

GEORGIA UPDATE

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President Saakashvili met in Washington last week with Senate leaders, as well as with US General David Petraeus (above), who leads US and NATO forces in Afghanistan. Gen. Petraeus said that Georgian soldiers were confronting the hardest missions in Afghanistan; he thanked the President for Georgia's troop contributions and proactive commitment to global security. President Saakashvili also delivered a speech at the Brookings Institution, where he elaborated on the challenges of moving from revolution to deep, sustainable reforms.

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QUOTES OF THE WEEK

"It is necessary to resolve the issue of providing defense systems to Georgia, so the country is able to defend itself from a Russian attack. The Georgian people should be able to defend themselves against aggression."

◆ US Senator John McCain

"I am confident that the CPHRL will become a premier center for disease surveillance, reference, and research and advance the security of America, Georgia, and the world. It will also serve as a manifestation of America's commitment to Georgia."

◆ US Senator Richard Lugar on last week's launch of the Central Public Health Reference Lab in Tbilisi

"Revolutions are not only about waving flags and what happened just on some particular square however beautiful it might look.... When people go back home to their problems they want jobs, they want a future for their kids, they want health care and there should be someone there who can deliver it within the framework of freedom."

◆ President Saakashvili speaking to Charlie Rose

UPCOMING MILESTONES

Mar. 21: NATO Parliamentary Assembly President Karl Lamers visits Georgia

Mar. 22-25: PM, ministers present government's plans to Parliament

Mar. 23: President Saakashvili participates in European People's Party Congress in Brussels

Apr. 1: ICJ to issue initial ruling on ethnic cleansing cases against Russia

Apr. 15-20: Parliament Speaker Bakradze attends IPU meeting in Panama

May 15: President Saakashvili delivers commencement address at Ohio Northern University

Jun. 7: Next round of Geneva peace talks

TOP STORIES

Georgia's Economy Grows 6.4% in 2010, Rebounding Sharply from Invasion & Crisis

Georgia's GDP rose 6.4% year-on-year in 2010 thanks to rising bank deposits and credit portfolios, a revival in tourism and new infrastructure projects, data showed on Monday. The growth follows a 3.8% decline in 2009 and is higher than the government's initial forecasts of 4.5% growth. "I know people today are worried about lower investments, inflation, jobs," PM Gilauri said. "But the economy grew 6.4%, which I think is a good answer to those who are worried about Georgia's economy." According to official figures, in nominal terms GDP was 20.791 billion lari (\$11.663 billion) in 2010 compared with 17.986 billion lari in 2009. Per capita GDP last year was 4,687 lari, up from 4,101 lari a year earlier. The International Monetary Fund has revised its initial forecast for Georgia's GDP growth in 2011 to 5.5% from 4.5%. The PM also said earlier this month that GDP rose more than 9% in January 2011 year-on-year.

[REUTERS: Georgian Economy Returns to Growth in 2010](#)

US & Georgia Launch State-of-the-Art Laboratory for Bio-Threat, Disease Surveillance

PM Gilauri and US Ambassador John Bass inaugurated a new high-tech, international center for scientific research and bio-surveillance in Tbilisi last Friday. The Central Public Health Reference Lab, built with more than \$100 million in funding from the US, will diagnose, monitor and track the spread of diseases in cooperation with the World Health Organization, the World Organization for Animal Health, and others. In addition to providing financial support, the US Army Medical Research and Materiel Command will have a laboratory at the CPHRL, representing a major US commitment to Georgia through a continuing presence on the ground. In addition to construction funds, the US paid for about \$40 million in state-of-the-art equipment for the center. The center will unite researchers and analysts from key government sectors in a collaborative, interdisciplinary network with international partners from leading academic institutions, top global health organizations, and other prominent expert groups. Gilauri underscored the laboratory's symbolic significance and the strength of US-Georgia relations: "This is more than just a \$100 million investment," he said at the opening ceremony. "This is a genuine expression of strategic partnership between Georgia and the US"

[CIVIL GEORGIA: US-Funded \\$100 Million Bio Lab Opens in Tbilisi](#)

President Meets US Senators, General Petraeus in Washington

President Saakashvili met in Washington last week with a host of senior US lawmakers, including Sen. Harry Reid and Sen. Mitch McConnell—the majority and minority leaders of the Senate, respectively—Sen. Jeanne Shaheen, who chairs the foreign relations subcommittee, Sen. John McCain, and Sen. Joe Lieberman. Saakashvili also met with General David Petraeus, who heads the US and NATO effort in Afghanistan. Petraeus praised Georgia for its troop contributions to the Alliance's peacekeeping mission in Afghanistan and its commitment to global security. The president met as well with IMF Managing Director Dominique Strauss-Kahn to discuss the country's reform progress. Saakashvili also addressed an overflow audience at the Brookings Institution. "Were we just going to replace the old generation with a new one, and basically do the same things over and over again?" he said in his speech, which drew parallels between the Rose Revolution and the wave of revolutions today in N. Africa and the Middle East. "Or were we going to stay true to our dreams and to the dreams of all our people who bravely came into the streets to overthrow the previous regime? We took the risk of launching a quick, radical, and comprehensive reform process. What we lacked in experience, we made up for in spades in conviction and a willingness to vigorously entertain new ideas. We were not constrained by dogma or the deadweight of bureaucracies and powerful interest groups."

[RUSTAVI: Saakashvili Meets Gen. Petraeus in Washington](#)

[CIVIL GEORGIA: Saakashvili Meets with US Senators](#)

**Georgians Celebrate Nowruz, Multi-Ethnic Society**

President Saakashvili joined Muslim Georgians in celebrating Nowruz, which marks the spring equinox and is a national holiday in Georgia. "What makes me proud most of all," Saakashvili said at a Nowruz festival in Marneuli, a Georgian town with a large ethnic Azerbaijani population, "is that we have created a unified Georgian state, where people of all ethnicities, all cultural origins and religions feel themselves children of the country, a country in which they will never regret having been born and which they will build together."

[CIVIL GEORGIA: Saakashvili Says Building of State for All Ethnic Groups Major Achievement](#)

Millennium Challenge Corporation Targeting 100-150 Million in New Aid for Georgia

The US Millennium Challenge Corporation is targeting \$100-150 million in new development aid for Georgia. "Georgia is recognized globally as one of the best investment climate reformers," said the MCC's chief executive, Daniel Yohannes, in testimony to the US Congress last week. "Over the last five years, its scores on the World Bank's Doing Business assessment have improved more than any other country in the index. The country has also made significant strides to privatize state-owned industries and improve its Transparency International rank on the corruption perception index. This good economic policy performance is reflected by the fact that Georgia has seen a 55% increase in new businesses registered." The second aid package will focus on attracting and sustaining private investment in Georgia's burgeoning economy and industries, aiming to eventually reduce the need for development aid. Government authorities are drafting a package of proposals for the funding and plan to establish an Institute of Technology in Batumi, rehabilitate a major road that links the Samtskhe-Javakheti region with the Black Sea coast in Adjara, and build a modern "American" hospital in Georgia. The MCC in 2005 awarded a total of \$395.3 million in its initial aid package for infrastructure projects and agri-business development.

[CIVIL GEORGIA: MCC Considering USD 100-150 mln Aid for Georgia](#)

Prime Minister, Ministers Engage Parliament in Weeklong Presentation of Plans

PM Gilauri and state ministers held in-depth discussions with Parliament this week in a four-day hearing on government priorities. With 6.4% GDP growth, Georgia's economy is "on the right path," Gilauri said in a presentation to MPs at "Minister's Week," adding that the country has reduced poverty and achieved significant macroeconomic goals despite setbacks caused by high inflation. Gilauri presented a 10-point state strategy outlining the government's development plans that include maintaining economic stability, boosting foreign direct investment, lowering the deficit, developing Georgia's industries and infrastructure, and advancing social, educational, and healthcare reform. The PM also emphasized the government's goal to become a regional trade and logistics hub.

[CIVIL GEORGIA: PM Reviews Economy in Address to Parliament](#)

[RUSTAVI: PM Delivers Report at Parliament](#)

INTERNATIONAL MEDIA ON GEORGIA

CHARLIE ROSE: Interview with President Saakashvili

“Revolutions are not only about waving flags and what happened just on some particular square however beautiful it might look—and we managed to do just that without violence—but the main job starts after that,” President Saakashvili said in an interview with Charlie Rose about democratic revolutions. “When people go back home to their problems they want jobs, they want a future for their kids, they want health care, and there should be someone there who can deliver it within the framework of freedom,” Saakashvili added. “That’s where the role of American comes, to tell people that there is a future for them and to help build it,” he said. “I can tell it from our experience, moral support might count more at the resolute moment because when you know you are on the right side and you are looking at the free world, in country where there is a lack of freedom, this is not an empty word.”

www.charlierose.com

LE FIGARO: Rough weather rocks the Mistral

Ever since the France-Russia Mistral agreement was concluded, Russian demands have swollen. Although France originally refused to transfer military technology with the warship sale, today France is willing to sell to Russia almost all the technology that powers the Mistral, the jewel of the navy. For any technology involving a non-NATO member, France would have to refer to the Alliance directly, and the latter would most certainly prohibit any transfer. Yet, the Mistral is equipped with sensitive technology for which France alone has authority. Paris has thus accepted to cede the communication and command systems.

www.lefigaro.fr

EU OBSERVER: Cablegate—France bullied Poland over Georgia war

“France threatened to stall the Eastern Partnership initiative if the Swedes and others opposed to ‘business as usual’ with Moscow refused to resume EU-Russia talks, according to Swedish diplomat Johan Frisell,” a US diplomat wrote in a leaked State Department cable. “Once the decision on talks on the Partnership and Co-operation Agreement with Russia was made, Sweden and Poland, co-drafters of the Eastern Partnership initiative, were given a green light to ‘move ahead’.” The cable also indicates that Poland and Sweden see the Eastern Partnership as a path to EU enlargement and security co-operation.

euobserver.com

AGENCE FRANCE PRESSE: Georgia to replace Stalin monument with memorial

Georgia is to replace a controversial statue of Joseph Stalin with a monument to those killed by the Soviet dictator and to victims of Russia’s 2008 invasion. It will be erected in the main square in Stalin’s hometown of Gori, which was hit by Russian bombs during the 2008 war. “We should always remember the hideousness of the 2008 war and of Stalin’s repressions, so that they will not happen again,” said a spokesperson from Georgia’s culture ministry.

www.straitstimes.com

EURASIA DAILY MONITOR: Frozen conflict paradigm persists in the Geneva process

Moscow, Paris, and Brussels can converge on the stagnation of the Geneva process as the lowest-common-denominator. Each of them for its own reasons emphasizes process in its own right, and stability as the measure of success. Under this cover, Russia consolidates its strategic gains in the S. Caucasus, while the EU avoids dealing with Russia’s breaches of the armistice in Georgia. Corrective actions, even of a piecemeal nature, hold a distant second place in the EU’s order of priorities. Its top priority is to prevent this situation from affecting EU-Russia relations. The conflict in its current state reproduces the main features of the 1992-2008 “frozen conflicts,” with a number of aggravating differences.

www.jamestown.org



THE ROAR: Georgia takes out European rugby’s Grand Slam

It was the rugby game that everyone waited anxiously for, the clash between Russia and Georgia’s elite national teams in Sochi. The Georgian “Lelos” got off to a rough start, having to cancel an afternoon training session after Russian customs officials detained a team member at the airport. Rain poured down at the European Nations Rugby Cup. In what commentators described as a “bitter struggle,” the score was tied at three at the half. The Lelos later gained a comfortable lead with two tries, defeating the Russians 16-9 to become the undefeated tournament champions.

www.theroar.com.au

EURASIANET: Georgia—enter the Donald

In his first deal in the former Soviet Union, American property developer Donald Trump is bringing his trademark to Georgia as part of a large-scale luxury housing project. First made public last September, Trump’s decision to expand into Georgia is being touted by the government as a breakthrough in its longstanding efforts to attract foreign investment. Meanwhile, the deal coincides with plans to hold an MTV-sponsored music festival in Batumi that could potentially attract whatever global attention the Trump name alone does not secure. Sensing a PR opportunity, the Trump Organization’s Cohen earlier congratulated MTV on choosing Batumi for the show, adding that Trump “was the first to see how special Batumi is.”

www.eurasianet.org

GLOBAL ATLANTA: Law firm commits to Republic of Georgia

Atlanta law firm Hall Booth Smith & Slover opened an outpost in Tbilisi last month, underscoring the firm’s commitment to Georgia and the region. “Placing a permanent presence there demonstrates that we are in the Georgia market to stay with an interest to provide the absolute best service because of our long-term commitment there,” said partner John Hall. “We are extremely excited about the opportunity,” he said. The firm is already working to help construction and agricultural firms from the state of Georgia do business in the country. “I expect those areas will improve and that as we demonstrate our commitment to this area, business opportunities will only increase,” he said.

www.globalatlanta.com

BOSTON GLOBE: A star turn from new arrival at Boston Ballet

Artistic director Mikko Nissinen offered 26-year-old Georgian ballet star Lasha Khozashvili a principal position with Boston Ballet, the first such hire from outside the troupe in four years. Nissinen calls Khozashvili a phenomenal dancer. “He’s one of the top male talents out in the world that I could find, and he brings something unique to this company,” Nissinen said. “He’s very experienced, very handsome, very emotionally there with his partners, and he’s not afraid to work. He likes to give everything. And he’s such a polite person. He seemed like a fish in the water with us from week one.”

www.boston.com