“Creeping Occupation”
Dangerous Prediction Has Come True

Greece in Disgrace: Bailout Deal - Crisis Versus Welfare???

The financial crisis in Greece has had very decisive political consequences. The Greek electorate has voted in a referendum not to pay the country’s debts to international financial structures, primarily the EU central bank and the International Monetary Fund (IMF), by 61% to 39%. Consequently it was expected that the EU Summit of 12 July would retaliate with harsh measures, but it has adopted a more conciliatory approach.

Iranian Nuclear Deal: Myth or Reality???

Iran has achieved the peak of its geopolitical success. Very soon economic sanctions could be lifted due to the successful completion, on July 14, of the Vienna negotiations concerning its nuclear programme. This is a major breakthrough, as these talks have been going on for more than 10 years.
“Creeping Occupation” Dangerous Prediction Has Come True

By DR. VAKHTANG MAISAIA

Once upon a time, The Georgian Institute for Geostrategic and Eurasian Studies Institute, Chairman

Unfortunately this prediction has come true in July 2015. At the time it was made no one paid any attention to it, including the Government of Georgia, whose representatives seem never to have the time to read even Georgian newspapers. Consequently “creeping occupation” has become an accepted norm, and no one bothers when more Georgian territory is lost.

As we said in March, the occupation is not simply a matter of where the border is. It is designed to damage Georgia’s high potential of becoming a significant transit state and could reduce the country’s economic indicators and foreign investment flows. This has been confirmed by Georgian information agencies: “Additionally, the latest creeping occupation has seen a portion of the RPs- operated Baku-Supsa Pipeline in Georgia come under Russian control in the breakaway Tskhinvali region, as certain segments of the oil pipeline have fallen behind the new “border” signs. The pipeline was previously entirely on Georgian territory, but is now in occupied land since Russian occupation forces have installed so-called “border signs” in Georgian villages” (see http://agendageo-news.com.ua).

The Baku–Supsa Pipeline is an 833-kilometre oil pipeline that runs from the Sangachal Terminal near Baku, Azerbaijan to the Supsa terminal in Georgia. It transports oil from the Azeri-Chirag-Guneshli field and is operated by BP. After it was incorporated into their “territory” the de facto authorities of “South Ossetia” began black-mailing BP and its partners. An official statement by Kholok Gagloyty, head of the South Ossetian delegation to the IPRM peace mission, said: “We inform you that in this area South Ossetian border guard units have carried out planned work to set up border markers of the Republic of South Ossetia, on its own territory, 50 m. from the state border of South Ossetia. In some cases replacement of boundary markers, previously damaged by unidentified persons, was undertaken. The anxiety of some persons from the Tbilisi political and administrative establishment about the functioning of the international section of the Baku-Supsa oil pipeline, which runs through the territory of South Ossetia, looks far-fetched. The “suggestions” of an alternative route, which are obviously intended to increase the possibility that everything will be done to ensure its full operation”. This makes clear why the “border signs” were installed just 450 metres from the Tbilisi Gori central highway near Kharvaleti village and why part of the oil pipeline (about 1,800 metres of it) is now under the control of Russian-Ossetian troops. However, the direct aggression which this “creeping occupation” has become has not only local but geopolitical implications, which are the

confirmed by Berdimuhamedow after his meeting with Georgia’s President. A draft oil delivery project will be discussed in December during a summit between Iran and Russia. Consequently, Georgia is seeking to disrupt any transit operation via Georgia to international markets. Furthermore, the energy ministers of Turkey and Azerbaijan, the head of Turkmenistan’s hydrocarbon resources agency and the European Commission Vice-President in charge of Energy Union met in Ashgabat on May 1 and agreed to work on a legal framework agreement on natural gas supply from Turkmenistan to Europe.

The Baku–Supsa Pipeline is connected with plans to transit Turkmen energy resources via Georgia to international markets. Consequently, the energy ministers of Turkey and Azerbaijan, the head of Turkmenistan’s hydrocarbon resources agency and the European Commission Vice-President in charge of Energy Union met in Ashgabat on May 1 and agreed to work on a legal framework agreement on natural gas supply from Turkmenistan to Europe.

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Georgian Carriage Building Holding
- the innovative company with 8 international licenses

The Georgian Carriage Building Holding, which has existed for 132 years, is the biggest such company in the Caucasus. It has three different plants and has always had a patriotic ideology, seeking to create as much revenue as possible for the state budget to prevent the outflow of money abroad.

Despite various economic problems, the Georgian Carriage Building Holding is continually developing and setting new objectives. Here the Georgian Times interviews the Chair of its Supervisory Board Nino Tsilosani and its General Director Giorgi Areshidze.

What role does the government play in the development of your business?
Nino Tsilosani - Compared to other businesses, ours has a very specific remit. Our management board and founders have always tried to keep the company in working order, able to address the dynamics of change in the country. In return, the government has been friendly to us. But I don’t mean that it offers us support or subsidies, although the experience of other countries is that similar industries do require such support to develop. Of course, we wish that domestic heavy industry was more protected by the government, with the help of different legal mechanisms, and this became the main policy priority.

Giorgi Areshidze - There is currently a serious crisis in the Georgian market by offering cut price products. Our company has suggested that domestic manufacturers should receive certain legal concession and be given priority. If both Georgian and foreign companies take part in tenders Georgian manufacturers must be given an advantage, as this creates new jobs in the country, brings money into the state budget and prevents the outflow of money from the country.

The Georgian Carriage Building Holding has been internationally successful and the Rustavi Metallurgical Plant, as part of the holding, has acquired an international licence for the production of large and medium-sized carriage mouldings. How has the holding managed to be successful so far, and how will having an international licence affect it?
Nino Tsilosani - It was only a few days ago that Rustavi Metallurgical Plant, part of our holding, acquired its international licence. This is a very important development. The leftover metal from our carriage building work, which is usually sold abroad, is now being used by the Rustavi Metallurgical Plant to cast the new items it has won the licence to produce. We used to import smaller-scale mouldings from Russia and Ukraine, but we now produce 27 types ourselves. Now every item we need will be cast in our plant, and this is an important step forward, as it will decrease the price of our products and give us a competitive advantage.

The casting of these items will require an additional labor force, approximately 500 new workers. More money will go to the state budget and we will prevent money leaving the country.

How are the various companies of the holding doing? Do you have any news or plans to share with us?
Giorgi Areshidze - The holding consists of three companies: the Georgian Carriage Building Company, the Electro Carriage Building Company and the Rustavi Metallurgical Plant, properly titled 'Gorgasali'. The carriage building company has licences to conduct all the necessary repairs to railway carriages and to produce new freight carriages. We have acquired a large number of important licences during recent years. We have recently acquired four licences for producing different kinds of freight carriages and currently have eight licences in all. This gives our company the opportunity to respond to any tender. We have the licence for the production of carriages which are much in demand, and that gives us a competitive advantage in price, quality and production efficiency.

The Georgian Carriage Building Holding won't limit its production to these however. We are also beginning production of 20 and 40 foot carriages. We acquired a licence to produce these in autumn 2014. Consequently, if the Kars-Akhalkhalaki railway is opened as predicted, domestic and foreign transport operators will be provided with new containers. We acquired a licence for the production of new universal containers at Russian Maritime Registry. We are currently working out the best way to mass produce these containers. We are also working on launching a hot galvanization line which will be unprecedented not only in Georgia but in the Caucasus. The government has already approved this project within the framework of the "Manufacture in Georgia" programme. We are currently holding negotiations with the banking sector for the provision of financial support for this unique project. The line will be built in Rustavi at the carriage building plant.

Hot galvanization of black metal differs significantly from cold galvanization, and is method now used by all leading factories. This is a big project, and as soon as our importers got to know about it they concluded consumer agreements with us.

How are you going to set the prices of these new products?
Giorgi Areshidze - Our prices will, of course, be competitive. Otherwise, these products would have to be imported.

How important is the holding in the Georgian market and how does it contribute to the Georgian economy?
Nino Tsilosani - The holding deals with a very specific business area. Georgia is the third biggest carriage building country in the post-Soviet space after Russia and Ukraine. Some more developed countries than Georgia do not have such an industry. Our priority is to maintain our base 132 years old and strengthen our strong technology and its labour force. No less importantly, we are continually developing.

With regard to the question of why carriage building is important for the country: Georgia is a transit country, and the carriage building industry is essential for any railway service. It gives the industry price and time flexibility. As there is always a large turnover of newly sold or repairable carriages, the money we make from this work prevents the money needed to pay for these going out of the country. We have paid 60-65 million GEL to the state budget over the last 5 years, and this is not a small figure. It once more proves our importance to the country.

Are you going to expand and create new products?
Nino Tsilosani - As we said, we will be introducing container and new galvanization. We also intend to enter the agriculture sector and establish tea and fruit recycling works in Guria. We have already held negotiations with Chinese investors and are now negotiating with our government so that we can undertake this project under the "Manufacture in Georgia" programme too. We also intend to start producing wine storage tanks.

I’d like also to point out that thanks to the founder of our company, Badri Tsilosani, our plant has remained viable despite the crisis in our region, the variations in the currency exchange rates and other problems, while plants in Russia and Ukraine have closed, and has continued to develop new products.
The financial crisis in Greece has had very decisive political consequences. The Greek electorate has voted in a referendum not to pay the country’s debts to international financial structures, primarily the EU, central bank and the International Monetary Fund (IMF), by 61% to 39%. Consequently it was expected that the EU Summit of 12 July would retaliate with harsh measures, but it has adopted a more conciliatory approach. Greece will remain in the Eurozone and the European Community for the time being, and further negotiations will be held to try and find a sustainable solution.

The leftist Greek government, led by Prime Minister Alexis Tsipras, has accepted all the requirements laid down by the EU, which mainly satisfies the Greek government, even though the Greek population told it not to in the referendum. Officials in Brussel have thus outlined proposals for short-term financing for the debt-stricken country, promising to provide Greece with about 50 billion euros. This is necessary because all Greece’s commercial banks have closed and the country simply does not have any money left. The Greek Parliament has just supported the anti-crisis programme including these requirements by 251 to 32. Although there is mounting anger amongst Greek politicians, world equity prices rallied at news of the plan to keep Greece afloat and within the euro zone with a bailout.

The leftist government led by the Syriza Party has pursued populist political goals in order to increase its popularity and reinforce its position after the parliamentary elections. However, it has now been forced to accept the requirements of international economic and financial institutions. As the recent IMF report on Greece’s debt sustainability pointed out: “The financing need through end-2016 is now estimated at €26bn and debt is expected to peak at close to 200 percent of GDP in the next two years, provided that there is an early agreement on a program. Greece’s debt can now only be made sustainable through debt relief measures that go far beyond what Europe has been willing to consider to do so.”

The IMF itself advocates writing off at least a third of Greece’s external debt. Two weeks ago it estimated that Greek debt would peak at 177% of GDP, and fall to 142% in 2022. Now it is saying that debt will still be at 170% of GDP in 2022 after hitting a peak of 200%. Greece owes 325 billion Euros to other countries, of which about 85 billion is owed to Germany and 65 billion to France. This enormous debt is impossible to pay off in a short period, so it is entirely unrealistic to draw up plans which require Greece to do so.

In our view that Greece is in a deep financial crisis equal to a default. The anti-crisis programme agreed consists of 6 points:

- Drastically reducing pension allocations and making associated reforms such as increasing the pension age
- Reducing military expenditure by 100 million Euros
- Decreasing the size of the state budget by 12 billion Euros
- Increasing taxes for the private sector and the business community

The Greek Institute for Geopolitical and Eurasian Studies Institute, Chairman

NEW GENERATION

Reasons for Depreciation and our Priorities

Luka Tutarasvili

It is already 7 months since, Georgian economy is struggling with the significant depreciation of its national currency. It depreciated by approximately 30% since November 2014 (XE.com, 2014). There are many factors which contributed to such depreciation and some major factors will be analyzed in this article.

One of the main reasons for depreciation Georgian Lari (GEL) is the economic crisis which occurred in our trading partner states such as, Russia and Ukraine. Conflict between Russia and Ukraine caused a deep recession in Ukraine and crisis in Russia where economic sanctions were implemented by EU and USA. Therefore, less Georgian products are exported to our main trading partners, so less currency was flown to Georgia and therefore less GEL’s were bought and the demand for local currency fell. Also, money transactions from Russia and Ukraine fell. In comparison to 2014 in 2015 transactions from Russia are reduced by approximately 24 million USD (commersant.ge, 2015).

As a result of oil prices decreasing from 110 USD per barrel till 62 USD per barrel, US dollar began to depreciate. It caused many currencies to depreciate towards USD. Even British Pound depreciated by approximately 5% during the last year due to US dollar getting more expensive. For example: Georgian Lari depreciated by 15% towards Euro, while US dollar became more expensive by 30% since November 2014. So, it can be said that depreciation of Georgian Lari to wards US dollar is partly caused by the factors which cannot be influenced by Georgian government or National Bank.

According to experts that the exchange rate between US dollar and Georgian Lari was to be: 1USD=2.05GEL, however today 1USD equals to 2.24 GEL. Further fall of Georgia currency was caused by the expectations of people. People preferred to hold stronger currency (e.g. US dollar) as it was expected that Georgian Lari would further depreciate. As a result, demand for GEL decreased and exchange rate fell.

In every country, National Bank’s duty is to regulate exchange rate and money market and National Bank of Georgia is not an exception. However, in Georgia, National Bank’s effort was not enough to stop exchange rate from falling. By using its reserves National Bank could by more GEL’s than it did. Also, banking system in Georgia needs more transparency as it is done in successful free market economies such as in United Kingdom.

Overall, our country needs to set priorities and make stronger economy for being less vulnerable towards external factors mentioned above. First of all, we must implement better educational system as well as faster market development, which will help to eliminate disparities within the population and help people to overcome poverty. In addition, national income needs to increase by creating sufficient environment for investors, also should be made on industries such as: agriculture, tourism, transport and on other natural resources. When this is higher than before it will be possible to reduce rate of interest and hence encourage further investment. What is more, it is essential for Georgia to have a fair share of the market in European Union. However, it will be very difficult to implement, because our production needs to satisfy European standards and develop into the industries which has to be made for gaining fair market share in EU. On the other hand, recently Georgia signed Association agreement with EU, gave credits worth 800 million USD into Agricultural sector of economy and it released business from any political pressure which was implemented by previous government.
Customers’ idea about ideal lottery

✈️ There must be a wide variety of prizes;
✈️ It would be good to win several times;
✈️ Receive the prize the moment you win;
✈️ The rules must be easy;
✈️ In case of cash prizes, decide myself what to buy.

Having taken into consideration your wishes, “Aversi” grand lottery has begun!

The prizes are

The main prize

40 000

20 000

5 x 10 000

5 x 5 000

There are also 19 023 instant prizes!

The lottery will be held on the 20th of November 2015 in the broadcast of “Rustavi-2”, after “Kurieri” 18:00.
Iranian Nuclear Deal: Myth or Reality???

by DR. VAKHTANG MAISAIA

Iran has achieved the peak of its geopolitical success. Very soon economic sanctions could be lifted due to the successful completion, on July 14, of the Vienna negotiations concerning its nuclear programme. This is a major breakthrough, as these talks have been going on for more than 10 years.

There was a significant worldwide response to the announcement of the agreement. Most countries and international organisations welcomed the deal. However, Iran’s own theoretical leadership sharply criticised it, as did other regional countries, including Israel.

The Joint Comprehensive Plan of Action (JCPOA), as it is known, was signed between Iran and the P5+1 (the five permanent members of the United Nations Security Council— the United States, Russia, China, France and the United Kingdom, plus Germany and the European Union). It runs to 109 pages, including five annexes. Under the agreement, Iran will cut its stockpile of low-enriched uranium by 98% and reduce its centrifuges by about two-thirds for at least fifteen years.

The difference this will make to Iran’s nuclear programme is significant. The 98% reduction in the stockpile means it will be reduced from 10,000 kg to 300 kg. The 1.67% enrichment level is sufficient for providing civilian nuclear power and undertaking research but not for building a nuclear weapon. Previously Iran had enriched uranium by nearly 20%. The IAEA will make 130 inspections, and then compile a provisional report. Only if this is satisfactory will international organisations be prepared to lift all the economic sanctions against Iran. Despite the easing outlined in the deal, some of these remain in place; those relating to ballistic missile technologies will remain for eight years, and conventional weapons sales to Iran are still banned.

Many of the countries not happy with the deal are leading energy producers. They include Saudi Arabia (a key rival for hegemony in the Middle East) and the Russian Federation (at present a strategic partner of Iran). The Iranian delegation left the last Shanghai Cooperation Organisation (SCO) Summit in Ufa in protest, and this can be considered a manifestation of this energy security rivalry.

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Therefore this agreement does indeed represent a significant achievement in itself, but its consequences are not so clear-cut, given the hostility to it in some quarters. Whether it creates a safer world, as the signatories would have us believe, remains to be seen.

The Georgian Institute for Geospatial and Euro-Atlantic Studies Institute, Chairman

Irani Nuclear Deals of the Century

Iran Gets Deal of the Century

Irani Nuclear Talks Geneva, 20-

The Georarian Times

NEWS

Controversial Bill on Banking Supervision Passed with Second Reading

Parliament passed its second reading on July 16 bill removing banking supervisory functions from the Georgian National Bank and transferring them to a separate agency.

The proposal has drawn criticism from international financial institutions, business associations, opposition parties and a group of civil society organizations. President Giorgi Margvelashvili has indicated that he would veto the bill.

Although the bill has been amended, as Parliament speaker Davit Usupashvili said on July 16, to put it in line with international financial institutions’ recommendations, the key principle of removing banking supervision from the NBG remains unchanged.

In a joint letter late last month to PM Irakli Garibashvili and Parliament Speaker Usupashvili the International Monetary Fund (IMF), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), and the World Bank said in “Georgia’s case, moving banking supervision out of the NBG does not seem prudent.”

* "Our best advice is to keep banking supervision inside the NBG," reads the letter.

The proposal, which has yet to be approved with the third and final reading, envisages setting up of the Financial Supervisory Agency, which will be in charge of monitoring and oversight of banking sector and other financial institutions; these functions are currently carried out by departments, which are part of NBG.

According to the bill, the planned Financial Supervisory Agency will be governed by a seven-member board. President of NBG and one more member of central bank’s board will take two seats; five other seats will be occupied by candidates nominated by the government and confirmed by the Parliament. The head of the agency will be nominated by the board members and confirmed by the parliament.


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GINO PARADISE TBILISI
Resort in the City
GINO PARADISE TBILISI
- an amazing resort for Georgian and foreign guests

Summer season at GINO PARADISE keep on going on. GINO PARADISE annually hosts numerous as Georgian, as foreign guests. The multi-functional entertaining centre unites several swimming pools, well-equipped beach, wellness spa centre, fitness complex, massage and other types of procedures, dinosaur thematic park and etc. This is the best place for rest not only for Georgian, but foreigners as well and it should be mentioned that GINO PARADISE significantly contributes to the development of tourism in Georgia.

Tourism is one of the most important priorities for our country. It is well known that one of the main hindrances of tourism development is low quality service. With regard to the service, GINO PARADISE is known for ecologically pure environment, high-quality service and wide variety of entertainment- recreational services. The centre may therefore meet the requirements of any guests.

Ekaterine Tsivkarashvili, Tbilisi, visitor: “I have visited GINO PARADISE several times and am very satisfied with it. GINO PARADISE environment and service meets the demand of guests of all ages. I liked the swimming pool with waves most of all and facials with massage. I have come here with my children and they are also very pleased.”

Steve Wilson, London, visitor: “Thanks to a wide variety of services, GINO PARADISE is the only place in Tbilisi where you may spend the whole day and not get bored. It takes only 10-15 minutes to get here and feel like in another world any time of the year. Such relaxation after a busy working day is necessary and I am very pleased that there exists such a unique resort in Tbilisi.

GINO PARADISE located near the Tbilisi Sea is the only place in Georgia that is famous for its unique and numerous entertaining and health services. There are introduced 398 types of attractions and health procedures. On the basis of the above-mentioned facts, GINO PARADISE is considered to be the leading entertainment centre in the Eastern Europe.

The original pool with waves occupying 1 200 m² and having 1 500 m³ capacity offers sea atmosphere and unforgettable memories to the guests. With the help of artificial waves the pool sea effect is created.

There are opened and closed healing swimming pools of high standard stainless steel, children water park, beach volleyball and football areas. For extreme lovers there functions the quickest and the highest (31 meters) topogane (aqua slides) that includes 6 slides of various speed and colour and each customer may choose the one he/she likes.

There is no place in Georgia other than GINO PARADISE that satisfies entertainment and healthy lifestyle. You may not only have fun there, but also care about your health and peace of mind. WELLNESS & SPA unique saunas, massage and other diverse procedures are quite popular with the visitors. Beer jacuzzi, various relaxation and healing saunas with plants’ fragrances, shower with snow and thunderstorm effects, as well as fragrance baths of Cleopatra. There is also a 2000 liter heated and oxygen enriched beer barrel, where you may also order cold beer.

Besides, there are various hydromassages (jacuzzi) and whirlpools. Here you may apply various procedures with Turkish-Arabian soap, dry, wet chocolate, white, apple and honey massages that represent an amazing opportunity for your health and appearance. It should be mentioned that all procedures are conducted with the products produced by world brands with corresponding methods like invigoration or evaporation.

As mentioned above, GINO PARADISE meets the demand of the guests of all categories. It therefore, offers 50% discount to students from July 8 to August 7 (Monday-Friday). Introduce your student ID and receive discount on the most popular GINO PARADISE package joy!

GINO PARADISE also takes part in various social activities, taking place in Georgia. For example, this year GINO PARADISE is a sponsor of the European Youth Olympic festival Tbilisi 2015 and the first day the Olympic fire will be installed exactly on GINO PARADISE territory.

GINO PARADISE is the place where you may spend the whole day with your family and friends. You may visit the centre with your guests from abroad, in order to avoid hot weather in Tbilisi and receive positive emotions.

GINO PARADISE services are particularly important for those who can’t manage to leave the city this summer. You will enjoy original and interesting entertaining procedures that will definitely make you forget about hot days.

Shorma Tivkarashvili
TBILISI PROTESTS RUSSIA'S ARTILLERY DRILLS IN BREAKAWAY S.OSSETIA

Georgian Foreign Ministry has condemned Russia’s artillery drills in breakaway South Ossetia and North Caucasus as a “provocative act,” which “poses a threat to peace and security in the region.”

According to the Russian Ministry of Defense, 1,500 artillery servicemen from the 8th Army of the Southern Military District are involved in the two-week long exercises launched on July 15 at several firing ranges in North Ossetia, Chechnya, Ingushetia, Dagestan and South Ossetia. It said that Akatsia, Msta-S and Msta-B self-propelled howitzers; Grad, Tornado-G and Urarag multiple launch rocket systems; Shrek-B self-propelled anti-tank guided missile systems, as well as mortar systems are involved in the exercises.

“This provocative act of the Russian Federation represents an infringement of Georgia’s sovereignty and territorial integrity,” the Georgian Foreign Ministry said on July 16, adding that the drills also violates Russia’s commitments undertaken under the August 2008 ceasefire agreement.

The Foreign Ministry has also called on the international community “to duly assess this aggressive action of Russia” and “adequately react” to Russia’s “yet another destructive move and to prevent the activities, which aimed at the infringement of Georgia’s sovereignty and territorial integrity.”

“Steps that could be perceived as provocative must be avoided, as must any action that is detrimental to ongoing efforts to stabilize the situation, in an atmosphere conducive to longer-term conflict resolution and regional stability,” reads the statement by EU foreign policy chief’s spokesperson.

The EU and its monitoring mission (EUMM) are closely following the situation. We call for restraint and for the use of existing mechanisms such as the Geneva International Discussions and the Incident Prevention and Response Mechanism (IPRM) to defuse tensions.”

“The EU reaffirms its full support for Georgia’s territorial integrity within its internationally recognised borders,” reads the statement.

U.S. Department of State spokesperson, John Kirby, said when asked about the issue at a daily press briefing on July 13, that the U.S. position on Abkhazia and South Ossetia remains “clear.”

“These regions are integral parts of Georgia. We reaffirm our strong support for Georgia’s sovereignty, territorial integrity, and independence. We once again urge Russia to fulfill all of its obligations under the 2008 ceasefire agreement to withdraw its forces to pre-conflict positions, to reverse its recognition of the Georgian regions of Abkhazia and South Ossetia as independent states, and to provide free access for humanitarian assistance to these regions,” Kirby said.

TBILISI SAYS GEORGIAN, RUSSIAN DIPLOMATS MAY MEET IN AUGUST OVER WTO IMPLEMENTATION

President of Georgia Giorgi Margvelashvili and Russian Deputy Foreign Minister Grigory Karasin decided to hold a meeting in early August to discuss the issue of Russia’s WTO accession.

The Georgian president said that the meeting is to be held in the form of “very serious and unambiguous talks on this issue.”

Russia’s WTO accession negotiations are expected to be finalized in the near future. Georgia is one of the former Soviet republics that is not a member of the WTO.

According to the Russian Foreign Ministry, “This provocative act of the Russian Federation represents an infringement of Georgia’s sovereignty and territorial integrity,” the Georgian Foreign Ministry said on July 16, adding that the drills also violates Russia’s commitments undertaken under the August 2008 ceasefire agreement.

The Foreign Ministry has also called on the international community “to duly assess this aggressive action of Russia” and “adequately react” to Russia’s “yet another destructive move and to prevent the activities, which aimed at the infringement of Georgia’s sovereignty and territorial integrity.”

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On June 25, at the University College London (UCL), with the initiative of Natia Seskuria who is a post-graduate student in Politics, Scotland and the Russian and with the help of her friend Alkhas Meredova, also a student at UCL, a charity event, UCL Aid for Tbilisi Flood was held. UCL is one of the oldest institutions in the world and according to the QS University Rankings is the world's 5th best university. The event was supported by the director of the office of the university, which allocated the funds for the drinks reception. The aim of this charity event was to raise money in order to help the victims of the tragedy.

As Natia Seskuria explains: “because of the fact that me and my friends were physically unable to help people in Georgia in the moment of this crisis, I decided, with the help of my friends to raise this event in order to express our solidarity from the Great Britain and help the families that were affected by the flood”.

In the first part of the lecture, the author of the idea Natia Seskuria addressed the audience and explained the purpose of the event. The deputy--director of the department of the School of Slavonic and East European Studies at UCL, professor Zoran Mitulovic also delivered a speech and welcomed the guests on behalf of the university. The ENTRY Extravaganza and Pianoversa event was held at the university and was attended by many students. The guests were engaged in popularisation of Georgian music in the United Kingdom. The Georgian Restaurant in London, “Tbilisi” has donated the bottles and the chance to taste the Georgian wine and also purchase the bottles and contribute to the cause.

Tickets for the event were sold online; the donations box has also been placed during the drinks reception. All the funds raised went to the charitable fund that aids the victims of the flood. The university professors, students, the Georgian diaspora in Britain and the Embassy of Georgia in the United Kingdom and Northern Ireland supported this charity event.
QUALITY I TRUST!

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Russian Deputy Foreign Minister Grigory Karasin told his Georgian counterpart Davit Dondua during a rare phone conversation on Monday, July 13, that the companies can dispute the decision in the court. Dondua told journalists on July 14 that he phoned Karasin in his capacity of the chief Georgian negotiator in the Geneva talks to express “concern and protest over placement of new border marking banners by the Russian so-called border guards” in the short distance from Georgia’s main east-west highway, leaving a mile-wide strip of the offshore-operated Baku Supa oil pipeline within the “occupied” territory.

“I told him that such actions do not contribute to constructive dialogue in the Geneva discussions,” Dondua added, saying that he expressed protest over moving one of the “border” markers 300 meters deeper into the Georgian-controlled territory.

The Russian Foreign Ministry said in a statement about the phone conversation that Karasin told Dondua that “companies were misdirected.”

Any kind of problem, related to the boundary line, is subject to discussion with the South Ossetian side, which, by the way, has stated for multiple times about readiness to engage in a dialogue on delimitation and demarcation of the border,” the Russian Foreign Ministry said.

Karasin described propaganda hype stirred in Georgia as far-fetched, the Russian Foreign Ministry said.

“Tbilisi knows it very well that there has not been and is not any kind of ‘border shifting’. It is high time for the Georgian side to determine – is it intending to follow positive logic of improving relations with Russia or will it continue resorting to provocative fictions, which set back process of normalization of bilateral [relations],” it said.

Georgian Foreign Minister, Tamar Beruchashvili, said on July 14 that Russia’s new moves represent continuation of “creeping annexation.”

Referring on the phone conversation between her deputy, and the Russian Deputy Foreign Minister, Tamar Beruchashvili, said that Tbilisi is using all the available “formats” to address the issue and that Dondua and Karasin are interlocutors within the frames of the Geneva talks.

WISSOL DISPUTES GEL 10.4M FINE IMPOSED BY COMPETITION AGENCY

Wissol Georgia Petroleum has rejected price-fixing allegations and said it will use all available legal means to challenge the Competition Agency’s decision on fining them GEL 10.42 million.

The company is among Georgia’s five largest petrol and diesel fuel retailers, which have been fined total of GEL 51.6 million (about USD 22.7m) for alleged price-fixing.

Competition-Agency’s decision can be appealed in the Tbilisi City Court.

PM Irakli Garibashvili said on July 16 that he does not want companies, facing multi-million fine, to become anxious, adding that “the process is completely transparent.”

Four others – SOCAR Georgia Petroleum, which has been fined GEL 14.38m; Sun Petroleum Georgia, operating chain of petrol stations under the Gulf brand, has been fined GEL 11.26m. Wissol Georgia Petroleum has also rejected price-fixing allegations and said in a statement on July 16 that it will use all available legal means to challenge its GEL 10.42 million fine.

Two others – Rompetrol Georgia and Lukoil Georgia, which are facing GEL 10.84m and GEL 4.74m, respectively – have yet to comment.

SOCAR Georgia Petroleum said in its statement on July 17 that the price-fixing allegations “lack legal grounds”.

“We disagree with the decision of the Competition Agency and we will continue defending our interests through civilized legal means,” SOCAR Georgia Petroleum said.

The Competition Agency’s decision can be appealed in the Tbilisi City Court.

Sun Petroleum Georgia said in a statement on July 17 that the Competition Agency’s decision is “completely unacceptable” and it plans to appeal it in court.

Sun Petroleum is affiliated with the Petrosca Energia Group, where 49% of stakes are owned by Russia’s state-owned oil producer Rosneft and the rest is controlled by David Iakobashvili.

Sun Petroleum said that the fine imposed against the company – GEL 11.26m – is almost twice as much as its net profit of GEL 6.2 million in 2012-2014.

In the same period, according to the company, it paid GEL 187 million in taxes to the state budget and donated GEL 1 million to charitable activities.

“This [fine] will have an extremely negative effect on the company’s operations and development,” SOCAR Georgia Petroleum said in the statement.

The company is planning GEL 30 million investments, but the fine imposed by the Competition Agency will now “have an adverse effect” on its investment plans.

“This runs counter to the state’s strategy of improving the business climate in the country, promoting job creation and attracting investments,” Sun Petroleum said.

Commenting on multi-million fines imposed by the Competition Agency, PM Irakli Garibashvili said at a government session on July 16, that the companies can dispute the decision in the court.

“SoCAR Georgia Petroleum and Sun Petroleum, which along with the country’s three other largest fuel retailers have been accused of alleged price-fixing, said on July 17 that they will challenge the multi-million fines imposed by the Competition Agency.

SOCAR Georgia Petroleum, in which Azerbaijani state company SOCAR holds 51% of shares, has been fined GEL 14.38 million.

Sun Petroleum Georgia, which operates a chain of petrol stations under the Gulf brand, has been fined GEL 11.26 million.

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