

GEORGIA UPDATE

WEEKLY EDITION • 11 February 2010

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

TOP STORIES

- Censorship Case Against Eutelsat Moves to Next Stage in Paris Courts
- As France Approves Sale of Mistral Warships to Russia, Opposition Grows from US, NATO Allies
- A Dozen Parties to Re-Check Voters' List for May Elections
- Georgia Remains "Thriving Partner" of America, Says US Deputy Secretary of State
- Georgia's 2010 Economic Growth Might Exceed Earlier Forecasts of 2%
- With Tbilisi Golf Course & Five-Star Resort, UAE Developer Increases Investments in Georgia
- Georgia Hopes to Conduct Youth Olympics in 2015



US Deputy Secretary of State James Steinburg visited Tbilisi last week to discuss Georgia's democratic and economic reforms, as well as the security situation. He praised Georgia as a "thriving partner" of the US and voiced support for Georgia's democratic and economic development. Steinberg also thanked President Saakashvili for Georgia's troop commitment to NATO's mission in Afghanistan, which is the largest per-capita contribution of troops by any country other than the United States.

INTERNATIONAL MEDIA ON GEORGIA

INTERNATIONAL HERALD TRIBUNE: Politicus—lessons from Russia's "little war"

NEW YORK TIMES: Georgian TV channel says Russian company elbowed it off the air

WALL STREET JOURNAL: Editorial—A clear signal from Eutelsat

THE IRISH TIMES: Georgia plans for ties with Abkhazia and S. Ossetia

FOREIGN POLICY: Georgia prepares to deploy "Holbrooke Brigade"

RFE/RL: South Ossetian leader criticizes Russian construction firms

POLITICO.COM: US pondered military use in Georgia

REUTERS: Russia names NATO expansion as national threat

EURASIANET: Tbilisi plans to trademark national dishes

WALL STREET JOURNAL: Dark whites from the wild East

QUOTES OF THE WEEK

"Our friends and allies in Eastern Europe are clearly nervous about it, especially Georgia. And with good reason: They fear these new warships would give Russia additional capabilities to once again threaten Georgia from the Black Sea."

—Pentagon Press Secretary Geoff Morrell on France's proposed sale of Mistral warships to Russia

"The charter we signed is the very reflection of the sustained cooperation we have across security issues, economic issues, and political issues. The commitment we made when Vice President Biden came is being fulfilled now. It is a remarkable reflection of how strongly we feel about the importance of the development of democratic reforms in Georgia. We thank you for the contribution and assistance made to the Afghan operation. It is very important for us."

—US Deputy Secretary of State James Steinberg on the US-Georgia relationship

UPCOMING MILESTONES

Feb. 15-18: President Saakashvili visits London

Feb. 17: Acting Head of OSCE Mission in Georgia

Feb. 20-27: State Minister Yakobashvili visits NYC, Washington

Feb. 22-27: National Security Advisor Tkeshelashvili visits Washington

Feb. 22-23: US Special Representative Holbrooke visits Georgia

Feb. 22: Paris Court of Commerce to hear GPB case against Eutelsat

Mar. 1-3: Greek Parliament Speaker visits Georgia

Mar. 30: Next round of Geneva talks

TOP STORIES

Censorship Case Against Eutelsat Moves to Next Stage in Paris Courts

A Paris court has ruled that Georgian Public Broadcasting's breach-of-contract complaint against Paris-based satellite operator Eutelsat can move forward. GPB asserts that Eutelsat caved to pressure from Moscow by dumping GPB's Russian-language First Caucasian channel in favor of Russia's state-controlled Gazprom Media Group. The case, which has quickly raised concerns about censorship in Europe, began last month when Eutelsat suddenly suspended broadcasts of First Caucasian. The blackout began a day after Eutelsat signed a contract with Kremlin-controlled Gazprom Media Group. Eutelsat claimed that its satellite had simply run out of capacity, but GPB considers this assertion a fig leaf. "I have proof that it is the content that presents a problem for them," said Henri D'Armagnac, counsel for First Caucasian. The suspension of First Caucasian leaves Intersputnik and the Gazprom Media Group with monopoly control of the market for satellite transmission to the Russian-speaking households in Russia and beyond. Heidi Hautala, Chairman of the Committee of Human Rights in the European Parliament, and other MEPs have said the case underscores the weakening protection of media pluralism in Europe. The Paris Court of Commerce will hear GPB's case on February 22.

[AFP: Georgia TV fights satellite "censorship" battle in Paris court](#)

As France Approves Sale of Mistral Warships to Russia, Opposition Grows from US, NATO Allies

US Defense Secretary Gates this week brought into the open the Obama Administration's sharp disagreement with Paris over France's prospective sale of Mistral warships to Russia. Gates told French officials Monday that he was concerned about their plans to sell Mistral-class amphibious assault ships to Russia. He chose the well-known diplomatic code for disagreement in describing his discussion of the arms sale with his French counterpart. "I think I would just say that we had a good and thorough exchange of views," Mr. Gates said. Added Pentagon Press Secretary Geoff Morrell: "Our friends and allies in Eastern Europe are clearly nervous about it, especially Georgia. And with good reason: They fear these new warships would give Russia additional capabilities to once again threaten Georgia from the Black Sea." NATO members in the Baltics and elsewhere also sharpened their objections. Latvian Defense Minister Liegis urged France to consider the "broader context," saying: "The potential sale could have security implications for the region." If the sale is completed, it would be the first such arms sale between Russia and a member of NATO.

[NYT: Gates Voices Concern About Warship Sale to Russia](#) [AFP: Baltic Concerns Mount Over Warship Plan](#)

[THE ECONOMIST: Why Is France Selling Amphibious Assault Ships to Russia?](#)

A Dozen Parties to Re-Check Voters' List for May Elections

Twelve political parties have applied to participate in a program to re-check voters' list, in advance of the May 30 local elections in Tbilisi. The parties started the process in early February and will continue until March 15. According to Central Election Committee Chairman Zurab Kharatishvili, 14 parties were eligible for state funding; however, the National Forum and the Labor Party have chosen not to run in the local elections. The funding envisaged is in line with election code amendments passed by the Parliament last year. The Parliament allocated \$680,000 to eligible parties willing to participate in the process.

[CIVIL GEORGIA: 12 Parties to Re-Check Voters' List](#)

Georgia Remains "Thriving Partner" of America, Says US Deputy Secretary of State

In a visit last week to Tbilisi, US Deputy Secretary of State James Steinberg called Georgia a "thriving partner" of the United States. Steinberg, who was accompanied by Assistant Secretary of State Philip Gordon, met with Georgian authorities to discuss the country's political, democratic and economic reforms. He reaffirmed US support for Georgia's democratic reform and economic development during a meeting with President Saakashvili: "The bilateral strategic partnership charter we signed is the very reflection of the sustained cooperation we have across the security issues, economic issues, political issues," Steinberg said. "Our commitment is a remarkable reflection of how strongly we feel the importance of development of democratic reforms in Georgia is," he added, referencing the US's \$1 billion pledge made last year under the charter. The US delegation also held talks with opposition leaders

[AGENCE FRANCE PRESSE: Georgia remains 'thriving partner' of US says diplomat](#)

Georgia's 2010 Economic Growth Might Exceed Forecasts of 2%

Prime Minister Gilauri last week expressed confidence that the country's economic growth could exceed 2 percent in 2010, surpassing previous forecasts. "I am confident that the GDP growth forecast of 2 percent will be met in 2010," he said. "In the absence of adverse developments in global markets, our growth rate may actually exceed the forecast." Gilauri based his projection on positive trends occurring in critical fiscal indicators, including 12-percent growth in value-added-tax revenue and a 5-percent increase in overall taxes collected. "I am delighted to note that all indicators suggest that economic growth returned to Georgia in Q4 2009," he added.

[GOVERNMENT OF GEORGIA: Economic Growth in 2010 May Exceed the Consensus Forecast of 2%](#)

With Tbilisi Golf Course and Five-Star Resort, UAE Developer Increases Investments in Georgi sets sights on Georgia

Ras Al Khaimah's Rakeen developer is teaming up with Swiss firm Harradine Golf to design and build an 18-hole golf course near the Georgian capital of Tbilisi. The Mukhrovany Golf Village will first include a golf course; a five-star hotel, villas, and apartments will follow in future. "We trust that this beautiful project will enrich Mukhrovany's and Tbilisi's communities and instigate further investment into Georgia for a sustainable development of this wonderful country," said Rakeen's executive chairman Khater Massad. Added the company in a statement: "We strongly believe in the potential of Georgia as an investment destination and are very active there with Uptown Tbilisi, the first retail destination in Tbilisi, and other developments." Construction on the golf course is set to start in April, with the course opening in March 2011.

[CONSTRUCTION WEEK: UAE developer sets sights on Georgia](#)

Georgia Hopes to Conduct Youth Olympics in 2015

Tbilisi's hopes to host the youth Olympics in 2015 received a boost last week when senior delegates of several European Olympic Committees praised the country's candidacy. Arriving in Tbilisi on the 20th anniversary of the creation of Georgia's National Olympic Committee, Patrick Hickey, chief of Ireland's Olympic Committee, and four other national committee representatives said the country has significant chances to host the Games. Hickey appraised the construction of new sport complexes in Tbilisi and expressed hope that new champions would be trained here.

[TODAY.AZ: Georgia Hopes to Conduct Youth Olympics in 2015](#)

INTERNATIONAL MEDIA ON GEORGIA

INTERNATIONAL HERALD TRIBUNE: Politicus—lessons from Russia's "little war"

According to Ron Asmus, author of a new book on Russia's 2008 invasion of Georgia, Russia trashed the basic post-Cold War rule that borders in Europe would never again be changed by force; and, after taking aim "not only at Georgia, but at Washington, NATO, and the West," it asserted it is prepared to use force again against its neighbors. Those conclusions are confined to Russia. But the book's evidence documenting the Atlantic Alliance's feebleness and feuding in the face of Russia's threats against Georgia would seem to serve as massive encouragement to any group or country thinking the West's rivalries can make it compliant.

www.nytimes.com

NEW YORK TIMES: Georgian TV channel says Russian company elbowed it off the air

Georgian Public Broadcasting (GPB) is accusing a Russian company of blocking its Russian-language broadcasts into Russia by buying out the spectrum on a French-operated television satellite. According to Georgian TV executives, Eutelsat backed out of a binding offer made to GPB the day after announcing that it had received a lucrative offer from Gazprom Media, an arm of Russia's state-controlled energy giant. "It would be easy to interpret the series of bizarre excuses from Eutelsat to GPB as the result of pressure from Gazprom Media Group on Eutelsat to preserve Gazprom Media's monopoly in Russian broadcast areas," said GPB. Eutelsat initially told the GPB that it ended the 11-day trial transmission over concerns about the content of the Russian-language programming, later saying it was terminated because the satellite's capacity was fully booked.

www.nytimes.com

WALL STREET JOURNAL: Editorial—A clear signal from Eutelsat

Last week, a French court heard Georgian Public Broadcasting's (GPB) breach-of-contract complaint against Paris-based satellite operator Eutelsat, which GPB says has caved to pressure from Moscow by dumping GPB's Russian-language First Caucasian channel in favor of Russia's state-controlled Gazprom Media Group. More to the point is GPB's censorship complaint against Eutelsat. Eutelsat's move in favor of Moscow transmits as clear a signal as the TV-watchers of Eurasia could ever need: No room for opposition here.

online.wsj.com

IRISH TIMES: Georgia plans for ties with Abkhazia and S. Ossetia

Georgia has drawn up a plan to strengthen economic and social links with the country's Russian-occupied territories of Abkhazia and S. Ossetia. The government said it "rejects the pursuit of a military solution" in seeking to "achieve the full de-occupation and reverse the process of annexation of these territories by the Russian Federation," following Russia's invasion of Georgia in 2008. "We cannot let the situation wherein the fate of residents of these regions will depend solely on the occupying power, so we plan to take active steps to provide the local population with an opportunity to have normal education, healthcare, to engage in economic projects," said Temur Yakobashvili, Georgia's minister for reintegration.

www.irishtimes.com

FOREIGN POLICY: Georgia prepares to deploy "Holbrooke Brigade"

Richard Holbrooke, US Special Representative for Afghanistan-Pakistan, plans to visit Tbilisi in February to finalize the deployment of Georgian troops to Afghanistan. In Georgia, they are calling the deployment the "Holbrooke Brigade." The plan is for 750 Georgians to be deployed in Afghanistan's most dangerous region, Helmand province, at the personal request of Gen. David Petraeus. It will be the largest per-capita contribution of any country other than the US.

thecable.foreignpolicy.com

RFE/RL: South Ossetian leader criticizes Russian construction firms

Eduard Kokoity, president of the Russian-occupied Georgian republic of S. Ossetia, last week criticized Russian construction companies engaged in building new homes in Tskhinvali. Kokoity said Russian construction companies completed fewer than 100 of the 400 new homes that were to be finished by last December, adding that the quality of construction was poor. Kokoity ordered the builders to work virtually nonstop in order to finish the rest of houses by this week.

www.rferl.org

POLITICO.COM: US pondered military use in Georgia

With desperate Georgians begging for American help in closing down the key route through which Russian soldiers were pouring into the country during Moscow's 2008 invasion, Bush's national security aides outlined possible responses, including "the bombardment and sealing of the Roki Tunnel" and other "surgical strikes." In his new book, "The Little War That Shook the World," former State Department official Ronald Asmus presents a new history of Russia's invasion of Georgia through interviews with former senior officials. Joe Wood, the deputy assistant for national security affairs to the hawkish Cheney, said he's still unsure "whether or not bombing the tunnel should have been more seriously considered." And he added: "We will know the answer to that question in 10 to 20 years," he said. "If Russia continues to assert itself either militarily or through other coercive means to claim a sphere of influence, we will look back at this as a time that they were able to change boundaries in Europe without much reaction," he said. "And then we'll say we should have considered harder options."

www.politico.com

REUTERS: Russia names NATO expansion as national threat

Russian President Medvedev approved last week a new military doctrine identifying NATO expansion as a national threat and reaffirming Russia's right to use nuclear weapons if the country's existence is threatened. The doctrine says that one of the "main external threats of war" comes from NATO's expansion east to Russia's borders. As Russia's conventional troops lack modern equipment and are undergoing a painful reform aimed at creating professional armed forces, Moscow is relying on its nuclear arsenal as a last resort, according to the doctrine. The new text comes as Russian and US negotiators continue to try to finalize agreement on a new bilateral pact cutting stocks of strategic nuclear weapons.

www.reuters.com

EURASIANET: Tbilisi plans to trademark national dishes

Georgia's Patent Agency has announced plans to trademark distinctive Georgian national food products such as khachapuri (a calzone-like cheese pie) and Sulguni cheese. Irakli Ghvaladze, head of the agency, said that while France has trademarked more than 300 varieties of cheese, Georgia has not trademarked a single one, "even Sulguni," a cheese still popular across the former Soviet Union. A local breed of sheep is also slotted to be designated as a national brand. The initiative is currently under consideration by Georgian Agriculture Minister Bakur Kvezereli.

www.eurasianet.org

WALL STREET JOURNAL: Dark whites from the wild East

The better Georgian wines issue from another world, or at least from another age, and it's impressive how inflexibly indigenous they have remained. Of course, the usual Georgian wines in our American wine stores may also be indigenous, which only shows that authenticity and quality are far from the same thing. Perhaps it's just a matter of separating wheat from chaff, because these wines have immense pedigree, not to mention delightful weirdness on their side.

online.wsj.com