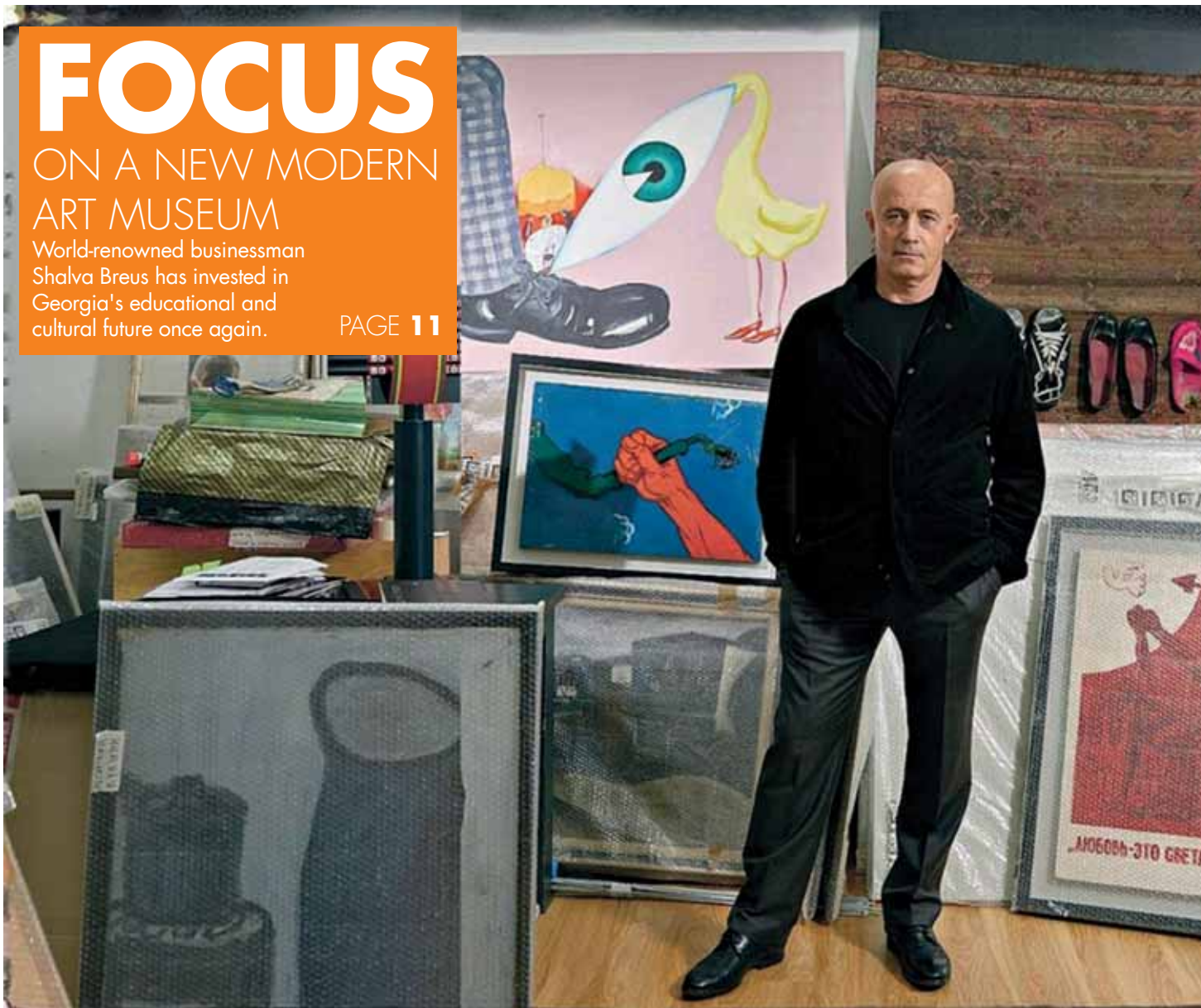


## FOCUS

### ON A NEW MODERN ART MUSEUM

World-renowned businessman Shalva Breus has invested in Georgia's educational and cultural future once again.

PAGE 11



## Bruno Maçães on Putin's Empire Ambitions and Georgia Losing Its Way

INTERVIEW BY VAZHA TAVBERIDZE

I think Putin wants to return to more natural geopolitics based on force, - Bruno Maçães, a Portuguese politician, geopolitics expert and author, tells RFE/RL. "He also suggests in many of his speeches that Russia's contribution is to destroy the existing order; that that's where Russia can change history and then a new world will be created, but not by Russia alone. Putin has the awareness that Russia does not have that ability. It will be created by the new emerging powers. China will play the main role, Russia will make a contribution and the United States will also be part of it. According to Putin, the current order is very fragile- just a little push and the whole building will collapse. That's what's happening now: Ukraine is the push.

Bruno Maçães is a senior advisor at Flint Global, a member of the European Council on Foreign Relations, a former Secretary of State for European Affairs in Portugal, and is the author of three books: Dawn of Eurasia: On the Trail of the New World Order, Belt and Road: A Chinese World Order, and History Has Begun: The Birth of a New America. We sat down with him to pick his brain on the latest developments.

Continued on page 5



Bruno Maçães, a Portuguese politician, geopolitics expert and author

### In this week's issue...

Ukraine War Week 17: Tracking the Russian Invasion  
**NEWS** PAGE 2

Growing Tensions between Russia and the Baltic States: the Kremlin Threatens NATO Members  
**POLITICS** PAGE 4

The Sit Down: Zviad Adzinbaia and the Information War against the Kremlin  
**POLITICS** PAGE 7

Joint Statement by 3 Former GD MPs: We Must Equip Society with the Truth  
**POLITICS** PAGE 7

ISET Agri Review | June 2022: The Sector at a Glance  
**BUSINESS** PAGE 8

Beka Gogichaishvili Appointed CEO of Liberty Bank  
**BUSINESS** PAGE 9

Ambassadors Respond to Tbilisi Pride Events, Urging Support for Freedom of Expression  
**SOCIETY** PAGE 10

GALT & TAGGART CREATING OPPORTUNITIES											
Prepared for Georgia Today Business by											
As of 27-Jun-2022											
Markets					Markets						
	Price	w/w	m/m		Price	w/w	m/m		Price	w/w	m/m
<b>BONDS</b>				<b>STOCKS</b>				<b>CURRENCIES</b>			
GRAIL 07/28	84.64 (YTM 7.21%)	+0.6%	-0.7%	Bank of Georgia (BGEQ LN)	GBP 14.52	-3.3%	-6.3%	GEL / USD	2.9305	+0.3%	+2.3%
GEBGG 07/23	99.14 (YTM 6.84%)	-0.4%	-1.0%	Georgia Capital (CGEO LN)	GBP 5.73	+1.4%	-11.8%	GEL / EUR	3.1011	+1.0%	-0.2%
GEOCAP 03/24	95.63 (YTM 8.95%)	-0.1%	-1.0%	TBC Bank Group (TBCG LN)	GBP 13.20	-0.9%	-11.6%	GEL / GBP	3.5949	+0.5%	-2.6%
SILNET 01/27	97.56 (YTM 9.03%)	+0.2%	+0.2%	GEL / CHF	3.0665	+1.4%	+2.4%	GEL / RUB	0.0540	+2.5%	+23.6%
TBC 06/24	98.71 (YTM 6.46%)	+0.1%	-0.3%	GEL / TRY	0.1770	+5.0%	-0.8%	GEL / AZN	1.7284	+0.2%	+2.4%
GGU 07/25	100.63 (YTM 7.51%)	-0.1%	+0.0%	RUB / USD	na	na	na	GEL / AMD	0.0072	+2.6%	+12.3%
				GEL / UAH	0.0990	-0.6%	-2.5%	EUR / USD	0.9450	-0.7%	+2.4%
				GBP / USD	0.8152	-0.1%	+3.0%	CHF / USD	0.9563	-1.2%	-0.1%
				TRY / USD	16.5573	-4.5%	+2.1%	RUB / USD	na	na	na
				AZN / USD	1.6955	+0.1%	-0.0%	TRY / USD	16.5573	-4.5%	+2.1%
				AMD / USD	408.0000	-2.2%	-9.3%	SP 500	3900.11	+6.1%	-6.2%
								MSCI FM	2162.98	-1.9%	-0.2%

# Ukraine War Week 17: Tracking the Russian Invasion

BY ANA DUMBADZE

**H**eavy fighting continues in eastern Ukraine, with key locations under intense bombardment from Russian forces.

Here are the latest developments:

- A Russian missile struck Kyiv for the first time since April
- Russian forces have consolidated control over the eastern city of Severodonetsk
- Russian troops are continuing to attack Ukrainian positions north of Kharkiv city
- Ukrainian positions in the south have come under shelling

## EASTERN CITIES UNDER HEAVY BOMBARDMENT

Russian officials have said their forces are fighting for the "complete liberation" of the Donbas, which broadly refers to Ukraine's eastern regions of Donetsk and Luhansk, where Russian-backed separatists held significant territory before the invasion.

Russia has made slow but significant advances in the east, at the cost of heavy losses of both troops and equipment.

In the past week, Russian forces have taken over the eastern city of Severodonetsk, giving them control of almost all of the Luhansk region.

On Sunday morning, Russian cruise missiles were fired on areas far from the frontline.

Following the capture of Severodonetsk, Russian forces are now reportedly attacking the neighboring city of Lysychansk, reports the Institute for the Study of War (ISW).

Further west, Russian forces have continued to launch attacks towards Slovyansk from the direction of Izyum, aiming to regain momentum in the area,

reports the MoD.

The MoD says Russia is likely to have suffered devastating losses among its middle and junior ranking officers. It says these losses are likely to contribute to a loss of morale and poor discipline among lower ranks. Significant quantities of Russian weaponry have also been destroyed.

Further north, Russian units are vying for control over advantageous defensive positions north of Kharkiv and are attempting to protect ground lines of communication to the Donbas, according to the ISW.

## RUSSIA TARGETS FULL CONTROL OF SOUTH

Russian forces initially made rapid gains in the south, with their main objective being the creation of a land corridor between Crimea, which it annexed in 2014, and areas held by Russian-backed separatists in Donetsk and Luhansk.

However, strong resistance from Ukrainian forces near Mykolaiv in the west and in Mariupol significantly slowed Russian advances.

Russia is now fully in control of the port city of Mariupol, after a siege lasting more than two months came to an end on May 20. Some 100,000 people still remain in the city.

Russian troops have continued to shell Ukrainian positions across the southern regions of Zaporizhia, Kherson, Mykolaiv and Dnipropetrovsk.

ISW says Russia's current priority in the south is to halt Ukrainian counterattacks, which have succeeded in regaining some territory in recent weeks.

To the west, Russia had aimed to take control of Odessa and cut off Ukraine's access to the Black Sea, but its forces were blocked by a staunch defense in Mykolaiv and forced back towards Kherson by a Ukrainian counteroffensive in March.

Analysts say Russia has continued to

reinforce Snake Island in the Black Sea with air defenses in order to protect its naval vessels blockading the Ukrainian coast and hindering the resumption of trade.

Areas in the west of the country, including Lviv, have seen missile attacks but no attempt by Russian forces to take and occupy ground.

## US UNVEILS NEW RUSSIA SANCTIONS, OUTLINES G7 PLANS

The United States government took a slew of actions against Russia on Tuesday, sanctioning those whom it says support Russia's defense industrial base, designating Russian military units for human rights abuses in Ukraine and implementing a ban on new imports of Russian gold.

The moves are the latest in response to Russia's months-long war in Ukraine and were taken after G7 leaders in Germany agreed to steps, including the gold import ban, meant to weaken Moscow.

In a statement, the US Treasury Department announced sanctions on 70 entities, including State Corporation Rostec "a massive Russian state-owned enterprise formed to consolidate Russia's technological, aerospace, and military-industrial expertise" and its key holdings and affiliates, as well as 29 Russian individuals.

Rachel Rizzo, a senior fellow at the Atlantic Council's Europe Center, told CNN that imposing sanctions on Rostec is significant, noting that it "is basically the foundation of Russia's defense industrial base."

"It's a massive state-owned enterprise and it involves different sections on tech, aerospace, military industrial expertise," she said. "The company subsidiaries, they're basically engaged in a super wide range of different industries, like auto and defense and metals."

"If we can cut off their ability to export,

## Russia's invasion of the Donbas



import, sell, buy in these different sectors that then help Russia fund and continue to wage war against Ukraine, then that significantly decreases Russia's ability to do so," Rizzo said.

However, she noted that she does not believe "that any of the sanctions that we are implementing are meant to deter Russia in the very near term."

The Treasury Department re-designated the so-called Donetsk People's Republic (DNR) and Luhansk People's Republic (LNR), two pro-Russian separatist regions of Ukraine recognized as independent by Moscow, and sanctioned Vitaliy Pavlovich Khotsenko, who is "the newly appointed chairperson of the so-called government of the DNR," and six individuals who "are or have been high level officials in the so-called DNR and LNR governments."

In a separate statement Tuesday, Secretary of State Antony Blinken announced the State Department was imposing sanctions on 45 entities and 29 individuals, and moving to impose visa restrictions "on 511 Russian military officers

for threatening or violating Ukraine's sovereignty, territorial integrity, or political independence," and "on 18 Russian nationals in relation to the suppression of dissent, including politically motivated detentions."

Among those sanctioned by the State Department were 19 members of the Rostec board of directors, nine of their spouses or adult children, and Halyna Danylchenko, "the illegitimate Russia-installed 'mayor' of Melitopol," who the State Department noted "was installed by Russia following the kidnapping of the democratically elected mayor of Melitopol." The State Department also sanctioned Uzbekistan-based Promcomplektlogistic Private Company for doing business with a sanctioned Russian entity.

"The Department of State is also designating Russian military units that have been credibly implicated in human rights abuses or violations of international humanitarian law as part of our commitment to promote accountability for atrocities in Ukraine," Blinken said in his statement.

## Georgian Gov't Bans Export of Wheat & Barley Until July 1, 2023

**T**he Georgian government is to ban the export of wheat and barley until July 1, 2023, based on a decree signed by Prime Minister Irakli Garibashvili.

The decree reads that the decision was made due to the global food security issue.

"Due to world food security problems related to the Russia-Ukraine war, the export of wheat and barley from Georgia will be banned until July 1, 2023. The decree is valid as soon as it is signed and applies from July 4, 2022," the decree reads.



Image: World Grain

## Borrell: EU Enlargement Back High on Agenda



**E**U enlargement is back high on the agenda, and rightly so. Last week, the European Council decided that the future of Ukraine, Moldova and Georgia lies in the EU, Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy, wrote on his blog.

The EU High Representative says that enlargement has been the principal way of organizing the European continent, with the EU steadily growing from 6 member states in the 1950s to 12, 15 and 27 member states. Russia's war against Ukraine "accelerated history" from many perspectives.

"It has also sharpened the debate on Europe's order and the principles that underpin it. For many countries, begin-

ning with Ukraine, this is a strategic moment to state their aspirations to join the EU and all it represents - and to get recognition for their ambitions. Ukrainian leaders have been quite explicit that, together with the military support to defend itself against the Russian aggression, getting EU candidate status has been their top priority.

"You see a similar reasoning from the government of Moldova. And finally, you see it in the government of Georgia's request and the tens of thousands of Georgian demonstrators who took to the streets of Tbilisi this week with EU flags," Borrell said.

The EU High Representative notes that EU's further enlargement is in the strategic interest.

"We should be clear that enlarging the EU with those countries willing and able to meet the conditions is not a 'favour' or a concession. It is in our strategic interest. It is a way of structuring the continent around EU values and standards. A credible enlargement policy is a geostrategic investment in peace, stability, security and economic growth in the whole of Europe," Borrell said.

Josep Borrell explains that further enlargement will require EU's reform and modification of the decision-making policy "to be able to act."

"This (enlargement) also means reducing the scope of the unanimity rule in foreign policy and other areas, to take more decisions by qualified majority vote," he noted.

# Georgia, Ukraine and European Security in the Spotlight at the NATO Madrid Summit

BY TEAM GT

**T**he security of countries aspiring to become members of the Alliance is intertwined with our own. We strongly support their independence, sovereignty and territorial integrity, - reads NATO's new Strategic Concept.

The new Strategic Concept notes that the Alliance reaffirms the 2008 Bucharest Summit decision as well as all subsequent decisions with respect to Georgia and Ukraine.

"We will strengthen political dialogue and cooperation with those who aim to join the Alliance, help strengthen their resilience against malign interference, build their capabilities, and enhance our practical support to advance their Euro-Atlantic aspirations. We will continue to develop our partnerships with Bosnia and Herzegovina, Georgia and Ukraine to advance our common interest in Euro-Atlantic peace, stability and security. We reaffirm the decision we took at the 2008 Bucharest Summit and all subsequent decisions with respect to Georgia and Ukraine," reads the document.

The new NATO concept first names Russia as a threat. The last strategic concept of the Alliance, adopted in 2010, said that cooperation between NATO and Russia is of strategic importance

because it promotes a common space for peace, stability and security, and NATO does not pose a threat to Russia.

## BRITAIN TO ALLOCATE £5 MILLION TO GEORGIA TO PROTECT AGAINST RUSSIAN CYBERATTACKS

"The people of Georgia live every day on the frontline of Russian aggression. Putin cannot be allowed to use Georgia's sovereign institutions to sharpen the knife of his cyber capability," said Prime Minister of England Boris Johnson at this week's NATO Summit.

As emphasized on the official website of the British government, Russia has long used Georgia as a testing ground for its cyber capability. This began in 2008 when some of the world's first coordinated cyber attacks were used to cripple the country's security architecture while Russia carried out its illegal annexation of South Ossetia and Abkhazia.

It was noted that more than £5 million of additional funding marks the next phase of UK cyber support for Georgia. This will allow the Georgian National Security Council to deliver their new cyber security strategy - identifying and repelling attacks from those seeking to undermine both Georgian and European security. As noted, the UK will also work directly with the Georgian Ministry of Defense to bolster their cyber defenses and capability.

The announcement came as Georgia's



Prime Minister Irakli Garibashvili addressed the NATO Leaders' Summit.

It was emphasized in the statement that Ukraine and Georgia have experienced the terrible consequences of Russian military aggression, both directly on their territories and indirectly through cyber and other attacks, in the last fifteen years.

UK bilateral support for Georgia's cyber security will be complemented by an additional package of tailored support from NATO which will be agreed by leaders in Madrid, focusing on increased defense training.

"The UK has world-leading cyber prowess and the support announced will protect not just Georgia, but also the UK

and all other free democracies threatened by Russian hostility," stated Johnson.

The Prime Minister of Georgia Irakli Garibashvili met with the Prime Minister of the United Kingdom Boris Johnson on Wednesday during the NATO Summit in Madrid.

The Georgian PM thanked the UK PM for his unwavering support for Georgia's sovereignty, territorial integrity and Euro-Atlantic integration, and expressed hope that the partnership would further deepen in the wake of democratization and reform.

The meeting focused on the close cooperation between the two countries in various fields and noted that the for-

mat of strategic dialogue and cooperation in a number of areas has taken the existing relations between the two countries to a new level. Irakli Garibashvili invited Boris Johnson to Georgia at a convenient time.

## DEGNAN: WORK DONE TO PROMOTE EU CANDIDACY WILL ALSO BENEFIT GEORGIA'S NATO MEMBERSHIP

"I think the Madrid summit was also an opportunity for Georgia to regitalize around the steps that Georgia needs to take. Many of them are the very same kinds of reforms that are being called for for Georgia's European Union candidate status. So, the work that's done to promote to the EU membership candidate status will also benefit Georgia's NATO membership process, because these are the same kinds of political and democratic reforms," US Ambassador to Georgia, Kelly Degnan, told reporters.

She noted that Georgia is a very strong partner of NATO and that is shown by the high-level delegation that attended the NATO Madrid Summit.

"It's important to remember that NATO is a political-military alliance. That means it has military standards that must be met as well as political standards. And the United States and allies stand ready to assist Georgia as we have to make progress toward that membership," said the Ambassador.

# PM: Our Government is Mobilized to Meet All Conditions Set by EU in a Timely Manner

BY KETEVAN SKHIRTADZE

**T**he European Council decided to recognize the European perspective of Georgia and is ready to grant candidate status once the outstanding priorities are addressed, - Charles Michel, President of the European Council, wrote, congratulating the Georgian people on the "historic moment."

"A historic moment in EU-Georgia relations: Georgia's future lies within the EU," he wrote on Twitter.

## EUROPEAN COUNCIL GRANTS UKRAINE AND MOLDOVA EU CANDIDATE STATUS

"We heard the assessments of European leaders, their promise, the statement that as soon as we meet the priorities set by them, Georgia will be granted candidate status. This gives us the motivation to fulfill all the conditions set by the European Union in the shortest possible time. We are ready for that. I want to state that our government is mobilized to fulfill all the conditions set by the European Union in order to receive candidate status in a timely manner," the Prime Minister said, congratulating Ukraine and Moldova and wishing them success and peace.

He further expressed readiness to engage in constructive dialogue with other political parties in Georgia.

"I want to call on the opposition to put the interests of our people first and fulfill this first condition together - to end polarization," he said.

Garibashvili claimed that half of the responsibility to eliminate polarization is held by the ruling team, and half is the responsibility of the opposition.

"We will fulfill all the conditions that are to be met by the ruling force in a very short time. The first condition and priority, which is in the interests of our people, is to have peace in the country

and not to hear endless insults thrown about. Here it is half our responsibility and half the responsibility of the opposition. We cannot fulfill this promise without them; we have always declared our readiness to engage in constructive dialogue. I would like to call on the opposition to put the interests of our people at the forefront and together fulfill this first condition - the end of polarization, which is a matter of great concern to our partners," Garibashvili said.

## UKRAINE AND GEORGIA TOGETHER, ALWAYS - ZELENSKY ADDRESSES THOSE GATHERED AT RALLY

On June 24, the rally 'Home to Europe' was organized by the Shame Movement and other civil organizations on Rustaveli Avenue.

The gathered people waved the flags of Georgia and the European Union, and the anthems of both were sung.

Ukrainian President Volodymyr Zelensky addressed those gathered at the rally.

"Hello, Georgia! I want everyone to understand that today we are free people and free countries, and this is forever.

"I am grateful to the children of Georgia who are fighting against Russia together with our fighters. Their success is our common success. Their wound is our wound. Our victory will be the victory of each of them, as well as each of you.

"We will never give up, because Donbas and Crimea are our lands, just as Abkhazia and South Ossetia are yours. If anyone wants to erase it, I will remind you that we will be with you. Ukraine received the status of a candidate for EU membership, you are on this path, walk, we will help you. Ukraine and Georgia together, always, glory Georgia, glory Ukraine!" Zelensky told the crowd.

## INTERNATIONAL REACTIONS

MEP Viola von Cramon responded to Georgia's being given European perspective and expressed hopes that Georgia



Image source: agenda.ge

will receive the status of EU candidate in six months.

"I hope to be celebrating the candidacy of Georgia 6 months from now. For that, the Government of Georgia needs to start delivering. The EU instructions are crystal clear. Georgian Dream, the ball is in your court," the MEP tweeted.

French President Emmanuel Macron claimed that it was "a historic day."

"I think this is a historic day, as the perspective of Georgia's membership has been recognized. The Commission has clearly set the conditions for Georgia to become a candidate country. We have all seen the will of the President, the very clear message that she sent, and the will of the people who came out in the street, which called for more Europe," Macron said, adding that the above will serve as the basis for the implementation of reforms that should be carried out.

High Representative of the EU for Foreign Affairs and Security Policy and Vice-President EU Commission, Josep Borrell, tweeted that the European Council

recognized the momentous opportunity for Georgia's further European perspective.

"Now the European path for Georgia is perfectly landmarked. You know what, how, and when. We are ready to work together, to support Georgian society, to use this important opportunity to build its European future," Borrell said.

European Parliament President Roberta Metsola said she believes "the people of Ukraine, Moldova, and Georgia look to Europe as their home, their destination, because their values are our values: freedom, democracy, and justice."

Commissioner for Neighborhood and Enlargement, Oliver Varhelyi, also welcomed the European Council decision granting Ukraine and Moldova candidate status and the readiness to grant candidate status to Georgia once the priorities are addressed.

"We will continue supporting Ukraine, Moldova, and Georgia on their European path," he pledged.

"We know the government can move very quickly when it wants to pass leg-

islation," US Ambassador to Georgia Kelly Degnan pointed out this week. "We saw that in the expedited legislation last December to abolish the State Inspector Service; you saw it most recently with the expedited legislation on expanding surveillance capacity. So, we know the government can move quickly when it wants to.

She noted that the people of Georgia want these reforms to move through quickly so that Georgia can be ready for European Union membership status.

"The United States stands ready and willing to help in any way with this process. The next six months will be an important opportunity to get started. There's no time to waste and there are many stakeholders: the people, civil society, opposition parties, and some members of the government as well, who are standing ready to get started on these recommendations. Everyone wants to see a very positive report for Georgia by the end of the year, before that, if possible, but by December most certainly," he added.

# Growing Tensions between Russia and the Baltic States: the Kremlin Threatens NATO Members



The Suwalki Gap, the most vulnerable land in Europe. Source: Time

BY EKA JAVAKHISHVILI FOR GFSIS

The Russian officials have not yet fulfilled their plan to annex Ukraine; however, they are already threatening Europe with new hotbeds of conflict. This time, the Kremlin is targeting Lithuania, which has banned the rail transit of Russian goods through its own territory to the Russian exclave Kaliningrad. This is not the only reason Russia opposes Vilnius. If we look at the situation from a broader perspective, the Kremlin's new line of confrontation with the North Atlantic Treaty Organization runs through Lithuania. Russia's ultimatums and military rhetoric against Lithuania, who is a NATO member, poses a challenge to the Alliance.

In parallel with the recent tensions between Russia and Lithuania, expectations have been strengthened that Moscow's next target may be the so-called NATO "Achilles heel" – the Suwalki Gap. If Russia manages to seize the corridor between Lithuania and Poland, Russia will establish a land connection with Kaliningrad via its ally Belarus. The possible threat of Russia invading the Suwalki Gap has long been talked about in the

Baltic States, but this time, Russia's threat to Lithuania is setting off real alarms.

## GROWING TENSIONS BETWEEN LITHUANIA AND RUSSIA

The escalation between Russia and Lithuania followed the suspension of the rail transit of Russian cargo. Russia's Kaliningrad exclave, where up to half a million people live, sandwiched between EU and NATO members Poland and Lithuania, receives supplies from Russia via rail and gas pipelines through Lithuania. On June 18, Lithuania prohibited the transit of all goods subject to EU sanctions, imposed on Russia for its invasion of Ukraine, via the rail link to and from Kaliningrad. The ban affects only sanctioned goods, such as steel and other metals, building materials and high-tech products. The mentioned categories of goods amount to a quarter of total Russian rail supplies to Kaliningrad, but after August 10, restrictions may also apply to the transportation of coal and other solid fuels. The transit of passengers and freight, the carriage of which is not restricted by the sanctions, continues.

The Lithuanian Foreign Ministry stated that the transit ban was enforced in conjunction with the EU sanctions and it has not imposed any unilateral measures

on Russia. The Lithuanian authorities have rejected the complaints from Russian officials, saying no "blockade" is being imposed, as Moscow can still ship goods to Kaliningrad by sea and air. EU foreign policy chief Josep Borrell also confirmed that Lithuania was only applying EU sanctions when it decided to ban the transit of some goods to Kaliningrad.

On June 20, the Russian Foreign Ministry demanded Lithuania immediately lift the ban on the transit of goods. The Kremlin assessed Lithuania's decision as "unprecedented", "in violation of everything" and a "hostile action" and warned that if cargo transit between the Kaliningrad region and the rest of the Russian Federation via Lithuania is not fully restored, then Russia reserves the right to take action to protect its national interests.

On June 21, Nikolai Patrushev, Russia's Security Council secretary, also declared that "appropriate measures" would be taken in the near future, "whose consequences will have a serious negative impact on the population of Lithuania." Patrushev said he considers the ban of the transit of Russian goods by Lithuania as unprecedented political, informational and economic pressure from the West. He also noted that NATO is strengthening its military and intelligence presence

along Russia's northwestern border, which is straining the situation in the region. Patrushev suggested that the protection of Russian borders should be strengthened, taking into account "new threats," including the possible entry of Finland and Sweden into the North Atlantic Alliance.

Interestingly, recent Russia-Lithuania tensions preceded the NATO Madrid Summit (June 28-30). Before a final decision was made about the inclusion of Finland and Sweden in NATO, officials signaled that NATO would significantly bolster forces in the Baltic States and along the EU's eastern frontier to suspend Russian aggression.

Naturally, this issue worries the Kremlin, and it is trying to challenge the North Atlantic Alliance. Russia has launched a new strategy of confrontation with NATO, using Lithuania, and has threatened to abolish its recognition of Vilnius' independence. In late May, Russian MP Yevgeny Fedorov submitted a draft bill to the Russian State Duma repealing the resolution of the Soviet Union State Council "On Recognising the Independence of the Republic of Lithuania". Fedorov claimed the resolution was illegal on the grounds that it was adopted by an unconstitutional body in violation of the requirements of several articles of the Constitution of the USSR. According to Fedorov, Russia could reverse its decision to recognize the independence of Lithuania, Latvia and Estonia, forcing NATO to exclude these countries from the alliance. As he explained, the repeal of the decision of Russia to recognize the independence of the Baltic States will create a legal basis which will force the Alliance to return to the borders of 1997. This initiative has naturally made Lithuania quite nervous. As for the North Atlantic Alliance, such a decision could become quite a puzzle to solve.

In addition, such opinion was voiced in the media that Russia may make territorial claims to Lithuania for the port of Klaipeda (known in Germany as Memel). The port of Klaipeda originally belonged to Germany, later to Lithuania, and on the basis of the 1945 Potsdam Conference, it was ceded to the Soviet Union. Some time later, Joseph Stalin decided to give it back to Lithuania as the legal successor to the Soviet Union. The current discussion about ownership of the port is aimed at damaging Vilnius' reputation as a NATO member, because alliance member states usually have to resolve territorial disputes before being invited to join the alliance.

## THE SUWALKI GAP – NATO'S "ACHILLES HEEL"

Lithuania responded to the Russian threat with calm. Vilnius is not expecting open military aggression at this stage, as Lithuania is a NATO member state, and an attack on it would lead to the enactment of Article 5 of NATO, which implies a collective defense commitment. However, according to the hypothetical scenario, if the Putin regime in Ukraine achieves some success, Russia may dare to provoke NATO in the direction of the Baltic States. For years, European diplomats, as well as military analysts, have expressed fears that in case of a crisis with Russia, Moscow could split the Baltic States from the rest of NATO by seizing the Suwalki Gap.

The Suwalki Gap (corridor), which is 100 kilometers long, is wedged between Lithuania and Poland, along the state border, and is an extremely important geostrategic area. Through this corridor, Belarus and Russia's Kaliningrad exclave are connected by land. In case of a conflict with the West, Russia can invade the Suwalki Gap simultaneously from the West and East (Kaliningrad and Belarus) and cut off Lithuania, Latvia and Estonia from the rest of NATO. This move would lead to a conflict between Moscow and NATO members that could even push the world to the brink of a nuclear confrontation.

In recent years, Russia has been establishing a strong military presence in Kaliningrad, spanning nuclear-capable Iskander-M ballistic missiles, its Baltic fleet, and tens of thousands of soldiers. In 2017 and 2021, joint Belarusian and Russian war games simulated a conflict under a scenario in which Russia takes over the Suwalki corridor. Given the existing threat, NATO member states are increasing their military presence in the Baltic States and are conducting large-scale military exercises, including in the Suwalki Gap.

Because of Russia's colossal military losses in Ukraine, the chances of a confrontation between Russia and NATO are quite low at this stage. However, military experts agree that readiness for such a scenario should be strengthened, including bolstering the Baltic air defenses and ensuring better integration between local forces and the rest of the Alliance. The fact is that the consequences of the Ukrainian war will largely determine Russia's next steps in the region. As Mikhail Kasyanov, a former Russian prime minister under Putin suggests, "the Baltic States will be next if Ukraine falls".

# The Ever-Sickening Political Process

OP-ED BY NUGZAR B. RUHADZE

Liberal democracy is good, but not an overdose of the stuff, by which I refer to the current political processes in Georgia, which are sickening by the day.

In the wake of the European Union's exclusion of Georgia from the famous trio of Union candidates, certain problems and difficulties have occurred in the field of interaction within the country's political spectrum, as miscellaneous and shaky as it has been in the last 30-something years.

When the exaltedly expectant Georgia was shown a red flag on the way to its EU membership candidacy, the national frustration became truly universal and vividly sincere. The people, especially the West-stricken part, took to the streets to tell the world that Georgia belongs only in Europe and nowhere else, in a rally at least a 100,000-strong, spontaneous and overwhelming as never before; peaceful, balanced and full of benevolence between the participants, as well

as towards those who thought that Ukraine and Moldova deserved to be living and developing in the vicinity of Europe, but Georgia as yet did not.

The crowd was unrecognizably young, not terribly politically-minded, but was elevated in spirit and mind. There was something noticeably true and frank in the whole thing. No anger, no irritation, and not even a vestige of inveighing against each other. The overall sociopolitical sentiment of the rally could be described in words like: 'Here we are, the good people of Georgia, who want and deserve to be among you, our precious Europeans.'

That was June 20. The all-national outing continued on the 24th, and, as if by the wave of a magic wand, everything changed. The routinely familiar faces of politicians started appearing to carry on pushing their never-changing cause: the toppling of the current ruling power. The get-together thus became that familiar 30-year shout-and-scream about ousting the government and bringing in one that could "do a better job." The sound and smell of the event became so much rubberstamped in old style and so arduous that the disgruntled crowd began to

dwindle away, mumbling under their noses their dissatisfaction with that customary practice, seen many times before, and that exhaustion began to permeate the demonstration.

And right out of the blue, somebody among the overexcited and furious crowd of the oppositional forces came up with an outrageously unconstitutional proposal to create a provisional technical government, the only function of which would be to lead Georgia in the next six months towards candidacy for the European Union membership, denying this pleasant opportunity to the current government of the country.

OK, let's assume that this overly presumptuous suggestion is possible, even if it goes against the grain of the main law of the land. Let me first present the questions that popped up as soon as the preposterous scheme was suggested: Who might be the members of that unlikely government? Who will nominate the presumable members? Who will approve them? Who will give them the necessary legitimacy? Under whose responsibility will they be given the public mandate? Why should this odd group of parvenus be trusted by the



Image source: rferl.org

powers that be in Europe?

Europe doesn't even want to take it seriously and comment on it! And, finally, why should the legally elected Government of Georgia leave the arena so unassumingly and lay the red carpet for this eccentrically created bunch of wannabes who simply cannot and will not become a gonnabe bunch without the will of the majority of the country's electorate? Are these bizarre players in the political game suggesting we abrogate the extant electoral system and substitute it with something new, without the consent of the majority of the Georgian people? Is there

on earth any reasonable way to explain the political voluntarism of this magnitude?

What amazes me most of all is that there are hot heads in this land who are capable of conceiving such weird thoughts as this, and not just that: They are capable of pushing these ideas into the national agenda for further consideration and approval, and the sick attempt is to be continued at the next rally on July 3. I can understand exaggerations in general, but not ones of this enormity. Very openly, thoughtfully and honestly I say: Enough is truly enough!

# Bruno Maçães on Putin's Empire Ambitions and Georgia Losing Its Way

Continued from page 1

## IS THE INTERNATIONAL ORDER COLLAPSING?

It's under a lot of pressure and will need to be rebuilt. We cannot have the illusion that everything is going to remain exactly the same. The way to counteract Putin is to rebuild a more solid international order, with some differences from the previous one. For example, the question of energy is the main one - it is obvious that the existing energy trade network is simply not stable, but change is going to take a while.

The problem is that Russia is still a big part of the existing order. Once Russia says it's not playing by the rules, and will no longer participate, that alone is sufficient to create a huge level of chaos and disorder. Russia was at the center of the global economic order, and some think the World Economic Order is ultimately based on energy. So you cannot say that Russia is North Korea or Turkmenistan or even Iran. It was very central to the existing order, and Russia removing itself from that order has consequences, and, whether you like it or not, it will have to be rebuilt.

## WHAT SHOULD THE WEST'S STRATEGY BE TO COUNTERACT?

A real energy transition is needed. We had this concept of transition where it was done almost overnight, flipping a switch. That's created a lot of instability too. It has to be a strategic transition over a decade or two, well-planned, with the necessary investment at the level of society - none of this has been prepared. The debate on climate and energies I see in Europe is based on ethics and almost nothing else. As if this is an ethical question. It's political, economic, geopolitical. We need a more phased-out transition, more prudent, slower and more strategic. Second, we need to develop a realistic global energy network, with many countries that perhaps we didn't think about as partners, but who should be, in the Gulf and Africa for instance, Angola and Mozambique have a lot of natural gas. We need to build the infrastructure, invest money in LNG terminals, not just in the US, but in many African countries. This has never been done before. We need to work with Egypt and Algeria, there's a lot to do there. We need to create infrastructure inside Europe, diversify to other energy sources, hydrogen and biofuels. Until now, we've been too addicted to cheap Russian natural gas.

## WHAT ELSE NEEDS TO BE DONE APART FROM IN THE ENERGY SECTOR?

Planning future energy is central, that's where we are really vulnerable. But in the immediate short term, it is of critical importance for Europe to guarantee that Ukraine survives as a state and provide Ukraine with weapons.

## HOW COMPETENT AND UP-TO-DATE IS WESTERN SUPPORT, INCLUDING MILITARY?

The priority now is heavy artillery, but we only started to address that when it became a priority. There was no planning ahead of time. Now we can see that



People who think we just have to wait until Putin dies are very mistaken

within two, three months, the problem for Ukraine is going to be tanks, which are getting depleted, and this means more logistical hardship, so we should start preparing for that right now. Many people in the West are slowly moving to the conclusion that we need to give Ukraine unconditional support. Once we reach that conclusion, things will improve. But it's been difficult. There were even concerns that Ukraine would not be able to operate some of these armaments, or that they might fall into Russia's hands. It's been a slow learning process, but it's happening.

## MIGHT IT BE TOO LATE FOR UKRAINE WHEN WE REALIZE THE NEED TO GIVE THEM UNCONDITIONAL SUPPORT?

There's a danger that many people that didn't have to die, will die. I don't think there's a danger of a collapse on the front line. I think the war will last a long time, there will be successes and failures, ups and downs. That should be an argument to speed things up. But no, I don't think there's a danger of Ukraine collapsing at this point. It is important that particularly America was very doubtful that Ukraine could resist, and now they are being convinced she can.

## AS THE WAR DRAGS ON, AS ITS EFFECTS BECOME MORE VISIBLE AND FELT BY PEOPLE IN THE WEST, WE ALSO HEAR GROWING CALLS TO NUDGE UKRAINE TOWARDS A CEASEFIRE. HOW MUCH OF A CONCERN MIGHT IT BE THAT KYIV WILL BE PRESSURED INTO AN UNFAVORABLE AGREEMENT?

This is where it's important to have these debates in public, because it depends how we understand the problem. If you believe that a ceasefire is the way to ensure peace, then you might be tempted. But if you think that a ceasefire will only last a few months, and then Russia would resume the war, then it's just postponing the problem and thus is pointless. I'm one of those who thinks that the only way to solve this is to have some kind of Ukrainian victory. If Putin then wants to present it in Russia as his own victory, that's fine. But, objectively, it has to be a victory for Ukraine. A return of many of these occupied territories, particularly Kherson in the south, all the territory around Sumy, and so on, is necessary for two reasons: Only defeat will ensure that Russia does not try again; only a Ukrainian victory will ensure the health and future of Ukrainian democracy. The current situation is very positive in Ukraine: there's unity and stability. But all that could change if we allow Ukraine to be defeated. It is important to make it clear in the public debate that this so-called ceasefire would have extremely negative consequences for democracy in Ukraine, and for peace. A ceasefire would not give us peace; it would not give us democracy.

## THE FRENCH PRESIDENT SUGGESTED NOT TO HUMILIATE PUTIN AND RUSSIA BECAUSE THAT WILL CREATE BIGGER PROBLEMS DOWN THE ROAD. WHAT'S YOUR TAKE ON THAT NARRATIVE?

I think it's misguided. But we first have to point out that Macron is on Ukraine's side. Macron is on our side, but his strategy seems to be misguided. As I understand it, it's just his attempt to find his own ground, his own distinctive position. He thinks that in order for France and for himself to play a role, he has to find a position that is different from the United States and United Kingdom - he could never compete with the US or Britain in terms of military support or in terms of a discourse of opposition to Russia, so he's trying to find some empty ground. But we don't need a good cop to deal



Image source: civil.ge



A ceasefire would not give us peace; it would not give us democracy

with Putin, because Putin himself has made it clear he's not interested in any viable negotiation: He's interested in destroying Ukraine, so the good cop is counterproductive.

## WHILE THE FIRST PACKAGE OF SANCTIONS WAS ADOPTED IN A DAY, THE SIXTH TOOK LONGER AND ENDED WITH A COMPROMISE. IS THAT A CONCERN? HOW MUCH EFFECT ARE THE SANCTIONS REALLY HAVING ON RUSSIA?

I always thought the sanctions were about the long term and whether Russia could pose a threat to other European countries, to the European order. I support financial and technological sanctions, but we should have our expectations well-defined - they work slowly and will affect Russia economically in the future. I never thought they would help Ukraine. If you want to prevent a Russian victory in Ukraine, it's the arms supply that's important. Sanctions are about the strategic view of our relations with Russia in 20 years.

I never believed this idea that Swift or other sanctions would cause the immediate collapse of the Russian economy, therefore, I'm not disappointed by the result. It's about the long term. If you have the Russian economy contract 10% this year, clearly, Russia is running out of gas and oxygen to build a powerful army, but then they already have a powerful army in the present.

## PUTIN MENTIONED THAT NOW HIS VISION IS SET TO 18TH CENTURY RUSSIA. THE QUESTION IS HOW FAR DO HIS "PETER THE GREAT" AMBITIONS AND HIS APPETITE FOR GRABBING LAND GO?

I think we're seeing the limitations of Russian power already. Clearly, Ukraine is a priority for him. Now, there will probably be a period of consolidation if he is successful in Ukraine. I was in Ukraine last week, and one thing that people were discussing is that, perhaps in the future, Putin will use Ukraine as a tool for further adventures. If he conscripts Ukrainians forcefully to the Russian army, if he uses Ukrainian industrial and military bases. It seems to be the strategy to use forces from other minorities in Russia (Chechens, South Ossetians, etc.). This has happened in the past

in Russian and Soviet military history. We in Europe have lost contact with such practices that seem barbaric to us, but they are as old as Mankind; the Romans did the same. If he follows that path, it will take a while, it won't be immediate. After a period of consolidation of two or three years, Russia could then become stronger, because it would certainly be a much larger country, including large parts of Ukraine.

## WHICH COUNTRIES SHOULD FEEL THEY'RE BEING TARGETED BY THE KREMLIN AS THEIR NEXT PREY?

I don't think this is an immediate issue, or Putin himself would be acting on it, but I think we're going to see a continuation of many of his policies after him, because Putin is not the one who came up with them. We have to think strategically. People who think we just have to wait until Putin dies are very mistaken. It could happen within a period of five years and then, obviously, we'd have to be more concerned about what could happen in countries that are not part of NATO. Moldova is obviously vulnerable. Another possibly threatened country is Bosnia. You could see Republika Srpska declare independence and Russian troops called in. That's an interesting scenario. Ukraine is very important here, because if Russia is in charge of Ukrainian airspace, as it could very well be already, then they could fly through Ukraine and perhaps get Hungary to give them flight permission and get a path straight to Republika Srpska. If Russia is not defeated in Ukraine, this is the kind of scenario we'll be discussing. Even the idea that this could happen is already incredibly destabilizing. We're talking about Russian troops parachuting 300 kilometers from the German border. That's one reason for Germany to think about these things more seriously.

## WHAT ABOUT THE SOUTH CAUCASUS?

I don't think it would be a priority. Some developments have happened. You have Russian troops very much present in Armenia, patrolling the Turkish border. I think Turkey is a good balancer to Russian power in the region. Azerbaijan has been able to develop a very clever and strategic policy as well. So I would be less concerned. Yes, we could also see developments in Georgia. But let's not exaggerate Russia's ability to create havoc everywhere, because another thing that the war has shown is that its capacities are limited.

## HOW MUCH CAN PUTIN BANK ON CHINESE AND INDIAN SUPPORT? WILL THEIR STANCES CHANGE DEPENDING ON HOW WELL PUTIN DOES IN UKRAINE?

To some extent, yes. I think China and India would be quite happy to see a more balanced, multipolar global order, so a reduction of American power would be welcomed. But it's not that India or China support Russia or that they have an alli-

ance. They support Russia's opposition to the West, which is a different thing. To the extent that Russia can limit or constrain American power globally, China is very happy. But India has also been a bit of a puzzle during this crisis, because they are one of the very few countries that have not yet condemned Russia in any way.

## WHAT'S YOUR TAKE ON THE EU MEMBER COUNTRY CANDIDATE STATUS BEING GIVEN TO UKRAINE AND MOLDOVA, WHILE GEORGIA WILL GET IT AFTER IT COMPLIES WITH CERTAIN CONDITIONS?

For me, the enlargement is about creating a powerful stable geopolitical actor, rather than expanding the European way of life or enlarging the single market. The question I ask is, are Ukraine, Moldova and Georgia aligned geopolitically with Europe? Do they have the same vision of the world order? Do they have the same adversaries, the same priorities and goals? In the case of Ukraine, that's obvious. It's been proven. And in the case of Moldova as well - you have the political leadership there taking huge risks, even putting their personal security on the line. And that's how people in Brussels interpret it. The reason Georgia is not getting the same treatment is because there's a sense that the Rule of Law is not respected, and I think there are also concerns about geopolitical alignment and whether the Georgian Dream has the same foreign policy priorities, whether they have the same views on Russia as we have in the EU. So I'm broadly in agreement with moving more slowly on Georgia. But maybe for different reasons. For me, it's a little less about Rule of Law, and a little more about geopolitics.

## BUT IF THE GEORGIAN GOVERNMENT LEADS THE COUNTRY DEEPER INTO RUSSIAN INFLUENCE, IT WOULD MEAN THE EU LOSING GEORGIA ALTOGETHER.

Well, we saw in Ukraine that the country made a choice. I don't think we should be forcing countries to align with the EU on everything, and particularly on things that are about national competence, but we do have to make sure that these countries have the same fundamental priorities for the future. This is clear in the case of Ukraine and Moldova. There's just more dots in the case of Georgia, that's all. It could change in the future: The commission didn't close the doors.

## SO, IT'S NOW ON GEORGIA TO ANSWER THOSE DOUBTS.

That's right. And there's been a sense that Georgia has lost its way, so to speak.

# The War in Ukraine and the UK's New Role in Eastern Europe

BY NINO CHANADIRI FOR GFSIS

The war in Ukraine has already become widely assessed as an event that will bring a “new reality” to all in Europe. The way the collective West responds to the Russian threat to European security will determine not only the fate of Ukraine and other Eastern European countries, but also generally Europeans' sense of safety in the years to come. The key actors in Europe have already experienced shifts in their security visions and actions in terms of making decisions to help Ukraine. The UK, in particular, has stood out as an important player in this process with its straightforward position against Russia.

The fact that the UK aims to play an active role in Eastern Europe in the security field became clear even before the full scale invasion of Ukraine. On February 17, during Liz Truss' visit to Kyiv, the Foreign Ministers of the UK and Ukraine announced the formation of a trilateral partnership between the UK, Poland and Ukraine, not only in the fields of economic and trade relations, but also in security. Just one week later, the Russian invasion of Ukraine became the first challenge for the newly formed partnership. However, the UK seems to be dealing with it successfully. Prime Minister Boris Johnson has been positioning as President Zelensky's friend and ally, and his support has been appreciated in

Ukraine, where he is often called “the most principled of opponents of the Russian invasion” and even has streets in his name.

## THE UK'S SUPPORT OF UKRAINE

The war in Ukraine has proven that the UK is ready to cooperate with the EU and be an active, if not a leading, player when it comes to European security. The war in Ukraine pushed the UK and EU to intensify their relationship, one which had experienced a certain level of distancing after Brexit. Once both the EU and the UK began focusing on the bigger picture of challenges Europe is facing, their cooperation became stronger. Liz Truss even attended the meeting of the Foreign Affairs Council of the EU in Brussels in March. Steps regarding Ukraine are based on close cooperation, and some believe that this will only increase in parallel with the war in Ukraine, as coordinated steps will be needed regarding further military support and targeted sanctions.

The UK's support of Ukraine has been strong since the very first days of the war. It has provided military support to Ukraine, including anti-tank and air defense systems, and this support is growing almost daily. Boris Johnson often states that military support to Ukraine aims to ensure that Russia's invasion plan fails. Alongside the economic sanctions, the UK has closed its airspace to Russian flights, restricted Russian media as a source of disinformation, sanctioned a number of indi-



viduals, including Putin's relatives, Russian officials, oligarchs, generals who are committing atrocities in Ukraine, and others. The number of sanctions and sanctioned individuals grows by the week.

At the beginning of April, after the Bucha tragedy was revealed to the world, on April 9, Boris Johnson traveled to Kyiv and walked the streets with President Zelensky. The visit was widely recognized as historic and a very successful diplomatic step. On April 23, Johnson announced that the UK was to reopen its embassy in Kyiv to demonstrate solidarity.

This successful partnership did not go unnoticed in Russia. After several explosions on Russian soil, Russia accused Ukraine of involvement. Even though Ukraine did not recognize that strikes had been made on Russian territory, James Heapey, the UK Armed Forces Minister, said that it would be legitimate for Ukraine to disrupt Russia's logistics

and use British weapons to do so, “even on Russia's territory.” As a response, Russia accused London of “direct provocation” and threatened a “proportional response”, including targeting decision-making centers in Kyiv. Some believe that the UK might also become vulnerable to Russian cyber-attacks, however, this cannot become a reason for the UK to reduce its support of Ukraine.

## HOW THE UK SEES THE RUSSIAN THREAT AND WHY IT IS IMPORTANT FOR THE EASTERN EUROPEAN STATES.

UK-Russia relations are at their worst, especially following a number of murder cases of former Russian spies on British territory, and the more recent poisoning of Sergei Skripal and his daughter in 2018. In this sense, in comparison with other big European powers, the UK was closer to Eastern European countries in terms of perceiving Russia as a security challenge. This shared vision and com-

mon values were also stressed in the joint statement made by the three countries, the UK, Poland and Ukraine, when announcing their new trilateral partnership.

Boris Johnson's speech in March about Putin's reasons for invading Ukraine pretty much sum up how the UK evaluates the threats from Russia on other Eastern European states. In his speech, Johnson noted that if Russia wins this war in Ukraine, it means the “extinction of any hope of freedom in Georgia and then Moldova” and that this will affect the entire region of Eastern Europe and give a green light to autocrats all over the world. This vision determines the UK's policy towards supporting Eastern European countries and now firstly and most importantly Ukraine, against Russian aggression. The UK officials, alongside the other Western leaders, more and more often stress the need and express readiness to support other countries outside of NATO and under the threat of Russian influences, including Georgia and Moldova. The war in Ukraine might be becoming an opportunity for the UK to play a new role in supporting Eastern European security, not only during times of war, but also in the future. Further, it opens a momentum for these countries, especially non-NATO members, to follow the path of Ukraine and take steps to deepen cooperation in strategically important directions with the UK, a strong European actor with a clear understanding of the Eastern European security context.

## Behind Enemy Lines: Ukrainian Resistance Under Russian Occupation

BY MICHAEL GODWIN

Ukrainian and Russian forces clash along the front lines, trading territory and small villages in prolonged combat. However, behind these lines, in Russian controlled territory, Ukrainian citizens have made their disdain pronounced to their occupiers. While many of these events are only partially reported, due to their clandestine nature, they are making life for Russian troops uncomfortable.

Many predicted a resistance effort would be seen, as Russia advanced swiftly in the southern sector. With much of the population still vehemently pro-Kyiv, it was unlikely Russian's ham-fisted attempts at repression would be successful. As the army passed on to combat Ukrainian regular forces, the Interior Ministry and National Guard troops followed on to assume the work of assimilation.

The southern city of Kherson has been an epicenter for much of the partisan activity. In the early days of the invasion, protestors peacefully took to the streets to oppose the Russian forces. Despite tear gas and shots fired into the air, they eventually succeeded in removing the army from the city.

However, the follow-on forces arrived under the guise of humanitarian aid and reconstruction. Many critics investigating these humanitarian aid packages for the civilian populace found that a significant portion was made up of food items stolen from Ukraine. Taken from other shops in other areas, they had been repackaged and relabeled to show Russia as the great benefactor to the people. This spurred the resistance effort to grow rapidly.

These local resistance units are hard to identify. Naturally, they opt for secrecy and clandestine operations rather than the spotlight. Fighting an occupation army requires such tactics, particularly as the Russian Army moves past and Interior Ministry or Rosgvardia (Russian



Demonstrators chant “go home” while walking towards retreating Russian military vehicles in Kherson, Ukraine March 20, 2022. Source: REUTERS

National Guard) units move in. Neither is known for their soft approach to assimilation.

An exemplary case of this is the occupied city of Kherson. The major shipping and economic center of over 280,000 residents was captured in the first days of March. After 40% of the population left the city, only those willing to capitulate or willing to fight remained. It took little time for the residents to begin their resistance. In the first days of occupation, residents took to the streets to protest the Russian presence. Already, lists were being made of those that might become problematic to the new regime.

The city became a case study for Ukrainian resistance, along with the neighboring southern city of Melitopol. In late April, Ivan Fedorov, the mayor of occupied Melitopol, declared that “According to our intelligence, the deaths of 100 occupiers have been confirmed.”

In Kherson, attacks began with the killing of pro-Russian public figures. On March 20, Pavlo Slobodchikov, a local businessman who worked with the Russian forces, was shot in his car, along with his wife, by an alleged “Ukrainian sabotage group.” Pro-Russian blogger and activist Valery Kuleshov was shot in his car in the early hours of the morning on April 20. It became clear that those that chose the occupation were set to pay a price.

These local fighters have remained in

the shadows, but their attacks have intensified as Ukrainian forces have advanced to within 20 km (12.4 miles) of the city. Fedorov stated that “our people are doing everything to make sure the land burns under the feet of the occupiers,” in reference to the resistance efforts ahead of a potential Ukrainian liberation. These efforts have amounted to approximately 100 Russian military or police personnel being killed by these shadow warriors. Poisoned food, grenade attacks, and ambushes on police patrols have all taken their toll.

More recently, the attacks have become more personal. Yevgeny Sobolev, a former Ukrainian jail warden, was attacked by an IED hung from a tree in Kherson in mid-June. While he and his driver were only wounded, it's reported that he lost the use of his legs in the attack. Former anti-corruption agent Yevgeny Shevchenko commented on the incident saying, “Yevgeny Sobolev, the head of the 90th correctional colony, who went over to the side of the occupiers, has just been liquidated in Kherson - I wonder who killed him?”

The partisans also ambushed Russian service members during a visit to a local cafe in Kherson. According to Ukrainian command, a trio of Russian occupation forces stopped in a waterfront cafe for lunch, during which they were ambushed by unknown assailants. These unknown assailants are purported to be members

of the resistance.

These resistance members, based on their tactics and equipment, are likely former members of the military and police. Either being left behind by choice or by circumstance, the resistance members were forced to melt into the populace to avoid the impending purge by Russian authorities. Despite the patrols of occupation forces uncovering Ukrainian weapons and ammunition caches, they remain armed.

Their effectiveness is unclear, but it does in fact pull resources and attention away from conventional operations on the front line. In the case of Kherson, as Ukrainian forces draw near, Russians commanders have to step away to deal with these insurgent attacks. They are forced to spend time, resources, and manpower on these partisan activities while also conducting warfighting missions.

Politically, these resistance movements have significantly shaken the efforts of Russian-backed local leadership to stage a referendum. Efforts to incorporate the region into Russia or form an independent state could be derailed if these asymmetric forces continue to wound or kill members of the occupation. Additionally, it reduces the legitimacy of any “puppet” government put in place if there are routine attacks against this establishment.

However, the organization of the resistance groups is hard to determine. While their very nature is designed to be a shadowy element, there has been little in the way of any symbolism or nomen-

clature. Kherson's Russian-backed authorities seem to have done an effective job of suppressing any outreach or online presence of these groups.

In one instance, the so-called Berdyansk Partisan Army has been more outspoken, particularly on Telegram. “Russian occupiers and their collaborators, do you think they have established control over Berdyansk? You still don't know which mousetrap you got into,” the group posted on the popular encrypted social media channel. They continued with bold claims of their strength by saying “We, the Berdyansk Partisan Army, are already building up our forces and are ready to come out of the shadows.”

While these groups have struck at the underbelly of the rear echelons of the Russian military offensive, their effectiveness is difficult to gauge. While resources and manpower must be rerouted to handle their attacks, it is unlikely to make massive waves on the frontlines. However, should Ukrainian forces make enough headway in the south so as to threaten the city of Kherson, the resistance may allow for a foothold to be made.

As partisan attacks will likely continue, Russian efforts to stabilize and absorb the territories will be exceptionally difficult. Eroding away at the facade of being “welcome liberators,” the Russian military authorities will have to fight a two front war, split between internal and external threats. This split could be, if taken advantage of, the gap in the proverbial armor of the occupation regime.



Russian forces inspect the site of an explosive device after it detonated injuring a Ukrainian collaborator in Kherson. Source: News.pn

# The Sit Down: Zviad Adzinbaia and the Information War against the Kremlin



Zviad is the Founder and Head of the Digital Diplomacy Task Force. Source: Digital Diplomacy Task Force

INTERVIEW BY MICHAEL GODWIN

The Kremlin and its information campaign across the region is a well-known, and well-funded, propaganda machine. They have crafted a “product” with decades of experience in how to manipulate popular opinion in favor of their agenda. This product has been exported with varying success around the world.

Despite this, many have taken to combatting their efforts, particularly with Russia’s attempt to garner support for their vicious invasion of Ukraine. Combined with their brutal repression of dissent domestically and in occupied territories, the fight against this disinformation is a difficult one. One organization has started a unique approach to this proverbial crusade.

Zviad Adzinbaia is the founder of the Digital Diplomacy Task Force. He leads a team of experienced cyber, media, and digital diplomacy aimed at helping Ukraine resist their portrayal by Russian

media. GEORGIA TODAY sat down with Zviad to explore the man, the mission, and the challenges he faces now and in the future.

## WHAT’S YOUR PERSONAL TAKE ON THE INFORMATION ENVIRONMENT SURROUNDING THE ONGOING WAR IN UKRAINE?

I would say it is very hot. For the Ukrainian side, they are fighting a defensive war and any reaction they have is justified against the Russians. When it comes to the Russian side, they failed to meet the expectations we had in terms of getting an upper hand in the information war. What we’re focusing on is the Russian assets in European and American based social media and digital platforms. RT, Sputnik, and Ruptly are selling content to these Western networks.

Russia’s information environment operates globally. They can take it from South Africa, to India, and then into somewhere these EU bans are not applicable. That’s what has determined our thinking in taking further action against these Russian accounts. That’s the trig-

ger that the Digital Diplomacy Task Force, that I proudly represent, engages in the field.

## TELL US ABOUT YOUR TEAM.

Our team was formed for one reason, and that reason is Ukraine. We are committed to the idea that Ukraine is fighting a just defensive war for not only their sovereignty, but sovereignty as a broader concept. They’re fighting for Georgia, for Europe, for the United States, and the rest of the free world.

Professionally, we have a team of over 10 that have been working for over three months, pro bono, donating their time proudly. We help Ukraine advance its position in the information environment but also help the rest of the democracies improve information integrity across various platforms. We use our skills of media, social media analysis, and digital diplomacy to work closely with Ukrainian civil society, which is also part of our team.

We are not taking a hostile approach towards information platforms, but working with them. We are very collaborative, because what we are trying to do is in their interests to be a credible, pro-democracy, pro-freedom, pro-expression platform. That is not to say that freedom of expression is applicable to those who are pro-censorship or oppressing those

that are fighting for freedom.

## THE KREMLIN HAS IMMENSE RESOURCES AND AN ALMOST BOTTOMLESS BANK BALANCE. WHAT DO YOU INTEND TO DO TO COUNTER THIS IMBALANCE?

We play our game, in a nutshell. We don’t care about what the Kremlin thinks about us, and our biggest “weapon” we bring is allies. These allies are technology, NGOs, government actors, and multi government actors like the European Union, who have been working to counter Kremlin mainline information operations for years.

There is a whole list of professionals and organizations, such as the Atlantic Council, the German Marshall Fund, and others, that are deeply committed to making the information environment more transparent. The Digital Diplomacy Task Force tries not to overlap with these existing initiatives, but rather to amplify them as much as possible.

For instance, we are not doing open-source investigations ourselves. We are relying on our partners, such as the digital forensic research lab of the Atlantic Council. We use their findings to strengthen our digital diplomacy, and use such findings to build the case to Meta, Twitter, and others as to why these Russian accounts should not be allowed to exist.

## SURELY YOUR EFFORTS WON’T GO UNNOTICED. ARE YOU CONCERNED FOR YOU AND YOUR TEAM’S SAFETY?

I don’t think so. There’s nothing hidden about what we do. It is open-source work. We’re not intelligence officers, but digital diplomats. We’ve been in the field so we take precautions about what we do, what we say, and who we talk with. Our computers are of course more protected than your average consumer computer, but if everything from our files and storage went live tomorrow, it would be no problem. Everyone would see how we are consistent and committed to what we are doing, and how transparent we are.

## THIS WAR IS UNLIKELY TO COME TO AN END SOON, PARTICULARLY IF THINGS DON’T CHANGE IN MOSCOW. WHAT DOES THE FUTURE LOOK LIKE FOR YOU, GIVEN THAT LIKELIHOOD?

In the coming months, we are committed to following up and trying to get where we want to get in terms of the current campaign. We want the campaign to succeed and the wheels are turning slowly. However, as the FBI likes to say, the wheels are turning. The campaign is gaining momentum. For instance, this week the pro-European rally promoted our hashtag in front of over 120,000 people. That’s really good for our recognition and confidence to get ahead.

It also shows our colleagues at Meta and Google that there are a lot of people who physically and consciously care about what we do. As soon as possible, we aim to make this campaign a success. There will be more endorsement, more analysis, and more articles about us. We are working closely with the Ukrainian entities to identify the critical areas that they need support from groups like us. We don’t exactly know where we will be this time next year, but what we do know is that we will be there.



A #SuspendKremlin hashtag at a pro-European Union rally in front of Parliament. Photo by Zviad Adzinbaia

# Joint Statement by 3 Former GD MPs: We Must Equip Society with the Truth

Three MPs who recently left the ruling party Georgian Dream, Dimitri Khundadze, Sozar Subari and Mikheil Kavelashvili, have issued a statement on their common goals.

The text posted on the parliament’s website states that their goal is to “equip the public with the truth”, for which they left the party, as they recognize that “speaking publicly on certain topics on their part will cause inconvenience to the ruling team.”

In particular, the deputies make claims about the opposition’s planning of a revolutionary scenario, and say that this is why they were so focused on the issue of EU candidate status.

“We have been holding a discussion with the party leaders and the Parliamentary Majority over the last few days concerning the ongoing political developments.

“Our estimations on the processes fully coincide with the positions of our team leaders and members, however, we encountered dissent on the volume of information that should be delivered to society. Naturally, we understand our colleagues urging us to hold back on the flow of information released about the political processes, however, this is the moment our society should be better informed about the backstage of our politics. It is the fate not of any authority or party but of the country and the nation that is at stake.

“It is time to entrust the defense of the country to the people. There are the forces wanting to trigger revolution in Georgia, change the government elected by the people, or replace authority with persons directly responsible for numerous crimes committed in 2004-2012. It was the objective of the meeting of the National Movement and its media and NGOs in Bakuriani and the engagement of a famous American revolution specialist, Peter Akerman, as well as the introduction of



the issue of the EU candidate status. It is crystal clear that the candidacy for Ukraine today is absolutely irrelevant.

“The Russian military aggression put Ukraine on fire and destruction, claiming thousands of citizens on a daily basis, and the status of ‘candidate’ cannot serve as even a consolation for Ukraine in this period. The same for Moldova – a country bordering the conflict zone, sheltering thousands of Ukrainian refugees and experiencing the gravest economic problems. The only reason they granted candidacy to these two countries is to aggravate the political background for the Georgian Government and artificially trigger the spark for revolution. The candidacy served as a “mousetrap” issue for the Georgian Government.

“President Zurabishvili was the first trapped, hosted in Brussels and saturated with this narrative. According to the initial calculations, Mme. Zurabishvili was assigned to make the first statement about the EU membership application in the Parliament. In this view, she even suggested the Parliamentary session breached the Constitution. However, our team was prompt in its response and resisted this scenario. Then the National Movement and its satellites came forward on stage and started a campaign on the Application, after which, the Government made the decision on the

Application in a rational manner. The participants of the Bakuriani meeting were in advance informed and it was not a puzzle at all that Ukraine and Moldova would receive the candidacy and Georgia not, and these expectations appeared to be true. The EU decision and further developments fully coincided with the forecasts. The participants of the Bakuriani meeting stepped up and demanded the resignation of the government. The Revolution Committee of the National Movement focusses on two terms: de-oligarchization and de-polarization.

“Let us remind you that these two terms have been recorded in the Resolution of the European Parliament and were reflected in the Opinion of the European Commission. These terms have a simple interpretation: de-oligarchization means the expelling of Bidzina Ivanishvili from Georgia, and de-polarization – the release of Saakashvili and Gvaramia from their imprisonment. They developed two alternative scenarios for the revolution: a short and long-term. The short-term scenario depended on the Resolution of the European Parliament. This Resolution and the statements of the MEPs were the gravest insults to the Georgian Government, which was purposed to create an emotional background among the population. However, this scenario did not work and the first attempt failed.

The second scenario depended on the EU decision on candidacy. By refusing candidacy to Georgia, they still managed to create an emotional background, which according to their calculations, will be followed by the imposition of so-called reforms with the only goal to change the Government and appropriate the Georgian Court. As one of the MEPs, Michael Gahler, urged, the parties should prepare for a new political agreement, which means yet another attempt to make us deviate from the Constitutional framework and sign a political agreement, on the basis of which two criminals will be released and Bidzina Ivanishvili will depart. It will entail Constitutional disorder and the loss of our statehood, which cannot and shall not be done. It is inadmissible to start the negotiations with these people refusing to recognize the state, authority, or any state institution. M. Gahler also chose to state that if Ivanishvili was a patriot, he should leave the country.

“This statement reveals their true aspiration: patriots of the country shall be put aside and authority granted to the traitors, thus abandoning the country. The traitors are needed since they will accept every task assigned to them and even start a war, which is the main objective of this scenario. It was the reason that Zelensky and Arakhamia were considered revolutionary characters, which was also a part of the scenario of Akerman. The fact is that they need Georgia for the war, believing the Georgian people to be cannon fodder. They well understand that neither Irakli Garibashvili will sacrifice the country and people to war, nor Bidzina Ivanishvili. That’s why, they need the people in authority who will find no moral impediments in putting the country to destruction, and such people can be found in the National Movement and their NGOs and media. We witnessed Moldova, right upon receiving candidacy, making a statement

about the sanctions on Russia. As it seems, it was a condition put on Moldova preliminarily and thus, sacrificed this country to at least gravest economic problems.

“When 300 MEPs signed the absurd Resolution, it gave us a clear picture. Georgia will not receive the candidacy even after six months if we are not engaged in the war or impose sanctions on Russia, which is a direct way to war. The unprecedented six-month term was invented with the goal of maintaining turmoil in society. If Ukraine and Moldova, as Viola von Cramon and the Foreign Minister of Latvia state, were admitted to the 30-year waiting room, then we were not to maintain their long-term revolutionary scenario. We want everything to have a real name and, in this view, we intend to gradually inform society about the developments happening in the backstage of Georgian politics. Naturally, we intend to hold back certain parts of information. We strive to prevent a scenario that leads Georgia to disorder, war and Russian military occupation. Our country will not survive a new war. And hence, we shall demonstrate high responsibility to our country and people.

“Besides, the main goal we chase is to prevent the enforcement of the plan aiming at the creation of artificial impediments on our EU integration path. If we fail to equip society with the truth, it will become a part of the disorder and war scenario, which will forever close the door to our EU integration. We shall provide society with the truth to make them a guarantor of our European future.

“We understand that disclosure of certain issues will inconvenience our team and, thus, we have to leave our positions in the party and faction and act independently. Despite our resignation, we remain supporters of the Georgian Dream and intend to render our assistance to the team in promoting the country and providing prosperity,” reads the statement.

# ISET ECONOMIC INDICATORS



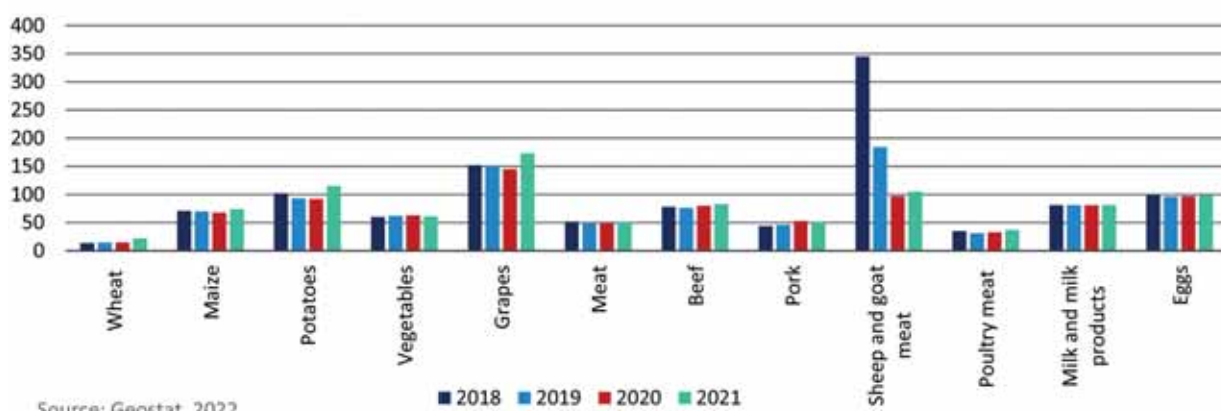
International School of Economics at TSU

AGRI REVIEW

For more: WWW.ISET-PI.GE

## ISET Agri Review | June 2022: The Sector at a Glance

Figure 1. Self-sufficiency ratios (%)



Source: Geostat, 2022

In June 2022, the National Statistics Office of Georgia issued its annual publication on the agricultural sector – Agriculture of Georgia 2021. The publication estimates that agriculture, forestry, and fishing comprised 7% of the GDP in 2021, which was lower than the 8.3% share in 2020, but in line with the general trend over the last few years (agricultural GDP being 7-8% of GDP on average). Furthermore, compared to 2020, agricultural GDP decreased by 1.4% in real terms in 2021. One explanation might be the so-called “base-year effect”, as 2020 was a good year in terms of harvest that led to increased agricultural production for the year. In 2021, the production from the hay of annual grasses increased by 58%, potatoes by 12%, sunflowers by 11%, and cereals by 6%. Meanwhile, the production of haricot beans, hay of perennial grasses, vegetables, and melons decreased by 19%, 18%, 15%, and 7%, respectively.

The production of all permanent crops, excluding pome fruits and grapes, increased in 2021 compared to the previous year. The greatest increase of 48% was observed in berries, while the production of said pome fruits (apples, pears, quinces) declined by 15%. As for livestock production, both meat and wool rose by 5%, milk increased by 3%, while egg and honey production decreased by 3% and 17%, respectively.

In terms of self-sufficiency ratios, over the last five years there has been a rise observed for wheat, from 15% reaching 22% in 2021. After a declining trend for maize seen during the last year, the crop came back strong at 74%. Moderately high growth can also be seen with grapes and potatoes, by 28 and 23 percentage

points, respectively. A slight increase of 8% was found with sheep and goat meat. The self-sufficiency rate for vegetables and pork fell marginally, although the same indicator for meat overall rose slightly. The remaining ratios were almost unchanged (Figure 1).

### PRICE HIGHLIGHTS DOMESTIC PRICES

On a monthly basis, the country's price levels rose between March and May 2022. The Consumer Price Index (CPI) increased by 2.5% in March 2022 compared to February. The corresponding month-over-month price increase was 1.8% in April 2022. While in May 2022, consumer prices increased marginally (by 1.1%) over the previous month.

Between March and May 2022, the price of food and non-alcoholic beverages, measured by the Food Price Index (FPI), also exhibited an upward trend. In March 2022, food prices rose by 2.0% from the previous month. Whereas in January and February, the corresponding month-over-month price changes were 3.3% and 0.8%, respectively.

From an annual perspective, the CPI continued to increase between March and May 2022. This March, the CPI grew by 11.8% compared to March 2021; the corresponding YoY changes were 12.8% and 13.3%, respectively, for April and May of 2022.

In May 2022, the year-over-year prices for food and non-alcoholic beverages also rose significantly, by 22%, contributing 6.88 percentage points to the change in total CPI. The main drivers were the price increases in the following sub-groups: vegetables (+51.1%), mineral waters, soft drinks, fruit and vegetable juices (+34.5%), and bread

and cereals (+23.5%).

### SPOTLIGHT

Between March-May 2022, food prices in the vegetable sub-category exhibited an upward trend. In March, prices for vegetables jumped by 27% over March 2021, while the corresponding price increase was 46.2% in April 2022. The annual increase in vegetable prices during the indicated period marked its highest level of 51.1% in May 2022. According to Geostat, prices rose for all products in the vegetable sub-category within May 2022. The largest upsurges in price were observed for cabbages (297%) and cucumbers (110%). Such sharp increases in vegetable prices might be the result of decreased production, or international market trends that reflect concerns over diminished production, enhanced agricultural input prices, rising crude oil prices, and the escalating tensions in the Black Sea region due to the Russian invasion of Ukraine.

Trade statistics reveal that from March-May 2022 the export value of vegetables amounted to 6.8 mln. USD, which was 23% lower than the same indicator in March-May 2020 (8.8 mln. USD). Meanwhile, the value of imported vegetables increased sharply (by 39%) from 12.1 mln. to 16.9 mln. USD in comparison to the same period last year. An increase in import and a decrease in export might prove a sign of the falling domestic production of vegetables.

Although the statistics for domestic production in the spring season of 2022 are not yet available, it is interesting to review Geostat's recent Agriculture of Georgia 2021 publication. In 2021, vegetable production dropped by 15% – from 176.1 ths. tons to 149 ths. tons. The average yield of vegetables in 2021 also decreased by 7%, from 11.1 tons per ha. to 10.3 tons per ha. Such a decline in domestic production and productivity levels pushed vegetable prices up in 2021. Therefore, it might have initiated rising imports across the first half of 2022 and influenced the swelling price of vegetables (Figure 2).

### INTERNATIONAL PRICES

Between March and May 2022, international prices exhibited an upward trend on an annual basis. In March 2022, the Food Price Index, measured by the Food and Agriculture Organization (FAO), rose sharply (by 34%) compared to March

2021, and marked its all-time high. In April and May 2022, the corresponding food price increases were 29.7% and 22.8%. While in May, the largest price increase was observed within the vegetable oil (31%) and cereal (30%) sub-indices. Such a sharp leap in the cost of vegetable oil was driven by rising concerns over disruptions in the Black Sea region and logistical bottlenecks. The steep rise in cereal prices was driven by increases in the price of wheat, reflecting export restrictions amidst concerns over crop conditions in numerous leading exporting countries, as well as reduced Ukrainian production because of the war.

### TRADE HIGHLIGHTS

Total Georgian export continued to maintain significant growth, and in January-May of 2020 it rose by 38% compared to the same period in 2021 (from 1,536 mln. to 2,112 mln. USD). However, the growth in agricultural export remained moderate, therefore it did not play an important role in overall growth. Agricultural exports themselves grew slightly from 396 mln. USD in 2021 to 400 mln. in 2022 (1%). Meanwhile, the share of agricultural exports in total export decreased from 26% to 19% in 2022. One explanation might be that other sectors of the economy recovered after the pandemic, as reflected in increased total exports, while the corresponding share of agricultural exports fell.

Total Georgian import increased by 37% – growing from 3,512 mln. USD in Jan-May 2021 to 4,822 mln. USD in the same period of 2022. Agricultural imports amounted to 631 mln. USD in 2022, which is significantly higher (27%) than the 498 mln. USD in the respective period of 2021. The share of agricultural imports in total import remains at a similar level, with only a small decrease (from 14% in 2021 to 13% in 2022).

Overall, the positive trend from the start of the year continues and hopefully will be maintained throughout the year.

The top agricultural export commodity, as usual, was wine from fresh grapes. Its export value amounted to 80 mln. USD in Jan-May 2022, and held a share of 20% of total agricultural export. The export of mineral waters amounted to 41 mln. USD and spirit-based beverages to 40 mln. USD – both holding a share of 10%. While hazelnut and other nut exports equaled 35 mln. USD (a share of 9%), and waters containing added sugar reached 23 mln. USD (6%).

The highest growth is seen for milling

industry products, which increased almost seven times – from 1,892 ths. to 14,780 ths. USD (681%). This can be explained by rising international wheat prices and the ongoing war in Ukraine, both hindering import from Georgia's main trade partners. A significant jump was also seen in vegetable plaiting materials, from 6 ths. to 30 ths. USD (369%), and followed by an increase in the import of live animals, by 85% from 2,018 ths. to 3,743 ths. USD. For vegetable saps and extracts, it stands at 82% growth, from 162 ths. to 295 ths. USD. Lastly, the respective changes in import values for edible products of animal origin showed an 80% rise, from 8,212 ths. to 14,753 ths. USD (Figure 3).

### POLICY WATCH

#### The Government of Georgia subsidizes agricultural landowners

According to the State Program for Supporting Agricultural Landowners, the government is subsidizing farmers by giving out points on agro-cards. The subsidy for agricultural land was set at 300 GEL per hectare (300 points accrued on an agro-card). Under the program, landowners or co-owners receive subsidies for owning 0.25 ha. up to 1.25 ha. of agricultural land. These points can be used for purchasing agricultural goods, herbicides, pesticides, seed materials, agricultural implements, etc. within specialized agricultural goods shops.

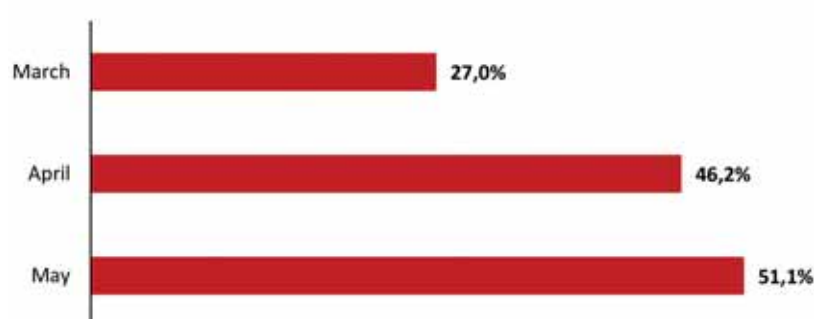
For more information follow this link: <http://mepa.gov.ge/Ge/News/Details/20836>

#### The Government of Georgia approves a regulation on criteria and indicators for sustainable forest management

On the initiative of the Ministry of Environmental Protection and Agriculture of Georgia, in cooperation with international experts, the Criteria and Indicators for Sustainable Forest Management in Georgia (C&I) document has been developed, which aims to create legal instruments for reporting on the state of, the management quality, and on the sustainability of forests in Georgia. The development of these national criteria and indicators for sustainable forest management has been implemented under the support of the German Society for International Cooperation (GIZ), as part of their Integrated Biodiversity Management in the South Caucasus (IBiS) project.

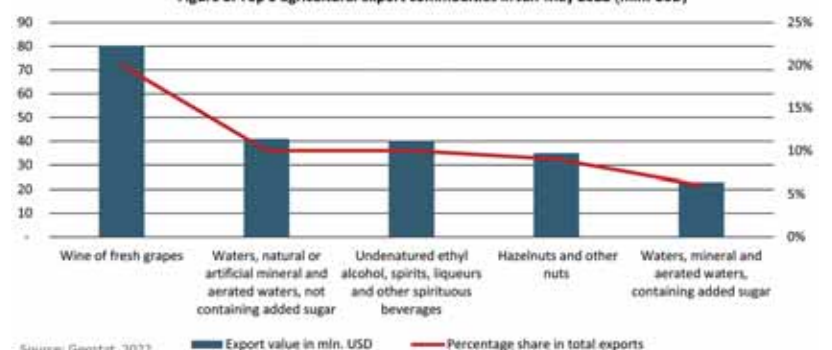
For more information follow this link: <http://mepa.gov.ge/Ge/News/Details/20822>

Figure 2. Annual price increases for vegetables (March - May 2022)



Source: Geostat, 2022

Figure 3. Top 5 agricultural export commodities in Jan-May 2022 (mln. USD)



Source: Geostat, 2022



# Beka Gogichaishvili Appointed CEO of Liberty Bank



The Board of JSC Liberty Bank has announced Mr. Beka Gogichaishvili as the new Chief Executive Officer (CEO). Mr. Gogichaishvili has a broad and extensive experience within Investment Management and Financial industry. His insights include Global Financial Markets, Financial Analytics and Business Development. He has been responsible for large investment projects and for overall business delivery in both management and Board roles. Throughout his career, he has worked for companies like Universal Card Corporation, TBC Bank, Partnership Fund and Hunnewell Partners (UK) LLP. Beka Gogichaishvili was elected as a member of supervisory board of JSC Liberty Bank in November 2020 and

has been actively involved in the creation of its strategic vision and decisions. Mr. Gogichaishvili holds a Master of Science degree (MSc) in Management and Finance from University of Sussex (UK). Liberty Bank Chairman Mr. Murtaz Kikoria said: "We are very pleased that Beka Gogichaishvili has accepted the position of new CEO of Liberty. He has a broad and unique experience, from both the Financial Industry and insights of Liberty Bank, which we believe will be very valuable for the continued success of new Liberty's growth plan." "I am very excited about joining such a competent and capable team," Gogichaishvili said. "In the past years, Liberty has been very successful in delivering fundamental transformation,

execution of its new long-term strategic vision and strengthening its positions as the country's third largest universal financial institution. I am certainly looking forward to developing the company further with a clear ambition to deliver on growth and customer-centric approach in all our products and services and become a Financial partner for every family in Georgia." Liberty is one of the largest Banks in Georgia, with total Assets of up to GEL 3 bln. The Bank operates the largest branch network comprised of over 360 branches and 617 ATMs. The Bank is the exclusive agent of the Government of Georgia for the distribution of pensions and social benefits. The Bank employs over 4700 employees serving over 1.7 mln customers.

# Traffic On Road Connecting Georgia and Russia Restored



Traffic on the Mtskheta-Stepantsminda-Larsi Road connecting Georgia and Russia has resumed following the flooding of the Tergi River, the Roads Department of Georgia reported. "As a result of intensive works and relevant measures, traffic flow was restored on the 136th km of the Mtskheta-

Stepantsminda-Larsi road of international importance (neutral zone)," the Agency said. The Department further noted that a temporary road would be used for traffic at this stage, while the main road is being repaired. For the record, late on Monday, the flooding of the Tergi River in the north of Georgia damaged an 80-meter section

of the road, with the Kazbegi customs checkpoint across the border also forced to suspend operations. Traffic has also resumed under special mode on the Zhinvali-Barisakho-Shatili road in Georgia's north-east. The flooded Aragvi River there damaged the carriageway, leading to all vehicles being prohibited on several sections of the road.

# Geostat: Georgian Economy Grows 11.2% in January-May

The estimated real Gross Domestic Product (GDP) growth rate in May 2022 amounted to 11.6% YoY and 11.2% in January-May of 2022 YoY, the National Statistics Office of Georgia reports. The agency says in May 2022 the estimated real growth compared to the same period of the previous year was revealed in almost all sectors. Significant contributions to real GDP growth was observed in the following activities: transportation and storage, electricity, gas, steam and air conditioning supply, hotels and restaurants, manufacturing, construction, mining and quarrying.

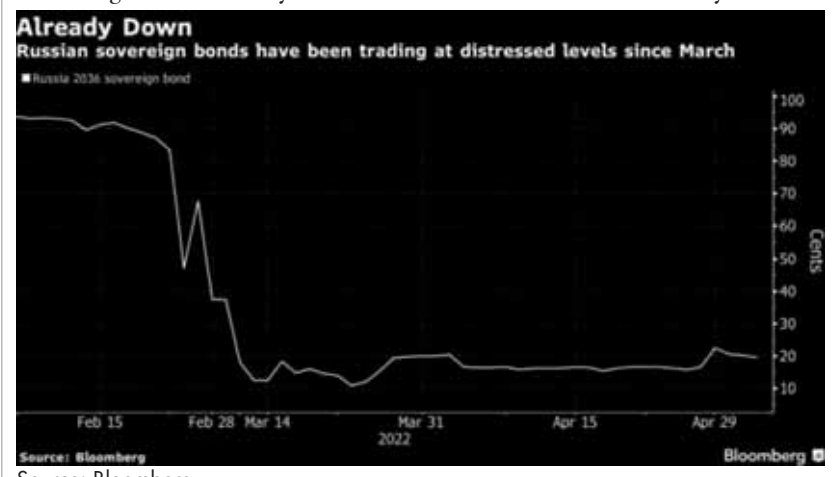
At the same time, Geostat says, the consumer price index is 113.3 compared to the corresponding month of the previous year and 101.1 compared to the previous month. Regarding the producer price index for industrial products, it is 114.2 compared to the corresponding month of the previous year and 98.8 compared to the previous month. Regarding the business statistics: Number of newly registered enterprises (unit) 6930; Change of newly registered enterprises (YoY. %) 93.5; Value Added Tax (VAT) payers' turnover used in rapid estimates of economic growth (mil. GEL) 10,446.7; Growth of VAT payers' turnover used in rapid estimates of economic growth (YoY. %) 25.3.



# Bloomberg: Russia Defaults on Foreign Debt for First Time Since 1918

Russia has defaulted on its foreign-currency sovereign debt for the first time in a century, the culmination of ever-tougher Western sanctions that shut down payment routes to overseas creditors, reports Bloomberg. "For months, the country found paths around the penalties imposed after the Kremlin's invasion of Ukraine. But at the end of the day on Sunday, the grace period on about \$100 million of snared interest payments due May 27 expired, a deadline considered an event of default if missed. "It's a grim marker in the country's rapid transformation into an economic, financial and political outcast. The nation's eurobonds have traded at distressed levels since the start of March, the central bank's foreign reserves remain frozen, and the biggest banks are severed from the global financial system.

"But given the damage already done to the economy and markets, the default is also mostly symbolic for now, and matters little to Russians dealing with double-digit inflation and the worst economic contraction in years. "Russia has pushed back against the default designation, saying it has the funds to cover any bills and has been forced into non-payment. As it tried to twist its way out, it announced last week that it would switch to servicing its \$40 billion of outstanding sovereign debt in rubles, criticizing a "force-majeure" situation it said was artificially manufactured by the West," reads the article. "It's a very, very rare thing, where a government that otherwise has the means is forced by an external government into default," said Hassan Malik, senior sovereign analyst at Loomis Sayles & Company LP. "It's going to be one of the big watershed defaults in history."



# CARE and LAG



BLOG BY TONY HANMER

A couple of acronyms to start with. The first, based in Austria and existing since 1986, stands somehow for Association for Development Cooperation and Humanitarian Aid. The second, more recent in Georgia, is a Local Action Group, this one in Messtia but to be found all over Georgia where Things Are Happening. I wanted to incorporate these acronyms into a witty title, but one has negative connotation, the other positive, and it didn't work. So nothing fancy this time.

Together, they have been helping us bring our dream of a separate café for our guest house into reality. There have been significant challenges: finding and hiring of good workers to build the thing,

Covid, and our garage fire. Plus, we run the guest house and village shop, and my wife has been the village's main English teacher for 11 years, while I also write for GT. So, busy times! But it's coming together.

We envisioned a space where both guests from afar and local people could eat, celebrate, learn in workshops or training sessions of various kinds. Hopefully using local talent as much as possible, in building, furnishing, decorating, provisioning, using; even working in. A place where the benefit would not primarily be ours, but for all.

Currently, we cook for and feed all our guests in the main house, but this is simply getting too small for the numbers we can get. There are even two kitchens here, one upstairs for people on a budget to cook and clean up for themselves, as the workers cementing our main road through the village are currently doing. But we needed a bigger kitchen, as well

as much more than the 20 maximum seating spaces we now have here. Plus a nice balcony, a first for us, from which to sit or swing and enjoy the fabulous view of the Mountain Wall on the other side of Etseri. So, the café.

While the bureaucracy has been a bit daunting, the hoops jumped through show us that this is a serious business, not the throwing of money around with no interest in how it's being used. The Association for Development Cooperation and Humanitarian Aid provided an initial grant of 5000 Euros last year, followed by another of 8000 GEL after the garage fire took a lot of our stored building materials and supplies from us this January.

Yesterday, as I write this, a friend from Ushguli came to video us talking about the vision and details of the café, and this footage will soon appear on the guest house Facebook page. We long to see, and facilitate, the working together of

local people towards common goals, instead of the fierce jealousy which for so long, centuries even, if the many watchtowers here say what I think they do, has been hampering progress and causing deep divisions everywhere in Svaneti.

We could host local art and craft demonstrations and exhibitions by adults and children, evenings of song and dance, cooking demonstrations, training in vocations or languages, parties for birthdays (as long as the drinking doesn't get out of hand: a real worry...), and more. Not just a place to eat. Where foreigners and local people can give and take the best from each other, lifelong connections be made no matter where people end up in the world. The guest book already has more than 65 languages written in it from the last 10 years, in a host of alphabets, so the future possibilities are endless. A huge thank you to the

Association for Development Cooperation and Humanitarian Aid and LAG Upper Svaneti for helping us in all this. See you at the grand opening, date to be announced!

Photos by our visiting friend Lia Bitsadze.

<https://www.devex.com/organizations/care-austria-61748>

<https://www.care-caucasus.org/ge/>  
<https://www.facebook.com/LAGMesstia>

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/](http://www.facebook.com/groups/SvanetiRenaissance/). He and his wife also run their own guest house in Etseri: [www.facebook.com/hanmer.house.svaneti](http://www.facebook.com/hanmer.house.svaneti)

## Ambassadors Respond to Tbilisi Pride Events, Urging Support for Freedom of Expression

BY ANA DUMBADZE

The Ambassadors of foreign countries to Georgia have responded to ongoing Tbilisi Pride events, urging both civil society and NGOs to ensure the protection of human rights and freedom of expression.

The Ambassador of the Netherlands to Georgia Maaïke van Koldam attended the ongoing event within the Tbilisi Pride, where she spoke about the importance of protecting the rights of LGBTQ+ (lesbian, gay, bisexual, transgender) people.

The Ambassador told reporters that the Kingdom of the Netherlands supports the protection of LGBTQ+ human rights both in Georgia and in the rest of the world. She also spoke about the support of organizations working in this direction.

"Everyone should be safe, everyone should be able to enjoy fundamental rights as enshrined in the Georgian Constitution," van Koldam said.

The Ambassador was also asked about the obligations that Georgia must fulfill in order to gain the status of a candidate for EU membership.

"As stated in the 12-point recommendations given to Georgia by the European Commission, it is vital to protect vulner-

able groups. This is one of the reasons why events like Pride Week should be well guarded, and I see that so far it is well protected at the event.

"It is also important not only to protect in general, but also to raise awareness of all vulnerable groups, including LGBTQ+ rights," the Ambassador told reporters.

The British Ambassador to Georgia, Mark Clayton, addressed a conference on Pride Week and talked about Britain's experience with the issue, noting that this year Britain celebrates the 50th anniversary of the first Pride. However, the Ambassador said, the legal status of minorities in Britain has not always been the same as it is now.

"We would not be able to achieve the level of acceptance we have in Britain now without human rights activists, especially LGBTQ+ activists who have changed the system," he noted.

However, he said, the challenges facing British activists are different from those in Georgia. In particular, according to the British ambassador, activists in his country did not have to oppose the disinformation campaign, which came from certain state actors and actively manipulated LGBTQ+ issues:

"To love those you love is the foundation of British values and an important component of all democracies," said the British Ambassador.

US Ambassador Kelly Degnan says



there are still many steps to be taken in Georgia to ensure that minorities enjoy the rights guaranteed by law, including "protecting members of the LGBTQ+ community from violence and holding those who plan and carry out violence accountable."

On June 30, Ambassador Degnan

addressed the Tbilisi Pride International Conference, which was attended by representatives of Georgia, Ukraine, Moldova, Armenia, Azerbaijan, Turkey and Belarus.

Tbilisi Pride Week is this year again being held indoors in Tbilisi. For years, LGBTQ+ people have been unable to

celebrate the week in the open because of the threat posed by violent groups. On July 5 last year, violent groups against Pride physically and verbally assaulted more than 50 members of the media who were planning to cover the Pride. Although several people have been charged, the organizers have yet to be arrested.

# Businessman Shalva Breus to Build Museum of Contemporary Art in Tbilisi



Shalva Breus at the Guerlain Award Ceremony  
BY KETEVAN SKHIRTLADZE

**O**n March 4, at the fourth auction that was announced by the Property Management Agency, the building of St. Mikheil Hospital on Agmashenebeli in Tbilisi was sold for 16 million GEL. The building was bought by Hansi Ltd, the owner of which is Shalva Breus, a Georgian businessman working in Russia. The buyer had no bidders at the auction because the project was intended for a cultural purpose from the very beginning and was not commercially interesting for businessmen.

The investor intends to build a museum of modern art on the territory and is intended to be not only a museum in the classical sense but also a "new modern center of culture," which will be equipped with educational, scientific, exhibition and leisure facilities, a library and publishing house, for which an investment of at least 30 million GEL will be made over five years.

Shalva Breus is known among contemporary art lovers around the world as an expert in contemporary art, a member of the jury of numerous international competitions, including the Marcel Duchamp Prize, Guerlain Painting and Graphics Awards, publisher, collector, and philanthropist. His collection of contemporary paintings, the core of which is the works of German Expressionists, is also world-renowned. His collection is rich in contemporary Georgian paintings. Breus founded an International Foundation of his own name, which established the Kandinsky Prize, along with the British Turner Prize and the French Marcel Duchamps Prize, representing the top three awards in the

world of contemporary art.

The businessman, along with the world's leading specialists, has long been working on unique projects of the Museum of Contemporary Art. The selection of a place for the museum has been going on for years. Architecturally interesting places and monuments of Venice, Moscow, Brussels, and Tbilisi were discussed, but Breus ultimately chose Tbilisi. "I was born and raised in Georgia, I love Georgia, I love art and the emotion of crossing these two vectors, and so decided to implement the project in Tbilisi," Breus said.

Shalva Breus has implemented a number of charitable projects in Georgia, including the restoration of the Nevsky Church in Abastumani and the saving of unique frescoes painted by Nesterov;

Construction of the Holy Trinity Church Complex on Trinity Mountain in Batumi, which has already become a niche of the city and due to which it was awarded by the Catholicos-Patriarch of Georgia with the highest ecclesiastical order, the Cross of St. George. His name is also associated with the restoration of the lost tradition of church mosaic in Georgia. Since the Museum of Art will be non-profitable, this project has a purely social and cultural importance, which envisages the realization of a space for education, scientific, research, publishing, exhibitions and leisure in a unified system.

The project foresees maintaining the appearance of the historical monument of Mikhailov Hospital and the greenness of the adjoining historic park. The author of the project intends to solve this dif-

ficulty by involving the world's leading architects in a competition. The competition has already been announced, and a group of the most authoritative and best architects in the world are set visit

Georgia to learn about the facility on the spot and start working on the design for the Museum of Contemporary Art.

"The building itself should also be a work of art," says Shalva Breus.



At the Guerlain Award Ceremony. Jury members Shalva Breus and Director of Pompidou Museum Bernard Blisten.



**PUBLISHER & GM**  
George Sharashidze

**COMMERCIAL DEPARTMENT**  
Commercial Director:  
Iva Merabishvili  
Marketing Manager:  
Natalia Chikvaidze

**EDITORIAL DEPARTMENT:**  
Editor-In-Chief:  
Katie Ruth Davies

**Journalists:**  
Ana Dumbadze,  
Vazha Tavberidze,  
Tony Hanmer,  
Emil Avdaliani,  
Nugzar B. Ruhadze,  
Michael Godwin,  
Ketevan Skhirtladze,  
Mariam Mtvilishvili

**Photographer:**  
Aleksi Serov

**Website Manager/Editor:**  
Katie Ruth Davies

**Layout:**  
Misha Mchedlishvili

**Webmaster:**  
Sergey Gevenov

**Circulation Managers:**  
David Kerdikashvili,  
David Djandigava

**ADDRESS**  
1 Melikishvili Str.  
Tbilisi, 0179, Georgia

Tel.: +995 32 229 59 19  
E: info@georgiatoday.ge  
F: GeorgiaToday

**ADVERTISING & SUBSCRIPTION**  
+995 555 00 14 46  
E-mail:  
marketing@georgiatoday.ge

Reproducing material, photos and advertisements without prior editorial permission is strictly forbidden. The author is responsible for all material. Rights of authors are preserved. The newspaper is registered in Mtatsminda district court.

Reg. # 06/4-309

The  
Economist



The Economist's predictions for the year ahead!  
Coming soon in Georgian! 🌐 **THE WORLD AHEAD 2022**  
For advertising contact - [marketing@georgiatoday.ge](mailto:marketing@georgiatoday.ge)