the affinity between Poet Byron and Scholar Merabishvili, and this is exactly what has incited the imagination of Zurab Tsereteli to create his wonderful sculpture, and having presented it to the school, he has delighted both the kids and their teachers, saying nothing about their parents, with a gesture that only the great and the generous men and women of arts are capable of undertaking. We, the Byron School faculty, students and administration, cannot thank him enough, getting ready for Byron's upcoming birthday, and keeping the precious Tsereteli souvenir always in mind.

She. Georgian Women Artists Exhibition at the Women Museum Bonn Planned for 2024

BY DR. PHIL LILY FÜRSTENOW-KHOSITASHVILI

The lives of Georgian women did not get any rosier after the so-called "Rose Revolution" exported to us from the former West and hyped through the mass medias. Actually, it did not get any better after any of the revolutions. Because where men glorify themselves as heroes with accolades, women remain in the background humbly caring for families, households and the other chores left to care for.

Under Stalin's totalitarian regime, which was particularly hard on Georgia, his native-country, with numerous personal and class enemies, women faced losses, executions and gulags. Going further into history, the Georgian woman has been portrayed in literature as a strong personality, a mother and the one who takes action, like Ilia Chavhadze's famous literary protagonist of the late 19th century novel "Otar's Widow" - a peasant woman.

Throughout Georgia's past, we come across a variety of inspiring women characters like the brave and mysterious Queen Tamara, who was the enlightened Queen of 12th century Georgia at the summit of its cultural and geographical prominence. Or the sacred Martyr Ketevan (qetevan camebuli), who gave her life for the sake of her religious beliefs - Christianity - and who was brutally tortured by the Muslim invaders. Her sacrifice is represented in the colored windows of the Lisbon Cathedral, since those who happened to attend her pub-

lic torture, the foreign guests at the court, were so deeply moved by her courage. Last but not least: Medea - this archetypal figure, the all-knowing and powerful healer and magician, influencing Georgian subconscious with all its unresolved ambivalences from the times of antiquity. How relevant are all these amazing protagonists to us now? How do contemporary artists interpret them in their artistic practice? What traits of femininity are inscribed in our common cultural memory? Is there such a thing as a Georgian female identity?

The exhibition "She," planned at the Frauenmuseum Bonn in 2024, will try to push to the limits our understanding of contemporary feminist artistic practice in Georgia. Narratives of the past can be told and re-told according to political regimes and ever changing socio-cultural modalities. The artists invited to participate in this project will revise Georgian history and present from the female perspective.

An important aspect in the choice of participating artists is deeply anchored in the notion of art as a medium bringing knowledge and joy without falling into the didactic and cynical. Since all art is political, some of the artworks maybe more politically charged than others, but our belief is that the true power of art lies not in political slogans but in the emotional impact on the beholders. If you ask for a Georgian identity you'll find no definite answer because there's no such a thing, because identity politics tends to be a doubtful thing within art contexts.

This is very much evident in the works of Ia Arsenishvili, an extraordinarily talented artist who works in a variety of

media in a broad palette of styles and techniques that lay bare the rich influences of both Iranian miniatures in certain series of her works, side by side with Western painterly traditions, e.g. in her landscapes.

Georgians are a "boundary folk" [Count Harry Kessler], geographically inhabiting a country on the outer borderline of Eurasia. Throughout centuries of brutal struggles by Georgian men and women against invaders, their countless uprisings and military actions against the Iranian and later Ottoman Empires to a large extent enabled Europe to become what it now is, for better or worse.

Now, 30 years after the renewal of Georgian-German diplomatic relations and the ongoing ravaging war in Ukraine, Georgian arts and culture has seemingly acquired new relevance for art institutions in the West. One might falsely assume that feminist artistic practice would occupy itself with purely women issues, which are in fact at the core of many female artists works. But contemporary women artists deal with far more topics in a variety of critical and experimental ways than one would expect. This has become evident from the numerous submissions to the X-treme Women Art Prize that was conducted online for the second time in 2022 by the author of this article.

Seeing past and present from a female perspective is a deeply enriching experience, because contemporary feminism is not about the divide between the male and the female but a joint emotion and struggle for fair and equal chances for all, e.g. fair pay for working women, fair health care, fair career chances, elimination of the gender gap, to name but a few. Con-



Mariana Chkonia. The Nights of a Wolf-Headed King. Wool, dry and wet felting. Photo by George Kolbaia

temporary feminism in arts is about inclusion and the struggle against conventional male dominated power-play and hierarchies, against centuries old misogynic prejudices and for a better future for all involved. These challenges are facing women artists around the globe, irrespective of where they live and work.

With this in mind, the author of this article initiated a women's art contest called X-treme Women Art Prize, which has taken place annually since 2021 to support women artists in the times of extremes. X-treme 2022 focused on the artistic practice of Berlin-based women artists. With over a hundred submissions and money prizes donated by Sammlung Schirm, X-treme is dedicated to showing

women artists, irrespective of age, social or national backgrounds or country of origin. All submissions can be viewed online on www.e-mergingartists.art. The winners, apart from getting money prizes, are exhibited in art spaces across Berlin.

Art has to be shown to people, therefore making visible the work by contemporary women artists on and offline is the sole purpose of X-treme Women Art Prize Berlin, organized by artist Martina Singer and Lily Fürstenow, winners of the 2021 Scholarship for Digital Formats of the Deutscher Künstlerbund/Neustartkultur State Program. The main prizes of X-treme 2022 have so far been awarded to Julia Frankenberg, Paulette Penje and Linda Werner.



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