

Procedural Issues Committee Supports Termination of Mandates for Four MPs

By KHATIA BZHALAVA

The Procedural Issues and Rules Committee on Monday approved the termination of the parliamentary mandates for Droa Movement leader Elene Khoshtaria, Labour Party leader Shalva Natelashvili and Lelo leader Badri Japaridze. The decision of the committee will be discussed by the parliament at the plenary session scheduled for February 14-18.

According to the Procedural Issues Committee, the termination of MP status for Khoshtaria and Natelashvili was approved due to their absence on all the autumn sessions of the legislative body. According to the Rules of Procedure of the Parliament of Georgia, the powers of an MP could be terminated if he/she fails to attend more than half of the regular sittings during the season due to invalid reasons. As Irakli Kadagishvili, the chairman of the committee, explained, both Natelashvili and Khoshtaria missed all 15 sessions which were held during the autumn season for invalid reasons, which leads to the early termination of powers.

Natelashvili considers the de-



According to the Chairman of the Procedural Issues Committee, Irakli Kadagishvili, both Shalva Natelashvili and Elene Khoshtaria missed all 15 sessions that were held during the autumn season for invalid reasons.

cision unfair, citing that "for the first time in the history of world parliamentarism, the parliament terminates parliamentary powers for boycotting legislature due to fraud related to elections

and seizure of power." In this regard, opposition members of the committee have called on the ruling party to take into account the fact that there is a public statement proving that the

leader of the Labor Party is considering joining the parliament.

As for Elene Khoshtaria, she requested the termination of the mandate herself. Khoshtaria obtained parliamentary mandate

with her previous party European Georgia, hence, since she is no longer a member of the party she said that the mandate had not belonged to her, but to the party.

The termination of MP status for Lelo leader Japaridze is based on the norm of the Rules of Procedure of Georgia, according to which, the authority of a member of Parliament may be terminated if he has been convicted under a court judgment that has entered into legal force. Japaridze, a co-founder of TBC Bank, was found guilty of fraud and sentenced to seven years in prison by Tbilisi City Court on January 12, however, the sentence was waived due to the statute of limitations. According to Japaridze, he expected that the court decision would be interpreted in this way, claiming that all independent lawyers state there is no reason to terminate the mandate.

The Procedural Issues and Rules Committee also discussed the appeal of the former Speaker of the Parliament, Kakha Kuchava, MP of the Georgian Dream, regarding the termination of his mandate and decided that his mandate should be terminated before the end of the term.



The decision of the committee over the termination of mandates will be discussed by the parliament at the plenary session scheduled for February 14-18.

Exchange Rates: US Dollar - 2.9480; Euro - 3.3669; GBP - 3.9810; 100 Russian Ruble - 3.9079; Swiss Franc - 3.1905

Fitch Maintains Georgia's Credit Rating at BB, Outlook is 'Broadly Stable'



“Georgia’s pre-pandemic record of compliance with national fiscal rules should underpin fiscal policy over the medium term, and we expect the strategy of fiscal consolidation to resume once the pandemic shock subsides.”

By NATALIA KOCHIASHVILI

Global financial rating agency Fitch, once again affirmed Georgia’s Long-Term Foreign-Currency Issuer Default Rating (IDR) status with a BB rating, assessing the country’s financial developments ‘broadly stable’.

According to the agency’s update on February 4, compared to other countries with a BB rating, Georgia’s effective and credible policy framework and stronger governance indicators reinforce the country’s rating position.

Long-term support from official lenders has reduced macro stability risks and provided the necessary financing. In terms of credit, these strengths are balanced by the substantial currency risks of public debt, high financial dollarization, and weak foreign sector finances compared to other countries with the same rating. The report also says ‘despite the pandemic shock, Georgian banks managed to increase their regulatory capital buffers’. According to the rating agency, the weaknesses remain the external vulnerability and the high current account deficit.

The rating agency also notes that annual inflation rose to 13.9% in December, reflecting rising prices in world commodity markets, the depreciation of national currency - lari and rising utility bills.

Given the significantly higher inflation than the 3% target and increased short-term inflation expectations, the National Bank has tightened monetary policy and raised the policy rate by a total of 250 basis points, from 8% to 10.5 percent.

“We expect the NBG to maintain a tough policy in 2022 as well. Following in the footsteps of the high baseline effects, inflation should start to decline from the 2nd quarter of 2022. However, long-term maintenance of high inflation expectations is a vulnerability. We forecast an average of 7% annual inflation in 2022, after 9.6% in 2021,” the organization said.

Fitch also notes that the negative impact of the high current account deficit on credit ratings is offset by strong and consistent macro policies, including a credible monetary policy framework and prudent fiscal strategy. The combination of these policies has historically demonstrated resili-

ence to external shocks, including adverse events in major trading partner countries, and reduced the risks to macroeconomic stability.

Fitch forecasts Georgia’s economy to expand by 5.5% in 2022 and by 5.3% in 2023, additionally, projecting the recovery in the tourism sector of Georgia to pick up. It also says that credit growth in the country is ‘also robust, consistent with the acceleration in GDP.’

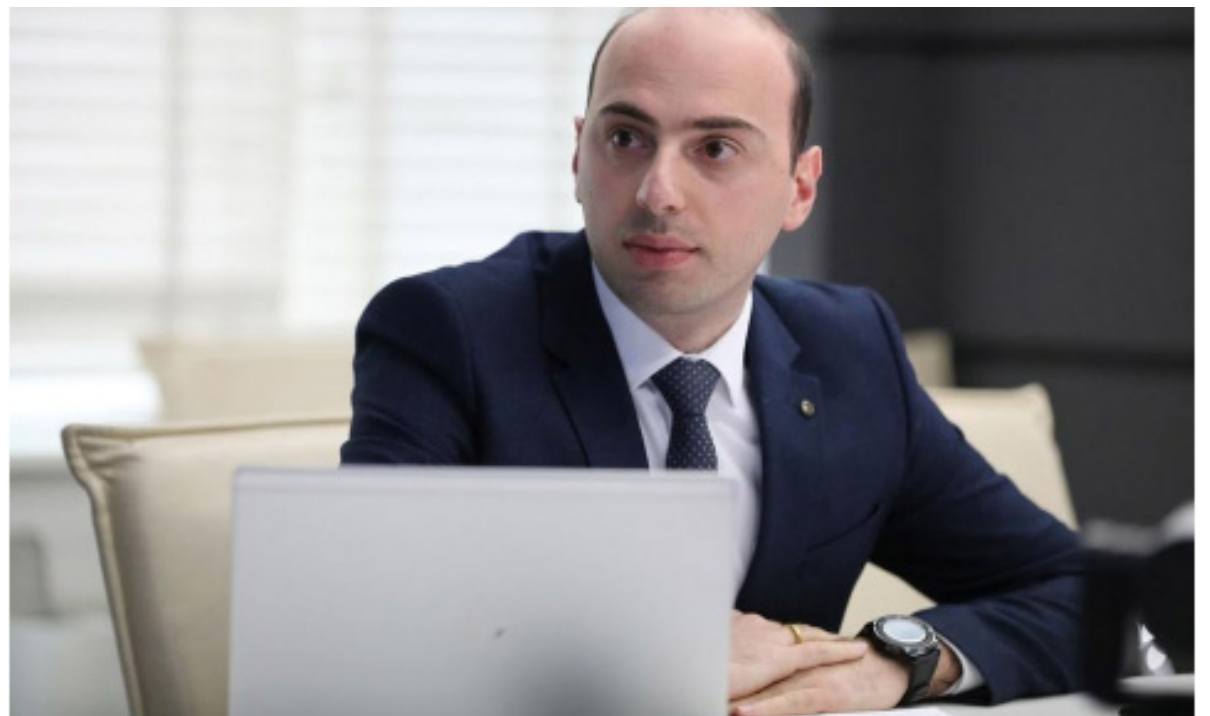
Note that in 2021, the estimated real GDP in Georgia increased by 10.6% compared to the previous year. However, Fitch says risks to its GDP outlook on Georgia remain on the downside, in addition to uncertainty due to the pandemic - ‘Georgia is currently experiencing a significant fourth wave of Covid-19 cases, while its vaccination rate remains low’.

As for fiscal policy, the international credit rating agency projects Georgia’s general government fiscal deficit to narrow to 4.4% of GDP in 2022, after an estimated 6.1% of GDP in 2021.

The report also underscores that it doesn’t expect the polarised domestic politics to ‘infringe on Georgia’s credible policy framework and relationship with official creditors.’

The Deputy Minister of Finance, Mirza Gelashvili commented on the updated rating, emphasizing that in the post-pandemic period Georgia was able to maintain its credit rating.

“It is very important that we are already facing a rapid recovery of macroeconomic stability. This, naturally, is reflected in economic growth, primarily in reducing fiscal deficits and government debt. You know that by the end of 2021, we had reduced debt by about 10% and its volume had dropped from 60.2% to around 50%.” Gelashvili said, explaining that this doesn’t only contribute to economic growth, but also macroeconomic stability.



“We are two steps away from the investment rating, which is the stated goal of the government.” Deputy Minister of Finance said.

European Union celebrates its official 30th birthday

On 7 February 1992, the Treaty on European Union was signed by 12 countries in the Dutch city of Maastricht.

The Maastricht Treaty marked the formal creation of the European Union and laid the foundation of the EU as we know it today by establishing: European citizenship, common foreign and security policy, and cooperation in the field of justice and home affairs.

The treaty also paved the way for the creation of the euro, which celebrates its own 20th

anniversary this year.

Today, more than 440 million citizens from 27 EU countries enjoy the benefits of European cooperation.

Jacques Poos and Jean-Claude Juncker, seated in front from left to right, signing the treaty on behalf of Luxembourg © European Communities, 1992 / Source: EC – Audiovisual Service / Photo: Christian Lambiotte



Weather

Tuesday, February 8

Day Partly Cloudy
High: 11°C

Night Partly Cloudy
Low: 0°C

Wednesday, February 9

Day Partly Cloudy
High: 15°C

Night Partly Cloudy
Low: 5°C

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