

## President of Georgia Salome Zourabichvili Calls for Resignation of Acting NBG President Natia Turnava



BY LIZA MCHEDLIDZE

The President of Georgia Salome Zourabichvili called for the resignation of Natia Turnava, the acting president of the National Bank of Georgia, during a briefing.

Zourabichvili also urged the Council to invalidate Natia Turnava's decision, which altered the rules for implementing

international sanctions, preventing the freezing of Otar Partskhaladze's bank accounts in Georgia.

The President of Georgia stated that Natia Turnava had compromised the National Bank's independence and called for her resignation. She also apologized for appointing her as a board member, expressing regret over that decision.

"Natia Turnava has harmed the principle of independence of the National Bank and she should resign.

It is time for the Board to assume responsibility and exercise its oversight function. With the collective decision of the Council, it is possible to invalidate a sole decision. This action by the Council will effectively preserve the NBG's independence. This is

achievable because retired vice presidents are obligated to work for an additional two months.

The council is fully functional and can make various decisions. These are the steps that need to be taken urgently in order to prevent further significant damage to the country's reputation, along with the expected international reactions.

This is the right way that will

protect the achievements of Georgia's economic and financial stability and international reputation in this field. No one has the right to make such decisions because of narrow interests. At the same time, I want to welcome the very clear position of the private banking sector, which is really what this country needs today," said Salome Zourabichvili.

BY LIZA MCHEDLIDZE

## National Bank of Georgia Lifts Partskhaladze's Account Restrictions the Following Day



The National Bank of Georgia has reversed its decision to impose restrictions on Otar Partskhaladze in compliance with the sanctions imposed by the USA. Consequently, the National Bank's sanctions on Partskhaladze will be lifted, allowing him to regain access to banking services.

The President of the National Bank has introduced an exception to the rule governing the execution of sanctions regimes. Under this new exception, a Georgian citizen will only be subject to sanctions if a legally binding guilty verdict has been issued by a Georgian court pertaining to the grounds for the sanctions imposed on them.

"The Constitution of Georgia protects every Georgian citizen. The National Bank of Georgia, guided by the Constitution and the principle of innocence, asserts that international sanctions should not be applied to a Georgian citizen unless a guilty verdict has been issued against them in a relevant case by a Georgian court," reads the statement issued by the National Bank of Georgia.

According to Natia Turnava,

Acting President of the National Bank, "the name and surname of the sanctioned citizen are not important to the National Bank."

Turnava further clarified that this change applies to any citizen of Georgia who might find themselves in a similar situation and does not target any specific individual.

"Linking this decision to the protection of a specific individual or the avoidance of sanctions is an attempt to politicize it. We are a national institution in a sovereign state, a national bank. We fulfill and respect all international obligations, but our actions are guided by the Constitution and legislation of Georgia.

Our commitment is to ensure that, during the enforcement of international sanctions involving any Georgian citizen in such a situation, we rigorously protect the fundamental rights defined by our Constitution. This enforcement will always be carried out in accordance with our Constitution. This is the essence of our decision," stated Natia Turnava during the briefing.

TBC and Bank of Georgia, plan to adhere to Western sanctions requirements without exceptions, irrespective of the National Bank's decision.



The News in Brief

PREPARED BY MESSENGER STAFF

Georgia's Ministry of Justice Approves Termination of Former Chief Prosecutor Otar Partskhaladze's Citizenship

The Ministry of Justice in Georgia has officially announced its approval to terminate the citizenship of the former Chief Prosecutor, Otar Partskhaladze. The ministry issued a statement to this effect.

"In response to the public interest, we are sharing the information that the State Services Development Agency has recom-

mended the termination of Otar Partskhaladze's citizenship. The relevant decision has been transmitted to the President of Georgia," read the statement.

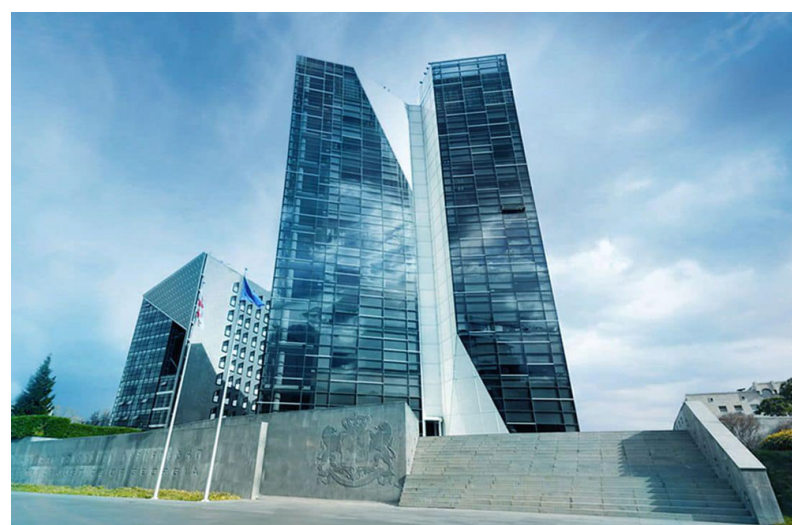
The President has granted prior approval for this action. President Salome Zourabichvili is now prepared to promptly revoke the citizenship of former Chief Prosecutor Otar Partskhaladze upon receiving the necessary decision.

resignation statement on social media.

It was later revealed that Archil Mestvirishvili, the vice-president and a board member of the National Bank, was also stepping down. Mestvirishvili explained his decision on Facebook, stating, "I cannot be a partici-

part in a decision that I neither influence nor agree with," in an interview with the BMG publication.

Another vice president and board member, Nikoloz Gagua, also confirmed his resignation from the National Bank of Georgia.



Resignations Follow National Bank's Decision to Lift Account Restrictions on Partskhaladze

After Acting President of the National Bank, Natia Turnava, announced the lifting of restrictions on Otar Partskhaladze's accounts during a briefing, Vice President Papuna Lezhava resigned from his position. He subsequently shared a copy of his



ADB Sees Strong Growth for Georgia in 2023

TBILISI, GEORGIA (20 September 2023) — High foreign direct investment and lower unemployment have supported strong growth for the Georgian

slightly to 5% in 2024, in light of an expected return to growth potential and possible fallout from slowing global expansion. "The encouraging growth

sale and retail trade, 15.7% in accommodation and food services, 44.2% in information and communication, and 17.2% in arts, entertainment, and recreation, mostly due to a recovery in tourism.

Inflation is now projected to decline further to 3% in 2023 from an earlier forecast of 6% in April, following a relatively stable Georgian lari and strong macroeconomic policies. A small

budget surplus in the first half of 2023 reflected strong revenue and ongoing fiscal consolidation. Public sector debt remained low, equal to 39.8% of GDP, as strong economic growth and a relatively stable lari boosted GDP.

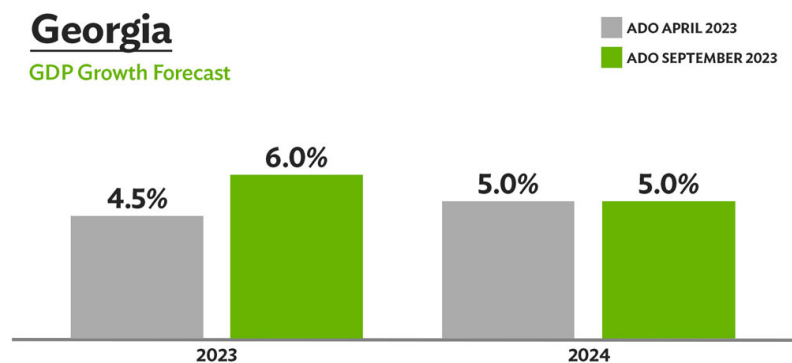
The current account deficit narrowed sharply from the equivalent of 13.5% of GDP in the first quarter of 2022 to 3.2% a year later. This reflected soaring money transfers and higher

service surpluses from travel and information and communication technology. Following a record high in 2022, money transfer inflows in the first 7 months of 2023 increased at an annual rate of 27.5% to \$2.7 billion, with nearly half of it coming from the Russian Federation.

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

Georgia

GDP Growth Forecast



Find out more in ADB's Asian Development Outlook September 2023 www.adb.org/outlook

#ADO2023

economy, prompting the Asian Development Bank (ADB) to raise its growth forecast to 6% for 2023.

According to the Asian Development Outlook (ADO) September 2023, an update to ADB's flagship economic publication, Georgia's real gross domestic product (GDP) is projected to grow 6% in 2023, higher than the bank's April forecast of 4.5%. The growth will moderate

curve and significantly lowered inflation show that Georgia's economy has been steadily overcoming obstacles caused by the COVID-19 pandemic and geopolitical events of the past few years," said Officer-in-Charge of ADB's Georgia Resident Mission Kamel Bouhmad. "Georgia could further benefit from developing policies for more climate-resilient growth and supporting the development of climate-smart solutions in infrastructure, business, and agriculture."

According to the report, Georgia has experienced strong growth in construction at 15.1% and services at 10.2%. The growth in services is mainly due to an increase of 14.0% in whole-

Weather

Thursday, September 21

Day Few Showers High: 23°C

Night Partly Cloudy Low: 17°C

Friday, September 22

Day Mostly Cloudy High: 25°C

Night Partly Cloudy Low: 17°C

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